Registration document 2012

including the annual financial report

WENDEL

“Investing for the long term is a rewarding enterprise”

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WENDEL

Registration Document 2012

This registration document contains the entire contents of the Annual Financial Report.

Profile

The Wendel Group is a professional shareholder and investor that fosters sector-leading companies in their long-term development.

Committed to a long-term relationship, Wendel helps design and implement ambitious and innovative development strategies that create significant value over time.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The original French version of this report was registered with the French stock exchange authorities ("Autorité des Marchés Financiers" - AMF) on April 8, 2013, pursuant to Article 212-13 of the AMF General Regulation.

Only the original French version can be used to support a financial transaction, provided it is accompanied by a prospectus (note d'opération) duly certified by the Autorité des Marchés Financiers.

This document was produced by the issuer, and the signatories to it are responsible for its contents.

Copies of this registration document may be obtained free of charge at **www.wendelgroup.com.**

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1.1 Key figures

The Group's financial indicators.

2012 in figures

In 2012, the Wendel group continued to strengthen its financial structure by reducing debt, extending its debt maturities and improving its overall financial structure. These initiatives have been underway since 2009 and are enabling Wendel to pursue its diversification strategy and to realize new investments.

Consolidated sales

In millions of euros as of December 31	2012	2011	2010
	6,702	5,953	5,068

Excluding businesses sold, in compliance with IFRS 5.

Net income from business sectors*

In millions of euros as of December 31	2012	2011	2010
TOTAL	**448**	**514**	**443**
of which Group share	238	321	255

* *Defined in note 39, section 5.*

Net income

In millions of euros as of December 31	2012	2011	2010
TOTAL	**337**	**648**	**1,144**
of which Group share	221	525	1,002

Net Asset Value

In euros per share as of December 31	2012	2011	2010
	116.2	74.3	97.4

Gross assets under management

In millions of euros as of December 31	2012	2011	2010
	9,921	8,687	11,138

Changes in Wendel's gross debt*

In millions of euros as of December 31	2012	2011	2010
	3,981	4,734	6,315

* *Wendel's gross debt, including accrued interest, is the sum of its bond debt, its bank debt, and the non-recourse debt incurred to finance the Saint-Gobain acquisition.*

Ratings

Standard & Poor's ratings as of April 11, 2012:

Long term: BB with stable outlook

Short term: B

1.2 Corporate history

The Wendel group was founded in the Lorraine region in 1704. For 270 years, it developed its business in diverse activities, notably within the steel industry, before focusing on long-term investing.

A central force in the development of the French steel industry, the Wendel group diversified at the end of the 1970s. Today the company is dedicated to the success of diversified international leaders (electricity, electronics and aerospace - certification - materials and specialty chemicals for construction - energy - high-performance coatings - business services - industrial bakery equipment).

From 1704 to 1870, the Group took advantage of the major inventions that spurred on the expansion of its iron and steel activities: coke iron, widespread use of blast furnaces and rolling mills, the development of railroads, etc.

In the 20th century, hard hit by two world wars that bled the Lorraine production facilities dry, the Group recovered and began to grow again. The creation of the Sollac production cooperatives in 1948, followed by Solmer in 1969, helped meet the growing demand for sheet steel. Between 1950 and 1973, it was at the height of its power. In 1975, it produced 72% of French crude steel.

In 1974, the sudden rise in oil prices led to a widespread economic crisis. The French steel industry was faced with a serious downturn. Fixed steel prices and investment in modernization drained the industry's financial lifeblood.

In 1975, Marine-Wendel was created when the Wendel group took over the holding company Marine-Firminy. The coexistence of the Group's steel industry assets (Sacilor, Forges et Aciéries de Dilling, etc.), alongside its diversified activities (Carnaud, Forges de Gueugnon, Oranje-Nassau, Cimenteries de l'Est, several mechanical engineering companies, etc.) came to an end during the European steel crisis of 1977, and the Group was broken up into two entities. By transferring all of 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.

In June 2002, Marine-Wendel and CGIP merged, and the new entity took the name of WENDEL Investissement. The industry approach and focus of our management teams on long-term corporate development has helped give our Group a strong, clearly-identified image. This strong positioning as a professional shareholder that understands industry prompted us to propose, at your June 4, 2007 Annual Meeting, that the legal name of the Company be simplified from "WENDEL Investissement" to "Wendel", so as to emphasize our long-term industrial values anchored in our centuries-old history.

1.3 Business

Wendel is one of Europe's leading investment companies in size, with close to €11 billion in assets under management at end-March 2013. The investment team is composed of around 20 experienced professionals. The team members have varied and complementary profiles and include former consultants, company executives, investment bankers, financial analysts, public service managers and operations managers from a broad array of industrial and service sectors. As such, they capitalize on their experience and the network of contacts they have developed during their professional career. The team thus has both in-depth industry knowledge and recognized financial expertise. Its business approach and strategy aim to foster the emergence of companies that are leaders in their sector and to accompany their development in the medium or long term, particularly by encouraging innovation and boosting productivity. An analytical team reviews each investment proposal and the enterprise's growth prospects. It then either rejects the proposal or undertakes a more in-depth study and presents it to the Investment Committee, composed of seven Managing Directors and the two members of the Executive Board. Wendel is both a shareholder and an active partner. It supports the management of the companies in which it invests, gives them responsibility and works with them over time to achieve ambitious growth and shareholder value objectives. Wendel invests in leading companies and in companies with the potential to become leaders.

Wendel also has the special characteristic that it is a long-term investor with permanent capital and access to the capital markets. It is supported and controlled by Wendel-Participations, a stable family shareholder structure with more than 300 years of history in industry and more than 30 years of investment experience.

1.4 Message from Ernest-Antoine Seillière

"A milestone"

Ernest-Antoine Seillière – Chairman of the Supervisory Board until March 27, 2013 – Honorary Chairman of Wendel

Wendel continued to grow over the year while remaining true to its nature as a long-term investor, providing unbridled support to its subsidiaries and associated companies, which include a number of industry leaders we are proud of.

Our very presence alongside these large groups and smaller companies with a bright future reaffirms Wendel's time-honored industrial traditions.

As I turn 75 and continue our family tradition by stepping down and passing the baton, I would like to take a moment to retrace the steps that brought Wendel to where it is today, and which mark out the path that we will continue to follow over the years to come. When I took over the reins of Wendel at the end of the 1970s, with the benevolent support of Pierre Celier and Jean Droulers, our group was still reeling from the French State's decision to nationalize, without compensation, all steel production activities, ending almost 300 years of family and industrial heritage. I brought together around 20 disparate companies, the majority of which had been drained of their lifeblood or were making losses, and upon the family's request, began laying the foundations upon which we would rebuild our company. This first stage was not the easiest.

After this, I worked with talented entrepreneurs and companies, which, in our eyes, held promise of a bright future. I was privileged enough to meet exceptional individuals and brilliant CEOs with strong personalities, such as Serge Kampf, Carlo de Benedetti and Alain Mérieux, with whom Wendel worked to participate in the development of CapGemini, Valeo, BioMérieux and Stallergenes. I even had the honor of attracting the attention of David Rockefeller and Paul Desmarais, who, for a time, were our partners. And I have not forgotten Jean-Marie Descarpentries who helped Wendel become the leader in metallic packaging, Noël Goutard, Bernard Renard and Albert Saporta.

In the 2000s, when our companies were facing some hardship, we decided to implement a major strategic shift, facilitated by credit. We divested more than €4 billion worth of assets, reinvesting in large companies in which we would become a lead shareholder. This decision shaped our entry into the capital of Legrand, our 100% ownership of Bureau Veritas, and our acquisition of Editis, Deutsch and Stahl – all exceedingly successful companies run by CEOs such as Frank Piedelièvre, Gilles Schnepp and Alain Kouck. Buoyed by the euphoric economic environment and the audacity of Jean-Bernard Lafonta, these choices turned out to be beneficial. In the space of a few years, Wendel's value tripled, giving the Group the wherewithal it needed in the second half of 2007 – an unpropitious time – to enter into the capital of Saint-Gobain. In so doing, we succeeded in circling back to Wendel's industrial origins via our investment in a global group active in the fundamental and promising fields of construction and habitat.

The crisis that hit at the end of 2007 posed great difficulties for us: our company's financial equilibrium came under pressure, we faced unjustified legal challenges and attacks from the media, and our management was shaken up. Nevertheless, we did not let adversity defeat us. We concentrated all our efforts on giving Wendel the vision and resources it needed to summon its strength and pursue its strategy. Thanks to Frédéric Lemoine and Bernard Gautier's skilled and capable management, Wendel rapidly rose to the challenge, as it has done so many times over the last few centuries. We brought our debt under control, while managing highly successful exits from certain investments at the same time that we used our expertise to detect high-potential companies in which to invest. In the last 35 years, Wendel has contributed to creating tens of thousands of jobs and has supported the development of French companies which are today's global leaders. Over the same period we have created wealth for our shareholders. Looking back over our annual reports since 1977 in preparation for stepping down, I estimate that Wendel's value has increased 80 times over the last three decades, not to mention the hundreds of millions of euros we have distributed to our shareholders.

As would be expected of a large industrial family at the core of the European economy, Wendel has always assumed its responsibilities. It has done so because, like today, its shareholder family's trust and support have never faltered. It has done so because it has always been faithful to its values and its roots, in particular in the Lorraine region. Our support of the Centre Pompidou-Metz, which earned us the distinction of "*Grand Mécène de la Culture*" in 2012, illustrates the place the family is keen to maintain in the history of a region in which our own story began. It will now do so under the chairmanship of my cousin François de Wendel.

I would like to end this message with an observation I believe is of critical importance:

In our exciting and demanding world, in which capitalism has conquered the planet, innovation has given rise to an economic revolution, and globalization is imperative, we need to pay special attention to the men and women at every level in our company. We must choose them well and respect them. We must ensure that they are skilled, motivated and happy. We must continually endeavor to strike the right balance between the demands of facts and figures and the real people behind them. Above all we must at times allow intuition to overrule reason, because in business we need to know how to make our own luck, the luck that we deserve.

1.5 Message from the Chairman of the Supervisory Board

François de Wendel – Chairman of the Supervisory Board since March 27, 2013

For companies as for nations, passing the baton is a crucial moment. After more than 30 years at the helm of Wendel, Ernest-Antoine Seillière is retiring. He joined Wendel when the French steel industry was a shambles and led the Group through one of the most tumultuous periods in its history. Owing to a series of successful initiatives, the Wendel group began to re-emerge in the 1980s: new management teams were put in place at the few subsidiaries that were left in the Group, with outstanding individuals heading them; Wendel entered sectors at the forefront of innovation such as information technology and biology and, in so doing, created new jobs by the thousands; finally, Wendel rapidly acquired, merged and consolidated companies, giving rise to industry leaders.

At the end of the 20th century, Wendel had made some particularly brilliant investments, including Bureau Veritas, Stallergenes and Legrand. After 2000, the *modus operandi* was changed. A holding company with little debt that intentionally held minority positions in the companies in which it invested was transformed into an investment company using leverage to take control of companies with the potential to be leaders. The path to renewal and success was sometimes challenging – similar, in that way, to our long history. But we can't build a cathedral if we have a fear of heights.

Remarkable industry leaders such as Jean-Marie Descarpentries, Serge Kampf, Bernard Renard, Albert Saporta, Frank Piedelièvre and Gilles Schnepp are the pillars of that cathedral. With the limited perspective we have, we can see a kind of baroque splendor in what Mr. Seillière and his cohort of entrepreneurs constructed.

What form will our architecture take tomorrow?

Now, under the watchful gaze of Frédéric Lemoine and Bernard Gautier, Wendel's windows are opening onto the world. Indeed, as soon as he arrived, Frédéric Lemoine was intent on bringing transparency to Wendel. During the current Executive Board's first term, debt had to be paid down. Now Wendel can once again explore, invest and expand its horizons. One of the keys to its success will be to work with exceptional men and women who understand the importance of building for the long term and who are ready to travel to the ends of the earth to find growth, inventiveness and value, to propose innovative products and services, to create jobs and to infuse value into high-quality assets. To design and bring this grand plan to fruition, Frédéric Lemoine and Bernard Gautier have assembled a bold, young team.

They can count on the support of all shareholders, be they members of the Wendel family or not. We wish them every success.

1.6 Message from the Chairman of the Executive Board

"I am confident in Wendel's ability to grow and develop for the benefit of its shareholders, while remaining faithful to its 300-year history and its forward-looking values."

Frédéric Lemoine – Chairman of the Executive Board

2012 was another good year. The world economy seemed to bounce from one crisis to another, but Wendel steadily lightened its debt and initiated a new investment cycle, while creating significant value for shareholders.

Naturally, we are dependent on the world around us. The global economy slowed considerably in 2012, with growth declining to 2.9%. The US economy showed its uncanny ability to re-enter the virtuous circle of growth and optimism, but remains threatened by public deficits. Emerging economies saw a year of contrasts: favorable conditions in Russia and Africa, but a slowdown in China – pending political changes – and an unequivocal disappointment in Brazil. Europe has had trouble working through its problems and France, shunted about by announcements from the previous government and then from the new government, did only slightly better than the still-struggling Southern Europe. So caution is the watchword. The European construction and residential renovation markets continued to suffer in 2012. Saint-Gobain, Materis and Legrand once again experienced very low volumes, which were more or less offset by their flexible cost structures, depending on the circumstances. Mecatherm also had a tough year, as industrial bakeries in Europe had trouble obtaining bank financing.

Nevertheless, during this time, we took advantage of the US recovery and sold Deutsch at terms that everyone agreed were excellent. Having received proceeds of nearly a billion euros in April, we were able to close the over-indebted chapter of our company's existence. In the space of four years, gross debt has been reduced by €4.5 billion. Together with Bernard Gautier, we have postponed maturity dates, reduced interest expense and divested assets at the right time from both financial and industrial points of view.

Diversification was the other reason for Wendel's positive 2012 results. Although Europe and the construction industry remained depressed, Bureau Veritas posted a year of strong organic growth, right in line with its new strategic plan. It made some promising acquisitions and derived 55% of its net sales from emerging economies. Stahl and Parcours also had a very good year, as did Materis' ParexGroup and Chryso divisions. Even though these divisions operate in the construction industry, their businesses are oriented largely toward China, Latin America, India and Africa.

We decided to take this diversification a step further. In 2012, Oranje-Nassau Développement made its first direct investment in an emerging market country, becoming the largest shareholder of IHS, a company that installs and manages telecom towers. IHS is reaping the full benefit, in particular in Nigeria, Côte d'Ivoire and Cameroon, of the extraordinary growth of mobile telephone services in Africa, central to the continent's development.

The Executive Board, whose members' terms have been renewed for four years, presented a strategy that will enable Wendel to travel much further down the path of diversification and internationalization. The Supervisory Board is fully behind this strategy. Specifically, we are ready to invest €2 billion over the next four years. We will invest in Europe of course, but also in North America, where we are opening an office, and in emerging markets, in particular in Africa. We will continue to look for promising, well-run, unlisted companies with exposure to the most promising sectors and regions.

At the same time, we will continue to improve our finances with the aim of returning to investment grade status during this new term. Finally, we will propose a significant increase in the dividend to shareholders (€1.75 per share, up 35%). Thereafter, we wish to continue rewarding our often very faithful shareholders by increasing the dividend, more modestly, but regularly.

As we open a new international chapter in Wendel's history, we are also passing a significant milestone in our corporate governance. In this regard, I would like to express the company's gratitude and admiration for Ernest-Antoine Seillière, who stepped down, as planned, from his position of Chairman of the Supervisory Board on March 27, 2013. We all feel deep affection for him, because it was he who relaunched Wendel and led the company with vision, brio, kindness and benevolence. I would like to add my most heartfelt personal thanks, because over the last four years, he has always been available to listen and to exchange ideas with the Executive Board, while adhering scrupulously to our respective roles. On numerous occasions, this has enabled us to benefit from his long experience and his open-minded approach to the world.

François de Wendel, our new Supervisory Board Chairman, knows us well and knows that he and the rest of the Board, and indeed all shareholders, be they family, individuals or institutional investors, can count on the Executive Board's complete determination and on its ambition for Wendel. We believe strongly in the economic and social value of our role as long-term investor. From our base in France, where we hope the government will not overly hinder our business activity, we will project ourselves increasingly onto the world stage, while remaining focused on the success of approximately 15 companies. We are privileged to have a highly-skilled team, our finances are on a sound footing and the companies we now hold have great potential for growth and profitability. Accordingly, I am confident in Wendel's ability to grow and develop for the benefit of our shareholders, while remaining faithful to our 300-year-old history and the values that will stand us in good stead for the future.

March 28, 2013

1.7 Corporate governance

Wendel's corporate governance is guided by the same principles as those upheld by the Group as a "shareholder of choice": transparent dialogue, the recognition that managers and shareholders are independent and fulfill different roles, shared responsibility, and individual engagement.

Since 2005, Wendel has been a *société anonyme* with an Executive Board and a Supervisory Board.

1.7.1 The Supervisory Board and its committees

1.7.1.1 The Supervisory Board

The Supervisory Board exercises permanent oversight of the Executive Board's management of the Company. The Board's internal regulations set forth the rights and responsibilities of its members.

As of December 31, 2012, the Company's Supervisory Board had nine members serving four-year terms.

Two Works Council representatives also attend Board meetings in a consultative role.

François de Mitry tendered his resignation with effect September 13, 2012, because he had been appointed to an investment fund. Ernest-Antoine Seillière will not seek renewal of his term, which expires at the end of the May 28, 2013 Shareholders' Meeting. Édouard de L'Espée will seek renewal of his term during that Meeting.

At the end of 2012, the nine members of the Supervisory Board included two women.

So as to bring the number of Board members back to 11, three new members will be submitted to a vote of shareholders at the May 28, 2013 Meeting: Laurent Burelle, an independent member, and two members who are family shareholders, Bénédicte Coste and Priscilla de Moustier.

Ernest-Antoine Seillière is the Chairman of the Supervisory Board until March 27, 2013. François de Wendel, who until then was Vice-Chairman of the Supervisory Board, was appointed Chairman at the March 27, 2013 meeting. Upon the proposal of the new Chairman, Mr. Seillière was named Honorary Chairman and Dominique Hériard Dubreuil was appointed Vice-Chairman of the Board. The Vice-Chairman is appointed by the Supervisory Board. Under Article 13 of by-laws, he fulfills the same functions and has the same powers as the Chairman in the event the Chairman is unable to carry out his duties or temporarily delegates his powers to him.

The Supervisory Board members are:

Ernest-Antoine Seillière (2013)*, Honorary Chairman of Wendel since March 27, 2013

François de Wendel, Chairman of the Supervisory Board since March 27, 2013

Dominique Hériard Dubreuil (2014), independent director, Vice-Chairman of the Supervisory Board since March 27, 2013

Gérard Buffière (2015), independent director

Nicolas Celier (2014)

Didier Cherpitel (2015), independent director

Édouard de L'Espée (2013)

Guylaine Saucier (2014), independent director

Humbert de Wendel (2015)

Secretary of the Supervisory Board:

Caroline Bertin Delacour

In 2012, the Supervisory Board met nine times.

1.7.1.2 The Supervisory Board committees

To fulfill its mission as effectively as possible, the Supervisory Board relies on two committees: the Audit Committee and the Governance Committee.

Each member of the Supervisory Board is a member of a committee.

The Audit Committee

The Wendel Audit Committee audits the financial reporting process, ensures that internal control and risk management are effective and monitors the proper application of the accounting methods used in drawing up parent company and consolidated accounts. It verifies the independence of the Statutory Auditors.

It mandates an independent auditor to appraise net asset value on a regular basis.

* *In parentheses: year in which the member's term ends.*

The Audit Committee has five members:

Guylaine Saucier, Chairman

Nicolas Celier

Édouard de L'Espée

Gérard Buffière

Humbert de Wendel

Secretary of the Audit Committee:

Patrick Bendahan until June 2012. Caroline Bertin Delacour from June 2012.

In 2012, the Audit Committee met six times.

The Governance Committee

Among the tasks of Wendel's Governance Committee are to propose or recommend procedures for compensating Executive Board members and to express a view on any issue pertaining to Company governance or the operation of its statutory bodies and, at the Board's request, to address any ethical issues.

The Governance Committee, which includes the functions attributed by the Afep/Medef Code to a Compensation Committee and an Appointments Committee, has three members:

Didier Cherpitel, Chairman

Dominique Hériard Dubreuil

François de Wendel

Jean-Marc Janodet until June 4, 2012

François de Mitry until September 13, 2012

Secretary of the Governance Committee:

Caroline Bertin Delacour

In 2012, the Governance Committee met nine times.

1.7.2 The Executive Board

The Supervisory Board appoints members of the Executive Board to four-year terms on the recommendation of its Chairman. The terms are renewable. The age limit for members of the Executive Board is 65.

The Executive Board has two members:

Frédéric Lemoine

Chairman since April 7, 2009, renewed on April 7, 2013

Bernard Gautier

Member since May 31, 2005, renewed on April 7, 2013.

Secretary of the Executive Board: Bruno Fritsch

The terms of the Executive Board members expire on April 7, 2017.

In 2012, the Executive Board met 28 times.

1.8 Internal organization

Led by the Executive Board, Wendel's management team is composed of men and women with diverse and complementary career paths. To ensure that decisions are made as a team, an Operations Coordination Committee meets weekly, and smooth communication within the team of more than 80 people is ensured at all times. The team is articulated around two key committees: the Investment Committee and the Management Committee.

1.8.1 The Investment Committee ■

Made up of the Executive Board members and seven Managing Directors, the Investment Committee meets three times per month to work on the selection and preparation of the Group's investments. It examines plans to divest assets and regularly reviews the position of the Group's principal investments.

1.8.2 The Management Committee ■

The Management Committee meets once every two weeks. It is composed of the members of the Executive Board, the Chief Financial Officer, the General Counsel, the Managing Director in charge of operating resources, the Tax Director and the Director of Communication and Sustainable Development. It makes decisions regarding the organization and the Group's day-to-day operations.

1.8.3 The Operations Coordination Committee

The Operations Coordination Committee, made up of the members of the Executive Board and the heads of all Wendel departments, meets once a week. Its role is to act as a hub of cross-company information and sharing to ensure the free flow of information throughout the Company.

1.8.4 International presence □

Wendel has offices outside France for its holding companies and its service activities. The two oldest international locations are the Netherlands (since 1908) and Luxembourg (since 1931). Since 2007, Wendel has opened offices in Germany (Frankfurt) and Japan (Tokyo). It continues to expand internationally and will soon have a presence in North America and Singapore.

1.8.5 Teams

Wendel's team leaders and principal members

Frédéric Lemoine ■ ■

Chairman of the Executive Board

Frédéric Lemoine joined Wendel in 2009. He previously served as Chairman of the Areva Supervisory Board and Senior Advisor at McKinsey. Prior to that, he was Group VP in charge of Finance for CapGemini and then deputy General Secretary to French President Jacques Chirac. He began his career as a finance inspector before directing a hospital in Vietnam and participating in hospital reform in two government ministries. He is a graduate of HEC, IEP Paris and ENA and holds a law degree.

Bernard Gautier ■ ■

Member of the Executive Board

Bernard Gautier joined Wendel in 2003. Previously, he was General Partner for the Atlas Venture funds, heading their Paris office. He began his career by creating a media company. He then spent 20 years in organization and strategy consulting, first employed as a consultant by Accenture, in the media and services sector, and then by Bain & Co., where he became a Senior Partner. He is a graduate of the École supérieure d'électricité.

Christine Anglade Pirzadeh ■

Director of Communications and Sustainable Development

Christine Anglade Pirzadeh joined Wendel in 2011. She was previously Director of Communications at the Autorité des Marchés Financiers (AMF) from 2000. She began her career on the editorial staff of "Correspondance de la Presse" and served as Policy Officer in the French Prime Minister's Media Office from 1998 to 2000. She holds a Master's degree in European and International Law from the University of Paris I and a Master's degree (DEA) in Communication Law from the University of Paris II.

Stéphane Bacquaert ■

Managing Director, in charge of development in Africa

Stéphane Bacquaert joined Wendel in 2005. He held previous positions as a Partner of Atlas Venture, a consultant for Bain & Co. and the CEO of NetsCapital, a merchant bank specializing in Technology, Media and Telecommunications. He is a graduate of École Centrale Paris and IEP Paris and holds an MBA from Harvard Business School.

Patrick Bendahan

Director, Secretary of the Audit Committee until June 2012

Patrick Bendahan joined Wendel in 2006. He began his career in 2002 at Compagnie Financière Edmond de Rothschild before being named Vice-President at ING in 2003 on the Acquisition Finance team, where he was actively involved in the structuring of six LBOs in the fields of construction, industry, transportation and the specialized press. He also performed consulting work for several companies. He is a graduate of HEC.

Caroline Bertin Delacour ■

Director of Ethics and Legal Affairs, Secretary of the Supervisory Board and its committees

Before joining Wendel in 2009, Caroline Bertin Delacour practised law for over 20 years, specializing in tax and business law at the law firms of Cleary Gottlieb Steen & Hamilton and August & Debouzy.

She holds a Master's degree in Business Law from Université de Paris II Panthéon-Assas, a postgraduate degree in Applied Tax Law from Université de Paris V Rene Descartes and an LLM from New York University.

Olivier Chambriard ■

Managing Director

Olivier Chambriard joined Wendel in 2002. Previously, he worked in corporate finance in London with CSFB and Deutsche Morgan Grenfell, specializing in the advanced technologies sector, after holding executive positions in two SMEs. He is a graduate of Essec and holds a postgraduate degree in tax and business law. He also obtained an MBA from Harvard Business School.

David Darmon ■ □

Managing Director, in charge of development in North America, and head of the New York office

David Darmon joined Wendel in 2005. He was previously a Principal of Apax Partners, where he specialized for six years in LBO transactions, particularly in the TMT and distribution sectors. He began his career in M&A at Goldman Sachs in London. He is a graduate of Essec and holds an MBA from Insead. He was a member of the Investment Committee throughout 2012 and has headed the New York office since January 1, 2013.

Bruno Fritsch □

Director, Head of the Singapore office

Bruno Fritsch joined Wendel in 2007 and is in charge of developing the Group's activities in the Asia-Pacific region. After beginning his career at L'Oréal, Mr. Fritsch was then a consultant at Bain & Company, where he carried out commercial due diligence assignments on behalf of investment funds in Europe and the United States. He was also responsible for strategy and operational efficiency, in particular in the Technology-Media-Telecoms sector. He then worked in business development as Vice-President of Asian Business Bridge, an SME development accelerator in Asia. In this capacity, he created two mobile telephone and internet advertising companies in Hong Kong and Shanghai. He was Secretary of Wendel's Executive Board from 2009 to 2013 and is currently a member of Stahl's Board of Directors and an Observer on the Supervisory Board of exceet. Mr. Fritsch is a graduate of Essec and has an MBA from Rotterdam School of Economics. He will head up the Singapore office beginning in 2013.

Jean-Yves Hemery ☐

Oranje-Nassau International Delegate, Manager of Benelux locations

Jean-Yves Hemery joined the Wendel group in 1993 as Deputy General Secretary at Marine-Wendel, after seven years spent working for the French tax authority and three years at Pechiney. He is a graduate of École Nationale des Impôts and also holds a degree in Economics. He is a member of the Board of Directors of several Group subsidiaries and is in charge in particular of Oranje-Nassau's business locations in the Benelux.

Makoto Kawada ☐

Managing Director, in charge of business development in Japan, CEO of Wendel Japan

Kawada San joined Wendel in 2008. He gained experience in cross-border M&A and project finance with Fuji Bank (now Mizuho) in Japan, where he began his career in 1984. After a period at the IFC, he joined Basic Capital Management in 2003, taking over as CEO from 2005 to 2008. He holds an MBA from Wharton and a degree in Economics from Waseda University.

Roland Lienau ■ ☐

Managing Director, in charge of business development in Germany, head of the Frankfurt office

Roland Lienau joined Wendel in 2008. He has acquired over 20 years of experience in primary and secondary capital markets in Germany. Previously, he was in charge of capital markets for Deutsche Bank in Frankfurt after holding positions at Enskilda Securities, Enskilda Effekten and, later, Paribas, where he was in charge of equity and bond markets. He is a graduate of ESCP Europe.

Laurent Marie

Director of Financial Communication

Laurent Marie joined Wendel in 2009. He started his career as a financial analyst in 1999 at Financière de l'Échiquier, a portfolio management company, before continuing with several European financial institutions (Crédit Lyonnais Securities Europe in Paris, Enskilda Securities Paris, from 2001 to 2003, Oddo Securities Paris from 2003 to 2006). Specializing in French and international investment companies, Laurent Marie began covering this sector and the media sector in 2006 at Cheuvreux, a European brokerage firm in the Crédit Agricole group. He received the top-ranking European Financial Analysis Award from Agefi in 2004 and 2005 as an analyst specializing in Media. He is a graduate of Cesec (Groupe ESC Normandie) and holds a BA (Hons) from Leeds Metropolitan University.

Peter Meredith ■

Tax Director

Peter Meredith joined Wendel on March 1, 2013. As Tax Director of the Bouygues Construction group (2005-13), CapGemini (2000-05) and GTM group (1989-2000), Peter Meredith has been in charge of tax issues related to both French and international contexts. He holds a Master's degree (DEA) in comparative law.

Jérôme Michiels ■

Managing Director, Secretary of the Investment Committee

Jérôme Michiels joined Wendel at the end of 2006. From 2002 to 2006, he was a *chargé d'affaires* with the investment fund BC Partners. Prior to that, he worked as a consultant in the Boston Consulting Group from 1999 to 2002, carrying out strategic missions in Europe, particularly in the fields of distribution, transportation, telecommunications and financial services. He is a graduate of HEC.

Shigeaki Oyama ☐

Chairman of Wendel Japan, Special Adviser for Japan

A 1967 graduate of the University of Tokyo, Oyama San began his career in the Numerical Control department of Fujitsu, which later became Fanuc LTD, the world's largest industrial robotics manufacturer. After 39 years of experience encompassing R&D, sales, production and technology development, he was named Senior Executive Vice-President of GE Fanuc Automation North America in the USA in 1997. In 1999 he was appointed President and in 2003, Chairman of Fanuc Ltd.

Jean-Michel Ropert ■

Chief Financial Officer

Jean-Michel Ropert began his career at Wendel in 1989. He holds a degree in Finance and Accounting. Previously in charge of accounting and the production of consolidated financial statements, Jean-Michel Ropert took over as CFO in 2002, when Marine-Wendel merged with CGIP. He is currently a member of several audit committees and boards in Wendel group subsidiaries and associates.

Patrick Tanguy ■ ■

Managing Director, in charge of operational resources, Head of development in India

Before joining Wendel in 2007, Patrick Tanguy was a senior executive in several industrial groups, serving consecutively as Head of Sales and Marketing for Steelcase-Strafor; CEO of Airborne, a subsidiary of that group; CEO and then Chairman of Dafsa; and head of Technal, Monne-Decroix and Prezioso Technilor. He began his career at Bain & Co. in 1984, where he was appointed Partner in 1990. He is a graduate of HEC.

Dirk-Jan van Ommeren ■ □

Managing Director, CEO of Oranje-Nassau

Dirk-Jan van Ommeren joined the Wendel Group in 1996. After a career of some 30 years in Dutch banking (AMRO Bank, Westland/Utrecht Hypotheekbank, Amsterdamse Investeringbank), Dirk-Jan Van Ommeren is currently a Director of several Dutch companies and organizations. He is Chairman of Stahl and a member of the Board of the Oranje-Nassau Développement companies.

1.9 Investment model and business development strategy

Wendel's know-how consists in selecting leading companies, making a long-term investment and helping to define ambitious strategies, while implementing a clear, explicit shareholder approach. To successfully execute its long-term investment strategy, Wendel has several strengths: a stable, family shareholder base, permanent capital and a portfolio of companies that lends the Group a very broad geographical and sectoral view. Since 1977, Wendel's international investment teams, with their complementary profiles and expertise, have invested in a great number of successful companies, including CapGemini, BioMérieux, Reynolds, Stallergenes, Wheelabrator, Valeo, Afflelou, Editis and Deutsch.

1.9.1 Active partnering with portfolio companies

Wendel's investment and business development strategy is based on close communications with the managers of the companies it invests in. This partnership is central to the process by which value is created. Wendel provides constant and active support, shares risks and contributes its experience and financial and technical expertise. In the same vein, Wendel can reinvest and support companies when the economic and financial conditions or the company's business development projects demand it. Since 2009, Wendel has invested €720 million, of which more than €300 million has been reinvested in Saint-Gobain, Materis, Stahl and Deutsch in equity and in debt.

Wendel is represented in the Boards of Directors and key committees – audit, governance, and strategy – of its investments, in proportion to its stake. It can therefore take part in the most important decisions made by each company without ever taking the place of its management.

1.9.2 Principles for our role as long-term shareholder

Wendel upholds the shareholder's charter it established in 2009, which includes five major principles.

- **active involvement in designing and implementing company strategies** through our participation on the Boards of Directors and key committees of the companies in which we have invested;
- **firm, long-term commitments** to our partner companies by supporting their development, fostering their exposure to strong-growth regions, and allocating time and resources to the innovation cycle;
- **constructive, transparent and stimulating dialogue** with management while constantly questioning ingrained habits and rethinking models against the yardstick of global best practices;
- **everyday loyalty** through effective relationships built on trust that recognize the respective roles of shareholders and managers;
- **a guarantee of shareholder stability** and the common cause of a long-term partner who doesn't hesitate to make a financial commitment during tough times.

1.9.3 Seeking diversified investments

Over the next four years, Wendel will be aiming first and foremost to create value by developing existing assets over the long term. Since 2009, Wendel has restored its strong financial structure, notably by reducing its debt by more than 50%. It has thus regained room for maneuver to properly develop a diversified portfolio of companies. Its strategy is to acquire companies, principally unlisted, in the €200-500 million range in equity and to pursue diversification and innovation through Oranje-Nassau Développement.

With its renewed room for maneuver, Wendel is now ready to invest €2 billion over the next four years. This amount might be divided equally between Europe, North America and emerging economies, in particular in Africa. At the same time, Wendel's financial structure should steadily improve. This should put the Group's loan-to-value ratio firmly below 35% and enable it to obtain long-term financing at favorable terms and to return to investment grade status.

1.9.3.1 Investment profile

Wendel invests for the long term as the majority or leading shareholder in listed or unlisted companies that are leaders in their markets, in order to boost their growth and development.

The Wendel group has an investment model chiefly focused on companies with a majority of the following characteristics:

- located in countries that are well known to Wendel, based in particular in Europe, North America or new economies, with partners who already have a strong presence there;
- strong international exposure;
- led by high-quality management teams;
- first or second in their market;
- operating in sectors with high barriers to entry;
- sound fundamentals and in particular, recurrent and predictable cash flows;
- offering high potential for long-term profitable growth, through both organic growth and accretive acquisitions; and
- significant exposure to markets undergoing rapid growth and/or major, long-term economic trends.

As a long-term shareholder, Wendel particularly favors certain circumstances, such as:

- control or joint control immediately or in phases;
- a need for a long-term, principal shareholder;
- opportunities for further reinvestment over time to accompany organic or external growth.

Lastly, Wendel does not invest in sectors whose reputation would be detrimental to the Company's image or its values.

1.9.3.2 Oranje-Nassau Développement

In early 2011 Wendel created Oranje-Nassau Développement to take advantage of opportunities for growth, diversification or innovation.

The amounts invested through this structure will be smaller than the investments made directly by Wendel. Oranje-Nassau Développement has been very active since it was created in 2011. For a total invested equity of around €400 million, it acquired Parcours, an independent specialist in long-term vehicle leasing to corporate customers; exceet, the European leader in embedded intelligent electronic systems; the Mecatherm group, the world leader in equipment for industrial bakeries; and IHS, the leading supplier of telecom infrastructure in Africa. IHS represents Wendel's first direct investment in Africa, and the acquisition is due to be finalized in April 2013.

1.9.3.3 Acquisitions by Group companies

Growth by acquisition is an integral part of the development model of Wendel group companies. Our companies made 26 acquisitions in 2012, and all of them plan to achieve a non-negligible share of their growth through acquisitions, focusing on small or medium purchases, which create the most value. Wendel's teams assist Group companies in their search for accretive acquisitions, in deploying their acquisition strategy and in arranging the required financing.

1.9.3.4 An entrepreneurial model

Wendel has set up co-investment systems to allow its principal managers to invest their personal funds in the same assets in which the Group invests and be involved in the creation of value in the Group. This gives the executives a personal stake in the risks and rewards of these investments. Various mechanisms also exist to allow senior managers to participate in the performance of each entity. For listed subsidiaries and associates (Bureau Veritas, Legrand and Saint-Gobain), these mechanisms consist in stock-option and/or bonus share plans. For unlisted subsidiaries (Materis, Mecatherm, Parcours and Stahl), the participation policy is based on a co-investment mechanism through which these executives may invest significant sums alongside Wendel. In return, they have a profit profile that depends on the internal rate of return (IRR) achieved by Wendel in the investment concerned. These systems are described in section 5, note 4 of this registration document.

1.9.3.5 Creating and returning value to shareholders

The value created by Wendel is returned to shareholders in two ways. Firstly, the value of the Group's assets increases, manifested by Wendel's net asset value and its share price. Secondly, Wendel pays dividends and buys back shares. Since June 2002, the total shareholder return on Wendel shares (TSR) has been 14% p.a. whereas during the same time, the TSR on the CAC 40 has been only slightly positive. Since 2009, the ordinary dividend paid to shareholders has risen from €1 to €1.75 per share (subject to shareholder approval at the Annual Meeting on May 28, 2013). Wendel's objective regarding the dividend is to increase it regularly every year.

1.10 Corporate Social Responsibility (CSR) in Wendel's activities

Through its long-term involvement, Wendel encourages its companies to practice corporate social responsibility (CSR), while defining for itself a CSR policy in line with its role as investor carried out by a tightly-knit team of professionals. More detailed information related to sustainable development is provided in section 3 of this registration document.

1.10.1 Wendel's involvement with its subsidiaries to integrate CSR issues

As a shareholder, the Wendel group does not take part in the day-to-day management of its subsidiaries, but verifies that CSR issues (environmental, social, corporate governance) are gradually integrated into their risk management and business development processes through constant dialogue with the management teams.

In 2009, Wendel signed the charter of the AFIC, the French association of private equity firms. The charter is a public commitment to a set of responsibilities regarding, among other things, the promotion of sustainable development.

As a shareholder, Wendel studies CSR risks and opportunities throughout the life cycle of its investments and in particular:

- at the time of acquisition:

  in analyzing the risks related to the business of companies in which it is considering an investment, Wendel examines environmental and social issues;

- when supporting companies over the long term:

  the responsibility for managing CSR issues is assumed directly by the management teams of the various companies; nevertheless, as a professional shareholder, Wendel monitors and encourages the sustainable development policies of its subsidiaries and associated companies on two subjects in particular: employee safety and the environmental issues related to the products and services developed and distributed by the company.

  - Wendel's management is particularly attentive to indicators of workplace safety and security, because it considers them to be an excellent proxy for how well the management team runs the company. At Materis, for example, the accident frequency rate is one of the criteria for determining management's variable compensation. At Wendel's request, Stahl's Board of Directors has been tracking this indicator since 2006, when Stahl joined the Wendel group.

  - The environmental dimension is gradually being taken into account in the design of the products and services of Wendel's various subsidiaries. Bureau Veritas provides its customers with solutions for constant operational improvement in the areas of hygiene, healthcare, safety, security and the environment. Parcours encourages its customers to adopt an environmental approach by including advanced features in its long-term leasing services, such as the teaching of eco-driving skills to its customers' employees. Eighty percent of Stahl's products are now designed without solvents. Materis' strategy is to develop innovative products that introduce new functions and are longer lasting – and therefore more respectful of the environment during their life cycle – and meet French "high environmental quality" (HQE) standards. Nearly 70% of Legrand's design offices contribute to increasing the proportion of eco-designed products in the solutions it offers, i.e. products that demonstrate reduced environmental impact. Finally, a significant portion of Saint-Gobain's sales is linked to energy-saving solutions or solutions producing clean energy and thereby protecting the environment.

Our listed companies – Saint-Gobain, Legrand and Bureau Veritas – publish exhaustive sustainable development data in their annual and sustainable development reports. For Bureau Veritas, Materis, Stahl, Mecatherm and Parcours, of which Wendel is the majority shareholder, highlights of their sustainable development policies are presented in Wendel's registration document.

1.10.2 A CSR approach adapted to a tightly-knit team of professionals

Wendel offers its employees the best working environment possible, with career advancement opportunities for all. Employee development and employability are priorities for Wendel. The Company encourages training for example, and more than one-third of all employees received external training in 2012.

In an effort to help employees better reconcile their professional responsibilities with their family life, the Company has endeavored since 2010 to obtain and finance daycare services for the children of employees who request them. Wendel has so far been able to satisfy all employee requests for daycare for one or more children. These employees represent 13% of the workforce.

1.10.3 A limited environmental footprint

Wendel's own activity has little impact on the environment. Nevertheless, the Company pays attention to environmental issues within its reach. A waste sorting policy was instituted in 2011 and in 2012 Wendel carried out an assessment of its greenhouse gas emissions, so as to optimize its efforts to reduce its energy bill and level of waste production.

1.10.4 Wendel is committed to helping the community

Wendel's commitment to the community is reflected in its support of projects in the higher education and cultural spheres. In addition to providing financial support spread over several years, Wendel contributes actively to the development of its partner institutions. Frédéric Lemoine represents the Group on the Boards of Directors of Insead and the Centre Pompidou-Metz.

Supporting Insead since 1996

In 1996, Insead created a teaching chair for family-owned businesses; Wendel has been a partner from the start. In 2005, Insead inaugurated its International Center for Family Enterprise, which organizes events and teaching programs for family businesses around the world.

www.insead.edu/facultyresearch/centres/wicfe/index.cfm

Founding sponsor of Centre Pompidou-Metz

Since the opening of Centre Pompidou-Metz in 2010, Wendel has offered its support to this emblematic institution that promotes and widens the access to culture, through a renewable five-year commitment. It is the most frequently visited exhibition space in France, outside of the Greater Paris region.

In recognition of its long-term patronage of the arts, the Minister of Culture awarded Wendel the distinction of "Grand Mécène de la Culture" on March 23, 2012.

www.centrepompidou-metz.fr

1.11 Subsidiaries and associated companies

A balanced, diversified portfolio

The companies in the Wendel group share three strengths: they are leaders in their industries; they use innovation as the cornerstone of their development; and they overcame the downturn, while seizing new opportunities for growth*.

Bureau Veritas	
Share of equity owned by Wendel***	50.9%
Business	Certification and verification
Capital invested**	€446 million
Date of first investment	January 1995
Saint-Gobain	
Share of equity owned by Wendel***	17.3%
Business	Production, transformation and distribution of building materials
Capital invested**	€5.1 billion
Date of first investment	September 2007
Legrand	
Share of equity owned by Wendel***	5.5%
Business	World leader in products and systems for low-vltage installations
Capital invested**	€108 million
Date of first investment	December 2002
Materis	
Share of equity owned by Wendel	75.5%
Business	Specialty chemicals for construction
Capital invested**	€362 million
Date of first investment	February 2006
Stahl	
Share of equity owned by Wendel	91.5%
Business	High-performance coatings and leather-finishing products
Capital invested**	€137 million
Date of first investment	June 2006

* *All information regarding the competitive positioning and market shares of Group companies, as well as certain financial information, derives from the companies themselves and has not been verified by Wendel.*

** *Amount of equity invested by Wendel as of December 31, 2012, for the equity investment held at that date. The acquisition of IHS will be finalized in the first half of 2013.*

*** *Percentage holding before taking into account treasury shares*

Oranje-Nassau	Since 1908
Oranje-Nassau Développement	
Wendel created this structure in early 2011 to take advantage of opportunities for growth, diversification or innovation.	
Parcours	
Share of equity owned by Wendel	95.7%
Business	Long-term vehicle leasing to corporate customers
Capital invested**	€107 million
Date of first investment	April 2011
exceet	
Share of equity owned by Wendel	28.4%
Business	Design of embedded systems
Capital invested**	€50 million
Date of first investment	July 2011
Mecatherm group	
Share of equity owned by Wendel	98.1%
Business	Industrial bakery equipment
Capital invested**	€112 million
Date of first investment	October 2011
Van Gansewinkel Groep	
Share of equity owned by Wendel	8%
Business	Waste collection and processing
Capital invested**	€37 million
Date of first investment	January 2006
IHS	
Share of equity owned by Wendel	>30%
Business	Mobile telephone infrastructure in Africa
Capital invested**	$176 million
Date of first investment	March 2013

* *All information regarding the competitive positioning and market shares of Group companies, as well as certain financial information, derives from the companies themselves and has not been verified by Wendel.*

** *Amount of equity invested by Wendel as of December 31, 2012, for the equity investment held at that date. The acquisition of IHS will be finalized in the first half of 2013.*

*** *Percentage holding before taking into account treasury shares*

1.11.1 Bureau Veritas

Bureau Veritas pursues its growth and global leadership strategy

Bureau Veritas is the world's second-largest provider of compliance and certification services in the areas of quality, health, safety, environment and social responsibility (QHSE). The group now derives 54% of its sales from high-growth countries.

Bureau Veritas in brief

Present in 140 countries	1,330 offices and laboratories	59,000 employees	400,000 customers
€3,902 million in sales in 2012	€403 million in attributable adjusted net income	Stake held by Wendel: 50.9%	Amount invested* by Wendel: €446 million since 1995

* *Amount of equity invested by Wendel as of December 31, 2012, for the equity stake held at that date.*

Why did we invest in Bureau Veritas?

Bureau Veritas is ideally positioned in markets driven by structural long-term trends. QHSE regulations and standards are proliferating and becoming tougher to meet. Increasingly, certification and inspection activities are being outsourced. Health and environmental protection standards are becoming more stringent. And trade has become global.

Since it was founded in 1828, Bureau Veritas has gradually built up its globally renowned expertise. The market that Bureau Veritas addresses has numerous barriers to entry. Operating certification and approval are mandatory in each country. Service providers must offer a comprehensive range of inspection services (in particular for major clients) and extensive geographical coverage both locally and internationally, They must provide high value-added solutions through first-rate technical expertise and enjoy a reputation of independence and integrity. Wendel gradually increased its holding in Bureau Veritas. When it made its initial €25 million investment in 1995, obtaining 19% of the share capital, Bureau Veritas generated annual sales of less than €400 million. Wendel then supported the company's growth, until it held 99.2% of the capital in 2004. In 2007 Bureau Veritas was listed on the stock exchange at a price of €37.75 per share, enabling it to continue its international expansion.

Highlights of 2012

Didier Michaud-Daniel was appointed CEO as of March 1, 2012. As Chairman of the Board of Directors, Franck Piedelièvre remains involved in group governance and helped Mr. Michaud-Daniel become acquainted with the company. Under the impetus of Mr. Michaud-Daniel, new projects were launched, in particular the Lean Management initiative aimed at improving customer satisfaction and operating efficiency.

Amid a difficult European economic environment, Bureau Veritas continued to demonstrate its operational quality and ability to pursue growth.

Over all of 2012, Bureau Veritas' sales totaled €3,902.3 million. The 16.2% increase compared with 2011 broke down as follows:

- organic growth of 7.8%, reflecting:
  - sharp growth in the Industry, Commodities, Government Services & International Trade and Consumer Products businesses,
  - a satisfactory level of growth in the Certification and In-Service Inspection & Verification businesses,
  - deterioration in the business volume of the Marine and Construction divisions, as expected;
- a 4.7% impact from changes in the scope of consolidation, with 14 acquisitions including principally AcmeLabs, Tecnicontrol, TH Hill and HuaXia; and
- a positive impact from exchange rates of 3.7% prompted by the strength in the majority of currencies relative to the euro.

Revenue derived from fast-growing zones (Latin America, Asia-Pacific excluding Japan, Eastern Europe, the Middle East and Africa) accounted for 54% of 2012 revenue, up from 50% in 2011.

In view of the deteriorated economic backdrop in Spain, especially in the construction segment, the company has reshaped its portfolio of activities. Bureau Veritas completed the disposal of its infrastructure inspection activity on February 21, 2013, and implemented measures to adapt the size of these operations to market conditions. This resizing prompted exceptional expenses of €64.8 million in 2012, excluded from adjusted operating profit.

Adjusted operating income rose by 17.4% to €639.2 million compared with €544.3 million in 2011. Adjusted operating margin expressed as a percentage of revenue stood at 16.4% in 2012 (16.7% after restatement for the divested Spanish businesses), up 20 basis points from 16.2% in 2011.

Attributable net profit was stable relative to 2011 at €297.6 million. Earnings per share stood at €2.70 compared with €2.72 in 2011. Attributable net profit adjusted for other operating expenses net of tax totaled €402.6 million, up 15.7% relative to 2011. Adjusted earnings per share totaled €3.65 in 2012, up 14.8% relative to 2011 (€3.18).

2012 operating cash flow rose 25.4% to €504.5 million on the back of higher earnings and controlled working capital requirements (WCR). In 2012, WCR totaled €272.8 million, or 7.0% of 2012 revenue, compared with €237.0 million, or 7.1% of 2011 revenue. Net capex rose to €135.3 million (vs. €113.1 million in 2011). The Group's investment rate was 3.5% of revenue, close to the 3.4% reported in 2011.

Levered free cash flow (cash flow available after tax, interest expenses and capex) totaled €326.6 million, up 32.2% relative to 2011.

In view of the company's performance and the free cash flow generated in 2012, Bureau Veritas is to propose a dividend of €1.83 per share at the Shareholders' Meeting scheduled for May 22, 2013. This dividend represents a payout of 50% of adjusted EPS in 2012 and a yield of 2.2% relative to the share price on December 31, 2012 (€84.65).

Outlook for development

Bureau Veritas should deliver solid growth in 2013 revenue and adjusted operating income, in line with the BV 2015 strategic plan and despite an economic environment in Europe that is set to remain challenging.

2015 strategic plan

Bureau Veritas aims by end 2015 to become an international service group with approximately €5 billion in revenue and 80,000 employees worldwide. To meet this target, Bureau Veritas plans on:

- an average of 9-12% revenue growth per year, on a constant-currency basis:
  - two-thirds from organic growth: 6-8% on average per year,
  - one-third from acquisitions: 3-4% on average per year;
- improvement in adjusted operating margin of 100-150 basis points relative to 2011;
- growth in adjusted EPS of 10-15% on average per year between 2011 and 2015.

In millions of euros	2012	2011	Δ
Net sales	3,902.3	3,358.6	+16.2%
Adjusted operating income (1)	639.2	544.3	+17.4%
as a % of net sales	16.4%	16.2%	+20 bps
Attributable adjusted net income (2)	402.6	348.1	+15.7%
Adjusted net financial debt (3)	1,150.7	983.9	+€166.8 million

(1) Bureau Veritas defines "Adjusted" operating income as its operating income before revenue and expenses related to acquisitions and other non-recurring items (indicator not recognized under IFRS).

(2) Bureau Veritas defines attributable "adjusted" net income as attributable net income adjusted for other operating expense net of tax.

(3) Net financial debt after currency hedging instruments as defined in the calculation of bank covenants.

Chief Executive/Chairman

Frank Piedelièvre, Chairman of the Board of Directors

Didier Michaud-Daniel, CEO as of March 1, 2012

Wendel's involvement

Board of Directors: Frédéric Lemoine (Vice-Chairman), Ernest-Antoine Seillière until May 22, 2013, Stéphane Bacquaert, Jean-Michel Ropert, Lucia Sinapi from May 22, 2013 (Deputy CFO of CapGemini)

Strategic Committee: Frédéric Lemoine (Chairman)

Appointments and Compensation Committee: Frédéric Lemoine

Audit and Risk Committee: Jean-Michel Ropert, Stéphane Bacquaert

For more information, please visit: bureauveritas.fr

1.11.2 Saint-Gobain

Saint-Gobain is building our future

Saint-Gobain is the European or global leader in each of its businesses. It designs, manufactures and distributes construction materials with the ambition of offering innovative solutions to the basic challenges of our time – growth, energy savings and environmental protection.

Saint-Gobain in brief

Present in 64 countries	Nearly 193,000 employees	No. 1 worldwide in high-performance materials and insulation	No. 2 worldwide in flat glass and packaging
€43.2 billion in sales in 2012	€1.13 billion in recurring net income	Stake held by Wendel: 17.3%	Amount invested* by Wendel: €5.1 billion since 2007

* *Amount of equity invested by Wendel as of December 31, 2012, for the equity stake held at that date.*

Why did we invest in Saint-Gobain?

By offering solutions adapted to construction markets at varying stages of development Saint-Gobain bases its growth on value-added segments in developed markets and on the expansionary momentum of high-growth countries. With its strategy focusing on housing markets, Saint-Gobain aims to become the leader in sustainable habitat and a model of environmental protection. Accordingly, it develops solutions to help its business customers create and renovate energy-efficient buildings that are healthy, attractive and comfortable, while protecting natural resources.

Saint-Gobain is uniquely positioned to meet these challenges and answer the needs of high-growth markets, with:

- global or European leadership positions in all its businesses, with solutions suited to the needs of local markets;
- solutions combining products and services;
- exceptional potential for innovation, driven by its industrial expertise and acquired skills in Materials;
- a unique portfolio of products and solutions in the energy efficiency sector.

The group has built leadership positions in Habitat by focusing on three main businesses: building products, innovative materials and specialized distribution. It benefits from extremely strong growth drivers in the current environment: highly innovative products, increasingly demanding energy efficiency standards in developed countries, and exposure to Asia and high-growth countries.

Highlights of 2012

In a difficult economic environment and after a broadly satisfactory start to the year, Saint-Gobain's businesses were hit as from the second quarter by the deteriorating economic climate in Europe and by difficult trading in Flat Glass, in both Europe and Asia and emerging countries.

Full-year sales totaled €43.2 billion, up 2.6% and reflecting favorable currency fluctuations as well as contributions from acquired companies.

Barring Interior Solutions and Packaging (Verallia), all of Saint-Gobain's Business Sectors and Divisions saw sales decline over the year as a whole, affected by the slowdown in industrial and residential construction markets in Western Europe. While Latin America picked up in the second half, markets in Asia and emerging countries remained stable overall in 2012, but with wide disparities from one country to another. Only North America remained upbeat, fuelled by the ongoing upturn in housing and despite tough 2011 comparatives for this market (roofing renovations had been boosted in this prior period by severe storms).

For the full year, Saint-Gobain posted negative organic growth of 1.9%, with volumes down 3.6% and prices up 1.7%. A buoyant first quarter limited the contraction in organic growth in the first half to 0.8% (volumes down 3.0% and prices up 2.2%), while in the second half, sales contracted organically by 2.9% (volumes down 4.2% and prices up 1.3%).

- Innovative Materials sales fell -4.4% on a like-for-like basis, hit by tough trading in Flat Glass throughout the year (down 6.6%) and by the slowdown in High-Performance Materials (down 1.7%), particularly in Western Europe, despite a vigorous first quarter.
- Construction Products (CP) like-for-like sales dipped 1.3%, due to the decline in sales volumes in Western Europe and Asia throughout 2012, which rising prices could not offset.
- Building Distribution saw a 2.0% dip in like-for-like sales. This performance reflected the gradual deterioration in market conditions across all Western European countries as from the second quarter, not entirely offset by sales prices. Over all of 2012, only Germany, Scandinavia, the US and Brazil continued to report positive organic growth.
- Packaging (Verallia) delivered 3.5% organic growth, buoyed by a strong uptrend in sales prices in the main countries in which it operates. Trading remained brisk in the United States, France and Brazil, but fell back in Southern and Eastern Europe.

In 2012 Saint-Gobain continued to pursue the following strategies:

- refocusing on Habitat: Saint-Gobain entered a new phase in this strategy, with the signature of an agreement concerning the sale of Verallia North America on very favorable pricing terms ($1.7 billion, or 6.5 x EBITDA). This transaction also enables Saint-Gobain to reinforce its balance sheet and consolidate its financial strength;
- development in high-growth countries, energy efficiency and energy markets and Building Distribution: €1.3 billion invested in 2012, or 66% of Saint-Gobain's capital expenditure and acquisitions.

Squeezed by both a decline in sales volumes and a sharply negative cost/price spread in Flat Glass, operating income shed 16.3% to €2.88 billion. Consequently, the operating margin was 6.7% (8.5% excluding Building Distribution) compared to 8.2% (10.9% excluding Building Distribution) in 2011.

Faced with deterioration in the economic climate as from the second quarter in Western Europe and in Flat Glass generally, Saint-Gobain quickly implemented a new, €520 million cost-cutting program over the whole year. Primarily focused on Western Europe, Asia and emerging economies (for Flat Glass and Pipe in particular) the program will be extended and intensified in 2013, bringing its full-year impact (in 2013) to €1,100 million (calculated on the 2011 cost base), instead of the €750 million initially planned.

At its meeting of February 20, Saint-Gobain's Board of Directors decided to recommend to the June 6, 2013 Shareholders' Meeting a dividend of €1.24 per share at the June 6, 2013 Shareholders' Meeting, unchanged from 2011. The Board also decided that shareholders may receive their dividends in cash or in shares, at their own discretion. The dividend represents 58% of recurring net income and 85% of net income.

Outlook for development

For 2013, Saint-Gobain is anticipating:

- recovery in its operating income in the second half, after it bottomed out between mid- 2012 and mid-2013;
- a high level of free cash flow, namely as a result of a €200 million reduction in capital expenditure;
- a robust balance sheet, strengthened by the disposal of Verallia North America.

In millions of euros	2012	2011	Δ
Net sales	43,198	42,116	+2.6%
Operating income	2,881	3,441	-16.3%
as a % of net sales	6.7%	*8.2%*	- 150 bps
Net income (1)	1,126	1,736	-35.1%
Net financial debt	8,490	8,095	+€395 million

(1) Excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions.

Chief Executive/Chairman

Pierre-André de Chalendar, Chairman and CEO

Wendel's involvement

Board of Directors: Frédéric Lemoine, Bernard Gautier, Gilles Schnepp (Chairman and CEO of Legrand)

Financial Statements Committee: Frédéric Lemoine

Appointments and Compensation Committee: Bernard Gautier

Strategic Committee: Frédéric Lemoine

For more information, please visit: saint-gobain.com.

1.11.3 Legrand

A profitable, value-creating growth strategy

Legrand is a global specialist in electrical and digital building infrastructures. It derives its growth from innovation, regularly introducing new, high value-added products to the market and acquiring promising companies in its industry. As the world leader in wiring devices and cable management, Legrand enjoys local leadership positions that provide it with a solid footing.

Legrand in brief

Present in over 70 countries	Sales in almost 180 countries	35,000 employees, including 2,100 in R&D	Over 4,000 active patents
€4.47 billion in sales in 2012	€506 million in attributable net income	Stake held by Wendel: 5.5%	Amount invested* by Wendel: €108 million since 2002

* *Amount of equity invested by Wendel as of December 31, 2012, for the equity stake held at that date.*

Why did we invest in Legrand?

Founded in 1926, Legrand is the world leader in wiring devices and cable management, with 20% and 13% market shares, respectively. Legrand offers roughly 200,000 product references in around 78 product families and a portfolio of nationally and globally known brands. With 4.6% of its 2012 sales devoted to R&D and more than half of its capex dedicated to new products, Legrand's innovation capacity is substantial. The company offers a complete range of control and command products and systems, cable management and energy and "voice-data-image" distribution tailored to international low voltage markets for industrial, office and residential sites. Whether in its sophisticated systems for digital connection and transmission, safety, design, user-comfort or environmental protection, Legrand stays one step ahead of market trends while developing innovative solutions for home systems, digital networks and energy efficiency.

Legrand operates on a very fragmented market with high barriers to entry. Electrical standards differ from one country to another, as do regulations and esthetic choices. Manufacturers must provide customers with a broad range of products and systems offering multiple functionality. Finally, these same providers must establish good relationships with many market participants, from local distributors to electrical installers to business referral partners to end users.

Wendel co-invested €659 million alongside KKR in December 2002, giving it joint control of Legrand. The two partners then relisted the company on the stock exchange in April 2006, while maintaining joint control over the company. Beginning in November 2009 Wendel and KKR decided to gradually reduce their holding in the capital of this very successful company, which joined the CAC 40 in December 2011 (KKR has now exited completely).

Highlights of 2012

Reported 2012 figures show a 5.1% year-on-year rise in sales to €4,466.7 million. Sales at constant scope of consolidation and exchange rates declined 1.4%, reflecting the less buoyant global economy in 2012. Changes in the scope of consolidation made a 4.5% growth contribution, while exchange rates had a positive impact of 1.9%.

Total sales in new economies grew nearly 13.5% for the year, or 3.6% at constant scope of consolidation and exchange rates, with strong showings in Russia, India and China as well as Mexico, Chile and Saudi Arabia. This healthy rise strengthens Legrand's presence in these fast-growing markets where it holds many leading positions, and thus structurally improves its growth profile: new economies accounted for 38% of Legrand's sales in 2012, up from 35% in 2011 and 17% a decade ago.

Construction volume in the mature countries where Legrand operates is on average close to 30% lower than in 2007 (residential and non-residential construction expenditures, according to Global Insight). The decrease has been steeper in Southern Europe (Spain, Greece and Portugal) and although conditions for a recovery are not present in these markets, this substantial decline represents potential for a medium-term recovery.

Legrand continued to develop in new business segments: digital infrastructures, energy performance, home systems and wire-mesh cable management continued to expand, underpinned by lasting changes in technology and society. In 2012, sales in these new business segments accounted for 25% of Legrand's total sales, up from 22% in 2011 and 10% a decade ago.

In 2012 Legrand actively pursued its innovation effort – one of its two growth engines – spending close to 5% of sales on R&D and dedicating more than half of its investments to new products, which accounted for 37% of sales.

Legrand has also pursued its strategy of targeted, self-financed acquisitions of small and mid-size companies offering high growth potential and strong market positions. Since January 2012, Legrand has announced the acquisition of five companies with total annual acquired sales of over €180 million.

Adjusted operating income came to €874 million, or 19.6% of sales (19.9% excluding acquisitions), illustrating the quality of Legrand's commercial positions, its ability to keep pricing management under control, the effectiveness of its ongoing productivity initiatives, and its capacity to adapt.

Considering Legrand's 2012 achievements, and in particular its net income of €506 million – a record high – the Board of Directors will ask shareholders at their General Meeting to approve a dividend of €1.00 per share, up 7.5%, payable on June 3, 2013.

Wendel and KKR had signed a shareholders' agreement in March 2011 for five years. Following the sale by KKR of its 4.8% stake in Legrand on March 5, 2012, this agreement and its corresponding concert group were terminated. Wendel continues to be a shareholder of Legrand with 5.5% of its share capital, and is represented by two directors on its Board. Wendel also plays and active role in the governance of the company, as it is present on each of the Board's committees.

Outlook for development

Macro-economic forecasts for 2013 remain varied: possible acceleration in the pace of growth in new economies in the course of the year, continued recovery in residential construction in the United States, and continuing uncertainty for trends in other mature economies. Against this backdrop and in an industry with no order book, Legrand has set its 2013 targets for organic [(1)] growth in sales at between -2% and +2% and for adjusted operating margin before acquisitions at between 19% and 20% of sales.

Moreover Legrand will pursue its value-creating acquisition policy.

Medium-term targets confirmed

In recent years, Legrand has demonstrated the soundness of it business model. In a stabilized macroeconomic environment, Legrand is confident in its capacity to create value on a sustainable basis through profitable, self-financed growth and confirms its medium-term targets [(2)].

In millions of euros	2012	2011	Δ
Net sales	4,467	4,250	+5.1%
Adjusted operating income [(1)]	874	857	+2.1%
as a % of net sales	*19.6%* [(2)]	*20.2%*	*-60 bps*
Attributable net income	506	479	+5.6%
Net financial debt	1,083	1,269	-€186 million

(1) Figures restated to account for amortization of intangible assets revalued during acquisitions and the income/expenses related to these acquisitions (€28.5 million and €26.4 million in 2011 and 2012, resp.), as well as goodwill impairment, where applicable (€15.9 million in 2011 and zero in 2012).

(2) 19.9% excluding acquisitions (at 2011 scope of consolidation).

Chief Executive/Chairman

Gilles Schnepp, Chairman and CEO

Wendel's involvement

Board of Directors: Frédéric Lemoine, Patrick Tanguy

Appointments and Compensation Committee: Frédéric Lemoine (Chairman)

Audit Committee: Patrick Tanguy

Strategic Committee: Frédéric Lemoine

For more information, please visit: legrand.com

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

(2) Total annual average growth in sales of 10% excluding exchange-rate effects or major economic downturn, and average adjusted operating margin of 20% including small and medium-size bolt-on acquisitions.

1.11.4 Materis

Materis drives growth through innovation

Materis, an international leader in specialty construction materials, has four businesses: admixtures (Chryso), aluminates (Kerneos), mortars (ParexGroup) and paints (Materis Paints). Materis has more than 100 brands recognized on their respective national markets.

Materis in brief

10,000 employees	4 independent companies	No. 1 worldwide in aluminates No. 4 worldwide in admixtures	No. 4 in Europe in paints No. 4 worldwide in mortars
€2,072 million in sales in 2012	€9.8 million net loss from business sectors	Stake held by Wendel: 75.5%	Amount invested* by Wendel: €362 million since 2006

* *Amount of equity invested by Wendel as of December 31, 2012, for the equity stake held at that date.*

Why did we invest in Materis?

Materis is one of the world leaders in specialty materials for construction, with leadership positions in aluminates, admixtures, mortars and paints.

Materis enjoys high barriers to entry resulting from global coverage, innovative and high value-added products, outstanding quality of service, recognized brands, and close relationships with its clients. Materis has also built a portfolio of premium brands and an integrated distribution network of nearly 400 sales outlets in Europe (paints) and 1,000 in China (mortars). It has leadership positions in high-growth regions, where 30% of its sales are generated (30-50% for certain businesses, excluding paints), with margins comparable to those in mature markets.

Materis is a company that thrives on innovation; it continuously develops new formulations so as to offer the most appropriate solutions to its clients' needs. For example, in energy savings, Materis offers external insulation solutions for painters, façade workers and restorers working on new construction or renovating old buildings.

Highlights of 2012

In a volatile economic environment, Materis's businesses saw organic growth in emerging markets, which was virtually offset by the slowdown in mature regions.

In 2012, Materis's net sales grew by 2.2% to €2,072 million. From an organic standpoint, sales were stable, declining 0.2%, and Materis made two strategic acquisitions: Suzuka in China (mortars) and Elmin in Greece (aluminates). All Materis divisions benefited from continued high growth in emerging economies (9.7% organic growth) which offset deterioration in mature economies (-3.5% organic growth), resulting from a decline in volumes, principally in the paints business.

In 2012, the Aluminates, Admixtures and Mortars businesses continued to generate record industry profitability. Materis' EBITDA totaled €258 million (12.5% of sales) and its adjusted operating income was €189 million (9.1% of sales). Highlights by division were as follows:

- **ParexGroup** (Mortars) posted sales of €713 million, up 12.4% overall and 7.3% organically, benefited from favorable industry conditions in emerging economies (up 18%) and the beginnings of a recovery in the United States, buoyed by growth in end-markets, price adjustments and market share gains that more than offset a significant decline in Spain and lesser decline in France. ParexGroup also benefited from the successful integration of Suzuka, leader in organic texture coatings in China, enabling it to build on its already significant presence in that country. In 2012, EBITDA was €99 million (13.9% of net sales), up 8%;
- **Kerneos** (Aluminates) posted net sales of €368 million (up 2.1% overall but down 3.0% organically). Growth at Kerneos was driven by significant price adjustments, favorable currency effects and robust volumes in chemicals for the building industry in the United States, the United Kingdom, Russia, Germany and China. These factors offset lower volumes in refractories resulting from a slowdown in the production and storage of steel. EBITDA was €74 million (20.0% of net sales), up 1.8%. In 2012, Kerneos acquired Elmin, the leading exporter of monohydrate bauxite, which secures its long-term access to a key raw material;
- **Chryso** (Admixtures) posted net sales of €238 million (up 2.0% overall and up 2.9% organically). Favorable growth at Chryso was due to healthy business conditions in emerging market countries (India, South Africa, Morocco, Turkey, Eastern Europe), a relaunch of the business in the United States, price adjustments, which offset a contraction in Southern European markets, and a slightly unfavorable currency effect. EBITDA was €35 million (14.6% of net sales), stable compared with 2011;

- **Materis Paints** posted net sales of €773 million, down 5.2%. Sales at Materis Paints contracted significantly as a result of the difficult economic climate in Southern Europe (Spain, Portugal, Italy) and a decline in France. These factors led to a sizable drop in volumes and to unfavorable mix effects (down 11%), partially offset by significant price adjustments (up 6%) intended to pass on the sharp rise in titanium dioxide costs. EBITDA was €59 million (7.7% of net sales), down 14%. To restore its margins, Materis Paints, now headed by the new CEO Bertrand Dumazy, initiated a high-impact performance enhancement program. The gross amount of benefits is estimated at €36 million; €26 million were already achieved in 2012 and another €10 million are expected to be realized in 2013.

As of the end of 2012, Materis' net financial debt was €1,913 million. In May 2012, Materis successfully rescheduled its bank debt, capping negotiations with a pool of 199 lenders launched in September 2011, 18 months before the first repayment dates. The agreement postponed the 2013-15 maturities to 2015-16 and increased the company's sources of liquidity. 90% of senior loans, 99% of second-lien maturities and 100% of mezzanine debt were postponed under the agreement. Wendel and its co-shareholders injected €25 million in equity to finance Materis' expansion (acquisitions and capital expenditures), and made an interest-bearing, €50 million credit facility available. In early 2013, optimization plans were launched in all divisions, and the one in the Paints division was intensified.

In millions of euros	2012	2011	Δ
Net sales	2,072	2,027	+2.2%
EBITDA (1)	258.2	259.4	-0.5%
as a % of net sales	12.5%	*12.8%*	- 30 bps
Adjusted operating income (1)	188	194.3	-2.9%
as a % of net sales	9.1%	*9.6%*	-50 bps
Net income from business sectors	-9.8	29.4	
Net financial debt	1,913	1,839	+€74 million

(1) EBITDA and adjusted operating income before goodwill allocation entries, management fees and non-recurring items.

ParexGroup: Emerging economies and energy-saving products as growth drivers

ParexGroup produces ready-to-use mortars for the construction industry. The mortars can be used for decorating and insulating façades, tiling, and repairing or waterproofing concrete. The products are manufactured using precise technical specifications, with up to 20 raw materials including sand, cement, lime, chemical additives and pigments. ParexGroup is positioned in the specialized industrial mortars segments. With 3,500 employees, 56 production units in 20 countries and two R&D centers in France and China, ParexGroup has well-known, market-leading local brands in France, North and South America and Asia.

ParexGroup benefits from the growth in the construction industry and the momentum of its own markets: demand for innovative solutions, reliable, ready-to-use products and systems that conform to new energy-saving requirements. Its ability to launch innovations and quickly transfer its technologies from one country to another has enabled ParexGroup to expand rapidly. A leader in the mortars industry, ParexGroup is continuing to develop its presence throughout the world, in particular in emerging market countries (44% of its activity). For example, in China, it achieved sales of €60 million in 2012. ParexGroup has experienced remarkable growth in China, with business volumes increasing nearly fivefold in only five years. Alongside its four factories and R&D center in the country, ParexGroup has rapidly developed an exclusive distribution network for its products – a network that has doubled in size in two years and now has 1,000 stores across China.

ParexGroup also produces textured acrylic coatings for exterior insulation and products for façades that are in line with the latest energy-saving norms. This market segment is destined for strong growth. It already represents almost 20% of ParexGroup's activity in façade products and will reach 25% in the next two years. For more than 10 years, ParexGroup has achieved a consistent, robust financial performance, doubling its sales and operating income while consistently generating significant operating cash flow.

Kerneos: Very encouraging outlook for development

World leader in a niche market, Kerneos designs specialty calcium aluminate products. Its 1,300 employees around the world manufacture products boasting multiple properties that are the fruit of a century of research, development and innovation. Kerneos is firmly rooted in two industries – construction and refractories – which respectively represent 40% and 46% of its sales and profitability. The remaining 14% of Kerneos' sales derive from very specific products for sanitation systems and steel desulphurization. Kerneos has three major strengths:

- it conducts one-third of its business in emerging economies, with a strong presence in China, representing 15% of its total sales and operating income;
- its unique product range and ability to innovate have enabled it to double its number of products in 10 years;
- Kerneos has maintained the quality of its finished products while continuing to tighten costs, for example by using recycled, alternative raw materials and recycling waste.

In the construction sector, calcium aluminates are added to mortars to reduce setting time, control shrinkage and prevent efflorescence. Kerneos is the only company that manufactures around the world and owns a central research laboratory (in Lyon) and application laboratories near to its customers – two development laboratories (China and US), and four laboratories in India, Russia, South Africa and Brazil. Kerneos significantly improves its customers' work-site productivity by speeding up their construction processes. The North American market is still relatively immature in terms of the penetration of calcium aluminates, and offers significant growth potential in the renovation market. Kerneos leverages its strengths in innovation and technical expertise to support its customers as they expand internationally and to introduce calcium aluminate cement technologies in emerging market countries.

In the refractories sector, Kerneos' products are used to make ovens for the steel, glass, energy and cement industries. Calcium aluminates provide resistance to high temperatures (up to 1,600°C/2,900°F) and thermal shock. Technological innovation is Kerneos' principal growth driver. Refractory bricks are increasingly being replaced with concrete, which for the large part contains calcium aluminates. Calcium-aluminate-based refractory concrete offers a cost-effective response to the demand for easy-to-use products that will stand the test of time. In this sector, Kerneos sells products in more than 100 countries, including the United States – where it is the only company that manufactures domestically – and generates 48% of its sales in emerging economies, primarily in China.

In 2012, Kerneos made a strategic acquisition by becoming the majority shareholder of a leading producer of monohydrate bauxite in Greece, thus securing long-term access to one of its most important raw materials.

Chryso: Innovation and emerging economies as growth drivers

Chryso produces admixtures, which when added to concrete or cement (itself a constituent of concrete), give them specific properties. Thanks to the use of admixtures, modern concrete is now attaining unparalleled levels in many areas including mechanical performance, workability and durability, against a backdrop of increasing constraints. The admixtures used in cement-making have a variety of properties that principally decrease energy consumption during the manufacturing process and increasingly reduce the carbon footprint for each ton of cement produced.

Chryso offers custom-made products with high technological value, adapted to its customers' local needs and to the specific requirements of each country (climate, type of raw materials, performance levels required) and to each major customer category. Chryso's customers are all companies in the concrete (ready-to-use and pre-manufactured) and cement industries and general construction companies that make concrete on-site for infrastructure projects, in particular in emerging economies where the ready-to-use concrete industry is not always well-structured.

With 1,000 employees and a direct presence via its manufacturing and sales subsidiaries in 14 countries, Chryso derives half of its sales in emerging economies, and generates an operating margin that is one of the best among producers of specialty chemicals for the construction industry. Chryso's development is based on two growth drivers:

- its exposure to emerging economies enables it to take advantage of the pressing need for infrastructure and housing, which buoys the demand from cement and concrete companies. The share of sales attributed to these emerging market countries is expected to reach 60% within five years. Chryso is also aiming to strengthen its positioning as a high-end specialty provider. As demand for sustainable construction soars, construction materials are becoming increasingly sophisticated. The construction materials of the future will consume less energy, be quicker and easier to use and more respectful of the environment. Chryso is well-positioned to operate in this changing market thanks to its significant capacity for innovation. Its R&D investments represent 3% of its sales, and almost 40% of Chryso's sales derive from products that are less than five years old;

- its ability to rapidly detect specific customer expectations and efficiently transform them into new products distributed worldwide, for which it needs an agile organization and proximity to its customers. This strength is one of Chryso's key performance drivers.

Materis Paints: Adapting to be ready for a medium-term recovery in the renovation market

Materis Paints manufactures, sells and distributes decorative paints in a global market valued at €35 billion. The paints market is highly competitive, with companies operating at international, regional and local levels. Considered a regional company, Materis Paints has a strong geographical presence in Europe: 66% of its activity is in France, 22% in Southern Europe, 4% in the rest of Europe and 8% in emerging economies. Materis Paints is the fourth- largest market participant in Europe.

Materis Paints operates in the construction market, which includes housing starts and, more predominantly, home renovations. It is generally accepted that a home needs repainting on average every eight years, and more often if the occupant changes. This timeframe can be shorter or longer depending on the country's economic activity, household confidence and purchasing power. Nevertheless, even if a renovation is put off until later, it will be done eventually.

The customers of Materis Paints are both professionals and consumers. They expect product quality, availability and excellent customer service, which Materis Paints provides through its portfolio of high-end brands, with local brands in the top three of each of its markets, for example Tollens in France, Robbialac in Portugal, and Claessens in Switzerland. Another of Materis Paints' major strengths is that it controls 60% of its distribution, with 400 integrated stores, giving it significant insight into customer needs. 28% of its sales come from independent retailers and 11% from large DIY stores. Materis Paints' innovation focuses on developing a high-potential one-stop-shop concept, in which its stores sell paint (78% of sales) but also tools, floor and wall coverings, and thermal insulation (22%).

For more than 10 years, Materis Paints has posted average annual sales growth of 9.4%. Its profitability suffered in 2011 and 2012 for two reasons: firstly, due to its significant exposure to southern Europe, which was a vector for high growth in the last decade, but which has since been experiencing difficult economic conditions. Since 2008, sales have fallen by almost a third in Italy and by half in Spain and Portugal combined. To compound the problem, the price of titanium dioxide, a crucial raw material in manufacturing decorative paints, has almost doubled in the last three years.

After a difficult 2012, 2013 will be another challenging year for the sector. In order to be ready to take full advantage of market recovery in 2014-15, Materis Paints and its new CEO, Bertrand Dumazy, former CEO of Deutsch, have been reviewing the company's fundamentals, seeking ways to lower its breakeven point, improve its distribution concepts and strengthen customer loyalty, which in turn will increase the average shopping basket.

Executives

Olivier Legrain, Chairman

Richard Seguin, CEO of ParexGroup

Jean-Marc Bianchi, CEO of Kerneos

Thierry Bernard, CEO of Chryso

Bertrand Dumazy, CEO of Materis Paints

Wendel's involvement

Management Board: Bernard Gautier, Stéphane Bacquaert, Patrick Bendahan, Jean-Michel Ropert

Appointments and Compensation Committee: Bernard Gautier (Chairman), Stéphane Bacquaert

Audit Committee: Jean-Michel Ropert (Chairman), Stéphane Bacquaert, Patrick Bendahan

For more information, please visit: materis.com.

1.11.5 Stahl

Strong presence in emerging economies

Stahl is the world leader in high-performance coatings and leather-finishing products. Its products are used in particular in the clothing, leather goods, shoes, automotive and furniture industries. Stahl also sells chemicals and dyes used in early stages of the leather processing chain.

Stahl in brief

Physically present in 20 countries	36 laboratories and 8 production sites	1,240 employees including more than 400 expert sales staff	No. 1 worldwide in leather-finishing products
€361.2 million in sales in 2012	€26.6 million in net income from business sectors	Stake held by Wendel: 91.5%	Amount invested* by Wendel: €137 million since 2006

* *Amount of equity invested by Wendel as of December 31, 2012, for the equity stake held at that date.*

Why did we invest in Stahl?

Stahl is the world leader in leather finishing products and is developing large market shares in niche applications for high-performance chemical coatings on other substrates. It enjoys high barriers to entry as a result of its expertise, the long-term relationships it maintains with its principal customers, which include major luxury and high-end car brands, as well as the very high skill levels of its "golden hands" technicians. Stahl has prospects for sustained growth generated by global leather consumption markets, in Asia in particular, and the development of niche markets for high-performance coatings. Potential consolidation in the sector, combined with rigorous financial discipline, should allow Stahl to expand further and strengthen its market leadership. It derives more than 60% of its sales from emerging markets countries.

Highlights of 2012

In 2012, Stahl posted an 8.0% rise in sales to €361.2 million (up 5.9% organically). After first-half organic growth of 6.2%, the group continued to perform well, growing 5.5% over the second half, despite a modest slowdown in the 4th quarter. All of Stahl's divisions posted robust performance throughout the year.

The Leather Finishing Products division (67% of sales) benefited from buoyant automotive market conditions in emerging economies and strong growth in the luxury leather goods business. Over all of 2012, the division posted growth of around 5%. The High-performance Coatings division (33% of sales) posted even stronger performance, with growth in the region of 15% and strong momentum in all geographic areas.

For the full year, the Stahl's EBITDA was €54.9 million, up 21.8%, and represented a margin of 15.2% (vs. 13.5% in 2011). The margin improvement was driven by higher gross margin, as sales volumes rose and prices were raised in geographic areas where performance was below the group average.

At the same time, Stahl continued to make ambitious, targeted investments to support the growth of its business and the development of its technologies. The group opened a new laboratory in Chennai, India, created a center of excellence in Waalwijk, Netherlands and opened two new offices in Bangladesh and Ethiopia. Stahl's net financial debt stood at €160 million as of the end of 2012, down 14%.

Outlook for development

Amid a still-volatile global economy, Stahl will continue to target organic growth and increased market share. To do so, it will focus on ongoing product innovation, while stepping up marketing efforts and capitalizing on the positions it has established in high-growth regions (63% of sales). Stahl also intends to develop its activities in the earlier stages of leather processing, in order to expand its scope of business and gain greater market share. The group will continue to capitalize on its strengths, which are emerging markets, innovation and active cost management. Specifically, in emerging markets Stahl will renew its distribution network, focus more on large account customers and offer high value-added services. On the innovation front, it will emphasize non-polluting products and custom technologies. Finally, Stahl will concentrate on strict financial discipline and value-adding investments.

Stahl's businesses continue to be driven by powerful long-term trends. Its markets are gradually shifting to the emerging market countries, average annual growth of 2-3% in meat consumption is supplying the market for hide processing, and certain competitors are gradually disappearing. Stahl aims to achieve average organic growth in excess of 5% per year.

In millions of euros	2012	2011	Δ
Net sales	361.2	334.5	+8.0%
EBITDA [(1)]	54.9	45.0	+21.8%
as a % of net sales	*15.2%*	*13.5%*	+170 bps
Adjusted operating income [(1)]	47.0	38.0	+23.7%
as a % of net sales	*13.0%*	*11.4%*	+160 bps
Net income from business sectors	26.6	13.8	+92.8%
Net financial debt	160	185	-€25 million

(1) Adjusted EBITDA and operating income before goodwill allocation entries, management fees and non-recurring items.

Chief Executive/Chairman

Huub Van Beijeren, Chairman and CEO

Wendel's involvement

Board of Directors: Dirk-Jan Van Ommeren (Chairman), Bernard Gautier, Olivier Chambriard, Jean-Michel Ropert, Félicie Thion de la Chaume

Appointments and Compensation Committee: Dirk-Jan Van Ommeren, Bernard Gautier

Audit Committee: Dirk-Jan Van Ommeren, Olivier Chambriard, Jean-Michel Ropert

For more information, please visit: stahl.com.

1.11.6 Parcours

A major business mobility player focused on service

Parcours is an independent specialist in long-term vehicle leasing in France with a managed fleet of 47,400 vehicles. It has specific, strategic assets and offers a unique and differentiating range of services, based on its "3D" model, at the crossroads of financial services, business services and the automobile industry.

Parcours in brief*

26 branches, incl. 19 in France	Managed fleet: 47,400 vehicles	285 employees	Leading independent long-term leasing specialist in France
€292.9 million in sales in 2012	€20.2 million in pre-tax ordinary income	Stake held by Wendel: 95.7%	Amount invested* by Wendel: €107 million since 2011

* *Amount of equity invested by Wendel as of December 31, 2012, for the equity stake held at that date.*

Why did we invest in Parcours?

Founded in 1989 by Jérôme Martin, Parcours is the only independent player of a significant size operating in the long-term car leasing sector in France. It is a fast-growing challenger of the industry's heavyweights – subsidiaries of the carmakers and the banks – and has positioned itself at the crossroads of financial services, business services and the automobile industry. After only nine years of operation, Parcours was listed on the stock exchange in 1998, then delisted in 2005, as market conditions were no longer appropriate for the company. As Parcours was seeking a shareholder that could support its long-term growth, Wendel became, via Oranje-Nassau Développement, the company's majority shareholder in 2011. Parcours has achieved exceptional growth (14% on average for the past ten years) and showed strong resilience during the recent recession. With its fleet of 47,400 vehicles, Parcours operates throughout France via its differentiating network of 19 branches and has also been replicating its business model internationally since 2005, with seven locations in other European countries (Luxembourg, Belgium, Spain and Portugal). The group also has specific strategic strengths:

- a skilled, experienced management team with a strong service culture;
- a unique and differentiating range of services based on its integrated "3D" business model: long-term vehicle leasing, maintenance & repair and resale of used vehicles;
- growth accelerated by an increase in market share that its strong positioning and high customer satisfaction have enabled it to obtain;
- regional coverage allowing Parcours to meet the needs of large national clients;
- a unique and effective business model for selling used vehicles to individuals.

These combined strengths will enable Parcours to gain more market share while furthering its international expansion and continuing to outpace the long-term leasing market.

Highlights in 2012

Parcours reported sales of €292.9 million in 2012, up 7.9% compared with 2011. Over the year, Parcours' fleet of vehicles expanded by 5.6% (from 44,905 to 47,400), faster than that of the industry in France (up 1.7%). Parcours delivered more than 14,500 vehicles in 2012, has an order book of nearly 4,200 undelivered vehicles and sold nearly 12,000 used vehicles. More than 40% of these were sold to individuals.

The long-term leasing business generated revenue of €204.7 million, up 5.5% from 2011, the sale of used vehicles €84.1 million, up 14.2% and the car body and repair shops €3.9 million, up 7.3%.

Pre-tax ordinary income rose 18.2% to €20.2 million in 2012, representing a margin of 6.9% of sales. The margin improvement came about primarily as a result of internal efforts to optimize operating margins (services related to leasing contracts). Additional revenue inherent to the development of the business during the year also helped improve the margin (winning new customers).

Outlook for development

Parcours expects its fleet to grow faster in 2013 than it did in 2012 and hence substantially faster than the total French long-term leasing fleet. Parcours intends to continue converting its French locations to the "3D" model and step up expansion in its international business, either organically or through acquisitions. In the medium term, Parcours is ideally positioned to capture major trends such as the growing penetration of the long-term vehicle leasing market and the increased demand for services on the part of customers in France as well as in countries where the group is establishing a foothold.

In millions of euros*	2012	2011	Δ
Net sales	292	271.4	+7.9%
Pre-tax ordinary income (1)	20.2	17.1	+18.2%
as a % of net sales	*6.9%*	*6.3%*	*+60 bps*
Net income from business sectors	12.3	9.9	+24.2%
Gross operating debt (2)	409	372	+€37 million

(1) Adjusted pre-tax income before goodwill allocation entries, management fees and non-recurring items.
(2) Gross debt related to vehicle fleet funding.

Chief Executive/Chairman

Jérôme Martin, Chairman and CEO

Wendel's involvement

Board of Directors: Olivier Chambriard (Chairman), Dirk-Jan Van Ommeren, Patrick Tanguy, Jérôme Michiels

Audit Committee: Jérôme Michiels, Benoît Drillaud

For more information, please visit: parcours.fr

1.11.7 exceet

exceet develops and markets technological solutions for critical applications.

exceet is a European leader in embedded electronics and security systems used in industry, medical technologies and security systems.

exceet produces very high value-added integrated circuits for large industrial customers, manufactured in small production runs. The company also supplies technological solutions for human, data and transaction security.

exceet in brief*

Present in six countries	15 laboratories and production sites	970 employees	Leader in embedded solutions
€188.8 million in sales in 2012		Stake held by Wendel: 28.4%	Amount invested* by Wendel: €50 million since 2010

* *Amount of equity invested by Wendel as of December 31, 2012, for the equity stake held at that date.*

Why did we invest in exceet?

In February 2010, Helikos SPAC raised €200 million at its IPO on the Frankfurt stock exchange. Wendel, via Oranje-Nassau Développement, was the principal sponsor. The purpose of this innovative transaction was to invest in a German Mittelstand company. After 15 months of analysis, Helikos chose to acquire exceet Group AG, European leader in embedded intelligent electronic systems. With its roots and a strong industrial and commercial presence in Germany, exceet designs, develops and produces essential, customized components and solutions for major industrial companies. Its areas of expertise include medical technologies and healthcare, industrial automation, financial services, security, avionics and transportation.

Since 2006, based on its highly specialized know-how, exceet has stepped up its growth both organically and by acquiring niche companies and technologies. It therefore has a strategy for strong business development that dovetails with Oranje-Nassau Développement's investment criteria. exceet is listed on the Frankfurt stock exchange. VMCap, its historical shareholder, still holds 33.9% of the capital and Oranje-Nassau Développement holds 28.4%. Free float and transaction volume are limited.

Highlights in 2012

In a very difficult economic context, exceet slowed the rate of its acquisitions. It finalized the purchase of Inplastor GmbH, an Austrian company that produces more than 25 million secure cards per year. It also bought as electronics, a German company that develops intelligent automation and control systems, principally in the medical and industrial automation sectors. The company focused on rationalizing its costs and production facilities so as to bear up under a weak European economic environment. exceet also landed several new business deals during the year. In particular, the company signed an agreement to supply 3 million smart cards to Scotland's National Entitlement Card program. It extended a €40 million optoelectronic sensors contract with Siemens for three years. Finally, it will supply 2 million RFID blood donor identification chips to the German Red Cross.

Against this background, exceet's sales rose 10.7% in 2012. Over the year, sales totaled €188.8 million, while EBITDA declined 34.2%, owing to restructuring costs related to the reorganization of production facilities on the one hand and negative organic growth on the other. The company already began to reap the benefits of its cost-cutting efforts in the fourth quarter of 2012.

In 2013, exceet will continue to expand, both organically and by acquisition, notwithstanding the uncertainties generated by the European sovereign debt crisis. exceet aims to achieve a moderate level of organic growth and to improve its profitability (on a recurrent basis).

In millions of euros	2012	2011	Δ
Net sales	188.8	170.5	+10.7%
Recurrent EBITDA	19.0	28.8	-34.2%
as a % of net sales	*10.1%*	*16.1%*	*-600 bps*
Attributable net income	3.4	14.9	-76.8%
Net financial debt	14.0	-11.3	n.a.

Chief Executive/Chairman

Ulrich Reutner, CEO

Wendel's involvement

Board of Directors: Roland Lienau, Dirk-Jan van Ommeren.

Observers on the Board of Directors: Bruno Fritsch, Albrecht Von Alvensleben.

For more information, please visit: exceet.ch

1.11.8 Mecatherm

Mecatherm automates bread production worldwide

The Mecatherm group is the world leader in industrial baking equipment. It designs, develops, assembles and installs ovens, machines and automated production lines for fresh, frozen, cooked or pre-cooked bread, cakes and pastries, around the world. The group covers the entire production line market with three complementary solutions: "High Capacity", "Premium" and "Variety" lines.

Mecatherm in brief

Present in over 50 countries	700 industrial lines installed	285 employees, incl. 20 in R&D	World leader in equipment for industrial bakeries
€73.1 million in sales in 2012	10.7% EBITDA margin	Stake held by Wendel: 98.1%	Amount invested* by Wendel: €112 million since 2011

* *Amount of equity invested by Wendel as of December 31, 2012, for the equity stake held at that date.*

Why did we invest in Mecatherm?

Founded in 1963, Mecatherm is the world leader in industrial bakery equipment, with a 60% market share in high-capacity, crusty-bread lines. It serves the entire market with three complementary solutions: "High Capacity" lines (baguettes and crusty bread), "Premium" lines (artisan quality bread and baguettes), and "Variety" lines (buns, brioches, loaves of bread, pastries, etc.). Today, the group has an installed base of 700 automatic lines in more than 50 countries worldwide, representing 15,000 metric tons of goods produced by Mecatherm lines every day. Mecatherm has strong competitive advantages, including:

- unique R&D and product innovation know-how with its team of 20 experts. Since 1995, the group has launched nearly 20 new products and benefits from 15 active patents;
- strong brands (Mecatherm and Gouet) and the trust of its customers (50% have been customers for over 10 years), illustrated by its position as world leader;
- a sales network that has more than doubled in three years, with about 30 sales representatives serving all market segments;
- a flexible industrial model whereby Mecatherm can easily call upon sub-contractors to produce components (e.g. sheet metal, casings). This allows Mecatherm to focus on the higher value-added phases, such as R&D and customer service and to limit its fixed costs.

Mecatherm was listed on the stock exchange between 1994 and 2004, and Wendel finalized its acquisition of the company via Oranje-Nassau Développement in October 2011.

Highlights of 2012

In 2012, the Mecatherm group's net sales totaled €73.1 million, down 14.6% from 2011. As expected, Mecatherm experienced a decline in its business in 2012, because certain customers postponed their investments. This decline subsided over the course of the year, however. The business gradually picked up and the order book continued to increase through the second half of the year. In 2012, the industry recognized the excellence of the products Mecatherm designs and develops. Mecatherm won three awards for its "Bloc Combi": two at the Paris Europain trade fair in March and the 2012 Innovation prize at the IBA show in Munich in September 2012.

EBITDA was €7.8 million, or 10.7% of sales. Although below Mecatherm's usual levels, this performance illustrated the resilience of Mecatherm industrial model and was a record in the industry. Favorable levels of new business in the fourth quarter of 2012 combined with an upturn in the order book at the start of 2013 should enable Mecatherm to return to higher profitability levels in 2013.

Outlook for development

The group's growth is based on four main pillars:

- geographic expansion, as bread consumption and demand increases in high-growth countries, where the group already achieves 41% of its sales;
- the growing share of industrial bakery on a global scale;
- bigger market shares in the "Premium" and "Variety" segments;
- market consolidation, reinforcing Mecatherm's range with complementary technologies.

These major assets, combined with a light cost structure and rigorous financial discipline, will enable the Mecatherm group to further expand and consolidate its leadership position in an industry that can slow considerably in certain years but whose overall growth is strong and here to stay.

In millions of euros	2012	2011	Δ
Net sales	73.1	85.6	-14.6%
EBITDA (1)	7.8	16.7	-53.3%
as a % of net sales	*10.7%*	*19.5%*	*-880 bps*
Adjusted operating income (1)	6.5	15.6	-58.3%
as a % of net sales	*8.9%*	*18.3%*	*-940 bps*
Net financial debt	€62 million	€58 million	+€4 million

(1) EBITDA and adjusted operating income excluding management fees.

