Registration document **2014**

including the annual financial report

WENDEL

"A strong tradition of entrepreneurship supporting long-term investing"

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WENDEL

Registration Document 2014

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 15, 2015, 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.

2014 in figures

In 2014, Wendel pursued its 2013-17 strategy to invest €2 billion, to be divided more or less equally between Europe, North America and emerging economies such as in Africa. Wendel also regained its status as an issuer of investment-grade bonds.

Consolidated sales

In millions of euros as of December 31	2014	2013	2012
	5,914	5,453	6,339

Excluding discontinued operations and operations held for sale, in compliance with IFRS 5. For 2014 and 2013, net sales from Kerneos, Parex and Chryso were reclassified as net income from operations held for sale.

Net income from business sectors*

In millions of euros as of December 31	2014	2013	2012
TOTAL	**373**	**410**	**448**
of which Group share	155	199	238

* *Defined in note 6, section 5.*

Net income

In millions of euros as of December 31	2014	2013	2012
Total	198	490	337
of which Group share	20	334	221

Net Asset Value

In euros per share as of December 31	2014	2013	2012
	123.2	135.2	116.2

Gross assets under management

In millions of euros as of December 31	2014	2013	2012
	9,826	10,518	9,921

Changes in Wendel's gross debt*

In millions of euros as of December 31	2014	2013	2012
	3,683	3,786	3,981

* *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.*
As of December 31, 2014, all of the debt financing the Saint-Gobain acquisition had been repaid and no bank line of credit had been drawn.

Ratings

Standard & Poor's ratings as of July 7, 2014:

Long term: BBB- with stable outlook

Short term: A-3

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 (certification, building materials, energy, high-performance coatings, business services, industrial bakery equipment, insurance and healthcare, telecom infrastructure, and packaging).

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 white, 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 solid positioning as a professional shareholder that understands investments from the industry's point of view 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 more than €11 billion in assets under management at end-March 2015. The investment team is composed of around 30 experienced professionals. The team members have varied and complementary profiles and include former consultants, company executives, investment bankers, a financial analyst, 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 six Managing Directors, the two members of the Executive Board and the Group Vice-President for Finance. 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 310 years of history in industry and nearly 40 years of investment experience.

1.4 Message from the Chairman of the Supervisory Board

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

Guided by its Executive Board and the path it has confidently chosen, Wendel ended 2014 with a string of successes aligning perfectly with its strategy. The Group succeeded in regaining its "investment grade" credit rating earlier than projected. After announcing in 2013 a four-year program to invest €2 billion in unlisted companies, Wendel has already committed €1.5 billion, shared among the three regions it has selected: Africa (IHS and Saham Group), German-speaking Europe (Constantia) and North America (CSP Technologies). IHS achieved spectacular growth in 2014. All of the newly acquired companies are led by highly motivated teams, who have the talent, we believe, to convert each of these investments into a winner.

This is all happening in a global context that is very rapidly becoming a single market space, but in which the faster pace means that moving quickly has become a critical success factor. Companies today realize their plans to grow organically through international expansion or market consolidation in the space of two decades, while in the past it would have taken three-quarters of a century. This acceleration may intensify the feeling that asset management is increasingly dictated by financial considerations. Wendel, for one, has chosen to focus on the long term, which consists in standing by a company for as long as the constructive support of a stable shareholder can help it realize ambitious projects. Time horizons are shorter now, but not to the point that we should sacrifice our *modus operandi*. In this respect, our decision to reduce the share of Bureau Veritas in our assets is significant only because, at the same time, we reaffirmed our controlling interest in this high-quality company.

In a world where instant adaptation has become essential, Northern Europe is a reliable anchoring point. It combines regulatory stability and the ability to adapt to a changing world. Guided by the Executive Board, it is here that Wendel chose to invest, as well as in the United States, where economic recovery is palpable, and in emerging economies—Africa in particular—where large reservoirs of growth are just waiting to be tapped. The Group's expansion strategy has been developed in tandem with a financing policy designed to provide stability amid market uncertainties. As a European Company (*societas europaea*), Wendel will thrive in a competitive Europe that seeks to enhance businesses and therefore jobs, return to a balanced budget without overburdening its taxpayers, and consider innovation and business investment—and not only quantitative easing—as the keys to prosperity over the long term.

1.5 Message from the Chairman of the Executive Board

"Our values: long-term, excellence, openness and family."

Frédéric Lemoine – Chairman of the Executive Board

Wendel has successfully supported manufacturing and services companies for almost 40 years. In the field of investment, Wendel is in a class of its own. Our permanent capital, stable investor base and lack of pre-determined investment horizon ensures that we have the means to take our time choosing and nurturing the companies in which we invest. This makes all the difference.

Our discussions with our companies focus on research and development, innovation, management and continuity. Our mission is to contribute to the development of our companies beyond weathering economic cycles. We always act in line with our family values and our long-term commitment to excellence and openness. Our values and strong result-oriented culture are the lifeblood of the close relationships we have with our companies and shareholders.

Our companies operate in a range of sectors, but they all base their growth on long-term economic and sociological trends. For Bureau Veritas, a greater need for trust and security; for Saint-Gobain, urbanization and sustainable habitats; for IHS and Saham Group, Africa's fast economic take-off; for Mecatherm, new consumer eating habits; and for Stahl, rising consumer standards of comfort.

This is how, decade after decade, we have successfully invested in remarkable companies. Some of them, such as Capgemini, Legrand, Stallergenes, Bureau Veritas and Deutsch, became global leaders in their sectors during the time we were invested in them. Very significant value was created, both for the companies and for Wendel's shareholders.

Wendel undertook several major transactions that marked 2014 and early 2015. We have invested €1.2 billion in very promising unlisted assets: first, by increasing our investments in the telecom towers managed by IHS, which had an amazing year, winning the "African Company of the Year" award in 2015; next, by acquiring a gem of a company—CSP Technologies, operating in the United States and France—from its founder; and lastly, with the recent completion of our acquisition of Constantia Flexibles in Austria. This flexible packaging company is a major acquisition that aligns perfectly with our strategy. Meanwhile, we optimized our listed assets by reducing our stakes in Saint-Gobain and Bureau Veritas, without altering in the slightest our governance positions or influence in these companies.

The acceleration, international expansion and diversification strategy we launched at the end of 2012 is therefore advancing as planned. We are three-fourths of the way toward reaching our target of investing €2 billion by 2017. Our financial strength has been further reinforced, our level of debt is reasonable, and we offer shareholders a healthy return. In the upcoming months, we will continue to develop the companies we have invested in and explore new investments, with a priority on North America.

April 14, 2015

1.6 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. At their June 5, 2015 Meeting, shareholders will be asked to approve Wendel's conversion into an SE (*societas europaea*) with an Executive Board and Supervisory Board.

1.6.1 The Supervisory Board and its committees

1.6.1.1 The Supervisory Board

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

As of December 31, 2014, Wendel's Supervisory Board had 12 members serving four-year terms.

A Works Council representative also attends Board meetings in a consultative role.

François de Wendel was the Chairman of the Supervisory Board. The Vice-Chairman, Dominique Hériard Dubreuil, is appointed by the Supervisory Board. Under Article 13 of by-laws, she 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 her.

The terms of Dominique Hériard Dubreuil and Guylaine Saucier were renewed at the Annual Meeting of June 6, 2014. A new member—family shareholder Christian van Zeller d'Oosthove—was elected at the Annual Meeting of June 6, 2014.

During the June 6, 2014 Meeting, shareholders were asked to approve an amendment to Article 12, "Composition of the Supervisory Board," of the Company's by-laws following France's new job protection act of June 14, 2013. The amendment sets forth the conditions for designating one or more Supervisory Board members to represent employees. Jean-Michel Ropert has been the Supervisory Board member representing employees since December 3, 2014, after being designated by the Company's Works Council. His biography can be found below (section 2.1.2.2).

Two new independent Supervisory Board members, Jacqueline Tammenoms-Bakker and Gervais Pelissier, will be proposed to shareholders at their Annual Meeting of June 5, 2015. Didier Cherpitel and Gérard Buffière, whose terms expire at the end of the June 5, 2015 Annual Meeting, did not seek a new term. Their biographies can be found below (section 2.1.2.2).

The Supervisory Board members are:

François de Wendel (2016), Chairman of the Supervisory Board

Dominique Hériard Dubreuil (2018), independent director, Vice-Chairman of the Supervisory Board

Gérard Buffière (2015), independent director

Laurent Burelle (2017), independent director

Didier Cherpitel (2015), independent director

Bénédicte Coste (2017)

Édouard de l'Espée (2017)

Priscilla de Moustier (2017)

Guylaine Saucier (2018), independent director

Humbert de Wendel (2015)

Chrisitian van Zeller d'Oosthove (2018)

Jean-Michel Ropert (2018), member of the Supervisory Board, representing employees since December 3, 2014

Secretary of the Supervisory Board:

Caroline Bertin Delacour

In 2014, the Supervisory Board met 12 times.

1.6.1.2 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.

The chairman of each Committee is also a member of the other Committee. The Chairman of the Supervisory Board is invited to attend all Committee meetings.

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.

The Audit Committee has five members:

Guylaine Saucier, Chairman

Nicolas Celier until June 5, 2014

Bénédicte Coste

Édouard de l'Espée

Humbert de Wendel

Didier Cherpitel, Chairman of the Governance Committee

Secretary of the Audit Committee:

Caroline Bertin Delacour

In 2014, the Audit Committee met eight 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 six members:

Didier Cherpitel, Chairman

Gérard Buffière

Dominique Hériard Dubreuil

Édouard de l'Espée until June 5, 2014

Priscilla de Moustier

Guylaine Saucier, Chairman of the Audit Committee

Christian d'Oosthove from July 2, 2014

Secretary of the Governance Committee:

Caroline Bertin Delacour

In 2014, the Governance Committee met eight times.

1.6.2 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. At their June 5, 2015 Meeting, shareholders will be asked to raise this age limit to 70.

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: Christine Anglade Pirzadeh since June 2013.

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

In 2014, the Executive Board met 25 times.

1.7 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 every two weeks, 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. Due to Wendel's increasingly international character, Investment Committee and Coordination Committee meetings are held in English.

In January 2015, a General Secretariat was created.

1.7.1 The Investment Committee

Made up of the Executive Board members and six 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. Investment Committee meetings are attended by the Group Vice-President for Finance.

1.7.2 The Management Committee

The Management Committee meets every two weeks. It is composed of the members of the Executive Board, the Group Vice-President for Finance, the General Secretary, 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.

1.7.3 The Coordination Committee

The Coordination Committee includes the members of the Executive Board and Wendel's principal managers from around the world. It meets twice a month. Its role is to act as a hub of cross-company information and sharing to ensure the free flow of information throughout the Company.

1.7.4 The General Secretariat

The General Secretariat is responsible for ensuring that Wendel's holding companies adhere to company law and laws governing market trading and corporate governance, and that Wendel adheres to regulations on compliance, ethics, disputes and litigation, data protection and freedom of information, general liability insurance for corporate officers, professional liability insurance, and intellectual property.

1.7.5 Locations

Wendel has offices for its holding companies and service activities. The oldest locations are in France (since 1704), the Netherlands (since 1908) and Luxembourg (since 1931). In 2007, Wendel opened offices in Germany (Frankfurt) and Japan (Tokyo). In 2013, the Group continued its international expansion, establishing a presence in North America and Singapore. In 2014, to support the two investments it has already made in Africa, Wendel opened an office in Casablanca.

Europe

France

Wendel's head office is located in the ninth arrondissement of Paris, at 89 rue Taitbout. For many years, this area of the capital was home to France's large steel-making families, where the Hôtel Wendel can be found on rue de Clichy. There are currently more than 60 employees based at the Paris head office.

Netherlands

Oranje-Nassau, a Dutch coal mining company founded in 1893, was acquired by Wendel in 1908. In 1974 it became an investment company, first specializing in the energy and real estate sectors and now focusing on unlisted companies. Launched in 2011, Oranje-Nassau Développement invests in growth, diversification and innovation opportunities.

Luxembourg

Wendel has been present in Luxembourg since 1931 through Trief Corporation. This subsidiary holds Wendel's stakes in its main listed portfolio companies as well as in unlisted companies through regulated investment vehicles (SICARs).

German-speaking countries

With its office in Frankfurt, Wendel reviews investment opportunities in companies based in Germany, Austria and Switzerland. In 2010, Wendel founded Helikos, a Special Purpose Acquisition Company (SPAC) listed on the Frankfurt Stock Exchange, which invested in exceet, a European leader in electronic systems, in 2011. On December 23, 2014, Wendel announced the acquisition of Austrian group Constantia Flexibles, one of the world leaders in flexible packaging.

Switzerland

Wendel has been present in Switzerland since 1920, where it initially owned mining and metal operations. Today, Sofisamc invests in new asset classes and new geographies. In 2014, Sofisamc had a total of approximately €30 million in assets and had committed to investing €15 million in an Indian private equity fund in the healthcare and life sciences sector.

North America

For the Group, Wendel North America investigates potentially attractive investments in North American companies looking for a long-term shareholder. North America is the world's biggest private equity market in terms of investment opportunities. Wendel opened an office in New York in 2013. A year after the inauguration of Wendel North America, Wendel announced the acquisition of CSP Technologies, a company specialized in high-performance plastic packaging This transaction was finalized on January 30, 2015.

Asia

Wendel began to lay the groundwork for long-term investing in Asia back in 2008. The main objective for Wendel's offices in Asia is to help Group companies develop in this region. In the longer term, the aim is to establish Wendel there as a long-term investor.

Japan

Wendel Japan advises Group companies on their business development and acquisition plans in Japan, while monitoring investment opportunities for Wendel. Wendel made its first investment in Japan in 2013, acquiring Nippon Oil Pump.

Singapore

Wendel Singapore assists Group companies in their development and serves as a point of contact between the Wendel Group and the local financial community.

Africa

Morocco

Africa is the world's fastest-growing continent, averaging more than 5% annual growth for the past ten years. Wendel has decided to invest in this region and started at the end of 2012 by becoming the biggest shareholder in IHS, the region's leading provider of telecom infrastructure. At the end of 2013, *via* Oranje-Nassau Développement, Wendel acquired a stake in the Saham Group, Africa's largest insurer (excluding South Africa) with diversified activities in fast-growing sectors such as customer service centers, healthcare and real estate.

1.7.6 Teams

■ Investment Committee

■ Management Committee

■ Coordination Committee

Wendel's team leaders and principal members

Frédéric Lemoine ■ ■ ■

Chairman of the Executive Board

Frédéric Lemoine was appointed to the Executive Board of 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. Alumnus of the École supérieure d'électricité.

Olivier Allot ■

Director of Financial Communication

Olivier Allot joined Wendel in 2007 as Deputy Head of Investor Relations. His career began in 1996 at the Société des Bourses Françaises – Paris Stock Exchange. For four years, he served as the organization's spokesperson and was then in charge of investor relations until 2007. In this capacity, he contributed actively to the combination of the Paris, Amsterdam, Brussels and Lisbon stock exchanges and the merger of Euronext and the NYSE. He holds a Master's degree in Management and Administration and another in Banking, Finance and Insurance from the Sorbonne (Université Paris I), in addition to SFAF and CEFA diplomas for financial analysts.

Christine Anglade Pirzadeh ■ ■

Director of Communications and Sustainable Development, Secretary of the Executive Board

Christine Anglade Pirzadeh joined Wendel in 2011. She was previously Director of Communications at the Autorité des marchés financiers (AMF) from 2000. From 1998-2000 she served as Media Director for the French prime minister. She began her career on the editorial team of *Correspondance de la Presse*. 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, CEO of Wendel 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 ■

Senior Director

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 various 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 ■ ■

General Secretary and Ethics Officer, Secretary of the Supervisory Board

Before joining Wendel in 2009 as Director of Legal Affairs, Caroline Bertin Delacour practiced law for over 20 years, specializing in tax and business law at the law firms of Cleary Gottlieb Steen & Hamilton and August & Debouzy. She was appointed General Secretary of Wendel on January 1, 2015.

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 René-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 CEO of Wendel North America

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, CEO of Wendel Singapore

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, he was 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. He is a graduate of Essec and holds an MBA from the Rotterdam School of Economics.

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. In particular, he is in charge 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 (International Finance Corporation, a member of the World Bank Group) in Washington, D.C., 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

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.

Peter Meredith ■ ■

Tax Director

Peter Meredith joined Wendel on March 1, 2013. Previously he was Tax Director of the Bouygues Construction group (2005-13), CapGemini (2000-05) and GTM group (1989-2000). Throughout his career, 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 United States in 1997. In 1999 he was appointed President and in 2003, Chairman of Fanuc LTD.

Adam Reinmann ■

Managing Director, Wendel North America

Adam Reinmann joined Wendel in 2013. With an MBA from Columbia Business School and a BS from Binghamton University, he began his career in the JPMorgan group. Before joining Wendel, he worked for Onex, a leading Canadian investment company. At Onex, he participated in the acquisitions of The Warranty group, Skilled Healthcare, Cypress Insurance group, RSI Home Products and JELD-WEN Holding, Inc. During 2009, Adam served as a member of the executive management team of an Onex operating company (Celestica), where he was involved in business development and operational improvement.

Jean-Michel Ropert ■ ■

Group Vice-President for Finance

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 was appointed Group Vice-President for Finance in June 2013 and supervises the financial management of international offices.

Patrick Tanguy ■ ■ ■

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

Before joining Wendel in 2007, Patrick Tanguy held senior executive responsibilities 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. As the person in charge of operational support, he supervises Wendel's operational resources and helps Group subsidiaries to improve their organizational and operational processes.

Dirk-Jan Van Ommeren ■ ■

Managing Director, CEO of Oranje-Nassau

Dirk-Jan Van Ommeren joined the Wendel Group in 1996. After a career of nearly 30 years in Dutch banking (Amro Bank, Westland/Utrecht Hypotheekbank, Amsterdamse Investeringbank), he is currently a Director of several Dutch companies and organizations. He is Chairman of Stahl, VGG and exceet and an active board member of the companies of Oranje-Nassau Développement.

Sébastien Willerval ■

Director of Legal Affairs

Sébastien Willerval began his career in BNP's tax and legal department in 1998, before moving to Ernst & Young Corporate Finance at the end of 1999. He holds a postgraduate degree (DESS) in Business Law and Taxation from Université Paris I Panthéon-Sorbonne and a Master's degree in private law with a specialization in corporate law and taxation from the Université Paris II Panthéon-Assas. He joined Wendel in 2002 and was made Director of Legal Affairs in January 2015.

1.8 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, Legrand and Deutsch.

1.8.1 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, as of the date this registration document was filed, Wendel has invested more than €2.2 billion, of which more than €500 million has been reinvested in Saint-Gobain, Materis, Stahl and Deutsch in the form of equity and 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.

1.8.2 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.

1.8.3 Seeking diversified investments

Wendel aims first and foremost to create value by developing assets over the long term, by actively encouraging its companies to make investments that drive organic growth and profitability and by providing support for their acquisitions. Since 2009, Wendel has restored its strong financial structure, notably by reducing its debt by more than 50% and by regaining its status as an issuer of investment-grade bonds. It has thus regained room for maneuver to properly develop a diversified portfolio of companies on the one hand and to acquire new companies, principally unlisted, in the €200-500 million range in equity on the other. Wendel also intends to pursue diversification and innovation through Oranje-Nassau Développement.

To do so, Wendel is continuing its 2013-17 strategy, which aims, among other goals, to invest €2 billion in top-tier, unlisted companies in Africa, North America and Europe by 2017. Wendel has already completed several key steps in this strategy, including the return to investment-grade status in July 2014, the completion of multiple investments in Africa for nearly €700 million and the acquisition of CSP Technologies in the United States and Constantia Flexibles in Austria. The priority is now on ensuring the continuity of our investments in North America.

1.8.3.1 Investment profile

Wendel invests for the long term as the majority or leading shareholder in mainly 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 its image or values.

1.8.3.2 Oranje-Nassau Développement

Early in 2011, Wendel set up an organization to seize opportunities for growth, diversification or innovation.

Oranje-Nassau Développement makes investments of smaller individual amounts than those made directly by Wendel. Oranje-Nassau Développement has been very active since its creation in 2011: for a total invested equity of about €760 million, it acquired Parcours, an independent specialist in long-term vehicle leasing to corporate customers; Mecatherm, the world leader in equipment for industrial bakeries; Nippon Oil Pump, Japan's leading manufacturer of trochoid pumps and hydraulic motors; and CSP Technologies, a company specialized in high-performance plastic packaging; as well as interests in exceet, the European leader in embedded intelligent electronic systems and the Saham Group, a major pan-African provider in the insurance, healthcare and customer service center sectors, for a total invested equity of about €760 million. Once the invested amount reaches €200 million, the relevant company is included among Wendel's main investments, as was the case for IHS at the beginning of the year.

1.8.3.3 Acquisitions by Group companies

Growth by acquisition is an integral part of the development model of Wendel Group companies. Our companies made 19 acquisitions in 2014, and all of them plan to achieve a non-negligible share of their growth through acquisitions, focusing on small or medium-sized purchases, which create the most value. Wendel's teams assist Group companies in their search for accretive acquisitions, in deploying their external growth strategy and in arranging the required financing.

1.8.3.4 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 and Saint-Gobain), these mechanisms consist of stock-option and/or bonus share plans. For unlisted subsidiaries (Materis Paints, Mecatherm, Parcours, Stahl, IHS, NOP, CSP Technologies and Constantia Flexibles), the participation policy is based on a co-investment mechanism through which these executives may invest significant sums alongside Wendel. These systems are described in section 5.7, note 4 of this registration document.

1.8.3.5 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 15% p.a. whereas during the same time, the TSR on the CAC 40 has been about 5%. Since 2009, the ordinary dividend paid to shareholders has risen from €1 to €2 per share (subject to shareholder approval at the Annual Meeting on June 5, 2015). Wendel's objective regarding the dividend is to increase it regularly every year.

1.9 Corporate Social Responsibility (CSR)

Wendel believes that corporate social responsibility drives corporate growth. 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. More detailed information related to sustainable development is provided in section 3 of this registration document.

1.9.1 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 gradually integrate CSR issues in their risk management and growth strategies.

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 General Secretariat, the Communications and Sustainable Development department and the Operational Resources (human resources, IT and facilities management) department.

In 2015, Wendel adopted a code of ethics, approved by its Executive Board and reviewed by its Supervisory Board. This Code embodies the values of the Company's employees and shareholders and supplies the frame of reference for Wendel's role as a long-term investor. It applies to all employees and executives of the Company.

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 environment 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: on the one hand, employee safety, and on the other hand, 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 Paints, 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 Paints 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. As for Saint-Gobain, its corporate social responsibility (CSR) policy centers on four commitments: inventing sustainable buildings, limiting environmental impact, encouraging the professional growth of employees, and taking action for local development. Saint-Gobain participates actively in discussions on the energy efficiency of buildings and develops eco-innovative solutions to reduce the environmental impact of products used in construction, by considering their whole life cycle, in new buildings as well as renovations.

  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 1.10 "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.

The results of the checks and controls performed by the independent third-party verifier are communicated to the investment team. Based on the independent third-party verifier's recommendations, each company's priorities are determined and set out in an action plan.

Our listed companies – Saint-Gobain and Bureau Veritas – publish exhaustive sustainable development data in their annual and sustainable development reports, available on their websites. The CSR policies of Materis Paints, Stahl, Parcours and Mecatherm, of which Wendel is the majority shareholder, are reviewed by an independent third-party verifier, whose CSR report is published in this registration document.

1.9.2 Implementing a CSR approach adapted to a small investment team

Wendel offers its employees the best working environment possible, with career advancement opportunities for all. Developing the employability of its staff is one of Wendel's priorities. Wendel encourages training, for example, and more than one-third of all employees received external training in 2014.

1.9.3 A limited environmental footprint

Wendel's activities have little impact on the environment. Nevertheless, Wendel strives to do its share to limit any negative impact. For example, environmental criteria are incorporated into the management of its IT services and the building where Wendel's headquarters are located.

1.9.4 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. In particular, Frédéric Lemoine represents the Group on the Boards of Directors of Insead and the Centre Pompidou-Metz.

Supporting Insead since 1986

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.

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. In 2015, Wendel renewed its support of Centre Pompidou-Metz.

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

1.9.5 Wendel's Code of Ethics

Wendel's Code of Ethics

The Executive Board of Wendel adopted a Code of Ethics in March 2015. This Code embodies the values of the Company and its employees and supplies the frame of reference for Wendel's role as a long-term investor. It applies to all employees and executives of the Company in all its offices, as well as to its holding companies. Wendel encourages the companies in which it invests to adopt similar standards.

Note: More detailed information related to sustainable development is provided in section 3 of this registration document.

1.10 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 downturns, while seizing new opportunities for growth.*

Bureau Veritas	
Share of equity owned by Wendel***	40.1% of capital and 56% of voting rights
Business	Certification and verification
Capital invested**	€351 million
Date of first investment	January 1995
Saint-Gobain	
Share of equity owned by Wendel***	11.7% and 19.3% of voting rights
Business	Production, transformation and distribution of building materials
Capital invested**	€4.2 billion
Date of first investment	September 2007
Materis Paints	
Share of equity owned by Wendel	81.0%
Business	Specialty chemicals for construction
Capital invested**	€379 million
Date of first investment	February 2006
Stahl	
Share of equity owned by Wendel	75.3%
Business	High-performance coatings and leather-finishing products
Capital invested**	€126 million
Date of first investment	June 2006
IHS	
Share of equity owned by Wendel	ca. 26%
Business	Mobile telephone infrastructure in Africa
Capital invested**	$670 million
Date of first investment	March 2013
Constantia Flexibles	
Share of equity owned by Wendel	73%
Business	Flexible packaging and labels
Capital invested**	€640 million
Date of first investment	March 2015

* *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.*

** *Equity invested by Wendel as of December 31, 2014, for the stake held at that date, except for Bureau Veritas (as of March 16, 2015) and Constantia Flexibles, of which the completion of the acquisition was announced on March 27, 2015. Wendel's investment in IHS will be raised to $779 million in the first half of 2015.*

*** *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	98.8%
Business	Long-term vehicle leasing to corporate customers
Capital invested**	€111 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	
Share of equity owned by Wendel	98.4%
Business	Industrial bakery equipment
Capital invested**	€117 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
Saham Group	
Share of equity owned by Wendel	13.3%
Business	Multi-service insurance Group in Africa
Capital invested**	€100 million
Date of first investment	November 2013
Nippon Oil Pump	
Share of equity owned by Wendel	97.7%
Business	Manufacture of trochoid pumps and hydraulic motors in Japan
Capital invested**	¥3.3 billion
Date of first investment	October 2013
CSP Technologies	
Share of equity owned by Wendel	98%
Business	High-performance plastics packaging
Capital invested**	$198 million (€160 million)
Date of first investment	January 2015

* *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.*

** *Equity invested by Wendel as of December 31, 2014, for the stake held at that date except for CSP Technologies, in which the acquisition of a stake was finalized in January 2015.*

1.10.1 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-SR). The group derives 51% of its sales from high-growth countries.

Bureau Veritas in brief

Present in 140 countries	1,400 offices and laboratories	66,500 employees	400,000 clients
€4,172 million in sales in 2014	€694 million in adjusted operating income(1)	Stake held by Wendel: 40.1%	Amount invested(2) by Wendel: €351 million since 1995

(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) Amount of equity invested by Wendel for the stake held following the sale of the bloc of Bureau Veritas shares on March 6, 2015.

Why did we invest in Bureau Veritas?

Bureau Veritas is ideally positioned in markets driven by long-term, structural 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 has gradually increased its holding in Bureau Veritas. When Wendel 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 (€9.44 after adjusting for the four-for-one split on June 21, 2013), enabling it to continue its international expansion.

Highlights of 2014

Revenue in 2014 totaled €4,171.5 million, an increase of 6.1% compared with 2013. Organic growth was 2.5% over the full year. Three businesses, representing 45% of revenue, posted organic growth above 5%:

- Marine & Offshore benefited from the rebound in new construction activity;
- Industry benefited from its well-balanced geographical presence, posting double-digit growth in the United States, the Middle East and Asia. The oil price drop had almost no impact on the business in 2014;
- Consumer Products, where growth was driven by Wireless/Smartworld and food testing.

Organic growth was slightly positive in four other businesses:

- declining revenue in Europe for the Construction and In-Service Inspection & Verification (IVS) businesses was compensated by expansion in fast-growing geographies, namely China and South America;
- after a negative first half, the Commodities business turned positive, due to continuous strong growth in the Oil & Petrochemicals and Agriculture segments, and the stabilization of the Metals & Minerals segment;
- the Certification business was slightly up, despite the end of the Kyoto protocol program.

The Government Services & International Trade (GSIT) business, which was hit by the conflict in Iraq and the termination of certain contracts in Africa, posted an organic revenue decrease.

2014 was a busy year in terms of external growth: acquisitions contributed 6.9% to growth.

Currency fluctuations had a negative impact of 3.3% as most currencies declined in value against the euro, from January to September. This trend has reversed since September due to the strengthening of the US dollar vs. the euro.

Adjusted operating profit was €694 million, up 5.6% compared to 2013, and up 9.7% at constant currencies.

The adjusted operating margin was 16.6% in 2014, stable at constant currencies compared with 2013.

Bureau Veritas was able to maintain or grow its margin at constant currencies in five businesses (Commodities, IVS, Certification, Construction and Consumer Products), by improving the mix, rolling out Lean initiatives and restructuring measures. The Marine & Offshore business benefited from increased volume of activity but this was offset by investments made in technical centers. The Industry margin has slightly declined, due to the reduction of activity in France and in South Africa. The GSIT business margin was impacted by the reduction in volumes.

Attributable net profit for the period was €294.6 million, vs. €345.1 million in 2013. Earnings per share (EPS) stood at €0.67 compared with €0.79 in 2013. Tax and currencies had a negative impact of €0.09 on EPS.

Adjusted attributable net profit totaled €391.3 million, up 3.7% from 2013 on a constant currency basis. Adjusted EPS reached €0.90 in 2014, vs. €0.91 in 2013. It was up 3.3% on a constant currency basis. Tax and currencies had a negative impact of €0.08 on adjusted EPS.

Acquisitions in strategic markets in the Americas and in China

During 2014, Bureau Veritas continued its external growth strategy, by completing the acquisition of Maxxam, the Canadian leader, and seven other acquisitions. These eight companies, representing €315 million in annualized revenues, have increased BV's presence in strategic markets including the marine/offshore, environmental, infrastructure, food, oil and automotive sectors.

In line with the strategy to re-balance the geographical mix of activities, these acquisitions have strengthened Bureau Veritas's footprint in the Americas. In 2014, 27% of its revenues were generated in North and South America (vs. 24% in 2013), 33% in Europe (vs. 35%), 28% in Asia-Pacific and 12% in Africa, the Middle East and Eastern Europe (vs. 13%).

Furthermore, Bureau Veritas has completed three acquisitions in China since the beginning of 2015, representing close to €60 million in combined revenues in 2014. These companies reinforce the positioning of Bureau Veritas in the Chinese domestic market for its Construction, Industry and Consumer Products businesses.

Initiatives to accelerate organic growth

Bureau Veritas has begun a number of strategic initiatives designed to accelerate organic growth. Amongst other initiatives, Bureau Veritas is developing more resilient Opex-related services in the Oil & Gas, Mining, Chemicals and Power sectors. The overall TIC market (Testing, Inspection and Certification) for these sectors is vast (probably above €55 billion globally). About 75% of this market correspond to Opex-related services. This market offers untapped development opportunities for the Industry business. The ambition is to replicate the business model successfully implemented by both the Marine and Construction/IVS businesses where Opex-related services already represent more than 50% of revenue.

Another initiative, launched in 2014, is the development of a global key account strategy. The penetration of Bureau Veritas with large corporations is still very low and outsourcing opportunities are significant as around 40% of TIC services are carried out internally. The ambition is to generate around two percentage points per annum of organic growth from this initiative in the years to come.

Improving the efficiency of operations

Adapting to the difficult environment for activities exposed to Minerals and to Europe In reaction to the reduced level of minerals exploration activity, Bureau Veritas has implemented measures to rationalize its Minerals testing operations. Continued weakness in the European economy has impacted its organic growth. As a result, Bureau Veritas has taken measures to restructure its Industry operations in France, and put in place a new sales & marketing organization. This has led to exceptional, mostly non-cash charges of €60 million.

Pursuing operational excellence initiatives In 2014, Bureau Veritas continued to gradually roll out Lean Management tools to improve customer satisfaction and operational efficiency. The centralized purchasing project now comprises six initiatives: lab equipment & supplies, office supplies, travel, car fleet, international couriers and non-exclusive contractors. Shared service centers are ramping up, with the objective to centralize support functions such as IT services, finance and human resources.

Outlook for development

In 2015, Bureau Veritas expects a slight improvement in organic growth over 2014, taking into account the current oil market conditions. The operating margin should also improve moderately thanks to ongoing operational excellence initiatives. The Group will continue to generate strong cash flow. Acquisitions in attractive markets will contribute to overall growth.

In millions of euros	2014	2013	Δ
Net sales	4,171.5	3,933.1	+6.1%
Adjusted operating income(1)	694.0	656.9	+5.6%
as a % of net sales	*16.6%*	*16.7%*	*-10 bps*
Attributable adjusted net income(2)	391.3	397.0	-1.4%
Adjusted net financial debt(3)	1,879.9	1,328.4	€+551.5 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 as defined in the calculation of bank covenants.

Top management

Didier Michaud-Daniel, CEO

Frédéric Lemoine, Chairman of the Board of Directors

Wendel's involvement

Board of Directors: Frédéric Lemoine (Chairman), Stéphane Bacquaert, JeanMichel Ropert. Lucia Sinapi-Thomas (Deputy CFO of Capgemini)

Strategic Committee: Frédéric Lemoine (Chairman), Stéphane Bacquaert

Audit and Risk Committee: Jean-Michel Ropert, Lucia Sinapi-Thomas

For more information, please visit: *bureauveritas.fr*

1.10.2 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 182,000 employees	No. 1 worldwide in high-performance materials and insulation	No. 2 worldwide in flat glass and No. 3 in packaging
€41.05 billion in sales in 2014	€1.10 billion in recurring net income(1)	Stake held by Wendel: 11.7%	Amount invested(2) by Wendel: €4.2 billion since 2007

(1) Excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions.
(2) Amount of equity invested by Wendel as of December 31, 2014, for the stake held at that date.

Why did we invest in Saint-Gobain?

By offering solutions adapted to high-tech industrial applications and construction markets at varying stages of development, Saint-Gobain bases its growth on value-added segments. Saint-Gobain's priority is to focus on high-growth and high value-added markets in habitat and industry. Three pillars help drive its strategy:

- Innovative Materials (Flat Glass and High-Performance Materials) is the company's innovation driver, in particular due to its unique portfolio of materials and processes in the habitat and industrial markets. An increasing share of these solutions are co-developed with its customers;
- Construction Products offer differentiated interior and exterior building solutions. These markets are growing faster than GDP per capita in both mature and emerging economies. The leadership positions and strong brands of the Construction Products business ensure a global presence for Saint-Gobain and a strong foothold in high-growth markets;
- Building Distribution, with its deep knowledge of customer needs, provides an accelerator for the Habitat strategy. Through its well-recognized brands, it has detailed insight into the construction, renovation, and remodeling markets and how they are evolving.

Highlights of 2014

Sales climbed 2.2% on a like-for-like basis in 2014. Based on reported figures, sales were down 1.7% due to the negative 1.5% currency impact and the negative 2.4% impact resulting from changes in group structure – chiefly related to the disposal of Verallia North America (VNA).

Volumes moved up 1.1% over the year despite retreating 0.7% in the second half. Sales prices rose 1.1% over the year, in spite of a less inflationary environment and declining prices for Exterior Products in the United States in the second half.

All of Saint-Gobain's businesses reported organic growth in 2014. In the second half, Exterior Solutions were affected by the contraction in the Roofing business, while Building Distribution and Interior Solutions were hit by the downturn in construction in France and Germany.

Out of Saint-Gobain's four regions, only France failed to advance, down 1.3% year-on-year.

Operating income rose 1.6%, despite the negative currency and group structure impact (up 7.0% like-for-like excluding VNA). This drove a rise in the operating margin, which came in at 6.8% of sales from 6.6% in the prior-year period, bolstered by cost cutting efforts. Excluding Building Distribution, the operating margin increased from 8.9% to 9.3% in 2014.

Saint-Gobain's focus on its action plan priorities continues to pay off:

- sales prices increased despite a less inflationary environment;
- costs were scaled back by €450 million in 2014 compared to 2013, with a significant impact in Flat Glass which saw its margin rally at 5.9% versus 2.6% in the previous year;
- capital expenditure remained in check at €1.4 billion, with a strong focus on growth Capex outside Western Europe;

- net debt was reduced to €7.2 billion thanks to an ongoing tight rein on cash.

Innovative Materials sales moved up 3.9% in 2014 on a like-for-like basis, and advanced 4.2% in the second half. The operating margin for the business sector widened, from 7.2% to 9.4% (9.6% in the second half), driven by the improved performance for Flat Glass.

Boosted by its first-half performance, **Construction Products (CP)** sales moved up 2.9% on a like-for-like basis in 2014 and 0.4% in the second half, owing chiefly to a deterioration in the US Exterior Solutions market. The operating margin improved slightly, at 9.0% versus 8.8% in 2013.

Building Distribution posted 0.8% organic growth, helped by mild winter weather in the first quarter and despite a 1.8% decline in the second half due to the downturn in the French and German markets.

Packaging (Verallia) sales were up 1.6% on a like-for-like basis. In Europe, volumes rose 1.4% over the year, thereby confirming the recovery begun in the six months to June 30 in a competitive pricing environment. Latin America continued to deliver good growth, with price trends reflecting the impact of inflation.

Recurring net income (excluding capital gains and losses, asset write-downs and material non-recurring provisions) jumped 7.4% to €1,103 million.

At its meeting of February 25, 2015, Compagnie de Saint-Gobain's Board of Directors decided to recommend to the June 4, 2015 Shareholders' Meeting a dividend of €1.24 per share, 50% payable in cash and 50% in cash or in shares, at shareholders' discretion.

On December 8, 2014, Saint-Gobain announced its plans to acquire control of Sika and to sell Verallia. Wendel is in full support of these plans.

On April 7, 2015, Saint-Gobain and the Burkard family announced an amendment to their agreement relating to the sale of the shares of Schenker-Winkler Holding (SWH), which holds a controlling stake in Sika, extending the date of validity of their agreement to June 30, 2016. At such date, Saint-Gobain will have an option to extend the agreement. The agreement also stipulates that under no circumstance can Saint-Gobain be forced to purchase the shares of SWH if its stake in Sika would not represent the majority of the voting rights or if such acquisition would trigger the obligation to launch a mandatory offer for all Sika shares.

Outlook for development

On November 27, 2013, Saint-Gobain held a meeting for investors and financial analysts to discuss its medium-term strategy. Until 2018, Saint-Gobain will continue to roll out its strategy focusing on three main areas:

- Improving its growth potential by focusing more sharply on high value-added, asset-light activities; expanding its footprint in emerging countries; and further strengthening its business portfolio, particularly through the disposal of Verallia;
- Creating a stronger presence in differentiated products and solutions, with R&D efforts focused on local projects co-developed with its customers and on the fast-growing markets of sustainable habitat and industrial applications. Marketing initiatives will also be stepped up with an ambitious digital strategy and by the development of ever stronger brands;
- Continuing to work towards management's priorities of achieving operational excellence, with an additional cost savings plan over 2014-15; further progress in corporate social responsibility; attractive returns for shareholders; and a persistently solid financial structure.

For each of these strategic focuses, Saint-Gobain has set itself the following goals to achieve by 2018:

1) **Strengthen its profile to raise its potential for organic growth:**
   - reduce capital intensity in developed countries to 27%-29%,
   - focus investments outside Western Europe so that two-thirds of Innovative Materials and Construction Products industrial assets are located there,
   - complete Saint-Gobain's business refocus by disposing of Verallia and stepping up acquisitions: €4 billion in acquisitions,
   - focus Building Distribution development on leadership positions;
2) **Increase its focus on differentiation:**
   - concentrate R&D and marketing on local, co-developed innovations: +50% co-developments and partnerships,
   - improve internal differentiation ratio (to reach 53% of group sales) and new solutions ratio (target 30% of Innovative Materials and Construction Products sales),
   - step up development on highly innovative industrial markets to reach between €750 million and €1 billion in additional sales in new High-Performance Materials niche segments,
   - boost market demand for higher value-added solutions by supporting sustainable construction,
   - enhance Saint-Gobain's online offer to reach over €1.5 billion of sales, or 15% of Building Distribution sales, on the relevant markets in 2018, versus 5% currently,
   - better associate Saint-Gobain's brands with innovation, with a 5-point increase in average brand awareness;

3) **Continue to work towards management's priorities:**

- continuously seek operational excellence: €850 million in additional cost savings in 2014-15,
- make further progress in the Corporate Social Responsibility area,
- target attractive returns for shareholders,
- maintain a solid financial structure.

Outlook for 2015

In 2015, the Group should benefit from continued upbeat trading in the United States as well as in Asia and emerging markets. In Western Europe, the recovery will be dampened by the decline in France. The first half will be impacted by a tough 2014 basis for comparison. Household consumption is expected to remain firm.

Saint-Gobain will continue to keep a close watch on cash and financial strength and aims to maintain a high level of free cash flow. In particular, it will:

- keep its priority focus on increasing sales prices amid a small rise in raw material costs and energy deflation;
- unlock additional savings of €400 million (calculated on the 2014 cost base) thanks to its ongoing cost cutting program;
- pursue a capital expenditure program of under €1,600 million, focused on growth Capex outside Western Europe;
- renew its commitment to invest in R&D in order to support its differentiated, high value-added strategy;

In this setting, the Group is targeting a further like-for-like improvement in operating income for 2015 and a continuing high level of free cash flow.

In millions of euros	2014	2013(1)	Δ
Net sales	41,054	41,761	-1.7%
Operating income	2,797	2,754	+1.6%
as a % of net sales	*6.8%*	*6.6%*	*+20 bps*
Recurring net income(2)	1,103	1,027	+7.4%
Net financial debt	7,221	7,513	€-292 million

(1) 2013 figures restated to reflect the impact of IFRS 10 and 11.
(2) Excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions.

Top management

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*

1.10.3 Materis Paints

Materis Paints drives growth through innovation

Materis Paints is a European leader in decorative paints. Materis Paints has more than 15 brands recognized on their respective national markets.

Materis Paints in brief

About 4,000 employees	9 R&D laboratories	No. 4 in Europe Present in 9 countries	No. 2 in France No. 1 in Italy
€747.6 million in sales in 2014	€67.1 million in adjusted EBITDA(1)	Stake held by Wendel: 81.0%	Amount invested(2) by Wendel: €379 million since 2006

(1) EBITDA and adjusted operating income before goodwill allocation entries, management fees and non-recurring items
(2) Amount of equity invested by Wendel as of December 31, 2014, for the stake held at that date.

Why did we invest in Materis Paints?

Materis Paints is one of Europe's leading manufacturers of decorative paint, a market valued at more than €10 billion. Materis Paints designs, manufactures, sells and distributes a wide range of decorative paint and technical products to professionals and consumers. 66% of its activity is in France, 26% in the rest of Europe, and 8% in emerging economies.

The decorative paint market is mainly driven by home renovations, which makes it a resilient market offering long-term growth. 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. 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 and a dense distribution network ensuring that it remains close to customers. Materis Paints has strong local brands in the top three of each of its markets (Tollens and Zolpan in France, Robbialac in Portugal, Max Meyer in Italy, Arcol in Morocco, and Colorin in Argentina). Another of Materis Paints' major strengths is that it generates more than 60% of its sales in its integrated distribution network of close to 400 stores. This network distributes Materis Paints along with a select range of complementary products, such as tools or floor and wall coverings, to cater to the needs of a broad and diverse customer base. 28% of its sales come from independent retailers and 11% from large DIY stores. Materis Paints is also growing rapidly in the external thermal insulation sector.

For more than ten years, Materis Paints has posted average annual sales growth of 7%. 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 volume has fallen by almost a quarter in Italy and by close to half in Spain and Portugal combined. Secondly, like the other players in the decorative paint market, Materis Paints has had to cope with a steep increase in the prices of raw materials, especially titanium dioxide, an essential component in the formulation of decorative paints.

In order to be ready to take full advantage of future market recovery, Materis Paints and its CEO, Bertrand Dumazy, have been working since autumn 2012 to launch growth plans, as well as to reorganize the supply chain and sales & marketing functions so as to improve distribution concepts, and to strengthen customer loyalty.

Materis has refocused on the Paints business

In 2014, the Materis group fully refocused its operations on its Paints business, selling Kerneos in March, ParexGroup in June and Chryso in October. Materis also carried out a refinancing transaction in the summer of 2014. In so doing, Materis:

- generated total sale proceeds of €1.7 billion;
- reduced its net debt to ca. €275 million, or ca. 4x EBITDA (seasonally-adjusted); and
- reduced its average borrowing cost from Euribor+6% to Euribor+4.75%.

Highlights of 2014

In 2014, **Materis Paints** reported organic growth of 0.8% versus -1% in 2013. Nevertheless, sales were negatively impacted by both currency fluctuations (1.9%) and changes in scope (0.2%), totaling €747.6 million, down 1.3%.

Organic growth was driven by the continued recovery in southern Europe (up 2%) combined with strong growth in emerging markets, especially Morocco and Argentina, which grew organically by 25% and 30%, respectively. However, in France (66% of sales), given the difficult economic climate, sales at Materis Paints contracted by 2%.

Materis Paints continues to reap the benefits of management initiatives to step up marketing efforts, boost product innovation, improve the customer/product/distribution channel mix, and keep a tight rein on costs and WCR. In 2014, the company's EBITDA rose 9.1%, representing a margin of 9.0% (up 90 basis points), and its improved WCR led to a sharp increase in the EBITDA-to-cash conversion ratio, from 63% in 2013 to 75% in 2014.

Lastly, following the refocus on the Paints business, Materis Paints displayed a strong financial structure, with debt leverage of less than 4x EBITDA.

	2014	2013	Δ
Net sales(1)	747.6	757.7	-1.3%
EBITDA(2)(3)	67.1	61.5	+9.1%
as a % of net sales	*9.0%*	*8.1%*	*+90 bps*
Adjusted operating income(2)(3)	48.0	43.3	+10.8%
as a % of net sales	*6.4%*	*5.7%*	*+70 bps*
Net financial debt	255	n.a.	

(1) 2013 net sales were adjusted to enable comparison with 2014 figures. The adjustments made are related to the accounting treatment of Zolpan's loyalty programs.
(2) EBITDA and adjusted operating income before goodwill allocation entries, management fees and non-recurring items.
(3) The figures above do not take into account the full-year impact of the costs of central functions to be borne by Materis Paints following the group's reorganization (€1.6 million p.a.).

Top management

Olivier Legrain, Chairman of Materis until March 2015

Bertrand Dumazy, Chairman of Materis Paints

Wendel's involvement

Board of Directors: Bernard Gautier, Patrick Tanguy, Patrick Bendahan, Jean-Michel Ropert

Compensation Committee: Bernard Gautier (Chairman), Patrick Tanguy

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

For more information, please visit: *materis.fr*

1.10.4 Stahl

Global group with a strong presence in emerging economies

Stahl is a market leader in process chemicals for leather products and performance coatings for flexible substrates such as textile, paper, plastics and polymers. Stahl offers a wide range of solutions to the automotive, apparel & accessories, home furnishing, and for industrial applications.

Stahl in brief(1)

Physically present in 23 countries	38 laboratories and 11 production sites	1,740 employees including more than 600 expert sales staff	No. 1 worldwide in leather-finishing products
€512.6 million in net sales in 2014	€91.4 million in adjusted EBITDA(2) in 2014	Stake held by Wendel: 75.3%	Amount invested(3) by Wendel: €126 million since 2006

(2) Adjusted EBITDA before goodwill allocation entries, management fees and non-recurring items.
(3) Amount of equity invested by Wendel as of December 31, 2014, for the 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” sales 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 50% of its sales from emerging markets countries.

Highlights of 2014

Stahl’s sales totaled €512.6 million in 2014, up 43.9% from 2013. This sharp increase resulted from the merger with Clariant Leather Services Business, which accounted for 41.7% growth, combined with healthy organic growth of 4.0%. Fluctuations in exchange rates had a negative impact of 1.8% on full-year sales.

The Performance Coatings business posted organic growth of 10.4%, well above the average of 7% posted over the last 30 years. Organic growth was driven by sound performance in Europe, China, Japan and India.

Stahl’s EBITDA rose 41% in 2014 compared with 2013, to €91.4 million, representing a margin of 17.8%. In addition to the increase in EBITDA driven by the merger with Clariant Leather Services Business, profitability was boosted by organic growth and the synergies harnessed in 2014.

Stahl’s annualized EBITDA run-rate, including the full-year impact of synergies, totaled €114 million in 2014. The integration process was ahead of schedule and synergies achieved during the year exceeded the €15 million initially projected for the 18 months following the transaction. Once integration is complete, Stahl should achieve annualized synergies of well in excess of €20 million.

In parallel with the merger, Stahl successfully refinanced €295 million in debt (2019 maturity), of which ca. €265 million has been drawn down at closing. Stahl’s net debt stood at €221 million at end-December 2014.

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 (more than 60% 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 (innovative environmentally-friendly solutions and customized technologies) and active cost management (strict financial discipline and value-adding investments).

(1) Consolidated figures include Clariant Leather Services from May 1, 2014.

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.

With the successful integration of Clariant Leather Services, robust growth in Stahl's business and low debt, Wendel is studying all options for crystallizing all or part of the value that has been created.

In millions of euros	2014(1)	2013	Δ
Net sales	512.6	356.3	+43.9%
EBITDA(1)	91.4	64.7	+41.3%
as a % of net sales	*17.8%*	*18.2%*	*-40 bps*
Adjusted operating income(2)	76.2	56.0	36.0%
as a % of net sales	*14.9%*	*15.7%*	*-80 bps*
Net income from business sectors(3)	52.0	31.3	66.1%
Net financial debt	221.0	110.4	€+110.6 million

(1) Consolidated figures include Clariant Leather Services from May 1, 2014.
(2) Adjusted EBITDA and operating income before goodwill allocation entries, management fees and non-recurring items.
(3) Recurring net income from business sectors as defined in note 6 to the consolidated financial statements.

Top management

Huub Van Beijeren, 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 (Chairman), Bernard Gautier

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

For more information, please visit: *stahl.com*

1.10.5 IHS

IHS is the leading provider of telecom infrastructure in Africa

IHS is the EMEA leading provider 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 5 countries	Nearly 23,000 towers under management in Africa (*pro forma*, including MTN towers in Nigeria)	Largest telecom tower company in EMEA	Leading provider of telecom infrastructure in Africa
$312.4 million in sales in 2014	Ca. 1,300 employees	Stake held by Wendel: ca. 26%	Amount invested by Wendel: $670 million(1)

(1) This amount does not include the second tranche of the capital increase announced in November 2014 ($109 million) to be invested in mid-2015.

Why did we invest in IHS?

IHS is a leading provider of passive telecom tower infrastructure for mobile phone operators. Over the last 13 years, the group has successfully developed along the entire telecom tower value chain, from construction to leasing to maintenance. It provides high quality service to its large customers, who are leading telecom operators such as MTN, Orange, Etisalat and Airtel.

IHS is a growth company, with an average annual rate of growth in sales of more than 20% over the past five years.

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 5.8% 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 10% p.a. between now and 2018, and by an increase in the mobile penetration rate, which at 71% 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, which would bring 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 and 4G 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 and security, installation of electrical supply (generator, photovoltaic systems, or connection to the grid), 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 generating 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 still manage 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 2014

In 2014, with nearly 23,000 towers under management (*pro forma* with the acquisition of MTN's towers in Nigeria), IHS Holding became one of the world's leading providers of telecom tower passive infrastructure for mobile phone operators and the leader in EMEA regions (Europe, Middle East, and Africa) in number of towers under management.

Throughout 2014, IHS pursued its telecom tower acquisition strategy and has already begun to reap the benefits of its network pooling business model. Over the full year, IHS acquired more than 13,000 towers in Nigeria, Rwanda and Zambia. These new towers are gradually entering the group's scope of consolidation:

- 1,300 towers acquired from MTN in Rwanda and Zambia were consolidated in April and May 2014;
- 2,100 towers acquired from Etisalat in Nigeria were consolidated in November 2014;
- 4,150 of the 9,100 towers acquired from NTN in Nigeria were consolidated in December 2014; the remaining towers will be consolidated in mid-2015.

As a result, IHS's revenue, before pass-through of diesel fuel costs to customers, almost doubled, totaling $312.4 million.

In terms of profitability, IHS used its expertise to attract new customers to its towers (increasing the rate of collocation on existing sites), and EBITDA advanced to $100.8 million in 2014, representing a margin of 32.2%.

To finance this rapid growth, IHS successfully carried out capital increases totaling more than $3 billion in 2014 and issued debt to top-tier investors:

- in March and April 2014, IHS carried out a capital increase of $550 million with a premium of 30% compared with the previous capital increase in July 2013.
- in November 2014, IHS announced it was raising a total of $2.6 billion, including $600 million in the form of a credit facility. The first tranche of the capital increase was carried out in 2014 at a premium of 25% compared with the previous capital increase in April 2014. A second tranche of $600 million will be issued in mid-2015.

$779 million invested by Wendel by mid-2015

To support IHS's pan-African growth strategy, Wendel will have invested $779 million between 2013 and 2015, by participating in four capital increases alongside IHS's shareholders, who are major financial institutions active in economic development and top-tier private equity companies.

Among these are Emerging Capital Partners, the leader in private equity in Africa with more than 50 investments realized since 1997, International Finance Corporation (IFC), 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. In 2014, new investors chose to support the growth of IHS, in particular Goldman Sachs, IFC Global Infrastructure Fund, African Infrastructure Investment Managers (Macquarie and Old Mutual) and the Singapore and Korean sovereign funds GIC and KIC.

In addition, Wendel has brought together four US and European family investors (incl. FFP, Sofina and Luxempart) to invest alongside it in IHS. In addition to the $779 million it has invested, Wendel has thus raised an additional $181 million through a co-investment vehicle in IHS. Wendel will manage the fund and exercise its voting rights. Following these two capital increases, Wendel will hold ca. 26% of the share capital directly, will remain the company's principal shareholder and will represent, together with its co-investors, 36% of the voting rights.

Top management

Issam Darwish, Executive Vice Chairman, CEO and founder

Wendel's involvement

Board of Directors of IHS Holding: Bernard Gautier, Stéphane Bacquaert, Stéphanie Besnier

For more information, please visit: ihstowers.com

In millions of dollars	2014[3]	2013[4]	
Net sales[1]	312.4	159.7	+95.7%
EBITDA[2]	100.8	43.8	+129.9%
as a % of net sales	*32.3%*	*27.5%*	*+480 bps*
Net financial debt	84.9	260.2	ns

(1) Sales before pass-through of diesel fuel consumption costs to customers.
(2) EBITDA adjusted for non-recurring items in 2014.
(3) 2014 figures include the acquisition of the Etisalat towers in Nigeria, for a period of 1 month and 20 days, and the acquisition of the first group of MTN Nigeria towers, for 25 days.
(4) Restated to exclude discontinued operations.

1.10.6 Constantia Flexibles

Constantia Flexibles expands its international footprint to serve its global clients

Constantia Flexibles is a global leader in flexible packaging. The group produces flexible packaging solutions and labels, primarily for the food and pharmaceutical industries.

Constantia Flexibles in brief

No. 2 in Europe No. 4 worldwide	Over 8,000 employees	Products sold in 115 countries to more than 3,000 customers	43 manufacturing sites in 18 countries
€1,712.0 billion in sales in 2014	EBITDA of €255.5 million	Stake held by Wendel: 73%	Amount invested by Wendel*: €640 million in 2015

* *Amount invested before any other co-investor. The completion of the acquisition of a stake in Constantia Flexibles was announced on March 27, 2015.*

Why did we invest in Constantia Flexibles?

Founded by Herbert Turnauer in the 1960s, the Vienna-based Constantia Flexibles group produces flexible packaging solutions and labels, primarily for the food, beverage and pharmaceutical industries. Constantia Flexibles has successfully developed its activity outside Europe and, over the last five years, has become a global leader in flexible packaging. The group now has more than 3,000 customers worldwide, over 8,000 employees and 43 manufacturing sites in 18 countries. Its products are sold in more than 115 countries.

The flexible packaging market for basic consumer goods, in which Constantia Flexibles operates, offers a combination of stability and growth. Constantia Flexibles has a solid track record, posting an average annual growth rate of 8.3% over the last 11 years. The business of Constantia Flexibles is largely independent of economic cycles because the group caters to the basic, daily needs of end customers. In addition, there are long-term market trends supporting the growth of the flexible packaging market, such as urbanization, increased mobility and the increased consumption of individual portions, tied in with the decreasing size of households and the development of the middle classes, especially in emerging markets. For several years, this market's growth has outpaced that of the economy in general (GDP), whether in developed or emerging countries.

In this fast-growing, resilient, but highly fragmented market, Constantia Flexibles has definite competitive advantages enabling it to play a decisive role in the consolidation of the flexible packaging industry and offering long-term growth potential, such as:

- the group's long-standing relationships with major global customers;
- the size of the group, enabling Constantia Flexibles to harness economies of scale;
- the group's technological edge, ability to innovate and robust manufacturing facilities, enabling it to adapt to worldwide demand for new packaging;
- the ability of Constantia Flexibles to pursue an external growth strategy, as demonstrated by the five acquisitions carried out since 2010, including two in emerging markets. The acquired companies have aggregate sales of €503 million.

Wendel's investment in Constantia Flexibles is a major transaction that fits in perfectly with its strategy. Constantia Flexibles is a global leader in packaging solutions with strong European industrial roots, whose growth is driven by powerful, long-term trends occurring around the world. In the future, Constantia Flexibles will be able to grow both organically and through acquisitions. The company was developed by a highly entrepreneurial Austrian family.

On March 2, 2015, Wendel announced the signing of a cooperation agreement with the H. Turnauer Foundation, which will invest €240 million alongside Wendel for an approximately 27% ownership, thereby bringing in the heritage of the founding family of Constantia Flexibles and the experience of the Foundation. Wendel and the H. Turnauer Foundation will continue to develop Constantia Flexibles over the long term, based on a shared entrepreneurial vision.

On March 27, Wendel completed the acquisition of Constantia Flexibles at an enterprise value of €2.3 billion, or around nine times 2014 EBITDA. As part of the transaction, the Wendel Group has invested €640[1] million for a ca. 73% ownership in Constantia Flexibles.

Food

The Food division represents 57% of the sales of Constantia Flexibles. It encompasses a vast array of products to serve market segments ranging from dairy to confectioneries to ready-made meals. Because the products in this division cater to the daily needs of a global population, this business is largely independent of economic cycles. In addition, demand for flexible packaging in the food market is rising, in response to an increasing global population, urbanization and higher environmental and health awareness.

Constantia Flexibles supplies the food industry with food packaging solutions made of aluminum, film of various types and stratified paper. They include lids for dairy products; aluminum foil wrappings for butter and cheese; confectionery packaging; pouches for dried soups, sauces and ready-made meals; single-serve coffee capsules and light aluminum packaging systems also used for pet food.

This division of Constantia Flexibles is a global leader in several of its market segments (confectionery packaging, pre-cut seals and aluminum wrappings) and serves food industry giants such as Nestlé, Unilever, Mars and Pepsico.

Pharma

Constantia Flexibles produces different packaging solutions for the pharmaceutical industry ranging from traditional aluminum foil blister packs to innovative packaging systems for new types of drug delivery (flexible sticks, inhalers, etc.) to sachets for powders and granules.

The pharmaceutical industry generates 15% of the group's sales, and Constantia Flexibles is the second-largest manufacturer of foil based blister packs for medication.

Global demand for flexible packaging from the pharmaceutical industry is supported by three main growth drivers:

- higher life expectancies in developed markets and a corresponding rise in chronic diseases;
- the development of health systems in emerging economies;
- the expanding liberalization of the sale of medication, which is accelerating the self-medication trend.

Furthermore, demand for innovative packaging solutions is buoyed by the strong competition between manufacturers of traditional medication and manufacturers of generic medication. Traditional laboratories are aggressively offering novel drug delivery forms, in order to maintain their technological edge and market share.

Labels

The Label division's portfolio of products includes plastic, aluminum and paper labels for the beverage industry and in-mold labels incorporated directly into the product packaging. Its main customers are brewers like ABInbev and Heineken and global beverage companies, such as the Coca-Cola company.

The Label division is the world's leading manufacturer of beer labels and in-mold labels. One in two beer bottles in the world carries a label produced by Constantia Flexibles. Its sales account for 28% of the sales of the Constantia Flexibles group.

Outlook for development

The strategy implemented by the Constantia Flexibles group for profitable growth is based on the following pillars:

- developing the group's business in fast-growing regions;
- carrying out targeted acquisitions to support the group's geographic expansion and consolidate its global leadership;
- optimizing the operating structure and maximizing the group's synergy, by pursuing operational excellence programs.

Top management

Thomas Unger, Chairman of the Executive Board

Wendel's involvement

Supervisory Board: Frédéric Lemoine (Chairman), Bernard Gautier (Deputy Chairman), Patrick Tanguy, Roland Lienau, Albrecht von Alvensleben

Nomination Committee: Frédéric Lemoine (Chairman), Roland Lienau, Albrecht von Alvensleben

Audit Committee: Patrick Tanguy, Roland Lienau, Albrecht von Alvensleben

M&A and Operations Committee: Bernard Gautier (Chairman), Patrick Tanguy, Albrecht von Alvensleben

For more information, please visit: *cflex.com*

1.10.7 Parcours

A major mobility player focused on service

Parcours is an independent specialist in long-term vehicle leasing in France with a managed fleet of 56,500 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

28 branches, incl. 20 in France	Managed fleet: 56,500 vehicles	371 employees	No. 1 independent long-term leasing specialist in France
€339.7 million in sales in 2014	€25.2 million in pre-tax ordinary income(1)	Stake held by Wendel: 98.8%	Amount invested(2) by Wendel: €111 million since 2011

(1) Adjusted pre-tax income before goodwill allocation entries, management fees and non-recurring items.
(2) Amount of equity invested by Wendel as of December 31, 2014, for the 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 56,500 vehicles, Parcours operates throughout France *via* its differentiating network of 20 branches and has also been replicating its business model internationally since 2005, with eight 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 of 2014

Parcours reported sales of €339.7 million, up 9.7% compared with 2013. Vehicle leasing and maintenance revenues advanced by 10.8% to €246.2 million. In a market that saw moderate growth, Parcours' businesses were underpinned by a 11.3% year-on-year increase in its fleet of managed vehicles, which now number 56,500. Sales of pre-owned vehicles increased by 6.8% in 2014 to reach €93.5 million.

Pre-tax ordinary income rose 15.6% to €25.2 million, representing a 38-basis-point improvement in its margin.

In 2014, Parcours continued to convert its branches in France to the "3D" model, inaugurating a new 3D branch in Tours in November 2014. In addition, Parcours acquired land in Strasbourg and Annecy with the intention of building 3D sites that should open in 2015. Parcours also further developed its business internationally: the fleet of leased vehicles outside France grew 27% in 2014.

Outlook for development

For 2015, Parcours expects substantially higher growth than the expected growth of the long-term leasing fleet in France as a whole. 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*	2014	2013	Δ
Net sales	339.7	309.6	+9.7%
Pre-tax ordinary income(1)	25.2	21.8	+15.4%
as a % of net sales	*7.4%*	*7.0%*	*+38 bps*
Net income from business sectors(2)	15.3	13.0	+17.9%
Gross operating debt(3	519	450	€+69 million

(1) Adjusted pre-tax income before goodwill allocation entries, management fees and non-recurring items.
(2) Recurring net income from business sectors as defined in note 6 to the consolidated financial statements.
(3) Gross debt related to vehicle fleet funding.

Top management

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*

1.10.8 exceet

exceet develops and markets technological solutions for critical applications.

exceet is an international group specializing in the development and production of smart technologies, critical systems and security solutions, manufactured in small and mid-sized production runs. The group distinguishes itself from competitors by its advanced solutions and technical expertise in embedded electronics and has leadership positions in the health, industry and security markets. With six centrally located production sites in Europe and seven technical facilities for development and distribution, exceet remains close to its customers, enabling it to quickly respond to their needs with innovative technological solutions.

exceet in brief

Present in 5 countries	14 laboratories and production sites	969 employees	Leadership positions in embedded solutions
€185.3 million in sales in 2014		Stake held by Wendel: 28.4%	Amount invested* by Wendel: €50 million since 2010

* *Amount of equity invested by Wendel as of December 31, 2014, for the 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 solutions. 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 business development that fits in with Oranje-Nassau Développement's investment criteria. exceet is listed on the Frankfurt stock exchange. VMCap, its historical shareholder, holds 42.6% of the capital and Oranje-Nassau Développement holds 28.4%.

Highlights of 2014

In 2014, exceet posted sales of €185.3 million, a slight, 2.9% decrease (a 3.4% decline organically). However, exceet was able to extend the share of high-margin business, thus improving profitability further in 2014. This was reflected in its EBITDA of €19.0 million, representing a margin of 10.3% (versus €18.3 million or 9.6% in 2013).

The company is pursuing a strategy of broadening and improving its range of products and services. For example, the ECMS (Electronic Components, Modules and Systems) division won a development and production order for a new, wearable patient-monitoring device. With this project, ECMS is expanding its portfolio in the field of digital health.

For 2015, exceet is confident that the combination of an optimized project mix and a further streamlining of the organization will support growth and improve margins.

In the first quarter of 2014, one of exceet's significant shareholders—Greenock S.à.r.l.—told the company it is considering selling its stake to a third party. However Greenock S.à.r.l. said that no decisions have been made as to the terms or timeframe for any such transaction.

In millions of euros	2014	2013	Δ
Net sales	185.3	190.8	-2.9%
EBITDA	19.0	18.3	+4.3%
as a % of net sales	*10.3%*	*9.6%*	*+70 bps*
Net income	4.4	7.5	-41.3%
Net financial debt	9.4	7.0	€+2.4 million

Top management

Ulrich Reutner, CEO

Wendel's involvement

Board of Directors: Roland Lienau, Dirk-Jan van Ommeren (Chairman)

Observers on the Board of Directors: Celia Möller, Albrecht von Alvensleben

For more information, please visit: *exceet.ch*

1.10.9 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	Approx. 600 industrial lines installed	358 employees, incl. 25 in R&D	World leader in equipment for industrial bakeries
€104.7 million in sales in 2014	13.8% recurring EBITDA margin(1)	Stake held by Wendel: 98.4%	Amount invested(2) by Wendel: €117 million since 2011

(1) Recurring EBITDA, excluding management fees, the impact of goodwill allocation and €3.2 million in exceptional costs.
(2) Amount of equity invested by Wendel as of December 31, 2014, for the 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, crispy-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 approximately 600 automatic lines in more than 50 countries worldwide, representing 20,000 metric tons of goods produced by Mecatherm lines every day. NOP has strong competitive advantages, including:

- unique R&D and product innovation know-how with its team of 25 professionals. Since 1995, Mecatherm has launched nearly 20 new products and has about 15 active patents;
- strong brands (Mecatherm and Gouet) and the trust of its customers (50% have been customers for over ten years), illustrated by its position as world leader;
- a sales network that has almost 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, tanks). 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* Orange-Nassau Développement in October 2011.

Highlights of 2014

Mecatherm's sales totaled €104.7 million in 2014, up 8.9% from the previous year.

Following on from the first half of 2014, new firm orders over 12 months were up 26% and totaled €132 million as of December 31, 2014, a record high. Mecatherm's business is benefiting from the recovery of investment in Europe, the successful launch of new products (S-Line and Mecaflow) and significant commercial successes in the rest of the world.

In this context of record business growth, Mecatherm invested in restructuring the group (new IT system, production reorganization) and strengthened its management team by bringing on three new executives (Operations, Finance, Marketing & Business Development). These efforts are set to continue in 2015.

In 2014, recurrent EBITDA declined by 13.3% to €14.4 million, before €3.2 million in exceptional costs related to the restructuring. Profitability was impacted by the record inflow of new orders, in particular in new segments, which necessitated additional operational and commercial costs.

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 achieved 25% of its orders in 2014;
- 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 April 2014, Olivier Sergent was named Chairman of Mecatherm, and Bernard Zorn retired after 40 years of dedicated service to developing the company.

Plan Mecatherm 2020

This year, Mecatherm confirmed its strategic growth plan named "Mecatherm 2020". The company is targeting €400 million in sales and €70 million in EBITDA, an 18% margin, by 2020. The plan provides for the optimization of Mecatherm's industrial organization, pursued R&D efforts, a reinforced service offering, and targeted external growth transactions.

In millions of euros	2014	2013	Δ
Net sales	104.7	96.1	+8.9%
Recurring EBITDA[1]	14.4	16.6	-13.3%
as a % of net sales	*13.8%*	*17.3%*	*-350 bps*
Net financial debt	€46.1 million	€49.9 million	€-3.8 million

(1) Recurring EBITDA, excluding management fees, the impact of goodwill allocation and €3.2 million in exceptional costs.

Top management

Olivier Sergent, Chairman and 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*

1.10.10 Van Gansewinkel Groep

From waste collection to new raw materials

Van Gansewinkel is a European waste service provider as well as a raw materials and energy supplier. The group finds innovative solutions to give waste products a second life to more than 80% of the processed waste, in the form of raw materials or green 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

€1,002 million in sales in 2013	Present in 9 countries	Stake held by Wendel: 8%	Amount invested* by Wendel: €37 million since 2006

* *Amount of equity invested by Wendel as of December 31, 2014, for the 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 2014

Van Gansewinkel Groep implemented a program to reduce eight waste collection zones in the Benelux countries 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.

Van Gansewinkel and DAF Trucks signed in November a new, five-year contract for managing all of the truck producer´s residual materials in the Netherlands. A vital element of this contract is the specific Scrap Metal Management (SMM) which Van Gansewinkel has already been successfully implementing in recent years at the Eindhoven-based truck manufacturer. For DAF, Van Gansewinkel has an important role in their efforts to achieve "zero waste to landfill," to avoid the need to dump residual materials.

Coolrec PHB, a subsidiary of Van Gansewinkel, officially opened in November as well its new factory in Waalwijk. With the new location, the plastics reprocessor now has three expanded production lines and more than enough storage space, necessary for handling the ever-growing demand from the market. On the new site the producer of secondary raw materials can collect over 35,000 to 40,000 tonnes of discarded plastic and recycle it into high-quality raw materials each year.

Van Gansewinkel Groep is present in the Benelux countries, Germany, France, Czech Republic, Poland, Portugal and Hungary.

Wendel's involvement

Board of Directors: Dirk-Jan Van Ommeren (Chairman)

For more information, please visit: *vangansewinkelgroep.com*

1.10.11 Saham Group

Saham Group, diversified insurance leader in Africa

Saham Group is a diversified, pan-African group with two historical businesses: insurance and customer relationship centers. It is also expanding in real estate and healthcare so as to take advantage of synergies with its insurance activities. Saham Group offers an attractive opportunity to access African growth. It operates in 20 African countries, which already represent nearly 50% of the continent's GDP.

Saham Group in brief

Present in 22 countries	6,421 employees	58 subsidiaries in the world	Largest pan-African insurance group (excluding South Africa)
MAD 6,204 million in net written premiums in 2014*	€790 million in consolidated sales*	Stake held by Wendel: 13.3%	Amount invested by Wendel: €100 million in 2013

* *Unaudited 2014 data.*

Why did we invest in Saham Group?

On November 28, 2013, Wendel made its second investment in Africa, becoming a shareholder of the Saham Group, based in Morocco and majority-held by its founder and CEO. Wendel intends to support this pan-African group in its future, long-term growth and development. Moulay Hafid Elalamy is a Moroccan entrepreneur who enjoys a strong reputation in Africa. Since 1995 he has successfully built a multiservices group operating in insurance, customer relationship centers, healthcare and real estate. Saham Group leverages the broad sectoral and geographic diversification of its activities and its highly experienced management.

Insurance

The insurance market in Africa is developing rapidly, driven in particular by population growth, a fast-rising standard of living and regulatory changes that are likely to further increase demand. Insurance penetration continues to be very low (0.5% to 3.2%) in Sub-Saharan Africa compared to average global rates (7-8%), and since 2007 the insurance market (based on premiums) has been growing about 8% a year on average.

Saham Finances is the largest insurer in Africa (excluding South Africa). The group is present principally in non-life insurance in 20 African and Middle Eastern countries, via 44 companies. The group's principal insurance companies include:

- in Morocco, Saham Assurance, the leading property & casualty insurer, and Saham Assistance, the leading provider of assistance services;
- in Africa, Saham ACO (formerly Colina), the leading insurer in Africa's Cima region (Inter African Conference for the Insurance Market);
- in Lebanon, LIA Insurance, with a strong presence in automotive, health and life insurance; and
- in Angola, GA Angola Seguros, the leading private company in the country with 16% of a very fast-growing market.

Saham Finances employs 2,051 people and reported gross premiums written of MAD 6,204 million in 2014, up 10.4% from 2013.

Assistance

Saham Assistance is specialized in travel, vehicle and health assistance. Saham Assistance has a wide distribution network, backed by 600 intervention spots across Morocco, more than 400,000 service providers in addition to 240 correspondents through the network of Mondial Assistance group worldwide.

Saham Assistance currently leads the assistance sector in Morocco and is beginning to export its expertise to other countries in Africa, in particular Côte d'Ivoire and Cameroon.

Healthcare

With Asisa, a Spanish leader in health insurance and care centers, Saham Group offers a unique range of services in its diagnostic centers, which it intends to deploy in Africa. Saham Group also aims to develop an international network of clinics.

Customer relationship centers

Phone Group (40% held by Saham Group, alongside Bertelsmann) was a pioneer in customer relationship centers in Morocco. Phone Group employs nearly 4,000 people in its ten contact centers in Africa, including eight in Morocco

Real estate

Leveraging its experience in insurance, Saham Group manages residential and social real estate development projects in Morocco and Côte d'Ivoire.

Proven ability to build partnerships with top-ranking players

Saham Group has both business and ownership ties to top-ranking international financial and strategic partners such as IFC (World Bank), Abraaj Capital, Bertelsmann and Asisa. These partnerships have enabled Saham to step up its growth and support its African and Middle Eastern development strategy.

Its position as a leading insurance player in Africa and its development and diversification strategy are assets that make Saham Group a promising contributor to Wendel's strategy in Africa.

Highlights of 2014

In the insurance segment, all Saham Group entities saw net premiums rise in 2014, with an overall increase of 10.4% in net premiums written. Premium income grew by more than 5.2% in Morocco (ca. 50% of net premiums), and growth was particularly robust in Angola (GAAS up 72.6%), owing to good performance in the Automotive, Technical Risks and Maritime Transport divisions. Saham Group made acquisitions in several countries through its Saham Finances subsidiary (non-life insurance in Nigeria, life and non-life insurance in Rwanda, as well as in Saudi Arabia) and is considering several other deals in Africa and the Middle East.

After a more challenging 2013, revenue from the customer relations center business grew 9.8% in 2014. In addition, Saham Group has recently acquired the segment leader in Egypt.

Finally, Saham is pursuing the growth and development of its Healthcare and Real Estate businesses. In Healthcare, the group pursued several private hospital and diagnostic & pathology lab projects (acquisitions and greenfield operations) in Morocco, Côte d'Ivoire and Egypt.

A €100 million investment for Wendel

Wendel has invested €100 million in the Saham Group for 13.33% of the share capital and is the group's largest shareholder, alongside its founder, Moulay Hafid Elalamy. Wendel has a seat on the Board of Directors. Since Saham Group did not require fresh capital in 2014, Wendel did not exercise its option to invest an additional €150 million.

Top management

Moulay Hafid Elalamy, Chairman

Saad Bendidi, Deputy CEO

For more information, please visit: *saham.com*

Wendel's involvement

Board of Directors: Stéphane Bacquaert

Board of Directors of Saham Finances: Jean Azéma, former CEO of Groupama

1.10.12 Nippon Oil Pump (NOP)

NOP innovates to drive growth

NOP leads the Japanese market for the design, development and manufacture of trochoid pumps, rotary vane pumps, and hydraulic motors. It also has worldwide leadership positions in the trochoid pump segment. These pumps are used principally to circulate oil in machine tools, for the purposes of lubrication and cooling.

NOP in brief(1)

2 production sites		Market leader in Japan for trochoid pumps, water pumps and hydraulic motors	Approx. 220 employees
¥5.4 billion in sales in 2014	16.7% EBITDA margin*	Stake held by Wendel: 97.7%	Amount invested by Wendel: ¥3.3 billion in 2013

* *EBITDA and adjusted operating income excluding management fees and the impact of goodwill allocation.*

Why did we invest in NOP?

Founded 96 years ago, Nippon Oil Pump leads the Japanese market for the design, development and manufacture of trochoid pumps, water pumps, and hydraulic motors and has worldwide leadership positions in the trochoid pump segment. Its products are used principally to circulate oil in machine tools, for the purposes of lubrication and cooling. NOP has strong competitive advantages, including:

- unique R&D and product innovation know-how, enabling NOP to meet the detailed specifications of machine tool manufacturers;
- a strong brand and customer confidence, illustrated by its leadership positions in Japan;
- a flexible industrial model, allowing NOP to provide quality customer service (*e.g.* short delivery periods);
- significant barriers to entry, due to the high penetration rate of NOP's products in the installed fleet of machine tools in Japan and the lengthy procedures required to obtain referencing with customers.

