Registration document **2011**

WENDEL

"Investing for the long term is a rewarding enterprise"

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WENDEL

Registration document 2011

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 March 30, 2012, 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.

2011 in figures

In 2011, the Wendel Group continued to strengthen its financial structure by reducing debt and extending its debt maturities. Wendel resumed its active investing and completed three acquisitions through Oranje-Nassau Développement, which invests in growth, diversification and innovation opportunities.

Consolidated sales

In millions of euros	2011	2010	2009
	5,953	5,068	4,351

Excluding businesses sold, in compliance with IFRS 5.

Net income from business sectors*

In millions of euros	2011	2010	2009
TOTAL	**514**	**443**	**153**
of which Group share	321	255	6

* *Defined in note 38, section 4.*

Net income (loss)

In millions of euros	2011	2010	2009
TOTAL	**648**	**1,144**	**-809**
of which Group share	525	1,002	-918

Net asset value

In euros per share	12.31.2011	12.31.2010	12.31.2009
	74.3	97.4	52.9

Gross assets under management

In millions of euros per share as of December 31	2011	2010	2009
	8,687	11,138	9,496

Changes in Wendel's gross debt*

In millions of euros* as of December 31	2011	2010	2009
	4,734	6,315	7,267

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

Ratings

Standard & Poor's ratings:

Long term: BB- with negative outlook

Short term: B

since October 10, 2011.

1.2 Corporate history

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

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

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

In the 20th century, hard hit by two world wars that bled the Lorraine production facilities 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 Acieries 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 and strategy

Wendel is one of Europe's leading investment companies in size, with close to €10 billion in assets under management at end-March 2012. The investment team is composed of around 20 experienced professionals. The team members have varied and complementary profiles and include former consultants, company executives, investment bankers, financial analysts, public service managers and operations managers from a broad array of industrial and service sectors. As such, they capitalize on their experience and the network of contacts they have developed during their professional career. The team thus has both in-depth industry knowledge and recognized financial expertise. Its business approach and strategy aim to foster the emergence of companies that are leaders in their sector and to accompany their development in the medium or long term, particularly by encouraging innovation and boosting productivity. An analytical team reviews each investment proposal and the enterprise's growth prospects. It then either rejects the proposal or undertakes a more in-depth study and presents it to the Investment Committee, composed of seven Managing Directors and the two members of the Executive Board. Wendel is both a shareholder and an active partner. It supports the management of the companies in which it invests, gives them responsibility and works with them over time to achieve ambitious growth and shareholder value objectives. Wendel invests in leading companies and in companies with the potential to become leaders.

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

1.4 Message from the Chairman of the Supervisory Board

"Wendel: a truly long-term strategy."

Ernest-Antoine Seillière – Chairman of the Supervisory Board

A crisis reveals whether systems are strong and people can be relied on. It also shows when a strategy is relevant and anticipates the future with agility and flexibility. The events that have been shaking the world since 2007 did not defeat our global economic system. It was able to absorb the shocks through adaptation and government support: policymakers coordinated international action, while financial and economic players implemented the right tools to avoid the worst-case scenario and create the conditions for a rebound. The environment is still fragile, because after the series of shocks came the storm of the sovereign debt crises in 2011. But after seeing how the global market economy has maintained its growth perspectives overall, we can allow ourselves to be optimistic, and we have every reason to be optimistic about Wendel.

Three major forces are in motion today to build the world of tomorrow. One is the capitalist system, which through regulation is gradually putting an end to the excesses of finance and is emerging stronger from its trials. It has established itself as an engine of progress in regions of the world undergoing intensive growth: China, Russia, India, Brazil and South Africa. At the same time, globalization is taking form in new institutions, as illustrated by the G8 and G20. They are the sign of the organization that is gradually being set up as the only possible answer to such far-reaching economic, technological, diplomatic, climate and public health issues.

This growing globalization is also a response to environmental challenges, the third force at work. There is no doubt that an ecological revolution is in the making and will be the source of future growth.

To support these changes, our Group has many assets and our results show that the strategy chosen by the Executive Board is the right one. The family-based capitalism that Wendel successfully embodies will continue to be effective in tomorrow's economy, where increasing attention will be paid to the long term and to entrepreneurial spirit. Today, the challenge of globalization has been integrated into the fabric of our strategy, through our development in high-growth regions. We also anticipated the ecological transformation through our companies involved in this change, such as Saint-Gobain, a pioneer in innovative housing materials, Legrand, a provider of energy-saving home systems, and Bureau Veritas, which supports the dissemination of new standards in all industries.

All of these facts form the basis for my optimistic outlook for the future of the Wendel Group, which I know is firmly in step with today's changing world.

1.5 Analysis by the Chairman of the Executive Board

"Sustained by the momentum built up in previous years, Wendel held its course in 2011, while adapting to a volatile external environment. Wendel has what it needs to intensify its search for new investments in the unlisted sector and work to return capital to its shareholders, to whom a special dividend is proposed this year, involving them directly in the remarkable success of Legrand."

Frédéric Lemoine – Chairman of the Executive Board

The world economy experienced two highly contrasted situations in 2011. While market confidence grew during the first half, the severe stock market disruption in the summer, compounded with the sovereign debt crisis and excessive concerns about the future of the euro, caused a sharp slowdown in the economy. In a scenario reminiscent of the 2008 upheaval, the interbank market and access to financing quickly became strained. Although companies in general and those in the Wendel Group in particular nevertheless finished 2011 well, there were fears of a new downturn in 2012. Now, in the wake of the Greek debt agreements and a reassuring start to the year, the outlook for 2012 appears brighter. Uncertainty nevertheless lingers with the upcoming French and US presidential elections, escalating international tensions in the Middle East, continuing high raw material prices, bank fragility and volatile stock markets.

In this challenging environment, Wendel held the course set three years ago, while adapting very carefully to economic conditions.

During the first half of the year, we continued to reduce our debt, thanks to the divestment of shares in Legrand and the final hedges (puts) on our Saint-Gobain shares. We also resumed our active investment policy. Consequently, three new companies joined Oranje-Nassau Développement. These transactions hold great promise for the future and were all modestly sized, as planned. The new investments are in Parcours, a vehicle leasing specialist; Mecatherm, world leader in equipment for industrial bakeries; and exceet, a German technology company, which enabled us to fulfill the purpose of our Helikos SPAC.

Beginning in August, we took steps to adapt. First, we worked actively with all our companies to review the operational or financial plans that had become necessary due to the situation. Next, we undertook nearly €1.3 billion in asset disposals to accelerate our debt reduction: we reduced our stake in Legrand to 5.8% of its capital, bringing our capital gains for the year to over €600 million and enabling the share to join the CAC 40. Most importantly, we gave the markets a positive surprise with the projected sale of Deutsch to TE Connectivity, the world leader in connectivity solutions.

Bernard Gautier and I are very proud of this industrial and financial achievement. Since purchasing Deutsch in California, Wendel and the teams of Deutsch have truly transformed the company. From a loosely coordinated assortment of five entities, it has become a global group that has expanded into new geographies, such as China, and new sectors, such as offshore activities. Despite the record downturn the connectivity sector experienced in 2009, net sales have risen by 22% since 2006 and profitability has been consistently impressive. The company's continuous innovations and the strength of its commercial relationships prompted TE Connectivity to present us with a very ambitious proposal. Âmbitious for Deutsch's brand, which will be more broadly deployed, and for its French sites, which will become the centers of excellence of the new group in their fields. Ambitious financially, too: in fact, we only accepted this new strategic direction once the offer for Deutsch reached $2.1 billion, twice its acquisition value. For Wendel, once the sale is confirmed, the net proceeds will total about €960 million, or 2.4 times Wendel's total investment.

Prior to this transaction, we reimbursed close to €1.6 billion in 2011. At the end of 2011, our debt, net of cash, was €3.9 billion. If we take into account the projected sale of Deutsch under the announced terms, our debt would have fallen below €3 billion. Despite this year of upheaval, we have truly put an end to excessive leveraging. We have no repayment obligations before 2014 and we will continue to manage our remaining debt very closely. Thanks to our agile response to economic events, we are in an excellent position to pursue our long-term goals. The current uncertainties have not diminished our confidence in certain long-term trends, such as the rapid development of India, Africa, China, Southeast Asia, and Latin America; the strong potential of construction businesses, driven by rapid urbanization, population growth and new energy-efficient solutions; the fast growth of international trade; and the larger role of regulation in products and infrastructures. These trends supported growth for Saint-Gobain, Legrand, Bureau Veritas and Materis in 2011. They all grew organically by 5-8% and completed a total of 31 acquisitions, including nearly two-thirds in high-growth regions. These trends and a few others also enabled our companies to contribute to 25.9% growth in net income from business sectors and net income of €525 million for Wendel, Group share, in 2011.

To create value for our shareholders, our long-term investor strategy will continue to rely on these durable trends. We therefore signed a ten-year agreement with Saint-Gobain in May 2011 on the principles of our cooperation and the strategic objectives that we share for this outstanding company. We also worked with Bureau Veritas to adopt an ambitious 2015 strategic plan and recruit a highly skilled Chief Executive Officer, Didier Michaud-Daniel, to head the company, with the support of Frank Piedelièvre, who remains the company's Chairman.

Detached from short-termist financial models, we can now use our renewed financial flexibility to actively increase the number of our equity investments, putting priority on unlisted companies and transactions for a unit amount of €200 to €500 million in equity, while continuing to promote the growth of Oranje-Nassau Développement. As a “shareholder of choice”, we diversify our investments, identify promising long-term trends and first-rate companies, build lasting relationships with their management and share their strategies for innovation, growth and acquisition while providing advice, stability and financial resources. We perform these roles selectively, without haste, but with firm resolve when an exciting opportunity arises.

This year, Wendel again validated the effectiveness and flexibility of its investment company model, based on permanent equity capital. Over one-third is owned by a family with a deep passion for industrial adventure. I would like to thank the Wendel family, the Chairman of Wendel-Participations, François de Wendel, and our 42,000 individual shareholders for their steady support. With our ample cash position and holdings in magnificent companies, we have everything we need to prudently continue forward, guided by our history and values. These values are also reflected in our action as a company that is conscious of the environment and the challenges facing society. We have therefore made a strong commitment to sustainable development. In this management report and registration document, you will find a wealth of information about the advances made by all of our companies and the energy-saving products and services they offer. Wendel also runs an ambitious patronage policy through its support of Centre Pompidou-Metz. In March 2012, This commitment earned Wendel the distinction of “Grand Mécène de la Culture.” In the Wendel family tradition, we would like to go further and make a concrete contribution to health and education, two particularly critical long-term challenges. We are therefore selecting and supporting not-for-profit projects in these areas through the new “Community Growth” program to be launched this year. In addition to financial aid, we will also contribute our various areas of expertise to the success of these projects.

I would like to conclude by commending the engagement and skill of Wendel’s teams and all our companies. My thanks as well to our Supervisory Board, led by its Chairman Ernest-Antoine Seillière whose experience once again this year has been a considerable asset for our Group.

March 21, 2012

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.

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 the Company.

As of December 31, 2011, the Company's Supervisory Board had 11 members serving four-year terms.

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

Shareholders will be asked to renew the appointments of François de Mitry and François de Wendel at the Annual Meeting of June 4, 2012. Jean-Marc Janodet is not seeking re-election to his position. He will not be replaced in 2012. The appointment of a new member will be proposed at the Annual Meeting in 2013.

At the end of 2011, the 11 members of the Supervisory Board included two women.

The Board has adopted internal regulations that describe the rules by which it operates and sets forth the rights and responsibilities of its members.

The Supervisory Board members are:

Ernest-Antoine Seillière (2013)*, Chairman

Francois de Wendel (2012), Vice-Chairman

Gérard Buffière (2015), independent director

Nicolas Celier (2014)

Didier Cherpitel (2015), independent director

Dominique Heriard-Dubreuil (2014), independent director

Jean-Marc Janodet (2012)

Édouard de l'Espée (2013)

François de Mitry (2012)

Guylaine Saucier (2014), independent director

Humbert de Wendel (2015)

Secretary of the Supervisory Board:

Caroline Bertin Delacour

In 2011, the Supervisory Board met nine 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.

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

The Audit Committee

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

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

The Audit Committee has five members:

Guylaine Saucier, Chairman

Nicolas Celier

Édouard de l'Espée

Gérard Buffière

Humbert de Wendel

Secretary of the Audit Committee:

Patrick Bendahan

In 2011, the Audit Committee met five 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 five members:

Didier Cherpitel, Chairman

Dominique Heriard-Dubreuil

Jean-Marc Janodet

François de Mitry

François de Wendel

Secretary of the Governance Committee:

Caroline Bertin Delacour

In 2011, the Governance Committee met seven times.

* *In parentheses: year in which the term ends.*

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 upper age limit for Executive Board members is 65.

The Executive Board has two members:

Frédéric Lemoine

Chairman since April 7, 2009

Bernard Gautier

Member since May 31, 2005, renewed on April 7, 2009. Secretary of the Executive Board: Bruno Fritsch

The terms of the Executive Board members expire on April 7, 2013.

In 2011, the Executive Board met 30 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 weekly, and smooth communication within the team of more than 70 people is ensured at all times. The team is articulated around two key committees: the Investment Committee and the Management Committee.

1.7.1 The Investment Committee ■

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

1.7.2 The Management Committee ■

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

1.7.3 The Operations Coordination Committee

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

1.7.4 International presence □

Wendel has international offices in Europe and Asia:

- Amsterdam, Netherlands, since 1908;
- Luxembourg, since 1931;
- Frankfurt, Germany, since 2007;
- Tokyo, Japan, since 2007.

1.7.5 Teams

Main members of Wendel's teams

Frédéric Lemoine ■ ■

Chairman of the Executive Board

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

Bernard Gautier ■ ■

Member of the Executive Board

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

Christine Anglade Pirzadeh ■

Director of Communications and Sustainable Development

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

Stéphane Bacquaert ■

Managing Director, Secretary of the Investment Committee

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

Patrick Bendahan

Director, Secretary of the Audit Committee

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

Caroline Bertin Delacour ■

General Counsel and Ethics Officer, Secretary of the Governance Committee and the Supervisory Board

Before joining Wendel in 2009, 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 holds a Master's degree in Business Law from Université de Paris II Panthéon-Assas, a postgraduate degree in Applied Tax Law from Université de Paris V Rene Descartes and an LLM from New York University.

Olivier Chambriard ■

Managing Director

Olivier Chambriard joined Wendel nine years ago. Previously, he worked in corporate finance in London with CSFB and Deutsche Morgan Grenfell, specializing in the advanced technologies sector. Prior to that, he held 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

David Darmon joined Wendel in 2005. He was previously a Principal of Apax Partners, where he specialized in LBOs, 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.

Jean-Yves Hemery ■

Tax Director

Jean-Yves Hemery joined the Wendel Group in 1993 as Deputy General Secretary at Marine-Wendel, after seven years spent working for the French tax authority and three years at Pechiney. He is a graduate of École Nationale des Impôts and also holds a degree in Economics. He is a member of the Board of Directors of several Group subsidiaries and participates in the financial structuring of transactions.

Makoto Kawada □

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

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

Roland Lienau ■ □

Managing Director, in charge of business development in Germany

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

Laurent Marie

Director of Financial Communication

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

Jérôme Michiels ■

Managing Director

Jérôme Michiels joined Wendel at the end of 2006 as Investment Director. He was appointed Managing Director on January 1, 2012 and joined the Investment Committee at that date. From 2002 to 2006, 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, Shigeaki Oyama began his career in the Numerical Control department of Fujitsu, which later became Fanuc LTD, the world's largest industrial robotics manufacturer. After 39 years of experience encompassing R&D, sales, production and technology development, he was named Senior Executive Vice-President of GE Fanuc Automation North America in the USA in 1997. In 1999 he was appointed President and in 2003, Chairman of Fanuc LTD.

Jean-Michel Ropert ■

Chief Financial Officer

Jean Michel Ropert has been with Wendel for over 20 years. He holds a degree in Finance and Accounting. Previously in charge of accounting and the production of consolidated financial statements, Jean-Michel Ropert took over as CFO in 2002, when Marine-Wendel merged with CGIP. He is currently a member of several Audit Committees and boards in Wendel Group subsidiaries and associates.

Patrick Tanguy ■ ■

Managing Director, in charge of operational resources

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

Dirk-Jan van Ommeren ■ □

Managing Director, CEO of Oranje-Nassau

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

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.

1.8.1 Active partnering with 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.

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 taking the place of its management.

1.8.2 Principles for our long-term shareholding

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;
- **solid, 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 is willing to make a financial commitment during tough times.

1.8.3 Seeking diversified investments

From 2009 to 2011, Wendel restored its strong financial structure, notably by reducing its debt by more than 40%, while supporting the companies in the Group through a financial crisis that is still reverberating today.

In the medium term, Wendel will accelerate the Group's development by:

- continuing to strengthen our financial structure, to ensure that Wendel can gain lasting access to long-term financing at favorable terms;
- developing our existing assets over the long term to create value;
- building and holding a diversified portfolio of around ten companies, mainly unlisted, by making larger acquisitions of €200-500 million in equity and by pursuing the diversification and innovation strategy of Oranje-Nassau Développement.

1.8.3.1 Investment profile

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

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

- based in countries where Wendel has experience, such as France, Germany and the Benelux countries;
- having strong international exposure;
- led by high-quality management teams;
- first or second in its market;
- operating in a sector with high barriers to entry;
- solid fundamentals;
- predictable, recurrent cash flow;
- 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.

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

1.8.3.2 Oranje-Nassau Développement

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

The amounts invested through this structure will be smaller than the investments made directly by Wendel. Oranje-Nassau Développement was very active in the year it was created: for a total invested equity of €270 million, it acquired Parcours, an independent specialist in long-term vehicle leasing to corporate customers; exceet, the European leader in embedded intelligent electronic systems; and the Mecatherm group, the world leader in equipment for industrial bakeries.

1.8.3.3 Acquisitions by Group companies

Acquisitive growth is an integral part of the development model of Group companies. Our companies made 31 acquisitions in 2011, and all of them plan to achieve a non-negligible share of their growth through acquisitions, focusing on small or medium purchases, which create the most value. Wendel's teams assist Group companies in their search for accretive acquisitions, in deploying their 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. These systems are described in section 4, note 4 of this registration document.

1.9 Responsible and sustainable strategy

Wendel's Corporate Social Responsibility (CSR) policy applies to its own operations and its role as a citizen of the community; it is also interpreted and applied by its subsidiaries and associates. More detailed information related to sustainable development is provided in section 2.2 of this registration document.

1.9.1 Sustainable development in Group companies

Wendel considers sustainable development to be a natural extension of its role as a long-term investor. During its investment opportunity analysis procedure, Wendel examines the environmental and social issues involved as part of an overall analysis of risks related to the businesses of the company being considered.

Wendel's subsidiaries and associates also integrate sustainable development criteria into their business model. Our listed companies, Saint-Gobain, Legrand and Bureau Veritas, publish exhaustive CSR data in their annual activity or sustainable development reports.

For Bureau Veritas, Deutsch, Materis, Stahl, Mecatherm and Parcours, of which Wendel is the majority shareholder, highlights of their sustainable development policies are presented in pages 78-94 of Wendel's registration document.

In 2009, Wendel signed the charter of the AFIC, the French association of private equity firms. It is a public commitment to a set of responsibilities regarding the promotion of sustainable development, which guides Wendel in its business.

1.9.2 Wendel is a community player

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

Limited environmental footprint

Wendel monitors its environmental management, even though its own activities have little impact on the environment. The Group also works to promote greater awareness of environmental issues among all its employees in their day-to-day work. For example, in 2011, a waste sorting policy was introduced.

Partner of Insead since 1996

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

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

Founding sponsor of Centre Pompidou-Metz

Wendel is writing a new chapter in its long history with the Lorraine region, where the Group was founded in 1704, in Hayange. 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. Centre Pompidou-Metz is a success with the public and has attracted more than 1.2 million visitors since its inauguration. It is the most frequently visited exhibition space in France, outside of the Greater Paris region.

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

www.centrepompidou-metz.fr

1.10 Group Companies

A balanced, diversified portfolio

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

Bureau Veritas	
Share of equity owned by Wendel	50.9%
Business	Certification and verification
Capital invested**	€446 million
Date of first investment	January 1995
Saint-Gobain	
Share of equity owned by Wendel	17.1%
Business	Production, transformation and distribution of building materials
Capital invested**	€4.4 billion
Date of first investment	September 2007
Legrand	
Share of equity owned by Wendel	5.8%
Business	Products and systems for low-voltage installations
Capital invested**	€115 million
Date of first investment	December 2002
Materis	
Share of equity owned by Wendel	75.5%
Business	Specialty chemicals for construction
Capital invested**	€341 million
Date of first investment	February 2006
Stahl	
Share of equity owned by Wendel	91.5%
Business	High-performance coatings and leather-finishing products
Capital invested**	€137 million
Date of first investment	June 2006
Deutsch	
Share of equity owned by Wendel	89.2%
Business	High-performance connectors
Capital invested**	$470 million
Date of first investment	April 2006

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

** *Amount of equity invested by Wendel as of December 31, 2011.*

Oranje-Nassau	Since 1908
Oranje-Nassau Développement	
Wendel created this structure in early 2011 to seize opportunities for growth, diversification or innovation.	
Parcours	
Share of equity owned by Wendel	95.9%
Business	Long-term vehicle leasing to corporate customers vehicles
Capital invested**	€107 million
Date of first investment	April 2011
exceet	
Share of equity owned by Wendel	28.4%
Business	Design of embedded systems
Capital invested**	€50 million
Date of first investment	July 2011
Mecatherm group	
Share of equity owned by Wendel	98.1%
Business	Industrial bakery equipment
Capital invested**	€112 million
Date of first investment	October 2011
Van Gansewinkel Groep	
Share of equity owned by Wendel	8.1%
Business	Waste collection and processing
Capital invested**	€39 million
Date of first investment	January 2006

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

** *Amount of equity invested by Wendel as of December 31, 2011.*

1.10.1 Bureau Veritas

Bureau Veritas pursues its 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 2010 acquisition of Inspectorate positions the group among the top three global leaders in commodities inspection.

Bureau Veritas in brief

Present in 140 countries	940 offices and 340 laboratories.	52,000 employees	400,000 clients
€3,359 million in revenue in 2011	€348 million in attributable adjusted net income	Stake held by Wendel: 50.9%	Amount invested by Wendel: €446 million since 1995

Why did we invest in Bureau Veritas?

Bureau Veritas is ideally positioned in markets driven by structural long-term trends such as the proliferation and toughening of QHSE regulations and standards, the outsourcing of certification and inspection activities, increasingly stringent health and environmental protection standards, and the globalization of trade.

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, including mandatory operating certification and approval in each country, as well as the need to offer dense geographical coverage both locally and internationally, a comprehensive range of inspection services (in particular for major clients), high-value solutions through first-rate technical expertise and a reputation of independence and integrity.

Highlights of 2011

Amid an economic environment buffeted by sovereign debt crises, Bureau Veritas continued to demonstrate its operational quality and ability to pursue growth.

Over the full year, Bureau Veritas performed well in a mixed regional backdrop, which was particularly difficult in Spain and extremely dynamic in fast growing countries. At the end of 2011, it had achieved all of the 2007-2011 objectives it had presented at the time of its initial public offering. The integration of Inspectorate within the Bureau Veritas group is virtually complete and is already a success. Since January 1, 2011, all of the Commodities Inspection and Testing activities have been merged into a new Commodities division. The new business is set to be a pillar of the group's future growth. During 2011, the group continued its acquisitions policy, acquiring a dozen companies in fast growing countries and in high potential markets. These companies represent combined full-year revenue of approximately €50 million.

Over the full year 2011, Bureau Veritas generated revenue of €3,359 million. The 14.6% increase compared with 2010 broke down as follows:

- organic growth of 6.2%, calculated on the pro-forma scope, including the organic contribution from Inspectorate in 2011;
- a 9.5% positive impact from changes in the scope of consolidation, primarily owing to the acquisition of Inspectorate;
- a 1.1% negative impact from currency fluctuations prompted by weakness in the US and Hong Kong dollars against the euro.

The highest growth rates were achieved in the Industry, Commodities, Certification and International Trade businesses. Revenue generated in fast-growing regions (Latin America, Asia-Pacific excluding Japan, Eastern Europe, Middle-East and Africa) firmed further to 50% of 2011 revenue.

Adjusted operating income increased 11.0% to €544 million in 2011, vs. €490 million in 2010.

Adjusted operating margin stood at 16.2% of sales, compared with 16.7% in 2010. As expected, this 50-basis point narrowing was primarily due to dilution caused by the full-year consolidation of Inspectorate.

After taking account of other operating expenses, operating profit totaled €480.3 million, up 5.3% relative to 2010. Other operating expense increased to €64.0 million vs. €34.2 million in 2010. These mainly included €36.4 million in amortization of intangibles and €25.5 million in exceptional expense related to Spain (restructuring costs and provisions and impairment of goodwill).

Attributable net profit adjusted for other operating expense net of tax rose by 10.4% to €348.1 million. Attributable net profit stood at €297.6 million, up 2.5%.

On December 31, 2011, adjusted net financial debt (net financial debt after hedging instruments) totaled €983.9 million, or 1.60x EBITDA adjusted for all new entities acquired over the past 12 months, compared with 1.94x on June 30, 2011, and had declined by €67.9 million compared with December 31, 2010 (€1,051.8 million).

The Board of Directors of Bureau Veritas is to propose a dividend of €1.27 per share to shareholders at their May 31, 2012 Annual Meeting, an increase of 10.4%.

Outlook for development

In 2012, barring further deterioration in the economy compared with current forecasts, Bureau Veritas should deliver strong growth in revenues (in both organic terms and via acquisitions) and adjusted operating profit, in line with the targets set out in the “BV 2015” strategic plan. Bureau Veritas’s governance was strengthened in early 2012 with the arrival of a highly-skilled executive, Didier Michaud-Daniel, as Chief Executive Officer.

2015 strategic plan

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

- an average of 9-12% revenue growth per year, including:

  two-thirds from organic growth: 6-8% on average per year,

  one-third from acquisitions: 3-4% on average per year;
- an improvement in adjusted operating margin of 100-150 basis points;
- growth in adjusted EPS of 10-15% on average per year;
- a significant reduction in the debt ratio (to less than 1x EBITDA).

In millions of euros	2011	2010	Δ
Revenue	3,358.6	2,929.7	+14.6%
Adjusted operating income (1)	544.3	490.5	+11.0%
as a % of revenue	*16.2%*	*16.7%*	
Attributable adjusted net income	348.1	315.2	+10.4%
Adjusted net financial debt (2)	983.9	1,051.8	-€67.9 million

(1) Before amortization and impairment of intangibles, restructuring (Spain in 2011), transaction-related costs and discontinued activities.
(2) Net financial debt after currency hedging instruments as defined in the calculation of bank covenants.

Chief Executive/Chairman

Frank Piedelièvre, Chairman of the Board of Directors

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

Wendel’s involvement

Board of Directors: Frédéric Lemoine (Vice-Chairman), Ernest-Antoine Seillière, Jean-Michel Ropert, Stéphane Bacquaert

Strategic Committee: Frédéric Lemoine (Chairman)

Appointments and Compensation Committee: Frédéric Lemoine

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

For more information, please visit: bureauveritas.fr

1.10.2 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	Close to 195,000 employees	No. 1 worldwide in high-performance materials and insulation	No. 2 worldwide in flat glass and packaging
€42.12 billion in sales in 2011	€1.74 billion in recurring net income	Stake held by Wendel: 17.1%	Amount invested by Wendel: €4.4 billion since 2007

Why did we invest in Saint-Gobain?

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

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

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

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

Highlights of 2011

In a still-fragile economic environment, the group confirmed its capacity for growth in 2011, delivering a 5.0% rise in like-for-like sales (comparable group structure and exchange rates) to €42.12 billion.

All of the group's geographic areas and Business Sectors contributed to this performance, led by vigorous momentum in emerging economies and Asia as well as further advances in markets related to industrial output in both North America and Western Europe. In contrast, markets related to capital spending slowed in the second half, particularly across Western Europe and in Asia and emerging economies.

Sales growth also reflects the gradual upturn in residential construction and renovation markets in most major European countries in which the group operates (France, Germany and Scandinavia). In particular, the group's healthy trading on construction markets in Western Europe continues to be powered by high value-added solutions, especially businesses linked to energy efficiency in the Habitat market. These activities reported further strong growth gains throughout the year, buoyed by new applicable regulations and especially thermal regulation "RT 2012" in France. Despite a temporary rebound in renovation reflecting the positive impact of early-year storms, the US construction market remained stable, with trading at a record low. Businesses related to household consumption (Packaging, Verallia) reported moderate growth, spurred chiefly by sales prices.

Overall, the group reported organic growth of 5.0% (positive volume and price impacts of 2.3% and 2.7%, resp.), of which 6.7% (volume and price impacts of 4.3% and 2.4%, resp.) in the first half of the year on the back of an exceptional first quarter, and 3.4% (volume and price impacts of 0.4% and 3.0%, resp.) in the six months to December 31. Due primarily to fewer working days than in fourth-quarter 2010 (estimated negative impact of 1.7%), organic growth slowed between the third and fourth quarters, from 4.1% to 2.8%.

- Innovative Materials delivered the group's best organic growth performance, at 5.8% (including 3.1% in the second half, despite a much tougher basis for comparison). Brisk activity in markets related to industrial output continued throughout the year across all geographic areas.
- Construction Products (CP) like-for-like sales advanced 4.4% over the year and 3.9% over the second half. In both periods, this moderate

growth chiefly resulted from strong sales gains in Asia and emerging economies and in the US renovation market.

- Building Distribution delivered annual organic growth for the first time since 2007, at 5.5%, including 3.9% in the second half. In line with the six months to June 30, this performance was led especially by Germany (which reported double-digit growth for the year), France, Scandinavia, and to a lesser extent the Netherlands. Growth remained modest in Eastern Europe and the UK, while market conditions continued to be very tough in Southern Europe.
- Packaging (Verallia) reported 3.0% organic growth over the year (1.7% in the second half), spurred by favorable trends in sales prices, which gained 2.7% over the year as a whole and 2.8% in the second half. Sales volumes recovered in the fourth quarter, particularly in Europe and Latin America, after being hit by inventory run-downs in the three months to September 30. The plan to list Verallia on the stock exchange, which was initiated in the fall of 2010, had to be postponed because of very unfavorable market conditions, despite strong interest on the part of both European and US institutional investors.

Other significant events in 2011:

- financial investments and capital expenditures have been stepped up again, focusing on Saint-Gobain's growth areas: fast-growing economies (~ €1,100 million), energy and energy efficiency markets (~ €900 million) and consolidation in the Construction Products and Building Distribution businesses (~ €300 million);
- targeted acquisitions promising rapid value creation were carried out. Investment in securities was five times higher than in 2010 (€702 million vs. €129 million) and included the acquisition of the Build Center network and Brossette from Wolesley [(1)] for around €350 million, as well as the acquisition of Electrotherm's Pipes division [(2)] in India for around €135 million.

In line with targets, and despite the impact of spiraling raw material and energy costs, the group reported a double-digit rise in operating income (up 10.4%, or 10.9% at constant exchange rates*) to €3.44 billion. Consequently, the operating margin continued to improve, up to 8.2% of sales (10.9% excluding Building Distribution), versus 7.8% (10.7% excluding Building Distribution) in 2010. The operating margin is virtually back at its 2008 level (8.3% for the group and 11.0% excluding Building Distribution) despite sales volumes being 11.0% lower than in 2008.

At its meeting of February 16, Saint-Gobain's Board of Directors decided to recommend to shareholders at the June 7, 2012 Annual Meeting a dividend payout of €653 million, representing 38% of recurring net income and 51% of net income, i.e., a dividend of €1.24 per share, up 8% on the 2010 dividend.

Outlook for development

Saint-Gobain's targets for 2012:

- moderate organic growth, driven chiefly by sales prices;
- operating income and profitability to prove resilient;
- high levels of free cash flow and capex to stabilize at its 2011 level (around €2 billion);
- a persistently strong balance sheet.

2011-2015 strategic plan

The group intends to leverage its very robust financial structure and significantly leaner cost base to pursue a profitable growth and expansion strategy over the next few years, with the aim of making Saint-Gobain the leader in Sustainable Habitat. This strategy will be achieved by:

- strengthening the group's positioning in high value-added Habitat solutions, aiming to raise the share of high value-added solutions in group sales from today's 51% to 60% in 2015;
- accelerating the group's expansion in Asia and the emerging economies, with the objective of generating 26% of the group's net sales in these regions by 2015 (vs. 19% today);
- gradually exiting from the Packaging business (Verallia).

In implementing this strategy, close attention will be paid to profitability and strict financial discipline at all times, in order to meet the ambitious targets that Saint-Gobain has set itself for 2015:

- sales of €55 billion;
- operating income of €5.5 billion (10% of sales);
- recurring net income of €3 billion;
- ROI (return on investment) of 25%;
- ROCE (return on capital employed) of 14-15%.

(1) Subject to approval by the European competition authorities.

(2) Subject to approval by the Indian competition authorities.

* *Average exchange rates for 2010.*

In millions of euros	2011	2010	Δ
Sales	42,116	40,119	+5.0%
Operating income	3,441	3,117	+10.4%
as a % of sales	*8.2%*	*7.8%*	
Net income [(1)]	1,736	1,335	+30.0%
Net financial debt	8,095	7,168	+€927 million

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

Chief Executive/Chairman

Pierre-André de Chalendar, Chairman and CEO

Wendel's involvement

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

Financial Statements Committee: Frédéric Lemoine

Appointments and Compensation Committee: Bernard Gautier

Strategic Committee: Frédéric Lemoine

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

1.10.3 Legrand

A profitable, value-creating growth strategy

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

Legrand in brief

Present in over 70 countries	Sales in almost 180 countries	33,000 employees, incl. more than 2,000 in R&D	Over 4,000 active patents
€4.25 billion in sales in 2011	€479 million in attributable net income	Stake held by Wendel: 5.8%	Amount invested by Wendel: €115 million since 2002

Why did we invest in Legrand?

As the world leader in wiring devices and cable management, with 20% and 14% market shares, respectively, Legrand offers roughly 190,000 product references in 78 product families and a portfolio of nationally and globally known brands. Driven by its strong capacity for innovation, with the equivalent of almost 5% of its net sales devoted to R&D and almost half of its investments dedicated to new products in 2011, Legrand covers both the mass-market and the high-value segments. Whether in its sophisticated systems for digital connection and transmission, safety, design, user-comfort or environmental protection, Legrand stays one step ahead of market trends while developing innovative solutions for home systems and for managing lighting and energy efficiency. Legrand operates on a highly fragmented market with high barriers to entry, requiring it to offer a full range of multi-feature products and systems meeting various national electrical standards. Local standards and regulations raise the initial investment cost for any market entrant. The nature of the market also requires establishing relationships of trust with distributors, electrical installers, other business referral partners (architects, design offices) and end-users.

Highlights of 2011

Legrand's 2011 sales rose 9.2% year-on-year to €4,250.1 million, or 6.4% at constant scope of consolidation and exchange rates. Adjusted operating income rose 7.5% year-on-year to €856.7 million. Legrand's adjusted operating margin was 20.2% of sales, reflecting the group's ability to:

- fuel growth by investing in innovation and strengthening its commercial organization (sales teams, showrooms, concept stores) in fast-growing markets, while pursuing efforts to enhance its productivity initiatives;
- take account of the rising cost of raw materials and components consumed in sales price management.

Legrand has thus achieved its 2011 objectives targets and has strengthened its growth profile over the past few years. Today:

- 35% of sales are generated in new economies, where the group posted growth of nearly 18% in 2011 (14% organically) and has leading positions in 27 of these countries;
- nearly 22% of revenues now derive from new business segments (digital infrastructures, energy performance, home systems, cable management), where group sales increased by 32% in 2011 (up 13% organically).

With R&D spending representing nearly 5% of Legrand's 2011 sales, innovation and new product launches continue to be essential growth drivers. These innovations are responding to high market expectations in terms of optimizing electricity consumption or expanding access to electricity in new economies.

Legrand is also growing by actively pursuing its strategy of targeted, self-financed acquisitions to gain access to new markets and expand its product range. In 2011 Legrand acquired five companies with total annual sales of over €200 million. These companies are positioned in fast-growing markets, in new economies (48% of sales) or new business segments (84% of sales) such as assistance with independent living, digital infrastructure and UPS solutions.

Legrand fully met its 2011 targets, demonstrating both the soundness of its business model and its ability to achieve medium-term targets for growth and profitability.

Considering these achievements, Legrand's Board of Directors will ask the company's shareholders at their Annual Meeting to approve a dividend of €0.93 per share (compared with €0.88 per share in 2010), payable on June 5, 2012.

Since April 2006, when Legrand returned to listing, its share price has risen significantly and the weight of its float has more than quadrupled to account for 90% of total shares. This healthy stock performance, gradual increase in float and regular increase in the stock's liquidity resulting in Legrand becoming a CAC 40 component stock in December 2011.

Wendel and KKR had signed a shareholders' agreement in March 2011 for five years. Following the sale by KKR of its 4.8% stake in Legrand on March 5, 2012, this agreement and its corresponding concert group were terminated. Wendel continues to be a shareholder of Legrand with 5.8% of its share capital and is represented by two directors on its Board, as of the date of submission of this document.

Outlook for development

Legrand fully met its 2011 targets, demonstrating both the soundness of its business model and its ability to achieve medium-term targets for growth and profitability.

In 2012, given uncertain macroeconomic expectations, Legrand has retained a target for organic growth in sales near zero. The group will also pursue growth through acquisitions, while transactions made in 2011 will already raise 2012 sales by 2.6%. In these conditions, the group is targeting an adjusted operating margin for 2012 at or above 19% of sales, including acquisitions.

With an improved growth profile and ongoing efforts to improve productivity, Legrand is confident in the soundness of its business model and in its capacity to create value on a sustainable basis through profitable, self-financed growth. As a result, and taking into account its 2012 targets, Legrand confirms its medium-term objectives:

- 10% total annual average growth in sales [1];
- 20% average adjusted operating margin, including acquisitions [2].

(1) Excluding exchange-rate effects or a major economic downturn.

(2) Small to mid-size "bolt-on" acquisitions.

In millions of euros	2011	2010	Δ
Sales	4,250	3,891	+9.2%
Adjusted operating income [(1)]	857	797	+7.5%
as a % of sales	*20.2%*	*20.5%*	
Attributable net income	479	418	+14.4%
Net financial debt	1,269	1,198	+€71 million

(1) Figures restated to account for amortization of intangible assets revalued during acquisitions and the income/expenses related to these acquisitions (€39.4 million and €28.5 million in 2010 and 2011, resp.), as well as goodwill impairment, if any (zero in 2010 and €15.9 million in 2011).

Chief Executive/Chairman

Gilles Schnepp, Chairman and CEO

Wendel's involvement

Board of Directors: Frédéric Lemoine, Patrick Tanguy

Appointments and Compensation Committee: Frédéric Lemoine (Chairman)

Audit Committee: Patrick Tanguy

Strategic Committee: Frédéric Lemoine

For more information, please visit: legrand.fr

1.10.4 Materis

Materis drives growth through innovation

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

Materis in brief

9,800 employees	400 sales outlets for decorative paints in Europe	No. 1 worldwide in aluminates No. 4 worldwide in admixtures	No. 3 in Europe in paints No. 4 worldwide in mortars
€2,027 million in net sales in 2011	€29.4 million in net income from business sectors	Stake held by Wendel: 75.5%	Amount invested by Wendel: €341 million since 2006

Why did we invest in Materis?

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

Materis enjoys high barriers to entry resulting from global coverage, innovative and high value-added products, outstanding quality of service, recognized brands, and close relationships with its clients. Materis has also built a portfolio of extremely well-known brands and an integrated distribution network of nearly 400 sales outlets in Europe (paints) and 800 in China (mortars). It has leadership positions in high-growth regions, where 30% of its sales are generated (40-50% for certain businesses, excluding paints), with margins comparable to those in mature markets.

During the downturn, the group demonstrated its resilience, which it gains from a well-balanced business and geographic mix, a strong exposure of over 50% to renovation markets (90% for paints) and a skilled management team.

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

Highlights of 2011

Despite a turbulent financial environment, Materis achieved strong organic growth in 2011, driven principally by emerging market countries, as well as by mature markets. Over the past few years, Materis's strategy of targeted acquisitions and its emphasis on sales and marketing have enabled the company's various divisions to figure among the best performers in their respective sectors.

In 2011, Materis's net sales grew by 9% to €2,027 million. The group posted organic growth of 8%, acquired four companies (mortars business in Thailand, Uruguay and the US; independent paints distributors in Europe) and continued its successful integration of a.b.e. in South Africa. All Materis divisions took advantage of continued high growth in emerging economies (17% organic growth) and the improvement in mature economies (6% organic growth), resulting from renewed growth in underlying markets and better weather than in the previous year.

- Kerneos (aluminates, €360 million in sales) advanced significantly (up 6% overall and 7% organically) buoyed by three factors: i) the building industry chemicals sector in France, Germany and Scandinavia, ii) robust growth in the refractories segment (strong growth in Asia, now one of Kerneos' largest markets, in the US and in Europe), and iii) price increases;
- Strong growth at Chryso (admixtures, €234 million in sales) (up 17% overall and 12% organically) was due to i) favorable conditions in end markets in France and emerging markets (India, Turkey, Eastern Europe), ii) effective sales efforts in the United States, iii) continued improvement in the product mix and in prices and iv) the impact of consolidating a.b.e. over a full year;
- Parex Group (mortars, €634 million in sales) (up 12% overall and 12% organically) also benefited from favorable conditions in the industry in France, the UK and emerging markets, where it was buoyed by i) growth in end-markets, ii) mix and price improvements, iii) market share gains that more than offset a significant decline in Spain and iv) a very slight decline in the US;
- Materis Paints (paints, €815 million in sales) also experienced significant growth (up 7% overall and 4% organic growth), driven essentially by i) price increases, ii) increased activity in French, Argentinian and Moroccan markets, and iii) targeted acquisitions which offset end-market declines in Portugal, Spain and Italy. Confronted with a 75% rise in the cost of titanium dioxide during the course of 2011 and with an economic slowdown in Southern Europe, the paints business vigorously adjusted its prices (price effect up 6%) and initiated a performance improvement program to restore margins (impact of nearly €30 million, including €14 million forecast in 2012).

In 2011, the Aluminates, Admixtures and Mortars businesses continued to generate record industry profitability.

Materis's EBITDA totaled €259 million (12.8% of sales) and its adjusted operating income was €194 million (9.6% of sales), up 4% and 2%, respectively.

The net financial debt of Materis was €1,839 million. More than 18 months in advance of its first repayment dates, Materis launched negotiations with its 200 lenders aimed essentially at postponing 2013-15 maturities and increasing the group's sources of liquidity. In early 2012, nearly 84% of all lenders had agreed to the various requests, and more than 71% had agreed to postpone repayment dates. Discussions are continuing, with the aim of maximizing the lender participation in postponing maturity dates. Finally, Wendel and Materis are prepared to sell one of Materis's divisions in 2012 if an attractive offer is made at favorable financial and operating terms.

In millions of euros	2011	2010	Δ
Net sales	2,027	1,855	+9.3%
EBITDA (1)	259.4	250.5	+3.6%
as a % of net sales	12.8%	13.5%	
Adjusted operating income (1)	194.3	191.0	+1.7%
as a % of net sales	*9.6%*	*10.3%*	
Net income from business sectors	29.4	19.6	+50%
Net financial debt	1,839	1,803	+€36 million

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

Chief Executive/Chairman

Olivier Legrain, Chairman

Wendel's involvement

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

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

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

For more information, please visit: materis.com.

1.10.5 Stahl

Strong presence in emerging market countries

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

Stahl in brief

Present in over 28 countries	35 laboratories and production sites	1,200 employees, incl. 470 marketing experts	No. 1 worldwide in leather-finishing products
€334.5 million in net sales in 2011	€13.8 million in net income from business sectors	Stake held by Wendel: 91.5%	Amount invested by Wendel: €137 million since 2006

Why did we invest in Stahl?

Stahl is the world leader in leather finishing products and is developing large market shares in niche applications for high-performance chemical coatings on other substrates. It enjoys high barriers to entry as a result of its expertise, the long-term relationships it maintains with its principal customers, which include major luxury and high-end car brands, as well as the very high skill levels of its “golden hands” technicians. With global market share over 20% on a fragmented market, Stahl has achieved high recurring profitability over the last 20 years. Beyond the cyclical fluctuations of 2009 and 2010, 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 obtains more than 60% of its sales in emerging markets.

Highlights of 2011

In 2011, Stahl posted a 1.3% rise in sales to €334.5 million, even after a strong, 30.2% advance in 2010. In the first half of the year, organic growth was weak, at 0.8%, owing in part to a high 2010 base of comparison in the second quarter, as sales in Q2 2010 had constituted a record high. Stahl returned to more normal organic growth rates in the second half (2.8%). Full-year growth seemed all the more modest compared with the 24.1% organic growth rate achieved in 2010.

Specifically, the Leather Finishing Products division (55% of sales) suffered a slowdown in the tanning business because of the high price of hides, in particular in China and Latin America. This division was also impacted by the slowdown in demand from the luggage, furniture and clothing markets, which was not fully offset by the healthy automotive market. High-Performance Coatings posted good performance, with organic growth of 5.1% over the full year. This business continued to see strong growth in India and China and consolidated its positions in mature markets owing to market share gains and new product launches.

2011 adjusted operating income came to €38.0 million, down 18%, with a margin of 11.4% (vs. 14.0% in 2010). Margins were affected by increases in the price of raw materials, which could not be fully passed on to customers. Since the third quarter of 2011, however, raw material prices have come down, which should have a favorable impact in 2012. Stahl’s net financial debt stood at €185 million as of the end of 2011.

Outlook for development

Amid a still-uncertain global economy, Stahl will continue to target organic growth and increased market share. To do so, it will focus on ongoing product innovation, while stepping up marketing efforts and capitalizing on the positions it has established in high-growth regions (63% of sales). Stahl also intends to develop its activities in the earlier stages of leather processing, in order to expand its scope of business and gain greater market share. The group will continue to capitalize on its strengths, which are emerging markets, innovation and active cost management. Specifically, in emerging markets Stahl will renew its distribution network, focus more on large account customers and offer high value-added services. On the innovation front, it will emphasize non-polluting products and custom technologies. Finally, Stahl will concentrate on strict financial discipline and value-adding investments. Stahl’s businesses continue to be driven by powerful long-term trends. Its markets are gradually shifting to the emerging market countries, average annual growth of 2-3% in meat consumption is supplying the market for hide processing, and certain competitors are gradually disappearing, a trend that has been accentuated by the recession. Stahl aims to achieve average organic growth in excess of 5% per year.

In millions of euros	2011	2010	Δ
Net sales	334.5	330.1	+1.3%
EBITDA (1)	45.0	54.8	-17.8%
as a % of net sales	*13.5%*	*16,6%*	
Adjusted operating income (1)	38.0	46.2	-17.8%
as a % of net sales	*11.4%*	*14.0%*	
Net income from business sectors	13.8	15.6 (2)	-11.5%
Net financial debt	185	181	+€4 million

(1) Adjusted EBITDA and adjusted operating income before goodwill allocation entries, management fees and non-recurring items.
(2) Ten-month contribution to net income from business sectors; full consolidation of Stahl as of March 1, 2010.

Chief Executive/Chairman

Huub Van Beijeren, Chairman and CEO

Wendel's involvement

Board of Directors: Dirk-Jan Van Ommeren (Chairman), Bernard Gautier, Olivier Chambriard, Bruno Fritsch, Jean-Michel Ropert

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

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

For more information, please visit: stahl.com.

1.10.6 Deutsch

Nearly 80% of Deutsch's connectors are custom-made

Deutsch is the global specialist in high-performance connectors, with leadership positions in aerospace, construction equipment and heavy vehicles. Approximately 80% of its connectors are custom-made, in order to meet its clients' unique quality standards.

Deutsch in brief

Present in over 25 countries	9 factories worldwide	More than 3,500 employees	No. 1 worldwide in industrial vehicles
$676 million in net sales in 2011	$74.4 million in net income from business sectors	Stake held by Wendel: 89.2%	Amount invested by Wendel: $470 million since 2006

Why did we invest in Deutsch?

Deutsch is the world leader in high-performance connectors for harsh environments. It designs and manufactures innovative connector solutions in close tandem with its clients' R&D departments. Its products are highly innovative and perform exceptionally well while standing up to very harsh operating environments. All its products meet the most stringent quality standards. Deutsch benefits from high barriers to entry, such as the long client-accreditation procedures, the long life-cycle of platforms (over 20 years), notably in aerospace and industrial equipment, as well as the high level of skills and experience it has gained in R&D. Deutsch has also developed numerous innovative solutions, such as aluminum cabling systems for the Airbus A380. The group's growth is based on markets with strong long-term growth potential, such as heavy transportation vehicles, infrastructure equipment, aerospace and deep-water offshore operations.

Highlights of 2011

Firstly, in June 2011, Bertrand Dumazy joined the group as the new CEO, while Jean-Marie Painvin became Chairman of the Board of Directors. Deutsch reported sales of $675.6 million in 2011, up 20.7% (up 18.7% in organic terms) compared with 2010. Organic growth remained strong over the entire year despite a slowdown in the second half attributable to an unfavorable basis of comparison. Expansion in the Industry Division was part of the engine behind this growth. Industry posted 24.7% organic growth, with a significant advance in China and growth in the truck market in the United States. With recovery having started in the European and US markets in the first half, the aerospace and defense division posted robust organic growth of 14.6%.

The Offshore division scored new successes, obtaining some large new orders. Over the whole year new orders were eight times what they were in the previous year, and a new contract was signed in September 2011, with an initial value of €23.2 million. Since then, new orders have raised the value of the contract to €29.5 million. It will generate net sales in 2012 and 2013.

Adjusted operating income, which had returned to its pre-recession level in 2010, rose a further 29.4% to $145.7 million. Adjusted operating margin meanwhile widened by 150 basis points to 21.6%. On November 29, 2011, Wendel and Jean-Marie Painvin, co-shareholder of Deutsch, decided to enter into exclusive negotiations with TE Connectivity, a world leader in connectivity solutions, with a view to selling Deutsch.

Projected sale of Deutsch to TE Connectivity

In light of the industrial and financial quality of the proposal made by TE Connectivity, Wendel and Jean-Marie Painvin (1) entered into an agreement with this global leader in connectivity solutions in December 2011 to sell Deutsch. The sale is expected to be completed in the first half of 2012 (2). In a fast consolidating industry, this transaction will accelerate the development of both groups, due to complementary product portfolios that will allow them to better serve industrial customers across a range of end markets. By combining their areas of expertise, the groups will be able to offer their civil aerospace and defense customers in Europe, the United States and high-growth countries a more comprehensive range of products. Deutsch will also benefit from TE Connectivity's sales network to accelerate the development of its offshore business. TE Connectivity will pursue an ambitious R&D policy, in particular by turning Deutsch's Le Mans and Évreux plants into global centers of excellence. It has agreed to acquire all of the shares of Deutsch at an enterprise value of approximately $2.1 billion. For Wendel, the net proceeds of the transaction should amount to around €960 million. This would be 2.4 times the total amount Wendel has invested and would include a capital gain of around €580 million (3).

In millions of dollars	2011	2010	Δ
Net sales	675.6	559.7	+20.7%
EBITDA (1)	169.9	132.7	+28.1%
as a % of net sales	25.1%	23.7%	
Adjusted operating income (1)	145.7	112.6	+29.4%
as a % of net sales	21.6%	20.1%	
Net income from business sectors	74.4	63.1	+18.0%
Net financial debt	510.5	598.8	- $88.3 million

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

Chief Executive/Chairman

Jean-Marie Painvin, Chairman of the Board of Directors

Bertrand Dumazy, Chairman and CEO

Wendel's involvement

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

Governance Committee: Bernard Gautier (Chairman), David Darmon, Patrick Tanguy

Audit Committee: Jean-Michel Ropert (Chairman), David Darmon, Patrick Tanguy

Strategic Committee: Bernard Gautier, David Darmon, Patrick Tanguy

For more information, please visit: deutsch.net

(1) Co-shareholder of Deutsch and Chairman of the Board of Directors.

(2) Subject to the necessary regulatory approvals.

(3) Capital gain on the amounts invested.

1.10.7 Parcours

A major business mobility player focused on service

Parcours is the independent specialist in long-term vehicle leasing in France with a managed fleet of 44,900 vehicles. The group 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*

23 branches, incl. 18 in France	Managed fleet: 44,900 vehicles	266 employees	Leading independent leasing specialist in France
€271.4 million in sales in 2011	€17.1 million in pre-tax ordinary income	Stake held by Wendel: 95.9%	Amount invested by Wendel: €107 million since 2011

* *Unaudited financial information for 12 months.*

Why did we invest in Parcours?

Parcours, created in 1989 by its current chief executive, 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. Parcours has achieved exceptional growth (18% on average for the past ten years) and showed strong resilience during the recent recession. With its fleet of 44,900 vehicles, Parcours operates in France through its differentiating network of 18 branches and has also been replicating its business model internationally since 2005, with five 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: new vehicle leasing, maintenance & repair and resale of used vehicles;
- growth accelerated by an increase in market share attributable to its strong positioning and the satisfaction of its customers;
- regional coverage allowing Parcours to meet the needs of large national clients;
- a unique and effective business model for used vehicle sales 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's annual 6% growth.

Highlights of 2011

Parcours reported sales of €271.4 million in 2011, up 12% compared with 2010. Over the year, Parcours' fleet of vehicles expanded by 8.8% (from 41,280 to 44,900), faster than that of the industry in France (2.6%). After advancing at a rate of 13.8% in the first half of the year, sales growth tapered off in the second half to 8.5%, in part because vehicle deliveries were delayed due to the Fukushima catastrophe and the impact it had on car makers. As of the end of December 2011, Parcours' portfolio of non-delivered orders amounted to more than 3,700 vehicles, up 14.3% compared with December 2010. Pre-tax ordinary income rose 3% to €17.1 million in 2011, representing a margin of 6.3% of sales.

Outlook for development

Parcours intends to base its expansion on the growing demand from business customers for outsourced car fleet management and increasingly sophisticated services. The group will continue to move all of its branches in France to the "3D" model and accelerate its business internationally. In the medium term, Parcours is ideally positioned to capture major trends such as the growing penetration of the long-term vehicle leasing market in France as well as in countries where the group is establishing a foothold.

In millions of euros*	2011	2010	Δ
Sales	271.4	242.6	+11.9%
Pre-tax ordinary income (1)	17.1	16.6	+2.6%
as a % of sales	*6.3%*	*6.9%*	
Net income from business sectors	9.9 (3)	NA	NA
Gross operating debt (2)	372	NA	

(1) Adjusted pre-tax income before goodwill allocation entries, management fees and non-recurring items.
(2) Gross debt related to vehicle fleet funding.
(3) For nine months; full consolidation as of April 1, 2011.
** Unaudited financial information for 12 months.*

Chief Executive/Chairman

Jérôme Martin, Chairman and CEO

Wendel's involvement

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

Audit Committee: Jérôme Michiels, Benoit Drillaud

For more information, please visit: parcours.fr

1.10.8 exceet

exceet designs and develops technological solutions for critical applications

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

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

exceet in brief*

Present in over 5 countries	15 laboratories and production sites	911 employees	Leader in embedded solutions
€170.4 million in net sales in 2011		Stake held by Wendel: 28.4%	Amount invested by Wendel: €50.1 million since 2010

** Unaudited financial information for 12 months.*

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, was the principal sponsor. The purpose of this innovative transaction was to invest in a German Mittelstand company. After 15 months of analysis, Helikos acquired exceet Group AG, European leader in embedded intelligent electronic systems. With its roots and a strong industrial and commercial presence in Germany, exceet designs, develops and produces essential, customized components and solutions for major industrial companies. Its areas of expertise include medical technologies and healthcare, industrial automation, financial services, security, avionics and transportation.

Since 2006, based on its highly specialized know-how, exceet has stepped up its growth both organically and by acquiring niche companies and technologies. It therefore has a strategy for strong business development that dovetails with Oranje-Nassau Développement's investment criteria.

Highlights of 2011

exceet continued its international expansion and its acquisitions in 2011, even if the main event of the year was becoming a listed company via the tie-up with Helikos.

Five principal acquisitions rounded out exceet's range of products and services:

- Winter AG, a German company acquired on December 29, 2010, specialized in electronic security and payment technologies and present in particular in NFC technologies;
- Authentidate AG, a Düsseldorf-based company with expertise in electronic signatures and data security that is used by millions of customers across the globe;
- The Art of Packaging, a Czech company that has become exceet's center of excellence for RFID chips;
- Contec GmbH, an Austrian company specialized in the design of embedded systems for industry and for medical technologies;
- Inplastor GmbH, an Austrian company that produces over 25 million secure cards p.a.

Against this background, exceet's sales rose 51.5% over the first nine months of 2011 to €128.9 million. Organic growth alone during the period was 20%. EBITDA, meanwhile, advanced by 64.6%, or €21.7 million.

exceet performed particularly well in medical technology and in integrated systems for industrial applications.

Over all of 2011, sales totaled €170.4 million, up 42.7%. For 2012, exceet will continue to expand, both organically and by acquisition, notwithstanding the uncertainties generated by the European sovereign debt crisis. Owing to the quality of its business model, the company can pursue its growth strategy even while maintaining its EBITDA margin target of 18%.

In millions of euros*	9 months 2011	9 months 2010	Δ
Net sales	128.9	85.1	+51.5%
Adjusted operating income	15.80	8.98	+75.9%
% of net sales	*12.3%*	*10.6%*	*+16.0%*
Attributable net income	13.3	7.0	+90.5%
Net financial debt	1.15		

* *Unaudited financial information.*

Chief Executive/Chairman

Ulrich Reutner, CEO

Wendel's involvement

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

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

For more information, please visit: exceet.ch

1.10.9 Mecatherm group

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 and other bakery products such as 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	500 industrial lines installed	310 employees, incl. 25 in R&D	World leader in equipment for industrial bakeries
€85.6 million in net sales in 2011	19.5% EBITDA margin	Stake held by Wendel: 98.1%	Amount invested by Wendel: €112 million since 2011

* *Unaudited financial information for 12 months.*

Why did we invest in Mecatherm?

The Mecatherm group is the world leader in industrial bakery equipment; it has attained, for example, a 60% market share in high-capacity lines. It serves the entire market with three complementary solutions: high-capacity lines (traditional 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 500 automatic lines in more than 50 countries worldwide, representing 15,000 tons of goods produced by Mecatherm lines every day. The group benefits from high barriers to entry:

- unique R&D and product innovation know-how with its team of 25 experts. Since 1995, the group has launched nearly 20 new products and benefits from 15 active patents;
- strong brands (Mecatherm and Gouet) and the trust of its clients. (50% of its clients have been customers for over 10 years);
- a sales network that has more than doubled in three years, with about 30 sales representatives serving all market segments.

Wendel finalized its acquisition of the Mecatherm group through Orange-Nassau Développement in October 2011.

Highlights of 2011

In 2011, the Mecatherm group's net sales totaled €85.6 million, down 3.7% from 2010. As expected, growth in the group's sales was slightly curtailed in the fourth quarter of the year, as a result of the accounting impact of a slight offset in the timing of new orders. Adjusted operating income was €15.64 million, down 11.0% from 2010. The adjusted operating margin came in at 18.3% vs. 19.8% in 2010. Mecatherm's high profitability demonstrates that its industrial model is well-adapted to the market. All equipment is modular and manufacturing is fully outsourced, enabling the company to optimize its cost structure at all times while focusing its expertise on R&D and customer service. Mecatherm was consolidated beginning in the 4th quarter of 2011.

Outlook for development

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

- geographic expansion, as bread consumption and demand increases in high-growth countries, where the group already achieves 36% of its sales;
- the growing share of industrial bakery on a global scale;
- bigger market shares in the "Premium" and "Variety" segments;
- market consolidation, reinforcing the group's range with complementary technologies.

These major assets, combined with a light cost structure and rigorous financial discipline, should allow the Mecatherm group to further expand and strengthen its leadership positions.

In millions of euros	2011	2010	Δ
Net sales	85.6	88.9	-3.7%
EBITDA (1)	16.7	19.7	-15.0%
as a % of net sales	*19.5%*	*22.1%*	-
Adjusted operating income (1)	15.6	17.6	-11.0%
as a % of net sales	*18.3%*	*19.8%*	-
Net financial debt	€58 million	NA	-

(1) EBITDA and adjusted operating income excluding management fees.
** Unaudited financial information for 12 months.*

Chief Executive/Chairman

Bernard Zorn, Chairman of the Board of Directors

Olivier Sergent, CEO

Wendel's involvement

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

For more information, please visit: mecatherm.fr

1.10.10 Van Gansewinkel Groep

At Van Gansewinkel, there is no such thing as waste

Van Gansewinkel is a European leader in waste processing and recycling.

The group searches for innovative solutions to give waste products a second life, in the form of raw materials or energy. The process begins with waste collected and carefully sorted at the source to obtain the maximum value from it.

Van Gansewinkel Groep in brief

Present in 9 countries	7,000 employees	Avoided the emission of 1.2 tonnes of CO_2	77% of waste collected is transformed
€1.2 billion in revenue in 2011	120,000 business customers	Stake held by Wendel: 8.1%	Amount invested by Wendel: €38.7 billion since 2006

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 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. Constantly innovating, Van Gansewinkel obtains value from these products by producing energy and transforming organic material through composting and fermentation. So it was only natural that Oranje-Nassau Développement should choose to accompany and support the growth of this company.

Highlights in 2011

On June 15, Van Gansewinkel announced it had acquired Veolia's Belgian waste treatment and environmental activities, except for the hazardous waste portion. This was an important milestone in the execution of the company's growth strategy.

With 450 employees and 140 vehicles, Veolia Environmental Services Belgium generated revenue of around €100 million. The Benelux countries constitute Van Gansewinkel's principal market, but the group is also active in the Czech Republic, Poland, France, Hungary, Portugal and Germany.

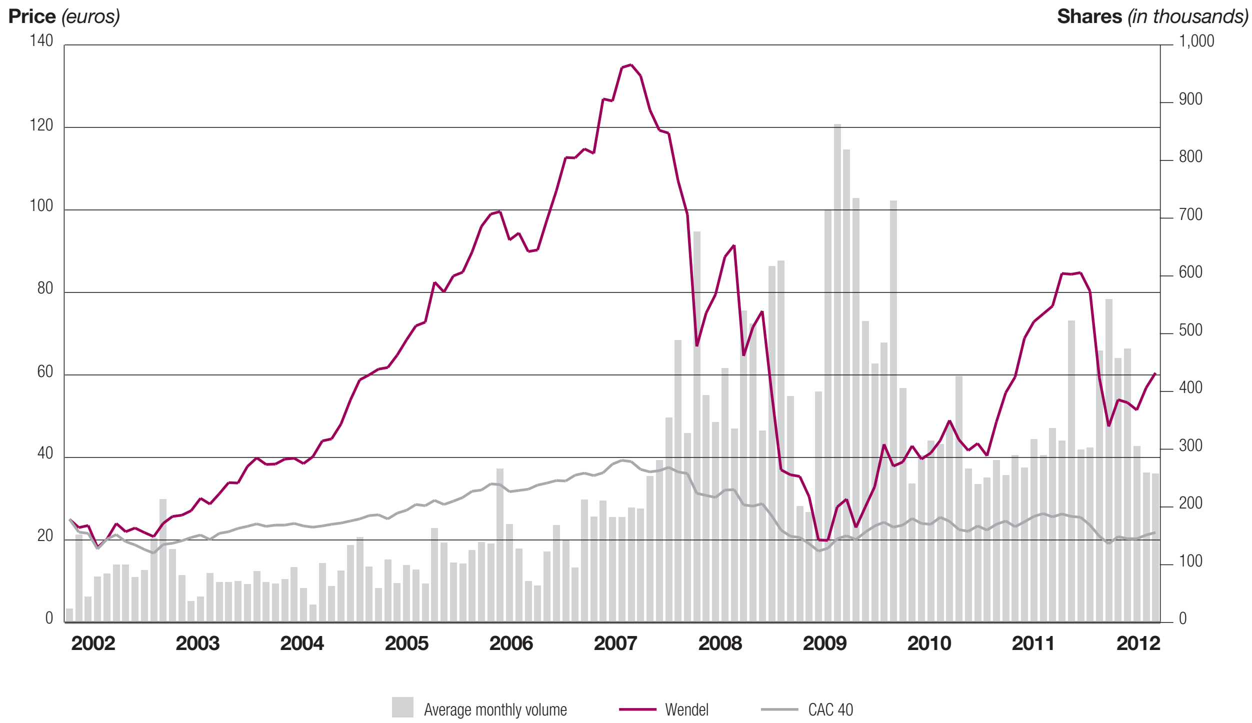
In January 2011, Van Gansewinkel launched "Office Paper", which meets all of the requirements imposed on high-quality paper used in offices. The *Office Paper* production process uses 83% less water (79 liters of water per bale of paper) and 72% less electricity than standard office paper. It emits up to 53% less CO_2. In addition, no trees need to be cut down to produce Van Gansewinkel's *Office Paper*, whereas a bale of standard office paper requires 7.5 kilos of wood. Paper used in offices is already often recycled, but usually into newsprint or tissue products, rather than into office paper.

Van Gansewinkel *Office Paper* is certified by the EPEA and is the first certified Cradle to Cradle® office paper in the world.

For more information, please visit: vangansewinkelgroep.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 30, 2002. Source: FactSet.

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

Reinvested dividend performance from June 13, 2002 to March 16, 2012	Total returns for the period	Annual return for the period
Wendel	+240.9%	+13.4%
CAC 40	- 9.2%	-1.0%

Share references

Listing market: EUROLIST SRD, Compartment A

ISIN code: FR0000121204

Bloomberg ticker: MF FP

Reuters ticker: MWDP. PA

Abbreviation: MF

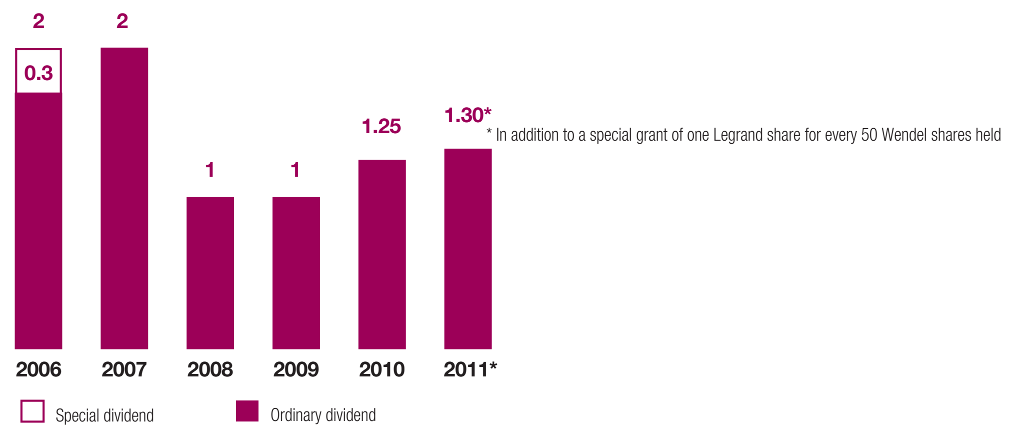
Indexes: CAC Next 20, CAC AllShares, Euronext 150, SBF120, SBF250, STOXX® Europe, EURO STOXX®, STOXX® Europe Private Equity 20,

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: 50,560,975 as of December 31, 2011.

1.11.2 Dividends

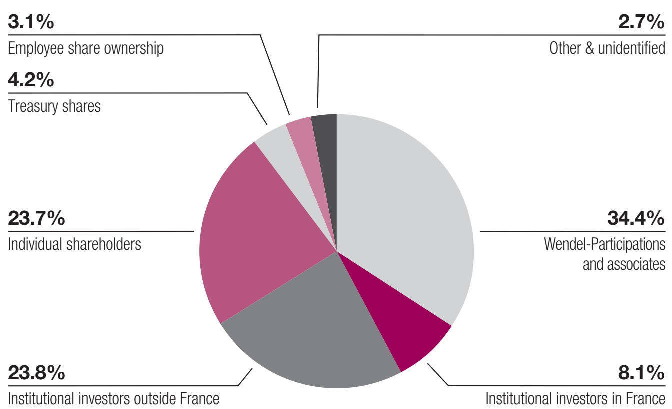
In euros per share



** Subject to shareholder approval at the Annual Shareholder's Meeting on June 4, 2012.*

1.11.3 Shareholders

as of December 31, 2011



1.11.4 Shareholder relations

In 2011, the Wendel Group maintained its strong communications with its nearly 42,000 individual shareholders. The Shareholders Advisory Committee, set up in 2009, met five times in 2011 and visited one of the Materis plants in June. It was consulted regarding all communications addressed to shareholders. Wendel values the Committee's recommendations and advice highly, as they help to educate shareholders about our business and provide an attractive, simplified presentation of our activities.

The Group again took part in Actionaria, a trade show bringing companies and shareholders face to face, held in Paris in November 2011. Wendel will meet with its individual shareholders at a meeting in Lyon in June 2012.

All of the resources designed for shareholders can be viewed in the Shareholders section of the Wendel website, which was distinguished by an asset management trade publication in 2011 for its comprehensiveness. It provides access to letters to shareholders, quarterly publications, the annual report, the registration document, a calendar of key dates, and more.

Earnings presentations, the Annual Meeting and Investor Day presentations are systematically streamed live and made available for later viewing on the Company's website, giving equal access to all shareholders and bondholders interested in Wendel.

Wendel also organizes two major road-show campaigns for institutional investors each year. The first usually takes place after the full-year earnings release, in early April, and the second is scheduled in the first weeks of September, just after the publication of the half-year results. During these campaign periods, the Executive Committee 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. Since 2009, Wendel has also organized twice-yearly road shows geared specifically to the bond community.

Through these various events, the members of the Executive Board and the Chief Financial Officer met with close to 250 investors in Wendel stock and bonds in 2011.

2012 Calendar

May 4: Publication of first quarter 2012 net sales (post-market release)

June 4: Annual Meeting of Shareholders – Publication of net asset value

June 19: Shareholders' Meeting, Lyon

August 30: Net sales and 2012 first-half results (pre-market release) – Publication of net asset value

November 13: Publication of third quarter 2012 net sales (post-market release)

December 6: Investor Day – Publication of net asset value

Contacts

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Director of Financial Communication

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Toll-free number (in France): 0800 897 067

wendelgroup.com

1.11.5 Trading in Wendel shares

Date	Average price 1 month	Intraday high	Intraday low	Trading volume
January 2009	34.58	39.18	29.51	2,197,598
February 2009	28.97	34.46	19.55	4,594,983
March 2009	18.70	22.18	14.88	7,864,800
April 2009	24.89	28.74	19.28	9,491,726
May 2009	30.24	36.29	27.48	9,003,746
June 2009	25.16	32.49	20.67	8,083,751
July 2009	24.85	28.46	21.73	5,995,285
August 2009	30.66	37.68	27.75	4,707,656
September 2009	36.83	43.50	30.86	5,330,685
October 2009	42.85	47.85	35.05	8,031,098
November 2009	39.73	42.49	36.51	4,257,990
December 2009	42.05	43.37	39.40	2,765,668
January 2010	42.77	46.72	38.32	3,332,328
February 2010	38.90	41.30	36.77	3,615,608
March 2010	43.94	47.19	41.16	3,550,191
April 2010	47.12	51.04	44.26	3,796,864
May 2010	44.54	48.85	39.73	4,475,716
June 2010	44.04	46.82	40.16	2,929,845
July 2010	43.46	46.29	39.80	2,628,320
August 2010	43.70	46.47	39.61	2,756,885
September 2010	46.30	49.50	40.43	3,086,484
October 2010	52.63	56.39	47.75	2,808,508
November 2010	60.57	64.70	55.11	3,187,277
December 2010	68.03	69.99	59.50	3,083,346
January 2011	71.94	76.34	67.03	3,328,686
February 2011	74.60	77.49	69.01	2,899,822
March 2011	71.88	77.26	63.55	3,863,917
April 2011	80.31	87.33	76.06	3,619,646
May 2011	82.84	86.68	79.67	5,747,510
June 2011	80.64	84.79	76.68	3,289,353
July 2011	81.46	86.31	75.94	3,325,403
August 2011	58.53	81.71	50.10	5,406,890
September 2011	49.91	60.25	40.45	6,153,696
October 2011	52.23	59.49	41.62	4,805,579
November 2011	47.87	55.30	41.33	5,214,813
December 2011	50.03	55.75	45.52	3,358,039
January 2012	55.45	59.44	50.00	2,852,896
February 2012	61.67	64.50	56.91	2,733,734

Source: FactSet.

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 other Company reports, as well as historical financial information and other documents, may be consulted at the Company's registered office, at 89, rue Taitbout, 75009 Paris (France).

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

- the key figures on page 4 as well as the consolidated financial statements and corresponding audit report on pages 107-195 of the 2010 registration document filed with the AMF on April 7, 2011 under number D.11-0253;
- the key figures on pages 18 and 19 as well as the consolidated financial statements and corresponding audit report on pages 81-162 of the 2009 registration document filed with the AMF on April 29, 2010 under number D.10-0257.

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

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

2

CORPORATE GOVERNANCE

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2.1 Governing and supervisory bodies

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 6, "Information on the Company and share capital". This report was approved by the Supervisory Board at its meeting of March 21, 2012, after review by the Audit and Governance Committees.

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. No member of the Supervisory Board may also be a member of the Executive Board. An Executive Board members 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 Bernard Gautier (see section 2.1.7.7 "Position of executive corporate officers with respect to Afep-Medef recommendations").

