2003 ANNUAL REPORT

WENDEL
INVESTISSEMENT

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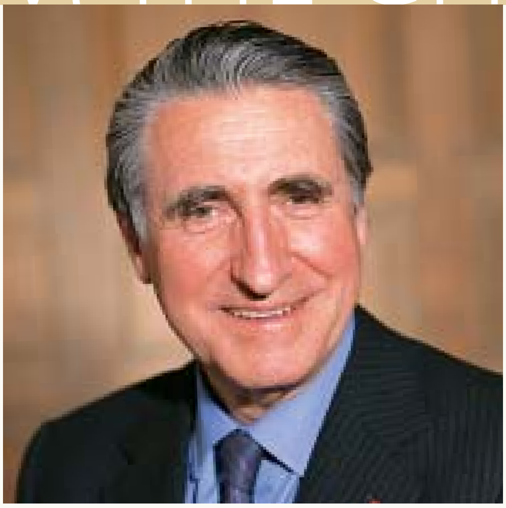
INVESTING AND ENTREPRENEURIAL SPIRIT

WENDEL Investissement was created to invest in companies active in the industrial and service sectors, and to help them become international leaders by fostering their development. WENDEL Investissement is a full-fledged industrial and financial partner – it supports entrepreneurial teams by monitoring operations on a regular basis, helps define ambitious strategies, and provides the financing needed to ensure the success of the companies in which it has invested.

WENDEL Investissement invests in a relatively limited number of significant equity holdings in industry (products and systems for electrical installations, automotive components and systems, industrial abrasives, oil exploration and real estate), services (conformity assessment and certification, classified advertising and multimedia services, IT services and consulting, telecommunications), and healthcare (medical diagnostics, food quality testing, allergy laboratory).

MESSAGE FROM THE CHAIRMAN



To the Shareholders,

This year, the WENDEL Group celebrates its three hundredth anniversary. Our company still operates in the spirit of an enterprise created in 1704. Backed by family shareholders, supported by a large number of French and international investors, it continues to be motivated by the same determination to invest, develop business sectors and increase the value of the assets entrusted to the company.

The history of our Group is an example of family unity and an entrepreneurial tradition, marked for three centuries by constant adaptation to the economic, technological and social environment, and by an unerring sense of innovation.

The story began even before the Industrial Revolution, in 1704, when Jean-Martin Wendel acquired the Hayange forges in Lorraine. Handed down from generation to generation, this production site was to become the heart of the steel industry in France. An entrepreneurial spirit and a keen sense of innovation ensured the company's development even beyond the Group's historical borders. Far from putting an end to the family adventure, the nationalization of the steel industry in 1978 introduced a new phase of transformation with the full support of the family shareholders.

A new group was created, CGIP, which significantly restructured its activities and invested in new industrial and service sectors. With a new team, an updated structure and renewed impetus, the Group was about to write a new chapter in its history without losing the creative inspiration of the entrepreneurs who had founded the company.

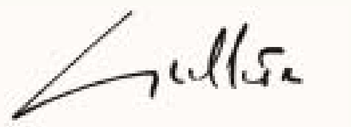
In 1977, CGIP was floated on the stock market with an estimated value of FRF 300 million. Twenty years later, the company's worth had multiplied 40 times over.

By readopting the name of Wendel, the bearer of the family tradition and a code of ethics since 1704, the ninth generation has met the challenge of historical industrial success with the same determination – to ensure the development of leading companies and increase the value of the assets that shareholders have entrusted to management.

With a younger, skilled, flexible and responsive team, WENDEL Investissement makes its expertise available to subsidiaries in the role of an active, demanding partner. The objective of WENDEL Investissement is to support entrepreneurial teams, define winning strategies, and provide ambitious financing to achieve top-tier success.

From our venerable industrial roots to the most modern business activities that prefigure the economy of tomorrow, we capitalize on the experience we have acquired. The Group now focuses on investing in new sectors of production and in technological services by diversifying assets in a balanced manner, so as to make the long term our constant priority.

We have created value for our shareholders with average annual growth of more than 15% over the last 20 years. Our ambition is to maintain this performance and perhaps to surpass these results by fully participating in the entrepreneurial project of the twenty-first century.



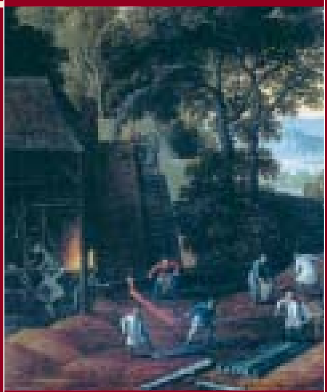
Ernest-Antoine Seillière
Chairman and Chief Executive Officer

300 YEARS OF HISTORY

1704

Jean-Martin Wendel acquired the Hayange forges.
From 1704 to 1870, the Group accelerated the development of its steel business by building on the great inventions of the age, such as coke smelting, the introduction of blast furnaces and rolling mills, and the development of rail transport.

1737



Charles de Wendel succeeded his father and expanded the family business well beyond the Fensch valley where it began. New facilities in the direction of La Sarre doubled industrial capacity, enabling the firm to meet the growing demand for metallurgical products.

1782

François-Ignace, the prodigal son, fascinated by new ideas and a friend of the encyclopédistes, demonstrated his expertise by helping to create Le Creusot, the benchmark of the steel industry in France.

1797

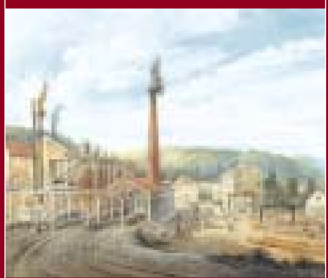
Marguerite d'Hayange, Charles' energetic widow, who ran the family business after her husband died in 1784, continued to develop the steel plants until she was brutally confronted by the French Revolution and saw her property confiscated and sold at auction.

300 YEARS OF HISTORY

1815

With François de Wendel, the family regained possession of its industrial property and acquired the Moyeuvre facilities. That year, the Wendel clan also entered politics, as François was elected to a deputy in the French legislature.

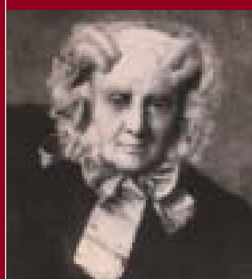
1857



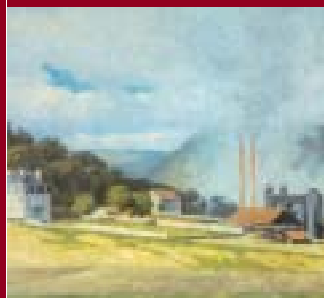
Driven by an outstanding entrepreneurial spirit, in ten years Charles de Wendel adapted the family company to modern industrial techniques, particularly linked to the development of railroads.

1871

By then a widow and alone at the helm of the company, 88-year-old Madame François de Wendel had to deal with Germany's annexation of Alsace and Lorraine, and she created the limited partnership Les Petits-Fils de François de Wendel et Cie.



1880

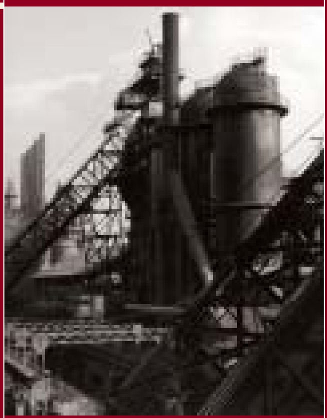


The Wendel family's acquisition of the Thomas Process allowed the two family companies (Les Petits-Fils de François de Wendel & Cie, created in 1871, and Wendel & Cie, founded in 1880) to produce steel using local ore and to rank among Europe's leading steel makers.

1924

The period between the two world wars was marked by the forceful figure of François de Wendel, who was a deputy and senator for almost 30 years, Vice-President of the Fédération Républicaine, President of the Comité des Forges and a *Régent* of the Banque de France.

1948



In the twentieth century, though severely affected by the two world wars that devastated the plants in Lorraine, the Group rose from its ashes and pursued its development. The creation of the Sollac (1948) and Solmer (1969) production cooperatives enabled the Group to satisfy the growing needs for heavy plate and steel. The company was at the height of its power between 1950 and 1973. In 1975, its plants accounted for 72% of French production of unfinished steel.

1974

The brutal surge in oil prices sparked a general economic crisis. The French steel sector entered a major depression as a freeze on steel prices and modernization measures triggered financial paralysis. The French government decided to nationalize the steel industry. The Group had to restructure, and all its non-steel assets were put in a new entity, Compagnie Générale d'Industrie et de Participations (CGIP).

2002

As of 1978, the Group was off to a fresh start, concentrating on industrial companies in which it exercises effective control. At the same time, it diversified into new technological sectors. In 2002, Marine-Wendel and CGIP merged to form WENDEL Investissement.

INTERVIEW WITH THE CHIEF EXECUTIVE OFFICER

What is your opinion of the past year?

The year 2003 represented real progress for WENDEL Investissement. Consolidated net income totaled 253 million euros, primarily owing to the strong growth in income reported by the Group's business sectors (+56% compared with 2002), which stood at 157 million euros.

These results are a good illustration of the quality of our assets and the balance achieved between growth stocks and yield investments. The implementation of our investment strategy, i.e. significant equity holdings in unlisted companies of which we own more than 30%, led the Group to refocus its activities rapidly. Altogether, the results met our expectations, and were all the more satisfactory as they were accomplished in spite of a lackluster economic environment and unfavorable foreign exchange conditions.

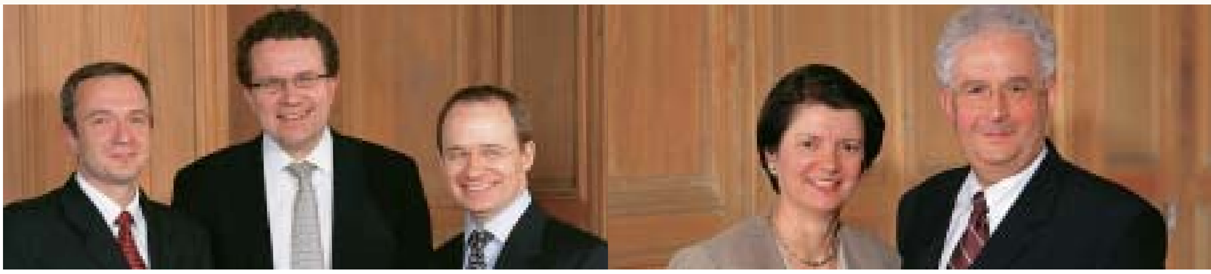
Lastly, our share price increased by almost 50% in 2003 (versus +12% for the CAC 40), reflecting the significant rise in the value of the Group's assets (+28% in 2003). This performance was superior to our objective of a yearly rate of 15%, generating a return on investment for shareholders of 4%, again better than our average objective of 3%. For 2003, shareholders should receive a dividend of 1.05 euros per share.

What do you think of the acquisition of Legrand?

The global electrical equipment specialist we acquired in December 2002 and consolidated in the financial statements of WENDEL Investissement for the first time in 2003 made a major contribution of 48 million euros to the Group's net income. In my opinion, our support for the development of this fine company provides positive assistance. In a sluggish economic environment, Legrand reduced its debt significantly and more rapidly than planned (from 2.7 billion euros to 2.3 billion euros between the beginning and the end of 2003), while expanding its commercial development and gaining market share in the majority of geographic regions. With modest organic growth of 1.5%, the operating margin increased by 6% to 14.7% of net sales.

How was WENDEL Investissement's investment strategy implemented this year?

The divesture of holdings in listed companies, initiated in 2002, is now basically completed. WENDEL Investissement now holds only 3 million Capgemini shares, compared with 14 million shares at the beginning of 2003. It should be remembered that WENDEL Investissement and Capgemini (which has become the European leader in IT services) worked as partners for many years, assuring the Group of an average return on investment of 15% per year for 21 years. In addition, in March and April 2004, WENDEL Investissement sold all its equity holdings in Trader Classified Media for 322 million euros. Today, in keeping with our initial objective, the Group's portfolio is composed of unlisted companies for more than 80%.



J.-M. Ropert, J.-Y. Hémery and A. Desclèves

N. Dupuis and G. Combes

What are your prospects and investment projects?
We are relatively confident about the performance of our business sectors in 2004. Most of them should benefit from their efforts to grow, with a positive impact on margins as a result of measures to control costs and improve productivity. Moreover, the initiatives launched in 2003 to increase available cash put us in a position to be able to seize investment opportunities. We aim to strengthen our Group by acquiring companies in which we will play a useful role.

Jean-Bernard Lafonta
Chief Executive Officer

EXECUTIVE MANAGEMENT

Ernest-Antoine SEILLIÈRE*
Chairman
and Chief Executive Officer

Jean-Bernard LAFONTA*
Chief Executive Officer

Olivier CHAMBRIARD
Corporate Development

Gérard COMBES
Human Resources

Arnaud DESCLÈVES*
Legal Affairs

Nicole DUPUIS*
Company Secretary

Christine DUTREIL*
Communication
and Public Relations

Arnaud FAYET*
Corporate Development

Bernard GAUTIER*
Corporate Development

Jean-Yves HÉMERY*
Tax Affairs

Gérard LAMY
Investor Relations

Yves MOUTRAN*
Corporate Development

Fanny PICARD*
Corporate Development

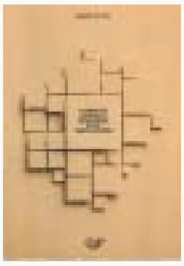
Jean-Michel ROPERT*
Finance

*Members of the Executive Committee

O. Chambriard, F. Picard, Y. Moutran, A. Fayet and B. Gautier

C. Dutreil and G. Lamy

STAGES IN DEVELOPMENT



1975
Creation of Marine-Wendel through the Wendel Group's takeover of the Marine-Firminy holding company.

1977
Creation of CGIP, which regroups Wendel Group assets in sectors other than steel.

1978
Creation of the cement group Cedest.

1982
Acquisition of an equity interest in Cap Gemini Sogeti.

1983
Sale of equity interest in Creusot-Loire.

1986
Acquisition of an equity interest in Valeo.

1988
Merger of Carnaud and Metalbox to form CMB Packaging, the European leader in its field.

1989
Partnership with the Mérieux family to create bioMérieux Alliance.

1993
Diversification of Marine-Wendel through the acquisition of Reynolds.

1994
Sale of Cedest and acquisition of 100% of the capital of Wheelabrator Allevard; acquisition of a 20% equity interest in Bureau Veritas; Marine-Wendel acquires Stallergènes.

1995
Merger of CarnaudMetalbox with Crown Cork and Seal to create the world's largest packaging manufacturer.

1996
Acquisition of 20% of the capital of Valeo.

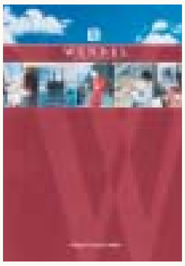
1997
CGIP strengthens its position in services: Capgemini (30%), Bureau Veritas (34%). Marine-Wendel acquires a 22% equity interest in Afflelou.

1998
Sale of Crown Cork and Seal; acquisition of a 29% equity interest in Trader.com; sale of 28.4% of the capital of Stallergènes when floated on the stock market.

1999
Sale of Reynolds; Marine-Wendel invests in the French air transport group AOM Participations.

2000
2000 Merger of Cap Gemini and Ernst & Young; sale of Afflelou; Marine-Wendel invests in Boucle Locale Radio by subscribing to the capital of FORTEL with UPC and NRJ.

2001
2001 Acquisition of 5% of the capital of LDCOM, which replaced UPC.



2002
Simplification of the Group's structure: merger of Marine-Wendel and CGIP; creation of WENDEL Investissement; partial sale of equity interest in Valeo; acquisition of 37.4% of the capital of Legrand.

2003
Progressive disposal of Capgemini shares.

BOARD OF DIRECTORS

Ernest-Antoine SEILLIERE

DATE OF FIRST APPOINTMENT AND END OF TERM*
1985-2008

PRINCIPAL FUNCTION
Chairman of the Board of Directors and Chief Executive Officer:
• WENDEL Investissement

OTHER RESPONSIBILITIES
Chairman of the Board of Directors:
• SOCIETE LORRAINE DE PARTICIPATIONS SIDERURGIQUES
• LEGRAND HOLDING
• LUMINA PARENT (Luxembourg)
Chairman of the Supervisory Board:
• TRADER CLASSIFIED MEDIA (Netherlands)
• ORANJE-NASSAU GROEP (Netherlands)
Vice Chairman of the Board: of Directors
• CAP GEMINI
Member of the Board of Directors:
• SOFISAMC (Switzerland)
Member of the Supervisory Board:
• GRAS SAVOYE & CIE (SCA)
• HERMES INTERNATIONAL (SCA)
• PEUGEOT SA
Permanent representative of:
• ORANJE-NASSAU GROEP BV to the Supervisory Board of BUREAU VERITAS

Jean-Pierre BERGHMANS

DATE OF FIRST APPOINTMENT AND END OF TERM*
2002-2008

PRINCIPAL FUNCTION
Chairman of the Board of Directors:
• Groupe LHOIST Limelette (Belgium)

OTHER RESPONSIBILITIES
Chairman:
• Conseil Belgium de INSEAD (Belgium)
Member of the Board of Directors:
• WENDEL Investissement
• INSEAD (France)
• FONDATION DES ENTREPRISES DE BELGIQUE
• U.W.E. (Union Wallonne des Entreprises) (Belgium)
• FONDATION LOUVAIN (Belgium)
• MAISON DE LA RADIO FLAGEY (Belgium)
• I.C.P. (Institut de Pathologie Cellulaire) (Belgium)
• MUSEE DES ENFANTS

Didier CHERPITEL

DATE OF FIRST APPOINTMENT AND END OF TERM*
2002-2008

PRINCIPAL FUNCTION
Member of the Board of Directors:
• WENDEL Investissement

OTHER RESPONSIBILITIES
Member of the Board of Directors:
• FOUNDATION OF THE RED CROSS
Miscellaneous:
• FONDATION MEDECINS SANS FRONTIERES

Jean-Marc JANODET

DATE OF FIRST APPOINTMENT AND END OF TERM*
1997-2004

PRINCIPAL FUNCTION
Member of the Board of Directors:
• WENDEL Investissement

OTHER RESPONSIBILITIES
Chairman of the Board of Directors:
• SOFISAMC (Switzerland)
• TRIEF CORPORATION (Luxembourg)
Member of the Board of Directors:
• COMPAGNIE FINANCIERE DE LA TRINITE
• NBMA
• S.G.H.
• SILLIKER (United States)
• SOLFUR
• STALLERGENES
Member of the Board of Directors:
• BANQUE de NEUFLIZE
• ORANJE-NASSAU GROEP BV (Netherlands)

Jean-Bernard LAFONTA

DATE OF FIRST APPOINTMENT AND END OF TERM*
2002-2006

PRINCIPAL FUNCTION
Member of the Board of Directors and Chief Executive Officer Designate:
• WENDEL Investissement

OTHER RESPONSIBILITIES
Member of the Board of Directors:
• LEGRAND HOLDING
• LEGRAND SA
• LUMINA PARENT (Luxembourg)
• VALEO
Member of the Supervisory Board:
• ORANJE-NASSAU GROEP BV (Netherlands)
Permanent representative of:
• SOFU to the Supervisory Board of BUREAU VERITAS
Manager:
• GRANIT (SARL)
• LUMINA FINANCING 1 SARL (Luxembourg)
• LUMINA PARTICIPATION SARL (Luxembourg)

SLPS represented by Hubert LECLERC de HAUTECLOCQUE

DATE OF FIRST APPOINTMENT AND END OF TERM*
1997-2008

PRINCIPAL FUNCTION
Honorary Chairman:
• SOCIETE LORRAINE DE PARTICIPATIONS SIDERURGIQUES

OTHER RESPONSIBILITIES
Permanent representative of:
• SOCIETE LORRAINE DE PARTICIPATIONS SIDERURGIQUES to the Board of Directors of WENDEL Investissement

* At the date of the Annual Shareholder's Meeting called to approve the financial statements of the year just ended.

Alain
MERIEUX

DATE OF FIRST APPOINTMENT AND END OF TERM*
2002-2008

PRINCIPAL FUNCTION
Chairman of the Board of Directors:
• bioMERIEUX SA

OTHER RESPONSIBILITIES
Chairman of the Board of Directors and Chief Executive Officer:
• FONDATION MERIEUX

Chairman of the Board of Directors:
• ACCRA SA
• B.M.A. SA
• NBMA
• SGH
• bioMERIEUX ITALIA SpA (Italy)
• bioMERIEUX HELLAS (Greece)
Manager:
• SCI ACCRA

Member of the Board of Directors:
• WENDEL Investissement
• COMPAGNIE PLASTIC OMNIUM SA
• RUE IMPERIALE SA
• TRANSGENE
• LAZARD LLC (United States)
• SILLIKER GROUP CORPORATION (United States)
Member of the Board of Directors:
• EURAZEO
• AKZO NOBEL (Netherlands)

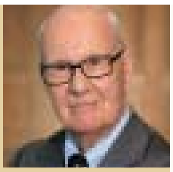
Henri
de MITRY

DATE OF FIRST APPOINTMENT AND END OF TERM*
2002-2008

PRINCIPAL FUNCTION
Chairman of the Board of Directors and Chief Executive Officer:
• FINANCIERE FRANCO NEERLANDAISE

OTHER RESPONSIBILITIES
Member of the Board of Directors:
• WENDEL Investissement
• FRANCE EUROPE PATRIMOINE
• SOCIETE LORRAINE DE PARTICIPATIONS SIDERURGIQUES
• SECCAR

Member of the Board of Directors:
• ORANJE-NASSAU GROEP BV (Netherlands)
• TECHNISH HANDELSKANTOOR BROEKMAN BV



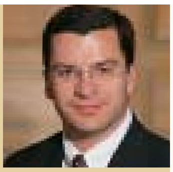
Louis-Amédée
de MOUSTIER

DATE OF FIRST APPOINTMENT AND END OF TERM*
1982-2007

PRINCIPAL FUNCTION
Chairman of the Board of Directors:
• HAUSSMANN HOLDINGS SA (Luxembourg)

OTHER RESPONSIBILITIES
Chairman:
• HAUSSMANN HOLDINGS NV (Netherlands)
Member of the Board of Directors:
• WENDEL Investissement
• SOCIETE LORRAINE DE PARTICIPATIONS SIDERURGIQUES
• SOLFUR

Manager:
• VICENCE CONSEIL
Special Advisor:
• QUANTUM ENDOWMENT
Honorary Chairman:
• IFABANQUE SA
• W FINANCES



Grégoire
OLIVIER

DATE OF FIRST APPOINTMENT AND END OF TERM*
2003-2007

PRINCIPAL FUNCTION
Chairman of the Board of Directors:
• SAGEM SA

OTHER RESPONSIBILITIES
Member of the Board of Directors:
• WENDEL Investissement
Member of the Supervisory Board:
• IMERYS

Member:
• Conseil Scientifique de la Défense

Didier
PINEAU-VALENCIENNE

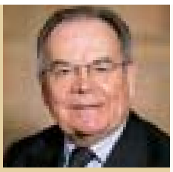
DATE OF FIRST APPOINTMENT AND END OF TERM*
2002-2008

PRINCIPAL FUNCTION
Honorary Chairman:
• SCHNEIDER SA

OTHER RESPONSIBILITIES
Chairman and Partner:
• SAGARD SAS
Senior Advisor:
• CREDIT SUISSE FIRST BOSTON EUROPE

Member of the Board of Directors:
• WENDEL Investissement
• PERNOD RICARD
• FLEURY MICHON
• SWISS HELVETIA FUND (United States)
Member of the Supervisory Board:
• AVENTIS
• LAGARDERE SA
International Advisory Board:
• BOOZ ALLEN & HAMILTON (United States)
and Chairman of the European Advisory Board:
• BOOZ ALLEN HAMILTON

Higher Education and Non-Profit Organizations:
• Tuck School of Business Administration - Dartmouth College (Board of Overseers)
• American University of Paris (Board of Trustees)
• Conseiller du Centre d'Enseignement Supérieur de la Marine
• Président du Comité Consultatif International du Groupe école Supérieure de Commerce (ESC) Nantes Atlantique
• Maître de Conférence à HEC
• Member of the Board, AFEP (Association Française des Entreprises Privées)
• Member of the Board, BIPE Association



Guy
de WOUTERS

DATE OF FIRST APPOINTMENT AND END OF TERM*
1992-2005

PRINCIPAL FUNCTION
Chairman of the Board of Directors and Chief Executive Officer:
• COMPAGNIE FINANCIERE DE LA TRINITE

OTHER RESPONSIBILITIES
Member of the Board of Directors:
• WENDEL Investissement

CORPORATE GOVERNANCE

Composition of the Board of Directors

WENDEL Investissement is a société anonyme with a Board of Directors. As of March 31, 2004, the Board of Directors was comprised of 12 members (cf. table pages 10-11). Grégoire Olivier was named a member of the Board on January 29, 2003, and his appointment was ratified by the Annual Shareholders' Meeting of May 27, 2003.

Relations between members of the Board and the Company

The Board of Directors adopted the definition of independent members of the Board formulated in the Bouton report: "A member of the Board is independent when he has no relation of any sort with the company, its group or management". The Board of Directors examined the situation of each of its members on the basis of the following criteria:

- not to be or have been in the previous five years, an employee or director of the company, its parent company or a consolidated company;
- not to be the company's merchant or corporate finance banker;
- not to have family ties with a member of the Board;
- not to have been a member of the Board for more than 12 years.

The Board of Directors considered that Jean-Pierre Berghmans, Didier Cherpitel, Grégoire Olivier, and Didier Pineau-Valencienne were members of the Board with no direct or indirect links with the Company, its management and the companies in the Group, and that a third of its members could therefore be considered as independent.

This proportion of a third was respected in the composition of the Board committees.

Code of Conduct for Board members

The Code of Conduct drawn up the Board of Directors spells out the rights and duties of the members of the Board, the minimum number of shares they should own (80) and rules for trading shares of WENDEL Investissement and listed companies of which the Group is represented on the Board of Directors.

Trading in Company shares and transparency vis-à-vis the market

Members of the Board should not trade any WENDEL Investissement shares in the market during the 30 calendar days preceding the publication of semiannual and annual results, and prior to any major event affecting the Company that might influence its share price.

The Code of Conduct complies with the recommendation of the Autorité des Marchés Financiers (AMF) concerning the declaration of transactions by members of the Board. It provides for nominative registration of the shares held by members of the Board as well as a declaration to the Company of operations conducted directly by each of them or through a member of the Board or an intermediary company which the member of the Board controls.

The obligation to declare such transactions is extended to operations conducted for members of the Board by a third party with a power of attorney and to transactions conducted by non-separated spouses and children under legal age in the fiscal household.

Trading of Company shares by members of the Board of Directors are posted semiannually on the AMT Web site.

Organization of the Board of Directors

The Board of Directors holds regular meetings and meets at least four times per year. In 2003, the Board met six times. In order to exercise its mission under the best conditions, the Board's internal guidelines stipulate that its discussions be prepared in certain fields by specialized committees. There are two such committees: the Audit Committee and the Appointments and Compensation Committee.

Once a year, an item on the Board's agenda will be devoted to the conditions of the preparation and organization of the Board of Directors' working sessions.

Board committees

The committees' attributions and procedures are described in the guidelines governing each committee and included in the Code of Conduct of the members of the Board of Directors.

The Audit Committee is made up of five members:

- Jean-Marc JANODET , Chairman
- Didier CHERPITEL
- Henri de MITRY
- Alain MERIEUX
- Didier PINEAU-VALENCIENNE

Responsibilities of the Audit Committee

The Committee's responsibilities include:

- guaranteeing the pertinence of the choice and proper application of the accounting methods employed;
- checking the accounting of any significant transactions conducted by the Company;
- ensuring that internal data collection and control procedures make it possible to guarantee the quality and sincerity of the Company's accounts;
- controlling all accounting and financial information contained in documents to be issued by the Company before they are published;
- informing the Board of Directors of any observations it considers pertinent from an accounting and financial point of view, in particular when the semiannual and annual parent company and consolidated financial statements are submitted for approval;
- piloting the procedure to select the Company's auditors and submit the result of the selection to the Board of Directors;
- reviewing the audit and consulting fees paid by the Company and the companies in the Group over which it exercises control to the Company's auditors and their networks and report to the Board of Directors.

Organization and procedures

The Audit Committee meets as frequently as it deems necessary, and at least twice a year, prior to the Board of Directors' review of the semiannual and annual financial statements.

Committee meetings may be organized by conference call or videoconference; the presence of at least half of the members constitutes a quorum.

The Audit Committee has access to all the means it deems necessary to conduct its business. In particular, it may interview the accounting staff as well as the auditors and, if it so desires, independently of the presence of the Company's management.

After every committee meeting, a report is drawn up and sent to the Board of Directors.

The Audit Committee met four times in 2003.

January 29, 2003 – Agenda

- Committee responsibilities and operating rules,
- Preliminary results for 2002,
- Organization chart – Significant accounting policies.

March 20, 2003 – Agenda

- Analysis of parent company and consolidated financial statements,
- Analysis of the Company's financial situation,
- Analysis of financial communication.

September 19, 2003 – Agenda

- Analysis of financial statements as of June 30, 2003,
- Analysis of the Company's financial situation,
- Analysis of financial communication.

December 8, 2003 – Agenda

- Preliminary results for 2003,
- Analysis of financial situation,
- Annual report: follow-up on the observations of the Autorité des Marchés Financiers on the 2002 report and AMF recommendations for 2003,
- Changeover to IFRS,
- Law on financial security.

The attendance rate was 100% for the first meeting, 75% for the second, 100% for the third, and 80% for the fourth. The Committee plans to hold four meetings in 2004.

Appointments and Compensation Committee

The Appointments and Compensation Committee is composed of three members:

- Hubert LECLERC de HAUTECLOCQUE, Chairman
- Louis-Amédée de MOUSTIER
- Didier PINEAU-VALENCIENNE

Responsibilities of the Appointments and Compensation Committee

- proposing candidates for Board membership to the Board of Directors after having reviewed all the factors that should be taken into account – i.e. the desired balance of the Board's composition in function of the composition and changes in the Company's shareholding, in particular the desired number of members with no direct or indirect link with the Company;
- proposing compensation for the Chairman of the Board of Directors, the Chief Executive Officer Designate, and if so required, any Chief Executive Officer named by the Board of Directors, including compensation in kind and retirement benefits;
- preparing stock subscription or purchase option plans, in particular specifying the beneficiaries and the number of options to be granted to each;
- reviewing any question posed by the Chairman of the Board of Directors on the above points.

The Committee met three times during the year. The attendance rate was 100% for the first and third meetings, and 67% for the second.

May 21, 2003 – Agenda

- Compensation of the Chairman and Chief Executive Officer,
- Compensation of the Chief Executive Officer Designate,
- Company savings plan,
- Management investment in Legrand.

July 16, 2003 and December 11, 2003 – Agenda

- 2003 stock subscription option plan.

Organization and procedures

The Committee prepared the Board's decisions on compensation for the Chairman and the Chief Executive Officer Designate, which involves no variable component, and on the introduction of a new category in the Company savings plan.

The Committee reviewed the 2003 stock option plan and proposed to the Board of Directors a list of beneficiaries and the number of options to be granted to each, as well as the subscription price.

Distribution of directors' fees among members of the Board

On the basis of a Board with 12 members, the breakdown of the annual amount of directors' fees, set at 420,000 euros by the Annual Shareholders' Meeting of June 13, 2002, was as follows, per Board member and per year.

- Ordinary fee: 30,000 euros,
- Fee paid to the Chairman of each meeting: 45,000 euros,
- Chairman's fee: 60,000 euros.

INTERNAL CONTROL

The internal control procedures in effect in the Company are designed to ensure that management decisions, operations and employee conduct are in conformity with applicable legislation and regulations and with the Company's internal values, standards and rules.

One of the goals of the internal control system is to prevent and control risks arising from the Company's activities and risks of error and fraud, in particular in the accounting and financial fields. As with any system of control, it cannot, however, provide an absolute guarantee that such risks have been totally eliminated.

Corporate objectifs in terms of internal control procedures

Corporate internal control objectives involve, on the one hand:

- preserving the Company's assets by monitoring and controlling:

- the activity and strategy of each Group company,
- the choice of investments/divestments,
- the Company's financial situation;

- preventing and controlling risks related to the Company's activities and its status as a company that raises capital in the market:

- protection of confidential information,
- insider trading;

and, on the other hand, verifying that the accounting and financial information communicated by the Company to the Company's Board represents fairly the Company's business and financial situation.

Synthetic description of control procedures in effect

These procedures were introduced by Executive Management. The Board of Directors has not limited the powers of the Chief Executive Officer or the Chief Executive Officer Designate.

The Wendel group is organized in a decentralized manner, and each entity in the group has management autonomy. Within this framework, the internal control procedures set up by the Company are as follows:

Procedures designed to preserve the Company's assets

Since the creation of WENDEL Investissement through the merger of CGIP and Marine-Wendel, an Investment unit, with a staff of six, is responsible for monitoring Group subsidiaries and acquisition and divestment transactions.

1) Monitoring the existing portfolio

For each equity holding, a team of two to four people is responsible for assisting the Chief Executive Officer in monitoring activities (choice of strategic orientations, business plan, operational reporting) and development (external growth, partnership, sales of subsidiaries or business lines).

Each team has a senior member who coordinates WENDEL Investissement relations with subsidiaries' management teams, and organizes the work of the team.

For large equity holdings, like Legrand or Bureau Veritas, the team includes several senior members, each of whom is in charge of monitoring one of the subsidiary's activities (e.g. strategy/organization, industrial optimization/procurement, finance). Coordination is ensured by the Chief Executive Officer.

Monitoring the existing portfolio involves:

- monthly operational reporting;
- a monthly working session with management; in addition to a review of business, the agenda includes an in-depth study of an important topic (procurement policy, industrial optimization, research and development, analysis of the situation of major subsidiaries, existence and organization of internal control, etc.);
- two budget meetings per year;
- many telephone conversations or meetings organized with managers of the subsidiary if so required.

The senior members of the Investment unit team meet with Executive Management twice a month to coordinate initiatives. They present a synthetic analysis of their monitoring of the equity holdings in their charge and make recommendations if important decisions concerning an equity holding need to be taken.

At each meeting of the Board of Directors, Executive Management presents the situation of the Company and the Group's subsidiaries. In all the companies under the Group's control, the CEO and the principal officers are chosen in agreement with the Executive Management of WENDEL Investissement.

2) New investments and divestments

For each project, Executive Management forms a team on the basis of the skills required. A participating senior member acts as coordinator and assumes responsibility for the investment/divestment recommendation made to Executive Management.

Once the analysis of a project has been finalized and approved by Executive Management, it is presented to the Board of Directors. After the Board's approval, Executive Management supervises operations as the team in charge implements the projects.

3) Company financial situation

These procedures, which are defined by Executive Management, are designed to provide constant reasonable assurance that financial transactions are secure and in conformity with the objectives set.

- Monthly reports by the head of Corporate Accounting and Finance on the cash reserves of the parent company and the consolidated business sectors with an analysis of changes forwarded to Executive Management and the Chairman of the Audit Committee.
- Double signature on all cash transactions related to current management operations. Transactions involving a significant sum are initiated solely by the Chief Executive Officer or under his direct control.
- Issues of bonds or any other debt vehicle are subject to prior authorization by the Board of Directors, in compliance with the financial authorizations approved by the Annual Shareholders' Meeting.
- Communication to the Audit Committee of tables of cash flows, debt and bank agreements. The Chairman of the Audit Committee makes regular reports to the Board of Directors on the Committee's analysis of the Company's financial situation. In addition, the Company requested Standard and Poor's to rate the Company in September 2002. This rating is updated at least twice a year.

Due diligence with regard to these procedures designed to preserve the Company's assets is the responsibility of Executive Management.

Procedures designed to prevent and control risks related to the Company's activities and its status as a company that raises capital in the market

Because of the Company's activities, employees may have knowledge of information that is not public and is of a confidential nature, and the disclosure and/or use of which may have an adverse effect on the Company. When such confidential information concerns companies with shares traded in a regulated market, it becomes privileged information, the direct or indirect use of which constitutes insider trading.

To inform employees of the provisions of current legislation (article L.465-1 of the Code Monétaire et Financier) and the COB regulation 90-08 on the use of privileged information, a Code of Business Conduct was distributed to all members of the staff in order to avoid any involvement, on their part or by the Company, in situations contrary to stock market regulations and, more generally, capable of engendering litigation. This code recapitulates basic rules for the material protection of confidential information within and outside of the Company. It recalls the rules forbidding stock market transactions in the 30 calendar days prior to the publication of semiannual and annual results, and whenever an employee has privileged information on the Company, an equity holding or a company that is the subject of an investment analysis.

To ensure transparency and prudence, the Code of Business Conduct requires employees to declare transactions on securities issued by the Company and on any attached derivatives, except for transactions conducted through the Group savings plan, which are subject to prior approval by the Company Secretary.

Ethical compliance is the responsibility of the Company Secretary.

Control procedures for accounting and financial information

Internal control procedures designed to ensue that the annual and semiannual financial statements (parent company and consolidated) are sincere and present fairly the results of operations as well as the Company's financial situation and net assets are as follows.

■ Procedures for the preparation and consolidation of the financial statements:

1) determination, with the Finance department of each subsidiary, of a calendar for submitting the financial statements with the supplemental information required for the preparation of the parent company accounts;

2) meeting to study the consolidated financial statements between the head of Corporate Accounting and Finance and the head of the Finance department of each subsidiary to analyze the highlights of the period as well as any significant or exceptional operations.

■ Procedures for the control of the financial statements.

At the level of the subsidiaries,

1) harmonization of the networks of the Group's auditors to ensure clearer channels of information with the parent company's auditors;

2) participation in meetings of subsidiaries' Boards of Directors and/or Audit Committees by a member of Executive Management and/or the Investment unit;

At the level of the parent company,

- the Company Secretary is responsible for accounting policies, and in particular should ensure compliance with accounting rules in the holding company and in Group subsidiaries. If required, audits may be initiated under his responsibility;

- the Audit Committee

This committee's responsibilities and procedures are presented above in the section on the preparation and organization of the working sessions of the Board of Directors.

■ Procedures for the control of financial information

All financial announcements and publications (annual report, shareholders' letters, documents distributed to analysts) are submitted for approval to the Audit Committee before being examined by the Board of Directors and the auditors.

In particular, net revalued assets are reviewed by the auditors, who control the methods used to value the assets, as well as their permanence and application. Net revalued assets are subject to regular review by the Audit Committee.

SUSTAINABLE DEVELOPMENT

Environmental and social policy

As a financial holding company, WENDEL Investissement is involved in no industrial activities and therefore has no specific environmental protection policy.

WENDEL Investissement integrates the notion of sustainable development, i.e. growth that – according to the definition in the Brundtland report of the United Nations – "meets the needs of the present without compromising the ability of future generations to meet their own needs" with regard to social as well as environmental issues. This process is activated when investment decisions are made and the activities of the Group's business sectors are monitored.

Compliance by Group companies with current environmental and World Labor Organization regulations is studied and evaluated, as is the ability of managers in subsidiaries and affiliates to ensure long-term management of social and environmental responsibilities.

When an audit is conducted prior to an acquisition, environmental risks are duly analyzed and the prevention policy implanted by the targeted company is evaluated through in-depth studies and, if so required, by inspections.

The WENDEL Investissement Group is made up of companies that work in diverse business sectors and in numerous geographic regions. The Group is organized in a decentralized manner, each entity has management autonomy, and the officers of these subsidiaries and affiliates should assume full responsibility for the sustainable development policy implemented in their company.

Here is a summary presentation of the environmental policies of the companies of which the Group is the ma-jority shareholder, and whose financial statements are therefore fully consolidated by WENDEL Investissement.

WHEELABRATOR ALLEVARD GROUP

The Wheelabrator Allevard Group manufactures abrasive pellets at 11 production sites. The French facility, which alone accounts for 30% of total production, is subject to environmental protection (ICPE) criteria. The authorizations that define noise levels and the nature and level of atmospheric emissions and water runoff were renewed in 2003.

The French plant has been certified ISO 14001 since September 2000. In this regard, the plant's environmental policy is completely integrated into the quality assurance system. It incorporates the environment factor at all levels of the company and applies measures that make it possible to comply with current legislation and regulations, avoid pollution, conserve natural resources by using technologies requiring the least energy, water and raw materials, minimize noise pollution and gas emissions and liquid effluents, and promote maximum waste recycling before disposal.

A company environmental protection laboratory controls liquid, solid and atmospheric waste and noise pollution in close cooperation with French environmental control authorities (DRIRE).

The company's environmental policy also involved research and innovation, with the development of a process for the hydrometallurgical recycling of steel particulate matter in cooperation with university research laboratories.

Generally, Wheelabrator Allevard's technical division is in charge of disseminating and fostering this environmental policy at the level of Group subsidiaries, including the diamond tool sector.

Several production facilities were awarded ISO 14001 certification in 2003, e.g. in Japan and Spain. The remaining plants should be certified within the next three years.

ORANJE-NASSAU Group

The Oranje-Nassau Group operates in three sectors: energy, real estate and investment of private funds, managed with the same objective of profitable, long-lasting growth. Only the first activity involves environmental risks.

The Group participates in the research, development and mining of hydrocarbon deposits, in partnership with other investors, in Europe, Africa and the Middle East. The principal environmental risks are linked to oil and gas production processes. Any technical incident or human error can have consequences for the environment, property and health. Since all of the Group's energy sector activities are conducted by third-party operators through joint ventures, Oranje-Nassau's policy is only to work with qualified operators with significant experience in the oil sector.

In such projects, every precaution is taken to limit risks, including the selective recruitment of qualified staff; targeted, regular training in all aspects of the business; strict application of health, environmental and safety regulations, whatever the size of the business.

STALLERGENES Group

As a pharmaceutical laboratory specialized in the development, production and distribution of allergy medicine and related products, Stallergènes is subject to European directives governing medication and, in particular, allergy medication.

As a pharmaceutical laboratory, Stallergènes complies with the recommendations and guidelines of official French Good Production Practices, which are regularly inspected by French health authorities (Agence Française de Sécurité Sanitaire des Produits de Santé - AFSSAPS).

Stallergènes' ongoing efforts to improve quality were recognized by the firm's ISO 9001 certification in 1999. This label, which is renewed annually, allows the company to ensure the continuous improvement of its quality control system.

The allergens used are made from raw materials of plant or animal origin. They are obtained by extraction in a saline solution and are then purified by filtration. This activity generates almost no emissions or effluents and practically no noise or disagreeable odor.

The risk of pollution can be considered to be very limited, even inexistent.

All waste is processed by specialized companies approved by the Fédération Nationale des Activités de la Dépollution et de l'Environnemnent (FNADE). There are four types of waste: ordinary industrial waste (approximately 1,000 m^3/year), chemical waste (approximately 1.8 m^3/year), bacteriological waste (approximately 250 m^3/year) and radioactive waste (approximately 3.2 m^3/year). This last category is disposed of by the Agence Nationale des Déchets Radioactifs (ANDRA).

Social policies

As a holding company, WENDEL Investissement has a small workforce. In terms of social policy, parent company data for the year 2003 was as follows.