The group's development is based on markets offering significant long-term growth, such as the continued industrialization of emerging markets and the modernization of machine tool fleets to keep pace with constant innovation.

Wendel's investment in NOP is its first direct investment in Japan since opening an office there in 2008. Although small, the size of this investment corresponds to Wendel's strategy in Japan: build a reputation over time as a long-term investor with a three-century industrial heritage. NOP enjoys a solid business base underpinned by strong leadership positions in Japan and offers significant scope for international growth, which Wendel intends to support, in particular with the help of its teams at Wendel Japan.

Highlights of 2014

In 2014, Nippon Oil Pump's sales totaled ¥5,339 million, up 10.2%. This increase derived from improvement in the sales of trochoid pumps (up 11%), and from the excellent performance of new products (Vortex and hydraulic pumps), whose sales nearly doubled during the year.

EBITDA increased by 5.1% in 2014 to ¥891 million. Nevertheless, the margin contracted by 80 basis points from 17.5% to 16.7%, because increases in raw material prices (higher electricity costs since the Fukushima accident), labor costs and procurement costs reduced Nippon Oil Pump's profitability.

Nippon Oil Pump's net debt totaled ¥3,804 million as of December 31, 2014, representing leverage of less than 4.5 times EBITDA.

Outlook for development

The group's development is based on four main strategic pillars:

- ongoing product innovation, such as the development and launch of its new Vortex pump range enabling end users to achieve considerable savings in terms of space and maintenance costs;
- continued optimization of its operating structure to implement increasingly flexible and responsive manufacturing processes and to further improve customer service (shorter delivery periods);

(1) The figures provided for Nippon Oil Pump are in Japanese GAAP.

- development of sales in nearby regions with high growth potential (Taiwan and India) and in Europe, where the group has yet to establish a presence;
- targeted acquisitions and partnerships to support the group's sales development;

The implementation of these strategic plans, combined with NOP's recognized know-how in Japan and rigorous financial management, will enable the group to replicate its successful business model internationally, while consolidating its leadership positions in Japan.

In millions of yen, in Japanese GAAP	2014	2013	Δ
Net sales	5,338.7	4,844.4	+10.2%
EBITDA(1)	891.4	847.9	+5.1%
as a % of net sales	*16.7%*	*17.5%*	*-80 bps*
Adjusted operating income(1)	736.9	638.4	+15.4%
as a % of net sales	*13.8%*	*13.2%*	*+120 bps*
Net financial debt	3.804	4.079	¥-275 million

(1) EBITDA and adjusted operating income excluding management fees and the impact of goodwill allocation.

Top management

Masato Nakao, CEO

For more information, please visit: *nopgroup.com*

Wendel's involvement

Board of Directors: Makoto Kawada, Shigeaki Oyama, Bruno Fritsch.

1.10.13 CSP Technologies

CSP Technologies, a global provider of custom polymeric solutions and specialty protective packaging

CSP Technologies designs and manufactures patented packaging solutions for moisture- and/or oxygen-sensitive products in the healthcare industry and has a growing presence providing packaging solutions for the food and consumer end-markets. The company is the global leader in diabetes test strip packaging (desiccant plastic vials and containers), supported by its Six Sigma level production quality.

CSP Technologies in brief

2 manufacturing plants in the United States and France	Approx. 400 employees	Over 350 global patents	Global leader in diabetes test strip packaging vials
EBITDA of ~$34 million in 2014*	Revenue of $103 million in 2014*	Stake held by Wendel: 98%	Amount invested by Wendel: $198 million in January 2015

* *US GAAP, unaudited.*

Why did we invest in CSP Technologies?

On December 4, 2014, Wendel entered into exclusive negotiations with a view to acquiring CSP Technologies and closed the transaction on January 29, 2015 at an enterprise value of US$360 million. CSP Technologies is a global provider of custom polymeric solutions and specialty protective packaging and has a number-one global market share in diabetes test strip packaging with its patent-protected desiccant plastic vials.

CSP Technologies was founded in 1928 as a milk bottling and distribution business, and, beginning in 1983, transitioned to become a leading specialty packaging provider. CSP focuses on the healthcare, food, and consumer markets, where customers require highly customized, Six Sigma quality solutions for their moisture and/or oxygen sensitive products. The company operates from two state-of-the-art manufacturing plants globally in Auburn, Alabama (United States) and Niederbronn (France) and employs 400 people.

This investment, advised by Wendel North America one year after its launch in New York, capped more than a year of active dialogue with CSP's founder and management team. The investment fully aligns with Wendel's priorities: CSP Technologies is a global leader; an integral part of the industrial landscape in Alabama and Alsace; operates worldwide; and is supported by long-term trends. CSP's management team has established a long track record of consistent growth by focusing its efforts on quality and innovation, bringing the company significant potential to expand to new markets and geographies.

Healthcare

The healthcare segment represents approximately three-quarters of CSP's revenue. CSP is the leading supplier of vials for blood glucose test strips used by people with diabetes. The company also produces specialty packaging for nicotine lozenges, probiotics, vitamin supplements, transdermal patches, and other uses in the healthcare industry.

CSP's key customers include the 'Big Four' global pharmaceutical companies in the blood glucose test strip market and other leading global pharmaceutical companies. These customers operate in highly-regulated markets and have come to depend on CSP's best-in-class product functionality, quality and reliability.

Food and Consumer

CSP also provides innovative and technical solutions to the food markets (dairy and confectionary, in particular) and the cups industry. Sales into these end-markets comprise approximately one quarter of CSP's revenue. CSP has been the sole supplier of packaging vials for a major global confectionary maker for over 19 years. Additionally, CSP is the world's leading supplier of testing vials for the dairy industry, serving the United States and Europe. Further, CSP is a differentiated supplier of travel cups, tumblers, and children's spill-proof cups for the U.S. fundraising industry. CSP continues to develop its expertise in protective packaging solutions utilizing the company's advanced polymeric capabilities, while reaching out to new customers and new geographic markets.

Manufacturing Operations and Intellectual Property

CSP has invested more than $125 million in its two state-of-the-art manufacturing facilities in Auburn, Alabama (United States) and Niederbronn (France), including more than $20 million to develop and install proprietary Vial Inspection Machines (VIM) that inspect 100% of desiccant vials prior to shipment. These facilities provide CSP the ability to manufacture a superior product with unmatched quality that is above Six Sigma quality standards.

Customers work with CSP's world-class engineers and scientists to jointly develop new products that exactly meet their needs. As a result, CSP has obtained over 350 patents worldwide to protect its product designs and manufacturing processes.

Outlook for development

CSP Technologies has grown revenue at a 9% CAGR over the past ten years, and the following pillars are expected to support continued growth in the future:

- organic growth generated by its existing products in addition to potential for long-term growth driven by the increased use of blood glucose test strips in developed countries and the rising prevalence of diabetes in emerging markets;
- ability to utilize its sales force and R&D teams to offer new specialized packaging solutions to existing customers;
- development of polymer packaging solutions adapted to new end markets encountering quality and protection issues;
- selective acquisition of companies that offer the same level of quality, technological advancement and engineering expertise to customers.

Top management

John Belfance, Chairman and CEO

Wendel's involvement

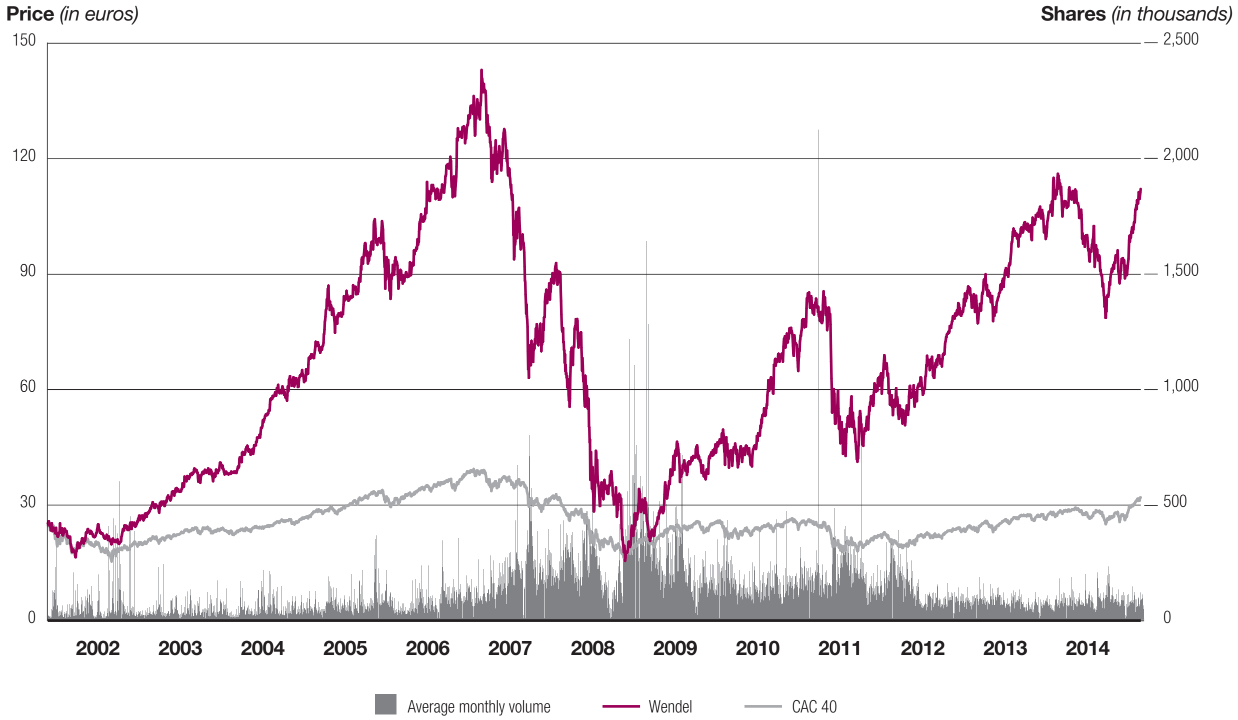
Board of Directors of CSP Technologies: Bernard Gautier, David Darmon, Patrick Tanguy, Jean-Yves Hemery, and Mel Immergut*

* *Advisory board member*

For more information, please visit: *csptechnologies.com*

1.11 Shareholder information

1.11.1 Market data



Change in CAC 40 and Wendel share price rebased to compare with the Wendel share price on June 16, 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 16, 2015	Total returns for the period	Annualized return over the period
Wendel	341.6%	15.0%
CAC 40	27.9%	5.4%

Share data

Listing market: EUROLIST SRD, Compartment A
ISIN code: FR0000121204
Bloomberg code: MF FP

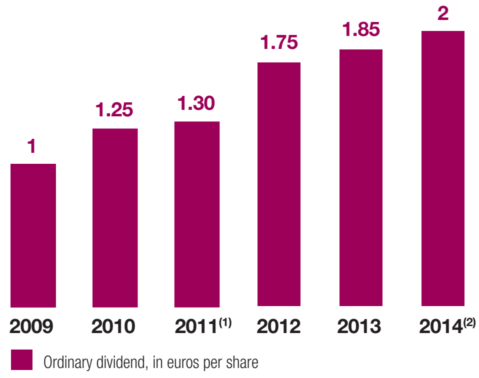
Reuters code: MWDP. PA
Abbreviation: MF

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: 47,796,535 as of December 31, 2014.

1.11.2 Dividends

Ordinary dividend, in euros per share

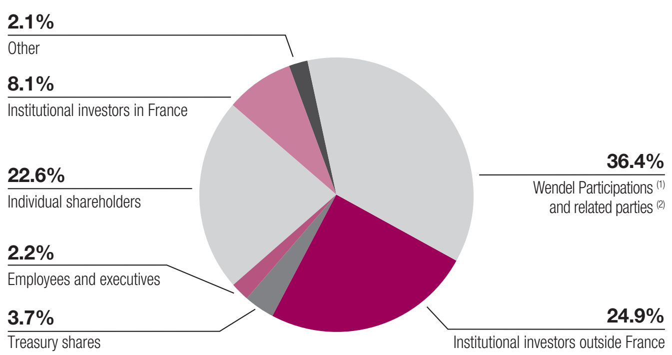


(1) *The 2011 ordinary dividend included an exceptional distribution of 1 Legrand share for every 50 Wendel shares held.*

(2) *The 2014 dividend is subject to shareholder approval at the Annual Shareholder's Meeting on June 5, 2015.*

1.11.3 Shareholders

As of December 31, 2014



(1) Formerly SLPS.

(2) *Pursuant to Article L. 233-10 of the French Commercial Code, the figures include Wendel-Participations and its Chairman.*

1.11.4 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 2014, the Wendel Group pursued its communications policy dedicated to the 40,000 individual shareholders who represent nearly 22.6% of its capital. This high rate of individual share ownership makes Wendel the company among the large-cap 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 four times in 2014 and four of its members were replaced. In June 2015, the composition of the Shareholders Advisory Committee will again change and the Committee will have nine members.

Wendel again took part in Actionaria, a trade show bringing companies and shareholders face to face, held in Paris in November 2014.

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 2014, the Investor Relations team, the members of the Executive Board and the Group Vice-President for Finance participated in 24 different road shows and investor conferences in France, the United Kingdom, Germany, Switzerland, the United States, Canada, Japan and Singapore, enabling them to meet with more than 300 stock and bond investors.

Agenda 2015

Shareholders' Meeting, publication of NAV and trading update	Friday, June 5, 2015
Publication of first-half 2015 earnings (pre-market release)	Thursday, September 10, 2015
Investor Day, publication of NAV and trading update (pre-market release)	Thursday, December 3, 2015

Contacts

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Toll-free number (in France): 0 800 897 067

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Christine Anglade Pirzadeh,

Director of Communications and Sustainable Development

e-mail: c.angladepirzadeh@wendelgroup.com

Olivier Allot,

Director of Financial Communication

e-mail: o.allot@wendelgroup.com

(1) source : Le Revenu, March 2015.

1.11.5 Trading in Wendel shares

Date	Average closing price 1 month	Intraday high	Intraday low	Average daily trading volume
January 2012	54.96	58.91	49.56	7,201,035
February 2012	61.12	63.93	56.41	8,023,208
March 2012	64.88	69.03	58.97	11,203,306
April 2012	57.38	64.92	53.03	13,989,956
May 2012	55.24	60.60	51.43	10,568,184
June 2012	53.69	58.40	49.70	9,050,481
July 2012	58.71	62.36	55.16	7,161,849
August 2012	60.61	63.50	56.99	3,743,526
September 2012	65.11	68.95	59.50	5,673,816
October 2012	66.18	68.75	62.58	5,528,204
November 2012	68.41	72.80	65.77	4,778,196
December 2012	75.04	77.85	72.00	6,285,677
January 2013	79.94	82.90	77.77	6,518,640
February 2013	81.53	85.98	78.60	6,603,960
March 2013	84.65	87.39	80.75	6,386,513
April 2013	81.14	84.84	76.36	7,422,144
May 2013	86.04	89.99	79.60	6,474,729
June 2013	82.90	86.21	77.70	7,191,806
July 2013	83.96	87.72	79.41	6,997,295
August 2013	89.91	93.40	85.55	5,815,621
September 2013	98.32	103.25	91.58	8,372,931
October 2013	100.52	103.00	97.13	6,130,918
November 2013	102.20	104.00	100.25	4,749,449
December 2013	103.35	106.20	98.55	6,741,048
January 2014	104.72	107.90	99.55	6,992,294
February 2014	104.86	108.90	98.25	5,197,135
March 2014	111.81	116.20	105.00	8,706,018
April 2014	109.69	114.90	105.00	8,379,951
May 2014	109.75	113.25	107.00	8,366,000
June 2014	108.61	112.50	103.60	7,251,077
July 2014	100.46	106.90	96.54	8,238,385
August 2014	96.81	102.85	91.19	6,424,272
September 2014	93.65	97.67	89.48	7,897,726
October 2014	84.08	89.98	76.20	9,968,689
November 2014	91.48	95.29	86.95	7,062,255
December 2014	92.21	96.50	86.50	6,370,964
January 2015	93.82	100.30	88.69	7,415,525
February 2015	104.22	109.40	99.25	7,251,542

Source: Euronext.

1.11.6 Documents available to shareholders and the public

In accordance with applicable law, the Company's by-laws, minutes of Shareholders' Meetings and certain 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 2 as well as the consolidated financial statements and corresponding audit report on pages 147-227 of the 2012 registration document filed with the AMF on April 8, 2013 under number D. 13-0311;
- the key figures on page 2 as well as the consolidated financial statements and corresponding audit report on pages 149-253 of the 2013 registration document filed with the AMF on April 22, 2014 under number D. 14-0387.

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.

Main press releases published by the Company since January 1, 2014:

March 27, 2015: Wendel announces the completion of the acquisition in Austria of Constantia Flexibles, a world leader in flexible packaging

March 26, 2015: 2014 earnings: Investment activity stepped up and numerous strategic objectives already achieved in 2014

March 6, 2015: Wendel announces the completion of the sale of 10.9% of Bureau Veritas' share capital

March 5, 2015: Wendel sells 10.9% of Bureau Veritas' share capital

March 2, 2015: The H. Turnauer Foundation will invest €240 million alongside Wendel in the Austrian group Constantia Flexibles

January 30, 2015: Wendel: successful issue of €500 million in a 12-year bond bearing interest at 2.50%

January 30, 2015: Bureau Veritas acquires a laboratory to test consumer products in China

January 30, 2015: Investment firm Wendel acquires Alabama-based plastics packaging company, CSP Technologies

January 12, 2015: Bureau Veritas pursues its development in China, with the acquisition of Ningbo Hengxin

January 9, 2015: Appointments

January 7, 2015: Bureau Veritas enters the mandatory technical supervision market for power generation and distribution construction projects in China

December 23, 2014: Wendel is to acquire Austrian group Constantia Flexibles, a world leader in flexible packaging

December 15, 2014: IHS Holding acquires over 1,100 towers from Airtel in Zambia and Rwanda

December 10, 2014: Wendel is successfully continuing to extend its debt maturities and to reduce its cost

December 4, 2014: Wendel enters into exclusive negotiations with the intent to acquire CSP Technologies, a US-based high-performance plastics packaging company

December 4, 2014: Investor Day 2014 - Net asset value of €129.1 per share and continued implementation of the 2013-2017 strategy

November 7, 2014: Consolidated sales up 12.1% in Q3 2014, including 2.7% organically

November 3, 2014: Wendel has committed an additional $304 million in IHS, which will bring its total investment to $779 million

October 31, 2014: Materis finalizes the sale of Chryso

September 25, 2014: Successful issue of €300 million in a 10-year bond bearing interest at 2.75%

September 18, 2014: Wendel has cancelled 2% of its share capital

September 3, 2014: Bureau Veritas makes a new acquisition in the United States: MatthewsDaniel

August 28, 2014: Positive first-half results affected by changes in scope and the economic climate

August 19, 2014: Bureau Veritas makes a new acquisition in the United States: Analysts

August 18, 2014: Materis completes successful refinancing of Materis Paints and Chryso, and enters into exclusive talks to sell Chryso

August 7, 2014: IHS Holding acquires 2,136 towers in Nigeria from Etisalat Nigeria

July 23, 2014: Bureau Veritas makes a new acquisition in Brazil: Sistema Pri

July 22, 2014: Materis: Sale of ParexGroup completed

July 7, 2014: Wendel returns to investment grade

June 30, 2014: 2014 capital increase reserved for members of the Wendel Group savings plan

June 11, 2014: 2014 Combined Shareholders' Meeting

June 6, 2014: NAV at €151.8 published at Annual Meeting of Shareholders

May 13, 2014: Consolidated sales up 2.5% in Q1 2014

May 7, 2014: Wendel announces the completion of the sale of 4.3% of Saint-Gobain's share capital

May 6, 2014: Wendel to adjust down its stake in Saint-Gobain

April 30, 2014: Stahl completed the acquisition of Clariant Leather Services

April 23, 2014: Information available concerning the 2013 Reference Documentf

April 23, 2014: Annual General Meeting set for June 6, 2014

April 16, 2014: Wendel increases its total investment in IHS to $475 million

March 27, 2014: Robust 2013 earnings and record high net asset value

March 3, 2014: Wendel supports IHS Holding in a new capital increase, boosting its total investment to $428 million

January 13, 2014: Wendel successfully extends its debt maturities, thereby confirming its sound financial structure

2

CORPORATE GOVERNANCE

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2.4 STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH THE ARTICLE L.225-235 OF THE FRENCH COMMERCIAL CODE (CODE DE COMMERCE) ON THE REPORT PREPARED BY THE CHAIRMAN OF THE SUPERVISORY BOARD OF WENDEL **111**

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 25, 2015, 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 Frédéric 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 2.1.7.8 “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 currently 65, and is expected to be raised to 70 through a vote at the Shareholders’ Meeting on June 5, 2015. Removal of a member of the Executive Board does not cause his or her employment contract, if applicable, to be terminated.

If an Executive Board member becomes unavailable, another Executive Board member can bridge the transition period until the Supervisory Board makes a new appointment.

Christine Anglade Pirzadeh, Director of Communications and Sustainable Development, has been Secretary of the Executive Board since June 2013.

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

Frédéric 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
French nationality

Business address:
Wendel
89, rue Taitbout
75009 Paris
France

Career path:

Frédéric 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 Cœur 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 to 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, 2014:

Wendel Group:
Listed companies:
Chairman of the Board of Directors of Bureau Veritas
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
Permanent representative of Trief SA on the Boards of Directors of Winvest International SA Sicar, Oranje-Nassau Développement SA Sicar, Expansion 17 SA Sicar, and Global Performance SA Sicar

Director of Winvest Conseil SA

Other appointments: none

Appointments expired in the last five years:

Vice-Chairman of the Board of Directors of Bureau Veritas (2009-2013)
Director of Legrand (2009-2013)
Director of Flamel Technologies (2005-2011)
Director of Groupama (2005-2012)
Chairman of Winbond SAS (2009-2011)

Number of Wendel shares held as of December 31, 2014: 163,573

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
French nationality

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 venture capital fund Atlas Venture, where he was Senior Partner and manager of the 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, 2014:

Wendel Group:
Listed company:
Director of Saint-Gobain

Unlisted companies:
Director of Stahl Holding BV, Winvest Part BV, Stahl Group SA, Stahl Lux 2 SA, and Stichting Administratiekantoor II Stahl Groep II, and member of the Management Board of Materis Parent Sàrl
Director of Trief Corporation SA

Director and Chairman of Winvest International SA SICAR, Oranje-Nassau Développement SA SICAR, Global Performance 17 SA SICAR, Expansion 17 SA SICAR, and Winvest Conseil SA

Manager of CSP Technologies Sàrl and Constantinople Acquisition GmbH

Director of Wendel Japan KK, Sofisamc, and IHS Holding Ltd

Appointments expired in the last five years:

Director of Communication, Media Partner (2013)
Vice-Chairman of the Board of Directors of Deutsch Group SAS (until April 3, 2012)
Member of the Supervisory Board of Legron BV (until July 2, 2010)

Number of Wendel shares held as of December 31, 2014: 275,444

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. 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 25 times in 2014.

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

- investments and divestments, including:
  - sale of a 4.3% stake in Saint-Gobain,
  - additional investments in IHS Holding,
  - the acquisition of CSP Technologies,
  - the acquisition of Constantia Flexibles,
  - and several other opportunities, including four that resulted in firm offers;
- the Group's financial position;
- subsidiaries and investments and their acquisitions and divestments:
  - Materis' sales of Kerneos, Parex Group, and Chryso,
  - Stahl's acquisition of Clariant Leather Services.

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

- the Company's overall strategy and positioning;
- ongoing financial transactions, which in 2014 included:
  - bond issues in January, September, and December,
  - the negotiation of a new bank line of credit,
  - the cancellation of 2% of shares in September;
- 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,
  - sustainable development,
  - the training plan,
  - compensation policy,
  - allocation of stock options and performance shares and the capital increase reserved for employee members of the Group savings plan, subject to approval by shareholders at their Annual Meeting,
  - insurance and pension plans;
- Group governance and the preparation of the Executive Board's quarterly reports to the Supervisory Board;
- disputes and litigation in progress;
- corporate sponsorship initiatives, including support for the Centre Pompidou-Metz as a Founding Sponsor and for the Wendel International Center for Family Enterprise (at Insead business school);
- 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.

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. 14 as amended.

In its meeting of March 27, 2013, the Supervisory Board appointed François de Wendel as Chairman and Dominique Hériard Dubreuil as Vice-Chairman of the Supervisory Board.

In 2014 the Supervisory Board was composed of 11 members appointed by shareholders at their Annual Meeting. A 12th Supervisory Board member representing employees and designated by the Company's Works Council has been attending Supervisory Board meetings since December 3, 2014.

The expiry dates for the terms of each member as of December 31, 2014 were as follows:

- 2015:
  - Humbert de Wendel,
  - Gérard Buffière,
  - Didier Cherpitel;
- 2016:
  - François de Wendel;
- 2017:
  - Bénédicte Coste,
  - Priscilla de Moustier,
  - Édouard de l'Espée,
  - Laurent Burelle;
- 2018:
  - Dominique Hériard Dubreuil,
  - Jean Michel Ropert,
  - Guylaine Saucier,
  - Christian d'Oosthove.

Humbert de Wendel agreed to seek renewal of his term, which expires at the close of the Annual Meeting of June 5, 2015. However, Gérard Buffière and Didier Cherpitel, whose terms also expire at the close of the Meeting, will not seek the renewal of their terms. As a result, two new independent Supervisory Board members—Jacqueline Tammenoms-Bakker, who is Dutch, and Gervais Pelissier—will be proposed to shareholders at their Annual Meeting of June 5, 2015. Their biographies can be found below (in section 2.1.2.2).

In accordance with France's job protection act of June 14, 2013, and with the amendment to the Company's by-laws approved by shareholders at their Annual Meeting of June 6, 2014, the Company's Works Council appointed Jean Michel Ropert on November 20, 2014 as a Supervisory Board member representing employees. His term will last four years and is conditional on his remaining an employee of the Company. His biography can be found below (in section 2.1.2.2).

Consequently, only one Works Council member now attends Supervisory Board meetings, in a consultative role. From the Supervisory Board meeting of June 9, 2008 until that date, two representatives of the Works Council attended 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 on corporate boards: at least 40% at the close of the Shareholders' Meeting held in 2016. In addition, a French law enacted on January 27, 2011, on gender equality on corporate boards and in the workplace, stipulates that this same percentages be attained in 2017.

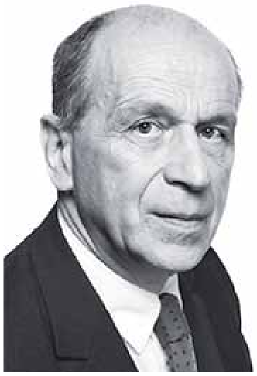
As of the publication of this Registration Document, Wendel's Supervisory Board has four women: Dominique Hériard Dubreuil, Vice-Chairman of the Supervisory Board, and Guylaine Saucier, Chairman of the Audit Committee, whose terms were renewed at the Annual Shareholders' Meeting in 2014; Bénédicte Coste and Priscilla de Moustier, who were appointed by shareholders at their Annual Meeting in 2013. If approved by shareholders at their Annual Meeting of June 5, 2015, Jacqueline Tammenoms-Bakker will also be appointed to the Supervisory Board. This would increase the number of women on Wendel's Supervisory Board to five out of eleven, or 45% above the target in the Afep-Medef recommendation for 2016 and required by French law for 2017.

Supervisory Board members representing employees are not included in the calculation of the percentage of women on the Board, in accordance with French law.

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, will end at the close of the following Ordinary Shareholders' Meeting.

During its March 27, 2013 meeting, the Supervisory Board appointed Ernest-Antoine Seillière as Honorary Chairman of Wendel.

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



François de WENDEL

Chairman of Wendel's Supervisory Board

Date appointed to first term: May 31, 2005
Current term expires:
Annual Meeting to be held in 2016
Born on January 13, 1949
French nationality

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 as of December 31, 2014:

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

Other appointments:
Director of Burelle SA and member of the Audit Committee (listed company)
Director of Massilly Holding (unlisted company)

Appointments expired in the last five years:

Vice-Chairman of the Supervisory Board of Wendel (2013)

Number of Wendel shares held as of December 31, 2014: 77,693

Dominique HÉRIARD DUBREUIL

Vice-Chairman of the Supervisory Board Member of the Governance Committee

Date appointed to first term: June 4, 2010
Current term expires:
Annual Meeting to be held in 2018
Born on July 6, 1946
French nationality

Business address:
Rémy 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 as of December 31, 2014:

Principal positions:
CEO and member of the Executive Committee of Andromède (unlisted company)
Chairman of E. Rémy Martin & Cie. (unlisted company)
Director of Rémy Cointreau (listed company)
Chairman of Cointreau (unlisted company)

Other appointments:
Director of the Fondation de France
Member of the Governance Committee Director of the 2nd Chance Foundation
Director of the Colbert Committee and the Federation of Wine and Spirit Exporters (FEVS)

Appointments expired in the last five years:

Member of the Supervisory Board of Vivendi (listed company)
Chairman of the Board of Directors of Rémy Cointreau
Member of the Medef Executive Council, Director of Afep
Chairman of Vinexpo Overseas and member of the Supervisory Board of Vinexpo SAS (unlisted companies)
Director of Baccarat
Director of INRA

Number of Wendel shares held as of December 31, 2014: 1,500

Gérard BUFFIÈRE

Member of Wendel's Supervisory Board

Member of the Governance Committee

Date appointed to first term: May 30, 2011
Current term expires:
Annual Meeting to be held in 2015
Born on March 28, 1945
French nationality

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. Gérard Buffière was Chairman of the Executive Board from January 1, 2003, to May 3, 2005, on which date he was appointed as a member of the Board of Directors and the Chief Executive Officer of Imerys, coinciding with the change in the company's governance structure.

Appointments as of December 31, 2014:

Listed companies:
Director of Imerys
Member of the Supervisory Board of Tarkett

Appointments expired in the last five years:

CEO of Imerys (2011)

Number of Wendel shares held as of December 31, 2014: 500

Laurent BURELLE

Member of Wendel's Supervisory Board

Date appointed to first term: May 28, 2013
Current term expires:
Annual Meeting to be held in 2017
Born on October 6, 1949
French nationality

Business address:
Compagnie Plastic Omnium
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 as of December 31, 2014:

Principal positions:
Chairman & CEO of Compagnie Plastic Omnium (listed company)
Director and Deputy CEO of Burelle SA since 1986 (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 of Sofiparc SAS
Chairman and member of the Supervisory Committee of Plastic Omnium Environnement SAS
Chairman of Plastic Omnium Auto Exteriors SAS
Chairman of Inergy Automotive Systems SAS

Germany:
Member of the Beirat (Advisory Board) of Plastic Omnium GmbH

China:
Chairman of Plastic Omnium Holding Co. Ltd (Shanghai)

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

United States:
Chairman of Plastic Omnium Inc.

Netherlands:
Chairman of Plastic Omnium International BV

Other appointments:

Director of Pernod Ricard (listed company)
Director of Lyonnaise de Banque (unlisted company)

Member of the Supervisory Board of Labruyère Eberlé SAS (unlisted company)

Chairman of CIE Financière de la Cascade SAS (unlisted company)

Director of Afep

Vice-Chairman of Institut de l'Entreprise

Appointments expired in the last five years:

France:
Chairman of Plastic Omnium Auto SAS (2013)

United Kingdom:
Chairman of Plastic Omnium Ltd. (2013)

United States:
Chairman of Plastic Omnium Automotive Services Inc. (2012)
Director of Inergy Automotive Systems LLC (2012)
Chairman of Plastic Omnium Auto Exteriors LLC (2011)
Chairman of Performance Plastics Products – 3P Inc. (2011)
Chairman of Plastic Omnium Industries Inc. (2011)

Switzerland:
Director of Signal AG (2014)

Germany:
Manager of Plastic Omnium GmbH (2014)

Number of Wendel shares held as of December 31, 2014: 3,500

Didier CHERPITEL

Member of Wendel's Supervisory Board

Chairman of the Governance Committee

Member of the Audit Committee

Date appointed to first term: June 13, 1998
Current term expires:
Annual Meeting to be held in 2015
Born on December 24, 1944
French nationality

Business address:
Le Hameau de Crans
Chemin de l'Arnouva, 4
CH 3963 Crans-Montana
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 as of December 31, 2014 (listed companies):

Director of Fidelity International
Director of Prologis Targeted Europe Logistics Fund

Other appointments (unlisted companies):
Director of Swiss Philanthropic Foundation
Co-Chairman of François-Xavier Bagnoud International
Director and treasurer of the Fondation Mérieux
Director of IFFim/Gavi Alliance (UK Charity)
Director of Porticus

Appointments expired in the last five years:

Founder and Director of Managers Sans Frontières (2013)
Director of Fédéractive (2012)
Director of ProLogis European Properties (PEPR) (2012)

Number of Wendel shares held as of December 31, 2014: 3,000

Bénédicte COSTE

Member of Wendel's Supervisory Board

Member of the Audit Committee

Date appointed to first term: May 28, 2013
Current term expires:
Annual Meeting to be held in 2017
Born on August 2, 1957
French nationality

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.

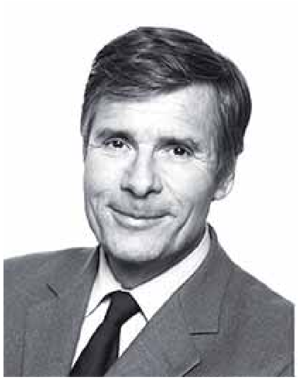
Appointments as of December 31, 2014:

Main position:
Chairman & CEO of Financière Lamartine

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

Appointments expired in the last five years: none

Number of Wendel shares held as of December 31, 2014: 505



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 2017
Born on September 5, 1948

Business address:
Compagnie Financière Aval
6, route de Malagnou
CH-1208 Geneva
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 as of December 31, 2014:

Main position (unlisted company):
Executive Director of Compagnie Financière Aval

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

Other appointments (unlisted companies):
Director of Pro-Luxe SA

Appointments expired in the last five years:

Chairman of Praetor Sicav (2014)
Director of Praetor Advisory Company (2014)
Chairman of Praetor Global Fund (2013)

Number of Wendel shares held as of December 31, 2014: 5,000

Priscilla de MOUSTIER

Member of Wendel's Supervisory Board

Member of the Governance Committee

Date appointed to first term: May 28, 2013
Current term expires:
Annual Meeting to be held in 2017
Born on May 15, 1952
French nationality

Business address:
94, rue du Bac
75007 Paris,
France

Career path:

Priscilla de Moustier holds an MBA from Insead and a degree in mathematics and economics from the Institut d'études politiques de Paris.

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 as of December 31, 2014:

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

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

Appointments expired in the last five years: none

Number of Wendel shares held as of December 31, 2014: 140,463

Christian VAN ZELLER D'OOSTHOVE

Member of Wendel's Supervisory Board

Member of the Governance Committee

Date appointed to first term: June 6, 2014
Current term expires:
Annual Meeting to be held in 2018
Born on December 24, 1946
French nationality

Business address:
12 Gorodetskogo, Apt 12
Kiev 81001
Ukraine

Career path:

Graduate of Essec business school, a Master's degree with thesis in private law from Sorbonne University in Paris, and an MBA from Columbia University in New York.

Mr. van Zeller d'Oosthove began his career in 1972 at France's School of Public-Sector Management (CESMAP), then served as General Secretary and Chief Financial Officer of a Crédit Lyonnais subsidiary from 1974 to 1975. He was the authorized representative of Institut de développement industriel (IDI) from 1975 to 1981 before being appointed Chief Financial Officer of Imprimerie Moderne de Paris. In 1983 he moved to Elf-Erap where he remained for seven years as General Secretary and Chief Financial Officer. In 1990 Mr. van Zeller d'Oosthove joined CCF-Electra as Managing Director. He was later promoted to CCF's international business development team where he analyzed investment banking opportunities in emerging markets such as India, Tunisia, Egypt, and Morocco from 1994 to 1997.

Since 1997 he has been a consultant at Greg First Ltd., where he works for the European Commission on privatization and restructuring projects in Central Asia. He also advises French bank Société Générale's private equity fund on opportunities in Central Europe and North Africa. In 2005 he took part in creating an investment fund in North Africa, from which he withdrew in 2012.

Appointments as of December 31, 2014:

Main position (unlisted company):
International Consultant, Greg First Ltd

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

Other appointments: none

Appointments expired in the last five years: none

Number of Wendel shares held as of December 31, 2014: 500

Jean-Michel ROPERT

Member of Wendel's Supervisory Board, representing employees

Date appointed to first term by the Works Council:
November 20, 2014
Current term expires:
November 20, 2018
Born on December 15, 1966
French nationality

Business address:
Wendel
89, rue Taitbout
75009 Paris
France

Career path:

Jean-Michel Ropert holds a degree in Finance and Accounting. He joined Wendel in 1989, after obtaining his degree, and initially worked as an accounting officer before being put in charge of generating consolidated financial statements. Jean-Michel Ropert took over as CFO in 2002, when Marine-Wendel merged with CGIP. He was appointed Group Vice-President for Finance in June 2013 and supervises the financial management of the international offices.

He is a member of Wendel's Management and Coordination Committees.

Appointments as of December 31, 2014:

Main position:
Wendel Group Vice-President for Finance (listed company)

Wendel Group:
Listed companies:
Director and member of the Audit and Risk Committee of Bureau Veritas

Unlisted companies:
Director and Chairman of the Audit Committee of Stahl Holdings BV
Member of the Supervisory Board of Oranje-Nassau Groep BV
Member of the Management Board of Materis Parent Sàrl
CEO of Coba SAS
Chairman of the Board of Directors of Grauggen, Hourggen, Hirggen, Jeurggen, and Sofisamc

Other appointments:
Director of the Union + investment fund (a Sicav)

Appointments expired in the last five years:

Director of Deutsch group, exceet, Stahl Lux2, Stahl group BV, Trief Corporation, and Winvest Part BV
CEO and Director of Coba
Chairman of Winvest 11 SAS, Stahl group SA, and Win Securitisation
CEO and Director of Sofiservice
Member of the Management Board of Winvest Conseil Sàrl

Number of Wendel shares held as of December 31, 2014: 111,220

Guylaine SAUCIER

Member of Wendel's Supervisory Board

Chairman of the Audit Committee

Member of the Governance Committee

Date appointed to first term: June 4, 2010
Current term expires:
Annual Meeting held in 2018
Born on June 10, 1946
Canadian nationality

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

Career path:

Graduate, with a baccalauréat ès arts, from the College Marguerite-Bourgeoys 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) (2000-2001), 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 (1987-1991), 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 Hôtel-Dieu de Montreal.

She was recognized as a member of the Order of Canada

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 in 1989 for her exceptional civic-mindedness and significant contribution to the business world.

Appointments as of December 31, 2014 (listed companies):

Member of the Board of Directors of Scor
Member of the Supervisory Board of Areva (since 2006) and Chairman of the Audit Committee (until January 8, 2015)
Member of the Board of Directors of Junex Inc (Quebec)

Appointments expired in the last five years:

Member of the Board of Directors of the Bank of Montreal, member of the Audit Committee and member of the Risk Management Committee (1992-2013)
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 (2009-2012)

Number of Wendel shares held as of December 31, 2014: 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
French nationality

Business address:
Total Finance Corp. Services Ltd
10, Upper Bank Street
Canary Wharf
London E14 5BF
United Kingdom

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 as of December 31, 2014:

Main 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:
Unlisted non-French companies:
Chairman of Total Finance Global Services SA (Belgium)
Chairman of Total Finance Nederland BV (Netherlands)
Managing Director and Board Member of Total Finance Corporate Services Ltd (United Kingdom)
Chairman and Director of Total Capital Canada Ltd (Canada)
Director of Sunpower Corp. (listed on NASDAQ)

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

Appointments expired in the last five years:

Chairman, CEO, and Director of Sofax Banque (2014)
Chairman, CEO, and Director of Total Capital (2014)
Chairman, CEO, and Director of Total Capital International (2014)
Chairman of Total Finance (2014)
Chairman of Total Finance Exploitation (2014)
Chairman of Total Treasury (2014)
Director of Société Financière d'Auteuil (2014)
Director of Elf Aquitaine (2014)
Permanent representative of Total SA on the Board of Eurotradia International (2014)
Manager of Omnium Lorrain (non-trading company) (2014)
Chairman, CEO, and Director of Odival from September 28, 2007 to September 28, 2011
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, 2014: 225,054

Supervisory Board members whose term ended in 2014

Nicolas CELIER

Member of Wendel's Supervisory Board

Member of the Audit Committee

Date appointed to first term: May 29, 2006
Term expired on:
Annual Meeting held in 2014
Born on August 31, 1943
French nationality

Business 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 held as of June 6, 2014:

Wendel Group (unlisted company):
Non-voting Board member of Wendel-Participations

Other appointments (listed companies):
Director of Sofoc SA
Chairman of Cherche-Midi Participations SAS
Chairman of Messine Investissements SAS
Director of I-ces SAS
Director of Ixeo SAS
Manager of FKO Invest BV
Manager of Optical Square Investors SC

Appointments expired in the last five years:

Chairman of the Supervisory Board of Optimprocess SA (2013)
Director of Ubiant SAS (2013)
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 June 6, 2014: 8,000

New Supervisory Board members to be proposed to shareholders at their Annual Meeting of June 5, 2015:

Gervais Pellissier

New member of the Supervisory Board

Proposed at the Annual Meeting of June 5, 2015
Born on May 14, 1959
French nationality

Business address:
Orange
78 rue Olivier de Serres
75015 Paris
France

Career path:

Gervais Pellissier is a graduate of HEC business school in France, as well as Berkeley in California and the University of Cologne in Germany. He joined Bull in 1983 and held positions of increasing responsibility in finance and management control in France, Africa, South America, and Eastern Europe.

In 1994, he was appointed Chief Financial Officer of the Services and Systems Integration division, and then of the IT Outsourcing division. He became Director of Management Control at Bull and in 1998, its Chief Financial Officer.

From April 1, 2004 to February 1, 2005, Mr. Pellissier was the Associate Manager guiding the Board of Directors and Associate Chief Executive Officer of Bull.

He served as Vice-Chairman of Bull's Board of Directors from February 2005 to mid-2008.

He joined the France Télécom group on October 17, 2005 and was appointed Chief Executive Officer of France Télécom Operadores de Telecomunicaciones in November 2005. In this role he merged France Télécom's landline and mobile activities in Spain into a single structure.

From January 2006 to February 2009, he served as a member of France Télécom's General Management Committee. He was responsible for Finance and Operations in Spain.

From March 2009 to March 2010, he served as the Acting Deputy Chief Executive Officer in charge of Finance and Information Systems.

In November 2011, Mr. Pellissier was appointed Associate Chief Executive Officer of France Télécom-Orange, which became Orange on July 1, 2013. He retained all his existing responsibilities (Finance and the joint venture with T-Mobile in the UK).

On September 1, 2014, he was appointed Deputy Chief Executive Officer, Executive Director in charge of European operations (excluding France).

He holds two of France's highest honors: Knight of the Legion of Honor and Officer of the National Order of Merit.

Current appointments:

Orange S.A. – Deputy Chief Executive Officer since October 26, 2011 (listed company)
Dailymotion – Director since January 10, 2013
EE Ltd. (United Kingdom) – Director since April 1, 2010
Orange Espagne (Spain) – Director since June 26, 2006
Mobistar (Belgium) – Director since September 1, 2014 (listed company)
Orange Horizons – Director since October 19, 2014

Appointments expired in the last five years:

Médi Télécom (Morocco) – Director since October 10, 2014
Sonae.com (Portugal) – Director until March 18, 2014 [company listed in Portugal]
Orange Studio – Director until September 24, 2013
Voyages Fram – Director until February 20, 2013

Jacqueline Tammenoms Bakker

New member of the Supervisory Board

Proposed at the Annual Meeting of June 5, 2015
December 17, 1953
Dutch nationality

Business address:
33 Thurloe Court
London SW 3 6 SB
United Kingdom

Career path:

Jacqueline Tammenoms Bakker holds a BA in History and French from Oxford University and an MA in International Relations from the Johns Hopkins School for Advanced International Studies in Washington D.C.

She worked for Shell from 1977 to 1988, McKinsey from 1989 to 1995, and Quest International (Unilever) from 1995 to 1998.

She moved to the public sector in the Netherlands in 1999, serving as Director of Gigaport from 1999 to 2001, and as Director General at the Ministry of Transport from 2001 to 2007, responsible for civil aviation and freight transport.

From 2006 to 2007 she was Chairman of the High Level group for the future of aviation regulation in Europe, reporting to the EU Commissioner for Transport.

She was awarded Knight of the Legion of Honor in 2006 in recognition of her contribution to the co-operation between France and the Netherlands.

Appointments as of December 31, 2014 (listed companies):

Member of the Supervisory Board of Tesco plc
Member of the Supervisory Board of CNH Industrial
Member of the Supervisory Board of TomTom

Appointments as of December 31, 2014 (non-profit organizations):

Chairman of the Board of the Van Leer group Foundation
Vice-Chairman of the Advisory Board of Rotterdam School of Management
Member of the Board of Nexus Institute

Appointments expired in the last five years:

Member of the Supervisory Board of Vivendi, Chairman of the Human Resources Committee (2010-14)
Member of the Supervisory Board of the Netherlands' Land Registry Ordinance Survey (2008-12)

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.

Conflicts of interest, family ties and service contracts

Bénédicte Coste, Priscilla de Moustier, Édouard de l'Espée, Christian d'Oosthove, François de Wendel, and Humbert de Wendel are members of the Wendel family. They are also directors of Wendel-Participations, the Company's main shareholder, which represents the interests of Wendel family members.

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 is designed to guarantee impartial deliberation and includes members who qualify as independent.

It 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 on February 10 and 11, 2015, the Governance Committee and the Supervisory Board reviewed the independence of each member based on the following criteria, in accordance with recommendation 9.4 of the Afep-Medef Code, as amended in June 2013, as to whether they:

- were not employees or executive 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 executive corporate officers of a company in which the Company holds, directly or indirectly, a directorship, or in which an employee designated as such or an executive 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,
  - 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 11, 2015, five of the 11 members, or more than one-third, met the independence criteria of the Afep-Medef Code as amended: Dominique Hériard Dubreuil, Guylaine Saucier, Gérard Buffière, Laurent Burelle, and Dider Cherpitel. The composition of the Supervisory Board therefore complies with recommendation 9.2 of the amended Afep-Medef Code, which advocates that at least one-third of the Board members of controlled companies be independent.

At the close of the June 5, 2015 Annual Meeting, and provided shareholders renew the term of Humbert de Wendel and appoint Jacqueline Tammenoms-Bakker and Gervais Pellissier, the proportion of independent members will remain 5/11 or 45%. Supervisory Board members representing employees are not included in the calculation of the proportion of independent Board members, in accordance with the Afep-Medef Code.

2.1.2.3 Preparation and organization of the Board's proceedings

The Supervisory Board's internal regulations set down the rights and responsibilities of the members of the Board, state the criteria for evaluating independence, and describe the composition and the remit of the Board and its committees. They also lay out rules of ethical conduct, and especially 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 Supervisory Board updated the regulations on February 11, 2015 to account for changes in French law and revisions to the Afep-Medef Code.

The members of the Supervisory Board agree to comply with all legal and regulatory obligations as well as all requirements set forth in the Company's by-laws, the Board's internal regulations, the Company's

Market Confidentiality and Ethics Code, and the Company's Ethics Code.

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. Four Supervisory Board meetings were held by conference call in 2014.

The Statutory Auditors are invited to all meetings of the Supervisory Board at which the annual or semi-annual financial statements are examined, attending the parts of the meeting during which those financial statements are discussed.

The Supervisory Board meets regularly. A record of attendance is kept. The Supervisory Board met 12 times in 2014. The average attendance rate was over 90% and the meetings lasted an average of three hours and fifteen minutes.

The Supervisory Board's Secretary is Caroline Bertin Delacour, General Secretary.

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 most significant press articles are sent to them by e-mail and the main analyst studies are given to them at the following Board meeting.

2.1.2.4 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 in 2014 and in early 2015 were as follows:

Strategy and operations:

- company strategy and positioning;
- proposed investments and divestments;
- quarterly reports of the Executive Board on the situation of the Company and the Group;
- Plans to turn the Company into a societas europaea.

Financing and financial communications:

- the Company's financial position;
- net asset value;
- parent company and consolidated financial statements at December 31, 2013 and June 30, 2014 and Statutory Auditors' reports;
- consolidated financial statements at December 31, 2014;
- preparation of the management report;
- Audit Committee reports;
- quarterly financial information;
- management forecasts;
- financing and bond issues;
- share buybacks;
- capital reductions;
- shareholding structure;
- financial communications.

Corporate governance:

- Governance Committee reports;
- Executive Board compensation;
- grant of stock options and performance shares to Executive Board members and recognition of whether or not performance conditions have been met;
- co-investment principles and co-investment on the part of Executive Board members;
- review of the Company's compliance with the Afep-Medef Code;
- Supervisory Board's operation and proceedings and a review of the Board's internal regulations;
- report of the Chairman of the Supervisory Board on corporate governance and internal control;

- regulated agreements;
- resolutions submitted by the Executive Board to shareholders at their Annual Meeting;
- changes in the composition of the Supervisory Board and its committees;
- compensation for the Chairman of the Supervisory Board;
- equal representation and equal salary treatment for men and women;
- capital increase reserved for members of the Group savings plan;
- review of disputes and litigation.

2.1.2.5 Evaluation of the Supervisory Board and its committees

Recommendation 10 of the amended Afep-Medef Code advises the Board to "evaluate its capacity to meet shareholder expectations (...) by periodically reviewing its composition, organization and operations (…)". Specifically, it suggests that the Board devote one agenda item every year to a discussion of its operations, and that it performs a formal evaluation at least once every three years.

In 2014, the Supervisory Board hired a specialized consulting firm to carry out an in-depth review of its operations. The Board devoted an agenda item to its operations at its December 3, 2014 meeting; the ensuing discussion led to the following main conclusions:

- the information program for new Board members should be formalized;
- the Board's understanding of the Company and its investments could be improved by exposing Board members to a wider range of speakers and by more in-depth analysis, especially strategic analysis;
- improvements could be made to the Committee meeting reports given to the Board.

2.1.3 Corporate governance statement

In 2008 the Company adopted the Afep-Medef Corporate Governance Code for listed companies, last amended in June 2013, and uses it as a guideline for its corporate governance. This Code is available on the Medef website (in French): www.medef.fr/main/core.php.

At its meeting on February 11, 2015, the Supervisory Board examined the Company's situation with regard to the Afep-Medef Code as amended in June 2013.

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 Audit Committee	Two of the Audit Committee's five members are independent, which is less than the 2/3 independent members recommended by the Code. As Wendel is controlled by a majority shareholder, it is sufficient for 1/3 of its Supervisory Board members to be independent. The Supervisory Board and its Audit Committee meet this criterion. Moreover, other factors – such as that the Chairmanship is held by an independent member, that the Audit Committee's 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 Audit Committee. Finally, the Chairman of each Committee, an independent Supervisory Board member, is now a member of the other Committee which he or she does not chair, thereby increasing the number of independent members in attendance. The Supervisory Board's oversight role, distinct from that of a Board of Directors, protects it from conflicts of interest between its members and Wendel management or the Wendel Group. This protection is even stronger for Audit Committee members. No Supervisory Board members – and therefore no Audit Committee members – are Wendel employees.
Criterion for Supervisory Board independence that limits total terms to 12 years excluded	At its February 11, 2015 meeting, the Supervisory Board decided that Didier Cherpitel should be considered an independent member in light of his skills and involvement in the Board's work. Due to his long-standing experience on the Board, he is able to speak freely and objectively – precisely the qualities that the Afep-Medef Code aims for in Supervisory Board members. Nevertheless, Didier Cherpitel will not seek the renewal of his term in 2015. Therefore, at the close of the 2015 Annual Shareholders' Meeting, no independent Supervisory Board member will have a term of over 12 years.
Appointment of a Supervisory Board member representing employees to the Governance Committee	Any such appointment could result in a conflict of interest for certain decisions that fall under the exclusive remit of the Governance Committee and the Supervisory Board.
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 was already high in 2014, as it was in prior years.
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 23.2.5 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 must be met to receive such benefits; the Supervisory Board determines whether those conditions have been met.

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;
- Nicolas Celier until June 5, 2014;
- Didier Cherpitel, Chairman of the Governance Committee;
- Bénédicte Coste;
- Édouard de l'Espée;
- Humbert de Wendel.

The Chairman of the Supervisory Board was invited to attend each Audit Committee meeting.

All Audit Committee members 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, as prescribed by recommendation 16.1 of the amended Afep-Medef Code.

Ms. Saucier and Mr. Cherpitel are the Committee's independent members.

The composition of the Audit Committee does not strictly comply with recommendation 16.1 of the amended Afep-Medef Code, which suggests that at least two-thirds of the members be independent (see the summary of Afep-Medef recommendations in section 2.1.3).

Responsibilities of the Audit Committee

Pursuant to recommendation 16.2 of the amended Afep-Medef Code, French decree no. 2008-1278 of December 8, 2008 pertaining to the Statutory Auditors, the AMF's final report on Audit Committees published in July 2010, and AMF Recommendation 2010-19, 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;
- make sure the appropriate accounting methods were used for any significant or complex transactions 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, and make sure that appropriate action plans are in place for any identified weaknesses;
- serve as liaison with the Statutory Auditors and consult them regularly;
- 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;
- examine any work performed that is accessory to or directly complementary to the audit of the financial statements (work directly related to the audit);
- review the Company's earnings releases;
- review any issues within its remit raised by 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.

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.

No members of the Company's Executive Board are present during the Committee's deliberations. The Chairman of the Audit Committee presents a report at the next Supervisory Board meeting. The minutes of each Audit Committee meeting are approved at the next Committee meeting.

The Audit Committee met eight times in 2014, with an attendance rate of nearly 90%. The meetings lasted an average of two and a half hours.

The Secretary of the Audit Committee is Caroline Bertin Delacour, General Secretary.

The Audit Committee examined the following topics in 2014:

- 2013 parent company and consolidated financial statements;
- first-half 2014 consolidated financial statements;
- impairment tests;
- net asset value and its calculation method;
- the Statutory Auditors' reports;
- Wendel's liquidity and debt situation and that of its subsidiaries;
- monitoring of Company risks and control measures applied thereto;
- review of risks at certain subsidiaries;
- outstanding disputes;
- the accounting treatment of certain transactions;
- the Group's tax situation;
- report of the Chairman of the Supervisory Board on risk management and internal control;
- validation of the performance conditions for Executive Board members' stock options and performance shares;
- review of the Statutory Auditors' statement of independence and fees;
- review of the Committee's operations and the parts of the Board's internal regulations that concern the Audit Committee.

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 six members:

- Didier Cherpitel, Chairman;
- Gérard Buffière;
- Édouard de l'Espée, until June 5, 2014;
- Dominique Hériard Dubreuil;
- Priscilla de Moustier;
- Guylaine Saucier, Chairman of the Audit Committee;
- Christian d'Oosthove, from July 2, 2014.

The Chairman of the Supervisory Board was invited to attend each Governance Committee meeting.

Four of the Governance Committee's six members, or two-thirds, are independent: Dominique Hériard Dubreuil, Guylaine Saucier, Gérard Buffière, and Didier Cherpitel, the Committee Chairman.

The composition of the Governance Committee complies with recommendation 18.1 of the amended Afep-Medef Code, which prescribes a majority of independent members and an independent Chairman.

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 and examine the Executive Board's plans to implement it;

- 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;
- guide the evaluation of the Supervisory Board's composition and proceedings;
- review any question concerning business ethics raised by the Supervisory Board.

Organization and procedures

The Governance Committee met eight times in 2014. Average attendance at the meetings was 98%. The meetings lasted on average two and a half hours.

The Committee may call upon recognized independent experts to help it carry out its assignments. In 2014, the Committee hired a specialized consulting firm to review the composition and work of the Supervisory Board.

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

The Secretary of the Governance Committee is Caroline Bertin Delacour, General Secretary.

The following topics were addressed during Governance Committee meetings in 2014:

- Executive Board compensation and an update on "say on pay";
- the Company's compliance with the Afep-Medef Code, especially regarding Board member independence;
- information on the appointment of a Supervisory Board member representing employees;
- report of the Chairman of the Supervisory Board on corporate governance;
- the granting of stock options and performance shares to Executive Board members and validation of performance conditions;
- co-investment on the part of Executive Board members;
- capital increase for the Group savings plan and shares owned by the Executive Board;
- an evaluation of the Supervisory Board's operations and proceedings in conjunction with an independent consultant;
- the composition and process for renewing the appointments of Board members;
- appointment and compensation of the Supervisory Board Chairman;
- review of Board candidates;
- review of answers to questions posed by the French High Committee on Corporate Governance;
- review of the Supervisory Board's internal regulations.

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 the strategy 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 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.

The Executive Board shall execute all decisions made at these meetings.

The Supervisory Board exercises ongoing oversight of the Executive Board's management of the Company, pursuant to Article L. 225-68 of the French Commercial Code and Article 14 of its internal regulations. 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 thereof.

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 and 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 laws and regulations and the Supervisory Board decisions of December 1, 2010 and December 3, 2014 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 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 approves the Executive Board Chairman's proposal for Bernard Gautier's compensation. 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 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 20 of the amended Afep-Medef Code and AMF Recommendation 2010-07 of 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. The Executive Board reviewed the Code in May 2013.

Wendel's Market Confidentiality and Ethics Code defines the responsibilities of the Ethics Officer. Since July 24, 2009, the role of Ethics Officer has been filled by Caroline Bertin Delacour.

2.1.6.1 Regulated 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 during the Meeting, which the shareholders vote on. This procedure does not apply to ordinary agreements executed at standard terms, nor to agreements between a Company and its wholly-owned subsidiary.

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.

When members of governing and supervisory 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 governing and supervisory bodies 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. Executive Board members are on the list of occasional insiders; Supervisory Board members are also added to the list when necessary.

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 sent to the Company's Ethics Officer. The Company has been publishing all of these transactions on its website since 2005.

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 or the Supervisory Board Chairman.

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 2.1.1.1).

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 now 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.

Members of the Supervisory Board must also inform the Chairman of the Supervisory Board 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 Chairman of the Supervisory Board believes that the new appointment could create a conflict of interest, the Chairman puts the issue before the Supervisory Board. In this case, the Board decides whether the appointment is incompatible with the position of a Wendel Supervisory Board member. 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, with the Board's internal regulations increasing this minimum to 500 shares; shareholders will be asked at their Annual Meeting on June 5, 2015 to approve an amendment to the by-laws to bring them in line with the Board's internal regulations;
- 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 or sell the corresponding shares during the 30-day period preceding the publication of annual or semi-annual financial statements, in accordance with the Company's Market Confidentiality and Ethics Code and with recommendation 23.2.4 of the amended Afep-Medef Code;
- Wendel's Market Confidentiality and Ethics Code imposes certain abstention obligations;
- 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 7.9.1 of this Registration Document;
- Executive Board members are required to hold 25,000 Wendel shares at all times; this retention requirement may be waived or modified by the Supervisory Board, based on a recommendation by the Governance Committee, in exceptional circumstances;
- One corporate officer has made the commitment to hold a significant number of Wendel shares resulting from the acquisition of Solfur in 2007 for the duration of his/her presence in the Group; this retention requirement may be waived or modified by the Supervisory Board, based on a recommendation by the Governance Committee, in exceptional circumstances.

2.1.7 Compensation of corporate officers

2.1.7.1 Compensation policy for Executive Board members

Executive Board members' compensation is approved by the Supervisory Board on the Governance Committee's recommendation and after the Audit Committee has verified the financial items.

The Governance Committee's recommendation is based on market practices for listed companies and European investment companies, which it determines using sector benchmarks provided by independent experts.

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 and/or performance shares.

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

In accordance with the law and as recommended in the Afep-Medef Code of Corporate Governance, Executive Board members have been required, since 2009, to hold Company shares at all times. The Supervisory Board has set the number of such shares at 25,000, including 500 from each of the Company's performance share and stock option plans.

As of December 31, 2014, Frédéric Lemoine and Bernard Gautier held 163,573 and 275,444 shares, respectively.

The Executive Board members have undertaken to not hedge their risk on the shares they must hold until the end of their term of office with the Company.

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

Executive Board members' terms were renewed in April 2013 for a period of four years. The method for calculating Executive Board members' variable compensation has been established for the duration of their new term. The method may be revised half-way through their term.

The compensation owed or granted to Executive Board members for 2014 will be submitted to shareholder approval at the Annual Meeting on June 5, 2015, in accordance with recommendation 24.3 of the Afep-Medef Code as amended in June 2013 (the proposed compensation is given in the Executive Board's report on Annual Meeting resolutions, see section 8.10.2).

Table 1 under the Afep-Medef Code

	2014	2013
Frédéric Lemoine Chairman of the Executive Board		
Total compensation due for the year (detailed in table 2)	**2,237,461**	**2,290,879**
Number of options granted during the year	**52,632**	**53,518**
Valuation of options (1) granted during the year (detailed in table 4)	826,322	743,900
Number of performance shares granted during the year	**17,544**	**17,838**
Valuation of performance shares (2) granted during the year (detailed in table 6)	840,358	717,088
Total: compensation due for the year and valuation of stock options and performance shares granted during the year	3,904,141	3,751,867
Bernard Gautier Member of the Executive Board		
Total compensation due for the year (detailed in table 2)	**1,485,397**	**1,528,461**
Number of options granted during the year	**35,088**	**35,677**
Valuation of options (1) granted during the year (detailed in table 4)	550,882	495,910
Number of performance shares granted during the year	**11,696**	**11,892**
Valuation of performance shares (2) granted during the year (detailed in table 6)	560,238	478,058
Total: compensation due for the year and valuation of stock options and performance shares granted during the year	2,596,517	2,502,429

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 rose from €13.9 in 2013 to €15.70 in 2014 due to an increase in the underlying share price (see section 2.1.7.4).

(2) Similarly, the valuation of performance was from €40.20 for those granted in 2013 and €47.90 for those granted in 2014 (see section 2.1.7.6).

2.1.7.3 Summary of each executive corporate officer's compensation

When the term of the Executive Board members was renewed, the level and structure of their compensation were benchmarked and were examined by an independent firm engaged by the Governance Committee.

The study looked at both the level and structure of their pay packages. Based on the study's findings, the Governance Committee and the Supervisory Board decided to:

- maintain Frédéric Lemoine's fixed compensation at €1,200,000, unchanged since he was appointed in 2009. His fixed compensation will remain at this level in 2015;
- increase Bernard Gautier's fixed compensation from €700,000 – the level it was at from 2009 to 2012 – back to €800,000 for 2013, the level it was at before 2009. His fixed compensation will remain at this level in 2015;
- change Executive Board members' variable compensation. In 2009 it had been set at 50% of fixed compensation, or higher if the Company posted exceptionally strong results. Now variable compensation may reach, but not exceed, 100% of fixed compensation. As before, it is not guaranteed.

Variable compensation is paid in the beginning of the year following the year for which it is due. The objectives used to determine variable compensation are both quantitative (70% of the 2014 variable compensation) and qualitative (30% of the 2014 variable compensation). The quantitative objectives set by the Supervisory Board for 2014 include the operating income of Wendel companies, cash usage, debt levels, and the increase in NAV, as they did for 2013.

The Governance Committee decided that the objectives of the two Executive Board members had been 85% met in 2014. Therefore the Governance Committee proposed to the Supervisory Board that for 2014, Frédéric Lemoine be attributed 85% of his maximum variable compensation, or €1,020,000. The Supervisory Board approved this compensation.

Mr. Lemoine suggested that both Executive Board members be assessed in the same way. Accordingly, he proposed that for 2014, Bernard Gautier receive 85% of his maximum variable compensation, or €680,000. The Supervisory Board approved this compensation on the recommendation of the Governance Committee.

Table 2 under the Afep-Medef Code

The amounts paid for 2014 equal the amounts actually received by each corporate officer. The amounts due correspond, in accordance with the AMF definition, 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.

	2014		2013	
	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)	*214,325*	*251,866*	*254,270*	*278,049*
Variable compensation	1,020,000	1,055,160	1,055,160	480,000
Other compensation (2)	5,397	23,913	23,821	23,491
Benefits in kind (3)	12,064	12,064	11,898	11,898
TOTAL	**2,237,461**	**2,291,137**	**2,290,879**	**1,715,389**

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

(2) Frédéric 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 2014 he received a gross collective performance bonus for 2013 of half the annual reference amount determined by French Social Security ("plafond annuel de la Sécurité sociale") for 2013, i.e. €18,516. However, in 2015 he will not receive any such bonus for 2014 since the increase in net asset value did not meet the objective.

His subscription to the 2014 capital increase reserved for employees who are members of the Group savings plan was matched by an increased contribution of €5,396.79.

(3) Since Frédéric Lemoine does not have an employment contract, he has had unemployment insurance provided by GSC (a specialized provider of unemployment insurance for business owners and corporate officers) since October 1, 2009.

He has use of a company car exclusively for business purposes.

He also receives health and death & disability insurance under the same terms and conditions as Wendel management employees.

	2014		2013	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Bernard Gautier Member of the Executive Board				
Total fixed compensation	800,000	800,000	800,000	800,000
of which Director's fees (1)	*168,260*	*161,553*	*160,447*	*166,211*
Variable compensation	680,000	703,440	703,440	280,000
Other compensation (2)	5,397	25,113	25,021	24,691
Benefits in kind	-	-	-	-
TOTAL	**1,485,397**	**1,528,553**	**1,528,461**	**1,104,691**

The compensation paid to Bernard Gautier is entirely under his employment contract.

(1) Bernard Gautier received Director's fees from Saint-Gobain, Trief Corporation SA, Winvest Conseil SA, Winvest International SA Sicar, Oranje-Nassau Développement SA Sicar, Expansion 17 SA Sicar, Global Performance 17 SA Sicar, and Sofisamc.

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

In 2014 he received a gross collective performance bonus for 2013 of half the annual reference amount determined by French Social Security ("plafond annuel de la Sécurité sociale") for 2013, i.e. €18,516. However, in 2015 he will not receive any such bonus for 2014 since the increase in net asset value did not meet the objective.

His subscription to the 2014 capital increase reserved for employees who are members of the Group savings plan was matched by a corporate contribution of €5,396.79.

As a salaried employee, he also received €1,200 in 2014 as part of a 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 and its associated companies;
- neither corporate officers nor members of Wendel management receive stock options from subsidiaries or associated companies.

Executive Board members were granted stock options in 2014 of an amount determined by the Supervisory Board on the recommendation of the Governance Committee and within the limits set by shareholders at their Annual Meeting, as presented in the table below.

These stock options have the following features:

- a presence 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: half of the options vest if the increase in NAV over the 2014-15 period is greater than or equal to 5%; all the options vest if the increase in NAV over the 2014-16 period is greater than or equal to 10.25%. The NAV used as the point of reference for 2014 is that calculated on May 23, 2014, or €151.8 per share. The NAVs used as the points of reference for 2015 and 2016 will be the last NAVs published before July 8, 2015 and July 8, 2016, respectively, plus accumulated dividends paid after May 23, 2014;
- a holding period condition: the members of the Executive Board must hold at least 500 shares obtained through the exercise of options granted under the 2014 plan, as part of their obligation to hold 25,000 shares of the Company in registered form until the end of their term of office with the Company.

Table 4 under the Afep-Medef Code

	Plan no. and date	Type of option (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 period	Performance conditions
Frédéric Lemoine	Plan W-7	Purchase	€15.70	52,632	€107.30	2015-2024	
	Date: July 8, 2014						See above
Bernard Gautier	Plan W-7	Purchase	€15.70	35,088	€107.30	2015-2024	
	Date: July 8, 2014						See above
TOTAL				**87,720**			

Options were valued by an independent expert using a Monte Carlo mathematical pricing model. 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 €15.70 as of the grant date (July 8, 2014), 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.

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.

A total of 80,682 stock options were granted in 2014 to the ten non-corporate-officer employees who received the highest number of stock options that year.

2.1.7.5 Options exercised by executive corporate officers during the year

Table 5 under the Afep-Medef Code

	Plan no. and date	Type of option (purchase or subscription)	Number of options exercised during the year	Strike price
Frédéric Lemoine	Plan 3-1	Purchase	40,000	€44.32
	Date: June 4, 2010			
	Plan 5-1	Purchase	54,542	€54.93
	Date: July 5, 2012			
Bernard Gautier	Plan 3-1			
	Date: June 4, 2010	Purchase	70,000	€44.32
TOTAL			**164,542**	

Fulfillment of performance conditions for options granted to Executive Board members:

- purchase options granted on June 4, 2010: the performance condition for the exercise of these options is an increase in net asset value of at least 15.76% from 2010 to 2013. This performance condition was met: the NAV rose from €55 in May 2010 to €128.15 in May 2013 (including dividends), or a 133% total increase. Therefore all options can be exercised;
- options granted on July 5, 2012: the performance condition for the exercise of these options is an increase in net asset value of at least 10.25% from 2012 to 2014. This performance condition was met: the NAV rose from €93.6 in May 2012 to €155.35 in May 2014 (including dividends), or a 66% total increase. Therefore all options can be exercised.

Table 8 under the Afep-Medef Code – Summary of all stock subscription or purchase option plans to date

	Wendel Investissement Plan			Wendel Plans									
			Plan no. 3			Plan no. 1		Plan no. 2	Plan no. 3	Plan no. 4	Plan no. 5	Plan no. 6	Plan no. 7
Date of Annual Shareholders' Meeting			June 10, 2004			June 4, 2007		June 5, 2009	June 4, 2010	May 30, 2011	June 4, 2012	May 28, 2013	June 6, 2014
Plan	**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**	**W-6**	**W-7**
Date of Board of Directors or Executive Board meeting	July 9, 2004	July 6, 2005	July 4, 2006	June 4, 2007	July 16, 2008	April 2, 2009	July 16, 2009	February 8, 2010	June 4, 2010	July 7, 2011	July 5, 2012	July 1, 2013	July 8, 2014
Type of option	Sub-scription	Sub-scription	Sub-scription	Sub-scription	Sub-scription	Sub-scription	Purchase	Purchase	Purchase	Purchase	Purchase	Purchase	Purchase
Initial total number of shares that can be subscribed or purchased	**428,223**	**49,000**	**60,600**	**837,500**	**890,600**	**271,000**	**391,200**	**7,000**	**353,177**	**404,400**	**227,270**	**252,182**	**231,834**
of which:													
Number initially granted to corporate officers:													
F. Lemoine	-	-	-	-	-	-	120,000	-	105,000	96,000	54,542	53,518	52,632
B. Gautier	20,190*	-	-	150,000	150,000	-	80,000	-	70,000	64,000	36,361	35,677	35,088
Start date for exercise of the options	July 9, 2005	July 6, 2006	July 4, 2007	June 4, 2012	July 15, 2013	April 2, 2014	July 16, 2010 (2)	February 8, 2011	June 4, 2011	July 7, 2012	July 5, 2013	July 1, 2014	July 8, 2015
Option expiration date	July 8, 2014	July 5, 2015	July 3, 2016	June 4, 2017	July 15, 2018	April 2, 2019	July 16, 2019	February 8, 2020	June 4, 2020	July 7, 2021	July 5, 2022	July 1, 2023	July 8, 2024
Subscription or purchase price per share	€39.98	€65.28	€90.14	€132.96	€67.50	€18.96	€22.58	€41.73	€44.32	€80.91	€54.93	€82.90	€107.30
Discount	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Performance conditions (1)	-	-	-	For everyone	For everyone	For everyone	For corporate officers	-	For everyone	For everyone	For everyone	For everyone	For everyone
Cumulative number of shares subscribed or purchased as of Dec. 31, 2014	423,072	16,000	2,900	0	30,250	92,844	358,961	0	167,450	0	55,368	2,775	0
Cumulative number of canceled or expired options	5,151	9,000	19,900	710,600	779,410	64,000	6,667	0	6,900	9,350	500	0	0
Number of options remaining to be subscribed or purchased as of Dec. 31, 2014 (3)	**0**	**24,000**	**37,800**	**126,900**	**80,940**	**114,156**	**25,572**	**7,000**	**178,827**	**395,050**	**171,402**	**249,407**	**231,834**
NUMBER OF OPTIONS REMAINING TO BE EXERCISED BY CORPORATE OFFICERS (3):													
F. Lemoine							0	-	65,000	96,000	0	53,518	52,632
B. Gautier	0			37,500	37,500		0	-	0	64,000	36,361	35,677	35,088

(1) All performance conditions are tied to an increase in NAV.
(2) For corporate officers, the starting date for exercise of the options is July 16, 2012.
(3) Maximum number, subject to the realization of performance objectives.

2.1.7.6 Performance shares awarded to executive corporate officers during the year

Executive Board members were granted performance shares in 2014 of an amount determined by the Supervisory Board on the recommendation of the Governance Committee and within the limits set by shareholders at their Annual Meeting, as presented in the table below.

These performance shares have the following features:

- a presence 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, all performance shares vest after the two-year period and may be sold after an additional two-year holding period;
- 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: half of the shares vest if the increase in NAV over the 2014-15 period is greater than or equal to 5%; all the shares vest if the increase in NAV over the 2014-16 period is greater than or equal to 10.25%. The NAV used as the point of reference for 2014 is that calculated on May 23, 2014, or €151.8 per share. The NAVs used as the points of reference for 2015 and 2016 will be the last NAVs published before July 8, 2015 and July 8, 2016, respectively, plus accumulated dividends paid after May 23, 2014;
- a holding period condition: the members of the Executive Board must hold at least 500 shares obtained under the 2014 plan, as part of their obligation to hold 25,000 shares of the Company in registered form until the end of their term of office with the Company.

Table 6 under the Afep-Medef Code

	Plan no. and date	Number of performance shares granted during the year	Performance share valuation according to the method used for the consolidated financial statements	Vesting date	Availability date	Performance conditions
Frédéric Lemoine	Plan 6-1	17,544	€47.90	July 8, 2016	July 8, 2018	
	Date: July 8, 2014					See above
Bernard Gautier	Plan 6-1	11,696	€47.90	July 8, 2016	July 8, 2018	
	Date: July 8, 2014					See above
TOTAL		**29,240**				

Performance shares were valued by an independent expert using a Monte Carlo mathematical pricing model. The model takes into account various events that might take place while the performance shares 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 performance share was worth €47.90 as of the grant date (July 8, 2014), 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. In any event, this value is theoretical: the Company has paid no cash amount to the beneficiaries with regard to these options.

A total of 25,144 performance shares were granted in 2014 to the ten non-corporate-officer employees who received the highest number of performance shares that year.

2.1.7.7 Performance shares awarded to executive corporate officers that became available during the year

Table 7 under the Afep-Medef Code

	Plan no. and date	Number of shares that became available during the year	Acquisition terms
Frédéric Lemoine	Plan 3-1		No obligation created (see corporate governance statement in section 2.1.3)
	June 4, 2010	13,500	
Bernard Gautier	Plan 3-1		No obligation created (see corporate governance statement in section 2.1.3)
	June 4 , 2010	9,000	
TOTAL		**22,500**	

Fulfillment of performance conditions for performance shares granted to Executive Board members:

- performance shares granted on June 4, 2010: the performance condition for the vesting of these shares was an increase in NAV of at least 10.25% from 2010 to 2012. This performance condition was met: the NAV rose from €55 in May 2010 to €95.85 in May 2012 (including dividends), or a 74.27% increase. Therefore all 22,500 performance shares granted to Executive Board members vested at the end of the vesting period on June 4, 2012, and became available in June 2014.
- performance shares granted on July 5, 2012: the performance condition for the vesting of these shares was an increase in NAV of at least 10.25% from 2012 to 2014. This performance condition was met: the NAV rose from €93.6 in May 2012 to €155.35 in May 2014 (including dividends), or a 66% increase. Therefore all 30,301 shares granted to Executive Board members vested at the end of the vesting period on July 5, 2014.

Table 9 under the Afep-Medef Code – Summary of all performance share grants to date

Situation as of December 31, 2014	Plan 2-2	Plan 2-3	Plan 3-1	Plan 4-1	Plan 5-1	Plan 6-1
Date of Annual Shareholders' Meeting		June 5, 2009	June 4, 2010	June 4, 2012	May 28, 2013	June 6, 2014
Number of authorized shares as % of capital		0.20%	0.30%	0.30%	0.30%	0.30%
Share grants as % of capital	0.20%		0.30%	0.15%	0.13%	0.14%
Date of Executive Board meeting	January 12, 2010	May 17, 2010	June 4, 2010	July 5, 2012	July 1, 2013	July 8, 2014
Number of performance shares granted	**83,450**	**10,500**	**151,362**	**75,754**	**64,595**	**68,928**
of which, shares granted to corporate officers:						
Frédéric Lemoine	-	-	13,500	18,181	17,838	17,544
Bernard Gautier	-	-	9,000	12,120	11,892	11,696
Shares to be issued or existing	Existing	Existing	Existing	Existing	Existing	Existing
Vesting date	January 12, 2012	May 17, 2012	June 4, 2012	July 5, 2014	July 1, 2015	July 8, 2016
End of holding period	January 12, 2014	May 17, 2014	June 4, 2014	July 5, 2016	July 1, 2017	July 8, 2018
Performance conditions	No	No	Yes	Yes	Yes	Yes
Share value at grant date	€43.58	€44.61	€44.32	€54.93	€82.90	€107.30
Share value at vesting date	€54.10	€54.25	€51.58	€105.40	-	-
Number of shares vested	**80,950**	**10,500**	**146,437**	**75,587**	**0**	**0**
Cumulative number of canceled or expired shares	**2,500**	**0**	**4 925**	**167**	**0**	**0**
Number of shares not yet vested	**0**	**0**	**0**	**0**	**64,595**	**68,928**

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

Table 10 under the Afep-Medef Code

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; 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; 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 regulated agreements under Article L. 225-86 of the French Commercial Code.