Chief Executive/Chairman

Bernard Zorn, Chairman of the Board of Directors

Olivier Sergent, CEO

Wendel's involvement

Board of Directors: Stéphane Bacquaert, Patrick Bendahan, Albrecht von Alvensleben, Dirk-Jan van Ommeren

For more information, please visit: mecatherm.fr

1.11.9 Van Gansewinkel Groep

From waste collection to energy production

Van Gansewinkel is a European waste service provider as well as a raw materials and energy supplier. The group searches for innovative solutions to collect waste and to process waste into raw materials and energy. The process begins with waste collected and carefully sorted at the source to obtain the maximum value from it.

Van Gansewinkel Groep in brief

Present in 9 countries	7,300 employees	Avoided the emission of 1.38 million metric tons of CO_2	79% of waste collected is transformed
€1.23 billion in sales in 2012	120,000 business customers	Stake held by Wendel: 8%	Amount invested* by Wendel: €37 million since 2006

* *Amount of equity invested by Wendel as of December 31, 2012, for the equity stake held at that date.*

Why did we invest in Van Gansewinkel?

In 2006, Oranje-Nassau developed an investment activity in the Netherlands, in addition to the energy and real estate businesses already in its portfolio.

In this new context, Oranje-Nassau teamed up with CVC Capital Partners and KKR in January of that year to acquire AVR from the city of Rotterdam for €1,400 million, with Oranje-Nassau taking an 8% stake.

In March 2007, AVR merged with Van Gansewinkel Groep, thereby becoming one of Europe's principal waste collection and treatment companies.

Extracting value from waste is central to Van Gansewinkel's strategy, and the company is at the crossroads of three major long-term, economic and societal trends: environmental protection, managing natural resources and saving energy. The company has developed a whole set of waste collection and recycling techniques and solutions. Its various specialized divisions handle products ranging from glass to refrigerators & freezers, televisions, small household appliances and computers & peripherals. Van Gansewinkel obtains value from these products by producing secondary raw materials, heat, steam, energy and transforming organic material through composting and fermentation. So it was only natural that Oranje-Nassau Développement should choose to support the growth of this company.

Highlights of 2012

In May 2012, Cees van Gent joined Van Gansewinkel Groep as CEO with the aim of continuing the corporate strategy and vision, which have transformed VGG from a traditional waste treatment company to a raw materials producer and energy service provider. In addition to his role as Chairman of the Board, Mr. Van Gent is also in charge of the Collection and Services department.

The group has announced that it will reorganize in the Netherlands and in Belgium so as to better adapt to new market conditions. The eight waste collection zones in the Benelux countries will be reduced to four, divided into two principal regions: Belgium and the Netherlands. This reorganization is part of a vast upgrade and development program that includes investments and improvements in logistics and operations, in IT and communications infrastructure and in innovative projects such as district heating systems and steam distribution. In the coming years, the program will strengthen the company's finances, while leveraging its underlying principles and values: customer orientation, innovation, compliance.

Over the course of 2012, Van Gansewinkel Groep continued to pursue its strategy of growth by acquisition. It purchased the German company RDE GmbH, specialized since 1991 in waste collection, sorting and disassembly of electrical and electronic equipment (WEEE). This strategic acquisition, integrated into the Coolrec subsidiary, will enable VGG to strengthen its positioning among the top three WEEE recyclers in Europe. Following this expansion, Coolrec now transforms 160,000 metric tons of electrical and electronic equipment annually in the Netherlands, Belgium, France and Germany into clean raw materials. Van Gansewinkel Groep is present in the Benelux countries, Germany, France, Czech Republic, Poland, Portugal and Hungary.

For more information, please visit: vangansewinkelgroep.com

1.11.10 IHS

IHS is developing a pan-African telecom infrastructure network

IHS is one of Africa's leading providers of telecom tower infrastructure for mobile phone operators. The group builds, leases and manages telecommunications towers that it owns or that are owned by others. IHS intends to base its growth on the rapid increase in infrastructure needs across Africa, supporting mobile phone operators with which it has long-term relationships.

IHS in brief

Present in five countries	Manages 5,100 towers in Africa	Owns 2,900 towers directly	Leading African provider of telecoms infrastructure
$97.5 million in sales in 2011-12	1,000 employees	Stake held by Wendel: more than 30%	Amount invested by Wendel: $176 million in April 2013

Why did we invest in IHS?

IHS is a leading provider of telecom tower infrastructure for mobile phone operators. Over the last 12 years, the group has successfully developed along the entire telecom tower value chain, from construction to leasing to maintenance and managed services. It provides high quality service to its large customers, who are leading telecom operators such as MTN, Etisalat and Airtel.

IHS is a growth company, with an average annual rate of growth in sales of 20% over the past four years. Employing more than 1,000 people, the company achieved sales of $97.5 million in 2011-12. In 2012, IHS announced the acquisition of approximately 1,760 towers in Côte d'Ivoire and in Cameroon from MTN Group and now manages 5,100 towers in five African countries, including 2,900 that it owns directly.

With its investment in IHS, Wendel has made its first direct investment in Africa, thereby demonstrating its intention to gain exposure to the rapid growth this continent is experiencing and to participate therein. Wendel has chosen a company whose positive momentum is expressed in its projects, its high-quality management and its outlook for balanced and profitable growth in several important and promising African nations. IHS's business is being buoyed by long-term trends that make Africa a strong growth region for telecom infrastructure:

- Growth potential is higher than in mature economies, both in terms of GDP and demographics. African GDP has grown by 5% p.a. on average over the last ten years and the continent's population is young, with a growing middle class;
- The African telecom market is expanding steadily, driven by a continuous rise in the number of subscribers, expected to increase by nearly 11% p.a. between now and 2016, and by an increase in the penetration rate, which at 62% is one of the lowest in the world;
- Telecom operators need to extend their network coverage on a continent whose population density is low. This situation favors the sharing model for telecom towers. The need for new towers in Africa is estimated at around 170,000 units over the next few years, bringing the total to 350,000;
- Regulations are encouraging sharing of tower space so as to rapidly increase the coverage of telecom networks;
- New mobile internet services (3G deployment) are constantly being rolled out. Fixed-line telephone service, available to only 14% of the population, is low, and for reasons specific to Africa, this penetration rate will not rise.

In this promising context, fundamentals specific to IHS will enable it to achieve high growth rates in the coming years:

- As they focus increasingly on the services they provide to customers and less on infrastructure, mobile telephone operators are externalizing the management of their telecom towers. IHS offers these operators turnkey services enabling them to cover the regions they target and benefit from excellent quality services;
- IHS has local expertise in site acquisition, installation of electrical supply (generator, photovoltaic systems or connection to the grid), site security and logistics;
- Historically, IHS's success has been based on experience, specialized knowledge and the excellence of its engineers at the operating level. These qualities enable IHS to consistently deliver a high level of service to its customers. IHS's key performance indicators exceed those of its competitors and the company has a reputation as an innovator in the industry. This leads both to improved margins and better customer service.
- Its business model is resilient, based on contracts with mobile phone operators and guaranteed lease payments indexed to inflation over periods of 10-15 years. Counterparties have a very sound financial condition;

- Its multicultural and entrepreneurial management team have extensive experience in the African and worldwide telecom markets. IHS's founders are still present in the company.

These advantages should enable IHS to continue growing at a rapid pace. It will be able to increase its installed base of towers in the countries where it is already present and acquire passive networks in African countries offering attractive economic and demographic prospects.

Highlights of 2012

In line with its pan-African growth strategy, IHS announced on October 12, 2012 that it had entered exclusive negotiations with the pan-African mobile phone operator MTN Group to acquire its portfolio of telecom towers in Cameroon and Côte d'Ivoire for a total of $284 million. This transaction includes the acquisition of 827 towers in Cameroon for $143 million and 931 towers in Côte d'Ivoire for $141 million. Under this agreement, IHS will lease the towers to MTN for ten years, while retaining the right to share space on them with other mobile phone operators. In addition, in light of MTN's future needs in these two countries, IHS has committed to building additional towers under a build-to-suit (BTS) arrangement. IHS will own the towers and be able to lease them to more than one user.

On December 3, 2012, IHS announced it had obtained a $202 million bank loan from Ecobank to finance part of the acquisition of towers from MTN. This loan is composed of two five-year tranches of $62 million and $100 million, as well as a seven-year tranche of $40 million. Part of the loan will be used to continue installing solar panels on existing towers, enabling IHS to reduce its energy bill and to finance its growth strategy through the construction of additional BTS towers for other mobile phone operators.

A $176 million investment for Wendel

To support IHS's pan-African growth strategy, in particular its acquisition of MTN's network of almost 1,760 telecom towers, Wendel will invest $176 million via a capital increase alongside IHS's existing shareholders, who are major financial institutions active in economic development and top-tier private equity companies in Africa. Among these are Emerging Capital Partners, the leader in private equity in Africa with more than 50 investments realized since 1997, International Finance Corporation, part of the World Bank group, FMO, the Netherlands development bank, and Investec Asset Management, one of the largest investors in listed and unlisted companies in Africa.

The investment values IHS at around 14x its EBITDA for the current year and will make Wendel the largest shareholder of IHS Holding with more than 30% of the shares; management will hold around 10%. As IHS's largest shareholder, Wendel will play a determining role in corporate governance and in the company's strategic decisions.

In this regard, given IHS's favorable prospects for future growth, Wendel intends to support the company's long-term growth strategy possibly by investing additional amounts to ensure and accelerate IHS's development.

Chief Executive/Chairman

Issam Darwish, Chairman, CEO and founder

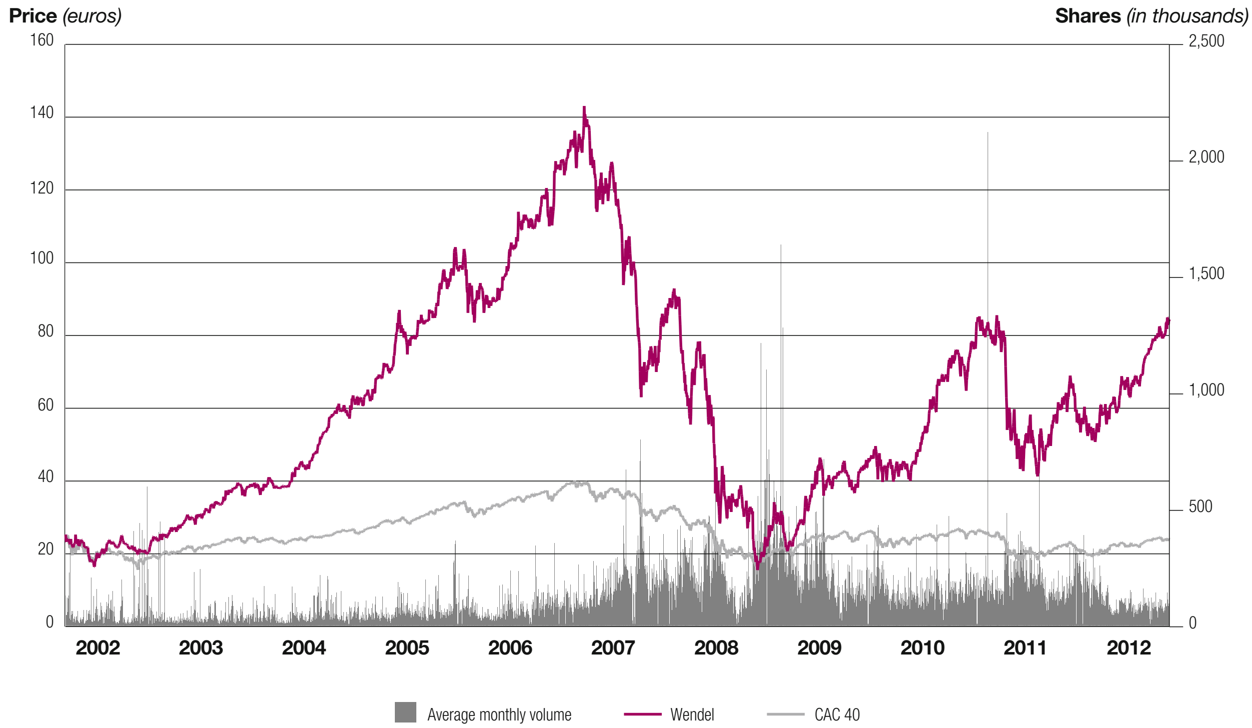
For more information, please visit: ihstowers.com

Wendel's involvement

Board of Directors: Bernard Gautier, Stéphane Bacquaert, Stéphanie Besnier.

1.12 Shareholder Information

1.12.1 Market data



Change in CAC 40 and Wendel share price rebased to compare with the Wendel share price on June 30, 2002. Source: FactSet.

Comparison of total shareholder return for Wendel and the CAC 40, since the CGIP/Marine-Wendel merger

Source: Factset

Reinvested dividend performance from June 13, 2002 to March 18, 2013	Total returns for the period	Annualized return over the period
Wendel	+336.2%	+14.7%
CAC 40	+39.0%	+3.1%

Share data

Listing market: EUROLIST SRD, Segment A

ISIN code: FR0000121204

Bloomberg ticker: MF FP

Reuters ticker: MWDP.PA

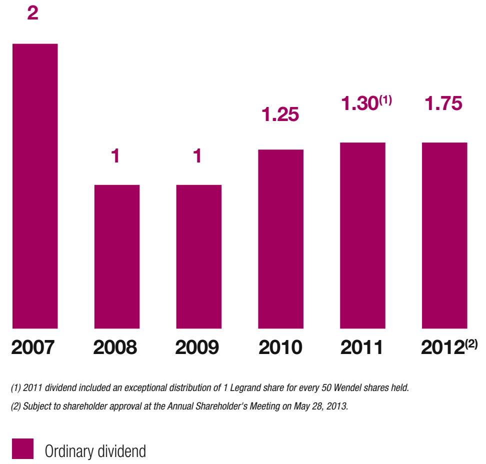
Abbreviation: MF

Indices: CAC AllShares, Euronext 150, SBF120, SBF250, STOXX® Europe, EURO STOXX®, STOXX® Europe Private Equity 20, STOXX® Europe Strong Style Composite 40, STOXX® Europe Strong Value 20, LPX 50.

Quota: 1 share/PEA: Eligible/SRD: Eligible/Par value: €4/Number of shares outstanding: 49,543,641 as of December 31, 2012.

1.12.2 Dividends

Ordinary dividend, in euros per share

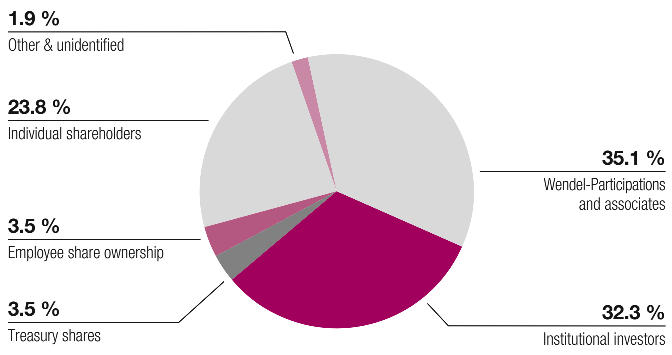


(1) 2011 dividend included an exceptional distribution of 1 Legrand share for every 50 Wendel shares held.

(2) Subject to shareholder approval at the Annual Shareholder's Meeting on May 28, 2013.

1.12.3 Shareholders

as of December 31, 2012



1.12.4 Shareholder relations

Wendel's constant and in-depth dialogue with all of its shareholders is an intrinsic component of our value-creation approach. A number of initiatives have been taken to meet the needs of individual and institutional investors and interact with them.

In 2012, the Wendel group pursued its communications policy dedicated to the 37,000 individual shareholders who represent nearly 25% of its capital. This high rate of individual share ownership makes Wendel the large-cap company with the third-largest number of individual shareholders on the Paris stock exchange [(1)].

The Shareholders Advisory Committee, set up in 2009, is consulted regarding all communications addressed to shareholders. Wendel values the Committee's recommendations and advice highly, as they help shareholders understand our business better and help us provide an attractive, simplified presentation of our activities. The Committee met six times in 2012 and visited one of the Mecatherm plants in October.

The Group again took part in Actionaria, a trade show bringing companies and shareholders face to face, held in Paris in November 2012.

Wendel met with its individual shareholders at a meeting in Lyon in June and another in Nice in December 2012.

All of the resources for shareholders can be viewed in the "Shareholders portal" of Wendel's website: letters to shareholders, quarterly publications, the annual report, the registration document, a calendar of key dates, and more.

For institutional investors, Wendel has organized a series of roadshows every year since 2009. Some of these roadshows are intended specifically for bond investors. During these campaign periods, the Executive Board members meet prominent investors and asset managers, shareholders and non-shareholders alike, who are interested in the Wendel group. The rest of the year, Wendel takes part in various events organized by brokers who cover Wendel.

In 2012, Wendel organized 15 roadshows, including eight for equity investors and five for bond investors.

Through these various events, the members of the Executive Board and the Chief Financial Officer met with close to 300 equity and bond investors in 2012.

2013 Calendar

May 14: Publication of first-quarter 2013 net sales (post-market release)

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

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

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

December 5: Investor Day – Publication of net asset value

Contacts

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(1) According to an exclusive survey of equity investors in France, Investir-Journal des Finances, October 20, 2012.

1.12.5 Trading in Wendel shares

Date	Average price 1 month	Intraday high	Intraday low	Average daily trading volume
January 2010	42.39	46.72	38.32	155,198
February 2010	38.51	41.30	36.77	145,305
March 2010	43.55	47.19	41.16	154,356
April 2010	46.70	51.04	43.70	172,585
May 2010	44.15	48.85	39.73	213,129
June 2010	43.65	46.82	40.16	133,175
July 2010	43.07	46.29	39.80	119,469
August 2010	43.32	46.47	39.61	125,313
September 2010	45.89	49.50	39.61	140,295
October 2010	52.36	56.39	47.75	128,139
November 2010	60.03	64.70	55.11	144,876
December 2010	67.43	69.99	59.50	134,059
January 2011	71.30	76.34	67.03	158,509
February 2011	73.94	77.49	69.01	144,991
March 2011	71.24	77.26	63.55	167,996
April 2011	79.97	87.33	75.65	154,657
May 2011	82.10	86.68	79.67	261,251
June 2011	79.93	85.28	76.68	149,516
July 2011	80.59	86.31	75.94	151,105
August 2011	58.02	81.71	50.10	235,082
September 2011	49.47	60.25	40.45	279,713
October 2011	51.77	59.49	41.62	228,837
November 2011	47.44	58.31	41.33	237,037
December 2011	49.59	55.75	45.52	152,638
January 2012	54.96	59.44	50.00	129,677
February 2012	61.12	64.50	55.81	130,178
March 2012	64.88	69.65	59.50	170,634
April 2012	57.60	65.50	53.50	217,354
May 2012	55.27	61.14	51.89	179,959
June 2012	53.69	58.40	49.70	168,340
July 2012	58.71	62.36	55.16	122,227
August 2012	60.61	63.50	56.99	61,987
September 2012	65.11	68.95	58.26	86,926
October 2012	66.18	68.75	62.58	83,986
November 2012	68.41	72.80	65.77	69,726
December 2012	75.13	77.85	72.00	75,968
January 2013	79.84	82.90	77.18	77,992
February 2013	81.53	85.98	78.60	80,754

Source: FactSet.

1.12.6 Documents available to shareholders and the public

In accordance with applicable law, the Company's by-laws, minutes of Shareholders' Meetings and other Company reports, as well as historical financial information and other documents, may be consulted at the Company's registered office, at 89, rue Taitbout, 75009 Paris (France).

Pursuant to Article 28 of EC regulation 809/2004, the following information is included by reference in this registration document:

- the key figures on page 4 as well as the consolidated financial statements and corresponding audit report on pages 107-195 of the 2010 registration document filed with the AMF on April 7, 2011 under number D. 11-0253;
- the key figures on page 2 as well as the consolidated financial statements and corresponding audit report on pages 109-207 of the 2011 registration document filed with the AMF on March 30, 2012 under number D. 12-0241.

The unincluded parts of these documents either do not apply to investors or are covered in a section of this registration document.

In addition, all financial news and all information documents published by Wendel are accessible on the Company's website: www.wendelgroup.com.

2

CORPORATE GOVERNANCE

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2.4 STATUTORY AUDITORS' REPORT ON THE REPORT PREPARED BY THE CHAIRMAN OF THE SUPERVISORY BOARD OF WENDEL 92

This "Corporate governance" section includes the report of the Chairman of the Supervisory Board on corporate governance and internal control prepared pursuant to Article L.225-68, paragraph 7 of the French Commercial Code. The Chairman's report also includes the sections pertaining to Annual Meeting procedures and the information required under Article L.225-100-3 of the French Commercial Code, which can be found in section 7, "Information on the Company and share capital". This report was approved by the Supervisory Board at its meeting of March 27, 2013, after review by the Audit and Governance Committees.

2.1 Governing and supervisory bodies

Since 2005, the Company has been governed by an Executive Board and a Supervisory Board. This section explains how the Company's governing bodies operate, their composition, the rules of ethics that apply to them and the compensation paid to corporate officers.

2.1.1 The Executive Board and its operations

2.1.1.1 Composition of the Executive Board

The Executive Board is composed of a minimum of two and a maximum of seven members.

The Executive Board is composed of two members. Since April 7, 2009, they have been Frederic Lemoine, Chairman, and Bernard Gautier. At its meeting of March 27, 2013, the Supervisory Board renewed the terms of Messrs. Lemoine and Gautier as members of the Executive Board for four years. These appointments took effect on April 7, 2013, at the expiration of their previous terms. The Board reappointed Mr. Lemoine as Chairman of the Executive Board.

Executive Board members, with the exception of its chairman, may have an employment contract with the Company that remains in force during and after the member's term on the Executive Board. This is the case for Mr. Gautier (see section 2.1.7.7 "Position of executive corporate officers with respect to Afep-Medef recommendations"). Conversely, Mr. Lemoine, the Chairman of the Executive Board, does not have an employment contract, in accordance with the Afep-Medef code.

Members of the Executive Board are appointed and can be removed by the Supervisory Board, based on a proposal from the Chairman of the Supervisory Board. The term of their appointment is four years. The age limit for members of the Executive Board is 65. Removal of a member of the Executive Board does not cause his or her employment contract, if applicable, to be terminated.

Bruno Fritsch, Investment Manager and member of the investment team since 2007, acted as the Secretary of the Executive Board in 2012.

No conviction for fraud, formal accusation and/or public sanction or liability for bankruptcy during the previous five years

To the best of the Company's knowledge, as of the date of issue of this document, no member of the Executive Board has in the past five years: (i) been convicted for fraud or formally accused or publicly sanctioned by the judiciary or government agencies; (ii) been involved in bankruptcy, the sequestration of assets or liquidation; (iii) been prevented by a court from acting as a member of a corporate, executive or supervisory body of an issuer or being involved in the management or the running of the business of an issuer.

Conflicts of interest, family ties and service contracts

Frederic Lemoine and Bernard Gautier hold directorships in some of the Group's subsidiaries and associated companies.

To the best of the Company's knowledge, as of the date of issue of this document, there is no conflict of interest between the private interests or other obligations of the members of the Executive Board and their obligations with regard to the Company.

No Executive Board member has been selected during his term of office as a Wendel client or supplier nor is any member tied to the Company or to one of its subsidiaries by a service contract.

Executive Board members have no family ties with the Supervisory Board members.

Restrictions on the sale of shares held by the members of the Executive Board are described in section 2.1.6.6.

Frédéric LEMOINE

Chairman of the Executive Board

Date first appointed to the Executive Board: April 7, 2009

Current term expires: April 7, 2017

Born on June 27, 1965

Business address:
Wendel
89, rue Taitbout
75009 Paris
France

Career path:

Frederic Lemoine is a graduate of the HEC business school (1986) and of the Institut d'Études Politiques de Paris (1987). He is an alumnus of the École Nationale d'Administration ("Victor Hugo" class) and an Inspecteur des finances. In 1992-93, he was head of the Institut du Coeur of Ho Chi Minh-City, Vietnam for a year, and from 2004 to 2011 he was General Secretary of the Fondation Alain Carpentier, which supported this hospital. From 1995 to 1997, he was deputy chief of staff of the Minister of Labor and Social Affairs (Jacques Barrot), in charge of coordinating reform of the national health insurance system and hospital reform. At the same time he was a chargé de mission with the Secretary of State for Healthcare and the National Health Insurance system (Hervé Gaymard). From 1997 to 2002, he was Delegated CEO, then CFO under Serge Kampf and the Executive Board of Capgemini, before being named Group VP in charge of finance of Capgemini Ernst & Young. From May 2002 to June 2004, he was the deputy General Secretary of French President Jacques Chirac, in charge of economic and financial affairs and other areas.

From October 2004 to May 2008, he was a Senior Advisor at McKinsey. From March 2005 to April 2009, he was Chairman of the Supervisory Board of Areva.

He is also a member of the Board of Directors of Insead and a member of the Board of Directors of the Centre Pompidou-Metz.

He is a Knight of the National Order of Merit and a Knight of the National Order of the Legion of Honor.

Appointments as of December 31, 2012:

Wendel group:

Listed companies:

Vice-Chairman of the Board of Directors of Bureau Veritas

Director of Legrand

Director of Saint-Gobain

Unlisted companies:

Chairman of the Board of Directors of Trief Corporation SA

Chairman of the Supervisory Board of Oranje-Nassau Groep BV

Member of the Board of Directors of Winvest International SA SICAR, Oranje-Nassau Développement SA SICAR as Permanent representative of Trief SA

Manager of Winvest Conseil Sarl

Other appointments: none

Appointments expired in the last five years:

Chairman of the Supervisory Board of Bureau Veritas (2009)

Chairman of Winbond SAS (2009-11)

Member of Wendel's Supervisory Board (2008-09)

Chairman of the Supervisory Board of Areva (2005-09)

Member of the Supervisory Board, then non-voting Board member of Générale de Santé (2006-09)

Manager of LCE SARL (2004-09)

Director of Flamel Technologies (2005-11)

Director of Groupama (from February 2005 until March 15, 2012)

Number of Wendel shares held as of December 31, 2012: 43,838

Bernard GAUTIER

Member of the Executive Board

Date first appointed to the Executive Board:
May 31, 2005

Current term expires: April 7, 2017

Born on June 6, 1959

Business address:
Wendel
89, rue Taitbout
75009 Paris
France

Career path:

Alumnus of the École supérieure d'électricité.

After serving as Chairman in 1981 of the National Confederation of Junior Companies, he began his career by creating a media company, AG Euromedia. From 1983 to 1989, he was a consultant and then a director of studies at Arthur Andersen (which later became Accenture) in the industry media-press and services sectors. He joined Bain & Co. strategy consultants, where he became a Partner in 1995 and then a Senior Partner in 1999, responsible for Telecom, Technologies and Media in Europe and a member of the International Board of Directors, with major industrial groups and the largest investors in Europe as clients. He acquired direct investment experience with the Atlas Venture fund, where he was Senior Partner and manager of their Paris office from 2000 to 2003. He joined Wendel in 2003 and was appointed a member of the Executive Board in 2005.

Appointments as of December 31, 2012:

Wendel group:

Listed company:

Director of Saint-Gobain

Unlisted companies:

Director of Stahl Holding BV, Winvest Part BV, Stahl Group SA (formerly Winvest Part 4 SA), Stahl Lux 2 SA, Stichting Administratiekantoor II Stahl Groep II and Trief Corporation SA

Member of the Management Board of Materis Parent

Director and Chairman of Winvest International SA SICAR and of Oranje-Nassau Développement SA SICAR

Manager and Chairman of Winvest Conseil Sarl

Director of Wendel Japan KK

Director of Sofisamc

Other appointments (unlisted companies):

Member of the Supervisory Board of Altineis (since 2004)

Director of Communication, Media Partner (since 2000)

Manager of BJPG Participations, BJPG Assets, BJPG Conseil

Appointments expired in the last five years:

Member of the Supervisory Board of Legron BV (until July 2, 2010)

Vice-Chairman of the Board of Directors of Deutsch (until April 3, 2012)

Vice-Chairman of Editis

Number of Wendel shares held as of December 31, 2012: 329,748

2.1.1.2 The Executive Board and its operations

In accordance with Article 20 of the by-laws, Executive Board meetings are held at the head office or at any other venue specified by the Chairman in the meeting notice. The agenda can be amended at the time of the meeting. Meeting notices can be sent out by any means, including verbally, without advance notice if necessary. Decisions of the Executive Board are valid only if at least half of its members are present and are based on a majority of those voting. In the event of a tie, the Chairman casts the deciding vote. Minutes of Executive Board meetings are recorded in a special register kept at the head office and signed by the members of the Executive Board who took part in the meeting.

The Executive Board met 28 times in 2012.

During each of its meetings, it discussed the following issues:

- the Group's financial situation;
- updates on subsidiaries and investments;
- updates on financial transactions underway, which in 2012 included:
  - renegotiation of Materis' debt,
  - distribution of an exceptional dividend of Legrand shares approved by shareholders at their Annual Meeting of June 4, 2012,
  - the September 2012 bond issue.

The following topics were addressed on a regular basis during the year:

- the Company's overall strategy and positioning;
- new investment or divestment opportunities;
  - the sale of Deutsch to TE Connectivity,
  - the signature of a framework agreement with IHS Holding;
- finalizing the financial statements and periodic financial information;
- share and bond repurchases;
- financial communication issues:
  - net asset value,
  - roadshows,
  - Investor Day;
- internal organization and labor issues:
  - organization of Wendel teams,
  - ethics,
  - the training plan,
  - compensation policy,
  - allocation of stock options and performance shares, subject to approval by shareholders at their Annual Meeting,
  - insurance and pension plans;
- Group governance;
- disputes and litigation in progress;
- support for the Centre Pompidou-Metz as a Founding Sponsor and for the Wendel International Center for Family Enterprise at INSEAD;
- preparation of the Annual Shareholders' Meeting.

2.1.2 The Supervisory Board and its operations

2.1.2.1 Composition of the Supervisory Board

The Supervisory Board is composed of a minimum of three and a maximum of 18 members.

At the Annual Shareholders' Meeting of June 4, 2012, the Supervisory Board was composed of 11 members.

Jean-Marc Janodet, whose term expired at the end of the June 4, 2012 Annual Meeting, did not seek a new term. François de Mitry tendered his resignation with effect September 13, 2012, because he had been appointed to an investment fund. As of December 31, 2012 the Supervisory Board was composed of nine members.

The members of the Supervisory Board are appointed by the shareholders, voting in their Ordinary Meeting. The term of their appointment is four years. They can be re-appointed. However, to avoid having to reappoint the entire Supervisory Board at once, reappointments were staggered beginning in 2005, following the switchover to a dual governance structure and in accordance with Afep-Medef recommendation no. 12.

As a result the expiry dates for the terms of each member as of December 31, 2012 were as follows:

- 2013 (Annual Meeting to approve 2012 financial statements):
  - Ernest-Antoine Seillière,
  - Édouard de L'Espée;
- 2014 (Annual Meeting to approve 2013 financial statements):
  - Dominique Hériard Dubreuil,
  - Guylaine Saucier,
  - Nicolas Celier;
- 2015 (Annual Meeting to approve 2014 financial statements):
  - Humbert de Wendel,
  - Gérard Buffière,
  - Didier Cherpitel;
- 2016 (Annual Meeting to approve 2015 financial statements):
  - François de Wendel.

The number of Supervisory Board members more than 70 years old may not, after each year's Ordinary Annual Meeting, exceed one-third of current Board members. Should this proportion be exceeded, the term of the oldest member of the Supervisory Board, except for the Chairman, ends at the close of the following Ordinary Shareholders' Meeting.

Ernest-Antoine Seillière will not seek renewal of his term, which expires at the end of the May 28, 2013 Shareholders' Meeting. Édouard de L'Espée will seek renewal of his term during that Meeting.

So as to bring the number of Board members back to 11, proposals to appoint three new members will be submitted to a vote of shareholders at the May 28, 2013 Meeting: Laurent Burelle, an independent member, and two members who are family shareholders, Bénédicte Coste and Priscilla de Moustier. Their biographies can be found below (section 2.1.2.2).

Ernest-Antoine Seillière was the Chairman of the Supervisory Board until March 27, 2013. François de Wendel, who until then was Vice-Chairman of the Supervisory Board, was appointed Chairman at the March 27, 2013 meeting. Upon the proposal of the new Chairman, Mr. Seillière was named Honorary Chairman and Dominique Hériard Dubreuil was appointed Vice-Chairman of the Board. Under Article 13 of by-laws, the Vice-Chairman is appointed by the Supervisory Board and fulfills the same functions and has the same powers as the Chairman in the event the Chairman is unable to carry out his duties or temporarily delegates his powers to him (or her).

Since the Supervisory Board meeting of June 9, 2008, two representatives of the Works Council attend Supervisory Board meetings in a consultative role.

An Afep-Medef recommendation issued in April 2010 sets targets for the percentage of women that should be represented on corporate boards: at least 20% at the end of the Shareholders' Meeting held in 2013 and at least 40% at the end of the Shareholders' Meeting held in 2016. In addition, a French law enacted on January 27, 2011, on the balanced representation of women and men in corporate boards and on workplace equality, stipulates that these same percentages be attained 2014 and 2017. The shareholders appointed Dominique Hériard Dubreuil and Guylaine Saucier to the Company's Supervisory Board at their June 4, 2010 Annual Meeting. As a result of these appointments, Wendel complied with the Afep-Medef recommendations and with the law. At their May 28, 2013 Meeting, shareholders will also be asked to appoint Bénédicte Coste and Priscilla de Moustier to the Board. If these appointments are approved, the percentage of women on the Board will reach 36%.

2.1.2.2 Company management expertise and experience of Supervisory Board members and appointments held during the previous five years

Ernest-Antoine SEILLIÈRE

Chairman of Wendel's Supervisory Board until March 27, 2013

Honorary Chairman

Date appointed to first term: June 2, 1981

Current term expires: Annual Meeting to be held in 2013

Born on December 20, 1937

Business address:
Wendel
89, rue Taitbout
75009 Paris
France

Career path:

Graduate of the Institut d'Études Politiques de Paris and a law graduate. Alumnus of the École Nationale d'Administration.

After serving as foreign affairs adviser and technical adviser to several government ministers, Mr. Seillière joined the Wendel group in 1976, where he has held several positions, including those of CEO and Board member (1978-87), then Chairman and CEO (1987-2002) of CGIP, and Deputy CEO, then Chairman of Marine-Wendel (1992-2002). After the merger of the two companies he was Chairman and CEO of Wendel Investissement, before becoming Chairman of the Supervisory Board in 2005.

He was President of the Medef (French Employers' Federation) from 1997 to 2005 and then President of Businesseurope from 2005 to 2009.

He is a Commander of the National Order of the Legion of Honor, an Officer of the National Order of Merit, and a Commander of the Order of Oranje-Nassau (Netherlands) and of the Order of Leopold I (Belgium).

Appointments and positions as of December 31, 2012:

Wendel group:

Director of Bureau Veritas (listed company)
Non-voting Board member of Wendel-Participations (unlisted company)

Other appointments (unlisted companies):
Member of the Supervisory Board of Peugeot SA
Member of the Supervisory Board of Hermes International

Appointments expired in the last five years:

Chairman of the Supervisory Board of Oranje-Nassau Groep BV (2001-09)

Member of the Supervisory Board of Editis Holding (2004-08)

Member of the Supervisory Board of Gras Savoye (2003-09)

Director of Legrand (2002-11)

Director and Honorary Chairman of Wendel-Participations

Director of Sofisamc (2012)

Number of Wendel shares held as of December 31, 2012: 776,911

* *Wendel-Participations is the Group's controlling shareholder.*

François DE WENDEL

Vice-Chairman of Wendel's Supervisory Board until March 27, 2013

Chairman of Wendel's Supervisory Board from meeting of March 27, 2013

Member of the Governance Committee

Date appointed to first term: May 31, 2005

Current term expires: Annual Meeting to be held in 2016

Born on January 13, 1949

Business address:
Wendel-Participations
89, rue Taitbout
75009 Paris
France

Career path:

Graduate of the Institut d'Études Politiques in Paris, master's degree in economics from the University of Paris and an MBA from Harvard University.

He began his career with a number of senior management roles at Carnaud and CarnaudMetalbox. In 1992, he joined the Pechiney Group where he was CEO of Aluminium de Grèce. From 1998 to 2005, he held executive management roles at Crown Cork, firstly as Senior Vice-President in charge of procurement for Europe, then as Executive Vice-President in charge of the "Food Europe Africa & Middle East" division.

Appointments and positions as of December 31, 2012:

Wendel group:

Chairman and CEO of Wendel-Participations* (unlisted company)

Other appointments:

Director of Burelle SA and member of the Audit Committee (listed company)

Member of the Supervisory Board of Massilly Holding (since 2007) (unlisted company)

Appointments expired in the last five years: none

Number of Wendel shares held as of December 31, 2012: 77,693

* *Wendel-Participations is the Group's controlling shareholder.*

Dominique HÉRIARD DUBREUIL

Vice-Chairman of Wendel's Supervisory Board from March 27, 2013

Member of the Governance Committee

Date appointed to first term: June 4, 2010

Current term expires: Annual Meeting to be held in 2014

Born on July 6, 1946

Business address:
Remy Cointreau
21, boulevard Haussmann
75009 Paris
France

Career path:

Alumna of Assas law school (Paris) and the Institut des Relations Publiques.

Dominique Hériard Dubreuil worked in international public relations from 1970 to 1988, first at Havas Conseil, then at Oglivy & Mather, Hill & Knowlton and McCann-Erikson, before creating her own agency, Infoplan, in 1978.

In 1990, she was named CEO of Rémy Martin, then in 1998 Chairman & CEO of Rémy Cointreau and was Chairman of the Board of Directors until 2012. She is currently a Director of Rémy Cointreau.

Appointments and positions as of December 31, 2012:

Principal positions:

CEO and member of the Executive Committee of Andromède (unlisted company)

Chairman of E. Rémy Martin & Cie. (unlisted company)

Chairman of Cointreau (unlisted company)

Director of Rémy Cointreau (listed company)

Other Appointments:

Member of the Supervisory Board of Vivendi (listed company)

Director of INRA

Director of the Fondation de France

Director of the 2nd chance Foundation

Member of the Medef Executive Council and Director of Afep

Chairman of Vinexpo Overseas and member of the Supervisory Board of Vinexpo SAS (unlisted companies)

Director of the Colbert Committee and the Federation of Wine and Spirit Exporters (FEVS);

Appointments expired in the last five years:

Director of Baccarat

Director of Unipol BV

Director of Botapol Holding BV

Director of CEDC

Director of Stora Enso OYJ

Number of Wendel shares held as of December 31, 2012: 1,500

Gérard BUFFIÈRE

Member of Wendel's Supervisory Board

Member of the Audit Committee

Date appointed to first term: May 30, 2011

Current term expires: Annual Meeting to be held in 2015

Born on March 28, 1945

Business address:
GyB-Industries
41, boulevard de la Tour-Maubourg
75007 Paris
France

Career path:

Graduate of École Polytechnique de Paris and Stanford University (United States), where he obtained a Master of Science.

Gerard Buffière began his career in 1969 with the French group Banexi. After holding a range of positions with US-based Otis Elevator, he joined the international group Schlumberger in 1979, where he held several management positions before becoming President of the Electronic Transactions branch in 1989. He moved on to become Chief Executive Officer, Industrial Equipment division, for the French group Cegelec in 1996. He joined the Imétal group in March 1998 as a member of the Executive Board and the head of the Building Materials division. In 1999, Imétal became Imerys, focusing exclusively on industrial minerals, and Mr. Buffière was named head of the Construction Materials, Minerals for Ceramics and Specialty Minerals divisions. From 2000 to 2002, he was also in charge of the Pigments & Additives division; Chairman of the Executive Board of Imerys from January 1, 2003 to May 3, 2005, Mr. Buffière was then appointed Director and Chief Executive Officer of Imerys, coinciding with the change in the company's governance structure.

Appointments and positions as of December 31, 2012:

Chairman of Société Française du Parc and of GyB-Industries (unlisted company)
Director of Imerys (listed company)

Appointments expired in the last five years:

CEO of Imerys (2011)

Number of Wendel shares held as of December 31, 2012: 500

Nicolas CELIER

Member of Wendel's Supervisory Board

Member of the Audit Committee

Date appointed to first term: May 29, 2006

Current term expires: Annual Meeting to be held in 2014

Born on August 31, 1943

Address:
12, rue Berbier du Mets
75013 Paris
France

Career path:

Engineering graduate from the Polytechnic Institute, Zurich.

After working at Sacilor with responsibility for its rolling mills and then as a product manager, Nicolas Celier was Managing Director of Air Conditionné – Airwell from 1980 to 1983, then, from 1983 to 1986, delegated CEO at Lyonnaise des Eaux and Chairman of Unidel-Sécurité. From 1987 to 1993, he headed the French activities of the ABB-Fläkt group (Fläkt, Ventilation Industrielle and Minière, Solyvent-Ventec, etc.). Beginning in 1994, he was CEO of Sulzer-Infra SA, then Director of development at Cofixel, and manager of various companies in the Fabricom group in Germany and the UK, and, until 2004, he headed up the European companies of Axima Refrigeration.

Appointments and positions as of December 31, 2012:

Wendel group (unlisted companies):

Non-voting Board member of Wendel-Participations

Other appointments (unlisted companies):

Chairman of the Supervisory Board of Optimprocess SA

Director of SOFOC SA

Chairman of Cherche-Midi Participations SAS

Chairman of Messine Investissements SAS

Director of I-ces SAS

Director of Ubiant SAS

Director of Ixeo SAS

Manager of FKO Invest BV

Manager of Optical Square Investors SC

Appointments expired in the last five years:

Director of Financière de Mussy SAS (2012)

Director of Pakers Mussy SAS (2012)

Director of Lamibois SAS (2012)

Director of RSO SpA (Milan) (2011)

Member of the Supervisory Board of Solving Efeso International SA (listed company) (2010)

Member of the Supervisory Board of Oslo Software SA (2010)

Board Member of Oslo Partners Investment SAS (2010)

Number of Wendel shares held as of December 31, 2012: 6,503

Didier CHERPITEL

Member of Wendel's Supervisory Board

Chairman of the Governance Committee

Date appointed to first term: June 13, 1998

Current term expires: Annual Meeting to be held in 2015

Born on December 24, 1944

Business address:
3, rue de Contamines
CH 1205 Geneva
Switzerland

Career path:

Postgraduate degree (DES) from the Institut d'Études Politiques de Paris.

Didier Cherpitel worked from 1970 to 1998 at J.P. Morgan in New York, Paris, Singapore, Brussels and London. He was Managing Director of J.P. Morgan Guaranty Ltd in London, Chairman and CEO of J.P. Morgan France and Managing Director with responsibility for private banking activities in Europe. After two years as Manager Director with responsibility for capital markets activities at Security Capital Group in London, he spent four years as General Secretary of the International Federation of Red Cross and Red Crescent Societies in Geneva.

Appointments and positions held as of December 31, 2012:

Director of Fidelity International (listed company)

Other appointments (unlisted companies)

Founder and Director of Managers Sans Frontières (an NGO based in Quebec, Canada)

Director of Swiss Philanthropic Foundation (Geneva)

Director and treasurer of François-Xavier Bagnoud International

Director and treasurer of the Fondation Mérieux

Director of IFFim/GAVI Alliance (UK Charity), a global organization specializing in vaccination campaigns in the poorest countries

Director of Porticus

Appointments expired in the last five years:

Chairman of the Supervisory Board of Atos Origin from June 2004 to June 2008

Member of the Fondation MSF France from 2003 to 2009

Director of Fédéractive (2012)

Director of ProLogis European Properties (PEPR) (2012)

Number of Wendel shares held as of December 31, 2012: 4,000

Édouard DE L'ESPÉE

Member of Wendel's Supervisory Board

Member of the Audit Committee

Date appointed to first term: September 6, 2004

Current term expires: Annual Meeting to be held in 2013

Born on September 5, 1948

Business address:
Compagnie Financière Aval
6, route de Malagnou
Genève – 1208
Switzerland

Career path:

Graduate of the École Supérieure de Commerce de Paris.

Édouard de l'Espée began his career in 1972 as a financial analyst in Geneva, then as a bond specialist and portfolio manager at Banque Rothschild in Paris. From 1979 to 1985, he was in charge of centralized asset management at Banque Cantrade Ormond Burrus, Geneva. In 1986, he took part in creating and developing an independent portfolio management company in London. He co-founded of Praetor Gestion (Luxembourg) in 1987 (and has managed its bond funds since then), Concorde Bank Ltd (Barbados) in 1988 and Calypso Asset Management (Geneva) in 1999. In 2008, he merged Calypso with Compagnie Financière Aval (Geneva) and became its Executive Director. He has been a member of the Swiss Financial Analysts Association since 1984.

Appointments and positions as of December 31, 2012:

Principal position (unlisted company):

Executive Director and member of the Board of Compagnie Financière Aval

Wendel group (unlisted company):

Director of Wendel-Participations

Other appointments (unlisted companies):

Chairman of Praetor Sicav

Chairman of Praetor Global Fund

Director of Praetor Advisory Company

Director of Compagnie Financière Aval

Appointments expired in the last five years:

Director of Concorde Asset Management Ltd (2009)

Number of Wendel shares held as of December 31, 2012: 5,000

Guylaine SAUCIER

Member of Wendel's Supervisory Board

Chairman of the Audit Committee

Date appointed to first term: June 4, 2010

Current term expires: Annual Meeting to be held in 2014

Born on June 10, 1946

Business address:
1000, rue de la Gauchetière Ouest
Bureau 2500
Montreal, QcH3BOA2
Canada

Career path:

Graduate, with a baccalaureat ES Arts, from the College Marguerite-Bourgeois and a licence degree in business from the École des Hautes Études Commerciales de Montreal.

A Fellow of the Order of Certified Public Accountants of Quebec, Guylaine Saucier was Chairman and CEO of Gerard Saucier Ltée, a major group specializing in forestry products, from 1975 to 1989. She is also a certified Director of the Institute of Corporate Directors.

Ms. Saucier holds or has held positions on the Boards of Directors of several major companies, including Bank of Montreal, Axa Assurances Inc., Danone and Areva.

She was Chairman of the Joint Committee of Corporate Governance (ICCA, CDNX, TSX) (2000-01), Chairman of the Board of Directors of CBC/Radio-Canada (1995-2000), Chairman of the Board of Directors of the Canadian Institute of Chartered Accountants (1999-2000), Member of the Board of Directors of the Bank of Canada (1987-91), member of the Commission of Inquiry on Unemployment Insurance (1986) and member of Minister Lloyd Axworthy's task force on social security reform (1994). Ms. Saucier was the first woman appointed President of the Quebec Chamber of Commerce. She has played a very active role in the community as a Board member of various institutions, including the University of Montreal, the Montreal Symphony Orchestra and the Hotel-Dieu de Montreal.

She was recognized as a member of the Order of Canada in 1989 for her exceptional civic-mindedness and significant contribution to the business world.

On May 18, 2004, she was named a Fellow of the Institute of Corporate Directors, and on February 4, 2005, received the 25th McGill University Management Achievement Award. On September 23, 2010, she was made Honorary Corporate Director by the College des Administrateurs de Sociétés.

Appointments and positions held as of December 31, 2012:

Member of the Board of Directors of the Bank of Montreal (since 1992), member of the Audit Committee and member of the Risk Management Committee

Member of the Board of Directors of SCOR

Member of the Supervisory Board of Areva (since 2006) and Chairman of the Audit Committee

Appointments expired in the last five years:

Member of the Board of Directors of Petro-Canada (1991-2009)

Member of the Board of Directors of CHC Helicopter Corp. (2005-08)

Member of the Board of Directors of Axa Assurances Inc. (and member of the Audit Committee 1987-2011)

Member of the Board of Directors of Danone and Chairman of the Audit Committee (2009-12)

Number of Wendel shares held as of December 31, 2012: 500

Humbert DE WENDEL

Member of Wendel's Supervisory Board

Member of the Audit Committee

Date appointed to first term: May 30, 2011

Current term expires: Annual Meeting to be held in 2015

Born on April 20, 1956

Business address:
Total
2, place Jean-Millier
La Défense 6
92400 Courbevoie
France

Career path:

Graduate of the Institut d'Études Politiques de Paris and Essec.

Humbert de Wendel has spent his entire career with the Total group, which he joined in 1982, mainly holding positions in the Finance department, first heading trading floor operations and then financial operations, successively, for several divisions in the group. He also spent several years in London heading the finance division of one of Total's joint ventures. Director of acquisitions and divestments and in charge of the group's corporate business development from 2006 to 2011, he is currently Director of financing and cash management and Treasurer of the group.

Appointments and positions held as of December 31, 2012:

Principal position:

Total – Senior Vice-President, Finance and Cash management, Corporate Treasurer

Wendel group (unlisted company):

Director of Wendel-Participations

Other appointments within the Total group:

Unlisted French companies:

Chairman, CEO and Director of Sofax Banque

Chairman, CEO and Director of Total Capital

Chairman, CEO and Director of Total Capital International

Chairman of Total Finance

Chairman of Total Finance Exploitation

Chairman of Total Treasury

Director of Société Financière d'Auteuil

Director of Elf Aquitaine

Permanent representative of Total SA Eurotradia International

Non-French companies:

Chairman and Director of Total Capital Canada Ltd (Canada)

Director of Sunpower Corp. (company listed on Nasdaq)

Other appointments not related to the Total group unlisted companies):

Manager of Omnium Lorrain (non-trading company)

Appointments expired in the last five years:

Chairman, CEO and Director of Odival from September 28, 2007 to September 28, 2011

Chairman and CEO of Total Petrochemicals Arzew from November 15, 2004 to July 15, 2008

Director and Chairman of the Audit Committee of Compania Espanola de Petroleos – Cepsa (Spain) until August 2, 2011 (company listed in Madrid)

Number of Wendel shares held as of December 31, 2012: 267,226

Supervisory Board members whose term ended in 2012

Jean-Marc JANODET

Member of Wendel's Supervisory Board until June 4, 2012

Member of the Governance Committee

Date appointed to first term: November 20, 1997

Expiration date of last term: End of Annual Meeting on June 4, 2012

Born on June 29, 1934

Career path:

A graduate of the École Supérieure de Commerce de Paris, Jean-Marc Janodet spent his entire career at the Wendel group. He was Director and CEO of Marine-Wendel and Director and member of the Executive Committee responsible for finance at CGIP.

He is an officer of the National Order of Merit.

Appointments and positions held as of June 4, 2012:

Wendel group:

Permanent representative of Trief Corporation SA on the Board of Directors of Sofisamc

Appointments expired in the last five years:

Chairman of Sofisamc (expired in 2012)

Director of Trief Corporation SA (in 2012)

Permanent representative of the Compagnie Financière de la Trinité on the Board of Directors of Stallergenes (expired in 2010)

Member of the Supervisory Board of Banque Neuflize OBC (expired in 2008)

Number of Wendel shares held as of December 4, 2012: 19,005

Francois DE MITRY

Member of Wendel's Supervisory Board until September 13, 2012

Member of the Governance Committee

Date appointed to first term: September 6, 2004

Expiration date of last term: Annual Meeting to be held in 2016

Resigned with effect from September 13, 2012

Born on January 27, 1966

Career path:

Graduate of the Institut d'Études Politiques de Paris. Alumnus of Université de Paris-Dauphine (masters degree in management and post-graduate diploma in Finance) and Yale University.

François de Mitry began his career at HSBC and then at Société Générale. He joined Intermediate Capital Group PLC in 1997 and was appointed CEO and a member of the Board in 2003, a position he held until July 2011. He resigned from the Supervisory Board of Wendel because he was named a partner of Astorg Partners in September 2011.

Appointments and positions held as of September 13, 2012:

Wendel group (unlisted company):
Director of Wendel-Participations (since May 6, 2011)

Appointments expired in the last five years:

CEO and Director of Intermediate Capital Group PLC (2011)

Director of Parken and of Gerflor (2011)

Representative of ICG on the Boards of Directors of Nocibé and Medi-Partenaires (2011)

Chairman of the Supervisory Board of Eisman GmbH (2011)

Number of Wendel shares held as of December 13, 2012: 500

New Supervisory Board members to be proposed to shareholders at their Annual Meeting of May 28, 2013

Bénédicte COSTE

New member of Wendel's Supervisory Board

Subject to shareholder approval at the Annual Shareholder's Meeting on May 28, 2013.

Born on August 2, 1957

Business address:
4, avenue Lamartine
78170 La Celle Saint Cloud

France

Career path:

Bénédicte Coste is a graduate of HEC (major in finance) and also holds a degree in law, which she pursued after obtaining a two-year technical degree (BTS) in the analysis of agricultural enterprises. She began her career in the finance division of Elf Aquitaine where she managed a portfolio in the Markets & Portfolio department from 1980 to 1984. In 1986, she started a portfolio management business first as an independent, then created Financière Lamartine SA, a portfolio management company, which obtained approval from the French market regulatory authority (COB) in 1990 (authorization no. GP 9063 on July 27, 1990). Financière Lamartine is specialized in discretionary management for private clients. Ms. Coste is a member of the Bank and asset management group at the HEC Association. She was President of AFER, the French savings and retirement association, from April 2004 to November 2007.

Appointments and positions held as of December 31, 2012:

Principal position:
CEO of Financière Lamartine

Wendel group (unlisted company):
Director of Wendel-Participations

Appointments expired in the last five years: none

Priscilla de MOUSTIER

New member of Wendel's Supervisory Board

Subject to shareholder approval at the Annual Shareholder's Meeting on May 28, 2013.

Born on May 15, 1952

Business address:
94, rue du Bac
75007 Paris
France

Career path:

Priscilla de Moustier holds an MBA from Insead, a degree from the Institut d'Études politiques de Paris and bachelor's degrees in mathematics and economics.

After negotiating the sale of turnkey manufacturing facilities for Creusot-Loire Entreprises and working as a consultant at McKinsey, Ms. de Moustier joined Berger-Levrault, where she was responsible for new project development in the Metz technology park. Since 1997, she has supervised Wendel's involvement in the university teaching chair and subsequently the Wendel center at Insead. She also represents Wendel-Participations in the Family Business Network.

Appointments and positions held as of December 31, 2012:

Wendel group (unlisted company):
Director of Wendel-Participations

Other appointments (unlisted companies):
Chairman of the Supervisory Board of Oxus Microfinance Network
Vice-President of the French chapter of the Family Business Network
Director of Acted
Director of Somala (Marais de Larchant SA)

Appointments expired in the last five years: none

Laurent BURELLE

New member of Wendel's Supervisory Board

Subject to shareholder approval at the Annual Shareholder's Meeting on May 28, 2013.

Born on October 6, 1949

Business address:
Compagnie Plastic Omniun
1, rue du Parc
92593 Levallois-Perret Cedex
France

Career path:

Mr. Burelle is a graduate of the Swiss Federal Institute of Technology in Zurich and holds a master's of science from the Massachusetts Institute of Technology (MIT).

Compagnie Plastic Omnium: Manufacturing engineer, Assistant to the Langres factory manager (1975), CEO of Plastic Omnium Iberica (1977), Chairman & CEO of Plastic Omnium Spain (1980) and then of Compania Plastic Omnium Spain (1981), Compagnie Plastic Omnium service department head (1981-88), Vice-chairman and CEO (1987-2001), Chairman & CEO (since 2001).

Appointments and positions held as of December 31, 2012:

Principal positions:
Chairman & CEO of Compagnie Plastic Omnium (listed company)
Director and Deputy CEO of Burelle SA since 1982 (listed company)

Appointments in the Plastic Omnium group:

France:
Director and Deputy CEO of Sogec 2 SA
Director of Burelle Participations SA
Chairman and member of the Supervisory Committee
Chairman and member of the Supervisory Committee of Plastic Omnium Environnement SAS
Chairman of Plastic Omnium Auto SAS
Chairman of Plastic Omnium Auto Exteriors SAS
Chairman of Inergy Automotive Systems SAS

Germany:
Manager of Plastic Omium GmbH

Spain:
Chairman and Director-Delegate of Compania Plastic Omnium SA

United States:
Chairman of Plastic Omnium Inc.
Chairman of Plastic Omnium Automotive Services Inc.
Director of Inergy Automotive Systems LLC

United Kingdom:
Chairman of Plastic Omnium Ltd.

Netherlands:
Chairman of Plastic Omnium International BV

Switzerland:
Director of Signal AG

Other appointments:
Director of Pernod Ricard since May 4, 2011 (listed company)
Director of La Lyonnaise de banque
Member of the Supervisory Board of Labruyère Eberlé SAS
Chairman of Cie financière de la Cascade SAS

Appointments expired in the last five years (since September 1, 2011):

United States:
Chairman of Plastic Omnium Auto Exteriors LLC
Chairman of Performance Plastics Products - 3P Inc.
Chairman of Plastic Omnium Industries Inc.

No conviction for fraud, formal accusation and/or public sanction or liability for bankruptcy during the previous five years

To the best of the Company's knowledge, as of the date of issue of this document, no member of the Supervisory Board has in the past five years: (i) been convicted for fraud or formally accused or publicly sanctioned by the judiciary or government agencies; (ii) been involved in bankruptcy, the sequestration of assets or liquidation; (iii) been prevented by a court from acting as a member of a corporate, executive or supervisory body of an issuer or being involved in the management or the running of the business of an issuer.

A member of the Supervisory Board has noted that he was director of unlisted companies that were subject to a class action.

A member of the Supervisory Board has noted that a portion of his shares are subject to a sale restriction (see section 2.1.6.6).

Conflicts of interest, family ties and service contracts

Ernest-Antoine Seillière, François de Wendel, Humbert de Wendel, François de Mitry, Édouard de L'Espée and Nicolas Celier are members of the Wendel family.

Owing to his new responsibilities with respect to an investment fund, Mr. de Mitry tendered his resignation with effect September 13, 2012.

Messrs. de L'Espée, de Mitry and François de Wendel are directors of Wendel-Participations, the Company's main shareholder, which represents the interests of Wendel family members. Messrs. Seillière and Celier are non-voting members of the Board of Wendel-Participations.

Bénédicte Coste and Priscilla de Moustier, whose appointment is subject to approval by shareholders at their next Annual Meeting, are also members of the Wendel family and are Directors of Wendel-Participations.

In addition, Messrs. Seillière and Janodet held appointments in certain Group subsidiaries and associated companies. Mr. Seillière's appointment as director of Bureau Veritas is set to expire on May 22, 2013.

To the best of the Company's knowledge, as of the date of issue of this document, there is no existing or potential conflict of interest between the private interests or other obligations of the members of the Supervisory Board and their obligations with regard to the Company that has not been handled in accordance with the conflict-of-interest management procedure specified in the internal regulations of the Supervisory Board and described in section 2.1.6.5.

To the best of the Company's knowledge, no Supervisory Board member has been selected as a Wendel client or supplier nor is any member tied to the Company or to one of its subsidiaries by a service contract.

Supervisory Board members have no family ties with the Executive Board members.

Restrictions on the sale of shares held by the members of the Supervisory Board are described in section 2.1.6.6.

Independence of Supervisory Board members

The Supervisory Board ensures that it is composed in such a way as to guarantee impartial deliberation and that it includes members who qualify as independent.

The Supervisory Board uses the Afep-Medef report's definition of "independent member": "A director is independent if he or she has no relationship of any kind with the Company, its group or its management, which could compromise his or her judgment."

At their meetings of February 12, 2013, the Governance Committee and the Supervisory Board reviewed the independence of each member based on the following criteria, in accordance with recommendation 8.4 of the Afep-Medef Code as to whether they:

- were not employees or corporate officers of the Company, employees or directors of the parent company or of a company consolidated by it, either currently or at any time in the five previous years;
- were not corporate officers of a company in which the Company holds, directly or indirectly, a directorship, or in which an employee designated as such or a corporate officer of the company (current or in the last five years) holds a directorship;
- were not customers, suppliers, investment bankers or corporate bankers:
  - of the Company or the Group to a significant extent, or
  - for which the Company or the Group accounts for a significant portion of the business;
- did not have family ties with a corporate officer of the Company;
- have not been a Statutory Auditor of the Company during the previous five years;
- have not been directors of the Company for more than 12 years (the loss of independent director status under this criterion occurring at the end of the term during which seniority exceeds 12 years).

The Supervisory Board applies the proposed independence criteria. However, it interprets the application of the criterion limiting successive terms of an independent director to 12 years in a slightly different manner (see table summarizing the Afep-Medef recommendations, section 2.1.3).

Consequently, the Supervisory Board believed that as of February 12, 2013, four of the nine members, or more than one-third, met the independence criteria of the Afep-Medef Code: Dominique Hériard Dubreuil, Guylaine Saucier, Didier Cherpitel and Gérard Buffière. The composition of the Committee therefore complies with recommendation 8.2 of the Afep-Medef Code, which advocates that at least one-third of the Board members of controlled companies be independent.

At their Annual Meeting, shareholders will be asked to approve the appointment of Laurent Burelle. At their meetings of February 12, 2013, the Governance Committee and the Supervisory Board examined Mr. Burelle's position with regard to the independence rules of the Afep-Medef Code. Mr. Burelle, Director and Deputy CEO of Burelle SA and Chairman & CEO of Compagnie Plastic Omnium, would not satisfy the criterion requiring that there be no reciprocal appointments, because François de Wendel is a director of Burelle SA. Nevertheless, the Supervisory Board has concluded, on the recommendation of the Governance Committee, that he is independent by virtue of his personal qualities: his stature as an executive, his industry experience and his ability to understand international issues and risks. In addition, the Board believes, given that Wendel and Burelle operate in very different business sectors, that Mr. Burelle will preserve all of his independence of judgment.

At the conclusion of the May 28, 2013 Annual Meeting, therefore, provided shareholders renew the terms of Mr. de L'Espée and appoint Ms. Coste, Ms. de Moustier and Mr. Burelle, the proportion of independent members will be 5/11 or 45%.

2.1.2.2 Preparation and organization of the Board's proceedings

During its December 1, 2010 meeting, the Supervisory Board adopted its internal regulations. These regulations set down the rights and responsibilities of the members of the Board, state the criteria for evaluating independence, describe the composition and the remit of the Board and its committees and specify a certain number of rules of ethics. In particular, they reiterate the rules for trading shares of Wendel or its listed subsidiaries or investments (see section 2.1.6 "Compliance issues involving the Group's governing and supervisory bodies").

The main provisions of the Board's internal regulations are detailed below.

The members of the Supervisory Board stay informed of laws and regulations, the Company's by-laws, the Board's internal regulations and the Market Confidentiality and Ethics Code and agree to fulfill the resulting requirements.

The Supervisory Board meets as often as the interests of the Company require, and at least once a quarter, as convened by its Chairman.

The Chairman of the Supervisory Board is responsible for convening the Board and chairing its discussions. Meetings are held and decisions made according to the quorum and majority conditions required by law. In the event of a tie, the Chairman casts the deciding vote.

Notices of meeting are sent by post or e-mail and, whenever possible, one week in advance. Should a meeting need to be called urgently, the Supervisory Board may be convened without advance notice and be held by telephone or videoconference. In 2012, one of the Board's meetings was held via secure teleconference.

The Statutory Auditors are invited to all meetings of the Supervisory Board at which the annual or semi-annual financial statements are examined and attend that part of the meeting that involves them.

The Supervisory Board meets regularly. In 2012 the Supervisory Board met nine times. The attendance rate was 87% and the meetings lasted on average three and a half hours.

The Supervisory Board's Secretary is Caroline Bertin Delacour, Director of Legal Affairs.

Considerable care is taken to provide Supervisory Board members with comprehensive, high-quality information in preparation for meetings and to transmit these information packages promptly. The Board Secretary prepares minutes of each meeting. The minutes are distributed prior to the following meeting, and any changes are sent subsequently. Minutes of a Supervisory Board meeting are approved at the start of the Board's following meeting, then entered into the register. Board members also receive all information published by the Company (press releases) at the time of its release. The main analyst studies and the most significant press articles are forwarded to them, whenever necessary, at the following Board meeting or by e-mail if there is urgency. A record of attendance is also kept.

2.1.2.3 Responsibilities of the Supervisory Board

As specified in the Supervisory Board's internal regulations, the members of the Supervisory Board individually and collectively represent all shareholders. The Board must conduct its business in the shared interest of the Company. The Supervisory Board is a collegial body; its members make decisions collectively.

The main items discussed at Supervisory Board meetings during 2012 were as follows:

- Company strategy and positioning;
- proposed investments and divestments;
- quarterly reports of the Executive Board on the situation of the Company and the Group;
- the Company's financial position;
- net asset value and share price;
- parent company and consolidated financial statements as of December 31, 2011 and June 30, 2012 and Statutory Auditors' reports;
- quarterly financial information;
- management forecasts;
- financing and bond issues;
- share buybacks;
- capital reductions;
- financial communication;
- review of shareholder structure;
- Executive Board compensation;
- review of the Company's compliance with the Afep-Medef Code;
- the Supervisory Board's formal self-evaluation;

- reports of the Audit and Governance Committees;
- report of the Chairman of the Supervisory Board on corporate governance and internal control;
- related party agreements;
- resolutions submitted by the Executive Board to shareholders at their Annual Meeting;
- changes in the composition of the Board and its committees;
- equal representation and equal salary treatment for men and women;
- grant of stock options and performance shares and recognition of whether or not performance conditions have been met;
- co-investment on the part of Executive Board members;
- capital increase reserved for members of the Group savings plan;
- review of disputes and litigation.

2.1.2.4 Evaluation of the Supervisory Board and its committees

Recommendation 9 of the Afep-Medef Code advises the Board to "evaluate its capacity to meet shareholder expectations (...) by periodically reviewing its composition, organization and operations (…)". Specifically, it recommends that each year the Board devote one agenda item to a discussion about its operations and that a formal evaluation be carried out at least once every three years.

The Supervisory Board of the Company carries out a formal evaluation every year, using a questionnaire addressed to each Board member, under the authority of the Chairman of the Governance Committee. The conclusions drawn from the questionnaire were reviewed at the December 5, 2012 meetings of the Governance Committee and the Supervisory Board.

The principal conclusions of the evaluation were as follows:

- concerning composition, the Supervisory Board would like to increase the presence of women on the Board and of members with complementary experiences, given the Company's strategy to internationalize;
- concerning information provided to Supervisory Board members, their contact with the Managing Directors was satisfactory;
- concerning compensation, the amount of director's fees paid to members of the Supervisory Board was judged to be appropriate;
- the Board carried out a more in-depth analysis of strategy.

2.1.3 Corporate governance statement

As decided by the Supervisory Board at its meeting of December 1, 2008, pursuant to Article L.225-68 of the French Commercial Code, the Company uses the Afep-Medef Corporate Governance Code for listed companies and the recommendations provided therein as its guidelines. This Code is available on the Medef website: www.medef.fr/main/core.php.

At its meeting of February 12, 2013, the Supervisory Board examined the Company's situation with regard to the Afep-Medef Code.

In accordance with AMF recommendation 2012-14 on corporate governance and executive compensation, the following table summarizes the recommendations in the Code that the Company does not apply.

Proportion of independent members on the Board's committees	Two of the five members of Wendel's Audit Committee are independent; this is less than the 2/3 recommended by the Code. As Wendel is a company controlled by a majority shareholder, however, it is sufficient for 1/3 of the Board members to be independent. With 44% independent members, this criteria is satisfied. As the Board has decided in principle to have all of its members sit on one or the other of the two committees, this proportion is automatically reproduced in the committees. In addition, the Supervisory Board believes that other factors – that the Chairmen are independent members, that the Committees' members have in-depth involvement and knowledge of the Company, that external experts are regularly called upon and that meetings are held frequently – outweigh the arithmetic approach to the composition of the Committees. Finally, the Supervisory Board has requested that the Chairman of each Committee, an independent member of the Board, attend the meetings of the other Committee, thereby increasing the number of independent members in attendance.
Criterion for Supervisory Board independence that limits total terms to 12 years excluded	Given Wendel's business as a medium- and long-term investor, the Supervisory Board believes that experience is an essential criterion in assessing the skills of the Company's Supervisory Board members. Accordingly, at its February 12, 2013 meeting, the Board decided that Didier Cherpitel, who was appointed Director in 1998, should be considered as an independent director in light of his extensive experience on and outside of the Board, his involvement in the work of the Board, his compliance with all other criteria in the Afep-Medef Code, his personal qualities and his long-term vision.
No variability of director's fees based on attendance	The Supervisory Board did not feel it was necessary to create an attendance-based variable portion of director's fees, because the rate of attendance at Board and Committee meetings is already high (Board: 88%, Audit Committee: 90%, Governance Committee: 92%).
Criteria for determining variable compensation and information about the application of these criteria	Compensation paid to the members of the Executive Board includes a variable portion based on specific criteria and objectives such as investment and divestment strategy, growth in Wendel's earnings and management of its debt. The level of variable pay attributed by the Supervisory Board reflects the extent to which objectives are achieved.
Percentage of options and performance shares granted to executive corporate officers	The Company does not indicate the percentage of options and performance shares granted to executive corporate officers, but the Supervisory Board is careful to ensure that the options allocated to members of the Executive Board remains in balance with the Company's capital, with executive compensation and with the total number of options and performance shares granted.
Acquisition of shares upon vesting of performance shares	There is no system to ensure this, as the members of the Executive Board each already own a very significant number of shares of the Company. In addition, they are required to hold 25,000 shares at all times.
Termination benefits paid to executive corporate officers	The situations in which Executive Board members are eligible for termination benefits are more numerous than those specified in recommendation 20.2.4 of the Afep-Medef Code, which states that executives may receive a termination benefit only if the departure is involuntary and due to a change in control or strategy. At Wendel, these benefits might also be paid in the event of an involuntary departure resulting from a substantial change in responsibilities. The Supervisory Board believes that this payment condition is legitimate, because the substantial change in responsibilities would in effect be imposed on the executive. In addition, demanding performance conditions have been imposed, the achievement of which must be confirmed by the Supervisory Board.
Succession plan for executive corporate officers	The Executive Board has two members. In the event the Chairman of the Executive Board were to be unavailable, the other member of the Executive Board would be able to bridge the transition period until the Board makes a new appointment.

2.1.4 Supervisory Board committees

For the Board to discharge its responsibilities under optimal conditions, its internal regulations stipulate that discussions on certain topics should be prepared in advance by standing Committees. There are two such committees: the Audit Committee and the Governance Committee. The responsibilities of each committee are specified in the internal regulations of the Supervisory Board.

2.1.4.1 The Audit Committee

Composition of the Audit Committee

The Audit Committee has five members:

- Guylaine Saucier, Chairman;
- Gérard Buffière;
- Nicolas Celier;
- Édouard de L'Espée;
- Humbert de Wendel.

The Chairman of the Supervisory Board and the Chairman of the Governance Committee are invited to attend each Audit Committee meeting.

All members of the Audit Committee have the financial and accounting expertise necessary to be a member of the Committee, insofar as they occupy or have occupied senior executive positions in several industrial or financial companies.

Ms. Saucier and Mr. Buffière are the independent members of the Committee.

The composition of the Committee does not fully comply with Afep-Medef recommendation 14.1, which advocates that at least two-thirds of the members be independent (see summary or Afep-Medef recommendations in section 2.1.3).

Responsibilities of the Audit Committee

Pursuant to recommendation 14.2 of the Afep-Medef Code, decree no. 2008-1278 of December 8, 2008, pertaining to the Statutory Auditors and the AMF's final report on Audit Committees published in July 2010, Wendel's Audit Committee is principally responsible for monitoring:

- the process for preparing financial information;
- the effectiveness of internal control and risk management systems;
- the audit of parent company and consolidated financial statements by the Statutory Auditors;
- the independence of the Statutory Auditors.

More specifically, and pursuant to Article 17.1 of the internal regulations of the Supervisory Board, the main tasks of Wendel's Audit Committee are to:

- ensure that the accounting policies chosen are appropriate and properly applied in the preparation of parent company and consolidated financial statements;
- verify the accounting treatment of any significant or complex transaction realized by the Company;
- ensure that the processes used to produce financial information are rigorous enough to guarantee the sincerity of this information;
- ensure that a procedure exists to identify and analyze risks that may have material impact on accounting and financial information, and in particular on the Company's assets; It also ensures that if any weaknesses are identified, appropriate action is taken;
- serve as liaison with the Statutory Auditors;
- review all accounting and financial documents to be issued by the Company before they are published (in particular the periodic calculation of net asset value);
- inform the Supervisory Board of any observations it considers relevant from an accounting and financial point of view, in particular when the semi-annual and annual parent company and consolidated financial statements are finalized;
- oversee the Statutory Auditor selection process and submit its findings to the Supervisory Board, and issue a recommendation on the Statutory Auditors for shareholder approval at the Annual Meeting;
- review the audit and consulting fees paid by the Group and Group-controlled companies to the Statutory Auditors and their networks and submit a report thereon to the Supervisory Board.

Organization and procedures

The Audit Committee meets as frequently as it deems necessary, and at least twice a year, prior to the Supervisory Board's review of the semi-annual and annual financial statements. The Committee may hold meetings using videoconferencing or other telecommunications tools. It may, in the context of its responsibilities, examine a topic whenever it believes it is necessary and worthwhile to do so. The Audit Committee has access to all the resources it considers necessary to discharge its responsibilities.

To the greatest extent possible, its meetings are held sufficiently in advance of Board meetings to allow for an in-depth examination of any subject requiring the Committee's attention.

Accordingly, documents are addressed to Committee members sufficiently in advance of each meeting. The Chief Financial Officer of the Company presents the subjects on the agenda to the members of the Committee as well as any risks to the Company and off-balance-sheet commitments. The Statutory Auditors are invited to each meeting. The Audit Committee may interview the members of the Finance department as well as the Statutory Auditors in the absence of the Company's management. The Chief Financial Officer presents the Company's risk factors and significant off-balance-sheet items to the members of the Committee.

Information on specific aspects of the Company's accounting, financial and operating processes are provided to Audit Committee members on request.

The Committee may also hire experts to perform specific tasks falling within the scope of its responsibilities. In this regard, the Committee has engaged a recognized independent expert, in the context of evaluating the Company's net asset value.

At the conclusion of each meeting, its members deliberate, with no members of the Company's Executive Board present. The minutes of each meeting are approved at the Committee's next meeting, and the Chairman of the Audit Committee presents a report at the next meeting of the Supervisory Board.

The Audit Committee met six times in 2012, with an attendance rate of 90%. The average length of meetings was three hours.

Patrick Bendahan, a director and a member of the investment team, was the Secretary of the Audit Committee until June 2012. Caroline Bertin Delacour, Director of Legal Affairs and Secretary of the Supervisory Board has been Secretary of the Audit Committee since June 2012.

In 2012, the Audit Committee examined the following topics:

- 2011 parent company and consolidated financial statements;
- first-half 2012 consolidated financial statements;
- impairment tests;
- Net Asset Value;
- the Statutory Auditors' reports;
- Wendel's liquidity and debt situation and that of its subsidiaries;
- monitoring of risks and introduction of a risk mapping system;
- off-balance-sheet commitments (liability guarantees);
- outstanding disputes;
- the accounting treatment of certain transactions;
- co-investment proceeds received by the senior managers following the sale of Deutsch;
- the Group's tax situation;
- report of the Chairman of the Supervisory Board on risk management and internal control;
- the independence of the Statutory Auditors, in particular when it examined the fees paid by the Company and when it gave prior approval for assignments not strictly related to auditing the financial statements;
- renewal of the terms of the Statutory Auditors;
- how the Committee operates;
- review of answers to questions posed by the AMF on the 2011 Registration Document.

In addition, the Committee interviewed the Statutory Auditors.

2.1.4.2 The Governance Committee

Composition of the Governance Committee

The Governance Committee, which includes the functions of an Appointments Committee and a Compensation Committee, has been composed of three members since September 13, 2012:

- Didier Cherpitel, Chairman;
- Dominique Hériard Dubreuil;
- François de Wendel.

Jean-Marc Janodet was a member of the Committee until June 4, 2012; his term as member of the Supervisory Board ended as of that day. François de Mitry, who was a member of the Committee until September 13, 2012, tendered his resignation from the Supervisory Board with effect as of that date, owing to his new responsibilities with respect to an investment fund.

The Chairman of the Supervisory Board and the Chairman of the Audit Committee were invited to attend each Governance Committee meeting.

The Governance Committee includes two independent members, Dominique Hériard Dubreuil and Didier Cherpitel, its Chairman.

At the conclusion of the Annual Shareholders' Meeting of May 28, 2013, and subject to shareholders' decisions, the Governance Committee should be composed of five members.

Responsibilities of the Governance Committee

According to Article 17.2 of the internal regulations of the Supervisory Board, the responsibilities of the Governance Committee are as follows:

- propose candidates for Supervisory Board appointment after reviewing all factors that must be taken into account: desired balance on the Board given the composition of, and changes in, the Company's shareholding; legitimate number of independent members; promotion of gender equality;
- propose the current and deferred (termination benefits) compensation of Executive Board members, whether fixed or variable, including benefits in kind and the granting of stock options or performance shares;
- examine Executive Board proposals involving stock options, the granting of performance shares, and other bonus programs for Company employees;
- present the general principles of the co-investment policy for Executive Board members and the management team to the Supervisory Board for its decision;
- propose the compensation package for the Chairman of the Supervisory Board;
- propose the methods for apportionment of Director's fees among the members of the Supervisory Board;
- express an opinion on any question related to the governance of the Company or the functioning of its governing bodies;

- review any question concerning business ethics raised by the Supervisory Board.

Organization and procedures

The Governance Committee met nine times in 2012. Average attendance at the meetings was 92%. The meetings lasted on average two hours and 40 minutes.

The Committee may call upon recognized independent experts to help it carry out its assignments. In this regard, the Committee consulted several specialized firms in 2012 to advise it on changes to the composition of the Supervisory Board and to the Executive Board's compensation, as well as on the allocation of stock options and performance shares.

The agenda and other necessary documents and reports are sent to Committee members about one week prior to each Committee meeting. The minutes of each meeting are approved at the Committee's next meeting, and the Chairman of the Governance Committee presents a report at the next meeting of the Supervisory Board.

The Secretary of the Governance Committee is Caroline Bertin Delacour, Director of Legal Affairs, who is also the Secretary of the Supervisory Board.

Meetings in 2012 involved the following topics:

- Executive Board compensation;
- the Company's compliance with the Afep-Medef Code and in particular regarding the independence of Board members;
- report of the Chairman of the Supervisory Board on corporate governance;
- stock-option and performance share grants;
- the co-investments of the members of the Executive Board;
- the Group savings plan and the collective performance bonus plan;
- the Supervisory Board's formal self-evaluation;
- the composition and process for renewing the appointments of Board members;
- review of Board candidates;
- review of answers to questions posed by the AMF on the 2011 Registration Document;
- changes to the Board's internal regulations to strengthen the procedure for handling conflicts of interest within the Board.

2.1.5 Division of powers between the Executive and Supervisory Boards

At the Annual Shareholders' Meeting of May 31, 2005, Wendel adopted a dual governance structure with an Executive Board and a Supervisory Board. The Company made this change with the aim of improving its governance, by setting out a clear division of responsibilities between the executives and the shareholders and between the company's management and its supervision.

Pursuant to Article 21 of the by-laws, the Executive Board manages the Company on a collegial basis under the oversight of the Supervisory Board. With authorization from the Supervisory Board, Executive Board members may divide management tasks among themselves. However, this division of tasks may under no circumstances have the effect of nullifying the collegial manner in which the Executive Board manages the Company.

The Executive Board has the broadest powers to act on the Company's behalf under all circumstances. It exercises these powers within the limits of the Company's purpose and as long as they have not been expressly attributed to shareholders or the Supervisory Board. The Chairman of the Executive Board and, if applicable, the Executive Board member or members designated as CEO by the Supervisory Board, represent the Company in its relations with outside parties. The Company is bound even by actions of the Chairman or CEOs that do not comply with the Company's purpose, unless the Company can prove that the third party knew, or that given the circumstances, must have known, that the action was outside of the scope of the Company's purpose.

The Executive Board may vest one or more of its members or any non-member with special, ongoing or temporary assignments that it has determined and may delegate to them for one or more set purposes, with or without the option to sub-delegate, the powers that it deems necessary.

The Executive Board draws up and presents strategy, budgeting and the reports mentioned below to the Supervisory Board, as well as annual and semi-annual financial statements, as prescribed by law.

The Executive Board, after discussion with the Supervisory Board, sends out the notice of Shareholders' Meetings and, if applicable, any other meeting, and draws up the agenda of these meetings, without prejudice to the provisions of Article 15 of the by-laws.

The Executive Board executes all decisions made at Shareholders' Meetings.

Pursuant to Article L.225-68 of the French Commercial Code and Article 14 of its internal regulations, the Supervisory Board exercises ongoing oversight of the Executive Board's management of the Company. Throughout the year, it performs the checks and controls it deems appropriate and may request any document it considers necessary to fulfill its duties. The Supervisory Board may mandate one or more of its members to carry out one or more assignments of its choosing. Whenever it deems necessary, the Supervisory Board may convene a Shareholders' Meeting and set the agenda therefor.

The Executive Board ensures that the draft resolutions submitted to the Annual Shareholders' Meeting regarding the composition or the operations of the Supervisory Board accurately reflect the Supervisory Board's decisions.

At least once every quarter, the Executive Board presents to the Supervisory Board a detailed report on the Company's situation and outlook. In particular, it reports on the performance and the development strategy of the companies in its portfolio (including their sales and financial position), planned or completed financial transactions and any other transactions likely to significantly impact the Company.

Within three months after the close of each fiscal year, the Executive Board submits the parent company and consolidated financial statements for the year to the Supervisory Board for verification, along with the management report to be presented to shareholders at their Annual Meeting. The Supervisory Board reports its observations on the Executive Board's report and on the annual parent company and consolidated financial statements to the shareholders. The Executive Board also presents the semi-annual financial statements to the Supervisory Board, as well as the documents containing management forecasts.

The Executive Board informs the Supervisory Board each quarter of the change in net asset value (NAV) per share, which measures the Company's creation of value (see section 4.3). As often as necessary, it also reports to the Supervisory Board on the Company's balance sheet and the type and maturity of its bank and bond debt.

The Supervisory Board is kept regularly informed of the risks the Company assumes and the measures the Executive Board takes to address them (see sections 2.2, 2.3 and note 15.1 to the consolidated financial statements). It is also regularly informed about changes in the share capital and voting rights, as well as the Company's proposed acquisitions or divestments.

Prior approval of the Supervisory Board is required for certain transactions, specified in Article 15 of the Company's by-laws:

a) under current legal and regulatory provisions and the decisions of the Supervisory Board of December 1, 2010 and December 5, 2012 for:

- divestment of real property of more than €10 million per transaction,
- divestment of financial investments of more than €100 million per transaction,
- granting of security interests, guarantees, endorsements and collateral of more than €100 million per transaction,
- any contract subject to Article L.225-86 of the French Commercial Code;

b) under Wendel's by-laws for:

- any transaction, including the acquisition or divestment by the Company (or an intermediate holding company) of more than €100 million,
- any decision binding the Company or its subsidiaries, i.e. any decision that, according to the interpretation of the Supervisory Board, involves a significant change to the Wendel group's strategy or image,
- any proposal to shareholders to change the by-laws,
- any transaction that may lead, immediately or at a later date, to a capital increase or reduction of capital through the issuance of securities or cancellation of shares,
- any proposal to shareholders regarding the appropriation of earnings or the distribution of dividends, as well as any interim dividend,
- any merger or spin-off that the Company is party to,
- any proposal to shareholders regarding a share buyback program,
- any proposal to shareholders regarding the appointment or re-appointment of the Statutory Auditors.

The Supervisory Board is also involved in the financial communication policy.

The Supervisory Board defines the terms and conditions of the Executive Board Chairman's compensation as well as the form in which it is paid (current or deferred, fixed or variable); it authorizes Bernard Gautier's compensation based on the proposal of the Chairman of the Executive Board. It sets stock-option and performance share grants allocated to Executive Board members, as well as the relevant performance and holding conditions. Finally, the Supervisory Board sets the general principles of the co-investment policy for the members of the Executive Board and the management team and authorizes the co-investment of Executive Board members (see note 4.1 of the notes to the consolidated financial statements). In all cases, the Supervisory Board acts on the recommendation of the Governance Committee. It is the Executive Board's responsibility to set employee stock option and performance share grants, the grant dates and the details of the plan.

2.1.6 Compliance issues involving the Group's governing and supervisory bodies

Recommendation 17 of the Afep-Medef Code and recommendation 2010-07 of the AMF, dated November 3, 2010 set out a series of obligations applicable to members of governing bodies.

To fulfill these obligations, the Executive Board created a Market Confidentiality and Ethics Code on December 1, 2009, applicable to its members, to the members of the Supervisory Board and to the Company's employees.

In addition, the Supervisory Board approved its internal regulations at its meeting of December 1, 2010.

Finally, the Executive Board appointed an Ethics Officer on July 24, 2009. The responsibilities of the Ethics Officer are defined in the Company's Market Confidentiality and Ethics Code.

2.1.6.1 Related party agreements

Agreements between the Company and a member of the Executive or Supervisory Board, either directly or indirectly, must be approved in advance by the Supervisory Board. The same requirement applies to agreements between the Company and a shareholder holding more than 10% of the voting rights as well as to agreements between the Company and a third party, should they have executives in common. The Chairman of the Supervisory Board reports all authorized agreements to the Statutory Auditors and submits them to shareholders for approval at their Annual Meeting. The Statutory Auditors present a special report to shareholders on the Chairman's report. This procedure does not apply to ordinary agreements executed at standard terms.

2.1.6.2 Registered shares

Shares or any other securities issued by the Company or by its listed subsidiaries and associates, which are held or may be held by members of the Executive Board or the Supervisory Board or any related person, such as their spouse or dependent children, must be held in registered form.

2.1.6.3 Blackout periods

Executive and Supervisory Board members are bound by strict confidentiality rules regarding specific, non-public information that could have a material impact on the price of shares or of any other listed security of the Company. This information is considered to be privileged.

The confidentiality requirement also applies to any privileged information that the members may have about a company in which Wendel is considering an investment.

Consequently, when members of governing bodies are in possession of privileged information, they must refrain from carrying out, directly or indirectly, on their own behalf or on behalf of another party, any transaction involving the Company's shares or any other of its listed securities.

This same restriction on trading is required during certain so-called "blackout" periods during which the Company publishes its annual and semi-annual financial statements, issues quarterly financial reports or announces net asset value (NAV, see section 4.3). These periods are as follows: for annual and semi-annual financial statements, from 30 days before to two days after their publication; for quarterly reports and NAV, from 15 days before to two days after their publication.

Trading is also restricted during any other period communicated by the Company's Ethics Officer.

Unless specified to the contrary, these blackout periods end upon the publication of the information in question, in an official notice and/or a press release that is effectively and fully disseminated.

Members of management must also refrain from trading in the securities of Wendel group subsidiaries and listed equity investments. This restriction does not apply to shares held by the directors to fulfill obligations imposed by legislation or the by-laws or in accordance with any recommendations issued by the companies in which they serve as director. This restriction also does not apply to the payment of a dividend in kind in the form of shares in subsidiaries or associates held in the Company's portfolio, nor to the shares of Wendel's listed subsidiaries or associates acquired before July 15, 2007. Individuals holding such shares may keep them or sell them, as long as they comply with the Company's Market Confidentiality and Ethics Code.

To prevent illegal insider trading, members of the Company's governing and supervisory bodies are included on the list of permanent insiders drawn up by the Company's Ethics Officer. This list is made available to the AMF and kept for at least five years from the date it was drawn up or updated. When necessary, corporate officers can also be included on the list of occasional insiders.

2.1.6.4 Transactions carried out by executives

Executive and Supervisory Board members and parties related to them are required to report to the AMF, electronically and within five trading days of execution, all acquisitions, disposals, subscriptions or exchanges of shares of the Company as well as all transactions in related instruments. This notification is also addressed to the Company's Ethics Officer. Since 2006, the Company has published all of these transactions on its website.

2.1.6.5 Conflicts of interest

The members of the Executive and Supervisory Boards must clear up any actual or potential conflicts of interest and bring them to the attention of the Company's Ethics Officer.

Each Executive Board member is required to disclose to the Ethics Officer any situation of conflict of interest, even potential situations, and refrain from participating in related votes or discussions (see "Conflicts of interest, family ties and service contracts" in section 2.1.1.2).

At its meeting of February 10, 2012, the Supervisory Board strengthened the procedures in its internal regulations aimed at preventing conflicts of interest. The regulations specify that the members of the Supervisory Board have an obligation to maintain confidentiality and to be loyal to the Company. Each Board member prepares a statement, addressed to the Company's Ethics Officer (i) when he or she assumes the office of Board member, (ii) at any time, at the initiative of the member or upon the request of the Ethics Officer and (iii) in any event within ten business days of any event rendering all of part of the previous statement inaccurate. In the event of conflict of interest, even a potential one, the Board member abstains from participating in debate and does not take part in the corresponding vote. He or she does not receive the information related to the agenda item giving rise to the conflict of interest. The Chairman of the Supervisory Board asks the Board member not to participate in the voting. Any Board decision relating to a conflict of interest is explained in the minutes of the meeting.

Members of the Supervisory Board must also inform the Chairman of the Supervisory Board and the Chairman of the Governance Committee of his or her intention to accept a new appointment in a company that does not belong to a group of which he or she is an executive, if the Board member believes that this new appointment might create a conflict of interest. In this case, the Board decides whether the appointment is incompatible with the position of member of the Supervisory Board of Wendel. Should the Board decide that there is a conflict of interest, it asks the Board member to choose between the new appointment and his/her appointment at Wendel. The Board explains the reasoning behind its decision to declare an appointment incompatible.

2.1.6.6 Restriction on the sale of Wendel shares by Supervisory and Executive Board members

To the Company's knowledge, members of the Supervisory and Executive Boards have accepted no restrictions on the divestment of their shareholdings in the Company, with the following exceptions:

- in accordance with the by-laws of the Company, each member of the Supervisory Board must hold 100 fully paid-up shares. The internal regulations of the Supervisory Board has increased this minimum to 500 shares;
- the members of the Executive Board are obligated to hold shares obtained through the exercise of their stock options or the vesting of their performance shares;
- Executive Board members may not exercise their options during the 30-day period preceding the publication of annual or semi-annual financial statements, in accordance with the Supervisory Board's decision of June 4, 2010, which complies with recommendation 20.2 of the Afep-Medef Code;
- certain corporate officers have made commitments to hold a significant quantity of Wendel shares obtained through the acquisition of Solfur in 2007 for as long as they are present in the Group;
- a portion of the shares of a corporate officer are subject to a precautionary seizure as part of a judicial procedure;
- certain corporate officers have entered into collective lock-up commitments under Article 885 I *bis* and 787 B of the French Tax Code, described in section 6.9.1 of this Registration Document.

2.1.7 Compensation of corporate officers

2.1.7.1 Compensation policy for Executive Board members

The compensation policy for Executive Board members is approved by the Supervisory Board in February or March of every year, on the recommendation of the Governance Committee.

The Governance Committee's recommendation is based in turn on market practices for listed companies and European investment companies, which it determines using sector benchmarks provided by independent experts. Specifically, as part of the renewal of the Executive Board's appointments, which expire in April 2013, the Committee retained an independent firm to benchmark overall Executive Board compensation.

Executive Board members' compensation is designed so as to be:

- competitive compared with rival European investment companies;
- consistent with Wendel's long-term investment strategy;
- aligned with the interests of shareholders;
- subject to demanding performance conditions.

2.1.7.2 Summary of compensation, stock options and performance shares granted to each executive corporate officer

The compensation paid to the members of the Executive Board includes:

- a fixed portion, including Director's fees paid with respect to their appointments within the Group;
- a variable portion, according to specific objectives. The calculation is based on quantitative and qualitative criteria. The choice and weighting of these criteria is decided each year by the Supervisory Board on the recommendation of the Governance Committee. The level of variable pay actually attributed by the Supervisory Board depends on the extent to which objectives are achieved (see table showing compliance with the Afep-Medef Code, section 2.1.3);
- stock options or performance shares.

Executive Board members do not receive any deferred bonuses or supplementary pension benefits.

Table 1

	2012	2011
Frédéric Lemoine Chairman of the Executive Board		
Total compensation due for the year (detailed in table 2)	**1,715,860**	**1,817,201**
Number of options granted during the year	**54,542**	**96,000**
Valuation of options (1) granted during the year (detailed in table 3)	507,241	1,201,920
Number of performance shares granted during the year	**18,181**	**0**
Valuation of performance shares (2) granted during the year (detailed in table 4)	485,433	0
Total: compensation due for the year and valuation of stock options and performance shares granted during the year	**2,708,534**	**3,019,121**
Bernard Gautier Member of the Executive Board		
Total compensation due for the year (detailed in table 2)	**1,004,595**	**1,056,285**
Number of options granted during the year	**36,361**	**64,000**
Valuation of options (1) granted during the year (detailed in table 3)	338,157	801,280
Number of performance shares granted during the year	**12,120**	**0**
Valuation of performance shares (2) granted during the year (detailed in table 4)	323,604	0
Total: compensation due for the year and valuation of stock options and performance shares granted during the year	**1,666,356**	**1,857,565**

The options and performance shares in this table have been measured at their "fair value" from an accounting standpoint, calculated at the time they were granted and in accordance with IFRS. They correspond neither to amounts actually received nor to the real amounts that could be obtained if the presence and performance conditions enabling their beneficiaries to receive income were fulfilled.

(1) The valuation of these options declined from €12.52 in 2011 to €9.30 in 2012 (see section 2.1.7.4).

(2) Performance granted in 2012 were valued at €26.70 (see section 2.1.7.6). No performance shares were awarded during 2011.

2.1.7.3 Summary of each executive corporate officer's compensation

The level of compensation set for the members of the Executive Board was not increased between 2009 and 2012. In 2009, when Frédéric Lemoine was named Chairman of the Executive Board, his compensation was set at €1,200,000, whereas that of Jean-Bernard Lafonta was set at €1,354,358. Bernard Gautier's compensation declined from €800,000 to €700,000. In addition, Mr. Gautier had declined to receive 60% of his variable compensation in 2009.

Variable compensation is paid in the beginning of the year following the year for which it is due. For variable compensation paid in 2013 on results obtained in 2012, the amounts were determined on the basis of objective criteria set by the Supervisory Board on March 21, 2012.

These criteria are both quantitative (50% of the 2012 objectives) and qualitative (50% of the 2012 objectives). In the event all objectives are achieved, the target amount for variable compensation is 50% of fixed compensation. Under no circumstance is it guaranteed.

