REGISTRATION DOCUMENT 2015

including the annual financial report

WENDEL

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

Sommaire

WENDEL

Registration Document **2015**

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

Profile

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

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

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The original French version of this report was registered with the French stock exchange authorities ("Autorité des Marchés Financiers" - AMF) on April 8, 2015, pursuant to Article 212-13 of the AMF General Regulation.

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

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

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

Who are we?

A LONG-TERM INVESTOR
WITH PERMANENT
CAPITAL

WITH 312 YEARS
OF HISTORY WITH
INDUSTRIAL ROOTS

AND AN ENTREPRENEURIAL TRADITION
SUPPORTED BY A CORE FAMILY
SHAREHOLDER GROUP

A LISTED
INVESTMENT
COMPANY

Founded in the east of France (Lorraine region) in 1704, the Wendel Group developed its business over more than 300 years in diverse industrial sectors, mainly steelmaking.
At the end of the 1970s, the French government nationalized all of the Group's steel production activities. Wendel then turned its focus to long-term investing as a pioneer in private equity.
Wendel is one of Europe's leading listed investment firms, operating at the crossroads of industry and finance. Wendel is a long-term investor relying on permanent capital.
For more than three centuries, Wendel has been supported by the Wendel family, its core shareholder group. The 1,090 family shareholders are grouped in Wendel-Participations, which owns 36.2% of Wendel's share capital.
This strong, long-term shareholding structure enables Wendel to focus year after year on value creation and on the long-term growth of its investments, for the benefit of the companies in its portfolio and all of Wendel's shareholders.

Message from the President of the Supervisory Board

"This world is full of opportunities for those who instinctively gravitate to places others do not–such was the case with IHS."

"The Group moved full-steam ahead with its plan for investing in the three targeted areas: Africa, North America, and Europe."

For several reasons, 2015 was an important year for Wendel. Firstly, the Group posted enviable gains in asset values, and its market capitalization increased significantly over the year. We know that the stock market is volatile, but in Wendel's case, net asset value adjusted for changes in market multiples increased by nearly 15% in 2015. This performance reflects both skillful transaction carried out by Wendel managers, and their successful reinvestment decisions. Our businesses made gains in operational performance, as measured by a combination of growth, improved profitability, and in some cases reductions in the debt burden of our portfolio companies. Secondly, the Group

312 YEARS OF HISTORY...

273 YEARS IN THE STEEL INDUSTRY...

1704

Jean-Martin de Wendel acquires the Hayange forges. From 1704 to 1870, the Group takes advantage of the major inventions that have accelerated the development of its iron and steel production: iron smelted with coke, widespread use of blast furnaces and rolling mills, and the development of railroads.

1815

With François de Wendel, the family reclaims its industrial assets and acquires the Moyeuvre industrial facilities.
This same year, the Wendel family enters the world of politics when François de Wendel is elected deputy.

1880

With the adoption of the "Thomas process", which allows for the manufacture of steel from Lorraine ore, the family companies–Les Petits-Fils de François de Wendel & Cie established in 1871 and Wendel & Cie founded in 1880–rank among Europe's leading steel producers.

1948

In the 20th century, hard hit by two world wars, the Group recovers and begins to grow again. The creation of the Sollac production cooperatives in 1948, followed by Solmer in 1969, help meet the growing demand for sheet steel.
In 1975, Wendel produces 72% of French crude steel.

moved full-steam ahead with its plan for investing in the three targeted areas: Africa, North America, and Europe. No less than €1.5 billion was invested in 2015 alone. Now it needs to produce results. This gives an idea of the necessary priorities for 2016. There are three: the first is to ensure the initially-planned objectives of our newly acquired companies are achieved, through rigorous execution. Second, in an unpredictable world where financial crises can materialize without warning, Wendel's financial structure must be able to weather any storms that may arise. This requires careful calibration of the level of Wendel's own debt, and that of its subsidiaries. The third priority, and undoubtedly the most difficult, is to devise the growth strategy for the coming years. Those are the major challenges, and they are the responsibility of the Executive Board.

The Executive Board fulfilled the "strategic contract"that it publicly announced at the beginning of 2013. We invested two billion euros in our targeted regions; our investment grade rating was restored; and our policy of dividend increases has continued. It is now up to the Executive Board, under the auspices of the Supervisory Board, to shape the Wendel Group's future with a vision that will allow it to face the decade ahead with determination and confidence. This world is full of opportunities for those who instinctively gravitate to places where others do not–such was the case with IHS. Wendel's Supervisory Board resolutely supports the Executive Board in its search for new long-term commitments, and as well in the wise and patient action it takes, day after day, to create value.

FRANÇOIS DE WENDEL
Chairman of the Supervisory Board.

…NEARLY 40 YEARS IN INVESTING

1977

After the government's decision to nationalize French steelmakers in 1974 during a period of widespread economic crisis, the Group is forced to reorganize. In 1975, Marine-Wendel is created when the Wendel Group takes over the holding company Marine-Firminy. The coexistence of its steel industry assets alongside its diversified activities leads to the Group's split into two entities during the European steel crisis of 1977.

2002

WENDEL

In June 2002, Marine-Wendel and CGIP merge, and the new entity takes the name of WENDEL Investissement. The industry approach and focus of the management teams on long-term corporate development help give Wendel a strong, clearly-identified image.

2016

Wendel is one of Europe's leading listed investment firms, operating at the crossroads of industry and finance. Wendel is a long-term investor relying on permanent capital. For more than three centuries, Wendel has been supported by the Wendel family, its core shareholder group.

Message from the Chairman of the Executive Board

"All of our 2013-17 objectives have now been achieved, but we will keep moving ahead!"

On March 15, 2016, while Wendel was putting the final touches on its annual financial statements, and the themes of my annual letter were starting to come together to highlight the many accomplishments of 2015, the news came in: Serge Kampf, the founding president of the Capgemini group, was no longer with us. All those who had been with him since 1967 building that global giant were grief-stricken, and especially Wendel. During exactly half of that time, from 1982 to 2006, Wendel was one of Capgemini's principal shareholders and, with Ernest-Antoine Seillière at its helm, a valued and trusted partner in the development of Capgemini's strategy. Serge Kampf always impressed his shareholders with his style and initiatives. I also owe him a lot personally, since I became chief financial officer of his company at the age of 34, and because he taught me some essential lessons:

It is important for a company to have values. Even today, Serge Kampf's seven values, approved by a secret ballot of the company's 550 managers in the 1980s, still guide Capgemini. Wendel also lives by its values: the long term, excellence, openness, and family.

Financial prudence and a preference for cash, a commendable virtue at the time of the internet bubble around 2000 and crucial for a services company. As for Wendel, it has recovered its investment grade rating and is committed to keeping it. The legitimate need for leverage should not diminish our flexibility. A long-term investment company must be securely in a position to invest at all times to seize attractive opportunities.

Entrepreneurial audacity–I learned that too, from a man who took Capgemini from three to 180,000 employees in 49 years. We at Wendel struck out last year into new territory, envisioning "tailor-made" investments, rather than remaining passive and focused on our domestic market, waiting like many others for bankers to present us with the "ready-to-invest" summer and winter collections. We took over Constantia Flexibles in Austria with the founding family. And we took a long-term view of the US corporate landscape by acquiring CSP Technologies from its owner of 60 years, and AlliedBarton, one of the country's largest security services companies and a leader of the imminent consolidation in this industry. We also provided support again for the exponential growth at IHS, our African telecom tower company, bringing our equity investment to nearly $800 million.

Finally, the importance of people and the long term. Had I explained to Serge Kampf that everything was going well at Wendel because we achieved our 2013-17 investment objectives 18 months early, he would have very kindly explained to me that I had missed the most important things. Our capacity to sustainably and profitably grow the business of our companies, organically and by acquisition, to avoid the pitfalls and adapt to a very volatile environment, where technological, economic and geopolitical disruptions are multiplying. The ability to keep our eyes open. The quality and commitment not only of the men and women who work for Wendel's growth throughout the world (40% are now based outside of France), but also of the management, necessarily decentralized, of the major companies where we are the principal partners. He would have been right, and our shareholders can rest assured: this is at the heart of our concerns. We are proud to lead, with Bernard Gautier, a high level international team that does its utmost to avoid fashion and to think ahead. Steadfastly supported by our principal shareholders, the Wendel family, and by our Supervisory Board, chaired by François de Wendel, we have the feeling that Wendel can go much further to develop its hidden value and improve its performance. Isn't Capgemini worth nearly 15 billion euros today?

FRÉDÉRIC LEMOINE
Chairman of the Executive Board,
April 8, 2016

PS : Among his distinguishing characteristics (his love of rugby and Venice, his blue suits, his predilection for discretion and freedom), Serge Kampf always spent a considerable amount of time planning Capgemini's annual report, often named "best annual report" by the Paris market. His letter was always personal, unexpected, a departure from the company's official communication. I hope you will forgive me, not for imitating his style—I would not be capable of that—but for being inspired by it this year.

2013-17 OBJECTIVES

INVESTMENTS OF €2 BILLION
1/3 in Africa,
1/3 in Europe and
1/3 in North America

INDUSTRY AND GEOGRAPHIC DIVERSIFICATION
with a priority on unlisted companies

RETURN TO INVESTMENT GRADE STATUS

INCREASING DIVIDEND YEAR AFTER YEAR

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

INVESTMENT CRITERIA

THE WENDEL GROUP HAS AN INVESTMENT MODEL CHIEFLY FOCUSED ON COMPANIES WITH A MAJORITY OF THE FOLLOWING CHARACTERISTICS:

PREFERENCE FOR GROWTH SECTORS

Sectors offering high potential for long-term profitable growth, both organically and through accretive acquisitions.
Significant exposure to markets undergoing rapid growth and/or major, long-term economic trends.

GEOGRAPHIC AREAS

Companies with headquarters in Europe, North America or Africa with a strong international presence or an international growth strategy.

TARGET SIZE

Initial equity investments between €200 and €500 million with opportunities for further reinvestment over time to accompany organic or external growth.
Oranje-Nassau Développement, established by Wendel in 2011 to seize opportunities for growth, diversification or innovation, makes investments of smaller individual amounts than those made directly by Wendel.

CORPORATE GOVERNANCE

High-quality, experienced management teams with whom we share a common vision.

Corporate social responsibility

Wendel believes that corporate social responsibility drives growth for companies. Through its long-term involvement, Wendel encourages its companies to practice corporate social responsibility (CSR), while defining for itself a CSR policy in line with its role as investor carried out by a tightly-knit team of professionals.

OUR VALUES

THE LONG-TERM

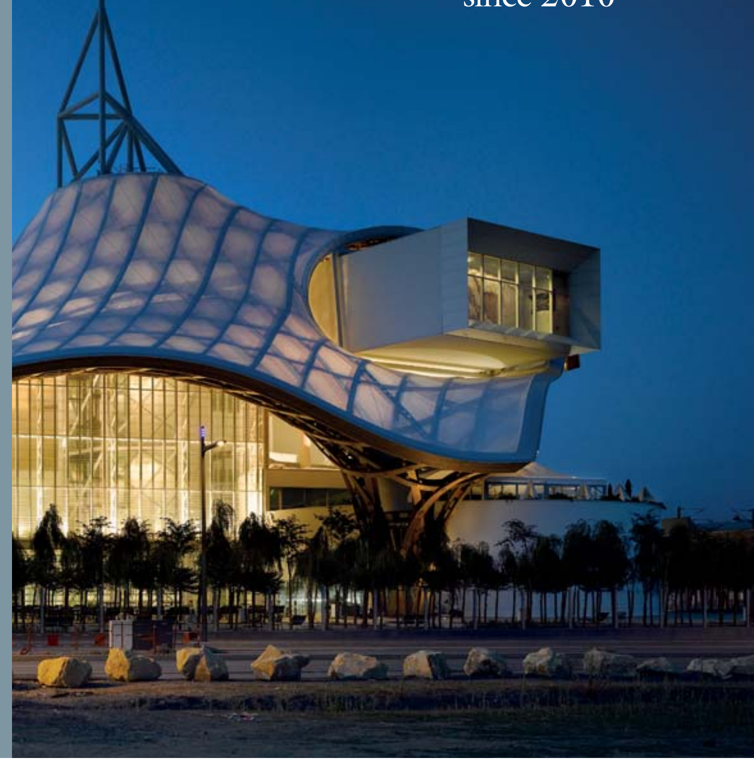
Corporate social responsibility (CSR) in Wendel's activities

Wendel's activity has little impact on the **environment**. Nevertheless, Wendel sets an example by ensuring that its negative impacts are limited by implementing **best practices** for managing waste, limiting paper use and **saving energy**.

A **code of ethics** communicates the Company's values; it applies to all employees and executives of the Company. It supplies the frame of reference for Wendel's role as a **long-term investor**. Its purpose is to address new **compliance issues**, to promote a **respectful** working environment in terms of diversity and equal treatment, to ensure **transparency** and equality of information, and to affirm **Wendel's commitment** to the community.

WENDEL IS COMMITTED TO THE COMMUNITY

Supporting Insead since 1996, and founding sponsor of Centre Pompidou-Metz since 2010



EXCELLENCE

OPENNESS

FAMILY

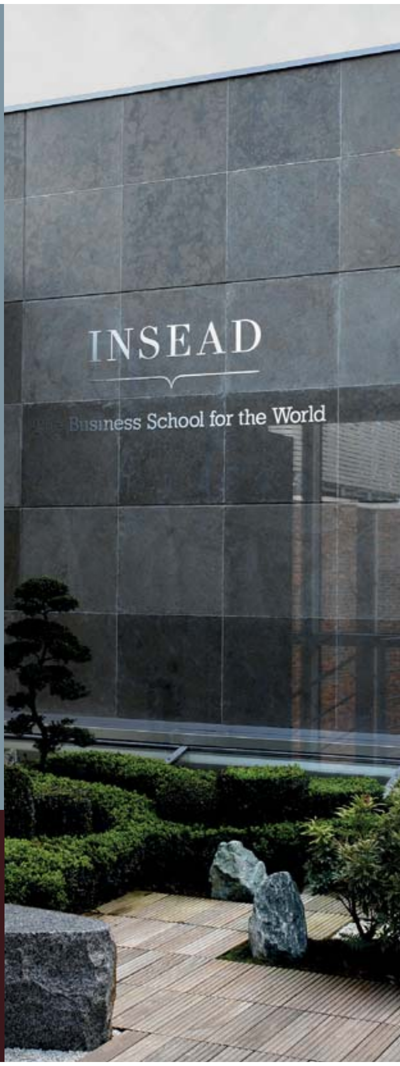
CSR in Wendel subsidiaries

As a shareholder, Wendel assesses CSR risks and opportunities at every phase of its investing life cycle:

- at the time of acquisition, through social and environmental procedures,
- when supporting companies over the long term.

OUR PRINCIPLES

- Local management of the subsidiaries assumes responsibility for the CSR policy.
- Each subsidiary develops a CSR policy that reflects the issues specific to it.
- Wendel especially encourages them in two areas:
  - safety in the workplace;
  - environmental issues related to the design of their products and services.



Each company in which Wendel is a majority shareholder must produce a CSR report each year that is reviewed by an independent third-party verifier.

The Supervisory Board

The Supervisory Board exercises permanent oversight of the Executive Board's management of Wendel.
The Supervisory Board currently has 12 members, including one employee representative.
A Works Council representative also attends Board meetings in a consultative role.
The term of appointment for members is four years.

1
FRANÇOIS DE WENDEL
Chairman of the Supervisory Board

2
DOMINIQUE HÉRIARD-DUBREUIL
Vice-Chairwoman of the Supervisory Board
Chairwoman of the Governance Committee
Independent Member

3
LAURENT BURELLE
Independent Member

4
BÉNÉDICTE COSTE

5
ÉDOUARD DE L'ESPÉE

6
PRISCILLA DE MOUSTIER

7
CHRISTIAN VAN ZELLER D'OOSTHOVE

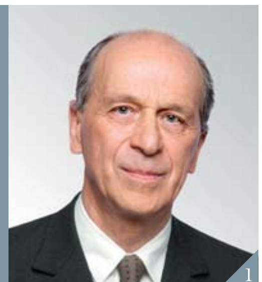
8
GERVAIS PELLISSIER
Independent Member

9
FABIENNE PORQUIER
Member of Wendel's Supervisory Board, representing employees

10
GUYLAINE SAUCIER
Chairwoman of the Audit Committee
Independent Member

11
JACQUELINE TAMMENOMS BAKKER
Independent member

12
HUMBERT DE WENDEL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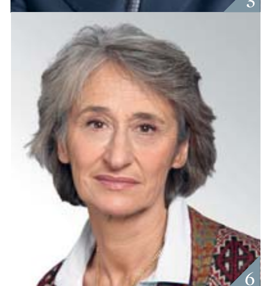
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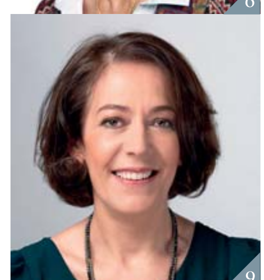
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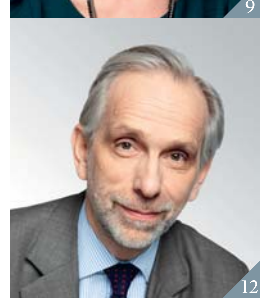
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The Executive Board

The Supervisory Board appoints members of the Executive Board to four-year terms. It is assisted by two committees: the Management Committee, which oversees Wendel's operations, and the Investment Committee, which examines investment proposals selected on the basis of the investment team's prior analysis. Based on the recommendations of the Investment Committee, the Executive Board makes decisions which are presented to the Supervisory Board.

BERNARD GAUTIER

Member of the Executive Board

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

FRÉDÉRIC LEMOINE

Chairman of the Executive Board

Appointed to the Executive Board 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.

Portfolio Structure

31.5%[1]

CERTIFICATION AND COMPLIANCE EVALUATION SERVICES

40.5% of capital held by Wendel

€4.6 billion in sales

€351 million invested by Wendel since January 1995

38.0%[1]

UNLISTED ASSETS

IHS Towers of strength

Constantia Flexibles

cromology

stahl

Allied Barton Security Services

7.2%[1]

CASH[2]

SAINT-GOBAIN

PRODUCTION, TRANSFORMATION AND DISTRIBUTION OF BUILDING MATERIALS

11.8% of capital held by Wendel

€39.6 billion in sales

€4.2 billion invested by Wendel since September 2007

MECATHERM

CSP Technologies

SAHAM

NOP

Parcours[3]

exceet

Oranje-Nassau Développement

+ other assets

23.3%[1]

Sales, percent interest and capital invested as of December 31, 2015.
(1) Percentage of gross revalued assets calculated based on NAV as of March 17, 2016.
(2) Cash and financial investments of Wendel and its holding companies.
(3) Wendel has signed an agreement with ALD Automotive, with a view to selling all of the share capital of Parcours. The transaction is expected to close in the first half of 2016, provided the necessary regulatory approvals are received.

Focus on unlisted assets

PRINCIPAL INVESTMENTS

MOBILE TELEPHONE INFRASTRUCTURE IN AFRICA

IHS Towers of strength

Percentage ownership: 26%*

$779 million* invested since March 2013

FLEXIBLE PACKAGING AND LABELS

Constantia Flexibles we do Your best.

Percentage ownership: 61.1%*

€571 million* invested since March 2015

DECORATIVE PAINTS

cromology

Percentage ownership: 84.5%*

€390 million* invested since February 2006

HIGH-PERFORMANCE COATINGS AND LEATHER-FINISHING PRODUCTS

stahl

Percentage ownership: 75.3%*

€129 million* invested since June 2006

SECURITY SERVICES

Allied Barton Security Services

Percentage ownership: 95.1%*

$688 million* invested since December 2015

ORANJE-NASSAU DÉVELOPPEMENT

In early 2011, Wendel set up an organization to seize opportunities for growth, diversification and innovation. Oranje-Nassau Développement makes investments of smaller individual amounts than those made directly by Wendel.

LONG-TERM VEHICLE LEASING TO CORPORATE CUSTOMERS

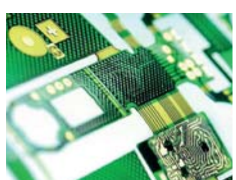
parcours

Sale in progress

HIGH-PERFORMANCE PLASTICS PACKAGING

CSP Technologies

Percentage ownership: 98.2%*



DESIGN OF EMBEDDED SYSTEMS

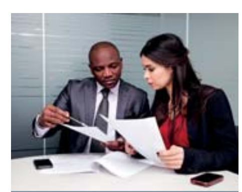
exceet

Percentage ownership: 28.4%*

INDUSTRIAL BAKERY EQUIPMENT

MECATHERM

Percentage ownership: 99.2%*



MULTI-SERVICE INSURANCE GROUP IN AFRICA

SAHAM

Percentage ownership: 13.3%*

JAPANESE MANUFACTURE OF TROCHOID PUMPS AND HYDRAULIC MOTORS

NOP

Percentage ownership: 97.7%*

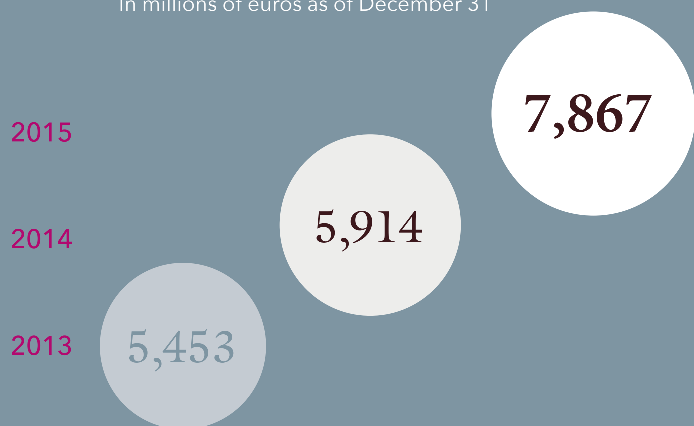
*Share of equity owned by Wendel and capital invested as of December 31, 2015.

Key figures

Several major transactions took place in 2015. Wendel achieved its 2013-17 investment objectives, with investments in several very promising, unlisted assets: IHS in Africa, CSP Technologies and AlliedBarton Security Services in the United States, and Constantia Flexibles in Austria.

CONSOLIDATED NET SALES

In millions of euros as of December 31



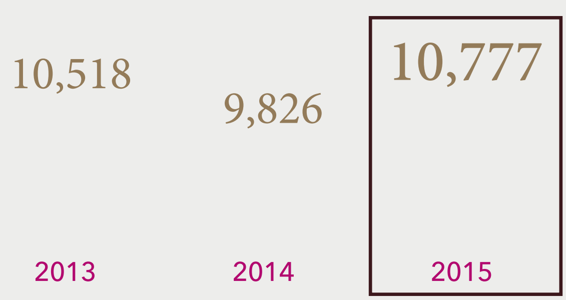
NET INCOME FROM BUSINESS SECTORS

In millions of euros as of December 31 - Definition note 6, chapter 5

	TOTAL	GROUP SHARE
2015	462	158
2014	373	155
2013	410	199

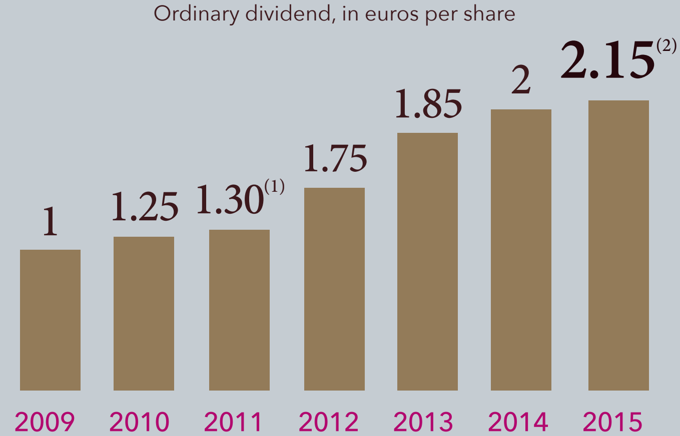
GROSS ASSETS UNDER MANAGEMENT

In millions of euros as of December 31



DIVIDEND

Ordinary dividend, in euros per share



(1) The 2011 ordinary dividend included an exceptional distribution of 1 Legrand share for every 50 Wendel shares held.
(2) The 2015 dividend is subject to shareholder approval at the Annual Shareholder's Meeting on June 1, 2016.

THE LONDON OFFICE EXPANDS OUR INTERNATIONAL REACH

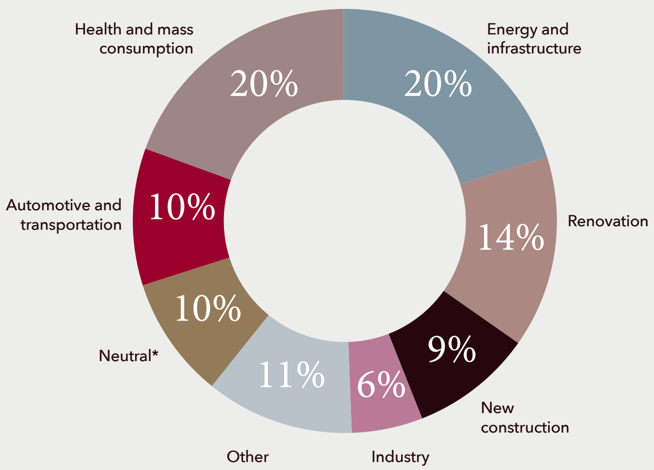
NET ASSET VALUE

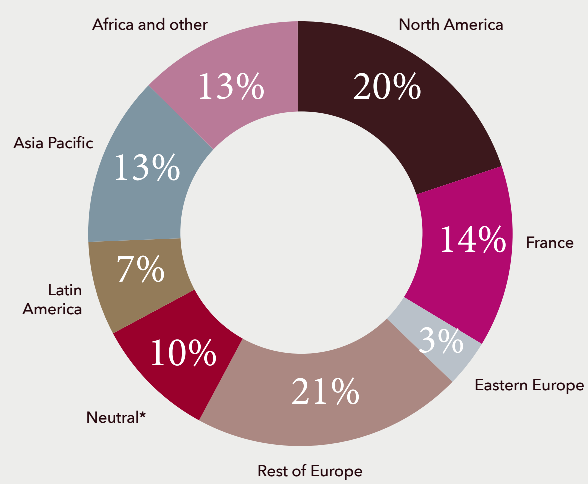
In euros per share as of December 31

2015	136.4
2014	123.2
2013	135.2

INDUSTRY AND GEOGRAPHIC DIVERSIFICATION

Enterprise value exposure of the Group's companies, according to the breakdown of 2015 revenues.
Enterprise values based on NAV calculations as of March 17, 2016.





*Neutral: cash and other diversified assets

RATINGS

On July 19, 2016, Standard & Poor's confirmed Wendel's long-term rating:
BBB- with stable outlook - Short term: A-3

1

GROUP PRESENTATION

1.1 Corporate history

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

A central force in the development of the French steel industry, the Wendel Group diversified at the end of the 1970s. Today the Company is dedicated to the success of diversified international leaders (certification, building materials, high-performance coatings, business services, industrial bakery equipment, insurance and healthcare, telecom infrastructure, packaging, and security).

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 ravaged the Lorraine production facilities, 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 pushed the industry toward financial ruin.

In 1975, Marine-Wendel was created when the Wendel Group took over the holding company Marine-Firminy. The coexistence of the Group's steel industry assets (Sacilor, Forges et Aciéries de Dilling, etc.), alongside its diversified activities (Carnaud, Forges de Gueugnon, Oranje-Nassau, Cimenteries de l'Est, several mechanical engineering companies, etc.) came to an end during the European steel crisis of 1977, and the Group was broken up into two entities. By transferring all of its non-steel industry assets in November 1977, Marine-Wendel created Compagnie Générale d'Industrie et de Participations (CGIP), in which it retained only a 20% equity interest.

In June 2002, Marine-Wendel and CGIP merged, and the new entity took the name of WENDEL Investissement. The industry approach and focus of our management teams on long-term corporate development has helped give our Group a strong, clearly-identified image. This solid positioning as a professional shareholder that understands investments from the industry's point of view prompted us to propose, at your June 4, 2007 Annual Meeting, that the legal name of the Company be simplified from "WENDEL Investissement" to "Wendel", so as to emphasize our long-term industrial values anchored in our centuries-old history. In order to pursue its development, Wendel has opened five foreign offices since 2007 (Tokyo, New York, Singapore, Casablanca, and London).

1.2 Business

Wendel is one of Europe's leading investment companies in size, with more than €10 billion in assets under management at end-March 2016. The investment team is composed of around 30 experienced professionals. The team members have varied and complementary profiles and include former consultants, company executives, investment bankers, a financial analyst, public service managers and operations managers from a broad array of industrial and service sectors. As such, they capitalize on their experience and the network of contacts they have developed during their professional career. The team thus has both in-depth industry knowledge and recognized financial expertise. Its business approach and strategy aim to foster the emergence of companies that are leaders in their sector and to accompany their development in the medium or long term, particularly by encouraging innovation and boosting productivity. An analytical team reviews each investment proposal and the enterprise's growth prospects. It then either rejects the proposal or undertakes a more in-depth study and presents it to the Investment Committee, composed of six Managing Directors, the two members of the Executive Board, and the Chief Financial Officer. Wendel is both a shareholder and an active partner. It supports the management of the companies in which it invests, gives them responsibility and works with them over time to achieve ambitious growth and shareholder value objectives. Wendel invests in leading companies and in companies with the potential to become leaders.

Wendel also has the special characteristic that it is a long-term investor with permanent capital and access to the capital markets. It is supported and controlled by Wendel-Participations, a stable family shareholder structure with more than 310 years of history in industry and nearly 40 years of investment experience.

Global competitive landscape in 2015

As a professional investor, Wendel may face various competitors for its acquisitions, including private equity funds, sovereign wealth funds, pension funds, family offices, and in certain sectors, industry players. All of these entities are active in the investment universe (except for industry players) and they number in the thousands, typically focusing on medium-term investment horizons of 3-7 years - unlike Wendel, which takes a long-term approach - and making use of leverage. In 2015, stiff competition for the most attractive assets strengthened the position of sellers towards funds looking to place their investors' capital. Wendel's permanent capital sets it apart from private equity players. In 2015, the high levels of capital to be invested and the strong performance of stock markets pushed up acquisition multiples, while the debt markets remained open until the financial turbulence of summer 2015, allowing purchasers to take advantage of historically low interest rates. No global data are available on the investment activities of all of the market participants mentioned above, but private equity funds, for which annual statistics are published, continued to crystallize portfolio value in 2015, with capital exits totaling $422 billion (down 7% compared to 2014's record), for an average holding period of 4.9 years. All exit routes were used, particularly sales to strategic investors, although IPOs were the most widely-used exit method. Despite the worldwide economic slowdown seen since summer 2015 and growing market volatility, private equity has continued to produce rates of return above those offered by other asset classes.

1.3 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.

At their June 5, 2015 meeting, shareholders approved Wendel's conversion into an SE (*societas europaea*) with an Executive Board and Supervisory Board.

1.3.1 The Supervisory Board and its committees

1.3.1.1 The Supervisory Board

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

As of December 31, 2015, Wendel's Supervisory Board had 12 members serving four-year terms, including five independent members and five women.

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

François de Wendel was the Chairman of the Supervisory Board. Under Article 13 of by-laws, the Vice-Chairwoman, Dominique Hériard Dubreuil, fulfills the same functions and has the same powers as the Chairman in the event the Chairman is unable to carry out his duties or temporarily delegates his powers to her. She is appointed by the Supervisory Board.

Two new independent members were appointed at the Shareholders' Meeting of June 5, 2015: Jacqueline Tammenoms Bakker and Gervais Pellissier. Humbert de Wendel's term was renewed at the Shareholders' Meeting.

Jean Michel Ropert, whom the Works Council had appointed as Supervisory Board member representing employees on November 20, 2014, resigned as a Wendel employee in September 2015. As a result, the Works Council appointed Fabienne Porquier to replace Mr. Ropert for the rest of his term.

At their June 1, 2016 meeting, shareholders will be asked to renew the appointment of François de Wendel. His biography can be found in section 2.1.2.2 of this registration document.

The Supervisory Board members are:

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

Dominique Hériard Dubreuil (2018), independent director, Vice-Chairwoman of the Supervisory Board, and Chairwoman of the Governance Committee

Laurent Burelle (2017), independent director

Bénédicte Coste (2017)

Édouard de l'Espée (2017)

Priscilla de Moustier (2017)

Gervais Pellissier (2019), independent director

Guylaine Saucier (2018), independent director and Chairwoman of the Audit Committee

Jacqueline Tammenoms-Bakker (2019), independent director

Humbert de Wendel (2019)

Christian van Zeller d'Oosthove (2018)

Fabienne Porquier (2018), member of the Supervisory Board, representing employees since October 1, 2015

Secretary of the Supervisory Board:

Caroline Bertin Delacour

In 2015, the Supervisory Board met ten times.

1.3.1.2 The Supervisory Board Committees

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

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

The Audit Committee

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

An independent expert assists the Audit Committee in reviewing the net asset value finalized by the Executive Board.

The Audit Committee has six members:

Guylaine Saucier, Chairwoman

Didier Cherpitel, Chairman of the Governance Committee until June 5, 2015

Dominique Hériard Dubreuil, Vice-Chairwoman of the Supervisory Board and Chairwoman of the Governance Committee since June 5, 2015

Bénédicte Coste

Édouard de l'Espée

Gervais Pellissier, since June 5, 2015

Humbert de Wendel

Secretary of the Audit Committee:

Caroline Bertin Delacour

In 2015, the Audit Committee met six times.

The Governance Committee

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

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

Didier Cherpitel, Chairman until June 5, 2015

Dominique Hériard Dubreuil, Chairwoman since June 5, 2015 and Vice-Chairwoman of the Supervisory Board

Gérard Buffière, until June 5, 2015

Priscilla de Moustier

Guylaine Saucier, Chairwoman of the Audit Committee

Christian d'Oosthove

Jacqueline Tammenoms-Bakker, since June 5, 2015

Secretary of the Governance Committee:

Caroline Bertin Delacour

In 2015, the Governance Committee met seven times.

1.3.2 The Executive Board

The Supervisory Board appoints members of the Executive Board to four-year terms on the recommendation of its Chairman. The terms are renewable. The age limit for members of the Executive Board is 70.

The Executive Board has two members:

Frédéric Lemoine

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

Bernard Gautier

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

Secretary of the Executive Board: Christine Anglade Pirzadeh since June 2013.

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

In 2015, the Executive Board met 28 times.

1.4 Internal organization

Led by the Executive Board, Wendel's management team is composed of men and women with diverse and complementary career paths. To ensure that decisions are made as a team, an Operations Coordination Committee meets every two weeks, and smooth communication within the team of nearly 100 people is ensured at all times. The team is articulated around two key committees: the Investment Committee and the Management Committee. Due to Wendel's increasingly international character, Investment Committee and Coordination Committee Meetings are held in English.

1.4.1 The Investment Committee

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

1.4.2 The Management Committee

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

1.4.3 The Coordination Committee

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

1.4.4 The General Secretariat

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

1.4.5 Locations

Wendel has offices for its holding companies and service activities. The oldest locations are in France (since 1704), the Netherlands (since 1908), and Luxembourg (since 1931). In 2008, Wendel opened offices in Japan (Tokyo). In 2013, the Group continued its international expansion, establishing a presence in North America and Singapore. In 2014, to support the two investments it has already made in Africa, Wendel opened an office in Casablanca. In 2015, Wendel opened a new office in London in order to take advantage of the international nature of the opportunities available on that market. This office will also provide the Group with global coverage of the European market.

Europe

Paris

Wendel's head office is located in the ninth arrondissement of Paris, at 89 rue Taitbout. For many years, this area of the capital was home to France's large steel-making families, and the Hôtel Wendel can be found on rue de Clichy. The Paris office is home to the Group's main support functions and part of the investment team.

Amsterdam

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

Luxembourg

Wendel has been present in Luxembourg since 1931 through Trief Corporation. The company holds Wendel's stakes in its main listed portfolio companies as well as in unlisted companies, which are held through Luxembourg regulated investment vehicles. Their management is assigned to a Luxembourg company, Winvest Conseil SA, which was approved as an alternative investment funds manager in mid-2015 (see section 2.2.3). The Group co-invests from Luxembourg with third-party partners in certain companies, such as IHS or Constantia Flexibles. These various entities each have their own governance, including independent directors. Finally, the Group's Internal Audit Department, established in early 2016, completes Wendel's team in Luxembourg.

London

In 2015, Wendel opened a new office in London in order to take advantage of the international nature of the opportunities available on that market. This office will also provide the Group with global coverage of the European market.

Basel

Wendel has been present in Switzerland since 1920, where it initially owned mining and metal operations. Today, Sofisamc invests in new asset classes and new geographies. In 2015, Sofisamc's assets totaled approximately €40 million and it committed to investing €11 million in an Indian private equity fund in the healthcare and life sciences sector.

North America

Wendel North America investigates potentially attractive investments for the Group in North American companies looking for a long-term shareholder. North America is the world's biggest private equity market in terms of investment opportunities. Wendel opened an office in New York in 2013. A year after the inauguration of Wendel North America, Wendel announced the acquisition of CSP Technologies, a company specialized in high-performance plastic packaging. The transaction was finalized on January 30, 2015. In June 2015, Wendel announced its second investment in North America with the acquisition of AlliedBarton Security Services, a leading U.S. security services company.

Asia

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

Singapore

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

Tokyo

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

Africa

Casablanca

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

1.4.6 Teams

■ The Investment Committee

♦ The Management Committee

✶ The Coordination Committee

On September 30, 2015, after 26 years at Wendel, Jean-Michel Ropert, Group Vice-President for Finance, stepped down from his functions for personal reasons. He will nevertheless continue to play an important role at Wendel as an adviser to the Executive Board. He will also retain his position as director of certain Group companies.

On October 1, 2015, Jérôme Michiels, Managing Director within the investment team, took over the responsibility for Wendel's Finance department. As Chief Financial Officer, he joined Wendel's Management Committee and will continue to serve on the Investment Committee, where he will retain his right to vote.

Wendel's team leaders and principal members

Frédéric Lemoine ■ ♦ ✶

Chairman of the Executive Board

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

Bernard Gautier ■ ♦ ✶

Member of the Executive Board

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

Olivier Allot ✶

Director of Financial Communication

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

Albrecht von Alvensleben ✶

Senior Director, in charge of development in German-speaking countries.

Prior to joining Wendel in 2008, Albrecht von Alvensleben was an analyst within the Private Equity Division of Lehman Brothers in London from 2004, where he concentrated on leveraged buyouts of mid-sized companies across Europe. Previously, he had gained experience in the Corporate Finance Divisions of KPMG Spain and Nomura Internation UK. He currently focuses on developing Wendel on the German market. Mr von Alvensleben is a graduate of ESCP-EAP and holds an MBA from Insead/Wharton.

Christine Anglade Pirzadeh ♦ ✶

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

Christine Anglade Pirzadeh joined Wendel in 2011. She was previously Director of Communications at the Autorité des marchés financiers (AMF) from 2000. From 1998-2000 she served as Media Director for the French prime minister. She began her career on the editorial team of *Correspondance de la Presse*. She holds a Master's degree in European and International Law from the University of Paris I and a Master's degree (DEA) in Communication Law from the University of Paris II.

Stéphane Bacquaert ■ ✶

Managing Director, CEO of Wendel Africa

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

Patrick Bendahan ✶

Senior Director

Patrick Bendahan joined Wendel in 2006. He began his career in 2002 at Compagnie Financière Edmond de Rothschild prior to joining ING Acquisition Finance in 2003 as a Vice-President, where he was actively involved in the structuring of various LBOs in the fields of construction, industry, transportation, and the specialized press. He has also performed consulting work for several companies. He is a graduate of HEC and a CFA charterholder.

Caroline Bertin Delacour ♦ ✶

General Secretary and Ethics Officer, Secretary of the Supervisory Board

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

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

Stéphanie Besnier ✶

Senior Director

Stephanie Besnier joined Wendel in 2007. She was previously an analyst at BNP Paribas in London from 2001-02. From 2003 she worked in the Treasury department of the French Ministry of Finances, where she was in charge of Latin American countries. She then worked for the agency that manages the French State's equity holdings. She is a graduate of École polytechnique, Corps des Ponts et Chaussées.

David Darmon ✶ ■

Managing Director, in charge of development in North America and CEO of Wendel North America

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

Marie-Hélène Dorat ✶

Director of Human Resources

Marie-Hélène Dorat joined Wendel in February 2009 as Compensation and Benefits Manager. In June 2010, she took on the role of Human Resources Manager. Prior to Wendel, she worked for 15 years in various fields of finance. In 1997, she moved into Human Resources, first at Crédit Agricole Indosuez and then in different well-known consulting firms, including Hewitt and Right Management. He is a graduate of ESC Rouen.

Benoit Drillaud ✶

Deputy CFO

Benoit Drillaud joined the Wendel Finance department in September 2004 after five years at PricewaterhouseCoopers as an auditor. He holds a Master's in Finance from ESCP and a Master's degree (DEA) in economics from Université Paris 1 Panthéon-Sorbonne.

Bruno Fritsch ✶

Director, CEO of Wendel Singapore

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

Jean-Yves Hemery ✶

Oranje-Nassau International Delegate

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 in charge of Oranje-Nassau's business locations in the Benelux.

Makoto Kawada ✶

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

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

Roland Lienau ■ ✶

Managing Director, CEO of Wendel London

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

Peter Meredith ♦ ✶

Tax Director

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

Jérôme Michiels ■ ✶ ♦

Chief Financial Officer since October 1, 2015

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

Shigeaki Oyama

Chairman of Wendel Japan, Special Adviser for Japan

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

Adam Reinmann ✶

Managing Director, Wendel North America

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

Aziz Sedrati ✶

IT and General Resources Director

Aziz Sedrati joined the Group in 1994 as IT Manager and Senior Accountant of Marine-Wendel, before becoming Registered Securities Manager at WENDEL Investissement. He has been IT and General Resources Manager since 2010 and is also Secretary of the Company's Works Council. He holds a university and technical degree in computer science, a Master's in applied computer science in the corporate environment, and a diploma in accounting and financial studies (DECF).

Patrick Tanguy ■ ♦ ✶

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

Before joining Wendel in 2007, Patrick Tanguy held senior executive responsibilities in several industrial groups, serving consecutively as Head of Sales and Marketing for Steelcase-Strafor; CEO of Airborne, a subsidiary of that group; CEO and then Chairman of Dafsa; and head of Technal, Monne-Decroix and Prezioso Technilor. He began his career at Bain & Co. in 1984, where he was appointed Partner in 1990. He is a graduate of HEC. As the person in charge of operational support, he supervises Wendel's operational resources and helps Group subsidiaries to improve their organizational and operational processes.

Dirk-Jan Van Ommeren ■ ✶

Managing Director, CEO of Oranje-Nassau

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

Sébastien Willerval ✶

Director of Legal Affairs

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

1.5 Investment model and business development strategy

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

1.5.1 Active partnering with portfolio companies

Wendel's investment and business development strategy is based on close communications with the managers of the companies it invests in. This partnership is central to the process by which value is created. Wendel provides constant and active support, shares risks and contributes its experience and financial and technical expertise. In the same vein, Wendel can reinvest and support companies when the economic and financial conditions or the Company's business development projects demand it. Since 2009, as of the date this registration document was filed, Wendel has invested more than €2.9 billion, of which more than €500 million has been reinvested in Saint-Gobain, Materis, Stahl, and Deutsch in the form of equity and debt.

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

1.5.2 Principles for our role as long-term shareholder

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

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

1.5.3 Seeking diversified investments

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

To do so, Wendel is continuing its 2013-17 strategy, which aims, among other goals, to invest €2 billion in top-tier, unlisted companies in Africa, North America, and Europe by 2017. Wendel has already completed all of the objectives of this strategy, with its return to investment-grade status in July 2014 and the completion of several investments in very promising, unlisted companies: IHS in Africa, CSP Technologies and AlliedBarton Security Services in the United States, and Constantia Flexibles in Austria.

1.5.3.1 Investment profile

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

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

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

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

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

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

1.5.3.2 Oranje-Nassau Développement

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

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

1.5.3.3 Acquisitions by Group companies

Growth by acquisition is an integral part of the development model of Wendel Group companies. Our companies made 16 acquisitions in 2015, and all of them plan to achieve a non-negligible share of their growth through acquisitions, focusing on small or medium-sized purchases, which create the most value. Wendel's teams assist Group companies in their search for accretive acquisitions, in deploying their external growth strategy, and in arranging the required financing.

1.5.3.4 An entrepreneurial model

Wendel has set up co-investment systems to allow its principal managers to invest their personal funds in the same assets in which the Group invests and be involved in the creation of value in the Group. This gives the executives a personal stake in the risks and rewards of these investments. Various mechanisms also exist to allow senior managers to participate in the performance of each entity. For listed subsidiaries and associates (Bureau Veritas and Saint-Gobain), these mechanisms consist of stock-option and/or bonus share plans. For unlisted subsidiaries (Cromology, Mecatherm, Parcours, Stahl, IHS, NOP, CSP Technologies, Constantia Flexibles, and AlliedBarton Security Services), the participation policy is based on a co-investment mechanism through which these executives may invest significant sums alongside Wendel. These systems are described in section 5.7, note 4 of this registration document.

1.5.3.5 Creating and returning value to shareholders

The value created by Wendel is returned to shareholders in two ways. Firstly, the value of the Group's assets increases, manifested by Wendel's net asset value and its share price. Secondly, Wendel pays dividends and buys back shares. Since June 2002, the total shareholder return on Wendel shares (TSR) has been 12.1% p.a. whereas during the same time, the TSR on the CAC 40 has been about 2.6%. Since 2009, the ordinary dividend paid to shareholders has risen from €1 to €2.15 per share (subject to shareholder approval at the Annual Meeting on June 1, 2016). Wendel's objective regarding the dividend is to increase it regularly every year.

1.6 Corporate Social Responsibility (CSR)

Wendel believes that corporate social responsibility drives growth for companies. Through its long-term action, Wendel encourages its companies to implement Corporate Social Responsibility (CSR) practices. At the same time, it defines its own CSR policy that is adapted to its role of investor and applied by a core team of professionals. More detailed information related to sustainable development is provided in section 3 of this registration document.

1.6.1 Encouraging subsidiaries to integrate CSR

As a shareholder, the Wendel Group is not involved in the operational management of its subsidiaries but does ensure, mainly through close communication with their management teams, that these companies gradually integrate CSR issues in their risk management and growth strategies.

The Sustainable Development department established by Wendel in 2011 coordinates initiatives in this area. It is guided by a steering committee appointed by the Wendel Executive Board in 2012. Its members represent the Company's different business and support divisions: The Investment Committee, the Finance department, the Internal audit department (as of 2016), the General Secretariat, the Communications and Sustainable Development department, and the Operational Resources (human resources, IT, and facilities management) department.

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

As a shareholder, Wendel assesses CSR risks and opportunities at every phase of its investing life cycle:

- at the time of acquisition:

  When Wendel considers a new investment, it carries out due diligence on environmental and social issues as part of its analysis of the risks related to the target company's business. In 2014 Wendel performed environmental and social due diligence in the context of its acquisitions of CSP Technologies and Constantia Flexibles, which were finalized in the first quarter of 2015. For its acquisition of AlliedBarton, Wendel focused in particular on working conditions, remuneration, and human resources management, given the nature of the company's business.

- throughout the long-term support it provides to its companies:

  Although the management team in each Wendel Group company has direct responsibility for managing CSR issues, as a professional shareholder, Wendel monitors and encourages the CSR efforts of its subsidiaries and associated companies, especially in two areas: employee safety, and the environmental performance of the products and services that are designed or distributed.

  - Wendel's management is particularly attentive to workplace health and safety issues, which it considers to be of primary importance. Workplace safety indicators are often an excellent proxy for how well the management team runs a company. For example, at Cromology, the accident rate is one of the factors used to determine management's variable compensation. At Wendel's request, Stahl's Board of Directors has also been tracking this indicator since 2006, when Stahl joined the Wendel Group.
  - Wendel's subsidiaries are gradually integrating environmental issues into the design of their products and services. With its solutions, Bureau Veritas helps customers continuously improve their operations in the areas of health and hygiene, safety, and the environment. Parcours encourages its customers to go green by including special features in its long-term leasing services, such as eco-driving training for its customers. Eighty percent of Stahl's products are now solvent-free. Cromology develops innovative products with new functions that are more resistant, and therefore better for the environment from a life-cycle perspective, and that meet French "HQE" (High Environmental Quality) standards. As for Saint-Gobain, its corporate social responsibility (CSR) policy centers on four commitments: inventing sustainable buildings, limiting environmental impact, encouraging the professional growth of employees, and taking action for local development. Saint-Gobain participates actively in discussions on the energy efficiency of buildings and develops eco-innovative solutions to reduce the environmental impact of products used in construction, by considering their whole life cycle, in new buildings as well as renovations. Saint-Gobain was also an official partner of the 21st Conference of Parties of the United Nations Framework Convention on Climate Change, the COP21, which led to a new international agreement on climate, applicable to all countries, with the objective of limiting the increase in global warming to below 1.5°C. This partnership reaffirms

Saint-Gobain's commitment to protect the environment and demonstrates its ambition to become the leader in sustainable habitat. Saint-Gobain also one of the 100 "Carbon Pricing Champions" of Caring for Climate, a Global Compact initiative bringing together companies ready to commit to an internal carbon price.

Every Group subsidiary and associated company is expected to develop a CSR policy addressing its specific issues. Each company has therefore established targets and action plans based on its sector's regulatory environment and its individual growth strategy. Group companies operate in very different fields (see section 1.10 "Subsidiaries and associated companies") and are at different stages of maturity in implementing dedicated CSR policies and indicators. Wendel therefore considers that it would not be useful to produce consolidated CSR indicators to the extent that these figures would have no operational meaning.

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

Our listed companies – Saint-Gobain and Bureau Veritas – publish exhaustive sustainable development data in their annual and sustainable development reports, available on their websites. The CSR policies of Cromology, Constantia Flexibles, Stahl, Parcours,[1] and Mecatherm, of which Wendel is the majority shareholder, are reviewed by an independent third-party verifier, whose CSR report is published in this registration document.

1.6.2 Implementing a CSR approach adapted to a small investment team

Wendel offers its employees the best working environment possible, with career advancement opportunities for all. Developing the employability of its staff is one of Wendel's priorities. Wendel encourages training, for example, and almost one-third of all employees received external training in 2015.

1.6.3 Limited environmental footprint

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

(1) On February 16, 2016, Wendel received a firm bid from ALD Automotive aimed at acquiring all of the shares of Parcours. The sale agreement has been signed, and the transaction is expected to close in the first half of 2016, provided the necessary regulatory approvals are received.

1.6.4 Helping the community

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

Supporting Insead since 1996

Wendel has supported INSEAD since 1996. In that year, the prestigious business school created a chair and then a center for family-owned businesses, and Wendel has been a partner in this initiative from the start. In early 2016, Insead's Global MBA program was ranked number one by the Financial Times, making it the first international management school with three MBA programs in the top spot of the Financial Times' ranking.

http://centres.insead.edu/family-enterprise/

Founding sponsor of Centre Pompidou-Metz

Wendel has also been committed to the Centre Pompidou-Metz, and since 2010 has supported this emblematic institution which makes art available to the general public. A highlight of 2015 was the Warhol Underground exhibition, which attracted 160,000 visitors. In 2015, Wendel renewed its support of Centre Pompidou-Metz for one year, while future funding is redefined.

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

www.centrepompidou-metz.fr

1.6.5 Wendel's Code of Ethics

Wendel's Executive Board adopted a Code of Ethics in March 2015. This Code embodies the values of the Company and its employees and supplies the frame of reference for Wendel's role as a long-term investor. It applies to all employees and executives of the Company in all its offices, as well as to its holding companies. Wendel encourages the companies in which it invests to adopt similar standards. In February 2016, Wendel implemented its bribery prevention policy, which is one of the components of its compliance program.

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

1.7 Subsidiaries and associated companies

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

1.7.1 Bureau Veritas

Bureau Veritas pursues its growth and global leadership strategy

Bureau Veritas is the world's second-largest provider of compliance and certification services in the areas of quality, health, safety, environment and social responsibility (QHSE-SR). The group derives more than 50% of its sales from high-growth countries.

Bureau Veritas in brief

Present in 140 countries	1,400 offices and laboratories	66,000 employees	Over 400,000 clients
€4,635 million in sales in 2015	€775 million in adjusted operating income(1)	Stake held by Wendel: 40.5%	Amount invested(2) by Wendel: €351 million since 1995

(1) Bureau Veritas defines "adjusted" operating income as its operating income before revenue and expenses related to acquisitions and other non-recurring items (indicator not recognized under IFRS).
(2) Amount of equity invested by Wendel for the stake held as of December 31, 2015.

Why did we invest in Bureau Veritas?

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

Since it was founded in 1828, Bureau Veritas has gradually built up its globally renowned expertise. The market that Bureau Veritas addresses has numerous barriers to entry. Operating certification and approval are mandatory in each country. Service providers must offer a comprehensive range of inspection services (in particular for major clients) and extensive geographical coverage both locally and internationally, They must provide high value-added solutions through first-rate technical expertise and enjoy a reputation of independence and integrity. Wendel has gradually increased its holding in Bureau Veritas. When Wendel made its initial €25 million investment in 1995, obtaining 19% of the share capital, Bureau Veritas generated annual sales of less than €400 million. Wendel then supported the company's growth, until it held 99.2% of the capital in 2004. In 2007 Bureau Veritas was listed on the stock exchange at a price of €37.75 per share (€9.44 after adjusting for the four-for-one split on June 21, 2013), enabling it to continue its international expansion.

Highlights of 2015

Revenue in 2015 totaled €4,634.8 million, an increase of 11.1% compared with 2014.

Organic growth was 1.9% over the full year. Activities in Europe, the Middle East, and Africa (44% of 2015 revenue; 5.3% organic growth) have benefited both from the commercial initiatives launched in 2014 and improvement in the economic environment. Business in Asia-Pacific (29% of revenue; 0.5% organic growth) reflected a slowdown in growth in Asia, and some weakness in Australia, due to the country's exposure to declining commodities markets. Activities in the Americas (27% of revenue; 2.1% organic decline) were soft, with the drop in the second half mostly attributable to the low oil price environment. Marine & Offshore had a very strong year organically (+10.2%) in both In-service (60% of revenue) and New construction (40%). The Certification business saw strong growth (+4.6%), with commercial successes with large clients. Construction showed enhanced growth (+1.3%), thanks to a better geographical diversification. As expected, Industry (1.6% organic decline) and IVS (2.8% organic growth) have been impacted by low oil prices. In both businesses, activities outside oil & gas performed well, especially in the Power sector and in Europe. The Commodities business grew by 3.3%, with trade-related activities and Agriculture offsetting the weakness of upstream metals & minerals and oil sands in Canada. The Consumer Products business (+1.4%) experienced delays and reductions in testing programs, with two major customers, respectively. The GSIT business (-1.9%) suffered from a reduction in the Verification of Conformity program in Iraq and some delays in the ramp up of new Single Window contracts.

Growth from acquisitions was 3.7%, combining the contribution of prior-year acquisitions and those made in 2015, supporting the expansion of Bureau Veritas in the Chinese domestic market and in Consumer Products.

Currency fluctuations had a positive impact of 5.5%, mainly due to the strengthening of the US dollar against the euro.