A. WORKFORCE

1. Number of employees as of December 31, 2003

	Employees	Management	Total
Women	18	4	22
Men	8	15	23
Total	**26**	**19**	**45**

2. Staff hired during the year

	Employees	Management	Total
Women	4*		4
Men		1	1
Total	**4**	**1**	**5**

* Including two transfers.

3. Departures during the year

	Employees	Management	Total
Women	2		2
Men			
Total	**2**		**2**

4. Temporary hire during the year

0.50 equivalent to a half-time employee in secretarial and accounting.

B. WORK SCHEDULE

WENDEL Investissement's workforce is divided into three categories:

- executive managers who are members of the Executive Committee, with no hour-based worktime restrictions;
- managers benefiting from a work year calculated in number of days (217 work days per year);
- non-management employees benefiting from a work year calculated in hours (1,730 hours of work per year, i.e. 1,600 hours plus 130 hours of overtime) and compensation time (days off) corresponding to the reduced work week.

A total of 3,001 hours of overtime was paid during the year.

Absenteeism (hours)

	Employees	Management	Total
Illness	1,508	55	1,563
Work-related accident	0	0	0
Maternity leave	608	0	608
Other reasons	125	70	195
Total	**2,241**	**125**	**2,366**

C. COMPENSATION IN 2003

	thousands of euros
Payroll	4,586
Social contributions	2,520

There was an across-the-board 1.5% increase in salaries as of January 1, 2003.

D. LABOR RELATIONS

There are four employee representatives:

- two representing the managers,
- two representing the employees.

E. HEALTH AND SAFETY

WENDEL Investissement employees work in a building that complies with health and safety standards.

F. TRAINING IN 2003

Number of people trained	19
Number of hours paid	547
Expense (euros)*	68,264

* Excluding payment of 34,605 euros to a collecting organization.

G. DISABLED EMPLOYEES

No disabled employee works at WENDEL Investissement.

In 2003, the Group contributed 4,206 euros to AGEFIPH.

H. SOCIAL WELFARE PROJECTS

WENDEL Investissement paid 59,907 euros for social welfare projects in 2003.

I. SUBCONTRACTING

WENDEL Investissement uses subcontractor services, mainly for building operation and maintenance services (security, office cleaning, receptionists, switchboard, etc.).

The social policies of the companies of which WENDEL Investissement is the principal shareholder can be summarized as follows.

WHEELABRATOR ALLEVARD GROUP

Wheelabrator Allevard requires that all its companies comply with local legislation and regulations, and that they constantly improve working conditions and, above all, health and safety.

Safety is an absolute priority with a single objective, i.e. to eliminate accidents, under the direct responsibility of the plant manager, assisted in large companies by a safety specialist. Regular monitoring of accidents and incidents is centralized in a data base that allows Group management to analyze causes and better define action plans to achieve maximum safety.

The second focus in social policy concerns the improvement of working conditions in the plants to boost the productivity and motivation of employees on the plant floor and in the offices.

Almost a third of industrial investment is earmarked for safety or to improve working conditions and, in particular, to reduce the impact of manufacturing activities.

All the Wheelabrator Allevard companies are committed to reducing discrimination and promoting professional training for employees in confoormmity with atonal directives.

ORANJE-NASSAU GROUP

The Group has a long-standing policy to maintain a small, pluridisciplinary workforce that is highly qualified and motivated. In 2003, Oranje-Nassau had a staff of 30 (11 women and 19 men). Compensation and staff privileges are in line with standards generally applied in the Group's three sectors of activity.

The Group complies with current labor and social regulations, as defined by the Dutch work code. The legal workweek is 37.5 hours and retirement age is 62. A retirement plan has been set up, insured by Stad Rotterdam, a subsidiary of Fortis Bank.

STALLERGENES GROUP

The number of employees at Stallergènes increased from 466 to 487 in 2003, up 4.5%, with a 4% rise in permanent-hire staff. Women employees continued to represent the majority of the workforce (68%), as is generally the case in the pharmaceutical industry.

In terms of compensation and training, trends are almost identical for men and women. In keeping with the company's social policy, which seeks to enable employees to balance their professional and personal lives, part-time employment has increased and now concerns 15% of the workforce, with an average activity rate of 65%.

In 2003, payroll grew at a faster rate than the number of employees owing to the doubling of gainsharing and profitsharing related to the company's performance and enhanced qualifications.

Strong growth in business, which was often seasonal, required slightly more developed use of limited-term contracts and overtime, but improved work organization at the company made it possible to limit the number of temporary hires.

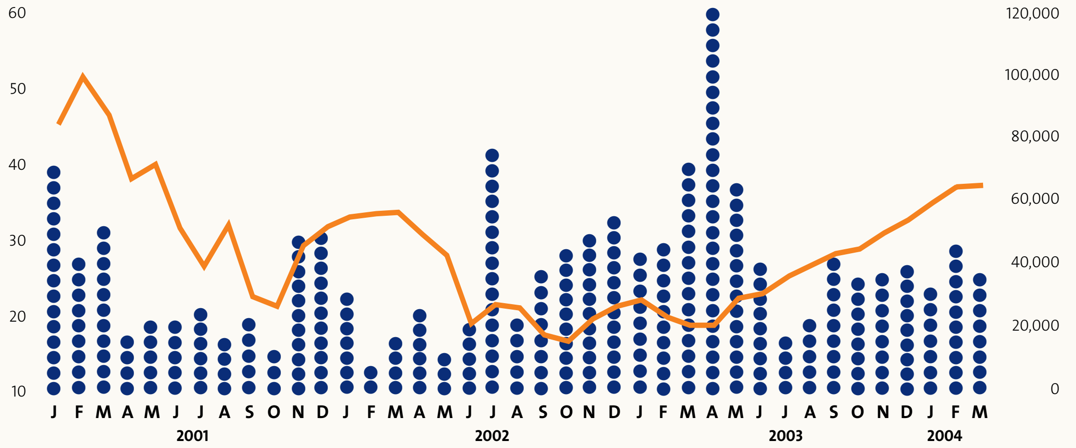
SHAREHOLDERS' REVIEW

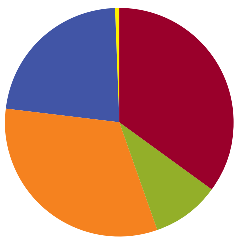
Stock market data

(euros)	2001	2002	2003
Highest price	56.00	38.00	35.15
Lowest price	19.00	16.57	19.51
Average price	38.44	24.54	26.68
Average price in December	33.40	23.40	34.14
(millions of euros)			
Stock market capitalization in December	1,179	1,309	1,910

WENDEL Investissement shares
Traded on the Premier Marché of the Paris Bourse Eligible for deferred settlement (SRD).
Code ISIN: FR0000121204.

Share price and trading volume/Monthly price (highest, lowest, average)





Shareholding structure as of December 31, 2003

- **35.0%** Wendel Participations
- **9.6%** Institutional investors France
- **32.3%** Institutional investors other than France
- **22.5%** Individual investors
- **0.6%** Company-owned shares

Financial communication and investor relations

WENDEL Investissement deploys all channels of communication to provide the financial community and all its shareholders, both individual and institutional, with regular, transparent information.

In France, a toll-free number enables the Group's 38,000 shareholders to obtain information on the management of their shares, their rights, events in the life of the Group and other practical subjects.

Regular relations are maintained with the financial community via:.

- meetings with the Group's management team and financial analysts and investors in France and other countries;
- meetings with financial analysts and journalists when semiannual and annual results are published or other developments occur in the life of the Group, its subsidiaries and affiliates.

In 2003, the strategic focusing of the Group on unlisted companies was accompanied by reinforced communication, e.g.:

- when WENDEL Investissement presented its annual results in March 2003, the Chairman of Bureau Veritas presented the company and its strategy to financial analysts and journalists;
- in December 2003, a day of information on the Group's unlisted companies was organized in Paris. The Chairmen of the companies gave detailed presentations of their business, strategy and prospects.

http://www.wendel-investissement.com

General and event-related information on the Group, its subsidiaries and affiliates is available in both French and English on WENDEL Investissement's Internet site. Updated financial information is also provided.

All the documents published by the Group are available online, including the annual report, press releases, shareholder newsletters and the data presented to financial analysts and journalists.

The Group's share price and trading history are published daily. Net revalued assets are posted every quarter on the Web site.

A forum has been created to enable shareholders to ask questions by e-mail at:
communication@wendel-investissement.com

Calendar 2004

Annual Shareholders' Meeting	June 1
Dividend paid	June 3
Semiannual financial statements	September 16

FINANCIAL HIGHLIGHTS

WENDEL Investissement Group

millions of euros	2001	2002	2003
Income from business sectors			
Legrand	-	3.4	48.4
Oranje-Nassau	35.4	35.5	53.9
Wheelabrator Allevard	19.8	17.5	13.9
Bureau Veritas	22.9	33.4	36.1
Trader Classified Media	(22.5)	9.5	11.7
bioMérieux, Silliker	10.6	20.2	25.5
Stallergènes	3.3	5.3	7.8
Financial expense	(14.2)	(24.0)	(37.7)
Dividends Valeo, Capgemini	40.7	11.0	7.7
Taxes, General operating expense	(9.9)	(11.3)	(10.4)
Income from business sectors	86.1	100.5	156.9
Income			
Income from business sectors	86	101	157
Non-recurring items	(391)	(929)	152
Consolidated net income, Group share	(379)	(650)	253
Investments and disposals			
Investments	263	756	290
Disposals	107	446	446
Per share data (euros)			
Income from business sectors	2.4	2.2	2.8
Consolidated net income, Group share	(10.8)	(14.2)	4.5
Net dividend	1.1*	1.0*	1.05

* For the 2002 reporting period, which lasted 18 months, a dividend of 2.10 euros was paid, including an advance of 1.10 euros paid in June 2002 and a dividend of 1.00 euro paid in June 2003.

Net asset value

millions of euros	December 2002	December 2003
Unlisted assets	2,230	2,640
Listed assets	820	760
Cash	270	90
Gross revalued assets	3,320	3,490
Financial debt	(1,230)	(970)
Net asset value	2,090	2,520
Net asset value per share	€ 38	€ 45

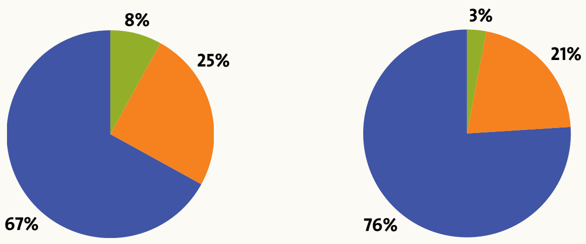
Net asset value per share, which correspond to the value of the Group's assets, rose from 38 euros to 45 euros, up 18%, between December 2002 and December 2003.
With the gross dividend of 1.50 euros paid in June 2003, the internal rate of return on assets was 23 %.

Breakdown of assets

Unlisted assets
Legrand
Oranje-Nassau
Wheelabrator Allevard
Bureau Veritas
bioMérieux
Silliker, Other

Cash

Listed assets
Stallergènes
Trader Classified Media
Capgemini
Valeo



December 2002 December 2003

Rating

After the merger in June 2002, WENDEL Investissement asked Standard & Poor's for a rating. After study, Standard & Poor's gave the Company a long-term rating of BBB+ with a stable outlook and a short-term rating of A-2. This rating was made public in September 2002 and has been maintained by Standard & Poor's since that date. In addition, the financing operations undertaken after July 2002, a syndicated bank loan and a WENDEL Investissement bond issue maturing in 2011, were each rated BBB+.

EQUITY HOLDINGS AS OF DECEMBER 31, 2003

WENDEL INVESTISSEMENT

INDUSTRY

37.4% **LEGRAND**
Products and systems for electric installations

100% **WHEELABRATOR ALLEVARD**
Industrial abrasives

100% **ORANJE-NASSAU**
Energy – Real estate

10% **VALEO**
Automotive components and systems

Information on the competitive position and market share of these equity holdings was provided by the companies themselves.

SERVICES

33.7% **BUREAU VERITAS**
Certification and control

30.8% **TRADER CLASSIFIED MEDIA** (1)
Classified advertising and multimedia services

4.2% **NEUF TELECOM**
Telecom operator

4.2% **CAPGEMINI** (2)
Management consulting and IT services

OTHER COMPANIES

HEALTHCARE

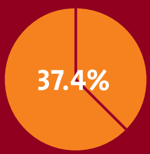
47.5% **STALLERGENES**
Treatment of allergies by immunotherapy

34.7% **BIOMERIEUX**
Medical diagnosis

26% **SILLIKER**
Safety and quality of food products

(1) Sold in April 2004
(2) 2.4% at the end of March 2004

LEGRAND



THE LEGRAND GROUP IS A GLOBAL SPECIALIST IN PRODUCTS AND SYSTEMS FOR ELECTRICAL INSTALLATIONS AND INFORMATION NETWORKS IN RESIDENTIAL PROPERTIES, SERVICE FACILITIES AND INDUSTRY.

THE GROUP OFFERS COMPREHENSIVE SOLUTIONS, INTEGRATING:
- THE DISTRIBUTION OF ELECTRICAL ENERGY AND OF DATA;
- REMOTE CONTROL SYSTEMS AND CONNECTIONS;
- SECURITY SYSTEMS FOR PEOPLE AND PROPERTY;
- SOLUTIONS FOR BUILDINGS AND INDUSTRIAL PROCESSES.

THE RANGE OF PRODUCTS IT OFFERS IS ESPECIALLY BROAD WITH MORE THAN 130,000 REFERENCES IN 80 PRODUCT LINES.
THE GROUP HAS A WORKFORCE OF ALMOST 26,000. IT OPERATES FROM ALMOST 60 BASES THROUGHOUT THE WORLD AND MARKETS ITS PRODUCTS IN MORE THAN 160 COUNTRIES. IN 2003, NET SALES OUTSIDE FRANCE ACCOUNTED FOR 72% OF THE YEAR'S TOTAL.
ACQUIRED ON DECEMBER 10, 2002, LEGRAND IS ACCOUNTED FOR BY THE EQUITY METHOD IN THE FINANCIAL STATEMENTS OF WENDEL INVESTISSEMENT.

Good performance in a difficult environment

In 2003, Legrand reported net sales of 2,762 million euros, down 5.8% from 2002. The Group's organic growth, on a constant consolidation and foreign exchange basis, stood at 1.2%, a good performance considering the unfavorable economic environment that characterized 2003. The decrease was basically attributable to foreign exchange fluctuations due primarily to the depreciation of the U.S. dollar, with a negative impact of 6.5%. By geographic region, changes in net sales between 2002 and 2003, on a constant consolidation and foreign exchange basis, were as follows: -0.8% for France, +1.8% for Italy, +4.5% for the rest of Europe, -1.8% for the United States and Canada and +4.8% for the rest of the world.

This trend in sales is encouraging, with particularly good performances reported in Europe excluding France and the rest of the world.

Sustained strong positions

Legrand is a world leader in low-tension cable networks with a global market share of 15%, and in switches and connectors, with a global market share of 18%. In this sector, Legrand offers solutions for the principal world standards (France, the United States, the United Kingdom, Germany, China, etc.) and has many lines that meet national standards (Brazil, Switzerland, etc.).
Since it is well positioned in these markets, the Group

French GAAP

Millions of euros	2002 proforma	2003
Net sales	2,933	2,762
Operating income (1)	383	405
Consolidated net income (loss) - Group share	n.c.	(127)

Data for 2002 and 2003 concern FIMEP, which has become Legrand Holding
(1) EBIT before amortization of goodwill and adjustments related to the acquisition.

enjoys major competitive advantages, such as:
- the possibility to develop excellent, long-term relations between the Group and the whole distribution chain;
- the ability to commercialize products primarily adapted to national markets, among which professional work practices and consumer preferences may vary greatly;
- the possibility to offer its customers, especially in the form of integrated systems, almost the full line of products required for a complete electrical installation;
- the faculty to benefit from the good reputation of its products with consumers and as well as contractors and distributors to develop its positions in new products and thus to boost growth.

Legrand's ability to adapt its offerings to each market's specific requirements and the Group's strong competitive position explain its capacity to maintain and even increase its market share in a difficult economic environment.

Improved profitability

Operating income before amortization of goodwill and adjustments related to the acquisition totaled 405 million euros, up 6 % from 2002. In 2003, Legrand continued to improve its profitability and competitiveness by:
- optimizing procurement through the reorganization, globalization and standardization of this function at the Group level;
- rationalizing production through greater site specialization and a more systematic "make or buy" approach to each new product;
- downsizing while significantly strengthening its marketing and sales teams.

Significant debt reduction

In 2003, proforma net financial debt, which includes the sum paid to buy out Legrand SA's minority shareholders and acquisition expenses not yet settled, decreased by 395 million euros.

The Group generated operating cash flow of 280 million euros and reduced capital employed by optimizing industrial investments and reducing its working capital requirements from 18% to 16 % of net sales between the end of 2002 and the end of 2003. Finally, since 17% of the Group's debt was denominated in U.S. dollars at the end of 2003, the Group benefited from a reduction of almost 120 million euros in its financial debt owing to the depreciation of the U.S. dollar vis-à-vis the euro.

Prospects

Legrand's efforts in 2002 and 2003 have already allowed the Group to boost margins significantly and reduce its debt. In 2004, the Group intends to continue to improve profitability and, if there is a recovery, take full advantage of the leverage provided by the strong growth in net sales. In addition, the Group does not exclude selective, medium-sized acquisitions that would enable it to complement its offering or strengthen its market share.

French GAAP

Millions of euros

ASSETS	12/31/2002	12/31/2003	SHAREHOLDERS' EQUITY AND LIABILITIES	12/31/2002	12/31/2003
Tangible assets	1,025	915	Shareholders' equity	690	443
Intangible assets	3,099	2,873	Payment-In-Kind loans (PIK)	1,156	1,214
Other fixed assets	291	126	Provisions	205	227
Working capital requirements	509	458	Other long-term debt	280	168
			Financial debt	2,593	2,320
	4,924	4,372		4,924	4,372

WHEELABRATOR ALLEVARD

100%

WHEELABRATOR ALLEVARD IS THE WORLD'S LEADING PRODUCER OF ABRASIVE PELLETS WITH A GLOBAL MARKET SHARE OF MORE THAN 40%. COMPOSED OF SMALL BEADS OF STEEL, THIS INDUSTRIAL ABRASIVE IS MAINLY USED TO CLEAN AND PREPARE METAL SURFACES, AS WELL AS TO CUT GRANITE SLABS. ABRASIVE PELLETS ACCOUNT FOR TWO-THIRDS OF THE GROUP'S SALES.
WHEELABRATOR ALLEVARD IS ALSO A MAJOR MANUFACTURER OF DIAMOND TOOLS (N°2) FOR SAWING AND CUTTING ORNAMENTAL STONE FOR THE CONSTRUCTION MARKET. THE GROUP SELLS THESE PRODUCTS IN 30 COUNTRIES AND HAS A MARKET SHARE OF APPROXIMATELY 6%.
THE GROUP EMPLOYS 1,750 PEOPLE AT 22 PRODUCTION FACILITIES.
IT OPERATES ON THE WORLD'S FIVE CONTINENTS, AND MARKETS ITS PRODUCTS IN MORE THAN 100 COUNTRIES TO MORE THAN 30,000 CUSTOMERS.

Good adaptation to trends in the abrasive pellets market

World demand again contracted in 2003, and in this difficult environment, organic growth in this branch regressed by 4.5%. This trend reflected structural changes and the economic environment.
During the year, metallurgical industries stepped up delocalization toward developing countries, particularly China, Brazil and eastern Europe. In 2003, while developing countries recorded organic growth of 10% in abrasive pellets, Europe was down 7% and North America declined more than 10%.
To respond to this trend and take full advantage of its good geographic coverage, the Company followed the advice of its new Chairman and made major investments to strengthen its presence in emerging counties and acquire a significant position, as it had done in Brazil, in Mexico, and especially China. These outposts will further bolster the geographic coverage of the Group, which already has a solid foothold in several countries of Latin America and Asia.

The Group rationalized its industrial organization. Two unprofitable facilities, representing 15% of the Group's capacity, were closed in the United Kingdom and the United States. This decision resulted in a non-recurring loss of 10 million euros recorded in the 2003 financial statements. Moreover, a program was launched in this branch to boost sales, significantly reduce production costs and improve the management of working capital requirements.

Millions of euros	2001	2002	2003
Net sales	286	288	284
Operating income	34	36	27
Consolidated net income (loss) - Group share	17	2	(4)

In this depressed environment, it was not possible to pass through to selling prices the full increase in the price of raw materials. The pressing need for scrap iron on the part of developing countries, which are traditionally importers, has caused the price of metal to rise approximately 50% in the last two years.

Strong growth in diamond tools

Wheelabrator Allevard pursued its strategy to develop its diamond tools business by acquiring Saint-Gobain's Diamant Winter division in July 2003.
With operations in more than eight countries and a workforce of more than 400, this group is a global leader in the market for diamond tools used to cut natural stone and especially granite. After the acquisition of Arcofil in Italy and Eiche in Germany during 2002, the purchase of Diamant Winter triples Wheelabrator Allevard's worldwide presence in this market, particularly in the promising Brazilian, South African and Indian markets.
These acquisitions allow the Group to operate on a global scale. Diamond tools now account for a third of consolidated net sales, with margins equivalent to the abrasive pellets business.

Good resistance in net sales and margins

The Group reported consolidated net sales of 284 million euros, representing a slight decline of 1.4% from the 288 million euros recorded in 2002.
Operating income went from 35.7 million euros to 26.5 million euros. The decrease was due to two contrasting trends: an erosion of the profitability of the abrasive pellets business and an increase in the operating margin for diamond tools during the year. Before accounting for non-recurring restructuring charges and amortization of goodwill, net income stood at 13.9 million euros, compared with 17.5 million euros in 2002.
Cash flow was affected by the erosion of margins and amounted to 28.2 million euros, down from 37.3 million euros in 2002. Reflecting the industrial investment program and the acquisition of Diamant Winter, net financial debt increased by 4 million euros to a total of 77 million euros. Compared with the Group's equity of 126 million euros, the debt-equity ratio remains moderate.

Development and prospects

The first few months of 2004 seem to indicate a slight upturn in the abrasive pellets sector in both North America and Europe.
The industrial rationalization programs undertaken in 2003 have put the Group in a good position to deal with current challenges and rapidly benefit from a return to normal business conditions. In addition, the Group is actively strengthening its presence in emerging countries. The diamond tools branch is pursuing its efforts to provide a solid base for the Diamant Winter Group companies it has acquired and to implement all possible synergies. The potential for growth and enhanced margins remains significant and should rapidly make it possible to improve the Group's overall profitability.

Millions of euros

ASSETS	12/31/2001	12/31/2002	12/31/2003	SHAREHOLDERS' EQUITY AND LIABILITIES	12/31/2001	12/31/2002	12/31/2003
Tangible assets	94	79	71	Shareholders' equity	147	137	126
Intangible and financial assets	58	57	54	Provisions	14	16	23
Working capital requirements	88	90	101	Net financial debt	79	73	77
	240	226	226		240	226	226

ORANJE-NASSAU

100%

THE DUTCH GROUP ORANJE-NASSAU IS A WHOLLY-OWNED SUBSIDIARY OF WENDEL INVESTISSEMENT. IT IS ACTIVE IN TWO BUSINESS SECTORS: ENERGY AND REAL ESTATE.

IN THE ENERGY SECTOR, ORANJE-NASSAU INVESTS IN THE EXPLORATION AND PRODUCTION OF OIL AND NATURAL GAS MAINLY IN THE NORTH SEA, BUT ALSO IN NORTH AFRICA AND THE MIDDLE EAST.
ITS REAL ESTATE HOLDINGS (MORE THAN 70,000 M2) ARE PRIMARILY COMPRISED OF OFFICES, COMMERCIAL PROPERTIES AND SHOWROOMS, MOST OF WHICH ARE LOCATED IN THE NETHERLANDS.

ORANJE-NASSAU IS ALSO THE HOLDING COMPANY FOR SEVERAL WENDEL INVESTISSEMENT EQUITY INTERESTS, AS WELL AS FOR MISCELLANEOUS DIRECT FINANCIAL INVESTMENTS.

Energy
Increased oil production

In 2003, the average price of a barrel of brent was USD 28.70, up 14% from the average of USD 25.20 in the previous year. Conversely, translated into euros, the average price of a barrel fell 4% from 26.50 euros to 25.40 euros owing to the appreciation of the euro vis-à-vis the U.S. dollar. The war in Iraq and uncertainty about the resumption of oil production in Venezuela and Nigeria helped boost the price of oil.
Net sales rose from 145 million euros to 164 million euros, up 13%, as a result of increased production from 7.3 million to 8.5 million barrels.
The three major acquisitions made at the end of 2002 in the oil fields of Cook, Janice and Pierce, located in the British North Sea Sector, are fully operational.
During the year, the Company refocused its activities by selling its interest in oil fields in Spain and Algeria. It also sold an interest in a gas field off the coast of the United Kingdom. All of these assets, which were of lesser strategic importance, were sold under satisfactory condi-

Millions of euros	2001	2002	2003
Net sales	155	190	221
Operating income	66	87	102
Consolidated net income (loss) - Group share	51	52*	107

* Excluding non-recurring items from intra-group sales.

tions, allowing the Company to record capital gains before taxes of more than 20 million euros. The division's net income, before non-recurring items and amortization of goodwill was 48.8 million euros versus 28.2 million euros in 2002.

Real estate
Holdings rationalized

The division's net revenues are primarily composed of rental income, 10.5 million euros in 2003, compared with 11 million euros in 2002. This slight decline was due to the sale of three buildings, two of which were in Amersfoort, near Utrecht, and the third in The Hague. Capital gains from these sales totaled 3 million euros. Recurring net income from real estate activities stood at 3.1 million euros.
In 2003, this division continued to upgrade its properties by renovating and enlarging an office building in Arnhem.

Investment

Net revenues from investments rose from 17.7 million euros in 2002 to 38.7 million euros in 2003. This result mainly included income or dividends from Group subsidiaries and affiliates: Trader Classified Media, Bureau Veritas, Stallergènes and Silliker in 2003, and bioMérieux, Stallergènes and Silliker in 2002. Excluding dividends, the contribution to consolidated net income was 2.9 million euros.
Consolidated net income totaled 107 million euros, broken down as follows: Energy 60 million euros, Real Estate 6 million euros and Investment 41 million euros.
In 2003, no oil assets were acquired owing to the high benchmark price for oil fields, and no acquisitions were made in the investment sector. The cash flow generated by Oranje-Nassau enabled the Group to reduce its financial debt by 87 million euros.

Prospects

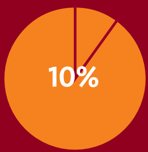
Oranje-Nassau forecasts growth in business in 2004. In Energy, the Group plans to strengthen its positions in the North Sea by investing in new projects. The ongoing rationalization of real estate holdings may lead to the sale of a building and the acquisition of two others.

Millions of euros

ASSETS	12/31/2001	12/31/2002	12/31/2003
Real estate	118	130	113
Energy	218	179	110
Financial holdings	191	156	123
	527	465	346

SHAREHOLDERS' EQUITY AND LIABILITIES	12/31/2001	12/31/2002	12/31/2003
Shareholders' equity	274	243	256
Provisions	131	115	94
Financial debt	122	105	18
Working capital resources	-	2	- 22
	527	465	346

VALEO



VALEO DESIGNS, MANUFACTURES AND MARKETS COMPONENTS, INTEGRATED SYSTEMS AND MODULES FOR CARS AND TRUCKS. THIS INTERNATIONAL GROUP IS ONE OF THE WORLD'S TEN LARGEST AUTOMOTIVE PARTS MANUFACTURERS. IT IS ACTIVE IN THE MAIN AUTOMOTIVE MARKETS AND IS ORGANIZED IN TEN INDUSTRIAL BRANCHES, ONE PER PRODUCT LINE OR SYSTEM.

THE GROUP OPERATES IN 26 COUNTRIES AND EMPLOYS MORE THAN 68,000 PEOPLE AT 129 PRODUCTION FACILITIES, 65 RESEARCH AND DEVELOPMENT CENTERS AND 9 DISTRIBUTION CENTERS.

Millions of euros	2001	2002	2003
Net sales	10,234	9,803	9,234
Operating income	388	487	465
Consolidated net income (loss) - Group share	(591)	135	181

Net sales stable

Consolidated net sales in 2003 totaled 9,234 million euros, down 6% from 2002, principally as a result of the depreciation of the U.S. dollar. On a constant consolidation and foreign exchange basis, the Group's net sales decreased by 1%.

Rationalization and development

In 2003, Valeo strengthened its competitive position, mainly reflecting increased productivity at its manufacturing facilities and its development in Asia.
During the year, Valeo pursued its rationalization program, which aims to adjust production capacity to customer needs in terms of competitive costs and geographic presence.
In the second half of 2003, several transactions strengthened the Group's positions in Asia, particularly in Japan and China.

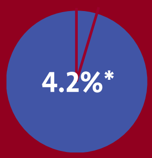
Improved results and a sound financial base

The efforts to rationalize production facilities contributed to the increase in the gross margin, which rose to 17.9% of net sales. The Group's operating margin was 5% of net sales, at the same level as in 2002. Net income totaled 181 million euros, up 34% from 2002. Net financial debt was stable at 568 million euros as of the end of 2003.

Prospects

At the beginning of 2004, the Group announced its strategic ambitions in an action plan that is based on three sales development vectors: continued growth in Asia, where the Group now has a solid base, the development of second assembly activities, and finally ongoing technological and commercial innovations.

CAPGEMINI



CREATED IN 1967, CAPGEMINI IS A GLOBAL LEADER IN MANAGEMENT CONSULTING AND IT SERVICES. THE GROUP IS ORGANIZED IN FOUR LINES OF BUSINESS:
- CONSULTING (TRANSFORMATION, PROCESS);
- TECHNOLOGY (ARCHITECTURE, SYSTEMS INTEGRATION, INFRASTRUCTURE);
- FACILITIES MAINTENANCE (MANAGEMENT OF INFORMATION SYSTEMS AND PROCESSES);
- ON-SITE TECHNICAL ASSISTANCE (SOGETI).

THE GROUP OPERATES IN 34 COUNTRIES IN EUROPE, NORTH AMERICA AND THE ASIA-PACIFIC REGION AND HAS A WORKFORCE OF MORE THAN 55,000, INCLUDING TRANSICIEL EMPLOYEES.

* 2.4% end March 2004

Millions of euros	2001	2002	2003
Net sales	8,416	7,047	5,754
Operating income	423	114	155
Consolidated net income (loss) - Group share	152	(514)	(197)

Consolidation of technical assistance through the acquisition of Transiciel

For the third year in a row, the IT services industry found itself faced with a generally depressed economic environment. In this difficult situation, the Group's business did not stabilize during the year and, on a constant consolidation and foreign exchange basis, net sales in the second half declined 8.3% compared with the first half. An analysis of sales results shows that half of the new orders recorded in 2003 were facilities maintenance contracts, thereby giving the Group the possibility to rival the world's front-runners in this field.

The acquisition of Transiciel enables the Group to double its size of its technical assistance branch and thus confirms the Group's leadership in Europe.

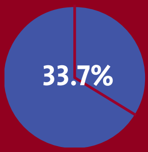
Improved results

In 2003, the Group's consolidated net sales totaled 5,754 million euros, down 12.5% from 2002 on a constant consolidation and foreign exchange basis. Operating income stood at 155 million euros, up 36% from the 114 million euros recorded in 2002; the margin was thus 2.7% in 2003, compared with 1.6% in 2002. This improvement was made possible by additional downsizing and continued efforts to reduce structural costs. Before integrating Transiciel's balance sheet, at the end of 2003 the Group's net cash totaled 454 million euros, at a level comparable to the end of 2002. After the integration of Transiciel, the Group's net cash totaled 266 million euros at the end of December 2003.

2004: Return to growth

For 2004, management's prime objective is to ensure growth again. To achieve this goal, the savings generated in 2004 by the ongoing cost reduction plan will be reinvested to strengthen the sales teams.

BUREAU VERITAS



BUREAU VERITAS IS AN INTERNATIONAL SERVICE PROVIDER THAT WORKS TO PREVENT RISKS, IMPROVE QUALITY, AND ENHANCE THE SAFETY OF PEOPLE AND PROPERTY. IT OFFERS A RANGE OF SERVICES THAT INCLUDES CLASSIFICATION, CERTIFICATION, INSPECTION AND MONITORING, CONSULTING, TECHNICAL ASSISTANCE AND TRAINING. BUREAU VERITAS OPERATES IN THE MAIN ECONOMIC SECTORS: INDUSTRY, CONSTRUCTION, SHIPPING AND OFFSHORE, INTERNATIONAL TRADE, AEROSPACE AND CONSUMER GOODS. THE GROUP IS ONE OF THE THREE LARGEST PROVIDER OF INSPECTIONS, ANALYSES AND CERTIFICATIONS OF GOODS AND SERVICES. IT OPERATES IN 140 COUNTRIES, SERVING MORE THAN 200,000 CLIENTS WITH A STAFF OF 18,500 WHO WORK OUT OF ALMOST 600 OFFICES AND LABORATORIES. THE GROUP IS RECOGNIZED AND ACCREDITED BY THE WORLD'S LARGEST ORGANIZATIONS.

Excellent results in 2003 in line with past performances

In 2003, Bureau Veritas reported a 12% increase in consolidated net revenues, which totaled 1,284 million euros, compared with 1,145 million euros in 2002. This growth can be analyzed as follows: 12% from organic growth, 8% from the year's acquisitions and a negative 8% from foreign exchange fluctuations during the year.
Consolidated operating income totaled 170 million euros, up 24% from the previous year. Consolidated net income before non-recurring items and amortization of goodwill was 107 million euros compared with 100 million euros in 2002. The slower growth in net income was due to the decrease in financial income linked to foreign exchange fluctuations and taxes.
During the year, Bureau Veritas acquired the Weeks group of companies, which reported revenues of almost 20 million euros. This acquisition bolsters Bureau Veritas' position and market share in the United Kingdom by allowing the Company to expand its consulting offering, enrich its services portfolio and extend its local network that now employs more than 1,000 people in 21 offices.

Organic growth of more than 20% in America and Asia

Group business improved in all geographic regions. In France, the Group reported net revenues of 457 million euros, up 6.5%. France accounted for 36% of the Group's consolidated results.
In Europe, outside of France, Bureau Veritas recorded net revenues of 311 million euros, representing an increase of 17% over 2002, 7% of which was

Millions of euros	2001	2002	2003
Net revenues	1,012	1,145	1,284
Operating income	107	137	170
Consolidated net income (loss) - Group share	59	86	95

attributable to external growth and the acquisition of Weeks. Europe, excluding France, accounted for 24% of the Group's consolidated results.
In North America, net revenues amounted to 281 million euros, up 19% from 2002.
The increase was mainly the consequence of full-year accounting for the companies in the USLabs group, acquired in October 2002. Moreover, Consumer Goods activities in the United States kept on growing in site of the depreciation of the U.S. dollar.
In Latin America, organic growth was strong at 19%. However, the depreciation of local currencies resulted in a decline in net revenues translated into euros. Together, North America and Latin America accounted for 22% of Group business.
In Asia and the Middle East, Bureau Veritas reported net revenues of 156 million euros, up 4% from 2002. Asia was seriously affected by foreign exchange fluctuations during the year. This region accounted for 12% of the Group's consolidated results.
In Africa, Bureau Veritas recorded net revenues of 78 million euros representing an increase of 23% over 2002. America accounted for 6% of Group business.

Across-the-board growth

Net revenues in the Maritime division in 2003 totaled 150 million euros. Business was sustained in spite of the significant depreciation of the U.S. dollar vis-à-vis the euro. The world market for new ships reached an all-time high of 71.7 million metric tons in gross tonnage. In this dynamic environment, the number of orders booked by BV doubled. BV's market share of orders booked worldwide increased by a percentage point to almost 10%.

The Industry division, which regroups Certification, Construction, Project Management, Transport and Logistics, Training and Consulting, accounted for 64% of the Group's total business. It reported 17% growth in a year's time, 3% of which was attributable to external growth. In this division, activities represent about a third each: 36% for Industry, 33% for Construction, and 31% for Certification, Training and Consulting. All branches reported strong growth of almost 20%. Only Certification moved at a slower pace, with an 8% increase. The most recent acquisitions, Weeks in 2003, USLabs, IPM and REGSPEC in 2002, made a major contribution to the development of the Industry division within the Group.
The Consumer Goods division reported organic growth of 13% in 2003, enabling the Company to maintain its earnings level in euros in spite of the depreciation of the U.S. dollar. The merger of MTL and ACTS was successfully accomplished, ensuring the continuity of the services rendered to existing clients.
The Government Contracts division posted net revenues of 143 million euros in 2003 as business was up 15%, sustained by the good performance of contracts in Angola and the Ivory Coast and by the signing of new contracts in Kenya and Jordan.

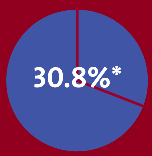
Development and Prospects

Organic growth of more than 10% is expected in 2004 as a result of basically equivalent contributions from each of the four divisions. The operating margin should remain at the same level as in 2003.

Millions of euros

ASSETS	12/31/2001	12/31/2002	12/31/2003	SHAREHOLDERS' EQUITY AND LIABILITIES	12/31/2001	12/31/2002	12/31/2003
Tangible assets	64	60	62	Shareholders' equity	250	288	347
Intangible and financial assets	203	299	294	Provisions	104	111	118
Working capital requirements	80	64	72	Net financial debt	-	24	-
Net cash	7	-	37				
	354	423	465		354	423	465

TRADER CLASSIFIED MEDIA



CREATED IN CANADA IN 1987, TRADER CLASSIFIED MEDIA IS THE WORLD LEADER IN CLASSIFIED ADVERTISING, SPECIALIZED IN THE PUBLICATION OF CLASSIFIED ADVERTISEMENTS BY INDIVIDUALS AND PROFESSIONALS FOR THE SALE AND PURCHASE OF GOODS AND SERVICES, AS WELL AS IN A RANGE OF SERVICES RELATED TO THESE TRANSACTIONS. THE GROUP PUBLISHES MORE THAN 400 CLASSIFIED ADVERTISING PRINT TITLES (9 MILLION READERS PER WEEK) AND OPERATES 50 INTERNET SITES IN 20 COUNTRIES. ITS PUBLICATIONS ARE AVAILABLE IN THE WORLD'S MAIN URBAN AREAS. THE INTERNET SITES GENERATE APPROXIMATELY 360 MILLION PAGES VISITED PER MONTH. IN FRANCE, THE COMPANY OWNS LA CENTRALE DES PARTICULIERS.

TRADER CLASSIFIED MEDIA HAS A WORKFORCE OF MORE THAN 6,400 THROUGHOUT THE WORLD, INCLUDING 3,000 IN SALES. THE GROUP IS LISTED ON THE FIRST MARKET OF THE PARIS STOCK EXCHANGE.

* sold in April 2004

Rise in net sales in a difficult environment

In 2003, Trader Classified Media reported consolidated net sales of 461 million euros, up 4% from the previous year; a handsome performance in a depressed advertising market with a very strong euro.

Because of its broad geographic coverage, the Group reported more than 60% of net sales outside of Europe. Excluding the impact of foreign exchange fluctuations, total growth was 10% and organic growth 7%.

The breakdown of net sales by geographic region remained well balanced. Europe accounted for 40% of net sales, North America 22%, and the rest of the world 38%, including Russia for 17% and Australia for 16%.

Good performances in publications

In publications, net sales increased by 2.5% in 2003 and organic growth in this branch was 5.6%. Growth was particularly strong in professional classified advertising, which accounted for 16% of net sales, up 9% in organic growth from the previous year. Advertising (36% of net sales) also reported a high rate of organic growth at 11.3%. These performances were excellent results in an advertising market that generally declined. They reflected the nature of advertising, and primarily of its content, that targets a very specific audience. Lastly, circulation, which accounted for 22% of net sales, declined only 3.7%, demonstrating the continued good resistance of the Publications division vis-à-vis the increased market share gained by the Internet.

French GAAP

Millions of euros	2001	2002	2003
Net revenues	419	443	461
Operating income	46	97	104
Consolidated net income (loss) - Group share	(91)	(31)	(4)

Strong growth in Internet sales

Internet activities generated net sales of 39 million euros, up 25% in 2003, similar to the growth rate recorded in 2002 (26%). The strong growth in this sector, which was primarily organic, was due to the regular development of online classified advertising, either specific or coupled with publications, as well as to the introduction of pay-to-use lines on all sites. The advertising streamer business reported significant growth compared with the previous year, owing to the development of joint paper and Internet solutions offered to advertising customers.

Margins maintained at a high level

The year 2003 was marked by stability in the Group's operating margin in an environment affected by the sharp appreciation of the euro vis-à-vis other currencies. EBITDA remained stable at 115 million euros, representing 25% of net sales, compared with 111 million euros in 2002. Operating income totaled 104 million euros compared with 97.4 million euros the previous year. This stability was attributable to narrower publication margins, the cost of developing new publications in Russia and the growth initiatives taken in Hungary. The margin of the Internet channel increased significantly under the joint impact of strong growth in net sales and strict cost control measures. Lastly, headquarters and administrative costs continued to decline, dropping from 19 million euros to 16 million euros during the year.

The Group reported an increase in consolidated net income before non-recurring items and amortization of goodwill of 19%, from 32 million euros in 2002 to 38 million euros in 2003.

Regular cash flow finances acquisitions

Available cash flow totaled 66 million euros in 2003, after 65 million euros in 2002. This regularity in a difficult environment reflected strict management of working capital requirements and the ceiling on investments, which was maintained at 3% of the Group's net sales.
In 2003, Trader Classified Media made acquisitions totaling 31 million euros.
The Group's net financial debt was reduced by 21 million euros as of December 31, falling to 202 million euros at the end of 2003.

Prospects for 2004

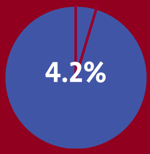
For 2004, the Group forecasts another year of growth in net sales, EBITDA and net income.

At the beginning of March, the Group announced the sale of its Australian activities, the Trading Post, for 391 million euros. This transaction was realized under very good conditions. The selling price was almost three times the initial investment. This operation will allow the Group to pursue its development strategy, especially via organic growth, and to propose the payment of an exceptional dividend to its shareholders totaling a minimum of 275 million euros, or 3 euros per share, subject to the approval of its banks.