For Mr. Lemoine, it can be as high as 100% of his fixed compensation in the event that he exceeds his quantitative objectives. For Mr. Gautier, it can exceed the target variable compensation in the event of outperformance. In its meeting of February 12, 2013, the Governance Committee found that the objectives of the two members of the Executive Board had been 80% met in 2012. Accordingly, the Committee proposed that the Supervisory Board, in its meeting of February 12, 2013, attribute 80% of Mr. Lemoine's target variable compensation to him (representing 50% of his fixed compensation), or €480,000. The Supervisory Board accepted this proposal.

Mr. Lemoine proposed that the members of the Executive Board be evaluated on the same basis. The Committee thus also proposed that Mr. Gautier receive 80% of his target variable compensation for 2012 (representing 50% of his fixed compensation), or €280,000. This proposal was also approved by the Supervisory Board.

Table 2

The amounts paid in relation to the year correspond to the amounts actually received by each corporate officer. The amounts due correspond, in accordance with the definition provided by the AMF, to "compensation granted to the executive corporate officer during the year, irrespective of the date of payment".

The differences between the amounts paid and the amounts due result from the lag between the date on which Director's fees and variable compensation are paid and the years to which they apply. These amounts include all compensation paid by Group companies during the year.

	2012		2011	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Frédéric Lemoine Chairman of the Executive Board				
Total fixed compensation	1,200,000	1,200,000	1,200,000	1,200,000
of which Director's fees (1)	*273,758*	*269,190*	*264,587*	*245,813*
Variable compensation	480,000	600,000	600,000	600,000
Exceptional compensation relating to the achievement of objectives	0	0	-	150,000
Other compensation (2)	23,395	5,209	5,085	22,395
Benefits in kind (3)	12,465	12,465	12,116	12,116
TOTAL	**1,715,860**	**1,817,674**	**1,817,201**	**1,984,511**

(1) Frederic Lemoine received Director's fees from Bureau Veritas, Legrand, Saint-Gobain, Trief Corporation SA and Winvest Conseil Sarl.

(2) Frederic Lemoine benefits from the agreements in force at Wendel, including the collective performance bonus plan and the Group savings and pension plans, in the same manner as any Wendel employee.

In 2013 he should receive a gross collective performance bonus for 2012 of half of the annual reference amount determined by French Social Security *("plafond annuel de la Sécurité sociale")* for 2012, i.e. €18,186.

His subscription to the 2012 capital increase reserved for employees who are members of the Group savings plan was matched by an increased contribution of €5,209.04.

(3) Since Mr. Lemoine does not have an employment contract, he has had unemployment insurance in his name since October 1, 2009, provided by GSC (a specialized provider of unemployment insurance for business owners and corporate officers). He also benefits from health and death & disability insurance under the same terms and conditions as Wendel management employees.

Mr. Lemoine has the use of a Company car exclusively for business purposes.

	2012		2011	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Bernard Gautier Member of the Executive Board				
Total fixed compensation	700,000	700,000	700,000	700,000
of which Director's fees (1)	*152,758*	*142,390*	*159,542*	*166,318*
Variable compensation	280,000	350,000	350,000	350,000
Exceptional compensation relating to the achievement of objectives	0	0	0	100,000
Other compensation (2)	24,595	6,409	6,285	23,595
Benefits in kind	-	-	-	-
TOTAL	**1,004,595**	**1,056,409**	**1,056,285**	**1,173,595**

(1) Bernard Gautier received Director's fees from Saint-Gobain, Trief Corporation SA, Winvest Conseil Sarl, Winvest International SICAR SA and Oranje-Nassau Développement SICAR SA.

(2) Mr. Gautier benefits from the agreements in force at Wendel:

In 2013 he should receive a gross collective performance bonus for 2012 of half the annual reference amount determined by French Social Security *("plafond annuel de la Sécurité sociale")* for 2012, i.e. €18,186.

His subscription to the 2012 capital increase reserved for employees who are members of the Group savings plan was matched by an increased contribution of €5,209.04.

As a salaried employee, he also received €1,200 in 2012 as part of the special profit-sharing premium.

2.1.7.4 Stock options granted to executive corporate officers

Wendel grants stock options in accordance with the following principles:

- stock options are granted each year to certain employees and senior managers of Wendel or its associated companies;
- neither corporate officers nor members of Wendel management receive stock options from subsidiaries or associated companies.

In 2012, members of the Executive Board were granted stock options, which were approved by the Supervisory Board on the recommendation of the Governance Committee and are presented in the table below.

The stock options granted to the members of the Executive Board in 2012 (stock purchase options) had the following characteristics:

- a service condition: the options are subject to a two-year vesting period during which the beneficiary must remain employed or appointed by Wendel; subject to achievement of the performance condition, the first half of the options may be exercised after one year and all of the options may be exercised after two years;
- a performance condition: the number of options ultimately exercisable is subject to NAV increasing by 5% p.a. over two years as follows: All of the options granted vest if the increase in NAV over the 2012-14 period is greater than or equal to 10.25%; only one-half vest if the increase in NAV over the 2012-13 period is greater than or equal to 5%. The NAV used as the point of reference for 2012 is the NAV calculated as of May 24, 2012, or €93.6 per share. The NAVs used as the point of reference for 2013 and 2014 will be the NAVs published before July 5, 2013 and July 5, 2014, plus accumulated dividends paid after May 24, 2012;
- a holding condition: the members of the Executive Board must hold at least 500 shares obtained through the exercise of options granted under the 2012 plan and hold at all times 25,000 shares of the Company in registered form until the end of their term of office with the Company.

Table 3

	Plan no. and date	Type of options (purchase or subscription)	Option valuation according to the method used for the consolidated financial statements	Number of options granted during the year	Strike price	Exercise price	Performance conditions
Frédéric Lemoine	Plan W - 5	purchase	€9.30	54,542	€54.93	2013-22	
	Date: July 5, 2012						See above
Bernard Gautier	Plan W - 5	purchase	€9.30	36,361	€54.93	2013-22	
	Date: July 5, 2012						See above
TOTAL				**90,903**			

Options were valued by an independent expert using a mathematical model known as binomial pricing. The model takes into account various events that might take place while the options are valid, including various points in time at which the pre-determined requirements for both performance and presence within the Company are tested. Based on this model, each option was worth €9.30 as of the grant date (July 5, 2012), as indicated in the table above. This value reflects the particularly restrictive assumptions that are made to ensure that the Executive Board's interests are aligned with the Company's objectives. On the other hand, this valuation does not reflect the blackout periods or other periods during which possession of privileged information would prevent the beneficiaries from exercising their options and selling the corresponding shares. These factors should reduce the value of these options. In any event, this value is theoretical: the Company has paid no cash amount to the beneficiaries with regard to these options.

Regarding the 2009-11 stock option plans, the Supervisory Board, at its meeting of February 12, 2013, on the recommendation of the Governance Committee, amended the holding period condition so as to align them with the condition of the 2012 plan. As such, the Executive Board members are now required to hold at least 25,000 shares including 500 with respect to each plan. As of December 31, 2012, Frédéric Lemoine held 43,838 shares and Bernard Gautier held 329,748 shares.

More generally:

No executive corporate officer uses option hedging instruments to cover exposure under these options.

The purchase or subscription price is based on the average of the share price in the 20 trading days preceding the grant date, with no discount.

The Supervisory Board ensures a balance between the stock options granted to Executive Board members and the Company's share capital, their overall respective compensation and the total number of stock options granted.

A history of the Company's stock option plans in effect is provided in section 3.1.2.

2.1.7.5 Options exercised by executive corporate officers during the year

In 2012, Frédéric Lemoine exercised 15,000 subscription options under plan W2 - 1 at a strike price of €22.58. As of December 31, 2012, he still held all of the corresponding shares.

2.1.7.6 Performance shares awarded to executive corporate officers during the year

In 2012, members of the Executive Board were granted performance shares, which were approved by the Supervisory Board on the recommendation of the Governance Committee and are presented in the table below.

The performance shares granted to the members of the Executive Board in 2012 complied with the Supervisory Board's authorization, which was based on the Governance Committee's recommendation. They had the following characteristics:

- a service condition: the performance shares are subject to a two-year vesting period during which the beneficiary must remain employed or appointed by Wendel; subject to achievement of the performance condition, the first half of the performance shares vest after one year and all of the performance shares vest after two years. The performance shares are fully vested after two years;
- a performance condition: the number of performance shares that ultimately vest is subject to NAV increasing by 5% p.a. over two years as follows: All of the shares granted vest if the increase in NAV over the 2012-14 period is greater than or equal to 10.25%; only one half vest if the increase in NAV over the 2012-13 period is greater than or equal to 5%. The NAV used as the point of reference for 2012 is the NAV calculated as of May 24, 2012, or €93.6 per share. The NAVs used as the point of reference for 2013 and 2014 will be the NAVs published before July 5, 2013 and July 5, 2014, plus accumulated dividends paid after May 24, 2012;
- a holding condition: the members of the Executive Board must hold at least 500 performance shares obtained under the 2012 plan and hold at all times 25,000 shares of the Company in registered form until the end of their term of office with the Company.

Table 4

	Plan no. and date	Number of shares granted during the year	Valuation of performance shares according to the method used for the consolidated financial statements	Vesting date	Availability date	Performance conditions
Frédéric Lemoine	Plan 4-1	18,181	€26.70	July 5, 2014	July 5, 2016	
	Date: July 5, 2012					See above
Bernard Gautier	Plan 4-1	12,120	€26.70	July 5, 2014	July 5, 2016	
	Date: July 5, 2012					See above
TOTAL		**30,301**				

Regarding the 2009-11 performance share plans, the Supervisory Board, at its meeting of February 12, 2013, on the recommendation of the Governance Committee, amended the holding period condition so as to align them with the condition of the 2012 plan. As such, the Executive Board members are now required to hold at least 25,000 shares including 500 with respect to each plan.

More generally:

The Supervisory Board ensures a balance between the performance shares granted to Executive Board members and the Company's share capital, their overall respective compensation and the total number of performance shares granted.

A history of the Company's performance share plans in effect is provided in section 3.1.2.

2.1.7.7 Performance share of executive corporate officers that became available during the year

No performance shares granted to an executive corporate officer became available in 2012.

2.1.7.8 Position of executive corporate officers with respect to Afep-Medef recommendations

Table 5

With the exception of the payment of termination benefits in certain cases detailed below, the position of corporate officers complies in every respect with Afep-Medef recommendations.

	Employment contract		Supplementary pension plan		Payments or benefits due or likely to be due upon departure or a change in responsibility		Non-compete clause payments	
Executive corporate officers	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Frédéric Lemoine Chairman of the Executive Board (April 7, 2009 to April 7, 2013 then April 7, 2013 to April 7, 2017)		X		X	X			X
Bernard Gautier Member of the Executive Board (April 7, 2009 to April 7, 2013 then April 7, 2013 to April 7, 2017)	X			X	X			X

Employment contract

Bernard Gautier has had an employment contract since he joined the Company in 2003.

Changes to Mr. Gautier's employment contract constitute related party agreements under Article L.225-86 of the French Commercial Code.

Termination benefits

In the event of his termination, as of April 7, 2011, Frederic Lemoine is entitled to a maximum of two years' total compensation, based on the last total fixed compensation and target variable compensation.

Termination benefits are paid in the event of removal from office for reasons other than failure, which is characterized by a serious problem unanimously recognized by the Supervisory Board. Subject to this condition, termination benefits apply in the event of removal or non-renewal of the Executive Board Chairman's term of office, of a material change in his responsibilities, of a change of control, or of a significant change in strategy.

At its meeting of February 11, 2010, the Supervisory Board set the performance conditions to which termination benefits are subject:

- 50% of the amount of the benefit would be paid only if, for two of the three years preceding the termination, including the current year, variable compensation equal to at least 50% of the target variable compensation allocated by the Supervisory Board to Mr. Lemoine in relation to those three years has been paid;
- 50% of the amount of the benefit would be paid only if NAV per share at the end of the term of office (Actual NAV) is greater than or equal to 90% of the average NAV per share for the preceding 12 months (Reference NAV). If Actual NAV is between 90% and 60% of the Reference NAV, the corresponding portion of the benefit would be reduced by 2.5 times the difference (thus, if Actual NAV is 20% lower than Reference NAV, the payment would be reduced by half (20% x 2.5 = 50%). If Actual NAV is lower than 60% of the Reference NAV, this portion of the termination benefit would be zero.

This commitment received the prior consent of the Supervisory Board at its meeting of February 11, 2010, and was published on the Company's website on February 16, 2010. It was also mentioned in the Statutory Auditors' special report on related party agreements and commitments, approved by Wendel's shareholders at the Annual Meeting of June 4, 2010.

In the event Bernard Gautier's employment contract should be terminated, he would be entitled to one year's fixed compensation and target variable compensation as approved by the Supervisory Board (corresponding to the average of the yearly compensation allocated with respect to the last three fiscal years for which the financial statements have been finalized); if this amount exceeds the maximum benefit authorized by the collective bargaining agreement, the excess amount would be paid only if Mr. Gautier has been paid, for two of the three years prior to termination, variable compensation equal to at least 50% of his target variable compensation in relation to those three years.

This benefit would be paid in the event the employment contract were terminated by mutual agreement, dismissal (except for serious misconduct) or resignation, if such resignation follows his removal from office or the non-renewal of his term as corporate officer, a material change in his responsibilities, a change of control or a significant change in strategy.

In the event Bernard Gautier were no longer to be a member of the Executive Board, he would receive a termination benefit equal to one year of total fixed compensation and target variable compensation, as approved by the Supervisory Board (corresponding to the average of the yearly compensation allocated with respect to the last three fiscal years for which the financial statements have been finalized), subject to the following performance conditions:

- 50% of the amount of the benefit would be paid only if, for two of the three years preceding the termination for which the financial statements have been approved, variable compensation equal to at least 50% of his target variable compensation in relation to those three years has been paid;
- 50% of the amount of the benefit would be paid only if NAV per share at the end of his term of office (Actual NAV) is greater than or equal to 90% of the average NAV per share for the preceding six months (Reference NAV). If Actual NAV is between 90% and 60% of the Reference NAV, the corresponding portion of the benefit would be reduced by 2.5 times the difference (thus, if Actual NAV is 20% lower than Reference NAV, the payment would be reduced by half (20% x 2.5 = 50%). If Actual NAV is lower than 60% of the Reference NAV, this portion of the termination benefit would be zero.

This benefit would be paid in the event of his removal from office or non-renewal of his term of office as an Executive Board member, of his resignation from the Executive Board if such resignation follows dismissal or termination of employment by mutual agreement, a material change in his responsibilities, a change of control or of a significant change in strategy.

In the event that Mr. Gautier fully achieves or exceeds the above performance objectives, the total amount of the termination benefits paid to him, including any benefits under the collective bargaining agreement applicable to his employment contract, may not exceed two years' gross fixed and target variable compensation.

These commitments were approved by the Supervisory Board at its meeting of May 6, 2009, and were published on the Company's website on May 12, 2009. They were also mentioned in the Statutory Auditors' special report on related party agreements and commitments, approved by Wendel's shareholders at the Annual Meeting of June 4, 2010.

The Supervisory Board reiterated its authorization regarding these termination benefits when it renewed the Executive Board members' terms at its meeting of March 27, 2013. This authorization is mentioned in the Statutory Auditors' special report on related party agreements submitted for approval by shareholders at their Annual Meeting of May 28, 2013.

An explanation of the compliance of termination benefit terms with the Afep-Medef Code can be found in section 2.1.3.

2.1.7.9 Director's fees and other compensation received by non-executive corporate officers

The shareholders set the annual amount of Director's fees at €750,000 during their June 4, 2010 meeting.

The Supervisory Board decided the breakdown, on an annual basis, as follows:

- basic director's fee: €35,000;
- additional fee for committee membership: €15,000;
- fee paid to the Chairman of the Board and of each committee: €70,000.

In 2012, the Chairman of the Supervisory Board also received annual compensation for his work as Chairman of €105,000, pursuant to Article L.225-81 of the French Commercial Code.

The Supervisory Board did not considered it necessary, given the attendance rates indicated in section 2.1.2.2, to modulate Director's fees based on attendance (see section 2.1.3, Corporate Governance statement).

Finally, members of the Board may be reimbursed for their travel expenses. The expense reimbursement policy for Supervisory Board members was approved by the Supervisory Board at its December 1, 2010, meeting, on the recommendation of the Governance Committee.

The Director's fees and other compensation received by the non-executive corporate officers in relation to their positions at Wendel and all companies in the Group are presented in the following table.

Director's fees and other compensation received by non-executive corporate officers

Non-executive corporate officers	Amounts paid in 2012	Amounts paid in 2011
Ernest-Antoine Seillière (1)		
Wendel Director's fees	70,000	70,000
Wendel-Participations Director's fees	4,167	8,333
Other Director's fees (2)	48,101	51,394
Compensation as Chairman of the Supervisory Board	105,000	105,000
Benefits in kind	4,413	4,387
TOTAL	**231,681**	**239,114**
Nicolas Celier		
Director's fees	50,000	50,000
Other compensation	-	-
Didier Cherpitel		
Director's fees	70,000	70,000
Other compensation	-	-
Dominique Hériard Dubreuil		
Director's fees	50,000	50,000
Other compensation	-	-
Édouard de L'Espée		
Director's fees	50,000	50,000
Wendel-Participations Director's fees	8,333	8,333
Other compensation	-	-
TOTAL	**58,333**	**58,333**
Guylaine Saucier		
Director's fees	70,000	65,000
Other compensation	-	-
François de Wendel		
Director's fees	50,000	50,000
Wendel-Participations Director's fees	16,666	16,666
Other compensation	-	-
TOTAL	**66,666**	**66,666**
Jean-Marc Janodet (1) (until June 4, 2012)		
Director's fees	25,000	55,000
Other Director's fees (3)	18,293	39,272
Other compensation	-	-
TOTAL	**43,293**	**94,272**
François de Mitry (until September 13, 2012)		
Director's fees	37,500	50,000
Wendel-Participations Director's fees	8,333	5,555
Other compensation	-	-
TOTAL	**45,833**	**55,555**

Non-executive corporate officers	Amounts paid in 2012	Amounts paid in 2011
Guy de Wouters [1] (until May 30, 2011)		
Director's fees	-	20,833
Other compensation	-	-
Gérard Buffière (from May 30, 2011)		
Director's fees	50,000	29,167
Other compensation		-
Humbert de Wendel (from May 30, 2011)		
Director's fees	50,000	29,167
Wendel-Participations Director's fees	8,333	8,333
Other compensation		-
TOTAL	**58,333**	**37,500**
TOTAL	**794,139**	**836,440**
of which total Wendel Director's fees and compensation of the Chairman of the Supervisory Board	677,500	694,167

(1) Ernest Antoine Seillière, Jean-Marc Janodet and Guy de Wouters are beneficiaries, by virtue of their past employment with the Group, of the supplementary group pension plan (see section 3.1.2 and note 4.4 to the consolidated financial statements)..
(2) Director's fees received from Bureau Veritas, Legrand and Sofisamc.
(3) Director's fees received from Sofisamc and Trief Corporation SA.

2.2 Risk factors

Wendel regularly evaluates its own risk factors and those of its consolidated and operating subsidiaries and holding companies. The risk management process is described in section 2.3 below, in the risk management and internal control report.

The risk factors presented in this section are those that could have a material effect on the business operations, financial situation or future performance of the Company or of the companies that were fully consolidated during the fiscal year under review and as of the date of this Registration Document.

Risk factors concerning Saint-Gobain, Legrand and exceet, listed companies that are consolidated by the equity method, are presented in their respective registration documents or annual financial reports.

2.2.1 Financial risks

Information on liquidity, interest-rate, currency and equity risks of Wendel and its controlled subsidiaries can be found in note 5 "Managing financial risks" of the notes to the consolidated financial statements in this Registration Document.

2.2.2 Operational risks

Wendel, Trief and Oranje-Nassau

Risks related to the businesses of Wendel, Trief and Oranje-Nassau as equity investors are described below.

Equity investment can involve a risk at the time the ownership stake is acquired, inasmuch as the company's value might be overestimated. The valuation applied to a target company is based on operating, environmental, financial, accounting, legal and tax data communicated during due diligence, and this information might not be entirely accurate or complete. The due diligence processes performed are thorough and must meet the investment criteria defined beforehand by Wendel. Identified risks can, on a case-by-case basis, be covered by a guarantee from the seller.

Equity investments realized by the investment companies in the Wendel group are financed either through equity or debt. The terms and conditions of Wendel's financing arrangements impact the profitability of its projects. In light of recent regulatory changes and current market conditions, these financial terms and conditions can affect the ability of Wendel or of its consolidated subsidiaries to obtain financing or refinancing. The members of the Company's investment team strive to negotiate the best financing or refinancing terms.

Legal considerations related to acquisitions are often complex, because foreign legislative and regulatory requirements must be met and because specific organizational structures must be implemented depending on the characteristics of each investment.

Once they have joined the portfolio, the companies in which Wendel, Trief and Oranje-Nassau have invested must be evaluated periodically. Wendel's net asset value (NAV) is calculated five times a year, using a precise, stable methodology (see section 4.3). The Company's net asset value (NAV) is calculated five times a year, using a precise, stable methodology (see section 3.3). The Supervisory Board examines the NAV after hearing the opinion of the Audit Committee, which in turn calls upon an independent expert (see section 2.1.4.1). These intermediate valuations do not necessarily reflect ultimate divestment value.

Furthermore, unlisted controlled companies are less liquid than listed companies. The sale of equity investments can be facilitated or hindered by market conditions.

By diversifying its assets, both sectorally and geographically, Wendel seeks to reduce its sensitivity to valuation risks of the companies in its portfolio. In this regard, Wendel acquired, via Oranje-Nassau Développement, a company active in telecommunications infrastructure in Africa in the first half of 2013. This marks Wendel's first investment both in this sector and in this region of the world.

Finally, Wendel's ability to seize investment opportunities, best manage its equity investments and optimize financing and refinancing depend on the skills and stability of its Executive Board and management team. Because of this, the departure of key people could have a negative impact on Wendel's investment activity.

Bureau Veritas

The main risks identified by Bureau Veritas are: changes to the macroeconomic, financial and political environment; intense competitive pressure; the need to obtain local, regional or international authorizations to carry out a significant portion of its activities; image- and ethics-related risks resulting from potential operational disputes; currency risk; risks related to debt (see the sections entitled "Managing currency risk" and "Bureau Veritas financial debt", respectively, in the consolidated financial statements); the risk of the departure of key employees and of a shortage of qualified employees to support the group's growth; generic risks such as those related to operating costs, IT system failure, carrying out acquisitions or to the company's status as a listed entity.

The Bureau Veritas management team is in charge of managing these risks. Bureau Veritas describes these risk factors in more detail in its registration document, available on its website (www.bureauveritas.fr) and on that of the AMF (www.amf-france.org).

Materis

The main risks identified by Materis are: changes to the macroeconomic environment; a rise in certain raw material prices and in freight costs; industrial and environmental risks; liquidity risk arising from this investment's financing structure (see the section on equity risk management in the consolidated financial statements).

The Materis management team is in charge of managing these risks.

Stahl

The main risks identified by Stahl are: changes to the macroeconomic and financial environment; competitive pressure; a rise in raw material prices; the concentration of chemical suppliers; sectoral innovation; industrial risks; environmental risks (certain materials used or products manufactured could be discovered to be hazardous to human health or the environment); the risk of departure of key people; currency risk (see the section on currency risk management in the consolidated financial statements); and liquidity risk arising from this investment's financing structure (see the section on equity risk management in the consolidated financial statements).

The Stahl management team is in charge of managing these risks.

Parcours

The main risks identified by Parcours are: competitive pressure; covering a constant rise in interest rates through pricing on new leasing contracts (Parcours leases vehicles to customers at a set monthly rate for a fixed period and finances their acquisition at variable rates); risks related to the credit markets (Parcours relies on 20 or so banks to finance its leased vehicles and these banks grant credit lines at pre-negotiated terms on an annual basis); risks related to the use of cash that Parcours generates in a part of its used car sales business; the risk of departure of key people; the risk of changes in accounting standards related to long-term leasing, in particular in the context of changing IFRSs on leasing; environmental risks related to Parcours' automotive repair shops.

The Parcours management team is in charge of managing these risks.

Mecatherm

The main risks identified by Mecatherm are: sensitivity to economic risks; a slowdown in demand should its customers have difficulty obtaining financing; competitive pressures; project realization lead-times and payment terms in emerging markets.

The Mecatherm management team is in charge of managing these risks.

Former subsidiaries and activities

In the past, Wendel has held subsidiaries or conducted commercial or industrial activities, either directly or indirectly. In this regard, it risks being held responsible for personal injury, property damage, compliance with environmental or competitive regulations, etc.

2.2.3 Regulation

Wendel, Trief and Oranje-Nassau

As an investment company, Wendel is not subject to any specific regulations.

The tax rules applying to Wendel's business could become less favorable to the Company.

Each of the Group's companies carries out its business in compliance with its own regulatory environment, which differs according to the industry and the country in which it operates. Some of the holding companies through which the Wendel group invests are structured as SICARs (*sociétés d'investissement à capital risque*, or private equity investment companies). These companies are governed by the law of June 15, 2004 and subject to regulation by the Financial Sector Surveillance Commission (Luxembourg).

Bureau Veritas

Bureau Veritas operates in a highly regulated environment. To exercise a significant portion of its activities, Bureau Veritas must first obtain authorization from local, regional or international public authorities or professional organizations. Each division in the Bureau Veritas group has a specific structure devoted to centralized monitoring and management of these authorizations, which are subject to regular audits conducted by the relevant authorities.

For more information on regulations applicable to Bureau Veritas, please refer to the company's registration document, available on its website (www.bureauveritas.fr) and on that of the AMF (www. amf-france.org).

Stahl

Stahl operates in 28 countries. Its manufacturing sites are located in eight countries: Singapore, China, India, Netherlands, Brazil, Spain, Mexico and the United States. Stahl has obtained the authorizations necessary to operate in these countries. These authorizations relate to safety, health and the environment. In other countries, Stahl exercises commercial or storage activities.

To Stahl's knowledge, no regulatory change is likely to have a material effect on its business.

Materis

Regulations applying to Materis do not have a significant impact on its business.

Parcours

Parcours operates in France and three other European countries: Belgium, Luxembourg and Spain. Parcours' principal business, long-term vehicle leasing, is not subject to any specific set of regulations.

Mecatherm

Mecatherm has manufacturing sites only in France, with the primary one in the Alsace region. Regulations applying to Mecatherm do not have a significant impact on its business.

Statement

To the best of the Company's knowledge, there is no foreseeable change in regulations or development in case law that could have a significant impact on the activities of Wendel's subsidiaries.

2.2.4 Disputes and litigation

The principal disputes and litigation involving the Company and its controlled subsidiaries are detailed in section note 15.1 to the consolidated financial statements.

To the best of the Company's knowledge, there is no other pending or foreseeable governmental, legal or arbitration proceeding involving the Company or any of its controlled subsidiaries that may have or that has had, during the previous fiscal year and as of the date of this Registration Document, a material adverse effect on the financial position or profitability of the Company and/or the Group.

2.2.5 Insurance

Wendel

As part of its risk management policy, Wendel has taken out policies with leading insurance companies, and regularly issues requests for proposals so as to improve its coverage while taking advantage the best market prices. The following principal risks are now covered:

- damage to property (buildings and/or tenant's liability risk) and contents: the policy covers physical damage to property up to €50 million;
- information technology risks: this policy covers up to €400,000;
- general liability: this policy covers bodily injury, property damage and other losses to third parties up to €10 million;
- automotive fleet: this policy provides unlimited coverage for bodily injury and up to €100 million for property damage and economic loss;
- personal car use: this policy covers occasional use of personal vehicles for professional purposes, necessitated by the demands of Wendel's activities. this policy provides unlimited coverage for bodily injury and up to €100 million for property damage and economic loss;
- Company employees who travel are also covered by various assistance contracts, and there is a prevention and information policy for the risks related to certain countries;
- professional liability: this policy, which came into force on December 24, 2008, covers litigation risks up to €25 million in the event of professional error or an act deemed as such, committed by the Company or one of its agents or employees with third parties;
- liability of executives and corporate officers: this policy covers the Company's corporate officers, its representatives on the governing bodies of subsidiary and affiliated companies, and persons considered executives *de facto* or *de jure*, who might be held responsible for a professional error in connection with their duties of management, supervision or administration. Coverage is available under this policy up to €50 million.

Bureau Veritas

In 2012, the Bureau Veritas group continued to centralize and optimize its insurance policies:

- the company subscribed to a professional and general liability program covering all of its businesses, except for aeronautics and certain activities in the Construction division. The Industry, Construction, In-Service Inspection and Verification activities in the United States were integrated into the group program as of January 1, 2013;
- a new group program was introduced, combining the "Marine" and "Land" programs into a single policy;
- a general liability insurance policy was taken out for corporate officers;
- the activities of the Construction division in France, Spain and Germany are insured locally;
- an aeronautics policy was taken out;

- the Group set up a dedicated insurance captive in 1990, which insures the primary layers of the group program. When legislation allows, the group program provides supplementary coverage (limits and/or terms) for local programs.

Stahl

Stahl has taken out the following insurance policies:

- direct property damage and business interruption;
- professional liability insurance;
- general liability insurance for corporate officers;
- maritime transportation liability.

Materis

Materis has taken out the following insurance policies:

- professional liability insurance;
- property damage and business interruption insurance;
- environmental liability insurance for insured sites and land transportation;
- general liability insurance for corporate officers;
- a “fraud/malevolence” policy;
- an “employer” policy (labor relations).

Parcours

Parcours has taken out the following insurance policies:

- “vehicle fleet” policies for the car leasing business;
- general liability insurance for corporate officers;
- professional liability insurance for the brokerage business;
- multi-risk insurance for the repair shops and offices;
- car insurance for employees;
- “car transportation” insurance.

Mecatherm

Mecatherm has taken out the following insurance policies:

- general liability insurance;
- general liability insurance for corporate officers;
- multi-risk industrial insurance, including business interruption;
- merchandise transportation, assembly and testing insurance;
- “business class” insurance for traveling employees;
- “car fleet” and “business travel” insurance.

2.3 Report on risk management and internal control

To prepare this report, the Chairman of the Supervisory Board consulted the Executive Board, which gathered the information necessary from the entities and managers. Wendel relies on the AMF frame of reference to analyze risk management and internal control and to prepare this report. This report has been submitted for review by the Audit Committee and approval by the Supervisory Board.

2.3.1 Definitions and objectives of risk management and internal control

2.3.1.1 Definitions

Risk management

Risk management is comprehensive and covers all of Wendel's activities, processes and assets. Wendel is responsible for defining and implementing its risk management system, which evolves over time. Risk management includes a set of resources, behaviors, procedures and initiatives tailored to the Wendel's characteristics. They enable the Executive Board to maintain risks at a level that is acceptable to Wendel. Risks represent the possibility that an event may occur whose consequences would adversely affect Wendel's employees, assets, environment, objectives, financial condition or reputation.

The Executive Board manages risk so as to:

- create and preserve Wendel's assets, reputation and the value it has created;
- make Wendel's decision-making and other processes more secure so as to help Wendel achieve its objectives;
- foster consistency between Wendel's activities and its values;
- encourage Wendel's employees to adopt a shared view of the principal risks and raise their awareness about the risks inherent to their business activities.

Internal control

Wendel has defined and implemented an internal control system that aims to ensure that:

- laws and regulations are complied with;
- instructions and strategies set by the Executive Board are enforced;
- Wendel's internal procedures; in particular those concerned with protecting its assets through appropriate monitoring and control are carried out efficiently;
- financial information is reliable.

In general, internal control helps Wendel manage its activities and ensures the effectiveness of its operations and the efficient use of its resources.

Relationship between risk management and internal control

Wendel's risk management and internal control systems are complementary. Action plans put in place as part of risk management might lead to internal control procedures being implemented. Thus, internal control procedures help deal with the risks to which Wendel's business activities are exposed. Similarly, the internal control system relies on risk management to identify the principal risks that must be controlled.

By helping to prevent and control risks that may impede Wendel's ability to attain its objectives, the risk management and internal control systems play a key role in leading and directing Wendel's various business activities.

They also help preserve Wendel's image and its position as a listed company whose shares are traded on a regulated market, by protecting it against the risks of disclosure of confidential information, illegal insider trading and financial fraud.

Risk management and internal control cannot, however, provide an absolute guarantee that such risks will be totally eliminated and that Wendel's objectives will be achieved.

2.3.2 Scope of risk management and internal control; duties

2.3.2.1 Scope

Wendel's risk management and internal control system, as described in this report, covers all operations carried out by Wendel as an investment company as well as all of its directly controlled holding companies and investment vehicles. The Wendel group (Wendel and its fully consolidated subsidiaries) is a group that: (i) is decentralized, including in the choice of organizational structure and in its risk management and internal control systems; (ii) includes listed and unlisted companies; and (iii) includes companies in different businesses and of varying sizes. As a result, the scope and characteristics of risk management and internal control can vary from one subsidiary to another. Each operating company and its executives are responsible for designing and implementing their own risk management and internal control systems, in line with the Group's philosophy and organization.

2.3.2.2 Duties

Since 2007, Wendel has carried out a number of reviews relating to internal control, relying on the framework set down by the AMF in its January 21, 2007 recommendation and on its application guide. In 2010, these reviews were expanded to take into account the framework covering both risk management and internal control, published by the AMF on July 22, 2010. They are based on a self-evaluation questionnaire that reflects all control principles and objectives provided for in the AMF's reference framework while adapting them to Wendel's specific features and activities, i.e. by identifying the specific areas of risk, such as financial risks.

Wendel completed this questionnaire and distributed it to its principal, fully-consolidated operating subsidiaries. Each year the questionnaire is reviewed and revised, if necessary, the replies are updated, and the suggested improvements are followed up on. The questionnaire has three parts:

1) general principles of risk management and internal control:

- organization and operating methods: organization and operation of Wendel's governing bodies, formalization of job descriptions and delegations of authority, human resources management policies, IT systems security, and compliance with ethical and employee behavior codes,
- internal dissemination of information: procedure for reporting critical information to Wendel's governing bodies, policy for protecting sensitive information and maintaining its confidentiality,
- risk management: objectives, organization and responsibilities, procedure for identifying, analyzing, classifying and monitoring risks and for reporting to Wendel's governing bodies,
- control activities: existence and monitoring of controls enabling risks to be understood and managed, existence and monitoring of performance indicators necessary to direct business activities, procedures for managing and controlling cash and debt, control and monitoring of acquisitions, monitoring of outsourced activities,
- internal control management: systems to ensure that controls already in place operate as intended and that the necessary improvements are implemented, reporting to the Company's governing bodies;

2) accounting and financial organization oversight:

- general organization: documentation of accounting and financial procedures and closing operations, organization of the accounting function, compliance with accounting principles,
- resource management: process for reviewing whether available resources are sufficient and whether the team responsible for closing the accounts is properly organized,
- understanding and proper use of accounting rules: procedures ensuring correct application of IFRSs, including on new accounting issues, regulatory watch system, identification of complex accounting issues, compliance with Group accounting principles and account closing schedules, in-depth examination and communication of Statutory Auditors' conclusions,
- organization and security of IT systems,
- role of senior executives and Wendel's governing bodies in relation to finalizing the financial statements;

3) preparation of accounting and financial information.

   This questionnaire covers all accounting cycles. The subsidiaries have deployed the questionnaire in their main divisions.

The audit committee of each subsidiary subject to controls (if it has an audit committee) has examined and analyzed the replies given in the questionnaires. The data gathered have made it possible to prepare and track improvement plans for the control points that require it.

In agreement with Wendel, the subsidiaries recently integrated into the Group (Parcours and Mecatherm) respond progressively to the questionnaires, putting priority on the parts that were most important and relevant to their businesses and their organizations. These subsidiaries will gradually fill in the answers to the remaining questions over the years following their consolidation by Wendel.

The findings of these questionnaires were given to Wendel's Audit Committee, and a summary of the replies were used in preparing this report.

2.3.3 Summary of risk management and internal control procedures in effect

2.3.3.1 Organization

Supervisory Board

The Supervisory Board exercises permanent oversight of the Executive Board's management of Wendel. Throughout the year, it performs the checks and controls that it deems appropriate and may request any document that it considers necessary to fulfill its duties.

The Supervisory Board regularly reviews the main risks to which the Group is exposed. It does so within the framework of its meetings, and in particular:

- when it examines the quarterly management reports prepared by the Executive Board on the economic and financial condition of each subsidiary or investment (business trends, margins and financial debt), as well as all events that could have a significant impact on the Group;
- as part of each investment project: the Executive Board explains to the Supervisory Board how each investment project will be implemented, the risks and opportunities connected with each project, based on various assumptions, as well as current and projected resources to protect against risks. The Supervisory Board's prior approval is required for all projects of more than €100 million or any decision requiring a long-term commitment on the part of Wendel or its subsidiaries.

In addition, the Executive Board regularly updates the Supervisory Board on changes in Wendel's net asset value (NAV), indebtedness and liquidity.

The Supervisory Board's Audit Committee is responsible for ensuring the quality and reliability of financial statements and other published financial information, tracking the effectiveness of risk management and internal control procedures, interviewing the Statutory Auditors, in particular with no Wendel representatives present, and ensuring they remain independent. The Audit Committee's tasks are described in detail in section 2.1.4.1 of the Registration Document.

The Governance Committee proposes to the Supervisory Board, changes to its composition, the terms under which Executive Board members are to be compensated and those for allocating stock options or performance shares. It sees to it that compensation arrangements align the interests of the members of the Executive Board with those of Wendel. In addition, the Governance Committee proposes the co-investment policy intended for senior managers to the Supervisory Board. The Governance Committee's tasks are described in section 2.1.4.2 of the Registration Document.

To accomplish its tasks, the Supervisory Board and its Committees may call upon external experts, when they deem it necessary. For example, the Audit Committee consults a financial expert to value Wendel's unlisted assets several times a year as part of its review of NAV.

The Supervisory Board and its Committees analyze their operating methods every year. The Supervisory Board formalizes and summarizes its self-evaluation using a questionnaire completed by each of its members.

The by-laws and legal provisions governing the transactions for which the Supervisory Board's prior consent is necessary, as well as the thresholds set by the Supervisory Board regarding divestments, the sale of real estate and the granting of endorsements and guarantees are described in section 2.1.5 of the Registration Document. These rules are part of the internal control process. The division of roles between the Supervisory and Executive Boards is specified in the same section.

The rules by which the Supervisory Board and its committees operate (deriving from legislation, the by-laws and the Afep-Medef code) are detailed in the Supervisory Board's internal regulations.

The Executive Board and the management committees

The Executive Board has two members. It meets at least once every two weeks and as often as required by Wendel's interests. Its decisions are made collegially.

The Executive Board has organized Company procedures by setting up:

- a Management Committee, which includes the Executive Board and the main operational managers and which is in charge of running the day-to-day business of Wendel and its holding companies, as well as financial, legal and tax matters, human resources and communications. It meets every two weeks;
- an Investment Committee, which includes the Executive Board and seven Managing Directors of the Investment Unit and which meets once a week to monitor the subsidiaries efficiently and identify and handle the investments or divestments Wendel undertakes;
- an Operations Coordination Committee, which comprises all of Wendel's senior executives, including members of the above two committees. It takes stock of Wendel's position and the initiatives to be undertaken, and it reports on any difficulties or risks encountered. This Committee meets every two weeks.

The Executive Board's monitoring of various risks to the Group is described below in the section entitled "System for identifying and analyzing risks and ensuring that risk management procedures are in place".

Directly controlled holding companies and investment vehicles

The governing bodies of the Group holding companies and investment vehicles are directly or indirectly controlled by Wendel, making it possible to apply all the risk management and internal control principles described in this report to them.

Operating subsidiaries

Each operating subsidiary enjoys full management autonomy but reports to Wendel periodically on financial matters. Wendel also takes part in the corporate governance bodies of its subsidiaries and thus ensures that internal control and risk management procedures are properly applied in each of them.

2.3.3.2 Internal dissemination of information

Reporting information within the framework of decision and control processes

The Supervisory Board and Audit Committee are regularly provided with necessary information on business matters, strategic planning and the risks to which Wendel is exposed, within the framework of the regular meetings described in the section entitled "Organization – Supervisory Board".

Because Wendel's three management committees meet often, the Executive Board can organize appropriate dissemination of information within Wendel. Consequently, the Executive Board and each department head can make decisions based on all the relevant information in Wendel's possession on its organization, strategic planning, financial position, and the business activities of its subsidiaries.

Dissemination of information on Wendel's organization and its employees' responsibilities

At Wendel, each person's responsibility for organizing, preparing and reporting information is clearly identified. Several procedures help ensure this:

- Wendel conducts formal, annual performance reviews, through which it regularly examines the contribution of each employee, the scope of their position and the resources given to them for meeting their objectives. This information is centralized by the Human Resources department and can, where necessary, lead to recommendations for training, in order to allow all employees to improve their respective skillsets;
- the Executive Board convenes meetings of all Wendel's employees whenever necessary, in addition to the committee meetings mentioned above and internal team meetings. Similarly, group reflection and motivation seminars involving some or all employees may be organized to take stock of Wendel's position and its environment, and to encourage each person to express his or her expectations about Wendel's operations. Two seminars were held in 2012;
- dissemination of procedures and rules to all personnel, such as expense commitment procedures, the "Market Confidentiality and Ethics" charter (see below) and the IT System charter helps each employee to comply with the internal control procedures established by the Executive Board;
- an intranet is operational at Wendel: it serves to share useful information with all Wendel employees about Group events and organization. Among other things, the site includes a functional and hierarchical organization chart as well as the calendar of blackout periods.

Protection of confidential information

Wendel endeavors to preserve the utmost confidentiality when sharing sensitive information:

- the "Market Confidentiality and Ethics" Code was presented to all employees and is part of the internal regulations. It applies to all employees and to the members of the Executive and Supervisory Boards;
- IT access and security is strengthened on an ongoing basis. Each workstation can be accessed only by the employee to whom it is assigned. Session access is controlled by a login and password combination. The access rights of each employee are limited to his or her responsibilities or department;
- in June 2011, Wendel appointed a data protection/freedom of information correspondent, whose role is to keep the list of Wendel IT processes up to date and to ensure that the French data protection/freedom of information act *("Informatique et libertés")* is properly applied. In particular the correspondent is responsible for ensuring that employees' rights to access and restrict the use of his or her personal data are respected.
- a video-surveillance system has been implemented and security guards are assigned to the building at all times, securing all building access.

2.3.3.3 System for identifying and analyzing risks and ensuring that risk management procedures are in place

- Section 2.2 and note 5 to the consolidated financial statements detail the main risks Wendel encounters, owing to its businesses and the way the Group is organized, and how those risks are covered.

Wendel and its governing bodies are organized in such a way as to allow for active risk management and internal control. The Executive Board assigns and distributes risk monitoring responsibilities to various departments of Wendel in the following ways:

- the Investment Unit is in charge of monitoring subsidiary performance on a monthly basis, the operational risks specific to each equity investment and the acquisition and divestment process. It is also responsible for valuation risk on Wendel's assets;
- the Executive Board and the Investment Unit also ensure that the management team of each subsidiary and associated company is organized in such a way as to manage its risks properly and achieve its objectives;
- the Finance department monitors financial risks (financial leverage, liquidity, interest rates), cash management and financial counterparty quality, NAV, accounting regulations, the production of financial statements, earnings forecasts, the estimates needed to prepare the financial statements (together with other Wendel departments if necessary) and transaction security. Key indicators (NAV, financial leverage, current and projected cash levels, interest-rate exposure) are reviewed regularly so that the Executive Board can take measures to adjust Wendel's exposure to these risks if deemed necessary;

- the Legal department is responsible for Wendel's legal security; the legal validity of contracts (financing, purchases or divestments, etc.); Wendel's and its holding companies' adherence to company law and laws relating to corporate governance; the monitoring of regulations that apply to Wendel and the transactions it undertakes, particularly securities market regulations; rules of ethics and compliance; disputes and litigation; data protection and freedom of information regulations; general liability insurance for corporate officers; professional liability insurance; and intellectual property;
- the Tax department monitors tax regulations, ensures that Wendel's obligations vis-à-vis the tax authority are handled properly and guards against tax risks;
- the Communications and Sustainable Development department seeks to preserve Wendel's image and reputation and to stay abreast of environmental and social responsibility (ESR) obligations;
- the Financial Communications department ensures that the financial information communicated to investors and analysts is of high quality;
- the Operational Resources department is in charge of managing human resources risks, risks to people and equipment, and the prevention of IT risks (intrusion, data security and storage, business continuity, etc.).

To the extent necessary, each department may be assisted by outside experts (lawyers, bankers, brokers, auditors, consultants, etc.) with approval of the Executive Board.

The Executive Board oversees the monitoring of risk and, together with each department, decides on the procedures that will be used to cover them. This takes place in Management Committee and Executive Board meetings as described in the section on organization. The Executive Board may decide to create specialized task forces to manage certain risks.

As indicated in the section on organization, the Executive Board presents the main risks that could significantly impact the value of Wendel's assets to the Supervisory Board, whenever required as part of the quarterly business report. In addition, pursuant to the Supervisory Board's internal regulations, the Audit Committee reviews the risk management and internal control procedures.

In 2011, Wendel also introduced a risk mapping system. A list of the risks Wendel faces was prepared by Wendel's various departments, validated by the Executive Board and presented to the Audit Committee. This list relates primarily to the risks borne by Wendel and its holding companies. It is updated regularly. For certain principal risks identified in the list, i.e. those whose occurrence and/or intensity are considered the highest, a detailed analysis was formalized in 2012 by the departments involved. This analysis was presented to the Audit Committee. Over the next few years, formal analysis will be extended to all principal risks. In addition, since 2009, the Audit Committee has examined risk management at certain subsidiaries. The Chairman of the Audit Committee presents a summary of the Audit Committee's findings to the Supervisory Board.

Subsidiaries manage their own risks, particularly operational risks, and take the necessary steps to understand and monitor them. It is for them to decide whether it is necessary to map these risks and to determine the action plans to be implemented each year. Nevertheless, Wendel's presence in the governing bodies of its subsidiaries allows it to ensure that major risks are actively monitored.

As Wendel is an investment company, it does not have its own internal audit department, but relies on those of its subsidiaries and on the reports they furnish to Wendel. Wendel also takes into account the conclusions of the auditors of its subsidiaries and associated companies. To improve communication, they are part of the same networks as Wendel's Statutory Auditors.

2.3.3.4 Oversight and monitoring of internal control

Investments and divestments

The Investment Committee meets weekly to examine progress made on planned acquisitions and divestments and to explore new opportunities. The Committee is composed of the Executive Board and most of the Managing Directors of the Investment Unit. The Executive Board selects a team comprising people with the requisite expertise to review each opportunity. A senior member of the team acts as coordinator and is responsible for the investment/divestment recommendation. Once the project analysis has been finalized and received approval from the Executive Board, it is presented to the Supervisory Board for authorization if the by-laws so require. This presentation includes an analysis of the impact of the transaction on Wendel's net income from business sectors, financial position and net asset value. It shows the outcome under favorable and unfavorable scenarios. If the Supervisory Board authorizes the transaction, the Executive Board supervises its execution by the investment team in charge, which receives assistance from the Legal and Tax departments and can also call upon top-level banks, strategy consultants, legal firms and auditors. Liability guarantees granted or received are presented to the Audit Committee and to the Supervisory Board.

Monitoring investments

Monitoring the existing portfolio involves:

- a monthly operational report from each subsidiary and associated company presenting trends in sales, profitability and financial debt. These indicators are compared with previous periods and with budgeted figures. For some subsidiaries, short-term cash management and projection tools have also been implemented;
- regular work sessions with the managers of each subsidiary and associated company. The agenda for these meetings includes,

in addition to a review of the business, an in-depth analysis of an important topic (procurement policy, optimization of business assets, research and development, analysis of the position of major subsidiaries, existence and organization of internal control, coverage of financial risks, etc.);

- an annual budget meeting with each subsidiary and associate, updated at additional meetings when new projections become available;
- numerous discussions or meetings organized with members of the management of each subsidiary and associated company, if required.

The members of the Investment Committee present a summary of their work monitoring the subsidiaries and associates for which they are responsible and make recommendations in the event significant decisions concerning these investments need to be made. Moreover, in order to strengthen dialogue with the subsidiaries, better understand their operating environment and the concerns of their respective management teams, Wendel is systematically represented on the governing bodies of the subsidiaries and, in particular, on their audit committees. This presence on the governing bodies of the subsidiaries and associated companies helps ensure that risk management and internal control procedures function properly.

Wendel's Supervisory Board is kept regularly informed of trends in the economic and financial situation of subsidiaries and associated companies at the numerous meetings described in the section on "Organization".

Senior executives of all subsidiaries and associated companies are chosen in agreement with Wendel. In addition, Wendel representatives take part in the governing bodies of each subsidiary or associated company, enabling it to closely monitor the compensation of their principal executives and ensure its incentive character. Wendel also thereby ensures that the interests of the executives are aligned with those of the company they manage.

Monitoring Wendel's financial position

Internal control procedures are designed to provide ongoing reasonable assurance that financial transactions are carried out under secure conditions and in accordance with objectives:

- trends in NAV, in financial leverage and in bank covenant compliance are regularly monitored;
- Wendel has been rated by Standard & Poor's since September 2002;
- the Executive Board regularly monitors the indebtedness, liquidity position and cash projections presented by the CFO and regularly presents the debt and liquidity positions to the Supervisory Board;
- the Executive Board reviews the monthly reporting of the cash position and cash investments of Wendel and its holding companies;
- Wendel and its holding companies have a budget process with formal procedures and responsibilities, and budget tracking using special software.

The procedures for preparing financial statements and the financial information communicated outside the Group are detailed in the section entitled "Preparation of Wendel's accounting and financial information".

Arranging financing

Financing terms and their implementation are approved by the Executive Board after an in-depth review of various solutions and an analysis of Wendel's financial situation prepared by the CFO. After the Legal department reviews the related contracts and legal documentation, financing transactions are executed under delegations of power and/or signature authority given by the Chairman of the Executive Board to the CFO or to a member of the Management Committee. Depending on the transaction amounts and characteristics, the by-laws require bond issues or new loans to be authorized by the Supervisory Board.

Interest-rate exposure is analyzed regularly by the CFO. The Executive Board decides whether or not to adjust interest-rate exposure, and if necessary, appropriate financial instruments are put in place.

Compliance with laws and regulations and with ethical rules

The Legal and Tax departments ensure compliance with the laws and regulations in the countries where Wendel, its holding companies and investment vehicles are located (mainly France, Luxembourg and Netherlands). They constantly monitor the legal and tax environment, so as to stay on top of changes in laws and regulations that might be applicable to them.

Regarding confidentiality and stock market ethics, the Market Confidentiality and Ethics Code is part of Wendel's internal regulations and applies to employees as well as to the members of the Executive and Supervisory Boards.

This Code explains the rules of confidentiality for persons who are in possession of confidential or privileged information. It explains the obligation to abstain from stock-market transactions when in possession of privileged information and during blackout periods. Blackout periods are defined as extending from 30 days before until two days after the publication of annual and semi-annual earnings, as well as from 15 days before until two days after the publication of quarterly financial data and the NAV.

The Code defines illegal insider trading, misinformation and share price manipulation, and explains the applicable legal sanctions. It also sets up a number of measures for preventing such infractions. The Code also includes the provisions applicable to stock options and bonus shares and details the AMF disclosure obligations incumbent on executives and persons affiliated with them.

In addition to legal and regulatory obligations in this area, the Code includes certain more restrictive provisions in the interest of transparency and prudence. Specifically, it requires Executive and Supervisory Board members, employees and their relatives to register their Wendel shares and restricts transactions on derivatives or speculative transactions. The Code also defines conflict-of-interest situations. The Group Ethics Officer monitors adherence to the Code. It also forbids employees and executives from holding, buying or selling shares of listed Group subsidiaries or associates at any time, except for shares that the Board members of these companies must own or dividends-in-kind paid to them in the form of shares of Wendel's subsidiaries or associates. Individuals holding shares in listed subsidiaries of the Wendel group acquired prior to July 15, 2007 or shares received as payment of a dividend may keep them or sell them, as long as they comply with the principles of the Code.

Pursuant to Article L.621-18-4, paragraph 1 of the Monetary and Financial Code and as part of its effort to prevent illegal insider activity, Wendel maintains lists of insiders. Firstly, Wendel has a list of permanent insiders. These include all employees, the members of the Executive and Supervisory Boards and third parties working with Wendel on a regular basis. In addition, as soon as privileged information appears, such as during preparation of an investment or divestment transaction, Wendel draws up a list of occasional insiders, including people connected with the project under consideration. These lists are updated regularly and made available to the AMF, which can request to see them. They are kept for at least five years after they are created or after their last update. The Compliance Officer is in charge of creating and updating the lists. Specific compliance rules applicable to the members of the Executive and Supervisory Boards are detailed in section 2.1.6.

Procedures for preventing fraud and monitoring commitments and expenditure

The procedures for authorizing expenditure commitments at Wendel and its holding companies cover all of Wendel's commitments as well as the signatures needed for bank transactions (via delegated signature authority).

- estimates are submitted by several service providers. They are always negotiated under the supervision of the Management Committee member or members in charge;
- expenditures are subjected to a formal prior authorization procedure. Depending on the amount, they are validated by the Management Committee member in charge of the expenditure and by a member and/or the Chairman of the Executive Board; Funding requests are compared with the budget, and invoices are approved after comparison with funding requests;
- only the Finance department can issue checks and transfer orders, backed up by supporting documentation, and it informs the Chairman of the Executive Board when the amount exceeds a certain threshold.

Preservation of IT data integrity

In order to prevent the risks of abuse of and intrusion into computers and IT systems, the IT department reports directly to the Managing Director in charge of operating resources, who regularly proposes and implements initiatives on data conservation and storage systems. An IT continuity plan is in place and provides for fully redundant (or replicated) data in real time between the Group's two long-standing sites, Paris and Luxembourg. The two sites are linked via a private line. Access to messaging data, business line applications and all files is secure.

2.3.3.5 Preparation of Wendel's accounting and financial information

The internal control procedures designed to ensure that the annual (parent company and consolidated) and semi-annual financial statements present a true and fair view of the results of operations as well as Wendel's financial position and assets are as follows:

Procedures for the preparation and consolidation of the financial statements

Wendel applies International Financial Reporting Standards (IFRS) for its consolidated financial statements. The principal rules applicable are described in the annual financial report and are distributed to subsidiaries as part of the process for reporting and for preparing the financial statements. Because of the diversity of the subsidiaries' activities, Wendel leaves it up to each subsidiary to propose the accounting processes appropriate for its business. The Finance department and the head of consolidation at Wendel ensure uniformity of treatment within the Group, in particular by examining accounting principles in the financial statements of each subsidiary.

In addition, Wendel's Finance department ensures the proper reporting of full accounting and financial information from the subsidiaries to Wendel using the following procedures:

- in coordination with the finance department of each subsidiary, a schedule is set for the submission of financial statements with the supplementary information required for preparing Wendel's consolidated financial statements;
- Wendel's CFO or his staff meet with the finance department of each subsidiary to prepare the closing and to review the highlights of the period as well as any significant or exceptional transactions;
- accounting information from subsidiaries is reviewed in detail and consistency checked with the financial information compiled by the investment team from subsidiaries' monthly activity reports.

The CFO is a member of the Management Committee and the Operations Coordination Committee (see section on "Organization"), which enables him to review all events likely to have an impact on the Group's consolidated financial statements or on the parent company financial statements of Wendel or its holding companies. The CFO reports directly to the Executive Board and is thus fully independent of other Wendel departments.

Procedures for auditing of the financial statements

At the subsidiary level:

- to ensure better upward reporting to Wendel's Statutory Auditors, the Group engages the same auditing firms for all subsidiaries, to the extent possible. Selection criteria for the Statutory Auditors includes their ability to audit all directly- and indirectly-held subsidiaries throughout the world and to obtain audit results and any observed anomalies from the subsidiaries' auditors;
- a representative of the Finance department attends end-of-audit or Audit Committee meetings of subsidiaries under exclusive control and receives details of audit and internal control observations raised by the subsidiaries' auditors during the course of their audit;
- one or more representatives of Wendel attend Board of Directors/ Supervisory Board meetings and/or Audit Committee meetings of subsidiaries and associated companies.

At the parent company level:

- the Group CFO is responsible for accounting policies and ensuring compliance with accounting rules. If required, he has the authority to commission audits. He regularly holds pre-closing meetings with the Statutory Auditors to ensure that issues raised in previous financial periods have been resolved. He reviews transactions of the financial period in question with the Statutory Auditors and decides on the appropriate accounting treatment;
- the Chairman of the Executive Board is in constant contact with the CFO during the preparation of the financial statements. In particular, he is informed of the financial and accounting impact of any significant event, as well as estimates and judgments that have a significant impact on the financial statements. The Statutory Auditors and the Chairman of the Executive Board meet when subjects arise whose accounting interpretation is complex or whose impact on the financial statements is significant. The Chairman of the Executive Board also reviews all of Wendel's financial communication and is informed of any subject that is likely to have an impact on it;
- the Audit Committee: this Committee's remit, its mode of operation and its activity during the fiscal year are presented in detail in section 2.1.4.1. The Committee can decide to seek independent expert advice to confirm its views on the Wendel's financial position. It also interviews the Statutory Auditors regularly to solicit their opinion about the reliability of the parent company and consolidated financial statements. Finally, the Audit Committee ensures that accounting methods are applied consistently from one year to the next, or that any changes to accounting methods are well founded.

Internal control procedures related to financial information

Once the parent company and consolidated statements have been finalized and net asset value calculated, the Audit Committee is asked to issue an opinion on this information before it is submitted to the Supervisory Board. These documents are also submitted to the Statutory Auditors for review.

2.3.4 Achievements in 2012

The application of procedures implemented in previous years was reviewed and improved in 2012 where necessary.

Following the work initiated in 2011 to introduce a risk mapping system, Wendel created a formal, detailed analysis of certain principal risks in 2012. This formal analysis will be extended to all principal risks over the next few years.

In February 2012 the Supervisory Board amended its internal regulations so as to strengthen and specify the procedure for handling potential conflicts of interest that could arise from within the Board.

2.4 Statutory Auditors' report on the report prepared by the Chairman of the Supervisory Board of Wendel

This is a free translation into English of the Statutory Auditors' report issued in French 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.

For the year ended December 31, 2012

Statutory auditor' report, prepared in accordance with Article L.225-235 of the French Commercial Code on the report prepared by the Chairman of the Supervisory Board of Wendel

In our capacity as Statutory Auditors of Wendel, and in accordance with Article L.225-235 of the French Commercial Code (*Code de commerce*), we hereby report to you on the report prepared by the Chairman of your Company in accordance with Article L.225-68 of the French Commercial Code for the year ended December 31, 2012.

It is the Chairman's responsibility to prepare, and submit to the Supervisory Board for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by Article L.225-68 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information; and
- to attest that the report sets out the other information required by Article L.225-68 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Supervisory Board's report, prepared in accordance with Article L.225-68 of the French Commercial Code.

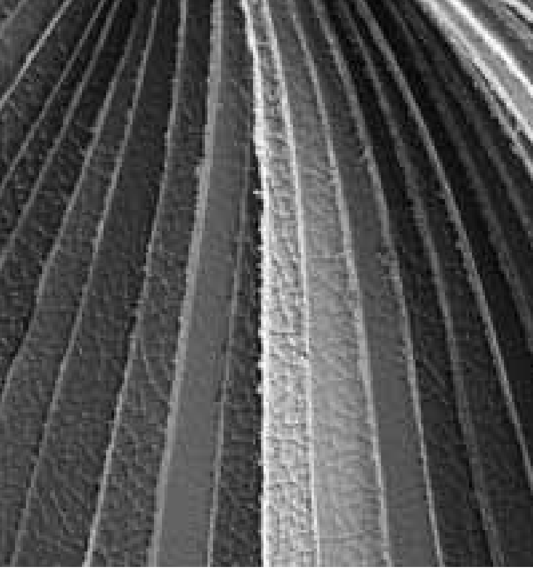
Other information

We attest that the Chairman's report sets out the other information required by Article L.225-68 of the French Commercial Code.

Neuilly-sur-Seine and Paris-La Défense, April 5, 2013

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean-Pierre Letartre



3 CORPORATE SOCIAL RESPONSIBILITY

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3.1 Corporate social responsibility (CSR) in Wendel's activities

"Sustainable development drives growth for companies."[(1)] Frederic Lemoine, Chairman of the Executive Board of Wendel, firmly supports this view, adding that "a company's longevity depends on the balance between its business model, its markets, the well-being of its people, and its place in the environment." Through its long-term action, Wendel encourages its companies to implement corporate social responsibility (CSR) practices. At the same time, it defines its own CSR policy that is adapted to its role of investor and applied by a core team of professionals.

3.1.1 Promoting CSR as part of its role as a long-term investor

Encouraging subsidiaries to integrate CSR

As a shareholder, the Wendel Group is not involved in the operational management of its subsidiaries but does ensure, mainly through close communication with their management teams, that these companies integrate ESG (environmental, social and governance) issues in their risk management and growth strategies.

In 2009, Wendel signed the charter of the French association of private equity firms (AFIC). This public commitment mainly consists in a set of measures to promote sustainable development. Wendel will closely follow the work of the ESG-Sustainable Development Committee recently created by AFIC in February 2013.

The sustainable development department established by Wendel in 2011 coordinates initiatives in this area. Guided by a steering committee appointed by the Wendel Executive Board in 2012, it meets several times a year. Its members represent the company's different business and support divisions: the Investment Committee, the Finance department, the Legal department, the Communications department and the Operational Resources (human resources, IT and facilities management) department.

As a shareholder, Wendel assesses CSR risks and opportunities at every phase of its investing life cycle.

- At the time of acquisition:

When Wendel considers a new investment, it carries out due diligence on environmental and social issues as part of its analysis of the risks related to the business of the target company.

- Throughout the long-term support it provides to its companies:

Although the management team in each Wendel Group company has direct responsibility for managing CSR issues, as a professional shareholder, Wendel monitors and encourages the CSR efforts of its subsidiaries and associated companies, especially in two areas: employee safety and the environmental performance of the products and services that are designed or distributed.

- Wendel's management is particularly attentive to indicators of workplace safety because it considers them to be an excellent proxy for how well the management team runs the company. For example, at Materis, the accident rate is a factor in determining its management's variable compensation. At Wendel's request, Stahl's Board of Directors has also been tracking this indicator since 2006, when Stahl joined the Wendel Group.

- Wendel's subsidiaries are gradually integrating environmental issues into the design of their products and services. With its solutions, Bureau Veritas helps customers continuously improve their operations in the areas of health and hygiene, safety and the environment. Parcours encourages its customers to go green by including special features in its long-term leasing services, such as eco-driving training for its customers. Eighty percent of Stahl's products are now solvent-free. Materis develops innovative products with new functions that are more resistant, and therefore better for the environment from a life-cycle perspective, and meet French "HQE" (high environmental quality) standards. Nearly 70% of Legrand's R&D departments contribute to expanding its offering of green-designed products featuring reduced environmental impact. A large share of Saint-Gobain's sales comes from solutions that protect the environment by saving energy or producing clean energy.

(1) "L'ENA hors les murs", November 2012, no. 426.

Every Group subsidiary and associated company is expected to develop a CSR policy addressing its specific issues. Each company has therefore established targets and action plans based on its sector's regulatory environment and its individual growth strategy. Group companies operate in very different fields (see section 1.11 "Subsidiaries and associated companies") and are at different stages of maturity in implementing dedicated CSR policies and indicators. Wendel therefore considers that it would not be useful to produce consolidated ESR indicators to the extent that these figures would have no operational meaning.

Significant aspects of the sustainable development policies of Bureau Veritas, Materis, Stahl, Mecatherm and Parcours, the companies in which Wendel is the majority shareholder, are presented in section 3.2 "Corporate social responsibility at Group companies".

Preventing market abuse and monitoring internal control procedures at its subsidiaries

A Market Confidentiality and Ethics Code establishes rules for all employees and corporate officers of Wendel to prevent market abuse. The main obligations contained in this Code are described in section 2.1.6 of this Registration Document. The Supervisory Board's internal regulations specify the rights, responsibilities and powers of Supervisory Board members (see section 2.1.6).

Every year, Wendel also surveys the general internal control principles implemented at its consolidated subsidiaries using a questionnaire, as part of its analysis of risk factors related to their business activities.

The questionnaire is based on the reference framework of the *Autorité des Marchés Financiers* (AMF) and mainly deals with the following areas: definition and formal communication of delegations of power, regular reviews of how duties are separated and how the organization enables each individual's responsibilities to be identified and conflicts to be resolved, verification by subsidiaries that the variable compensation policy for its senior executives does not increase the risk of fraudulent conduct, and the implementation of a code of conduct or ethics to deal with conflicts of interest, irregular or fraudulent payments, competition barriers and insider trading.

3.1.2 Implementing a CSR strategy adapted to a small investment team

Wendel's human resources policy

Small, experienced and diversified workforce

Wendel seeks to hire and develop excellent employees, for whom it creates the best possible working environment.

As of December 31, 2012, Wendel and its holding companies employed a total of 76 people.

Half of Wendel's 66 employees in France are directly involved in investing activities. In addition to an investment team of about 20 people and the senior management team, 10 experts specializing in finance, law, taxation and communication are involved in investment transactions on a day-to-day basis. They collaborate with teams outside France to promote the Group's international expansion.

The remaining staff support the Finance, Legal, Financial Communications, Communications & Sustainable Development and Operational Resources departments.

Wendel operates in the Netherlands, Luxembourg, Germany and Japan, where its activities are mainly those of a holding company supporting Group companies as they expand in Europe and Asia. Its oldest offices are in the Netherlands (since 1908) and Luxembourg (since 1931). Since 2007, Wendel also has operations in Germany (Frankfurt) and Japan (Tokyo). To support its international development in North America, Europe and emerging markets, Wendel plans to increase the number of its employees outside of France in 2013 (ten as of December 31, 2012), either by recruiting locally or transferring employees from France. In particular, it will open offices in the United States (New York) and Singapore.

Employees with an employment contract*: staff numbers and changes	12/31/2012 Non-management	Management	Total	12/31/2011 Non-management	Management	Total	12/31/2010 Non-management	Management	Total
Total workforce	**15**	**51**	**66**	**16**	**48**	**64**	**16**	**48**	**64**
of which Women	*9*	*23*	*32*	*10*	*19*	*29*	*10*	*19*	*29*
Men	*6*	*28*	*34*	*6*	*29*	*35*	*6*	*29*	*35*
New hires	**0**	**7*****	**7*****	**1**	**3**	**4**		**3****	**3****
of which Women	*-*	*5*	*5*	*1*	*2*	*3*		*1*	*1*
Men	*-*	*2*	*2*		*1*	*1*		*2***	*2***
Departures	**1*****	**4**	**5*****	**1**	**3**	**4**	**2**	**3**	**5**
of which Women	*1*	*1*	*2*	*1*	*2*	*3*	*1*		*1*
Men	*-*	*3*	*3*		*1*	*1*	*1*	*3*	*4*

* *Employees in France with permanent contracts.*
** *Wendel changed one employee's fixed-term contract into a permanent contract during the course of the year.*
*** *Including one change in employee category.*

In 2012, 45% of management-level employees were women (i.e. 23 women).

Although Wendel does not employ any disabled employees, it has supply contracts with work centers that do. The mandatory contribution paid to AGEFIPH, an organization that promotes the employment of people with disabilities, was about €10.6 thousand in 2012.

Training and professional development

Developing the employability of its staff is one of Wendel's priorities.

Wendel offers its employees customized training to ensure that they always have the skill level required to perform their jobs.

In 2012, two Wendel employees took training programs leading to a diploma, to broaden their skills set.

As part of its action plan to promote the employment of older employees, Wendel also offers all staff aged 40 and above a career assessment interview to assess their skills, training needs, current work situation and future opportunities. This is also an opportunity for these employees to plan how they will develop their careers, taking into account changing job needs and the company's employment outlook.

In 2012, 28 employees completed at least one external training course, for a total of 645 hours of training. The training included courses in foreign languages, communication techniques, and office applications.

Labor relations and working conditions

Working conditions and relationships are improved by offering support to managers, holding regular meetings with the staff and maintaining close dialogue with staff representatives on the Works Council (CE) and the Health, Safety and Working Conditions Committee (CHSCT). In this way, Wendel can implement the measures that most closely match staff expectations.

To help employees better reconcile their professional and family responsibilities, Wendel has endeavored since 2010 to obtain and finance daycare services for employees who request them. In 2012, Wendel funded 14 daycare places for the children of 10 employees.

Finally, in addition to the share of the Works Council budget allocated to social and cultural and activities, Wendel covers the cost of a range of services, including meals in the intercompany cafeteria, exercise classes and payment vouchers for home services.

Diversity and equal treatment

Wendel takes steps to ensure that decisions regarding recruitment, career development (training and job promotions) and compensation are made without discrimination. Job applicants are assessed only with regard to their skills and experience. Variable compensation for employees is wholly performance-based.

In equivalent positions, there is no difference in pay for men and women.

In compliance with its legal obligations, Wendel developed an action plan to ensure that men and women are always treated equally in the workplace.

Organization of working time

Because of its history, Wendel organizes working time in compliance with collective agreements applying to the metalworking industry.

No employee has requested to work part-time. However, one employee is taking part-time childcare leave.

Absences, excluding leave for family events, remained stable at around 1%. There was one commuting accident and one work-related accident without lost time in 2012.

Promoting and applying the ILO's fundamental conventions

Wendel manages its human resources in accordance with the ILO's eight fundamental conventions, ratified by France, on forced labor, on the freedom of association and protection of the right to organize, on the right to organize and to collective bargaining, on equal remuneration, on the abolition of forced labor, on discrimination, on the minimum age for admission to employment and on all forms of child labor.

Wendel protects the freedom of association and the right to collective bargaining.

Since Wendel SA does not operate in countries where there is a risk of violation of workers' rights, ensuring the application of these conventions is not an issue.

Compensation policy in line with Wendel's interests

Wendel's compensation policy aims to align the interests of employees with those of shareholders, whether through variable pay, collective performance bonuses or employee share ownership.

Each year, Wendel carefully reviews the compensation paid to its employees, taking into account their responsibilities, skills, experience and market pay levels. Variable pay is awarded based on individual and collective performance.

For France, total compensation (base salary, variable pay and individual, job-related bonuses) paid in respect of 2012 was approximately €11.2 million, down 8% from 2011. A collective bonus agreement has also existed since 2006. It was replaced by a new collective bonus agreement signed in 2012. Since the performance criteria were met in 2012, beneficiaries will receive in 2013 a maximum amount of €18,186, representing up to 12.5% of the compensation they received in 2012. The dividend increase paid by Wendel in 2012 also prompted it to pay a special profit-sharing bonus in an amount proportional to length of service with the company. Lastly, Wendel offers very comprehensive death & disability insurance to its employees and their families.

Promoting employee shareholding

Wendel believes that employee share ownership is essential for establishing a long-term partnership with employees and has always encouraged it, whether through the Group savings plan that has been in place for more than 20 years or grants of performance shares or stock options, which most employees have received since 2007.

Grants of stock options and performance shares

In addition to the two Executive Board members, 65 employees received stock options and performance shares by virtue of the authorization granted at the Shareholders' Meeting of June 4, 2012 and the Executive Board's decision on July 5, 2012.

Attached to these grants are a service condition and a performance condition.

The following information (especially the tables summarizing the stock-option plans and performance share programs in place) satisfies the company's regulatory requirement to publish information on the compensation of corporate officers.

The table below indicates, for the period from January 1 to December 31, 2012:

- the total number of options granted to the ten employees, excluding corporate officers, who individually were granted the largest numbers of options;
- the total number of options exercised by the ten employees, excluding corporate officers, who individually exercised the largest numbers of options.

	Number of options	Exercise price
Options granted during the year to the ten employees who were granted the largest number of options	80,000	€54.93
Options exercised during the year by the ten employees who exercised the most options	45,828	€27.74 (1)

(1) *In 2012, the options were exercised at €24.59 (WI 1-1 plan), €25.96 (WI 2-1 plan), €39.98 (WI 3-1 plan), €65.28 (WI 3-2 plan) and €22.58 (W 2-1 plan).*

Summary of stock-option plans in force as of December 31, 2012

	WENDEL INVESTISSEMENT PLANS				WENDEL PLANS							
	Plan no. 2	Plan no. 3			Plan no. 1			Plan no. 2		Plan no. 3	Plan no. 4	Plan no. 5
Date of Shareholders' Meeting	**May 27, 2003**	**June 10, 2004**			**June 4, 2007**			**June 5, 2009**		**June 4, 2010**	**May 30, 2011**	**June 4, 2012**
Plans	WI 2-1	WI 3-1	WI 3-2	WI 3-3	W1-1	W1-2	W1-3	W2-1	W2-2	W-3	W-4	W-5
Date of the Board of Directors or Executive Board meeting	07/16/2003	07/09/2004	07/06/2005	07/04/2006	06/04/2007	07/16/2008	04/02/2009	07/16/2009	02/08/2010	06/04/2010	07/07/2011	07/05/2012
Type of options	Subscription	Subscription	Subscription	Subscription	Subscription	Subscription	Subscription	Purchase	Purchase	Purchase	Purchase	Purchase
Initial total number of shares that can be subscribed or purchased:	323,821	428,223	49,000	60,600	837,500	890,600	271,000	391,200	7,000	353,177	404,400	227,270
of which:												
Number initially granted to corporate officers:												
Ernest-Antoine Seillière	141,328*	171,612 *	-	-	90,000	-	-	-	-			
Frédéric Lemoine	-	-	-	-	-	-	-	120,000	-	105,000	96,000	54,542
Bernard Gautier	-	20,190*	-	-	150,000	150,000	-	80,000	-	70,000	64,000	36,361
Start date for exercise of the options	07/16/2004	07/09/2005	07/06/2006	07/04/2007	06/04/2012	07/15/2013	04/02/2014	07/16/2010 [2]	02/08/2011	06/04/2011	07/07/2012	07/05/2013
Expiration date of the options	07/15/2013	07/08/2014	07/05/2015	07/03/2016	06/04/2017	07/15/2018	04/02/2019	07/16/2019	02/08/2020	06/04/2020	07/07/2021	07/05/2022
Subscription or purchase price per share	€25.96	€39.98	€65.28	€90.14	€132.96	€67.50	€18.96	€22.58	€41.73	€44.32	€80.91	€54.93
Discount	-	-	-	-	-	-	-	-	-	-	-	-
Performance conditions [1]	-	-	-	-	For everyone	For everyone	For everyone	For corporate officers	-	For everyone	For everyone	For everyone
Cumulative number of shares subscribed to or purchased as of 12/31/2012	317,260	395,306	4,000	100	0	0	0	83,426	0	0	0	0
Cumulative number of canceled or expired options	5,047	5,151	9,000	19,900	710,600 [3]	445,840	64,000	6,667	0	6,900	8,750	0
Number of options remaining to be subscribed to or purchased as of 12/31/2012 [3]	1,514	27,766	36,000	40,600	126,900	444,760	207,000	301,107	7,000	346,277	395,650	227,270
Number of options remaining to be exercised by corporate officers:												
Ernest-Antoine Seillière					22,500	-						
Frédéric Lemoine								105,000		105,000	96,000	54,542
Bernard Gautier					37,500	150,000		80,000		70,000	64,000	36,361

* *Amounts adjusted as part of capital transactions.*

(1) *All performance conditions are tied to an increase in NAV.*

(2) *For corporate officers, the start date for exercise of the options is July 16, 2012.*

(3) *Due to the non-achievement of performance conditions, only one fourth of the initial number of options was finally granted, corresponding to the cancellation of 628,125 options.*

(4) *Maximum number, subject to the realization of performance objectives.*

Summary of performance share programs in place as of December 31, 2012

	Wendel Plan no. 2			Wendel Plan no. 3	Wendel Plan no. 4
Date of Shareholders' Meeting	06/05/2009			06/04/2010	06/04/2012
Number of authorized shares as % of capital	0.20%			0.30%	0.30%
Share grants as a % of capital	0.20%			0.30%	0.15%
Date of Executive Board meeting	07/16/2009	01/12/2010	05/17/2010	06/04/2010	07/05/2012
Plans	Plan 2-1	Plan 2-2	Plan 2-3	Plan 3-1	Plan 4-1
Vesting date	07/17/2011	01/12/2012	05/17/2012	06/04/2012	07/05/2014
Date at which shares may be sold	07/18/2013	01/12/2014	05/17/2014	06/04/2014	07/05/2016
Performance conditions	No	No	No	Yes	Yes
Shares to be issued/existing shares	Existing	Existing	Existing	Existing	Existing
Number of shares granted	7,200	83,450	10,500	151,362	75,754
Canceled or expired grants	500	2,500	0	4,925	0
Number of shares vested	6,700	80,950	10,500	146,437	0
Share value at the grant date	€20.63	€43.58	€44.61	€44.32	€54.93
Share value at the vesting date	€78.75	€51.40	€54.25	€51.58	-
Number of unvested shares	0	0	0	0	75,754
of which shares to be issued					-
of which existing shares					75,754
Number of shares granted to corporate officers					
Frédéric Lemoine	-	-	-	13,500	18,181
Bernard Gautier	-	-	-	9,000	12,120

Capital increases through the Group Savings Plan

For more than 20 years, Wendel has invited employees to subscribe each year to a capital increase through the Group savings plan. Shares are offered at a 20% discount and employee payments can be matched up to legal limits.

As of December 31, 2012, excluding corporate officers, employees held 0.37% of the capital of Wendel via the Group savings plan.

In July 2012, the Executive Board decided to carry out a capital increase. 88% of eligible employees subscribed and were allocated a total of 35,417 shares.

Offering additional pension benefits

PERCO pension plan

In 2010, Wendel introduced a Company pension plan ("Perco"). It matches certain contributions up to the legal limit.

As of December 31, 2012 more than one out of four employees had invested in the Perco.

Supplementary pension plan

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

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

There are currently 48 retirees and 13 employees of the Company who benefit from the plan. Two beneficiaries were members of the Supervisory Board in 2012 (see Note 3.4 to the consolidated financial statements).

3.1.3 Limited environmental footprint

Wendel's activities have little impact on the environment. However, Wendel strives to do its share to limit any negative effects. For example, environmental criteria are incorporated into the management of its IT services and the building in Paris where Wendel's headquarters are located. In 2012, Wendel performed an inventory of its greenhouse gas emissions, in accordance with the decree implementing Article 75 of the Grenelle 2 Act, to optimize its efforts to reduce its energy consumption and waste production.

Energy saving

In the past two years, Wendel has made several investments to reduce its energy consumption:

- replacing all of its IT servers with more energy-efficient models;
- renovating its district heating system (distributing high-pressure steam), making the company more environment-friendly;
- creating a video conference room and providing mobile work tools to reduce travel;
- gradually replacing traditional light bulbs with energy-saving bulbs to increase the energy efficiency of its head office.

Wendel also promotes the electronic distribution of its publications.

Waste sorting

Wendel introduced a waste sorting policy in July 2011. A special training course has raised awareness among all head office employees. All paper consumed by Wendel employees is now collected for recycling. Plastics, ink cartridges, cartons and metal packaging are also included in the recycling program.

3.1.4 Commitment to the wider community

Wendel's commitment to the community is reflected in its support of projects in the higher education and cultural spheres.

- Wendel has supported INSEAD since 1986. In 1996, the prestigious business school created a center for family-owned businesses, and Wendel has been a partner in this initiative from the start.
- Wendel's management visits France's elite graduate schools on a regular basis to explain the company's businesses. Its presentations, designed to educate students about Wendel's long-term investing model, help to recruit top talents as well. Wendel also contributes to the publications of these *grandes écoles*: ENA, HEC and Polytechnique.
- Wendel also made a renewable five-year commitment to work side-by-side with Centre Pompidou-Metz when it opened in 2010, choosing to support an emblematic institution that makes art accessible to the general public.

In addition to its long-term support, Wendel works actively with partner institutions to further their development projects. In particular, Frederic Lemoine represents the Group on the board of directors of INSEAD and the board of directors of Centre Pompidou-Metz.

Owing to its long-standing commitment to the arts, the French Minister of Culture awarded Wendel the title of "Grand Mécène de la Culture" ("Grand patron of the arts") on March 23, 2012.

In the course of its business, Wendel also interacts with its principal stakeholders.

- Wendel communicates regularly with its principal partner, Wendel-Participations, and has made several presentations to its governing bodies.
- Wendel maintains an ongoing dialogue with its individual shareholders.

Wendel's Shareholders Advisory Committee was created in 2009. Its 12 members met seven times in 2012. The committee's role is to obtain feedback from individual shareholders on the media used specifically to communicate with them: letters to shareholders, the website and the management report.

In 2012, Wendel held two regional shareholders' meetings, in Lyon and Nice, and the Group takes part in the Actionaria trade show for companies and shareholders each year.

- Wendel keeps the financial community (analysts, institutional investors and individual shareholders) regularly informed of its earnings, business activities and strategy. In 2012, Wendel met with more than 350 stock and bond investors during its road shows (in France, the United Kingdom, Germany, Switzerland and the United States) and meetings at its head office.
- As a listed company, Wendel contributes to marketplace discussion by participating in the work of all the major professional and financial market organizations, of which it is a member: Afep, ANSA, Medef, AFIC, Paris Europlace, and others.

3.2 Corporate social responsibility at Group companies

Wendel is the majority shareholder in Bureau Veritas, Materis, Stahl, Mecatherm and Parcours. The financial statements of these companies are fully consolidated in Wendel's consolidated financial statements. Wendel also highlights the main points of their sustainable development policies in the sections that follow.

A detailed presentation of the Group's subsidiaries can be found in section 1.11 "Subsidiaries and associated companies".

Wendel Group companies translate their sustainable development policies into action plans that take into account the company's specific characteristics and maturity in the field. The main CSR issues of the five subsidiaries in which Wendel is the majority shareholder are briefly summarized below.

Bureau Veritas

For Bureau Veritas, Wendel's largest investment, listed on Euronext Paris and included in the Next 20 index (Compartment A, code ISIN FR FR0006174348, stock symbol: BVI), Wendel publishes a summary of information on its social and environmental responsibility. Since Bureau Veritas has an obligation to publish verified data, all of the required information is available in the company's own registration document for 2012.

Bureau Veritas is the world's second-largest provider of compliance and certification services in the areas of quality, health, safety, environment and social responsibility (QHSE-SR). With a fast-growing workforce, identifying and retaining talent has become a priority for Bureau Veritas. It is implementing an active recruitment policy and a skills development strategy combining technical and management training. Safety is another priority for Bureau Veritas, which is why management teams are being held more accountable for safety procedures. The Chief Executive Officer and the members of the relevant department systematically review all serious accident investigation reports. The environmental impact of the activities carried out by Bureau Veritas in its offices and in its inspection work at customer sites is mainly a result of automobile use. Thanks to local programs to replace vehicles over three years old with models that consume less fuel, average per-vehicle consumption was reduced by 7% between 2011 and 2012.

Materis

For Materis, the biggest unlisted company in Wendel's portfolio, Wendel publishes detailed and exhaustive CSR information, verified by an external party.

Materis, an international leader in specialty chemicals for construction, has four businesses: admixtures (Chryso), aluminates (Kerneos), mortars (Parex Group) and paints (Materis Paints). Materis employs close to 10,000 people, spread over different international sites.

Its main environmental and social responsibility issues fall into three categories:

- Strengthening the environmental management system

Materis strives to bolster its environmental management and better prevent and mitigate environmental risks by assisting its industrial sites in obtaining ISO 14001 certification and conducting external audits of the environmental risks of all of its sites.

- Employee health and safety

Safety is one of the foundations of the Materis culture and is integrated into the general management of the company. Its accident rate has decreased by 85% since 2001, illustrating its drive for continuous improvement.

- Designing innovating products and services that are better for the environment and users

Materis caters to construction professionals and has integrated eco-design into the core of its business activities. Over 25% of Materis' sales are generated by products launched within the past five years.

Wendel also reports environmental and social data for Stahl, Mecatherm and Parcours, even though these companies are not yet required to publish CSR information.

Stahl

Stahl is the world leader in high-performance coatings and leather-finishing products. Its registered office is in the Netherlands and it employs 1,200 people. As a manufacturer of chemical products, Stahl considers its major environmental and social responsibility challenges to be the health and safety of its employees and product innovation to minimize the environmental footprint of its products.

Stahl has launched a continuous improvement process in the area of its employees' health and safety. The initiative has proven to be effective, since the rate of accidents with lost work time has fallen by over 70% since Stahl joined the Wendel group in 2006.

Through its continuous improvement efforts, Stahl also ensures that the impact of its industrial sites and their activities on surrounding ecosystems is limited, since all of its sites are ISO 9001- and/or ISO 14001-certified. Thanks to its innovative research, Stahl was one of the first companies in its sector to market water-based products. These products now represent the majority of Stahl's production (80%). Lastly, Stahl recently created a working group to develop green-designed products.

Mecatherm

Mecatherm is the world leader in equipment for industrial bakeries and employs 284 people. Using its unique R&D and product innovation know-how, Mecatherm designs production lines and assembles them at its sites. Since it is not involved in production, its own activities have little impact on the environment. Mecatherm has nevertheless identified important challenges that are tied to its environmental and social responsibility, which are taken into account in the continuous improvement of its production line range: to guarantee food safety, to ensure personal security and to offer solutions to improve the energy efficiency of its production lines.

Parcours

Parcours is an independent vehicle leasing specialist in France with 285 employees. Its direct business activities have little impact of the environment, but as a player in the automobile industry, Parcours strives to raise safety and eco-driving awareness among its customers and their employees. Parcours integrates an improvement process into its service offering and has set up a system to monitor the CO_2 emissions from its customers' car fleets. Parcours is growing with a fast-expanding network of agencies; the specifications for every new location are based on French standards of high environmental quality ("HQE").

3.2.1 Bureau Veritas

3.2.1.1 Social data

Human Resources policy

Bureau Veritas is a fast-growing group that has doubled its workforce in five years. It aims to employ 80,000 people worldwide by the end of 2015.

Bureau Veritas would not have become a global leader of certification and verification without developing its human resources, a strategic pillar for the company. Bureau Veritas employs experts in quality, health and safety, environmental protection and social responsibility (QHSE). The skills and development of its staff give Bureau Veritas a strong competitive advantage for supporting its future growth.

To achieve its ambition, Bureau Veritas faces several human resource management challenges:

- having an adequate supply and mix of skills, especially in fast-growth countries, to meet its customers' expectations and offer them innovative solutions;
- recruiting future leaders, who are the key to the company's growth;
- efficiently integrating employees from newly acquired entities while offering them an environment that respects their diversity;
- reinforcing a shared corporate culture, based on strong values and ethics that build bonds between teams around the world.

Bureau Veritas uses five main drivers to meet these challenges:

- active recruitment to grow its global workforce to 80,000 people by the end of 2015;
- skills development combining technical and management training;
- deployment of shared career management processes, such as performance evaluation, talent identification and development, and internal and international mobility, across the Group;
- attractive compensation to draw the best candidates and loyalty and incentive programs for top-performing employees;
- continuous attention to the development of its organization, so as to support its growth objectives.

Employment

Total workforce and breakdown by geographic region, gender and age

As of December 31, 2012, Bureau Veritas had 58,924 employees in 140 countries, compared with 52,148 employees as of December 31, 2011. Its workforce therefore expanded by 13%, faster than in the previous year (9%).

Breakdown of staff by geographic region as of December 31

(in number of employees)	2012	2011	2010
Europe, Middle East and Africa (EMEA)	22,984	21,779	20,472
of which France	*7,715*	*7,654*	*7,411*
North and South America	15,911	12,726	10,762
Asia-Pacific	20,029	17,643	16,735
TOTAL WORKFORCE	**58,924**	**52,148**	**47,969**

New hires and dismissals

	2012	2011	2010
New hires*	13,017	11,093	8,063
Dismissals	3,410	2,832	1,907

* *External recruitments for contracts of 12 months or more.*

Voluntary employee turnover (the resignation rate) was 12.6% in 2012, compared with 11.7% in 2011. The highest rates were observed in Asia and the Middle East, which are fast-growing regions with a very strong demand for qualified workers. In France, voluntary employee turnover was 3.3% in 2012, compared with 3.6% in 2011.

Breakdown of staff by gender

The global workforce is 69% male and 31% female.

Women account for 14% of managers.

Proactive career management for employee development

Performance evaluation

All Bureau Veritas managers must undergo an annual performance review and goal-setting exercise. This performance management process is coordinated and monitored by the group-level HR department.

In addition to this process for managers, local HR departments conduct annual appraisals with non-management employees.

Internal mobility and career management

Bureau Veritas continued to strengthen its career management policy, by refining associated rules and processes, such as talent development and internal mobility.

Employees identified as showing exceptional promise are closely monitored by the HR department and the Bureau Veritas executive team. Priority is given to this talent pool in filling open positions. BV's objective is to fill two-thirds of management positions internally, including 50% through promotions and 25% through lateral transfers.

In addition, the Leadership Pipeline program helps identify high-performing employees who have the potential to grow into management positions. It aims to detect and monitor 500 talented individuals and provide personalized career management for them so that they can accelerate their development and rapidly take up management jobs.

Compensation totals

The following table presents Bureau Veritas' personnel expense over the past three years.

In millions of euros	2012	2011	2010
Salaries and bonuses	1,559.5	1,331.5	1,158.6
Social security costs	349.2	319.8	270.3
Other personnel related expenses	58.2	58.1	50.5
TOTAL PERSONNEL EXPENSE	**1,966.9**	**1,709.4**	**1,479.4**

Compensation policy

The bonus plan acts as an incentive. As a complement to their base salary, managers can earn a bonus each year, provided that they meet individual performance objectives. The percentage of the bonus ranges from 15% to 50% of the annual base pay, depending on the manager's level of responsibility.

Bureau Veritas also seeks to build loyalty among managers by awarding stock options and/or bonus shares as part of its long-term incentive policy.

Organization of working time

Working time varies depending on the country and applicable legislation.

Absences are monitored locally in compliance with local labor codes and regulations. As an example, in 2012, the absentee rate in France (Bureau Veritas SA and French subsidiaries) was 4.0%.

Labor relations

Labor-management dialogue

Bureau Veritas strives to promote the smooth running of employee representative bodies. Bureau Veritas has employee representative bodies in most key countries: France, Spain, Italy, United States, Japan, Germany, Netherlands, Belgium, Czech Republic, Australia, Singapore, India, Thailand, Russia and Ukraine. More generally, Bureau Veritas also encourages employees to communicate, exchange ideas and express their opinions, through bulletin boards, HR lines, employee suggestion programs, exit interviews, ethics contacts, accident prevention committees, monthly employee meetings, HR site reviews and open door policies.

Collective agreements

Collective agreements were signed in 12 countries (France, India, Spain, Australia, Russia, Mexico, Ukraine, Japan, Italy, Singapore, Thailand and Belgium). They cover various human resources issues such as the organization of working time, compensation policy, working conditions and measures to promote health and safety.

Training

Training data are monitored locally.

Bureau Veritas employees have access to a broad range of internal and external training courses, which cover not only technical subjects but also management and sales skills.

From an operational viewpoint, certain employees are required to complete technical training and obtain qualifications to perform their work. These qualifications are verified by the group's technical departments (Industry and Infrastructures and Marine) and audited by independent bodies (e.g. COFRAC or IACS).

In addition, knowledge management teams have created communities of experts to assist operational teams. A hundred or so communities put thousands of specialists and experts in contact with each other to exchange information about professional practices. For the development of managers, the new program for the BV Academy, relaunched in 2012, focuses on operational and sales excellence (customer centricity, lean management and risk management).

Leadership Essentials, another development program for managers, is gradually being deployed to reinforce management skills and disseminate a shared culture in all countries.

To ensure that new hires and employees of recently acquired companies are quickly and effectively integrated, a mandatory onboarding program was developed for all new employees. It introduces newcomers to the company's organization and business lines and includes information on health, safety and the environment.

Equal treatment

By nature, Bureau Veritas is a global company and its staff are a reflection of this geographic diversity. For example, more than half of its executive committee members are international members.

Respect for all individuals is one of Bureau Veritas' core values. By accepting the Code of Ethics, all employees agree to respect individual differences, without any type of discrimination regarding nationality, ethnic origin, age, gender or religious or political beliefs.

Measures taken to promote gender equality

Local initiatives were taken to promote equality between men and women in the workplace.

Measures taken to promote the employment and inclusion of people with disabilities

In France, after conducting a review of the employment of workers with disabilities, Bureau Veritas decided to act on its commitment by signing an agreement with AFEFIPH (the fund that promotes employment for handicapped people) in July 2010.

In 2011, a program was rolled out in France to create favorable conditions for the hiring and retention of individuals with disabilities.

Workstations and vehicles were specially adapted for people with disabilities.

Non-discrimination policy

In addition to compliance with the Code of Ethics, required of all employees, local measures also combat discrimination.

Promoting and applying the International Labour Organization's fundamental conventions

In every country where it does business, Bureau Veritas complies with local laws and the fundamental conventions of the International Labour Organization (ILO).

The ILO's fundamental conventions address several areas, in particular the freedom of association and the right to collective bargaining, the elimination of discrimination in employment and occupation, the elimination of forced labor and the effective abolition of child labor.

Bureau Veritas also partners with the ILO's International Training Centre and provides training on incorporating the principles of international labor law into the strategy and business activities of large multinational companies.

3.2.1.2 Health, safety and the environment

HSE policy

Strong commitments

For Bureau Veritas, safety is not just a priority, it is an absolute necessity. Since 2007, it has formally expressed its commitments to health and safety at work and the environment with an HSE statement signed by the Chief Executive Officer. This statement is available on the company's website (www.bureauveritas.fr)

BV implements policies in the following areas: HSE roles and responsibilities; confined space entry; working at height; ionizing radiation; personal protection equipment; driving motor vehicles; risk assessment; accident analysis; medical surveillance; fire safety; and travel safety.

It recently validated policies on addictions, the health and safety committee and the risk prevention plan for customer sites.

Certification

In its "BV 2015" strategic plan, Bureau Veritas set the objective to obtain OHSAS 18001 and ISO 14001 certification for all of its entities by the end of 2014, except for Certification activities, which cannot be audited, and acquisitions made in 2014, due to the integration process.

At the end of 2012, 28% and 31% of Bureau Veritas employees were working in OHSAS 18001-certified and ISO 14001-certified entities, compared with 29% and 32%, respectively, in 2011.

These figures were 35% and 38% at the end of January 2013, taking into account certification audits in certain entities.

Health and safety conditions at work

In 2012, general health and safety policies were reinforced as a result of the definition of safety as an "absolute" necessity, i.e. a non-negotiable value without which business cannot be conducted. This mainly led to greater accountability from managers regarding safety procedures and a systematic review of serious accident investigations with the Chief Executive Officer and the relevant senior executives.