Adjusted operating profit totaled €775.2 million. 2015 adjusted operating margin was up 10 basis points to 16.7% compared to 16.6% in 2014. The margin increase is attributable to proactive cost management and to the Excellence@BV program, and was partly reinvested in the increase of Marketing & Sales. The positive impact of currency changes offsets the decrease related to oil & gas.

Attributable net profit for the period was €255.3 million, vs. €294.6 million in 2014. Attributable net profit in 2015 was impacted by exceptional charges of €121 million related to restructuring measures in businesses exposed to oil & gas and to impairment of intangible assets in the Commodities business. Earnings per share (EPS) stood at €0.58, compared with €0.67 in 2014.

Adjusted attributable net profit totaled €420.3 million, vs. €391.3 million in 2014. Adjusted EPS reached €0.96, a 6 euro cent increase versus 2014.

Free cash flow (cash flow available after tax, interest expenses and capex) totaled €462.1 million, vs. €402 million in 2014. At December 31, 2015, adjusted net financial debt was €1,862.7 million, i.e. 2.02x last-12-month EBITDA as defined in the calculation of banking covenants, compared with 2.16x at December 31, 2014.

Bureau Veritas will propose a dividend of €0.51 per share at its Shareholders' Meeting to be held on May 17, 2016.

New strategy to enhance Bureau Veritas' growth profile, resilience, and profitability

In 2015, after conducting an in-depth analysis of the Testing, Inspection and Certification (TIC) market, Bureau Veritas has defined its strategy to enhance its growth profile, resilience, and profitability in the medium to long term.

The strategy is based on:

- eight growth initiatives: Building & Infrastructure, Opex in Oil & Gas, Power & Utilities and Chemicals, Adjacent segments for Retail & Mining, Agri-Food, Automotive, Smartworld, Certification global contracts, and Marine & Offshore;
- a focus on two countries: the USA and China;
- four main levers: Human Resources, Account Management, Excellence@BV, and Digitalization.

Bureau Veritas is now focused on the execution and the deployment of these eight initiatives which have already started and materialized into commercial successes.

The growth initiatives are planned to generate €2 billion of incremental revenue in 2020, equally balanced between organic growth and acquisitions.

In the medium to long term, Bureau Veritas aims to generate:

- total sales growth of 8-10% p.a.;
  - growth initiatives enabling it to achieve organic growth of 5-7% p.a. in the medium to long term, with a progressive acceleration over the next three years;
  - targeted acquisitions that will reinforce these initiatives;
- an adjusted operating margin of around 17.5%;
- high free cash flows.

Targeted acquisitions

Bureau Veritas completed nine acquisitions in 2015, representing more than €80 million in annualized revenues.

Ningbo Hengxin, Shandong Chengxin, and Shanghai Xietong and CTS are strategically positioned in the domestic Chinese market, respectively for Industry, Construction, and Consumer Products. By increasing its presence in China, Bureau Veritas will capture the potential arising from the gradual market liberalization of the TIC market, and benefit from structural growth drivers such as the development of the middle class, increased environmental awareness, and the continuous improvement in local quality standards.

Two acquisitions aim at broadening Bureau Veritas' offering in sectors driven by consumption: Certest will increase the Group's market share in luxury goods, and NCC will support the Group's development in Electrical & Electronics and Smartworld markets in Latin America.

HydrOcean adds innovative services around hydrodynamic digital simulation to the Marine & Offshore offer.

Outlook for development

In 2016, the global macroeconomic environment is likely to remain highly volatile, with persistent weakness in the oil & gas and minerals markets. Thanks to its diversified and balanced portfolio, Bureau Veritas expects organic revenue growth ranging between 1% and 3% – with a progressive improvement in the second half–and a high adjusted operating margin between 16.5% and 17.0%. The Group will continue to generate strong cash flows. Acquisitions will remain a key growth driver, creating beneficial synergies within the Group and accelerating growth initiatives.

In millions of euros	2015	2014	Δ
Net sales	4,634.8	4,171.5	+11.1%
Adjusted operating income(1)	775.2	694.0	+11.7%
as a % of net sales	*16.7%*	*16.6%*	*+10 bps*
Attributable adjusted net income(2)	420.3	391.3	+7.4%
Adjusted net financial debt(3)	1,862.7	1,879.9	€-17.2M

(1) Bureau Veritas defines "adjusted" operating income as its operating income before revenue and expenses related to acquisitions and other non-recurring items (indicator not recognized under IFRS).
(2) Bureau Veritas defines attributable "adjusted" net income as attributable net income adjusted for other operating expenses net of tax.
(3) Net financial debt as defined in the calculation of bank covenants.

Top management

Didier Michaud-Daniel, CEO

Frédéric Lemoine, Chairman of the Board of Directors

Wendel's involvement

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

Strategy Committee: Frédéric Lemoine (Chairman), Stéphane Bacquaert

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

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

1.7.2 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 66 countries	More than 170,000 employees	No. 1 worldwide in high-performance materials and insulation	No. 2 worldwide in flat glass
€39.6 billion in sales in 2015	€1.17 billion in recurring net income(1)	Stake held by Wendel: 11.8%	Amount invested(2) by Wendel: €4.2 billion since 2007

(1) Excluding capital gains and losses on disposals, asset write-downs, and material non-recurring provisions.
(2) Amount of equity invested by Wendel for the stake held as of December 31, 2015.

Why did we invest in Saint-Gobain?

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

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

Highlights of 2015

2015 sales came in at €39,623 million, up 3.3% on a reported basis driven by the positive 3.0% currency impact, and up 0.4% like-for-like. Optimization of Saint-Gobain's portfolio in terms of acquisitions and disposals led to a Group structure impact of -0.1% after reclassification of the Packaging business.

Volumes failed to recover during the year (up 0.1%), due chiefly to the sharp decline in France which continued over the second half. Amid falling raw material and energy costs, prices were stable in the fourth quarter but edged up 0.3% over the year as a whole.

Over the full year, Saint-Gobain was buoyed by good growth from Flat Glass and upbeat momentum in Interior Solutions. Ceramic proppants in the oil and gas industry continued to weigh on High-Performance Materials. Exterior Solutions retreated due to a sharp contraction in Pipe in the second half and Building Distribution was down slightly over the full year but improved in the fourth quarter.

Saint-Gobain's operating margin came in at 6.7% (6.6% in 2014) and at 6.9% for the six months to December 31, 2015. Operating income climbed 2.2% on a like-for-like basis, partly helped by favorable weather conditions in Europe towards the end of the year.

In 2015 Saint-Gobain met its capital expenditure target of €1.35 billion and cost savings target of €360 million compared to 2014. Industrial optimization efforts rolled out over the past few years have notably enabled Flat Glass to continue delivering a strong rally in its performance. Saint-Gobain also exceeded its operating working capital requirement target, with a reduction of two days' sales (one day based on constant exchange rates) to 26 days, a record low for Saint-Gobain and a reflection of its ongoing efforts to maintain cash discipline.

In line with the goal of optimizing its business portfolio, a number of businesses were divested, primarily in Building Distribution, representing around €700 million in full-year sales.

The disposal of Verallia in October was carried out on very favorable financial terms and marks a decisive step in Saint-Gobain's strategic refocus.

Saint-Gobain also continued to pursue its acquisition strategy with the aim of growing the share of industrial assets in the US and emerging countries, investing in new technological niches, and strengthening Building Distribution in its key regions. These acquisitions represent around €300 million in full-year sales.

Innovative Materials sales climbed 2.2% like-for-like over the year as a whole and 1.7% in the second half. The operating margin for the Business Sector widened to 10.5% from 9.4% (10.7% in the second half), driven by the rally in Flat Glass and a resilient performance from High Performance Materials.

Construction Products (CP) reported 0.5% organic growth, but slipped 0.1% in the second half due chiefly to the downturn in Pipe, which reduced the Business Sector's operating margin for the year from 9.0% to 8.5%.

Building Distribution sales slipped 0.6% (down 0.1% over the second half) in a construction market that declined sharply in France but showed the first signs of stabilizing towards the end of the year. After disappointing first-half trading, Germany returned to growth in the six months to December 31. The UK saw small gains in the year, with less traction in the second half. Led by Sweden and Norway, Scandinavia confirmed its robust momentum over the full year, as did Spain and the Netherlands. Brazil delivered good growth as a whole, despite the more pronounced economic slowdown in the fourth quarter. Trading in Switzerland was hit by the impact of an exchange rate boosting imports. The operating margin was affected by slack volumes in France, coming in at 3.2% for the full year (3.8% in the second half), versus 3.5% in 2014.

Recurring net income (excluding capital gains and losses, asset write-downs and material non-recurring provisions) jumped 19.7% to €1,165 million.

At its meeting of February 25, 2016, Saint-Gobain's Board of Directors decided to recommend to the June 2, 2016 Shareholders' Meeting a return to a full cash dividend policy, with the dividend stable at €1.24 per share. This represents 59% of recurring net income, and a dividend yield of 3.1% based on the closing share price at December 31, 2015 (€39.85).

Outlook for development

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

- improving its growth potential by focusing more sharply on high value-added, asset-light activities; expanding its footprint in emerging countries; and further strengthening its business portfolio;
- creating a stronger presence in differentiated products and solutions, with R&D efforts focused on local projects co-developed with its customers and on the fast-growing markets of sustainable habitat and industrial applications. Marketing initiatives will also be stepped up with an ambitious digital strategy and by the development of ever stronger brands;
- continuing to work towards management's priorities of achieving operational excellence, with an additional cost savings plan over 2016-18; further progress in corporate social responsibility; attractive returns for shareholders; and a persistently solid financial structure.

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

1) **strengthen its profile to raise its potential for organic growth:**
   - reduce capital intensity in developed countries to 27-29%,
   - focus investments outside Western Europe so that two-thirds of Innovative Materials and Construction Products industrial assets are located there,
   - complete Saint-Gobain's business refocus by disposing of Verallia and stepping up acquisitions: €4 billion in acquisitions,
   - focus Building Distribution development on leadership positions;
2) **increase its focus on differentiation:**
   - concentrate R&D and marketing on local, co-developed innovations: +50% co-developments and partnerships,
   - improve internal differentiation ratio (to reach 53% of Group sales) and new solutions ratio (target 30% of Innovative Materials and Construction Products sales),

- step up development on highly innovative industrial markets to reach between €750 million and €1 billion in additional sales in new High-Performance Materials niche segments,
- boost market demand for higher value-added solutions by supporting sustainable construction,
- enhance Saint-Gobain's online offer to reach over €1.5 billion of sales, or 15% of Building Distribution sales, on the relevant markets in 2018, versus 5% currently,
- better associate Saint-Gobain's brands with innovation, with a 5-point increase in average brand awareness;

3) **continue to work towards management's priorities:**
- continuously seek operational excellence: €850 million in additional cost savings in 2016-18,
- make further progress in the Corporate Social Responsibility area,
- target attractive returns for shareholders,
- maintain a solid financial structure.

Strategic priorities for 2016

The Group will pursue its internal optimization efforts and its acquisitions and divestments strategy. This will allow it to improve its growth potential by focusing on high value-added and less capital-intensive businesses and on activities outside Western Europe.

Saint-Gobain is pursuing its plan to acquire a controlling interest in Sika. During 2015 it obtained the antitrust authorities' unconditional approval for the transaction and various legal decisions were handed down in favor of the deal's completion. The last obstacle remains the limitation of the voting rights of the SWH holding company, on which a decision in first instance is expected from the Zug court in summer 2016.

A new €800 million cost-cutting program for 2016-18 will be launched as part of ongoing cost savings initiatives. This program will focus more extensively on operational excellence and purchasing, and will include new initiatives in terms of logistics optimization, sales excellence, and the digital transformation of industrial plants.

The digital shift remains an important focus. Thanks to its presence at several levels of the value chain (production and distribution), Saint-Gobain is particularly well placed to leverage the opportunities resulting from the digital transformation of its markets.

Saint-Gobain has reaffirmed its commitment to fighting climate change by introducing an internal carbon price which will be factored into the valuation of future investments. Climate change represents both a major challenge for society and a growth opportunity for Saint-Gobain's products.

Outlook for 2016

In 2016 Saint-Gobain should benefit from more vibrant trading in Western Europe, with France stabilizing. North America should continue to see slight growth on construction markets but is expected to face a more uncertain outlook in industry. Saint-Gobain's operations in Asia and emerging countries should deliver satisfactory growth overall, albeit affected by the slowdown in Brazil.

Saint-Gobain will continue to keep a close watch on cash management and financial strength. In particular, it will:

- keep its priority focus on sales prices in a still deflationary environment;
- unlock additional savings of around €250 million (calculated on the 2015 cost base) thanks to its ongoing cost-cutting program;
- pursue a capital expenditure program (around €1,400 million) focused primarily on growth capex outside Western Europe;
- renew its commitment to invest in R&D in order to support its differentiated, high value-added strategy;
- keep its priority focus on high free cash flow generation.

In line with its strategy, Saint-Gobain is confidently pursuing its plan to acquire a controlling interest in Sika. On March 12, 2016, Saint-Gobain and the Burkard family announced their decision to amend their agreement relating to the sale of the shares of Schenker-Winkler Holding (SWH), which holds the majority of Sika voting rights and to extend the validity of their agreement until June 30, 2017. Saint-Gobain will then have an option to extend the agreement until December 31, 2018. Wendel has offered its support for this industrial strategy.

In the ongoing context of volatile macroeconomic conditions, the Group will continue to adapt and is targeting a further like-for-like improvement in operating income for 2016.

In millions of euros	2015	2014	Δ
Net sales	39,623	38,349	+3.3%
Operating income	2,636	2,522	+4.5%
as a % of net sales	*6.7%*	*6.6%*	*+10 bps*
Recurring net income*	1,165	973	+19.7%
Net financial debt	4,797	7,221	€-2,424M

Following the sale of the Packaging business and in accordance with IFRS 5, reclassification of the business (including Verallia North America) for 2014 and 2015 to "Net income from discontinued operations and operations held for sale".

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

Top management

Pierre-André de Chalendar, Chairman and CEO

Wendel's involvement

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

Financial Statements Committee: Frédéric Lemoine

Nomination, Remuneration and Governance Committee: Bernard Gautier

Strategy and CSR Committee: Frédéric Lemoine

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

1.7.3 Cromology

Cromology innovates to drive growth

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

Cromology in brief

Approx. 4,000 employees	10 R&D laboratories	No. 4 in Europe Present in 9 countries	No. 2 in France No. 1 in Italy
€751.9 million in sales in 2015	Adjusted EBITDA of €67.8 million(1)	Stake held by Wendel: 84.5 %	Amount invested(2) by Wendel: €390 million since 2006

(1) EBITDA before goodwill allocation entries, management fees, and non-recurring items.
(2) Amount of equity invested by Wendel as of December 31, 2015, for the stake held at that date.

Why did we invest in Cromology?

Cromology (formerly Materis Paints) is one of Europe's leading manufacturers of decorative paint, a market valued at more than €10 billion. No. 4 in Europe, Cromology designs, manufactures, sells, and distributes a wide range of decorative paint and technical products to professionals and consumers. 62% of its activity is in France, 28% in the rest of Europe, and 10% in emerging economies.

The decorative paint market is mainly driven by home renovations, which makes it a resilient market offering long-term growth. It is generally accepted that a home needs repainting on average every eight years, and more often if the occupant changes. This timeframe can be shorter or longer depending on the country's economic activity, household confidence, and purchasing power. Cromology's end-customers are both professionals and consumers. They expect product quality and consistency, availability, and excellent customer service, which Cromology provides through its portfolio of high-end brands and a dense distribution network ensuring that it remains close to customers. Cromology has strong local brands in the top three of each of its markets (Tollens and Zolpan in France, Robbialac in Portugal, Max Meyer in Italy, Arcol in Morocco, and Colorin in Argentina). Another of Cromology's major strengths is that it generates more than 60% of its sales in its integrated distribution network of close to 400 stores. This network distributes Cromology products along with a select range of complementary products, such as tools or floor and wall coverings, to cater to the needs of a broad and diverse customer base. 28% of its sales come from independent retailers and 11% from large DIY stores. Cromology is also growing rapidly in the external thermal insulation sector.

For more than ten years, Cromology has posted average annual sales growth of 7%. Its profitability suffered in 2011 and 2012 for two reasons: firstly, due to its significant exposure to southern Europe, which was a vector for high growth in the last decade, but which has since been experiencing difficult economic conditions. Since 2008, sales volume has fallen by almost a quarter in Italy and by close to half in Spain and Portugal combined. Secondly, like the other players in the decorative paint market, Cromology has had to cope with a steep increase in the prices of raw materials, especially titanium dioxide, an essential component in the formulation of decorative paints.

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

Materis has refocused on the Paints business and rebranded as Cromology

In 2014, the Materis Group fully refocused its operations on its Paints business, selling Kerneos in March, ParexGroup in June and Chryso in October of that year. Materis also carried out a refinancing transaction in the summer of 2014. On July 7, 2015, Materis Paints rebranded as Cromology and set its sights on new challenges. The name "Cromology" reflects the Group's desire to embody the common mission of all of its commercial brands, which is to sustainably protect and enhance its customers' surroundings. By combining color with science, and bringing together the highest levels of technical and aesthetic expertise, Cromology turns professional painting into an art form.

Highlights of 2015

In 2015, Cromology posted overall growth in sales of 0.6% and organic growth of -0.4% in a difficult environment. Sales totaled €751.9 million vs. €747.6 million in 2014.

Organic growth was driven by favorable business volumes in southern Europe (+1.5%), including recovery in Spain and Portugal (+6.3% combined), and by growth in emerging market countries. In France, however (62% of sales), given the difficult economic climate, sales at Cromology contracted by 4%.

Cromology continued to reap the benefits of management initiatives to step up marketing efforts, boost product innovation, improve the customer/product/distribution channel mix, and keep a tight rein on costs and WCR. As a result, EBITDA rose 0.9% to €67.8 million in 2015, representing a margin of 9.0%. Owing to good cash generation, Cromology's financial structure was sound, with debt of 3.6 times EBITDA and net debt down by almost €11 million.

Concerning Corporate governance, the company announced on September 10, 2015 that Gilles Nauche (formerly CEO of Zolpan) had been promoted to CEO, replacing Bertrand Dumazy. Patrick Tanguy, Wendel Managing Director in charge of operational support, will become the company's non-executive Chairman.

In millions of euros	**2015**	**2014**	**Δ**
Net sales[1]	751.9	747.6	+0.6%
EBITDA[2]	67.8	67.1	+1.4%
as a % of net sales	*9.0%*	*9.0%*	*+4 bps*
Net financial debt	244	255	€-10.8M

(1) 2014 net sales were adjusted to enable comparison with 2015 figures.
(2) EBITDA before goodwill allocation entries, management fees, and non-recurring items.

Top management

Bertrand Dumazy, Chairman and CEO of Cromology until October 31, 2015

Gilles Nauche, CEO from November 1, 2015

Patrick Tanguy, Non-executive Chairman

Wendel's involvement

Board of Directors: Bernard Gautier, Patrick Bendahan, Benoit Drillaud, Patrick Tanguy

Compensation Committee: Bernard Gautier (Chairman), Patrick Tanguy

Audit Committee: Patrick Bendahan (Chairman), Benoit Drillaud

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

1.7.4 Stahl

Global group with a strong presence in emerging economies

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

Stahl in brief

Physically present in 23 countries	37 laboratories and 11 production sites	1,780 employees including more than 600 golden hands	No. 1 worldwide in leather-finishing products
€628.1 million in sales in 2015	Adjusted EBITDA of €128.7 million in 2015(1)	Stake held by Wendel: 75.3%	Amount invested(2) by Wendel: €129 million since 2006

(1) Adjusted EBITDA before goodwill allocation entries, management fees, and non-recurring items.
(2) Amount of equity invested by Wendel as of December 31, 2015, for the stake held at that date.

Why did we invest in Stahl?

Stahl is the world leader in leather finishing products and is developing large market shares in niche applications for high-performance chemical coatings on other substrates. It enjoys high barriers to entry as a result of its expertise, the long-term relationships it maintains with its principal customers, which include major luxury and high-end car brands, as well as the very high skill levels of its "golden hands" sales technicians. Stahl has prospects for sustained growth generated by global leather consumption markets, in Asia in particular, and the development of niche markets for high-performance coatings. Potential consolidation in the sector, combined with rigorous financial discipline, should allow Stahl to expand further and strengthen its market leadership. It derives more than 50% of its sales from emerging markets countries.

Highlights of 2015

Stahl's sales totaled €628.1 million in 2015, up 22.5% from 2014. This sharp increase resulted from the merger with Clariant Leather Services, which accounted for 15.7% growth, combined with healthy organic growth of 2.0% and positive exchange rate fluctuations of 4.8% in 2015.

Organic growth derived principally from the excellent performance of the Performance Coatings division. The Leather Chemicals business was negatively impacted by market conditions, which were temporarily negative; signs of stabilization began to appear in the fourth quarter.

Stahl's EBITDA rose 40.8% in 2015 compared with 2014, to €128.7 million, representing a margin of 20.5%. In addition to the increase in EBITDA driven by the merger with Clariant Leather Services, profitability was boosted by organic growth and synergies harnessed in 2015.

The integration process is ahead of schedule, and annualized synergies achieved in 2015 totaled €19 million, exceeding the €15 million initially projected for the 18 months following the transaction. Stahl is expected to achieve annualized synergies of €25 million once integration is complete.

Owing to very strong cash generation, Stahl's net debt declined by €53.9 million in 2015. On the strength of its significantly improved financial structure and a net-debt-to-EBITDA ratio of 1.19 as of end-February, Stahl paid a dividend to shareholders and the end of March 2016, including €48 million to Wendel.

Outlook for development

Amid a still-volatile global economy, Stahl will continue to target organic growth and increased market share. To do so, it will focus on ongoing product innovation, while stepping up marketing efforts and capitalizing on the positions it has established in high-growth regions (more than 60% of sales). Stahl also intends to develop its activities in the earlier stages of leather processing, in order to expand its scope of business and gain greater market share. The group will continue to capitalize on its strengths, which are emerging markets, innovation (innovative environmentally-friendly solutions and customized technologies), and active cost management (strict financial discipline and value-adding investments).

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.

In millions of euros	2015	2014(1)	Δ
Net sales	628.1	512.6	+22.5%
EBITDA(2)	128.7	91.4	+40.8%
as a % of net sales	*20.5%*	*17.8%*	*+270 bps*
Net financial debt	167.1	221.0	€-53.9M

(1) Consolidated figures include Clariant Leather Services from May 1, 2014.
(2) Adjusted EBITDA before goodwill allocation entries, management fees, and non-recurring items.

Top management

Huub Van Beijeren, CEO

Wendel's involvement

Board of Directors: Dirk-Jan Van Ommeren (Chairman), Bernard Gautier, Félicie Thion de la Chaume, Jérôme Michiels.

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

Audit Committee: Félicie Thion de la Chaume (Chairwoman), Jérôme Michiels, Dirk-Jan Van Ommeren

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

1.7.5 IHS

IHS is the leading provider of telecom infrastructure in the EMEA region.

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

IHS in brief

Present in 5 countries	Over 23,300 towers under management in Africa (pro forma, including acquired HTN Towers)	Largest telecom tower company in EMEA	Leading provider of telecom infrastructure in Africa
$723.1 million in sales in 2015	Approx. 1,700 employees	Stake held by Wendel: ca. 26%	Amount* invested by Wendel: $779 million

* *Amount of equity invested by Wendel as of December 31, 2015, for the stake held at that date.*

Why did we invest in IHS?

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

IHS is a growth company, with an average annual rate of growth in sales of more than 50% over the past five years.

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

- growth potential is higher than in mature economies, both in terms of GDP and demographics. In Sub-Saharan Africa, GDP has grown by 5% p.a. on average over the last ten years and the continent's population is young, with a growing middle class;
- the telecom market in Sub-Saharan Africa is expanding steadily, driven by a continuous rise in the number of subscribers, expected to increase by nearly 6% p.a. between now and 2020, and by an increase in the mobile penetration rate, which at 41% is one of the lowest in the world (penetration rate for single subscribers);
- telecom operators need to extend their network coverage on a continent whose population density is low. This situation favors the sharing model for telecom towers. The need for new towers in Africa is estimated at around 170,000 units over the next few years, which would bring the total to 350,000;
- regulations are encouraging sharing of tower space so as to rapidly increase the coverage of telecom networks;
- new mobile internet services (3G and 4G deployment) are constantly being rolled out. Fixed-line telephone service, available to only 14% of the population, is low, and for reasons specific to Africa, this penetration rate will not rise.

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

- as they focus increasingly on the services they provide to customers and less on infrastructure, mobile telephone operators are externalizing the management of their telecom towers. IHS offers these operators turnkey services enabling them to cover the regions they target and benefit from excellent quality services;
- IHS has local expertise in site acquisition and security, installation of electrical supply (generator, photovoltaic systems, or connection to the grid), and logistics;

- historically, IHS's success has been based on experience, specialized knowledge and the excellence of its engineers at the operating level. These qualities enable IHS to consistently deliver a high level of service to its customers. IHS's key performance indicators exceed those of its competitors and the company has a reputation as an innovator in the industry. This leads both to improved margins and better customer service;
- its business model is resilient, based on contracts with mobile phone operators generating guaranteed lease payments indexed to inflation over periods of 10-15 years. Counterparties have a very sound financial condition;
- its multicultural and entrepreneurial management team have extensive experience in the African and worldwide telecom markets. IHS's founders still manage the company.

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

Highlights of 2015

IHS's revenue was up by a factor of 2.3 in 2015 compared with 2014, totaling $723.1 million.

In 2015, IHS finished integrating the towers acquired in 2014. As of December 31, 2015, IHS managed around 23,300 towers.

With regard to profitability, IHS continued the successful development and rationalization of its installed base of towers. The company also launched initiatives aimed at reducing operating costs. EBIT for the year was up 268.8% to $86.4 million[1] (vs. $23.4 million in 2014), representing a margin of 12.0% in 2015 (vs. 7.5% in 2014).

In 2015 IHS also continued to pursue its investment plan to improve the efficiency of its network of towers and develop and deploy new energy solutions. Specifically, IHS:

- decreased its average diesel fuel consumption by 50% in all the countries in which it operates; and
- opened two state-of-the-art network operating centers in Lagos and Abudja to monitor tower performance and reduce network unavailability.

Owing to these initiatives the company achieved a 99.5% network availability rate in 2015 in all the countries in which it operates and reduced its maintenance costs to $34 million.

IHS's net debt as of December 31, 2015 was $918.3 million.

On March 10, 2016, Wendel announced that an agreement had been signed under which IHS Holding Limited is to acquire the 1,211 telecom towers held by Helios Towers Nigeria Limited ("HTN") in Nigeria. This will be the first consolidation transaction in the African market and will enable IHS to continue providing high-quality service and to realize additional investments to improve its infrastructure.

(1) 2015 EBIT was affected by a change in depreciation method (negative impact of $13 million). Using the 2014 accounting methods, 2015 EBIT would be $99 million, representing comparable-method growth of 325% compared with 2014 and a margin of 13.8% (+630 basis points).

$779 million invested by Wendel

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

Among these are Emerging Capital Partners, the leader in private equity in Africa with more than 60 investments realized since 1997, International Finance Corporation (IFC), part of the World Bank group, FMO, the Netherlands development bank, and Investec Asset Management, one of the largest investors in listed and unlisted companies in Africa. In 2014, new investors chose to support the growth of IHS, in particular Goldman Sachs, IFC Global Infrastructure Fund, African Infrastructure Investment Managers (Old Mutual and previously Macquarie), and the Singapore and Korean sovereign funds GIC and KIC.

In addition, Wendel has brought together four US and European family investors (incl. FFP, Sofina, and Luxempart) to invest alongside it in IHS. In addition to the $779 million it has invested, Wendel has thus raised an additional $181 million through an IHS co-investment vehicle that Wendel manages and whose voting rights Wendel exercises.

Wendel holds ca. 26% of the share capital, and represents, together with its co-investors, 35% of the voting rights.

Top management

Issam Darwish, Executive Vice Chairman, CEO, and founder

Wendel's involvement

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

Audit Committee: Stéphane Bacquaert

Compensation Committee: Stéphane Bacquaert

Appointments Committee: Bernard Gautier

For more information, please visit: ihstowers.com

In millions of dollars	**2015**	**2014**	**Δ**
Net sales	723.1	312.4	+131.4%
EBIT(1)	86.4(2)	23.4	+268.8%
as a % of net sales	12.0%	7.5%	+450 bps

(1) EBIT adjusted for non-recurring items.
(2) 2015 EBIT was affected by a change in depreciation method (negative impact of $13 million). Using the 2014 accounting methods, 2015 EBIT would have been $99 million, representing growth of 325% compared with 2014 and a margin of 13.8% (+630 basis points).

1.7.6 Constantia Flexibles

Constantia Flexibles expands its international footprint to serve its global clients

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

Constantia Flexibles in brief

No. 2 in Europe No. 4 worldwide	Over 10,000 employees	Products sold in 115 countries to more than 3,000 customers	54 manufacturing sites in 23 countries
€1,898.7 million in sales in 2015	EBITDA(1) of €263.1 million	Stake held by Wendel: 61.1%	Amount invested by Wendel:(2) €571 million in 2015

(1) Adjusted EBITDA before goodwill allocation entries, management fees, and non-recurring items.
(2) Amount of equity invested by Wendel as of December 31, 2015, for the stake held at that date.

Why did we invest in Constantia Flexibles?

Founded by Herbert Turnauer in the 1960s, the Vienna-based Constantia Flexibles Group produces flexible packaging solutions and labels, primarily for the food, beverage and pharmaceutical industries. Constantia Flexibles has successfully developed its activity outside Europe and, over the last five years, has become a global leader in flexible packaging. The group now has more than 3,000 customers worldwide, over 10,000 employees and 54 manufacturing sites in 23 countries. Its products are sold in more than 115 countries.

The flexible packaging market for basic consumer goods, in which Constantia Flexibles operates, offers a combination of stability and growth. Constantia Flexibles has a solid track record, posting an average annual growth rate of 8.5% over the last 11 years. The business of Constantia Flexibles is largely independent of economic cycles because the group caters to the basic, daily needs of end customers. In addition, there are long-term market trends supporting the growth of the flexible packaging market, such as urbanization, increased mobility and the increased consumption of individual portions, tied in with the decreasing size of households and the development of the middle classes, especially in emerging markets. For several years, this market's growth has outpaced that of the economy in general (GDP), whether in developed or emerging countries.

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

- the group's long-standing relationships with major global customers;
- the size of the group, enabling Constantia Flexibles to harness economies of scale;
- the group's technological edge, ability to innovate and robust manufacturing facilities, enabling it to adapt to worldwide demand for new packaging;
- the ability of Constantia Flexibles to pursue an external growth strategy, as demonstrated by the seven acquisitions carried out since 2010, including four in emerging markets. The acquired companies have aggregate sales of more than €600 million.

On March 27, 2015, Wendel announced it had finalized the acquisition of Constantia Flexibles for an enterprise value of €2.3 billion, or around 9x 2014 EBITDA, and had invested €640 million in equity for a 73% stake in the company, alongside the H. Turnauer Foundation's €240 million, 27% investment. Subsequently, on September 22, 2015, Wendel signed an agreement with Maxburg Capital Partners ("MCP"), an investment company backed by the RAG Foundation, to syndicate of minority share of its investment in Constantia Flexibles. Accordingly, in November 2015, MCP acquired approximately 11% of the capital of Constantia Flexibles from Wendel for €101 million.

Following this transaction, Wendel, the H. Turnauer Foundation and MCP participated in a €50 million capital increase for Constantia Flexibles, each subscribing to a pro-rata stake, to finance the acquisitions of Afripack and Pemara.

Following the capital increase and MCP's entry into the capital of Constantia Flexibles, Wendel's equity investment in Constantia Flexibles totaled €571 million. Wendel is the company's controlling shareholder, with 61.4% of the share capital.

Food

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

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

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

Pharma

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

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

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

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

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

Labels

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

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

Highlights of 2015

Constantia Flexibles successfully pursued its global growth strategy in financial year 2015, with two new acquisitions in growth markets, Afripack in Africa and Pemara in Southeast Asia,[1] and a year-on-year increase in sales and operating earnings.

Constantia Flexibles sales in 2015 increased by 9.4% year-on-year to €1.90 billion. Sales adjusted for the effects of exchange rate fluctuations grew by 5.8% compared to the previous year. The strong appreciation in the US dollar against the euro was the main factor influencing all of Constantia's divisions.

The strong sales growth resulted from all business divisions and was achieved primarily by strong volume increases in all divisions and in all regions where the company operates. Constantia's top 10 customers represented 31.5% of sales in 2015, with no customer representing more than 5.6% of total sales.

Food division sales increased by 7.5% year-on-year to €1.1 billion in 2015. Adjusted for currency effects, sales increased by 4.7%. The growth in terms of key account customers in Europe was particularly gratifying.

There was a further increase in sales of aluminum foil containers for pet food and dairy product packaging in Eastern and Western Europe, while sales of convenience-food packaging and foils for confectionery remained stable compared to 2014.

The growth of portion packs, especially for coffee and tea, in which the Food division offers customers innovative system solutions for modern household machines, also contributed to the sales increase.

In the markets of North America and in emerging markets, there was a significant increase in sales in the field of snack packaging, in particular through the production plants in India and Mexico.

(1) Afripack and Pemara have been consolidated since January 1, 2016.

In 2015, **Pharma division** sales rose by 7.9% year-on-year to €296 million. Adjusted for currency effects, sales increased by 7.1%.

The three product groups, coldform, sachet and blister, were responsible for the growth, with double-digit growth achieved in the first two product groups. This increase resulted from rising demand for high-density packaging materials, in order to protect highly-sensitive pharmaceuticals on the way to the patient. The remaining product groups also ended the 2015 financial year with stable growth.

In 2015, sales in the **Labels division** rose by 11.7% year-on-year to €541 million. Adjusted for currency effects, sales increased by 5.5%.

The major growth markets of the division were North and South America, Africa and Asia-Pacific, with double-digit growth rates. Sales in Europe remained stable.

Once again, innovation was the key growth driver in product markets. The new developments in recent years, such as recyclable self-adhesive labels, haptically-enhanced labels and various in-mold labels, contributed significantly to the strong growth.

For all of Constantia Flexibles, EBITDA was €263 million, an increase of 3% compared to the previous year. As a result, EBITDA margin was 13.9% compared to 14.7% a year earlier.

In 2015, various cost reduction and efficiency programs were initiated or intensified. Yet, the margin was below the previous year's level due to a change in the product mix (above-average growth in the Food division) as well as additional costs for the ramp-up of new projects as part of the company's growth strategy.

Outlook for development

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

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

The global economic environment remains challenging. However, Constantia Flexibles judges its prospects positively for 2016 after a promising start to the year. Sales and operative EBITDA are both expected to grow year-on-year, with the focus moving towards more profitability and cash generation. A better quality of earnings is targeted through cost competitiveness, while ongoing operational excellence activities to improve production processes will further improve efficiency.

In millions of euros	2015	2014	Δ
Net sales(1)	1,898.7	1,735.6	+9.4%
EBITDA(2)	263.1	255.5	+3.0%
as a % of net sales	*13.9%*	*14.7%*	*-80 bps*
Net financial debt	1,213.3	n.a.(3)	n.a.

(1) In accordance with IAS 1, 2014 net sales have been restated: sales of production residues are included within net sales and are no longer deducted from raw materials costs.
(2) Adjusted EBITDA before goodwill allocation entries, management fees, and non-recurring items.
(3) Comparison with Constantia Flexibles' net financial debt prior to its acquisition by Wendel is not relevant.

Top management

Thomas Unger, Chairman of the Executive Board until September 30, 2015.

Alexander Baumgartner, Chairman of the Executive Board since October 1, 2015.

Wendel's involvement

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

Appointments and Compensation Committee: Frédéric Lemoine (Chairman), Roland Lienau, Albrecht von Alvensleben

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

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

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

1.7.7 AlliedBarton Security Services

AlliedBarton Security Services continues its profitable growth in the United States

AlliedBarton is a leader in the U.S. security services market providing physical guarding and related services to a diversified group of customers in a number of end markets.

AlliedBarton Security Services in brief

Leading U.S.-based security service provider	Over 65,000 employees	ca. 3,400 clients in the USA	120 regional and district offices located across the United States
$2,257 million in net sales in 2015[(1)]	Adjusted EBITDA of $147 million[(1)]	Stake held by Wendel: 95.1%	Amount invested by Wendel:[(2)] $688 million in 2015

(1) Unaudited
(2) Amount of equity invested by Wendel for the stake held as of December 31, 2015.

Why did we invest in AlliedBarton Security Services?

Keeping employees and customers safe is a key challenge many companies now face. The increasing attention on security-related issues has driven the demand for premium security officer services. Costs of disruption arising from security issues, stricter security requirements by governments and insurers, and greater concerns about damage to reputation or brands have caused companies to strengthen their security environment. To do this, many companies require additional preventive security to ensure an effective response to potential emergencies and disasters, prompting them to supplement public services with outsourced third-party support. In line with this continuing trend toward outsourcing, increasing numbers of companies have turned to specialized security services firms to provide customized security solutions. As a result, the market for outsourced security services in the U.S. has expanded greatly over the past two decades.

Founded in 1957 and based in Conshohocken, Pennsylvania, AlliedBarton Security Services ("AlliedBarton") is one of the industry's leading providers of highly trained responsive security personnel, and is the most honored security officer services company in the United States. It provides physical guarding and related services to around 3,400 customers across a number of end markets. AlliedBarton focuses its strategy around developing security solutions that are responsive to individual client security needs and establishing service partnerships that drive quality and client loyalty and differentiate AlliedBarton from competitors. As a result of this "Customer Intimacy" value proposition, AlliedBarton is consistently recognized by clients as the most responsive security officer services company with an in-depth knowledge of their business and goals.

The market for outsourced security officer services in the U.S. is estimated to be greater than $20 billion and is expected to continue to grow in excess of GDP. The industry, and in particular, AlliedBarton, has demonstrated strong growth over a long period of time and has proven to be resilient during economic downturns. The industry's competitive landscape is fragmented, and, with the support of Wendel, AlliedBarton intends to continue to play an active role in the ongoing consolidation in the industry.

Over the past two decades, AlliedBarton has transformed from a regional player into an industry leader with a nationwide presence and reputation for best-in-class service customized on a client-by-client basis. It has integrated 12 acquisitions since 1998 and has developed a unique go-to-market approach driven by customized, vertical segment expertise. Led by an industry-leading management team, AlliedBarton has an impressive track record of delivering profitable organic growth, generating free cash flow, and integrating acquisitions.

On December 2, 2015, Wendel completed the acquisition of AlliedBarton Security Services at an enterprise value of $1.68 billion, or approximately 11 times LTM adjusted EBITDA. As part of the transaction, Wendel invested $688 million of equity for a ca. 95% ownership.

What AlliedBarton does and who they serve

AlliedBarton provides best-in-class security officer services which allow clients to completely outsource the recruiting, screening, hiring, training, uniforming, scheduling, and supervising of security officers. AlliedBarton's security officers work at client sites and are responsible for implementing the security measures necessary to deal with actual or potential security threats detected. The company is focused on providing professional, skilled, motivated officers and managers to ensure the safety and security of their client's brand, people and facilities, a critical function that is typically not a core competency of the client.

With more than 65,000 employees and 120 regional and district offices located across the U.S., AlliedBarton provides security guard services for approximately 3,400 clients, including both very large companies (approximately 200 Fortune 500 companies are served by AlliedBarton) and small and mid-sized organizations. AllliedBarton is focused on providing each client, regardless of size, the same level of service to meet its specific needs. AlliedBarton is focused on providing "local response with national support" to customers.

For more than 55 years, AlliedBarton has developed vertical-focused expertise to serve its clients in a large number of markets, including: Chemical & Petrochemical, Colleges & Universities, Commercial Real Estate, Defense & Aerospace, Financial Institutions, Government Services, Healthcare, Manufacturing & Industrial, Residential Communities, Shopping Centers, and Transportation. A small but growing part of the company's business (7% of net sales) provides security-related services for various departments and agencies of the U.S. government, U.S. government contractors and state and local agencies. Accordingly, the company has established a governance structure in compliance with U.S. national security interests that enhances AlliedBarton's efforts to increase its presence in this market. In this regard, the company has appointed three independent directors with national security clearance who are well known within the aerospace and defense community.

"Employee first" culture

At AlliedBarton, employees are "internal customers." AlliedBarton's "employee first" culture emphasizes personal career development and rewards long-term, quality service. The company strives every day to empower security officers and managers to be the very best they can be, so they, in turn, perform at the highest level. The result of this philosophy is a relatively low security officer turnover rate, which allows AlliedBarton to supply customers with a higher overall level of service and a consistent security officer staff.

A successful security program is directly related to the quality of its employees. AlliedBarton's comprehensive approach to screening and hiring helps ensure it employs only the best-qualified individuals. AlliedBarton is committed to being the employer of choice in the security industry. The company offers industry-leading benefits, competitive compensation packages, and performance incentives so that they can attract and retain the finest employees.

AlliedBarton ensures the quality selection and training of its security officers and their managers through:

- AlliedBarton EDGE®, its multi-award-winning digitized training programs. Over 150 training programs are available online, from initial security training to CPR training, to active shooter training;
- AlliedBarton | Academy® is comprised of over 1,000 dedicated training programs for managers and supervisors and contains content to support and enable AlliedBarton's vertical market strategy. Since 2009, employees have completed over 2.3 million courses on AlliedBarton | Academy;
- by living its "Dare to be GREAT!" quality standards and "Leadership Non-negotiables," AlliedBarton's security officers help to deliver its core purpose: to serve and secure the people and assets of U.S. communities.

Highlights of 2015

AlliedBarton's revenue totaled $2,257 million in 2015, up 5.0% from $2,149 million in 2014, purely organic. The growth in 2015 reflects management's strategic investments in improving retention across its client base and specifically growing in targeted end markets, notably healthcare, higher education, petrochemicals and government services (combined up ca. 8% vs. 2014). The increases with customers in these markets accounted for more than half of the company's top-line growth during the year. Client retention rate increased by ca. 2% versus 2014, driven by improvements in retention of AlliedBarton's national account customers and remotely managed client sites. Additionally, base business growth (increases in hours billed and revenue per hour billed) contributed to the increase in revenue.

Adjusted EBITDA was $147 million in 2015 versus $142 million in 2014, an increase of 3.2%. The company's Adjusted EBITDA margin of 6.5% was relatively consistent year-over-year, reflecting the aforementioned revenue growth and stable officer wages as a percentage of revenue, partially offset by investments to support continued growth in target verticals and to recruit new officers and higher health insurance-related costs resulting from employees increasingly complying with the Affordable Care Act of 2010.

Outlook for development

The strategy implemented by AlliedBarton for profitable growth is based on organic growth fueled by multiple channels, including:

- **continued penetration of select, higher-growth verticals** such as healthcare, higher education, and government – led by a knowledgeable sales and operations team with industry-specific expertise (regulatory environment, staffing requirements, administrative burden, etc.);
- **growth of the national accounts program**, utilizing geographic scale and sizeable workforce to meet the unique needs of geographically diverse clients with centralized purchasing functions;
- **increase wallet share of existing customers** by providing new services, placing additional officers on new sites, or by increasing prices (driven by officer wage increases);
- **growth via acquisition:** in a highly fragmented and consolidating market, AlliedBarton has a proven track record of external growth and continues to evaluate potential M&A opportunities, particularly among more than 60 companies with sales between $30-250 million.

In millions of dollars(1)	2015	2014	Δ
Net sales	2,257	2,149	+5.0%
EBITDA(2)	147	142	+3.2%
as a % of net sales	*6.5%*	*6.6%*	*-10 bps*
Net financial debt(3)	981	n.a.	n.a.

(1) Unaudited.
(2) EBITDA adjusted for non-recurring items and other non-cash adjustments.
(3) Net debt represents the face value of the debt issued, less free cash flow and cash pledged as collateral for the synthetic letter of credit.

Top management

Bill Whitmore, Chairman & CEO

Wendel's involvement

Board of Directors: David Darmon, Adam Reinmann

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

1.7.8 Parcours

A major mobility player focused on service

Parcours is an independent specialist in long-term vehicle leasing in France with a managed fleet of 65,365 vehicles. It has specific, strategic assets and offers a unique and differentiating range of services, based on its "3D" model, at the crossroads of financial services, business services and the automobile industry.

Parcours in brief

32 branches, incl. 22 in France	Managed fleet: 65,365 vehicles	458 employees,	No. 1 independent long-term leasing specialist in France
€370 million in sales in 2015		Stake held by Wendel: held for sale	Amount invested(1) by Wendel: €111 million since 2011

(1) Amount of equity invested by Wendel as of December 31, 2015, for the stake held at that date.

Why did we invest in Parcours?

Founded in 1989 by Jérôme Martin, Parcours is the only independent player of a significant size operating in the long-term car leasing sector in France. It is a fast-growing challenger of the industry's heavyweights – subsidiaries of the carmakers and the banks – and has positioned itself at the crossroads of financial services, business services and the automobile industry. After only nine years of operation, Parcours was listed on the stock exchange in 1998, then delisted in 2005, as market conditions were no longer appropriate for the company. As Parcours was seeking a shareholder that could support its long-term growth, Wendel became, via Oranje-Nassau Développement, the company's majority shareholder in 2011. Parcours has achieved exceptional growth (14% on average for the past ten years) and showed strong resilience during the recent recession. With its fleet of 65,365 vehicles, Parcours operates throughout France via its differentiating network of 20 branches and has also been replicating its business model internationally since 2005, with eight locations in other European countries (Luxembourg, Belgium, Spain, and Portugal). The group also has specific strategic strengths:

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

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

Sale of Parcours to ALD Automotive

On February 16, 2016, Wendel received a firm bid from ALD Automotive aimed at acquiring all of the shares of Parcours, the long-term vehicle leasing specialist ALD Automotive is the Société Générale Group's long-term leasing subsidiary and is one of the world's major companies in the financing and management of automotive fleets.

Given the quality of the bid, from both business and financial points of view, Wendel has entered into exclusive negotiations with ALD Automotive with a view to finalizing the transaction.

Since 2010, the fleet of vehicles managed by Parcours has increased by nearly 10% p.a. on average and the company's workforce has doubled. The sector is consolidating rapidly, and this transaction will give Parcours exactly the industry and financial support it needs to step up its growth and development in France and abroad. Parcours would strengthen its position in European markets (France, Spain, Portugal, Belgium, and Luxembourg) and the combination of the two companies' expertise would enable them to offer a more complete range of services to their customers (long- and medium-term leasing, private leasing). Finally, Parcours could benefit from the financial resources of ALD Automotive, a subsidiary of Société Générale, to increase its fleet financing capacity and its business development. ALD Automotive will be able to capitalize on Parcours' business model, which includes a very high level of local service to customers, owing in particular to its network of 3D agencies and its decentralized management. In this way, ALD will take advantage of the prestige the Parcours brand enjoys in long-term leasing.

ALD Automotive is offering to buy all of the shares of Parcours, and its offer values the shareholders' equity at €300 million. For Wendel the net proceeds of the transaction would total around €240 million. This amount would represent around 2.2 times the total amount Wendel has invested. IRR would be around 18% p.a. since April 2011.

The sale agreement has been signed, and the transaction is expected to close in the first half of 2016, provided the necessary regulatory approvals are received.

Top management

Jérôme Martin, Chairman and CEO

Wendel's involvement

Board of Directors: Dirk-Jan Van Ommeren, Patrick Tanguy, Jérôme Michiels

Audit Committee: Jérôme Michiels, Benoit Drillaud

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

1.7.9 exceet

exceet develops and markets technological solutions for critical applications.

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

exceet in brief

Present in 5 countries	16 laboratories and 10 production sites	1,021 employees	Leadership positions in embedded solutions
€181.6 million in sales in 2015		Stake held by Wendel: 28.4%	Amount invested(1) by Wendel: €50 million since 2010

(1) Amount of equity invested by Wendel as of December 31, 2015, for the stake held at that date.

Why did we invest in exceet?

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

Since 2006, based on its highly specialized know-how, exceet has stepped up its growth both organically and by acquiring niche companies and technologies. It therefore has a strategy for business development that fits in with Oranje-Nassau Développement's investment criteria. exceet is listed on the Frankfurt stock exchange. VMCap, its historical shareholder, holds 42.6% of the capital and Oranje-Nassau Développement holds 28.4%.

Highlights of 2015

The reporting year was characterized by different results in the two halves. Sales in the second half exceeded the first half figure by 5.1%, and the group earned two-thirds of its total operating result between July and December, thus showing an upward trend. In 2015, exceet posted sales of €181.6 million, a slight, 2.0% decrease. EBITDA totaled €12.7 million, representing a margin of 7.0% (vs. €19.0 million or 10.3% in 2014).

Sales of ECMS (Electronic Components, Modules & Systems – 70% of 2015 sales) were down slightly (1.8%) due to unfavorable market conditions, whereas ESS (exceet Secure Solutions – 5% of sales) grew by 21.5%, mainly due to the acquisition of Lucom GmbH in December 2014. To focus the activities of the company on electronics, exceet's Board of Directors decided to start the process of selling the IDMS business segment (25% of 2015 sales).

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

Ulrich Reutner resigned as CEO of exceet Group SE and from related functions for personal reasons as of March 1, 2016. He will continue to support exceet until the end of 2016 to ensure a smooth transition and to support the planned divestment of the IDMS segment. The CFO of exceet, Wolf-Günter Freese, has also been acting as interim CEO since March 1, 2016.

In millions of euros	**2015**	**2014**	**Δ**
Net sales	181.6	185.3	-2.0%
EBITDA	12.7	19.0	-33.2%
as a % of net sales	*7.0%*	*10.3%*	*-330 bps*
Net financial debt	8.1	9.4	€-1.3M

Top management

Ulrich Reutner, CEO until March 1, 2016

Wolf Günter-Freese, CFO of exceet, has also been acting as interim CEO since March 1, 2016 in addition to his responsibilities as CFO.

Wendel's involvement

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

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

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

1.7.10 Mecatherm

Mecatherm automates bread production worldwide

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

Mecatherm in brief

Present in over 50 countries	More than 700 industrial lines installed	421 employees, incl. 18 in R&D	One of the world leaders in equipment and production lines for industrial bakeries
€96.4 million in sales in 2015		Stake held by Wendel: 99.2%	Amount invested[(1)] by Wendel: €117 million since 2011

(1) Amount of equity invested by Wendel as of December 31, 2015, for the stake held at that date.

Why did we invest in Mecatherm?

Founded in 1963, Mecatherm is the world leader in industrial bakery equipment, with around 60% market share in high-capacity, crispy-bread lines. It serves the entire market with two complementary solutions: “Crusty” lines (baguettes and crusty bread), and “Soft & Pastry” lines (buns, brioches, loaves of bread, pastries, etc.). Today, the group has an installed base of more than 700 automatic lines in more than 50 countries worldwide, representing 20,000 metric tons of goods produced by Mecatherm lines every day. The group has strong competitive advantages, including:

- unique R&D and product innovation know-how with its team of 25 professionals. Since 1995, Mecatherm has launched nearly 20 new products and has about 15 active patents;
- strong brands (Mecatherm and Gouet) and the trust of its customers (50% have been customers for over ten years), illustrated by its position as world leader;
- a sales network that has almost doubled in three years, with about 30 sales representatives serving all market segments;
- a flexible industrial model whereby Mecatherm can easily call upon sub-contractors to produce components (e.g. sheet metal, tanks). This allows Mecatherm to focus on the higher value-added phases, such as R&D and customer service and to limit its fixed costs.

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

Highlights of 2015

Mecatherm’s sales totaled €96.4 million in 2015, down 7.9% from 2014, because more conservative percentage-of-completion rules were applied.

Firm orders taken during 2015 totaled €122.5 million, of which more than a third came from emerging markets (in particular Eastern Europe, Africa, and the Middle East). In the second half of the year, Mecatherm continued to pursue its action plan, aimed at ending the short-term crisis linked to the group reorganization launched in 2014. Notwithstanding adjusted EBITDA of €-11.8 million for the full year, this plan produced a significant trend reversal, as adjusted EBITDA was €-2.5 million in H2 vs. €-9.3 million in H1.

These efforts also led to a significant improvement in WCR, with €69.5 million in accounts receivable collections in H2 2015, driven by the payment of balances on delayed orders, more rigorous cash management, and a robust level of new orders. So even though EBITDA was negative, Mecatherm’s net debt contracted by €11 million in H2 2015 to €42.1 million as of December 31, 2015.

Mecatherm expects to return to positive EBITDA in 2016.

Outlook for development

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

- geographic expansion, as bread consumption and demand increases in high-growth countries, where the group already achieved more than one-third of its orders in 2015;
- the growing share of industrial bakery on a global scale;
- bigger market shares in the "Soft & Pastry" segment;
- market consolidation, reinforcing Mecatherm's range with complementary technologies.

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

In the context of its strategy of expansion in high-growth markets, Mecatherm received the support of Bpifrance, which in November 2015 granted Mecatherm the bank's first export credit facility to finance the export of two bread production lines to Mozambique.

In millions of euros	2015	2014	Δ
Net sales	96.4	104.7	-7.9%
EBITDA*	-11.8	11.5	n.s.
as a % of net sales	*n.s.*	*11.0%*	*n.s.*
Net financial debt	€42.1M	€46.1M	€-4M

* *Recurring EBITDA, excluding management fees and the impact of goodwill allocation.*

Top management

Olivier Sergent, Chairman and CEO

Wendel's involvement

Board of Directors: Dirk-Jan Van Ommeren (Chairman), Patrick Tanguy, Patrick Bendahan, Albrecht von Alvensleben, Charles Goulet

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

1.7.11 Saham Group

Saham Group, diversified insurance leader in Africa

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

Saham Group in brief

Present in 27 countries	9,500 employees	58 subsidiaries in the world	Largest pan-African insurance group (excluding South Africa)
MAD 9,716 million in gross premiums written in 2015*	€996 million in consolidated sales*	Stake held by Wendel: 13.3%	Amount invested by Wendel: €100 million in 2013

* *Unaudited 2015 data.*

Why did we invest in Saham Group?

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

Insurance

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

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

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

Saham Finances employs 2,700 people and reported gross premiums written of MAD 9,716 million in 2015 (net premiums of MAD 7,109 million), up 19.3% from 2014.

Assistance

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

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

Healthcare

With Asisa, a Spanish leader in health insurance and care centers, Saham Group offers a unique range of services in its diagnostic centers, which it intends to deploy primarily in Morocco following its recent withdrawal from Côte d'Ivoire.

Customer relationship centers

Phone Group (40% held by Saham Group, alongside Bertelsmann) is a pioneer in customer relationship centers in Morocco. Phone Group employs nearly 4,000 people in its ten contact centers in Africa, including eight in Morocco. Saham Group recently acquired a stake in ECCO, a leading provider on the Egyptian market with 3,000 employees.

Real estate

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

Proven ability to build partnerships with top-ranking players

Saham Group has both business and ownership ties to top-ranking international financial and strategic partners such as Sanlam, Bank of Africa, Bertelsmann, Asisa, and more recently Tana Africa Capital (co-founded by Oppenheimer and Temasek). These partnerships have enabled Saham to step up its growth and support its African and Middle Eastern development strategy.

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

Highlights of 2015

In the insurance segment, all Saham Group entities saw net premiums rise in 2015, with an overall increase of 19.3% in gross premiums written. Premium income grew by more than 5.1% in Morocco (ca. 40% of gross premiums), and growth was particularly robust in other regions (+17.9% in West Africa, +19.2% at LIA in Lebanon, and +20.4% at GAAS in Angola).