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

The Executive Board is composed of two members. Since April 7, 2009, they have been Frédéric Lemoine and Bernard Gautier. The Executive Board's term expires on April 7, 2013.

2.1.1.2 Operations

In accordance with Article 20 of the by-laws, Executive Board meetings are held at the head office or at any other venue specified by the Chairman in the meeting notice. The agenda can be amended at the time of the meeting. Meeting notices can be sent out by any means, including verbally, without advance notice if necessary. Decisions of the Executive Board are valid only if at least half of its members are present and are based on a majority of those voting. In the event of no clear majority, the Chairman has 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 30 times in 2011.

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

- the Group's financial position;
- updates on subsidiaries and other investments;
- updates on ongoing financial transactions, which in 2011 included:
  - the acquisition of the exceet Group by Helikos,
  - the bid received from TE Connectivity for the purchase of Deutsch,
  - the acquisition of Parcours and Mecatherm,
  - the divestment of blocks of shares in Legrand,
  - bond transactions.

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

- new investment opportunities;
- account closings and periodic financial information;
- financial communication issues:
  - net asset value,
  - roadshows,
  - investor day;
- internal organization and labor issues:
  - work group organization,
  - ethics,
  - the training plan,
  - compensation policy,
  - insurance and pension plans;
- Group governance;
- disputes and litigation in progress;
- support for the Centre Pompidou-Metz as a Founding Sponsor;
- preparation of the Annual Meeting and periodic closings.

Bruno Fritsch, Investment Manager and member of the investment team since 2007, is the Secretary of the Executive Board.

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 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 2.1.6.8.

Frédéric Lemoine

Chairman of the Executive Board

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

Current term expires: April 7, 2013

Born on June 27, 1965

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 1992-1993, he was head of the Institut du Coeur of Ho Chi Minh-City, Vietnam for a year, and in 2004 he became General Secretary of the Fondation Alain Carpentier, which supports this hospital. From 1995 to 1997, he was deputy chief of staff of the Minister of Labor and Social Affairs (Jacques Barrot), in charge of coordinating reform of the national health insurance system and hospital reform. At the same time he was a chargé de mission with the Secretary of State for Healthcare and the National Health Insurance system (Hervé Gaymard). From 1997 to 2002, he was Delegated CEO, then CFO under Serge Kampf and the Executive Board of Capgemini, before being named Group VP in charge of finance of Capgemini Ernst & Young. From May 2002 to June 2004, he was the deputy General Secretary of French President Jacques Chirac, in charge of economic and financial affairs and other areas.

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

He is also a member of the Board of Directors of Insead and a member of the Board of Directors of 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, 2011:

Wendel Group:

Vice Chairman of the Board of Directors of Bureau Veritas

Director of Legrand

Director of Saint-Gobain

Chairman of the Supervisory Board of Oranje-Nassau Groep BV

Chairman of the Board of Directors of Trief Corporation SA

Other appointments:

Director of Groupama (until March 15, 2012)

Appointments expired in the last five years:

Chairman of the Supervisory Board of Bureau Veritas (2009)

Chairman of Winbond SAS (2009-2011)

Member of Wendel's Supervisory Board (2008-2009)

Chairman of the Supervisory Board of Areva (2005-2009)

Member of the Supervisory Board, then non-voting Board member of Générale de Santé (2006-2009)

Manager of LCE SARL (2004-2009)

Director of Flamel Technologies (2005-2011)

Number of Wendel shares held as of December 31, 2011: 16,000

Bernard Gautier

Member of the Executive Board

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

Current term expires: April 7, 2013

Born on June 6, 1959

Business address:
Wendel
89, rue Taitbout
75009 Paris
France

Career path:

Graduate of the École supérieure d'électricité.

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

Appointments as of December 31, 2011:

Wendel Group:

Director of Saint-Gobain

Vice Chairman of the Board of Directors of Deutsch

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

Member of the Management Board of Materis Parent

Director and Chairman of Winvest International SA SICAR.

Manager and Chairman of Winvest Conseil SARL

Director of Wendel Japan KK

Other appointments:

Member of the Supervisory Board of Altineis (since 2004)

Director of Communication, Media Partner (since 2000)

Manager of BJPG Participations, BJPG Assets, Sweet Investment, BJPG Conseil

Directorships expired in the last five years:

Vice-Chairman of the Supervisory Board of Editis Holding (2004-2008)

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

Number of Wendel shares held as of December 31, 2011: 320,248

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.

As of December 31, 2011 the Supervisory Board was composed of 11 members.

Ernest-Antoine Seillière is the Chairman of the Supervisory Board. François de Wouters is the Vice-Chairman of the Board. The Vice-Chairman is appointed by the Supervisory Board. Under Article 13 of by-laws, he fulfils the same functions and has the same powers as the Chairman in the event the Chairman is unable to carry out his duties or if the Chairman temporarily delegates his powers to him.

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-elected. 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 12. As a result the expiry dates for the terms of each member as of December 31, 2011 were as follows:

- 2012 (Annual Meeting to approve 2011 financial statements):
  - Jean-Marc Janodet,
  - François de Mitry,
  - François de Wendel;
- 2013 (Annual Meeting to approve 2012 financial statements):
  - Ernest-Antoine Seillière,
  - Édouard de l'Espée;
- 2014 (Annual Meeting to approve 2013 financial statements):
  - Dominique Hériard Dubreuil,
  - Guylaine Saucier,
  - Nicolas Celier;
- 2015 (Annual Meeting to approve 2014 financial statements):
  - Humbert de Wendel,
  - Gérard Buffière,
  - Didier Cherpitel.

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

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

An Afep-Medef recommendation issued in April 2010 sets targets for the percentage of women that should be represented on corporate boards: at least 20% in 2013 and at least 40% in 2016. In addition, a French law enacted on January 27, 2011, on the balanced representation of women and men in corporate boards and on workplace equality, stipulates that these same percentages be attained by the end of the Ordinary Annual Meetings held on or after January 1, 2014, and on or after January 1, 2017, respectively. To prepare for compliance with the Afep-Medef recommendation and the January 27, 2011 law, the shareholders appointed Dominique Hériard Dubreuil and Guylaine Saucier to the Company's Supervisory Board at their June 4, 2010 Annual Meeting.

The by-laws also allow shareholders to appoint non-voting Board members to assist the Supervisory Board. There may be up to four non-voting members on the Board. They may be chosen from among the shareholders (but need not be) and their maximum term is four years. The Supervisory Board defines the responsibilities of the non-voting members and determines their compensation. Their maximum age is set at 70. The non-voting members are invited to all meetings of the Supervisory Board in a consultative role only. They cannot take the place of voting members of the Board.

2.1.2.1.1 Company management expertise and experience of Supervisory Board members and directorships held during the previous five years

Ernest-Antoine Seillière

Chairman of Wendel's Supervisory Board

Date appointed to first term: June 2, 1981

Current term expires: Annual Meeting to be held in 2013

Born on December 20, 1937

Business address:
Wendel
89, rue Taitbout
75009 Paris
France

Career path:

Graduate of the Institut d'études politiques de Paris and a law graduate. Alumnus of the École nationale d'administration.

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

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

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

Directorships and positions held as of December 31, 2011:

Wendel Group:

Director of Bureau Veritas

Director and Honorary Chairman of Wendel-Participations*

Director of Sofisamc

Other directorships and positions:

Member of the Supervisory Board of Peugeot SA

Member of the Supervisory Board of Hermes International:

Appointments expired in the last five years:

Chairman of the Board of Directors of Lorraine de Participations Sidérurgiques - SLPS (2003-2008)

Chairman of the Supervisory Board of Oranje-Nassau Groep BV (2001-2009)

Member of the Supervisory Board of Editis Holding (2004-2008)

Member of the Supervisory Board of Gras Savoye (2003-2009)

Director of Legrand (2002-2011)

Number of Wendel shares held as of December 31, 2011: 806,911

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

François de Wendel

Vice-Chairman of Wendel's Supervisory Board

Member of the Governance Committee

Date appointed to first term: May 31, 2005

Current term expires: Annual Meeting to be held in 2012

Born on January 13, 1949

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

Career path:

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

After serving in a number of executive management positions at Carnaud and CarnaudMetalbox, François de Wendel joined the Pechiney Group in 1992, where he served, in particular, as 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.

Directorships and positions held as of December 31, 2011:

Wendel Group:

Chairman and CEO of Wendel-Participations

Other appointments:

Director of Burelle SA and member of the Audit Committee

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

Number of Wendel shares held as of December 31, 2011: 77,693

Gérard Buffière

Member of Wendel's Supervisory Board

Member of the Audit Committee

Date appointed to first term: May 30, 2011

Current term expires: Annual Meeting to be held in 2015

Born on March 28, 1945

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

Career path:

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

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

Mr. Buffière was then appointed Director and Chief Executive Officer of Imerys, coinciding with the change in the company's governance structure.

Directorships and positions held as of December 31, 2011:

Chairman of Société Française du Parc and of GyB-Industries (France)

Director of Imerys (France)

Directorships expired in the last five years:

CEO of Imerys (2011)

Number of Wendel shares held as of December 31, 2011: 500

Nicolas Celier

Member of Wendel's Supervisory Board

Member of the Audit Committee

Date appointed to first term: May 29, 2006

Current term expires: Annual Meeting to be held in 2014

Born on August 31, 1943

Address:
37, rue de l'Université
75007 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, he 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.

Directorships and positions held as of December 31, 2011:

Wendel Group:

Non-voting Board member of Wendel-Participations

Other directorships and positions:

Chairman of the Supervisory Board of Optimprocess SA

Director of SOFOC SA

Chairman of Cherche-Midi Participations SAS

Chairman of Messine Investissements SAS

Director of Financière de Mussy SAS

Director of Pakers Mussy SAS Director of Lamibois SAS

Director of I-ces SAS

Director of Olivier Partners SAS Director of Ixeo SAS

Manager of FKO Invest BV (The Hague)

Manager of Optical Square Investors SC

Directorships expired in the last five years:

Director of RSO SpA (Milan)

Member of the Supervisory Board of Solving Efeso International SA

Member of the Supervisory Board of Oslo Software SA

Board Member of Oslo Partners Investment SAS

Number of Wendel shares held as of December 31, 2011: 13,818

Didier Cherpitel

Member of Wendel's Supervisory Board

Chairman of the Governance Committee

Date appointed to first term: June 13, 1998

Current term expires: Annual Meeting to be held in 2015

Born on December 24, 1944

Business address:
Wendel
89, rue Taitbout
75009 Paris
France

Career path:

Postgraduate degree (DES) from the Institut d'études politiques de Paris.

Mr. Cherpitel worked from 1970 to 1998 at J.P. Morgan in New York, Paris, Singapore, Brussels and London. He has been 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.

Directorships and positions held as of December 31, 2011:

Director of ProLogis European Properties (PEPR) (Luxembourg)

Director of Fidelity International (Luxembourg/Bermuda)

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

Director of Swiss Philanthropic Foundation (Geneva)

Director and treasurer of François-Xavier Bagnoud International (Sion)

Director and treasurer of the Fondation Mérieux

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

Director of Fédéractive

Director of Porticus (Netherlands)

Directorships expired in the last five years:

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

Member of the Fondation MSF France from 2003 to 2009

Number of Wendel shares held as of December 31, 2011: 4,000

Édouard de L'Espée

Member of Wendel's Supervisory Board

Member of the Audit Committee

Date appointed to first term: September 6, 2004

Current term expires: Annual Meeting to be held in 2013

Born on September 5, 1948

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

Career path:

Graduate of the École Supérieure de Commerce de Paris.

He 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. Mr. de l'Espée 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.

Directorships and positions held as of December 31, 2011:

Wendel Group:

Director of Wendel-Participations

Other appointments:

Chairman of Praetor Sicav (Luxembourg)

Chairman of Praetor Global Fund (Luxembourg)

Director of Praetor Advisory Company (Luxembourg)

Director of Compagnie Financière Aval (Switzerland)

Directorships expired in the last five years:

Director of Concorde Asset Management Ltd (2009)

Number of Wendel shares held as of December 31, 2011: 3,706

Dominique Heriard Dubreuil

Member of Wendel's Supervisory Board

Member of the Governance Committee

Date appointed to first term: June 4, 2010

Current term expires: Annual Meeting to be held in 2014

Born on July 6, 1946

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

Career path:

Assas law school (Paris); Institut des Relations Publiques.

Media contact at Havas Conseil (1969-1972); Founder of public relations department at Ogilvy & Mather (1972); Head of programs at Hill & Knowlton (1973-1975); Founder of the public relations department at McCann-Erickson France (1975-1977); Founder (1978) and Chairman-CEO (1984-1987) of the Infoplan agency; CEO (1988-1990), Chairman (since 1990) of E. Remy Martin & Cie in Cognac, France; Chairman and CEO (1998-2000), Chairman of the Executive Board (2001-2004) then of the Board of Directors (since 2004) of Rémy Cointreau; Chairman (1992-1994), Director of the Federation of Wine and Spirit Exporters of France (FEVS); Chairman (1992-1994), Director of the Comité Colbert; Director of Baccarat; Member of the Executive Board of Mouvement des Entreprises de France (Medef); Chairman of Vinexpo Overseas.

Directorships and positions held as of December 31, 2011:

Principal positions:

Chairman of the Board of Directors of Rémy Cointreau

CEO and member of the Executive Committee of Andromède

Other Directorships:

Member of the Supervisory Board of Vivendi

Director of INRA

Chairman of Vinexpo Overseas and member of the Supervisory Board of Vinexpo SAS

Director of the 2nd chance Foundation

Director of the Fondation de France

Member of the Medef Executive Council and Director of Afep

Directorships expired in the last five years:

Director of Baccarat

Director of Unipol BV

Director of Botapol Holding BV

Director of CEDC Director of Stora Enso OYJ

Number of Wendel shares held as of December 31, 2011: 1,500

Jean-Marc Janodet

Member of Wendel's Supervisory Board

Chairman of the Audit Committee until March 22, 2011

Member of the Governance Committee since May 30, 2011

Date appointed to first term: November 20, 1997

Current term expires: Annual Meeting to be held in 2012

Born on June 29, 1934

Business address:
Wendel
89, rue Taitbout
75009 Paris
France

Career path:

Graduate of the École Supérieure de Commerce de Paris. He has spent his entire career at the Wendel Group. He was a director and CEO of Marine-Wendel and a director and member of the Executive Committee responsible for finance at CGIP.

He is an officer of the National Order of Merit.

Directorships and positions held as of December 31, 2011:

Wendel Group:

Chairman of the Board of Directors of Sofisamc

Director of Trief Corporation SA

Directorships expired in the last five years:

Chairman of Trief Corporation (expired in 2009)

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

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

Number of Wendel shares held as of December 31, 2011: 19,005

François de Mitry

Member of Wendel's Supervisory Board

Member of the Governance Committee

Date appointed to first term: September 6, 2004

Current term expires: Annual Meeting to be held in 2012

Born on January 27, 1966

Business address:
Wendel
89, rue Taitbout
75009 Paris
France

Career path:

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

He began his career at HSBC and then at Société Générale. He joined Intermediate Capital Group PLC in 1997 and was appointed CEO and a member of the Board in 2003, a position he held until July 2011.

Directorships and positions held as of December 31, 2011:

Director of Wendel-Participations (since May 6, 2011)

Directorships expired in the last five years:

CEO and Director of Intermediate Capital Group PLC (2011)

Director of Parken and of Gerflor (2011)

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

Chairman of the Supervisory Board of Eisman GmbH (2011)

Number of Wendel shares held as of December 31, 2011: 285*

* *As of January 1, 2012, Mr. de Mitry complied with the new requirement to hold at least 500 shares*

Guylaine Saucier

Member of Wendel's Supervisory Board

Chairman of the Audit Committee since March 22, 2011

Date appointed to first term: June 4, 2010

Current term expires: Annual Meeting to be held in 2014

Born on June 10, 1946

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

Career path:

Graduate, with a baccalauréat es arts, from the College Marguerite-Bourgeois and a licence degree in business from the École des Hautes Études Commerciales de Montreal.

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

As a company Director, she sits on the Board 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 Hotel-Dieu de Montreal.

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

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

Directorships and positions held as of December 31, 2011:

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

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

Member of the Board of Directors of SCOR

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

Directorships expired in the last five years:

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

Member of the Board of Directors of CHC Helicopter Corp. (2005-2008)

Member of the Board of Directors of Altran Technologies (2003-2007)

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

Number of Wendel shares held as of December 31, 2011: 500

Humbert de Wendel

Member of Wendel's Supervisory Board

Member of the Audit Committee

Date appointed to first term: May 30, 2011

Current term expires: Annual Meeting to be held in 2015

Born on April 20, 1956

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

Career path:

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

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

Directorships and positions held as of December 31, 2011:

Main position:
Total – Senior Vice President, Finance and Cash management, Corporate Treasurer

Wendel Group:
Director of Wendel-Participations

Other appointments within the Total group:
Chairman, CEO and Director of Sofax Banque
Chairman, CEO and Director of Total Capital
Chairman, CEO and Director of Total Capital International
Chairman of Total Finance
Chairman of Total Finance Exploitation
Chairman of Total Treasury
Director of Société Financière d'Auteuil
Director of Elf Aquitaine
Permanent representative of Total SA Eurotradia International Chairman and Director of Total Capital Canada Ltd (Canada) Director of Sunpower Corp.

Other appointments not related to the Total group:
Manager of Financière Berlioz (non-trading company)
Manager of Omnium Lorrain (non-trading company)
Manager of Invalides-Constantine SCI

Directorships expired in the last five years:

Chairman, CEO and Director of Odival from September 28, 2007 to September 28, 2011
Chairman and CEO of Total Petrochemicals Arzew from November 15, 2004 to July 15, 2008
Chairman and CEO of Total E&P Research and Development from November 15, 2004 to November 19, 2007
Chairman and CEO of Total E&P Cambodge from November 15, 2004 to July 19, 2007
Director of Total Myanmar Power and Fertilizers from March 24, 2000 to March 15, 2007
Director and Chairman of the Audit Committee of Compania Espanola de Petroleos – Cepsa (Spain) until August 2, 2011

Number of Wendel shares held as of December 31, 2011: 267,226

2.1.2.1.2 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.

2.1.2.1.3 Conflicts of interest, family ties and service contracts

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

Ernest-Antoine Seillière (Director and Honorary Chairman), François de Wendel (Chairman and CEO) and Édouard de l'Espée and François de Mitry (Directors) are Directors of Wendel-Participations, the Company's main shareholder, which represents the interests of Wendel family members. Nicolas Celier is a non-voting Board member of Wendel-Participations.

Ernest-Antoine Seillière and Jean-Marc Janodet hold directorships in some of the Group's subsidiaries and associated companies. François de Mitry was, until July 2011, was an executive of Intermediate Capital Plc, an investment firm with an interest in the financing of certain subsidiaries.

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 2.1.6.7.

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 2.1.6.8.

2.1.2.1.4 Independence of Supervisory Board members

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

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

At its meeting of February 10, 2012, the Supervisory Board reviewed the independence of each member based on the following criteria, in accordance with recommendation 8.4 of the Afep-Medef Code as to whether they:

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

The Supervisory Board applies the proposed independence criteria. However, it interprets the application of the criterion limiting successive terms of an independent director to 12 years in a slightly different manner. Given Wendel's business as a medium- and long-term investor, the Supervisory Board believes that experience is an essential criterion in assessing the skills of the Company's Supervisory Board members. Accordingly, at its February 10, 2011 meeting, the Board decided that Didier Cherpitel, who was appointed Director in 1998, should be considered as an independent director in light of his extensive experience on and outside of the Board, his compliance with all other criteria in the Afep-Medef Code and his personal qualities. As no new information has changed this evaluation, the Board has maintained it for fiscal year 2012.

Consequently, the Supervisory Board considered that as of February 10, 2012, four members met the independence criteria set forth in the Afep-Medef Code: Dominique Hériard Dubreuil, Guylaine Saucier, Didier Cherpitel and Gérard Buffière. The composition of the Committee therefore complies with recommendation 8.2 of the Afep-Medef Code, which advocates that at least one-third of the Board members of controlled companies be independent.

As Jean-Marc Janodet is not seeking to renew his term, the number of Board members is set to decline from 11 to 10. At the conclusion of the June 4, 2012 Annual Meeting, therefore, assuming shareholders decide to renew the terms of François de Wendel and François de Mitry, four of the ten members or 40% of the Board will be independent.

2.1.2.2 Preparation and organization of the Board's proceedings

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

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

The 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 other means of telecommunication. The Supervisory Board's internal regulations allow Directors to attend Board meetings by telephone or video conference; in 2011, one Board meeting was held over a secure video conference line.

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

The Supervisory Board meets regularly. In 2011 the Supervisory Board met nine times. The attendance rate was 92% and the meetings lasted on average three hours.

The Supervisory Board has a Secretary: Caroline Bertin Delacour, Director of Legal Affairs, appointed by the Board on July 6, 2011 to replace David Darmon.

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 at the time of its release. The main analyst studies and the most significant press articles are forwarded to them, whenever necessary, at the following Board meeting or by e-mail if there is urgency. A record of attendance is also kept.

The main items discussed at Supervisory Board meetings during 2011 were as follows:

- update on the financial position and strategy;
- proposed investments and divestments;
- financing and bond issues;
- presentation of cash management;
- renewal of shareholder agreements;
- quarterly reports of the Executive Board on the situation of the Company and the Group;
- net asset value and share price;
- parent company and consolidated financial statements as of December 31, 2010 and June 30, 2011 and Statutory Auditors' reports;
- quarterly financial information;
- management forecasts;
- share buybacks;
- financial communication;
- review of shareholder structure;
- Executive Board compensation;
- review of the Company's compliance with the Afep-Medef code;
- reports of the Audit and Governance Committees;
- 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;
- appointment of the new Vice Chairman of the Supervisory Board;
- changes in the composition of the Board and its committees;
- annual debate on Company policy regarding professional equality and equal pay;
- granting of purchase-type stock options;
- co-investment policy;
- capital increase reserved for members of the Group savings plan;
- review of disputes and litigation.

2.1.2.3 Evaluation of the Supervisory Board and its committees

Recommendation 9 of the Afep-Medef code advises the Board to "evaluate its capacity to meet shareholder expectations (...) by periodically reviewing its composition, organization and operations (…)". Specifically, it recommends:

- that each year the Board devote one agenda item to a discussion about its operations;
- that a formal evaluation be carried out at least once every three years.

The Supervisory Board thus devotes an agenda item every year on how its work is organized. In 2011, this evaluation was carried out under the authority of the Chairman of the Governance Committee, based on a questionnaire sent to all Board members. The conclusions drawn from the questionnaire were reviewed at the November 29, 2011 meeting of the Governance Committee and the December 1, 2011 meeting of the Board.

The main conclusions of the evaluation were as follows:

- all Board members agreed that the composition of the Supervisory Board was appropriate, in terms of both diversity and skills;
- the members found that the information provided to them was satisfactory overall; nevertheless, they would like to see more detailed information on certain aspects of strategy, risk and financial communication;
- the amount of the Director's fees paid to members of the Supervisory Board was judged to be appropriate.

2.1.3 Corporate governance statement

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

At its meeting of February 10, 2012, the Supervisory Board examined the Company's situation with regard to the Afep-Medef Code and found that it complied with all its recommendations, with the exception of those pertaining to:

- the proportion of independent members on the Supervisory Board's committees;
- modulating Director's fees on the basis of attendance rates at Supervisory Board meetings;
- the succession plan for corporate officers;
- the conditions attached to termination benefits paid to Executive Board members.

Concerning the proportion of independent directors on the committees, more than one-third of them are independent, in line with the recommendation on the composition of the Board of a controlled company.

Concerning the preparation of a succession plan for corporate officers, the Governance Committee and the Supervisory Board believe that the nature of the Company's activities and the limited number of employees and managers do not create a need for a formal succession plan.

Pursuant to Article L. 225-68 of the French Commercial Code, the reasons why the other above provisions of the Afep-Medef Code have been set aside are detailed in the relevant sections of this registration document.

2.1.4 Supervisory Board committees

To discharge its responsibilities under optimal conditions, the Board's 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. Jean-Marc Janodet stepped down as Chairman during the Board's March 22, 2011 meeting and Guylaine Saucier, an independent director, became Chairman at the same meeting.

Jean-Marc Janodet stepped down from the Audit Committee as of May 30, 2011. On the recommendation of the Governance Committee, Humbert de Wendel and Gérard Buffière, appointed to the Supervisory Board by shareholders at their May 30, 2011 Annual Meeting, joined the Audit Committee following a decision of the Board on the same day.

The composition of the Audit Committee is therefore as follows:

- Guylaine Saucier, Chairman since March 22, 2011;
- Jean-Marc Janodet, Chairman until March 22, 2011 and member until May 30, 2011;
- Gérard Buffière, since May 30, 2011;
- Nicolas Celier,
- Édouard de l'Espée,
- Humbert de Wendel, since May 30, 2011.

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

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

Guylaine Saucier and Gérard Buffière are the independent members of the Committee. Given Wendel's status as a controlled company, the composition of the Committee does not fully comply with Afep-Medef recommendation 14.1, which advocates that at least two-thirds of the members be independent.

It is nevertheless the Board's opinion that other factors – that the Chairmanship is held by an independent member, that the 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 Supervisory Board has requested that the Chairman of the Governance Committee, an independent member of the Board, attend all Audit Committee meetings, thereby increasing the number of independent members in attendance.

Responsibilities of the Audit Committee

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

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

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

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

Organization and procedures

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

To the greatest extent possible, its meetings are held sufficiently in advance of Board meetings to allow for an in-depth examination of any subject requiring the Committee's attention. Accordingly, documents are addressed to Committee members sufficiently in advance of each meeting. The Company's CFO makes a presentation at each Audit Committee meeting on one of the topics listed below. 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.

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

The Audit Committee met five times in 2011, with an attendance rate of 91%. The average length of meetings was three hours.

Patrick Bendahan, a director and a member of the Company's investment team since 2006, is the Secretary of the Audit Committee.

In 2011, the Audit Committee examined the following topics:

- 2010 parent company and consolidated financial statements;
- first-half 2011 consolidated financial statements;
- off-balance-sheet commitments (liability guarantees);
- the accounting treatment of certain transactions;
- the Statutory Auditors' reports;
- the Group's tax situation;
- impairment tests;
- Wendel's liquidity and debt situation and that of its subsidiaries;
- net asset value;
- monitoring of risks and introduction of a risk mapping system;
- report of the Chairman of the Supervisory Board on risk management and internal control;
- the independence of the Statutory Auditors;
- how the Committee operates.

In addition, the Committee interviewed the Statutory Auditors.

2.1.4.2 The Governance Committee

Composition of the Governance Committee

The Governance Committee, which includes the functions of an Appointments Committee and a Compensation Committee, has five members:

- Didier Cherpitel, Chairman;
- Dominique Hériard Dubreuil;
- Jean-Marc Janodet, since May 30, 2011;
- François de Mitry;
- François de Wendel;
- Guy de Wouters, until May 30, 2011.

As the term of Mr. de Wouters was expiring at the end of the May 30, 2011 Annual Meeting, Mr. Janodet was invited to join the Governance Committee, and he accepted.

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

The Governance Committee includes two independent members, Dominique Hériard Dubreuil and Didier Cherpitel, its Chairman. Inasmuch as Wendel is a controlled company, the composition of the Governance Committee does not comply with Afep-Medef recommendation 15.1, which advocates a majority of independent Directors. The Board nevertheless believes that other factors – that the Chairmanship is held by an independent member, that the members are devoted to their work, that external experts are regularly called upon and that meetings are held frequently – ensure that the Committee functions in an independent and professional manner. In addition, the Supervisory Board has requested that the Chairman of the Audit Committee, an independent member of the Board, attend all Governance Committee meetings, thereby increasing the number of independent members in attendance.

As of the end of the June 4, 2012 Annual Meeting and subject to shareholder decisions at that Meeting, the proportion of independent members will be increased to 50%, as Mr. Janodet has decided not to request the renewal of his term.

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;
- propose to the Supervisory Board the general principles of the co-investment policy for Executive Board members and the management team, for decision by the Board, and examine the terms and conditions proposed by the Executive Board;
- propose the compensation package for the Chairman of the Supervisory Board;
- propose the methods for apportionment of Director's fees among the members of the Supervisory Board;
- express an opinion on any question related to the governance of the Company or the functioning of its governing bodies;
- review any question concerning business ethics raised by the Supervisory Board.

Organization and procedures

The Audit Committee met seven times in 2011. Average attendance at the meetings was over 95%. The meetings lasted on average three hours.

The Committee may call upon recognized independent experts to shed light on its tasks. In this regard, the Committee engaged a specialized firm in 2011 to advise it on changes to the composition 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 minutes of the meeting are approved at the following meeting.

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

Meetings in 2011 involved the following items:

- Executive Board compensation;
- the state of the Company's compliance with the Afep-Medef Code;
- report of the Chairman of the Supervisory Board on corporate governance;
- stock-option grants;
- changes in the co-investment rules applicable to the members of the Company's management teams;
- the Group savings plan and the collective performance bonus plan;
- the self-evaluation of the Supervisory Board;
- the composition and process for renewing the appointments of Board members;
- review of proposed candidates for the Board.

2.1.5 Division of powers between the Executive and Supervisory Boards

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

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

The Executive Board has the broadest management and decision-making remit to act on the Company's behalf under all circumstances. It exercises these powers within the limits of the purpose of the Company and as long as these powers 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 purpose of the Company, 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 Chairman of the Executive Board or the Company's CEOs are obliged to provide all members of the Executive Board with the documents and information necessary for them to carry out their assignments.

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

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

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

Pursuant to Article 14 of its internal regulations, the Supervisory Board exercises ongoing oversight of the Executive Board's management of the Company, in accordance with legislation and the Company's by-laws. 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 may mandate one or more of its members to carry out one or more assignments of its choosing. Whenever it deems necessary, the Supervisory Board may convene a Shareholders' Meeting and set the agenda therefor.

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

At least once every quarter, the Executive Board presents to the Supervisory Board a detailed report on the Company's situation and outlook. In particular, it reports on the performance and the development strategy of the companies in its portfolio (including their sales and financial position), financial transactions that are being planned or have been completed 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 the 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 3.3). 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 undertaken by the Company and the measures taken by the Executive Board to address them (see section 2.4). It is also regularly informed about changes in the share capital and voting rights and the Company's proposed acquisitions or divestments.

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

a) under current legal and regulatory provisions and the decisions of the Supervisory Board of December 1, 2010 and 2011 for:

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

b) under Wendel's by-laws for:

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

The Supervisory Board is also involved in the financial communication policy and plays a role in preparing the Company's key announcements, in accordance with recommendation 2.1 of the Afep-Medef code.

The Supervisory Board defines the terms and conditions of the Executive Board Chairman's compensation. It authorizes the type and amount of compensation allocated to Bernard Gautier, after recommendation by the Governance Committee and the Chairman of the Executive Board. Based on the Governance Committee's proposal, it determines or approves the current and deferred compensation of Executive Board members, whether fixed or variable, including benefits in kind and stock option and performance share grants, as well as the relevant performance and holding conditions. However, 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.

Based on the opinion of the Governance Committee, the Supervisory Board sets the policy for co-investment by the members of the Executive Board and the management team. Accordingly, the Supervisory Board changed and detailed the co-investment principles for investments made by the Wendel Group in new companies from 2011 onwards (see Note 4.1 to the consolidated financial statements). The Supervisory Board examines the terms under which the Executive Board implements the co-investment policy.

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

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

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

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

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

2.1.6.1 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 Chairman of the Supervisory Board reports all authorized agreements to the Statutory Auditors and submits them to shareholders for approval at their Annual Meeting. The Statutory Auditors present a special report to shareholders on the Chairman's report. This procedure does not apply to ordinary agreements executed at standard terms.

2.1.6.2 Registered shares

Shares or any other securities issued by the Company or by its listed subsidiaries and associates, which are held or may be held by members of the Executive Board or the Supervisory Board, their spouses or their 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 non-public information that could have a material impact on the price of shares or of any other listed security of the Company. This information is considered to be privileged.

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

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

This same restriction on trading is required during certain so-called "blackout" periods during which the Company publishes its annual and semi-annual financial statements, issues quarterly financial reports or announces net asset value (NAV, see section 3.3). The blackout periods are as follows: for annual and semi-annual financial statements, from 30 days before to two days after their publication; for quarterly reports and NAV, from 15 days before to two days after their publication.

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

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

Members of management must also refrain from trading in the securities of Wendel Group subsidiaries and listed equity investments. This restriction does not apply to shares held by the directors to fulfill obligations imposed by legislation or the by-laws or in accordance with any recommendations issued by the companies in which they serve as director. Holders of securities in listed subsidiaries or investments of the Wendel Group acquired prior to July 15, 2007, 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.

2.1.6.4 Transactions carried out by executives

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

2.1.6.5 Conflicts of interest

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

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

The procedure for preventing and handling any conflicts of interests with which the members of the Supervisory Board might be confronted is detailed in section 2.1.6.7 below.

2.1.6.6 Required holding periods applicable to members of the Executive Board

Executive Board members, pursuant to Articles L.225-185 and L.225-197-1 of the French Commercial Code, are required to hold a significant portion of the shares obtained by exercising options or receiving performance shares.

In addition, in accordance with the Supervisory Board's decision of June 4, 2010, which complies with recommendation 20.2 of the Afep-Medef Code, Executive Board members may not exercise their options during the 30-day period preceding the publication of annual or semi-annual financial statements.

Bernard Gautier has made a commitment to hold a number of Wendel shares equal to 30% of his share in the capital gain resulting from the acquisition of Solfur in 2007 for as long as he is present in the Group.

2.1.6.7 Ethics of Supervisory Board members

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

Members must be committed and attend all meetings of the Board and of the committees to which they belong, as well as Annual Shareholders' Meetings. Members of the Supervisory Board have an obligation to stay informed. Every member is given the opportunity to undertake training that he or she considers essential to fulfill his or her obligations. Any Supervisory Board member may request a meeting with the Company's management team.

The Supervisory Board assesses the independence of its members each year after examination by and proposals from the Governance Committee (see section 2.1.2.1.4, "Independence of Supervisory Board members").

Each Supervisory Board member is required to disclose to the Board any situation of conflict of interest, even potential situations, and refrain from participating in related votes or discussions (for more information on conflicts of interest, see section 2.1.2.1.3, "Conflicts of interest, family ties and service contracts").

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. Any Board decision relating to a conflict of interest is explained in the minutes of the meeting.

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

Lastly, the Company's by-laws stipulate that each member of the Supervisory Board must hold 100 fully paid-up shares. However, at its December 1, 2010, meeting, the Supervisory Board indicated that it would like each of its members hold approximately 500 shares.

2.1.6.8 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:

- the members of the Executive Board are obligated to hold shares obtained through the exercise of their stock options;
- the members of the Supervisory Board are obligated to hold certain shares pursuant to Article V of the Board's internal regulations;
- certain corporate officers have made commitments to hold a significant quantity of Wendel shares obtained through the acquisition of Solfur in 2007 for as long as they are present in the Group;
- certain corporate officers have entered into collective lock-up commitments under Article 885 I bis and 787 B of the French Tax Code, described in section 6.9.1 of this registration document.

2.1.7 Compensation of corporate officers

2.1.7.1 Compensation policy for Executive Board members

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

The Governance Committee's recommendation is based in turn on market practices for listed companies and European investment companies, which it determines using sector benchmarks provided by independent experts. Specifically, early in 2011 the Committee appointed an independent firm to benchmark Executive Board compensation on an overall basis.

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 and criteria. The calculation is based on financial factors and on execution of the strategy. The choice and weighting of these factors 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;
- stock subscription or purchase options or performance shares.

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

Table 1

	2011	2010
Frédéric Lemoine Chairman of Executive Board		
Total compensation due for the year (detailed in table 2)	**1,817,201**	**1,984,899**
Number of options granted during the year	**96,000**	**105,000**
Valuation of options (1) granted during the year (detailed in table 3)	1,201,920	773,850
Number of performance shares granted during the year	**0**	**13,500**
Valuation of performance shares (2) granted during the year	0	164,430
Total: compensation due for the year and valuation of stock options and performance shares granted during the year	**3,019,121**	**2,923,179**
Bernard Gautier Member of the Executive Board		
Total compensation due for the year (detailed in table 2)	**1,056,285**	**1,172,292**
Number of options granted during the year	**64,000**	**70,000**
Valuation of options (1) granted during the year (detailed in table 3)	801,280	515,900
Number of performance shares granted during the year	**0**	**9,000**
Valuation of performance shares (2) granted during the year	0	109,620
Total: compensation due for the year and valuation of stock options and performance shares granted during the year	**1,857,565**	**1,797,812**

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 €7.37 in 2010 to €12.52 in 2011 (see section 2.2.1.1).

(2) There were no grants of performance shares in 2011. Performance granted in 2010 were valued at €12.18.

2.1.7.3 Summary of each executive corporate officer's compensation

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

Variable compensation is paid in the beginning of the year following the year for which it is due. For variable compensation paid in 2012 on results obtained in 2011, the amounts were determined on the basis of objective criteria set by the Supervisory Board on March 22, 2011.

These criteria are both quantitative (60% of the objectives set) and qualitative (40% of the objectives).

In the event all objectives are achieved, the target amount for variable compensation is 50% of fixed compensation. For Mr. Lemoine, it can be as high as 100% of his fixed compensation in the event that he exceeds his quantitative objectives. For Mr. Gautier, it can exceed the target variable compensation in the event of outperformance. Under no circumstance is it guaranteed.

In its meeting of March 6, 2012, the Governance Committee found that all of the objectives of the two members of the Executive Board had been met in 2011. Accordingly, it proposed that the Supervisory Board, in its meeting of March 21, 2012, attribute the target variable compensation to Mr. Lemoine, representing 50% of his fixed compensation, or €600,000. The Supervisory Board accepted this proposal.

The Chairman of the Executive Board proposed that Mr. Gautier receive his target variable compensation for 2011, representing 50% of his fixed compensation, or €350,000. This was authorized by the Supervisory Board.

Table 2

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

The differences between the amounts paid and the amounts due result from the discrepancy 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.

	2011		2010	
	Amounts due	**Amounts paid**	**Amounts due**	**Amounts paid**
Frédéric Lemoine Chairman of Executive Board				
Total fixed compensation	1,200,000	1,200,000	1,200,000	1,200,000
of which Director's fees (1)	*264,587*	*245,813*	*235,166*	*162,997*
Variable compensation	600,000	600,000	600,000	600,000
Exceptional compensation relating to the achievement of objectives	-	150,000	150,000	-
Other compensation (2)	5,085	22,395	22,292	17,562
Benefits in kind (3)	12,116	12,116	12,607	12,607
TOTAL	**1,817,201**	**1,984,511**	**1,984,899**	**1,830,169**

(1) Frédéric Lemoine received Director's fees from Bureau Veritas, Legrand, Saint-Gobain and Trief Corporation 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 2011 he received a gross collective performance bonus for 2010 of half the annual reference amount determined by French Social Security ("plafond annuel de la sécurité sociale") for 2010, i.e. €17,310.

His subscription to the 2011 capital increase reserved for employees who are members of the Group savings plan was matched by an increased contribution of €5,085.44.

(3) Since April 7, 2009, Mr. Lemoine has benefited from the use of a Company car available exclusively for business purposes. Since he does not have an employment contract, he has had unemployment insurance in his name since October 1, 2009, provided by GSC (a specialized provider of unemployment insurance for business owners and corporate officers). He also benefits from health and death & disability insurance under the same terms and conditions as Wendel management employees.

	2011		2010	
	Amounts due	**Amounts paid**	**Amounts due**	**Amounts paid**
Bernard Gautier Member of the Executive Board				
Total fixed compensation	700,000	700,000	700,000	700,000
of which Director's fees (1)	*159,542*	*166,318*	*162,166*	*158,345*
Variable compensation	350,000	350,000	350,000	350,000
Exceptional compensation relating to the achievement of objectives	0	100,000	100,000	50,000
Other compensation (2)	6,285	23,595	22,292	22,136
Benefits in kind	-	-	-	-
TOTAL	**1,056,285**	**1,173,595**	**1,172,292**	**1,122,136**

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

(2) As a salaried employee, Mr. Gautier benefited from the agreements in force at Wendel:

In 2011 he received a gross collective performance bonus for 2010 of half of the annual reference amount determined by French Social Security ("plafond annuel de la sécurité sociale") for 2010, i.e. €17,310.

His subscription to the 2011 capital increase reserved for employees who are members of the Group savings plan was matched by an increased contribution of €5,085.44.

He also received €1,200 as a special profit-sharing payment.

2.1.7.4 Subscription-type and purchase-type stock options granted to executive corporate officers

Wendel grants stock options in accordance with the following principles:

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

A history of the Company's stock option plans in effect is provided in section 2.2.1.5.

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 new profit-sharing agreement for 2009-2011 for Wendel Group employees came into effect on June 25, 2009, enabling the award of stock options to Executive Board members, pursuant to Article L.225-186-1 of the French Commercial Code.

The Supervisory Board ensures a balance between the stock options granted to Executive Board members on the one hand and both their overall respective compensation and the total number of stock options granted on the other.

In 2011, members of the Executive Board were granted stock options, the total envelope for which was approved by the Supervisory Board on March 22, 2011, on the recommendation of the Governance Committee, as presented in the table below.

The purchase-type options granted to the members of the Executive Board in 2011, in accordance with the Supervisory Board's authorization, based in turn on the Governance Committee's recommendation, had the following characteristics:

- a presence 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 number of options ultimately exercisable is subject to NAV increasing by 5% p.a. over two years as follows: The full number of options granted vests if the increase in NAV over the 2011-2013 period is greater than or equal to 10.25%; one-half vests if the increase in NAV from 2011 to 2012 or from 2012 to 2013 is greater than or equal to 5%. The NAV used as the point of reference for 2011 is the NAV calculated as of May 19, 2011, or €109.3 per share. The NAVs used as the point of reference for 2012 and 2013 will be the NAVs published before June 30, 2012 and June 30, 2013, plus accumulated dividends paid after May 19, 2011.
- a holding period condition: the members of the Executive Board must reinvest 25% of the net capital gain realized on the sale of shares received upon exercise of these options, and hold these shares in registered form until end of their term of office with the Company.

Table 3

	Plan no. and date	Type of options (purchase or subscription)	Option valuation according to the method used for the consolidated financial statements	Number of options granted during the year	Strike price	Exercise period	Performance conditions
Frédéric Lemoine	Plan W - 4	purchase	€12.52	96,000	€80.91	2012-2021	
	Date: July 7, 2011:						See above
Bernard Gautier	Plan W - 4	purchase	€12.52	64,000	€80.91	2012-2021	
	Date: July 7, 2011:						See above
TOTAL				**160,000**			

Options were valued by an independent expert using a mathematical model know as binomial pricing. The model takes into account various events that might take place while the options are valid, including various points in time at which the pre-determined requirements for both performance and presence within the Company are tested. Based on this model each option was worth €12.52 as of the grant date (July 7, 2011), as indicated in the table above, and €2.67 as of the close of fiscal year 2011. These values reflect the strong correlation with Wendel's share price and reflect the particularly restrictive system ensuring that the Executive Board's interests are aligned with the Company's objectives. On the other hand, these valuations do 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, these values are theoretical: the Company has paid no cash amount to the beneficiaries with regard to these options.

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

2.1.7.5 Options exercised by executive corporate officers during the year

In 2011, Bernard Gautier exercised 20,190 subscription options under plan WI 3 - 1 at a price of €39.98.

2.1.7.6 Performance shares awarded to executive corporate officers during the year

No performance shares were awarded during 2011.

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

Table 4

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 Executive Board (April 7, 2009 to April 7, 2013)		X		X	X			X
Bernard Gautier Member of the Executive Board (April 7, 2009 to April 7, 2013)	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

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

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

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

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

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

In the event Bernard Gautier's employment contract should be terminated, he would be entitled to one year's fixed compensation and target variable compensation as approved by the Supervisory Board; 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, 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 finalized, variable compensation equal to at least 50% of his target variable compensation in relation to those three years has been paid;
- 50% of the amount of the benefit would be paid only if NAV per share at the end of his term of office (Actual NAV) is greater than or equal to 90% of the average NAV per share for the preceding six months (Reference NAV). If Actual NAV is between 90% and 60% of the Reference NAV, the corresponding portion of the benefit would be reduced by 2.5 times the difference (thus, if Actual NAV is 20% lower than Reference NAV, the payment would be reduced by half: 20% x 2.5 = 50%). If Actual NAV is lower than 60% of the Reference NAV, this portion of the termination benefit would be zero.

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

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

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

The situations in which Executive Board members are eligible for termination benefits are more numerous than those specified in recommendation 20.2.4 of the Afep-Medef Code, which states that executives may receive a termination benefit only if the departure is imposed and due to a change in control or strategy. The benefits are nevertheless subject to demanding performance conditions, the achievement of which must be confirmed by the Supervisory Board.

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

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

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

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

The Chairman of the Supervisory Board also receives annual compensation for his work as Chairman, pursuant to Article L.225-81 of the French Commercial Code. This was set by the Supervisory Board at €105,000 on July 7, 2010.

Contrary to the Afep-Medef recommendation, the Supervisory Board has not considered it necessary, given the attendance rates indicated in section 2.1.2.2, to modulate Director's fees based on attendance.

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

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

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

Non-executive corporate officers	Amounts paid in 2011	Amounts paid in 2010
Ernest-Antoine Seillière (1)		
Wendel Director's fees	70,000	70,000
Wendel-Participations Director's fees	8,333	8,333
Other Director's fees (2)	51,394	41,219
Compensation as Chairman of the Supervisory Board	105,000	105,000
Benefits in kind	4,387	4,905
TOTAL	**239,114**	**229,457**
Nicolas Celier		
Director's fees	50,000	50,000
Other compensation	-	-
Didier Cherpitel		
Director's fees	70,000	60,000
Other compensation	-	-
Dominique Hériard Dubreuil		
Director's fees	50,000	29,167
Other compensation	-	-
Jean-Marc Janodet (1)		
Director's fees	55,000	60,000
Other Director's fees (3)	39,272	37,274
Other compensation	-	-
TOTAL	**94,272**	**97,274**
Édouard de l'Espée		
Director's fees	50,000	50,000
Wendel-Participations Director's fees	8,333	8,333
Other compensation	-	-
TOTAL	**58,333**	**58,333**

Non-executive corporate officers	Amounts paid in 2011	Amounts paid in 2010
François de Mitry		
Director's fees	50,000	50,000
Wendel-Participations Director's fees	5,555	
Other compensation	-	-
TOTAL	**55,555**	**50,000**
Guylaine Saucier		
Director's fees	65,000	29,167
Other compensation	-	-
François de Wendel		
Director's fees	50,000	50,000
Wendel-Participations Director's fees	16,666	16,666
Other compensation	-	-
TOTAL	**66,666**	**66,666**
Guy de Wouters (1) (until May 30, 2011)		
Director's fees	20,833	50,000
Other compensation	-	-
Beatrice Dautresme (until June 4, 2010)		
Director's fees	-	20,833
Other compensation	-	-
Grégoire Olivier (until August 31, 2010)		
Director's fees	-	33,333
Other compensation	-	-
Gérard Buffière (from May 30, 2011)		
Director's fees	29,167	-
Other compensation	-	-
Humbert de Wendel (from May 30, 2011)		
Director's fees	29,167	-
Wendel-Participations Director's fees	8,333	-
Other compensation	-	-
TOTAL	**37,500**	**-**
TOTAL	**836,440**	**774,230**
Of which total Wendel Director's fees and compensation of the Chairman of the Supervisory Board	694,167	657,500

(1) Ernest Antoine Seillière, Guy de Wouters and Jean-Marc Janodet are beneficiaries, by virtue of their past employment with the Group, of the supplementary pension plan described in section 2.2.1.5 of this document.

(2) Director's fees received from Bureau Veritas, Legrand and Sofisamc.

(3) Director's fees received from Stallergenes, Sofisamc and Trief Corporation SA.

2.2 Sustainable development

Wendel's sustainable development policies concern not only its own operations and its corporate citizenship, but also its those of its subsidiaries and associated companies.

2.2.1 Sustainable development in Wendel's activities

2.2.1.1 Policies inherent in Wendel's role of long-term investor

Wendel studies sustainable development issues as part of its investment process and in its role as professional shareholder.

In analyzing the risks related to the business of companies in which it is considering an investment, Wendel carries out due diligence on environmental and social issues.

In each of the companies in which Wendel is a shareholder, the management teams bear direct responsibility for the challenges and consequences related to sustainable development. Nevertheless, as a professional shareholder, Wendel monitors and encourages the sustainable development policies of its subsidiaries and associated companies. For example, owing to its two seats on Bureau Veritas' Audit and Risks Committee, Wendel attentively monitors potential security, environmental and corruption risks. Wendel's management is particularly attentive to indicators of workplace safety and security, which it considers an excellent proxy for how well the management team runs the company. At Materis, the accident frequency rate is one of the criteria for determining management's variable compensation. At Wendel's request, Stahl's Board of Directors has been tracking this indicator since 2006, when Stahl joined the Wendel Group.

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.

Wendel's subsidiaries and associates take sustainable development into account in their business models. For example, environmental impact is integrated into the design of their products and services.

Bureau Veritas provides its customers with solutions for constant operational improvement in the areas of hygiene, healthcare, safety, security and the environment. Parcours encourages its customers to adopt an environmental approach by including advanced features in its long-term leasing services, such as the teaching of eco-driving skills to its customers' employees. For the aeronautical industry, Deutsch has designed a new range of connectors for aluminum cables that help lighten aircraft and reduce fuel consumption. Eighty percent of Stahl's products are now designed without solvents. Materis's strategy is to develop innovative products that introduce new functions and are longer lasting – and therefore more respectful of the environment during their life cycle – and meet French "high environmental quality" (HQE) standards. Nearly 80% of Legrand's R&D centers contribute to the development of products whose performance is high from an environmental standpoint. Finally, 30% of Saint-Gobain's sales and 40% of its operating income are linked to energy-saving solutions or solutions producing clean energy and thereby protecting the environment.

As listed companies, Saint-Gobain, Legrand and Bureau Veritas, publish exhaustive sustainable development data in their business and sustainable development reports.

Significant aspects of the sustainable development policies of Bureau Veritas, Deutsch, Materis, Stahl, Mecatherm and Parcours, the companies in which Wendel is the majority shareholder, are presented in section 2.2.2 "Sustainable development at Wendel's subsidiaries and associates".

2.2.1.3 Wendel's business activities and their impact on the environment

Wendel has progressively implemented an environmental management initiative even though its activities have little impact on the environment. The initiative includes the management of the building in which Wendel's headquarters are located, at 89, rue Taitbout, 75009 Paris, France, the procurement policy and IT services. Wendel has undertaken a project with its suppliers aimed at measuring energy consumption, by implementing a monitoring system.

Waste sorting

Wendel introduced a policy of waste sorting 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 metals (largely drink cans) are also included in the recycling program.

Saving energy

In an effort to reduce energy consumption, Wendel made several investments in 2011, after having replaced all of its IT servers in 2010 with more energy-efficient models. Renovating its district heating system (distributing high-pressure steam) also made the company more environment-friendly. Finally, a video conference room was created, thereby reducing travel. To increase the energy-efficiency of its head office, Wendel gradually replaced all traditional light bulbs with energy-saving bulbs between 2010 and 2011.

2.2.1.3 Wendel is committed to the 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 chair for family-owned businesses, and Wendel has been a partner in this initiative from the start. Through a renewable five-year commitment to work side by side with Centre Pompidou-Metz since it opened in 2010, Wendel supports an emblematic institution that makes art accessible to the general public. In addition to offering long-term support, Wendel works actively on development projects alongside its partner institutions. In particular, Frédéric Lemoine represents the Group on the board of directors of INSEAD and the board of directors of Centre Pompidou-Metz.

Owing to its long-standing commitment to the arts, Wendel was awarded the title of "*Grand Mécène de la Culture*" ("*Grand patron of the arts*") on March 23, 2012.

2.2.1.4 Wendel's human resources policy

To attract and maintain the best talent, Wendel seeks to hire and develop excellent employees by creating the best possible working environment.

Employing a small, experienced and diversified workforce

Wendel and its holding companies employ a total of 73 people, including 64 in France.

More than half of the staff in France are directly involved in investing activities. In addition to the 19-person investment team and the senior management team, 10 experts specializing in finance, law, taxation and communication are involved in investment transactions on a day-to-day basis.

The remaining staff provide assistance within the Finance, Legal, Financial Communications, Communications & Sustainable development and Operational Resources departments.

Wendel's staff has been stable since 2010.

Employees with an employment contract***: Staff numbers and changes	2011			2010			2009		
	Non-management	Management	Total	Non-management	Management	Total	Non-management	Management	Total
Total workforce	**16**	**48**	**64**	**16**	**48**	**64**	**18**	**48**	**66**
of which Women	*10*	*19*	*29*	*10*	*19*	*29*	*11*	*18*	*29*
Men	*6*	*29*	*35*	*6*	*29*	*35*	*7*	*30*	*37*
New hires	**1**	**3**	**4**		**3***	**3***		**8****	**8****
of which Women	*1*	*2*	*3*		*1*	*1*		*5*	*5*
Men		*1*	*1*		*2**	*2**		*3*	*3*
Departures	**1**	**3**	**4**	**2**	**3**	**5**	**3****	**4**	**7****
of which Women	*1*	*2*	*3*	*1*		*1*	*3*	*2*	*5*
Men		*1*	*1*	*1*	*3*	*4*		*2*	*2*

* *Wendel changed one employee's fixed-term contract into a permanent contract during the course of the year.*
** *Including one change in employee category.*
*** *Employees in France.*

In 2011, the proportion of women at management level remained constant at nearly 40%.

The Company had two employees on fixed-term contracts for the equivalent of one full-time position and one temporary employee for slightly less than four months.

Wendel uses external subcontractor services for building operation and maintenance (security, office cleaning, receptionists, green area, etc.). It endeavors to maintain long-term quality relationships with its service providers.

Wendel does not employ any disabled employees, but 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 €10.3 thousand in 2011.

Training and professional development

The development of staff employability is one of Wendel's priorities.

The Company seeks to ensure that its employees always have the skills necessary to succeed in their jobs by offering them personalized training. In 2011, 35 employees took part in external training for a total of 689 hours.

Wendel also encourages employees to carry out a skills assessment, which can be used to implement development plans adapted to each employee. More than 9% of employees have carried out a skills assessment over the last two years.

Labor relations and working conditions

Working conditions and relationships are improved by offering support to managers, holding regular meetings with the staff and maintaining a permanent 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.

In 2011, the Company reviewed all death & disability insurance arrangements with Malakoff Médéric and ACE Europe so that employees and their families could receive the best coverage.

In an effort to help employees to better reconcile their professional responsibilities with their family life, the Company has endeavored since 2010 to obtain and finance daycare services for the children of employees who request them. Wendel has so far been able to satisfy all employee requests for daycare for one or more children (currently 14% of employees for 1.4 children per employee on average).

Finally, in addition to the Works Council budget (€64 thousand), allocated mostly 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.

Non-discrimination

Wendel takes steps to ensure that recruitment, career development (training and job promotions) and compensation decisions are made without discrimination.

In 2011, the Company implemented an action plan regarding professional equality between men and women to take effect in 2012.

Organization of working time

Wendel applies the collective bargaining agreement of the metalworking industry. The Company has no part-time workers.

Absences, excluding leave for family events, remained stable at around 1%. There were no work-related accidents in 2011.

2.2.1.5 Compensation policy in line with Wendel's interests

Wendel's compensation policy aims to align the interests of employees with those of shareholders in several ways: variable pay, collective performance bonuses, employee share ownership.

Wendel believes that employee share ownership is essential for establishing a long-term partnership with employees and has always encouraged it. It has had a Group savings plan for more than 20 years, and since 2007, almost all employees have received grants of performance shares or stock options.

As of December 31, 2011,Wendel employees (excl. corporate officers) held on average 3,334 shares each.

Compensation

There was no overall increase in 2011, but most employees received either variable compensation with respect to 2011 or stock options.

Owing to the collective performance bonus agreement, employees received, with respect to 2010, up to 1.5 months of salary, within the limits allowed by law. As performance criteria (NAV growth of at least 5%) were not satisfied for 2011, no collective performance bonus will be paid in 2012.

The dividend increase paid by Wendel in 2011 prompted Wendel to pay a special profit-sharing bonus in an amount proportional to employment with the Company.

Total compensation (base salary, variable pay and bonuses) paid in respect of 2011 was €12.2 million.

Issue of shares reserved for employees

For more than 20 years, Wendel has invited employees to subscribe each year to a capital increase. Shares are offered at a 20% discount and employee payments can be matched up to legal limits. As of December 31, 2011, apart from corporate officers, 94% of Wendel employees held 0.33% of the capital of Wendel via the Group savings plan.

In the 15th resolution of its May 30, 2011 Meeting, shareholders authorized the Executive Board to issue shares having a par value of up to €250,000 to its employees and corporate officers on one or more occasions until July 30, 2012, subject to prior approval by the Supervisory Board.

In the context of this authorization, the Executive Board proposed a capital increase in July 2011 to which 97% of eligible employees subscribed. As of December 31, 2011, after a capital increase in July 2011 with a par value of €113,020, the par value of the amount remaining under this authorization was €136,980.

Subscription- or purchase-type options

Under the authorization granted by shareholders at their May 31, 2011 Meeting, the Executive Board decided, on July 7, 2011, to grant options to purchase 404,400 shares.

The exercise price on the stock options is based on the average of the share price in the 20 trading days preceding the grant date, with no discount. The options vest gradually over two years, with one-half of the total grant vesting each year and the first tranche vesting at the end of the first year.

Stock options are subject to a performance-based condition: the amount ultimately exercisable is subject to a 5% p.a. increase in Net Asset Value per share over two years. The full number of options granted vests if the increase in NAV over the 2011-2013 period is greater than or equal to 10.25%; one-half vests if the increase in NAV from 2011 to 2012 or from 2012 to 2013 is greater than or equal to 5%.

The NAV used as the point of reference for 2011 is the NAV calculated as of May 19, 2011, or €109.3 per share. The NAVs used as the point of reference for 2012 and 2013 will be the NAVs published before June 30, 2012 and June 30, 2013, plus accumulated dividends paid after May 19, 2011.

A total of 72 Group employees received stock options under this plan.

The table below indicates, for the period from January 1 to December 31, 2011:

- the total number of options granted to the ten employees, excluding corporate officers, who individually were granted the largest numbers of options;
- the total number of options exercised by the ten employees, excluding corporate officers, who individually exercised the largest numbers of options.

	Number of options	Exercise price
Options granted during the year to the ten employees who were granted the largest number of options	132,000	€80.91
Options exercised during the year by the ten employees who exercised the most options	33,103	€23.94 (1)

(1) In 2011, the options were exercised at €33.35 (CGIP 5-2 plan), €39.98 (W 3-1 plan) and €22.58 (W 2-1 plan).

Summary of stock-option plans in force as of December 31, 2011

	WENDEL INVESTISSEMENT PLANS					WENDEL PLANS						
	PLAN no. 1	PLAN no. 2		PLAN no. 3			PLAN no. 1		PLAN no. 2		PLAN no. 3	PLAN no. 4
Date of Shareholders' Meeting	**June 13, 2002**	**May 27, 2003**		**June 10, 2004**			**June 4, 2007**		**June 5, 2009**		**June 4, 2010**	**May 30, 2011**
Plans	WI 1-1	WI 2-1	WI 3-1	WI 3-2	WI 3-3	W1-1	W1-2	W1-3	W2-1	W2-2	W-3	W- 4
Date of the Board of Directors or Executive Board meeting	07.17.2002	07.16.2003	07.09.2004	07.06.2005	07.04.2006	06.04.2007	07.16.2008	04.02.2009	07.16.2009	02.08.2010	06.04.2010	07.07.2011
Type of options	Subscription	Subscription	Subscription	Subscription	Subscription	Subscription	Subscription	Subscription	Purchase	Purchase	Purchase	Purchase
Initial total number of shares that can be subscribed or purchased	283,510	323,821	428,223	49,000	60,600	837,500	890,600	271,000	391,200	7,000	353,177	404,400
of which:												
Number initially granted to corporate officers:												
Ernest-Antoine Seillière	90,854*	141,328*	171,612*	-	-	90,000	-	-	-	-		
Frédéric Lemoine	-	-	-	-	-	-	-	-	120,000	-	105,000	96,000
Bernard Gautier	-	-	20,190*	-	-	150,000	150,000	-	80,000	-	70,000	64,000
Start date for exercise of the options	07.17.2003	07.16.2004	07.09.2005	07.06.2006	07.04.2007	06.04.2012	07.15.2013	04.02.2014	07.16.2010 (2)	02.08.2011	06.04.2011	07.07.2012
Expiration date of the options	07.16.2012	07.15.2013	07.08.2014	07.05.2015	07.03.2016	06.04.2017	07.15.2018	04.02.2019	07.16.2019	02.08.2020	06.04.2020	07.07.2021

			WENDEL INVESTISSEMENT PLANS						WENDEL PLANS			
	PLAN no. 1	PLAN no. 2		PLAN no. 3			PLAN no. 1		PLAN no. 2		PLAN no. 3	PLAN no. 4
Subscription or purchase price per share	€24.59	€25.96	€39.98	€65.28	€90.14	€132.96	€67.50	€18.96	€22.58	€41.73	€44.32	€80.91
Discount	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
Cumulative number of shares subscribed to or purchased as of 12.31.2011	278,025	310,194	385,595	0	100	0	0	0	38,331	0	0	0
Cumulative number of canceled or expired options	0	5,047	5,151	9,000	13,900	329,900	443,000	64,000	6,667	0	5,400	0
Number of options remaining to be subscribed to or purchased as of 12.31.2011 [(3)]	5,485	8,580	37,477	40,000	46,600	507,600 [(4)]	447,600 [(4)]	207,000	346,202	7,000	347,777	404,400
Number of options remaining to be exercised by corporate officers:												
Ernest-Antoine Seillière						90,000	-					
Frédéric Lemoine									120,000	-	105,000	96,000
Bernard Gautier			0			150,000	150,000		80,000	-	70,000	64,000

* *Amounts adjusted as part of capital transactions.*
(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 conditions.*
(4) *In all likelihood, the application of performance conditions will bring the number of options that can be subscribed under the 2007 plan to 126,900 and under the 2008 plan to 111,900.*

Performance share grants

No performance shares were awarded during 2011.

Summary of performance share programs in place as of December 31, 2011

		Wendel Plan no. 1		Wendel Plan no. 2		Wendel Plan no. 3
Date of Annual Shareholders' Meeting		06.04.2007		06.05.2009		06.04.2010
Number of authorized shares as % of capital		0.50%		0.20%		0.30%
Share grants as a % of capital		0.006%		0.20%		0.30%
Date of Executive Board meeting	06.04.2007	06.09.2008	07.16.2009	01.12.2010	05.17.2010	06.04.2010
Plans	Plan 1-1	Plan 1-2	Plan 2-1	Plan 2-2	Plan 2-3	Plan 3-1
Vesting date	06.04.2009	06.09.2010	07.17.2011	01.12.2012	05.17.2012	06.04.2012
Date at which shares may be sold	06.04.2011	06.09.2012	07.18.2013	01.12.2014	05.17.2014	06.04.2014
Performance conditions	No	No	No	No	No	Yes
Shares to be issued/existing shares	To be issued	To be issued	Existing	Existing	Existing	Existing
Number of shares granted	1,000	2,030	7,200	83,450	10,500	151,362
Canceled or expired grants	40	210	500	2,500	0	4,925
Number of shares vested	960	1,820	6,700	0	0	0
Share value at the grant date	€138.25	€63.77	€20.63	€43.58	€44.61	€44.32
Share value at the vesting date	€29.900	€40.935	€78.75	-	-	-
Number of unvested shares	0	0	0	80,950	10,500	146,437
of which shares to be issued			-	-	-	-
of which existing shares			-	80,950	10,500	146,437
Number of shares granted to corporate officers						
Frédéric Lemoine	-	-	-	-	-	13,500
Bernard Gautier	-	-	-	-	-	9,000
Number of shares granted to the top 10 non-corporate-officer beneficiaries	400	700	4,400	61,000	10,500	65,037

Retirement savings

In 2010, Wendel introduced a Company pension plan ("Perco"). The Company matches certain contributions up to the legal limit.

As of December 31, 2011, more than one out of four employees had invested in the Perco.

Supplementary pension plan

In 1947, the company "Les Petits-Fils de François de Wendel" (now Wendel) set up a supplementary pension plan for all employees, regardless of their level, provided they retire while employed by the Company. This plan was closed on December 31, 1998. The supplementary pension plan guarantees each employee 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 51 retirees and 14 employees of the Company who benefit from the plan. Three beneficiaries were members of the Supervisory Board in 2011 (see Note 3.4 to the consolidated financial statements).

2.2.2 Sustainable development at Wendel's subsidiaries and associates

Wendel is the majority shareholder in Bureau Veritas, Materis, Deutsch, Stahl, Mecatherm and Parcours. The financial statements of these companies are fully consolidated in Wendel's consolidated financial statements, and the main elements of their sustainable development policy are presented in the following chapters.

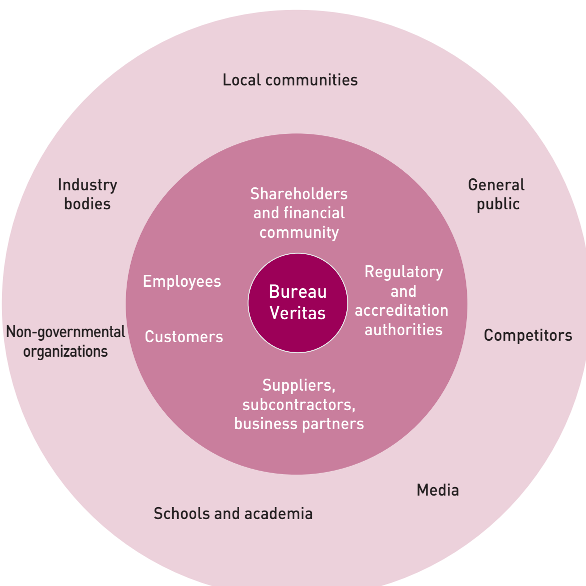
2.2.2.1 Bureau Veritas

2.2.2.1.1 QHSE is central to the company's business

Bureau Veritas's mission is to help its customers improve performance by offering them innovative solutions to ensure that their assets, products, infrastructure and processes comply with standards and regulations in the areas of quality, health, safety, security, environmental protection and corporate social responsibility (QHSE).

2.2.2.1.2 Relationships with stakeholders

In the context of its activities, Bureau Veritas interacts with a large number of stakeholders:



Bureau Veritas has strengthened its organization and developed initiatives intended to foster close, constructive relationships with its key stakeholders.

2.2.2.1.3 Professional ethics

Bureau Veritas has built a worldwide company whose solid, long-standing reputation constitutes one of its principal strengths. This reputation is based on the company's Code of Ethics, which expresses its fundamental professional values: "integrity and ethics, impartial counsel and validation, respect for all individuals, social and environmental responsibility". Bureau Veritas aims to use this strength to generate future growth and to build relationships of trust with its customers, employees and business partners. Adherence to these fundamental values has become one of Bureau Veritas's competitive advantages. All BV employees must ensure that the decisions they make are in line with the imperatives expressed in the Code of Ethics.

In accordance with professional requirements, Bureau Veritas' compliance program includes a Code of Ethics, a manual of internal procedures, specific training for employees and business partners, and internal and external audit procedures.

2.2.2.1.4 Environment

To reduce its environmental footprint and minimize the use of resources and production of waste, Bureau Veritas draws up annual objectives with specific programs to be carried out.

Its environmental objectives for 2011 were to:

- achieve objectives for the reduction of paper, water and energy consumption;
- deploy the BV Carbon tool in 50% of the group; and
- build awareness and develop action plans for environmental priorities such as transportation and energy and paper consumption.

In 2011, Bureau Veritas invested approximately €400 thousand in environmental initiatives. The geographic scope of its "ISO 14001 Certification" and "Energy and Waste" programs was expanded and the "BV Carbon" tool was deployed. These were the most significant initiatives of the year.

Certification

Bureau Veritas strongly encourages its entities to develop environment management systems along the lines of the ISO 14001 standard. As of the end of 2011, ISO 14001 certification covered 32% of Bureau Veritas employees.

Indicators

As part of its "Energy and Waste" program, Bureau Veritas has introduced environmental indicators that track energy, water and paper consumption per employee and per year over a constant scope These indicators have been standardized internally and are communicated to the Executive Committee and to the group as a whole via internal HSE publications and are as follows:

Indicator	Unit	2011	Change/2010 at constant scope	Objectives
Energy	MWh/person/year			-10%
Offices		2.6	-19.6	
Laboratories		5.2	-15.8	
Water	metric tons/person/year			-10%
Offices		16.9	+6.5	
Laboratories		39.4	-12.9	
Paper	kg/person/year			-15%
Offices		27.0	-7.6	
Laboratories		53.6	-13.3	

Achievements

Energy and waste

This program derived from a pilot initiative launched by Bureau Veritas in 2007 to reduce energy, paper and water consumption and the volume of waste generated. In 2011, geographical coverage of these initiatives was significantly expanded and now covers 75% of the group.

Carbon footprint

To monitor the group's CO_2 emissions and the effectiveness of its environmental programs, the "BV Carbon" tool was developed in 2009 by internal experts. This tool, available in three languages, is accessible via the group's intranet and comes with a dedicated user guide and e-learning module.

The six principal sources of carbon emissions selected and measured by the group are as follows: energy, water, paper, business travel, substances that destroy the ozone layer (air conditioning) and waste.

In 2011 the BV Carbon tool was deployed more broadly within the group and made it possible to identify environmental priorities and implement local action plans so as to reduce the group's carbon footprint. Consolidation of BV's carbon footprint will be finalized in 2012.

As part of the 2015 strategic plan, all Bureau Veritas entities aim to achieve ISO 14001 and OHSAS 18001 status by the end of 2014.

2.2.2.1.5 Human resources

Employment

As of December 31, 2011, the Bureau Veritas group had 52,148 employees in 140 countries, compared with 47,969 employees as of December 31, 2010. The 8.7% growth in the number of group employees resulted principally from an increase in hiring and to a lesser extent from the consolidation of companies acquired during the year.

Breakdown of staff by geographical region, as of December 31

In number of employees	2011	2010	2009
France	7,654	7,411	7,317
EMEA [(1)]	13,712	13,061	10,597
Asia-Pacific	18,056	16,735	13,300
North and South America	12,726	10,762	7,853
TOTAL WORKFORCE	**52,148**	**47,969**	**39,067**

(1) Europe, Middle East and Africa.

New hires

Bureau Veritas hired 11,093 employees worldwide in 2011.

At the Group level, voluntary employee turnover was around 11.7% in fiscal year 2011, compared with 10% in 2010. The highest rates were observed in Asia and the Middle East region because of very strong demand for qualified employees.

The following table presents personnel expense by geographic region over the past three fiscal years.

In millions of euros	2011	2010	2009
Salaries and bonuses	1,331.5	1,158.6	1,051.2
Social security costs	319.8	270.3	247.4
Other personnel related expenses	58.1	50.5	37.8
TOTAL	**1,709.4**	**1,479.4**	**1,336.5**

Organization of working time

The number of working days in the year varies from country to country and complies with applicable laws in each of them.

In 2011, the absentee rate in France was 4.2%.

Diversity and equality between men and women

Bureau Veritas's presence in more than 140 countries tends to increase diversity. Ninety nationalities are represented among the 1,900 people who comprise management. Six nationalities are represented on the Executive Committee.

Equality between men and women

The global workforce is 65% male and 35% female. The manager population is 87% male and 13% female.

Bureau Veritas SA prepares and presents a report on equality between men and women every year.

A company-wide agreement was signed on December 15, 2011, making equality between men and women part of corporate policy.

Employment of workers with disabilities

After reviewing its employment of workers with disabilities, Bureau Veritas decided to affirm its commitment by signing an agreement with AFEFIPH (the fund that promotes employment for handicapped people) in July 2010.

To keep workers with disabilities employed, steps were taken to adapt their workstations or vehicles.

Human resources policy supporting the group's strategy

As part of its 2015 strategic plan, the Bureau Veritas group aims to increase its global workforce to 80,000 people within the next five years, vs. 52,148 in 2011 and 11,000 in 2000. To achieve this objective, the group deploys a human resources strategy focused on integration of acquired entities, development of talent and identification of future leaders on the one hand, and on hiring the resources necessary to strengthen its position in emerging market countries, beginning with China and India, on the other.

To meet these challenges, Bureau Veritas has a network of around 450 HR professionals on every continent, supported by a common policy, organization, processes and tools. The group-level human resources department ensures consistency.

Training and knowledge management

Bureau Veritas continuously strives to maintain and develop its experts' knowledge through training, qualification processes and knowledge sharing tools.

The group has detailed information by country on training expenditures. For example, in France, the percentage of the total payroll dedicated to training was estimated at 3.8% and the amount dedicated to continuing education at €9.5 million in 2011.

Managing employee performance and careers

In 2011, Bureau Veritas carried out annual performance reviews of its 1,910 managers and of around 80% of its non-management employees.

Bureau Veritas continued to strengthen its career management policy, by refining the rules and processes used in connection with internal mobility, performance management, talent development and international mobility.

In 2011, 82% of open management positions were filled internally, compared with 78% in 2010.

In addition, Bureau Veritas's Talent Pipeline program helps identify the highest-performing employees, who can evolve towards management positions. Through this program, Bureau Veritas identified 252 talented individuals, whose careers are being monitored, and aims to identify a total of 500.

Compensation policy

The bonus policy is a factor in increasing loyalty and motivation. As a complement to the base salary, the 1,910 managers can obtain a bonus every year based on achievement of individual and financial objectives.

Compensation also includes profit-sharing and collective performance bonus plans, as well as an employee shareholding plan ("BV 2007").