Safety campaigns

Many initiatives and campaigns were designed to educate employees and raise their awareness of safety issues. In 2012, Bureau Veritas chose to highlight working at height, driving and mobility.

Health and safety indicators

Bureau Veritas monitors health and safety indicators in every country where it operates. An internal procedure determines how these indicators are reported. The indicators have been defined in accordance with the guidelines issued by the World Health Organization.

Indicator	Unit	2012	2011	Objectives
Total Accident Rate (TAR)	Number of accidents with or without lost work time x 200,000/Number of hours worked	1.37	1.65	-10% per year
Lost Time Rate (LTR)	Number of accidents with lost work time x 200,000/Number of hours worked	0.60	0.76	-10% per year
Accident Severity Rate (ASR)	Number of lost workdays x 1,000/Number of hours worked	0.07	0.07	-
Fatality (FAT)	Number of deaths	1	3	None

Acquisitions completed in 2012 are not included in calculating these indicators.

Accident rate indicators show that safety conditions have improved as a result of the company's reinforced safety policy, training and awareness-raising.

3.2.1.3 Environmental data

To reduce its environmental footprint and minimize its use of resources and production of waste, Bureau Veritas draws up annual targets based on specific programs.

World Environment Day

World Environment Day was celebrated throughout the company for the fourth consecutive year in 2012 to educate employees and other stakeholders and raise their awareness of local environmental issues.

Pollution and waste management

Bureau Veritas considers that the environmental footprint of its office-based activities and inspection work at customer sites is limited to its use of air conditioning, which could leak refrigerant gas, and of motor vehicles for travel to its customers' premises. It arranges appropriate maintenance agreements and ensures a modern vehicle fleet to reduce this impact on the environment.

Through its laboratory activities, emissions may be released into the air and water. Preventive measures include:

- obtaining all necessary authorizations to release and eliminate these emissions;
- using treatment techniques to meet legal emissions standards; and
- measuring these emissions regularly, in compliance with applicable regulations (for example, measuring emission velocity and the sulfur dioxide emissions of certain laboratories and measuring the pH of wastewater from certain laboratories).

Local authorities and independent certification bodies verify compliance with applicable standards, as defined by ISO 14001.

Consumption

Energy and waste program

The Energy & Waste program, a pilot initiative launched in 2007, tracks the annual consumption per employee of energy, water and paper using standardized indicators, which are communicated to the Executive Committee and the rest of the company.

Changes in consumption, calculated as a percentage over a constant scope from 2011 to 2012, are presented in the table below.

Indicator	Unit	2012	Change/2011 at constant scope	2012 objective	Scope: workforce covered
Energy	MWh/person/year			-10%	
Offices		2.6	-20.9%		61%
Laboratories		5.7	-7%		72%
Water	metric tons/person/year			-10%	
Offices		17.2	+0.3%		27%
Laboratories		40.7	+1.6%		65%
Paper	kg/person/year			-15%	
Offices		24.1	-6.4%		62%
Laboratories		57.5	+4.7%		68%

Fuel consumption

The business activities of Bureau Veritas involve frequent travel and, consequently, significant consumption of fuel.

To reduce this consumption, Bureau Veritas has introduced an e-learning module to promote eco-driving techniques. Group entities have also launched innovative local programs, such as in France, where vehicles over three years old were replaced with more energy-efficient models, thereby reducing average fuel consumption per vehicle by 7% from 2011 to 2012.

Climate change

To monitor the amount of CO_2 it emits and measure the effectiveness of its environmental programs, Bureau Veritas developed its own "BV Carbon" tool in 2009. The six principal sources of carbon emissions selected for measurement are energy, water, paper, business travel, ozone-depleting substances (ODS, from air conditioning) and waste.

BV's consolidated carbon footprint for 2012 covers 25% of its workforce, excluding acquisitions carried out during the year.

Source (25% of the workforce)	2012 Metric tons of CO_2/person
Business travel	2.24
Energy	2.02
Ozone depleting substances	0.06
Waste	0.02
Paper	0.02
Water	0.002
CO_2 FOOTPRINT PER EMPLOYEE	**4.36**

Reduction targets for energy, paper and water consumption are set each year and the resulting improvements directly contribute to lowering greenhouse gas emissions. In 2012, the following reductions were obtained:

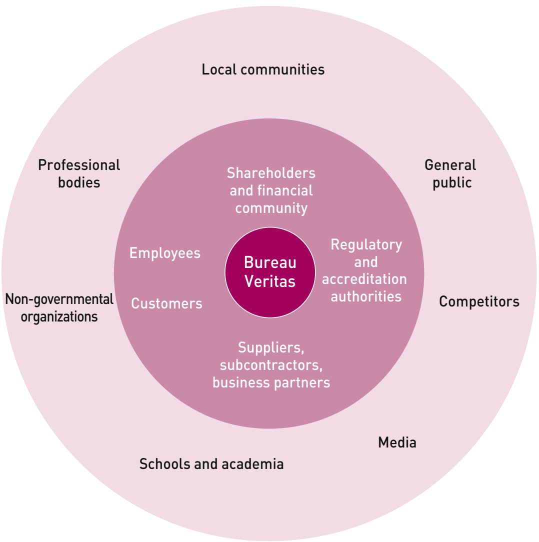
Source (25% of the workforce)	Change in CO_2 emissions (metric tons)	% change in emissions versus 2011
Business travel	+3,373.4	+12%
Energy	+3,364.6	+13%
Ozone depleting substances	-16.2	-14%
Waste	+1.7	+1%
Paper	-11.1	-36%
Water	-34.9	-18%

3.2.1.4 Societal values

Through its work, Bureau Veritas contributes to quality, health, safety, security, environmental protection and social responsibility (QHSE). In particular, its business activities help to improve:

- safety for users of buildings, equipment and means of transportation;
- safety for consumers of food products, electric and electronic appliances and other basic consumer goods;
- safety and security for employees at work;
- reduction in the environmental impact of industrial activities, transportation, construction and natural resource consumption; and
- corporate social responsibility.

Bureau Veritas interacts with a large number of stakeholders, represented in the following diagram.



The initiatives developed by Bureau Veritas aim to build close, constructive relationships with its key stakeholders while protecting its independence, a core value and an intrinsic criterion in its business activities as an impartial third party.

Fair business practices

Core values

The four core values of Bureau Veritas, (i) integrity and ethics, (ii) impartiality and independence (iii), respect for all individuals, and (iv) social and environmental responsibility as a guideline for conduct, are described in its Code of Ethics.

Two of these core values, “Integrity and Ethics” and “Impartiality and Independence” were the focal point of the work carried out by the profession under the leadership of the International Federation of Inspection Agencies (IFIA) and led to the drafting of BV’s first Code of Ethics published in October 2003.

Code of Ethics

In accordance with IFIA requirements, Bureau Veritas’ Code of Ethics describes the values, principles and rules applicable to all and upon which Bureau Veritas aims to base its growth and relationships of trust with its clients, employees and business partners.

The application of these core values is an essential and daily concern for all employees. It has become one of the main competitive advantages of Bureau Veritas. All employees must ensure that their day-to-day decisions at work are made in compliance with the rules laid down in the Code of Ethics. BV’s business partners such as intermediaries and subcontractors are also required to comply with the code in their dealings with Bureau Veritas.

In 2012, Bureau Veritas published the fourth edition of its Code of Ethics, now available in 32 languages. Its Compliance Program, also updated in 2012, is described in its Registration Document in the section on Internal control and risk management procedures. It includes an organization dedicated to ethics, an internal procedures manual and a training program for all employees, available in 16 languages. It also includes a detailed module relating to the fight against corruption.

3.2.2 Materis

In accordance with regulations (Article 225 of the Grenelle 2 Act on the obligations of corporate social and environmental transparency), Materis' social and environmental data were reviewed by an independent third party whose report can be found in section 3.3 of this report.

3.2.2.1 Commitment for responsible enterprise

General policy

Materis' sustainable development policy centers on building and deploying its **"CORE, Commitment to a Responsible Enterprise"** plan, initiated in 2010.

It is based on the **seven key elements of Materis' corporate culture**:

- entrepreneurship;
- safety for all;
- determination to win together in a friendly work environment;
- freedom of expression and transparency;
- creativity and innovation;
- reactivity and decentralization;
- sense of human and environmental responsibilities.

Management's commitment

"In 2010, I decided to initiate a movement in each of Materis' businesses to strengthen our collective commitment to sustainable development.

I firmly believe that the leading companies of the future will be those that have succeeded in incorporating this commitment into their economic, social and environmental strategies.

Several of the group's entities had already launched initiatives in this area; their achievements largely contributed to our shared commitment. Taking into account the recommendations of the working group, in which Materis' four businesses were represented, and the input of the Executive Committee, we set the following objectives:

- reconcile economic growth and the development of our employees, who are essential to our success. We want to stand out in this domain and make each Materis company a flexible, transparent and friendly place where "it feels good to be";
- adopt sustainable development as a driver of our "entrepreneurship". We fully assume our responsibility as entrepreneurs. We think that our contribution to Sustainable Construction can be a compelling factor that differentiates Materis for its customers and their constructions;
- protect as well as we can the resources that we use to do business. We believe that sustainable development can only be achieved by establishing a sustainable balance with our environment.

This CORE (COmmitment to a Responsible Enterprise) plan is the best expression of our "entrepreneurship" and "sense of human and environmental responsibilities", two key elements of the Materis Culture. The concept of "engagement" is also particularly important in our pursuit of continuous improvement in the long-term, requiring the commitment of each individual. This is how we achieved our success of the past 15 years in improving safety."

Olivier Legrain, July 2011

CORE plan deployment

Materis' CORE initiative is built on three pillars of sustainability comprised of seven "core" values:

Economic	Environmental	Social
■ Support customers in their sustainable development efforts ■ Innovate and propose products and services that are more respectful of their users and the environment	■ Optimize the use of resources in our products and processes ■ Limit the impact on the environment ■ Strengthen our environmental management system	■ Act for and with our employees ■ Strengthen our presence in the local community

This initiative is being implemented gradually, with a long-term perspective. Consistent with Materis' corporate culture, which supports decentralization, each business carries out the initiative in the way that is best suited to its markets and its customers. This is because differentiation and progress can only be achieved with an understanding of the local economic, social, environmental and regulatory context and not by applying external guidelines alone.

This local connection ensures that the commitments made are relevant and that all teams quickly adopt and act on them.

In the Paints business, Zolpan chose to support the initiative using "LUCIE". It obtained this French CSR certification for the first time in 2011 and again in October 2012, following an audit by Vigéo.

In the Admixtures business, Chryso France has obtained ISO 26000 certification and already publishes its own sustainable development report.

Three times a year, a CORE committee brings together the CORE coordinators of each of Materis' four businesses to coordinate the initiative and determine its direction. It is moderated by the head of strategy, under the direct supervision of the Chairman of Materis, who participates twice a year.

3.2.2.2 Reporting methodology

Scope and methods of consolidation

To produce the key indicators selected for this report, data were taken worldwide from all entities consolidated in Materis' financial statements.

A specific calculation method has been defined for each indicator. Where measured data are not available, sites provide estimated figures and an explanatory note in accordance with the corresponding method. Data are collected using standard files validated by Materis.

Exceptions: data from acquired entities are not included in the report for the year they are acquired.

Note: consolidated social data were reported for the first time in 2011, and this report for fiscal year 2012 presents the first consolidation of environmental data.

Responsibilities and verifications

Materis' Human Resources teams are in charge of producing social data for each business and for the group.

Safety indicators are produced by the Safety network and the Materis Safety team.

Environmental data is produced by Environment experts in each business, prior to data consolidation by Materis.

Each business is responsible for collecting and verifying the data it reports.

Each site director is responsible for producing the indicators and performing an initial verification of the result.

Environmental and social indicators

A summary of quantitative environmental and social indicators is provided in section 3.2.2.6 "Summary of environmental and social indicators".

3.2.2.3 Social initiative: acting for and with our employees

With close to 10,000 employees around the world and sales outlets and industrial plants in more than 30 countries, Materis is pursuing its growth with special attention to the working conditions of all its employees, so that every Materis company promotes personal and professional development and a friendly and transparent atmosphere where "it feels good to be".

At Materis, human resources management is coordinated locally by each of its four businesses, in each country in which it has a sales or industrial presence.

A Human Resources Committee (HRC), whose members are the HR directors of each of the four businesses, moderated by the HR Coordinator for Materis and directly overseen by the Chairman of Materis, meets monthly to coordinate action in the following areas:

- developing the Safety culture, a priority for Materis;
- developing people and skills, mobility between businesses and career management.

In addition, with respect to the HRC, each HR director undertakes to:

- support and apply Materis' commitment to Safety and ensure that its organization functions in a way that exemplifies the Materis culture;
- facilitate the development of each individual in an organization that promotes the taking of initiatives and responsibility; ensure that the annual appraisal process is carried out at every level of the hierarchy;
- promote and implement compensation policies that are consistent with benchmarks in the markets relevant to its business;
- prevent all forms of discrimination and ensure compliance with labor laws everywhere in the organization.

Development of the Safety culture, a priority for Materis

Safety is one of the pillars of the Materis culture and the direct responsibility of the group's chairman. It is integrated into the general management of the company and reinforced in three main ways:

Cultivating a strong culture of safety in the group

The safety of the people who work at Materis and their working conditions are just as essential as the company's economic success. Concern for safety must be an important feature of each individual's behavior.

Each year for the past five years, World Safety Day has provided an opportunity, in each of the businesses, to focus the attention of teams around the world on the need to make safety a habit.

The Materis Executive Committee and the management teams from each business participate actively in this initiative to build and disseminate a safety culture in each group entity. The CEO of each business is required to make at least one safety visit every quarter to their industrial sites. In addition, a safety indicator is included in their annual objectives as well as those of many managers.

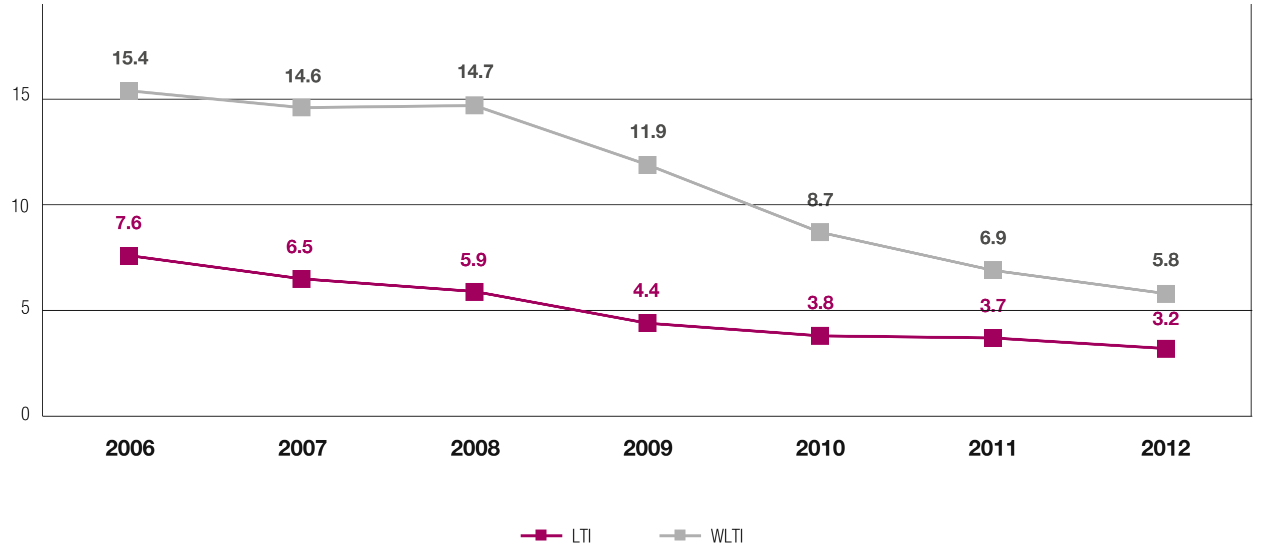
A culture of safety is based on setting an example and requires an increasingly strong commitment from managers at every level.

Using preventive strategies

Since 2001, injury frequency rates at Materis have steadily decreased. For every injury, with or without lost work time, the relevant department performs a root-cause analysis to determine what preventive and corrective action should be taken.

In 2013, injuries requiring first aid treatment will be tracked and analyzed monthly, in the same way as injuries with and without lost time.

Trend in LTI [(1)] and WLTI [(2)] frequency rates



(1) LTI: number of lost-time injuries per million hours worked.

(2) WLTI: number of injuries with or without lost time per million hours worked.

To promote experience-sharing and risk prevention, Materis has developed several multi-language communication tools for different types of injuries.

They can be used by Materis managers during their "safety minute" presentations, team meetings and information meetings and downloaded from a secure extranet site devoted exclusively to safety. The platform also provides access to safety statistics for Materis, meeting reports, Materis procedures and best practices, awareness videos on risks for workers at building sites, sales outlets and laboratories, risks related to subcontracting, or that reenact injuries that have occurred at Materis.

To develop the safety culture of its managers, Materis has also developed, in partnership with DuPont Consulting, an in-house training module delivered in two half-days, called "Managing Safety by Exemplary Behaviour". Each module, delivered three times a year, addresses 30 to 35 managers from all four businesses. They learn about the safety organization at Materis, the use of key tools such as safety visits, root-cause analysis, housekeeping audits, and so on, and the various communication aids that exist. They are also made aware that as managers, they must uphold high standards and a high level of commitment in the area of safety. This training is currently being delivered in France and has been taken by a little over 200 managers since it was launched.

ParexGroup and Materis Paints, companies that employ a large number of employees who travel for work, offer safe driving workshops in partnership with an outside training organization.

Building safety into industrial sites

Materis also holds three "safety awareness" training sessions per year; these workshops are held at an industrial site for employees in management positions. Participants are invited to discuss operational problems specific to their business (safety visits, site circulation, etc.) or that apply to Materis in general (safety culture).

An initiative was launched in 2008 to obtain OHSAS certification for all 102 Materis plants by the end of 2014.

In 2012, 12 new sites were certified, bringing the number of OHSAS 18001-certified sites to a total of 62 (61% of sites) as of the end of 2012.

Materis intends to guarantee a safe work environment for each employee in more ways than through certification. Safety visits are a part of the management of industrial sites. A colleague observes a person at his or her workstation. A discussion ensues during which the observed employee is alerted to identified risks. In this process, employees are actively involved in ensuring their personal safety and that of their colleagues.

Workforce

In a difficult economic environment in many countries, where the construction business has been particularly hard hit from the downturn for several years (Southern Europe, North America), Materis has taken steps to find an optimal balance between market demand and its resources, while promoting the commitment of each employee.

In 2012, arrivals and departures from the Materis workforce did not result in a net change (excluding changes in scope).

The Paints business, hard hit by the recession in Southern Europe (Italy, Spain, Portugal) was nevertheless obliged to adjust its staff by 6.4% in 2012.

Absentee rate

The absentee rate at Materis remains very low (2.2%).

Training and employee development

Training

A training policy is developed locally for each business, based on the development needs of its staff.

Materis is committed to offering regular training to its employees. Through training, they improve their performance and employability. In 2012, 74% of employees participated in at least one training program during the year. The average number of training hours per employee was a little over 14 hours (two days).

In 2012, external training costs represented 0.7% of payroll.

The training program dedicated to safety, an absolute priority for Materis, called “Managing Safety by Exemplary Behaviour”, has already been attended by more than 200 managers.

Annual Performance Appraisal (APA)

The APA is an important event in the relationship between an employee and his or her manager. It is a time for discussion of each employee’s performance and achievement of the goals set in the beginning of the year. This forms the basis for determining variable pay.

It is also an opportunity to discuss the employee’s development and personal ambitions, training needs and the manager’s management style.

The APA is used in a very large number of entities and will eventually be deployed worldwide for all managers.

Succession plan

To promote career development and mobility between businesses, the HRC works with businesses to regularly update succession plans.

Compensation

Materis’ compensation policy is specific to each of its businesses, which operate in different industrial sectors. It is defined with respect to local market conditions, a desire for internal equity and applicable regulations.

However, all of its businesses promote and implement variable compensation systems that depend on a balance of individual and collective performance.

The human resources departments in each business conduct periodic benchmark studies to ensure that compensation is consistent with market levels.

Each year, Materis’ businesses engage in negotiations that enable a significant number of collective agreements to be adopted regarding compensation (over 120 in 2012).

Organization of working time

Each Materis entity ensures that its business activities are conducted in compliance with local regulations. The continuous improvement of working conditions and organization is also an important point in the human resources policies applied in each business and entity.

In addition to collective agreements on compensation, 34 local agreements were signed in 2012 in areas related to working time, training, safety, health and diversity.

Diversity

Materis fights all forms of discrimination.

In France, Zolpan, a Materis Paints company, and Chryso have signed a Diversity Charter. ParexGroup France launched a communications campaign to raise disability awareness, while Chryso France, Kerneos, ParexGroup France and Materis Paints have all built partnerships with supported employment centers (CAT, ESAT).

Freedom of association

In accordance with local regulations, Materis allows employees open access to their representative, consultative and labor-management bodies in all of its entities.

3.2.2.4 Environmental initiative

Due to the nature of Materis’ industrial activities, which are mainly to develop formulations, the related environmental risks are limited. The amount of its provisions and guarantees for environmental risks is therefore less than €2 million.

However, protecting the environment is a key element in its corporate culture, which is why Materis invested €6.6 million in 2012 to prevent environmental and safety risks, representing 8.5% of its total capital expenditure.

Although its four businesses face different environmental challenges, Materis decided to develop one environmental strategy based on three shared priorities:

- strengthening the environmental management system and improving management practices at Materis’ sites;

- optimizing the use of resources required for Materis' business activities;
- reducing the environmental impact of Materis' operations.

Strengthening our environmental management system

The prevention and control of environmental risks is a priority. In 2011, as part of its global CORE initiative, Materis decided to reinforce the environmental management at all of its industrial sites in two ways:

- gradually obtaining ISO 14,001 certification, an international standard for environmental management, for all its sites. At the end of 2012, 20 of the 102 industrial sites had obtained this certification (20%);
- assessing environmental risks through external audits of all of Materis' industrial sites in 2012. This objective was reached, with audits carried out at all 102 sites in 2012. The auditors' reports and recommendations are being finalized. In 2013, each of Materis' industrial sites will be able to draft a multi-year improvement plan.

To support this move, employee training and awareness-raising initiatives were launched in each of the four businesses. Two animated CORE films, produced by Materis in 2011 and 2012 to generate momentum in this area, were shown during the group's annual webcast and reused in a decentralized fashion in internal communications campaigns run by individual businesses. Each of the four businesses published a special "Responsible Entreprise" issue of its newsletter and Chryso France published its third annual sustainable development report in respect of 2011.

Materis' Human Resources Committee also developed a manual on green practices so that every employee in the group could play a role in the following areas:

- business travel efficiency;
- optimal use of consumables and energy;
- waste sorting and recycling.

Optimizing the use of resources

Materis' industrial activities mainly involve transforming and extracting value from raw materials to formulate products for use in the construction industry. Resource consumption is therefore directly proportional to the company's volume of activity.

Energy management and energy efficiency

Materis' energy consumption is chiefly determined by the business of Kerneos, the leader in specialty calcium aluminate products.

Audits assessing the energy efficiency of furnaces helped to ensure continuous process improvement and thereby reduce the energy intensity of the Aluminates business.

Although significantly less energy-intensive, Materis' other businesses also launched energy efficiency initiatives to diminish their environmental impact and energy costs. Chryso's capital expenditures at its Sermaises site has led to a 15% reduction in energy consumption over the past five years. The integrated distribution network for Materis Paints (400 stores) analyzed the energy consumption of each individual sales outlet to develop customized improvement plans.

Materis' total energy consumption in 2012 was 4,989 terajoules.

Since 2005, Kerneos has chosen to voluntarily report its greenhouse gas (GHG) emissions.

The European directive on CO_2 quotas will apply to the Aluminates business for the 2013-20 period. The ETS directive adopted in December 2008 describes how emission allowances will be allocated.

Zolpan (Materis Paints) and ParexGroup France have also performed a carbon assessment to identify their main sources of GHG emissions and build appropriate action plans to reduce these emissions.

Water management

In 2012, Materis' total water consumption was 937,751 cubic meters [(1)].

Many of Materis' industrial sites have been designed so that no wastewater is discharged into the environment. Effluents are recycled or handled by specialist subcontractors. Each year, specific investments are made to improve industrial wastewater treatment and reduce discharges from the relevant businesses (Materis Paints and Chryso).

At Chryso, a plan to modernize the retention systems is underway. At the Materis Paints plant of La Bridoire, a new recycling station reduced the amount of wastewater discharge by one-half in 2012.

Raw material management

Materis employs processes that produce very little waste or spoilage (about 1% of the manufactured volume), and all of its industrial sites closely monitor the quantities and types of raw materials and packaging used.

Its businesses act in three ways to streamline their use of the resources they need to manufacture Materis products:

- using previously unused industrial co-products as substitutes for raw materials and traditional fuels. One Kerneos site qualifies as a co-incineration plant;
- reducing the consumption of petroleum-based raw materials in packaging by developing packaging that is partly organically-sourced and by using recycled plastics (Materis Paints);
- applying the European REACh directive and using substitutes for hazardous and toxic raw materials, which enabled Materis Paints to reduce their use of such materials from 253 metric tons in 2005 to less than 10 metric tons in 2011.

(1) Estimate for the Materis Paints network.

Limiting the impact on the environment

Management and disposal of industrial waste

In 2012, Materis' industrial activities generated a total of 41,900 metric tons of waste[(1)], which was treated by specialist subcontractors accredited by local authorities.

Over 80% of this waste was classified as non-hazardous as defined under the European Waste Catalogue.

Noise pollution

The noise generated by Materis plants is limited. Noise levels are monitored at all of Materis' industrial sites, in accordance with local legislation and OHSAS 18001 certification, and formal action plans are implemented.

Materis aims to obtain OHSAS 18001 certification for all of its industrial sites by the end of 2014.

Land use

The land footprint of Materis' industrial activities and their direct impact on land are not significant and do not warrant close tracking of land use.

Adaptation to the consequences of climate change

Materis' businesses are not directly impacted by the consequences of climate change. Accordingly, it has not developed a global policy in this area.

Measures to protect and enhance biodiversity

No major, immediate impact from Materis' industrial activities has been identified. General efforts to reduce the use of resources and environmental impact also ultimately contribute to protecting biodiversity.

Accordingly, Materis has not developed a global policy to enhance biodiversity in the areas surrounding its industrial sites. Local initiatives do exist, however.

3.2.2.5 Societal initiative

Materis strives to serve its customers and the communities in which it operates using three main strategies:

- innovating to design and propose products and services that closely match customer needs and answer the requirements of Sustainable Construction;
- supporting customers in their sustainable development efforts, beginning with the internal deployment of CORE;
- strengthen its production and operations in the communities where Materis is growing its industrial and sales activities.

Innovating and proposing products and services that are more respectful of their users and the environment

Materis invested €27 million, or 1.3% of its revenues, in innovation in 2012.

A large majority of the users of Materis products are construction professionals, and Materis strives to continuously improve the use and performance of its products for these customers.

Materis has worked green design into the core of R&D management in its four businesses. It calculates the overall environmental footprint of a new product by measuring two types of effects on the environment: its intrinsic impact resulting from the product's design and the resources needed to manufacture and market it, and the impact that comes from its use by customers and by building users.

Kerneos and Chryso conduct life cycle inventories or analyses of new products and certain existing products. This assessment factors in resource consumption, production, transport, use and disposal.

ParexGroup launched a complete range of dustless mortars to improve the working environment of construction professionals at work sites. It is also developing lighter products to reduce the risks involved in lifting and moving them.

Materis Paints is continuing to replace solvent-based paints with water-based equivalents throughout its network to reduce volatile organic compound emissions. In 2012, 62% of Zolpan's indoor paints had obtained the French "NF Environnement" eco-label.

Materis is extending its range of external insulation systems to improve energy efficiency and comfort in buildings.

In 2012, 25% of Materis' sales were generated by products launched less than five years ago.

Supporting customers in their sustainable development efforts

The internal deployment of CORE is the first step in this strategy.

In 2012, Zolpan (Materis Paints) took measures to better inform employees and customers about corporate social responsibility, using an e-learning module called "Zolpan, a Responsible Company".

Several Materis companies regularly evaluate their customers' satisfaction through qualitative surveys and in-depth interviews.

Chryso took the initiative to create a Health, Safety and Environment Club for its customers. It provides a forum where they and Chryso teams can dialogue and learn from each other. Chryso also offers customers technical audits of their industrial sites to assess whether products are being used safely there.

Kerneos provides its customers with tools to assist them in conducting life cycle assessments and developing low-impact solutions.

(1) Estimate for the Materis Paints network.

Strengthening our presence in the local community

Impact on employment and regional development and on neighboring or local populations

The impacts of Materis' business activities and the activities resulting from the use of Materis products are mainly local.

Through its business, Materis contributes to the construction and renovation of housing, commercial real estate and infrastructure, which are very largely local markets. Most of its production operations are also carried out locally.

In 2012, the share of Materis revenues generated by products sold in the region where they were produced was 87%.

The raw materials used in its industrial processes are also primarily local and thereby contribute to forming a local value chain.

Relations with suppliers and subcontractors

Materis integrates its responsibility into its own business activities as well as those of its suppliers and subcontractors. Its four businesses implement responsible procurement policies, reflecting Materis' CORE initiative.

As in other CSR areas, Materis' businesses develop their own procurement policies – purchasing charters, external benchmarks (LIFE), etc. – in a decentralized manner while applying the following main guidelines:

- setting an example for suppliers with the conduct of Materis teams;
- when selecting and assessing suppliers, taking their own CSR commitments into account.

Partnership and sponsorship initiatives

In connection with the CORE plan, Materis, via its HRC, has chosen to establish a policy that encourages the development of local initiatives rather than a global partnership or sponsorship program. It describes its approach as follows:

"The goal of Materis is to conduct its business, everywhere that the group operates, in harmony with the various local stakeholders: citizens, local authorities, governments, partner companies, non-profits and other organizations present in the community.

Materis has therefore chosen to encourage and promote the development of initiatives to support the work of non-profit, public, private, local, national or international organizations in the following areas:

- education;
- health;
- social issues;
- culture (protection of heritage and the arts).

Local teams, in collaboration with the head or chief executive of their entity or subsidiary, are responsible for selecting the organizations to support. Preference will be given to organizations in which Materis employees participate."

In 2012, direct and indirect contributions to local initiatives supported by Materis employees totaled €325,000.

Preventing corruption

Materis works to ensure that its employees follow fair business practices and comply with applicable regulations in this area.

Commitment to human rights

Materis strives to improve the well-being and safety of its employees and subcontractors in the workplace and works to integrate these criteria into its relations with suppliers through purchasing charters, external benchmarks (LIFE), and so on.

Materis refuses to use child labor or forced labor.

3.2.2.6 Summary of environmental and social indicators

Environmental indicators	2012
% of industrial sites having completed an environmental audit	100%
% of ISO 14001-certified industrial sites	20%
Waste produced (% of production volume)	1%
Energy consumption (TJ)	4,989
CO_2 emissions (metric tons) (1)	486,244
NOx emissions (metric tons)	1,739
SOx emissions (metric tons)	2,504
Water consumption (m^3)	937,751
Chemical Oxygen Demand COD (metric tons) (1)	143
Suspended solids (metric tons) (1)	37
Volatile Organic Compound emissions (metric tons)	270

(1) Scope covered: 90%.

Human resources indicators	2012
Workforce (December 31, 2012)	
Group workforce	9,610
of which permanent contracts	9,170
of which % of permanent contracts	95%
of which fixed-term contracts	440
of which % of fixed-term contracts	5%
of which women	2,519
of which % of women	26%
of which men	7,091
of which % of men	74%
New hires in the group (1)	1,563
of which women	457
of which % of women	29%
Departures from the group (1)	1,504
of which women	408
of which % of women	27%
Breakdown of staff by geographical region	
Europe	55%
of which France	41%
Asia-Pacific	21%
South America	12%
North America	4%
Africa & Middle East	8%
Absentee rate	2.2%
Training	
Number of employees having completed at least one training program	7,129
% of employees having completed at least one training program	74%
Average number of training hours per employee	14.3
External training costs as a % of payroll	0.7%
Personal safety (2)	
Number of work injuries with at least one day of lost time	58
Number of work injuries without lost time	47
Rate of injuries with lost work time	3.2
Rate of injuries with or without lost work time	5.8
% of industrial sites with OHSAS 18001 certification	61%

(1) Permanent contracts only.
(2) Scope including regular and temporary employees.

3.2.3 Stahl

3.2.3.1 Highly committed to developing employee skills

Employment

As of December 31, 2012, Stahl had 1,237 employees. The net number of new hires over 2011 was four. The largest net headcount increases were in India, China and Mexico. The stable numbers in Stahl's workforce demonstrate its ability to increase its revenues and bottom line while maintaining a similarly-sized structure.

Breakdown of full-time employees as of December 31 by geographic region

Region	2012	2011	2010
Europe	482	479	449
Asia-Pacific	276	273	270
India and Pakistan	180	171	158
North and South America	299	310	313
TOTAL	**1,237**	**1,233**	**1,190**

Ninety-nine percent of Stahl's employees are on permanent contracts. Its workforce is 80% male and 20% female. The average absentee rate was 1.9%. Total turnover of staff was 11.9%. The highest turnover rates were in China (19%) and Australasia (18%); the lowest were in Europe (7.3%). Turnover of strategic employees (sales and application technicians and R&D specialists) was only 1.5%, in line with previous years. These figures are consistent with the markets in which Stahl operates and reflect the trends in the various regions. The rates provided for Asia illustrate the fast growth of the countries in this region and the size of the market segments in which Stahl does business.

Training

The highly technical and innovative markets that Stahl serves require it to have top-notch capabilities and skills and to maintain a high level of service. For this reason, Stahl is committed to developing its employees as a key factor for strengthening its leading position. Employees' sales and technical skills are constantly being developed through external training, such as in chemicals and leather treatment, and through in-house training.

In 2012, the average seniority of Stahl's technical staff was more than 10 years. This is because Stahl offers its leather and coatings specialists a work environment conducive to their professional development. Consequently, their knowledge and skills and their ability to innovate in niche markets has earned them an excellent reputation. Stahl delivers in-house technical training and also calls upon outside organizations for sales, marketing and managerial training.

Stahl also strives to offer suitable training to the middle managers in its eight factories and its sales outlets around the world, to ensure that they recognize the value of multiculturalism while reconciling local practices with Stahl's strategy and values.

Compensation

Stahl uses the most appropriate human resources tools to support its businesses and objectives. All of Stahl's installations are small or medium-sized, and to respond to the high level of service required in the industry, the company is very close to its customers. In this context, Stahl has a healthy labor environment. Employees have access to all the support and training their positions require. In addition, Stahl uses performance appraisal as a way to help employees achieve personal development and business objectives. The bonus system, especially for the sales staff, is designed to focus on growth and quality of service.

Stahl's compensation policy is competitive and consistent with local practices and regulations.

Total compensation, excluding bonuses paid in respect of 2012, was close to €61 million, up 5.1% from 2011.

Health and safety

Stahl is very committed to its Health, Safety and Environment (HSE) program, which is an essential part of its corporate culture and is described in paragraph 3.2.3.2. Mandatory training is organized in all countries to raise awareness and ensure that employees always act safely. All new employees, especially those in production, laboratory or application activities go through a specific integration process when they join the group. In addition, refresher courses are regularly offered to all employees.

To ensure continued improvement in the evaluation and prevention of risks, Stahl tracks indicators of progress on safety, of which the following table is an extract:

	2012	2011	2010
Rate of accidents with lost work time	0.12	0.24	0.35

Rate calculated as follows: (number of reported accidents x 100,000)/(number of hours worked).

3.2.3.2 Protecting the environment, a key issue for Stahl

Given its activity in the chemical industry, Stahl is committed to making Health, Safety and Environment (HSE) an integral part of its economic development. Its Executive Management is directly responsible for ensuring that HSE principles are correctly applied. In addition, safety and environmental issues are included on the agenda of every Board of Directors, management and department meeting in all Stahl operating units.

Stahl's main commitments to HSE are as follows:

- meet all legal provisions and local regulations and demonstrate responsible corporate citizenship;
- identify the risks related to the design, manufacture, sale and use of its products and establish appropriate controls;
- aim to eliminate all environmental risks related to its operations;
- report and investigate any incident, take corrective action and share lessons learned;
- ensure that all employees possess skills that are appropriate for their job;
- define HSE standards in simple, clear terms, communicate them to all employees, and ensure that employees adopt them. All employees are continually reminded of environmental issues, in particular those concerning building maintenance and energy consumption;
- report, monitor and audit all aspects of HSE performance to confirm compliance and continuous improvement recognize and reward HSE excellence.

Stahl's HSE organization

The management team of each site ensures that all business activities comply with local and national legislation as well as with internal regulations and directives.

The manager in charge of global HSE operations and issues visits each site regularly. Compliance with HSE standards, legislation in force and internal regulations are systematically analyzed during these visits. More detailed audits are also performed by internal and external teams.

Monitoring HSE objectives at industrial sites

The managers of each business and each industrial site have HSE objectives. To achieve them, they adapt HSE principles to the local environment and set up rules for guiding HSE performance. These rules are generally detailed in written procedures drawn up by the managers that place particular emphasis on ensuring that appropriate measures are taken to evaluate and verify compliance with national legislation. Stahl's eight production sites comply with local legislation.

Continuous improvement

All Stahl sites are ISO 9001- and/or 14001-certified. Follow-up audits and internal control take place on a regular basis.

Stahl adheres strictly to all European REACh legislation. As a manufacturer and importer of chemicals operating in the European Union and the United States, Stahl implements precautionary measures at the end of the supply chain to prevent any potential adverse effects on people or the environment.

More than 80% of Stahl products are water-based, replacing the use of solvents

In application of the REACh regulation, the gradual elimination of solvent-based products from its portfolio is still a primary goal for Stahl. Thanks to its innovative research, Stahl was one of the first companies to market water-based products. Today, these products represent the majority of Stahl's production.

At the end of 2010, Stahl created an internal task force whose objective was to empower the company with the resources it needs to innovate in the eco-design of its products. This task force is made up of 1.5 FTE employees from the R&D team and FTEs from business units (technicians and sales staff).

Waste management

Stahl is especially attentive to waste management. The company regularly reviews the processes it uses and promotes a sense of discipline and accountability among employees. Waste disposal is carried out by reputable, government-approved companies. Incineration of chemical waste is only carried out using responsible methods and suppliers.

In metric tons	2012	2011	2010
Hazardous waste	3,929	4,471 (1)	3,520
Non-hazardous waste	2,261 (2)	662	1,159
Total waste	6,190	5,133	4,679

(1) In 2011, statistics on total hazardous waste production at Stahl's industrial sites increased, because Stahl expanded the categories of waste tracked by its departments.
(2) Starting in 2012, Stahl included empty packaging in its total non-hazardous waste production figures.

Emission management

Stahl measures emissions in the air of its production plants locally, based on the requirements imposed by the authorities.

- Reducing CO_2 emissions

In 2011, Stahl developed, together with an engineering company, a proprietary system for measuring its carbon footprint. The system was rolled out to all production sites in 2012, which will be the baseline year used to set CO_2 emission reduction targets.

- Reducing emissions into the air, water and soil

After making capital expenditures of over €4 million in 2011, in particular at its Parets site (Spain) to increase energy efficiency and reduce emissions of monomers and volatile organic compounds (VOC), at its Portao site (Brazil) to treat wastewater and at its Waalwijk site (Netherlands) to reduce waste production and emissions into water, Stahl set up maintenance audit programs in 2012 to prevent the risk of soil pollution from leaks in pipes, chemical storage tanks or sewage systems. An audit was conducted for all sites in 2012, in accordance with local permits and legislation.

Optimizing the use and consumption of natural resources

- Water consumption

Stahl uses water as a raw material for many of its products as well as for cleaning equipment. For this reason, Stahl pays particular attention to reducing water consumption at its sites. The volume of cleaning water used depends on the products manufactured at each of the company's sites. Products that use pigments or viscous polymers, for example, need more cleaning water than products that do not contain these chemicals. As these products represented a higher percentage of production in 2012 and 2011 than in 2010, overall water consumption increased, as indicated in the table below:

	2012	2011	2010
Total water consumption (m^3)	202,151	195,039	186,138

Stahl has installed high-pressure water systems for more efficient and therefore more economic equipment cleaning.

- Energy consumption

Stahl's ongoing priority is to not waste energy, but rather to consume it in an efficient and responsible manner. Stahl has made significant efforts to raise employee awareness about this policy. Awareness is a starting point for maintenance, engineering, technical projects, product development, etc.

Energy consumption audits of Stahl's production sites were completed in 2011 and the resulting recommendations have been partially implemented.

If equipment needs to be replaced, or if an industrial development project is under consideration, Stahl ensures it studies at least one of the most energy efficient and environment-friendly alternative solutions. Finally, Stahl stays in close contact with its customers and suppliers and with universities so as to stay abreast of innovation.

Stahl measures and controls its energy consumption on its sites by month and by unit of production.

Energy consumption data

	2012	2011	2010
Electricity (MWh)	20,171	21,395	21,988.8
Gas (Nm^3)	1,810,340	1,547,758	1,527,194
Oil (in metric tons)	878 (1)	4,880 (1)	5,538
Water vapor (in metric tons)	14,214	15,456	15,926.7

(1) Oil consumption has been reduced by 82% because Stahl China now purchases steam from outside suppliers and no longer produces it directly on-site with an oil-fired boiler.

3.2.3.3 Corporate citizenship

To be true to its role as global market leader, Stahl has a policy to be proactive in the area of corporate social responsibility (CSR). In 2011 the company had made an inventory of all options so as to work with a structured approach to sustainability and corporate citizenship.

Signature of the Global Compact

Stahl signed the Global Compact [(1)] on January 1, 2012 and has since established these ten principles to guide its action:

1. Maintain its commitment to develop lines of finished products and research alternative raw materials and components;
2. Continue to develop water-based products and products with lower VOC content, applying the strictest directives as a reference;
3. Develop a leather product and a textile coating that are 100%-green, to be used to create new marketable products;
4. Apply local legislation as a minimum standard for ensuring the safety of local communities;
5. Advise and support customers in the use and disposal of Stahl's products;
6. Develop a global engineering plan so as to design the most efficient program for all production sites in terms of sustainability and cost-effectiveness (energy audit, carbon footprint, maintenance and replacement plan);
7. Study options to switch to green electricity and gas;
8. Raise awareness about waste, recycling and energy saving through internal campaigns;
9. Set up a waste reduction program per location;
10. Develop a code of conduct covering the majority of the principles set down in the UN Global Compact (human rights, labor laws, anti-corruption measures).

To report on its progress with these commitments, Stahl submitted its first Corporate Social Responsibility report to the United Nations in 2013. This mandatory annual report is available on Stahl's website, www.stahl.com.

Regional, economic and social impact of Stahl's business activities on employment and regional development and on neighboring or local populations

As a multinational company, Stahl has assumed responsibility for working with local communities and contributing to their growth.

In Europe, Stahl prefers to work with local suppliers and foster economic ties in the region. Stahl India hires residents close to the site under fixed-term contracts. Stahl China received the 2012 Economic Contribution Award, presented to leading companies that have made outstanding contributions to the economic and social development of the new Xuquan district west of Suzhou. Stahl Asia Pacific complies with Singapore labor law, particularly regarding workers under the age of 16 and adopts non-discriminatory employment practices in this city-state where the workforce is very diverse.

Relations with individuals or organizations with an interest in the company's business activities, such as organizations promoting inclusion, schools, environmental protection organizations, consumer groups and neighboring populations

Stahl works closely with the world-renowned BLC Leather Technology Centre at the University of Northampton in the UK. Stahl employees regularly give lectures and presentations to the students there.

Stahl has also joined the Leather Working Group, an international group of companies active in the entire leather supply chain, including tanneries, chemical companies and leading consumer brands. Its aim is to find solutions to improve the industry's environmental impact, supply chain management and product sourcing.

Stahl also participates in Leather Naturally, an initiative of the leather industry to counteract calls by NGOs and special-interest groups to boycot leather.

Stahl India is a member of Sipcot, an organization recognized by the Indian government authorities. Its members are companies that must deal with issues relating to power, road infrastructure, water, pollution, etc.

Stahl India is also part of the National Safety Council, which organizes safety awareness events in companies such as lectures and guided tours. It also rewards companies that excel in safety.

Stahl China gives lectures at Sichuan University, which specialises in training for the leather and textile industry, and employs two of its students.

Stahl China also works with Chinese government offices for Planning, the Environment, and Health and Safety.

Stahl Asia Pacific works closely with local higher education institutions on student internship placement programs, particularly in the field of chemical process technologies. Stahl Asia Pacific sponsors a book prize recognizing students with the best academic performance, especially in the chemical process technology field.

(1) United Nations initiative launched in 2000 that aims to encourage companies around the globe to embrace socially responsible behavior. The Compact asks them to make a commitment to implementing and promoting a set of principles related to human rights, labor laws, sustainable development and anti-corruption measures.

Stahl Ibérica has agreements with the universities of Barcelona and EUETII-ESA (*Escola Universitaria d'Enginyeria Tècnica Industrial d'Igualada*, Igualada Technical Engineering & Leather School) and recruits students in their final year for practical work experience. Stahl Ibérica also recruits recently qualified graduates from the various universities in Barcelona to work in the company or at other group sites, such as in the Netherlands.

Stahl Ibérica liaises with various schools and the government employment service of Catalonia to offer students work experience as chemical analysts in a laboratory or operators in a chemical plant, for example. With the requisite number of hours of practical work experience, they can obtain a professional certificate before entering the job market. Lastly, Stahl Ibérica participates in the "Responsible Care" program run by FEIQUE, the Spanish Chemical Industry Federation, and is part of the COASHIQ commission for safety and hygiene in the chemical industry.

Partnership or sponsorship initiatives

Stahl Holdings has a restricted partnership policy and only supports initiatives that are related to its business activities, its local sites, or the guiding principles of the United Nations Global Compact. Sponsored projects in 2012 included the following:

- Schoenenmuseum Waalwijk (Shoe Museum) – Stahl is a benefactor of the museum and has an exhibit presenting its technologies and expertise;
- Terre des Hommes – Stahl participated in a fundraising campaign in the Netherlands in September 2012. Stahl's employees donated clothing, leather goods and used mobile phones. The funds raised were invested in educational and sport-related projects for underprivileged children in India.

Stahl India makes yearly contributions to help fight leprosy and also donates to the Sri Ramakrishna orphanage. Stahl has also set up medical camps for women and children in nearby villages and donated medical supplies to children's homes.

Stahl China funds certain activities at Sichuan University.

Stahl Asia Pacific makes donations to the organizations in charge of the Charity Brisk Walk, in which some of its employees participate.

3.2.4 Mecatherm

3.2.4.1 Sustainable development, a continuous improvement area for Mecatherm

Mecatherm is constantly innovating in its bakery product development processes, in an effort to improve the profitability of production lines for its customers, while also offering training, preventive maintenance and online assistance services.

Mecatherm strives to design equipment that integrates very high standards in four areas: food safety, personal security, equipment preservation and environmental protection. Below are examples of initiatives in each area.

Food safety

- Developing new, particularly healthy fermentation agents;
- Reducing the consumption of edible oils mixed with dough during molding;
- Use of plastic food packaging and anti-retention meshes for product transport;
- Reducing the risk of dust.

Personal security

- Constantly improving access around equipment for cleaning;
- Simplifying equipment consigning operations;
- Reducing ambient noise.

Equipment preservation

- Widespread use of parts serving as a mechanical fuse to prevent damage to equipment following a protection incident;
- Redundant security systems.

Environmental protection

- Reducing energy consumption in ovens by reducing smoke temperatures and by reducing cooking time;
- Widespread replacement of lubricants and detergent products with technical plastics.

In addition, the group's machine motors are lubricated with 100% vegetable oil. In contrast to traditional motor oil, this oil is, by nature, recyclable. The use of cogeneration and water scoring (replacing blade scoring) is being examined.

3.2.4.2 Social data

Mecatherm's three locations are all in France: Alsace (Barembach), the Loire valley (Montilliers) and Normandy (Eu).

Employment

As of December 31, 2012, Mecatherm had 284 employees, compared with 302 as of December 31, 2011. The majority of employment contracts were full-time, permanent contracts. Fixed-term contracts represented 5.2% of the total in 2012. Mecatherm plans to maintain the proportion of fixed-term contracts between 5% and 10%. The total workforce was composed of 19% managers and 81% non-managers.

Women made up approximately 10% of the workforce. Employees with disabilities represented 3.4% of the workforce.

Turnover from resignations was stable at around 3%. The absentee rate was 3.2%; Mecatherm aims to reduce this figure to under 3%.

	2012	2011	2010
Total workforce as of December 31	284	302	303
Average staff numbers	307	328	324
Fixed-term contracts* (in %)	5.2	8.1	4.6

* *Calculated on average staff numbers.*

Organization of working time

For most employees, the workweek is 37 hours long, distributed into three weeks of 39 hours and one week of 31 hours, with an 8-hour day granted as work-time reduction (“RTT”) for non-management employees (excl. traveling staff). For traveling staff, both management and non-management levels, working time is measured on the basis of 218 days per year.

Labor relations

Mecatherm applies industry agreements, and all of its employees benefit from the sector’s collective bargaining agreement.

Training

Fifty-eight percent of employees took part in training in 2012. Mecatherm’s goal is to have at least one in two employees take part in training every year. In 2012, each employee who took part in training received about 7 hours of instruction.

Non-discrimination

Mecatherm reaffirms its commitment to improving the proportion of employees with disabilities in its workforce. To do this, Mecatherm works with the occupational health administration and the agencies that help place handicapped employees in adapting certain jobs so as to make them accessible to disabled people. In addition, Mecatherm makes no distinction between men and women, be it in hiring, in training or in career development. Men and women who occupy similar positions and geographic locations enjoy the same working terms and conditions. In accordance with regulatory requirement, a plan regarding equality between men and women was formalized in 2012.

Compensation

Total compensation paid in respect of 2012 was €6.8 million, about 7% less than in 2011. In addition, all employees benefit from the profit-sharing agreement.

Health and safety

In strict accordance with the law, Mecatherm has integrated employee safety into its priority objectives. Mecatherm maintains risk evaluation information up to date in a single document. The company has implemented systems to prevent risks, including chemical, psychosocial and road risks, which include initiatives conducted in conjunction with the Health, Safety and Working Conditions Committee (CHSCT). These include preparing an employee handbook, a set of principles, and more detailed medical examinations for certain employees. To carry out these prevention initiatives, the company makes sure that employees receive good information through training and that individual protection equipment is made available to them. The rate of accidents with lost work time (AR1) was 24.95 and the rate of serious accidents was 0.30.

3.2.4.3 Environmental data

The activities carried out at Mecatherm sites, mainly production line design and assembly, have little impact on the environment. Mecatherm has nevertheless taken steps to improve its energy efficiency.

Energy saving initiatives were launched in 2012, especially in heating. Posters were displayed and memos were circulated to inform employees and raise their awareness of the need for environmental protection in areas such as water management. Similar campaigns will focus on lighting, heating and paper consumption.

Mecatherm tracks water and energy consumption on its three sites.

The following table presents the indicators Mecatherm tracks.

Indicators	2012	2011	2010
Direct energy (gas) (1) MWh	5,890	3,500	4,938
Indirect energy (electricity) MWh	1,425	1,512	1,156
Water m^3	2,045	1,820	1,706

(1) *Year-on-year changes in gas consumption are partly due to heating the premises and the number of production line demonstrations performed by the laboratory at Mecatherm headquarters. The increase from 2011 to 2012 is attributable in part to the increased use of the lines for demonstrations of specific products such as bagels or flat breads.*

As part of waste management, Mecatherm inventories waste produced on its sites, as presented in the following table.

Type of waste (in metric tons produced)	2012	2011	2010
Ordinary industrial waste and paper	35.46	84.2	99.0
Wood	26.18	55.4	56.6
Stainless and other steels	59.84	102.8	112.2
Fermentables (bread, dough, flour) (1)	59.93	13.2	8.3
Hazardous (electronic, electric)	-	1.5	-

(1) Fermentable waste production is related to the type and number of demonstrations performed during the year.

All waste is collected, recycled, disposed of and/or reused by specialized recycling companies.

3.2.4.4 Societal data

Promoting employment and regional development

Mecatherm strives to develop a local network of suppliers and sub-contractors (manufacturing).

For example, 16 of its 38 principal suppliers are located in Alsace. They represent 57% of production purchases. The apprenticeship tax is paid entirely to local schools.

Maintaining a dialogue with the community

Mecatherm maintains relationships with schools by organizing factory visits, where it presents careers in manufacturing; by providing internship opportunities; through the participation of its engineers and managers in examination juries; and through talks given by its employees in universities and other higher education venues.

Furthermore, Mecatherm promotes employment through its work with regional employment agencies (government employment office, agencies for handicapped employment, local employment entities, metalworking industry body, placement agencies for workers laid off for economic reasons, etc.).

Mecatherm also takes steps to join the fabric of the local community by participating in public-interest projects (road repair, optical fiber cabling project study, etc.).

Finally, Mecatherm interacts with regional and local organizations, organizing factory tours with the Chamber of Commerce and Industry, and meeting annually with the local police and other emergency services.

3.2.5 Parcours

3.2.5.1 Human resources at Parcours

Employment

As of December 31, 2012, Parcours had 285 employees compared with 266 as of December 31, 2011, representing growth of 7% over the year. Women made up 28% of the workforce and filled 18% of management positions (13.5% in 2010). Parcours does not have any employees with disabilities but purchases supplies and certain services from work centers that do. All contracts are permanent and full time. The total workforce is 31% managers and 69% of skilled workers. Concerning labor relations, all employees benefit from a collective agreement regarding profit sharing.

Absentee rate

The absentee rate in 2012 was 2.6% (3.2% in 2011).

Training

Employees took part in 1,228 hours of training in 2012, 6% more than in 2011 (1,160 hours).

Compensation

Total payroll increased by 10.4% in 2012 (up 10.6% in 2011).

Health and safety

The rate of accidents with lost work time (AR1) was 25.07 in 2012 and the rate of serious accidents was 0.31 (0.12 in 2011).

3.2.5.2 Incorporating environmental considerations into Parcours' business activities

As a service provider in the automotive sector, Parcours is mindful of the needs of its customers, who are increasingly concerned about the impact of their car fleets on the environment. Amid constant growth in its network of agencies, Parcours is careful to build each new agency according to the principles of eco-construction. Parcours complies with legislation, in particular with regard to industrial and hazardous waste.

Promoting the environment in its sales efforts

Positioned as a fleet management partner, Parcours now offers a sustainability strategy as part of its long-term leasing services and provides its customers with support for implementing it.

There are three parts to the strategy:

- Environment – the car: institute a car policy that protects the environment by taking environmental performance into account when building a vehicle fleet (choice of engine type or options, CO_2 emissions);
- Social – the driver: raise awareness among employees about security and eco-driving techniques (theoretical and practical training on a circuit or simulator);
- Economic – return on investment: create a virtuous circle so that environmental and social investments are economically viable and sustainable in terms of total cost of ownership (lower fuel budgets, fewer accidents, fewer fines, lower taxes, etc.).

So that customers can measure the impact of their initiatives, Parcours offers them the ability to monitor the trend in the CO_2 emissions of their vehicle fleets.

Parcours consolidates this indicator over all the vehicles it leases.

	2012	2011	2010
Number of cars in the entire fleet	25,554	23,500	21,500
Average CO_2 emission per car (g/km)	123.9	129.8	135.4
Change	-4.6%	-4.1%	-3.8%

Between 2007 and 2012 the average level of CO_2 emitted by Parcours' entire car fleet was declined steadily by 16.62%, from 148.6 g/km to 123.9 g/km.

Specific initiative in 2012: a new partnership was announced between Renault, DHL and Parcours to equip DHL France with 30% of electric vehicles in its fleet by 2015.

Building new Parcours agencies based on ecological principles

Each new agency is built according to specifications that will be reinforced for future projects regarding the workshop design (flow management) and the building's construction (energy efficiency). These specifications integrate HQE-inspired (high environmental quality) criteria, such as:

- integrating the building into its immediate environment;
- managing energy by ensuring the building's thermal performance;
- managing rainwater and wastewater and limiting soil sealing;
- comfortable natural and artificial lighting;
- integrating charging stations for electric vehicles.

In 2013, Parcours plans to open a "Pilote 3D" agency in Bordeaux, France and a new Paris site that will house its headquarters, five sales offices, a used vehicle sales center and a repair shop.

Managing industrial waste generated by repair shop activities

Regulations regarding industrial and hazardous waste (for example, used motor oil) are strict, and Parcours repair shops comply scrupulously with them. Waste is handled and recycled by accredited companies (EPUR, Veolia, etc.).

As an example, in 2012, the volumes treated were as follows:

- tires: 9,300;
- oil: 23,390 liters.

3.3 Statutory auditors' attestation and assurance report on social, environmental and societal information presented in the management report

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

Wendel

Year ended December 31, 2012

To the Executive Board,

In accordance with your request and in our capacity as statutory auditors of Wendel, we hereby report to you on the consolidated social, environmental and societal information presented in the management report issued for the year ended December 31, 2012 in accordance with the requirements of Article L. 225-102-1 of the French commercial code (*Code de commerce*).

Management's Responsibility

The Executive Board is responsible for the preparation of the management report including the consolidated social, environmental and societal information (the "Information") in accordance with the requirements of Article R. 225-105-1 of the French Commercial Code (*Code de commerce*), presented as required by the entity and its subsidiaries' internal reporting standards (the "Guidelines") and available at their respective Headquarters.

Our Independence and Quality Control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession (*Code de déontologie*) and Article L. 822-11 of the French commercial code (*Code de commerce*). In addition, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent verifier's responsibility

It is our role, on the basis of our work:

- To attest whether the required Information is presented in the management report or, if not presented, whether an appropriate explanation is given in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (*Code de commerce*) and Decree no. 2012-557 dated 24 April 2012 (Attestation of presentation);
- To provide limited assurance on whether the other Information is fairly presented, in all material respects, in accordance with the Guidelines (limited assurance).

1. Attestation of presentation

Our engagement was performed in accordance with professional standards applicable in France:

- We compared the Information presented in the management report with the list as provided for in Article R. 225-105-1 of the French Commercial Code (*Code de commerce*);
- We verified that the Information covers the consolidated perimeter, namely the entity and its subsidiaries within the meaning of Article L. 233-1 and the controlled entities within the meaning of Article L. 233-3 of the French Commercial Code (*Code de commerce*) within the limits specified in the paragraph "Encouraging subsidiaries to integrate CSR" of the management report (page 95);
- In the event of the omission of certain consolidated Information, we verified that an appropriate explanation was given in accordance with Decree no. 2012-557 dated 24 April 2012.

We wish to make the following comment on the Information presented in the management report:

- As described in the paragraph "Encouraging subsidiaries to integrate CSR", on page 95 of the management report, the Information is presented for each majority-owned subsidiary of Wendel and is not consolidated as specified in Article R. 225-105-1 of the French Commercial Code (*Code de commerce*).

2. Assurance report

Nature and scope of the work

We conducted our engagement in accordance with ISAE 3000 (International Standard on Assurance Engagements) and French professional guidance.

We performed the following procedures to obtain a limited assurance that nothing has come to our attention that causes us to believe that the Information is not fairly presented, in all material respects, in accordance with the Guidelines.

A higher level of assurance would have required us to carry out more extensive work.

Our work consisted in the following:

- We assessed the suitability of the Guidelines as regards their relevance, comprehensiveness, neutrality, understandability and reliability, taking into consideration, where applicable, the good practices in the sector.
- We verified that the group had set up (especially for Wendel and its subsidiaries Bureau Veritas and Materis which respectively account

for 81% and 15% of the headcount among Wendel's majority-owned subsidiaries) a process for the collection, compilation, processing and control of the Information to ensure its completeness and consistency. We examined the internal control and risk management procedures relating to the preparation of the Information. We conducted interviews with those responsible for social and environmental reporting.

- For Wendel, we selected the consolidated Information to be tested and determined the nature and scope of the tests [(1)], taking into consideration their importance with respect to the social and environmental consequences related to the group's business and characteristics, as well as its societal commitments.
  - Concerning the information that we deemed to be the most important, we verified the calculations made as well as the consolidation of quantitative information and we conducted interviews and reviewed the related documentary sources in order to corroborate this information and assess its fairness.
  - As regards the other consolidated information published, we assessed its fairness and consistency in relation to our knowledge of the group and, where applicable, through interviews or the consultation of documentary sources.
- For Bureau Veritas, we verified that the Information published in Wendel management report is in line with the Information verified by the statutory auditors of Bureau Veritas.
- For Materis, we selected the consolidated Information to be tested [(2)] and determined the nature and scope of the tests, taking into consideration their importance with respect to the social and environmental consequences related to the group's business and characteristics, as well as its societal commitments.
  - Concerning the quantitative consolidated information by Materis that we deemed to be the most important:
    - At the level of Materis and its 4 entities, we implemented analytical procedures and, based on sampling, verified the calculations and the consolidation of environmental and social information ;
    - At the level of the sites that we selected [(3)] based on their business, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that the procedures were correctly applied and we performed tests of detail based on sampling, consisting in verifying the calculations made and reconciling the data on environment and safety with the supporting documents.

      The sample thus selected represents on average 21% of the quantitative environmental information tested for Materis
    - Concerning the qualitative consolidated information that we deemed to be the most important, we conducted interviews at the level of the 4 entities and reviewed the related documentary sources in order to corroborate this information and assess its fairness.
    - As regards the other consolidated information published by Materis, we assessed its fairness and consistency in relation to our knowledge of the company and, where applicable, through interviews or the consultation of documentary sources.
- Finally, we assessed the relevance of the explanations given in the event of the absence of certain information.

Comments on the Guidelines and on the Information

- The definition, collection and consolidation processes of environmental, social and societal data are currently being structured in the three subsidiaries Stahl, Parcours and Mecatherm. These three subsidiaries respectively account for less than 2% of the headcount among Wendel's majority-owned subsidiaries.
- As a signatory of the charter produced by AFIC, Wendel should specify how the company takes into account CSR issues at every phase of the investing life cycle of its subsidiaries and associated companies. Consolidated indicators could be put in place to follow subsidiaries' operational performance.
- We wish to make the following comment on the Information published by Bureau Veritas: work is required to homogenise reporting rules and methods, and to reinforce internal control. Environmental information covers different perimeters, representing between 25% and 64% of the total group workforce. Regarding the accident rate, different definitions exist at group level and at country level. This coexistence implies the need to reinforce the controls on reported information. Regarding the total training days, Bureau Veritas presents information limited to France. Extending this reporting perimeter would imply clarifying and homogenising definitions of training categories that are taken into account, and putting in place internal control procedures aimed at checking the exhaustivity of reported information.
- We wish to make the following comment on the Information published by Materis: special attention should be paid to the harmonisation of safety indicators' guidelines and reporting methodologies between the four entities of the Materis group. Regarding social indicators, different reporting definitions coexist among the four entities of the

(1) Headcount, salary and their evolution, training policies, the company's organization to take into account ESG criteria in subsidiaries management

(2) Headcount and distribution of employees, hiring and dismissals, training policies, salary and their evolution, absenteeism, occupational health and safety policy, human rights, raw materials consumption, water and energy consumption, climate change, ISO 14001 certifications, air emissions (VOC, SOx, NOx), water emissions (COD, TSS), hazardous and non hazardous wastes, economic and social impact of the company, stakeholder relations issues, subcontracting and suppliers, customers safety, fair operating practices.

(3) Industrial sites of Dunkerque, La Bridoire, Champagné, Sermaises and Singapour.

Materis group. This coexistence implies the need to reinforce the controls on reported information. The reader should note the limited perimeter specified in the guidelines on page 109.

Conclusion

Based on our work described in this report, nothing has come to our attention that causes us to believe that the Information is not fairly presented, in all material respects, in accordance with the Guidelines.

Paris-La Défense, 5th April 2013

The Independent Verifier

ERNST & YOUNG et Associés

French original signed by:

Eric Duvaud

4

COMMENTS ON FISCAL YEAR 2012

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4.1 Analysis of the consolidated financial statements

4.1.1 Consolidated income statement - accounting presentation

The Wendel Group includes:

- fully consolidated companies: holding companies and subsidiaries over which Wendel exercises exclusive control; these are:
  - Bureau Veritas (certification and verification), Materis (specialty chemicals for construction), Stahl (leather finishing products and high-performance coatings), Parcours (independent specialist in long-term vehicle leasing to corporate customers), Mecatherm (industrial bakery equipment); these last two companies are consolidated in the Oranje-Nassau Développement sub-group,
  - Deutsch for the three-month period from January 1 to March 31, 2012, the closing date preceding the sale date of April 3, 2012;
- companies accounted for by the equity method (associates) and over which Wendel has significant influence, specifically: Saint-Gobain (production, transformation and distribution of building materials), Legrand (products and systems for low voltage installations) and exceet (design of embedded systems); exceet is included in the Oranje-Nassau Développement sub-group.

The earnings of subsidiaries that have been or are scheduled to be divested are presented, in accordance with IFRS, in a separate line of the income statement entitled “Net income from discontinued operations and operations held for sale” for each year presented. As of December 31, 2011, Deutsch was held for sale; it was sold in April 2012.

(in millions of euros)	2012	2011
Net sales	6,702.0	5,953.1
Operating income	559.5	554.1
Net financial income	-456.0	-628.9
Income taxes	-144.3	-138.2
Net income from equity-method investments	-329.7	831.1
NET INCOME FROM CONTINUING OPERATIONS	**-370.4**	**618.1**
Net income from discontinued operations and operations held for sale	707.5	29.4
NET INCOME	**337.1**	**647.5**
Net income – non-controlling interests	115.9	122.1
NET INCOME, GROUP SHARE	**221.1**	**525.4**

4.1.2 Consolidated income statement - economic presentation

The consolidated income statement reflects the aggregate earnings of the various equity investments held by Wendel. These are either fully consolidated or accounted for by the equity method.

As such, the accounting presentation of the income statement does not allow for a direct, in-depth analysis. For this reason, Wendel regularly provides an income statement prepared on an economic basis. A conversion from the accounting presentation to the economic presentation is presented in note 39 to the consolidated financial statements, entitled “Segment information”.

	2012	2011
Constant scope		
Bureau Veritas	412.3	355.8
Materis	-9.8	29.4
Stahl	26.6	13.8
Saint-Gobain (equity method)	192.0	296.0
Sub-total	**621.1**	**695.0**
Changes in scope		
Legrand (equity method)	31.1	60.0
Deutsch	24.9	54.5
Oranje-Nassau Développement	15.4	14.8
- Parcours	*12.3*	*9.9*
- Mecatherm	*1.0*	*2.3*
- exceet (equity method)	*2.1*	*2.6*
Sub-total	**71.4**	**129.3**
INCOME FROM SUBSIDIARIES AND ASSOCIATES	**692.5**	**824.4**
of which Group share	*482.8*	*632.0*
Operating expenses, management fees and taxes	- 32.6	- 34.1
Amortization, provisions and stock-option expenses	- 6.5	- 6.6
TOTAL OPERATING EXPENSES	**-39.0**	**-40.7**
TOTAL FINANCING COSTS	**-205.6**	**-269.9**
NET INCOME FROM BUSINESS SECTORS (1)	**447.8**	**513.7**
of which Group share (1)	*237.9*	*321.4*
Non-recurring income	**58.8**	**296.8**
Impact of goodwill	**-169.5**	**-163.0**
TOTAL NET INCOME	**337.1**	**647.5**
Net income – non-controlling interests	116.0	122.1
NET INCOME - GROUP SHARE	**221.1**	**525.4**

(1) Net income before goodwill acounting adjustments and non-recurring items.

4.1.3 Description of 2012 business activities

Wendel's consolidated sales rose 12.6% to €6,702 million, with organic growth of 5.0%. Despite remarkable performances by Bureau Veritas, Stahl and Parcours in 2012, the overall contribution of the Group's companies to net income from business sectors was €692.5 million, down 16% from 2011. This decline came about principally because Saint-Gobain and Materis contributed less, and because we reduced our holding in Legrand and sold Deutsch. At constant scope, excluding companies purchased or sold, business sector contribution was down 10.6%.

Total operating expenses were reduced by 4.1%, even though Wendel was very active in both investment and divestment during 2012. Total net financial expense declined for the third consecutive year, falling 23.8% to €205.6 million. This is because since 2009, efforts to reduce costs and debt have led to a 14% reduction in total operating expenses and a 43% reduction in financial interest expense.

Net income from business sectors, Group share, declined by 26.0% to €237.9 million.

In 2012 non-recurring income was mainly explained by two items:

- the capital gain on the sale of Deutsch, which totaled €689.2 million;
- a €414 million write-down in the value of Saint-Gobain shares. Because the European construction industry continued to suffer from depressed conditions and tax rates rose, the outlook for Saint-Gobain's cash flow was revised down. The value of the shares on Wendel's balance sheet thus declined from €53.32 as of December 31, 2011 to €47.08 as of December 31, 2012.

As a result, non-recurring income declined from €296.8 million at the end of 2011 to €58.8 million at the end of 2012.

Wendel's net income, Group share, was thus €221.1 million in 2012, compared with €525.4 million in 2011.

Results of Group companies

Bureau Veritas – Sales up 16.2% in 2012.

(Full consolidation)

Didier Michaud-Daniel was appointed CEO of Bureau Veritas as of March 1, 2012. As Chairman of the Board of Directors, Franck Piedelièvre remained very involved in corporate governance and helped Mr. Michaud-Daniel become acquainted with the company. Under the impetus of Mr. Michaud-Daniel, new projects were launched, in particular the Lean Management initiative aimed at improving customer satisfaction and operating efficiency.

Amid a difficult European economic environment, Bureau Veritas continued to demonstrate its operational quality and ability to pursue growth.

Over all of 2012, Bureau Veritas's sales totaled €3,902.3 million. The 16.2% increase compared with 2011 broke down as follows:

- organic growth of 7.8%, reflecting :
  - sharp growth in the Industry, Commodities, Government Services & International Trade and Consumer Products businesses;
  - a satisfactory level of growth in the Certification and In-Service Inspection & Verification businesses;
  - deterioration in the business volume of the Marine and Construction divisions, as expected;
- changes in the scope of consolidation totaling 4.7%, with 14 acquisitions carried out during the year, chief among which AcmeLabs, Tecnicontrol, TH Hill and HuaXia; and
- a positive impact from exchange rates of 3.7% prompted by the strength in the majority of currencies relative to the euro.

Revenue derived from fast-growing zones (Latin America, Asia-Pacific excluding Japan, Eastern Europe, the Middle East and Africa) accounted for 54% of 2012 revenue, up from 50% in 2011.

In view of the deteriorated economic backdrop in Spain, especially in the construction segment, the company has reshaped its portfolio of activities. Bureau Veritas completed the disposal of its infrastructure inspection activity on February 21, 2013, and implemented measures to adapt the size of these operations to market conditions. The impact of this resizing prompted exceptional expenses of €64.8 million in 2012, excluded from adjusted operating profit.

Adjusted operating income rose by 17.4% to €639.2 million, compared with €544.3 million in 2011. Adjusted operating margin expressed as a percentage of revenue stood at 16.4% in 2012 (16.7% after restatement for the divested Spanish businesses), up 20 basis points from 16.2% in 2011.

Attributable net income was stable relative to 2011 at €297.6 million. Earnings per share stood at €2.70 compared with €2.72 in 2011. Attributable net income adjusted for other operating expenses net of tax totaled €402.6 million, up 15.7% relative to 2011. Adjusted earnings per share totaled €3.65 in 2012, up 14.8% relative to 2011 (€3.18).

2012 operating cash flow rose 25.4% to €504.5 million on the back of higher earnings and controlled working capital requirements (WCR). In 2012, WCR totaled €272.8 million, or 7.0% of 2012 revenue, compared with €237.0 million, or 7.1% of 2011 revenue. Net capex rose to €135.3 million (vs. €113.1 million in 2011). The investment rate was 3.5% of revenue, close to the 3.4% reported in 2011.

Levered free cash flow (cash flow available after tax, interest expenses and capex) totaled €326.6 million, up 32.2% relative to 2011.

Bureau Veritas should deliver solid growth in 2013 revenue and adjusted operating income, in line with the BV2015 strategic plan and despite an economic environment in Europe that is set to remain challenging.

In view of the company's performance and the free cash flow generated in 2012, Bureau Veritas is to propose a dividend of €1.83 per share at the Shareholders' Meeting scheduled for May 22, 2013. This dividend represents a payout of 50% of adjusted EPS in 2012 and a yield of 2.2% relative to the share price on December 31, 2012 (€84.65).

Materis – Growth in sales of 2.2% Excellent performance of ParexGroup (mortars), good growth at Kerneos and Chryso. Wide-reaching performance improvement plan at Materis Paints

(Full consolidation)

In a volatile economic environment, Materis's businesses saw organic growth in emerging markets, which was virtually offset by the slowdown in mature regions.

In 2012, Materis's net sales grew by 2.2% to €2,073 million. From an organic standpoint, sales were stable, declining 0.2%, and Materis made two strategic acquisitions: Suzuka in China (mortars) and Elmin in Greece (aluminates). All Materis divisions benefited from continued high growth in emerging economies (9.7% organic growth) which offset deterioration in mature economies (-3.5% organic growth), resulting from a decline in volumes, principally in the paints business.

In 2012, the Aluminates, Admixtures and Mortars businesses continued to generate record industry profitability. EBITDA totaled €258 million (12.5% of sales) and adjusted operating income was €189 million (9.1% of sales). Highlights by division were as follows:

- **ParexGroup (mortars)** posted sales of €713 million, up 12.4% overall and 7.3% organically, benefited from favorable industry conditions in emerging economies (up 18%) and the beginnings of a recovery in the United States, buoyed by growth in end-markets, price adjustments and market share gains that more than offset a significant decline in Spain and lesser decline in France. ParexGroup also benefited from the successful integration of Suzuka, leader in organic texture coatings in China, enabling it to build on its already significant presence in that country. In 2012, EBITDA was €99 million (13.9% of net sales), up 8%;
- **Kerneos (aluminates)** posted net sales of €368 million (up 2.1% overall but down 3.0% organically). Growth at Kerneos was driven by significant price adjustments, favorable currency effects and robust volumes in chemicals for the building industry in the United States, the United Kingdom, Russia, Germany and China. These factors offset lower volumes in refractories resulting from a slowdown in the production and destocking of steel. EBITDA was €74 million (20.0% of net sales), up 1.8%. In 2012, Kerneos acquired Elmin, the leading exporter of monohydrate bauxite, which secures its long-term access to a key raw material;
- **Chryso (Admixtures)** posted net sales of €238 million (up 2.0% overall and up 2.9% organically). Favorable growth at Chryso was due to healthy business conditions in emerging market countries (India, South Africa, Morocco, Turkey, Eastern Europe), a relaunch of the business in the United States, price adjustments, which offset a contraction in Southern European markets, and a slightly unfavorable currency effect. EBITDA was €35 million (14.6% of net sales), stable compared with 2011;
- **Materis Paints** posted net sales of €773 million, down 5.2%. Sales at Materis Paints contracted significantly as a result of the difficult economic climate in Southern Europe (Spain, Portugal, Italy) and a decline in France. These factors led to a sizable drop in volumes and to unfavorable mix effects (down 11%), partially offset by significant price adjustments (up 6%) intended to pass on the sharp rise in titanium dioxide costs. EBITDA was €60 million (7.7% of net sales), down 14%. To restore its margins, Materis Paints, now headed by the new CEO Bertrand Dumazy, initiated a high-impact performance enhancement program. Gross benefits are estimated at €50 million in 2014; €27 million were achieved in 2012.

As of the end of 2012, Materis' net financial debt was €1,913 million. In May 2012, Materis successfully rescheduled its bank debt, capping negotiations with a pool of 199 lenders launched in September 2011, 18 months before the first repayment dates. The agreement postponed the 2013-15 maturities to 2015-16 and increased the company's sources of liquidity. 90% of senior loans, 99% of second-lien maturities and 100% of mezzanine debt were postponed under the agreement. Wendel and its co-shareholders injected €25 million in equity to finance Materis expansion (acquisitions and capital expenditures), and made an interest-bearing, €50 million credit facility available.

Optimization plans were launched in early 2013 in all divisions, and the targets for the Paints division plan were increased.

Stahl – 2012 sales grew by 8%, targeted investments continued

(Full consolidation)

In 2012, Stahl posted an 8.0% rise in sales to €361.2 million (up 5.9% organically). After first-half organic growth of 6.2%, Stahl continued to perform well, growing 5.5% over the second half, despite a modest slowdown in the 4th quarter. All of Stahl's divisions posted robust performance throughout the year:

- the **Leather Finishing Products division** (53% of sales) benefited from very buoyant automotive market conditions in Asia and the United States and strong growth in the luxury leather goods business. Over all of 2012, the division saw growth in the region of 4.4%, slightly in excess of the sector's long-term growth rates;
- the **High-performance Coatings division** (33% of sales) posted even stronger performance, with growth in the region of 15% and strong momentum in all geographic areas;
- the **Wet-End division** (14% of sales) continued to grow significantly, adding 7.4% to its top line in 2012. Growth was intentionally held in check in order to concentrate business on the most profitable customers.

Stahl's 2012 EBITDA was €54.9 million, up 22%, and represented a margin of 15.2% (vs. 13.5% in 2011). The margin improvement was driven by a higher gross margin, derived from targeted price increases.

At the same time, Stahl continued to make ambitious, targeted investments to support the growth of its business and the development of its technologies. The group created a center of excellence in Waalwijk, Netherlands and opened an African subsidiary in Ethiopia. It also continued to reposition its staff into the faster-growing geographical regions.

Stahl's net financial debt stood at €160 million as of the end of 2012, down 13%.

In 2013, Stahl should see another year of profitable growth.

Saint-Gobain – Sales up 2.6% in 2012

(Equity method on 17% holding)

In a difficult economic environment and after a broadly satisfactory start to the year, Saint-Gobain's businesses were hit as from the second quarter by the deteriorating economic climate in Europe and by difficult trading in Flat Glass, in both Europe and Asia and emerging countries. Full-year sales totaled €43.2 billion, up 2.6% and reflecting favorable currency fluctuations as well as contributions from acquired companies.

Barring Interior Solutions and Packaging (Verallia), all of Saint-Gobain's Business Sectors and Divisions saw sales decline over the year as a whole, affected by the slowdown in industrial and residential construction markets in Western Europe. While Latin America picked up in the second half, markets in Asia and emerging countries remained stable overall in 2012, but with wide disparities from one country to another. Only North America remained upbeat, fuelled by the ongoing upturn in housing and despite tough 2011 comparatives for this market (roofing renovations had been boosted in this prior period by severe storms).

For the full year, Saint-Gobain posted negative organic growth of 1.9%, with volumes down 3.6% and prices up 1.7%. A buoyant first quarter limited the contraction in organic growth in the first half to 0.8% (volumes down 3.0% and prices up 2.2%), while in the second half, sales contracted organically by 2.9% (volumes down 4.2% and prices up 1.3%):

- **Innovative Materials sales** fell 4.4% on a like-for-like basis, hit by tough trading in **Flat Glass** (down 6.6%) and by the slowdown in **High-Performance Materials** (down 1.7%), particularly in Western Europe, despite a vigorous first quarter;
- **Construction Products (CP)** like-for-like sales dipped 1.3%, due to the decline in sales volumes in Western Europe and Asia, which rising prices could not offset;
- **Building Distribution** saw a 2.0% dip in like-for-like sales. This performance reflected the gradual deterioration in market conditions across all Western European countries as from the second quarter, not entirely offset by sales prices. Over all of 2012, only Germany, Scandinavia, the US and Brazil continued to report positive organic growth;
- **Packaging (Verallia)** delivered 3.5% organic growth, buoyed by a strong uptrend in sales prices in the main countries in which it operates. Trading remained brisk in the United States, France and Brazil, but fell back in Southern and Eastern Europe.

In 2012 Saint-Gobain continued to pursue the following strategies:

- refocusing on Habitat. Saint-Gobain entered a new phase in this strategy, with the signature of an agreement concerning the sale of Verallia North America on very favorable pricing terms ($1.7 billion, or 6.5x EBITDA). This transaction also enables Saint-Gobain to reinforce its balance sheet and consolidate its financial strength;
- development in high-growth countries, energy efficiency and energy markets, and consolidation in Building Distribution. Overall in 2012, approximately €1.3 billion was invested in these countries, or 66% of Saint-Gobain's capital expenditure and acquisitions.

Squeezed by both a decline in sales volumes and a sharply negative cost/price spread in Flat Glass, operating income shed 16.3% to €2.88 billion. Consequently, the operating margin was 6.7% (8.5% excluding Building Distribution) compared to 8.2% (10.9% excluding Building Distribution) in 2011.

Faced with deterioration in the economic climate as from the second quarter in Western Europe and in Flat Glass generally, Saint-Gobain quickly implemented a new, €520 million cost-cutting program over the whole year. Primarily focused on Western Europe, Asia and emerging economies (for Flat Glass and Pipe in particular) will be extended and intensified in 2013, bringing its full-year impact (in 2013) to €1,100 million (calculated on the 2011 cost base), instead of the €750 million initially planned.

For 2013, Saint-Gobain is anticipating:

- recovery in its operating income in the second half, after it bottomed out between mid-2012 and mid-2013;
- a high level of free cash flow, namely as a result of a €200 million reduction in capital expenditure;
- a robust balance sheet, strengthened by the disposal of Verallia North America.

At its meeting of February 20, Saint-Gobain's Board of Directors decided to recommend to the June 6, 2013 Shareholders' Meeting a dividend of €1.24 per share at the June 6, 2013 Shareholders' Meeting, unchanged from 2011. The Board also decided that shareholders may receive their dividends in cash or in shares, at their own discretion. The dividend represents 58% of recurring net income and 85% of net income.

Legrand – 5.1% rise in sales

(Equity method on 5.5% holding)

Legrand's reported 2012 figures showed a 5.1% year-on-year rise in sales to €4,466.7 million. Sales at constant scope of consolidation and exchange rates declined 1.4%, reflecting the less buoyant global economy in 2012. Changes in the scope of consolidation made a 4.5% growth contribution, while exchange rates had a positive impact of 1.9%.

Total sales in new economies grew nearly 13.5% for the year, or 3.6% at constant scope of consolidation and exchange rates, with strong showings in Russia, India and China as well as Mexico, Chile and Saudi Arabia. This healthy rise strengthens Legrand's presence in these fast-growing markets where it holds many leading positions, and thus structurally improves its growth profile: new economies accounted for 38% of Legrand in 2012, up from 35% in 2011 and 17% a decade ago.

Construction volume in the mature countries where Legrand operates is on average close to 30% lower than in 2007 (residential and non-residential construction expenditures, according to Global Insight). The decrease has been steeper in Southern Europe (Spain, Greece and Portugal) and although conditions for a recovery are not present in these markets, this substantial decline represents potential for a medium-term recovery.

Legrand continued to develop in new business segments: digital infrastructures, energy performance, home systems and wire-mesh cable management continued to expand, underpinned by lasting changes in technology and society. In 2012, sales in these new business segments accounted for 25% of Legrand's total sales, up from 22% in 2011 and 10% a decade ago.

In 2012 Legrand actively pursued its innovation effort—one of its two growth engines—spending close to 5% of sales on R&D and dedicating more than half of its investments to new products, which accounted for 37% of sales.

Legrand has also pursued its strategy of targeted, self-financed acquisitions of small and mid-size companies offering high growth potential and strong market positions. Since January 2012, Legrand has announced the acquisition of five companies with total annual acquired sales of over €180 million.

Adjusted operating income came to €874 million, or 19.6% of sales (19.9% excluding acquisitions), illustrating the quality of Legrand's commercial positions, its ability to keep pricing management under control, the effectiveness of its ongoing productivity initiatives, and its capacity to adapt.

Macro-economic forecasts for 2013 remain varied: possible acceleration in the pace of growth in new economies in the course of the year, continued recovery in residential construction in the United States, and continuing uncertainty for trends in other mature economies. Against this backdrop and in an industry with no order book, Legrand has set its 2013 targets for organic growth in sales at between -2% and +2% and for adjusted operating margin before acquisitions at between 19% and 20% of sales. Moreover Legrand will pursue its value-creating acquisition policy.

In recent years, Legrand has demonstrated the soundness of its business model. In a stabilized macroeconomic environment, Legrand is confident in its capacity to create value on a sustainable basis through profitable, self-financed growth and confirms its medium-term targets:

- total annual average growth in sales of 10% excluding exchange-rate effects or major economic downturn;
- average adjusted operating margin of 20% including small and medium-size bolt-on acquisitions.

Considering Legrand's 2012 achievements, and in particular its net income of €506 million—a record high—the Board of Directors will ask shareholders at their General Meeting to approve a dividend of €1.00 per share, up 7.5%, payable on June 3, 2013.

Oranje-Nassau Développement

Through Oranje-Nassau Développement, Wendel brings together opportunities for investment in growth, diversification and innovation, and in particular has invested in Parcours (France), exceet (Germany), Mecatherm (France) and Van Gansewinkel Groep (Netherlands).

Parcours – Robust growth in sales and in the vehicle fleet under management

(Full consolidation since April 2011)

Parcours reported sales of €292.9 million in 2012, up 7.9% compared with 2011. Over the year, Parcours' fleet of vehicles expanded by 5.6% (from 44,905 to 47,400), faster than that of the industry in France (up 1.7%). Parcours delivered more than 14,500 vehicles in 2012, and had a portfolio of vehicles to be delivered of nearly 4,200 as of the end of December 2012. During the year, Parcours sold nearly 12,000 used vehicles, of which more than 44% to individuals.

Pre-tax ordinary income rose 18.2% to €20.2 million in 2012, representing a margin of 6.9% of sales. The margin improvement came about primarily because profitability improved in the "maintenance, assistance and tires" business – services related to vehicle leasing – following optimization measures implemented beginning in April 2012.

Parcours expects its fleet to grow faster in 2013 than it did in 2012 and hence substantially faster than the total French long-term leasing fleet. Parcours intends to continue converting its French locations to the "3D" model and step up expansion in its international business, either organically or through acquisitions.

exceet – Operating improvement plan launched

(Equity method since July 2011 on 28% holding)

In a very difficult economic context, exceet was nevertheless able to realize two acquisitions. Firstly, it acquired Inplastor GmbH, an Austrian company that produces more than 25 million secure cards p.a. Secondly, it bought as electronics, a German company that develops intelligent automation and control systems, principally in the medical and industrial automation sectors. The company focused on rationalizing its costs and production facilities so as to bear up under a weak European economic environment.

exceet also landed several new business deals during the year. In particular, the company signed an agreement to supply 3 million smart cards to Scotland's National Entitlement Card program. It extended a €40 million optoelectronic sensors contract with Siemens for three years. Finally, it will supply 2 million RFID blood donor identification chips to the German Red Cross.

Against this background, exceet's sales rose 10.7% in 2012. Over the year, sales totaled €188.8 million, while EBITDA declined 34.0%, owing to changes in consolidation scope on the one hand and negative organic growth on the other. The company already began to reap the benefits of its cost-cutting efforts in the fourth quarter of 2012.

In 2013, exceet will continue to expand, both organically and by acquisition, notwithstanding the uncertainties generated by the European sovereign debt crisis. exceet aims to achieve a moderate level of organic growth and to improve its profitability (on a recurrent basis).

Mecatherm – Resilient results, despite a sharp decline in business activity

(Full consolidation from 4th quarter of 2011)

In 2012, the Mecatherm group's net sales totaled €73.1 million, down 14.6% from 2011. As expected, Mecatherm experienced a decline in its business in 2012, because certain customers postponed their investments. This decline subsided over the course of the year, however. The business gradually picked up and the order book continued to increase through the second half of the year. In 2012, the industry recognized the excellence of the products Mecatherm designs and develops. Mecatherm won three awards for its Bloc Combi: two at the Paris Europain trade fair in March and the 2012 Innovation prize at the IBA show in Munich in September 2012.

EBITDA was €7.8 million, or 10.7% of sales. Although below Mecatherm's usual levels, this performance illustrated the resilience of Mecatherm industrial model and was a record in the industry.

Favorable levels of new business in the fourth quarter of 2012 and in the first quarter of 2013 should enable Mecatherm to return to higher profitability levels in 2013.

Wendel has further strengthened its financial structure and lowered its interest expense

Over the course of 2012, Wendel reduced its debt by €750 million by repurchasing bonds and paying down debt ahead of schedule, bringing the cumulative total paid down since 2009 to €4.5 billion. As a result, Wendel no longer has any debt repayment obligations before September 2014. As of March 18, 2013, Wendel had €705 million in unpledged cash.

Sale of Deutsch

The sale of Deutsch to TE Connectivity, a world leader in connectivity solutions, was finalized in early April 2012 after all the necessary regulatory approvals were received. Deutsch's enterprise value was $2.1 billion, based on this transaction, and Wendel's net proceeds from the sale totaled €960 million, or 2.5 times its total investment. Wendel thus achieved a cash-on-cash capital gain of €583 million on its investment.

Early repayment of bank debt

In 2012, Wendel repaid €760 million in debt with margin calls in advance of the maturity date. On March 21, 2012, Wendel repaid the €250 million tranche of the syndicated loan in advance of the September 2013 maturity date. As a result, Wendel no longer has any debt repayment obligations before September 2014.

Bond debt repurchased

From the beginning of 2012 until March 18, 2013, Wendel repurchased €159.4 million of its bonds on the market, with maturity dates in November 2014 (€114.4 million), 2015 (€6.5 million) and May 2016 (€38.5 million). Repurchased bonds are systematically canceled.

Successful 2019 bond issue

In early September, Wendel issued €400 million in bonds maturing in September 2019 under excellent terms and conditions. As a result, Wendel was able to take advantage of favorable market conditions and issue the bonds with a coupon of 5.875%. The issue was very well received by investors and was six times oversubscribed.

New line of credit with margin calls, maturity 2017

The €1,100 million line of credit available with margin calls and maturing in 2013-14 was replaced during the summer by a new, €700 million undrawn line maturing in July 2017, financing Saint-Gobain shares. Through this transaction, Wendel extended the average maturity of its available lines and will reduce future interest costs. Undrawn lines of credit with margin calls now total €1,150 million. Of this amount, €225 million mature in 2016 and €925 million in 2017.

New bank line of credit

Wendel is continuing to renew and extend its various operating lines. In the first quarter of 2013,an agreement was reached with four banks to grant a €400 million line maturing in 2018. The total amount of the line could increase in the future with the addition of other banking partners. Pending approval of final documentation, this new financing line will replace the current €1.2 billion syndicated credit maturing in 2013-14.

Maturity extended on all puts issued on Saint-Gobain

The maturity of the puts issued on Saint-Gobain has been extended by 12 months. The 6.1 million puts issued now have maturity dates in September 2013 (2.2 million), December 2013 (2.6 million) and March 2014 (1.3 million).

€800 million interest rate swap extended

Wendel has entered into interest rate swaps totaling €800 million so as to hold the cost of its bank debt at a low level. These swaps will cover interest rate fluctuations in 2014 and 2015.

Improved S&P rating

On April 11, 2012, Standard & Poor's announced that it had upgraded its credit rating for Wendel from "BB-" to "BB", with a stable outlook. This decision was motivated by Wendel's announcement that it had finalized the sale of Deutsch, the specialist in high-performance connectors, and by improvement in Wendel's financial structure.

4.1.4 Consolidated balance sheet

The following table shows the principal changes that took place in the balance sheet in 2012. For the purposes of this analysis and to ease understanding, certain line items of identical nature have been combined and only the net amount shown. Accordingly, financial debt is presented net of cash and cash equivalents, both pledged and unpledged, and Wendel's short-term financial investments. Financial assets and liabilities are also presented net of these items.

Assets	12/31/2012	12/31/2011
Goodwill, net	2,889	2,788
Intangible assets and property, plant & equipment	3,015	2,924
Equity-method investments	4,434	4,994
Net working capital requirements	625	518
Assets and operations held for sale	10	261
	10,973	**11,485**

Liabilities and shareholders' equity	12/31/2012	12/31/2011
Shareholders' equity - Group share	2,674	2,694
Non-controlling interests	618	604
Provisions	310	282
Net financial debt	6,845	7,319
Net financial assets and liabilities	126	146
Net deferred tax liabilities	401	441
	10,973	**11,485**

4.1.5 Breakdown of principal variations in the consolidated balance sheet

GOODWILL AS OF DECEMBER 31, 2011	**2,788**
Business combinations (by Bureau Veritas and Materis)	181
Impairment losses recognized during the year	-57
Currency fluctuations and other	-22
GOODWILL AS OF DECEMBER 31, 2012	**2,889**

INTANGIBLE ASSETS AND PROPERTY, PLANT & EQUIPMENT AS OF DECEMBER 31, 2011	**2,924**
Investments	473
Divestments	-11
Business combinations (by Bureau Veritas and Materis)	183
Reclassification of Parcours' used vehicles in inventory (net)	-89
Depreciation, amortization and provisions recognized during the year	-451
Currency fluctuations and other	-14
INTANGIBLE ASSETS AND PROPERTY, PLANT & EQUIPMENT AS OF DECEMBER 31, 2012	**3,015**

EQUITY-METHOD INVESTMENTS AS OF DECEMBER 31, 2011	**4,994**
Divestments	-9
Share in net income for the year	77
Dividends paid	-126
Impact of changes in currency translation adjustments	-10
Asset impairment – Saint-Gobain shares	-414
Other	-78
EQUITY-METHOD INVESTMENTS AS OF DECEMBER 31, 2012	**4,434**

NET ASSETS AND OPERATIONS HELD FOR SALE AS OF DECEMBER 31, 2011	**261**
Deutsch group	-256
Other	4
NET ASSETS AND OPERATIONS HELD FOR SALE AS OF DECEMBER 31, 2012	**10**

SHAREHOLDERS' EQUITY, GROUP SHARE, AS OF DECEMBER 31, 2011	**2,694**
Net income for the year	221
Dividend paid by Wendel	-87
SORIE	-122
Buyback of shares	-60
Currency translation reserves	-31
Other	60
SHAREHOLDERS' EQUITY, GROUP SHARE, AS OF DECEMBER 31, 2012	**2,674**

NET FINANCIAL DEBT AS OF DECEMBER 31, 2011	7,319
Net cash flow from operating activities	-1,057
Net finance costs	438
Net cash flows related to taxes	245
Acquisition of shares by Bureau Veritas	281
Acquisition of shares by other subsidiaries	40
Acquisition of property, plant & equipment and intangible assets	234
Acquisition of vehicles by Parcours (net of sales)	167
Sale of Deutsch	-960
Change in scope of consolidation	14
Dividend paid (incl. 63 by Wendel)	137
Dividends received[(1)]	-130
Purchase of treasury shares (incl. 60 by Wendel)	127
Other	-9
NET FINANCIAL DEBT AS OF DECEMBER 31, 2012	**6,845**

(1) Excluding Bureau Veritas, eliminated on consolidation, and including €114 million related to Saint-Gobain and €14 million related to Legrand.