Saham Group continued to pursue its acquisition strategy, finalizing a certain number of transactions in several countries:

- in Nigeria, Saham Finances acquired Continental Reinsurance PLC, one of the region's principal reinsurance companies, present in 44 countries;
- in Saudi Arabia, the group acquired insurance broker Elite;
- in Egypt, the group took a majority stake in ECCO Outsourcing SAE, a leading customer relationship center and business process outsourcing (BPO) company, thereby targeting the Arab- and English-speaking *clientèle* of the Middle East, Europe and the United States. Saham's majority stake in ECCO complements the existing range of services it offers in French via Phone Group.

Saham Group and FinanceCom signed a strategic partnership to jointly develop their respective services in the Sub-Saharan bancassurance market. The 50-50 joint venture created by the partnership will offer high value-added financial services on these markets, specifically in life and non-life bancassurance, asset management and products for corporate customers.

The customer relationship centers business continued to perform well, buoyed by the acquisition of ECCO, and posted growth of more than 10% in 2015.

Saham Group is pursuing the growth and development of its Healthcare and Real Estate businesses. In Real Estate in particular, the marketing of two projects in Morocco, Vert Marine and Almaz, was launched in 2015.

The group also began to refocus its Healthcare and Real Estate activities on Morocco, and sold its holdings in Côte d'Ivoire:

- medical group HMAO sold to Amethis;
- Batim-Côte d'Ivoire (real estate construction and development) and SATCI (land improvement) sold to Phoenix Africa Partners Holding (PAPH).

In addition, a new division, Sana Education, has been created to handle development in the education sector. This business was created through a 60/40 joint venture between Saham Group and Tana Africa Capital (co-founded by Oppenheimer and Temasek) and has already acquired its first school in Morocco.

Finally, on November 25, 2015 an agreement was signed with a view to enabling the Sanlam Group, a South African leader in financial services, to acquire a stake in Saham Finances SA, Saham Group's insurance arm. As part of this transaction, effective February 29, 2016, Sanlam Group acquired 30% of the share capital of Saham Finances from Abraaj Investment Limited and IFC for $375 million, implying a total valuation of $1.25 billion for all of Saham Finances' equity. The valuation used by Wendel in its most recent NAV calculations and its consolidated financial statements published as of today was therefore revalued. At the same time, Saham Group increased its stake in its Saham Finances subsidiary by buying out the residual shareholdings of Abraaj Investment Limited and IFC (7.5% of the capital). With this transaction, finalized in March 2016, Saham Group and the Sanlam Group are now the only two shareholders of Saham Finances, with 70% and 30% of the capital, respectively.

A €100 million investment for Wendel

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

Top management

Moulay Hafid Elalamy, Chairman

Saad Bendidi, Deputy CEO

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

Wendel's involvement

Board of Directors: Stéphane Bacquaert

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

1.7.12 Nippon Oil Pump (NOP)

NOP innovates to drive growth

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

NOP in brief

2 production sites	Market leader in Japan for trochoid pumps, water pumps and hydraulic motors		Approx. 230 employees
¥5.4 billion in sales in 2015	12.1% EBITDA margin*	Stake held by Wendel: 97.7%	Amount invested by Wendel: ¥3.3 billion in 2013

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

Why did we invest in NOP?

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

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

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

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

Highlights of 2015

In 2015, Nippon Oil Pump's sales totaled ¥5,363 million, stable year-on-year (slight organic decline of 0.6%) due to weak demand in key markets (Japan, China, Taiwan) impacted by the slowing economic environment in the second half of the year.

In 2015, NOP stepped up deployment of its growth strategy. The company aims to develop its international business and enrich its product range. NOP opened four new offices in Germany, China, India, and Taiwan and also strengthened its salesforce and R&D staff.

These growth and development initiatives, plus a rise in the cost of raw materials caused profitability to contract during the period. EBITDA fell 27.6% to ¥648 million, representing a margin of 12.1%.

Outlook for development

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

- ongoing product innovation, such as the development and launch of its new Vortex pump range enabling end users to achieve considerable savings in terms of space and maintenance costs;
- continued optimization of its operating structure to implement increasingly flexible and responsive manufacturing processes and to further improve customer service (shorter delivery periods);
- development of sales in nearby regions with high growth potential (Taiwan and India) and in Europe, where the group has yet to establish a presence;
- targeted acquisitions and partnerships to support the group's sales development.

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

In millions of yen	2015	2014	Δ
Net sales	5,363	5,360	+0.1%
EBITDA*	648	895	-27.6%
as a % of net sales	*12.1%*	*16.7%*	*-460 bps*
Net financial debt	3,747	3,932	¥-185M

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

Top management

Masato Nakao, CEO

Makoto Kawada, Non-executive Chairman

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

Wendel's involvement

Board of Directors: Makoto Kawada, Shigeaki Oyama, Bruno Fritsch, Bernard Gautier, Patrick Tanguy

1.7.13 CSP Technologies

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

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

CSP Technologies in brief

2 manufacturing plants in the United States and France	Approx. 400 employees	Over 330 global patents	Global leader in diabetes test strip packaging vials
Adjusted EBIT of $20.5 million in 2015(1)	$106.5 million in sales in 2015	Stake held by Wendel: 98.2%	Amount invested by Wendel: $227 million since January 2015

(1) Excluding the impact of goodwill allocation.

Why did we invest in CSP Technologies?

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

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

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

Healthcare

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

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

Food and Consumer

CSP also provides innovative and technical solutions to the food markets (dairy and confectionary, in particular) and the cups industry. CSP has been the sole supplier of packaging vials for a major global confectionary maker for 20 years. The company is the world's leading supplier of sampling vials for the dairy industry, serving the United States and Europe. CSP is also a differentiated supplier of travel cups, tumblers, and children's spill-proof cups for the U.S. fundraising industry. CSP continues to develop its expertise in protective packaging solutions utilizing the company's advanced polymeric capabilities, while reaching out to new customers and new geographic markets.

Manufacturing Operations and Intellectual Property

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

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

Highlights of 2015

CSP Technologies' sales totaled $106.5 million in 2015, up 9.2% organically, but impacted by negative foreign exchange rate fluctuations due to a weaker euro vs. dollar (overall growth was 3.5%).

Organic growth was driven by a combination of volume gains in all market segments, specifically diabetes test strips (volume growth of 16.6%), cups, and over-the-counter medication, as well as growth in sales of new products.

CSP generated adjusted EBIT of $20.5 million in 2015, or 19.2% of sales.

As part of the effort of CSP Technologies to diversify its business profile and strategy to develop active packaging solutions, CSP Technologies announced on March 16, 2016 the acquisition of Maxwell Chase Technologies, a US-based producer of absorbent and non-absorbent packaging solutions for the food industry.

Wendel supported CSP Technologies in this strategic acquisition by making an additional investment of ca. $29 million. Wendel's equity investment in CSP Technologies now totals $227 million.

Outlook for development

The following pillars are expected to support continued growth in the future:

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

In millions of dollars	2015(1)
Net sales	106.5
EBIT(2)	20.5
as a % of net sales	*19.2%*
Net financial debt	166.6

(1) 12-month figures in accordance with IFRS, including adjustment for the period January 1-28, 2015.
(2) Excluding the impact of goodwill allocation and non-recurring items.

Top management

John Belfance, Chairman and CEO

Wendel's involvement

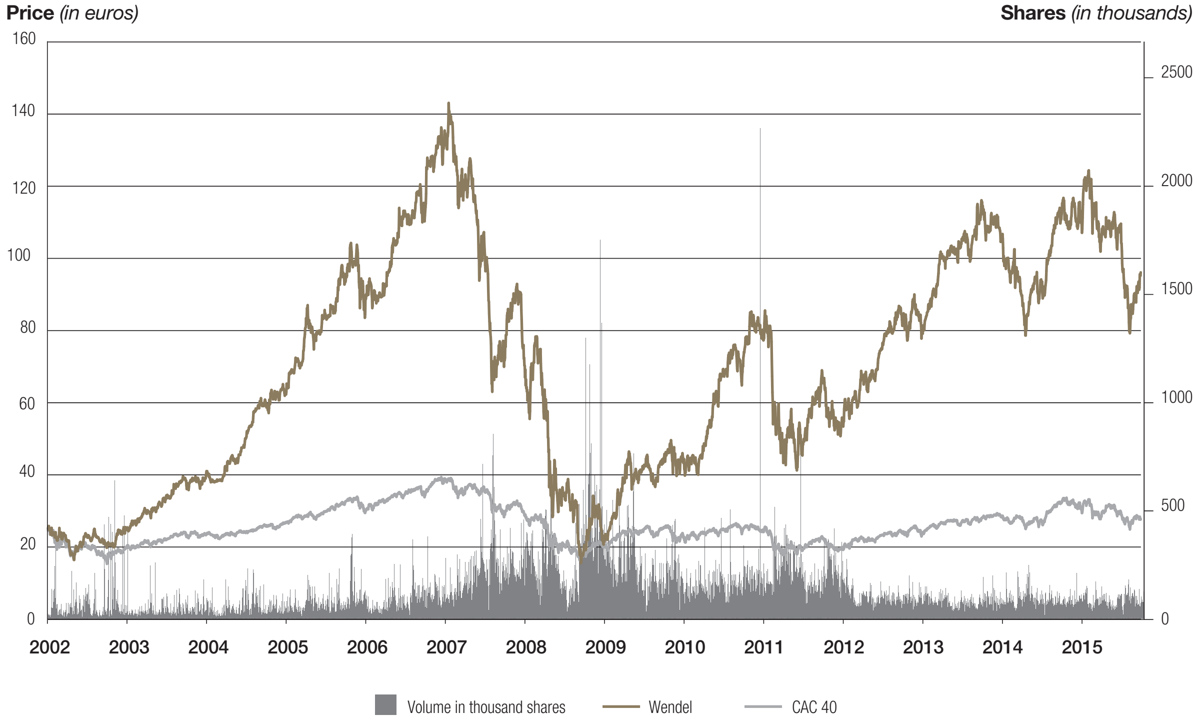
Board of Directors of CSP Technologies: Bernard Gautier, David Darmon, Patrick Tanguy, Jean-Yves Hémery, and Mel Immergut[1]

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

(1) Advisory Board member.

1.8 Shareholder information

1.8.1 Market data



Change in CAC 40 and Wendel share price rebased to compare with the Wendel share price on June 13, 2002. Source: FactSet.

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

Source: FactSet

Reinvested dividend performance from June 13, 2002 to March 17, 2016	Total returns over the period	Annualized return over the period
Wendel	383.8%	12.1%
Euro Stoxx 50 total net return	42.5%	2.6%

Share data

Listing market: EUROLIST SRD, Compartment A

ISIN code: FR0000121204

Bloomberg code: MF FP

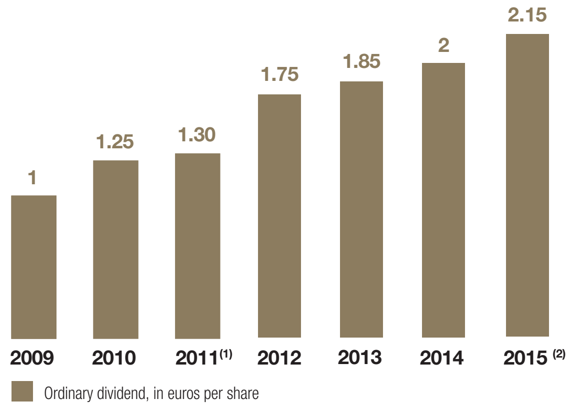
Reuters code: MWDP. PA
Abbreviation: MF

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

Quota: 1 share/PEA: Eligible/SRD: Eligible/Par value: €4/Number of shares outstanding: 47,992,530 as of December 31, 2015.

1.8.2 Dividends

Ordinary dividend, in euros per share

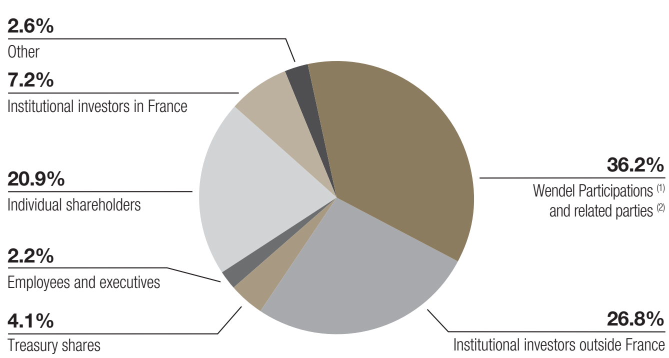


(1) The 2011 ordinary dividend included an exceptional distribution of 1 Legrand share for every 50 Wendel shares held.

(2) The 2015 dividend is subject to shareholder approval at the Annual Shareholder's Meeting on June 1, 2016.

1.8.3 Shareholders

As of December 31, 2015



(1) Formerly SLPS.

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

1.8.4 Shareholder relations

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

In 2015, the Wendel Group pursued its communications policy dedicated to the more than 34,000 individual shareholders who represent nearly 20.9% of its capital. This high rate of individual share ownership makes Wendel the company among the large-cap with the third-largest number of individual shareholders on the Paris stock exchange.(1)

The Shareholders Advisory Committee, set up in 2009, is consulted regarding all communications addressed to shareholders. Wendel values the committee's recommendations and advice highly, as they help shareholders understand our business better and help us provide an attractive, simplified presentation of our activities. The committee met three times in 2015 and five of its members were replaced. Since June 2015, the Shareholders Advisory Committee has comprised nine members.

To make it easier to access Company information, Wendel completely redesigned its website in 2015, opened a Twitter account, and modernized all of its communication tools.

The Group again took part in Actionaria, a trade show bringing companies and shareholders face to face, held in Paris in November 2015.

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

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

In 2015, the Investor Relations team, the members of the Executive Board, and the Chief Financial Officer participated in 22 different roadshows and investor conferences in France, the United Kingdom, Germany, Switzerland, Italy, the United States, Canada, Japan, and Singapore, enabling them to meet with more than 250 stock and bond investors.

Agenda 2016

Shareholders' Meeting, publication of NAV, and *trading update*	Wednesday, June 1, 2016
Publication of first-half 2016 earnings (pre-market release)	Thursday, September 8, 2016
Investor Day, publication of NAV, and *trading update* (pre-market release)	Thursday, December 1, 2016

Contacts

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Tel: +33 (0)1 42 85 30 00

Toll-free number: +33 (0) 800 897 067

Christine Anglade Pirzadeh,

Director of Communications and Sustainable Development

e-mail: c.angladepirzadeh@wendelgroup.com

Olivier Allot,

Director of Financial Communication

e-mail: o.allot@wendelgroup.com

(1) Source: Le Revenu, March 2015.

1.8.5 Trading in Wendel shares

Date	Average closing price 1 month	Intraday high	Intraday low	Average daily trading volume
January 2013	79.94	82.90	77.77	6,518,640
February 2013	81.53	85.98	78.60	6,603,960
March 2013	84.65	87.39	80.75	6,386,513
April 2013	81.14	84.84	76.36	7,422,144
May 2013	86.04	89.99	79.60	6,474,729
June 2013	82.90	86.21	77.70	7,191,806
July 2013	83.96	87.72	79.41	6,997,295
August 2013	89.91	93.40	85.55	5,815,621
September 2013	98.32	103.25	91.58	8,372,931
October 2013	100.52	103.00	97.13	6,130,918
November 2013	102.20	104.00	100.25	4,749,449
December 2013	103.35	106.20	98.55	6,741,048
January 2014	104.72	107.90	99.55	6,992,294
February 2014	104.86	108.90	98.25	5,197,135
March 2014	111.81	116.20	105.00	8,706,018
April 2014	109.69	114.90	105.00	8,379,951
May 2014	109.75	113.25	107.00	8,366,000
June 2014	108.61	112.50	103.60	7,251,077
July 2014	100.46	106.90	96.54	8,238,385
August 2014	96.81	102.85	91.19	6,424,272
September 2014	93.65	97.67	89.48	7,897,726
October 2014	84.08	89.98	76.20	9,968,689
November 2014	91.48	95.29	86.95	7,062,255
December 2014	92.21	96.50	86.50	6,370,964
January 2015	93.82	100.30	88.69	7,415,525
February 2015	104.22	109.40	99.25	7,251,542
March 2015	111.21	114.35	107.50	7,822,573
April 2015	112.86	117.00	107.75	7,598,007
May 2015	111.54	117.15	106.00	7,810,563
June 2015	112.13	116.70	106.60	8,677,478
July 2015	117.42	123.75	107.10	9,227,921
August 2015	118.01	124.95	103.50	7,558,028
September 2015	109.06	116.70	100.90	8,330,657
October 2015	107.65	111.95	103.30	7,080,894
November 2015	109.44	112.95	105.15	5,298,928
December 2015	107.81	114.45	102.30	7,400,277
January 2016	94.91	109.00	88.56	9,764,461
February 2016	85.20	92.49	78.14	7,276,765
March 2016	91.30	95.75	87.28	5,890,458

Source: Euronext.

1.8.6 Documents available to shareholders and the public

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

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

- the key figures on page 2 as well as the consolidated financial statements and corresponding audit report on pages 149-253 of the 2013 registration document filed with the AMF on April 22, 2014 under number D. 14-0387;
- the key figures on page 2 as well as the consolidated financial statements and corresponding audit report on pages 155-257 of the 2014 registration document filed with the AMF on April 15, 2015 under number D. 15-0349.

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

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

Main press releases published by the Company since January 1, 2015:

03/31/2016: Increase in consolidated sales, net income from business sectors and Net Asset Value in 2015

03/16/2016: CSP Technologies to acquire Maxwell Chase Technologies

03/16/2016: Wendel pays tribute to Serge Kampf

03/15/2016: Lodewijk de Vink joins Wendel North America as Senior Advisor

03/11/2016: IHS and HTN agree the first mobile infrastructure consolidation in Africa

02/17/2016: Wendel opens exclusive negotiations with ALD Automotive (Société Générale Group) with a view to selling Parcours

02/04/2016: Insead ranked #1 "Global MBA program" by the Financial Times

12/03/2015: Sales and net asset value up over the first nine months of the year

12/02/2015: Bureau Veritas acquires CERTEST, specialist in luxury goods testing

12/02/2015: Wendel acquires AlliedBarton Security Services, a leading security services company in the U.S.

11/26/2015: Constantia Flexibles: Wendel contributes €31 million to a capital increase to finance acquisitions of Afripack and Pemara

11/24/2015: Saham Group increases its stake in its subsidiary Saham Finances and welcomes Sanlam, a leading financial services group in Africa, as a new minority shareholder of Saham Finances

11/09/2015: Constantia Flexibles strengthens position in Southeast Asia

10/05/2015: Successful issue of €300 million in a 4.5-year bond bearing interest at 1.875%

09/22/2015: Wendel welcomes a new investor in Constantia Flexibles with Maxburg Capital Partners, a long-term investment firm backed by the RAG Foundation

09/10/2015: Wendel H1 2015 results: Wendel's principal assets performed well in H1 2015; Strong investment activity and objectives for 2017 fully achieved two years ahead of time

09/10/2015: New Corporate governance for Cromology

07/15/2015: Van Gansewinkel's shareholders transfer their shares to its senior lenders following a recapitalization agreement resulting in a reduction of senior debt by 60%

07/15/2015: Stahl launched the refinancing of its debt

07/09/2015: Constantia Flexibles strengthens position in African market

07/08/2015: IHS Holding: last tranche of the capital increase completed

06/30/2015: Wendel to Acquire AlliedBarton, a leading security services company in the U.S.

06/25/2015: Alexander Baumgartner is appointed CEO of Constantia Flexibles

06/16/2015: Wendel releases a new version of its website

06/10/2015: Wendel Combined ordinary and extraordinary annual general meeting

06/09/2015: Jérôme Michiels to become CFO of Wendel on October 1, 2015

06/05/2015: Wendel Q1 2015 financial information – Net asset value up 23.7% since the start of the year, at €152.4 per share

05/10/2015: Wendel vehemently refutes the CRAN's unfounded accusations

03/27/2015: Wendel announces the completion of the acquisition in Austria of Constantia Flexibles, a world leader in flexible packaging

03/26/2015: 2014 Earnings – Investment activity stepped up and numerous strategic objectives already achieved in 2014

03/06/2015: Wendel announces the completion of the sale of 10.9% of Bureau Veritas' share capital

03/05/2015: Wendel sells 10.9% of Bureau Veritas' share capital

03/02/2015: The H. Turnauer Foundation will invest €240 million alongside Wendel in the Austrian group Constantia Flexibles

01/30/2015: Wendel: Successful issue of €500 million in a 12-year bond bearing interest at 2.50%

01/30/2015: Bureau Veritas acquires a laboratory to test consumer products in China

01/30/2015: Investment firm Wendel acquires Alabama-based plastics packaging company, CSP Technologies

2

CORPORATE GOVERNANCE

This "Corporate governance" section includes the report of the Chairman of the Supervisory Board on Corporate governance and internal control prepared pursuant to Article L. 225-68, paragraph 7 of the French Commercial Code. The Chairman's report also includes the sections pertaining to Annual Meeting procedures and the information required under Article L. 225-100-3 of the French Commercial Code, which can be found in section 7, "Information on the Company and share capital". This report was approved by the Supervisory Board at its meeting of March 30, 2016, after review by the Audit and Governance Committees.

2.1 Governing and supervisory bodies

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

2.1.1 The Executive Board and its operations

2.1.1.1 Composition of the Executive Board

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

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

Executive Board members, with the exception of its Chairman, may have an employment contract with the Company that remains in force during and after the member's term on the Executive Board. This is the case for Mr. Gautier (see section 2.1.7.8 "Position of executive corporate officers with respect to Afep-Medef recommendations"). Conversely, Mr. Lemoine, the Chairman of the Executive Board, does not have an employment contract, in accordance with the Afep-Medef Code.

Members of the Executive Board are appointed and can be removed by the Supervisory Board, based on a proposal from the Chairman of the Supervisory Board. The term of their appointment is four years. The age limit for members of the Executive Board is 70. Removal of a member of the Executive Board does not cause his or her employment contract, if applicable, to be terminated.

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

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

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

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

Conflicts of interest, family ties and service contracts

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

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

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

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

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

Frédéric LEMOINE

Chairman of the Executive Board

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

Term expires on: April 7, 2017

Born on June 27, 1965

French nationality

Business address:
Wendel 89,
rue Taitbout
75009 Paris
France

Career path:

Frédéric LEMOINE is a graduate of the HEC business school (1986) and of the Institutd'étudespolitiques de Paris (1987). He is an alumnus of the Écolenationaled'administration ("Victor Hugo" class) and an Inspecteur des finances. In 1992-1993, he was head of the Institut du Cœur of Ho Chi Minh-City, Vietnam for a year, and from 2004 to 2011 he was General Secretary of the Fondation Alain Carpentier, which supported this hospital. From 1995 to 1997, he was deputy chief of staff of the Minister of Labor and Social Affairs (Jacques Barrot), in charge of coordinating reform of the national health insurance system and hospital reform. At the same time he was a chargé de mission with the Secretary of State for Healthcare and the National Health Insurance system (HervéGaymard). From 1997 to 2002, he was Delegated CEO, then CFO under Serge Kampf and the Executive Board of Capgemini, before being named Group VPin charge of finance of Capgemini Ernst & Young. From May 2002 to June 2004, he was the deputy General Secretary of French President Jacques Chirac, in charge of economic and financial affairs and other areas.

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

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

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

Appointments as of December 31, 2015:

Wendel Group:

Listed companies:
Chairman of the Board of Directors of Bureau Veritas
Director of Saint-Gobain

Unlisted companies:
Chairman of the Supervisory Board of Constantia Flexibles and of the Board of Directors of Constantia Lux Parent SA
Chairman of the Board of Directors of Trief Corporation SA and permanent representative of Trief Corporation SA on the Boards of Directors of its Luxembourg subsidiaries
Chairman of the Supervisory Board of Oranje-Nassau Groep BV
Director of WinvestConseil SA

Other appointments:
none

Appointments expired in the last five years:

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

Number of Wendel shares held as of December 31, 2015: 196,891

Bernard GAUTIER

Member of the Executive Board

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

Term expires on: April 7, 2017

Born on June 6, 1959

French nationality

Business address:
Wendel
89, rue Taitbout
75009 Paris
France

Career path:

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

Appointments as of December 31, 2015:

Wendel Group:

Listed companies:
Director of Saint-Gobain

Unlisted companies:
Director of Stahl Holdings BV, Winvest Part BV, Stahl Group SA, Stahl Lux 2 SA, Stichting Administratiekantoor II, and Stahl Groep II, and member of the Management Board of Materis Luxembourg
Director of Trief Corporation SA
Director and Chairman of Winvest International SA SICAR, Oranje-Nassau Développement SA Sicar, Global Performance 17 SA Sicar, Expansion 17 SA Sicar, and WinvestConseil SA
Director of Wendel Japan KK, Sofisamc, and IHS Holding Ltd
Chairman of CSP Technologies Parent SA
Vice-Chairman of Constantia Flexibles Gmbh
Director of Constantia Lux Parent SA and Materis SAS
Manager of Materis Luxembourg

Appointments expired in the last five years:

Manager of CSP Technologies Sàrl (2015)
Manager of Materis Parent
Director of Communication Media Partner (2013)
Vice-Chairman of the Board of Directors of Deutsch Group SAS (2012)
Member of the Supervisory Board of Legron BV (until July 2, 2010)

Number of Wendel shares held as of December 31, 2015: 291,435

2.1.1.2 The Executive Board and its operations

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

The Executive Board met 28 times in 2015.

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

- investment and divestment opportunities, including:
  - the sale of a 10.9% stake in Bureau Veritas,
  - finalization of an additional investment in IHS Holding,
  - finalization of the acquisition of CSP Technologies,
  - finalization of the acquisition of Constantia Flexibles, bringing in additional investors alongside Wendel and making an additional investment,
  - acquisition of AlliedBarton Security Services,
  - numerous opportunities, including two that resulted in firm offers,
  - analysis of three offers received for the sale of Stahl and Parcours, two of which were rejected,
  - the divestment of Parcours,
- the Group's financial position;
- subsidiaries and associates and their acquisitions and divestments, such as:
  - acquisitions made by Bureau Veritas and IHS,
  - Constantia Flexibles' acquisitions in Asia and South Africa,
  - new corporate governance at Cromology.

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

- the Company's overall strategy and positioning;
- ongoing financial transactions, which in 2015 included:
  - bond issues in January and October;
- finalizing the financial statements and periodic financial information;
- share and bond repurchases;
- financial communication issues:
  - net asset value,
  - roadshows,
  - Investor Day;
- internal organization and labor issues:
  - organization of Wendel teams,
  - ethics and the Company's compliance program,
  - sustainable development,
  - training plans,
  - compensation policy,
  - allocation of stock options and performance shares and the capital increase reserved for employee members of the Group savings plan, subject to approval by shareholders at their Annual Meeting,
  - insurance and pension plans;
- Group governance and the preparation of the Executive Board's quarterly reports to the Supervisory Board;
- conversion to a *societas europaea*;
- disputes and litigation in progress;
- corporate sponsorship initiatives, including support for the Centre Pompidou-Metz as a Founding Sponsor and for the Wendel International Center for Family Enterprise (at Insead business school);
- preparation of the Annual Shareholders' Meeting.

2.1.2 The Supervisory Board and its operations

2.1.2.1 Composition of the Supervisory Board

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

The members of the Supervisory Board are appointed by the shareholders, voting in their Ordinary Meeting. The term of their appointment is four years. They can be re-appointed. However, to avoid having to reappoint the entire Supervisory Board at once, reappointments were staggered beginning in 2005, following the switchover to a dual governance structure and in accordance with Afep-Medef recommendation no. 14 as amended.

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

In 2015 the Supervisory Board was composed of 11 members appointed by shareholders at their Annual Meeting. In accordance with France's job protection act of June 14, 2013, and with the amendment to the Company's by-laws approved by shareholders at their Annual Meeting of June 6, 2014, the Company's Works Council appointed a 12th Supervisory Board member representing employees. This new member has been attending Supervisory Board meetings since December 3, 2014.

Jean Michel Ropert, whom the Works Council appointed as Supervisory Board member representing employees on November 20, 2014, resigned as a Wendel employee as of September 30, 2015. As a result, on September 8, 2015, the Works Council appointed Fabienne Porquier to replace Mr. Ropert for the rest of his term, effective October 1, 2015. Her biography can be found below (in section 2.1.2.2).

- The expiry dates for the terms of each member as of December 31, 2015 were as follows:
- 2016:
  - François de Wendel;
- 2017:
  - Bénédicte Coste,
  - Priscilla de Moustier,
  - Édouard de l'Espée,
  - Laurent Burelle;
- 2018:
  - Dominique Hériard Dubreuil,
  - Fabienne Porquier,
  - Guylaine Saucier,
  - Christian d'Oosthove;
- 2019:
  - Jacqueline Tammenoms Bakker,
  - Gervais Pellissier,
  - Humbert de Wendel.

François de Wendel agreed to seek renewal of his term, which expires at the close of the Annual Meeting of June 1, 2016.

Consequently, since December 2014 only one Works Council member has been attending Supervisory Board meetings, in a consultative role. Previously (i.e., from the Supervisory Board meeting of June 9, 2008 until December 2014), two representatives of the Works Council had attended Supervisory Board meetings, in a consultative role.

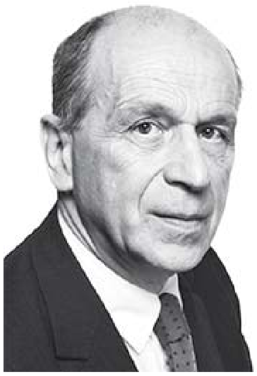
An Afep-Medef recommendation issued in April 2010 sets targets for the percentage of women that should be on corporate boards: at least 40% at the close of the Shareholders' Meeting held in 2016. In addition, a French law enacted on January 27, 2011, on gender equality on corporate boards and in the workplace, stipulates that this same percentage be attained in 2017.

As of the publication of this registration document, Wendel's Supervisory Board has five women: Dominique Hériard Dubreuil, Vice-Chairwoman of the Supervisory Board and Chairwoman of the Governance Committee, and Guylaine Saucier, Chairwoman of the Audit Committee, whose terms were renewed at the Annual Shareholders' Meeting in 2014; Bénédicte Coste and Priscilla de Moustier, who were appointed by shareholders at their Annual Meeting in 2013; and Jacqueline Tammenoms Bakker, who was appointed by shareholders at their Annual Meeting in 2015. The number of women on Wendel's Supervisory Board was thus five out of eleven, or 45% – above the target in the Afep-Medef recommendation for 2016 and required by French law for 2017. Furthermore, two of the women on Wendel's Supervisory Board are foreign nationals (Canadian and Dutch).

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

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

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



François de WENDEL

Chairman of Wendel's Supervisory Board

Date appointed to first term: May 31, 2005

Term expires on: Annual Meeting to be held in 2016

Born on January 13, 1949

French nationality

Business address:
Wendel
89, rue Taitbout
75009 Paris
France

Career path:

Graduate of the Institutd'étudespolitiques in Paris, master's degree in economics from the University of Paris and an MBA from Harvard University.

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

Appointments as of December 31, 2015:

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

Other appointments:
Director of Massilly Holding (unlisted company)
Chairman and CEO of SociétéPrivéed'InvestissementsMobiliers SA (unlisted company, Luxembourg)

Appointments expired in the last five years:

Director and member of the Audit Committee of Burelle SA (listed company) (2015)
Vice-Chairman of the Supervisory Board of Wendel (2013)

Number of Wendel shares held as of December 31, 2015: 77,693

Dominique HÉRIARD DUBREUIL

Vice-Chairwoman of Wendel's Supervisory Board

Chairwoman of the Governance Committee

Independent member

Date appointed to first term: June 4, 2010

Term expires on: Annual Meeting to be held in 2018

Born on July 6, 1946

French nationality

Business address:
RÉMY COINTREAU
21, boulevard Haussmann
75009 Paris
France

Career path:

Alumna of Assas law school (Paris) and the Institut des relations publiques.

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

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

Appointments as of December 31, 2015:

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

Other appointments:
Director of Bolloré (listed company)
Director of the Fondation de France
Director of the 2nd Chance Foundation
Director of the Colbert Committee and the Federation of Wine and Spirits Exporters (FEVS)

Appointments expired in the last five years:

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

Number of Wendel shares held as of December 31, 2015: 1,500

Laurent BURELLE

Member of Wendel's Supervisory Board

Independent member

Date appointed to first term: May 28, 2013

Term expires on: Annual Meeting to be held in 2017

Born on October 6, 1949

French nationality

Business address:
Compagnie Plastic Omnium
1, allée Pierre-Burelle
92593 Levallois-Perret
Cedex

Career path:

Mr. Burelle is a graduate of the Swiss Federal Institute of Technology in Zurich (ETH) and holds an MSc in Chemical Engineering from the Massachusetts Institute of Technology (MIT).

Compagnie Plastic Omnium: Manufacturing engineer, Assistant to the Langres factory manager (1975), CEO of Plastic OmniumIberica (1977), Chairman and CEO of Plastic Omnium Spain (1980) and then of Compania Plastic Omnium Spain (1981), Head of the Service department of Compagnie Plastic Omnium (1981-1988), Vice-Chairman and CEO (1987-2001), Chairman and CEO (since 2001).

Appointments as of December 31, 2015:

Principal positions:
Chairman and CEO of Compagnie Plastic Omnium SA (listed company)
Director and Deputy CEO of Burelle SA since 1986 (listed company)

Appointments in the Plastic OmniumGroup:

France:
Director of Burelle Participations SA
Chairman and member of the Supervisory Committee of Sofiparc SAS
Chairman of Plastic Omnium Auto Exteriors SAS
Chairman of Plastic Omnium Auto Inergy SAS

Belgium:
Director-Delegate of Sogec 2 SA
Manager of CompagnieFinancière de la Cascade SRL

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

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

United States:
Chairman of Plastic Omnium Inc.

Other appointments:

Director of Pernod Ricard SA (listed company)
Director of Lyonnaise de Banque
Member of the Supervisory Board of LabruyèreEberlé SAS
Director of Afep
Vice-Chairman of Institut de l'entreprise (non-profit organization)
Director of Fondation Jacques Chirac (non-profit organization)
Director, Lyon-Turin Transalpine Railway Link Committee (non-profit organization)

Appointments expired in the last five years:

France:
Chairman of Plastic Omnium Auto SAS (2013)
Chairman and member of the Supervisory Committee of Plastic OmniumEnvironnement SAS (2015)

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

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

Netherlands:
Chairman of Plastic Omnium International BV (2015)

Switzerland:
Director of Signal AG (2014)

Germany:
Manager of Plastic Omnium GmbH (2014)

Number of Wendel shares held as of December 31, 2015: 3,500

Bénédicte COSTE

Member of Wendel's Supervisory Board

Member of the Audit Committee

Date appointed to first term: May 28, 2013

Current term expires: Annual Meeting to be held in 2017

Born on August 2, 1957

French nationality

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

Career path:

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

Appointments as of December 31, 2015:

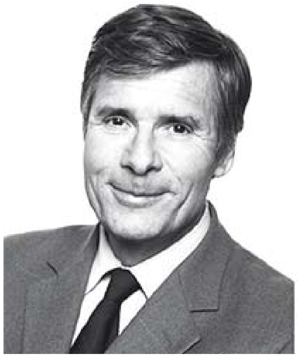
Main position:
Chairwoman & CEO of Financière Lamartine Wendel Group:
Director of Wendel-Participations SE (unlisted company)

Other:
Chairwoman of Association samarienne de défense contre les éoliennes industrielles

Appointments expired in the last five years:

none

Number of Wendel shares held as of December 31, 2015: 517



Édouard de L'ESPÉE

Member of Wendel's Supervisory Board

Member of the Audit Committee

Date appointed to first term: September 6, 2004

Term expires on: Annual Meeting to be held in 2017

Born on September 5, 1948

French nationality

Business address:
ICC
20 route de Pré-Bois
CH-1215 Geneva 15
Switzerland

Career path:

Graduate of the École supérieure de commerce de Paris.

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

Appointments as of December 31, 2015:

Main position (unlisted company):
Executive Director of CompagnieFinancièreAval

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

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

Appointments expired in the last five years:

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

Number of Wendel shares held as of December 31, 2015: 5,000

Priscilla de MOUSTIER

Member of Wendel's Supervisory Board

Member of the Governance Committee

Date appointed to first term: May 28, 2013

Current term expires:
Annual Meeting to be held in 2017

Born on May 15, 1952

French nationality

Business address:
94, rue du Bac
75007 Paris
France

Career path:

Priscilla de Moustier holds an MBA from Insead and a degree in mathematics and economics from the Institutd'étudespolitiques de Paris.

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

Appointments as of December 31, 2015:

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

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

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

Christian VAN ZELLER D'OOSTHOVE

Member of Wendel's Supervisory Board

Member of the Governance Committee

Date appointed to first term: June 6, 2014

Current term expires:
Annual Meeting to be held in 2018

Born on December 24, 1946

French nationality

Business address:
12 Gorodetskogo, Apt 12
Kiev 81001
Ukraine

Career path:

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

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

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

Appointments as of December 31, 2015:

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

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

Other appointments:

none

Appointments expired in the last five years:

none

Number of Wendel shares held as of December 31, 2015: 500

Gervais Pellissier

Member of Wendel's Supervisory Board

Member of the Audit Committee

Independent member

Date appointed to first term: June 5, 2015

Born on May 14, 1959

French nationality

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

Career path:

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

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

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

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

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

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

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

In November 2011, Mr. Pellissier was appointed Associate Chief Executive Officer of France Télécom-Orange, which became Orange on July 1, 2013.

He retained all his existing responsibilities (Finance and the joint venture with T-Mobile in the UK).

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

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

Appointments as of December 31, 2015:

Orange SA – Deputy Chief Executive Officer since October 26, 2011 (listed company)
EE Ltd. (United Kingdom) – Director since April 1, 2010
Jazztel plc (United Kingdom) – Director since July 1, 2015
Orange Espagne (Spain) – Director since June 26, 2006
Mobistar (Belgium) – Director since September 1, 2014 (listed company)
Orange Polska SA – Member of the Supervisory Board since April 11, 2013 (listed company)
Orange Horizons – Director since October 19, 2014
Fondation des Amis de Médecins du Monde – Founder and Directorsince May 23, 2014

Appointments expired in the last five years:

Dailymotion – Director until June 30, 2015
MédiTélécom (Morocco) – Director until October 10, 2014
Sonae.com (Portugal) – Director until March 18, 2014
Orange Studio – Director until September 24, 2013
Voyages Fram – Director until February 20, 2013

Number of Wendel shares held as of December 31, 2015: 500

Fabienne PORQUIER

Member of Wendel's Supervisory Board, representing employees

Date appointed to first term by the Works Council: October 1, 2015

Current term expires: November 20, 2018

Born on December 29, 1963

French nationality

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

Career path:

FabiennePorquier has a postgradutae degree in business administration from IAE Poitiers and a Master's in applied foreign languages in English and Spanish.

She started her career in human resources at Aérospatiale, then joined the HR department of Umicore France in 1990 where for nearly 13 years she worked initially as head of personnel administration and then as payroll manager at Umicore's headquarters in Bagnolet.

She joined Wendel in 2003, initially as head of payroll and personnel administration. Since 2012 she has been in charge of managing employee share-ownership plans and employee savings plans. She also provides support to foreign offices for all HR-related issues and helps implement the Company's compensation policy.

Appointments as of December 31, 2015:

Head of compensation and employee share-ownership at Wendel (listed company)

Number of Wendel shares held as of December 31, 2015: 3,105

Guylaine SAUCIER

Member of Wendel's Supervisory Board

Chairwoman of the Audit Committee

Member of the Governance Committee

Independent member

Date appointed to first term: June 4, 2010

Current term expires:
Annual Meeting to be held in 2018

Born on June 10, 1946

Canadian nationality

Business address:
1000, rue de la Gauchetière-Ouest
Bureau 2500
Montréal QC H3BOA2
Canada

Career path:

Graduate, with a baccalauréatès arts, from the collège Marguerite-Bourgeoys and a licence degree in business from the École des hautesétudescommerciales de Montreal.

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

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

She was Chairwoman of the Joint Committee of Corporate governance (ICCA, CDNX, TSX) (2000-2001), Chairwoman of the Board of Directors of CBC/Radio-Canada (1995-2000), Chairwoman of the Board of Directors of the Canadian Institute of Chartered Accountants (1999-2000), Member of the Board of Directors of the Bank of Canada (1987-1991), member of the Commission of Inquiry on Unemployment Insurance (1986) and member of Minister Lloyd Axworthy's task force on social security reform (1994). Ms. Saucier was the first woman appointed President of the Quebec Chamber of Commerce. She has played a very active role in the community as a Board member of various institutions, including the University of Montreal, the Montreal Symphony Orchestra and the Hôtel-Dieu de Montreal.

She was recognized as a member of the Order of Canada 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 Collège des administrateurs de sociétés.

Appointments as of December 31, 2015 (listed companies):

Member of the Board of Directors of Scor
Member of the Board of Directors of Junex Inc. (Quebec)
Member of the Board of Directors of Tarkett

Appointments expired in the last five years:

Member of the Supervisory Board of Areva (since 2006) and Chairwoman of the Audit Committee (until January 8, 2015)
Member of the Board of Directors of the Bank of Montreal, Member of the Audit Committee and member of the Risk Management Committee (1992-2013)
Member of the Board of Directors of AXA Assurances Inc. (and member of the Audit Committee 1987-2011)
Member of the Board of Directors of Danone and Chairwoman of the Audit Committee (2009-2012)

Number of Wendel shares held as of December 31, 2015: 500

Jacqueline Tammenoms Bakker

Member of Wendel's Supervisory Board

Member of the Governance Committee

Independent member

Date appointed to first term: June 5, 2015

Born on December 17, 1953

Dutch nationality

Business address:
33 Thurloe Court
London SW3 6SB
United Kingdom

Career path:

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

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

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

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

She was awarded Knight of the Legion of Honor in 2006 in recognition of her contribution to Franco-Dutch relations.

Appointments as of December 31, 2015 (listed companies):

Member of the Supervisory Board of UnibailRodamco
Member of the Supervisory Board of CNH Industrial
Member of the Supervisory Board of TomTom

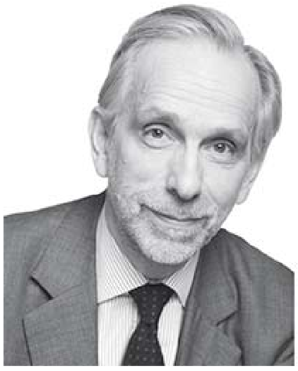
Appointments as of December 31, 2015 (non-profit organizations):

Chairwoman of the Board of the Van Leer Group Foundation
Vice-Chairman of the Advisory Board of Bath School of Management
Member of the Board of Nexus Institute

Appointments expired in the last five years:

Member of the Supervisory Board of Tesco plc (2009-2015)
Member of the Supervisory Board of Vivendi,
Chairwoman of the Human Resources Committee (2010-2014)
Member of the Supervisory Board of the Netherlands' Land Registry Ordinance Survey (2008-2012)

Number of Wendel shares held as of December 31, 2015: 500



Humbert de WENDEL

Member of Wendel's Supervisory Board

Member of the Audit Committee

Date appointed to first term: May 30, 2011

Current term expires:
Annual Meeting to be held in 2015

Born on April 20, 1956

French nationality

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

Career path:

Graduate of the Institut d'études politiques de Paris and Essec.

Humbert de Wendel has spent his entire career with the Total Group, which he joined in 1982, mainly holding positions in the Finance department, first heading trading floor operations and then financial operations, successively, for several divisions in the group. He also spent several years in London heading the finance division of one of Total's joint ventures.

Director of acquisitions and divestments and in charge of the group's corporate business development from 2006 to 2011, he is currently Director of financing and cash management and Treasurer of the group.

Appointments as of December 31, 2015:

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

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

Other appointments within the Total Group:

Unlisted non-French companies:
Chairman of Total Finance Global Services SA (Belgium)
Chairman of Total Finance Nederland BV (Netherlands)
Managing Director and Board Member of Total Finance Corporate Services Ltd (United Kingdom)
Chairman and Director of Total Capital Canada Ltd (Canada)
Director of Total Funding Nederland BV Director of Total Upstream UK Ltd

Listed non-French companies:
Director of Sunpower Corp. (listed on Nasdaq)

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

Appointments expired in the last five years:

Chairman, CEO, and Director of SofaxBanque (2014)
Chairman, CEO, and Director of Total Capital (2014)
Chairman, CEO, and Director of Total Capital International (2014)
Chairman of Total Finance (2014)
Chairman of Total Finance Exploitation (2014)
Chairman of Total Treasury (2014)
Director of Société Financière d'Auteuil (2014)
Director of Elf Aquitaine (2014)
Permanent representative of Total SA on the Board of Eurotradia International (2014)
Manager of Omnium Lorrain (non-trading company) (2014)
Chairman, CEO, and Director of Odival from September 28, 2007 to September 28, 2011
Director and Chairman of the Audit Committee of Compania Espanola de Petroleos – Cepsa (Spain) until August 2, 2011 (company listed in Madrid)

Number of Wendel shares held as of December 31, 2015: 225,054

Supervisory Board members whose term ended in 2015

Gérard BUFFIÈRE

Member of Wendel's Supervisory Board

Member of the Governance Committee

Independent member

Date appointed to first term: May 30, 2011

Born on March 28, 1945

French nationality

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

Career path:

Graduate of Écolepolytechnique 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 ImétalGroup in March 1998 as a member of the Executive Board and the head of the Building Materials division. In 1999, Imétal became Imerys, focusing exclusively on industrial minerals, and Mr. Buffière was named head of the Construction Materials, Minerals for Ceramics and Specialty Minerals divisions. From 2000 to 2002, he was also in charge of the Pigments & Additives division. Gérard Buffière was Chairman of the Executive Board from January 1, 2003, to May 3, 2005, on which date he was appointed as a member of the Board of Directors and the Chief Executive Officer of Imerys, coinciding with the change in the Company's governance structure.

Appointments as of June 5, 2015:

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

Appointments expired in the last five years:

CEO of Imerys (2011)

Number of Wendel shares held as of June 5, 2015: 500

Didier CHERPITEL

Member of Wendel's Supervisory Board

Chairman of the Governance Committee

Member of the Audit Committee

Independent member

Date appointed to first term: June 13, 1998

Born on December 24, 1944

French nationality

Business address:
Le Hameau de Crans
Chemin de l'Arnouva
4 CH-3963 Crans-Montana
Switzerland

Career path:

Postgraduate degree (DES) from the Institutd'étudespolitiques de Paris.

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

Appointments as of June 5, 2015 (listed companies):

Director of Fidelity International
Director of Prologis Targeted Europe Logistics Fund

Other appointments (unlisted companies):

Director of the Swiss Philanthropic Foundation
Co-Chairman of François-Xavier Bagnoud International
Director and Treasurer of FondationMérieux
Director of IFFim/Gavi Alliance (UK Charity)
Director of Porticus

Appointments expired in the last five years:

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

Number of Wendel shares held as of June 5, 2015: 3,000

Jean-Michel ROPERT

Member of Wendel's Supervisory Board, representing employees

Date appointed to first term by the Works Council: November 20, 2014

Born on December 15, 1966

French nationality

Business address:
Wendel
89, rue Taitbout
75009 Paris
France

Career path:

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

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

Mr. Ropert resigned from Wendel effective September 30, 2015.

Appointments as of September 30, 2015:

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

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

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

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

Appointments expired in the last five years:

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

Number of Wendel shares held as of September 30, 2015: 115,261

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

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

Conflicts of interest, family ties and service contracts

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

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

To the best of the Company's knowledge, one Supervisory Board member works for a group that has been selected as a Wendel customer or supplier, and one member works for a group that is connected to one of the Company's subsidiaries by a service contract.

The Governance Committee and the Supervisory Board reviewed these two situations on February 9 and February 10, 2016, respectively (see the section entitled "Independence of Supervisory Board members" below).

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

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

Independence of Supervisory Board members

The Supervisory Board is designed to guarantee impartial deliberation and includes members who qualify as independent. It reviews the independence of its members every year.

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

At their meetings on February 9 and February 10, 2016, respectively, the Governance Committee and the Supervisory Board reviewed the independence of each member based on the following criteria, in accordance with recommendation 9.4 of the Afep-Medef Code, as amended in June 2013, as to whether they:

- were not employees or executive corporate officers of the Company, employees or directors of the parent company or of a company consolidated by it, either currently or at any time in the five previous years;
- were not executive corporate officers of a company in which the Company holds, directly or indirectly, a directorship, or in which an employee designated as such or an executive corporate officer of the Company (current or in the last five years) holds a directorship;
- were not customers, suppliers, investment bankers or corporate bankers:
  - of the Company or the Group to a significant extent,
  - 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.

The independence of two of the Board's independent members – Laurent Burelle and Gervais Pellissier – has been reviewed in detail.

In 2015, the Plastic Omnium Group, headed by Laurent Burelle, an independent member of Wendel's Supervisory Board, commissioned various group companies of Wendel subsidiary Bureau Veritas to carry out a range of projects (certification, equipment verification, quality audit, and safety training).

The Supervisory Board, on the Governance Committee's recommendation, concluded that the total fees for these projects were non-material, and accordingly confirmed that Laurent Burelle meets the criteria for an independent member.

IHS, a company in Wendel's portfolio, signed outsourcing agreements with Orange for towers in Cameroon and Côte d'Ivoire, for a total amount of €30 million per year. Gervais Pellissier, an independent member of Wendel's Supervisory Board, is Deputy Chief Executive Officer of Orange and head of operations in Europe ex-France.

The Supervisory Board, on the Governance Committee's recommendation, concluded that:

- Wendel has a stake of only 26% stake in IHS and holds 35% of IHS' voting rights;
- Mr. Pellissier does not manage Orange's operations in Africa, which is where IHS operates;
- the revenue that IHS generates from Orange is not material compared to IHS' total sales.

The Supervisory Board therefore confirmed that Gervais Pellissier meets the criteria for an independent member.

Consequently, the Supervisory Board deemed that as of February 10, 2016, five of the eleven members, or 45%, meet the independence criteria of the Afep-Medef Code as amended: Dominique Hériard Dubreuil, Guylaine Saucier, Jacqueline Tammenoms-Bakker, Laurent Burelle, and Gervais Pellissier. The composition of the Supervisory Board therefore complies with recommendation 9.2 of the amended Afep-Medef Code, which advocates that at least one-third of the Board members of controlled companies be independent.

Supervisory Board members representing employees are not included in the calculation of the proportion of independent Board members, in accordance with the Afep-Medef Code.

2.1.2.3 Preparation and organization of the Board's proceedings

The Supervisory Board's internal regulations set down the rights and responsibilities of the members of the Board, state the criteria for evaluating independence, and describe the composition and the remit of the Board and its committees. They also lay out rules of ethical conduct, and especially the rules for trading shares of Wendel or its listed subsidiaries or investments (see section 2.1.6 "Compliance issues involving the Group's governing and supervisory bodies").

The main provisions of the Board's internal regulations are detailed below. The Supervisory Board updated its internal regulations on February 11, 2015 to account for changes in French law, revisions to the Afep-Medef Code and the transformation of Wendel into a *societas europaea*.

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

New Supervisory Board members undergo special training during which they meet the Company's senior management.

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 Supervisory Board meeting need to be called urgently, it may be convened without advance notice and be held by telephone or videoconference. Two Supervisory Board meetings were held by conference call in 2015.

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

The Supervisory Board meets regularly. A record of attendance is kept. The Supervisory Board met 10 times in 2015. The average attendance rate was 91% and the meetings lasted an average of three and a half hours.

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

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

2.1.2.4 Responsibilities of the Supervisory Board

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

The main items discussed at Supervisory Board meetings in 2015 and in early 2016 were as follows:

Strategy and operations:

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

Financing and financial communications:

- financial condition;
- net asset value;
- parent company and consolidated financial statements at December 31, 2014 and June 30, 2015 and Statutory Auditors' reports;
- dividend;
- consolidated financial statements at December 31, 2015;
- preparation of the management report;
- Audit Committee reports;
- quarterly financial information;
- management forecasts;
- financing and bond issues;
- buyback of shares;
- shareholding structure;
- financial communications.

Corporate governance:

- Governance Committee reports;
- Executive Board compensation;
- grant of stock options and performance shares to Executive Board members and recognition of whether or not performance conditions have been met;
- review of the Company's compliance with the Afep-Medef Code;
- Supervisory Board's operation and proceedings and a review of the Board's internal regulations;
- report of the Chairman of the Supervisory Board on Corporate governance and internal control;
- related-party agreements;
- resolutions submitted by the Executive Board to shareholders at their Annual Meeting;
- changes in the composition of the Supervisory Board and its committees;
- compensation for the Chairman of the Supervisory Board;
- equal representation and equal salary treatment for men and women;
- capital increase reserved for members of the Group savings plan.

2.1.2.5 Evaluation of the Supervisory Board and its committees

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

The Board devoted an agenda item to an in-depth review of its composition and operations at its December 2, 2015 meeting; the ensuing discussion led to the following main conclusions:

- the Board's composition is appropriate but could be enhanced with new skills (digital technology and a US national);
- the information given to the Board, the frequency of meetings and meeting agendas are satisfactory;
- investment and divestment plans should be discussed in two meetings whenever possible;
- more detail could be provided in the committee meeting reports given to the Board;
- meeting minutes should be distributed sooner after the meetings;
- members would like documents related to the Board and its committees to be made available on a secure electronic platform.

2.1.3 Corporate governance statement

In 2008 the Company adopted the Afep-Medef Corporate governance Code for listed companies, as amended in June 2013 and November 2015, and uses it as a guideline for its Corporate governance. This Code is available on the Medef website (in French): www.medef.fr/main/core.php.

At its meeting on February 10, 2016, the Supervisory Board examined the Company's situation with regard to the Afep-Medef Code as amended.

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

Proportion of independent members on the Audit Committee	Three of the Audit Committee's six members are independent, which is less than the 2/3 independent members recommended by the Code. As Wendel is controlled by a majority shareholder, however, it is sufficient for 1/3 of its Supervisory Board members to be independent. The Audit Committee meets this criterion. Moreover, other factors – such as that the Chairwoman is an independent member, that the Audit Committee's members have in-depth involvement and knowledge of the Company, that external experts are regularly called upon, and that meetings are held frequently – outweigh the arithmetic approach to the composition of the Audit Committee.
Appointment of a Supervisory Board member representing employees to the Governance Committee	Any such appointment could result in a conflict of interest for certain decisions that fall under the exclusive remit of the Governance Committee and the Supervisory Board.
No variability of director's fees based on attendance	The Supervisory Board did not feel it was necessary to create an attendance-based variable portion of director's fees, because the rate of attendance at Board and committee was already high in 2015.
Acquisition of shares upon vesting of performance shares	There is no system to ensure this, as the members of the Executive Board each already own a very significant number of shares of the Company. In addition, they are required to hold 25,000 shares at all times.
Termination benefits paid to executive corporate officers	The situations in which Executive Board members are eligible for termination benefits are more numerous than those specified in recommendation 23.2.5 of the Afep-Medef Code, which currently states that executives may receive a termination benefit only if the departure is involuntary and due to a change in control or strategy. At Wendel, these benefits might also be paid in the event of an involuntary departure resulting from a substantial change in responsibilities. The Supervisory Board believes that this payment condition is legitimate, because the substantial change in responsibilities would in effect be imposed on the executive. In addition, demanding performance conditions must be met to receive such benefits; the Supervisory Board determines whether those conditions have been met.
Consultation of shareholders at their General Meeting for significant divestments	According to the AMF, when a company's primary activity is to acquire and manage equity investments, divestments— even significant ones—clearly fall within its normal operating cycle, so the market and shareholders can foresee them. Wendel is therefore not required to present significant divestments to its shareholders.