The profit-sharing and collective performance bonus plans described below do not cover the foreign branch offices of Bureau Veritas SA.

The legally-required profit-sharing plan attributes a fraction of the company's profits to employees, regardless of their seniority in the company. Applying the special profit-sharing reserve formula required by law generated an amount devoted to profit-sharing on 2011 earnings of €2,785,203, which will be paid in 2012.

On June 30, 2008, Bureau Veritas signed a three-year collective performance bonus agreement with its works council, applicable to fiscal years 2008, 2009 and 2010. Bureau Veritas employees with seniority of more than three months benefit from the plan, in proportion to their salary and seniority in the group.

In euros	2011	2010	2009
Beneficiaries	N/A	6,941	6,879
Total amount of collective performance bonus paid with respect to the fiscal year	N/A	7,542,642	10,984,234

As the collective performance bonus plan covering the 2011-2013 period was not signed by the works council, new negotiations were opened with the aim of signing a new agreement for fiscal years 2012-2014.

A supplementary collective performance bonus, attributed as a counterpart to the increase in dividends in 2010, in the context of implementing the special profit-sharing premium, gave rise to a payment of €2,208,098 in 2011.

An agreement to convert the company savings plan to a group savings plan was signed by the works council on July 19, 2007.

This enabled all companies in the Bureau Veritas group that are tied to Bureau Veritas as stipulated in Article L.3332-15, paragraph 2 of the French Labor Code to join the group savings plan.

Employee representatives

The Bureau Veritas group strives to promote the smooth running of employee representative bodies. Bureau Veritas has employee representative bodies in all key countries. They take different forms, depending on local legislation and the size of the workforce. More generally, Bureau Veritas also encourages employees to communicate, exchange ideas and express their opinion, through bulletin boards, HR lines, employee surveys, accident prevention committees, monthly employee meetings, open door policies, etc.

2.2.2.1.6 QHSE policy

QHSE commitments, updated in 2011 and signed by the CEO of Bureau Veritas, are shared by all. The QHSE certifications Bureau Veritas has obtained and the action plans it has implemented are examples of how Bureau Veritas takes this commitment seriously. Performance is tracked using relevant, global indicators.

Since 1996, the Bureau Veritas group's quality management system has been certified ISO 9001 by an independent, internationally-recognized entity that audits around 30 countries across all of the group's divisions (except Certification, which is monitored by the division's own accreditors). This program meets the demands of ISO 9001 V2008.

Indicators

Key performance indicators (KPIs) are tracked at divisional, regional and country levels, then consolidated at the group level. Their definition is standardized and they remain stable over time, making it possible to coordinate the corresponding action plans.

The indicators are as follows: Customer claims, inspector supervision, quality system internal audits, and ISO 9001 non-conformity, good practices and integration of acquisitions certification.

Health, safety and the environment

Commitment

In 2007, Bureau Veritas issued an HSE statement, officializing its commitment to health and safety in the workplace and to the environment.

In 2011, audits and internal HSE reviews were carried out to verify that they were actually implemented and to prepare for ISO 14001 and OHSAS 18001 certification (see paragraph on certification).

Health and safety in the workplace

Bureau Veritas has invested around €400,000 in initiatives related to health and safety in the workplace. In this context, programs such as "OHSAS 18001 certification" and "Safe driving" were strengthened.

Certification

29% of the group's employees were covered by OHSAS 18001 certification as of the end of 2011. The group aims to be 41% covered by OHSAS 18001 certification the end of 2012.

Health and safety indicators

Over the past six years, Bureau Veritas has introduced a health and safety indicator tracking system in all the countries in which it is present.

These indicators were defined according to applicable international standards and are as follows:

Indicator	2011	2010	Objectives
Lost Time Rate (LTR)	0.76	0.69	15% decrease p.a.
Total Accident Rate (TAR)	1.65	1.58	15% decrease p.a.
Accident Severity Rate (ASR)	0.07	0.06	-
Fatality (FAT)	3	2	Zero

More widespread OHSAS 18001 certification translated into increased tracking of these indicators in the certified countries, explaining the increase in reported accident rates in 2011 (LTR, TAR and ASR).

Achievements in 2011

Safe driving program

Car accidents are one of the principal causes of work-related accidents. Consequently, Bureau Veritas launched a safe driving program in 2008. In 2011, the program covered 23 entities.

The action plans focus on three areas, so as to include all aspects of automotive safety: driver training, vehicle condition and the driving environment. In 2011, more than 4,000 drivers were trained on driving risks.

Ionizing radiation

Bureau Veritas uses equipment that emits ionizing radiation to carry out non-destructive tests. To ensure this equipment is subject to strict controls, a group governance committee was created in 2008. Its primary role is to oversee an internal audit program and to validate any new activity, whether sub-contracted or integrated into Bureau Veritas, via a strict authorization program. In 2011, 37 days were devoted to audits and to the drafting of the corresponding reports.

Additional information about Bureau Veritas' QHSE policies are available in the company's annual report and on its websites: http://www.bureauveritas.com/qhse and www.bureauveritas.fr/qhse.

2.2.2.2 Materis

2.2.2.2.1 Committed to sustainable and responsible development

In 2011, Materis continued to build and deploy its "Core" (Commitment for Responsible Enterprise) plan initiated in 2010.

The plan will be based on the seven key elements of Materis' corporate culture, reaffirmed in 2010:

- an entrepreneurial spirit;
- safety of all;
- desire to succeed together in a friendly atmosphere;
- freedom of expression and transparency;
- creativity and innovation;
- decentralization and responsiveness;
- a sense of responsibility towards society and the environment.

Materis's Core initiative is built on three pillars of sustainability comprised of seven core values:

Economic	Environmental	Social
Support customers in their sustainable development efforts Innovate and propose products and services that are more respectful of their users and the environment	Optimize the use of resources in our products and processes Limit the impact on the environment Strengthen our environmental management system	Act for and with our employees Strengthen our presence in the local community

In line with Materis's corporate culture, the Core plan was implemented throughout the year in a decentralized fashion. This ensures that commitments are appropriate on the one hand, and that local teams are able to espouse them act upon them on the other. Accordingly, each business formalized its Core plan, and as of the end of 2011, the plan was 75% deployed.

Materis's commitment to safety has been central to each of its businesses for 15 years. Similarly, Core is a long-term initiative. Core does not aim simply to dictate guidelines in each area or business, but to encourage each of them to undertake the most appropriate action for their business, product and work environment.

2.2.2.2.2 Economic

Support customers in their "sustainable construction" efforts and propose products and services that are more respectful of the environment.

Materis's strategy is to develop, through its business activities, innovative products that introduce new functions, last longer and are therefore more environment-friendly throughout their life cycle, while meeting the demands of HQE (high environmental quality) construction.

- To promote energy efficiency and comfort in buildings:
  - the range of external insulation products has been extended. These significantly contribute to reducing energy consumption in buildings in France, the UK, Spain, Portugal and Italy, and an educational and advisory website was created in France for the general public;
  - a new under-tile soundproofing system has been launched, using 100% recyclable panels;
  - a range of "cold roof" paints has been launched in France and Spain, reducing climate-related energy consumption in buildings.
- To make it easier for customers to use our products and lessen their environmental footprint:
  - the range of "EPR"-technology dustless mortars continued to be deployed around the world;
  - solvent-free and biocide-free dry-mix products featuring "dry" technology continued to be developed. These reduce the environmental impact of the supply chain by eliminating the transportation of water added at the building site;
  - the **CHRYSO®Deco Brush**, the market's first brushable retarding emulsion, was launched. This makes it possible to create exposed aggregate concrete without any use of water. Owing to its principle of elimination by dry brushing, this product is perfectly appropriate for "green" or "HQE" construction sites in that it avoids all discharge into the environment;
  - the **EnviroMix®** technology has been developed, which optimizes the uses of binders with additives (cement with reduced carbon footprint) and helps make concrete more durable;
  - a complete range of paints based on organically-sourced raw materials (vegetal resins and mineral pigments) has been launched;
  - Materis is ahead of regulations for improving air quality. Potential emissions of volatile pollutants from indoor paints are measured and will be indicated in labeling from 2012 onwards. Regulations will require this beginning in September 2013.
  - in response to the requirements of the REACH directive, Materis has pursued its initiative to substitute hazardous chemicals with non-hazardous substances, going beyond the regulatory requirements of certain countries.

2.2.2.2.3 Environment

Optimizing resources and limiting the impact on the environment

Materis works continuously to improve the environmental performance of its production facilities by diminishing their air and water pollution emissions, reducing their energy consumption and protecting natural resources.

Pursuing industrial investments that limit the impact on the environment

- In systems that reduce atmospheric emissions (bag filters for reducing dust emissions, flue gas treatment for reducing acid gases) in particular for factories acquired in China;
- In wastewater pretreatment facilities to improve the effectiveness of the physicochemical treatment and the quality of the wastewater discharged;
- In water cooling systems that collect water from the cooling circuits in certain industrial units.

In the Aluminates business, investments initiated in 2010 and representing 30% of total yearly capital expenditure led to a significant reduction in the use of traditional, natural raw materials in 2011 in favor of other raw materials and fuels. This was implemented in France, the UK, the US and China.

Priority on water and energy consumption

- For the Aluminates business, energy audits of furnaces and analysis of the life cycle of products manufactured in Europe led to implementation of better processes by product type, thereby reducing the energy intensity and emissions into the air. In the division's main Chinese site, a Good Idea Awards campaign was launched, aimed at finding and implementing solutions for reducing electricity consumption through better management of the packaging line loading plan.
- In the Paints business, energy consumption is measured, controlled and reduced in the "Couleurs de Tollens" store network.
- In the Mortars business, consumption of electricity and paper has been reduced, and a "zero paper" charter has been introduced in the United States. As a result, $80,000 was saved.

Reducing the impact on the environment by recovering and recycling waste

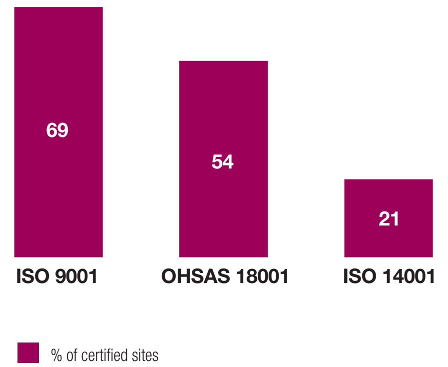
- Development continued on Aquabag, a substitute for traditional paint cans that can reduce the volume of waste handled on site by 90% and help meet HQE eco-construction standards;
- In partnership with suppliers plastic packaging made largely from organically-sourced materials has been developed;
- A system for recovering used batteries and ink cartridges (Aluminates in China) has been implemented.

The "Eco-initiatives" strategy was expanded in 2011 to all four Materis businesses.

Strengthen the environmental management system

Finally, Materis continued to pursue its environmental management certification processes in 2011.

Percentage of certified sites by type of standard



As of the end of 2011, of Materis's 91 industrial sites, 63 were ISO 9001 certified (quality management), 50 were OHSAS 18001 certified (occupational health and safety; see paragraph on health and safety for more details) and 20 were ISO 14001 certified (environmental management).

In the Paints business, Zolpan was the first company in its sector in France to obtain the French "LUCIE" certification for responsible companies, which is based on the ISO 26000 standard.

2.2.2.2.4 Social and societal

Materis is committed to social and societal responsibility through two shared group values, "Act for and with our employees" and "Strengthen our presence in the local community".

"Act for and with our employees"

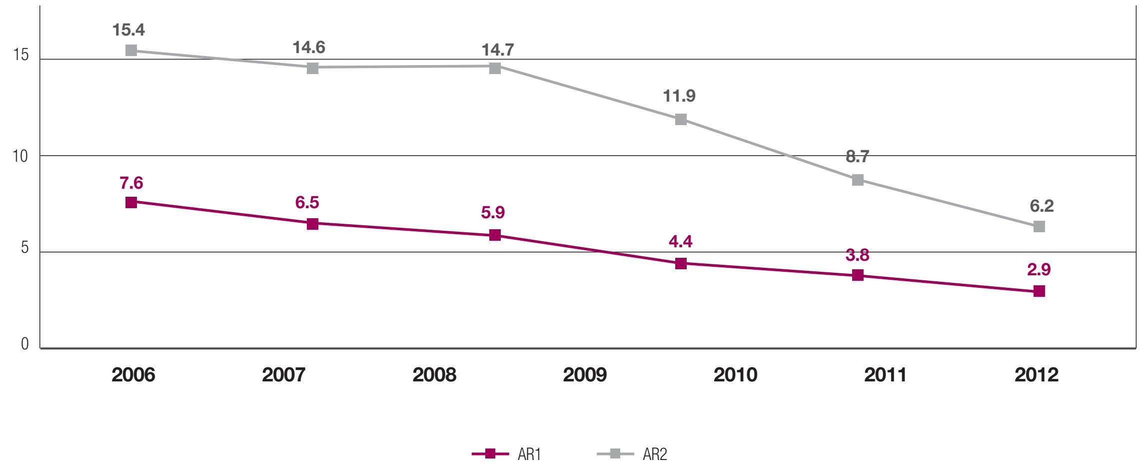
Health and safety

Safety is under the direct responsibility of the Chairman and Chief Executive Officer of Materis, Olivier Legrain.

The safety of the men and women of Materis is part of the bedrock upon which the group's corporate culture is built. Along with working conditions, it is as fundamental to Materis as is the economic success of the company.

Work accident rates have been steadily declining for over ten years. From 1995 to 2011, the frequency rate of accidents causing lost working time decreased from 22 to 2.9.

Trend in AR1 (1) and AR2 (2) accident rates



(1) AR1: accident rate with lost work time.

(2) AR2: accident rate with and without lost work time.

Materis maintains a structured safety policy, including in particular:

- an accident alert system with reporting to the group's Chairman, used in the hours following an accident, whether or not the accident caused lost work time;
- a report of the circumstances surrounding the accident and the initial corrective actions decided upon within two days following the accident;
- a system for swiftly communicating information to all the group's safety managers on accidents resulting in lost work time or having serious consequences;
- an annual world safety day organized since 2009 on every group site;
- "Managing security by example", a training program in place since 2010, aims to raise awareness among managers in France on the importance of being vigilant and setting a good example, two key avenues for ongoing improvement over the 2011-2014 period. Seven sessions have already taken place, and the effort is continuing in 2012;
- a cross-benchmark of best practices implemented at the best-performing manufacturers in the chemical industry worldwide.

To further raise awareness and improve the behavior of all those involved in safety, subcontractors have been integrated into the accident frequency rates since 2011.

In 2011, Materis pursued its work on structuring its management systems and 27 new sites around the globe obtained OHSAS 18001 certification, bringing the total percentage of certified sites to nearly 55%. This work is continuing in 2012 with a view to all the group's sites being certified by the end of 2012.

HR policies

Materis businesses have considerable leeway in defining and implementing their own human resources policies.

Materis's total workforce remained stable in 2011 compared with 2010. It increased very slightly (3.5%) because small, acquired companies were integrated and, to a lesser extent, because certain employees moved in 2010 from fixed-term contracts to permanent contracts. Overall, Materis had 9,691 employees as of December 31, 2011 compared with 9,346 employees as of December 31, 2010.

Women represented 26.4% of the workforce, up 1.1% and 21% of management, up 2.8%. The number of management level employees was also up, by 2.5%, to 22.6%. The vast majority of Materis's employees are employed on permanent contracts (94%). The number of employees with disabilities (scope limited to France) increased by 22% to a total of 72.

At the same time, recourse to temporary employees declined significantly (26%) and the number of overtime hours was low. These data indicate progress in terms of work scheduling.

Absentee rates remained extremely low at 2% (100% scope).

Training remains a major activity for Materis. Apart from safety training, which is being offered to an increasing number of people.

Materis continued to pursue employment of young people on programs that include both education and practical work experience. The 2011 external training budget totaled 0.70% of payroll. The average number of training hours per employee increased by 28.3% to nearly 18 hours.

Concerning labor-management dialogue, 102 new agreements were signed in 2011: they mainly covered compensation (54), health and safety (16), equality between men and women (14), working time (12) and training (6).

Materis has implemented specific methods for gauging employee satisfaction in certain activities. After Zolpan in 2009 and Tollens in 2010, ParexLanko carried out an employee satisfaction survey in 2011.

In 2011, Materis allocated €1,811 thousand to employee services.

"Strengthen our presence in the local community"

Materis has developed a number of initiatives aimed at economic development of the regions in which the group operates, both in France and abroad. These include:

- product donations, participation in educational content or contribution to the financing of local education, such as technical schools, apprenticeship or training centers, universities (South Africa, Argentina, Brazil, China, France and other countries);
- products donated or provided to NGOs or hospitals (South American countries, United Kingdom, United States and other countries);
- encouragement in the form of time off for employees who want to donate their time to local charitable causes (United Kingdom, United States);
- other examples: continued partnership with an employment center for people with disabilities (France), continued implementation of the AIDS awareness-building program and continued donations to organizations helping children with AIDS (South Africa);
- certain Materis businesses have also set up corporate grants to finance social, environmental or humanitarian projects in which its employees devote their personal time.

2.2.2.3 Stahl

2.2.2.3.1 Highly committed to developing its employees' skills

As of December 31, 2011, Stahl had 1,233 employees. The company hired 43 people in 2011 to strengthen its technical and marketing expertise. Most of the headcount increases were in Europe and the United States (34 out of 43). In 2011, Stahl also devoted considerable attention to strengthening its emerging market sites and to training the staff there.

Breakdown of full-time employees as of December 31, 2011 by geographic region

Region	2011	2010	2009
Europe	479	449	449
Asia-Pacific	273	270	251
India and Pakistan	171	158	123
North and South America	310	313	297
TOTAL	**1,233**	**1,190**	**1,120**

The average absence rate was 2%. Total turnover of staff was 12.7%. The highest turnover rates were in Singapore and Uruguay; the lowest were in India, Mexico and in Europe. Turnover of strategic employees (sales and application technicians and R&D specialists), was only 1,7%, in line with previous years. The highest level, 6.2%, was in China. Considering the rapid growth in the Chinese market, this rate was low.

Human resources policy

Strong commitment to developing employee skills

The highly technical and innovative markets that Stahl serves requires it to have top-notch capabilities and skills and to maintain a high level of service. For this reason, Stahl is committed to developing its employees as a key factor for strengthening its leading position. Employees' sales and technical skills are constantly being developed, through a combination of external training in chemicals and leather treatment and of in-house training.

In 2011, the average seniority of Stahl's technical staff was around 10 years. This is because Stahl offers its leather and coatings specialists a work environment conducive to their professional development. Consequently their cumulative knowledge and skills and their ability to innovate in niche markets has earned them the reputation they deserve. Stahl also calls upon outside entities for sales, marketing and managerial training.

Compensation policy

Stahl continued to use the most appropriate human resources tools to support its businesses and objectives. All of Stahl's installations are small or medium-sized, and to respond to the high level of service required in the industry, the company is very close to its customers. In this context, Stahl has a healthy labor environment. Employees have access to all the support and training their positions require. In addition, Stahl uses performance appraisal as a way to help employees achieve personal development and business objectives. The bonus system, especially for the sales staff, is designed to focus on growth and quality of service.

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 the paragraph below. Training is organized on a regular basis to raise awareness and ensure that employees always act safely. All new employees, especially those in production, laboratory or application activities go through a specific integration process when they join the group. In addition, refresher courses are regularly offered to all employees.

To ensure continued improvement in the evaluation and prevention of risks, Stahl tracks indicators of progress on safety, of which the following table is an extract:

	2011	2010	2009
Serious accident rate	0.08	0.26	0.55
Minor accident rate	0.61	0.53	0.55

Rates calculated as follows: (number of accidents x 100,000)/Number of hours worked.

In addition, increasing attention is being focused on environmental aspects, not only of the products that Stahl sells, but also with regard to internal manufacturing processes and the way the company operates. All employees are informed of these issues and make a concerted effort to act in a more responsive and proactive way.

2.2.2.3.2 Protecting the environment is a key issue for Stahl

Given its activity and the need to respond to expectations 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 the 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 across all its activities around the world are as follows:

- meet all legal provisions and local regulations and demonstrate responsible corporate citizenship;
- identify the risks related to the design, manufacture, sale and use of its products and establish appropriate controls;
- aim to eliminate all environmental risks related to its operations;
- report and investigate any incident, take corrective action and share lessons learned;
- ensure that all employees possess skills that are appropriate for their job;
- define HSE standards in simple, clear terms, communicate them to all employees, and ensure that employees adopt them. All employees are continually reminded of environmental issues, in particular those concerning building maintenance and energy consumption;
- report, monitor and audit all aspects of HSE performance to confirm compliance and continuous improvement;
- recognize and reward HSE excellence.

Stahl's HSE organization

The management team of each site ensures that all business activities comply with local and national legislation as well as with internal regulations and directives.

The manager in charge of global HSE operations and issues visits each site regularly. Compliance with HSE standards, legislation in force and internal regulations are systematically analyzed during these visits. More detailed audits are also performed by internal and external teams.

Monitoring industrial operations with regard to HSE objectives

The managers of each business and each industrial site have HSE objectives. To achieve them, they adapt HSE principles to the local environment and set up rules for guiding HSE performance. These rules are generally detailed in procedures drawn up by the managers that place particular emphasis on ensuring that appropriate measures are taken to evaluate and verify compliance with national legislation.

Nearly 80% of Stahl products are now water-based, replacing the use of solvents

Stahl has made the gradual elimination of solvent-based products a primary goal. Thanks to its innovative research, Stahl was one of the first companies to market water-based products. Today, these products represent the majority of Stahl's production.

At the end of 2010, Stahl created an internal task force whose objective was to empower the company with the resources it needs to innovate in the eco-design of its products. This task force is made up of 1.5 FTE employees (1 last year) from the R&D team and FTEs from the business units (technicians and sales staff).

Stahl is constantly promoting progress

All Stahl sites are ISO 14001 certified. Follow-up audits and internal control take place on a regular basis.

Waste management

Stahl is especially attentive to waste management. The company reviews processes on a regular basis and promotes a sense of discipline and accountability among employees. Waste disposal is carried out by reputable, government-approved companies. Incineration of chemical waste is only carried out using responsible methods.

In 2011, statistics on total waste production at Stahl's industrial sites increased, because the company expanded the categories of waste its departments track.

	2011	2010
Hazardous waste (metric tons)	4,471	3,520
Non-hazardous waste (metric tons)	662	1,159
Total waste (metric tons)	5,133	4,679

Adherence to REACH legislation

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.

Emission management

Stahl measures emissions in the air of its production plants locally, based on the requirements imposed by the authorities.

- Reducing CO_2 emissions

In 2011, Stahl developed, together with an engineering company, a proprietary system for measuring its carbon footprint. The system will be rolled out to all production sites in 2012. Stahl will then set CO_2 emission reduction targets based on the outcome of measurements in 2012.

As part of its future initiatives, Stahl will evaluate all new equipment for energy consumption, CO_2 emission and sustainability and will examine the possibility of using green energy. Finally, the company plans to introduce training to improve energy awareness among employees.

- Reducing emissions into the air, water and soil

In 2011, Stahl devoted more than €4 million to capital expenditures on its industrial installations.

  - At its Parets site in Spain it built a washing and oxidizing unit and a new steam boiler. These are designed to reduce emissions of monomers and volatile organic compounds (VOCs) into the production plant air, and have greater energy efficiency.
  - At its Portao site in Brazil, a new effluent treatment plant has been built to treat the wastewater stream.
  - At its Waalwijk site in the Netherlands, a new drumming station has been created to reduce the volume of waste produced on-site and of emissions into water.

Stahl plans to extend and improve the waste treatment facilities in its production plants in India (Ranipet), Spain (Parets) and China (Suzhou), and to install a new tank cleaning system in Mexico (Toluca) that will result in less wastewater and lower production losses. In addition, Stahl will set up a maintenance program to prevent the risk of leakage from its factories' pipes, chemical storage tanks and sewage systems, so as to avoid soil pollution.

Optimizing the use and consumption of natural resources

- Water consumption

Stahl uses water as a raw material in manufacturing many of its products as well as for cleaning equipment.

For this reason, Stahl pays particular attention to reducing water consumption at its sites. Water consumption was reduced by 16.1% between 2008 and 2009, at constant production volumes, and by nearly 2% between 2009 and 2011. Nevertheless, the volume of cleaning water used depends on the products manufactured at each of the company's sites. Products that use pigments or viscous polymers, for example, need more cleaning water than products that do not contain these chemicals.

As these products represented a higher percentage of production in 2011 than in 2010, overall water consumption increased in 2011, as indicated in the table below:

	2011	2010
Total water consumption (m^3)	195,039	186,138

Stahl has installed high-pressure water systems for more efficient and economic equipment cleaning.

- Energy consumption

Stahl's ongoing priority is to not waste energy, but rather to consume it in an efficient and responsible manner. Stahl has made significant efforts to raise employee awareness about this policy. Awareness is a starting point for maintenance, engineering, technical projects, product development, etc.

Energy consumption audits were started in 2010 on each of the seven production sites and completed in 2011. The recommendations are being examined for potential applications.

If equipment needs to be replaced, or for an industrial development project, Stahl ensures it studies at least one of the most energy-efficient alternative solutions. Finally, Stahl stays in close contact with its customers and suppliers and with universities so as to stay abreast of innovation.

Stahl measures and controls its energy consumption on its sites by month and by unit of production.

Energy consumption data:

	2011	2010
Electricity (MWh)	21,395	21,988.8
Gas (Nm³)	1,547,758	1,527,194
Oil (in metric tons)	4,880	5,538
Water vapor (in metric tons)	346,721	373,476

Corporate citizenship

To be true to its role as global market leader, Stahl has a policy to be proactive in the area of corporate social responsibility (CSR). 2011 was dedicated to making an inventory of all options so as to work with a structured approach to sustainability and corporate citizenship.

Stahl signed the Global Compact (1) on January 1, 2012 and will devote time and resources to undertaking the initiatives detailed below so as to be in line with its principles. The company will issue a progress report on this commitment in a CSR report that it will publish annually starting in 2013. Stahl has defined the principles that will govern its CSR activities:

1. constantly endeavor to find alternative raw materials and components in the development of its lines of finished products;
2. continuously develop more water-based products with lower VOC content, using the strictest guidelines as the standard;
3. develop 100%-green leather and textile coatings as a basis for marketable products;
4. treat all local legislation as a minimum standard for ensuring safety in the local community;
5. advise and support customers in the use and disposal of Stahl's products;
6. set up 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. launch an internal awareness campaign on waste, recycling and energy saving;
9. set up a waste reduction program per location;
10. develop a code of conduct covering the majority of the principles set down in the UN Global Compact (human rights, labor laws, anti-corruption measures).

2.2.2.4 Deutsch (2)

2.2.2.4.1 Deploying an environmental policy

Deutsch continues to deploy its environmental policy in its production facilities around the world.

In the United States:

The aerospace business' environmental management system has been ISO 14001 certified for more than ten years. The continued renewal of the certification is testimony to the extent to which Deutsch's employees play an active role in the management of environmental issues. In 2011, all continuous evaluation audits required for certification were successful.

Deutsch is committed to meeting or exceeding local and national regulations on environmental protection, resource conservation and health and safety conditions.

Deutsch aims for environmental excellence in all its production facilities. It has an aggressive policy of reducing the volume of hazardous waste produced and transported. In 2011, this volume was 18% less than it was in 2010, 56% less than in 2009 and 80% less than in 2008. Moreover, around 88% of waste was recycled. Renewal of ISO 14001 certification is scheduled for August 2012.

The environmental management system is very efficient; all initiatives are monitored. For example, when production levels increase, waste production levels are kept constant or reduced.

In China:

Deutsch aims to prepare its sites so as to begin the ISO 14001 certification process in 2012.

In France:

ISO 14001 and OHSAS 18001 certifications were maintained on the offshore and rail activities after they were transferred to a new site. This new site, operational since October 2010, was designed and is run in compliance with all standards relating to its activities, and in close collaboration with the competent environmental authorities.

(1) United Nations initiative launched in 2000 that aims to encourage companies across the globe to embrace socially responsible behavior. The Compact asks them to make a commitment to implementing and promoting a set of principles related to human rights, labor laws, sustainable development and anti-corruption measures.

(2) Sale transaction subject to the necessary regulatory approvals.

The aerospace business continued to develop an environmental management system. As it is developed, it is integrated into the quality system so as to create an operational management system. In 2011, in order to improve control over the surface treatment business, an internal campaign was launched to identify potential losses and implement preventive measures. In addition, cooling units using CFC- and HCFC-type cooling fluids are being replaced so that the division's installations comply with regulations.

Carbon footprint measurement has been studied and will be launched in mid-2012. The site was successfully audited by the DREAL, the regional environment, housing and improvements administration to verify that it was in compliance with the European REACH regulations. To ensure that these installations are in compliance with these regulations, the Evreux site maintains a regulatory watch so as to anticipate changes to the list of substances subject to authorization and launch substitution plans as quickly as possible.

Initiatives to reduce electricity consumption have been carried out, and as of the end of 2011, a new reduction program was launched. It aims to reduce the consumption of electricity to 3% of sales. Electricity consumption on the site is proportional to sales. The consumption/sales ratio was reduced by 12% in 2011 compared with 2010.

A program for reducing water consumption, initially planned for 2011, was postponed until 2012. A 10% reduction in water consumption is expected.

Whereas sales have increased, the quantity of hazardous waste has been reduced by 6% over ten years (2001-2010).

2.2.2.4.2 Social

As of December 31, 2011, Deutsch had 3,542 employees compared with 2,819 as of December 31, 2010.

After increasing staff by 9.05% in 2010 compared with the previous year, Deutsch increased its total workforce by a further 25.4% in 2011 to response to the rapid growth in its business.

Women represent 47.4% of the workforce, and nearly 85% of all employees have a permanent work contract.

The following table presents the group's workforce by geographic region as of December 31, 2011 and 2010.

		2011				
		Europe	United States	Asia	Total	2010 Total
TOTAL		**1,262**	**1,293**	**264**	**2,819**	**2,585**
of which	Women	451	980	247	1,678	1,349
	Men	968	757	139	1,864	1,470
of which	Permanent contracts	1,204	1,653	146	3003	2,393
	Fixed-term contracts	69	0	238	307	193
	Temporary contracts	144	50	2	196	232
	Unpaid leave	2	34	0	36	43

Working hours comply with legislation in each country.

The absence rate averaged about 3% in Europe and Asia and 4% in the United States.

Compensation policy

Salary increases varied considerably from country to country. In Europe they were on average between 2% and 2.7%. In the United States they averaged 3.2%. Salaries increased by 10% in India and by 2.5% in Japan.

Labor relations

All Deutsch's sites comply with local regulations on social dialogue and foster open and constructive communication with staff and staff representative bodies.

Health and safety

Every site has a "Health and Safety" committee which ensures that local regulations and Deutsch directives are adhered to, and that employees receive training on them.

The committees work in partnership with human resources and the occupational health administration.

Employee policies are pragmatic and adapted to each country

Deutsch gives its divisions considerable autonomy in developing and managing their human resources. In France, an amount equal to 2.18% of the payroll is devoted to training, and agreements on diversity and equal opportunity have been negotiated (equality between men and women, hardship) or implemented (senior employees). In Germany, an agreement was reached on flexible working hours, with the approval of the works council. In China, all employees received training on the ongoing organizational improvement plan known as '"5S".

2.2.2.5 The Mecatherm group

2.2.2.5.1 Environment

The Mecatherm group is constantly innovating in its product development processes, in an effort to improve the profitability of production lines for its customers, while also offering training, preventive maintenance and online assistance services.

In this context, the Mecatherm group is conscious of the importance of the environmental issues related to its industrial activities and integrates them into its business.

Specifically, Mecatherm is careful to design equipment that integrates very high standards oriented around four principles: food safety, personal security, equipment preservation and environmental protection. Below are examples of initiatives in each area.

Food safety

Developing new, particularly healthy fermentation agents, reducing the consumption of edible oils mixed with dough during molding, use of plastic food packaging and anti-retention meshes for product transport, reducing the risk of dust.

Personal security

Constantly improving access around equipment for cleaning, simplifying equipment consigning operations, reducing ambient noise.

Equipment preservation

Widespread use of parts serving as a mechanical fuse to prevent damage to equipment following a protection incident, redundant security systems.

Environmental protection

Reducing energy consumption in ovens by reducing smoke temperatures and by reducing cooking time, widespread replacement of lubricants and detergent products with technical plastics.

In addition, the group's machine motors are lubricated with 100% vegetable oil. In contrast to traditional motor oil, this oil is, by nature, recyclable. The use of cogeneration and water scoring (replacing blade scoring) is being examined.

For its own activities, Mecatherm tracks water and energy consumption on its three sites.

The following table presents the indicators Mecatherm tracks.

Indicators	2011	2010
Direct energy (gas) (MWh)	3,500	4,938
Indirect energy (electricity) (MWh)	1,517	1,555
Water (m^3)	1,820	1,706

Because the winter of 2011 was milder than the previous one, energy consumption declined. This derived principally from lower consumption in the demonstration lines, where the machines that consume the most energy did not have to work as hard.

As part of waste management, the Mecatherm group also inventories waste produced on its sites, as presented in the following table.

Type of waste (in metric tons produced)	2011	2010
Ordinary industrial waste	84.2	99.0
Wood	55.4	56.6
Stainless and other steels	102.8	112.0
Fermentables (bread, dough, flour)	13.2	8.3
Hazardous (electronic, electric, etc.)	1.5	-

All wood waste is recovered by an accredited, specialized, recycling company.

In 2012, Mecatherm will initiate a new program to identify significant environmental challenges that go beyond the regulatory requirements with which the group already complies.

The program will focus on identifying and examining the impact of CO and other emissions into the air and on optimizing the use of energy and natural resources (water, raw materials).

Mecatherm also plans to raise awareness among employees about sustainable development issues.

Once this preparatory stage has been completed, the Mecatherm group will identify what is needed to raise employee awareness about saving energy and the necessary corrective action to better manage waste produced at its sites and the use of fossil fuels.

2.2.2.5.2 Social

Mecatherm's three locations are all in France: Alsace (Barembach), the Loire valley (Montilliers) and Normandy (Eu).

Workforce

As of December 31, 2011, the Company had 303 employees, compared with 302 as of December 31, 2010, i.e. stable over the period. The majority of employment contracts were full-time, permanent contracts. Fixed-term contracts represented 8% of the total in 2011, up from 5% in 2010. Mecatherm plans to maintain the proportion of fixed-term contracts between 5% and 10%. The total workforce was composed of 19% managers and 81% non-managers. Women made up 10% of the workforce. The number of employees with disabilities increased from seven to eight in 2011.

Turnover from resignations was stable at around 3%. The absence rate was around 3.5%. Mecatherm aims to reduce this figure to under 3%.

	2011	2010
Total workforce as of December 31	302	303
Average staff numbers	328	324
Fixed-term contracts * (in %)	8.09	4.63

* *Calculated on average staff numbers.*

Organization of working time

For most employees, the workweek is 37 hours long, with each month containing three weeks of 39 hours and one week at 31 hours, with an 8-hour day granted as work-time reduction ("RTT") for non-management employees (excl. traveling staff). For traveling staff, both management and non-management levels, working time is measured on the basis of 218 days per year.

Health and safety conditions

In strict accordance with the law, the Mecatherm group has integrated employee safety into its priority objectives. Mecatherm maintains risk evaluation information up to date in a single document. The company has implemented systems to prevent risks that include initiatives conducted in conjunction with the Health, Safety and Working Conditions Committee (CHSCT). These include preparing an employee handbook, a set of principles, and more detailed medical examinations for certain employees. To carry out these prevention initiatives, the company makes sure that employees receive good information through training and that individual protection equipment is made available to them. The rate of accidents with lost work time (AR1) was 25.47* and the rate of serious accidents, 1.16*.

Human resources development

More than 54% of employees took part in training in 2011. The Mecatherm group would like at least one of every two employees to take part in training every year. On average, each employee receives 11 hours of training per year. Training expenditure represents an amount equal to 1.81% of the payroll.

Non-discrimination

The Mecatherm group reaffirms its commitment to improving the proportion of employees with disabilities in its workforce. To do this, Mecatherm works with the occupational health administration and the agencies that help place handicapped employees in adapting certain jobs so as to make them available to disabled people. In addition, the Mecatherm group steadfastly makes no distinction between men and women, be it in hiring, in training or in career development. Men and women who occupy similar positions and geographic locations enjoy the same working terms and conditions. A plan regarding equality between men and women will be formalized in 2012.

Compensation policy

The level of compensation of all employees increased in the range of 2-3% on average. In 2011, there was a 1.8% increase indexed to the cost of living plus individual raises of 1.4%. In addition, all employees benefit from the profit-sharing agreement.

Labor relations

Mecatherm applies industry agreements, and all of its employees benefit from the sector's collective bargaining agreement.

Employee services

In 2011, the Mecatherm group allocated €110.5 thousand to employee services.

Relationships with the community

Involvement with employment and regional development

It is important to the Mecatherm group to develop its network of suppliers and local sub-contractors (manufacturing).

For example, 55% of Mecatherm SA's principal suppliers, representing 80% of production purchases, are located in Alsace. The apprenticeship tax is paid entirely to local schools.

* *These figures are estimates. Subject to any work accidents currently being recognized as such, 2011 data will be confirmed by the state health insurance system between now and the autumn of 2012.*

Ongoing dialogue with the community

The Mecatherm group maintains relationships with schools via factory visits where it presents careers in manufacturing and via opportunities for interns. In addition, Mecatherm engineers and managers sit on examination juries, and employees give talks in universities and other higher education venues.

Furthermore, Mecatherm promotes employment through its work with regional employment agencies (government employment office, agencies for handicapped employment, local employment entities, metalworking industry body, placement agencies for workers laid off for economic reasons, etc.).

Finally, the Mecatherm group endeavors to integrate itself into the fabric of the local community by participating in projects that are in the public interest (road repair, optical fiber cabling project study, etc.).

2.2.2.6 Parcours

2.2.2.6.1 Environment

As a service provider in the automotive sector, Parcours is mindful of the needs of its customers, who are increasingly concerned about the impact of their car fleets on the environment. Amid constant growth in its network of agencies, Parcours is careful to build each new agency according to the principles of eco-construction.

Among its many specific initiatives, Parcours optimizes waste sorting and complies with legislation, in particular with regard to industrial and hazardous waste.

Promoting the environment in its sales efforts

Positioned as a fleet management partner, Parcours now offers a sustainability strategy as part of its long-term leasing services and provides its customers with support for implementing it.

There are three major aspects to the strategy:

- **Environment – the car**: institute a car policy that protects the environment by taking environmental performance into account when building a vehicle fleet (choice of engine type or options, CO_2 emissions, etc.);
- **Social – the driver**: raise awareness among employees about security and eco-driving techniques (theoretical and practical training on a circuit or simulator);
- **Economic – return on investment**: create a virtuous circle so that investments tied to the environmental and social aspects described above are economically viable and sustainable (lower fuel budgets, fewer accidents, fewer fines, lower taxes, etc.).

So that customers can measure the impact of their initiatives, Parcours offers its customers the ability to monitor the trend in the CO_2 emissions of their vehicle fleets.

Parcours consolidates this indicator over all the vehicles it leases. Between 2007 and 2011 the average level of CO_2 emitted by Parcours' entire car fleet declined steadily by 13%, from 148.6 g/km to 129.8 g/km.

	2011	2010	2009
Number of cars in the entire fleet	23,500	21,500	18,500
Average CO_2 emission per car (g/km)	129.8	135.4	140.7

Construction of new Parcours agencies on eco-construction principles

Each new agency is 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;
- comfortable natural and artificial lighting.

Managing the industrial waste generated by the leased vehicle repair shops

Regulations regarding industrial and hazardous waste (for example, used motor oil) are strict and Parcours' repair shops comply scrupulously with them. Waste is handled and recycled by accredited companies (EPUR, Veolia, etc.).

In 2011, the volumes treated were as follows:

- tires: 10,200;
- oil: 27,000 liters.

Specific initiatives: waste sorting and transporting vehicles by rail

Parcours has implemented a policy of recycling office waste, such as ink cartridges, and waste deriving from its leased vehicle repair shops.

Among the initiatives planned for 2012, Parcours will inaugurate a new partnership with Lyovel for dispensing hot drinks. The agreement will include:

- collection and recycling of waste (coffee grounds, cups, plastic/cardboard packaging, metal drink cans, etc.);
- LED lighting and machines that go into standby mode when not being used;
- dismantling and recycling of machines at the end of their service life by specialized and certified companies.

As part of its used vehicle resale activity, Parcours transports used cars by rail from one agency to another whenever possible. For example, a truck journey by road from Paris to Lyon causes CO_2 emissions of 42 g/km, whereas the same trip by rail causes emissions of 9 g/km.

Accordingly, during the 1st quarter of 2012, Parcours will carry out one-third of its car transfers by the auto-train.

2.2.2.6.2 Social

As of December 31, 2011, Deutsch had 266 employees compared with 230 as of December 31, 2010, representing growth of 16% over the year. Women comprised 35% of the workforce and increased in number by more than a third compared with 2010. They comprised 17.5% of management, vs. 13.5% in 2010. Parcours does not have any employees with disabilities but purchases supplies and certain services from work centers that do. All contracts are permanent and full time. The total workforce is 30% managers and 70% non-managers. Concerning labor relations, all employees benefit from a collective agreement regarding profit sharing.

Health and safety policy

In 2011, the rate of accidents with lost work time was 0.1% over the whole company and 0.4% for the leased car repair shops.

Compensation policy

The average salary increase for employees with at least one year of seniority as of December 31 of each year:

	2011	2010	2009
Average increase	+7.0%	+5.7%	+6.2%

Training policy

Employees took part in 411 hours of training in 2011. For 2012, Parcours plans to conduct 1,160 hours of training, thereby using 100% of its 2012 credit and 182% more than in 2011.

Absence rate

The average absence rate was 3% in 2011.

2.3 Risk factors

The Company regularly evaluates its own risk factors and those of its consolidated subsidiaries. The risk management process is described in section 2.4 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 companies in the consolidated Group during the fiscal year ended, as of the date of this registration document.

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

2.3.1 Financial risks

Information on liquidity, interest-rate, currency and equity risks of Wendel and its controlled subsidiaries can be found in Note 5 “Risk Management” of the notes to the consolidated financial statements in this registration document.

2.3.2 Operational risks

Wendel

Risks related to Wendel's business as an equity investor are described below.

Equity investment can involve a risk at the time of the ownership stake is acquired, inasmuch as the company's value might be overestimated. The valuation applied to a target company is based on operating, environmental, financial, accounting, legal and tax data communicated during due diligence, and this information might not be entirely accurate or complete.

The due diligence processes performed by Wendel are thorough and must meet the investment criteria it has defined. Identified risks can, on a case-by-case basis, be covered by a guarantee from the seller.

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

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

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

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

Bureau Veritas

The main risks identified by Bureau Veritas are changes to the macroeconomic, financial and political environment; intense competitive pressure; the need to obtain local, regional or international authorizations to carry out a significant portion of its activities; image-and ethics-related risks resulting from potential operational disputes; currency risk; risks related to debt (see the sections entitled "Managing currency risk" and "Bureau Veritas financial debt", respectively, in the consolidated financial statements); the risk of the departure of key employees; and generic risks such as those related to operating costs, controlling external growth and the company's listed status. The Bureau Veritas management team is in charge of managing these risks. Risk factors are described in more detail by Bureau Veritas in its registration document, available on the websites of Bureau Veritas (www.bureauveritas.fr) and the AMF (www.amf-france.org).

Materis

The main risks identified by Materis are changes to the macroeconomic and financial environment (especially construction industry cycles); competitive pressure; a rise in raw material and energy prices; sectoral innovation; industrial and 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; and liquidity risk arising from the LBO structure used to finance this investment (see the section on equity risk management in the consolidated financial statements). The Materis management team is in charge of managing these risks.

Deutsch

This subsidiary is due to be sold during the first half of 2012 to TE Connectivity, subject to the necessary regulatory approvals (see Wendel's press release dated November 29, 2011 on the Company's website).

The main risks identified by Deutsch are changes to the macroeconomic and financial environment; competitive pressure; a rise in raw material prices; technological innovation; industrial risks; supply chain risks; 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 LBO structure used to finance this investment (see the section on equity risk management in the consolidated financial statements). The Deutsch 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 LBO structure used to finance this investment (see the section on equity risk management in the consolidated financial statements). The Stahl management team is in charge of managing these risks.

Parcours

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

Mecatherm

The main risks identified by Mecatherm are the concentrated nature of its revenues, which are dependent on a limited number of orders at a high unit price; a slowdown in demand as a result of its customers experiencing restricted access to financing and/or tighter margins, for example as a result of a rise in the rice of wheat; pressure on prices from competitors with a higher fixed cost base; bank covenant risks; and succession 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.

2.3.3 Regulation

Wendel

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

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

Deutsch

This subsidiary is due to be sold during the first half of 2012 to TE Connectivity, subject to the necessary regulatory approvals, in particular with regard to its products for military applications (see Wendel's press release dated November 29, 2011 on the Company's website).

In the United States, this specific regulation is called the International Traffic in Arms Regulations (ITAR). A license is required to export products covered by the regulations, even when transfers are from one Deutsch production unit to another. The technical data used to manufacture these products are also subject to specific authorizations, and staff involved in the manufacturing process must have been so authorized.

Export regulations in the United Kingdom contain similar provisions. Controls are stricter for exports to certain countries, and prior approval is required before these products or the technical data used to make them can be exported to these destinations.

In France, a representative of the French arms procurement agency, the DGA, ensures that existing procedures are followed and also controls the export of products used in military applications.

An authorization from the relevant interministerial commission must be obtained for each project involving the marketing or export of military equipment. Deutsch has set up special procedures to ensure compliance with these regulations. The measures are designed to identify and protect the components at Deutsch production sites for which a license is required, as well as the data covered by these regulations. To Deutsch's knowledge, no regulatory change is likely to have a material effect on its business.

See section 2.2.2.4 on Deutsch's environmental responsibility.

Stahl

Stahl operates in 28 countries. Its manufacturing sites are located in seven countries: Singapore, China, India, Netherlands, Brazil, Mexico and Uruguay. 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.

See section 2.2.2.3 on Stahl's environmental responsibility.

Materis

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

See section 2.2.2.2 on Materis's environmental responsibility.

Parcours

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

See section 2.2.2.5 on Parcours' environmental responsibility.

Mecatherm

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

See section 2.2.2.6 on Mecatherm's environmental responsibility.

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.

2.3.4 Disputes and litigation

In the ordinary course of their business, Wendel and its controlled subsidiaries are involved in litigation, arbitration and administrative disputes and are regularly subject to tax, labor or administrative review.

A provision is recognized whenever a risk is probable and the cost associated with this risk can be estimated. The methods used for calculating provisions and accounting for liabilities comply with applicable accounting standards. The amount of the provision recognized represents the best estimate of the financial impact of these disputes on the Group, based on available information.

The total amount of provisions for disputes recognized in the 2011 consolidated financial statements was €91 million, of which €56 million related to Bureau Veritas.

Wendel

The principal disputes involving Wendel are as follows:

- in September 2010, the General Court of the European Union, ruling on the appeal by Editions Odile Jacob, annulled the European Commission's 2004 decision authorizing Wendel to acquire Editis from Lagardère. This authorization was granted in the context of commitments made by Lagardère to obtain the European Commission's approval for the Lagardère/Natexis/VUP transaction. The annulment of Wendel's authorization was based on a procedural irregularity entirely unconnected with Wendel. In November 2010 the European Commission and Lagardère appealed the judgment to the Court of Justice of the European Union, and Wendel filed a statement in February 2011 to support their appeal. The written procedure was closed in March 2011, closing arguments were presented to the court in December 2011 and the decision of the European Court of Justice is expected in 2012.

  In the meantime, in May 2011, the European Commission granted a new authorization to Wendel, as acquirer of Editis, with effect as of the date of the acquisition. In September 2011, Editions Odile Jacob filed an appeal against this decision before the General Court (of the European Union), which suspended its deliberation until the European Court of Justice hands down its ruling.

  Editions 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 to the Spanish publishing group Planeta in 2008. In December 2011, the Commercial Court issued a stay of proceedings, pending EU decisions.

  Wendel considers that the claims of Editions Odile Jacob are unfounded and has not recognized any provision related to this dispute;
- a former management-level employee of the Company, dismissed in June 2009, has lodged several claims with the labor conciliation board (*Conseil des Prud'hommes*) for a total of €4.2 million. Wendel has entered a counter-claim. The employee is claiming €6.8 million in damages in the Paris Commercial Court for the losses that he alleges he suffered as a result of a mechanism under which Wendel executives benefited from the Group's performance. The case has been transferred to the Nanterre Commercial Court because of the plaintiff's new status as a member of the Paris bar. The courts have not yet set dates for hearings. The Company considers the claims of this former employee to be unfounded and has not recognized any provision related to this dispute;

- regarding the acquisition of an equity interest in Saint-Gobain, which led to a decision of the Enforcement Committee for non-compliance with Articles 223-2 and 223-6 of the General Regulation of the AMF, the Company has not maintained the appeal it had entered against this decision with the Paris Court of Appeal. While believing that the decision is unfounded, both according to the facts and the law, Wendel has decided to put an end to a dispute that is now part of a closed chapter of its history;
- pollution was discovered in 1994 on property belonging to Hauts Fourneaux de Rouen (HFR), a Wendel Group subsidiary, which ceased operations in 1967. In 1998, the Seine-Maritime prefecture issued an administrative order requiring Sofiservice, the Wendel subsidiary that had absorbed HFR through various reorganizations, to perform an environmental study and to remediate the site. The order was annulled by a decision of the Administrative Court. In October 2002, the Administrative Court of Appeal annulled that decision. The appeal court's ruling was confirmed by the Conseil d'Etat in January 2005. Since that date, Sofiservice has had an initial environmental study performed, and the provision recognized in relation to this risk has been maintained;
- in 2008, Wendel filed an appeal for abuse of power against a decision of the tax authority concerning an authorization to benefit from suspended tax treatment when Wendel and two of its subsidiaries contributed their Bureau Veritas shares to the latter's IPO. The Paris Administrative Court rejected the appeal in its ruling of February 15, 2011, against which Wendel filed an appeal to the Paris Administrative Appeal Court. The Company has not recognized a provision related to this dispute.

Bureau Veritas

In the ordinary course of its business, Bureau Veritas is a party to a large number of disputes and legal proceedings seeking to claim its professional liability.

As of the date of this registration document, the main proceedings involving Bureau Veritas were as follows:

- terminal 2E of the Paris-Charles de Gaulle airport: on May 23, 2004, a portion of the roof of Terminal 2E at the Paris-Charles de Gaulle airport in Roissy, France, collapsed.

  On the civil side, two expert assessments were initiated at the request of the main participants in the construction project, Aéroports de Paris (ADP) and certain Vinci group companies.

  An out-of-court settlement has already been reached with respect to the property damage under ten-year construction insurance, covered by Bureau Veritas's insurers.

  The experts valued the economic loss at €145 million and proposed to set the percentage of liability attributable to Bureau Veritas regarding this loss at between 8% and 10%.

  A criminal investigation was also opened, in which Bureau Veritas and the construction companies were placed under investigation. A group of experts has been asked to perform an evaluation;
- a claim relating to the construction of a hotel and retail complex in Turkey: the Turkish company Aymet brought an action before the Ankara Commercial Court against the Turkish subsidiary of Bureau Veritas, claiming over $63 million in damages for alleged failures in the performance of its inspection and project supervision duties.

  The documents communicated to the court confirm the opinion of Bureau Veritas, which is that Aymet's claims have no legal or contractual basis;
- a claim pertaining to the accident of a Gabon Express plane: on June 8, 2004, an aircraft crashed in Libreville, resulting in the death of 19 passengers and crew members and injuries to 11 others. The general director of the Bureau Veritas subsidiary in Gabon is being criminally charged, and a civil liability suit has been brought against the Bureau Veritas company in Gabon.

  Based on valuations, available insurance cover and the provisions already recognized by the Group, Bureau Veritas considers that this claims described above will not have a material adverse effect on its financial statements.

Unlisted companies

To the knowledge of the unlisted companies – Deutsch, Materis, Stahl, Parcours and Mecatherm – there are no governmental, legal or arbitration proceedings likely to have a material adverse effect on their financial position. Negotiations are currently underway regarding the rescheduling of Materis's debt.

Statement

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.

2.3.5 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;
- IT risks: this policy covers up to €400,000;
- general liability: this policy covers bodily injury, property damage and other losses to third parties up to €10 million;
- car fleet: this policy provides unlimited coverage for bodily injury and up to €100 million for property damage and economic loss;
- personal car use: this policy covers occasional use of personal vehicles for professional purposes, necessitated by the demands of Wendel's activities. This policy provides unlimited coverage for bodily injury and up to €100 million for property damage and economic loss;
- Company employees who travel are also covered by an assistance contract;
- professional liability: this policy, which came into force on December 24, 2008, covers litigation risks up to €25 million in the event of professional error or an act deemed as such, committed by the Company or one of its agents or employees in their relationship with subsidiaries and affiliates;
- liability insurance for executives and corporate officers: This policy covers the Company's corporate officers, its representatives on the governing bodies of subsidiaries and affiliates, and persons considered executives *de facto or de jure*, who might be held responsible for a professional error in connection with their duties of management, supervision or administration. Coverage is available under this policy up to €50 million.

Bureau Veritas

In 2011, the Bureau Veritas group continued to centralize its insurance policies:

- a new Group program was introduced, combining the "Marine" and "Land" programs in a single policy;
- a general liability insurance policy was taken out for corporate officers;
- the activities of the Construction division in France and the United States are excluded from the Group program and are insured locally;
- an aeronautical policy was taken out;
- the Group set up a dedicated insurance captive in 1990, which insures the primary layers of the Group program; In addition, when legislation allows, the Group program provides supplementary coverage for local programs.

Stahl

Stahl is covered by four insurance policies taken out with leading insurance companies:

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

Deutsch

Deutsch, which is being sold to TE Connectivity (see Wendel's press release dated November 29, 2011 on the Company's website) has taken out the following policies:

- general liability insurance for corporate officers;
- general liability insurance;
- general liability insurance for aeronautical products;
- insurance against non-consecutive economic losses, professional liability, removal-reinstallation expenses/withdrawal fees for Deutsch's French companies;
- an "embezzlement" policy;
- property damage and business interruption insurance;
- a product recall policy;
- travel insurance;
- kidnapping and extortion insurance.

Materis

Materis has taken out the following insurance policies:

- professional liability insurance;
- property damage and business interruption insurance;
- environmental liability insurance for insured sites and land transportation;
- general liability insurance for corporate officers;
- a "fraud/malevolence" policy;
- an "employer" policy.

Parcours

Parcours has taken out the following insurance policies:

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

Mecatherm

Mecatherm has taken out the following insurance policies:

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

2.4 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 internal control and to prepare the report. This report has been submitted for review by the Audit Committee and approval by the Supervisory Board.

2.4.1 Definitions and objectives of risk management and internal control

2.4.1.1 Definitions

Risk management

Risk management is comprehensive and covers all of the Company's activities, processes and assets. The Company 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 characteristics of the Company. They enable the Executive Board to maintain risks at a level that is acceptable to the Company. Risks represent the possibility that an event may occur whose consequences would adversely affect the Company's employees, assets, environment, objectives, financial condition or reputation.

The Company's Executive Board manages risk so as to:

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

Internal control

The Company 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;
- the Company'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 the Company manage its activities and ensures the effectiveness of its operations and the efficient use of its resources.

Relationship between risk management and internal control

The Company'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 the Company'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 the ability of the Company to attain its objectives, the risk management and internal control systems play a key role in leading and directing the Company'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 the objectives of the Company will be achieved.

2.4.2 Scope of risk management and internal control; duties

2.4.2.1 Scope

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

2.4.2.2 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 new 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 new 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 disseminated it to its principal, fully-consolidated 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 the Company'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 the Company'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 the Company'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 oversight: systems to ensure that controls already in place operate as intended and that the necessary improvements are implemented, reporting to the Company's governing bodies;

2) accounting and financial organization oversight:

- general organization: documentation of accounting and financial procedures and closing operations, organization of the accounting function, control of 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 the Company's governing bodies in relation to finalizing the financial statements;

3) preparation of accounting and financial information.

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

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

These questionnaires were also submitted to subsidiaries acquired and fully consolidated in 2011: Parcours and Mecatherm. In agreement with Wendel, these companies responded partially to the questionnaires, putting priority on the parts that were most important and relevant to their businesses and their organizations. These subsidiaries will gradually fill in the answers to the remaining questions over the next few years.

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

2.4.3 Summary of risk management and internal control procedures in effect

2.4.3.1 Organization

Supervisory Board

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

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

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

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

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 Company 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 the terms under which Executive Board members are to be compensated, including benefits in kind. 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 the Company's unlisted assets several times a year as part of its review of NAV.

The Supervisory Board and its Committees analyze their operating methods every year. The Supervisory Board formalizes and summarizes its self-evaluation using a questionnaire completed by each of its members. In 2009, the Supervisory Board called on an external firm to assist it in assessing its operations and composition.

The by-laws and legal provisions governing the transactions for which the Supervisory Board's prior consent is necessary, as well as the thresholds set by the Supervisory Board regarding divestments, the sale of real estate and the granting of endorsements and guarantees are described in section 2.1.5 of the registration document.

These rules are part of the internal control process. The division of roles between the Supervisory and Executive Boards is specified in the same section.

The rules by which the Supervisory Board and its committees operate (deriving from legislation, the by-laws and the Afep-Medef code) are detailed in the Supervisory Board's internal regulations.

The Executive Board and the management committees

The Executive Board has two members. It meets at least once every two weeks and as often as required by the Company's interests. Its decisions are made collegially.

The Executive Board has organized Company procedures by setting up:

- a Management Committee, which includes the Executive Board and the main operational managers and which is in charge of running the day-to-day business of Wendel and its holding companies, as well as financial and legal matters, human resources and communications. It meets every two weeks;
- an Investment Committee, which includes the Executive Board and seven Managing Directors of the Investment Unit and which meets once a week to monitor the subsidiaries effectively and identify and handle any investments or divestments by the Group;
- an Operations Coordination Committee, which comprises all the company's senior executives, including members of the above two committees. It takes stock of Wendel's position and the initiatives to be undertaken, and it reports on any difficulties or risks encountered. Under normal circumstances, this committee meets once a week.

The Executive Board's monitoring of various risks to the Group is described below in the section entitled "System for identifying and analyzing risks and ensuring that risk management procedures are in place".

Directly controlled holding companies and investment vehicles

The governing bodies of the holding companies and the investment vehicles are directly or indirectly controlled by Wendel, making it possible to apply all the risk management and internal control principles described in this report to them.

Operating subsidiaries

Each operating subsidiary enjoys full management autonomy but reports to Wendel periodically on financial matters. Wendel also takes part in the corporate governance bodies of its subsidiaries and thus ensures that internal control and risk management procedures are properly applied.

2.4.3.2 Internal dissemination of information

Reporting information within the framework of decision and control processes

The Supervisory Board and Audit Committee are regularly provided with necessary information on business matters, strategic planning and the risks to which Wendel is exposed, within the framework of the regular meetings described in the section entitled "Organization – Supervisory Board".

Because Wendel's three management committees meet often, the Executive Board can organize appropriate dissemination of information within 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.

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 the Company 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 the Company's employees whenever necessary, in addition to the committee meetings mentioned above and internal team meetings. Similarly, group reflection and motivation seminars involving some or all employees may be organized to take stock of the Company's position and its environment, and to encourage each person to express his or her expectations about the Company's operations. A seminar was held in 2011;
- dissemination of procedures and rules to all personnel, such as commitment procedures and the "Market Confidentiality and Ethics" charter (see below) helps each employee to comply with the internal control procedures established by the Executive Board;
- an intranet is operational at Wendel: It serves to share useful information with all employees about Group events and on Group organization. Among other things, the site includes a functional and hierarchical organization chart.

Protection of confidential information

Wendel endeavors to preserve the utmost confidentiality when sharing sensitive information:

- the "Market Confidentiality and Ethics" Code was presented to all employees and is part of the internal regulations. It applies to all employees and to the members of the Executive and Supervisory Boards;

- IT access and security is strengthened on an ongoing basis. Each workstation can be accessed only by the employee to whom it is assigned. Session access is controlled by a login and password combination. The access rights of each employee are limited to his or her responsibilities or department;
- a video-surveillance system has been implemented and security guards are assigned to the building at all times, securing all building access.

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

Section 2.3 and Note 5 to the consolidated financial statements detail the main risks Wendel encounters and how they are covered. The Company 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:

- the Investment Unit is in charge of monitoring subsidiary performance on a monthly basis, the operational risks specific to each equity investment and the acquisition and divestment process. It is also responsible for valuation risk on Wendel's assets;
- the Executive Board and the Investment Unit also ensure that the management team of each subsidiary and associated company is organized in such a way as to manage its risks properly and achieve its objectives;
- the Finance department monitors financial risks (e.g., interest rates, liquidity and financial leverage), cash management, NAV, accounting regulations, the production of financial statements, earnings forecasts, the estimates needed to prepare the financial statements and transaction security. Key indicators (e.g. current and projected cash levels, financial leverage, interest-rate exposure, changes to NAV) are reviewed regularly so that the Executive Board can take any necessary measures to adjust the Company's exposure to these risks;
- the Legal department is responsible for Wendel's legal security; the legal validity of contracts (financing, purchases or divestments, etc.); Wendel's and its holding companies' adherence to company law and laws relating to corporate governance; and the monitoring of regulations that apply to Wendel and the transactions it undertakes, particularly securities market regulations, disputes and litigation, ethics and compliance, and general and professional liability insurance policies for corporate officers;
- the Tax department monitors tax regulations, ensures that the Company's obligations vis-à-vis the tax authority are handled properly and guards against tax risks;
- the Communications department preserves the Company's image and reputation;
- the Financial Communications department ensures that the financial information communicated to investors and analysts is of high quality;
- the Operational Resources department is in charge of managing human resources risks, risks to people and equipment, and the prevention of IT risks (intrusion, data security and storage, business continuity, etc.).

To the extent necessary, each department may be assisted by outside experts (lawyers, bankers, brokers, auditors, consultants, etc.) with approval of the Executive Board.

The Executive Board oversees the monitoring of risk and, together with each department, decides on the procedures that will be used to cover them. This takes place in Management Committee and Executive Board meetings as described in the section on organization. The Executive Board may decide to create specialized committees to handle certain risks.

As indicated in the section on organization, the Executive Board presents the main risks that could significantly impact the value of Wendel's assets to the Supervisory Board, whenever required as part of the quarterly business report. In addition, pursuant to the Supervisory Board's internal regulations, the Audit Committee reviews the risk management and internal control procedures. In 2011, Wendel also introduced a risk mapping system. A list of the risks Wendel faces was presented to the Audit Committee. It was prepared by Wendel's principal managing directors and validated by the Executive Board. This list relates primarily to the risks borne by Wendel and its holding companies. For the principal risks identified, i.e. those whose occurrence and/or intensity are considered the highest, a detailed analysis will be formalized in 2012. Since 2009, the Audit Committee has examined risk management at certain subsidiaries. The Chairman of the Audit Committee presents a summary of the Audit Committee's findings to the Supervisory Board.

Subsidiaries manage their own risks, particularly operational risks, and take the necessary steps to understand and monitor them. It is for them to decide whether it is necessary to map these risks and to determine the action plans to be implemented each year. Nevertheless, Wendel's presence in the governing bodies of its subsidiaries allows it to ensure that major risks are actively monitored.

As Wendel is an investment company, it does not have its own internal audit department, but relies on those of its subsidiaries and on the reports they furnish to Wendel. Wendel also takes into account the conclusions of the auditors of its subsidiaries and associated companies. To improve communication, they are part of the same networks as Wendel's Statutory Auditors.

2.4.3.4 Oversight and monitoring of internal control

New investments and divestments

The Investment Committee meets weekly to examine progress made on planned acquisitions and divestments and to explore new opportunities. The Committee is composed of the Executive Board and the Managing Directors of the Investment Unit. The Executive Board selects a team comprising people with the requisite expertise to review each opportunity. A senior member of the team acts as coordinator and is responsible for the investment/divestment recommendation. Once the project analysis has been finalized and received approval from the Executive Board, it is presented to the Supervisory Board if the by-laws so require. This presentation includes an analysis of the impact of the transaction on net income from business sectors, the financial position and the net asset value of the Group. It shows the outcome under favorable and unfavorable scenarios. If the Supervisory Board approves the transaction, the Executive Board supervises its execution by the investment team in charge, which can call upon top-level banks, strategy consultants, legal firms and auditors. Liability guarantees granted or received are presented to the Audit Committee and to the Supervisory Board.

Monitoring investments

Monitoring the existing portfolio involves:

- a monthly operational report from each subsidiary and associated company presenting trends in sales, profitability and financial debt. These indicators are compared with previous periods and with budgeted figures. For some subsidiaries, short-term cash management and projection tools have also been implemented;
- regular work sessions with the managers of each subsidiary and associated company. The agenda for these meetings includes, in addition to a review of the business, an in-depth analysis of an important topic (procurement policy, optimization of business assets, research and development, analysis of the position of major subsidiaries, existence and organization of internal control, coverage of financial risks, etc.);
- an annual budget meeting with each subsidiary and associate, updated at additional meetings when new projections become available;
- numerous discussions or meetings organized with members of the management of each subsidiary and associated company, if required.

The members of the Investment Committee present a summary of their work monitoring the subsidiaries and associates for which they are responsible and make recommendations in the event significant decisions concerning these investments need to be made. Moreover, in order to strengthen dialogue with the subsidiaries, better understand their operating environment and the concerns of their respective management teams, Wendel is systematically represented on the governing bodies of the subsidiaries and, in particular, on their audit committees. This presence on the governing bodies of the subsidiaries 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, within the framework of the governing bodies of each subsidiary, Wendel closely monitors the compensation of the principal executives of the subsidiaries and associates and ensures its incentive character. It also ensures that the interests of the executives are aligned with those of the company they manage.

Monitoring the Company'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:

- the Executive Board regularly monitors the cash position and projections presented by the CFO and regularly presents the liquidity position to the Supervisory Board;
- the Executive Board reviews the monthly reporting of the cash position and cash investments of Wendel and its holding companies;
- 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;
- Wendel and its holding companies have a formal budget process, with formal procedures and responsibilities, and budget tracking using special software.

The procedures for preparing financial statements and the financial information communicated outside the Group are detailed in the section entitled "Preparation of Wendel's accounting and financial information".

Arranging financing

Financing terms and their implementation are approved by the Executive Board after an in-depth review of various solutions and an analysis of Wendel's financial situation prepared by the CFO. Financing transactions are executed under delegations of power and/or signature authority given by the Chairman of the Executive Board to the CFO or to a member of the Management Committee. Depending on the transaction amounts and characteristics, the by-laws require bond issues or new loans to be authorized by the Supervisory Board.

Interest-rate exposure is analyzed regularly by the CFO. The Executive Board decides whether or not to adjust interest-rate exposure, and if necessary, appropriate financial instruments are put in place.

Compliance with laws and regulations and with ethical rules

Compliance with laws and regulations: The Legal and Tax departments ensure compliance with the laws and regulations in the countries where Wendel, its holding companies and investment vehicles are located (mainly France, Luxembourg and Netherlands).

They constantly monitor the legal and tax environment, so as to stay on top of changes in laws and regulations that might be applicable to them.

Market Confidentiality and Ethics: so that employees are fully informed of their obligations in the area of confidential or privileged information, the Market Confidentiality and Ethics Code is part of Wendel's internal regulations and applies to employees as well as to the members of the Executive and Supervisory Boards.

This code explains the rules of confidentiality for persons who are in possession of confidential or privileged information. It explains the obligation to abstain from stock-market transactions when in possession of privileged information and during blackout periods. Blackout periods are defined as extending from 30 days before until two days after the publication of annual and semi-annual earnings, as well as from 15 days before until two days after the publication of quarterly financial data and the NAV.

The code defines illegal insider trading, misinformation and share price manipulation, and explains the applicable legal sanctions. it also sets up a number of measures for preventing such infractions. The code also includes the provisions applicable to stock options and bonus shares and details the AMF disclosure obligations incumbent on executives and persons affiliated with them.

In addition to legal and regulatory obligations in this area, the code includes certain more restrictive provisions in the interest of transparency and prudence. For example, it places an obligation on Executive and Supervisory Board members, employees and their relatives to register their Wendel shares with the Company and restricts transactions on derivatives or transactions having speculative purposes. It also forbids employees and executives from holding, buying or selling shares of listed Group subsidiaries or associates at any time, except for shares that the Board members of these companies must own or shares deriving from the realization of any co-investment mechanism defined ex-ante and approved by the Supervisory Board and, ultimately by Shareholders as a regulated agreement. Individuals holding shares in listed subsidiaries of the Wendel Group acquired prior to July 15, 2007 may keep them or sell them, as long as they comply with the principles of the code. The code also defines conflict-of-interest situations. The Group Ethics Officer monitors adherence to the Code.

Pursuant to Article L.621-18-4, paragraph 1 of the Monetary and Financial Code and as part of its effort to prevent illegal insider activity, the Company maintains lists of insiders. Firstly, the Company has a list of permanent insiders. These include all employees, the members of the Executive and Supervisory Boards and third parties working with the Company on a regular basis. In addition, as soon as privileged information appears, such as during preparation of an investment or divestment transaction, the Company draws up a list of occasional insiders, including people connected with the project under consideration. These lists are updated regularly and made available to the AMF, which can request to see them. They are kept for at least five years after they are created or after their last update. The Compliance Officer is in charge of creating and updating the lists. Specific compliance rules applicable to the members of the Executive and Supervisory Boards are detailed in section 2.1.6.

Procedures for preventing fraud and monitoring commitments and expenditure

The procedures for authorizing expenditure commitments at Wendel and its holding companies cover all of the Company's commitments as well as the signatures needed for bank transactions (via delegated signature authority).

- estimates are submitted by several service providers. They are always negotiated under the supervision of the Management Committee member or members in charge;
- expenditures are subjected to a formal prior authorization procedure. Depending on the amount, they are validated by the Management Committee member in charge of the expenditure and by a member and/or the Chairman of the Executive Board; Requests for funding are compared to the budget;
- invoices are approved after comparison with funding requests;
- only the Finance department can issue checks and transfer orders, backed up by supporting documentation, and it informs the Chairman of the Executive Board when the amount exceeds a certain threshold.

Preservation of IT data integrity

In order to prevent the risks of abuse of and intrusion into computers and IT systems, the IT department reports directly to the Managing Director in charge of operating resources, who regularly proposes and implements initiatives on data conservation and storage systems. An IT continuity plan is in place and provides for fully redundant (or replicated) data in real time between the Group's two long-standing sites, Paris and Luxembourg.

The two sites are linked via a private line. Access to messaging data, business line applications and all files is secure.

2.4.3.5 Preparation of Wendel's accounting and financial information

The internal control procedures designed to ensure that the annual (parent company and consolidated) and semi-annual financial statements present a true and fair view of the results of operations as well as the Company's financial position and assets are as follows:

Procedures for the preparation and consolidation of the financial statements

Wendel applies International Financial Reporting Standards (IFRS) for its consolidated financial statements. The principal rules applicable are described in the annual financial report and are distributed to subsidiaries as part of the process for reporting and for preparing the financial statements. Because of the diversity of the subsidiaries' activities, Wendel leaves it up to each subsidiary to propose the accounting processes appropriate for its business. The Finance department and the head of consolidation at Wendel ensure uniformity of treatment within the Group, in particular by examining the accounting principles detailed in the financial statements of each subsidiary.

In addition, Wendel's Finance department ensures the proper reporting of full accounting and financial information from the subsidiaries to Wendel using the following procedures:

- in coordination with the Finance department of each subsidiary, a schedule is set for the submission of financial statements with the supplementary information required for preparing Wendel's consolidated financial statements;
- Wendel's CFO or his staff meet with the Finance department of each subsidiary to prepare the closing and to review the highlights of the period as well as any significant or exceptional transactions;
- accounting information from subsidiaries is reviewed in detail and consistency checked with the financial information compiled by the investment team from subsidiaries' monthly activity reports.

The CFO is a member of the Management Committee and the Operations Coordination Committee (see section on "Organization"), which enables him to review all events likely to have an impact on the Group's consolidated financial statements or on the parent company financial statements of Wendel or its holding companies.

The CFO reports directly to the Executive Board and is thus fully independent of other Wendel departments.

Procedures for auditing of the financial statements

At the subsidiary level:

- to ensure better communication with the parent company's Statutory Auditors, the Group's rule, to the extent possible, is to use the same audit firms for the parent company and all of its subsidiaries. This is why, in the bidding process for the renewal of Statutory Auditor appointments undertaken by the Audit Committee at the beginning of 2007, the selection criteria included the Statutory Auditors' ability to audit all directly- and indirectly-held subsidiaries throughout the world and to obtain audit results and any observed anomalies from the subsidiaries' auditors;
- a representative of the Finance department attends end-of-audit or Audit Committee meetings of subsidiaries under exclusive control and receives details of audit and internal control observations raised by the subsidiaries' auditors during the course of their audit;
- one or more representatives of Wendel attend Board of Directors/Supervisory Board meetings and/or Audit Committee meetings of subsidiaries and associated companies.