NET FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2011	-146
Changes in the fair value of Saint-Gobain puts	11
Other	9
NET FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2012	**-126**

4.2 Analysis of the parent company financial statements

4.2.1 Income statement

(in millions of euros)	2012	2011
Income from investments in subsidiaries and associates	890	480
Other financial income and expense	-104	-110
NET FINANCIAL INCOME	**786**	**370**
Operating income	-30	-26
NET INCOME BEFORE EXCEPTIONAL ITEMS AND TAX	**755**	**344**
Exceptional items	0	336
Income taxes	27	3
NET INCOME	**783**	**683**

Income before exceptional items and tax was €755 million in 2012 compared with €344 million in 2011. The change resulted essentially from dividends of €890 million received from subsidiaries (paid by Oranje-Nassau and Winbond), vs. €480 million in 2011 (paid by Oranje-Nassau).

Net exceptional items were zero in 2012. In 2011, they were comprised essentially of the reversal of a provision for impairment in the value of receivables from subsidiaries holding shares of Saint-Gobain.

4.2.2 Balance sheet

Assets (millions of euros)	12/31/2012	12/31/2011
Property, plant & equipment	3	3
Non-current financial assets	3,550	4,390
Intra-Group receivables	3,273	1,850
Net WCR	13	9
Cash and marketable securities	818	766
Original issue discount	46	66
TOTAL ASSETS	**7,703**	**7,084**

Liabilities and shareholders' equity (millions of euros)	12/31/2012	12/31/2011
Shareholders' equity	4,135	3,512
Provisions	26	52
Intra-Group liabilities	188	181
Financial debt	3,354	3,339
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**7,703**	**7,084**

Non-current financial assets declined by €840 million between 2011 and 2012, mainly because Wendel:

- acquired its own shares (€44 million) and reversed a provision on shares held in treasury (€15 million);
- canceled treasury shares (€-74.6 million); and
- absorbed the subsidiary Winvest 11 (€-827 million).

Intra-Group receivables and payables represented a net receivable of €3.1 billion at end-2012 vs. a net receivable of €1.7 billion at the end of 2011. The net change resulted from the following items:

- Wendel absorbed its subsidiary Winvest 11, which had a positive impact of €824 million;
- Wendel borrowed a total of €1,159 million from its subsidiaries, corresponding essentially to proceeds from the sale of Deutsch

(€960 million) and to dividends from Bureau Veritas, Saint-Gobain and Legrand received by its subsidiaries (€200 million);

- Wendel loaned a total of €837 million to its subsidiaries principally to finance: its subsidiaries' voluntary early repayment of €760 million in bank debt related to the equity investment in Saint-Gobain, the re-investment of €21 million in Materis as part of the renegotiation of that company's bank borrowings, the liquidity line granted to Mecatherm and the guarantee given to that company's banks (€20 million), and a €19.5 million ($25.8 million) loan Wendel granted to IHS;
- Wendel received a dividend of €480 million from Oranje-Nassau; and
- Wendel received a dividend of €410 million from Winbond.

Shareholders' equity totaled €4,135 million. Items recognized in 2012 included primarily net income of €783 million, €87 million in dividends received on 2011 earnings (of which €62.9 million in cash and €24.2 million in Legrand shares).

The change in financial debt of €15 million corresponds principally to €140 million in buybacks of 2014 and 2016 bonds, a €250 million partial repayment of the syndicated loan and a €400 million bond issue maturing in 2019.

4.3 Net asset value (NAV)

4.3.1 NAV as of December 31, 2012

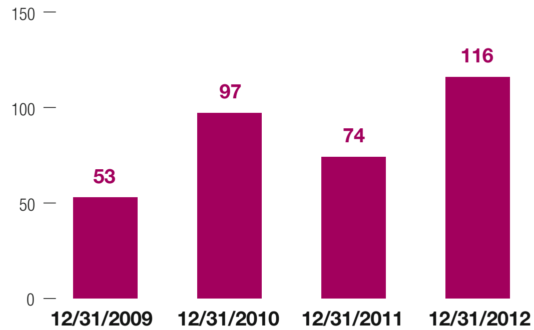
NAV as of December 31, 2012 broke down as follows:

In millions of euros

Listed equity investments	Number of shares	Share price [1]	8,168
■ Bureau Veritas	56.3 million	€85.5	4,811
■ Saint-Gobain	91.7 million	€31.6	2,902
■ Legrand	14.4 million	€31.5	455
Unlisted equity investments (Materis and Stahl) and Oranje-Nassau Développement [2]			798
Other assets and liabilities of Wendel and holding companies [3]			125
Cash and marketable securities [4]			830
GROSS REVALUED ASSETS			**9,921**
Wendel bond debt			(3,098)
Syndicated loan			(250)
Bank debt related to Saint-Gobain financing			(633)
Value of puts issued on Saint-Gobain [5]			(186)
NET ASSET VALUE			**5,755**
Number of shares			49,543,641
NET ASSET VALUE PER SHARE			**€116.2**
Average of 20 most recent Wendel share prices			€74.9
PREMIUM (DISCOUNT) ON NAV			**(35.5%)**

(1) Average of the last 20 closing prices, calculated as of December 31, 2012.
(2) Mecatherm, Parcours, VGG, exceet, IHS loan ($25 million) and indirect investments.
(3) Including 1,737,498 Wendel shares held in treasury as of December 31, 2012.
(4) Cash and financial investments of Wendel and Saint-Gobain acquisition holding companies, including €0.8 billion in unpledged cash (€0.5 billion in short-term cash positions and €0.3 billion in liquid financial investments); pledged cash was not material.
(5) 6,089,755 puts issued (written).

NAV per share (in euros)



4.3.2 NAV calculation method

4.3.2.1 Net asset value publication dates and publication-related verification

The annual schedule of NAV publication dates is available in advance on Wendel's website at the following address: http://www.wendelgroup.com.

At each NAV publication date, the Statutory Auditors verify that the methodology used for calculating net asset value complies with the one detailed below and verify consistency with accounting data.

The Audit Committee reviews each published NAV and compares Wendel's valuation of unlisted investments with an independent valuation.

4.3.2.2 Presentation of Net Asset Value

Presentation format (publication at the level of detail indicated)	Comments
Equity investments valuation date	
+ Listed investments, including:	
■ Bureau Veritas	
■ Saint-Gobain	Average closing price over 20 days
■ Legrand	
+ Unlisted equity investments (Materis and Stahl) and Oranje-Nassau Développement (Mecatherm, Parcours, VGG, exceet, IHS and indirect investments)	Materis, Stahl, VGG, Parcours and Mecatherm are valued based on earnings multiples of comparable listed companies, calculated using the average of the last 20 closing prices. exceet is valued on the basis of the average of the last 20 closing prices. IHS is valued at cost for the 12 months following its acquisition.
+ Other assets and liabilities of Wendel and holding companies	Includes Wendel shares held in treasury
Cash and marketable securities*	Pledged & unpledged cash of Wendel and holding companies
Wendel's bond debt and syndicated credit line	Face value + accrued interest
Bank debt related to Saint-Gobain financing	Face value + accrued interest
Value of Saint-Gobain puts issued (written)	Net market value of puts based on price used to value Saint-Gobain shares
Net Asset Value	
Number of Wendel shares	
NAV/share	

* *Amount of available cash: €[X] million.*

4.3.2.3 Listed equity investments

Listed investments are valued on the basis of the average closing price of the 20 trading days prior to the valuation date.

4.3.2.4 Valuation of unlisted investments

The value of shareholders' equity is determined as the enterprise value of investments minus net financial debt of investments (par/face value of gross debt – cash). To value Parcours, we have chosen the ratio of market capitalization to pre-tax ordinary income. The value of the company's shareholders' equity will thus be directly determined by multiplying its pre-tax ordinary income for the reference periods by the multiples of comparable listed companies.

If net debt exceeds enterprise value, the value of shareholders' equity remains at zero if the debt is without recourse to Wendel.

Wendel's percentage ownership is determined by the features of the equity instruments held by Wendel, non-controlling interests and co-investor managers, if any (including co-investments of the managers of both subsidiaries and Wendel).

Enterprise value is obtained by multiplying measures of each company's earnings by stock-market multiples of similar listed companies, and by transaction multiples if this produces a more accurate valuation.

The measures of earnings used to perform the calculation are recurring EBITDA (earnings before interest, taxes, depreciation and amortization) and recurring EBITA. The choice of earnings measures used can be adjusted depending on the sector in which the subsidiary operates or its business model. In this case, Wendel publishes an explanation of the adjustment. This was the case for Parcours, for which we use pre-tax ordinary income, as specified above.

Enterprise value corresponds to the average of the values calculated using EBITDA and EBITA of the last two years for which audited statements or validated budgets are available.

Stock-market multiples of comparable companies are obtained by dividing the enterprise value of comparable companies by EBITDA and EBITA for the reference periods.

Enterprise value of the comparable companies is obtained by adding market capitalization (the average closing price over the last 20 trading days) and net financial debt (gross debt at par/face value minus cash).

Comparable listed companies are chosen based on independent data and studies, information available from Wendel's subsidiaries themselves and research carried out by Wendel's investment team.

The peer group remains stable over time. It is changed only when a company is no longer comparable (in which case it is removed from the peer group) or when a company is newly considered as belonging to the group of comparable companies for the investment being valued.

Non-representative multiples are excluded from the peer group, such as during takeover offers or any other exceptional circumstance affecting the various cash flow or income measures or the share price.

The data, analyses, forecasts or consensus values used are based on information available at each date.

4.3.2.5 Cash

Cash of Wendel and its holding companies includes available cash at the valuation date (including liquid financial investments) and pledged cash.

4.3.2.6 Financial debt

Financial debt (Wendel's bond debt, syndicated loan outstandings and bank debt incurred to finance the investment in Saint-Gobain) is valued at its par/face value plus accrued interest.

As financial debt is recognized at its par/face value, this value is not affected by changes in interest rates or credit ratings. Accordingly, the market value of interest-rate swaps is not included as it is embedded in the debt.

4.3.2.7 Puts issued on Saint-Gobain

The value of Saint-Gobain puts issued (written) is calculated on the basis of a mathematical model used to value options. The Saint-Gobain share price used in this calculation is the same as the one used to value Saint-Gobain shares as a listed investment.

4.3.2.8 Other NAV components

Current assets and liabilities are considered at their net book value or their market value, depending on their nature, *i.e.* at face value, less any impairment, in the case of receivables, and at market value in the case of real estate or derivatives, with the exception of interest-rate swaps.

Shares held in treasury and earmarked for sale upon the exercise of stock options are valued at the lower of the strike price of the options or the average price of the shares over the last 20 trading days. Shares held to cover performance share plans are valued at zero. Shares that are meant to be canceled are valued on the basis of net asset value per share. Other shares held in treasury are valued at the average price over the last 20 trading days.

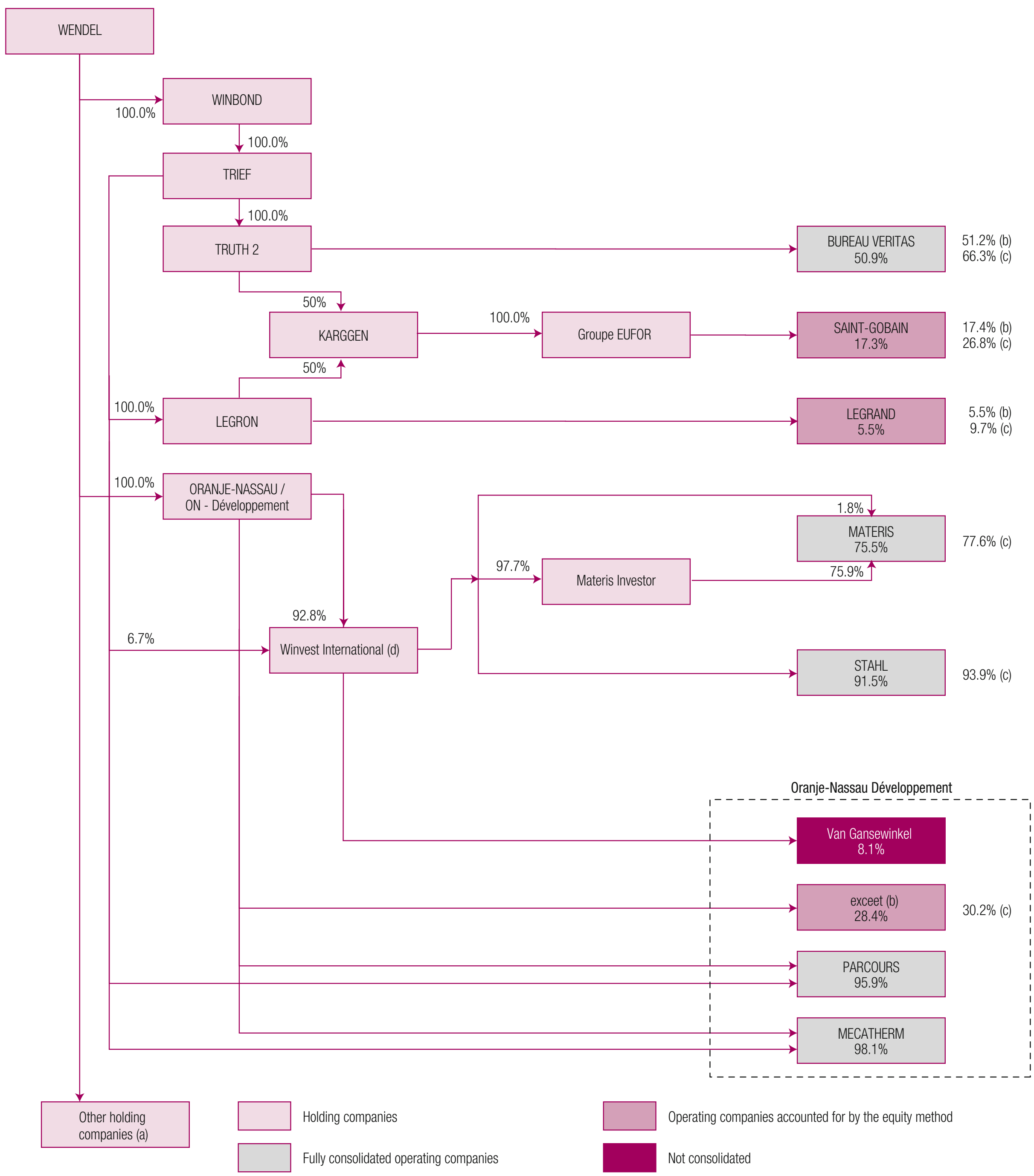
The number of Wendel shares is the total number of shares composing Wendel's equity at the valuation date.

New investments, unlisted subsidiaries and associates are valued at cost for the first 12 months following their acquisition. After this period, the company is valued on the basis outlined above.

The net asset value does not take into account any control premiums or illiquidity discounts. In addition, net asset value is calculated prior to taking into account the tax impact of unrealized gains and losses.

Some aspects of the method described above may be amended if such a change produces a more faithful valuation. Any such changes would be announced by Wendel.

4.4 Simplified organization chart of the companies in the Group



(a) See table of other holding companies.
(b) Percentage interest, after taking treasury shares into account.
(c) Percentage of voting rights.
(d) Winvest International: see note entitled "Participation of managers in Group investments".

Other holding companies

These intermediary holding companies serve, among other things, to finance and hold Group equity investments.

Company name (shareholders)	Intermediate holding companies held
COBA (100% Wendel)	-
SOFISERVICE (100% Wendel)	-
ORANJE-NASSAU DEVELOPPEMENT (100 % Wendel)	-
XEVEST 2 (100% Wendel)	-
HIRVEST 1 (100% Eufor)	-
HIRVEST 3 (100% Eufor)	-
HIRVEST 4 (100% Eufor)	-
GRAUGGEN (100% Eufor)	-
HOURGGEN (100% Eufor)	-
IREGGEN (100% Eufor)	-
JEURGGEN (100% Eufor)	-
WINVEST CONSEIL (100% Trief Corporation)	100% Wendel Japan
WENDEL JAPAN (100% Winvest Conseil)	-
SOFISAMC (100% Trief Corporation)	-
FROEGGEN (100% Trief Corporation)	-
MECATHERM GUARANTCO (100% Trief Corporation)	-
WALDGGEN (98.4% Trief Corporation)	-
WIN SECURITIZATION 2 (100% Trief Corporation)	-
STAHL LUX 2 (97.9% Winvest International SA SICAR)	-
ORANJE-NASSAU INVESTMENTS BV (100% Oranje-Nassau Groep)	-
ORANJE-NASSAU DEVELOPMENT BV (100% Oranje-Nassau Groep)	100% Oranje-Nassau Développement SA SICAR 100% Oranje-Nassau Participaties BV 54.2% Oranje-Nassau Parcours 57.7% Oranje-Nassau Mecatherm
ORANJE-NASSAU PARTICIPATIES BV (100% Oranje-Nassau Development BV)	-
ORANJE-NASSAU DEVELOPPEMENT SA SICAR (99.5% Oranje-Nassau Development BV/Trief Corporation)	-
ORANJE-NASSAU PARCOURS (54.2% Oranje-Nassau Development BV, 41.6% Trief Corporation)	-
ORANJE-NASSAU MECATHERM (57.7% Oranje-Nassau Development BV, 40.5% Trief Corporation)	-

5

2012 CONSOLIDATED FINANCIAL STATEMENTS

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5.1 Balance sheet - Consolidated financial position

Assets

In millions of euros	Note	12/31/2012	12/31/2011
Goodwill, net	6	2,889.1	2,787.8
Intangible assets, net	7	1,459.3	1,489.4
Property, plant & equipment, net	8	1,556.0	1,434.9
Non-current financial assets	13	114.6	134.8
Pledged cash and cash equivalents	12	3.4	146.6
Equity-method investments	9	4,434.1	4,994.1
Deferred taxes	19	189.5	155.5
TOTAL NON-CURRENT ASSETS		**10,646.0**	**11,143.2**
Assets of operations held for sale	20	**10.6**	**905.2**
Inventories	10	366.7	354.1
Trade receivables	11	1,412.8	1,348.6
Other current assets		205.0	197.0
Current income tax assets	19	87.4	46.9
Other current financial assets	13	455.5	394.8
Cash and cash equivalents	12	845.9	796.7
TOTAL CURRENT ASSETS		**3,373.4**	**3,138.0**
TOTAL ASSETS		**14,030.0**	**15,186.4**

Liabilities and shareholders' equity

In millions of euros	Note	12/31/2012	12/31/2011
Share capital		198.2	202.2
Share premiums		184.4	252.5
Retained earnings & other reserves		2,070.7	1,713.8
Net income for the year - Group share		221.1	525.4
		2,674.4	2,693.9
Non-controlling interests		617.9	604.0
TOTAL SHAREHOLDERS' EQUITY	14	**3,292.3**	**3,298.0**
Long-term provisions	15	302.8	273.9
Financial debt (non-current portion)	16	7,483.1	7,937.3
Other non-current financial liabilities	13	129.2	130.6
Deferred tax liabilities	19	590.0	596.4
TOTAL NON-CURRENT LIABILITIES		**8,505.1**	**8,938.3**
Liabilities of operations held for sale	20	**1.0**	**643.8**
Short-term provisions	15	7.0	8.2
Financial debt (current portion)	16	551.3	595.6
Other current financial liabilities	13	226.3	273.7
Trade payables	17	579.3	599.8
Other current liabilities	18	782.4	738.3
Current income tax liabilities	19	85.4	90.8
TOTAL CURRENT LIABILITIES		**2,231.6**	**2,306.4**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**14,030.0**	**15,186.4**

5.2 Consolidated income statement

In millions of euros	Note	2012	2011
Net sales	21	6,702.0	5,953.1
Other income from operations		6.3	4.6
Operating expenses	22	-5,973.3	-5,301.7
INCOME FROM ORDINARY ACTIVITIES	23	**735.0**	**656.1**
Other operating income and expenses	24	-175.5	-101.9
OPERATING INCOME		**559.5**	**554.1**
Income from cash and cash equivalents		13.1	13.1
Finance costs, gross		-482.4	-486.6
Finance costs, net	25	*-469.3*	*-473.5*
Other financial income and expense	26	13.3	-155.4
Tax expense	27	-144.3	-138.2
Net income (loss) from equity-method investments	28	-329.7	831.1
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		**-370.4**	**618.1**
Net income from discontinued operations and operations held for sale	29	707.5	29.4
NET INCOME		**337.1**	**647.5**
Net income – non-controlling interests		115.9	122.1
NET INCOME – GROUP SHARE		**221.1**	**525.4**

In euros	Note	2012	2011
Basic earnings per share (in euros)	30	4.58	10.78
Diluted earnings per share (in euros)	30	4.36	10.49
Basic earnings per share from continuing operations (in euros)	30	-10.06	10.15
Diluted earnings per share from continuing operations (in euros)	30	-10.10	9.87
Basic earnings per share from discontinued operations (in euros)	30	14.65	0.63
Diluted earnings per share from discontinued operations (in euros)	30	14.46	0.62

Wendel sold the Deutsch group on April 3, 2012. Consequently, the income and expenses of Deutsch have been regrouped under “Net income from discontinued operations and operations held for sale” for 2012 and 2011, in accordance with IFRS 5.

5.3 Statement of comprehensive income

In millions of euros	2012 Gross amounts	2012 Tax effect	2012 Net amounts	2011 Gross amounts	2011 Tax effect	2011 Net amounts
Items recyclable into net income						
Currency translation reserves (1)	-46.5	-	-46.5	1.8	-	1.8
Gains and losses on qualified hedges	-9.4	0.8	-8.6	28.1	-6.0	22.0
Gains and losses on assets available for sale	-1.3	-	-1.3	0.8	-	0.8
Earnings previously recognized in shareholders' equity taken to the income statement	13.6	-	13.6	14.9	-	14.9
Items non-recyclable into net income						
Actuarial gains and losses (2)	-198.9	64.1	-134.8	-118.6	40.8	-77.8
Other	-4.1	-	-4.1	-0.5	-	-0.5
INCOME AND EXPENSES RECOGNIZED DIRECTLY IN SHAREHOLDERS' EQUITY (A)	**-246.6**	**64.9**	**-181.7**	**-73.6**	**34.8**	**-38.8**
Net income for the year (B)			337.1			647.5
TOTAL INCOME AND EXPENSES RECOGNIZED FOR THE PERIOD (A)+(B)			**155.4**			**608.7**
Attributable to:						
■ shareholders of Wendel			66.8			483.0
■ non-controlling interests			88.6			125.7

(1) Includes -€22.0 million related to Bureau Veritas (+€7.7 million in 2011), -€11.3 million related to Materis (-€1.2 million in 2011) and -€8.0 million related to Saint-Gobain (-€15.9 million in 2011).

(2) The main impact is -€157.0 million due to Saint-Gobain (before taxes, Wendel's share), vs. -€120.0 million in 2011.

5.4 Changes in shareholders' equity

In millions of euros	Number of shares outstanding	Capital	Share premiums	Treasury shares	Retained earnings & other reserves	Currency translation adjustments	Group share	Non-controlling interests	Total shareholders' equity
BALANCE AS OF 12/31/2010	**49,423,392**	**202.0**	**249.8**	**-50.6**	**1,934.3**	**48.2**	**2,383.7**	**508.7**	**2,892.5**
Income and expenses recognized directly in shareholders' equity (A)					-38.2	-4.2	-42.5	3.7	-38.8
Net income for the year (B)					525.4	-	525.4	122.1	647.5
TOTAL INCOME AND EXPENSES RECOGNIZED DURING THE PERIOD (A)+(B) (2)					**487.2**	**-4.2**	**483.0**	**125.7**	**608.7**
Dividends paid (1)					-61.2		-61.2	-66.3	-127.5
Treasury shares	-1,035,768			-79.6			-79.6		-79.6
Capital increase									
■ exercise of stock options	30,941	0.1	1.3				1.4		1.4
■ company savings plan	28,255	0.1	1.4				1.5		1.5
Share-based payment (including equity-method investments)					25.6		25.6	6.4	32.1
Changes in scope of consolidation					-1.1	-	-1.1	5.8	4.7
Other (3)					-92.7	33.3	-59.5	23.7	-35.8
BALANCE AS OF 12/31/2011	**48,446,820**	**202.2**	**252.5**	**-130.2**	**2,292.1**	**77.2**	**2,693.9**	**604.0**	**3,298.0**
Income and expenses recognized directly in shareholders' equity (A)		-	-	-	-122.2	-32.1	-154.4	-27.3	-181.7
Net income for the year (B)					221.1	-	221.1	115.9	337.1
TOTAL INCOME AND EXPENSES RECOGNIZED DURING THE PERIOD (A)+(B) (2)		**-**	**-**	**-**	**98.9**	**-32.1**	**66.8**	**88.6**	**155.4**
Dividends paid (1)					-87.1		-87.1	-73.8	-160.9
Treasury shares	376,657			-60.4			-60.4		-60.4
Cancellation of treasury shares	-1,079,013	-4.3	-70.3	74.7			-		-
Capital increase							-		-
■ exercise of stock options	26,262	0.1	0.9				1.0		1.0
■ company savings plan	35,417	0.1	1.4				1.5		1.5
Share-based payment (including equity-method investments)					19.3		19.3	8.3	27.6
Changes in scope of consolidation					0.1	0.8	0.9	14.3	15.2
Other					38.5		38.5	-23.5	15.0
BALANCE AS OF 12/31/2012	**47,806,143**	**198.2**	**184.4**	**-116.0**	**2,361.9**	**45.9**	**2,674.4**	**617.9**	**3,292.3**

(1) *In 2012, Wendel paid a cash dividend of €1.30 per share, plus one Legrand share for every 50 Wendel shares held and a cash payment in lieu of fractional shares, if any, for a total dividend of €87.1 million (see the Legrand section in note 2 – Changes in scope of consolidation). The net dividend paid in 2011 was €1.25 per share.*

(2) *See "Statement of comprehensive income".*

(3) *In 2011 Bureau Veritas reclassified an amount corresponding to exchange differences on a net investment in a foreign operation from consolidated reserves, where it was previously recognized, to currency translation reserves, via the statement of comprehensive income.*

5.5 Consolidated cash flow statement

In millions of euros	Note	2012	2011
Cash flows from operating activities			
Net income		337.1	647.5
Share of net income/loss from equity-method investments		329.7	-831.1
Net income from discontinued operations and operations held for sale		-707.5	-29.4
Depreciation, amortization, provisions and other non-cash items		480.4	364.2
Non-cash income and expense related to stock options and similar items		22.4	21.3
Expenses on investments and divestments		3.4	2.5
Gains/losses on divestments		40.1	-2.3
Financial income and expense		456.0	628.9
Taxes (current & deferred)		144.3	138.2
Cash flow from consolidated companies before tax		1,105.8	939.8
Change in working capital requirement related to operating activities		-48.7	-67.5
NET CASH FLOWS FROM OPERATING ACTIVITIES, EXCLUDING TAX		**1,057.1**	**872.3**
Cash flows from investing activities, excluding tax			
Acquisition of property, plant & equipment and intangible assets	31	-472.5	-389.8
Disposal of property, plant & equipment and intangible assets	32	86.6	68.7
Acquisition of equity investments	33	-320.7	-421.9
Disposal of equity investments	34	963.7	1,101.8
Impact of changes in scope of consolidation and of operations held for sale	35	18.7	-35.4
Changes in other financial assets and liabilities and other	36	-91.1	282.5
Dividends received from equity-method investments and unconsolidated companies	37	129.5	131.8
Change in working capital requirements related to investment activities		28.7	24.6
NET CASH FLOWS FROM INVESTING ACTIVITIES, EXCLUDING TAX		**342.9**	**762.4**
Cash flows from financing activities, excluding tax			
Proceeds from issuance of shares		2.5	3.0
Contribution of non-controlling shareholders		13.2	29.5
Share buybacks			
■ Wendel		-60.4	-79.6
■ Subsidiaries		-66.1	-1.0
Dividends paid by Wendel (1)		-63.3	-61.2
Dividends paid to non-controlling shareholders of subsidiaries		-73.8	-66.8
New borrowings	38	1,835.7	1,789.2
Repayment of borrowings	38	-2,455.6	-3,417.5
Finance costs, net		-437.6	-445.5
Other financial income/expense		-26.1	-17.3
Change in working capital requirements related to financing activities		90.0	53.1
NET CASH FLOWS FROM FINANCING ACTIVITIES, EXCLUDING TAX		**-1,241.5**	**-2,214.1**
Cash flows related to taxes			
Current tax expense		-211.8	-183.9
Change in tax assets and liabilities (excl. deferred taxes)		-32.8	-12.1
NET CASH FLOWS RELATED TO TAXES		**-244.7**	**-196.1**
Effect of currency fluctuations		-7.7	2.9
Net change in cash and cash equivalents		-93.9	-772.6
Cash and cash equivalents at the beginning of the year		943.3	1,715.9
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	12	**849.3**	**943.3**

(1) The cash dividend paid by Wendel in 2012 was accompanied by a dividend composed of Legrand shares (see "Changes in shareholders' equity"). Only the cash dividend of €62.9 million and the cash payment in lieu of fractional shares of €0.4 million are presented in the cash flow statement.

The principal components of the consolidated cash flow statement are detailed beginning with note 31.

Details on the cash and cash equivalents accounts and how they are classified on the consolidated balance sheet are provided in note 12. As of December 31, 2012, cash and cash equivalents were composed of €3.4 million in pledged cash recognized under non-current assets, and €845.9 million in available cash recognized under current assets.

2012 and 2011 cash flows do not include those of Deutsch, which was sold on April 3, 2012.

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5.6 General principles

Wendel is a *société anonyme* (public limited company) with an Executive Board and a Supervisory Board. It is governed by French law and has the Paris commercial registry number 572 174 035. Its head office is located at 89, rue Taitbout, Paris, France.

Its business consists in investing for the long term in industrial and service companies, in order to accelerate their growth and development.

The consolidated financial statements of the Wendel group cover the 12-month fiscal year from January 1 to December 31, 2012 and are expressed in millions of euros. They include:

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

These financial statements were finalized by Wendel's Executive Board on March 19, 2013 and will be submitted for shareholders' approval at their Annual Meeting.

5.7 Notes

NOTE 1 Accounting principles

Wendel's consolidated financial statements for the fiscal year ended December 31, 2012 have been drawn up in accordance with IFRS principles and methods as adopted by the European Union on December 31, 2012, in accordance with Regulation no. 1606/2002 of the European Council and the European Parliament pertaining to the application of accounting standards, adopted on July 19, 2002.

With the exception of the new standards and interpretations that became mandatory for fiscal years beginning on or after January 1, 2012, these accounting principles are the same as those used in preparing the consolidated financial statements for the fiscal year ended December 31, 2011. They correspond to the International Financial Reporting Standards as adopted by the European Union, which are available on the European Commission's website: "http://ec.europa.eu/internal_market/accounting/ias/index_en.htm".

Note 1-1 Standards, interpretations and amendments to existing standards that were mandatory in 2012

The following standards and interpretations became applicable to the Wendel group on January 1, 2012:

- amendments to IFRS 7 "Financial instruments: Disclosures" related to transfers of financial assets. The amendments published on October 7, 2010 by the IASB and adopted by the European Commission on November 22, 2011 are applicable to annual periods beginning on or after July 1, 2011, i.e. fiscal year 2012 for the Wendel group.

Application of this standard did not have a significant impact on the financial statements.

Note 1-2 Standards, interpretations and amendments to existing standards for which early adoption was applied in 2012

Wendel opted for early adoption of the following text:

- amendment to IAS 1 “Presentation of financial statements” related to the presentation of items of Other Comprehensive Income (OCI). The amendments published on June 16, 2011 and adopted by the European Commission on June 5, 2012 are applicable to fiscal years beginning on or after July 1, 2012. Early adopted is permitted.

Note 1-3 Standards, interpretations and amendments to existing standards for which early adoption was not applied in 2012

Wendel is currently assessing the potential impact of the application of these texts on its financial statements. In general, the Group has not opted for early adoption of standards and interpretations applicable from years beginning after December 31, 2012, whether or not they have been adopted by the European Commission. In particular, the Group has not applied the following texts to fiscal year 2012:

- IFRS 10 “Consolidated financial statements”, published by the IASB on May 12, 2011 and adopted by the European Commission on December 11, 2012. The standard redefines the notion of control on the basis of three criteria: power, exposure to principal returns and the relationship between power and these returns. The scope of subsidiaries to be fully consolidated will henceforth be defined on the basis of this standard. Application of this standard will be mandatory for fiscal years beginning on or after January 1, 2014;
- IFRS 11 “Joint arrangements”, published by the IASB on May 12, 2011 and adopted by the European Commission on December 11, 2012. This standard replaces IAS 31 regarding the accounting for investments in joint ventures. Application of this standard will be mandatory for fiscal years beginning on or after January 1, 2014;
- IFRS 12 “Disclosure of interests in other entities”, published by the IASB on May 12, 2011 and adopted by the European Commission on December 11, 2012. This standard defines the information to be disclosed about investments in subsidiaries, joint ventures and associated companies. Application of this standard will be mandatory for fiscal years beginning on or after January 1, 2014;
- IAS 19 “Employee benefits”, amended in June 2011 by the IASB and adopted by the European Commission in 2012. In the event a pension plan is amended, the past service costs are to be fully recognized in the income statement whether the rights have been fully vested or not. The amended standard changes the way the expected yield on plan assets is determined and requires that certain additional information on defined-benefit plans be disclosed in the notes. Application will be mandatory for fiscal years beginning on or after January 1, 2013;
- IAS 28 “Investments in associates and joint ventures”, published by the IASB in May 2011 and adopted by the European Commission on December 11, 2012. Application of this standard will be mandatory for fiscal years beginning on or after January 1, 2014;
- amendments to IAS 32 and IFRS 7 “Offsetting of financial assets and liabilities”, published by the IASB in December 2011 and adopted by the European Commission on December 13, 2012. The amendments to IAS 32 are required to be applied for fiscal years beginning on or after January 1, 2014. Application of the amendments to IFRS 7 will be mandatory for fiscal years beginning on or after January 1, 2013;
- amendment to IAS 12 “Deferred tax: recovery of underlying assets”, published by the IASB in December 2010 and adopted by the European Commission on December 11, 2012. Application of this standard will be mandatory for fiscal years beginning on or after January 1, 2013;
- IFRS 13 “Fair value measurement”, adopted by the European Commission on December 11, 2012. This standard defines the notion of fair value and sets out the items to be disclosed in the notes to the financial statements. Application of this standard will be mandatory for fiscal years beginning on or after January 1, 2013.

Note 1-4 Consolidation methods

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

Note 1-5 Financial statements used as the basis for consolidation

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

- the consolidated financial statements of Bureau Veritas, Materis (Materis Parent), Stahl, Legrand, Saint-Gobain, Mecatherm and Parcours for the 12-month fiscal year ended on December 31, 2012 (the last two companies are included in the Oranje-Nassau Développement subgroup);
- the consolidated financial statements of exceet (included in the Oranje-Nassau Développement subgroup) for the three-month period from September 30 to December 31, 2011 and for the 12-month period from January 1, 2012 to December 31, 2012. As exceet’s 2011 annual financial statements were not yet available when Wendel’s 2011 financial statements were finalized, exceet’s contribution to Wendel’s income from equity-method investments was cut off as of September 30, 2011;
- the consolidated financial statements of Deutsch (Deutsch group) for the three-month period from January 1 to March 31, 2012, i.e. the last closing date prior to the company’s sale on April 3, 2012;
- for all other companies, their individual accounts for the 12-month fiscal year ended December 31, 2012.

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

Significant changes in the Group's scope of consolidation for fiscal year 2012 are presented in note 2 "Changes in scope of consolidation". The main subsidiaries consolidated as of December 31, 2012 are presented in note 43 "List of principal consolidated companies".

Note 1-6 Business combinations

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

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

Note 1-7 Commitment to buy non-controlling interests in consolidated subsidiaries

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

As of December 31, 2012, in the absence of any specific IFRS guidance, this financial liability was offset:

- firstly, by eliminating the carrying amount of the corresponding non-controlling interests;
- secondly, by reducing the Group share of shareholders' equity as follows: the difference between the estimated value of the purchase commitment and the carrying amount of non-controlling interests is deducted from the Group share of retained earnings and other reserves. This heading is adjusted at the end of each accounting period to reflect the estimated value of the purchase commitment and the carrying amount of non-controlling interests. This has no impact on the consolidated income statement, barring subsequent changes to standards and interpretations.

Note 1-8 Intercompany asset sales and transfers

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

Note 1-9 Conversion of the financial statements of foreign companies

Wendel presents its financial statements in euros.

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

Note 1-10 Use of estimates

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

In preparing these financial statements, the principal items involving estimates and judgments were goodwill, impairment tests on goodwill and equity-method investments, provisions, deferred taxes, derivatives and treatment of co-investments.

Note 1-11 Measurement rules

Note 1-11.1 Goodwill

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

Goodwill is not amortized, but is tested for impairment as soon as there is any indication that its value may be impaired, and at least once per year, on December 31. Indications of a loss in value may include, for instance, a significant or prolonged decline in the share price of a listed company, a difference in net income compared with budget, or a deterioration in the economic sector in which a company operates. For the purposes of impairment testing, goodwill is allocated to Cash Generating Units (CGU). Each of the Group's operating entities (Bureau Veritas, Materis, Stahl, Parcours and Mecatherm) represents a CGU. Goodwill impairment losses are recognized on the income statement under "Other operating income and expenses" and cannot be reversed.

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

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

Impairment tests on goodwill and equity-method investments are described in notes 6 "Goodwill" and 9 "Equity-method investments".

Note 1-11.2 Intangible assets

1. Brands of the Bureau Veritas, Materis and Mecatherm groups

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

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

2. Contracts and customer relationships of the Bureau Veritas, Materis and Parcours groups

The value of these assets corresponds to the margin expected to be generated over the residual lives of contracts in force at the date Wendel assumed control, taking into account contract renewals where such renewals are considered probable based on historical statistical data. These contracts and client relationships are therefore amortized over the period used for the calculation of each contract category (up to 30 years, depending on the contract and subsidiary).

Note 1-11.3 Other intangible assets

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

Note 1-11.4 Property, plant & equipment

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

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

The following useful lives are applied:

Buildings	10 to 40 years
Plant	3 to 10 years
Vehicles rented out (Parcours)	Depends on the term of the lease contract
Equipment and tooling	3 to 10 years

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

Note 1-11.5 Impairment of property, plant & equipment and intangible assets

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

Note 1-11.6 Financial assets and liabilities

Financial assets include investments in unconsolidated companies, operating receivables, debt securities, marketable securities, derivatives and cash. Financial liabilities include borrowings, other funding sources and bank overdrafts, derivatives and operating liabilities. Financial assets and liabilities are recognized and measured in accordance with IAS 39 "Financial instruments: recognition and measurement".

1. Financial assets at fair value through profit or loss

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

2. Assets held until maturity and loans and receivables

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

3. Financial liabilities

With the exception of derivative instruments, all borrowings and other financial liabilities are stated at amortized cost using the effective interest method.

4. Derivatives

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

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

- fair value hedges are used to offset changes in the fair value of a recognized asset or liability due to shifts in exchange rates, interest rates or other benchmarks;
- cash flow hedges are used to hedge changes in future cash flows from a present or future asset or liability. Wendel and its subsidiaries use cash flow hedges to offset shifts in foreign exchange rates, interest rates and commodity prices;
- hedges of a net investment in a foreign business can be designated as hedging instruments, as long as they meet the IAS 39 criteria. These hedges help offset fluctuations in value due to conversion into the reporting currency used by the parent company in its consolidated financial statements. Financial debt denominated in the operating currency of the hedged investment can be designated as an investment hedge when the hedge has been recognized as such for accounting purposes.

A hedging relationship qualifies for hedge accounting if:

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

The use of hedge accounting has the following consequences:

- for hedges used to offset changes in the fair value of a recognized asset or liability, the hedged item is measured at fair value in the balance sheet. Changes in the fair value of the hedged item are recognized on the income statement and are offset by symmetrical changes in the fair value of the hedging instrument to the extent that the hedge is effective;
- the effective portion of changes in the fair value of derivatives that are designated as, and qualify for, cash flow hedges is recognized directly in shareholders' equity. The gain or loss from the ineffective portion is recognized on the income statement. Amounts accumulated in shareholders' equity are passed through the income statement in the same periods as the corresponding hedged items, or are written

back against the acquisition cost of the assets in which the financial risk related to the acquisition price was hedged;

- for net investment hedges, the portion of a gain or loss that is considered effective in the hedge of a net investment in a foreign business is recognized directly in shareholders' equity. The ineffective portion is immediately recognized on the income statement. Cumulative gains and losses in shareholders' equity are recognized on the income statement when the foreign business is sold.

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

Note 1-11.7 Methods for measuring the fair value of financial instruments

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

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

During fiscal year 2012, there were no transfers between levels 1 and 2, and no transfers to or from level 3 of fair value measurements of financial instruments.

Changes in level 3 financial instruments were not significant and are not presented.

Note 1-11.8 Inventories

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

Note 1-11.9 Cash and cash equivalents (pledged and unpledged)

Cash is comprised of cash at banks.

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

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

Note 1-11.10 Provisions

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

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

Note 1-11.11 Provisions for employee benefits

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

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

Actuarial gains and losses are recognized in shareholders' equity as soon as they appear (IAS 19 "Employee benefits", s. 93A).

Note 1-11.12 Deferred taxes

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

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

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

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

Deferred taxes are calculated by the variable carryforward method, based on the tax rates in effect at the balance sheet date. For French companies, this is 34.43% for income subject to standard assessment, plus a 5% exceptional contribution that was extended by two years under the 2013 Finance Act, and will therefore be applicable for fiscal years ending no later than December 30, 2015.

Note 1-11.13 Treasury shares

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

Note 1-11.14 Assets held for sale and businesses being divested

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

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

Note 1-11.15 Revenue recognition

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

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

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

Note 1-11.16 Translation of foreign currency transactions

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

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

Note 1-11.17 Stock subscription and purchase option plans

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

Wendel uses the binomial model to determine the fair value of options and performance shares granted. In 2012, as in previous fiscal years, Wendel's plans were valued by an independent appraiser.

Note 1-11.18 Accounting treatment of participation of managers in Group investments

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

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

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

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

When the investments are most likely to be redeemed as equity instruments, the managers' initial investment is accounted for as non-controlling interests in proportion to their share of the total investment (Wendel + co-investors pari passu + management teams). On redemption, the dilution created by the sharing of the investments' value reduces Wendel's capital gain. If there is an initial advantage (i.e. a positive difference between the fair value of the co-investment and the managers' subscription or acquisition price), this advantage is recognized as an operating expense and spread over the vesting period of the investment. The offsetting entry for this expense is an increase in shareholders' equity. This advantage is determined on the grant date and is not revalued thereafter. If, on the other hand, the beneficiaries have invested at the fair value of the subscribed or acquired instruments, there is no initial advantage and no expense is recognized.

When the investments are most likely to be redeemed in cash, under Wendel's repurchase commitments after the lapse of a pre-determined period, the initial investment is recognized as debt. This debt is later restated at its fair value until payment is made. The change in fair value is recognized on the income statement. When the investment is redeemed, the debt is paid off in cash.

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

As of December 31, 2012, Wendel believed that the majority of the Group's co-investments were most likely to be redeemed through a divestment or IPO of the related subsidiaries or associates. Therefore, no material debt is recognized on the balance sheet, with the estimated value of the co-investments at the closing date being presented in off-balance-sheet commitments.

Note 1-12 Presentation rules

Note 1-12.1 Balance sheet presentation

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

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

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

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

Note 1-12.2 Income statement presentation

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

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

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

1. Income taxes: treatment of the CVAE tax

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

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

Note 1-12.3 Earnings per share

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

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

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

NOTE 2 Changes in scope of consolidation

Note 2-1 Changes in scope of consolidation in fiscal year 2012

Note 2-1.1 Sale of Deutsch (high-performance connectors)

At the end of November 2011, Wendel received a firm bid from TE Connectivity to acquire all of the shares of Deutsch, world leader in connectors for harsh environments. TE Connectivity is one of the world's leading providers of connectivity solutions. The sale was finalized in early April 2012 after all the necessary regulatory approvals were received. This transaction put Deutsch's enterprise value at approximately $2.1 billion, and Wendel's net divestment proceeds totaled €960 million, or 2.5 times its total investment. Wendel thus achieved a (cash-on-cash) capital gain of €583 million on its investment.

Deutsch's earnings were included in assets of operations held for sale until March 31, 2012 and the net accounting gain of €689 million was recognized in the same line item in the income statement. Deutsch's contribution to 2011 earnings, presented for comparative purposes, was also reclassified into this line item.

In the first quarter of 2012, Deutsch posted sales of $182.1 million, up 5.4% overall and 7.0% organically, compared with the first quarter of 2011 ($172.7 million). Deutsch's net sales totaled $675.6 million in 2011, and its adjusted operating income was $145.7 million.

Note 2-1.2 Investment in Legrand (products and systems for low-voltage installations) - Part-payment of Wendel dividend in shares

In June 2012, Wendel's dividend of €1.30 per share was accompanied by a special dividend of one Legrand share for every 50 Wendel shares held, representing a distribution of 951,757 Legrand shares (excluding fractional shares paid in cash). This transaction was accounted for as both a "divestment" of Legrand shares and as the payment of a dividend.

A "divestment" gain of €14.6 million was therefore recognized corresponding to the difference between the stock market value of the distributed shares (share price on distribution: €24.975 per share) and their carrying value on distribution (€9.67 per share, including the reversal of currency translation adjustments).

The dividend payment corresponding to these shares was recognized at their market value of €23.8 million excluding fractional shares and €24.2 million including the value of fractional shares paid in cash.

Separately, the shareholder agreement between Wendel and KKR was terminated when KKR ceased to be a shareholder of Legrand in March 2012.

As of December 31, 2012, Wendel held 14,438,049 Legrand shares, or 5.5% of the capital (net of treasury shares) and 9.7% of the voting rights. Wendel maintains its representation on the Board of Directors (two members out of 12), the Strategic Committee (one seat out of four), the Audit Committee (one seat out of three) and the Appointments and Compensation Committee (one seat out of three). As a result, Wendel continues to have significant influence over Legrand, and Legrand will continue to be accounted for by the equity method in Wendel's consolidated accounts.

Note 2-1.3 Investment in Saint-Gobain (production, transformation and distribution of building materials)

As of December 31, 2012, Wendel held 91,722,635 Saint-Gobain shares, representing 17.4% of capital (net of treasury shares) and 26.8% of voting rights.

Consistent with the opening of the fiscal year, 89,812,635 of these shares, or 17.06% of share capital (net of treasury shares), are recognized as equity-method investments. Wendel's significant influence over Saint-Gobain is shown by its representation on the Board of Directors (three seats out of 16), the Financial Statements Committee, the Strategic Committee and the Compensation Committee. Wendel and Saint-Gobain published the principles and objectives of their 10-year cooperation agreement on May 26, 2011. Under the terms of this agreement, Wendel is guaranteed three seats on the Board of Saint-Gobain so long as it holds more than 10% of the voting rights of Saint-Gobain.

Over the fiscal year 2012, Wendel's ownership percentage fell slightly, by 0.01%. This dilution derived from the capital increase reserved for employees and share buybacks carried out by Saint-Gobain to cover stock-option exercises. The resulting dilution loss of €6.8 million is recognized in the income statement under "Net income from equity-method investments".

Additionally, as was the case at the opening of the financial year, 1,910,000 shares purchased in August 2011 are recognized at their stock market price within current financial assets, and any change in their fair value is recognized on the income statement. This treatment is consistent with the Group's objective not to hold the 1,910,000 shares over the long term and to sell them when an opportunity arises (see note 13 "Financial assets and liabilities").

Note 2-1.4 Principal changes in scope of consolidation of subsidiaries and associates

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

In 2012, Bureau Veritas made 14 attractively-valued acquisitions enabling it to consolidate its technical expertise in fast-growing market segments (oil and gas drilling, geochemical testing of minerals, electronic products and automotive equipment testing) and to strengthen the size of its network in key geographies such as North America, Latin America and Germany. On an annual basis, these acquisitions had combined revenue estimated at more than €210 million in 2012. The main acquisitions were:

- AcmeLabs (Commodities), the number three player in upstream minerals testing in Canada;
- TH Hill (Industry), a global leader in oil & gas drilling failure prevention and analysis services, based in the US;

- Tecnicontrol (Industry), a leader in conformity assessment of industrial assets in Colombia; and
- HuaXia (Construction), a leader in technical control and construction supervision of petrochemicals plants in China.

Since the 2012 accounts were closed, Bureau Veritas has acquired 7Layers, a German company specialized in the testing and certification of mobile electronics devices and wireless technologies. This acquisition positions Bureau Veritas among the global leaders by doubling the size of its activities in this segment, where 2012 sales are estimated at €24 million.

The cost of the acquisitions carried out during the year totaled €281 million (of which €27 million was to be paid after the 2012 close). The resulting goodwill amounted to €168 million. The goodwill amount will become definitive once valuation of the identifiable assets and liabilities and the contingent liabilities of the companies acquired is completed over the next 12 months, in line with accounting standards.

In addition, Bureau Veritas sold some non-strategic operations in Australia and New Zealand. Bureau Veritas also plans to sell the following assets and liabilities in the next 12 months:

- within the Construction division, predominantly in Spain, the Paymacotas group of subsidiaries, manager of the Infrastructure activity; and
- in the In-Service Inspection and Verification division, an agreement was signed on January 11, 2013 for the sale of the subsidiary Analytical Solutions, manager of the Environment activity in Brazil.

A provision was recognized against the carrying value of these two activities as of December 31, 2012 (see note 24 "Other operating income and expenses").

2. Changes in scope of consolidation of the Materis group (specialty chemicals for construction)

Materis made the following principal acquisitions in 2012:

- 54% of the shares of Elmin, Europe's leading exporter of monohydrate bauxite, enabling Kerneos (Aluminates division) to secure long-term access to one of its key raw materials; and
- 70% of the shares of Suzuka, leader in the Chinese market for organic texture coatings. Suzuka has a manufacturing site and a laboratory in Shanghai and a sales network covering central and western China, which will complement that of ParexGroup (Mortars division). Suzuka posted sales of €19.5 million in 2012, and its top-line growth and profitability were both high.

Goodwill arising from these transactions represented €26.8 million.

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

On March 30, 2012, Saint-Gobain acquired Brossette from Wolseley, after obtaining authorization from the French competition authorities on March 23, 2012. Brossette specializes in the distribution of bathroom, heating and plumbing equipment in France.

On June 8, 2012, the Saint-Gobain group signed an agreement to acquire the WQ group, one of the leading British manufacturers of high-performance insulation foam. The purchase of Celotex was finalized in the second half of 2012.

On January 17, 2013, the Saint-Gobain group accepted Ardagh's purchase offer for Verallia North America for an enterprise value of $1,694 million (approximately €1,275 million). This transaction will be subject to authorization by the United States anti-trust authorities.

4. Changes in scope of consolidation of the Legrand group (products and systems for low-voltage installations), an equity-method investment

Legrand has pursued its strategy of targeted, self-financed acquisitions of small and mid-size companies offering high growth potential and strong market positions. Since January 2012, the group has announced the purchase of five companies with total annual acquired sales of over €180 million:

- Numeric UPS, India's market leader in low- and medium-power uninterruptible power supply systems;
- Aegide, market leader in Voice-Data-Image cabinets for data centers in the Netherlands, and a front-running European contender in this market;
- Daneva, Brazil's leader in connection accessories. The joint-venture agreement announced in June 2012 for 51% of Daneva's shares was finalized in January 2013 and includes an option to take full control from April 2014;
- NuVo Technologies, a specialist in multi-room audio systems in the United States;
- Seico, the Saudi leader in industrial cable management. This acquisition was announced in February 2013.

These companies have further strengthened Legrand's positions on fast-growing markets, notably in new economies (72% of acquired sales) and new business segments (72% of acquired sales).

Note 2-2 Changes in scope of consolidation in fiscal year 2011

The principal changes in scope during 2011 were as follows:

- sale in blocks of 13.6% of Legrand (products and systems for low voltage installations);
- acquisition of Parcours (long-term corporate vehicle leasing) by Oranje-Nassau Développement;
- acquisition of Mecatherm (industrial baking equipment) by Oranje-Nassau Développement;
- acquisition of exceet (design of embedded systems) by Helikos.

NOTE 3 Related parties

Wendel's related parties are:

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

Note 3-1 Saint-Gobain

During fiscal year 2012, Wendel received €113.7 million in cash dividends from Saint-Gobain.

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

Note 3-2 Legrand

During fiscal year 2012, Wendel received €14.3 million in dividends from Legrand.

Note 3-3 exceet

The €6.7 million shareholder loan accorded by the Group to exceet in 2011 was partly repaid and amounted to €5.6 million as of December 31, 2012.

Note 3-4 Members of the Supervisory Board and Executive Board

Compensation paid by Wendel to the members of the Executive Board in respect of 2012 amounted to €2,720.5 thousand. The value of options and performance shares allocated to the members of the Executive Board in 2012 totaled €1,654.4 thousand as of the date they were granted.

Compensation paid to members of the Supervisory Board in 2012 totaled €794.1 thousand, including €677.5 thousand in Wendel director's fees and compensation paid to the Chairman of the Supervisory Board, €45.8 thousand in director's fees paid to certain members of the Supervisory Board by Wendel-Participations for serving on its Board, and €66.4 thousand paid by Wendel's subsidiaries to certain members of the Supervisory Board for serving on their Boards.

In addition, two former employees of the Group who were members of the Supervisory Board in 2012 benefit from a Wendel group supplementary pension plan, described in note 15-2 "Employee benefits". For 2012, the insurance company was to pay them the following net retirement benefits: €158 thousand to Jean-Marc Janodet, who retired on July 1, 2002 after 42 years of service to the Group, and €627 thousand to Ernest-Antoine Seillère, who retired on June 1, 2005 after 30 years of service to the Group.

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

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

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

Finally, the members of the Executive Board have co-invested in Materis, Deutsch, Stahl, VGG, Parcours and Mecatherm, as have 40 or so other individuals. The Chairman of the Supervisory Board had also co-invested in Materis, Deutsch, Stahl and VGG. See note 4 "Participation of managers in Group investments".

Note 3-5 Wendel-Participations

Wendel-Participations is owned by approximately 1,050 Wendel-family individuals and legal entities. It owns about 35% of Wendel's share capital.

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

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

NOTE 4 Participation of managers in group investments

Note 4-1 Participation of Wendel managers in Group investments

To involve its managers in the Group's value creation, Wendel has set up co-investment mechanisms to allow them to invest their personal funds in the same assets in which the Group invests. Co-investors thus have a personal stake in the risks and rewards of these investments.

The co-investment mechanism was amended in 2011 to limit co-investors' exposure to the upside potential and downside risk of losing their full investment, and to keep shareholder and management interests aligned and focused on maximizing the value of each investment.

The principles of co-investment, as approved by the Supervisory Board, acting on the advice of the Governance Committee, for investments made by the Wendel group in new companies from 2011 are the following:

- **i)** the co-investors invest, alongside Wendel and based on a proposal from Wendel, an amount equivalent to no more than 0.5% of the total sums invested by Wendel;
- **ii)** 30% of the amounts invested by the co-investors are invested under the same terms and conditions as Wendel (pari passu co-investment);
- **iii)** the remaining 70%, or a co-investment of 0.35% of the total invested by Wendel, confer a right, should events defined in paragraphs (v) and (vi) below take place, to 7% of the capital gain (co-investment with leverage), provided that Wendel has obtained a minimum annualized return of 7% and a cumulative return of 40% on its investment. Otherwise, the co-investors will lose 70% of their investment;
- **iv)** rights to leveraged co-investment benefits will vest gradually over a period of four years in five tranches of 20% per year (20% at the investment date, then 20% at each anniversary date); in the event of a departure during this period, the Wendel group may repurchase these rights in accordance with pre-defined conditions;
- **v)** the potential gain or carried interest is realized in the event of a full divestment, change in control, divestment of more than 50% of the shares held by Wendel, or if the company concerned is listed on a stock exchange. The liquidity extended to co-investors may be either the total amount or a proportion of the investment sold;
- **vi)** eight years after Wendel's initial investment, if Wendel has not fully divested the company in question or listed it on a stock exchange, the potential capital gain is also realized, on one-third of the amounts invested by the co-investors. Similarly, the potential gain is realized on the other two-thirds after 10, then 12 years if no full divestment or IPO has taken place in the meantime. In these cases, the co-investment is valued, at the end of each period, by an independent, internationally-recognized appraiser.

Wendel group managers have made co-investments, governed by the above principles, in the companies acquired by Wendel since 2011: Parcours, Mecatherm and, in early 2013, IHS. These co-investments were made through a new, Luxembourg-law, venture capital investment company called Oranje-Nassau Développement SA SICAR (Oranje-Nassau Développement), created in 2011 and currently divided into three compartments: Parcours, Mecatherm and IHS.

After authorization from the Supervisory Board on February 12, 2013, the Chairman and the member of the Executive Board invested approximately €136,000 and €90,000, respectively, in IHS.

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

- **i)** the co-investors have invested alongside the Wendel group and based on a proposal from the Group, an amount equivalent to no more than 0.5% of the total sums invested by the Group;
- **ii)** the co-investments confer a right to 10% of the capital gain (on 0.5% of the investments), provided that Wendel has obtained a minimum return of 7% p.a. and 40% of its investment. Otherwise, the members of the management team lose the amounts they have invested;
- **iii)** rights to co-investment benefits will vest gradually over a period of four years in five tranches of 20% per year (20% at the investment date, then 20% at each anniversary date). However, members of the management team commit, in case of departure, to sell on demand their unvested shares at their initial value;
- **iv)** if there is a capital gain, it will be realized at the time of divestment, or in the absence of divestment at the end of 10 years, on the basis of an appraiser's opinion. If the conditions of principle (ii) are not fully met, the co-investments are lost.

Under these previously applied principles, the managers invested personally alongside Wendel in Saint-Gobain and in the Group's unlisted companies: Materis, Deutsch, Stahl and Van Gansewinkel Groep (VGG). The co-investment in Saint-Gobain was unwound in 2010, prior to maturity, in light of the absence of prospects of a return for co-investors. As a result, the co-investors lost their entire investment, i.e. approximately €7 million. The co-investment in Deutsch was realized when the company was sold to TE Connectivity in April 2012. The enterprise value of Deutsch in this divestment was approximately $2.1 billion, generating net divestment proceeds for Wendel of €960 million. As the minimum return conditions (7% p.a. and 40% overall) had been met (return in excess of 20% p.a. on average, and 150% overall), 35 co-investors received a total of €61.3 million in 2012. This amount corresponds to their share of gross divestment proceeds per the applicable Deutsch co-investment rules, i.e. 74% for 32 of the co-investors, 6.5% for the Chairman of the Executive Board, 16% for the other member of the Executive Board and 3.5% for the Chairman of the Supervisory Board.

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

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

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

For listed subsidiaries and associates (Bureau Veritas, Legrand and Saint-Gobain), these mechanisms consist of stock-option and/or bonus share plans.

For unlisted subsidiaries (Materis, Mecatherm, Parcours and Stahl), the participation policy is based on a co-investment mechanism through which these executives may invest significant sums alongside Wendel and under which their profit profile depends on the internal rate of return (IRR) achieved by Wendel in the investment concerned.

The co-investors receive a return in excess of Wendel's only when a certain profitability threshold has been met (ranging from 7% to 10%).

Co-investors run the risk of losing all or part of the significant sums they have invested, depending on the value of the investment at maturity.

These co-investment mechanisms and the sharing of risk between Wendel and the co-investors are represented by a variety of financial instruments held by Wendel and the co-investors. These instruments include ordinary shares, index-based or preferred shares, fixed-rate bonds, warrants, etc.

These investments mature either when a liquidity event occurs (divestment or IPO) or, if no such event takes place, at a specific point in time (between 2 and 14 years after the initial investment by Wendel, depending on the company).

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

If the business plans of the companies related to the co-investments of Wendel and subsidiary managers are realized, there could be a dilutive impact of 5-15% on Wendel's ownership interest in these companies by the 2014-16 timeframe.

NOTE 5 Managing financial risks

Note 5-1 Managing equity market risks

Note 5-1.1 Value of investments

Wendel's assets are mainly investments in which it is the main or controlling shareholder. Some assets are listed (Saint-Gobain, Bureau Veritas, Legrand and exceet) and others are unlisted (Materis, Stahl, Parcours and Mecatherm). The Group also holds non-controlling interests, such as in VGG, whose amounts are relatively insignificant.

The value of these investments is based mainly on:

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

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

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

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

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

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

The financial structure of LBO investments (Materis, Stahl, VGG and Mecatherm) accentuates the valuation risk of these investments. While leverage makes high internal rates of return (IRR) possible on these investments, it also exacerbates financial difficulties in the event of a significant slowdown in economic activity by restricting their access to liquidity and by subjecting them to the risk that financial covenants will trigger accelerated maturity of their financial debt (see note 5-2 "Managing liquidity risk"). Moreover, the financial crisis has shown that banks' own difficulties (e.g. access to liquidity, prudential ratios) could create obstacles in refinancing the debt of these companies. To forecast and manage the risk incurred by these companies' financial structure, cash flow and financial covenant forecasts are prepared regularly, based on various scenarios, in order to prepare, if necessary, targeted solutions to ensure their long-term survival and to create value. Moreover, Wendel and its subsidiaries are in close contact with bank lenders, in order to more effectively manage the restrictions on these financing agreements. Owing to this relationship, starting at the end of 2011, or 18 months before the first repayment dates, Materis renegotiated the terms of its bank debt with its pool of 199 lenders (see note 5-2.5 "Financial debt of operating subsidiaries – documentation and covenants").

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

Note 5-1.2 Equity derivatives

Wendel may use equity or index derivatives to manage or hedge the risk on its asset portfolio. Wendel issued (wrote) 6.1 million European puts on Saint-Gobain in 2007 (see note 13-4 "Put options issued (written) on Saint-Gobain shares").

These instruments are monitored regularly by the Finance department, which evaluates the associated risk and presents it to the Executive Board.

Note 5-1.3 Short-term financial investments indexed to equity markets

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

Note 5-1.4 Equity market risk

Equity market risk relates to:

- consolidated and equity-method securities, whose recoverable values used for impairment tests are based on market parameters, including the discount rate used in calculating "value in use" or the market price used in calculating "fair value";
- the puts issued (written) on Saint-Gobain shares, which are recognized at their fair value on the balance sheet. When Saint-Gobain's share price declines, the liability related to these puts increases, generating a loss in the income statement, and vice-versa. As an indication, as of December 31, 2012, a +/-5% change in the price of Saint-Gobain's shares would have an impact of about +/-€9 million on the income statement (see note 13-3.D "Derivatives");
- the Saint-Gobain shares purchased in the summer of 2011, classified as current financial assets (see note 13 "Financial assets and liabilities") and whose value was €61.5 million as of the end of 2012. A +/-5% variation in the equity markets would have an impact of about +/- €3 million on the value of these shares and on the income statement;
- short-term financial investments indexed to the equity markets, the total value of which was €72 million as of December 31, 2012. Such investments are classified under current financial assets, and any change in their fair value is recognized on the income statement. A +/-5% variation in the equity markets would have an impact of about +/- €3.6 million on the value of these investments and on the income statement;
- margin calls on Eufor group financing. These depend on the price of the shares serving as collateral. These margin calls could have an impact on Wendel's available cash and are described in note 5-2 "Managing liquidity risk". This risk has been significantly reduced by the large reduction in financing with margin calls, which had been reduced from €3,464 million at the beginning of 2009, to €625 million at the 2012 year-end;
- the covenants under Wendel's syndicated credit facility. These covenants are based on ratios of financial debt to the value of assets and are described in note 5-2 "Managing liquidity risk". As of

December 31, 2012, €250 million was outstanding under this credit facility, and Wendel was in compliance with the covenants;

- the degree of financial leverage of Wendel and its holding companies (i.e. net debt/assets), a key indicator of the cost of bond financing (and in some cases, bank financing), which Wendel may seek to access. This indicator is also monitored by Standard & Poor's, which has been mandated by Wendel to rate its financial structure and bond borrowings (See note 5-2 "Managing liquidity risk").

					Impact on net income			
In millions of euros	Net carrying value (Group share)	Market value (closing share price)	Impact on market value of a 5% decline in share prices	Note	of a +/-5% change in share price	of a -/+0.5% in discount rate applied to the value of future cash flows	of a +/-0.5% in perpetual growth rate used to calculate discounted future cash flows	of a 1% reduction in the normative margin used to discount cash flows in periods subsequent to the business plan
Equity-method investments								
Saint-Gobain	4,228.4	2,893.8	- 144.7	**9**	N/A (1)	+ 414/- 496	+ 414/- 369	- 714
Legrand	145.3	460.2	- 23.0	**9**	0	N/A (3)	N/A (3)	N/A (3)
Oranje-Nassau Développement - exceet	53.8	22.0	- 1.1	**9**	N/A (1)	0/0	0/0	0
Consolidated investments								
Bureau Veritas	1,133.6	4,765.2	- 238.3	**6**	0	N/A (3)	N/A (3)	N/A (3)
Materis	- 288.3	N/A	N/A	**6**				
Materis shareholder loan (2)	273.4							
	- 14.9				N/A	0/0	0/0	0
Stahl	12.3	N/A	N/A	**6**				
Stahl shareholder loan (2)	70.9							
	83.2				N/A	0/0	0/0	0
Oranje-Nassau Développement								
■ Parcours	122.8	N/A	N/A	**6**	N/A	0/0	0/0	N/A (4)
■ Mecatherm	117.2	N/A	N/A	**6**	N/A	0/0	0/0	0
Financial instruments								
Puts issued (written) on Saint-Gobain	- 182.4	- 182.4	- 9.3	**13**	+/- 9.3	N/A	N/A	N/A
Other financial assets								
Unconsolidated Saint-Gobain shares	61.5	61.5	- 3.1	**13**	+/- 3.1	N/A	N/A	N/A
Short-term financial investments indexed to the equity markets	72.2	72.2	- 3.6		+/- 3.6	N/A	N/A	N/A

(1) Impairment tests are based on value in use (discounted future cash flows). See note 9 "Equity-method investments".
(2) Eliminated on consolidation.
(3) The recoverable value used for impairment tests on these investments is the market share price (fair value).
(4) The reference accounting measure used for the Parcours impairment test is "Income (loss) before exceptional items and tax".

Note 5-2 Managing liquidity risk

Note 5-2.1 Wendel's and the holding companies' liquidity risk

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

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

1.1. Cash and short-term financial investments as of December 31, 2012

As of December 31, 2012, cash and short-term financial investments held by Wendel and its holding companies (excluding operating subsidiaries) were as follows:

In millions of euros	Available denominated in €	Available denominated in $	Pledged denominated in €	Total
Money-market mutual funds	263 (1)			263
Bank accounts and bank certificates of deposit	166 (1)	58 (1)	3 (3)	227
Diversified, equity and bond funds (2)	33	45		78
Funds managed by financial institutions (2)	251			251
Short-dated bonds (2)	11			11
TOTAL	**724**	**102**	**3**	**830**
	826			

(1) Classified under cash and cash equivalents within current assets.
(2) Classified under other current financial assets.
(3) Cash pledged as collateral under Eufor group financing arrangements (holding and financing structure for the Saint-Gobain investment), classified under non-current assets.

1.2. Monitoring cash and short-term financial investments

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

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

2. Managing debt maturities and refinancing

2.1. Debt position as of December 31, 2012

As of December 31, 2012, gross debt with recourse to Wendel consisted of:

- €3,038 million in Wendel bonds with maturities ranging from 2014 to 2019 (see details in note 16 "Financial debt"); and
- a syndicated credit facility, with €250 million drawn. This revolving credit facility totals €1.2 billion, with maturities in September 2013 (€950 million) and September 2014 (€250 million). €950 million, maturing in September 2013, therefore remains available, subject to compliance with covenants (see note 5-2.4.2 "Wendel's syndicated credit facility – documentation and covenants").

As of the end of 2012, the average maturity of this debt was 3.7 years.

Eufor (holding and financing structure for the Saint-Gobain investment) bank debt without recourse to Wendel totaled €625 million as of end-December 2012. Maturities are June 2015 (€200 million), January 2016 (€212.5 million), and January 2017 (€212.5 million). All of this debt is subject to margin calls (see note 5-2.4.3 "Margin calls on Eufor group financing"). The average maturity of this financing is 3.2 years.

During the summer of 2012, the €1,100 million line maturing in 2013-14 was replaced by a new €700 million revolving line maturing in 2017. As a result, the Eufor group's undrawn balance of credit lines with margin calls now totals €1,150 million. These lines mature in 2016 (€225 million) and 2017 (€925 million). These lines of credit can be used to refinance existing Eufor debt, to finance the acquisition of new Saint-Gobain shares or to finance the 76.7 million Saint-Gobain shares not pledged or linked to a financing arrangement as of December 31, 2012.

2.2. Managing debt

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

- the availability of bank and bond lending sources, which has been restricted by the current financial crisis and by pressure from financial institution regulators (Basel III, Solvency II); and
- the level of financial leverage of Wendel and its holding companies (i.e. net debt/assets), a key credit risk indicator tracked by Wendel's lenders and by Standard & Poor's, which rates the Group's financial structure. Leverage depends in particular on asset values, and is thus subject to equity market risk (see note 5-1 "Managing equity market risk").

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

Wendel also has available credit lines that enable it to ensure the repayment of the nearest maturities. Finally, Wendel can take the opportunity to sell assets so as to pay off some of its financial debt and reduce financial leverage.

As part of the management of its debt maturities, Wendel carried out a new bond issue of €400 million with a maturity of September 2019 at very favorable terms (coupon below 6% and heavily subscribed), demonstrating its ability to manage its refinancing. Part of the funds generated from this bond issue and also from the divestment of Deutsch was used to pay down the amounts due at the first maturity dates of Wendel and its holding companies; specifically, €250 million under the syndicated loan due in 2013, €760 million in bank debt with margin calls due in 2014 and 2015 and €143 million to buy back Wendel bonds maturing in 2014 and 2016 (see Note 16 "Financial debt"). As a result of these repayments, the next maturity date of Wendel and its holding companies is in September 2014.

Additionally, the €1,100 million available line of credit with margin calls maturing in 2013-14 was replaced during summer 2012 by a new revolving undrawn line of €700 million maturing in 2017. Through this transaction, the Group has extended the average maturity of the lines of credit available to it and its holding companies, adjusted the amount of this credit to the Group's needs and reduced future interest costs.

On April 11, 2012, Standard & Poor's upgraded its long-term rating for Wendel from BB- with a negative outlook to BB with a stable outlook. The short-term rating is B.

3. Managing risk related to the financial covenants of the syndicated credit

The syndicated credit, under which €250 million was outstanding as of December 31, 2012, is subject to financial covenants based principally on the market value of Wendel's assets and on the amount of net debt (see note 5-2.4.2 "Syndicated loan documentation and covenants"). As such, the covenants are sensitive to changes in the equity markets. If a sharp drop in the equity markets were to cause Wendel to breach these covenants, Wendel could use its available cash to repay this credit line. In addition, the Eufor group could use its undrawn credit lines (not subject to financial covenants) to refinance the available Saint-Gobain shares. This would make cash available to Wendel and would limit the liquidity risk related to accelerated maturity of the syndicated credit facility.

To track the liquidity risk related to the syndicated credit facility, Wendel regularly carries out simulations to analyze the impact of fluctuations in the value of its assets, the level of collateral granted and the cash flow projections on the level of the syndicated credit covenants.

4. Managing the risk related to margin calls on loans of the Eufor group (holding and financing structure for the Saint-Gobain investment)

Wendel responds to the margin calls on the financing for the Eufor group, which therefore have a direct impact on Wendel's liquidity. Nevertheless, Wendel can decide not to respond to additional margin calls. In this case, the related financing would be in default and the collateral already provided would be exercised by the bank, but the bank would have no further recourse to Wendel (the margin call mechanism and security granted as of December 31, 2012 are described in note 5-2.4.3 "Margin calls on Eufor group financing").

Given that bank facilities with margin calls were repaid in 2011 and 2012, the impact of margin calls on available cash has been appreciably reduced. The amount of cash collateral pledged as of December 31, 2012 was not material (€3.4 million).

To track the liquidity risk related to margin calls on the Eufor group's bank loans, Wendel simulates margin calls on the basis of movements in the price of Saint-Gobain and other listed shares pledged as collateral, together with Wendel's cash flow forecasts. This makes it possible to analyze the impact of Saint-Gobain's share price on Wendel's liquidity.

Note 5-2.2 Liquidity risk of operating subsidiaries

1. Managing liquidity risk of operating subsidiaries

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

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

2. Impact of liquidity risk of operating subsidiaries on Wendel

Debt of operating subsidiaries and associates is without recourse to Wendel. As such, these subsidiaries' liquidity risk affects Wendel only when Wendel chooses to accept it. Wendel has no legal obligation to support operating subsidiaries and associates that might experience cash flow difficulties. Similarly, they have no mutual support obligation between them. As a result, Wendel's liquidity is affected only if Wendel decides to contribute cash to an operating subsidiary. Such a decision would result from an in-depth analysis of all the constraints to which Wendel is subject, including return on investment, Wendel's own liquidity, additional investment in other subsidiaries and new investments. Accordingly, in 2012, Wendel chose to reinvest €21 million in Materis as part of the renegotiation of the terms of Materis' bank debt. Wendel also extended a €5 million liquidity line to Mecatherm and provided a guarantee of €15 million to Mecatherm's lenders in return for the easing of its bank documentation covenants (see note 5-2.5 "Financial debt of operating subsidiaries – documentation and covenants"). Changes in the economic and financial situation of subsidiaries can also have an impact on Wendel's liquidity via the amount of dividends they pay to Wendel. Similarly, changes in the economic and financial situation of subsidiaries affect their value. This is taken into account in calculating Wendel's financial leverage (see note 5-2.1.2.2 "Managing debt" of Wendel and its holding companies).

Note 5-2.3 Wendel's liquidity outlook

Wendel's liquidity risk for the 12 months following the 2012 closing is low, given the high level of cash and short-term financial investments, the undrawn available credit lines and the absence of any debt repayment date before September 2014.

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

1. Bonds issued by Wendel – documentation

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

2. Wendel's syndicated credit facility – documentation and covenants (€250 million outstanding as of December 31, 2012)

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

This net debt figure is based on consolidation of the Group's financial holding companies and does not include the debt of operating companies or that of holding companies set up for the purpose of acquisitions, such as the Eufor group. As of December 31, 2012, the net debt taken into account corresponds to Wendel bonds and the syndicated credit less available cash (pledged cash being lodged in the Eufor holding structure).

Net debt of the Saint-Gobain, Bureau Veritas, Legrand, Materis, Stahl, Parcours, exceet and Mecatherm groups, as well as the debt related to the acquisition of Saint-Gobain shares (less cash pledged at that date), are deducted from the gross revalued assets of these companies inasmuch as it is without recourse to Wendel.

The covenants are as follows:

- the net financial debt of Wendel and its financial holding companies must not exceed 50% of gross revalued assets after future tax on unrealized gains and losses (excluding cash);
- the ratio of:

(i) unsecured gross debt plus off-balance-sheet commitments similar in nature to unsecured debt of Wendel and its financial holding companies, less available cash (not pledged or in escrow) of Wendel and its financial holding companies, to

(ii) the sum of 75% of the value of the available listed assets (not pledged or in escrow) and 50% of the value of available unlisted assets (not pledged or in escrow), must not exceed 1.

These ratios are tested half-yearly when there are drawdowns under the syndicated credit line. As of December 31, 2012 Wendel was in compliance with all covenants.

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

3. Margin calls on Eufor group financing (holding and financing structure for the Saint-Gobain investment)

The Eufor group's bank borrowings are subject to margin calls. The value of collateral given by Eufor under these financing arrangements (financed

Saint-Gobain shares, listed Bureau Veritas and Legrand shares, cash) must remain at the level required under bank agreement covenants, based in turn on the amount of debt. Should this value decline, the bank demands further collateral; should it increase, a portion of the collateral is freed up. As Wendel finances these margin calls, its liquidity may be affected by a decline in the price of shares given as collateral for this financing.

This debt is without recourse to Wendel. Wendel can therefore choose not to respond to these additional margin calls; this would put the related financing contract in default, and the bank could then apply the collateral already provided.

As of December 31, 2012, collateral was comprised of €422 million in financed Saint-Gobain shares (13.1 million shares at the closing share price), €794 million in listed shares (Bureau Veritas and Legrand at their closing prices) and €3 million in cash. The volume of bank debt subject to margin calls (€625 million as of the 2012 year end) has been reduced by 80% compared to the amount as of the beginning of 2009. At the 2012 year end, Wendel had sufficient assets (listed shares and cash) to enable it to meet additional margin calls in the event of a decline in the financial markets.

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

1. Bureau Veritas financial debt

This debt is without recourse to Wendel.

As of December 31, 2012, the gross face value of Bureau Veritas' financial debt was €1,420 million (including accrued interest and excluding issuing costs; see details on maturity dates in note 16 "Financial debt"). Its cash balance was €243 million. At that date, Bureau Veritas also had the following undrawn lines of credit:

- €142 million available under the revolving loan maturing in 2013;
- €450 million under the undrawn syndicated credit facility maturing in 2017;
- €125 million available from the French private placement with maturity of June 2015;
- $100 million available under the US private placement, maturing in 2021. This amount is available subject to prior approval by the lender.

Bureau Veritas also set up a €300 million commercial paper program in February 2013 to optimize its short-term cash management and to limit its use of other methods of undrawn financing.

These financing arrangements require compliance with the following ratios, calculated on a rolling 12-month basis, twice per year, at June 30 and December 31:

- an interest cover ratio, i.e. EBITDA divided by net interest expense, of more than 5.5; and
- a leverage ratio, i.e. the ratio between net consolidated debt and EBITDA, of less than 3 with the exception of the 2008 US private placement, the German private placement and the 2012 syndicated credit facility, where the leverage ratio must be less than 3.25.

As of December 31, 2012, Bureau Veritas was in compliance with these ratios.

2. Materis bank debt

This debt is without recourse to Wendel.

As of December 31, 2012, the gross face value of Materis' bank debt was €1,984.5 million (including accrued interest, and excluding issuance costs and shareholder loans; see details on maturity dates in note 16 "Financial debt"). Its cash balance was €71.4 million.

Materis has successfully renegotiated the terms of its bank debt, concluding a process launched in September 2011, 18 months before the first repayment dates. 90% of senior loans, 99% of second-lien maturities and 100% of mezzanine debt were postponed under the agreement. Wendel and Materis have obtained the following amendments:

- Materis' liquidity is protected until 2015-16:
  - €1.9 billion in April 2013/April 2016 maturities have been postponed to September 2015/December 2016,
  - bond issues will be allowed up to €700 million,
  - an additional envelope will be available, including €50 million for revolving credit facilities, €20 million for factoring and €20 million for leasing;
- bank covenants have been adjusted to reflect the increased lending margins;
- one or more businesses can be sold if attractive opportunities arise.

Concurrently, Wendel and its co-shareholders injected €25 million in equity to finance Materis' expansion (acquisitions and capital expenditures). Wendel invested around €21 million and Materis' investor-managers more than €3 million. In addition, Wendel managers present in the Group co-invested their share of the amount invested by the Group. Wendel also extended a €50 million interest-bearing credit facility to Materis, which will be canceled and repaid on divestment of a business activity. Finally, Materis paid fees when the renegotiation was signed, and the margins on its senior debt were increased.

The Materis group is subject to the following covenants:

- LTM EBITDA divided by net interest expense, must be greater than 1.97 as of December 31, 2012. This minimum rises to 2.11 in 2015. This ratio is calculated on a rolling 12-month basis;
- the ratio of consolidated net debt (excluding shareholders' loans) to LTM EBITDA must be below 8.10 as of December 31, 2012. This ceiling falls to 6.69 in 2015;
- the ratio of cash flow after capex and dividends (plus available cash up to €35 million) to total debt serviced (cash interest payable plus scheduled principal repayment) must be greater than 1. This ratio is calculated on a rolling 12-month basis;

- capex must not exceed 4.5% of consolidated sales (plus any capex roll-over) in fiscal years 2012 through 2016.

These covenants are tested quarterly and Materis was in compliance with them as of December 31, 2012.

The credit agreements entered into by Materis contain the standard restrictions for this type of credit line. Certain transactions, such as mergers, exiting from Wendel's tax consolidation group, asset divestments, granting collateral, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted or require the prior approval of the lending banks.

3. Stahl bank debt

This debt is without recourse to Wendel.

As of December 31, 2012, the gross face value of Stahl's bank debt was €193.8 million (including accrued interest, and excluding issuance costs and shareholder loans; see details on maturity dates under note 16 "Financial debt"). Its cash balance was €33.7 million.

The Stahl group is subject to the following covenants:

- the ratio of consolidated net debt (excluding shareholder loans) to LTM EBITDA must be less than or equal to 6.05 at December 31, 2012 (this ceiling falls to 5.00 on September 30, 2014). This ratio is tested quarterly;
- the ratio of LTM EBITDA to net interest expense paid had to be greater than or equal to 2.90 at December 31, 2012. This minimum rises to 3.05 on September 30, 2014. This ratio is calculated on a rolling 12-month basis and is tested quarterly;
- the ratio of cash flow after capex and dividends to total debt service, i.e. interest payable plus scheduled principal repayment, must be greater than or equal to 1.40 until December 31, 2014. This ratio is calculated on a rolling 12-month basis and is tested every six months.

Capex must not exceed €12 million (this ceiling will rise to €14 million in 2014). This ratio is tested annually.

As of December 31, 2012, Stahl was in compliance with these covenants.

The credit agreements entered into by Stahl contain the standard restrictions for this type of credit line. Certain transactions, such as mergers, asset divestments, granting collateral, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted or require prior approval of the lending banks.

4. Parcours bank debt

This debt is without recourse to Wendel.

As of December 31, 2012, the gross face value of Parcours' bank debt was €409 million. It consisted essentially of credit lines used to finance the vehicles leased to customers. These credit lines are provided by around 25 financial institutions and no single bank extends more than 25% of total outstandings. Every year, the Parcours group negotiates an annual drawdown limit with each of its banking partners, which it can use to finance the purchase of vehicles it leases under new contracts. Parcours draws down when it purchases the vehicles and repays the loans linearly over 36 months. Certain lines are fully or partially collateralized by the financed vehicles and/or by the lease payments. In addition, part of the debt is subject to annually-calculated financial ratios (net financial debt/shareholders' equity, financial debt/EBITDA, financial debt/cash flow, financial debt/non-current assets, net interest expense/EBITDA). As of December 31, 2012 Parcours was in compliance with these financial ratios.

5. Mecatherm bank debt

This debt is without recourse to Wendel.

As of December 31, 2012, the gross face value of Mecatherm's debt was €74.4 million (including accrued interest, non-recourse discounting and a €5 million liquidity line granted by Wendel, and excluding issuance costs; see details on maturity dates in note 16 "Financial debt"). Its cash balance was €9.7 million.

Given the particularly volatile economic context, Mecatherm and its bank lenders agreed to suspend financial covenant tests for 18 months, beginning on June 30, 2012. As part of this agreement, Wendel has committed to providing a €5 million liquidity line until March 31, 2014, to enable Mecatherm to finance its general corporate needs, and to grant a €15 million on-demand guarantee to the banks to cover the servicing of Mecatherm's bank debt until December 31, 2013. Under certain conditions, the term of the guarantee can be extended.

Note 5-3 Managing interest rate risk

Each subsidiary manages its interest-rate exposure by taking into account the restrictions imposed by its financing agreements. Wendel nonetheless tracks the Group's overall position. Simulations of sensitivity of financing costs to interest-rate trends are analyzed regularly and whenever an event occurs that is likely to have an impact on interest-rate exposure. On the basis of these analyses, Wendel and its subsidiaries may decide to set up swaps, caps, collars or any other derivative for hedging purposes.

As of December 31, 2012, the exposure of the Wendel group (Wendel, its holding companies and fully-consolidated operating subsidiaries) to interest rates was limited.

In billions of euros	Fixed rate	Capped rate	Floating rate
Gross debt	4.2		3.8
Cash and short-term financial investments *	- 0.3		- 0.9
Impact of derivatives	0.9	0.9	- 1.8
INTEREST-RATE EXPOSURE	**4.9**	**0.9**	**1.2**
	70%	*13%*	*17%*

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

The notional amount of derivative instruments was weighted by the portion of the 12 months following December 31, 2012 during which they will hedge interest-rate risk.

As of December 31, 2011, the exposure of the Wendel group (Wendel, its holding companies and fully-consolidated operating subsidiaries, except for Deutsch which was classified under operations held for sale) to interest rates was limited.

In billions of euros	Fixed rate	Capped rate	Floating rate
Gross debt	3.4		5.2
Cash and short-term financial investments *	- 0.2		- 0.9
Impact of derivatives	1.8	1.7	- 3.4
INTEREST-RATE EXPOSURE	**4.9**	**1.7**	**0.8**
	67%	*22%*	*11%*

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

The notional amount of derivative instruments was weighted by the portion of the 12 months following December 31, 2011 during which they hedged interest-rate risk.

Derivatives serving as interest-rate hedges are described in note 13.

A + 100 basis point change in the interest rates to which the Group's interest rate exposure is indexed would have an impact in the region of -€17 million (-€21 million as of December 31, 2011) on net finance costs before tax over the 12 months after December 31, 2012, based on net financial debt as of December 31, 2012, interest rates on that date and the maturities of interest-rate hedging derivatives. Given the historically low yield curve, the sensitivity of net finance costs before tax is presented in the scenario of an interest rate rise only.

Note 5-4 Managing credit risk

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

The cash and financial investments of Wendel and its holding companies are placed essentially with top-ranking financial institutions. For short-term investments in funds managed by financial institutions, or bond, equity or diversified funds, an analysis is carried out on the signature risk. By tracking cash and short-term financial investments, Wendel regularly measures its exposure to each counterparty. However, given the high amount of cash and short-term financial investments as of December 31, 2012 (see note 5-2 "Managing liquidity risk"), significant amounts could be placed with the same financial institution.

Derivative contracts are entered into with top-ranking financial institutions.

Note 5-5 Managing currency risk

Note 5-5.1 Wendel

As of December 31, 2012, Wendel held €102 million in short-term financial investments denominated in US dollars. These financial assets were recognized at fair value. As such a 5% decline in the value of the US dollar compared with the euro would have a negative impact of €5 million on Wendel's income statement.

Certain companies controlled by Wendel operate in several countries and, as a result, derive a share of their earnings in currencies other than the euro.

Note 5-5.2 Bureau Veritas

Because of the international nature of its businesses, Bureau Veritas is exposed to currency risk in several foreign currencies.

In 2012, more than half of Bureau Veritas's net sales were in currencies other than the euro, including 15% in US dollars, 7% in Australian dollars, 5% in Chinese yuans, 5% in Brazilian reals and 4% in Hong Kong dollars. No other currency individually accounts for more than 5% of Bureau Veritas' net sales. This trend is a result of the strong growth of Bureau Veritas' businesses outside the euro zone, in Asia and notably in the US and in dollar-zone currencies. However, as a general rule, natural hedges are in place, as services are supplied locally and costs are therefore proportional to income in most countries where Bureau Veritas operates. As a result, Bureau Veritas has limited exposure to currency risk from transactions in different currencies.

A 1% fluctuation in the euro against the US dollar would have had an impact of 0.18% on Bureau Veritas' 2012 operating income. A 1% fluctuation in the euro against the Australian dollar would have had a 0.05% impact; a 1% fluctuation in the euro against the Chinese yuan would have had a 0.09% impact; a 1% fluctuation in the euro against the Brazilian real would have had a 0.03% impact; and a 1% fluctuation in the euro against the Hong Kong dollar would have had a 0.06% impact.

In addition, Bureau Veritas' multi-currency financing enables it to borrow in local currencies. If it deems it necessary, Bureau Veritas can therefore hedge certain commitments by pegging its financing costs to operating revenues in the currencies concerned.

Part of the Bureau Veritas US private placement, with tranches in pounds sterling and US dollars, has been synthetically converted into euros (see note 13-3.D "Derivatives"). Similarly, a portion of the syndicated credit tranche amortizable in US dollars has been synthetically converted into euros.

Finally, the impact on income before tax of a +/-1% fluctuation in the US dollar on USD-denominated financial assets and liabilities held by entities having a non-USD operating currency is +/-€1.1 million.

Note 5-5.3 Stahl

In 2012, 58% of Stahl's net sales were in currencies other than the euro, including 15% in US dollars, 16% in Singapore dollars, 6% in Brazilian reals and 6% in Indian rupees. A +/-5% fluctuation in the US dollar, or in currencies correlated to it, against the euro would have had an impact of +/-1.5% on Stahl's 2012 income from ordinary activities before depreciation, amortization and provisions (excluding goodwill allocation and non-recurring expenses), or less than €1 million. In addition, Stahl has financial debt of about €152 million, denominated in US dollars and carried by a company whose functional currency is the euro. Therefore, in the event of a +/-5% fluctuation in the US dollar's value against the euro, a currency translation impact of about -/+€8 million would be recognized in net financial expense.

Note 5-5.4 Materis

The US dollar's impact on Materis' operating income is limited to the Materis group's presence the United States and to certain raw-material purchases. In 2012, a +/-5% fluctuation in the USD exchange rate would have had an immaterial impact on income from ordinary activities.

Note 5-6 Managing commodity risk

The Group is exposed to the risk of changes in commodity prices.

Materis purchased around €914 million of raw materials in fiscal year 2012. A 10% increase in the price of the raw materials used by Materis would have led to a theoretical increase in the cost of these raw materials of around €91 million on a full-year basis. Materis nevertheless considers that a short-term increase in the sales price of its products (market conditions allowing) would compensate for the overall effect of such raw material price increases. Materis continually works to optimize its purchases by approving new suppliers, and by developing new formulations for its products. In addition, Materis may make use of specific options for limited amounts and maturities in order to hedge a portion of its risk related to an unfavorable trend in the price of certain raw materials, notably alumina. Materis did not enter into any such hedging contracts during the fiscal year 2012.

Stahl purchased around €204 million of raw materials in the fiscal year 2012. A 10% increase in the price of the raw materials used by Stahl would have led to a theoretical increase in the cost of these raw materials of around €20 million on a full-year basis. Stahl nevertheless considers that, circumstances allowing, a short-term increase in the sales price of its products would compensate for the overall effect of such raw material price increases. Stahl did not enter into any contracts to hedge movements in raw material prices during the fiscal year 2012.

5.8 Notes to the balance sheet

NOTE 6 Goodwill

In millions of euros	12/31/2012 Gross amount	Impairment	Net amount
Bureau Veritas	2,017.2	57.9	1,959.3
Materis	1,095.8	328.3	767.5
Stahl	24.1	-	24.1
Oranje-Nassau Développement	138.1	-	138.1
TOTAL	**3,275.2**	**386.2**	**2,889.1**

In millions of euros	12/31/2011 Gross amount	Impairment	Net amount
Bureau Veritas	1,884.1	32.5	1,851.6
Materis	1,071.6	297.6	774.0
Stahl	24.1	-	24.1
Oranje-Nassau Développement	138.1	-	138.1
TOTAL	**3,117.9**	**330.1**	**2,787.8**

The principal changes during the year were as follows:

In millions of euros	2012	2011
Net amount at beginning of year	2,787.8	2,961.8
Business combinations (1)	180.9	216.4
Impact of changes in currency translation adjustments and other	-22.4	-304.0
Impairment for the year (2)	-57.3	-86.4
NET AMOUNT AT END OF YEAR	**2,889.1**	**2,787.8**

(1) In 2012, this item includes acquisitions by Bureau Veritas (€168.1 million) and Materis (€28.7 million).
(2) In 2012, this consisted of €25.3 million in impairments recognized by Bureau Veritas, and €31.9 million by Materis on their own CGUs.

Note 6-1 Goodwill impairment tests

In accordance with accounting standards, goodwill for each CGU (Cash Generating Unit) is tested for impairment as soon as there is any indication that its value may be impaired, and at least once per year, on December 31 (see "Accounting principles").

The tests described below are based on Wendel's assessment of the facts and circumstances existing at the balance sheet date, as well as information available at the date the financial statements were finalized, on situations existing at the end of December 2012. The uncertain global economic picture has complicated forecasting, and actual amounts could therefore be significantly different from the forecasts made under these tests. If so, values in use may also be different from those determined on the basis of assumptions and estimates at the end-December 2012 balance sheet date.

Note 6-1.1 Impairment test on Bureau Veritas goodwill (listed company)

The carrying value of the Bureau Veritas shares held (€20.1 per share, or €1,134 million as of the end of 2012) was far below their fair value (closing share price: €84.65 per share, or €4,765 million). As a result, there was no need to apply value in use for the impairment test, and no impairment has been recognized.

Bureau Veritas' impairment tests on its own Cash Generating Units (CGUs) led to an impairment charge of €25.3 million on its Spanish "Construction" and "In-Service Inspection and Verification" units. In addition, Bureau Veritas recognized losses of €35.2 million on activities being divested in Brazil and Spain. These impairment losses were maintained in Wendel's financial statements.

Note 6-1.2 Impairment tests on the goodwill of Wendel's unlisted subsidiaries: Materis, Stahl, Parcours and Mecatherm

As Materis, Stahl, Parcours and Mecatherm each constitute a CGU in Wendel's consolidated statements, IAS 36 "Impairment of assets" tests were also performed on these subsidiaries. The values in use determined by Wendel for these tests were based on discounted future cash flows. The business plans used were prepared by Wendel on the basis of those drawn up by the subsidiaries, and using the latest information available on the underlying markets. For each subsidiary, the value so calculated for Wendel's share of the capital (including shareholder loans where appropriate) is compared to the carrying value (share of shareholders' equity increased, where appropriate, for shareholder loans eliminated on consolidation).

1. Materis

An impairment test was performed, although the carrying value of the Group's stake in Materis is negative.