Termination benefits

The following 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 regulated 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. Shareholders approved these regulated agreements at the 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.

Under the terms of **Frédéric Lemoine**'s appointment in April 2009, he is entitled to compensation in the event of his termination. The amount of such compensation is up to two years of his last total fixed 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 on February 11, 2010, the Supervisory Board set the following performance conditions for termination benefits:

- 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.

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 approved); 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 approved), 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 the 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.

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 Annual Meeting.

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

- basic Director's fee: €35,000;
- double Director's fee for the Chairman of the Supervisory Board and of each Supervisory Board Committee: €70,000;
- additional fee for Committee membership: €15,000.

The Supervisory Board Chairman's full-year compensation is €70,000, unchanged since he took up his term in April 2013. His compensation is reviewed every year by the Supervisory Board and the Governance Committee.

Contrary to the Afep-Medef recommendation, the Supervisory Board has not considered it necessary, given the attendance rates indicated in section 2.1.2.3., 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.

Table 3 under the Afep-Medef Code

Director's fees and other compensation received by non-executive, non-employee corporate officers (1)

Non-executive corporate officers	Amounts paid in 2014	Amounts paid in 2013
François de Wendel (2)		
Director's fees	70,000	65,000
Wendel-Participations Director's fees	18,832	18,832
Compensation as Chairman of the Supervisory Board	70,000	52,500
(from April 2013)		
TOTAL	**158,832**	**136,332**
Dominique Hériard Dubreuil		
Director's fees	50,000	50,000
Gérard Buffière		
Director's fees	50,000	50,000
Laurent Burelle		
Director's fees (from June 2013)	35,000	20,417
Nicolas Celier		
Director's fees (until June 2014)	25,000	50,000
Didier Cherpitel		
Director's fees	85,000	77,500
Bénédicte Coste		
Director's fees (from June 2013)	50,000	27,917
Wendel-Participations Director's fees	9,416	9,416
TOTAL	**59,416**	**37,333**
Édouard de l'Espée		
Director's fees	57,500	57,500
Wendel-Participations Director's fees	9,416	9,416
TOTAL	**66,916**	**66,916**
Priscilla de Moustier		
Director's fees (from June 2013)	50,000	27,917
Wendel-Participations Director's fees	9,416	9,416
TOTAL	**59,416**	**37,333**
Christian d'Oosthove		
Director's fees (from July 2014)	25,000	-
Wendel-Participations Director's fees	9,416	-
TOTAL	**34,416**	**-**
Guylaine Saucier		
Director's fees	85,000	77,500
Ernest-Antoine Seillière (3)		
Wendel Director's fees	-	23,333
Wendel-Participations Director's fees	-	0
Other Director's fees (4)	-	27,500

Non-executive corporate officers	Amounts paid in 2014	Amounts paid in 2013
Compensation as Chairman of the Supervisory Board	-	26,250
Benefits in kind	-	1,854
TOTAL	**-**	**78,937**
Humbert de Wendel		
Director's fees	50,000	50,000
Wendel-Participations Director's fees	9,416	9,416
TOTAL	**59,416**	**59,416**
TOTAL	**768,412**	**741,684**
Of which total Wendel	702,500	655,834

(1) The Supervisory Board member who is an employee does not receive Director's fees for his position on the Board, and the above table does not include the compensation paid to him by the Company.
(2) Member of the Supervisory Board from January 1, 2013 to March 27, 2013, then Chairman of the Supervisory Board from March 28, 2013.
(3) Chairman of the Supervisory Board until March 27, 2013, then member of the Supervisory Board until May 28, 2013.
(4) Director's fees received from Bureau Veritas.

2.2 Risk factors

Wendel regularly evaluates its own risk factors and those of its consolidated subsidiaries, 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. CSP Technologies and Constantia Flexibles, acquired in January and March 2015, respectively, will be fully consolidated starting on January 1, 2015.

Risk factors concerning Saint-Gobain 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," to the consolidated financial statements, given in this Registration Document.

2.2.2 Operational risks

Wendel, Trief, and Oranje-Nassau

Risks related to the equity-investment operations of Wendel, Trief, Oranje-Nassau, and their holding companies are described below.

Equity investments 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. Wendel's due diligence processes performed are thorough and must meet predetermined investment criteria. Identified risks can, on a case-by-case basis, be covered by a guarantee from the seller.

Equity investments made by Wendel investment companies 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 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 has 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 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.

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

Wendel seeks to reduce its sensitivity to valuation risks of the companies in its portfolio by diversifying its assets, both sectorally and geographically. In this regard, Wendel invested in two African companies: the IHS group, which operates in telecom infrastructure; and Saham Group, which operates in several industries including healthcare and insurance. In late 2014, Wendel announced two acquisitions in the packaging industry, one in the United States and one in Austria.

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. As a result, 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 geopolitical environment; intense competitive pressure; the need to obtain local, regional or international authorizations to carry out a significant portion of its activities; image-related risks resulting from potential operational disputes; risks related to international sanctions; 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 Paints

Three Materis companies were sold in 2014: Kerneos (in March 2014), ParexGroup (in June 2014), and Chryso (in October 2014).

Materis Paints remains within the Wendel Group; its risk factors are presented below.

The main risks identified by Materis Paints are: changes to the macroeconomic environment; a rise in certain raw material costs; intense competition and pressure on prices; industrial and environmental risks; currency risk; liquidity risk arising from the financing structure for this investment (see the section on liquidity risk management in the consolidated financial statements); and risks of customer claims.

The Materis Paints 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 the financing structure for this investment (see the section on liquidity risk management in the consolidated financial statements).

Risks related to the acquisition of Clariant's leather business have been identified: the risk of negative synergies between the two companies and a resulting decline in business activity; and risks associated with staff integration.

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 monthly rate for a set period and finances the purchase of those vehicles at variable rates); risks related to the credit markets (Parcours relies on 30 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 sale of used cars; the risk of departure of key people; and environmental risks related to Parcours' automotive maintenance and repair operations.

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

Mecatherm

The main risks identified for Mecatherm are: sensitivity to the investment cycles of its customers, their ability to obtain financing, and pressure on their margins; customer concentration, as a growing number of larger companies appear in the market; lead times for completing projects and payment times in emerging markets; competitive pressure; the execution of contracts under good cost, quality, and delivery terms; managing a fast-growing order book while building a new company structure (a new IT system, internal transfers of production, and new hires); and expansion into new segments.

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

Nippon Oil Pump

The main risks identified for Nippon Oil Pump are: increases in raw materials prices (especially iron and copper); the late or disrupted delivery of supplies; counterfeit risk; and delays in getting new products to market.

The Nippon Oil Pump 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.

Wendel invests through holding companies, some of which are Luxembourg venture capital funds, or SICARs (Sociétés d'investissement en capital à risque). SICARs are governed by a Luxembourg law dated June 15, 2004 and are overseen by the country's financial regulator, the Commission de surveillance du secteur financier (CSSF).They are also subject to a Luxembourg law on alternative investment fund managers dated July 12, 2013 and must be managed by authorized Alternative Investment Fund Managers.

The tax rules applicable to Wendel could change adversely.

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.

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. It is available on the websites of Bureau Veritas (www.bureauveritas.fr) and the AMF (www. amf-france.org).

Stahl

Stahl operates in 23 countries. Its manufacturing sites are located in ten countries: Singapore, China, India, Netherlands, Brazil, Spain, Mexico, Italy, Germany 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 Paints

Wendel sold three Materis companies in 2014: Kerneos (in March 2014), ParexGroup (in June 2014), and Chryso (in October 2014).

The Materis Paints business is not subject to any specific set of regulations.

Parcours

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

Mecatherm

All of Mecatherm's manufacturing sites are in France, with the primary one in the Alsace region. Regulations applying to Mecatherm do not have a significant impact on its business.

Nippon Oil Pump

Nippon Oil Pump has manufacturing sites in Japan and China. The company's operations are not subject to any specific set of regulations in Japan. The company has obtained all necessary operating permits in China.

Statement

To 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 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 €1.2 million;
- general liability: this policy covers bodily injury, property damage and other losses to third parties up to €10 million;
- automobile fleet: this policy provides €1 million of coverage for property damage; non-owned auto: this policy insures the use of a personal vehicle for occasional travel that is required for Wendel business. It 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 insurance policies. The Company has implemented a risk awareness and prevention program for the risks related to certain countries;
- professional liability: this policy 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. The policy includes professional liability insurance for Wendel's international operations;
- 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 €100 million. The policy includes general liability insurance for Wendel employees working at its international sites.

Bureau Veritas

In 2014, the Bureau Veritas group continued to centralize and optimize its insurance policies.

The centralized insurance policies are:

- a professional and general liability program covering all of the company's businesses, except for aeronautics and certain activities in the Construction division. All of its US operations have been added to the Group program. The Group program supplements local insurance programs (in terms of policy limits or conditions) whenever legislation allows;
- general liability insurance for corporate officers;
- professional liability insurance for the aeronautics business;
- the Group has set up an international insurance program for property damage and related financial losses. The program starting being rolled out country-by-country on January 1, 2014.

Other risks are insured locally, such as for automobile accidents, workplace accidents, and risks related to the Construction division in France, Spain and Germany.

Bureau Veritas set up a dedicated reinsurance captive in 1990, which insures the primary layer of its operating and professional liability program.

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 Paints

Materis Paints has taken out the following insurance policies:

- professional liability insurance;
- ten-year general liability insurance and a multi-cover policy;
- property damage and business interruption coverage;
- ten-year liability insurance for applicators;
- environmental liability insurance for insured sites;
- general liability insurance for corporate officers;
- a “fraud/malevolence” policy;
- an “employer” policy (employee relations);
- an automotive fleet policy;
- an assistance policy, a policy for business use of personal vehicles, and a business travel accident policy.

Parcours

Parcours has taken out the following insurance policies:

- “vehicle fleet” policies for the car leasing business;
- for corporate officers, a general liability insurance and a specific policy for banking transactions and payment services;
- professional liability insurance for the auto appraisal business;
- professional liability insurance for the brokerage business;
- multi-risk insurance for the repair shops and offices;
- car insurance for employees;
- vehicle transportation insurance and a policy for trucks.

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 insurance and insurance for business use of personal vehicles.

Nippon Oil Pump

Nippon Oil Pump has taken out the following insurance policies:

- general liability insurance for production plants and offices;
- general liability insurance for products and operations;
- property damage 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 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.

2.3.1.2 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.

2.3.1.3 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, investment and advisory companies. 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 or corrections 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 committees of subsidiaries subject to controls (for those that have audit committees) have 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, some subsidiaries (including Parcours, Mecatherm, NOP and Materis Paints) respond to the questionnaires by putting priority on the parts that are most important and relevant to their businesses and their organizations.

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

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 investment projects: the Executive Board explains to the Supervisory Board how the projects will be implemented, the risks and opportunities connected with each investment, 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 discuss their operating methods every year. The Supervisory Board regularly formalizes and summarizes its self-evaluation using a questionnaire completed by each of its members, in accordance with the Afep-Medef Code recommendations. In 2014, the Supervisory Board hired a specialized consulting firm to carry out an in-depth review of its composition and operations.

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 set forth in the Supervisory Board's internal regulations and detailed in section 2.1.2.3. The internal regulations are reviewed regularly to take into account any new laws and the latest best practices for corporate governance.

Executive Board and its 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 Wendel's procedures by setting up three Committees:

- an Investment Committee, which includes the Executive Board, the Managing Directors of the Investment Unit and of international offices, and the Group Vice-President for Finance. It meets once a week to monitor the subsidiaries efficiently and identify and handle the investments or divestments Wendel undertakes;
- 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;

- a Coordination Committee, which comprises all senior executives of Wendel and its advisory companies, 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".

Holding companies, investment companies and directly-controlled advisory companies

The governing bodies of the Group's holding companies, investment vehicles and advisory companies 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.

2.3.4 Internal dissemination of information

2.3.4.1 Reporting as part 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 the Company. 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.

2.3.4.2 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 are held 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;
- the dissemination of procedures and rules to all personnel – such as expense commitment procedures, the Market Confidentiality and Ethics Code (see below), and the IT System charter – helps each employee to comply with the internal control procedures established by the Executive Board. Wendel has drafted a finance and business administration procedure for its advisory companies to make sure they also implement the Group's internal controls;
- 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 intranet includes a functional and hierarchical organization chart as well as the calendar of blackout periods.

2.3.4.3 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 in France and abroad, and to 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;
- Wendel has 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 their 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.

2.3.5 System for identifying and analyzing risks and ensuring that risk management procedures are in place

Note 5 to the consolidated financial statements and section 5 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 Wendel's financial risks (financial leverage, liquidity, interest rates), cash management, and the quality of Wendel's financial counterparties, NAV, accounting regulations, the production of financial statements, the calculation of NAV, earnings forecasts, the estimates needed to prepare the financial statements and calculate NAV (together with other Wendel departments if necessary), and transaction security. Key indicators (changes in NAV, financial leverage, current and projected cash levels, and 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 and ensuring that Wendel's transactions (financing, acquisitions, divestments, etc.) comply with all applicable laws and regulations and that the corresponding contracts are legally valid. More generally, the department is responsible for the proper execution of all transactions that Wendel undertakes as a long-term investor;
- the General Secretariat is responsible for ensuring that Wendel's holding companies adhere to company law and laws governing market trading and corporate governance, and that Wendel adheres to regulations on compliance, ethics, disputes and litigation, data protection and freedom of information, 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.);
- the international offices in Casablanca, Luxembourg, New York, Singapore and Tokyo provide the Group with business and investment advice for their respective regions.

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.

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 and 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.

A list of the risks Wendel faces is 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 is formalized by the departments involved. This analysis has been presented to the Audit Committee. In addition, 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.

2.3.6 Oversight and monitoring of internal control

2.3.6.1 Investments and divestments

The Investment Committee meets weekly to examine progress made on planned acquisitions and divestments and to explore new opportunities. The Committee includes the Executive Board, the Managing Directors of the Investment Unit and of international offices, and the Group Vice-President for Finance. 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. The presentation includes an assessment of the identified risks as well as 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.

2.3.6.2 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 and 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.

2.3.6.3 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 Group Vice-President for Finance 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, including budget tracking.

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."

2.3.6.4 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 Group Vice-President for Finance. 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 Executive Board Chairman to the Group Vice-President for Finance 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 Group Vice-President for Finance. The Executive Board decides whether or not to adjust interest-rate exposure, and if necessary, appropriate financial instruments are put in place.

2.3.6.5 Compliance with laws, regulations and ethical rules

The Legal, Human Resources, Sustainable Development, and Tax departments, along with the General Secretariat, ensure compliance with the laws and regulations in the countries where Wendel and its holding, investment and advisory companies are located. 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 of Wendel and its international offices, and to 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. The Code 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 those companies must own or dividends-in-kind paid to them in the form of shares of Wendel's subsidiaries or associates.

Pursuant to Article L. 621-18-4, paragraph 1, of the French 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.

2.3.6.6 Procedures for preventing fraud and controlling 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 subject to a formal authorization procedure. Depending on the amount, they must be authorized by the Management Committee member in charge of the expenditure, by an Executive Board member, and/or by the Executive Board Chairman. 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.

For Wendel's advisory companies, the Group Vice-President for Finance has issued a procedure for managing their finances and business administration. The Finance department carries out a formal internal review of Wendel's advisory companies to make sure they adhere to the Group's internal control policy.

2.3.6.7 Preserving the integrity of IT data

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.

2.3.7 Preparation of Wendel's accounting and financial information

The risks related to the preparation of Wendel's accounting and financial information mainly include the risk of error, risks inherent to the use of estimations (see Notes 1-9 and 1-10 to the consolidated financial statements), and risks arising from the valuations used to calculate NAV.

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:

2.3.7.1 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 Finance department meets 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 Group Vice-President for Finance is a member of the Management Committee, the Investment Committee, and the 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 Group Vice-President for Finance reports directly to the Executive Board and is thus fully independent of other Wendel departments.

2.3.7.2 Procedures for auditing 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 Wendel level:

- the Group Vice-President for Finance is responsible for accounting policies and ensuring compliance with accounting rules. If required, he has the authority to commission audits and informs the Executive Board of the results of any such 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 Executive Board Chairman is in constant contact with the Group Vice-President for Finance 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, mode of operation and 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.

2.3.7.3 Procedures for calculating NAV

NAV is calculated by the Finance department and approved by the Executive Board under the procedure described in section 4.3.2. The Statutory Auditors verify that the methodology used for calculating NAV complies with the Group's methodology and confirm consistency with accounting data.

2.3.7.4 Procedures for the control of 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.

2.3.8 Achievements in 2014

The application of procedures implemented in previous years was reviewed and improved in 2014 where necessary.

An internal review process for Wendel's advisory companies was developed in 2014 and roll-out began that same year.

The Executive Board adopted Wendel's Ethics Code in March 2015. The Code sets forth the values adhered to by the Company's employees and family shareholders, and serves as a guidepost for Wendel's long-term investment activities. Everyone at the Company – all its staff and managers, including those at its holding companies and sites around the world – abides by the Code. Wendel also encourages the companies it invests in to adopt similar standards.

2.4 Statutory auditors' report, prepared in accordance with the article L.225-235 of the French commercial code (code de commerce) on the report prepared by the chairman of the supervisory board of Wendel

(Year ended December 31, 2014)

This is a free translation into English of a report issued in French 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

89, rue Taitbout

75009 Paris

To the Shareholders,

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 (*Code de commerce*) for the year ended December 31, 2014.

It is the Chairman's responsibility to prepare and submit for the Supervisory Board's approval a report on internal control and risk management procedures implemented by the Company and to provide the other information required by article L. 225-68 of the French Commercial Code (*Code de commerce*) relating to matters such as corporate governance.

Our role is to:

- report on any matters as to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information;
- confirm that the report also includes the other information required by article L. 225-68 of the French Commercial Code (Code de commerce). It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information relating to the Company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Supervisory Board in accordance with article L. 225-68 of the French Commercial Code (*Code de commerce*).

Other information

We confirm that the report prepared by the Chairman of the Supervisory Board also contains the other information required by article L. 225-68 of the French Commercial Code (*Code de commerce*).

Neuilly-sur-Seine and Paris-La Défense, April 9, 2015

The Statutory Auditors

French original signed by:

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean Bouquot

3

WENDEL'S CORPORATE SOCIAL RESPONSIBILITY

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

Wendel believes that corporate social responsibility drives growth for companies. 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 gradually integrate CSR issues in their risk management and growth strategies.

In 2009, Wendel signed a charter produced by AFIC, the French association of private equity firms. This public commitment mainly consists in a set of measures to promote sustainable development.

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 General Secretariat, the Communications and Sustainable Development department and the Operational Resources (human resources, IT and facilities management) department.

In 2015, Wendel adopted a code of ethics, approved by its Executive Board.

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. Environmental and social audits were duly conducted in 2014 in preparation for the acquisitions of CSP Technologies and Constantia Flexibles, which were completed in the first quarter of 2015.

- 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 Paints, 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 Paints 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. Saint-Gobain's corporate social responsibility (CSR) policy centers on four commitments: inventing sustainable buildings, limiting environmental impact, encouraging the professional growth of employees, and taking action for local development. Saint-Gobain actively participates in discussions on the energy efficiency of buildings and develops eco-innovative solutions to reduce the environmental impact of products used in construction, by considering their whole life cycle, in new buildings as well as renovations.

- Every Group subsidiary and associated company is expected to develop a CSR policy addressing its specific issues. Group companies operate in very different fields (see section 1.10 "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.

The results of the checks and controls performed by the independent third-party verifier are communicated to the investment team. In 2015, the Executive Board decided that each company would implement an action plan addressing its most important issues, based on the third-party verifier's recommendations.

Significant aspects of the sustainable development policies of Bureau Veritas, Materis Paints, Stahl, Mecatherm and Parcours, the companies in which Wendel is the majority shareholder, are presented in section 3.2 "Wendel's subsidiaries reviewed by an independent verifier".

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 the Company to prevent market abuse. The main obligations contained in this Code are described in section 2.1.6 of this registration document. The main provisions applying to Supervisory Board members have been incorporated into the Board's rules of procedure.

Every year, Wendel also surveys the general internal control principles implemented by 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 (see section 2.3).

Wendel's Code of Ethics

The Executive Board of Wendel adopted a Code of Ethics in March 2015. This Code contains the values of the Company's employees and supplies the frame of reference for Wendel's role as a long-term investor. It applies to all employees and executives of the Company, its holding companies and all of its offices. Wendel encourages the companies in which it invests to adopt similar standards.

Wendel ensures that its activities comply with all laws and regulations regarding anti-money laundering, economic-sanction programs and related tax obligations, preventing corruption and competition law.

It takes steps to provide a respectful work environment for all of its employees, by promoting diversity, equal opportunity and the privacy of personal data. In return, Wendel employees must use the Company's operational resources in an appropriate manner that is consistent with their work purpose.

Wendel strives to communicate information that is accurate, precise and fairly presented to investors, shareholders and analysts; it also upholds the principle of equality of information and protects the confidentiality of privileged information. The Company's employees are expected to recognize and avoid potential conflicts of interest. Wendel builds relationships of trust with its partners in accordance with the interests of the Company.

Lastly, Wendel is a socially responsible company; it adopts environmentally friendly practices and actively contributes to the community (see sections 3.1.3 and 3.1.4).

Wendel's Code of Ethics can be viewed on its website: www.wendelgroup.com.

3.1.2 Implementing a CSR strategy adapted to a small investment team

Wendel's human resources policy

Small, experienced and diversified workforce

Wendel strives to hire excellent talent, create the best possible working environment for its employees and also develop their skills.

As of December 31, 2014, Wendel and its holding companies employed a total of 84 people.

Half of Wendel's 63 employees in France (expatriates not included) are directly involved in investing activities. In addition to an investment team of 18 people and the senior management team, about ten 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, Tax, Communications & Sustainable Development and Operational Resources departments.

Wendel has offices in the Netherlands, Luxembourg, Germany, Japan, the United States, Singapore and Morocco, supporting Group companies as they expand in Europe and Asia. The companies in the Netherlands (since 1908) and Luxembourg (since 1931) also act as holding companies.

Wendel has been present in Germany (Frankfurt) and Japan (Tokyo) since 2007. In 2013, to support its international development, Wendel opened subsidiaries in New York, Singapore and Casablanca. As a result, the number of its employees outside France increased from ten as of December 31, 2012 to 21 as of December 31, 2014, through local recruitment and the transfer of five employees from France.

	12/31/2014			12/31/2013			12/31/2012		
Employees* in France: staff numbers and changes	**Non-management**	**Management**	**Total**	**Non-management**	**Management**	**Total**	**Non-management**	**Management**	**Total**
Total workforce	**13**	**52**	**65**	**13**	**49**	**62**	**15**	**51**	**66**
of whom Women	*8*	*24*	*32*	*8*	*20*	*28*	*9*	*23*	*32*
Men	*5*	*28*	*33*	*5*	*29*	*34*	*6*	*28*	*34*
New hires	**-**	**4**	**4**	**-**	**3**	**3**	**-**	**7****	**7****
of whom Women	-	*4*	*4*	-	*1*	*1*	-	*5*	*5*
Men	-	-	-	-	*2*	*2*	-	*2*	*2*
Departures	**-**	**1**	**1**	**2**	**5**	**7**	**1****	**4**	**5****
of whom Women	-	-	-	*1*	*4*	*5*	*1*	*1*	*2*
Men	-	*1*	*1*	*1*	*1*	*2*	-	*3*	*3*

* *Employees in France with permanent contracts, including three management-level expatriates.*
** *Including one change in employee category.*

In 2014, Wendel employed three people on fixed-term contracts for a combined total of 11.5 months and three temporary employees to replace staff on maternity and sick leave.

In 2014, 49% of management-level employees at the head office were women (*i.e.* 24 out of 49).

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 €10.9 thousand in 2014.

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 France, 59 employees (permanent and fixed-term contracts combined) completed at least one training course in 2014, for a total of 1,206 hours of training. The courses mainly addressed communications techniques, foreign languages, specific business functions or, to a lesser extent, office software.

In addition, at the Wendel Global Conference in November 2014, all Wendel employees received training on compliance issues.

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, since 2010 Wendel has offered to obtain and finance daycare services for the children of employees who request them. In 2014, Wendel financed daycare for 12 children, for the benefit of nine 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, two employees are taking part-time childcare leave.

Absences, excluding leave for family events, remained stable at around 1%. There were no work injuries in 2014.

Promotion and application of the ILO's fundamental conventions

Wendel manages its human resources in accordance with the ILO's core conventions. France has ratified the eight fundamental ILO conventions on forced labor, on the freedom of association and protection of the right to organize, on the right to organize and 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.

Wendel does not operate in countries with a high risk of violation of workers' rights, and therefore has not encountered any issues with applying these conventions.

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 2014 was approximately €11.97 million, down 2.3% vs. 2013.

Wendel has also had a collective performance bonus in place since 2006.The performance criteria established in 2012 were not met in 2014; accordingly, no collective performance bonus will be paid in respect of that year. However, a dividend increase prompted Wendel to pay employees 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, financed largely by the Company.

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 25 years or grants of performance shares or stock options, which most employees have received since 2007.

Grant of stock options and performance shares

In addition to the two Executive Board members, 68 employees received stock options and performance shares by virtue of the authorization granted at the Shareholders' Meeting of June 6, 2014 and the Executive Board's decision on July 8, 2014.

Attached to these grants are a service condition and a performance condition.

A history of stock-option and performance share plans is provided in tables 8 and 9 of section 2.1.7.

The table below indicates, for the period from January 1 to December 31, 2014:

- 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 Group employees who were granted the largest number of options	80,682	€107.30
Options exercised during the year by the ten employees who exercised the most options	153,545	€30.53 (1)

(1) In 2014, these options were exercised at €65.28 (WI 3-2 plan), €67.50 (WI 1-2 plan), €18.96 (W 1-3 plan), €22.58 (W 2-1 plan), €44.32 (W 3 plan) and €82.90 (W 6 plan).

The total number of performance shares awarded during the year to the ten employees in the Group who received the largest number of such shares was 25,144.

Capital increases through the Group savings plan

For more than 25 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, 2014, excluding corporate officers, employees held 0.54% of the capital of Wendel *via* the Group savings plan.

In July 2014, the Executive Board decided to carry out a capital increase. 93% of eligible employees subscribed and were allocated a total of 19,022 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, 2014, more than 43% of employees had invested in the pension plan.

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 category, provided they retire while employed by the Company. This plan was closed on December 31, 1998. The supplementary pension plan guarantees each employee beneficiary an overall level of retirement income. This income is expressed as a percentage of end-of-career compensation (fixed + variable excl. extraordinary amounts). It increases in relation to the employee's age and seniority up to a maximum of 65% of 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 47 retirees and ten employees of the Company who benefit from the plan.

3.1.3 Limited environmental footprint

Wendel's activities have little impact on the environment. Nevertheless, Wendel strives to do its share to limit any negative impact. For example, environmental criteria are incorporated into the management of its IT services and the building 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.

Greenwishes, the waste management company selected by Wendel, compared the quality of the sorted waste collected over the past 12 months and created a ranking called ***"Les Trophées de la Qualité du tri 2014",*** which will reward the top waste-sorting performers each year. In 2014, Wendel won first prize in the beverage category (bottles, cans and plastic cups).

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 2015, Wendel renewed its support of Centre Pompidou-Metz.

In addition to its long-term support, Wendel works actively with partner institutions to further their development projects. In particular, Frédéric Lemoine represents the Group on the Boards of Directors of Insead and the Centre Pompidou-Metz.

- In 2014, Wendel offered its support to an art project commemorating the 70th anniversary of Jean Moulin's death. Stephan Balkenhol, an internationally renowned German artist living in the Moselle *département,* received the commission. The work, entitled "Jean Moulin and the Army of Shadows" and displayed at the Metz train station, was inaugurated on July 10, 2014. Our support of this high-quality initiative is another example of Wendel's attachment to the duty of remembrance and to the Lorraine region.

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 regularly communicates with its principal shareholder, Wendel-Participations, and makes 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 four times in 2014. 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. Four members were replaced in 2014. In June 2015, the composition of the Shareholders Advisory Committee will again change and the Committee will have nine members.

Wendel participated in the Actionaria trade show in 2014.

- Wendel keeps the financial community (analysts, institutional investors and individual shareholders) regularly informed of its earnings, business activities and strategy. In 2014, Wendel met with more than 300 stock and bond investors during its road shows (in France, United Kingdom, Germany, Switzerland, Spain, United States, Canada, Japan and Singapore) 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, Medef, AFIC, Paris Europlace, ANSA *(Association Nationale des Sociétés par Actions),* and so on.

3.2 Wendel's subsidiaries reviewed by an independent verifier

Wendel is the majority shareholder in Bureau Veritas, Materis Paints, Stahl, Mecatherm and Parcours. The financial statements of these companies are fully consolidated in Wendel's consolidated financial statements. Accordingly, they have been reviewed by an independent third-party verifier, as required by Article L. 225-102-1 of the French Commercial Code *(Code de commerce).* Wendel reports 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 1.10 "Group 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.

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 is also obligated to verify and publish these data, all of the required information is available in its own registration document for 2014.

Bureau Veritas is a world leader in inspection, certification and laboratory testing. Bureau Veritas helps its clients improve their performance by offering innovative services and solutions to ensure that their assets, products, infrastructure and processes meet the standards and regulations related to quality, health, safety, environmental protection and social responsibility.

Social responsibility a core priority for Bureau Veritas and it fulfills its social and environmental commitments in two complementary ways:

- through the very nature of its work, Bureau Veritas helps its clients to implement their CSR processes. By providing its services to a large number of businesses, organizations, and public authorities on a daily basis, Bureau Veritas indirectly contributes to protecting the environment, preventing risks, and improving quality, for the benefit of the whole community;
- through its CSR policy, Bureau Veritas is also firmly committed to fulfilling its societal responsibility and develops many initiatives in this regard. Its policy centers around the main issues identified when Bureau Veritas defined a materiality table classifying the CSR information that is most important to the group and its stakeholders.

The main points of Bureau Veritas' CSR policy are preserving its independence and impartiality, embracing ethical behavior, ensuring the safety and the professional development of its employees, and promoting equal treatment, diversity and mutual respect. All of these values are part of Bureau Veritas' policies; they are reinforced by the group's three uncompromising principles: safety, ethics and financial control.

The social aspects of the group's CSR policy primarily concern employees and subcontractors. Particular attention is devoted to these people, so as to guarantee the quality, independence and ethical nature of services and to support the professional development of its teams.

As for environmental aspects, Bureau Veritas' impact is very limited due to its service-related business. Its initiatives therefore focus on keeping transportation to a minimum, diminishing energy consumption and reducing emissions from laboratories.

Bureau Veritas publishes a full CSR report in the registration document available on its website.

Materis Paints

In 2014, Materis Paints' CSR policy continued along the lines of the "CORE, Commitment to a Responsible Enterprise" plan launched by Materis(1) in 2010. The plan defined seven fundamental goals relating to three key themes.

- Economic

- Supporting customers in their sustainable development efforts.

- Innovating and proposing products and services that are more respectful of their users and the environment.

- Environmental

- Optimizing the use of resources in products and processes.

- Limiting the impact on the environment.

- Strengthening the environmental management system.

- Social / societal

- Acting for and with employees.

- Strengthening the group's presence in the local community.

(1) The Materis group's central functions were discontinued at the end of January 2015.

In 2015, following the dissolution of the Materis holding company, Materis Paints will define its Corporate Social Responsibility (CSR) policy for the years to come. The policy will be based on seven values defined by Materis Paints at the end of 2014 as fundamental principles. These guide the initiatives, decisions, choices and day-to-day conduct of the people in the group.

Stahl

Stahl is the world leader in high-performance coatings and leather-finishing products. Its registered office is in the Netherlands and it employs nearly 1,800 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. In every country, employees are required to attend certain training programs to raise their awareness of these issues. New employees in production facilities or laboratories undergo specific induction training. Refresher programs are regularly offered to all staff.

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%).

Mecatherm

Mecatherm is the world leader in equipment for industrial bakeries. 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 is committed to continually raising the bar in terms of continuous improvement. It strives to design equipment that integrates high standards, particularly in four areas: food safety, personal security, equipment preservation and environmental protection.

Backed by its very strong expertise, market knowledge and positive growth outlook, Mecatherm took steps in 2014 to actively improve its overall performance, with the aim to better meet the expectations of its customers and the demands of an increasingly competitive market.

The main initiative taken in this area in 2014 was to enhance and harmonize Mecatherm's information system by adopting a new ERP (Enterprise Resource Planning) solution. This tool will enable significant improvements to be made to the group's social, environmental and societal performance.

Parcours

Parcours is an independent vehicle leasing specialist in France with more than 350 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; every new location is built according to specifications that incorporate France's standards of high environmental quality ("HQE").

3.2.1 Materis Paints

3.2.1.1 Commitments for a responsible enterprise

General policy

In 2014, Materis Paints' CSR policy continued along the lines of the "CORE, Commitment to a Responsible Enterprise" plan launched by Materis in 2010. The plan defined seven key goals relating to the three main pillars of sustainable development.

Economic	Environmental	Social/societal
■ 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 products and processes ■ Limit the impact on the environment ■ Strengthen the environmental management system	■ Act for and with employees ■ Maintain a strong presence in the local community

In 2015, now that Materis has been dissolved, Materis Paints will establish the principles of its Corporate Social Responsibility (CSR) policy for the years to come.

The policy will be based on seven values defined by Materis Paints at the end of 2014 as fundamental principles that guide the initiatives, decisions, choices and day-to-day conduct of the people in the group.

These values are:

- Safety
- Excellence
- Respect
- Customer satisfaction
- Imagination
- Teamwork
- Simplicity

CSR governance

Early in 2015, Materis Paints will form a CSR steering committee consisting of members from the Marketing, Supply Chain and R&D, HR, QSE and Communications departments, who will define and manage the group's CSR strategy.

Each Materis Paints subsidiary develops its long-term approach to CSR in the way that is best suited to the local market and its customers. Materis Paints believes that differentiation and progress are only achieved with an understanding of the local economic, social, environmental and regulatory context and not by applying a single set of guidelines.

This local connection ensures that the commitments made are relevant and that all teams quickly adopt and act on them.

For example, since 2011, Zolpan, a French subsidiary of Materis Paints, has followed a local approach involving "LUCIE" certification. In 2014, it renewed this CSR standard based on ISO 26000.

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 the financial statements of Materis Paints.

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 method for that indicator. Data are collected using standard files validated by Materis Paints.

Responsibilities and verifications

The group's Human Resources department collects and consolidates the HR data, checks that they are consistent, and validates them. The human resources community in each Materis Paints subsidiary is in charge of producing these data.

The QSE department of Materis Paints consolidates the data related to safety and the environment and performs consistency checks.

Safety indicators are produced by the Safety manager in each subsidiary. Environmental data are produced by environment experts in each Materis Paints subsidiary.

Each Materis Paints subsidiary 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.

Methodology

Methodological limitations and uncertainties

The reporting methods for certain social, environmental and safety indicators may have certain limitations due to the pragmatic considerations of collecting and consolidating the relevant data.

The definitions and reporting methods used for the following indicators, as well as any relevant uncertainties, are described below.

Safety indicators

Lost-time injury frequency rate
The lost-time injury frequency rate is the number of accidents involving the loss of one or more days of working time that occur over a 12-month period, per million hours worked. It is reported for all entities in the Materis Paints group.

Accidents while travelling are included in this indicator when they occur during working hours. Accidents while commuting between home and work are not included.

Lost-time injury severity rate
The lost-time injury severity rate is the number of days of working time lost over a 12-month period following a work-related accident, per 1,000 hours worked. It is reported for all entities in the Materis Paints group.

Environmental indicators

Water consumption
Water consumption includes the consumption of water for production activities and does not include the water used in offices or for hygiene. The reported amounts cover all entities in the Materis Paints group, with the exception of 42% of Tollens sales outlets and 33% of Zolpan sales outlets.

Energy consumption
Energy consumption includes the consumption of energy for production activities and does not include energy consumed in offices or associated with employee transportation. It is reported for all entities in the Materis Paints group.

Social indicators

Total workforce
The total workforce is the number of employees with a permanent or fixed-term contract with the Mecatherm group on the last calendar day of the month. Employees whose employment contract has been suspended and participants in programs that alternate classroom study with practical work experience are counted among the workforce at the end of the reporting period. Trainees and PhD students are not counted. Workforce data is reported in full-time equivalents.

Hires & departures
Employees with permanent contracts who are hired or leave the group are reported for all entities in the Materis Paints group. Fixed-term contracts made permanent or internal transfers within the group are not counted as either hires or departures.

Absentee rate
The absentee rate is reported for all entities in the Materis Paints group. It is calculated by dividing the number of calendar days of absence by the number of theoretical calendar days worked. Absences include absences due to sickness, unauthorized unpaid leave, and lost time due to work-related accidents and commuting accidents. Other types of absences, in particular long-term leave of more than three years, are not included in calculating the absentee rate.

Total hours of training
Hours of training is reported for all entities in the Materis Paints group. This figure includes in-house and external training (including e-learning). It does not include the study hours in France for participants in programs that alternate between work and study or time spent in safety training.

3.2.2.3 Social initiatives: acting for and with employees

With nearly 3,900 employees worldwide and commercial and industrial locations in nine countries, it is important for Materis Paints to create the working conditions that best enable its employees to achieve their full potential and, through their engagement, contribute to the group's development.

Safety first, the most important value of Materis Paints

Building a genuine safety culture at Materis Paints

The safety of employees and subcontractors is the most important value of Materis Paints, which made the "zero accident" choice as of 2013.

Several Materis Paints subsidiaries have succeeded in reaching this objective, and some have achieved it several years in a row.

The Materis Paints Executive Committee and the senior management teams in charge of the various entities are closely involved in these efforts to build a safety culture and pass it on to all employees. A safety indicator is included in the annual objectives of the CEOs of each entity or country as well as those of many managers.

This culture of safety is based on setting an example and requires an increasingly strong commitment from managers at every level.

In 2014, the position of Director of Quality, Safety and Environment was created, reporting directly to the Chairman of Materis Paints.

In 2014, Materis Paints also defined ten "golden rules" of safety, which apply to all jobs in all subsidiaries, and applied them to 95% of its workforce (with the goal to reach 100% in 2015).

Every employee met with their manager in a meeting at which the golden rules of safety were presented and explained and, at the end of the meeting, signed an undertaking to abide by these rules.

Similarly, eight golden rules of safety were defined and applied for managers.

Each year since 2009, World Safety Day at Materis Paints has provided an opportunity to focus the attention of teams around the world on the need to make safety a habit.

To help strengthen the safety culture among its managers in France, Materis Paints provides in-house training for them. Until the end of 2014, Materis organized this training program. At the end of 2014, the program was redesigned, with the help of an external service provider, to better fit the needs of Materis Paints managers.

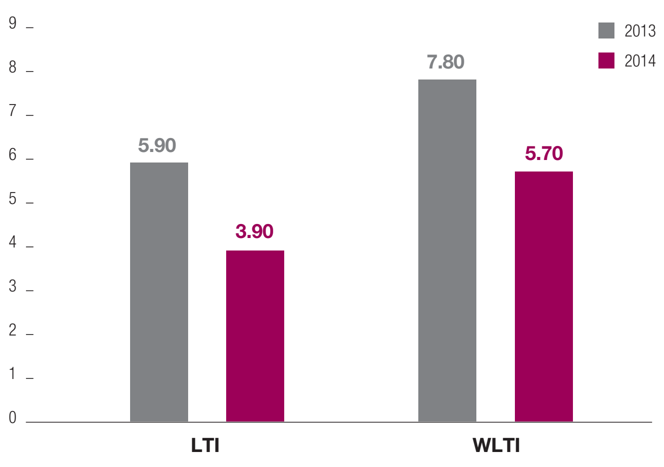
The new training sessions will begin in early 2015.

To facilitate the sharing of experiences and promote risk prevention, Materis Paints has several multilingual communications tools (presentations, posters, videos) that were developed by Materis and address different types of injuries, depending on the work environment.

They can be used by Materis Paints managers for their "safety minute" presentations, team meetings and information meetings and are downloadable from a secure extranet site devoted exclusively to safety.

Monitoring results

Injuries at Materis Paints



LTI: number of lost-time injuries per million hours worked among employees with permanent or fixed-term contracts and temporary staff.

WLTI: number of injuries with or without lost time per million hours worked.

The safety action plans implemented at Materis Paints subsidiaries helped to significantly reduce the LTI and the WLTI in 2014.

For every injury, with or without lost work time, the relevant entity performs a root-cause analysis to determine what preventive and corrective action should be taken.

Since 2013, Materis Paints has included first aid treatments in its reporting and analysis processes to strengthen its efforts to prevent accidents at work.

Incorporating the safety culture into industrial practices

Materis Paints aims to obtain OHSAS 18001 certification for all of its industrial sites by the end of 2015. In 2014, its facilities in Bernal, Garin and Saint Luis in Argentina were OHSAS 18001-certified. To date, 10 out of 12 industrial sites, or 83%, have obtained certification.

Human resources organization

Human resource management is decentralized at Materis Paints. The HR department in each subsidiary coordinates HR policy, which is implemented locally in every country where the group has a sales and/or industrial presence.

The HR department at Materis Paints promotes collaborative work and coordinates a community of HR directors to facilitate the sharing of best practices, by organizing an annual meeting, for example.

The group's HR department defines and disseminates key HR processes such as recruitment and annual appraisals, and ensures that they are applied.

Salary increases and variable compensation paid to the 100 top managers at Materis Paints are proposed and examined for approval each year, following a centralized procedure.

The HR department in each subsidiary also assumes the following responsibilities:

- support and apply the commitment to safety made by Materis Paints and ensure that its organization functions in a way that exemplifies the Materis Paints culture;
- facilitate the development of each individual in an organization that promotes the taking of initiatives and responsibility;
- ensure that all of the Human Resources processes defined by the group HR department (for example, the annual appraisal interview, or "HR1") and the procedure for salary evaluations and increases are applied at all levels of the company hierarchy;
- implement training plans adapted to the subsidiary's growth strategy;
- promote and implement compensation policies that are consistent with benchmarks in the markets in which the subsidiary operates;
- prevent all forms of discrimination and ensure compliance with labor laws.

Fostering employee engagement

Based on the results of the Great Place to Work survey conducted at the end of 2013 (with a response rate of over 85%), Materis Paints France continued its efforts to engage its 2,400 employees by defining and implementing initiatives involving communications, coordination and participative management.

For example, to help employees get to know each other better, Tollens rolled out its Reverso campaign: all employees working at the headquarters in Clichy spent a day with sales teams in the "Couleurs de Tollens" network, either in a sales outlet or with a field sales representative conducting sales calls.

Sales representatives and sales outlet staff will in turn spend time at the head office in Clichy in 2015 to get an inside look at their colleagues' work.

In 2014, in response to the main expectations expressed by employees in the Great Place to Work survey, Materis Paints Research & Industry (MPRI), a subsidiary encompassing all supply chain operations in France, inaugurated the "World *Café*" at its six sites to enhance dialogue with its employees. The employees who volunteered to participate (20% of the workforce) met in small groups to explore a range of issues and generate ideas. Based on the results, an action plan was developed and implemented to enhance internal communications, improve onboarding procedures for new hires and create a friendlier atmosphere, conducive to greater efficiency.

At Robbialac, the performance of sales people and their managers is assessed each year against behavioral criteria and each quarter against quantitative indicators such as DSO, gross profit, customer retention and new customers.

The best performers are selected to act as coaches for those who score the lowest in the above areas. They receive training and are recognized and valued for their excellent work.

Internal communications

A Communications department was created in 2014 and reports directly to the Chairman of Materis Paints.

In the area of internal communications, the new department organized the first annual convention of executives, which was held in November. At this meeting, Materis Paints presented its growth strategy for the upcoming years and its company vales.

Once a quarter, executives from the management committees of all subsidiaries take part in a Group Management Meeting *via* video-conference. The company's targets and results, ongoing projects, and successes are shared. This regular meeting gives subsidiary executives up-to-date information about the group that they can share with their teams.

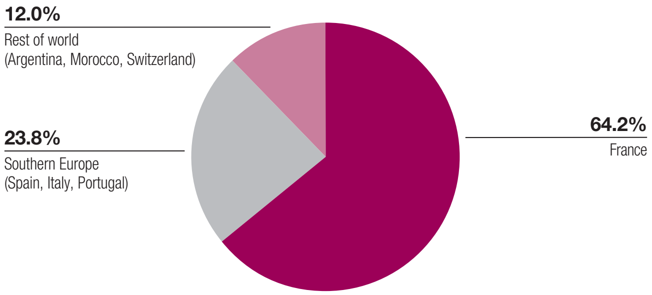
Workforce

Markets in southern Europe recovered slightly in 2014, while the Argentinean market felt the effects of soaring inflation and the foreign exchange market situation. After a promising start to the year, demand retreated in France in the second half. In this context, Materis Paints bolstered certain teams to enable them to carry out medium-term development projects and reduced its workforce in other structures to adapt to the market situation.

Worldwide, the workforce diminished very slightly.

The teams that were impacted by the need to adjust staff numbers received various types of support, with preference given to internal mobility whenever possible.

Breakdown of staff by geographic region



Absentee rate

The absentee rate at the Materis Paints group remained stable, at 3.03%.

Hiring, training and employee development

In a service industry like that of Materis Paints, human resources are key and can make a lasting difference with respect to competitors.

Hiring and onboarding

In 2014, Materis Paints hired 262 new employees on permanent work contracts.

Each of these new hires represents an additional opportunity to strengthen Materis Paints with skilled people whose engagement will support the group's growth.

Before resorting to external recruitment, preference is systematically given to employees already within the group whose performance demonstrates their potential for advancement.

Accordingly, the selection process has been reinforced to ensure that the people recruited from outside the group represent only the very best talent. For example, the HR department is involved in a collective process implemented at every functional level, and at least three work references are systematically checked for each job applicant.

To ensure the successful onboarding of recent hires, new initiatives were taken in 2014, such as the appointment of mentors to help new employees become familiar with their roles and the company.

As an example of an initiative, Robbialac in Portugal asks each new hire, after six months on the job, to assess the onboarding process and the training received since joining the company.

To facilitate the integration of its new employees, Materis Paints will organize an orientation day in France early in 2015 to introduce them to the group, its activities, its growth strategy, its values and its strong safety culture. The event also aims to promote dialogue among new employees in different subsidiaries and departments, as well as among employees and the group's executives.

To prepare for the future, the "*Couleurs de Tollens*" network revived its policy to welcome young people into the company by creating about 20 two-year positions for participants in programs combining coursework with practical work experience. Experience has shown that, on average, employees recruited through these programs stay with the company longer and advance more quickly.

Training

A training policy is developed locally by each subsidiary based on the development needs of the company and its staff.

Materis Paints is committed to offering regular training to its employees to help them build their skills and employability. In 2014, the number of group employees having participated in at least one training program during the year was stable (nearly 77% of employees), as was the average amount of time spent in training per employee (15.7 hours). In 2014, external training costs rose by 20%, indicating the greater sophistication of the training programs that were developed.

In the area of safety, Materis Paints developed a specific training program to be held every three years in France, called “Safety Management Best Practices.” It will be delivered to 560 managers in France, beginning in early 2015.

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 the employee's overall 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 skills development and personal ambitions, training needs and the manager's management style.

The APA is implemented in all group subsidiaries and is intended to reach all employees. The percentage of managers having completed APAs grew from 53% in 2013 to 81% in 2014.

Succession plan

Each subsidiary reviews its succession plan annually.

The succession plans for the management committee members in each subsidiary are consolidated by the group's Human Resources department to be presented to and discussed by the executive management of Materis Paints. These plans help the group ensure that it has the right people in place for its future development or that the necessary steps (training, mobility, recruitment, etc.) are being taken to achieve this objective.

High potentials, key personnel and experts

In 2014, the group human resources department launched a procedure to identity high potentials, key personnel and experts. Based on a set of predefined criteria, each subsidiary submitted proposals. After discussion with the group's management, a list of people to be closely followed was drawn up.

Compensation

The compensation policy of Materis Paints is coordinated with its subsidiaries and adapted to take into account characteristics that are specific to their local markets.

This compensation policy is based on the following principles:

- compliance with applicable regulations and the minimum contractual salary in force;
- recognition of individual and collective performance;
- desire for internal equity;
- consistency with local market conditions.

All of the group's subsidiaries promote and implement variable compensation systems to enhance individual and/or collective performance.

The human resources departments in each subsidiary conduct periodic benchmark studies to ensure that compensation is consistent with market levels.

Each year, Materis Paints subsidiaries engage in negotiations that enable a significant number of local collective agreements to be adopted regarding compensation or other HR topics (36 in 2014).

In 2014, personnel expense represented 23.9% of Materis Paints' sales.

Organization of working time

Each Materis Paints 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 by each group subsidiary.

In addition to collective agreements on compensation, 13 local agreements were signed in 2014 in areas related to working time, training, safety, health and diversity.

Diversity

Materis Paints fights all forms of discrimination.

In France, Materis Paints has signed agreements with adapted employment centers or sheltered workshops. Materis Paints also notifies specialized organizations for the employment of people with disabilities of available job openings

Freedom of association

In accordance with local regulations, Materis Paints allows employees open access to their representative, consultative and labor-management bodies in all of the group's entities.

3.2.2.4 Environmental initiatives

Protecting the environment is a key element in the Materis Paints culture, which is why the group invested €2.9 million in 2014 to prevent "environment and safety" risks, representing 15% of its total capital expenditure.

The group has developed an environmental strategy based on three priorities:

- strengthening its environmental management system;
- optimizing the use of resources;
- reducing its environmental impact.

The industrial activities of Materis Paints, mainly involving the formulation and manufacture of paint, have a moderate direct impact on the environment.

Strengthening the environmental management system

Materis Paints continued to prevent risks and reinforce environmental management at all of its industrial sites through the gradual achievement of ISO 14001 certification, an international standard for environmental management. In 2014, the Resana site obtained this certification. Seven Materis Paints sites, representing 44% of its industrial and logistics sites, are now certified to this standard.

Optimizing the use of resources

Resource consumption at Materis Paints is directly proportional to its volume of activity.

Energy management and energy efficiency

Materis Paints continued its energy efficiency initiatives to diminish its environmental impact and energy costs.

The group's total energy consumption in 2014 was 184.7 terajoules, down 13%, while business volume increased by 6%.

This decrease in fossil fuel consumption (a 38% decrease for heating oil and a 21% decrease for gas) led to reduced emissions of nitrogen oxides, sulfur oxides and CO_2, which fell by 4%, 29% and 23%, respectively.

After an initial analysis of its carbon emissions in 2012, Zolpan's distribution network conducted a new carbon assessment in 2014 and will develop an action plan in 2015.

Water management

The group's total water consumption in 2014 was 169,529 cubic meters, up 4.5% while business volume increased by 6.2%. Although water consumption usually correlates with production, Chemical Oxygen Demand (COD) decreased between 2013 and 2014, falling from 59.2 to 47.3 metric tons.

A number of Materis Paints industrial sites have been designed so that effluents are fully recycled and that no wastewater is discharged into the environment. The Wormhout (France) site is one example. Specific investments are made each year to improve industrial wastewater treatment and reduce discharges from the relevant activities.

At Les Franqueses (Spain), for instance, a new water treatment unit was installed at the end of 2014 and will help significantly reduce the site's COD.

At the plant in La Bridoire (France), improvements to the recycling station installed in 2012 led to a 36% decrease in wastewater discharge in 2013. A new study was begun in 2014 to explore ways to also reduce the plant's COD.

Raw material management

The processes employed by Materis Paints in its activities produce very little waste or spoilage.

In 2014, processes and recycling were improved, reducing spoilage from 4.5% to 4.3% of the manufactured volume.

Working closely with its packaging suppliers, the group was able to reduce its consumption of petroleum-based raw materials by using regenerated plastics. Its main supplier, accounting for more than half of its market share, uses up to 50% of regenerated polypropylene for the group's packaging.

Reducing its environmental impact

Management and disposal of industrial waste

In 2014, the industrial activities of Materis Paints generated a total of 9,101 metric tons of waste (a 2.7% increase from 2013 compared with a 6.2% increase in production over the same period). This waste was treated by specialist subcontractors accredited by local authorities.

The weight of waste classified as hazardous, as defined under the European Waste Catalogue, diminished by 6% between 2013 and 2014. This reduction was achieved through strict management of waste, including intensified efforts to sort waste.

In addition, in 2014, waste compactors were installed at the La Bridoire plant in France and the Casablanca plant in Morocco. By compacting certain types of waste, such as plastic wrap, some value can eventually be recovered from them.

Noise pollution

The noise generated by Materis Paints plants is limited. Noise levels are monitored at all industrial sites, in accordance with local legislation and OHSAS 18001 certification, and formal action plans are implemented.

Materis Paints aims to obtain OHSAS 18001 certification for all of its industrial sites by the end of the first half of 2015.

Land use

The land footprint of the industrial activities of Materis Paints 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

The group's activities are not directly impacted by the consequences of climate change. Accordingly, it has not developed an overall policy in this area.

Measures to protect and enhance biodiversity

No major, immediate impact from the industrial activities of Materis Paints has been identified. General efforts to reduce the use of resources and environmental impact also ultimately contribute to protecting biodiversity.

Accordingly, the group has not developed an overall policy to protect biodiversity in the areas surrounding its industrial sites.

3.2.2.5 Societal initiatives

In 2014, Materis Paints continued to implement the main strategies defined by Materis to best serve its customers and the communities in which the group operates:

- innovating to design and propose products and services that closely match customer needs and the requirements of Sustainable Construction;
- strengthening the relationship between the group's sites and the communities where the group conducts its industrial and sales activities.

Innovating and proposing products and services that are more respectful of their users and the environment

The end customers of Materis Paints products are construction professionals and individuals, for whom the group has continuously invested in R&D over the past few years to reduce the VOCs (volatile organic compounds) released by its products. Ninety percent of the paints in its product ranges are now water-based.

In 2014, Materis Paints launched a major innovation in the market: an anti-formaldehyde paint that reduces indoor air pollution by absorbing major pollutants. When used on the four walls and ceiling of a room, the amount of pollutants in the indoor space can be reduced by up to 80%. This paint innovation was named Innovation of the Year, all categories combined, by the home improvement chain Castorama in France.

Materis Paints is a pioneer in exterior thermal insulation, with 15 million square meters installed since 1975, and is constantly extending its range of external insulation systems (about 13% of its sales) to improve energy efficiency and comfort in buildings. For example, Materis Paints added the following products to its range:

- launched in 2011, the second generation of a fire-resistant paint, involving a major change in formulation;
- starting in 2014, colorants using "cold" pigments that can be adapted for use in exterior thermal insulation.

In 2014, the R&D investments of Materis Paints represented 1.3% of sales from its manufacturing activities (excluding resale).

Strengthening its presence in the local community

Impact on employment and regional development and on neighboring or local populations

The impact of the business activities of Materis Paints and the activities resulting from the use of Materis Paints products are mainly local.

Through its business, Materis Paints contributes to the construction and renovation of housing, commercial real estate and infrastructure, the vast majority of which are local markets.

Most of its production operations are also carried out locally. In 2014, the share of Materis Paints revenues generated by products sold in the regions where they were produced was more than 95%.

Similarly, the policy of Materis Paints for purchasing the raw materials used in its industrial processes is to work with suppliers close to its plants.

Relations with suppliers and subcontractors

Suppliers of products distributed by Materis Paints are included in its responsible purchasing policy. In assessing and selecting its suppliers, Materis Paints takes their CSR commitments into account. It also classifies suppliers using an in-house method called LIFE (Leader, Interested, Follower, Emptiness). As part of this method, 75 suppliers, accounting for 85% of the purchases of Materis Paints for resale, answer an annual questionnaire about their CSR policies. In 2014, 77% were very advanced in their sustainable development initiatives, with as many as 43% qualifying as proactive.

Partnership and sponsorship initiatives

Materis Paints allows its teams in each country to choose their own local initiatives.

They tend to work with the associations or organizations in which Materis Paints employees are volunteers.

In Morocco, the Arcol subsidiary is running a program to renovate rural schools through skills volunteering and paint donations.

The Argentinean subsidiary Colorin works with TECHO, an organization that builds wooden houses to help needy families in South America.

In France, Tollens partners with Institut Imagine, the largest European research center for childhood diseases. Among other initiatives, Tollens donated half of the 13,000 liters of paint needed to embellish the new building inaugurated by the Institut in 2013.

Since 2009, Zolpan has offered nearly 30 sustainable development grants to projects being supported by Zolpan employees who volunteer their personal time. The beneficiary organizations often provide services to needy communities, protect cultural heritage, or promote sports.

Many subsidiaries also promote culture and the arts:

Colorin is a partner of Glaciarium, Museo Del Hielo, a museum dedicated to the understanding of glaciers and the environment. In Portugal, Robbialac has partnered with Museu Colecçao Berardo (Lisbon) since 2011. Tollens is a partner of three museums in France: Musée d'Orsay (Paris), Musée de l'Orangerie (Paris) and Musée de la Piscine (Roubaix). Zolpan is a long-term partner of CitéCréation, the world leader of painted murals, and contributed in particular to the "*Mur des Canuts*" mural in Lyon, France, which is the largest *trompe-l'œil* fresco in Europe.

Preventing corruption

Materis Paints works to ensure that its employees follow fair business practices and comply with applicable regulations in this area.

In 2014, an anti-corruption charter was presented to the Executive Committee. Each Executive Committee member, including all the CEOs of the operational companies, signed Business Conduct Guidelines that incorporate the anti-corruption charter.

The CEOs of the operational companies will determine how the charter will be implemented locally in their companies in 2015.

Commitment to human rights

The Materis Paints group refuses to use any child or forced labor.

The Business Conduct Guidelines also refer to the Materis Paints charter on compliance with laws and regulations on export control and trading with certain countries (the Materis Paints Group Policy Regarding Compliance with Trade Control Law). The CEOs of the operational companies have made a commitment to follow procedures to ensure that the Materis Paints group does not trade with countries subject to international sanctions. These include countries considered to violate human rights.

3.2.2.6 Summary of environmental and social indicators

Human resources indicators	2013	2014
Workforce		
Group workforce	3,894	3,864
of which permanent contracts	3,759	3,706
of which % of permanent contracts	96.5%	95.9%
of which fixed-term contracts	135	158
of which % of fixed-term contracts	3.5%	4.1%
of which women	1,071	1,079
of which % of women	27.5%	27.9%
of which men	2,823	2,785
of which % of men	72.5%	72.1%
New hires in the group[1]	250	262
of which women	74	72
of which % of women	29.6%	25.9%
Departures from the group[1]	426	368
of which women	119	100
of which % of women	28%	25%
Breakdown of staff by geographical region		
France	63.6%	64.2%
Southern Europe (Spain, Italy, Portugal)	24.2%	23.8%
Other countries (Argentina, Morocco, Switzerland)	12.2%	12%
Personnel expense as a % of sales	**23.9%**	**23.9%**
Absentee rate	**3.10**	**3.03**
Training		
Number of employees having completed at least one training program	3,020	2,959
% of employees having completed at least one training program	77.5%	76.5%
Average number of training hours per employee	16.9	15.7
External training costs as a % of payroll	0.56%	0.72%
Personal safety[2]		
Number of work injuries with at least one day of lost time	42	26
Number of work injuries without lost time	13	12
Rate of injuries with lost work time	5.9	3.9
Rate of injuries with or without lost work time	7.8	5.7
Severity rate[3]	0.19	0.20
% of industrial and logistics sites with OHSAS 18001 certification	63%	83%

(1) Permanent contracts only.
(2) Scope including permanent, fixed-term and termporary employees and excluding subcontractors.
(3) Seerity rate: (number of days of working time lost x 1,000)/number of hours worked.

Environmental indicators	2013	2014
% ISO 14001-certified industrial sites	38%	44%
Waste produced (% of production volume)	4.5%	4.3%
Energy consumption (TJ)	212.0	184.7
CO_2 emissions (metric tons)	5,051	3,873
NOx emissions (metric tons)	4.35	4.18
SOx emissions (metric tons)	0.38	0.27
Water consumption (m^3)	162,154	169,529
Chemical Oxygen Demand (COD) (metric tons)	59	47
Suspended solids (metric tons)	27	26.5
Volatile Organic Compound (VOC) emissions (metric tons)	198.7	118.9

3.2.3 Stahl

3.2.3.1 Highly committed to developing employee skills

Employment

As of December 31, 2014, Stahl had 1,766 employees (1,740 FTE), an increase of 573 employees over 2013. In May 2014, Stahl acquired the Leather Services Division of Clariant. This acquisition includes three production plants and around 560 employees. This explains some of the reported numerical changes between 2013 and 2014.

Breakdown of full-time equivalent employees as of December 31 by geographic region

Region	2014	2013	2012
Europe	811	474	482
Asia-Pacific	339	270	276
India and Pakistan	278	168	180
North and South America	312	266	299
TOTAL	**1,740**	**1,178**	**1,237**

87% of Stahl's employees are on permanent contracts. Its workforce is 78% male and 22% female. Total FTEs leaving (dismissals and resignations) during 2014 were 130; 702 joined in the same period. These figures are consistent with the markets in which Stahl operates and reflect the trends in the various regions.

Working Organisation

The average working hours in Stahl are around 40 hours per week but with such an international, diverse organisation, there is inevitably some local variance. Recording of working hours is done with a clocking system on some sites, others rely on manual recording. Stahl records and reports the sick rate per site and recording absenteeism at the Corporate level is being set up.

Social Relations

Stahl applies collective bargaining agreements, negotiated between the local site management and employee representatives, mainly regarding pay and working conditions specific to the plant. All of Stahl's installations are small or medium-sized, which promotes a healthy labor environment and the ability to deliver the high level of service required by the industry and by its customers, to whom the company is very close.

Employees are provided with the training required for their positions, especially in HSE, technical and sales areas. In addition, Stahl uses performance appraisal as a way to help employees achieve personal development and business objectives.

The company uses various human resources tools to manage its activities and help set and achieve goals, such as a global bonus system and competitive employee benefits in each country.

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 2014, was €87 million, 45% above the amount for 2013.

Training

The highly technical and innovative markets that Stahl serves require 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 programs or in-house training sessions organized and supervised locally to ensure that they are adapted to the characteristics of the relevant plant and market segments served, such as chemicals and leather treatment. In 2014 we set up an intensive training program for future managers involving a total of 50 employees and in 2015 this program will be run again for another 60 employees.

In 2014 we set up the Stahl Campus in the Netherlands with the intention to improve our own technical training and to offer training packages to customers and other interested parties.

In 2014, the average seniority of Stahl's technical staff was more than 10 years. A key reason behind this loyalty is that Stahl offers its leather and coatings specialists a work environment conducive to their professional development. The Company and its customers deeply value their knowledge, skilll, and ability to innovate in niche markets, which have earned Stahl a reputation of excellence.

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.

Equality

Stahl is an equal opportunity employer in all the locations worldwide: this is a public statement. Stahl's website clearly mentions this.

Stahl tracks the ratio of male / female employees and the percentage of female employees in Management positions. In 2014 there were 72 women in management positions, which represents a ratio of 4.1% on total positions, compared to 3.7% in 2013.

The nature of Stahl's business and the need to respect strict security and potentially emergency measures, somewhat limits the opportunities for disabled employees; there are currently 20 persons in this category.

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. The topics of these training programs are limited to risk and safety of products, installations of products and application labs, safety policies and procedures for the specific installations and risk analysis and assessment.

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:

	2014	2013	2012
Frequency rate of accidents with lost work time	0,15	0,08	0,12
Severity rate of accidents	5,55	0,97	

Frequency rate is calculated as follows: (number of reported accidents with more than three lost days x 100,000)/(number of hours worked).
Severity rate is calculated as follows: (number of lost days 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;

Stahl committed in 2013 to work with their sustainability mentor, The Natural Step, on a Sustainable Life Cycle analysis in order to better understand the complete impact of its operations from the start to the finish of a product life cycle. The first study was completed in March 2014 and remains a valuable benchmark for better understanding the potential impact of Stahl's entire supply chain. It revealed the need for a more in-depth analysis of its suppliers. Accordingly, a questionnaire will be distributed to these suppliers in 2015. The study also highlighted a need to better understand all components of the supply chain. Many actions have arisen from this, including cooperation with the University of Loughborough (UK) on the recycling of shoes.

Stahl's HSE (Health, Safety & Environment) organization

The management team of each Stahl 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 all have HSE objectives. They adapt HSE principles to the local environment and set up rules for achieving their objectives. These rules are generally detailed in written procedures drawn up by the managers, which place particular emphasis on ensuring that appropriate measures are taken to evaluate and verify compliance with national legislation. Stahl's eleven production sites comply with local legislation. This includes the three sites added in the Clariant acquisition – Leinfelden in Germany, Palazzolo in Italy and Kanchipuram in India.

Continuous improvement

Most Stahl production 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. These measures include a new integrated information system used to better understand all the chemicals – raw materials through to finish products – used by Stahl and including all possible impurities and by-products. The program was installed in 2014.

Stahl works closely with all customers to ensure safe and correct usage of their products in customer plants.

Waste management

Stahl is especially attentive to waste management. Waste disposal is carried out by government-approved companies. Incineration of chemical waste is only carried out using responsible methods and suppliers. In 2015, Stahl is going to adapt the way of reporting waste to achieve higher accuracy and to work on improving the handling of waste.

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

Stahl developed, together with an engineering company, a proprietary system for measuring its carbon footprint.

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.

Stahl has installed high-pressure water systems for more efficient and therefore more economic equipment cleaning.

- Energy consumption

Stahl's ongoing priority is to consume it in an efficient and responsible manner and not waste it. Stahl makes significant efforts to raise employee awareness about this fundamental goal.

In 2015, all staff will receive training on sustainable development issues, in particular on saving energy.

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. For example, the new building on the plant in Waalwijk will be equipped with solar panels.

Finally, Stahl stays in close contact with its customers and suppliers and with universities so as to stay abreast of innovation in this area.

- Raw materials consumption

Thanks to its cutting-edge, 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. The resulting sustainable development champions team, gathering members from each business unit and key people from R&D, held their first meeting in February 2015. This team will take responsibility to ensure Stahl constantly improves its performance in this area. Their responsibility will include accurate measurement of the progress on this matter.

Climate change and Biodiversity

The global activities of Stahl have little effect on climate change and biodiversity; hence there is no reporting on these issues.

3.2.3.3 Corporate citizenship

Stahl supports Corporate Social Responsibility (CSR) initiatives.

Signature of the Global Compact

Stahl signed the Global Compact on January 1, 2012, and has since established these eight 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. develop a code of conduct covering the majority of the principles set down in the UN Global Compact (human rights, labor laws, anticorruption measures).

To report on its progress with these commitments, Stahl submitted its first Corporate Social Responsibility report to the United Nations in 2013.This 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 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 has been very active in the Leather Programme of the Dutch MVO since the start of 2013. The first project in Mongolia is well under way, and others will follow shortly in India. This results in Dutch shoe and leather goods retailers using leather from sustainable sources.

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 boycott 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 specializes 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.

Stahl Iberica 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 universities in Barcelona.

Stahl Iberica also 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 Iberica 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 has a restricted partnership policy and only supports initiatives that are related to its business activities, its local sites, or the guiding principles from the United Nations Global Compact. Sponsored projects in 2014 included the following:

- *Schoenenmuseum Waalwijk* (Shoe Museum) – Stahl is a benefactor of the museum and has an exhibit presenting its technologies and expertise;
- *Hospice Francinus de Wind, Waalwijk* – a special care home for terminally ill residents, where healthcare staff and volunteers work together to ensure that patients can spend the final stage of their lives in a more homely environment, instead of a hospital. Stahl donated yearly financially; furthermore, a team of Stahl employees participate in a cycling tour to raise additional money. Stahl contributes to this initiative with some promotional material, such as pens and t-shirts;
- *Terre des Hommes* – In September 2012 Stahl participated in a national campaign in the Netherlands. Stahl staff donated used textiles, leather goods and cell phones. The proceeds of this campaign were invested in educational and sports projects in India for underprivileged children;
- Move Award – Stahl supports Move, a project that invites design students to imagine the world of the future. Move wants to help reveal talent by organizing an annual design competition. Move is an initiative of Stichting Donna-e-Mobile a network of Automotive Women Designers meeting yearly in Milan during the interior Design fair.
- Stahl India sponsors the fight against leprosy by making yearly contributions. It also donates to Sri Ramakrishna Mission, an organization that assists the Suzhou orphanage, and to the Red Cross.
- Charity Brisk Walk – an initiative to genuinely improve the quality of people's lives by raising funds to support charites.
- Stahl Asia Pacific donates funds to the associations organizing Charity Brisk Walk, in which members of its staff participate. The event also promotes employee bonding, a break from routine, and maintaining a healthy work-life balance through exercise.

Sub-contracting and suppliers

Stahl is careful in selecting suppliers and sub-contractors who are capable and determined to meet our standards with regard to safety, the environment, and social commitment. Within the next year, we expect to formalize this process to give us even more control over our supply chain. We will learn from the Sustainable Life Cycle Analysis how effective our current controls are and where we need to improve in the future.

In 2014 Stahl developed a Suppliers Evaluation to get a picture of how Stahl's suppliers work on their sustainability development. Together Stahl wants to improve the knowledge and transparency of the full supply chain.

Fair trade practices

- Actions taken to prevent corruption

Stahl is a global player and consequently is confronted with local practices on a regular basis. However, Stahl has not engaged in any form of corruption and has made a commitment never to do so. This relates to its relationships with legislators, local authorities, suppliers, customers and other stakeholders.

As part of Stahl's pledge to the anti-corruption principle of United National Global Compact Stahl, Stahl's anti-corruption pledge is clearly stated on the website and in all communications regarding our corporate social responsibility. It is also included in the Stahl Code of Conduct, which was implemented in 2014.

No cases of corruption have been reported. If such an occasion should arise, Stahl Management or Board of Directors will take appropriate action.

- Actions taken to ensure health and safety of consumers

Stahl works very closely with customers to ensure that they have all the information required to use its products safely and that there is no inherent risk for consumers using its products.

Human rights

Stahl upholds the principles in the Universal Declaration of Human Rights in conducting its business and in its commercial relationships. The respect for human rights been integrated into the company's internal and external operations, but has never been formalized.

Implementation

Stahl respects and protects human rights in its daily operations. It is recognized that this responsibility extends beyond the organization's own activities and includes relationships with business partners, suppliers and other non-state and state entities that are associated with Stahl's activities. The code of conduct developed in 2014 has been released during 4th quarter 2014.

Measurement of outcomes

Stahl has not received any complaints from employees, business partners or clients in relation to (potential) human rights violations, nor was the organization involved in any human rights incidents before or during the reporting period. Furthermore, Stahl publicly embraces the United Nations Global Compact Principles in respect to human rights. Because of the scope of Stahl's activities, which comprises production and commercial activities, an external audit on human rights performance is not required.

3.2.3.4 Reporting methodology for Stahl

Reporting scope

Unless otherwise indicated, social data are collected from all group entities worldwide.

Methodological limitations and uncertainties

The reporting methods for certain social and safety indicators may have certain limitations due to the pragmatic considerations of collecting and consolidating the relevant data.

Specific definitions and reporting methods are applied for the following indicators.

Safety indicators

Lost-time injury frequency rate

The lost-time injury frequency rate is the number of accidents involving the loss of one or more days of working time that occur over a 12-month period, per 100,000 hours worked.

Accidents while commuting between home and work are not included in this indicator.

Environmental indicators

These indicators have not been published in this report, because the reporting system used across the group is being redesigned following the integration of the Clariant sites.

Social indicators

Total workforce

The total workforce is the number of employees with a permanent or fixed-term contract with the Stahl group on the last calendar day of the month. The data are reported in terms of physical persons and full-time equivalents.

Hires & departures

Fixed-term contracts made permanent are counted as hires and departures. The data are reported in full-time equivalents.

Absentee rate and total hours of training

Absentee rate and hours of training are not included in this report. Although these indicators are tracked locally by each entity, they are not consolidated at the group level.

Consolidation and internal controls

The HR and HSE departments are responsible for consolidating social and security data based on the information provided by the industrial sites and subsidiaries in the group.

At each industrial site, the HSE coordinator reviews safety data reported before the group-level consolidation is performed.

The social data relating to the workforce are compared against the consolidated data in the group's finance database for consistency.

3.2.4 Mecatherm

3.2.4.1 Setting ambitious goals for continuous improvement

The Mecatherm group is committed to continually raising the bar in terms of continuous improvement. It strives to design equipment that integrates high standards, particularly in four areas: food safety, personal security, equipment preservation and environmental protection.

Backed by its experience, market knowledge and positive growth outlook, Mecatherm took steps in 2014 to actively improve its overall performance, with the aim to better meet the expectations of its customers and the demands of an increasingly competitive market.

The main initiative taken in this area in 2014 was to enhance and homogenize Mecatherm's information system by adopting a new ERP (Enterprise Resource Planning) solution. The new ERP covers a broad scope:

- **purchase** management;
- **accounting management** (accounts receivable and payable, property, plant & equipment, personnel);
- **management control;**
- **production management** (scheduling, etc.);
- **inventory management** (logistics).

This project required a high level of involvement from all teams.

The new tool will enable significant improvements to be made to the group's social, societal and environmental performance. Specifically, it will enable Mecatherm to:

- streamline management processes and improve response times;
- more closely monitor business activity in order to plan actions and reduce production costs, for example;
- improve quality;
- better adapt practices, especially those relating to purchasing and subcontracting, to real needs;
- ensure that all stakeholders are receiving consistent, accurate and homogeneous information;
- share the same information system and facilitate internal and external communication;
- ensure the system is scalable for the group's future needs;
- harmonizetraining, using a shared approach and work environment for a large number of employees;
- reduction in the unnecessary printing of documents to help protect the environment.

Meanwhile, Mecatherm also continued to innovate. It pursued its efforts to improve the production of its baked goods and further boost the profitability of its production lines for its customers. The group also offers its customers training, preventive maintenance and online assistance services.

3.2.4.2 Reporting methodology

Scope and methods of consolidation

To produce the key indicators selected for this report, data were taken from the scope of the entities consolidated in the financial statements of the Mecatherm group: TMG, Mecatherm SA and Gouet SAS.

A specific calculation method has been defined for each indicator. Data are collected using report files validated by Mecatherm, mainly generated by the payroll system.

Responsibilities and verifications

Mecatherm's Human Resources teams are in charge of producing social, societal, safety and environmental data.

Additional information about reported indicators

Specific definitions and reporting methods are applied for the following indicators.

Safety indicators

The lost-time injury frequency rate is the number of accidents involving the loss of one or more days of working time that occur over a 12-month period, per million hours worked.

Accidents while commuting between work and home are not included in this indicator.

Social indicators

Total workforce
The total workforce is the number of employees with a permanent or fixed-term contract with Mecatherm on the last calendar day of the month.

Hires & departures
Fixed-term contracts made permanent are not counted as either hires or departures.

Absentee rate
The ratio of the number of hours of absence to the number of hours theoretically worked.

3.2.4.3 Social data

The Mecatherm group's three locations are in France: Alsace (Barembach), the Loire valley (Montilliers) and Normandy (Saint-Rémy-Broscocourt).

As of December 31, 2014, Mecatherm had 351 employees, compared with 300 as of December 31, 2013. The majority of employment contracts were full-time, permanent contracts. Fixed-term contracts represented 7.1% of the total in 2014. Mecatherm plans to maintain the proportion of fixed-term contracts between 5% and 10%. The total workforce was composed of 21% managers and 79% non-managers. Women made up 9.1% of the workforce. Employees with disabilities represented 2.8% of the workforce.

In 2014, the group's turnover rate was 22.6%. There were two dismissals. The absentee rate in 2014 was 2.84%; the goal set in 2012 to reduce this figure to under 3% was achieved in 2013 and maintained in 2014.

	2014	2013	2012
Total workforce as of December 31	351	304	284
Average staff numbers	358	322	307
Absentee rate	2.8	2.8	3.2

Compensation

Total compensation paid in respect of 2014 was €14.4 million. The level of compensation of all employees increased in the range of 2-3% on average. In 2014, there was a 1.2% cost-of-living increase plus individual promotions. In addition, all Mecatherm SA and Gouet SAS employees benefit from the profit-sharing agreement.

Organization of working time

The workweek is 37 hours long for non-management employees (excluding traveling staff and supervisory-level staff), 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 management-level employees, non-management traveling staff and supervisory-level staff, working time is measured on the basis of 218 days per year. Of the total workforce, 1.42% work part-time due to medical leave or childcare leave.

Labor relations

Labor-management dialogue is mainly conducted through employee representative bodies at individual sites.

The Montilliers and Saint Rémy sites have a single employee representative body (*délégation unique du personnel* – DUP); health and safety issues are handled by the CHSCT at the Montilliers site and by employee representatives at Saint Rémy. At the Barembach site, employees have a works council and a CHSCT.

Mecatherm applies industry agreements, and all of its employees benefit from the sector's collective bargaining agreement.

Training

More than 60% of employees participated in training in 2014, for a total of 4,372 hours of training. Mecatherm intends to maintain its goal to have at least one of every two employees take part in training.

Training is scheduled and tracked by the internal Human Resources departments. The training programs delivered on a yearly basis mainly cover technical skills, safety (such as driving forklifts, electrical qualifications or emergency first aid at work) and language skills. Every year, other types of training are offered to help employees keep their knowledge and skills up to date.