2.1.4 Supervisory Board Committees

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

2.1.4.1 The Audit Committee

Composition of the Audit Committee

The Audit Committee has six members:

- Guylaine Saucier, Chairwoman;
- Didier Cherpitel, Chairman of the Governance Committee until June 5, 2015;
- Dominique Hériard Dubreuil, Vice-Chairwoman of the Supervisory Board since March 2013 and Chairwoman of the Governance Committee since June 5, 2015;
- Bénédicte Coste;
- Édouard de l'Espée;
- Gervais Pellissier, since June 5, 2015;
- Humbert de Wendel.

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

All Audit Committee members have the financial and accounting expertise necessary to be a member of the committee, insofar as they occupy or have occupied senior executive positions in several industrial or financial companies, as prescribed by recommendation 16.1 of the amended Afep-Medef Code.

Ms. Saucier, Ms. Hériard Dubreuil, and Mr. Pellissier are the committee's independent members, i.e. three members out of six.

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

Responsibilities of the Audit Committee

Pursuant to recommendation 16.2 of the amended Afep-Medef Code, French decree no. 2008-1278 of December 8, 2008 pertaining to the Statutory Auditors, the AMF's final report on Audit Committees published in July 2010, and AMF Recommendation 2010-19, Wendel's Audit Committee is principally responsible for monitoring:

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

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

- ensure that the accounting policies chosen are appropriate and properly applied in the preparation of parent company and consolidated financial statements;
- make sure the appropriate accounting methods were used for any significant or complex transactions realized by the Company;
- ensure that the processes used to produce financial information are rigorous enough to guarantee the sincerity of this information;
- ensure that a procedure exists to identify and analyze risks that may have material impact on accounting and financial information, and in particular on the Company's assets, and make sure that appropriate action plans are in place for any identified weaknesses;
- serve as liaison with the Statutory Auditors and consult them regularly;
- review all accounting and financial documents to be issued by the Company before they are published (in particular the periodic calculation of net asset value);
- inform the Supervisory Board of any observations it considers relevant from an accounting and financial point of view, in particular when the semi-annual and annual parent company and consolidated financial statements are finalized;
- oversee the Statutory Auditor selection process and submit its findings to the Supervisory Board, and issue a recommendation on the Statutory Auditors for shareholder approval at the Annual Meeting;

- review the audit and consulting fees paid by the Group and Group-controlled companies to the Statutory Auditors and their networks and submit a report thereon to the Supervisory Board;
- examine any work performed that is accessory to or directly complementary to the audit of the financial statements (work directly related to the audit);
- review the Company's earnings releases;
- review any issues within its remit raised by the Supervisory Board.

Organization and procedures

The Audit Committee meets as frequently as it deems necessary, and at least twice a year, prior to the Supervisory Board's review of the semi-annual and annual financial statements. The committee may hold meetings using videoconferencing or other telecommunications tools. It may, in the context of its responsibilities, examine a topic whenever it believes it is necessary and worthwhile to do so. The Audit Committee has access to all the resources it considers necessary to discharge its responsibilities. To the greatest extent possible, its meetings are held sufficiently in advance of Board meetings to allow for an in-depth examination of any subject requiring the committee's attention.

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

A Group Head of Internal Audit position was created in January 2016, which will allow the Group to undertake new measures for risk management and prevention.

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 addition, the committee has validated the choice of the independent expert appointed by the Executive Board to evaluate the Company's net asset value (NAV).

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

The Audit Committee met six times in 2015, with an attendance rate of nearly 94%. The meetings lasted an average of three and a half hours each.

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

The Audit Committee examined the following topics in 2015:

- 2014 parent company and consolidated financial statements;
- first-half 2015 consolidated financial statements;
- impairment tests;
- net asset value and its calculation method;
- the Statutory Auditors' reports;
- Wendel's liquidity and debt situation and that of its subsidiaries;
- monitoring of Company risks and control measures applied thereto;
- review of risks at certain subsidiaries;
- outstanding disputes;
- the accounting treatment of certain transactions;
- the Group's tax situation;
- report of the Chairman of the Supervisory Board on risk management and internal control;
- validation of the performance conditions for Executive Board members' stock options and performance shares;
- review of the Statutory Auditors' statement of independence and fees;
- review of the committee's operations and the parts of the Board's internal regulations that concern the Audit Committee.

2.1.4.2 The Governance Committee

Composition of the Governance Committee

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

- Didier Cherpitel, Chairman, until June 5, 2015;
- Dominique Hériard Dubreuil, Chairwoman of the Governance Committee since June 5, 2015 and Vice-Chairwoman of the Supervisory Board since March 2013;
- Gérard Buffière, until June 5, 2015;
- Priscilla de Moustier;
- Guylaine Saucier, Chairwoman of the Audit Committee;
- Christian d'Oosthove;
- Jacqueline Tammenoms-Bakker since June 5, 2015.

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

Three of the Governance Committee's five members, or two-thirds, are independent: Dominique Hériard Dubreuil, Chairwoman, Guylaine Saucier, and Jacqueline Tammenoms-Bakker.

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

Responsibilities of the Governance Committee

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

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

Organization and procedures

The Governance Committee met seven times in 2015. Average attendance at the meetings was 92%. The meetings lasted on average of two hours.

The committee may call upon recognized independent experts to help it carry out its assignments.

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

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

The following topics were addressed during Governance Committee meetings in 2015:

- Executive Board compensation;
- the Company's compliance with the Afep-Medef Code, especially regarding Board member independence;
- report of the Chairman of the Supervisory Board on Corporate governance;
- preparations for the Annual Shareholders' Meeting: a review of the presentation on governance;
- the granting of stock options and performance shares to Executive Board members and validation of performance conditions;
- co-investments by Executive Board members;
- capital increase for the Group savings plan and shares owned by the Executive Board;
- an evaluation of the Supervisory Board's operations and proceedings, overseen by the Chairwoman of the Governance Committee and carried out with the help of a questionnaire;
- the composition and process for renewing the appointments of Board members;
- compensation of the Supervisory Board Chairman;
- review of Board candidates;
- review of answers to questions posed by the French High Committee on Corporate governance;
- review of the Supervisory Board's internal regulations;
- review of Wendel's Code of Ethics.

2.1.5 Division of powers between the Executive and Supervisory Boards

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a) under current laws and regulations and the Supervisory Board decisions of December 1, 2010 and December 2, 2015 for:
   - divestment of real property of more than €10 million per transaction,
   - divestment of financial investments of more than €100 million per transaction,

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

b) under Wendel's by-laws for:

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

The Supervisory Board defines the terms and conditions of the Executive Board Chairman's compensation as well as the form in which it is paid (current or deferred, fixed or variable). It approves the Executive Board Chairman's proposal for Bernard Gautier's compensation. It sets stock-option and performance share grants allocated to Executive Board members, as well as the relevant performance and holding conditions.

Finally, the Supervisory Board sets the general principles of the co-investment policy for the members of the Executive Board and the management team and authorizes the co-investment of Executive Board members (see note 4.1 to the consolidated financial statements). In all cases, the Supervisory Board acts on the recommendation of the Governance Committee. It is the Executive Board's responsibility to set employee stock option and performance share grants, the grant dates and the details of the plan.

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

Recommendation 20 of the amended Afep-Medef Code and AMF Recommendation 2010-07 of November 3, 2010 set out a series of obligations applicable to members of governing bodies.

To fulfill these obligations, the Executive Board created a Market Confidentiality and Ethics Code on December 1, 2009, applicable to its members, to the members of the Supervisory Board and to the Company's employees. The Executive Board reviewed the Code in May 2013. The obligations are reiterated in Wendel's Code of Ethics.

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

2.1.6.1 Related-party agreements

Agreements between the Company and a member of the Executive or Supervisory Board, either directly or indirectly, must be approved in advance by the Supervisory Board. The same requirement applies to agreements between the Company and a shareholder holding more than 10% of the voting rights as well as to agreements between the Company and a third party, should they have executives in common. The Chairman of the Supervisory Board reports all authorized agreements to the Statutory Auditors and submits them to shareholders for approval at their Annual Meeting. The Statutory Auditors present a special report to shareholders during the meeting, which the shareholders vote on. This procedure does not apply to ordinary agreements executed at standard terms, nor to agreements between a company and its wholly-owned subsidiary. Agreements already authorized and entered into, and whose execution is ongoing, are reviewed every year by the Supervisory Board and communicated to the Statutory Auditors.

2.1.6.2 Registered shares

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

2.1.6.3 Blackout periods

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

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

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

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

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

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

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

Members of the Company's governing and supervisory bodies are included on the list of permanent insiders drawn up by the Company's Ethics Officer. This list is made available to the AMF and kept for at least five years from the date it was drawn up or updated. Executive Board members are on the list of occasional insiders; Supervisory Board members are also added to the list when necessary.

2.1.6.4 Transactions carried out by executives

Executive and Supervisory Board members and parties related to them are required to report to the AMF, electronically and within five trading days of execution, all acquisitions, disposals, subscriptions or exchanges of shares of the Company as well as all transactions in related instruments. This notification is also sent to the Company's Ethics Officer. The Company has been publishing all of these transactions on its website since 2005.

2.1.6.5 Conflicts of interest

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

Each Executive Board member is required to disclose to the Ethics Officer any situation of conflict of interest, even potential situations, and refrain from participating in votes or discussions related to those situations (see "Conflicts of interest, family ties and service contracts" in section 2.1.1.1).

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

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

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

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

- in accordance with the by-laws of the Company, each member of the Supervisory Board must hold 500 fully paid-up shares;
- the members of the Executive Board are obligated to hold shares obtained through the exercise of their stock options or the vesting of their performance shares;
- Executive Board members may not exercise their options or sell the corresponding shares during the 30-day period preceding the publication of annual or semi-annual financial statements, or in the two days following this publication, in accordance with the Company's Market Confidentiality and Ethics Code and with recommendation 23.2.4 of the amended Afep-Medef Code;
- certain abstention obligations imposed by Wendel's Market Confidentiality and Ethics Code;
- certain corporate officers have entered into collective lock-up commitments under Article 885 I *bis* and 787 B of the French Tax Code, described in section 7.9.1 of this registration document;
- Executive Board members are required to hold 25,000 Wendel shares at all times; this retention requirement may be waived or modified by the Supervisory Board, based on a recommendation by the Governance Committee, in exceptional circumstances;
- one corporate officer has made the commitment to hold a significant number of Wendel shares resulting from the acquisition of Solfur in 2007 for the duration of his/her presence in the Group; this retention requirement may be waived or modified by the Supervisory Board, based on a recommendation by the Governance Committee, in exceptional circumstances.

2.1.7 Compensation of corporate officers

2.1.7.1 Compensation policy for Executive Board members

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

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

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

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

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

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

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

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

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

As of December 31, 2015, Frédéric Lemoine and Bernard Gautier held 196,891 and 291,435 shares, respectively.

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

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

Executive Board members' terms were renewed in April 2013 for a period of four years. The method for calculating Executive Board members' variable compensation has been established for the duration of their 2013-17 terms.

The compensation owed or granted to Executive Board members for 2015 will be submitted for shareholder approval at the Annual Meeting on June 1, 2016, in accordance with recommendation 24.3 of the Afep-Medef Code as amended in June 2013 (the compensation items requiring approval are indicated in the Executive Board's report on resolutions in section 8.9.2).

Table 1 under the Afep-Medef Code

	2015	2014
Frédéric Lemoine		
Chairman of the Executive Board		
Total compensation due for the year (detailed in table 2)	**2,286,802**	**2,237,461**
Number of options granted during the year	**51,747**	**52,632**
Valuation of options[1] granted during the year (detailed in table 4)	926,271	826,322
Number of performance shares granted during the year	**17,249**	**17,544**
Valuation of performance shares[2] granted during the year (detailed in table 6)	910,747	840,358
Total: compensation due for the year and valuation of stock options and performance shares granted during the year	4,123,820	3,904,141
Bernard Gautier		
member of the Executive Board		
Total compensation due for the year (detailed in table 2)	**1,524,540**	**1,485,397**
Number of options granted during the year	**34,500**	**35,088**
Valuation of options[1] granted during the year (detailed in table 4)	617,550	550,882
Number of performance shares granted during the year	**11,500**	**11,696**
Valuation of performance shares[2] granted during the year (detailed in table 6)	607,200	560,238
Total: compensation due for the year and valuation of stock options and performance shares granted during the year	2,749,290	2,596,517

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 €15.70 in 2014 to €17.90 in 2015 due in part to an increase in the underlying share price (see section 2.1.7.4). It is noted that the performance condition for options granted in July 2014 was not achieved for the period 2014-15.*

(2) *Similarly, the valuation of performance shares was €47.90 for those granted in 2014 and €52.80 for those granted in 2015 (see section 2.1.7.6). The performance condition for performance shares granted in July 2014 was not achieved for the 2014-15 period.*

2.1.7.3 Summary of each executive corporate officer's compensation

When the term of the Executive Board members was renewed in April 2013, the level and structure of their compensation were benchmarked and were examined by an independent firm engaged by the Governance Committee.

Based on the study's findings, the Governance Committee and the Supervisory Board decided to:

- maintain Frédéric Lemoine's fixed compensation at €1,200,000, unchanged since he was appointed in 2009. His fixed compensation will remain at this level in 2016;
- increase Bernard Gautier's fixed compensation from €700,000 – the level it was at from 2009 to 2012 – back to €800,000 for 2013, the level it was at before 2009. His fixed compensation will remain at this level in 2016;
- change Executive Board members' variable compensation. In 2009 the target had been set at 50% of fixed compensation, but could go higher in the event of exceptional results. Now variable compensation may reach, but not exceed, 100% of fixed compensation. If the objectives are not at least 50% met, no variable compensation will be paid; if the objectives are between 50% and 100% met, the amount of variable compensation paid will be in proportion to the percent achievement of the objectives. As before, the variable compensation is not guaranteed.

Variable compensation is paid in the beginning of the year following the year for which it is due. The objectives used to determine variable compensation are both quantitative (70% of the 2015 variable compensation) and qualitative (30% of the 2015 variable compensation), as in 2014 and 2013.

The quantitative objectives set by the Supervisory Board for 2015 include the operating income of Wendel companies, cash usage, debt levels, and the increase in NAV, as they did for both 2013 and 2014. These objectives are listed in order of importance.

The qualitative objectives set by the Supervisory Board for 2015 were: growth at IHS, for 10% of variable compensation, and the successful integration of new companies, for 20% of variable compensation.

The percent achievement of each of these objectives cannot be made public for reasons of confidentiality about the Company's strategy.

The Governance Committee decided that the objectives of the two Executive Board members had been 87.51% met in 2015. The Governance Committee therefore proposed to the Supervisory Board that for 2015, Frédéric Lemoine be attributed 87.51% of his maximum variable compensation, or €1,050,120. The Supervisory Board approved this compensation.

Mr. Lemoine suggested that both Executive Board members be assessed in the same way. Accordingly, he proposed that for 2015, Bernard Gautier receive 87.51% of his maximum variable compensation, or €700,080. The Supervisory Board approved this compensation on the recommendation of the Governance Committee.

Table 2 under the Afep-Medef Code

The amounts paid for 2014 equal the amounts actually received by each corporate officer. The amounts due correspond, in accordance with the AMF definition, to "compensation granted to the executive corporate officer during the year, irrespective of the date of payment".

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

	2015		2014	
	Amounts due	**Amounts paid**	**Amounts due**	**Amounts paid**
Frédéric Lemoine Chairman of the Executive Board				
Total fixed compensation	1,200,000	1,200,000	1,200,000	1,200,000
of which director's fees(1)	*239,424*	*221,189*	*214,325*	*251,866*
Variable compensation	1,050,120	1,020,000	1,020,000	1,055,160
Other compensation(2)	24,460	5,440	5,397	23,913
Benefits in kind(3)	12,222	12,222	12,064	12,064
TOTAL	**2,286,802**	**2,237,662**	**2,237,461**	**2,291,137**

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

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

He did not receive any such bonus in 2015 for 2014, however, since the increase in net asset value did not meet the objective.

Given the progression in NAV in 2015, in 2016 he will likely receive a gross collective performance bonus for 2015 equal to half the annual reference amount determined by French Social Security ("*plafond annuel de la Sécurité sociale*") for 2015, i.e. €19,020.

His subscription to the 2015 capital increase reserved for employees who are members of the Group savings plan was matched by an increased contribution of €5,439.98.

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

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

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

	2015		2014	
	Amounts due	**Amounts paid**	**Amounts due**	**Amounts paid**
Bernard Gautier Member of the Executive Board				
Total fixed compensation	800,000	800,000	800,000	800,000
of which director's fees(1)	*179,757*	*168,400*	*168,260*	*161,553*
Variable compensation	700,080	680,000	680,000	703,440
Other compensation(2)	24,460	5,440	5,397	25,113
Benefits in kind	-	-	-	-
TOTAL	**1,524,540**	**1,485,440**	**1,485,397**	**1,528,553**

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

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

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

He did not receive any such bonus in 2015 for 2014, however, since the increase in net asset value did not meet the objective.

Given the progression in NAV in 2015, in 2016 he will likely receive a gross collective performance bonus for 2015 equal to half the annual reference amount determined by French Social Security ("*plafond annuel de la Sécurité sociale*") for 2015, i.e. €19,020.

His subscription to the 2015 capital increase reserved for employees who are members of the Group savings plan was matched by a corporate contribution of €5,439.98.

2.1.7.4 Stock options granted to executive corporate officers

Wendel grants stock options in accordance with the following principles:

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

Executive Board members were granted stock options in 2015 of an amount determined by the Supervisory Board on the recommendation of the Governance Committee and within the limits set by shareholders at their Annual Meeting, as presented in the table below.

These stock options have the following features:

- a presence condition: the options are subject to a two-year vesting period during which the beneficiary must remain employed or appointed by Wendel; subject to achievement of the performance condition, the first half of the options may be exercised after one year and all of the options may be exercised after two years;
- a performance condition: the number of options ultimately exercisable is subject to NAV increasing by 5% p.a. over two years as follows: half of the options vest if the increase in NAV over the 2015-16 period is greater than or equal to 5%; all the options vest if the increase in NAV over the 2015-17 period is greater than or equal to 10.25%. The NAV used as the point of reference for 2015 is the average of the last three NAVs published before the grant date, or €141 per share. The NAVs used as the points of reference for 2015 and 2016 will be the average of the last three NAVs published before the anniversary of the option grant date, plus accumulated dividends paid after May 28, 2015;
- a holding period condition: the members of the Executive Board must hold at least 500 shares obtained through the exercise of options granted under the 2015 plan, as part of their obligation to hold 25,000 shares of the Company in registered form until the end of their term of office with the Company.

Table 4 under the Afep-Medef Code

	Plan no. and date	Type of option (purchase or subscription)	Option valuation according to the method used for the consolidated financial statements	Number of options granted during the year	Strike price	Exercise period	Performance conditions
Frédéric Lemoine	Plan W-8	Purchase	€17.90	51,747	€112.39	2016-2025	
	Date: July 15, 2015						See above
Bernard Gautier	Plan W-8	Purchase	€17.90	34,500	€112.39	2016-2025	
	Date: July 15, 2015						See above
TOTAL				**86,247**			

Options were valued by an independent expert using a Monte Carlo mathematical pricing model. The model takes into account various events that might take place while the options are valid, including various points in time at which the pre-determined requirements for both performance and presence within the Company are tested. Based on this model, each option was worth €17.90 as of the grant date (July 15, 2015), as indicated in the table above. This value reflects the particularly restrictive assumptions that are made to ensure that the Executive Board's interests are aligned with the Company's objectives. On the other hand, this valuation does not reflect the blackout periods or other periods during which possession of privileged information would prevent the beneficiaries from exercising their options and selling the corresponding shares. These factors should reduce the value of these options. In any event, this value is theoretical: the Company has paid no cash amount to the beneficiaries with regard to these options.

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

- options granted on July 1, 2013: the performance condition for the exercise of these options is an increase in net asset value of at least 10.25% from 2013 to 2015. This performance condition for the 2013 plan was met: the NAV rose from €124.10 in May 2013 to €156.00 in May 2015 (including dividends), or a 25.7% total increase. Therefore all of the 89,195 options granted can be exercised;
- options granted on July 8, 2014: the performance condition for the exercise of these options is an increase in net asset value of at least 10.25% from 2014 to 2016. This performance condition of a 5% increase in NAV (including dividends) between 2014 and 2015 was not met, as the NAV rose by 1.61% during this period.

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

A total of 94,950 stock options were granted in 2015 to the ten non-corporate-officer employees who received the highest number of stock options that year.

2.1.7.5 Options exercised by executive corporate officers during the year

Table 5 under the Afep-Medef Code

	Plan no. and date	Type of option (purchase or subscription)	Number of options exercised during the year	Strike price
Frédéric Lemoine	Plan 3-1	Purchase	64,500	€44.32
	Date: June 4, 2010			
	Plan 4-1	Purchase	80,000	€80.91
	Date: July 7, 2011			
Bernard Gautier	Plan 1-2	Subscription	37,500	€67.50
	Date: July 15, 2008			
	Plan 5-1	Purchase	6,097	€54.93
	Date: July 5, 2012			
TOTAL			**188,097**	

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

Wendel Plans

	Plan no. 3		Plan no. 1			Plan no. 2		Plan no. 3	Plan no. 4	Plan no. 5	Plan no. 6	Plan no. 7	Plan no. 8
Date of Annual Shareholders' Meeting	06/10/2004		06/04/2007			06/05/2009		06/04/2010	05/30/2011	06/04/2012	05/28/2013	06/06/2014	06/05/2015
Plans	WI 3-2	WI 3-3	W1-1	W1-2	W1-3	W2-1	W2-2	W-3	W-4	W-5	W-6	W-7	W-8
Date of Board of Directors or Executive Board meeting	07/06/2005	07/04/2006	06/04/2007	07/15/2008	04/02/2009	07/16/2009	02/08/2010	06/04/2010	07/07/2011	07/05/2012	07/01/2013	07/08/2014	07/15/2015
Type of option	Subscription	Subscription	Subscription	Subscription	Subscription	Purchase	Purchase	Purchase	Purchase	Purchase	Purchase	Purchase	Purchase
Initial total number of shares that can be subscribed or purchased	49,000	60,600	837,500	890,600	271,000	391,200	7,000	353,177	404,400	227,270	252,182	231,834	268,314
of which:													
Number initially granted to corporate officers:													
F. Lemoine	-	-	-	-	-	120,000	-	105,000	96,000	54,542	53,518	52,632	51,747
B. Gautier	-	-	150,000	150,000	-	80,000	-	70,000	64,000	36,361	35,677	35,088	34,500
Start date for exercise of the options	07/06/2006	07/04/2007	06/04/2012	07/15/2013	04/02/2014	07/16/2010(2)	02/08/2011	06/04/2011	07/07/2012	07/05/2013	07/01/2014	07/08/2015	07/15/2016
Option expiration date	07/05/2015	07/03/2016	06/04/2017	07/15/2018	04/02/2019	07/16/2019	02/08/2020	06/04/2020	07/07/2021	07/05/2022	07/01/2023	07/08/2024	07/15/2025
Subscription or purchase price per share	€65.28	€90.14	€132.96	€67.50	€18.96	€22.58	€41.73	€44.32	€80.91	€54.93	€82.90	€107.30	€112.39
Discount	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Performance conditions(1)	-	-	For everyone	For everyone	For everyone	For corporate officers	-	For everyone	For everyone	For everyone	For everyone	For everyone	For everyone
Cumulative number of shares subscribed or purchased as of Dec. 31, 2015	40,000	13,900	0	81,489	184,350	367,961	4,000	297,859	174,175	63,389	55,051	0	0
Cumulative number of canceled or expired options	9,000	19,900	710,600	779,410	64,000	6,667	0	6,900	9,350	500	0	60	90
Number of options remaining to be subscribed or purchased as of Dec. 31, 2015(3)	0	26,800	126,900	29,701	22,650	16,572	3,000	48,418	220,875	163,381	197,131	231,774	268,224
NUMBER OF OPTIONS REMAINING TO BE EXERCISED BY CORPORATE OFFICERS(3):													
F. Lemoine					-	0	-	500	16,000	0	53,518	52,632	51,747
B. Gautier			37,500	0	-	0	-	0	64,000	30,264	35,677	35,088	34,500

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

2.1.7.6 Performance shares awarded to executive corporate officers during the year

Executive Board members were granted performance shares in 2015 of an amount determined by the Supervisory Board on the recommendation of the Governance Committee and within the limits set by shareholders at their Annual Meeting, as presented in the table below.

These performance shares have the following features:

- a presence condition: the performance shares are subject to a two-year vesting period during which the beneficiary must remain employed or appointed by Wendel; subject to achievement of the performance condition, all performance shares vest after the two-year period and may be sold after an additional two-year holding period;
- a performance condition: the number of performance shares that ultimately vest is subject to NAV increasing by 5% p.a. over two years as follows: half of the shares vest if the increase in NAV over the 2015-16 period is greater than or equal to 5%; all the shares vest if the increase in NAV over the 2015-17 period is greater than or equal to 10.25%. The NAV used as the point of reference for 2015 is the average of the last three NAVs published before the share grant date, or €141 per share. The NAVs used as the points of reference for 2016 and 2017 will be the average of the last three NAVs published before the anniversary of the share grant date, plus accumulated dividends paid after May 28, 2015;
- a holding period condition: the members of the Executive Board must hold at least 500 shares obtained under the 2015 plan, as part of their obligation to hold 25,000 shares of the Company in registered form until the end of their term of office with the Company.

Table 6 under the Afep-Medef Code

	Plan no. and date	Number of performance shares granted during the year	Performance share valuation according to the method used for the consolidated financial statements	Vesting date	Availability date	Performance conditions
Frédéric Lemoine	Plan 7-1	17,249	€52.80	July 15, 2017	July 15, 2019	
	Date: July 15, 2015					See above
Bernard Gautier	Plan 7-1	11,500	€52.80	July 15, 2017	July 15, 2019	
	Date: July 15, 2015					See above
TOTAL		**28,749**				

Performance shares were valued by an independent expert using a Monte Carlo mathematical pricing model. The model takes into account various events that might take place while the performance shares are valid, including various points in time at which the pre-determined requirements for both performance and presence within the Company are tested. Based on this model, each performance share was worth €52.80 as of the grant date (July 15, 2015), as indicated in the table above. This value reflects the particularly restrictive assumptions that are made to ensure that the Executive Board's interests are aligned with the Company's objectives. In any event, this value is theoretical: the Company has paid no cash amount to the beneficiaries with regard to these options.

A total of 22,950 performance shares were granted in 2015 to the ten non-corporate-officer employees who received the highest number of performance shares that year.

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

- performance shares granted on July 1, 2013: the performance condition for the vesting of these shares was an increase in NAV of at least 10.25% from 2013 to 2015. This performance condition was met: the NAV rose from €124.10 in May 2013 to €156.00 in May 2015 (including dividends), or a 25.7% increase. Therefore all 29,730 shares granted to Executive Board members vested at the end of the vesting period on July 1, 2015;
- performance shares granted on July 8, 2014: the performance condition for the vesting of these shares was an increase in NAV of at least 10.25% from 2014 to 2016. This performance condition of a 5% increase in NAV (including dividends) between 2014 and 2015 was not met, as the NAV rose by 1.61% during this period.

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

No performance shares became available in 2015.

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

Situation as of 12/31/2015	Plan 2-2	Plan 2-3	Plan 3-1	Plan 4-1	Plan 5-1	Plan 6-1	Plan 7-1
Date of Annual Shareholders' Meeting	06/05/2009		06/04/2010	06/04/2012	05/28/2013	06/06/2014	06/05/2015
Number of authorized shares as % of capital	0.20%		0.30%	0.30%	0.30%	0.30%	0.3330%
Share grants as % of capital	0.20%		0.30%	0.15%	0.13%	0.14%	0.147%
Date of Executive Board meeting	01/12/2010	05/17/2010	06/04/2010	07/05/2012	07/01/2013	07/08/2014	07/15/2015
Number of performance shares granted	**83,450**	**10,500**	**151,362**	**75,754**	**64,595**	**68,928**	**70,268**
of which, shares granted to corporate officers:							
Frédéric Lemoine	-	-	13,500	18,181	17,838	17,544	17,249
Bernard Gautier	-	-	9,000	12,120	11,892	11,696	11,500
Shares to be issued/existing shares	Existing	Existing	Existing	Existing	Existing	Existing	Existing
Vesting date	01/12/2012	05/17/2012	06/04/2012	07/05/2014	07/01/2015	07/08/2016	07/15/2017
End of holding period	01/12/2014	05/17/2014	06/04/2014	07/05/2016	07/01/2017	07/08/2018	07/15/2019
Performance conditions	No	No	Yes	Yes	Yes	Yes	Yes
Share value at grant date	€43.58	€44.61	€44.32	€54.93	€82.90	€107.30	€112.39
Share value at vesting date	€54.10	€54.25	€51.58	€105.40	€111.00	-	-
Number of shares vested	**80,950**	**10,500**	**146,437**	**75,587**	**64,595**	**0**	**0**
Cumulative number of canceled or expired shares	**2,500**	**0**	**4,925**	**167**	**0**	**0**	**0**
Number of shares not yet vested	**0**	**0**	**0**	**0**	**0**	**68,928**	**70,268**

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

Table 10 under the Afep-Medef Code

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

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

Employment contract

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

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

Termination benefits

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

The Supervisory Board reiterated its authorization regarding these termination benefits when it renewed the Executive Board members' terms at its meeting of March 27, 2013. Shareholders approved these related-party agreements at the Annual Meeting of May 28, 2013.

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

Under the terms of **Frédéric Lemoine**'s appointment in April 2009, he is entitled to compensation in the event of his termination. The amount of such compensation is up to two years of his last total fixed and target variable compensation.

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

At its meeting on February 11, 2010, the Supervisory Board set the following performance conditions for termination benefits:

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

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

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

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

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

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

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

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

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

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

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

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

Contrary to the Afep-Medef recommendation, the Supervisory Board has not considered it necessary, given the attendance rates indicated in section 2.1.2.3., to modulate director's fees based on attendance (see section 2.1.3, "Corporate governance statement").

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

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

Table 3 under the Afep-Medef Code

director's fees and other compensation received by non-executive, non-employee corporate officers*

Non-executive corporate officers	Amounts paid in 2015	Amounts paid in 2014
François de Wendel		
Director's fees	70,000	70,000
Wendel-Participations director's fees	18,832	18,832
Compensation as Chairman of the Supervisory Board	70,000	70,000
TOTAL	**158,832**	**158,832**
Dominique Hériard Dubreuil		
Director's fees	67,500	50,000
Gérard Buffière		
Director's fees (until June 2015)	25,000	50,000
Laurent Burelle		
Director's fees	35,000	35,000
Nicolas Celier		
Director's fees (until June 2014)	0	25,000
Didier Cherpitel		
Director's fees (until June 2015)	42,500	85,000
Bénédicte Coste		
Director's fees	50,000	50,000
Wendel-Participations director's fees	9,416	9,416
TOTAL	**59,416**	**59,416**
Édouard de l'Espée		
Director's fees	50,000	57,500
Wendel-Participations director's fees	9,416	9,416
TOTAL	**59,416**	**66,916**
Priscilla de Moustier		
Director's fees	50,000	50,000
Wendel-Participations director's fees	9,416	9,416
TOTAL	**59,416**	**59,416**
Christian d'Oosthove		
Director's fees (from July 2014)	50,000	25,000
Wendel-Participations director's fees	9,416	9,416
TOTAL	**59,416**	**34,416**
Gervais Pellissier		
Director's fees (from July 2015)	25,000	0
Guylaine Saucier		
Director's fees	85,000	85,000

Non-executive corporate officers	Amounts paid in 2015	Amounts paid in 2014
Jacqueline Tammenoms Bakker		
Director's fees (from July 2015)	25,000	
Humbert de Wendel		
Director's fees	50,000	50,000
Wendel-Participations director's fees	9,416	9,416
TOTAL	**59,416**	**59,416**
TOTAL	**760,912**	**768,412**
Of which Wendel director's fees and compensation of the Supervisory Board Chairman	695,000	702,500

* *The Supervisory Board member who is an employee does not receive director's fees for his position on the Board, and the above table does not include the compensation paid to him by the Company.*

2.2 Risk factors

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

The risk factors presented in this section are those that could have a material effect on the business operations, financial situation or future performance of the Company or of the companies that were fully consolidated during the fiscal year under review and as of the date of this registration document. CSP Technologies and Constantia Flexibles have been fully consolidated since January 1, 2015. AlliedBarton Securities Services has been fully consolidated since December 1, 2015.

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

2.2.1 Financial risks

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

2.2.2 Operational risks

Wendel, Trief, and Oranje-Nassau

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

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

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

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

Once they have joined the portfolio, the companies in which Wendel has invested must be evaluated periodically. Wendel's net asset value (NAV) is calculated five times a year, using a precise, stable methodology (see section 4.3). It is finalized by the Executive Board, reviewed by the Audit Committee assisted by an independent expert, and examined by the Supervisory Board (see section 2.1.4.1). The current high volatility in the financial markets could cause NAV to fluctuate significantly.

These intermediate valuations do not necessarily reflect ultimate divestment value. Unlisted controlled companies are less liquid than listed companies. The sale of equity investments can be facilitated or hindered by market conditions.

Wendel seeks to reduce its sensitivity to valuation risks of the companies in its portfolio by diversifying its assets, both sectorally and geographically. In this regard, Wendel invested in two African companies: the IHS Group, which operates in telecom infrastructure; and Saham Group, which operates in several industries including healthcare and insurance. In 2015, Wendel completed two acquisitions in the packaging industry, one in the United States and one in Austria, with these companies operating in very different market segments. Wendel also completed its acquisition of AlliedBarton Security Services, the market leader in security services in the US.

By increasing the geographic diversification of its assets, Wendel has increased its exposure to currency risk.

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

Bureau Veritas

The main risks identified by Bureau Veritas are: changes to the macroeconomic environment; geopolitical risks; competitive pressure; the emergence of new technologies; risks related to human resources and worker health and safety; the possibility of the loss, suspension, or inability to renew necessary permits; risks related to acquisitions; risks related to providing services to governments; risks related to international sanctions; image-related risks; ethical risks; risks related to the company's shareholder structure; IT risks; legal risks (pre-litigation, litigation, insurance coverage for the company's operations, and new regulatory requirements); and financial and market risks (indebtedness, financing, group commitments, interest rates, liquidity, exchange rates, counterparties and credit, taxation, and the sensitivity of earnings and equity).

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

Cromology

Materis Paints changed its name to Cromology in June 2015. The main risks identified by Cromology are: changes to the macroeconomic environment; rises in certain raw material costs; intense competition and pricing pressure; industrial and environmental risks; currency risk; liquidity risk arising from the financing structure of this investment (see the section on liquidity risk management in the consolidated financial statements); and the risk of customer claims.

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

Stahl

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

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

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

Parcours (company being divested)

The main risks identified by Parcours are: competitive pressure; covering a constant rise in interest rates through pricing on new leasing contracts (Parcours leases vehicles to customers at a monthly rate for a set period and finances the purchase of those vehicles at variable rates); risks related to the credit markets (Parcours relies on 30 or so banks to finance its leased vehicles and these banks grant credit lines at pre-negotiated terms on an annual basis); risks related to the sale of used cars; the risk of departure of key people; and environmental risks related to Parcours' automotive maintenance and repair operations.

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

Mecatherm

The main risks identified by Mecatherm are: changes to the global macroeconomic environment; competitive pressure; customer concentration; the effect on sales of operational problems encountered over the past 18 months; operating constraints resulting from the completion of a new IT system and business transformation projects; and the risk of losing key employees.

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

Nippon Oil Pump

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

The Nippon Oil Pump management team is in charge of managing these risks.

AlliedBarton Security Services

The main risks identified for AlliedBarton are: risks stemming from the emergence of new security technologies; financing-related risks; risks related to the health and safety of security agents, the risk of losing key employees, and reputational risk given the sensitive nature of security activities.

The AlliedBarton Security Services management team is in charge of managing these risks.

Constantia Flexibles

The main risks identified for Constantia Flexibles are: the volatility of commodity prices; sustainable development and environmental issues; hiring and retaining talented employees; finding the right balance between product pricing and maintaining long-term relationships with key customers; possible interruptions to production processes; machine breakdowns and quality requirements; and IT risks. The packaging industry is subject to a number of regulatory requirements that expose the company to product liability-related risks. The company's R&D activities could pose risks related to meeting deadlines and market needs. Due to the nature of its business, the company is exposed to currency risk and country risk (political and macroeconomic). Acquisitions and disposals could also have a material impact on the company's cash flow and pose risks related to the integration of newly-acquired companies.

The Constantia Flexibles management team is in charge of managing these risks. These risks are described in detail in the company's annual report, which will be available from April 25, 2016 on its website, www.cflex.com.

CSP Technologies

The main risks identified for CSP Technologies are: volatility in the prices of raw materials, especially polyethylene and other polymer resins; the risk of losing important customers due to product quality; risks related to deliveries and efficiency (since the company operates in the highly-regulated medical and food industries); the risk that a competitor could replace the company's products with new processes; risks resulting from business growth through the use of new technology and the expansion into associated new markets; risks related to the ability to effectively integrate and manage newly-acquired companies; and currency risk.

The CSP Technologies management team is in charge of managing these risks.

Former subsidiaries and activities

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

2.2.3 Regulation

Wendel, Trief, and Oranje-Nassau

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

Wendel invests in its unlisted equity investments via venture capital investment funds (*sociétés d'investissement en capital à risque – SICAR*) in Luxembourg. These funds are regulated by the country's financial regulator, the *Commission de surveillance du secteur financier* (CSSF), and are considered as alternative investment funds under the Luxembourg Act of July 12, 2013, which transposed the AIFM Directive into the country's domestic law. The funds are managed by a Luxembourg management company, Winvest Conseil SA, which was approved as an alternative investment funds manager by the CSSF on June 4, 2015. Winvest Conseil SA manages the portfolio, and is responsible for risk management, the central administration of the SICARs, and for marketing their units. It also undertakes compliance and internal audit activities for the companies included within its remit. It has implemented detailed procedures and is subject to strict obligations, whose performance is closely monitored by the CSSF.

The tax rules applicable to Wendel could change adversely.

Each of the Group's companies carries out its business in compliance with its own regulatory environment, which differs according to the industry and the country in which it operates.

Bureau Veritas

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

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

Stahl

Stahl operates in 23 countries. Its manufacturing sites are located in ten countries: Singapore, China, India, Netherlands, Brazil, Spain, Mexico, Italy, Germany and the United States. Stahl has obtained the authorizations necessary to operate in these countries. These authorizations relate to safety, health and the environment. In other countries, Stahl exercises commercial or storage activities.

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

Cromology

Cromology's business is not subject to any specific regulations apart from those applicable to paints, such as the EU REACH regulation, regulations on volatile organic compounds (VOCs) in paints, and regulations on paint-related waste.

Parcours*

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

* Company being divested.

Mecatherm

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

Nippon Oil Pump

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

AlliedBarton Security Services

AlliedBarton Security Services is subject to US laws and regulations and regulations specific to the security services business, in particular with regard to employee qualifications and with regard to governance, given its primarily foreign shareholder base. The company operates primarily in the US, with some operations in Canada.

Constantia Flexibles

Constantia Flexibles has production plants in 23 countries on five continents. It has obtained all the required permits and is not aware of any regulatory changes that could affect those permits.

CSP Technologies

CSP Technologies' main customers operate in highly-regulated markets, especially in the medical and food industries. The company has received approval from the US Food & Drug Administration to operate in the food industry in the United States.

Statement

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

2.2.4 Disputes and litigation

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

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

2.2.5 Insurance

Wendel

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

- damage to property (buildings and/or tenant's liability risk) and contents: the policy covers physical damage to property up to €50 million;
- information technology risks: this policy covers up to €1.2 million;
- general liability: this policy covers bodily injury, property damage and other losses to third parties up to €10 million;
- automobile fleet: this policy provides €1 million of coverage for property damage;
- non-owned auto: this policy insures the use of a personal vehicle for occasional travel that is required for Wendel business. It provides unlimited coverage for bodily injury and up to €100 million for property damage and economic loss;
- Company employees who travel are also covered by various assistance contracts and insurance policies. The Company has implemented a risk awareness and prevention program for the risks related to certain countries;
- professional liability: this policy covers litigation risks up to €25 million in the event of professional error or an act deemed as such, committed by the Company or one of its agents or employees with third parties. The policy includes professional liability insurance for Wendel's international operations;
- liability of executives and corporate officers: this policy covers the Company's corporate officers, its representatives on the governing bodies of subsidiary and affiliated companies, and persons considered executives *de facto* or *de jure*, who might be held responsible for a professional error in connection with their duties of management, supervision or administration. Coverage is available under this policy up to €100 million. The policy includes general liability insurance for Wendel employees working at its international sites.

Bureau Veritas

In 2015, the Bureau Veritas Group continued to centralize and optimize its insurance policies.

The centralized insurance policies are:

- a professional and general liability program covering all of the company's businesses, except for Aeronautics and the Construction division's French operations. This program supplements local insurance programs;
- general liability insurance for corporate officers;
- professional liability insurance for the aeronautics business;
- the group is setting up an international insurance program for property damage and related financial losses. The program started being rolled out country-by-country on January 1, 2014.

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

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

Stahl

Stahl has taken out the following insurance policies:

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

Cromology

Cromology has taken out the following insurance policies:

- professional liability insurance;
- ten-year general liability insurance and a multi-cover policy;

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

Parcours*

Parcours has taken out the following insurance policies:

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

* *company being divested*

Mecatherm

Mecatherm has taken out the following insurance policies:

- general liability insurance;
- general liability insurance for corporate officers;
- multi-risk industrial insurance, including business interruption;
- merchandise transportation, assembly and testing insurance;
- "business class" insurance for traveling employees;
- car fleet insurance and insurance for business use of personal vehicles.

Nippon Oil Pump

Nippon Oil Pump has taken out the following insurance policies:

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

AlliedBarton Security Services

AlliedBarton Security Services has taken out the following insurance polices:

- general liability insurance;
- general liability insurance for corporate officers;
- employer insurance;
- a "fraud/malicious acts" policy;
- multi-risk insurance for buildings, office equipment and business interruption;
- car insurance for employees;
- insurance for pollution damage.

Constantia Flexibles

Constantia Flexibles has taken out the following insurance policies:

- general liability insurance for corporate officers;
- transportation and maritime transportation liability insurance;
- general liability insurance for products, operations and pollution damage;
- business travel and accident insurance for employees;
- accident insurance for damage to third parties;
- insurance for property damage and business interruption.

CSP Technologies

CSP Technologies has taken out the following insurance policies:

- general liability insurance;
- car fleet insurance;
- employer insurance;
- general liability insurance for executives;
- transportation and maritime transportation liability insurance;
- insurance for property damage;
- health insurance for employees;
- international multi-risk insurance;
- pension fund liability insurance;
- insurance against employee claims

2.3 Report on risk management and internal control

In accordance with Article L. 225-68 of the French Commercial Code as amended by the French Financial Security Act (LSF) of August 1, 2003 and the French Acts of December 30, 2006 and July 3, 2008, the Chairman of the Supervisory Board prepared this report on Wendel's risk management and internal control procedures on March 28, 2016.

To prepare this report, the Supervisory Board Chairman consulted the Executive Board, which gathered the necessary information from the relevant entities and managers. This report was submitted for review by the Audit Committee and approval by the Supervisory Board at its meeting of March 30, 2016.

Wendel's internal control policy forms part of the Company's broader Corporate governance rules, under which the Audit Committee is assigned with making sure that risk management and internal control systems are properly implemented and effective. The rules are intended to help the Supervisory Board ensure that the Company's internal controls are effective and that reliable information is provided to shareholders and financial markets.

2.3.1 Definitions and objectives of risk management and internal control

Wendel applies the AMF guidelines issued in July 2010, entitled "Reference framework for internal control and risk management systems," to develop its approach and procedures for internal control and risk management.

Risks represent the possibility that an event may occur whose consequences would adversely affect Wendel's employees, assets, environment, objectives, financial condition or reputation.

2.3.1.1 Risk management

Risk management is comprehensive and covers all of Wendel's activities, processes and assets. It includes a set of resources, behaviors, procedures and initiatives tailored to Wendel's characteristics. They enable the Executive Board to maintain risks at a level that is acceptable to Wendel.

The Company's risk management system is designed to identify and analyze the main risks that Wendel is exposed to. The system helps:

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

2.3.1.2 Internal control

Wendel's internal control system consists of resources, behaviors, procedures and initiatives tailored to the specifics of Wendel's business.

The system aims to ensure that:

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

In general, internal control helps Wendel manage its activities and ensures the effectiveness of its operations and the efficient use of its resources. It is intended to let the Company appropriately take into account the significant risks it is exposed to, whether they are operational, financial, or compliance-related.

2.3.1.3 Relationship between risk management and internal control

Wendel's risk management and internal control systems are complementary.

The Company's risk management system is designed to identify and analyze its main risks. Risks that exceed the limit deemed acceptable by the Company are dealt with and action plans are implemented if necessary. These action plans could involve setting up controls, transferring the potential financial consequences (such as through an insurance policy), and/or modifying the associated business processes. Any controls that are set up form part of the Company's internal control system and in this way help the Company deal with the risks to which its is exposed. Similarly, the internal control system relies on the risk management system to identify the principal risks that must be controlled.

The internal control system consequently helps protect the value that Wendel creates for its shareholders and employees.

The risk management system includes controls within the internal control system that are designed to ensure risk management functions properly.

These and any such internal control and risk management systems, no matter how well they are designed and implemented, cannot provide an absolute guarantee that risks will be totally eliminated and that the Company's objectives will be achieved.

2.3.2 Risk management and internal control at Wendel

2.3.2.1 Scope

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

2.3.2.2 The components of internal control

Wendel's internal control system is made up of the following five components:

1) an organization with clearly-defined responsibilities and adequate skills and resources, that draws on properly-designed IT systems, procedures, tools, and practices;

2) the dissemination within the Company of relevant, reliable information that lets each employee carry out his or her duties;

3) a risk management system developed to identify, analyze, and manage the Company's main risks with respect to its objectives;

4) internal control efforts proportionate to the risks of each business process and designed to ensure that the right steps are taken to manage risks that could prevent the Company from reaching its objectives;

5) continuous surveillance and regular reviews of the internal control system and its functioning.

1) Wendel's organization

An appropriate organization with clearly-defined responsibilities and powers

The Supervisory Board and its committees

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

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

- when it examines the quarterly management reports prepared by the Executive Board on the economic and financial condition of each subsidiary or investment (business trends, margins and financial debt), as well as all events that could have a significant impact on the Group;

- as part of investment projects: the Executive Board explains to the Supervisory Board how the projects will be implemented, the risks and opportunities connected with each investment, based on various assumptions, as well as current and projected resources to protect against risks. The Supervisory Board's prior approval is required for all projects of more than €100 million or any decision requiring a long-term commitment on the part of Wendel or its subsidiaries.

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

In accordance with Article L. 823-19 of the French Commercial Code, the Supervisory Board's Audit Committee is responsible for ensuring the quality and reliability of financial statements and other published financial information, tracking the effectiveness of risk management and internal control procedures, interviewing the Statutory Auditors, in particular with no Wendel representatives present, and ensuring they remain independent. The Audit Committee's tasks are described in detail in section 2.1.4.1 of the registration document.

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

To accomplish its tasks, the Supervisory Board and its committees may call upon external experts, when they deem it necessary.

The Supervisory Board and its committees discuss their operating methods every year. The Supervisory Board regularly formalizes and summarizes its self-evaluation using a questionnaire completed by each of its members, in accordance with the Afep-Medef Code recommendations. In 2015, the Supervisory Board performed a self-evaluation overseen by the Chairwoman of the Governance Committee and with the help of a questionnaire sent to all Supervisory Board members.

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

The rules by which the Supervisory Board and its committees operate (deriving from legislation, the by-laws, and the Afep-Medef Code) are set forth in the Supervisory Board's internal regulations, which are given in section 2.1.2.3. The internal regulations are reviewed regularly to take into account any new laws and the latest best practices for Corporate governance.

Executive Board and its committees

The Executive Board has two members. It meets at least once every two weeks and as often as required by Wendel's interests. Its decisions are made collegially.

The Executive Board has organized Wendel's procedures by setting up three committees:

- an Investment Committee, which includes the Executive Board and six of the Managing Directors, including the Chief Financial Officer. It meets once a week to monitor the subsidiaries efficiently and identify and issue recommendations on potential investments or divestments Wendel undertakes;
- a Management Committee, which includes the Executive Board and the main operational managers and which is in charge of running the day-to-day business of Wendel and its holding companies, as well as financial, legal, general secretariat, and tax matters, human resources, and communications. It meets every two weeks;
- a Coordination Committee, which comprises all senior executives of Wendel and its advisory companies, including members of the above two committees. It takes stock of Wendel's position and the initiatives to be undertaken, and it reports on any difficulties or risks encountered. This committee meets every two weeks.

The Executive Board's monitoring of various risks to the Group is described below in the section entitled "Wendel's risk management system".

Holding companies, investment companies and directly-controlled advisory companies

The governing bodies of the Group's holding companies, investment vehicles and advisory companies are directly or indirectly controlled by Wendel, making it possible to apply all the risk management and internal control principles described in this report to them.

Operating subsidiaries

Each operating subsidiary enjoys full management autonomy but reports to Wendel periodically on operational and financial matters. Wendel also takes part in the Corporate governance bodies of its subsidiaries and thus ensures that internal control and risk management procedures are properly applied in each of them.

Internal audit

The Company created an Internal Audit department in early 2016.

This department is responsible for evaluating the internal control and risk management systems of Wendel, its holding, investment, and advisory companies, and its operating subsidiaries, as well as for regularly checking those systems and making recommendations for improving them. It is also responsible for coordinating continuous improvement efforts for internal control and risk management systems.

The Internal Audit department helps train and inform internal control managers, but is not directly involved in the implementation and day-to-day functioning of internal control and risk management systems.

The department provides support to senior management that is independent of the operations and functions that it reviews. It reports to the Chief Financial Officer, and its work is approved by the Executive Board before being presented to the Audit Committee.

Wendel's human resources policy

Wendel's human resources policy is designed to make sure the Company has employees with the skills and knowledge necessary to carry out their duties and help the Company reach its current and future objectives. Wendel's employees are aware of their responsibilities and limits, and are informed of and comply with the Company's rules. The main factors supporting this are discussed in the "Internal communications" section, under "Dissemination of information on Wendel's organization and its employees' responsibilities".

Wendel conducts formal, annual performance reviews, through which it regularly examines the contribution of each employee, the scope of their position and the resources given to them for meeting their objectives. This information is centralized by the Human Resources department and can, where necessary, lead to recommendations for training, in order to allow all employees to improve their respective skillsets.

Wendel's IT systems, procedures, tools and practices

The Company's IT systems are tailored to its current objectives and have been designed to support its future objectives. The systems' hardware and software employ advanced security mechanisms for protecting the data they store.

Details about Wendel's IT systems, procedures, tools, and practices are given in sections 2) to 4) below.

2) Internal communications

Wendel has set up processes to ensure that relevant, reliable information is communicated in a timely manner to all necessary employees so that they can perform their duties.

Reporting as part of decision and control processes

The Supervisory Board and Audit Committee are regularly provided with necessary information on business matters, strategic planning and the risks to which Wendel is exposed, within the framework of the regular meetings described in the "Wendel's organization" section under "The Supervisory Board and its committees".

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:

- the Executive Board convenes meetings of all Wendel's employees whenever necessary, in addition to the committee meetings mentioned above and internal team meetings. Similarly, group reflection and motivation seminars involving some or all employees are held to take stock of Wendel's position and its environment, and to encourage each person to express his or her expectations about Wendel's operations;
- the dissemination of procedures and rules to all personnel – such as expense commitment procedures, the Market Confidentiality and Ethics Code (see below), the Company's Ethics Code, and the IT System charter – helps each employee to comply with the internal control procedures established by the Executive Board. Wendel has drafted a finance and business administration procedure for its advisory companies to make sure they also implement the Group's internal controls;
- an intranet is operational at Wendel: it serves to share useful information with all Wendel employees about Group events and organization. Among other things, the intranet includes a functional and hierarchical organization chart as well as the calendar of blackout periods.

Protection of confidential information

Wendel endeavors to preserve the utmost confidentiality when sharing sensitive information:

- the Market Confidentiality and Ethics Code was presented to all employees and is part of the internal regulations. It applies to all employees in France and abroad, and to members of the Executive and Supervisory Boards;
- IT access and security is strengthened on an ongoing basis. Each workstation can be accessed only by the employee to whom it is assigned. Session access is controlled by a login and password combination. The access rights of each employee are limited to his or her responsibilities or department;

- Wendel has appointed a data protection/freedom of information correspondent whose role is to keep the list of Wendel IT processes up to date and to ensure that the French data protection/freedom of information act ("Informatique et libertés") is properly applied. In particular the correspondent is responsible for ensuring that employees' rights to access and restrict the use of their personal data are respected;
- a video-surveillance system has been implemented and security guards are assigned to the building at all times, securing all building access.

3) Wendel's risk management system

Note 5 to the consolidated financial statements and section 2.2 detail the main risks Wendel encounters, owing to its businesses and the way the Group is organized, and how those risks are covered.

Wendel and its governing bodies are organized in such a way as to allow for active risk management and internal control. The Executive Board assigns and distributes risk monitoring responsibilities to various departments of Wendel in the following ways:

- the Investment Unit is in charge of monitoring subsidiary performance on a monthly basis, the operational risks specific to each equity investment and the acquisition and divestment process. It is also responsible for valuation risk on Wendel's assets;
- the Executive Board and the Investment Unit also ensure that the management team of each subsidiary and associated company is organized in such a way as to manage its risks properly and achieve its objectives;
- the General Secretariat is responsible for ensuring that Wendel's holding companies adhere to company law and laws governing market trading and Corporate governance, and that Wendel adheres to regulations on compliance, ethics, disputes and litigation, data protection and freedom of information, general liability insurance for corporate officers, professional liability insurance, and intellectual property;
- the Finance department monitors Wendel's financial risks (financial leverage, liquidity, interest rates, foreign exchange), cash management, and the quality of Wendel's financial counterparties, NAV, accounting regulations, the production of financial statements, the calculation of NAV, earnings forecasts, the estimates needed to prepare the financial statements and calculate NAV (together with other Wendel departments if necessary), and transaction security. Key indicators (changes in NAV, financial leverage, current and projected cash levels, and exposure to interest rates and exchange rates) are reviewed regularly so that the Executive Board can take measures to adjust Wendel's exposure to these risks if deemed necessary. It includes:
  - the Financial Communications department ensures that the financial information communicated to investors and analysts is of high quality;
  - the Internal Audit department, created in early 2016, is responsible for evaluating the internal control and risk management procedures of Wendel, its holding, investment, and advisory companies, and its operating subsidiaries;
- the Legal department is responsible for Wendel's legal security and ensuring that Wendel's transactions (financing, acquisitions, divestments, etc.) comply with all applicable laws and regulations and that the corresponding contracts are legally valid. More generally, the department is responsible for the proper execution of all transactions that Wendel undertakes as a long-term investor;
- the Tax department monitors tax regulations, ensures that Wendel's obligations vis-à-vis the tax authority are handled properly and guards against tax risks;
- the Communications and Sustainable Development department seeks to preserve Wendel's image and reputation and to stay abreast of environmental and social responsibility (ESR) obligations;
- the Operational Resources department is in charge of managing human resources risks, risks to people and equipment, and the prevention of IT risks (intrusion, data security and storage, business continuity, etc.);
- the international offices in Amsterdam, Casablanca, London, Luxembourg, New York, Singapore, and Tokyo provide the Group with business and investment advice for their respective regions. In 2015, Wendel reopened an office in London in order to take advantage of the international nature of the opportunities available in that market.