Millions of euros

ASSETS	12/31/2001	12/31/2002	12/31/2003	SHAREHOLDERS' EQUITY AND LIABILITIES	12/31/2001	12/31/2002	12/31/2003
Tangible assets	50	41	41	Shareholders' equity	452	406	440
Intangible and financial assets	696	672	688	Provisions	83	67	66
Working capital requirements	- 15	- 17	- 21	Net financial debt	196	223	202
	731	696	708		731	696	708

NEUF TELECOM



CREATED IN 1998, LDCOM TOOK THE NAME NEUF TELECOM IN JANUARY 2004. IT RANKS AS ONE OF THE LEADING BROADBAND SERVICE PROVIDERS. ACTIVE IN ALL FIXED TELECOMMUNICATIONS MARKETS, THE GROUP PROPOSES A FULL RANGE OF VOICE-INTERNET-DATA PRODUCTS AND SERVICES TO A SIGNIFICANT CUSTOMER BASE MADE UP OF RESIDENTIAL, CORPORATE AND PROFESSIONAL TELECOMMUNICATIONS CUSTOMERS. NEUF TELECOM OPERATES ONE OF FRANCE'S LEADING ALTERNATIVE LONG DISTANCE NETWORKS. THE 18,000-KILOMETER NETWORK NOW LINKS 60 CITIES, MAINLY IN FRANCE AND THE SURROUNDING COUNTRIES (SPAIN, ITALY, SWITZERLAND). IT HAS BEEN EXTENDED BY METROPOLITAN NETWORKS TO MAKE BROADBAND SERVICES MORE AVAILABLE TO USERS. TO REINFORCE THIS CAPILLARITY, NEUF TELECOM MAKES AN ACTIVE CONTRIBUTION TO THE DEGROUPING OF LOCAL LOOPS AND DEPLOYS ITS DSL TECHNOLOGY AT THE NATIONAL LEVEL. THE DSL NETWORK IS OPERATIONAL IN 40 CITIES.

80% growth in net sales and cash of more than 400 million euros

Net sales at Neuf Telecom, whose activities are almost exclusively French, increased by more than 80% in 2003 to just under 1 billion euros. Net sales can be broken down as follows: telecommunications operators and professionals 43%, companies 40% and the general public 17%.

Neuf Telecom's market share for fixed telecommunications in France is approximately 5%, representing 25% of the market taken by alternative operators. The company is the leading alternative operator in the market for services to companies and operators, and the fourth largest provider of services to residential customers. In these different markets, competition remains fierce and consolidation is not over yet.
In 2003, Neuf Telecom restructured rapidly to finalize the integration of the eight companies it had successively absorbed, giving the group real clout and enhancing its ability to develop. EBITDA, which was only 18 million euros in 2002, rose above 100 million euros in 2003. Investment exceeded 130 million euros. The company has almost no debt and net cash of more than 300 million euros.

At the beginning of 2004, Neuf Telecom adopted its new name to bolster its reputation and capitalize on a single brand name for all its products. It launched new very competitive commercial proposals based on broadband and a DSL television offering in cooperation with the Canal+ group.

Prospects

Neuf Telecom targets 20% growth in 2004. Broadband will account for most of the growth. Neuf Telecom aims to have 800,000 degrouped lines by the end of 2004.

Millions of euros	2001	2002	2003
Net revenues	182	566	997
Operating income	(5)	(102)	(77)
Consolidated net income (loss) - Group share	2	(120)	(57)

Millions of euros

ASSETS	12/31/2001	12/31/2002	12/31/2003
Tangible assets	1,109	1,283	1,256
Intangible and financial assets	29	229	457
Net cash	133	450	311
	1,271	1,962	2,024

SHAREHOLDERS' EQUITY AND LIABILITIES	12/31/2001	12/31/2002	12/31/2003
Shareholders' equity	461	1,158	1,112
Provisions	21	46	56
Working capital resources	789	758	856
	1,271	1,962	2,024

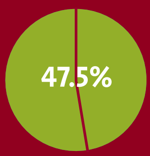
OTHER HOLDING COMPANIES

These intermediate holding companies contribute to Group financing and serve to lodge its equity interests.

Millions of euros **Company name** (shareholders)	**Equity interest held**	**Shareholders equity(*) as of 12/31/2003**	**Total assets as of 12/31/2003**	**Net income 2003**	**Dividend paid in 2003**
TRIEF CORPORATION (75% Winbond) (25% WENDEL Investissement)	37.4% Lumina Parent 100% Sofisamc	544.9	818.5	54.7	-
SOFU (50% Oranje-Nassau)	5.8% Bureau Veritas	14.1	14.1	1.7	1.7
WINVEST 1 (100% WENDEL Investissement)	57.8% BLR lux	152.9	153.5	(27.4)	-
BLR LUX (57.8% Winvest 1)	7.3% NeufTelecom	180.3	180.3	0.0	-
SOLFUR (100% WENDEL Investissement)	13.5% SNC Wendel-Participations	16.9	16.9	2.3	2.7
WINBOND (100% WENDEL Investissement)	75% Trief Corporation	384.0	384.1	6,7	-
SOFISERVICE (100% WENDEL Investissement)	-	96.7	106.4	3.4	118.2
SOFISAMC (100% Trief Corporation)	-	14.9	15.0	1.1	-
COMPAGNIE FINANCIERE DE LA TRINITE (100% WENDEL Investissement)	-	18.3	18.3	0.2	-
SIMFOR (100% WENDEL Investissement)	-	1.6	1.6	0.0	0.9

(*) Including net income for the year.

STALLERGÈNES



STALLERGÈNES IS THE WORLD'S LEADING PHARMACEUTICAL LABORATORY SPECIALIZED IN ALLERGENIC IMMUNOTHERAPY. ALLERGENIC IMMUNOTHERAPY (OR DESENSITIZATION) MAKES IT POSSIBLE TO REORIENT THE IMMUNE SYSTEM BY ATTACKING THE CAUSE OF THE DISEASE DIRECTLY. THE GOAL OF THIS TREATMENT IS TO CURE ALLERGIES. STALLERGÈNES IS INVOLVED IN THE RESEARCH, DEVELOPMENT, PRODUCTION AND DISTRIBUTION OF ALLERGEN-BASED PRODUCTS FOR THE TREATMENT OF COLDS AND ALLERGY-RELATED ASTHMA. EVERY YEAR, STALLERGÈNES DELIVERS APPROXIMATELY ONE MILLION PREPARATIONS THROUGHOUT THE WORLD. STALLERGÈNES HAS TREATED TWO MILLION PATIENTS IN THE LAST TEN YEARS. 210 ALLERGENS ARE REFERENCED FOR DIAGNOSIS, 120 FOR THERAPY, 25 OF WHICH ARE STANDARDIZED, AND 7 NEW ALLERGENS ARE IN THE PROCESS OF STANDARDIZATION.
STALLERGÈNES EMPLOYS 500 PEOPLE THROUGHOUT THE WORLD.

Confirmed success of Staloral 300

The year 2002 had been marked by the successful launch of Staloral 300 in Europe. This product is the first anti-allergy preparation administered under the tongue with a delivery system that is simple, specific and technically sophisticated. It perfectly satisfies doctors' recommendations as to the required dose for maximum effectiveness and makes daily use simple and rapid. Introduced two years ago, under-the-tongue treatment is progressively becoming the norm in allergenic immunotherapy.
The innovative character of this product carried over into 2003 with its commercialization in a new presentation. This treatment represents 69% of treatments, versus 63% in 2002.

Strong growth in 2003 in line with business developments in 2002

Owing to the new presentation of under-the-tongue treatments, growth in net sales, which had gained momentum in 2002 with an 18% rise in net sales, remained at the high level of 14% with a total of 85.7 million euros.
In France, growth was sustained, up 18%. In Italy and Spain, the Group continued to win market share. On the other hand, in Germany, owing to a 6% reduction imposed on the whole pharmaceutical sector, growth in sales was less marked. Business with distributors expanded by 18% in almost all countries and especially in eastern Europe and North Africa.

Millions of euros	2001	2002	2003
Net sales	63	75	86
Operating income	8	11	13
Consolidated net income (loss) - Group share	2	5	7

Net income up 56%

The operating margin, which corresponds to operating income before accounting for research and development expenses, increased by 28% to 21.8 million euros. The Group achieved gains in productivity and bolstered its control of administrative and commercial costs.
Efforts in research were stepped up while the Group's significant profitability was maintained. Operating income increased by 18% to 13.3 million euros. Net income rose 47% to 7.8 million euros, representing a net margin of 8.6%. No non-recurring item affected business.

Net financial debt decreased by 46%, and in a year, the debt-equity ratio was reduced from 48% to 23% of shareholders' equity.

Preparing the next generation of products

As announced, Stallergènes increased its investment in research and development by 47%, and laid the foundations for a major clinical development program for allergy pills, which was launched at the beginning of 2004.
The pill will contain one or several allergens and be as easy to use, if not more so, as the under-the-tongue treatment. Its success should help further expand the market. This new simplification should considerably boost the number of prescriptions. To develop this major project, the Group relies on its uncontested success in under-the-tongue treatment.

Prospects

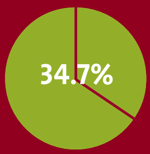
Continued control of operating costs is a major objective that should make it possible to finance the additional investment in clinical research and development, while striving to maintain the Group's profitability at the present level.

Millions of euros

ASSETS	12/31/2001	12/31/2002	12/31/2003
Tangible assets	13	13	14
Intangible and financial assets	29	27	26
Working capital requirements	16	10	10
	58	50	50

SHAREHOLDERS' EQUITY AND LIABILITIES	12/31/2001	12/31/2002	12/31/2003
Shareholders' equity	29	33	39
Provisions	2	1	2
Net financial debt	27	16	9
	58	50	50

BIOMÉRIEUX



BIOMÉRIEUX IS THE MAIN SUBSIDIARY OF THE COMPANY NOUVELLE BIOMÉRIEUX ALLIANCE, NBMA, IN WHICH WENDEL INVESTISSEMENT HAS A 34.7% INTEREST. BIOMÉRIEUX IS A WORLD LEADER IN IN VITRO DIAGNOSTICS FOR MEDICAL AND INDUSTRIAL APPLICATIONS.
BIOMÉRIEUX DEVELOPS, PRODUCES AND MARKETS SYSTEMS COMPOSED OF AUTOMATED CONTROLLERS, REAGENTS AND SOFTWARE THAT MAKE IT POSSIBLE TO IDENTIFY THE CAUSE OF THE MAJORITY OF INFECTIOUS DISEASES AND CERTAIN OTHER PATHOLOGIES SUCH AS CARDIOVASCULAR PROBLEMS OR CANCER, THEN TO DEFINE TREATMENT AND LASTLY TO ENSURE CLINICAL MONITORING. IN INDUSTRY, THESE SYSTEMS SERVE TO CONTROL THE MICROBIOLOGICAL QUALITY OF FOOD, PHARMACEUTICAL AND COSMETIC PRODUCTS.
BIOMÉRIEUX'S COMMERCIAL SUCCESS IS BASED ON THE GOOD REPUTATION OF ITS PRODUCT LINES AND ITS COMMAND OF THE MOST SOPHISTICATED TECHNOLOGIES IN BACTERIOLOGY, IMMUNOLOGY, HOMEOSTASIS AND MOLECULAR BIOLOGY.
A WORLD LEADER IN *IN VITRO* DIAGNOSTICS, BIOMÉRIEUX IS PRESENT IN MORE THAN 130 COUNTRIES, AND IN 2003, INTERNATIONAL ACTIVITIES ACCOUNTED FOR MORE THAN 82% OF ITS NET SALES. THE COMPANY HAS A WORKFORCE OF 5,300, INCLUDING ALMOST 850 RESEARCHERS.

In 2003, Nouvelle bioMérieux Alliance sold its immunotherapy activity (the Transgene group), and NBMA is now focused solely on *in vitro* diagnostics.

In order to complete the simplification of the Group's organization, bioMérieux is scheduled to merge with NBMA in 2004, absorbing the latter company, effective retroactively as of January 1, 2004.

Sustained growth and increased margins

In 2003, Nouvelle bioMérieux Alliance reported consolidated net sales of 915 million euros, up 5.3% on a constant consolidation and foreign exchange basis, but down 3.2% after accounting for changes in consolidation and foreign exchange fluctuations.

Excluding the impact of foreign exchange fluctuations, business was particularly dynamic in North America with growth in sales of 9.2%. This region, which accounts for 28% of net sales, is the Group's largest geographic market since the acquisition of Organon Teknika in 2001. In Europe, which accounts for 56% of net sales, growth was 2.8%. In Asia, sales increased by 5.7% owing to the good development of China and in spite of the slowdown in Japan. This

Millions of euros	2002	2003
Net sales	945	915
Operating income	92	102
Consolidated net income (loss) - Group share	33	61

region accounts for 9% of consolidated net sales. Finally, after a difficult year in 2002, sales in Latin America, which account for 7% of consolidated net sales, rose 8% in 2003.

Nouvelle bioMérieux Alliance posted operating income of 102 million euros, representing an increase of 11% from 2002. The trend in operating income was significantly impacted by changes in consolidation, since the Transgene group had made a negative contribution to NBMA's operating income in 2002. In addition, in 2003 operating income incorporated significant non-recurring costs linked, first, to industrial restructuring and, second, to entry permits giving access to promising technology licenses in the field of molecular biology, a segment with strong growth potential in *in vitro* diagnostics.
On a constant basis, excluding Transgene and non-recurring charges, the operating margin went from 12.7% in 2002 to 12.4% in 2003. The foreign exchange fluctuations that had a negative effect on net sales had only a marginal impact on the operating margin in 2003 because of the good match between income and expenses in U.S. dollars.

The deconsolidation of the Transgene group also led to a significant improvement in net income – Group share, which rose from 33 million euros in 2002 to 61 million euros in 2003. The accounting loss linked to the sale of Transgene was charged to the net income of the diagnostics branch and generated a tax reduction of 14.7 million euros. Excluding this change in consolidation and the non-recurring charges impacting operating income and those impacting financial income, 4 million euros resulting from the depreciation of equity holdings, NBMA's recurring net income totaled 72 million euros in 2003, compared with 58 million euros in 2002.

In 2003, the NBMA Group continued to reduce its debt by 55 million euros, pro forma of the sale of Transgene. Net financial debt was thus brought down to 180 million euros at the end of 2003.

Prospects

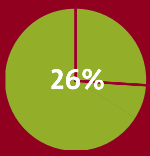
In 2004, the priority remains continuing to ensure strong and profitable organic growth.

Millions of euros

ASSETS	12/31/2002	12/31/2003
Tangible assets	274	252
Intangible and financial assets	163	146
Working capital requirements	209	222
	646	620

SHAREHOLDERS' EQUITY AND LIABILITIES	12/31/2002	12/31/2003
Shareholders' equity	386	360
Provisions	64	80
Net financial debt	196	180
	646	620

SILLIKER



THE SILLIKER GROUP IS A LEADING INTERNATIONAL NETWORK OF LABORATORIES THAT PROVIDE TESTING AND ADVISORY SERVICES TO ENSURE FOOD QUALITY AND SAFETY.
SILLIKER PROPOSES A WIDE RANGE OF SERVICES BASED ON PROVEN ANALYTICAL METHODS (MICROBIOLOGICAL, PHYSICO-CHEMICAL, MOLECULAR BIOLOGY, ETC.), AS WELL AS AUDITS, CONSULTING AND SENSORIAL EVALUATION.
SILLIKER OPERATES THROUGHOUT THE FOOD CHAIN, FROM AGRICULTURE AND BREEDING TO INDUSTRY, DISTRIBUTION AND FOOD SERVICES.
IN MICROBIOLOGICAL AND PHYSICO-CHEMICAL TESTING, THE GROUP OFFERS A COMPLETE SERVICE THAT GOES FROM SAMPLING TO COMPUTERIZED DATA PROCESSING. IN BIO-MOLECULAR INSPECTION, SILLIKER'S MOLECULAR BIOLOGY UNIT DETECTS GENETICALLY MODIFIED SUBSTANCES AND THE MAIN FOOD ALLERGENS.

Successful reorganization

In 2003, Silliker benefited from the completion of the reorganization measures taken over the last two years to develop its position as a privileged partner of the agribusiness, mass distribution and food services sectors and to improve profitability.
In 2003, consolidated net sales totaled USD 121 million, up 20% from the previous year. Excluding foreign exchange fluctuations, growth stood at 11.5%. North America, which accounted for 53% of sales, saw business grow 11%. After the launch of major restructuring, business in France grew 8.5% in 2003, excluding foreign exchange fluctuations. The other European countries pursued their rapid development with growth of 18%, excluding foreign exchange fluctuations.
In 2003, operating income became positive owing to the confirmation of good results in the United States, good performances in Australia and recovery in France.

Prospects

The Group continues to develop programs to integrate its laboratories and improve the quality of service and profitability. The development of new services should make it possible for the Group to enjoy sustained organic growth.

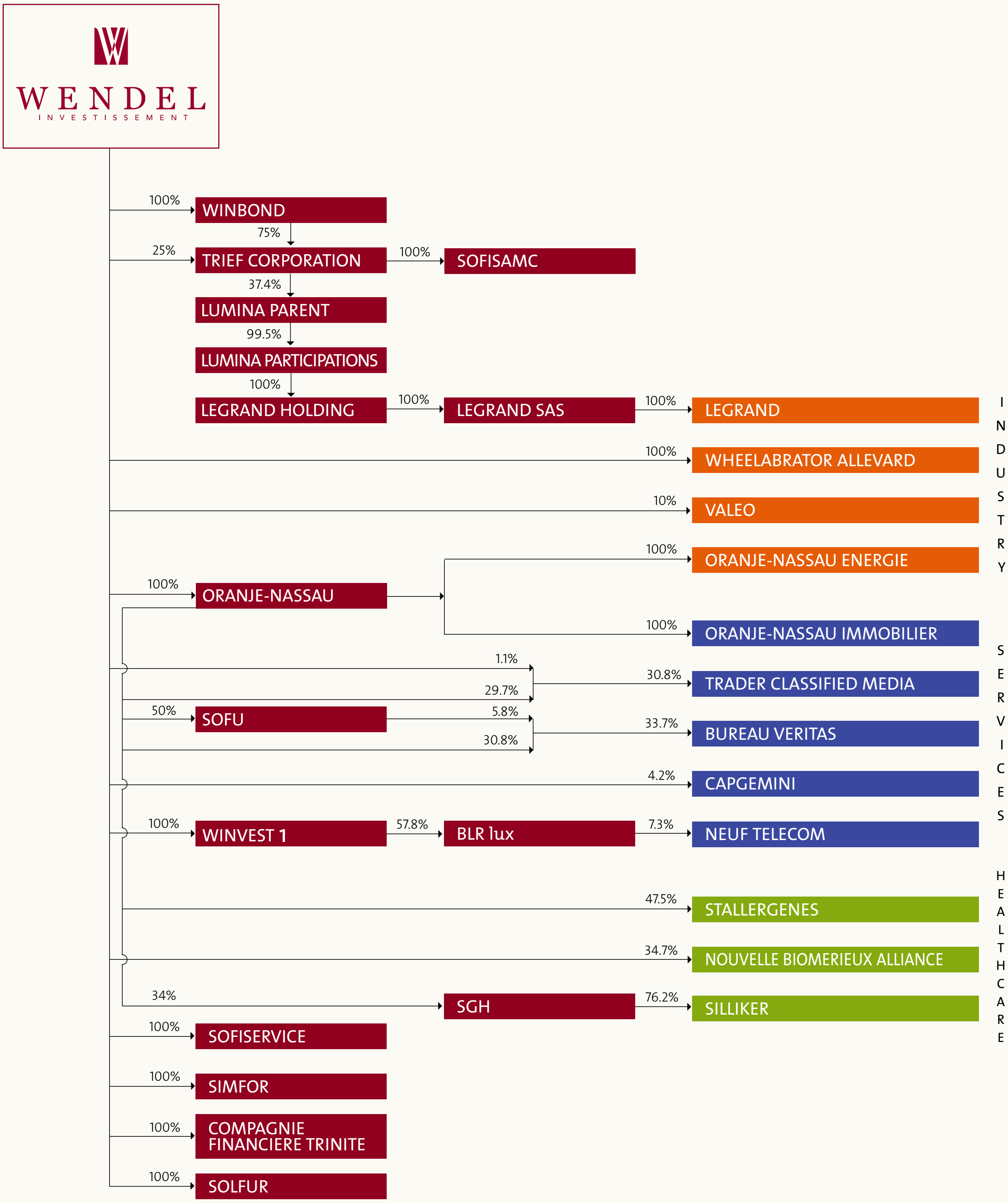
USD millions	2001	2002	2003
Net sales	94	101	121
Operating income	(1)	(1)	4
Consolidated net income (loss) - Group share	(3)	(3)	1

USD millions

ASSETS	12/31/2001	12/31/2002	12/31/2003
Tangible assets	23	23	26
Intangible and financial assets	48	53	53
Working capital requirements	2	4	4
	73	80	83

SHAREHOLDERS' EQUITY AND LIABILITIES	12/31/2001	12/31/2002	12/31/2003
Shareholders' equity	71	66	70
Provisions	1	0	0
Net financial debt	1	14	13
	73	80	83

LEGAL STRUCTURE as of December 31, 2003



RECENT EVENTS

Divestments

Capgemini shares

In the first quarter, the Group sold 2,447,500 Capgemini shares for 74.8 million euros by exercising options contracted in 2003.

Trader Classified Media shares

The sale of the equity interest in Trader Classified Media was motivated by the Group's strategy to focus on unlisted assets initiated in the second half of 2002. The divestment involved two stages:

- a private placement in the market, of 10 million shares, on March 12, 2004;
- the sale to the founder and Chairman of the Executive Board of Trader Classified Media of 21.1 million shares on April 29, 2004.

With the purchase of 2.75 million shares at a unit price of 7.7 euros, resulting from the exercise of options in March 2004, the average selling price was 11.4 euros per share. Proceeds from the sale of these shares totaled 322 million euros. WENDEL Investissement no longer owns any of this company's shares.

Registration of bioMérieux's database

bioMérieux succeeded in registering its database with French stock market authorities (l'Autorité des Marchés Financiers) on May 6, 2004. This document was submitted in view of a possible application to float the company on the stock market. On this occasion, WENDEL Investissement indicated its intention to sell its equity interest in bioMérieux.

Enhanced financial structure

Bond issue

In February, WENDEL Investissement launched a 500 million euro bond issue. With a maturity of 7 years, the bonds are redeemable in February 2011. Interest is 5%.

Quarterly net sales

Fully consolidated companies

Net sales in the first quarter of 2004 totaled 159.6 million euros compared with 162.8 million euros in 2003. The decrease, attributable to Oranje-Nassau, was linked to reduced production in the Energy branch.

Legrand

In the first quarter of 2004, Legrand reported net sales of 730.4 million euros, up 8.3% on a constant consolidation and foreign exchange basis. It was 4.3% after accounting for the unfavorable 3.8% impact of foreign exchange fluctuations during the period.

Maintenable EBIT before amortization of goodwill and acquisition adjustments (US GAAP) stood at 124.8 million euros up 18% from the 105.5 million euros reported in the first quarter of 2003. The operating margin increased by 200 basis points, from 15.1% to 17.1% of net sales. This improvement in financial performance reflected the many measures taken in the last two years, in particular:

- the introduction of development strategies by product and market, with the launch of high value added product lines;
- the bolstering of sales teams;
- the optimization of the manufacturing base through the specialization of production facilities.

Consolidated accounts

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Analysis of the consolidated financial statements

WENDEL Investissement's accounts are consolidated on the basis of the principles and methods described in the notes to the financial statements.

– Subsidiaries held directly or indirectly over which WENDEL Investissement exercises exclusive control are fully consolidated. This category includes the groups Wheelabrator Allevard, Oranje-Nassau and Stallergènes, as well as the main holding companies.
– Companies over which WENDEL Investissement exercises a significant influence, i.e. Bureau Veritas, Lumina Parent (holding company of the Legrand Group), Trader Classified Media, Nouvelle bioMérieux Alliance and Silliker Group Holding, are accounted for by the equity method.

Consolidated statement of income

The following table summarizes the main items in the consolidated statement of income in its accounting presentation.

In millions of euros	12.31.2003	12.31.2002	12.31.2001
Consolidated companies			
Operating income	127	115	86
Financial income (expense)	– 28	– 60	0
Current income	**99**	**55**	**86**
Non-recurring items	213	– 855	– 342
Corporate income tax	– 75	8	33
Net income (loss) of consolidated companies	**237**	**– 792**	**– 223**
Net income (loss) of companies accounted for by the equity method	**34**	**– 58**	**– 95**
Amortization of goodwill	– 36	– 21	– 342
Net income (loss)	**235**	**– 871**	**– 660**
Net income (loss), minority interests	– 18	– 221	– 281
Net income (loss), Group share	**253**	**– 650**	**– 379**

Economic presentation of consolidated net income

The business sectors held by WENDEL Investissement are fully consolidated or accounted for by the equity method. The accounting presentation of the statement of income does not allow for direct in-depth analysis. For this reason, WENDEL Investissement regularly communicates an economic statement of income.

- Income from equity holdings is defied as the share of WENDEL Investissement in the income (loss) of companies consolidated (full or pro rata) or accounted for by the equity method before amortization of goodwill, non-recurring items and statement of income items with no direct relation to the operational activity of these holdings.
- Dividends include the dividends received from unconsolidated holdings (Valeo and Capgemini).
- Holding costs are made up of general operating expenses, the cost of the net debt intended to finance equity holdings and tax income (expense) related to these items. The items recorded are those that appear in WENDEL Investissement's accounts as well as those in different consolidated financial holdings.
- Non-recurring income (expense) comprises, for all consolidated companies, capital gains and losses, net of tax, on disposals, changes in allowances for securities, the cost of financing, restructuring expense and the impact of foreign currency fluctuations linked to Oranje-Nassau's oil assets.
- Amortization of goodwill includes amortization of goodwill recorded by WENDEL Investissement in its financial statements and WENDEL Investissement's share of amortization of goodwill recorded by its equity holdings.

The years 2002 and 2001 were restated to account for the deconsolidation resulting from the decrease in equity interests in Valeo in 2002 and Capgemini in 2001. For these two equity holdings, net income only recorded the dividend received in the last three years. The difference between these dividends and the share in the income recorded in 2002 and 2001 for Valeo and in 2001 for Capgemini was reclassified as Other non-recurring items.

Analysis of the consolidated financial statements

Consolidated statement of income – economic presentation

In millions of euros	12.31.2003	12.31.2002	12.31.2001
Wheelabrator Allevard	13.9	17.5	19.8
Oranje-Nassau	53.9	35.5	35.4
Bureau Veritas	36.1	33.4	22.9
Trader Classified Media	11.7	9.5	– 22.5
bioMérieux (NBMA) and Silliker	25.5	20.2	10.6
Stallergènes	7.8	5.3	3.3
Legrand	48.4	3.4	–
Income from equity holdings	**197.3**	**124.8**	**69.5**
Dividends Valeo and Capgemini	**7.7**	**11.0**	**40.7**
WENDEL Investissement financial expense	– 37.7	– 24.0	– 14.2
Taxes and general operating expense	– 10.4	– 11.3	– 9.9
Holding company expenses	**– 48.1**	**– 35.3**	**– 24.1**
Income from business sectors	**156.9**	**100.5**	**86.1**
Non-recurring items			
▪ Capgemini evaluation	155.6	– 739.3	– 168.7
▪ Valeo evaluation	31.0	– 50.2	– 98.1
▪ Other non-recurring items	– 34.8	– 139.3	– 124.0
Non-recurring items	**151.8**	**– 928.8**	**– 390.8**
Amortization of goodwill	– 74.1	– 42.8	– 355.4
Consolidated net income (loss)	**234.6**	**– 871.1**	**– 660.1**
Net income (loss), minority interests	– 18.0	– 221.5	– 281.1
Net income (loss), Group share	252.6	– 649.6	– 379.0

Income from WENDEL Investissement's business sectors totaled 156.9 million euros in 2003, compared with 100.5 million euros in 2002, representing an increase of 56%. This result, which was achieved in spite of a lackluster economic environment and unfavorable foreign exchange rates, demonstrates the quality of the Group's assets and reflects the good balance between growth stocks and yield investments.
All the Group's subsidiaries significantly increased their contributions to WENDEL Investissement's net income: Oranje-Nassau (+ 52%), Stallergènes (+ 47%), bioMérieux (+ 26%), Trader Classified Media (+ 23%) and Bureau Veritas (+ 8%), except for Wheelabrator Allevard, which reported a decline in net income. Acquired in December 2002, Legrand was recorded in the Group's financial statements for the first time on a full-year basis. It made a significant contribution of 48.4 million euros to income from business sectors.
Non-recurring items primarily reflected the valuation of the Capgemini and Valeo shares. Non-recurring income in 2003 was generated in major part by capital gains from the sale (now almost fully completed) of WENDEL Investissement's equity interest in Capgemini, as well as by the revaluation of the Capgemini and Valeo shares held as of December 31, 2003.
The 30 million euro increase in amortization of goodwill recorded in 2003 was mainly due to the amortization of goodwill reported by Legrand Holding and accounted for in 2003 for the first time. In 2001, the high level of amortization of goodwill was attributable to non-recurring amortization on equity interests in Capgemini, Valeo and AOM Participations.

Analysis of the consolidated financial statements

Table of the changeover from the consolidated statement of income to the economic presentation

The following table presents the correspondence of statement of income items in the accounting presentation to statement of income items in the economic presentation.

In millions of euros

Accounting presentation \ Economic presentation	Income from equity holdings	Dividend	Holding costs	Non-recurring items	Amortization of goodwill	Consolidated net income (loss)
Operating income	142.2		– 14.8			127.4
Financial income (expense)	11.6	7.7	– 38.6	– 8.7		– 28.0
Non-recurring items	0.5		3.9	208.6		213.0
Corporation tax	– 59.6		1.4	– 17.6		– 75.8
Net income (loss) of companies accounted for by the equity method	102.6			– 29.8	– 38.5	34.3
Amortization of goodwill				– 0.7	– 35.6	– 36.3
Consolidated net income (loss)	**197.3**	**7.7**	**– 48.1**	**151.8**	**– 74.1**	**234.6**
Net income (loss), minority interests	5.5			– 23.5		– 18
Net income (loss), Group share	191.8	7.7	– 48.1	175.3	– 74.1	252.6

Balance sheet (in millions of euros)

Assets	12.31.2003	12.31.2002	12.31.2001
Tangible and intangible assets	721	839	664
Investments accounted for by the equity method	970	980	1 111
Equity interests in non-consolidated companies and long-term investments	708	850	1 390
Working capital requirements	60	– 137	– 168
Net cash	145	388	287
	2,604	**2,920**	**3,284**

Shareholders' equity and liabilities	12.31.2003	12.31.2002	12.31.2001
Shareholders' equity	1,229	1,094	1,335
Minority interests	80	99	1,055
Provisions	127	180	104
Financial debt	1,168	1,547	790
	2,604	**2,920**	**3,284**

The data for 2002 was restated to incorporate the repurchase agreement sale of Capgemini shares (recorded off-balance sheet). These restatements impacted the following items: Financial debt (+ 340 million euros), Provisions (– 320 million euros), Long-term investments (+ 107 million euros) and Working capital requirements (– 87 million euros).

Main changes in 2003

- The decrease in Tangible and intangible assets was mainly due to amortization in the period.
- Equity interests in non-consolidated companies and long-term investments primarily reflected the sale and adjustment in value of Capgemini shares, and changes in provisions for Valeo and Neuf Telecom shares.
- Working capital requirements were principally linked to financial transactions. The change was mainly attributable to the change in the premiums paid and received on Capgemini options (purchase of long calls to hedge Capgemini exchangeable bonds in 2003 and sales of Capgemini calls on 2002 prior to the progressive disposal of shares in 2003) and to the cancellation of Capgemini warrants in 2003.
- The year's cash flow and the disposals of Capgemini shares enabled the Group to reduce its net financial debt.

Changeover to IFRS standards

Within the framework of the mandatory application of ASB international accounting standards for listed European companies as of 2005, WENDEL Investissement organized a work group in 2003 to identify differences in comparison with the accounting principles currently used by the Group and to apply the new standards at the level of WENDEL Investissement. This analysis is conducted either directly at the level of WENDEL Investissement for specific operations at the holding company, or in direct relation with the work groups set up in each of the consolidated subsidiaries and affiliates.

At this stage, certain differences that could have a significant impact on the presentation of the company's financial statements have been isolated. They occur as a result of the application of the following standards:

IAS 40: possible option for accounting for real estate investments at fair value;

IAS 19, ED 2: the new rules governing consolidation require that payments in shares be accounted for. The WENDEL Investissement Group will be mainly concerned by the part on stock option plans.

IFRS 1, ED 3: goodwill no longer gives rise to amortization and will only be depreciated on the basis of the annual result of tests for impairment;

IAS 39: the accounting classification that will be adopted for unconsolidated equity interests and other financial assets will require in certain cases that these holdings be recorded on the balance sheet for their fair value;

IAS 39: separate valuation of derivatives incorporated in financial contracts (case of bonds exchangeable into CGEY shares and bonds exchangeable into Valeo shares);

IAS 39: all derivatives to be recorded in the consolidated financial statements at their market value.

Consolidated balance sheet

Assets

In thousands of euros	Note	12.31.2003	12.31.2002	12.31.2001
Goodwill	1	**388,754**	**411,434**	**180,569**
Intangible fixed assets		**32,640**	**34,079**	**34,933**
Tangible fixed assets	2	**299,560**	**393,261**	**448,741**
Fixed asset investments	3	708,190	743,413	1,389,593
Investments in companies accounted for by the equity method	4	970,405	979,621	1,111,467
		1,678,595	**1,723,034**	**2,501,060**
Fixed assets		**2,399,549**	**2,561,808**	**3,165,303**
Current assets				
Stocks and work in progress		62,472	63,733	60,773
Trade debtors		126,005	110,902	110,436
Other debtors		69,900	112,513	39,177
Cash and cash equivalents	5	144,714	388,314	287,000
		403,091	**675,462**	**497,386**
Total assets		**2,802,640**	**3,237,270**	**3,662,689**

Consolidated balance sheet

Liabilities

In thousands of euros	Note	12.31.2003	12.31.2002	12.31.2001
Share capital		223,928	223,727	141,195
Share premium account		127,099	226,422	–
Consolidated reserves		625,317	1,293,030	1,573,271
Net profit for the year		252,641	– 649,557	– 379,004
Shareholders' equity - Group share		**1,228,985**	**1,093,622**	**1,335,462**
Minority interests	6	**80,236**	**98,835**	**1,054,814**
Provisions for risks and charges	7	**126,903**	**500,311**	**103,981**
Borrowings	8	**1,167,792**	**1,207,382**	**790,160**
Other liabilities				
Trade creditors		56,067	51,343	42,934
Other creditors	9	142,657	285,777	335,338
		198,724	**337,120**	**378,272**
Total liabilities		**2,802,640**	**3,237,270**	**3,662,689**

Consolidated profit and loss account

In thousands of euros	Note	12.31.2003	12.31.2002	12.31.2001
Operating income	13	596,733	561,617	509,697
Operating charges	14	– 469,344	– 446,191	– 423,332
Operating profit	15	**127,389**	**115,426**	**86,365**
Net financial (charges) income	16	– 27,965	– 59,944	47
Profit on ordinary activities of consolidated companies		**99,424**	**55,482**	**86,412**
Net (losses) gain on fixed asset disposals	17	– 807,638	22,872	45,558
Other exceptional items	18	1,020,589	– 878,390	– 388,205
Corporation tax	19	– 75,821	7,646	32,983
Net profit of consolidated companies		**236,554**	**– 792,390**	**– 223,252**
Shares of profits of companies accounted for by the equity method	20	34,345	– 57,618	– 95,298
Goodwill amortisation	21	– 36,299	– 21,077	– 341,529
Net profit	22	**234,600**	**– 871,085**	**– 660,079**
Minority interests		– 18,041	– 221,528	– 281,075
Group share		**252,641**	**– 649,557**	**– 379,004**
Average number of shares in issue*		55,929,054	45,632,175	35,256,099
Primary earnings per share (in euros)		4.52	– 14.23	– 10.75
Diluted earnings per share (in euros)		4.42	– 13.88	–

* Adjusted for the two-for-one share split authorised by the Shareholders' General Meeting of June 13, 2002.

Statement of cash flows

In thousands of euros	Note	2003	2002	2001
Cash flow from operating activities				
Net profit (loss) of consolidated companies		234,600	– 871,085	– 660,079
Adjustments for items not involving the movement of funds or not linked to the activities				
■ Share of profits accounted for by the equity method		– 34,345	57,618	95,298
■ Goodwill amortisation		36,299	21,077	341,529
■ Amortisation, depreciation, provisions and other similar non-cash items		– 935,033	913,852	456,149
■ Losses (gains) on fixed asset disposals		807,638	– 22,872	– 45,558
Cash flow from fully-consolidated companies		109,159	98,590	187,339
Net dividends received from companies accounted for by the equity method		21,941	6,797	50,387
Merger costs not dealt with in the profit and loss account		–	– 6,758	–
Change in operating working capital		5,293	42,724	– 67,344
Net cash inflow from operating activities		**136,393**	**141,353**	**170,382**
Cash flow from investing activities				
Outflows:				
– acquisitions of participating interests	24	– 236,685	– 687,872	– 207,485
– acquisitions of intangible and tangible fixed assets	25	– 34,271	– 67,843	– 55,871
– loans granted	26	–	–	– 9,082
Inflows:				
– proceeds from the sale of participating interests	27	400,212	446,261	98,751
– proceeds from the sale of intangible and tangible fixed assets	28	25,985	497	8,075
– loan repayments		–	–	1,484
Change in working capital related to investing activities		– 71,851	15,794	29,455
Net cash inflow (outflow) from investing activities		**83,390**	**– 293,163**	**– 134,673**
Cash flow from financing activities				
Capital increases		1,726	2,104	11,958
Share buybacks		– 3,601	– 503,610	– 38,482
Dividends paid	29	– 56,937	– 58,179	– 188,758
Net change in loans and other borrowings	30	– 373,951	818,402	56,625
Change in working capital related to financing activities		– 42,289	–	–
Net cash (outflow) inflow from financing activities		**– 475,052**	**258,717**	**– 158,657**
Effect of changes in the consolidation scope and exchange rates		9,151	– 3,574	– 12,162
Increase (decrease) in cash and cash equivalents		**– 246,118**	**103,333**	**– 135,110**
Cash and cash equivalents at 1 January*		383,074	279,741	414,851
Cash and cash equivalents at 31 December*		**136,956**	**383,074**	**279,741**

*Cash at bank and in hand and marketable securities other than own shares.

Changes in consolidated shareholders' equity

In thousands of euros	Number of shares*	Share capital	Share premium	Consolidated reserves	Translation adjustment	Own shares	Net profit (loss)	Shareholders' equity
At December 31, 2000	**35,296,932**	**141,195**	**–**	**1,051,870**	**22,343**	**– 68**	**528,746**	**1,744,086**
Appropriation of 2000 profit				528,746			– 528,746	–
Dividends paid				– 38,738				– 38,738
Elimination of own shares	– 81,000					– 2,519		– 2,519
Other movements				1,209				1,209
Translation adjustment					10,428			10,428
Net loss for the year							– 379,004	– 379,004
At December 31, 2001	**35,215,932**	**141,195**	**–**	**1,543,087**	**32,771**	**– 2,587**	**– 379,004**	**1,335,462**
Appropriation of 2001 loss				– 379,004			379,004	–
Interim dividend				– 34,998				– 34,998
Shares acquired under the MW simplified tender offer and cancelled pursuant to the decision of the General Meeting held on 13 June 2002	– 3,171,698	– 12,687	– 116,104	– 1,301				– 130,092
Cancellation of own shares		– 331	– 2 256			2,587		–
Capital increases:								
■ shares issued in connection with Marine-Wendel-CGIP merger	23,876,729	95,507	351,346	162,004				608,857
■ shares issued on the exercise of stock options	71		1					1
■ shares issued in connection with employees savings plan	10,653	43	201					244
Translation adjustment					– 36,295			– 36,295
Net loss for the year							– 649,557	– 649,557
At December 31, 2002	**55,931,687**	**223,727**	**233,188**	**1,289,788**	**– 3,524**	**–**	**– 649,557**	**1,093,622**
Appropriation of 2002 loss			– 106,766	– 542,791			649,557	–
Dividends paid				– 55,703				– 55,703
Cancellation of own shares	– 121,423					– 3 601		– 3,601
Capital increases:								
■ Shares issued on the exercise of stock options	11,722	47	85					132
■ Shares issued in connection with employees savings plan	38,507	154	592					746
Translation adjustment					– 58,852			– 58,852
Net profit for the year							252,641	252,641
At December 31, 2003	**55,860,493**	**223,928**	**127,099**	**691,294**	**– 62,376**	**– 3,601**	**252,641**	**1,228,985**

* Adjusted for the two-for-one share split authorised by the Shareholders' General Meeting of June 13, 2002.

Notes to the consolidated accounts

The consolidated financial statements were prepared in accordance with French generally accepted accounting principles, notably Regulation 99-02 issued by the French Accounting Regulation Committee *(Comité de Réglementation Comptable - CRC)*. Unless indicated otherwise, all amounts are expressed in thousands of euros.

1. Accounting policies

■ CONSOLIDATION METHODS

Companies that are controlled exclusively by WENDEL Investissement are fully consolidated.
Companies over which WENDEL Investissement exercises significant influence are accounted for by the equity method. As a rule, their accounts do not give rise to particular restatements when preparing the consolidated accounts.

In accordance with Article L233-19 of the Revised Commercial Code and CRC Regulation 99-02, companies over which WENDEL Investissement does not exercise significant influence have been excluded from the consolidation scope, as have companies whose exclusion from the consolidation scope does not materially affect the true and fair view of the Group's assets, liabilities, financial situation and profits as provided by the consolidated financial statements.

Newly acquired subsidiaries are consolidated as from the date of their acquisition, while subsidiaries sold are consolidated up to the date of their disposal.

■ BASIS OF CONSOLIDATION

– Wheelabrator Allevard, Oranje-Nassau, Stallergènes, Lumina Parent (Legrand), Bureau Veritas, Nouvelle bioMérieux Alliance and Trader Classified Media were consolidated on the basis of their consolidated accounts at 31 December 2003.

– Silliker Group Holding (SGH) was consolidated on the basis of the individual accounts to 30 September 2003, and Silliker Bio Mérieux Inc on the basis of its consolidated account to 30 September 2003.

– Companies for which the accounting period was more or less than 12 months and which do not have a 31 December year-end were consolidated on the basis of restated individual accounts covering the period 1 January to 31 December 2003.

– All other companies were consolidated on the based of their individual accounts to 31 December 2003.

■ ACCOUNTING TREATMENT OF SPECIFIC TRANSACTIONS

The balance sheet at 31 December 2002 reflects the sale of 4,562,627 Cap Gemini Ernst & Young shares for €340 million. This sale, which was made under an optional repurchase agreement, resulted in the recognition of an unrealised loss of €88 million recorded in a suspense account reported on the asset side of the balance sheet under other debtors.

At 31 December 2002, the remaining 9,326,825 Cap Gemini Ernst & Young shares continued to be reported under fixed asset investments.

WENDEL Investissement's undertaking to return an amount of €340 million to BNP Paribas and the latter's undertaking to return the Cap Gemini Ernst & Young shares that it held were reported as off balance sheet commitments.

As WENDEL Investissement still bears the market risk on the shares sold under the optional repurchase agreement, a provision for risk was recorded when the value of these shares was inferior to their balance sheet value immediately before their sale.
When the agreement was cancelled in 2003, WENDEL Investissement paid an amount of €340m to BNP Paribas, and the bank returned all 4,562,627 shares in Cap Gemini Ernst & Young.

2. Valuation methods

■ TRANSLATION OF FOREIGN CURRENCY FINANCIAL STATEMENTS

The balance sheets of foreign companies are translated at the year-end exchange rate and their profit and loss accounts at the average exchange rate for the period ended. The translation difference arising from the use of different exchange rates is taken directly to consolidated reserves and reported under translation adjustments.