In 2014, a large number of employees received IT training in connection with the new ERP solution, the new product data management software and overall changes to the information system.

Non-discrimination

Mecatherm is committed to maintaining a steady proportion of employees with disabilities in its workforce. Job applicants with disabilities are encouraged to apply for open positions and workstations are adapted as necessary. In 2014, 2.8% of its employees were recognized as having a disability.

In addition, Mecatherm reaffirmed its commitment to workplace gender equality by signing a new plan in this area with employee representative bodies in 2014.

Health and safety

Mecatherm continues to make employee safety one of its highest priorities and strictly applies all relevant laws and regulations. The group keeps an up-to-date risk assessment and management document (*document unique d'évaluation des risques* – DUER) and has implemented systems to analyze and, if applicable, prevent a wide range of risks. These include health risks (noise-induced and musculoskeletal disorders), chemical risks, psychosocial risks, and working-at-height risks. New initiatives are introduced each year with the collaboration of the Health, Safety and Working Conditions Committee (CHSCT), the state health insurance organization (CRAM) and the occupational health administration. For example, in 2014, Mecatherm took additional steps to prevent injury from vibrations and working at height. Its prevention initiatives include ensuring that its employees are properly informed through training and that individual protection equipment is made available to them. The lost-time injury frequency rate was 17.47 and the severity rate was 0.71.

3.2.4.4 Environmental data

Water and energy consumption

The activities carried out at Mecatherm sites, mainly involving the design and assembly of machines and production lines, have little impact on the environment.

Efforts already begun in 2013 to increase the energy efficiency of the Mecatherm group's own facilities and equipment were continued in 2014. As a result, energy consumption was reduced in 2014, especially for gas. This energy-saving chiefly results from employee awareness campaigns, such as campaigns to protect the environment.

Mecatherm tracks water and energy consumption on its three sites. The following table presents the indicators Mecatherm tracks.

Indicators	2014	2013	2012
Direct energy (gas)[1] MWh	3,075	4,686	5,890
Indirect energy (electricity) MWh	1,412	1,380	1,425
Water m^3	3,006	1,957	2,045

Water consumption increased in volume between 2013 and 2014, mainly due to the higher number of acceptance tests performed on the production lines in the demonstration hall. Electricity consumption decreased, partly due to the milder weather during the 2013-14 winter.

Other energy consumption reached the following levels in 2014:

Propane consumption 606,903 kWh;

Diesel fuel consumption 181,885 L.

Waste management

As part of its waste management, Mecatherm inventories waste produced on its sites, as presented in the following table.

Type of waste (in metric tons produced)	2014	2013	2012
Ordinary industrial waste and paper (2)	98.56	85.18	35.46
Wood (2)	52.79	49.92	26.18
Stainless and other steels (2)	75.42	81.39	59.84
Fermentables (bread, dough, flour) (1)	97	11.05	59.93
Hazardous (electronic, electric)	1.07	-	-

(1) Fermentable waste production is related to the type and number of demonstrations performed during the year.
(2) The amount of ordinary industrial, wood and steel waste produced is dependent on business volume.

All waste is collected, recycled, disposed of and/or reused by waste treatment companies.

Optimized use of raw materials

Due to the nature of its business, optimizing the use of raw materials is not a significant challenge for Mecatherm. However, the group strives to efficiently manage its paper consumption, mainly by educating employees and configuring IT systems to prevent waste.

To support its efforts to manage paper consumption, the Mecatherm group tracks this indicator, as presented in the following table.

Consumption (in metric tons)	2014	2013	2012
Paper	9.7	10.3	9.0

Climate change

The activities of the group are not directly impacted by the consequences of climate change.

Biodiversity

No impact on bodiversity from Mecatherm's industrial activities has been identified.

3.2.4.5 Societal data

Promoting employment and regional development

Mecatherm has not manufactured any parts for about 15 years; this activity is subcontracted to highly specialized companies who apply detailed specifications. Mecatherm's workshops are therefore devoted to fitting and assembling parts and sub-assemblies manufactured by the subcontractors. Many of these subcontractors are local: for the Barembach site, 88.99% of purchases were made from 55 out of 342 suppliers in 2014, and nine of these 55 suppliers were local, representing more than 20% of these purchases.

By partnering with subcontractors, Mecatherm has more flexibility for handling peaks and falls in business volume and contributes indirectly but significantly to local employment.

Maintaining a dialogue with the community

Mecatherm continues to be proactive in the fields of education and training. Factory visits are organized on a regular basis to introduce younger generations to careers in manufacturing. Many events are also held in secondary schools, where Mecatherm can dialogue directly with students as they consider their career options, as well as in higher education institutions, such as engineering schools, to promote the transfer of industry-specific knowledge and know-how. Mecatherm hires apprentices and interns on a regular basis, with the aim to create a bridge between classroom learning and the skills needed in the employment market.

The group also frequently works with regional employment organizations and has strengthened its collaboration with the government employment office and the chambers of commerce and industry.

In addition, Mecatherm continues to place a great deal of importance on relations with local communities and strives to boost its visibility and communications, in particular through the local media.

Finally, Mecatherm maintains close relationships with other regional and local stakeholders, for example by taking local business owners on factory tours and meeting with government agencies such as the local emergency services.

Subcontractors and suppliers

Since Mecathem ceased to directly produce parts many years ago, all manufacturing of parts for machines to be delivered to customers is subcontracted to highly specialized companies who apply detailed specifications. Mecatherm's workshops are therefore devoted to fitting and assembling parts and sub-assemblies manufactured by the subcontractors, many of which are local. By partnering with subcontractors, Mecatherm has more flexibility for handling peaks and falls in business volume and contributes indirectly but significantly to local employment. Gouet has applied the same subcontracting policy since it joined the group in 2006.

Total purchases (parts and subcontracting) for the Mecatherm group exceeded €78 million in 2014.

Mecatherm does not handle the shipping of equipment sold to customers, which is entrusted to an outside provider. Specific initiatives are planned in 2015 to analyze the risks that might be associated with this activity. However, the group does assemble and install production lines at its customers' sites.

Fair business practices

Ensuring consumer safety

Mecatherm applies industry standards in manufacturing its equipment. After accepting the equipment, the customer is solely responsible for compliance with applicable food production standards. The Mecatherm group does, of course, help its customers, if requested, to implement measures to protect the health and safety of consumers. Assistance may be provided, for example, regarding the use of specific types of materials used by the food industry or the purchase of detectors (*e.g.* metal detectors) to be installed on production lines.

Preventing corruption

Mecatherm takes steps to prevent corruption. In 2014, employee representation bodies carried out an awareness campaign on this subject. These efforts will continue in 2015 and include the implementation of an anti-corruption charter among employees working in more sensitive areas, such as purchasing and sales.

Commitment to human rights

The Mecatherm group refuses to use any child or forced labor.

Every six months, it verifies that its subcontractors are in compliance with the labor code.

3.2.5 Parcours

3.2.5.1 Employment

As part of its human resources policy, Parcours strives to create a work environment aligned with its ambition for growth and promotes employee development through skills building and internal promotion.

Since 2013, this policy has translated into the opening of new-generation branches called "Parcours 3D," which gather all of the company's activities – long-term leasing, auto repair, and pre-owned vehicle sales – in one location. These branches are a preview of the future landscape of the Parcours network in France and Europe.

In 2014, the company inaugurated its fourth new-generation, Parcours 3D location in Tours, France, creating eight new jobs and leading to a promotion for two employees.

Workforce and breakdown of staff

As of December 31, 2014, the company had 371 employees, up 13.1% from 2013.

The average age of employees was 31.86 years, and their average length of service was 3.31 years.

	2012	2013	2014	2014/2013 Change
Workforce	**284**	**328**	**371**	**13.1%**
Men	204	240	277	15.4%
Women	80	88	94	6.8%
Management level	83	82	86	4.8%
Non-management level	201	247	285	15.3%
% of permanent contracts	97.50%	97.60%	96.70%	-0.9%
% of fixed-term contracts (apprenticeship and insertion contracts)	2.50%	2.40%	3.23%	15.3%

New hires and dismissals

Parcours grew in 2014, creating **47 new positions** across all of its business lines (long-term leasing, pre-owned vehicle sales and auto repair) as well as in support functions. There were 129 departures, including 29 dismissals occurring at the end of the employee's trial period.

In 2014, the company hired 172 employees.

	2012	2013	2014	2014/2013 Change
Number of jobs created	**33**	**34**	**47**	**38.2%**
Number of employees hired	126	139	172	23.7%
Number of men hired	89	103	134	30.1%
Number of women hired	33	36	38	5.5%
Number of internal promotions	24	44	35	-20.4%
Number of departures	110	95	129	35.7%
Of which dismissals*			29	

* *Dismissals occurring after the end of the trial period.*

Under the company's human resources policy, preference is given to internal promotions when filling new job openings.

In 2014, **43 employees accepted an internal transfer or promotion.**

Compensation

	2012	2013	2014
Total payroll	10.40%	11.2%	9.3%
Average salary increase*	3.8%	5.3%	4.2%

* *Based on staff employed from January 1 to December 31 of the same year.*

The compensation policy at Parcours reflects the company's growth.

In 2014, the average salary of an employee with more than one year of employment with Parcours increased by 4.2%.

3.2.5.2 Organization of work

Organization of working time

Parcours mainly offers employees permanent work contracts (96.7%).

To ensure that its business needs and the expectations of its customers are met, French employment contracts are based on a 40-hour workweek, which includes 12.5% of overtime. Because of the more demanding work environment, repair shop employees have a 39-hour workweek, including 10.25% of overtime.

Employment contracts at the company's European subsidiaries (Belgium, Luxembourg, Spain and Portugal) comply with the legislation in force.

Absentee rate

The absentee rate, which is the ratio of the number of calendar days of absence to the number of theoretical working days, was 1.84% in 2014 in France (permanent + fixed-term contracts)..

	2012	2013	2014
Absentee rate*	2.6%	2.2%	1.8%

* *The absentee rate is reported for France only. It is calculated by dividing the number of calendar days of absence by the number of theoretical calendar days worked.*

3.2.5.3 Labor relations

Labor-management dialogue

The company fulfills its regulatory obligations regarding the election of employee representatives (elections were held in 2014).

Due to a lack of candidates during the last election period, however, no representatives were elected.

However, taking advantage of its flat, easily accessible hierarchy, the company maintains and develops close labor-management dialogue through the following regular events:

- a newsletter ("Parcours Le Mag") issued three times a year and circulated to all employees to inform them about the company's news;
- a four-day trip ("Parcours Experience") organized every year for all employees with more than one year of service, to promote exchange and experience sharing;
- an annual convention to which all employees are invited, providing an opportunity to review the year's achievements, put the goals for the year to come into perspective and explain the company's short-term and medium-term strategy;
- two one-on-one employee/manager meetings for every employee, during which employees can review their performance and results, discuss career development in the company and express their ambitions for career progression or their training needs.

Parcours also developed an internal charter to enable all of its employees to share the fundamental values of the corporate culture, inside and outside the workplace. This charter has been adapted for all of the company's businesses.

Collective agreements

The company did not sign any new collective agreements in 2014.

As per the agreement signed on January 21, 2005, all employees in the group who have been employed for more than three months are beneficiaries of the group's profit-sharing plan.

3.2.5.4 Health and safety

Health and safety conditions at work

Although Parcours does not have a CHSCT* , due to of a lack of candidates at the last election, it is strongly committed to fulfilling its legal and regulatory obligations in the areas of safety and health. Risk prevention and risk management actions are recorded in a risk assessment document that is updated each year.

Each new 3D Parcours location opening is audited by a certified organization. The audit results are systematically shared and used to make improvements.

The company is also conducting other initiatives to ensure optimal working conditions:

- collaboration with occupational physicians to ensure the accuracy of the risk assessment and management document;
- publication of a code of good conduct for all transporters;
- addition of a safety module to all business training plans.

Agreements signed with trade unions

Due to a lack of candidates during the last elections held in 2014, no trade union representatives were elected.

Work-related injuries and illnesses

The company recorded ten injuries in 2014 in its auto repair business. The higher number of injuries in 2014 is mainly due to the significant increase in repair shop staff (a 14% increase over the period, with 54 new repair shop employees hired in 2014).

Frequency rate *	2012	2013	2014	2014/2013 Change
Parcours group	25.07	9.8	20.97	113.9%

Severity rate *	2012	2013	2014	2014/2013 Change
Parcours group	0.31	0.07	0.31	342.8%

* *Reported for France only. Frequency rate: (number of injuries with lost work time x 1,000,000)/number of hours worked; Severity rate: (number of lost days x 1,000)/number of hours worked.*

3.2.5.5 Training

Policies

Internal training at Parcours mainly focuses on two areas:

- training new employees during the onboarding phase;
- maintaining and developing employee skills throughout their careers.

To facilitate their onboarding and accelerate their learning curve, training programs for new employees address practical aspects (customer account management, accounting basics, etc.) and the company's strategy (the business and positioning of Parcours, the Origin product, etc.).

In-house programs to maintain and develop employee skills are designed to help employees enhance their performance and keep up with changes affecting their business and working tools (taxation, insurance, pre-owned vehicle pre-sales, sales and aftersales).

In 2014, extensive work was carried out with business experts to formalize training modules and develop useful material on accounting, operations, marketing and sales in the pre-owned vehicle business.

This material is now used in training programs for both new and existing employees.

* *Health, Safety and Working Conditions Committee (CHSCT).*

Total hours of training

Training	2012	2013	2014*
Total hours of training delivered	1,228	915	1,665

* *Period covered: May to December 2014.*

In May 2014, the company created and filled a Training Manager position. This made it easier to identify individual needs and consequently build up the in-house business training program. From May to December 2014, **138 employees received training** for an average of 12.07 hours per employee.

3.2.5.6 Equal treatment

Measures to promote gender equality

The proportion of women in management positions has increased. However, the proportion of women in the overall workforce has decreased, due to a sharp rise in the number of staff working in our auto repair and bodywork facilities.

	2012	2013	2014
% of women in the group's workforce	28.1%	26.8%	25.3%
% of women among management-level staff	18.0%	13.6%	19.8%
% of women among new hires	26.1%	25.8%	21.6%

Measures to promote the employment and inclusion of people with disabilities

Parcours is a regular customer of adapted work centers, but does not employ any disabled employees.

Accordingly, it paid €26,177.68 to Agefiph* in 2014 to support the employment of people with disabilities.

	2012	2013	2014	2014/2013 Change
Amount committed to adapted employment centers	2,294.60	4,090.96	5,367.54	31.2%

Measures to fight discrimination

Parcours has always valued employee commitment and skill and demonstrates this in its internal charter. These core values serve as its main criteria for recruitment, compensation and promotion in the company.

3.2.5.7 Promoting and applying the International Labour Organization's fundamental conventions

Parcours fulfills all legal and regulatory requirements in force in all countries in which it operates: France, Belgium, Luxembourg, Spain and Portugal.

3.2.5.8 General environmental policy

Environmental assessment and certification

To date, the company has not taken any steps to obtain environmental certification. In all of its production and sales processes, however, it strives to implement initiatives to promote the sustainable development of its business. Its network growth strategy is one example. Each new branch is being built according to specifications that include 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;

**Agefiph is the organization that manages funds devoted to integrating people with disabilities.*

- comfortable natural and artificial lighting;
- integrating charging stations for electric vehicles.

In 2014, Parcours continued to apply the policy it initiated in 2013 at its new branch in Tours and in the construction permits it applied for during the year, for its future sites in Strasbourg, Lille and Nantes.

Initiatives to train and inform employees about environmental protection

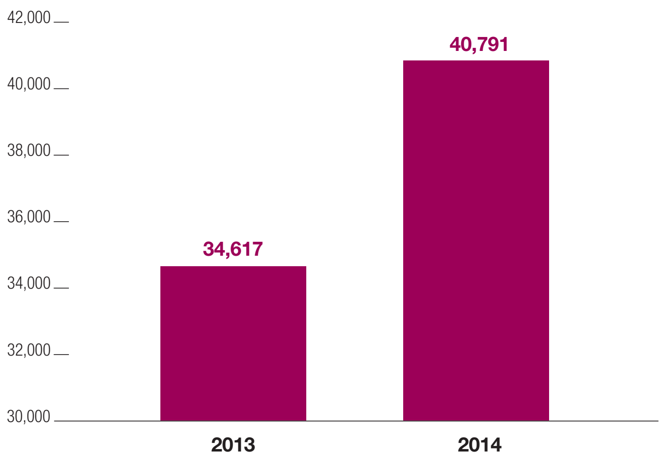
Resources devoted to preventing environmental risks and pollution

In 2014, **total CO_2 emissions from vehicles on long-term leases were 214,038.05 metric tons,** *i.e.* an average of 2,236 km/month with an average of 120.1 g of CO_2/km per vehicle.

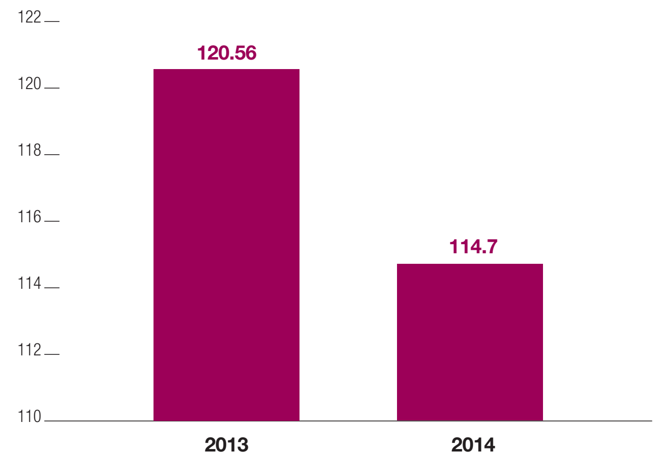
By reducing average CO_2 emissions per rented passenger vehicle by 4.9%, the company was able to limit the increase in its carbon footprint between 2013 and 2014 to 0.86 percentage points.

Changes in indicators for the passenger vehicle fleet (excluding commercial vehicles) from 2013 to 2014

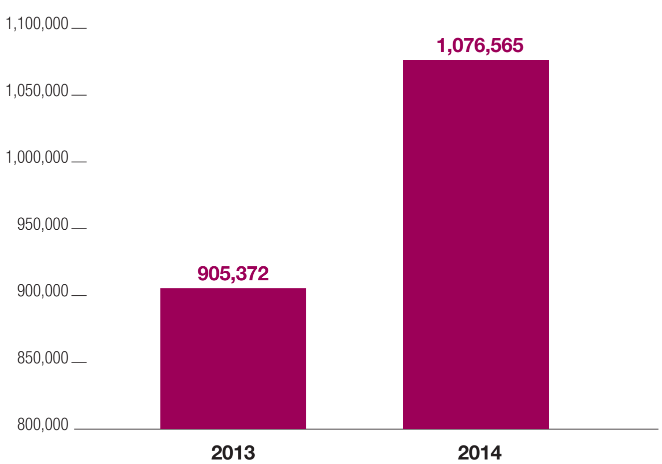
Number of vehicles leased
Change 2014/2013: +17.84%



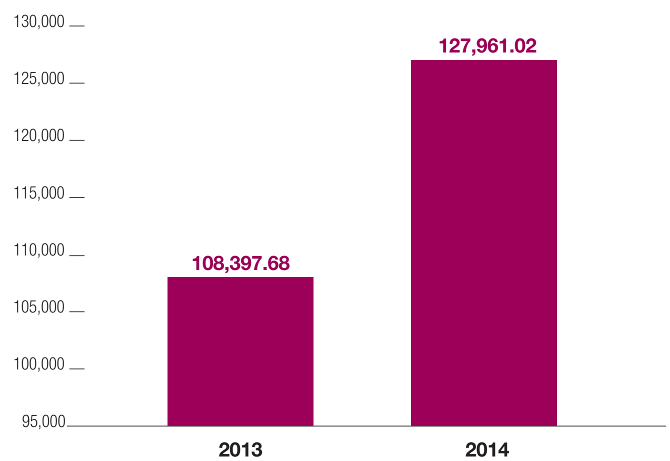
Average CO_2 emission rate per vehicle (g/km)
Change 2014/2013: -4.86%



Total distance covered by the fleet (x1,000 km)
Change 2014/2013: +18.91%



Total CO_2 emissions generated by the fleet (metric tons)
Change 2014/2013: +18.05%



Carbon emissions for the fleet (passenger and commercial vehicles) by country in 2014:

2014 fleet

Type of veh./Country	Number of vehicles in the leased fleet during the period	Average CO_2 emissions per vehicle during the period (g/km)	Average fuel consumption per vehicle during the period (L/100 km)	Total distance covered over the period (x1,000 km)	Total CO_2 emissions for the period (metric tons)
Passenger cars	40,791	114.70	4.43	1,076,565.62	127,961.02
Commercial vehicles	25,620	128.83	4.96	664,041.00	86,077.42
TOTAL	**66,411**	**120.15**	**4.63**	**1,782,386.05**	**214,038.44**

As a service provider in the automotive sector, Parcours strives to meet its customers' needs and assists them with their internal sustainable development programs. The company includes a sustainability strategy in its long-term leasing services and provides support to its customers in implementing it.

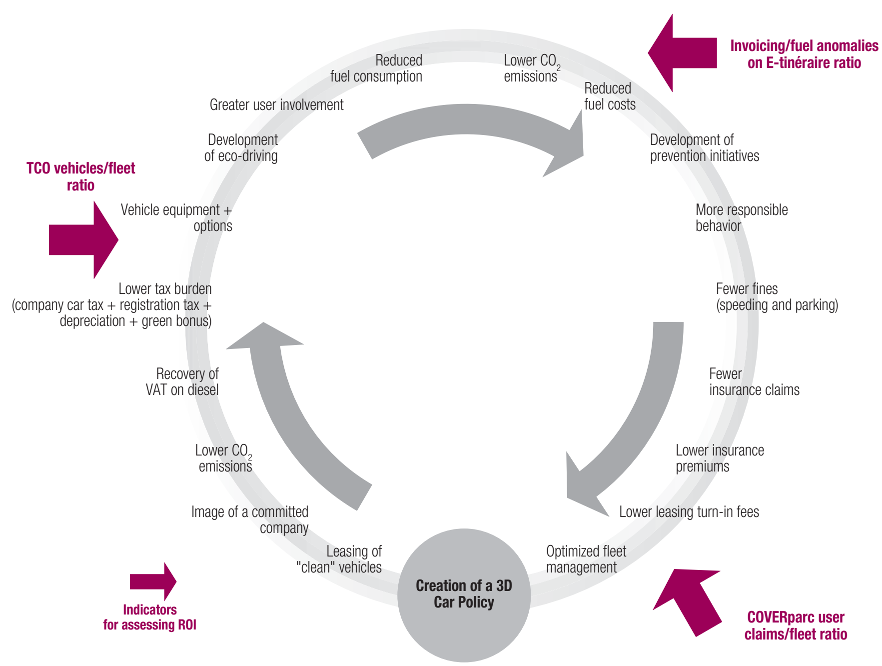
There are three parts, or dimensions, to the strategy:

1 e**nvironmental, focusing on 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, etc.);

2 s**ocial, focusing on the driver:** raise awareness among employees about security and eco-driving techniques (theoretical and practical training on a circuit or simulator);

3 e**conomic, focusing on 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.).

The Parcours sustainable development support cycle



Provisions and guarantees for environmental risks

Parcours did not recognize any provisions or guarantees for environmental risks, given the nature of its business.

3.2.5.9 Pollution and waste management

Measures to prevent, reduce or offset emissions into the air, water and soil

Measures to prevent, recycle and eliminate waste

Regulations regarding industrial and hazardous waste are strict, and Parcours repair shops comply scrupulously with them.

In 2014, the Parcours auto repair business identified 15 types of managed waste, classified as hazardous or non-hazardous:

Non-hazardous waste	Hazardous waste	
Ordinary industrial waste	Aerosol cans	Tires
Paper	Solvents	Exterior plastics
Cardboard	Oil filters	Windshields
Pallet wood	Oil	Batteries
Scrap metal	Paints	Soiled packaging

In 2014, the seven Parcours repair shops recycled 9,806 tires.

All waste is handled and recycled by accredited companies (EPUR, Veolia, etc.).

Noise and all forms of pollution specific to the business activity

Parcours complies with regulations in force and takes care to protect its natural and social environments.

3.2.5.10 Sustainable use of resources and climate change

In the countries and sectors in which it operates, Parcours is not affected by issues related to the purchase of raw materials, water supply or land use.

Greenhouse gas emissions

Measures taken to adapt to the effects of climate change

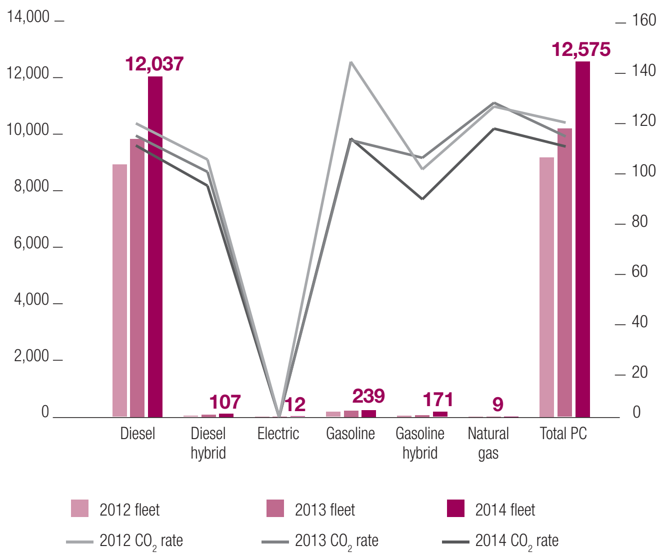
Parcours helps to reduce greenhouse gas emissions by promoting the use of vehicles that emit less CO_2 and consume less fuel.

Out of the 19,607 vehicles delivered in 2014, Parcours leased 12,575 passenger cars (PC) in 2014 (up 23% from 2013).

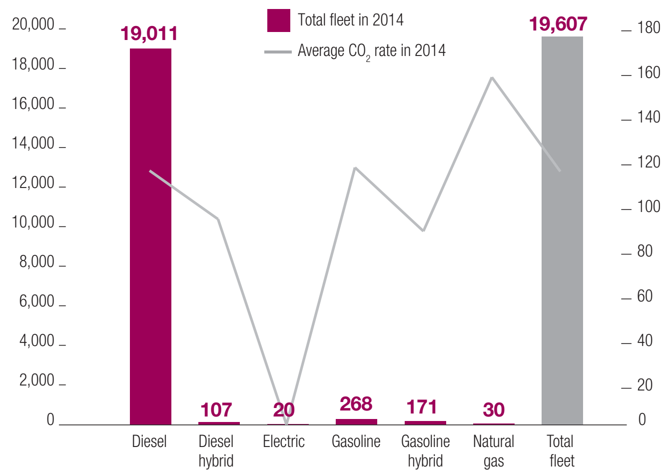
For this leased PC segment, the company lowered the average CO_2 emission rate to 107.2 g/km per vehicle. This decline was accompanied by a 4% decrease in combined fuel consumption.

Since 2010, Parcours has also supported the sustainable development policies of its customers by participating in awareness campaigns on electric vehicles, green driving practices and road safety.

Vehicles puchased and leased in 2014

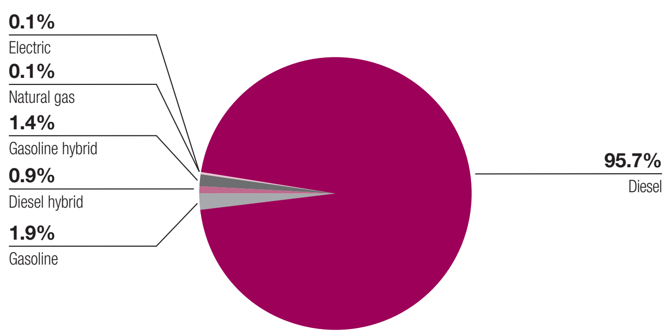


Vehicles leased in 2014 (PC+CV) by engine type, including average CO_2 per segment

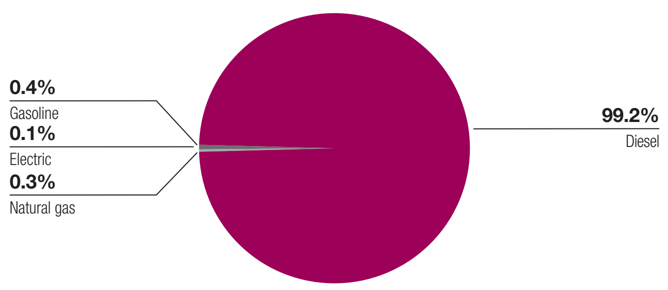


Scope: deliveries of new passenger and commercial vehicles of under 3.5 metric tons.

Passenger cars (PC) leased in 2014 by engine type



Commercial vehicles (CV) leased in 2014 by engine type



Initiatives taken in 2014:

- organization of three "Electric Conference" days in partnership with Renault and SPIE;
- implementation of an awareness program for customers (fleet managers and users) including the following elements:
  - every month, a 90-second video on best practices for green driving and accident prevention,
  - every quarter, a newsletter on corporate automotive risks;
- launch of a post-accident Web survey for all customers insured through Parcours.

Measures to enhance biodiversity

The company's activities have no major impact on biodiversity.

3.2.5.11 Regional, economic and social impact of the company's business activities and relationships with individual or organizational stakeholders

Impact on neighboring or local populations

Dialogue with individual or organizational stakeholders

Parcours implements a strategy based on two fundamental principles: maintaining a decentralized network of branches and ensuring that each branch has all of the necessary skills to deliver end-to-end service.

In France and Europe in general, the policy adopted by Parcours is to fully integrate the local economic and social landscape and form long-lasting relationships with its customers and suppliers, while contributing to local economic development.

Each subsidiary or branch is organized like a small independent company and manages all of its business locally as well as the commercial relationships it needs to grow. This includes the following initiatives:

- recruiting employees from the local area;
- encouraging managers to join nonprofits, professional associations and clubs;
- developing partnerships with local suppliers in related business areas (dealerships, short-term car rental firms, etc.). Parcours strives to systematically promote local suppliers to ensure optimal responsiveness and an excellent mutual understanding of business issues (in 2014, 80% of the purchases made by its branches were local).

Partnership or sponsorship initiatives

In 2014, Parcours sponsored three athletes competing in golf and motor racing. The company also donated €32,400 to *Respectons la Terre,* an environmental association. The goals of this nonprofit are to use the attention generated by nature expeditions and adventure sports to support public benefit causes such as using natural and renewable energies, protecting animal and plant biodiversity and building awareness of environmental issues such as global warming, access to drinking water and healthcare and all related themes.

3.2.5.12 Subcontractors and suppliers

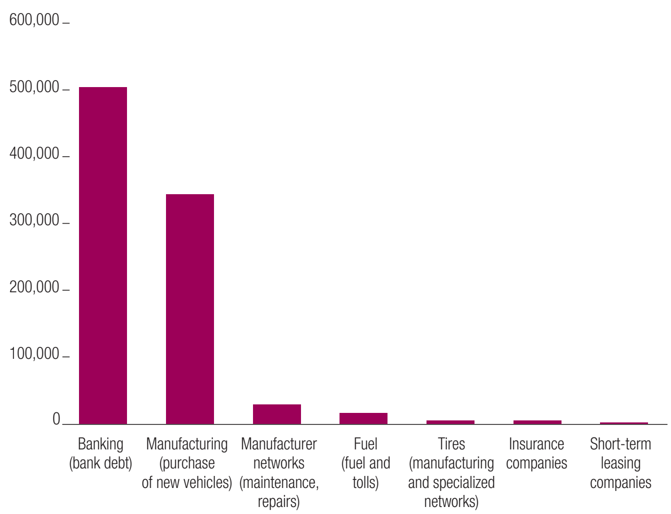
Integration of social and environmental issues in the company's purchasing policies
(see 3.2.5.10 "Vehicles purchased and leased in 2014")

Degree of subcontracting and, in dealing with suppliers and subcontractors, consideration of their social and environmental responsibilities

As a long-term lessor of vehicles to businesses, Parcours is inherently associated with the banking industry on the one hand for the financing of the vehicles and with the automobile industry on the other to ensure a supply of vehicles and the mobility of its customers.

Its partners are all leading businesses committed to corporate responsibility. These banks, carmakers, tire manufacturers, short-term car rental firms, insurance companies, fuel companies, specialized networks, etc. comply with regulatory requirements as well as local standards of conduct.

Main categories of purchases made by Parcours in 2014 (in thousands of euros):



As part of its purchasing policy and to fulfill its corporate responsibility commitments, Parcours developed a charter of standards for its suppliers. Initially designed with new vehicle purchases in mind and targeting auto manufacturers and dealers, the charter was gradually expanded in 2014 to include other categories of purchases. This project will continue in 2015 to cover the entire purchasing scope.

3.2.5.13 Fair business practices

Preventing corruption

The internal rules of conduct communicated to every employee reiterate the company's stance on corruption. In particular, they describe the procedure to be followed in the event of a personal gift that may affect decision-making or lead to personal financial gain.

They also describe the applicable sanctions in the event of proven misconduct (dismissal for serious misconduct).

Measures taken to promote the health and safety of consumers

Parcours offers training in road safety and green driving practices through its monthly Flash video and awareness-raising days.

The company also partners with auto manufacturers (Renault, Tesla, Opel, etc.) to organize events presenting technological advances (in engines and/or equipment) and helping users to see the benefits for them and the environment.

Lastly, in 2014 Parcours introduced a post-accident questionnaire for all of its policyholders, to incorporate the idea of "avoidability" in claims handling and help users realize that accidents are not inevitable: 80% can be prevented.

3.2.5.14 Reporting methodology

Reporting scope

(Unless otherwise indicated):

- social data are reported for all of the company's entities in Europe (France, Spain, Belgium and Portugal);
- health and safety (work injury) data in 2014 cover France only;
- environmental impact is measured in terms of the fleet's fuel consumption and CO_2 emissions. Scope restrictions are detailed below.

Methodological limitations and uncertainties

The reporting methods for certain social, environmental and safety indicators may have certain limitations due to the pragmatic considerations of collecting and consolidating the relevant data.

The definitions and reporting methods used for the following indicators, as well as any relevant uncertainties, are described below.

Safety indicators

Lost-time injury frequency rate

The lost-time injury frequency rate is the number of accidents involving the loss of one or more days of working time that occur over a 12-month period, per million hours worked.

Accidents while traveling are not included in this indicator.

Lost-time injury severity rate

The lost-time injury severity rate is the number of days of working time lost over a 12-month period following a work-related accident, per 1,000 hours worked. Lost work time is measured in terms of working days.

Environmental indicators

Fuel consumption

Fuel consumption is reported for leased passenger cars and commercial vehicles of under 3.5 metric tons (Light Commercial Vehicles, or LCV) on the road and for vehicles added to the fleet).

CO_2 emissions

CO_2 emissions are reported for leased passenger cars and commercial vehicles of under 3.5 metric tons (Light Commercial Vehicles, or LCV) on the road and for vehicles added to the fleet).

CO_2 emissions are calculated based on average annual CO_2 emissions provided by the manufacturer and each vehicle's fuel consumption.

Social indicators

Total workforce

The total workforce is the number of employees with a permanent or fixed-term contract with Parcours on the last calendar day of the month.

Hires & departures

Fixed-term contracts made permanent are counted as hires and departures.

Absentee rate

The absentee rate is reported for France only. It is calculated by dividing the number of calendar days of absence by the number of theoretical calendar days worked. Absences include absences due to sickness, unauthorized unpaid leave, and lost time due to work-related accidents and commuting accidents. Other types of absences are not included in calculating the absentee rate.

Hours of training and number of employees trained

Training data are reported for France only. For 2014, the reported data are for the period from May to December 2014.

Consolidation

The Marketing and Human Resources departments are in charge of data consolidation.

3.3 Independent verifier's 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 the 31st December 2014

To the shareholders,

In our quality as an independent verifier accredited by the COFRAC [1] under the number n° 3-1050 and as a member of the network of one of the statutory auditors of the company Wendel, we present our report on the social, environmental and societal information established for the year ended on the 31st December 2014, presented in the third chapter of the management report, hereafter referred to as the "CSR Information", pursuant to the provisions of the article L.225-102-1 of the French Commercial Code (*Code de commerce*).

Responsibility of the company

It is the responsibility of the Board of Directors to establish a management report including CSR Information referred to in the article R. 225-105-1 of the French Commercial Code (Code de commerce), in accordance with the protocols used by the company and by its portfolio companies (hereafter referred to as the "Criteria"), a summary of which is included in the management report in the methodological notes and available on request at the respective companies' headquarters.

Independence and quality control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in the article L. 822-11 of the French Commercial Code (*Code de commerce*). In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Responsibility of the independent verifier

It is our role, based on our work:

- To attest whether the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of R. 225-105 of the French Commercial Code (*Code de commerce*) (Attestation of presence of CSR Information);
- To express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects, in according with the Criteria (Limited assurance on CSR Information).

Our verification work was undertaken by a team of six between September 2014 and March 2015 for an estimated duration of ten weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of 13 May 2013 determining the conditions under which an independent third-party verifier conducts its mission.

1. Attestation of presence of CSR Information

We obtained an understanding of the company's CSR issues, based on interviews with the management of relevant departments, a presentation of the company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the company and its societal commitments, as well as, where appropriate, resulting actions or programmes.

We have compared the information presented in the management report with the list as provided for in the Article R. 225-105-1 of the French Commercial Code *(Code de commerce).*

In the absence of certain information, we have verified that the corresponding explanations were provided in accordance with the provisions in Article R. 225-105, paragraph 3, of the French Commercial Code *(Code de commerce).*

We verified that the CSR Information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L.233-1 and the entities which it controls, as aligned with the meaning of the Article L.233-3 of the French Commercial Code *(Code de commerce)*, hereafter "the portfolio companies [2]», with the limitations specified in the methodological notes of the company and the portfolio companies in the third chapter of the management report, notably:

- As indicated in the paragraph « Encouraging subsidiaries to integrate CSR » presented in paragraph 3.1.1 of the management report, the required Information is presented for each company whose majority stake is held by Wendel and is not consolidated as specified in the article L. 225-102-1 of the French Commercial Code (*Code de commerce*);

Based on this work and given the limitations mentioned above, we confirm the presence in the management report of the required CSR information.

(1) Accreditation scope available on the website www.cofrac.fr.
(2) Portfolio companies that are subject to this report are Bureau Veritas, Materis, Stahl, Parcours and Mecatherm.

2. Limited assurance on CSR Information

Nature and scope of the work

We undertook about thirty interviews with the people responsible for the preparation of the CSR Information in the different departments in charge of the data collection process and, if applicable, the people responsible for internal control processes and risk management, in order to:

- Assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, industry standards;
- Verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the company and its portfolio companies, their social and environmental issues, their strategies in relation to sustainable development and industries best practices.

For the CSR Information which we considered the most important [1]:

- At the level of the company and of its portfolio companies, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report;
- At the level of a representative selection of entities that we selected [2], based on their activity, their contribution to the indicators of the company and of its portfolio companies, their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample selected therefore represented on average:
  - For the Materis group, 99 % of the total number of employees and on average 31 % of the quantitative environmental information tested;
  - For the Stahl group, 16 % of the total number of employees;
  - For the Parcours group, 92 % of the total number of employees and on average 91 % of the quantitative environmental information tested;
  - For the Mecatherm group, 65 % of the total number of employees and on average 75 % of the quantitative environmental information tested;
  - For the Bureau Veritas group, we verified that the Information published in Wendel management report corresponds to the information that was subject to verification by the statutory auditors mandated by the executive management of Bureau Veritas.

For the other CSR information, we assessed their consistency in relation to our knowledge of the company.

Finally, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information.

We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

Conclusion

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

(1) The most important CSR Information is appended to this report.
(2) For the Materis group, we selected the industrial sites of Les Franqueses (Spain) and Resana (Italy). For the Stahl group, we selected the industrial site of Waalwijk (Netherlands). For the Mecatherm group, we selected the site of Barembach (France). For Parcours group, we selected the agencies located in France.

Observations

Without qualifying our conclusion above, we draw your attention to the following points:

- The Information published by Bureau Veritas was subject to the following comment: the management report specifies that for the absenteeism rate and the number of days of training, the scope of reporting only covers France pending an homogeneous calculation throughout the Group ;
- The Information published by Stahl companies call for the following comments:
  - The required information on the absenteeism rate and the number of training hours are followed locally and thus are not subject to consolidation by the Group;
  - Quantitative information on the environment is not published, considering that consolidated reporting is being structured within the Group.

Paris-La Défense, 25th March 2015

French original signed by:

Independent Verifier

ERNST & YOUNG et Associés

Éric Duvaud

Partner, Sustainable Development

Bruno Perrin

Partner

Appendix – List of CSR information covered by limited assurance verification work

Quantitative social information	Involved companies
Total number of employees	Wendel S.A. and portfolio companies
Number of hirings and departures	Wendel S.A. and portfolio companies
Absenteeism rate	Wendel S.A., Materis, Parcours and Mecatherm
Lost Time Injury Frequency Rate	Wendel S.A. and portfolio companies
Severity rate	Wendel S.A. and portfolio companies
Total number of training hours	Wendel S.A., Materis, Parcours and Mecatherm
Total number of disabled employees	Wendel S.A. and portfolio companies

Qualitative social information	Involved companies
Organization of social dialogue	Portfolio companies
Health and safety conditions at work	Portfolio companies
Training policies	Wendel S.A. and portfolio companies
Equal treatment	Wendel S.A. and portfolio companies

Quantitative environmental information	Involved companies
Number of ISO 14001-certified sites	Materis
Air emissions (VOC, SOx and NOx)	Materis
CO_2 emissions	Materis and Parcours
Total amount of hazardous and non-hazardous waste	Materis, Parcours and Mecatherm
Total water consumption	Materis, Parcours and Mecatherm
Total energy consumption	Materis, Parcours and Mecatherm

Qualitative environmental information	Involved companies
Company organization to take into account environmental issues	Wendel S.A. and portfolio companies
Energy efficiency	Materis, Stahl, Parcours and Mecatherm
Raw materials consumption	Materis

Qualitative information related to societal commitment for a sustainable development	Involved companies
Territorial, economic and social impact of the company in terms of employment and regional development	Portfolio companies
Dialogue conditions with individuals or organizations interested in the company's activities	Wendel S.A. and portfolio companies
Integration of ESG criteria in portfolio management	Wendel S.A.
Consideration of CSR issues in the company's relationship with suppliers and subcontractors	Materis, Stahl, Mecatherm and Parcours
Actions taken to prevent corruption	Wendel S.A. and portfolio companies
Measures taken for consumer health and safety	Materis, Stahl and Parcours

4

COMMENTS ON FISCAL YEAR 2014

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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, *i.e.* holding companies and subsidiaries over which Wendel exercises exclusive control: Bureau Veritas (certification and verification), Materis (specialty chemicals for construction), which sold the Kerneos (aluminates), Parex (mortars) and Chryso (admixtures) divisions in 2014, Stahl (leather finishing products and high-performance coatings), Parcours (independent specialist in long-term vehicle leasing to corporate customers), Mecatherm (world leader in industrial bakery equipment), and Nippon Oil Pump (Manufacture of trochoid pumps and hydraulic motors); these last three companies are consolidated in the Oranje-Nassau Développement sub-group;
- 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), IHS (mobile telecom infrastructure in Africa), 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—the Materis divisions sold in 2014: Kerneos (aluminates), held for sale as of December 31, 2013, Parex (mortars) and Chryso (admixtures)—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.

In millions of euros	2014	2013
Net sales	5,914.2	5,452.9
Operating income	524.1	577.5
Net financial income (expense)	-429.2	-324.5
Income taxes	-189.1	-162.2
Net income from equity-method investments	-76.0	346.7
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	**-170.3**	**437.5**
Net income from discontinued operations and operations held for sale	368.0	52.5
NET INCOME	**197.8**	**490.0**
Net income – non-controlling interests	178.2	156.3
NET INCOME, GROUP SHARE	**19.6**	**333.7**

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. The definition of economic presentation and a conversion from the accounting presentation to the economic presentation are given in note 6 to the consolidated financial statements, entitled “Segment information”.

In millions of euros	2014	2013
Bureau Veritas	404.2	408.4
Stahl	52.0	31.3
Materis	21.5	13.0
Saint-Gobain (equity method)	139.3	171.4
IHS (equity method)	-42.2	-5.8
Legrand (equity method)	-	13.8
Oranje-Nassau Développement	24.2	21.5
- Parcours	*15.3*	*13.0*
- Mecatherm	*4.1*	*6.5*
- NOP	*2.8*	*-*
- exceet (equity method)	*2.1*	*2.0*
TOTAL CONTRIBUTION FROM GROUP COMPANIES	**599.0**	**653.7**
of which Group share	*381.3*	*443.3*
Operating expenses, management fees, and taxes	-49.2	-40.2
Amortization, provisions, and stock-option expenses	-6.4	-5.6
TOTAL OPERATING EXPENSES	**-55.6**	**-45.8**
TOTAL FINANCING COSTS	**-170.9**	**-198.3**
NET INCOME FROM BUSINESS SECTORS (1)	**372.5**	**409.7**
of which Group share (1)	*154.9*	*199.3*
Non-recurring income	**-56.0**	**186.5**
Impact of goodwill	**-118.8**	**-106.2**
TOTAL NET INCOME	**197.8**	**490.0**
Net income – non-controlling interests	178.2	156.3
NET INCOME – GROUP SHARE	**19.6**	**333.7**

(1) Net income before goodwill allocation entries and non-recurring items.

4.1.3 Description of 2014 business activities

Wendel's consolidated sales totaled €5,914.2 million, up 8.5% overall and up 2.9% organically.

The overall contribution of the Group's companies to net income from business sectors was €599.0 million, down 8.4% from 2013. This decline resulted from changes in Wendel's scope of consolidation. Wendel sold 24 million Saint-Gobain shares in May 2014, reducing that company's contribution, and sold all of the remaining Legrand shares in 2013. In addition, IHS generated very high depreciation expense as a result of acquiring a large number of telecom towers, and the company posted a net contribution of €-42.2 million.

The total of finance costs, operating expenses and taxes was €226.5 million, down compared with 2013 (€244.0 million). This came about because reduced finance costs and currency gains (€21.2 million) more than offset the structural costs related to greater investment activity in 2014 and the opening of Wendel's new offices in Africa, North America and Singapore to support its investment strategy.

Net non-recurring items totaled €-56.0 million vs. €+186.5 million in 2013. In 2013, non-recurring items had included principally a €369.0 million gain from the sale of Legrand shares and a dilution loss on Saint-Gobain shares of €97 million. In 2014, the €329.6 million gain on the sale of three divisions of Materis did not offset the €106.7 million loss on the sale of Saint-Gobain shares, plus asset impairment of €127.3 million and other non-recurring expenses of €151.6 million.

Wendel's net income, Group share, was thus €19.6 million in 2014, compared with €333.7 million in 2013.

Results of Group companies

Bureau Veritas - Organic growth improvement in Q4 and strong cash flow generation

(Full consolidation)

Revenue in 2014 totaled €4,171.5 million, an increase of 6.1% compared with 2013.

Organic growth was 2.5% over the full year, improving to 3.4% in the last quarter. Three businesses, representing 45% of revenue, posted organic growth above 5%:

- Marine & Offshore benefited from the rebound in new construction activity;
- Industry benefited from its well-balanced geographical presence, posting double-digit growth in the United States, the Middle East and Asia. The oil price drop had almost no impact on the business in 2014;
- Consumer Products, where growth was driven by Wireless/Smartworld and Food testing.

Organic growth was slightly positive in four other businesses:

- declining revenue in Europe for the Construction and In-Service Inspection & Verification (IVS) businesses was compensated by expansion in fast-growing geographies, namely China and South America;
- after a negative first half, the Commodities business turned positive, due to continuous strong growth in the Oil & Petrochemicals and Agriculture segments, and the stabilization of the Metals & Minerals segment;
- the Certification business was slightly up, despite the end of the Kyoto protocol program.

The Government Services & International Trade (GSIT) business, which was hit by the conflict in Iraq and the termination of contracts, posted an organic revenue decrease.

2014 was a busy year in terms of external growth: acquisitions contributed 6.9% to growth.

Currency fluctuations had a negative impact of 3.3% as most currencies declined in value against the euro, from January to September. This trend has reversed since September due to the strengthening of the US dollar vs. the euro.

Adjusted operating profit was €694 million, up 5.6% compared to 2013, and up 9.7% at constant currencies.

The adjusted operating margin was 16.6% in 2014, stable at constant currencies compared with 2013.

Bureau Veritas was able to maintain or grow its margin at constant currencies in five businesses (Commodities, IVS, Certification, Construction and Consumer Products), by improving the mix, rolling out Lean initiatives and restructuring measures. The Marine & Offshore business benefited from increased volume of activity but this was offset by investments made in technical centers. The Industry margin has slightly declined, due to the reduction of activity in France and in South Africa. The GSIT business margin was impacted by the reduction in volumes.

Attributable net profit for the period was €294.6 million, vs. €345.1 million in 2013. Earnings per share (EPS) stood at €0.67 compared with €0.79 in 2013. Tax and currencies had a negative impact of €0.09 on EPS.

Adjusted attributable net profit totaled €391.3 million, up 3.7% from 2013 on a constant currency basis. Adjusted EPS reached €0.90 in 2014, vs. €0.91 in 2013. It was up 3.3% on a constant currency basis. Tax and currencies had a negative impact of €0.08 on adjusted EPS.

Cash generation was very strong in 2014. Operating cash flow rose by €78.7 million to €606.6 million, representing a 14.9% increase vs. 2013.

The amount spent on the purchase of property, plant and equipment and intangible assets, net of disposals (net capex), was €143.5 million in 2014 vs. €141.1 million in 2013. This limited increase reflects the reduction in capex related to the Metals & Minerals segment and an increase in other businesses. BV's capex-to-revenue ratio stood at 3.4%, slightly below the 2013 level (3.6%).

Free cash flow (cash flow available after tax, interest expenses and capex) totaled €402 million, up 24% relative to 2013.

In 2015, Bureau Veritas expects a slight improvement in organic growth over 2014, taking into account the current oil market conditions. The operating margin should also improve moderately thanks to ongoing operational excellence initiatives. The Group will continue to generate strong cash flow. Acquisitions in attractive markets will contribute to overall growth.

Bureau Veritas will propose a dividend of €0.48 per share at its Shareholders' Meeting to be held on May 20, 2015. This dividend represents 53% of the adjusted EPS for 2014.

Materis - Organic growth of 0.8% at Materis Paints. Group now fully refocused on Paints business.

(Full consolidation – the earnings of the "Kerneos" aluminates, "Parex" mortars, and "Chryso" admixtures divisions, sold in 2014, are included in "Net income from discontinued operations and operations held for sale", in accordance with IFRS 5.)

In 2014, **Materis Paints** reported organic growth of 0.8% vs. a contraction of 1% in 2013. Nevertheless, sales were impacted by both currency fluctuations (-1.9%) and changes in scope (-0.2%) and totaled €747.6 million, down 1.3%.

Organic growth was driven by the recovery in southern Europe (2%) and by robust growth in emerging markets, including, in particular, organic growth of 25% in Morocco and 30% in Argentina. However, in France (66% of sales), given the difficult economic climate, sales at Materis Paints contracted by 2%.

Materis Paints continued to reap the benefits of management initiatives to step up marketing efforts, product innovation, improvement in the customer/product/distribution channel mix and a tight rein on costs and WCR. As a result, EBITDA rose 9.1%, representing a margin of 9.0% in 2014 (up 90 basis points), and the EBITDA-to-cash conversion ratio also increased from 63% in 2013 to 75% in 2014 thanks to working capital improvement.

Finally, following the refocus on the Paints business, Materis Paints displayed a strong financial structure, with debt leverage of less than 4x EBITDA..

After selling Kerneos, ParexGroup and Chryso in March, June and October 2014, respectively, and refinancing over the summer, Materis has completed its debt paydown program and fully refocused on its Paints business. Wendel plans to maintain its role as an active shareholder supporting the Materis Paints management team and will help drive business expansion in the coming years.

Stahl – Organic growth of 4.0% in 2014 and total growth of 43.9%, resulting from the consolidation of Clariant Leather Services.

(Full consolidation)

Stahl's sales totaled €512.6 million in 2014, up 43.9% from 2013. This sharp increase resulted from the merger with Clariant Leather Services business, which accounted for 41.7% growth, combined with healthy organic growth of 4.0%. Fluctuations in exchange rates had a negative impact of 1.8% on full-year sales.

Performance Coatings posted organic growth of 10.4% which is well above the 30-year organic sales CAGR track record of 7%, driven by strong performance in continental Europe, China, Japan and India.

Stahl's EBITDA rose 41% in 2014 compared with 2013, to €91.4 million, representing a margin of 17.8%. In addition to the increase in EBITDA driven by the merger with Clariant Leather Services, profitability was boosted by organic growth and synergies harnessed in 2014.

Stahl's EBITDA run rate, including the full-year impact of synergies, amounted to €114 million for 2014. The integration process is ahead of schedule and the annualized impact of synergies achieved during the year exceeded the €15 million initially projected for the 18 months following the transaction. Once integration is complete, Stahl should achieve annualized synergies well above €20 million.

In parallel with the merger, Stahl successfully refinanced €295 million in debt (2019 maturity), of which ca. €265 million has been drawn down. Stahl's net debt stood at €221 million at end-December 2014.

With the successful integration of Clariant Leather Services, robust growth in Stahl's business and low debt, Wendel is studying all options for crystallizing all or part of the value that has been created.

IHS – IHS becomes one of the world's leaders in telecom towers.

(Equity method since May 2013)

In 2014, with nearly 23,000 towers under management (*pro forma* with the acquisition of MTN's towers in Nigeria), IHS Holding became one of the world's leading providers of telecom tower passive infrastructure for mobile phone operators and the leader in EMEA regions (Europe, Middle East, and Africa) in number of towers under management.

Throughout 2014, IHS pursued its telecom tower acquisition strategy and has already begun to reap the benefits of its network pooling business model. Over the full year, IHS acquired more than 13,000 towers in Nigeria, Rwanda and Zambia. These new towers are gradually entering the group's scope of consolidation:

- 1,300 towers acquired from MTN in Rwanda and Zambia were consolidated in April and May 2014;
- 2,100 towers acquired from Etisalat in Nigeria were consolidated in November 2014;
- 4,150 of the 9,100 towers acquired from MTN in Nigeria were consolidated in December 2014; the remaining towers will be consolidated at the end of H1 2015.

As a result, IHS's revenue, before pass-through of diesel fuel costs to customers, almost doubled, totaling $312.4 million.

In terms of profitability, IHS used its expertise to attract new customers to its towers (increasing the rate of collocation on existing sites), and EBITDA advanced to $100.8 million in 2014, representing a margin of 32.2%.

To finance this rapid growth, IHS successfully raised more than $3 billion in 2014 through capital increases and debt issues to top-tier investors:

- in March and April 2014, IHS carried out a capital increase of $550 million, reflecting a premium of 30% compared with the previous capital increase in July 2013;
- in November, IHS announced it was raising a total of $2.6 billion, including $600 million in the form of a credit facility. The first tranche of the capital increase was carried out in 2014 at a premium of 25% compared with the previous capital increase in April 2014. A second tranche of $600 million will be issued in mid-2015.

Saint-Gobain – Operating income up 7.0% on a like-for-like basis, excluding Verallia North America

(Equity method)

Like-for-like sales in 2014 advanced 2.2%. Based on reported figures, sales were down 1.7% due to the negative 1.5% currency impact and the negative 2.4% impact resulting from changes in group structure - chiefly related to the disposal of Verallia North America (VNA).

Volumes moved up 1.1% over the year despite retreating 0.7% in the second half. Sales prices rose 1.1% over the year, in spite of a less inflationary environment and declining prices for Exterior Products in the United States in the second half.

All of Saint-Gobain's businesses reported organic growth in 2014. In the second half, Exterior Solutions were affected by the contraction in the Roofing business, while Building Distribution and Interior Solutions were hit by the downturn in construction in France and Germany.

Out of Saint-Gobain's four regions, only France failed to advance, down 1.3% year-on-year.

Operating income rose 1.6%, despite the negative currency and group structure impact (up 7.0% like-for-like excluding VNA). This drove a rise in the operating margin, which came in at 6.8% of sales from 6.6% in the prior-year period, bolstered by cost cutting efforts. Excluding Building Distribution, the operating margin increased from 8.9% to 9.3% in 2014.

Saint-Gobain's focus on its action plan priorities continues to pay off:

  - sales prices increased despite a less inflationary environment;
  - costs were scaled back by €450 million in 2014 compared to 2013, with a significant impact in Flat Glass which saw its margin rally at 5.9% vs. 2.6% in the previous year;
  - capital expenditure remained in check at €1.4 billion, with a strong focus on growth capex outside Western Europe;
  - net debt was reduced to €7.2 billion thanks to an ongoing tight rein on cash.

- **Innovative Materials** sales moved up 3.9% in 2014 on a like-for-like basis, and advanced 4.2% in the second half. The operating margin for the business sector widened, from 7.2% to 9.4% (9.6% in the second half), driven by the improved performance for Flat Glass;
- Boosted by its first-half performance, **Construction Products (CP)** sales moved up 2.9% on a like-for-like basis in 2014 and 0.4% in the second half, owing chiefly to a deterioration in the US Exterior Solutions market. The operating margin improved slightly, at 9.0% versus 8.8% in 2013;
- **Building Distribution** posted 0.8% organic growth, helped by mild winter weather in the first quarter and despite a 1.8% decline in the second half due to the downturn in the French and German markets;
- **Packaging (Verallia)** sales were up 1.6% on a like-for-like basis. In Europe, volumes rose 1.4% over the year, thereby confirming the recovery begun in the six months to June 30 in a competitive pricing environment. Latin America continued to deliver good growth, with price trends reflecting the impact of inflation.

Recurring net income (excluding capital gains and losses, asset write-downs and material non-recurring provisions) jumped 7.4% to €1,103 million.

In 2015, the Group should benefit from continued upbeat trading in the United States as well as in Asia and emerging markets. In Western Europe, the recovery will be dampened by the decline in France. The first half will be impacted by a tough 2014 basis for comparison. Household consumption is expected to remain firm.

Saint-Gobain will continue to keep a close watch on cash and financial strength and aims to maintain a high level of free cash flow. In particular, it will:

- keep its priority focus on increasing sales prices amid a small rise in raw material costs and energy deflation;
- unlock additional savings of €400 million (calculated on the 2014 cost base) thanks to its ongoing cost cutting program;
- pursue a capital expenditure program of under €1,600 million, focused on growth capex outside Western Europe;
- renew its commitment to invest in R&D in order to support its differentiated, high value-added strategy.

In this setting, the Group is targeting a further like-for-like improvement in operating income for 2015 and a continuing high level of free cash flow.

At its meeting of February 25, 2015, Saint-Gobain's Board of Directors decided to recommend to the June 4, 2015 Shareholders' Meeting a dividend of €1.24 per share, 50% payable in cash and 50% in cash or in shares, at shareholders' discretion.

On December 8, 2014, Saint-Gobain announced its plans to acquire control of Sika and to sell Verallia. Wendel is in full support of these plans.

Oranje-Nassau Développement

Through Oranje-Nassau Développement, Wendel brings together opportunities for investment in growth, diversification and innovation, and in particular has invested in France (Parcours and Mecatherm), Germany (exceet), Japan (Nippon Oil Pump), the United States (CSP Technologies), as well as in the Netherlands (Van Gansewinkel Groep) and Africa (Saham Group), where it has unconsolidated holdings.

Parcours - Continued robust and profitable growth

(Full consolidation)

Parcours reported sales of €339.7 million, up 9.7% compared with 2013. Vehicle leasing and maintenance revenues advanced by 10.8% to €246.2 million. In a market that saw moderate growth, Parcours' businesses were underpinned by a 11.3% year-on-year increase in its fleet of managed vehicles, which now number 56,500. Sales of pre-owned vehicles increased by 6.8% in 2014 to reach €93.5 million.

Pre-tax ordinary income rose 15.6% to €25.2 million, representing a 38-basis-point improvement in its margin.

In 2014, Parcours continued to convert its branches in France to the "3D" model, inaugurating a new 3D branch in Tours in November 2014. In addition, Parcours acquired land in Strasbourg and Annecy with the intention of building 3D sites that should open in 2015. Parcours also further developed its business internationally: the fleet of leased vehicles outside France grew 27% in 2014.

exceet – Further improvement in profitability in a difficult economic environment

(Equity method)

In 2014, exceet posted sales of €185.3 million, a slight, 2.9% decrease (a 3.4% decline organically). However, exceet was able to extend the share of high-margin business, thus improving profitability further in 2014. This was reflected in its EBITDA of €19.0 million, representing a margin of 10.3% (vs. €18.3 million or 9.6% in 2013)

The company is pursuing a strategy of broadening and improving its range of products and services. For example, the ECMS (Electronic Components, Modules and Systems) division won a development and production order for a new, wearable patient-monitoring device. With this project, ECMS is expanding its portfolio in the field of digital health.

For 2015, exceet is confident that the combination of an optimized project mix and a further streamlining of the organization will support growth and improve margins.

In the first quarter of 2014, one of exceet's significant shareholders—Greenock S.à.r.l.—told the company it is considering selling its stake to a third party. However Greenock S.à.r.l. said that no decisions have been made as to the terms or timeframe for any such transaction.

Mecatherm - New business but lower profitability in 2014

(Full consolidation)

Mecatherm's sales totaled €104.7 million in 2014, up 8.9% from the previous year.

Following on from the first half of 2014, new firm orders over 12 months were up 26% and totaled €132 million as of December 31, 2014, a record high. Mecatherm's business is benefiting from the recovery of investment in Europe, the successful launch of new products (S-Line and Mecaflow) and significant commercial successes in the rest of the world.

In this context of record business growth, Mecatherm invested in restructuring the group (new IT system, production reorganization) and strengthened its management team by bringing on three new executives (Operations, Finance, Marketing & Business Development). These efforts are set to continue in 2015.

In 2014, recurrent EBITDA declined by 13.3% to €14.4 million, before €3.2 million in exceptional costs related to the restructuring. Profitability was impacted by the record inflow of new orders, in particular in new segments, which necessitated additional operational and commercial costs.

Nippon Oil Pump – 10.2% rise in sales

(Full consolidation since January 2014; the figures below are in Japanese GAAP)

In 2014, Nippon Oil Pump's sales totaled ¥5,339 million, up 10.2%, owing to improved sales of trochoid pumps (up 11%), and from the excellent performance of new products (Vortex and hydraulic pumps), whose sales nearly doubled during the year.

EBITDA increased by 5.1% in 2014 to ¥891 million. Nevertheless, the margin contracted by 80 basis points from 17.5% to 16.7%. Increases in raw material prices (higher electricity costs since the Fukushima accident), labor costs and procurement costs reduced Nippon Oil Pump's profitability slightly.

Nippon Oil Pump's net debt totaled ¥3,804 million as of December 31, 2014, representing leverage of less than 4.5 times EBITDA.

Saham Group - Robust organic growth in the insurance businesses, recovery in customer relations centers and continued development in Healthcare

(Unconsolidated, unaudited)

In the insurance segment, all Saham Group entities saw net premiums rise in 2014, with an overall increase of 10.4% in net premiums written. Premium income grew by more than 5% in Morocco (ca. 50% of net premiums), and growth was particularly robust in Angola (GAAS up 72.6%), owing to good performance in the Automotive, Technical Risks and Maritime Transport divisions. Saham Group made acquisitions in several countries through its Saham Finances subsidiary (non-life insurance in Nigeria, life and non-life insurance in Rwanda, as well as in Saudi Arabia) and is considering several other deals in Africa and the Middle East.

After a more challenging 2013, revenue from the customer relations center business grew 9.8% in 2014. In addition, Saham has recently acquired the segment leader in Egypt.

Finally, Saham Group is pursuing the growth and development of its Healthcare and Real Estate businesses. In Healthcare, the group pursued several private hospital and diagnostic & pathology lab projects (acquisitions and greenfield operations) in Morocco, Côte d'Ivoire and Egypt.

Other significant events since the beginning of 2014

Principal changes in the portfolio

Materis: Sales of Kerneos, ParexGroup and Chryso. Refocus on Materis Paints

Following the sales of Kerneos, ParexGroup and Chryso in March, June and October 2014, respectively, and the summer's refinancing transactions, Materis has:

- generated total sale proceeds of €1.7 billion;
- reduced its net debt to ca. €275 million, or ca. 4x EBITDA (seasonally-adjusted);
- reduced its average borrowing cost from Euribor+6% to Euribor+4.75%;
- fully refocused on the Paints business, which posted sales of €747.6 million and EBITDA of €67.1 million in 2014.

Increase in our investment in IHS

As part of two programs IHS launched in 2014 to raise a total of $3 billion in equity and debt (capital increases of $420 billion and $2 billion and a credit facility of $600 million), Wendel committed to investing an additional $503 million in equity, which will bring its total investment in IHS Holding to $779 million.

The first capital increase of $420 million was finalized in April 2014 at a premium of 30% compared with the previous capital increase.

The second increase is taking place in several stages. First, Wendel invested $195 million in IHS as part of a capital increase finalized in December 2014, at a premium of 25% compared with the previous capital increase in April 2014. A second tranche will be issued in mid-2015.

In addition, Wendel has brought together four US and European family investors (incl. FFP, Sofina and Luxempart) to invest alongside it in IHS. In addition to the $779 million it has invested, Wendel has thus raised an additional $181 million through an IHS co-investment vehicle that Wendel will manage and whose voting rights Wendel will exercise.

When these two tranches are complete, Wendel will hold ca. 26% of the share capital directly, will remain the company's principal shareholder and will represent, together with its co-investors, 36% of the voting rights.

Acquisition of CSP Technologies

On January 30, 2015, Wendel announced it had finalized the acquisition of US-based CSP Technologies, for an enterprise value of $360 million. Pursuant to this transaction, Wendel invested $198 million in equity and holds 98% of the share capital of the company.

CSP Technologies is the leading supplier of innovative plastic packaging for the pharmaceutical and agri-food industries. The company is the world's leading manufacturer of high-performance plastic desiccant vials used, notably, to store test strips for diabetics.

In planning for this transaction, Wendel had converted €160 million into dollars at an exchange rate of USD 1.23/EUR when it entered exclusive negotiations in December 2014.

Acquisition of Constantia Flexibles

On December 23, Wendel announced it had signed an acquisition agreement to become the majority shareholder of Constantia Flexibles, a global leader in flexible packaging. Wendel's offer values the company at €2.3 billion, *i.e.* around nine times its adjusted 2014 EBITDA.

All necessary authorizations were obtained, and the closing was announced on March 27, 2015. When the transaction is complete, and before any other co-investor, Wendel will have invested €640 million in equity and will hold 73% of the capital of the company alongside the H. Turnauer Foundation, which will invest €240 million and hold 27% of the capital.

Founded by Herbert Turnauer in the 1960s, the Vienna-based Constantia Flexibles group produces flexible packaging solutions and labels, primarily for the agri-food and pharmaceutical industries. Constantia Flexibles has successfully developed its activity outside Europe and, over the last five years, has become a global leader in flexible packaging. Constantia Flexibles now has more than 3,000 customers worldwide, over 8,000 employees and 43 manufacturing sites in 18 countries. Its products are sold in more than 115 countries.

Wendel Group companies have made 19 acquisitions

After carrying out 16 acquisitions over all of 2013, Wendel Group companies have already made 19 acquisitions, including nine in emerging economies.

In 2014, Bureau Veritas was the most active company in the portfolio, completing eight acquisitions, representing €315 million in annual sales. The acquired companies are principally in North America (incl. Maxxam) and South America.

Stahl's and more recently IHS's major transactions have been among the most noteworthy, adding a new dimension to the respective companies.

Investment grade status obtained

On July 7, 2014, Standard & Poor's raised Wendel's long-term credit rating from BB+ to BBB- with a stable outlook, and its short-term credit rating from B to A-3. This marks the third year in a row that Standard & Poor's has lifted Wendel's credit rating and brings the Group back to investment grade status after a six-year hiatus during which its debt level was considered too high.

Debt maturity extended and cost reduced

In 2014, Wendel continued to renew its borrowing facilities so as to reduce its financing costs and extend the maturity of its debt.

Accordingly, Wendel announced three successful bond placements in 2014: €400 million with a coupon of 3.75% maturing in January 2021, and €300 million and €200 million with a coupon of 2.75% maturing in October 2024. Wendel also repaid the entire issue maturing in November 2014 (par value: €445 million), bearing interest at 4.875%.

In addition, Wendel has entered into an agreement with seven banks for a €650 million syndicated line of credit maturing in November 2019. This financing replaces the undrawn €600 billion syndicated credit line maturing in May 2018.

This momentum continued into early 2015, with a €500 million issue (par value) of 12-year bonds bearing interest at 2.5%.

Finally, Wendel has simplified its debt structure by repaying all of the debt related to Saint-Gobain in 2014 and unwinding the puts written on Saint-Gobain in March 2015 at an average price of €40.19, representing a total payment for Wendel of €136 million.

Share buyback: cancellation of 2% of shares

In 2014, Wendel repurchased 1,294,974 of its own shares so as to take advantage of the significant discount in its share price relative to NAV. On August 27, 2014, the Supervisory Board authorized the Executive Board to cancel 2% of share capital. In accordance with this authorization, Wendel's Executive Board decided to cancel 975,296 shares held in treasury, with effect from September 16, 2014. The Group already cancelled a total of 2,070,873 shares, or 4.1% of its share capital, in 2012 and 2013.

4.1.4 Consolidated balance sheet

The following table shows the principal changes that took place in the balance sheet in 2014. For the purposes of this analysis and to ease understanding, certain line items of a similar 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 (in millions of euros)	12/31/2014	12/31/2013
Goodwill, net	2,701	2,596
Intangible assets and property, plant & equipment	2,671	2,588
Equity-method investments	3,553	4,249
Net working capital requirements	589	558
Assets and operations held for sale (1)	2	430
TOTAL ASSETS	**9,516**	**10,421**

(1) In 2013, consists mainly of Kerneos, the aluminates division of Materis.

Liabilities (in millions of euros)	12/31/2014	12/31/2013
Shareholders' equity - Group share	2,464	2,535
Non-controlling interests	629	522
Long-term provisions	371	279
Net financial debt	5,558	6,757
Net financial assets and liabilities	238	42
Net deferred tax liabilities	257	286
TOTAL LIABILITIES	**9,516**	**10,421**

4.1.5 Breakdown of principal variations in the consolidated balance sheet

GOODWILL AS OF DECEMBER 31, 2013	**2,596**
Business combinations (by Bureau Veritas,Stahl and NOP)	346
Sale of Kerneos, Parex and Chryso divisions by Materis	-343
Impairment losses recognized during the year	-2
Currency fluctuations and other	104
GOODWILL AS OF DECEMBER 31, 2014	**2,701**

INTANGIBLE ASSETS AND PROPERTY, PLANT & EQUIPMENT AS OF DECEMBER 31, 2013	**2,588**
Investments	522
Divestments	-16
Business combinations (by Bureau Veritas and Materis)	45
Reclassification of Parcours' used vehicles in inventory (net)	-89
Depreciation, amortization, and provisions recognized during the year	-439
Currency fluctuations and other	59
INTANGIBLE ASSETS AND PROPERTY, PLANT & EQUIPMENT AS OF DECEMBER 31, 2014	**2,671**

EQUITY-METHOD INVESTMENTS AS OF DECEMBER 31, 2013	**4,249**
Investment in IHS	392
Sale of Saint-Gobain shares (carrying value)	-1,072
Share in net income for the year	23
Dividends paid	-82
Impact of changes in currency translation adjustments	118
Other	-76
EQUITY-METHOD INVESTMENTS AS OF DECEMBER 31, 2014	**3,553**

SHAREHOLDERS' EQUITY, GROUP SHARE, AS OF DECEMBER 31, 2013	**2,535**
Net income for the year	20
Dividend paid by Wendel	-86
Items of comprehensive income	-75
Buyback of shares	-115
Currency translation reserves	144
Other	41
SHAREHOLDERS' EQUITY, GROUP SHARE, AS OF DECEMBER 31, 2014	**2,464**

	Wendel and holding companies	Subsidiaries	Group total
NET FINANCIAL DEBT AS OF DECEMBER 31, 2013	**3,041**	**3,716**	**6,757**
Main cash flows of Wendel and its holding companies			
"Recurring" operating expenses, management fees, and taxes (1)	49		
"Recurring" financing costs (excluding accounting effects) of Wendel and its holding companies (1)	162		
Dividends paid	86		
Dividends received (2)	-195		
Acquisition of IHS	300		
Loan to Kerneos	60		
Disposal of Saint-Gobain securities	-1,010		
Main cash flows of subsidiaries			
Net cash flow from operating activities		-1,139	
Net finance costs		214	
Net cash flows related to taxes		199	
Acquisition of shares by Bureau Veritas		667	
Sale of shares by Materis		-1,161	
Acquisition of property, plant & equipment and intangible assets		195	
Acquisition of vehicles by Parcours (net of sales)		240	
Dividends paid (2)		223	
Other cash flows			
Purchase of treasury shares	115	46	
Impact of changes in the scope of consolidation of Materis		-316	
Other	2	64	
NET FINANCIAL DEBT AS OF DECEMBER 31, 2014	**2,610**	**2,948**	**5,558**

(1) Cash flows from items in "Net income from business sectors" for Wendel and holding companies.
(2) Includes €108 million from Bureau Veritas, eliminated upon consolidation.

NET FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2013	**-42**
Loan to Kerneos	60
Earnouts, deferred payments and other financial liabilities of operating subsidiaries	-54
Minority puts and liabilities related to liquidity guarantee	-91
Liability related to co-investors in IHS	-96
Changes in the fair value of Saint-Gobain puts	-23
Other	7
NET FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2014	**-238**

4.2 Analysis of the parent company financial statements

4.2.1 Income statement

In millions of euros	2014	2013
Income from investments in subsidiaries and associates	285	470
Other financial income and expense	-139	-137
NET FINANCIAL INCOME	**146**	**333**
Operating income	-32	-28
NET INCOME (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX	**114**	**305**
Exceptional items	-2	-10
Income taxes	6	39
NET INCOME	**118**	**334**

Income before exceptional items and tax was €114 million in 2014 compared with €305 million in 2013. The change resulted essentially from dividends of €285 million received from subsidiaries (paid by Winbond), vs. €470 million in 2013.

The tax income stems primarily from income on tax consolidation less a 3% tax on distributed income.

4.2.2 Balance sheet

Assets (in millions of euros)	12/31/2014	12/31/2013
Property, plant & equipment	3	2
Non-current financial assets	3,583	3,558
Net intra-Group receivables	3,389	3,293
Net WCR	31	20
Cash and marketable securities	1,070	835
Repayment premium	17	30
TOTAL ASSET	**8,092**	**7,738**

Liabilities and shareholders' equity (in millions of euros)	12/31/2014	12/31/2013
Shareholders' equity	4,250	4,313
Provisions	35	25
Financial debt (non-current portion)	3,770	3,361
Original issue discount on borrowings	37	39
TOTAL LIABILITIES	**8,092**	**7,738**

Net receivables from subsidiaries increased by €96 million as a result of the following factors:

- Wendel borrowed a total of €1,254 million from its subsidiaries, related mainly to proceeds from the sale of Saint-Gobain shares (€1,010 million), to Bureau Veritas and Saint-Gobain dividends received by their subsidiaries in 2014 (€194 million), and to Stahl's refinancing and subsequent repayment of its shareholder loan (€50 million);
- Loans to subsidiaries:
  - of €300 million to finance the subscription of shares in IHS (telecoms infrastructure in Nigeria, Côte d'Ivoire, and Cameroon),
  - of €160 million to finance the acquisition of CSP Technologies (US high-performance plastics packaging company, based in Alabama) finalized in early 2015,
  - of €425 million for the repayment by Group subsidiaries of bank debt relating to the Saint-Gobain investment,
  - of €60 million to finance the loan granted to Kerneos when the division was sold by Materis;
- repayment of a €285 million debt to Winbond;
- the residual balance corresponds in particular to subsidiaries' general needs and to interest flows on shareholder loans.

Shareholders' equity totaled €4,250 million at December 31, 2014, against €4,313 million at December 31, 2013. The change primarily reflected the following:

- €118 million net income for the year;
- a cash dividend of €86 million (or €1.85 per share) paid on 2013 earnings;
- the cancellation of 975,296 shares (2.00% of the share capital) for an amount of €100 million on September 16, 2014.

The main changes in financial debt (excluding intragroup items) in 2014 were:

- partial buybacks of Wendel's 2014, 2015, and 2016 bonds, for a total par value of €58 million;
- repayment of €445 million in bonds maturing in 2014;
- the issue of €400 million and €500 million (par value) of new bonds maturing in 2021 and 2024, respectively.