At the parent company level:

- the Group CFO is responsible for accounting policies and ensuring compliance with accounting rules. If required, he has the authority to commission audits. He regularly holds pre-closing meetings with the Statutory Auditors to ensure that issues raised in previous financial periods have been resolved. He reviews transactions of the financial period in question with the Statutory Auditors and decides on the appropriate accounting treatment;
- the Chairman of the Executive Board is in constant contact with the CFO during the preparation of the financial statements. In particular, he is informed of the financial and accounting impact of any significant event, as well as estimates and judgments that have a significant impact on the financial statements. The Statutory Auditors and the Chairman of the Executive Board meet when subjects arise whose accounting interpretation is complex or whose impact on the financial statements is significant. The Chairman of the Executive Board also reviews all of Wendel's financial communication and is informed of any subject that is likely to have an impact on it;
- the Audit Committee: the Committee's remit, its mode of operation and its activity during the fiscal year are presented in detail in section 2.1.4.1. The Committee can decide to seek independent expert advice to confirm its views on the financial position of the Company. It also interviews the Statutory Auditors regularly to solicit their opinion about the reliability of the parent company and consolidated financial statements. Finally, the Audit Committee ensures that accounting methods are applied consistently from one year to the next, or that any changes to accounting methods are well founded.

Internal control procedures related to financial information

Once the parent company and consolidated statements have been finalized and net asset value calculated, the Audit Committee is asked to issue an opinion on this information before it is submitted to the Supervisory Board. These documents are also submitted to the Statutory Auditors for review.

2.4.4 Achievements in 2011

The application of procedures implemented in previous years was reviewed and improved in 2011 where necessary.

In 2011, Wendel appointed a data protection/freedom of information correspondent, whose role is to keep the list of Wendel IT processes up to date and to ensure that the French data protection/freedom of information act ("*Informatique et libertés*") is properly applied.

In 2011, Wendel also introduced a risk mapping system. A list of the risks Wendel faces was presented to the Audit Committee. For the principal risks identified, i.e. those whose occurrence and/or intensity are considered the highest, a detailed analysis will be formalized in 2012.

2.5 Statutory Auditors' report on the report of the Chairman of the Supervisory Board

For the year ended December 31, 2011

Statutory Auditors' report, prepared in accordance with Article L.225-235 of the French Commercial Code on the report prepared by the Chairman of the Supervisory Board of Wendel

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

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 for the year ended December 31, 2011.

It is the Chairman's responsibility to prepare, and submit to the Supervisory Board for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by Article L.225-68 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information; and
- to attest that the report sets out the other information required by Article L.225-68 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

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

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

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

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Supervisory Board's report, prepared in accordance with Article L.225-68 of the French Commercial Code.

Other information

We attest that the Chairman's report sets out the other information required by Article L.225-68 of the French Commercial Code.

Neuilly-sur-Seine and Paris-La Défense, March 28, 2012

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean-Pierre Letartre

3

COMMENTS ON FISCAL YEAR 2011

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3.1 Analysis of the consolidated financial statements

3.1.1 Consolidated income statement - Accounting presentation

The Wendel Group includes:

- fully consolidated companies: holding companies and subsidiaries over which Wendel exercises exclusive control; these are Bureau Veritas, Materis, Deutsch, Stahl, Parcours for the nine-month period from April 1 to December 31, 2011 and Mecatherm for the three-month period from October 1 to December 31, 2011;
- companies accounted for by the equity method and over which Wendel has significant influence, specifically Saint-Gobain, Legrand and exceet for the two month period from July 26 to September 30, 2011, as exceet's full-year financial statements were not available as of the date Wendel's accounts were finalized.

The earnings of subsidiaries that have been or are scheduled to be divested are presented, in accordance with IFRS, in a separate line of the income statement entitled "Net income from discontinued operations and operations held for sale" for each year presented. As of December 31, 2011, Deutsch was to be sold, and Stallergenes was sold in 2010.

In millions of euros	2011	2010
Net sales	5,953.1	5,068.3
Operating income	554.1	539.5
Net financial income (expense)	-628.9	-424.3
Income taxes	-138.2	-124.5
Net income from equity-method investments	831.1	809.8
NET INCOME FROM CONTINUING OPERATIONS	**618.1**	**800.5**
Net income from discontinued activities and activities held for sale	29.4	343.4
NET INCOME	**647.5**	**1,143.9**
Net income – non-controlling interests	122.1	141.6
NET INCOME - GROUP SHARE	**525.4**	**1,002.3**

3.1.2 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. As this presentation of the financial statements is not an accounting presentation, it has not been audited. A conversion from the accounting presentation to the economic presentation is presented in Note 38 to the consolidated financial statements, entitled "Segment information".

	2011	2010
Constant scope		
Bureau Veritas	355.8	322.3
Materis	29.4	19.6
Deutsch	54.5	48.4
Stahl	13.8	15.6
Saint-Gobain (equity method)	296.0	235.3
Sub-total	749.6	641.3
Changes in scope Legrand (equity method)	60.0	114.7
Oranje-Nassau Développement	14.8	-
- Parcours	*9.9*	-
- Mecatherm	*2.3*	-
- exceet (equity method)	*2.6*	-
Stallergenes	-	26.6
Sub-total	**74.8**	**141.3**
INCOME FROM SUBSIDIARIES AND ASSOCIATES	**824.4**	**782.6**
Operating expenses	-37.5	-37.9
Management fees	3.4	2.4
Sub-total	**-34.1**	**-35.6**
Amortization, provisions and stock-option expenses	-6.6	-5.3
TOTAL OPERATING EXPENSES	**-40.7**	**-40.9**
TOTAL FINANCING COSTS	**-269.9**	**-298.4**
NET INCOME FROM BUSINESS SECTORS	**513.7**	**443.3**
of which Group share	321.4	255.3
Non-recurring income and impact of goodwill	**133.8**	**700.6**
CONSOLIDATED NET INCOME	**647.5**	**1,143.9**
Net income – non-controlling interests	122.1	141.6
NET INCOME - GROUP SHARE	**525.4**	**1,002.3**

3.1.3 Description of 2011 business activities

Wendel's consolidated sales rose 17.5% to €5,953 million, with organic growth of 6.5%. Overall, the recovery that started in 2010 continued in 2011, despite a financial crisis that slowed the rate of growth in the second half of the year.

The Group's companies contributed a total of €824.4 million to net income from business sectors, up 5.3% from 2010. At constant scope, taking into account the acquisitions and sales carried out in 2010 and 2011, this contribution increased by 16.9%.

Financial structure and operating expenses declined for the second year in a row, by 8.5% to €310.7 million, even though the Group was very active in both investment and divestment during 2011.

This is because since 2009, efforts to reduce costs and debt have led to a 13.5% reduction in operating expenses over two years to €37.5 million and to a 20.4% reduction in interest expense to €269.9 million. As a result, net income from business sectors, Group share, rose by 25.9% to €321.4 million.

Non-recurring income totaled €133.8 million vs. €700.6 million in 2010. In 2011, asset impairments at the level of Group companies reduced this item by €157.4 million, whereas in 2010, revaluation of Saint-Gobain shares had increased it by €408 million. Non-recurring income in 2011 was also comprised of i) €654.3 million in capital gains on asset sales, including €631.3 million deriving from the sale of Legrand shares, ii) adjustments to the value of puts purchased and sold on Saint-Gobain to bring them to market value (€108.7 million) and allocation of goodwill (-€163.0 million). As a result, Wendel's total attributable net income was €525.4 million in 2011, compared with €1,002.3 million in 2010.

2011 net income brought consolidated shareholders' equity to €3,298 million as of December 31, 2011, versus €2,892 million as of December 31, 2010 and €1,581 million as of December 31, 2009.

Sales of Group companies

Bureau Veritas – Sales up 14.6% in 2011. 2007-2011 objectives have all been met – New 2015 plan

(Full consolidation)

Amid an economic environment buffeted by sovereign debt crises, Bureau Veritas continued to demonstrate its operational quality and ability to pursue growth.

During 2011, Bureau Veritas continued its acquisitions policy, acquiring a dozen companies in fast-growing countries and in high-potential markets. These companies represent combined full-year revenue of approximately €50 million. Against an extremely deteriorated backdrop in Spain, especially in the construction market, Bureau Veritas implemented serious measures to ensure a recovery.

Over full-year 2011, Bureau Veritas generated revenue of €3,359 million. The 14.6% increase compared with 2010 broke down as follows:

- organic growth of 6.2%, calculated on a pro-forma scope, including the organic contribution from Inspectorate in 2011;
- a 9.5% positive impact from changes in the scope of consolidation, primarily owing to the acquisition of Inspectorate;
- a 1.1% negative impact from currency fluctuations, prompted by weakness in the US dollar and the Hong Kong dollar against the euro.

The highest growth rates were achieved in the Industry, Commodities, Certification and International Trade businesses. Revenue generated in fast-growing regions (Latin America, Asia-Pacific excluding Japan, Eastern Europe, Middle-East and Africa) firmed still further to 50% of 2011 revenue.

Adjusted operating income increased 11.0% to €544 million in 2011, vs. €490 million in 2010.

Adjusted operating margin stood at 16.2% of sales, compared with 16.7% in 2010. As expected, this 50-basis point narrowing was primarily due to dilution caused by the full-year consolidation of Inspectorate.

Net profit adjusted for other operating expense net of tax stood at €355.8 million.

On December 31, 2011, adjusted net financial debt (net financial debt after hedging instruments) totaled €983.9 million, or 1.6x EBITDA adjusted for all new entities acquired over the past 12 months, compared with 1.94x on June 30, 2011, and had declined by €67.9 million compared with December 31, 2010 (€1,051.8 million).

Materis – Robust organic growth in all divisions

(Full consolidation)

Despite a turbulent financial environment, Materis achieved strong organic growth in 2011, driven principally by emerging market countries, as well as by mature markets. Over the past few years, Materis's strategy of targeted acquisitions and its emphasis on sales and marketing have enabled the company's various divisions to figure among the best performers in their respective sectors.

In 2011, Materis's net sales grew by 9% to €2,027 million. Materis posted organic growth of 8%, acquired four companies (mortars business in Thailand, Uruguay and the US; independent paints distributors in Europe) and continued its successful integration of a.b.e. in South Africa.

All Materis divisions took advantage of continued high growth in emerging economies (16.9% organic growth) and the improvement in mature economies (5.5% organic growth), resulting from renewed growth in underlying markets and better weather than in the previous year:

- Kerneos (Aluminates), advanced significantly (up 6% overall and 7% organically) buoyed by three factors: i) the turnaround in the building industry chemicals sector in France, Germany and Scandinavia, ii) robust growth in the refractories segment (strong growth in Asia, now one of Kerneos' largest markets, in the US and in Europe), and iii) price increases;
- Strong growth at Chryso (Admixtures) (up 17% overall and 12% organically) was due to i) favorable conditions in end markets in France and emerging markets (India, Turkey, Eastern Europe), ii) effective sales efforts in the United States, iii) continued improvement in the product mix and in prices and iv) the impact of consolidating a.b.e. over a full year;
- Parex Group (Mortars) (up 12% overall and 12% organically) also benefited from favorable conditions in the industry in France, the UK and emerging markets, where it was buoyed by i) growth in end-markets, ii) mix and price improvements, iii) market share gains that more than offset a significant decline in Spain and a very slight decline in the US;
- Materis Paints also experienced significant growth (up 7% overall and 4% organic growth), driven essentially by i) price increases, ii) increased activity in French and Moroccan markets, and iii) targeted acquisitions which offset end-market declines in Portugal, Spain and Italy. Confronted with a 75% rise in the cost of titanium dioxide during the course of 2011 and with an economic slowdown in Southern Europe, the Paints business vigorously adjusted its prices (price effect up 6%) and initiated a performance improvement program to restore margins (impact of nearly €30 million, including €14 million planned for 2012.

In 2011, the Aluminates, Admixtures and Mortars businesses continued to generate record profitability for their industry. In addition, the Paints business is undergoing a vigorous program to restore its margins to offset the increase in the cost of raw materials.

Materis's EBITDA totaled €259 million (12.8% of sales) and its adjusted operating income was €194 million (9.6% of sales), up 4% and 2%, respectively.

More than 18 months in advance of its first repayment dates, Materis launched negotiations with its 200 lenders aimed essentially at postponing 2013-15 maturities and increasing its sources of liquidity. In early 2012, nearly 84% of all lenders had agreed to the various requests, and more than 71% had agreed to postpone repayment dates under certain conditions. Discussions are continuing, with the aim of maximizing participation.

Finally, Wendel and Materis are prepared to sell one of Materis's divisions in 2012 if an attractive offer is made at favorable financial and operating terms.

Deutsch – Very robust organic growth of 18.7% – Projected sale to TE Connectivity

(Activity held for sale)

Deutsch reported sales of $675.6 million in 2011, up 20.7% (up 18.7% in organic terms) compared with 2010. Organic growth remained strong over the entire year despite a slowdown in the second half attributable to an unfavorable basis of comparison.

Expansion in the Industry Division was part of the engine behind this growth. Industry posted 24.7% organic growth, with a significant advance in China and growth in the truck market in the United States.

With recovery having started in the European and US markets in the first half, the Aerospace and Defense division posted robust organic growth of 14.6%.

The Offshore division scored significant successes, obtaining several large new orders. Over the whole year new orders were eight times what they were in the previous year, and a new contract was signed in September 2011, with an initial value of €23.2 million. New orders have since increased the value of this contract, which will generate sales in 2012 and 2013, to more than €29.5 million.

Adjusted operating income, which had returned to its pre-recession level in 2010, rose a further 29.4% to $145.7 million, and adjusted operating margin widened by 150 basis points to 21.6%.

On November 29, 2011, Wendel and Jean-Marie Painvin, co-shareholder of Deutsch and Chairman of the Board decided to enter into exclusive negotiations with TE Connectivity, one of the world leaders in connectivity solutions, with a view to selling Deutsch.

TE Connectivity, which places great importance on innovation in its growth strategy, plans to integrate Deutsch's employees into its ambitious R&D program by turning the Le Mans and Evreux sites into global centers of excellence.

TE Connectivity proposes to acquire, in euros, all of the shares of Deutsch at an enterprise value of approximately $2.1 billion. For Wendel, net proceeds from the sale will total around €960 million, or 2.4 times Wendel's total investment and representing a capital gain for Wendel of €580 million.

Stahl – Sales growth of 1.3% in 2011, following a record year in 2010

(Full consolidation from February 26, 2010)

In 2011, Stahl posted a 1.3% rise in sales to €334.5 million, even after a strong, 30.2% advance in 2010. In the first half of the year, organic growth was low, at 0.8%, owing in part to a high 2010 base of comparison in the second quarter, as sales in Q2 2010 had constituted a record high. Stahl returned to more normal organic growth rates in the second half (2.8%). Full-year growth appeared all the more modest when compared with the 24.1% organic growth rate achieved in 2010.

The "Leather finishing products" division (55% of sales) suffered a slowdown in the tanning business because of the high price of hides, in particular in China and Latin America. This division was also impacted by the slowdown in demand from the luggage, furniture and clothing markets, which was not fully offset by the healthy automotive market.

"High-performance coatings" posted good performance, with organic growth of 5.1% over the full year. This business continued to see strong growth in India and China and consolidated its positions in mature markets owing to market share gains and new product launches.

2011 adjusted operating income came to €38.0 million, down 18%, with a margin of 11.4% (vs. 14.0% in 2010). Margins were affected by increases in the price of raw materials, which could not be fully passed on to customers. Since the third quarter of 2011, however, raw material prices have come down, which should have a favorable impact in 2012. Stahl's net financial debt stood at €185 million as of the end of 2011.

Saint-Gobain – Sales up 5% in 2011

(Equity method on 17% holding)

In a still-fragile economic environment, Saint-Gobain confirmed its capacity for growth in 2011, delivering a 5.0% rise in like-for-like sales (comparable structure and exchange rates) to €42.12 billion.

All of Saint-Gobain's geographic areas and Business Sectors contributed to this performance, led by vigorous momentum in emerging economies and Asia as well as further advances in markets related to industrial output in both North America and Western Europe. In contrast, markets related to capital spending slowed in the second half, particularly across Western Europe and in Asia and emerging markets.

Sales growth also reflected the gradual upturn in residential construction and renovation markets in most major European countries in which Saint-Gobain operates: France, Germany and Scandinavia. In particular, Saint-Gobain's healthy trading on construction markets in Western Europe continued to be powered by high value-added solutions and especially by businesses linked to energy efficiency in the Habitat market. These activities reported further strong growth gains throughout the year, buoyed by new regulations that came into force and especially thermal regulation "RT 2012" in France.

Despite a temporary rebound in renovation, reflecting the positive impact of early-year storms, the US construction market remained stable, with trading at a record low. Businesses related to household consumption (Packaging, Verallia) reported moderate growth, spurred chiefly by sales prices.

Overall, Saint-Gobain reported organic growth of 5.0% (positive volume and price impact of 2.3% and 2.7%, resp.), of which 6.7% (volume and price impact of 4.3% and 2.4%, resp.) in the first half of the year on the back of an exceptional first quarter, and 3.4% (volume and price impact of 0.4% and 3.0%, resp.) in the six months to December 31. Due primarily to fewer working days than in the fourth quarter of 2010 (estimated negative impact of -1.7%), organic growth slowed between the third and fourth quarters, from 4.1% to 2.8%.

- Innovative Materials delivered Saint-Gobain's best organic growth performance, at 5.8% (including 3.1% in the second half, despite a much tougher basis of comparison). Brisk activity in markets related to industrial output continued throughout the year across all geographic areas;
- in Construction Products (CP) like-for-like sales advanced 4.4% over the year and 3.9% over the second half. In both periods, this moderate growth chiefly resulted from strong sales gains in Asia and emerging economies and in the US renovation market;
- Building Distribution delivered annual organic growth for the first time since 2007, at 5.5%, including 3.9% in the second half. In line with the six months to June 30, this performance was led especially by Germany (which reported double-digit growth for the year), France, Scandinavia, and to a lesser extent the Netherlands. Growth remained modest in Eastern Europe and the UK, while market conditions continued to be very tough in Southern Europe;
- Packaging (Verallia) reported 3.0% organic growth over the year (1.7% in the second half), spurred by favorable trends in sales prices, which gained 2.7% over the year as a whole and 2.8% in the second half. Sales volumes recovered in the fourth quarter, particularly in Europe and Latin America, after being hit by inventory run-downs in the three months to September 30. The plan to list Verallia on the stock exchange, which was initiated in the fall of 2010, had to be postponed because of very unfavorable market conditions, despite strong interest on the part of both European and American institutional investors.

Other significant events in 2011:

- financial investments and capital expenditures have been stepped up again, focusing on Saint-Gobain's growth areas: fast-growing economies (~€1,100 million), energy and energy efficiency markets (~€900 million) and consolidation in the Construction Products and Building Distribution businesses (~€300 million);
- targeted acquisitions promising rapid value creation were carried out. Investment in securities was five times higher than in 2010 (€702 million vs. €129 million) and included the acquisition of the Build Center network and Brossette from Wolesley1 for around €350 million, as well as the acquisition of Electrotherm's pipes division [1] in India for around €135 million.

In line with targets, and despite the impact of spiraling raw material and energy costs, Saint-Gobain reported a double-digit rise in operating income (up 10.4%, or 10.9% at constant exchange rates*) to €3.441 billion.

(1) *Subject to approval by the European competition authorities.*

(2) *Subject to approval by the Indian competition authorities.*

* *Average rates in 2010.*

Consequently, the operating margin continued to improve, rising to 8.2% of sales (10.9% excluding Building Distribution), versus 7.8% (10.7% excluding Building Distribution) in 2010. It was virtually back at its 2008 level (8.3% for all of Saint-Gobain and 11.0% excluding Building Distribution) despite sales volumes being 11.0% lower than in 2008.

Legrand – 9.2% rise in sales. Margin target achieved at 20.2% in 2011

(Equity method on 6% holding)

Legrand's 2011 sales rose 9.2% year-on-year to €4,250.1 million, or 6.4% at constant scope of consolidation and exchange rates. Adjusted operating income rose 7.5% year-on-year to €856.7 million. Legrand's adjusted operating margin was 20.2% of sales, reflecting the group's ability to:

- fuel growth by investing in innovation and strengthening its sales organization (sales teams, showrooms, concept stores) in fast-growing markets, while pursuing its productivity initiatives;
- pass the rising cost of the raw materials it consumes through to sales prices.

Legrand has thus achieved its 2011 objectives and has strengthened its growth profile over the past few years. Today:

- 35% of sales are generated in new economies, where Legrand posted growth of nearly 18% in 2011 (14% organically) and has leading positions in 27 of these countries;
- nearly 22% of revenues now derive from new business segments (digital infrastructures, energy performance, home systems, wire-mesh cable management), where sales increased by 32% in 2011 (13% organically).

With R&D spending representing nearly 5% of Legrand's 2011 sales, innovation and new product launches continued to be essential growth drivers. These innovations are in response to high market expectations for optimized electricity consumption and expanding access to electricity in new economies.

Legrand is also actively pursuing its strategy of targeted, self-financed acquisitions to gain access to new markets and expand its product range. In 2011 Legrand acquired five companies with total annual sales of over €200 million. These companies are positioned in fast-growing markets, be they new economies (48% of sales) or new business segments (84% of sales).

Legrand fully met its 2011 targets, demonstrating both the soundness of its business model and its ability to achieve medium-term targets for growth and profitability.

Oranje-Nassau Développement – successfully launched, with three acquisitions in 2011

Through Oranje-Nassau Développement, Wendel brings together opportunities for investment in growth, diversification and innovation, and in particular invests in Parcours (France), exceet (Germany) and Mecatherm (France) as well as in Van Gansewinkel Groep (Netherlands).

Parcours – Robust growth in sales

(Full consolidation since April 2011)

Parcours reported sales of €271.4 million in 2011, up 12% compared with 2010. Over the year, Parcours' fleet of vehicles expanded by 8.8% (from 41,280 to 44,900), faster than that of the industry in France (2.6%).

After advancing at a rate of 13.8% in the first half of the year, sales growth tapered off in the second half to 8.5%, in part because vehicle deliveries were delayed due to the Fukushima catastrophe and the impact it had on car makers.

As of the end of December 2011, Parcours' portfolio of non-delivered orders amounted to more than 3,700 vehicles, up 14.3% compared with December 2010. Pre-tax ordinary income rose 3% to €17.1 million in 2011, representing a margin of 6.3% of sales.

exceet – 42.7% growth in sales over all of 2011

(Equity method on 28% holding since July 2011)

In 2011, exceet continued its international expansion and its acquisitions, which complemented the company's range of products and services.

Against this background, exceet's sales rose 51.5% over the first nine months of 2011, of which 20% represented organic growth.

During the period, sales totaled €128.9 million, while EBITDA surged 64.6% to €21.7 million.

exceet performed particularly well in medical technology and integrated systems for industrial applications.

In 2011 as a whole, sales totaled €170.4 million, up 42.7%. The company is to release its full-year earnings on March 30, 2012.

Mecatherm – Acquisition of world leader in equipment for industrial bakeries finalized on October 4

(Full consolidation from 4th quarter of 2011)

In 2011, the Mecatherm group's net sales totaled €85.6 million, down 3.7% from 2010. As expected, growth in Mecatherm's sales was slightly curtailed in the fourth quarter of the year, as a result of the accounting impact of a slight offset in the timing of new orders. Adjusted operating income was €15.6 million, down 11% from 2010.

The operating margin came in at 18.3% vs. 19.8% in 2010. Mecatherm's high profitability demonstrates that its industrial model is well-adapted to the market. All equipment is modular and manufacturing is fully outsourced, enabling the company to optimize its cost structure at all times while focusing its expertise on R&D and customer service.

Wendel further strengthened its financial structure, reducing gross financial debt by €1,587 million in 2011

Early repayment of bank debt: €1,301 million with margin calls and €729 million without margin calls

Over the course of 2011, Wendel repaid €1,301 million in debt with margin calls and all of its debt without margin calls.

The remaining balance of debt with margin calls is now €1,385 million. Unused and available lines of credit for the financing of Saint-Gobain shares now total €990 million.

On March 21, 2012, Wendel repaid the €250 million tranche of the syndicated loan in advance of the September 2013 maturity date. As a result, Wendel no longer has any repayment obligations before March 2014.

Maturity extended on puts issued on Saint-Gobain

Maturities on all puts issued on Saint-Gobain have been extended. The 6.1 million puts issued now have maturity dates in September 2012 (2.2 million), December 2012 (2.6 million) and March 2013 (1.3 million). Wendel no longer has any price protection on the Saint-Gobain shares it holds.

Transactions on bond debt

Wendel repaid €335 million in bond debt that matured in February 2011, but also issued €300 million in new bonds, maturing in April 2018.

In late 2011 and early 2012, the Company repurchased €59.5 million in debt on the market, with maturity dates of 2014 (€36.2 million), 2016 (€15.3 million) and 2017 (€8 million).

Legrand shares sold for a total of €961 million

During the course of 2011, Wendel sold 13.6% of the shares of Legrand for €961.5 million. As of March 21, 2012, after KKR's exit from the capital, Wendel held 5.8% of the shares of the company, all of which had double voting rights associated with them.

Projected sale of Deutsch

On November 29, Wendel received a firm bid from TE Connectivity to acquire all of the shares of Deutsch at an enterprise value of approximately $2.1 billion. Wendel decided to enter into exclusive negotiations with TE Connectivity to finalize the transaction. In December 2011, TE Connectivity committed to purchase Deutsch and signed a standard purchase agreement. For Wendel the net proceeds of the transaction would amount to around €960 million. This would be 2.4 times the total amount Wendel has invested and would include a capital gain of around €580 million.

3.1.4 Consolidated balance sheet

The following table shows the principal changes that took place in the balance sheet in 2011. For the purposes of this analysis and to ease understanding, certain line items of identical nature have been combined and only the net amount shown. Accordingly, financial debt is presented net of cash and cash equivalents, both pledged and unpledged, and Wendel's short-term financial investments. Financial assets and liabilities are also presented net of these items.

Assets	12/31/2011	12/31/2010
Goodwill	2,788	2,962
Intangible assets and property, plant & equipment	2,924	2,611
Net financial assets and liabilities	-	75
Equity-method investments	4,994	5,334
Working capital requirements	518	549
Net assets and operations held for sale	261	126
	11,485	**11,657**

Liabilities and shareholders' equity	12/31/2011	12/31/2010
Shareholders' equity - Group share	2,694	2,384
Non-controlling interests	604	509
Provisions	282	320
Net financial debt	7,319	7,994
Net financial assets and liabilities	146	-
Net deferred tax liabilities	441	451
	11,485	**11,657**

3.1.5 Breakdown of principal variations in the consolidated balance sheet

GOODWILL AS OF DECEMBER 31, 2010	2,962
Acquisition of Parcours and Mecatherm by Oranje-Nassau Développement	138
Business combinations (by Bureau Veritas and Materis)	78
Reclassification of Deutsch in "Operations held for sale"	-304
Impairment losses recognized during the year	-86
GOODWILL AS OF DECEMBER 31, 2011	**2,788**

INTANGIBLE ASSETS AND PROPERTY, PLANT & EQUIPMENT AS OF DECEMBER 31, 2010	**2,611**
Investments	390
Divestments	-11
Acquisition of Parcours and Mecatherm by Oranje-Nassau Développement	537
Reclassification of Deutsch in "Operations held for sale"	-277
Reclassification of Parcours' used vehicles in inventory (net)	-58
Depreciation, amortization and provisions recognized during the year	-299
Currency fluctuations and other	31
INTANGIBLE ASSETS AND PROPERTY, PLANT & EQUIPMENT AS OF DECEMBER 31, 2011	**2,924**

NET FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2010	**75**
Sale of and changes in the fair value of Saint-Gobain puts	-278
Other	57
NET FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2011	**-146**

EQUITY-METHOD INVESTMENTS AS OF DECEMBER 31, 2010	**5,334**
Acquisition of exceet	28
Accretion on Helikos SPAC shareholding	16
Sale of Legrand shares	-308
Share in net income for the year	193
Dividends paid	-129
Impact of changes in currency translation adjustments	-19
Other	-120
EQUITY-METHOD INVESTMENTS AS OF DECEMBER 31, 2011	**4,994**

NET ASSETS AND OPERATIONS HELD FOR SALE AS OF DECEMBER 31, 2010	**126**
Deutsch group	256
Saint-Gobain shares sold	-121
Other	1
NET ASSETS AND OPERATIONS HELD FOR SALE AS OF DECEMBER 31, 2011	**261**

SHAREHOLDERS' EQUITY, GROUP SHARE AS OF DECEMBER 31, 2010	**2,384**
Net income for the year	525
Dividend paid by Wendel	-61
Buyback of shares	-80
Translation reserves	-4
Other	-70
SHAREHOLDERS' EQUITY, GROUP SHARE AS OF DECEMBER 31, 2011	**2,694**

NET FINANCIAL DEBT AS OF DECEMBER 31, 2010	**7,994**
Net cash flow from operating activities	-872
Net finance costs	445
Net cash flows related to taxes	196
Acquisition of Parcours	109
Acquisition of exceet	28
Acquisition of Mecatherm	112
Acquisition of shares by Bureau Veritas	84
Acquisition of shares by other subsidiaries	90
Acquisition of property, plant & equipment and intangible assets	211
Acquisition of vehicles by Parcours (net of sales)	122
Sale of Legrand shares	-957
Acquisition/disposal of Saint-Gobain shares	-81
Change in scope of consolidation	-53
Sale of Saint-Gobain puts	-169
Dividend paid (incl. 61 by Wendel)	128
Dividends received	-132
Other	63
NET FINANCIAL DEBT AS OF DECEMBER 31, 2011	**7,319**

3.2 Analysis of the parent company financial statements

3.2.1 Income statement

In millions of euros	2011	2010
Income from investments in subsidiaries and associates	480	164
Other financial income and expense	-110	-115
NET FINANCIAL INCOME	**370**	**49**
Operating income	-26	-35
NET INCOME BEFORE EXCEPTIONAL ITEMS AND TAX	**344**	**14**
Exceptional items	336	658
Income taxes	3	8
NET INCOME	**683**	**680**

Income before exceptional items and tax was €344 million in 2011 compared with €14 million in 2010. The change resulted essentially from dividends of €480 million received from subsidiaries (paid by Oranje-Nassau), vs. €164 million in 2010 (of which €100 million were paid by Oranje-Nassau and €60 million by Winbond).

Net exceptional gains of €336 million were composed essentially of provisions for impairment in the value of the loans to the holding companies involved in holding or financing Wendel's investment in Saint-Gobain.

3.2.2 Balance sheet

Assets (millions of euros)	12/31/2011	12/31/2010
Property, plant & equipment	3	3
Non-current financial assets	4,390	4,343
Intra-Group receivables	1,850	1,954
Net WCR	9	2
Cash and marketable securities	766	1,165
Original issue discount	66	80
TOTAL ASSETS	**7,084**	**7,547**

Liabilities and shareholders' equity (millions of euros)	12/31/2011	12/31/2010
Shareholders' equity	3,512	2,887
Provisions	52	31
Intra-Group liabilities	181	1,736
Financial debt	3,339	2,893
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**7,084**	**7,547**

Non-current financial assets increased by €47 million between 2010 and 2011, mainly because Wendel acquired its own shares.

Intra-Group receivables and payables represented a net receivable of €1.7 billion at end-2011 vs. a net receivable of €0.2 billion at the end of 2010. The principal changes derived from i) intra-Group loans intended to repay borrowings related to Saint-Gobain financing (+€1.5 billion), ii) intra-Group loans intended to finance acquisitions carried out by Oranje-Nassau Développement (+€0.3 billion), iii) repayment of a loan from Oranje-Nassau following the distribution of a dividend from the same subsidiary (+€0.5 billion), iv) proceeds from the sale of Legrand shares and of dividends received by subsidiaries, which were lent to Wendel (+€1.1 billion), and v) a reduction in provisions for impairment of receivables (+€0.3 billion).

Shareholders' equity totaled €3,512 million and reflected, among other things, 2011 net income of €683 million and the payment of €61 million in dividends on 2010 earnings.

Financial debt totaled €3,339 million and reflected primarily the following changes: Wendel repaid €334 million in 2011 bonds, issued €300 million in 2018 bonds and drew down €500 million under its syndicated credit line.

3.3 Net asset value (NAV)

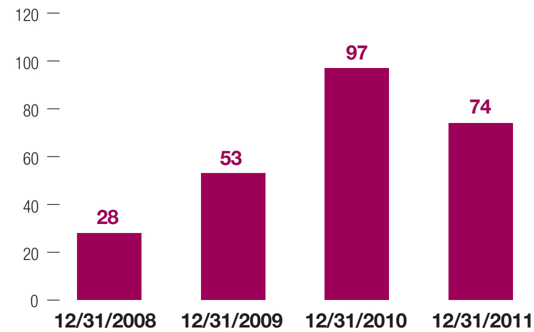
3.3.1 NAV as of December 31, 2011

NAV as of December 31, 2011 broke down as follows:

In millions of euros	Number of shares	Share price[1]	6,127
Listed equity investments			
■ Saint-Gobain	91.7 million	€29.3	2,688
■ Bureau Veritas	56.3 million	€54.5	3,068
■ Legrand	15.4 million	€24.1	371
Deutsch (valued at transaction price)			954
Unlisted equity investments (Materis and Stahl) and Oranje-Nassau Développement[2]			671
Other assets and liabilities of Wendel and holding companies[3]			81
Cash and marketable securities[4]			855
GROSS REVALUED ASSETS			**8,687**
Wendel bond debt			-2,832
Syndicated loan			-503
Bank debt *related* to Saint-Gobain financing			-1,400
Value of puts issued on Saint-Gobain[5]			-197
NET ASSET VALUE			**3,756**
Number of shares			50,560,975
NET ASSET VALUE PER SHARE			**€74.3**
Average Wendel share price over the previous 20 trading days			€49.9
PREMIUM (DISCOUNT) ON NAV			**-32.8%**

(1) Average share price of the 20 trading days prior to December 31, 2011.
(2) Mecatherm, Parcours, VGG, exceet and indirect investments.
(3) Included 2,114,155 treasury shares as of December 31, 2011.
(4) Cash and financial investments of Wendel and Saint-Gobain acquisition holding companies, including €0.7 billion available (€0.4 billion in short-term cash positions and €0.3 billion in liquid financial investments) and €0.1 billion in pledged cash.
(5) 6,089,755 puts issued (written).

NAV per share (in euros)



3.3.2 NAV calculation method

3.3.2.1 Net asset value publication dates and publication-related verification

Wendel has calculated its net asset value (NAV) since 2002. The calculation method has remained unchanged ever since. However, since April 2009, NAV has been calculated by the Group Finance department. At that time, Wendel began indicating the date as of which NAV is calculated and began publishing the schedule of future NAV publication dates on its website at the following address: http://www.wendelgroup.com.

At each NAV publication date, the Statutory Auditors verify that the methodology used for calculating net asset value complies with the one detailed below and verify consistency with accounting data.

The Audit Committee reviews each published NAV and compares Wendel's valuation of unlisted investments with an independent valuation.

3.3.2.2 Presentation of Net Asset Value

Presentation format (publication at the level of detail indicated)	Comments
Equity investments valuation date	
+ Listed investments, including:	Average closing price over 20 days
■ Saint-Gobain	
■ Legrand	
■ Bureau Veritas	
+ Deutsch	Valuation at transaction price of the firm offer received from TE Connectivity
+ Unlisted equity investments (Materis, Stahl) and Oranje-Nassau Développement (Mecatherm, Parcours, VGG, exceet and indirect investments)	Materis, Stahl and VGG are valued based on earnings multiples of comparable listed companies, calculated using the average of the last 20 closing prices. Parcours and Mecatherm are valued at cost for the 12 months following their acquisition. exceet is valued on the basis of the average of the last 20 closing prices.
+ Other assets and liabilities of Wendel and holding companies	Including Wendel shares held in treasury
Cash and marketable securities*	Pledged & unpledged cash of Wendel and holding companies
Wendel's syndicated credit line and bond debt	Par/face value + accrued interest
Bank debt related to Saint-Gobain financing	Face value + accrued interest
Value of Saint-Gobain puts issued (written)	Net market value of puts based on price used to value Saint-Gobain shares
Net Asset Value	
Number of Wendel shares	
NAV/share	

* *Amount of available cash: €[X] million.*

3.3.2.3 Listed investments

Listed investments are valued on the basis of the average closing price of the 20 trading days prior to the valuation date.

3.3.2.4 Valuation of unlisted investments

The value of shareholders' equity is determined as the enterprise value of investments minus net financial debt of investments (par/face value of gross debt – cash). The ratio of market capitalization to pre-tax ordinary income has been chosen to value Parcours from March 12, 2012 onwards. The value of Parcours' shareholders' equity will thus be directly determined by multiplying Parcours' pre-tax ordinary income for the reference periods by the multiples of comparable listed companies.

If net debt exceeds enterprise value, the value of shareholders' equity remains at zero if the debt is without recourse to Wendel.

Wendel's percentage ownership is determined by the features of the equity instruments held by Wendel, non-controlling interests and co-investor managers, if any (including co-investments of the managers of both subsidiaries and Wendel).

Enterprise value is obtained by multiplying measures of each company's earnings by stock-market multiples of similar listed companies, and by transaction multiples if this produces a more accurate valuation.

The measures of earnings used to perform the calculation are recurring EBITDA (earnings before interest, taxes, depreciation and amortization) and recurring EBITA. The choice of earnings measures used can be adjusted depending on the sector in which the subsidiary operates or its business model. In this case, Wendel publishes an explanation of the adjustment.

Enterprise value corresponds to the average of the values calculated using EBITDA and EBITA of the last two years for which audited statements or validated budgets are available.

Stock-market multiples of comparable companies are obtained by dividing the enterprise value of comparable companies by EBITDA and EBITA for the reference periods.

Enterprise value of the comparable companies is obtained by adding market capitalization (the average closing price over the last 20 trading days) and net financial debt (gross debt at par/face value minus cash).

Comparable listed companies are chosen based on independent data and studies, information available from Wendel's subsidiaries themselves and research carried out by Wendel's investment team.

The peer group remains stable over time. It is changed only when a company is no longer comparable (in which case it is removed from the peer group) or when a company is newly considered as belonging to the group of comparable companies for the investment being valued.

Non-representative multiples are excluded from the peer group, such as during takeover offers or any other exceptional circumstance affecting the various cash flow or income measures or the share price.

The data, analyses, forecasts or consensus values used are based on information available at each valuation date.

3.3.2.5 Cash

Cash of Wendel and its holding companies includes available cash at the valuation date (including liquid financial investments) and pledged cash.

3.3.2.6 Financial debt

Financial debt (Wendel's bond debt, syndicated loan outstandings and bank debt incurred to finance the investment in Saint-Gobain) is valued at its par/face value plus accrued interest.

As financial debt is recognized at its par/face value, this value is not affected by changes in interest rates or credit ratings. Accordingly, the market value of interest-rate swaps is not included as it is embedded in the debt.

3.3.2.7 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.

3.3.2.8 Other NAV components

Current assets and liabilities are considered at their net book value or their market value, depending on their nature, i.e. at face value, less any impairment, in the case of receivables, and at market value in the case of real estate or derivatives, with the exception of interest-rate swaps.

Shares held in treasury and earmarked for sale upon the exercise of purchase-type stock options are valued at the lower of the strike price of the options or the average price of the shares over the last 20 trading days. Shares held to cover performance share plans are valued at zero. Shares that are meant to be canceled are valued on the basis of net asset value per share. Other shares held in treasury are valued at the average price over the last 20 trading days.

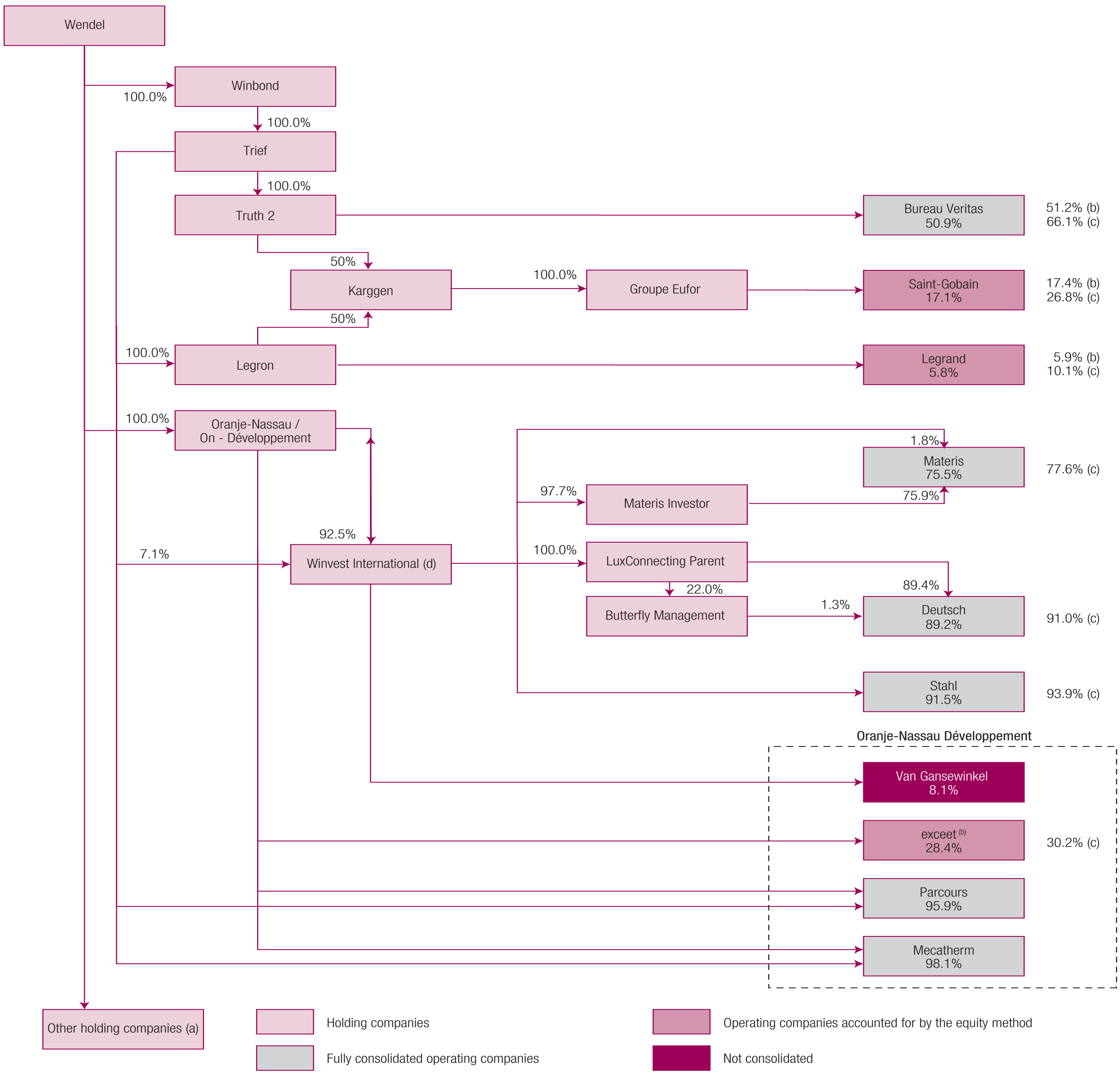
The number of Wendel shares is the total number of shares composing Wendel's equity at the valuation date.

New investments, unlisted subsidiaries and associates are valued at cost for the 12 months following their acquisition. After this period, the company is valued on the basis outlined above.

The net asset value does not take into account any control premiums or illiquidity discounts. In addition, net asset value is calculated prior to taking into account the tax impact of unrealized gains and losses.

Some aspects of the method described above may be amended if such a change produces a more faithful valuation. Any such changes would be announced by Wendel.

3.4 Organization chart of the companies in the Group

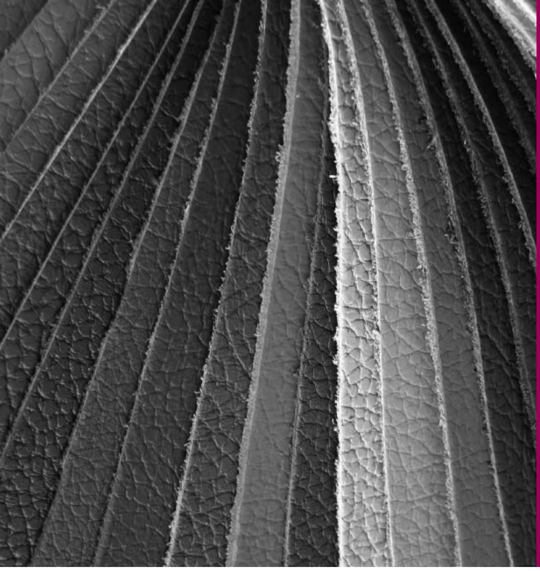


(a) See table of other holding companies
(b) Percentage interest, after taking treasury shares into account
(c) Percent of voting rights
(d) Winvest International: see Note related to the participation of managers in Group investments

Other holding companies

These intermediary holding companies serve to finance and hold Group equity investments.

Company Name (shareholders)	Intermediate holding companies held
COBA (100% Wendel)	-
SOFISERVICE (100% Wendel)	
WINVEST 11 (100% Wendel)	-
ORANJE-NASSAU DÉVELOPPEMENT (100% Wendel)	-
XEVEST HOLDING (80% Wendel, 20% Trief Corporation)	100% Xevest 100% Xevest 2
XEVEST 1 (100% Xevest holding)	-
XEVEST 2 (100% Xevest holding)	-
HIRVEST 1 (100% Eufor)	-
HIRVEST 3 (100% Eufor)	-
HIRVEST 4 (100% Eufor)	-
GRAUGGEN (100% Eufor)	-
HOURGGEN (100% Eufor)	-
IREGGEN (100% Eufor)	-
JEURGGEN (100% Eufor)	-
WINVEST CONSEIL (100% Trief Corporation)	100% Wendel Japan
WENDEL JAPAN (100% Winvest Conseil)	-
SOFISAMC (100% Trief Corporation)	-
FROEGGEN (100% Trief Corporation)	-
WIN SECURITIZATION 2 (100% Winvest International SA SICAR)	-
STAHL LUX 2 (97.9% Winvest International SA SICAR)	-
ORANJE-NASSAU INVESTMENTS BV (100% Oranje-Nassau Group)	-
ORANJE-NASSAU DEVELOPMENT BV (100% Oranje-Nassau Group)	100% Oranje-Nassau Développement SA SICAR 100% Oranje-Nassau Participaties BV 54.2% Oranje-Nassau Parcours 57.7% Oranje-Nassau Mecatherm
ORANJE-NASSAU PARTICIPATIES BV (100% Oranje-Nassau Development BV)	-
ORANJE-NASSAU DÉVELOPPEMENT SA SICAR (99.5% Oranje-Nassau Development BV/Trief Corporation)	
ORANJE-NASSAU PARCOURS (FORMERLY WINVEST PART 6) (54.2% Oranje-Nassau Development BV, 41.7% Trief Corporation)	
ORANJE-NASSAU MECATHERM (57.7% Oranje-Nassau Development BV, 40.5% Trief Corporation)	100% Hirvest 6
HIRVEST 6 (100% Oranje-Nassau Mecatherm)	-
WALDGGEN (97.5% Karggen)	-



4

2011 CONSOLIDATED FINANCIAL STATEMENTS

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4.1 Balance sheet - consolidated financial position

Assets

In millions of euros	Note	12/31/2011	12/31/2010
Goodwill, net	6	2,787.8	2,961.8
Intangible assets, net	7	1,489.4	1,622.6
Property, plant & equipment, net	8	1,434.9	988.4
Non-current financial assets	13	281.4	861.6
Equity-method investments	9	4,994.1	5,334.1
Deferred tax assets	19	155.5	129.8
TOTAL NON-CURRENT ASSETS		**11,143.2**	**11,898.2**
Assets of operations held for sale	**20**	**905.2**	**125.9**
Inventories	10	348.8	394.9
Trade receivables	11	1,353.9	1,288.4
Other current assets		197.0	207.4
Current income tax assets	19	46.9	30.0
Other current financial assets	13	1,191.5	1,624.2
TOTAL CURRENT ASSETS		**3,138.0**	**3,545.0**
TOTAL ASSETS		**15,186.4**	**15,569.1**

Liabilities and shareholders' equity

In millions of euros	Note	12/31/2011	12/31/2010
Share capital		202.2	202.0
Share premiums		252.5	249.8
Retained earnings & other reserves		1,713.8	929.6
Net income for the year - Group share		525.4	1,002.3
		2,693.9	**2,383.7**
Non-controlling interests		604.0	508.7
TOTAL SHAREHOLDERS' EQUITY	**14**	**3,298.0**	**2,892.5**
Long-term provisions	15	273.9	312.1
Financial debt (non-current portion)	16	7,937.3	9,235.7
Other non-current financial liabilities	13	130.6	139.6
Deferred tax liabilities	19	596.4	580.9
TOTAL NON-CURRENT LIABILITIES		**8,938.3**	**10,268.2**
Liabilities of operations held for sale	**20**	**643.8**	**0.0**
Short-term provisions	15	8.2	7.5
Financial debt (current portion)	16	595.6	890.8
Other financial liabilities	13	273.7	138.5
Trade payables	17	599.8	540.9
Other current payables	18	738.3	743.3
Current income tax liabilities	19	90.8	87.5
TOTAL CURRENT LIABILITIES		**2,306.4**	**2,408.5**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**15,186.4**	**15,569.1**

4.2 Consolidated income statement

In millions of euros	Note	2011	2010
Net sales	21	5,953.1	5,068.3
Other income from operations		4.6	0.6
Operating expenses	22	-5,301.7	-4,506.1
INCOME FROM ORDINARY ACTIVITIES	**23**	**656.1**	**562.8**
Other operating income and expenses	24	-101.9	-23.3
OPERATING INCOME		**554.1**	**539.5**
Income from cash and cash equivalents		13.1	11.2
Finance costs, gross		-486.6	-520.2
Finance costs, net	*25*	*-473.5*	*-509.0*
Other financial income and expense	26	-155.4	84.7
Tax expense	27	-138.2	-124.5
Net income from equity-method investments	28	831.1	809.8
NET INCOME FROM CONTINUING OPERATIONS		**618.1**	**800.5**
Net income from discontinued operations and operations held for sale	20	29.4	343.4
NET INCOME		**647.5**	**1,143.9**
Net income – non-controlling interests		122.1	141.6
NET INCOME – GROUP SHARE		**525.4**	**1,002.3**

In euros	Note	2011	2010
Basic earnings per share (in euros)	29	10.78	20.16
Diluted earnings per share (in euros)	29	10.49	19.81
Basic earnings per share from continuing operations (in euros)	29	10.15	13.57
Diluted earnings per share from continuing operations (in euros)	29	9.87	13.29
Basic earnings per share from discontinued operations (in euros)	29	0.63	6.59
Diluted earnings per share from discontinued operations (in euros)	29	0.62	6.52

On November 29, 2011, Wendel announced that it had entered into exclusive negotiations with TE Connectivity with a view to selling the Deutsch group. Wendel sold its stake in Stallergenes during the 2nd half of 2010. Consequently, the presentation of the income statement for fiscal year 2010 has been changed. The income and expenses of Stallergenes and Deutsch have been grouped under “Net income from discontinued operations and operations held for sale”.

4.3 Statement of comprehensive income

	2011			2010		
In millions of euros	Gross amounts	Tax effect	Net amounts	Gross amounts	Tax effect	Net amounts
Translation reserves[1]	1.8		1.8	288.7		288.7
Actuarial gains and losses[2]	-118.6	40.8	-77.8	-42.1	12.0	-30.1
Gains and losses on assets available for sale	0.8		0 8	2.4		2.4
Gains and losses on qualified hedges	28.1	-6.0	22.0	89.1	-7.8	81.3
Earnings previously recognized in shareholders' equity taken to the income statement[3]	14.9		14.9	45.9	0.2	46.1
Other	-0.5		-0.5	-11.6		-11.6
INCOME AND EXPENSES RECOGNIZED DIRECTLY IN SHAREHOLDERS' EQUITY (A)	**-73.6**	**34.8**	**-38.8**	**372.3**	**4.4**	**376.7**
Net income for the year (B)			647.5			1,143.9
TOTAL INCOME AND EXPENSES RECOGNIZED FOR THE PERIOD (A)+(B)			**608.7**			**1,520.6**
Attributable to:						
■ shareholders of Wendel			483.0			1,305.7
■ non-controlling interests			125.7			214.9

(1) Includes -€15.9 million related to Saint-Gobain (+€168.1 million in 2010), +€6.6 million related to Legrand (+€27.8 million In 2010) and +€7.7 million related to Bureau Veritas (+€69.9 million in 2010).

(2) The main impact is -€120 million due to Saint-Gobain (before taxes, Wendel's share), vs. -€25.0 million in 2010.

(3) The main impact in 2011 was from Eufor's +€16.5 million interest-rate swap (see Note 13 - 3.C "Derivatives").

4.4 Changes in shareholders' equity

In millions of euros	Number of shares outstanding	Share capital	Share premiums	Treasury shares	Retained earnings & other reserves	Translation adjustments	Group share	Non-controlling interests	Total shareholders' equity
BALANCE AT 12/31/2009	**49,865,170**	**201.7**	**247.8**	**-29.3**	**932.0**	**-198.1**	**1,154.1**	**426.5**	**1,580.7**
Income and expenses recognized directly in shareholders' equity (A)					57.1	246.3	303.4	73.3	376.7
Net income for the year (B)					1,002.3		1,002.3	141.6	1,143.9
Total income and expenses recognized during the period (A)+(B) (2)					**1,059.4**	**246.3**	**1,305.7**	**214.9**	**1,520.6**
Dividends paid (1)					-49.7		-49.7	-53.9	-103.6
Treasury shares	-507,382			-26.9			-26.9		-26.9
Capital increase									
Exercise of stock options	17,718	0.1	0.5				0.6		0.6
Company savings plan	47,886	0.2	1.5				1.7		1.7
Share-based payment (including associates)					25.8		25.8	6.4	32.3
Changes in scope of consolidation					-11.1		-11.1	-99.0	-110.0
Other				5.6	-22.2		-16.6	13.7	-2.9
BALANCE AT 12/31/2010	**49,423,392**	**202.0**	**249.8**	**-50.6**	**1,934.3**	**48.2**	**2,383.7**	**508.7**	**2,892.5**
Income and expenses recognized directly in shareholders' equity (A)					-38.2	-4.2	-42.5	3.7	-38.8
Net income for the year (B)					525.4		525.4	122.1	647.5
Total income and expenses recognized during the period (A)+(B) (2)					**487.2**	**-4.2**	**483.0**	**125.7**	**608.7**
Dividends paid (1)					-61.2		-61.2	-66.3	-127.5
Treasury shares	-1,035,768			-79.6			-79.6		-79.6
Capital increase									
Exercise of stock options	30,941	0.1	1.3				1.4		1.4
Company savings plan	28,255	0.1	1.4				1.5		1.5
Share-based payment (including associates)					25.6		25.6	6.4	32.1
Changes in scope of consolidation					-1.1		-1.1	5.8	4.7
Other (3)					-92.7	33.3	-59.5	23.7	-35.8
BALANCE AT 12/31/2011	**48,446,820**	**202.2**	**252.5**	**-130.2**	**2,292.1**	**77.2**	**2,693.9**	**604.0**	**3,298.0**

(1) In 2011 Wendel paid a net dividend of €1.25 per share and in 2010 €1.00 per share.
(2) See "Statement of comprehensive income".
(3) Bureau Veritas reclassified an amount corresponding to exchange differences on a net investment in a foreign operation from consolidated reserves, where it was previously recognized, to translation reserves, via the statement of comprehensive income.

4.5 Consolidated cash flow statement

In millions of euros	Note	2011	2010
Cash flows from operating activities			
Net income		647.5	1,143.9
Share of net income from equity-method investments		-831.1	-809.8
Net income from discontinued operations and operations held for sale		-29.4	-326.7
Depreciation, amortization, provisions and other non-cash items		364.2	250.0
Non-cash income and expense related to stock options and similar items		21.3	21.0
Expenses on investments and divestments		2.5	4.2
Gains/losses on divestments		-2.3	10.0
Financial income and expenses		628.9	443.6
Taxes (current & deferred)		138.2	127.3
Cash flow from consolidated companies before tax		939.8	863.5
Change in working capital requirement related to operating activities		-67.5	-60.9
NET CASH FLOWS FROM OPERATING ACTIVITIES, EXCLUDING TAX		**872.3**	**802.6**
Cash flows from investing activities, excluding tax			
Acquisitions of intangible assets and property, plant & equipment	30	-389.8	-182.4
Disposals of intangible assets and property, plant & equipment	31	68.7	4.7
Acquisition of equity investments	32	-421.9	-661.7
Disposal of equity investments	33	1,101.8	709.7
Impact of changes in scope of consolidation and operations held for sale	34	-35.4	12.4
Changes in other financial assets and liabilities and other	35	282.5	-152.8
Dividends received from equity-method investments and unconsolidated companies	36	131.8	51.1
Change in working capital requirements related to investment activities		24.6	4.6
NET CASH FLOWS FROM INVESTING ACTIVITIES, EXCLUDING TAX		**762.4**	**-214.3**
Cash flows from financing activities, excluding tax			
Proceeds from issuance of shares		3.0	2.2
Contribution of non-controlling shareholders		29.5	1.6
Share buybacks		-80.6	-25.5
Dividends paid by Wendel		-61.2	-49.7
Dividends paid to non-controlling shareholders of subsidiaries		-66.8	-50.1
New borrowings	37	1,789.2	1,239.4
Repayment of borrowings	37	-3,417.5	-1,826.5
Finance costs, net		-445.5	-519.1
Other financial income/expense		-17.3	-11.5
Change in working capital requirements related to financing activities		53.1	69.4
NET CASH FLOWS FROM FINANCING ACTIVITIES, EXCLUDING TAX		**-2,214.1**	**-1,169.8**
Cash flows related to taxes			
Current tax expense		-183.9	-180.1
Change in tax assets and liabilities (excl. deferred taxes)		-12.1	12.0
NET CASH FLOWS RELATED TO TAXES		**-196.1**	**-168.1**
Effect of currency fluctuations		2.9	24.3
Net change in cash and cash equivalents		-772.6	-725.3
Cash and cash equivalents at the beginning of the year		1,715.9	2,441.1
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**12**	**943.3**	**1,715.9**

The principal components of the consolidated cash flow statement are detailed beginning with Note 30.

Details on the cash and cash equivalents accounts and how they are classified on the consolidated balance sheet are provided in Note 12. As of December 31, 2011, cash and cash equivalents were composed of €146.6 million in pledged cash recognized under non-current financial assets and €796.7 million in available cash recognized under current financial assets.

2010 cash flows do not include those of Stallergenes, which was sold in the second half of that year.

Fiscal year 2011 cash flows do not include Deutsch, which was held for sale as of December 31, 2011. Deutsch's cash of €57.0 million was reclassified at the beginning of the year. (See Note 2, "Changes in scope of consolidation").

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4.6 General principles

Wendel is a société anonyme (public limited company) with an Executive Board and a Supervisory Board. It is governed by French law and has the Paris commercial registry number 572 174 035. Its head office is located at 89 rue Taitbout, Paris, France.

Its business consists in investing for the long term in industrial and service companies, in order to accelerate their growth and development.

The consolidated financial statements of the Wendel Group cover the 12-month fiscal year from January 1 to December 31, 2011 and are expressed in millions of euros. They include:

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

These financial statements were finalized by Wendel's Executive Board on March 13, 2012 and will be submitted for shareholders' approval at their Annual Meeting.

4.7 Notes

NOTE 1 Accounting principles

Wendel's consolidated financial statements for the fiscal year ended December 31, 2011 have been drawn up in accordance with IFRS principles and methods as adopted by the European Union on December 31, 2011, in accordance with Regulation no. 1606/2002 of the European Council and the European Parliament pertaining to the application of accounting standards, adopted on July 19, 2002.

These accounting principles are identical to those used in preparing the consolidated financial statements for the fiscal year ended December 31, 2010, with the exception of the new standards and interpretations that became mandatory for fiscal years beginning on or after January 1, 2011 (see list below). The new standards, amendments to the existing standards, and interpretations that must be adopted for all fiscal years starting on or after January 1, 2011 did not have a significant impact on the Group's financial statements.

The European Union's standards can be viewed on the European Commission's website at: http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

Note 1-1 Standards, interpretations and amendments to existing standards that were mandatory in 2011

The following standards and interpretations became applicable to the Wendel Group on January 1, 2011:

- IAS 24 (revised) "Related party disclosures";
- Amendment to IAS 32 "Classification of rights issues";
- Amendment to IFRS 1 "Limited exemption from comparative IFRS 7 disclosures";
- IFRIC 19 "Extinguishing financial liabilities with equity instruments";
- Amendment to IFRIC 14 "Minimum funding requirements";
- IFRS annual improvements.

Note 1-2 Standards, interpretations and amendments to existing standards for which early adoption was not applied in 2011

Wendel is currently assessing the potential impact of the application of these texts on its financial statements. In general, the Group has not opted for early adoption of standards and interpretations applicable from years beginning after December 31, 2011, whether or not they have been adopted by the European Commission. In particular, the Group has not applied the following texts to fiscal year 2011:

- Amendments to IFRS 7 "Financial instruments: Disclosures" related to transfers of financial assets. The amendments published on October 7, 2010 by the IASB and adopted by the European Commission on November 22, 2011 are applicable to annual periods beginning on or after July 1, 2011, i.e. fiscal year 2012 for the Wendel Group;
- Amendment to IAS 1 "Presentation of financial statements" related to the presentation of items of Other Comprehensive Income (OCI). The amendments published on June 16, 2011 have not yet been adopted by the European Commission and are applicable to fiscal years beginning on or after July 1, 2012, i.e. fiscal year 2013 for the Wendel Group;
- IFRS 10 "Consolidated financial statements", published by the IASB on May 12, 2011 and not yet adopted by the European Commission. The standard redefines the notion of control on the basis of three criteria: power, exposure to principal returns and the relationship between power and these returns. The scope of subsidiaries to be fully consolidated will henceforth be defined on the basis of this standard. The IASB has decided that application of this standard will be mandatory for fiscal years beginning on or after January 1, 2013;
- IFRS 11 "Joint arrangements", published by the IASB on May 12, 2011 and not yet adopted by the European Commission. This standard replaces IAS 31 on the accounting for investments in joint ventures. The IASB has decided that application of this standard will be mandatory for fiscal years beginning on or after January 1, 2013;
- IFRS 12 "Disclosures of interests in other entities", published by the IASB on May 12, 2011 and not yet adopted by the European Commission. This standard defines the information to be disclosed about investments in subsidiaries, joint ventures and associated companies. The IASB has decided that application of this standard will be mandatory for fiscal years beginning on or after January 1, 2013;
- IAS 19 "Employee benefits", amended in June 2011 by the IASB and not yet adopted by the European Commission. In the event a pension plan is amended, the past service costs are to be fully recognized in the income statement whether the rights have been fully vested or not. The amended standard changes the way the expected yield on plan assets is determined and requires that certain additional information on defined-benefit plans be disclosed in the notes. The IASB has decided that application of this standard will be mandatory for fiscal years beginning on or after January 1, 2013;
- IAS 28 "Investments in associates and joint ventures", published by the IASB in May 2011 and not yet adopted by the European Commission. The IASB has decided that application of this standard will be mandatory for fiscal years beginning on or after January 1, 2013 and 2014, respectively;
- Amendments to IAS 32 and IFRS 7 "Offsetting of financial assets and liabilities", published by the IASB in December 2011 and not yet adopted by the European Commission. The IASB has decided that application of this standard will be mandatory for fiscal years beginning on or after January 1, 2014;
- Amendment to IAS 12 "Deferred taxes: Recovery of underlying assets", published by the IASB in December 2010 and not yet adopted by the European Commission. The IASB has decided that application of this standard will be mandatory for fiscal years beginning on or after January 1, 2012.

Note 1-3 Consolidation methods

The companies over which Wendel has exclusive control are fully consolidated. Companies in which Wendel has significant influence have been accounted for using the equity method. Net income of acquired subsidiaries is consolidated beginning with 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 (Materis Parent), Deutsch (Deutsch group), Stahl, Legrand and Saint-Gobain for the 12-month fiscal year ended on December 31, 2011;
- the consolidated financial statements of exceet for the two-month period from July 26 to September 30, as the full year financial statements were not available as of the date Wendel's statements were finalized;
- the consolidated financial statements of Parcours for the nine-month period from April 1 to December 31;
- the consolidated financial statements of Mecatherm for the three-month period from October 1 to December 31;
- for all other companies, their individual accounts for the 12-month fiscal year ended December 31, 2011. Some holding companies have 12-month fiscal years whose opening dates are not January 1; In this case, 12-month accounts from January 1 to December 31 have been prepared for consolidation purposes.

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 2011 are presented in Note 2 "Changes in scope of consolidation". The main subsidiaries consolidated as of December 31, 2011 are presented in Note 42 "List of principal consolidated companies".

Note 1-5 Business combinations

IFRS 3 and IFRS 27 Revised, applicable since January 1, 2010, have an impact on the accounting for transactions leading to the assumption of control or partial sales leading 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 assumed (or lost) the percentage previously held (or remaining) is revalued at fair value and recognized in profit or loss;
- when control is assumed, non-controlling interests are recognized either in proportion to their share in the fair value of the assets and liabilities of the acquired entity, or at their fair value. A proportion of goodwill is also allocated to non-controlling interests at that time. This choice is made on a case-by-case basis for each acquisition;
- purchases and sales of shares in controlled companies that do not lead to the assumption or loss of control are recognized as transfers between the Group share of consolidated shareholders' equity and the share held by non-controlling interests. There is no impact on profit or loss;
- non-controlling interests can now become negative because the net income or loss of a subsidiary is now allocated between the Group share and the non-controlling interests' share, according to their respective holdings.

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 debt is recognized in an amount corresponding to the present value of the purchase price.

At December 31, 2011, lacking any specific IFRS provision, this financial debt 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 Inter-company 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 operating currency is not the euro have been converted into euros at the exchange rate prevailing at the closing date, and their income statements at the average exchange rate for the fiscal year or consolidation period. The discrepancy resulting from the application of these exchange rates has 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 following exchange rates have been used in the consolidated financial statements:

	Closing rate		Average rate	
	December 31, 2011	**December 31, 2010**	**2011**	**2010**
EUR/USD	1.2939	1.3362	1.3904	1.3243

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 since 2008 has complicated forecasting, and actual amounts could therefore be different from the forecasts.

In preparing these financial statements, the principal items involving estimates 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 provides that goodwill may be applied to non-controlling interests, if the Group so chooses. Goodwill is presented, where applicable, net of any cumulative recognized loss in value.

Goodwill is not amortized, but is tested for impairment as soon as there is any indication that its value may be impaired, and at least once per year, on December 31. Indications of a loss in value may include, for instance, a significant or prolonged decline in the share price of a listed company, a difference in net income compared with budget or a deterioration in the economic sector in which a company operates. For purposes of impairment testing, goodwill is allocated to Cash Generating Units (CGU). Each of the Group's operating entities (Bureau Veritas, Materis, Deutsch, Stahl, Parcours and Mecatherm) represents a CGU. Goodwill impairment losses are recognized on the income statement under "Other operating income and expenses" and cannot be reversed.

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

Goodwill pertaining to equity-method investments is included in the carrying value of these companies and therefore not presented separately (IAS 28.23). 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. The impact of impairment losses and the gain or loss on divestments and dilutions are recognized in the income statement under "net income from equity-method investments".

Impairment tests on goodwill and equity-method investments are described in Notes 6 "Goodwill" and 9 "Equity-method investments".

Note 1-10.2 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 depreciated over a period of 5-15 years. Only those brands identified by Wendel when it acquired control of Bureau Veritas are considered to have an indefinite life.

2. Contracts and customer relationships of the Bureau Veritas, Materis and Parcours groups

The value of these assets corresponds to the margin expected to be generated over the residual lives of contracts in force at the date Wendel assumed control, taking into account contract renewals where such renewals are considered probable based on historical statistical data. These contracts and client relationships are therefore depreciated over the period used for the calculation of each contract category (up to 30 years, depending on the contract and subsidiary) or over their useful life.

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 depreciated 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 and operating liabilities. Financial assets and liabilities are recognized and measured in accordance with IAS 39 "Financial instruments: recognition and measurement".

1. Financial assets at fair value through profit or loss

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

2. Assets held until maturity and loans and receivables

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

3. Financial liabilities

All borrowings and other financial liabilities are stated at amortized cost using the effective interest method, except for derivative instruments.

4. Derivatives

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

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

- fair value hedges are used to offset changes in the fair value of a recognized asset or liability due to shifts in exchange rates, interest rates or other benchmarks;
- cash flow hedges are used to hedge changes in future cash flows from a present or future asset or liability. Wendel and its subsidiaries use cash flow hedges to offset shifts in foreign exchange rates, interest rates and commodity prices;
- hedges of a net investment in a foreign business can be designated as hedging instruments, as long as they meet the corresponding IAS 39 criteria. These hedges help offset fluctuations in value due to conversion into the reporting currency used by the parent company in its consolidated financial statements. Financial debt denominated in the operating currency of the hedged investment can be designated as an investment hedge when the hedge has been recognized as such for accounting purposes.

A hedging relationship qualifies for hedge accounting if:

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

The use of hedge accounting has the following consequences:

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

Cumulative gains and losses in shareholders' equity are recognized on the income statement when the foreign business is sold.

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

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

In accordance with the amendment to IFRS 7 (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 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 2011, 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 cost or net realizable value, whichever is lower. 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 and the September 23, 2011 notification from the Autorité des Marchés Financiers, 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 financial assets, as they were 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 expenses".

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 retrospective method. Rights are determined at each balance sheet date, taking into account age, length of service and the likelihood that employees will remain at the Company until they retire. The calculation is based on an actuarial method using assumptions related to the yield on long-term investments. The funding provision corresponds to the difference between the total obligation as set out above and any assets invested with insurance companies to cover these obligations.

Actuarial gains and losses are recognized in shareholders' equity as soon as they appear (IAS 19.93A).

Note 1-10.12 Handling of the CVAE tax

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

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

Note 1-10.13 Deferred taxes

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

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

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

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

Deferred taxes are calculated by the variable carryforward method, based on the tax rates in effect at the balance sheet date, i.e. for French companies, 34.43% for income subject to standard assessment plus a 5% exceptional contribution for fiscal years ending no later than December 30, 2013.

Note 1-10.14 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, and any divestment gains or losses have no impact on income for the fiscal year.

Note 1-10.15 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 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.

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 this business.

Note 1-10.16 Revenue recognition

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

At the Bureau Veritas group, most contracts are short-term. For these contracts, Bureau Veritas recognizes income when the service has been provided to the customer. For other contracts, Bureau Veritas uses the percentage-of-completion method to determine the amount to be recognized under net sales during a given period, insofar as the income from contracts can be readily determined. The percentage of completion is determined for each contract by reference to the costs incurred at the balance sheet date, compared to the total estimated costs. The increment of this percentage, applied to the total forecast income from the contract, represents the profit margin recognized in the period. In the event of a forecast negative margin, provisions are recognized 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 1-10.17 Translation of foreign currency transactions

Transactions denominated in foreign currencies are translated into euros using the exchange rates prevailing at the dates of the transactions. Receivables and payables in foreign currencies are translated into euros at the exchange rate prevailing at the balance sheet date. Gains and losses resulting from the translation of foreign currency transactions are recognized on the income statement under "Other financial income and 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 1-10.18 Subscription- and purchase-type stock option plans

In accordance with IFRS 2 "Share-based payments", the Group recognizes a personnel 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 expense being recognized under consolidated shareholders' equity. The expense is spread out over the options' vesting period.

Wendel uses the binomial model to determine the fair value of options and performance shares granted. In 2011, as in previous fiscal years, Wendel's plans were valued by an independent appraiser.

Note 1-10.19 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 1-10.20 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 expenses", 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, provisions and foreign exchange differences.

Note 1-10.21 Earnings per share

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

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

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

Note 1-10.22 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, stock options, 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 return 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 full divestment or an IPO, or in cash under Wendel's commitment to buy them back after a pre-determined period has elapsed.

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

When the investments are most likely to be redeemed as equity instruments, the managers' initial investment is accounted for as non-controlling interests in proportion to their share of the total investment (Wendel + co-investors pari passu + management teams). When the investment is redeemed, the dilution created by the sharing of gains reduces Wendel's capital gain. If there is an initial advantage (i.e. a positive difference between the fair value of the co-investment and the managers' subscription or acquisition price), this advantage is recognized as an operating expense and spread out over the vesting period of the investment. The offsetting entry for this expense is an increase in shareholders' equity.

This advantage is determined on the grant date and is not revalued thereafter. If, on the other hand, the beneficiaries have invested at the fair value of the subscribed or acquired instruments, there is no initial advantage and no expense is recognized.

When the investments are most likely to be redeemed in cash, under Wendel's repurchase commitments after the lapse of a pre-determined period, the initial investment is recognized as debt. This debt is later restated at its fair value until payment is made. The change in fair value is recognized on the income statement. When the investment is redeemed, the debt is paid off in cash.

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

At December 31, 2011, Wendel believed that the investments were most likely to be redeemed as part of a total divestment of the investments concerned or as part of an IPO of these investments. No debt was recognized as of December 31, 2011 with respect to the co-investment mechanisms, and the estimated value of the co-investments at the closing date is presented in off-balance-sheet commitments.

NOTE 2 Changes in scope of consolidation

Note 2-1 Changes in scope of consolidation in fiscal year 2011

Note 2-1.1 Investment in Saint-Gobain (production, transformation and distribution of building materials)

As of December 31, 2011, Wendel held 89,812,635 million Saint-Gobain shares, representing 17.07% of the capital of Saint-Gobain (net of treasury shares) and 26.5% of the voting rights. The change in ownership percentage during fiscal year 2011 derived principally from the capital increase reserved for employees, stock-option exercises and share buybacks carried out by Saint-Gobain. The cumulative net impact of these transactions on ownership interest during the period was relatively insignificant (-0.01 points) and required Wendel to recognize a dilution loss of €8.8 million under "Net income from equity-method investments".