Conversion differences on dollar-denominated oil assets and related long-term liabilities are dealt with in the profit and loss account.

The following exchange rates were used to translate the accounts of foreign companies:

Notes to the consolidated accounts

Against the euro	Year-end rates			Average exchange rates		
	12.31.2003	12.31.2002	12.31.2001	2003	2002	2001
US dollar	1.2630	1.0487	0.8813	1.1312	0.9456	0.8956
Swiss franc	1.5579	1.4524	1.4829	1.5212	1.4667	1.5105

▪ VALUATION POLICIES

The accounts of consolidated companies, which were prepared in accordance with local regulations, comply with the valuation rules prescribed by the French Commercial Code.

Intangible fixed assets

When the acquisition of a company enables WENDEL Investissement to establish significant positions in a specific market and/or future economic benefits, the fair value adjustment determined on the first-time consolidation of this company is recorded under Intangible fixed assets on the basis of the asset's value determined by applying appropriate criteria.
In view of their nature, these intangible assets are not amortised. At each year-end, however, they are valued on the basis of the same criteria as applied initially.
In the case of an impairment in value observed over several successive years, a provision for impairment is recorded.

Goodwill

Goodwill on acquisition represents the difference between the cost of the shares held in a consolidated company and the Group's share of the company's net assets after fair value adjustments to identifiable intangible and tangible assets. Goodwill is amortised over the following periods, which vary depending on the sector of activity of the company:
- 20 years for the industrial abrasives, certification and control, diagnostics and real estate businesses;
- 10 years for the energy and allergy treatment businesses.

Goodwill is written off immediately when all three conditions below are satisfied:
– goodwill has arisen on the purchase of shares for an amount of less than €10 million during the year;
– the change in the Group's interest does not exceed 2%;
– the acquisition does not result in any statutory thresholds being passed.

At each year-end, shares in consolidated companies are valued on a mark-to-market basis in the case of listed companies and on the basis of stockmarket multiples in the case of unlisted companies. This is compared to the valuation obtained using the discounted cash flow method. If one or other approach gives a value that is inferior to the shares' book value, related goodwill gives rise to an exceptional write-down.

Tangible fixed assets

Tangible fixed assets are recorded at cost except for land and buildings having given rise to a legal revaluation, which are reported at their re-valued amount. With the exception of land, all other tangible assets are depreciated using the straight-line method over their estimate life.
As a rule, tangible fixed assets are depreciated over the following periods:

Buildings	10 to 30 years
Plant	6 to 8 years
Equipment and tooling	3 to 10 years

Assets made available under finance leases or long-term rental agreements are recorded as if they had been purchased on credit and depreciated over their estimated life in the manner described above.

Valuation of oil assets

The oil assets of the Oranje-Nassau group are valued in US dollar under the successful efforts method. Exploration costs are expensed until such time as a productive field is discovered. All subsequent costs are recorded as intangible fixed assets and amortised by reference to the estimated useful life of the field and quantities extracted in relation to recoverable reserves which are verified at regular intervals by independent experts.
At each period-end, the net book value of each intangible asset is compared to the estimated present value of the corresponding reserves, net of future production costs. If net book value is higher, an additional amortisation charge is recorded for the difference.
Provisions for liabilities and charges are recorded to cover costs that will be incurred in the future to dismantle and remove oil exploration and production equipment.

Intercompany asset sales and transfers

Gains on the sale or transfer of assets between consolidated companies are eliminated, with the assets maintained at the reported value in the seller's accounts immediately prior to the transaction.

Notes to the consolidated accounts

Fixed assets investments - Non-consolidated participating interests

Investments are reported at the lower of cost and fair value. Fair value is determined by reference to the earnings potential of the companies and/or the group's share of their net assets. In the case of listed companies, fair value is determined by reference to the average share price in the month preceding the year-end. As an exception to this rule, fair value at 31 December 2002 was determined by reference to the average share price for the last 60 trading sessions prior to the year-end on account of the extreme volatility displayed by the equity markets and in application of the concept of prudence.

Stocks and work in progress

Raw materials are valued on a first-in first-out (FIFO) basis. Work in progress and finished products are valued at the lower of production costs and net realisable value. Production costs comprise raw material and labour costs, as well as indirect costs that can reasonably be allocated to production.

Financial instruments

Interest rate and currency options

Gains and losses on financial instruments used for hedging purposes are determined and recognised so as to match losses and gains on the hedged items.

When financial instruments are not being used for hedging purposes, gains and losses arising when these instruments are marked to market at the year-end are dealt with in the profit and loss account.

Share options

As a rule, premiums on options sold or purchased are recorded in a suspense account until the exercise or expiry of these options. Provisions are recorded in respect of any unrealised losses, gains not being recognised until they are realised.

As an exception to the above, premiums paid on purchasing share options intended as a hedge for an optional instrument incorporated into a debt instrument, namely an exchangeable bond, are considered to represent an anticipated payment of additional interest and, accordingly, are spread over the remaining maturity of the debt.

Marketable securities

Marketable securities are reported at the lower of cost and market value.

Pensions and other post-retirement benefits

The present value of retirement indemnities and supplementary pension benefits that the Group might be led to pay to active and retired employees gives rise to a provision for liabilities and charges determined in accordance with the projected unit credit method.

Rights are determined at each period-end by reference to each employee's age and length of service and the probability that the beneficiary will be employed by the company on reaching retirement. The calculation is based on an actuarial method, in particular assumptions regarding yields offered by long-term investments.

Research and development costs

Research and development costs are dealt with in the profit and loss account in the period in which they are incurred.

Deferred taxation

Deferred taxes are recognised under the liability method in respect of all timing differences between the value of the assets and liabilities for accounting and taxation purposes. Deferred taxes are calculated for each company in turn and determined at the estimated rate at which the tax will be paid or recovered (in the case of French companies 35.43% for short-term items and 20.20% for long term items). The effect of changes in tax rates on deferred taxes recognised in previous periods is dealt with in the profit and loss account.

A deferred tax asset is recorded in respect of tax losses carried forward when there is a strong probability that these losses will be relieved in the foreseeable future

Irrecoverable taxes on planned distribution by group companies are dealt with in the profit and loss account in the year in which the profits are generated.

Ordinary and exceptional items

In order for the profit and loss account to present a true and fair view, the profit on ordinary activities includes only income and charges generated in the ordinary course of the business in which consolidated companies are engaged. Exceptional items include all gains and losses on capital transactions for all assets except marketable securities.

Earnings per share

Earnings per share are calculated according to two methods:

– first, by dividing the net attributable profit by the average number of shares in issue during the year ended; and
– second, by dividing the net attributable profit adjusted for the financial impact of potential share issues by the average number of shares in issue during the year, increased by the number of shares to be issued on the exercise of outstanding stock options.

Notes to the consolidated accounts

3. Changes in the consolidation scope

2003

Details of the main changes in the consolidation scope are provided below:

Bureau Veritas

In 2003, Bureau Veritas acquired the companies of the British group Weeks. These companies, which generated a combined turnover of nearly €20 million, are specialised in the construction and environment sectors. They were consolidated as from 1 June 2003.

At the end of December 2003, Bureau Veritas acquired Amtac, a British company specialised in the certification of consumer goods, mainly clothes and toys. Although not material since turnover is less than €1 million, this subsidiary will be consolidated as from 1 January 2004. This acquisition will enable Bureau Veritas to strengthen its presence in the British market.

In 2003, WENDEL Investissement acquired a further 107,006 shares in Bureau Veritas. Given the shares issued by this company in 2003, the group's interest in this company increased to 33.67% at 31 December 2003, up from 33.32% at 31 December 2002. The acquisition of these additional shares resulted in the recognition of goodwill amounting to €7.6 million, which was written off immediately.

Trader Classified Media

In 2003, Trader Classified Media acquired Segundamano (the classified advertising leader in Mexico City, Mexico), Ujpressz (a classified advertising specialist based in Budapest, Hungary) and Kisokos (a publisher of local directories in Hungary). These companies generate annual turnover of approximately €7 million, €5 million and €7 million, respectively. In March 2004, Trader Classified Media sold its Australian activities - namely The Trading Post - for AUD636 million (about €391 million). In 2003, the activities of The Trading Post accounted for 16% of the turnover of Trader Classified Media.

During 2003, WENDEL Investissement acquired a further 1,107,443 shares in Trader Classified Media on the stock market, increasing its stake in the company to 30.83% at year-end, compared with 29.87% at 31December 2002. The acquisition of these additional shares resulted in the recognition of goodwill amounting to €3.1 million, which was written off immediately. In March 2004, WENDEL Investissement exercised a call option resulting in the acquisition of 2,750,000 Trader Classified Media shares for €21.4 million. At the same time, WENDEL Investissement sold 10,000,000 Trader Classified Media shares on the market for €111 million.

Lumina Parent (Legrand)

In October 2003, as a result of public repurchase offers and squeeze-out procedures, Lumina Parent (37.39%-owned by WENDEL Investissement) indirectly owned 100% of the capital of Legrand SA (compared with 98% at 31 December 2002).

Wheelabrator Allevard

On 30 June 2003, Wheelabrator Allevard acquired the precision diamond tools activity of Saint Gobain, consisting of eight companies based in Europe, South Africa, Brazil and India. These companies were consolidated as from 1 July 2003.

WENDEL Investissement has undertaken to guarantee the liquidity of the Wheelabrator Allevard shares issued or to be issued in connection with the stock options allotted to a number of Wheelabrator Allevard employees. Accordingly, 7,138 shares issued by the company were purchased for €1.4 million by WENDEL Investissement, so that it still owns 100% of the capital of Wheelabrator Allevard.

Stallergènes

The exercise of stock options resulted in a slight dilution, leaving WENDEL Investissement with 47.47% of the capital of Stallergènes at 31 December 2003, down from 47.51% one year before. This dilution did not have a significant impact on the consolidated accounts for the year.

Transgène, TSGH

The interest in this company, which is held by Nouvelle bioMérieux Alliance, a company that is 34.7%-owned by WENDEL Investissement, was reduced from 70% to 15% following the sale of shares to an independent third party. In July 2003, the remaining 15% were sold by Nouvelle bioMérieux Alliance, so that it no longer held any shares in Transgène.

Silliker Group Holding SGH, Silliker bioMérieux Inc.

As a result of the reserved capital increase arranged by Silliker BioMérieux Inc, WENDEL Investissement's interest was slightly diluted, inching down to 25.91% at 31 December 2003 from 26.62% one year before. This dilution did not have a significant impact on the consolidated accounts for the year.

WENDEL Investissement

In 2003, WENDEL Investissement acquired 121,423 of its own shares for €3.6 million. As a result, and given the shares repurchased previously, some 349,725 shares were held in treasury at 31 December 2003, including 228,302 earmarked for the company's stock options programmes. As required by accounting regulations, these 228,302 shares were reported as an asset

Notes to the consolidated accounts

in the balance sheet, whereas the other 121,423 shares were deducted from shareholders' equity.

2002

Details of the main changes in the consolidation scope are provided below.

Group restructuring

At the beginning of 2002, CGIP launched share buyback offers that led to the repurchase of 11,477,500 shares. Marine-Wendel tendered only a proportion of its eligible CGIP shares to the offers, with the result that its interest in CGIP increased from 53.1% at 1 January 2002 to 58.3% at 31 December 2002, leading to the recognition of goodwill in the amount of €39 million.

In connection with the merger between Marine-Wendel and CGIP, Marine-Wendel issued 23,876,729 ordinary shares that were allotted to CGIP's minority shareholders. Goodwill of €193 million was recorded, corresponding to the difference between the market value of the Marine-Wendel shares (€608 million as at 13 June 2002), adjusted for the costs of the merger costs, and the book value of the minority interest cancelled as a result of the merger.

Legrand

On 10 December 2002, WENDEL Investissement, Kohlberg Kravis Roberts & Co (KKR), West LB, HSBC Private Equity, Goldman Sachs Capital Partners and the Verspieren and Decoster families (which founded Legrand) jointly acquired 98% of Legrand's capital from Schneider Electric for €3.63 billion. The acquisition was financed by a combination of equity capital – in the amount of €1.76 billion – and debt. The lenders that provided the debt financing have no right of recourse against the equity investors.

WENDEL Investissement invested €658.5 million. The holding company controlling Lumina Parent, the entity owning the Legrand shares, was accounted for by the equity method in 2002, as WENDEL Investissement exercises significant influence over the company's management on account of its 37.4% interest in the capital. The €3 billion goodwill recorded in the accounts of Fimaf, an indirect subsidiary of Lumina Parent set up to hold the Legrand shares, was allocated in accordance with generally accepted accounting principles. This resulted in fair value adjustments to a number of assets, in particular the Legrand trademark, patents, ongoing research projects and stocks.

In its consolidated accounts, WENDEL Investissement decided to adopt the most conservative approach by charging to the profit and loss account all items arising between the date of acquisition and 31 December 2002 that might be considered as expenditure qualifying for immediate write-off under accounting regulations and the consolidation methods applied by the Group.

Bureau Veritas

WENDEL Investissement has undertaken to maintain or help to maintain a liquid market for Bureau Veritas shares issued and/or to be issued on exercise of stock options granted to certain Bureau Veritas employees. In fulfilment of this commitment, 144,505 Bureau Veritas shares were acquired, raising WENDEL Investissement's interest in Bureau Veritas to 33.32% at 31 December 2002, up from 32.58% at 31 December 2001.

bioMérieux Pierre Fabre and Nouvelle bioMérieux Alliance

The 2000 merger between the bioMérieux and Pierre Fabre groups was reversed in June 2002. In connection with the demerger, WENDEL Investissement exchanged its 16.74% interest in bioMérieux Pierre Fabre for a 34.74% stake in Nouvelle bioMérieux Alliance, the parent company of the bioMérieux Group. Nouvelle bioMérieux Alliance was accounted for by the equity method in 2002. The demerger had no impact on the consolidated profit and loss account but led to the recognition of goodwill of €49 million on Nouvelle bioMérieux Alliance and to the cancellation of the €42 million in goodwill previously recognized on bioMérieux Pierre Fabre.
No consolidated financial statements being available for the bioMérieux Pierre Fabre Group for the period from 1 January 2002 to the date of the demerger, Nouvelle bioMérieux Alliance was accounted for by the equity method based on the consolidated financial statements covering the full twelve months of 2002.

Wheelabrator Allevard

In early 2002, the Wheelabrator Group acquired a 60% stake in Klaus Eiche Diamantwekzeuge, a German manufacturer of laser-welded diamond tools, for €5.6 million.
WENDEL Investissement has undertaken to maintain or help to maintain a liquid market for Wheelabrator Allevard shares issued and/or to be issued on exercise of stock options granted to certain Wheelabrator Allevard employees. In fulfilment of this commitment, 12,426 shares issued by Wheelabrator Allevard were purchased by WENDEL Investissement, maintaining its interest at 100%.

Trader Classified Media (ex-Trader.com)

In 2002, Trader Classified Media carried out various acquisitions, including the buyout of minority interests in Trading Post Group (Australia) and the acquisition of Il Fe (Italy) and Auto Truck Seller (Canada).

Notes to the consolidated accounts

WENDEL Investissement's interest in Trader Classified Media was slightly diluted as a result of the above, declining to 29.87% at 31 December 2002 from 29.96% one year earlier.

Valeo
In April 2002, the Group sold part of its shares in Valeo on the market, reducing its interest from 20.1% to 9.4%. Following this sale, the Group's remaining interest in Valeo was deconsolidated and reclassified under non-consolidated participating interests.

2001
Details of the main changes in the consolidation scope are provided below:

Cap Gemini Ernst & Young
On 28 April 2001, Cap Gemini SA acquired 5.6% of the capital of Cap Gemini NV for €164 million, increasing its interest in this Dutch subsidiary to 99.8%.
In Germany, Synergis, a 51%-owned fully consolidated subsidiary, merged with Gedos, an independent company, on 1 July 2001. The merger reduced the interest held by the Cap Gemini Ernst & Young Group in the new entity, called IS Energie, to 25%. IS Energie was therefore proportionately consolidated in the second half of 2001.

▪ At the level of CGIP group
In 2001, the CGIP Group sold 0.52% of the capital of Cap Gemini Ernst & Young on the stock market for €49 million, realising a net loss of €20m.

Other changes in the CGIP Group's interest in Cap Gemini Ernst & Young resulted from the issue of Cap Gemini Ernst & Young shares on the exercise of stock options granted to some of the firm's employees.

As a result of these transactions, the CGIP Group held 11.65% of the capital of Cap Gemini Ernst & Young at 31 December 2001, compared with 12.26% at the beginning of the year.

At the year-end, in accordance with the position taken by Cap Gemini Ernst & Young for the preparation of its own accounts, the CGIP Group wrote down by €204 million the goodwill of the Ernst & Young business activities, as reinstated by the CGIP Group in its consolidated accounts (in the consolidated financial statements of Cap Gemini Ernst & Young, this goodwill charged against reserves in 2000).

On 21 December 2001, CGIP Group signed a contract with BNP Paribas – applicable from 7 January 2002 – providing for the transfer of title to 5,369,127 Cap Gemini Ernst & Young shares to BNP Paribas. The effect of this transfer was to reduce the Group's interest in Cap Gemini Ernst & Young from 11.65% to 7.36% and Cap Gemini Ernst & Young was therefore deconsolidated as at 31 December 2001.

A €280m write-down was subsequently taken against the Cap Gemini Ernst & Young shares to restate them at their market value (€74.50 per share).

Valeo
Changes in the Valeo scope of consolidation in 2001 concerned the March acquisition of Ralentisseurs Telma, the acquisition of an additional 6.4% stake in Sylea (raising the Valeo Group's interest to 98.5%), the formation of a joint venture with Bosch Automotive Systems, named FAW Zexel Climate Control Systems, and the sales of Filtrauto (previously wholly-owned), the non-automotive wiring business and Valeo Transmission UK.

▪ At the level of CGIP Group
At 31 December 2001, the Group had a 20.09% interest in the capital of Valeo (28.16% of voting rights), compared with 20.13% at the beginning of the year. The change was due to the issue of Valeo shares on the exercise of stock options.

As is the practice, fair value adjustments and goodwill recorded in respect of Valeo in the consolidated accounts of the CGIP Group were tested for impairment at the year-end, based on the discounted present value of expected incremental profits. The method used was the same as that applied to determine the €335 million value attributed to the Valeo goodwill in 1997. Based on the results of these tests, the Group recorded an exceptional write-down of €96 million as well as a charge of €58 million against the residual goodwill.

Trader.com
In 2001, Trader.com completed various acquisitions (Trading Post Group in Australia, Trajin in Spain and Erbavoglio in Italy) and disposals that modified the consolidation scope.

CGIP Group's interest amounted to 29.96% of the capital of Trader.com at 31 December 2001.

Wheelabrator Allevard
In 2001, Wheelabrator Allevard acquired 100% of National Metal Abrasive, the third-largest abrasive pellets manufacturer in the US, and Thomas Abrasive acquired 65% of its Taiwanese distributor, Gojump Enterprise. Since 1 January 2001, AMP Grenailles (acquired in December 2000) and All Abrasives (dormant until then) have been consolidated by Wheelabrator Allevard.

CGIP Group (via its subsidiary, GIP SA) has undertaken to maintain or help to maintain a liquid market for the Wheelabrator Allevard shares issued and/or to be issued

Notes to the consolidated accounts

on exercise of stock options granted to certain Wheelabrator Allevard employees. In fulfilment of this commitment, the Group purchased 5,724 shares issued by Wheelabrator Allevard, maintaining its interest at 100%.

bioMérieux Pierre Fabre

In 2001, the bioMérieux Pierre Fabre Group acquired Organon Technica, a diagnostics specialist.
During the first half of 2001, bioMérieux Pierre Fabre subscribed to 95% of the shares issued by its subsidiary Transgène, thereby raising its interest from 53% (mainly resulting from the absorption of bioMérieux Alliance and the contributions made by Oranje-Nassau in December 2000) to 70%. The shares were acquired for a total of €60 million, resulting in the recognition of goodwill in the amount of €10 million.

As a result of the merger of Pierre Fabre with bioMérieux Alliance in December 2000, a dilution gain of €26 million arising from the reduction in the CGIP Group's percentage interest in bioMérieux Alliance, bioMérieux and Transgène was recognized in the consolidated accounts at 31 December 2001, together with goodwill of €45 million on bioMérieux Pierre Fabre, which is being amortised over 20 years.

Bureau Veritas

CGIP Group (through its subsidiary Sofu) has undertaken to maintain or help to maintain a liquid market for the Bureau Veritas shares issued and/or to be issued on the exercise of stock options granted to certain Bureau Veritas employees. In fulfilment of this commitment, the Group purchased 14,540 shares issued by Bureau Veritas. At 31 December 2001, the Group's interest in this subsidiary stood at 32.58%, compared with 33.00% at 31 December 2000.

CGIP

In 2001, CGIP acquired 1,091,000 of its own shares on the stock market for €35 million. Given the shares held at the start of the year and taking into account the shares cancelled by decision of the Board of Directors on 27 March 2001, CGIP held 1,246,404 of its own shares at 31 December 2001, acquired for €43 million. In accordance with generally accepted accounting principles, an amount of €36 million corresponding to 1,037,234 shares held in treasury was written off against shareholders' equity and the balance, corresponding to 209,170 shares held for allocation on the exercise of stock options, was maintained as an asset in the balance sheet.

AOM Participations

Following the decision taken on 19 June 2001 by the Creteil Commercial Court to place the AOM-Air Liberté Group in receivership, the assets of AOM Participations were transferred during the second half of 2001 to the buyer of the business, Holco, in accordance with the terms of an agreement signed on 1 August 2001 between the companies of the AOM Participations Group, the receivers, Holco, SwissAir Group and the shareholders of Taitbout Antibes BV. As a result of this transfer, AOM Participations no longer had any assets at 31 December 2001.
In accordance with accounting regulations for the preparation of consolidated accounts, the business of France's second airline was deconsolidated at 30 June 2001, together with the structures that held this investment.

Boucle Locale Radio BV

At the end of 2001, Marine-Wendel held 51.69% of the capital of Boucle Locale Radio BV, directly and indirectly, and this company was therefore fully consolidated. The assets of Boucle Locale Radio BV comprised shares in Squadran (previously Fortel) and LD Com. At 31 December 2001, Marine-Wendel controlled 25.81% of the capital of Squadran and 4.70% of the capital of LD Com. Squadran was not consolidated by Marine-Wendel because its exclusion did not have a material impact on the true and fair view of the Group's assets, liabilities, financial situation and profits as provided by the consolidated financial statements.

Notes to the consolidated balance sheet

Expressed in thousand of euros unless indicated otherwise

Note 1

Goodwill

At December 31,	2003			2002	2001
	Gross	Amortisation	Net	Net	Net
Bureau Veritas	166,535	33,840	132,695	140,644	29,437
Nouvelle bioMérieux Alliance	156,764	15,810	140,954	148,792	–
Oranje-Nassau Groep BV	34,022	3,445	30,577	32,278	–
Oranje-Nassau Énergie	21,119	10,224	10,895	13,007	15,119
Wheelabrator Allevard	34,149	5,443	28,706	30,394	935
Stallergènes	747	337	410	485	560
Trader Classified Media	3,105	3,105	–	–	–
Wheelabrator Allevard subsidiaries	64,782	22,908	41,874	42,753	42,707
Stallergènes subsidiaries	4,499	1,856	2,643	3,081	3,684
CGIP	–	–	–	–	46,377
bioMérieux Pierre Fabre	–	–	–	–	41,750
	485,722	**96,968**	**388,754**	**411,434**	**180,569**
Movements for the year					
At January 1,			411,434	180,569	333,567
Acquisitions*			13,619	248,787	53,791
Disposals			–	–	– 5,187
Deconsolidation of Capgemini Ernst & Young			–	–	– 90,801
Effects of changes in the consolidation scope and exchange rates			–	3,155	–
Amortisation for the year			– 36,299	– 21,077	– 110,801
At December 31,			**388,754**	**411,434**	**180,569**

* Of which, in 2003, €7,562 thousand for shares purchased in Bureau Veritas, €3,105 thousand for shares in Trader Classified Media, €673 for shares in Wheelabrator Allevard, and a further €2,279 thousand for shares acquired by Wheelabrator Allevard.

Notes to the consolidated balance sheet

Expressed in thousand of euros unless indicated otherwise

Note 2

Tangible fixed assets

At December 31,	2003			2002	2001
	Gross	Depreciation and provisions	Net	Net	Net
Land	13,277	491	12,786	12,294	10,622
Buildings	172,328	38,785	133,543	154,593	148,086
Plant, equipment and tooling	711,418	567,659	143,759	216,140	266,818
Other tangible fixed assets	27,438	20,164	7,274	7,420	18,101
Assets under construction	2,198	–	2,198	2,814	5,114
	926,659	**627,099**	**299,560**	**393,261**	**448,741**
Movements for the year					
At January 1,			393,261	448,741	445,293
Acquisitions			33,517	64,558	51,850
Disposals			– 19,987	– 1,388	– 3,344
Effects of changes in the consolidation scope and exchange rates			– 20,122	– 30,211	15,813
Depreciation and provisions for the year			– 87,109	– 88,439	– 60,871
At December 31			**299,560**	**393,261**	**448 741**
Of which:					
Oranje-Nassau Énergie			110,118	179,183	218,019
Oranje-Nassau Immobilier			99,849	117,936	118,113
Wheelabrator Allevard			71,416	78,907	94,632
Stallergènes			13,698	12,809	13,318
WENDEL Investissement and holding companies			4,479	4 426	4,659

Notes to the consolidated balance sheet

Expressed in thousand of euros unless indicated otherwise

Note 3

Fixed asset investments

At December 31,	2003			2002	2001
	Gross	Provisions	Net	Net	Net
Non-consolidated participating interests					
Cap Gemini Ernst & Young	272,304	55,727	216,577	219,833	1,086,909
Valeo	334,024	78,619	255,405	208,858	–
Neuf Telecom (ex-LD Com)	180,262	52,034	128,228	180,262	175,031
Fonds Alpha	–	–	–	–	26,893
Wendel-Participations	11,108	–	11,108	11,108	11,108
Trimo Participations	16,144	11,470	4,674	4,591	4,270
Senelle BV	1,040	–	1,040	1,040	1,040
Held by Oranje-Nassau	36,152	5,135	31,017	66,401	32,711
Held by Stallergènes	2,047	1,227	820	820	2,047
Other shares	1,652	802	850	778	941
	854,733	**205,014**	**649,719**	**693,691**	**1,340,950**
Loans and advances	57,262	–	57,262	47,839	46,815
Other	1,483	274	1,209	1,883	1,828
	913,478	**205,288**	**708,190**	**743,413**	**1,389,593**

Balance sheet value of investments

	Number of shares held at December 31, 2003	Net balance sheet value total (In millions of euros)	per share (in euros)
Fully-consolidated companies			
Oranje-Nassau (excluding Bureau Veritas, Stallergènes, Silliker Group Holding and Trader Classified Media)	1,943,117	251.1	129.20
Wheelabrator Allevard	1,738,386	147.1	84.60
Stallergènes	1,520,348	18.7	12.28
BLR Lux (Neuf Telecom)	1,838,327	75.7	41.20
Equity-accounted companies			
Lumina Parent (Legrand)	6,588,301	552.4	83.85
Nouvelle bioMérieux Alliance	3,530,467	265.0	75.05
Bureau Veritas	4,694,594	246.3	52.46
Trader Classified Media	28,443,508	164.4	5.78
Silliker Group Holding	59,929	15.6	260.91
Non-consolidated participating interests			
Cap Gemini Ernst & Young	5,566,014	216.6	38.91
Valeo	8,186,045	255.4	31.20

Notes to the consolidated balance sheet

Expressed in thousand of euros unless indicated otherwise

Note 4

Shares in companies accounted for by the equity method

At December 31,	2003			2002	2001
	Goodwill (1)	Net assets excluding goodwill	Total	Total	Total
Lumina Parent (Legrand)	303,009	249,429	552,438	574,486	–
Nouvelle bioMérieux Alliance	28,983	95,036	124,019	126,757	–
Bureau Veritas	85,149	28,418	113,567	93,478	79,894
Trader Classified Media	166,951	– 2,502	164,449	164,044	176,819
Silliker Group Holding	9,912	5,724	15,636	20,529	24,541
Wheelabrator Allevard – Participations	–	296	296	327	435
bioMérieux Pierre Fabre	–	–	–	–	136,263
Valeo	–	–	–	–	693,515
	594,004	**376,401**	**970,405**	**979,621**	**1,111,467**
Movements for the year					
■ At January 1,			979,621	1,111,467	2,925,403
■ Dividends			– 21,942	– 6,797	– 50,387
■ Share acquisitions and subscriptions to capital increases					
– Lumina Parent (Legrand) (2)			19,086	659,722	–
– Bureau Veritas			2,555	2,712	945
– Trader Classified Media			6,049	–	–
– Silliker Group Holding			–	–	3,990
– Valeo			–	–	1,006
■ Share disposals and dilutions					
– Valeo			–	– 374,661	– 717
– Trader Classified Media			–	– 322	–
– Bureau Veritas			–	–	– 1,006
– bioMérieux Pierre Fabre			–	–	– 18,637
– Cap Gemini Ernst & Young			–	–	– 73,729
Deconsolidation of Valeo with effect as at April 30, 2002			–	– 322,873	–
Deconsolidation of Cap Gemini Ernst & Young with effect as at December 31, 2001			–	–	– 1,276,126
Write-down of Valeo intangible assets			–	–	– 96,388
Change in group's share of the net assets on the demerger of BMPF			–	– 7,278	–
Other movements			–	–	2,277
Effects on changes in exchange rates			– 49,309	– 24,731	20,860
Group's share of the profit (losses) for the year (see Note 19)			34,345	– 57,618	– 95,298
Amortisation of Cap Gemini Ernst & Young goodwill			–	–	– 230,726
At December 31,			**970,405**	**979,621**	**1,111,467**

(1) These amounts correspond to WENDEL Investissement's share of the goodwill recorded in the accounts of equity-accounted companies resulting from their own acquisitions. The amortisation of this goodwill is recorded in the profit and loss account of these companies and therefore impacts the Group's share of the profits of these companies. Goodwill is recorded by WENDEL Investissement on the acquisition of shares in consolidated companies as goodwill in the consolidated balance sheet, and the amortisation of this goodwill is reported as goodwill amortisation in the consolidated profit and loss account.

(2) The investment in Lumina Parent consisted of a combination of equity and quasi equity. The total investment is reported on the above line in order to reflect the substance of the transaction.

Notes to the consolidated balance sheet

Expressed in thousand of euros unless indicated otherwise

Note 5

Cash and cash equivalents

At December 31,	2003		2002		2001	
	Book value	Market value*	Book value	Market value*	Book value	Market value*
Mutual fund units	17,445	17,451	202,907	204,842	134,833	136,377
Shares	19,090	28,429	28,126	39,156	40,939	62,932
Bonds	3,762	3,978	3,353	3,377	2,350	2,367
Cash at bank and in hand	96,659	96,659	148,688	148,688	101,620	101,620
	136,956	**146,517**	**383,074**	**396,063**	**279,742**	**303,296**
CGIP shares (1)	–	–	–	–	7,258	7,844
WENDEL Investissement shares (1)	7,758	7,758	5,240	5,240	–	–
	144,714	**154,275**	**388,314**	**401,303**	**287,000**	**311,140**

* For listed shares and bonds, market value corresponds to the closing price on the last trading session of the year.
(1) Shares earmarked for allocation on the exercise of stock options granted in connection with stock option plans.

Notes to the consolidated balance sheet

Expressed in thousand of euros unless indicated otherwise

Note 6

Minority interests

At December 31,

	CGIP Group	Stallergènes Group	Wheelabrator subsidiaries	BLR Lux	BLR BV	AOM Group	Total
At December 31, 2000	**1,463,269**	**14,695**	**–**	**–**	**–**	**– 10,176**	**1,467,788**
Acquisitions	–	–	–	–	10,291		– 10,291
Change in percent interest	– 31,400	–	–	–	–	–	– 31,400
Disposals	–	–	–	–	–	27,229	27,229
Dividends paid	– 147,511	– 536	–	–	–	–	– 148,047
Translation adjustment	8,961	–	–	–	–	–	8,961
Other movements	1,067	–	–	–	–	–	1,067
Net profit (loss) for the year	– 272,970	1,262	–	–	7,686	– 17,053	– 281,075
At December 31, 2001	**1,021,416**	**15,421**	**–**	**–**	**17,977**	**–**	**1,054,814**
Capital increases	–	–	1,462	76,121	–	–	77,583
CGIP share buybacks	– 325,050	–	–	–	–	–	– 325,050
CGIP-Marine-Wendel merger	– 432,921	–	3,164	–	–	–	– 429,757
Disposals	–	–	–	–	– 17,638	–	– 17,638
Dividends paid	– 22,434	– 536	– 92	–	–	–	– 23,062
Translation adjustment	– 18,472	– 13	– 225	–	–	–	– 18,710
Other movements	2,413	6	–	–	– 236	–	2,183
Net profit (loss) for the year	– 224,952	2,474	1,053	–	– 103	–	– 221,528
At December 31, 2002	**–**	**17,352**	**5,362**	**76,121**	**–**	**–**	**98,835**
Capital increases	–	33	1,382	–	–	–	1,415
Dividends paid	–	– 1,041	– 194	–	–	–	– 1,235
Translation adjustment	–	–	– 291	–	–	–	– 291
Other movements	–	–	– 447	–	–	–	– 447
Net profit (loss) for the year	–	3,860	1,680	– 23,581	–	–	– 18,041
At December 31, 2003	**–**	**20,204**	**7,492**	**52,540**	**–**	**–**	**80,236**

Notes to the consolidated balance sheet

Expressed in thousand of euros unless indicated otherwise

Note 7

Provisions for risks and charges

At December 31,	2003	2002	2001
■ Provisions for pension and other post-retirement benefits	30,685	27,299	21,183
■ Other provisions for risks and charges at:			
– WENDEL Investissement	19,587	386,588	–
– Marine-Wendel	–	–	350
– CGIP	–	–	2,367
– Wheelabrator Allevard	8,162	2,524	2,517
– Oranje-Nassau (1)	57,306	67,258	64,572
– Stallergènes	1,512	819	1,745
– Other companies	9,623	15,795	10,973
– Negative goodwill	28	28	274
	126,903	500,311	103,981

(1) Includes provisions covering future costs to dismantle and remove oil exploration and production equipment for €52,265 thousand in 2003, €59,979 thousand in 2002 and €56,238 thousand in 2001.

Movements for the year	2003	2002	2001
At January 1,	500,311	103,981	101,352
Reclassifications	–	6,717	–
Charge for the year	43,531	395,488	12,942
Provisions written back and used (1)	– 390,217	– 5,685	– 8,899
Provisions written back because no longer required (2)	– 28,866	– 128	– 1,494
Effects on changes in the consolidation scope and exchange rates	2,144	– 62	80
At December 31,	**126,903**	**500,311**	**103,981**

(1) In 2003, this includes an amount of €319,945 thousand corresponding to a provision recorded in 2002 against the Cap Gemini Ernst & Young shares taken off the balance following their sale under an optional repurchase agreement. Following the total reimbursement of the amount in 2003, the shares were reinstated in the consolidated balance sheet, the related provision for risks was written back and changes in the value of the shares were recorded as a provision that was deducted from fixed asset investments.
(2) In 2003, this includes an amount of €26,249 thousand in respect of unrealised losses on Cap Gemini Ernst & Young, Valeo and Société Générale options that was no longer required because of the rally staged by the equity markets.

LEGAL RISK

With regard to claims and disputes, the Group's policy is to set aside a provision once legal proceedings have been initiated and once this risk can be quantified. At December 31, 2003, provisions for claims and disputes amounted to €17,313 thousand.

The main dispute concerns the discovery of pollution at a site located near Rouen, possibly caused by the steelmaking activities of Hauts Fourneaux de Rouen (HFR), a company that ceased its activities in 1967. The Prefect of Seine Maritime, alleging a filiation between HFR and Sofiservice, issued a decree in 1998 ordering the latter company to conduct an environmental study and rehabilitate the site. On appeal, this decree was overturned by the Administrative Court, but this ruling was in turn overturned on appeal by the Administrative Court of Appeal, which ordered that the environmental study be undertaken. Since the case is still pending and awaiting the decision of the Conseil d'Etat, the highest administrative jurisdiction in France, the provision set aside in 2002 was maintained.

Notes to the consolidated balance sheet

Expressed in thousand of euros unless indicated otherwise

Note 8

Borrowings

At December 31,	2003	2002	2001
Analysis by company			
WENDEL Investissement	970,316	831,554	–
Marine-Wendel	–	–	60,052
CGIP	–	–	307,081
Oranje-Nassau	77,492	201,566	181,777
Wheelabrator Allevard	108,219	102,065	104,498
Stallergènes	11,765	18,217	25,980
Trief Corporation	–	53,980	53,980
Boucle Locale Radio BV	–	–	56,329
Sofu	–	–	463
	1,167,792	**1,207,382**	**790,160**
Analysis by category			
Bonds	700,015	471,978	417,016
Bank loans	467,742	735,181	367,747
Other	35	223	5,397
Analysis by remaining maturity			
More than five years	294,365	16,775	13,716
One to five years	676,154	970,350	310,209
Within one year	197,273	220,257	466,235
Analysis by currency			
Euros and other European Union currencies	1,146,516	1,150,967	692,395
Other	21,276	56,415	97,765
Analysis by interest rate			
Fixed interest rates	72%	42%	67%
Variable interest rates	28%	58%	33%

MAIN CHANGES

In March 2003, WENDEL Investissement took out a €100 million private bank loan repayable in two equal instalments in March and September 2004.

In June 2003, WENDEL Investissement issued 7,000,000 bonds for €279,020 thousand. These bonds, which are exchangeable for 7,000,000 Cap Gemini Ernst & Young shares, mature on 19 June 2009 and offer a coupon of 2% (see also Note 10).

In 2003, WENDEL Investissement decide to repay and terminate the €500 million syndicated loan arranged until September 2003 with the possibility of a 12-month extension. In its place, a new 5-year syndicated credit was arranged in August 2003. An amount of €170 million had been drawn down against this facility at December 31, 2003. Interest payable is calculated by reference to Euribor plus a variable margin ranging from 50 to 170 basis points according to the credit rating assigned by Standard & Poor's to WENDEL Investissement. Currently, and given the BBB+ rating assigned to WENDEL Investissement (BBB+), this margin amounts to 60 basis points.

Notes to the consolidated balance sheet

Expressed in thousand of euros unless indicated otherwise

Note 9

Other creditors

At December 31,	2003	2002	2001
Taxes and staff	64,909	49,302	57,655
Deferred taxes	39,772	45,018	121,780
CGIP interim dividend	–	–	31,072
Cap Gemini Ernst & Young equity warrants	–	81,362	86,596
Amounts due by Oranje Nassau to fixed asset suppliers	–	44,000	–
Other	37,976	66,095	38,235
	142,657	**285,777**	**335,338**

Analysis of deferred taxes at December 31,			
▪ Capital allowances and losses carried forward	1,650	1,901	5,452
▪ Provisions for pension and other post-retirement benefits	–	– 7,182	– 5,930
▪ Intercompany gains on fixed asset disposals	– 2,813	– 3,933	– 5,186
▪ Fixed asset valuation adjustments	35,066	46,181	126,164
▪ Other timing differences	5,869	8,051	1,280
	39,772	**45,018**	**121,780**

Notes to the consolidated balance sheet

Expressed in thousand of euros unless indicated otherwise

Note 10

Financial instruments

Apart for the transactions described below, there are no financial instruments susceptible of having a material impact on the financial situation of WENDEL Investissement.

■ Management of Cap Gemini Ernst & Young shareholding

As part of the gradual disposal of its shareholding in Cap Gemini Ernst & Young, WENDEL Investissement has entered into various option contracts.

Net premiums received in respect of these contracts amounting to €15,570 thousand have been recorded under other creditors until these options expire. A provisions for risks of €8,128 thousand was set aside at December 31, 2003 in respect of these options.

■ Management of Valeo shareholding

In connection wit the management of its shareholding in Valeo, WENDEL Investissement has entered into various option contracts.

The market value of these options at December 31, 2003 was compared with premiums paid and received, leading to the recording of a provision for risk amounting to €1,682 thousand.

■ Management of Trader Classified Media shareholding

Under the terms of the agreement reached with J. MacBain in November 2002, the Group was granted call options for 2,750,000 Trader Classified Media shares exercisable from October 2004 to June 2005 at a price of €22.8 million and gave J. MacBain, subject to various conditions, a put option on 11,000,000 Trader Classified Media shares, exercisable in 2005 subject to various conditions being fulfilled at a price of €4.40 per share. Given the market value of these options, no provision was recorded at December 31, 2003, WENDEL Investissement not being exposed to any market risk.

Situation at December 31, 2003	Number of options	Strike price (euros)	Maturity
Purchase of Trader Classified Media calls (see Note 23)	2,750,000	8.29	04/10 to 05/06
Sale of Trader Classified Media puts	11,000,000	4.40	June 2005

■ Debt management

WENDEL Investissement decided to hedge part of the bonds exchangeable for Cap Gemini Ernst & Young shares issued in 2003 (see Note 8) through the purchase of Cap Gemini calls with the same maturity and the same strike price. In effect, the exchangeable bonds hedged in this way have been transformed into straight bonds. Premiums paid on the purchase of these calls represent an additional financial charge that is being amortised on a straight-line basis over the term of the loan. These premiums are recorded under other debtors.

Situation at December 31, 2003	Number of options	Strike price (euros)	Maturity
Purchase of Cap Gemini Ernst & Young calls	4,400,000	39.86	June 2009

Notes to the consolidated balance sheet

Expressed in thousand of euros unless indicated otherwise

▪ Currency risk management

In 2003, WENDEL Investissement entered into several contracts for the forward sale of US dollars. Contracts unwound in 2003 generated gains of €4,866 thousand. Unrealised gains on open contracts amounted to €3,035 thousand at December 31, 2003.

Situation at December 31, 2003	Nominal amount	Exchange rate	Maturity
Forward sale of US dollars for euros (WENDEL Investissement is selling US dollars)	58.1 MUSD	1.162	May 2006

▪ Management of energy business

In 2003, Oranje-Nassau entered into the following contracts for the purpose of hedging part of its future production:

Situation at December 31, 2003	Number of barrels	Exercise price (US dollar)	Maturity
Collars	990,000	23.91 / 26.93	2004
Forward sales	915,000	24.90	2004
Collars	120,000	25.00 / 27.13	2005

Notes to the consolidated balance sheet

Expressed in thousand of euros unless indicated otherwise

Note 11

Off-balance sheet commitments

At December 31,	2003	2002	2001
Counter guarantees given in respect of transactions on financial markets	**–**	**–**	**–**
Discounted bills of exchange	**–**	**–**	**–**
Pledges, mortgages and collateral given as guarantee	**286,902**	**743,610**	**356,486**
Of which:			
– Guarantee in respect of the CGEY shares sold under an optional repurchase agreement (shares pledged in an amount equivalent to 110% of the sale's proceeds)	–	373,908	–
– Valeo shares held as collateral for the Wendel Investissement bonds exchangeable for Valeo shares	227,760	218,270	–
– Cap Gemini Ernst & Young shares held as collateral for allotted CGEY equity warrants	–	65,643	260,587
– Property mortgaged by Oranje-Nassau	59,142	81,433	78,674
– Other	–	4,356	17,225
Other guarantees given	**–**	**–**	**–**
Other commitments given	**113,172**	**34,450**	**33,285**
Of which:			
– commitments to buy back Bureau Veritas shares (1)	111,597	33,156	29,825
– commitments to buy back Wheelabrator Allevard shares (1)	1,575	1,294	3,460

(1) The Group has undertaken to maintain or help maintain a liquid market for the Bureau Veritas and Wheelabrator Allevard shares issued and/or to be issued on the exercise of stock options granted to certain employees of these companies. Commitments given are based on the number of shares susceptible of being repurchased valued by reference to the repurchase price at December 31, 2003.