To the extent necessary, each department may be assisted by outside experts (lawyers, bankers, brokers, auditors, consultants, etc.) with approval of the Executive Board.

The Executive Board oversees the monitoring of risk and, together with each department, decides on the procedures that will be used to cover them. This takes place in Management Committee and Executive Board meetings as described in the section on organization.

As indicated in the section on organization, the Executive Board presents the main risks that could significantly impact the value of Wendel's assets to the Supervisory Board, whenever required and as part of the quarterly business report.

In addition, in accordance with Article L. 823-19 of the French Commercial Code, incorporated into the Supervisory Board's internal regulations, the Audit Committee is responsible for monitoring the effectiveness of the Company's internal control and risk management systems. A list of the risks to which Wendel is exposed is prepared by Wendel's various departments, validated by the Executive Board and presented to the Audit Committee. This list relates primarily to the risks borne by Wendel and its holding companies. It is updated regularly. For certain principal risks identified in the list, i.e. those whose occurrence and/or intensity are considered the highest, a detailed analysis is formalized by the departments involved. This analysis is presented to the Audit Committee. In addition, the Audit Committee examines risk management at certain subsidiaries and associated companies. The Chairwoman 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. Going forward, the Company will also draw on its new Internal Audit department as well as the Internal Audit departments of the subsidiaries that have them, and on subsidiaries' risk reports to assess their main risks and internal control procedures. Wendel also takes into account the conclusions of the independent auditors of its subsidiaries and associated companies. To improve communication, they are part of the same networks as Wendel's Statutory Auditors.

4) Wendel's internal control activities

Operational and functional control activities

Investments and divestments

The Investment Committee meets weekly to examine progress made on planned acquisitions and divestments and to explore new opportunities. The committee includes the Executive Board, six Managing Directors of the Investment Unit and of international offices, including the Chief Financial Officer. The Executive Board selects a team comprising people with the requisite expertise to review each opportunity. A senior member of the team acts as coordinator and is responsible for the investment/divestment recommendation. Once the project analysis has been finalized and received approval from the Executive Board, it is presented to the Supervisory Board for authorization if the by-laws so require. The presentation includes an assessment of the identified risks as well as an analysis of the impact of the transaction on Wendel's net income from business sectors, financial position and net asset value. It shows the outcome under favorable and unfavorable scenarios. If the Supervisory Board authorizes the transaction, the Executive Board supervises its execution by the investment team in charge, which receives assistance from the Legal and Tax departments and can also call upon top-level banks, strategy consultants, legal firms and auditors. Liability guarantees granted or received are presented to the Audit Committee and to the Supervisory Board.

Monitoring investments

Monitoring the existing portfolio involves:

- a monthly operational report from each subsidiary and associated company presenting trends in sales, profitability and financial debt. These indicators are compared with previous periods and with budgeted figures. For some subsidiaries, short-term cash management and projection tools have also been implemented;
- regular work sessions with the managers of each subsidiary and associated company. The agenda for these meetings includes, in addition to a review of the business, an in-depth analysis of an important topic (procurement policy, optimization of business assets, research and development, analysis of the position of major subsidiaries, existence and organization of internal control, coverage of financial risks, etc.);
- an annual budget meeting with each subsidiary and associate, updated at additional meetings when new projections become available;
- numerous discussions or meetings organized with members of the management of each subsidiary and associated company, if required.

The members of the Investment Committee present a summary of their work monitoring the subsidiaries and associates for which they are responsible and make recommendations in the event significant decisions concerning these investments need to be made. Moreover, in order to strengthen dialogue with the subsidiaries and better understand their operating environment and the concerns of their respective management teams, Wendel is systematically represented on the governing bodies of the subsidiaries and, in particular, on their Audit Committees. This presence on the governing bodies of the subsidiaries and associated companies helps ensure that risk management and internal control procedures function properly.

Wendel's Supervisory Board is kept regularly informed of trends in the economic and financial situation of subsidiaries and associated companies at the numerous meetings described in the section on "Organization."

Senior executives of all subsidiaries and associated companies are chosen in agreement with Wendel. In addition, Wendel representatives take part in the governing bodies of each subsidiary or associated company, enabling it to closely monitor the compensation of their principal executives and ensure its incentive character. Wendel also thereby ensures that the interests of the executives are aligned with those of the company they manage.

Monitoring Wendel's financial position

Internal control procedures are designed to provide ongoing reasonable assurance that financial transactions are carried out under secure conditions and in accordance with objectives:

- trends in NAV, in financial leverage and in bank covenant compliance are regularly monitored;
- Wendel is rated by Standard & Poor's;
- the Executive Board regularly monitors the indebtedness, liquidity position and cash projections presented by the Chief Financial Officer and regularly presents the debt and liquidity positions to the Supervisory Board;

- the Executive Board reviews the monthly reporting of the cash position and cash investments of Wendel and its holding companies;
- Wendel and its holding companies have a budget process with formal procedures and responsibilities, including budget tracking.

The procedures for preparing financial statements and the financial information communicated outside the Group are detailed in the section entitled "Control activities to ensure reliable 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 Chief Financial Officer. After the Legal department reviews the related contracts and legal documentation, financing transactions are executed under delegations of power and/or signature authority given by the Executive Board Chairman to the Chief Financial Officer, the Director of Legal Affairs, or 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.

Exposure to interest rates and exchange rates is analyzed regularly by the Chief Financial Officer. The Executive Board decides whether or not to adjust interest-rate and exchange-rate exposure, and if necessary, appropriate financial instruments are put in place.

Compliance with laws, regulations and ethical rules

The Legal, Human Resources, Sustainable Development, and Tax departments, along with the General Secretariat, ensure compliance with the laws and regulations in the countries where Wendel and its holding, investment and advisory companies are located. They constantly monitor the legal and tax environment, so as to stay on top of changes in laws and regulations that might be applicable to them.

Regarding confidentiality and stock market ethics, the Market Confidentiality and Ethics Code is part of Wendel's internal regulations and applies to employees of Wendel and its international offices, and to members of the Executive and Supervisory Boards.

This Code explains the rules of confidentiality for persons who are in possession of confidential or privileged information. It explains the obligation to abstain from stock-market transactions when in possession of privileged information and during blackout periods. Blackout periods are defined as extending from 30 days before until two days after the publication of annual and semi-annual earnings, as well as from 15 days before until two days after the publication of quarterly financial data and the NAV.

The Code defines illegal insider trading, misinformation and share price manipulation, and explains the applicable legal sanctions. It also sets up a number of measures for preventing such infractions. The Code also includes the provisions applicable to stock options and bonus shares and details the AMF disclosure obligations incumbent on executives and persons affiliated with them.

In addition to legal and regulatory obligations in this area, the Code includes certain more restrictive provisions in the interest of transparency and prudence. Specifically, it requires Executive and Supervisory Board members, employees and their relatives to register their Wendel shares and restricts transactions on derivatives or speculative transactions. The Code also defines conflict-of-interest situations. The Group Ethics Officer monitors adherence to the Code. The Code forbids employees and executives from holding, buying or selling shares of listed Group subsidiaries or associates at any time, except for shares that the Board members of those companies must own or dividends-in-kind paid to them in the form of shares of Wendel's subsidiaries or associates.

Pursuant to Article L. 621-18-4, paragraph 1, of the French Monetary and Financial Code, Wendel maintains lists of insiders. Firstly, Wendel has a list of permanent insiders. These include all employees, the members of the Executive and Supervisory Boards and third parties working with Wendel on a regular basis. In addition, as soon as privileged information appears, such as during preparation of an investment or divestment transaction, Wendel draws up a list of occasional insiders, including people connected with the project under consideration. These lists are updated regularly and made available to the AMF, which can request to see them. They are kept for at least five years after they are created or after their last update. The Compliance Officer is in charge of creating and updating the lists. Specific compliance rules applicable to the members of the Executive and Supervisory Boards are detailed in section 2.1.6.

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

The main issues covered by the Code are: anti-money laundering measures, compliance with economic sanctions, bribery prevention, fair competition, workplace equality, occupational health & safety, personal data protection, the preservation of operating resources, and being a responsible corporate citizen.

Compliance experts gave special training to Wendel managers in January 2016 as part of the implementation of the new Code of Ethics.

Wendel's General Secretary is responsible for overseeing compliance with the Code.

Procedures for preventing fraud and controlling commitments and expenditure

The procedures for authorizing expenditure commitments at Wendel and its holding companies cover all of Wendel's commitments as well as the signatures needed for bank transactions (*via* delegated signature authority).

- Estimates are submitted by several service providers. They are always negotiated under the supervision of the Management Committee member or members in charge.
- Expenditures are subject to a formal authorization procedure. Depending on the amount, they must be authorized by the Management Committee member in charge of the expenditure, by an Executive Board member, and/or by the Executive Board Chairman. Funding requests are compared with the budget, and invoices are approved after comparison with funding requests.
- Only the Finance department can issue checks and transfer orders, backed up by supporting documentation, and it informs the Chairman of the Executive Board when the amount exceeds a certain threshold.

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

Preserving the integrity of electronic data

In order to prevent the risks of abuse of and intrusion into computers and IT systems, the IT department reports directly to the Managing Director in charge of operating resources, who regularly proposes and implements initiatives on data conservation and storage systems. An IT continuity plan is in place and provides for fully redundant (or replicated) data in real time between the Group's two long-standing sites, Paris and Luxembourg. The two sites are linked via a private line. Access to messaging data, business line applications and all files is secure.

Control activities to ensure reliable accounting and financial information

The risks related to the preparation of Wendel's accounting and financial information mainly include the risk of error, risks inherent to the use of estimations (see notes 1.9 and 1.10 to the consolidated financial statements), and risks arising from the valuations used to calculate NAV.

The internal control procedures designed to ensure that the annual (parent company and consolidated) and semi-annual financial statements present a true and fair view of the results of operations as well as Wendel's financial position and assets are as follows:

Procedures for the preparation and consolidation of the financial statements

Wendel applies International Financial Reporting Standards (IFRS) for its consolidated financial statements. The principal rules applicable are described in the annual financial report and are distributed to subsidiaries as part of the process for reporting and for preparing the financial statements. Because of the diversity of the subsidiaries' activities, Wendel leaves it up to each subsidiary to propose the accounting processes appropriate for its business. The Finance department and the head of consolidation at Wendel ensure uniformity of treatment within the Group, in particular by examining accounting principles in the financial statements of each subsidiary.

In addition, Wendel's Finance department ensures the proper reporting of full accounting and financial information from the subsidiaries to Wendel using the following procedures:

- in coordination with the Finance department of each subsidiary, a schedule is set for the submission of financial statements with the supplementary information required for preparing Wendel's consolidated financial statements;
- Wendel's Finance department meets with the Finance department of each subsidiary to prepare the closing and to review the highlights of the period as well as any significant or exceptional transactions;
- accounting information from subsidiaries is reviewed in detail and consistency checked with the financial information compiled by the investment team from subsidiaries' monthly activity reports.

The Chief Financial Officer is a member of the Management Committee and the Coordination Committee (see section titled "Wendel's organization"), which enables him to review all events likely to have an impact on the Group's consolidated financial statements, the parent company financial statements, or on the financial statements of holding companies. The Chief Financial Officer reports directly to the Executive Board and is thus fully independent of other Wendel departments.

Procedures for auditing the financial statements

At the subsidiary level:

- to ensure better upward reporting to Wendel's Statutory Auditors, the Group engages the same auditing firms for all subsidiaries, to the extent possible. Selection criteria for the Statutory Auditors includes their ability to audit all directly- and indirectly-held subsidiaries throughout the world and to obtain audit results and any observed anomalies from the subsidiaries' auditors;
- a representative of the Finance department attends end-of-audit or Audit Committee meetings of subsidiaries under exclusive control and receives details of audit and internal control observations raised by the subsidiaries' auditors during the course of their audit;

- one or more representatives of Wendel attend Board of Directors/Supervisory Board meetings and/or Audit Committee meetings of subsidiaries and associated companies.

At the Wendel level:

- the Chief Financial Officer is responsible for accounting policies and ensuring compliance with accounting rules. If required, he has the authority to commission audits and informs the Executive Board of the results of any such audits. He regularly holds pre-closing meetings with the Statutory Auditors to ensure that issues raised in previous financial periods have been resolved and to explain how they were resolved. He also discusses transactions carried out during the financial period in question and the planned accounting treatment;
- the Executive Board is in constant contact with the Chief Financial Officer 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 Executive Board meet when subjects arise whose accounting interpretation is complex or whose impact on the financial statements is significant. The Chief Financial Officer also reviews all of Wendel's financial communication and is informed of any subject that is likely to have an impact on it;
- the Audit Committee: this committee's remit, mode of operation and activity during the fiscal year are presented in detail in section 2.1.4.1. The committee can decide to seek independent expert advice to confirm its views on the Wendel's financial position. It also interviews the Statutory Auditors regularly to solicit their opinion about the reliability of the parent company and consolidated financial statements. Finally, the Audit Committee ensures that accounting methods are applied consistently from one year to the next, or that any changes to accounting methods are well founded.

Procedures for calculating NAV

NAV is calculated by the Finance department and finalized by the Executive Board under the procedure described in section 4.3. The Statutory Auditors verify that the methodology used for calculating NAV complies with the Group's methodology and confirm consistency with accounting data.

Procedures for the control of financial information

Once the parent company and consolidated statements have been finalized and net asset value calculated, the Audit Committee is asked to issue an opinion on this information before it is submitted to the Supervisory Board. These documents are also submitted to the Statutory Auditors for review.

5) Review of the internal control system

The processes implemented at Wendel allow the Company to regularly verify their effectiveness and take any steps necessary to improve them.

In addition to the controls carried out continuously by all managers, internal controls are reviewed from two complementary perspectives:

Audit of internal control practices

This audit includes checks of the internal control system and helps with risk management at entities in the scope of consolidation.

Comprehensive review of the internal control system using detailed self-evaluation questionnaires

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 updated in July 2010.

The reviews are based on a self-evaluation questionnaire that reflects all control principles and objectives provided for in the AMF's reference framework while adapting them to Wendel's specific features and activities, i.e. by identifying the specific areas of risk, such as financial risks.

Wendel completes the questionnaire once a year and distributes it to its principal, fully-consolidated operating subsidiaries. Each year the questionnaire is reviewed and revised, if necessary, the replies are updated, and the suggested improvements are followed up on.

The questionnaire has three parts:

1) general principles of risk management and internal control:
   - organization and operating methods,
   - dissemination of information within the Company,
   - risk management,
   - control activities,
   - oversight of internal controls;
2) accounting and financial organization oversight:
   - general organization,
   - resource management,
   - application and management of accounting rules,
   - organization and security of IT systems,
   - role of senior executives and Wendel's governing bodies in relation to finalizing the financial statements;

3) preparation of accounting and financial information.

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

The Audit Committees of subsidiaries subject to controls (for those that have Audit Committees) examine and analyze the replies given in the questionnaires. The data gathered make it possible to prepare and track improvement plans for the control points that require it.

In agreement with Wendel, some subsidiaries (including Parcours, Mecatherm, and NOP) focused their reviews on risk management and internal control issues that they feel are most important and relevant to their operations and organizations. AlliedBarton will complete the questionnaire in 2016.

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

2.3.3 Achievements in 2015

The application of procedures implemented in previous years was reviewed and improved in 2015 where necessary.

The Executive Board adopted Wendel's Code of Ethics in March 2015 (see section 2.3.2.4, "Compliance with laws, regulations and ethical rules").

The Company created an Internal Audit department in early 2016. The department will ramp up its functions progressively throughout the year.

In January 2016, Wendel managers received special training to become more familiar with and keep up to date with the compliance rules that the Company and its employees must follow. In addition, in February 2016, Wendel defined its anti-bribery policy and circulated it to all of its employees (see section 3.1.1).

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

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

(Year ended 31 December 2015)

To the Shareholders,

In our capacity as statutory auditors of Wendel and in accordance with article L. 225-235 of the French Commercial Code (*Code de commerce*), we hereby report to you on the report prepared by the Chairman of your Company in accordance with article L. 225-68 of the French Commercial Code (*Code de commerce*) for the year ended 31 December 2015.

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

Our role is to:

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

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

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

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

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

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

Other information

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

Neuilly-sur-Seine and Paris-La Défense, April 6, 2016

The Statutory Auditors

French original signed by:

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean Bouquot

3 WENDEL'S CORPORATE SOCIAL RESPONSIBILITY

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

Wendel believes that corporate social responsibility drives growth for companies. Through its long-term action, Wendel encourages its companies to implement Corporate Social Responsibility (CSR) practices. At the same time, it defines its own CSR policy that is adapted to its role of investor and applied by a core team of professionals.

3.1.1 Promoting CSR as part of its role as a long-term investor

Encouraging subsidiaries to integrate CSR

As a shareholder, the Wendel Group is not involved in the operational management of its subsidiaries but does ensure, mainly through close communication with their management teams, that these companies gradually integrate CSR issues in their risk management and growth strategies.

The Sustainable Development department established by Wendel in 2011 coordinates initiatives in this area. It relies on a steering committee established in 2012 by Wendel's Board. Its members represent the Company's different business and support divisions: The Investment Committee, the Finance department and in particular the director of Internal Audit as of 2016, the General Secretariat, the Communications and Sustainable Development department, and the Operational Resources (human resources, IT, and facilities management) department.

In 2015, Wendel adopted a Code of Ethics, approved by its Executive Board.

As a shareholder, Wendel assesses CSR risks and opportunities at every phase of its investing life cycle.

- At the time of acquisition:

When Wendel is considering an investment, it conducts due diligence on environmental and social issues as part of the overall risk analysis of the target company's business. Environmental and social audits were duly conducted in 2014 in preparation for the acquisitions of CSP Technologies and Constantia Flexibles, which were completed in the first quarter of 2015. For the AlliedBarton acquisition, given the nature of the company's business, particular attention was given to working conditions, compensation, and human resources in general.

- Throughout the long-term support it provides to its companies:

The management team in each Wendel Group company has direct responsibility for managing CSR issues. Nevertheless, as a professional shareholder, Wendel monitors and encourages the CSR efforts of its subsidiaries and associated companies, especially in two areas: employee safety and the environmental performance of the products and services that are designed or distributed.

  - Wendel's management is particularly attentive to employee safety and health issues, which it considers priorities. Moreover, workplace safety indicators are often a proxy for how well the management team runs the Company. For example, at Cromology, the accident rate is a factor in determining its management's variable compensation. At Wendel's request, Stahl's Board of Directors has also been tracking this indicator since 2006, when Stahl joined the Wendel Group.

- Wendel's subsidiaries are gradually integrating environmental issues into the design of their products and services. With its solutions, Bureau Veritas helps customers continuously improve their operations in the areas of health and hygiene, safety and the environment. Parcours(1) encourages its customers to go green by including special features in its long-term leasing services, such as eco-driving training for its customers. More than 80% of Stahl's products are now solvent-free. Cromology develops innovative products with new functions that are more resistant, and therefore better for the environment from a life-cycle perspective, and meet French "HQE" (High Environmental Quality) standards. Saint-Gobain's corporate social responsibility (CSR) policy centers on four commitments: inventing sustainable buildings, limiting environmental impact, encouraging the professional growth of employees, and taking action for local development. Saint-Gobain participates actively in discussions on the energy efficiency of buildings and develops eco-innovative solutions to reduce the environmental impact of products used in construction, by considering their whole life cycle, in new buildings as well as renovations. Saint-Gobain was also an official partner for the 21st Conference of the Parties of the United Nations Framework Convention on Climate Change (COP 21), which resulted in a new international climate agreement applicable to all countries, with the goal of keeping global warming well below 1.5°C. Through this partnership, Saint-Gobain reiterated its commitment to environmental protection and affirmed its intention to become the leader in sustainable building. Moreover, Saint-Gobain is among the 100 Carbon Pricing Champions of Caring for Climate, the Global Pact initiative that brings together companies ready to commit to internal carbon pricing verification.
- Every Group subsidiary and associated company is expected to develop a CSR policy addressing its specific issues. Group companies operate in very different fields (see section 1.7 "Subsidiaries and associated companies") and are at different stages of maturity in implementing dedicated CSR policies and indicators. Wendel therefore considers that it would not be useful to produce consolidated CSR indicators to the extent that these figures would have no operational meaning.

The results of the checks and controls performed by the independent third-party verifier are communicated to the investment team.

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

Preventing market abuse and monitoring internal control procedures at its subsidiaries

A Market Confidentiality and Ethics Code establishes rules for all employees and corporate officers of the Company to prevent market abuse. The main obligations contained in this Code are described in section 2.1.6 of this registration document. The main provisions applying to Supervisory Board members have been incorporated into the Board's rules of procedure.

Every year, Wendel also surveys the general internal control principles implemented by its consolidated subsidiaries using a questionnaire, as part of its analysis of risk factors related to their business activities.

The questionnaire is based on the reference framework of the Autorité des marchés financiers (AMF) and mainly deals with the following areas: definition and formal communication of delegations of power, regular reviews of how duties are separated and how the organization enables each individual's responsibilities to be identified and conflicts to be resolved, verification by subsidiaries that the variable compensation policy for its senior executives does not increase the risk of fraudulent conduct, and the implementation of a code of conduct or ethics to deal with conflicts of interest, irregular or fraudulent payments, competition barriers and insider trading (see section 2.3).

(1) Wendel has signed an agreement with ALD Automotive, with a view to selling all of the share capital of Parcours. The transaction is expected to close in the first half of 2016, provided the necessary regulatory approvals are received.

Wendel's Code of Ethics

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

Wendel ensures that its activities comply with all laws and regulations regarding anti-money laundering, economic-sanction programs and related tax obligations, preventing corruption and competition law. In January 2016, the majority of employees at Wendel's various locations participated in a special compliance training session. This training session was organized by the General Secretariat at the request of the Executive Board.

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

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

Finally, Wendel demonstrates its corporate citizenship through its respect for the environment and its commitments to the community (see sections 3.1.3 and 3.1.4).

Wendel's Code of Ethics can be viewed under the heading "Commitments" on its website: www.wendelgroup.com.

Wendel employees must sign all documents related to compliance within the company.

In February 2016, Wendel prepared its anti-corruption policy, which is one of the elements of its compliance program.

Wendel's anti-corruption policy applies to everyone who works for or represents Wendel, in France or abroad: members of the Executive Board, employees, temporary workers, consultants, bankers, and any service provider working for Wendel around the world.

The purpose of the anti-corruption policy is to help Wendel's employees identify corruption risks, ensure the exemplary behavior of employees and third parties, and reduce legal, financial, and reputation risks. In addition, Wendel strives to ensure that managers and employees who are members of the Board of portfolio companies implement anti-corruption policies that are appropriate for their business and risks. In the companies where Wendel is a minority investor, its representatives make their best efforts to implement an anti-corruption policy.

This policy has been distributed to all employees of Wendel S.E., its holding companies, and its international offices.

3.1.2 Implementing a CSR strategy adapted to a small investment team

Wendel's human resources policy

Small, experienced and diversified workforce

Wendel is committed to hiring excellent talent, creating the best possible working environment for its employees and developing their skills.

As of December 31, 2015, Wendel and its holding companies employed a total of 90 people.

Wendel has foreign offices that support the Group's companies in their international expansion. The companies in the Netherlands (since 1908) and Luxembourg (since 1931) also act as holding companies.

Other offices established more recently are in Japan (2007), Morocco, Singapore and the United States (2013) and the United Kingdom (fall 2015).

The number of employees outside France nearly tripled (from 10 to 29 persons) between December 31, 2012 and December 31, 2015, through local recruitment and the transfer of six employees from France.

Wendel's teams in France

Half of Wendel's 61 employees in France are directly involved in investing activities. In addition to an investment team of 16 people and the senior management team, about ten experts specializing in finance, law, taxation and communication are involved in investment transactions on a day-to-day basis. They collaborate with teams outside France to promote the Group's international expansion.

The remaining staff support the Finance, Legal, General Secretariat, Tax, Communication and Sustainable Development, and Operational Resources departments.

	12/31/2015			12/31/2014			12/31/2013		
Employees* in France: staff numbers and changes	**Non-management**	**Management**	**Total**	**Non-management**	**Management**	**Total**	**Non-management**	**Management**	**Total**
Total workforce	9**	55**	64	13	52	65	13	49	62
of whom Women	*5*	*27*	*32*	*8*	*24*	*32*	*8*	*20*	*28*
Men	*4*	*28*	*32*	*5*	*28*	*33*	*5*	*29*	*34*
New hires	-	2	2	-	4	4	-	3	3
of whom Women	-	*1*	*1*	-	*4*	*4*	-	*1*	*1*
Men	-	*1*	*1*	-	-	-	-	*2*	*2*
Departures	-	3	3	-	1	1	2	5	7
of whom Women	-	*1*	*1*	-	-	-	*1*	*4*	*5*
Men	-	*2*	*2*	-	*1*	*1*	*1*	*1*	*2*

* *Employees in France with permanent contracts, including three management-level expatriates.*
** *Including four promotions to management level.*

In 2015, Wendel employed one person on a fixed-term contract for two months, and two temporary employees to replace a staff member on maternity leave and to manage a temporary increase in business.

Although Wendel does not employ any disabled employees, it has supply contracts with work centers that do. The mandatory contribution paid to Agefiph, an organization that promotes the employment of people with disabilities, was about €11 thousand in 2015.

Organization of working time

Because of its history, Wendel organizes working time in compliance with collective agreements applying to the metalworking industry.

No employee has requested to work part-time. However, one employee has taken part-time childcare leave.

Absences, excluding leave for family events, remained stable at around 1.5%. In 2015, there was one work-related accident without lost time.

Training and professional development

Developing the employability of its staff is one of Wendel's priorities.

Wendel offers its employees customized training to ensure that they always have the skill level required to perform their jobs.

In France, 24 employees completed at least one training course in 2015, for a total of 439 hours of training. The courses mainly addressed foreign languages, specific business functions or, to a lesser extent, office software.

Labor relations and working conditions

Working conditions and relationships are improved by offering support to managers, holding regular meetings with the staff and maintaining close dialogue with staff representatives on the Works Council (CE) and the Health, Safety and Working Conditions Committee (CHSCT). In this way, Wendel can implement the measures that most closely match staff expectations.

For example, to help employees better reconcile their professional and family responsibilities, since 2010 Wendel has offered to obtain and finance daycare services for the children of employees who request them. In 2015, Wendel financed daycare for 9 children, for the benefit of eight employees.

Finally, in addition to the share of the Works Council budget allocated to social and cultural and activities, Wendel covers the cost of a range of services, including meals in the intercompany cafeteria, exercise classes and payment vouchers for home services.

Diversity and equal treatment

Wendel takes steps to ensure that decisions regarding recruitment, career development (training and job promotions) and compensation are made without discrimination. Job applicants are assessed only with regard to their skills and experience. Variable compensation for employees is based on their performance during their presence at the Company.

In equivalent positions, there is no difference in pay for men and women.

In compliance with its legal obligations in France, Wendel developed an action plan to ensure that men and women are always treated equally in the workplace.

Promotion and application of the ILO's fundamental conventions

Wendel manages its human resources in accordance with the ILO's core conventions. France has ratified the eight fundamental ILO conventions on forced labor, on the freedom of association and protection of the right to organize, on the right to organize and collective bargaining, on equal remuneration, on the abolition of forced labor, on discrimination, on the minimum age for admission to employment and on all forms of child labor.

Wendel protects the freedom of association and the right to collective bargaining.

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

Compensation policy in line with Wendel's interests

Wendel's compensation policy aims to align the interests of employees with those of shareholders, whether through variable pay, collective performance bonuses (in France) or employee share ownership.

Each year, Wendel carefully reviews the compensation paid to its employees, taking into account their responsibilities, skills, experience and market pay levels. Variable pay is awarded based on individual and collective performance.

For France, total compensation (base salary, variable pay and individual, job-related bonuses) paid in respect of 2015 was approximately €12.04 million, up 0.58% vs. 2014.

Wendel has also had a collective performance bonus in place since 2006. The performance criteria established in 2015 were met in 2015. A performance bonus was therefore paid in 2015. Lastly, Wendel offers very comprehensive death & disability insurance to its employees and their families, financed largely by the Company.

Promoting employee shareholding

Wendel believes that employee share ownership is essential for establishing a long-term partnership with employees and has always encouraged it, whether through the Group savings plan that has been in place for more than 25 years or grants of performance shares or stock options, which most employees have received since 2007.

Grant of stock options and performance shares

In addition to the two Executive Board members, 77 employees in France and abroad received stock options and performance shares by virtue of the authorization granted at the Shareholders' Meeting of June 5, 2015 and the Executive Board's decision on July 15, 2015.

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

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

The following table indicates, for the period from January 1 to December 31, 2015:

- 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	Weighted average exercise price
Options granted during the year to the ten Group employees who were granted the largest number of options	94,950	€112.30
Options exercised during the year by the ten employees who exercised the most options	225,671	€49.75*

* *In 2015, these options were exercised at €65.28 (WI 3-2 plan), €90.14 (WI 3-3 plan), €67.50 (W1-2 plan), €18.96 (W1-3 plan), €22.58 (W2-1 plan), €44.32 (W3 plan), €80.91 (W4 plan) and €82.90 (W6 plan).*

The total number of performance shares awarded during the year to the ten employees in the Group, excluding corporate officers, who received the largest number of such shares was 22,950.

Capital increases through the Group savings plan

For more than 25 years, Wendel has invited employees to subscribe each year to a capital increase through the Group savings plan. Shares are offered at a 20% discount and employee payments can be matched up to legal limits.

As of December 31, 2015, excluding corporate officers, employees held 0.47% of the capital of Wendel via the Group savings plan.

In July 2015, the Executive Board decided to carry out a capital increase. 92% of eligible employees subscribed and were allocated a total of 13,250 shares.

Offering additional pension benefits

"Perco" pension plan

In 2010, Wendel introduced a Company pension plan ("Perco"). for its employees in France. It matches certain contributions up to the legal limit.

As of December 31, 2015, more than 44% of employees had invested in the pension plan.

Supplementary pension plan

In 1947, the company "Les Petits-Fils de François de Wendel" (now Wendel SE) set up a supplementary pension plan for all employees, regardless of their category, provided they retire while employed by the Company. This plan was closed on December 31, 1998. The supplementary pension plan guarantees each employee beneficiary an overall level of retirement income. This income is expressed as a percentage of end-of-career compensation (fixed + variable excl. extraordinary amounts). It increases in relation to the employee's age and seniority up to a maximum of 65% of the salary. The pension plan provides for a payout of 60% to a surviving spouse as of the date of the employee's retirement, and includes supplements for dependent children.

Benefits financed by the Group under this supplementary plan are calculated by deducting the total amount of pensions financed by Wendel while the employee served in the Group from the guaranteed amount. Since 2005, the Company transfers the assets necessary to service pension benefits to an insurance company, which makes payments to the beneficiaries.

As of December 31, 2015, there were 46 retirees and nine employees of the Company who benefited from the plan.

3.1.3 Limited environmental footprint

Wendel's activities have little impact on the environment. Nevertheless, Wendel strives to do its share to limit any negative impact. For example, environmental criteria are incorporated into the management of its IT services and the building where Wendel's headquarters are located. In 2012, Wendel performed an inventory of its greenhouse gas emissions, in accordance with the decree implementing Article 75 of the Grenelle 2 Act, to optimize its efforts to reduce its energy consumption and waste production.

Energy saving

In the past four years, Wendel has made several investments to reduce its energy consumption:

- replacing all of its IT servers with more energy-efficient models;
- renovating its district heating system (distributing high-pressure steam), making the Company more environment-friendly;
- creating two video conference rooms and providing mobile work tools to reduce travel;
- gradually replacing traditional light bulbs with energy-saving bulbs to increase the energy efficiency of its head office.

Wendel also promotes the electronic distribution of its publications.

Waste sorting

Wendel has had a waste sorting policy since July 2011. A special training course has raised awareness among all head office employees. All paper consumed by Wendel employees is now collected for recycling. Plastics, ink cartridges, cartons and metal packaging are also included in the recycling program. In 2015, this ongoing waste sorting policy was expanded to include the company restaurant located on Wendel's premises and operated by an external service provider.

3.1.4 Commitment to the wider community

Wendel's commitment to the community is reflected in its support of projects in the higher education and cultural spheres.

- Wendel has supported INSEAD since 1996. In 1996, the prestigious business school created a center for family-owned businesses, and Wendel has been a partner in this initiative from the start. In early 2016, Insead's Global MBA program was ranked number one by the Financial Times, making it the first international management school with three MBA programs in the top spot of the Financial Times' ranking.
- Wendel's management visits France's elite graduate schools on a regular basis to explain the Company's businesses. Its presentations, designed to educate students about Wendel's long-term investing model, help to recruit top talents as well. Wendel also contributes to the publications of these *grandes écoles:* ENA, HEC, Sciences Po, and Polytechnique.
- Wendel has also been committed to the Centre Pompidou-Metz, and since 2010 has supported this emblematic institution which makes art available to the general public. A highlight of 2015 was the Warhol Underground exhibition, which attracted 160,000 visitors. In 2015, Wendel renewed its support of Centre Pompidou-Metz for one year, while future funding is redefined.

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

- During the commemoration of the 70th anniversary of France's liberation, Wendel sponsored a production written and performed by three young people to honor the memory of the French Resistance. This production, recounting the commitment of 16 young, unknown resistors, was performed and staged on French radio in London. The celebration took place on May 8 and 9, 2015 in the Cour d'honneur des Invalides under the patronage of the President of the French Republic. Together with the Centre Pompidou-Metz, Wendel invited 22 high school students from the Lycée de la Communication in Metz to attend this extraordinary event.

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

In 2015, a team of 13 female Wendel employees took part in the "La Parisienne" race, with the profits donated to the fight against breast cancer. Similar initiatives took place at the New York office, where one member of Wendel North America participated in the New York City Marathon.

In the course of its business, Wendel also interacts regularly with its principal stakeholders.

- Wendel regularly communicates with its principal shareholder, Wendel-Participations, and makes presentations to its governing bodies.
- Wendel maintains an ongoing dialogue with its individual shareholders.

Wendel's Shareholders Advisory Committee was created in 2009. Its nine members met three times in 2015. The committee's role is to obtain feedback from individual shareholders on the media used specifically to communicate with them: letters to shareholders, the website and the management report. In 2015, five members joined the committee.

Wendel participated in the Actionaria trade show in 2015.

- Wendel keeps the financial community (analysts, institutional investors and individual shareholders) regularly informed of its earnings, business activities and strategy. In 2015, Wendel met with more than 250 stock and bond investors during its road shows (in France, United Kingdom, Germany, Switzerland, Italy, United States, Canada, Japan and Singapore) and meetings at its head office.
- As a listed company, Wendel contributes to marketplace discussion by participating in the work of all the major professional and financial market organizations, of which it is a member: Afep, Medef, AFIC, Paris Europlace, ANSA (*Association Nationale des Sociétés par Actions*), etc.

In 2015, Wendel redesigned its website and its letter to shareholders so as to enhance communication with its various audiences. It also stepped up use of social media (Twitter and YouTube) for sharing information.

3.2 Wendel's subsidiaries reviewed by an independent verifier

Wendel is the majority shareholder in Bureau Veritas, Constantia Flexibles, Cromology, Stahl, Mecatherm, Parcours and CSP Technologies. The financial statements of these companies are fully consolidated in Wendel's consolidated financial statements. Accordingly, they have been reviewed by an independent third-party verifier, as required by Article L. 225-102-1 of the French Commercial Code (*Code de commerce*). Wendel reports the main points of their sustainable development policies in the sections that follow.

A detailed presentation of the Group's subsidiaries can be found in section 1.7 "Group companies". Wendel Group companies translate their sustainable development policies into action plans that take into account the Company's specific characteristics and maturity in the field.

Bureau Veritas

For Bureau Veritas, Wendel's largest investment, listed on Euronext Paris and included in the Next 20 index (Compartment A, code ISIN FR FR0006174348, stock symbol: BVI), Wendel publishes a summary of information on its social and environmental responsibility. Since Bureau Veritas is also obligated to verify and publish these data, all of the required information is available in its own registration document for 2015.

Bureau Veritas is a world leader in inspection, certification and laboratory testing, and is supported by more than 66,000 employees around the world. Bureau Veritas helps its clients improve their performance by offering innovative services and solutions to ensure that their assets, products, infrastructure and processes meet the standards and regulations related to quality, health, safety, environmental protection and social responsibility.

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

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

The principal aspects of Bureau Veritas' CSR policy as reflected in the materiality table are governance and operational excellence—human resources and HSE (health, safety and environment) — and social responsibility through services used around the world and dialogue with stakeholders.

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

Constantia Flexibles

Founded by Herbert Turnauer in the 1960s, the Vienna-based Constantia Flexibles Group produces flexible packaging solutions and labels, primarily for the agri-food and pharmaceutical industries. With nearly 10,000 employees, Constantia Flexibles has successfully developed its activity outside Europe and, over the last five years, has become a global leader in flexible packaging.

Due to the nature of its business, one of Constantia Flexibles' principal CSR commitments is respect for the environment, which is integrated into its business activities.

Constantia Flexibles pays particular attention to its raw materials consumption—essentially aluminum, polymers, paper, varnish and ink—and it is a major concern for the group.

Accordingly, Constantia Flexibles uses appropriate procedures to monitor the possible impact of its products on the environment, as well as their durability (in particular by performing life cycle analyses). In addition, most waste at Constantia Flexibles is recycled or sent to thermal recovery facilities.

Aside from the environmental element, Constantia Flexibles' CSR policy also focuses on social and societal issues through sponsorship activities and social initiatives.

Cromology

Cromology is a world player in the decorative paint sector and ranks fourth in the European market. It designs, produces, distributes and sells innovative and high-quality paints in more than 50 countries around the world, with a direct presence in nine of them. With 3,900 employees, 10 research laboratories, 13 production facilities, eight logistics platforms, nearly 400 integrated stores and more than 8,500 partner points of sale (independent distributors and big-box DIY stores), Cromology generates more than €750 million in annual revenues.

Cromology's mission is to protect and embellish living environments with products that highlight the know-how of our professional and private clients, thereby contributing in a sustainable manner to the well-being of all.

Cromology aims to combine, over the long run, economic performance with excellence through it's "CORE, Commitment to a Responsible Enterprise" plan which, since 2010, has focused on four themes:

- innovation;
- optimizing the use of resources in products and processes;
- safety;
- maintaining a dialogue with the community.

Stahl

Stahl is the world leader in high-performance coatings and leather-finishing products. Its registered office is in the Netherlands and it employs nearly 1,800 people. As a manufacturer of chemical products, Stahl considers its major environmental and social responsibility challenges to be the health and safety of its employees and product innovation to minimize the environmental footprint of its products. Stahl has launched a continuous improvement process in the area of its employees' health and safety. In every country, employees are required to attend certain training programs to raise their awareness of these issues. New employees in production facilities or laboratories undergo specific induction training. Refresher programs are regularly offered to all staff.

Through its continuous improvement efforts, Stahl also ensures that the impact of its industrial sites and their activities on surrounding ecosystems is limited, since all of its sites are ISO 9001- and/or ISO 14001-certified. Thanks to its innovative research, Stahl was one of the first companies in its sector to market water-based products. These products now represent the majority of Stahl's production (more than 80%).

Stahl is a model for workplace safety, with an especially low work-related accident frequency rate of less than 0.15 for the third consecutive year.

CSP Technologies

CSP Technologies ("CSP") designs and manufactures custom, patented packaging solutions for moisture- and/or oxygen-sensitive products in the pharmaceutical industry and has a growing presence providing packaging solutions for the food and consumer end-markets. Since the acquisition of CSP Technologies was finalized during 2015, the company does not include CSR information in this report.

For this first year, the objective was to identify viable indicators and implement the reporting procedures necessary to meet the requirements of the Grenelle II law. This data will therefore be reported in 2016.

Mecatherm

Mecatherm is one of the world leaders in automatic lines and equipment for industrial bakeries. Using its unique R&D and product innovation know-how, Mecatherm designs production lines and assembles them at its sites. Since it is not involved in production, its own activities have little impact on the environment.

Mecatherm strives, in collaboration with its customers, to make its automatic lines run as smoothly as possible. It aims to make them easier for its operators to use and safer for the maintenance and cleaning crews. Industrial processes have been implemented that continuously improve the energy efficiency of the lines and reduce raw material losses. Particular attention is paid to food safety and product traceability.

The company also undertook a major restructuring in 2015, so as to adapt it to the new operational processes. Management was substantially strengthened so as to provide employees with a clearer view of their role in the company, and to make more resources available for them to perform their duties.

With the strong commitment of personnel at all organizational levels, the company implemented lean management measures aimed at involving all employees in the plans for the company's advancement.

The company also worked with suppliers to improve relationships, with better medium-term planning, and to strengthen ties with preferred suppliers. The majority of these suppliers are in the local labor markets of Mecatherm's companies.

A change management plan was initiated to ensure that all employees are well integrated into the new organization. It will continue in 2016 under the banner "well-being and performance".

Finally, the company participated in several events to promote French industrial equipment and technology manufacturers, and especially to promote business focused on exporting food-related capital goods to emerging countries.

Parcours[1]

Parcours is an independent vehicle leasing specialist in France with more than 450 employees. Its direct business activities have little impact of the environment, but as a player in the automobile industry, Parcours strives to raise safety and eco-driving awareness among its customers and their employees. Parcours integrates an improvement process into its service offering and has set up a system to monitor the CO2 emissions from its customers' car fleets. Parcours is growing with a fast-expanding network of agencies; every new location is built according to specifications that incorporate France's standards of high environmental quality ("HQE").

3.2.1 Constantia Flexibles

Introduction

Constantia Flexibles is one of the world's leading manufacturers of flexible packaging and labels. The group supplies its products to numerous multinational corporations and local market leaders in the food, pet food, pharmaceuticals and beverage industries. In the future, Constantia Flexibles intends to support its customers even more, in terms of their growth on the international markets, thereby developing from one of the leading European suppliers to a powerful global company in the area of flexible packaging. One of Constantia Flexibles' special strengths lies in the area of aluminum packaging with greater in-house value creation.

Due to consistent integration of its acquisitions in recent years, Constantia Flexibles has also been able to establish itself as the leading producer of plastic packaging worldwide. Constantia Flexibles' large global customers confirm that, in the next few years, the trend will move towards plastic packaging especially in the emerging markets. Constantia Flexibles is therefore able to cover all the bases in terms of packaging solutions.

Constantia Flexibles' business model combines stability and growth. With flexible packaging for the food, pharmaceutical and beverage industries, the company is positioned close to the daily needs of the consumer, which in turn means that Constantia Flexibles is largely unaffected by economic developments. Constantia Flexibles offers its customers a comprehensive portfolio of high quality, innovative and flexible packaging solutions of aluminum, paper and plastic in the Food, Pharma and Labels divisions.

With a range of product lines such as candy wrappers, embossed lids and aluminum container systems, the Food division is in a leading position on the global market. The Pharma division is the global number two for both blister packaging and cold formable foils. The Labels division is the global market leader for beer labels and in-mould labels.

The core values of Constantia Flexibles are:

- ***customers*** *– we focus on innovation and quality to make our customers more successful;*
- ***society and Environment*** *– we balance economic success with environmental and social responsibility;*
- ***growth*** *– we expand in new markets and applications with our customers and create value for all stakeholders;*
- ***employees*** *– we have an international team based on a corporate culture of trust, excellence and performance.*

Social

With their abilities and performance, the employees are at the core of Constantia Flexibles' success. Alongside actively supporting organizational and change processes, the main tasks of Constantia Flexibles' Human Resources department are focused on staff recruitment and the encouragement and development of the staff. Choosing the right employees and supporting individual development are, in Constantia Flexibles' view, the most important elements for the long-term success of a company.

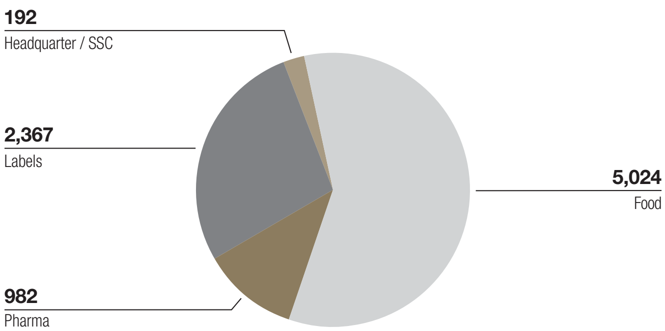
The Constantia Flexibles Group is one of the world's leading flexible packaging companies and has, this year, once again succeeded in boosting its attractiveness as an employer. Distinguishing features of the company are an organizational culture that is focused on employee development, a results-driven rewards system and attractive benefits.

(1) Wendel has signed an agreement with ALD Automotive, with a view to selling all of the share capital of Parcours. The transaction is expected to close in the first half of 2016, provided the necessary regulatory approvals are received.

Employment

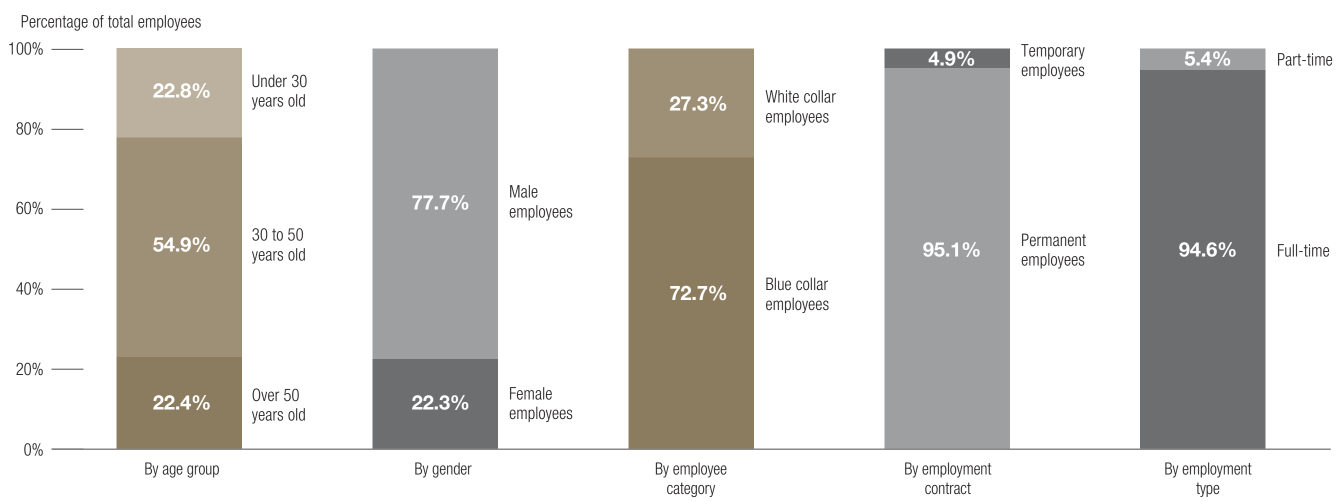
Employees and employee structure

The number of employees (FTE) at the end of the fiscal year 2015 was 8,543, with the majority (60%) of employees working in Constantia Flexibles Food division. This equates to an increase of 6% of the total number of employees (FTE) compared to the previous year.



Breakdown of full-time equivalent employees as of December 2015 by division (not including new acquisitions of 2015); Shared Service Center (SSC): Department of Constantia Flexibles, responsible for administrative group functions.

55% of Constantia Flexibles' employees are 30-50 years old. Its workforce is 22% female and 78% male. Almost three quarters of Constantia Flexibles' employees are blue collar employees. 95% of the employees of Constantia Flexibles are full-time employees and have permanent employment contracts.



Breakdown of employees by age group, gender, employee category, employment contract and employment type (not including new acquisitions in 2015).

Organization of working time

The production plants vary in their individual number of work shifts (up to three per day). Flexible work time arrangements are common in different seasons to meet customer needs. Shift patterns are coordinated with workers' representatives and adhere to local legal frameworks. The share of part-time and full-time employees in the workforce is represented in the figure above.

Equality

Alongside the development of staff, equal opportunities form an important component of the HR strategy. The Constantia Flexibles Group is made up of people of various origins, cultures, religious affiliations, genders and ages. This results in a range of different ways of thinking and viewing the world, of competencies and experiences, all of which contribute to the lasting competitiveness of the company. Constantia Flexibles is an equal opportunity employer with all employment decisions made without regard to race, color, religion, sex, sexual orientation, gender identity, age, disability, national origin, and citizenship/immigration status. 2.7% of Constantia Flexibles' workforce at plants are employees with disabilities.

Human Rights

Constantia Flexibles respects and promotes compliance with internationally recognized human rights. Constantia Flexibles complies with the rules established by the United Nations on human and children's rights. In particular, Constantia Flexibles undertakes to honor the Convention Concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor (ILO Convention 182) and the Convention Concerning Minimum Age for Admission to Employment (ILO Convention 138).

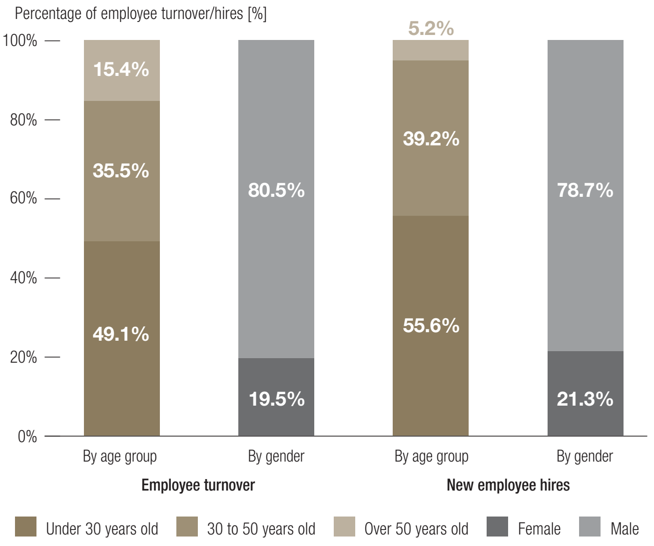
Constantia Flexibles recognizes and respects its employees' right to freedom of assembly, as well as their right to elect their representatives freely and independently within the scope of the applicable statutes and laws and guarantees that these representatives will not be subjected to discrimination of any kind. The Constantia Flexibles also respects the employees' right to collective bargaining.

Constantia Flexibles also commits to offering employment that is free of any form of violence, harassment and bullying. Constantia Flexibles aims to create, together with its employees, a climate of open communication in which employees can work productively in an atmosphere that is marked by mutual respect. Such open communication within the Constantia Flexibles is expected to strengthen the acceptance of different cultures and mentalities. The Constantia Flexibles undertakes to promote such a fair and partnership-oriented atmosphere in the workplace.

To ensure compliance Constantia Flexibles' established a code of conduct which is available to all employees of Constantia Flexibles at all sites. Additionally online-trainings are provided ensuring awareness among all employees.

Employee hiring and employee turnover

As Constantia Flexibles is a global player on the packaging market, the strategic personnel development is key to sustainable success. The diagram shows the employee turnover and new employee hires of Constantia Flexibles by age group and gender. The new employee hire rate of 17.6% underlines the continuous growth of Constantia Flexibles.



Employee turnover and new employee hires by age group and gender (not including new acquisitions in 2015).

Table 1: employee turnover and new employee hire

Employee turnover rate 2015	10.6%
New employee hire rate 2015	17.6%

Absenteeism

Constantia Flexibles has local procedures at every site measuring absenteeism, whether it is vacation, sickness, training or maternity leave. In selected plants, Constantia Flexibles is actively working on re-integrating long-term absentees together with workers' representatives, as well as establishing preventative measures to reduce absenteeism.

Compensation

In the majority of sites, Constantia Flexibles is bound to legally binding collective bargaining agreements set by unions. Nevertheless, Constantia Flexibles has a culture of rewarding strong performance of its employees. Senior management has a common incentive scheme. Salaries are reviewed on a regular basis. Constantia Flexibles strives towards being an attractive employer by offering generous monetary and non-monetary social benefits such as canteen and public transport subsidies.

With regard to compensation, plants also report their provided benefits, as maternity and paternity leave according to national law in the course of the Sedex membership. As this is also key to Constantia Flexibles, Sedex (Supplier of Ethical Data Exchange) is an important ethical standard for the group. Sedex is a non-profit organization and platform for members who are permanently engaged in improving the criteria for ethical procurement along the value chain and is also addressed in the chapter "Responsible and ethical sourcing". Currently 33 over 42 plants in total are registered Sedex-members. Due to the membership, Constantia Flexibles' plants monitor and assess wages paid against local minimum wages in the respective countries. Two thirds of the Sedex-registered plants have already been audited, externally.

Training

Employees in production receive a regular health and safety training, as well as technical trainings. Every year Constantia Flexibles refreshes its portfolio of trainings to support employees in their career development, with the focus on communication, efficiency at work and leadership skills. The annual development talk with employees, plus succession planning, rounds off the portfolio of learning and development activities at senior managerial level.

For the levels below management, Constantia Flexibles has been able to firmly establish the Constantia Training Toolbox – first introduced in 2014 – as a standard global training catalog. This provides competency-based training initiatives for Constantia Flexibles' experts and middle managers around the world. Constantia Flexibles has also integrated new learning pathways that will be developed further in the fiscal year 2016.

Health and safety

Constantia Flexibles promotes the constant development of health and safety at work with the aim of continuous and sustainable improvement of the work environment. Constantia Flexibles states the expectations with regard to health and safety in its group policy and points out the accountability for line management and everybody´s responsibility to care for everybody´s health and safety who works at the company.

The health and safety figures – handed in on a monthly basis by all Constantia Flexibles plants – are subsequently summarized, verified and checked on group level. This report represents the safety performance of each production plant per business division.

Table 2: Occupational health and safety data 2015 (not including new acquisitions in 2015)

Lost Time Incident Frequency Rate[(1)]	13.7

(1) LTIFR is measured by calculating the number of injuries resulting in at least one full workday lost per million hours worked.

As part of the ongoing efforts to avert such harmful losses, Constantia Flexibles provides its employees with trainings, which are most relevant to their role creating awareness and understanding of hazards attached to their work.

As Constantia Flexibles strives for continuous improvement and considers health and safety as enabler for achieving Operational Excellence, a new function on group level for Health, Safety, Security & Environment (HSSE) was installed as part of the organizational unit "Operational Development" in Q4-2015.

Further combined efforts will be realized to accelerate Constantia Flexibles' quality of work. The company intends to establish a HSSE-framework undertaking certain enhancements by establishing group-standards, providing trainings for senior management and by ensuring topics related to health and safety become an even more integrated part of the daily business.

A global initiative to increase the opportunity for more details in reporting will be started during the year, which will be reflected in future H & S reports.