A discount rate of 8.3% was used for Materis (same rate as in 2011) for the calculation of future discounted cash flows, and a long-term growth rate of 2.25% was applied to post-business plan cash flows (same rate as in 2011). The business plan covers a five-year period. Materis' value in use, so calculated by Wendel, was above its carrying value as of December 31, 2012, and accordingly Wendel recognized no additional impairment. In addition, Wendel's analysis of the test's sensitivity to the discount rate and to the long-term growth assumption showed there would be no impairment in the event that these parameters fluctuated by +0.5% and -0.5%, respectively. For an impairment loss to be recognized at the Wendel level, the discount rate would have to exceed 8.8%. Furthermore, the long-term growth threshold below which an impairment charge would be recognized is in the region of 1.5%. Finally, if the normative margin used for cash flows after the end of the five-year business plan period were reduced by 1 percentage point, no impairment would have to be recognized.

Materis also carried out an impairment test on its CGUs as of December 31, 2012. In accordance with IAS 36, value in use was determined for each CGU and compared with its carrying value. The business plans used were prepared by Materis on the basis of the latest information available on each market underlying these CGUs. The long-term growth rate applied to post-business plan cash flows was between 2% and 3% depending on the country and the business. Discount rates averaged 9.8% and varied between 5.7% and 21%, depending on the country and the business. As a result of this test, Materis recognized a total of €85.8 million in impairment losses on goodwill and intangible assets in 2012, mainly on its Southern European CGUs. These impairment losses were maintained in Wendel's financial statements.

2. Stahl

A discount rate of 10.5% was used for Stahl (vs. 10.4% in 2011), and a long-term growth rate of 2.0% was applied to post-business plan cash flows (same rate as in 2011). The business plan covers a five-year period. Stahl's value in use, so calculated by Wendel, was above its carrying value as of December 31, 2012, and accordingly Wendel recognized no impairment. In addition, Wendel's analysis of the test's sensitivity to the discount rate and to the long-term growth assumption showed there would be no impairment in the event that these parameters fluctuated by +0.5% and -0.5%, respectively. For an impairment loss to be recognized at the Wendel level, the long-term growth rate would have to become negative, or the discount rate would have to change significantly (rate in the region of 20%). Moreover, if the normative margin used for cash flows after the end of the five-year business plan period were reduced by 1 percentage point, no impairment would have to be recognized. Separately, no impairment loss was recognized in Stahl's financial statements.

3. Parcours

A discount rate of 9.5% (9.7% in 2011) was used for Parcours and a long-term growth rate of 2% was applied to post-business plan cash flows. The business plan covers a five-year period. Parcours' value in use, so calculated by Wendel, was above its carrying value as of December 31, 2012, and accordingly Wendel recognized no impairment. In addition, Wendel's analysis of the test's sensitivity to the discount rate and to the long-term growth assumption showed there would be no impairment in the event that these parameters fluctuated by +0.5% and -0.5%, respectively. For an impairment loss to be recognized at the Wendel level, the long-term growth rate would have to become negative, or the discount rate would have to change significantly (rate in the region of 12%). Separately, no impairment loss was recognized in Parcours' financial statements.

4. Mecatherm

A discount rate of 9% was used for Mecatherm (same rate as in 2011), and a long-term growth rate of 2% was applied to post-business plan cash flows (same rate as in 2011). The business plan covers a five-year period. Mecatherm's value in use, so calculated by Wendel, was above its carrying value as of December 31, 2012, and accordingly Wendel recognized no impairment. In addition, Wendel's analysis of the test's sensitivity to the discount rate and to the long-term growth assumption showed there would be no impairment in the event that these parameters fluctuated by +0.5% and -0.5%, respectively. For an impairment loss to be recognized, the long-term growth rate would have to fall significantly (negative growth), or the discount rate would have to exceed 11%. Moreover, if the normative margin used for cash flows after the end of the five-year business plan period were reduced by 1 percentage point, no impairment would have to be recognized. Separately, no impairment loss was recognized in Mecatherm's financial statements.

NOTE 7 Intangible assets

In millions of euros	12/31/2012 Gross amount	Amortization and provisions	Net amount
Amortizable assets			
Internally generated	24.4	6.2	18.1
Acquired			
Concessions, patents and licenses	101.9	35.2	66.7
Customer relationships	1,208.4	704.0	504.3
Software	121.0	83.4	37.5
Other intangible assets	45.0	17.6	27.4
	1,476.3	**840.3**	**636.0**
Assets of indefinite useful life			
Acquired			
Brands	849.8	44.7	805.1
	849.8	**44.7**	**805.1**
TOTAL	**2,350.4**	**891.2**	**1,459.3**

In millions of euros	12/31/2011 Gross amount	Amortization and provisions	Net amount
Amortizable assets			
Internally generated	23.3	5.7	17.7
Acquired			
Concessions, patents and licenses	94.2	27.1	67.0
Customer relationships	1,113.7	601.8	511.9
Software	124.3	84.4	39.9
Other intangible assets	25.2	15.0	10.2
	1,357.3	**728.3**	**629.1**
Assets of indefinite useful life			
Acquired			
Brands	851.7	9.1	842.6
	851.7	**9.1**	**842.6**
TOTAL	**2,232.4**	**743.0**	**1,489.4**

The principal changes during the year were as follows:

In millions of euros	2012	2011
Amount at beginning of year	**1,489.4**	**1,622.6**
Acquisitions	9.6	18.1
Internally generated assets	4.4	0.8
Changes due to "Operations held for sale"	-	-192.3
Impact of business combinations (1)	121.0	112.8
Impact of currency translation adjustments and other	0.7	-4.9
Amortization and impairment losses for the year (2)	-165.8	-67.7
AMOUNT AT END OF YEAR	**1,459.3**	**1,489.4**
of which		
Bureau Veritas	*608.9*	*569.5*
Materis	*696.3*	*757.8*
Stahl	*69.1*	*74.2*
Oranje-Nassau Développement	*84.8*	*87.6*
Wendel and holding companies	*0.2*	*0.2*
Total	*1,459.3*	*1,489.4*

(1) In 2012, the impact of business combinations reflected mainly €114.3 million in acquisitions undertaken by Bureau Veritas.
(2) In particular, Materis recognized an impairment loss in 2012 of €53.9 million on brands and customer relations.

NOTE 8 Property, plant & equipment

	12/31/2012		
In millions of euros	Gross amount	Depreciation, amortization and provisions	Net amount
Land	97.7	5.7	92.0
Buildings	365.2	186.0	179.2
Plant, equipment and tooling	1,847.7	891.0	956.7
Other property, plant & equipment	659.6	405.4	254.2
Assets under construction	73.9	-	73.9
TOTAL	**3,044.1**	**1,488.1**	**1,556.0**

	12/31/2011		
In millions of euros	Gross amount	Depreciation, amortization and provisions	Net amount
Land	88.2	5.5	82.8
Buildings	356.1	179.5	176.6
Plant, equipment and tooling	1,711.8	815.0	896.8
Other property, plant & equipment	591.6	374.4	217.2
Assets under construction	61.6	-	61.6
TOTAL	**2,809.3**	**1,374.4**	**1,434.9**

Principal changes during the year and detail by company:

In millions of euros	2012	2011
Amount at beginning of year	1,434.9	988.4
Acquisitions (1)	458.6	371.6
Divestments	-10.5	-11.0
Changes due to "Operations held for sale"	-	-84.7
Impact of business combinations (2)	62.1	465.6
Parcours: reclassification in inventory of used vehicles (net) (3)	-89.0	-57.8
Impact of currency translation adjustments	-15.1	-6.4
Depreciation, amortization and provisions recognized during the year	-285.0	-230.8
AMOUNT AT END OF YEAR	**1,556.0**	**1,434.9**
Bureau Veritas	*379.4*	*319.6*
Materis	*564.7*	*530.0*
Stahl	*91.4*	*93.9*
Oranje-Nassau Développement	*513.2*	*484.0*
Wendel and holding companies	*7.3*	*7.5*
Total	*1,556.0*	*1,434.9*

The change in property, plant & equipment during 2012 derived principally from:

(1) Oranje-Nassau Développement (€238.9 million in vehicles acquired by Parcours), Bureau Veritas (€136.3 million) and Materis (€73.7 million).

(2) The impact of business combinations reflected mainly the impact of acquisitions undertaken by Materis (€43.2 million).

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

NOTE 9 Equity-method investments

In millions of euros	12/31/2012	12/31/2011
Saint-Gobain	4,228.4	4,788.7
Legrand	145.3	141.7
exceet	53.8	57.5
Investments of Bureau Veritas	0.7	0.7
Investments of Materis	3.8	3.4
Investments of Stahl	2.1	2.1
TOTAL	**4,434.1**	**4,994.1**

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

In millions of euros	2012
Amount at beginning of year	4,994.1
Share in net income for the year	
Saint-Gobain	50.5
Legrand	28.7
exceet	-3.3
Other	0.7
Dividends paid	-126.0
Impact of changes in currency translation adjustments	-9.8
Payment of a portion of the Wendel dividend in Legrand shares (1)	-8.9
Impairment of assets (2)	-414.0
Impact of dilution on the Saint-Gobain investment	-6.8
Other	-71.2
AMOUNT AT DECEMBER 31, 2012	**4,434.1**

(1) See note 2, "Changes in scope of consolidation".
(2) Impairment loss on Saint-Gobain.

Note 9-1 Additional information on Saint-Gobain

In millions of euros	12/31/2012	12/31/2011
Carrying values at 100%		
Total assets (Saint-Gobain) (3)	47,523	46,234
Impact of the revaluation of acquired assets and liabilities	4,052	4,522
Residual goodwill (excluding goodwill in Saint-Gobain's balance sheet) (1)	3,293	5,720
Non-controlling interests	412	403
Total liabilities (3)	29,672	28,016

In millions of euros	2012	2011
Net sales (2) (3)	43,198	42,116
Operating income (3)	2,881	3,441
Business income (3)	1,984	2,646
Recurring net income, group share (3)	1,126	1,736
Net income, group share (3)	766	1,284
Impact of the revaluation of acquired assets and liabilities	-470	-475

(1) Value of residual goodwill after impairment; see note 9-4.2 "Impairment test on Saint-Gobain, accounted for by the equity method".
(2) Net sales grew by 2.6% in 2012; organic growth fell by 1.9%.
(3) In Saint-Gobain's books, at 100%.

Note 9-2 Additional information on Legrand

In millions of euros	12/31/2012	12/31/2011
Carrying values at 100%		
Total assets (Legrand) (3)	6,731.5	6,655.5
Goodwill adjustment (Wendel)	-525.9	-526.6
Non-controlling interests (3)	5.5	3.4
Total liabilities (3)	3,540.9	3,706.3

In millions of euros	2012	2011
Net sales (1) (3)	4,466.7	4,250.1
Adjusted operating income (2) (3)	874.4	856.7
Operating income (3)	848.0	812.3
Net income, group share (3)	505.6	478.6

(1) Net sales grew by 5.1% in 2012; organic growth fell by 1.4%.
(2) Operating income restated for accounting items linked to the acquisition of Legrand France in 2002 and impairment of goodwill (zero in 2012; €15.9 million in 2011).
(3) In Legrand's books, at 100%.

Note 9-3 Additional information on exceet

In millions of euros	12/31/2012	12/31/2011
Carrying values at 100%		
Total assets (exceet) (2)	179.1	171.2
Goodwill adjustment (Wendel)	100.2	111.7
Non-controlling interests	-	-
Total liabilities (2)	90.2	85.6

In millions of euros	2012	2011 (1)
Net sales (2)	188.8	170.5
EBITDA (2)	16.8	24.5
Net income, group share (2)	3.4	14.9
Impact of the revaluation of acquired assets and liabilities	-12.9	-9.4

(1) Data for fiscal year 2011 are provided for comparison. exceet was consolidated from August 1, 2011.
(2) In exceet's books, at 100%.

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

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

- 20,000,000 listed warrants giving access to the capital of exceet under the following terms:
  - 2 warrants for 1 exceet share,
  - exercise price of €12/share, and
  - a cashless exercise: upon exercise, the holders will not pay the exercise price in cash, but will receive exceet shares equal in value to the intrinsic value of a number of warrants given in exchange for the shares.

  Ultimately, the maximum number of exceet shares to be issued is approximately 2.94 million. The Wendel group holds 6.75% of these warrants, which are recognized as financial assets at their fair value;
- 5,210,526 unlisted promoters' shares, of which 1,000,000 will be converted into listed shares if the share price reaches €12/share, 2,105,263 will be converted into listed shares if the share price reaches €14/share and 2,105,263 will be converted into listed shares

if the share price reaches €16/share. They do not give dividend rights or rights to the net assets of exceet if they are not converted. These shares are held by the promoters of the Helikos project, including the Wendel group, which holds 75.8% of the shares. These instruments are accounted for as shareholders' equity and are thus recognized in Wendel's financial statements as part of the value of exceet shares accounted for by the equity method; and

- 9,000,000 unlisted, earn-out shares that can be converted into listed shares in three equal tranches, if the listed share price reaches the thresholds of €12, €13 and €15 per share. These earn-out shares do not give dividend rights or rights to the net assets of exceet if they are not converted. They are held by Ventizz, the other main shareholder of the exceet group.

All of these instruments mature in July 2016.

Note 9-4 Impairment tests on equity-method investments

The tests described below are based on Wendel's assessment of the facts and circumstances existing at the balance sheet date, as well as information available at the date the financial statements were finalized concerning situations existing at the end of December 2012. The uncertain global economic picture has complicated forecasting, and actual amounts could therefore be significantly different from the forecasts made under these tests. If so, values in use may also be different from those determined on the basis of assumptions and estimates at the end-December 2012 balance sheet date.

Note 9-4.1 Impairment test on Legrand shares, accounted for by the equity method

No indication of impairment was identified on Legrand, as its carrying value (€10.1 per share or €145 million for the shares Wendel holds) was far below its fair value (share price at year-end: €31.9 per share, or €460 million). As a result, no impairment was recognized.

Note 9-4.2 Impairment test on Saint-Gobain shares, accounted for by the equity method

An impairment test was performed on the Saint-Gobain shares, as their carrying amount in Wendel's consolidated financial statements, calculated according to the equity method, was higher than their market value.

In accordance with IAS 36, recoverable value was determined as the higher of (1) fair value, i.e. the share price at the balance sheet date (€32.2 per share, or €2,893.8 million for the 89.8 million Saint-Gobain shares accounted for under the equity method); and (2) value in use, i.e. the discounted value of future cash flows.

Wendel has performed this discounted cash flow valuation. The five-year business plan used in this calculation was prepared by Wendel using, among other things, research on the sector published by leading forecasters, Wendel's internal analyses and studies carried out by Wendel. The assumptions underlying the business plan (trends in underlying markets, price effects, etc.) were developed by sector and by country. The updated business plan for the 2012 calculation takes into account the divestment of Verallia North America (valued at sales price in the value in use calculation) and the prospects for 2013 announced by Saint-Gobain. In addition, Saint-Gobain announced that because of the deterioration in the global (and particularly European) economic environment in 2012, and the deep-seated uncertainties in the short-term macro-economic outlook, the group's 2015 financial targets set in 2010 are unlikely to be met at that date. Consequently, the business plan and final cashflow were also adjusted accordingly. With the exception of Verallia North America, the business plan included no potential divestments relating to packaging activities; and in accordance with IAS 36, no strategic acquisitions were included. Finally, the assumptions used in calculating post-business plan cash flows (i.e. growth in sales and normative profitability) are based on an analysis of the historical performances of Saint-Gobain's activities over more than 20 years.

The long-term growth rate applied to post-business plan cash flows is the same as that used at December 31, 2011: 2%. The discount rate used was also identical to that used at December 31, 2011: 8%. It was based, among other things, on market parameters (risk-free rate, market premium, beta of comparables) and took into account risks specific to the business plan.

As of December 31, 2012, the value in use was €47.1 per share and the gross carrying value was €51.7 per share. Accordingly, an impairment of €414 million was recognized in 2012 within "Net income from equity-method investments". The difference between the fair value (market price) and the value in use reflects Wendel's investment horizon and the significant influence Wendel exerts over Saint-Gobain.

Sensitivity analysis shows that if the discount rate were 0.5% higher, an additional impairment of €496 million would have to be recognized, and if the long-term growth rate were 0.5% lower, an additional impairment of €369 million would have to be recognized. For value in use to be equal to the gross carrying amount, the discount rate would have to be reduced to 7.6% or the long-term growth rate increased to 2.5%. If the normative margin used for cash flows after the end of the five-year business plan period were reduced by 1 percentage point, an additional impairment charge of €714 million would have to be recognized. Finally, the model as a whole is sensitive to the assumptions of the five-year business plan.

Note 9-4.3 Impairment test on exceet shares, accounted for by the equity method

An impairment test was performed inasmuch as the carrying value of these equity-accounted shares was higher than their market value.

In accordance with IAS 36, recoverable value was determined as the higher of (1) fair value, i.e. the share price at year-end (€22 million for the 5.7 million shares held), and (2) value in use, i.e. the discounted value of future cash flows.

Wendel has performed this discounted cash flow valuation. The business plan used covers an eight-year period, and in accordance with IAS 36, no strategic acquisitions are included in its assumptions. The long-term growth rate applied to post-business plan cash flows is the same as that used at December 31, 2011: 2%; and the discount rate is also identical to that used at December 31, 2011: 10%. The impact of dilutive instruments in exceet's capital was taken into account.

The calculated value in use was higher than the carrying value of the shares held. As a result, no impairment was recognized.

Sensitivity analysis shows that if the discount rate were 0.5% higher, if the long-term growth rate were 0.5% lower, or if the normative margin used for cash flows after the end of the eight-year business plan period were reduced by 1 percentage point, no impairment would have to be recognized. For an impairment charge to be recognized, the discount rate would have to exceed 11.1% or the long-term growth rate would have to be negative.

NOTE 10 Inventories

	12/31/2012			12/31/2011
In millions of euros	Gross amount	Provisions	Net amount	Net amount
At:				
Bureau Veritas	8.7	-	8.6	5.3
Materis	295.4	20.8	274.7	272.2
Stahl	51.8	3.9	47.9	44.3
Oranje-Nassau Développement	36.7	1.2	35.6	32.3
TOTAL	**392.6**	**25.9**	**366.7**	**354.1**

NOTE 11 Trade receivables

	12/31/2012			12/31/2011
In millions of euros	Gross amount	Provisions	Net amount	Net amount
At:				
Bureau Veritas	1,017.6	76.8	940.7	878.5
Materis	377.2	43.0	334.2	338.5
Stahl	70.3	4.0	66.2	68.7
Oranje-Nassau Développement	76.1	4.6	71.5	62.5
Wendel and holding companies	0.3	0.1	0.1	0.3
TOTAL	**1,541.4**	**128.6**	**1,412.8**	**1,348.6**

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

- Bureau Veritas: €423.1 million as of December 31, 2012 vs. €359.0 million as of December 31, 2011, of which €106.0 million and €97.7 million, respectively, were more than three months past due;
- Materis: €97.1 million as of December 31, 2012 vs. €94.0 million as of December 31, 2011, of which €26.8 million and €25.6 million, respectively, were more than three months past due.

NOTE 12 Cash and cash equivalents

	12/31/2012	12/31/2011
In millions of euros	Net amount	Net amount
Pledged cash and cash equivalents of Wendel and its holding companies, classified as non-current assets (1)	3.4	146.6
Unpledged cash and cash equivalents of Wendel and its holding companies, classified as current assets	486.1	437.5
Cash and cash equivalents of Wendel and its holding companies (2)	**489.5**	**584.1**
Bureau Veritas	243.5	244.1
Materis	71.4	83.6
Stahl	33.7	20.3
Oranje-Nassau Développement	11.3	11.2
Cash and cash equivalents of subsidiaries classified as current assets	**359.8**	**359.2**
TOTAL	**849.3**	**943.3**
of which non-current assets	***3.4***	***146.6***
of which current assets	***845.9***	***796.7***

(1) Cash collateral granted to banks as part of the financing of the Eufor group (see note 40 “Off-balance-sheet commitments” and note 5-2 “Managing liquidity risk”).

(2) In addition to this cash, Wendel had €340.5 million in short-term financial investments as of December 31, 2012 and €270.9 million as of December 31, 2011, recognized in other current financial assets (see note 5-2.1 “Wendel’s liquidity risk”).

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

Note 13-1 Financial assets

In millions of euros	Method for recognizing changes	Level	12/31/2012	12/31/2011
Pledged cash and cash equivalents of Wendel and holding companies – A	Income statement (1)	1	3.4	146.6
Unpledged cash and cash equivalents of Wendel and its holding companies	Income statement (1)	1	486.1	437.4
Wendel's short-term financial investments	Income statement (1)	2	329.2	270.9
Assets held until maturity	Amortized cost	N/A	11.2	-
Cash and short-term financial investments of Wendel and its holding companies			**829.9**	**855.0**
Cash and cash equivalents of subsidiaries	Income statement (1)	1	359.8	359.2
Assets available for sale	Shareholders' equity (2)	3	5.9	6.8
Financial assets at fair value through profit or loss – B	Income statement (1)	1	81.2	74.6
Loans – C	Amortized cost	N/A	20.3	2.2
Deposits and guarantees	Amortized cost	N/A	55.2	34.0
Derivatives – D	Income statement (1)/ Sh. equity (2)	See D	40.2	104.4
Other			26.8	36.8
TOTAL			**1,419.4**	**1,472.9**
of which non-current financial assets, including pledged cash and cash equivalents			***118.0***	***281.4***
of which current financial assets, including cash and cash equivalents			***1,301.4***	***1,191.5***

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

Note 13-2 Financial liabilities

In millions of euros	Method for recognizing changes	Level	12/31/2012	12/31/2011
Derivatives – D	Income statement (1)/ Sh. equity (2)	See D	235.9	304.9
Other (incl. puts held by non-controlling shareholders) – E	N/A	N/A	119.6	99.4
TOTAL			**355.5**	**404.3**
of which non-current financial liabilities			***129.2***	***130.6***
of which current financial liabilities			***226.4***	***273.7***

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

Note 13-3 Details of financial assets and liabilities

A – Cash and cash equivalents (pledged and unpledged): pledged cash and cash equivalents are presented as non-current financial assets as they are not immediately available (see note 12 “Cash and cash equivalents”).

B – This line item includes **1,910,000 Saint-Gobain shares** (0.4% of share capital) purchased on the market in August 2011 for €63.1 million. This acquisition was carried out to take advantage of the price of Saint-Gobain shares resulting from the drop in financial markets in the summer of 2011. Wendel’s objective is to resell these shares when an opportunity presents itself rather than to hold them for the long term. Accordingly, they are not accounted for by the equity method, but are recognized as current financial assets, measured at fair value (market price) at each closing. As of December 31, 2012 they were valued at €61.5 million, vs. €56.7 million at the start of the fiscal year. The change in fair value of €4.9 million is recognized within financial income.

C – Loan: includes the €19.2 million ($25 million) loan extended to IHS in 2012 as part of the agreements for the investment planned in 2013 (see note 42 “Subsequent events”). This loan was converted into capital at the beginning of 2013.

D – Derivatives:

In millions of euros	Level	12/31/2012 Assets	12/31/2012 Liabilities	12/31/2011 Assets	12/31/2011 Liabilities
Saint-Gobain puts (written) (1)	2	-	182.4	-	194.3
Economically neutral put positions, March 2012 maturity	2	-	-	41.9	41.9
Commodity derivatives - hedging of cash flows	2	-	-	-	1.7
Interest rate swaps - hedging of cash flows (2)	2	20.6	13.9	43.4	30.7
Interest rate swaps - not qualifying for hedge accounting (2)	2	14.7	37.6	15.4	34.0
Other derivatives – not qualifying for hedge accounting	2	4.9	2.0	3.7	2.3
TOTAL		**40.2**	**235.9**	**104.4**	**304.9**
Of which:					
Non-current portion		37.1	83.2	61.9	95.5
Current portion		3.1	152.6	42.5	209.3

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

E – Other financial liabilities: includes €59.0 million in earn-outs in the Group’s operating subsidiaries.

Note 13-4 Put options issued (written) on Saint-Gobain shares

Wendel issued (wrote) 6.1 million puts on Saint-Gobain in 2007, whose value at the end of 2012 was a liability of €182.4 million, vs. a liability of €194.3 million at the opening date. The change in value of these puts is recognized on the income statement.

Their carrying value is based on a mathematical model used to value options, which takes into account the market parameters prevailing at the balance sheet date, including share price, volatility, and liquidity of the underlyings. A change of +/-5% in Saint-Gobain’s share price would have led to a change in the carrying value as of the closing date of approximately +/- €9 million, recognized on the income statement.

After an initial 12-month extension in 2011 of the maturity dates of puts issued on Saint-Gobain shares, all maturities were extended for another 12 months in the summer of 2012. The new maturity dates range from September 2013 to March 2014. This extension was carried out so as to enable Wendel to take advantage of Saint-Gobain’s growth prospects. Wendel believes these prospects will cause the share price to rise between now and the new maturity dates, enabling it to reduce the liability related to these puts.

Note 13-5 Interest rate swaps and foreign exchange hedges

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

Notional amount	Characteristics (1)	Qualified as	Start (1)	Maturity (1)	12/31/2012	12/31/2011
	sign convention: (+) asset, (-) liability					
Hedging of bonds carried by Wendel						
€100 million	Pay 3.98% against 4.21%		pre-closing	05-2016	0.8	1.0
€300 million	3.40% if < 1.70%. Pay 12-month Euribor +0.93% between 1.70% and 2.60%, and 3.53% if > 2.60%. Coupon: 3.49%		pre-closing	08-2017	0.8	2.1
					1.5	**3.1**
Hedging of Eufor's bank debt (2)						
€200 million	Pay 1.77% against Euribor	Hedge	pre-closing	02-2014	-3.5	
€400 million	Pay 1.06% against Euribor	Hedge	01-2014	01-2016	-5.3	
€800 million	Pay 1.69% against Euribor		pre-closing	12-2013	-11.9	
€400 million	Pay 1.02% against Euribor		02-2014	02-2016	-4.8	
					-25.5	**-30.3**
Hedging of subsidiaries' debt						
€50 million	Pay 3.47% against Euribor		pre-closing	06-2013	-0.8	
€70 million	Pay 4.64% against Euribor		pre-closing	04-2013	-1.0	
€900 million	0.77% cap on Euribor		10-2013	01-2015	0.8	
€250 million	Pay 1.82% against Euribor	Hedge	pre-closing	04-2013	-2.1	
$95 million	Pay 2.73% against Libor		pre-closing	12-2014	-3.4	
€42 million	Pay 1.38% against Euribor		pre-closing	01-2015	-1.0	
Other derivatives					-1.6	
					-9.0	**-16.2**
	Cross currency swaps (3)	Hedge			17.7	39.6
	Cross currency swaps (3)				-0.9	-2.0
TOTAL					**-16.2**	**-5.8**

(1) The positions indicated in this table are aggregations of several similar contracts. The characteristics are therefore weighted averages.

(2) These swaps cover the risk of fluctuation in interest rates paid on floating rate bank borrowings. To manage its interest rate risk, Wendel took advantage of historically low rates to set up swaps with a notional value of €800 million, which extend the maturity of hedges against interest-rate fluctuations to 2014 and 2015. The net value of all swaps as of December 31, 2012 was -€25.5 million, vs. -€30.3 million at end-2011. The change in value of all swaps qualified as hedges and recognized under shareholders' equity was +€3.7 million for fiscal year 2012. The change in the value of non-qualified instruments and partially-effective hedges recognized through profit or loss was +€1.1 million. Finally, following the repayment of bank debt during the period, certain swaps were dequalified. As a result, €8.2 million in cumulative expenses recognized in hedging reserves were passed through the income statement. Overall, hedging reserves increased by €11.9 million and net income was reduced by €7.1 million.

(3) Bureau Veritas: a currency hedge was set up on the US private placement debt (see note 16 "Financial debt") denominated in US dollars and pounds sterling, as well as on part of the bank debt tranche amortizable in US dollars, so as to convert the debt into euros. Any change in the value of these instruments is recognized in shareholders' equity and passed through profit or loss over the life of the loans.

NOTE 14 Shareholders' equity

Note 14-1 Number of shares outstanding

	Par value	Total number of shares	Treasury shares	Number of shares outstanding
As of 12/31/2011	€4	50,560,975	2,114,155	48,446,820
As of 12/31/2012	€4	49,543,641	1,737,498	47,806,143

The net reduction of 1,017,334 shares was due to:

- the exercise of stock options (26,262 shares);
- subscriptions to the company savings plan (35,417 shares); and
- the cancellation of 1,079,013 shares.

Note 14-2 Treasury shares

There was no change from end-2011 in the number of shares held for the purposes of the liquidity contract, i.e. 150,000 shares as of December 31, 2012 (unit cost: €75.26 per share).

As of December 31, 2012, Wendel held 1,587,498 of its shares in treasury outside the context of the liquidity contract (1,964,155 as of December 31, 2011). These treasury shares are used in particular to cover stock option exercises and grants of bonus and performance shares.

The net reduction of 376,657 shares was due to:

- the purchase of 985,338 shares during the year;
- the cancellation of 1,079,013 shares;
- the transfer of 237,887 shares allocated to bonus and performance share plans; and
- the sale of 45,095 shares to satisfy the exercise of stock options.

In total, shares held in treasury represented 3.51% of the share capital as of December 31, 2012.

Note 14-3 Principal items in the statement of comprehensive income

In millions of euros	Assets available for sale	Qualified hedges	Deferred taxes	Total Group share	Non-controlling interests	Total shareholders' equity
AS OF 12/31/2010	**4.4**	**-50.7**	**-0.6**	**-46.9**	**35.2**	**-11.7**
Changes in fair value during the year	0.8	28.7	-4.1	25.4	-2.6	22.8
Amount recognized on the income statement	-1.7	16.5	-	14.9	-	14.9
Other	-	-0.5	-	-0.5	-	-0.5
AS OF 12/31/2011	**3.5**	**-6.0**	**-4.7**	**-7.2**	**32.6**	**25.4**
Changes in fair value during the year	-1.3	-3.9	0.2	-5.0	-4.9	-9.9
Amount recognized on the income statement	-	13.6	-	13.6	-	13.6
Other	-	-4.1	-	-4.1	-	-4.1
AS OF 12/31/2012	**2.2**	**-0.4**	**-4.5**	**-2.7**	**27.7**	**25.0**

Note 14-4 Non-controlling interests

In millions of euros	12/31/2012	12/31/2011
Bureau Veritas group	653.7	614.5
Deutsch group	-	-3.7
Materis group	-45.2	-19.5
Stahl group	-0.3	-0.5
Parcours group	2.2	2.0
Mecatherm group	3.0	3.0
Other	4.5	8.2
TOTAL	**617.9**	**604.0**

NOTE 15 Provisions

In millions of euros	12/31/2012	12/31/2011
Provisions for risks and contingencies	116.9	129.2
Employee benefits	192.8	152.9
TOTAL	**309.8**	**282.1**
Of which non-current	*302.8*	*273.9*
Of which current	*7.0*	*8.2*

Note 15-1 Provisions for risks and contingencies

In millions of euros	12/31/2011	Additions	Reversals: used	Reversals: unused	Impact of discounting	Business combinations/ divestments	Currency translation adjustments, reclassifications	12/31/2012
Bureau Veritas [1]								
Disputes and litigation	55.5	6.0	-5.4	-6.9	0.9	1.4	-0.9	50.6
Other	25.6	13.0	-15.0	-3.9	-	-	0.9	20.6
Materis	15.7	5.2	-2.9	-0.8	-	0.9	-1.4	16.7
Stahl	1.5	0.1	-0.2	-0.5	-	-	-	0.8
Oranje-Nassau Développement	4.8	3.5	-3.2	-	-	-	-0.3	4.8
Wendel and holding companies [2]	26.1	3.1	-2.8	-3.0	-	-	-	23.4
TOTAL	**129.2**	**30.9**	**-29.5**	**-15.1**	**0.9**	**2.3**	**-1.7**	**116.9**
of which current	**8.2**							**7.0**

In millions of euros	12/31/2010	Additions	Reversals: used	Reversals: unused	Impact of discounting	Business combinations/ divestments	Currency translation adjustments, reclassifications	12/31/2011
Bureau Veritas [(1)]								
Disputes and litigation	74.7	6.7	-15.8	-9.0	0.5	-	-1.6	55.5
Other	26.4	11.7	-10.8	-7.2	-	-	5.5	25.6
Deutsch	4.7	-	-	-	-	-4.7	-	-
Materis	17.4	2.9	-4.4	-0.7	-	0.7	-0.2	15.7
Stahl	2.2	0.6	-1.1	-0.1	-	-	-	1.5
Oranje-Nassau Développement	-	2.6	-1.1	-	-	3.3	-	4.8
Wendel and holding companies [(2)]	29.6	0.3	-3.6	-0.2	-	-	-	26.1
TOTAL	**155.0**	**24.8**	**-36.8**	**-17.2**	**0.5**	**-0.7**	**3.7**	**129.2**
of which current	**7.5**							**8.2**

(1) In the normal course of its activities, Bureau Veritas is party to various disputes and legal actions that aim, among other things, to invoke its professional liability with regard to services it has provided. While Bureau Veritas pays the greatest attention to risk control and the quality of its services, some of those services can give rise to claims and result in financial penalties. Provisions have been recognized on the losses that may result from such litigation. The amount recognized is the best estimate of the amount necessary for extinguishing the debt, updated at the closing date. The costs that Bureau Veritas might be required to pay could exceed the amount of the provision for litigation due to a number of factors, in particular the uncertain outcome of litigation.

Provisions for risks and contingencies on the balance sheet as of December 31, 2012 related principally to the following disputes:

- a claim relating to the construction of a hotel and retail complex in Turkey; and
- a claim pertaining to the crash of a Gabon Express flight.

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

- a provision is maintained for an environmental risk concerning polluted land which belonged to a Group subsidiary whose operations were discontinued in 1967.
- in November 2012, the Court of Justice of the European Union upheld the September 13, 2010 judgment of the General Court of the European Union on the appeal by Éditions Odile Jacob, which annulled the European Commission's 2004 decision authorizing Lagardère to sell the publishing company Editis to Wendel. This authorization was granted in the context of commitments made by Lagardère to obtain the European Commission's approval for the Lagardère/VUP merger.

  In the meantime, in May 2011, the European Commission granted a new authorization to Wendel, as acquirer of Editis, with effect as of the date of the acquisition. In September 2011, Éditions Odile Jacob filed an appeal against this decision before the General Court of the European Union. The case is pending.

  Éditions Odile Jacob also brought an action against Wendel and other parties in October 2010 before the Paris Commercial Court, seeking the annulment of Wendel's acquisition of Editis in 2004 and its subsequent sale of Editis in 2008. In December 2011, the Paris Commercial Court issued a stay of proceedings, pending the EU decisions.

  Wendel considers that the claims of Éditions Odile Jacob are unfounded and has not recognized any provision related to this dispute.
- The European Commission notified Wendel in 2012 of a pending competition investigation regarding a company in which the Group was a shareholder and which was divested several years ago. As of the date the financial statements were finalized, Wendel had no information about the timing or potential next actions of this investigation. Accordingly, no provision has been recognized for this litigation.
- Two former management-level employees are claiming €10.7 million in damages (subject to adjustment) in the Paris Commercial Court for the losses they allege to have suffered as a result of the unwinding of a mechanism under which Wendel executives benefited from the Group's performance. In addition, one of these former employees, dismissed in June 2009, has lodged several claims with the labor conciliation board (Conseil des Prud'hommes) for a total of €4.2 million. Wendel has raised counterclaims, notably for the damage caused to its image by these actions. These various cases are pending. The Company considers the claims of these former employees to be unfounded and, accordingly, has not recognized any related provision.
- In 2008, Wendel filed an appeal for abuse of power against a decision of the tax authority concerning an authorization to benefit from suspended tax treatment when Wendel and two of its subsidiaries contributed their Bureau Veritas shares to the latter's IPO. The Paris Administrative Court rejected the appeal in its ruling of February 15, 2011, against which Wendel filed an appeal to the Paris Administrative Appeal Court.
- Wendel and certain Group holding companies have received proposed tax adjustments from the tax authority. Certain of these adjustments have been accepted, and others will be challenged before the competent authorities if no agreement is reached with the tax authority. The accepted adjustments, which mainly relate to corporate tax, principally concern the treatment of intragroup provisions. The provisions no longer deductible for tax purposes will be reversed in the future with no tax impact, such that these

adjustments will have a neutral effect overall. Initially, these provisions affect only the tax loss carryforwards and have no impact on the cash position. A provision has been recognized for the adjustments relating to taxes other than corporate tax (payroll tax, VAT). Overall, taking all of the adjustments into account, Wendel does not expect to have any significant cash outflow. None of the adjustments is either directly or indirectly related to Wendel's divestment of Solfur; the tax authority has examined the terms of this transaction and has taken no further action on it.

Note 15-2 Employee benefits

In millions of euros	12/31/2012	12/31/2011
Defined-benefit plans	94.7	77.9
Retirement bonuses	64.4	48.6
Other	33.8	26.5
TOTAL	**192.8**	**152.9**
Of which non-current	*192.8*	*152.9*
Of which current	-	-

The breakdown by subsidiary was as follows:

In millions of euros	12/31/2012	12/31/2011
Bureau Veritas	124.6	104.8
Materis	50.8	37.7
Stahl	7.2	5.7
Oranje-Nassau Développement	2.3	1.9
Wendel and holding companies (1)	7.9	2.8
	192.8	**152.9**

(1) Including €7.0 million relating to Oranje-Nassau Groep as of December 31, 2012 (€1.9 million as of December 31, 2011).

The change in provisions for employee benefits broke down as follows for 2012:

In millions of euros	12/31/2011	Service costs	Actuarial gains and losses	Benefits paid	Interest costs	Curtailment and settlement	Business combinations	Currency translation adjustments and other	12/31/2012
Commitments									
Defined-benefit plans	234.1	5.9	34.7	-8.1	9.9	-26.2	-0.0	-11.1	239.2
Retirement bonuses	100.3	7.0	18.1	-6.7	4.1	1.8	0.4	1.6	126.5
Other	32.7	3.0	3.2	-1.5	1.5	0.0	0.2	0.9	40.0
	367.1	**15.9**	**56.1**	**-16.4**	**15.4**	**-24.4**	**0.5**	**-8.6**	**405.7**

In millions of euros	12/31/2011	Return on assets	Employer contributions	Amounts used	Actuarial gains and losses	Business combinations	Currency translation adjustments and other	12/31/2012
Partially-funded plan assets								
Defined-benefit plans	181.5	6.9	14.3	13.5	-4.4	-	-33.7	178.1
Retirement bonuses	27.7	1.4	0.6	-	-	-	-	29.8
Other	5.0	0.3	-	-	-0.4	-	-	4.9
	214.2	**8.7**	**14.9**	**13.5**	**-4.8**	**-**	**-33.7**	**212.8**
Provision for employee benefits	**152.9**							**192.8**

The change in provisions for employee benefits broke down as follows for 2011:

In millions of euros	12/31/2010	Service costs	Actuarial gains and losses	Benefits paid	Interest costs	Curtailment and settlement	Business combinations	Currency translation adjustments and other	12/31/2011
Commitments									
Defined-benefit plans	267.3	7.3	-9.4	-7.7	9.9	-	-33.8	0.5	234.1
Retirement bonuses	91.2	7.3	1.8	-8.2	3.8	1.1	1.5	1.7	100.3
Other	31.2	2.1	2.1	-3.8	1.4	-0.0	-0.3	0.0	32.7
	389.7	**16.7**	**-5.5**	**-19.8**	**15.2**	**1.1**	**-32.6**	**2.3**	**367.1**

In millions of euros	12/31/2010	Return on assets	Employer contributions	Amounts used	Actuarial gains and losses	Business combinations	Currency translation adjustments and other	12/31/2011
Partially-funded plan assets								
Defined-benefit plans	192.6	7.3	7.1	1.0	-4.3	-20.9	-1.3	181.5
Retirement bonuses	26.9	1.4	-0.6	-	-	-0.0	-	27.7
Other	5.6	0.5	-	-	-1.0	-	-	5.0
	225.1	**9.2**	**6.4**	**1.0**	**-5.3**	**-21.0**	**-1.3**	**214.2**
Provision for employee benefits	**164.6**							**152.9**

Liabilities on defined-benefit plans broke down as follows:

In millions of euros	12/31/2012	12/31/2011
Fully unfunded liabilities	82.6	63.2
Partially or fully-funded liabilities	323.0	303.6
TOTAL	**405.7**	**367.1**

Assets of defined-benefit plans broke down as follows as of December 31, 2012:

	2012	2011
Insurance company funds	48%	42%
Equity instruments	17%	18%
Debt instruments	27%	32%
Cash and other	8%	8%

Expenses recognized on the income statement broke down as follows:

In millions of euros	2012	2011
Expenses recognized on the income statement with respect to defined-benefit plans		
Service costs during the year	15.9	16.7
Interest costs	15.4	15.2
Expected return on plan assets	-8.7	-9.2
Past service costs	0.4	0.2
Impact of plan curtailments or settlements	3.3	1.5
TOTAL	**26.3**	**24.5**
Expenses recognized on the income statement with respect to defined-contribution plans	**67.3**	**60.9**

1. Commitment characteristics and actuarial assumptions applied at Bureau Veritas

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

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

The principal actuarial assumptions used to calculate these commitments are as follows: average discount rate = 3.5%; average salary increase rate = 2.6% (Germany: 2.5%, France: 3.3%, Italy: 2.0%, Netherlands: 2.0%, United Kingdom: 2.9%).

2. Commitment characteristics and actuarial assumptions applied at Materis

Retirement benefits are calculated mainly on the basis of employees' seniority when they retire. These plans concern France, the United States, Belgium, Portugal, Italy, Brazil and South Africa. Actuarial assumptions vary from one country to another. The main assumptions were as follows: discount rate between 2.8% (Europe) and 8.4% (Brazil), inflation rate between 2.0% (Europe) and 5.6% (South Africa), salary increase rate between 2.3% (Europe) and 7.1% (Brazil), and return on assets between 2.8% (Europe) and 8.4% (Brazil).

3. Commitment characteristics and actuarial assumptions applied at Stahl

Stahl employee benefits in the Netherlands, Italy, the United Kingdom, the United States and Mexico concern the following defined-benefit plans, depending on the country:

- partially-funded retirement plans;
- retirement bonuses, in particular in Italy;
- long-service awards.

Its main actuarial assumptions were as follows: discount rate of 3.6% and average inflation rate of 2.2%.

4. Commitment characteristics and actuarial assumptions applied at Wendel

The retirement plan set up in 1947 by "Les Petit-fils de François de Wendel et Cie", which has since become Wendel, is a defined-benefit plan that was closed to new entrants on December 31, 1998. It still covers employees who worked in the Company prior to that date, provided they retire while employed by the Company. Its main actuarial assumptions are as follows: discount rate: 3.0%; inflation rate: 1.5%; salary increase rate: between 1.5% and 3.0% depending on category; employee turnover rate: inversely proportional to age.

NOTE 16 Financial debt

For a description of the terms of financial debt and related covenants, see note 5-2 "Managing liquidity risk".

In millions of euros	Currency	Coupon rate	Effective interest rate (2)	Maturity	Repayment	Overall line	12/31/2012	12/31/2011
Wendel								
2014 bonds	EUR	4.875%	4.930%	11-2014	at maturity		291.9	393.5
2014 bonds – tranche 2	EUR	4.875%	8.777%	11-2014	at maturity		300.0	300.0
2015 bonds	EUR	4.875%	4.910%	09-2015	at maturity		400.0	400.0
2016 bonds	EUR	4.875%	5.020%	05-2016	at maturity		354.2	392.6
2016 bonds – tranche 2	EUR	4.875%	6.142%	05-2016	at maturity		300.0	300.0
2017 bonds	EUR	4.375%	4.460%	08-2017	at maturity		292.0	292.0
2017 bonds – tranche 2	EUR	4.375%	5.730%	08-2017	at maturity		400.0	400.0
2018 bonds	EUR	6.750%	6.949%	04-2018	at maturity		300.0	300.0
2019 bonds	EUR	5.875%	5.982%	09-2019	at maturity		400.0	-
Syndicated loan	EUR	Euribor+margin		09-2013	revolving credit	€950 M	-	250.0
	EUR	Euribor+margin		09-2014	revolving credit	€250 M	250.0	250.0
Amortized cost of bonds							-56.7	-75.2
Accrued interest							59.5	56.8
							3,291.0	**3,259.7**
Eufor (Saint-Gobain investment financing)								
Bank borrowings	EUR					€0 M	-	560.0
Bank borrowings (1)	EUR	Euribor+margin		01-2016, 01-2017	amortizing	€875 M	425.0	425.0
Bank borrowings (1)	EUR	Euribor+margin		06-2015	at maturity		200.0	400.0
Bank borrowings (1)	EUR	Euribor+margin		07-2017	revolving credit	€700 M	-	-
Deferred issuance costs							-1.6	-
Accrued interest							8.3	14.5
							631.7	**1,399.5**
Holding companies								
Loans from non-controlling shareholders							14.4	13.5
							14.4	**13.5**
Bureau Veritas								
2017 bonds	EUR	3.750%		05-2017	at maturity		500.0	-
Bank borrowings	USD	Libor+margin		05-2013	amortizing		31.2	95.1
Bank borrowings	EUR	Euribor+margin		05-2013	amortizing		1.7	5.0
Bank borrowings	EUR	Euribor+margin		05-2013	at maturity		-	84.0
Bank borrowings	GBP	Libor+margin		05-2013	at maturity	€200 M	-	20.4
Bank borrowings	USD	Libor+margin		05-2013	at maturity		58.1	230.0
Bank borrowings	EUR	Euribor+margin		10-2012	at maturity		-	150.0
Bank borrowings	EUR	Euribor+margin		07-2017	revolving credit	€450 M	-	-
French private placement	EUR	Euribor+margin		06-2015	at maturity	€175 M	50.0	50.0
US private placement	EUR	Fixed		07-2019	at maturity		184.1	184.1
US private placement	USD	Fixed		07-2018, 07-2020	amortizing		201.6	205.6
US private placement	GBP	Fixed		07-2018, 07-2020	amortizing		77.2	75.4
US private placement	USD	Fixed		10-2021	at maturity	$200 M	75.8	77.3
German private placement	EUR	Euribor+margin		06-2015, 12-2016	amortizing		193.0	54.0
Deferred issuance costs							-8.7	-2.8

In millions of euros	Currency	Coupon rate	Effective interest rate (2)	Maturity	Repayment	Overall line	12/31/2012	12/31/2011
Other borrowings and accrued interest							47.0	37.4
							1,411.0	**1,265.6**
Materis								
Bank borrowings (maturity not extended)	EUR	Euribor+margin		04-2013 to 10-2015	amortizing		125.6	1,404.5
Bank borrowings (mezzanine PIK)	EUR	Euribor+margin		12-2016	at maturity		425.7	380.2
Bank borrowings (second lien)	EUR	Euribor+margin		03-2016	at maturity		138.3	-
Bank borrowings (senior A)	EUR	Euribor+margin		09-2015	at maturity		146.6	-
Bank borrowings (senior B)	EUR	Euribor+margin		01-2016	at maturity		338.1	-
Bank borrowings (senior C)	EUR	Euribor+margin		01-2016	at maturity		378.6	-
Bank borrowings	EUR	Euribor+margin		09-2015	at maturity	€133.2 M	62.7	-
Bank borrowings (revolving credit 2)	EUR	Euribor+margin		09-2015	revolving credit	€111.5 M	54.8	-
Bank borrowings (acquisition)	EUR	Euribor+margin		09-2015	at maturity		108.5	-
Bank borrowings (acquisition 2)	EUR	Euribor+margin		01-2016	at maturity	€100 M	88.8	48.6
Deferred issuance costs							-33.0	-24.6
Shareholder loans							60.6	50.2
Other borrowings and accrued interest							116.7	89.5
							2,011.9	**1,948.4**
Stahl								
Bank borrowings (second lien PIK)	USD	Fixed		12-2017	at maturity		57.1	53.8
Bank borrowings (senior A)	USD	Libor+margin		12-2014	amortizing		94.8	102.0
Bank borrowings (senior B)	EUR	Euribor+margin		12-2014	amortizing		40.2	42.4
Bank borrowings (revolving credit)	USD	Libor+margin		11-2014	revolving credit	$36 M	-	4.6
Deferred issuance costs							-	-
Shareholder loans							4.7	4.3
Other borrowings and accrued interest							1.6	2.3
							198.5	**209.4**
Parcours								
Bank borrowings	EUR	Euribor+margin			amortizing		396.9	352.7
Other borrowings and accrued interest							12.2	19.1
							409.2	**371.8**
Mecatherm								
Bank borrowings (senior)	EUR	Euribor+margin			amortizing		62.7	66.0
Bank borrowings					revolving credit		2.6	-
Deferred issuance costs							-2.4	-3.1
Other borrowings and accrued interest							4.0	2.2
							66.9	**65.1**
TOTAL							**8,034.4**	**8,533.0**
of which non-current portion							7,483.1	7,937.3
of which current portion							551.3	595.6

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

(2) The effective interest rate is calculated inclusive of issue premiums/discounts and bank issuance fees.

Note 16-1 Principal changes during 2012

Note 16-1.1 Wendel

Half of the €1,200 million syndicated credit (€950 million maturing in September 2013 and €250 million maturing in September 2014), which was drawn down by €500 million at the start of 2012, was repaid during the first half of 2012 (see note 5-2.1 “Managing debt” for Wendel and its holding companies).

In September 2012, Wendel issued new bonds with a coupon of 5.875%, maturing in 2019, at very favorable terms. The issue was six times oversubscribed.

Finally, as part of the active management of its financial structure, Wendel repurchased and canceled part of its outstanding bonds during fiscal year 2012:

- €101.6 million (par value) of the 2014 bonds were repurchased for €104.6 million, thereby reducing the par value of these bonds still outstanding to €591.9 million as of end-2012; and
- €38.5 million (par value) of the 2016 bonds were repurchased for €37.9 million, thereby reducing the par value of these bonds still outstanding to €654.2 million as of end-2012.

The difference between the par value and the repurchase price was recognized under financial income.

Repurchasing of the bonds continued into January and February 2013: €12.8 million (par value) of the 2014 bonds and €6.5 million of the 2015 bonds.

Note 16-1.2 Eufor group (Saint-Gobain investment financing)

At the end of 2012, the Eufor group’s bank debt was €625 million. It was significantly reduced during fiscal year 2012 following the repayment of €760 million of borrowings maturing in 2014 and 2015 (see note 5-2.1 “Managing debt” relating to Wendel and its holding companies).

In addition, during the summer of 2012, the €1,100 million line of credit available with margin calls and maturing in 2013-2014 was replaced by a new, €700 million undrawn revolving line maturing in 2017. Through this transaction, Wendel has extended the average maturity of the lines of credit with margin calls available to Eufor, adjusted the amount of this credit to the Group’s needs and reduced future interest costs.

Note 16-1.3 Bureau Veritas

The gross debt of Bureau Veritas increased by €145 million in 2012, primarily due to the financing of acquisitions.

In 2012, Bureau Veritas carried out an inaugural, unrated bond issue maturing in May 2017 for an amount of €500 million. Bureau Veritas also arranged a new five-year syndicated revolving credit facility totaling €450 million (undrawn at the year-end).

Note 16-1.4 Materis

Materis has successfully renegotiated the terms of its bank debt, in particular securing its liquidity until 2015-16 (see note 5-2 “Managing liquidity risk”).

Note 16-2 Financial debt maturity schedule

In millions of euros	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Wendel par value (1)	-	-2,588	-700	-3,288
Eufor par value	-	-625	-	-625
Wendel and Eufor interest (2)	-269	-486	-46	-802
Subsidiaries and associates				
■ par value	-475	-2,904	-638	-4,017
■ interest (2)	-145	-669	-41	-855
TOTAL	**-889**	**-7,272**	**-1,425**	**-9,586**

(1) The schedule showing the par values of Wendel’s debt does not take into account the puts issued. The amount to be paid out on these puts depends on the Saint-Gobain share price at maturity. As of December 31, 2012, the market value of these puts represented a liability of €182.4 million. Of this amount, €142.1 million had a maturity of less than one year.

(2) Interest is calculated on the basis of the yield curve prevailing on December 31, 2012. Interest on debt and interest-rate hedges does not reflect interest earned on invested cash.

Note 16-3 Market value of gross financial liabilities

The fair value of bond debt is the market price on December 31, 2012. LBO borrowings (Materis and Stahl) were valued on the basis of quotes received from top-tier banks. For Eufor borrowings, carrying value was considered representative of market value, given the specific structure, the variable interest-rate indexation and the level of collateral. The value of the syndicated loan (indexed on variable interest rates) is also its carrying value.

In millions of euros	12/31/2012	12/31/2011
Wendel	3,536.1	3,114.3
Eufor (Saint-Gobain investment financing)	633.3	1,400.6
Operating subsidiaries	3,705.7	3,586.4
TOTAL	**7,875.1**	**8,101.3**

NOTE 17 Trade payables

In millions of euros	12/31/2012	12/31/2011
At:		
Bureau Veritas	240.7	228.4
Materis	236.2	254.9
Stahl	28.1	29.5
Oranje-Nassau Développement	69.9	83.6
Wendel and holding companies	4.4	3.4
TOTAL	**579.3**	**599.8**

NOTE 18 Other current liabilities

In millions of euros	12/31/2012	12/31/2011
Other current liabilities at:		
Bureau Veritas	468.8	423.6
Materis	171.5	172.8
Stahl	25.9	21.3
Oranje-Nassau Développement	26.5	21.6
Wendel and holding companies	11.1	11.5
	703.8	**650.8**
Deferred revenue	78.6	87.5
TOTAL	**782.4**	**738.3**

NOTE 19 Current and deferred taxes

Details of current taxes are as follows:

In millions of euros	12/31/2012	12/31/2011
Current tax assets		
Bureau Veritas	55.0	36.3
Stahl	3.9	3.3
Oranje-Nassau Développement	3.3	1.5
Wendel and holding companies	25.2	5.8
	87.4	**46.9**
Current tax liabilities		
Bureau Veritas	75.8	84.8
Materis	3.1	4.4
Stahl	4.4	0.5
Oranje-Nassau Développement	1.8	0.9
Wendel and holding companies	0.2	0.2
	85.4	**90.8**

Details of deferred taxes are as follows:

In millions of euros	12/31/2012	12/31/2011
Deferred tax assets		
Bureau Veritas	110.4	91.9
Materis	50.3	48.5
Stahl	14.3	4.9
Oranje-Nassau Développement	11.6	9.7
Wendel and holding companies	2.9	0.5
	189.5	**155.5**
Deferred tax liabilities		
Bureau Veritas	166.6	147.7
Materis	370.1	394.3
Stahl	18.1	19.7
Oranje-Nassau Développement	35.2	34.8
Wendel and holding companies	-	-
	590.0	**596.4**
NET DEFERRED TAX LIABILITIES	**-400.6**	**-440.9**

The change in deferred taxes is as follows:

In millions of euros	2012	2011
Amount at beginning of year	**-440.9**	**-451.1**
Changes through profit or loss	63.0	45.8
Changes through shareholders' equity	14.6	-4.3
Currency translation adjustments	1.5	0.5
Business combinations	-28.9	-33.5
Other	-9.8	1.6
AMOUNT AT END OF YEAR	**-400.6**	**-440.9**

NOTE 20 Assets and liabilities of operations held for sale

As of December 31, 2011, assets and liabilities held for sale were composed primarily of the assets and liabilities of the Deutsch group. Wendel sold the Deutsch group on April 3, 2012. All of the related assets and liabilities were removed from the scope of consolidation as of the same date (See note 2 "Changes in scope of consolidation").

5.9 Notes to the income statement

In accordance with IFRS 5 “Non-current assets held for sale and discontinued operations”, income items related to Deutsch, which was sold in the first half of 2012, have been reclassified in “Net income from discontinued operations and operations held for sale”.

NOTE 21 Net sales

In millions of euros	2012	2011	% Change	Organic growth
Bureau Veritas	3,902.3	3,358.6	16.2%	7.8%
Materis	2,072.5	2,027.0	2.2%	-0.2%
Stahl	361.2	334.5	8.0%	5.9%
Oranje-Nassau Développement [(1)]				
■ Parcours	292.9	208.1	N/S	N/S
■ Mecatherm	73.1	25.0	N/S	N/S
CONSOLIDATED NET SALES	**6,702.0**	**5,953.1**	**12.6%**	**5.0%**
Oranje-Nassau Développement (12-month contribution) [(1)]				
■ Parcours (estimated)	292.9	271.4	7.9%	7.9%
■ Mecatherm (estimated)	73.1	85.6	-14.6%	-14.6%
TOTAL INCLUDING ORANJE-NASSAU DÉVELOPPEMENT IN 2012 AND 2011 OVER 12 MONTHS [(1)]	**6,702.0**	**6,077.1**	**10.3%**	**4.7%**

(1) Oranje-Nassau Développement includes:
- *the operations of the Parcours group for a 12-month period in 2012, and a nine-month period in 2011.*
  In accordance with IFRS, Parcours' revenues include €71.9 million in sales of second-hand vehicles for the year 2012, and €57.0 million for the nine-month period in 2011 (€73.9 million for the full year 2011).
- *the operations of the Mecatherm group for a 12-month period in 2012, and a three-month period in 2011.*

Consolidated net sales broke down as follows:

In millions of euros	2012	2011
Sales of goods	2,578.8	2,437.9
Sales of services	4,123.2	3,515.2
CONSOLIDATED NET SALES	**6,702.0**	**5,953.1**

The Wendel group's exposure to Southern European countries remained limited to 8% of net sales in 2012.

NOTE 22 Operating expenses

In millions of euros	2012	2011
Purchases and external charges	2,920.7	2,662.3
Personnel costs	2,513.1	2,221.9
Taxes other than income taxes	97.3	94.4
Other operating expenses	27.8	11.6
Depreciation & amortization	395.5	322.1
Net additions to provisions	18.8	-10.7
TOTAL	**5,973.3**	**5,301.7**

Note 22-1 R&D costs recognized as expenses

In millions of euros	2012	2011
Materis	22.6	22.4
Stahl	2.7	4.2
Oranje-Nassau Développement	-	0.3

Note 22-2 Average number of employees at consolidated companies

	2012	2011
Bureau Veritas	58,924	52,148
Deutsch (1)	-	3,542
Materis	9,911	9,821
Stahl	1,238	1,215
Oranje-Nassau Développement	578	564
Wendel and holding companies	74	73
TOTAL	**70,725**	**67,363**

(1) As Deutsch was sold in the first half of 2012, the company's average number of employees is not presented for fiscal year 2012.

NOTE 23 Income from ordinary activities

In millions of euros	2012	2011
Bureau Veritas	563.5	486.5
Materis	154.1	163.7
Stahl	37.0	26.6
Oranje-Nassau Développement	27.4	21.8
Wendel and holding companies	-47.0	-42.6
INCOME FROM ORDINARY ACTIVITIES	**735.0**	**656.1**

NOTE 24 Other operating income and expenses

In millions of euros	2012	2011
Net gains on sale of intangible assets and property, plant & equipment	7.1	2.4
Net gains (losses) on divestment of consolidated investments	-	-0.4
Restructuring costs	-24.5	-10.2
Impairment of assets [(1)]	-146.4	-86.4
Other income and expenses	-11.7	-7.4
TOTAL	**-175.5**	**-101.9**

(1) Includes asset impairment (goodwill and intangible assets) in 2012 of €85.8 million at Materis (€70.3 million in 2011) and €25.3 million at Bureau Veritas (€16.1 million in 2011). The 2012 figure also includes a provision of €35.2 million recognized by Bureau Veritas, relating essentially to operations held for sale.

NOTE 25 Finance costs, net

In millions of euros	2012	2011
Income from cash and cash equivalents [(1)]	13.1	13.1
Finance costs, gross		
Interest expense	-442.1	-451.1
Interest expense on shareholder loans from non-controlling interests	-8.6	-7.6
Deferral of debt issuance costs and premiums/discounts (calculated according to the effective interest method)	-31.7	-28.0
	-482.4	**-486.6**
TOTAL	**-469.3**	**-473.5**

(1) Includes €9.5 million at the level of Wendel and its holding companies. An additional €14.2 million in income on short-term financial investments is recognized under "Other financial income and expenses", leading to a total income of €23.7 million 2012 (€10.5 million in 2011).

NOTE 26 Other financial income and expense

In millions of euros	2012	2011
Gains (losses) on disposals of assets available for sale	0.0	-0.3
Dividends received from unconsolidated companies	3.6	1.7
Income on interest-rate, currency and equity derivatives [(1)]	11.0	-119.4
Interest on other financial assets	8.2	6.7
Net currency exchange gains (losses)	-7.0	-15.8
Impact of discounting	-7.9	-7.1
Gain on buyback of discounted debt	-2.5	2.1
Other	7.9	-23.4
TOTAL	**13.3**	**-155.4**

(1) In 2011, this line item primarily included a €108.7 million loss on the sale and the change in fair value of the put options on Saint-Gobain shares.

NOTE 27 Tax expense

In millions of euros	2012	2011
Current income tax	-207.3	-184.0
Deferred taxes	63.0	45.8
TOTAL	**-144.3**	**-138.2**

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

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

In millions of euros	Wendel and holding companies	Operating subsidiaries	Total
Income before tax expense, net income from equity-method subsidiaries and net income from discontinued operations and operations held for sale	-220.6	324.2	103.6
Theoretical amount of tax expense calculated on the basis of a rate of 34.43%	**76.0**	**-111.6**	**-35.7**
Impact of:			
Uncapitalized tax losses of Wendel/holding companies and transactions subject to reduced tax rates at the holding company level	-76.0		
Uncapitalized tax losses at the operating subsidiary level		-45.9	
Reduced tax rates and foreign tax rates at the operating subsidiary level		48.9	
CVAE tax paid by operating subsidiaries		-19.9	
Exceptional contribution paid by operating subsidiaries		-7.5	
Impairment of goodwill		-12.4	
Other, including benefit arising from tax consolidation for Wendel	8.4	-4.1	
Actual tax expense	**8.3**	**-152.6**	**-144.3**

NOTE 28 Net income (loss) from equity-method investments

In millions of euros	2012	2011
Net income including impact of goodwill allocation		
Saint-Gobain	50.5	138.0
Legrand	28.7	55.4
Helikos (1)	-	-1.7
exceet (2)	-3.3	0.1
Other companies	0.7	0.8
Sale of Legrand shares (3)	**14.6**	**631.3**
Impact of Legrand dilution	**0.0**	**-0.1**
Impairment of equity-accounted Saint-Gobain shares (4)	**-414.0**	**-**
Impact of dilution on the Saint-Gobain investment	**-6.8**	**-8.8**
Increase in Helikos SPAC shareholding (5)	**-**	**16.1**
TOTAL	**-329.7**	**831.1**

(1) In 2011: a €1.7 million loss from the Helikos SPAC up to the date of the acquisition of exceet.
(2) In 2011: net income of exceet for a two-month period from the acquisition date until September 30, 2011.
(3) In 2012: gain on the sale of Legrand shares that Wendel distributed as a dividend in kind (see note 2-1.2 under "Changes in scope of consolidation).
(4) In 2012: impairment recognized on the Saint-Gobain shares (see note 9-4.2 "Impairment test on Saint-Gobain shares, accounted for by the equity method").
(5) In 2011: €16.1 million gain realized at the time of the acquisition of exceet by the Helikos SPAC.

NOTE 29 Net income from discontinued operations and operations held for sale

In millions of euros	2012	2011
Gain on divestments		
Deutsch	689.2	-
Oranje-Nassau Groep – oil & gas business	0.8	0.4
	690.0	**0.4**
Share in net income for the year from discontinued operations		
Deutsch – share in net income for the year	6.7	-11.5
Wendel and holding companies – interest income on loans to the Deutsch group	10.7	40.6
	17.4	**29.1**
TOTAL	**707.5**	**29.4**

NOTE 30 Earnings per share

In euros and millions of euros	2012	2011
Net income - Group share	221.1	525.4
Impact of dilutive instruments on subsidiaries	-8.0	-5.9
Diluted net income	**213.1**	**519.5**
Average number of shares, net of treasury shares	48,246,738	48,751,612
Potential dilution due to Wendel stock options (1)	599,362	780,627
Diluted number of shares	**48,846,101**	**49,532,239**
Basic earnings per share (in euros)	4.58	10.78
Diluted earnings per share (in euros)	4.36	10.49
Basic earnings per share from continuing operations (in euros)	-10.06	10.15
Diluted earnings per share from continuing operations (in euros)	-10.10	9.87
Basic earnings per share from discontinued operations (in euros)	14.65	0.63
Diluted earnings per share from discontinued operations (in euros)	14.46	0.62

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

5.10 Notes on changes in cash position

NOTE 31 Acquisition of property, plant & equipment and intangible assets

In millions of euros	2012	2011
By Bureau Veritas	140.5	116.4
By Materis	78.2	84.1
By Stahl	9.7	8.6
By Oranje-Nassau Développement (1)	243.5	180.4
By Wendel and holding companies	0.6	0.3
TOTAL	**472.5**	**389.8**

(1) Includes €238.9 million of vehicles purchased and leased out by Parcours in 2012, vs. €179.0 million for a nine-month period in 2011.

NOTE 32 Disposal of property, plant & equipment and intangible assets

Disposals of property, plant & equipment and intangible assets include principally €71.9 million in sales of Parcours' second-hand vehicles (€57.0 million for a nine-month period in 2011).

NOTE 33 Acquisition of equity investments

In millions of euros	2012	2011
By Oranje-Nassau Développement:		
■ Parcours	-	108.4
■ Mecatherm	-	111.6
■ exceet/Helikos	-	27.8
By Bureau Veritas [(1)]	281.2	84.0
By Materis [(2)]	39.5	26.3
Saint-Gobain shares	-	63.1
Other securities	-	0.7
TOTAL	**320.7**	**421.9**

(1) Acquisition of AcmeLabs, TH Hill, Tecnicontrol and HuaXia. See note 2 "Changes in scope of consolidation" relating to Bureau Veritas.
(2) Acquisition of Elmin and Suzuka. See note 2 "Changes in scope of consolidation" relating to Materis.

NOTE 34 Divestments

In millions of euros	2012	2011
Divestment of Deutsch	959.6	-
Sale of Legrand shares	-	956.9
Sale of Saint-Gobain shares	-	144.0
Divestments by Bureau Veritas	3.3	0.5
Other	0.8	0.4
TOTAL	**963.7**	**1,101.8**

NOTE 35 Impact of changes in scope of consolidation and of operations held for sale

The amount in 2012 corresponded to increases of €12.7 million and €6.0 million related to the entry of subsidiaries of Bureau Veritas and Materis, respectively, into the scope of consolidation.

The amount in 2011 principally corresponded to increases of €12.8 million and €5.3 million related to Parcours' and Mecatherm's entry into the scope of consolidation, respectively; and to a decrease of €57.0 million related to the decision to sell Deutsch.

NOTE 36 Changes in other financial assets and liabilities and other

In 2012, this item consisted mainly of:

- Wendel's short-term financial investments, net of sales, of -€55.9 million (classified under current financial assets; see the section on Wendel's liquidity);
- a convertible loan of €19.8 million ($25 million) granted to IHS (see note 42 "Subsequent events");
- a guarantee of €15.0 million given as part of the agreement between Mecatherm and its lenders (see note 5-2.5 "Financial debt of operating subsidiaries – documentation and covenants").

In 2011, this item consisted mainly of:

- Wendel's net sales of short-term financial investments of €130.5 million (classified under current financial assets; see the section on Wendel's liquidity);
- proceeds from the sale of puts on Saint-Gobain of €168.8 million (see note 13-4 on certain derivatives).

NOTE 37 Dividends received from equity-method investments and unconsolidated companies

Dividends received in 2012 principally included €113.7 million from Saint-Gobain and €14.3 million from Legrand. In 2011, these dividends totaled €103.3 million and €25.8 million, respectively.

The €71.5 million dividend received from Bureau Veritas was eliminated upon consolidation (€64.7 million in 2011).

NOTE 38 Net change in borrowing and other financial liabilities

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

In millions of euros	2012	2011
New borrowings by:		
Wendel – bond issue (net of issuance costs)	397.6	298.0
Wendel – syndicated credit facility	-	500.0
Eufor group (Saint-Gobain investment structure)	-	60.0
Bureau Veritas	937.9	503.2
Materis	216.8	224.6
Stahl	-	-
Oranje-Nassau Développement (1)	283.4	203.4
	1,835.7	**1,789.2**
Borrowings repaid by:		
Wendel - 2011 bonds	-	334.8
Wendel – repurchase of 2014-16 and 2017 bonds	142.6	19.9
Wendel – syndicated credit facility	250.0	-
Eufor group (Saint-Gobain investment structure)	760.0	2,089.7
Bureau Veritas	810.8	562.2
Materis	231.2	210.5
Stahl	15.6	11.4
Oranje-Nassau Développement (1)	245.4	189.0
	2,455.6	**3,417.5**
TOTAL	**-619.9**	**-1,628.4**

(1) These amounts essentially represented Parcours' operating loans, which finance the company's fleet of vehicles leased out to customers.

5.11 Other notes

NOTE 39 Segment information

Analysis of the income statement by operating segment is divided into two parts: "net income from business sectors" and non-recurring items.

Net income from business sectors

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

- "Net income from investments" is defined as the net income of companies under exclusive control (full consolidation: Bureau Veritas, Materis and Stahl; Parcours and Mecatherm, held by Oranje-Nassau Développement; Deutsch until April 3, 2012, the date on which it was sold) and Wendel's share in the net income of investments accounted for under the equity method (Saint-Gobain and Legrand; exceet, held by Oranje-Nassau Développement) before non-recurring items and the impact of goodwill allocations;
- net income from holding companies includes the operating expenses of Wendel and holding companies, the cost of net debt contracted to finance Wendel and its holding companies, the cost of financing the Eufor group (the Saint-Gobain investment structure) and related income tax items. The amounts shown are those recognized at the level of Wendel and all of its consolidated financial holding companies (excluding acquisition holding companies and operating subsidiaries).

Non-recurring income

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

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

Impact of goodwill allocation

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

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

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

Note 39-1 Income statement by operating segment for fiscal year 2012

						Equity-method investments			
In millions of euros	Bureau Veritas	Materis	Deutsch	Stahl	Oranje-Nassau Développement	Saint-Gobain	Legrand	Holding companies	Total operations
Net income from business sectors									
Net sales	3,902.3	2,072.5	-	361.2	365.9			-	6,702.0
EBITDA	N/A	258.2	-	54.9	N/A				
Adjusted operating income (1)	639.2	188.6	-	47.0	32.8				
Other recurring operating items	-	-2.0	-	-1.2	-				
Operating income	639.2	186.6	-	45.8	32.8			-45.7	858.7
Finance costs, net	-57.8	-153.4	-	-13.4	-11.4			-205.5	-441.5
Other financial income and expense	-11.4	-1.3	-	-	0.1			-0.1	-12.7
Tax expense	-157.7	-42.1	-	-6.1	-8.1			6.3	-207.8
Share in net income of equity-method investments	0.0	0.4	-	0.3	2.1	192.0	31.1	-	225.8
Net income from discontinued operations and operations held for sale	-	-	24.9	-	-	-	-	0.3	25.3
RECURRING NET INCOME FROM BUSINESS SECTORS	**412.3**	**-9.8**	**24.9**	**26.6**	**15.4**	**192.0**	**31.1**	**-244.7**	**447.8**
Recurring net income from business sectors – non-controlling interests	206.2	-1.9	2.6	2.3	0.5	-	-	0.2	209.9
RECURRING NET INCOME FROM BUSINESS SECTORS - GROUP SHARE	**206.1**	**-7.9**	**22.3**	**24.3**	**14.8**	**192.0**	**31.1**	**-244.8**	**237.9**
Non-recurring income									
Operating income	-133.9	-140.3	-	-10.3	-5.3	-	-	-8.9	-298.9
Net financial income (expense)	-0.0	-38.8	-	-2.2	-0.7	-	-	50.3	8.6
Tax expense	20.3	31.5	-	7.6	2.0	-	-	2.0	63.5
Share in net income of equity-method investments	-	-	-	-	-5.4	-562.3	-2.4	14.6	-555.5
Net income from discontinued operations and operations held for sale	-	-	-18.2	-	-	-	-	689.7	671.5
NON-RECURRING INCOME	**-113.6**	**-147.6**	**-18.2**	**-4.9**	**-9.4**	**-562.3**	**-2.4**	**747.7**	**-110.8**
of which:									
■ Non-recurring items	-3.6	-57.5	-14.7	2.0	-0.4	-9.2	-1.4	747.7 (2)	662.8
■ Impact of goodwill allocation	-47.5	-21.5	-3.5	-7.0	-9.0	-80.1	-1.0	-	-169.5
■ Asset impairment	-62.5	-68.6	-	-	-	-473.0 (3)	-	-	-604.1
Non-recurring net income – non-controlling interests	-55.5	-36.1	-1.9	-0.4	-0.1	-	-	-	-94.0
NON-RECURRING NET INCOME – GROUP SHARE	**-58.1**	**-111.5**	**-16.3**	**-4.5**	**-9.2**	**-562.3**	**-2.4**	**747.7**	**-16.8**
CONSOLIDATED NET INCOME	**298.7**	**-157.4**	**6.7**	**21.7**	**6.0**	**-370.3**	**28.7**	**503.0**	**337.1**
Consolidated net income – non-controlling interests	150.7	-38.0	0.7	1.8	0.4	-	-	0.2	115.9
CONSOLIDATED NET INCOME – GROUP SHARE	**147.9**	**-119.4**	**6.0**	**19.8**	**5.6**	**-370.3**	**28.7**	**502.8**	**221.1**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.

(2) This amount includes:

- *the €689.2 million gain on the sale of Deutsch;*
- *the €14.6 million gain on the sale of Legrand shares distributed by Wendel as a dividend in kind.*

(3) The figure includes a provision of €414.0 million recognized by Wendel against its investment in Saint-Gobain.

The contribution of Oranje-Nassau Développement to the 2012 income statement by business sector broke down as follows:

In millions of euros	Parcours	Mecatherm	exceet	Oranje-Nassau Développement
Net income from business sectors				
Net sales	**292.9**	**73.1**	**-**	**365.9**
EBITDA	**N/A**	**7.8**	**-**	
Adjusted operating income (1)	**26.8**	**6.0**	**-**	32.8
Other recurring operating items	-	-	-	-
Operating income	**26.8**	**6.0**	**-**	**32.8**
Finance costs, net	-6.8	-4.6	-	-11.4
Other financial income and expense	-	0.1	-	0.1
Pre-tax income, including management fees	**20.0**			
Tax expense	-7.7	-0.4	-	-8.1
Share in net income of equity-method investments	-	-	2.1	2.1
Net income from discontinued operations and operations held for sale	-	-	-	-
RECURRING NET INCOME FROM BUSINESS SECTORS	**12.3**	**1.0**	**2.1**	**15.4**
Recurring net income from business sectors – non-controlling interests	0.5	0.0	-	0.5
RECURRING NET INCOME FROM BUSINESS SECTORS - GROUP SHARE	**11.8**	**1.0**	**2.1**	**14.8**
Non-recurring income				
Operating income	-4.0	-1.4	-	-5.3
Net financial income	-	-0.7	-	-0.7
Tax expense	1.3	0.7	-	2.0
Share in net income of equity-method investments	-	-	-5.4	-5.4
Net income from discontinued operations and operations held for sale	-	-	-	-
NON-RECURRING NET INCOME	**-2.7**	**-1.3**	**-5.4**	**-9.4**
of which:				
■ Non-recurring items	-	-0.4	0.1	-0.4
■ Impact of goodwill allocation	-2.7	-0.9	-5.5	-9.0
■ Asset impairment	-	-	-	-
Non-recurring net income – non-controlling interests	-0.1	-0.0	-	-0.1
NON-RECURRING NET INCOME – GROUP SHARE	**-2.5**	**-1.3**	**-5.4**	**-9.2**
CONSOLIDATED NET INCOME	**9.6**	**-0.3**	**-3.3**	**6.0**
Consolidated net income – non-controlling interests	0.4	-0.0	-	0.4
CONSOLIDATED NET INCOME – GROUP SHARE	**9.2**	**-0.3**	**-3.3**	**5.6**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.

Note 39-2 Income statement by operating segment for fiscal year 2011

In millions of euros	Bureau Veritas	Materis	Deutsch	Stahl	Oranje-Nassau Développement	Equity-method investments Saint-Gobain	Legrand	Holding companies	Total operations
Net income from business sectors									
Net sales	**3,358.6**	**2,027.0**	**-**	**334.5**	**233.1**			**-**	**5,953.1**
EBITDA	**N/A**	**259.4**	**-**	**45.0**	**N/A**				
Adjusted operating income (1)	**544.3**	**194.3**	**-**	**38.0**	**25.4**				
Other recurring operating items	-	-1.0	-	-1.6	-				
Operating income	**544.3**	**193.3**	**-**	**36.4**	**25.4**			**-42.5**	**756.9**
Finance costs, net	-42.2	-128.0	-	-16.2	-7.8			-269.8	-464.0
Other financial income and expense	-16.2	-1.2	-	-	-0.1			-0.1	-17.5
Tax expense	-130.4	-34.7	-	-6.7	-5.4			0.3	-176.9
Share in net income of equity-method investments	0.3	0.2	-	0.3	2.6	296.0	60.0	-	359.4
Net income from discontinued operations and operations held for sale	-	-	54.5	-	-	-	-	1.4	56.0
RECURRING NET INCOME FROM BUSINESS SECTORS	**355.8**	**29.4**	**54.5**	**13.8**	**14.8**	**296.0**	**60.0**	**-310.7**	**513.7**
Recurring net income from business sectors – non-controlling interests	176.6	8.1	5.8	1.2	0.7	-	-	-	192.3
RECURRING NET INCOME FROM BUSINESS SECTORS - GROUP SHARE	**179.3**	**21.3**	**48.8**	**12.6**	**14.0**	**296.0**	**60.0**	**-310.7**	**321.4**
Non-recurring income									
Operating income	-77.0	-107.6	-	-12.4	-5.4	-	-	-0.4	-202.8
Net financial income (expense)	-0.0	-41.5	-	-8.7	-2.6	-	-	-94.5 (2)	-147.3
Tax expense	17.9	14.8	-	4.1	1.9	-	-	-	38.8
Share in net income of equity-method investments	-	-	-	-	-2.5	-166.8	-4.8	645.7 (3)	471.7
Net income from discontinued operations and operations held for sale	-	-	-66.0	-	-	-	-	39.5	-26.5
NON-RECURRING NET INCOME	**-59.1**	**-134.3**	**-66.0**	**-17.0**	**-8.5**	**-166.8**	**-4.8**	**590.4**	**133.8**
of which:									
■ Non-recurring items	-8.1	-44.5	-50.8	-9.3	-5.2	-17.5	-0.8	590.4	454.2
■ Impact of goodwill allocation	-34.9	-19.5	-14.5	-7.7	-3.3	-80.9	-2.2	-	-163.0
■ Asset impairment	-16.1	-70.3	-0.8	-	-	-68.4	-1.8	-	-157.4
Non-recurring net income – non-controlling interests	-28.7	-32.9	-7.0	-1.5	-0.4	-	-	0.2	-70.2
NON-RECURRING NET INCOME – GROUP SHARE	**-30.4**	**-101.5**	**-59.1**	**-15.5**	**-8.1**	**-166.8**	**-4.8**	**590.2**	**204.1**
CONSOLIDATED NET INCOME	**296.7**	**-104.9**	**-11.5**	**-3.2**	**6.3**	**129.2**	**55.3**	**279.7**	**647.5**
Consolidated net income – non-controlling interests	147.8	-24.7	-1.2	-0.3	0.4	-	-	0.2	122.1
CONSOLIDATED NET INCOME – GROUP SHARE	**148.9**	**-80.2**	**-10.3**	**-2.9**	**5.9**	**129.2**	**55.3**	**279.5**	**525.4**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.

(2) This amount includes:

- *a €23.0 million gain on the sale of Saint-Gobain shares received as dividends in 2010. As of December 31, 2010, these shares were recognized under assets held for sale;*
- *a €108.7 million loss related to changes in the fair value of and gain/loss on the sale of Saint-Gobain puts (purchased and issued).*

(3) This amount includes the €631.3 million gain on the sale of Legrand shares.

The contribution of Oranje-Nassau Développement to the 2011 income statement by business sector broke down as follows:

In millions of euros	Parcours	Mecatherm	exceet	Oranje-Nassau Développement
Net income from business sectors				
Net sales	**208.1**	**25.0**	**-**	**233.1**
EBITDA	**N/A**	**5.7**	**-**	
Adjusted operating income (1)	**20.1**	**5.3**	**-**	25.4
Other recurring operating items	-	-	-	-
Operating income	**20.1**	**5.3**	**-**	**25.4**
Finance costs, net	-6.9	-0.9	-	-7.8
Other financial income and expense	-	-0.1	-	-0.1
PRE-TAX INCOME, INCLUDING MANAGEMENT FEES	**13.3**			
Tax expense	-3.4	-2.0	-	-5.4
Share in net income of equity-method investments	-	-	2.6	2.6
Net income from discontinued operations and operations held for sale	-	-	-	-
RECURRING NET INCOME FROM BUSINESS SECTORS	**9.9**	**2.3**	**2.6**	**14.8**
Recurring net income from business sectors – non-controlling interests	0.7	0.0	-	0.7
RECURRING NET INCOME FROM BUSINESS SECTORS - GROUP SHARE	**9.2**	**2.3**	**2.6**	**14.0**
Non-recurring income				
Operating income	-4.3	-1.1	-	-5.4
Net financial income (expense)	-2.3	-0.3	-	-2.6
Tax expense	1.5	0.5	-	1.9
Share in net income of equity-method investments	-	-	-2.5	-2.5
Net income from discontinued operations and operations held for sale	-	-	-	-
NON-RECURRING NET INCOME	**-5.1**	**-0.9**	**-2.5**	**-8.5**
of which:				
■ Non-recurring items	-3.1	-0.7	-1.4	-5.2
■ Impact of goodwill allocation	-2.0	-0.2	-1.1	-3.3
■ Asset impairment	-	-	-	-
Non-recurring net income – non-controlling interests	-0.4	-0.0	-	-0.4
NON-RECURRING NET INCOME – GROUP SHARE	**-4.8**	**-0.9**	**-2.5**	**-8.1**
CONSOLIDATED NET INCOME	**4.7**	**1.4**	**0.1**	**6.3**
Consolidated net income – non-controlling interests	0.3	0.0	-	0.4
CONSOLIDATED NET INCOME – GROUP SHARE	**4.4**	**1.4**	**0.1**	**5.9**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.

Note 39-3 Balance sheet by operating segment as of December 31, 2012

In millions of euros	Bureau Veritas	Materis	Stahl	Oranje-Nassau Développement	Saint-Gobain	Legrand	Wendel and holding companies	Consolidated
Goodwill, net	1,959.3	767.5	24.1	138.1	-	-	-	2,889.1
Intangible assets, net	608.9	696.3	69.1	84.8	-	-	0.2	1,459.3
Property, plant & equipment, net	379.4	564.7	91.4	513.2	-	-	7.3	1,556.0
Non-current financial assets	68.1	9.0	-	3.0	-	-	34.5	114.6
Pledged cash and cash equivalents	-	-	-	-	-	-	3.4	3.4
Equity-method investments	0.7	3.8	2.1	53.8	4,228.4	145.3	-	4,434.1
Deferred tax assets	110.4	50.3	14.3	11.6	-	-	2.9	189.5
Total non-current assets	**3,126.8**	**2,091.6**	**201.0**	**804.5**	**4,228.4**	**145.3**	**48.4**	**10,646.0**
Assets held for sale	**5.4**	**-**	**5.3**	**-**	**-**	**-**	**-**	**10.6**
Inventories and work-in-process	8.6	274.7	47.9	35.6	-	-	-	366.7
Trade receivables	940.7	334.2	66.2	71.5	-	-	0.1	1,412.8
Other current assets	111.3	66.8	13.7	10.5	-	-	2.9	205.0
Current income tax assets	55.0	-	3.9	3.3	-	-	25.2	87.4
Other current financial assets	10.3	0.4	-	0.7	-	-	444.0	455.5
Cash and cash equivalents	243.5	71.4	33.7	11.3	-	-	486.1	845.9
Total current assets	**1,369.4**	**747.4**	**165.4**	**132.9**	**-**	**-**	**958.4**	**3,373.4**
TOTAL ASSETS								**14,030.0**
Shareholders' equity - Group share								2,674.4
Non-controlling interests								617.9
Total shareholders' equity								**3,292.3**
Long-term provisions	195.8	65.3	7.8	2.6	-	-	31.3	302.8
Financial debt (non-current portion)	1,282.7	1,916.0	173.8	241.3	-	-	3,869.2	7,483.1
Other non-current financial liabilities	24.2	-	3.4	3.4	-	-	98.1	129.2
Deferred tax liabilities	166.6	370.1	18.1	35.2	-	-	-	590.0
Total non-current liabilities	**1,669.3**	**2,351.4**	**203.2**	**282.6**	**-**	**-**	**3,998.7**	**8,505.1**
Liabilities held for sale	**1.0**	**-**	**-**	**-**	**-**	**-**	**-**	**1.0**
Short-term provisions	-	2.2	0.3	4.6	-	-	-	7.0
Financial debt (current portion)	128.3	95.9	24.6	234.7	-	-	67.8	551.3
Other current financial liabilities	52.2	22.8	-	1.8	-	-	149.5	226.3
Trade payables	240.7	236.2	28.1	69.9	-	-	4.4	579.3
Other current liabilities	547.0	171.3	25.9	26.9	-	-	11.1	782.4
Current income tax liabilities	75.8	3.1	4.4	1.8	-	-	0.2	85.4
Total current liabilities	**1,043.9**	**531.6**	**83.4**	**339.7**	**-**	**-**	**233.0**	**2,231.6**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY								**14,030.0**

The contribution of Oranje-Nassau Développement to the 2012 balance sheet by business sector broke down as follows:

In millions of euros	Parcours	Mecatherm	exceet	Oranje-Nassau Développement
Goodwill, net	35.8	102.3	-	138.1
Intangible assets, net	16.0	68.8	-	84.8
Property, plant & equipment, net	507.1	6.1	-	513.2
Non-current financial assets	2.5	0.4	-	3.0
Pledged cash and cash equivalents	-	-	-	-
Equity-method investments	-	-	53.8	53.8
Deferred tax assets	6.9	4.7	-	11.6
TOTAL NON-CURRENT ASSETS	**568.4**	**182.4**	**53.8**	**804.5**
Assets held for sale	**-**	**-**	**-**	**-**
Inventories and work-in-process	28.2	7.3	-	35.6
Trade receivables	33.1	38.4	-	71.5
Other current assets	8.3	2.2	-	10.5
Current income tax assets	-0.0	3.3	-	3.3
Other current financial assets	0.7	-	-	0.7
Cash and cash equivalents	1.6	9.7	-	11.3
TOTAL CURRENT ASSETS	**72.0**	**60.9**	**-**	**132.9**
Long-term provisions	0.3	2.3	-	2.6
Financial debt (non-current portion)	186.1	55.3	-	241.3
Other non-current financial liabilities	1.7	1.7	-	3.4
Deferred tax liabilities	10.6	24.6	-	35.2
TOTAL NON-CURRENT LIABILITIES	**198.7**	**83.9**	**-**	**282.6**
Liabilities held for sale	**-**	**-**	**-**	**-**
Short-term provisions	0.6	3.9	-	4.6
Financial debt (current portion)	223.1	11.6	-	234.7
Other current financial liabilities	1.8	-	-	1.8
Trade payables	61.5	8.4	-	69.9
Other current liabilities	12.4	14.5	-	26.9
Current income tax liabilities	1.7	0.2	-	1.8
TOTAL CURRENT LIABILITIES	**301.1**	**38.6**	**-**	**339.7**

Note 39-4 Balance sheet by operating segment as of December 31, 2011

In millions of euros	Bureau Veritas	Deutsch	Materis	Stahl	Oranje-Nassau Développement	Saint-Gobain	Legrand	Wendel and holding companies	Consolidated
Goodwill, net	1,851.6	-	774.0	24.1	138.1	-	-	-	2,787.8
Intangible assets, net	569.5	-	757.8	74.2	87.6	-	-	0.2	1,489.4
Property, plant & equipment, net	319.6	-	530.0	93.9	484.0	-	-	7.5	1,434.9
Non-current financial assets	92.2	-	10.4	-	3.3	-	-	28.9	134.8
Pledged cash and cash equivalents	-	-	-	-	-	-	-	146.6	146.6
Equity-method investments	0.7	-	3.4	2.1	57.5	4,788.7	141.7	-	4,994.1
Deferred tax assets	91.9	-	48.5	4.9	9.7	-	-	0.5	155.5
Total non-current assets	**2,925.5**	**-**	**2,124.1**	**199.3**	**780.2**	**4,788.7**	**141.7**	**183.7**	**11,143.2**
Assets held for sale	**-**	**899.6**	**-**	**5.5**	**-**	**-**	**-**	**-**	**905.2**
Inventories and work-in-process	5.3	-	272.2	44.3	32.2	-	-	-	348.8
Trade receivables	878.5	-	338.5	68.7	62.5	-	-	0.3	1,353.9
Other current assets	90.5	-	78.6	13.9	8.6	-	-	5.3	197.0
Current income tax	36.3	-	-	3.3	1.5	-	-	5.8	46.9
Other current financial assets	7.0	-	0.4	-	1.1	-	-	386.3	394.8
Cash and cash equivalents	244.1	-	83.6	20.3	11.2	-	-	437.5	796.7
Total current assets	**1,261.8**	**-**	**773.4**	**150.5**	**117.2**	**-**	**-**	**835.2**	**3,138.0**
TOTAL ASSETS									**15,186.4**
Shareholders' equity - Group share									2,693.9
Non-controlling interests									604.0
Total shareholders' equity									**3,298.0**
Long-term provisions	185.9	-	46.7	6.7	5.7	-	-	28.9	273.9
Financial debt (non-current portion)	999.4	-	1,920.4	192.1	224.0	-	-	4,601.4	7,937.3
Other non-current financial liabilities	22.1	-	4.8	4.2	5.4	-	-	94.0	130.6
Deferred tax liabilities	147.7	-	394.3	19.7	34.8	-	-	-	596.4
Total non-current liabilities	**1,355.1**	**-**	**2,366.2**	**222.7**	**270.0**	**-**	**-**	**4,724.3**	**8,938.3**
Liabilities held for sale	**-**	**643.8**	**-**	**-**	**-**	**-**	**-**	**-**	**643.8**
Short-term provisions	-	-	6.6	0.6	1.0	-	-	-	8.2
Financial debt (current portion)	266.1	-	28.0	17.3	212.9	-	-	71.3	595.6
Other current financial liabilities	30.2	-	6.1	0.2	1.1	-	-	236.1	273.7
Trade payables	228.4	-	254.9	29.5	83.6	-	-	3.4	599.8
Other current liabilities	510.1	-	172.7	21.3	22.7	-	-	11.5	738.3
Current income tax liabilities	84.8	-	4.4	0.5	0.9	-	-	0.2	90.8
Total current liabilities	**1,119.6**	**-**	**472.8**	**69.3**	**322.1**	**-**	**-**	**322.6**	**2,306.4**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY									**15,186.4**

The contribution of Oranje-Nassau Développement to the 2011 balance sheet by business sector broke down as follows:

In millions of euros	Parcours	Mecatherm	exceet	Oranje-Nassau Développement
Goodwill, net	35.8	102.3	-	138.1
Intangible assets, net	19.4	68.3	-	87.6
Property, plant & equipment, net	477.3	6.6	-	484.0
Non-current financial assets	2.9	0.4	-	3.3
Pledged cash and cash equivalents	-	-	-	-
Equity-method investments	-	-	57.5	57.5
Deferred tax assets	6.8	2.9	-	9.7
Total non-current assets	**542.2**	**180.5**	**57.5**	**780.2**
Assets held for sale	**-**	**-**	**-**	**-**
Inventories and work-in-process	22.7	9.6	-	32.2
Trade receivables	25.3	37.3	-	62.5
Other current assets	6.7	2.0	-	8.6
Current income tax	-	1.5	-	1.5
Other current financial assets	1.1	-	-	1.1
Cash and cash equivalents	3.2	8.0	-	11.2
Total current assets	**58.9**	**58.3**	**-**	**117.2**
Long-term provisions	0.3	5.4	-	5.7
Financial debt (non-current portion)	162.5	61.5	-	224.0
Other non-current financial liabilities	2.5	2.9	-	5.4
Deferred tax liabilities	11.3	23.6	-	34.8
TOTAL NON-CURRENT LIABILITIES	**176.5**	**93.4**	**-**	**270.0**
Liabilities held for sale	**-**	**-**	**-**	**-**
Short-term provisions	1.0	-	-	1.0
Financial debt (current portion)	209.3	3.6	-	212.9
Other current financial liabilities	1.1	-	-	1.1
Trade payables	74.1	9.5	-	83.6
Other current liabilities	6.5	16.3	-	22.7
Current income tax liabilities	0.8	0.2	-	0.9
TOTAL CURRENT LIABILITIES	**292.7**	**29.5**	**-**	**322.1**

Note 39-5 Cash flow statement by business segment for 2012

In millions of euros	Bureau Veritas	Materis	Stahl	Oranje-Nassau Développement	Wendel and holding companies	Eliminations and unallocated	Group total
Net cash flows from operating activities, excluding tax	684.5	203.2	49.7	159.5	-39.8	-	1,057.1
Net cash flows from investing activities, excluding tax	-377.4	-88.5	-9.0	-181.6	1,070.8	-71.5	342.9
Net cash flows from financing activities, excluding tax	-124.0	-90.5	-21.5	32.3	-1,109.4	71.5	-1,241.5
Net cash flows related to taxes	-180.0	-32.3	-5.7	-10.2	-16.4	-	-244.7

The contribution of Oranje-Nassau Développement to the 2012 cash flow statement by business sector broke down as follows:

In millions of euros	Parcours	Mecatherm	Total Oranje-Nassau Développement
Net cash flows from operating activities, excluding tax	155.2	4.3	159.5
Net cash flows from investing activities, excluding tax	-178.8	-2.7	-181.6
Net cash flows from financing activities, excluding tax	30.2	2.2	32.3
Net cash flows related to taxes	-8.1	-2.1	-10.2

Note 39-6 Cash flow statement by business segment for 2011

In millions of euros	Bureau Veritas	Deutsch	Materis	Stahl	Oranje-Nassau Développement	Wendel and holding companies	Eliminations and unallocated	Group total
Net cash flows from operating activities, excluding tax	552.1	-	225.9	31.6	106.6	-43.9	-	872.3
Net cash flows from investing activities, excluding tax	-184.0	-57.0	-100.6	-8.2	-95.5	1,272.3	-64.7	762.4
Net cash flows from financing activities, excluding tax	-203.9	-	-72.7	-19.4	6.8	-1,989.6	64.7	-2,214.1
Net cash flows related to taxes	-149.6	-	-34.6	-4.8	-6.7	-0.4	-	-196.1

The contribution of Oranje-Nassau Développement to the 2011 cash flow statement by business sector broke down as follows:

In millions of euros	Parcours	Mecatherm	Total Oranje-Nassau Développement
Net cash flows from operating activities, excluding tax	101.8	4.8	106.6
Net cash flows from investing activities, excluding tax	-100.2	4.8	-95.5
Net cash flows from financing activities, excluding tax	8.0	-1.2	6.8
Net cash flows related to taxes	-6.4	-0.3	-6.7

NOTE 40 Off-balance-sheet commitments

As of December 31, 2012, no commitment was likely to have a significant impact on the Group's financial position, other than those mentioned below.