Commitments arising from shareholders' agreements

▪ Bureau Veritas

WENDEL Investissement and Poincaré Investissements (the company which regroups the interests of the Mathy family in Bureau Veritas) signed an agreement that was subsequently amended governing their relations in Bureau Veritas. In particular, this agreement defines the hypotheses and conditions under which WENDEL Investissement would take over Bureau Veritas on the basis of a financial arrangement to be determined by the two parties (see Note 23).

There exist no other commitments susceptible of having a material impact on the financial situation of WENDEL Investissement other than those disclosed above.

Notes to the consolidated balance sheet

Expressed in thousand of euros unless indicated otherwise

At December 31, 2003	Analysis of borrowings by remaining maturity		
	Within one year	One to five years	More than five years
Long-term borrowings of WENDEL Investissement			
Cap Gemini 2% exchangeable bonds	–	–	279,020
Valeo 3.75% exchangeable bonds	–	408,800	–
Syndicated loan	–	170,000	–
Bank loans	100,000	–	–
Accrued interest	12,496	–	–
Long-term borrowings of Wheelabrator Allevard			
Bank loans	63,010	43,128	2,081
Long-term borrowings of Oranje-Nassau			
Bank loans	18,350	50,000	9,142
Long-term borrowings of Stallergènes			
Bank loans	3,417	4,226	4,122
	197,273	**676,154**	**294,365**

WENDEL Investissement has no contractual obligations under finance leases, rental agreements, irrevocable purchase obligations or other long-term obligations susceptible of having a material impact on its financial situation.

At December 31, 2003	Analysis of commitments by remaining maturity		
	Within one year	One to five years	More than five years
Credit lines negotiated by WENDEL Investissement			
Syndicated loan	–	330,000	–
Commitments to buy back shares			
Buy back of Bureau Veritas shares in connection with stock option plans	84,143 (1)	24,454 (2)	
Buy back of Wheelabrator shares in connection with stock option plans	–	1,575	–
	84,143	**359,029**	**–**

(1) Of which €33,628 thousand possibly between 2004 and 2006, €7,638 thousand between 2004 and 2007, and €42,877 thousand between 2004 and 2008.
(2) Of which €11,060 thousand possibly between 2005 and 2010 and €16,934 thousand between 2006 and 2011.

WENDEL Investissement has no commercial commitments (credit line, guarantees, requirement to buy back shares or other commercial commitments) susceptible of having a material impact on its financial situation other than those disclosed above.

Notes to the consolidated balance sheet

Expressed in thousand of euros unless indicated otherwise

Risk management

Note 12

Liquidity risk

The analysis of the liquidity risk presented below covers all loans entered into by WENDEL Investissement, which represent more than 80% of the Group's gross debt and 90% of its net debt.

■ **Detailed analysis of the borrowings of WENDEL Investissement**

At December 31, 2003	Interest rate	Total amount	Amount used	Maturity	Existence of hedge
Cap Gemini 2% exchangeable bonds	fixed	–	279,020	June 2009	see Note 10
Valeo 3.75% exchangeable bonds	fixed	–	408,800	May 2005	–
Syndicated loan	variable	500,000	170,000	August 2008	–
Bank loans	fixed	–	100,000	March and September 2004	–
Accrued interest and other	–	–	12,496	–	–
			970,316		

■ **Syndicated loan - Financial covenants**

Of the financing that has been arranged, only the syndicated loan requires compliance with financial covenants based principally on the market value of WENDEL Investissement's assets and the amount of the net debt. Net debt is determined by reference to a consolidation scope limited to the financial holding companies, and therefore excludes the debt of the operating companies. Debt covenants are detailed below:

- the net debt of WENDEL Investissement and its financial holding companies may not exceed 50% of the assets' market value after tax and excluding cash balances,
- the net debt of WENDEL Investissement and its financial holding companies may not exceed €1,300 million,
- the unsecured gross debt of WENDEL Investissement and its financial holding companies must not exceed 50% of the market value of available assets (namely assets that have not been pledged or sequestrated) augmented by the cash available to WENDEL Investissement and its financial holding companies.

■ **Syndicated loan - General covenants**

Under the terms of the loan agreement, WENDEL Investissement and the companies it controls may not pledge or agree to the sequester of assets or extend guarantees exceeding €30 million other than in the ordinary course of these companies' activities.
Furthermore, the credit facility will no longer be available if control of WENDEL Investissement is transferred to a new core shareholder or in the event of a business combination or restructuring resulting in the disappearance of WENDEL Investissement.

■ **Bonds exchangeable for Valeo shares**

In the event of a cash offer for the capital of Valeo, application may be made for the immediate redemption of these bonds.

Interest rate risk

	Total	Bearing variable interest rates
Financial liabilities	1,167,792	321,967
Off balance sheet liabilities	–	–
Financial assets	201,976	117,866
Total at December 31, 2003	**965,816**	**204,101**

Notes to the consolidated balance sheet

Expressed in thousand of euros unless indicated otherwise

An analysis of financial assets and liabilities shows a structure indexed for the most part to fixed interest rates. For those items bearing variable interest rates, interest rate periods are in the majority of cases less than 12 months.
A 1% increase in variable interest rates would reduce the net profit before tax by around €2 million.
At December 31, 2003, the Group chose to maintain this distribution between variable and fixed interest rates and accordingly did not employ specific instruments with the aim of modifying this exposure.

Foreign exchange risk

Companies controlled by WENDEL Investissement, particularly Oranje-Nassau and Wheelabrator Allevard, carry on their activities in different countries and, therefore, own assets in these countries and generate part of their earnings in currencies other than the euro. Most of the foreign exchange risk is concentrated at the oil activities of Oranje-Nassau which conducts its business in US dollars.

▪ Oranje-Nassau

As part of its oil activities, Oranje-Nassau has assets and liabilities denominated in US dollars and generates a substantial part of its earnings in this currency. The effects of fluctuations in exchange rates on the consolidated profit and loss account of WENDEL Investissement are felt at two levels.
Based on output in 2003 (8.5 million barrels oil equivalent) and the average sale price (USD 28.7 per barrel), a 5% change in the parity of the euro against the US dollar would have resulted in a variance of around €10 million in sales and a variance of around €2.5 million in the net profit generated by this activity.
In addition, variations in the value of the company's assets and liabilities denominated in US dollars resulting from changes in the parity of the euro against the US dollar are dealt with as financial items in the consolidated profit and loss account. In this respect, WENDEL Investissement recorded a foreign exchange loss of €16.3 million in 2003. In more general terms, a 5% change in this parity has an impact of around €4 million.

▪ Wheelabrator Allevard

Given the organisation adopted by the Wheelabrator Allevard group, most of the companies transact their business in their local currency. Since the Group's export markets are also export markets for most of its competitors, the risk is slight that there will be an erosion in competitiveness as a result of fluctuations in exchange rates. At operating profit level, the currency risk is limited mainly to the effect of translating the local currency accounts into euros. It is estimated that a 5% change in the parity of the euro against the US dollar would have an impact of around €0.7 million on the operating profit.

▪ WENDEL Investissement

To reduce its exposure to fluctuations in the exchange rate between the euro and the US dollar, WENDEL Investissement has entered into various contracts for the forward sale of US dollars. In 2003, these contracts generated a foreign exchange gain of €7.9 million. A 5% change in the parity of the euro against the US dollar would result in a foreign exchange gain or loss of €2.3 million on the basis of open positions at as December 31, 2003 (see Note 10).

▪ Net assets and liabilities denominated in US dollar

In million of USD

Balance sheet values	
Energy assets	139
Other assets	17
Liabilities	20
Net position before taking into account forward sales	**136**
Forward sales	58
Net position after taking into account forward sales	**78**

Notes to the profit and loss account

Expressed in thousand of euros unless indicated otherwise

■ Summary of the effects on the consolidated net profit

In millions of euros	5% decrease in the US dollar	5% increase in the US dollar
Profit contributed by Oranje Nassau	– 2.5	2.5
Valuation of oil assets of Oranje Nassau	– 4.0	4.0
Profit contributed by Wheelabrator Allevard	– 0.7	0.7
Hedging arranged at the level of WENDEL Investissement	2.3	– 2.3
Estimated impact on consolidated net profit	**– 4.9**	**4.9**

Note 13

Operating income

Year ended December 31,	2003	2002	2001
Sales contributed by:			
Wheelabrator Allevard	281,039	287,863	285,821
Oranje-Nassau	220,638	189,940	155,421
Stallergènes	85,712	74,891	63,295
Trief Corporation	5,005	–	–
	592,394	552,694	504,537
Other income	4,339	8,923	5,160
	596,733	**561,617**	**509,697**

Note 14

Operating charges

Year ended December 31,	2003	2002	2001
Purchases adjusted for changes in stocks and external charges	270,697	257,698	259,294
Staff costs	97,285	92,286	86,253
Other operating charges	6,130	2,459	2,466
Taxes other than corporation tax	6,354	6,137	6,226
Depreciation and amortisation	81,983	82,095	65,740
Provisions	6,895	5,516	3,353
	469,344	**446,191**	**423,332**
Average number of employees of consolidated companies	*2,074*	*1,927*	*1,856*
Of which:			
Wheelabrator Allevard	*1,515*	*1,395*	*1,359*
Oranje-Nassau	*31*	*30*	*31*
Stallergènes	*472*	*455*	*412*
Trief Corporation	*8*	*–*	*–*
WENDEL Investissement and holding companies	*48*	*47*	*54*

Notes to the profit and loss account

Expressed in thousand of euros unless indicated otherwise

Note 15

Operating profit (loss)

Year ended December 31,	2003	2002	2001
Wheelabrator Allevard	26,335	35,426	33,661
Oranje-Nassau	102,293	86,526	65,626
Stallergènes	13,293	11,222	7,874
WENDEL Investissement and holding companies	– 14,532	– 17,748	– 20,796
	127,389	**115,426**	**86,365**

Note 16

Financial income and charges

Year ended December 31,	2003	2002	2001
Dividend income from non-consolidated participating interests	10,431	15,712	4,988
Interest income on loans and short-term investments	31,606	36,638	122,742
Net foreign exchange gains (1)	–	–	3,529
Net change in financial provisions	9,039	–	–
Financial income	**51,076**	**52,350**	**131,259**
Interest payable and similar charges	– 68,727	– 73,934	– 127,871
Net foreign exchange losses (1)	– 10,314	– 23,599	–
Net change in financial provisions	–	– 14,761	– 3,341
Financial charges	**– 79,041**	**– 112,294**	**– 131,212**
Net financial (charges) income	**– 27,965**	**– 59,944**	**47**
(1) Of which arising on the oil assets and matching long-term debt of Oranje-Nassau	– 16,270	– 20,083	4,672

Notes to the profit and loss account

Expressed in thousand of euros unless indicated otherwise

Note 17

Net gains and losses on fixed asset disposals

Year ended December 31,	2003	2002	2001
Net gains (losses) on the disposal of intangible and tangible fixed assets	25,477	– 1,665	4,232
Net gains (losses) on the disposal of participating interests:			
Valeo	–	50,239	–
Valeo - Translation adjustment (1)	–	22,448	–
Cap Gemini Ernst & Young	– 819,210	– 49,696	– 28,255
bioMérieux Pierre Fabre	–	–	25,896
Fonds Alpha	– 3,277	351	18,075
TSGH – Transgène	– 9,968	–	–
Squadran shares	–	3,779	21,196
Other	– 660	– 2,584	4,414
	– 807,638	**22,872**	**45,558**

(1) Group's share of the translation adjustment corresponding to the shares sold, which had been credited to reserves.

Note 18

Other exceptional items

Year ended December 31,	2003	2002	2001
Write-back of Cap Gemini Ernst & Young equity warrants	81,156	–	–
Miscellaneous exceptional income (charges)	2,878	7,823	– 4,155
Provisions for impairment and for risks relating to the Cap Gemini Ernst & Young shares	965,595	– 747,550	– 280,011
Write-down of Neuf Telecom shares	– 52,034	–	–
Write-down of Valeo intangible assets	–	–	– 96,388
Write-down of Valeo shares	35,396	– 114,015	–
Write-down of Trimo Participations shares (AOM)	–	–	– 11,874
Write-down of Transgène shares	9,678	– 9,678	–
Other provisions	– 22,080	– 14,970	4,223
	1,020,589	**– 878,390**	**– 388,205**

Notes to the profit and loss account

Expressed in thousand of euros unless indicated otherwise

Note 19

Corporation tax

Year ended December 31,	2003	2002	2001
Current taxes	– 66,039	– 68,908	– 89,255
Deferred taxes	– 9,782	76,554	122,238
	– 75,821	**7,646**	**32,983**

Effective tax rates

The table below provides a reconciliation of the standard tax rate in France and the effective tax borne by the Group:

	2003
Standard tax rate in France	**35.43%**
Effect of:	
– transactions taxed at reduced rates and difference in foreign tax rates	4.02%
– tax losses brought forward relieved against current period income	– 10.85%
– consolidation adjustments and other	– 4.33%
Effective tax rates	**24.27%**

Note 20

Shares of profits of companies accounted for by the equity method

Year ended December 31,	2003	2002	2001
Bureau Veritas	31,438	21,832	20,429
Trader Classified Media	– 1,356	– 9,147	– 27,413
Silliker Group Holding (Silliker bioMérieux Inc.)	– 472	– 945	– 623
Lumina Parent (Legrand)	– 13,053	– 83,775	–
Nouvelle bioMérieux Alliance	17,802	11,589	–
Valeo	–	4,019	– 113,450
bioMérieux Pierre Fabre	–	– 1,200	4,018
Cap Gemini Ernst & Young	–	–	18,434
bioMérieux Alliance	–	–	3,229
bioMérieux	–	–	575
Tsgh	–	–	– 471
Other companies	– 14	9	– 26
	34,345	**– 57,618**	**– 95,298**

Notes to the profit and loss account

Expressed in thousand of euros unless indicated otherwise

Note 21

Goodwill amortisation

Year ended December 31,	2003	2002	2001
Companies accounted for by the equity method:			
Bureau Veritas	15,511	5,005	2,019
Nouvelle bioMérieux Alliance	7,838	5,144	–
Trader Classified Media	3,105	–	–
Cap Gemini Ernst & Young	–	–	234,179
Valeo	–	–	62,060
bioMérieux Pierre Fabre	–	–	2,783
Fully-consolidated companies:			
CGIP	–	2,266	1,328
Oranje-Nassau	1,701	851	–
Wheelabrator Allevard	2,361	1,901	852
Onepm	2,112	2,112	2,112
Stallergènes	75	75	75
Stallergènes subsidiaries	438	614	859
Wheelabrator Allevard subsidiaries	3,158	3,109	2,890
AOM Participations	–	–	32,372
	36,299	**21,077**	**341,529**

Note 22

Net profit

Year ended December 31,	2003	2002	2001
Consolidated companies:			
– WENDEL Investissement and financial holding companies	194,893	– 818,693	–
– Marine-Wendel and financial holding companies	–	–	– 66,982
– CGIP and financial holding companies	–	–	– 234,390
– Wheelabrator Allevard	1,263	5,875	19,874
– Oranje-Nassau (1)	32,613	15,099	39,659
– Boucle Locale Radio BV	–	–	15,909
– Stallergènes	7,785	5,329	3,264
– AOM Participations et holdings	–	–	– 586
	236,554	– 792,390	– 223,252
Shares of profits of companies accounted for by the equity method (see Note 20)	34,345	– 57,618	– 95,298
Goodwill amortisation (see Note 21)	– 36,299	– 21,077	– 341,529
	234,600	– 871,085	– 660,079
Minority interests (see Note 6)	– 18,041	– 221,528	– 281,075
Group share	**252,641**	**– 649,557**	**– 379,004**
(1) Of which foreign exchange differences on the oil assets and matching long-term debt of Oranje-Nassau.	*– 16,270*	*– 20,083*	*4,672*

Notes to the profit and loss account

Expressed in thousand of euros unless indicated otherwise

Note 23

Subsequent events

■ CAP GEMINI ERNST & YOUNG
After the year-end, 2,447,500 Cap Gemini Ernst & Young shares were sold for €74,770 thousand as a result of the exercise of the options reported on the balance sheet at December 31, 2003.

■ TRADER CLASSIFIED MEDIA
In March 2004, WENDEL Investissement decided to exercise its option to purchase Trader Classified Media shares. As a result of this call being exercised, 2,750,000 Trader Classified Media shares were acquired for €21,385 thousand.
Concurrently, WENDEL Investissement sold 10,000,000 Trader Classified Media shares on the market for €111 million. On completion of these transactions, the Group controlled 22.88% of the capital of Trader Classified Media.
At the same time, the Group sold a call to John MacBain for its remaining shares in Trader Classified Media. This call, which concerns around 21 million Trader Classified Media shares, is exercisable at the price of €11 per share at latest on 31 July 2004. With effect as from 1 May 2004, the strike price is to include an additional interest calculated at the rate of 6.5% a year.

■ BUREAU VERITAS
Union d'Investissements having acquired Poincaré Investissements's shares in Poincaré Participations pursuant to the agreement entered into by these two parties, and given the rights and obligations of Poincaré Investissements as set forth in this agreement, WENDEL Investissement has the possibility to increase its interest in Bureau Veritas by acquiring the 29.47% interest in Poincaré Participations held by Union d'Investissements, which would give it an additional indirect interest of 9.51% in the capital of Bureau Veritas. This transaction could take place after the parties reach an agreement on the price.

■ ISSUE OF BONDS
In February 2004, WENDEL Investissement issued for €500 million of bonds at 99.51% of their nominal value. These bonds offer a coupon of 5% and are redeemable in February 2011.

Note 24

Acquisitions of participating interests

Year ended December 31,	2003	2002	2001
Lumina Parent (Legrand)	–	658,605	–
Cap Gemini Ernst & Young	170,597	–	–
Valeo	11,151	–	–
Bureau Veritas	10,118	11,156	–
Transgène TSGH	9 ,968	–	–
Nouvelle bioMérieux Alliance	–	–	4,444
Wheelabrator Allevard	1,385	2,407	–
Trader Classified Media	9,213	–	–
Neuf Telecom (ex-LD com)	–	–	175,031
Fonds Alpha	9,691	–	9,312
Wheelabrator Allevard subsidiaries	14,359	5,504	14,617
Loans granted by Oranje-Nassau	–	7,218	2,165
Other	203	2,982	1,916
	236,685	**687,872**	**207,485**

Notes to the cash flows statement

Expressed in thousand of euros unless indicated otherwise

Note 25

Acquisitions of intangible and tangible fixed assets

Year ended December 31,	2003	2002	2001
By:			
Oranje-Nassau	21,198	54,000	39,728
Wheelabrator Allevard	9,224	11,481	12,653
Stallergènes	3,261	2,047	3,098
Other companies	588	315	392
	34,271	**67,843**	**55,871**

Note 26

Loans granted

Year ended December 31,	2003	2002	2001
Loans granted by Oranje-Nassau	–	–	8,548
Loans granted by Wheelabrator Allevard	–	–	534
Other	–	–	–
	–	**–**	**9,082**

Note 27

Proceeds from the sale of participating interests

Year ended December 31,	2003	2002	2001
Valeo	–	424,900	–
Cap Gemini Ernst & Young	372,903	15,892	49,432
Trader Classified Media	78	–	–
Transgène Tsgh	0	–	–
CGIP by Simfor	–	1,980	–
Squadran by BLR BV	–	–	21,196
Fonds Alpha	26,681	–	18,074
Miscellaneous disposals by Oranje-Nassau	–	2,637	10,049
Miscellaneous disposals by Wheelabrator Allevard	397	445	–
Other	153	407	–
	400,212	**446,261**	**98,751**

Notes to the cash flows statement

Expressed in thousand of euros unless indicated otherwise

Note 28

Proceeds from the sale of intangible and tangible fixed assets

Year ended December 31,	2003	2002	2001
Miscellaneous disposals by WENDEL Investissement	383	–	–
Miscellaneous disposals by Stallergènes	209	–	–
Miscellaneous disposals by Wheelabrator Allevard	2,089	497	8,075
Property sold by Oranje-Nassau	20,099	–	–
Oil assets sold by Oranje-Nassau	3,205	–	–
	25,985	**497**	**8,075**

Note 29

Dividends paid

Year ended December 31,	2003	2002	2001
Paid by WENDEL Investissement	55,703	–	–
Paid by CGIP (ordinary dividend)	–	22,644	31,916
Paid by Marine-Wendel	–	34,998	38,738
Distribution of Cap Gemini Ernst & Young equity warrants	–	–	86,190
Interim dividend payable	–	–	31,072
Dividends paid to minority shareholders of consolidated companies	1,234	537	842
	56,937	**58,179**	**188,758**

Notes to the cash flows statement

Expressed in thousand of euros unless indicated otherwise

Note 30

Net change in loans and other borrowings

Year ended December 31,	2003	2002	2001
New loans contracted by:			
WENDEL Investissement - Issue of bonds exchangeable for CGEY shares	279,020	–	–
WENDEL Investissement - Bank loan	100,000	–	60,000
WENDEL Investissement - Syndicated loan maturing in 2008	170,000	–	–
WENDEL Investissement - Issue of bonds exchangeable for Valeo shares	–	408,800	–
WENDEL Investissement - Syndicated loan maturing in 2003	–	400,000	–
WENDEL Investissement - Sale under optional repurchase agreement	–	600,000	–
Trief Corporation	–	–	53,980
Oranje-Nassau	–	94,433	47,833
Wheelabrator Allevard	41,979	8,247	20,565
Stallergènes	155	7,395	1,860
BLR BV	–	–	56,328
Sofu	–	–	463
	591,154	**1,518,875**	**241,029**
Loans repaid by:			
WENDEL Investissement - Sale under optional repurchase agreement	339,916	260,084	–
WENDEL Investissement - Syndicated loan maturing in 2003	400,000	–	–
WENDEL Investissement - 5.70 November 2002 bonds	–	304,898	–
WENDEL Investissement - Bank loan	–	60,000	–
Trief Corporation	53,980	–	101,706
Oranje-Nassau	117,750	66,850	49,274
Wheelabrator Allevard	36,595	13,538	29,573
Stallergènes	6,607	15,158	3,812
Sofu	–	464	–
	954,848	**720,992**	**184,365**
WENDEL Investissement - Change in accrued interest	– 10,257	20,519	– 39
	– 373,951	**818,402**	**56,625**

List of the main consolidated companies at December 31, 2003

Consolidation method	% interest	Company	Country	Activities
FC	100.00	Wheelabrator Allevard	France	Abrasives Diamond tools
FC	100.00	Deutsche Wheelabrator	Germany	Abrasives
FC	100.00	Wheelabrator Allevard Espagnola	Spain	”
FC	70.00	Wheelabrator Allevard Italia	Italy	”
FC	99.97	P.G.M.	France	”
FC	100.00	A.M.P.Grenailles	Luxembourg	”
FC	75.00	Wheelabrator Allevard Ural	Russia	”
FC	100.00	Metabrasive Ltd	UK	”
FC	100.00	Abrasivi metallici industriale SPA	Italy	”
FC	100.00	Abrasiv Muta	Slovenia	”
FC	100.00	MT Trasformatzione Mettalli	Italy	”
FC	100.00	Panabrasive Inc.	Canada	”
FC	100.00	Wheelabrator Abrasives Inc.	US	”
FC	100.00	National Metal Abrasiv	US	”
FC	100.00	Kovobrasiv Mnisek Spol	Czech Republic	”
FC	100.00	Talleres Fabio Murga	Spain	”
FC	100.00	IKK do Brasil	Brazil	”
FC	96.11	Shanghaï Murga Steel Abrasives	China	”
FC	80.00	IKK Shot Co Ltd	Japan	”
E	51.00	Reecon Steel Co Ltd	Taiwan	”
FC	80.00	Séoul Shot Industry Co. Ltd	South Korea	”
FC	80.30	Siam IKK	Thailand	”
E	99.99	Murga Argentina	Argentina	”
E	65.00	Gojump Enterprise Co Ltd	Taiwan	”
FC	100.00	Thomas Abrasives Ltd	South Africa	”
E	100.00	All Abrasives	South Africa	”
E	20.00	Celik Granul	Turkey	”
FC	90.00	Eder Strahltechnik	Austria	”
FC	90.00	Eder Strahlmittelwerk	Austria	”
FC	69.73	Recupac	France	”
FC	60.00	Klaus Eiche Diamantwerkzeuge	Germany	Diamond tools
FC	100.00	Samedia	France	”
FC	60.00	Peraita	Spain	”
FC	100.00	Ardiam	France	”
FC	100.00	Diasint Italy	Italy	”
FC	100.00	Geo Technical System	Italy	”
FC	100.00	Samedia Latina America	Brazil	”
FC	100.00	Diasint Iberica	Spain	”
FC	100.00	W. Diamant EPE	Greece	”
FC	100.00	WA SAS	France	”
FC	100.00	W. Diamant SA	France	”
FC	100.00	W. Diamant Gmbh & Co	Germany	”
FC	100.00	W. Diamant Herramientas	Spain	”
FC	100.00	W. Diamant Srl	Italy	”
FC	100.00	W. Diamant Pty Ltd	South Africa	”
FC	100.00	Winterstone Ltda	Brazil	
FC	100.00	W. Diamant India	India	”

List of the main consolidated companies at December 31, 2003

Consolidation method	% interest	Company	Country	Activities
FC	100.00	Oranje Nassau Groep B.V.	Netherlands	
FC	100.00	Onroerend Goed Oranje Nassau N.V.	Netherlands	Property
FC	100.00	Oranje Nassau Energie B.V.	Netherlands	Energy
FC	100.00	Oranje Nassau Participaties B.V.	Netherlands	Holding company
FC	47.47	Stallergènes sa	France	Immunotherapy
FC	47.47	SCI Stallergènes Antony	France	”
FC	47.47	Erste VVGmbh	Germany	”
FC	47.47	Stallergènes Gmbh	Germany	”
FC	47.47	Stallergènes & Co KG	Germany	”
FC	47.47	Stallergènes Italia	Italy	”
FC	47.47	Stallergènes DHS Espana	Spain	”
FC	47.47	Stallergènes Belgium	Belgium	”
FC	47.47	Laboratoire Stallergènes Sarl	Switzerland	”
E	34.74	Nouvelle bioMérieux Alliance	France	Pharmaceutical/ Diagnostic
E	34.00	Silliker Group Holding SGH	France	Food quality control
E	76.22	Silliker Bio Mérieux Inc	US	”
E	33.67	Bureau Veritas	France	Certification and control
E	30.82	Trader Classified Media	Netherlands	Classified advertisements
E	37.39	Lumina Parent (Legrand)	Luxembourg	Electrical equipment
FC	100.00	WENDEL Investissement	France	Holding company
FC	54.70	BLR Lux (Neuf Telecom)	Luxembourg	”
FC	100.00	Compagnie Financière de la Trinité	France	”
FC	100.00	Simfor	France	”
FC	100.00	Sofisamc	Switzerland	”
FC	100.00	Sofiservice	France	”
PC	50.00	Sofu	France	”
FC	100.00	Solfur	France	”
FC	100.00	Trief Corporation	Luxembourg	”
FC	100.00	Winvest 1	France	”
FC	100.00	Winbond	France	”

FC: Fully consolidated
PC: Proportionally consolidated
E: Equity accounted

Statutory Auditors' report on the consolidated financial statements

Year ended December 31, 2003

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the consolidated financial statements. This information 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 captions or on information taken outside of the consolidated financial statements.
This report, together with the Statutory Auditors' report addressing financial and accounting information in the Chairman's report on internal control, should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In compliance with the assignment entrusted to us by the Annual Shareholders' Meeting, we have audited the accompanying consolidated statements of WENDEL Investissement for the year ended December 31, 2003.

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

I - Opinion on the consolidated financial statements

We conducted our audit in accordance with the professional standards applied in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of WENDEL Investissement and its subsidiaries' financial position and their assets and liabilities as of December 31, 2003, and of the results of their operations for the year then ended in accordance with French accounting principles and regulations.

II - Justification of our assessments

In accordance with the requirements of Article L. 225-235 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, introduced by the French Financial Security Act of August 1, 2003 and which came into effect for the first time this year, we draw your attention to the following matter:

Notes 1 and 2 to the consolidated financial statements describe the accounting rules and methods applied, including those concerning goodwill and investments. As part of our assessments, we verified that the accounting methods used were appropriate and ensured that they were correctly applied. We also ensured that the estimates used were reasonable.

The assessments were made in the context of our audit of the consolidated financial statements, taken as a whole, and therefore contributed to the formation of the unqualified opinion expressed in the first part of this report.

III - Specific verification

In accordance with professional standards applicable in France, we have also verified the information given in the group management report. We have no matters to report regarding its fair presentation and conformity with the consolidated financial statements.

Paris, May 10, 2004

The Statutory Auditors

ERNST & YOUNG Audit — PricewaterhouseCoopers Audit

François Carrega — Daniel Chauveau

Parent company financial statements

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Analysis of the parent company financial statements

Parent company results

In millions of euros	2003	2002 proforma (12 months)
Income from equity holdings	166	52
Other financial income (expense)	– 29	– 34
Financial income (expense)	137	18
Operating income	– 13	– 15
Current income	**124**	**3**
Non-recurring items	87	– 64
Corporate income tax	6	13
Net income (loss)	**217**	**– 48**

The 2001/2002 reporting period exceptionally lasted 18 months owing to a change in the date of the end of the fiscal year.

Current income totaled 124 million euros in 2003, compared with 3 million euros in the previous year. In 2002, within the framework of the redistribution of the equity interests of the different holding companies, several asset disposals were organized within the Group. These disposals generated net cash and gave rise to a non-recurring dividend of 118 million euros paid to WENDEL Investissement in 2003. Other financial income (expense) was stable at – 29 million euros versus – 34 million euros in the previous year.

The main component of non-recurring items, which totaled 87 million euros, was income in the amount of 86 million euros from the sale of Capgemini shares.

After taxes, net income for 2003 stood at 217 million euros.

Analysis of the parent company financial statements

Balance sheet

(In millions of euros)

ASSET	12.31.2003	12.31.2002	SHAREHOLDERS' EQUITY AND LIABILITIES	12.31.2003	12.31.2002
Tangible assets	3	3	Shareholders' equity	1,018	856
Long-term investments	2,347	2,660	Provisions	51	86
Working capital requirements	30	– 107	Financial debt	1,325	2,048
Net cash	14	434			
	2,394	**2,990**		**2,394**	**2,990**

The 2002 balance sheet was restated to re-integrate the sale of Cap Gemini shares, which had been recorded as an off-balance sheet item as it featured an option to repurchase. This effect of this restatement was to increase borrowings by €340 million, fixed asset investments by €108 million and working capital by €124 million, and to reduce provisions by €108 million.

The €313 million decrease in fixed asset investments resulted mainly from the sale of Cap Gemini shares during the year ended.

The €162 million increase in shareholders' equity was due to the €217 million profit recorded during the year ended, reduced by the €55 million dividend paid to the company's shareholders.

Net borrowings declined by €304 million, down from €1,615 million at December 31, 2002 to €1,311 million at December 31, 2003.

Acquisition of equity interests

In application of article L.233-6 of the Code de Commerce, notice is given that WENDEL Investissement acquired an equity interest in the following companies:

Valeo (including shares received on the absorption of Figemu)	9.97%
Winvest 4 (creation of the company)	100.00%
Winvest 5 (creation of the company)	100.00%

With the cancellation of the repurchase agreement sale of Cap Gemini shares, WENDEL Investissement exceeded the 5% ownership threshold for that company and then fell below the same threshold at the end of the year.

Balance sheet

Assets

In thousands of euros	Note	12.31.2003			12.31.2002	06.30.2001
		Gross	Depreciation and provisions	Net	Net	Net
Fixed assets						
Tangible fixed assets		**10,604**	**7,677**	**2,927**	**3,144**	**55**
Fixed asset investments (1)						
Shares in subsidiaries and affiliates	1	2,197,964	119,385	2,078,579	2,244,835	301,155
Loans and advances to subsidiaries and affiliates		–	–	–	–	–
Long-term equity portfolio		–	–	–	–	11,602
Other shares and bonds	2	265,139	–	265,139	307,429	78,136
Own shares	2	3,601	–	3,601	–	–
Other loans and fixed asset investments		78	–	78	116	158
		2,466,782	**119,385**	**2,347,397**	**2,552,380**	**391,051**
Total fixed assets		**2,477,386**	**127,062**	**2,350,324**	**2,555,524**	**391,106**
Current assets						
Trade debtors (2)		1,043	–	1,043	985	52
Other debtors (2)		8,626	–	8,626	18,436	9,800
Treasury instruments	3	45,324	–	45,324	–	30,190
Marketable securities	4	14,893	1,550	13,343	421,211	10
Cash at bank and in hand		305	–	305	13,066	6,077
Deferred charges		84	–	84	120	123
Total current assets		**70,275**	**1,550**	**68,725**	**453,818**	**46,252**
Total assets		**2,547,661**	**128,612**	**2,419,049**	**3,009,342**	**437,358**
(1) Of which less than one year				13	27	153
(2) Of which more than one year				–	1,071	–

Balance sheet

Liabilities

In thousands of euros	Note	12.31.2003	12.31.2002	06.30.2001
Shareholders' equity				
Share capital		223,928	223,727	141,195
Share premium account		127,099	226,422	–
Legal reserves		22,368	22,368	14,119
Regulated reserves		391,820	391,820	159,724
Other reserves		8,484	8,484	8,484
Retained earnings brought forward		27,304	25,177	33,646
Interim dividend payable		–	– 34,997	–
Net profit (loss) for the period		217,481	– 7,173	30,269
Total capital and reserves		**1,018,484**	**855,828**	**387,437**
Provisions for risks and charges	5	51,437	193,708	2,021
Creditors				
Borrowings	6	1,324,904	1,709,495	30,018
Other creditors	7	24,224	250,311	17,882
Total creditors (1)		**1,349,128**	**1,959,806**	**47,900**
Total liabilities		**2,419,049**	**3,009,342**	**437,358**
(1) Of which less than one year		491,308	1,151,002	47,900
Of which more than one year		857,820	808,800	–

Profit and loss account

In thousands of euros	Note	Year to December 31, 2003	Year to December 31, 2002	18 months to December 31, 2002	12 months to June 30, 2001
Income from participating interests	10	**165,594**	**52,344**	**104,716**	**135,516**
Other financial income and charges	11				
Income					
■ Income from marketable securities		422	299	300	1
■ Income from loans and advances to subsidiaries and affiliates		9,211	3,552	5,642	490
■ Income from invested cash		13,835	20,220	20,322	1,590
■ Provisions written back		2,531	–	64,592	–
Charges					
■ Interest payable and similar charges		54,690	54,665	134,222	463
■ Provisions set aside		–	4,068	4,068	64,592
Net financial income		**136,903**	**17,682**	**57,282**	**72,542**
Other operating income	12				
Miscellaneous operating income		2,774	3,039	3,164	265
Provisions written back		–	–	–	220
Other operating charges					
Purchases and external charges		5,460	6,847	7,450	995
Taxes other than corporation tax		877	956	1,038	139
Wages and salaries	13	4,586	5,552	5,736	636
Social security costs		2,520	2,081	2,269	252
Depreciation and amortisation		456	477	487	23
Provisions set aside		1,754	1,831	1,956	–
Other		421	344	390	89
Operating profit (loss)		**– 13,300**	**– 15,049**	**– 16,162**	**– 1,649**
Profit on ordinary activities		**123,603**	**2,633**	**41,120**	**70,893**
Exceptional income					
From revenue transactions		94,940	10,466	10,466	2
From capital transactions		781,710	952,679	952,679	–
Provisions written back		490,552	31,114	31,129	84
Exceptional charges					
On revenue transactions		7,644	27,834	27,849	84
On capital transactions		1,192,432	656,451	656,451	–
Provisions set aside		79,478	374,116	374,116	45,624
Net exceptional income (charges)	14	**87,648**	**– 64,142**	**– 64,142**	**– 45,622**
Corporation tax	15	**6,230**	**13,442**	**15,849**	**4,998**
Net profit (loss)		**217,481**	**– 48,067**	**– 7,173**	**30,269**

Statement of changes in shareholders' equity

In thousands of euros	Number of shares	Share capital	Share premium account	Legal reserve	Regulated reserves	Other reserves and retained earnings b/f	Net profit (loss) for period	Interim dividend	Total share-holders' equity
At June 30, 2000 before appropriation	**17,649,370**	**141,195**	**–**	**12,836**	**117,515**	**49,012**	**71,908**	**–**	**392,466**
Appropriation of 1999/2000 net profit				1,283	42,209	28,416 (1)	– 71,908		–
Ordinary dividend						– 35,298			– 35,298
2000/2001 net profit							30,269		30,269
At June 30, 2001 before appropriation	**17,649,370**	**141,195**	**–**	**14,119**	**159,724**	**42,130**	**30,269**	**–**	**387,437**
Appropriation of 2000/2001 net profit						30,269 (2)	– 30 269		–
Ordinary dividend						– 38,738			– 38,738
Capital increases									
– in payment of CGIP assets	23,876,729	95,507	592,985						688,492
– on the exercise of stock options	71		1						1
– in connection with employee saving plan	10,653	43	201						244
Two-for-one share spit decided at June 13, 2002 AGM (second resolution)	17,649,370								
Reinstatement of CGIP reserves decided at June 13, 2002 AGM (fourth resolution)			– 241,647	9,551	232,096				–
Cancellation of shares decided at June 13, 2002 AGM (fifth resolution)	– 3,254,506	– 13,018	– 118,360	– 1,302					– 132,680
Interim dividend decided at March 27, 2002 Board Meeting								– 34,997	– 34,997
Merger costs			– 6 758						– 6,758
2001/2002 net loss							– 7,173		– 7,173
At December 31, 2002 before appropriation	**55,931,687**	**223,727**	**226,422**	**22,368**	**391,820**	**33,661**	**– 7,173**	**– 34,997**	**855,828**
Appropriation of 2001/2002 net loss			– 100,000			92,827 (3)	7,173		–
Ordinary dividend						– 90,700		34,997	– 55,703
Capital increases on the exercise of stock options	11,722	47	85						132
In connection with employee saving plan	38,507	154	592						746
2003 net profit							217,481		217,481
At December 31, 2003 before appropriation	**55,981,916**	**223,928**	**127,099**	**22,368**	**391,820**	**35,788**	**217,481**	**–**	**1,018,484**

(1) The amount appropriated to retained earnings approved by the Annual General Meeting of November 23, 2000 was increased by €2 thousand, the amount of the dividends payable on Marine-Wendel shares held in treasury on the ex-dividend date.
(2) The amount appropriated to retained earnings approved by the Annual General Meeting of November 27, 2001 was increased by €91 thousand, the amount of the dividends payable on Marine-Wendel shares held in treasury on the ex-dividend date.
(3) The amount appropriated to retained earnings approved by the Annual General Meeting of May 27, 2003 was increased by €229 thousand, the amount of the dividends payable on Marine-Wendel shares held in treasury on the ex-dividend date.

Statement of cash flows

In thousands of euros	12 months to June 30, 2001	18 months to Dec. 31, 2002	12 months to Dec. 31, 2003	Details of 2003 figures	
Cash flow from operating activities					
Net profit (loss)	30,269	– 7,173	217,482		
Elimination of gains and losses on fixed asset disposals	–	– 296,228	410,722		
Elimination of depreciation and provisions	109,933	284,906	– 411,382		
Elimination of other non-cash items	–	38,162	4,063		
Change in operating working capital	– 99,271	33,251	– 141,634		
Net cash flow from operating activities	**40,931**	**52,918**	**79,251**		
Cash flow from investing activities					
Outflows:					
▪ acquisitions of shares in subsidiaries and affiliates	– 89,518	– 1,207,147	– 334,169	of which Trader	8,903
▪ acquisitions of bonds	–	– 316,258	– 7,710	CGEY	312,551
▪ acquisitions of tangible fixed assets	– 7	– 281	– 265	WA	1,385
▪ loans granted	–	– 5	– 23	Valeo	11,151
Inflows:					
▪ proceeds from the sale of shares in subsidiaries and affiliates	–	699,428	373,060	of which CGEY	372,902
▪ proceeds from the sale of tangible fixed assets	–	64	377		
▪ proceeds from the sale of bonds	–	84,683	50,000		
▪ loan repayments	152	190	61		
Change in working capital related to investing activities	–	– 25,763	–		
Net cash (outflows) inflows from investing activities	**– 89,373**	**– 765,089**	**81,331**		
Cash flow from financing activities					
Changes in capital and reserves					
▪ capital increases	–	245	878		
▪ CGIP capital increase	–	483	–		
▪ MW share buybacks	–	– 139,400	–		
▪ CGIP share buybacks	–	– 364,210	–		
▪ WI share buybacks	–	–	– 3,601		
▪ Merger costs charged against share premium account	–	– 6,758	–		
Dividend payments	– 35,297	– 38,738	– 55,703		
MW 2002 interim dividend	–	– 34,998	–		
CGIP 2001 interim dividend	–	– 30,922	–		
CGIP 2002 final dividend	–	– 22,644	–		
Net change in long-term borrowings	30,018	1,427,819	– 298,542	of which repayment under optional repurchase agreement for €339,916 thousand	
Net cash (outflow) inflows from financing activities	**– 5,279**	**790,877**	**– 356,968**		
Change in cash and cash equivalents	**– 53,721**	**78,706**	**– 196,386**		
Cash and cash equivalents at beginning of period (CGIP)	**–**	**117,479**	**–**		
Cash and cash equivalents at beginning of period (Marine-Wendel)	**59,808**	**6,087**	**–**		
Cash and cash equivalents at beginning of period (Figemu, absorbed in 2003)	**–**	**–**	**5**		
Cash and cash equivalents at beginning of period (WENDEL Investissement)	**–**	**–**	**202,272**		
Cash and cash equivalent at period-end	**6,087**	**202,272**	**5,891**		

Notes to the company accounts

Expressed in thousand of euros unless indicated otherwise

Accounting principles and valuation policies

The balance sheet and profit and loss account have been prepared in accordance with French generally accepted accounting principles, the company availing itself of the same derogations as in previous years in order to present a true and fair view of its results. The two derogations concern the presentation of the profit and loss account:

- net financial income is presented as being the main component of the company's activities, rather than the operating profit as defined under French generally accepted accounting principles;
- all gains and losses on capital transactions other than those arising on marketable securities are reported as exceptional items. In the case of marketable securities, changes in provisions and gains and losses on disposals are reported as financial items.