Environment

Constantia Flexibles considers environmental responsibility to be an integral part of its entrepreneurial activities. Its commitment is based on the following principles:

- awareness of possible environmental risks and how to minimize them by selecting certain product technologies;
- use of more environment-friendly materials in the product portfolio;
- use of every opportunity for a reduction in the impact Constantia Flexibles has on the atmosphere, soil and water as well as the implementation of appropriate measures to lower greenhouse gas emissions and waste; and

- maximum utilization of resource friendly and environmentally friendly technologies alongside the ongoing optimization of material use.

Continual improvements in the consumption of raw materials, which consist primarily of aluminum, polymers, paper, varnishes and inks, constitute a major concern for the group. In times of a steady long-term increase in energy consumption and growing global water shortages, measures for the optimization of electricity, natural gas and water use are crucial to success – including economic success.

Additionally, potential environmental impacts on the level of product sustainability are made quantifiable through appropriate procedures (for example by conducting LCAs, etc.). In this context, an understanding of the sustainability performance of Constantia Flexibles' raw materials and of products supports the group in new developments and in the achievement of its goals.

Furthermore Constantia Flexibles employs professional software tools that constantly undergo further internal development in order to facilitate centralized compilation of the required data. Constantia Flexibles is extremely advanced in this respect. The group´s technological solutions are state of the art, enabling to provide both to the customers and to the internal product and sales management teams with the best possible service.

Sustainability and environmental policy

Constantia Flexibles' sustainability policy focuses on the responsibility to the environment and to those who come after us. Sustainability is a growing science that balances current needs with those of future generations. Constantia Flexibles does not merely react to the demands of the customers, who are beginning to take more and more environmental responsibility for their products; Constantia Flexibles believes that future financial success is dependent on sustainable corporate practice. The establishment of an own Sustainability department on group level in 2010 reflects the dedication of Constantia Flexibles on this topic. To deliver information on environmental protection to employees the environmental policy of Constantia Flexibles is up on notice boards in every plant.

In addition to the implementation of a group-wide policy, Constantia Flexibles is acting and/or certified in accordance to the following environmental/responsible sourcing standards:

- ISO 14001 (6 sites);
- ISO 50001 (9 sites);
- FSC-CoC (4 sites);
- SMETA (15 sites);
- founding member of the Aluminium Stewardship Initiative (ASI).

Climate change

Greenhouse gas emissions

Among other tasks relating to corporate sustainability, Constantia Flexibles collects and monitors key data on its internal performance throughout the group. Since 2005, the company has been measuring its direct and indirect emissions (Scope 1 and Scope 2). Constantia Flexibles is quantifying as well the indirect emissions coming from upstream and downstream value chain activities (Scope 3). Constantia Flexibles measures and reports the emissions according the internationally recognized Greenhouse Gas Protocol, and the methodology used to calculate emissions from the different scopes is verified by an external consultant. In the verification review statement it is indicated that Constantia Flexibles' methodology has a reasonable level of assurance following ISO 14064-3 and represents a high level of assurance according to the CDP reporting principles.

The development of the mentioned standardized step-by-step approach has allowed Constantia Flexibles to understand the effects of emissions along its entire value chain. This enables the company to concentrate on actual rather than perceived opportunities for reduction. It will both provide the company with new management options and allow to make decisions on the basis of sustainable criteria, thereby meeting the requirement for an understanding of corporate activities and the performance of raw materials and products in the context of sustainability.

Scope 1 and 2

Constantia Flexibles accounts the corporate Scope 1 and 2 emissions with a professional software tool which supports the data collection and emission calculation. The application of this software tool ensures structured and transparent data collection for all production sites located in countries around the world. In addition, its application accounts for regional practice offering the consistent usage of different units (MJ, kWh, BTU, etc.) for data collectors. Validity intervals for potential error checking prevent typing errors and the use of wrong units based on comparisons to the previous year's performance.

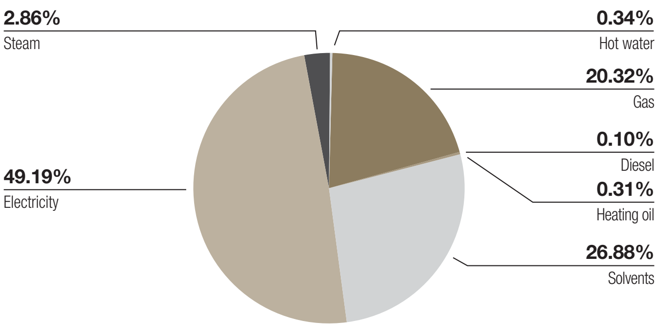
The table below shows the overall Scope 1 and 2 – CO_2 emissions of Constantia Flexibles for 2014 and 2015 (338.14 kt).

Table 3: CO2 emissions breakdown by Scope for 2014 and 2015 (not including new acquisitions in 2015)

Unit	Scope 1			Scope 2		
	2015	2014	Change (%)	2015	2014	Change (%)
kt CO_2-equiv.	160.98	154.08	4.48	177.16	170.49	3.91

The graphic below indicates Constantia Flexibles' CO_2 emissions by source. It can be observed that almost half of the emissions are occurring as a result of the electricity consumption (Scope 2). Therefore Constantia Flexibles is currently changing several electricity suppliers and mixes throughout the group with the aim to increase the share of electricity coming from renewable resources.

Most of the remaining emissions occur due to the solvent and natural gas consumption (≈27% and ≈20% respectively) which are Scope 1 emissions. For this reason Constantia Flexibles is reducing its Scope 1 emissions by using more solvent free inks and water based lacquers as well as by feeding solvent gas streams to a RTO (Regenerative Thermal Oxidizer) combined with thermal energy recovery.



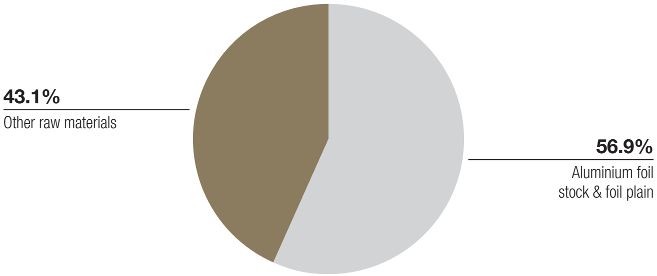
Breakdown of Scope 1&2 emissions by source (not including new acquisitions in 2015).

Scope 3

In addition to the assessment of direct and indirect emissions produced by the activities of the Constantia Flexibles Group, the indirect emissions caused by the processes up- and downstream of the supply chain (Scope 3 emissions) are evaluated as well. Therefore a method based on a comprehensive materiality evaluation of Constantia Flexibles' main Scope 3 emissions sources was established on a group-wide scale.

For Constantia Flexibles Scope 3 emissions are a key factor in terms of achieving its group-wide target. Risk assessments allow Constantia Flexibles to identify and analyze hot spots and initiate projects aimed at continuous improvement of its sustainability performance along the value chain. Knowledge of site-specific challenges on the corporate, product and raw material levels helps Constantia Flexibles to tackle similar problems throughout the group.

The graphic below indicates the Scope 3 emissions by source. Most of the emissions (56.9%) are originated by the raw material aluminum foil (purchased as foil or rolled at Constantia Flexibles' rolling mill). Within the other raw materials, which account for 43.1% of the total Scope 3 emissions, the second biggest contributor (after the aluminum) are plastics followed by solvents and paper.



Breakdown of Scope 3 emissions by source (not including new acquisitions in 2015).

Adaptation to climate change and environmental protection

In 2015 Constantia Flexibles has been recognized with a strong CDP climate score rating for its highly transparent climate reporting and climate protection efforts. The company has achieved 100 percent in the disclosure score and was rated with a "B" rating with regard to its contribution to climate change mitigation, adaptation and transparency. These results confirm the strategy to reduce emissions sustainably, while maintaining the highest standards of transparency when it comes to reporting.

Besides Constantia Flexibles' efforts to reduce greenhouse gases the company tries to minimize emissions and effluents that have adverse effects on humans or the environment. Plants operating in accordance to ISO 14001 conduct assessments of major risk areas where spills and leakage may contaminate air, water and/or soil. Following completion of this assessment, plants have a management and external communication plans, compliance controls and a monitoring program in place to prevent and detect those spills and leakage.

Furthermore Constantia Flexibles assesses the risk and materiality of the biodiversity impacts and dependencies from the land use and activities over which the company has direct management control or significant influence, where applicable.

Several of Constantia Flexibles' plants are engaged in topics regarding adaption to climate change due to their ISO 140001 certification. In the course of its risk management the company addresses adaption to climate change also on group level.

Pollution and waste management

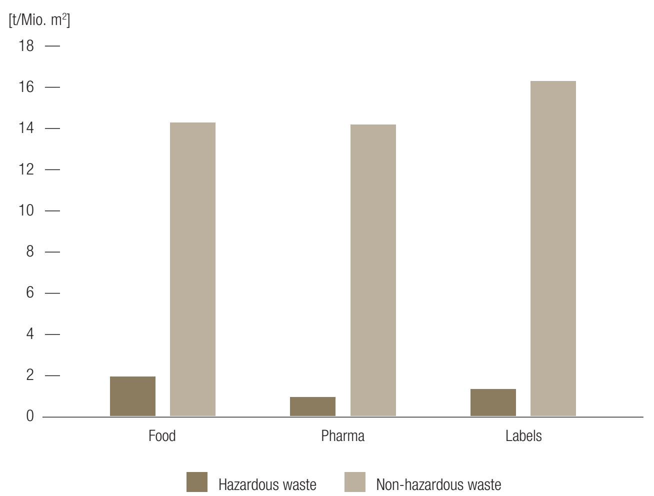
Pollution (NOx and VOC)

Constantia Flexibles is aware of the impact of NOx and VOC emissions on the environment. These emissions are originated in the plants from solvents use (VOC emissions) and from the burning of natural gas and solvents (NOx emissions) mainly. In this context the company has installed Regenerative Thermal Oxidizers (RTO) in several plants to recover heat energy, consequently reducing the VOC emissions coming from consumption of solvents. In addition Constantia Flexibles tracks its VOCs and other emissions in several of its plants (24 out of 40 sites are reporting VOC emissions and 13 out of 40 sites are reporting NOx emissions) in the form of solvent balance reports.

Waste management

In accordance with waste management plans on plant level Constantia Flexibles continuously monitors the achievement of implemented waste targets. The amounts of waste depend on the different technologies and product mixes in the three divisions.

The total amount of waste produced at Constantia Flexibles' sites in 2015 is 85.80 kt. The graphic below shows Constantia Flexibles' waste generation by division and category per output. It can be observed that the amount of non-hazardous waste produced per output is much higher than the amount of hazardous waste. Constantia Flexibles sends most of its waste to recycling or thermal recovery.



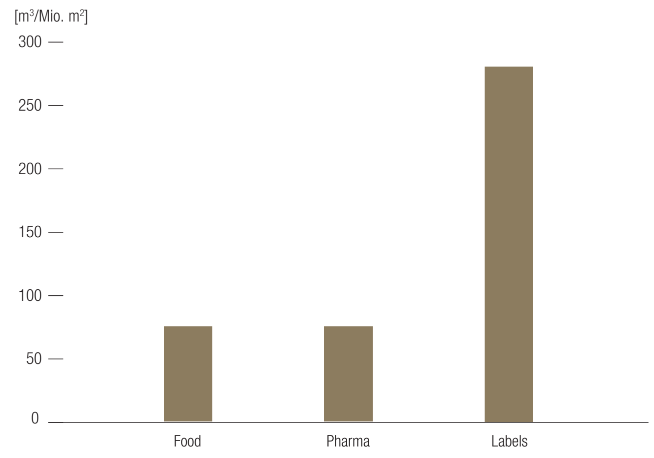
Breakdown of waste/product output ratio by waste type and division (not including new acquisitions in 2015).

Sustainable use of resources

Water management

Due to its usage mainly for sanitary purposes and in small amounts as a solvent for adhesives and lacquers, tracking water consumption is not material for Constantia Flexibles. Nevertheless, the group is aware of the importance of its impact for the environment and therefore monitors and reports water consumption.

The total water consumption in 2015 is 625,112 m^3. The graphic below indicates the water usage by division.



Breakdown water input per product output and division (not including new acquisitions in 2015).

Energy consumption

Constantia Flexibles works for a continuous improvement relating to energy efficiency. Some of the approaches are:

- solvent recovery;
- reduction of emissions;
- organic solvent-free technologies;
- heat recovery and;
- closed water systems.

Moreover, several of the plants in Europe are verified against the ISO 50001 standard and therefore place special emphasis on reducing energy consumption.

Constantia Flexibles is also working intensively on encouraging its plants to implement environmental focused initiatives. They increase the sustainable performance of the group and contribute to a more efficient use of resources.

It can be observed that in 2015 Constantia Flexibles had a total of 73 initiatives with environmental focus. 48 initiatives intended to reduce energy consumption have been implemented among which 27 resulted in total savings of 11.7 GWh.

Table 4: Overview of number of initiatives and energy saved (not including new acquisitions in 2015)

	Number of initiatives	Number of sites with initiatives	Energy saved due to initiatives
Sustainability Initiatives	25	13	11.7 GWh saved within 27 initiatives
Initiatives to reduce energy consumption and GHG-emissions	48	16	
TOTAL INITIATIVES	**73**		

Responsible and ethical sourcing

Constantia Flexibles sees collaboration throughout the value chain (*e.g.* in order to implement responsible sourcing certifications or help our suppliers improve) as an important component of a comprehensive approach to sustainability. That's why Constantia Flexibles is a founding member of the Aluminum Stewardship Initiative (ASI).

The Aluminum Stewardship Initiative (ASI) was initiated to foster greater sustainability and transparency throughout the industry. Spearheaded by several industry players, the ASI is a non-profit initiative that seeks to mobilize a broad base of stakeholders to establish and promote responsible leading practices, across the aluminum value chain, in business ethics, environmental performance and social performance.

Moreover, Constantia Flexibles endorses the ethical standards represented by Sedex (Supplier Ethical Data Exchange). As mentioned in the social section, Sedex is a non-profit membership platform dedicated to improving ethical supply standards along the value chain using tools like standardized information exchange *via* questionnaires and audits (SMETA = Sedex Members Ethical Trade Audit).

Sedex focuses on 4 areas:

- labour standards;
- health and safety;
- environment and;
- business integrity.

Society

Social dialog

Constantia Flexibles is very conscious of its responsibility towards society. In 2015 Constantia Flexibles' plants conducted 31 sponsoring activities and 42 social initiatives. Constantia Flexibles places special emphasis on local communities – appropriate conduct for a good neighbor. Therefore 64% of the social initiatives were focused on the needs of local communities around Constantia Flexibles sites. A social award for outstanding achievements within the group is awarded to a group of employees every year and reflects the commitment of Constantia Flexibles' employees with regard to social engagement.

Relationship with other stakeholders

Constantia Flexibles concerns itself intensively with the topic of sustainability at the association level as a participant in international task forces. As a permanent member of Flexible Packaging Europe's Sustainability Committee and the European Aluminium Foil Association's Foil Sustainability Action Group, Constantia Flexibles works constantly toward making its voice heard in terms of current affairs, initiating projects and encouraging intercompany cooperation in defense of common interests.

Likewise, Constantia Flexibles' membership of the Sustainable Packaging Coalition strengthens its ties to key accounts and increases shared understanding of the sustainability issues affecting the packaging industry. The Sustainable Packaging Coalition (SPC) is a task force dedicated to the vision of more environmentally friendly packaging. Through strong member support, sound scientific research, cooperation along the supply chain and continuous public relations work, the SPC strives toward developing packaging systems that successfully combine economic prosperity with sustainable material flows. The variety of projects carried out under the auspices of the coalition is reflected in the vast amounts of data shared between members. Above all, the global dialogue it encourages promotes worldwide consensus on the subject of packaging. As a committed member, Constantia Flexibles supports various projects that seek solutions to contemporary problems and the continued development of more sustainable packaging solutions for its customers.

Constantia Flexibles also takes an active interest in current and planned legislation in the field of sustainability. The expertise of Constantia Flexibles' employees and the knowledge it is able to share allow the company to play an active role in this area. By way of example, we must of course mention the current European Commission initiative that uses pilot studies on Product Environmental Footprint (PEF) and Organisation Environmental Footprint (OEF) as part of the Single Market for Green Products Initiative to test both planned legislation for all products sold on the European market and corporate reporting of non-financial data. Constantia Flexibles is actively involved in the requisite pilot studies and is a member of selected technical secretariats for individual product groups. The company's knowledge in matters of sustainability is helping to map the entire value chain for the purposes of these studies, allowing the categories of environmental impact put forward by the European Commission to be reviewed and evaluated.

Alongside the monitoring and development of relevant trends with the potential to improve the sustainability of its products on the market and in legislative matters, support for internal stakeholders is another of Constantia Flexibles' key endeavors. In particular, product management and sales teams along with the individual sites are required to provide detailed reports on client-facing efforts. First and foremost, accurate communication on sustainability issues demands comprehensive briefing.

Business ethics

Constantia Flexibles is unreservedly committed to combat bribery and any other form of corruption. Constantia Flexibles' anti-corruption-policy sets out the standards of Constantia Flexibles in complying with applicable anti-corruption laws wherever it operates. Constantia Flexibles does not tolerate bribery and therefore stipulates in its anti-corruption policy that no employee may directly or indirectly offer, promise, grant or authorize the giving of money or anything else of value to a government official to influence official action or obtain an improper advantage. The same applies to a representative of a non-government-owned commercial entity in a business transaction.

Constantia Flexibles fully recognizes the principles of free and fair competition and commits itself to comply with all relevant antitrust requirements applicable in the respective jurisdictions the group is active. It is in accordance with the business policy of Constantia Flexibles to respect and promote fair and free competition. The company thus pursues a zero-tolerance policy with respect to anti-competitive practices in order to ensure compliance with the relevant competition law provisions.

To further enable self-control by its employees Constantia Flexibles has established a whistle blower hotline, where employees who have concern about a business situation can seek contact and advice. Furthermore, online trainings on anti-trust and on preventing bribery are provided to employees with external contact.

Innovation

As a globally active group, for Constantia Flexibles innovation, *i.e.* permanent efforts aimed at improving our products, services and production processes, represents a decisive factor for our business success. This not only applies to technical and economic issues, but also to ecological aspects.

Constantia Flexibles research and development work is carried out within the scope of projects and frequently assumes the form of joint initiatives with the global players among our key customers. Close cooperation with our suppliers as well as with international universities and research institutes also serves to secure cutting edge, market-oriented developments.

Constantia Flexibles has a sizeable number of patents and patent applications, which clearly indicate its strong competitive technological status. The company has two state-of-the-art Competence Centers for research and development (R&D). The "Competence Center for Aluminium Foil and Foil Laminates" as well as the group coordination for regulatory affairs are located at Constantia Flexibles' largest plant, C. Teich in Austria. In the competence center R & D experts work on the research and development of aluminum, lacquers and co-extrusion coating polymers. In 2015 the construction of Constantia Flexibles new R & D "Competence Center for Polymer Films and Film Laminates" in Weiden, Germany, was completed and the center was opened in October 2015.

As innovation is a key element of Constantia Flexibles business strategy, the innovation process is driven by product management, to work together closely with its customers and also includes other functions of Constantia Flexibles, such as sustainability and regulatory affairs.

Innovations of products in packaging can not only improve the environmental impact of the packaging itself but can also contribute to increasing the shelf life of the packaged product and therefore reduce food waste. This important role of packaging is not quantifiable within the framework of Life Cycle Assessment, but has significant impact on the amount of resources lost. Constantia is working to reduce food waste, as a member of the UN Safe Food Initiative. The Safe Food Initiative was introduced 2011 to put the issue of global food losses onto the political and economic agenda. As the global population continues to rise, it is imperative to find ways to reduce food waste (whether due to food being thrown away or allowed to spoil) and packaging solutions have an important role to play in ensuring sustainability. For this reason, the focus of Constantia Flexibles current efforts is on minimizing environmental impact, reducing material consumption and optimizing recyclability – while still maintaining the other top-quality product features – of the packaging solutions it provides to customers around the world.

Constantia Flexibles is conscious of its role and responsibility as part of the value chain and strives constantly toward making further improvements to its processes and products with regard to sustainability. The life cycle assessment studies Constantia Flexibles conducts both independently and in cooperation with the European Aluminium Foil Association (EAFA) and Flexible Packaging Europe (FPE) are fundamental to the improvement of its ecological footprint.

Constantia Flexibles has chosen a new and innovative path in this regard. In future, life cycle assessments will be conducted using a semi-automated approach, designed to increase the efficiency with which the company responds to the numerous requests it receives in the course of the life cycle design process and from its customers. This will involve automatically importing corporate and raw materials data into life cycle assessment models and making it available to a variety of internal and external interest groups *via* web-based platforms. The intention is to enable Constantia Flexibles to draw targeted real-time conclusions about relevant outcomes during the innovation process and when specifications are modified.

Consumer health

To ensure consumer health and safety Constantia Flexibles complies with all food and pharma packaging regulations applicable in the respective jurisdictions.

In the two competence centers of the Constantia Group analytical research & development experts with state of the art analytics, laboratory tests and knowledge investigate the safety and compliance of our products. In particular, these related to the supplementation of chemical-analytical capacity with a focus on migration.

Subcontracting and suppliers

As part of its purchasing policy and to emphasize the interest of Constantia Flexibles in implementing its social responsibility and fair, ethical and sustainable principles of action and conduct throughout their entire supply chain, Constantia has developed a code of conduct for suppliers. The "Code of Conduct for Suppliers and Subcontractors" defines the basic requirements that Constantia Flexibles places on its suppliers of goods and services and subcontractors concerning their responsibility towards their stakeholders and the environment.

The principles described in this code of conduct are based, to a large extent, on the principles of the Universal Declaration of Human Rights of the United Nations, on the Conventions of the International Labour Organization (ILO), and on the UN Conventions on the Elimination of all Forms of Discrimination against Women and on the Rights of the Child. Of course the fair trade practices, integrity vis-à-vis all stakeholders and environmental protection are also part of the code of conduct for suppliers.

Based on the values described in this code of conduct, Constantia Flexibles strives for a close partnership with its suppliers and subcontractors with the aim of jointly creating added value for all stakeholders.

The code of conduct for suppliers is part of the purchasing conditions set by Constantia Flexibles. In 2013 inquiries were sent to all suppliers verifying their compliance with Constantia Flexibles' requirements. A follow-up evaluation is planned for upcoming periods.

Transparency

The Constantia Flexibles Group acknowledges its social responsibility vis-à-vis society in general, as well as vis-à-vis business partners, shareholders, and employees. Due to the great significance of transparency in this matter, Constantia Flexibles shares key environmental data throughout the supply chains, for example on the platform Ecodesk, which facilitates rapid ecological footprint analyses of corporate supply chains. In doing so, the platform encourages and supports suppliers in the measurement and management of relevant business issues in order to ensure sustained value creation. Constantia Flexibles is also active member of EcoVadis. EcoVadis aims at improving environmental and social practices of companies by leveraging the influence of global supply chains.

Methodology

Reporting scope

The reporting scope includes 41 Constantia Flexibles sites which were part of the group in 2015. The new acquisitions (Afripack and Pemara) will be included from 2016 onwards.

- Constantia Flexibles had new acquisitions in 2015 (Afripack and Pemara), which will be taken into scope from 2016 onwards.
- The site Aluprint Plegadizos is not included in the scope, except for the total number of FTEs and the health and safety figures.
- The head quarter and the sales offices were not part of the scope in the environmental section.

Social

Employees

The figures for total number of employees per division represent all employees at sites and sales offices counted in FTE (Full-Time-Equivalents) per December 2015. Calculations for other HR-related figures are based on total headcounts on plant level and cover 95% of all employees (offices are excluded). Definitions are set according to the Global Reporting Initiative (GRI):

- employee turnover: Employees who leave the organization voluntarily or due to dismissal, retirement, or death in service;
- employee turnover rate: The employee turnover rate is calculated as the total number of employee turnover in 2015 divided by the total number of employees December 2015;
- employee hire rate: The rate is calculated as the total number of new employee hires in 2015 divided by the total number of employees in December 2015.

Health and Safety

The health and safety figures include all employees on plant level: blue collar, white collar, apprentices, including temporary workers (high season), but excluding external workers, such as contractors and interim seasonal workers.

- Lost-time-incidences: Any incident occurring at the work place which results in the injured person being absent for one or more scheduled workday.
- Lost Time [days]: The number of days lost due to an LTI has been reported by the plants either as calendar days (as recommended by the group management) or as work-days. This will be homogenized in the future reporting campaigns.
- LTIFR is measured by calculating the number of injuries resulting in at least one full workday lost per million hours worked.

Environment

Scope 1 & 2 & 3

The CO_2-emissions calculation is based on Scope 1, Scope 2 and Scope 3 (category "purchased goods and services") as defined by the Greenhouse Gas Protocol Initiative (Corporate Value Chain Accounting and Reporting Standard).

The standard provides requirements and guidance for companies and other organizations to prepare and publicly report a GHG emissions inventory that includes indirect emissions resulting from value chain activities (*i.e.* Scope 3 emissions: only "purchase of goods and services" category).

Waste generation

The data on waste generation were defined according to GRI (Global Reporting Initiative) and collected in a mass unit.

- Hazardous Waste: Hazardous waste as defined by national legislation at the point of generation.
- Non-hazardous Waste: All other forms of solid or liquid waste that are not considered as hazardous waste by national legislation at point of generation. Wastewater is not included.

Water usage

The data on water usage were defined according to GRI (Global Reporting Initiative) and collected in a volume unit.

- Water Withdrawal (Input): The sum of all water drawn into the boundaries of the organization from all sources (including surface water, ground water, rainwater, and municipal water supply) for any use over the course of the reporting period.

Methodical limitations

- The frequency of occupational diseases is not included in this report as in some countries where Constantia Flexibles operates, law does not allow reliable tracking of this indicator.
- As the tracking of VOC and NOx emissions is quite complex, complete data for all plants are not available. Constantia Flexibles approaches this issue by planning to analyze the NOx and VOC emissions of sites, which solvent consumptions comprise a major percentage of the company's total consumption.

As the lost time days were not calculated homogenously among all plants, they are not included in this report.

3.2.2 Cromology

3.2.2.1 Commitments for a responsible enterprise

General policy

Since 2010, Cromology's sustainable development policy has centered on its "CORE, Commitment to a Responsible Enterprise" initiative, through seven goals identified within the three pillars of sustainable development:

Economic	Environmental	Social/societal
Supporting customers in their sustainable development efforts.	Optimizing the use of resources in products and processes.	Acting for and with employees.
Innovating and proposing products and services that are more respectful of their users and the environment.	Limiting the impact on the environment.	Strengthening the group's presence in the local community.
	Strengthening the environmental management system.	

The policy is based on seven values defined by Cromology at the end of 2014 as fundamental principles. These guide the initiatives, decisions, choices and day-to-day conduct of the people in the group. These values are:

- safety;
- excellence;
- respect;
- customer satisfaction;
- imagination;
- teamwork;
- simplicity.

Management's commitment

"We firmly believe that what we invent and achieve must protect and enhance the environment of those who live in it.

The ambition of Cromology and its brands is to help our customers—professionals and individuals—to increase their technical and aesthetic know-how, thus contributing in a lasting way to everyone's well-being.

Such conviction means that we are conscious of our responsibility as decorative paint designer, manufacturer and distributor to everyone—internal and external—who works for our sustainable and responsible growth.

In this way, Cromology's commitment to sustainable development is in step with our desire to combine long-term economic performance with excellence in terms of:

- the safety and social development of our employees and the sub-contractors who work on our premises;
- nature preservation;
- dialogue with the community.

Responsible development: we live it every day; and I am convinced that by honoring our CSR commitments throughout all our business activities, Cromology is making a contribution to our stakeholders and the company, creating value for them."

Gilles Nauche

CEO of Cromology since September 2015

CSR governance

In 2015, Cromology formed a CSR steering committee consisting of members from the Marketing, Supply Chain, R&D, HR, QSE and Communications departments, and the manager of an operating subsidiary, who define and manage the group's CSR strategy. The committee met four times in 2015. One of the committee's first decisions was to confirm the objectives of Cromology's CSR policy as defined in 2010, and incorporate them into the three-year strategic plans for the various subsidiaries.

Each Cromology subsidiary develops its long-term approach to CSR in the way that is best suited to the local market and its customers. This local connection ensures that the commitments made are relevant and that all teams quickly adopt and act on them.

For example, Zolpan, one of Cromology's French subsidiaries, has its own CSR approach based on ISO 26000. Consequently, in 2014, the independent verifier VIGEO renewed Zolpan's LUCIE certification (the French CSR label), originally awarded in 2011. The follow-up audit is scheduled for October 2016.

3.2.2.2 Reporting methodology

Scope and methods of consolidation

To produce the key indicators selected for this report, data were taken from the scope of the entities consolidated in the financial statements of the Cromology Group.

A specific calculation method has been defined for each indicator. Where measured data is not available, each entity produces estimates and an explanatory note, according to methods appropriate for that indicator. Data are collected using report files validated by Cromology.

Responsibilities and verifications

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

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

Safety indicators are produced by the Safety manager in each subsidiary. The environmental experts of each Cromology subsidiary are responsible for producing the environmental data.

Each Cromology subsidiary is responsible for collecting and verifying the data it reports.

Each site director is responsible for producing the indicators and performing an initial verification of the result.

Reporting methodology

Methodological limitations and uncertainties

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

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

Safety indicators

Lost-time injury frequency rate

The lost-time injury frequency rate (LT1) is the number of accidents involving the loss of one or more days of working time that occur over a 12-month period, per million hours worked. It is reported for all entities in the Cromology Group and includes fixed-term and permanent contract employees, temporary employees and subcontractors.

The accident frequency rate with and without lost time (LT2) is the number of accidents with and without work loss that occur over a 12-month period, per million hours worked. It is reported for all entities in the Cromology Group and includes fixed-term and permanent contract employees, temporary employees and subcontractors.

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

Lost-time injury severity rate

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

Environmental indicators

Water consumption

Water consumption includes the consumption of water for production activities and does not include the water for distribution networks. It is reported for all entities in the Cromology Group.

Energy consumption

Energy consumption includes the consumption of energy for production activities and distribution networks. It does not include the consumption of energy associated with employee transportation. It is reported for all entities in the Cromology Group.

Social indicators

Total workforce

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

Hires & departures

Employees with permanent contracts who are hired or leave the group are reported for all entities in the Cromology Group. Internal transfers within the group are not counted as either hires or departures. Fixed-term contracts made permanent are counted as new hires.

Absentee rate

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

Total hours of training

Hours of training are reported for all entities in the Cromology Group. This figure includes in-house and external training (including e-learning). It does not include the study hours in France for participants in programs that alternate between work and study or time spent in relation to the World Day for Safety.

3.2.2.3 Social initiatives: acting for and with employees

Cromology has nearly 3,900 employees in nine countries. Given its manufacturing and, in some countries, distributing activities, Cromology manages a wide range of professions with employees spread across a very large number of geographical locations.

Safety first, the most important value of Cromology

Building a genuine safety culture at Materis Paints

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

Several Cromology subsidiaries have succeeded in reaching this objective, and some have achieved it several years in a row. For example, in 2015, the CRI Ouest industrial site in France and the San Miniato logistics platform in Italy, recorded 1,000 consecutive business days without a work-related accident.

The Cromology Executive Committee and senior management teams are closely involved in these efforts to build a safety culture and pass it on to all employees. A safety indicator is included in the annual objectives of the CEOs of each entity or country as well as those of many managers.

This culture of safety is based on setting an example and requires an increasingly strong commitment from managers at every level.

In 2014, the position of Director of Quality, Safety and Environment was created, reporting directly to the Chairman of Cromology.

In 2014, Cromology defined the "golden rules" of safety, which apply to all jobs in all subsidiaries, and has applied them to its entire workforce. In 2015, the same golden rules were applied to the entire Cromology Group.

New employees are made aware of the importance of safety by their managers when they sign their employment agreement; they also sign and agree to abide by these golden rules.

Similarly, eight golden rules of safety were defined and applied for managers.

Each year since 2009, the World Day for Safety at Cromology has provided an opportunity to focus the attention of employees around the world on safety.

To help strengthen the safety culture among its managers in France, Cromology organized a two-day training program with an outside service provider for Cromology's 560 managers and 337 took part in 2015. Training will continue in 2016 and 2017.

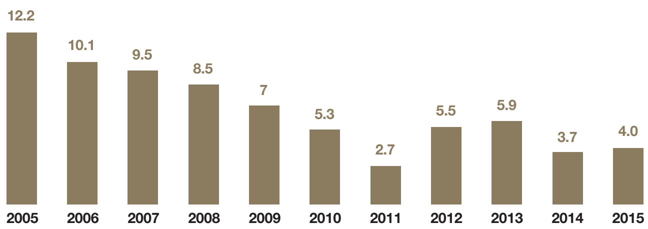
To facilitate the sharing of experiences and promote risk prevention, Cromology has several multilingual communications tools (presentations, posters, videos) that were developed by Cromology and address different types of injuries, depending on the work environment.

They can be used by Cromology managers for their "safety minute" presentations (daily or weekly meetings led by team managers), team meetings and information meetings.

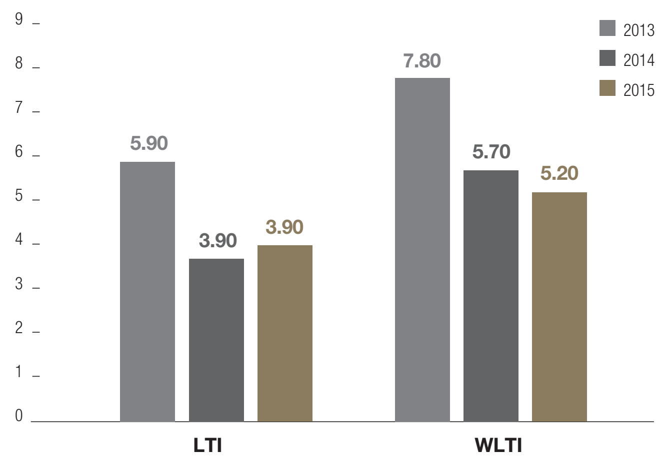
Monitoring results

Over the last 10 years, Cromology's LTI rate has dropped by two-thirds.

LTI rate over 10 years



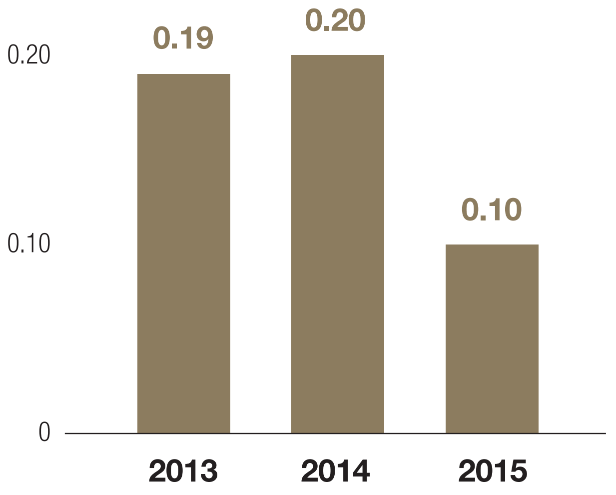
Cromology LTI and WLTI rates



LTI: number of lost-time injuries per million hours worked among employees with permanent or fixed-term contracts and temporary staff.

WLTI: number of injuries with or without lost time per million hours worked.

Severity rate



The total number of accidents (with and without lost time) remained unchanged in 2015 compared to 2014. Nevertheless, the safety action plans implemented at Cromology subsidiaries helped to significantly reduce the lost-time injury severity rate in 2015.

For every injury, with or without lost work time, the relevant entity performs a root-cause analysis to determine what preventive and corrective action should be taken.

In 2015, Cromology implemented safety minute meetings and safety inspections at the distribution networks in France. Likewise, feedback on unsafe situations and near misses[1] (based on the "Bird" accident triangle) are monitored monthly through safety reporting and related specific targets. Each entity monitors how unsafe situations and near misses are handled.

Cromology has defined and implemented Cromology standards for visual safety management at industrial sites.

Incorporating the safety culture into industrial practices

At year-end 2015, all of Cromology's industrial sites were OHSAS 18001 certified.

Human resources organization

Human resource management is decentralized at Cromology. The HR department in each subsidiary coordinates HR policy, which is implemented locally in every country where the group has a sales and/or industrial presence.

The HR department at Cromology promotes collaborative work and coordinates a community of HR Directors to facilitate the sharing of best practices, by organizing an annual HR meeting, for example.

Because of its size, France has a special coordination process, with an HR department meeting about every two months and information sharing on transverse projects.

Cromology's HR department defines and disseminates key HR processes such as recruitment and annual appraisals, and ensures that they are applied.

Salary increases and variable compensation paid to the 100 or so top managers at Cromology are proposed and examined for approval each year, following a centralized procedure. In 2015, the 100 most important positions in the group were benchmarked using the Hay method and remuneration was compared to each local market.

The HR department in each subsidiary also assumes the following responsibilities:

- support and apply the commitment to safety made by Cromology and ensure that its organization functions in a way that exemplifies the Cromology culture;
- facilitate the development of each individual in an organization that promotes the taking of initiatives and responsibility;
- ensure that all of the Human Resources processes defined by the group HR department (for example, the annual appraisal interview, or "HR1") and the procedure for salary evaluations and increases are applied at all levels of the company hierarchy;
- implement training plans adapted to the subsidiary's growth strategy;
- promote and implement compensation policies that are consistent with benchmarks in the markets in which the subsidiary operates;
- prevent all forms of discrimination and ensure compliance with labor laws.

Fostering employee engagement

Based on the results of the Great Place to Work survey, Cromology France continued its efforts to engage its 2,500 employees by defining and implementing initiatives involving communications, coordination and participative management.

As an example, Tollens held the second phase of its Reverso campaign to help employees get to know each other better. This time, sales representatives and sales outlet staff in the Paris area spent time in the head office Clichy to learn about their colleagues' work.

Cromology Research & Industry (CRI) took the initiative to offer all employees access to a 24/7 psychological counseling and support service. This totally confidential service is run by professional psychologists and is free for employees.

(1) Name based on the "Bird" accident triangle.

Thanks to best practices sharing between the HR departments at the Annual Meeting, the Great Place to Work survey was conducted in 2015 at Cromology España and at Robbialac in Portugal.

In Spain, the action plan consisted of helping managers to recognize the initiatives of their employees and to increase participation through enhanced communication by adopting the World café dialogue meetings implemented by CRI in France.

Robbialac launched the Great Place to Work survey in October 2015, and the company placed among the 25 companies with the best results out of the 100 European chemical companies that participated in the survey.

Although this performance is excellent, Robbialac will implement an action plan for 2016 and 2017.

Cromology Italia made a significant investment to improve employee work conditions at its site in Lucca. Cromology Italia benefited by consolidating a number of functions in this single location, and constructed a new building that houses the company restaurant in very comfortable surroundings. With the freed-up space, Cromology Italia opened its training center (see the "Training" section, below).

Internal communications

A Communications department was created in 2014 and reports directly to the Chairman of Cromology.

The group's Communications department managed the coordination of Materis Paints' name change to Cromology, with help from the group Development and Legal departments, the HR departments and the Marketing departments of the subsidiaries.

As a result, the appearance of numerous sites changed with the introduction of new signage.

The Communications department organizes the annual convention of executives to take stock of Cromology's development strategy.

Once a quarter, executives from the Management Committees of all subsidiaries take part in a Group Management Meeting via video-conference. The company's targets and results, ongoing projects, and successes are shared. This regular meeting gives subsidiary executives up-to-date information about the group that they can share with their teams.

The time spent on information is continually growing:

- the Breakfasts program at Colorín in Argentina has been expanded. Every employee in the company participated in at least one communication meeting with the CEO during the year;
- regular, organized and structured information meetings are increasing at CRI, in the Tollens network, at Vernis Claessens and in Spain, where the Espacios initiative was launched. Every six months, the Executive Committee of this Spanish subsidiary spends a day updating employees, divided into small groups, on the strategy, new product launches and results, thereby encouraging high-quality dialogue.

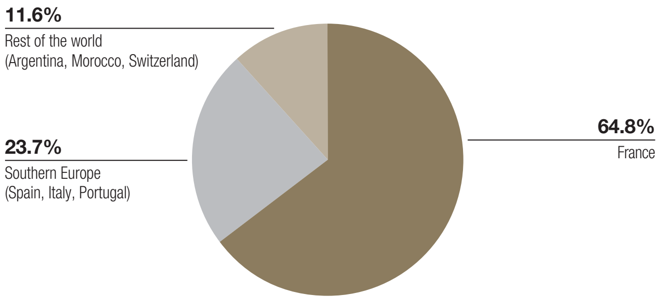
Workforce

Markets other than France and Italy recovered in 2015, while the Argentinean market felt the effects of soaring inflation and the foreign exchange market situation. Spain and Portugal benefited from an improving economic environment. In total, revenue was slightly higher than in 2014. The volume of paint produced increased by more than 5%.

In this context, Cromology bolstered certain teams to enable them to carry out medium-term development projects and reduced its workforce in other structures to adapt to the market situation.

Openings of new sales outlets, acquisitions of several distributors, Cromology's integration of positions and services previously with the Materis Group (in particular, the Cromology IT workforce and, to a lesser extent, employees in the group's financial and Legal departments), resulted in an increase in the workforce. This workforce growth was in part offset by adjustments in France and Italy. Worldwide, the workforce increased slightly (up 8%).

Breakdown of staff by geographic region



Absenteeism

The absentee rate at the Cromology Group remained stable at 3.2%. In Argentina, Colorín took specific action in this area and implemented a monitoring tool which successfully reduced the absentee rate by one point over a year.

Hiring, training and employee development

In a service industry like that of Cromology, human resources are key and can make a lasting difference with respect to competitors.

Hiring and onboarding

In 2015, Cromology hired 337 new employees on permanent work contracts.

Each of these new hires represents an additional opportunity to strengthen Cromology with skilled people whose engagement will support the group's growth.

Recruitment procedures were strengthened. Candidates systematically meet with several people. In particular, candidates for travelling sales positions meet with the executives of the distribution networks.

At least three references are obtained for candidates selected for the final phase of the process. In France, two positions were created to strengthen the recruitment process.

Before resorting to external recruitment, preference is given to employees already within the group whose performance demonstrates their potential for advancement. Consequently, positions to be filled are published internally before moving forward with an external recruiter. This publication is posted on a bulletin board and/or digitally (intranet at Zolpan or dedicated recruitment site at Tollens).

Procedures to facilitate the onboarding of new hires are becoming the rule, such as at Vernis Claessens in Switzerland, where every new hire visits all the departments in the company.

To ensure the successful onboarding of recent hires, new initiatives were taken in 2015, such as the Welcome Manual (paper and digital version) in Portugal, which is enhanced, improved and distributed to each new hire. In the Tollens group, each employee hired under a permanent contract spends one week in a sales outlet to get to know the company, the demands of its customers and the products.

Also in Portugal, each person hired under a permanent contract enjoys an integration period lasting from several days to two months to get to know several departments in the company.

To prepare for the future, the "Couleurs de Tollens" network revived its policy to welcome young people into the company by creating about 20 two-year positions for participants in programs combining coursework with practical work experience. Experience has shown that, on average, employees recruited through these programs stay with the company longer and advance more quickly.

To facilitate the integration of its new employees, Cromology organized for the first time in 2015 a two-day orientation to introduce 126 new employees to the group, its activities, its growth strategy, its values and its strong safety culture. The event also aims to promote dialogue among new employees in different subsidiaries and departments, as well as among employees and the group's executives.

Training

A training policy is developed locally by each subsidiary based on the development needs of the company and its staff.

Cromology is committed to offering regular training to its employees to help them build their skills and employability. In 2015, the number of group employees having participated in at least one training program during the year increased (more than 81% of employees), as was the average amount of time spent in training per employee, which increased from 15.7 hours to 19.1 hours. In 2015, for the second consecutive year, external training costs rose by 20%, indicating the greater sophistication of the training programs that were developed.

Cromology Italia built CromoCampus, a training center at its site in Lucca. Inaugurated at the end of 2015, this center is intended for the training of employees as well as clients

Annual Performance Appraisal (APA)

The APA is an important event in the relationship between an employee and his or her manager. It is a time for discussion of the employee's overall performance and achievement of the goals set in the beginning of the year.

It is also an opportunity to discuss the employee's skills development and personal ambitions, training needs and the manager's management style.

At Tollens, each employee who has indicated their mobility receives a letter informing them that their request has been received by the HR department.

The APA is implemented in all group subsidiaries and is intended to reach all employees. However, this policy is not yet systematically applied. The percentage of managers having completed APAs decreased from 81% in 2014 to 68.7% in 2015.

Succession plan

Each subsidiary reviews its succession plan annually.

In addition, Colorín performs a preparatory People Review intended to be fed into the succession plans, and to identify high potentials, key personnel and experts.

The succession plans for the Management Committee members in each subsidiary are consolidated by the group's Human Resources department to be presented to and discussed by the executive management of Cromology. These plans help the group ensure that it has the right people in place for its future development or that the necessary steps (training, mobility, recruitment, etc.) are being taken to achieve this objective.

High potentials, key personnel and experts

In 2014, the Group Human Resources department launched a procedure to identity high potentials, key personnel and experts. Based on a set of predefined criteria, each subsidiary submitted proposals. After discussion with the group's management, a list of people to be closely followed was drawn up.

Compensation

The compensation policy of Cromology is coordinated with its subsidiaries and adapted to take into account characteristics that are specific to their local markets.

This compensation policy is based on the following principles:

- compliance with applicable regulations and the minimum contractual salary in force;
- recognition of individual and collective performance;
- desire for internal equity;
- consistency with local market conditions.

All of the group's subsidiaries promote and implement variable compensation systems to enhance individual and/or collective performance.

In 2015, Zolpan and Couleurs de Tollens (French integrated distribution subsidiaries) amended the variable remuneration systems of their travelling sales force (310 employees) to adapt them to the objectives for growth and gaining market share.

For employees with no access to public transport to commute to distant sites, Cromology Research & Industry introduced transportation vouchers.

The Human Resources departments in each subsidiary conduct periodic benchmark studies to ensure that compensation is consistent with market levels. Each year, Cromology subsidiaries engage in negotiations that enable a significant number of local collective agreements to be adopted regarding compensation or other HR topics (18, including nine specifically for 2015).

In 2015, personnel expense represented 24.9% of Cromology's sales. This one-point increase compared to 2014 was primarily the result of the weak revenue growth, due to the increase in employees and very high inflation in Argentina (see "Employees" section).

Cromology considers employee benefits to be an integral part of its overall remuneration policy. In this vein, all of the French companies in the group adapted and updated the company-wide death & disability and healthcare plans in 2015 through a cooperative approach endorsed by personnel representatives.

Similarly, the Swiss subsidiary Vernis Claessens negotiated improved benefits in the event of death, while reducing payroll deductions.

Since 2014, the French employees have received an individual annual statement with detailed information about their overall annual direct and indirect compensation and their total healthcare and retirement benefits.

Organization of work

Each Cromology entity ensures that its business activities comply with local regulations. The continuous improvement of working conditions and organization is also an important element of each subsidiary's human resources policy for improving company performance. applied by each group subsidiary.

Consequently, Couleurs de Tollens introduced a new sales force management organization in its distribution network. Management is now specialized between the sales promotion managers, who manage groups of sales outlets, and sales development managers, responsible for managing the travelling sales force. This new organization also created career opportunities for the highest-performing employees.

Cromology España entered into an agreement with trade unions to add a fourth production team on weekends from January to October. This agreement will reduce overtime and create permanent (rather than temporary) jobs, while better meeting customer demand.

In addition to collective agreements on compensation, nine local collective agreements were signed in 2015 in areas related to working time, training, safety, health and diversity.

Diversity

Cromology fights all forms of discrimination.

In France, the Zolpan subsidiary is a signatory to the Diversity Charter. In France, Cromology has signed agreements with adapted employment centers or sheltered workshops. Cromology also notifies specialized organizations for the employment of people with disabilities of available job openings.

Freedom of association

In accordance with local regulations, Cromology allows employees open access to their representative, consultative and labor-management bodies in all of the group's entities.

3.2.2.4 Environmental initiatives

Respect for the environment is an important aspect of Cromology's culture. Protecting the environment is a key element in the Cromology culture, which is why the group invested €2.4 million in 2015 to prevent "environment and safety" risks, representing 12% of its total capital expenditure.

The group has developed an environmental strategy based on three priorities:

- strengthening its environmental management system;
- optimizing the use of resources;
- reducing its environmental impact.

The industrial activities of Cromology, mainly involving the formulation and manufacture of paint, have a moderate direct impact on the environment.

Strengthening the environmental management system

Cromology continued its efforts to prevent risks and reinforce environmental management at all of its industrial sites through the gradual achievement of ISO 14001 certification, an international standard for environmental management. Seven Cromology sites, representing 44% of its industrial and logistics sites, are now certified to this standard.

Optimizing the use of resources

Resource consumption at Cromology is directly proportional to its volume of activity.

Energy management and energy efficiency

Cromology continued its energy efficiency initiatives to diminish its environmental impact and energy costs.

The group's total energy consumption in 2015 was 186.2 terajoules, up 0.8% from 2014, while business volume increased by 6.8% over the same period.

This reduction in the ratio of energy consumed to quantity produced resulted in a decline in NOx and CO_2 emissions by 2.9% and 4%, respectively, in absolute values.

The 4% decline in COV emissions was the result of ongoing process improvement and optimization.

Zolpan's distribution network conducted a new carbon assessment in 2014. Following this assessment, Zolpan introduced ecodriving to its employees, launched awareness campaigns on energy efficiency and has used hybrid vehicles as much as possible in its automobile fleet. A second assessment is planned in 2017 based on 2016 performance.

In Europe, an energy audit in line with European directive 2012/27/UE was performed for the relevant entities: Italy, Portugal, and the Zolpan and Tollens networks. An action plan will be implemented by entity in 2016.

Water management

The group's total water consumption in 2015 was 158,504 cubic meters, up 0.9% while business volume increased by 6.8%. Correlating with the small increase in water consumption, Chemical Oxygen Demand (COD) increased between 2014 and 2015, from 47.3 to 47.8 metric tons. Total suspended solids (TSS) content fell by 4.5% over the same period.

A number of Cromology industrial sites have been designed so that effluents are fully recycled and that no wastewater is discharged into the environment. The Wormhout (France) site is one example. Specific investments are made each year to improve industrial wastewater treatment and reduce discharges from the relevant activities.

At Les Franqueses (Spain), for instance, a new biological water treatment unit was installed at the end of 2014 and is now fully operational.

At La Bridoire (France), the first pilot evaporator/concentrator was tested to improve the quality of water discharged. A second test will be conducted in the first quarter of 2016, with the eventual goal of eliminating water discharge at the site.

A water consumption awareness campaign was conducted at the logistics platform at San Miniato (Italy).

Raw material management

The processes employed by Cromology in its activities produce very little loss or waste.

In 2015, processes and recycling were improved, reducing waste from 4.3% to 3.7% of the manufactured volume.

At the La Bridoire (France) site, for example, extremely rigorous management reduced total spoilage by 16% while production declined by only 4%. The logistics platform at Vémars (France) also reduced its hazardous waste by 17% by reducing its breakage rate (better productivity) and by better management of its waste.

Better management of obsolete products resulted in a 19% reduction of waste at the Les Franqueses (Spain) site.

Working closely with its packaging suppliers, the group was able to reduce its consumption of petroleum-based raw materials by using regenerated plastics. Cromology's principal supplier has thus committed to using up to 50% of the volume of regenerated polypropylene to manufacture the packaging used by the group.

As a color expert, Cromology manages the entire preparation and manufacture of all its colorants for perfect and timeless colors. Consequently, Cromology provides its integrated and partner distribution networks with colorants manufactured in its own factories. In 2015 Cromology replaced its rigid plastic packaging with flexible packaging. In 2015 Cromology replaced its rigid plastic packaging with flexible packaging, which reduced the volume and weight of this packaging (27 metric tons), and the energy needed to manufacture and transport them. In addition, this type of packaging allows the optimal use of the product, down to the last drop, which results in the least product loss (5.5 metric tons).

Limiting the environmental impact

Management and disposal of industrial waste

In 2015, the industrial activities of Cromology generated a total of 8,302 metric tons of waste (a 8.7% decrease from 2014 compared with a 6.8% increase in production over the same period). This waste was treated by specialist subcontractors accredited by local authorities.

The amount of waste classified as hazardous under the European Waste Catalogue, diminished by 15.8% between 2014 and 2015. This reduction was achieved through strict management of waste, including intensified efforts to sort waste.

In addition, in 2014, waste compactors were installed at the La Bridoire plant in France and the Casablanca plant in Morocco. By compacting certain types of waste, such as plastic wrap, some value can be recovered from them.

Noise pollution

The noise generated by Cromology plants is limited. Noise levels are monitored at all industrial sites, in accordance with local legislation and OHSAS 18001 certification, and formal action plans are implemented.

In 2015, Cromology obtained OHSAS 18001 certification for all of its industrial sites.

Land use

The land footprint of Cromology's industrial activities and their direct impact on land are not significant and do not warrant close tracking of land use.

Adaptation to the consequences of climate change

The group's activities are not directly impacted by the consequences of climate change. Accordingly, it has not developed an overall policy in this area.

Measures to protect and enhance biodiversity

No major, immediate impact from the industrial activities of Cromology has been identified. General efforts to reduce the use of resources and environmental impact also ultimately contribute to protecting biodiversity. Accordingly, the group has not developed an overall policy to protect biodiversity in the areas surrounding its industrial sites.

3.2.2.5 Societal initiatives

As a stakeholder in the community, Cromology's commitment focuses on two actions:

- innovating, to design and offer products and services that are increasingly respectful of the environment and its customers and users: professional painters, retail customers, independent and big box DIY distributors, architects, and public and private builders; and
- strengthening the relationship between the group's sites and the communities where the group conducts its industrial and sales activities.

Innovating and offering products and services that are more respectful of their users and the environment

Cromology has an aggressive innovation policy: nearly a quarter of its 2015 sales were achieved with products less than three years old.

Cromology achieved its goal of reducing the volatile organic compounds (VOC) emissions of its products in ten years. Ninety percent of the paints in its product ranges are now water-based.

Cromology also adheres to a voluntary comprehensive research and development approach focused especially on respect for the environment.

Cromology thus continually seeks to reduce the VOC content of its innovations as much as possible, beyond the regulatory requirements of the countries where it operates, while maintaining the highest level of quality and performance possible. New products meeting the most demanding VOC content labels(1) (Ecolabel, TÜV) or VOC emission rate(2) (A+, TÜV) represented nearly half (47.8%) of 2015 sales realized for products less than three years old. In France, for example, Tollens and Zolpan launched products under the German TÜV label that limit the VOC rate to less than 1 g/l for interior paint; that is 30 times less than the content limit under European regulation, and ten times less than the content limit for the European Ecolabel.

Cromology is marketing a major innovation: an anti-formaldehyde paint that reduces indoor air pollution by absorbing major pollutants. When used on the four walls and ceiling of a room, the amount of pollutants in the indoor space can be reduced by up to 80%. This paint innovation was named Innovation of the Year in 2014, for all categories combined, by the home improvement chain Castorama in France.