4.3 Net asset value (NAV)

4.3.1 NAV as of December 31, 2014

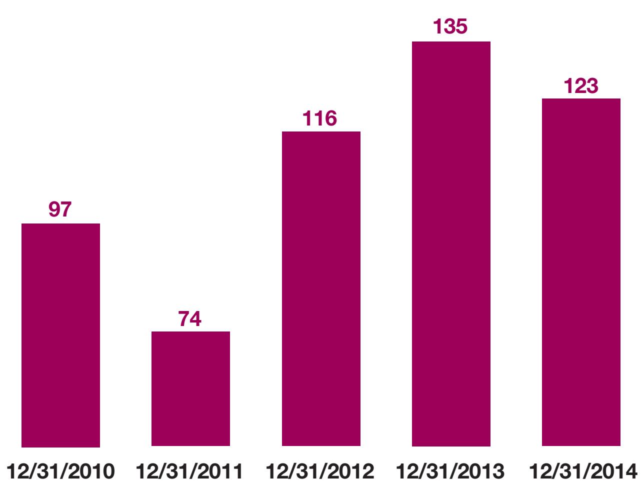
NAV as of December 31, 2014 broke down as follows:

(In millions of euros)

Listed equity investments	Number of shares	Share price (1)	6,388
■ Bureau Veritas	225.2 million	18.2 €	4,102
■ Saint-Gobain	65.8 million	34.7 €	2,286
Unlisted investments and Oranje-Nassau Développement (2)			2,083
Other assets and liabilities of Wendel and holding companies (3)			169
Cash and marketable securities (4)			1,185
GROSS ASSETS, REVALUED			**9,826**
Wendel bond debt			- 3,769
Value of puts issued on Saint-Gobain (5)			- 168
NET ASSET VALUE			**5,889**
Number of shares			47,796,535
NET ASSET VALUE PER SHARE			**123.2 €**
Average of 20 most recent Wendel share prices			92.1 €
PREMIUM (DISCOUNT) ON NAV			**- 25.3%**

(1) Average share price of the 20 trading days prior to December 31, 2014.
(2) Unlisted equity investments (Materis Paints, Stahl and IHS) and Oranje-Nassau Développement (NOP, Saham Group, Mecatherm, Parcours, VGG, exceet, indirect investments and unlisted debt (Kerneos)).
(3) Includes 1,761,948 Wendel treasury shares as of December 31, 2014.
(4) Cash and financial investments of Wendel and holding companies, including €854 million in cash on hand and €331 million in liquid financial investments.
(5) 6,089,778 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: www.wendelgroup.com.

At each NAV publication date, the Statutory Auditors verify that the methodology used for calculating net asset value complies with the Group's methodology and confirm consistency with accounting data.

The Audit Committee reviews each published NAV and compares Wendel's valuation of unlisted investments with one performed by an independent expert.

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 trading days
+ Unlisted investments and Oranje-Nassau Développement	Unlisted investments are valued using the method described below. exceet is valued on the basis of the average share price of the 20 trading days prior to the NAV calculation date.
+ 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 with margin calls	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	
Average of 20 most recent Wendel share prices	
Premium (discount) on NAV	

* *Amount of available cash: €[X] million*

NAV is a short-term valuation of the Group's assets. It does not take into account any control premiums or illiquidity discounts.

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

Valuation at cost for the 12 months following their acquisition.

New, unlisted investments are valued at cost for the first 12 months following their acquisition. After this period, the company is valued on the basis outlined below.

Valuation by listed peer-group multiples

The preferred method for valuing unlisted investments is comparison with the multiples of comparable listed companies.

The value of shareholders' equity of the companies in Wendel's portfolio is determined as their enterprise value minus net financial debt of investments (gross face value of debt less cash) appearing in the most recent financial statements. To value Parcours, we use the ratio of market capitalization to pre-tax ordinary income. The value of the company's shareholders' equity is thus directly determined by multiplying its pre-tax ordinary income 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 (see Note 4 "Participation of managers in Group investments" to the consolidated financial statements).

Enterprise value is obtained by multiplying measures of each company's earnings by stock-market multiples of similar listed companies.

The measures of earnings most often used in the calculation are recurring EBITDA (earnings before interest, taxes, depreciation and amortization) and recurring EBIT (before goodwill). 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.

For the first half of the year, the enterprise value corresponds to the average of the values calculated using EBITDA and EBIT of the previous year and the budget (or budget update) for the current year. For the second half of the year, including for the calculation as of December 31, the next year is also taken into account, because there is sufficient visibility on the end of the current year and the following year can be estimated satisfactorily. For the second half, therefore, the enterprise value is the average of the values calculated for three periods: the most recently audited fiscal year, the entire current year and the following year.

Stock-market multiples of comparable companies are obtained by dividing their enterprise value by their EBITDA or EBIT for the reference periods. Multiples of pre-tax ordinary income are obtained by dividing market capitalization by pre-tax ordinary income 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 face value of debt less cash) at the same (or similar) date as that applied to the net debt of the company being valued.

Comparable listed companies are chosen based on independent data and studies, information available from Wendel's subsidiaries, and research carried out by Wendel's investment team. Certain peer-group companies can be more heavily weighted if their characteristics are closer to those of the company being valued than are those of the other companies in the sample.

The peer group remains stable over time. It is adjusted 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 peer group for the investment being valued.

Non-representative multiples are excluded from the peer group, such as occur during takeover offers or any other exceptional circumstance affecting the measures of income or the share price.

The data, analyses, forecasts or consensus values used are based on information available at each date.

Valuation by transaction multiples

Transaction multiples may also be used when the transaction involves a company whose profile and business are similar to those of the company being valued. In this case, reliable information must be available on the transaction, in sufficient detail. In some cases, the multiple used to value an investment will be an average, either straight or weighted, of the peer-group multiple and the transaction multiple. If used, the transaction multiple is applied for a period of 12 months, in line with the methodology of using the price paid in an acquisition.

Other methods

If a valuation by peer-group comparison is not accurate, other methods may be used, depending on the nature of the business, the characteristics of the asset and market practices. These include expert appraisals, valuation by discounted future cash flows, sum of the parts, and other methods.

Purchase offers

Purchase offers received for unlisted investments are taken into account if they are serious, *i.e.* relatively firm, and reasonable. In this case, Wendel uses the average, either straight or weighted based on the probability of acceptance, of the internal valuation and the average purchase price offered. Depending on the specific terms of these offers, they might be used as the sole basis for the valuation. The price of a purchase offer is applied for a period of 12 months, in line with the methodology of using the price paid in an acquisition.

Price of dilutive capital transactions

Capital increases that have a significant dilutive or accretive effect on the whole or on certain shareholders are considered as a transaction between shareholders. The price of such a transaction can be used to value the entire related investment, and is maintained for a period of 12 months, just as in the case of the price paid in an acquisition.

The principle of valuation at the price paid is not applied in the event Wendel exercises an option to acquire shares or subscribe to a capital increase at an exercise price set on the basis of a situation that pre-dates the exercise.

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 (non-current portion)

Financial debt (Wendel's bond debt, syndicated loan outstandings and bank debt with margin calls) is valued at its face value plus accrued interest.

For the purposes of the calculation, financial debt is valued at face value, which is not affected by changes in interest rates or credit quality. Accordingly, interest-rate swaps are not valued at their market value, as the swaps are treated as part of 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.

As of December 31, 2014, 6,089,778 puts had been issued. This position was completely unwound on March 16, 2015.

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 derivatives, with the exception of interest-rate swaps. Real estate is valued on the basis of appraisals carried out at regular intervals.

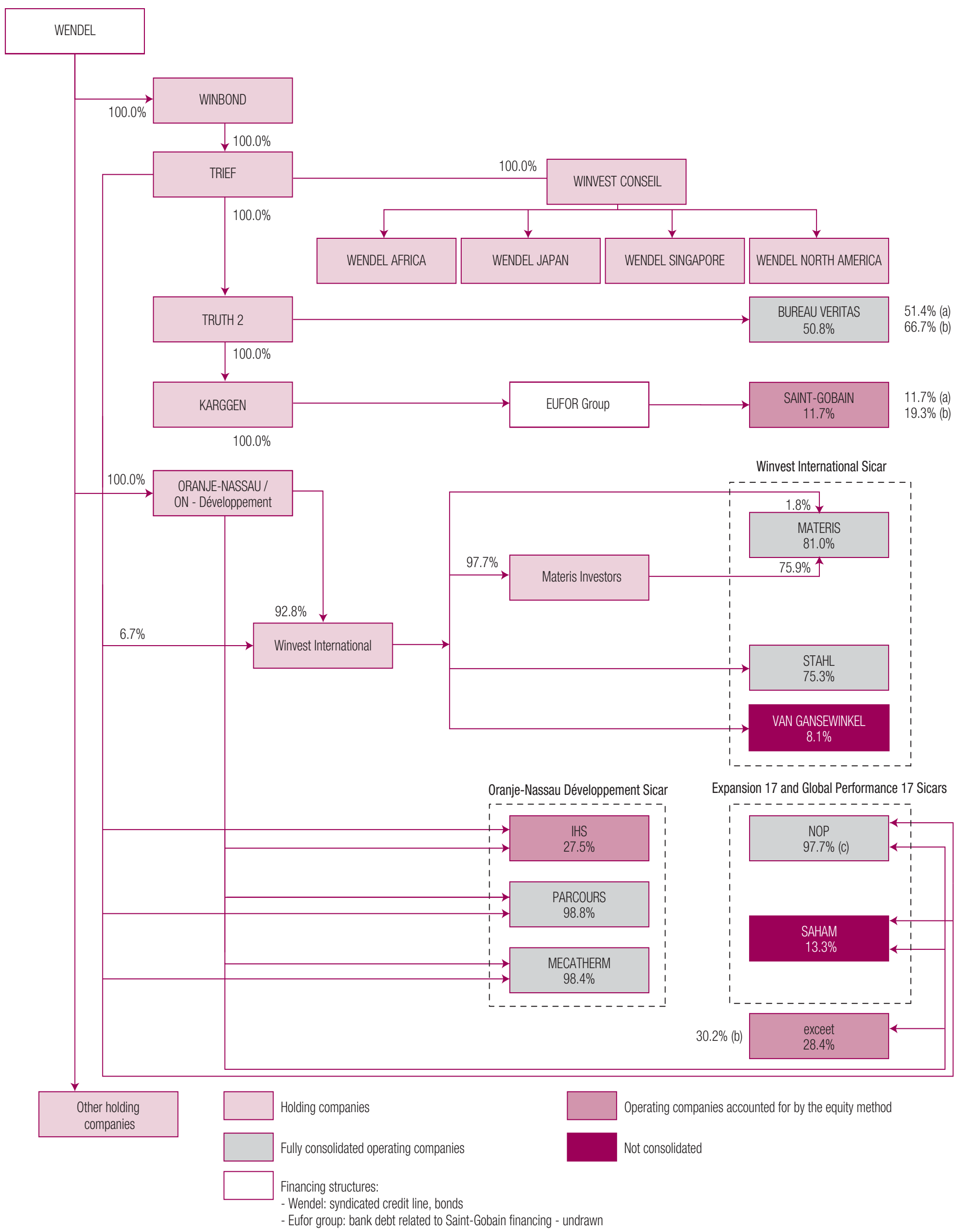
Shares held in treasury and earmarked for sale upon the exercise of stock options are valued at the lower of the strike price of the options or the average price of the shares over the last 20 trading days. Shares held to cover performance share plans are valued at zero. Other shares held in treasury are valued at the average price over the last 20 trading days.

As NAV is a short-term valuation of the Group's assets, Wendel's future operating expenses do not enter into the calculation. Similarly, future tax effects are not included so long as the sale price of an investment and the form of the sale (in particular the tax consequences) are not both known and certain.

The number of Wendel shares taken into account in the calculation of NAV per share is the total number of shares composing Wendel's equity at the valuation date.

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 as of December 31, 2014

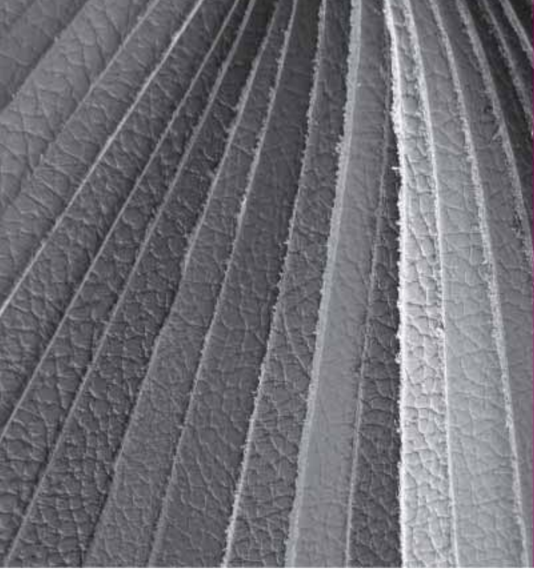


(a) Percentage interest, after taking treasury shares into account
(b) Percentage of voting rights
(c) See note 2 to the consolidated financial statements entitled "Change in scope of consolidation"

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
AFRICA TELECOM TOWERS (62.7% Oranje-Nassau Développement SA Sicar)	-
COBA (100% Wendel)	-
FROEGGEN (100% Trief Corporation)	-
GLOBEX AFRICA 1 (100% Global Performance 17 / Expansion 17)	-
GRAUGGEN (100% Eufor)	-
HIRVEST 1 (100% Eufor)	-
HIRVEST 3 (100% Eufor)	-
HOURGGEN (100% Eufor)	-
IREGGEN (100% Eufor)	-
JEURGGEN (100% Eufor)	-
CONSTANTINOPLE LUX 1 (50% Trief Corporation, 50% Global Performance 17)	100% Constantinople Lux 2
CONSTANTINOPLE LUX 2 (100% Constantinople Lux 1)	-
CSP TECHNOLOGIES (51% Trief Corporation, 49% Global Performance 17)	98% CSP Technologies Europe
CSP TECHNOLOGIES EUROPE (98% CSP Technologies, 1% Trief Corporation, 1% Global Performance 17)	-
MECATHERM GUARANTCO (100% Trief Corporation)	-
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 DEVELOPPEMENT NOP (100% Global Performance 17 / Expansion 17)	100% NOP Europe
ORANJE-NASSAU DEVELOPPEMENT SA SICAR (99.5% Oranje-Nassau Development BV / Trief Corporation)	-
ORANJE-NASSAU GP (100% Winvest conseil)	-
ORANJE-NASSAU INVESTMENTS BV (100% Oranje-Nassau Groep)	-
ORANJE-NASSAU MECATHERM (57.7% Oranje-Nassau Development BV, 40.5% Trief Corporation)	-
ORANJE-NASSAU PARCOURS (54.2% Oranje-Nassau Development BV, 41.6% Trief Corporation)	-
ORANJE-NASSAU PARTICIPATIES BV (100% Oranje-Nassau Development BV)	-
NOP EUROPE (100% Oranje-Nassau Développement NOP)	
SOFISAMC (100% Trief Corporation)	-
SOFISERVICE (100% Wendel)	-
WALDGGEN (98.6% Trief Corporation)	-
WIN SECURITIZATION 2 (100% Trief Corporation)	-



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CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2014

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5.1 Balance sheet – consolidated financial position

Assets

In millions of euros	Note	12/31/2014	12/31/2013
Goodwill, net	6 & 7	2,701.2	2,595.6
Intangible assets, net	6 & 8	1,254.9	1,229.0
Property, plant & equipment, net	6 & 9	1,415.8	1,359.5
Non-current financial assets	6 & 13	224.2	215.9
Pledged cash and cash equivalents	6 & 12	0.4	6.4
Equity-method investments	6 & 10	3,552.9	4,249.2
Deferred tax assets	6	182.0	184.7
TOTAL NON-CURRENT ASSETS		**9,331.6**	**9,840.3**
Assets of operations held for sale	**6**	**2.4**	**805.5**
Inventories	6	224.9	259.2
Trade receivables	6 & 11	1,524.5	1,433.7
Other current assets	6	235.4	207.4
Current income tax assets	6	91.2	66.1
Other current financial assets	6 & 13	407.3	355.1
Cash and cash equivalents	6 & 12	1,192.6	758.0
TOTAL CURRENT ASSETS		**3,675.9**	**3,079.4**
TOTAL ASSETS		**13,010.0**	**13,725.1**

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

Liabilities and shareholders' equity

In millions of euros	Note	12/31/2014	12/31/2013
Share capital		191.2	194.5
Share premiums		23.2	114.6
Retained earnings & other reserves		2,229.6	1,892.7
Net income for the year, Group share		19.6	333.7
		2,463.5	2,535.5
Non-controlling interests		628.9	522.1
TOTAL SHAREHOLDERS' EQUITY	**14**	**3,092.4**	**3,057.6**
Long-term provisions	6 & 15	362.4	269.6
Financial debt (non-current portion)	6 & 16	6,187.7	6,751.3
Other non-current financial liabilities	6 & 13	329.3	230.3
Deferred tax liabilities	6	439.3	470.6
TOTAL NON-CURRENT LIABILITIES		**7,318.6**	**7,721.8**
Liabilities of operations held for sale	**6**	**0.0**	**375.2**
Short-term provisions	6 & 15	8.3	9.4
Financial debt (current portion)	6 & 16	894.3	1,093.9
Other current financial liabilities	6 & 13	209.3	58.6
Trade payables	6	572.5	549.2
Other current liabilities	6	834.1	776.4
Current income tax liabilities	6	80.5	83.1
TOTAL CURRENT LIABILITIES		**2,599.0**	**2,570.6**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**13,010.0**	**13,725.1**

In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", the assets and liabilities of Kerneos, the Aluminates business of Materis, were reclassified in "Assets and liabilities of operations held for sale" as of December 31, 2013.

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

5.2 Consolidated income statement

In millions of euros	Note	2014	2013
Net sales	6 & 17	5,914.2	5,452.9
Other income from operations		3.5	4.3
Operating expenses		-5,298.7	-4,829.6
INCOME FROM ORDINARY ACTIVITIES	**18**	**618.9**	**627.6**
Other operating income and expenses	19	-94.8	-50.1
OPERATING INCOME	**6**	**524.1**	**577.5**
Income from cash and cash equivalents		31.1	9.0
Finance costs, gross		-404.0	-427.9
Finance costs, net	*6 & 20*	*-373.0*	*-418.9*
Other financial income and expense	6 & 21	-56.2	94.5
Tax expense	6 & 22	-189.1	-162.2
Net income from equity-method investments	6 & 23	-76.0	346.7
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		**-170.3**	**437.5**
Net income from discontinued operations and operations held for sale	6 & 24	368.0	52.5
NET INCOME		**197.8**	**490.0**
Net income, non-controlling interests		178.2	156.3
NET INCOME, GROUP SHARE		**19.6**	**333.7**

In euros	Note	2014	2013
Basic earnings per share *(in euros)*	25	0.42	7.07
Diluted earnings per share *(in euros)*	25	0.31	6.75
Basic earnings per share from continuing operations *(in euros)*	25	-6.70	6.17
Diluted earnings per share from continuing operations *(in euros)*	25	-6.81	5.87
Basic earnings per share from discontinued operations *(in euros)*	25	7.12	0.89
Diluted earnings per share from discontinued operations *(in euros)*	25	7.12	0.88

In accordance with IFRS 5 “Non-current assets held for sale and discontinued operations”, the contributions of Kerneos, Parex and Chryso, the Aluminates, Mortars and Admixtures businesses of Materis, respectively, have been reclassified to “Net income from discontinued operations and operations held for sale” for fiscal years 2014 and 2013 (see note 2 “Changes in scope of consolidation”).

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

5.3 Statement of comprehensive income

In millions of euros	2014 Gross amounts	2014 Tax effect	2014 Net amounts	2013 Gross amounts	2013 Tax effect	2013 Net amounts
Items recyclable into net income						
Currency translation reserves (1)	192.8	-	192.8	-448.9	-	-448.9
Gains and losses on qualified hedges	-8.1	2.3	-5.8	-2.1	-1.7	-3.9
Gains and losses on assets available for sale	-	-	-	-1.3	-	-1.3
Earnings previously recognized in shareholders' equity taken to the income statement	-4.4	-1.9	-6.3	2.8	-	2.8
Items non-recyclable into net income						
Actuarial gains and losses (2)	-127.1	43.5	-83.6	130.1	-48.0	82.0
INCOME AND EXPENSES RECOGNIZED DIRECTLY IN SHAREHOLDERS' EQUITY (A)	**53.2**	**43.9**	**97.1**	**-319.4**	**-49.8**	**-369.2**
Net income for the period (B)			197.8			490.0
TOTAL INCOME AND EXPENSES RECOGNIZED FOR THE PERIOD (A)+(B)			**294.9**			**120.8**
Attributable to:						
■ shareholders of Wendel			88.4			91.8
■ non-controlling interests			206.4			29.0

(1) This item includes €102.2 million from Bureau Veritas (€-239.4 million in 2013) and €62.0 million from Saint-Gobain (€-156.0 million in 2013).
(2) The main impact is €-97.8 million related to Saint-Gobain (before taxes, Wendel's share), vs. €118.3 million in 2013.

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

5.4 Changes in shareholders' equity

In millions of euros	Number of shares outstanding	Share capital	Share premiums	Treasury shares	Retained earnings & other reserves	Currency translation adjustments	Group share	Non-controlling interests	Total shareholders' equity
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2012	**47,806,143**	**198.2**	**184.4**	**-116.0**	**2,358.5**	**45.9**	**2,670.9**	**617.9**	**3,288.8**
Income and expenses recognized directly in shareholders' equity (A)		-	-	-	79.7	-321.7	-241.9	-127.3	-369.2
Net income for the period (B)					333.7	-	333.7	156.3	490.0
TOTAL INCOME AND EXPENSES RECOGNIZED DURING THE PERIOD (A)+(B) (1)		**-**	**-**	**-**	**413.5**	**-321.7**	**91.8**	**29.0**	**120.8**
Dividends paid (2)					-83.0		-83.0	-109.8	-192.8
Movements in treasury shares	-1,004,091	-4.0	-74.2	-27.1			-105.2		-105.2
Capital increase									
■ exercise of stock options	50,706	0.2	2.6				2.8		2.8
■ company savings plan	28,854	0.1	1.8				1.9		1.9
Share-based payments					17.2		17.2	8.7	25.9
Changes in scope of consolidation					-58.0	10.7	-47.3	-51.2	-98.5
Other					-13.7	0.0	-13.7	27.5	13.9
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2013	**46,881,612**	**194.5**	**114.6**	**-143.0**	**2,634.5**	**-265.1**	**2,535.5**	**522.1**	**3,057.6**
Income and expenses recognized directly in shareholders' equity (A)		-	-	-	-74.8	143.6	68.9	28.3	97.1
Net income for the period (B)					19.6	-	19.6	178.2	197.8
TOTAL INCOME AND EXPENSES RECOGNIZED DURING THE PERIOD (A)+(B) (1)		**-**	**-**	**-**	**-55.2**	**143.6**	**88.4**	**206.4**	**294.9**
Dividends paid (2)					-86.4		-86.4	-113.7	-200.2
Movements in treasury shares	-987,515	-3.9	-96.1	-14.8			-114.9		-114.9
Capital increase									
■ exercise of stock options	116,468	0.5	2.7				3.2		3.2
■ company savings plan	24,022	0.1	2.0				2.1		2.1
Share-based payments					16.8		16.8	9.5	26.2
Change in scope of consolidation (3)					27.2	42.8	69.9	11.1	81.0
Other (4)					-51.0	-	-51.0	-6.5	-57.5
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2014	**46,034,587**	**191.2**	**23.2**	**-157.9**	**2,485.7**	**-78.7**	**2,463.5**	**628.9**	**3,092.4**

(1) See "Statement of comprehensive income".
(2) In 2014, Wendel paid a cash dividend of €1.85 per share, for a total dividend of €86.4 million. In 2013, Wendel paid a cash dividend of €1.75 per share, for a total of €83.0 million.
(3) In 2014, changes in the scope of consolidation included €58.2 million (Group share) related to Clariant's entry into Stahl's capital (see note 2 "Changes in scope of consolidation"). Changes in the scope of consolidation also included the reversal of €42.4 million in currency translation reserves following the sale of 24 million Saint-Gobain shares.
(4) This item includes the accounting impact of minority puts, notably relating to Clariant (see note 13-3 "Details of financial assets and liabilities").

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

5.5 Consolidated cash flow statement

In millions of euros	Note	2014	2013
Cash flows from operating activities			
Net income		197.8	490.0
Share of net income/loss from equity-method investments		76.0	-346.7
Net income from discontinued operations and operations held for sale		-368.0	-52.5
Depreciation, amortization, provisions and other non-cash items		498.8	420.4
Non-cash income and expense related to stock options and similar items		29.2	25.8
Expenses on investments and divestments		3.5	3.4
Cash flow from companies held for sale		-	162.9
Gains/losses on divestments		20.1	11.8
Financial income and expense		429.2	324.5
Taxes (current & deferred)		189.1	162.2
Cash flow from consolidated companies before tax		1,075.5	1,201.7
Change in working capital requirement related to operating activities		13.6	-85.9
NET CASH FLOWS FROM OPERATING ACTIVITIES, EXCLUDING TAX	**6**	**1,089.2**	**1,115.8**
Cash flows from investing activities, excluding tax			
Acquisition of property, plant & equipment and intangible assets	26	-522.0	-512.6
Disposal of property, plant & equipment and intangible assets	27	93.4	85.9
Acquisition of equity investments	28	-1,069.0	-495.3
Disposal of equity investments	29	2,170.1	593.6
Impact of changes in scope of consolidation and of operations held for sale	30	-12.7	-7.9
Changes in other financial assets and liabilities and other	31	-108.3	27.0
Dividends received from equity-method investments and unconsolidated companies	32	86.6	142.7
Change in working capital requirements related to investment activities		53.0	14.6
NET CASH FLOWS FROM INVESTING ACTIVITIES, EXCLUDING TAX	**6**	**691.1**	**-152.1**
Cash flows from financing activities, excluding tax			
Proceeds from issuance of shares		5.3	4.7
Contribution of non-controlling shareholders		4.5	6.1
Share buybacks			
■ Wendel		-114.9	-105.2
■ Subsidiaries		-46.1	-107.7
Dividends paid by Wendel		-86.4	-83.0
Dividends paid to non-controlling shareholders of subsidiaries		-113.7	-110.6
New borrowings	33	2,479.4	1,150.1
Repayment of borrowings	33	-3,052.8	-1,220.0
Net finance costs		-354.1	-419.2
Other financial income/expense		16.1	-10.3
Change in working capital requirements related to financing activities		110.0	78.4
NET CASH FLOWS FROM FINANCING ACTIVITIES, EXCLUDING TAX	**6**	**-1,152.8**	**-816.6**
Cash flows related to taxes			
Current tax expense		-213.4	-233.7
Change in tax assets and liabilities (excl. deferred taxes)		8.8	39.3
NET CASH FLOWS RELATED TO TAXES	**6**	**-204.6**	**-194.4**
Effect of currency fluctuations		5.8	-37.6
Net change in cash and cash equivalents		428.3	-84.9
Cash and cash equivalents at beginning of period		764.4	849.3
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**6 & 12**	**1,193.0**	**764.4**

The principal components of the consolidated cash flow statement are detailed beginning with note 26.

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

Cash flows for 2014 do not include those of Kerneos or Parex (the Aluminates and Mortars divisions of Materis, respectively), which were divested during the period (see note 2 "Changes in scope of consolidation"). For Parex, classified under operations held for sale from January 1, 2014, the cash balance of €38.7 million as of December 31, 2013 was reclassified to "Impact of changes in scope of consolidation and of operations held for sale".

The cash flows of Chryso (the Admixtures division of Materis), which was reclassified under operations held for sale as of June 30, 2014, were retained within each of the cash flow line items for the first six months of the year. The cash balance of €8.2 million as of June 30, 2014 was reclassified to "Impact of changes in scope of consolidation and of operations held for sale".

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

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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. As of December 31, 2014, the Wendel Group primarily comprised:

- fully-consolidated operating companies: Bureau Veritas (51.4% net of treasury shares), Materis (81.0%) [(1)], Stahl (75.3%), and companies held by Oranje-Nassau Développement, *i.e.* Parcours (98.8%), Mecatherm (98.4%), and NOP (97.7%);
- operating companies accounted for by the equity method: Saint-Gobain (11.7% net of treasury shares), IHS (27.5%) [(2)], and exceet (28.4% net of treasury shares), which is held by Oranje-Nassau Développement;
- Wendel and its fully consolidated holding companies.

The consolidated financial statements of the Wendel Group cover the 12-month fiscal year from January 1 to December 31, 2014 and are expressed in millions of euros. They include:

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

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

These financial statements were finalized by Wendel's Executive Board on March 16, 2015 and will be submitted for shareholders' approval at their Annual Meeting.

(1) This is the percentage held from a legal point of view. For consolidation purposes, Materis has been consolidated with a holding of 90%. This percentage includes the shares held by Materis managers that might be repurchased in the context of the liquidity offered to them in 2015 (see note 34-6 "Shareholder agreements and co-investment mechanisms").

(2) This percentage does not include the co-investors' share, which must be recorded in the Group share in accordance with IFRS (see note 2 "Changes in scope of consolidation").

5.7 Notes

NOTE 1 Accounting principles

Wendel's consolidated financial statements for the fiscal year ended December 31, 2014 have been drawn up in accordance with IFRS (International Financial Reporting Standards) principles and methods as adopted by the European Union on December 31, 2014, in accordance with Regulation no. 1606/2002 of the European Council and the European Parliament pertaining to the application of international accounting standards, adopted on July 19, 2002.

With the exception of the new standards and interpretations that became mandatory for fiscal years beginning on or after January 1, 2014, these accounting principles are the same as those used in preparing the consolidated financial statements for the fiscal year ended December 31, 2013. They correspond to the International Financial Reporting Standards as adopted by the European Union, which are available on the European Commission's website:

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

Note 1-1 Standards, interpretations and amendments to existing standards that were mandatory in 2014

The following standards and amendments became applicable to the Wendel Group on January 1, 2014:

- IFRS 10 "Consolidated financial statements";
- IFRS 11 "Joint arrangements";
- IFRS 12 "Disclosure of interests in other entities";
- revision of IAS 28 "Investments in associates and joint ventures";
- amendments to IAS 32 "Offsetting financial assets and financial liabilities";
- amendments to IAS 36 "Impairment of assets";
- amendments to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"; and
- amendments to IFRS 10, IFRS 12, and IAS 27R "Investment entities".

The application of these new standards and amendments did not have a material impact on the 2014 consolidated financial statements.

IFRS 10 and 11, relating to consolidation and joint arrangements, are to be applied retroactively and have prompted certain operating subsidiaries to change the method of consolidation used for entities that were previously consolidated by the proportional method. These entities are now accounted for by the equity method. The impact on Wendel's net income, Group share, for fiscal year 2013, the comparable period, was not material.

IFRS 10 requires that investment entities value their subsidiaries at fair value through profit or loss rather than consolidating them. These provisions are not applicable to Wendel, because Wendel does not consider itself to be an investment entity as defined by the standard, and is therefore not affected by this requirement.

Note 1-2 Standards, interpretations and amendments to existing standards for which early adoption was not applied in 2014

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 accounting periods beginning on or after January 1, 2015, whether or not they have been adopted by the European Commission. In particular, the Group has not applied the following texts to fiscal year 2014:

- IFRIC 21 "Levies"; and
- the amendment to IAS 19 "Employee benefits".

Note 1-3 Consolidation methods

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

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

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

- the consolidated financial statements of Bureau Veritas, Materis, Stahl, Saint-Gobain, IHS, exceet, Mecatherm, Nippon Oil Pump (NOP), and Parcours for the 12-month fiscal year ended December 31, 2014 (the last four companies are included in the Oranje-Nassau Développement subgroup);
- for all other companies, their individual accounts for the 12-month fiscal year ended December 31, 2014.

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 2014 are presented in note 2 "Changes in scope of consolidation". The main subsidiaries consolidated as of December 31, 2014 are presented in note 37 "List of principal consolidated companies".

Note 1-5 Business combinations

IFRS 3 "Business combinations" and IAS 27 "Consolidated and separate financial statements", revised, applicable since January 1, 2010, affect the accounting for transactions that lead to the 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 may become negative because the net income or loss of a subsidiary is allocated between the Group share and the non-controlling interests' share, according to their respective equity interests.

Note 1-6 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, 2014, 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 1-7 Intercompany asset sales and transfers

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

Note 1-8 Conversion of the financial statements of foreign companies

Wendel presents its financial statements in euros.

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

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

	Closing rate		Average rate	
	December 31, 2014	December 31, 2013	2014	2013
EUR/USD	1.2141	1.3791	1.3267	1.3277

Note 1-9 Use of estimates

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

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 1-10 Measurement rules

Note 1-10.1 Goodwill

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

Goodwill is not amortized, but is instead tested for impairment at least once per year, on December 31, or more frequently if there is any indication that it may be impaired. Indications of 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, Mecatherm, and NOP) 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 7 "Goodwill" and 10 "Equity-method investments".

Note 1-10.2 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, Parcours, and NOP 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 1-10.3 Other intangible assets

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

Note 1-10.4 Property, plant & equipment

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

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

The 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 1-10.5 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 1-10.6 Financial assets and liabilities

Financial assets include investments in unconsolidated companies, operating receivables, debt securities, marketable securities, derivatives, and cash. Financial liabilities include borrowings, other funding sources and bank overdrafts, derivatives, operating liabilities, and certain liquidity commitments on the Group's shares held by certain co-shareholders (see note 34-6 "Shareholder agreements and co-investment mechanisms"). Financial assets and liabilities are recognized and measured in accordance with IAS 39 "Financial instruments: recognition and measurement". In accordance with IFRS 13 "Fair value measurement", the value of financial assets and liabilities was adjusted for the impact of Wendel's own credit risk.

1. Financial assets at fair value through profit or loss

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

2. Financial assets available for sale

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

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

3. Assets held until maturity and loans and receivables

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

4. Financial liabilities

With the exception of derivative instruments and financial liabilities relating to liquidity commitments on the Group's shares held by certain co-shareholders (see note 34-6 "Shareholder agreements and co-investment mechanisms"), all borrowings and other financial liabilities are stated at amortized cost using the effective interest method.

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

A hedging relationship qualifies for hedge accounting if:

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

The use of hedge accounting has the following consequences:

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

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

Note 1-10.7 Methods 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 2014, there were no transfers between levels 1 and 2, or 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 1-10.8 Inventories

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

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

Cash is comprised of cash at banks.

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

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

Note 1-10.10 Provisions

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

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

Note 1-10.11 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. The obligation is determined at each balance sheet date taking into account the age of the Company's employees, their length of service, and the likelihood that they will remain at the Company until they retire. The calculation is based on an actuarial method using assumptions relating to the yield on long-term investments. The funding provision corresponds to the difference between the total obligation as set out above and any assets invested with insurance companies to cover these obligations.

Actuarial gains and losses are recognized in shareholders' equity as soon as they appear (IAS 19R "Employee benefits", s. 93A).

Note 1-10.12 Deferred taxes

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

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

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

- 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 10.7% exceptional contribution which is applicable for fiscal years ending no later than December 30, 2016.

Note 1-10.13 Treasury shares

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

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

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

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

Note 1-10.15 Revenue recognition

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

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

The Mecatherm group 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 1-10.16 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. Exchange differences resulting from the translation of transactions in currencies other than euros are recognized on the income statement under "Other financial income and expenses".

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

Note 1-10.17 Stock subscription and purchase option plans

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

Wendel uses a binomial model to determine the fair value of options and performance shares granted. In 2014, as in previous fiscal years, Wendel's plans were valued by an independent appraiser.

Note 1-10.18 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. On redemption, the dilution created by the sharing of the investments' value reduces Wendel's capital gain. 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, as was the case in 2014.

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

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

As of December 31, 2014, the liquidity windows open in 2015 for the managers of certain subsidiaries resulted in the recognition of a financial liability. A profit or loss was also recognized for the difference between the value of this liability and the share of the corresponding non-controlling reserves. There is no guarantee that these liquidity positions will be exercised. Wendel believes that the majority of the Group's co-investments are most likely to be redeemed as part of a divestment of the investments concerned or as part of an IPO of these investments. Liquidity commitments under minority puts and co-investments, as well as the corresponding amounts recorded in financial liabilities, are set out in note 34-6 "Shareholder agreements and co-investment mechanisms".

Note 1-11 Presentation rules

Note 1-11.1 Balance sheet presentation

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

- it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle;
- 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 1-11.2 Income statement presentation

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

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

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

1. Income taxes: treatment of the CVAE tax

According to Wendel's analysis, the CVAE tax on value added meets the definition of an income tax, as defined in IAS 12.2 "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.

2. Income taxes: treatment of the CICE tax credit

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

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

Note 1-11.3 Earnings per share

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

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

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

NOTE 2 Changes in scope of consolidation

Note 2-1 Changes in scope of consolidation in fiscal year 2014

The scope of consolidation of the Wendel Group is set out in note 37.

Note 2-1.1 Investment in Saint-Gobain (production, transformation and distribution of building materials)

On May 7, 2014, Wendel sold 4.3% of the capital of Saint-Gobain by selling 24 million shares in the market for a net amount of €1,008 million. Wendel remains Saint-Gobain's largest shareholder and its representation on Saint-Gobain's governing bodies remains unchanged: three out of 18 seats on the Board of Directors, one seat on the Financial Statements Committee, one seat on the Strategic Committee and one seat on the Appointments, Compensation and Governance Committee. The agreements Wendel and Saint-Gobain published on May 26, 2011 remain unchanged and in effect until 2021. They govern the principles and objectives of our long-term cooperation and ensure, in particular, that Wendel will have three seats on Saint-Gobain's Board so long as it holds more than 10% of the voting rights of Saint-Gobain. Wendel therefore maintains significant influence over Saint-Gobain and continues to account for its investment by the equity method. The loss on sale of €106.7 million (net of selling costs) was recognized under "Net income from equity-method investments".

In addition, Wendel's percentage interest in Saint-Gobain changed as a result of:

- the capital increase reserved for employees;
- stock option exercises;
- net share buybacks; and
- the dividend of €1.24 per share paid by Saint-Gobain, which was paid half in cash and half in cash or shares, at the shareholder's option (issue price: €36.89 per share). 71.8% of shareholders chose to receive the dividend in shares. Wendel opted to receive its dividends in shares and sold all of the shares thus received under the terms of a bank financing agreement. As a result of this transaction, Wendel received the equivalent of a dividend in cash (€1.24 per share or €81.6 million) on the shares it held, plus a premium of €4.5 million relating to the financing agreement.

These factors led to a non-material dilution of -0.2% of Wendel's stake in Saint-Gobain, resulting in a €23.6 million loss recognized under "Net income from equity-method investments". This loss related to the difference between the carrying value of the shares on the Group's consolidated balance sheet and the subscription price of the shares issued by Saint-Gobain in these transactions.

As of December 31, 2014, Wendel held 65,812,635 Saint-Gobain shares, representing 11.7% of capital (net of treasury shares) and 19.3% of voting rights.

Note 2-1.2 Investment in IHS (mobile telephone infrastructure in Africa)

During H1 2014, IHS carried out two capital increases totalling $550 million. Wendel participated up to the amount of its subscription rights, investing an additional $199 million. These capital increases were carried out at a premium of 30% compared with the subscription price of the previous capital increase in July 2013.

During H2 2014, IHS Holding launched an additional capital increase of $2.6 billion, in the form of an increase in share capital of $2.0 billion and a credit facility of $600 million from longstanding shareholders and lenders as well as from new debt and equity investors. In this context, Wendel has committed to investing an additional $304 million, which will bring its total investment in IHS to $779 million. Wendel initially invested $195 million as part of a capital increase that was finalized in 2014, at a premium of 25% compared with the previous capital increase in H1 2014. An additional tranche of $109 million will be invested in 2015. As part of these capital increases, new top-tier investors have decided to support IHS in its growth and development.

In addition, Wendel has brought together four US and European family investors to invest alongside it in IHS. In addition to the $779 million it has invested, Wendel has raised an additional $181 million through a co-investment vehicle in IHS ($116 million of this sum was invested in 2014). Wendel manages the fund and exercises its voting rights.

The purpose of these capital increases is to support the IHS group as it:

- continues its pan-African growth strategy, including in particular the acquisition of almost 1,300 towers from MTN in Zambia and Rwanda (finalized in 2014) and the acquisition of more than 1,100 towers from Airtel (finalized in 2015);
- finances its business development plan in the other regions where it is present (Nigeria, Côte d'Ivoire, and Cameroon), including in particular the acquisition of more than 2,100 towers from Etisalat Nigeria and the transfer of more than 9,000 MTN Nigeria towers to an IHS group company; and
- repurchases minority interests in IHS Nigeria after the latter's delisting from the Lagos stock market.

As of December 31, 2014, Wendel held 27% (1) of the share capital, remained the company's principal shareholder, and held, together with its co-investors, 36% of the voting rights. Wendel's investment in IHS continued to be accounted for by the equity method. However, in accordance with accounting standards, IHS shares held by co-investors *via* the co-investment vehicle are presented as equity-method investments on Wendel's consolidated balance sheet as the Group controls this vehicle and the divestment decisions for these shares. An offsetting financial liability must also be recognized in the

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

Group's balance sheet for the fair value of these shares. This accounting treatment, particularly the recognition of the financial liability, is primarily linked to the limited life of the co-investment vehicle, which will ultimately be liquidated, if no liquidity event for IHS shares occurs first. This liquidation would result in the shares financed through the vehicle being distributed to each respective shareholder (Wendel Group and the co-investors). The Group has no economic rights to co-investors' stakes in IHS and has no other obligation (or debt) with regard to co-investors apart from remitting the potential proceeds and profits on the sale of shares financed by the co-investors or, if the vehicle is liquidated, returning the shares to the co-investors.

In 2014, the change in the consolidated percentage interest generated a dilution gain of €31.7 million.

In accordance with the policy of Wendel managers participating in Group investments (see note 4), 0.5% of the WENDEL investment was made by Wendel managers.

Note 2-1.3 First consolidation of Nippon Oil Pump (design and manufacture of pumps)

In December 2013, Wendel acquired 98% of Nippon Oil Pump. As of December 31, 2013, this investment was classified as a financial asset, because the company's IFRS accounts were not yet available when Wendel's 2013 financial statements were finalized. NOP has thus been fully consolidated since January 1, 2014. Goodwill was allocated to technology (€9.8 million, amortized over 11 years), customer relationships (€18.4 million, amortized over 14 years), inventories (€1.7 million, amortized over H1 2014) and deferred taxes related to these assets (€-11.0 million). Residual goodwill represented €15.8 million.

Note 2-1.4 Acquisition of US Group CSP Technologies (specialty plastic packaging solutions) in early 2015

In January 2015, the Group finalized its acquisition of CSP Technologies for an enterprise value of $360 million. Pursuant to this transaction, Wendel invested approximately $198 million in equity and now holds 98% of the share capital of the company. In planning for this transaction, Wendel had converted €160 million into dollars at an exchange rate of 1.23 USD/EUR when it entered exclusive negotiations in December 2014. CSP Technologies is the leading supplier of innovative plastic packaging for the pharmaceutical and agri-food industries. The company is the world's leading manufacturer of high-performance plastic desiccant vials used, notably, to store test strips for diabetics. In 2014, it achieved net sales of $102.8 million and an Ebitda excluding exceptional items of $34.7 million (estimated, unaudited figures prepared under US GAAP).

This subsidiary will be fully consolidated in 2015 from the transaction date.

Note 2-1.5 Acquisition of Austrian group Constantia Flexibles (flexible packaging) in 2015

At end-December 2014, Wendel announced it had signed an acquisition agreement to become the majority shareholder of Constantia Flexibles, a global leader in flexible packaging. Wendel's offer values the company at €2.3 billion, *i.e.* around nine times its estimated 2014 EBITDA. The transaction is expected to be finalized in the first half of 2015. After finalizing this transaction, which will involve leverage of around five times estimated 2014 EBITDA, Wendel will support the growth and development of Constantia Flexibles over the long term as majority shareholder. Wendel also intends to bring other significant minority shareholders on board, notably the H. Turnauer Foundation, which will invest €240 million for around 25% of the share capital.

The Vienna-based Constantia Flexibles group produces flexible packaging solutions and labels, primarily for the agri-food and pharmaceutical industries. In 2014, the company achieved net sales of €1,712 million and an EBITDA adjusted for non-recurring items of €255.5 million (unaudited figures).

This company will be fully consolidated in 2015 from the date the transaction is finalized.

Note 2-1.6 Principal changes in scope of consolidation of subsidiaries and associates

1. Acquisition by Stahl (high-performance coatings and leather-finishing products) of the Leather Services division of Clariant

Stahl finalized its acquisition of the Leather Services division of Clariant at the end of April 2014. This transaction will enable Stahl to strengthen its offering across the entire leather finishing value chain, notably downstream in Leather Finish and upstream in Wet End, and to further increase its exposure to the Asia Pacific zone. In exchange for the sale of its assets to Stahl, Clariant received:

- a cash payment of around €75 million from Stahl; and
- 23% of Stahl's share capital. Wendel's dilution gain, totaling €58 million, was recognized in shareholders' equity, in accordance with IFRS 3 "Business combinations", inasmuch as Wendel maintains exclusive control over Stahl. This gain resulted from the difference between:
  - the fair value of Clariant Leather Services assets received by Wendel (Group share) in exchange for 23% of the shares of Stahl, and
  - the book value of the portion of Stahl's shareholders' equity transferred to Clariant.

In parallel with the transaction, Stahl implemented new financing of €295 million, maturing in 2019, of which €265 million has been drawn down. These funds were used to repay Stahl's previous financing, make the cash payment to Clariant and repay €56 million of Stahl's shareholder loans, of which €50 million was paid to Wendel.

As a result of this acquisition, Stahl's annual net sales rose to €598 million and its Ebitda to €101 million (combined, unaudited 2014 figures integrating the Clariant Leather Services division for the full fiscal year).

2. Sale by Materis (specialty chemicals for construction) of its Aluminates, Mortars, and Admixtures divisions

Materis sold Kerneos (Aluminates division, 2013 net sales of €366 million) at the end of March 2014, Parex (Mortars division, 2013 net sales of €754.5 million) at the end of June 2014, and Chryso (Admixtures division, 2013 net sales of €239.2 million) in October 2014. Capital gains on these sales were €329.6 million, and they were recognized in "Income from discontinued operations and operations held for sale". The proceeds from the sale of these divisions were used to repay Materis' debt. As a result of these divestment transactions, Materis:

- generated total sale proceeds of €1.7 billion in enterprise value;
- reduced its net debt to €275 million, or ca. 4x Ebitda (on a seasonally-adjusted basis);
- fully refocused its operations on its Paints business.

Wendel plans to maintain its role as an active shareholder supporting the Materis Paints management team and will help drive business expansion in the coming years.

As part of the sale of Kerneos, Wendel reinvested €60 million by subscribing to the subordinated debt issued by the company, which bears interest at 10.5% and matures in September 2021. Wendel recognizes this loan under non-current financial assets according to the effective interest method.

In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", the contributions of Kerneos, Parex and Chryso to the consolidated income of Wendel have been reclassified to "Net income from discontinued operations and operations held for sale" for fiscal year 2014 and fiscal year 2013 (presented for comparative purposes). The 2014 consolidated cash flow statement does not include the cash flows of the divested divisions Kerneos and Parex. Chryso's cash balance was reclassified as a result of these changes in the scope of consolidation as of end-June 2014, *i.e.* the date the division was reclassified as an operation held for sale. The consolidated cash flow statement therefore includes Chryso's cash flows for the first six months of the year only.

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

In 2014, Bureau Veritas continued to follow its acquisition strategy, completing the following acquisitions:

- Maxxam Analytics, the Canadian leader in testing, inspection, and certification;
- Jyutaku, a Japanese company specialized in construction monitoring;
- Quiktrak, a US company specialized in auditing services for automotive inventory and agricultural equipment;
- Andes Control, a Chilean company specialized in chemical testing and analysis for food and environmental safety applications;
- DTI, the leader in the inspection of subsea and well completion equipment used in US offshore drilling operations;
- Sistema PRI, a Brazilian company specialized in project management assistance in the construction, infrastructure and energy sectors;
- Analysts Inc., a US company specialized in the analysis of lubricants; and
- MatthewsDaniel, a global leader in loss estimation and risk assessment for offshore industries.

The total acquisition cost was €666.9 million and the total goodwill recognized on these companies was €301.5 million (incl. €210.8 million for Maxxam). 2014 annual net sales figures for the companies acquired in 2014 amounted to approximately €315 million, and operating income before amortization of intangible assets from goodwill allocations was in the region of €59 million.

Subsequent to the closing of the accounts on December 31, 2014, Bureau Veritas finalized three acquisitions in China:

- Shandong Chengxin, a company specialized in support services for infrastructure construction projects in the power industry. The company generated annual net sales of around €40 million in 2014;
- Ningbo Hengxin, a company specialized in non-destructive inspection and metallurgical testing. The company achieved net sales in the region of €16 million in 2014;
- CTS, a Chinese laboratory specializing in the testing of toys, electrical goods, electronics, and consumer durables. The laboratory generated net sales of around €3 million in 2014.

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

Saint-Gobain sold Verallia North America on April 11, 2014 on the basis of an enterprise value of $1,694 million (€1,275 million).

On December 8, 2014, the Saint-Gobain group announced the proposed acquisition of Schenker-Winkler Holding AG, which holds 16.1% of the share capital and 52.4% of the voting rights of Sika, world leader in specialty chemicals for the construction industry. This transaction will be subject to clearance from the competent anti-trust authorities, and is expected to be finalized in the second half of 2015 at the latest.

On December 8, 2014, Saint-Gobain also announced the launch of a competitive process for the sale of its Packaging unit. The formal and competitive process will be launched in early March 2015 with the objective of reaching an agreement with a purchaser before summer 2015 and after consultation with employee representative bodies.

Note 2-2 Changes in scope of consolidation in fiscal year 2013

The principal changes in scope during 2013 were as follows:

- initial investment in IHS (mobile telephone infrastructure in Africa);
- sale of the Group's remaining in Legrand (products and systems for low voltage installations);
- sale of 1,910,000 Saint-Gobain shares recognized as current financial assets; and
- investment in Saham (insurance and customer relationship centers in Africa).

NOTE 3 Related parties

Wendel's related parties are:

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

Note 3-1 Saint-Gobain

During the 2014 fiscal year, Wendel received €81.6 million in dividends from Saint-Gobain, in the form of cash and Saint-Gobain shares. All of the shares received have been sold, see note 2 "Changes in scope of consolidation".

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

Note 3-2 exceet

The shareholder loan accorded by the Group to exceet in 2011, which amounted to €5.6 million, was repaid in 2014.

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

Compensation paid by Wendel to the members of the Executive Board in respect of 2014 amounted to €3,722.9 thousand. The value of options and performance shares allocated to the members of the Executive Board in 2014 totaled €2,777.8 thousand as of the date they were granted.

Compensation paid to members of the Supervisory Board in 2014 totaled €768.4 thousand, including €702.5 thousand in Wendel director's fees and compensation paid to the Chairman of the Supervisory Board, and €65.9 thousand in director's fees paid to certain members of the Supervisory Board by Wendel-Participations for serving on its Board. These amounts do not include the salary of the employee representative on Wendel's Supervisory Board, who does not receive Wendel director's fees.

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

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

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

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

Note 3-4 Wendel-Participations

Wendel-Participations is owned by approximately 1,070 Wendel family individuals and legal entities. Wendel-Participations owned 36.4% of Wendel's share capital as of December 31, 2014.

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;
- agreements with Wendel-Participations regarding technical assistance and leasing of premises.

NOTE 4 Participation of managers in Group investments

Note 4-1 Participation of Wendel 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. This gives managers a personal stake in the risks and rewards of these investments. Several mechanisms co-exist depending on the date of Wendel's initial investment. However, certain rules are common to all mechanisms:

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

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

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

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

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

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

2006-08 period

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

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

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

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

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

2011-12 period

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

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

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

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

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

In 2014, as part of Wendel's reinvestments in IHS, Wendel managers made supplementary co-investments in this company (the rules of the supplementary co-investments follow those applicable to the initial co-investments). Accordingly, on the prior authorization of the Supervisory Board, which was based on the Governance Committee's opinion, the Chairman and the other member of the Executive Board made respective follow-on co-investments of €189,090 and €125,730 in IHS.

2013-17 period

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

- **i)** 35% of the amount co-invested gives the right, if a liquidity event occurs, to 3.5% of the capital gain realized on each of the investments of the period, on the condition that Wendel's return is at least 10% p.a. (carried interest deal by deal); a three-stage payment is offered to co-investors at eight, 10 and 12 years after Wendel's initial investment (see 2011-12 period), if Wendel has not fully divested the company in question or listed it on a stock exchange;
- **ii)** 35% of the amount co-invested gives the right to 3.5% of the capital gain realized on each of the investments of the period, on the condition that Wendel's return, calculated for all of these investments as a whole, is at least 7% p.a. (pooled carried interest); if Wendel has not fully divested each of the investments of the period in question, or listed them on a stock exchange, the pooled potential capital gain will be allocated equally in 2024 and 2025 (the investments remaining in the portfolio being valued by an independent expert in every case);
- **iii)** the remaining 30% is co-invested *pari passu* with Wendel, 15% on a deal-by-deal basis, and 15% on a pooled basis;
- **iv)** the co-investors having freely made the commitment to participate in the 2013-17 at a certain proportion of total co-investments are required to invest at this level in all of the investments of the period with respect to the pooled portion (carried interest and *pari passu*); failing which, the co-investor concerned will lose all of his/her rights to the pooled capital gain for the non-invested portion and his/her previous investment, except for cases of force majeure where the co-investor will simply be diluted;
- **v)** those co-investors who have met their commitment to co-invest in the pooled portion may invest the same amount on a deal-by-deal basis (carried interest and *pari passu*), without obligation;
- **vi)** the four-year period necessary to acquire the rights to pooled carried interest is calculated from the date of the initial investment.

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

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

Wendel managers used these SICARs to co-invest alongside Wendel in Saham, Nippon Oil Pump, and US company CSP Technologies. The CSP Technologies co-investment was made in December 2014, with the acquisition being finalized in early 2015. Accordingly, on the prior authorization of the Supervisory Board, which was based on the Governance Committee's opinion, the Chairman and the other member of the Executive Board made respective investments of €158,969 and €105,952 in IHS.

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

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

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

For unlisted subsidiaries (Materis, Mecatherm, Parcours, Stahl, and NOP), the participation policy is based on a co-investment mechanism through which these executives may co-invest significant sums alongside Wendel. These mechanisms are generally comprised in part of a *pari passu* investment, which gives a return profile identical to that achieved by Wendel, and in part of a ratchet investment which offers a gain profile differentiated according to the internal rate of return (IRR) achieved by Wendel. This portion of the co-investors' investment only benefits from a return in excess of Wendel's when a certain profitability threshold has been met (ranging from 7% to 10%).

These investments present a risk for the co-investors in that they run the risk of losing all or part of the significant sums they have invested, depending on the value of the investment at maturity.

These 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 (depending on the company, between two and 14 years after the initial investment by Wendel).

Additionally, bonus systems linked to the relevant entity's performance, or to the profitability of the Group's investment in the entity, may be implemented by certain subsidiaries (Stahl et NOP).

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

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

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

NOTE 5 Managing financial risks

Note 5-1 Managing equity market risks

Note 5-1.1 Value of investments

Wendel's assets are mainly investments in which it is the main or controlling shareholder. Some assets are listed (Saint-Gobain, Bureau Veritas, and exceet) and others are unlisted (Materis, Stahl, Parcours, Mecatherm, IHS, NOP, and CSP Technologies, which was acquired in early 2015). The Group also holds non-controlling interests, such as in Saham and VGG.

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 analyses. These processes identify the operating, competitive, financial and legal opportunities and threats likely to have an impact on the value of an investment.

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

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

Additionally, the financial and debt structure of certain unlisted investments (Materis Paints, Stahl, VGG, Mecatherm, NOP, and CSP Technologies) 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.

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 that have been unwound in early 2015 (see note 13-4 “Put options issued (written) on Saint-Gobain shares”).

These derivatives 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 is indexed to equity markets (equity funds). This small portion is therefore exposed to equity market risk. Such investments, which offer higher expected yields than cash instruments, but also greater risk of loss in value, are formally monitored on a regular basis by the Group Vice-President for Finance and the Executive Board.

Note 5-1.4 Equity market risk

Equity market risk relates to:

- consolidated and equity-method shares, whose “recoverable values” used for impairment tests are based on market parameters, including, and depending on the case, the discount rate used in calculating “value in use” or the market price used in calculating “fair value” (see the impairment tests as of December 31, 2014 in note 7 “Goodwill” and in note 10 “Equity-method investments”);
- the Saham shares are recorded as financial assets and recognized at their fair value. Their value is subject to changes in this company’s business and in the benchmark companies used to determine its valuation, in particular the multiples of peer-group companies. Changes in value are recorded within shareholders’ equity unless there is a decline in value that is considered to be significant or lasting, in which case an impairment charge is recognized in the income statement. This charge can only be reversed through the income statement in the event of divestment. The net value retained for these shares as of December 31, 2014 was €69 million (see note 13 “Financial assets and liabilities”).
- the puts issued (written) on Saint-Gobain shares, which are recognized at their fair value within liabilities on the balance sheet. These instruments were unwound in early 2015 at a value lower than that recorded on the balance sheet as of December 31, 2014 as a result of the rise in Saint-Gobain’s share price since that date. This difference in value will generate a gain of €28.4 million in the 2015 consolidated income statement (see note 13-4 “Put options issued (written) on Saint-Gobain shares”);
- short-term financial investments indexed to the equity markets, the total value of which was €67 million as of December 31, 2014. 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 +/- €3.4 million on the value of these investments and on the income statement;
- 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, 2014, this credit was undrawn;
- the degree of financial leverage of Wendel and its holding companies (*i.e.* net debt/assets), a key indicator of the cost of bond financing (and in some cases, bank financing), which Wendel may seek to access. This indicator is also monitored by Standard & Poor’s, which has been mandated by Wendel to rate its financial structure and bond borrowings (see note 5-2.1 “Liquidity risk of Wendel and the holding companies”).

(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	Balance sheet note	Impact on net income of a +/-5% change in share price	Impact on net income of a -/+0.5% change in discount rate applied to the value of future cash flows	Impact on net income of a +/-0.5% change in perpetual growth rate used to calculate discounted future cash flows	Impact on net income of a 1% reduction in the normative margin used to discount cash flows in post-business-plan periods
Equity-method investments								
Saint-Gobain	2,886.0	2,318.6	-115.9	10	N/A (1)	+292/-256	+292/-171	-405
IHS (Wendel share)	533.9	N/A	N/A	10	N/A	N/A (2)	N/A (2)	N/A (2)
Oranje-Nassau Développement – exceeet	54.5	30.0	-1.5	10	N/A (1)	0/0	0/0	0
Consolidated investments								
Bureau Veritas	1,109.4	4,122.9	-206.1	7	0	N/A (3)	N/A (3)	N/A (3)
Materis	-224.1	N/A	N/A	7				
Shareholder loan (4)	350.2							
	126.1				N/A	0/0	0/0	0
Stahl	121.7	N/A	N/A	7	N/A	0/0	0/0	0
Oranje-Nassau Développement								
■ Parcours	145.5	N/A	N/A	7	N/A	0/0	0/0	N/A (5)
■ Mecatherm (incl. liquidity line (4))	126.1	N/A	N/A	7	N/A	0/0	0/0	0
■ NOP	22.6	N/A	N/A	7	N/A	0/0	0/0	0
Financial instruments								
Puts issued (written) on Saint-Gobain	-164.4	-164.4	(6)	13	(6)	N/A	N/A	N/A
Other financial assets								
Investment in Saham	69	N/A	N/A	13	(7)	N/A (7)	N/A (7)	N/A (7)
Short-term financial investments indexed to the equity markets	67.1	67.1	-3.4		+/-3.4	N/A	N/A	N/A

(1) Impairment tests are based on value in use (discounted future cash flows). See note 10 "Equity-method investments".
(2) No impairment test was performed on IHS because there is no indication of impairment, and the most recent captial increase in H2 2014 was carried out at a premium compared to previous issues.
(3) The recoverable value used for the Bureau Veritas impairment test was the market share price.
(4) Eliminated on consolidation.
(5) The reference accounting measure used for the Parcours impairment test is "Income (loss) before exceptional items and tax".
(6) See note 13-4 "Put options issued (written) on Saint-Gobain shares".
(7) The fair value of the Saham shares is based on a valuation by listed peer-group multiples for the insurance and customer relations center businesses. If the benchmark multiples fell by 5%, the fair value would decline by around €3 million. The impact of the changes in fair value of Saham on the consolidated accounts is set out in the descriptive paragraph of this note (see above).

Note 5-2 Managing liquidity risk

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

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

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

1.1. Cash and short-term financial investments as of December 31, 2014

As of December 31, 2014, cash and short-term financial investments held by Wendel and its holding companies (excluding operating subsidiaries) were as follows:

In millions of euros	Denominated in €	Denominated in $	Total
Money-market mutual funds	345		345
Bank accounts and bank certificates of deposit	259	250	509
Diversified, equity and bond funds (1)	29	37	66
Funds managed by financial institutions (1)	265		265
TOTAL	**898**	**288**	**1,185**

(1) Classified under "Other current financial 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 presented to the Executive Board. It also details the various cash and short-term financial investment vehicles utilized, as well as counterparty information. Finally, another chart indicating the expected cash flows over the coming months and years is prepared and used to determine when financing needs will arise under various scenarios.

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

2. Managing debt maturities and refinancing

2.1. Debt position as of December 31, 2014

As of December 31, 2014, gross debt (excl. operating subsidiaries) was composed of €3,683 million in Wendel bonds with maturities ranging from September 2015 to October 2024 (see details in note 16 "Financial debt"). As of the end of December 2014, the average maturity of this debt was 4 years.

Available, undrawn lines totaled €1.5 billion as of end-December 2014 and were composed of:

- a €650 million syndicated line of credit maturing in November 2019 (see Note 5-2.4.2 "Wendel's syndicated credit facility – documentation and covenants");
- bank debt with margin calls (Saint-Gobain shares, Bureau Veritas shares, and cash) totaling €850 million, including €350 million maturing in December 2019 and €500 million maturing in March 2020.

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

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 may be limited by:

- the availability of bank and bond lending sources, which has been restricted by financial market volatility, banks' access to liquidity, and pressure from financial institution regulators;
- the level of financial leverage of Wendel and its holding companies (*i.e.* net debt/assets), which is a key credit risk indicator tracked by Wendel's lenders and by Standard & Poor's, which rates the Group's financial structure. Leverage depends in particular on asset values, and is thus subject to equity market risk (see note 5-1 "Managing equity market risk");

- a potential rating downgrade for Wendel by Standard & Poor's.

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

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.

The main developments in the Group's debt in 2014 were as follows:

- Wendel issued bonds totaling €900 million. In January 2014, Wendel successfully placed a €400 million bond issue maturing in January 2021 (seven years), with a coupon of 3.75%. In October 2014, Wendel also successfully placed a €300 million bond issue maturing in 2024 (10 years), with a coupon of 2.75%. An additional €200 million was subscribed in December 2014, bringing the total amount for this issue to €500 million. Bond issuance costs have been deferred using the effective interest method;
- Wendel gradually repurchased and cancelled 2014, 2015 and 2016 bonds, whose outstanding par values were €31.5 million, €20.9 million, and €6 million, respectively. These repurchases of short-dated bonds reduced the Group's cost of carry. The difference between the par value and the repurchase price, or €-2.3 million, was recognized under net financial income (other financial income and expense);
- in November Wendel repaid €445 million of 2014 bonds that had reached maturity;
- the syndicated credit line was increased by €50 million to €650 million, associated costs were reduced, and the maturity date was extended from May 2018 to November 2019 (five years);
- Wendel paid off the remaining €425 million financing Saint-Gobain shares (2016-17 maturities) and cancelled its €450 million undrawn credit line with margin calls (2016-17 maturities);
- Wendel implemented a new, €800 million revolving credit line with margin calls, maturing in 2020 (six years). This amount was voluntarily reduced to €500 million at the end of 2014; and
- Wendel voluntarily reduced the existing revolving credit line with margin calls from €700 million to €350 million, extended the maturity date from July 2017 to December 2019 (five years), and reduced its costs.

Overall, these transactions had the effect of extending the average maturity of the Group's financing, adjusting it to Wendel's future needs, and controlling related costs. Since the 2014 year end, Wendel has continued this approach, issuing €500 million of new bonds with a 12-year maturity (February 2027) and a 2.5% coupon.

Steady improvement in Wendel's financial structure enabled it to return to investment grade status in July 2014. Standard & Poor's upgraded its long-term rating for Wendel from BB+ to BBB- with a "stable" outlook. The short-term rating is A-3.

3. Managing risk related to financial leverage and the syndicated credit covenants

Wendel's credit risk is partly assessed in terms of financial leverage, calculated by dividing the net debt of Wendel and its holding companies by the value of these entities' assets (see note 5-2.1.2 "Managing debt"). The syndicated credit line is subject to financial covenants that are based principally on the market value of Wendel's assets and on the amount of net debt (see note 5-2.4.2 "Wendel's syndicated credit – documentation and covenants"). The financial leverage and the covenants are sensitive to changes in the equity markets.

In the event of a significant change in its financial situation, Wendel regularly carries out simulations to analyze the impact of fluctuations in the value of its assets, the impact of the potential level of collateral granted when the related financing is drawn (see note 5-2.4.3 "Bank financing with margin calls"), and the impact of cash flow projections on the level of financial leverage and the syndicated credit covenants. These analyses are presented to the Executive Board.

Wendel's undrawn bonds and financing with margin calls are not subject to financial covenants.

Note 5-2.2 Liquidity risk of operating subsidiaries

1. Managing liquidity risk of operating subsidiaries

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

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

2. Impact of liquidity risk of subsidiaries on Wendel

Debt of operating subsidiaries and associates is without recourse to Wendel. As such, these subsidiaries' liquidity risk affects Wendel only when Wendel chooses to accept it. Wendel has no legal obligation to support those of its operating subsidiaries and associates that might experience cash flow difficulties. Similarly, they have no mutual support obligation between them. As a result, Wendel's liquidity is affected only if Wendel decides to contribute cash to an operating subsidiary. Such a decision would result from an in-depth analysis of all the constraints to which Wendel is subject, including return on investment, Wendel's own liquidity, additional investment in other subsidiaries, and new investments. In this context, Wendel extended a €5 million liquidity line to Mecatherm and provided a guarantee of €15 million to Mecatherm's lenders in return for the easing of its financial covenants (see note 5-2.5.5 "Mecatherm financial debt").

Changes in the economic and financial situation of subsidiaries can also have an impact on Wendel's liquidity *via* the amount of dividends they pay to Wendel.

Similarly, changes in the economic and financial situation of subsidiaries has an impact on their value. This is taken into account in calculating Wendel's financial leverage (see note 5-2.1 "Liquidity risk of Wendel and the holding companies").

Note 5-2.3 Wendel's liquidity outlook

Wendel's liquidity risk for the 12 months following the December 31, 2014 year end is low, given the high level of cash and short-term financial investments, and the undrawn available credit lines.

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

1. Bonds issued by Wendel – documentation

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

2. Wendel's syndicated credit – documentation and covenants (undrawn as of December 31, 2014)

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. As of December 31, 2014 the net debt taken into account corresponds to Wendel bonds and the syndicated credit, less available cash where applicable (potential pledged cash being lodged in the structure for financing with margin calls).

Net debt of the Group subsidiaries, as well as potential drawing of debt with margin calls (less any cash potentially pledged), is deducted from the gross revalued assets of these subsidiaries inasmuch as it is without recourse to Wendel.

These covenants are as follows:

- the net financial debt of Wendel and its financial holding companies must not exceed 50% of gross revalued assets after future tax on unrealized gains and losses (excluding cash);
- the ratio of:

(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 the 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, 2014 Wendel was in compliance with all covenants.

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

3. Bank financing with margin calls (undrawn as of December 31, 2014)

If the two bank facilities with margin calls are drawn down (total available commitment of €850 million) listed securities must be pledged. In this event, the value of the collateral given (Saint-Gobain shares, Bureau Veritas shares, and cash) must remain at the level required under the bank agreement covenants, based in turn on the amount of debt. If this value declines, the bank demands further collateral; if it increases, a portion of the collateral is freed up. As these debts are without recourse to Wendel, the Company could decide not to respond to potential additional margin calls. This would put the related financing contract in default, and the bank could then exercise the collateral already provided.

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

1. Bureau Veritas financial debt

This debt is without recourse to Wendel.

As of December 31, 2014, Bureau Veritas' gross financial debt was €2,098.7 million, and its cash balance was €220.1 million. Gross debt increased during fiscal year 2014, principally to finance acquisitions carried out during the year and in particular Maxxam.

Bureau Veritas does not have significant repayment obligations on its debt in the short or medium term. In addition to its cash balance, had unused lines of credit amounting to €542.7 million as of December 31, 2014 that comprise:

- €378 million on a syndicated loan, out of a total available amount of €450 million reduced for amounts used (€72 million) under a commercial paper program;
- a $200 million line of credit (equivalent to €164.7 million).

As of December 31, 2014 the relevant covenants were as follows:

- an interest cover ratio, *i.e.* Ebitda divided by net interest expense, of more than 5.5;
- a leverage ratio, *i.e.* net consolidated debt divided by Ebitda, of less than 3.25.

As of December 31, 2014, Bureau Veritas was in compliance with these ratios.

2. Materis Paints financial debt

This debt is without recourse to Wendel.

In fiscal year 2014, the proceeds from the sale of the Materis divisions (see note 2 “Changes in scope of consolidation”) were allocated to paying down Materis’ debt and to repaying the €20 million loan granted by the Group in 2013.

In August 2014, after the sales of Kerneos and Parex, Materis undertook two separate refinancing operations on Materis Paints and on Chryso, with the latter subsequently being divested in October. The features of the new Materis Paints financing are as follows:

- a seven-year senior bullet term loan of €267 million;
- a six-year revolving credit facility of €72 million to finance the company’s working capital requirement, acquisitions and capital expenditures; and
- incremental unconfirmed facilities of €88 million to finance acquisitions and capital expenditures.

This refinancing, based on moderate leverage of ca. 4x Ebitda (on a seasonally-adjusted basis), gives Materis Paints the flexibility to ramp up its growth strategy. In August, Wendel provided additional backing to the Materis group through a €150 million shareholder loan. Materis repaid €136 million of this loan (including €11 million in 2015) with the proceeds from the sale of the Chryso division.

As of end 2014, Materis Paints’ bank debt was €281.4 million (including accrued interest, and excluding deferred issuance costs and shareholder loan). Its cash balance was €26.8 million.

As of December 31, 2014, Materis Paints was subject to the following covenants:

- adjusted LTM Ebitda divided by net cash interest expense must be greater than 2.16 (this minimum rises to 2.70). The test is quarterly;
- consolidated net debt (excluding shareholder loan) divided by adjusted LTM Ebitda must be less than 5.47 (this ceiling declines to 3.75 in 2019). The test is quarterly.

As of December 31, 2014, Materis Paints was in compliance with these covenants.

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

3. Stahl financial debt

This debt is without recourse to Wendel.

As of December 31, 2014, the gross face value of Stahl’s bank debt was €265.5 million (including accrued interest, and excluding issuance costs). Its cash balance was €44.4 million.

As part of the acquisition of the Leather Services division of Clariant (see note 2 “Changes in scope of consolidation”), Stahl has refinanced its debt. The new financing is bank debt with an overall available amount of €295 million, maturing in 2019, half of which is amortizable. The covenants are as follows:

- consolidated net debt divided by LTM Ebitda must be less than or equal to 3.38 as of December 31, 2014 (this ceiling falls to 2 on December 31, 2016). This ratio is tested quarterly;
- LTM Ebitda divided by net interest expense paid must be greater than or equal to 4.37 as of December 31, 2014. This minimum rises to 6 on June 30, 2016. This ratio is calculated on a rolling 12-month basis and is tested quarterly.

As of December 31, 2014, Stahl was in compliance with these covenants.

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

4. Parcours financial debt

This debt is without recourse to Wendel.

As of the year end 2014, the gross face value of Parcours’ bank debt was €519 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/PP&E, net interest expense/Ebitda). As of December 31, 2014 Parcours was in compliance with these financial ratios.

5. Mecatherm financial debt

This debt is without recourse to Wendel.

As of December 31, 2014, the gross face value of Mecatherm's debt was €52.2 million (including accrued interest, non-recourse discounting, and a €5 million liquidity line granted by Wendel, and excluding issuance costs). Its cash balance was €5.8 million.

Given the particularly volatile economic context in recent years, Mecatherm and its bank lenders agreed to extend the suspension of covenant tests until December 2014. As part of this agreement, Wendel committed to providing a €5 million liquidity line 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, 2014. Mecatherm is currently negotiating the renewal of this agreement, under which Wendel would commit to providing a liquidity line and a guarantee.

6. NOP financial debt

This debt is without recourse to Wendel.

As of end-2014, the gross face value of NOP's bank debt was JPY 4.6 billion (*i.e.* €32 million). Its cash balance was JPY 0.7 billion (*i.e.* €4.9 million). Around one-third of these bank debts will be amortized until 2019, and two-thirds are repayable at maturity in 2019. The financial covenants specify a minimum level of shareholders' equity and stipulate that net income cannot be negative for two consecutive years. As of December 31, 2014, NOP was in compliance with these covenants.

Note 5-3 Managing interest-rate risk

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

In billions of euros	Fixed rate	Capped rate	Floating rate
Gross debt	5.4		1.6
Cash and short-term financial investments (1)	-0.3		-1.2
Impact of derivatives	0.6	0.7	-1.3
INTEREST-RATE EXPOSURE	**5.7**	**0.7**	**-0.9**
	103%	*13%*	*-17%*

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

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

Also as of December 31, 2013, the Wendel Group (Wendel, its holding companies, and fully-consolidated operating subsidiaries, except for Kerneos which was classified under operations held for sale) had only limited exposure to interest rates.

In billions of euros	Fixed rate	Capped rate	Floating rate
Gross debt	4.5		3.3
Cash and short-term financial investments (1)	-0.3		-0.8
Impact of derivatives	0.6	1.6	-2.2
INTEREST-RATE EXPOSURE	**4.8**	**1.6**	**0.4**
	71%	*23%*	*6%*

(1) 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, 2013 during which they hedged interest-rate risk.

The derivatives hedging interest-rate risk are set out in note 13 "Financial assets and liabilities".

Given that Wendel holds a high volume of cash and short-term financial investments, a +100 basis point change in the interest rates to which the Group's interest rate exposure is indexed would have an impact of ca. €+6 million (€-11 million as of December 31, 2013) on net finance income/costs before tax over the 12 months after December 31, 2014, based on net financial debt as of December 31, 2014, interest rates on that date, and the maturities of existing interest-rate hedging derivatives.

Note 5-4 Managing credit risk

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

The cash and financial investments of Wendel and its holding companies are placed essentially with top-ranking financial institutions. However, given the high amount of cash and short-term financial investments as of December 31, 2014 (see note 5-2 "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, 2014, Wendel owned €288 million in short-term financial investments denominated in US dollars. These financial assets are recognized at fair value. A 5% decline in the value of the US dollar compared with the euro would accordingly have an impact of €-15 million on Wendel's income statement.

Certain subsidiaries operate in several countries and, as a result, derive a share of their earnings in currencies other than the euro, in particular the US dollar and currencies correlated to it. The subsidiaries most affected are Bureau Veritas and Stahl. The impact of the other subsidiaries' foreign exchange risk on Wendel's consolidated financial statements is not material.

Note 5-5.2 Bureau Veritas

Bureau Veritas operates internationally and is consequently exposed to the risk of variations in several foreign currencies.

During 2014, two-thirds of Bureau Veritas' net sales were in currencies other than the euro, including 17% in US dollars or currencies correlated to the US dollar (including the Hong Kong dollar), 7% in Chinese yuans, 5% in Australian dollars, 4% in Brazilian reals, and 4% in Canadian dollars. No other currency individually accounted for more than 4% of Bureau Veritas' net sales.

Accordingly, a 1% fluctuation of the euro against the US dollar and the currencies correlated to it would have had an impact of around 0.2% on the 2014 consolidated net sales of Bureau Veritas, and a 0.2% impact on the company's 2014 operating income.

Finally, the impact on income before tax of a +/-1% fluctuation in the US dollar on USD-denominated financial assets and liabilities held by Bureau Veritas entities having a non-USD operating currency would have been +/- €0.7 million.

Note 5-5.3 Stahl

In 2014, 56% of Stahl's net sales were in currencies other than the euro, including 31% in US dollars, 3% in Singapore dollars, 4% in Brazilian reals, and 7% 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 around +/-6% on Stahl's 2014 income from ordinary activities before depreciation, amortization and provisions (excluding goodwill allocation and non-recurring expenses), or €5 million. In addition, Stahl has financial debt of about €215 million, denominated in US dollars and carried by a company whose functional currency is the euro. Therefore, in the event of a +/-5% fluctuation in the US dollar's value against the euro, a translation impact of about -/+€11 million would be recognized in net finance costs.

Note 5-6 Managing commodity risk

Certain of the Group's investments are exposed to the risk of changes in commodity prices.

Materis Paints purchased around €133 million of raw materials in 2014. A 10% increase in the price of the raw materials used by Materis Paints would have led to a theoretical increase in the cost of these raw materials of around €13 million on a full-year basis. Materis Paints 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. Materis Paints continually works to optimize its purchases by approving new suppliers, and by developing new formulations for its products.

Stahl purchased around €280 million of raw materials in fiscal year 2014. 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 €28 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 in 2014.

NOTE 6 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, as well as Parcours, Mecatherm, and NOP held by Oranje-Nassau Développement); and Wendel's share in the net income of investments accounted for under the equity method (Saint-Gobain, IHS, as well as exceet, held by Oranje-Nassau Développement) before non-recurring items and the impact of goodwill allocations;
- the net income of holding companies incorporates the general and administrative expenses of Wendel and its holding companies, the cost of the net borrowings put in place to finance Wendel and its holding companies, and the tax expense and income connected with these items. The amounts shown are those recognized at the level of Wendel and all of its consolidated financial holding companies (excluding acquisition holding companies and operating subsidiaries).