Valuation methods were applied consistently from one year to the next.

Fixed assets are recorded at cost, excluding transaction costs.

Each participating interest is the object of an impairment test at the period end, with its net book value compared to its fair value (share of net assets, return on investment, market capitalisation), eventually resulting in the recording of a provision for impairment.

Financial instruments

Interest rate and currency options

Gains and losses on financial instruments used for hedging purposes are determined and recognised so as to match losses and gains on the hedged items.
When financial instruments are being used for hedging purposes, gains and losses arising when these instruments are marked to market at the year-end are dealt with in the profit and loss account.

Share options

As a rule, premium on options sold or purchased are recorded in a suspense account until the exercise or expiry of these options. Provisions are recorded in respect of any unrealised losses, with gains not recognised until they are realised.
As an exception to the above, premiums paid on purchasing options intended as a hedge for an optional instrument incorporated into a debt instrument, namely an exchangeable bond, are considered to represent an anticipated payment of additional interest and, accordingly, are spread over the remaining maturity of the debt.

Pensions and other post-retirement benefits

The present value of retirement indemnities and supplementary pension benefits that the company might be led to pay to active and retired employees gives rise to a provision for risks and charges determined in accordance with the projected unit credit method.

Rights are determined at each period-end by reference to each employee's age and length of service and the probability that the beneficiary will be employed by the company on reaching retirement. The calculation is based on an actuarial method, in particular assumptions regarding yields offered by long-term investments.

Following the merger between Marine-Wendel and CGIP, which took effect on January 1, 2002, the company accounts include the activities of Marine-Wendel over 18 months and those of CGIP over 12 months. For prior-year comparisons to be more meaningful, a pro forma profit and loss account covering the 12 months to December 31, 2002 has been provided.

Notes to the balance sheet

Expressed in thousand of euros unless indicated otherwise

Note 1

Shares in subsidiaries and affiliates

At December 31,	% interest 2002	% interest 2003	Net amount 2002
French subsidiaries			
Figemu	100.00	–	407,877
Sofiservice	99.99	100.00	135,088
Solfur	99.99	100.00	14,982
Compagnie Financière de la Trinité	100.00	100.00	15,607
Simfor	100.00	100.00	302
Trimo Participations	100.00	100.00	4,591
Wheelabrator Allevard	100.00	99.98	194,760
Winvest 1	100.00	100.00	180,350
Winbond	100.00	100.00	376,190
Foreign subsidiaries			
Oranje-Nassau	100.00	100.00	238,320
Trief Corporation	99.96	24.99	107,828
Affiliates			
Cap Gemini Ernst & Young	4.72	4.24	139,577
Valeo	–	9.97	–
Nouvelle bioMérieux Alliance	34.74	34.74	429,093
Trader Classified Media	–	1.16	–
Other			270
			2,244,835

Notes to the balance sheet

Expressed in thousand of euros unless indicated otherwise

Movements in 2003					
Internal transfers	Absorption of Figemu	Acquisitions	Disposals	Change in provisions	Net amount 2003
	– 608,144			200,267	–
				– 38,354	96,734
					14,982
					15,607
					302
				83	4,674
		1,385			196,145
				– 27,441	152,909
					376,190
					238,320
					107,828
		528,624	584,121	132,493	216,573
	208,858	11,151			220,009
					429,093
		8,903	59		8,844
		179	80		369
–	**– 399,286**	**550,242**	**584,260**	**267,048**	**2,078,579**

Notes to the balance sheet

Expressed in thousand of euros unless indicated otherwise

Note 2

Other shares and bonds

At December 31,	Net amount 2002	Movements in 2003: Internal transfers	Acquisitions	Cancellation of own shares	Disposals	Change in provisions	Net amount 2003
Other shares and bonds							
Trief Corporation bonds	307,125	–	7,710 (1)	–	50,000	–	264,835
Other	304	–	–	–	–	–	304
	307,429	**–**	**7,710**	**–**	**50,000**	**–**	**265,139**
121,423 own shares	–	–	3,601	–	–	–	3,601
	307,429	**–**	**11,311**	**–**	**50,000**	**–**	**268,740**

(1) Accrued interest for the period.

Note 3

Treasury instruments

	Note	12.31.2003	12.31.2002	06.30.2001
WENDEL Investissement warrants exercisable for Cap Gemini Ernst & Young shares		–	–	30,190
Cap Gemini Ernst & Young stock options	8	42,289	–	–
Currency options	8	3,035	–	–
		45,324	**–**	**30,190**

Notes to the balance sheet

Expressed in thousand of euros unless indicated otherwise

Note 4

Marketable securities

	12.31.2003		12.31.2002		06.30.2001	
	Net book value	Market value	Net book value	Market value	Net book value	Market value
228,302 Wendel Investissement shares (1)	7,758	7,758	5,240	5,240	–	–
	7,758	**7,758**	**5,240**	**5,240**	**–**	**–**
Mutual fund units	5,516	5,516	183,612	184,895	–	–
Certificates of deposit and savings bonds	–	–	5,594	5,594	–	–
Other	69	76	–	–	10	53
	5,585	**5,592**	**189,206**	**190,489**	**10**	**53**
Shares borrowed (2)	–	–	226,765	N/A	–	–
	13,343	**13,350**	**421,211**	**195,729**	**10**	**53**

(1) Shares lent by Trief Corporation and Figemu.
(2) Shares held for allotment on the exercise of stock options granted in connection with stock option plans.

Notes to the balance sheet

Expressed in thousand of euros unless indicated otherwise

Note 5

Provisions for risks and charges

	12.31.2003	12.31.2002	06.30.2001
Pension and other post-retirement benefit obligations	21,987	20,233	1,655
Deferred taxes arising from the election for group relief (see Note 15)	14,864	8,559	–
Other risks and charges	14,586	164,916	366
	51,437	**193,708**	**2,021**

Movements for the period

	12.31.2002	Charge for the year	Written back ued	Written back not used	12.31.2003
Pension and other post-retirement benefit obligations	20,233	1 ,754	–	–	21,987
Deferred taxes arising from the election for group relief	8,559	7,600	1,291	4	14,864
Other risks and charges (1)	164,916	6,083	–	156,413	14,586
	193,708	**15,437**	**1,291**	**156,417**	**51,437**
Operating items		1,754	–	–	
Financial items		–	–	–	
Exceptional items		13,683	1,291	156,417	
		15,437	**1,291**	**156,417**	

(1) Of which €164,017 thousand at December 31, 2002 and €8,128 thousand at December 31, 2003 in respect of losses on Cap Gemini Ernst & Young shares.

Notes to the balance sheet

Expressed in thousand of euros unless indicated otherwise

Note 6

Borrowings

	12.31.2003	12.31.2002	06.30.2001
3.75% 2002-05 bonds, including accrued interest	417,998	417,998	–
2.00% 2003-09 bonds, including accrued interest	282,017	–	–
Bank loans, including accrued interest	270,266	400,852	30,018
Accrued interest on optional repurchase agreement	–	12,481	–
Debt related to borrowed securities	–	226,765	–
Debt related to subsidiaries and affiliates			
Sofiservice	105,521	231,497	–
Solfur	5,010	5,039	–
Figemu	–	199,199	–
Compagnie Financière de la Trinité	16,982	12,251	–
Trimo Participations	4,674	4,575	–
Simfor	1,446	2,618	–
Trief Corporation	87,318	54,182	–
Winvest 1	77,719	76,121	–
Oranje-Nassau	55,575	65,576	–
Other	343	119	–
	354,588	651,177	–
Other borrowings	35	222	–
	1,324,904	**1,709,495**	**30,018**
Of which: due within one year	*454,623*	*878,164*	*30,000*
due within one to five years	*578,800*	*808,800*	–
due in more than five years	*279,020*	–	–
accrued interest	*12,461*	*22,531*	*18*

Notes to the balance sheet

Expressed in thousand of euros unless indicated otherwise

Note 7

Other creditors

In thousands of euros	12.31.2003	12.31.2002	06.30.2001
Trade creditors	1,385	782	195
Tax and social security	3,850	6,528	168
Warrants exercisable for Cap Gemini Ernst & Young shares (1)	–	81,362	–
Deferred gain on Cap Gemini Ernst & Young shares (2)	–	123,842	–
Miscellaneous (3)	18,989	37,797	17,519
	24,224	**250,311**	**17,882**

(1) On May 29, 2001, CGIP issued warrants exercisable for Cap Gemini Ernst & Young shares held by CGIP. The warrants were exercisable up until March 31, 2003 on the basis of ten warrants per share at a price of €143. On the warrants' expiration in 2003, WENDEL Investissement cancelled 30,134,188 warrants that had not been exercised and recorded income of €81,362 thousand.
(2) In 2003, WENDEL Investissement paid €339,916 thousand to repurchase 4,562,627 Cap Gemini Ernst & Young shares sold in January 2002 under an optional repurchase agreement. This transaction led to the neutralisation of the capital gain deferred at December 31, 2002.
(3) Of which Cap Gemini Ernst & Young options for €15,570 thousand at December 31, 2003 and €32,728 thousand at December 31, 2002.

Note 8

Financial instruments

Apart from the transactions described below, there are no financial instruments susceptible of having a material impact on the financial situation of WENDEL Investissement.

▪ Management of Cap Gemini Ernst & Young shareholding

As part of the gradual disposal of its shareholding in Cap Gemini Ernst & Young, WENDEL Investissement has entered into various option contracts. Net premiums received in respect of these contracts amounting to €15,570 have been recorded under other creditors until these options expire. A provision for risk of €8,128 thousand was set aside at December 31, 2003 in respect of these options.

▪ Management of Valeo shareholding

In connection wit the management of its shareholding in Valeo, WENDEL Investissement has entered into various option contracts. The market value of these options at December 31, 2003 was compared with premiums paid and received, leading to the recording of a provision for risk amounting to €1,682 thousand.

▪ Debt management

WENDEL Investissement decided to hedge part of the bonds exchangeable for Cap Gemini Ernst & Young shares issued in 2003 (see Note 6) through the purchase of Cap Gemini calls with the same maturity and the same strike price. In effect, the exchangeable bonds hedged in this way have been transformed into straight bonds. Premiums paid on the purchase of these calls represent an additional financial charge that is being amortised on a straight-line basis over the term of the loan. These premiums are recorded under other debtors.

Situation at December 31, 2003	Number of options	Strike price	Maturity
Purchase of Cap Gemini Ernst & Young calls	4,400,000	39.86	June 2009

Notes to the balance sheet

Expressed in thousand of euros unless indicated otherwise

▪ Currency risk management

In 2003, WENDEL Investissement entered into several contracts for the forward sale of US dollars. Contracts unwound in 2003 generated gains of €4,866 thousand. Unrealised gains on open contracts amounted to €3,035 thousand at December 31, 2003.

Situation at December 31, 2003	Nominal amount	Exchange rate	Maturity
Forward sale of US dollars for euros (WENDEL Investissement is selling US dollars)	$58.1 million	1,162	May 2006

Note 9

Off-balance sheet commitments

In thousands of euros	12.31.2003	12.31.2002	06.30.2001
Commitments given			
Pledges, mortgages and collateral given as guarantee:			
– guarantee in respect of the CGEY shares sold under an optional repurchase agreement (shares pledged in an amount equivalent to 110% of the sales proceeds)	–	373,908	–
– Valeo shares held as collateral for the WENDEL Investissement bonds exchangeable for Valeo shares	227,760	218,270	–
– Cap Gemini Ernst & Young shares held as collateral for allotted CGEY equity warrants	–	65,643	–
Other commitments given:			
– commitments to buy back Wheelabrator Allevard shares (1)	1,575	1,294	–

(1) The company has undertaken to maintain or help maintain a liquid market for the Wheelabrator Allevard shares issued and/or to be issued on the exercise of stock options granted to certain employees of this company. Commitments given are based on the number of shares susceptible of being repurchased valued by reference to the repurchase price at December 31, 2003.

Commitments arising from shareholders' agreements

▪ Bureau Veritas

WENDEL Investissement and Poincaré Investissements (the company which regroups the interests of the Mathy family in Bureau Veritas) signed an agreement that was subsequently amended governing their relations in Bureau Veritas. In particular, this agreement defines the hypotheses and conditions under which WENDEL Investissement would take over Bureau Veritas on the basis of a financial arrangement to be determined by the two parties (see Note 16).

Notes to the profit and loss account

Expressed in thousand of euros unless indicated otherwise

Note 10

Income from participating interests

	12 months to December 31, 2003	18 months to December 31, 2002	12 months to June 30, 2001
Dividends received from:			
Oranje-Nassau	30,000	20,500	–
Cap Gemini Ernst & Young	–	4,474	–
Valeo	7,724	–	–
Bureau Veritas	–	4,135	–
Trief Corporation	–	4,788	–
Sofiservice	118,245	–	–
Solfur	2,688	2,937	–
CGIP (shares)	–	35,104	35,104
CGIP (warrants)	–	–	94,782
Simfor	870	1,099	115
Compagnie Financière de la Trinité	–	24,678	5,053
Stallergènes	–	462	462
Wheelabrator Allevard	6,061	6,021	–
Sofu	–	500	–
Other	6	18	–
	165,594	**104,716**	**135,516**
Of which interim dividends received from:			
Compagnie Financière de la Trinité	–	8,509	–
CGIP (shares) - 2001 interim dividend	–	35,104	–
Sofu	–	500	–

Notes to the profit and loss account

Expressed in thousand of euros unless indicated otherwise

Note 11

Other financial income and charges

	12 months to December 31, 2003	18 months to December 31, 2002	12 months to June 30, 2001
Other financial income			
Income from marketable securities	422	300	1
Income from long-term loans and advances	9,211	5,642	490
Income from invested cash	13,835	20,322	1,590
Provisions written back	2,531	64,592	–
	25,999	**90,856**	**2,081**
Of which income from related companies	*9,310*	*962*	*156*
Other financial charges			
Bond interest	25,425	24,768	–
Other interest payable and similar charges	29,265	109,454	463
Provisions set aside	–	4,068	64,592
	54,690	**138,290**	**65,055**
Of which charged by related companies	*8,468*	*7,815*	*380*

Note 12

Other operating income

	12 months to December 31, 2003	18 months to December 31, 2002	12 months to June 30, 2001
Property rentals	263	497	–
Management fees billed to subsidiaries	2,455	2,516	265
Miscellaneous income	56	151	–
Provisions written back	–	–	220
	2,774	**3,164**	**485**

Notes to the profit and loss account

Expressed in thousand of euros unless indicated otherwise

Note 13

Management compensation and employee numbers

The total compensation paid by the Company to executive directors in respect of the year to December 31, 2003 amounted to €1,642 thousand.

Board fees paid to the directors amounted to €420 thousand in 2003, compared with €391 thousand (of which €101 thousand paid by CGIP) in 2002 and €89 thousand in 2001.

Average number of employees

	2003	2002	2001
Managers	18	15	3
Employees	27	16	3
	45	**31**	**6**

Note 14

Exceptional items

	Exceptional income			Exceptional charges			
	Revenue transactions	Capital transactions	Provisions written back	Revenue transactions	Capital transactions	Provisions set aside	Net 2003
1. Asset disposals							
Tangible fixed assets							
■ Land		253					253
■ Buildings		90					90
■ Other		7					7
Fixed asset investments							
■ Cap Gemini Ernst & Young shares			132,493		211,219		– 78,726
■ Figemu shares			200,267		199,872		395
■ Trimo participations shares			83				83
■ Sofiservice shares						38,354	– 38,354
■ Winvest 1 shares						27,441	– 27,441
■ Other		19					19
2. Other exceptional items							
■ Linked to the existence of a tax group			1,295			7,600	– 6,305
■ Cancellation of CGEY warrants	81,362			206			81,156
■ Related to CGEY	9,274		155,889				165,163
■ Other	4,304		525	7,438(1)		6,083	– 8,692
	94,940	**369**	**490,552**	**7,644**	**411,091**	**79,478**	**87,648**

(1) Of which loan issuance costs amounting to €6,988 thousand.

Notes to the profit and loss account

Expressed in thousand of euros unless indicated otherwise

Note 15

Corporation tax

The tax charges for 2003 is analysed below:

Tax bases assessed at	33.33%	19.00%	
Ordinary income and charges	– 25,766	–	
Exceptional income and charges	119,848	– 85,400	
	94,082	– 85,400	–
Taxation	–	–	–
+ 3% and 3.3% surtaxes			–
– dividend tax credits			–
– effect of group relief			– 6,425
+ tax adjustments			172
+ Annual flat rate tax			23
Corporation tax charged in profit and loss account			**– 6,230**

The Company has elected for group relief, as provided for in Articles 223 A to U of the General Tax Code. According to the group relief agreements between WENDEL Investissement and the other companies in the tax group, each company records in its accounts the tax that it would have paid if it had been taxed on a stand-alone basis. The difference between the tax effectively payable and the tax that would have been due in the absence of group relief is recorded in the accounts of WENDEL Investissement. In 2003, temporary relief in current taxes amounted to €14,864 thousand and gave rise to the recognition of a deferred tax liability (see Note 5).

In 2003, the other members of the WENDEL Investissement tax group were Sofiservice, Solfur, Coba, Lormétal, Wheelabrator Allevard, Samedia, Poudres et Grenailles Métalliques, WA SAS, Trimo participations, Simfor, Compagnie Financière de la Trinité, Winbond, Winvest 1 and Winvest 3.

Note 16

Subsequent events

▪ Cap Gemini Ernst & Young

After the year-end, 2,447,500 Cap Gemini Ernst & Young shares were sold for €74,770 thousand as a result of the exercise of the options reported on the balance sheet at December 31, 2003.

▪ Bureau Veritas

Union d’Investissements having acquired Poincaré Investissements’s shares in Poincaré Participations pursuant to the agreement entered into by these two parties, and given the rights and obligations of Poincaré Investissements as set forth in this agreement, WENDEL Investissement has the possibility to increase its interest in Bureau Veritas by acquiring the 29.47% interest in Poincaré Participations held by Union d’Investissements, which would give it an additional indirect interest of 9.51% in the capital of Bureau Veritas. This transaction could take place after the parties reach an agreement on the price.

▪ Bond issue

In February 2004, WENDEL Investissement issued for €500 million of bonds at 99.51% of their nominal value. These bonds offer a coupon of 5% and are redeemable in February 2011.

Investment portfolio

at December 31, 2003

	Number of shares held	% interest	Cost (thousands of euros)
Shares in subsidiaries and affiliates			
Subsidiaries (over 50% owned)			
a) French companies			
Sofiservice	3,248,493	100.00%	96,734
Solfur	124,994	100.00%	14,982
Compagnie Financière de la Trinité	2,021,154	100.00%	15,607
Simfor	10,000	100.00%	302
Trimo-Participations	12,473,601	100.00%	4,675
Wheelabrator Allevard	1,738,384	99.98%	196,145
Winvest 1	5,635,696	100.00%	152,909
Winbond	376,189,599	100.00%	376,190
b) Foreign companies			
Oranje-Nassau	1,943,117	100.00%	238,319
Trief Corporation	2,399	24.99%	107,828
Affiliates (more than 5% owned)			
Cap Gemini Ernst & Young	5,566,014	4.24%	216,573
Nouvelle bioMerieux Alliance	3,530,467	34.74%	429,093
Valeo	8,186,045	9.97%	220,009
Trader Classified Media	1,072,243	1.16%	8,844
Other subsidiaries and affiliates (with a book value of less than €100,000)			
French companies			369
			2,078,579
Other fixed asset investments			
Safet Embamet	1,972	5.62%	271
Other shareholdings in French companies			33
Trief Corporation bonds			264,835
			265,139

Five year financial summary

	12 months to June 30, 1999	12 months to June 30, 2000	12 months to June 30, 2001	18 months to December 31, 2002	12 months to December 31, 2003
1. Capital at period end					
Share capital (1)	132,452	141,195	141,195	223,727	223,928
Number of ordinary shares in issue	8,688,270	17,649,370(4)	17,649,370	55,931,687(6)	55,981,916
Maximum number of shares that could be issued:					
▪ on the exercise of options	–	–	–	1,126,138	1,435,416
2. Results (1)					
Operating income	554	584	477	3,164	2,774
Income from subsidiaries and affiliates	28,623	34,971	136,014	104,716	165,594
Profit before tax, depreciation, amortisation and provisions	123,523(3)	83,949(5)	135,206	261,884	– 200,144
Corporation tax	8,040	11,565	– 4,998	– 15,849	– 6,230
Net profit	115,587	71,908	30,269	– 7,173	217,481
Dividends	31,285	35,299	38,829	94,761	58,781(2)
▪ of which interim dividends				38,829	
3. Results per share (in euros)					
Profit after tax but before depreciation, amortisation and provisions	13.29	4.10	7.94	4.97	– 3.46
Net profit	13.30	4.07	1.72	– 0.13	3.88
Net dividend	3.60	2.00	2.20	2.10(7)	1.05
▪ of which interim dividend				1.10(7)	
4. Employee data					
Average number of employees	7	7	7	31	45
Total payroll (1)	624	694	636	5,736	4,586
Staff benefits (social security, (payments to welfare organisations, etc.) (1)	447	303	252	2,269	2,520

(1) In thousand of euros.
(2) Including shares held in treasury.
(3) Including gains on the disposal of Stallergènes for €30 303 thousand and CGIP share buyback for €65,610 thousand.
(4) After cancellation of 665,829 shares and two-for-one share split and bonus issue of 1,604,488 shares.
(5) Of which gains on the disposal of Reynolds for €38,140 thousand, Alpha Taitbout BV for €4,556 thousand, SCI Segur for €4,593 thousand, and SCI Stallergènes Antony for €47 thousand.
(6) After two-for-one share split, cancellation of shares acquired under the share buyback programme and shares issued in connection with CGIP/Marine Wendel merger.
(7) After two-for-one share split.

Subsidaries and affiliates at December 31, 2003

	Capital	Reserves including profit for the year	% interest
Detailed information (investments in subsidiaries and affiliates with a net book value in excess of 1% of the share capital of WENDEL Investissement).			
Subsidiaries (at least 50% owned)			
French companies			
Sofiservice	51,976	44,758	100.00%
Solfur	2,000	14,884	100.00%
Compagnie Financière de la Trinité	15,159	3,138	100.00%
Simfor	230	1,389	100.00%
Trimo-Participations	24,947	– 20,272	100.00%
Wheelabrator Allevard	27,821	90,535	99.98%
Winvest 1	90,171	62,738	100.00%
Winbond	376,190	7,833	100.00%
Foreign companies			
Oranje-Nassau	8,744	247,455	100.00%
Trief Corporation	240,000	304,914	24.99%
Affiliates (5% to 50% owned)			
Cap Gemini Ernst & Young	1,049,016	2,302,000	4.24%
Nouvelle bioMerieux Alliance	101,635	255,390	34.74%
Valeo	246,000	1,734,000	9.97%
Trader Classified Media	105,580	328,020	1.16%
Aggregate information			
French subsidiaries			
Foreign subsidiaries			
French affiliates			
Foreign affiliates			

Subsidaries and affiliates at December 31, 2003

Cost of shares	Net book value of shares	Loans and advances granted by the Company	Sales for the last year	Net profit (loss) for the last year	Dividends received during the year by the Company
135,088	96,734	–	–	3,361	118,245
14,982	14,982	–	–	2,270	2,688
15,607	15,607	–	–	201	–
302	302	–	–	23	870
49,894	4,675	–	–	83	–
196,145	196,145	–	284,056	– 3,589	6,061
180,350	152,909	–	–	– 27,424	–
376,190	376,190	–	–	6,703	–
238,319	238,319	–	220,638	107,076	30,000
107,828	107,828	–	5,005	54,686	–
224,944	216,573	–	5,754,000	– 197,000	–
429,093	429,093	–	914,476	60,793	–
220,009	220,009	–	9,234,000	181,000	7,724
8 844	8,844	–	460,800	– 3,071	–
369					
–					
–					
–					

Statutory Auditors' report on the financial statements

Year ended December 31, 2003

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the financial statements. This information includes an explanatory paragraph discussing the Statutory Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.
This report, together with the Statutory Auditors' report addressing financial and accounting information in the Chairman's report on internal control, should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In compliance with the assignment entrusted to us by the Annual Shareholders' Meeting, we hereby report to you, for the year ended December 31, 2003, on:
- the audit of the accompanying financial statements of WENDEL Investissement;
- the justification of our assessments;
- the specific verifications and information required by law.

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

I - Opinion on the 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 financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of WENDEL Investissement's financial position and its assets and liabilities as of December 31, 2003, and of the results of its operations for the year then ended in accordance with French accounting principles and regulations.

II - Justification of our assessments

In accordance with the requirements of Article L.225-235 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, introduced by the French Financial Security Act of August 1, 2003 and which came into effect for the first time this year, we draw to your attention the following matter:

The accounting rules and methods applied are described in the notes to the financial statements, including those concerning shares in subsidiaries and affiliates. As part of our assessments, we verified that the accounting methods used were appropriate and ensured that they were correctly applied. We also ensured that the estimates used were reasonable.

The assessments were made in the context of our audit of the financial statements, taken as a whole, and therefore contributed to the formation of the unqualified opinion expressed in the first part of this report.

III - Specific verifications and information

We have also performed the specific verifications required by law in accordance with the standards of the profession applicable in France.

We have no matters to report regarding the fair presentation and the conformity with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

As required by law, we have verified that the information concerning acquisitions of controlling and other interests and the identity of holders of the Company's shares or voting rights is disclosed in the management report.

Paris, May 10, 2004

The Statutory Auditors

ERNST & YOUNG Audit
François Carrega

PricewaterhouseCoopers Audit
Daniel Chauveau

Annual Shareholders' Meeting

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Statutory Auditors' report on regulated agreements

Year ended December 31, 2003

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In our capacity as Statutory Auditors of the Company, we present below our report on regulated agreements.

Agreements authorized during the year

In accordance with Article L.225-40 of the French Commercial Code *(Code de Commerce)*, we have been informed of the agreements authorized in advance by the Board of Directors.

Our responsibility does not include identifying any undisclosed agreements. We are required to report to shareholders, based on the information provided, about the main terms and conditions of agreements that have been disclosed to us, without commenting on their relevance or substance. Under the provisions of Article 92 of the March 23, 1967 decree, it is the responsibility of shareholders to determine whether the agreements are appropriate and should be approved.

We conducted our review in accordance with the professional standards applied in France. Those standards require that we carry out the necessary procedures to verify the consistency of the information disclosed to us with the source documents.

1. Agreement with Trief Corporation S.A.

Directors concerned
Jean-Bernard Lafonta and Jean-Marc Janodet.

Description, purpose and terms
As part of the restructuring of the Group's interest in Cap Gemini Ernst & Young (CGEY), on December 11, 2003, Trief Corporation S.A. sold 3,405,000 CGEY shares to WENDEL Investissement for €41.69 per share. This represented a total price of €1,141,954,450 payable by offsetting certain, liquid and due receivables owed by WENDEL Investissement to Trief Corporation S.A.

2. Agreement with Stallergènes

Director concerned
Jean-Marc Janodet.

Description and purpose
WENDEL Investissement signed an agreement with Stallergènes relating to the tax and administrative management of Stallergènes, authorized by the Board of Directors on July 28, 1998. An addendum to this agreement was signed on March 5, reducing the yearly fees paid to WENDEL Investissement (excluding taxes) to €80,000.

Terms
The amount of fees paid to WENDEL Investissement for the year ended December 31, 2003 was €97,168 excluding taxes.

3. Agreement with Société Lorraine de Participations Sidérurgiques (SLPS)

Directors concerned
Ernest-Antoine Seillière, Louis-Amédée de Moustier, Hubert Leclerc de Hauteclocque and Henri de Mitry.

Description, purpose and terms
On September 2, 2003, WENDEL Investissement signed the following agreements with SLPS:

- an administrative assistance service agreement for a yearly amount of €15,000 (excluding taxes),
- a commitment to lease premises for a yearly amount of €11,950, excluding taxes but including service charges.

4. Agreement with Nouvelle bioMérieux Alliance (NBMA)

Directors concerned
Jean-Marc Janodet and Alain Mérieux.

Description, purpose and terms
On April 29, 2003, WENDEL Investissement signed a memorandum of understanding with NBMA and ACCRA, aimed at facilitating the sale of the Company's interest in NBMA.

5. Agreement with Wendel-Participations

Director concerned
Ernest-Antoine Seillière.

Description, purpose and terms
On September 2, 2003, WENDEL Investissement signed the following agreements with Wendel-Participations:

- a commitment to lease premises for a yearly amount of €19,360, excluding taxes but including service charges.
- an agreement representing €17,000 excluding taxes, aimed at fine-tuning a new information software for managing shares in family-owned companies.

Agreements entered into during prior years which remained in force in 2003

In application of the decree of March 23, 1967 we were also informed of the agreements entered into during prior years which remained in force in 2003.

Agreement with Société Lorraine de Participations Sidérurgiques (SLPS) and Wendel Participations

Description and purpose
On May 15, 2002, the Company signed two agreements with SLPS and Wendel-Participations, authorizing the Company to include "Wendel" in its registered name and business name, and granting the Company an exclusive license to use the WENDEL Investissement brand.

Terms
The authorizations were granted without consideration, for an indefinite period. They may, however, be revoked, in the event that a direct or indirect interest held by the family-owned companies in WENDEL Investissement falls below 33.34% for 120 consecutive days. If this revocation right is not exercised within a reasonably short period after the said interest falls below the above-mentioned minimum threshold, the right to use the name Wendel and the exclusive license to use the brand shall become definitive and irrevocable.

Paris, May 10, 2004

The Statutory Auditors

ERNST & YOUNG Audit	PricewaterhouseCoopers Audit
François Carrega	Daniel Chauveau

Statutory Auditors' report, prepared in accordance with the final paragraph of Article L.225-235 of the French Commercial Code *(Code de commerce)* on the report prepared by the Chairman of the Board of Directors of WENDEL Investissement on the internal control procedures relating to the preparation and processing of financial and accounting information.

Year ended December 31, 2003

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In our capacity as Statutory Auditors of WENDEL Investissement and in accordance with the final paragraph of Article L.225-235 of the French Commercial Code *(Code de commerce)*, we report to you on the report prepared by the Chairman of the Board of Directors of WENDEL Investissement in accordance with Article L. 225-37 of the French Commercial Code for the year ended December 31, 2003.

Under the responsibility of the Board of Directors, management must define and implement appropriate and effective internal control procedures. In his report, the Chairman of the Board of Directors is required to give an account of the conditions in which the work of the Board of Directors is prepared and organized and the internal control procedures in place within the Company.

It is our responsibility to report to you our observations on the information set out in the Chairman's report on the internal control procedures relating to the preparation and processing of financial and accounting information.

We performed our procedures in accordance with professional guidelines applicable in France. These require us to perform procedures to assess the fairness of the information set out in the Chairman's report on the internal control procedures relating to the preparation and processing of financial and accounting information. These procedures notably consisted of:

- obtaining an understanding of the objectives and general organization of internal control, as well as the internal control procedures relating to the preparation and processing of financial and accounting information, as set out in the Chairman's report;
- obtaining an understanding of the work performed to support the information given in the report.

On the basis of these procedures, we have no matters to report in connection with the information given on the internal control procedures relating to the preparation and processing of financial and accounting information, contained in the Chairman of the Board's report, prepared in accordance with the final paragraph of Article L.225-37 of the French Commercial Code.

Paris, April 19, 2004

The Statutory Auditors

ERNST & YOUNG Audit

François Carrega

PricewaterhouseCoopers Audit

Daniel Chauveau

Statutory Auditors' report on the proposed issuance of shares or share equivalents with or without pre-emptive subscription rights

Annual and Extraordinary Shareholders' Meeting of June 1, 2004

(Ninth and tenth resolutions)

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In our capacity as Statutory Auditors of the Company and pursuant to the provisions of Articles L.225-135, L 228-92 and L.228-95 of the French Commercial Code *(Code de Commerce)*, we hereby present our report on the proposed issuance of shares and share equivalents as submitted to shareholders for approval.

In accordance with Article L.225-129-III of the French Commercial Code, the Board of Directors is asking for authorization to establish the terms and conditions of these issues. Shareholders will also be asked to waive their pre-emptive rights to subscribe for securities issued under the tenth resolution.

This authorization automatically entails the waiver by existing shareholders of their pre-emptive right to subscribe to any securities issued subsequently on the conversion, redemption, exchange or exercise of any securities issued in accordance with the said authorization.

In the ninth resolution, the Board of Directors is seeking authorization to issue shares or share equivalents with pre-emptive subscription rights for existing shareholders. If shareholders approve this resolution, the aggregate par value of the shares issued directly or indirectly, on conversion, redemption or exercise of share equivalents may not exceed €200 million. The aggregate maximum face value of debt securities issued would be €2 billion.

In the tenth resolution, the Board of Directors is seeking authorization to issue shares or share equivalents without pre-emptive subscription rights for existing shareholders. If shareholders approve this resolution, the aggregate par value of the shares issued directly or indirectly, on conversion, redemption or exercise of share equivalents may not exceed €200 million. This authorization would entitle the Board of Directors to issue securities to remit as payment for shares tendered to a public exchange offer. The aggregate maximum face value of debt securities issued would be €2 billion.

In the twelfth resolution, the Board of Directors is seeking authorization to use the authorizations granted under the ninth and tenth resolutions during the period of any public exchange offer made for the Company's shares.

We conducted our review in accordance with the professional standards applicable in France. Those standards require that we carry out the necessary procedures to review the methods used for determining the exercise price of subscription rights and the issue price for each issue.

Subject to further examination of the terms and conditions of these issues, we have no matters to bring to shareholders' attention regarding the terms and conditions applicable for the determination of issue prices, as presented in the report of the Board of Directors.

As the issue price for each issue is to be determined by the Board of Directors when the operations are carried out, we are not in a position to comment on the final terms and conditions under which these issues will be conducted, nor, in consequence, on the proposed waivers of shareholders' pre-emptive rights to subscribe for the issues concerned, the principle of which is in keeping with the nature of the proposed operations.

In accordance with Article 155-2 of the decree of March 23, 1967, we will issue a supplementary report at the time of each such issue conducted by the Board of Directors.

Paris, May 10, 2004

The Statutory Auditors

ERNST & YOUNG Audit — PricewaterhouseCoopers Audit

François Carrega — Daniel Chauveau

Statutory Auditors' report on the proposed issuance of shares to management and employees who are members of the Group employee stock ownership plan, and the waiver of shareholders' pre-emptive subscription rights

Annual and Extraordinary Shareholders' Meeting of June 1, 2004

(Thirteenth resolution)

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In our capacity as Statutory Auditors of the Company and in accordance with Articles L.225-135 and L.225-138 of the French Commercial Code *(Code de Commerce)*, we present below our report on the proposed issuance of shares to management and employees of WENDEL Investissement and its related companies who are members of the Group employee stock ownership plan, as presented to shareholders for approval.

In accordance with Article L.225-129 VII of the French Commercial Code, the Board of Directors is seeking an authorization, on the basis described in the Board's report, to fix the terms and conditions of the issue in accordance with Article L.443-5 of the French Labor Code *(Code de travail)*. Shareholders will be asked to waive their pre-emptive right to subscribe for this issue.

Total capital increases resulting from shares issued under the authorization given in this resolution may not exceed €250,000.

We performed our work in accordance with the professional standards applied in France. Those standards require that we perform procedures to check the method used to determine the share issue price.

We have no matters to report concerning the method for determining the issue price as described in the Report of the Board of Directors, contingent upon our final review of the terms of the proposed capital increase. Since the issue price has not yet been set, we cannot formulate an opinion on the final conditions under which the share issue will be carried out, and consequently have no opinion on the proposal to cancel shareholders' pre-emptive subscription right, the principle of which is consistent with the proposed operation.

Should this resolution be approved and as required by Article 155-2 of the Decree of March 23, 1967, we will prepare an additional report when the share issue is carried out by the Board of Directors.

Paris, May 10, 2004

The Statutory Auditors

ERNST & YOUNG Audit

François Carrega

PricewaterhouseCoopers Audit

Daniel Chauveau

Statutory Auditors' report on the proposed stock option plan

Annual and Extraordinary Shareholders' Meeting of June 1, 2004

(Fourteenth resolution)

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In our capacity as Statutory Auditors of the Company and in accordance with Article L.225-177 of the French Commercial Code *(Code de commerce)* and Article 174-19 of the Decree of March 23, 1967, we have prepared this report on the proposed granting of stock options to the directors and management of the Company and related companies within the meaning of Article L.225-180 of the French Commercial Code.

The Board of Directors is responsible for preparing a report describing the reasons for the proposed stock option plan and the proposed method of setting the option exercise price. Our responsibility is to express an opinion on the proposed method of setting the option exercise price. We performed our work in accordance with the professional standards applied in France. Those standards require that we perform procedures to check that the proposed method of setting the option exercise price is described in the Report of the Board of Directors and complies with the provisions of the relevant texts, that it is likely to be understood by shareholders and does not appear to be clearly inappropriate.

We have no comments to make on the proposed method.

Paris, May 10, 2004

The Statutory Auditors

ERNST & YOUNG Audit	PricewaterhouseCoopers Audit
François Carrega	Daniel Chauveau

Statutory Auditors' report on the proposed cancellation of shares purchased under a shareholder-approved buyback program

Annual and Extraordinary Shareholders' Meeting of June 1, 2004

(Sixteenth resolution)

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In our capacity as Statutory Auditors of WENDEL Investissement and as required by Article L.225-209, paragraph 4, of the French Commercial Code *(Code de Commerce)* in the case of a capital reduction to be effected by cancelling shares acquired under a buyback program, we have prepared this report to inform shareholders of our assessment of the reasons for and terms of the proposed capital reduction.

We performed our work in accordance with the professional standards applied in France. Those standards require that we review the proposed capital reduction in order to assess whether the reasons and terms are fair. The proposed capital reduction would take place further to the buyback of shares representing a maximum of 10% of the Company's capital stock, in accordance with Article L.225-209, paragraph 4, of the French Commercial Code *(Code de Commerce)*. The Board of Directors is seeking an eighteen-month authorization for this buyback program in the seventh resolution of the Annual Shareholders' Meeting

Shareholders are also asked to grant the Board of Directors full powers to cancel the shares acquired, provided that the aggregate number of shares cancelled in any given period of 24 months does not exceed 10% of the Company's capital. These powers would be exercisable for a period of twenty-six months.

We have no comment to make on the reasons or terms of the proposed capital reduction, the implementation of which depends on the Annual Shareholders' Meeting approving the buyback of the Company's shares.

Paris, May 10, 2004

The Statutory Auditors

ERNST & YOUNG Audit

François Carrega

PricewaterhouseCoopers Audit

Daniel Chauveau

Explanation of resolutions Report of the board of Directors on the proposed resolutions Shareholders' Meeting

RESOLUTIONS OF THE ORDINARY SHAREHOLDERS' MEETING

1) Financial statements 2003, allocation of income and regulated agreements

The purpose of the **first resolution** is to approve the parent company accounts of WENDEL Investissement for the period from January 1, 2003, to December 31, 2003. These financial statements show net income of 217,481,572.69 euros. A detailed commentary on the parent company accounts is presented in the annual report.

The object of the **second resolution** is to approve the consolidated financial statements of the WENDEL Investissement Group for the period from January 1, 2003, to December 31, 2003, and to comply with the legal obligation introduced by the law, n°2001-420, of May 15, 2001. These financial statements show net income of 252,6 million euros - Group share. A detailed commentary on the consolidated financial statements is presented in the annual report.

The **third resolution** proposes to allocate 2003 net income and retained earnings, which together comprise a distributable total of 244.8 million euros at the disposal of the shareholders' meeting after allocation to the legal reserve.

The allocation proposed is as follows :

– 58.8 million euros distributed to shareholders in the form of a dividend of 1.05 euros per share in existence as of December 31, 2003 ;
– 186 million euros to retained earnings.

The dividend of 1.05 euros per share will be paid from June 3, 2004.

The net dividend of 1.05 euros is complemented by a 50% tax credit (avoir fiscal) that equals 0.525 euros. It should be noted that for certain corporate shareholders, the tax credit is now equal to 10% of the amount paid.

The **fourth resolution** concerns the regulated agreements mentioned in article L.225-38 of the Code de Commerce that were authorized by the Board of Directors in the 2003 fiscal year, and are commented in a special report by the auditors.

2) Board of Directors: renewal of the appointment of a member of the Board Directors' fees

The **fifth resolution** proposes to renew the appointment of Jean-Marc Janodet as a member of the Board for a term of six years ending after the Shareholders' Meeting called to approve the financial statements of the fiscal year ending December 31, 2009.

The **sixth resolution** proposes to sets the total annual amount of Directors' fees to be paid to members of the Board of Directors at 480,000 euros.

3) Renewal of share buyback authorization

The **seventh resolution** is intended to renew the authorization to buy back shares which had been granted by the Ordinary and Extraordinary Shareholders' Meeting of May 27, 2003, and which the Board of Directors used in the acquisition of 121,423 shares with a par value of 4 euros.

This resolution aims to authorize the Company to acquire its own shares within the legal limit of 10% of the number of shares comprising the share capital, i.e. 5,598,584 shares as of the date of the Shareholders' Meeting, with a maximum purchase price of 60 euros and a minimum selling price of 20 euros. This authorization would be given for 18 months.

An information note approved by the French stock market authorities (AMF) was drawn up prior to the Shareholders' Meeting.

Explanation of resolutions
Report of the board of Directors on the proposed resolutions Shareholders' Meeting

4) Renewal of the authorization granted to the Board of Directors to issue debt securities

The **eighth resolution** is intended to empower the Board of Directors to issue debt securities (particularly bonds and related instruments such as subordinated, redeemable or perpetual securities) for a period of five years for a maximum of 2 billion euros or the equivalent in foreign currencies.

This authorization cancels any preceding authorizations of the same nature, for any amounts not yet called.

RESOLUTIONS OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

5) Renewal of financial authorizations

Capital increase within the limit of an overall ceiling
The purpose of the **ninth, tenth** and **eleventh resolutions** is to renew the authorizations granted to the Board of Directors to increase the capital within the limit of an overall ceiling defined in the fifteenth resolution. These authorizations last 26 months and cancel the authorizations of the same nature granted in 2002, for any amounts not yet called.

The **ninth resolution** authorizes the Board of Directors to issue securities giving access to the share capital maintaining a pre-emptive right of subscription. The nominal amount of the capital increases that may be realized may not exceed 200 million euros, and the amount of securities representative of debt securities giving access to the share capital may not exceed 2 billion euros.

The **tenth resolution** authorizes the Board of Directors to issue securities giving access to the share capital canceling a pre-emptive right of subscription within the limit of the same nominal amount of 200 million euros. This resolution makes it possible to remunerate shares that would be transferred to the Company through a pubic offer. In addition, if securities representative of debt securities giving access to the share capital were to be issued within the framework of this authorization, their amount could not exceed 2 billion euros.

The **eleventh resolution** authorizes the Board of Directors to increase the share capital through incorporation into the capital of the reserves, income or paid-in capital within the limit of a maximum nominal amount of 700 million euros. These capital increases take the form of a distribution of free shares or an increase in the par value of existing shares.