Cromology is a pioneer in exterior thermal insulation, with 15 million square meters installed since 1975, and is constantly extending its range of external insulation systems (about 5% of its sales) to improve energy efficiency and comfort in buildings. For example, Cromology added the following products to its range:

- launched in 2011, the second generation of a fire-resistant paint, involving a major change in formulation;
- starting in 2014, colorants using "cold" pigments that can be adapted for use in exterior thermal insulation.

In 2015, Cromology's R&D investments represented 1.3% of sales from its manufacturing activities (excluding resale).

Strengthening the group's presence in the local community

Impact on employment and regional development and on neighboring or local populations

The impact of Cromology's business activities, and the activities resulting from the use of Cromology products, are mainly local.

Through its business, Cromology contributes to the construction and renovation of housing, commercial real estate and infrastructure, the vast majority of which are local markets.

Most of its production operations are also carried out locally. In 2015, the share of Cromology revenues generated by products sold in the regions where they were produced was more than 95%.

Similarly, Cromology's policy for purchasing raw materials and packaging in Europe is to give preference to European suppliers in an effort to reduce its transport costs and have better accessibility and availability of the manufacturers.

Relations with suppliers and subcontractors

Purchases represent a significant portion of Cromology's expenses. The Purchasing department is committed to developing best practices with regards to CSR and exchanges with the group's suppliers on topics related to the group's CSR policy--in particular, targeted innovation policy for products that are more friendly to the environment and users, and management of the environmental impacts of production activities.

Cromology's two main purchasing categories are:

- "raw materials and packaging" to manufacture and package our paints; and
- "trade products" to provide our customers in our integrated stores with tools and equipment for painters and floor and wall coverings.

Cromology initiated a quality audit process in 2015, covering its raw materials and packaging suppliers. The internal report from this audit also included an assessment of the safety and environmental areas.

In September 2015, Cromology organized a "supplier's day", with more than 80 representatives from its strategic suppliers of raw materials, packaging and products for resale. This seminar allowed Cromology to strengthen relationships with its strategic suppliers over time, to give them a better understanding of Cromology's product innovation strategy, whose goals include respect for the environment and the well-being of the users of Cromology's paints.

(1) The VOC content (expressed in g/l of paint) is the quantity of volatile organic compounds found in the paint formulation.
(2) VOC emission (expressed in µg/m³ of air) is the rate of volatile organic compounds emitted into the indoor air after the paint is applied and dried.

Partnership and sponsorship initiatives

Cromology allows its teams in each country to choose their own local initiatives.

They tend to work with the associations or organizations in which Cromology employees are volunteers.

In Morocco, the Arcol subsidiary is running a program to renovate rural schools through skills volunteering and paint donations. In 2015, 11 schools and nearly 4,500 students benefited from this initiative.

The Argentinean subsidiary Colorín works with TECHO, an organization that is building more than 2,000 wooden houses to help needy families in South America.

In France, Tollens partners with Institut Imagine, the largest European research center for childhood diseases. Among other initiatives, Tollens donated half of the 13,000 liters of paint needed to embellish the new building inaugurated by the Institut in 2013.

Since 2009, Zolpan has offered nearly 40 sustainable development grants to projects being supported by Zolpan employees who volunteer their personal time. The beneficiary organizations most often provide services to needy individuals, protect cultural heritage, or promote sports.

Many subsidiaries also promote culture and the arts:

Colorin is a partner of Glaciarium, Museo Del Hielo, a museum dedicated to the understanding of glaciers and the environment. In Portugal, Robbialac has partnered with the museum Museu Colecçao Berardo (Lisbon) since 2011. Tollens is a partner of three museums in France: Musée d'Orsay (Paris), Musée de l'Orangerie (Paris) and Musée de la Piscine (Roubaix). Zolpan is a long-term partner of CitéCréation, the world leader of painted murals, and contributed in particular to the "Mur des Canuts" mural in Lyon, France, which is the largest *trompe-l'œil* fresco in Europe. In 2015, Zolpan also contributed to the fresco reproduction of the portrait of Paul Bocuse, also in Lyon.

Preventing corruption

Cromology works to ensure that its employees follow fair business practices and comply with applicable regulations in this area.

In 2014, an anti-corruption charter called "Cromology Group policy on gifts, meals, entertainment, travel and other advantages, political contributions, charitable donations, facilitation payments, solicitation and extortion" was presented to the Executive Committee. Each Cromology Executive Committee member, including all the CEOs of the operational companies, signed Business Conduct Guidelines that incorporate the anti-corruption charter.

In 2015 and the beginning of 2016, all Executive Committee members of the operational companies of the Cromology Group agreed in writing to implement it.

Commitment to human rights

The Cromology Group refuses to use any child or forced labor.

The Business Conduct Guidelines also refer to the Cromology charter on compliance with laws and regulations on export control and trading with certain countries (the "Cromology Group Policy Regarding Compliance with Trade Control Law"). The CEOs of the operational companies have made a commitment to follow procedures to ensure that the Cromology Group does not trade with countries subject to international sanctions. These include countries considered to violate human rights.

3.2.2.6 Summary of environmental and social indicators

Human resources indicators	2015	2014
Workforce		
Group workforce	3,893	3,864
of which permanent contracts	3,744	3,706
of which % of permanent contracts	96.2%	95.9%
of which fixed-term contracts	149	158
of which % of fixed-term contracts	3.8%	4.1%
of whom Women	1,091	1,079
of which % of women	28%	27.9%
of whom men	2,802	2,785
of which % of men	72%	72.1%
New hires in the group(1)	337	262
of whom Women	106	72
of which % of women	31.5%	25.9%
Departures from the group(1)	348	368
of whom Women	99	100
of which % of women	28.4%	27.2%
Breakdown of staff by geographic region		
France	64.8%	64.2%
Southern Europe (Spain, Italy, Portugal)	23.6%	23.8%
Other countries (Argentina, Morocco, Switzerland)	11.5%	12%
Personnel expense as a % of sales	**24.9%**	**23.9%**
Absentee rate(1)	**3.2**	**3.0**
Training		
Number of employees having completed at least one training program	3,163	2,959
% of employees having completed at least one training program	81.3%	76.5%
Average number of training hours per employee	19.1	15.7
External training costs as a % of payroll	0.8%	0.7%
Personal safety(2)		
Number of work injuries with at least one day of lost time	29	26
Number of work injuries without lost time	9	12
Rate of injuries with lost work time (LT1)	4.0	3.9
Rate of injuries with or without lost work time (LT2)	5.2	5.7
Severity rate(3)	0.10	0.20
% of industrial sites with OHSAS 18001 certification	100%	83%

(1) Permanent contracts only.
(2) Scope including permanent, fixed-term and temporary employees and subcontractors.
(3) Severity rate: (number of days of working time lost x 1,000)/number of hours worked.

Environmental indicators	2015	2014
% ISO 14001-certified industrial sites	44%	44%
Waste produced (% of production volume)	3.7%	4.3%
Energy consumption (terajoules)	186.2	184.7
CO_2 emissions (metric tons)	3,718	3,873
NOx emissions (metric tons)	4.06	4.18
SOx emissions (metric tons)	0.35	0.27
Water consumption (cubic meters)*	158,504	157,062
Chemical Oxygen Demand (COD) (metric tons)	47.8	47.3
Suspended solids (metric tons)	25.3	26.5
Volatile Organic Compound (VOC) emissions (metric tons)	114.6	118.9

* *Water consumption does not include water consumption from distribution networks.*

3.2.3 Stahl

3.2.3.1 Human Resources – Highly committed to developing employee skills

Employment

As of December 31, 2015, Stahl had 1,787 employees (1,767 full time equivalent), an increase of 21 employees compared to 2014.

In May 2014 Stahl acquired the Clariant Leather Services Business. This acquisition included three production plants with around 560 employees, explaining the difference between 2013 and 2014.

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

Region	2015	2014	2013
Europe, Middle East, Africa	835	811	474
Asia-Pacific	347	339	270
India and Pakistan	287	278	168
North and South America	298	312	266
TOTAL	**1,767**	**1,740**	**1,178**

85% of Stahl's employees are on permanent contracts. In 2015, the ratio of employees included 78% men and 22% women, unchanged from 2014. In addition, 153 full time equivalents (FTE) left the group (dismissals and resignations) and 190 joined during the same period. These ratios are reasonable and in line with the market for the kind of activities and the location in which they take place. The turnover rate for 2015 was 9.7%.

Organization of work

Stahl operates through a complex international organization for historical reasons and to serve the customer base best. Currently it has 11 manufacturing plants, nine R&D centers, 37 application labs and 29 sales offices. Working practices are obviously different depending on the site. Nevertheless, average working hours are around 40 hours per week, except in India and Pakistan where they work 44 hours. Working hours and incidents are recorded by electronic or manual systems, depending on the site. All Stahl units record and report absenteeism in accordance with local legislation, and in such a way that can be recorded at the corporate level. The overall absenteeism rate for 2015 was 1.77%. This does not include Pakistan as the data was not available.

Social Relations

Given the international set up of Stahl and the relatively small dimension of the local units, there are two collective bargaining agreements in place in Stahl. These are negotiated by management at the local level under the supervision of Headquarters. Salary levels and other types of compensation depend on the individual countries. They are also centrally coordinated, in order to be competitive in the respective markets. A large proportion of employees in the company, mainly management and sales force, enjoy a bonus scheme based on measurable annual objectives. This bonus scheme is coordinated centrally to ensure proper alignment and consistency with local practices.

Compensation

Total compensation, excluding bonuses paid in respect of 2015, was around €101 million, approximately 16% above 2014, primarily related to the acquisition of the Clariant Leather Services Business.

Training

The nature of Stahl's business requires some specifically focused training programs. Priority is given to training on SHE (safety, health and environment) issues. Every new Stahl employee receives SHE instruction in line with their position. Next is technical training, to ensure the best possible use of manufacturing resources, the most appropriate product line, and the most suitable applications for the existing range, as well as the ability of Stahl technicians to provide solutions that best meet customer expectations. In addition, training programs focused on sales, marketing and management skills take place on a regular basis, to ensure the efficiency of the local teams. Stahl created the Stahl Campus in 2014 for this purpose. Activities for this service take place in Waalwijk (Netherlands), Leon (Mexico) and Guangzhou (China) in order to provide the basic skills on leather and other processes to new employees, OEMs, brands, customers and students in the industry. This initiative is a great success in the market. Finally, Stahl offers a management training program, which focuses principally on sales and innovation skills. More than 120 managers attended this international program between October 2013 and December 2015.

Equality

Stahl is and remains an equal opportunity employer in all its locations worldwide. This is a public commitment, clearly stated on Stahl's website.

Stahl tracks the ratio of male to female employees, and the percentage of female employees in management positions. In 2015 there were 68 women in management positions, representing 3.8% of total positions, compared to 4.1% in 2014.

The nature of Stahl's business and the need to respect strict security and potentially emergency measures somewhat limit the opportunities for disabled employees. There are currently 19 disabled employees, compared to 20 in 2014.

3.2.3.2 Safety, Health and Environment

Stahl believes that consideration of the impact of its business activities on the safety, health and environment of its customers, employees, agents and the public at large is an integral and essential part of conducting its business. Stahl's SHE policy is to manage all activities to benefit the entire community while adhering to the following SHE value: 'We will not hurt anyone, bother or alarm our neighbors or harm the environment."

In order to ensure that this policy becomes an integral part of its operations, Stahl works hard to create a positive SHE culture.

Stahl promotes the following principles:

- Give safety, health and environment top priority.
- Obey all applicable laws and be a responsible corporate citizen.
- Identify hazards and establish appropriate controls to prevent risks and potential adverse environmental impacts, and specify the regulatory requirements for the invention, manufacture, sale and use of its products.
- Provide customer service for all products throughout the supply chain.
- Take action to prevent injuries, occupational illnesses and environmental incidents.
- Report and investigate all incidents, take corrective actions and share what was learned from them.
- Ensure that employees and agents have the necessary skills for their positions.
- Define SHE requirements in clear and simple terms, communicate them to all employees, and ensure that they are followed.
- Report, monitor and audit all aspects of SHE performance to confirm that they are observed and continually improved.
- Celebrate and reward excellence in SHE performance.
- Require all employees to accept responsibility for their own safety and health, and that of their colleagues.

Stahl's SHE organization & reporting

All local and general managers are responsible for implementing the Stahl SHE policy and principles in the areas under their control. This responsibility includes adopting systems to recognize hazards, assess risks and provide effective controls. For outpost sites such as Application Laboratories, technical service centers and warehouses, the local or general manager of the controlling site may delegate this responsibility to the manager at the outpost site. The SHE reporting procedure has been substantially revised. Data is now collected and presented in a new format that simplifies information collection and interpretation. To allow quick comparison with historical data, the SHE statistical format presentation has been retained.

Stahl's SHE Campaign

In 2015 Stahl rolled out an ambitious, two-year, worldwide safety awareness campaign with the goal of reducing the number of incidents within the company. It consists of 12 eight-week campaigns related to the 10 Golden Rules of safety, with each focusing on a specific theme and including training sessions as well. This program is exhibited in all Stahl sites with posters in the laboratories and information flyers distributed to all employees. Finally, employees must demonstrate responsible behavior where safety is concerned.

Given Stahl's expansion in recent years, this SHE campaign plays a critical role in the company's strategy for sustainable growth.

Safety Performance Indicators

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

	2015	2014	2013
Frequency rate of accidents with lost work time[1]	0.14	0.15	0.08
Severity rate of accidents[2]	3.8	5.55	0.97

(1) Frequency rate is calculated as follows: (number of reported accidents with more than one lost day x 100,000)/(number of worked hours).
(2) Severity rate is calculated as follows: (number of lost days x 100,000)/(number of hours worked).

Environmental Performance Indicators

Stahl continuously upgrades its production sites and laboratory facilities in order to achieve efficiencies and reduce its environmental footprint. The company measures energy, water and waste consumption on a monthly basis.

Stahl recognizes that climate change represents a potentially irreversible threat to society and that global CO_2 emissions must be reduced in order to meet the targets established by the global climate agreement reached at the COP21 conference in Paris in December 2015. Using 2015 emissions as a baseline, Stahl will issue a long term $C0_2$ emissions target during 2016.

The environmental performance indicators relate to Stahl's 11 manufacturing sites. The applications and testing labs do not provide sufficient data to be included in these performance indicators.

Carbon Footprint

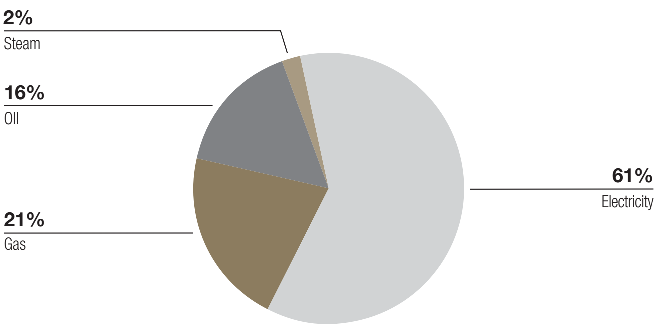
	2015
Scope 1: Direct GHG emission[1] (metric tons CO_2-eq.)	17,361
Scope 2: Indirect GHG emission from electricity sources[2] (metric tons CO_2-eq.)	17,823
Scope 3: Other indirect emission sources[3] (metric tons CO_2-eq.)	3,605
Total metric tons CO_2-eq.	38,788

(1) Scope 1: Direct GHG emissions are from sources that are owned or operationally controlled by the company--company owned or leased cars, other company vehicles, gas and oil used on site.
(2) Scope 2: Indirect emission from electricity sources: are from consumption of energy (in the form of electricity, steam, heat and cooling) purchased from the grid or district heating or cooling systems.
(3) Scope 3: Other indirect emission sources are related to company activity but are not from sources owned or controlled by the company, for example, business flights.

Actions undertaken in 2015 to reduce emissions:

- Upgraded production tank condensers at the Waalwijk site in the Netherlands to reduce CO_2 emissions (Scope 1);
- Modified process installation at the site in Parets, Spain, to reduce VOC feed treated by regenerative thermal oxidization (RTO) which consequently reduced CO_2 emissions (Scope 1);
- At the sites in India, installed two harmonic filters in the electric panel which reduced electricity loss by 3% and led to a drop in fuel consumption and a reduction of CO_2 emissions (Scope 2);
- Reduced the emissions of process VOC's used at the Peabody site in the United States by 25% compared to 2014. This was done by completing process modifications in early 2015.

Energy consumption



Actions undertaken in 2015 to reduce energy consumption:

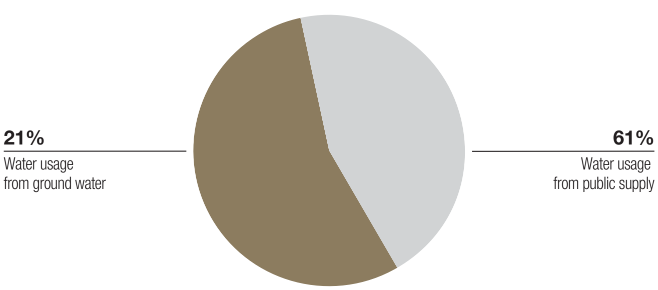
- Opened the new Automotive Center of Excellence in Waalwijk, Netherlands, in September 2015. This energy-neutral facility is BREEAM-certified (meeting the standards for the world's leading sustainability assessment method for buildings) and is designed to inspire Stahl's customers and partners by showcasing sustainable innovations for car interiors. The lab's high performance testing equipment also allows tests to be conducted according to global car manufacturer specifications.

- Started installing a new roof over the warehousing areas at the Peabody site in the U.S. to reduce energy loss. The new insulation being installed is 11.4 cm thick with a thermal resistance of 27.
- In 2016, continuing a feasibility study of a biomass plant to generate green steam at the Waawijk, Netherlands site. The aim is to use steam generated by a boiler that is fueled with biomass. This is a joint project with the production plants near Stahl.
- Began the ISO 50001 certification process for the energy management system at the Leinfelden (Germany) site.

Water consumption

	2015
Water consumption (cubic meters)(1)	320,072
Other water use (cubic meters)(2)	491,021
Total water used (cubic meters)	811,093

(1) Water consumption: the portion of water use that is not returned to the source after being used and which requires treatment before being recirculated.
(2) Other water use: at the Palazzolo site in Italy, in addition to our usual consumption for cooling, water is used to help the community maintain the low level of groundwater. Water is taken and resent to the well, without any contamination, and thus does not contribute to water scarcity.



Actions undertaken in 2015 to reduce water consumption:

- Upgraded a problematic boiler balancing tank at the Peabody U.S. site which reduced the amount of water going to the sewer by 10-15% from the same period last year.
- Improved the steam condensate recovery at the site in Kanchipuram, India, by installing recovery pumps. Condensate recovery has improved from 20% to 60% of steam generated. This reduced deionized water consumption by 350 kiloliters per month.
- With the opening of the Automotive Center of Excellence in Waalwijk, Netherlands, in 2015, rainwater is no longer discharged to an external wastewater treatment center, but to a well to maintain the groundwater level.

Waste management

	2015
Hazardous waste (metric tons)	6,570
Non-hazardous waste (metric tons)	1,276
Total waste (metric tons)	7,846

	2015
Wastewater send for external treatment (metric tons)*	15,815

* *This indicator only represents the Waalwijk and Toluca sites. The other nine sites have an on-site wastewater treatment installation.*

Actions undertaken in 2015 with regard to waste treatment:

- New drain technology was introduced at the Waalwijk site for cleaning the production tanks in order to reduce waste.
- Developed a construction plan for a wastewater treatment plan at Waalwijk. Construction will begin in 2016 and be completed in 2017.
- Plans were approved to upgrade the existing wastewater treatment plant at the site in Suzhou, China. Construction will begin in 2016.
- Implemented a waste collection and sorting program at the Suzhou site. Hazardous and non-hazardous waste is gathered and placed in separate containers. This project reduced hazardous waste by 10% in 2015 compared to 2014.

Innovative solutions to reduce environmental impact

A high portion of the company's workforce (690 full time employees out of a total of 1,780) is employed in research and development activities. Of these 690 people, 90 are exclusively in R&D, working on polymer chemistry and basic research, and the other 600 are technical specialists and applications engineers who work closely with customers on perfecting the final product. With nine R&D centers around the world, much of Stahl's research is focused on sustainable solutions for customers. An ambitious approach to green product innovation is what is driving Stahl's sales growth.

Some examples:

Leather Chemicals & Finishing Products

- Stahl EasyWhite Tan™: The main environmental benefits of using the Stahl EasyWhite Tan™ chrome-free system include a significant reduction in the consumption of water, salt and energy in the leather tanning process. Sales of this single product doubled in 2015 vs 2014, and it is an increasingly common choice for customers seeking a more sustainable tanning process, without compromising on leather quality.
- Green Polymatte®: Polymatte® is a water-based polyurethane created by Stahl which forms a smooth, matte surface when applied as a film coating. It is used extensively by Stahl customers in the coatings and leather industries. In the Polymatte® range of products, Stahl has developed Green Polymatte® which is partially produced from rapeseed oil (a renewable plant-based resource) instead of petroleum-based polyols. This new composition preserves the smooth feel and matte surface of the coating.

High-performance Coatings and Polymers

- STAHL EVO is a new generation of polyurethane based products used to manufacture garments and footwear. Topcoats, skins, foams and pigments are all part of this constantly expanding range of sustainable products. STAHL EVO products are ZDHC MRSL-compliant, and also allow customers to eliminate the use of DMF in their processes, while reducing water and energy consumption. Sales of STAHL EVO products tripled in 2015 vs 2014, and this rapid growth is expected to continue as customers switch away from solvent based products.
- Biobased polyurethanes: Designing water-based polyurethanes using renewable raw materials is not new. Stahl has introduced several products based on this idea and bio-content levels of 35% can now be achieved. Stahl's vision, however, goes beyond that, and the company is currently working on high performance polyurethanes which contain 85% or even 90% bio-content. Such breakthrough technology would be groundbreaking for Stahl and its customers, given the technical challenges involved.

3.2.3.3 People & Society

Stahl has an active code of conduct policy which is being implemented throughout the supply chain. It ensures that the company's partners respect human rights and the environment. The company also has a whistleblower policy with clear rules that allow employees to report suspicious behavior that could be in conflict with the code of conduct, with the necessary protection for the whistleblower. There were no incidents of corruption reported in 2015.

Trusted Partnerships:

Stahl's goal is to achieve a more transparent and sustainable supply chain in the industries where it is active. By stimulating cooperation in the supply chain, via more intense collaboration with our partners, sustainability evolves as a positive consequence. Stahl's mission is to increase sustainability by promoting transparency.

Joint venture with Nutech

In July 2015, Stahl entered into a joint venture with equipment supplier Nutech, which produces innovative powder coatings for heat sensitive surfaces. Like Stahl, Nutech has a strong focus on sustainability and its eco-friendly coatings will become a key part of Stahl's offering in the architectural coatings segment.

- Proviera® Technology Acquisition

  Announced in early 2016, Stahl acquired exclusive distribution rights for a new range of bio-based products used in the early stages of leather processing. Proviera® products, derived from controlled fermentation of natural ingredients, can significantly reduce the effluent load from tanning while improving leather quality and yield.

- Stahl Campus® expansion

  Stahl Campus®, the global knowledge center established in 2014 in Waalwijk, Netherlands, to promote a more transparent and sustainable supply chain, was expanded to León, Mexico in November 2015. Stahl Campus® welcomes customers, suppliers, educational institutions, and OEMs, who come to deepen their knowledge through training. This new site enables Stahl's partners in Mexico to benefit from training modules adapted to the local market. In 2016, Stahl Campus® will expand its activities to Asia.

- SLEM

  SLEM, which stands for Shoe, Leather, Education Museum, is an international innovative and educational institution dedicated to footwear. Stahl Holding cooperates with SLEM and contributes yearly two scholarships for its Master of Footwear and the innovation it offers.

Aside from its commercial activities around the world, Stahl experts are also involved in non-profit activities in emerging countries:

- PUM is a Dutch non-profit organization that links small and medium-sized companies in developing countries to experienced experts in order to improve sustainability and combat poverty in those regions. Stahl and PUM have begun to work together on projects for the leather sector. Through this partnership, Stahl experts travel to the country in question with staff sent by PUM to visit tanneries that require the technical skills and services that only Stahl technicians can offer;
- UNIDO: The mission of the United Nations Industrial Development Organization (UNIDO) is to promote and accelerate inclusive and sustainable industrial development (ISID) in developing countries and economies in transition. Stahl and UNIDO are collaborating on projects which involve the promotion of sustainable practices in the leather industry, for example in Bangladesh and Pakistan;
- UN Global Compact: Stahl is committed to the guiding principles of UN Global Compact, the world's largest corporate sustainability initiative. Through this commitment, Stahl affirms that its strategy and operations are aligned with the universal principles of human rights, labor, environment and anti-corruption.

Community Projects

Stahl recognizes the importance of continuous engagement with the local communities living near its operations, laboratories and offices. There are many activities at the various sites around the world which demonstrate Stahl's contribution to the well-being of the people who live nearby. Some highlights:

- Talent Incubator - Stahl Mexico offers scholarships and internships for students from different Uuiversities (e.g. La Salle, Tecnológico de Monterrey, Universidad Tecnológica del Valle de Toluca, Universidad del Valle de Toluca and Universidad de Guanajuato), through our Talent Incubator (STI) program. This program offers a real working environment for students in the final phase of their degree. It is coordinated by ANIQ (National Society for the Chemical Industry);
- Donations - Every year, Stahl employees donate clothes to charities in Portão which are dedicated to helping people in need. This year food, water, clothes, mattresses and cleaning supplies were collected for people displaced due to floods in the Southern regions of the country;
- University collaboration in China - Stahl China established a leather-specialized university program with Chinese universities. Stahl finances scholarships and organizes conferences for students interested in leather processing. Stahl China also offers the top students from these universities the opportunity to attend a two-week practical training session on leather manufacturing in the Stahl Guangzhou Technical Center;
- Mobility for people in need - Stahl Italy collaborates with PMG, an association working with the municipality of Palazzolo to assist with the mobility and transport of disabled children and people in need. Activity is mainly focused on transporting children to school in the mornings and to social centers in the afternoons, but also supports families, and promotes social involvement and integration of the disadvantaged in general. Two minibuses with drivers and accompanied by volunteers are made available to the municipality every day for the required travel schedules;
- Training and educational support - The Vanapadi Middle School is located near one of the Stahl sites in India. Stahl supports this school with equipment such as light fixtures, fans, an audio system and computers. Stahl also sponsors improvements to the school building, like the extension of the sanitary facilities and the installation of a new water tank with RO plant. Stahl India is involved in many local initiatives, such as vocational training and an environmental awareness program for a nearby village community.

3.2.3.4 Reporting methodology for Stahl

Reporting scope

Unless otherwise indicated, social data are reported for all Stahl entities worldwide. The environmental performance indicators relate to Stahl's 11 manufacturing sites.

Methodological limitations and uncertainties

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

The definitions and reporting methods used for the following indicators are described below.

Social indicators

Total workforce

The total workforce is the number of employees with a permanent or fixed-term contract with the Stahl Group on the last calendar day of the month. The data are reported in terms of physical persons and full-time equivalents.

Hires & departures

Fixed-term contracts made permanent are counted as hires and departures. The data are reported in full-time equivalents.

Absentee rate and total hours of training

Absentee rate and hours of training are not included in this report. Although these indicators are tracked locally by each entity, they are not consolidated at the group level.

Safety indicators

Lost-time injury frequency rate

The lost-time injury frequency rate is the number of accidents involving the loss of one or more days of working time that occur over a 12-month period, per 100,000 hours worked. Accidents while commuting between home and work are not included in this indicator.

Environmental indicators

Carbon Footprint

The carbon footprint is calculated according to three scopes of missions:

- Direct GHG Emissions are those that occur from sources that are owned or operationally controlled by the company--company owned or leased cars, other company vehicles, gas and oil used on its sites (Scope 1);
- Electricity Indirect Emission Sources are related to energy (in the form of electricity, steam, heat and cooling) purchased from the grid or district heating or cooling systems
(Scope 2);
- Other Indirect Emission Sources: are related to company activity but are not sources owned or controlled by the company, for example, business flights (Scope 3).

The carbon footprint data is reported annually.

Energy

The energy consumption includes all energy sources consumed by the 11 Stahl production sites around the world. The figures indicated do not include energy consumed by offices and laboratories that are not geographically connected to one of the production sites.

Water

The water consumption includes all water sources consumed by the 11 Stahl production sites around the world. The figures do not include water consumed by offices and laboratories that are not geographically connected to one of the 11 production sites.

The "Other water consumed" indicator is related to the Palazzolo site in Italy. There Stahl is using water in addition to the usual consumption for cooling, to help the community to maintain the low level of groundwater. Water is taken and resent to the well without any contamination, and thus does not contribute to water scarcity.

Waste

The waste indicator includes all hazardous and non-hazardous wastes generated by the 11 Stahl production sites around the world. The figures do not include waste generated by offices and laboratories that are not geographically connected to one of the production sites.

Furthermore, Stahl reports wastewater that is sent to an external treatment center. This data only relates to the sites in Waalwijk and Toluca. The other 9 Stahl production sites have their own wastewater treatment plant.

Consolidation and internal controls

The HR and SHE departments are responsible for consolidating social and safety data based on the information provided by the industrial group.

At each industrial site, the SHE coordinator reviews safety and environmental data reported before the group-level consolidation is performed.

The social data relating to the workforce are compared against the consolidated data in the group's finance database for consistency.

3.2.4 Mecatherm

3.2.4.1 Setting ambitious goals for continuous improvement

Mecatherm is committed to continually raising the bar in terms of continuous improvement. All companies in the group strive to design equipment that integrates high standards, particularly in four areas: food safety, personal security, equipment preservation and environmental protection.

Given Mecatherm's growth over the past several years and the expected future growth, as well as the challenges of adapting to accommodate this growth, the company needed to make some changes to the operational organization of the whole group.

Consequently, the primary initiative undertaken by the group in 2015 consisted of a total reorganization of operations, particularly for the purpose of reallocating resources to make the group more competitive and help it adapt to new demands from its clients and the market. This reorganization was also made to optimally integrate the external growth expected in the future.

As such, after observing how the group actually functioned, operations management decided to split the group's activities by product type, into two business segments:

- the "Crusty" segment for all activities related to baguettes, ciabatta, kaiser, etc.;
- the "Soft and pastry" segment for sandwich bread, buns, croissants and pastries, etc.

These two segments include autonomous "pre-project", "project" and "assembly-product line start-up" teams.

At the same time, Production Units (PU) were established in an optimized "cost-quality-time" arrangement, in relation to the different machines and functions of the group's product lines, as follows:

- "Front line" PU
- "Ovens" PU
- "Mechanized systems" PU (conveyers, accessories, etc.).

The Research and Development (R&D) department and "service" are not affected by the segments and the PUs since they are considered to be autonomous services outside of the operational organization described above.

This project began in February 2015 and was completed at the end of the summer.

The implementation of this new organization required changes in positions and functions for certain personnel, changes in function for others and in hiring.

In line with this new organization of operations, and to better promote the group's product range, the group decided to clarify the trade names of the group's companies. Mecatherm us

The two segments will be Mecatherm CrustyBread (site located in the Bas Rhin *departement,* France) and Mecatherm Soft&Pastry (site located in the Maine-et-Loire, France).

Each site continues to pursue its own projects and objectives, and takes orders related to the goals of the segment and the group's development.

Finally, in 2015, the "Ovens" PU (in the Bas Rhin *departement)* was the first location in the group to experiment with implementation of the *Lean* program.

3.2.4.2 Reporting methodology

Scope and methods of consolidation

To produce the key indicators selected for this report, data were taken from all entities consolidated in the financial statements of the Mecatherm Group: TMG SAS, Mecatherm SA and Gouet SAS.

A specific calculation method has been defined for each indicator. Data are collected using report files validated by Mecatherm, mainly generated by the payroll and time management systems.

Responsibilities and verifications

Mecatherm's Human Resources department is in charge of producing social, societal, safety and environmental data.

Additional information about reported indicators

The definitions and reporting methods used for the following indicators are described below..

Safety indicators

The lost-time injury frequency rate is the number of accidents involving the loss of one or more days of working time that occur over a 12-month period, per million hours worked.

Accidents while commuting between home and work are not included in this indicator.

Social Indicators

Total workforce

The total workforce is the number of employees with a permanent or fixed-term contract with the Mecatherm Group on the last calendar day of the month.

Hires & departures

Fixed-term contracts made permanent are not counted as either hires or departures.

Absentee rate

The ratio of the number of hours of absence to the number of hours theoretically worked.

3.2.4.3 Social data

The Mecatherm Group's three locations are in France: Mecatherm in Alsace (Barembach), Gouet SAS in the Loire valley (Montilliers) and TMG in Île-de-France (Paris). Gouet's secondary site in Seine-Maritime (Saint-Rémy-Boscrocourt) was definitively closed in September 2015.

As of December 31, 2015, Mecatherm had 409 employees, compared with 351 as of December 31, 2014. The majority of employment contracts were full-time, permanent contracts. Fixed-term contracts represented 8.80% of the total in 2015, a slight increase from 2014. Mecatherm plans to maintain the proportion of fixed-term contracts between 5% and 10%. The group's total workforce was composed of 22.98% managers and 77.02% non-managers. Women made up 10.51% of the workforce, an increase over 2014. Employees with disabilities represented 2.2% of the workforce.

In 2015, the group's turnover rate was 28.75%. This rate is due to the large increase in the number of new hires in the group between 2014 and 2015. There were 14 dismissals, primarily due to the closing of Gouet's secondary site. The absentee rate in 2015 was 2.69%, lower than in 2014; the goal set in 2014 to reduce this figure to under 3% was achieved in 2015.

	2015	2014	2013
Total workforce as of December 31	409	351	304
Average staff numbers	421	358	322
Absentee rate	2.7	2.8	2.8

Compensation

Total compensation paid in respect of 2015 was €16.8 million. The level of compensation of all employees increased in the range of 1-3% on average. The increase in 2015 was due to a 1% cost-of-living increase plus individual increases. Furthermore, all employees (except at TMG) benefit from profit sharing at their company according to the legal provisions.

Organization of working time

The workweek is 37 hours long for non-management employees (excluding traveling staff and supervisory-level staff), organized on a monthly basis into three weeks of 39 hours and one week of 31 hours. To accomplish this, an 8-hour day is granted as work-time reduction ("RTT") during the 31-hour week. For management-level employees, non-management traveling staff and supervisory-level staff, working time is measured on the basis of 218 days per year. 0.73% of all employees work part-time due to medical leave or childcare leave.

Social Relations

Labor-management dialogue is mainly conducted through employee representative bodies at individual sites.

The Montilliers site has a single employee representative body; health and safety issues are handled by the CHSCT.

At the Barembach site, employees have a works council and a CHSCT.

Mecatherm applies industry agreements, and all of its employees benefit from the sector's collective bargaining agreement.

Training

More than 50% of employees participated in training in 2015, for a total of 4,839 hours of training. Mecatherm intends to maintain its goal to have at least one of every two employees take part in training.

Training is scheduled and tracked by the internal Human Resources departments. The training programs delivered on a yearly basis mainly cover technical skills, safety (such as driving forklifts, electrical qualifications or emergency first aid at work) and language skills. Refresher training courses are also organized annually.

Non-discrimination

Mecatherm is committed to maintaining a steady proportion of employees with disabilities in its workforce. Job applicants with disabilities are encouraged to apply for open positions and workstations are adapted as necessary. In 2015, 2.2% of its employees were recognized as having a disability.

In addition, Mecatherm reaffirmed its commitment to workplace gender equality by signing a new plan in this area with employee representative bodies in 2015.

Furthermore, with the intention of adopting an age management policy, Mecatherm met several times with personnel representatives to create an action plan regarding the "generation contract". This three-year action plan aims to set out concrete actions to encourage the sustainable integration of young people into the workforce by their access to permanent contracts; encourage hiring older workers and keeping them employed; and ensure the transfer of know-how and skills.

Health and safety

Mecatherm continues to make employee safety one of its highest priorities and strictly applies all relevant laws and regulations. The group keeps an up-to-date risk assessment document for each company and has implemented systems to analyze and, if applicable, prevent risks. These include health risks (noise-induced and musculoskeletal disorders), chemical risks, psychosocial risks, transportation risks, and working-at-height risks. New initiatives are introduced each year in collaboration with the Health, Safety and Working Conditions Committee (CHSCT), the state health insurance organization (CRAM) and the occupational health administration.

For example, in 2015, Mecatherm took additional steps to prevent injury from vibrations and working at height. Its prevention initiatives include ensuring that its employees are properly informed through training and that individual protection equipment is made available to them.

The lost-time injury frequency rate was 17.51 and the severity rate was 0.61.

3.2.4.4 Environmental data

Water and energy consumption

The activities carried out at Mecatherm sites, mainly involving the design and assembly of machines and production lines, have little impact on the environment.

Efforts already begun in 2014 to increase the energy efficiency of the Mecatherm Group's own facilities and equipment were continued in 2015. As a result, raw materials energy savings were achieved in 2015. These energy savings chiefly resulted from employee awareness campaigns, for example on environmental protection and recycling.

Mecatherm tracks water and energy consumption on its three sites. The following table presents the indicators Mecatherm tracks.

Indicators	2015	2014	2013
Direct energy (gas) MWh	4,341	3,075	4,686
Indirect energy (electricity) MWh	1,503	1,412	1,380
Water cubic meters	4,486	3,006	1,957

The volume of water consumption increased between 2014 and 2015, mainly due to the higher number of acceptance tests performed on the production lines in the demonstration hall, and increased activity at Wisches, Mecatherm's secondary site.

Other energy consumption reached the following levels in 2015:

Propane consumption: 83,700 kWh.

Diesel fuel consumption: 207,228 L.

Waste management

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

Type of waste (in metric tons produced)	2015	2014	2013
Ordinary industrial waste and paper(1)	112.98	98.56	85.18
Wood(1)	60.32	52.79	49.92
Stainless and other steels(1)	52.37	75.42	81.39
Fermentables (bread, dough, flour)(2)	58.80	97	11.05
Hazardous (electronic, electric)	1.94	1.07	-

(1) The amount of ordinary industrial, wood and steel waste produced is dependent on business volume.
(2) Fermentable waste production is related to the type and number of demonstrations performed during the year.

All waste is collected, recycled, disposed of and/or reused by waste treatment companies.

A study was conducted in 2015 on the implementation of waste sorting. At the end of the study, an awareness campaign was conducted. A memo was sent to all employees, specifically summarizing the waste sorting methods to be followed. More specific attention was directed to paper sorting and recycling.

Optimizing the use of raw materials

Due to the nature of its business, optimizing the use of raw materials is not a significant challenge for Mecatherm. However, the group strives to efficiently manage its paper consumption, mainly by educating employees through memos and signs, and configuring IT systems to prevent waste.

To support its efforts to manage paper consumption, the Mecatherm Group tracks this indicator, as presented in the following table.

Consumption (in metric tons)	2015	2014	2013
Paper	8.9	9.7	10.3

Mecatherm implemented a paper recycling system at the end of 2015.

Climate change

The group's activities are not directly impacted by the consequences of climate change.

Biodiversity

No impact on biodiversity from Mecatherm's industrial activities has been identified.

3.2.4.5 Societal data

Promoting employment and regional development

Mecatherm has not manufactured any parts for about 15 years; this activity is subcontracted to highly specialized companies who apply detailed specifications. Mecatherm's workshops are therefore devoted to fitting and assembling parts and sub-assemblies manufactured by the subcontractors, many of which are local.

In 2015, 33.45% of the group's purchases were made from local suppliers (Bas-Rhin departement for the Mecatherm site; Maine et Loire and Vendée departements for the Gouet site).

By partnering with subcontractors, Mecatherm has more flexibility for handling peaks and troughs in business volume and contributes indirectly but significantly to local employment. As a result, purchases of parts and subcontracted parts created 147 indirect jobs with the group's 26 principal suppliers in 2015.

Maintaining a dialogue with the community

Mecatherm continues to be proactive in the fields of education and training. Factory visits are organized on a regular basis to introduce younger generations to careers in manufacturing. Many events are also held in secondary schools, where Mecatherm can dialogue directly with students as they consider their career options, as well as in higher education institutions, such as engineering schools, to promote the transfer of industry-specific knowledge and know-how. Mecatherm hires apprentices and interns on a regular basis, with the aim to create a bridge between classroom learning and the skills needed in the employment market.

The group also frequently works with regional employment organizations and has strengthened its collaboration with the government employment office and the chambers of commerce and industry.

In addition, Mecatherm continues to place a great deal of importance on relations with local communities and strives to boost its visibility and communications, in particular through the local media.

Finally, Mecatherm maintains close relationships with other regional and local stakeholders, for example by taking local business owners on factory tours and meeting with government agencies such as the local emergency services.

Subcontractors and suppliers

Since Mecatherm ceased to directly produce parts many years ago, all manufacturing of parts for machines to be delivered to customers is subcontracted to highly specialized companies who apply detailed specifications. Mecatherm's workshops are therefore devoted to fitting and assembling parts and sub-assemblies manufactured by the subcontractors, many of which are local.

Total purchases (parts and subcontracting) for the Mecatherm Group exceeded €51 million in 2015.

The principal categories of purchases are: manufactured parts, sheet metal, mechanized welding and machining, representing 43%; electrical panels and components, representing 11%; and transmission systems and kinematics, representing nearly 10%. Each of the group's sites demonstrates its local commitment by purchasing more than half of manufactured parts from suppliers in its departement, or the surrounding areas.

Suppliers are carefully selected and audited for industrial performance, employee working conditions, and respect for environmental standards.

Mecatherm does not handle the shipping of equipment sold to customers, which is entrusted to outside providers. However, Mecatherm teams do assemble and install production lines at its customers' sites.

Fair business practices

Ensuring consumer safety

Mecatherm applies industry standards in manufacturing its equipment. After accepting the equipment, the customer is solely responsible for compliance with applicable food production standards. The Mecatherm Group does, of course, help its customers, if requested, to implement measures to protect the health and safety of consumers. Assistance may be provided, for example, regarding the use of specific types of materials used by the food industry or the purchase of detectors (e.g. metal detectors) to be installed on production lines.

Food safety is a core element in the development of an industrial bakery.

All equipment that could be in direct or indirect contact with food is certified. Foreign substance detection systems are installed at the end of the production line. The automatic methods used by Mecatherm limit or totally eliminate all manual contact with food. Some customers, particularly in developing countries, use these industrial methods as a selling point, to show that health standards are high.

Mecatherm's processes also aim to make its doughs more natural, with fewer enhancers. This is especially appreciated in many developing countries where for economic reasons bakers use artificial ingredients for better appearance or longer life. Mecatherm's procedures, which make it possible to work with more hydrated and more fermented doughs, provide the same results without artificial additives, which are known to cause health problems.

Preventing corruption

The group takes steps to prevent corruption. Since 2014, employee representative bodies have carried out an awareness campaign, in particular through the employment contracts of new personnel when they are hired. Personnel with functions that are more sensitive, such as purchasing and sales, are regularly reminded. Countries classified as high risk for corruption, according to Transparency International's corruption perceptions index, are recorded in our customer relationship management (CRM) software. It is regularly updated and taken into account by sales management in the analysis stage when deciding whether or not to pursue a business opportunity. Continued disassociation of purchasing and procurement activities, along with the addition of an anti-corruption provision to the General Purchase Conditions, will also significantly reduce corruption risk.

Commitment to or not human rights

Mecatherm refuses to use any child or forced labor.

When the company enters into any subcontracting or service-provider agreement for an amount of €5,000 or more, and every six months thereafter, it obtains verification by certified letter that its subcontractors are in compliance with French labor law, and more generally that French legal and social provisions are being applied.

3.2.5 Parcours(1)

3.2.5.1 Employment

As part of its human resources policy, Parcours strives to create a work environment aligned with its ambition for growth and promotes employee development through skills building and internal promotion.

Since 2013, this policy has translated into the opening of new-generation branches called "Parcours 3D," which gather all of the company's activities–long-term leasing, auto repair, and vehicle remarketing–into a single location. These branches are a preview of the future landscape of the Parcours network in France and elsewhere in Europe.

In 2015, the company inaugurated its fifth new-generation site, Parcours 3D in Strasbourg, France, creating seven new jobs and leading to a promotion for one employee.

Workforce and breakdown of staff

As of December 31, 2015, the company had 435 employees, up 17.3% from 2014.

With a 53% increase in employees over three years, the group continues to maintain a permanent contract employment rate above 97%.

	1-year change	2015	2014	2013
Workforce	**17.3%**	**435**	**371**	**328**
Men	18.1%	327	277	240
Women	14.9%	108	94	88
Management level	12.8%	97	86	82
Management level	18.6%	338	285	247
% of permanent contracts	1.0%	97.7%	96.7%	97.6%
% of fixed-term contracts (apprenticeship and insertion contracts)	-28.8 pts	2.3%	3.2%	2.4%

New hires and departures

Parcours grew in 2014, creating **94 new positions** across all of its business lines (long-term leasing, pre-owned vehicle sales and auto repair) as well as in support functions.

In 2015, the company hired 227 employees.

	1-year change	2015	2014	2013
Number of jobs created	**70.2%**	**94**	**47**	**34**
Number of employees hired	32.0%	227	172	139
Number of men hired	24.6%	167	134	103
Number of women hired	57.9%	60	38	36
Number of internal promotions	0.0%	35	35	44
Number of departures	26.4%	163	129	95
Of which dismissals*	17.2%	34	29	
Of which dismissals less than 1 year		14 (11% of departures)		

* *Dismissals occurring at the end of the employee's trial period.*

Under Parcours' human resources policy, preference is given to internal promotions when filling new job openings.

In 2015, **43 employees accepted an internal transfer or promotion, or 9.9% of group employees as of December 31, 2015**.

(1) *Wendel has signed an agreement with ALD Automotive, with a view to selling all of the share capital of Parcours. The transaction is expected to close in the first half of 2016, provided the necessary regulatory approvals are received.*

Compensation

	2015	2014	2013
Total payroll	18.9%	9.3%	11.2%
Average salary increase*	7.8%	4.2%	5.3%

* *Based on staff employed from January 1 to December 31 of the same year.*

The compensation policy at Parcours reflects the company's growth. In 2015, the average salary of an employee with more than one year of employment with Parcours increased by 7.8% (including bonuses paid for the period).

3.2.5.2 Organization of work

Organization of working time

Parcours mainly offers employees permanent work contracts.

To ensure that its business needs and the expectations of its customers are met, French employment contracts are based on a 40-hour workweek, which includes 12.5% of overtime. Because of the more demanding work environment, repair shop employees have a 39-hour workweek, including 10.25% of overtime.

Employment contracts at the company's European subsidiaries (Belgium, Luxembourg, Spain and Portugal) comply with the legislation in force.

Absentee rate

The absentee rate, which is the ratio of the number of calendar days of absence to the number of theoretical working days, was 2.27% in 2015 in France (permanent + fixed-term contracts).

	2015	2014	2013
Absentee rate*	2.3%	1.8%	2.2%

* *The absentee rate is reported for France only. It is calculated by dividing the number of calendar days of absence by the number of theoretical calendar days worked.*

The short-term absentee rate (less than 7 days) represented 30% of the 2015 absentee rate.

3.2.5.3 Labor relations

Labor-management dialogue

Parcours fulfills its regulatory obligations regarding the election of employee representatives.

Due to a lack of candidates during the last election period, however, no representatives were elected.

However, taking advantage of its flat, easily accessible hierarchy, the company maintains and develops close labor-management dialogue through the following regular events:

- a newsletter ("Parcours Le Mag") issued three times a year and circulated to all employees to inform them about the company's news;
- a four-day trip ("Parcours Experience") organized every year for all employees with more than one year of service, to promote exchange and experience sharing;
- an annual convention to which all employees are invited, providing an opportunity to review the year's achievements, put the goals for the coming year into perspective, and explain the company's short- and medium-term strategy;
- two one-on-one employee/manager meetings for every employee, during which employees can review their performance and results, discuss career development in the company and express their ambitions for career progression or their training needs.

Parcours also developed an internal charter to enable all of its employees to share the fundamental values of the corporate culture, inside and outside the workplace. This charter has been adapted for all of the group's businesses.

Collective agreements

The company did not sign any new collective agreements in 2015.

As per the agreement signed on January 21, 2005, all employees in the group who have been employed for more than three months are beneficiaries of the group's profit-sharing plan.

3.2.5.4 Health and safety

Health and safety conditions at work

Although Parcours does not have a CHSCT[1] due to of a lack of candidates at the last election, it is strongly committed to fulfilling its legal and regulatory obligations in the areas of safety and health. Risk prevention and risk management actions are recorded in a risk assessment document that is updated each year.

At the end of 2015, Parcours appointed Bureau Veritas to perform an HSE audit of its principal site in Nanterre, France. The result of this audit will give rise in 2016 to an action plan that will also serve as the model for all of its sites in France and the rest of Europe.

Agreements signed with trade unions

Due to a lack of candidates during the last elections held in 2014, no trade union representatives were elected.

Work-related injuries and illnesses

The company recorded seven injuries in 2015 in its auto repair business (down 30% from 2014).

Frequency rate*	2015	2014	2013	1-year change
Parcours Group	16.3	20.9	9.8	-22.3%

Severity rate*	2015	2014	2013	1-year change
Parcours Group	0.4	0.3	0.07	16.1%

* *Reported for France only. Frequency rate: (number of injuries with lost work time x 1,000,000)/number of hours worked; Severity rate: (number of lost days x 1,000)/number of hours worked.*

(1) Health, Safety and Working Conditions Committee (CHSCT).

3.2.5.5 Training

Policies

Internal training at Parcours mainly focuses on two areas:

- training new employees during the onboarding phase;
- maintaining and developing employee skills throughout their careers.

To facilitate their onboarding and accelerate their learning curve, training programs for new employees address practical aspects (customer account management, accounting basics, etc.) and the company's strategy (the business and positioning of Parcours, the Origin product, etc.).

In-house programs to maintain and develop employee skills are designed to help employees enhance their performance and keep up with changes affecting their business and working tools (taxation, insurance, pre-owned vehicle pre-sales, sales and aftersales).

In 2015, extensive work was carried out with business experts to formalize training modules and develop useful material on accounting, operations, marketing and sales in the vehicle remarketing business. A sales training manager was also hired to strengthen this priority in the commercial group.

This material is now used in training programs for both new and existing employees and called "Parcours Academy."

Total hours of training

Training	2015	2014*	2013
Total hours of training delivered	2,750	1,665	915

* *Period covered: May to December 2014.*

From May to December 2015, **238 employees received training** for an average of 11.5 hours per employee.

3.2.5.6 Equal treatment

Measures to promote gender equality

The proportion of women in management positions has increased. However, the proportion of women in the overall workforce has decreased, due to a sharp rise in the number of staff working in the auto repair and bodywork facilities.

	2015	2014	2013
% of women in the group's workforce	24.8%	25.3%	26.8%
% of women among management-level staff	24.7%	19.8%	13.6%
% of women among new hires	26.4%	21.6%	25.8%

Measures to promote the employment and inclusion of people with disabilities

Parcours is a regular customer of adapted work centers, but does not employ any disabled employees.

Accordingly, it paid €40,254.72 to Agefiph* in 2015 to support the employment of people with disabilities.

	2015	2014	2013
Amount committed to adapted employment centers	3,028.4	5,367.5	4,090.9

* *Agefiph is the organization that manages funds devoted to integrating people with disabilities.*

Measures to fight discrimination

Parcours has always valued employee commitment and skill and demonstrates this in its internal charter. These core values serve as its main criteria for recruitment, compensation and promotion in the company.

3.2.5.7 Promoting and applying the International Labour Organization's fundamental conventions

1.1.Freedom of association and the right to collective bargaining

1.2. Eliminating discrimination in employment and occupation

1.3. Eliminating forced labor

1.4. Abolishing child labor

Parcours fulfills all legal and regulatory requirements in force in all countries in which it operates: France, Belgium, Luxembourg, Spain and Portugal.

3.2.5.8 General environmental policy

Environmental assessment and certification

To date, the company has not taken any steps to obtain environmental certification. In all of its production and sales processes, however, it strives to implement initiatives to promote the sustainable development of its business. Its network growth strategy is one example. Each new branch is being built according to specifications that include HQE-inspired (high environmental quality) criteria, such as:

In 2015, Parcours continued to apply the policy it initiated in 2013 at its new branch in Strasbourg and in the construction permits it applied for during the year, for its future sites in Annecy and Nantes.

Initiatives to train and inform employees about environmental protection

Resources devoted to preventing environmental risks and pollution

In 2015, **total CO_2 emissions from vehicles on long-term leases were 199,435 metric tons,** i.e. an average of 2,155 km/month with an average of 116.5 g of CO_2/km per vehicle.

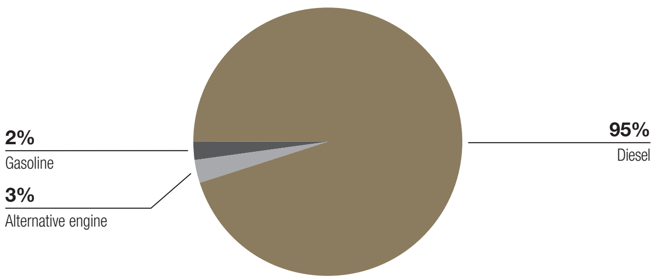
Carbon emissions for the fleet (passenger and commercial vehicles):

Long-term leasing fleet 65,365 vehicles	Number of vehicles for the period	% Change 2015/2014	Average CO_2 G/Km rate	% Change 2015/2014	Average mixed consumption L/100 km	% Change 2015/2014	Total theoretical distance km	% Change 2015/2014	Theoretical carbon footprint – metric tons CO_2	% Change 2015/2014	Theoretical fuel volume liters	% Change 2015/2014
Passenger cars	40,002	12%	109.11	-5%	4.14	-4%	1,062,613,325	15%	115,490.07	10%	43,690,800.64	10%
Commercial vehicles	26,302	15%	127.82	-1%	4.84	-1%	652,507,209	16%	83,945.87	14%	31,689,921.89	14%
TOTAL	**66,304**	**14%**	**116.53**	**-3%**	**4.42**	**-3%**	**1,715,120,534**	**15%**	**199,435.94**	**11%**	**75,380,722.53**	**12%**

The carbon footprint of the leased vehicle fleet in France increased 11% from 2014 to 2015 but the change was limited to 3 points, given a 14% growth of the fleet over the same period and the average distance driven per vehicle.

In 2015, diesel engines continued to represent the vast majority of the rental fleet. Meanwhile, **alternative engines (electric and hybrid) recorded growth of more than 65% over the 2014-15 period.** They currently represent 2% of the long-term leased vehicle fleet in France.