Non-recurring income

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

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

Impact of goodwill allocation

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

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

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

Note 6-1 Income statement by operating segment for fiscal year 2014

In millions of euros	Bureau Veritas	Materis	Stahl	Oranje-Nassau Développement	Equity-method investments: Saint-Gobain	Equity-method investments: IHS	Holding companies	Total operations
Net income from business sectors								
Net sales	**4,171.5**	**747.6 (2)**	**512.6**	**482.5**			**-**	**5,914.2**
EBITDA (1)	**N/A**	**67.1 (2)**	**91.4**	**N/A**				
Adjusted operating income (1)	**694.0**	**40.2**	**78.7**	**47.3**				
Other recurring operating items	-	-2.1	-3.5	-0.9				
Operating income	**694.0**	**38.1**	**75.2**	**46.4**			**-55.9**	**797.7**
Finance costs, net	-77.1	-60.1	-13.3	-10.7			-170.9	-332.1
Other financial income and expense	-3.7	3.1	13.1	-0.5				11.9
Tax expense	-209.6	-5.9	-22.6	-13.0			0.4	-250.8
Share in net income of equity-method investments	0.7	0.2	-0.3	2.1	139.3	-42.2	-	99.7
Net income from discontinued operations and operations held for sale	-	46.2	-	-	-	-	-	46.2
RECURRING NET INCOME FROM BUSINESS SECTORS	**404.2**	**21.5**	**52.0**	**24.2**	**139.3**	**-42.2**	**-226.5**	**372.5**
Recurring net income from business sectors, non-controlling interests	202.8	2.5	12.2	0.3	-	-0.2	-	217.7
RECURRING NET INCOME FROM BUSINESS SECTORS, GROUP SHARE	**201.4**	**19.0**	**39.7**	**23.9**	**139.3**	**-42.0**	**-226.5**	**154.9**
Non-recurring income								
Operating income	-143.8	-26.8	-30.6	-11.9	-	-	-60.4	-273.7
Net financial income (expense)	-0.0	-69.5	-28.7	0.5	-	-	-11.3	-109.0
Tax expense	39.1	5.1	14.2	3.3	-	-		61.7
Share in net income of equity-method investments	-	-	-	-2.7	-97.6	31.3	-106.7 (3)	-175.7
Net income from discontinued operations and operations held for sale	-	322.0	-	-	-	-	-0.1	321.9
NON-RECURRING NET INCOME	**-104.7**	**230.8**	**-45.2**	**-10.8**	**-97.6**	**31.3**	**-178.6**	**-174.8**
of which:								
■ Non-recurring items	-18.3	232.9 (4)	-29.6	-2.8	5.0	31.3 (5)	-147.3 (6)	71.3
■ Impact of goodwill allocation	-84.9	-2.1	-15.6	-8.0	-8.1	-		-118.8
■ Asset impairment	-1.5	-	-	-	-94.5	-	-31.3 (7)	-127.3
Non-recurring net income, non-controlling interests	-50.8	22.5	-11.1	-0.1	-	-0.0	0.1	-39.5
NON-RECURRING NET INCOME, GROUP SHARE	**-53.9**	**208.3**	**-34.2**	**-10.6**	**-97.6**	**31.3**	**-178.6**	**-135.3**
CONSOLIDATED NET INCOME	**299.5**	**252.3**	**6.7**	**13.5**	**41.7**	**-10.9**	**-405.0**	**197.8**
Consolidated net income, non-controlling interests	152.0	25.0	1.2	0.2	-	-0.2	0.1	178.2
CONSOLIDATED NET INCOME, GROUP SHARE	**147.5**	**227.3**	**5.6**	**13.3**	**41.7**	**-10.7**	**-405.1**	**19.6**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.
(2) Net sales and Ebitda of the Materis Paints division in 2014, excluding Materis holding company expenses and elimination of transactions with divested divisions. Holding company expenses totaled €8.1 million and are reflected in adjusted operating income.
(3) This amount represents the loss on the sale of 24 million Saint-Gobain shares.
(4) This item includes the €27.4 million gain on Kerneos, the €266.5 million gain on Parex, the €35.6 million gain on Chryso, restructuring costs, divestment costs, and the interest expense on shareholder loans.
(5) This item represents the dilution gain recognized on IHS.
(6) This amount includes, in particular, the change in the fair value of Saint-Gobain puts of €-22.5 million (see note 13-4 "Put options issued (written) on Saint-Gobain shares"), the loss on the sale of the Saint-Gobain block of shares, and expenses related to co-shareholder liquidity arrangements (see note 34-6 "Shareholder agreements and co-investment mechanisms").
(7) The asset impairment corresponds to the change in fair value of Saham.

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

In millions of euros	Parcours	Mecatherm	NOP	exceet	Oranje-Nassau Développement
Net income from business sectors					
Net sales	**339.7**	**104.7**	**38.2**	**-**	**482.5**
EBITDA [(1)]	**N/A**	**11.5**	**6.4**	**-**	**-**
Adjusted operating income [(1)]	**32.5**	**9.9**	**4.9**	**-**	**47.3**
Other recurring operating items	-0.3	-0.5	-0.2	-	-0.9
Operating income	**32.3**	**9.4**	**4.7**	**-**	**46.4**
Finance costs, net	-7.4	-2.9	-0.5	-	-10.7
Other financial income and expense	0.0	-0.5	-	-	-0.5
Pre-tax income, including management fees	**24.9**	**N/A**	**N/A**		**-**
Tax expense	-9.6	-1.9	-1.5	-	-13.0
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	**15.3**	**4.1**	**2.8**	**2.1**	**24.2**
Recurring net income from business sectors, non-controlling interests	0.2	0.1	0.1	-	0.3
RECURRING NET INCOME FROM BUSINESS SECTORS, GROUP SHARE	**15.1**	**4.0**	**2.7**	**2.1**	**23.9**
Non-recurring income					
Operating income	-6.1	-1.7	-4.1	-	-11.9
Net financial income (expense)	-0.0	0.5	-	-	0.5
Tax expense	1.4	0.4	1.5	-	3.3
Share in net income of equity-method investments	-	-	-	-2.7	-2.7
Net income from discontinued operations and operations held for sale	-	-	-	-	-
NON-RECURRING NET INCOME	**-4.7**	**-0.8**	**-2.6**	**-2.7**	**-10.8**
of which:					
■ Non-recurring items	-2.5	0.1	-0.2	-0.2	-2.8
■ Impact of goodwill allocation	-2.1	-0.9	-2.5	-2.5	-8.0
■ Asset impairment	-	-	-	-	-
Non-recurring net income, non-controlling interests	-0.1	-0.0	-0.1	-	-0.1
NON-RECURRING NET INCOME, GROUP SHARE	**-4.6**	**-0.8**	**-2.6**	**-2.7**	**-10.6**
CONSOLIDATED NET INCOME	**10.6**	**3.3**	**0.1**	**-0.6**	**13.5**
Consolidated net income, non-controlling interests	0.1	0.0	0.0	-	0.2
CONSOLIDATED NET INCOME, GROUP SHARE	**10.5**	**3.3**	**0.1**	**-0.6**	**13.3**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.

Note 6-2 Income statement by operating segment for fiscal year 2013

In millions of euros	Bureau Veritas	Materis	Stahl	Oranje-Nassau Développement	Equity-method investments: Saint-Gobain	Equity-method investments: Legrand	Equity-method investments: IHS	Holding companies	Total operations
Net income from business sectors									
Net sales	**3,933.1**	**757.7**	**356.3**	**405.8**				**-**	**5,452.9**
EBITDA (1)	**N/A**	**73.2**	**64.7**	**N/A**					
Adjusted operating income (1)	**656.9**	**30.8**	**56.0**	**43.4**					
Other recurring operating items	-	-2.0	-1.2	-0.8					
Operating income	**656.9**	**28.8**	**54.8**	**42.7**				**-50.4**	**732.7**
Finance costs, net	-62.3	-108.4	-11.9	-10.3				-198.3	-391.1
Other financial income and expense	-1.6	-4.8	-	0.0				-	-6.4
Tax expense	-184.5	9.0	-11.9	-12.9				4.7	-195.7
Share in net income of equity-method investments	-0.0	-	0.3	2.0	171.4	13.8	-5.8	-	181.7
Net income from discontinued operations and operations held for sale	-	88.5	-	-	-	-	-	-	88.5
RECURRING NET INCOME FROM BUSINESS SECTORS	**408.4**	**13.0**	**31.3**	**21.5**	**171.4**	**13.8**	**-5.8**	**-244.0**	**409.7**
Recurring net income from business sectors, non-controlling interests	204.8	2.6	2.5	0.7	-	-	-0.0	-	210.4
RECURRING NET INCOME FROM BUSINESS SECTORS, GROUP SHARE	**203.6**	**10.5**	**28.8**	**20.9**	**171.4**	**13.8**	**-5.7**	**-244.0**	**199.3**
Non-recurring income									
Operating income	-80.2	-20.9	-14.4	-7.3	-	-	-	-32.3	-155.3
Net financial income (expense)	-0.0	-41.4	-8.1	0.5	-	-	-	122.1	73.1
Tax expense	19.4	4.1	8.4	2.3	-	-	-	-0.7	33.5
Share in net income of equity-method investments	-	-	-	-0.7	-197.2	-2.2	-4.0	369.0	164.9
Net income from discontinued operations and operations held for sale	-	-37.0	-	-	-	-	-	0.9	-36.0
NON-RECURRING NET INCOME	**-60.8**	**-95.2**	**-14.2**	**-5.2**	**-197.2**	**-2.2**	**-4.0**	**459.1**	**80.3**
of which:									-
■ Non-recurring items	-14.9	-66.9	-7.2	-0.2	-89.0 (2)	-1.7	-4.0	459.1 (3)	275.1
■ Impact of goodwill allocation	-45.9	-19.7	-7.0	-5.0	-28.1	-0.5	-	-	-106.2
■ Asset impairment	-	-8.5	-	-	-80.1	-	-	-	-88.6
Non-recurring net income, non-controlling interests	-29.7	-23.3	-1.1	-0.2	-	-	-0.0	0.2	-54.1
NON-RECURRING NET INCOME, GROUP SHARE	**-31.1**	**-71.9**	**-13.1**	**-5.1**	**-197.2**	**-2.2**	**-4.0**	**458.9**	**134.4**
CONSOLIDATED NET INCOME	**347.6**	**-82.1**	**17.1**	**16.3**	**-25.7**	**11.6**	**-9.7**	**215.1**	**490.0**
Consolidated net income, non-controlling interests	175.1	-20.7	1.3	0.5	-	-	-0.0	0.2	156.3
CONSOLIDATED NET INCOME, GROUP SHARE	**172.5**	**-61.4**	**15.7**	**15.8**	**-25.7**	**11.6**	**-9.7**	**214.9**	**333.7**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.
(2) This item includes a €97.0 million dilution loss on Saint-Gobain shares.
(3) This amount includes the €369.0 million gain on the sale of Legrand shares and a €42.6 million increase in the fair value of Saint-Gobain puts.

The detail of Oranje-Nassau Développement's contribution to the 2013 income statement by business sector is as follows:

In millions of euros	Parcours	Mecatherm	exceet	Oranje-Nassau Développement
Net income from business sectors				
Net sales	**309.6**	**96.1**	**-**	**405.8**
EBITDA (1)	**N/A**	**16.6**	**-**	
Adjusted operating income (1)	**N/A**	**15.3**	**-**	
Other recurring operating items	-0.3	-0.5	-	-0.8
Operating income	**27.9**	**14.8**	**-**	**42.7**
Finance costs, net	-6.4	-3.9	-	-10.3
Other financial income and expense	0.0	0.0	-	0.0
Pre-tax income, including management fees	**21.5**	**N/A**		
Tax expense	-8.5	-4.4	-	-12.9
Share in net income of equity-method investments	-	-	2.0	2.0
Net income from discontinued operations and operations held for sale	-	-	-	-
RECURRING NET INCOME FROM BUSINESS SECTORS	**13.0**	**6.5**	**2.0**	**21.5**
Recurring net income from business sectors, non-controlling interests	0.5	0.1	-	0.7
RECURRING NET INCOME FROM BUSINESS SECTORS, GROUP SHARE	**12.4**	**6.4**	**2.0**	**20.9**
Non-recurring income				
Operating income	-5.9	-1.4	-	-7.3
Net financial income (expense)	-0.0	0.5	-	0.5
Tax expense	2.0	0.3	-	2.3
Share in net income of equity-method investments	-	-	-0.7	-0.7
Net income from discontinued operations and operations held for sale	-	-	-	-
NON-RECURRING NET INCOME	**-4.0**	**-0.6**	**-0.7**	**-5.2**
of which:				
■ Non-recurring items	-1.4	0.3	0.9	-0.2
■ Impact of goodwill allocation	-2.6	-0.9	-1.6	-5.0
■ Asset impairment	-	-	-	-
Non-recurring net income, non-controlling interests	-0.2	-0.0	-	-0.2
NON-RECURRING NET INCOME, GROUP SHARE	**-3.8**	**-0.6**	**-0.7**	**-5.1**
CONSOLIDATED NET INCOME	**9.0**	**5.9**	**1.3**	**16.3**
Consolidated net income, non-controlling interests	0.4	0.1	-	0.5
CONSOLIDATED NET INCOME, GROUP SHARE	**8.6**	**5.8**	**1.3**	**15.8**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.

Note 6-3 Balance sheet by operating segment as of December 31, 2014

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

(1) As of December 31, 2014 this amount included deferred revenue of €115.4 million.

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

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

Note 6-4 Balance sheet by operating segment as of December 31, 2013

In millions of euros	Bureau Veritas	Materis	Stahl	Oranje-Nassau Développement	Saint-Gobain	IHS	Holding companies	Consolidated
Goodwill, net	1,885.2	548.2	24.1	138.1	-	-	-	2,595.6
Intangible assets, net	585.0	498.6	64.2	81.1	-	-	0.1	1,229.0
Property, plant & equipment, net	401.3	286.5	84.5	576.3	-	-	10.9	1,359.5
Non-current financial assets	45.5	8.4	0.5	3.6	-	-	157.9	215.9
Pledged cash and cash equivalents	-	-	-	-	-	-	6.4	6.4
Equity-method investments	0.8	0.4	2.4	55.7	4,004.8	185.1	-	4,249.2
Deferred tax assets	122.1	41.3	10.7	8.7	-	-	1.8	184.7
Total non-current assets	**3,039.9**	**1,383.4**	**186.4**	**863.5**	**4,004.8**	**185.1**	**177.2**	**9,840.3**
Assets and operations held for sale	**-**	**801.0**	**4.5**	**-**	**-**		**-**	**805.5**
Inventories and work-in-progress	12.6	170.8	42.7	33.0	-	-	-	259.2
Trade receivables	992.0	295.1	68.1	78.2	-	-	0.3	1,433.7
Other current assets	117.8	61.8	8.4	13.8	-	-	5.5	207.4
Current income tax assets	40.7	-	4.3	1.6	-	-	19.6	66.1
Other current financial assets	6.9	0.2	-	0.0	-	-	348.0	355.1
Cash and cash equivalents	190.6	68.1	58.2	13.4	-	-	427.6	758.0
Total current assets	**1,360.7**	**596.0**	**181.8**	**139.9**	**-**	**-**	**800.9**	**3,079.4**
TOTAL ASSETS								**13,725.1**
Shareholders' equity, Group share								2,535.5
Non-controlling interests								522.1
Total shareholders' equity								**3,057.6**
Long-term provisions	197.0	38.7	2.9	2.5	-	-	28.6	269.6
Financial debt (non-current portion)	1,407.1	1,792.8	52.6	251.2	-	-	3,247.6	6,751.3
Other non-current financial liabilities	24.3	13.9	-	3.5	-	-	188.6	230.3
Deferred tax liabilities	158.6	260.5	17.2	34.3	-	-	0.0	470.6
Total non-current liabilities	**1,787.0**	**2,105.8**	**72.6**	**291.6**	**-**	**-**	**3,464.8**	**7,721.8**
Liabilities held for sale	**-**	**375.2**	**-**	**-**	**-**	**-**	**-**	**375.2**
Short-term provisions	-	2.5	0.3	6.6	-	-	-	9.4
Financial debt (current portion)	104.2	62.8	121.1	254.7	-	-	551.1	1,093.9
Other current financial liabilities	47.7	1.0	1.7	0.3	-	-	7.8	58.6
Trade payables	232.3	184.2	38.1	86.0	-	-	8.6	549.2
Other current liabilities	555.6	144.4	26.9	34.2	-	-	15.3	776.4 (1)
Current income tax liabilities	81.0	0.5	1.3	-	-	-	0.2	83.1
Total current liabilities	**1,020.9**	**395.4**	**189.4**	**381.8**	**-**	**-**	**583.1**	**2,570.6**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY								**13,725.1**

(1) As of December 31, 2013 this amount included deferred revenue of €88.5 million.

The detail of Oranje-Nassau Développement's contribution to the 2013 balance sheet by business sector is as follows:

In millions of euros	Parcours	Mecatherm	exceet	Oranje-Nassau Développement
Goodwill, net	35.8	102.3	-	138.1
Intangible assets, net	11.8	69.3	-	81.1
Property, plant & equipment, net	570.0	6.3	-	576.3
Non-current financial assets	3.1	0.5	-	3.6
Pledged cash and cash equivalents	-	-	-	-
Equity-method investments	-	-	55.7	55.7
Deferred tax assets	6.2	2.5	-	8.7
Total non-current assets	**626.9**	**180.9**	**55.7**	**863.5**
Assets and operations held for sale	**-**	**-**	**-**	**-**
Inventories and work-in-progress	24.8	8.2	-	33.0
Trade receivables	29.0	49.2	-	78.2
Other current assets	11.0	2.7	-	13.8
Current income tax assets	-	1.6	-	1.6
Other current financial assets	0.0	-	-	0.0
Cash and cash equivalents	2.9	10.5	-	13.4
Total current assets	**67.7**	**72.2**	**-**	**139.9**
Long-term provisions	0.3	2.2	-	2.5
Financial debt (non-current portion)	204.3	46.9	-	251.2
Other non-current financial liabilities	1.5	2.0	-	3.5
Deferred tax liabilities	9.8	24.6	-	34.3
Total non-current liabilities	**215.9**	**75.7**	**-**	**291.6**
Liabilities held for sale	**-**	**-**	**-**	**-**
Short-term provisions	2.3	4.3	-	6.6
Financial debt (current portion)	246.2	8.5	-	254.7
Other current financial liabilities	0.3	-	-	0.3
Trade payables	71.0	15.0	-	86.0
Other current liabilities	11.1	23.1	-	34.2
Current income tax liabilities	-	-	-	-
Total current liabilities	**330.9**	**50.9**	**-**	**381.8**

Note 6-5 Cash flow statement by business segment for 2014

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

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

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

Note 6-6 Cash flow statement by business segment for 2013

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	686.3	216.6	70.2	184.9	-42.2	-	1,115.8
Net cash flows from investing activities, excluding tax	-304.9	-89.2	-7.5	-192.7	545.1	-103.0	-152.1
Net cash flows from financing activities, excluding tax	-254.5	-85.9	-30.9	19.5	-567.9	103.0	-816.6
Net cash flows related to taxes	-154.4	-34.0	-6.1	-9.5	9.7	-	-194.4

The detail of Oranje-Nassau Développement's contribution to the 2013 cash flow statement by business sector is as follows:

In millions of euros	Parcours	Mecatherm	Total Oranje-Nassau Développement
Net cash flows from operating activities, excluding tax	166.1	18.8	184.9
Net cash flows from investing activities, excluding tax	-189.6	-3.1	-192.7
Net cash flows from financing activities, excluding tax	34.1	-14.6	19.5
Net cash flows related to taxes	-9.2	-0.3	-9.5

5.8 Notes to the balance sheet

NOTE 7 Goodwill

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

	12/31/2013		
In millions of euros	Gross amount	Impairment	Net amount
Bureau Veritas	1,943.0	57.9	1,885.2
Materis	876.0	327.7	548.2
Stahl	24.1	-	24.1
Oranje-Nassau Développement	138.1	-	138.1
TOTAL	**2,981.2**	**385.6**	**2,595.6**

The principal changes during the year were as follows:

In millions of euros	2014	2013
Net amount at beginning of year	2,595.6	2,889.1
Business combinations (1)	3.0	72.3
Reclassification of Kerneos under “Operations held for sale”	-	-211.2
Impact of changes in currency translation adjustments and other	104.2	-152.5
Impairment for the year	-1.5	-2.0
NET AMOUNT AT END OF YEAR	**2,701.2**	**2,595.6**

(1) In 2014, this item included €301.5 million in acquisitions made by Bureau Veritas and €-343.4 million from the sales of Parex and Chryso.

Note 7-1 Goodwill impairment tests

In accordance with accounting standards, goodwill for each CGU (Cash Generating Unit) is tested for impairment as soon as there is any indication that its value may be impaired, and at least once per year on December 31 (see the Accounting principles section, note 1-10.1 "Goodwill"). The Group's CGUs are its fully-consolidated subsidiaries: Bureau Veritas, Materis, Stahl, Parcours, Mecatherm, and NOP.

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 2014. 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 2014 balance sheet date.

The tests were performed in accordance with IAS 36 "Impairment of assets", and involve comparing the carrying value of the subsidiaries to their recoverable value (the higher of fair value and value in use).

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

The carrying value of the Bureau Veritas shares at end-2014 (€4.9 per share, or €1,109 million for the shares held) was far below their fair value (closing share price: €18.31 per share, or €4,122.9 million for the shares held). As a result, there was no need to apply value in use for the impairment test, and no impairment has been recognized.

Note 7-1.2 Impairment tests on the goodwill of Wendel's unlisted subsidiaries: Materis, Stahl, Parcours, Mecatherm, and NOP

The values in use determined by Wendel for these tests were based on discounted future cash flows. The business plans used were prepared by Wendel on the basis of those drawn up by the subsidiaries, and using the latest information available on the underlying markets. For each subsidiary, the value 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

The Materis group reorganized around its Materis Paints division in 2014 (see note 2 "Changes in scope of consolidation").

A discount rate of 8% was used for calculating future discounted cash flows, and a long-term growth rate of 2% was applied to post-business plan cash flows, as in 2013. 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, 2014, 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 the calculated value to be negative, the discount rate would have to exceed 10.9% or the long-term growth rate would have to be negative. Finally, if the normative margin used for cash flows after the end of the five-year business plan period were reduced by 1 percentage point, no impairment would have to be recognized.

2. Stahl

A discount rate of 9% was used for Stahl and a long-term growth rate of 2% was applied to post-business plan cash flows, as in 2013. The business plan covers a five-year period, and includes the impact of the merger with the Leather Services division of Clariant, which took place in 2014 (see note 2 "Changes in scope of consolidation"). Stahl's value in use, so calculated by Wendel, was above its carrying value as of December 31, 2014, 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 (to exceed 20%). Moreover, if the normative margin used for cash flows after the end of the five-year business plan period were reduced by 1 basis point, no impairment would have to be recognized.

3. Parcours

A discount rate of 10.7% (10.5% in 2013) was used for Parcours and a long-term growth rate of 2% was applied to post-business plan cash flows, as for 2013. 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, 2014, 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 charge to be recognized, the long-term growth rate would have to be negative or the discount rate would have to exceed 13%.

4. Mecatherm

A discount rate of 9% was used for Mecatherm and a long-term growth rate of 2% was applied to post-business plan cash flows, as in 2013. 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, 2014, and accordingly Wendel recognized no impairment. Moreover, Wendel's analysis of the test's sensitivity showed there would be no impairment in the event that the discount rate increased by 0.5% or the post-business plan growth rate decreased by 0.5%. For an impairment loss to be recognized, the discount rate would have to exceed 9.5%, or the post-business plan growth rate would have to be below 1.5%. If the normative margin used for cash flows after the end of the five-year business plan period were reduced by 1 percentage point, no material impairment would have to be recognized.

5. NOP

A discount rate of 7.1% was used for NOP and a long-term growth rate of 1% was applied to post-business plan cash flows. The business plan covers a five-year period. NOP's value in use, so calculated by Wendel, was above its carrying value as of December 31, 2014, 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 the calculated value to be negative, the discount rate would have to exceed 10% or the long-term growth rate would have to be negative. Finally, if the normative margin used for cash flows after the end of the five-year business plan period were reduced by 1 percentage point, no impairment would have to be recognized.

NOTE 8 Intangible assets

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

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

In millions of euros	12/31/2013 Gross amount	Amortization and provisions	Net amount
Amortizable assets			
Internally generated	**32.5**	**9.6**	**22.9**
Acquired			
Concessions, patents, and licenses	95.5	39.0	56.5
Customer relationships	1,126.0	719.5	406.5
Software	114.2	74.7	39.5
Other intangible assets	50.3	18.4	31.9
	1,386.0	**851.5**	**534.5**
Assets of indefinite useful life			
Acquired			
Brands	720.3	48.7	671.6
	720.3	**48.7**	**671.6**
TOTAL	**2,138.8**	**909.8**	**1,229.0**

The principal changes during the year were as follows:

In millions of euros	2014	2013
Amount at beginning of year	**1,229.0**	**1,459.3**
Acquisitions	10.4	10.8
Internally generated assets	9.3	5.3
Reclassification of Kerneos under "Operations held for sale"	-	-169.4
Impact of business combinations (1)	112.8	73.6
Impact of currency translation adjustments and other	48.5	-38.3
Amortization and impairment losses for the year	-155.1	-112.3
AMOUNT AT END OF YEAR	**1,254.9**	**1,229.0**

(1) *In 2014, the impact of business combinations included the €339.9 million in acquisitions undertaken by Bureau Veritas, and the divestments of Parex and Chryso for a total of €-293.1 million.*

NOTE 9 Property, plant & equipment

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

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

	12/31/2013		
In millions of euros	Gross amount	Depreciation and provisions	Net amount
Land	79.8	5.8	74.0
Buildings	247.6	131.3	116.3
Plant, equipment, and tooling	1,127.9	681.9	446.0
Other property, plant & equipment	1,184.4	515.0	669.4
Assets under construction	53.7	-	53.7
TOTAL	**2,693.5**	**1,334.0**	**1,359.5**

The principal changes during the year were as follows:

In millions of euros	2014	2013
Amount at beginning of year	1,359.5	1,556.0
Acquisitions (1)	502.2	496.4
Divestments	-16.3	-10.9
Reclassification of Kerneos under “Operations held for sale”	-	-246.2
Impact of business combinations (2)	-68.3	19.2
Parcours: reclassification in inventory of used vehicles (net) (3)	-88.6	-83.7
Impact of currency translation adjustments	10.8	-64.1
Depreciation and provisions recognized during the year	-283.5	-307.3
AMOUNT AT END OF YEAR	**1,415.8**	**1,359.5**

The change in property, plant & equipment during 2014 derived principally from:

(1) This amount principally relates to €329.7 million in vehicles acquired by the Parcours group (Oranje-Nassau Développement), and internal investments of €136.6 million made by Bureau Veritas.

(2) Business combinations included €-178.8 million from the divestments of Parex and Chryso.

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

NOTE 10 Equity-method investments

In millions of euros	12/31/2014	12/31/2013
Saint-Gobain	2,886.0	4,004.8
IHS	606.4	185.1
exceet	54.5	55.7
Investments of Bureau Veritas	5.1	0.8
Investments of Materis	0.8	0.4
Investments of Stahl	-	2.4
TOTAL	**3,552.9**	**4,249.2**

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

In millions of euros	2014
Amount at beginning of year	4,249.2
Share in net income for the period	
Saint-Gobain	65.3
IHS	-42.5
exceet	-0.6
Other	0.5
Dividends paid by equity-method companies	-81.6
Impact of changes in currency translation adjustments	118.3
Sale of Saint-Gobain shares (1)	-1,072.1
Impact of dilution on the Saint-Gobain investment (1)	-23.6
Impact of dilution and accretion on IHS (1)	31.7
Reinvestment in IHS (1)	392.0
Other	-83.6
AMOUNT AS OF DECEMBER 31, 2014	**3,552.9**

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

Note 10-1 Additional information on Saint-Gobain

In millions of euros	12/31/2014	12/31/2013 restated (4)
Carrying values at 100%		
Total non-current assets (1)	28,584	27,930
Total current assets (1)	16,220	17,685
Impact of the revaluation of acquired assets and liabilities	3,822	3,884
Goodwill adjustment (Wendel) (2)	2,739	3,179
Non-controlling interests	405	345
Total non-current liabilities (1)	14,357	15,045
Total current liabilities (1)	12,029	12,683
including cash and cash equivalents	*3,493*	*4,350*
including financial debt	*10,714*	*11,863*

	2014	2013 restated [4]
Net sales [1] [3]	41,054	41,761
Operating income [1]	2,797	2,754
Business income [1]	2,209	1,883
Recurring net income, group share [1]	1,103	1,027
Net income, group share [1]	953	595
Impact of the revaluation of acquired assets and liabilities	-62	-168

(1) In Saint-Gobain's books, at 100%.
(2) Value of residual goodwill after impairment, see note 10-4.1 "Impairment test on Saint-Gobain, accounted for by the equity method".
(3) In 2014, net sales declined by 1.7%, while organic growth increased by 2.2%.
(4) Restatement resulted principally from application of IFRS 10 and 11, related to consolidation and joint arrangements.

Note 10-2 Additional information on IHS

The value of IHS shares of €606.4 million includes Wendel's share of €536.6 million and the Wendel co-investors' share in IHS of €69.8 million (see note 2 "Changes in scope of consolidation").

In millions of euros	12/31/2014	12/31/2013
Carrying values at 100%		
Total non-current assets [1]	1,893.9	602.7
Total current assets [1]	1,103.7	264.2
Goodwill adjustment (Wendel)	57.5	50.6
Non-controlling interests [1]	39.3	17.6
Total non-current liabilities [1]	869.8	314.2
Total current liabilities [1]	193.3	106.6
including cash and cash equivalents	*796.5*	*141.2*
including financial debt	*866.4*	*314.0*

	2014	8-month period to end-December 2013 [2]
Net sales [1]	235.5	97.3
Ebitda [1]	76.0	27.1
Net income, Group share [1]	-122.8	-25.3

(1) In IHS's books, at 100%.
(2) The closing date of IHS closest to the investment date was April 30, 2013. Consequently, in fiscal year 2013, eight months of activity were consolidated in the Group's consolidated income statement.

Note 10-3 Additional information on exceet

In millions of euros	12/31/2014	12/31/2013
Carrying values at 100%		
Total non-current assets (1)	96.9	95.1
Total current assets (1)	86.1	87.7
Goodwill adjustment (Wendel)	90.6	97.2
Non-controlling interests	-	-
Total non-current liabilities (1)	54.1	47.1
Total current liabilities (1)	27.8	37.0
including cash and cash equivalents	*31.0*	*31.2*
including financial debt	*35.7*	*33.5*

	2014	2013
Net sales (1) (2)	185.3	190.8
Ebitda (1)	19.0	18.3
Net income, group share (1)	4.4	7.5
Impact of the revaluation of acquired assets and liabilities	-8.1	-3.0

(1) In exceet's books, at 100%.
(2) In 2014, net sales fell back by 2.9%, with a negative organic contribution of 3.4%.

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

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

- 20,000,000 listed warrants giving access to the capital of exceet under the following terms:
  - exercise price of €12/share, and
  - a cashless exercise: upon exercise, the holders will not pay the exercise price in cash, but will receive exceet shares equal in value to the intrinsic value of a number of warrants given in exchange for the shares.

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

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

As of December 31, 2014, the listed share price of exceet was below the exercise prices set out above.

Note 10-4 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 on situations existing at the end of December 2014. 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 2014 balance sheet date.

No impairment test was performed on IHS as there is no indication that the value of this investment may be impaired.

Note 10-4.1 Impairment test on Saint-Gobain shares

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

In accordance with IAS 36, recoverable value was determined as the higher of (1) fair value, *i.e.* the share price at the balance sheet date (€35.23 per share, or €2,318.6 million for the 65.8 million Saint-Gobain shares); 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. No potential divestment of the Verallia packaging business, except for Verallia North America which was sold in April 2014, was taken into account and in accordance with IAS 36, the business plan included no strategic acquisitions. In particular, the plan did not include the acquisition of Schenker-Winkler Holding AG, which holds 16.1% of the share capital and 52.4% of the voting rights of Sika, as this acquisition remained to be completed at the 2014 year end. Finally, the assumptions used in calculating post-business plan cash flows (*i.e.* growth in sales and normative profitability) were based on an analysis of the historical performances of Saint-Gobain's activities over more than 20 years.

The long-term growth rate applied to post-business plan cash flows is the same as that used as of December 31, 2013: 2%. The discount rate used was also identical to that used as of December 31, 2013: 8%. It was based in particular on market parameters (risk-free rate, market premium, beta of comparables) and took into account risks specific to the business plan.

After the test was performed as of December 31, 2012, an impairment of €4.6 per share or €414 million was recognized on all of the Saint-Gobain equity-method shares at that date. Following the sale of 24 million shares in May 2014 (see note 2 "Changes in scope of consolidation") and an adjustment related to Saint-Gobain's sale of Verallia North America, this impairment charge was reduced to €292 million or €4.43 per share as of December 31, 2014. The gross carrying value of Saint-Gobain shares in Wendel's accounts was €48.28 per share as of December 31, 2014 and their net value was €43.85 per share (€2,886 million for all consolidated shares). The value in use estimated as of the December 2014 closing was €45.08 per share, close to the net carrying value. Given that no significant new information affecting Saint-Gobain's financial condition has called into question the impairment, it has been maintained as of December 31, 2014. The difference between the market price and the carrying value 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 €256 million would have to be recognized;
- if the long-term growth rate were 0.5% lower, an additional impairment of €171 million would have to be recognized; or
- if the normative margin used for cash flows after the end of the five-year business plan period were reduced by one percentage point, an additional impairment charge of €405 million would have to be recognized.

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

Note 10-4.2 Impairment test on exceet shares

An impairment test was performed on these equity-method shares, as their carrying value 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 (€30 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. As in 2013, the long-term growth rate applied to post-business plan cash flows was 2% and the discount rate was 10%. The impact of dilutive instruments in exceet's capital was taken into account.

The 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 material impairment would have to be recognized. For an impairment charge to be recognized, the discount rate would have to exceed 10.5% or the long-term growth rate would have to be less than 1%.

NOTE 11 Trade receivables

In millions of euros	12/31/2014 Gross amount	12/31/2014 Provisions	12/31/2014 Net amount	12/31/2013 Net amount
At:				
Bureau Veritas	1,224.2	63.2	1,161.0	992.0
Materis	175.9	24.2	151.7	295.1
Stahl	117.4	6.3	111.1	68.1
Oranje-Nassau Développement	107.7	7.2	100.5	78.2
Wendel and holding companies	0.4	0.3	0.2	0.3
TOTAL	**1,625.7**	**101.2**	**1,524.5**	**1,433.7**

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

- Bureau Veritas: €385.1 million as of December 31, 2014 *vs*. €440.7 million as of December 31, 2013, of which €108.4 million and €119.9 million, respectively, were more than three months past due;
- Materis: €30.8 million as of December 31, 2014 *vs*. €84.3 million as of December 31, 2013, of which €9.5 million and €22.2 million, respectively, were more than three months past due.

NOTE 12 Cash and cash equivalents

In millions of euros	12/31/2014 Net amount	12/31/2013 Net amount
Pledged cash and cash equivalents of Wendel and its holding companies, classified as non-current assets	0.4	6.4
Unpledged cash and cash equivalents of Wendel and its holding companies, classified as current assets	854.2	427.6
Cash and cash equivalents of Wendel and its holding companies (1)	**854.6**	**434.1**
Bureau Veritas	220.1	190.6
Materis	55.6	68.1
Stahl	44.4	58.2
Oranje-Nassau Développement	18.3	13.4
Cash and cash equivalents of subsidiaries classified as current assets	**338.5**	**330.3**
TOTAL	**1,193.0**	**764.4**
of which non-current assets	***0.4***	***6.4***
of which current assets	***1,192.6***	***758.0***

(1) In addition to this cash, Wendel had €331.2 million in short-term financial investments as of December 31, 2014 and €323.9 million as of December 31, 2013, recognized in other current financial assets (see note 5-2.1 "Liquidity risk of Wendel and the holding companies").

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

Note 13-1 Financial assets

In millions of euros	Method for recognizing changes	Level	12/31/2014	12/31/2013
Pledged cash and cash equivalents of Wendel and its holding companies	Income statement (1)	1	0.4	6.4
Unpledged cash and cash equivalents of Wendel and its holding companies	Income statement (1)	1	854.2	427.6
Wendel's short-term financial investments	Income statement (1)	1	331.2	323.9
Assets held until maturity	Amortized cost	N/A	-	-
Cash and short-term financial investments of Wendel and its holding companies			**1,185.8**	**758.0**
Cash and cash equivalents of subsidiaries	Income statement (1)	1	338.5	330.3
Assets available for sale – A	Shareholders' equity (2)	3	73.7	126.6
Financial assets at fair value through profit or loss	Income statement (1)	1	31.5	20.5
Loans – B	Amortized cost	N/A	64.9	8.8
Deposits and guarantees	Amortized cost	N/A	68.6	58.5
Derivatives – C	Income statement (1)/Sh. equity (2)	See C	16.0	10.5
Other			45.6	22.1
TOTAL			**1,824.6**	**1,335.4**
of which non-current financial assets, including pledged cash and cash equivalents			***224.7***	***222.3***
of which current financial assets, including cash and cash equivalents			***1,599.9***	***1,113.1***

(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	12/31/2014	12/31/2013
Derivatives – C	Income statement (1)/ Sh. equity (2)	See C	186.0	177.0
Other (incl. puts held by non-controlling shareholders) – D	N/A	N/A	352.7	111.9
TOTAL			**538.7**	**288.9**
of which non-current financial liabilities			***329.3***	***230.3***
of which current financial liabilities			***209.3***	***58.6***

(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 – As of December 31, 2014, this item included **the Saham investment,** recognized at its fair value of €69 million. The change in fair value of €-31 million recognized over the fiscal year was recorded in "Other financial income and expense" in accordance with accounting principles. Based in Morocco, Saham is majority-owned by its founder and has in the past focused on two lines of business: insurance and customer relationship centers. It is also expanding in real estate and healthcare so as to take advantage of synergies with its insurance activities. This investment represents 13.3% of Saham's share capital.

B – This amount included the €60 million loan granted to Kerneos when it was sold by Materis (see note 2 "Changes in scope of consolidation").

C – **Derivatives:**

In millions of euros	Level	12/31/2014 Assets	12/31/2014 Liabilities	12/31/2013 Assets	12/31/2013 Liabilities
Saint-Gobain puts (written) (1)	2		164.4	-	141.9
Interest rate swaps – hedging of cash flows (2)	2	0.0	1.3	-	13.4
Interest rate swaps – not qualifying for hedge accounting (2)	2	7.1	14.0	9.7	15.9
Other derivatives – not qualifying for hedge accounting	2	8.9	6.2	0.8	5.8
TOTAL		**16.0**	**186.0**	**10.5**	**177.0**
Of which:					
Non-current portion		*8.4*	*51.3*	*9.7*	*168.8*
Current portion		*7.6*	*134.6*	*0.8*	*8.2*

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

D – **Other financial liabilities:** This item primarily relates to €91.1 million of earnouts and deferred payments in operating subsidiaries, €125.9 million of minority puts and liabilities related to liquidity commitments at the Wendel and holding companies level (see note 34-6 "Shareholder agreements and co-investment mechanisms"), and €95.7 million of liabilities related to the co-investors in IHS (see note 2 "Changes in scope of consolidation").

Note 13-4 Put options issued (written) on Saint-Gobain shares

In 2007, Wendel issued (wrote) 6.1 million puts on Saint-Gobain, whose value at the end of December 2014 was €-164.4 million, *vs.* €-141.9 million at the opening date. (These values are net of the non-material impact of credit risk in accordance with IFRS 13 "Fair value measurement".) The change in value of these puts is recognized on the income statement.

These puts were fully unwound in early 2015 at a loss of €136.1 million. The difference of €28.4 million compared to the value at the end of December 2014 will be recognized in "Other financial income" in 2015.

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)]	12/31/2014	12/31/2013
	sign convention: (+) asset, (-) liability					
Interest rates swaps carried by Wendel						
€100 million	Pay 3.98% against 4.21%		pre-closing	05-2016	0.3	0.6
€300 million	Pay 12-month Euribor+0.93% between 1.70% and 2.60%, 3.40% if < 1.70%, and 3.53% if > 2.60%. Against 3.49%		pre-closing	08-2017	0.8	0.5
€800 million	Pay 1.04% against Euribor [(2)]		01-2014	01-2016	-8.3	-10.2
	Other interest-rate swaps expired in first quarter 2014 [(2)]					-0.7
					-7.2	**-9.7**
Hedging of subsidiaries' debt						
€750 million	0.93% cap on Euribor		pre-closing	04-2015	-	
€100 million	0.40% cap on Euribor		04-2015	12-2017	0.2	
€100 million	Pay 0.19% on Euribor (0% floor)		04-2015	10-2017	-0.1	
$139 million	2% cap on Libor		12-2014	04-2017	0.3	
€49 million	Pay 0.21% against Euribor		12-2014	04-2017	-0.1	
	Other	Hedge			-1.3	
					-1.0	**-9.8**
TOTAL					**-8.2**	**-19.5**

(1) The positions indicated in this table are aggregations of several similar contracts. The characteristics are therefore weighted averages.
(2) The net value of all swaps as of December 31, 2014 was €-8.3 million, vs. €-10.9 million at end-2013. De-designating certain hedging instruments led to a €5.4 million increase in hedging reserves in shareholders' equity and an equivalent expense on the income statement. The change in the value of non-qualified instruments recognized through profit or loss was €+2.6 million.

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 12/31/2013	€4	48,631,341	1,749,729	46,881,612
As of 12/31/2014	€4	47,796,535	1,761,948	46,034,587

The reduction of 834,806 shares is due to:

- the exercise of stock options (116,468 shares);
- subscriptions to the company savings plan (24,022 shares); and
- the cancellation of 975,296 shares.

Note 14-2 Treasury shares

As of December 31, 2014, 100,000 shares were held for the purposes of the liquidity contract (unit cost: €91.30 per share), unchanged from December 31, 2013.

As of December 31, 2014, Wendel held 1,661,948 of its shares in treasury outside the context of the liquidity contract (1,649,729 as of December 31, 2013). These treasury shares are primarily allocated to cover stock option exercises and grants of bonus and performance shares, with the remainder being retained for potential acquisitions.

The net increase of 12,219 shares derived from:

- the purchase of 1,294,974 shares during the year;
- the cancellation of 975,296 shares;
- the sale of 307,459 shares in the exercise of the purchase-type stock option plan.

In total, shares held in treasury represented 3.69% of the share capital as of December 31, 2014.

Note 14-3 Non-controlling interests

In millions of euros	% interest as of December 31, 2014	12/31/2014	12/31/2013
Bureau Veritas group	48.60%	633.6	556.7
Materis group [(1)]	10.0%	-16.4	-45.7
Stahl group	24.70%	-1.3	-1.4
Parcours group	1.20%	1.4	1.8
Mecatherm group	1.60%	1.8	3.1
Other		9.7	7.5
TOTAL		**628.9**	**522.1**

(1) See note 37 "List of principal consolidated companies as of December 31, 2014".

NOTE 15 Provisions

In millions of euros	12/31/2014	12/31/2013
Provisions for risks and contingencies	158.4	115.5
Employee benefits	212.3	163.5
TOTAL	**370.7**	**279.0**
Of which non-current	*362.4*	*269.6*
Of which current	*8.3*	*9.4*

Note 15-1 Provisions for risks and contingencies

In millions of euros	12/31/2013	Additions	Reversals: used	Reversals: unused	Impact of discounting	Business combinations/ divestments	Currency translation adjustments, reclassifications	12/31/2014
Bureau Veritas [1]								
Disputes and litigation	43.2	13.9	-2.9	-4.5	0.3	1.0	0.5	51.5
Other	28.2	36.0	-14.7	-6.4	-	0.1	20.4	63.6
Materis	15.9	1.4	-2.6	-0.1	-	-3.4	-0.0	11.2
Stahl	0.7	0.2	-0.1	-	-	0.6	-	1.4
Oranje-Nassau Développement	6.7	6.8	-5.4	-0.1	-	0.2	-	8.3
Wendel and holding companies [2]	20.7	1.7	-0.1	-	-	-	-	22.4
TOTAL	**115.5**	**60.0**	**-25.8**	**-11.1**	**0.3**	**-1.5**	**20.9**	**158.4**
Of which current	*9.4*							*8.3*

In millions of euros	12/31/2012	Additions	Reversals: used	Reversals: unused	Impact of discounting	Business combinations/ divestments	Currency translation adjustments, reclassifications	12/31/2013
Bureau Veritas [1]								
Disputes and litigation	50.6	5.8	-4.3	-6.5	-0.8	-0.2	-1.4	43.2
Other	20.6	23.0	-11.8	-6.1	-	-1.9	4.4	28.2
Materis	16.7	6.3	-3.8	-0.9	-	0.2	-2.5	15.9
Stahl	0.8	0.2	-0.4	-	-	-	-	0.7
Oranje-Nassau Développement	4.8	5.7	-3.7	-0.1	-	-	-	6.7
Wendel and holding companies [2]	23.4	0.3	-1.1	-1.9	-	-	-	20.7
TOTAL	**116.9**	**41.3**	**-24.9**	**-15.6**	**-0.8**	**-1.9**	**0.5**	**115.5**
Of which current	*7.0*							*9.4*

1. Provisions for risks and contingencies of Bureau Veritas

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

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

Accordingly, Bureau Veritas estimated that a total provision of €13.9 million was necessary for certain risks in 2014 (€5.8 million in 2013), given the development of certain claims.

The calculation of provisions for risks and contingencies as of December 31, 2014 takes into account developments in the exceptional legal claim that arose in 2004 in relation to the construction of a hotel and retail complex in Turkey. No amendment was made to the provision for the exceptional legal claim that arose in 2004 pertaining to the crash of a Gabon Express flight.

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

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

In terms of other provisions for risks and contingencies, Bureau Veritas has recognized additional provisions of €36.0 million and has reversed €21.1 million of provisions, giving a net increase of €14.9 million. Provisions for restructuring increased by €1.7 million over the year, while provisions for losses on contracts rose by €1.5 million. The total balance of movements over the year included provisions recognized for tax risks and other operating risks.

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

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

- a provision is maintained for an environmental risk concerning polluted land which belonged to a Group subsidiary whose operations were discontinued in 1967;
- 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 transaction.

  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. In September 2014, the General Court rejected this appeal and confirmed the validity of the new authorization. Éditions Odile Jacob filed an appeal against this decision before the Court of Justice 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. Éditions Odile Jacob requested the repeal of this stay of proceedings, but its request was rejected by the Paris Commercial Court and the Court of Appeal. Éditions Odile Jacob has appealed to the Cour de Cassation, France's highest court of appeal.

  Wendel considers that the claims of Éditions Odile Jacob are unfounded and has not recognized any provision related to this dispute;
- various judicial procedures have been initiated by former management-level employees of Wendel as a result of the unwinding of a mechanism for participating in the Group's performance. The amount of the claims against various defendants, including Wendel, totaled €30 million, subject to adjustment (depending on the claimant) based on the potential consequences of procedures initiated against them by the tax authority.

  On December 17, 2013, the Commercial Court rejected the claims of one of the former managers and also required him to pay a token amount of €1 to Wendel in recognition of damage to the company's image. The former manager has appealed this decision. Another legal action against Wendel for almost €5 million, initiated in the labor courts by this former manager after his employment contract was terminated in June 2009, was also rejected on March 31, 2014. Wendel is maintaining its counterclaim for almost €1 million before the Court of Appeal where the former manager lodged his appeal.

  The Company considers the various claims of these former employees to be unfounded and has not recognized any provision against them.

Note 15-2 Employee benefits

In millions of euros	12/31/2014	12/31/2013
Defined-benefit plans	82.3	78.4
Retirement bonuses	95.1	64.4
Other	34.8	20.8
TOTAL	**212.3**	**163.5**
Of which non-current	*212.3*	*163.5*
Of which current	-	-

The breakdown by subsidiary was as follows:

In millions of euros	12/31/2014	12/31/2013
Bureau Veritas	158.2	125.6
Materis	24.2	25.3
Stahl	19.4	2.5
Oranje-Nassau Développement	8.9	2.4
Wendel and holding companies (1)	1.5	7.8
	212.3	**163.5**

(1) The Oranje-Nassau Groep pension provision fell by €6.3 million during fiscal year 2014 after a new contract was signed.

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

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

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

The change in provisions for employee benefits broke down as follows for 2013:

In millions of euros	12/31/2012	Service costs	Actuarial gains and losses	Benefits paid	Interest costs	Curtailment and settlement	Business combinations	Translation adjustments and other	12/31/2013
Commitments									
Defined-benefit plans	239.2	4.8	-2.1	-7.6	6.6	-12.2	-	-2.1	226.3
Retirement bonuses	126.5	8.8	-1.8	-10.4	3.0	0.6	0.6	-19.4	108.3
Other	40.0	1.5	-0.4	-1.7	0.7	0.3	0.0	-18.3	22.0
	405.7	**15.1**	**-4.3**	**-19.7**	**10.3**	**-11.3**	**0.6**	**-39.8**	**356.7**

In millions of euros	12/31/2012	Return on assets	Employer contributions	Amounts used	Actuarial gains and losses	Business combinations	Translation adjustments and other	12/31/2013
Partially-funded plan assets								
Defined-benefit plans	178.1	5.0	4.1	3.0	-16.7	-	-2.2	171.3
Retirement bonuses	29.8	0.9	-0.1	1.2	-	-	-10.0	21.7
Other	4.9	0.3	-	-0.4	-0.1	-	-4.6	0.2
	212.8	**6.1**	**4.0**	**3.7**	**-16.7**	**-**	**-16.8**	**193.2**
Provision for employee benefits	**192.8**							**163.5**

Liabilities on defined-benefit plans broke down as follows:

In millions of euros	12/31/2014	12/31/2013
Unfunded liabilities	131.7	84.6
Partially or fully-funded liabilities	258.1	272.1
TOTAL	**389.8**	**356.7**

Assets of defined-benefit plans broke down as follows as of December 31, 2014:

	12/31/2014	12/31/2013
Insurance company funds	31%	47%
Equity instruments	18%	17%
Debt instruments	13%	9%
Cash and other	38%	26%

Expenses recognized on the income statement broke down as follows:

In millions of euros	2014	2013
Expenses recognized on the income statement with respect to defined-benefit plans		
Service costs during the year	17.9	15.1
Interest costs	9.8	10.3
Expected return on plan assets	-4.8	-6.1
Past service costs	0.4	0.6
Impact of plan curtailments or settlements	1.0	1.0
TOTAL	**24.3**	**20.9**
Expenses recognized on the income statement with respect to defined-contribution plans	**73.2**	**68.8**

1. Commitment characteristics and actuarial assumptions applied at Bureau Veritas

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

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

The principal actuarial assumptions used to calculate these commitments are as follows: average discount rate of 2.5%; implied rate of return on plan assets of 3.5%; average salary increase rate of 2.3% (Germany: 2.5%, France: 3.0%, Italy: 2.0%, Netherlands: 1.6%, United Kingdom: 3.0%).

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 essentially concern France (and to a lesser extent Portugal, Italy, and Switzerland). Actuarial assumptions are determined in each country.

The main assumptions for Europe were as follows: discount rate of 1.75%, inflation rate of 2.0%, salary increase rate between 2.0% and 4.25%, and return on assets of 1.75%.

3. Commitment characteristics and actuarial assumptions applied at Stahl

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

- partially-funded retirement plans;
- retirement bonuses;
- long-service awards.

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

4. Wendel's commitments

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

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

As of December 31, 2014, 47 retirees and ten employees of the Company benefited from the plan.

NOTE 16 Financial debt

Principal changes in 2014 are described in note 5-2 “Managing liquidity risk”.

In millions of euros	Currency	Coupon rate	Effective interest rate (2)	Maturity	Repayment	Overall line	12/31/2014	12/31/2013
Wendel and holding companies								
2014 bonds	EUR	4.875%	6.579%	11/2014	at maturity			476.6
2015 bonds	EUR	4.875%	4.910%	09/2015	at maturity		347.6	368.5
2016 bonds	EUR	4.875%	5.501%	05/2016	at maturity		643.7	649.7
2017 bonds	EUR	4.375%	5.186%	08/2017	at maturity		692.0	692.0
2018 bonds	EUR	6.750%	5.727%	04/2018	at maturity		500.0	500.0
2019 bonds	EUR	5.875%	5.397%	09/2019	at maturity		600.0	600.0
2021 bonds	EUR	3.750%	3.833%	01/2021			400.0	
2024 bonds	EUR	2.750%	2.686%	10/2024			500.0	
Syndicated loan	EUR	Euribor+margin		11/2019	revolving credit	€650 M	-	-
Bank borrowings (1)	EUR	Euribor+margin		03/2020	revolving credit	€500 M	-	425.0
Bank borrowings (1)	EUR	Euribor+margin		12/2019	revolving credit	€350 M	-	-
Amortized cost of bonds and deferred issuance costs							7.9	-4.1
Accrued interest							86.1	74.5
Loans from non-controlling shareholders							17.9	16.5
							3,795.2	**3,798.7**
Bureau Veritas								
2017 bonds	EUR	3.750%		05/2017	at maturity		500.0	500.0
2021 bonds	EUR	3.125%		01/2021	at maturity		500.0	-
Borrowings and debt from lending institutions maturing in less than 1 year – fixed rate							-	9.1
Borrowings and debt from lending institutions maturing in less than 1 year – floating rate							153.9	95.1
Borrowings and debt from lending institutions maturing in 1 to 5 years – fixed rate							437.2	176.5
Borrowings and debt from lending institutions maturing in 1 to 5 years – floating rate							77.0	211.2
Borrowings and debt from lending institutions maturing in more than 5 years – fixed rate							265.9	445.0
Borrowings and debt from lending institutions maturing in more than 5 years – floating rate							164.7	74.4
							2,098.7	**1,511.3**
Materis								
Bank borrowings	EUR	Euribor+margin		10/2015 to 12/2016	amortizing			1,725.7
Bank borrowings	EUR	Euribor+margin		08/2021	at maturity		267.0	
Bank borrowings	EUR	Euribor+margin		08/2020	at maturity	€77 M	3.0	
Deferred issuance costs							-7.3	-20.1
Shareholder loans							58.0	68.3
Other borrowings and accrued interest							11.4	81.7
							332.2	**1,855.6**
Stahl								
Bank borrowings	EUR & USD	Fixed and variable		repaid				167.3
Shareholder loans				repaid				5.1
Bank borrowings	EUR	Euribor+margin		06/2019	revolving credit	€35 M	-	-
Bank borrowings	USD	Libor+margin		06/2019	amortizing	$143.8 M	96.9	-

In millions of euros	Currency	Coupon rate	Effective interest rate (2)	Maturity	Repayment	Overall line	12/31/2014	12/31/2013
Bank borrowings	EUR	Euribor+margin		06/2019	amortizing	€26 M	24.0	-
Bank borrowings	USD	Libor+margin		12/2019	at maturity	$143.8 M	118.5	-
Bank borrowings	EUR	Euribor+margin		12/2019	at maturity	€26 M	26.0	-
Deferred issuance costs							-7.1	
Other borrowings and accrued interest							0.1	1.3
							258.4	**173.7**
Parcours								
Bank borrowings	EUR	Euribor+margin		2015 to 2017	amortizing		504.5	434.6
Other borrowings and accrued interest							14.9	15.9
							519.4	**450.5**
Mecatherm								
Bank borrowings (senior)	EUR	Euribor+margin		2015 to 2018	amortizing		46.1	55.2
Bank borrowings	EUR	Euribor+margin		09/2017	revolving credit	€5 M	-	-
Deferred issuance costs							-1.3	-1.8
Other borrowings and accrued interest							1.6	2.0
							46.4	**55.4**
NOP								
Bank borrowings	JPY	Tibor+margin		2015 to 2019	amortizing	¥1.5 bn	10.4	
Bank borrowings	JPY	Tibor+margin		02/2019	at maturity	¥3.0 bn	20.7	
Deferred issuance costs							-0.3	
Other borrowings and accrued interest							0.9	
							31.7	
TOTAL							**7,081.9**	**7,845.2**
of which non-current portion							6,187.7	6,751.3
of which current portion							894.3	1,093.9

(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 the issue premiums/discounts and bank issuance fees. For bonds having been issued in several stages, the effective interest rate corresponds to the weighted average of the par value issued.*

Note 16-1 Financial debt maturity schedule

In millions of euros	Less than 1 year	Between 1 and 5 years	More than 5 years	TOTAL
Par value Wendel and holding companies (1)	-347.6	-2,435.7	-900.0	-3,683.3
Interest Wendel and holding companies (2)	-192.4	-474.6	-99.4	-766.5
Subsidiaries and associates:				
■ par value	-472.8	-1,609.6	-1,200.6	-3,283.0
■ interest (2)	-110.3	-340.2	-65.3	-515.8
TOTAL	**-1,123.1**	**-4,860.1**	**-2,265.3**	**-8,248.5**

(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 (see note 13-4 "Puts issued (written) on Saint-Gobain shares").
(2) Interest is calculated on the basis of the yield curve prevailing on December 31, 2014. Interest on debt and interest-rate hedges does not reflect interest earned on invested cash.

Note 16-2 Market value of gross financial liabilities

The fair value of bond debt is the market price on December 31, 2014.

In millions of euros	12/31/2014	12/31/2013
Wendel and holding companies	4,175.8	4,071.4
Operating subsidiaries	3,482.9	4,098.5
TOTAL	**7,658.7**	**8,169.9**

5.9 Notes to the income statement

In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", the contributions of the Aluminates, Mortars, and Admixtures divisions of Materis (Kerneos, Parex, and Chryso, respectively) have been reclassified to "Net income from discontinued operations and operations held for sale" for the fiscal years 2014 and 2013.

NOTE 17 Net sales

In millions of euros	2014	2013	% Change	Organic growth
Bureau Veritas	4,171.5	3,933.1	6.1%	2.5%
Materis Paints	747.6	757.7	-1.3%	0.8%
Stahl	512.6	356.3	43.9%	4.0%
Oranje-Nassau Développement				
■ Parcours	339.7	309.6	9.7%	9.7%
■ Mecatherm	104.7	96.1	8.9%	8.9%
■ NOP (1)	38.2	-	N/A	N/A
CONSOLIDATED NET SALES	**5,914.2**	**5,452.9**	**8.5%**	**2.9%**

(1) NOP has been consolidated since January 1, 2014. Growth totaled 11.0% for the figures shown in Japanese yen.

Consolidated net sales broke down as follows:

In millions of euros	2014	2013
Sales of goods	1,486.3	1,285.5
Sales of services	4,427.9	4,167.4
CONSOLIDATED NET SALES	**5,914.2**	**5,452.9**

NOTE 18 Income from ordinary activities

In millions of euros	2014	2013
Bureau Veritas	560.4	574.2
Materis	36.1	26.8
Stahl	53.4	45.3
Oranje-Nassau Développement	35.2	35.4
Wendel and holding companies	-66.3	-54.1
INCOME FROM ORDINARY ACTIVITIES	**618.9**	**627.6**

Note 18-1 R&D costs recognized as expenses

	2014	2013
Materis	15.1	24.2
Stahl	3.1	2.4
Oranje-Nassau Développement	0.2	-

Note 18-2 Average number of employees at consolidated companies

	2014	2013
Bureau Veritas	66,494	61,581
Materis (1)	3,955	8,509
Stahl	1,566	1,211
Oranje-Nassau Développement	917	607
Wendel and holding companies	83	77
TOTAL	**73,015**	**71,985**

(1) Materis' average number of employees in 2014 excludes the divisions sold.

NOTE 19 Other operating income and expenses

In millions of euros	2014	2013
Net gains (losses) on sale of intangible assets and property, plant & equipment	-9.2	-0.9
Net gains (losses) on divestment of consolidated investments	0.2	1.4
Restructuring costs (1)	-23.6	-16.7
Asset impairment	-1.5	-3.3
Other income and expenses (2)	-60.7	-30.6
TOTAL	**-94.8**	**-50.1**

(1) *The 2014 restructuring costs relate to Materis.*
(2) *This item primarily comprises costs related to the liquidity commitments of Wendel to the co-investors in the subsidiaries (see note 34-6 "Shareholder agreements and co-investment mechanisms").*

NOTE 20 Finance costs, net

In millions of euros	2014	2013
Income from cash and cash equivalents (1)	31.1	9.0
Finance costs, gross		
Interest expense	-359.7	-387.7
Interest expense on shareholder loans from non-controlling interests	-9.0	-10.4
Deferral of debt issuance costs and premiums/discounts (calculated according to the effective interest method)	-35.4	-29.9
	-404.0	**-427.9**
TOTAL	**-373.0**	**-418.9**

(1) *Includes €28.9 million at the Wendel and holding companies level. An additional €12.9 million in income on short-term financial investments is recognized under "Other financial income and expenses", leading to total income of €41.8 million 2014 (€20.1 million in 2013) on the cash and short-term financial investments of Wendel and its holding companies.*

NOTE 21 Other financial income and expense

In millions of euros	2014	2013
Gains (losses) on disposals of assets available for sale	-0.0	6.0
Dividends received from unconsolidated companies	0.6	4.3
Income on interest-rate, currency and equity derivatives (1)	-22.3	59.6
Interest on other financial assets	20.3	9.2
Net currency exchange gains (losses)	-11.2	-1.9
Impact of discounting	-4.1	-2.6
Gain on buyback of debt	-2.3	-2.4
Other (2)	-37.3	22.3
TOTAL	**-56.2**	**94.5**

(1) In 2014, this item primarily included a €-22.5 million change in fair value of the put options on Saint-Gobain shares (€+42.6 million in 2013).
(2) In 2014, this item included, in particular, a €31 million decline in the fair value of the Saham investment, see note 13-3-A "Details of financial assets and liabilities".

NOTE 22 Tax expense

In millions of euros	2014	2013
Current income tax assets	-222.2	-228.4
Deferred taxes	33.1	66.3
TOTAL	**-189.1**	**-162.2**

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.

As of December 31, 2014, the balance sheet changes in deferred taxes were as follows:

In millions of euros	2014	2013
Amount at beginning of year	**-286.0**	**-400.6**
Changes through profit or loss	33.1	29.9
Changes through shareholders' equity	3.4	-1.7
Currency translation adjustments	-6.1	3.8
Business combinations	-1.7	76.8
Other	0.0	5.8
AMOUNT AT END OF YEAR	**-257.2**	**-286.0**

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	-297.9	392.6	94.8
Theoretical amount of tax expense calculated on the basis of a rate of 34.43%	**102.5**	**-135.2**	**-32.7**
Impact of:			
Uncapitalized tax losses of Wendel/holding companies and transactions subject to reduced tax rates at the holding company level	-103.0		
Uncapitalized tax losses at the operating subsidiary level		-36.6	
Reduced tax rates and foreign tax rates at the operating subsidiary level		54.2	
CVAE tax paid by operating subsidiaries		-16.2	
Exceptional contribution paid by operating subsidiaries		-16.8	
Tax on dividends	-2.6	-6.6	
Other, including benefit arising from tax consolidation for Wendel	3.4	-32.3	
ACTUAL TAX EXPENSE	**0.4**	**-189.5**	**-189.1**

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

In millions of euros	2014	2013
Net income including impact of goodwill allocation		
Saint-Gobain	65.3	71.2
Legrand	-	12.9
exceet	-0.6	1.3
IHS	-42.5	-9.7
Other companies	0.5	0.2
Sale of Legrand shares	**-**	**369.0**
Impact of Legrand dilution	**-**	**-1.3**
Sale of Saint-Gobain shares (1)	**-106.7**	**-**
Impact of dilution on the Saint-Gobain investment (1)	**-23.6**	**-97.0**
Impact of dilution on the IHS investment (1)	**31.7**	
TOTAL	**-76.0**	**346.7**

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

NOTE 24 Net income from discontinued operations and operations held for sale

In millions of euros	2014	2013
Gain on divestments		
Materis [(1)]	328.6	-
Other	-0.1	0.9
	328.4	**0.9**
Share in net income for the period from discontinued operations		
Materis [(1)]	39.6	51.6
	39.6	**51.6**
TOTAL	**368.0**	**52.5**

(1) See note 2 "Changes in scope of consolidation" with respect to Materis.

NOTE 25 Earnings per share

In euros and millions of euros	2014	2013
Net income, Group share	19.6	333.7
Impact of dilutive instruments on subsidiaries	-5.2	-9.0
Diluted net income	**14.4**	**324.7**
Average number of shares, net of treasury shares	46,468,917	47,234,665
Potential dilution due to Wendel stock options [(1)]	11,265	857,319
Diluted number of shares	**46,480,182**	**48,091,984**
Basic earnings per share *(in euros)*	0.42	7.07
Diluted earnings per share *(in euros)*	0.31	6.75
Basic earnings per share from continuing operations *(in euros)*	-6.70	6.17
Diluted earnings per share from continuing operations *(in euros)*	-6.81	5.87
Basic earnings per share from discontinued operations *(in euros)*	7.12	0.89
Diluted earnings per share from discontinued operations *(in euros)*	7.12	0.88

(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.

In 2013, basic earnings per share from continuing operations and diluted earnings per share from continuing operations included the gain on the sale of Legrand as well as the Group's share in Legrand's earnings during the period. These two items were recognized in the income statement under "Share of net income from equity-method investments".

5.10 Notes on changes in cash position

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

In millions of euros	2014	2013
By Bureau Veritas	147.8	146.8
By Materis	22.9	72.2
By Stahl	11.7	8.3
By Oranje-Nassau Développement (1)	335.9	281.0
By Wendel and holding companies	3.6	4.3
TOTAL	**522.0**	**512.6**

(1) Includes €323.8 million of vehicles purchased and leased out by Parcours in 2014, vs. €271.0 million in 2013.

NOTE 27 Disposal of property, plant & equipment and intangible assets

Disposals of property, plant & equipment and intangible assets included principally €83.8 million in sales of Parcours' second-hand vehicles (€75.3 million in 2013).

NOTE 28 Acquisition of equity investments

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

In millions of euros	2014	2013
By Oranje-Nassau Développement:		
■ NOP	-	22.7
■ Saham	-	100.0
By Bureau Veritas (1)	666.9	170.6
By Materis	-	5.0
By Stahl	76.3	-
Subscription of IHS shares	300.0	191.2
Other securities	25.8	5.9
TOTAL	**1,069.0**	**495.3**

(1) In fiscal year 2014, Bureau Veritas carried out several acquisitions (see note 2 "Changes in scope of consolidation").

NOTE 29 Divestments

In millions of euros	2014	2013
Sale of the Kerneos, Parex, and Chryso divisions of Materis [(1)]	1,160.9	-
Sale of Legrand shares	-	518.6
Sale of Saint-Gobain shares [(1)]	1,007.7	68.3
Divestments by Bureau Veritas	-	4.0
Other	1.4	2.7
TOTAL	**2,170.1**	**593.6**

(1) See note 2 "Changes in scope of consolidation" with respect to Saint-Gobain and Materis.

NOTE 30 Impact of changes in scope of consolidation and of operations held for sale

In 2014, this item comprised €29.4 million relating to the entry of Bureau Veritas subsidiaries into the scope of consolidation (€7.6 million in 2013), and €-46.8 million relating to the reclassification of cash and cash equivalents of Materis' Parex and Chryso businesses into "Assets and operations held for sale" (€-15.6 million in 2013 for the reclassification of the Kerneos business).

NOTE 31 Changes in other financial assets and liabilities and other

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

In 2013, this item consisted mainly of €31.2 million in purchases net of sales of Wendel's short-term financial investments (classified under current financial assets).

NOTE 32 Dividends received from equity-method investments and unconsolidated companies

This amount principally relates to the €86.2 million dividend received from Saint-Gobain (including a premium of €4.5 million, see note 2 "Changes in the scope of consolidation"). The dividend received in 2013 was €126.2 million (including a premium of €12.5 million).

The €108.1 million dividend received from Bureau Veritas was eliminated upon consolidation (€103.0 million in 2012).

NOTE 33 Net change in borrowing and other financial liabilities

Details of financial debt are shown in Note 16 “Financial debt”.

In millions of euros	2014	2013
New borrowings by:		
Wendel – bond issue	900.0	445.2
Bureau Veritas	663.4	275.4
Materis	270.6	117.6
Stahl	260.8	-
Oranje-Nassau Développement [1]	384.6	311.9
	2,479.4	**1,150.1**
Borrowings repaid by:		
Wendel – repurchase of bonds	60.7	158.1
Wendel – syndicated credit facility	-	250.0
Wendel – 2014 bonds	445.1	-
Debt financing the acquisition of Saint-Gobain shares	425.0	200.0
Bureau Veritas	156.3	155.0
Materis	1,439.9	150.6
Stahl	199.3	25.6
Oranje-Nassau Développement [1]	326.5	280.8
	3,052.8	**1,220.0**

(1) These amounts related essentially to €346.8 million in new operating loans at Parcours and €277.9 million in borrowings repaid. They finance the company's fleet of vehicles leased out to customers.

5.11 Other notes

NOTE 34 Off-balance-sheet commitments

As of December 31, 2014, no commitment was likely to have a significant impact on the Group's financial position, other than those mentioned below.

Note 34-1 Collateral and other security given in connection with financing

	12/31/2014	12/31/2013
(i) Pledge by Materis group entities of shares of the principal companies and of certain bank accounts and trade receivables as collateral for the repayment of the debt owed by the Materis Paints group.	281.4	1,807.3
(ii) Pledge by Stahl group entities of shares of the principal companies and of certain bank accounts, trade receivables and assets as collateral for the repayment of debt owed by the Stahl group.	265.4	168.7
(iii) Security given by Parcours group entities under its bank borrowing arrangements, including the financed vehicles and the lease payments received. Pledge of certain bank accounts and trade receivables.	484.0	430.5
(iv) Joint and several guarantee and/or pledge by Mecatherm group entities of shares of the companies and of certain trade receivables as collateral for the repayment of the debt owed by the Mecatherm group. Wendel provided a first-demand guarantee of €15 million in favor of the banks	46.1	55.2
(v) Pledge by Nippon Oil Pump group entities of shares of the principal companies and of certain bank accounts, trade receivables and assets as collateral for the repayment of debt owed by the Nippon Oil Pump group.	32.8	-
(vi) Pledge of listed shares in connection with financing subject to margin calls	-	923.4
(vii) Pledge of cash in connection with financing subject to margin calls	-	6.4
TOTAL	**1,109.7**	**3,391.5**

Note 34-2 Guarantees given as part of asset sales

Guarantees given in connection with the sale of the Kerneos, Parex, and Chryso divisions of Materis, and 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 Énergie'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, 2014. There were no guarantees of environmental risks or site remediation costs connected with the divestment. No claim with respect to these warranties has been received to date.

No provisions have been recognized for these guarantees.

Note 34-3 Guarantees received in connection with asset acquisitions

Guarantees received in connection with the acquisition of Parcours, Mecatherm, IHS, and Saham cover standard warranties as well as tax risks and risks of employee-related costs up to a total of €51 million as of December 31, 2014.

Note 34-4 Off-balance-sheet commitments given and received related to operating activities

	12/31/2014	12/31/2013
Market counter-guarantees and other commitments given		
by Bureau Veritas (1)	370.2	176.2
by Materis	15.2	22.6
by Stahl	1.0	0.6
by Oranje-Nassau Développement (Mecatherm)	26.5	9.4
TOTAL COMMITMENTS GIVEN	**412.9**	**208.8**
Other commitments received (2)	390.0	382.9
TOTAL COMMITMENTS RECEIVED	**390.0**	**382.9**

(1) Commitments given by Bureau Veritas included guarantees such as bank and parent-company guarantees.
(2) Commitments received were composed principally of lease payments to be received by Parcours (Oranje-Nassau Développement) on its portfolio of lease contracts in force (€195.5 million with a term of less than one year and €194.5 million with a term of 1-5 years).

Note 34-5 Subscription commitments

In H2 2014, the Group announced that it had committed to invest $304 million in IHS, $195 million of which were invested before the 2014 year end. The balance of $109 million will be invested in 2015. See note 2 “Changes in scope of consolidation”.

The Group also committed to invest $19 million in Oranje-Nassau Développement indirect investments.

Note 34-6 Shareholder agreements and co-investment mechanisms

As of December 31, 2014, the Wendel Group was party to several agreements governing its relationships with the co-shareholders in its unlisted companies, including minority investors (Materis, Stahl, and IHS), majority shareholders (Saham), and subsidiary managers having taken advantage of programs enabling them to share in their company’s performance (Materis, Stahl, Parcours, Mecatherm, and NOP).

These agreements contain various clauses related to:

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

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

- Stahl’s minority financial investors (for example, second-lien and mezzanine lenders) have a put option to sell shares at a discount, in tranches of one-third of their stake, between 2015 and 2017. This commitment was recognized in financial liabilities in accordance with accounting principles applicable to minority puts;
- Clariant, minority shareholder in Stahl since the acquisition of Clariant Leather Services, benefits from a medium-term liquidity guarantee granted by Wendel to Clariant in an amount determined by a predefined margin multiple. This commitment was recognized in financial liabilities in accordance with accounting principles applicable to minority puts;
- in Saham, the majority shareholder of Saham has the option to buy back the whole of Wendel’s investment in Saham (at a price guaranteeing a minimum IRR of 15% for Wendel).

Shareholder agreements with senior managers of the subsidiaries (Materis, Stahl, Parcours, Mecatherm, and NOP) also contain terms relating to:

- the handling of executive departures (commitment to sell shares to the Group in the event of an executive departure from a subsidiary and/or commitment to buy shares in certain specific cases);
- the right to liquidate their co-investment in successive tranches, in the absence of a sale or IPO beyond a certain period of time (2-14 years after the Group’s investment, depending on the agreement).

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

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

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

As of December 31, 2014, based on the investment values used to calculate NAV or based on pricing formulas in the agreements:

- the value of *pari passu* investments made under the same risk and return conditions as Wendel by all co-investing non-controlling interests and co-investing managers of Wendel and its subsidiaries benefitting from liquidity rights was €181.2 million;
- the value of the portion of non *pari passu* investments of co-investing managers of Wendel and its subsidiaries, *i.e.* investments having dilutive effects on Wendel's ownership interest, was €85.5 million.

In accordance with accounting principles relating to minority puts and to co-investment mechanisms, a portion of these amounts is recognized within financial liabilities (€172.4 million). In 2014, €37.7 million in liquidity rights were exercised under commitments made to co-investor managers of the operating subsidiaries and to minority shareholders. Finally, Wendel recognized an expense of €47.7 million in 2014 under "Other operating income and expense" concerning Stahl managers' 2014 liquidity rights and Materis managers' 2015 liquidity rights. This expense represented the difference between the price of the shares repurchased under the liquidity rights and the carrying value of the corresponding minority reserves.

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

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 34-7 Leasing

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

Note 34-7.1 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	12/31/2014	12/31/2013
More than 5 years	4.2	2.4
Due in 1 to 5 years	3.6	1.9
Due in less than 1 year and accrued interest	1.1	1.1
TOTAL	**8.9**	**5.4**

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

Note 34-7.2 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	12/31/2014	12/31/2013
More than 5 years	115.6	97.8
Due in 1 to 5 years	281.5	260.8
Due in less than 1 year and accrued interest	131.5	121.1
TOTAL	**528.6**	**479.7**

Future rents of €380.5 million relate mainly to Bureau Veritas (€317.4 million in 2013).

NOTE 35 Stock options, bonus shares and performance shares

The total expense related to stock options or other share-based compensation for fiscal year 2014 was €29.2 million *vs*. €25.8 million in 2013.

In millions of euros	2014	2013
Stock options at Wendel	3.4	3.1
Grant of bonus shares at Wendel	2.3	1.8
Stock options at Bureau Veritas	3.2	2.5
Grant of bonus shares at Bureau Veritas	20.4	18.1
Stock appreciation rights at Bureau Veritas	-	0.1
Stahl	0.0	0.2
TOTAL	**29.2**	**25.8**

Grants under new stock-option plans in 2014 were as follows:

Note 35-1 Wendel

Pursuant to the authorization given by shareholders at their June 6, 2014 Annual Meeting, options giving the right to subscribe to 231,834 shares were allocated on July 8, 2014 with a strike price of €107.3 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-based condition: the full number of options granted vests if the increase in NAV over the 2014-16 period (adjusted for dividends) is greater than or equal to 10.25%. One-half vests if the increase in NAV over the 2014-15 period (adjusted for dividends) is greater than or equal to 5%. The NAV used as the point of reference for 2014 is the NAV calculated as of May 23, 2014, or €151.8 per share.

These options have been valued using a Monte-Carlo model, based on the following principal assumptions: an average rate of return of 2.3%; volatility of 27%; 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 €15.7 each. The expense has been spread over the options' vesting period.