The 3.1 million shares received as Saint-Gobain's 2010 dividend were accounted for at year-end 2010 as assets held for sale. They were sold during the 1st half of 2011 for a total of €144 million. By receiving the 2010 dividend in the form of shares, Wendel benefited from the increase in Saint-Gobain's share price between the time the dividend was paid and the date the shares were sold, and it earned a total financial gain of €54.2 million. This gain corresponds to the difference between the proceeds of the sale and the issue price of the shares received as a dividend (issue price: €28.58/share, or €89.8 million). From an accounting standpoint, the sale generated a capital gain of €23 million in 2011 financial income. This amount corresponds to the difference between the sale price and the value of the shares on the balance sheet as of December 31, 2010 (€121 million based on the 2010 closing price).

In August 2011, Wendel purchased 1,910,000 Saint-Gobain shares (0.4% of the capital) on the market for €63.1 million, taking advantage of the low price of Saint-Gobain shares resulting from the drop in financial markets in the summer of 2011. Wendel's objective is to resell these shares when an opportunity presents itself rather than to hold them for the long term. Accordingly, they are recognized as current financial assets, measured at fair value at each closing, with any change therein being recognized in financial income or expense. As of December 31, 2011 they were valued at their market price of €56.7 million, representing a decline of €6.5 million in 2011.

Concerning Wendel's participation in the governance of the Saint-Gobain group, the two groups published the principles and objectives of their new, 10-year cooperation agreement on May 26, 2011. Under the terms of this agreement, Wendel is guaranteed to have three seats on the Board of Saint-Gobain anytime it holds more than 10% of the voting rights of Saint-Gobain.

Note 2-1.2 Sale of 13.6% of Legrand (products and systems for low voltage installations)

A first block of 21,812,942 Legrand shares was sold on March 4, 2011 at €28.75/share. A second block of 13,042,918 Legrand shares was sold on November 9, 2011 at €24/share. Also, 888,298 shares were sold in the market in September 2011 at an average price of around €24/share. In sum, 13.6% of the capital (35,744,158 shares) was sold during fiscal year 2011.

Total sale proceeds	**€961.5 million**
Carrying value of the shares sold (including the reversal of translation adjustments)	-€325.7 million
Selling costs	-€4.5 million
Gain on sale, net of selling costs	**€631.3 million**

The gain on sale was recognized in the "Net income from equity-method investments" item of the income statement.

As of the end of 2011, Wendel held 15,389,806 Legrand shares, or 5.9% of the capital (net of treasury shares) and 10.1% of the voting rights. As of the same date, the combined holding of Wendel and KKR totaled around 11.7% of the capital and 20.3% of the voting rights.

On March 22, 2011, Wendel and KKR signed a new, five-year shareholder agreement under which they decided to continue cooperating in the management of their investment in Legrand and in the governance of the company, and to act in concert on matters related to Legrand. The sale of the first block having reduced their stakes in Legrand, KKR and Wendel reduced their representation on Legrand's board of directors from three to two seats each. As of December 31, 2011 this representation had not changed as a result of the share sales carried out in the second half of 2011. As Wendel continued to exercise significant influence over Legrand, it accounted for its investment using the equity method: 19.5% until the first block sale, 11.2% until the second block sale and 5.9% at the end of the fiscal year.

In early March 2012, KKR sold a large portion of its stake (4.8% of the capital) and announced that it wanted to distribute the rest of its holding (1%). As a result of this sale, the shareholder agreement between Wendel and KKR was canceled.

Note 2-1.3 Acquisition of Parcours (long-term corporate vehicle leasing)

On April 15, 2011, Wendel acquired the Parcours group via its subsidiary Oranje-Nassau Développement. Parcours is the only independent company of significant size operating in the long-term car leasing sector in France. Parcours operates throughout France with 270 employees, 18 offices and around 45,000 leased vehicles. Since 2005, the company has also been present abroad, with four locations in Europe (Luxembourg, Belgium, Spain and Portugal). Parcours' operating liabilities totaled €372 million as of the end of 2011. This debt is without recourse to Wendel and collateralized by the related vehicles and contracts.

Parcours' return on capital employed is calculated based on pre-tax ordinary income, and this is the measure presented under "Segment information", relative to this investment.

In millions of euros	Contribution to audited fiscal year 2011 earnings (9 mos. since takeover)	Estimated 2011 (12 mos.)	Estimated 2010 (12 mos.)
Net sales (1)	208.1	271.4	242.6
Pre-tax ordinary income	13.3	17.1	16.6

(1) Includes sales of second-hand vehicles in accordance with IFRS (€57 million for the nine-month period from the date Wendel took control, an estimated €73.7 million for all of 2011 and an estimated €63.0 million for all of 2010).

Wendel has invested a total of €107 million, excluding acquisition expenses, obtaining more than 95% of the capital. The other shareholders are the principal executives of Parcours, including its Chairman. The Chairman also holds bonds redeemable in shares, which totaled 10.5 million. At maturity, these interest-bearing bonds, redeemable in shares, will be worth 8.18% of the value of Parcours (excl. potential dilution from exercise of the share warrants described below).

Wendel has thus taken exclusive control of Parcours and has consolidated it fully since then. For practical reasons, the earnings of Parcours have been consolidated since April 1, 2011 rather than April 15, 2011, the date Wendel took control. The impact of this slight difference on Wendel's consolidated financial statements is negligible. The tentative amount of goodwill recognized when Wendel took control was €35.8 million, after revaluation of identifiable assets and liabilities and contingent liabilities. At the time of the acquisition, €21.4 million of the goodwill pertained to existing contracts. Their valuation was based on the pre-tax ordinary income these contracts were expected to generate and on their renewal based on historical statistics. This intangible asset is subject to accelerated amortization over its estimated life. Deferred tax liabilities related to this revaluation totaled €7.1 million. In accordance with IFRS, revaluation of identifiable assets, identifiable liabilities, contingent liabilities and the goodwill calculation will be made definitive within 12 months after the takeover.

As part of Wendel's policy of allowing managers to participate in the Group's investments, the principal executives of Parcours subscribed to share warrants. These warrants will give them rights to part of any capital gain that Wendel earns, provided that Wendel achieves a certain minimum annual average return (IRR). The executives subscribed to the warrants at fair value for €0.6 million.

In addition, approximately 20 Wendel managers were invited to co-invest in Parcours alongside Wendel, in accordance with the principles presented in Note 4 entitled, "Participation of managers in Group investments".

For accounting purposes, these co-investments are treated similarly to the Group's other co-investments (see Note 1-10.22 "Accounting treatment of participation of managers in Group investments").

Note 2-1.4 Acquisition of exceet (design of embedded systems) by Helikos

On July 26, 2011, Helikos, a special purpose acquisition company (SPAC) accounted for by the equity method, acquired exceet Group AG, European leader in embedded electronics and security solutions. exceet posted sales of €170.4 million in 2011, up 42.7% from the previous year. In the context of this transaction, Helikos was renamed "exceet Group SE". exceet is listed on the Frankfurt stock exchange.

Oranje-Nassau Développement (100% Wendel), founder of Helikos, has invested a total of €50.1 million in this transaction, comprised of €22.3 million invested in Helikos when it was launched in early 2010 and €27.8 million in the purchase of "public" shares at the time of the transaction. In addition, Wendel will provide up to €11.3 million of shareholder loans to exceet. As of end-2011, €6.7 million had already been provided, of which €1.3 million was repaid in early 2012.

As the principal sponsor of the Helikos project and in accordance with the principles of the SPAC, Oranje-Nassau Développement increased its ownership percentage when exceet Group AG was acquired. This increase, plus the purchase of shares at the time of the transaction, increased its stake from 6.75% of Helikos's listed shares to 28.4% of the shares of exceet Group, the new listed entity. As of the end of 2011, Wendel thus held 5,708,427 listed exceet shares out of a total of 20,073,695 listed shares (net of treasury shares). As Wendel holds 30.2% of the voting rights and has two of the six seats on the board of directors, it has a significant influence, and exceet is therefore consolidated by the equity method.

The increased shareholding percentage resulting from the SPAC mechanisms had an impact of €16 million on Wendel's consolidated accounts, recognized under net income from equity-method investments, in accordance with IFRS 2. This is because, from an accounting standpoint, the increase is considered as remuneration for the work carried out by the project promoters in realizing the acquisition of exceet Group AG by Helikos. The €16 million corresponds to the difference between the value in Wendel's books of its shares in exceet at the time of the transaction (fair value) on the one hand and the sum of the carrying value of Helikos before the transaction plus the amount of share purchases carried out at the time of the transaction.

In addition to the 20,073,695 listed shares in circulation (net of treasury shares), exceet has issued the following financial instruments:

- 20,000,000 listed warrants giving access to the capital of exceet under the following terms:
  - 2 warrants for 1 exceet share,
  - exercise price of €12/share, and
  - a cashless exercise: upon exercise, the holders will not pay the exercise price in cash, but will receive exceet shares equal in value to the intrinsic value of a number of warrants given in exchange for the shares.

  Ultimately, the maximum number of exceet shares to be issued is approximately 2.94 million. The Wendel Group holds 6.75% of these warrants, which are recognized as financial assets at their fair value;
- 5,210,526 unlisted promoters' shares, of which 1,000,000 will be converted into listed shares if the share price reaches €12/share, 2,105,263 will be converted into listed shares if the share price reaches €14/share and 2,105,263 will be converted into listed shares if the share price reaches €16/share. They do not give dividend rights or rights to the net assets of exceet if they are not converted. These shares are held by the promoters of the Helikos project, including the Wendel Group, which holds 75.8% of them. 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;
- 9,000,000 unlisted, earn-out shares that can be converted into listed shares in thirds, if the listed share price reaches the thresholds of €12, €13 and €15 per share. These earn-out shares do not give dividend rights or rights to the net assets of exceet if they are not converted. They are held by Ventizz, the other main shareholder of the exceet group.

All of these instruments mature in July 2016.

As the 2011 annual financial statements of exceet were not yet available when Wendel's 2011 statements were finalized, exceet's contribution to Wendel's income from equity-method investments, starting on its acquisition date, was cut off as of September 30, 2011, meaning that only two months of its operations were included in Wendel's 2011 earnings. The impact of the last three, unconsolidated months on Wendel's financial statements was not significant.

Note 2 - 1.5 Acquisition of the Mecatherm group (industrial bakery equipment)

On October 4, 2011, Wendel acquired the Mecatherm group via its subsidiary Oranje-Nassau Développement, for an enterprise value of €170 million. Founded in 1964, the Mecatherm group has around 300 employees, an R&D laboratory and three industrial sites in France. Through its subsidiaries Mecatherm and Gouet, the group designs, assembles and installs automated production lines for bakery products (baguettes, artisan quality bread, croissants, etc.) throughout the world. The Mecatherm group realizes around 75% of its sales outside France.

In millions of euros	Contribution to audited fiscal year 2011 earnings (3 mos. since takeover)	Estimated 2011 (12 mos.)	Estimated 2010 (12 mos.)
Net sales	25.0	85.6	88.9
Adjusted operating income (1)	5.4	15.6	17.6

(1) Before the impact of goodwill allocation, non-recurring items and management fees.

Wendel's equity investment totaled €112 million for 98% of the capital, with the remaining stake held by Mecatherm and Wendel management teams. Borrowings to refinance the existing debt totaled €66 million. Wendel has thus taken exclusive control of Mecatherm and has fully consolidated it since then.

The tentative amount of goodwill recognized when Wendel took control was €102.3 million, after revaluation of identifiable assets and liabilities and contingent liabilities. Goodwill was allocated as follows:

- €51.0 million to brands, not amortizable, as the brands are considered to have an indefinite lifetime;
- €17.1 million to development costs, to be amortized over approximately 12 years;
- -€23.4 million to deferred taxes related to brands and patents.

In accordance with IFRS, revaluation of identifiable assets, identifiable liabilities, contingent liabilities and the goodwill calculation will be made definitive within 12 months after the takeover.

As part of Wendel's policy of allowing managers to participate in the Group's investments, the principal executives of Mecatherm also purchased Mecatherm share warrants. These warrants will give them rights to part of any capital gain that Wendel earns, provided that Wendel achieves a certain minimum annual average return (IRR). The executives subscribed to the warrants at fair value for €0.9 million.

In addition, approximately 20 Wendel managers were invited to co-invest in Mecatherm alongside Wendel, in accordance with the principles presented in Note 4 “Participation of managers in Group investments”.

For accounting purposes, these co-investments are treated similarly to the Group’s other co-investments (see Note 1 - 10.22 “Accounting treatment of participation of managers in Group investments”).

Note 2-1.6 Exclusive negotiations with TE Connectivity for the sale of Deutsch (high performance connectors)

At the end of November 2011, Wendel received a firm, unsolicited bid from TE Connectivity to acquire all of the shares of Deutsch, world leader in connectors for harsh environments. TE Connectivity is one of the world’s leading providers of connectivity solutions. Given the quality of TE Connectivity’s proposal, from both operational and financial points of view, Wendel and Jean-Marie Painvin, co-shareholder of Deutsch and Chairman of the Board of Directors, decided to enter into exclusive negotiations with TE Connectivity to finalize the transaction.

TE Connectivity proposes to acquire all of the shares of Deutsch for an enterprise value of approximately $2.1 billion. For Wendel, the net proceeds of the transaction would amount to around €959 million. This would represent a capital gain of €580 million on Wendel’s total investment, or 2.4 times Wendel’s total investment. The capital gain will be recognized when the transaction becomes definitive, which should occur in the 1st half of 2012, provided the necessary regulatory approvals are received.

As a result, Deutsch’s contribution to Wendel’s consolidated earnings has been presented under net income from operations held for sale, as required under IFRS. Accordingly, in the fiscal year 2011 closing, all of Deutsch’s balance sheet items have been presented in the line items entitled “Assets of operations held for sale” and “Liabilities of operations held for sale”. Similarly, Deutsch’s contribution to 2011 consolidated earnings as well as to 2010 earnings, presented for comparative purposes, has been presented on a single line, “Net income from discontinued operations and operations held for sale”.

In light of the proposed sale, no impairment was recognized as of December 31, 2011.

Deutsch’s net sales totaled $675.6 million in 2011, and its adjusted operating income was $145.7 million.

Note 2-1.7 Principal changes in scope of consolidation of subsidiaries and associates

1. Acquisitions by the Bureau Veritas group (certification and verification)

In 2011, Bureau Veritas continued to pursue its acquisition strategy, carrying out a dozen acquisitions in high-growth countries or in high-potential businesses. In almost all of these transactions Bureau Veritas acquired 100% of the share capital of the target company. The principal acquisitions were as follows:

- Auto Reg, leader in vehicle damage appraisal in Brazil;
- Atomic Technologies and Scientige, companies specialized in non-destructive testing and asset integrity management in Asia;
- Civil-Aid, an Indian company specialized in evaluating infrastructure and construction compliance; and
- two laboratories specialized in agri-food analysis: Sargam in India and Kontrollab in Turkey.

The cost of the acquisitions carried during the year totaled €84.0 million, of which goodwill represented €57.9 million. Annual net sales in 2011 of all the acquired companies came to approximately €51.5 million, and operating income before amortization of intangible assets from business combinations was about €14.5 million.

2. Acquisitions by the Materis group (specialty chemicals for construction)

In 2011, the Materis group acquired four independent paint distributors in Italy, a paint distributor in France and three companies in the Mortars division. Materis acquired between 93% and 100% of the companies’ share capital. The acquisition cost of these companies totaled €25.1 million, of which goodwill represented €20.4 million. The contribution of these companies to 2011 net income was not significant.

3. Acquisitions by the Saint-Gobain group (production, transformation and distribution of building materials), an equity-method investment

The principal acquisitions carried out by the Saint-Gobain group in 2011 were as follows:

- in the 1st half of 2011, the Saint-Gobain group signed an agreement to acquire all of the shares of the public company Alver, via its Packaging division (Verallia). Alver is one of Algeria’s leading glass packaging production and distribution companies;
- on May 31, 2011, Saint-Gobain announced it had signed an agreement to acquire the flat glass production business of Sezal Glass Limited in India;
- on July 25, 2011, the Saint-Gobain group signed an agreement with Wolseley, the UK building materials distribution group, to acquire the latter’s UK Build Center network;
- on August 11, 2011 it signed an agreement to acquire 100% of the companies comprising the Specialty Films business of the Belgian group Bekaert. This business, known under the name Solar Gard, is specialized in the development, production and distribution of functional window films used in the home-building and automotive markets and in various other industrial applications;
- on November 30, 2011, the Abrasives business strengthened its presence in South America with the acquisition of Abrasivos Argentinos SA and Dancan SA and their subsidiaries, specialized in the production of coated abrasives and masking tapes.

The cost of acquisitions carried out in 2011 was €666 million, net of acquired cash.

In addition, on June 20, 2011, the Saint-Gobain group announced that it has postponed the separate market listing of a non-controlling share of its Packaging division (Verallia), because of very unfavorable market conditions.

4. Acquisitions by the Legrand group (products and systems for low-voltage installations), an equity-method investment

During fiscal year 2011, Legrand carried out, in particular, the following acquisitions:

- in January, Legrand acquired 100% of the shares of Electrorack, specialized in Voice-Data-Imaging (VDI) cabinets for data centers in the United States;
- in February, Legrand acquired 100% of the shares of Intervox Systems, leader in remote assistance systems in France;
- in June, Legrand acquired 100% of the shares of Middle Atlantic Products Inc., the leader in audio/video enclosures in North America, with a presence in New Jersey, Illinois, California and in Canada;
- in July, Legrand finalized the acquisition of 100% of the shares of SMS, the leader in the Brazilian uninterruptible power supply market. The company is located near São Paulo and in northern Brazil;
- in October, Legrand signed a joint-venture agreement under which it acquired 49% of the shares of Megapower, the Malaysian leader in plastic cable management solutions. Under the agreement, the vendor holds a put on an additional 31% of the shares and Legrand holds a call on the remaining shares, exercisable over the medium term.

In all, Legrand invested a total of €342.4 million in 2011 in acquisitions (less acquired cash) and purchases of non-controlling interests and unconsolidated investments.

Note 2-2 Changes in scope of consolidation in fiscal year 2010

Note 2-2.1 Investment in Saint-Gobain (production, transformation and distribution of building materials)

As of December 31, 2010, Wendel owned 93.0 million shares, representing 17.68% of the capital of Saint-Gobain, vs. 17.66% at December 31, 2009 (net of treasury shares). The principal changes in Wendel's interest during the fiscal year were as follows:

- capital increase reserved for employees of the Saint-Gobain group:

  The rights issue reserved for employees under the company savings plan diluted Wendel's investment in Saint-Gobain by about 0.17 percentage points (calculated net of treasury shares);
- dividend paid in 2010 by the Saint-Gobain group:

  Beneficiaries of the dividend paid in 2010 had the option of receiving the dividend in shares (issue price: €28.58 per share) or in cash (€1.00 per share). Approximately 72% of the dividends were paid in shares. Wendel opted to receive its dividends in shares and received 3.1 million Saint-Gobain shares by virtue of the €89.8 million in dividends to which its stake entitled it. This raised the number of its shares to 93 million, without this being a strategic intention.

  The capital increase resulting from the payment of dividends in the form of shares resulted in a slight 0.17 percentage point enhancement of Wendel's stake in Saint-Gobain (calculated net of treasury shares);
- share buybacks and exercise of stock options:

  The cumulative impact of share buybacks and stock options exercises on the percentage interest was insignificant during fiscal year 2010 (+0.02 points).

The accounting impact of all of these changes in percentage interest was a positive €0.8 million, recognized in the income statement under "Net income from equity-method investments".

As of December 31, 2010, the 3.1 million shares received as dividends in 2010 were reclassified from equity-method investments to assets held for sale, in accordance with Wendel's decision to sell them in 2011. The reclassification generated an accounting loss of €34.5 million in 2010 earnings. This accounting loss was recognized in the "Net income from equity-method investments" item of the income statement :

- the carrying value of these shares at the time of their classification (average carrying value of all the shares accounted for by the equity method); and
- the value at which they were recognized under assets held for sale (2010 closing share price, i.e. €38.5/share).

Nevertheless, the decision to receive payment of the 2010 dividend in the form of shares (at an issue price of €28.58/share) gave the Group the benefit of the increase in Saint-Gobain's share price between the payment of the dividend and the sale of the shares in 2011 (see paragraph on changes in the scope of consolidation in fiscal year 2011).

As of December 31, 2010, therefore, of the 93 million shares Wendel held:

- 89.8 million were recognized as equity-method investments, in accordance with IAS 28. They represented 17.08% of the capital (net of treasury shares);
- 3.1 million shares received as 2010 dividends were classified at December 31, 2010 as assets held for sale, in accordance with Wendel's decision to sell them in 2011. They represented 0.60% of the capital (net of treasury shares).

Note 2 - 2.2 Helikos IPO

Helikos was listed on the Frankfurt stock exchange on February 4, 2010. Its sole purpose was to invest in an unlisted German "Mittelstand" company within two years of its IPO. This acquisition was realized in July 2011 and is presented in the paragraph on changes in the scope of consolidation in fiscal year 2011.

In light of the various instruments issued by Helikos and held by Wendel, Wendel accounted for the following items by the equity method:

- Helikos' expenses (IPO, operations and acquisition target search) and ongoing working capital requirements, based on Wendel's proportion of the sponsors' shares, i.e. 88% in 2010; and
- €200 million in cash held in escrow for the acquisition, based on Wendel's proportion of the listed shares, i.e. 6.75%.

Note 2-2.3 Finalization of the financial restructuring and takeover of Stahl (high-performance coatings and leather finishing products)

As of December 31, 2009, Stahl was accounted for by the equity method (46%). Because of Stahl's accumulated losses as of that date, its carrying value in Wendel's consolidated balance sheet was zero.

On February 26, 2010, Wendel successfully completed the renegotiation of Stahl's debt with the unanimous support of senior, second lien and mezzanine lenders. In accordance with the proposal made to creditors in the 4th quarter of 2009, Wendel contributed €60 million in cash to Stahl (including €0.1 million in the form of equity and €59.9 million in the form of a shareholder loan).

Under this restructuring, Stahl's gross bank debt was reduced by almost 45%, giving the company a financial structure in line with its new business plan.

- Wendel's €60 million cash contribution allowed Stahl to buy back discounted senior debt;
- subordinated lenders (mezzanine and second-lien) forgave their €99 million in loans in exchange for a 6.1% equity stake in Stahl (shares and a shareholder loan) and an earn-out right exercisable only upon the total or partial divestment of Wendel's stake (see Note 39 "Off-balance-sheet commitments"). In addition, Wendel has made a commitment to repurchase the stake held by these shareholders (excl. the right to capital gains). One-third of this commitment can be called in 2015, one-third in 2016 and one-third in 2017. The repurchase price is one-half the market value.

As part of this financial restructuring and Wendel's additional investment, Stahl managers were also invited to take part in the investment.

Following the restructuring and manager investment, Wendel's percentage interest in Stahl was 91.9% (91.5% after taking into account minority co-investment by Wendel's executives).

Note 2-2.4 Sale of a block of 14.45 million shares of Legrand (products and systems for low-voltage installations), or 5.5% of the capital

On September 21, 2010, Wendel sold a block of 14.45 million Legrand shares at €23.95 per share.

Sale proceeds	**€346.1 million**
Carrying value of the shares sold (including the reversal of translation adjustments)	€119.1 million
Selling costs	-€1.1 million
Gain on sale, net of selling costs	**€225.9 million**

The gain on sale was recognized in the "Net income from equity-method investments" item of the 2010 income statement.

Note 2-2.5 Divestment of Stallergenes (allergenic immunotherapy)

On November 16, 2010, Wendel sold its entire stake in Stallergenes (ca. 46% of share capital). The sale was carried out at €59 per share and generated €358.8 million in proceeds, thus valuing the company at around 15 times Ebitda, 18 times operating income and 28 times net income. The transaction generated a capital gain of €300 million for Wendel. It represented a multiple of 35 times its initial investment and an internal rate of return of 40% p.a.

Sale proceeds	**€358.8 million**
Carrying value (including the reversal of translation adjustments)	€57.5 million
Selling costs	-€1.1 million
Gain on sale, net of selling costs	**€300.2 million**

Stallergenes' income and expenses for 2010 have been grouped together under "Net income from discontinued operations and operations held for sale". The capital gain recognized in 2010 is also presented under "Net income from discontinued operations and operations held for sale".

NOTE 3 Related parties

Wendel's related parties are:

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

Note 3-1 Saint-Gobain

During fiscal year 2011, Wendel received €103.3 million in cash dividends from Saint-Gobain.

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

Note 3-2 Legrand

During fiscal year 2011, Wendel received €25.8 million in dividends from Legrand.

Note 3-3 exceet

As part of its administrative assistance services agreement in place until July 2011, Wendel received €60 thousand from Helikos.

In addition, Wendel has granted a shareholder loan of €6.7 million to exceet, of which €1.3 million was repaid in early 2012.

Note 3-4 Members of the Supervisory Board and Executive Board

Compensation paid by Wendel to corporate officers in respect of 2011 amounted to €2,873.5 thousand. The value of options allocated to the members of the Executive Board in 2011 totaled €2,003.2 thousand as of the date they were granted. At the end of the fiscal year, their value was reduced to €427.2 thousand.

Compensation paid to members of the Supervisory Board totaled €836.4 thousand, including €694.2 thousand in Wendel director's fees and compensation paid to the Chairman of the Supervisory Board, €47.2 thousand in director's fees paid to certain members of the Supervisory Board by Wendel-Participations for serving on its Board, and €90.7 thousand paid by Wendel's subsidiaries to certain members of the Supervisory Board for serving on their Boards.

In addition, three former employees of the Group who were members of the Supervisory Board in 2011 benefit from a Wendel Group supplementary pension plan described in Note 15-2.4. For 2011, the insurance company was to pay them the following net retirement benefits: €157 thousand to Jean-Marc Janodet, who retired on July 1, 2002 after 42 years of service to the Group; €657 thousand to Ernest-Antoine Seillère, who retired on June 1, 2005 after 30 years of service to the Group, and €157 thousand to Guy de Wouters, member of the Supervisory Board until May 30, 2011, who retired on January 1, 2000 after 15 years of service to the Group.

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

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

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

Finally, the members of the Executive Board have co-invested in Materis, Deutsch, Stahl, VGG, Parcours and Mecatherm, as have 40 or so other individuals. The Chairman of the Supervisory Board had co-invested in Materis, Deutsch, Stahl and VGG. See the description of the co-investment mechanisms in Note 4 "Participation of managers in Group investments" for more information.

Note 3-5 Wendel Participations

Wendel Participations is owned by about 1,000 members of the Wendel family, including both individuals and legal entities. It owns about 34% of Wendel's share capital.

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

- an agreement on the use of the "Wendel" name and a licensing agreement covering the brand "Wendel Investissement"; and
- technical assistance agreements and property leases with Wendel Participations.

NOTE 4 Participation of managers in group investments

Note 4-1 Participation of Wendel managers in Group investments

To involve its managers in the Group's value creation, Wendel has set up co-investment mechanisms to allow them to invest their personal funds in the same assets in which the Group invests. Co-investors thus have a personal stake in the risks and rewards of these investments.

After having been suspended for two years, the co-investment mechanism has been amended so as to keep shareholder and management interests focused on maximizing the value of each investment while limiting co-investors' exposure to the upside potential and downside risk of losing their full investment.

In its meetings of March 22, May 10 and May 30, 2011, the Supervisory Board, acting on the advice of the Governance Committee, amended the principles of co-investment so as to make them more specific. Beginning in 2011, for investments made by the Wendel Group in new companies:

- **i)** the co-investors invest, alongside Wendel and based on a proposal from Wendel, an amount equivalent to no more than 0.5% of the total sums invested by Wendel;
- **ii)** 30% of the amount invested by the co-investors are invested under the same terms and conditions as Wendel (pari passu co-investment);
- **iii)** the remaining 70%, or a co-investment of 0.35% of the total invested by Wendel, confer a right, should events defined in paragraphs (v) and (vi) below take place, to 7% of the capital gain (co-investment with a multiplier effect), provided that Wendel has obtained a minimum annualized return of 7% and a cumulative return of 40% on its investment. Otherwise, the co-investors will lose the amounts the 70% of their investment;
- **iv)** rights linked to co-investments plus leverage 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);
- **v)** the potential capital gain is realized in the event of a full divestment, change in control, divestment of more than 50% of the shares held by Wendel or if the company in question is listed on a stock exchange. The liquidity extended to co-investors can be either total or proportional to the investment that was sold;
- **vi)** eight years after Wendel's initial investment, if Wendel has not fully divested from the company in question or listed it on a stock exchange, the potential capital gain is also realized, on one-third of the amounts invested by the co-investors. Similarly, the potential gain is realized on the other two-thirds after 10, then 12 years if no full divestment or IPO has taken place in the meantime. In these cases, the co-investment is valued, at the end of each period, by an independent, internationally-renowned appraiser;
- **vii)** members of the management team commit, in the event of their departure, to sell on demand their unvested rights to Wendel at their initial value (see paragraph iv above). In the event of departure for misconduct, they also commit to sell their vested rights, according to pre-defined valuation rules. In the event of departure without misconduct, they can also request the repurchase of all of their rights according to pre-defined valuation rules.

Wendel Group managers have made co-investments, governed by the above principles, in two companies acquired by Wendel in 2011: Parcours and Mecatherm. These co-investments were made through a new, Luxembourg-law, venture capital investment company called Oranje-Nassau Développement SA SICAR (Oranje-Nassau Développement), created in 2011 and divided into two compartments: Parcours and Mecatherm. An independent appraiser has certified that the co-investments have been realized at a price that is within the range of fair value.

After prior authorization from the Supervisory Board on May 10 and August 30, 2011, Frédéric Lemoine and Bernard Gautier invested €219,780 and €146,520, respectively, in Oranje-Nassau Développement.

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

- **i)** the co-investors have invested alongside Wendel and based on a proposal from Wendel, an amount equivalent to no more than 0.5% of the total sums invested by Wendel;
- **ii)** the co-investments confer a right to 10% of the capital gain (on 0.5% of the investments), provided that Wendel has obtained a minimum return of 7% p.a. and 40% of its investment. Otherwise, the management team lose the amounts they have invested;
- **iii)** rights to co-investment benefits will vest gradually over a period of four years in five tranches of 20% per year (20% at the investment date, then 20% at each anniversary date). However, members of the management team commit in case of departure, to sell on demand their unvested shares at their initial value;
- **iv)** the capital gain will be realized at the time of divestment, or in the absence of divestment at the end of 10 years, on the basis of an appraiser's opinion.

Under these previously applied principles, the managers invested personally alongside Wendel in Saint-Gobain and in the Group's unlisted companies: Materis, Deutsch, Stahl and Van Gansewinkel Groep (VGG). The co-investment in Saint-Gobain was unwound in 2010, prior to maturity, in light of the absence of prospects of a return for co-investors. As a result, the co-investors lost their entire investment, i.e. approximately €7 million.

Finally, regardless of the applicable rules, Wendel investments giving rise to small co-investments can be aggregated and paid up at the end of the year. Accordingly, payment of co-investments that together represent less than €0.1 million for all co-investor/managers (corresponding to Wendel investments of less than €20 million) can be deferred until a cumulative threshold of €0.25 million is reached. If this threshold is not reached at least once a year, payment must nevertheless be made.

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

In Group subsidiaries and associates, various mechanisms exist to allow senior managers to participate in the performance of each entity.

For listed subsidiaries and associates (Bureau Veritas, Legrand and Saint-Gobain), these mechanisms consist in stock-option and/or bonus share plans. For unlisted subsidiaries (Deutsch, Materis, Mecatherm, Parcours and Stahl), the participation policy is based on a co-investment mechanism through which these executives may invest significant sums alongside Wendel and under which their profit profile depends on the internal rate of return (IRR) achieved by Wendel in the investment concerned.

The co-investors receive a return in excess of Wendel's only when a certain profitability threshold has been met (ranging from 7% to 15%). Co-investors run the risk of losing all or part of the significant sums they have invested, depending on the value of the investment at maturity.

These co-investment mechanisms and the sharing of risk between Wendel and the co-investors are represented by a variety of financial instruments held by Wendel and the co-investors. These instruments include ordinary shares, index-based or preferred shares, fixed-rate bonds, stock options, warrants, etc. These investments mature either when a liquidity event occurs (divestment or IPO) or, if no such event takes place, at a specific point in time (between 2 and 14 years after the initial investment by Wendel, depending on the company).

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

If the business plans of the companies related to the co-investments of Wendel and subsidiary managers are realized, there could be a dilutive impact of 5-15% on Wendel's ownership interest in these companies by the 2014-16 timeframe.

NOTE 5 Managing financial risks

Note 5-1 Managing equity market risks

Note 5-1.1 Value of investments

Wendel's assets are mainly investments in which it is the main or controlling shareholder. Some assets are listed (Saint-Gobain, Bureau Veritas, Legrand and exceet) and others are unlisted (Materis, Deutsch, Stahl, Parcours and Mecatherm). The Group also holds non-controlling interests, such as in VGG, whose amounts are relatively insignificant.

The value of these investments is based mainly on:

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

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

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

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

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

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

The financial structure of LBO investments (Materis, Stahl, VGG and Mecatherm) accentuates the risk on their valuation. 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. This was how the financial restructurings of Materis, Deutsch and Stahl were successfully executed in 2009 and 2010, demonstrating Wendel's ability to anticipate and manage the constraints imposed by LBO financing and preserve the value expected from its investments. Similarly, more than 18 months in advance of its first repayment dates, Materis launched negotiations with its 200 lenders aimed essentially at postponing 2013-15 maturities to 2016 and increasing its sources of liquidity.

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.

In the context of the Eufor group's bank debt not subject to margin calls (Saint-Gobain investment financing), Wendel had purchased puts on part of its ownership interest in Saint-Gobain. In 2009 and 2010, confident in Saint-Gobain's growth prospects, Wendel sold two-thirds of these puts. These puts constituted a financial asset whose value varied inversely with the price of Saint-Gobain shares. Wendel sold all of the 13.4 million puts it held as of December 31, 2010 during the 1st half of 2011 (see Note 13 "Derivatives"). Thus, as of December 31, 2011 all of the Saint-Gobain shares held by Wendel were exposed to variations in the share price.

In addition, Wendel issued (wrote) 6.1 million European puts on Saint-Gobain in 2007. As of December 31, 2010 and 2011 these options were in the money (i.e. they had a negative value for Wendel), they were recognized as financial liabilities and presented in Note 13 "Derivatives". In 2011, the maturity of these puts was extended by 12 months; they now expire between September 2012 and March 2013. This extension was carried out so as to enable Wendel to take advantage of Saint-Gobain's growth prospects. Wendel believes these prospects will cause the share price to rise between now and the new maturity dates, enabling it to reduce the liability related to these puts.

These instruments are monitored regularly by the Finance department, which evaluates the associated risk and presents it to the Executive Board.

Note 5 - 1.3 Short-term financial investments indexed to equity markets

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

Note 5 - 1.4 Equity market risk

Equity market risk relates to:

- consolidated and equity-method securities, whose recoverable values used for impairment tests are based on market parameters, including the discount rate used in calculating "value in use" or the market price used in calculating "fair value";
- the puts issued (written) on Saint-Gobain shares, which are recognized at their fair value on the balance sheet. When Saint-Gobain's share price declines, the liability related to these puts increases, generating a loss in the income statement, and vice-versa. As an indication, as of December 31, 2011, a +/-5% change in the price of Saint-Gobain's shares would have an impact of about +/-€9 million on the income statement (see Note 13 "Derivatives");
- short-term financial investments indexed to the equity markets, the total value of which was €29 million as of December 31, 2011. 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 +/- €1.4 million on the value of these investments and on the income statement;
- the Saint-Gobain shares purchased in the summer of 2011, classified as current financial assets (see Note 2 "Changes in scope of consolidation") and whose value was €56.7 million as of the end of 2011. A +/-5% variation in the equity markets would have an impact of about +/-€3 million on the value of these shares and on the income statement;
- margin calls on Eufor group financing. These depend on the price of the shares serving as collateral. These margin calls could have an

impact on Wendel's available cash and are described in Note 5 - 2 "Managing liquidity risk";

- 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, 2011, €500 million was outstanding under this credit facility, and Wendel was in compliance with the covenants;
- the degree of financial leverage of Wendel and its holding companies (i.e. net debt/assets), a key indicator of the cost of bond financing (and in some cases, bank financing), which Wendel may seek to access. This indicator is also monitored by Standard & Poor's, which has been mandated by Wendel to rate its financial structure and bond borrowings. See Note 5 - 2 "Managing liquidity risk".

					Impact on net income			
In millions of euros	**Net carrying value (Group share)**	**Market value (closing share price)**	**Impact on market value of a 5% decline in share prices**	**Note**	**of a +/-5% change in share price**	**of a -/+0.5% in discount rate applied to the value of future cash flows**	**of a +/-0.5% in perpetual growth rate used to calculate discounted future cash flows**	**of a 1% reduction in the normative margin used to discount cash flows in periods subsequent to the business plan**
Equity-method investments								
Saint-Gobain	4,788.7	2,664.3	-133.2	9	NA(1)	0 / -24	0 / 0	-200
Legrand	141.7	382.4	-19.1	9	0	NA (3)	NA (3)	NA (3)
Orange Nassau Développement - exceet	57.5	43.6	-2.2	9	NA(1)	0 / 0	0 / 0	0
Consolidated investments								
Bureau Veritas	1,098.1	3,169.3	-158.5	6	0	NA (3)	NA (3)	NA (3)
Materis	-156.0	NA	NA	6				
Materis shareholder loan (2)	221.4							
	65.4				**NA**			
Deutsch	-122.6	NA	NA	6				
Deutsch shareholder loan (2)	382.1							
	259.5				**NA (4)**	**NA (4)**	**NA (4)**	**NA (4)**
Stahl	-2.6	NA	NA	6				
Stahl shareholder loan (2)	65.4							
	62.8				**NA**	**0**	**0**	**0**
Oranje-Nassau Développement								
■ Parcours	114.3	NA	NA	6	NA	0	0	NA
■ Mecatherm	112.8	NA	NA	6	NA	0	0	0
Financial instruments								
Puts issued (written) on Saint-Gobain	-194.3	-194.3	-9.0	13	+/-9	NA	NA	NA
Other financial assets								
Unconsolidated Saint-Gobain shares	56.7	56.7	-2.8	13	+/-2.8	NA	NA	NA
Short-term financial investments indexed to the equity markets	28.6	28.6	-1.4		+/-1.4	NA	NA	NA

(1) Impairment tests are based on value in use (discounted future cash flows). See Note 9 "Equity-method investments".
(2) Eliminated in consolidation.
(3) The recoverable value used for impairment tests on these investments is the market share price (fair value).
(4) The sale price expected for the Deutsch group is far in excess of the carrying value. See Note 2 "Changes in scope of consolidation".

Note 5-2 Managing liquidity risk

Note 5-2.1 Wendel's and the holding companies' liquidity risk

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

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

1.1. monitoring cash and short-term financial investments

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

Cash investment vehicles consist primarily of short-term bank deposits and low-volatility, money-market mutual funds (classified under "Cash and cash equivalents"), as well as 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

1.2. Cash and short-term financial investments as of December 31, 2011

As of December 31, 2011, cash and short-term financial investments held by Wendel and its holding companies (excluding operating subsidiaries) were as follows:

In millions of euros	Available	Pledged	Total
Money-market mutual funds (1)	427	14	441
Bank accounts and bank certificates of deposit (1)	10	133	143
Diversified, equity and bond funds (2)	46		46
Funds managed by financial institutions (2)	225		225
TOTAL	**708**	**147(3)**	**855**

(1) Classified under cash and cash equivalents.
(2) Classified under current financial assets.
(3) Pledged as collateral under Eufor group financing arrangements (structure that holds the Saint-Gobain investment).

This cash position does not reflect the positive impact of the expected sale of Deutsch (see Note 2 "Changes in scope of consolidation").

2. Managing debt maturities and refinancing

2.1. Managing debt

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

- the availability of bank and bond lending sources, which has been restricted by the current financial crisis and by pressure from financial institution regulators (Basel 3, Solvency 2); and
- 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").

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.

In 2011, as in 2009 and 2010, Wendel successfully carried a new bond issue (see Note 16 "Financial debt"), thus demonstrating its ability to manage its financial maturities effectively. The 2018 bonds issued in 2011 enabled Wendel to repay part of the bank debt related to the Saint-Gobain investment prior to maturity. Through this transaction, Wendel extended the average maturity of its financing and that of its holding companies and simplified its financial structure by emphasizing unsecured bonds without financial covenants rather than Eufor group bank borrowings (Saint-Gobain investment structure).

Other changes and adjustments were made to bank debt during 2011 to reduce overall financing costs for Wendel and its holding companies, make the financial structure more flexible and extend the average maturity of the debt of Wendel and its holding companies (see Note 16 "Financial debt").

Wendel also has credit lines available to it that enable it to ensure the repayment of the nearest maturities. Finally, Wendel can take the opportunity to sell assets so as to pay off some of its financial debt and reduce financial leverage.

As of December 31, 2011, Standard and Poor's long-term rating for Wendel was BB- with a "negative" outlook. The short-term rating is B.

2.2. Debt position as of December 31, 2011

As of December 31, 2011, gross debt with recourse to Wendel consisted of:

- €2,778 million in Wendel bonds with maturities ranging from 2014 to 2018 (see details in Note 16 "Financial debt");
- a syndicated credit facility, with €500 million outstanding. Wendel has a €1.2 billion syndicated revolving credit facility, with a maturities in September 2013 (€950 million), September 2014 (€250 million). Therefore €700 million remains available, with a maturity of September 2013, provided Wendel complies with the covenants (see Note 5 - 2.4.2 "Syndicated loan documentation and covenants").

As of the end of 2011, the average maturity of this debt was 4.1 years.

Eufor bank debt without recourse to Wendel totaled €1,385 million as of end-2011. All of this debt is subject to margin calls (see Note 5 - 2.4.3 "Margin calls on Eufor group financing"). The average maturity of this financing is 3.5 years.

As of the end of 2011, the Eufor group also had two undrawn lines of credit totaling €990 million. The purpose of these lines is to finance or refinance the investment in Saint-Gobain shares. These lines of credit can be used to refinance existing Eufor debt, to finance the acquisition of new Saint-Gobain shares or to finance the 58 million Saint-Gobain shares not already pledged or linked to a financing arrangement as of December 31, 2011. These lines mature in 2013 (€366 million), 2014 (€174 million), 2016 (€225 million) and 2017 (€225 million).

All debt not subject to margin calls was repaid prior to maturity during the 1st half of 2011 in connection with the sale of puts Wendel had purchased on Saint-Gobain (see Note 13 - 4.1 "Derivatives" and Note 16 "Financial debt").

The average maturity of Wendel's and Wendel's holding companies' financing (including non-recourse debt of the Eufor group) was 3.9 years as of the end of 2011.

3. Managing risk related to the financial covenants of the syndicated credit

The syndicated credit, under which €500 million was outstanding as of December 31, 2011, is subject to financial covenants based principally on the market value of Wendel's assets and on the amount of net debt (see Note 5 - 2.4.2 "Syndicated loan documentation and covenants"). As such, the covenants are sensitive to changes in the equity markets. If a sharp drop in the equity markets were to cause Wendel to breach these covenants, Wendel could use its available cash to repay this credit line. In addition, the Eufor group could use its undrawn credit lines (not subject to financial covenants) to refinance the available Saint-Gobain shares. This would make cash available to Wendel and would limit the liquidity risk related to accelerated maturity of the syndicated credit facility.

To track the liquidity risk related to the syndicated credit facility, Wendel regularly carries out simulations to analyze the impact of fluctuations in the value of its assets, the level of collateral granted and the cash flow projections on the level of the syndicated credit covenants.

4. Managing the risk related to margin calls on loans of the Eufor group (Saint-Gobain investment structure)

Wendel responds to the margin calls on the financing for the Eufor group, which therefore have a direct impact on Wendel's liquidity. Nevertheless, Wendel can decide not to respond to additional margin calls. In this case, the related financing would be in default and the collateral already provided would be exercised by the bank, but the bank would have no further recourse to Wendel (the margin call mechanism and security granted as of December 31, 2011 are described in Note 5 - 2.4.3 "Margin calls on Eufor group financing").

During 2011, certain bank loans subject to margin calls were repaid and another was renegotiated (see Note 16 "Financial debt"), thereby reducing the impact of margin calls on the level of available cash.

To track the liquidity risk related to margin calls on the Eufor group's bank loans, Wendel simulates margin calls on the basis of movements in the price of Saint-Gobain and other listed shares pledged as collateral, together with Wendel's cash flow forecasts. This makes it possible to analyze the impact of Saint-Gobain's share price on Wendel's liquidity.

Note 5-2.2 Liquidity risk of operating subsidiaries

1. Managing liquidity risk of operating subsidiaries

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

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

2. Impact of liquidity risk of subsidiaries on Wendel

Debt of operating subsidiaries and the Eufor group (financing of the Saint-Gobain investment) 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 its operating subsidiaries and associates that might experience cash flow difficulties. Similarly, the operating subsidiaries have no mutual support obligation. 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 2009 and 2010, Wendel chose to support its investments in Materis, Stahl and Deutsch, given the prospects for recovery in their businesses. 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 above).

Note 5-2.3 Wendel's liquidity outlook

Wendel's liquidity risk for the 12 months following the 2011 closing is low, given the level of cash and short-term financial investments available to it (€708 million at December 31, 2011, excl. the positive impact of the expected sale of Deutsch) and because there is no debt repayment date before September 2013. Despite the drop in financial markets in since the summer of 2011, this level of liquidity will allow Wendel to meet its cash needs, fund any Eufor margin calls triggered by sharp drops on the financial markets and meet its coming financial maturities and those of its holding companies.

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

1. Bonds issued by Wendel – documentation

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

2. Wendel's syndicated credit facility – documentation and covenants (€500 million outstanding as of December 31, 2011)

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

This net debt figure is based on consolidation of the Group's financial holding companies and does not include the debt of operating companies or that of holding companies set up for the purpose of acquisitions, such as the Eufor group. As of December 31, 2011 the net debt taken into account corresponds to Wendel bonds and the syndicated credit less available cash (pledged cash being lodged in the Eufor holding structure).

Net debt of the Saint-Gobain, Bureau Veritas, Legrand, Materis, Deutsch, Stahl, Parcours, exceet and Mecatherm groups, as well as the debt related to the acquisition of Saint-Gobain shares (less cash pledged at that date), are deducted from the gross revalued assets of these companies inasmuch as it is without recourse to Wendel.

The covenants are as follows:

- the net financial debt of Wendel and its financial holding companies must not exceed 50% of gross revalued assets after future tax on unrealized gains and losses (excluding cash);
- the ratio of:

(i) unsecured gross debt plus off-balance-sheet commitments similar in nature to unsecured debt of Wendel and its financial holding companies, less available cash (not pledged or in escrow) of Wendel and its financial holding companies; to

(ii) the sum of 75% of the value of the available listed assets (not pledged or in escrow) and 50% of the value of available unlisted assets (not pledged or in escrow), must not exceed 1.

These ratios are tested half-yearly when there are drawdowns under the syndicated credit line. As of December 31, 2011 Wendel was in compliance with all covenants.

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

3. Margin calls on Eufor group financing (Saint-Gobain investment structure)

The Eufor group's bank borrowings are subject to margin calls. The value of collateral given by Eufor under these financing arrangements (financed Saint-Gobain shares, listed Bureau Veritas and Legrand shares, cash) must remain at the level required under bank agreement covenants, based in turn on the amount of debt. Should this value decline, the bank demands further collateral; should it increase, a portion of the collateral is freed up. As Wendel finances these margin calls, so its liquidity may be affected by a decline in the price of shares given as collateral for this financing.

This debt is without recourse to Wendel. Wendel can therefore choose not to respond to these additional margin calls; this would put the related financing contract in default, and the bank could then apply the collateral already provided.

As of December 31, 2011, collateral was comprised of €995 million in financed Saint-Gobain shares (33.5 million shares at the closing share price), €147 million in cash, and €1,164 million in listed shares (Bureau Veritas and Legrand at their closing prices). As of the same date, Wendel had €708 million in available cash and short-term financial investments and €2,388 million in unpledged Legrand and Bureau Veritas shares (valued at their closing prices), which would enable it to meet additional margin calls in the event of a financial markets decline well in excess of that experienced since the summer of 2011. The volume of bank debt subject to margin calls is less than one-half what it was at the start of 2009, and the collateral arrangements are now much more weighted towards collateral in the form of shares rather than cash.

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, 2011, the gross face value of Bureau Veritas' financial debt was €1,268 million (including accrued interest and excluding issuing costs; see details on maturity dates in Note 16 "Financial debt"). Its cash balance was €244 million. At that date, Bureau Veritas also had the following undrawn lines of credit:

- €215.6 million available under the loan maturing in 2012-13;
- €150 million available from the French private placement with maturity of June 2015;
- $100 million undrawn and available under the US private placement, with maturity in 2021. This amount is available until October 2014, subject to prior approval by the lender.

The US, French and German ("Schuldschein") private placements require compliance with the following ratios:

- an interest cover ratio, i.e. EBITDA divided by net interest expense, of more than 5.5;
- a leverage ratio, i.e. the ratio between net consolidated debt and EBITDA, of less than 3 (3.25 for the US private placement maturing in 2018-20 and the German "Schuldschein" loan).

These ratios are calculated on a rolling 12-month basis, twice per year, at June 30 and December 31. As of December 31, 2011, Bureau Veritas was in compliance with these ratios.

Moreover these financing agreements contain standard clauses that restrict Bureau Veritas' operating freedom, in particular its ability to grant security, contract or grant loans, pledge collateral, undertake acquisitions, divestments, mergers or restructuring, and to make certain types of investments. They call for total or partial accelerated maturity should certain events take place and include change-of-control clauses. The US private placement agreements include a make-whole clause exercisable in the event of default, which would add to the accelerated debt repayments mentioned above. In addition to repaying principal and accrued interest, Bureau Veritas might be required to indemnify these lenders based on the difference between the fixed rate of interest over the remaining term and the yield curve for US government bonds over the same maturity. Change of control is not an event of default under the US private placement agreements.

2. Materis bank debt

This debt is without recourse to Wendel.

As of December 31, 2011, the gross face value of Materis' bank debt was €1,923 million (including accrued interest, and excluding issuance costs and shareholder loans; see details on maturity dates in Note 16 "Financial debt"). Its cash balance was €84 million.

The Materis group is subject to the following covenants:

- LTM EBITDA divided by net interest expense, must be greater than 1.79 as of December 31, 2011. The minimum rises to 3.20 at June 30, 2015. This ratio is calculated on a rolling 12-month basis;
- the ratio of consolidated net debt (excluding shareholders loans) to LTM EBITDA must be below 8.96 as of December 31, 2011. This ceiling falls to 4.92 at December 31, 2016;
- the ratio of cash flow after capex and dividends (plus available cash up to €35 million) to total debt service (cash interest payable plus scheduled principal repayment) must be greater than 1. This ratio is calculated on a rolling 12-month basis;
- Capex must not exceed 4.5% of consolidated sales (plus any capex roll-over) in fiscal years 2011 through 2016.

These covenants are tested quarterly and Materis was in compliance with them as of December 31, 2011.

The credit agreements entered into by Materis contain the standard restrictions for this type of LBO credit line. Certain transactions, such as mergers, exiting from Wendel's tax consolidation group, asset divestments, granting collateral, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted or require the prior approval of the lending banks.

More than 18 months in advance of its first repayment dates, Materis launched negotiations with its 200 lenders aimed essentially at postponing 2013-15 maturities to 2016 and increasing its sources of liquidity.

3. Stahl bank debt

This debt is without recourse to Wendel.

As of December 31, 2011, the gross face value of Stahl's bank debt was €205 million (including accrued interest, and excluding issuance costs and shareholder loans; see details on maturity dates under Note 16 "Financial debt"). Its cash balance was €20 million.

The Stahl group is subject to the following covenants:

- the ratio of consolidated net debt (excluding shareholder loans) to LTM EBITDA must be less than or equal to 6.55 at December 31, 2011 (this ceiling falls to 5.00 on September 30, 2014). This ratio is tested quarterly;
- the ratio of LTM EBITDA to net interest expense paid had to be greater than or equal to 2.60 at December 31, 2011. This minimum rises to 3.05 on September 30, 2014. This ratio is calculated on a rolling 12-month basis and is tested quarterly;
- the ratio of cash flow after capex and dividends to total debt service, i.e. interest payable plus scheduled principal repayment, must be greater than or equal to 1.40 until December 31, 2014. This ratio is calculated on a rolling 12-month basis and is tested every six months;

- Capex must not exceed €11 million (this ceiling will rise to €14 million in 2014). This ratio is tested annually.

As of December 31, 2011, Stahl was in compliance with these covenants.

The credit agreements entered into by Stahl contain the standard restrictions for this type of LBO credit line. Certain transactions, such as mergers, asset divestments, granting collateral, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted or require prior approval of the lending banks.

4. Parcours bank debt

This debt is without recourse to Wendel.

As of December 31, 2011, the gross face value of Parcours' bank debt was €372 million. Bank debt consisted of credit lines used to finance leased vehicles. 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, 2011 Parcours was in compliance with these financial ratios.

5. Mecatherm bank debt

This debt is without recourse to Wendel.

As of December 31, 2011, the gross face value of Mecatherm's bank debt was €68 million (including accrued interest and non-recourse discounting, and excluding issuance costs and shareholder loans; see details on maturity dates in Note 16 "Financial debt"). Its cash balance was €8 million.

As of the end of 2011, the Mecatherm group was subject to the following covenants:

- the ratio of consolidated net debt to LTM EBITDA must be less than or equal to 3.9 at December 31, 2011 (this ceiling falls to 2.5 on December 31, 2018). This ratio is tested every six months;
- annual capex must not exceed €2 million.

As of the date the financial statements were finalized, these ratios were being calculated and Wendel believes that Mecatherm was in compliance.

Beginning in 2012, the Mecatherm group will also be subject to the following covenants:

- the ratio of cash flow after capex and taxes to total debt service, i.e. interest payable plus scheduled principal repayment, must be greater than or equal to 1 from December 31, 2012 until December 31, 2018. This ratio will be calculated on a rolling 12-month basis and will be tested every six months;
- the ratio of LTM EBITDA to interest expense must be greater than or equal to 2.9 at June 30, 2012. This minimum rises to 3.8 at December 31, 2018. This ratio will be calculated on a rolling 12-month basis and will be tested every six months.

The credit agreements entered into by Mecatherm contain the standard restrictions for this type of LBO credit line. Certain transactions, such as mergers, asset divestments, granting collateral, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted or require prior approval of the lending banks.

Note 5-3 Managing interest rate risk

Each subsidiary manages its interest-rate exposure by taking into account the restrictions imposed by its financing agreements (notably in the case of LBO-type financing). Wendel nonetheless tracks the Group's overall position. Simulations of sensitivity of financing costs to interest-rate trends are analyzed regularly and whenever an event occurs that is likely to have an impact on interest-rate exposure. On the basis of these analyses, Wendel and its subsidiaries may decide to set up swaps, caps, collars or any other derivative for hedging purposes.

As of December 31, 2010, 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	3.3		6.9
Cash and short-term financial investments*	-0.3		-1.7
Impact of derivatives	2.9	1.3	-4.2
INTEREST-RATE EXPOSURE	**5.9**	**1.3**	**0.9**
	72%	*16%*	*11%*

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

The notional amount of derivative instruments was weighted by the portion of the 12 months following December 31, 2010 during which they hedged interest-rate risk.

As of December 31, 2011, the exposure of the Wendel Group (Wendel, its holding companies and fully-consolidated operating subsidiaries, except for Deutsch which was classified under operations held for sale) to interest rates was limited.

In billions of euros	Fixed rate	Capped rate	Floating rate
Gross debt	3.4		5.2
Cash and short-term financial investments*	-0.2		-0.9
Impact of derivatives	1.8	1.7	-3.4
INTEREST-RATE EXPOSURE	**4.9**	**1.7**	**0.8**
	67%	*22%*	*11%*

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

The notional amount of derivative instruments was weighted by the portion of the 12 months following December 31, 2011 during which they will hedge interest-rate risk.

Derivatives serving as interest-rate hedges are described in Note 13.

A +/- 100 basis point change in the interest rates to which the Group's interest rate exposure is indexed would have an impact ranging from -€21 million to +€16 million on net finance costs before tax over the 12 months after December 31, 2011, based on net financial debt at December 31, 2011, interest rates on that date and the maturities of interest-rate hedging derivatives. The proceeds from the sale of Deutsch will change this position (see Note 2 "Changes in scope of consolidation").

Note 5 - 4. Managing credit risk

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

The cash and financial investments of Wendel and its holding companies are placed essentially with top-ranking financial institutions. For short-term investments in funds managed by financial institutions, or bond, equity or diversified funds, an analysis is carried out on the signature risk. By tracking cash and short-term financial investments, Wendel regularly measures its exposure to each counterparty. However, given the high amount of cash and short-term financial investments at December 31, 2011 (see Note 5 - 2 "Managing liquidity risk"), significant amounts could be placed with the same financial institution.

Derivative contracts are entered into with top-ranking financial institutions.

Note 5 - 5. Managing currency risk

Certain companies controlled by Wendel operate in several countries and, as a result, derive a share of their earnings in currencies other than the euro.

Note 5-5.1 Bureau Veritas

Because of the international nature of its businesses, Bureau Veritas is exposed to currency risk in several foreign currencies.

In 2011, more than half of Bureau Veritas's net sales were in currencies other than the euro, including 16% in US dollars, 7% in Australian dollars, 5% in yuans, 5% in Brazilian reals and 4% in Hong Kong dollars. No other currency individually accounted for more than 5% of Bureau Veritas' net sales. This trend is a result of the strong growth of Bureau Veritas' businesses outside the euro zone and notably in US dollars or dollar-zone currencies. However, as a general rule, natural hedges are in place, as services are supplied locally and costs are therefore proportional to income in most countries where Bureau Veritas operates. As a result, Bureau Veritas has limited exposure to currency risk from transactions in different currencies.

A +/-5% fluctuation in the US dollar against the euro would have had an impact of +/-1.0% on Bureau Veritas's 2011 operating income. A +/-5% fluctuation in the Australian dollar against the euro would have had an impact of +/-0.2% on Bureau Veritas's 2011 operating profit. The combined impact on operating profit would have been +/-€6 million.

In addition, Bureau Veritas' multi-currency financing enables it to borrow in local currencies. If it deems it necessary, Bureau Veritas can therefore hedge certain commitments by pegging its financing costs to operating revenues in the currencies concerned.

The US private placement (see Note 16 "Financial debt") is denominated in US dollars and pounds sterling, currencies that are different from the operating currency of the entity that contracted the loan. In order to protect against currency risk on the income statement and to convert the debt synthetically into euros, the US private placement has been hedged through a cross-currency swap (see Note 13 “on “Derivatives”). Similarly, a portion of the bank debt tranche amortizable in US dollars has been synthetically converted into euros.

Finally, the impact on income before tax of a +/-5% fluctuation in the US dollar on USD-denominated financial assets and liabilities held by entities having a non-USD operating currency is -€2.0/+3.0 million.

Note 5-5.2 Stahl

In 2011, 54% of Stahl’s net sales were in currencies other than the euro, including 14% in US dollars, 15% in Singapore dollars, 6% in Brazilian reals and 6% in Indian rupees. A +/-5% fluctuation in the US dollar or in currencies correlated to it against the euro would have had an impact of +/-1% on Stahl’s 2011 income from ordinary activities before depreciation, amortization and provisions (excluding goodwill allocation and non-recurring expenses), or less than €1 million. Stahl also had financial debt of about €160.4 million, denominated in US dollars and carried by a company whose operating currency is the euro. Hence, in the event of a +/-5% fluctuation in the dollar’s value against the euro, a translation impact of about -/+€8 million would be recognized in net financial expense.

Note 5-5.3 Materis

The US dollar’s impact on Materis’ operating income is limited to the Materis group’s presence the United States and to certain raw-material purchases. In 2011, a +/-5% fluctuation in the USD exchange rate would have had an immaterial impact on income from ordinary activities.

4.8 Notes to the balance sheet

NOTE 6 Goodwill

In millions of euros	12.31.2011 Gross amount	Impairment	Net amount
Bureau Veritas	473.3		473.3
Materis	899.5	297.6	601.9
Stahl	24.1	-	24.1
Oranje-Nassau Développement	138.1	-	138.1
Subsidiaries of Bureau Veritas	1,410.8	32.5	1,378.3
Subsidiaries of Materis	172.1	-	172.1
TOTAL	**3,117.9**	**330.1**	**2,787.8**

In millions of euros	12.31.2010 Gross amount	Impairment	Net amount
Bureau Veritas	479.6		479.6
Deutsch	378.6	82.1	296.5
Materis	899.5	225.4	674.2
Stahl	24.1	-	24.1
Subsidiaries of Bureau Veritas	1,345.8	16.4	1,329.3
Subsidiaries of Deutsch	7.8	-	7.8
Subsidiaries of Materis	150.3	-	150.3
TOTAL	**3,285.6**	**323.9**	**2,961.8**

The principal changes during the year were as follows:

In millions of euros	2011	2010
Net amount at beginning of year	2,961.8	2,458.4
Business combinations (1)	216.4	442.2
Reclassification of Deutsch under "Operations held for sale"	-304.3	-
Divestment of Stallergenes	-	-34.3
Impact of changes in currency translation adjustments and other	0.3	104.0
Impairment for the period (2)	-86.4	-8.5
NET AMOUNT AT END OF YEAR	**2,787.8**	**2,961.8**

(1) This item includes (see Note 2 "Changes in scope of consolidation"):
- *€35.8 million and €102.3 million related to Oranje-Nassau Développement's acquisition of Parcours and Mecatherm, respectively;*
- *€57.9 million related to Bureau Veritas's acquisitions;*
- *€20.4 million related to Materis's acquisitions.*

(2) €70.3 million in impairment recognized by Materis and €16.1 million by Bureau Veritas on their own CGUs.

Note 6-1 Goodwill impairment tests

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 2011. 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 2011 balance sheet date.

Note 6-1.1 Impairment test on Bureau Veritas goodwill

The carrying value of the Bureau Veritas shares Wendel held (€19.5/share, or €1,098 million as of the end of 2011) was far below their fair value (closing share price: €56.3/share, or €3,169 million). As a result, there was no need to apply value in use for the impairment test, and no impairment has been recognized.

Bureau Veritas's impairment tests on its own Cash Generating Units (CGUs) led to an impairment charge of €16.1 million on its Spanish construction unit. This impairment loss was maintained in Wendel's financial statements.

Note 6-1.2 Impairment tests on the goodwill of Wendel's unlisted subsidiaries: Materis, Stahl, Parcours and Mecatherm

As Materis, Stahl, Parcours and Mecatherm each constitute a CGU in Wendel's consolidated statements, IAS 36 tests were also performed on these subsidiaries. The values in use determined by Wendel for these tests were the discounted values of future cash flows, which were compared to the carrying values. The business plans used were prepared by Wendel on the basis of those drawn up by the subsidiaries and of the latest information available on the underlying markets.

1. Materis

A discount rate of 8.3% was used for Materis (same rate as in 2010), and a long-term growth rate of 2.25% was applied to post-business plan cash flows (same rate as in 2010). The business plan covers a five-year period. Materis' value in use, calculated thus by Wendel, was above its carrying value at December 31, 2011, and Wendel recognized no additional impairment. In addition, Wendel's analysis of the test's sensitivity to the discount rate and to the long-term growth assumption showed there would be no impairment in the event that these parameters fluctuated by +0.5% and -0.5%, respectively. For an impairment loss to be recognized at the Wendel level, the discount rate would have to be in the region of 11%; even a significant reduction in the long-term growth rate would not result in an impairment loss. Moreover, if the normative margin used for cash flows after the end of the five-year business plan period were reduced by 100 basis points, no impairment would have to be recognized.

Materis also carried out an impairment test on its CGUs as of December 31, 2011. In accordance with IAS 36, value in use was determined for each CGU and compared with its carrying value. The business plans used were prepared by Materis on the basis of the latest information available on each market underlying these CGUs. The long-term growth rate applied to post-business plan cash flows was between 2.0% and 3.0% depending on the country and the business. Discount rates averaged 8% and varied between 7% and 20%, depending on the country and the business. As a result of this test, Materis recognized a total of €70.3 million in impairment losses in 2011 on its Southern Europe CGUs. These impairment losses were maintained in Wendel's financial statements.

2. Stahl

A discount rate of 10.4% was used for Stahl (vs. 10.3% in 2010), and a long-term growth rate of 2.0% was applied to post-business plan cash flows (same rate as in 2010). The business plan covers a five-year period. Stahl's value in use, calculated thus by Wendel, was above its carrying value at December 31, 2011, and 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 discount rate or the long-term growth rate would have to change significantly. Moreover, if the normative margin used for cash flows after the end of the five-year business plan period were reduced by 100 basis points, no impairment would have to be recognized. Separately, no impairment loss was recognized in Stahl's financial statements.

3. Parcours

A discount rate of 9.7% was used for Parcours and a long-term growth rate of 2% was applied to post-business plan cash flows. The business plan covers a five-year period. Parcours' value in use, calculated thus by Wendel, was above its carrying value at December 31, 2011, and 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 discount rate or the long-term growth rate would have to change significantly. Separately, no impairment loss was recognized in Parcours' financial statements.

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. The business plan covers a five-year period. Mecatherm's value in use, calculated thus by Wendel, was above its carrying value at December 31, 2011, and Wendel recognized no impairment. In addition, Wendel's analysis of the test's sensitivity to the discount rate and to the long-term growth assumption showed there would be no impairment in the event that these parameters fluctuated by +0.5% and -0.5%, respectively. For an impairment loss to be recognized, the long-term growth rate would have to be much lower or the discount rate would have to be more than 11%. Moreover, if the normative margin used for cash flows after the end of the five-year business plan period were reduced by 100 basis points, no impairment would have to be recognized. Separately, no impairment loss was recognized in Mecatherm's financial statements.

NOTE 7 Intangible assets

	12.31.2011		
In millions of euros	Gross amount	Amortization and provisions	Net amount
Amortizable assets			
Internally generated	23.3	5.7	17.7
Acquired			
Concessions, patents and licenses	94.2	27.1	67.0
Customer relationships [1]	1,113.7	601.8	511.9
Software	124.3	84.4	39.9
Other intangible assets	25.2	15.0	10.2
	1,357.3	**728.3**	**629.1**
Assets of indefinite useful lives			
Acquired			
Brands [2]	851.7	9.1	842.6
	851.7	**9.1**	**842.6**
TOTAL	**2,232.4**	**743.0**	**1,489.4**

In millions of euros	12.31.2010 Gross amount	Amortization and provisions	Net amount
Amortizable assets			
Internally generated	4.8	4.0	0.8
Acquired			
Concessions, patents and licenses	99.1	14.2	85.0
Customer relationships (1)	1,257.3	587.7	669.7
Software	111.9	77.7	34.2
Other intangible assets	29.9	17.4	12.5
	1,498.3	**696.9**	**801.3**
Assets of indefinite useful lives			
Acquired			
Brands (2)	836.2	15.7	820.4
	836.2	**15.7**	**820.4**
TOTAL	**2,339.3**	**716.7**	**1,622.6**

The principal changes during the year were as follows:

In millions of euros	2011	2010
Amount at beginning of year	**1,622.6**	**1,439.5**
Acquisitions	18.1	12.2
Internally generated assets	0.8	0.9
Changes due to "Operations held for sale" (3)	-192.3	-
Impact of business combinations (4)	112.8	250.6
Impact of currency translation adjustments and other	-4.9	41.1
Amortization and impairment losses for the year	-67.7	-121.7
AMOUNT AT END OF YEAR	**1,489.4**	**1,622.6**
of which		
Wendel and holding companies	*-*	*-*
Bureau Veritas	*569.5*	*579.8*
Deutsch	*-*	*192.3*
Materis	*757.8*	*769.0*
Stahl	*74.2*	*81.2*
Oranje-Nassau Développement	*87.6*	*-*
Wendel and holding companies	*0.2*	*0.3*
Total	*1,489.4*	*1,622.6*

(1) Wendel has recognized the following principal customer relationship values: €236.0 million and €153.7 million upon the acquisition of Materis and Deutsch, respectively, in 2006 and €436.0 million upon taking control of Bureau Veritas in 2004. In 2011, the main changes related to Bureau Veritas (+€36.6 million) and Oranje-Nassau Développement's consolidation of Parcours (+€21.4 million), offset by the presentation of Deutsch under operations held for sale in line with IFRS 5 (-€192.3 million).

(2) As of December 31, 2011, "Brands" included mainly the following, in net value: €197.5 million related to Bureau Veritas, €587.0 million related to Materis and €51.0 million related to Oranje-Nassau Développement (Mecatherm).

(3) Changes due to operations sold or in the process of being sold related only to the reclassification of the assets of the Deutsch group.

(4) The impact of business combinations reflected mainly the impact of Oranje-Nassau Développement's acquisition of Parcours and Mecatherm.

NOTE 8 Property, plant & equipment

In millions of euros	12.31.2011 Gross amount	Depreciation, amortization and provisions	Net amount
Land	88.2	5.5	82.8
Buildings	356.1	179.5	176.6
Plant, equipment and tooling	1,711.8	815.0	896.8
Other property, plant & equipment	591.6	374.4	217.2
Assets under construction	61.6	-	61.6
TOTAL	**2,809.3**	**1,374.4**	**1,434.9**

In millions of euros	12.31.2010 Gross amount	Depreciation, amortization and provisions	Net amount
Land	99.7	5.7	94.0
Buildings	365.9	171.7	194.2
Plant, equipment and tooling	1129.7	701.3	428.4
Other property, plant & equipment	556.7	347.3	209.3
Assets under construction	62.5	-	62.5
TOTAL	**2,214.5**	**1,226.0**	**988.4**

Principal changes during the year and detail by company:

In millions of euros	2011	2010
Amount at beginning of year	988.4	847.2
Acquisitions (1)	371.6	170.5
Divestments	-11.0	-7.9
Changes due to “Operations held for sale” (2)	-84.7	-56.4
Impact of business combinations (3)	465.6	158.4
Parcours: reclassification in inventory of used vehicles (net)	-57.8	-
Impact of currency translation adjustments	-6.4	25.8
Depreciation, amortization and provisions recognized during the year	-230.8	-149.1
AMOUNT AT END OF YEAR	**1,434.9**	**988.4**
Bureau Veritas	*319.6*	*281.1*
Deutsch	-	*84.7*
Materis	*530.0*	*517.7*
Stahl	*93.9*	*96.9*
Oranje-Nassau Développement	*484.0*	-
Wendel and holding companies	*7.5*	*8.0*
Total	*1,434.9*	*988.4*

The change in property, plant & equipment during 2011 derived principally from:
(1) Oranje-Nassau Développement (€178.9 million in vehicles acquired by Parcours from April 1 to December 31, 2011), Bureau Veritas (€104.0 million) and Materis (€79.2 million).
(2) Reclassification in accordance with IFRS 5 of all of Deutsch's assets following Wendel's decision to sell the group.
(3) The acquisition of Parcours and Mecatherm by Oranje-Nassau Développement.
Parcours' fleet of leased vehicles is recognized under property, plant & equipment. Second-hand vehicles returned by customers at contract termination are recognized on the balance sheet under “Inventories” before being sold.

NOTE 9 Equity-method investments

In millions of euros	12.31.2011	12.31.2010
Saint-Gobain	4,788.7	4,883.2
Legrand	141.7	429.8
exceet	57.5	-
Helikos	-	15.2
Investments of Bureau Veritas	0.7	0.5
Investments of Materis	3.4	3.3
Investments of Stahl	2.1	2.2
TOTAL	**4,994.1**	**5,334.1**

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

In millions of euros	2011
Amount at beginning of year	5,334.1
Share in net income for the year	
Saint-Gobain	138.0
Legrand	55.4
Helikos	-1.7
exceet	0.1
Other	0.8
Dividends paid	-129.1
Impact of changes in currency translation adjustments	-18.6
Acquisition of exceet shares (1)	27.7
Increase in Helikos SPAC shareholding(1)	16.1
Sale of Legrand shares (1)	-308.4
Other	-120.4
AMOUNT AT DECEMBER 31, 2011	**4,994.1**

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

Note 9-1 Additional information on Saint-Gobain

In millions of euros	2011	2010
Carrying values at 100%		
Total assets (Saint-Gobain)	46,234	43,997
Impact of the revaluation of acquired assets and liabilities	4,522	4,996
Residual goodwill (excluding goodwill in Saint-Gobain's balance sheet)	5,720	5,720
Non-controlling interests	403	364
Total liabilities	28,016	25,765

In millions of euros	2011	2010
Net sales [(1)]	42,116	40,119
Operating income	3,441	3,117
Business income	2,646	2,524
Recurring net income, group share	1,736	1,335
Net income - group share	1,284	1,129
Impact of the revaluation of acquired assets and liabilities	-475	-471

(1) Net sales grew by 5.0% in 2011; organic growth totaled 5.0%.

Note 9-2 Additional information on Legrand

In millions of euros	12.31.2011	12.31.2010
Carrying values at 100%		
Total assets (Legrand)	6,655.5	6,064.7
Goodwill adjustment (Wendel)	-526.6	-525.5
Non-controlling interests	3.4	5.4
Total liabilities	3,706.3	3,328.7

	2011	2010
Net sales [(1)]	4,250.1	3,890.5
Adjusted operating income [(2)]	856.7	797.0
Operating income	812.3	757.6
Net income - group share	478.6	418.3

(1) Net sales grew by 9.2% in 2011; organic growth totaled 6.4%.
(2) Operating income restated for accounting items linked to the 2002 acquisition of Legrand France and impairment of goodwill (-€15.9 million in 2011, zero in 2010).