The purpose of the **twelfth resolution** is to maintain, during a public purchase or exchange offer on the Company's shares, the authorizations to increase the capital provided for in the ninth, tenth and eleventh resolutions. This resolution will be effective until the Shareholders' Meeting called to approve the financial statements of the year ending December 31, 2004.

Development of employee shareholding
The **thirteenth resolution** aims to renew the authorization granted to the Board of Directors to increase the Company's capital to the benefit of Group employees within the framework of a group savings plan for a maximum nominal amount of 250,000 euros, with this amount deducted from the overall ceiling mentioned in the fifteenth resolution.

The subscription price would be determined under the conditions and within the limits defined by current legislation. Consequently, at the present time, this price may not be higher than the average share price on the stock market in the 20 business days preceding the date of the decision setting the day the subscription opens, and not less than this average minus the maximum discount legally allowed, which is currently 20%.

Explanation of resolutions
Report of the board of Directors on the proposed resolutions Shareholders' Meeting

This authorization, which entails the express waiver by shareholders of their pre-emptive subscription rights to shares, would be effective for 26 months from this Shareholders' Meeting and would cancel all preceding authorizations of the same nature, for amounts not yet called.

Authorization to grant stock subscription and purchase options
The **fourteenth resolution** aims to renew the authorization given to the Board of Directors to grant stock subscription or purchase options to certain managers and directors of the WENDEL Investissement Group within the limit of 560,000 shares. The amount of any capital increase realized by virtue of this authorization will be deducted from the total ceiling mentioned in the fifteenth resolution.

The subscription or purchase price would be determined within the framework defined by current legislation without being less than the average share price on the stock market in the 20 business days preceding the date the options are granted.

This authorization, which entails the express waiver by shareholders of their pre-emptive subscription rights to shares to be issued when options are exercised, would be effective for 26 months from this Shareholders' Meeting and would cancel all preceding authorizations of the same nature, for amounts not yet called.

The Board of Directors shall inform the Shareholders' Meeting every year of any operations realized under this authorization.

Overall ceiling on financial authorizations
The **fifteenth resolution** aims to put a ceiling on all the financial authorizations mentioned in the eighth, ninth, tenth, eleventh, thirteenth and fourteenth resolutions as follows :

– the nominal amount of share issues may not exceed a total of 900 million euros;
– the nominal amount of securities representative of the Company's commitments, giving access to the share capital or not, may not exceed a total of 2 billion euros.

6) Cancellation of shares

The Cancellation of shares Cancellation of shares **sixteenth resolution** is designed to renew for a period of 26 months the authorization granted to the Board of Directors on May 27, 2003, and not used so far, to cancel all or part of the shares acquired by virtue of the authorizations granted by the Company's shareholders' meetings within the framework of the share buyback program and within the limit of 10% of the share capital by period of twenty-four months, and, correlatively, to reduce the share capital.

7) Changes in the by-laws

The **seventeenth resolution** proposes to modify the Company's by-laws, particularly in order to put them in conformity with the new provisions of the Code de Commerce introduced by the law on financial security of August 1, 2003.

RESOLUTION OF THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

The **eighteenth resolution** concerns the granting of powers to accomplish any publication or formalities required by law.

Proposed resolutions

NOTIFICATION OF SHAREHOLDERS' MEETING

The following agenda will be debated.

RESOLUTIONS OF THE ORDINARY SHAREHOLDERS' MEETING

- Approval of parent company financial statements for the year ended December 31, 2003.
- Approval of consolidated financial statements for the year ended December 31, 2003.
- Appropriation of net result, determination of dividend and payment of dividend.
- Approval of regulated agreements mentioned in articles L 225-38 and following of the Code de Commerce.
- Renewal of the appointment of a member of the Board of Directors.
- Directors' fees.
- Authorization granted to the Board of Directors for a new share buyback program.
- Authorization granted to the Board of Directors to issue debt securities, particularly bonds and related securities.

RESOLUTIONS OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

- Authorization granted to the Board of Directors to issue shares or securities giving immediate or later access to a portion of the capital maintaining a pre-emptive right of subscription.
- Authorization granted to the Board of Directors to issue shares or securities giving immediate or later access to a portion of the capital canceling any pre-emptive right of subscription.
- Authorization granted to the Board of Directors to increase the capital through the incorporation of reserves, income or paid-in capital.
- Authorization granted to the Board of Directors to use the delegations allowing it to increase the capital during the public offer on the Company's shares or securities.
- Authorization granted to the Board of Directors to increase share capital through the issue of shares reserved to members of the Group savings plan.
- Authorization given to the Board of Directors to grant stock subscription and stock purchase options to the Group's salaried managers and Company directors
- Overall limit on the amount of issues of capital shares or debt securities.
- Authorization granted to the Board of Directors to reduce share capital through the cancellation of shares.
- Changes in the by-laws.

RESOLUTION OF THE ORDINARY AND THE EXTRAORDINARY SHAREHOLDERS' MEETING

- Powers for legal formalities.

A. resolutions of the ordinary shareholders' meeting

First resolution
(Approval of the parent company's 2003 financial statements)

The Shareholders' Meeting, acting on the basis of the quorum and majority required for ordinary shareholders' meetings,

– after examining the management report of the Board of Directors on the activity and situation of the Company in 2003 and the report of the Chairman attached to the management report,
– after hearing the general report of the Statutory Auditors and their report on the report of the Chairman,

approves the parent company financial statements for the reporting period that ran from January 1, 2003, to December 31, 2003, as presented by the Board of Directors, showing net income of 217,481,572.69 euros, as well as the transactions therein accounted for or summarized in these reports.

Second resolution
(Approval of the 2003 consolidated financial statements)

The Shareholders' Meeting, acting on the basis of the quorum and majority required for ordinary shareholders' meetings,

– after examining the report of the Board of Directors on the activity and situation of the Group, and the consolidated financial statements presented,
– after hearing the general report of the Statutory Auditors on the consolidated financial statements,

approves the consolidated financial statements for the reporting period that ran from January 1, 2003, to December 31, 2003, as presented by the Board of Directors, showing net income (Group share) of 252,641 thousand euros , as well as the transactions therein accounted for or summarized in these reports.

Third resolution
(Appropriation of net result, determination of dividend and payment of dividend)

The Shareholders' Meeting, acting on the basis of the quorum and majority required for ordinary shareholders' meetings,
– upon the recommendation of the Board of Directors,

Proposed resolutions

1. decides to allocate from the year's net income, which totaled 217,481,572.69 euros
the amount of 24,381.20 euros
to the legal reserve;

2. decides to allocate the available surplus of this net income, i.e. 217,457,191.49 euros
plus retained earnings of 27,303,594.65 euros
for a distributable profit of 244,760,786.14 euros
as follows:
– to shareholders, the amount of 58,781,011.80 euros for a net dividend of 1.05 euros per share in existence as of December 31, 2003,
– and for the balance to retained earnings, the amount of 185,979,774.34 euros

3. Decides that this net dividend of 1.05 euro per share will be paid from June 3, 2004;

4. Decides that the dividend that cannot be paid to the WENDEL Investissement shares held by the Company will be allocated to retained earnings;

5. Acknowledges the Board's presentation of distributions allocated in the three previous years, which comprise, with the dividend that has been decided for the fiscal year 2003, the items in the following table:

Fiscal year	Number of shares at year end	Net dividend per share	Tax credit per share (a)	Total income per share
Shares with a par value of 8 euros				
1999-2000	17,649,370	2.00	1.00	3.00
2000-2001	17,649,370	2.20	1.10	3.30
Shares with a par value of 4 euros				
2001-2002	55,931,687 (b)	2.10 (c)	1.05	3.15
2003	55,981,916	1.05	0.525 (d)	1.575 (d)

(a) The tax credit (avoir fiscal) represents 50% of the net dividend (however, in the event the beneficiary is a company that does not benefit from the parent company tax system, the rate is 10%).
(b) After division in half of the par value on June 13, 2002, and increase in the number of shares in order to remunerate the transfers carried out within the framework of the merger with CGIP.
(c) A dividend of 1.00 euros to which is added 1.10 euros per share corresponding to half of the dividend advance of 2.20 euros per share (before division in half of the par value) paid to shareholders of Marine-Wendel prior to the merger.
(d) The total amount of tax credits attached to a number of shares can be calculated by multiplying the number of shares by 0.525, this amount is rounded off to the next lowest euro when the decimal is strictly less than 0.50 euro and to the next highest euro when it is more than or equal to 0.50 euro .

Fourth resolution
(Regulated agreements mentioned in articles L 225-38 and following of the Code de Commerce)

The Shareholders' Meeting, acting on the basis of the quorum and majority required for ordinary shareholders' meetings,

– after hearing the special report of the Statutory Auditors on the agreements mentioned in articles L 225-38 and following of the Code de Commerce,

approves the agreements and operations which occurred between January 1, 2003, and December 31, 2003, and are mentioned in this report.

Fifth resolution
(Renewal of the appointment of a member of the Board of Directors)

The Shareholders 'Meeting, acting on the basis of the quorum and majority required for ordinary shareholders' meetings,

– upon the recommendation of the Board of Directors,

renews the appointment of Jean-Marc Janodet as a member of the Board for a term of six years, i.e. until the end of the Shareholders' Meeting called to approve the financial statements of the fiscal year ending December 31, 2009.

Proposed resolutions

Sixth resolution
(Directors' fees)

The Shareholders' Meeting, acting on the basis of the quorum and majority required for ordinary shareholders' meetings,

– sets at 480,000 euros the total annual amount of Directors' fees to be paid to members of the Board of Directors as of July 1, 2004.

Seventh resolution
(Authorization granted to the Board of Directors for a new share buyback program)

The Shareholders' Meeting, acting on the basis of the quorum and majority required for ordinary shareholders' meetings,

– after examining the report of the Board of Directors and the information note approved by French stock market authorities *(Autorité des marchés financiers)*,
– and in accordance with the provisions of articles L 225-209 and following of the Code de Commerce,

1. authorizes the Board of Directors to have the Company purchase its own shares within the limit of a number of shares representing up to 10% of the number of shares comprising the share capital, i.e. 5,598,584 shares as of the date of this assembly;

2. decides that these purchases may be made at any time, including during a public offer, on one or more occasions, by any means in accordance with current regulations, in particular by purchases in the stock market or through private transactions, by the acquisition of blocks of shares, through takeover bids or share exchange transactions, or by the use of options or derivatives;

3. decides that Company shares, within the limits defined above, may be purchased in application of a decision of the Board of Directors in order to:

   – cancel shares, in particular to increase return on equity and net income per share;
   – regulate the share price by systematically trading against the market trend;
   – trade shares in function of market developments;
   – grant shares to company employees or officers of the Company or of its subsidiaries and affiliates as defined in article L 225-180 of the Code de Commerce, particularly for stock purchase options or the Group's savings plan;
   – exchange shares, in particular in an external growth operation;
   – deliver shares on the occasion of the exercise of rights attached to securities giving immediate or later access to the Company's share capital;
   – optimize the Company's financial and asset management;

and, for these purposes, either to keep the acquired shares or to sell them or transfer them by any means in accordance with current regulations, in particular by sales in the stock market or through private transactions, through public share sale or exchange transactions, or by the use of options or derivatives, or to cancel them if the sixteenth resolution of this meeting is voted;

4. sets at 60 euros per share the maximum purchase price, for a maximum purchase amount of 335,915,040 euros and at 20 euros per share the minimum selling price, subject to adjustments linked to operations on the Company's capital;

5. empowers the Board of Directors, with the faculty of sub-delegation, to trade in the stock market, enter into any agreements, make any declarations, carry out any formalities and, generally speaking, to do what is required for the application of this authorization;

6. authorizes the Board of Directors to engage such a program for a period of eighteen months from this Shareholders' Meeting ; this authorization replaces the preceding authorization granted by the seventh resolution of the Ordinary and Extraordinary Shareholders' Meeting of May 27, 2003.

Eighth resolution
(Authorization granted to the Board of Directors to issue debt securities, particularly bonds and related securities)

The Shareholders' Meeting, acting on the basis of the quorum and majority required for ordinary shareholders' meetings,

after examining the report of the Board of Directors,

1. empowers the Board of Directors, at its own discretion, on one or more occasions, at the date and under the conditions it will decide, not to exceed a maximum amount of €2,000,000,000, this amount being included in the ceiling stipulated in the fifteenth resolution, to create and issue, in France or other countries and/or in international markets, debt securities (particularly bonds and related instru-

Proposed resolutions

ments such as subordinated, redeemable, perpetual or any other securities representing a debt commitment on the Company, and excluding negotiable debt securities as defined by articles L.213-1 and following of the Code Monétaire et Financier), denominated in euros or other currencies, with or without guarantees, collateral or other backing, in the proportions, under the forms and at the times, rates and conditions of issue and amortization as it considers best. The Board of Directors may attach any securities in the form of warrants or other instruments conferring the right to the attribution or acquisition of other securities;

2. empowers the Board of Directors, with the faculty of sub-delegation to the Chairman or a member of the Board of Directors, in accordance with current legislation, for the purpose of these issues, and specifies that the Board will have full autonomy to determine the conditions and define the characteristics of the securities, with the understanding that the bonds or related securities may carry a fixed or floating interest rate, additional fixed or floating interest and a redemption premium above par, fixed or floating, and that one or another of these conditions may apply independently, with the understanding that the redemption premium will be in addition to the maximum amount defined above. For issues in foreign currencies, the calculation of the above-mentioned authorized amount will be made on the basis of the parity of the currency used on the day of the issue under consideration;

3. empowers the Board of Directors, with the faculty of sub-delegation to the Chairman or a member of the Board of Directors, in accordance with current legislation, to enter into any agreements, conclude any protocols with any banks or institutions, take any dispositions and carry out any formalities related to the issues, listing and financial service of these debt securities (particularly bonds and related instruments) and, generally speaking, to do what is required;

4. authorizes the Board of Directors to engage such a program for a period of five years from this Shareholders' Meeting; this authorization cancels and replaces any preceding authorizations of the same nature, for any amounts not yet called.

B. Resolutions of the extraordinary shareholders' meeting

Ninth resolution
(Authorization granted to the Board of Directors to issue shares or securities giving immediate or later access to a portion of the capital maintaining a pre-emptive right of subscription)

The Shareholders' Meeting, acting on the basis of the quorum and majority required for extraordinary shareholders' meetings,

– after examining the report of the Board of Directors and the special report of the Statutory Auditors,
– and in conformity with paragraph 3 of article L.225-129-III of the Code de Commerce,

1. empowers the Board of Directors, at its own discretion, on one or more occasions, in the proportions and at the times it considers best, in France and/or other countries, denominated in euros or other currencies or monetary units determined with reference to several currencies, to issue maintaining a pre-emptive right of subscription:
   – common shares of the Company;
   – securities (particularly convertible bonds or bonds redeemable in shares, bonds with warrants, exchangeable bonds) giving immediate or later access, at any time or at a set date (by subscription, conversion, exchange, redemption, exercise of warrants or otherwise) to a portion of the Company's capital stock (including if these securities are issued in application of article L.228-93 of the Code of Commerce);
   – warrants for Company shares in application of article L.228-95 of the Code of Commerce, which confer to their holders the right to subscribe to common shares of the Company, with the understanding that these warrants may either accompany the issue of common shares or any of the above-mentioned securities, or be issued autonomously by cash subscription or be freely granted to shareholders, and that they may, if necessary, be able to be repurchased;

   decides that these issues may be subscribed either in cash or in compensation for certain, liquid and due commitments of the Company.

Proposed resolutions

2. decides that the nominal amount of the capital increases that may be effected immediately or at a later date by virtue of the above-mentioned authorization may not exceed €2,000,000,000 or the equivalent of this sum, plus, if appropriate, the par amount of the additional shares to be issued to preserve, in accordance with current legislation, the rights of holders of securities conferring a right to Company shares, with the understanding the issue of bonds with warrants will be subject to this ceiling;

   decides, as well, that the par amount of securities representative of rights to debt securities that might be issued may not exceed €2,000,000,000 or the equivalent of this sum in foreign currencies or monetary units determined with reference to several currencies;

3. notes and decides, as required, that this authorization fully implies, to the benefit of the holders of the securities issued, express renunciation by shareholders of their pre-emptive right to subscribe to the shares to which the securities issued will confer a right;

   decides to cancel shareholders' pre-emptive right of subscription to shares issued by the conversion of bonds or by the exercise of warrants issued autonomously;

4. decides that the issue(s) will be reserved preferentially to shareholders, who may subscribe on an irreducible basis;

   authorizes the Board of Directors to grant shareholders the right to subscribe on a reducible basis a greater number of securities than it may subscribe on an irreducible basis, in proportion to the subscription rights they possess and in any case, within the limit of their order;

   decides that if the subscriptions, on both an irreducible basis and, if applicable, a reducible basis, have not absorbed the total issue, the Board of Directors may use in the order it deems appropriate one and/or another of the following faculties:

   – to limit, in accordance with and within the limits of current legislation, the capital increase to the amount of the subscriptions under the condition that this amount represents at least three-quarters of the issue decided;
   – to distribute freely all or a portion of the unsubscribed securities;
   – to propose all or a portion of the unsubscribed securities publicly ;

5. decides that the sum paid or to be paid to the Company for each share issued within the framework of the above-mentioned authorization, after accounting for, in the event of the issue of autonomous warrants, the issue price of these warrants, will be at least equal to the par value of the shares and that the exercise price for subscription rights to warrants resulting from the issue of bonds with warrants will be at least equal to the par value of the shares;

6. empowers the Board of Directors, with the faculty of sub-delegation to the Chairman, in accordance with current legislation, to apply this authorization, and in particular:

   – to determine the dates and modalities for the issues as well as the form and characteristics of the securities to be created, set the price and conditions of the issues, decide the amounts to be issued, set the date of validity, even retroactively, of the securities to be issued, determine how the shares or other securities issued should be paid up, and if appropriate spell out the conditions for their acquisition on the stock exchange, the possibility to suspend the exercise of warrants attached to the securities to be issued for a period not to exceed three months, define the modalities according to which the rights of holders of securities giving later access to the capital stock will be preserved in keeping with current legislation and regulations;

   – in the event of the issue of debt securities giving immediate or later access to Company shares, to decide whether they should be subordinated or not, set their interest rate and how the interest is to be paid, their maturity (which may be determined or not), the fixed or floating redemption value with or without a premium, modalities of amortization in function of market conditions and the conditions under which these securities will give a right to Company shares;

   – to deduct, if required, from additional paid-in capital all expenses, and especially those occasioned by the issues, and take appropriate initiatives and enter into any agreements to achieve the goal of the planned issues, recognize the capital increase(s) resulting from any issue effected in application of this authorization and modify the by-laws accordingly;

Proposed resolutions

7. authorizes the Board of Directors to engage such a program for a period of twenty-six months from this Shareholders' Meeting ; this authorization cancels and replaces any preceding authorizations of the same nature, for any amounts not yet called.

Tenth resolution
(Authorization granted to the Board of Directors to issue shares or securities giving immediate or later access to a portion of the capital canceling any pre-emptive right of subscription)

The Shareholders' Meeting, acting on the basis of the quorum and majority required for extraordinary shareholders' meetings,

– after examining the report of the Board of Directors and the special report of the Statutory Auditors,
– and in conformity with paragraph 3 of article L.225-129-III of the Code de Commerce,

1. empowers the Board of Directors, at its own discretion, on one or more occasions, in the proportions and at the times it considers best, in France and/or other countries, denominated in euros or other currencies or monetary units determined with reference to several currencies, to issue shares or securities giving immediate or later access to a portion of the capital, in the form described in the first paragraph of the ninth resolution, with the understanding that these securities may be issued to remunerate the securities transferred to the Company within the framework of a public exchange offer, in particular, initiated by the Company on securities that meet the conditions of article L.225-148 of the Code de Commerce;

   decides that these issues may be subscribed either in cash or in compensation for certain, liquid and due commitments of the Company.

2. decides that the nominal amount of the capital increases that may be effected immediately or at a later date by virtue of the above-mentioned authorization may not exceed 200,000,000 euros or the equivalent of this sum, plus, if appropriate, the par amount of the additional shares to be issued to preserve, in accordance with current legislation, the rights of holders of securities conferring a right to Company shares, with the understanding the issue of bonds with warrants will be subject to this ceiling;

   decides, as well, that the par amount of securities representative of rights to debt securities that might be issued may not exceed €2,000,000,000 or the equivalent of this sum in foreign currencies or monetary units determined with reference to several currencies;

3. decides to cancel shareholders' pre-emptive right of subscription to securities to be issued on the basis of this authorization or with the understanding that the Board of Directors may grant shareholders, for a length of time and under the conditions it will determine, a period in which they will have priority to subscribe to the above-mentioned securities, proportionally to the number of securities held by each shareholder, without giving rise to the creation of negotiable rights;

4. notes and decides, as required, that this authorization fully implies, to the benefit of the holders of the securities issued, express renunciation by shareholders of their pre-emptive right to subscribe to the shares to which the securities issued will confer a right;

   decides to cancel shareholders' pre-emptive right of subscription to shares issued by the conversion of bonds or by the exercise of warrants issued autonomously;

5. decides that if the subscriptions of shareholders and the market have not absorbed the total issue of securities as defined above, the Board of Directors may limit the issue, if appropriate, to the amount of the subscriptions under the condition that this amount represents at least three-quarters of the issue decided, and/or distribute freely all or a portion of the unsubscribed securities, and/or propose all or a portion of the unsubscribed securities publicly;

6. decides that the sum paid or to be paid to the Company for each share issued within the framework of the above-mentioned authorization, after accounting for, in the event of the issue of autonomous warrants, the issue price of these warrants, will be at least equal to the par value of the shares and that the exercise price for subscription rights to warrants resulting from the issue of bonds with warrants will be at least equal to the average stipulated in article L.225-136, paragraph 2, of the Code de Commerce, as long as this provision is effective;

Proposed resolutions

7. empowers the Board of Directors, with the faculty of sub-delegation to the Chairman, in accordance with current legislation, to apply this authorization, and in particular:

   – to determine the dates and modalities for the issues as well as the form and characteristics of the securities to be created, set the price and conditions of the issues, decide the amounts to be issued, set the date of validity, even retroactively, of the securities to be issued, determine how the shares or other securities issued should be paid up, and if appropriate spell out the conditions for their acquisition on the stock exchange, the possibility to suspend the exercise of warrants attached to the securities to be issued for a period not to exceed three months, define the modalities according to which the rights of holders of securities giving later access to the capital stock will be preserved in keeping with current legislation and regulations;

   – more particularly, in the event of the issue of shares or securities to remunerate securities transferred within the framework of public exchange offers initiated by the Company, to determine the exchange parity and, if appropriate, the amount of the cash balance to be paid; to recognize the number of securities exchanged as well as the number of shares and securities to be created in remuneration; to decide the dates, issue conditions (particularly the price and effective date) of the new shares or, if appropriate, the securities giving immediate or later access to a portion of the Company's capital ; to record "Additional paid-in capital" in the liabilities on the balance sheet, in which item all shareholder rights, the difference between the issue price of the new shares and their par value will be included; to deduct, if required, from additional paid-in capital all expenses connected with the operation authorized;

   – in the event of the issue of debt securities giving immediate or later access to Company shares, to decide whether they should be subordinated or not, set their interest rate and how the interest is to be paid, their maturity (which may be determined or not), the fixed or floating redemption value with or without a premium, modalities of amortization in function of market conditions and the conditions under which these securities will give a right to Company shares;

   – to deduct, if required, from additional paid-in capital all expenses, and especially those occasioned by the issues, take appropriate initiatives, enter into any agreements to achieve the goal of the planned issues, recognize the capital increase(s) resulting from any issue effected in application of this authorization and modify the by-laws accordingly;

8. authorizes the Board of Directors to engage such a program for a period of twenty-six months from this Shareholders' Meeting; this authorization cancels and replaces any preceding authorizations of the same nature, for any amounts not yet called.

Eleventh resolution
(Authorization granted to the Board of Directors to increase the capital through the incorporation of reserves, income or paid-in capital)

The Shareholders' Meeting, acting on the basis of the quorum and majority required for extraordinary shareholders' meetings,

– after examining the report of the Board of Directors,
– and pursuant to articles L 225-129-II of the Code de Commerce,

1. authorizes the Board of Directors to increase the share capital, on one or more occasions, in the proportions and at the times it deems best, within the limit of a maximum nominal amount of €700,000,000 through the successive or simultaneous incorporation into the capital of all or a part of the reserves, income or paid-in capital (from issues, mergers, transfers or other sources), to be accomplished through the creation and free distribution of shares or an increase in the par value of shares or a combination of these two methods;

2. decides that the remaining rights will not be negotiable and that the corresponding shares will be sold; the monies from the sale will be distributed to the holders of the rights thirty days at the latest after the date on which the whole number of the shares distributed have been recorded in their accounts;

3. empowers the Board of Directors, with the faculty of sub-delegation, in keeping with the provisions of current legislation, to apply this authorization and in particular to:

Proposed resolutions

– decide the amount and nature of the sums to be incorporated into the capital;
– decide the number of shares to be issued or the amount by which the par value of the shares composing the share capital will be increased;
– set the date, even retroactively, as of which the new shares are effective or at which the par value will be increased;
– deduct from one or several available reserves the sums required to bring the legal reserve up to 10% of the share capital after each capital increase;
– do whatever is necessary to ensure the success of the capital increase;
– recognize the capital increase, modify the by-laws accordingly, and accomplish any legal formalities.

4. authorizes the Board of Directors to engage such a program for a period of twenty-six months from this Shareholders' Meeting ; this authorization replaces all preceding authorizations of the same nature for amounts not yet called.

Twelfth resolution
(Authorization granted to the Board of Directors to use the delegations allowing it to increase the capital during the public offer on the Company's shares or securities)

The Shareholders' Meeting, acting on the basis of the quorum and majority required for extraordinary shareholders' meetings,

– after examining the report of the Board of Directors,
– and pursuant to articles L 225-129-IV of the Code de Commerce,

1. expressly authorizes the Board of Directors to employ, in full or in part, the powers delegated by the ninth, tenth and eleventh resolutions of this Shareholders' Meeting, to issue any and all securities, during the public offer of purchase or exchange of any nature of the Company's shares, in so far as this use does not give rise to a reserved capital increase;

2. decides that this authorization is granted for a period which will expire at the end of the Shareholders' Meeting called to approve the financial statements of the fiscal year ending December 31, 2004.

Thirteenth resolution
(Authorization granted to the Board of Directors to increase the capital through the issue of shares reserved to members of the Group savings plan)

The Shareholders' Meeting, acting on the basis of the quorum and majority required for extraordinary shareholders' meetings,

– after examining the report of the Board of Directors,
– after hearing the special report of the Statutory Auditors,
– and pursuant to articles L.225-129 and L.225-138-IV of the Code de Commerce and articles L.443-5 and following of the Code du Travail,

1. authorizes the Board of Directors to increase the share capital, on one or more occasions, at its discretion, through the issuance of shares, the subscription of which will be reserved to the Company's employees, officers and directors, as well as to those of subsidiaries and affiliates as defined in article L.225-180 of the Code de Commerce within the framework of a group savings plan;

2. decides and notes that this decision entails the express waiver by shareholders of their pre-emptive subscription rights to the shares to which investors in the employee savings plan will subscribe;

3. decides to set at 250,000 euros the maximum total nominal amount of the capital increases which may be realized, with the amount of any capital increase realized by virtue of this authorization being taken into account in the calculation of the total ceiling mentioned in the fifteenth resolution of this Shareholders' Meeting;

4. decides that the subscription price for new shares will be determined by the Board of Directors under the conditions and within the limits defined by current legislation;

5. delegates to the Board of Directors, with the faculty of sub-delegation, the powers required to:

   - decide the amount to be issued, calculate the issue price under the conditions and within the limits defined by current legislation, determine how the shares should be paid up, set the dates, conditions and organization of each issue to be effected by virtue of this authorization;

Proposed resolutions

- set the dates for the opening and close of subscriptions, set the date, even retroactively, as of which the new shares are effective, decide the period in which the shares should be paid up with a maximum limit of three years, and, if appropriate, the employee seniority required to participate in the operation and benefit from the complementary payment made by the Company;
- recognize or request official recognition that the capital increase was realized for the amount of shares which will actually be subscribed;
- modify the by-laws to reflect the capital increases;
- charge the expenses related to the capital increases to additional paid-in capital corresponding to each increase and transfer from this amount the sums required to bring the legal reserve up to 10% of the share capital after each capital increase;
- and generally do whatever is necessary.

6. authorizes the Board of Directors to engage such a program for a period of twenty-six months from this Shareholders' Meeting ; this authorization replaces all preceding authorizations of the same nature for amounts not yet called.

Fourteenth resolution
(Authorization given to the Board of Directors to grant stock subscription and stock purchase options to the Group's salaried managers and Company directors)

The Shareholders' Meeting, acting on the basis of the quorum and majority required for extraordinary shareholders' meetings,

– after examining the report of the Board of Directors,
– after hearing the special report of the Statutory Auditors,
– and pursuant to articles L.225-177 of the Code de Commerce,

1. authorizes the Board of Directors to grant, on one or more occasions, stock subscription and stock purchase options for Company shares to the benefit of those it will designate or have designated among the managers and directors of the Company and of subsidiaries and affiliates as defined in article L 225-180 of the Code de Commerce;
2. decides that the total number of options that will be created may not give a right to subscribe or to purchase more than 560,000 shares, since the amount of any capital increase realized by virtue of this authorization is taken into account in the calculation of the total ceiling mentioned in the fifteenth resolution of this Shareholders' Meeting;
3. decides that this authorization entails the express waiver by shareholders of their pre-emptive subscription rights to the shares which will be issued to the benefit of those granted stock subscription options;
4. decides that the options which will have been granted through this authorization will be made public in a special report of the Board of Directors to the Shareholders' Meeting in keeping with current legislation and regulations;
5. empowers the Board of Directors to implement this delegation, under the conditions defined by current legislation and the by-laws, specifically in order to:
   - determine the conditions under which the options will be granted and draw up the list or the categories of beneficiaries of these options;
   - determine the dates at which the options will be granted;
   - determine the subscription price of new shares and the purchase price of existing shares, with the understanding that the price of the stock subscription and stock purchase options will be determined within the framework of legislation and regulations in effect the day the options are granted, but may not, however, be less than the average of the prices quoted on the stock market in the twenty business days preceding the above-mentioned date;
   - adjust the subscription price and the purchase price of shares to account for any financial transactions that may occur before the options are exercised;
   - determine the conditions under which the options may be exercised and especially the period(s) of exercise with the understanding that the period during which these options are to be exercised may not exceed ten years from the date they were granted;

Proposed resolutions

- make provision for the faculty to suspend the exercise of options temporarily for a maximum period of three months in the event of financial operations implying the exercise of a right attached to the shares;
- recognize, if necessary, at its first meeting after the end of each fiscal year, the number and amount of shares issued during the year subsequent to the exercise of options;
- at its discretion and if it so decides, charge the expenses related to the capital increases to additional paid-in capital corresponding to each increase and transfer from this amount the sums required to bring the legal reserve up to 10% of the share capital after each capital increase;
- accomplish or request the accomplishment of any legal formalities required to make definitive the capital increases which may be effected by virtue of the authorization granted by this resolution;
- modify the by-laws accordingly and generally do what is necessary.

6. authorizes the Board of Directors to engage such a program for a period of twenty-six months from this Shareholders' Meeting ; this authorization replaces all preceding authorizations of the same nature for amounts not yet called.

Fifteenth resolution
(Overall limit on the amount of issues of capital shares or debt securities)

The Shareholders' Meeting, acting on the basis of the quorum and majority required for extraordinary shareholders' meetings,

– after examining the report of the Board of Directors,

1. sets as follows the limits of the amounts of issues that may be decided by virtue of the authorizations voted in the eighth, ninth, tenth, eleventh, thirteenth and fourteenth resolutions of this Shareholders' Meeting:

– the maximum nominal amount of capital increases may not exceed 900,000,000 euros, plus the nominal amount of the capital increase resulting from issues of shares that may be decided to preserve the rights of the holders of such shares in keeping with current legislation;

– the maximum amount of securities representative of the Company's commitments, giving access to the share capital or not, including additional paid-in capital if such exists, is 2,000,000,000 _ (an amount to which would be charged the equivalent in euros of securities denominated in foreign currencies or monetary units calculated in reference to several currencies).

2. decides that in the event of the issue of securities giving later access to the share capital, the above-mentioned ceilings will simultaneously apply.

Sixteenth resolution
(Authorization granted to the Board of Directors to reduce share capital through the cancellation of shares)

The Shareholders' Meeting, acting on the basis of the quorum and majority required for extraordinary shareholders' meetings,

– after examining the report of the Board of Directors,
– after hearing the special report of the Statutory Auditors,

1. authorizes the Board of Directors to cancel, pursuant to article L 225-209 of the Code de Commerce, on one or more occasions, at its discretion, all or part of the shares acquired by the Company by virtue of the authorization voted in the seventh resolution of this Shareholders' Meeting earlier and/or of later authorizations, within the limit of 10% of the capital per period of twenty-four months from the date of this Shareholders' Meeting;
2. authorizes the Board of Directors to reduce the share capital correlatively by charging the difference between the purchase value of the canceled shares and their par value to the category of additional paid-in capital it so decides;
3. empowers the Board of Directors, with the faculty of sub-delegation, to make corresponding modifications in the by-laws, conduct any business, make any declarations, carry out any formalities and, generally speaking, to do what is required for the application of this authorization;
4. authorizes the Board of Directors to engage such a program for a period of twenty-six months from this Shareholders' Meeting; this authorization replaces the preceding authorization granted by the eighth resolution of the Shareholders' Meeting of May 27, 2003.

Proposed resolutions

Seventeenth resolution
(Changes in the by-laws)

The Shareholders' Meeting, acting on the basis of the quorum and majority required for extraordinary shareholders' meetings,

– on the recommendation of the Board of Directors,

decides to modify articles 15 and 17 of the by-laws pursuant to law n° 2003-706 of August 1, 2003, on financial security and to change article 23 of the by-laws as follows:

■ ARTICLE 15
The second paragraph of article 15 of the by-laws is replaced by the following paragraph :

"II. The Chairman of the Board of Directors organizes and directs the Board's activities and reports to the Shareholders' Meeting. He oversees the correct operation of Company institutions and verifies, in particular, that the directors are able to perform their assignments."

The rest of article 15 remains unchanged.

■ ARTICLE 17
Article 17 of the by-laws is replaced by the following text:

"Article 17 – Powers of the Board of Directors
"The Board of Directors determines corporate strategy and oversees its implementation.
"Subject to the powers current legislation expressly grants to shareholders' meetings and within the limits of the Company's purpose, it addresses any and all questions related to the Company's good performance and settles any affairs concerning the Company in its discussions.
The Board of Directors conducts the controls and verifications it deems necessary.
The Chairman or the Chief Executive Officer of the Company is obliged to supply every member of the Board with all the documents and information needed to accomplish his assignment."

■ ARTICLE 23
The second paragraph of article 23 of the by-laws is replaced by the following paragraph:

"II. All shareholders may participate in shareholders' meetings personally or by proxy, or vote by mail.

"To have the right to participate in shareholders' meetings, the holders of registered shares should be registered in the Company's books at least five days before the meeting, and holders of bearer shares should deposit a certificate drawn up by the financial broker that manages their shares at the address indicated in the announcement, at least five days before the meeting, in accordance with current legislation. Nevertheless, the Board of Directors may reduce this deadline as a general measure, and such will be indicated in the announcement of the meeting."

The rest of article 23 remains unchanged.

C. Resolution of the ordinary and the extraordinary shareholders' meeting

Eighteenth resolution
(Powers for legal formalities)

The Shareholders' Meeting, acting on the basis of the quorum and majority required for ordinary shareholders' meetings,

empowers the bearer of an original copy, another copy or extract of these official proceedings indicating the vote on the resolutions to accomplish any legal formalities required by law or regulations to ensure the execution of the above-mentioned resolutions.

Supplemental information

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General information on WENDEL Investissement

General information

Company name
WENDEL Investissement

Headquarters
89, rue Taitbout - 75009 Paris

Legal structure
Société anonyme governed by the Code de Commerce

Legislation
French

Duration
The Company was formed on December 4, 1871, for a period of 99 years, extended until July 1, 2064.

Official registration (Registre du Commerce et des Sociétés)
The Company is registered in the Registre du Commerce et des Sociétés de Paris under the number 572 174 035.

Purpose of the Company (article 3 of the by-laws)
The Company has the following purpose, in all countries, directly or indirectly:
– all equity holdings in industrial, commercial and financial companies of whatever nature through the creation of new companies, transfers of subscriptions or purchases of shares or ownership rights, mergers, alliances, associations or otherwise; all transfers, exchanges or other operations concerning these shares, ownership rights and equity interests;
– the purchase, rental and operation of all equipment;
– the acquisition, sale and commercial use of all processes, patents or patent licenses;
– the acquisition, operation, sale or exchange of all real estate or real estate rights;
– and generally, all commercial, industrial, financial, investment and real estate operations directly or indirectly related to the above-mentioned activities or to all similar or connected activities.

Consultation of legal documents relating to the Company
The Company documents shareholders have the right to consult under the conditions stipulated by law and, in particular, the by-laws, minutes of Shareholders' Meetings and auditors' reports, may be consulted at headquarters.

Fiscal year
The fiscal year runs from January 1 to December 31.

Allocation of net income (article 25 of the by-laws)
I. At least five percent of net income for each year, less any losses carried forward from prior years, is credited to the legal reserve until such time as the legal reserve represents one-tenth of share capital, as well as any amount credited to reserves pursuant to current legislation.
Income available for distribution corresponds to net income for the year plus any unappropriated retained earnings carried forward from prior years.
Of this income, the Shareholders' Meeting is responsible for determining, at the recommendation of the Board of Directors:
- the amounts that it considers should be allocated to any particular reserve;
- the sum required to serve interest on shares based on the amount of paid-up, non-amortized capital not to exceed 5% per year;
- the amounts it considers should be allocated to the general reserve or the amortization of capital.

II. Any income remaining after these appropriations is distributed to shareholders, less the sum allocated to retained earnings.

III. On the condition that all income available for distribution has been allocated in the form of dividends, the Ordinary Shareholders' Meeting may, at the recommendation of the Board of Directors, decide to allocate any amounts transferred from paid-in capital.

IV. As a waiver to the provisions of the present article, funds may be allocated to the special employee profitsharing reserve under the conditions set by law.

V. Dividends are paid in the form and at the times determined by the Ordinary Shareholders' Meeting or by the Board of Directors with the authorization of the Ordinary Shareholders' Meeting in accordance with current legislation. The Board of Directors may decide to distribute an advance before the approval of the year's financial statements within the framework of current legislation.

The Shareholders' Meeting convened to approve the year's financial statements may offer each shareholder for all or a part of the distributed dividend (or advance on the dividend) the option of choosing between the payment of the dividend (or advance on the dividend) in cash or in shares under the conditions and according to the procedures defined by current legislation.

General information on WENDEL Investissement

Information on Shareholders' Meetings (article 23 of the by-laws)

I. Shareholders' meetings are convened and held as prescribed by law.
They are held at Company headquarters, or in any other place named in the announcement of the meeting.

II. All shareholders can participate in shareholders' meetings personally or by proxy, or vote by mail if they have provided identification and proof of ownership of their shares in the manner and within the deadline specified in the announcement of the meeting.

In order to bring the Company's by-laws into conformity with the decree of May 3, 2002, which modified article 136 of the decree of March 23, 1967, the Shareholders' Meeting is asked to modify article 23 of the by-laws to make specific mention of the deadline for shareholder identification formalities.

III. In accordance with applicable legal conditions, the Board may organize a video-conference or use another telecommunications system that ensures identification to allow shareholders to participate and vote. Shareholders who participate in Shareholders' Meetings by video-conference or another system are considered to be present for the purposes of calculating the quorum and the majority.

Conditions for the acquisition of double voting rights (article 23 of the by-laws)

IV. Voting rights attached to the shares are proportionate to the percentage of capital they represent. However, double voting rights are granted to completely paid-up shares that have been registered with the Company for at least two years in the name of the same shareholder who either holds French nationality or is a citizen of a member-state of the European Economic Community.
In the event of a free share issue through the capitalization of reserves, income or additional paid-in capital, double voting rights will be granted at issue to the nominative shares distributed free of charge to a shareholder corresponding to the existing shares which benefited from this right.
Shares converted to bearer shares or transferred to another owner lose their double voting rights. However, registered shares that are transferred by way of an inheritance, the liquidation of a marital estate or a gift to a spouse or a direct relative do not lose their double voting rights and are considered as having remained the property of the same shareholder for the purpose of determining the two-year minimum holding period.

In addition, double voting rights may be canceled at any time by a decision of an Extraordinary Shareholders' Meeting without having to call a meeting of holders of double voting rights.

Disclosure Thresholds (article 26 of the by-laws)

Any individual or corporate shareholder, acting alone or in concert with other shareholders, that acquires a number of shares or voting rights representing more than 2% of the share capital or voting rights is required to disclose to the Company the number of shares and voting rights held within two weeks of the acquisition.
The same disclosure rules apply in the case where a shareholder's interest is reduced to below the above threshold of 2%.
The non-respect of these disclosure rules is sanctioned, as prescribed by law, at the request (recorded in the minutes of the Shareholders' Meeting) of one or several shareholders holding a number of shares or voting rights that represents the statutory minimum fraction mentioned in the first paragraph of this section.

Note should be made that the Shareholders' Meeting of Marine-Wendel of November 27, 2001, decided to modify the by-laws to comply with the law on New Economic Regulations of May 15, 2001.

Dividends not claimed after five years from the date of payment are canceled and paid to the State.

General information on the Company's capital

Share capital

As of March 31, 2004, the share capital totaled 223,943,380 euros, divided into 55,985,845 shares with a par value of 4 euros. These shares are all of the same category and are fully paid-up. The shares are either registered or bearer shares at the shareholder's discretion.

Existing financial authorizations

At the date this reference document was filed, the following financial authorizations were in effect.

Authorizations: Date of the Shareholders' Meeting	Authorizations: Due date	Nature of the issue authorized	Authorized amount by category *(amount not used)*	General ceilings in the event of cumulative operations
		A. SHARE CAPITAL		
		Reserved share issues:		
05.27.2003	**05.27.2008**	■ Group savings plan	250,000 € *(95,972 €)*	**In capital:** 900,000,000 € (nominal amount that cannot be exceeded, either immediately or later)
05.27.2003	**07.27.2005**	■ Grant of stock options to Group employees and directors	560,000 options *(239,000 options)*	
06.13.2002	**08.14.2004**	Capitalization of reserves	700,000,000 €	
		B. SECURITIES		
		Giving access to the share capital immediately or at a later date		
06.13.2002	**08.14.2004**	■ with preemptive subscription rights	In capital: 200,000,000 €	**Debt:** 2,000,000,000 € (total amount of debt that cannot be exceeded at any time)
06.13.2002	**08.14.2004**	■ without preemptive subscription rights	Debt: 2,000,000,000 €	
		C. COMMITMENTS		
06.13.2002	**06.14.2007**	Not giving access to the share capital at the due date	Debt: 2,000,000,000 € *(1,220,980,000 €)*	

General information on the Company's capital

Financial authorizations used and amounts available at the date of filing

The Shareholders' Meeting of May 27, 2003, approved the principle of a **Group Savings Plan** and authorized the Board of Directors to issue shares, on one or more occasions, until May 2008, reserved to Group employees and directors for a maximum amount of 250,000 euros.