Under the authorization granted by shareholders at their June 6, 2014 Meeting, 68,928 performance shares were also granted on July 8, 2014. They are subject to the same service and performance-based conditions as the options granted in 2014 (see previous paragraph). These performance shares are granted subject to a two-year presence condition and do not vest until the end of the two-year period. They have been valued at €47.9 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 12/31/2013	Options granted in 2014	Options canceled in 2014	Options exercised in 2014	Number of options outstanding as of 12/31/2014	Exercise price (€)	Average exercise price (€)	Average residual life	Number of exercisable options
Stock purchase options	50,375	-	-	-17,803	32,572	22.58 and 41.73	26.70	4.7	32,572
Stock purchase options indexed to NAV/share	1,208,755	231,834	-	-214,069	1,226,520	44.32 to 107.3	77.34	7.5	868,598
Stock subscription options	77,224	-	-	-15,424	61,800	65.28 to 90.14	80.49	1.1	61,800
Stock subscription options indexed to NAV/share	423,040	-	-	-101,044	321,996	18.96 to 132.96	76.09	3.4	321,996

Performance shares	Shares granted as of 12/31/2013	Awards during the fiscal year	Options vested	Cancellations	Shares granted as of 12/31/2014	Grant date	Vesting date
Plan 4-1	75,587	-	-75,587	-	-	07/05/2012	07/05/2014
Plan 5-1	64,595		-	-	64,595	07/01/2013	07/01/2015
Plan 6-1	-	68,928	-	-	68,928	07/08/2014	07/08/2016
	140,182	**68,928**	**-75,587**	**-**	**133,523**		

Note 35-2 Bureau Veritas

By resolution of Bureau Veritas' Board of Directors on July 16, 2014, Bureau Veritas granted 1,261,200 stock purchase options with an exercise price of €20.28 to certain of its employees and to the corporate officer. For the options to vest, the optionee must complete three years of service, and a performance objective based on 2014 adjusted operating income and on the ratio of adjusted operating income to net sales in 2015 and 2016 must be achieved. 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 €1.99. They were valued using a Black & Scholes model, with the following assumptions: expected volatility of the share of 19%, dividend return of 2.4%, risk-free rate of 0.35% (based on government bond rate for the expected life of the option), and an estimated life of four years.

By resolution of Bureau Veritas' Board of Directors on July 16, 2014, Bureau Veritas granted performance shares to certain of its employees and to the corporate officer subject to certain service and/or performance conditions. The weighted average fair value of the performance shares granted in 2014 was €16.93 per share.

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

Stock options	Number of options outstanding as of 12/31/2013	Options granted in 2014	Options canceled in 2014	Options exercised in 2014	Number of options outstanding as of 12/31/2014	Exercise price *(in euros)*	Average exercise price *(in euros)*	Average residual life	Number of exercisable options
Bureau Veritas	5,735,360	1,261,200	-61,000	-1,303,280	5,632,280	4.33 to 21.01	16.89	5.5 years	1,816,880

Performance shares	Shares granted as of 12/31/2014	Grant date	Expiration date
	844,960	07/18/2011	07/18/2015
	697,800	07/18/2012	07/18/2015
	830,200	07/18/2012	07/18/2016
	518,800	07/22/2013	07/22/2016
	765,100	07/22/2013	07/22/2017
	780,000	07/22/2013	07/21/2019
	485,600	07/16/2014	07/17/2017
	780,700	07/16/2014	07/16/2018
	5,703,160		

NOTE 36 Subsequent events

1. Finalization of the acquisition of CSP Technologies

On January 30, 2015, Wendel announced that it had finalized its acquisition of CSP Technologies (See note 2 “Changes in scope of consolidation”).

2. Bond issue

On January 30, 2015, Wendel successfully placed a €500 million bond issue maturing in February 2027, with a coupon of 2.50%. This is Wendel’s first 12-year issue since 2005.

3. Sale of a block of Bureau Veritas shares

On March 6, 2015, Wendel sold 48 million Bureau Veritas shares, which corresponds to 10.9% of the company’s share capital, for around €1 billion. Wendel now holds more than 40% of Bureau Veritas’ share capital and more than 56% of its voting rights. Wendel will remain the long-term, majority shareholder of Bureau Veritas in an unchanged governance framework. This sale has significantly increased Bureau Veritas’ free float and liquidity and has enabled Wendel to strengthen its financial resources in order to pursue its strategy of diversification and increase its exposure to unlisted companies. The transaction will generate an accounting gain of more than €700 million in 2015, which will be recognized within shareholders’ equity, and which will have no impact on Wendel’s income statement, in accordance with accounting standards relating to a majority shareholding.

4. Unwinding of puts issued on Saint-Gobain shares

All puts issued on Saint-Gobain shares were unwound in early 2015, generating a loss of €136.1 (see note 13-4 “Put options issued (written) on Saint-Gobain shares”).

NOTE 37 List of principal consolidated companies as of December 31, 2014

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	99.8	CSP Technologies Europe	France	"
FC	100.0	Eufor	France	"
FC	100.0	Hirvest 1	France	"
FC	100.0	Hirvest 3	France	"
FC	100.0	Sofiservice	France	"
FC	98.6	Waldggen	France	"
FC	100.0	Winbond	France	"
FC	100.0	Wendel Japan	Japan	Services
FC	99.5	Africa Telecom Towers	Luxembourg	Management of shareholdings
FC	99.8	Constantinople Lux I	Luxembourg	"
FC	99.8	Constantinople Lux II	Luxembourg	"
FC	99.8	CSP Technologies	Luxembourg	"
FC	99.5	Expansion 17	Luxembourg	"
FC	100.0	Froeggen	Luxembourg	"
FC	99.5	Global Performance 17	Luxembourg	"
FC	99.5	Globex Africa 1	Luxembourg	"
FC	100.0	Grauggen	Luxembourg	"
FC	100.0	Hourggen	Luxembourg	"
FC	100.0	Ireggen	Luxembourg	"
FC	100.0	Jeurggen	Luxembourg	"
FC	100.0	Karggen	Luxembourg	"
FC	97.3	Materis Investors	Luxembourg	"
FC	100.0	Mecatherm GuarantCo	Luxembourg	"
FC	99.5	Oranje-Nassau Développement SA SICAR	Luxembourg	"
FC	99.5	Oranje-Nassau Développement NOP	Luxembourg	"
FC	100.0	Oranje-Nassau GP	Luxembourg	"
FC	98.4	Oranje-Nassau Mecatherm	Luxembourg	"
FC	98.8	Oranje-Nassau Parcours	Luxembourg	"
FC	100.0	Trief Corporation	Luxembourg	"
FC	100.0	Truth 2	Luxembourg	"
FC	100.0	Winvest Conseil	Luxembourg	Services
FC	99.5	Winvest International SA SICAR	Luxembourg	Management of shareholdings
FC	100.0	Win Securitization 2	Luxembourg	"
FC	99.5	NOP Europe	Belgium	"
FC	100.0	Wendel North America	United States	Services
FC	100.0	Wendel Africa	Morocco	Services
FC	100.0	Oranje-Nassau Groep	Netherlands	Management of shareholdings
FC	100.0	Oranje-Nassau Development	Netherlands	"
FC	100.0	Wendel Singapore	Singapore	Services

Method of consolidation	% interest net of treasury shares	Company name	Country	Business segment
FC	100.0	Sofisamc	Switzerland	Management of shareholdings
FC	**51.4**	**Bureau Veritas and its subsidiaries**	**France**	**Certification and verification**
FC	**81.0** (1)	**Materis Parent and its subsidiaries**	**Luxembourg**	**Specialty chemicals for construction**
FC	**75.3**	**Stahl group and its subsidiaries**	**Netherlands**	**High-performance coatings and leather-finishing products**
E	**11.7**	**Saint-Gobain and its subsidiaries**	**France**	**Production, transformation and distribution of building materials**
E	**27.5** (2)	**IHS Holding and its subsidiaries**	**Mauritius**	**Mobile telephone infrastructure in Africa**
Oranje-Nassau Développement includes:				
FC	**98.4**	**Mecatherm and its subsidiaries**	**France**	**Industrial bakery equipment**
FC	**98.8**	**Parcours and its subsidiaries**	**France**	**Long-term vehicle leasing to corporate customers**
FC	**97.7**	**NOP and its subsidiaries**	**Japan**	**Manufacture of trochoid pumps and hydraulic motors**
E	**28.4**	**exceet and its subsidiaries**	**Switzerland**	**Design of embedded systems**

FC: Full consolidation. Wendel exercises exclusive control over these companies.
E: Companies accounted for by the equity method. Wendel exercises significant influence over these companies.
(1) This is the percentage held from a legal point of view. For consolidation purposes, Materis has been consolidated with a holding of 90%. This percentage includes the shares held by Materis managers that might be repurchased in the context of the liquidity offered to them in 2015 (see note 34-6 "Shareholder agreements and co-investment mechanisms").
(2) This percentage does not include the co-investors' share, which must be recorded in the Group share in accordance with IFRS (see note 2 "Changes in scope of consolidation").

5.12 Statutory auditors' report on the consolidated financial statements

(Year ended 31 December 31, 2014)

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

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

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

WENDEL

89, rue Taitbout

75009 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting of Shareholders, we hereby report to you, for the year ended December 31, 2014, on:

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

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

I - Opinion on the consolidated financial statements

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

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2014 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the matter set out in Note 10-4 “Impairment tests 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 by Wendel in Saint-Gobain for impairment as at December 31, 2014, 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, 2014 were made in a context in which uncertainties with regard to the outlook for the global economy make forecasting difficult, as described in Note 1-9 “Use of estimates” to the consolidated financial statements.

It is in this specific context that at December 31, 2014 the Company carried out impairment tests on goodwill, intangible assets with indefinite useful lives and equity-method investments, in accordance with the methods described in the following notes to the consolidated financial statements: Note 1-10 “Measurement rules”, Note 7-1 “Goodwill impairment tests” and Note 10-4 “Impairment tests of equity-method investments”.

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

Accounting principles

We reviewed the accounting treatment applied by your Company in preparing its consolidated financial statements with respect to managers’participation in Group investments. We verified that Note 1-10.18 “Accounting treatment of participation of managers in Group investments” and Note 34-6 “Shareholder agreements and co-investment mechanisms” to the consolidated financial statements provide appropriate disclosure in this regard.

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

III - Specific verification

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

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

Neuilly-sur-Seine and Paris-La Défense, March 25, 2015

The Statutory Auditors

French original signed by:

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean Bouquot

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PARENT COMPANY FINANCIAL STATEMENTS

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6.1 Balance sheet as of December 31, 2014

Assets

In thousands of euros		12/31/2014 Gross amounts	12/31/2014 Depr./amort. or provisions	12/31/2014 Net amounts	12/31/2013 Net amounts
Non-current assets					
Property, plant & equipment		**16,206**	**13,626**	**2,580**	**2,477**
Non-current financial assets (1)					
Investments in subsidiaries and associates	1	3,532,274	-	3,532,274	3,532,483
Other long-term investments		34	-	34	33
Treasury shares	2	49,945	-	49,945	25,295
Loans and other non-current financial assets		281	-	281	224
		3,582,534	-	3,582,534	3,558,035
TOTAL		**3,598,740**	**13,626**	**3,585,114**	**3,560,512**
Current assets					
Trade receivables (2)		18,250	78	18,173	8,958
Other receivables (2)	3	3,433,224	499	3,432,725	3,340,788
Treasury instruments	9	103,348	-	103,348	176,921
Marketable securities	4	989,700	-	989,700	754,686
Cash		80,454	-	80,454	80,717
Prepaid expenses		1,287	-	1,287	1,648
TOTAL		**4,626,263**	**577**	**4,625,686**	**4,363,718**
Deferred expenses		11,015	5,215	5,800	5,536
Original issue discounts		112,996	95,925	17,072	29,811
TOTAL ASSETS		**8,349,014**	**115,343**	**8,233,671**	**7,959,577**

(1) Of which less than one year	*-*	*1*
(2) Of which more than one year	*276*	*216*

Liabilities and shareholders' equity

In thousands of euros	Note	12/31/2014	12/31/2013
Shareholders' equity			
Share capital		191,186	194,525
Share premiums		23,123	114,552
Legal reserve		20,224	20,224
Regulated reserves		191,820	191,820
Other reserves		2,250,000	2,000,000
Retained earnings		1,455,596	1,457,785
Net income for the year		**118,020**	**334,261**
TOTAL	**5**	**4,249,970**	**4,313,167**
Provisions for risks and contingencies	**6**	**35,037**	**24,734**
Borrowings (1)	7	3,779,335	3,382,285
Other liabilities	8	132,311	200,767
TOTAL (2)		**3,911,646**	**3,583,052**
Issue premiums on borrowings		37,018	38,624
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**8,233,671**	**7,959,577**

(1) Of which short-term bank borrowings	*374*	*312*
(2) Of which less than one year	*493,542*	*772,902*
Of which more than one year	*3,418,104*	*2,810,150*

6.2 Income statement

In thousands of euros	Note	2014	2013
Income from investments in subsidiaries, associates and long-term equity portfolio	**11**	**285,027**	**470,044**
Other financial income and expense	**12**		
Income			
■ Income from loans and invested cash		100,907	74,703
■ Provisions reversed		7,474	8,043
Expenses			
■ Interest and similar expenses		222,373	199,702
■ Depreciation, amortization and provisions		24,620	19,902
NET FINANCIAL INCOME		**146,415**	**333,186**
Operating revenue	**13**		
Other income		10,695	10,224
Provisions reversed and expenses transferred		5,354	4,090
Operating expenses			
Purchases and external services		19,371	16,480
Taxes other than income taxes		3,001	2,985
Wages and salaries	14	12,435	12,337
Social security costs		8,086	8,200
Depreciation & amortization and deferred expenses		4,668	1,363
Provisions recognized		-	232
Miscellaneous expenses		703	656
OPERATING INCOME (LOSS)		**-32,215**	**-27,939**
NET INCOME (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		**114,200**	**305,247**
Exceptional income			
On operating transactions		6	37
On capital transactions		299	191
Provisions reversed		115	1,590
Exceptional expenses			
On operating transactions		2,281	7,978
On capital transactions		123	3,428
Provisions recognized		55	13
EXCEPTIONAL ITEMS	15	**-2,039**	**-9,601**
INCOME TAXES	16	**5,859**	**38,615**
NET INCOME (LOSS)		**118,020**	**334,261**

6.3 Cash flow statement

In thousands of euros	Note	2014	2013
Cash flows from operating activities			
Net income		118,020	334,261
Depreciation, amortization, provisions and other non-cash items		4,643	61
Gains/losses on divestments		2,039	10,127
Financial income and expense		-146,415	-333,186
Taxes		-5,859	-38,615
Cash flows from operating activities before net finance costs and tax		-27,572	-27,352
Change in working capital requirement related to operating activities		-9,015	-3,191
NET CASH FLOWS FROM OPERATING ACTIVITIES, EXCLUDING TAX		**-36,587**	**-30,543**
Cash flows from investing activities, excluding tax			
Acquisition of intangible assets and property, plant and equipment		-513	-227
Disposal of intangible assets and property, plant and equipment		4	-
Acquisition of equity investments	1	-44,863	-129,570
Disposal of equity investments	1	45,360	126,865
Changes in other financial assets and liabilities and other		-57	-191
Dividends received	11	285,027	470,044
Change in working capital requirements related to investment activities		-2,415	2,248
NET CASH FLOWS FROM INVESTING ACTIVITIES, EXCLUDING TAX		**282,542**	**469,169**
Cash flows from financing activities, excluding tax			
Proceeds from issuance of shares	5	5,279	4,713
Treasury share buybacks and cancelations		-114,882	-105,240
Dividends paid	5	-86,449	-82,985
New borrowings	7	905,066	442,993
Repayment of borrowings	7	-505,770	-408,030
Net change in intragroup assets and liabilities		-113,799	-221,803
Net finance costs		-114,706	-123,515
Other financial income/expense		-5,325	-4,331
Change in working capital requirements related to financing activities		14,851	11,450
NET CASH FLOWS FROM FINANCING ACTIVITIES, EXCLUDING TAX		**-15,734**	**-486,748**
Income taxes	16	5,859	38,615
Change in tax assets and liabilities		15,182	13,304
NET CASH FLOWS RELATED TO TAXES		**21,041**	**51,919**
Effect of currency fluctuations		-	-
CHANGE IN CASH AND CASH EQUIVALENTS		**251,264**	**3,797**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD (1)		**724,986**	**721,189**
CASH AND CASH EQUIVALENTS AT END OF PERIOD (1)		**976,251**	**724,986**

(1) Cash and cash equivalents included marketable securities (excluding Wendel treasury shares), cash, and bank borrowings.

6.4 Notes to the parent company financial statements

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS: DETAILED CONTENTS

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6.4.1 Highlights of the year

Dividends received from subsidiaries

Wendel received a dividend of €285 million from its subsidiary Winbond.

Capital and dividend paid

At their general meeting of June 6, 2014, shareholders approved the payment of a cash dividend of €1.85 per share. The total dividend paid was €86.4 million.

The Company repurchased 1,294,974 Wendel shares for a total of €125 million, and reduced its capital by canceling 975,296 shares.

Wendel sold 307,459 of its own shares for a total of €11 million relating to the exercise of options granted to employees.

Financing

On January 21, 2014, the Company issued new bonds, maturing in 2021, with a par value of €400.0 million, at an issue price of 100.00%.

During H1 2014, Wendel repurchased part of its 2014, 2015, and 2016 bonds, with a total par value of €58.4 million.

On October 2, 2014, the Company issued new bonds, maturing in 2024, with a par value of €300.0 million, at an issue price of 99.46%. On December 17, 2014, this bond issue was increased by €200 million par value through the issue of new bonds at an issue price of 103.33%.

In November 2014, the Company increased the syndicated credit line from €600 million to €650 million, and extended its maturity from May 2018 to November 2019. As of December 31, 2014, the syndicated credit line was unused.

On November 4, 2014, the Company repaid its bonds expiring in 2014 for a total of €445 million.

Net receivables from subsidiaries increased by €96 million as a result of the following factors:

- Wendel borrowed a total of €1,204 million from its subsidiaries, related mainly to proceeds from the sale of Saint-Gobain shares (€1,010 million), and to Bureau Veritas and Saint-Gobain dividends received by its subsidiaries in 2014 (€194 million);
- loans to subsidiaries:
  - of €300 million to finance the subscription to shares in IHS (telecoms infrastructure in Nigeria, Côte d'Ivoire, and Cameroon),
  - of €160 million to finance the acquisition of CSP Technologies (US high-performance plastics packaging company, based in Alabama) finalized in early 2015,
  - for the repayment by Group subsidiaries of €425 million of bank debt relating to the Saint-Gobain investment,
  - to finance the €60 million loan granted to Kerneos when the division was sold by Materis;
- repayment of the of €50 million shareholder loan granted to Stahl during that company's refinancing;
- repayment of a €285 million debt to Winbond;
- the residual balance corresponds in particular to subsidiaries' general needs and to interest flows on shareholder loans.

These financial statements were finalized by Wendel's Executive Board on March 16, 2015.

6.4.2 Accounting principles

The balance sheet and income statement have been prepared in accordance with the accounting standards prescribed by the French chart of accounts in effect, 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 carrying value falls below 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 and debt issuance costs

Original issue discounts are generally amortized using the effective interest method over the term of the corresponding loan. 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

Financial gains and losses arising on interest rate swaps are recognized in the profit and loss account when realized or incurred. A provision for losses is recognized when the value of the swaps is negative and when the swaps do not qualify as hedging instruments.

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 net 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. 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 12/31/2013	% Interest 12/31/2014	Net amounts 12/31/2013	Purchase/ subscription	Sale	Change in provisions	Net amounts 12/31/2014
French investments							
Sofiservice	100.00	100.00	354				354
Winbond	100.00	100.00	3,293,547				3,293,547
Saint-Gobain (1)	-	-	192	44,863	45,054		-
Non-French investments							
Oranje-Nassau	100.00	100.00	238,320				238,320
Other			70	-	80	63	53
			3,532,483	**44,863**	**45,134**	**63**	**3,532,274**

(1) *In 2014, Saint-Gobain offered shareholders the choice of receiving their dividend in cash (€1.24 per share), or 50% in shares (issue price: €36.89 per share) and 50% in cash. The Wendel Group subsidiaries holding Saint-Gobain shares chose to receive the dividend in shares and in cash. Wendel purchased the shares received and subsequently entered into a financial contract under which all of the shares were sold on. As a result of this transaction, Wendel received the equivalent of a cash dividend of €1.24 per share on the shares owned by its subsidiaries, plus a premium of €4.5 million relating to the financial contract.*

NOTE 2 Treasury shares

As of December 31, 2014, Wendel held 1,661,948 of its shares in treasury outside the context of the liquidity contract (1,649,729 as of December 31, 2013). These treasury shares were allocated as follows:

- 1,091,853 shares were allocated to cover grants under stock-option and performance share plans. They were classified as marketable securities within current assets (see note 4 “Marketable securities”);
- 570,095 shares were allocated to potential acquisition activity, and were classified as non-current financial assets (250,417 as of December 31, 2013).

In thousands of euros	% Interest 12/31/2013	% Interest 12/31/2014	Net amounts 12/31/2013	Purchases	Sales	Transfers	Change in provisions	Net amounts 12/31/2014
Wendel shares	0.51%	1.19%	25,295	124,697	-	-100,047 (1)	-	49,945
			25,295	**124,697**	**-**	**-100,047**	**-**	**49,945**

(1) *This amount corresponds to the impact of the capital reduction undertaken via canceling 975,296 treasury shares, as decided by the Executive Board on September 16, 2014.*

NOTE 3 Other receivables

In thousands of euros	12/31/2014 Gross amounts	12/31/2014 Provisions	12/31/2014 Net amounts	12/31/2013 Gross amounts	12/31/2013 Provisions	12/31/2013 Net amounts
Tax and employee social security receivables	18,761	-499	18,262	17,099	-499	16,600
Loans and advances connected with investments (1)	3,407,440	-	3,407,440	3,314,648	-	3,314,648
Other (2)	7,022	-	7,022	9,540	-	9,540
	3,433,224	**-499**	**3,432,725**	**3,341,287**	**-499**	**3,340,788**
Of which related companies	*3,407,440*			*3,317,368*		
Of which accrued revenue	*25,280*			*26,185*		

(1) A large portion of these receivables related to advances to holding companies that held the Group's stake in Saint-Gobain. As of December 31, 2014, based on a valuation of Saint-Gobain at €45.08 per share, calculated by the present value of future cash flows, these loans were not written down. The movement in receivables is set out in the "Highlights of the year".

(2) Includes €6,848 thousand in accrued interest on interest rate derivatives (see note 9).

NOTE 4 Marketable securities

In thousands of euros	12/31/2014 Net book value	12/31/2014 Market value	12/31/2013 Net book value	12/31/2013 Market value
Wendel shares (excluding liquidity contract) (1)				
Shares allocated to stock-option plans (2)	77,865	95,473	89,127	130,131
Shares allocated to performance share plans (3)	6,533	6,003	10,711	14,487
	84,398	**101,477**	**99,838**	**144,618**
Money-market mutual funds and deposits	564,286	564,286	314,310	314,310
Diversified funds, equities or bonds	50,713	66,357	54,828	65,475
Funds managed by financial institutions	264,882	264,882	258,468	258,468
Liquidity contract (4)				
Wendel shares	9,130	9,294	10,266	10,335
Mutual funds	16,290	16,290	16,976	16,976
	905,301	**921,109**	**654,848**	**665,564**
	989,700	**1,022,585**	**754,686**	**810,182**

(1) Number of Wendel shares held as of December 31, 2014: 1,091,853.
Number of Wendel shares held as of December 31, 2013: 1,399,312. (see note 2).

(2) Shares held for the exercise of purchase-type stock options granted under stock-option plans. The net book value of these shares is the lower of the strike price for the options granted, and 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, 2014, this provision totaled €6,651 thousand.

(3) Shares allocated to cover performance share plans. 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, 2014, this loss totaled €6,447 thousand and was recognized in "Provisions for risks and contingencies".

(4) Number of Wendel shares held as of December 31, 2014: 100,000.
Number of Wendel shares held as of December 31, 2013: 100,000.

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
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**
	Appropriation of 2012 net income (1)					782,962	-782,962	-
	Dividend					-82,985 (3)		-82,985
	Issuance of shares							
28,854	■ company savings plan	115	1,798					1,913
50,706	■ exercise of options	203	2,597					2,800
	Capital reduction							
-991,860	■ Executive Board decision 08/28/2013	-3,968	-74,205					-78,172
	2013 net income						334,261	334,261
48,631,341	**Balance as of 12/31/2013 before appropriation**	**194,525**	**114,552**	**20,224**	**191,820**	**3,457,785**	**334,261**	**4,313,167**
	Appropriation of 2013 net income (2)					334,261	-334,261	-
	Dividend					-86,449 (3)		-86,449
	Issuance of shares							
24,022	■ company savings plan	96	1,995					2,091
116,468	■ exercise of options	466	2,722					3,188
	Capital reduction							
-975,296	■ Executive Board decision 09/16/2014	-3,901	-96,146					-100,047
	2014 net income						118,020	118,020
47,796,535	**BALANCE AS OF 12/31/2014 BEFORE APPROPRIATION**	**191,186**	**23,123**	**20,224**	**191,820**	**3,705,596**	**118,020**	**4,249,970**

(1) The amount appropriated to retained earnings, as approved by shareholders at their June 4, 2013 Annual Meeting, was increased by €3,730 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 6, 2014 Annual Meeting, was increased by €3,708 thousand because no dividends were paid on the Wendel shares the Company held in treasury on the dividend payment date.

(3) A dividend of €1.75 per share was paid in 2013 on 2012 earnings, and of €1.85 per share in 2014 on 2013 earnings.

NOTE 6 Provisions for risks and contingencies

In thousands of euros		12/31/2013	Allocations for the year	Reversals during the year used	Reversals during the year unused	12/31/2014
Provision for pensions and post-employment benefits		1,158	-	29	-	1,129
Provision for allocation of bonus shares and purchase options	4	11,092	2,006	-	-	13,098
Provision on swaps	9	-	8,273	-	-	8,273
Other risks and contingencies		12,484	55	2	-	12,537
		24,734	**10,334**	**31**	**0**	**35,037**
Operating income			-	29	-	
Net financial income (expense)			10,279	-	-	
Exceptional items			55	2	-	
			10,334	**31**	**0**	

The principal disputes, claims and risks identified for 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 transaction.

  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. In September 2014, the General Court rejected this appeal and confirmed the validity of the new authorization. Éditions Odile Jacob filed an appeal against this decision before the Court of Justice 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. Éditions Odile Jacob requested the repeal of this stay of proceedings, but its request was rejected by the Paris Commercial Court and the Court of Appeal. Éditions Odile Jacob has appealed to the Cour de Cassation, France's highest court of appeal. Wendel considers that the claims of Éditions Odile Jacob are unfounded and has not recognized any provision related to this dispute;

- various judicial procedures initiated by former management-level employees of Wendel as a result of the unwinding of a mechanism for participating in the Group's performance: the amount of the claims against various defendants, including Wendel, totaled €30 million, subject to adjustment (depending on the claimant) based on the potential consequences of procedures initiated against them by the tax authority.

  On December 17, 2013, the Commercial Court rejected the claims of one of the former managers and also required him to pay a token amount of €1 to Wendel in recognition of damage to the company's image. The former manager has appealed this decision. Another legal action against Wendel for almost €5 million, initiated in the labor courts by this former manager after his employment contract was terminated in June 2009, was also rejected on March 31, 2014. Wendel is maintaining its counterclaim for almost €1 million before the Court of Appeal where the former manager lodged his appeal. The Company considers the various claims of these former employees to be unfounded and has not recognized any provision against them.

NOTE 7 Financial debt

In thousands of euros	12/31/2014	12/31/2013
4.875% 2014 bonds (1)	-	476,590
4.875% 2015 bonds (1)	347,600	368,500
4.875% 2016 bonds (1)	643,650	649,650
4.375% 2017 bonds	692,000	692,000
6.75% 2018 bonds	500,000	500,000
5.875% 2019 bonds	600,000	600,000
3.75% 2021 bonds (2)	400,000	-
2.75% 2024 bonds (2)	500,000	-
Syndicated credit facility (Euribor + margin) (3)	-	-
Accrued interest	87,190	73,736
	3,770,440	**3,360,476**
Borrowings connected with investments in subsidiaries and associates		
Sofiservice	8,437	8,447
Oranje-Nassau	-	12,934
Other	84	116
	8,521	**21,497**
Other borrowings	0	-
Short-term bank borrowings	374	312
	3,779,335	**3,382,285**
Of which: less than one year	*356,495*	*498,399*
1 to 5 years	*2,435,650*	*2,210,150*
more than 5 years	*900,000*	*600,000*
accruals	*87,190*	*73,736*

(1) In the course of managing its financial position, the Company repurchased a portion of its bonds maturing in 2014, 2015, and 2016, for €31,500 thousand, €20,900 thousand, and €6,000 thousand, respectively. In November 2014, the Company repaid its bonds expiring in 2014 for a total of €445,090 thousand.

(2) In January 2014, Wendel issued bonds maturing in 2021, with a par value of €400,000 thousand, at an issue price of 100%. In October and December 2014, Wendel issued new bonds maturing in 2024, with (i) a par value of €300,000 thousand, at an issue price of 99.46%, and (ii) a par value of €200,000 thousand, at an issue price of 103.33%, respectively (i.e. a total of €505,066 thousand received excluding fees).

(3) In November 2014, the Company increased the syndicated credit line from €600 million to €650 million, and extended its maturity from May 2018 to November 2019.

NOTE 8 Other liabilities

In thousands of euros	Note	12/31/2014	12/31/2013
Trade payables [1]		3,269	2,815
Tax and employee social security liabilities		19,633	11,191
Treasury instruments			
Equity derivatives	9	103,348	176,921
Accrued interest on interest rate derivatives	9	5,566	6,587
Other		495	3,253
		132,311	**200,767**
Of which related companies		*9,837*	*85*
Of which accrued expenses		*16,434*	*17,882*

(1) The breakdown of trade payables by maturity (Article L. 441-6-1 of the French Commercial Code) was as follows:

	As of 12/31/2014	*As of 12/31/2013*
• *payment within 30 days:*	*825*	*452*
• *payment in more than 30 days:*	*511*	*568*
• *invoices not yet received:*	*1,933*	*1,759*
• *credit note to be issued:*	*-*	*36*

NOTE 9 Financial instruments

	12/31/2014		12/31/2013	
In thousands of euros	Assets	Liabilities	Assets	Liabilities
Equity derivatives				
Premiums	103,348	103,348	176,921	176,921
Provision for risks & contingencies	-	-	-	-
▪ of which symmetric positions	103,348	103,348	176,921	176,921
	103,348	**103,348**	**176,921**	**176,921**
Interest rate derivatives				
Accrued interest not yet due	6,848	5,566	9,468	6,587
▪ of which symmetric positions	-	-	2,742	2,742
Provision for risks & contingencies	-	8,273	-	-
▪ of which symmetric positions	-	-	-	-
	6,848	**13,839**	**9,468**	**6,587**

Equity derivatives

These comprise 3,494,418 Saint-Gobain put options bought from a Group company (asset), and 3,494,418 Saint-Gobain puts issued to banks (liability). The position is symmetrical for Wendel. Their maturity dates range from September 2015 to March 2016. Their fair value was €94.7 million as of December 31, 2014. A similar symmetrical position of 2,595,360 Saint-Gobain puts expiring in December 2015 was unwound during the year with no impact on the income statement.

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 12/31/2014	**Liabilities** fair value 12/31/2014
100,000	Pay 3.98% against 4.21%	May 2016	310	-
300,000	Pay 12-month Euribor+0.93% between 1.70% and 2.60%, 3.40% if < 1.70%, and 3.53% if > 2.60%. Against 3.49%	August 2017	797	-
			1,107	**-**

In accordance with accounting principles, the positive fair value of these swaps has not been recognized in the balance sheet.

Other

The interest rate swaps, entered into by Wendel, were no longer symmetrical in 2014 and therefore had an impact on Wendel's net income. In accordance with accounting principles, provisions are recognized on negative fair values that do not qualify as hedges. A provision of €8,273 thousand was therefore recognized as of December 31, 2014 (note 6).

The positions indicated are aggregations of several similar contracts. The characteristics are therefore weighted averages, and are as follows:

Wendel/bank position

Notional amount ***In th*ousands of euros**		**Maturity**	**Assets** fair value 12/31/2014	**Liabilities** fair value 12/31/2014
200,000	Pay 1.06% against Euribor	January 2016	-	1,941
600,000	Pay 1.02% against Euribor	February 2016	-	6,332
			-	**8,273**

NOTE 10 Off-balance-sheet commitments

In 2014, the Company unwound and transferred 2,595,360 Saint-Gobain puts expiring in December 2015 (note 9) to one of its subsidiaries. Wendel nevertheless remains committed to the bank, should the subsidiary default. Their fair value is €70.1 million as of December 31, 2014.

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	**2014**	**2013**
Oranje-Nassau	-	-
Winbond	285,000	470,000
Other	27	44
	285,027	**470,044**
Of which interim dividends	*285,000*	*470,000*

NOTE 12 Other financial income and expense

Income In thousands of euros	**2014**	**2013**
Other interest and similar income	100,907	74,703
Provisions reversed	-	3,674
Amortization of bond issue premiums (1)	7,474	4,369
	108,381	**82,746**
Of which related companies	*62,436*	*50,506*

Expenses In thousands of euros	2014	2013
Interest on bonds	182,457	165,742
Other interest and similar expenses	39,916	33,960
Provisions recognized (2)	10,279	3,725
Amortization of original issue discounts on bonds	14,341	16,177
	246,994	**219,604**
Of which related companies	*30*	*928*

(1) In accordance with accounting rules, the difference between the par value and the issue price of the 2024 bonds issued during the fiscal year was recognized as deferred income. This income is spread over the life of the bond using the same calculation as for amortizing original issue discounts recorded within assets on the balance sheet.
(2) This item mainly comprises a provision for risks of €2,006 thousand relating to the granting of performance shares, and a provision for contingencies of €8,273 thousand relating to swaps.

NOTE 13 Operating revenue

In thousands of euros	2014	2013
Property rental	164	164
Services invoiced to subsidiaries	9,779	9,683
Other income	752	377
Expenses transferred (1)	5,325	4,090
Provisions reversed	29	-
	16,049	**14,314**
Of which related companies	*10,433*	*10,009*

(1) This item principally relates to debt issuance costs to be spread over the term of the loan. (See "Accounting principles").

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	2014	2013
Management	53	52
Non-management	13	14
	66	**66**

NOTE 15 Exceptional items

The exceptional loss mainly comprises a charge of €2,280 thousand resulting from repurchases of the 2014, 2015, and 2016 bond series.

NOTE 16 Income tax

Income taxes are detailed as follows:

In thousands of euros **Taxable base at a rate of**	**33.33%**
On 2014 income before exceptional items	-110,541
On 2014 exceptional items	-1,917
	-112,458
Addbacks/deductions related to tax consolidation	3,062
	-109,396
Deduction of losses carried forward	-
Taxable bases of the tax consolidation group	**-109,396**
Corresponding tax	-
Contributions of 3.3%	-
Tax on dividends	-2,593
Deduction in respect of tax credits	937
Impact of tax consolidation	7,515
INCOME TAX RECOGNIZED IN THE INCOME STATEMENT	**5,859**

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 2014, the members of the Wendel tax consolidation group were: the parent company Wendel, Sofiservice, Coba, Winbond, Eufor, Hirvest 1, Hirvest 3, Mecatherm, and Parcours.

NOTE 17 Liquidity and debt situation

As of December 31, 2014, Wendel's gross debt was composed of €3,683 million in Wendel bonds with maturities ranging from end-September 2015 to October 2024 (see details in note 7 "Financial debt"). As of December 31, 2014 its average maturity was four years.

In January 2015 (post close), Wendel placed a new €500 million bond issue maturing in 2027 with a coupon of 2.50%.

Wendel also has an unused syndicated credit line of €650 million expiring in November 2019. The covenants are described below and Wendel was in compliance with them as of December 31, 2014.

Wendel's liquidity risk for the 12 months following the 2014 close is low, with the high level of cash and the undrawn syndicated credit line enabling it to meet its repayment obligations, in particular that of the bonds maturing in January 2015.

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.).

Wendel's new syndicated credit (undrawn as of December 31, 2014) – Documentation and covenants

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. As of December 31, 2014 the net debt taken into account corresponds to Wendel bonds and the syndicated credit, less available cash where applicable (potential pledged cash being lodged in the structure for financing with margin calls).

Net debt of the Group subsidiaries, as well as potential drawing of debt with margin calls (less any cash potentially pledged), is deducted from the gross revalued assets of these subsidiaries inasmuch as it is without recourse to Wendel.

These covenants are as follows:

- the net financial debt of Wendel and its financial holding companies must not exceed 50% of gross revalued assets after future tax on unrealized gains and losses (excluding cash);
- the ratio of:

(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 the 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, 2014 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 2014 amounted to €3,722.9 thousand. The value of options and performance shares allocated to the members of the Executive Board in 2014 totaled €2,777.8 thousand as of the date they were granted.

Compensation paid to members of the Supervisory Board in 2014 totaled €768.4 thousand, including €702.5 thousand in Wendel director’s fees and compensation paid to the Chairman of the Supervisory Board, and €65.9 thousand in director’s fees paid to certain members of the Supervisory Board by Wendel-Participations for serving on its Board. These amounts do not include the salary of the employee representative on Wendel's Supervisory Board, who does not receive Wendel director's fees either.

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

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

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

Wendel-Participations

Wendel-Participations is owned by approximately 1,070 Wendel family individuals and legal entities. Wendel-Participations owns 36.37% of Wendel’s share capital as of December 31, 2014.

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;
- agreements with Wendel-Participations regarding technical assistance and leasing of premises.

NOTE 19 Subsequent events

In January 2015, Wendel extended the average maturity of its debt with a €500 million bond issue maturing in January 2027, with a coupon of 2.50%.

In March 2015, the Group’s subsidiaries sold 48 million Bureau Veritas shares for around €1 billion. This cash was then lent to Wendel, reducing the intragroup net loan position by the same amount.

In the first quarter of 2015, the Company fully unwound the Saint-Gobain puts position (notes 9 and 10). This transaction will have no impact on the income statement.

Securities portfolio as of December 31, 2014

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			
French equities	2,500	-	53
			3,532,274
Other long-term investments			
Other French equities	-	-	34
			34

Subsidiaries and associates as of December 31, 2014

In thousands of euros	Share capital	Other shareholders' equity (incl. net income or loss)	% of capital held	Gross carrying value of shares held	Net carrying value of shares held	Loans and advances granted	Guarantees given	Sales of previous fiscal year	Net income of previous fiscal year	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	1,389,004	100.0%	3,293,547	3,293,547	570,793	-	-	461,952	285,000
Non-French										
Oranje-Nassau (1)	8,744	672,808	100.0%	238,320	238,320	206,748	-	-	1,836	-
Overall summary										
French subsidiaries				407	407					
Non-French subsidiaries				-	-					
French associates				-	-					
Non-French associates				-	-					

(1) Consolidated figures.

Five-year financial summary

Nature of disclosures	Fiscal year 2010	Fiscal year 2011	Fiscal year 2012	Fiscal year 2013	Fiscal year 2014
1. Capital at year-end					
Share capital (1)	202,007	202,244	198,175	194,525	191,186
Number of ordinary shares in issue	50,501,779	50,560,975	49,543,641	48,631,341	47,796,535
Maximum number of shares that could be issued:					
■ through the exercise of options	1,337,883	1,300,342	884,540	500,264	383,796
2. Results of operation (1)					
Revenues (excluding taxes)	6,028	5,656	5,975	10,224	10,695
Income from investments in subsidiaries, associates, and long-term equity portfolio	164,516	480,015	890,024	470,044	285,027
Income before tax, depreciation, amortization, and provisions	43,372	376,013	655,762	307,523	133,886
Income taxes (4)	-8,116	-2,993	-27,532	-38,615	-5,859
Net income	680,247	683,205	782,962	334,261	118,020
Dividends (2)	63,127	65,729	86,701	89,968	95,593(3)
of which interim dividends	-	-	-	-	-
3. Net income per share *(in euros)*					
Income after tax but before depreciation, amortization, and provisions	1.02	7.50	13.79	7.12	2.92
Net income	13.47	13.51	15.80	6.87	2.47
Net dividends	1.25	1.30	1.75	1.85	2.00 (3)
of which interim dividends	-	-	-	-	-
4. Employee data					
Average number of employees	65	65	65	66	66
Total payroll (1)	14,222	12,159	11,808	12,337	12,435
Staff benefits paid during the year (social security, social welfare, etc.) (1)	6,606	6,041	6,957	8,200	8,086

(1) In thousands of euros.
(2) Including treasury shares.
(3) Ordinary dividend of €2.00 (subject to approval by shareholders at their June 5, 2015 Annual Meeting).
(4) The negative amounts represent income for the company.

6.5 Statutory auditors' report on the financial statements

(Year ended 31 December 31, 2014)

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

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the 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 balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Wendel

89, rue Taitbout

75009 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting of Shareholders, we hereby report to you, for the year ended December 31, 2014, 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 as at December 31, 2014 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, 2014 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 the consistency with the financial statements of the information given in the management report of the Executive Board and in the documents addressed to 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 (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, 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 your Company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we inform you that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris-La Défense, March 25, 2015

The Statutory Auditors

French original signed by:

PricewaterhouseCoopers Audit

Etienne Boris

ERNST & YOUNG Audit

Jean Bouquot

7

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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.

Date founded and 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.

At the General Meeting of shareholders on June 5, 2015, a proposal will be made to convert Wendel to a *societas europaea* with an Executive Board and a Supervisory Board.

Fiscal year

The fiscal year runs for 12 months, beginning on January 1 of each year.

Access to legal documents and regulated information

Legal 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 abovementioned 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.
- On the recommendation of the Executive Board, shareholders may decide in their Annual Meeting to deduct from this amount:
  - the amounts they consider should be allocated to any special reserve account,
  - the sum required to serve as 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 are 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 and on the recommendation of the Executive Board, shareholders at their Ordinary Meeting may 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.

- On the recommendations of the Executive Board, the shareholders, convened in their Annual Meeting to approve the year's financial statements, may offer each shareholder the choice to receive payment of all or a part of the distributed 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 at their Ordinary 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 are distributed from among the assets on the balance sheet of the Company, the shareholders may decide that, if the amount of the dividend does not correspond to a whole number of securities, the shareholder will receive the whole number of securities 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 so inform the Company 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 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. Participation 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 meeting the required conditions 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 deposited in a securities account 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 second 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 shareholder participation and voting via videoconferencing or other telecommunication systems that enable shareholder identification. Shareholders who participate in Shareholders' Meetings through videoconferencing or such other 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, 2014, the share capital was composed of 47,796,535 shares with a par value of €4 each, benefiting from 72,698,497 theoretical voting rights and 70,936,549 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. As of that date, 24,901,962 shares had double voting rights.

To the Company's knowledge, the main shareholders as of December 31, 2014 were as follows:

	% of share capital
Wendel-Participations and related parties (1)	36.4%
Institutional investors outside France	24.9%
Individual shareholders	22.6%
Institutional investors in France	8.1%
Treasury shares	3.7%
Employees and executives	2.2%
Other	2.1%

(1) Pursuant to Article L. 233-10 of the French Commercial Code, the figures include Wendel-Participations and its Chairman.

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 2.1% of the share capital and 1.86% of the exercisable 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 options (subscription or purchase) 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, 2014, total exercisable stock subscription option grants represented 0.8% 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 1,070 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 and 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, 2014, Wendel-Participations (and related parties) had a controlling interest in Wendel with 36.37% of its share capital, 47.82% of its theoretical voting rights, and 49% of its exercisable 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, amended in October 2013, as mentioned in the Statutory Auditors' special 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 12/31/2014		Situation as of 12/31/2013		Situation as of 12/31/2013	
	Share capital	Voting rights	Share capital	Voting rights	Share capital	Voting rights
Wendel-Participations [(1)]	36.4%	49.0%	35.7%	48.4%	35.1%	47.7%
First Eagle	3.8%	4.6%	3.6%	4.5%	3.5%	3.9%
Treasury shares (registered shares)	2.7%		3.4%		3.2%	
Group savings plan	0.7%	0.8%	0.8%	0.8%	0.7%	0.8%
Other shareholders (institutional and individual)	56.4%	45.6%	56.5%	46.3%	57.5%	47.6%
individual shareholders	*22.6%*	*23.1%*	*23.7%*	*24.0%*	*23.8%*	*24.3%*
TOTAL SHARES AND EXERCISABLE VOTING RIGHTS	**47,796,535**	**70,936,549**	**48,631,341**	**71,836,125**	**49,543,641**	**72,929,413**

Voting rights are calculated based on the exercisable voting rights as of that date.

(1) Pursuant to Article L. 233-10 of the French Commercial Code, the figures include Wendel-Participations and its Chairman.

In January 2015, a study was performed, as is done every year, to identify the shareholders of Wendel as of December 31, 2014.

There was relatively little change during the year in Wendel's shareholder structure, with a slight increase in French institutional investors (8.1% vs. 8.0% as of December 31, 2013) and in foreign institutional investors (24.9% vs. 24.8% as of December 31, 2013). The number of individual shareholders increased to 40,300 vs. 36,200 in the previous year, but their share of capital decreased slightly to 22.6% 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, 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**
	Exercises of options	50,706	49,594,347	€4	202,824	198,377,388	2,596,684	186,958,107
	Issue of shares reserved for employees	28,854	49,623,201	€4	115,416	198,492,804	1,798,181	188,756,288
	Cancellation of shares	-991,860	48,631,341	€4	-3,967,440	194,525,364	-74,204,428	114,551,861
Situation as of December 31, 2013			**48,631,341**	**€4**		**194,525,364**		**114,551,861**
	Exercises of options	116,468	48,747,809	€4	465,872	194,991,236	2,721,958	117,273,819
	Issue of shares reserved for employees	24,022	48,771,831	€4	96,088	195,087,324	1,995,027	119,268,846
	Cancellation of shares	-975,296	47,796,535	€4	-3,901,184	191,186,140	-96,145,795	23,123,051
Situation as of December 31, 2014			**47,796,535**	**€4**		**191,186,140**		**23,123,051**

7.4.5 Ownership threshold disclosures

On September 17, 2014, Wendel-Participations disclosed that it had exceeded the threshold of 36% of capital on September 16, 2014, following the cancellation of shares carried out by Wendel on September 16, 2014 (see above, section 7.4.2).

7.4.6 Pledging of issuer's shares

To the best of the Company's knowledge, 155,959 registered Wendel shares (in either pure or administered form) were pledged as collateral as of December 31, 2014.

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 2012, Wendel sold Deutsch to the industrial group TE Connectivity for 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.

In 2013, Wendel increased its investment in IHS to a total of $276 million, giving it a stake of more than 35% in the company, sold its remaining interest in Legrand for €520 million, generating a capital gain of about €370 million, sold 1.9 million Saint-Gobain shares for €68 million, invested €100 million for a 13.33% stake in Saham, entered exclusive negotiations with Astorg to sell Kerneos for €610 million, with a €60 million reinvestment by Wendel in subordinated debt, and acquired Nippon Oil Pump in Japan for €24 million.

In 2014, Wendel increased its investment in IHS by $503 million, of which $394 million was invested in 2014 and $109 million will be invested in the first half of 2015. Wendel sold 4.3% of the capital of Saint-Gobain for about €1 billion. Stahl acquired the Leather Services division of Clariant for €75 million in cash and 23% of Stahl's share capital. Materis sold Kerneos, ParexGroup and Chryso for a total of €1.7 billion. Wendel entered into exclusive negotiations to acquire CSP Technologies for an enterprise value of $360 million, and signed an acquisition agreement to acquire Constantia Flexibles based on an enterprise value of €2.3 billion.

The acquisition of CSP Technologies was finalized on January 29, 2015 and Wendel invested $198 million.

Wendel sold 10.9% of Bureau Veritas' share capital for about €1 billion on March 6, 2015.

The acquisition of Constantia Flexibles was finalized on March 26, 2015, and Wendel invested, before the entry of any co-investor, €640 million in equity to obtain 73% of the share capital.

The Company's 2014 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 "Press Portal".

As of the date of this registration document, no other 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, 2014, the following financial authorizations were in effect:

Authorization	Annual Meeting date (resolution no.)	Period and expiration date	Authorized amount or % of capital	Amount used as of 12/31/2014
A. Issue of shares or other securities giving access to the capital				
■ With maintenance of preferential subscription rights	06/06/2014 13th resolution	14 months 08/06/2015	€100 million	-
■ With cancellation of preferential subscription rights	06/06/2014 14th, 15th, and 16th resolutions	14 months 08/06/2015	€40 million	-
■ Under greenshoe option	06/06/2014 17th resolution	14 months 08/06/2015	15% of the initial issue	-
■ As consideration for securities (contributions in kind/exchange offers)	06/06/2014 18th resolution	14 months 08/06/2015	10% of the capital and €100 million for exchange offers	-
■ Incorporation of reserves	06/06/2014 19th resolution	14 months 08/06/2015	€80 million	-
■ Overall ceiling authorized	06/06/2015 20th resolution	14 months 08/06/2015	€400 million	-
B. Authorization of share buyback program and share cancellations				-
■ Share buybacks	06/06/2014 9th resolution	14 months 08/06/2015	10% Max. price: €200 per share	1,008,866 shares, i.e. 2.1% of share capital
■ Cancellation of shares	05/28/2013 15th resolution	26 months 07/28/2015	10% per 24-month period	Cancellation of 991,860 shares in August 2013 and 975,296 shares in September 2014
C. Employee share ownership				
■ Group savings plan	06/06/2014 21st resolution	14 months 08/06/2015	€250,000	€96,088
■ Stock options (subscription and/or purchase)	06/06/2014 22nd resolution	14 months 08/06/2015	0.9% of share capital at the grant date i.e. 438,621 shares (common ceiling for options and performance shares)	219,310 shares, i.e. 0.45% of share capital
■ Performance shares	06/06/2014 23rd resolution	14 months 08/06/2015	0.3% of share capital at the grant date (this ceiling is applied to the above common ceiling)	73,103 shares, i.e. 0.15% of share capital

7.6.2 Financial authorizations to be proposed at the Shareholders' Meeting of June 5, 2015

Authorization	Annual Meeting date (resolution no.)	Period and expiration date	Authorized amount (par value) or % of share capital
A. Issue of shares or other securities giving access to the capital			
■ With maintenance of preferential subscription rights	06/05/2015 13th resolution	14 months 08/05/2016	€95 million
■ With cancellation of preferential subscription rights	06/05/2015 14th, 15th and 16th resolutions	14 months 08/05/2016	€40 million
■ Under greenshoe option	06/05/2015 17th resolution	14 months 08/05/2016	15% of the initial issue
■ As consideration for securities (contributions in kind/exchange offers)	06/05/2015 18th resolution	14 months 08/05/2016	10% of the capital and €100 million for exchange offers
■ Capitalization of reserves	06/05/2015 19th resolution	14 months 08/05/2016	€80 million
■ Overall ceiling authorized	06/05/2015 20th resolution	14 months 08/05/2016	€325 million
B. Authorization of share buyback program			
■ Share buybacks	06/05/2015 11th resolution	14 months 08/05/2016	10% of the capital Max. price: €200 per share
■ Cancellation of shares	06/05/2015 12th resolution	26 months 08/05/2017	10% of capital per 24-month period
C. Employee share ownership			
■ Group savings plan	06/05/2015 21st resolution	14 months 08/05/2016	€200,000
■ Stock options (subscription and/or purchase)	06/05/2015 22nd resolution	14 months 08/05/2016	1% of share capital (common ceiling for options and performance shares)
■ Performance shares	06/05/2015 23rd resolution	14 months 08/05/2016	0.3333% of capital (this ceiling is applied to the above common ceiling)

The resolutions submitted to shareholders for approval at the June 5, 2015 Shareholders' Meeting will cancel the unused amounts of, and replace, the resolutions with the same purpose that were adopted at the June 6, 2014 Shareholders' Meeting.

7.7 Share buybacks

7.7.1 Legal framework

At their meeting of May 28, 2013 (14th 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.

At their meeting of June 6, 2014 (9th 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 prices under these authorizations are €160 and €200, respectively.

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 4,955,145 and 4,863,134 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 context 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 all or part of the shares purchased.

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 28, 2013 (15th 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, 2014, Oddo Corporate Finance:

- purchased for the account of Wendel 1,909,299 shares for a total value of €192,254,352.18 and an average unit value of €100.69;
- sold for the account of Wendel 1,909,299 shares for a total value of €191,488,223.53 and an average unit value of €100.29.

7.7.3 Implementation of stock-option and performance share plans

Between January 1 and December 31, 2014, Wendel did not directly acquire any of its own shares to cover exercises under purchase-type stock-option and performance share plans.

7.7.4 Delivery of shares in the context of acquisitions, mergers, spin-offs or asset contributions

Between January 1, 2014 and December 31, 2014, Wendel directly acquired 1,294,974 of its own shares for delivery in the context of acquisitions, mergers, spin-offs or asset contributions. These shares were acquired for a gross value of €124,696,896.62 and an average unit price of €96.29.

7.7.5 Cancellation of shares

On September 16, 2014, after authorization by the Supervisory Board, Wendel cancelled 975,296 shares, for a gross value of €100,046,978.64 and an average unit price of €102.58.

7.7.6 Summary of transactions on shares held by the Company as of December 31, 2014

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 in the context of this share buyback program.

In the 24 months prior to December 31, 2014, Wendel canceled 1,967,156 shares (August 2013 and September 2014).

As of December 31, 2014, the Company held 1,761,948 of its own shares, or 3.69% of the capital.

Summary of the Company's transactions on its own shares from January 1 to December 31, 2014

	Cumulative gross amounts in 2014	
	Purchases	**Sales/Transfers**
Number of shares	3,204,273	2,216,758
Average maximum maturity	-	-
Average transaction price	€98.92	€91.16
Average exercise price	-	-
Amounts	€316,951,248.82	€202,069,614.83

Open positions as of December 31, 2014

Open long positions			Open short positions		
Calls purchased	Puts issued (written)	Forward purchases	Calls issued (written)	Puts purchased	Forward sales
-	-	-	-		
-	-	-	-	-	-

7.7.7 Description of the program proposed to shareholders at their June 5, 2015 Annual Meeting

The eleventh resolution proposed at the June 5, 2015 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 context 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 marches 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 all or part of the shares purchased.

This program is 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, 2014, this authorization represented 4,779,653 shares, or a maximum theoretical investment of €955,930,600 based on the maximum buyback price of €200 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% of share capital. As of December 31, 2014, the number of Wendel shares held by the Company was 1,761,948. In light of the shares already held in treasury, the Company would be able to repurchase 3,017,705 shares, or 6.3% of the share capital, for a maximum amount of €603,541,000, based on the maximum unit purchase price of €200. 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 June 5, 2015, Shareholders' Meeting, i.e. until August 5, 2016.

7.8 Transactions on Company securities by corporate officers

Transactions on Wendel securities reported by executives in 2014

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
04/04/2014	BJPG Participations, legal entity related to Bernard Gautier, Executive Board member	Shares	Sale	04/02/2014	113.61	5,067,273.36	NYSE Euronext Paris	2014DD299010
04/04/2014	BJPG Participations, legal entity related to Bernard Gautier, Executive Board member	Shares	Sale	04/03/2014	112.8936	3,356,439.62	NYSE Euronext Paris	2014DD299013
04/08/2014	BJPG Participations, legal entity related to Bernard Gautier, Executive Board member	Shares	Sale	04/04/2014	112.8378	1,432,250.2	NYSE Euronext Paris	2014DD299736
06/16/2014	BJPG Participations, legal entity related to Bernard Gautier, Executive Board member	Shares	Sale	06/11/2014	110.599	5,529,951.6	NYSE Euronext Paris	2014DD313985
06/18/2014	Frédéric Lemoine	Shares	Sale	06/11/2014	110.2476	496,114.2	NYSE Euronext Paris	2014DD314313
06/18/2014	Frédéric Lemoine	Shares	Sale	04/12/2014	111.4588	501,564.6	NYSE Euronext Paris	2014DD314320
06/18/2014	Frédéric Lemoine	Shares	Sale	06/16/2014	110	26,070	NYSE Euronext Paris	2014DD314317
06/18/2014	Frédéric Lemoine	Shares	Sale	06/17/2014	108.8764	409,701.9	NYSE Euronext Paris	2014DD314318
07/11/2014	Frédéric Lemoine	Shares	Sale	07/09/2014	98.9435	1,484,152.5	NYSE Euronext Paris	2014DD318212
07/11/2014	Frédéric Lemoine	Other types of financial instruments	Exercise of stock options	07/09/2014	44.32	664,800	NYSE Euronext Paris	2014DD318211
07/18/2014	Frédéric Lemoine	Other types of financial instruments	Exercise of stock options	07/16/2014	44.32	554,000	NYSE Euronext Paris	2014DD319087
07/18/2014	Frédéric Lemoine	Shares	Sale	07/16/2014	99.6825	1,246,031.25	NYSE Euronext Paris	2014DD319088
09/11/2014	Frédéric Lemoine	Shares	Exercise of stock options	09/08/2014	54.93	2,995,992.06	NYSE Euronext Paris	2014DD326867
10/10/2014	Frédéric Lemoine	Shares	Sale	10/09/2014	84.3506	843,506.14	NYSE Euronext Paris	2014DD331238
10/10/2014	Frédéric Lemoine	Other types of financial instruments	Exercise of stock options	10/09/2014	44.32	443,200	NYSE Euronext Paris	2014DD331237
10/22/2014	Frédéric Lemoine	Shares	Subscription	07/16/2014	87.05	435,250	NYSE Euronext Paris	2014DD333622
10/22/2014	Bernard Gautier	Shares	Subscription	07/16/2014	87.05	52,230	NYSE Euronext Paris	2014DD333623
11/17/2014	Frédéric Lemoine	Shares	Sale	11/10/2014	90.0866	225,216.5	NYSE Euronext Paris	2014DD338182
11/17/2014	Frédéric Lemoine	Shares	Exercise of stock options	11/10/2014	44.32	110,800	NYSE Euronext Paris	2014DD338181
11/17/2014	Bernard Gautier	Shares	Sale	11/10/2014	90.13	55,700.34	NYSE Euronext Paris	2014DD338195
11/17/2014	Bernard Gautier	Shares	Exercise of stock options	11/12/2014	44.32	263,969.92	NYSE Euronext Paris	2014DD338196
11/17/2014	Bernard Gautier	Shares	Exercise of stock options	11/17/2014	44.32	2,838,430.08	NYSE Euronext Paris	2014DD338197

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 14, 2007, December 1, 2008, December 1, 2010, December 5, 2011, December 19, 2012 and December 3, 2013 relating to 36.49%, 38.06%, 36%, 36.74%, 39.12% and 38.58% 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 5, 2011, December 19, 2012, December 3, 2013 and December 1, 2014 relating to 36.71%, 36.91%, 37.48% and 39.06% 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, 2014, the Wendel Group was party to several agreements governing its relationships with the co-shareholders in its unlisted companies, including minority investors (Materis, Stahl, and IHS), majority shareholders (Saham Group), and subsidiary managers having taken advantage of programs enabling them to share in their company's performance (Materis, Stahl, Parcours, Mecatherm, and NOP).

These agreements (also described in note 34-6 to the consolidated financial statements) contain various clauses related to:

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

The Stahl and Saham Group shareholder agreements also contain the following terms:

- Stahl's minority financial investors (for example, second-lien and mezzanine lenders) have a put option to sell shares at a discount, in tranches of one-third of their stake, between 2015 and 2017;
- Clariant, minority shareholder in Stahl since the acquisition of Clariant Leather Services, benefits from a medium-term liquidity guarantee granted by Wendel to Clariant in an amount determined by a predefined margin multiple;
- in Saham, the majority shareholder of Saham has the option to buy back the whole of Wendel's investment in Saham (at a price guaranteeing a minimum IRR of 15% for Wendel).

Shareholder agreements with senior managers of the subsidiaries (Materis, Stahl, Parcours, Mecatherm, and NOP) also contain terms relating to:

- the handling of executive departures (commitment to sell shares to the Group in the event of an executive departure from a subsidiary and/or commitment to buy shares in certain specific cases);
- the right to liquidate their co-investment in successive tranches, in the absence of a sale or IPO beyond a certain period of time (2-14 years after the Group's investment, depending on the agreement).

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

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

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

7.9.3 Shareholder agreements entered into by the Wendel Group: listed companies

7.9.3.1 exceet group SE

In an agreement entered into in July 2011, Oranje-Nassau Participaties BV, a Wendel subsidiary, the individual founding shareholders of Helikos SE, VMCap 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 VMCap or Wendel should fall below 5% of the capital. It provides for the following:

- VMCap, Wendel and management shall have seats on exceet's Board of Directors and standing committees (with the representation of VMCap and Wendel being adjusted in proportion to their stake in the company);
- VMCap 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 restrictions, in particular lock-up commitments and rights of first refusal between Wendel and VMCap 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).

7.9.3.2 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;
- 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-up 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 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, the Group 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.

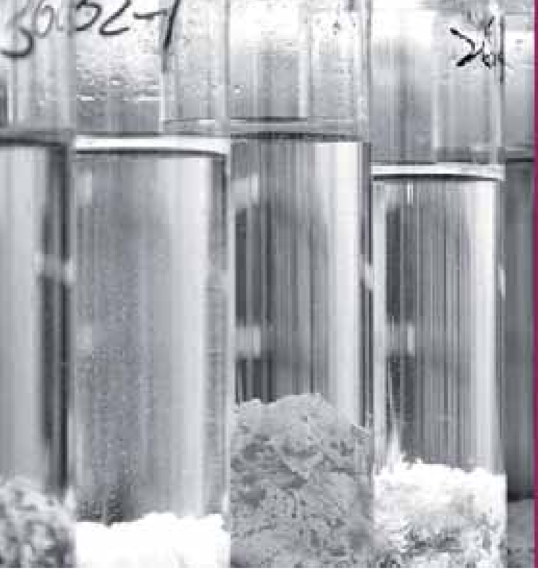
The items described above provide a favorable basis for the development of the long-term partnership between Saint-Gobain and its leading shareholder, Wendel. It is understood that in the unlikely event that Wendel should notice a disagreement with the majority of Saint-Gobain's Board of Directors on 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 have an impact in the event of a takeover bid are as follows:

- the 36.37% of the Company's shares and 47.82% of its theoretical voting rights held by Wendel-Participations and its related parties of as of December 31, 2014;
- agreements authorizing the Company and its international offices 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 of the Statutory Auditor's special report on regulated agreements and commitments with related third parties);
- the granting of double voting rights to fully paid-up shares that have been registered with the Company 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 (see "Managing Liquidity Risk" in note 5-2 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);
- authorizations granted to the Executive Board to increase share capital;
- prior authorization from the Supervisory Board required to amend the by-laws;
- 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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8.1 Statutory Auditors' report on related party agreements and commitments

To the Shareholders,

In our capacity as Statutory Auditors of your company, we hereby report 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 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

Agreements and commitments authorized during the year

In accordance with article L. 225-88 of the French Commercial Code, we have been advised of certain related party agreements and commitments which received prior authorization from your Supervisory Board.

A. With Mr Frederic Lemoine, Chairman of the Executive Board, and Mr Bernard Gautier, member of the Executive Board of your company

1. Additional co-investments by members of the Executive Board in IHS

Nature, purpose and conditions

Since April 2014, your company has made several investments in the IHS group, i.e., 47 million US dollars in April 2014, 110 million US dollars in October 2014 and 85 million US dollars in November 2014. In accordance with the co-investment rules applicable to Oranje Nassau Développement SA SICAR, a proposal was made to management and to certain executives to co-invest 0.5% of the amounts invested by Wendel.

In this context, Mr Fréderic Lemoine and Mr Bernard Gautier invested the following amounts respectively in the IHS compartment of Oranje Nassau Développement SA SICAR:

- 34,320 euros and 22,770 euros in April 2014; this agreement had been authorized by the Supervisory Board on 4 December 2013 and approved by the General Meeting of Shareholders on June 6, 2014;
- 86,790 euros and 57,750 euros in October 2014 after prior authorization by the Supervisory Board at its meetings on July 3 and August 27, 2014;
- 67,980 euros and 45,210 euros in November 2014 after prior authorization by the Supervisory Board at its meetings on July 3 and August 27, 2014.

In addition, at its meetings on July 3 nd August 27, 2014 the Supervisory Board also authorized Wendel to re-invest a maximum of 109 million US dollars in the IHS group in mid-2015. It authorized the members of the Executive Board to invest one third of the additional 0.5% co-investment in the IHS compartment of Oranje Nassau Développement SA SICAR, i.e., 20% for the Chairman of the Executive Board and 13.33% for the other member of the Executive Board.

2. Co-investment by members of the Executive Board in CSP Technologies

Nature, purpose and conditions

On January 29, 2015, your company invested 198 million US dollars in CSP Technologies. In accordance with the co-investment rules applicable to Global Performance 17 SA SICAR and Expansion 17 SA SICAR, a proposal was made to management and to certain executives to co-invest 0.5% of the amounts invested by Wendel.

In this context, after prior authorization by the Supervisory Board at its meeting on November 10, 2014, Mr Fréderic Lemoine and Mr Bernard Gautier invested 158,969 euros and 105,952 euros respectively in Global Performance 17 SA SICAR and in the CSP Technologies compartment of Expansion 17 SA SICAR on December 29, 2014.

3. Co-investment by members of the Executive Board in Constantia Flexibles

Nature, purpose and conditions

At its meeting on December 16, 2014, the Supervisory Board authorized your company to invest in Constantia Flexibles on the basis of a maximum enterprise value of 2.3 billion euros. In accordance with the co-investment rules applicable to Global Performance 17 SA SICAR and Expansion 17 SA SICAR, a proposal was made to management and to certain executives to co-invest 0.5% of the amounts invested by Wendel.

In this context, after prior authorization by the Supervisory Board at its meeting on December 16, 2014, on March 24, 2015 Mr Frédéric Lemoine and Mr Bernard Gautier invested 680,010 euros and 453,225 euros respectively in Global Performance 17 SA SICAR and in the Constantia Flexibles compartment of Expansion 17 SA SICAR, with the stipulation that these were maximum amounts that may be adjusted depending on the final amount of the investment made by the Wendel group in Constantia Flexibles plus acquisition costs.

4. Agreements to buy and agreements to sell relative to the co-investments made during the period 2013–2017 in the event of departure

Nature, purpose and conditions

In accordance with the principles governing co-investment for the period from 2013 to 2017, and after prior authorization by the Supvervisory Board on December 16, 2014, the members of the Executive Board entered into agreements to buy and agreements to sell with Trief Corporation, an indirect subsidiary of Wendel, relative to their co-investments made or to be made via Global Performance 17 SA SICAR and Expansion 17 SA SICAR, newly approved as venture capital investment funds (*société d'investissement en capital à risque – SICAR*) by the competent Luxembourg authorities.

These agreements are designed to settle the situation of the co-investments of the members of the Executive Board in the event of departure from the Wendel group before the occurrence of liquidity events affecting the companies in which they have co-invested via the aforementioned venture capital investment funds. They are similar to the agreements signed for the co-investments made via Winvest International SA SICAR (2006 to 2008) and Oranje Nassau Développement SA SICAR (2011 to 2012).

Agreements and commitments authorized after closing

In accordance with articles L. 225-90 and L. 823-12 of the French Commercial Code, we have been advised of certain related party agreements and commitments which received prior authorization from your Supervisory Board after closing.

A. With the member of the Supervisory Board representing your company's employees

Co-investments in CSP Technologies and Constantia Flexibles

Since his appointment to the Supervisory Board on December 3, 2014, the member representing your company's employees has co-invested alongside the Wendel group and the members of the Executive Board in the following two companies:

- CSP Technologies, on December 29, 2014, for 31,800 euros;
- Constantia Flexibles, on March 24, 2015, for a maximum of 136,000 euros, with the stipulation that this amount will be adjusted depending on the final amount of the investment made by the Wendel group plus acquisition costs.

It should be noted that, as a result of the date of the appointment of the employees' representative to the Board, the Supervisory Board authorized these co-investments after the event, at its meeting on March 25, 2015.

These co-investments were made via Global Performance 17 SA SICAR and the CSP Technologies and Constantia Flexibles compartments of Expansion 17 SA SICAR. They are governed by the co-investment rules applicable to the period 2013-2017, notably those relating to cases of departure from the Wendel group.

Thus, the member of the Board representing the employees entered into, with Trief Corporation, an indirect subsidiary of Wendel, an agreement to buy and an agreement to sell its co-investment shares in the venture capital investment funds Global Performance 17 and Expansion 17, exercisable in the event of termination of his term of office. These agreements are similar to those signed by the members of the Executive Board.

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, 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.

A. With Mr Fréderic Lemoine, Chairman of the Executive Board, and Mr Bernard Gautier, member of the Executive Board

1. Framework agreement on co-investments by Wendel's management team relating to acquisitions made by Wendel between 2006 and 2008 (and to later re-investments made by Wendel in these companies)

Nature, purpose and conditions

In 2006 and 2007 Wendel implemented a co-investment system designed to associate Wendel's management team with your Group's performance. As a result, the management team members invested personally alongside your Group in Winvest International S.A. SICAR, which held your Group's investments in the unlisted companies Materis, Stahl and Van Gansewinkel Groep (VGG) as at December 31, 2014.

The general principles applicable to these co-investments 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) 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, the members of the management team will lose the amounts they have invested; the threshold of a minimum annual return of 7% will be assessed based on the original value of the investments and the 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 original 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 upon the occurrence of a liquidity event affecting Materis, Stahl or VGG, a liquidity event being defined as complete divestment of the company concerned, a change in control, the sale or repayment of more than 50% of the financial instruments held by your Group in the company concerned, the stock market flotation of the company concerned, or the end of the ten-year period as from the initial investment (December 31, 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, their shares in Winvest International S.A. SICAR representative of the company concerned, for the token sum of one euro.

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 his 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 ("faute lourde") resulting in dismissal or removal from office or non-renewal of his term of office; for one 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 ("faute grave"); 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 ("faute grave" or "faute lourde"), 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 ("faute grave" or "faute lourde"), and at their original value or market value, whichever is higher, in the event of death.

2. <u>Framework agreement on co-investments by Wendel's management team relating to acquisitions made by Wendel in 2011 and 2012 (and to later re-investments made by Wendel in these companies)</u>

Nature, purpose and conditions

In 2011, Wendel integrated a *pari passu* principle into its co-investment system resulting in a change in the co-investment principles applicable to Wendel's management team for acquisitions made by Wendel in 2011 and 2012. The management team members invested personally alongside your Group in Oranje-Nassau Développement SA SICAR, which held your Group's investments in the unlisted companies Parcours, Mecatherm and IHS as at December 31, 2014.

The general principles applicable to these co-investments 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) below, to 7% of the capital gain (leveraged co-investment), on condition that Wendel has obtained a minimum yield of 7% per annum and a cumulative 40% on its investment; failing that, the co-investors will lose the 70% invested;

(vi) 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 flotation 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 initial investment by your Group and failing any total divestment or stock market flotation, the potential capital gain is also made 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 flotation 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.

3. <u>Framework agreement on the co-investment by Wendel's management team relating to acquisitions made by Wendel between April 2013 and April 2017 (and to the subsequent re-investments made by Wendel in these companies)</u>

Nature, purpose and conditions

In 2013, Wendel made changes concerning the investments made by the Wendel Group in new companies acquired between April 2013 and April 2017, by introducing a pooled share and raising the condition for the minimum return of the Wendel Group. The members of Wendel's management team thus invested personally alongside your Group in Expansion 17 SA SICAR and Global Performance 17 SA SICAR, which held your Group's investments in the unlisted companies Saham and NOP as at December 31, 2014.

The general principles applicable to these co-investments are as follows:

- 35% of the amount co-invested gives the right, if a liquidity event occurs, to 3.5% of the capital gain realized on each of the investments of the period, on the condition that Wendel's return is at least 10% (carried interest deal by deal);

- 35% of the amount co-invested gives the right to 3.5% of the capital gain realized on all of the co-investments of the period, on the condition that Wendel's return, calculated for all of these investments as a whole, is at least 7% (pooled carried interest); if Wendel has not fully divested each of the investments of the period or listed them on a stock exchange, the potential pooled capital gain will be allocated equally in 2024 and 2025 (the investments remaining in the portfolio being valued by an independent expert in every case);
- the remaining 30% is co-invested pari passu with Wendel, 15% on a deal-by-deal basis and 15% on a pooled basis;
- the co-investors that have made the commitment to participate in the 2013-2017 investment program are required to invest in all of the investments of the period with respect to the pooled portion (carried interest and pari passu); failing that, the co-investors concerned will lose all of their rights, except in cases of force majeure, where the co-investors will simply be diluted pro rata for the unsubscribed portion;
- co-investors who have met their commitment to co-invest in the pooled portion may invest the same amount on a deal-by-deal basis (carried interest and pari passu), without obligation.

The other co-investment rules have not changed:

- the amount co-invested cannot exceed 0.5% of Wendel's investment;
- liquidity events include complete divestment, change in control, sale of more than 50% of the financial instruments held by the Group or the stock market flotation of the company concerned;
- for investments on a deal-by-deal basis, one third of the amount invested is distributed to the co-investors, failing any total divestment or stock market flotation, eight, ten and twelve years after the initial investment;
- rights to carried interest will vest gradually over a period of four years, in five 20% tranches, including 20% at the investment date; this period begins following the first investment for Global Performance 17 SA SICAR. In the event of a departure during this period, the members of the management team undertake to sell on demand (and in some instances, are entitled to sell) their unvested rights at their original value (and in some instances, their fully vested rights) under predefined financial conditions.

The share of the co-investment of the Executive Board is equal to one third of the total co-investment, 20% being invested by the Chairman of the Executive Board and 13.33% by Mr Bernard Gautier.

B. With Mr Bernard Gautier, member of the Executive Board of your company

Variable compensation of a member of the Executive Board

Nature, purpose and conditions

Mr Bernard Gautier has held an employment contract since he joined Wendel in 2003. In 2005 he was appointed member of the Executive Board and his employment contract continued in force. His fixed and variable compensation is paid to him in respect of his employment contract.

At its meeting on March 25, 2015, upon the proposal of the Chairman of the Executive Board and on the advice of the Governance Committee, the Supervisory Board authorized your company to pay Mr Bernard Gautier variable compensation in respect of 2014, given the targets achieved, equal to 85% of his fixed compensation. As a result, Mr Bernard Gautier's variable compensation for 2014 amounted to 680,000 euros.

C. With Wendel-Participations, shareholder of your company

1. Service agreement for administrative assistance

Nature, purpose and conditions

On September 2, 2003, your company entered into a service agreement for administrative assistance with Wendel-Participations: your company invoiced 13,000 euros excluding taxes in respect of 2014.

2. Agreement to rent premises

Nature, purpose and conditions

On September 2, 2003, your company entered into a commitment with Wendel Participations to rent premises: your company invoiced 43,733.28 euros excluding taxes in respect of 2014.

3. Agreements on the use of the "Wendel" name

Nature, purpose and conditions

By two agreements dated May 15, 2002, SLPS and Wendel-Participations authorized your company to use the Wendel family name as its corporate and commercial name, and granted your company an exclusive license 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 companies in the capital of your 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.

One of these agreements was modified by amendment dated 25 October 2013, in order to define the rules for the use of the Wendel brand abroad within the context of the international expansion of your company's activities, in North America, Germany, Africa, South-East Asia, China and Japan, thus enabling your company to use the Wendel brand in these geographical areas.

April 10, 2015

The Statutory Auditors

French original signed by:

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean Bouquot

8.2 Statutory Auditors' report on the issue of shares and various securities with or without cancellation of preferential subscription rights

(Extraordinary shareholders' meeting of June 5, 2015 - Thirteenth, fourteenth, fifteenth, seventeenth, eighteenth and twentieth resolutions)

To the Shareholders,

In our capacity as Statutory Auditors of 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 on the proposed delegation of authority to your Executive Board to proceed with various issues of shares and securities, operations upon which you are called to vote.

On the basis of its report, your Executive Board proposes that:

- you delegate authority to it, with the possibility to sub-delegate such authority, in the conditions laid down by law, subject to prior authorization by the Supervisory Board in accordance with article 15-V b) of the Memorandum and Articles of Association, for a period of fourteen months, to decide whether to proceed with the following operations and to fix the final terms and conditions thereof, and proposes to cancel your preferential subscription rights if appropriate:
  - the issue, without cancellation of preferential subscription rights, of shares of the company or securities of any nature giving access to a portion of the share capital to be issued by the company or one of the companies referred to in article L.228-93 of the French Commercial Code (thirteenth resolution),
  - the issue, with cancellation of preferential subscription rights, by means of an offer to the public of shares of the company or securities of any nature giving access to a portion of the share capital to be issued by the company or one of the companies referred to in with article L.228-93 of the French Commercial Code (fourteenth resolution),
  - the issue, with cancellation of preferential subscription rights, of shares or securities giving access to the capital of the company, as a result of the issue by companies referred to in article L.228-93 of the French Commercial Code, of securities giving access to the capital of the company (fourteenth resolution),
  - the issue, with cancellation of preferential subscription rights, by means of offers referred to in section II of article L. 411-2 of the French Monetary and Financial Code (Code monétaire et financier) and, within the limit of 20% of the share capital per year, of shares of the company or securities of any nature giving access to a portion of the share capital to be issued by the company or one of the companies referred to in article L. 228-93 of the French Commercial Code and the issue of shares or securities giving access to the capital of the company (fifteenth resolution),
  - the issue of shares or securities giving access to the capital of the company (eighteenth resolution):
    - with a view to the remuneration of contributions in kind granted to the company, composed of shares or securities giving access to the capital when the provisions of article L. 225-148 of the French Commercial Code are not applicable, within the limit of 10% of the capital;
    - as remuneration for securities contributed in respect of a public offer of exchange launched by your company in the conditions laid down by article L. 225-148 of the French Commercial Code.
- you authorize it, by the sixteenth resolution and within the scope of the implementation of the delegation of authority referred to in the fourteenth and fifteenth resolutions, to fix the issue price within the legal annual limit of 10% of the share capital.