Note 40-1 Collateral and other security given in connection with financing

		12/31/2012	12/31/2011
(i)	Pledge by Materis Parent (Materis group) of shares of the principal companies of the Materis group and of certain bank accounts and trade receivables as collateral for the repayment of the debt owed by the Materis group.	1,984.3	1,922.8
(ii)	Pledge by Deutsch group of shares of the principal companies of the Deutsch group and of certain bank accounts, trade receivables and assets as collateral for the repayment of debt owed by the Deutsch group.	-	484.7
(iii)	Pledge by Stahl Group SA of shares of the principal companies of the Stahl group and of certain bank accounts, trade receivables and assets as collateral for the repayment of debt owed by the Stahl group.	193.8	205.1
(iv)	Security given by Parcours (Oranje-Nassau Développement) under its bank borrowing arrangements, including the financed vehicles and the lease payments received.	388.4	336.4
(v)	Pledge by Mecatherm (Oranje-Nassau Développement) of shares of the companies in the Mecatherm group as collateral for the repayment of the debt owed by the Mecatherm group. Note that Wendel provided a first-demand guarantee of €15 million in favor of the banks (see note 5-2.5).	62.7	66.0
(vi)	Pledge of listed shares in connection with the Saint-Gobain investment financing structure (market value) [1].	1,215.7	2,159.1
(vii)	Pledge of cash in connection with the Saint-Gobain investment financing structure [1].	3.4	146.6
TOTAL		**3,848.3**	**5,320.8**

(1) These items are detailed in note 5-2 "Managing liquidity risk" relative to the Eufor group.

Note 40-2 Guarantees given as part of asset sales

Guarantees given in connection with the sale of Deutsch cover a limited number of standard warranties (ownership and validity of the securities sold, operations during the period leading up to the sale, no fraudulent activity, etc.). No claim with respect to these warranties has been received to date.

Tax guarantees given in connection with the divestment of Oranje-Nassau Groep's oil & gas activities in 2009 and expiring in May 2016 were limited to a theoretical maximum of €240.0 million as of December 31, 2012. There were no guarantees of environmental risk or site remediation costs connected with this divestment.

Guarantees given in connection with the divestment of Editis in 2008 covering standard warranties as well as tax risks and risks of employee-related costs were limited to a theoretical maximum of €52.3 million as of December 31, 2012. As of January 2012, claims may no longer be submitted under these guarantees. As of March 19, 2013, the date the financial statements were finalized, no amount had been paid out under this guarantee.

No provisions have been recognized for these guarantees.

Note 40-3 Guarantees received in connection with asset acquisitions

Guarantees received in connection with the acquisition of Parcours and Mecatherm cover standard warranties as well as tax risks and risks of employee-related costs up to a total of €12.5 million as of December 31, 2012.

Note 40-4 Off-balance-sheet commitments given and received related to operating activities

	12/31/2012	12/31/2011
Market counter-guarantees and other commitments given		
by Bureau Veritas (1)	196.2	198.4
by Materis	11.6	43.2
by Deutsch	-	3.0
by Stahl	0.4	-
by Oranje-Nassau Développement (Mecatherm)	4.0	9.9
TOTAL COMMITMENTS GIVEN	**212.2**	**254.6**
Other commitments received (2)	377.5	351.0
TOTAL COMMITMENTS RECEIVED	**377.5**	**351.0**

(1) Commitments given by Bureau Veritas included guarantees such as bank and parent-company guarantees.
(2) As of December 31, 2012, principally at Parcours.
As of December 31, 2012, commitments received were composed principally of lease payments to be received by Parcours (Oranje-Nassau Développement) on its portfolio of lease contracts in force (€178.4 million with a term of less than one year and €198.9 million with a term of 1-5 years).

Note 40-5 Shareholder agreements and co-investment mechanisms

As of December 31, 2012, the Wendel group was party to numerous agreements governing its relations with its co-shareholders in Materis, Stahl, Parcours and Mecatherm, be they minority investors or the managers of these companies, under co-investment mechanisms (as described in note 4 "Participation of managers in Group investments").

These agreements contain various clauses related to:

- corporate governance (composition of governing bodies and rights to information);
- terms of share transfers (lock-up periods, right of first refusal);
- exit terms in the event of a sale (tag-along and drag-along rights) or IPO;
- executive departures (commitment to sell to the Wendel group in the event the subsidiary executive resigns and/or commitment to buy from executives in certain special cases);
- liquidity of the investment in certain situations and in particular in the absence of a sale or IPO beyond a certain period of time following Wendel's initial investment.

As part of the liquidity commitments under these agreements and of those entered into with Wendel managers as part of co-investment mechanisms, if no liquidity event (divestment or IPO) has taken place before certain predetermined dates, the Wendel group may be required to buy back the shares held by subsidiary managers in Materis, Stahl, Parcours and Mecatherm, and those held by Wendel managers in Materis, Stahl, VGG, Parcours and Mecatherm (via Winvest International and Oranje-Nassau Développement). The value applied to these liquidity commitments would be market value, as determined by an appraiser, or a value calculated on the basis of a profitability multiple. The Deutsch co-investment was realized in 2012 given Wendel's divestment of its holding in Deutsch.

As of December 31, 2012, on the basis of the value of investments included in the calculation of Net Asset Value, the value of the "pari passu" portion of the investment made by managers (under the same risk and return conditions as Wendel) was €89 million, and the value of the portion of managers' investments having dilutive effects on Wendel's ownership interest was €52 million. In accordance with accounting principles relating to puts held by non-controlling interests and to co-investment mechanisms, a portion of these amounts is recognized within financial liabilities (€27 million).

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

Other agreements

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

Note 40-6 Leasing

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

Note 40-6.1 Finance leases (contracts under which the Group retains the risks and rewards connected with ownership of the leased item)

Amount of future rents under finance leases:

In millions of euros	12/31/2012	12/31/2011
Due in more than 5 years	10.7	9.2
Due in 1 to 5 years	5.1	3.4
Due in less than 1 year and accrued interest	1.5	1.0
TOTAL	**17.4**	**13.6**

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

Note 40-6.2 Operating leases (contracts under which the Group does not retain the risks and rewards connected with ownership of the leased item)

Amount of future rents under operating leases:

In millions of euros	12/31/2012	12/31/2011
Due in more than 5 years	68.9	79.4
Due in 1 to 5 years	286.9	238.5
Due in less than 1 year and accrued interest	125.8	114.1
TOTAL	**481.6**	**432.1**

Future rents principally include €296.8 million related to Bureau Veritas (€254.2 million in 2011), and €166.4 million related to Materis (€142.7 million in 2011).

NOTE 41 Stock options, bonus shares and performance shares

The total expense related to stock options or other share-based compensation for fiscal year 2012 was €21.2 million vs. €21.3 million in 2011.

In millions of euros	2012	2011
Stock options at Wendel	4.5	2.9
Grant of bonus shares at Wendel	1.2	2.7
Stock options at Bureau Veritas	2.2	2.1
Grant of bonus shares at Bureau Veritas	14.4	12.8
Stock appreciation rights at Bureau Veritas	-0.2	-0.2
Stahl	0.3	0.8
TOTAL	**22.4**	**21.3**

Grants under new stock-option plans in 2012 were as follows:

Note 41-1 Wendel

Pursuant to the authorization given by shareholders at their June 4, 2012 Annual Meeting, options giving the right to subscribe to 227,270 shares were allocated on July 5, 2012 with a strike price of €54.93 and a 10-year life. These options have the following features:

- a service condition: the options are subject to a two-year vesting period during which the beneficiary must remain employed or appointed by Wendel; the first half vest after one year and the other half after two years;

- a performance condition: the full number of options granted vests if the increase in NAV over the 2012-14 period (adjusted for dividends) is greater than or equal to 10.25%. One-half vests if the increase in NAV over the 2012-13 period (adjusted for dividends) is greater than or equal to 5%. The NAV used as the point of reference for 2012 is the NAV calculated as of May 24, 2012, or €93.6 per share.

These options have been valued using a Monte-Carlo model, based on the following principal assumptions: a 5-year average rate of return of 2.6%; volatility of 30%; and staff turnover considered to be zero. The illiquid nature of the stock options has also been taken into account. These options have been valued at €9.3 each. The expense has been spread over the options' vesting period.

Under the authorization granted by shareholders at their June 4, 2012 Meeting, 75,754 performance shares were also granted on July 5, 2012. They are subject to the same service and performance-based conditions as the options granted in 2012 (see previous paragraph). They have been valued at €26.7 per share. This value takes into account the period of illiquidity of these performance shares.

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

Stock options	Number of options outstanding as of 12/31/2011	Options granted in 2012	Options canceled in 2012	Options exercised in 2012	Number of options outstanding as of 12/31/2012	Exercise price (€)	Average exercise price (€)	Average residual life	Number of exercisable options
Stock purchase options	153,202	-	-	-30,095	123,107	22.58 and 41.73	23.67	6.6 years	118,487
Stock purchase options	952,177	227,270	-10,250	-15,000	1,154,197	22.58 to 80.91	55.47	8.1 years	417,685
Stock subscription options	138,142	-	-6,000	-26,262	105,880	25.96 to 90.14	67.62	2.6 years	105,880
Stock subscription options	1,162,200	-	-383,540	-	778,660	18.96 to 132.96	65.26	5.5 years	126,900

Bonus shares and performance shares	Shares granted as of 12/31/2011	Awards during the fiscal year	Shares vested	Cancellations	Shares granted as of 12/31/2012	Grant date	Vesting date
Bonus shares	80,950	-	-80,950	-	-	01/12/2010	01/12/2012
	10,500	-	-10,500	-	-	05/17//2010	05/17/2012
Performance shares	146,437	-	-146,437	-	-	06/04/2010	06/04/2012
	-	75,754	-	-	75,754	07/05/2012	07/05/2014
	237,887	**75,754**	**-237,887**	**-**	**75,754**		

Note 41-2 Bureau Veritas

By resolution of Bureau Veritas' Board of Directors on July 18, 2012, Bureau Veritas granted 336,600 stock options with an exercise price of €70.17 to certain of its employees. The beneficiary must complete three years of service for the options to vest. There is also a performance condition based on management operating income. The options have a term of eight years from the grant date.

The average unit fair value of options granted during the fiscal year was €11.63. They were valued using a Black & Scholes model, with the following assumptions: volatility of 23%, dividend return of 1.77%, risk-free rate of 0.63%, and an estimated life of four years.

In 2012, Bureau Veritas also granted 408,300 performance shares subject to certain service and/or performance conditions. The weighted average fair value of bonus shares granted in 2012 was €62.96 per share.

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

Stock options	Number of options outstanding as of 12/31/2011	Options granted in 2012	Options canceled in 2012	Options exercised in 2012	Number of options outstanding as of 12/31/2012	Exercise price (€)	Average exercise price (€)	Average residual life	Number of exercisable options
Bureau Veritas	1,614,445	336,600	-9,000	-599,510	1,342,535	15.17 to 70.17	46.17	5.2 years	525,970

Performance shares	Shares granted as of 12/31/2012	Grant date	Expiration date
	153,750	07/03/2009	07/03/2013
	416,100	07/23/2010	07/23/2013-2014
	361,110	07/18/2011	07/18/2014-2015
	23,544	12/14/2011	12/14/2016
	408,300	07/18/2012	07/18/2015-2016
	1,362,804		

Stock appreciation rights	Expiration date	Exercise price per share	Number of options (share equivalents)	
			2012	2011
December 13, 2007 plan	12/12/2013	30.20	27,526	51,017
NUMBER OF OPTIONS AS OF DECEMBER 31			**27,526**	**51,017**

NOTE 42 Subsequent events

In order to support the pan-African growth strategy of the IHS group, one of the leading providers of telecom tower infrastructure in Africa, Wendel has already committed to invest $176 million through capital increases alongside IHS's current shareholders, who are major development finance institutions and top-tier private equity firms in Africa. On completion of this investment program, Wendel will be the largest shareholder of IHS Holding, and will accordingly exercise a substantial influence on the governance and on the strategic decisions of IHS.

As of December 31, 2012, Wendel had already invested $25.8 million in the form of a loan, which was subsequently converted into capital during the first quarter 2013. This was part of a first increase in capital, in which Wendel invested an additional amount of $80.1 million.

NOTE 43 List of principal consolidated companies as of December 31, 2012

Method of consolidation	% interest net of treasury shares	Company name	Country	Business segment
FC	**100.0**	**Wendel**	**France**	**Management of shareholdings**
FC	100.0	Coba	France	"
FC	100.0	Eufor	France	"
FC	100.0	Hirvest 1	France	"
FC	100.0	Hirvest 3	France	"
FC	100.0	Hirvest 4	France	"
FC	100.0	Oranje-Nassau Développement France	France	"
FC	100.0	Sofiservice	France	"
FC	100.0	Winbond	France	"
FC	100.0	Xevest 2	France	"
FC	100.0	Wendel Japan	Japan	"
FC	100.0	Froeggen	Luxembourg	"
FC	100.0	Grauggen	Luxembourg	"
FC	100.0	Hourggen	Luxembourg	"
FC	100.0	Ireggen	Luxembourg	"
FC	100.0	Jeurggen	Luxembourg	"
FC	100.0	Karggen	Luxembourg	"
FC	97.3	Materis Investors	Luxembourg	"
FC	100.0	Mecatherm GuarantCo	Luxembourg	"
FC	98.1	Oranje-Nassau Mecatherm	Luxembourg	"
FC	95.7	Oranje-Nassau Parcours	Luxembourg	"
FC	99.5	Oranje-Nassau Développement SA SICAR	Luxembourg	"
FC	97.4	Stahl Lux 2	Luxembourg	"
FC	100.0	Trief Corporation	Luxembourg	"
FC	100.0	Truth 2	Luxembourg	"
FC	98.4	Waldggen	Luxembourg	"
FC	100.0	Winvest Conseil	Luxembourg	"
FC	99.5	Winvest International SA SICAR	Luxembourg	"
FC	100.0	Win Securitization 2	Luxembourg	"
FC	100.0	Oranje-Nassau Groep	Netherlands	"
FC	100.0	Oranje-Nassau Development	Netherlands	"
FC	100.0	Legron	Netherlands	"
FC	100.0	Sofisamc	Switzerland	"
FC	**51.2**	**Bureau Veritas**	**France**	**Certification and verification**
FC	**75.5**	**Materis Parent**	**Luxembourg**	**Specialty chemicals for construction**
FC	**91.5**	**Stahl Group**	**Netherlands**	**High-performance coatings and leather-finishing products**
E	**5.5**	**Legrand SA**	**France**	**Products and systems for low-voltage installations**
E	**17.1**	**Saint-Gobain**	**France**	**Production, transformation and distribution of building materials**
Oranje-Nassau Développement includes:				
FC	**98.1**	**Mecatherm**	**France**	**Industrial bakery equipment**
FC	**95.7**	**Parcours**	**France**	**Independent specialist in long-term vehicle leasing to corporate customers**
E	**28.4**	**exceet**	**Switzerland**	**Design of embedded systems**

FC: Full consolidation. Wendel exercises exclusive control over these companies.
E: Companies accounted for by the equity method. Wendel exercises significant influence over these companies.

5.12 Statutory Auditors' report on the consolidated financial statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2012

WENDEL

89, rue Taitbout

75009 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by your General Shareholders' Meeting, we hereby report to you, for the year ended December 31, 2012, on:

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

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

I - Opinion on the consolidated financial statements

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

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31, 2012 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to Note 9-4 "Impairment tests of equity-method investments" to the consolidated financial statements. In a context of uncertainties with regard to the outlook for the global economy which makes forecasting difficult, this note describes the methods applied to test the interest held in Saint-Gobain for impairment at December 31, 2012, and in particular, the sensitivity of the result of this test, with regard to changes in the discount rate, the long-term growth rate and normative profitability taken into account for the computation of cash flows beyond the five-year business plan.

II - Justification of our assessments

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

Accounting estimates

In preparing its financial statements, your Company makes estimates and assumptions concerning, in particular, the value of certain assets, liabilities, income and expenses. The accounting estimates used in the preparation of the consolidated financial statements for the year ended December 31, 2012 were made in a context in which the uncertainties with regard to the outlook for the global economy make forecasting difficult, as described in Note 1-10 "Use of estimates" to the consolidated financial statements.

It is in this specific context that at December 31, 2012 the Company carried out impairment tests on goodwill, intangible assets with indefinite useful lives and equity-method investments, in accordance with the methods described in Note 1-11 "Measurement rules", Note 6-1 "Goodwill impairment tests", and Note 9-4 "Impairment tests of equity-method investments" to the consolidated financial statements.

We reviewed the methods applied to implement these impairment tests and verified that the above-mentioned notes provide appropriate disclosure.

In particular, with regard to the impairment test on Saint-Gobain shares, we reviewed the assumptions and estimates applied by the Company to determine the value in use of the investment.

Accounting principles

We reviewed the accounting treatment applied by your Company for preparing its consolidated financial statements with respect to managers' participation in Group investments. We verified that Note 1-11.18 "Accounting treatment of participation of managers in Group investments", Note 4 "Participation of managers in Group investments", and Note 40-5 "Shareholder agreements and co-investment mechanisms" to the consolidated financial statements provide appropriate disclosure in this regard.

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

III - Specific verification

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

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

Neuilly-sur-Seine and Paris-La Défense, March 27, 2013

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean-Pierre Letartre

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2012 PARENT COMPANY FINANCIAL STATEMENTS

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6.1 Balance sheet as of December 31, 2012

Assets

In thousands of euros	Note	12/31/2012 Gross amounts	12/31/2012 Depr./amort. or provisions	12/31/2012 Net amounts	12/31/2011 Net amounts
Non-current assets					
Property, plant & equipment		**15,475**	**12,717**	**2,758**	**2,910**
Non-current financial assets (1)					
Investments in subsidiaries and associates	1	3,533,077	58	3,533,019	4,359,299
Other long-term investments		83	50	33	83
Treasury shares	2	16,380	-	16,380	31,057
Loans and other non-current financial assets		178	-	178	118
		3,549,718	**108**	**3,549,610**	**4,390,557**
TOTAL		**3,565,193**	**12,825**	**3,552,368**	**4,393,467**
Current assets					
Trade receivables (2)		4,569	78	4,491	4,322
Other receivables (2)	3	3,303,925	499	3,303,426	1,869,059
Treasury instruments	9	169,313	-	169,313	181,833
Marketable securities	4	816,607	48	816,559	764,496
Cash		1,895	-	1,895	2,327
Prepaid expenses		1,659	-	1,659	2,326
TOTAL		**4,297,968**	**625**	**4,297,343**	**2,824,363**
Deferred expenses		2,400	99	2,301	-
Original issue discounts		45,988	-	45,988	65,610
TOTAL ASSETS		**7,911,549**	**13,549**	**7,898,000**	**7,283,440**
(1) Of which less than one year.				*3*	*3*
(2) Of which more than one year.				*-*	*-*

Liabilities and shareholders' equity

In thousands of euros	Note	12/31/2012	12/31/2011
Shareholders' equity			
Share capital		198,175	202,244
Share premiums		184,362	252,476
Legal reserve		20,224	20,223
Regulated reserves		191,820	191,820
Other reserves		1,500,000	1,500,000
Retained earnings		1,257,807	661,658
Net income for the year		**782,962**	**683,205**
TOTAL	5	**4,135,350**	**3,511,626**
Provisions for risks and contingencies	6	**25,985**	**51,628**
Borrowings [(2)]	7	3,542,896	3,519,540
Other payables	8	193,769	200,646
TOTAL [(1)]		**3,736,665**	**3,720,186**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**7,898,000**	**7,283,440**
(1) Of which less than one year		*448,275*	*441,446*
Of which more than one year		*3,288,390*	*3,278,740*
(2) Of which short-term bank borrowing		*4,007*	*-*

6.2 Income statement

In thousands of euros	Note	2012	2011
Income from investments in subsidiaries, associates and long-term equity portfolio	11	**890,024**	**480,015**
Other financial income and expenses	12		
Income			
■ Income from loans and invested cash		108,418	147,582
■ Provisions reversed		25,252	1,282
Expenses			
■ Interest and similar expenses		215,236	218,316
■ Depreciation, amortization and provisions		22,793	40,050
NET FINANCIAL INCOME		**785,665**	**370,513**
Operating revenue	13		
Other income		5,975	5,656
Provisions reversed and expenses transferred		2,452	2,199
Operating expenses			
Purchases and external services		15,433	12,794
Taxes other than income taxes		2,097	1,900
Wages and salaries	14	11,808	12,159
Social security costs		6,957	6,041
Depreciation & amortization and deferred expenses		663	782
Provisions recognized		1,154	116
Miscellaneous expenses		678	694
OPERATING INCOME (LOSS)		**-30,363**	**-26,631**
NET INCOME (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		**755,302**	**343,882**
Exceptional income			
On operating transactions		2,721	297
On capital transactions		-	-
Provisions reversed		96,719	360,010
Exeptional expenses			
On operating transactions		21,089	1,644
On capital transactions		78,078	3,989
Provisions recognized		145	18,344
EXCEPTIONAL ITEMS	15	**128**	**336,330**
INCOME TAXES	16	**27,532**	**2,993**
NET INCOME (LOSS)		**782,962**	**683,205**

6.3 Cash flow statement

In thousands of euros	2012	2011
Cash flows from operating activities		
Net income (loss)	782,962	683,205
Gains and losses on disposals of non-current assets	85,139	5,166
Depreciation, amortization and provisions	-96,497	-303,949
Other non-cash items	-	-
Change in working capital requirement related to operating activities	-46,051	7,252
NET CASH FLOWS FROM OPERATING ACTIVITIES	**725,553**	**391,674**
Cash flows from investing activities		
Outflows:		
■ investment in shares of subsidiaries and associates (1)	-24,706	-148,252
■ acquisition of property, plant & equipment	-413	-291
■ loans repaid	-63	-104
Inflows (at sale prices):		
■ divestment of shares in subsidiaries and affiliates	64	143,993
■ disposal of property, plant & equipment	-	-
■ loans granted	3	3
Change in working capital requirement related to investing activities	16,107	-16,323
NET CASH FLOWS FROM INVESTING ACTIVITIES	**-9,008**	**-20,974**
Cash flows from financing activities		
Related to share capital		
■ increase in share capital	2,472	2,956
■ buyback of Wendel shares	-61,712	-79,201
■ disposal of Wendel shares (liquidity contract)	294	-1,126
■ disposal of Wendel shares (purchase options exercised)	1,018	810
Dividend payments	-63,284	-61,154
Net change in borrowing and other financial liabilities (2)	-558,286	-680,580
Change in working capital requirement related to financing activities	2,305	17,001
NET CASH FLOWS FROM FINANCING ACTIVITIES	**-677,193**	**-801,294**
CHANGE IN NET CASH AND CASH EQUIVALENTS	**39,352**	**-430,594**
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**681,829**	**1,112,423**
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR OF ABSORBED COMPANIES	**8**	**0**
NET CASH AND CASH EQUIVALENTS AT END OF YEAR (3)	**721,189**	**681,829**

(1) Principally consists of the Legrand shares acquired by the Company from its indirect subsidiary Legron BV for €24,660 thousand. The majority of these shares were distributed to shareholders as a dividend (see the note on "Highlights of the year").

(2) In 2012, this line item comprised mainly the -€250,000 thousand repayment of the syndicated credit facility, the issuance of €400,000 thousand of Wendel bonds with 2019 maturity, the partial buyback of Wendel 2014 and 2016 bonds (-€101,600 thousand and -€38,450 thousand, resp.), and -€568,222 thousand in loans to the Group's holding companies.

(3) The net cash and cash equivalents at end of year included net available short-term bank borrowings and marketable securities excluding treasury shares (see note 4).

6.4 Notes to the parent company financial statements

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6.4.1 Highlights of the year

In March 2012, the Company repaid €250 million of its syndicated credit facility.

At their meeting of June 4, 2012, shareholders approved the payment of a cash dividend of €1.30 per share, accompanied by a special dividend of one Legrand share for every 50 Wendel shares held. In order to distribute this dividend in kind, Wendel purchased €24.7 million Legrand shares from its indirect subsidiary Legron BV.

During the year, Wendel repurchased part of its 2014 and 2016 bonds, with a total par value of €140.1 million.

In September 2012, the Company issued new bonds, maturing in 2019, with a par value of €400.0 million, bearing interest at 5.875% p.a.

Net receivables from subsidiaries varied by €568.2 million (excluding the effect of the absorption of Winvest 11) as a result of the following factors:

- Wendel borrowed a total amount of €1,159.1 million from its subsidiaries, corresponding principally to proceeds from the sale of Deutsch (€959.6 million), and to Bureau Veritas, Saint-Gobain and Legrand dividends received by its subsidiaries (€199.5 million);
- Wendel lent a total amount of €837.3 million to its subsidiaries, principally to finance: the voluntary early repayment by Group subsidiaries of €760 million of bank debt relating to the Saint-Gobain investment; the reinvestment of €21 million in Materis as part of the renegotiation of this subsidiary's bank debt; the liquidity line granted to Mecatherm as well as the guarantee given to this subsidiary's banks (€20 million); and a €19.5 million ($25.8 million) loan granted to IHS by the Group;
- Wendel received a €480.0 million dividend from Oranje-Nassau; and
- Wendel repaid €410.0 million to Winbond, deriving from the dividend paid by that subsidiary.

6.4.2 Accounting principles

The balance sheet and income statement have been prepared in accordance with the accounting standards prescribed by the 1999 French chart of accounts, applying the same exceptions as in previous years.

The two exceptions to the policies set out in the French chart of accounts are as follows:

- substitution of "Net financial income" as the sub-total representing the Company's activity for "Operating income", as defined by the chart of accounts;
- recognition of all capital transactions on assets other than "Marketable securities" in "Exceptional items". Regarding marketable securities, changes in provisions for impairment and gains and losses on disposal are recognized in "Net financial income".

The valuation methods applied remain unchanged compared to those of prior years.

The gross value of items included in non-current assets corresponds to their acquisition cost or the cost at which they were contributed to the Company, excluding ancillary costs.

6.4.2.1 Use of estimates

The preparation of financial statements requires the use of estimates and assumptions that affect the amounts reported in the financial statements. These estimates are based on an appreciation of the facts and circumstances existing at the balance sheet date, as well as on information available as of the date the accounts were finalized. They are based on management's past experience and various other factors deemed reasonable, such as market data and expert valuations, and are reviewed on a regular basis. The uncertain global economic picture has complicated forecasting, and actual amounts could therefore be different from the forecasts. The most significant estimates used in preparing these financial statements concern mainly i) investments in subsidiaries and associates and ii) receivables.

6.4.2.2 Investments

The initial value of investments in subsidiaries and associates is historical cost. Internal indicators of loss in value are reviewed annually for each investment. In the event of an indication of loss in value, valuations are updated. The valuation method used depends on the type of business (operating or holding company) and can be based on the ownership share of the net book value of the entity or of the net asset value after revaluation. In this case, the valuation can be based on a variety of methods, including discounted future cash flows, a multiple of sales or income, external transactions on similar companies, stock market values, etc. When the new carrying value is lower than the net book value, an impairment loss is recognized on the difference.

6.4.2.3 Loans and receivables

Loans and receivables are valued at face value. An impairment loss is recognized if there is a probability of non-recovery. Loans and receivables related to investments are written down if the net asset value of the subsidiary concerned (or the net book value if it is deemed representative of the recoverable value) becomes negative, taking into account the future outlook for the company and the characteristics of the loans or receivables.

6.4.2.4 Original issue discounts/premiums and debt issuance costs

Original issue discounts or premiums are generally amortized on a straight-line basis over the term of the corresponding loan. When such discounts exceed 10% of the sums received, they are amortized according to the effective interest method.

Debt issuance costs are spread over the term of the loan in accordance with the preferential method recommended by CRC Regulation No. 99-02.

6.4.2.5 Interest rate derivatives

Gains and losses arising on derivative financial instruments used in the context of hedging are determined and recognized symmetrically with the recognition of income and expenses on the related hedged items.

6.4.2.6 Equity options

Premiums paid or received on options are recognized in a suspense account (“treasury instruments” or “other liabilities”, respectively) until expiry of the option. Provisions are recognized on unrealized losses; however, unrealized gains are not recognized.

As an exception, for option contracts on which Wendel has a symmetrical position (purchase and sale of options with the same characteristics, see note 9), the amount of the premium received or paid is recognized. Unrealized gains and losses are neutralized and therefore have no impact on net income.

6.4.2.7 Marketable securities

Marketable securities are measured using the first-in, first-out method. A provision for impairment is recognized if the book value of the securities is greater than market value.

6.4.2.8 Provisions for pensions

Obligations related to retirement bonuses and defined-benefit pension schemes are determined at each balance sheet date taking into account the age of the Company’s employees, their length of service and the likelihood that they will remain at the Company until they retire. The calculation is based on an actuarial method. The main assumptions used in 2012 were:

- discount rate = 3.0%;
- inflation rate = 1.5%;
- salary increase rate between 1.5% and 3% depending on the category;
- employee turnover rate inversely proportional to age.

A provision is recognized for the portion of the obligation that is not covered by plan assets.

6.4.3 Notes to the balance sheet

NOTE 1 Investments in subsidiaries and associates

In thousands of euros	% Interest 12/31/2011	% Interest 12/31/2012	Net amounts 12/31/2011	Purchase/ subscription	Sale	Change in provisions	Net amounts 12/31/2012
French investments							
Sofiservice	100.00	100.00	354	-	-	-	354
Winbond	100.00	100.00	3,293,547	-	-	-	3,293,547
Winvest 11 (1)	100.00	-	826,583	-	903,283	76,700	-
Saint-Gobain	-	-	282	-	-	-	282
Legrand	-	-	-	24,660	24,265	-	395
Non-French investments							
Oranje-Nassau	100.00	100.00	238,320	-	-	-	238,320
Other			213	46	163	25	121
			4,359,299	**24,706**	**927,711**	**76,725**	**3,533,019**

(1) As part of the simplification of the Group's structures, Winvest 11 was absorbed by Wendel during 2012. An absorption loss of €77,484 thousand was recognized in exceptional items, offset by the reversal of the €76,700 thousand provision for impairment recognized against this subsidiary.

NOTE 2 Treasury shares

As of December 31, 2012, Wendel held 1,587,498 of its shares in treasury outside the context of the liquidity contract (1,964,155 as of December 31, 2011). These treasury shares are allocated as follows:

- 1,353,058 shares are allocated to cover stock options, and grants of bonus and performance shares (see note 4 "Marketable securities");
- 234,440 shares are allocated to cover potential acquisitions.

In thousands of euros	% Interest 12/31/2011	% Interest 12/31/2012	Net amounts 12/31/2011	Purchase	Sale	Transfers	Change in provisions	Net amounts 12/31/2012
Wendel shares	1.23%	0.47%	31,057	44,285	0	-73,875 (1)	14,913	16,380
			31,057	**44,285**	**0**	**-73,875**	**14,913**	**16,380**

(1) On March 30, 2012 and November 21, 2012, the Executive Board made the decision to reduce share capital by canceling 1,079,013 treasury shares. These shares had been recognized at €74,655 thousand.
Number of Wendel shares held as of December 31, 2012: 234,440 shares (620,889 shares as of December 31, 2011).

NOTE 3 Other receivables

In thousands of euros	12/31/2012 Gross amounts	Provisions	Net amounts	12/31/2011 Gross amounts	Provisions	Net amounts
Tax and employee social security receivables	15,666	-499	15,167	1,230	-	1,230
Loans and advances connected with investments [(1)]	3,273,914	-	3,273,914	1,849,662	-	1,849,662
Other [(2)]	14,345	-	14,345	18,167	-	18,167
	3,303,925	**-499**	**3,303,426**	**1,869,059**	**-**	**1,869,059**
of which related companies	*3,281,145*			*1,860,388*		
of which accrued revenue	*29,209*			*18,165*		

(1) These receivables relate principally to advances to holding companies that hold or finance the Group's stake in Saint-Gobain. As of December 31, 2012, based on a valuation of Saint-Gobain at €47.08 per share, calculated by the present value of future cash flows, these loans were not written down.

(2) Includes €14,299 thousand in accrued interest on interest rate derivatives (see note 9).

NOTE 4 Marketable securities

In thousands of euros	12/31/2012 Net book value	Market value	12/31/2011 Net book value	Market value
Wendel shares (excluding liquidity contract) [(1)]				
Shares allocated to stock-option plans [(2)]	77,789	96,194	67,087	55,291
Shares allocated to performance share plans [(3)]	4,188	5,705	10,423	11,899
	81,977	**101,899**	**77,510**	**67,190**
Money-market mutual funds and deposits	373,437	373,437	399,033	399,033
Short-term bonds	11,196	11,196	-	-
Diversified funds, equities or bonds	71,140	77,865	44,477	46,043
Funds managed by financial institutions	251,325	251,325	224,814	224,814
Liquidity contract [(4)]				
Wendel shares	11,288	11,297	7,484	7,503
Mutual funds	16,196	16,196	11,178	11,178
	734,582	**741,316**	**686,986**	**688,571**
	816,559	**843,215**	**764,496**	**755,761**

(1) Number of Wendel shares held as of December 31, 2012: 1,353,058.
Number of Wendel shares held as of December 31, 2011: 1,343,266.

(2) Shares held for the exercise of purchase options granted under stock-option plans. The net book value of these shares is the lower of the strike price for the purchase options granted, or their stock market value.
The negative difference arising between the book value and the exercise price of the purchase options is provisioned in proportion to the extent to which they have vested within "Provisions for risks and contingencies". As of December 31, 2012, this provision totaled €9,692 thousand.

(3) In accordance with accounting standards, the loss related to the allocation of performance shares is provisioned in proportion to the extent to which they have vested. As of December 31, 2012, this loss totaled €1,027 thousand and was recognized in "Provisions for risks and contingencies".

(4) Number of Wendel shares held as of December 31, 2012: 150,000 (150,000 as of December 31, 2011).

NOTE 5 Change in shareholders' equity

Number of shares	In thousands of euros	Share capital (par value €4)	Share premiums	Legal reserve	Regulated reserves	Other reserves and retained earnings	Net income for the year	Total shareholders' equity
50,501,779	**Balance as of 12/31/2010 before appropriation**	**202,007**	**249,780**	**20,201**	**191,820**	**1,542,565**	**680,247**	**2,886,620**
	Appropriation of 2010 net income [(1)]					680,247	-680,247	-
	Dividend					-61,154		-61,154
	Issuance of shares							
28,255	■ under the Company savings plan	113	1,734	11				1,858
30,941	■ through options exercised	124	962	11				1,097
	2011 net income						683,205	683,205
50,560,975	**Balance as of 12/31/2011 before appropriation**	**202,244**	**252,476**	**20,223**	**191,820**	**2,161,658**	**683,205**	**3,511,626**
	Appropriation of 2011 net income [(2)]			1		683,204	-683,205	-
	Dividend [(3)]					-87,055		-87,055
	Issuance of shares							
35,417	■ under the Company savings plan	142	1,362					1,504
26,262	■ through options exercised	105	863					968
	Capital reduction							
-68,041	Executive Board decision 03/30/12	-272	-4,446					-4,718
-1,010,972	■ Executive Board decision 11/21/12	-4,044	-65,893					-69,937
	2012 net income						782,962	782,962
49,543,641	**Balance as of 12/31/2012 before appropriation**	**198,175**	**184,362**	**20,224**	**191,820**	**2,757,807**	**782,962**	**4,135,350**

(1) The amount appropriated to retained earnings, as approved by shareholders at their May 30, 2011 Annual Meeting, was increased by €2,005 thousand because no dividends were paid on the Wendel shares the Company held in treasury on the dividend payment date.

(2) The amount appropriated to retained earnings, as approved by shareholders at their June 4, 2012 Annual Meeting, was increased by €2,851 thousand because no dividends were paid on the Wendel shares the Company held in treasury on the dividend payment date, and because of the shares canceled by decision of the Executive Board on March 30, 2012.

(3) The 2012 dividend was distributed in cash and in Legrand shares (see the note "Highlights of the year").

NOTE 6 Provisions for risks and contingencies

In thousands of euros	12/31/2011	Allocations for the year	Reversals during the year used	Reversals during the year unused	12/31/2012
Provision for pensions and post-employment benefits	871	55	-	-	926
Provision for allocation of bonus shares and purchase options	16,479	3,123	8,883	-	10,719
Provision for tax disputes	4,910	37	2,071	1,293	1,583
Other risks and contingencies	29,368	600	16,572 [(1)]	639	12,757
	51,628	**3,815**	**27,526**	**1,932**	**25,985**
Operating income		655	-	-	
Net financial income (expense)		3,123	8,883	639	
Exceptional items		37	18,643	1,293	
		3,815	**27,526**	**1,932**	

(1) Reversal of the provision related to the symmetrical position on the Saint-Gobain puts whose maturities were extended by one year during 2012 (see note 9).

The principal disputes, claims and risks identified by Wendel are as follows:

- In November 2012, the Court of Justice of the European Union upheld the September 13, 2010 judgment of the General Court of the European Union on the appeal by Éditions Odile Jacob, which annulled the European Commission's 2004 decision authorizing Lagardère to sell the publishing company Editis to Wendel. This authorization was granted in the context of commitments made by Lagardère to obtain the European Commission's approval for the Lagardère/VUP merger.

  In May 2011, the European Commission granted a new authorization to Wendel, as acquirer of Editis, with effect as of the date of the acquisition. In September 2011, Éditions Odile Jacob filed an appeal against this decision before the General Court of the European Union. The case is pending.

  Éditions Odile Jacob also brought an action against Wendel and other parties in October 2010 before the Paris Commercial Court, seeking the annulment of Wendel's acquisition of Editis in 2004 and its subsequent sale of Editis in 2008. In December 2011, the Paris Commercial Court issued a stay of proceedings, pending the EU decisions.

  Wendel considers that the claims of Éditions Odile Jacob are unfounded and has not recognized any provision related to this dispute.

- The European Commission notified Wendel in 2012 of a pending competition investigation regarding a company in which the Group was a shareholder and which was divested several years ago. As of the date the financial statements were finalized, Wendel had no information about the timing or potential next actions of this investigation. Accordingly, no provision has been recognized for this litigation.

- Two former management-level employees are claiming €10.7 million in damages (subject to adjustment) in the Paris Commercial Court for the losses they allege to have suffered as a result of the unwinding of a mechanism under which Wendel executives benefited from the Group's performance. In addition, one of these former employees, dismissed in June 2009, has lodged several claims with the labor conciliation board *(conseil des Prud'hommes)* for a total of €4.2 million. Wendel has raised counterclaims, notably for the damage caused to its image by these actions. These various cases are pending. The Company considers the claims of these former employees to be unfounded and, accordingly, has not recognized any related provision.

- In 2008, Wendel filed an appeal for abuse of power against a decision of the tax authority concerning an authorization to benefit from suspended tax treatment when Wendel and two of its subsidiaries contributed their Bureau Veritas shares to the latter's IPO. The Paris Administrative Court rejected the appeal in its ruling of February 15, 2011, against which Wendel filed an appeal to the Paris Administrative Appeal Court.

- Wendel and certain Group holding companies have received proposed tax adjustments from the tax authority. Certain of these adjustments have been accepted, and others will be challenged before the competent authorities if no agreement is reached with the tax authority. The adjustments accepted, which mainly relate to corporate tax, principally concern the treatment of intragroup provisions. The provisions no longer deductible for tax purposes will be reversed in the future with no tax impact, such that these adjustments will have a neutral effect overall. In the first instance, these provisions affect only the tax loss carryforwards. They have no impact on the cash position. A provision has been recognized for the adjustments relating to taxes other than corporate tax (payroll tax, VAT). Overall, taking all of the adjustments into account, Wendel does not expect to have any significant final cash outflow. None of the adjustments is either directly or indirectly related to Wendel's divestment of Solfur, the tax authority's examination of the terms of this transaction leading to no further action on their part.

NOTE 7 Borrowings

In thousands of euros	12/31/2012	12/31/2011
4.875% 2014 bonds (1)	591,940	693,540
4.875% 2015 bonds	400,000	400,000
4.875% 2016 bonds (1)	654,150	692,600
4.375% 2017 bonds	692,000	692,000
6.75% 2018 bonds	300,000	300,000
5.875% 2019 bonds (2)	400,000	-
Syndicated credit facility (Euribor + margin) (3)	250,000	500,000
Accrued interest	62,356	59,803
	3,350,446	**3,337,943**
Borrowings connected with investments in subsidiaries and associates		
Sofiservice	8,454	8,445
Winbond	-	172,976
Oranje-Nassau	179,797	-
Other	174	144
	188,425	**181,565**
Other borrowings	18	32
Short-term bank borrowings	4,007	-
	3,542,896	**3,519,540**
Of which: less than 1 year	*192,450*	*181,597*
1 to 5 years	*2,588,090*	*2,978,140*
more than 5 years	*700,000*	*300,000*
accruals	*62,356*	*59,803*

(1) *In the course of managing its financial position, the Company repurchased a portion of its bonds maturing in 2014 and 2016, for €101,600 thousand and €38,450 thousand, respectively.*

(2) *In September 2012, Wendel successfully issued bonds with a par value of €400,000 thousand, bearing interest at 5.875% and maturing on September 17, 2019.*

(3) *The Company has a syndicated credit facility totaling €1,200 million (€950 million maturing in September 2013 and €250 million maturing in September 2014). As of December 31, 2012, €250 million was drawn down under this facility; €950 million thus remained undrawn and available.*

NOTE 8 Other liabilities

In thousands of euros	Note	12/31/2012	12/31/2011
Trade payables [(1)]		2,919	2,069
Tax and employee social security liabilities		8,924	16,523
Treasury instruments			
Equity derivatives	9	169,313	165,661
Currency derivatives	9	-	439
Accrued interest on interest-rate derivatives	9	11,474	14,877
Other		1,139	1,077
		193,769	**200,646**
of which related companies		*345*	*7,740*
of which accrued expenses		*21,568*	*24,691*

(1) The breakdown of trade payables by maturity (Article L.441-6-1 of the French Commercial Code) was as follows:

	As of 12/31/2012	*As of 12/31/2011*
• *payment within 30 days*	*793*	*470*
• *payment in more than 30 days*	*86*	*30*
• *invoices not yet received*	*2,041*	*1,569*

NOTE 9 Financial instruments

	12/31/2012		12/31/2011	
In thousands of euros	Assets	Liabilities	Assets	Liabilities
Equity derivatives				
Premiums	169,313	169,313	181,833	165,661
Provisions for risks & contingencies	-	-	-	16,172
of which symmetric positions	169,313	169,313	181,833	181,833
Interest rate derivatives				
Premiums	-	-	-	-
Accrued interest not yet due	14,299	11,474	17,892	14,877
of which symmetric positions	7,576	7,576	11,067	11,067
Currency derivatives				
Premiums	-	-	-	-
Fair value	-	-	-	439
of which symmetric positions	-	-	-	-
	183,612	**180,787**	**199,725**	**196,710**

Equity derivatives

These are Saint-Gobain put options bought from a Group company, and put options issued to banks.

During the fiscal year, the Company extended the maturity of these puts by 12 months; they now expire in September and December 2013, and in March 2014. Their fair value is €182.4 million.

Interest rate derivatives

Wendel bonds

Wendel has entered into interest rate swaps on some of its bonds, with the following features:

Notional amount In thousands of euros		**Maturity**	**Assets** Fair value 12/31/2012	**Liabilities** Fair value 12/31/2012
100,000	Pay 3.98% against 4.21%	May-16	781	
300,000	3.40% if < 1.70%; pay 12-month Euribor +0.93% between 1.70% and 2.60%; and 3.53% if > 2.60%. Against 3.49%	August-17	757	
			1,538	**0**

In accordance with accounting principles, the positive fair value of these swaps has not been recognized in the balance sheet.

Other

These interest rate swaps, entered into by Wendel, are symmetrical and therefore have no impact on Wendel's net income. The positions indicated are aggregations of several similar contracts. The characteristics are therefore weighted averages. They have the following characteristics:

Wendel/bank position

Notional amount In thousands of euros		**Maturity**	**Assets** Fair value 12/31/2012	**Liabilities** Fair value 12/31/2012
700,000	Pay 4.12% against 4.32%	Jan-13	6	
1,800,000	Pay 1.41% against Euribor	Nov-14		25,574
			6	**25,574**

Wendel/subsidiary position

Notional amount In thousands of euros		**Maturity**	**Assets** Fair value 12/31/2012	**Liabilities** Fair value 12/31/2012
700,000	Pay 4.32% against 4.12%	Jan-13		6
1,800,000	Pay Euribor against 1.41%	Nov-14	25,574	
			25,574	**6**

In accordance with accounting principles, the fair values of these swaps, the positions in which are symmetrical, have not been recognized in the balance sheet.

NOTE 10 Off-balance-sheet commitments

Guarantees given in connection with the divestment of Editis in 2008 covering standard warranties as well as tax risks and risks of employee-related costs were limited to a theoretical maximum of €52.3 million as of December 31, 2012. Claims under these guarantees could be submitted until January 2012. As of March 19, 2013, the date the financial statements were finalized, no amount had been paid out under this guarantee.

No provisions have been recognized for these guarantees.

6.4.4 Notes to the income statement

NOTE 11 Income from investments in subsidiaries, associates and the long-term equity portfolio

Dividends from: In thousands of euros	**2012**	**2011**
Oranje-Nassau	480,000	480,000
Winbond	410,000	-
Other	24	15
	890,024	**480,015**
Of which interim dividends	*-*	*-*

NOTE 12 Other financial income and expenses

Income In thousands of euros	**2012**	**2011**
Other interest and similar income	108,418	147,582
Provisions reversed (1)	25,252	1,282
	133,670	**148,864**
Of which related companies	*87,520*	*129,992*

Expenses In thousands of euros	2012	2011
Interest on bonds	140,345	132,269
Other interest and similar expenses	74,891	86,047
Provisions recognized [(2)]	3,171	23,891
Depreciation and amortization related to original issue discounts on bonds	19,622	16,159
	238,029	**258,366**
Of which related companies	*2,606*	*19,093*

(1) This item principally consists of a reversal of a provision for impairment of €14,913 thousand on Wendel treasury shares (see note 2), and a reversal of a risk provision of €8,883 thousand related to shares vested under bonus share plans in 2012.
(2) Including a risk provision of €3,123 thousand relating to stock option plans and performance share plans.

NOTE 13 Operating revenue

In thousands of euros	2012	2011
Property rental	161	154
Services invoiced to subsidiaries	5,488	5,311
Other income	326	191
Expenses transferred	2,400	-
Provisions reversed	52	2,199
	8,427	**7,855**
Of which related companies	*5,739*	*5,443*

NOTE 14 Compensation and staff numbers

See note 18 for the compensation allocated by the Company to the members of the Executive and Supervisory Boards.

Average staff numbers	2012	2011
Management	50	49
Non-management	15	16
	65	**65**

NOTE 15 Exceptional items

In thousands of euros	Exceptional income			Exeptional expenses			Total 2012
	On operating transactions	Capital gains on disposals	Provisions reversed	On operating transactions	Capital losses on disposals	Provisions recognized	
Property, plant & equipment	-	-	-	-	-	-	-
Non-current financial assets							
■ Xevest holding shares	-	-	83	-	99	-	-16
■ Legrand shares	-	-	-	-	495	-	-495
■ Winvest 11 shares	-	-	76,700	-	77,484	-	-784
Other exceptional transactions							
■ Provision for impairment of securities	-	-	-	-	-	-	-
■ Provision for write-down of receivables	-	-	-	-	-	-	-
■ Other	2,721	-	19,936 (1)	21,089 (1)	-	145	1,423
	2,721	**-**	**96,719**	**21,089**	**78,078**	**145**	**128**

(1) *These amounts mainly comprise an expense of €16,172 thousand and a reversal of a provision for risks and contingencies of the same amount linked to the extension of the maturity date of the Saint-Gobain puts detailed in note 9.*

NOTE 16 Income tax

Income taxes broke down as follows:

In thousands of euros **Taxable base at a rate of**	**33.33%**
On 2012 income before exceptional items	-62,863
On 2012 exceptional items	-3,827
	-66,690
Addbacks/deductions related to tax consolidation	24,728
	-41,962
Deduction of losses carried forward	-
Taxable bases of the tax consolidation group	**-41,962**
Corresponding tax	-
+ contributions of 3.3%	-
- deductions in respect of tax credits	-
- impact of tax consolidation	27,532
INCOME TAX RECOGNIZED IN THE INCOME STATEMENT	**27,532**

The company has opted for tax consolidation status, as provided for in Articles 223 A-U of the French Tax Code. According to the tax consolidation agreements between Wendel and the other companies in the tax group, each company contributes to the tax of the group by payment to Wendel of the amount it would have paid had it been taxed on a stand-alone basis (*i.e.* without tax consolidation). This leads to a difference for Wendel between current tax payable and the tax that would have been due in the absence of tax consolidation. In 2012, the members of the Wendel tax consolidation group were: the parent company Wendel, Sofiservice, Coba, Winbond, Oranje-Nassau Développement, Eufor, Hirvest 1, Hirvest 3, Hirvest 4, Mecatherm and Parcours.

6.4.5 Other notes

NOTE 17 Liquidity and debt situation

As of December 31, 2012, Wendel's gross debt consisted of:

- €3,038 million in Wendel bonds with maturities ranging from late 2014 to 2019 (see details in note 7 "Financial debt"); and
- a syndicated credit facility, with €250 million drawn. This revolving credit facility totals €1.2 billion, with maturities in September 2013 (€950 million) and September 2014 (€250 million). €950 million maturing in September 2013 is therefore still available, subject to compliance with the covenants.

As of the end of 2012, the average maturity of these debts was 3.7 years.

Wendel's liquidity risk for the 12 months following the 2012 closing is low, given the high level of cash and because there is no debt repayment date before September 2014.

Bond indentures

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

Documentation and covenants related to syndicated credit facility

The syndicated credit facility is subject to financial covenants based primarily on the market value of the Wendel group's assets and on the amount of net debt.

This net debt figure is based on consolidation of the Group's financial holding companies and does not include the debt of operating companies or that of holding companies set up for the purpose of acquisitions (in particular the holding and financing structure for the Saint-Gobain investment). As of December 31, 2012 the net debt taken into account corresponds to Wendel bonds and the syndicated credit less available cash (pledged cash being lodged in the holding and financing structure for the Saint-Gobain investment).

Net debt of the Saint-Gobain, Bureau Veritas, Legrand, Materis, Stahl, Parcours, exceet and Mecatherm groups, as well as the debt related to the acquisition of Saint-Gobain shares (less cash pledged), are deducted from the gross revalued assets of these companies inasmuch as it is without recourse to Wendel.

The covenants are as follows:

- the net financial debt of Wendel and its financial holding companies must not exceed 50% of gross revalued assets after future tax on unrealized gains and losses (excluding cash);
- the ratio of:

(i) unsecured gross debt plus off-balance-sheet commitments similar in nature to unsecured debt of Wendel and its financial holding companies, less available cash (not pledged or in escrow) of Wendel and its financial holding companies;

to

(ii) the sum of 75% of the value of the available listed assets (not pledged or in escrow) and 50% of the value of available unlisted assets (not pledged or in escrow)

must not exceed 1.

These ratios are tested half-yearly when there are drawdowns under the syndicated credit line. As of December 31, 2012 Wendel was in compliance with all covenants.

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

NOTE 18 Related parties

Related parties are Wendel-Participations, and the members of the Supervisory Board and the Executive Board.

Members of the Supervisory Board and Executive Board

Compensation paid by the Wendel group to the members of the Executive Board in respect of 2012 amounted to €2,720.5 thousand. The value of options and performance shares allocated to the members of the Executive Board in 2012 totaled €1,654.4 thousand as of the date they were granted.

Compensation paid to members of the Supervisory Board in 2012 totaled €794.1 thousand, including €677.5 thousand in Wendel director's fees and compensation paid to the Chairman of the Supervisory Board, €45.8 thousand in director's fees paid to certain members of the Supervisory Board by Wendel-Participations for serving on its Board, and €66.4 thousand paid by Wendel's subsidiaries to certain members of the Supervisory Board for serving on their Boards.

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

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

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

Wendel-Participations

Wendel-Participations is owned by approximately 1,050 Wendel-family individuals and legal entities. It owns about 35% of Wendel's share capital.

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

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

NOTE 19 Subsequent events

No significant event took place between the December 31, 2012 closing and the date the financial statements were finalized on March 19, 2013.

Securities portfolio as of December 31, 2012

In thousands of euros	Number of shares owned	% interest	Gross carrying value
Investments in subsidiaries and associates			
Subsidiaries (over 50% owned)			
a) French			
Sofiservice	8,500	100.0%	354
Winbond	3,039,070,667	100.0%	3,293,547
b) Non-French			
Oranje-Nassau	1,943,117	100.0%	238,320
Other subsidiaries and associates			
Saint-Gobain	5,984	0.0%	282
Legrand	15,493	0.0%	395
French equities	-	-	179
			3,533,077
Other long-term equity investments			
Other French equities	-	-	83
			83

Subsidiaries and associates as of December 31, 2012

In thousands of euros	Share capital	Other shareholders' equity (incl. net income or loss)	% of capital held	Gross book value of shares held	Net book value of shares held	Loans and advances granted	Guarantees given	2012 sales	2012 net income	Dividends received during the year
Detailed information (on subsidiaries and associates whose net carrying value is greater than 1% of the share capital of Wendel)										
French										
Winbond	1,519,535	1,401,796	100.0%	3,293,547	3,293,547	29,457	-	-	58,984	410,000
Non-French										
Oranje-Nassau [(1)]	8,744	758,678	100.0%	238,320	238,320	-	-	-	520,549	480,000
Overall summary										
French subsidiaries				533	475					
Non-French subsidiaries				-	-					
French associates				677	677					
Non-French associates				-	-					

(1) Consolidated figures.

FIVE-YEAR FINANCIAL SUMMARY

Nature of disclosures	Fiscal year 2008	Fiscal year 2009	Fiscal year 2010	Fiscal year 2011	Fiscal year 2012
1. Capital at year-end					
Share capital[1]	201,466	201,745	202,007	202,244	198,175
Number of ordinary shares in issue	50,366,600	50,436,175	50,501,779	50,560,975	49,543,641
Maximum number of shares that could be issued:					
■ through the exercise of options	1,980 759	1,428,423	1,337,883	1,300,342	884,540
2. Results of operation[1]					
Revenues (excluding taxes)	10,664	3,902	6,028	5,656	5,975
Income from investments in subsidiaries, associates and long-term equity portfolio	1,025,008	8	164,516	480,015	890,024
Income before tax, depreciation, amortization and provisions	1,144,719	-120,386	43,372	376,013	655,762
Income taxes[5]	-636	-69	-8,116	-2,993	-27,532
Net income	1,020,302	-1,106,853	680,247	683,205	782,962[4]
Dividends[2]	50,367	50,436	63,127	65,729	86,701
of which interim dividends	-	-	-	-	-
3. Net income per share (in euros)					
Income after tax but before depreciation, amortization and provisions	22.74	-2.39	1.02	7.50	13.79
Net income	20.26	-21.95	13.47	13.51	15.80
Net dividends	1.00	1.00	1.25	1.30[3]	1.75[4]
of which interim dividends	-	-	-	-	-
4. Employee data					
Average number of employees	62	70	65	65	65
Total payroll[1]	8,331	14,273	14,222	12,159	11,808
Staff benefits paid during the year (social security, social welfare, etc.)[1]	4,335	6,761	6,606	6,041	6,957

(1) In thousands of euros.
(2) Including treasury shares.
(3) Ordinary dividend of €1.30, accompanied by a special dividend of one Legrand share for every 50 Wendel shares held.
(4) Ordinary dividend of €1.75 (subject to approval by shareholders at their May 28, 2013 Annual Meeting).
(5) Negative amounts represent income for the Company.

6.5 Statutory Auditors' report on the financial statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the 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 should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31, 2012

WENDEL

89, rue Taitbout
75009 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by your General Shareholders' Meeting, we hereby report to you, for the year ended December 31, 2012, on:

- the audit of the accompanying financial statements of Wendel;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Executive Board. 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 of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at December 31, 2012 and of the results of its operations for the year then ended in accordance with French accounting principles.

II - Justification of our assessments

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

Accounting estimates

In preparing its financial statements, your Company makes estimates and assumptions concerning, in particular, investments in subsidiaries and associates, and receivables. The accounting estimates used in the preparation of the financial statements for the year ended December 31, 2012 were made in a context in which the uncertainties with regard to the outlook for the global economy make forecasting difficult, as described in the Note "Accounting principles - Use of estimates" to the financial statements.

Regarding "Investments in subsidiaries and associates" and "Other receivables", we verified that the accounting methods described in the notes to the financial statements were appropriate and, where applicable, we reviewed the assumptions and estimates applied by the Company to determine their valuation at the end of the year.

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

III - Specific verifications and information

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

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

Concerning the information given in accordance with the requirements of article L.225-102-1 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

In accordance with French law, we inform you that the required information concerning the identity of shareholders and the holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris-La Défense, March 27, 2013

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean-Pierre Letartre

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7.1 Information on the Company

7.1.1 General information

Company name

Wendel

Registered office

89, rue Taitbout, 75009 Paris (France)

Telephone: +33 (0)1 42 85 30 00; fax: +33 (0)1 42 80 68 67

Website: www.wendelgroup.com

Official registration

The Company is registered in the Paris Company Register *("Registre du commerce et des sociétés")* under number 572 174 035; its APE code is 7010Z.

Duration

The Company was formed on December 4, 1871 for a period of 99 years, subsequently extended to July 1, 2064, barring a new extension or early dissolution.

Legal structure and applicable legislation

Wendel is a *société anonyme* with an Executive Board and a Supervisory Board, as provided for under French law. The Company is subject to all French legal provisions and in particular, to the French Commercial Code.

Fiscal year

The fiscal year runs for 12 months, from January 1 of every year.

Access to legal documents and regulated information

Documents relating to the Company may be viewed at the registered office. Ongoing or periodic regulated information may be viewed (in French) on the Company's website, at www.wendelgroup.com, under the heading *"Information réglementée"*.

7.2 Principal by-laws

Wendel's by-laws may be viewed (in French) on the Company's website, at www.wendelgroup.com, under the heading *"Information réglementée"*.

7.2.1 Purpose of the Company

Pursuant to Article 3 of the by-laws, the Company has the following purpose, in all countries, directly or indirectly:

- any 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; any disposals, exchanges or other operations concerning these shares, ownership rights or equity interests;
- the purchase, rental and operation of any equipment;
- the acquisition, sale and commercial use of any processes, patents, or patent licenses;
- the acquisition, operation, sale or exchange of any real estate or real estate rights;
- and generally, any commercial, industrial, financial, investment and real estate operations directly or indirectly related to the above-mentioned activities or to all similar or connected activities.

7.2.2 Appropriation of net income

Article 27 of the by-laws provides for the following:

1. at least 5% of net profit 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 applicable legislation.

   Distributable earnings include net income for the year plus any unappropriated retained earnings carried forward from prior years.

   In their Annual Meeting, shareholders, on the recommendation of the Executive Board, may decide to deduct from this amount:

- the amounts they consider should be allocated to any special reserve account,
- the sum required to serve a revenue on shares based on the amount of paid-up, non-repaid capital within the limit of 5% per year,
- the amounts they consider should be allocated to the general reserve or to share capital repayment;

2. any balance remaining after these appropriations is distributed to shareholders, less the sum allocated to retained earnings;
3. On the condition that all earnings available for distribution have been allocated in the form of dividends, shareholders may, in their Ordinary Meeting, on the recommendation of the Executive Board, allocate any amounts transferred from the share premium account;
4. as an exception to the provisions of the present article, funds may be allocated to the special employee profit sharing reserve under the terms and conditions set by law;
5. Dividends are paid in the form and at the times determined by shareholders at their Ordinary Meeting or by the Executive Board with the authorization of shareholders at their Ordinary Meeting in accordance with applicable legislation. The Executive Board may decide to distribute an interim dividend before the approval of the financial statements for the year in accordance with applicable legislation.

   The shareholders, convened in their Annual Meeting to approve the year's financial statements, may, on the recommendation of the Executive Board, offer each shareholder, for all or a part of the dividend (or the interim dividend) being distributed, the choice between the payment of the dividend (or interim dividend) in cash or in shares under the terms and conditions defined by applicable legislation.

   In accordance with current legislation, dividends not claimed within five years from the date on which they were to be paid are forfeited and the amounts paid over to the State.

6. The shareholders, convened in their Annual Meeting, may also decide to distribute earnings, reserves or share premium amounts in kind, in particular by distributing marketable securities from among the assets on the balance sheet of the Company, with or without a cash option. The shareholders may decide that the rights comprising fractional shares shall not be negotiable or transferable, notwithstanding the provisions of Article 11.III of the by-laws. In the event marketable securities from among the assets on the balance sheet of the Company are distributed, the Company may decide that should the amount of a shareholder's dividend not correspond to a whole number of securities, the shareholder shall receive the whole number of shares immediately below plus a cash payment for the balance.

7.2.3 Executive Board membership

See section 2.1.1 “The Executive Board and its operations”.

7.2.4 Supervisory Board membership

See section 2.1.2 “The Supervisory Board and its operations”.

7.2.5 Ownership thresholds that must be reported to the Company

In accordance with Article L 233-7 of the French Commercial Code and Article 28 of the by-laws, any individual or corporate shareholder, acting alone or in concert with other shareholders, who comes to own a number of shares or voting rights representing more than 2% of the share capital or voting rights, or any multiple thereof, is required to disclose to the Company the number of shares and voting rights held within four trading days of crossing this threshold.

The same disclosure requirements apply when the number of shares or voting rights held is reduced to below the said 2% threshold or any multiple thereof.

Failure to comply with the above requirements is sanctioned, as prescribed by law, by the deprivation of voting rights for those shares exceeding the fraction that should have been disclosed, for all Shareholders’ Meetings held within two years of the date on which the failure to give proper notice to the Company was rectified. This sanction is applicable at the request (recorded in the minutes of the Shareholders’ Meeting) of one or more shareholders holding at least 2% of the number of shares or voting rights.

7.3 How to take part in Shareholders' Meetings

All shareholders have the right to participate in Shareholders' Meetings under the conditions set down by the law.

Article 25 of the by-laws provides for the following:

1. Invitation to attend Shareholders' Meetings

Shareholders' Meetings are convened and held as prescribed by law.

They are held at the Company's registered office, or at another location, as indicated in the invitation to the meeting.

2. Participating in Shareholders' Meetings

Any shareholder whose shares are registered under the conditions and at a date set by the applicable legal and regulatory provisions has the right to participate in the Shareholders' Meetings on proof of his or her qualification and identity.

All shareholders have the right to participate in Shareholders' Meetings personally or by proxy, or to vote by mail.

As proof of shareholders' right to participate in the Company's Shareholders' Meetings, shares must be recorded in their name or in the name of the financial intermediary that holds them on their behalf no later than midnight Paris time before the third business day prior to the Meeting:

- for holders of registered shares: in the registered securities accounts held by the Company;
- for holders of bearer shares: in the bearer securities accounts of the authorized financial intermediary pursuant to the regulations in force.

In accordance with applicable law, the Executive Board may organize videoconferencing to allow shareholders to participate and vote or use other telecommunications systems to identify them. Shareholders who participate in Shareholders' Meetings through videoconferencing or another system are deemed present for the purposes of calculating the quorum and the majority.

If an electronic voting form is provided, shareholders who use it by the required deadline are considered to be present or represented shareholders. The electronic voting form may be entered and signed directly on the Company's website through any procedure approved by the Executive Board.

Any proxies or votes submitted using this electronic means prior to the Shareholders' Meeting, as well as the corresponding acknowledgements of receipt, are considered to be irrevocable and enforceable, it being specified that in the event of the sale of shares prior to the date and time set by legal and regulatory provisions in force, the Company shall accordingly invalidate or amend, as applicable, the proxies or votes cast prior to that date and that time.

3. Voting rights and acquisition of double voting rights

Voting rights attached to the shares are proportionate to the percentage of capital they represent.

Nevertheless, double voting rights are granted to fully paid-up shares that have been registered with the Company for at least two years in the name of the same shareholder.

In the event of a capital increase through the capitalization of reserves, distributable net income or share premium amounts, double voting rights may be granted at issue on the registered shares thus distributed to shareholders in proportion to their existing shares that 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. The same terms apply in the event of a transfer resulting from the merger or demerger of a corporate shareholder.

Identifiable bearer shares

Article 9 of the by-laws allows shares to be held in registered or bearer form at the shareholder's discretion.

The Company has the right to request identification of the holders of shares carrying current or future voting rights at its shareholders' meetings and the number of shares so held, in accordance with legislation in force.

Modification of shareholder rights

In the absence of specific provisions in the by-laws, any change in the rights attached to shares is subject to legislation in force.

7.4 Information on share capital

7.4.1 Principal shareholders

As of December 31, 2012, the share capital was composed of 49,543,641 shares with a par value of €4 each, benefiting from 74,666,911 theoretical voting rights and 72,929,413 exercisable voting rights. Double voting rights are granted to fully paid-up shares which have been registered in the same shareholder's name for at least two years, regardless of the shareholder's country of citizenship. At that date, 25,123,270 shares had double voting rights.

To the Company's knowledge, the main shareholders as of December 31, 2012 were as follows:

	% of share capital
Wendel-Participations (1) and related parties (2)	35.1%
Institutional investors outside France	25.1%
Individual shareholders	23.8%
Institutional investors in France	7.2%
Treasury shares	3.5%
Employees and executives (3)	3.5%
Other	1.9%

(1) Formerly SLPS.
(2) Pursuant to Article L.233-10 of the French Commercial Code, the figures include Wendel-Participations and its Chairman.
(3) Including Executive Board members and the Chairman of the Supervisory Board.

To the Company's knowledge:

- no shareholder, other than Wendel-Participations, owns more than 5% of the Company's shares;
- Supervisory and Executive Board members hold or represent 3.05% of the share capital and 3.26% of the voting rights.

There are no securities or other rights representing liabilities of the Company, convertible bonds, exchangeable bonds and/or bonds redeemable in shares that give or could give access to the capital except for stock subscription options and future performance share plans.

There are no shares that do not represent capital, such as founder shares or voting rights certificates.

As of December 31, 2012, total stock subscription options granted represented 1.79% of the share capital.

7.4.2 Controlling legal entities or individuals

Wendel-Participations

Presentation

Wendel-Participations is a holding company that holds Wendel shares. Wendel-Participations is owned by approximately 1,050 Wendel family individuals and legal entities. The purpose of Wendel-Participations is to:

- invest and manage its own funds and acquire participating interests;
- own (through purchase, subscription at issue, exchange or any other means) and manage any French or foreign listed or unlisted securities, rights to intangible or tangible property, and engage in any type of short-, medium- or long-term capital transactions;
- participate in any guarantee, placement or other syndicates;
- create new companies;
- preserve the assets and other interests of the Wendel family;
- and generally, in France, and in countries outside France, undertake any commercial, industrial, financial, investment or real estate operations directly or indirectly related, in whole or in part, to the above-mentioned activities.

Wendel's control structure

As of December 31, 2012, Wendel-Participations had a controlling interest in Wendel with 35.1% of its shares and 47.7% of its voting rights.

The following measures ensure that this control is appropriately exercised:

- management and oversight are separated through a two-tiered structure, including an Executive Board and a Supervisory Board;
- at least one-third of Supervisory Board members are independent;
- the chairmen of the Supervisory Board committees are independent Board members.

Economic and financial ties with Wendel

There are no significant economic or financial relations between Wendel-Participations and Wendel, other than the dividends received and the following agreements (section 8.1 of the registration document):

- a memorandum of understanding on the use of the "Wendel" family name and a license agreement governing the use of the "Wendel Investissement" brand, mentioned in the Statutory Auditors' report on related party agreements and commitments;
- agreements with Wendel-Participations covering administrative assistance and leasing of premises, mentioned in the Statutory Auditors' report on related party agreements and commitments.

7.4.3 Significant changes in share ownership and voting rights in the last three years

	Situation as of December 31, 2012		Situation as of December 31, 2011		Situation as of December 31, 2010	
	Capital	Voting rights	Capital	Voting rights	Capital	Voting rights
Wendel-Participations (1) and related parties (2)	35.1%	47.7%	34.4%	47.1%	34.4%	46.5%
First Eagle (3)	3.5%	3.9%	3.3%	3.9%	5.4%	5.2%
Treasury shares (registered shares)	3.2%	-	3.9%	-	1.9%	-
Group savings plan	0.7%	0.8%	0.7%	0.8%	0.6%	0.7%
Other shareholders (institutional and individual)	57.5%	47.6%	57.8%	48.2%	57.7%	47.6%

Voting rights are calculated based on the exercisable voting rights as of that date.

(1) Formerly SLPS.

(2) Pursuant to Article L.233-10 of the French Commercial Code, the figures include Wendel-Participations and its Chairman.

(3) Formerly Arnhold & Bleichroeder.

In January 2013, a study was performed, as is done every year, to identify the shareholders of Wendel as of December 31, 2012.

There was relatively little change during the year in Wendel's shareholder structure, with a decrease in French institutional investors (7.2% vs. 8.1% as of December 31, 2011) and an increase in foreign institutional shareholders (25.1% vs. 23.8% as of December 31, 2011). The number of individual shareholders decreased to 37,000 vs. 42,000 in the previous year, however their share of capital rose slightly to 23.8% vs. 23.7% in the previous year.

7.4.4 Changes in share capital in the last three years

Date of change in capital	Type of transaction	Change in number of shares	Number of shares comprising the capital	Par value	Change in share capital (in euros)	Amount of share capital (in euros)	Change in share premiums (in euros)	Amount of share premiums
Situation as of December 31, 2009			**50,436,175**	**€4**		**201,744,700**		**247,843,248**
	Exercises of options	17,718	50,453,893	€4	70,872	201,815,572	482,181	248,325,429
	Issue of shares reserved for employees	47,886	50,501,779	€4	191,544	202,007,116	1,454,394	249,779,823
Situation as of December 31, 2010			**50,501,779**	**€4**		**202,007,116**		**249,779,823**
	Exercises of options	30,941	50,532,720	€4	123,764	202,130,880	973,439	250,753,262
	Issue of shares reserved for employees	28,255	50,560,975	€4	113,020	202,243,900	1,745,311	252,498,573
	Appropriation to legal reserve as authorized by the Executive Board on June 30, 2011		50,560,975	€4		202,243,900	-22,878	252,475,695
Situation as of December 31, 2011			**50,560,975**	**€4**		**202,243,900**		**252,475,695**
	Exercises of options	26,262	50,587,237	€4	105,048	202,348,948	862,627	253,338,322
	Issue of shares reserved for employees	35,417	50,622,654	€4	141,668	202,490,616	1,362,492	254,700,814
	Cancellation of shares	-1,079,013	49,543,641	€4	-4,316,052	198,174,564	-70,339,391	184,361,423
Situation as of December 31, 2012			**49,543,641**	**€4**		**198,174,564**		**184,361,423**

7.4.5 Ownership threshold disclosures

On December 12, 2012, Wendel-Participations reported that it had moved above 46% of the voting rights on December 10, 2012, and that it held 35.09% of Wendel's shares and 46.55% of its voting rights on that date, based on Wendel's capital as of November 30, 2012.

7.4.6 Pledging of issuer's shares

To the best of the Company's knowledge, as of December 31, 2012, 206,576 registered Wendel shares (in either pure or administered form) were pledged as collateral.

7.5 Principal new investments and acquisitions of controlling interests

Wendel's investment activities generate a certain turnover in its portfolio. Over the past three years, its principal investments and divestments have been as follows:

In 2010 Wendel invested about €22 million in the Frankfurt-listed Helikos SPAC, reinvested €60 million in Stahl, thus taking control of the company with a 92% interest. It reinvested €64 million in Deutsch, sold a block of Legrand shares for €346.1 million, sold its 46% stake in Stallergenes for €358.8 million, and sold 15.1 million Saint-Gobain puts, generating proceeds of €305.1 million.

In 2011, Wendel sold 13.4 million puts on Saint-Gobain, generating proceeds of €168.8 million, sold 35.7 million Legrand shares for €961.5 million, sold 3.1 million Saint-Gobain shares received as 2010 dividends for €144 million, acquired 95% of the capital of Parcours for €107 million, acquired Mecatherm for €112 million, purchased a 28.4% equity interest in Frankfurt-listed exceet for €27.8 million, acquired 1.9 million Saint-Gobain shares for €63.1 million, reinvested €4.4 million in VGG, and signed a firm agreement with TE Connectivity to sell Deutsch.

In 2012 Wendel sold Deutsch to the industrial group TE Connectivity at an enterprise value of around $2.1 billion, generating net proceeds of €960 million. Wendel and its joint shareholders reinvested €25 million of equity in Materis. Wendel and its subsidiary Oranje-Nassau Développement signed a framework agreement with IHS Holding to obtain a significant stake in the latter's capital.

The Company's 2012 activities are detailed in section 1 and in the changes in consolidation scope detailed in the notes to the consolidated financial statements.

Press releases on Wendel's transactions are posted on its website, at www.wendelgroup.com under the heading "Regulated information".

As of the publication of this Registration Document, no investment plan is sufficiently far advanced for Wendel's management to have made any firm commitments.

7.6 Financial authorizations

7.6.1 Existing financial authorizations and use thereof

As of December 31, 2012, the following financial authorizations were in effect:

Authorization	Date of Shareholders' Meeting (resolution no.)	Period and expiration date	Authorized amount or % of capital	Amount used as of 12/31/2012
A. Issue of shares or other securities giving access to the capital				
■ With maintenance of preferential subscription rights	06/04/2012 10th resolution	14 months 08/04/2013	€100 million	-
■ With cancellation of preferential subscription rights	06/04/2012 11th resolution	14 months 08/04/2013	€75 million	-
■ Under greenshoe option	06/04/2012 12th resolution	14 months 08/04/2013	15% of the initial issue	-
■ As consideration for securities (contributions in kind)	06/04/2012 13th resolution	14 months 08/04/2013	10%	-
■ As consideration for a public exchange offer	06/04/2012 13th resolution	14 months 08/04/2013	€100 million	
■ Incorporation of reserves	06/04/2012 14th resolution	14 months 08/04/2013	€100 million	-
■ Overall ceiling authorized	06/04/2012 15th resolution	14 months 08/04/2013	€400 million	
B. Share buybacks and share cancellations				
■ Share buybacks	06/04/2012 8th resolution	14 months 08/04/2013	10%	735,338 shares
■ Cancellation of shares	05/30/2011 14th resolution	26 months 07/30/2013	10% per 24-month period	Cancellation of 1,079,013 shares, i.e. 2.13% of capital
C. Employee share ownership				
■ Group savings plan	06/04/2012 16th resolution	14 months 08/04/2013	€250,000	€141,668
■ Stock subscription and/or purchase options	06/04/2012 17th resolution	14 months 08/04/2013	0.9% of the share capital at the grant date, i.e., 454,535 shares (common ceiling for options and performance shares)	227,270 shares, i.e., 0.45% of capital
■ Performance shares	06/04/2012 18th resolution	14 months 08/04/2013	0.3% of the share capital at the grant date (this ceiling is applied to the above common ceiling)	75,754 shares, i.e., 0.15% of capital

7.6.2 Financial authorizations proposed at the Shareholders' Meeting of May 28, 2013

Authorization	Date of Shareholders' Meeting (resolution no.)	Period and expiration date	Authorized amount or % of capital
A. Issue of shares or other securities giving access to the capital			
■ With maintenance of preferential subscription rights	05/28/2013 16th resolution	14 months 07/28/2014	€100 million
■ With cancellation of preferential subscription rights	05/28/2013 17th resolution	14 months 07/28/2014	€40 million
■ Under greenshoe option	05/28/2013 18th resolution	14 months 07/28/2014	15% of the initial issue
■ As consideration for securities (contributions in kind/exchange offers)	05/28/2013 19th resolution	14 months 07/28/2014	10% of share capital at the time of issue/€100 million
■ Capitalization of reserves	05/28/2013 20th resolution	14 months 07/28/2014	€80 million
■ Overall ceiling authorized	05/28/2013 21st resolution	14 months 07/28/2014	€400 million
B. Share buyback program			
■ Share buybacks	05/28/2013 14th resolution	14 months 07/28/2014	10% of the capital. Max. price: €160 per share
■ Cancellation of shares	05/28/2013 15th resolution	26 months 07/28/2015	10% of capital per 24-month period
C. Employee share ownership			
■ Group savings plan	05/28/2013 22nd resolution	14 months 07/28/2014	€250,000
■ Stock options (subscription and/or purchase)	05/28/2013 23rd resolution	14 months 07/28/2014	0.9% of capital (common ceiling for options and performance shares)
■ Performance shares	05/28/2013 24th resolution	14 months 07/28/2014	0.3% of capital (this ceiling is applied to the above common ceiling)

The resolutions submitted to shareholders for approval at the May 28, 2013 Shareholders' Meeting will cancel the unused amounts of, and replace, the resolutions with the same purpose that were adopted at the June 4, 2012 Shareholders' Meeting.

7.7 Share buybacks

7.7.1 Legal framework

At their meeting of May 30, 2011 (8th resolution), shareholders authorized a program allowing the Company to buy back its own shares, limited to the number of shares representing 10% of the share capital at the time of the buyback, for a maximum period of 14 months.

At their meeting of June 4, 2012 (8th resolution), shareholders authorized a program allowing the Company to buy back its own shares, limited to the number of shares representing 10% of the share capital at the time of the buyback, for a period of 14 months.

The maximum repurchase price under these authorizations is €150.

The Executive Board is thus authorized to repurchase the number of shares representing a maximum of 10% of the share capital. For information, at the dates the authorizations were granted, these maximums were 5,052,763 and 5,050,201 shares, respectively.

In accordance with applicable regulations and market practices permitted by the AMF, the objectives of the share buyback program are as follows:

- to deliver shares (as an exchange, payment or other consideration) in the framework of acquisitions, mergers, spin-offs or asset contributions;
- to deliver shares upon the exercise of rights attached to securities giving access to the Company's share capital immediately or at a later date;
- to enable an investment service provider to make a secondary market in the Company's stock or maintain the liquidity thereof under a liquidity contract in compliance with the Code of Conduct of the *Autorité des Marchés Financiers*;
- to implement a stock purchase option plan as defined in Articles L.225-177 *et seq.* of the French Commercial Code;
- to allocate performance shares pursuant to Articles L.225-197-1 *et seq.* of the French Commercial Code;
- to allocate or sell shares as part of the Group's profit sharing program and any Group savings plan as provided for by law, particularly Articles L.3321-1 *et seq.* and L.3331-1 *et seq.* of the French Labor Code;
- to cancel of all or part of the shares repurchased.

This program also allows the Company to pursue any other purpose that has been or may be authorized by legislation or regulations in force. In such an event, the Company would inform shareholders via a press release.

At their Meeting of May 30, 2011 (14th resolution), shareholders authorized the Executive Board, for a period of 26 months, with prior approval of the Supervisory Board, to reduce the share capital of the Company by no more than 10% per 24-month period through the cancellation of shares repurchased in the various share buyback programs authorized by shareholders.

7.7.2 Liquidity contract

On October 4, 2005, Wendel entered into a liquidity contract with Oddo Corporate Finance, with a view to making a market and ensuring regular price quotations of its shares, and made €5,000,000 and 80,000 shares available to Oddo.

On September 8, 2011, Wendel contributed an additional €10,000,000, bringing the resources available under the liquidity contract to €15,000,000 and 80,000 shares.

Under the liquidity contract, between January 1 and December 31, 2012, Oddo Corporate Finance:

- purchased for the account of Wendel 2,329,760 shares for a total value of €142,539,605.05 and an average unit value of €61.18;
- sold for the account of Wendel 2,329,760 shares for a total value of €142,801,544.78 and an average unit value of €61.29.

7.7.3 Implementation of stock-option and performance share plans

Between January 1 and December 31, 2012, Wendel directly acquired 985,338 of its own shares, 303,024 of which were allocated to cover exercises under stock purchase option plans and performance share plans. The remaining balance was allocated to the cancellation of shares and other objectives of the share buy-back program.

These shares were acquired for a total gross value of €61,711,865.77 and an average unit price of €62.63.

The shares allocated to cover exercises under stock-option plans and performance share plans were acquired for a total gross value of €17,427,324.89 and an average unit price of €57.51.

7.7.4 Summary of transactions and shares held by the Company as of December 31, 2012

The Company has not repurchased or sold shares for any purposes authorized under the program other than those detailed in section 7.7.3 above.

Wendel did not make use of any derivative instruments under this share buyback program.

In the 24 months prior to December 31, 2012, Wendel canceled 1,079,013 shares (March and November 2012).

As of December 31, 2012, the Company held 1,737,498 of its own shares, or 3.5% of the capital.

Summary of the Company's transactions on its own shares from January 1 to December 31, 2012

	Cumulative gross amounts in 2012	
	Purchases	**Sales/Transfers**
Number of shares	3,315,098	2,612,742
Average maximum maturity	-	-
Average transaction price	€61.61	€58.93
Average exercise price	-	-
Amounts	€204,251,470.82	€153,969,274.50

Open positions as of December 31, 2012

Open long positions			**Open short positions**		
Calls purchased	Puts issued (written)	Forward purchases	Calls issued (written)	Puts purchased	Forward sales
-	-	-	-		
-	-	-	-	-	-

7.7.5 Description of the program proposed to shareholders at their May 28, 2013 Annual Meeting

The 14th resolution proposed at the May 28, 2013 Shareholders' Meeting asks shareholders to approve a new share buyback program, pursuant to Articles L.225-209 *et seq.* of the French Commercial Code, to Title IV of Book II of the General Regulation of the AMF and to European Commission regulation 2273/2003, dated December 22, 2003.

Under this program, shares can be bought for any of the following purposes:

- to deliver shares (as an exchange, payment or other consideration) in the framework of acquisitions, mergers, spin-offs, or asset contributions;
- to deliver shares upon the exercise of rights attached to securities giving access to the Company's share capital immediately or at a later date;
- to enable an investment service provider to make a secondary market in the Company's stock or maintain the liquidity thereof within the framework of a liquidity contract in compliance with the Code of Conduct of the *Autorité des Marchés Financiers*;
- to implement stock purchase option plans as defined in Articles L.225-177 *et seq.* of the French Commercial Code;
- to allocate performance shares pursuant to Articles L.225-197-1 *et seq.* of the French Commercial Code;
- to allocate or sell shares as part of the Group's profit sharing program and any Group savings plan as provided for by law, particularly Articles L.3321-1 *et seq.* and L.3331-1 *et seq.* of the French Labor Code;
- to cancel of all or part of the shares repurchased.

These programs are also intended to allow the Company to pursue any other purpose that has been or may be authorized by legislation or regulations in force. In such an event, the Company would inform shareholders via a press release.

The number of shares repurchased under the authorization to be granted to the Executive Board may not exceed 10% of the share capital at the time of the buyback. For information, as of December 31, 2012, this authorization represented 4,954,364 shares, or a maximum theoretical investment of €792,698,240 based on the maximum buyback price of €160 per share.

Pursuant to Article L.225-210 of the French Commercial Code, the Company has made a commitment to keep its holding, both direct and indirect, within the limit of 10%. As of December 31, 2012, the number of Wendel shares held by the Company was 1,737,498. In light of the shares already held in treasury, the Company would be able to repurchase 3,216,866 shares, or 6.49% of the share capital, for a maximum amount of €514,698,560, based on the maximum unit purchase price of €160. The Company reserves the right to pursue the program to the full extent of its authorization.

The share buyback authorization would be valid for a period of 14 months from the May 28, 2013, Shareholders' Meeting, i.e. until July 28, 2014.

7.8 Transactions on Company securities by corporate officers

Transactions on Wendel securities reported by executives in 2012

Date of AMF filing	Executive	Financial instruments	Type of transaction	Transaction date	Unit price (in euros)	Gross transaction amount (in euros)	Market	AMF disclosure number
01/19/2012	Édouard de l'Espée	Shares	Acquisition	01/18/2012	56.57	73,201.58	NYSE Euronext Paris	212D0294
01/30/2012	Individual linked to Nicolas Celier	Shares	Acquisition	01/24/2012	56.57	73,201.58	NYSE Euronext Paris	212D0409
01/30/2012	Individual linked to Nicolas Celier	Shares	Acquisition	01/25/2012	57.80	57,800	NYSE Euronext Paris	212D0410
02/30/2012	Individual linked to Nicolas Celier	Shares	Acquisition	01/27/2012	57.20	34,320	NYSE Euronext Paris	212D0411
02/02/2012	Nicolas Celier	Shares	Acquisition	01/31/2012	58	29,754	NYSE Euronext Paris	212D0457
02/09/2012	François de Mitry	Shares	Acquisition	02/03/2012	60.72	13,054	NYSE Euronext Paris	212D0515
02/15/2012	Individual linked to Nicolas Celier	Shares	Acquisition	02/14/2012	60	24,000	NYSE Euronext Paris	212D0585
04/23/2012	Individual linked to Ernest-Antoine Seillière	Other	Hedging transaction: purchase	04/18/2012	9.37	796,084.50	Off-exchange	212D1522
04/23/2012	Individual linked to Ernest-Antoine Seillière	Other	Hedging transaction: sale	04/18/2012	9.37	796,084.50	Off-exchange	212D1523
06/22/2012	Individual linked to Ernest-Antoine Seillière	Other	Hedging transaction: sale	06/18/2012	8.07	242,028	Off-exchange	212D2498
06/22/2012	Individual linked to Ernest-Antoine Seillière	Other	Hedging transaction: purchase	06/18/2012	8.07	242,028	Off-exchange	212D2499
07/10/2012	Bernard Gautier	Shares	Subscription Company group savings plan 2012	07/04/2012	42.47	21,235	NYSE Euronext Paris	212D2782
07/11/2012	Frédéric Lemoine	Shares	Subscription Company group savings plan 2012	07/04/2012	42.47	212,350	NYSE Euronext Paris	212D2781
07/25/2012	Frédéric Lemoine	Shares	Sale	07/20/2012	60.06	340,074.52	NYSE Euronext Paris	212D3008
07/25/2012	Frédéric Lemoine	Shares	Exercise of stock options	07/25/2012	22.58	338,700	NYSE Euronext Paris	212D3009
10/22/2012	Individual linked to Ernest-Antoine Seillière	Other	Hedging transaction: sale	10/16/2012	3.92	97,950	Off-exchange	212D4128
10/22/2012	Individual linked to Ernest-Antoine Seillière	Other	Hedging transaction: purchase	10/16/2012	3.92	97,950	Off-exchange	212D4127

Date of AMF filing	Executive	Financial instruments	Type of transaction	Transaction date	Unit price (in euros)	Gross transaction amount (in euros)	Market	AMF disclosure number
01/03/2013	Individual linked to Ernest-Antoine Seillière	Shares	Sale	12/27/2012	52.95	1,588,500	NYSE Euronext Paris	213D0184
01/17/2013	Nicolas Celier	Shares	Acquisition	10/22/2012	67.05	5,833.35	NYSE Euronext Paris	213D0406
01/17/2013	Nicolas Celier	Shares	Acquisition	10/22/2012	66.90	12,644.10	NYSE Euronext Paris	213D0405
01/17/2013	Nicolas Celier	Shares	Acquisition	10/26/2012	66	6,600	NYSE Euronext Paris	213D0411
01/17/2013	Nicolas Celier	Shares	Acquisition	10/26/2012	67.05	7,372.20	NYSE Euronext Paris	213D0407
01/17/2013	Nicolas Celier	Shares	Acquisition	10/26/2012	66.50	6,650	NYSE Euronext Paris	213D0410
01/17/2013	Nicolas Celier	Shares	Acquisition	10/26/2012	66.80	6,680	NYSE Euronext Paris	213D0409
01/17/2013	Nicolas Celier	Shares	Acquisition	10/26/2012	67	6,700	NYSE Euronext Paris	213D0408
01/17/2013	Nicolas Celier	Shares	Acquisition	10/29/2012	66.50	13,300	NYSE Euronext Paris	213D0412
01/17/2013	Nicolas Celier	Shares	Acquisition	11/12/2012	66.49	199,470	NYSE Euronext Paris	213D0413

7.9 Shareholder agreements

7.9.1 Commitments concerning Wendel shares

In accordance with the law of August 1, 2003, the Company has been informed of the following share retention commitments between Wendel-Participations and SPIM and certain individual shareholders:

- commitments to hold shares for a period of six years pursuant to Article 885 I bis of the French Tax Code, dated December 19, 2006, December 14, 2007, December 1, 2008, December 1, 2010, December 5, 2011 and December 19, 2012 relating to 34.49%, 36.49%, 38.06%, 36%, 36.74% and 39.12% of the share capital, respectively, at those dates;
- commitments to hold shares for a period of two years pursuant to Article 787 B of the French Tax Code, dated December 1, 2010, December 5, 2011 and December 19, 2012 relating to 36.09%, 36.71% and 36.91% of the share capital, respectively, at those dates.

In addition to a commitment to retain shares for a certain amount of time, these commitments also grant a right of first refusal to Wendel-Participations and SPIM. The shareholders involved in these obligations are not considered to be acting in concert.

As required by Articles 885 I bis and 787 B of the French Tax Code and L.233-11 of the French Commercial Code, these agreements have been reported to the AMF.

Other retention commitments concerning Wendel shares are set out in section 2.1.6.6.

7.9.2 Shareholder agreements entered into by the Wendel Group: unlisted companies

As of December 31, 2012, the Wendel group was party to several agreements governing the relationship with other shareholders in Materis, Stahl, Parcours and Mecatherm. In some cases, these are financial investors, in others they are the senior managers of these companies participating in Wendel's programs enabling managers to benefit from the performance of their companies (see the note to the consolidated financial statements entitled "Participation of managers in Group investments").

These agreements contain various clauses related to:

- corporate governance (composition of governing bodies, veto rights on certain strategic decisions and rights to information);
- terms of share transfers (lock-up periods, right of first refusal);
- exit terms in the event of a sale (tag-along and drag-along rights) or IPO;
- executive departures (commitment to sell shares to Wendel in the event of an executive departure from a subsidiary and/or commitment to buy shares in certain specific cases);
- liquidity in successive tranches in the absence of a sale or IPO beyond a certain period of time (2-14 years after Wendel's investment, depending on the agreement).

These agreements are described in greater detail in note 40-5 to the consolidated financial statements.

7.9.3 Shareholder agreements entered into by the Wendel Group: listed companies

7.9.3.1 Legrand

The agreement between Wendel and KKR that had been in place since 2006 (as modified in 2011) as well as the resulting concert, were terminated early following KKR's sale of a block of 12.7 million Legrand shares on March 5, 2012. The agreement envisaged early termination in the event that one of the parties held less than 5% of the voting rights of Legrand. Following its block sale of shares, KKR held only 1.01% of the shares and 1.82% of the voting rights.

7.9.3.2 exceet Group SE (formerly Helikos SE)

In an agreement entered into in July 2011, Oranje-Nassau Participaties BV, a Wendel subsidiary, the individual founding shareholders of Helikos SE, Ventizz and the principal executives of exceet formalized their relationship as shareholders of exceet Group SE acting in concert.

This agreement has a term of five years, but can be terminated earlier under certain circumstances, in particular if the stake held by Ventizz or Wendel should fall below 5% of the capital. It provides for the following:

- Ventizz, Wendel and management shall have seats on exceet's Board of Directors and standing committees, with the representation of Ventizz and Wendel being adjusted in proportion to their stake in the company);
- Ventizz and Wendel shall act in concert before strategic decisions are made by the Board of Directors or at shareholders' meetings; and
- sale by the shareholders of their stakes in exceet is subject to various rights and restrictions, in particular lock-up commitments and rights of first refusal between Wendel and Ventizz on certain transfers of listed, "public" shares.

For more details on this agreement, please refer to the *Proxy Statement* dated June 7, 2011 available on the company's website (www.exceet.ch).

7.9.3.3 Joint statement by Wendel and Saint-Gobain

In a statement published on May 26, 2011, Wendel and Saint-Gobain expressed their satisfaction that the agreements signed in March 2008 had allowed Saint-Gobain to develop under favorable conditions. The representation of Wendel on Saint-Gobain's Board of Directors, the creation of a Strategy Committee and the resulting high-quality discussions have helped to establish a constructive dialogue and efficient governance, and are likely to create favorable conditions for Saint-Gobain's development over the long term. Wendel, as leading shareholder, and Saint-Gobain, through the agreement of its Board of Directors, therefore wish to confirm clear governance principles in a spirit of continuity while marking a new stage in the strategic cooperation and regular dialogue between the two groups.

Wendel and Saint-Gobain reiterate their commitment to the following principles:

- support for the strategy approved by the Board of Directors and implemented by Executive Management;
- respect for Saint-Gobain's independence and equal treatment for all shareholders; and
- stability of the shareholder base, Wendel's contribution to Saint-Gobain's projects and its long-term commitment to Saint-Gobain.

Wendel and Saint-Gobain affirm their determination to implement the business model defined by Saint-Gobain's Board of Directors which serves a clear ambition: to become the leading player in sustainable housing, by offering solutions that make buildings energy-efficient and more environmentally-friendly while improving comfort and quality of life for all, and by maintaining its exemplary approach to all aspects (economic, environmental, social and societal) of sustainable development.

Saint-Gobain's business model is built on three main pillars: Construction Products, Building Distribution and Innovative Materials. Each of these businesses provides Saint-Gobain with specific advantages which together will help drive growth, notably through targeted acquisitions.

As well as an extensive global footprint including in emerging countries, the Construction Products sector offers Saint-Gobain leading-edge technical expertise, particularly in terms of energy efficiency. This can be used to support the development of other Saint-Gobain businesses throughout the world. The sector's construction products and solutions also allow Saint-Gobain to meet the fast-growing needs of emerging countries resulting from demographic and economic change and rapid urbanization, and to provide mature economies with sustainable habitat solutions.

Thanks to its close knowledge of customers and market trends, the Building Distribution sector contributes to the entire Saint-Gobain group. Growth in this sector is driven by new store concepts and new countries.