At the end of March 2004, after a capital increase of 154,028 euros in July 2003, the amount available under this authorization totaled 95,972 euros.

The Shareholders' Meeting of May 27, 2003, had authorized the Board of Directors to grant **stock subscription and purchase options** to Group directors and managers, on one or more occasions, until July 2005, for a maximum number of 560,000 shares. At the end of March 2003, after the Board of Directors had granted 321,000 options on July 16, 2003, the number of options that could still be granted under this authorization totaled 239,000.

In addition, the Shareholders' Meeting of June 13, 2002, had authorized the Board of Directors to issue **securitized commitments,** on one or more occasions, until June 2007, for a maximum amount of 2,000,000,000 euros. At the end of March 2004, following the issue on June 19, 2002, of bonds exchangeable for Capgemini shares in the amount of 279,020,000 euros and, on February 16, 2004, of bonds in the amount of 500,000,000 euros, 1,220,980,000 euros were still available under this authorization.

Shares held by the Company under previous authorizations

– The Ordinary and Extraordinary Shareholders' Meeting of May 27, 2003, authorized a share buyback program within a limit of a number of shares representing 10% of the number of shares comprising the share capital at the time of the buyback.
Through this program, between May 27, 2003, and March 31, 2004, the Company bought back 121,423 shares with a par value of 4 euros at an average price of 29.66 euros per share. The total amount of trading commissions was 12,493 euros.

– The Ordinary and Extraordinary Shareholders' Meeting of June 13, 2002, authorized a share buyback program within a limit of a number of shares representing 2% of the number of shares comprising the share capital at the time of the buyback. This program was not implemented.

– Prior to the June 13, 2002, merger of CGIP and Marine-Wendel, the Marine-Wendel Shareholders' Meeting of November 27, 2001, had approved a program to buy back 1,700,000 Marine-Wendel shares with a par value of 8 euros, representing 9.63% of the share capital.
This buyback program was fully carried out through a simplified takeover bid, at a price of 82 euros per share with a par value of 8 euros, between January 17 and February 19, 2002. These Company-owned shares were canceled by the Ordinary and Extraordinary Shareholders' Meeting of June 13, 2002, for 3,254,506 shares with a par value of 4 euros, subsequent to the decision to divide the par value of the share in half. The remaining Company-owned shares (228,302 shares with a par value of 4 euros) have been reserved for the exercise of stock purchase options.

As of March 31, 2004, WENDEL Investissement owned 349,725 Company shares, representing 0.62% of the share capital. Among these shares, 228,302 shares were reserved for the exercise of the stock purchase options granted by the Board of Directors on July 20, 2000, and July 19, 2001.

Securities giving access to the capital and securities that do not represent the capital

There are no securities representing claims on the Company – convertible bonds, exchangeable bonds and/or bonds reimbursable in shares – that give or may give access to the capital.
There are no securities that do not represent the capital such as founder shares or voting rights certificates.

Pledge of issuer's registered shares

7,300 WENDEL Investissement registered shares were pledged.

General information on the Company's capital

Changes in the capital in the last five years

Date of change in capital	Nature of the operation	Change in the number of shares
Situation as of June 30, 1998		
July 1998	Share buyback	– 460,000
Situation as of June 30, 1999		
July 1, 1999	Theoretical conversion	
	Capital increase by capitalization of reserves and increase in par value	
Situation after changeover to euros		
December 1999	Cancellation of Company shares (Shareholders' Meeting program November 19 98)	– 665,829
January 2000	Share's par value divided in half (8 euros)	8,022,441
April 2000	Free share issue - 1 share for 10 existing shares	1,604,488
Situation as of June 30, 2001		
June 13, 2002	Share's par value divided in half	17,649,370
June 13, 2002	Capital increase to remunerate the merger of CGIP	23,876,729
June 13, 2002	Merger expense charged to paid-in capital	
June 13, 2002	Cancellation of shares	– 3,254,506
July 17, 2002	Issue of shares reserved to employees	10,653
July 17, 2002	Exercise of options	71
Situation as of December 31, 2002		
May 27, 2003	Third resolution of the Shareholders' Meeting of May 27, 2003	
June 2, 2003	Exercise of options	11,722
July 10, 2003	Issue of shares reserved to employees	38,507
Situation as of December 31, 2003		

General information on the Company's capital

Number of shares comprising the share capital	Par value	Change in the share capital (euros)	Amount of share capital (euros)	Change in issue premiums (euros)	Change in paid-in capital (euros)
9,148,270	**100 F**		**914,827,000**		**619,688,205**
8,688,270	100 F	– 46,000,000	868,827,000	– 478,400,000	141,288,205
8,688,270	**100 F**		**868,827,000**		**141,288,205**
	15.252449 €		**132,451,822**		**21,539,248**
	0.7551 €	6,560,498	139,012,320	–	21,539,248
8,688,270	**16 €**		**139,012,320**		**21,539,248**
8,022,441	16 €	– 10,653,264	128,359,056	– 21,539,248	–
16,044,882	8 €		–		–
17,649,370	8 €	12,835,904	141,194,960		–
17,649,370	**8 €**		**141,194,960**		**–**
35,298,740	4 €		–		–
59,175,469	4 €	95,506,916	236,701,876	351,346,211	351,346,211
				– 6,766,559	344,579,652
55,920,963	4 €	– 13,018,024	223,683,852	– 118,359,911	226,219,741
55,931,616	4 €	42,612	223,726,464	201,235	226,420,976
55,931,687	4 €	284	223,726,748	591	226,421,567
55,931,687	**4 €**		**223,726,748**		**226,421,567**
		–	–	– 100,000,000	126,421,567
55,943,409	4 €	46,888	223,773,636	84,633	126,506,200
55,981,916	4 €	154 ,028	223,927,664	592,623	127,098,823
55,981,916	**4 €**		**223,927,664**		**127,098,823**

General information on the Company's capital

■ Current ownership of capital and voting rights

As of March 31, 2004, the share capital was comprised of 55,985,845 shares with 76,904,233 voting rights. Double voting rights are granted to completely paid-up shares that have been registered with the Company for at least two years in the name of the same shareholder.

There are now 21,268,113 shares with double voting rights.

To the best of the Company's knowledge, the main shareholders are as follows:

	% of capital	% of voting rights
Wendel-Participations*	35.0	50.5
UBS AG	15.0	11.0
Arnhold & Bleichroeder	10.0	7.3
Company-owned shares	0.6	–
Employees - Group savings plan	0.2	0.2
Stock market	39.2	31.0

* Pursuant to article L.233-10 of the Code de Commerce, the figures include Wendel-Participations, SLPS and Group managers with respective holdings of 33.8%, 0.9% and 0.3%, and voting rights of 49.1%, 1% and 0.4%.

To the best of the Company's knowledge:
- no other shareholder owns 5% or more of the Company's capital;
- the Board of Directors owns or represents 19,721,493 Company shares, i.e. 35.2% of the capital and 50.8% of the voting rights, with individual directors holding 294,591 shares representing 0.5% of the capital and 0.7% of the voting rights. SLPS, a corporate member of the Board, directly and indirectly owns 19,426,902 shares, representing 34.7% of the capital and 50.1% of the voting rights.

Number of shareholders

As of March 31, 2004, there were more than 38,000 shareholders.

Significant changes in the ownership structure in the last three years

	06.30.2000		06.30.2001		31.12.2002		31.12.2003	
	% capital	% voting rights	% capital	% voting rights	% capital	% voting rights	% capital	% voting rights
Wendel-Participations *	54.2	69.7	54.2	69.7	35.2	50.5	35.0	50.5
UBS Warburg	11.1	7.2	12.5	8.0	15.1	11.0	15.0	11.0
Arnhold & Bleichroder	–	–	–	–	3.1	2.2	10.0	7.3
Nomura International PLC	2.1	1.4	2.1	1.4	–	–	–	–
Templeton Global Investors	3.3	2.1	3.3	2.1	–	–	–	–
Tiger Management	2.8	1.8	2.8	1.8	–	–	–	–
Company-owned shares	–	–	–	–	0.4	–	0.6	–
Employees - Group savings plan	–	–	–	–	0.1	0.1	0.2	0.2
Stock market	26.5	17.8	25.1	17.0	46.1	36.2	39.2	31.0

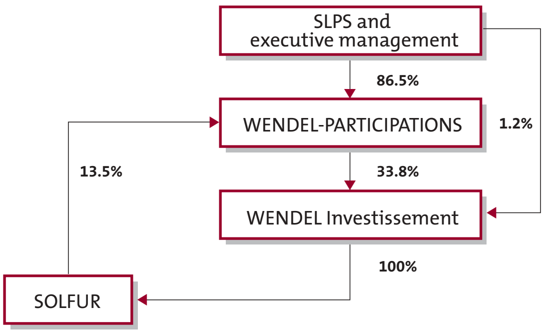
* Figures include Wendel-Participations, SLPS and Group managers.

To the best of the Company's knowledge, no other shareholder owned more than 2% of the Company's capital and voting rights as of December 31, 2003.

General information on the Company's capital

Wendel-Participations and SLPS (which absorbed Sogeval on December 2, 2002) are holding companies.

Organization chart



SLPS is owned by 750 individual shareholders, members of the Wendel family.

Purpose of Wendel-Participations

The Company's purpose is to hold equity interests in all industrial, commercial and financial companies of whatever nature through the creation of new companies, transfers of subscriptions or purchases of shares or ownership rights, mergers, alliances, associations or otherwise, and generally, all operations related to these activities.

Purpose of SLPS

The Company's purpose is as follows:
- the investment and management of its own funds and the acquisition of equity holdings;
- ownership (through purchase, subscription at issue, exchange or any other means) and the management of all French and foreign, listed and unlisted securities and equity and property rights, all short-, medium- and long-term capital transactions;
- participation in all guarantee, placement or other syndicates;
- the creation of new companies;
- and generally, in France, French overseas territories and all other countries, all commercial, industrial, financial, investment and real estate operations directly or indirectly related to the above-mentioned activities.

Assets of Wendel-Participations and SLPS

SLPS holds shares of Wendel-Participations and WENDEL Investissement.
Wendel-Participations only owns shares of WENDEL Investissement.

Financial and economic ties with WENDEL Investissement

There are no financial and economic ties between Wendel-Participations and SLPS, on the one hand, and WENDEL Investissement on the other hand, other than those involved in holding shares (dividends).
There is an agreement on a brand license (exclusive license to use the brand WENDEL Investissement) that is mentioned in the auditors' special report (see page 121 of this annual report).

Other shareholders

UBS AG GROUP

On October 22, 1999, Marine-Wendel was informed that, subsequent to an internal reclassification within the UBS Group, on October 18, 1999, Warburg Dillon Read Securities Ltd. owned 890,709 shares representing 10.25% of the capital and 7.04% of the voting rights of Marine-Wendel.
As of November 23, 2000, after accounting for the January 31, 2000, division of the share's par value in half and the free share issue for ten existing shares, the UBS Warburg Group owned 2,200,031 shares representing 12.47% of the capital and 8.02% of the voting rights of Marine-Wendel.

After the merger by absorption of CGIP by Marine-Wendel in June 2002, UBS Warburg informed WENDEL Investissement by letter dated July 5, 2002, that prior to the merger, the UBS AG Group, a shareholder in the two companies, owned 7.28% of the capital and 5.14% of the voting rights of CGIP and 6.53% of the capital and 4.75% of the voting rights of Marine-Wendel. This group thus owns 8,422,810 shares and voting rights of WENDEL Investissement, representing 15.06% of the capital and 10.95% of existing voting rights, thereby exceeding the threshold of 10% of the capital as well as the thresholds of 5%% and 10%% of the voting rights of the Company under the following conditions.

General information on the Company's capital

Shareholders	Shares and voting rights	% capital	% voting rights
UBS AG London Branch	258,826	0.46	0.34
UBS Warburg Securities Ltd (1)	8,163,984	14.60	10.61
Total UBS AG Group	**8,422,810**	**15.06**	**10.95**

(1) Company wholly controlled by UBS AG London Branch.

The UBS Group added to its July 5, 2002, threshold disclosure the following declaration of intent:
– in the next twelve months, UBS AG London Branch intends to continue to acquire WENDEL Investissement shares when market conditions are favorable;
– UBS AG does not intend to take control of WENDEL Investissement;
– UBS AG does not intend to request the appointment of one or several directors to the Board of Directors of WENDEL Investissement;
– UBS AG acts alone.

ARNHOLD & BLEICHROEDER

By letter dated December 16, 2002, Arnhold & Bleichroeder Advisers informed the Company that it owned 1,720,526 WENDEL Investissement shares representing 3.08% of the capital.
By letter dated March 24, 2003, Arnhold and Bleichroeder Advisers informed the Company that it owned 3,144,126 WENDEL Investissement shares, representing 5.62% of the capital, and had exceeded the threshold of 5% of the capital.
By letter dated January 15, 2004, Arnhold and Bleichroeder Advisers informed the Company that it owned 5,603,260 WENDEL Investissement shares, representing 10.01% of the capital. The Group added to its threshold disclosure the following declaration of intent:
– Arnhold & Bleichroeder Advisers acts alone;
– Arnhold & Bleichroeder Advisers intends to continue to trade WENDEL Investissement shares to take advantage of the difference between the share price and the company's estimate of its intrinsic value, which is defined as the sum that a strategic or financial investor would pay in cash to acquire the whole company;
– Arnhold & Bleichroeder Advisers does not intend to take control of WENDEL Investissement;
– Arnhold & Bleichroeder Advisers does not intend to request the appointment of one or several directors to the Board of Directors of WENDEL Investissement;
– Arnhold & Bleichroeder Advisers supports all initiatives that contribute to recognition of WENDEL Investissement's intrinsic value.

By letter dated March 16, 2004, Arnhold and Bleichroeder Advisers informed the Company that it had re-crossed the 10% disclosure threshold and owned 5,592,260 WENDEL Investissement shares, representing 9.99% of the capital.

By letter dated March 26, 2004, Arnhold and Bleichroeder Advisers informed the Company that it had again gone over the 10% disclosure threshold and owned 5,602,260 WENDEL Investissement shares, representing 10.01% of the capital. The Group added to its threshold disclosure a declaration of intent that was identical in all points to the previous declaration.

Shareholders' Agreements

By letter dated December 24, 2003, the Company was informed that it had been agreed to require that 13,969,153 WENDEL Investissement shares (representing 24.95% of the capital) be held for a certain period. This obligation was decided by the family companies that control WENDEL Investissement (Société Lorraine de Participations Sidérurgiques, Wendel-Participations and Simfor & Co.) and certain of their shareholders who are also direct shareholders of WENDEL Investissement. It mainly stipulates an obligation to hold shares for a period of at least six years and a pre-emptive right for the family companies. This obligation is not considered a concerted action.

In application of articles 885 I bis of the French General Tax Code and article L.233-11 of the Code de Commerce, this obligation was reported to French stock market authorities *(Autorité des Marchés Financiers)*.

Other than this agreement, to the best of the Company's knowledge, there is no agreement, pact or other contract between shareholders related to their interest in WENDEL Investissement.

At the level of its main subsidiaries and affiliates, WENDEL Investissement is involved in several shareholder agreements, in particular as follows.

Legrand SA

By the terms of an agreement signed on December 10, 2002, the shareholders of Lumina Parent, the holding company of the consortium formed to acquire Legrand SA (mainly composed of KKR and WENDEL Investissement), defined the rules governing their relations in Lumina Parent and its subsidiaries, particularly Legrand Holding SA (formerly FIMEP). These decisions principally concerned:

- the composition of the Boards of Directors, as well as the rules governing the management and administration of these companies;
- the conditions of a possible float on the stock market;
- the conditions under which shares may be transferred.

For more details on this agreement, see Legrand SA's reference document for the year 2002, registered with the COB on April 30, 2003, under the number D.03-0587.

Trader Classified Media

Since the WENDEL Investissement Group sold its entire equity interest in Trader Classified Media in the first half of 2004, the shareholders' agreements signed on March 16, 2000, and November 29, 2002, were cancelled.

Bureau Veritas

WENDEL Investissement and Poincaré Investissements (the company which regroups the interests of the Mathy family in Bureau Veritas) signed a protocol agreement that was subsequently amended governing their relations in Bureau Veritas. The main provisions of the agreement are as follows.

- the composition of the supervisory board and the executive board of Bureau Veritas;
- a commitment to consult the other party on any major decision concerning Bureau Veritas;
- the takeover of Bureau Veritas by WENDEL Investissement under certain hypotheses and conditions, on the basis of a financial arrangement to be determined by the two parties.

bioMérieux

WENDEL Investissement and ACCRA (the company which regroups the interests of the Mérieux family), the majority shareholder of Nouvelle bioMérieux Alliance (which became bioMérieux), signed an agreement that provides a framework for their relations and ensures the liquidity of WENDEL Investissement's interest in bioMérieux.

Market for WENDEL Investissement shares and dividends

WENDEL Investissement share performance since January 2002 (series adjusted and in euros)

Month	Highest/Lowest Highest price in euros	Lowest price in euros	Average price in euros	Number of shares traded (average per session)	Capital traded in thousands of euros (average per session)
Jan-02	35.78	33.70	34.54	32,186	1,112
Feb-02	38.00	33.25	34.70	7,387	256
Mar-02	36.40	33.25	35.01	17,196	602
Apr-02	35.23	30.00	32.27	25,215	814
May-02	31.25	28.20	29.71	11,214	333
June-02	29.20	23.00	21.30	22,603	482
July-02	26.40	21.50	23.65	77,699	1,838
Aug-02	25.50	21.20	23.18	24,634	571
Sept-02	23.50	17.25	19.82	39,695	787
Oct-02	21.85	16.57	19.10	46,053	880
Nov-02	24.05	19.95	21.86	49,052	1,072
Dec-02	25.29	21.21	23.40	55,908	1,309
Jan-03	26.10	21.64	24.25	43,447	1,054
Feb-03	22.95	21.10	21.76	48,260	1,050
Mar-03	21.99	19.51	20.97	73,265	1,536
Apr-03	24.15	20.00	20.98	121,486	2,549
May-03	25.80	23.60	24.46	66,641	1,630
June-03	26.93	24.00	25.02	40,730	1,019
July-03	28.10	24.86	26.92	18,265	492
Aug-03	30.20	27.12	28.46	23,710	675
Sept-03	31.08	27.70	29.97	43,473	1,303
Oct-03	31.40	28.11	30.49	36,894	1,125
Nov-03	34.01	31.10	32.46	38,232	1,241
Dec-03	35.15	32.75	34.14	39,389	1,345
Jan-04	37.97	33.70	36.38	33,272	1,210
Feb-04	39.89	37.10	38.20	45,624	1,743
Mar-04	39.85	36.13	38.23	35,025	1,339

Dividends

The following table presents the adjusted series of dividends for the last five years.

Years	Net dividend in euros	Tax credit in euros	Total dividend in euros	Total amount distributed in millions of euros
1998 - 1999	0.90	0.45	1.35	31.29
1999 - 2000	1.00	0.50	1.50	35.30
2000 - 2001	1.10	0.55	1.65	38.83
2001 - 2002	2.10	1.05	3.15	90.93
2003	1.05	0.53	1.58	58.78

Until 2001, the fiscal year began July 1 and ended June 30 of the following year.
In 2001-2002, the reporting period lasted 18 months, and the shareholders of Marine-Wendel were paid an advance of 1.10 euros per share in June 2002 and 1.00 euro per share in June 2003.

Interests of company directors and employees

A. Compensation and stock option plans

Pursuant to article L.225-102-1 of the Code de Commerce, the total compensation and other benefits paid to each Company director and officer were as follows.

■ I - Chairman and Chief Executive Officer

In 2003, compensation paid to the Chairman and Chief Executive Officer, including compensation received from companies controlled in the sense of article L.233-16 and from the company controlling WENDEL Investissement, was as follows.

In euros	2003					2002
	Gross compensation		Directors' fees	Other benefits	Total compensation	Total compensation
	Fixed	Variable				
E-A. Seillière	1,147,748	0	236,681	5,074	1,389,503	1,375,000
J-B. Lafonta	872,412	0	110,889	4,985	988,286	933,200

The sums received by the Chairman and Chief Executive Officer in 2003 correspond to gross compensation for the year. Compensation of the Chairman and Chief Executive Officer involves no variable element.

■ II - Compensation paid to Company directors

Compensation paid by the Company and the companies in the consolidated entity are mainly directors' fees, which totaled 456,844 euros, with the following breakdown:

Jean-Pierre Berghmans	30,000 €
Didier Cherpitel	30,000 €
Jean-Marc Janodet	141,194 €
Hubert Leclerc de Hauteclocque	46,220 €
Alain Mérieux	30,000 €
Henri de Mitry	58,360 €
Louis-Amédée de Moustier	31,070 €
Grégoire Olivier	30,000 €
Didier Pineau-Valencienne	30,000 €
Guy de Wouters	30,000 €

■ III - Compensation of the five most highly paid individuals

In 2003, compensation paid by WENDEL Investissement and its subsidiaries and affiliates, as well as by the controlling company for its directors and officers, to the five most highly paid individuals, including directors, totaled:

Compensation	2,730,094 €
Directors' fees	423,058 €
Total	**3,153,152 €**

Interests of company directors and employees

▪ IV - Subscription or purchase options for WENDEL Investissement shares

Options remaining to subscribe or purchase by the directors and officers of WENDEL Investissement as of December 31, 2003, are exclusively options on WENDEL Investissement shares.

STOCK OPTION POLICY

Subscription or purchase options for WENDEL Investissement shares are granted as incentives to motivate, compensate and ensure the loyalty of Group managers.

1) Options valid as of December 31, 2003, and changes in 2003

CHANGES IN 2003

Options valid as of January 1, 2003	1,354,440
Options exercised in 2003	– 11,722
Options granted by the Board of Directors	321,000
Options valid as of December 31, 2003	**1,663,718**

OPTIONS EXERCISED IN 2003	Number of options	Subscription price	CGIP PLAN N° 2-2
Date granted by the Board of Directors			07.25.1995
Directors			
M. de Moustier	11,722	11.22 €	11,722
Employees			
Options held on the issuer and the above-mentioned companies, exercised during the year by the ten employees of the issuer or of these companies, with the highest number of options thus purchased or subscribed.	–	–	–

2) History of grants of stock subscription or purchase options

The number of shares that may be subscribed or purchased as well as the subscription or purchase prices in the following table were adjusted to account for:

- the division of the par value in October 1998;
- the free distribution of one new share for ten existing shares in December 1999;
- the granting of warrants for Capgemini Ernst & Young shares in June 2001;
- the share buyback and simplified takeover bid in January 2002;
- the free distribution of shares in June 2002.

Interests of company directors and employees

	COMPAGNIE GÉNÉRALE D'INDUSTRIE ET DE PARTICIPATIONS								WENDEL Investissement PLANS		TOTAL
Date of the Shareholders' Meeting	PLAN n° 3 June 4, 1996			PLAN n° 4 June 2, 1999		PLAN n° 5 May 30, 2000			PLAN n° 1 June 13, 2002	PLAN n° 2 May 27, 2003	
Total number of options authorized	600,032			389,596		310,169			560,000	560,000	–
Options not granted	0			0		0			278,900	239,000	
Total number of shares that may be subscribed	600 032			389 596		310 169			281,100	321,000	
Date of the Board of Directors' meeting	05/12/1996	03/06/1998	02/06/1999	02/06/1999	30/05/2000	20/07/2000	19/07/2001	25/09/2001	17/07/2002	16/07/2003	
Options granted	278,664	153,107	168,261	178,572	211,024	5,863	222,439	81,867	281,100	321,000	1,901,897
Subscription options	*278,664*	*153,107*	*168,261*	*178,572*	*211,024*			*81,867*	*281,100*	*321,000*	
Purchase options						*5,863*	*222,439*				
Number of shares that may be subscribed:											
▪ by directors	12,898	96,691	100,561	108,296	141,142	–	154,979	81,867	198,000	230,000	1 124 434
▪ by the ten employees with the most options	27,587	50,287	53,509	35,462	37,052	5,863	52,394	0	64,000	72,500	398,654
Starting date for exercise of options	05/12/1999	03/06/2001	02/06/2002	02/06/2002	30/05/2003	20/07/2000	19/07/2002	25/09/2002	17/07/2003	16/07/2004	
Expiration date of options	04/12/2004	02/06/2006	01/06/2007	01/06/2009	29/05/2010	19/07/2010	18/07/2011	24/09/2011	16/07/2012	15/07/2013	
Subscription price in euros per share	12.32 €	35.04 €	37.10 €	37.10 €	44.23 €	44.23 €	33.35 €	28.50 €	24.59 €	25.96 €	
Discount	20%	5%	0%	0%	0%	0%	0%	0%	0%	0%	
Number of shares subscribed as of 12/31/2003	238,179	–	–	–	–	–	–	–	–	–	238,179
Number of options remaining to subscribe or purchase as of 12/31/2003	40,485	153,107	168,261	178,572	211,024	5,863	222,439	81,867	281,100	321,000	1,663,718
Number of shares that may be subscribed or purchased by directors:											
M. Seillière, Chairman	–	64,456	64,459	64,459	90,265	–	98,225	–	90,000	140,000	611,864
M. Lafonta, Directeur Général	–	–	–	–	–	–	–	81,867	60,000	90,000	231,867
M. Janodet	–	9,671	12,248	19,983	22,273	–	27,285	–	30,000	–	
M. Leclerc de Hauteclocque	–	6,447	7,092	7,092	9,027	–	9,823	–	9,000	–	
M. de Moustier	12,898	6,447	7,092	7,092	9,027	–	9,823	–	9,000	–	
M. de Wouters	–	9,670	9,670	9,670	10,550	–	9,823	–	–	–	

B. Association of management with investments

Since the creation of WENDEL Investissement , the management team has systematically been offered the opportunity to be associated with the Company's investments under conditions that are similar to those offered the executive management of the company acquired, and for reasonable amounts in proportion with their compensation. Thus Wendel's management participates, as an investor, in the risks and benefits of the Company's investment policy.

This policy was introduced on the occasion of the acquisition of Legrand, in which the management team of WENDEL Investissement invested 1.3 million euros.

C. Information on the nature of transactions between the Company and its directors

The Company has signed no agreements with its directors or with companies that have the same managers, excluding current transactions, other than those mentioned in the special report of the auditors on regulated agreements.

D. Loans to members of the Board of Directors

None.

Information on the activities of WENDEL Investissement

Brief history of the structure of the Group

The WENDEL Group's takeover of the holding company Marine-Firminy gave birth to Marine-Wendel in 1975. The predominance of its steel industry assets (Sacilor, Forges and Aciéries de Dilling, etc.) in addition to its diversified activities (Carnaud, Forges de Gueugnon, Oranje Nassau, Cimenteries de l'Est, mechanical engineering companies, etc.) led to the breakup of the Group into two entities during the European steel crisis in 1977. By transferring all its non-steel industry assets in November 1977, Marine-Wendel created Compagnie Générale d'Industrie et de Participations (CGIP) in which it retained only a 20% equity interest. Since that date, Marine-Wendel progressively divested itself of its steel industry assets and bolstered its interest in CGIP over the years and through internal restructuring to such a point that it acquired control of the company. Marine-Wendel and CGIP merged in June 2002. In addition, in recent years, Marine-Wendel has implemented a strategy of financial diversification by acquiring equity interests in medium-sized companies.
Major events in the life of the two companies are summarized on pages 8 and 9 in the chapter Stages in development.
The main changes in the Group in the last three years are discussed in the consolidated financial statements in the section dealing with the consolidated entity.

Competitive position

WENDEL Investissement's competitors are listed or unlisted European or Anglo-Saxon investment firms, investment funds and holding companies.

As opposed to investment funds, WENDEL Investissement pursues long-term development objectives. Its strategy is to foster the emergence of companies that lead their sector and to accompany development in the medium or long term, particularly by encouraging innovation and increasing productivity in these companies. WENDEL Investissement is an active partner that supports entrepreneurial teams and works with them over time in order to achieve objectives that target growth and the creation of value for its shareholders.

Agreements with subsidiaries and affiliates

There are no industrial, commercial or management agreements between WENDEL Investissement and its subsidiaries and affiliates. WENDEL Investissement provides certain of them with advice and assistance in legal, tax, financial and accounting matters. These services are billed at normal rates on the basis of real costs if they are identifiable or at flat rates.

Billing for these services in the last three years of consolidation were as follows (thousands of euros and excluding VAT).

	2003	2002	2001
Wheelabrator Allevard	2,114	2,161	2,171
Stallergènes	97	114	114
bioMérieux Alliance	–	–	73
Other subsidiaries	82	60	45

Revaluated net assets as of December 2003 and change in 2003

Revaluated net assets in December 2003 were calculated on the basis of the financial statements as of December 31, 2003.

Interests in unlisted companies are valued by applying the stock market capitalization multiples of similar companies in the same period of reference to the main management items. The selection of comparable companies that makes it possible to determine sector-based multiples does not vary with time.

Shares in listed companies are valued on the basis of the average closing price of the 20 business days preceding the valuation.

To valuate its oil assets, Oranje-Nassau has built several plans based on the following hypotheses:
- reserves and annual extraction rate for each field;
- different scenarios possible for fluctuations in the price of oil;
- mining costs for each field;
- trend in the parity of the euro vis-à-vis the U.S. dollar;
- discount rate.

This generates estimates of revenues and net income for the coming years; the discounted value of future cash flows provides the valuation of Energy activities.

Current assets and liabilities are recorded at their net book value.

Revaluated net assets are given before accounting for latent taxes on capital gains.

WENDEL Investissement's revaluated net assets stood at 2,520 million euros at the end of December 2003, compared with 2,090 million euros at the end of December 2002.

Information on the activities of WENDEL Investissement

The following table presents a breakdown of gross assets and changes between 2001 and 2003.

	December 2003		December 2002		December 2001	
	millions of euros	% of gross assets	millions of euros	% of gross assets	millions of euros	% of gross assets
Unlisted assets	2,640	76%	2,230	67%	1,670	42%
Listed assets	760	21%	820	25%	2,130	53%
Net cash	90	3%	270	8%	220	5%
Revaluated gross assets	**3,490**	**100%**	**3,320**	**100%**	**4 ,020**	**100%**
Financial debt	(970)		(1,230)		(490)	
Revaluated net assets	**2,520**		**2,090**		**3,530**	

The relative importance of unlisted assets has increased significantly, from 42% at the end of 2001 to 67% at the end of 2002 to 76% in 2003. Unlisted assets went from 1.7 billion euros to 2.6 billion euros between the end of 2001 and the end of 2003. The increase in 2002 was in large measure due to the acquisition of Legrand. In 2003, changes in consolidation were minor and the 410 million euro increase represented a rise in the value of unlisted assets linked to growth in business and enhanced performances by Group companies in 2003.

The portion of listed assets that represented slightly more than half of the Group's assets in December 2001 represented only a quarter a year later, and a little more than a fifth at the end of December 2003. In 2003, this trend was mainly the result of the progressive disposal of the Company's equity interest in Capgemini.

Net financial debt, which represents the financial debt minus net cash, went from 960 million euros to 880 million euros between the end of 2002 and the end of 2003. In 2003, WENDEL Investissement reduced its financial debt by 80 million euros.

It should be remembered that pro forma revaluated net assets of 3,530 million euros at the end of December 2001 were the sum of the revaluated net assets of CGIP and Marine-Wendel at that date, minus the value of the CGIP shares held by Marine-Wendel. These figures cannot be directly compared with those recorded at the end of 2002. In fact, in the first half of 2002, prior to the June 2002 merger of CGIP and Marine-Wendel, the Group had distributed to its shareholders 590 million euros in the form of dividends and share buybacks.

Equity risk

WENDEL Investissement's assets are equity interests in unlisted companies and, to a lesser extent, in listed companies. Active management of this portfolio involves regular, in-depth monitoring of the operating and financial performances of each subsidiary and affiliate. Management performance is monitored on a monthly basis and is then analyzed by company officers. At regular intervals, this study is complemented by a forward-looking analysis rendered possible by genuine sector-based expertise acquired by sharing information with the company in question. This regular examination makes it possible to analyze and anticipate developments in each subsidiary and affiliate and to take appropriate decisions.

This specific approach by company is paralleled by a general analysis of the breakdown of risks among the different sectors of the economy in order to take advantage of a well-advised diversification of assets from the point of view of both the sector and their resistance to the economic environment. This diversification should also lead to a balance between growth assets and yield assets.

The value of listed and unlisted assets is linked to developments in the stock markets. As explained above, the method chosen to valuate unlisted assets is based on multiples of comparable listed companies.

Information on the activities of WENDEL Investissement

The stock market risk may be appreciated by a comparison of the trend in the CAC 40 stock market index and the performance of WENDEL Investissement's revaluated net assets between the creation of WENDEL Investissement and December 2003. The decline in the CAC 40 in the last four months of 2002, which lasted until April 2003, was followed by a marked recovery of the main stock market indexes in the second half of the year.

	Period August – December 2002	Period January – December 2003
Change in revaluated net assets	– 5%	+18% (1)
Change in CAC 40 (2)	– 7,5%	+12%

(1) Not accounting for the dividend paid in January 2003;
(2) Monthly average.

- In 2002, the decline in WENDEL Investissement's revaluated net assets was much less marked than the decrease in the CAC 40. This resistance to market pressure was due to the good diversification of its assets and to the presence of defensive assets.
- In 2003, the increase in WENDEL Investissement's revaluated net assets was greater than that of the CAC 40. This excellent performance in a phase of stock market recovery is linked to the quality of the Group's assets.

Foreign exchange risk

Concerning WENDEL Investissement and the companies it controls, the principal foreign exchange risk is related to Oranje-Nassau's oil activities. The estimate is made based on the oil assets recorded on the balance sheet (assimilated to inventories) and the debt in foreign currencies arranged to finance the acquisition of these assets (see note 10 in the notes on the balance sheet, page 76).

Legal risk and litigation

WENDEL Investissement and the companies it controls are not directly subject to any particular regulations that might affect the normal conduct of their affairs. They have no dependence on patents, licenses, or industrial, commercial or financial supply contracts.

In the normal course of business, WENDEL Investissement and the companies it controls are involved in legal proceedings and are regularly subject to tax, social or administrative audits. A provision is made every time a risk is determined and an estimate of the cost liked to this risk can be calculated.

At the present time, the main legal matter concerns the discovery of pollution at a site located near Rouen, possibly caused by the steelmaking activities of Hauts Fourneaux de Rouen (HFR), a company that was in operation until 1967. The Prefect of Seine Maritime, alleging a business connection between HFR and Sofiservice, issued an *arrêté* in 1998, summoning the latter company to conduct an environmental study and rehabilitate the site. Contested, this *arrêté* was canceled on order of the *Tribunal administratif,* but this decision was itself canceled on appeal by a decision of the *Cour administrative d'appel* in October 2002, which ordered that the environmental study be undertaken. Since the case is still pending and awaiting the decision of the *Conseil d'Etat,* these proceedings remain fully covered by a provision as of December 31, 2003.

Other than the foregoing, the Company has no knowledge of any claims or legal proceedings that may substantially affect or have recently had a substantial impact on the financial situation, results and business of the Company and the subsidiaries it controls.

Assurances

As part of its risk coverage policy, WENDEL Investissement has taken out insurance policies with leading companies.

In particular, the contracts cover the following risks:
- damage to property (business premises and/or rental risks) and contents (coverage of approximately 11 million euros), especially material damage to goods and possessions;
- operating liability (coverage of approximately 7 million euros), primarily bodily harm, material and non-material damage caused to a third party;
- Company automobiles and employee travel

In addition, the company has taken out liability insurance for its directors and officers since 2002. This policy covers the Company's directors, its representatives in the management of subsidiaries and affiliates and the actual or potential officers who would be responsible for a professional error committed within the framework of their management or oversight.

Moreover, every controlled company directly manages its own insurance policy and has risk coverage that is perfectly adapted to its needs.

Information on the activities of WENDEL Investissement

Unavailable assets

Assets unavailable as of December 31, 2003 (thousands of euros)

	Period of unavailability		Consolidated value of unavailable assets	Total balance sheet item	% of balance sheet item
	Starting date	Due date			
Intangible assets			–	421,394	0.0%
Tangible assets					
Oranje-Nassau property (mortgage)	–	November 2007	49,000		
Oranje-Nassau property (mortgage)	–	May 2009	10,142		
			59,142	299,560	19.7%
Long-term investments					
Sequestration of7,300,000 Valeo shares	May 2002	May 200	5227,760		
			227,760	1,678,595	13.6%
Unavailable assets / Fixed assets			**286,902**	**2,399,549**	**12.0%**
Unavailable assets / Total assets			**286,902**	**2,802,640**	**10.2%**

Fees paid by the Group to the Auditors and to members of their networks

(in euros)	2003				2002			
	Ernst & Young Audit		PricewaterhouseCoopers		Ernst & Young Audit		PricewaterhouseCoopers	
	Amount	%	Amount	%	Amount	%	Amountt	%
Audit								
▪ Audit, certification, study of parent company and consolidated financial statements	722,560	70	148,550	64	447,500	94	186,745	50
▪ Miscellaneous services	149,620	14	80,400	34	26,500	6	173,000	47
Subtotal	**872,180**	**84**	**228,950**	**98**	**474,000**	**100**	**359,745**	**97**
Other services								
▪ Legal, tax, social	60,000	6	4,925	2	–	–	11,650	3
▪ Due diligence	100,000	10	–		–	–	–	–
Subtotal	**160,000**	**16**	**4,925**	**2**	**–**	**–**	**11,650**	**3**
Total	**1,032,180**	**100**	**233,875**	**100**	**474,000**	**100**	**371,395**	**100**

Persons responsible for the reference document and the audit of the accounts

Person responsible for the reference document

Ernest-Antoine Seillière, Chairman of the Board of Directors

■ Statement by the Chairman of the Board of Directors

"To the best of my knowledge, the information disclosed in this reference document is correct. It includes all the information required by investors to form an opinion on the assets and liabilities, business, financial condition, results and prospects of the issuer. No information has been omitted that would be likely to alter an investor's opinion."

Ernest-Antoine Seillière

Persons responsible for the audit of the accounts

■ Statutory Auditors

– Ernst & Young Audit
represented by François Carrega
Tour Ernst & Young – 92037 Paris-La-Défense

- first appointed: Ordinary and Extraordinary Shareholders' Meeting of November 15, 1988 (former name: Castel Jacquet et Associés)
- appointment last renewed: Ordinary and Extraordinary Shareholders' Meeting of November 23, 2000
- term of office: 6 years
- end of current term of office: Annual Shareholders' Meeting called to approve the 2006 financial statements.

– PricewaterhouseCoopers Audit
represented by Daniel Chauveau
Tour AIG - 34, place des Corolles
92908 Paris-La-Défense

- first appointed: Ordinary and Extraordinary Shareholders' Meeting of November 24, 1994 (former names: Befec-Mulquin et Associés, Befec-Price Waterhouse)
- appointment last renewed: Ordinary and Extraordinary Shareholders' Meeting of November 23, 2000
- term of office: 6 years
- end of current term of office: Annual Shareholders' Meeting called to approve the 2006 financial statements.

■ Alternate auditors

– Barbier Frinault & Autres
represented by Michel Léger
41 rue Ybry – 92576 Neuilly-sur-Seine

- first appointed: Ordinary and Extraordinary Shareholders' Meeting of November 23, 2000
- term of office: 6 years
- end of current term of office: Annual Shareholders' Meeting called to approve the 2006 financial statements

– Jean-François Serval
114 rue Marius Aufan – 92300 Levallois-Perret

- first appointed: Ordinary and Extraordinary Shareholders' Meeting of June 13, 2002
- term of office: 6 years
- end of current term of office: Annual Shareholders' Meeting called to approve the 2007 financial statements

Information Officer

Gérard Lamy,
Investor Relations
Tel.: 33 1 42 85 30 00

Statement by the Auditors

This is a free translation into English of the Statutory Auditors' statement issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

In our capacity as statutory auditors of WENDEL Investissement and in compliance with COB regulation 98-01 (Commission des Opérations de Bourse), we have examined in accordance with professional standards applicable in France the information about the financial position and the historical accounts included in this reference document.

This reference document was prepared under the responsibility of Ernest-Antoine Seillière, Chairman of the Board of Directors. Our responsibility is to express an opinion on the accuracy of the information about the financial position and the accounts contained in this document.

Our procedures, which were performed in accordance with professional standards applicable in France, consisted of assessing the fairness of the information about the financial position and the accounts and verifying that this information agrees with the audited financial statements, reading the other information contained in the reference document in order to identify any material inconsistencies with the information about the financial position and the accounts, and reporting any manifestly incorrect information that came to our attention, based on our overall knowledge of the Company as acquired during our audit. This document of reference contains no isolated forward-looking data resulting from a structured development process.

We also audited the financial statements for the reporting periods ended June 30, 2001, December 31, 2002, and December 31, 2003, and the consolidated financial statements for the fiscal years ended December 31, 2001, 2002 and 2003, as approved by the Board of Directors and presented according to French accounting policies and principles. Our audits were performed in accordance with generally accepted auditing principles in France. Our reports on these financial statements were free of any qualification or observation.

Paris, May 14, 2003

In application of article L.225-235 of the Code de Commerce on the justification of the auditors' opinion, introduced by the law on financial security of August 1, 2003, and applicable for the first time for the year ended December 31, 2003, we inform you of the following items in our general report and in our report on the consolidated financial statements.

– Concerning the financial statements

The accounting policies and principles are presented in the notes to the financial statements, in particular those governing equity holdings. In our appreciation of the accounting policies and principles, we verified the appropriateness of these accounting methods and checked their correct application and the reasonable character of the estimates proposed.

– Concerning the consolidated financial statements

Notes 1 and 2 to the consolidated financial statements present the accounting policies and principles applied, in particular those governing goodwill and long-term investments. In our appreciation of the accounting policies and principles, we verified the appropriateness of these accounting methods and checked their correct application and the reasonable character of the estimates proposed.

Our appreciation of these items is part of our general audit on the financial statements and the consolidated financial statements in general, and therefore contributed to our unqualified opinion expressed in the first part of this report.

Based on the procedures described above, we have nothing to report with respect to the accuracy of the information about the financial position and the financial statements contained in this reference document.

The Statutory Auditors

PricewaterhouseCoopers Audit
Daniel Chauveau

Ernst & Young Audit
François Carrega

This annual report includes, on page 122, the Auditors' report on the financial statements drawn up in application of the last paragraph of article L.225-235 of the Code de Commerce on the report of the Chairman of the Board of Directors of WENDEL Investissement describing the internal control procedures used to prepare and process accounting and financial information.

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AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The original French version of this report was registered with French stock market authorities (L'Autorité des Marchés Financiers - AMF) on May 17, 2004, pursuant to regulation n° 98-01. It can only be used to support a financial transaction if it is accompanied by a specific document approved by the AMF.

Notes

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All the information in WENDEL Investissement's 2003 annual report is available online at
www.wendel-investissement.com

Design and production: **w**printel - Paris
Photographs: Philippe Couette - WENDEL Investissement Photo Library
English translation: Thomas Michael Gunther - Paris and PricewaterhouseCoopers Audit