Note 9-3 Additional information on exceet

In millions of euros	09.30.2011
Carrying values at 100%	
Total assets (exceet)	177.6
Goodwill adjustment (Wendel)	116.9
Non-controlling interests	-
Total liabilities	92.4

As exceet's 2011 annual financial statements were not yet available when Wendel's 2011 financial statements were finalized, exceet's contribution to Wendel's income from equity-method investments was cut off as of September 30, 2011. Consequently only two months of exceet's operations were included in Wendel's 2011 net income from equity-method investments. The impact of the last three months on Wendel's financial statements would not have been significant.

Oranje-Nassau Développement's percentage interest in exceet Group SE is subject to the potentially dilutive effect of financial instruments issued by exceet (see Note 2 "Changes in scope of consolidation").

Note 9-4 Impairment tests on equity-method investments

The tests described below are based on Wendel's assessment of the facts and circumstances existing at the balance sheet date, as well as information available at the date the financial statements were finalized on situations existing at the end of December 2011. 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 2011 balance sheet date.

Note 9-4.1 Impairment test on Legrand shares, accounted for by the equity method

No indication of impairment was identified on Legrand, as its carrying value (€9.2/share or €141.7 million for the shares Wendel holds) was far below its fair value (share price at year-end: €24.85/share, or €382 million). As a result, no impairment was recognized.

Note 9-4.2 Impairment test on Saint-Gobain, accounted for by the equity method

An impairment test was performed on the Saint-Gobain shares, as their carrying amount in Wendel's consolidated financial statements, calculated according to the equity method, was higher than their market value.

In accordance with IAS 36, recoverable value was determined as the higher of (1) fair value, i.e. the share price at the balance sheet date (€29.67 per share, or €2,664 million for the 89.8 million Saint-Gobain shares accounted for under the equity method) or (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 calculating value in use was prepared by Wendel on the basis of publicly available information, including research on the sector published by leading forecasters, Wendel's internal analyses and studies carried out by Wendel. The assumptions underlying the business plan (trends in underlying markets, price effects, etc.) were developed by sector and by country. In accordance with IAS 36, these assumptions do not include a strategic acquisition, or any scenario under which Saint-Gobain would divest its packaging business. Finally, the assumptions used in calculating post-business plan cash flows (i.e. growth in sales and normative profitability) are based on an analysis of the historical performances of Saint-Gobain's activities over more than 20 years.

The long-term growth rate applied to post-business plan cash flows is the same as that used at December 31, 2010: 2%. The discount rate used was identical to that used at December 31, 2010: 8%; It was based, among other things, on market parameters (risk-free rate, market premium, beta) and took into account risks specific to the business plan.

As it was at December 31, 2010, the calculated value in use (€59.5/share) was higher than the carrying value of €53.3/share (€4,788.7 million for the 89.8 million equity-accounted shares). As a result, no impairment was recognized. The difference between the fair value (market price) and the value in use reflects Wendel's investment horizon and the significant influence Wendel exerts over Saint-Gobain.

A sensitivity analysis shows that if the discount rate were 0.5% higher, an impairment of €24 million would have to be recognized, and if the long-term growth rate were 0.5% lower, it would not be necessary to recognize any impairment. For value in use to be equal to the gross carrying amount (i.e. €53.3/share), the discount rate would have to be increased to 8.48% or the long-term growth rate reduced to 1.3%. If the normative margin used for cash flows after the end of the five-year business plan period were reduced by 100 basis points, a €200 million impairment charge would have to be recognized. Finally, the model as a whole is sensitive to the assumptions of the five-year business plan.

Note 9-4.3 Impairment test on exceet, accounted for by the equity method

An impairment test was performed inasmuch as the carrying value of these equity-accounted shares was higher than their market value.

In accordance with IAS 36, recoverable value was determined as the higher of (1) fair value, i.e. the share price at year-end (€44 million for the 5.7 million shares held) or (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 a five-year period, and in accordance with IAS 36, its assumptions do not include a strategic acquisition. The long-term growth rate applied to cash flows subsequent to the business plan was 2% p.a. and the discount rate was 9.6%. The dilutive instruments in exceet's capital (see Note 2 "Changes in scope of consolidation") were taken into account.

The calculated value in use was higher than the carrying value (€57.5 million for the shares held). As a result, no impairment was recognized.

A sensitivity analysis shows that if the discount rate were 0.5% higher, or if the long-term growth rate were 0.5% lower, it would not be necessary to recognize any impairment. For value in use to be equal to the gross carrying amount, the discount rate would have to be increased significantly or the long-term growth rate reduced significantly. Moreover, if the normative margin used for cash flows after the end of the five-year business plan period were reduced by 100 basis points, no impairment would have to be recognized.

NOTE 10 Inventories

In millions of euros	12.31.2011 Gross amount	Provisions	Net amount	12.31.2010 Net amount
At:				
Deutsch	-	-	-	95.2
Materis	291.6	19.4	272.2	256.0
Stahl	48.4	4.1	44.3	43.7
Oranje-Nassau Développement	33.0	0.7	32.3	-
TOTAL	**373.0**	**24.2**	**348.8**	**394.9**

NOTE 11 Receivables

In millions of euros	12.31.2011 Gross amount	Provisions	Net amount	12.31.2010 Net amount
At:				
Bureau Veritas	965.9	82.1	883.8	817.6
Deutsch	-	-	-	69.0
Materis	375.6	37.1	338.5	336.1
Stahl	72.5	3.8	68.7	65.6
Oranje-Nassau Développement	66.8	4.3	62.5	-
Wendel and holding companies	0.5	0.2	0.3	0.2
TOTAL	**1,481.3**	**127.5**	**1,353.9**	**1,288.4**

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

- Bureau Veritas: €359.0 million as of December 31, 2011 vs. €343.1 million as of December 31, 2010, of which €93.7 million and €101.0 million, respectively, were more than three months past due;
- Materis: €94.0 million as of December 31, 2011 vs. €83.1 million as of December 31, 2010, of which €25.6 million and €20.3 million, respectively, were more than three months past due.

NOTE 12 Cash and cash equivalents

In millions of euros	12.31.2011 Net amount	12.31.2010 Net amount
Pledged cash and cash equivalents of Wendel and its holding companies, classified as non-current financial assets (1)	146.6	609.2
Unpledged cash and cash equivalents of Wendel and its holding companies, classified as current financial assets	437.5	736.7
Cash and cash equivalents of Wendel and its holding companies (2)	**584.1**	**1,345.9**
Bureau Veritas	244.1	225.0
Deutsch	-	57.0
Materis	83.6	67.2
Stahl	20.3	20.9
Oranje-Nassau Développement	11.2	-
Cash and cash equivalents of subsidiaries classified as current financial assets	**359.2**	**370.0**
TOTAL	**943.3**	**1,715.9**

(1) Cash collateral granted to banks as part of the financing of the Eufor group (see Note 39 “Off-balance-sheet commitments” and Note 5-2 “Managing liquidity risk”).

(2) In addition to this cash, Wendel had €270.9 million in short-term financial investments at December 31, 2011 and €417 million at December 31, 2010 (see Note 5-2.1 “Wendel’s liquidity risk”).

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

Note 13-1 Financial assets

In millions of euros	Method for recognizing changes	Level	12.31.2011	12.31.2010
Pledged cash and cash equivalents of Wendel and its holding companies – A	Income statement (1)	1	146.6	609.2
Unpledged cash and cash equivalents of Wendel and its holding companies	Income statement (1)	1	437.4	736.7
Wendel's short-term financial investments	Income statement (1)	2	270.9	354.3
Assets held until maturity	Amortized cost	1	-	62.7
Cash and short-term financial investments of Wendel and its holding companies			**855.0**	**1,762.9**
Cash and cash equivalents of subsidiaries	Income statement (1)	1	359.2	370.0
Assets available for sale	Shareholders' equity (2)	3	6.8	8.0
Financial assets at fair value through profit or loss – B	Income statement (1)	1	74.6	2.3
Loans	Amortized cost	N/A	2.2	16.3
Deposits and guarantees	Amortized cost	N/A	34.0	30.8
Derivatives – C	Income statement (1)/Sh. equity (2)	See C	104.4	266.1
Other			36.8	29.5
TOTAL			**1,472.9**	**2,485.8**
of which non-current financial assets			***281.4***	***861.6***
of which current financial assets			***1,191.5***	***1,624.2***

(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	12.31.2011	12.31.2010
Derivatives – C	Income statement (1)/ Sh. equity (2)	See C	304.9	253.8
Other (incl. puts *held* by non-controlling shareholders)	N/A	N/A	99.4	24.2
TOTAL			**404.3**	**278.0**
of which non-current financial liabilities			***130.6***	***139.6***
of which current financial liabilities			***273.7***	***138.5***

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

Note 13-3 Details of financial assets and liabilities

A – Cash and cash equivalents (pledged and unpledged): pledged cash and cash equivalents are presented as non-current financial assets as they were not immediately available (see Note 12 "Cash and cash equivalents").

B – Includes 1.9 million Saint-Gobain shares with a value of €56.7 million (see Note 2 "Changes in scope of consolidation").

C – Derivatives:

		12.31.2011		12.31.2010	
In millions of euros	Level	Assets	Liabilities	Assets	Liabilities
Saint-Gobain puts (purchased) (1)	2	-	-	227.2	-
Saint-Gobain puts (written) (1)	2	-	194.3	-	143.9
Economically *neutral* put positions, March 2012 maturity	2	41.9	41.9	-	-
Commodity derivatives – hedging of cash flows	2	-	1.7	-	0.0
Interest rate swaps – hedging of cash flows (2)	2	43.4	30.7	30.5	84.9
Interest rate swaps – not qualifying for hedge accounting (2)	2	15.4	34.0	6.6	23.5
Other derivatives – not qualifying for hedge accounting	2	3.7	2.3	1.8	1.5
TOTAL		**104.4**	**304.9**	**266.1**	**253.8**
of which:					
Non-current portion		61.9	95.5	172.7	126.9
Current portion		42.5	209.3	93.4	126.9

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

Note 13-4 Puts on Saint-Gobain shares

Note 13-4.1 Puts purchased

In the context of the Eufor group's bank debt not subject to margin calls (Saint-Gobain investment financing), Wendel had purchased puts on part of its ownership interest in Saint-Gobain. In 2009 and 2010, confident in Saint-Gobain's growth prospects, Wendel sold two-thirds of these puts. These puts constituted a financial asset whose value varied inversely with the price of Saint-Gobain shares. The 13.4 million puts still held as of December 31, 2010 were all sold during the 1st half of 2011. Since the puts were sold, all of the Saint-Gobain shares held by Wendel have been subject to variations in the share price. The sale caused Wendel to recognize an accounting loss of €58.4 million in the 1st half of 2011. This loss corresponded to the difference between the €168.8 million in proceeds from the sale and the carrying value of the puts at December 31, 2010 (fair value based on the share price) of €227.2 million. This loss came about because the Saint-Gobain share price increased between the end of 2010 and the date the puts were sold. The total gain realized on these puts between the time they were purchased and the time they were sold in 2009, 2010 and 2011 was €291 million.

Note 13-4.2 Puts issued (written)

Wendel issued (wrote) 6.1 million puts on Saint-Gobain in 2007, whose value at the end of 2011 was a liability of €194.3 million, vs. a liability of €143.9 million at the opening date. The change in the value of these puts during 2011 caused Wendel to recognize a loss of €50.4 million. The carrying value of the puts is based on a mathematical model used to value options, which takes into account the market parameters prevailing at the balance sheet date, including share price, volatility, and liquidity of the underlyings. A change of +/-5% in Saint-Gobain's share price would have led to a change in the carrying value as of the closing date of approximately +/- €9 million, recognized on the income statement.

The maturity of these puts was extended for 12 months during the 2nd half of 2011. The new maturity dates range from September 2012 to March 2013. This extension was carried out so as to enable Wendel to take advantage of Saint-Gobain's growth prospects. Wendel believes these prospects will cause the share price to rise between now and the new maturity dates, enabling it to reduce the liability related to these puts.

Note 13-5 Interest rate swaps and foreign exchange hedges

The value of interest rate swaps is calculated by the counterparties on the basis of the yield curve at the balance sheet date and the present value of cash flows expected from the contracts. Wendel's finance department verifies the consistency of these calculations.

Notional amount	Characteristics (1)	Qualified as	Start (1)	Maturity (1)	12.31.2011	12.31.2010
	sign convention: (+) asset, (-) liability					
Hedging of bonds carried by Wendel						
	Hedging of bond maturing February 2011		pre-closing	02-2011		0.4
€100 million	Pay 3.98% against 4.21%		pre-closing	05-2016	1.0	1.2
€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%. Coupon: 3.49%		pre-closing	08-2017	2.1	1.1
					3.1	**2.7**
Hedging of Eufor's bank debt (2)						
€500 million	Pay 4.28% against Euribor	Hedge	pre-closing	11-2012	-14.5	
€400 million	Pay 1.75% against Euribor	Hedge	pre-closing	02-2014	-6.0	
€700 million	Pay 4.18% against Euribor		pre-closing	01-2012	-0.5	
€700 million	Pay 1.82% against Euribor		pre-closing	10-2013	-9.2	
					-30.3	**-66.6**
Hedging of subsidiaries' debt						
€50 million	Pay 3.47% against Euribor		pre-closing	06-2013	-1.8	
€70 million	Pay 4.64% against Euribor	Hedge	pre-closing	04-2013	-3.3	
€50 million	4.49%-4.98% interest rate collar on Euribor	Hedge	pre-closing	06-2012	-0.8	
€166 million	2.09%-3.01% interest rate collar on Euribor		pre-closing	01-2013	-1.9	
€200 million	1.13%-2.70% interest rate collar on Euribor		pre-closing	01-2013	-0.9	
€900 million	2.83% cap on Euribor		pre-closing	06-2013	0.1	
€50 million	Pay 1.51% against Euribor	Hedge	pre-closing	01-2013	-0.4	
€150 million	Pay 2.11% against Euribor	Hedge	pre-closing	04-2013	-1.5	
€50 million	2.15%-2.90% interest rate collar on Euribor		pre-closing	12-2012	-0.5	
$95 million	Pay 2.73% against Libor		pre-closing	12-2014	-4.3	
€44 million	Pay 1.38% against Libor		Jan-12	01-2015	-0.3	
Other derivatives					-0.6	
					-16.2	**-25.1**
	Cross currency swaps (3)	Hedge			39.6	17.8
	Cross currency swaps (3)				-2.0	
TOTAL					**-5.8**	**-71.2**

(1) The positions indicated in this table are aggregations of several similar contracts. The characteristics are therefore weighted averages.

(2) These swaps cover the risk of fluctuation in interest rates paid on floating rate bank borrowings. The net value at December 31, 2011 was -€30.3 million, vs. -€66.6 million at end-2010. The change in value of all swaps qualified as hedges and recognized under shareholders' equity was +€25.4 million for fiscal year 2011. The change in the value of non-qualified instruments and partially-effective hedges recognized through profit or loss was +€10.8 million. Finally, following the repayment of bank debt during the period, certain swaps were dequalified. As a result, €16.5 million in cumulative expenses recognized in hedging reserves were passed through the income statement. Overall, hedging reserves increased by €42 million and net income was reduced by €5.7 million.

(3) Bureau Veritas: a currency hedge was set up on the US private placement debt (see Note 16 "Financial debt") denominated in US dollars and pounds sterling, as well as on part of the bank debt tranche amortizable in US dollars, so as to convert the debt into euros. Any change in the value of these instruments is recognized in shareholders' equity and passed through profit or loss over the life of the loans.

NOTE 14 Shareholders' equity

Note 14-1 Number of shares outstanding

	Par value	Total number of shares	Treasury shares	Number of shares outstanding
As of 12.31.2010	€4	50,501,779	1,078,387	49,423,392
As of 12.31.2011	€4	50,560,975	2,114,155	48,446,820

Note 14-2 Treasury shares

150,000 shares were held under the liquidity contract as of December 31, 2011, (unit cost: €49.89 per share), an increase of 50,000 shares from end-2010.

As of December 31, 2011, Wendel held 1,964,155 of its shares in treasury outside of the context of the liquidity contract (978,387 as of December 31, 2010). These treasury shares are allocated to covering stock option exercises, bonus shares and performance shares.

In total, shares held in treasury represented 4.18% of the share capital as of December 31, 2011.

Note 14-3 Principal items in the statement of comprehensive income

	Assets available for sale	Qualified hedges	Deferred taxes	Total Group share	Non-controlling interests	Total shareholders' equity
AS OF 12.31.2009	**7.7**	**-142.1**	**4.3**	**-130.1**	**0.2**	**-129.8**
Changes in fair value during the year	2.3	51.3	-5.0	48.5	35.1	83.6
Amount recognized on the income statement	-5.5	517	0.1	46.2	-0.2	46.1
Other	0.0	-116	-	-11.6		-11.6
AS OF 12.31.2010	**4.4**	**-50.7**	**-0.6**	**-46.9**	**35.2**	**-11.7**
Changes in fair value during the year	0.8	28.7	-4.1	25.4	-2.6	22 8
Amount recognized on the income statement (1)	-1.7	16.5	-	14.9	-	14.9
Other	-	-0.5	-	-0.5	-	-0.5
AS OF 12.31.2011	**3.5**	**-6.0**	**-4.7**	**-7.2**	**32.6**	**25.4**

(1) *Qualified hedges – amount recognized on the income statement: Eufor group's interest-rate swap (see Note 13-5 "Interest rate swaps and foreign exchange hedges").*

Note 14-4 Non-controlling interests:

In millions of euros	12.31.2011	12.31.2010
Bureau Veritas group	614.5	500.7
Deutsch group	-3.7	-3.4
Materis group	-19.5	4.4
Stahl group	-0.5	-0.3
Parcours group	2.0	-
Mecatherm group	3.0	-
Other	8.2	7.3
TOTAL	**604.0**	**508.7**

NOTE 15 Provisions

In millions of euros	12.31.2011	12.31.2010
Provisions for risks and contingencies	129.2	155.0
Employee benefits	152.9	164.6
TOTAL	**282.1**	**319.6**
Of which non-current	*273.9*	*312.1*
Of which current	*8.2*	*7.5*

Note 15-1 Provisions for risks and contingencies

In millions of euros	12.31.2010	Additions	Reversals: used	Reversals: unused	Impact of discounting	Business combinations/ divestments	Translation adjustments, reclassifications	12.31.2011
Wendel and holding companies [1]	29.6	2.3	-3.6	-2.2				26.1
Bureau Veritas [2]								
Disputes and litigation	74.7	6.7	-15.8	-9.0	0.5		-1.6	55.5
Other	26.4	11.7	-10.8	-7.2			5.5	25.6
Deutsch	4.7					-4.7		
Materis	17.4	2.9	-4.4	-0.7		0.7	-0.2	15.7
Stahl	2.2	0.6	-1.1	-0.1				1.5
Oranje-Nassau Développement		**2.6**	**-1.1**			**3.3**		**4.8**
TOTAL	**155.0**	**26.8**	**-36.8**	**-19.2**	**0.5**	**-0.7**	**3.7**	**129.2**
- of which current	**7.5**							**8.2**

In millions of euros	12.31.2009	Additions	Reversals: used	Reversals: unused	Impact of discounting	Business combinations/ divestments	Translation adjustments, reclassifications	12.31.2010
Wendel and holding companies (1)	33.2	5.8		-9.3			-0.0	29.6
Bureau Veritas (2)								
Disputes and litigation	70.1	10.9	-4.4	-12.1	1.1	9.2	-0.1	74.7
Other	32.7	14.2	-15.4	-8.6		2.7	0.9	26.5
Deutsch	6.9	1.6	-3.8	-0.2			0.2	4.7
Materis	17.3	5.5	-5.6				0.3	17.4
Stallergenes	1.5					-1.5		
Stahl		0.3	-0.9	-0.1		2.8	0.1	2.2
TOTAL	**161.7**	**38.2**	**-30.2**	**-30.3**	**1.1**	**13.1**	**1.3**	**155.0**
- of which current	**12.2**							**7.5**

(1) These provisions cover certain disputes and a polluted land remediation risk.
The Odile Jacob publishing house has brought legal action against the Company in the Commercial Courts, seeking to cancel Wendel's acquisition and subsequent resale of the Editis group. The Court has issued a stay of proceedings, pending certain EU decisions. No provision has been recognized for this litigation.
As a result of tax audits carried out on companies in Wendel's tax consolidation group, the tax authority notified Wendel of a certain number of back tax assessments, which Wendel has contested. Should these assessments be maintained by the tax authority and become definitive, Wendel would opt for tax-loss carrybacks at the terms that were applicable in the years in question.
(2) In the normal course of its activities, Bureau Veritas is party to various disputes and legal actions that aim, among other things, to invoke its professional liability with regard to services it has provided. While Bureau Veritas pays the greatest attention to risk control and the quality of its services, some of those services can give rise to claims and result in financial penalties. Provisions have been recognized on the losses that may result from such litigation. The amount recognized is the best estimate of the amount necessary for extinguishing the debt, updated at the closing date. The costs that Bureau Veritas might be required to pay could exceed the amount of the provision for litigation due to a number of factors, in particular the uncertain outcome of litigation. Provisions for risks and contingencies on the balance sheet as of December 31, 2011 related principally to the following disputes:
- *a claim relating to the construction of a hotel and retail complex in Turkey;*
- *a claim pertaining to the crash of a Gabon Express flight.*

Note 15-2 Employee benefits

In millions of euros	12.31.2011	12.31.2010
Defined-benefit plans	77.9	74.6
Retirement bonuses	48.6	64.3
Other	26.5	25.7
TOTAL	**152.9**	**164.6**
Of which non-current	*152.9*	*164.6*
Of which current		

The breakdown by subsidiary was as follows:

	12.31.2011	12.31.2010
Bureau Veritas	104.8	102.7
Deutsch		14.2
Materis	37.7	31.2
Stahl	5.7	14.2
Oranje-Nassau Développement	1.9	
Wendel and holding companies	2.8	2.2
	152.9	**164.6**

The change in provisions for employee benefits broke down as follows for 2011:

Commitments	12.31.2010	Service costs	Actuarial gains and losses	Benefits paid	Interest cost	Curtailment and settlement	Business combinations	Translation adjustments and other	12.31.2011
Defined-benefit plans	267.3	7.3	-9.4	-7.7	9.9		-33.8	0.5	234.1
Retirement bonuses	91.2	7.3	1.8	-8.2	3.8	1.1	1.5	1.7	100.3
Other	31.2	2.1	2.1	-3.8	1.4	-0.0	-0.3	0.0	32.7
	389.7	**16.7**	**-5.5**	**-19.8**	**15.2**	**1.1**	**-32.6**	**2.3**	**367.1**

Partially-funded plan assets	12.31.2010	Return on assets	Employer contributions	Amounts used	Actuarial gains and losses	Business combinations	Translation adjustments and other	12.31.2011
Defined-benefit plans	192.6	7.3	7.1	1.0	-4.3	-20.9	-1.3	181.5
Retirement bonuses	26.9	1.4	-0.6			-0.0		27.7
Other	5.6	0.5			-1.0			5.0
	225.1	**9.2**	**6.4**	**1.0**	**-5.3**	**-21.0**	**-1.3**	**214.2**
Provision for employee benefits	**164.6**							**152.9**

The change in provisions for employee benefits broke down as follows for 2010:

Commitments	12.31.2009	Service costs	Actuarial gains and losses	Benefits paid	Interest cost	Curtailment and settlement	Business combinations	Translation adjustments and other	12.31.2010
Defined-benefit plans	160.6	4.6	18.1	-7.7	10.7		84.9	-3.9	267.3
Retirement bonuses	86.4	6.4	4.9	-8.6	4.0	0.5	0.3	-2.8	91.2
Other	27.6	2.4	1.8	-2.3	1.3	0.0	0.2	0.3	31.2
	274.6	**13.4**	**24.7**	**-18.6**	**16.0**	**0.5**	**85.4**	**-6.4**	**389.7**

Partially funded plan assets	12.31.2009	Return on assets	Employer contributions	Amounts used	Actuarial gains and losses	Business combinations	Translation adjustments and other	12.31.2010
Defined-benefit plans	108.7	5.6	4.8	3.0	2.6	70.2	-2.3	192.6
Retirement bonuses	28.7	1.5	-0.5				-2.7	26.9
Other	6.1	0.4			-0.9			5.6
	143.4	**7.5**	**4.4**	**3.0**	**1.6**	**70.2**	**-5.0**	**225.1**
Provision for employee benefits	**131.2**							**164.6**

Liabilities on defined-benefit plans broke down as follows:

	12.31.2011	12.31.2010
Fully unfunded liabilities	63.2	70.8
Partially or fully-funded liabilities	303.6	318.9
TOTAL	**367.1**	**389.7**

Assets of defined-benefit plans broke down as follows as of December 31, 2011:

	2011	2010
Insurance company funds	42%	40%
Equity instruments	18%	22%
Debt instruments	32%	27%
Cash and other	8%	10%

Expenses recognized on the income statement broke down as follows:

	2011	2010
Expenses recognized on the income statement with respect to defined-benefit plans		
Service costs during the year	16.7	13.4
Interest cost	15.2	14.3
Expected return on plan assets	-9.2	-7.6
Past service costs	0.2	0.5
Impact of plan curtailments or settlements	1.5	0.8
TOTAL	**24.5**	**21.5**
Expenses recognized on the income statement with respect to defined-contribution plans	**60.9**	**51.9**

Since January 1, 2006, Wendel has chosen to apply the option allowed under IAS 19.93A to recognize actuarial differences directly in shareholders' equity (see "Accounting principles").

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 medals.

The principal actuarial assumptions used in France to calculate these commitments are as follows: average discount rate = 4.8%; average salary increase rate = 2.5% (Germany: 2.5%, France: 3,3%, Italy: 2.0%, Netherlands: 1.7%, United Kingdom: 2.,8%).

2. Commitment characteristics and actuarial assumptions applied at Materis

Retirement bonuses: calculated mainly on the basis of employees' seniority when they retire. These plans concern France, the United States, Belgium, Portugal, Italy, Brazil and South Africa. Actuarial assumptions vary from one country to another. The main assumptions were as follows: discount rate between 4.50% (Europe) and 10.8% (Brazil), inflation rate between 2% (Europe) and 5.6% (South Africa), salary increase rate between 2.3% (Europe) and 7.1% (Brazil), and return on assets between 4.5% (Europe) and 11.2% (Brazil).

3. Commitment characteristics and actuarial assumptions applied at Stahl

Stahl employee benefits in the Netherlands, Italy, the United Kingdom, the United States and Mexico concern the following defined-benefit plans, depending on the country:

- partially-funded retirement plans;
- retirement bonuses, in particular in Italy;
- long service medals.

Its main actuarial assumptions were as follows: discount rate of 4.5% and average inflation rate of 2.2%.

4. Commitment characteristics and actuarial assumptions applied at Wendel:

The retirement plan set up in 1947 by "Les Petit-fils de François de Wendel et Cie", which has since become Wendel, is a defined-benefit plan that was closed to new entrants on December 31, 1998. It still covers employees who worked in the Company prior to that date, provided they retire while employed by the Company. Its main actuarial assumptions are as follows: discount rate: 3.5%; inflation rate: 1.5%; salary increase rate: between 1.5% and 3% depending on category; employee turnover rate: proportional to age.

NOTE 16 Financial debt

For a description of the terms of financial debt and related covenants, see Note 5-2 “Managing liquidity risk”.

In millions of euros	Currency	Coupon rate	Effective interest rate [b]	Maturity	Repayment	Overall line	12.31.2011	12.31.2010
Wendel								
2011 bonds	EUR	5.000%	5.160%	02.2011	at maturity			334.8
2014 bonds	EUR	4.875%	4.930%	11.2014	at maturity		393.5	400.0
2014 bonds – tranche 2	EUR	4.875%	8.777%	11.2014	at maturity		300.0	300.0
2015 bonds	EUR	4.875%	4.910%	09.2015	at maturity		400.0	400.0
2016 bonds	EUR	4.875%	5.020%	05.2016	at maturity		392.6	400.0
2016 bonds – tranche 2	EUR	4.875%	6.142%	05.2016	at maturity		300.0	300.0
2017 bonds	EUR	4.375%	4.460%	08.2017	at maturity		292.0	300.0
2017 bonds – tranche 2	EUR	4.375%	5.730%	08.2017	at maturity		400.0	400.0
2018 bonds	EUR	6.750%	6.949%	04.2018	at maturity		300.0	-
Syndicated loan	EUR	Euribor+margin		09.2013	revolving credit	€950 M	500.0	-
	EUR	Euribor+margin		09.2014	revolving credit	€250 M		-
Amortized cost of bonds							-75.2	-89.3
Accrued interest							56.8	40.0
							3,259.7	**2,785.5**
Eufor – (Saint-Gobain investment financing)								
Bank borrowings	EUR	Euribor+margin		07.2013, 03.2014, 12.2014	amortizing revolving credit	€800 M	500.0	800.0
Bank borrowings	EUR	Euribor+margin		11.2013, 05.2014, 11.2014	amortizing revolving credit	€300 M	60.0	
Bank borrowings [a]	EUR	Euribor+margin		2016, 01.2017	amortizing	€875 M	425.0	455.0
Bank borrowings [a]	EUR	Euribor+margin		06.2015	at maturity		400.0	800.0
Bank borrowings [a]	EUR	Euribor+margin		04.2013/2014/ 2015	amortizing			630.6
Bank borrowings	EUR	Euribor		12.2011, 03.2012	amortizing			729.1
Accrued interest							14.5	25.4
							1,399.5	**3,440.1**
Holding companies								
Loans from non-controlling shareholders							13.5	10.7
							13.5	**10.7**

In millions of euros	Currency	Coupon rate	Effective interest rate [b]	Maturity	Repayment	Overall line	12.31.2011	12.31.2010
Bureau Veritas								
Bank borrowings	USD	Libor+margin		05.2013	amortizing		95.1	153.4
Bank borrowings	EUR	Euribor+margin		05.2013	amortizing		5.0	8.4
Bank borrowings	EUR	Euribor+margin		05.2012, 05.2013	revolving credit	€550 M	84.0	150.0
Bank borrowings	GBP	Libor+margin		05.2012, 05.2013	revolving credit		20.4	52.3
Bank borrowings	USD	Libor+margin		05.2012, 05.2013	revolving credit		230.0	222.7
Bank borrowings	EUR	Euribor+margin		10.2012	at maturity		150.0	150.0
French private placement	EUR	Euribor+margin		06.2015	at maturity	€200 M	50.0	50.0
US private placement	EUR	Fixed		07.2019	at maturity		184.1	184.1
US private placement	USD	Fixed		07.2018, 07.2020	amortizing		205.6	199.1
US private placement	GBP	Fixed		07.2018, 07.2020	amortizing		75.4	73.2
US private placement	USD	Fixed		10.2021	at maturity	$200 M	77.3	
German private placement	EUR	Euribor+margin		06.2015, 12.2016	amortizing		54.0	
Deferred issuance costs							-2.8	-3.8
Other liabilities							37.4	55.2
							1,265.6	**1,294.6**
Deutsch (reclassified under liabilities of operations held for sale as of 12.31.2011)							**-**	**510.8**
Materis								
Bank borrowings (mezzanine PIK)	EUR	Euribor+margin		04.2016	at maturity		380.2	341.8
Bank borrowings (second lien)	EUR	Euribor+margin		10.2015	at maturity		140.0	140.0
Bank borrowings (senior)	EUR	Euribor+margin		04.2013	at maturity		168.1	169.2
Bank borrowings (senior)	EUR	Euribor+margin		04.2014	at maturity		381.6	387.7
Bank borrowings (senior)	EUR	Euribor+margin		04.2015	at maturity		414.4	421.1
Bank borrowings	EUR	Euribor+margin		04.2013	at maturity	€145 M	96.8	108.4
Bank borrowings (revolving credit)	EUR	Euribor+margin		04.2013	revolving credit	€125 M	78.5	49.0
Bank borrowings (acquisition)	EUR	Euribor+margin		04.2013	at maturity	€150 M	125.0	127.7
Bank borrowings (acquisition 2)	EUR	Euribor+margin		04.2014, 04.2015	amortizing	€100 M	48.6	25.3
Deferred issuance costs							-24.6	-33.6
Shareholder loans							50.2	44.2
Other borrowings and accrued interest							89.5	99.7
							1,948.4	**1,880.6**

In millions of euros	Currency	Coupon rate	Effective interest rate (b)	Maturity	Repayment	Overall line	12.31.2011	12.31.2010
Stahl								
Bank borrowings (second lien PIK)	USD	Fixed		12.2017	at maturity		53.8	48.1
Bank borrowings (senior)	USD	Libor+margin		12.2014	amortizing		102.0	103.1
Bank borrowings (senior)	EUR	Euribor+margin		12.2014	amortizing		42.4	44.3
Bank borrowings (revolving credit)	USD	Libor+margin		11.2014	revolving credit	$36 M	4.6	4.5
Deferred issuance costs								-1.8
Shareholder loans							4.3	4.0
Other borrowings and accrued interest							2.3	2.0
							209.4	**204.1**
Parcours								
Bank borrowings	EUR						352.7	
Other borrowings and accrued interest							19.1	
							371.8	
Mecatherm								
Bank borrowings (senior)	EUR						66.0	
Deferred issuance costs							-3.1	
Other borrowings and accrued interest							2.2	
							65.1	
TOTAL							**8,533.0**	**10,126.5**
Of which current							595.6	890.8
Of which non-current							7,937.3	9,235.7

(a) 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.
(b) The effective interest rate is calculated inclusive of issue premiums/discounts and bank issuance fees.

Note 16-1 Principal changes during 2011

Note 16-1.1 Wendel

The 2011 bond, with a par value of €334.8 million at December 31, 2010, was repaid at maturity on February 16, 2011.

In late April 2011, Wendel successfully issued bonds with a par value of €300 million, bearing interest at 6.75% and maturing on April 20, 2018. The issue price was 99.324%, and net proceeds were €298 million. The yield (total financial cost) on this issue is 6.875%. Proceeds from the bond issue were used for early repayment of Eufor's bank debt with a much shorter maturity (financing of investment in Saint-Gobain, see below). This increased the average maturity of Wendel's and its holding companies' financing and simplified the financial structure by shifting towards bond debt without financial covenants or security, and away from bank borrowings.

Moreover, €500 million of the €1,200 million syndicated credit (€950 million maturing in September 2013 and €250 million maturing in September 2014) was drawn down in June 2011. The drawdown was used to partly finance the early repayment of €630.6 million of Eufor's bank debt (see below). This transaction reduced the amount of debt subject to margin calls. It also reduced the financial liabilities of Wendel and its holding companies insofar as the margin on the syndicated credit is significantly lower than it is on the €630.6 million loan.

Finally, as part of Wendel's active management of its cash balances and financial structure and in light of the particularly high secondary market yields on its bonds, Wendel repurchased and canceled part of its outstanding bonds at the end of 2011 as follows:

- €6.46 million (par value) of the 2014 bonds for €6.44 million, thereby reducing the par value of these bonds still outstanding to €693.54 million as of end-2011. These repurchases represented an average yield of 5%;

- €7.4 million (par value) of the 2016 bonds for €6.7 million, thereby reducing the par value of these bonds still outstanding to €692.6 million as of end-2011. These repurchases represented an average yield of 7.4%;
- €8 million (par value) of the 2017 bonds for €6.75 million, thereby reducing the par value of these bonds still outstanding to €692 million as of end-2011. These repurchases represented an average yield of 7.9%.

The difference between the par value and the repurchase price was recognized under financial income, representing €2 million in 2011. As of March 13, 2012, the date the financial statements were finalized, a par value of €59.5 million of these three series had been repurchased, thereby reducing them as follows:

- €663.8 million for the 2014 bonds; the amounts repurchased represented an average yield of 4.6%;
- €684.7 million for the 2016 bonds; the amounts repurchased represented an average yield of 6.9%; and
- €692 million for the 2017 bonds; the amounts repurchased represented an average yield of 7.9%.

Overall, the par value repaid in 2011 and 2012 exceeded the price paid by €2.2 million.

Note 16-1.2 Eufor group (Saint-Gobain investment financing)

The Eufor group's bank debt was very significantly reduced in 2011, from €3,415 million to €1,385 million (par values), as follows:

- bank borrowings not subject to margin calls were collateralized by the Saint-Gobain shares they financed and by puts purchased on Saint-Gobain. As all the puts were sold in the 1st half of 2011 (see Note 13-4 on certain derivatives), Wendel repaid the entire outstanding balance of €729.1 million of debt not subject to margin calls prior to maturity (December 2011 to March 2012 maturities). This repayment was made possible in part by the proceeds on the sales of these puts (€168.8 million), with Wendel covering the rest in cash;
- Wendel made an early repayment of half of the €800 million bank loan subject to margin calls and maturing in 2015. As of December 31, 2011, this debt therefore totaled €400 million. This repayment did not have an impact on available cash as it was made with cash pledged as collateral. This transaction reduced the cost of net debt by reducing the cost of carry.
- the €630.6 million of bank debt subject to margin calls and maturing in 2013-2014-2015 was repaid prior to maturity in June 2011. This repayment was financed in large part by drawdowns on the syndicated credit line, the cost of which is significantly lower (see above);
- Wendel made an early repayment of €30 million of the €455 million credit maturing in 2014-2015, bringing this debt down to €425 million as of December 31, 2011. Furthermore, in July 2011, an amendment to the agreement for this facility, which also covers the undrawn €600 million line, was signed. The amendment extends the maturity dates of both the drawn and undrawn lines by 19 months, to January 2016 for half and January 2017 for the other half. It also brought about a reduction in the cost of the lines and more flexibility in the security arrangements. The outstanding undrawn credit line was reduced from €600 million to €450 million in return for eliminating the obligation to put up €150 million in cash collateral as an initial guarantee;
- the available line of credit maturing in 2013-2014 (€300 million undrawn as of December 31, 2010) was drawn down by €60 million in August 2011 to finance the purchase of Saint-Gobain shares. See Note 2, "Changes in scope of consolidation";
- lastly, in the 2nd half of 2011, Wendel made an early repayment of €300 million of the €800 million bank loan maturing in 2013-2014, the Eufor group's shortest maturities. As of December 31, 2011, the amount drawn down under this facility was thus €500 million, maturing in 2014. The repaid borrowings can nevertheless be redrawn at any time. This repayment reduced the cost of Wendel's financial structure, while maintaining its flexibility.

Note 16-1.3 Bureau Veritas

In October 2011 Bureau Veritas implemented a $200 million multi-currency credit line with a US financial institution (US private placement) and confirmed use of a $100 million portion of the line. The facility matures in October 2021. In addition, in December 2011, Bureau Veritas implemented a €54 million German private placement ("*Schuldschein*"), with repayment at maturity. The facility matures in two parts: €5 million in June 2015 and €49 million in December 2016.

Note 16-1.4 Changes in scope of consolidation in 2011

The bank debt of Parcours and Mecatherm have been consolidated since Wendel took control of these subsidiaries. See Note 2 "Changes in scope of consolidation in fiscal year 2011" and Note 5-2.5 "Managing liquidity risk" concerning Parcours and Mecatherm.

Note 16-1.5 Reclassification of Deutsch's assets and liabilities under operations held for sale

At the end of 2011, Deutsch was reclassified under operations held for sale. As such its bank debt was reclassified under "Liabilities of operations held for sale" and no longer appears under the "Financial debt" line item (see Note 2 "Changes in scope of consolidation in fiscal year 2011"). As of December 31, 2011 Deutsch was in compliance with the covenants applying to its credit facilities.

Note 16-2 Financial debt maturity schedule

In millions of euros	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Wendel par value (1)	0	-2,286	-992	-3,278
Eufor par value	0	-1,173	-213	-1,385
Wendel and Eufor interest (2)	-289	-577	-46	-912
Subsidiaries and associates				
■ par value	-548	-2,628	-625	-3,801
■ interest (2)	-147	-490	-78	-716
TOTAL	**-985**	**-7,154**	**-1,953**	**-10,092**

(1) The schedule showing the par values of Wendel's debt does not take into account its short position in puts. The amount to be paid out on these puts depends on the Saint-Gobain share price at maturity. As of December 31, 2011, the market value of these puts represented a liability of €194.3 million. Of this amount, €152.3 million had a maturity of less than one year, with the balance maturing in 2013.

(2) Interest is calculated on the basis of the yield curve prevailing on December 31, 2011. Interest on debt and interest-rate hedges does not reflect interest earned on invested cash.

Note 16-3 Market value of gross financial liabilities

The fair value of bond debt is the market price on December 31, 2011. LBO borrowings (Materis and Stahl) were valued on the basis of quotes received from top-tier banks. For Eufor borrowings, carrying value was considered representative of market value, given the specific structure, the variable interest-rate indexation and the level of collateral. The value of the syndicated loan (indexed on variable interest rates) is also its carrying value.

In millions of euros	12.31.2011	12.31.2010
Wendel	3,114.3	2,746.8
Eufor (Saint-Gobain investment financing)	1,400.6	3,440.1
Operating subsidiaries	3,586.4	3,656.4
TOTAL	**8,101.3**	**9,843.3**

NOTE 17 Trade payables

In millions of euros	12.31.2011	12.31.2010
Bureau Veritas	228.4	225.0
Deutsch	-	28.2
Materis	254.9	252.7
Stahl	29.5	29.5
Oranje-Nassau Développement	83.6	-
Wendel and holding companies	3.4	5.5
TOTAL	**599.8**	**540.9**

NOTE 18 Other current liabilities

In millions of euros	12.31.2011	12.31.2010
Other current liabilities		
Bureau Veritas	423.6	423.7
Deutsch	-	26.7
Materis	172.8	160.7
Stahl	21.3	25.5
Oranje-Nassau Développement	21.6	-
Wendel and holding companies	11.5	15.4
	650.8	**652.0**
Deferred revenue	87.5	91.3
TOTAL	**738.3**	**743.3**

NOTE 19 Current and deferred taxes

Details of current taxes are as follows:

In millions of euros	12.31.2011	12.31.2010
Current tax assets		
Bureau Veritas	36.3	21.3
Deutsch	-	0.6
Stahl	3.3	2.7
Oranje-Nassau Développement	1.5	-
Wendel and holding companies	5.8	5.5
	46.9	**30.0**
Current tax liabilities		
Bureau Veritas	84.8	81.4
Deutsch	-	3.8
Materis	4.4	1.6
Stahl	0.5	0.8
Oranje-Nassau Développement	0.9	-
Wendel and holding companies	0.2	-
	90.8	**87.5**

Details of deferred taxes are as follows:

In millions of euros	12.31.2011	12.31.2010
Deferred tax assets		
Bureau Veritas	91.9	74.2
Deutsch	-	2.0
Materis	48.5	45.5
Stahl	4.9	7.6
Oranje-Nassau Développement	9.7	-
Wendel and holding companies	0.5	0.4
	155.5	**129.8**
Deferred tax liabilities		
Bureau Veritas	147.7	145.7
Deutsch	-	7.9
Materis	394.3	405.0
Stahl	19.7	22.2
Oranje-Nassau Développement	34.8	-
Wendel and holding companies	-	-
	596.4	**580.9**
NET DEFERRED TAX LIABILITIES	**-440.9**	**-451.1**

The change in deferred taxes is as follows:

In millions of euros	2011	2010
Amount at beginning of year	**-451.1**	**-437.1**
Changes through profit or loss	45.8	52.8
Changes through shareholders' equity	-4.3	-3.2
Translation adjustments	0.5	-1.8
Business combinations	-33.5	-61.8
Other	1.6	-
AMOUNT AT END OF YEAR	**-440.9**	**-451.1**

NOTE 20 Assets and liabilities of operations held for sale

Note 20-1 Assets and liabilities of operations held for sale

As of December 31, 2011, assets held for sale were composed primarily of assets of the Deutsch group (see Note 2 “Changes in scope of consolidation”).

As of December 2011, the assets of the Deutsch group totaled €899.6 million and liabilities excluding intragroup loans and debts totaled €643.8 million.

In millions of euros	Assets		Liabilities and shareholders’ equity
Goodwill and other intangible assets, net	493.6	Shareholders’ equity – Wendel Group share	-122.6
Property, plant & equipment, net	77.9	Shareholders’ equity – non-controlling interests	-3.7
Inventories	109.2	Shareholder loans – Wendel Group	382.1
Trade receivables	83.8	Shareholders loans – non-controlling interests	36.3
Cash	115.2	Financial debt (1)	484.1
Other	19.8	Trade payables	36.4
		Deferred tax liabilities	17.3
		Other	69.7
TOTAL	**899.6**		**899.6**

(1) In light of the change of control clause in Deutsch’s loan agreements, this financial debt was reclassified under current liabilities in Deutsch’s financial statements.

As of December 31, 2010, assets held for sale consisted principally of Saint-Gobain shares received as the 2010 dividend, which Wendel decided to sell in 2011 (see Note 2 “Changes in scope of consolidation” with respect to Saint-Gobain).

Note 20-2 Net income from discontinued operations and operations held for sale

In millions of euros	2011	2010
Gain on divestments		
Stallergenes	-	300.2
Oranje-Nassau Groep – oil & gas business	0.4	-
	0.4	**300.2**
Share in net income for the year from discontinued operations		
Deutsch – share in net income of the year	-11.5	-16.1
Wendel and holding companies – interest income on loans to the Deutsch group	40.6	32.7
Stallergenes	-	26.6
	29.1	**43.2**
TOTAL	**29.4**	**343.4**

Deutsch income statement:

In millions of euros	2011	2010
Net sales [1]	485.9	422.6
Adjusted operating income [2]	104.8	85.0
Other operating income and expenses	-3.6	-3.0
Operating income	101.2	82.0
Net financial expense	-29.7	-26.0
Tax expense	-17.0	-7.6
Recurring net income	**54.5**	**48.4**
Non-recurring income (loss)	**-50.8**	**-39.1**
Impact of goodwill allocation	**-14.5**	**-18.7**
Asset impairment	**-0.8**	**-6.8**
Net income (loss)	**-11.5**	**-16.1**
of which: Net income – Group share	**-10.3**	**-17.3**

(1) Net sales grew by 15.0%; organic growth totaled 18.7%
(2) Operating income before the impact of goodwill allocation, non-recurring items and management fees.

4.9 Notes to the income statement

NOTE 21 Net sales

In accordance with IFRS 5, the net sales of Stallergenes, sold in the 2nd half of 2010 and Deutsch, subsidiary held for sales as of December 31, 2011, have been reclassified in operations held for sale.

In millions of euros	2011	2010	% Change	Organic growth
Bureau Veritas	3,358.6	2,929.7	14.6%	6.2%
Materis	2,027.0	1,854.7	9.3%	7.9%
Stahl	334.5	284.0	NS	NS
Oranje-Nassau Développement (1)				
■ Parcours	208.1	-	NS	NS
■ Mecatherm	25.0	-	NS	NS
CONSOLIDATED NET SALES	**5,953.1**	**5,068.3**	**17.5%**	**6.5%**
Stahl (12-month contribution)	334.5	330.1	1.3%	1.7%
Oranje-Nassau Développement (12-month contribution) (1)				
■ Parcours (estimated) (2)	271.4	242.6	11.9%	11.9%
■ Mecatherm (estimated) (2)	85.6	88.9	-3.7%	-3.7%
TOTAL INCLUDING STAHL AND ORANJE-NASSAU DÉVELOPPEMENT IN 2010 AND 2011	**6,077.1**	**5,446.0**	**11.6%**	**6.6%**

(1) Oranje-Nassau Développement includes:
- *the activities of the Parcours group for the nine-months since the Wendel Group took control.*
  In accordance with IFRS, Parcours' revenues include €57.0 million in sales of second-hand vehicles for the nine-month period from the date the Wendel Group took control. These sales totaled €73.7 million and €63.0 million over all of 2011 and 2010, respectively;
- *the activities of the Mecatherm group for the three-month period from the date the Wendel Group took control.*

(2) Unaudited.

Consolidated net sales broke down as follows:

In millions of euros	2011	2010
Sales of goods	2,437.9	2,133.3
Sales of services	3,515.2	2,935.0
CONSOLIDATED NET SALES	**5,953.1**	**5,068.3**

NOTE 22 Operating expenses

In millions of euros	2011	2010
Purchases and external charges	2,662.3	2,235.9
Personnel costs	2,221.9	1,945.2
Taxes other than income taxes	94.4	83.0
Other operating expenses	11.6	19.0
Depreciation & amortization	322.1	228.9
Net additions to provisions	-10.7	-5.8
TOTAL	**5,301.7**	**4,506.1**

Note 22-1 R&D costs recognized as expenses

In millions of euros	2011	2010
Materis	22.4	20.9
Stahl	4.2	3.0
Oranje-Nassau Développement	0.3	-

Note 22-2 Average number of employees at consolidated companies

	2011	2010
Bureau Veritas	52,148	47,969
Deutsch	3,542	2,928
Materis	9,821	9,488
Stahl	1,215	1,159
Oranje-Nassau Développement	564	-
Wendel and holding companies	73	72

NOTE 23 Income from ordinary activities

In millions of euros	2011	2010
Bureau Veritas	486.5	420.5
Materis	163.7	165.4
Stahl	26.6	20.3
Oranje-Nassau Développement	21.8	-
Wendel and holding companies	-42.6	-43.4
INCOME FROM ORDINARY ACTIVITIES	**656.1**	**562.8**

NOTE 24 Other operating income and expenses

In millions of euros	2011	2010
Net gains (losses) on divestment of consolidated investments	-0.4	-8.9
Restructuring costs	-10.2	-11.4
Impairment of assets (1)	-86.4	-1.7
Other income and expenses	-5.0	-1.3
TOTAL	**-101.9**	**-23.3**

(1) In 2011: Essentially asset impairment of €70.3 million at Materis and €16.1 million at Bureau Veritas.

NOTE 25 Finance costs, net

In millions of euros	2011	2010
Income from cash and cash equivalents	**13.1**	11.2
Finance costs, gross		
Interest expense	-451.1	-494.1
Interest expense on shareholder loans from non-controlling interests	-7.6	-6.7
Deferral of debt issuance costs and premiums/discounts (calculated according to the effective interest method)	-28.0	-19.5
	-486.6	**-520.2**
TOTAL	**-473.5**	**-509.0**

NOTE 26 Other financial income and expense

In millions of euros	2011	2010
Gains (losses) on disposals of assets available for sale	-0.3	2.0
Dividends received from unconsolidated companies	1.7	6.6
Income on interest rate, currency and equity derivatives (1)	-119.4	67.1
Interest on other financial assets	6.7	6.1
Net currency exchange gains (losses)	-15.8	7.9
Impact of discounting	-7.1	-7.8
Gain on buyback of discounted debt	2.1	11.0
Other (2)	-23.4	-8.1
TOTAL	**-155.4**	**84.7**

(1) In 2011, this line item included a €108.7 million loss on the sale and the change in fair value of the put options on Saint-Gobain shares, vs. a gain of €46.7 million in 2010 (see Note 13 "Financial assets and liabilities").

(2) In 2011, the amount included a €23 million gain on the sale of Saint-Gobain shares received as a dividend in 2010 (see "Changes in scope of consolidation").

NOTE 27 Tax expense

In millions of euros	2011	2010
Current income tax	-184.0	-172.8
Deferred taxes	45.8	48.3
TOTAL	**-138.2**	**-124.5**

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

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

In millions of euros	Wendel and holding companies	Operating subsidiaries	TOTAL
Income before tax expense, net income from equity-method subsidiaries and net income from discontinued operations and operations held for sale	-407.3	332.4	-74.8
Theoretical amount of tax expense calculated on the basis of a rate of 34.43%	140.2	-114.5	25.8
Impact of:			
Uncapitalized tax losses of Wendel/holding companies and transactions subject to reduced tax rates at the holding company level	-139.9		
Uncapitalized tax losses at the operating subsidiary level		-16.8	
Reduced tax rates and foreign tax rates at the operating subsidiary level		36.3	
CVAE tax paid by operating subsidiaries		-16.6	
Exceptional contribution paid by operating subsidiaries		-7.1	
Impairment of goodwill		-29.7	
Other		9.9	
Actual tax expense	**0.3**	**-138.5**	**-138.2**

NOTE 28 Net income (loss) from equity-method investments

In millions of euros	2011	2010
Net income including impact of goodwill allocation		
Saint-Gobain	138.0	116.0
Legrand	55.4	99.2
Helikos [1]	-1.7	-5.6
exceet [2]	0.1	-
Other companies	0.8	0.4
Sale of Legrand shares	**631.3**	**225.9**
Impact of Legrand dilution	**-0.1**	**-0.2**
Impairment of equity-accounted Saint-Gobain shares [4]	**-**	**373.4**
Impact of dilution on the Saint-Gobain investment	**-8.8**	**0.8**
Increase in Helikos SPAC shareholding [3]	**16.1**	**-**
TOTAL	**831.1**	**809.8**

In 2011, this line item included:
(1) a €1.7 million loss of the Helikos SPAC up to the date of the acquisition of exceet;
(2) the net income of exceet for a two-month period from the acquisition date until September 30, 2011;
(3) a €16.1 million gain realized at the time of the acquisition of exceet by the Helikos SPAC (see Note 2 "Changes in scope of consolidation").
In 2010, this line item included:
(4) the reversal of the impairment provision and the effect of reclassifying the shares received as dividends from Saint-Gobain under assets held for sale.

NOTE 29 Earnings per share

In euros and millions of euros	2011	2010
Net income – Group share	525.4	1,002.3
Impact of dilutive instruments on subsidiaries	-5.9	-6.4
Diluted net income	**519.5**	**995.9**
Average number of shares, net of treasury shares	48,751,612	49,707,545
Potential dilution due to Wendel stock options [1]	780,627	565,666
Diluted number of shares	**49,532,239**	**50,273,211**
Basic earnings per share (in euros)	10.78	20.16
Diluted earnings per share (in euros)	10.49	19.81
Basic earnings per share from continuing operations (in euros)	10.15	13.57
Diluted earnings per share from continuing operations (in euros)	9.87	13.29
Basic earnings per share from discontinued operations (in euros)	0.63	6.59
Diluted earnings per share from discontinued operations (in euros)	0.62	6.52

(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.

4.10 Notes on changes in cash position

NOTE 30 Acquisitions of property, plant & equipment and intangible assets

In millions of euros	2011	2010
By Bureau Veritas	116.4	77.3
By Deutsch	-	13.0
By Materis	84.1	86.7
By Stahl	8.6	4.3
By Oranje-Nassau Développement (1)	180.4	-
By Wendel and holding companies	0.3	1.1
TOTAL	**389.8**	**182.4**

(1) Includes €179.0 million of vehicles purchased and leased out by Parcours.

NOTE 31 Disposals of intangible assets and property, plant & equipment

Disposals of intangible assets and property, plant & equipment include principally €57.0 million in the sales of Parcours' second-hand vehicles.

NOTE 32 Acquisition of equity investments

In millions of euros	2011	2010
By Oranje-Nassau Développement:		
■ Parcours (1)	108.4	-
■ Mecatherm (1)	111.6	-
■ exceet/Helikos (2)	27.8	22.3
By Bureau Veritas (3)	84.0	583.0
By Materis	26.3	25.3
By Deutsch (4)	-	30.2
Saint-Gobain shares (5)	63.1	-
Other securities	0.7	0.9
TOTAL	**421.9**	**661.7**

(1) Acquisition of Parcours and Mecatherm by Oranje-Nassau Développement (see Note 2 "Changes in scope of consolidation").
(2) In 2011, additional investment at the time of the acquisition of exceet by the Helikos SPAC (see Note 2 "Changes in scope of consolidation").
(3) In 2010, principally Inspectorate.
(4) In 2010, Deutsch bought out the non-controlling interests of LADD, its subsidiary.
(5) See Note 2 "Changes in scope of consolidation" with respect to Saint-Gobain.

NOTE 33 Divestments

In millions of euros	2011	2010
Sale of Legrand shares (1)	956.9	344.9
Sale of Saint-Gobain shares (1)	144.0	-
Divestment of Stallergenes	-	357.7
Divestments by Bureau Veritas	0.5	6.8
Other	0.4	0.2
TOTAL	**1,101.8**	**709.7**

(1) See Note 2 "Changes in scope of consolidation" with respect to shares in Legrand and Saint-Gobain.

NOTE 34 Impact of changes in scope of consolidation and of operations held for sale

The amount in 2011 corresponded to €12.8 million and €5.3 million related to Parcours' and Mecatherm's entry into the scope of consolidation, respectively, and 57.0 million related to the Deutsch pursuant to the decision to sell this company.

The amount in 2010 corresponded to the full consolidation of Stahl.

NOTE 35 Changes in other financial assets and liabilities and other

In 2011, this item consisted mainly of:

- €130.5 million from the sale of part of Wendel's short-term financial investments (classified under current financial assets; see the section on Wendel's liquidity);
- €168.8 million in proceeds from the sale of puts on Saint-Gobain (see Note 13-4 on certain derivatives).

In 2010, this line item included:

- +€60 million in cash that Wendel invested in Stahl as part of its financial restructuring (see Note 2 "Changes in consolidation scope");
- -€390 million in short-term financial investments realized by Wendel;
- -€305 million in proceeds from the sale of puts on Saint-Gobain.

NOTE 36 Dividends received from equity-method investments and unconsolidated companies

The following amounts were received as dividends in 2011: €103.3 million from Saint-Gobain (in 2010 the Saint-Gobain dividend was received in the form of shares and thus had no impact on the Group's cash position), €25.8 million from Legrand on the 29.3 million shares held before divestments carried out in the 2nd half (€45.9 million in 2010 on the 65.6 million shares then held) and €1.7 million from funds held by Oranje-Nassau Groep.

The €64.7 million dividend received from Bureau Veritas was eliminated upon consolidation (€47.3 million in 2010).

NOTE 37 Net change in borrowings and other financial liabilities

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

In millions of euros	2011	2010
New borrowings by:		
Wendel – bond issue (net of issuance costs)	298.0	282.5
Wendel – syndicated credit facility	500.0	-
Eufor group (Saint-Gobain investment structure)	60.0	-
Bureau Veritas	503.2	744.6
Deutsch	-	7.9
Materis	224.6	200.0
Stahl	-	4.3
Oranje-Nassau Développement (1)	203.4	-
	1,789.2	**1,239.4**
Borrowings repaid by:		
Wendel – 2011 bonds	334.8	134.4
Wendel – repurchase of 2014-2016 and 2017 bonds	19.9	-
Eufor group (Saint-Gobain investment structure)	2,089.7	1,119.2
Other Wendel holding companies	-	3.2
Bureau Veritas	562.2	304.5
Deutsch	-	58.7
Materis	210.5	198.0
Stahl	11.4	8.4
Oranje-Nassau Développement (1)	189.0	-
	3,417.5	**1,826.5**
TOTAL	**-1,628.4**	**-587.1**

(1) These amounts essentially represented Parcours' operating loans, which finances the company's fleet of vehicles leased out to customers.

NOTE 38 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, Deutsch and Stahl, as well as Parcours and Mecatherm from when they were acquired by Oranje-Nassau Développement in April and October 2011, respectively) and Wendel's share in the net income of investments accounted for under the equity method (Saint-Gobain, Legrand and exceet) before non-recurring items and the impact of goodwill allocations;
- net income from holding companies includes the operating expense of Wendel and holding companies, the cost of net debt contracted to finance Wendel and its holding companies, the cost of financing the Eufor group (the Saint-Gobain investment structure) and related income tax items. The amounts shown are those recognized at the level of Wendel and all of its consolidated financial holding companies (excluding acquisition holding companies and operating subsidiaries).

Non-recurring income

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

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

Impact of goodwill allocation

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

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

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

Note 38-1 Income statement by operating segment for fiscal year 2011

	Bureau Veritas	Materis	Deutsch	Stahl	Oranje-Nassau Développement	Equity-method investments		Holding companies	Total
						Saint-Gobain	Legrand		
Net income from business sectors									
Net sales	**3,358.6**	**2,027.0**		**334.5**	**233.1**				**5,953.1**
EBITDA	**N/A**	**259.4**		**45.0**	**N/A**				
Adjusted operating income [1]	**544.3**	**194.3**		**38.0**	**25.4**				
Other recurring operating items		-1.0		-1.6					
Operating income	**544.3**	**193.3**		**36.4**	**25.4**			**-42.5**	**756.9**
Finance costs, net	-42.2	-128.0		-16.2	-7.8			-269.8	-464.0
Other financial income and expense	-16.2	-1.2			-0.1			-0.1	-17.5
Tax expense	-130.4	-34.7		-6.7	-5.4			0.3	-176.9
Share in net income of equity-method investments	0.3	0.2		0.3	2.6	296.0	60.0		359.4
Net income from discontinued activities and activities held for sale			54.5					1.4	56.0
RECURRING NET INCOME FROM BUSINESS SECTORS	**355.8**	**29.4**	**54.5**	**13.8**	**14.8**	**296.0**	**60.0**	**-310.7**	**513.7**
Recurring net income from business sectors – non-controlling interests	176.6	8.1	5.8	1.2	0.7				192.3
RECURRING NET INCOME FROM BUSINESS SECTORS – GROUP SHARE	**179.3**	**21.3**	**48.8**	**12.6**	**14.0**	**296.0**	**60.0**	**-310.7**	**321.4**
Non-recurring income									
Operating income	-77.0	-107.6		-12.4	-5.4			-0.4	-202.8
Net financial income (expense)	-0.0	-41.5		-8.7	-2.6			-94.5 [2]	-147.3
Tax expense	17.9	14.8		4.1	1.9				38.8
Share in net income of equity-method investments					-2.5	-166.8	-4.8	645.7 [3]	471.7
Net income from discontinued activities and activities held for sale			-66.0					39.5	-26.5
NON-RECURRING NET INCOME	**-59.1**	**-134.3**	**-66.0**	**-17.0**	**-8.5**	**-166.8**	**-4.8**	**590.4**	**133.8**
of which:									
■ Non-recurring items	-8.1	-44.5	-50.8	-9.3	-5.2	-17.5	-0.8	590.4	454.2
■ Impact of goodwill allocation	-34.9	-19.5	-14.5	-7.7	-3.3	-80.9	-2.2		-163.0
■ Asset impairment	-16.1	-70.3	-0.8			-68.4	-1.8		-157.4
Non-recurring net income – non-controlling interests	-28.7	-32.9	-7.0	-1.5	-0.4			0.2	-70.2
NON-RECURRING NET INCOME – GROUP SHARE	**-30.4**	**-101.5**	**-59.1**	**-15.5**	**-8.1**	**-166.8**	**-4.8**	**590.2**	**204.1**
CONSOLIDATED NET INCOME	**296.7**	**-104.9**	**-11.5**	**-3.2**	**6.3**	**129.2**	**55.3**	**279.7**	**647.5**
Consolidated net income – non-controlling interests	147.8	-24.7	-1.2	-0.3	0.4			0.2	122.1
CONSOLIDATED NET INCOME – GROUP SHARE	**148.9**	**-80.2**	**-10.3**	**-2.9**	**5.9**	**129.2**	**55.3**	**279.5**	**525.4**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.
(2) This amount includes:
- *a €23.0 million gain on the sale of Saint-Gobain shares received as dividends in 2010. As of December 31, 2010, these shares were recognized under assets held for sale;*
- *a €108.7 million loss related to changes in the fair value of and gain/loss on the sale of Saint-Gobain puts (purchased and issued).*

(3) This amount includes the €631.3 million gain on the sale of Legrand shares.

The contribution of Oranje-Nassau Développement to the fiscal year 2011 income statement by business sector broke down as follows:

	Parcours	Mecatherm	exceet	Oranje-Nassau
Net income from business sectors				
Net sales	**208.1**	**25.0**		**233.1**
EBITDA	**N/A**	**5.7**		
Adjusted operating income	**20.1**	**5.3**		**25.4**
Other recurring operating items				
Operating income	**20.1**	**5.3**		**25.4**
Finance costs, net	-6.9	-0.9		-7.8
Other financial income and expense		-0.1		-0.1
Pre-tax income	**13.3**	**-**		**-**
Tax expense	-3.4	-2.0		-5.4
Share in net income of equity-method investments	-	-	2.6	2.6
Net income from discontinued activities and activities held for sale	-	-	-	-
RECURRING NET INCOME FROM BUSINESS SECTORS	**9.9**	**2.3**	**2.6**	**14.8**
Recurring net income from business sectors – non-controlling interests	0.7	-	-	0.7
RECURRING NET INCOME FROM BUSINESS SECTORS – GROUP SHARE	**9.2**	**2.3**	**2.6**	**14.0**
Non-recurring income				
Operating income	-4.3	-1.1	-	-5.4
Net financial income	-2.3	-0.3	-	-2.6
Tax expense	1.5	0.5	-	1.9
Share in net income of equity-method investments	-	-	-2.5	-2.5
Net income from discontinued activities and activities held for sale	-	-	-	-
NON-RECURRING NET INCOME	**-5.1**	**-0.9**	**-2.5**	**-8.5**
of which:				
■ Non-recurring items	-3.1	-0.7	-1.4	-5.2
■ Impact of goodwill allocation	-2.0	-0.2	-1.1	-3.3
■ Asset impairment	-	-	-	-
Non-recurring net income – non-controlling interests	-0.4	-	-	-0.4
NON-RECURRING NET INCOME – GROUP SHARE	**-4.8**	**-0.9**	**-2.5**	**-8.1**
CONSOLIDATED NET INCOME	**4.7**	**1.4**	**0.1**	**6.3**
Consolidated net income – non-controlling minority interests	0.3	-	-	0.4
CONSOLIDATED NET INCOME – GROUP SHARE	**4.4**	**1.4**	**0.1**	**5.9**

Note 38-2 Income statement by operating segment for fiscal year 2010

	Bureau Veritas	Materis	Deutsch	Staller-genes	Stahl	Equity-method investments Saint-Gobain	Legrand	Stahl	Holding companies	Total
Net income from business sectors										
Net sales	**2,929.7**	**1,854.7**		**-**	**284.0**				**-**	**5,068.3**
EBITDA		**250.5**			**47.1**					
Adjusted operating income (1)	**490.5**	**191.0**		**-**	**39.7**					
Other recurring operating items				-	0.1					
Operating income	**490.5**	**191.0**		**-**	**37.8**				**-41.5**	**677.7**
Finance costs, net	-34.8	-139.9		-	-15.3				-314.6	-504.7
Other financial income and expense	-10.8	-1.2		-					16.2	4.2
Tax expense	-122.4	-30.4		-	-7.2				-0.6	-160.6
Share in net income of equity-method investments	-0.1	0.2		-	0.4	235.3	114.7	-	0.0	350.5
Net income from discontinued activities and activities held for sale			48.4	26.6	-	-	-	-	1.2	76.2
RECURRING NET INCOME FROM BUSINESS SECTORS	**322.3**	**19.6**	**48.4**	**26.6**	**15.6**	**235.3**	**114.7**		**-339.3**	**443.3**
Recurring net income from business sectors – non-controlling interests	158.7	5.7	7.7	14.4	1.3	-	-		0.2	188.0
RECURRING NET INCOME FROM BUSINESS SECTORS – GROUP SHARE	**163.6**	**13.9**	**40.8**	**12.2**	**14.3**	**235.3**	**114.7**		**-339.5**	**255.3**
Non-recurring income										
Operating income	-81.4	-36.5		-	-23.1	-	-	-	2.9	-138.1
Net financial income (expense)		-16.1		-	-1.1	-	-	-	93.3	76.1
Tax expense	25.6	5.4		-	5.0	-	-	-		36.0
Share in net income of equity-method investments	-	-		-	-	289.4	-15.8	-	185.7	459.3
Net income from discontinued activities and activities held for sale	-	-	-64.5	-	-	-	-	-	331.7	267.2
NON-RECURRING NET INCOME	**-55.8**	**-47.2**	**-64.5**	**-**	**-19.1**	**289.4**	**-15.8**	**-**	**613.7**	**700.6**
of which:										
■ Non-recurring items	-6.0	-30.4	-39.1	-	-6.5	5.9	-11.6	-	648.2 (2)	560.6
■ Impact of goodwill allocation	-48.1	-16.8	-18.7	-	-12.6	-83.0	-4.2	-	-	-183.3
■ Asset impairment	-1.7		-6.8	-	-	366.4	-	-	-34.5 (3)	323.4
Non-recurring net income – non-recurring interests	-26.8	-11.6	-6.5	-	-1.6	-	-	-	0.1	-46.4
NON-RECURRING NET INCOME – GROUP SHARE	**-28.9**	**-35.7**	**-58.0**	**-**	**-17.5**	**289.4**	**-15.8**	**-**	**613.6**	**747.0**
CONSOLIDATED NET INCOME	**266.6**	**-27.6**	**-16.1**	**26.6**	**-3.5**	**524.7**	**99.0**	**-**	**274.4**	**1,143.9**
Consolidated net income – non-recurring interests	131.9	-5.9	1.2	14.4	-0.3	-	-	-	0.3	141.6
CONSOLIDATED NET INCOME – GROUP SHARE	**134.7**	**-21.7**	**-17.3**	**12.2**	**-3.2**	**524.7**	**99.0**	**-**	**274.1**	**1,002.3**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.

(2) This amount includes a €300.2 million gain on the sale of Stallergenes, a €225.9 million gain on the sale of Legrand shares, and a €46.7 million gain on the sale of and changes in fair value on Saint-Gobain puts.

(3) This amount includes the reversal of the impairment provision and the impact of recognizing Saint-Gobain share dividends under assets held for sale (see Note 2 "Changes in scope of consolidation" with respect to Saint-Gobain), as well as the -€41.4 million asset impairment charge recognized by Saint-Gobain.

Note 38-3 Cash flow statement by business segment for 2011

In millions of euros	Bureau Veritas	Deutsch	Materis	Stahl	Oranje-Nassau Développement	Wendel and holding companies	Eliminations and unallocated	Group total
Net cash flows from operating activities, excluding tax	552.1		225.9	31.6	106.6	-43.9	-	872.3
Net cash flows from investing activities, excluding tax	-184.0	-57.0 [1]	-100.6	-8.2	-95.5	1,272.3	-64.7	762.4
Net cash flows from financing activities, excluding tax	-203.9	-	-72.7	-19.4	6.8	-1,989.6	64.7	-2,214.1
Net cash flows related to taxes	-149.6	-	-34.6	-4.8	-6.7	-0.4	-	-196.1

(1) Reclassification of Deutsch under operations held for sale. The reclassification of -€57.0 million corresponded to the cash balance at the start of the year.

Note 38-4 Cash flow statement by business segment for 2010

In millions of euros	Bureau Veritas	Deutsch	Materis	Stallergenes	Stahl	Wendel and holding companies	Eliminations and unallocated	Group total
Net cash flows from operating activities, excluding tax	534.2	61.7	218.3	-	28.3	-39.9	-	802.6
Net cash flows from investing activities, excluding tax	-648.8	-42.8	-102.9	-22.4	-49.3	699.2	-47.3	-214.3
Net cash flows from financing activities, excluding tax	314.1	-13.4	-84.4	-	46.3	-1,479.7	47.3	-1,169.8
Net cash flows related to taxes	-136.9	-4.0	-24.4	-	-5.4	2.7	-	-168.1

NOTE 39 Off-balance-sheet commitments

As of December 31, 2011, no commitment was likely to have a significant impact on the Group's financial position, other than those mentioned below.

Note 39-1 Collateral and other security given in connection with financing

		12.31.2011	12.31.2010
(i)	Pledge by Materis Parent (Materis group) of shares of the principal companies of the Materis group and of certain bank accounts and trade receivables as collateral for the repayment of the debt owed by the Materis group	1,922.8	1,869.9
(ii)	Pledge by Deutsch group of shares of the principal companies of the Deutsch group and of certain bank accounts, trade receivables and assets as collateral for the repayment of debt owed by the Deutsch group	484.7	432.9
(iii)	Pledge by Stahl Group SA of shares of the principal companies of the Stahl group and of certain bank accounts, trade receivables and assets as collateral for the repayment of debt owed by the Stahl group	205.1	202.0
(iv)	Security given by Parcours (Oranje-Nassau Développement) under its bank borrowing arrangements, including the financed vehicles and the lease payments received	336.4	-
(v)	Pledge by Mecatherm (Oranje-Nassau Développement) of shares of the companies in the Mecatherm group as collateral for the repayment of the debt owed by the Mecatherm group	66.0	-
(vi)	Pledge of listed shares in connection with the Saint-Gobain investment financing structure (market value) [1]	2,159.1	3,729.0
(vii)	Collateral given in connection with financing not subject to margin calls and relative to puts	-	227.2
(viii)	Pledge of cash in connection with the Saint-Gobain investment financing structure [1]	146.6	609.2
(ix)	Other	-	2.6
TOTAL		**5,320.8**	**7,072.7**

(1) These items are detailed in Note 5-2 "Managing liquidity risk" relative to the Eufor group.

Note 39-2 Guarantees given as part of asset sales

Tax guarantees given in connection with the divestment of Oranje-Nassau Groep's oil & gas activities in 2009 and expiring in May 2016 were limited to a theoretical maximum of €300.8 million as of December 31, 2011. There were no guarantees of environmental risk or site remediation costs connected with this divestment.

Guarantees given in connection with the divestment of Editis in 2008 covering standard warranties as well as tax risks and risks of employee-related costs were limited to a theoretical maximum of €52.3 million as of December 31, 2011. Claims under these guarantees could be submitted until January 2012. As of March 13, 2012, the date the financial statements were finalized, no amount had been paid out under this guarantee.

No provisions have been recognized for these guarantees.

Note 39-3 Guarantees received in connection with asset acquisitions

Guarantees received in connection with the acquisition of Parcours and Mecatherm cover standard warranties as well as tax risks and risks of employee-related costs up to a total of €10 million as of December 31, 2011.