The third pillar of the model is the Innovative Materials sector, which includes Flat Glass and High-Performance Materials. This sector facilitates access to innovation, as well as to emerging countries. It acts as a technological leader for the entire Saint-Gobain group, thanks to a diverse portfolio of materials, patents and processes which have applications in a wide variety of sectors and will also be used in building homes for tomorrow.

On November 15, 2010, Saint-Gobain set the following objectives through to 2015:

- organic growth in excess of the Saint-Gobain group's historical average organic growth rate, accompanied by a targeted acquisitions policy;

- increase in the Saint-Gobain group's profitability to above its historical average;
- completion of the strategic refocus on Habitat and withdrawal from Packaging (Verallia);
- stronger positions for the Saint-Gobain group in high value-added solutions;
- faster-paced development for the Saint-Gobain group in Asia and emerging countries.

The implementation of this strategy will be pursued while respecting the need for strict financial discipline and a clear policy of shareholder returns.

In terms of the governance of the Saint-Gobain group, Wendel currently holds three out of sixteen seats on Saint-Gobain's Board of Directors, a representation that will remain unchanged going forward. If Wendel were to hold less than 10% of Saint-Gobain's voting rights, it would be entitled to only one seat on the Board. A director representing Wendel has also been appointed to each of Saint-Gobain's Board committees where Wendel plays an important role and this representation would therefore remain unchanged.

Wendel and the Saint-Gobain group's Executive Management will consult with each other in due time, notably as regards any draft resolution to be put to the vote of shareholders' meetings. Neither of the two groups will publish a press release nor publicly adopt a position concerning the other party without having previously informed the other party of its intention to do so.

Wendel confirms that it has no plans to increase its shareholding, either directly or indirectly, alone or in concert, beyond 21.5% of Saint-Gobain's capital. This provision will not apply (i) if the number of Saint-Gobain shares is reduced or if Saint-Gobain buys back its own shares, with Wendel's previously held number of shares remaining unchanged, or (ii) if a stock dividend is paid leading to an accretion of Wendel's interest. These provisions regarding changes in Wendel's shareholding will no longer apply if any other shareholder acting alone or in concert crosses the threshold of 11% of Saint-Gobain's capital, or if a tender offer is launched for Saint-Gobain.

Finally, Wendel agrees not to join a tender offer if the terms of the offer have not been approved by Saint-Gobain's Board of Directors and to abstain from any action that may provoke, encourage or help any such offer to succeed as well as from publicly recommending such an offer, it being specified that Wendel shall nevertheless remain free to tender all or some of its shares if such an offer were to occur.

Wendel shares Saint-Gobain's desire to promote a stable, high-quality shareholder base. Consequently, should Wendel consider transferring shares representing at least 5% of Saint-Gobain's capital, on one or more occasions, to a limited number of buyers, it shall inform Saint-Gobain's Executive Management of its intention. Saint-Gobain's Executive Management would then have one week to submit an acquisition proposal for the shares concerned, by a third party or by Saint-Gobain, remaining valid for a reasonable period of time. Following discussions between the Chairman of each party, Wendel may accept Saint-Gobain's proposal or pursue another offer with financial and key strategic characteristics that it considers in good faith are better aligned with its own interests. Saint-Gobain may ask Wendel to arrange a prior meeting with any such buyer(s) that may have been identified. In any case, the Executive Management of Saint-Gobain and Wendel will use their best efforts to make the transaction a success, in a spirit of cooperation and partnership. In the event of a tender offer for Saint-Gobain, this right of first offer will not apply to any Saint-Gobain shares tendered by Wendel to an offer declared valid by the market authorities.

The items described above provide a favorable basis for the development of the long-term partnership between Saint-Gobain and its leading shareholder, Wendel. It is understood that in the unlikely event that Wendel should notice a disagreement with the majority of Saint-Gobain's Board of Directors on an issue considered of importance, Wendel and Saint-Gobain would use their best efforts to jointly define, within a period of one month, an amicable solution that allows Wendel to continue fulfilling its role on the Board. If Wendel requested that a resolution not approved by the Board be put to the vote of a shareholders' meeting of Saint-Gobain, this would obviously constitute a disagreement on an issue considered to be of importance. If the disagreement persisted, Wendel and Saint-Gobain would be discharged from all of their commitments stated herein and the directors representing Wendel would be led to leave the Board at the end of the following shareholders' meeting. The aforementioned commitments are valid for a period of ten years from the end of the shareholders' meeting of June 9, 2011.

This statement can be found on Wendel's website under the heading *"Press portal"*.

7.10 Factors likely to have an impact in the event of a takeover offer

Pursuant to Article L.225-100-3 of the French Commercial Code, to the best of the Company's knowledge, the items that might be affected in the event of a takeover bid are as follows:

- Wendel-Participations and its related parties' holding of 35.1% of the Company's shares and 47.7% of its voting rights as of December 31, 2012;
- agreements authorizing the Company to use the "Wendel" name and the "Wendel Investissement" brand. These agreements contain a cancellation clause in the event that Wendel-Participations' stake in the Company should fall below 33.34% of the shares for 120 consecutive days (see section 8.1 "Statutory Auditors' report on related party agreements and commitments");
- the granting of double voting rights to fully paid-up shares that have been registered for at least two years in the name of the same shareholder (see section 7.3);
- change-of-control clauses in bond indentures and certain loan agreements of Wendel and its subsidiaries ("Managing Liquidity Risk", note 5 of the notes to the consolidated financial statements);
- right of first refusal: the share-retention commitments of certain shareholders grant a right of first refusal to Wendel-Participations or SPIM (see section 7.9.1 above);
- termination payments for Executive Board members: the departure of the members of the Executive Board in the event of a change in control of the Company would result in termination payments, as decided at the meetings of the Supervisory Board of May 6, 2009 and February 11, 2010, and confirmed in its meeting of March 27, 2013 (section 2.1.7.7).

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SHAREHOLDERS' MEETING OF MAY 28, 2013

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8.1 Statutory Auditors' special report on related party agreements and commitments

This is a free translation into English of a 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 standards applicable in France

General Meeting of Shareholders to approve the financial statements for the year ended 31 December 2012

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R. 225-58 of the French Commercial Code (*Code de commerce*), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-58 of the French Commercial Code (*Code de commerce*) concerning the implementation, during the year, of the agreements and commitments already approved by the General Meeting of Shareholders.

We performed the procedures which we considered necessary to comply with professional guidance issued by the national auditing body (*Compagnie nationale des Commissaires aux comptes*) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

Agreements and commitments submitted for approval by the General Meeting of Shareholders

1. With Mr Fréderic Lemoine, Chairman of the Executive Board, and Mr Bernard Gautier, member of the Executive Board of your company

Agreements and commitments authorized during the year

In accordance with Article L. 225-88 of the French Commercial Code (*Code de commerce*), we have been advised of certain related party agreements and commitments which received prior authorization from your Supervisory Board.

a) Nature, purpose and conditions

Additional co-investment by the members of the Executive Board relating to the Materis Group

Within the context of the restructuring of the debt of its subsidiary Materis, the Wendel Group had to reinvest €21.2 million in the Materis Group in June 2012. In accordance with the rules on co-investments relating to acquisitions made by Wendel between 2006 and 2008, a proposal was made to the management and certain executives in your Group to co-invest their share of the amount invested by Wendel.

Within this context, and upon the prior authorization of the Supervisory Board on 4 June 2012, Mr Frédéric Lemoine and Mr Bernard Gautier respectively invested, in June 2012, 6,589 euros and 16,128 euros in the Materis compartment.

Agreements and commitments authorized after the year-end

We have been advised of certain related party agreements and commitments which received prior authorization from your Supervisory Board after the year-end.

a) Nature, purpose and conditions

Co-investment by the members of the Executive Board relating to the IHS Group

During the first half-year, the Wendel Group is to invest the equivalent in euros of $175 million in the IHS Group. In accordance with the rules on co-investments relating to acquisitions made as from 2011, a proposal was made to the management and certain executives to co-invest 0.5% of the amounts invested by Wendel.

Within this context, and upon the prior authorization of the Supervisory Board on 12 February 2013, Mr Frédéric Lemoine and Mr Bernard Gautier were authorized to invest an amount representing respectively 20% and 13.33% of this 0.5% share.

b) Nature, purpose and conditions

Renewal of your company's commitments to Mr Frédéric Lemoine and Mr Bernard Gautier in the event of the termination of their duties within the Wendel Group

Within the context of the renewal of the terms of office of Mr Frédéric Lemoine and Mr Bernard Gautier as members of the Executive Board, the Supervisory Board at its meeting on 27 March 2013 reiterated its authorization concerning the commitments made by your company in the event of the termination of the duties of Mr Frédéric Lemoine and Mr Bernard Gautier, in accordance with Article L. 225-90-1 of the French Commercial Code (*Code de commerce*).

These commitments had been authorized by the Supervisory Board on 11 February 2010 for Mr Frédéric Lemoine and on 6 May 2009 for Mr Bernard Gautier. They had been approved at the General Meeting of Shareholders of 4 June 2010.

In the event of departure, Mr Frédéric Lemoine is entitled to a maximum of two years of his last total fixed compensation and variable compensation based on targets met.

The indemnity is due in the event of departure on grounds other than a situation of failure, the latter being characterized by gross or serious misconduct acknowledged unanimously by the members of the Supervisory Board. Subject thereto, the indemnity shall apply in the event of removal from office or non-renewal of his term of office as Chairman of the Executive Board, a substantial change in responsibilities, a change in control or significant divergence of the strategy of Wendel or the Group.

The payment of this indemnity is subject to two performance conditions:

- 50% of this indemnity is subject to the payment of variable compensation, in respect of two of the three financial years prior to departure, including the current year, equal to at least 50% of the variable compensation based on targets met granted by the Supervisory Board to Mr Frédéric Lemoine in respect of the three financial years in question;
- 50% of this indemnity shall only be paid if the NAV per share at the end of the term of office (the Actual NAV) is higher than or equal to 90% of the average NAV per share for the previous twelve months (the Reference NAV); if the Actual NAV is between 90% and 60% of the Reference NAV, the portion of the indemnity paid in this respect is reduced by 2.5 times the difference (thus, if the Actual NAV is 20% less than the Reference NAV, the portion of the indemnity paid in this respect is halved: 20% x 2.5 = 50%); if the Actual NAV is 60% less than the NAV, no indemnity is paid in this respect.

As regards Mr Bernard Gautier, in the event of the termination of his employment contract, he is entitled to an indemnity equal to the annual average of the fixed and variable gross compensation that has been granted to him in respect of the last three financial years for which the accounts have been closed, preceding the notification of his dismissal (or the legal date of termination of his employment contract in the event of mutually agreed termination or resignation). If this indemnity is greater than the indemnity provided for by the collective bargaining agreement, the surplus is only paid if, during two of the three financial years preceding the year in which Mr Bernard Gautier's dismissal is notified (or the legal date of termination of his employment contract in the event of mutually agreed termination or resignation), he has received variable compensation equal to at least 50% of his variable compensation based on targets met in respect of the three financial years in question.

This indemnity is due in the event of mutually agreed termination, dismissal (with the exception of dismissal for gross or serious misconduct) or resignation from his employment contract if such resignation follows removal from corporate office or non-renewal of his term of corporate office, or resignation from his corporate office following a substantial change in responsibilities, a change in control or a significant divergence of the strategy of Wendel or the Group.

If Mr Bernard Gautier should cease to be a member of the Executive Board, he will receive an indemnity equal to the annual average of the fixed gross compensation and variable gross compensation based on targets met that has been granted to him by the Supervisory Board in respect of the last three financial years for which the accounts have been closed, preceding the departure, and subject to the following performance conditions:

- 50% of this indemnity is subject to the payment of variable compensation, in respect of two of the three financial years for which the accounts have been closed prior to departure, equal to at least 50% of the variable compensation based on targets met during the three financial years in question;
- 50% of this indemnity shall only be paid if the NAV per share at the end of the term of office (the actual NAV) is greater than or equal to 90% of the average NAV per share for the previous six months (the Reference NAV); if the Actual NAV is between 90% and 60% of the Reference NAV, the portion of the indemnity paid in this respect shall be decreased by 2.5 times the difference (thus, if the Actual NAV is 20% less than the Reference NAV, the portion of the indemnity paid in this respect is halved: 20% x 2.5 = 50%); if the Actual NAV is 60% less than the Reference NAV, no indemnity is paid in this respect.

This indemnity is due in the event of departure related to removal from office or non-renewal of his term of office as member of the Executive Board, resignation from his office as member of the Executive Board if such resignation follows dismissal, the mutually agreed termination of his employment contract, a substantial change in responsibilities, a change in control or a significant divergence of the strategy of Wendel or the Group.

Agreements and commitments already approved by the General Meeting of Shareholders

Agreements and commitments approved in prior years

In accordance with Article R. 225-57 of the French Commercial Code (*Code de commerce*), we have been advised that the implementation of the following agreements and commitments which were approved by the General Meeting of Shareholders in prior years continued during the year.

1. With Mr Fréderic Lemoine, Chairman of the Executive Board, Mr Bernard Gautier, member of the Executive Board and Mr Ernest-Antoine Seillière, Chairman of the Supervisory Board of your company

Nature, purpose and conditions

<u>Framework agreement on co-investments by Wendel's management team relating to acquisitions made by Wendel between 2006 and 2008 (and to later reinvestments made by Wendel in these companies)</u>

In 2006 and 2007 Wendel implemented a co-investment system designed to associate Wendel's management team in your Group's performance. As a result, the management team members invested personally alongside your Group in the company Winvest International SA SICAR, which holds your Group's investments in the non-listed companies Materis, Stahl and Van Gansewinkel Groep (VGG) and which held your Group's investment in Deutsch.

The general principles applicable to these co-investments are as follows:

(i) the co-investors invest alongside the Group and at Wendel's request, a maximum amount of 0.5% of the total amount of Wendel's investment;

(ii) co-investors are entitled to 10% of the capital gain (for 0.5% of the total investment), provided that Wendel has achieved a minimum annual return of 7% and a cumulative 40% on its investment; if Wendel does not achieve both of these thresholds, members of the management team will lose the amounts they have invested; the minimum return of 7% per year criterion will be assessed based on initial value of the investments and investment dates;

(iii) rights to co-investment benefits will vest gradually over a period of four years in five tranches of 20% per year (20% at the investment date, then 20% at each anniversary date); however, the members of the management team have committed, in the event of departure, to sell on demand their unvested shares at their initial value;

(iv) the capital gain will be realized at the time of divestment, or, in the absence of divestment, at the end of ten years, on the basis of an expert opinion.

In this context, in 2010 the members of the Management Committee entered into, with your Group, agreements to sell and agreements to buy that are to be exercised:

- either at the occurrence of a liquidity event affecting Materis, Stahl, Deutsch or VGG, a liquidity event being defined as complete divestiture of the company concerned, a change in control, divestiture or repayment of more than 50% of the financial instruments held by your Group in the company concerned, the stock market floatation of the company concerned, or the end of the ten-year period as from the initial investment (31 December 2016); or
- in the event of the departure from your Group of the management team member concerned.

In the event of the occurrence of a liquidity event, your Group has undertaken to buy from the members of the management team their shares in Winvest International S.A. SICAR representative of the company concerned, at a price such that the latter receive 10% of the capital gain made on this company, subject to your Group having obtained a minimum return of 7% *per annum* and 40% of its investment. Otherwise, the members of the management team have undertaken to sell to your Group, for the token sum of 1 euro, their shares in Winvest International S.A. SICAR representative of the company concerned.

In the event of the departure of a member of the management team:

- the person concerned has undertaken to sell to your Group:

(i) his unvested shares in Winvest International S.A. SICAR at their original value, whatever the reasons for this person's departure from your Group, and

(ii) his vested shares in Winvest International S.A. SICAR, at their market value in the event of gross misconduct resulting in dismissal or removal from office or non-renewal of his term of office; for 1 euro with an additional price at market value in the case of a liquidity event when the departure is due to dismissal or removal from office for serious misconduct; and at the original value or the market value, whichever is higher, in the event of death;

- your Group has undertaken to purchase from the person concerned:

(i) his unvested shares in Winvest International S.A. SICAR at their original value in the event of dismissal or removal from office or non-renewal of his term of office, except in the event of serious or gross misconduct, or in the event of death, and

(ii) his vested shares in Winvest International S.A. SICAR, at their market value in the event of dismissal or removal from office or non-renewal of his term of office, except in the event of serious or gross misconduct, and at their original value or market value, whichever is higher, in the event of death.

Deutsch co-investment

Deutsch was sold on 3 April 2012 to the TE Connectivity Group for an enterprise value of approximately $2.1 billion and net proceeds from disposal amounting to €960 million. As the minimum performance conditions (7% *per annum* and a cumulated 40%) were reached for Wendel (with a yield of more than 20% per annum on average and a cumulated 150%), 35 co-investors received €61.3 million in respect of the share of the gross proceeds from disposal due to them according to the rules of co-investment applicable to Deutsch, including 74% for 32 co-investors, 6.5% for the Chairman of the Executive Board, 16% for the other member of the Executive Board and 3.5% for the Chairman of the Supervisory Board.

2. With Mr Fréderic Lemoine, Chairman of the Executive Board, and Mr Bernard Gautier, member of the Executive Board of your company

Nature, purpose and conditions

Framework agreement on the co-investments by Wendel's management team relating to purchases made by Wendel as from 2011

The principles governing the co-investment systems for investments in new companies made by Wendel as from 2011 have been amended. The revised principles are as follows:

(i) the co-investors invest alongside your Group, at Wendel's request, a maximum overall amount of 0.5% of the total amounts invested by Wendel;

(ii) 30% of the amount invested by the management teams is invested under the same conditions as Wendel (*pari passu* co-investment);

(iii) the remaining 70%, i.e. a co-investment of 0.35% of the total invested by Wendel, gives entitlement, in the case of events defined in paragraphs (v) and (vi) herebelow, to 7% of the capital gains (leveraged co-investment), on condition that Wendel has obtained a minimum yield of 7% per year and a cumulative 40% on its investment; failing this, the co-investors will lose the 70% invested;

(iv) rights to leveraged co-investment benefits are vested gradually over four years in five tranches of 20% per year (20% at the investment date, then 20% at each anniversary date);

(v) the potential capital gain is realized in the event of total divestment, change of control, sale of over 50% of the shares owned by your Group or the stock market floatation of the company concerned; depending on the situation, the liquidity granted to the co-investors may be total or in proportion to the shareholding transferred;

(vi) at the end of an eight-year period as from the performance of the initial investment by your Group and failing any total divestment or stock market floatation, the potential capital gain is also realized on one-third of the amounts invested by the co-investors; the same holds true after ten years, then twelve years, if no total divestment or stock market floatation has taken place in the meanwhile; in these cases, the co-investment is valued at the end of each period by an internationally-recognized independent expert.

In the event of departure of a member of the management team, the commitments made and received by the co-investors and your Group are identical to those under the framework agreement on the co-investments made by the management team relating to acquisitions made by Wendel between 2006 and 2008 (and to the subsequent re-investments made by Wendel in these companies) as described hereabove.

The members of Wendel's management team made co-investments governed by the above principles in the companies acquired by Wendel since 2011: Parcours, Mecatherm and, at the beginning of 2013, IHS. These co-investments were made through a new venture capital investment company governed by Luxembourg law: Oranje-Nassau Développement SA SICAR (Oranje-Nassau Développement), formed in 2011 and divided at this stage into three compartments: Parcours, Mecatherm and IHS.

3. With Mr Bernard Gautier, member of the Executive Board of your company

Nature, purpose and conditions

<u>Compensation of a member of the Executive Board with respect to his employment contract</u>

Mr Bernard Gautier has held an employment contract since 2003, when he joined the Company. He was appointed a member of the Executive Board in 2005 and his employment contract has been maintained. His fixed and variable compensation is paid to him with respect to his employment contract.

At its meeting on 21 March 2012, upon recommendation of the Governance Committee, the Supervisory Board decided to maintain Mr Bernard Gautier's fixed compensation for 2012 at 700,000 euros. This amount has not changed since 2009.

In view of the targets achieved, the Supervisory Board, at its meeting on 12 February 2013, authorized your company to pay Mr Bernard Gautier 80% of his target variable compensation with respect to 2012, which corresponds to 50% of his fixed compensation; consequently, Mr Bernard Gautier's variable compensation for 2012 amounts to 280,000 euros.

With Wendel-Participations (formerly Société Lorraine de Participations Sidérurgiques – SLPS), shareholder of your company

a) Nature, purpose and conditions

On 2 September 2003, your company entered into the following two agreements with Wendel-Participations:

- a service agreement for administrative assistance: your company invoiced 13,000 euros before tax in respect of FY 2012;
- a commitment to rent premises: your company invoiced 40,628 euros before tax in respect of FY 2012.

b) Nature, purpose and conditions

<u>Agreement on the use of the "Wendel" name and license to use the brand "WENDEL Investissement"</u>

On 15 May 2002, your Company entered into two agreements with SLPS and Wendel-Participations. These agreements authorized the Company to use the family name "Wendel" as its corporate and commercial name, and grant an exclusive license to the Company to use the brand "WENDEL Investissement".

These agreements were entered into without consideration and for an indefinite period, with the stipulation that they may be revoked if the direct or indirect interest of the family holding companies in the capital of the Company remains less than 33.34% for 120 consecutive days. If this right of revocation is not exercised within 60 days after the expiration of the said 120-day period, the right to use the name and the exclusive license to use the brand shall become final and irrevocable.

Neuilly-sur-Seine and Paris-La Défense, 5 April 2013

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean-Pierre Letartre

8.2 Statutory Auditors' report on the issue of shares and marketable securities with or without cancellation of preferential subscription rights

This is a free translation into English of a 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 standards applicable in France.

Extraordinary General Meeting of Shareholders of 28 May 2013

Sixteenth, seventeenth, eighteenth, nineteenth and twenty first resolutions

To the Shareholders,

In our capacity as Statutory Auditors of your company and in compliance with Articles L. 228-92, L. 225-135 and L. 225-136 of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed authorizations allowing your Executive Board to decide on whether to proceed with various issues of shares and marketable securities, operations upon which you are called to vote.

Your Executive Board proposes, on the basis of its report:

- that it be authorized, with the possibility of subdelegation in accordance with the law, subject to the prior authorization of the Supervisory Board in accordance with Article 15-V b) of the Memorandum and Articles of by-laws, for a period of fourteen months, to decide on whether to proceed with the following operations and to determine the final conditions of these issues, and proposes, if applicable, to cancel your preferential subscription rights:
  - the issue of shares in the company or of marketable securities giving access to shares in the company or, in accordance with Article L. 228-93 of the French Commercial Code (*Code de commerce*), in any company of which more than half of the capital is held directly or indirectly by the company, without cancellation of preferential subscription rights (sixteenth resolution),
  - the issue of shares in the company or of marketable securities giving access to shares in the company or, in accordance with Article L. 228-93 of the French Commercial Code (*Code de commerce*), in any company of which more than half of the capital is held directly or indirectly by the company or giving entitlement to the allotment of debt securities, with cancellation of the preferential subscription rights. This issue may be made either through offering to the public or, within the limit of 20% of the share capital per year, through offerings in accordance with II of Article L. 411-2 of the French Monetary and Financial Code (*Code monétaire et financier*) (seventeenth resolution),
  - the issue of shares in the company or of marketable securities giving access to shares in the company, resulting from the issue by subsidiaries (Article L. 228-93 of the French Commercial Code (*Code de commerce*)) of the company of marketable securities giving access to shares in the company (seventeenth resolution),
  - that it be authorized, under the seventeenth resolution and within the context of the authorization presented in the seventeenth resolution, to determine the issue price within the legal annual limit of 10% of the share capital,
  - the issue of shares in the company or of marketable securities giving access to shares in the company, where an exchange offer (Article L. 225-148 of the French Commercial Code (*Code de commerce*)) is launched by your company (nineteenth resolution), within the limit of a nominal amount of capital increases of € 100,000,000;
- that it be authorized, with the possibility of subdelegation in the conditions laid down by the law, subject to the prior authorization of the Supervisory Board in accordance with Article 15-V b) of the Memorandum and Articles of Association, for a period of fourteen months, to determine the terms and conditions of the issue of shares in the company or of marketable securities giving access to shares in the company, in order to pay for the contributions in kind made to the company and consisting of equity securities or marketable securities giving access to the capital (nineteenth resolution), within the limit of 10% of the capital,

The nominal amount of the capital increases that can be implemented immediately or at a later date may not be in excess of € 100,000,000 under the sixteenth resolution, € 40,000,000 under the seventeenth resolution, it being specified that these amounts will be charged against the overall maximum amount of € 400,000,000 set by the sixteenth, seventeenth, eighteenth, nineteenth and twentieth resolutions.

If you adopt the eighteenth resolution, these maximum amounts take into account the additional number of marketable securities made available through the authorizations presented in the sixteenth and nineteenth resolutions, in accordance with Article L. 225-135-1 of the French Commercial Code (*Code de commerce*).

It is the responsibility of the Executive Board to prepare a report in accordance with Articles R. 225-113 *et seq*. of the French Commercial Code (*Code de commerce*). Our role is to report on the fairness of the financial information taken from the accounts, on the proposed cancellation of preferential subscription rights and on the other information relating to these operations provided in the report.

We have performed these procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (*Compagnie nationale des Commissaires aux comptes*) for this type of engagement. These procedures consisted in verifying the information provided in the Executive Board's report relating to these operations and the methods used to determine the issue price of the capital securities to be issued.

Subject to a subsequent examination of the conditions for the issues that would be decided, we have no matters to report as to the methods used to determine the issue price of the capital securities to be issued provided in the Executive Board's report in respect of the seventeenth resolution.

Moreover, as the methods used to determine the issue price of the capital securities to be issued in accordance with the sixteenth and eighteenth resolutions are not specified in that report, we cannot report on the choice of constituent elements used to determine the issue price.

As the final conditions in which the issues would be performed have not yet been determined, we cannot report on these conditions and, consequently, on the cancellation or preferential subscription rights proposed in the seventeenth and nineteenth resolutions.

In accordance with Article R. 225-116 of the French Commercial Code (*Code de commerce*), we will issue a supplementary report, if necessary, when your Executive Board has exercised this authorization for issues of marketable securities giving access to the capital or giving entitlement to the allotment of debt securities and for issues with cancellation of preferential subscription rights.

Neuilly-sur-Seine and Paris-La Défense, 5 April 2013

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean-Pierre Letartre

8.3 Statutory Auditors' report on the reduction in capital by the cancellation of shares

This is a free translation into English of a 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 standards applicable in France.

Extraordinary General Meeting of Shareholders of 28 May 2013

Fifteenth resolution

To the Shareholders,

In our capacity as Statutory Auditors of your company, and in compliance with Article L. 225-209 of the French Commercial Code (*Code de commerce*) in respect of the reduction in capital by the cancellation of shares, we hereby report on our assessment of the terms and conditions for the proposed reduction in capital.

Your Executive Board requests that it be authorized, for a period of 26 months starting on the date of this shareholders' meeting, to proceed with one or more cancellations of shares the Company was authorized to repurchase, representing an amount not exceeding 10% of its total share capital, by periods of 24 months in compliance with the article mentioned above.

We performed the procedures we deemed necessary in accordance with professional guidance issued by the national auditing body (*Compagnie nationale des Commissaires aux comptes*) for this type of engagement. These procedures consisted in verifying that the terms and conditions for the proposed reduction in capital, which should not compromise equality among the shareholders, are fair.

We have no matters to report as to the terms and conditions of the proposed reduction in capital.

Neuilly-sur-Seine and Paris-La Défense, 5 April 2013

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean-Pierre Letartre

8.4 Statutory Auditors' report on the increase in capital reserved for employees who are members of one or more company or group savings schemes with cancellation of preferential subscription rights

This is a free translation into English of a 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 standards applicable in France.

Extraordinary General Meeting of Shareholders of 28 May 2013

Twenty-second resolution

To the Shareholders,

In our capacity as Statutory Auditors or your company and in compliance with Articles L. 228-92 and L. 225-135 *et seq*. of the French Commercial Code (*Code de commerce*), we hereby report to you on the delegation of authority sought by the Executive Board to increase capital by issuing shares or securities giving access to the capital for a maximum amount of € 250,000 without preferential subscription rights reserved for members of one or more Company savings plans implemented within the Group, which is submitted to you for approval.

This increase in capital is submitted for your approval in accordance with Articles L. 225-129-6 of the French Commercial Code (*Code de commerce*), and L. 3332-18 *et seq*. of the French Labor Code (*Code du travail*).

Based on the Executive Board's report, shareholders are requested to delegate authority to the Executive Board, for a period of 14 months, with the power to sub-delegate as provided by law, subject to the prior approval of the Supervisory Board pursuant to Article 15-V b) of the by-laws, to decide on one or more increases in capital and to waive your preferential subscription rights. It is the Executive Board's responsibility, where applicable, to define the final terms and conditions of such an issue.

It is the Executive Board's responsibility to prepare a report in accordance with Articles R. 225-113 *et seq*. of the French Commercial Code (*Code de commerce*). It is our responsibility to express an opinion on the fairness of the information taken from the financial statements, on the proposed cancellation of shareholders' preferential subscription rights, and on other information relating to the increase in capital contained in this report.

We performed the procedures we deemed necessary in accordance with professional standards applicable in France to such engagements. These standards require that we perform procedures to verify the content of the Executive Board's report relating to the transactions and the methods used to set the share issue price.

Subject to a subsequent examination of the conditions for the increase(s) in capital once they have been decided, we have no matters to report as regards the methods used to set the issue price as provided in the Executive Board's report.

As the share issue price has not yet been set, we do not express an opinion on the final terms and conditions under which the increase(s) in capital will be carried out, and consequently, on the cancellation of preferential subscription rights submitted for approval.

In accordance with Article R. 225-116 of the French Commercial Code (*Code de commerce*), we will prepare an additional report if and when the Executive Board uses this authorization.

Neuilly-sur-Seine and Paris-La Défense, 5 April 2013

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean-Pierre Letartre

8.5 Statutory Auditors' report on the authorization to award stock subscription and/or purchase options to corporate officers and employees

This is a free translation into English of a 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 standards applicable in France.

Extraordinary General Meeting of Shareholders of 28 May 2013

Twenty-third resolution

To the Shareholders,

In our capacity as Statutory Auditors of your company, and in compliance with Article L. 225-177 and R. 225-144 of the French Commercial Code (*Code de commerce*), we hereby report to you on the authorization to award stock subscriptions and/or purchase options to the corporate officers, referred to in Article L. 225-185 of the French Commercial Code (*Code de commerce*), and employees of the Company and of the companies or group of companies that are related to it within the meaning of Article L. 225-180 of the French Commercial Code (*Code de commerce*), which is submitted to you for approval.

Based on the Executive Board's report, shareholders are requested to authorize the Executive Board, for a period of 14 months, to award stock subscription and/or purchase options.

It is the Executive Board's responsibility to prepare a report on the reasons for awarding stock subscription and/or purchase options and on the proposed methods for setting the subscription and/or purchase price. It is our responsibility to express an opinion on these methods.

We performed the procedures we deemed necessary in accordance with the professional guidance issued by the French national auditing body (*Compagnie nationale des Commissaires aux comptes*) for this type of engagement. These procedures included verifying that the methods proposed for setting the subscription and/or purchase price are specified in the Executive Board's report and that they comply with the applicable legal and regulatory provisions.

We have no matter to report as regards the proposed methods for setting the subscription and/or purchase price.

Neuilly-sur-Seine and Paris-La Défense, 5 April 2013

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean-Pierre Letartre

8.6 Statutory Auditors' report on the authorization to award existing shares or shares to be issued to corporate officers and employees

This is a free translation into English of a 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 standards applicable in France.

Extraordinary General Meeting of Shareholders of 28 May 2013

Twenty-fourth resolution

To the Shareholders,

In our capacity as Statutory Auditors of your company, and in compliance with Article L. 225-197-1 of the French Commercial Code (*Code de commerce*), we hereby report to you on the authorization sought by the Executive Board to award existing shares or shares to be issued to employees and corporate officers of the company and of the companies or group of companies that are related to it within the meaning of Article L. 225-197-2 of the French Commercial Code (*Code de commerce*), which is submitted to you for approval.

Based on the Executive Board's report, shareholders are requested to authorize the Executive Board, for a period of 14 months, to award free shares or shares to be issued.

It is the Executive Board's responsibility to prepare a report on the proposed operation. It is our responsibility to report to you on the information provided to you on the proposed operation.

We performed the procedures we deemed necessary in accordance with the professional guidance issued by the French national auditing body (*Compagnie nationale des Commissaires aux comptes*) for this type of engagement. These procedures consisted primarily in verifying that the methods proposed and the information in the Executive Board's report comply with the applicable legal provisions.

We have no matters to report as regards the information in the Executive Board's report concerning the proposed authorization to award existing shares or shares to be issued.

Neuilly-sur-Seine and Paris-La Défense, 5 April 2013

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit

Etienne Boris

ERNST & YOUNG Audit

Jean-Pierre Letartre

8.7 Supplementary report from the Executive Board on the capital increase reserved for employee members of the Group savings plan in 2012

Using the power delegated to it by the shareholders at their Combined Shareholders' Meeting on June 4, 2012 by virtue of the sixteenth resolution and after obtaining the approval of the Supervisory Board on that same date, the Executive Board decided on June 20, 2012 to carry out a capital increase reserved for members of the Wendel Group savings plan, in favor of whom the shareholders' preferential subscription rights were canceled at the same meeting.

The purpose of this report, prepared in accordance with Article R.225-116 of the French Commercial Code, is to describe the final terms and conditions of the capital increase carried out with the approval of the shareholders.

I. Final terms and conditions of the capital increase

Maximum size of the reserved capital increase

On June 20, 2012, the Executive Board decided to set the maximum par value of the reserved capital increase at €250,000, or 62,500 shares with a par value of €4 per share.

Subscription price

On June 20, 2012, the Executive Board set the discount at 20% of the reference price, noting that:

- the reference price, calculated based on the average closing share price for the 20 trading days prior to June 20, 2012, was €53.0836;
- the subscription price, set at 80% of the reference price, was €42.47.

Each new share having a par value of €4 was therefore issued with a share premium of €38.47.

The total amount of the capital increase, including the share premium, was €2,654,375.

Beneficiaries

The beneficiaries of the offer are the members of the Wendel Group savings plan, employees and corporate officers with at least three months of service with the Company as of the closing date of the subscription period.

Cancellation of preferential subscription rights

At the Combined Shareholders' Meeting on June 4, 2012, the shareholders' preferential subscription rights were canceled in favor of the beneficiaries of the capital increase.

Rights attached to shares

The new shares will be issued with ownership rights taking effect at once and immediately treated in the same way as existing shares.

Maximum subscription rights

Each beneficiary will have the right to subscribe to new shares in accordance with the terms and conditions of the Wendel Group savings plan and any amendments thereto.

Matching contribution

For 2012, the matching contribution will be 200% of the subscriber's voluntary contribution, up to a limit of 184 Wendel shares. The amount of 184 shares represents the largest whole number of shares that may be subscribed without the employers' contribution exceeding the legal limit of €5.237 per savings plan member.

Adjustments to the reserved capital increase

If the total number of shares requested exceeds the maximum number of shares offered in connection with the reserved capital increase, not all share requests will be fulfilled. Requests will be fulfilled as follows:

- no reduction will be applied to share requests that are eligible for the matching contribution;
- share requests made in connection with the reinvestment of dividends from Company shares held in the Wendel Group savings plan will be fulfilled before other requests;
- all other share requests will be fulfilled in proportion to the remaining quantity of shares requested by each subscriber.

If the total number of shares requested is less than the maximum number of shares offered in connection with the reserved capital increase, the share capital will be increased only by the number of subscribed shares.

Subscription period

The subscription period will run from June 22 to July 4, 2012, inclusive.

The subscription period may end at any time before July 4, 2012 if all beneficiaries have either returned their subscription form or notified the Company that they waive their right to subscribe to the shares offered.

Listing of new shares

Admission to trading of the Company's new shares on Eurolist by Euronext will be requested as soon as possible following the capital increase.

II. Impact of the capital increase

If the capital increase reserved for members of Wendel's Group savings plan is fully subscribed, 62,500 shares in the Company will be issued.

In accordance with Article R.225-115 of the French Commercial Code, the Executive Board hereby reports on the impact of this issue on the situation of holders of equity shares in the Company and holders of securities giving access to the Company's capital. The impact of the issue was assessed based on the latest parent company financial statements dated December 31, 2011.

Impact on book value as of December 31, 2011

After taking into account the 62,500 shares subscribed to in connection with the capital increase covered in this report, book value per share would decline by €0.04 based on a total of 50,564,519 shares issued, representing the Company's share capital, and by €0.04 based on a total of 50,823,061 shares issued or that could potentially be issued.

Theoretical impact on the share's current stock market value based on the average share price for the 20 trading days prior to June 20, 2012

After taking into account the 62,500 shares subscribed to during the capital increase covered in this report, the share's market value would decline by €0.02 based on a total of 50,564,019 shares issued, representing the Company's share capital, and by €0.02 based on a total of 50,823,061 shares issued or that could potentially be issued.

June 20, 2012,

Frédéric Lemoine	Bernard Gautier
Chairman of the Executive Board	Member of the Executive Board

8.8 Supplementary Statutory Auditors' report on the increase in capital with cancellation of preferential subscription rights

This is a free translation into English of a 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 standards applicable in France.

Executive Board Meeting of 20 June 2012

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in compliance with article R. 225-116 of the French Commercial Code (*Code de commerce*) and further to our special report dated 28 March 2012, we hereby report on the increase in capital with cancellation of preferential subscription rights reserved for the members of a company savings scheme set up within the group, authorized by your extraordinary general meeting of 4 June 2012.

This general meeting authorized your Executive Board to decide on such an operation within a period of fourteen months and for a maximum amount of €250,000. Exercising this authorization, your Executive Board decided, at its meeting on 20 June 2012, to proceed with an increase in capital of €250,000, by issuing 62,500 ordinary shares, with a par value of €4 per share and a share premium of €38.47.

It is the responsibility of the Executive Board to prepare an additional report in accordance with articles R. 225-115 and R. 225-116 of the French Commercial Code (*Code de commerce*). Our role is to report on the fairness of the financial information taken from the accounts, on the proposed cancellation of preferential subscription rights and on other information relating to the share issue provided in the report.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (Compagnie nationale des Commissaires aux comptes) for this type of engagement. These procedures consisted in verifying:

- the fairness of the financial information taken from the annual accounts approved by the Executive Board. We performed an audit of these accounts in accordance with professional standards applicable in France;
- the compliance with the terms of the operation as authorized by the general meeting;
- the information provided in the Executive Board's supplementary report on the choice of constituent elements used to determine the issue price and on its final amount.

We have no matters to report as to:

- the fairness of the financial information taken from the accounts and included in the Executive Board's supplementary report;
- the compliance with the terms of the operation as authorized by your extraordinary general meeting of 4 June 2012 and the information provided to the shareholders;
- the choice of constituent elements used to determine the issue price and its final amount;
- the presentation of the effect of the issuance on the financial position of the shareholders as expressed in relation to shareholders' equity and on the market value of the share;
- the proposed cancellation of the preferential subscription rights, upon which you have voted.

Neuilly-sur-Seine and Paris-La Défense, 3 July 2012

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean-Pierre Letartre

8.9 Observations from the Supervisory Board for the shareholders

To the Shareholders,

In 2012, the Supervisory Board performed the checks and controls of the management of the Executive Board that it deemed necessary, in compliance with by-laws and legal provisions and with the active support of its two standing committees. The Supervisory Board draws your attention to the excellent relationship it enjoys with the Executive Board, which kept it constantly informed of any changes to the Group's business activities. It demonstrated its continued confidence in the Executive Board by renewing its appointment for another four-year term until April 2017.

Your Supervisory Board met on March 27, 2013 to examine Wendel's parent company and consolidated financial statements, which were finalized by the Executive Board, and the draft resolutions that have been submitted to you. We make no particular observation and recommend that you approve them.

We approve the Executive Board's proposal to set the dividend for 2012 at €1.75 per share, an increase from 2011.

This Shareholders' Meeting marks a milestone in our governance, with the departure of Ernest-Antoine Seillière from the Group, after serving Wendel with energy and acumen for 38 years, first as Chairman of CGIP, then of Marine-Wendel, and later of Wendel Investissement until 2005, when he became Chairman of the Supervisory Board.

The Supervisory Board thanks him deeply for all his work and for Wendel's transformation into a well-established investment company, whose assets have grown by an outstanding multiple and that supports the development of many companies over the long term. Your Board is delighted that Ernest-Antoine Seillière has accepted to be Wendel's Honorary Chairman.

The composition of the Supervisory Board is also changing: you are asked to approve the appointment of Laurent Burelle, Chairman and CEO of Plastic Omnium, a family-run industrial group listed on NYSE Euronext, as an independent member. He will bring his knowledge of international markets and passion for innovation to the Group.

You are also asked to approve the appointments of two new members who are family shareholders: Bénédicte Coste and Priscilla de Moustier. They would reinforce the Board's financial and industrial expertise and double the number of women on the Board.

Lastly, you are asked to renew the appointment of Édouard de L'Espée.

The Board recommends the appointment of these three new members and is delighted to welcome them, with your approval.

The Board also recommends the renewal of the financial authorizations granted to the Executive Board.

8.10 Report of the Executive Board on the resolutions submitted to the shareholders at their Annual Meeting on May 28, 2013

Ordinary General Meeting

2012 financial statements, allocation of income and related party agreements

The purpose of the **first** and **second resolutions** is to approve Wendel's financial statements as of December 31, 2012.

The parent company financial statements show net income of €782,962,327.06; the consolidated financial statements report net income, Group share, of €221,123,000. These performances reflect Wendel's strength and continued reinforcement of its financial structure.

The **third resolution** proposes to allocate net income for the year ended December 31, 2012 and distribute a dividend of €1.75 per share, an increase from the dividends paid for the past three years:

	2009	2010	2011 (1)
Dividend	€1.00	€1.25	€1.30

(1) Excluding the special distribution of one Legrand share for every 50 Wendel shares.

The ex-dividend date is set for May 30, 2013, and the dividend will be paid on June 4, 2013.

Under current regulations, in accordance with Article 243 bis of the French Tax Code, the whole dividend proposed is subject to progressive income tax rates, after applying the 40% exclusion for individuals resident in France for tax purposes pursuant to Article 158-3 2° of the French Tax Code.

A mandatory flat-rate withholding tax of 21% will be applied to the gross dividend amount and deducted from the income tax owed for the year in which the dividend is paid.

The **fourth**, **fifth** and **sixth resolutions** would approve the Statutory Auditors' special report on the related party agreements entered into in 2012 and early 2013. This report describes the additional co-investment made by Executive Board members in Materis and their co-investment in IHS. It also confirms the unchanged terms of the Supervisory Board's authorization regarding the Company's commitments to Frédéric Lemoine and Bernard Gautier in the event of the termination of their duties, which were made upon the renewal of their appointments to the Executive Board, in accordance with Articles L.225-90-1 and L.225-86 *et seq.* of the French Commercial Code.

Supervisory Board: renewal of the term of one member and appointment of three new members

In accordance with family tradition, Ernest-Antoine Seillière, having reached the age of 75, chose not to seek reappointment after 38 years of service in the Group. His term ends at the close of the Shareholders' Meeting of May 28, 2013.

The **seventh resolution** proposes to renew the appointment of Édouard de L'Espée for a four-year term.

The **eighth**, **ninth** and **tenth resolutions** would appoint three new members for four-year terms: Bénédicte Coste and Priscilla de Moustier, members of the Wendel family, and Laurent Burelle, who is considered an independent Board member.

Ms. Coste will bring her extensive experience in finance to the Board, and Ms. de Moustier will contribute industrial and marketing expertise as well as a deep understanding of family enterprises. If their appointments are approved, the percentage of women on the Board will double, increasing from 18% to 36%.

Mr. Burelle heads a top-ranking, family-run manufacturing group, listed on NYSE Euronext and part of SBF 120. Under his vision and leadership, the group experienced remarkable growth, including internationally and in particular in Asia.

Information about these candidates is provided in section 2.1 of the Company's registration document for 2012.

If this renewal and these appointments are approved, the Supervisory Board will have 11 members, including five independent members and four women.

Renewal of the terms of the Statutory Auditors

The **eleventh**, **twelfth** and **thirteenth resolutions** propose to renew the appointments of the Company's principal Statutory Auditors, Ernst & Young Audit and PricewaterhouseCoopers Audit, as well as the appointment of an alternate Statutory Auditor, Auditex (alternate for Ernst & Young Audit), for six-year terms. These terms will expire at the end of the Ordinary Shareholders' Meeting called in 2019 to approve the financial statements for the fiscal year ending December 31, 2018.

Share buyback program

The **fourteenth resolution** would renew the authorization granted to the Company to buy back its own shares as provided for by law. The maximum repurchase price is set at €160 and the authorization would be valid for 14 months.

The share buyback program can only be used for the purposes defined by law and determined in this resolution. Your Company may use this program to buy back and cancel shares (as described in the fifteenth resolution), carry out acquisitions, stimulate the market for the Company's shares or cover stock purchase options or performance shares. In 2012, Wendel directly repurchased 985,338 of its own shares, notably to cover stock purchase options and performance shares and to cancel shares.

In all cases, the shares acquired by the Company may not exceed 10% of its capital, or (on an indicative basis) 4,954,364 shares as of December 31, 2012, not taking into account shares already held. This authorization may not be used during a takeover bid.

Extraordinary General Meeting

Capital reduction

The **fifteenth resolution** renews, for a period of 26 months, the Executive Board's authorization granted by shareholders at their May 30, 2011 meeting, with the prior approval of the Supervisory Board, to cancel, in a 24-month period, up to 10% of the capital of the Company, acquired under the buyback program authorized by the fourteenth resolution. In 2012, the Executive Board used this authorization and reduced the capital by 1,079,013 shares (in March and November 2012).

Renewal of financial authorizations

These authorizations propose to renew, for a period of 14 months, existing authorizations of the same nature that are due to expire. The maximum aggregate par value of the capital increases is set at €400 million.

The authorizations relate to the issue of shares or securities giving immediate or future access to the capital of the Company, with the maintenance or cancellation of preferential subscription rights in favor of shareholders, depending on the opportunities arising on the financial markets and the interests of the Company and its shareholders. They would give the Company flexibility and the ability to act quickly by allowing the Executive Board, with the prior approval of the Supervisory Board, to carry out market transactions as needed to implement the Group's strategy.

The amounts for which these financial authorizations are requested have been reduced to reflect current best practices, recommendations from voting agencies and the opinions expressed by certain shareholders.

The Executive Board did not use any of these authorizations in 2012.

The **sixteenth resolution** would authorize the Executive Board to increase the share capital, with preferential subscription rights maintained, by up to a maximum par value of €100 million.

The purpose of the **seventeenth resolution** is to authorize the Executive Board to increase capital, while canceling preferential subscription rights for shareholders but with the possibility of granting the latter a priority period, up to a maximum par value of €40 million and at a price that is at least equal to the weighted average share price for the three trading days prior to the price-setting, to which a discount of up to 5% may be applied.

This authorization would also allow the Executive Board to issue securities for private placement, up to a maximum of 20% of the capital per year. The Executive Board would also have the power to increase capital at a price at least equal to the average Wendel share closing price over the 20-day period preceding the issue, to which a discount of up to 10% may be applied, for up to a maximum of 10% of the capital per year.

The **eighteenth resolution** proposes to authorize the Executive Board to increase the size of issues by up to 15% of the initial issue, with maintenance or cancellation of preferential subscription rights, in the event of excess demand.

The **nineteenth resolution** is intended to authorize the Executive Board to increase the share capital, with cancellation of preferential subscription rights, in consideration for contributions in kind consisting of shares, up to a maximum of 10% of the capital, or in connection with a public exchange offer, up to a maximum par value of €100 million. This authorization would enable the Company to acquire equity investments in unlisted or listed companies and fund these acquisitions with shares rather than cash.

The **twentieth resolution** would authorize the Executive Board to increase the capital of the Company through the capitalization of reserves, profits or premiums, up to a maximum par value of €80 million. This capital increase may be carried out through the allocation of bonus shares to shareholders and/or an increase in the par value of existing shares.

The purpose of the **twenty-first resolution** is to set the maximum aggregate par value of capital increases resulting from the sixteenth to the twentieth resolutions at €400 million.

Employee savings and employee share ownership

Wendel implements its employee share ownership policy with the aim of limiting the dilutive effect for shareholders.

Group savings plan

The **twenty-second resolution** proposes to authorize the Executive Board, for a period of 14 months, to increase the Company's capital, with the prior approval of the Supervisory Board, in favor of the Group's employees and corporate officers and under the Group savings plan, up to a maximum par value of €250,000, as in previous years.

In accordance with the legislation in force, the issue price of shares may not be higher than the average closing share price for the 20 trading days prior to the Executive Board's decision, nor lower than this average reduced by a maximum discount of 20%.

The Executive Board used the authorization granted by shareholders at their June 4, 2012 meeting. Employee share ownership through the Group savings plan was approximately 0.7% of the capital as of December 31, 2012.

Grant of stock subscription and/or purchase options and performance shares

The exercise of options to purchase or subscribe to shares and the vesting of performance shares is subject to service and performance conditions and, for Executive Board members, to an obligation to hold the shares issued upon the exercise of stock options or the performance shares acquired.

Performance conditions for the Executive Board members will be set by the Supervisory Board; performance conditions for the beneficiary employees, if applicable, will be set by the Executive Board.

The **twenty-third resolution** would authorize the Executive Board, for a period of 14 months, to grant stock subscription and/or purchase options, for up to a maximum of 0.9% of the capital, to employees and corporate officers of the Wendel Group. The price would be set in accordance with legal and regulatory provisions, with no discount.

The **twenty-fourth resolution** proposes to authorize the Executive Board, for a period of 14 months, to grant performance shares to employees and corporate officers, up to a maximum of 0.3% of the capital. This amount is included in the maximum amount of 0.9% set in the twenty-third resolution. The performance shares awarded shall vest at the end of a two-year period, to be followed by a two-year minimum holding period.

Powers

The **twenty-fifth resolution** proposes to grant the necessary powers to accomplish legal formalities.

8.11 Agenda and draft resolutions

Resolutions pertaining to the Ordinary Meeting

1 Approval of the 2012 parent company financial statements;

2 Approval of the 2012 consolidated financial statements;

3 Net income allocation, dividend approval and payment;

4 Approval of related party agreements;

5 Approval of commitments made to Frédéric Lemoine, Chairman of the Executive Board, in the event of the termination of his duties;

6 Approval of commitments made to Bernard Gautier, member of the Executive Board, in the event of the termination of his duties;

7 Renewal of the appointment of a member of the Supervisory Board;

8 Appointment of a member of the Supervisory Board;

9 Appointment of a member of the Supervisory Board;

10 Appointment of a member of the Supervisory Board;

11 Renewal of the appointment of Ernst & Young Audit as principal Statutory Auditor;

12 Renewal of the appointment of PricewaterhouseCoopers Audit as principal Statutory Auditor;

13 Renewal of the appointment of Auditex as alternate Statutory Auditor;

14 Authorization granted to the Executive Board to purchase the Company's shares;

Resolutions pertaining to the Extraordinary Meeting

15 Authorization granted to the Executive Board to reduce share capital through the cancellation of shares;

16 Delegation of power to the Executive Board to increase share capital through the issue of shares or securities giving access to the capital with preferential subscription rights maintained;

17 Delegation of power to the Executive Board to increase share capital through the issue of shares or securities giving access to the capital with preferential subscription rights canceled;

18 Delegation of power to the Executive Board to increase the number of shares to be issued in the event of excess demand, with preferential subscription rights maintained or canceled;

19 Delegation of power to the Executive Board to increase capital in consideration for contributions of shares, with preferential subscription rights canceled;

20 Delegation of power to the Executive Board to increase share capital through the capitalization of reserves, profits or premiums;

21 Maximum aggregate amount of capital increases;

22 Delegation of power to the Executive Board to increase share capital, with preferential subscription rights canceled, through the issue of shares or securities giving access to the capital reserved for members of the Group savings plan;

23 Authorization granted to the Executive Board to grant stock subscription and/or purchase options to corporate officers and employees, with preferential subscription rights canceled;

24 Authorization granted to the Executive Board to grant performance shares to corporate officers and employees, with preferential subscription rights canceled;

Resolution pertaining to the Ordinary Meeting

25 Powers for legal formalities.

A Resolutions pertaining to the Ordinary Meeting

First resolution

Approval of the 2012 parent company financial statements

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings,

- having heard the management report of the Executive Board on the activity and situation of the Company in 2012 and the observations of the Supervisory Board,
- having heard the report of the Statutory Auditors on the parent company financial statements,

hereby approve the parent company financial statements for the fiscal year beginning on January 1, 2012, and ending on December 31, 2012, as presented by the Executive Board, with net income of €782,962,327.06, as well as the transactions presented in these statements or described in these reports.

Second resolution

Approval of the 2012 consolidated financial statements

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings,

- having heard the management report of the Executive Board on the activity and situation of the Company in 2012 and the observations of the Supervisory Board,
- having heard the report of the Statutory Auditors on the consolidated financial statements,

hereby approve the consolidated financial statements for the fiscal year beginning on January 1, 2012, and ending on December 31, 2012, as presented by the Executive Board, with net income, Group share, of €221,123,000, as well as the transactions presented in these statements or described in these reports.

Third resolution

Net income allocation, dividend approval and payment

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, acting on the recommendation of the Executive Board, as approved by the Supervisory Board,

1. decide:
   - to allocate 2012 net income totaling €782,962,327.06

     plus retained earnings of €1,257,807,266.73

     comprising income available for distribution of €2,040,768,593.79

   in the following manner:
   - to shareholders, the amount of €86,701,371.75

     to pay a net dividend of €1.75 per share
   - to other reserves, the amount of €500,000,000.00
   - to retained earnings, the remaining amount of €1,454,068,222.04
2. decide that the ex-dividend date shall be May 30, 2013, and that the dividend shall be paid on June 4, 2013;
3. decide that the dividend that cannot be paid to Wendel treasury shares shall be allocated to retained earnings and that the amounts required to pay the dividend described above on shares resulting from the exercise of stock subscription or purchase options before the ex-dividend date shall be deducted from retained earnings;
4. acknowledge the Executive Board's presentation of distributions allocated in the three previous fiscal years:

Fiscal year	Dividends distributed	Net dividend per share
2009	49,740,579	€1.00
2010	61,154,460	€1.25
2011 (1)	62,890,215	€1.30

(1) Excluding the special distribution of one Legrand share for every 50 Wendel shares held.

Under current regulations, in accordance with Article 243 bis of the French Tax Code, the whole dividend proposed is subject to progressive income tax rates, after applying the 40% exclusion for individuals resident in France for tax purposes, pursuant to Article 158-3 2° of the French Tax Code.

A mandatory flat-rate withholding tax of 21% will be applied to the gross dividend amount and deducted from the income tax owed for the year in which the dividend is paid.

Fourth resolution

Approval of related party agreements

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, having heard the special report of the Statutory Auditors on the agreements described in Articles L.225-38 *et seq.* and L.225-86 *et seq.* of the French Commercial Code, approve the agreements entered into during the fiscal year ended December 31, 2012 and in early 2013 described in this report; these agreements deal with the co-investment of Executive Board members in Materis and IHS.

Fifth resolution

Approval of commitments made to Frédéric Lemoine, Chairman of the Executive Board, in the event of the termination of his duties

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, having heard the special report of the Statutory Auditors on the agreements described in Articles L.225-38 *et seq.* and L.225-90-1 of the French Commercial Code, approve the commitments made to Frédéric Lemoine in the event of the termination of his duties described in this report.

Sixth resolution

Approval of commitments made to Bernard Gautier, member of the Executive Board, in the event of the termination of his duties

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, having heard the special report of the Statutory Auditors on the agreements described in Articles L.225-38 *et seq.* and L.225-90-1 of the French Commercial Code, approve the commitments made to Bernard Gautier in the event of the termination of his duties described in this report.

Seventh resolution

Renewal of the appointment of Édouard de L'Espée as a member of the Supervisory Board

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, hereby note that the term of Édouard de L'Espée as a member of the Supervisory Board expires at the end of this Shareholders' Meeting and renew this appointment for a four-year term expiring at the end of the Ordinary Shareholders' Meeting called in 2017 to approve the financial statements for the fiscal year ending December 31, 2016.

Eighth resolution

Appointment of Bénédicte Coste as a member of the Supervisory Board

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, decide to appoint, as of this date, Bénédicte Coste as a member of the Supervisory Board for a four-year term expiring at the end of the Ordinary Shareholders' Meeting called in 2017 to approve the financial statements for the fiscal year ending December 31, 2016.

Ninth resolution

Appointment of Priscilla de Moustier as a member of the Supervisory Board

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, decide to appoint, as of this date, Priscilla de Moustier as a member of the Supervisory Board for a four-year term expiring at the end of the Ordinary Shareholders' Meeting called in 2017 to approve the financial statements for the fiscal year ending December 31, 2016.

Tenth resolution

Appointment of Laurent Burelle as a member of the Supervisory Board

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, decide to appoint, as of this date, Laurent Burelle as a member of the Supervisory Board for a four-year term expiring at the end of the Ordinary Shareholders' Meeting called in 2017 to approve the financial statements for the fiscal year ending December 31, 2016.

Eleventh resolution

Renewal of the appointment of Ernst & Young Audit as principal Statutory Auditor

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, hereby note that the term of Ernst & Young Audit, Tour Ernst & Young, 92037 Paris-La Défense as principal Statutory Auditor expires at the end of this Shareholders' Meeting and renew this appointment for a six-year term expiring at the end of the Ordinary Shareholders' Meeting called in 2019 to approve the financial statements for the fiscal year ending December 31, 2018.

Twelfth resolution

Renewal of the appointment of PricewaterhouseCoopers Audit as principal Statutory Auditor

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, hereby note that the term of PricewaterhouseCoopers Audit, 63, rue de Villiers, 92208 Neuilly-sur-Seine as principal Statutory Auditor expires at the end of this Shareholders' Meeting and renew this appointment for a six-year term expiring at the end of the Ordinary Shareholders' Meeting called in 2019 to approve the financial statements for the fiscal year ending December 31, 2018.

Thirteenth resolution

Renewal of the appointment of Auditex as alternate Statutory Auditor

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, hereby note that the term of Auditex, Tour Ernst & Young, 92037 Paris-La Défense as alternate Statutory

Auditor expires at the end of this Shareholders' Meeting and renew this appointment for a six-year term expiring at the end of the Ordinary Shareholders' Meeting called in 2019 to approve the financial statements for the fiscal year ending December 31, 2018.

Fourteenth resolution

Authorization granted to the Executive Board to purchase the Company's shares: maximum purchase price of €160

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, acting on the recommendation of the Executive Board approved by the Supervisory Board, in application of Article 15-V b) of the by-laws,

- having heard the report of the Executive Board,
- and pursuant to Articles L.225-209 *et seq.* of the French Commercial Code, the General Regulation of the *Autorité des Marchés Financiers*, and European Commission regulation no. 2273/2003,

1. authorize the Executive Board, with the power of sub-delegation as provided for by law, to buy back shares in the Company within the following limits:
   - the number of shares purchased by the Company during the buyback program shall not exceed 10% of the number of shares comprising the capital, at any time, with this percentage applying to capital adjusted for transactions that may impact it subsequent to this Shareholders' Meeting, or (on an indicative basis), 4,954,364 shares as of December 31, 2012,
   - the number of shares held by the Company at any time shall not exceed 10% of the Company's share capital at the date under consideration;
2. decide that the Company's shares, within the limits defined above, may be purchased for the following purposes:
   - to deliver shares (in exchange, for payment or for some other purpose) within the framework of acquisitions, mergers, spin-offs, or buyouts,
   - to deliver shares on the occasion of the exercise of rights attached to securities giving access to the Company's share capital immediately or at a later date,
   - to enable an investment service provider to make a secondary market in the Company's stock or maintain the liquidity thereof under a liquidity contract in compliance with the code of good conduct recognized by the *Autorité des Marchés Financiers*,
   - to implement purchase-type stock option plans as defined in Articles L.225-177 *et seq.* of the French Commercial Code,
   - to award performance shares within the framework of Articles L.225-197-1 *et seq.* of the French Commercial Code,
   - to allocate or sell shares as part of the Group's profit sharing program and any Group savings plan as provided for by law, particularly Articles L.3321-1 *et seq.* and L.3331-1 *et seq.* of the French Labor Code,
   - to cancel of all or part of the shares purchased,

   this program shall also allow the Company to pursue any other purpose that has been or shall be authorized by legislation or regulations in force. In such an event, the Company shall inform its shareholders by issuing a press release;
3. decide that the acquisition, sale or transfer of shares may, subject to applicable legal and regulatory restrictions, be made at any time, except during a public offer, and by any means, on the stock market or through private transactions including the acquisition or sale of blocks of shares (without limiting the portion of the buyback program that may be conducted in this way), through public offers to purchase, sell or exchange shares, or through the use of options or other derivatives traded in a regulated stock market or in private transactions, or by the delivery of shares subsequent to the issue of securities giving access to the Company's capital by conversion, exchange, reimbursement, exercise of warrants or otherwise, either directly or indirectly through an investment service provider;
4. set the maximum purchase price at €160 per share, representing, on an indicative basis, a total maximum share buyback amount of €792,698,240, based on 4,954,364 shares and corresponding to 10% of the capital as of December 31, 2012, and give full power to the Executive Board to adjust this purchase price, in the event of transactions on the Company's capital, to take into account the impact of these transactions on the value of the shares;
5. give full power to the Executive Board to decide and apply this authorization, to specify, where necessary, the terms and procedures, to carry out the share buyback program, and in particular to trade in the stock market, enter into any agreements, facilitate the recording of purchases and sales in stock market registers, make any disclosures including to the Autorité des Marchés Financiers, carry out any formalities, and, generally, do what is required for the application of this authorization;
6. decide that this authorization, which cancels and replaces any previous authorizations of the same nature, for any unused amounts, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

B Resolutions pertaining to the Extraordinary Meeting

Fifteenth resolution

Authorization granted to the Executive Board to reduce share capital through the cancellation of shares for up to 10% of capital in a 24-month period

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board and the special report of the Statutory Auditors,
- and pursuant to Articles L.225-209 *et seq.* of the French Commercial Code,

1. authorize the Executive Board, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, to cancel, on one or more occasions, at its own initiative, all or part of the treasury shares held by the Company, up to a maximum of 10% of the capital in a 24-month period from the date of this Shareholders' Meeting;
2. authorize the Executive Board to reduce the share capital accordingly, deducting the difference between the purchase price of the canceled shares and their par value from the premium and available reserve accounts of its choice;
3. give full power to the Executive Board, with the power of sub-delegation, to amend the by-laws accordingly, carry out all acts, formalities and declarations and, generally, take the action required to apply this authorization;
4. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 26 months from the date of this Shareholders' Meeting.

Sixteenth resolution

Delegation of power to the Executive Board to increase share capital, with preferential subscription rights maintained, for a maximum par value of €100 million

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board and the special report of the Statutory Auditors,
- and pursuant to Articles L.225-129-2, L.225-129-4, L.225-129-5, L.225-132 and L.225-134 and Articles L.228-91 to L.228-93 of the French Commercial Code,

1. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, the power to issue, on one or more occasions, in the proportions and at the times that it shall determine, in France or outside France, subject to valuable consideration or not, with preferential subscription rights maintained, shares of the Company or any other securities giving access, at any time or at a specified date – through subscription, conversion, exchange, repayment, exercise of warrants or in any other manner – to a portion of the share capital of the Company or of one of the companies described in Article L.228-93 of the French Commercial Code, it being specified that these securities may be denominated in euros or another currency or in a monetary unit established by reference to a number of currencies, and that these issues may be subscribed either in cash, or by offsetting uncontested and liquid debts payable by the Company;
2. decide that the par value of any capital increases carried out immediately or at a later date under this authorization shall not exceed €100 million or its equivalent at the issue date in the event of an issue in another currency or in a monetary unit established by reference to a number of currencies, it being specified that this amount shall be included in the maximum aggregate par value set in paragraph 1 of the twenty-first resolution of this Shareholders' Meeting;
3. decide that to these amounts shall be added, if applicable, the par value of additional shares to be issued to protect the rights of holders of securities giving access to the Company's share capital;
4. decide that the issue or issues shall be reserved, on a preferential basis, to shareholders, who may subscribe as of right in proportion to the number of shares they own;
   - take note that the Executive Board may grant shareholders the right to subscribe for excess securities in addition to the number of securities they are entitled to subscribe for as of right, in proportion to their subscription rights and, in any case, not exceeding the number requested,
   - take note that if all the shares issued are not taken up through subscriptions as of right and, if applicable, subscriptions for excess shares, the Executive Board may use, as provided for by law and in the order that it shall determine, one or more of the powers below:
     - restrict the increase of capital to the subscription amount, subject to this amount attaining at least three-quarters of the increase decided,
     - distribute as it sees fit all or a portion of the securities not taken up,
     - offer to the public all or a portion of the securities not taken up;
5. take note and decide, where necessary, that this authorization shall entail, in favor of the holders of the securities giving access to shares of the Company that may be issued under this resolution, the waiver by the shareholders of their preferential subscription rights to the new shares to which these securities give access;
6. decide that the issues of equity warrants in the Company may be carried out by subscription offer, but also by free allocation to the owners of existing shares, it being specified that the Executive Board shall have the power to decide that allocation rights comprising fractional shares shall not be negotiable and that the corresponding securities shall be sold;

7. give full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this authorization, in particular to:
   - decide to carry out the issues and set all terms and conditions, notably: determine the dates and the amounts of the issues as well as the form and the characteristics of the securities to be created; set the issue price of the shares or securities giving access to the capital, the date from which ownership rights on them shall take effect, including a retroactive date, and the method of payment; provide for, if applicable, the terms and conditions of their repayment, repurchase on the stock market or exchange for shares or other securities, the possibility to suspend the exercise of rights attached to securities for a period not to exceed the maximum period authorized by the legal and regulatory provisions in force; determine and carry out any adjustments intended to take into account the impact of transactions on the share capital of the Company and set the terms and conditions by which it shall ensure, if applicable, the protection of the rights of the holders of securities giving access to the capital,
   - in the event of an issue of debt securities, decide whether they shall be subordinated or not, set their interest rates and the terms and conditions of interest payment, their term (with or without a maturity date), the redemption price (fixed or variable, with or without premium), repayment terms based notably on market conditions, the terms under which these securities shall give entitlement to shares and, more generally, determine all other issue and repayment terms and conditions; modify, during the life of the securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities,
   - charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve,
   - recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
   - and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned issues;
8. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Seventeenth resolution

Delegation of power to the Executive Board to increase share capital, with preferential subscription rights canceled but with the possibility of granting a priority period for shareholders, for a maximum par value of €40 million

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board and the special report of the Statutory Auditors,
- and pursuant to Articles L.225-129-2, L.225-129-4 and L.225-129-5 and Articles L.225-135, L.225-136 and L.228-91 to L.228-93 of the French Commercial Code and part II of Article L.411-2 of the French Monetary and Financial Code,

1. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, the power to issue, on one or more occasions, in the proportions and at the times that it shall determine, in France or outside France, subject to valuable consideration or not, shares of the Company or any other securities giving access, at any time or at a specified date – through subscription, conversion, exchange, repayment, exercise of warrants or in any other manner – to a portion of the share capital of the Company or of one of the companies described in Article L.228-93 of the French Commercial Code or giving entitlement to the allocation of debt securities, it being specified that these securities may be denominated in euros or another currency or in a monetary unit established by reference to a number of currencies, and that these issues may be subscribed either in cash or by offsetting uncontested and liquid debts payable by the Company;
2. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, the power to issue shares or securities giving access to the capital of the Company subsequent to the issue, by companies in which the Company directly or indirectly holds more than half of the share capital, of securities giving access to the share capital of the Company;
3. decide that any capital increases carried out immediately or at a later date under this authorization may be completed through public offerings or, up to a maximum of 20% of capital per year, through offerings described in part II of Article L.411-2 of the French Monetary and Financial Code;
4. decide that the par value of any capital increases carried out immediately or at a later date under the above-mentioned authorizations shall not exceed €40 million or its equivalent at the issue date in the event of an issue in another currency or in a monetary unit established by reference to a number of currencies, it being specified that this amount shall be included in the maximum aggregate par value set in paragraph 1 of the twenty-first resolution of this Shareholders' Meeting;
5. decide that to this amount shall be added, if applicable, the par value of additional shares to be issued to protect the rights of holders of securities giving access to the Company's share capital;
6. decide to cancel the preferential subscription rights of shareholders to securities issued under this authorization, it being understood that the Executive Board may grant to shareholders, for a period of time and according to terms and conditions that it shall set in accordance with

applicable legal and regulatory provisions, for the entire share issue through public offering, a priority period to subscribe for the above-mentioned securities, in proportion to the number of shares held by each shareholder, as of right and possibly not as of right, without giving rise to the creation of negotiable rights;

7. take note that if all the shares in the abovementioned issue are not taken up through subscriptions, including those of shareholders, the Executive Board may restrict the issue to the number of shares subscribed;

8. take note and decide, where necessary, that this authorization shall entail, in favor of the holders of the securities giving access to shares of the Company that may be issued under this resolution or by companies in which the Company directly or indirectly holds more than half of the share capital, the waiver by the shareholders of their preferential subscription rights to the new shares to which these securities give access;

9. take note that, pursuant to Article L.225-136 of the French Commercial Code:
   - the issue price of shares issued directly shall be at least equal to the minimum provided for by the applicable regulatory provisions at the issue date,
   - the issue price of securities giving access to the share capital shall be such that the sum received immediately by the Company, increased by any amount received subsequently by the Company, is, for each share issued as a result of the issue of securities, at least equal to the minimum subscription price defined in the previous paragraph;

10. decide that the Executive Board is authorized to set the issue price of up to 10% of share capital per year in the following manner: the issue price of shares shall be at least equal to the average Wendel share closing price over the 20-day period preceding the issue, to which a discount of 10% may be applied; the issue price of other securities shall be such that the sum received immediately by the Company, increased by any amount received subsequently by the Company, is, for each share issued as a result of the issue of securities, at least equal to the minimum subscription price defined above; it being specified that the limit of 10% of share capital shall be assessed at the time that the Executive Board uses this authorization and that the issues shall be included in the maximum par values, as applicable, set in paragraphs 3 and 4 of this resolution;

11. give full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this authorization, in particular to:
    - decide to carry out the issues and set all terms and conditions, notably: determine the dates and the amounts of the issues as well as the form and the characteristics of the securities to be created; set the issue price of the shares or securities, the date from which ownership rights on them shall take effect, including a retroactive date, and the method of payment; provide for, if applicable, the terms and conditions of their repayment, repurchase on the stock market or exchange for shares or other securities, the possibility to suspend the exercise of rights attached to securities for a period not to exceed the maximum period authorized by the legal and regulatory provisions in force; determine and carry out any adjustments intended to take into account the impact of transactions on the share capital of the Company and set the terms and conditions by which it shall ensure, if applicable, the protection of the rights of the holders of securities giving access to the capital,
    - in the event of an issue of debt securities, decide whether they shall be subordinated or not, set their interest rates and the terms and conditions of interest payment, their term (with or without a maturity date), the redemption price (fixed or variable, with or without premium), repayment terms based notably on market conditions, the terms under which these securities shall give entitlement to shares and, more generally, determine all other issue and repayment terms and conditions; if applicable, these securities may be accompanied by warrants giving access to the allocation, acquisition or subscription of bonds or other securities representing debt; modify, during the life of the securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities,
    - charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve,
    - recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
    - and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned issues;

12. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Eighteenth resolution

Delegation of power to the Executive Board to increase the number of shares to be issued in the event of excess demand, by up to 15% of the initial issue, with preferential subscription rights maintained or canceled

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board and the special report of the Statutory Auditors,
- and pursuant to Article L.225-135-1 of the French Commercial Code,

1. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, for each of the issues decided by virtue of the sixteenth and seventeenth resolutions of this Shareholders' Meeting, in the event of excess demand, the power to increase the number of securities to be issued at the same price as that set for the initial issue and within the periods and up

to the limits provided by applicable regulations on the issue date (currently within 30 days of the closing date of the subscription and by up to 15% of the initial issue);

2. decide that the par value of any capital increases carried out under this resolution shall be included in the maximum aggregate par value set in paragraph 1 of the twenty-first resolution of this Shareholders' Meeting;
3. decide that this authorization shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Nineteenth resolution

Delegation of power to the Executive Board to increase share capital, in consideration for contributions of shares, by up to €100 million, with preferential subscription rights canceled

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board and the special report of the Statutory Auditors,
- and pursuant to Articles L.225-129 *et seq.*, L.225-147, L.225-148 and L.228-91 *et seq.* of the French Commercial Code,

1. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, the power to issue, on one or more occasions, shares or securities giving access to the Company's share capital, on the basis of the report from the contributions auditor *(commissaire aux apports)*, up to a maximum of 10% of the share capital at the time of issue, in consideration for contributions in kind made to the Company and comprising shares or securities giving access to the capital, when the provisions of Article L.225-148 of the French Commercial Code are not applicable;
2. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, the power to issue, on one or more occasions, shares or securities giving access to the Company's share capital, in consideration for shares tendered in a public exchange offer initiated by the Company, in France or outside France, in compliance with local regulations, on the shares of another company whose shares are traded on a regulated market, in accordance with Article L.225-148 of the French Commercial Code, for up to €100 million or its equivalent at the issue date in the event of an issue in another currency or in a monetary unit established by reference to a number of currencies;
3. decide to cancel, in favor of the holders of the shares tendered, the preferential subscription rights of shareholders to the shares and securities issued in consideration for the contributions in kind;
4. decide that the par value of any capital increases carried out immediately or at a later date under the above authorizations shall be included in the maximum aggregate par value set in paragraph 1 of the twenty-first resolution of this Shareholders' Meeting;
5. decide that to this amount shall be added, if applicable, the par value of additional shares to be issued to protect the rights of holders of securities giving access to the Company's share capital;
6. give full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this authorization, in particular to:
   - approve the valuation of contributions and set the exchange ratio as well as, if applicable, the amount of the cash consideration,
   - approve the granting of special benefits, and reduce, if the contributors agree, the valuation of the contributions or the consideration for the special benefits,
   - recognize the number of securities tendered to the exchange,
   - recognize the number of securities to be issued,
   - determine the dates and terms of issues, notably the price and the effective date ownership rights take effect on shares or other securities to be issued and giving access to the share capital of the Company,
   - recognize the difference between the issue price of new shares and their par value in shareholders' equity on the balance sheet, under share premiums, to which all shareholders shall have rights,
   - charge, if applicable, all costs and fees related to the authorized transaction against share premiums and deduct from this amount the sums required to raise the legal reserve,
   - recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
   - and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned issues;
7. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Twentieth resolution

Delegation of power to the Executive Board to increase share capital through the capitalization of reserves, profits or premiums, by up to €80 million

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings,

- having heard the report of the Executive Board,
- and pursuant to Articles L.225-129-2, L.225-129-4 and L.225-130 of the French Commercial Code,

1. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory

Board in application of Article 15-V b) of the by-laws, the power to increase share capital, on one or more occasions, in the proportions and at the times that it shall determine, up to a maximum par value of €80 million, through the successive or simultaneous capitalization of all or part of the reserves, profits or premiums (from issues, mergers or contributions) or other amounts, realized by the issue and allocation of bonus shares, by an increase in the par value of shares or by the joint use of both these methods;

2. decide that the par value of any capital increases carried out immediately or at a later date under this authorization shall be included in the maximum aggregate par value set in paragraph 1 of the twenty-first resolution of this Shareholders' Meeting;
3. decide, in the event of the distribution of bonus shares:
   - that the rights representing fractional shares shall not be negotiable and that the corresponding securities shall be sold; the proceeds of the sale shall be allocated to the rights holders in accordance with applicable laws and regulations,
   - to carry out any adjustments intended to take into account the impact of transactions on the Company's share capital and set the terms and conditions by which it shall ensure, if applicable, the protection of the rights of the holders of securities giving access to the capital;
4. give full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this authorization, in particular to:
   - set the amount and nature of the sums to be incorporated into the capital,
   - set the number of shares to be issued or the amount by which the par value of shares comprising the share capital shall be increased,
   - set the date from which ownership rights on new shares or the increase in par value shall take effect,
   - appropriate from one or more available reserve accounts the amounts required to raise the legal reserve,
   - recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
   - and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned transactions;
5. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Twenty-first resolution

Maximum aggregate amount of capital increases

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board and the special report of the Statutory Auditors,
- and pursuant to Article L.225-129-2 of the French Commercial Code,

1. decide to set at €400 million the maximum aggregate par value of capital increases that may be carried out by virtue of the delegations of power to the Executive Board resulting from the sixteenth, seventeenth, eighteenth, nineteenth and twentieth resolutions;
2. decide that to this amount shall be added, if applicable, the par value of additional shares to be issued to protect the rights of holders of securities giving access to the Company's share capital;
3. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Twenty-second resolution

Delegation of power to the Executive Board to increase share capital, with preferential subscription rights canceled, through the issue of shares or securities giving access to the capital, reserved for members of the Group savings plan, up to a maximum par value of €250,000

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board,
- having heard the special report of the Statutory Auditors,
- and pursuant to Articles L.225-129-6 and L.225-138-1 of the French Commercial Code and Articles L.3332-1 *et seq.* of the French Labor Code,

1. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, the power to increase share capital, on one or more occasions, through the issue of shares or securities giving access to the capital, reserved for members of one or more Company savings plans implemented within the Group;
2. decide to set at €250,000 the maximum aggregate par value of capital increases that may be carried out by virtue of this resolution;
3. decide to cancel, in favor of members of one or more Company savings plans implemented within the Group, shareholders' preferential subscription right to shares or securities issued under this resolution;
4. decide that the subscription price of new shares, set by the Executive Board in accordance with Article L.3332-19 of the French Labor Code, shall not be higher than the average closing share price for the 20 trading days prior to the date of the decision setting the opening date of the subscription, nor more than 20% lower than this average;

5. authorize the Executive Board to allocate, free of consideration, to the members of one or more Company savings plans implemented within the Group, in addition to the shares or securities giving access to the capital that must be subscribed for in cash, shares or securities giving access to share capital already issued, in full or partial substitution for the discount set by the Executive Board and/ or as a matching contribution, it being understood that the resulting benefit from this allocation may not exceed the applicable legal or regulatory limits defined in Articles L.3332-19 *et seq.* and L.3332-11 of the French Labor Code;
6. give full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this authorization, in particular to:
   - determine the companies or corporate groups whose employees may subscribe or receive the shares or securities allocated by virtue of this resolution,
   - decide that shares or securities may be subscribed or acquired directly by the beneficiaries, members of a Company savings plan implemented within the Group or through mutual funds or other structures or entities authorized by applicable legal or regulatory provisions,
   - determine the amount to be issued or sold, set the issue price in accordance with the terms and limits set by the legislation in force, the terms of payment, set the dates, terms and conditions of the issues to be carried out under this authorization,
   - set the date from which ownership rights on the new shares shall take effect, set the period within which payment must be made within the maximum period set by the legal and regulatory provisions in force, as well as, if applicable, the required length of service for beneficiaries to participate in the transaction and benefit from the Company's contribution,
   - in the event of the allocation of bonus shares or securities giving access to the capital, set the number of the shares or securities giving access to capital to be issued, the number to be allocated to each beneficiary, and set the dates, time periods, terms and conditions of the allocation of these shares or securities giving access to the capital within the legal and regulatory limits in force and, notably, choose to allocate these shares or securities giving access to the capital in full or partial substitution for the discount decided by the Executive Board, or to apply the value of these shares or securities to the total of the matching contribution, or to combine the two possibilities,
   - charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve,
   - recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
   - and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned transactions;
7. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Twenty-third resolution

Authorization granted to the Executive Board to grant stock subscription options to corporate officers and employees, with preferential subscription rights canceled, and/or stock purchase options, up to a maximum of 0.9% of the share capital

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board,
- having heard the special report of the Statutory Auditors,
- and pursuant to Articles L.225-177 *et seq.* of the French Commercial Code,

1. authorize the Executive Board to grant, on one or more occasions, stock subscription options, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, and/or stock purchase options in the Company, in favor of individuals it shall designate – or cause to be designated – from among the corporate officers described in Article L.225-185 of the French Commercial Code and employees of the Company or of companies or corporate groups related to it as defined by Article L.225-180 of the French Commercial Code;
2. decide that the number of shares available for acquisition through the exercise of options granted under this authorization shall not exceed 0.9% of the existing share capital on the date the options are granted, it being specified that the number of performance shares awarded under the twenty-fourth resolution of this Shareholders' Meeting shall be deducted from this maximum amount;
3. decide that the Executive Board may amend its initial choice between stock subscription or stock purchase options, before the start of the period during which options may be exercised; should the Executive Board switch its choice to stock subscription options, it must first obtain the prior approval of the Supervisory Board, in application of Article 15-V b) of the by-laws;
4. decide that this authorization shall entail, in favor of the beneficiaries of stock subscription options, the express waiver by the shareholders of their preferential subscription rights to the shares issued as a result of the exercise of these options;
5. take note that in the event that options are granted to the corporate officers described in Article L.225-185 of the French Commercial Code, the Supervisory Board shall subject the grant or exercise of these options to performance conditions and must set a minimum number of shares resulting from the exercise of options that they are obliged to hold in registered form until termination of their appointment;

6. decide that the options to be granted under this authorization shall be subject to disclosure in the form of a special report of the Executive Board to the Shareholders, in accordance with legal and regulatory provisions in force;
7. give full power to the Executive Board to implement this authorization, in particular to:
   - set the terms and conditions by which the options shall be granted and draw up the list or categories of option beneficiaries,
   - determine the dates of each allocation,
   - determine the subscription price of new shares and the purchase price of existing shares, it being specified that this share subscription or purchase price shall be set in accordance with the legal and regulatory provisions in force on the date that the options are granted and shall not be lower than the average closing share price for the 20 trading days prior to the date of the price-setting,
   - take the necessary steps to protect the interests of beneficiaries with regard to any financial transactions that may be carried out before the exercise of the options,
   - set the terms and conditions of the exercise of the options and notably (i) the period or periods during which the options granted may be exercised, it being specified that the period during which these options may be exercised shall not exceed ten years from their grant date and (ii), if applicable, individual and/or collective performance conditions for employees,
   - provide for the possibility to temporarily suspend the exercise of options in accordance with legal and regulatory provisions for a maximum of three months in the event that financial transactions are carried out involving the exercise of rights attached to the shares,
   - record, if appropriate, at its first meeting after the end of each fiscal year, the number and total value of the shares issued during the year as a result of the exercise of options,
   - charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve,
   - recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
   - and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned transactions,
8. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Twenty-fourth resolution

Authorization to the Executive Board to grant performance shares to corporate officers and employees, with preferential subscription rights canceled, up to a limit of 0.3% of share capital, with this amount being included in the maximum amount of 0.9% set in the twenty-third resolution

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board,
- having heard the special report of the Statutory Auditors,
- and pursuant to Articles L.225-197-1 *et seq.* of the French Commercial Code,

1. authorize the Executive Board to grant, on one or more occasions, existing performance shares or, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, performance shares to be issued, in favor of employees or corporate officers of the Company described in paragraph II of Article 225-197-1 of the French Commercial Code, or employees and corporate officers of companies or corporate groups related to it as defined by Article 225-197-2 of the French Commercial Code;
2. decide that the total number of performance shares, whether existing or to be issued, that may be granted under this authorization shall not exceed 0.3% of the existing share capital on the date the shares are granted, it being specified that the number of performance shares granted shall be deducted from the maximum number of shares that may be issued by virtue of the twenty-third resolution of this Shareholders' Meeting, set at 0.9% of the capital;
3. decide that the performance shares granted to beneficiaries shall vest after a minimum period of two years, it being specified that the beneficiaries must hold these shares for at least two years from the date on which they vest;
4. take note that in the event that performance shares are awarded to corporate officers, the Supervisory Board shall subject the grant and/or vesting of shares to certain conditions, in particular performance conditions, and must either prohibit the sale of these shares by the beneficiaries before the termination of their appointments, or set a minimum number of these shares that they are obliged to hold in registered form until termination of their appointment;
5. authorize the Executive Board to adjust the number of shares, if applicable, during the vesting period, as a result of transactions affecting the Company's share capital, so as to protect the rights of the beneficiaries;
6. take note that in the case of performance shares to be issued, this authorization shall entail, in favor of the beneficiaries, the waiver by the shareholders of their preferential rights to subscribe to the shares whose issuance is authorized through the capitalization of reserves, profits or premiums;
7. give full power to the Executive Board to implement this authorization, in particular to:
   - establish the list of beneficiaries of performance shares or define the category or categories of beneficiaries to receive performance shares as well as the number of shares to be awarded to each,

- adjust, if applicable, the number of performance shares to protect the rights of beneficiaries with regard to any transactions involving the Company's share capital, it being specified that the shares granted as a result of these adjustments shall be considered to have been distributed on the same date as the shares initially awarded,
- set the conditions and criteria for the share grants,
- in the event of the issue of new shares, charge, if applicable, the amounts required for the full payment of shares against reserves, profits or share premiums,
- charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve,
- recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
- and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned transactions;

8. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Twenty-fifth resolution

Powers for legal formalities

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, hereby give full powers to the bearer of copies or extracts of the minutes of these proceedings to make all necessary filings and carry out any registration, filing or other legal formalities.

9

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9.1 Principal contracts

Shareholders' agreements and governance agreements are described in section 7.9 of this registration document.

Financial contracts are described in note 5 "Managing financial risks", of the notes to the consolidated financial statements.

With the exception of these contracts and agreements, the Group does not have any significant dependence on any specific patent, license, or industrial, commercial or financial contract.

9.2 Transactions with related parties

Information on related parties can be found in the notes to the consolidated statements of this registration document.

The "regulated" agreements as defined by Articles L.225-38 and L.225-86 of the French Commercial Code were mentioned in the Statutory Auditors' report on related party agreements and commitments in section 8.1 "Shareholders' Meeting" of this registration document.

There are no industrial, commercial or management agreements between Wendel and its subsidiaries or associates. Wendel provides certain of them with advice and assistance regarding strategic, legal, tax, financial and accounting matters. These services are billed on an arm's length basis by reference to actual costs if identifiable or at flat rates.

Wendel billed the following amounts over the three previous fiscal years:

Excluding VAT In thousands of euros	**2012**	**2011**	**2010**
Stallergenes	-	-	129
Eufor	1,100	1,000	2,300
Winvest Conseil	4,300	4,200	3,000
Wendel-Participations	13	13	13
Other subsidiaries	75	98	78

Wendel-Participations made a lease payment of €40,628 in 2012, mentioned in the Statutory Auditor's special report on related party agreements and commitments.

9.3 Significant changes in financial condition or business status

To the best of the Company's knowledge, since December 31, 2012, there have been no exceptional events that might have a significant impact on the financial condition, business, earnings or assets of the Company or the Group, other than the following three:

- On March 28, 2013, Wendel published its results, including its NAV as of March 18, 2013, which was €6,565 million, or €132.5 per share.
- At the end of March 2013, Wendel entered into an agreement with four banks for a €400 million line of credit maturing in 2018. The amount of the credit line may be increased in the future with other bank partners. Subject to final documentation, the new credit line will replace the existing syndicated facility for €1.2 billion, maturing in 2013 and 2014.
- At the end of 2012, Wendel made its first direct investment in Africa. Through Oranje Nassau Développement, it acquired an equity stake in IHS Holding, the leading provider of telecom tower infrastructure in Africa. By the end of the first quarter of 2013, Wendel will have invested $176 million in the group, more than the $125 million initially planned. This is because IHS has advanced rapidly in its expansion, building new towers in Nigeria and signing an agreement with telecoms operator Orange, under which IHS will operate the towers owned by Orange in Cameroon and Côte d'Ivoire. Wendel is now IHS's largest shareholder, owning over 30% of its capital, and will have three seats on IHS's Board of Directors. As of April 8, 2013, the date of publication of the 2012 annual financial report, Wendel had already finalized the first two investment phases and invested $159 million.

9.4 Expenses described in Articles 39-4 and 223 quater of the French Tax Code

The expenses described in 39-4 and 223 *quater* of the French Tax Code amounted to €19,180 for Wendel in 2012.

9.5 Person responsible for financial information

Jean-Michel Ropert, Chief Financial Officer

Tel: +33 (0)1 42 85 30 00

E-mail: jm.ropert@wendelgroup.com

9.6 Person responsible for the registration document including the annual financial report

I hereby certify, having taken all reasonable measures in this regard, that the information contained in this registration document is, to the best of my knowledge, accurate and that no information has been omitted that would be likely to alter its substance.

I hereby certify that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and present a true and fair view of the assets, financial position and results of the Company and of its consolidated group of companies and that the management report presents a true and fair picture of the business, its results and the financial condition of the Company and of its consolidated group of companies, as well as a description of the principal risks and uncertainties to which they are exposed.

I have obtained a statement from the Company's Statutory Auditors, wherein they indicate that they have verified the information regarding the financial position and financial statements included in the registration document and that they have read the entire registration document. The Statutory Auditors have issued a report on the consolidated financial statements for fiscal year 2012. Their report can be found in section 5 of this document and includes the following observation:

"Without qualifying our opinion, we draw your attention to Note 9-4 "Impairment tests of equity-method investments" to the consolidated financial statements. In a context of uncertainties with regard to the outlook for the global economy which makes forecasting difficult, this note describes the methods applied to test the interest held in Saint-Gobain for impairment at December 31, 2012, and in particular, the sensitivity of the result of this test, with regard to changes in the discount rate, the long-term growth rate and normative profitability taken into account for the computation of cash flows beyond the five-year business plan."

The Statutory Auditors' reports on the consolidated financial statements for the fiscal years ended December 31, 2011 and December 31, 2010 contain certain observations. They can be found on page 207 of the 2011 registration document, filed with the AMF on March 30, 2012 under no. D. 12-0241 and on page 195 of the 2010 registration document, filed with the AMF on April 7, 2011 under no. D. 11-0253.

Paris, April 8, 2013

Frédéric Lemoine

Chairman of the Executive Board

9.7 Persons responsible for the audit of the financial statements and fees

9.7.1 Principal Statutory Auditors

Ernst & Young Audit represented by Jean-Pierre Letartre

Member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

Tour First – 1/2, place des Saisons

92400 Courbevoie-Paris-La Défense 1, France

Date appointed to first term: Combined Shareholders' Meeting of November 15, 1988 (formerly named Castel Jacquet et Associés).

Appointment last renewed: Combined Shareholders' Meeting of June 4, 2007.

Term of office: 6 years.

Current term of office ends: Shareholders' Meeting convened to approve the financial statements for fiscal year 2012.

PricewaterhouseCoopers Audit represented by Etienne Boris

Member of the *Compagnie Regionale des Commissaires aux Comptes de Versailles*.

63, rue de Villiers – 92208 Neuilly-sur-Seine, France

Date appointed to first term: Combined Shareholders' Meeting of November 24, 1994 (formerly named Befec-Mulquin et Associés, Befec-Price Waterhouse).

Appointment last renewed: Combined Shareholders' Meeting of June 4, 2007.

Term of office: 6 years.

Current term of office ends: Shareholders' Meeting convened to approve the financial statements for fiscal year 2012.

9.7.2 Fees paid to the Statutory Auditors and members of their networks

	Ernst & Young Audit				PricewaterhouseCoopers Audit			
	Amount excl. tax		%		Amount excl. tax		%	
In thousands of euros	2012	2011	2012	2011	2012	2011	2012	2011
Audit								
Audit and certification of the parent company and consolidated financial statements	2,913	2,807			5,365	6,492		
Wendel	*527*	*520*	*10%*	*14%*	*780*	*750*	*9%*	*9%*
Fully consolidated subsidiaries	*2,386*	*2,287*	*44%*	*62%*	*4,586*	*5,742*	*55%*	*67%*
Other verifications and services directly related to the auditing assignment	886	361			2,304	1,349		
Wendel	*215*	*51*	*4%*	*1%*	*64*	*51*	*1%*	*1%*
Fully consolidated subsidiaries (1)	*671*	*310*	*12%*	*8%*	*2,240*	*1,298*	*27%*	*15%*
SUB-TOTAL	**3,799**	**3,168**	**70%**	**85%**	**7,669**	**7,840**	**91%**	**91%**
Other services provided by the networks to fully consolidated subsidiaries								
Legal, tax, employment (2)	1,595	545	30%	15%	727	730	9%	9%
Other	-	-	0%	0%	-	-	0%	0%
SUB-TOTAL	**1,595**	**545**	**30%**	**15%**	**727**	**730**	**9%**	**9%**
TOTAL	**5,394**	**3,713**	**100%**	**100%**	**8,396**	**8,570**	**100%**	**100%**

(1) This item mainly reflects verifications performed in connection with acquisitions made by operating companies.
(2) This item includes services provided to operating subsidiaries in foreign countries to review their compliance with local tax rules.

9.8 Cross-reference index for the registration document

To facilitate the reading of this Annual Report, filed as the registration document, the following cross-reference index identifies the principal categories of information required under Appendix 1 of European Regulation 809/2004 and indicates the corresponding pages of this document.

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9.9 Cross-reference index for the annual financial report

This registration document includes all the items of the annual financial report mentioned in I of Article L.451-1-2 of the French Monetary and Financial Code as well as in Article 222-3 of the General Regulation of the AMF.

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Initiatives to train and inform employees in environmental protection	100
Resources devoted to preventing environmental risks and pollution	Not applicable (1)
The amount of provisions and guarantees to cover environmental risks, provided that this information is not likely to cause serious harm to the company's position in an existing dispute	Not applicable (1)
Pollution and waste management	
Measures to prevent, reduce or offset emissions into the air, water and soil that seriously impact the environment	Not applicable (1)
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Land use	Not applicable (1)
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Adapting to the consequences of climate change	Not applicable (1)
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(1) Not applicable to Wendel: because of the nature of Wendel's business activities, collecting this type of data is not relevant.

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On employment and regional development	Not applicable (1)
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(1) Not applicable to Wendel: because of the nature of Wendel's business activities, collecting this type of data is not relevant

The original French version of this report was registered with the French stock exchange authorities (*"Autorité des Marchés Financiers"* – AMF) on April 8, 2013 under number D.13-0311, pursuant to Article 212-13 of the AMF General Regulation. Only the original French version can be used to support a financial transaction, provided it is accompanied by a prospectus *(note d'opération)* duly certified by the *Autorité des Marchés Financiers*. This document was produced by the issuer, and the signatories to it are responsible for its contents.

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