The nominal amount of the capital increases that may be carried out immediately or in the future may not exceed €95,000,000 in respect of the thirteenth resolution, €100,000,000 in respect of the eighteenth resolution (public offer of exchange) and €40,000,000 in respect of the fourteenth and fifteenth resolutions, it being specified that these amounts will be deducted from the overall limit of €325,000,000 applicable to the thirteenth, fourteenth, seventeenth, eighteenth and nineteenth resolutions (as stipulated in the twentieth resolution).

These limits take into account the additional number of securities to be created within the context of the implementation of the delegations of authority referred to in the thirteenth, fourteenth, fifteenth and sixteenth resolutions, in the conditions provided for in article L. 225-135-1 of the French Commercial Code, if you adopt the seventeenth resolution.

The Executive Board may not, without the prior authorization of the General Meeting of Shareholders, use these delegations of authority as from the moment that a third party has filed a proposed public offer relating to the shares of the company and until the end of the offer period.

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. 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 these operations provided in the report.

We performed the procedures we deemed 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 equity securities to be issued.

Subject to a subsequent examination of the conditions for the proposed issue, we have no matters to report as to the methods used to determine the issue price of the equity securities to be issued provided in the Executive Board's report in respect of the fourteenth, fifteenth and sixteenth resolutions.

Moreover, as the methods used to determine the issue price of the equity securities to be issued within the context of the implementation of the thirteenth 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 for the issue have not yet been determined, we cannot report on these conditions and, consequently, on the cancellation of preferential subscription rights proposed in the fourteenth, fifteenth and sixteenth resolutions.

In accordance with article R. 225-116 of the French Commercial Code, we will issue a supplementary report, if appropriate, when your Executive Board has exercised these delegations of authority in the event of the issue of securities that are equity securities giving access to other equity securities or giving entitlement to the allotment of debt securities, in the event of the issue of securities giving access to equity securities to be issued and in the event of the issue of shares with cancellation of preferential subscription rights.

Neuilly-sur-Seine and Paris-La Défense, April 10, 2015

The Statutory Auditors

French original signed by:

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean Bouquot

8.3 Statutory Auditors' report on the reduction in capital

(Extraordinary shareholders' meeting of June 5, 2015 - Twelfth 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 a reduction in capital by the cancellation of previously purchased shares, we hereby report on our assessment of the terms and conditions of the proposed reduction in capital.

Your Executive Board proposes that you delegate authority to it, in the conditions laid down by law, subject to prior authorization by the Supervisory Board in accordance with article 15-V b) of the Memorandum and Articles of Association, for a period of twenty-six months as from the date of this shareholders' meeting, to proceed, on one or more occasions and at its sole discretion, with the cancellation of all or part of the shares purchased in respect of the implementation of an authorization for your Company to purchase its own shares in accordance with the provisions of the aforementioned article, within the limit of 10% of its capital per twenty-four-month period.

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, April 10, 2015

The Statutory Auditors

French original signed by:

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean Bouquot

8.4 Statutory Auditors' report on the authorization to award stock subscription and/or purchase options to corporate officers and employees

(Extraordinary shareholders' meeting of June 5, 2015 - Twenty-second resolution)

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in compliance with articles L. 225-177 and R. 225-144 of the French Commercial Code (*Code de commerce*), we hereby report on the authorization to award stock subscription and/or purchase options to those who will be designated from among the corporate officers referred to in article L. 225-185 of the French Commercial Code and employees of the Company and of the companies or groups of companies that are related to it within the meaning of article L. 225-180 of said Code, an operation upon which you are called to vote.

On the basis of its report, your Executive Board proposes that it be authorized, for a period of fourteen months, to award stock subscription and/or purchase options.

It is the responsibility of the Executive Board to prepare a report on the reasons for awarding stock subscription and/or purchase options and on the proposed methods for the determination of the subscription and/or purchase price. Our role is to express an opinion on the proposed methods for the determination of the subscription and/or purchase price of the shares.

We performed the procedures we deemed 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 that the proposed methods for the determination of the share subscription and/or purchase price are included in the Executive Board's report and are in accordance with French laws and regulations.

We have no matters to report as to the proposed methods for the determination of the share subscription and/or purchase price.

Neuilly-sur-Seine and Paris-La Défense, April 10, 2015

The Statutory Auditors

French original signed by:

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean Bouquot

8.5 Statutory Auditors' report on the authorization to award free existing shares or shares to be issued to corporate officers and employees

(Extraordinary shareholders' meeting of June 5, 2015 - Twenty-third 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 on the proposed authorization to award free existing shares or shares to be issued to the employees and corporate officers of your Company as defined in section II of article L. 225-197-1 of the French Commercial Code, or to the employees and corporate officers of the companies or groups of companies that are related to it within the meaning of article L. 225-197-2 of the French Commercial Code, an operation upon which you are called to vote.

On the basis of its report, your Executive Board proposes that it be authorized, for a period of fourteenth months, to award free existing shares or shares to be issued.

It is the responsibility of the Executive Board to prepare a report on the proposed operation. Our role is to report on any matters relating to the information provided to you regarding the proposed operation.

We performed the procedures we deemed 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 mainly in verifying that the proposed methods described in the Executive Board's report comply with the legal provisions governing such operations.

We have no matters to report as to the information provided in the Executive Board's report relating to the proposed authorization to award free existing shares or shares to be issued.

Neuilly-sur-Seine and Paris-La Défense, April 10, 2015

The Statutory Auditors

French original signed by:

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean Bouquot

8.6 Statutory Auditors' report on the issue of shares or securities giving access to the capital with cancellation of preferential subscription rights reserved for employees that are members of one or more company savings schemes set up within the group

(Extraordinary shareholders' meeting of June 5, 2015 - Twenty-first resolution)

To the Shareholders,

In our capacity as Statutory Auditors of 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 on the proposed delegation of authority to the Executive Board to decide whether to proceed with the issue of shares or securities giving access to the Company's capital, for a maximum nominal amount of €200,000, with cancellation of preferential subscription rights, reserved for employees that are members of one or more company savings schemes set up within the group, an operation upon which you are called to vote.

This operation is submitted for your approval in accordance with article L. 225-129-6 of the French Commercial Code and article L. 3332-18 *et seq*. of the French Labour Code (*Code du travail*).

On the basis of its report, your Executive Board proposes that you delegate authority to it, with the possibility to sub-delegate such authority, in the conditions laid down by law, subject to prior authorization by the Supervisory Board in accordance with article 15-V b) of the Memorandum and Articles of Association, for a period of fourteen months, to decide whether to proceed with the issue, on one or more occasions, and to cancel your preferential subscription rights relating to the equity securities to be issued. If necessary, it will fix the final terms and conditions of issue under this operation.

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. 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 issue provided in the report.

We performed the procedures we deemed 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 this operation and the methods used to determine the issue price of the equity securities to be issued.

Subject to a subsequent examination of the conditions for the proposed issue, we have no matters to report as to the methods used to determine the issue price of the equity securities to be issued provided in the Executive Board's report.

As the final conditions for the issue have not yet been determined, we cannot report on these conditions, and, consequently, on the proposed cancellation of preferential subscription rights.

In accordance with article R. 225-116 of the French Commercial Code, we will issue a supplementary report when your Executive Board has exercised this delegation of authority, in the event of the issue of securities that are equity securities giving access to other equity securities, in the event of the issue of securities giving access to equity securities to be issued and in the event of the issue of shares with cancellation of preferential subscription rights.

Neuilly-sur-Seine and Paris-La Défense, April 10, 2015

The Statutory Auditors

French original signed by:

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	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 2014

Using the power delegated to it by the shareholders at their Combined Shareholders' Meeting on June 6, 2014 by virtue of the twenty-second resolution, and after obtaining the approval of the Supervisory Board on that same date, the Executive Board decided on June 30, 2014 to carry out a capital increase reserved for members of the Wendel Group savings plan, in favor of whom the shareholders canceled their preferential subscription rights.

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 30, 2014, the Executive Board decided to set the maximum par value of the reserved capital increase at €200,000, or 50,000 shares with a par value of €4 per share.

Subscription price

On June 30, 2014, 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 30, 2014, was €108.81;
- the subscription price, set at 80% of the reference price, was €87.05.

Each new share having a par value of €4 is therefore issued with a share premium of €83.05.

The total amount of the capital increase, including the share premium, is €4,352,500.

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 6, 2014, 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 has 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 2014, the matching contribution will be 200% of the subscriber's voluntary contribution, up to a limit of 93 Wendel shares. The amount of 93 shares represents the largest whole number of shares that may be subscribed without the employers' contribution exceeding the legal limit of €5,406.91 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. Reductions will be made as follows:

- no reduction to share requests 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 4 to July 16, 2014, inclusive.

The subscription period may end at any time before July 16, 2014 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

In the event that the increase in share capital reserved for participants in Wendel's Group Savings Plan is totally subscribed, 50,000 new shares 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 annual financial statements dated December 31, 2013.

Impact on the share of owned capital as of December 31, 2013

After taking into account the 50,000 shares subscribed to in connection with the capital increase covered in this report, book value per share would remain unchanged, based on a total of 48,681,341 shares issued representing the Company's share capital, and would remain unchanged based on a total of 49,054,705 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 30, 2014

After taking into account the 50,000 shares subscribed to in connection with the capital increase covered in this report, the share's market price would decline by €0.11 per share based on a total of 48,681,341 shares issued, representing the Company's share capital, and by €0.11 per share based on a total of 49,054,705 shares issued or that could potentially be issued.

June 30, 2014

Frédéric Lemoine	Bernard Gautier
Chairman of the Executive Board	Member of the Executive Board

8.8 Statutory Auditors' supplementary report on the increase in capital with cancellation of preferential subscription rights reserved for members of a company savings scheme

Executive Board meeting of June 30, 2014

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 April 7, 2014, we hereby report on the increase in capital with cancellation of preferential subscription rights, reserved for members of a company savings scheme, authorized your Extraordinary Shareholders' Meeting on June 6, 2014.

This increase in capital was submitted for your approval in accordance with the provisions of article L. 225-129-6 of the French Commercial Code (*Code de commerce*) and articles L. 3332-18 *et seq*. of the French Labor Code (*Code du travail*).

The Shareholders' Meeting had delegated authority to your Executive Board to decide whether to proceed with such an operation, for a period of fourteen months and a maximum amount of €250,000. Exercising this delegation of authority, your Executive Board decided, at its meeting on June 30, 2014, to proceed with an increase in capital limited to the nominal amount of €200,000, by issuing 50,000 ordinary shares with a nominal value of €4 each and a share premium of €83.05.

It is the responsibility of the Executive Board to prepare a 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 performed the procedures we deemed 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 Shareholders' 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 the Extraordinary Shareholders' Meeting of June 6, 2014 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 cancellation of the preferential subscription rights, upon which you have voted.

Neuilly-sur-Seine and Paris-La Défense, July 10, 2014

The Statutory Auditors

French original signed by:

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean Bouquot

8.9 Observations from the Supervisory Board for the Shareholders

To the Shareholders,

In 2014, the Supervisory Board met 12 times. It 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 Audit Committee and the Governance Committee, which each met eight times.

Despite adverse economic conditions, the Group's performance in 2014 was good, with a steady stream of activity as follows:

- in March, April, and November, follow-on investments in IHS, bringing Wendel's total investment to $670 million, with the commitment to invest an additional $109 million in mid-2015;
- in March, June and October, respectively, the disposals of three Materis entities: Kerneos, ParexGroup, and Chryso;
- in April, Stahl's acquisition of Clariant Leather Services;
- in May, sale of a 4.3% stake in Saint-Gobain;
- in December, start of exclusive negotiations to acquire CSP Technologies in the United States for an enterprise value of $360 million;
- also in December, the firm offer to acquire Constantia Flexibles, an Austrian company and a world leader in flexible packaging, for an enterprise value of $2.3 billion.

Wendel also regained its investment grade rating last July, when Standard and Poor's upgraded its rating.

The Company has fully regained the means to pursue the strategy announced at your Annual General Meeting on May 28, 2013.

The Supervisory Board would like to congratulate the Executive Board as well as the Wendel teams under their direction.

On March 25, 2015, the Supervisory Board examined and finalized Wendel's parent-company and consolidated financial statements as prepared by the Executive Board. It has no matters to bring to your attention and recommend their approval.

The consolidated financial statements for the year ended December 31, 2014 show consolidated net sales of €5,914.2 million, and net income, Group share, of €19.6 million.

Over the 15-month period from December 31, 2013 to March 16, 2015, net asset value (NAV) rose by 9% to €147.40 per share.

These results reflect the effective strategy implemented by the Executive Board. The Supervisory Board has approved the Executive Board's proposal to set the 2014 dividend at €2 per share, reflecting a steady increase over time.

In terms of governance, you are asked to approve the renewal of Humbert de Wendel's term. The Board would like to thank Mr. de Wendel for his invaluable contribution.

Didier Cherpitel and Gérard Buffière did not wish to seek renewal of their terms. We offer them our most sincere thanks for the very active years they dedicated to the Group, and especially for the remarkable work accomplished under Didier Cherpitel as Chairman of the Governance Committee.

You are also requested to appoint two new independent members to the Board, whose international experience would enrich the expertise of the Board: Jacqueline Tammenoms-Bakker, a Dutchwoman whose career began in large international companies and the public sector in the Netherlands; and Gervais Pellissier, whose career path through two large French companies took him to many regions around the world to develop their businesses. Subject to your approval, the Board would be very happy to welcome them to the Board.

The Board also approves the Executive Board's request to legally convert the Company into a European Company (SE, or *societas europaea*), which has been part of our economic plan for a very long time. Already adopted by major corporations, the status of "European Company" will enable us to benefit from a homogeneous and recognized regulatory base within the European Union. International investors appreciate the clarity of this status and its consistency with Wendel's economic realities.

Finally, the Board recommends your approval of all the resolutions submitted to you by the Executive Board at the Annual Meeting.

8.10 Report of the Executive Board on the resolutions submitted to shareholders at their Annual Meeting on June 5, 2015

8.10.1 Overview of resolutions

Ordinary General Meeting

2014 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, 2014.

The parent company financial statements show net income of €118,020,196.52; the consolidated financial statements report net income, Group share, of €19,591 thousand. Shareholders' equity totaled €4,250 million, reflecting Wendel's sound financial condition.

The **third resolution** proposes to allocate net income for the year ended December 31, 2014 and distribute a dividend of €2 per share, an increase from the dividends paid for the past three years:

	2011 (1)	2012	2013
dividend	€1.30	€1.75	€1.85

(1) Excluding the special distribution of one Legrand share for every 50 Wendel shares.

The ex-dividend date would be set for June 10, 2015, and paid on June 12, 2015.

Under current regulations, in accordance with Article 243 *bis* of the French Tax Code, the entire dividend paid to individuals resident in France for tax purposes is subject to a progressive income tax rate, after applying the 40% exclusion allowed under Article 158-3 2° of the French Tax Code.

A mandatory non-definitive withholding tax of 21% is in principle applicable to the gross dividend amount, in addition to a 15.5% social security withholding tax, and is applied to the income tax owed for the year in which the dividend is paid.

The **fourth resolution** proposes to approve the Statutory Auditors' special report on the related party agreements entered into in 2014 and early 2015. This report details the additional co-investments by Executive Board members in IHS, the co-investments by Executive Board members and by the Supervisory Board member representing employees in CSP Technologies and Constantia Flexibles, and their commitments with respect to 2013-17 co-investments in the event of their departure.

Supervisory Board: renewal of the term of one member and appointment of two new independent members

The **fifth resolution** proposes to renew the appointment of Humbert de Wendel for four years.

The **sixth** and **seventh resolutions** propose the appointment of two new independent Supervisory Board members, Jacqueline Tammenoms-Bakker and Gervais Pelissier, for terms of four years.

Ms. Tammenoms-Bakker and Mr. Pellissier bring to the Board their international experience with large corporations, as well as Ms. Tammenoms-Bakker's experience with the Dutch government.

Information about these candidates is provided in section 2.1.2.2 of the Company's 2014 registration document.

If these renewals and appointment are approved, the Supervisory Board will have 12 members, including five independent members, five women and the member of the Board representing employees.

Non-binding vote on compensation for executive corporate officers

In accordance with recommendation 24.3 of the Afep-Medef Code as amended in June 2013, which the Company has adopted pursuant to Article L. 225-37 of the French Commercial Code, the **ninth** and **tenth resolutions** ask shareholders to cast a non-binding vote on the compensation owed or granted to Executive Board Chairman Frédéric

Lemoine and Executive Board member Bernard Gautier for the 2014 fiscal year.

Their compensation is detailed below in the second part of this report.

Share buyback program

The **eleventh resolution** would renew the authorization granted to the Company to buy back its own shares as provided for by law. The maximum repurchase price has been set at €200 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. In practice, your Company may use this program to buy back and cancel shares (see below, resolutions presented at the extraordinary meeting), carry out acquisitions, stimulate the market for the Company's shares or cover stock purchase options or performance shares. In 2014, Wendel purchased directly 1,294,974 treasury shares.

In all cases, the Company may not acquire more than 10% of its capital, or (on an indicative basis) based on the share capital as of Decempber 31, 2014 and taking into account the shares held in treasury as of that date, 3,017,705 shares. This authorization may not be used during a takeover bid.

Extraordinary General Meeting

Capital reduction

The **twelfth resolution** renews, for a period of 26 months, the Executive Board's authorization granted by shareholders at their May 28, 2013 meeting, with the prior approval of the Supervisory Board, to cancel, in a 24-month period, up to 10% of the shares acquired by the Company under the buyback program authorized by the eleventh resolution. During those 24 months, the Executive Board used this authorization and reduced capital by 991,860 shares in August 2013 and by 975,296 shares in September 2014.

Renewal of financial authorizations

The **thirteenth through twentieth resolutions** propose to renew, for a period of 14 months, existing financial authorizations that are due to expire. The maximum par value of the corresponding capital increases is set at €325 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.

These authorizations may not be used during a public offering period.

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 2014.

The **thirteenth resolution** would authorize the Executive Board to increase the share capital, with preferential subscription rights maintained, by up to a maximum par value of €95 million.

The **fourteenth resolution** would authorize the Executive Board to increase capital while canceling preferential subscription rights, but with the possibility of granting the shareholders 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.

The **fifteenth resolution** would authorize the Executive Board to issue securities, with cancellation of preferential subscription rights, for private placements up to a maximum of 20% of the capital per year and using the price setting method set forth by law; The **sixteenth resolution** would authorize the Executive Board to increase capital, with cancellation of preferential subscription rights and up to a maximum of 10% of the capital per year, through a private placement or public offering, 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. The par value of any such share issues would be included in the €40 million maximum amount set in the fourteenth resolution.

The **seventeenth resolution** would authorize the Executive Board to increase the size of the above issues by up to 15% of the initial issue, with maintenance or cancellation of preferential subscription rights, in the event of excess demand. Any such increases must not exceed the maximum limit set for the Board.

The **eighteenth resolution** would 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 to fund those acquisitions with shares rather than cash.

The **nineteenth 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 **twentieth resolution** would set the maximum aggregate par value of capital increases resulting from the thirteenth to nineteenth resolutions at €325 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-first resolution** would 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 €200,000, 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 6, 2014 meeting. Employee share ownership through the Group savings plan was 0.8% of the capital as of December 31, 2014.

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 are 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-second 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 1% 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-third** resolution would authorize the Executive Board, for a period of 14 months, to grant performance shares to employees and corporate officers, up to a maximum of 0.3333% of the capital. Any such performance shares would be included in the aggregate maximum amount of 1% set in the twenty-second resolution. The conditions for granting performance shares would be those set by the law in effect at the time the Executive Board uses the authorization granted by shareholders.

In accordance with recommendation 23.2.4 of the Afep-Medef Code as amended in June 2013, the **twenty-second** and **twenty-third** resolutions propose to set the maximum percentage of stock options and performance shares that can be granted to Executive Board members at 36% of the total of stock options and performance shares granted, within a limit of 1% of the capital.

Conversion to a European Company

Wendel's expansion in Europe and internationally has led the Executive Board, with the approval of the Supervisory Board, to the decision to convert the Company's legal form.

Wendel has had a longstanding presence in Europe. It opened offices in the Netherlands in 1908, Switzerland in 1920, Luxembourg in 1931 and Germany in 2007. Wendel also opened an office in Japan in 2007, and has more recently focused on its international expansion by opening offices in Singapore, the United States and Morocco, the latter of which will cover the whole of Africa.

In March 2013, Wendel announced an ambitious investment program in Europe, North America and emerging markets. We have now acquired shares in two African companies: IHS and Saham Group. In December 2014, Wendel announced its largest acquisition since 2007 in Germany/Austria, and an acquisition in the United States.

Wendel intends to develop its investment business both in Europe and worldwide, either through the French companies in its portfolio, which have a strong international presence, or directly by acquiring companies abroad.

This European corporate form, already adopted by several large companies, offers the advantage of having a homogeneous legislative framework recognized throughout the European Union and by international investors outside the European Union, in line with Wendel's economic reality.

This corporate form will also increase Wendel's appeal in the eyes of all its stakeholders as it will benefit from the world's image of Europe as an economic power, a reservoir of talents and a source of technological excellence.

1. Legal regime governing the conversion

The conversion to a European Company is governed by (i) the provisions of the SE Regulation (and in particular Articles 2, paragraph 4, and 37, (ii) Articles L. 225-245-1 and R. 229.20 to R. 229-22 of the French Code of Commerce, and (iii) the provisions of Council Directive 2001/86/EC (the "SE Directive") supplementing European Company status with regard to the involvement of employees, as well as the transposition of the SE Directive into French law as provided for in Articles L. 2351-1 *et seq.* of the French Labor Code.

2. Conditions for the conversion

In accordance with the provisions of the SE regulation, a public limited-liability company incorporated under the laws of a Member State and with a registered office and central administration in the European Union, may set up as an SE provided that:

- it has a minimum subscribed capital of €120,000;

- it has had, for at least two years, a subsidiary governed by the law of another EU country.

Wendel fulfills these conditions because it is a *société anonyme* (public limited-liability company) incorporated under French law with its registered office and central administration in France, and (i) has share capital of €191,158,140 and (ii) has directly owned Oranje-Nassau Groep, a subsidiary located in the Netherlands, for more than two years.

3. Legal consequences of the conversion

i. Company name subsequent to the conversion

Once the conversion is definitive, the Company will retain its corporate name "Wendel", followed by the words *societas europaea* or "SE" on any documents it issues.

ii. Company registered office and central administration

Wendel SE's registered office and central administration will be located at 89, rue Taitbout, 75009 Paris, France.

iii. Legal entity and shares of Wendel SE

In accordance with Article 37, paragraph 2 of the SE Regulation, the conversion shall not result in the winding up of Wendel, nor in the creation of a new legal entity. Once the conversion is definitive and the Company is registered as an SE with the Paris Companies Register, the Company will continue its normal business activity as a European Company.

The conversion will have no effect on the number of shares issued by Wendel, nor on their par value. The Company's shares will continue to be traded on the Euronext Paris market.

iv. Structure of an SE

The SE Regulation provides a limited number of rules on the organizational structure of an SE, referring to national legislation on the matter. Wendel SE's operations will therefore be primarily governed by the French Commercial Code applicable to the administration and management of a French *société anonyme* (public limited-liability company), with the exception of certain rules which are set forth in the SE Regulation.

Under the terms of the proposed amendments to the by-laws provided in the appendix of this document, the rules set forth in the SE regulation will be applicable to Wendel SE, unless the by-laws refer to a French law or their own stipulations.

To this end, and in accordance with the provisions of the SE regulation, the Company will retain the bodies that currently govern it under its *société anonyme* legal form. They are as follows:

- Annual General Meetings of Shareholders

  The rules for calculating the majority of Shareholders at an Annual General Meeting will be amended in accordance with the provisions applying to European companies. Whereas under the rules governing a *société anonyme*, abstentions and blank votes are tantamount to votes against a resolution presented at either an Ordinary or Extraordinary General Meeting, at the Shareholders' Meetings of a European Company, the majority of votes needed for the adoption of resolutions is calculated based on the number of votes cast, which do not include abstentions, blank votes or shares that were not voted at all.

- Same corporate governance

  In accordance with the provisions of Articles 38 b) and 39-42 of the SE Regulation, Wendel SE will retain its two-tier system of an Executive Board and Supervisory Board. The powers of the Executive Board and Supervisory Board will remain unchanged. The definitive conversion to a European Company will have no effect on the composition of the Executive Board or its Supervisory Board, and its members will continue to carry out their functions under the same conditions for the remainder of their terms. Shareholders at the Annual Meeting will note and approve the continuation of current mandates under the European Company structure.

  The Board's two committees—the Audit Committee and Governance Committee—will remain in place.

  According to the provisions applicable to European companies, the number of members present and represented is taken into account when calculating the quorum for Executive Board and Supervisory Board meetings.

  Article 17 of the by-laws will be amended so that in the event a vacancy occurs on the Executive Board, the Supervisory Board may designate one of its members to carry out the functions of an Executive Board member for a period not exceeding six months. During this period, the substitute shall temporarily suspend his/her functions as a member of the Supervisory Board.

v. Regulated agreements

Pursuant to Article L. 229-7 of the French Commercial Code, the by-laws of Wendel SE will provide for the application of the procedure relating to regulated agreements by referring to the provisions applicable to *sociétés anonymes* operating under French law.

vi. Wendel SE's Statutory Auditors

The definitive conversion of the Company to a European Company will have no effect on the mandate of the Company's Statutory Auditors. They will continue to perform their duties under the same terms until their mandate expires.

Shareholders at the Annual Meeting will note the continuation of current mandates under the European Company structure.

vii. By-laws

Wendel's by-laws will not be amended, except for the articles regarding the Company's corporate form and name, the composition of its Executive Board, the regulated agreements and the two details specifying how the quorum is calculated for Executive Board and Supervisory Board meetings, and how the majority is calculated at Shareholders' meetings.

The provisions of these by-laws are in accordance with the provisions of the SE Regulation and the provisions under applicable French law.

4. Consequences for shareholders

The conversion will not affect the rights of the Company's shareholders.

The financial commitment of individual shareholders will remain limited to the amount they subscribed to prior to the Company’s conversion. The conversion will not affect the voting interests of individual shareholders in the Company. In particular, the provisions in the by-laws regulating double voting rights will remain unchanged.

The conversion itself will have no impact on the value of Wendel shares. The number of shares issued by the Company will not change as a result of this conversion.

The conversion into a European Company will strengthen shareholders’ rights. Article 55, paragraph 1 of the SE Regulation allows for one or several shareholders who together hold at least 10% of the Company’s subscribed capital to request that a General Meeting be convened and an agenda drawn up. There is no equivalent provision applicable to French *sociétés anonymes*.

The conversion to a European Company must be approved by shareholders at their Extraordinary General Meeting.

In accordance with the requirements of Article L. 225-244 of the French Commercial Code, the conversion has been submitted to bondholders for approval.

5. Consequences for employees

The conversion has no effect on employees of the European Company, and their work contracts and benefit packages remain unchanged. The rules of employee involvement at the Company will not change.

In compliance with the SE Directive’s interpretation of a subsidiary, given the nature of Wendel’s business as a financial holding company that holds and manages investments in other companies within the meaning of the EC directive no. 78/660 of July 25, 1978, there is no requirement to constitute a special negotiation body (SNB) composed of employees of Wendel and its subsidiaries located in the European Economic Area.

The **twenty-fourth resolution** proposes to authorize the Executive Board and Supervisory Board to convert the Company to a *societas europaea*; the **twenth-fifth resolution** proposes the approval of the Company’s by-laws under its new form as a *societas europaea*; the **eighth resolution** (the competence of the Ordinary General Shareholders Meeting), proposes to confirm the continuation of the appointments of Supervisory Board members on the same terms and conditions, and for the same remaining term; the **twenty-sixth resolution** proposes to transfer to the Executive Board of the Company under its new European form all authorizations and delegations of power and duties in force.

Other changes to the by-laws

The **twenty-seventh resolution** proposes the adoption of other changes to the by-laws, and in particular the increase in the age limit for Executive Board members from 65 to 70 years (Article 18). Since a member reaching the age limit is deemed to have immediately resigned from his position, it seems to be better governance to extend the age limit so that the Executive Board member, who reaches 65 years during his term, can continue until the end of his term.

The purpose of the other changes is to simplify the by-laws or adapt them to legal and regulatory developments, especially with regard to the methods of registering shares in the Company’s accounts for participation in the General Meeting (Article 25) and the deadline for the Company’s statutory ownership threshold disclosures (Article 28).

Powers

Finally, the **twenty-eighth resolution** would grant the necessary powers to accomplish legal formalities.

8.10.2 Non-binding shareholder vote on compensation owed or granted to Executive Board members for 2014

In accordance with recommendation 24.3 of the Afep-Medef Code as amended in June 2013, which the Company has adopted as set forth in Article L. 225-37 of the French Commercial Code, the following aspects of the compensation owed or granted to Executive Board members for the fiscal year under review must be submitted to a vote of shareholders:

- fixed compensation;
- variable compensation for the year, including any multi-year variable portion, together with the objectives contributing to the determination of that variable compensation;
- exceptional compensation;
- stock options, performance shares, and any other form of long-term compensation;
- hiring bonuses and termination benefits;
- supplementary pension plans;
- any other benefits.

At the June 5, 2015 Annual Meeting, shareholders will be asked to cast a non-binding vote on the following compensation owed or granted to Executive Board members for the 2014 fiscal year.

2014 compensation owed or granted to Executive Board Chairman Frédéric Lemoine, to be submitted to a non-binding shareholder vote

Form of compensation	Amounts	Comments
Gross fixed compensation Director's fees	€1,200,000 €214,325 of this amount	The Supervisory Board approved this compensation, which includes Director's fees, on February 11, 2015.
Gross variable compensation for the year	€1,020,000	If all the quantitative (70%) and qualitative (30%) objectives are achieved, the variable compensation will total 100% of fixed compensation. The quantitative objectives are operating income of Wendel companies, use of cash, debt levels, and the increase in NAV. On March 25, 2015, upon the recommendation of the Governance Committee, the Supervisory Board set Mr. Lemoine's variable compensation at 85% of his fixed compensation, or €1,020,000.
Stock options and performance shares	52,632 stock options valued at €826,322 and 17,544 performance shares valued at €840,358	Under the authorization granted by shareholders at the June 6, 2014 Annual Meeting and upon the recommendation of the Governance Committee, the Supervisory Board decided on July 3, 2014 to grant stock options and performance shares to Executive Board members. Subject to and without prejudice to the presence condition, vesting of the stock options and performance shares is subject to the following performance condition: Half of the performance shares or stock options vest if NAV increases by at least 5% over the 2014-15 period; all options and performance shares vest if NAV increases by at least 10.25% over the 2014-16 period. The NAV used as reference is the NAV calculated on May 23, 2014, or €151.80 per share.
Other benefits	€17,461	Matching contributions under the Group savings plan and unemployment benefits
Termination benefits	None owed or paid	If Mr. Lemoine's term as Executive Board Chairman were to be terminated, he would be entitled to a benefit of a maximum of two years' total fixed compensation and target compensation. This payment is subject to two performance conditions: 50% of the benefit would be paid only if he received for two of the three fiscal years prior to departure, including the year in progress, variable compensation equal to at least 50% of his target variable compensation as approved by the Supervisory Board for those three fiscal years; and 50% 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 amount paid would be reduced by 2.5 times the difference. If Actual NAV is lower than 60% of the Reference NAV, this portion of the benefit would be zero (see section 2.1.7.8).

Mr. Lemoine is not entitled to any of the following benefits: multi-year variable compensation, exceptional compensation, a non-compete clause payment, or a supplementary pension plan.

2014 compensation owed or granted to Executive Board member Bernard Gautier, to be submitted to a non-binding shareholder vote

Form of compensation	Amounts	Comments
Gross fixed compensation Director's fees	€800,000 €168,260 of this amount	The Supervisory Board approved this compensation, which includes Director's fees, on February 11, 2015, on the recommendation of the Executive Board Chairman.
Gross variable compensation for the year	€680,000	If all the quantitative (70%) and qualitative (30%) objectives are achieved, the variable compensation will total 100% of fixed compensation. The quantitative objectives are operating income of Wendel companies, use of cash, debt levels, and the increase in NAV. On March 25, 2015, upon the proposal of the Executive Board Chairman and the recommendation of the Governance Committee, the Supervisory Board set variable compensation at 85% of fixed compensation, or €680,000.
Stock options and performance shares	35,088 stock options valued at €550,882 and 11,696 performance shares valued at €560,238	Under the authorization granted by shareholders at the June 6, 2014 Annual Meeting and upon the recommendation of the Governance Committee, the Supervisory Board decided on July 3, 2014 to grant stock options and performance shares to Executive Board members. Subject to and without prejudice to the presence condition, vesting of the stock options and performance shares is subject to the following performance condition: Half of the performance shares or stock options vest if NAV increases by at least 5% over the 2014-15 period; all options and performance shares vest if NAV increases by at least 10.25% over the 2014-16 period. The NAV used as reference is the NAV calculated on May 23, 2014, or €151.80 per share.
Other benefits	€5,397	Matching contributions under the Group savings plan, and profit-sharing premium
Termination benefits	None owed or paid	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 (corresponding to the average of the yearly compensation allocated with respect to the last three fiscal years for which the financial statements have been approved); 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. In the event of the termination of his term on the Executive Board, Bernard Gautier will receive compensation equal to one year of fixed and target variable compensation (corresponding to the average annual compensation allocated for the last three periods for which the financial statements have been approved), subject to the following performance conditions: 50% of the amount of the benefit would be paid only if he received, for two of the three fiscal years for which the financial statements have been approved before the departure, variable compensation equal to at least 50% of the target variable compensation as approved by the Supervisory Board for those three fiscal years; and 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 6 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. If Actual NAV is lower than 60% of the Reference NAV, this portion of the benefit would be zero. Mr. Gautier's total termination benefits may not exceed two years' gross fixed and target variable compensation (see section 2.1.7.8).

Mr. Gautier is not entitled to any of the following benefits: multi-year variable compensation, exceptional compensation, a non-compete clause payment, or a supplementary pension plan.

8.11 Agenda and draft resolutions

Resolutions pertaining to the Ordinary Meeting

1. Approval of the 2014 parent company financial statements;
2. Approval of the 2014 consolidated financial statements;
3. Net income allocation, dividend approval and payment;
4. Approval of related party agreements;
5. Renewal of the appointment of one member of the Supervisory Board;
6. Appointment of a member of the Supervisory Board;
7. Appointment of a member of the Supervisory Board;
8. Continuation of the mandates of the Supervisory Board members under the European Company structure;
9. Non-binding vote on compensation owed or granted to Executive Board Chairman Frédéric Lemoine;
10. Non-binding vote on compensation owed or granted to Executive Board member Bernard Gautier;
11. Authorization granted to the Executive Board to purchase the Company's shares;

Resolutions pertaining to the Extraordinary Meeting

12. Authorization granted to the Executive Board to reduce share capital through the cancellation of shares;
13. 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;
14. 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;
15. Delegation of power to the Executive Board to increase share capital through the issue of shares or securities giving access to the Company's capital with preferential subscription rights canceled, under a private placement as set forth in Article L. 411-2 II of the French Monetary and Financial Code;
16. Authorization for the Executive Board to set the issue price, using the method set forth by shareholders at their Annual Meeting, for shares or securities with preferential subscription rights canceled, up to a yearly limit of 10% of the Company's share capital;
17. 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;
18. Delegation of power to the Executive Board to increase capital in consideration for contributions of shares, either independently or through a public exchange offer, with preferential subscription rights canceled;
19. Delegation of power to the Executive Board to increase share capital through the capitalization of reserves, profits or premiums;
20. Maximum aggregate amount of capital increases;
21. 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;
22. Authorization granted to the Executive Board to grant stock subscription and/or purchase options to corporate officers and employees, with preferential subscription rights canceled;
23. Authorization granted to the Executive Board to grant performance shares to corporate officers and employees, either existing or to be issued, with preferential subscription rights canceled for any shares to be issued;
24. Approval of the plan to convert the Company's legal status by adopting the *Societas Europaea* form and the terms of the conversion plan;
25. Approval of the Company's by-laws under its new *Societas Europaea* form;
26. Transfer to the Company's Executive Board under its new *Societas Europaea* form all authorizations and delegations of authority and power in force that were granted by shareholders to the Executive Board of the Company under the latter's public limited-liability form;
27. Approval of changes to the by-laws;

Resolution pertaining to the Ordinary Meeting

28. Powers for legal formalities.

A. Resolutions pertaining to the ordinary meeting

First resolution

Approval of the 2014 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 2014 and the observations of the Supervisory Board,
- and 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, 2014, and ending on December 31, 2014, as presented by the Executive Board, with net income of €118,020,296.52 as well as the transactions presented in these statements or described in these reports.

Second resolution

Approval of the 2014 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 2014 and the observations of the Supervisory Board,
- and 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, 2014, and ending on December 31, 2014, as presented by the Executive Board, with net income, Group share, of €19,591 thousand, 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 2014 net income totaling €118,020,296.52
   - plus retained earnings of €1,455,596,394.38

   comprising income available for distribution of €1,573,616,690.90 in the following manner:
   - to shareholders, the amount of €95,593,070.00 to pay a net dividend of €2 per share
   - to retained earnings, the remaining amount of €1,478,023,620.90
2. decide that the ex-dividend date shall be June 10, 2015, and that the dividend shall be paid on June 12, 2015;
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
2011 (1)	62,890,215	€1.30
2012	82,985,060	€1.75
2013	86,448,689	€1.85

(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 entire dividend paid to individuals resident in France for tax purposes is subject to a progressive income tax rate, after applying the 40% exclusion allowed under 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, in addition to a 15.5% social security withholding tax, and will be applied to 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, 2014 and in early 2015 described in this report. These agreements deal with Executive Board members' additional co-investments in IHS, the co-investment by Executive Board members and the Supervisory Board member representing employees in CSP Technologies and Constantia Flexibles, and their obligations with respect to 2013-17 co-investments in the event of their departure.

Fifth resolution

Renewal of the appointment of Humbert de Wendel 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 Humbert de Wendel 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 2019 to approve the financial statements for the fiscal year ending December 31, 2018.

Sixth resolution

Appointment of Jacqueline Tammenoms-Bakker 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, Jacqueline Tammenoms-Bakker as a member of the Supervisory Board for a four-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.

Seventh resolution

Appointment of Gervais Pellissier 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, Gervais Pellissier as a member of the Supervisory Board for a four-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.

Eighth resolution

Continuation of the mandates of the Supervisory Board members under the European Company structure;

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, having heard:

- the plan to transform the Company into a *societas europaea* (SE), prepared by the Executive Board on January 19, 2015, approved by the Supervisory Board on February 11, 2015 and filed with the clerk of the Paris Commercial Court on February 16, 2015, and
- the Executive Board's report, which explains and justifies the legal and economic aspects of the conversion and states the consequences of adopting the *societas europaea* legal form for shareholders and employees,

confirm, subject to the adoption of the 24th resolution hereafter, that the appointment of each member of the Company's Supervisory Board shall continue under the same conditions and for the same remaining term as prior to the registration of the Company under the *societas europaea* form.

Ninth resolution

Non-binding vote on compensation owed or granted to Executive Board Chairman Frédéric Lemoine

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, having heard the report of the Executive Board, vote in favor of the compensation owed or granted to Executive Board Chairman Frédéric Lemoine for the fiscal year ended December 31, 2014, as detailed in the Executive Board's report on the Meeting resolutions (section 8.10.2 of the Company's 2014 registration document).

Tenth resolution

Non-binding vote on compensation owed or granted to Executive Board member Bernard Gautier

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, having heard the report of the Executive Board, vote in favor of the compensation owed or granted to Executive Board member Bernard Gautier for the fiscal year ended December 31, 2014, as detailed in the Executive Board's report on the Meeting resolutions (section 8.10.2 of the Company's 2014 registration document).

Eleventh resolution

Authorization granted to the Executive Board to purchase the Company's shares at a maximum price of €200

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 Company's share 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), 4,779,653 shares as of December 31, 2014;
   - 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, in particular 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 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 €200 per share, representing, on an indicative basis, a total maximum share buyback amount of €955,930,600, based on 4,779,653 shares and corresponding to 10% of the capital as of December 31, 2014, 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. decide that the Executive Board shall not, without the prior authorization of shareholders, use this delegation of power from the date of filing by a third party of a public offering for the Company's securities until the end of the offering period;
6. 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;
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.

B. Resolutions pertaining to the extraordinary meeting

Twelfth 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 available reserve and premium 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.

Thirteenth resolution

Delegation of power to the Executive Board to increase share capital, with preferential subscription rights maintained, for a maximum par value of €95 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 to be issued by the Company or by 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 €95 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 twentieth 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 by law 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. decide that the Executive Board shall not, without the prior authorization of shareholders, use this delegation of power from the date of filing by a third party of a public offering for the Company's securities until the end of the offering period;
8. 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 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;
9. 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.

Fourteenth 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 the provisions of Articles L. 225-129-2, L. 225-129-4, L. 225-129-5, L. 225-134 to L. 225-136, and 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 and as part of a public offering, 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 to be issued by the Company or by 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. 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 described in Article L. 228-93 of the French Commercial Code, of securities giving access to the capital of the Company.
3. decide that the par value of any capital increases carried out immediately or at a later date under this authorization 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 twentieth resolution of this Shareholders' Meeting;

4. 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;
5. 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 abovementioned 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;
6. decide that if the issue of shares or securities giving access to the Company's capital is not fully subscribed, the Executive Board can take some or all of the measures allowed under Article L. 225-134 of the French Commercial Code, in the order that it deems appropriate;
7. take note and decide, where necessary, that this authorization shall by law 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;
8. 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 (which under current regulations is the weighted average share price of the three trading days prior to the date on which the share subscription price is set, discounted by 5%),
   - 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;
9. decide that the Executive Board shall not, without the prior authorization of shareholders, use this delegation of power from the date of filing by a third party of a public offering for the Company's securities until the end of the offering period;
10. 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;
11. 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.

Fifteenth resolution

Delegation of power to the Executive Board to increase share capital through the issue of shares or securities giving access to the Company's capital with preferential subscription rights canceled, under a private placement as set forth in Article L. 411-2 II of the French Monetary and Financial Code

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 the provisions Articles L. 225-129-2, L. 225-129-4, L. 225-129-5, L. 225-134 to 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, as part of offerings allowed under Article L. 411-2, Paragraph II, of the French Monetary and Financial Code and within the limits set by law and regulations, 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 to be issued by the Company or by 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 under this authorization cannot exceed 20% of the Company's share capital at the time of the issue over a 12-month period, and shall be included in the maximum aggregate par value set in paragraph 3 of the fourteenth resolution of this Shareholders' Meeting;
3. 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;
4. decide to cancel the shareholders' preferential subscription right to shares or securities issued by virtue of this resolution;
5. decide that if the issue of shares or securities giving access to the Company's capital is not fully subscribed, the Executive Board can take some or all of the measures allowed under Article L. 225-134 of the French Commercial Code, in the order that it deems appropriate;
6. take note and decide, where necessary, that this authorization shall by law 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 described in Article L. 228-93 of the French Commercial Code, the waiver by the shareholders of their preferential subscription rights to the new shares to which these securities give access;
7. 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 (which under current regulations is the weighted average share price of the three trading days prior to the date on which the share subscription price is set, discounted by 5%),
   - 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;
8. decide that the Executive Board shall not, without the prior authorization of shareholders, use this delegation of power from the date of filing by a third party of a public offering for the Company's securities until the end of the offering period;
9. 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,
   - establish the list of parties that can purchase shares under the issue,
   - 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;

10. 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.

Sixteenth resolution

Authorization for the Executive Board to set the issue price, using the method set forth at the Annual Shareholders' Meeting, for shares or securities, with preferential subscription rights canceled, through a private placement or public offering, up to a yearly limit of 10% of the Company's share capital

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 the provisions of Article L. 225-136 of the French Commercial Code,

1. authorize 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, in the event of the issue, for consideration or otherwise, of shares in 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 to be issued by the Company or by a company meeting the criteria in Article L. 228-93 of the French Commercial Code, without preferential subscription rights, under the conditions (notably in terms of amounts) set forth in the fourteenth and fifteenth resolutions of this Shareholders' Meeting, to depart from the price-setting method set forth in those resolutions and set the issue price as follows:
   - for a share issue, the issue price shall be at least equal to the average Wendel share closing price over the 20-day period preceding the issue, to which a 10% discount may be applied,
   - for an issue of other securities, the issue price shall be set 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;
2. decide that the par value of any capital increases carried out under this authorization cannot exceed 10% of the Company's share capital at the time of the issue over a 12-month period, and shall be included in the maximum aggregate par value set in paragraph 3 of the fourteenth resolution of this Shareholders' Meeting;
3. decide that the Executive Board shall not, without the prior authorization of shareholders, use this delegation of power from the date of filing by a third party of a public offering for the Company's securities until the end of the offering period;
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 14 months from the date of this Shareholders' Meeting.

Seventeenth 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, and within the share capital limit and the limit specified in the resolution authorizing the issue, for each of the issues decided by virtue of the thirteenth, fourteenth, fifteenth, and sixteenth 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 shall be included in the maximum aggregate par value set in paragraph 1 of the twentieth resolution of this Shareholders' Meeting;
3. decide that the Executive Board shall not, without the prior authorization of shareholders, use this delegation of power from the date of filing by a third party of a public offering for the Company's securities until the end of the offering period;

4. decide that this authorization 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 share capital, in consideration for contributions of shares, either independently or through a public exchange offer, of 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 that the maximum par value of the capital increases that may be carried out by virtue of this resolution shall not exceed €100 million;
4. 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;
5. 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 twentieth resolution of this Shareholders' Meeting;
6. 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;
7. decide that the Executive Board shall not, without the prior authorization of shareholders, use this delegation of power from the date of filing by a third party of a public offering for the Company's securities until the end of the offering period;
8. 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;
9. 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.

Nineteenth 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 in General Meeting, voting under the quorum and majority required for Ordinary General Meetings of shareholders,

- 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 twentieth 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. decide that the Executive Board shall not, without the prior authorization of shareholders, use this delegation of power from the date of filing by a third party of a public offering for the Company's securities until the end of the offering period;
5. 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;
6. 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

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 €325 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 thirteenth, fourteenth, seventeenth, eighteenth, and nineteenth resolutions of this Shareholders' Meeting;
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-first 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 €200,000

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 €200,000 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 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 Executive Board's 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-second resolution

Authorization granted to the Executive Board to grant stock subscription options to corporate officers and empoyees, with preferential subscription rights canceled, and/or stock purchase options, up to a maximum of 1% of the share capital, with up to 36% of this maximum amount available to Executive Board members, and with the 1% limit being a common ceiling for the twenty-second and twenty-third resolutions.

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 to be acquired or subscribed through the exercise of options granted under this authorization shall not exceed 1% 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-third resolution of this Shareholders' Meeting shall be deducted from this common ceiling;
3. decide that the total number of shares available to be acquired or subscribed by Executive Board members through the exercise of options granted under this authorization plus the total number of performance shares available for granting to Executive Board members under the twenty-third resolution cannot exceed 36% of the 1% of the common ceiling set in the preceding paragraph;
4. 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 amend its choice to stock subscription options, it must obtain the prior approval of the Supervisory Board, in application of Article 15-V b) of the by-laws;
5. 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;
6. 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 the minimum number of shares resulting from the exercise of options that they are required to hold in registered form until termination of their appointment;
7. 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;
8. 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;
9. 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 to the Executive Board to grant performance shares to corporate officers and employees, with preferential subscription rights canceled, up to a limit of 0.3333% of share capital, with this amount being included in the common ceiling of 1% set in the twenty-second resolution, and with up to 36% of the maximum 1% of share capital being available to Executive Board members

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 0.3333% 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-second resolution of this Shareholders' Meeting, set at 1% of the capital;
3. decide that the total number of performance shares available for granting to Executive Board members plus the total number of shares available for acquisition or subscription by Executive Board members through the exercise of options granted under the twenty-second resolution cannot exceed 36% of the common ceiling of 1% of capital set in the twenty-second resolution;
4. decide that the performance shares granted to beneficiaries shall vest at the end of the minimum vesting period legally required at the time this authorization is used by the Executive Board, and that, from the vesting date, the beneficiaries must hold the shares for the minimum period legally required at the time this authorization is used by the Executive Board;
5. 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 required to hold in registered form until termination of their appointment;
6. 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;
7. 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;
8. 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;
9. 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.

Twenty-fourth resolution

Approval of the plan to transform the Company's legal status by adopting the societas europaea form and the terms of the conversion plan;

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings, having taken note of:

- the plan to transform the Company into a *societas europaea* (SE), prepared by the Executive Board on January 19, 2015, approved by the Supervisory Board on February 11, 2015 and filed with the clerk of the Paris Commercial Court on February 16, 2015,
- the Executive Board's report, which explains and justifies the legal and economic aspects of the conversion and states the consequences of adopting the *societas europaea* legal form for shareholders and employees,

- the report of the Supervisory Board,
- the report of Olivier Péronnet, commissioner in charge of conversion, appointed by order of the presiding judge of the Commercial Court of Paris dated February 4, 2015,
- the favorable opinion of the Company's works council, dated February 9, 2015, on the plan to convert the Company into a *societas europaea*;

1. after having noted that the Company meets the required criteria set forth in the provisions of EC regulation no. 2157/2001 of October 8, 2001 relating to the status of *societas europaea*, and in particular the provisions in Articles 2, §4 and 37 of said Regulation, as well as Article L. 225-245-1 of the French Commercial Code relating to the conversion of a *société anonyme* into a *societas europaea*;
2. after having noted that the conversion plan was approved by the mandatory shareholder meetings on March 10 and 23, 2015, pursuant to Articles L. 228-65 and L. 225-244 of the French Commercial Code;
3. after having also noted that (i) in compliance with the SE Directive's interpretation of a subsidiary, given the nature of Wendel's business as a financial holding company that holds and manages investments in other companies within the meaning of the EC directive no. 78/660 of July 25, 1978, there is no requirement to constitute a special negotiation body (SNB) composed of employees of Wendel and its subsidiaries located in the European Union, and that (ii) the rules of employee involvement in the Company will not change after the conversion into a *societas europaea*;
4. and after having noted that:
   - the conversion of Wendel into an SE will result neither in the winding up of the Company nor in the creation of a new legal person,
   - the Company's term, purpose and head office will not change,
   - the Company will retain the same share capital amount and the same number of shares, each share having a par value of €4. The shares will continue to be traded on the NYSE Euronext Paris regulated market,
   - the Company's Statutory Auditors will continue to perform their duties under the same terms until their mandate expires as defined prior to registering the Company as an SE,
   - the length of the fiscal year will not change as a result of adopting the SE legal form and the financial statements will be prepared, presented and audited under the conditions set forth in the Company's by-laws under its new legal form and the provisions of the French Commercial Code relating to SE,
   - in its new SE form, the Company will be governed by the mandatory provisions of EC Regulation n°2157/2001 of October 8, 2001 relating to the SE status and by the provisions applicable to the *société anonyme* form, as well as by the Company's by-laws;
5. decide to convert the Company's legal status and adopt the *societas europaea* (European Company) form, with an Executive Board and a Supervisory Board, in accordance with the terms of the conversion plan prepared by the Executive Board;
6. take note that the conversion of the Company into a *societas europaea* shall be conclusively completed as of the date of registration of the Company under the SE form in the Paris Companies Register;
7. grant full power to the Executive Board to make all decisions and carry out all formalities required to register the Company under the SE form.

Twenty-fifth resolution

Approval of the by-laws of the Company under its new SE structure

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the plans for the by-laws of the Company under its new SE form, prepared by the Executive Board and approved by the Supervisory Board,
- and having heard the report of the Executive Board,

decide, subject to the adoption of the 24th resolution, to amend the by-laws, according to the text appearing in Appendix I of these resolutions, and decide to adopt such amended articles of the by-laws which, as of the conclusion of the conversion of the Company to a *societas europaea*, shall govern the Company under its new form. A copy of the amended by-laws shall be attached to the minutes of this shareholders' meeting.

Twenty-sixth resolution

Transfer to the Company's Executive Board under its new SE form all authorizations and powers in force that have been granted by shareholders to the Company's Executive Board under its société anonyme form.

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings, take note of:

- the plan to transform the Company into a *societas europaea* (SE), prepared by the Executive Board on January 19, 2015, approved by the Supervisory Board on February 11, 2015 and filed with the clerk of the Paris Commercial Court on February 16, 2015, and
- the Executive Board's report, which explains and justifies the legal and economic aspects of the conversion and states the consequences of adopting the *societas europaea* legal form for shareholders and employees,

decide, subject to the adoption of the 24th resolution, that all authorizations and powers that have been granted to the Company's Executive Board under its current *société anonyme* legal form at all of the Company's shareholders' meetings, and that are in force on the day that the Company is registered as an SE, will be automatically transferred to the Company's Executive Board under its new SE legal form.

Twenty-seventh resolution

Approval of changes to the by-laws

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings, having reviewed the report of the Executive Board and of the report of the Supervisory Board,

- decide to simplify, adapt and amend the by-laws according to the text appearing in Appendix II of these resolutions, and
- decide to adopt the Articles of the by-laws as amended.

Twenty-eighth 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.

Appendix I: Draft of amendments to the Company's by-laws as a result of the conversion to a *societas europaea*

Previous text	New text
Article 1: Form of the Company	
The Company is a *société anonyme*, with an Executive Board and Supervisory Board. It is governed by legislative and regulatory provisions that are or will be in force, and by these by-laws.	The Company is a *societas europaea* with an Executive Board and Supervisory Board as decided by shareholders of the Extraordinary General Meeting on June 5, 2015. It is governed by European and French legislative and regulatory provisions that are or will be in force, and by these by-laws.
Article 2: Company name	
The name of the company is: WENDEL.	The name of the company is: WENDEL. In all the acts and other documents issued by the Company, the Company name shall be followed by the words *societas europaea* or by the abbreviation "SE".
Article 4: Registered office:	
The head office is located at 89, rue Taitbout, 75009 Paris, France. It shall be transferable to any location in the same *département* or a bordering *département* by decision of the Supervisory Board, subject to the ratification of this decision by shareholders at the next Ordinary General Meeting, and anywhere else by a decision of shareholders of an Extraordinary General Meeting.	The head office is located at 89, rue Taitbout, 75009 Paris, France. It shall be transferable to any location in Paris or within a bordering *département* by decision of the Supervisory Board, subject to the ratification of this decision by shareholders at the next Ordinary General Meeting, and anywhere else in the European Union by a decision of shareholders of an Extraordinary General Meeting.
Article 14: Meetings of the Supervisory Board	
Supervisory Board members may be notified of meetings by any means, including verbally. Supervisory Board meetings are held at the head office or at any other venue specified in the meeting notice. They are presided over by the Chairman of the Supervisory Board. 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. The Supervisory Board has established Rules of Procedure that may stipulate that, except for the adoption of decisions concerning the appointment or replacement of its Chairman and decisions concerning a member's appointment to or removal from the Executive Board, members of the Supervisory Board who participate in the Board meeting by videoconference or telecommunication, the nature and conditions of which are determined by regulations in force, are considered present for the purposes of calculating the quorum and the majority. The minutes are prepared and copies or extracts of the proceedings are delivered and certified in accordance with the law.	Supervisory Board members may be notified of meetings by any means, including verbally. Supervisory Board meetings are held at the head office or at any other venue specified in the meeting notice. They are presided over by the Chairman of the Supervisory Board. Meetings are held and decisions made according to the quorum and majority conditions required by European regulations and French laws in force that are applicable to a *societas europaea*. In the event of a tie, the Chairman casts the deciding vote. The Supervisory Board has established Rules of Procedure that may stipulate that, except for the adoption of decisions concerning the appointment or replacement of its Chairman and decisions concerning a member's appointment to or removal from the Executive Board, members of the Supervisory Board who participate in the Board meeting by videoconference or telecommunication, the nature and conditions of which are determined by regulations in force, are considered present for the purposes of calculating the quorum and the majority. The minutes are prepared and copies or extracts of the proceedings are delivered and certified in accordance with the law.

Previous text	New text
Article 17: Composition of the Executive Board	
The Company shall be managed by an Executive Board composed of no fewer than two members and no more than the number of members permitted by law. They are appointed by the Supervisory Board on the recommendation of its Chairman.	The Company shall be managed by an Executive Board composed of no fewer than two members and no more than the number of members permitted by law. They are appointed by the Supervisory Board on the recommendation of its Chairman.
The members of the Executive Board need not be shareholders. They must be individuals. No member of the Supervisory Board may also be a member of the Executive Board. Executive Board members may be tied to the Company through an employment contract that remains in force during and after the member’s term on the Executive Board.	The members of the Executive Board need not be shareholders. They must be individuals. Executive Board members may be tied to the Company through an employment contract that remains in force during and after the member’s term on the Executive Board.
Any member of the Executive Board may be removed by the Supervisory Board. Revocation of a member of the Executive Board does not cause his or her employment contract to be terminated.	Any member of the Executive Board may be removed by the Supervisory Board. Revocation of a member of the Executive Board does not cause his or her employment contract to be terminated.
Article 20: Meetings of the Executive Board	
I. The Executive Board meets at the head office or at any other venue upon notice by the Chairman.	I. The Executive Board meets at the head office or at any other venue upon notice by the Chairman.
The agenda can be amended at the time of the meeting.	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.	Meeting notices can be sent out by any means, including verbally, without advance notice if necessary.
II. 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.	II. Decisions of the Executive Board are valid only if at least half of its members are present or represented and are based on a majority vote 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.	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 minutes are prepared and copies or extracts of the proceedings are delivered and certified in accordance with the law.	The minutes are prepared and copies or extracts of the proceedings are delivered and certified in accordance with the law.
The Executive Board may, for its own operation, adopt Rules of Procedure. It shall advise such adoption to the Supervisory Board.	The Executive Board may, for its own operation, adopt Rules of Procedure. It shall advise such adoption to the Supervisory Board.
Article 25: Invitation to meetings and procedures pertaining thereto	
I. Shareholders’ Meetings are convened and held as prescribed by law.	I. Shareholders’ Meetings are convened and held as prescribed by European regulations and French law in force applicable to the *societas europaea*.
They are held at the Company’s registered office, or at another location, as indicated in the invitation to the meeting.	They are held at the Company’s registered office, or at another location, as indicated in the invitation to the meeting.
II. 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.	II. 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 meeting the conditions required to participate in Shareholders’ Meetings may attend personally or by proxy, or vote by mail. Voting forms will only be taken into account if they arrive at the address indicated in the notice of meeting no later than the third business day prior to the date of the shareholders meeting, unless a later date is set by the Executive Board.	All shareholders meeting the conditions required to participate in Shareholders’ Meetings may attend personally or by proxy, or vote by mail. Voting forms will only be taken into account if they arrive at the address indicated in the notice of meeting no later than the third business day prior to the date of the shareholders meeting, unless a later date is set by the Executive Board.
III. In accordance with applicable law, the Executive Board may organize shareholder participation and voting via videoconferencing or other telecommunication systems that enable shareholder identification. Shareholders who participate in Shareholders’ Meetings through videoconferencing or such other system are deemed present for the purposes of calculating the quorum and the majority.	III. In accordance with applicable law, the Executive Board may organize shareholder participation and voting via videoconferencing or other telecommunication systems that enable shareholder identification. Shareholders who participate in Shareholders’ Meetings through videoconferencing or such other system are deemed present for the purposes of calculating the quorum and the majority.

Previous text	New text
Shareholders who use the electronic voting form (provided on the website) by the required deadline are considered to be present or represented shareholders. The electronic voting form may be entered and signed directly on the website through any procedure approved by the Executive Board and meeting the conditions of the first sentence of the second paragraph of Article 1316-4 of the French Civil Code, i.e., the use of a reliable means of identification guaranteeing the signature's link with the form.	Any proxies or votes submitted using this electronic means prior to the Shareholders' Meeting, as well as the corresponding acknowledgements of receipt, shall be 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.
Any proxies or votes submitted using this electronic means prior to the Shareholders' Meeting, as well as the corresponding acknowledgements of receipt, shall be 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.	IV. Voting rights attached to the shares are proportionate to the percentage of capital they represent.
IV. 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.
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.	V. A secret ballot vote is held when requested by shareholders representing at least 10% of the share capital.
V. A secret ballot vote is held when requested by shareholders representing at least 10% of the share capital.	VI. Shareholders' Meetings are chaired by the Chairman of the Supervisory Board or, in his absence, by a Chairman chosen by the Supervisory Board. Otherwise, shareholders elect the Chairman of the meeting.
VI. Shareholders' Meetings are chaired by the Chairman of the Supervisory Board or, in his absence, by a Chairman chosen by the Supervisory Board. Otherwise, shareholders elect the Chairman of the meeting.	VII. The minutes of the shareholders meetings shall be prepared and copies certified and delivered as required by law.
VII. The minutes of the shareholders meetings shall be prepared and copies certified and delivered as required by law.	
New Article 29: Regulated agreements	
	Pursuant to Article L. 229-7 paragraph 6 of the French Commercial Code, the provisions of Articles L. 225-86 to L. 225-90-1 of the French Commercial Code are applicable to agreements entered into by the Company.

Appendix II: Other proposed changes to the by-laws

Previous text	New text
Article 11: Rights and obligations attached to shares	
I. Other than the voting right attributed by law, each share gives the right to a quota, in proportion to the number and par value of existing shares, of the Company's assets, profits and liquidation proceeds. This provision applies subject to the existence of several categories of shares to which different rights may be attached.	I. Other than the voting right attributed by law, each share gives the right to a quota, in proportion to the number and par value of existing shares, of the Company's assets, profits and liquidation proceeds. This provision applies subject to the existence of several categories of shares to which different rights may be attached.
II. In order for all shares to receive the same net sum, without distinction, and to be quoted under the same listing code, the Company shall pay, unless prohibited by law, the amount of any proportional tax that may be due on certain shares only, in particular in the event of the winding up of the Company or a reduction in share capital. However, the Company will not be responsible for such payment when the tax applies in the same manner to all shares of the same category, if several share categories exist to which different rights are attached.	II. Each time a certain number of shares must be owned in order to exercise a right, it is the responsibility of the owners who do not possess the required number to constitute a group of the required shares.
III. Each time a certain number of shares must be owned in order to exercise a right, it is the responsibility of the owners who do not possess the required number to constitute a group of the required shares.	III. Share ownership legally entails agreement with the by-laws of the Company and the decisions of the shareholders' general meetings.
IV. Share ownership legally entails agreement with the by-laws of the Company and the decisions of the shareholders' general meetings.	
Article 12: Composition of the Supervisory Board	
I. The Supervisory Board shall be composed of no less than three and no more than 18 members, subject to the legal exception in the event of a merger.	I. The Supervisory Board shall be composed of no less than three and no more than 18 members, subject to the legal exception in the event of a merger.
The members of the Supervisory Board are appointed by shareholders in their Ordinary Meeting. However, in the event of a vacancy of one or more seats, the Supervisory Board may appoint new members for the remaining term of the previous members, with the proviso that these appointments must be ratified by shareholders at the next Shareholders' Meeting.	The members of the Supervisory Board are appointed by shareholders in their Ordinary Meeting. However, in the event of a vacancy of one or more seats, the Supervisory Board may appoint new members for the remaining term of the previous members, with the proviso that these appointments must be ratified by shareholders at the next Shareholders' Meeting.
II. Supervisory Board members are appointed for a term of four years. They can be re-appointed.	II. Supervisory Board members are appointed for a term of four years. Their term may be renewed.
As an exception to this rule, the terms of the initial members of the Supervisory Board will be as follows: two years for a third of them, three years for another third, and four years for the remaining third. This is to ensure that subsequent reappointments take place in thirds. All subsequent appointments shall be for a period of four years.	The term of a member of the Supervisory Board ends at the close of the Shareholders' Meeting called to approve the financial statements of the previous year and held during the year in which his term expires.

Previous text	New text
The term of a member of the Supervisory Board ends at the close of the Shareholders' Meeting called to approve the financial statements of the previous year and held during the year in which his term expires.	III. The Supervisory Board shall include one member representing the Company's employees, as required by Article L. 225-79-2 of the French Commercial Code. The Company's Works Council shall designate this member for a four-year term.
III. The Supervisory Board shall include one member representing the Company's employees, as required by Article L. 225-79-2 of the French Commercial Code. The Company's Works Council shall designate this member for a four-year term.	If the number of Supervisory Board members increases to more than 12, the Works Council shall designate a second Supervisory Board member representing employees within six months after the new member is appointed by the Supervisory Board (on an interim basis) or by shareholders at their Annual Shareholders' Meeting. If the number of Supervisory Board members falls to 12 or fewer, the term of the second Supervisory Board member representing employees shall nevertheless continue until the end of his or her four-year term.
If the number of Supervisory Board members increases to more than 12, the Works Council shall designate a second Supervisory Board member representing employees within six months after the new member is appointed by the Supervisory Board (on an interim basis) or by shareholders at their Annual Shareholders' Meeting. If the number of Supervisory Board members falls to 12 or fewer, the term of the second Supervisory Board member representing employees shall nevertheless continue until the end of his or her four-year term.	In the event that the Company no longer meets the criteria for compliance with Article L. 225-79-2 of the French Commercial Code, the term(s) of the Supervisory Board member(s) representing employees shall end at the close of the Supervisory Board meeting during which it formally recognizes that such compliance is no longer required.
In the event that the Company no longer meets the criteria for compliance with Article L. 225-79-2 of the French Commercial Code, the term(s) of the Supervisory Board member(s) representing employees shall end at the close of the Supervisory Board meeting during which it formally recognizes that such compliance is no longer required.	As an exception to the terms of this Article, the Supervisory Board member(s) representing employees shall not be required to own a minimum number of shares in the Company.
As an exception to the terms of this Article, the Supervisory Board member(s) representing employees shall not be required to own a minimum number of shares in the Company.	IV. At the close of each Ordinary Shareholders' Meeting called to approve the parent company financial statements, the number of members of the Supervisory Board aged 70 or more may not exceed one-third of the number of acting members (rounded if necessary, to the next highest whole number).
IV. At the close of each Ordinary Shareholders' Meeting called to approve the parent company financial statements, the number of members of the Supervisory Board aged 70 or more may not exceed one-third of the number of acting members (rounded if necessary, to the next highest whole number).	V. Should this proportion be exceeded, the term of the oldest member of the Supervisory Board, except for the Chairman, will end at the close of the following Ordinary Shareholders' Meeting.
V. Should this proportion be exceeded, the term of the oldest member of the Supervisory Board, except for the Chairman, will end at the close of the following Ordinary Shareholders' Meeting.	VI. During their terms, the members of the Supervisory Board must own at least 500 fully paid-up shares of the Company.
VI. During their terms, the members of the Supervisory Board must own at least 100 fully paid-up shares of the Company.	

Previous text	New text
Article 14: Meetings of the Supervisory Board	
Supervisory Board members may be notified of meetings by any means, including verbally.	Supervisory Board members may be notified of meetings by any means, including verbally.
Supervisory Board meetings are held at the head office or at any other venue specified in the meeting notice. They are presided over by the Chairman of the Supervisory Board.	Supervisory Board meetings are held at the head office or at any other venue specified in the meeting notice. They are presided over by the Chairman of the Supervisory Board.
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.	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.
The Supervisory Board establishes Rules of Procedure that may stipulate that, except for the adoption of decisions concerning the appointment or replacement of its Chairman and decisions concerning a member's appointment to or removal from the Executive Board, members of the Supervisory Board who participate in the Board meeting by videoconference or telecommunication, the nature and conditions of which are determined by regulations in force, are considered present for the purposes of calculating the quorum and the majority.	The Supervisory Board establishes Rules of Procedure that may stipulate, except for the adoption of certain decisions, that members of the Supervisory Board who participate in the Board meeting by videoconference or telecommunication, the nature and conditions of which are determined by regulations in force, are considered present for the purposes of calculating the quorum and the majority.
The minutes are prepared and copies or extracts of the proceedings are delivered and certified in accordance with the law.	The minutes are prepared and copies or extracts of the proceedings are delivered and certified in accordance with the law.
Article 17: Composition of the Executive Board	
The Company is managed by an Executive Board composed of no fewer than two members and no more than the number of members permitted by law. They are appointed by the Supervisory Board on the recommendation of its Chairman.	The Company shall be managed by an Executive Board composed of no fewer than two members and no more than the number of members permitted by law. They are appointed by the Supervisory Board on the recommendation of its Chairman.
The members of the Executive Board need not be shareholders. They must be individuals. No member of the Supervisory Board may also be a member of the Executive Board. Executive Board members may be tied to the Company through an employment contract that remains in force during and after the member's term on the Executive Board.	Executive Board members must be individuals. No member of the Supervisory Board may also be a member of the Executive Board. Executive Board members may be tied to the Company through an employment contract that remains in force during and after the member's term on the Executive Board.
Any member of the Executive Board may be removed by the Supervisory Board. Revocation of a member of the Executive Board does not cause his or her employment contract to be terminated.	Any member of the Executive Board may be removed by the Supervisory Board. Revocation of a member of the Executive Board does not cause his or her employment contract to be terminated.
Article 18: Term of office for Executive Board members	
The Executive Board is appointed for four years and may be reappointed.	The Executive Board is appointed for four years and may be reappointed.
The age limit for members of the Executive Board is 65. Any member of the Executive Board reaching this age is automatically deemed to have resigned.	The age limit for members of the Executive Board is 65. Any member of the Executive Board reaching this age is automatically deemed to have resigned.
As long as the number of Executive Board members is lower than the number permitted by law, the Supervisory Board may appoint, on the recommendation of its Chairman, new members to the Executive Board, whose term expires with that of the Executive Board.	As long as the number of Executive Board members is lower than the number permitted by law, the Supervisory Board may appoint, on the recommendation of its Chairman, new members to the Executive Board, whose term expires with that of the Executive Board.

Previous text	New text
Article 22: Compensation of Executive Board members	
The Supervisory Board defines the terms and amount of compensation for the members of the Executive Board.	The Supervisory Board defines the terms and amount of compensation for the members of the Executive Board, on a proposal from the Chairman of the Executive Board for employee members of that Board.
The Supervisory Board can also allocate exceptional compensation to Executive Board members in the cases and under the conditions provided by law.	The Supervisory Board can also allocate exceptional compensation to Executive Board members in the cases and under the conditions provided by law.
Article 25: Invitation to meetings and procedures pertaining thereto	
I. Shareholders' Meetings are convened and held as prescribed by law.	I. 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.	They are held at the Company's registered office, or at another location, as indicated in the invitation to the meeting.
II. 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.	II. 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 meeting the conditions required to participate in Shareholders' Meetings may attend personally or by proxy, or vote by mail. Voting forms will only be taken into account if they arrive at the address indicated in the notice of meeting no later than the third business day prior to the date of the shareholders meeting, unless a later date is set by the Executive Board.	All shareholders meeting the conditions required to participate in Shareholders' Meetings may attend personally or by proxy, or vote by mail. Voting forms will only be taken into account if they arrive at the address indicated in the notice of meeting no later than the third business day prior to the date of the shareholders meeting, unless a later date is set by the Executive Board.
III. In accordance with applicable law, the Executive Board may organize shareholder participation and voting via videoconferencing or other telecommunication systems that enable shareholder identification. Shareholders who participate in Shareholders' Meetings through videoconferencing or such other system are deemed present for the purposes of calculating the quorum and the majority.	III. In accordance with applicable law, the Executive Board may organize shareholder participation and voting via videoconferencing or other telecommunication systems that enable shareholder identification, including electronic systems. Shareholders who participate in Shareholders' Meetings through videoconferencing or such other system are deemed present for the purposes of calculating the quorum and the majority.
Shareholders who use the electronic voting form (provided on the website) by the required deadline are considered to be present or represented shareholders. The electronic voting form may be entered and signed directly on the website through any procedure approved by the Executive Board and meeting the conditions of the first sentence of the second paragraph of Article 1316-4 of the French Civil Code, i.e., the use of a reliable means of identification guaranteeing the signature's link with the form.	Any proxies or votes submitted using this electronic means prior to the Shareholders' Meeting, as well as the corresponding acknowledgements of receipt, shall be 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.
Any proxies or votes submitted using this electronic means prior to the Shareholders' Meeting, as well as the corresponding acknowledgements of receipt, shall be 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.	
IV. Voting rights attached to the shares are proportionate to the percentage of capital they represent.	IV. 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.	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.

Previous text	New text
V. A secret ballot vote is held when requested by shareholders representing at least 10% of the share capital. VI. Shareholders' Meetings are chaired by the Chairman of the Supervisory Board or, in his absence, by a Chairman chosen by the Supervisory Board. Otherwise, shareholders elect the Chairman of the meeting. VII. The minutes of the shareholders meetings are prepared and copies are certified and delivered as required by law.	V. A secret ballot vote is held when requested by shareholders representing at least 10% of the share capital. VI. Shareholders' Meetings are chaired by the Chairman of the Supervisory Board or, in his absence, by a Chairman chosen by the Supervisory Board. Otherwise, shareholders elect the Chairman of the meeting. VII. The minutes of the shareholders meetings are prepared and copies are certified and delivered as required by law.
Article 28: Disclosure obligation	
Any individual or legal entity, 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, depending on the case, is required to so inform the Company within five trading days of crossing this threshold. The same obligation applies for crossing each subsequent 2% higher or lower threshold. Non-compliance with this disclosure obligation is sanctioned, in accordance with the law, at the request of one or more shareholders holding the minimum fractional number of shares or voting rights specified in the first paragraph above. Such request must be recorded in the minutes of the Shareholders' Meeting.	Any individual or legal entity, 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, depending on the case, is required to so inform the Company within four trading days of crossing this threshold. The same obligation applies for crossing each subsequent 2% higher or lower threshold. Non-compliance with this disclosure requirement is sanctioned, at the request of one or more shareholders holding the minimum fractional number of shares or voting rights specified in the first paragraph above, by the deprivation of voting rights for those shares exceeding the fraction that was not disclosed during all Shareholders' Meetings held within two years of the date on which the failure to give proper notice to the Company was rectified. Such request must be recorded in the minutes of the Shareholders' Meeting.

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SUPPLEMENTAL INFORMATION

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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.

Except for these contracts and agreements, the Group does not have any significant dependence on any given 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 are 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	**2014**	**2013**	**2012**
Eufor	900	900	1,100
Winvest Conseil	8,800	8,700	4,300
Wendel-Participations	13	13	13
Other subsidiaries	66	70	75

Wendel-Participations made a lease payment of €43,733 in 2014, 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, 2014, 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:

- The events described in Note 36 to the 2014 consolidated financial statements given in this registration document; and
- on March 27, 2015, Wendel announced that it had finalized the acquisition of Constantia Flexibles for an enterprise value of €2.3 billion, or approximately nine times 2014 EBITDA. As part of this transaction, Wendel invested €640 million in equity and holds a stake of approximately 73% in the company.

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 €11,434 for Wendel in 2014.

9.5 Person responsible for financial information

Jean-Michel Ropert, Group Vice-President for Finance

Tel: +33 (0)1 42 85 30 00

E-mail: jm.ropert@wendelgroup.com

9.6 Statement by the 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 2014. 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 10-4 '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, 2014, 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, 2013 and December 31, 2012 contain certain observations. They can be found on page 252 of the 2013 registration document, filed with the AMF on April 22, 2014 under no. D. 14-0387, and on page 227 of the 2012 registration document, filed with the AMF on April 8, 2013 under no. D. 13-0311.

Paris, April 14, 2015

Frédéric Lemoine

Chairman of the Executive Board

9.7 Persons responsible for the audit of the financial statements and their fees

9.7.1 Principal Statutory Auditors

Ernst & Young Audit represented by Jean Bouquet

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 May 28, 2013.

Term of office: six years.

Current term of office ends: Shareholders' Meeting convened to approve the financial statements for fiscal year 2018.

PricewaterhouseCoopers Audit represented by Étienne Boris

Member of the *Compagnie régionale 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, and Befec-Price Waterhouse).

Appointment last renewed:
Combined Shareholders' Meeting of May 28, 2013.

Term of office: six years.

Current term of office ends: Shareholders' Meeting convened to approve the financial statements for fiscal year 2018.

9.7.2 Fees paid to the Statutory Auditors and members of their networks

	Ernst & Young Audit				PricewaterhouseCoopers Audit			
	Amount excl. VAT		%		Amount excl. VAT		%	
In thousands of euros	2014	2013	2014	2013	2014	2013	2014	2013
Audit								
Audit and certification of the parent company and consolidated financial statements	2,369	3,086			5,179	5,178		
Wendel	*648*	*557*	*17%*	*12%*	*655*	*676*	*8%*	*10%*
Fully consolidated subsidiaries	*1,720*	*2,529*	*44%*	*54%*	*4,524*	*4,501*	*57%*	*63%*
Other verifications and services directly related to the auditing assignment	487	745			1,882	1,250		
Wendel	212	210	5%	4%	77	53	1%	1%
Fully consolidated subsidiaries (1)	275	535	7%	11%	1,805	1,198	23%	17%
SUB-TOTAL	**2,856**	**3,831**	**73%**	**81%**	**7,061**	**6,428**	**89%**	**91%**
Other services provided by the networks to fully consolidated subsidiaries								
Legal, tax, employment (2)	1,040	882	27%	19%	899	673	11%	9%
Other	-	-	0%	0%	-	-	0%	0%
SUB-TOTAL	**1,040**	**882**	**27%**	**19%**	**899**	**673**	**11%**	**9%**
TOTAL	**3,896**	**4,713**	**100%**	**100%**	**7,960**	**7,101**	**100%**	**100%**

(1) This item mainly reflects verifications performed in connection with acquisitions made by operating companies.
(2) This item mainly 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 Article L. 451-1-2, paragraph I, 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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(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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(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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