Note 39-4 Off-balance-sheet commitments given and received related to operating activities

	12.31.2011	12.31.2010
Market counter-guarantees and other commitments given		
by Bureau Veritas (1)	198.4	119.5
By Materis	43.2	48.7
By Deutsch	3.0	3.1
By Oranje-Nassau Développement (Mecatherm)	9.9	-
TOTAL COMMITMENTS GIVEN	**254.6**	**171.3**
Other commitments received (2)	351.0	7.0
TOTAL COMMITMENTS RECEIVED	**351.0**	**7.0**

(1) Commitments given by Bureau Veritas included guarantees such as bank and parent-company guarantees:
- *bank guarantees include in particular market guarantees such as bid bonds and performance bonds;*
- *parent company guarantees include market guarantees, guarantees in favor of financial institutions to cover guarantees issued by these institutions, rent guarantees.*

As of December 31, 2011, Bureau Veritas believed that the risk of loss deriving from this type of guarantee was low. Bureau Veritas had not recognized any provisions connected with these guarantees.

(2) As of December 31, 2011, principally at Parcours.

As of December 31, 2011, commitments received were composed principally of lease payments to be received by Parcours (Oranje-Nassau Développement) on its portfolio of lease contracts in force (€166.9 million with a term of less than one year and €177.1 million with a term of 1-5 years).

Note 39-5 Shareholder agreements and co-investment mechanisms

As of December 31, 2011, the Wendel Group was party to numerous agreements governing its relations with its co-shareholders in Materis, Deutsch, Stahl, Parcours and Mecatherm, be they minority investors or the managers of these companies, under co-investment mechanisms (as described in Note 4 "Participation of managers in Group investments").

These agreements contain various clauses related to:

- corporate governance (composition of governing bodies and rights to information);
- terms of share transfers (lock-up periods, right of first refusal);
- exit terms in the event of a divestment (tag-along and drag-along rights) or IPO;
- executive departures (commitment to sell to Wendel Group in the event the subsidiary executive resigns and/or commitment to buy from executives in certain special cases);
- liquidity of the investment in certain situations and in particular in the absence of a sale or IPO beyond a certain period of time following Wendel's initial investment.

As part of the liquidity commitments under these agreements and of those entered into with Wendel managers as part of co-investment mechanisms, if no liquidity event (divestment or IPO) has taken place before certain predetermined dates, the Wendel Group may be required to buy back the shares held by Wendel managers in Materis, Deutsch, Stahl, VGG, Parcours and Mecatherm (via Winvest International and Oranje-Nassau Développement) and those held by subsidiary managers in Materis, Deutsch, Stahl, Parcours and Mecatherm. The value applied to these liquidity commitments would be market value, as determined by an appraiser, or a value calculated on the basis of a profitability multiple.

As of December 31, 2011, on the basis of the value of investments included in the calculation of Net Asset Value, the value of the "pari passu" portion of the investment (made by managers under the same risk and return conditions as Wendel) was €185 million (€86 million was recognized under liabilities as minority puts), and the value of the portion of managers' investment having dilutive effects on Wendel's ownership interest was €116 million.

The amounts include values related to Deutsch. In light of the divestment process underway on this company (see Note 2 "Changes in scope of consolidation"), the co-investments of the Deutsch and Wendel managers are expected to be liquidated as part of the sale. The liquidity commitments given by Wendel are therefore unlikely to be called. The dilutive instruments of the Deutsch co-investment will reduce the capital gain Wendel realizes when it sells this investment, in accordance with the accounting principles the Group applies to the co-investment mechanisms (see Note 1 "Accounting principles").

Co-investment values vary with the value of each investment. As a result, they may be lower (or nil) or higher in future fiscal years (see Note 4 "Participation of managers in Group investments").

Other shareholder agreements and co-investment mechanisms

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 39-6 Leasing

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

Note 39-6.1 Finance leases (contracts under which the Group retains the risks and rewards connected with ownership of the leased item)

Amount of future rents under finance leases:

In millions of euros	12.31.2011	12.31.2010
Due in more than 5 years	9.2	9.6
Due in 1 to 5 years	3.4	3.9
Due in less than 1 year and accrued interest	1.0	1.1
TOTAL	**13.6**	**14.6**

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

Note 39-6.2 Operating leases (contracts under which the Group does not retain the risks and rewards connected with ownership of the leased item)

Amount of future rents under operating leases:

In millions of euros	12.31.2011	12.31.2010
Due in more than 5 years	79.4	74.5
Due in 1 to 5 years	238.5	212.0
Due in less than 1 year and accrued interest	114.1	101.4
TOTAL	**432.1**	**388.0**

Future rents relate mainly to Bureau Veritas (€254.2 million).

NOTE 40 Stock options and bonus shares

The total expense related to stock options or other share-based compensation for fiscal year 2011 was €21.3 million vs. €18.1 million in 2010.

In millions of euros	2011	2010
Stock options at Wendel	2.9	2.1
Grant of bonus shares at Wendel	2.7	2.2
Stock options at Bureau Veritas	2.1	1.7
Grant of bonus shares at Bureau Veritas	12.8	10.1
Stock appreciation rights at Bureau Veritas	-0.2	0.9
Stahl	0.8	1.1
TOTAL	**21.3**	**18.1**

Grants under new stock-option plans in 2011 were as follows:

Note 40-1 Wendel

Pursuant to the authorization given by shareholders at their May 30, 2011 Annual Meeting, options giving the right to subscribe to 404,400 shares were allocated on July 7, 2011 with a strike price of €80.91 and a 10-year life. These 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; the first half vest after one year and the other half after two years;
- a performance-based condition: the number of options ultimately exercisable is subject to NAV increasing by 5% p.a. over two years as follows: The full number of options granted vests if the increase in NAV over the 2011-13 period is greater than or equal to 10.25%; one-half vests if the increase in NAV from 2011 to 2012 is greater than or equal to 5% and one-half if the increase in NAV from 2012 to 2013 is greater than or equal to 5%. The NAV used as the point of reference for 2011 is the NAV calculated as of May 19, 2011, or €109.3 per share;
- a holding period condition applicable only to the members of the Executive Board: the members of the Executive Board must reinvest 25% of the net capital gain realized on the sale of shares received upon exercise of the options in Wendel shares, and hold these shares in registered form until end of their term of office with the Company.

These options have been valued using a binomial model, based on the following principal assumptions: a risk-free rate of 3.51%; volatility of 26.3%; staff turnover considered to be zero. The illiquid nature of stock options has been taken into account in this model, which is usually applied to options that can be freely traded on a market. These options have been valued at €12.52 each. This estimate has not been reduced to reflect various constraints that diminish the value of the options for their beneficiaries, including blackout periods that prohibit trading for more than three months of the year and the requirement that corporate officers hold onto a portion of the shares. As of December 31, 2011, the unitary value of these options was €2.67.

The expense has been spread out on the basis of the maturity schedule of the vesting rights.

- Instruments granted to employees and not exercised or vested were as follows:

Stock options	Number of options outstanding as of 12.31.2010	Options granted in 2011	Options canceled in 2011	Options exercised in 2011	Number of options outstanding as of 12.31.2011	Number of exercisable options	Exercise price (in euros)	Average exercise price (in euros)	Average residual life
Purchase-type options	186,790	-	-6,667	-33,921	146,202	85,802	22.58	22.58	7.5 years
Purchase-type options subject to performance conditions	559,777	404,400	-5,000	-	959,177	118,259	22.58 to 80.91	55.19	8.7 years
Subscription-type options	169,083	-	-	-30,941	138,142	138,142	24.59 to 90.14	62.74	3.3 years
Subscription-type options subject to performance conditions	1,168,800	-	-6,600	-	1,162,200	-	18.96 to 132.96	87.44	6.2 years

Bonus shares and performance shares	Shares granted as of 12.31.2010	Awards during the fiscal year	Options vested	Cancellations	Shares granted as of 12.31.2011	Grant date	Vesting date
Bonus shares	6,700	-	-6,700	-	-	07.16.2009	07.17.2011
	82,950	-	-	-2,000	80,950	01.12.2010	01.12.2012
	10,500	-	-		10,500	05.17.2010	05.17.2012
Performance shares	150,562	-	-	- 4,125	146,437	06.04.2010	06.04.2012
	250,712	**-**	**-6,700**	**-6,125**	**237,887**		

Note 40-2 Bureau Veritas

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

Stock options	Number of options outstanding as of 12.31.2010	Options granted in 2011	Options canceled in 2011	Options exercised in 2011	Number of options outstanding as of 12.31.2011	Number of exercisable options	Exercise price (in euros)	Average exercise price (in euros)	Average residual life
Bureau Veritas	2,644,360	243,500	-64,935	-1,208,480	1,614,445	348,580	15.17 to 57.66	31.54	4.7 years

Bonus shares	Shares granted as of 12.31.2011	Grant date	Expiration date
	195,350	06.09.2008	06.09.2012
	314,800	07.03.2009	07.03.2014
	436,000	07.23.2010	07.23.2015
	376,800	07.18.2011	07.18.2016
	23,544	12.14.2011	12.13.2016
	1,346,494		

Stock appreciation rights	Expiration date	Exercise price per share	Number of options (share equivalents) 2011	2010
December 13, 2007 plan	12.12.2013	30.20	51,017	57,344
NUMBER OF OPTIONS AT DECEMBER 31			**51,017**	**57,344**

NOTE 41 Subsequent events

No significant event took place between the December 31, 2011 closing and the date the financial statements were finalized on March 13, 2012.

NOTE 42 List of principal consolidated companies as of December 31, 2011

Method of consolidation	% interest net of treasury shares	Company name	Country	Business segment
FC	**100.00**	**Wendel**	**France**	**Management of shareholdings**
FC	100.00	Coba	France	“
FC	100.00	Eufor	France	“
FC	100.00	Hirvest 1	France	“
FC	100.00	Hirvest 3	France	“
FC	100.00	Hirvest 4	France	“
FC	100.00	Hirvest 6	France	“
FC	100.00	Sofiservice	France	“
FC	100.00	Winbond	France	“
FC	100.00	Winvest 11	France	“
FC	100.00	Xevest holding	France	“
FC	100.00	Xevest 1	France	“
FC	100.00	Xevest 2	France	“
FC	100.00	Froeggen	Luxembourg	“
FC	100.00	Grauggen	Luxembourg	“
FC	100.00	Hourggen	Luxembourg	“
FC	100.00	Ireggen	Luxembourg	“
FC	100.00	Jeurggen	Luxembourg	“
FC	100.00	Karggen	Luxembourg	“
FC	99.52	Luxconnecting Parent	Luxembourg	“
FC	90.11	LuxButterfly	Luxembourg	“
FC	97.24	Materis Investors	Luxembourg	“
FC	100.00	Oranje-Nassau Groep	Netherlands	“
FC	100.00	Oranje-Nassau Développement	Netherlands	“
FC	100.00	Oranje-Nassau Développement France	France	“
FC	98.14	Oranje-Nassau Mecatherm	Luxembourg	“
FC	95.86	Oranje-Nassau Parcours	Luxembourg	“
FC	99.50	Oranje-Nassau SA SICAR	Luxembourg	“
FC	97.40	Stahl Lux 2	Luxembourg	“
FC	100.00	Trief Corporation	Luxembourg	“
FC	100.00	Truth 2	Luxembourg	“
FC	97.53	Waldggen	Luxembourg	“
FC	100.00	Winvest Conseil	Luxembourg	“
FC	99.52	Winvest International	Luxembourg	“
FC	99.52	Win Securitization 2	Luxembourg	“
FC	100.00	Legron	Netherlands	“
FC	100.00	Sofisamc	Switzerland	“

Method of consolidation	% interest net of treasury shares	Company name	Country	Business segment
FC	100.00	Wendel Japan	Japan	“
FC	51.19	Bureau Veritas	France	Certification and verification
FC	75.54 (2)	Materis Parent	Luxembourg	Specialty chemicals for construction
FC	89.26 (2)	Deutsch Group	France	High-performance connectors
FC	91.46 (2)	Stahl Group	Netherlands	High-performance coatings and leather finishing products
FC	95.86	Parcours	France	Independent specialist in long-term vehicle leasing to corporate customers
FC	98.14	Mecatherm	France	Industrial bakery equipment
E	5.86	Legrand SA	France	Products and systems for low-voltage installations
E	17.07 (3)	Saint-Gobain	France	Production, transformation and distribution of building materials
E	28.44	exceet	Switzerland	Design of embedded systems

(1) See Note 2 “Changes in scope of consolidation” with respect to Helikos.
(2) Interest rates : see “Accounting principles”.
(3) See Note 2 “Changes in scope of consolidation” with respect to Saint-Gobain.
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.

4.11 Statutory Auditors' report on the Consolidated Financial Statements

For the year ended December 31, 2011

To the Shareholders,

In compliance with the assignment entrusted to us by your General Shareholders' Meeting, we hereby report to you, for the year ended December 31, 2011, 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, 2011 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to Note 9-4 "Impairment tests of equity-method investments" to the consolidated financial statements which describes the methods applied to test the interest held in Saint-Gobain for impairment at December 31, 2011, and in particular:

- the determination of the value in use of the Saint-Gobain shares;
- the uncertainties with regard to the outlook for the global economy which makes forecasting difficult;
- the sensitivity analysis of this value in use 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, 2011 were made in a context in which the uncertainties with regard to the outlook for the global economy make forecasting difficult, as described in Note 1-9 "Use of estimates" to the consolidated financial statements.

It is in this specific context that at December 31, 2011 the Company carried out impairment tests on goodwill, intangible assets with indefinite useful lives and equity-method investments, in accordance with the methods described in Note 1-10 "Measurement rules", Note 6-1 "Goodwill impairment tests", and Note 9-4 "Impairment tests of equity-method investments" to the consolidated financial statements.

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

Accounting principles

We reviewed the accounting treatment applied by your Company for preparing its consolidated financial statements with respect to managers' participation in Group investments. We verified that Note 1-10.22 "Accounting treatment of participation of managers in Group investments", Note 4 "Participation of managers in Group investments", and Note 39-5 "Shareholder agreements and co-investment mechanisms" to the consolidated financial statements provide appropriate disclosure in this regard.

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

III - Specific verification

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

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

Neuilly-sur-Seine and Paris-La Défense, March 21, 2012

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean-Pierre Letartre

5

2011 PARENT COMPANY FINANCIAL STATEMENTS

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5.1 Balance sheet at December 31, 2011

Assets

In thousands of euros	Note	12.31.2011 Gross amounts	12.31.2011 Depr./amort. or provisions	12.31.2011 Net amounts	12/31/2010 Net amounts
Non-current assets					
Property, plant & equipment		**15,062**	**12,152**	**2,910**	**3,401**
Non-current financial assets (1)					
Investments in subsidiaries and associates	1	4,436,082	76,783	4,359,299	4,343,030
Other long-term investments		83	-	83	83
Treasury shares	2	45,970	14,913	31,057	-
Loans and other non-current financial assets		118	-	118	14
		4,482,253	**91,696**	**4,390,557**	**4,343,127**
TOTAL		**4,497,315**	**103,848**	**4,393,467**	**4,346,528**
Current assets					
Trade receivables (2)		4,452	130	4,322	3,090
Other receivables (2)	3	1,869,059	-	1,869,059	2,003,544
Treasury instruments	4	181,833	-	181,833	95,007
Marketable securities	5	765,313	817	764,496	1,163,874
Cash		2,327	-	2,327	1,174
Prepaid expenses		2,326	-	2,326	1,760
TOTAL		**2,825,310**	**947**	**2,824,363**	**3,268,449**
Original issue discounts		65,610	-	65,610	79,741
TOTAL ASSETS		**7,388,235**	**104,795**	**7,283,440**	**7,694,718**
(1) Of which less than one year.				*3*	*3*
(2) Of which more than one year.				*-*	*-*

Liabilities and shareholders' equity

In thousands of euros	Note	12.31.2011	12.31.2010
Shareholders' equity			
Share capital		202,244	202,007
Share premiums		252,476	249,780
Legal reserve		20,223	20,201
Regulated reserves		191,820	191,820
Other reserves		1,500,000	1,000,000
Retained earnings		661,658	542,565
Net income for the year		**683,205**	**680,247**
TOTAL	6	**3,511,626**	**2,886,620**
Provisions for risks and contingencies	7	**51,628**	**30,701**
Borrowings	8	3,519,540	4,628,798
Other payables	9	200,646	148,599
TOTAL (1)		**3,720,186**	**4,777,397**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**7,283,440**	**7,694,718**
(1) Of which less than one year.		*441,446*	*2,276,497*
Of which more than one year.		*3,278,740*	*2,500,900*

5.2 Income statement

In thousands of euros	Note	2011	2010
Income from investments in subsidiaries, associates and long-term equity portfolio	12	**480,015**	**164,516**
Other financial income and expenses	13		
Income			
■ Income from loans and invested cash		147,582	136,669
■ Provisions reversed		1,282	-
Expenses			
■ Interest and similar expenses		218,316	229,766
■ Depreciation, amortization and provisions		40,050	21,991
NET FINANCIAL INCOME		**370,513**	**49,428**
Operating revenue	14		
Other income		5,656	6,028
Provisions reversed		2,199	-
Operating expenses			
Purchases and external services		12,794	12,420
Taxes other than income taxes		1,900	2,840
Wages and salaries	15	12,159	14,222
Social security costs		6,041	6,606
Depreciation & amortization		782	985
Provisions recognized		116	3,598
Miscellaneous expenses		694	658
OPERATING INCOME (LOSS)		**-26,631**	**-35,301**
NET INCOME (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		**343,882**	**14,127**
Exceptional income			
On operating transactions		297	995
On capital transactions		-	2,296
Provisions reversed		360,010	769,387
Exceptional expenses			
On operating transactions		1,644	210
On capital transactions		3,989	410
Provisions recognized		18,344	114,054
EXCEPTIONAL ITEMS	16	**336,330**	**658,004**
INCOME TAXES	17	**2,993**	**8,116**
NET INCOME (LOSS)		**683,205**	**680,247**

5.3 Cash flow statement

In thousands of euros	2011	2010
Cash flow from operating activities		
Net income (loss)	683,205	680,247
Elimination of gains and losses on disposals of non-current assets	5,166	-4,298
Elimination of depreciation, amortization and provisions	-303,949	-629,824
Elimination of other non-cash items	-	-
Change in working capital requirement related to operating activities	7,252	-10,198
NET CASH FLOWS FROM OPERATING ACTIVITIES	**391,674**	**35,927**
Cash flows from investing activities		
Outflows:		
■ investment in shares of subsidiaries and affiliates (1)	-148,252	-7
■ acquisitions of property, plant & equipment	-291	-718
■ loans repaid	-104	-
Inflows (at sale prices):		
■ divestment of shares in subsidiaries and affiliates (1)	143,993	17,976
■ disposal of property, plant & equipment	-	49
■ loans granted	3	31
Change in working capital requirement related to investing activities	-16,323	-92
NET CASH FLOWS FROM INVESTING ACTIVITIES	**-20,974**	**17,239**
Cash flows from financing operations		
Related to share capital		
■ increase in share capital	2,956	2,225
■ buyback of Wendel shares	-79,201	-27,334
■ disposal of Wendel shares (liquidity contract)	-1,126	56
■ disposal of Wendel shares (options exercised)	810	403
Dividend payments	-61,154	-49,741
Net change in borrowing and other financial liabilities (2)	-680,580	139,486
Change in working capital requirement related to financing activities	17,001	3,295
NET CASH FLOW FROM FINANCING ACTIVITIES	**-801,294**	**68,390**
CHANGE IN NET CASH AND CASH EQUIVALENTS	**-430,594**	**121,556**
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,112,423**	**990,867**
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	**681,829**	**1,112,423**

(1) The Company essentially acquired Saint-Gobain shares from its subsidiary Hirvest 1 for €148,118 and sold them when a call was exercised for €143,993.

(2) In 2011, this line item included principally the repayment of Wendel's 2011 bonds -€334,770, the issuance of Wendel 2018 bonds €297,972, partial buyback of Wendel 2014, 2016, and 2017 bonds -€6,460, -€7,400 and -€8,000, resp., drawdowns under the syndicated loan facility €500,000 and loans to the Group's holding companies -€1,121,948.

5.4 Notes to the parent company financial statements

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS DETAILED CONTENTS

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5.4.1 Highlights of the year

In February 2011, the Company repaid its 2011 maturity bond issue, with a par value of €334,770 thousand.

In April 2011, Wendel issued new bonds, maturing in 2018, with a par value of €300,000 thousand, bearing interest at 6.75% p.a. The issue price was 99.324%, and proceeds totaled €297,972 thousand.

Since June 2011, Wendel has drawn down €500,000 thousand under its syndicated loan facility.

During the year, Wendel repurchased part of its 2014, 2016 and 2017 bonds, with a total par value of €21,860 thousand.

Net receivables from subsidiaries varied by €1,121,948 thousand as a result of the following factors:

- financing for the acquisition of exceet, Parcours and Mecatherm €252,384 thousand;
- financing for the repayment of Saint-Gobain debt €1,539,533 thousand;
- repayment of Wendel's debt to Oranje-Nassau after receipt of a €480,000 thousand dividend from Oranje-Nassau;
- borrowings from Wendel's subsidiaries €191,844 thousand resulting from the receipt of dividends from Legrand, Bureau Veritas and Saint-Gobain;
- borrowing from Wendel's subsidiaries (€957,118 thousand) deriving from sale of Legrand shares.

5.4.2 Accounting principles

The balance sheet and income statement have been prepared in accordance with the accounting standards prescribed by the 1999 French chart of accounts, applying the same exceptions as in previous years.

The two exceptions to the policies set out in the French chart of accounts are as follows:

- substitution of "Net financial income" as the sub-total representing the Company's activity for "Operating income", as defined by the chart of accounts;
- recognition of all capital transactions on assets other than "Marketable securities" in "Exceptional items". Regarding marketable securities, changes in provisions for impairment and gains and losses on disposal are recognized in "Net financial income".

The valuation methods applied remain unchanged compared to those of prior years.

The gross value of items included in non-current assets corresponds to their acquisition cost or the cost at which they were contributed to the Company, excluding ancillary costs.

5.4.2.1 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.

5.4.2.2 Investments

The initial value of investments in subsidiaries and asssociates is historical cost. Internal indicators of loss in value are reviewed annually for each investment. In the event of an indication of loss in value, valuations are updated. The valuation method used depends on the type of business (operating or holding company) and can be based on the ownership share of the net book value of the entity or of the net asset value after revaluation. In this case, the valuation can be based on a variety of methods, including discounted future cash flows, a multiple of sales or income, external transactions on similar companies, stock market values, etc. When the new carrying value is lower than the net book value, an impairment loss is recognized on the difference.

5.4.2.3 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 (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.

5.4.2.4 Original issue discounts

Original issue discounts are generally amortized on a straight-line basis over the term of the corresponding loan. When such discounts exceed 10% of the sums received, they are amortized according to the effective interest method.

5.4.2.5 Interest rate derivatives

Gains and losses arising on derivative financial instruments used in the context of hedging are determined and recognized symmetrically with the recognition of income and expenses on the related hedged items.

5.4.2.6 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 10), the amount of the premium received or paid is recognized. Unrealized gains and losses are neutralized and therefore have no impact on net income.

5.4.2.7 Marketable securities

Marketable securities are measured using the first-in, first-out method. A provision for impairment is recognized if the book value of the securities is greater than market value.

5.4.2.8 Provisions for pensions

Obligations related to retirement bonuses and defined-benefit pension schemes are determined at each balance sheet date taking into account the age of the Company's employees, their length of service and the likelihood that they will remain at the Company until they retire. The calculation is based on an actuarial method. The main assumptions used in 2011 were:

- discount rate = 3.5%;
- inflation rate = 1.5%;
- salary increase rate between 1.5% and 3% depending on the category;
- employee turnover rate proportional to age.

A provision is recognized for the portion of the obligation that is not covered by plan assets.

5.4.3 Notes to the balance sheet

NOTE 1 Investments in subsidiaries and associates

In thousands of euros	% Interest 12.31.2010	% Interest 12.31.2011	Net amounts 12.31.2010	Purchase/ subscription	Sale	Change in provisions	Net amounts 12.31.2011
French investments							
Sofiservice	100.00	100.00	354	-	-	-	354
Winbond	100.00	100.00	3,293,547	-	-	-	3,293,547
Winvest 11 (1)	100.00	100.00	810,500	-	-	16,083	826,583
Saint-Gobain	-	-	146	148,118	147,982	-	282
Non-French investments							
Oranje Nassau	100.00	100.00	238,320	-	-	-	238,320
Other			163	133	-	-83	213
			4,343,030	**148,251**	**147,982**	**16,000**	**4,359,299**

(1) As Winbond 11 is involved in financing the investment in Saint-Gobain, these shares were written down on the basis of a discounted cash flow valuation of €59.5 per share.

NOTE 2 Treasury shares

In thousands of euros	% Interest 12.31.2010	% Interest 12.31.2011	Net amounts 12/31/2010	Purchase	Sale	Change in provisions	Net amounts 12.31.2011
Wendel shares	-	1.23%	-	45,970	-	-14,913	31,057
			-	**45,970**	**-**	**-14,913**	**31,057**

Number of Wendel shares held as of 12/31/2011: 620,889.

NOTE 3 Other receivables

	12.31.2011			12.31.2010		
In thousands of euros	Gross amounts	Provisions	Net amounts	Gross Amounts	Provisions	Net Amounts
Tax and employee social security receivables	1,230	-	1,230	1,033	-	1,033
Loans and advances connected with investments [1]	1,849,662	-	1,849,662	2,287,407	-340,680	1,946,727
Other [2]	18,167	-	18,167	55,784	-	55,784
	1,869,059	**-**	**1,869,059**	**2,344,224**	**-340,680**	**2,003,544**
of which related companies	*1,860,388*			*2,308,711*		
of which accrued revenue	*18,165*			*55,522*		

(1) These receivables represented principally advances to holding companies that hold or finance the Group's stake in Saint-Gobain. As of 12/31/2011, based on a valuation of Saint-Gobain at €59.5 per share, calculated by present value of future cash flows, these loans were not written down any further.

(2) Includes €17,892 thousand in accrued interest on interest rate derivatives (see Note 10).

NOTE 4 Financial instruments

In thousands of euros	Note	12.31.2011	12.31.2010
Equity derivatives	10	181,833	95,007
		181,833	**95,007**
of which related companies		*145,819*	*95,007*

(see Note 10)

NOTE 5 Marketable securities

In thousands of euros	12.31.2011 Net book value	12.31.2011 Market value	12.31.2010 Net book value	12.31.2010 Market value
Wendel shares (excluding liquidity contract) (1)				
Shares allocated to stock-option plans (2)	67,087	55,291	34,941	49,504
Shares allocated to performance share plans (3)	10,423	11,899	10,993	17,056
	77,510	**67,190**	**45,934**	**66,560**
Money-market mutual funds	399,033	399,033	702,342	702,343
Short-term bonds	-	-	46,538	46,563
Diversified funds, equities or bonds	44,477	46,043	100,225	107,730
Funds managed by financial institutions	224,814	224,814	259,124	259,124
Liquidity contract (4)				
Wendel shares	7,484	7,503	6,691	6,803
Mutual funds	11,178	11,178	3,020	3,020
	686,986	**688,571**	**1,117,940**	**1,125,583**
	764,496	**755,761**	**1,163,874**	**1,192,143**

(1) Number of Wendel shares held as of 12/31/2011: 1,343,266.
Number of Wendel shares held as of 12/31/2010: 978,387.

(2) Shares held for the exercise of stock options granted under stock-option plans. The market value of these shares is the lower of their stock market value or their value on the basis of the strike price for the options granted. As of 12/31/2011, the negative difference between the carrying value and the strike price of the options, adjusted for the proportion thereof that had vested, was €7,596 thousand. In accordance with accounting regulations, this difference was recognized under "Provisions for risks and contingencies".

(3) In accordance with accounting standards, the loss related to allocation of performance shares is provisioned in proportion to the extent to which they have vested. As of 12/31/2011, this loss totaled €8,883 thousand and was recognized in "Provisions for risks and contingencies".

(4) Number of Wendel shares held as of 12/31/2011: 150,000.
Number of Wendel shares held as of 12/31/2010: 100,000.

NOTE 6 Change in shareholders' equity

Number of shares	In thousands of euros	Share capital (par value €4)	Share premiums	Legal reserve	Regulated reserves	Other reserves and retained earnings	Net income for the year	Total shareholders' equity
50,436,175	**Balance at 12.31.2009 before appropriation**	**201,745**	**247,843**	**20,174**	**191,820**	**2,699,159**	**-1,106,853**	**2,253,888**
	Appropriation of 2009 net income (1)					-1,106,853	1,106,853	-
	Dividend					-49,741		-49,741
	Issuance of shares							
47,886	■ under the Company savings plan	191	1,455	27				1,673
17,718	■ through options exercised	71	482					553
	2010 net income						680,247	680,247
50,501,779	**Balance at 12.31.2010 before appropriation**	**202,007**	**249,780**	**20,201**	**191,820**	**1,542,565**	**680,247**	**2,886,620**
	Appropriation of 2010 net income (2)					680,247	- 680,247	-
	Dividend					-61,154		-61,154
	Issuance of shares							
28,255	■ under the Company savings plan	113	1,734	11				1,858
30,941	■ through options exercised	124	962	11				1,097
	2011 net income						683,205	683,205
50,560,975	**Balance at 12.31.2011 before appropriation**	**202,244**	**252,476**	**20,223**	**191,820**	**2,161,658**	**683,205**	**3,511,626**

(1) The amount appropriated to retained earnings, as approved by shareholders at their June 4, 2010 Annual Meeting, was increased by €713 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 May 30, 2011 Annual Meeting, was increased by €2,005 thousand because no dividends were paid on the Wendel shares the Company held in treasury on the dividend payment date.

NOTE 7 Provisions for risks and contingencies

In thousands of euros	12.31.2010	Allocations for the year	Reversals during the year used	Reversals during the year unused	12.31.2011
Provision for pensions and post-employment benefits	755	116	-	-	871
Provision for allocation of bonus shares and purchase options	8,319	8,160	-	-	16,479
Provision for tax disputes	4,567	2,090	-	1,747	4,910
Other risks and contingencies	17,060	16,171 (1)	3,650	213	29,368
	30,701	**26,537**	**3,650**	**1,960**	**51,628**
Operating income		116	2,150	-	
Net financial income (expense)		8,160	-	213	
Exceptional items		18,261	1,500	1,747	
		26,537	**3,650**	**1,960**	

(1) Provision related to a symmetrical position on Saint-Gobain puts (see Note 10).

The Odile Jacob publishing house has brought legal action against the Company in the Commercial Court, seeking to cancel Wendel's acquisition and subsequent resale of the Editis group. The Court has issued a stay of proceedings, pending certain EU decisions. No provision has been recognized for this litigation.

As a result of tax audits carried out on companies in Wendel's tax consolidation group, the tax authority notified Wendel of a certain number of back tax assessments, which Wendel has contested. Should these assessments be maintained by the tax authority and become definitive, Wendel would opt for tax-loss carrybacks at the terms that were applicable in the years in question.

NOTE 8 Borrowings

In thousands of euros	12.31.2011	12.31.2010
5.00% 2011 bonds	-	334,770
4.875% 2014 bonds (1)	693,540	700,000
4.375% 2017 bonds (1)	692,000	700,000
4.875% 2016 bonds (1)	692,600	700,000
4.875% 2015 bonds	400,000	400,000
6.75% 2018 bonds (2)	300,000	-
Syndicated credit facility (Euribor + margin) (3)	500,000	-
Accrued interest	59,803	58,235
	3,337,943	**2,893,005**
Borrowings connected with investments in subsidiaries and associates		
Sofiservice	8,445	-
Compagnie Financière de la Trinité	-	17,887
Winbond	172,976	1,138,067
Oranje Nassau	-	579,675
Other	144	158
	181,565	**1,735,787**
Other borrowings	32	6
	3,519,540	**4,628,798**
of which: less than 1 year	*181,597*	*2,070,563*
1 to 5 years	*2,978,140*	*1,100,000*
more than 5 years	*300,000*	*1,400,000*
accruals	*59,803*	*58,235*

(1) In the course of managing its financial position, Wendel repurchased a portion of its bonds maturing in 2014, 2016, 2017: €6,460 thousand, €7,400 thousand, and €8,000 thousand, respectively.

(2) In April 2011, Wendel successfully issued bonds with a par value of €300,000 thousand, bearing interest at 6.75% and maturing on April 20, 2018. The issue price was 99.324%, and net proceeds were €297,972 thousand. The yield to maturity (total financial cost) on this issue is 6.875%.

(3) The Company has a syndicated credit facility totaling €1.2 billion (€950 million maturing in September 2013 and €250 million maturing in September 2014). As of December 31, 2011, €500 million was drawn down under this facility; €700 million thus remained undrawn and available.

NOTE 9 Other liabilities

In thousands of euros	Note	12.31.2011	12.31.2010
Trade payables [(1)]		2,069	3,952
Tax and employee social security liabilities		16,523	11,613
Treasury instruments			
Equity derivatives	10	165,661	95,007
Currency derivatives	10	439	226
Accrued interest on interest-rate derivatives	10	14,877	36,293
Other		1,077	1,508
		200,646	**148,599**
of which related companies		*7,740*	*5,950*
of which accrued expenses		*24,691*	*49,975*

(1) The breakdown of trade payables by maturity as of 12/31/2010 (Article L.441-6-1 of the French Commercial Code) was as follows:

	As of 12.31.2011	As of 12.31.2010
• payment within 30 days:	€470 thousand	€1,000 thousand
• payment in more than 30 days:	€30 thousand	€70 thousand
• Invoices not yet received:	€1,569 thousand	€2,882 thousand

NOTE 10 Financial instruments

	31.12.2011		31.12.2010	
In thousands of euros	Assets	Liabilities	Assets	Liabilities
Equity derivatives				
Premiums	181,833	165,661	95,007	95,007
Provisions for risks and contingencies	-	16,172		-
of which symmetric positions	181,833	181,833	95,007	95,007
Interest rate derivatives				
Premiums	-	-		-
Accrued interest not yet due	17,892	14,877	54,530	36,293
of which symmetric positions	11,067	11,067	27,250	27,250
Currency derivatives				
Premiums	-	-		-
Fair value	-	439		226
of which symmetric positions	-	-		
	199,725	**196,710**	**149,537**	**131,300**

Equity derivatives

These are put options on Saint-Gobain shares bought from a Group company and from banks, and put options issued to banks. The position is financially and economically neutral. During the fiscal year, the Company extended the maturity of these puts by 12 months; they now expire in September and December 2012 and in March 2013. Their fair value is €194.3 million.

Interest rate derivatives

Wendel bonds

Wendel has entered into interest rate swaps on some of its bonds, with the following features:

Notional amount In thousands of euros		**Maturing**	**ASSETS Fair value 12.31.2011**	**LIABILITIES Fair value 12.31.2011**
100,000	Pay 3.98% against 4.21%	May-16	987	
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%	Aug-17	2,086	
			3,073	**-**

In accordance with accounting principles, the positive fair value of these swaps has not been recognized in the balance sheet.

Other

These interest rate swaps, entered into by Wendel, are symmetrical and therefore have no impact on Wendel's net income. They have the following characteristics:

Wendel/bank position

Notional amount In thousands of euros		**Maturing**	**ASSETS Fair value 12.31.2011**	**LIABILITIES Fair value 12.31.2011**
700,000	Pay 4.12% against 4.32%	Jan-13	1,385	
1,800,000	Pay 2.83% against Euribor	Apr-13		31,769
			1,385	**31,769**

Wendel/subsidiary position

Notional amount In thousands of euros		**Maturing**	**ASSETS Fair value 12.31.2011**	**LIABILITIES Fair value 12.31.2011**
700,000	Pay 4.32% against 4.12%	Jan-13		1,385
1,800,000	Pay Euribor against 2.83%	Apr-13	31,769	
			31,769	**1,385**

In accordance with accounting principles, the fair values of these swaps, the positions in which are symmetrical, have not been recognized in the balance sheet.

Currency derivatives

In 2011, Wendel entered into derivative contracts (forward sale of USD maturing in the first quarter of 2012) with a notional value of $7 million, in order to hedge against the foreign exchange risk on cash invested in USD investment vehicles.

NOTE 11 Off-balance-sheet commitments

Guarantees given in connection with the divestment of Editis in 2008 covering standard warranties as well as tax risks and risks of employee-related costs were limited to a theoretical maximum of €52.3 million as of December 31, 2011. Claims under these guarantees could be submitted until January 2012. As of March 13, 2012, the date the financial statements were finalized, no amount had been paid out under this guarantee.

No provisions have been recognized for these guarantees.

5.4.4 Notes to the income statement

NOTE 12 Income from investments in subsidiaries, associates and long-term equity portfolio

Dividends from: In thousands of euros	**2011**	**2010**
Oranje Nassau	480,000	100,000
Winbond	-	60,000
Sofiservice	-	1,999
Cie Financière de la Trinité	-	2,506
Other	15	11
	480,015	**164,516**
Of which interim dividends:	-	-

NOTE 13 Other financial income and expenses

Income In thousands of euros	**2011**	**2010**
Other interest and similar income	147,582	136,669
Provisions reversed	1,282	-
	148,864	**136,669**
Of which related companies	*129,992*	*118,796*

Expenses In thousands of euros	2011	2010
Interest on bonds	132,269	122,544
Other interest and similar expenses	86,047	107,222
Provisions recognized	23,891	9,133
Depreciation and amortization related to original issue discounts on bonds	16,159	12,858
	258,366	**251,757**
Of which related companies	*19,093*	*7,236*

NOTE 14 Operating revenue

In thousands of euros	2011	2010
Property rental	154	152
Services invoiced to subsidiaries	5,311	5,552
Other income	191	324
Provisions reversed	2,199	-
	7,855	**6,028**
Of which related companies	*5,443*	*5,384*

NOTE 15 Compensation and staff numbers

See Note 20 for the compensation allocated by the Company to the members of the Executive and Supervisory Boards.

Average staff numbers	2011	2010
Management	49	48
Non-management	16	17
	65	**65**

NOTE 16 Exceptional items

In thousands of euros	Exceptional income			Exceptional expenses			Total 2011
	On operating transactions	Capital losses on disposal	Provisions recognized	On operating transactions	Capital losses on disposal	Provisions recognized	
Property, plant & equipment	-	-	-	-	-	-	-
Financial investments							
■ Saint-Gobain shares		-	-	-	3,989	-	-3,989
Other exceptional transactions							
■ Provision for impairment of securities (1)	-	-	16,083	-	-	83	16,000
■ Provision for write-down of receivables (1)	-	-	340,680	-	-	-	340,680
■ Other	297	-	3,247	1,644	-	18,261	-16,361
	297	**-**	**360,010**	**1,644**	**3,989**	**18,344**	**336,330**

(1) See Notes 1 and 3.

NOTE 17 Income tax

In thousands of euros

Income taxes broke down as follows:

Taxable base at a rate of	**33.33%**
On 2011 income before exceptional items	-126,226
On 2011 exceptional items	319,255
	193,029
Addbacks/deductions related to tax consolidation	-248,200
	-55,171
Deduction of losses carried forward	-
Taxable bases of the tax consolidation group	-55,171
Corresponding tax	-
+ contributions of 3.3%	-
- deductions in respect of tax credits	-
- impact of tax consolidation	2,993
INCOME TAX RECOGNIZED IN THE INCOME STATEMENT	**2,993**

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 2011, the members of the Wendel tax consolidation group were: the parent company Wendel, Sofiservice, Coba, Winbond, Winvest 11, Oranje-Nassau Développement (formerly Winvest 14), Eufor, Hirvest 1, Hirvest 3 and Hirvest 4.

NOTE 18 Subsequent events

No significant event took place between the December 31, 2011 closing and the date the financial statements were finalized on March 13, 2012.

NOTE 19 Liquidity and debt situation

As of December 31, 2011, gross debt with recourse to Wendel consisted of:

- €2,778 million in bonds with maturities ranging from 2014 to 2018 (see details in the note entitled "Borrowings"); and
- a syndicated credit facility, under which €500 million was outstanding. This revolving credit facility totals €1.2 billion, with maturities in September 2013 (€950 million) and September 2014 (€250 million). Subject to compliance with covenants, €700 million therefore remains available, with maturity of September 2013.

As of the end of 2011, the average maturity of this debt was 4.1 years.

Wendel's liquidity risk for the 12 months following the 2011 closing remains low, owing to its available cash and short-term financial investments (€682 million as of December 31, 2011), despite the drop in the financial markets since the summer of 2011. This level of liquidity will enable Wendel to meet its cash needs and scheduled debt repayments and to finance any Eufor group margin calls that could come about as a result of a sharp decline in the financial markets (it being specified that Wendel is not obligated to respond to such margin calls).

Bond indentures

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.).

Documentation and covenants related to syndicated credit facility

The syndicated credit facility is subject to financial covenants based primarily on the market value of the Wendel Group's assets and on the amount of net debt. As such, the covenants are sensitive to changes in the equity markets.

This net debt figure is based on consolidation of Wendel and its financial holding companies and does not include the debt of operating companies or that of holding companies set up for the purpose of acquisitions, such as the Eufor group. As of December 31, 2011 the net debt taken into account corresponds to Wendel bonds and the syndicated credit facility less available cash (pledged cash is lodged in the Eufor holding structure).

Net debt of the Saint-Gobain, Bureau Veritas, Legrand, Materis, Deutsch, Stahl, Parcours, exceet and Mecatherm groups, as well as the debt related to the acquisition of Saint-Gobain shares (less cash pledged at that date), are deducted from the gross revalued assets of these companies inasmuch as they are without recourse to Wendel.

The covenants are as follows:

- the net financial debt of Wendel and its financial holding companies must not exceed 50% of gross revalued assets after future tax on unrealized gains and losses (excluding cash);
- the ratio of:

(i) the unsecured gross debt of Wendel and its financial holding companies plus their off-balance-sheet commitments that are akin to unsecured debt, less their available cash (not pledged or in escrow), 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, 2011 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 20 Related parties

Agreements entered into between the related parties (Wendel-Participations, members of the Supervisory Board and the Executive Board) are as follows:

Members of the Supervisory Board and Executive Board

Compensation paid by the Wendel Group to corporate officers in respect of 2011 amounted to €2,873.5 thousand. The value of options allocated to the members of the Executive Board in 2011 totaled €2,003.2 thousand, as of the date of grant. At the end of the fiscal year, because of the decline in price, their value had declined to €427.2 thousand.

Compensation paid in 2011 to members of the Supervisory Board totaled €836.4 thousand, including €694.2 thousand in Wendel director's fees and compensation paid to the Chairman of the Supervisory Board, €47.2 thousand in director's fees paid to certain members of the Supervisory Board by Wendel-Participations for serving on its Board, and €90.7 thousand paid by Wendel's subsidiaries to certain members of the Supervisory Board for serving on their Boards.

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

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

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

Wendel-Participations

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:

- an agreement governing the use of the "Wendel" name and a licence agreement governing the "Wendel Investissement" brand; and
- agreements with Wendel-Participations regarding technical assistance and leasing of premises.

Securities portfolio as of December 31, 2011

	Number of shares owned	% interest	Gross carrying value (in thousands of euros)
Investments in subsidiaries and associates			
Subsidiaries (over 50% owned)			
a) French			
Sofiservice	8,500	100.00%	354
Winbond	3,039,070,667	100.00%	3,293,547
Winvest 11	914,375	100.00%	903,284
b) Non-French			
Oranje-Nassau	1,943,117	100.00%	238,320
Other subsidiaries and associates			
Saint-Gobain	5,984	0.00%	282
French equities	-	-	295
			4,436,082
Other long-term equity investments			
Other French equities	-	-	83
			83

Subsidiaries and associates as of December 31, 2011

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	2011 sales	2011 net income	Dividends received during the year	Comments
Detailed information (on subsidiaries and associates whose net carrying value is greater than 1% of the share capital of Wendel)											
Subsidiaries											
French											
Winbond	1,519,535	1,752,812	100.00%	3,293,547	3,293,547	-	-	-	1,167	-	-
Winvest 11	14,630	811,843	100.00%	903,284	826,584	1,682,638	-	-	16,006	-	-
Non-French											
Oranje-Nassau (1)	8,744	- 758,678	100.00%	238,320	238,320	146,500	-	-	1,545	480,000	-
Overall summary											
French subsidiaries				649	566						
Non-French subsidiaries				-	-						
French associates				282	282						
Non-French associates				-	-						

(1) Consolidated figures.

Five-year financial summary

Nature of disclosures	2007	2008	2009	2010	2011
1. Capital at year-end					
Share capital [1]	201,274	201,466	201,745	202,007	202,244
Number of ordinary shares in issue	50,318,400	50,366,600	50,436,175	50,501,779	50,560,975
Maximum number of shares that could be issued					
■ through the exercise of options	1,150,088	1,980,759	1,428,423	1,337,883	1,300,342
2. Results of operation [1]					
Revenues (excluding taxes)	12,015	10,664	3,902	6,028	5,656
Income from investments in subsidiaries, associates and long-term equity portfolio	136,861	1,025,008	8	164,516	480,015
Income before tax, depreciation, amortization and provisions	947,746	1,144,719	-120,386	43,372	376,013
Income taxe [4]	-27,702	-636	-69	-8,116	-2,993
Net income	1,008,636	1,020,302	-1,106,853	680,247	683,205 [3]
Dividend [2]	100,637	50,367	50,436	63,127	65,729
of which interim dividends	-	-	-	-	-
3. Net income per share (in euros)					
Income after tax but before depreciation, amortization and provisions	19.39	22.74	-2.39	1.02	7.50
Net income	20.05	20.26	-21.95	13.47	13.51
Net dividends	2.00	1.00	1.00	1.25	1.30 [3]
of which interim dividends	-	-	-	-	-
4. Employee data					
Average number of employees	57	62	70	65	65
Total payrol [1]	7,833	8,331	14,273	14,222	12,159
Staff benefits paid during the year (social security, social welfare, etc) [1]	3,750	4,335	6,761	6,606	6,041

(1) In thousands of euros.
(2) Including treasury shares.
(3) Ordinary dividend of €1.30, and special dividend paid in Legrand shares (subject to approval by shareholders at their June 4, 2012 Annual Meeting).
(4) Negative amounts represent income for the Company.

5.5 Statutory auditors' report on the financial statements

For the year ended December 31, 2011

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your General Shareholders' Meeting, we hereby report to you, for the year ended December 31, 2011, 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, 2011 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, 2011 were made in a context in which the uncertainties with regard to the outlook for the global economy make forecasting difficult, as described in the Note "Accounting principles - Use of estimates" to the financial statements.

Regarding "Investments in subsidiaries and associates" and "Other receivables", we verified that the accounting methods described in the notes to the financial statements were appropriate and, where applicable, we reviewed the assumptions and estimates applied by the Company to determine their valuation at the end of the year.

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

III – Specific verifications and information

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

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

Concerning the information given in accordance with the requirements of article L.225-102-1 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

In accordance with French law, we inform you that the required information concerning the identity of shareholders and the holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris-La Défense, March 21, 2012

The Statutory Auditors
(French original signed by)

PricewaterhouseCoopers Audit

Etienne Boris

ERNST & YOUNG Audit

Jean-Pierre Letartre

6

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6.1 Information on the Company

6.1.1 General information

Company name

Wendel

Registered office

89, rue Taitbout, 75009 Paris (France)

Telephone: +33 (0)1 42 85 30 00; fax: +33 (0)1 42 80 68 67

Website: www.wendelgroup.com

Official registration

The Company is registered in the Paris Company Register ("*Registre du commerce et des sociétés*") under number 572 174 035; its APE code is 7010Z.

Duration

The Company was formed on December 4, 1871 for a period of 99 years, subsequently extended to July 1, 2064, barring a new extension or early dissolution.

Legal structure and applicable legislation

Wendel is a *société anonyme* with an Executive Board and a Supervisory Board, as provided for under French law. The Company is subject to all French legal provisions and in particular, to the French Commercial Code.

Fiscal year

The fiscal year runs from January 1 to December 31 of every year.

Access to legal documents and regulated information

Documents relating to the Company may be viewed at the registered office. Ongoing or periodic, regulated information may be viewed on the Company's website, at www.wendelgroup.com, under the heading "Regulated information".

6.2 Principal by-laws

Wendel's by-laws may be viewed on the Company's website, at www.wendelgroup.com, under the heading "Regulated information", 2011.

6.2.1 Purpose of the Company

Pursuant to Article 3 of the by-laws, the Company has the following purpose, in all countries, directly or indirectly:

- any equity holdings in industrial, commercial and financial companies of whatever nature through the creation of new companies, transfers of subscriptions or purchases of shares or ownership rights, mergers, alliances, associations or otherwise; any disposals, exchanges or other operations concerning these shares, ownership rights or equity interests;
- the purchase, rental and operation of any equipment;
- the acquisition, sale and commercial use of any processes, patents, or patent licenses;
- the acquisition, operation, sale or exchange of any real estate or real estate rights;
- and generally, any commercial, industrial, financial, investment and real estate operations directly or indirectly related to the above-mentioned activities or to all similar or connected activities.

6.2.2 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.

   Of this amount, shareholders may decide in their Annual Meeting to deduct, on the recommendation of the Executive Board:

- the amounts they consider should be allocated to any special reserve account,
- the sum required to serve a revenue on shares based on the amount of paid-up, non-repaid capital within the limit of 5% per year,
- the amounts they consider should be allocated to the general reserve or to share capital repayment;

2. any balance remaining after these appropriations is distributed to shareholders, less the sum allocated to retained earnings;
3. on the condition that all earnings available for distribution have been allocated in the form of dividends, shareholders may, in their Ordinary Meeting, on the recommendation of the Executive Board, allocate any amounts transferred from the share premium account;
4. as an exception to the provisions of the present article, funds may be allocated to the special employee profit sharing reserve under the terms and conditions set by law;
5. Dividends are paid in the form and at the times determined by shareholders at their Ordinary Meeting or by the Executive Board with the authorization of shareholders at their Ordinary Meeting in accordance with applicable legislation. The Executive Board may decide to distribute an interim dividend before the approval of the financial statements for the year in accordance with applicable legislation.

   The shareholders, convened in their Annual Meeting to approve the year's financial statements, may, on the recommendation of the Executive Board, offer each shareholder, for all or a part of the dividend (or the interim dividend) being distributed the choice between the payment of the dividend (or interim dividend) in cash or in shares under the terms and conditions defined by applicable legislation.

   In accordance with current legislation, dividends not claimed within five years from the date on which they were to be paid are forfeited and the amounts paid over to the State.

   The following change to the by-laws will be proposed to shareholders at their June 4, 2012 Annual Meeting:

6. "The shareholders, convened in their Annual Meeting, may also decide to distribute earnings, reserves or share premium amounts in kind, in particular by distributing marketable securities from among the assets on the balance sheet of the Company, with or without a cash option. The shareholders may decide that the rights representing fractional shares shall not be negotiable or transferable, notwithstanding the provisions of Article 11.III of the by-laws. In the event marketable securities from among the assets on the balance sheet of the Company are distributed, the Company may decide that should the amount of a shareholder's dividend not correspond to a whole number of securities, the shareholder shall receive the whole number of share immediately below plus a cash payment for the balance. "

6.2.3 Executive Board membership

See section 2.1.1 "The Executive Board and its operations".

6.2.4 Supervisory Board membership

See section 2.1.2 "The Supervisory Board and its operations".

6.2.5 Ownership thresholds that must be reported to the Company

In addition to the legal requirements for disclosing thresholds crossed, Article 28 of the by-laws requires 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, to disclose to the Company the number of shares and voting rights held within four trading days of crossing this threshold.

The same disclosure requirements apply when the number of shares or voting rights held is reduced to below the said 2% threshold or any multiple thereof.

Failure to comply with the above requirements is sanctioned, as prescribed by law, by the deprivation of voting rights for those shares exceeding the fraction that should have been disclosed, for all Shareholders' Meetings held within two years of the date on which the failure to give proper notice to the Company was rectified. This sanction is applicable at the request (recorded in the minutes of the Shareholders' Meeting) of one or more shareholders holding at least 2% of the number of shares or voting rights.

6.3 How to take part in Shareholders' Meetings

All shareholders have the right to participate in Shareholders' Meetings under the conditions set down by the law.

Article 25 of the by-laws provides for the following:

1. Invitation to attend Shareholders' Meetings

Shareholders' Meetings are convened and held as prescribed by law.

They are held at the Company's registered office, or at another location, as indicated in the invitation to the meeting.

2. Participating in Shareholders' Meetings

Any shareholder whose shares are registered under the conditions and at a date set by the applicable legal and regulatory provisions has the right to participate in the Shareholders' Meetings on proof of his or her qualification and identity.

All shareholders have the right to participate in Shareholders' Meetings personally or by proxy, or to vote by mail.

As proof of shareholders' right to participate in the Company's Shareholders' Meetings, shares must be recorded in their name or in the name of the financial intermediary that holds them on their behalf no later than midnight Paris time before the third business day prior to the Meeting:

- for holders of registered shares: in the registered securities accounts held by the Company;
- for holders of bearer shares: in the bearer securities accounts of the authorized financial intermediary pursuant to regulations in force.

In accordance with applicable law, the Executive Board may organize videoconferencing to allow shareholders to participate and vote or use other telecommunications systems to identify them. Shareholders who participate in Shareholders' Meetings through videoconferencing or another system are deemed present for the purposes of calculating the quorum and the majority.

If an electronic voting form is provided, shareholders who use it by the required deadline are considered to be present or represented shareholders. The electronic voting form may be entered and signed directly on the Company's website through any procedure approved by the Executive Board.

Any proxies or votes submitted using this electronic means prior to the Shareholders' Meeting, as well as the corresponding acknowledgements of receipt, are considered to be irrevocable and enforceable, it being specified that in the event of the sale of shares prior to the date and time set by legal and regulatory provisions in force, the Company shall accordingly invalidate or amend, as applicable, the proxies or votes cast prior to that date and that time.

3. Voting rights and acquisition of double voting rights

Voting rights attached to the shares are proportionate to the percentage of capital they represent.

Nevertheless, double voting rights are granted to fully paid-up shares that have been registered with the Company for at least two years in the name of the same shareholder.

In the event of a capital increase through the capitalization of reserves, distributable net income or share premium amounts, double voting rights may be granted at issue on the registered shares thus distributed to shareholders in proportion to their existing shares that benefited from this right.

Shares converted to bearer shares or transferred to another owner lose their double voting rights. However, registered shares that are transferred by way of an inheritance, the liquidation of a marital estate or a gift to a spouse or a direct relative do not lose their double voting rights and are considered as having remained the property of the same shareholder for the purpose of determining the two-year minimum holding period. The same terms apply in the event of a transfer resulting from the merger or demerger of a corporate shareholder.

Identifiable bearer shares

Article 9 of the by-laws allows shares to be held in registered or bearer form at the shareholder's discretion.

The Company has the right to request identification of the holders of shares carrying current or future voting rights at its shareholders' meetings and the number of shares so held, in accordance with legislation in force.

Modification of shareholder rights

In the absence of specific provisions in the by-laws, any change in the rights attached to shares is subject to legislation in force.

6.4 Information on share capital

6.4.1 Principal shareholders

As of December 31, 2011, the share capital was composed of 50,560,975 shares with a par value of €4 each, benefiting from 75,887,744 theoretical voting rights and 73,773,589 exercisable voting rights. Double voting rights are granted to fully paid-up shares which have been registered in the same shareholder's name for at least two years, regardless of the shareholder's country of citizenship. At that date, 25,326,769 shares had double voting rights.

To the Company's knowledge, the main shareholders as of December 31, 2011 were as follows:

	% of share capital
Wendel-Participations (1) and its Chairman (2)	34.4%
Individual shareholders	23.7%
Institutional investors outside France	23.8%
Institutional investors in France	8.1%
Treasury shares	4.2%
Employees and executives (3)	3.1%
Other	2.7%

(1) Formerly SLPS.
(2) Pursuant to Article L.233-10 of the French Commercial Code, the figures include Wendel-Participations and its Chairman.
(3) Including Executive Board members and the Chairman of the Supervisory Board.

To the Company's knowledge:

- no other shareholder owns more than 5% of the Company's shares;
- Supervisory and Executive Board members hold or represent 3.03% of the share capital and 3.39% of the voting rights. All members are individuals.

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 subscription-type stock option plans 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, 2011, all subscription-type stock options granted represented 2.57% of the share capital.

6.4.2 Controlling legal entities or individuals

Wendel-Participations

Presentation

Wendel-Participations is a holding company that holds Wendel shares. Wendel Participations is owned by approximately 1,000 members of the Wendel family, including both individuals and legal entities. The purpose of Wendel-Participations is to:

- invest and manage its own funds and acquire participating interests;
- own (through purchase, subscription at issue, exchange or any other means) and manage any French or foreign listed or unlisted securities, rights to intangible or tangible property, and engage in any type of short-, medium- or long-term capital transactions;
- participate in any guarantee, placement or other syndicates;
- create new companies;
- preserve the assets and other interests of the Wendel family;
- and generally, in France, French overseas possessions and any other country, 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, 2011, Wendel-Participations had a controlling interest in Wendel with 34.4% of its shares and 47.1% of its voting rights.

The following measures ensure that this control is appropriately exercised:

- management and oversight are separated through a two-tiered structure, including an Executive Board and a Supervisory Board;
- at least one-third of Supervisory Board members are independent;
- independent members serve on the Supervisory Board's standing committees.

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:

- a memorandum of understanding on the use of the "Wendel" family name and a license agreement governing the use of the "Wendel Investissement" brand, mentioned in the Statutory Auditors' special report;
- agreements with Wendel-Participations covering technical assistance and leasing of premises, mentioned in the Statutory Auditors' special report.

6.4.3 Significant changes in share ownership and voting rights in the last three years

	Situation as of December 31, 2011		Situation as of December 31, 2010		Situation as of December 31, 2009	
	% of capital	% of voting rights	% of capital	% of voting rights	% of capital	% of voting rights
Wendel-Participations [1] and its Chairman [2]	34.4%	47.1%	34.4%	46.5%	34.7%	46.4%
First Eagle [3]	3.3%	3.9%	5.4%	5.2%	6.1%	5.7%
Treasury shares (registered shares)	3.9%	-	1.9%	-	0.9%	-
Group savings plan	0.7%	0.8%	0.6%	0.7%	0.5%	0.6%
Other shareholders (institutional and individual)	57.8%	48.2%	57.7%	47.6%	57.8%	47.3%

(1) Formerly SLPS.
(2) Pursuant to Article L.233-10 of the French Commercial Code, the figures include Wendel-Participations and its Chairman.
(3) Formerly Arnhold & Bleichroeder.

In January 2012, a study was performed, as is done every year, to identify the shareholders of Wendel as of December 31, 2011.

There was relatively little change during the year in Wendel's shareholder structure, with a decrease in French institutional investors (8.1% vs. 11.4% at December 31, 2010) and an increase in foreign institutional shareholders (23.8% vs. 20.9% at December 31, 2010). The number of individual shareholders was stable, increasing slightly from 42,000 to 42,500 the previous year, and they held 23.7% of the shares, vs. 24.1% the previous year. The number of individual shareholders has risen by almost 40% since the 2002 merger of Marine-Wendel and CGIP.

6.4.4 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, 2008			**50,366,600**	**€4**		**201,466,400**		**246,904,734**
July 2009	Issue of bonus shares	920	50,367,520	€4	3,680	201,470,080		246,904,734
July 2009	Issue of shares reserved for employees	68,655	50,436,175	€4	274,620	201,744,700	938,514	247,843,248
Situation as of December 31, 2009			**50,436,175**	**€4**		**201,744,700**		**247,843,248**
April 2010	Exercise of options	1,409	50,437,584	€4	5,636	201,750,336	30,394	247,873,641
May 2010	Exercise of options	16,309	50,453,893	€4	65,236	201,815,572	451,787	248,325,429
July 2010	Issue of shares reserved for employees	47,886	50,501,779	€4	191,544	202,007,116	1,454,394	249,779,823
Situation as of December 31, 2010			**50,501,779**	**€4**		**202,007,116**		**249,779,823**
March 2011	Exercise of options	588	50,502,367	€4	2,352	202,009,468	21,156	249,800,979
April 2011	Exercise of options	1,078	50,503,445	€4	4,312	202,013,780	38,786	249,839,765
May 2011	Exercise of options	24,190	50,527,635	€4	96,760	202,110,540	808,796	250,648,562
June 2011	Exercise of options	3,085	50,530,720	€4	12,340	202,122,880	63,520	250,712,082
June 2011	Issue of shares reserved for employees	28,255	50,558,975	€4	113,020	202,235,900	1,745,311	252,457,393
June 2011	Appropriation to legal reserve as authorized by the Executive Board on June 30, 2011			€4		202,235,900	-22,878	252,434,515
July 2011	Exercise of options	2,000	50,560,975	€4	8,000	202,243,900	41,180	252,475,695
Situation as of December 31, 2011			**50,560,975**	**€4**		**202,243,900**		**252,475,695**

6.4.5 Ownership threshold disclosures

On February 10, 2011, First Eagle Investment Management LLC, acting on behalf of the funds it manages, reported that it had moved below 5% of the voting rights on February 4, 2011, that it had moved below 5% of the share capital on February 8, 2011 and that it held 4.92% of Wendel's shares and 4.85% of its voting rights on that date.

On June 1, 2011, First Eagle Investment Management LLC, acting on behalf of the funds it manages, reported that it had moved below 4% of the voting rights on May 27, 2011 and that it held 3.59% of Wendel's shares and 3.96% of its voting rights at that date.

6.4.6 Pledging of issuer's shares

To the best of the Company's knowledge, as of December 31, 2011, 169,840 registered Wendel shares (in either pure or administered form) were pledged as collateral.

6.5 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 2009 Wendel sold 25 million Saint-Gobain share warrants for €1.20 each through a private placement and invested €115.7 million in 8.3 million new shares issued as part of Saint-Gobain's capital increase (Wendel then holding 18.3% of Saint-Gobain's shares). It sold a block of 11 million Bureau Veritas shares for €272.8 million, and its wholly-owned subsidiary Oranje-Nassau Groep sold its oil & gas activities for a net €510 million. It reinvested €36 million in Materis, sold a block of 15 million Legrand shares for €275.8 million, and sold 10.1 million Saint-Gobain puts, generating proceeds of €193.5 million.

In 2010 Wendel invested about €22 million in the Frankfurt-listed Helikos SPAC, reinvested €60 million in Stahl, thus taking control of the company with a 92% interest. It reinvested €64 million in Deutsch, sold a block of Legrand shares for €346.1 million, sold its 46% stake in Stallergenes for €358.8 million, and sold 15.1 million Saint-Gobain puts, generating proceeds of €305.1 million.

In 2011, Wendel sold 13.4 million puts on Saint-Gobain, generating proceeds of €168.8 million, sold 35.7 million Legrand shares for €961.5 million, sold 3.1 million Saint-Gobain shares received as 2010 dividends for €144 million, acquired 95% of the capital of Parcours for €107 million, acquired Mecatherm for €112 million, purchased a 28.4% equity interest in Frankfurt-listed exceet for €27.8 million, acquired 1.9 million Saint-Gobain shares for €63.1 million, reinvested €4.4 million in VGG, and signed a firm agreement with TE Connectivity to sell Deutsch for $2.1 billion.

The Company's 2011 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.

As of the publication of this registration document, no investment plans are sufficiently far advanced for Wendel's management to have made any firm commitments.

6.6 Financial authorizations

6.6.1 Existing financial authorizations and use thereof

As of December 31, 2011, the following financial authorizations were in effect:

Authorization	Date of Shareholders' Meeting (resolution no.)	Period and expiration date	Authorized amount or % of capital	Amount used as of 12.31.2011
A. Issue of shares or other securities giving access to the capital				
■ With maintenance of preferential subscription rights	05.30.2011 9th resolution	14 months 07.30.2012	Capital: €200 million	-
■ With cancellation of preferential subscription rights	05.30.2011 10th resolution	14 months 07.30.2012	Capital: €100 million	-
■ Under greenshoe option	05.30.2011 11th resolution	14 months 07.30.2012	15% of the initial issue	-
■ As consideration for contributions in kind	05.30.2011 12th resolution	14 months 07.30.2012	10% of share capital at the time of issue	-
■ Incorporation of reserves	05.30.2011 13th resolution	14 months 07.30.2012	€1,000 million	-
■ Overall ceiling authorized			€1,000 million	
B. Share buybacks and share cancellations				
■ Share buybacks	05.30.2011 8th resolution	14 months 07.30.2012	10% of share capital i.e. 5,052,763 shares	1,026,389 shares
■ Cancellation of shares	05.30.2011 14th resolution	26 months 07.30.2013	10% of capital per 24-month period	-
C. Employee share ownership				
■ Group savings plan	05.30.2011 15th resolution	14 months 07.30.2012	€250,000	€113,020
■ Stock options	05.30.2011 16th resolution	14 months 07.30.2012	0.8% of the share capital at the grant date, i.e., 404,471 shares	404,400 shares

6.6.2 Financial authorizations to be proposed at the Shareholders' Meeting of June 4, 2012

Authorization	Date of Shareholders' Meeting (resolution no.)	Period and expiration date	Authorized amount
A. Issue of shares or other securities giving access to the capital			
■ With maintenance of preferential subscription rights	06.04.2012 10th resolution	14 months 08.04.2013	€100 million
■ With cancellation of preferential subscription rights	06.04.2012 11th resolution	14 months 08.04.2013	€75 million
■ Under greenshoe option	06.04.2012 12th resolution	14 months 08.04.2013	15% of the initial issue
■ As consideration for contributions in kind/exchange offers	06.04.2012 13th resolution	14 months 08.04.2013	10% of share capital at the time of issue/€100 million
■ Capitalization of reserves	06.04.2012 14th resolution	14 months 08.04.2013	€100 million
■ Overall ceiling authorized	06.04.2012 15th resolution	14 months 08.04.2013	€400 million
B. Share buyback program			
■ Share buybacks	06.04.2012 8th resolution	14 months 08.04.2013	10% of the capital Max. price: €150 per share
C. Employee share ownership			
■ Group savings plan	06.04.2012 16th resolution		€250,000
■ Stock options	06.04.2012 17th resolution	14 months 08.04.2013	0.9% of capital (common ceiling with options and performance shares)
■ Performance shares	06.04.2012 18th resolution	14 months 08.04.2013	0.3% of capital (this ceiling is applied to the above common ceiling)

The resolutions submitted to shareholders for approval at the June 4, 2012 Shareholders' Meeting will cancel the unused amounts of and replace the resolutions with the same purpose that were adopted at the May 30, 2011 Shareholders' Meeting.

6.7 Share buybacks

6.7.1 Legal framework

At their meeting of June 4, 2010 (11th resolution), shareholders authorized a program allowing the Company to buy back its own shares, limited to the number of shares representing 10% of the share capital at the time of the buyback, for a maximum period of 18 months.

At their meeting of May 30, 2011 (8th resolution), shareholders authorized a program allowing the Company to buy back its own shares, limited to the number of shares representing 10% of the share capital at the time of the buyback, for a maximum period of 14 months.

The maximum repurchase prices under these authorizations are €80 and €150, 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 5,045,389 and 5,052,763 shares, respectively.

In accordance with applicable regulations and market practices permitted by the AMF, the objectives of the share buyback program are as follows:

- to deliver shares (as an exchange, payment or other consideration) in the framework of acquisitions, mergers, spin-offs or asset contributions;
- to deliver shares upon the exercise of rights attached to securities giving access to the Company's share capital immediately or at a later date;
- to enable an investment service provider to make a secondary market in the Company's stock or maintain the liquidity thereof within the framework of a liquidity contract in compliance with the Code of Conduct of the *Autorité des Marchés Financiers*;
- to implement a purchase-type stock option plan as defined in Articles L.225-177 *et seq*. of the French Commercial Code;
- to allocate bonus shares pursuant to Articles L.225-197-1 *et seq*. of the French Commercial Code;
- to allocate or sell shares as part of the Group's profit sharing program and any Group savings plan as provided for by law, particularly Articles L.3321-1 *et seq.* and L.3331-1 *et seq.* of the French Labor Code;
- to cancel of all or part of the shares repurchased.

This program also allows the Company to pursue any other purpose that has been or may be authorized by legislation or regulations in force. In such an event, the Company would inform shareholders via a press release.

At their Meeting of May 30, 2011 (14th resolution), shareholders authorized the Executive Board, for a period of 26 months, with prior approval of the Supervisory Board, to reduce the share capital of the Company by no more than 10% per 24-month period through the cancellation of shares repurchased in the various share buyback programs authorized by shareholders.

6.7.2 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, 2011, Oddo Corporate Finance:

- purchased for the account of Wendel 1,796,980 shares for a total value of €102,294,168.76 and an average unit value of €56.93;
- sold for the account of Wendel 1,746,980 shares for a total value of €101,111,987.46 and an average unit value of €57.88

6.7.3 Implementation of stock-option and performance share plans

Between January 1 and December 31, 2011, Wendel directly acquired 1,026,389 of its own shares, allocated to cover exercises under purchase-type stock-option and performance share plans.

These shares were acquired for a total gross value of €79,200,674.43 and an average unit price of €77.16 and cost €75,778.87 in fees.

6.7.4 Summary of transactions and shares held by the Company as of December 31, 2011

The Company has not repurchased or sold shares for any purposes authorized under the program other than those detailed in section 6.7.3 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, 2011, Wendel canceled no shares.

As of December 31, 2011, the Company held 2,114,155 of its own shares, or 4.18% of the capital.

Summary of the Company's transactions on its own shares from January 1 to December 31, 2011

	Cumulative gross amounts in 2011	
	Purchases	**Sales/Transfers**
Number of shares	2,823,369	1,787,601
Average maximum maturity	-	-
Average transaction price	€64.28	€57.02
Average exercise price	-	-
Amounts	€181,494,843.29	€101,921,585.22

Open positions as of December 31, 2011

Open long positions			Open short positions		
Calls purchased	Puts issued (written)	Forward purchases	Calls issued (written)	Puts purchased	Forward sales
-	-	-	-		
-	-	-	-	-	-

6.7.5 Description of the program proposed to shareholders at their June 4, 2012 Annual Meeting

The eighth resolution proposed at the June 4, 2012 Shareholders' Meeting asks shareholders to approve a new share buyback program, pursuant to Articles L.225-209 *et seq.* of the French Commercial Code, to Title IV of Book II of the General Regulation of the AMF and to European Commission regulation 2273/2003, dated December 22, 2003.

Under this program, shares can be bought for any of the following purposes:

- to deliver shares (as an exchange, payment or other consideration) in the framework of acquisitions, mergers, spin-offs, or asset contributions;
- to deliver shares upon the exercise of rights attached to securities giving access to the Company's share capital immediately or at a later date;
- to enable an investment service provider to make a secondary market in the Company's stock or maintain the liquidity thereof within the framework of a liquidity contract in compliance with the Code of Conduct of the *Autorité des Marches Financiers*;
- to implement a purchase-type stock option plan as defined in Articles L.225-177 *et seq.* of the French Commercial Code;
- to allocate bonus shares pursuant to Articles L.225-197-1 *et seq.* of the French Commercial Code;
- to allocate or sell shares as part of the Group's profit sharing program and any Group savings plan as provided for by law, particularly Articles L.3321-1 *et seq*. and L.3331-1 *et seq*. of the French Labor Code;
- to cancel of all or part of the shares repurchased.

These programs are also intended to allow the Company to pursue any other purpose that has been or may be authorized by legislation or regulations in force. In such an event, the Company would inform shareholders via a press release.

The number of shares repurchased under the authorization to be granted to the Executive Board may not exceed 10% of the share capital at the time of the buyback. For information, as of December 31, 2011, this authorization represented 5,056,097 shares, or a maximum theoretical investment of €758,414,550 based on the maximum buyback price of €150 per share.

Pursuant to Article L.225-210 of the French Commercial Code, the Company has made a commitment to keep its holding, both direct and indirect, within the limit of 10%. As of December 31, 2011, the number of Wendel shares held by the Company was 2,114,155. In light of the shares already held in treasury, the Company would be able to repurchase 2,941,942 shares, or 5.82% of the share capital, for a maximum amount of €441,291,300, based on the maximum unit purchase price of €150. 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 4, 2012, Shareholders' Meeting, i.e. until August 4, 2013.

6.8 Transactions on Company shares by corporate officers

Transactions on Wendel shares reported by executives in 2011

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
03.30.2011	Bernard GAUTIER	Shares	Sale	03.28.2011	74.50	48,276	NYSE Euronext Paris	211D1542
03.30.2011	Bernard GAUTIER	Shares	Sale	03.28.2011	74.06	48,731.48	NYSE Euronext Paris	211D1543
03.30.2011	BJPG PARTICIPATIONS legal entity linked to Bernard Gautier	Shares	Acquisition	03.28.2011	74.25	106,251.75	NYSE Euronext Paris	211D1544
03.30.2011	SWEET INVESTMENT LTD legal entity linked to Bernard Gautier	Shares	Sale	03.28.2011	74.50	9,312.50	NYSE Euronext Paris	211D1545
03.31.2011	Jean-Marc JANODET	Shares	Sale	03.29.2011	74.50	18,625	NYSE Euronext Paris	211D1563
03.31.2011	Jean-Marc JANODET	Shares	Sale	03.30.2011	74.13	272,798.40	NYSE Euronext Paris	211D1564
03.31.2011	Guylaine SAUCIER	Shares	Acquisition	03.30.2011	76.22	30,488	NYSE Euronext Paris	211D1565
05.11.2011	Bernard GAUTIER	Shares	Exercise of stock options	05.09.2011	39.98	807,196	NYSE Euronext Paris	211D2088
05.11.2011	Bernard GAUTIER	Shares	Sale	05.11.2011	85.08	1,717,765	NYSE Euronext Paris	211D2089
05.11.2011	BJPG PARTICIPATIONS legal entity linked to Bernard Gautier	Shares	Acquisition	05.11.2011	85.08	1,717,765	NYSE Euronext Paris	211D2090
06.22.2011	Bernard GAUTIER	Shares	Sale	06.20.2011	78.21	407,552.31	NYSE Euronext Paris	211D2988
06.22.2011	Bernard GAUTIER	Shares	Sale	06.21.2011	79.25	412,971.15	NYSE Euronext Paris	211D2989
06.30.2011	Frédéric LEMOINE	Shares	Subscription	06.30.2011	65.77	328,850	NYSE Euronext Paris	211D3180
06.30.2011	Bernard GAUTIER	Shares	Subscription	06.30.2011	65.77	65,770	NYSE Euronext Paris	211D3181
07.07.2011	Gérard BUFFIÈRE	Shares	Acquisition	07.06.2011	83.62	41,810	NYSE Euronext Paris	211D3358

6.9 Shareholder agreements

6.9.1 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 21, 2005, December 19, 2006, December 14, 2007, December 19, 2008, December 1, 2010 and December 8, 2011 relating to 36.67%, 34.49%, 36.49%, 38.06%, 36,09% and 36.74% 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 15, 2009, December 1, 2010 and December 8, 2011 relating to 36.84%, 36% and 36.71% 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, pertaining to a total of about 11% of the share capital. 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.

With the exception of the above-mentioned share-retention commitments, to the Company's knowledge, there is no agreement, pact or other contract between shareholders relating to their stake in Wendel.

6.9.2 Shareholder agreements entered into by the Wendel Group: unlisted companies

As of December 31, 2011, the Wendel Group was party to several agreements governing the relationship with other shareholders in Materis, Deutsch, Stahl, Parcours and Mecatherm. In some cases, these are financial investors, in others they are the senior managers of these companies participating in Wendel's programs enabling managers to benefit from the performance of their companies (see the note to the consolidated financial statements entitled "Participation of managers in Group investments").

These agreements contain various clauses related to:

- corporate governance (composition of governing bodies, veto rights on certain strategic decisions and rights to information);
- terms of share transfers (lock-up periods, right of first refusal);
- exit terms in the event of a sale (tag-along and drag-along rights) or IPO;
- executive departures (commitment to sell shares to Wendel in the event of an executive departure from a subsidiary and/or commitment to buy shares in certain specific cases);
- liquidity in successive tranches in the absence of a sale or IPO beyond a certain period of time (2-14 years after Wendel's investment, depending on the agreement).

These agreements are described in greater detail in Note 39-5 to the consolidated financial statements.

6.9.3 Shareholder agreements entered into by the Wendel Group: listed companies

6.9.3.1 Legrand

On April 6, 2011 a new shareholder agreement between Wendel and KKR came into force, replacing the agreement dated March 21, 2006, when Legrand was listed on the stock exchange.

This agreement, under which Wendel and KKR declared that they continued to act in concert vis-à-vis Legrand, provided for the following:

- KKR and Wendel shall have seats on Legrand's Board of Directors and standing committees, in proportion to their stake in the company, which may change over time;
- KKR and Wendel shall consult with each other before strategic decisions are made by Legrand's Board of Directors;
- cooperation shall be guaranteed through reciprocal rights of first offer and tag-along rights regarding certain transfers of Legrand shares by one of the parties to the contract.

For more details on this agreement, please refer to the notice published by the *Autorité des Marchés Financiers* dated March 31, 2011 on its website (www.amf-france.org).

Following KKR's sales of a block of 12.7 million Legrand shares on March 5, 2012, KKR declared on March 9, 2012 that it held 1.01% of the capital and 1.82% of the voting rights of the company. Consequently, in accordance with the agreement, which provides for early termination if one of the holding of one of the parties should fall below 5% of the voting rights, the agreement and the concert group formed thereunder were terminated.

6.9.3.2 exceet Group SE (formerly Helikos SE)

In an agreement dated July 21, 2011, Oranje-Nassau Participaties BV, a Wendel subsidiary, the individual founding shareholders of Helikos SE, Ventizz and the principal executives of exceet formalized their relationship as shareholders of exceet Group SE acting in concert.

This agreement has a term of five years, but can be terminated earlier under certain circumstances, in particular if the stake held by Ventizz or Wendel should fall below 5% of the capital. It provides for the following:

- Ventizz, Wendel and management shall have seats on exceet's Board of Directors and standing committees, with the representation of Ventizz and Wendel being adjusted in proportion to their stake in the company;
- Ventizz and Wendel shall act in concert before strategic decisions are made by the Board of Directors or at shareholders' meetings;
- 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 Ventizz on certain transfers of listed, "public" shares.

For more details on this agreement, please refer to the proxy statement dated June 7, 2011 and available on the company's website (www.exceet.ch).

6.10 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 the Group's development over the long term. Wendel, as leading shareholder, and Saint-Gobain, through the agreement of its Board of Directors, therefore wish to confirm clear governance principles in a spirit of continuity while marking a new stage in the strategic cooperation and regular dialogue between the two groups.

Wendel and Saint-Gobain reiterate their commitment to the following principles:

- support for the strategy approved by the Board of Directors and implemented by Executive Management;
- respect for Saint-Gobain's independence and equal treatment for all shareholders; and
- stability of the shareholder base, Wendel's contribution to the Group's projects and its long-term commitment.

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 the Group 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 the Group leading-edge technical expertise, particularly in terms of energy efficiency. This can be used to support the development of other Group 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 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 Group's historical average organic growth rate, accompanied by a targeted acquisitions policy;
- increase in the Group's profitability to above its historical average;
- completion of the strategic refocus on Habitat and withdrawal from Packaging (Verallia);
- stronger positions for the Group in high value-added solutions;
- faster-paced development for the 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 Group's governance, 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 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. Executive Management would then have one week to submit an acquisition proposal of the shares concerned, by a third party or by the Group, 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 buyer(s) that would 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 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 "Regulated information".

6.11 Factors likely to have an impact in the event of a takeover offer

Pursuant to Article L.225-100-3 of the French Commercial Code, to the best of the Company's knowledge, the items that might be affected in the event of a takeover bid are detailed in the following sections of this registration document:

- Wendel-Participations' holding of 34.4% of the Company's shares and 47.1% of its voting rights as of December 31, 2011;
- agreements authorizing the Company to use the "Wendel" name and the "Wendel Investissement" brand. These agreements contain a cancellation clause in the event that Wendel-Participations' stake in the Company should fall below 33.34% of the shares for 120 consecutive days (see section 7.1 "Statutory Auditor's special report on regulated agreements and commitments");
- change-of-control clauses in bond indentures and certain loan agreements (see section 4.11.2 "Managing Liquidity Risk" in the notes to the consolidated financial statements);
- right of first refusal: the share-retention commitments of certain shareholders grant a right of first refusal to Wendel-Participations or SPIM (see section 6.9.1 above);
- termination payments for Executive Board members: the departure of the members of the Executive Board in the event of a change in control of the Company would result in termination payments, as decided by the Supervisory Board at its meetings of May 6, 2009 and February 11, 2010 (section 2.1.7.7).

7

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7.1 Statutory Auditors' report on related party agreements and commitments

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

General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2011

To the Shareholders,

In our capacity as Statutory Auditors of Wendel, we hereby report to you on related party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements and commitments. Under the provisions of Article R.225-58 of the French Commercial Code (*Code de commerce*), it is the responsibility of shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable it is also our responsibility to provide shareholders with the information required by Article R.225-58 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the General Shareholders' Meeting.

We performed the procedures we deemed necessary in accordance 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 underlying documents.

Agreements and commitments submitted for the approval of the General Shareholders' Meeting

In accordance with Article L.225-88 of the French Commercial Code, we were informed of the following related party agreements and commitments which were previously authorized by the Supervisory Board.

1. With Frédéric Lemoine, Chairman of the Executive Board, Bernard Gautier, member of the Executive Board and Ernest-Antoine Seillière, Chairman of the Supervisory Board of Wendel

Nature, purpose, terms and conditions

<u>Amendments to the framework agreement on the management team's co-investments related to acquisitions made by Wendel between 2006 and 2008 (and to later reinvestments made by Wendel in these companies)</u>

In 2006 and 2007 Wendel implemented a co-investment system designed to associate the management team in the Group's performance. As a result, the management team members invested personally alongside the Wendel Group in the company Winvest International SA SICAR, which holds the Group's investments in the non-listed companies Materis, Stahl, Deutsch and Van Gansewinkel Groep (VGG).

The general principles for these co-investments were authorized by the Supervisory Board and approved by the General Shareholders' Meeting in prior years. These principles are:

(i) the individuals concerned invest alongside the Group and at the latter's request, a maximum amount of 0.5% of the total amount of Wendel's investment;

(ii) co-investors are entitled to 10% of the capital gain (for 0.5% of the total investment), provided that Wendel has achieved a minimum annual return of 7% and a total capital gain of 40% of its investment; if Wendel does not achieve both of these thresholds, members of the management team will lose the amounts they have invested; the minimum return of 7% per year criterion will be assessed based on initial value of the investments and investment dates;

(iii) rights to co-investment benefits will vest gradually over a period of four years in five tranches of 20% per year (20% at the investment date, then 20% at each anniversary date); however, members of the management team commit in case of departure, to sell on demand their unvested shares at their initial value;

(iv) the capital gain will be realized at the time of divestment, or, in the absence of divestment, at the end of ten years, on the basis of an expert opinion.

In this context, in 2010 the members of the Executive Board entered into agreements to sell and agreements to buy that are to be exercised:

- either in the event of a liquidity event affecting Materis, Stahl, Deutsch or VGG, a liquidity event being defined as complete divestiture of the company concerned, a change in control, divestiture or repayment of more than 50% of the financial instruments held by the Wendel Group in the company concerned, the stock market floatation of the company concerned, or the end of the ten-year period as from the initial investment (December 31, 2016);
- or in the event of the departure of the management team member concerned from the Wendel Group.

In 2011 this system was amended concerning departures. If the departure is due to a dismissal or a removal due to serious misconduct, the person concerned undertakes to sell his fully vested shares to the Wendel Group for the token sum of €1 and will receive an additional price at market value when a liquidity event occurs. The Supervisory Board meeting of May 10, 2011 authorized members of the Executive Board to sign the amended agreements to sell.

2. With Frédéric Lemoine, Chairman of the Executive Board and Bernard Gautier, member of the Executive Board of Wendel

a) Nature, purpose, terms and conditions

Amendment to the framework agreement on the co-investments related to acquisitions as from 2011

The principles governing the co-investment systems for acquisitions of new companies by the Wendel Group as from 2011 were amended and clarified by the Supervisory Board in its meetings dated March 22, May 10 and May 30, 2011, on the recommendation of the Governance Committee.

The revised principles are as follows:

(i) the managers invest alongside the Group and at the latter'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% gives entitlement, in the case that the events defined in paragraphs (v) and (vi) herebelow should arise, to 7% of the capital gain (for a co-investment of 0.35% of the total invested by Wendel) (leveraged co-investment) provided that Wendel has achieved a minimum annual return of 7% and a total capital gain of 40% of its investment; if Wendel does not achieve both of these thresholds, the co-investors will lose the 70% they have invested;

(iv) rights to leveraged co-investment benefits will vest gradually over a period of four years in five tranches of 20% per year (20% at the investment date, then 20% at each anniversary date);

(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 the Wendel Group or the stock market floatation of the company concerned; depending on the situation, the liquidity granted to the managers may be the total amount or a proportion of the shareholding sold by Wendel Group;

(vi) at the end of an eight-year period as from the performance of the initial acquisition by the Wendel Group and failing the total divestment or stock market floatation, the potential capital gain is also realized on one-third of the amounts invested by the managers; the same holds true after 10 years, then 12 years, if no total divestment or stock market floatation has taken place in the meanwhile; in these cases, the co-investment is valued at the end of each period by an internationally-recognized independent expert;

(vii) in the event of a departure, the co-investors undertake to transfer at the request of the Wendel Group their shares that are not fully vested (see paragraph (iv) hereabove) at their initial value; in the event of a departure for misconduct, they also undertake to sell their fully vested shares according to the pre-defined valuation rules; in the event of a departure without misconduct, they may request the buyback of all of their shares.

b) Nature, purpose, terms and conditions

Additional subscriptions by the members of the Executive Board for co-investments

In 2011, the Wendel Group acquired Parcours for €108.5 million and Mecatherm for €111.6 million. The Group also reinvested €4.5 million in Van Gansewinkel Groep (VGG) in order to allow the latter to finance the purchase of assets from Veolia Belgium. Pursuant to the applicable co-investment systems, the managers and certain executives were offered the opportunity to co-invest 0.5% of the amounts invested by Wendel.

Within this framework, upon prior authorization from the Supervisory Board in its meetings dated May 10, August 30 and December 1, 2011, Frédéric Lemoine and Bernard Gautier invested €221,177 and €149,940 respectively, and signed agreements to sell and agreements to buy intended to be exercised in the event of a departure from the Wendel Group. An independent expert certified that the value stated for the co-investments in Parcours and Mecatherm falls within the fair value range.

Agreements and commitments authorized in prior years by the General Shareholders' Meeting

In accordance with Article R.225-57 of the French Commercial Code, we were informed that the following agreements and commitments, approved by the General Shareholders' Meeting in prior years remained in force during the year.

1. With Wendel-Participations (formerly Société Lorraine de Participations Sidérurgiques – SLPS)

Nature, purpose, terms and conditions

On September 2, 2003, Wendel entered into the following two agreements with Wendel-Participations:

- a service agreement providing for administrative assistance, corresponding to an amount of €13,000 before tax in 2011;
- a commitment to rent office space, corresponding to an amount of €40,628 before tax in 2011.

Nature, purpose, terms and conditions

Agreement on the use of the "Wendel" name and license to use the brand "WENDEL Investissement"

On May 15, 2002, the Company entered into two agreements with SLPS and Wendel-Participations, which authorize the Company to use the family name "Wendel" as its corporate and commercial name. The agreements also grant an exclusive license to the Company to use the brand "WENDEL Investissement".

These agreements were entered into without consideration and for an indefinite period, with the stipulation that they may be revoked if the direct or indirect interest of the family holding companies in the capital of the Company is 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.

2. With Bernard Gautier, member of the Executive Board of Wendel

Nature, purpose, terms and conditions

Compensation of a member of the Executive Board with respect to his employment contract

Bernard Gautier has held an employment contract since 2003, when he joined the Company. He was appointed as a member of the Executive

Board in 2005 and his employment contract has been maintained. His fixed and variable compensation is paid to him with respect to his employment contract.

At its meeting on March 22, 2011, on the recommendation of the Governance Committee, the Supervisory Board decided to maintain his fixed and variable remuneration for 2011 under the same conditions as for 2010, e.g., a fixed annual amount of €700,000, and a target variable amount of 50% of his fixed compensation, i.e., €350,000, depending on quantitative and qualitative targets.

In view of the targets achieved, the Supervisory Board, at its meeting on March 21, 2012, authorized the Company to pay Bernard Gautier the full amount of his variable compensation with respect to 2011, i.e., €350,000.

Neuilly-sur-Seine and Paris-La Défense, March 28, 2012

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean-Pierre Letartre

7.2 Statutory Auditors' report on the issue of shares and marketable securities with or without cancellation of preferential subscription rights

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

Extraordinary Shareholders' Meeting of June 4, 2012

Tenth, eleventh, twelfth, thirteenth and fifteenth resolutions

To the Shareholders,

In our capacity as statutory auditors of your company and in compliance with Articles L.228-92, L.225-135 and L.225-136 of the French Commercial Code (*Code de commerce*), we hereby report on the proposed authorizations allowing your Executive Board to decide on whether to proceed with various issues of shares and marketable securities, operations upon which you are called to vote.

Your Executive Board proposes, on the basis of its report:

- that it be authorized, with the possibility of subdelegation in the conditions laid down by the law, subject to the prior authorization of the Supervisory Board in accordance with Article 15-V b) of the Memorandum and Articles of Association, for a period of fourteen months, to decide on whether to proceed with the following operations and to determine the final conditions of these issues, and proposes, if applicable, to cancel your preferential subscription rights:
  - the issue of shares in the company or of marketable securities giving access to shares in the company or, in accordance with Article L.228-93, in any company of which more than half of the capital is held directly or indirectly by the company, without cancellation of preferential subscription rights (tenth resolution),
  - the issue of shares in the company or of marketable securities giving access to shares in the company or, in accordance with Article L.228-93 of the French Commercial Code (*Code de commerce*), any company of which more than half of the capital is held directly or indirectly by the company or giving entitlement to the allotment of debt securities, with cancellation of the preferential subscription rights. This issue may be made either through offerings to the public or, within the limit of 20% of the share capital per year, through offerings in accordance with II of Article L.411-2 of the French Monetary and Financial Code (*Code monétaire et financier*) (eleventh resolution),
  - the issue of shares in the company or of marketable securities giving access to shares in the company, resulting from the issue by subsidiaries (Article L.228-93) of the company of marketable securities giving access to shares in the company (eleventh resolution),
  - that It be authorized, under the eleventh resolution and within the context of the authorization presented in the eleventh resolution, to determine the issue price within the legal annual limit of 10% of the share capital,
  - the issue of shares in the company or of marketable securities giving access to shares in the company, where an exchange offer (Article L.225-148) is launched by your company (thirteenth resolution), within the limit of a nominal amount of capital increases of € 100,000,000;
- that it be authorized, with the possibility of subdelegation in the conditions laid down by the law, subject to the prior authorization of the Supervisory Board in accordance with Article 15-V b) of the Memorandum and Articles of Association, for a period of fourteen months, to determine the terms and conditions of the issue of shares in the company or of marketable securities giving access to shares in the company, in order to pay for the contributions in kind made to the company and consisting of equity securities or marketable securities giving access to the capital (thirteenth resolution), within the limit of 10% of the capital.

The nominal amount of the capital increases that can be implemented immediately or at a later date may not be in excess of € 100,000,000 under the tenth resolution and € 75,000,000 under the eleventh resolution, it being specified that these amounts will be charged against the overall maximum amount of € 400,000,000 set by the tenth, eleventh, twelfth, thirteenth and fourteenth resolutions.

If you adopt the twelfth resolution, these maximum amounts take into account the additional number of marketable securities made available through the authorizations presented in the tenth and eleventh resolutions, in accordance with Article L.225-135-1 of the French Commercial Code (*Code de commerce*).

It is the responsibility of the Executive Board to prepare a report in accordance with Articles R.225-113 *et seq*. of the French Commercial code (*Code de commerce*). Our role is to report on the fairness of the financial information taken from the accounts, on the proposed cancellation of preferential subscription rights and on the other information relating to these operations provided in the report.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (*Compagnie nationale des commissaires aux comptes*) for this type of engagement. These procedures consisted in verifying the information provided in the Executive Board's report relating to these operations and the methods used to determine the issue price of the capital securities to be issued.

Subject to a subsequent examination of the conditions for the issues that would be decided, we have no matters to report as to the methods used to determine the issue price of the capital securities to be issued provided in the Executive Board's report in respect of the eleventh resolution.

Moreover, as the methods used to determine the issue price of the capital securities to be issued in accordance with the tenth and thirteenth resolutions are not specified in that report, we cannot report on the choice of constituent elements used to determine the issue price.

As the final conditions in which the issues would be performed have not yet been determined, we cannot report on these conditions and, consequently, on the cancellation of preferential subscription rights proposed in the eleventh and thirteenth resolutions.

In accordance with Article R.225-116 of the French Commercial Code (*Code de commerce*), we will issue a supplementary report, if necessary, when your Executive Board has exercised this authorization for issues of marketable securities giving access to the capital or giving entitlement to the allotment of debt securities and for issues with cancellation of preferential subscription rights.

Neuilly-sur-Seine and Paris-La Défense, March 28, 2012

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean-Pierre Letartre

7.3 Statutory Auditors' report on the increase in capital reserved for members of one or more company or group savings schemes with cancellation of preferential subscription rights

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

Extraordinary Shareholders' Meeting of June 4, 2012

Sixteenth 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 to you on the delegation of authority sought by the Executive Board to increase capital by issuing shares or securities giving access to the capital for a maximum amount of €250,000 without preferential subscription rights reserved for members of one or more Company savings plans implemented within the Group, which is submitted to you for approval.

This increase in capital is submitted for your approval in accordance with Articles L.225-129-6 of the French Commercial Code (*Code de commerce*) and L.3332-18 *et seq*. of the French Labor Code (*Code du travail*).

Based on the Executive Board's report, shareholders are requested to delegate authority to the Executive Board, for a period of 14 months, with the power to sub-delegate as provided by law, subject to the prior approval of the Supervisory Board pursuant to Article 15-V b) of the bylaws, to decide on one or more increases in capital and to waive their preferential subscription rights. It is the Executive Board's responsibility, where applicable, to define the final terms and conditions of such an issue.

It is the Executive Board's responsibility to prepare a report in accordance with Articles R.225-113 and following of the French Commercial Code (*Code de commerce*). It is our responsibility to express an opinion on the fairness of the information taken from the financial statements, on the proposed cancelation of shareholders' preferential subscription rights, and on other information relating to the increase in capital contained in this report.

We performed the procedures we deemed necessary in accordance with professional standards applicable in France to such engagements. These standards require that we perform procedures to verify the content of the Executive Board's report relating to the transactions and the methods used to set the share issue price.

Subject to a subsequent examination of the conditions for the increase(s) in capital once they have been decided, we have no matters to report as regards the methods used to set the issue price as provided in the Executive Board's report.

As the share issue price has not yet been set, we do not express an opinion on the final terms and conditions under which the increase(s) in capital will be carried out, and consequently, on the cancelation of preferential subscription rights submitted for your approval.

In accordance with Article R.225-116 of the French Commercial Code (*Code de commerce*), we will prepare an additional report if and when the Executive Board uses this authorization.

Neuilly-sur-Seine and Paris-La Défense, March 28, 2012

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean-Pierre Letartre

7.4 Statutory Auditors' report on the authorization to award stock subscriptions and/or purchase options to corporate officers and employees

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

Extraordinary Shareholders' Meeting of June 4, 2012

Seventeenth resolution

To the Shareholders,

In our capacity as Statutory Auditors of Wendel, and in compliance with Articles L.225-177 and R.225-144 of the French Commercial Code (*Code de commerce*), we hereby report to you on the authorization to award stock subscriptions and/or purchase options to the corporate officers, referred to in Article L.225-185 of the French Commercial Code (*Code de commerce*), and employees of the Company and of the companies or groups of companies that are related to it within the meaning of Article L.225-180 of the French Commercial Code (*Code de commerce*), which is submitted to you for approval.

Based on the Executive Board's report, shareholders are requested to authorize the Executive Board, for a period of 14 months, to award stock subscription and/or purchase options.

It is the Executive Board's responsibility to prepare a report on the reasons for awarding stock subscriptions and/or purchase options and on the proposed methods for setting the subscription and/or purchase price. It is our responsibility to express an opinion on these methods.

We performed the procedures we deemed necessary in accordance the professional guidance issued by the French national auditing body (*Compagnie nationale des commissaires aux comptes*) for this type of engagement. These procedures included verifying that the methods proposed for setting the subscription and/or purchase price are specified in the Executive Board's report and that they comply with the applicable legal and regulatory provisions.

We have no matters to report as regards the proposed methods for setting the subscription and/or purchase price.

Neuilly-sur-Seine and Paris-La Défense, March 28, 2012

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean-Pierre Letartre

7.5 Statutory Auditors' report on the authorization to award existing shares or shares to be issued to corporate officers and employees

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

Extraordinary Shareholders' Meeting of June 4, 2012

Eighteenth resolution

To the Shareholders,

In our capacity as Statutory Auditors of Wendel, and in compliance with Article L.225-197-1 of the French Commercial Code (*Code de commerce*), we hereby report to you on the authorization sought by the Executive Board to award existing shares or shares to be issued to employees and corporate officers of the Company and of the companies or groups of companies that are related to it, which is submitted to you for approval.

Based on the Executive Board's report, shareholders are requested to authorize the Executive Board, for a period of 14 months, to award free shares or shares to be issued.

It is the Executive Board's responsibility to prepare a report on the proposed operation. It is our responsibility to report to you on the information provided to you on the proposed operation.

We performed the procedures we deemed necessary in accordance with the professionnal guidance issued by the French national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) for this type of engagement. These procedures consisted primarily in verifying that the methods proposed and the information in the Executive Board's report comply with the applicable legal provisions.

We have no matters to report as regards the information in the Executive Board's report concerning the proposed authorization to award existing shares or shares to be issued.

Neuilly-sur-Seine and Paris-La Défense, March 28, 2012

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean-Pierre Letartre

7.6 Supplementary report from the Executive Board on the capital increase reserved for employee members of the Group savings plan

Capital increase reserved for members of the 2011 Wendel Group savings plan

Using the power delegated to it by the shareholders at their Combined Shareholders' Meeting on May 30, 2011 by virtue of the fifteenth resolution and after obtaining the approval of the Supervisory Board on that same date, the Executive Board decided on June 10, 2011 to carry out a capital increase reserved for members of the Wendel Group savings plan, in favor of whom the shareholders' preferential subscription right was canceled at the same meeting.

The purpose of this report, prepared in accordance with Article R.225-116 of the French Commercial Code, is to describe the final terms and conditions of the capital increase carried out with the approval of the shareholders.

I. Final terms and conditions of the capital increase

Maximum size of the reserved capital increase

On June 10, 2011, 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 10, 2011, 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 10, 2011, was €82.21;
- the subscription price, set at 80% of the reference price, was €65.77.

Each new share having a par value of €4 was therefore issued with a share premium of €61.77.

The total amount of the capital increase, including the share premium, was €3,288,500.

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 the preferential subscription right

At the Combined Shareholders' Meeting on May 30, 2011, the shareholders' preferential subscription right was canceled in favor of the beneficiaries of the capital increase.

Rights attached to shares

The new shares will be issued with ownership rights taking effect at once and immediately treated in the same way as existing shares.

Maximum subscription rights

Each beneficiary will have the right to subscribe to new shares in accordance with the terms and conditions of the Wendel Group savings plan and any amendments thereto.

Matching contribution

For 2011, the matching contribution will be 200% of the subscriber's voluntary contribution, up to a limit of 116 Wendel shares. The amount of 116 shares represents the largest whole number of shares that may be subscribed without the employers' contribution exceeding the legal limit of €5,090 per savings plan member.

Adjustments to the reserved capital increase

If the total number of shares requested exceeds the maximum number of shares offered in connection with the reserved capital increase, not all share requests will be fulfilled. Requests will be fulfilled as follows:

- no reduction will be applied to share requests that are eligible for the matching contribution or that are made in connection with the reinvestment of a collective performance bonus;
- 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 14 to June 23, 2011, inclusive.

The subscription period may end at any time before June 23, 2011 if all beneficiaries have either returned their subscription form or notified the Company that they waive their right to subscribe to the shares offered.

Listing of new shares

Admission to trading of the Company's new shares on Eurolist by Euronext will be requested as soon as possible following the capital increase.

II. Impact of the capital increase

If the capital increase reserved for members of Wendel's Group savings plan is fully subscribed, 50,000 shares in the Company will be issued.

In accordance with Article R.225-115 of the French Commercial Code, the Executive Board hereby reports on the impact of this issue on the situation of holders of equity shares in the Company and holders of securities giving access to the Company's capital. The impact of the issue was assessed based on the latest parent company financial statements dated December 31, 2010.

Impact on book value as of December 31, 2010

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 decline by €0.00 based on a total of 50,529,635 shares issued, representing the Company's share capital, and by €0.08 based on a total of 51,335,462 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 10, 2011

After taking into account the 50,000 shares subscribed to during the capital increase covered in this report, the share's market value would decline by €0.02 based on a total of 50,529,635 shares issued, representing the Company's share capital, and by €0.48 based on a total of 51,335,462 shares issued or that could potentially be issued.

June 10, 2011,

Frédéric Lemoine	Bernard Gautier
Chairman of the Executive Board	Member of the Executive Board

7.7 Observations from the Supervisory Board for the shareholders

To the shareholders,

The Supervisory Board met nine times in 2011. In compliance with by-laws and legal provisions, it performed the checks and controls of the management of the Executive Board that it deemed necessary, with the active support of its two standing committees. The Audit Committee met five times and the Governance Committee met seven times.

The Supervisory Board draws your attention to the excellent relationship it enjoys with the Executive Board, which kept it constantly informed of any changes to the Group's business activities. The Supervisory Board has full confidence in the Executive Board and the team it leads.

In 2011, Wendel resumed its active investing and completed three acquisitions:

- in April, it acquired Parcours, the only remaining independent player of a significant size operating in the long-term car leasing sector in France, for €107 million;
- in July, it acquired a stake in exceet, a listed company based in Frankfurt, Germany, and the European leader in embedded intelligent electronic solutions, for €50 million;
- in October, it acquired Mecatherm, the world leader in equipment for industrial bakeries, for €112 million.

These investments were made through Oranje-Nassau Développement, the Group subsidiary dedicated to investing in innovation, growth and diversification opportunities. Your Supervisory Board is proud of these promising acquisitions, which are positioned for long-term growth, with Wendel's support.

2011 was also a year in which Group companies posted sharp growth in net income and Wendel strengthened its balance sheet.

Your Supervisory Board met on March 21, 2012 to examine Wendel's parent company and consolidated financial statements, which were finalized by the Executive Board, and the draft resolutions that have been submitted to you. We have no observations to make and are favorable to their approval.

We also request that you renew the appointments of two directors and family shareholders, François de Wendel and François de Mitry, on the recommendation of the Governance Committee.

After a 42-year career with Wendel in finance-related areas, followed by 10 years of board membership, Jean-Marc Janodet did not seek renewal of his office. We thank him warmly for his extremely active contribution to the Group's management over these many years.

Guylaine Saucier, an independent director, was appointed Chairman of the Audit Committee at the Board meeting of March 22, 2011. Humbert de Wendel and Gérard Buffière (as an independent director) were appointed to the Board at the Annual Shareholders' Meeting on May 30, 2011, and joined the Audit Committee as well.

Your Board approves the Executive Board's proposal to set the dividend for 2011 at €1.30 per share, an increase from 2010, and to add a special distribution of one Legrand share for every 50 Wendel shares held.

Lastly, your Board also recommends that you approve the renewal of the financial authorizations granted to the Executive Board.

7.8 Report of the Executive Board on the resolutions submitted to the shareholders at their Annual Meeting on June 4, 2012

Ordinary General Meeting

2011 financial statements, allocation of income and regulated agreements

The purpose of the **first** and **second resolutions** is to approve Wendel's financial statements as of December 31, 2011.

The parent company financial statements show net income of €683,204,685.23; the consolidated financial statements report net income, Group share, of €525,439,000. These performances reflect the general financial health of Wendel and the companies in its portfolio as well as the significant capital gains realized during the year.

The **third resolution** proposes to allocate net income for the year ended December 31, 2011 and distribute a dividend of €1.30 per share, an increase from the dividends paid for the past three years:

	2008	2009	2010
Dividend	€1.00	€1.00	€1.25

The ex-dividend date is set for June 7, 2012, and the dividend will be paid on June 12, 2012.

Under current regulations, individuals resident in France for tax purposes are eligible for a tax exclusion on this dividend of 40% per year or may opt for a flat-rate withholding tax pursuant to Article 117 *quater* of the French Tax Code.

The **fifth resolution** would approve the Statutory Auditors' special report on regulated agreements. This report explains the changes and clarifications made to co-investment principles by the Supervisory Board and describes the co-investments made by the members of the Executive Board in 2011.

Special distribution in kind

The intent of the **fourth resolution** is to approve a special distribution of shares in Legrand, the world leader in wiring devices. This company, which was acquired by Wendel in 2002, has since undergone remarkable growth. Legrand was listed on the stock market in 2006 and joined the CAC 40 index in 2011.

With this special distribution, Wendel aims to enable its shareholders to benefit directly from the growth of Legrand and from the gains realized on the recent sales of Legrand shares.

One Legrand share would be distributed for every 50 Wendel shares. The distributed shares will be valued based on the opening price of the Legrand share on June 12, 2012. Each shareholder will receive the largest whole number of Legrand shares to which they are entitled, according to the ratio indicated above, as well as a cash payment from the Company for any remaining fractional share.

Since the value of the special distribution, to be obtained by multiplying the number of Legrand shares by the opening share price on June 12, 2012, cannot be calculated prior to that date and will be deducted from Wendel's shareholders' equity, it is proposed to limit the maximum impact of the transaction on Wendel's equity to €40 million. If this amount is exceeded, the ratio of one Legrand share for 50 Wendel shares would be adjusted.

Consequently, the Executive Board would be given full power to carry out this special distribution and notably to set the final value on June 12, 2012.

Supervisory Board: renewal of the terms of two members

The **sixth** and **seventh resolutions** propose to renew the appointments of two Supervisory Board members and family shareholders – François de Wendel and François de Mitry – for four-year terms.

Jean-Marc Janodet, whose term expires at the close of the Annual Meeting of June 4, 2012, chose not to seek renewal of his appointment, after 52 years of active contribution to the Wendel Group first as an employee and then as a member of the Supervisory Board.

The Supervisory Board has 10 members, four of whom are independent directors. Nevertheless, the appointment of a new Board member will be proposed to you at the Annual Meeting to be held in 2013.

Share buyback

The **eighth resolution** would renew the authorization granted to the Company to buy back its own shares as provided for by law.

The maximum repurchase price is set at €150 and the authorization would be valid for 14 months.

The share buyback program can only be used for the purposes allowed by law, described in the corresponding resolution. In practice, your Company may buy back shares mainly in order to reduce its capital, carry out acquisitions, stimulate the market for the Company's shares or cover purchase-type stock options or performance shares. In 2011, Wendel directly repurchased 1,026,389 of its own shares to cover such transactions.

In all cases, the shares acquired by the Company may not exceed 10% of its capital, for example, 5,056,097 shares as of December 31, 2011, not taking into account shares already held. This authorization may not be used during a takeover bid.

Extraordinary General Meeting

Amendment to the by-laws

The purpose of the **ninth resolution** is to amend the by-laws to allow a special distribution of shares in Legrand. This distribution is described in the fourth resolution.

Renewal of financial authorizations

These authorizations propose to renew, for a period of 14 months, existing authorizations of the same nature that are due to expire. The maximum aggregate par value of capital increases is set at €400 million.

The authorizations relate to the issue of shares or securities giving immediate or future access to the capital of the Company, with the maintenance or cancellation of preferential subscription rights in favor of shareholders, depending on the opportunities arising on the financial markets and the interests of the Company and its shareholders. They would give the Company flexibility and the ability to act quickly by allowing the Executive Board, with the prior approval of the Supervisory Board, to carry out market transactions as needed to implement the Group's strategy.

The amounts for which these financial authorizations are requested have been reduced to reflect current practices, recommendations from voting agencies and the opinions expressed by certain shareholders.

The Executive Board did not use any of these authorizations in 2011.

The **tenth resolution** would authorize the Executive Board to increase the share capital, with preferential subscription rights for shareholders maintained, by up to a maximum par value of €100 million.

The purpose of the **eleventh resolution** is to authorize the Executive Board to increase capital, while canceling preferential subscription rights for shareholders but with the possibility of granting the latter a priority period, up to a maximum par value of €75 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.

It would also allow the issue of securities through private placement, up to a maximum of 20% of the capital per year, and, for up to a maximum of 10% of the capital per year, at a price 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.

The **twelfth resolution** proposes to authorize the Executive Board to increase the size of issues by up to 15% of the initial issue, with maintenance or cancellation of preferential subscription rights, in the event of excess demand.

The **thirteenth resolution** is intended to authorize the Executive Board to increase the share capital in consideration for contributions in kind consisting of shares, up to a maximum of 10% of the capital, or in connection with a public exchange offer, up to a maximum par value of €100 million. This authorization would enable the Company to acquire equity investments in unlisted or listed companies and fund these acquisitions with shares rather than cash.

The **fourteenth 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 €100 million. This capital increase may be carried out through the allocation of bonus shares to shareholders and/or an increase in the par value of existing shares.

The purpose of the **fifteenth resolution** is to set the maximum aggregate par value of capital increases resulting from the tenth to the fourteenth resolution at €400 million.

Employee share ownership

Wendel implements its employee share ownership policy with the aim of limiting the dilutive effect for shareholders in mind.

Group savings plan

The **sixteenth resolution** proposes to authorize the Executive Board, for a period of 14 months, to increase the Company's capital, with the prior approval of the Supervisory Board, in favor of the Group's employees and corporate officers and under the Group savings plan, up to a maximum par value of €250,000, as in previous years.

In accordance with the legislation in force, the issue price of shares may not be higher than the average quoted 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%.

In 2011, the Executive Board decided to use the authorization granted by shareholders at their May 30, 2011 meeting, for the amount of €200,000. Employee share ownership through the Group savings plan was approximately 0.7% of the capital as of December 31, 2011.

Grant of purchase-type and/or subscription-type options and performance shares

The exercise of options to purchase or subscribe to shares and the vesting of performance shares is subject to service and performance conditions and, for Executive Board members, 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 are set by the Supervisory Board; performance conditions for the beneficiary employees, if applicable, are set by the Executive Board.

The **seventeenth resolution** would authorize the Executive Board, for a period of 14 months, to grant options to subscribe to and/or purchase shares, for up to a maximum of 0.9% of the capital, to employees and corporate officers of the Wendel Group. The price would be set in accordance with legal and regulatory provisions, with no discount.

The **eighteenth resolution** proposes to authorize the Executive Board, for a period of 14 months, to grant performance shares to employees and corporate officers, up to a limit of 0.3% of the capital. This amount is included in the maximum amount of 0.9% set in the seventeenth resolution. The performance shares awarded shall vest at the end of a two-year period, to be followed by a two-year minimum holding period.

Powers

The **nineteenth resolution** proposes to grant the necessary powers to accomplish legal formalities.

7.9 Agenda and draft resolutions

Proposed resolutions

Resolutions pertaining to the Ordinary Meeting

1 Approval of the 2011 parent company financial statements;

2 Approval of the 2011 consolidated financial statements;

3 Net income allocation, dividend approval and payment;

4 Special distribution in kind of portfolio shares;

5 Approval of agreements described in Articles L.225-38 *et seq*. and L.225-86 *et seq*. of the French Commercial Code;

6 Renewal of the appointment of a member of the Supervisory Board;

7 Renewal of the appointment of a member of the Supervisory Board;

8 Authorization granted to the Executive Board to trade in the Company's shares.

Resolutions pertaining to the Extraordinary Meeting

9 Amendment to Article 27 of the by-laws;

10 Delegation of power to the Executive Board to issue shares or securities giving access to the capital with preferential subscription rights maintained;

11 Delegation of power to the Executive Board to issue shares or securities giving access to the capital with preferential subscription rights canceled;

12 Delegation of power to the Executive Board to increase the number of shares or securities issued in the event of excess demand;

13 Delegation of power to the Executive Board to increase share capital in consideration for contributions of shares;

14 Delegation of power to the Executive Board to increase share capital through the capitalization of reserves, profits, premiums;

15 Maximum aggregate amount of capital increases;

16 Authorization granted to the Executive Board to increase share capital through the issue of shares or securities giving access to the capital, reserved for members of the Group savings plan;

17 Authorization granted to the Executive Board to grant purchase-type and/or subscription-type stock options to corporate officers and employees;

18 Authorization to the Executive Board to grant performance shares to corporate officers and employees.

Resolution pertaining to the Ordinary Meeting

19 Powers for legal formalities.

7.9.1 Resolutions pertaining to the Ordinary Meeting

First resolution

Approval of the 2011 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 2011 and the observations of the Supervisory Board,
- having heard the report of the Statutory Auditors on the financial statements,

hereby approve the parent company financial statements for the fiscal year beginning on January 1, 2011, and ending on December 31, 2011, as presented by the Executive Board, with net income of €683,204,685.23, as well as the transactions presented in these statements or described in these reports.

Second resolution

Approval of the 2011 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 2011 and the observations of the Supervisory Board;
- having heard the report of the Statutory Auditors on the consolidated financial statements,

hereby approve the consolidated financial statements for the fiscal year beginning on January 1, 2011, and ending on December 31, 2011, as presented by the Executive Board, with net income, Group share, of €525,439,000, as well as the transactions presented in these statements or described in these reports.

Third resolution

Net income allocation, dividend approval and payment

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, acting on the recommendation of the Executive Board, as approved by the Supervisory Board,

1. decide:
   - to allocate 2011 net income totaling €683,204,685.23

     plus retained earnings of €661,657,954.16

     comprising income available for distribution of €1,344,862,639.39

   in the following manner:
   - to shareholders, the amount of €65,729,267.50

     to pay a net dividend of €1.30 per share

     to legal reserves, the amount of €801.00
   - to retained earnings, the remaining amount of €1,279,132,570.89;
2. decide that the ex-dividend date shall be June 7, 2012, and that the dividend shall be paid on June 12, 2012;
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 from subscription-type or purchase-type stock options exercised 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	Number of shares at year end	Net dividend per share
2008	50,366,600	€1.00
2009	50,436,175	€1.00
2010	50,501,779	€1.25

Under current regulations, in accordance with Article 243 *bis* of the French Tax Code, the whole dividend proposed is eligible for a 40% tax exclusion for individuals resident in France for tax purposes pursuant to Article 158-3 2° of the French Tax Code. This exclusion does not apply if the taxpayer opts for the flat-rate withholding tax described in Article 117 *quater* of the French Tax Code.

Fourth resolution

Special distribution in kind of portfolio shares, subject to the condition precedent of an amendment to the by-laws

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, having heard the report of the Executive Board and the prospectus (*note d'opération*) prepared by Wendel and duly certified by the *Autorité des Marchés Financiers*, decide, subject to the approval of the ninth resolution relating to the amendment of Article 27 of the by-laws, to carry out a special distribution of shares in Legrand in favor of Wendel shareholders of record as of June 7, 2012.

The ex-dividend date of the special distribution in kind shall be June 7, 2012 and the distribution shall be payable on June 12, 2012.

One Legrand share shall be distributed for every 50 Wendel shares, up to an amount not exceeding €40 million, it being specified that the distributed shares shall be valued at the Legrand share opening price on June 12, 2012.

If the shares to be distributed are valued above the maximum amount, the Executive Board shall have full power to adjust the ratio described above to the extent required so that the value of the distributed shares is equal to or falls just under the maximum amount.

The distribution of Legrand shares shall be taken from the net income for the fiscal year.

The shareholders decide that the rights comprising fractional shares shall not be negotiable or transferable. As a result, when the amount of special distribution to which a shareholder is entitled does not correspond to a whole number of Legrand shares (creation of fractional shares), the shareholder shall receive the next lower whole number of Legrand shares and a cash payment from the Company for the remaining fractional share.

The shareholders give full power to the Executive Board to set the total amount to be distributed under this resolution, based on the opening price of the Legrand share on June 12, 2012, to deduct the exact amount of the special distribution primarily from net income for the fiscal year, to make the necessary calculations and adjustments described in this resolution and, generally, to take all appropriate or required action.

The shareholders acknowledge that:

- the amount of the special distribution, calculated based on the opening price of the Legrand share on June 12, 2012, will be communicated in a special release on that date;
- Wendel shares held in treasury are not entitled to dividends;
- Legrand shares will be granted ex-dividend in respect of 2011 and will begin to earn dividends as of January 1, 2012;
- under current regulations, for individuals resident in France for tax purposes, the special distribution to shareholders qualifies for the 40% tax exclusion described in Article 158-3 2° of the French Tax Code, subject to legal terms and limits and under the shareholders' responsibility, unless they opt for the flat-rate withholding tax.

Fifth resolution

Approval of agreements described in Articles L.225-38 et seq. and L.225-86 et seq. of the French Commercial Code

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 year ended December 31, 2011, described in this report, on changes to the co-investment principles and on the co-investments made by members of the Executive Board in 2011.

Sixth resolution

Renewal of the appointment of François 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 François 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 Shareholders' Meeting called in 2016 to approve the financial statements of the fiscal year ending December 31, 2015.

Seventh resolution

Renewal of the appointment of François de Mitry 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 François de Mitry 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 Shareholders' Meeting called in 2016 to approve the financial statements of the fiscal year ending December 31, 2015.

Eighth resolution

Authorization granted to the Executive Board to trade in the Company's shares: maximum purchase price of €150

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,

- having heard the report of the Executive Board,
- and pursuant to Articles L.225-209 *et seq*. of the French Commercial Code, the General Regulation of the *Autorité des Marchés Financiers*, and European Commission regulation no. 2273/2003,

1. authorize the Executive Board, with the power of sub-delegation as provided for by law, to buy back shares in the Company within the following limits:
    - the number of shares purchased by the Company during the buyback program shall not exceed 10% of the number of shares comprising the capital, at any time, with this percentage applying to capital adjusted for transactions that may impact it subsequent to this Shareholders' Meeting, for example, 5,056,097 shares as of December 31, 2011,
    - 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 within the framework of a liquidity contract in compliance with the code of good conduct recognized by the *Autorité des Marchés Financiers*,
   - to implement purchase-type stock option plans as defined in Articles L.225-177 *et seq*. of the French Commercial Code,
   - to award performance shares within the framework of Articles L.225-197-1 *et seq*. of the French Commercial Code,
   - to allocate or sell shares as part of the Group's profit sharing program and any Group savings plan as provided for by law, particularly Articles L.3321-1 *et seq*. and L.3331-1 *et seq*. of the French Labor Code,
   - to cancel all or part of the shares purchased,

   this program shall also allow the Company to pursue any other purpose that has been or shall be authorized by legislation or regulations in force. In such an event, the Company shall inform its shareholders by issuing a press release;
3. decide that the acquisition, sale or transfer of shares may, subject to applicable legal and regulatory restrictions, be made at any time, except during a public offer, and by any means, on the stock market or through private transactions including the acquisition or sale of blocks of shares (without limiting the portion of the buyback program that may be conducted in this way), through public offers to purchase, sell or exchange shares, or through the use of options or other derivatives traded in a regulated stock market or in private transactions, or by the delivery of shares subsequent to the issue of securities giving access to the Company's capital by conversion, exchange, reimbursement, exercise of warrants or otherwise, either directly or indirectly through an investment service provider;
4. set the maximum purchase price at €150 per share, representing, for example, a total maximum share buyback amount of €758,414,550 on the basis of 5,056,097 shares as of December 31, 2011, and give full power to the Executive Board to adjust this purchase price, in the event of transactions on the Company's capital, to take into account the impact of these transactions on the value of the shares;
5. give full power to the Executive Board to decide and apply this authorization, to specify, where necessary, the terms and procedures, to carry out the share buyback program, and in particular to trade in the stock market, enter into any agreements, facilitate the recording of purchases and sales in stock market registers, make any disclosures including to the *Autorité des Marchés Financiers*, carry out any formalities, and, generally, do what is required for the application of this authorization;
6. decide that this authorization, which cancels and replaces any previous authorizations of the same nature, for any unused amounts, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

7.9.2 Resolutions pertaining to the Extraordinary Meeting

Ninth resolution

Amendment to Article 27 of the by-laws

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings, having heard the report of the Executive Board, decide to add a new paragraph to Article 27 "Allocation of income and distribution" of the by-laws:

"VI. At their Ordinary Meeting, the shareholders may also decide to distribute profits, reserves or premiums through a distribution in kind, notably of negotiable securities held in the assets of the Company, either with or without an option for payment in cash. 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 of a distribution of securities held in the assets of the Company, the shareholders may notably decide that when the amount of the dividends to which a shareholder is entitled does not correspond to a whole number of securities, the shareholder shall receive the next lower whole number of securities and a cash payment for the remaining amount."

The rest of the article remains unchanged.

Tenth resolution

Delegation of power to the Executive Board to increase share capital, with preferential subscription rights maintained, for a maximum par value of one hundred million euros

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board and the special report of the Statutory Auditors,

- and pursuant to Articles L.225-129-2, L.225-129-4, L.225-129-5, L.225-132 and L.225-134 and Articles L.228-91 to L.228-93 of the French Commercial Code,

1. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, the power to issue, on one or more occasions, in the proportions and at the times that it shall determine, in France or outside France, subject to valuable consideration or not, with preferential subscription rights maintained, shares of the Company or any other securities giving access, at any time or at a specified date – through subscription, conversion, exchange, repayment, exercise of warrants or in any other manner – to a portion of the share capital of the Company or of one of the companies described in Article L.228-93 of the French Commercial Code, it being specified that these securities may be denominated in euros or another currency or in a monetary unit established by reference to a number of currencies, and that these issues may be subscribed either in cash, or by offsetting uncontested and liquid debts payable by the Company;
2. decide that the par value of any capital increases carried out immediately or at a later date under this authorization shall not exceed one hundred million euros 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 fifteenth resolution;
3. decide that to these amounts shall be added, if applicable, the par value of additional shares to be issued to protect the rights of holders of securities giving access to the Company's share capital;
4. decide that the issue or issues shall be reserved, on a preferential basis, to shareholders, who may subscribe as of right in proportion to the number of shares they own;
   - take note that the Executive Board may grant shareholders the right to subscribe for excess securities in addition to the number of securities they are entitled to subscribe for as of right, in proportion to their subscription rights and, in any case, not exceeding the number requested,
   - take note that if all the shares issued are not taken up through subscriptions as of right and, if applicable, subscriptions for excess shares, the Executive Board may use, as provided for by law and in the order that it shall determine, one or more of the powers below:
     - restrict the increase of capital to the subscription amount, subject to this amount attaining at least three-quarters of the increase decided,
     - distribute as it sees fit all or a portion of the securities not taken up,
     - offer to the public all or a portion of the securities not taken up;
5. take note and decide, where necessary, that this authorization shall entail, in favor of the holders of the securities giving access to shares of the Company that may be issued under this resolution, the waiver by the shareholders of their preferential subscription right 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 shares shall be sold;
7. give full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this authorization, in particular to:
   - decide to carry out the issues and set all terms and conditions, notably: determine the dates and the amounts of the issues as well as the form and the characteristics of the securities to be created; set the issue price of the shares or securities giving access to the capital, the date from which ownership rights on them shall take effect, including a retroactive date, and the method of payment; provide for, if applicable, the terms and conditions of their repayment, repurchase on the stock market or exchange for shares or other securities, the possibility to suspend the exercise of rights attached to securities for a period not to exceed the maximum period authorized by the legal and regulatory provisions in force; determine and carry out any adjustments intended to take into account the impact of transactions on the share capital of the Company and set the terms and conditions by which it shall ensure, if applicable, the protection of the rights of the holders of securities giving access to the capital,
   - in the event of an issue of debt securities, decide whether they shall be subordinated or not, set their interest rates and the terms and conditions of interest payment, their term (with or without a maturity date), the redemption price (fixed or variable, with or without premium), repayment terms based notably on market conditions, the terms under which these securities shall give entitlement to shares and, more generally, determine all other issue and repayment terms and conditions; modify, during the life of the securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities,
   - charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve,
   - recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
   - and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned issues;
8. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Eleventh 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 seventy five million euros.

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board and the special report of the Statutory Auditors,
- and pursuant to Articles L.225-129-2, L.225-129-4 and L.225-129-5, Articles L.225-135, L.225-136 and L.225-148 and Articles L.228-91 to L.228-93 of the French Commercial Code and part II of Article L.411-2 of the French Monetary and Financial Code,

1. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, the power to issue, on one or more occasions, in the proportions and at the times that it shall determine, in France or outside France, subject to valuable consideration or not, shares of the Company or any other securities giving access, at any time or at a specified date – through subscription, conversion, exchange, repayment, exercise of warrants or in any other manner – to a portion of the share capital of the Company or of one of the companies described in Article L.228-93 of the French Commercial Code or giving entitlement to the allocation of debt securities, it being specified that these securities may be denominated in euros or another currency or in a monetary unit established by reference to a number of currencies, and that these issues may be subscribed either in cash or by offsetting uncontested and liquid debts payable by the Company;
2. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, the power to issue shares or securities giving access to the capital of the Company subsequent to the issue, by companies in which the Company directly or indirectly holds more than half of the share capital, of securities giving access to the share capital of the Company;
3. decide that any capital increases carried out immediately or at a later date under this authorization may be completed through public offerings or, up to a maximum of 20% of capital per year, through offerings described in part II of Article L.411-2 of the French Monetary and Financial Code;
4. decide that the par value of any capital increases carried out immediately or at a later date under the above-mentioned authorizations shall not exceed seventy five million euros 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 fifteenth resolution of this Shareholders' Meeting;
5. 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;
6. decide to cancel the preferential subscription right of shareholders to securities issued under this authorization, it being understood that the Executive Board may grant to shareholders, for a period of time and according to terms and conditions that it shall set in accordance with applicable legal and regulatory provisions, for the entire share issue through public offering, a priority period to subscribe for the above-mentioned securities, in proportion to the number of shares held by each shareholder, as of right and possibly not as of right, without giving rise to the creation of negotiable rights;
7. take note that if all the shares in the abovementioned issue are not taken up through subscriptions, including those of shareholders, the Executive Board may restrict the issue to the number of shares subscribed;
8. take note and decide, where necessary, that this authorization shall entail, in favor of the holders of the securities giving access to shares of the Company that may be issued under this resolution or by companies in which the Company directly or indirectly holds more than half of the share capital, the waiver by the shareholders of their preferential subscription right to the new shares to which these securities give access;
9. take note that, pursuant to Article L.225-136 of the French Commercial Code:
   - the issue price of shares issued directly shall be at least equal to the minimum provided for by the applicable regulatory provisions at the issue date,
   - the issue price of securities giving access to the share capital shall be such that the sum received immediately by the Company, increased by any amount received subsequently by the Company, is, for each share issued as a result of the issue of securities, at least equal to the minimum subscription price defined in the previous paragraph;
10. decide that the Executive Board is authorized to set the issue price of up to 10% of share capital per year in the following manner: the issue price of shares shall be at least equal to the average Wendel share closing price over the 20-day period preceding the issue, to which a discount of 10% may be applied; the issue price of other securities shall be such that the sum received immediately by the Company, increased by any amount received subsequently by the Company, is, for each share issued as a result of the issue of securities, at least equal to the minimum subscription price defined above; it being specified that the limit of 10% of share capital shall be assessed at the time that the Executive Board uses this authorization and that the issues shall be included in the maximum par values, as applicable, set in paragraphs 3 and 4 of this resolution;
11. give full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this authorization, in particular to:

- decide to carry out the issues and set all terms and conditions, notably: determine the dates and the amounts of the issues as well as the form and the characteristics of the securities to be created; set the issue price of the shares or securities, the date from which ownership rights on them shall take effect, including a retroactive date, and the method of payment; provide for, if applicable, the terms and conditions of their repayment, repurchase on the stock market or exchange for shares or other securities, the possibility to suspend the exercise of rights attached to securities for a period not to exceed the maximum period authorized by the legal and regulatory provisions in force; determine and carry out any adjustments intended to take into account the impact of transactions on the share capital of the Company and set the terms and conditions by which it shall ensure, if applicable, the protection of the rights of the holders of securities giving access to the capital,
- in the event of an issue of debt securities, decide whether they shall be subordinated or not, set their interest rates and the terms and conditions of interest payment, their term (with or without a maturity date), the redemption price (fixed or variable, with or without premium), repayment terms based notably on market conditions, the terms under which these securities shall give entitlement to shares and, more generally, determine all other issue and repayment terms and conditions; if applicable, these securities may be accompanied by warrants giving access to the allocation, acquisition or subscription of bonds or other securities representing debt; modify, during the life of the securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities,
- charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve,
- recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
- and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned issues;

12. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Twelfth 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

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.225-135-1 of the French Commercial Code,

1. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, for each of the issues decided by virtue of the tenth and eleventh resolutions of this Shareholders' Meeting, in the event of excess demand, the power to increase the number of securities to be issued at the same price as that set for the initial issue and within the periods and up to the limits provided by applicable regulations on the issue date (currently within 30 days of the closing date of the subscription and by up to 15% of the initial issue);
2. decide that the par value of any capital increases carried out under this resolution shall be included in the maximum aggregate par value set in paragraph 1 of the fifteenth resolution;
3. decide that this authorization shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Thirteenth resolution

Delegation of power to the Executive Board to increase share capital in consideration for contributions of shares, by up to one hundred million euros

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.225-92 *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;
3. decide to cancel, in favor of the holders of the shares tendered, the preferential subscription right of shareholders to the shares and securities issued in consideration for the contributions in kind;

4. decide that the par value of any capital increase carried out in consideration for shares tendered in a public exchange offer initiated by the Company shall not exceed one hundred million euros 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 the par value of any capital increase 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 fifteenth resolution;
5. decide that to this amount shall be added, if applicable, the par value of additional shares to be issued to protect the rights of holders of securities giving access to the Company's share capital;
6. give full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this authorization, in particular to:
   - approve the valuation of contributions and set the exchange ratio as well as, if applicable, the amount of the cash consideration,
   - approve the granting of special benefits, and reduce, if the contributors agree, the valuation of the contributions or the consideration for the special benefits,
   - recognize the number of securities tendered to the exchange,
   - recognize the number of securities to be issued,
   - determine the dates and terms of issues, notably the price and the effective date ownership rights on shares or other securities giving access to the share capital of the Company,
   - recognize the difference between the issue price of new shares and their par value in shareholders' equity on the balance sheet, under share premiums, to which all shareholders shall have rights,
   - charge, if applicable, all costs and fees related to the authorized transaction against share premiums and deduct from this amount the sums required to raise the legal reserve,
   - recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
   - and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned issues;
7. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Fourteenth resolution

Delegation of power to the Executive Board to increase share capital through the capitalization of reserves, profits or premiums, by up to one hundred million euros

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings,

- having heard the report of the Executive Board,
- and pursuant to Articles L.225-129-2, L.225-129-4 and L.225-130 of the French Commercial Code,

1. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, the power to increase share capital, on one or more occasions, in the proportions and at the times that it shall determine, up to a maximum par value of one hundred million euros, 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 fifteenth 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 shares shall be sold; the proceeds of the sale shall be allocated to the rights holders in accordance with applicable laws and regulations,
   - to carry out any adjustments intended to take into account the impact of transactions on the Company's share capital and set the terms and conditions by which it shall ensure, if applicable, the protection of the rights of the holders of securities giving access to the capital;
4. give full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this authorization, in particular to:
   - set the amount and nature of the sums to be incorporated into the capital,
   - set the number of shares to be issued or the amount by which the par value of shares comprising the share capital shall be increased,
   - set the date from which ownership rights on new shares or the increase in par value shall take effect,
   - appropriate from one or more available reserve accounts the amounts required to raise the legal reserve,
   - recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
   - and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned transactions;
5. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Fifteenth 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 four hundred million euros 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 tenth, eleventh, twelfth, thirteenth and fourteenth resolutions;
2. decide that to this amount shall be added, if applicable, the par value of additional shares to be issued to protect the rights of holders of securities giving access to the Company's share capital;
3. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Sixteenth resolution

Delegation of power to the Executive Board to increase share capital through the issue of shares reserved for members of the Group savings plan, up to a maximum par value of two hundred and fifty thousand euros

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 two hundred and fifty thousand euros the maximum aggregate par value of capital increases that may be carried out by virtue of this resolution;
3. decide to cancel, in favor of members of one or more Company savings plans implemented within the Group, shareholders' preferential subscription right to shares or securities issued under this resolution;
4. decide that the subscription price of new shares, set by the Executive Board in accordance with Article L.3332-19 of the French Labor Code, shall not be higher than the average closing share price for the 20 trading days prior to the date of the decision setting the opening date of the subscription, nor more than 20% lower than this average;
5. authorize the Executive Board to allocate, free of consideration, to the members of one or more Company savings plans implemented within the Group, in addition to the shares or securities giving access to the capital that must be subscribed for in cash, shares or securities giving access to share capital already issued, in full or partial substitution for the discount set by the Executive Board and/ or as a matching contribution, it being understood that the resulting benefit from this allocation may not exceed the applicable legal or regulatory limits defined in Articles L.3332-19 *et seq*. and L.3332-11 of the French Labor Code;
6. give full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this authorization, in particular to:
   - determine the companies or corporate groups whose employees may subscribe or receive the shares or securities allocated by virtue of this resolution,
   - decide that shares or securities may be subscribed or acquired directly by the beneficiaries, members of a Company savings plan implemented within the Group or through mutual funds or other structures or entities authorized by applicable legal or regulatory provisions,
   - determine the amount to be issued or sold, set the issue price in accordance with the terms and limits set by the legislation in force, the terms of payment, set the dates, terms and conditions of the issues to be carried out under this authorization,
   - set the date from which ownership rights on the new shares shall take effect, set the period within which payment must be made within the maximum period set by the legal and regulatory provisions in force, as well as, if applicable, the required length of service for beneficiaries to participate in the transaction and benefit from the Company's contribution,
   - in the event of the allocation of bonus shares or securities giving access to the capital, set the number of the shares or securities giving access to capital to be issued, the number to be allocated to each beneficiary, and set the dates, time periods, terms and conditions of the allocation of these shares or securities giving access to the capital within the legal and regulatory limits in force and, notably, choose to allocate these shares or securities giving access to the capital in full or partial substitution for the discount decided by the Executive Board, or to apply the value of these shares or securities to the total of the matching contribution, or to combine the two possibilities,
   - charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve,

- recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
- and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned transactions;

7. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Seventeenth resolution

Authorization to the Executive Board to grant purchase-type and/or subscription-type stock options to corporate officers and employees, up to maximum of 0.9% of the share capital

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board,
- having heard the special report of the Statutory Auditors,
- and pursuant to Articles L.225-177 *et seq*. of the French Commercial Code,

1. authorize the Executive Board to grant, on one or more occasions, subscription-type stock options, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, and/or options to purchase the Company's stock, in favor of individuals it shall designate – or cause to be designated – from among the corporate officers described in Article L.225-185 of the French Commercial Code and employees of the Company or of companies or corporate groups related to it as defined by Article L.225-180 of the French Commercial Code;
2. decide that the number of shares available for acquisition through the exercise of options granted under this authorization shall not exceed 0.9% of the existing share capital on the date the options are granted, it being specified that the number of performance shares awarded under the eighteenth resolution shall be deducted from this maximum amount;
3. decide that the Executive Board may amend its initial choice between subscription-type or purchase-type stock options, before the start of the period during which options may be exercised; should the Executive Board switch its choice to subscription-type options, it must first obtain the prior approval of the Supervisory Board, in application of Article 15-V b) of the by-laws;
4. decide that this authorization shall entail, in favor of the beneficiaries of subscription-type options, the express waiver by the shareholders of their preferential subscription rights to the shares issued as a result of the exercise of these options;
5. take note that in the event that options are granted to the corporate officers described in Article L.225-185 of the French Commercial Code, the Supervisory Board shall subject the grant or exercise of these options to performance conditions and must set a minimum number of shares resulting from the exercise of options that they are obliged to hold in registered form until termination of their appointment;
6. decide that the options to be granted under this authorization shall be subject to disclosure in the form of a special report of the Executive Board to the Shareholders, in accordance with legal and regulatory provisions in force;
7. give full power to the Executive Board to implement this authorization, in particular to:
   - set the terms and conditions by which the options shall be granted and draw up the list or categories of option beneficiaries,
   - determine the dates of each allocation,
   - determine the subscription price of new shares and the purchase price of existing shares, it being specified that this share subscription or purchase price shall be set in accordance with the legal and regulatory provisions in force on the date that the options are granted and shall not be lower than the average closing share price for the 20 trading days prior to the date of the price-setting,
   - take the necessary steps to protect the interests of beneficiaries with regard to any financial transactions that may be carried out before the exercise of the options,
   - set the terms and conditions of the exercise of the options and notably (i) the period or periods during which the options granted may be exercised, it being specified that the period during which these options may be exercised shall not exceed ten years from their grant date and (ii), if applicable, individual and/or collective performance conditions for employees,
   - provide for the possibility to temporarily suspend the exercise of options in accordance with legal and regulatory provisions for a maximum of three months in the event that financial transactions are carried out involving the exercise of rights attached to the shares,
   - record, if appropriate, at its first meeting after the end of each fiscal year, the number and total value of the shares issued during the year as a result of the exercise of options,
   - charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve,
   - recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
   - and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned transactions;
8. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Eighteenth resolution

Authorization to the Executive Board to grant performance shares to corporate officers and employees, up to a limit of 0.3% of share capital, with this amount being included in the limit of 0.9% set in the seventeenth resolution

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board,
- having heard the special report of the Statutory Auditors,
- and pursuant to Articles L.225-197-1 *et seq*. of the French Commercial Code,

1. authorize the Executive Board to grant, on one or more occasions, existing performance shares or, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, performance shares to be issued, in favor of employees or corporate officers of the Company described in paragraph II of Article 225-197-1 of the French Commercial Code, or employees and corporate officers of companies or corporate groups related to it as defined by Article 225-197-2 of the French Commercial Code;
2. decide that the total number of performance shares, whether existing or to be issued, that may be granted under this authorization shall not exceed 0.3% of the existing share capital on the date the shares are granted, it being specified that the number of performance shares granted shall be deducted from the maximum number of shares that may be issued by virtue of the seventeenth resolution, set at 0.9% of the capital;
3. decide that the performance shares granted to beneficiaries shall vest after a minimum period of two years, it being specified that the beneficiaries must hold these shares for at least two years from the date on which they vest;
4. take note that in the event that performance shares are awarded to corporate officers, the Supervisory Board shall subject the grant and/or vesting of shares to certain conditions, in particular performance conditions, and must either prohibit the sale of these shares by the beneficiaries before the termination of their appointments, or set a minimum number of these shares that they are obliged to hold in registered form until termination of their appointment;
5. authorize the Executive Board to adjust the number of shares, if applicable, during the vesting period, as a result of transactions affecting the Company's share capital, so as to protect the rights of the beneficiaries;
6. take note that in the case of performance shares to be issued, this authorization shall entail, in favor of the beneficiaries, the waiver by the shareholders of their preferential right to subscribe to the shares whose issuance is authorized through the capitalization of reserves, profits or premiums;
7. give full power to the Executive Board to implement this authorization, in particular to:
   - establish the list of beneficiaries of performance shares or define the category or categories of beneficiaries to receive performance shares as well as the number of shares to be awarded to each,
   - adjust, if applicable, the number of performance shares to protect the rights of beneficiaries with regard to any transactions involving the Company's share capital, it being specified that the shares granted as a result of these adjustments shall be considered to have been distributed on the same date as the shares initially awarded,
   - set the conditions and criteria for the share grants,
   - in the event of the issue of new shares, charge, if applicable, the amounts required for the full payment of shares against reserves, profits or share premiums,
   - charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve,
   - recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
   - and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned transactions;
8. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Nineteenth 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.

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8.1 Principal contracts

Shareholders' agreements and governance agreements are described in section 6.9 of this registration document.

Financial contracts are described in note 5 "Managing financial risks", in section 4.7 "Notes to the consolidated financial statements".

Concerning patents and commercial & industrial contracts, the Wendel Group seeks to optimize the diversification of its activities. For this reason, with the exception of the contracts mentioned under "Managing financial risks" in the notes to the consolidated financial statements of this registration document, the Group does not have any significant dependence on specific patents, licenses, or industrial, commercial or financial contracts.

Regarding the authorizations required for the activities of Bureau Veritas, see section 2.3.3 "Regulation" under "Risk factors".

8.2 Transactions with related parties

Information on related parties can be found in the notes to the consolidated statements of this registration document.

The "regulated" agreements as defined by Articles L.225-38 and L.225-86 of the French Commercial Code were mentioned in the Statutory Auditors' special report on regulated agreements in section 7.1 "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	**2011**	**2010**	**2009**
Stallergenes	0	129	150
Eufor	1,000	2,300	2,900
Winvest Conseil	4,200	3,000	-
Wendel-Participations	13	13	13
Other subsidiaries	98	78	85

8.3 Significant changes in financial condition or business status

To the best of the Company's knowledge, since December 31, 2011, there has been no exceptional event that might have a significant impact on the financial condition, business, earnings or assets of the Company or the Group. Nevertheless, Wendel's syndicated loan payment due in 2013 (€250 million) was paid in advance in March 2012.

8.4 Person responsible for financial communication

Jean-Michel Ropert, Chief Financial Officer

Tel: +33 (0)1 42 85 30 00

E-mail: jm.ropert@wendelgroup.com

8.5 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 2011. Their report can be found in section 4 of this document and includes the following observation:

"Without qualifying our opinion, we draw your attention to note 9-4 "Impairment test of equity-method investments" in the notes to the consolidated financial statements, which describes the methodology used to test impairment of Wendel's interests held in Saint-Gobain as of December 31, 2011, in particular:

- the calculation of the shares' value in use;
- the uncertainties regarding the global economic outlook, making forecasts difficult;
- the sensitivity of this value in use to changes in the discount rate, in the long-term growth rate and in the normative margin used to calculate cash flows for the period following the 5-year business plan."

The Statutory Auditors' reports on the consolidated financial statements for the fiscal years ended December 31, 2010 and December 31, 2009 contain certain observations. They can be found in the 2010 registration document, filed with the AMF on April 7, 2011 under no. D. 11-0253 and in volume II of the 2009 registration document, filed with the AMF on April 13, 2010 under no. D. 10-0257.

Paris, March 29, 2012

Frédéric Lemoine

Chairman of the Executive Board

8.6 Persons responsible for the audit of the financial statements and fees

8.6.1 Statutory Auditors

Ernst & Young Audit represented by Jean-Pierre Letartre

Member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

Tour First – 1/2, place des Saisons

92400 Courbevoie-Paris-la Défense 1, France

Date appointed to first term: Combined Shareholders' Meeting of November 15, 1988 (formerly named Castel Jacquet et Associés).

Appointment last renewed: Combined Shareholders' Meeting of June 4, 2007.

Term of office: 6 years.

Current term of office ends: Shareholders' Meeting convened to approve the financial statements for fiscal year 2012.

PricewaterhouseCoopers Audit represented by 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, Befec-Price Waterhouse).

Appointment last renewed: Combined Shareholders' Meeting of June 4, 2007.

Term of office: 6 years.

Current term of office ends: Shareholders' Meeting convened to approve the financial statements for fiscal year 2012.

8.6.2 Fees paid to the Statutory Auditors and members of their networks

	Ernst & Young Audit				PricewaterhouseCoopers Audit			
	Amount excl. tax		%		Amount excl. tax		%	
In thousands of euros	2011	2010	2011	2010	2011	2010	2011	2010
Audit								
Audit and certification of the parent company and consolidated financial statements	2,807	2,775			6,492	6,707		
Wendel	*520*	*564*	*14%*	*16%*	*750*	*938*	*9%*	*9%*
Fully consolidated subsidiaries	*2,287*	*2,211*	*62%*	*62%*	*5,742*	*5,769*	*67%*	*58%*
Other verifications and services directly related to the auditing assignment	361	382			1,349	1,968		
Wendel	*51*	*51*	*1%*	*1%*	*51*	*51*	*1%*	*1%*
Fully consolidated subsidiaries	*310*	*331*	*8%*	*9%*	*1,298*	*1,918*	*15%*	*19%*
SUB-TOTAL	**3,168**	**3,157**	**85%**	**88%**	**7,840**	**8,676**	**91%**	**87%**
Other services provided by the networks to fully consolidated subsidiaries								
Legal, tax, employment	545	428	15%	12%	730	1,245	9%	12%
Other	-	-	0%	0%	-	72	0%	1%
SUB-TOTAL	**545**	**428**	**15%**	**12%**	**730**	**1,318**	**9%**	**13%**
TOTAL	**3,713**	**3,585**	**100%**	**100%**	**8,570**	**9,993**	**100%**	**100%**

8.7 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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8.8 Cross-reference index for the annual financial report

This registration document includes all the items of the annual financial report mentioned in I of Article L.451-1-2 of the French Monetary and Financial Code as well as in Article 222-3 of the General Regulation of the AMF.

The following table shows the sections of the registration document corresponding to the various chapters of the annual financial report.

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The original French version of this report was registered with the French stock exchange authorities ("*Autorité des Marchés Financiers*" – AMF) on March 30, 2012 under number D. 12-0241, pursuant to Article 212-13 of the AMF General Regulation. Only the original French version can be used to support a financial transaction, provided it is accompanied by a prospectus (*note d'opération*) duly certified by the *Autorité des Marchés Financiers*. This document was produced by the issuer, and the signatories to it are responsible for its contents.

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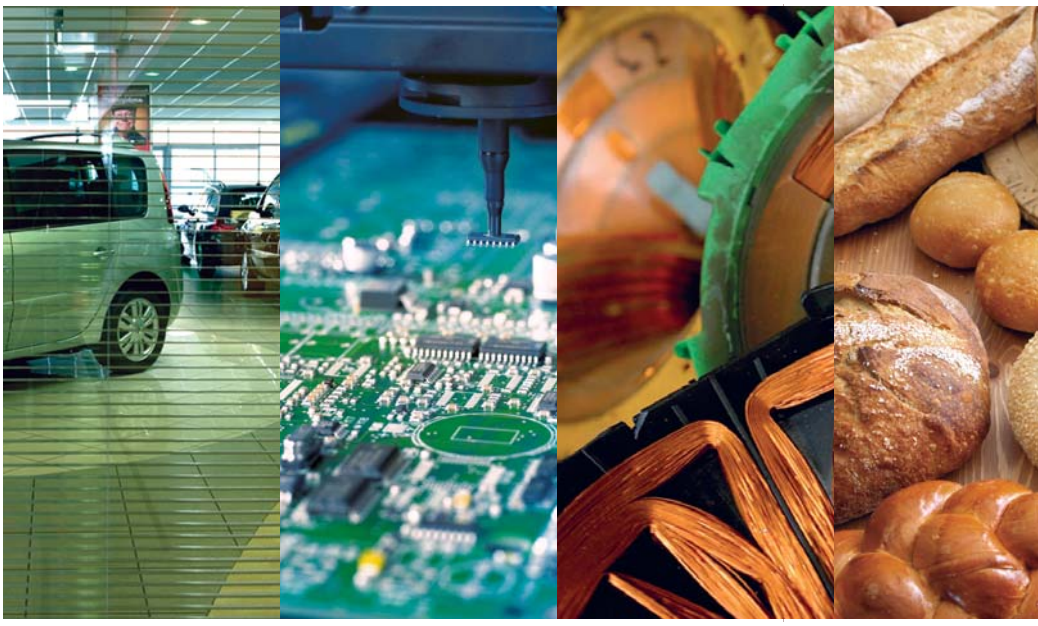

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