Energy	2015 fleet	2014 fleet	% Change
Diesel	64,549	57,119	13.0%
Electric	73	27	170.4%
Gas	751	664	13.1%
Natural gas vehicles (NGV)	26	23	13.0%
Hybrid Electric Diesel	349	212	64.6%
Hybrid Electric Gas	556	303	83.5%
TOTAL	**66,304**	**58,348**	**13.6%**

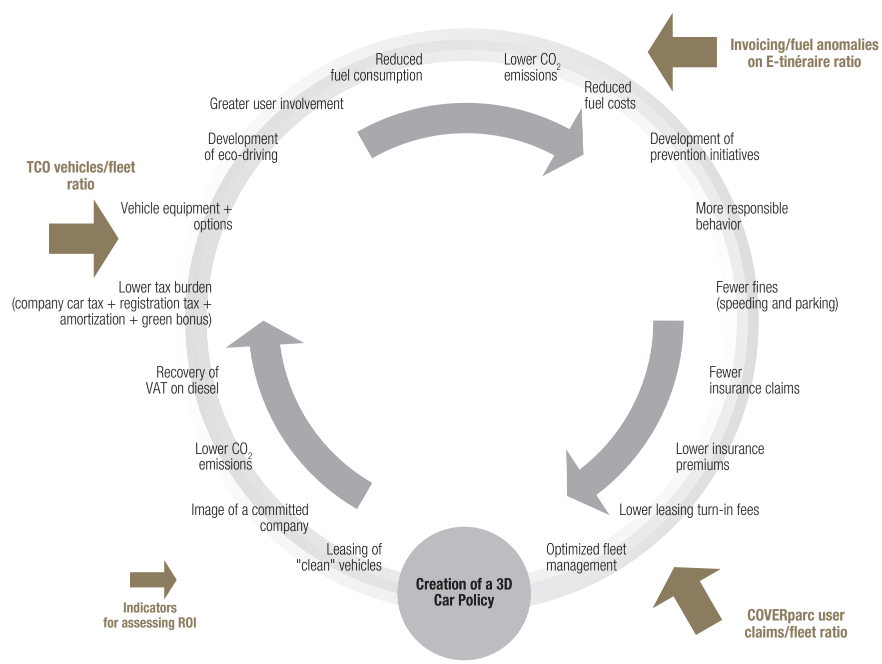


As a service provider in the automotive sector, Parcours strives to meet its customers' needs and assists them with their internal sustainable development programs. The company includes a sustainability strategy in its long-term leasing services and provides support to its customers in implementing it.

There are three parts, or dimensions, to the strategy:

1. **environmental, focusing on the car:** institute a car policy that protects the environment by taking environmental performance into account when building a vehicle fleet (choice of engine type or options, CO_2 emissions, etc.);
2. **social, focusing on the driver:** raise awareness among employees about security and eco-driving techniques (theoretical and practical training on a circuit or simulator);
3. **economic, focusing on return on investment:** create a virtuous circle so that environmental and social investments are economically viable and sustainable in terms of total cost of ownership (lower fuel budgets, fewer accidents, fewer fines, lower taxes, etc.).

The Parcours sustainable development support cycle



Provisions and guarantees for environmental risks

Parcours did not recognize any provisions or guarantees for environmental risks, given the nature of its business.

3.2.5.9 Pollution and waste management

Measures to prevent, reduce or offset emissions into the air, water and soil

Measures to prevent, recycle and eliminate waste

Regulations regarding industrial and hazardous waste are very strict, and Parcours repair shops comply with them.

In 2015, the Parcours auto repair business identified 15 types of managed waste, classified as hazardous or non-hazardous:

Non-hazardous waste		Hazardous waste
Ordinary industrial waste	Aerosol cans	Tires
Paper	Solvents	Exterior plastics
Cardboard	Oil filters	Windshields
Pallet wood	Oil	Batteries
Scrap metal	Paints	Soiled packaging

All waste is handled and recycled by accredited companies (EPUR, Veolia, etc.).

A plan to group the service providers together is currently in progress to establish uniform procedures and related treatment indicators.

Noise and all forms of pollution specific to the business activity

Parcours complies with regulations in force and takes care to protect its natural and social environments.

3.2.5.10 Sustainable use of resources and climate change

Water consumption and supply based on local constraints

Consumption of raw materials and measures taken to use them more efficiently

Consumption of energy, measures taken to improve energy efficiency, and use of renewable energy

As part of our 3D network growth strategy initiated in 2012, each new branch is being built according to specifications that include HQE-inspired (high environmental quality) criteria, such as:

- integrating the building into its immediate environment;
- managing energy by ensuring the building's thermal performance;
- managing rainwater and wastewater and limiting soil sealing;
- comfortable natural and artificial lighting;
- integrating charging stations for electric vehicles.

Land use

In the countries and sectors in which it operates, Parcours is not affected by issues related to the purchase of raw materials, water supply or land use.

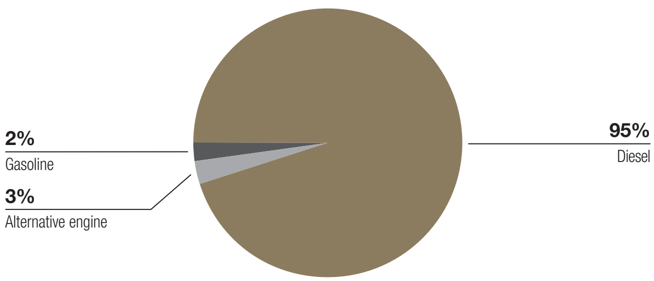
Greenhouse gas emissions

Measures taken to adapt to the effects of climate change

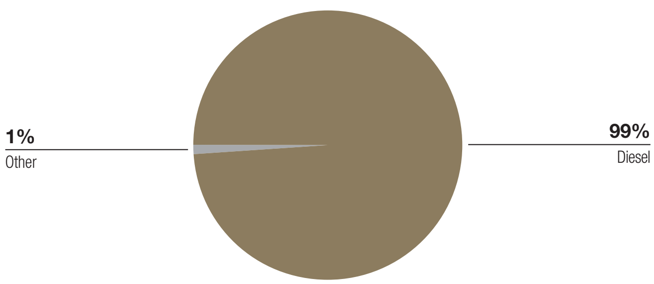
Parcours helps to reduce greenhouse gas emissions by promoting, through its client car policy recommendations, the use of vehicles that emit less CO_2 and consume less fuel.

Of the 21,568 vehicles delivered under long-term lease agreements in 2015 (up 18% over 2014), **the average CO_2 rate fell 3%, from 120 g to 116 g**. The benefit was 5% taking into account the average CO_2 rate per passenger vehicle put into service.

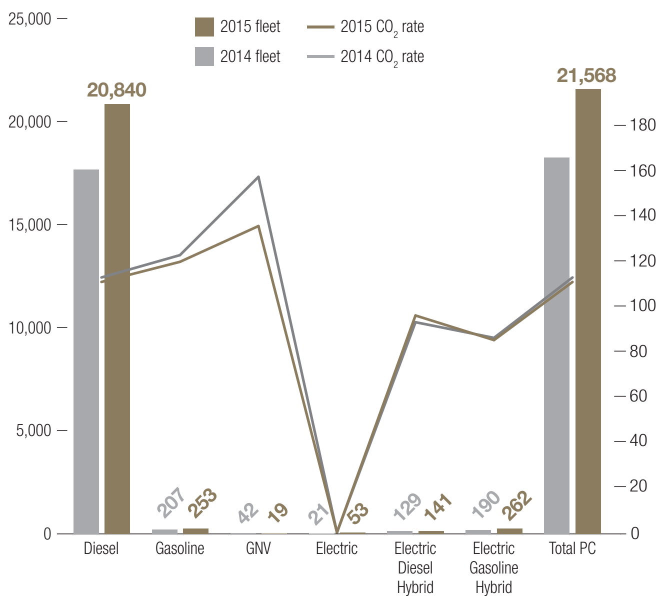
This difference is due in part to the introduction of more alternative engines (electrics and hybrids) and the reduction in average emissions from diesel engine vehicles.



Breakdown of passenger vehicles by engine type (2015)



Breakdown of passenger and commercial vehicles leased in 2015 by engine type, including average CO2 rate by segment



Breakdown of passenger and commercial vehicles leased in 2015 by engine type, including average CO2 rate by segment.

Since 2010, Parcours has also supported the sustainable development policies of its customers by participating in awareness campaigns on electric vehicles, green driving practices and road safety.

Initiatives taken in 2015:

- organization of "Electric Conference" days in partnership with manufacturers;
- expansion of an awareness program for customers (fleet managers and users) including the following elements:
  - every month, a 90-second video on best practices for green driving and accident prevention,
  - every quarter, a newsletter on corporate automotive risks;
- launch of a post-accident web survey for all customers insured through Parcours. This initiative allows new severity and prevention indicators to be created, so our clients can better understand the action plans to implement to reduce their loss experience;
- development of a cell phone app called COVERparc that can educate drivers.

Measures to enhance biodiversity

The company's activities have no major impact on biodiversity.

3.2.5.11 Regional, economic and social impact of the company's business activities and relationships with individual or organizational stakeholders

Impact on neighboring or local populations

Dialogue with individual or organizational stakeholders

Parcours implements a strategy based on two fundamental principles: maintaining a decentralized network of branches and ensuring that each branch has all of the necessary skills to deliver end-to-end service.

In France and Europe in general, the policy adopted by Parcours is to fully integrate the local economic and social landscape and form long-lasting relationships with its customers and suppliers, while contributing to local economic development.

Each subsidiary or branch is organized like a small independent company and manages all of its business locally as well as the commercial relationships it needs to grow. This includes the following initiatives:

- recruiting employees from the local area;
- encouraging managers to join nonprofits, professional associations and clubs;
- developing partnerships with local suppliers in related business areas (dealerships, short-term car rental firms, etc.). Parcours strives to systematically promote local suppliers to ensure optimal responsiveness and an excellent mutual understanding of business issues.

Partnership or sponsorship initiatives

In 2015, Parcours sponsored three athletes competing in golf and motor racing.

3.2.5.12 Subcontractors and suppliers

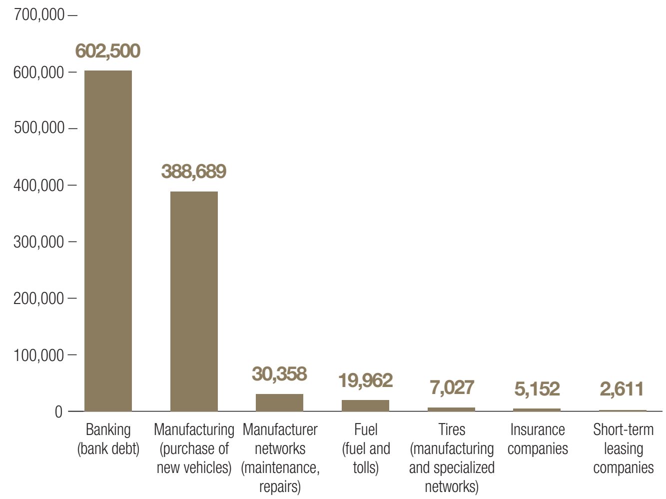
Integration of social and environmental issues in the company's purchasing policies (see 3.2.5.10 "Vehicles purchased and leased in 2015")

Degree of subcontracting and, in dealing with suppliers and subcontractors, consideration of their social and environmental responsibilities

As a long-term lessor of vehicles to businesses, Parcours is inherently associated, on the one hand, with the banking industry for the financing of the vehicles, and with the automobile industry on the other to ensure a supply of vehicles and the mobility of its customers.

Its partners are all leading businesses committed to corporate social responsibility (CSR). These banks, carmakers, tire manufacturers, short-term car rental firms, insurance companies, fuel companies, specialized networks, etc. comply with regulatory requirements as well as local standards of conduct.

Main categories of purchases made by Parcours in 2015 (in thousands of euros):



As part of its purchasing policy and to fulfill its corporate responsibility commitments, Parcours developed a charter of standards for its suppliers. Initially designed with new vehicle purchases in mind and targeting auto manufacturers and dealers, the charter was gradually expanded in 2015 to include other categories of purchases. This project will continue in 2016 to cover the entire purchasing scope.

3.2.5.13 Fair business practices

Preventing corruption

The internal rules of conduct communicated to every employee reiterate the company's stance on corruption. In particular, they describe the procedure to be followed in the event of a personal gift that may affect decision-making or lead to personal financial gain.

They also describe the applicable sanctions in the event of proven misconduct (dismissal for serious misconduct).

Measures taken to promote the health and safety of consumers

Parcours offers training in road safety and green driving practices through its monthly Flash video and awareness-raising days.

The company also partners with auto manufacturers (Renault, Tesla, Mercedes, etc.) to organize events presenting technological advances (in engines and/or equipment) and helping users to see the benefits for them and the environment.

In 2015, Parcours Group launched the publication of a mobile app, "COVERparc" for its insured customers in order to facilitate payment of covered accidents, enable the collection of more detailed information about the circumstances of the claim, and to facilitate access to safety training.

3.2.5.14 Reporting methodology

Reporting scope

(Unless otherwise indicated):

- social data are reported for all of the company's entities in Europe (France, Spain, Belgium, Luxembourg and Portugal);
- health and safety (work injury) data in 2015 cover France only;
- environmental impact is measured in terms of the long-term lease fleet's fuel consumption and CO_2 emissions. Scope restrictions are detailed below.

Methodological limitations and uncertainties

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

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

Safety indicators

Lost-time injury frequency rate
The lost-time injury frequency rate is the number of accidents involving the loss of one or more days of working time that occur over a 12-month period, per million hours worked.

Accidents while traveling are not included in this indicator.

Lost-time injury severity rate
The lost-time injury severity rate is the number of days of working time lost over a 12-month period following a work-related accident, per 1,000 hours worked. Lost work time is measured in terms of working days.

Environmental indicators

Fuel consumption
Fuel consumption is reported for leased passenger cars and commercial vehicles of under 3.5 metric tons (Light Commercial Vehicles, or LCV) on the road in France (90% of the group's total fleet managed), and for vehicles added to the fleet.

CO2 emissions
CO2 emissions are reported for leased passenger cars and commercial vehicles of under 3.5 metric tons (Light Commercial Vehicles, or LCV) on the road in France (90% of the group's total fleet managed), and for vehicles added to the fleet.

CO_2 emissions are calculated based on average annual CO_2 emissions provided by the manufacturer and each vehicle's fuel consumption.

Social Indicators

Total workforce
The total workforce is the number of employees with a permanent or fixed-term contract with the Parcours Group on the last calendar day of the month.

Hires & departures
Fixed-term contracts made permanent are counted as hires and departures.

Absentee rate
The absentee rate is reported for France only. It is calculated by dividing the number of calendar days of absence by the number of theoretical calendar days worked. Absences include absences due to sickness, unauthorized unpaid leave, and lost time due to work-related accidents and commuting accidents. Other types of absences are not included in calculating the absentee rate.

Hours of training and number of employees trained
Training data are reported for France only. For 2014, the reported data are for the period from May to December 2014.

Consolidation

The Marketing and Human Resources departments are in charge of data consolidation.

3.3 Independent verifier's report on social, environmental and societal information presented in the management report

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

WENDEL: Year ended the 31st December 2015

To the shareholders,

In our quality as an independent verifier accredited by the COFRAC [(1)], under the number n° 3-1050, and as a member of the network of one of the statutory auditors of the company Wendel, we present our report on the social, environmental and societal information established for the year ended on the 31st December 2015, presented in the third chapter of the management report, hereafter referred to as the "CSR Information," pursuant to the provisions of the article L.225-102-1 of the French Commercial code (*Code de commerce*).

Responsibility of the company

It is the responsibility of the Board of Directors to establish a management report including CSR Information referred to in the article R. 225-105 of the French Commercial code (*Code de commerce*), in accordance with the protocols used by the company and its portfolio companies (hereafter referred to as the "Criteria"), and of which a summary is included in the management report in the methodological notes and available on request at the respective companies' headquarters.

Independence and quality control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in the article L. 822-11 of the French Commercial code (*Code de commerce*). In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Responsibility of the independent verifier

It is our role, based on our work:

- to attest whether the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of R. 225-105 of the French Commercial code (*Code de commerce*) (Attestation of presence of CSR Information);
- to express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects, in according with the Criteria;

Our verification work was undertaken by a team of nine between September 2015 and the date of signature of our report for an estimated duration of ten weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of 13 May 2013 determining the conditions under which an independent third-party verifier conducts its mission.

1. Attestation of presence of CSR Information

We obtained an understanding of the company's CSR issues, based on interviews with the management of relevant departments, a presentation of the company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the company and its societal commitments, as well as, where appropriate, resulting actions or programmes.

We have compared the information presented in the management report with the list as provided for in the Article R. 225-105-1 of the French Commercial code *(Code de commerce)*.

In the absence of certain information, we have verified that the explanations were provided in accordance with the provisions in Article R. 225-105-1, paragraph 3, of the French Commercial code *(Code de commerce)*.

We verified that the CSR information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L.233-1 and the entities which it controls, as aligned with the meaning of the Article L.233-3 of the French Commercial code *(Code de commerce), hereafter "the portfolio companies* [(2)]*"*, with the limitations specified in the Methodological Notes of the company and portfolio companies in chapter 3 of the management report, notably:

(1) Accreditation scope available on the website www.cofrac.fr
(2) Portfolio companies that are subject to this report are Bureau Veritas, Cromology, Stahl, Parcours, Mecatherm and Constantia Flexibles.

- As indicated in the paragraph « Encouraging subsidiaries to integrate CSR » presented in paragraph 3.1.1 of the management report, the required Information is presented for each company whose majority stake is held by Wendel and is not consolidated as specified in the article L. 225-102-1 of the French Commercial Code (*Code de commerce*);

Based on this work, and given the limitations mentioned above we confirm the presence in the management report of the required CSR information.

2. Limited assurance on CSR Information

Nature and scope of the work

We undertook about thirty interviews with the people responsible for the preparation of the CSR Information in the different departments, in charge of the data collection process and, if applicable, the people responsible for internal control processes and risk management, in order to:

- Assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, industry standards;
- Verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices.

For the CSR Information which we considered the most important [3]:

- At the level of the company and of its portfolio companies, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report ;
- At the level of the representative selection of entities that we selected [4], based on their activity, their contribution to the indicators of the company and if its portfolio companies, their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample selected therefore represented on average:

- For the Cromology group, 43,5 % of the total number of employees and on average 39 % of the quantitative environmental information tested;
- For the Stahl group, 21 % of the total number of employees and on average 25 % of the quantitative environmental information tested;
- For the Parcours group, 92 % of the total number of employees and on average 90 % of the quantitative environmental information tested;
- For the Mecatherm group, 67 % of the total number of employees and on average 79 % of the quantitative environmental information tested;
- For the Constantia Flexibles group, 21 % of the total number of employees and on average 29 % of the quantitative environmental information tested;

For the Bureau Veritas group, we verified that the Information published in Wendel management report corresponds to the information that was subject to verification by the statutory auditors mandated by the executive management of Bureau Veritas.

For the other CSR information, we assessed their consistency in relation to our knowledge of the company.

Finally, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information.

We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

Conclusion

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

(3) The most important CSR information is appended to this report.
(4) For the Cromology group, we selected the industrial sites of Wormhout (France) and Porcari (Italy). For the Stahl group, we selected the industrial site of Waalwijk (Netherlands) and Leinfelden (Germany). For the Mecatherm group, we selected the site of Barembach (France). For Parcours group, we selected the agencies located in France. For Constantia Flexibles group, we selected the industrial sites of C. Teich (Austria), C. Patz (Austria) and Haendler and Natermann (Germany).

Observations

Without qualifying our conclusion above, we draw your attention to the following points:

- The Information published by Bureau Veritas was subject to the following comments:
  - The management report states that for the absenteeism rate and the number of training days, the reporting scope currently covers only France, pending a homogenous method for data calculation at Group level;
  - As mentioned in the management report, environmental information regarding CO2 emissions related to Group business travels have been published based on a limited scope, pending their calculation for all offices of more than 50 employees;
  - As mentioned in the management report, environmental information regarding energy consumption covers a scope equal to 63% of laboratory employees in 2015, pending their calculation for all laboratories with more than 25 employees.
- The Information published by Parcours group call for the following comment:
  - The total quantity of hazardous and non hazardous waste has not been published yet, awaiting an homogeneous calculation at Group level.
- The Information published by Constantia Flexibles group call for the following comment:
  - The absenteeism rate and the number of training hours have not been published yet, awaiting an homogeneous calculation at Group level.
- The Information published by Stahl group call for the following comment:
  - The number of training hours has not been published yet, awaiting an homogeneous calculation at Group level.

Paris-La Défense, the 30th March 2016

French original signed by:

Independent Verifier

ERNST & YOUNG et Associés

Eric Duvaud	Bruno Perrin
Partner, Sustainable Development	Partner

Appendix – List of CSR information covered by limited assurance verification work

Quantitative social information	Involved companies
Total number of employees	Wendel S.E. and portfolio companies
Number of hirings and departures	Wendel S.E. and portfolio companies
Absenteeism rate	Wendel S.E., Comology, Parcours and Mecatherm
Lost Time Injury Frequency Rate	Wendel S.E. and portfolio companies
Severity rate	Wendel S.E. and portfolio companies
Total number of training hours	Wendel S.E., Cromology, Parcours and Mecatherm
Total number of disabled employees	Wendel S.E., Cromology, Stahl, Mecatherm and Constantia Flexibles

Qualitative social information	Involved companies
Organization of social dialogue	Portfolio companies
Health and safety conditions at work	Portfolio companies
Training policies	Wendel S.E. and portfolio companies
Equal treatment	Wendel S.E. and portfolio companies

Quantitative environmental information	Involved companies
Number of ISO 14001-certified sites	Cromology
Air emissions (VOC, SOx and NOx)	Cromology
CO2 emissions	Cromology, Parcours, Stahl and Constantia Flexibles
Total amount of hazardous and non-hazardous waste	Cromology, Mecatherm, Stahl and Constantia Flexibles
Total water consumption	Cromology, Mecatherm, Stahl and Constantia Flexibles
Total energy consumption	Cromology, Mecatherm, Stahl and Constantia Flexibles

Qualitative environmental information	Involved companies
Company organization to take into account environmental issues	Wendel S.E. and portfolio companies
Energy efficiency	Cromology, Mecatherm, Parcours, Stahl and Constantia Flexibles
Raw materials consumption	Cromology and Constantia Flexibles

Qualitative information related to societal commitment for a sustainable development	Involved companies
Territorial, economic and social impact of the company in terms of employment and regional development	Portfolio companies
Dialogue conditions with individuals or organizations interested in the company's activities	Wendel S.E. and portfolio companies
Integration of ESG criteria in portfolio management	Wendel S.E.
Consideration of CSR issues in the company's relationship with suppliers and subcontractors	Cromology, Mecatherm, Stahl, Parcours and Constantia Flexibles
Actions taken to prevent corruption	Wendel S.E. and portfolio companies
Measures taken for consumer health and safety	Cromology, Stahl, Parcours and Constantia Flexibles

4

COMMENTS ON FISCAL YEAR 2015

4.1 Analysis of the consolidated financial statements

4.1.1 Consolidated income statement – Accounting presentation

The Wendel Group includes:

- fully consolidated companies, i.e. holding companies and subsidiaries over which Wendel exercises exclusive control: Bureau Veritas (certification and verification), Constantia Flexibles (flexible packaging and labels), AlliedBarton (security services), Cromology, formerly Materis Paints (production and distribution of paints), Stahl (leather finishing products and high-performance coatings), Parcours (independent specialist in long-term vehicle leasing to corporate customers), Mecatherm (world leader in industrial bakery equipment), and CSP Technologies (high performance plastic packaging), and Nippon Oil Pump (manufacture of trochoid pumps and hydraulic motors); these last four companies are consolidated in the Oranje-Nassau Développement sub-group;
- companies accounted for by the equity method (associates) and over which Wendel has significant influence, specifically: Saint-Gobain (production, transformation and distribution of building materials), IHS (mobile telecom infrastructure in Africa), and exceet (design of embedded systems); exceet is included in the Oranje-Nassau Développement sub-group.

The earnings of subsidiaries that have been or are scheduled to be divested (Parcours as of December 31, 2015, the Materis divisions sold in 2014: Kerneos (aluminates), Parex (mortars) and Chryso (admixtures) are presented, in accordance with IFRS, in a separate line of the income statement entitled "Net income from discontinued operations and operations held for sale" for each year presented.

In millions of euros	2015	2014
Net sales	7,867.1	5,574.5
Operating income	565.7	497.6
Net financial income (expense)	-370.4	-421.8
Income taxes	-211.0	-180.9
Net income from equity-method investments	25.6	-76.0
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	**9.9**	**-181.2**
Net income from discontinued operations and operations held for sale	14.6	378.9
NET INCOME	**24.5**	**197.8**
Net income – non-controlling interests	170.7	178.2
NET INCOME, GROUP SHARE	**-146.2**	**19.6**

4.1.2 Consolidated income statement – Economic presentation

The consolidated income statement reflects the aggregate earnings of the various equity investments held by Wendel. These are either fully consolidated or accounted for by the equity method.

As such, the accounting presentation of the income statement does not allow for a direct, in-depth analysis. For this reason, Wendel regularly provides an income statement prepared on an economic basis. The definition of economic presentation and a conversion from the accounting presentation to the economic presentation are given in note 6 to the consolidated financial statements, entitled "Segment information".

In millions of euros	2015	2014
Bureau Veritas	432.7	404.2
Stahl	84.4	52.0
Materis – Cromology(1)	17.0	21.5
Constantia Flexibles	55.3	-
AlliedBarton	3.0	-
Saint-Gobain (equity method)	153.2	139.3
IHS (equity method)	-68.4	-42.2
Oranje-Nassau Développement	2.3	24.2
- Parcours	*16.9*	*15.3*
- Mecatherm	*-17.8*	*4.1*
- CSP Technologies	*1.5*	*-*
- NOP	*1.8*	*2.8*
- exceet (equity method)	*-0.1*	*2.1*
TOTAL CONTRIBUTION FROM GROUP COMPANIES	**679.5**	**599.0**
of which Group share	*375.6*	*381.3*
Operating expenses, management fees, and taxes	-52.8	-49.2
Amortization, provisions, and stock-option expenses	-8.4	-6.4
TOTAL OPERATING EXPENSES	**-61.1**	**-55.6**
TOTAL FINANCIAL EXPENSE	**-156.1**	**-170.9**
NET INCOME FROM BUSINESS SECTORS(2)	**462.2**	**372.5**
of which Group share(2)	*158.3*	*154.9*
Non-recurring income	**-295.2**	**-56.0**
Impact of goodwill allocation	**-142.5**	**-118.8**
TOTAL NET INCOME	**24.5**	**197.8**
Net income – non-controlling interests	170.7	178.2
NET INCOME – GROUP SHARE	**-146.2**	**19.6**

(1) 2015 figures include Cromology (formerly Materis Paints) and the Materis holding companies. 2014 figures include all Materis divisions.
(2) Net income before goodwill allocation entries and non-recurring items.

4.1.3 Description of 2015 business activities

Wendel's consolidated sales totaled €7,867.1 million, up 41.1% overall and up 1.4% organically (total organic growth excludes the combined organic growth of AlliedBarton, Constantia Flexibles and CSP Technologies, which represented 5.5%).

The contribution of all of the Group's companies to net income from business sectors was €679.5 million, up 13.4% from 2014. The rise resulted from changes in the scope of consolidation, both at Wendel and at the level of certain subsidiaries. Principally, at Wendel, Constantia Flexibles was consolidated from April 1, 2015, and at the subsidiary level, Stahl became a much larger company with the acquisition of Clariant Leather Services. In addition, good performance at Bureau Veritas and Saint-Gobain offset the decline in their contribution to net income from business sectors resulting from the sale of Saint-Gobain shares in May 2014 and of Bureau Veritas shares in March 2015.

The total of finance costs, operating expenses and taxes was €217.3 million, down compared with 2014 (€226.5 million), because reduced finance costs and currency gains (€32.3 million) more than offset the rise in structural costs related in particular to intense investment activity.

Net non-recurring items totaled €-295.2 million vs. €-56.0 million in 2014. In 2014, the loss on the sale of Saint-Gobain shares (€106.7 million), asset impairment (€127.3 million) and other non-recurring items (€-151.6 million) were partially offset by the €329.6 million gain on the sale of three of Materis' divisions.

In 2015 net non-recurring items were negative and principally comprised of the following items:

- revaluation of Saint-Gobain shares on Wendel's balance sheet for a total of €+203.4 million;
- loss in Wendel's consolidated statements on the sale of Verallia (€-96.5 million);
- currency translation loss recognized by IHS following the devaluation of the Nigerian naira related to dollar-denominated debt (€-56.1 million);
- asset impairment (€-235.1 million including €-90 million on intangible assets of Bureau Veritas' Commodities business) and other non-recurring items (€-110.9 million).

The €727.5 million capital gain on the sale of Bureau Veritas shares in March 2015 was not recognized in Wendel's income statement, in line with IFRS 10, but in "changes in shareholders' equity". As a result, Wendel's shareholders' equity as of December 31, 2015 stood at €4.0 billion.

Wendel's net income was thus €+24.5 million in 2015, compared with €+197.8 million in 2014, and net income Group share was €-146.2 million, vs. €+19.6 million in 2014.

Results of Group companies

Bureau Veritas – Robust performance, with improved adjusted operating margin. New growth initiatives off to a good start.

(Full consolidation)

Revenue in 2015 totaled €4,634.8 million, an increase of 11.1% compared with 2014.

Organic growth was 1.9% over the full year. Activities in Europe, the Middle East and Africa (44% of 2015 revenue; 5.3% organic growth) have benefited both from the commercial initiatives launched in 2014 and improvement in the economic environment. Business in Asia-Pacific (29% of revenue; 0.5% organic growth) reflected a slowdown in growth in Asia, and some weakness in Australia, due to the country's exposure to declining commodities markets. Activities in the Americas (27% of revenue; 2.1% organic decline) were soft, with the drop in the second half mostly attributable to the low oil price environment.

Marine & Offshore had a very strong year organically (+10.2%) in both In-service (60% of revenue) and New construction (40%). The Certification business saw strong growth (+4.6%), with commercial successes with large clients. Construction showed enhanced growth (+1.3%), thanks to a better geographical diversification. As expected, Industry (1.6% organic decline) and IVS (+2.8% organic growth) have been impacted by low oil prices. In both businesses, activities outside oil & gas performed well, especially in the Power sector and in Europe. The Commodities business grew by 3.3%, with trade-related activities and Agriculture offsetting the weakness of upstream metals & minerals and oil sands in Canada. The Consumer Products business (+1.4%) experienced delays and reductions in testing programs, with two major customers, respectively. The GSIT business (-1.9%) suffered from a reduction in the Verification of Conformity program in Iraq and some delays in the ramp up of new Single Window contracts.

Growth from acquisitions was 3.7%, combining the contribution of prior-year acquisitions and those made in 2015, supporting the expansion of Bureau Veritas in the Chinese domestic market and in Consumer Products.

Currency fluctuations had a positive impact of 5.5%, mainly due to the strengthening of the US dollar against the euro.

Adjusted operating profit totaled €775.2 million. 2015 adjusted operating margin was up 10 basis points to 16.7% compared to 16.6% in 2014. The margin increase is attributable to proactive cost management and to the Excellence@BV program, and was partly reinvested in the increase of Marketing & Sales. The positive impact of currency changes offsets the decrease related to oil & gas.

Attributable net profit for the period was €255.3 million, vs. €294.6 million in 2014. Attributable net profit in 2015 was impacted by exceptional charges of €121 million related to restructuring measures in businesses exposed to oil & gas and to impairment of intangible assets in the Commodities business. Earnings per share (EPS) stood at €0.58, compared with €0.67 in 2014.

Adjusted attributable net profit totaled €420.3 million, vs. €391.3 million in 2014. Adjusted EPS reached €0.96, a 6 euro cent increase versus 2014.

Free cash flow (cash flow available after tax, interest expenses and capex) totaled €462.1 million, vs. €402 million H1 2014.

At December 31, 2015, adjusted net financial debt was €1,862.7 million, i.e. 2.02x last-12-month EBITDA as defined in the calculation of banking covenants, compared with 2.16x at December 31, 2014.

In 2015, after conducting an in-depth analysis of the Testing, Inspection and Certification (TIC) market, Bureau Veritas has defined its strategy to enhance its growth profile, resilience and profitability in the medium to long term.

The strategy is based on:

- eight growth initiatives: Building & Infrastructure, Opex in Oil & Gas, Power & Utilities and Chemicals, Adjacent segments for Retail & Mining, Agri-Food, Automotive, Smartworld, Certification global contracts and Marine & Offshore;
- a focus on two countries: the USA and China;

Four main levers: Human Resources, Account Management, Excellence@BV and Digitalization.

Bureau Veritas is now focused on the execution and the deployment of these eight initiatives which have already started and materialized into commercial successes.

The growth initiatives are planned to generate €2 billion of incremental revenue in 2020, equally balanced between organic growth and acquisitions.

In 2016, the global macroeconomic environment is likely to remain highly volatile, with persistent weakness in the oil & gas and minerals markets. Thanks to its diversified and balanced portfolio, Bureau Veritas expects organic revenue growth ranging between 1% and 3% – with a progressive improvement in the second half – and a high adjusted operating margin between 16.5% and 17.0%. The Group will continue to generate strong cash flows. Acquisitions will remain a key growth driver, creating beneficial synergies within the Group and accelerating our growth initiatives.

Bureau Veritas will propose a dividend of €0.51 per share at its Shareholders' Meeting to be held on May 17, 2016.

Cromology – EBITDA growth of 0.9% in a difficult market

(Full consolidation – the earnings of the "Kerneos" aluminates, "Parex" mortars, and "Chryso" admixtures divisions, sold in 2014, are included in "Net income from discontinued operations and operations held for sale", in accordance with IFRS 5.)

In 2015, Cromology posted overall growth in sales of 0.6% and organic growth of -0.4% in a difficult environment. Sales totaled €751.9 million vs. €747.6 million in 2014.

Organic growth was driven by favorable business volumes in southern Europe (+1.5%), including recovery in Spain and Portugal (+6.3% combined), and by growth in emerging market countries. In France, however (62% of sales), given the difficult economic climate, sales at Cromology contracted by 4%.

Cromology continued to reap the benefits of management initiatives to step up marketing efforts, boost product innovation, improve the customer/product/distribution channel mix, and keep a tight rein on costs and WCR. As a result, EBITDA rose 0.9% to €67.8 million in 2015, representing a margin of 9.0%. Owing to good cash generation, Cromology's financial structure was sound, with debt of 3.6 times EBITDA and net debt down by more than €11 million.

Concerning Corporate governance, the company announced on September 10, 2015 that Gilles Nauche (formerly CEO of Zolpan) had been promoted to CEO, replacing Bertrand Dumazy. Patrick Tanguy, Wendel Managing Director in charge of operational support, will become the company's non-executive Chairman.

Stahl – Total growth of 22.5% as a result of consolidating the activities of Clariant Leather Services. Stahl paid Wendel a dividend of €48 million in March 2016

(Full consolidation)

Stahl's sales totaled €628.1 million in 2015, up 22.5% from 2014. This sharp increase resulted from the merger with Clariant Leather Services, which accounted for 15.7% growth, combined with healthy organic growth of 2.0% and positive exchange rate fluctuations of 4.8% in 2015.

Organic growth derived principally from the excellent performance of the Performance Coatings division. The Leather Chemicals business was negatively impacted by market conditions, which were temporarily negative; signs of stabilization began to appear in the fourth quarter.

Stahl's EBITDA rose 40.8% in 2015 compared with 2014, to €128.7 million, representing a margin of 20.5%. In addition to the increase in EBITDA driven by the merger with Clariant Leather Services, profitability was boosted by organic growth and synergies harnessed in 2015.

The integration process is ahead of schedule, and annualized synergies achieved in 2015 totaled €19 million, exceeding the €15 million initially projected for the 18 months following the transaction. Stahl is expected to achieve annualized synergies of €25 million once integration is complete.

Owing to very strong cash generation, Stahl's net debt declined by €53.9 million in 2015. On the strength of its significantly improved financial structure and a net-debt-to-EBITDA ratio of 1.19 as of end-February, Stahl paid a dividend to shareholders and the end of March 2016, including €48 million to Wendel.

Constantia Flexibles – Very good first year in the Wendel Group

(Full consolidation since *April 1, 2015)*

Constantia Flexibles successfully pursued its global growth strategy in financial year 2015, with two new acquisitions in growth markets, Afripack in Africa and Pemara in Southeast Asia, and a year-on-year increase in sales and operating earnings.

Constantia Flexibles sales in 2015 increased by 9.4% year-on-year to €1.90 billion. Sales adjusted for the effects of exchange rate fluctuations grew by 5.8% compared to the previous year. The strong appreciation in the US dollar against the euro was the main factor influencing all of Constantia's divisions.

The strong sales growth resulted from all business divisions and was achieved primarily by strong volume increases in all divisions and in all regions where the company operates. Constantia's top 10 customers represented 31.5% of sales in 2015, with no customer representing more than 5.6% of total sales.

Food division sales increased by 7.5% year-on-year to €1.1 billion in 2015. Adjusted for currency effects, sales increased by 4.7%. The growth in terms of key account customers in Europe was particularly gratifying.

There was a further increase in sales of aluminum foil containers for pet food and dairy product packaging in Eastern and Western Europe, while sales of convenience-food packaging and foils for confectionery remained stable compared to 2014.

The growth of portion packs, especially for coffee and tea, in which the Food division offers customers innovative system solutions for modern household machines, also contributed to the sales increase.

In the markets of North America and in emerging markets, there was a significant increase in sales in the field of snack packaging, in particular through the production plants in India and Mexico.

In 2015, **Pharma division** sales rose by 7.9% year-on-year to €296 million. Adjusted for currency effects, sales increased by 7.1%.

The three product groups, coldform, sachet and blister, were responsible for the growth, with double-digit growth achieved in the first two product groups. This increase resulted from rising demand for high-density packaging materials, in order to protect highly-sensitive pharmaceuticals on the way to the patient. The remaining product groups also ended the 2015 financial year with stable growth.

In 2015, sales in the **Labels division** rose by 11.7% year-on-year to €541 million. Adjusted for currency effects, sales increased by 5.5%.

The major growth markets of the division were North and South America, Africa and Asia-Pacific, with double-digit growth rates. Sales in Europe remained stable.

Once again, innovation was the key growth driver in product markets. The new developments in recent years, such as recyclable self-adhesive labels, haptically-enhanced labels and various in-mold labels, contributed significantly to the strong growth.

For all of Constantia Flexibles, EBITDA was €263 million, an increase of 3% compared to the previous year. As a result, EBITDA margin was 13.9% compared to 14.7% a year earlier.

In 2015, various cost reduction and efficiency programs were initiated or intensified. Yet, the margin was below the previous year's level due to a change in the product mix (above-average growth in the Food division) as well as additional costs for the ramp-up of new projects as part of the company's growth strategy.

The global economic environment remains challenging. However, Constantia Flexibles judges its prospects positively for 2016 after a promising start to the year. Sales and operative EBITDA are both expected to grow year-on-year, with the focus moving towards more profitability and cash generation. A better quality of earnings is targeted through cost competitiveness, while ongoing operational excellence activities to improve production processes will further improve efficiency.

AlliedBarton Security Services – 5% organic growth in 2015

(Full consolidation since December 1, 2015 – unaudited)

AlliedBarton's revenue totaled $2,257 million in 2015, up 5.0% from $2,149 million in 2014, purely organic. The growth in 2015 reflects management's strategic investments in improving retention across its client base and specifically growing in targeted end markets, notably healthcare, higher education, petrochemicals and government services (combined up c. 8% vs. 2014). The increases with customers in these markets accounted for more than half of the company's top-line growth during the year. Client retention rate increased by c. 2% versus 2014, driven by improvements in retention of AlliedBarton's national account customers and remotely managed client sites. Additionally, base business growth (increases in hours billed and revenue per hour billed) contributed to the increase in revenue.

Adjusted EBITDA was $147 million in 2015 versus $142 million in 2014, an increase of 3.2%. The company's Adjusted EBITDA margin of 6.5% was relatively consistent year-over-year, reflecting the aforementioned revenue growth and stable officer wages as a percentage of revenue, partially offset by investments to support continued growth in target verticals and to recruit new officers and higher health insurance-related costs resulting from employees increasingly complying with the Affordable Care Act of 2010.

IHS – Continued sharp growth in business with revenue more than doubling

(Equity method)

IHS's revenue was up by a factor of 2.3 in 2015 compared with 2014, totaling $723.1 million.

In 2015, IHS finished integrating the towers acquired in 2014. As of December 31, 2015, IHS managed around 23,300 towers.

With regard to profitability, IHS continued the successful development and rationalization of its installed base of towers. The company also launched initiatives aimed at reducing operating costs. EBIT for the year was up 268.8% to $86.4 million (vs. $23.4 million in 2014), representing a margin of 12.0% in 2015 (vs. 7.5% in 2014).

In 2015 IHS also continued to pursue its investment plan to improve the efficiency of its network of towers and develop and deploy new energy solutions. Specifically, IHS:

- decreased its average diesel fuel consumption by 50% in all the countries in which it operates; and
- opened two state-of-the-art network operating centers in Lagos and Abudja to monitor tower performance and reduce network unavailability.

Owing to these initiatives the company achieved a 99.5% network availability rate in 2015 in all the countries in which it operates and reduced its maintenance costs to $34 million.

On March 10, 2016, Wendel announced that an agreement had been signed under which IHS Holding Limited is to acquire the 1,211 telecom towers held by Helios Towers Nigeria Limited ("HTN") in Nigeria. This will be the first consolidation transaction in the African market and will enable IHS to continue providing high-quality service and to realize additional investments to improve its infrastructure.

In early July 2015, Wendel announced that it would disburse $109 million to complete its last investment in IHS Holdings under the $2 billion capital increase that IHS launched in early November 2014. This amount brings Wendel's total share in the capital increase to the $304 million the Group committed to invest, given the $195 million already invested in December 2014. The last tranche of the capital increase was carried out at an additional 15% premium relative to the previous tranche in December 2014. For NAV calculations, since May 28, 2015 IHS has been valued at the subscription price used in this capital increase. Since March 2013, Wendel has invested a total of $779 million in IHS.

Saint-Gobain – Operating income up 2.2% on a like-for-like basis

2015 sales came in at €39,623 million, up 3.3% on a reported basis driven by the positive 3.0% currency impact, and up 0.4% like-for-like. Optimization of Saint-Gobain's portfolio in terms of acquisitions and disposals led to a Group structure impact of -0.1% after reclassification of the Packaging business.

Volumes failed to recover during the year (up 0.1%), due chiefly to the sharp decline in France which continued over the second half. Amid falling raw material and energy costs, prices were stable in the fourth quarter but edged up 0.3% over the year as a whole.

Over the full year, Saint-Gobain was buoyed by good growth from Flat Glass and upbeat momentum in Interior Solutions. Ceramic proppants in the oil and gas industry continued to weigh on High-Performance Materials. Exterior Solutions retreated due to a sharp contraction in Pipe in the second half and Building Distribution was down slightly over the full year but improved in the fourth quarter.

Saint-Gobain's operating margin came in at 6.7% (6.6% in 2014) and at 6.9% for the six months to December 31, 2015. Operating income climbed 2.2% on a like-for-like basis, partly helped by favorable weather conditions in Europe towards the end of the year.

In 2015 Saint-Gobain met its capital expenditure target of €1.35 billion and cost savings target of €360 million compared to 2014. Industrial optimization efforts rolled out over the past few years have notably enabled Flat Glass to continue delivering a strong rally in its performance. Saint-Gobain also exceeded its operating working capital requirement target, with a reduction of two days' sales (one day based on constant exchange rates) to 26 days, a record low for Saint-Gobain and a reflection of its ongoing efforts to maintain cash discipline.

In line with the goal of optimizing its business portfolio, a number of businesses were divested, primarily in Building Distribution, representing around €700 million in full-year sales.

The disposal of Verallia in October was carried out on very favorable financial terms and marks a decisive step in Saint-Gobain's strategic refocus.

Saint-Gobain also continued to pursue its acquisition strategy with the aim of growing the share of industrial assets in the US and emerging countries, investing in new technological niches, and strengthening Building Distribution in its key regions. These acquisitions represent around €300 million in full-year sales.

Innovative Materials sales climbed 2.2% like-for-like over the year as a whole and 1.7% in the second half. The operating margin for the Business Sector widened to 10.5% from 9.4% (10.7% in the second half), driven by the rally in Flat Glass and a resilient performance from High Performance Materials.

Construction Products (CP) reported 0.5% organic growth, but slipped 0.1% in the second half due chiefly to the downturn in Pipe, which reduced the Business Sector's operating margin for the year from 9.0% to 8.5%.

Building Distribution sales slipped 0.6% (down 0.1% over the second half) in a construction market that declined sharply in France but showed the first signs of stabilizing towards the end of the year. After disappointing first-half trading, Germany returned to growth in the six months to December 31. The UK saw small gains in the year, with less traction in the second half. Led by Sweden and Norway, Scandinavia confirmed its robust momentum over the full year, as did Spain and the Netherlands. Brazil delivered good growth as a whole, despite the more pronounced economic slowdown in the fourth quarter. Trading in Switzerland was hit by the impact of an exchange rate boosting imports. The operating margin was affected by slack volumes in France, coming in at 3.2% for the full year (3.8% in the second half), versus 3.5% in 2014.

Recurring net income (excluding capital gains and losses, asset write-downs and material non-recurring provisions) jumped 19.7% to €1,165 million.

In 2016 Saint-Gobain should benefit from more vibrant trading in Western Europe, with France stabilizing. North America should continue to see slight growth on construction markets but is expected to face a more uncertain outlook in industry. Saint-Gobain's operations in Asia and emerging countries should deliver satisfactory growth overall, albeit affected by the slowdown in Brazil.

Saint-Gobain will continue to keep a close watch on cash management and financial strength. In particular, it will:

- keep its priority focus on sales prices in a still deflationary environment;
- unlock additional savings of around €250 million (calculated on the 2015 cost base) thanks to its ongoing cost-cutting program;
- pursue a capital expenditure program (around €1,400 million) focused primarily on growth capex outside Western Europe;
- renew its commitment to invest in R&D in order to support its differentiated, high value-added strategy;
- keep its priority focus on high free cash flow generation.

In line with its strategy, Saint-Gobain is confidently pursuing its plan to acquire a controlling interest in Sika. On March 12, 2016, Saint-Gobain and the Burkard family announced an amendment to their agreement relating to the sale of the shares of Schenker-Winkler Holding (SWH), which holds a controlling stake in Sika, extending the date of validity of their agreement to June 30, 2017. Saint-Gobain will then have an option to extend the agreement until December 31, 2018.

At its meeting of February 25, 2016, Saint-Gobain's Board of Directors decided to recommend to the June 2, 2016 Shareholders' Meeting a return to a full cash dividend policy, with the dividend stable at €1.24 per share. This represents 59% of recurring net income, and a dividend yield of 3.1% based on the closing share price at December 31, 2015 (€39.85).

Oranje-Nassau Développement

Through Oranje-Nassau Développement, Wendel brings together opportunities for investment in growth, diversification and innovation. In particular, it has invested in France (Parcours and Mecatherm), Germany (exceet), Japan (Nippon Oil Pump) and the United States (CSP Technologies), as well as in the Saham Group in Africa.

exceet – Business recovery in H2 after a very difficult H1

(Equity method)

The reporting year was characterized by different results in the two halves. Sales in the second half exceeded the first half figure by 5.1%, and the group earned two-thirds of its total operating result between July and December, thus showing an upward trend. In 2015, exceet posted sales of €181.6 million, a slight, 2.0% decrease. EBITDA totaled €12.7 million, representing a margin of 7.0% (vs. €19.0 million or 10.3% in 2014).

Sales of ECMS (Electronic Components, Modules & Systems – 70% of 2015 sales) were down slightly (1.8%) due to unfavorable market conditions, whereas ESS (exceet Secure Solutions – 5% of sales) grew by 21.5%, mainly due to the acquisition of Lucom GmbH in December 2014. To focus the activities of the company on electronics, exceet's Board of Directors decided to start the process of selling the IDMS business segment (25% of 2015 sales).

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

Ulrich Reutner resigned as CEO of exceet Group SE and from related functions for personal reasons as of March 1, 2016. He will continue to support exceet until the end of 2016 to ensure a smooth transition and to support the planned divestment of the IDMS segment. The CFO of exceet, Wolf-Günter Freese, has also been acting as interim CEO since March 1.

Mecatherm – 2015 earnings hard hit by the difficulties related to the group's industrial reorganization, launched in 2014. Action plan to return to profitability continues; encouraging initial results.

(Full consolidation)

Mecatherm's sales totaled €96.4 million in 2015, down 7.9% from 2014, because more conservative percentage-of-completion rules were applied.

Firm orders taken during 2015 totaled €122.5 million, of which more than a third came from emerging markets (in particular Eastern Europe, Africa and Middle East).

In the second half of the year, Mecatherm continued to pursue its action plan, aimed at ending the short-term crisis linked to the group reorganization launched in 2014. Notwithstanding adjusted EBITDA of €-11.8 million for the full year, this plan produced a significant trend reversal, as EBITDA was €-2.5 million in H2 vs. €-9.3 million in H1.

These efforts also led to a significant improvement in WCR, with €69.5 million in accounts receivable collections in H2 2015, driven by the payment of balances on delayed orders, more rigorous cash management and a robust level of new orders. So even though EBITDA was negative, Mecatherm's net debt contracted by €11 million in H2 2015 to €42.1 million as of December 31, 2015. Mecatherm expects to return to positive EBITDA in 2016.

Nippon Oil Pump (NOP) – Stable sales, continued marketing initiatives to develop international business

(Full consolidation)

In 2015, Nippon Oil Pump's sales totaled ¥5,363 million, stable year-on-year (slight organic decline of 0.6%) due to weak demand in key markets (Japan, China, Taiwan) impacted by the slowing economic environment in the second half of the year.

In 2015, NOP stepped up deployment of its growth strategy. The company aims to develop its international business and enrich its product range. NOP opened four new offices in Germany, China, India and Taiwan and also strengthened its salesforce and R&D staff.

These growth and development initiatives, plus a rise in the cost of raw materials caused profitability to contract during the period. EBITDA fell 27.6% to ¥648 million, representing a margin of 12.1%.

Saham Group – Robust organic growth in the insurance businesses, recovery in customer relationship centers and continued development in Healthcare

(Unconsolidated, unaudited)

In the insurance segment, all Saham Group entities saw net premiums rise in 2015, with an overall increase of 19.3% in gross premiums written. Premium income grew by more than 5.1% in Morocco (ca. 40% of gross premiums), and growth was particularly robust in other regions (+17.9% in West Africa, +19.2% at LIA in Lebanon and +20.4% at GAAS in Angola).

Saham Group continued to pursue its acquisition strategy, finalizing a certain number of transactions in several countries:

- in Nigeria, Saham Finances acquired Continental Reinsurance PLC, one of the region's principal reinsurance companies, present in 44 countries;
- in Saudi Arabia, the group acquired insurance broker Elite;

- in Egypt, the group took a majority stake in ECCO Outsourcing SAE, a customer relationship center and business process outsourcing (BPO) company, thereby targeting the Arab- and English-speaking clientèle of the Middle East, Europe and the United States. Saham's majority stake in ECCO complements the existing range of services it offers in French via Phone Group.

The customer relationship centers business continued to perform well, buoyed by the acquisition of ECCO, and posted growth of more than 10% in 2015.

Saham Group is pursuing the growth and development of its Healthcare and Real Estate businesses. In Real Estate in particular, the marketing of two projects in Morocco, Vert Marine and Almaz, was launched in 2015.

The group also began to refocus its Healthcare and Real Estate activities on Morocco, and sold its holdings in Côte d'Ivoire:

- medical group HMAO sold to Amethis;
- Batim-Côte d'Ivoire (real estate construction and development) and SATCI (land improvement) sold to Phoenix Africa Partners Holding (PAPH).

In addition, a new division, Sana Education, has been created to handle development in the education sector. This business was created through a 60/40 joint venture between Saham Group and Tana Africa Capital (co-founded by Oppenheimer and Temasek) and has already acquired its first school in Morocco.

Finally, on November 25, 2015 an agreement was signed with a view to enabling the Sanlam Group, a South African leader in financial services, to acquire a stake in Saham Finances SA, Saham Group's insurance arm. As part of this transaction, effective February 29, 2016, Sanlam Group acquired 30% of the share capital of Saham Finances from Abraaj Investment Limited and IFC for $375 million, implying a total valuation of $1.25 billion for all of Saham Finances' equity, leading Wendel to increase the valuation used in its latest NAV calculations and in its consolidated financial statements. At the same time, Saham Group increased its stake in its Saham Finances subsidiary by buying out the residual shareholdings of Abraaj Investment Limited and IFC (7.5% of the capital). With this transaction, finalized in March 2016, Saham Group and the Sanlam Group are now the only two shareholders of Saham Finances, with 70% and 30% of the capital, respectively.

CSP Technologies – Good organic growth, impacted by negative currency fluctuations. Acquisition of Maxwell Chase Technologies.

(Full consolidation since February 2015)

CSP Technologies' sales totaled $106.5 million in 2015, up 9.2% organically, but impacted by negative foreign exchange rate fluctuations due to a weaker euro vs. dollar (overall growth was 3.5%).

Organic growth was driven by a combination of volume gains in all market segments, specifically diabetes test strips, cups and over-the-counter medication, as well as generation of new business.

CSP generated adjusted EBIT of $20.5 million in 2015, or 19.2% of sales.

As part of the effort of CSP Technologies to diversify its business profile and strategy to develop active packaging solutions, CSP Technologies announced on March 16 the acquisition of Maxwell Chase Technologies, a US-based producer of absorbent and non-absorbent packaging solutions for the food industry.

Other significant events since the beginning of 2015

Debt maturity extended and cost reduced

After successfully issuing 12-year bonds in January with a par value of €500 million and a coupon of 2.50%, the first such issue since 2005, Wendel repaid on September 21, 2015 all the bonds maturing in September 2015 (€348 million) bearing interest at 4.875%. In addition, on October 5, Wendel successfully placed a €300 million bond issue maturing in April 2020, with a coupon of 1.875%.

Following these three transactions, Wendel's weighted average cost of bond debt was 4.3% as of December 31, 2015 vs. 4.8% as of December 31, 2014.

Rebalancing and portfolio turnover

Adjustment to the investment in Bureau Veritas

In early March 2015, Wendel sold 48 million Bureau Veritas shares, corresponding to 10.9% of the company's share capital, for around €1 billion. Wendel now holds 40.5% of Bureau Veritas' share capital and 56.5% of its voting rights. Wendel will remain the long-term, majority shareholder of Bureau Veritas in an unchanged governance framework.

The transaction will generate an accounting gain of more than €727.5 million, which will have no impact on Wendel's income statement, in accordance with accounting standards relating to a majority shareholding.

Acquisition of CSP Technologies

On January 30, 2015, Wendel announced it had finalized the acquisition of US-based CSP Technologies, for an enterprise value of $360 million. Pursuant to this transaction, Wendel invested $198 million in equity and holds 98% of the share capital of the company.

On March 16, 2016, Wendel announced it had invested an additional amount of ca. $29 million in CSP Technologies so as to finance the acquisition of Maxwell Chase Technologies. Following this transaction, Wendel's equity investment now totals $227 million.

CSP is the leading supplier of innovative plastic packaging for the pharmaceutical and agri-food industries. The company is the world's leading manufacturer of high-performance plastic desiccant vials used, notably, to store test strips for diabetics.

In planning for this transaction, Wendel had converted €160 million into dollars at an exchange rate of USD 1.23/EUR when it entered exclusive negotiations in December 2014.

Acquisition of Constantia Flexibles

On March 27, 2015, Wendel announced it had finalized the acquisition of Constantia Flexibles for an enterprise value of €2.3 billion, or around 9x 2014 EBITDA and had invested €640 million in equity for a 73% stake in the company, alongside the H. Turnauer Foundation's €240 million, 27% investment. Subsequently, on September 22, 2015, Wendel signed an agreement with Maxburg Capital Partners ("MCP"), an investment company backed by the RAG Foundation, to syndicate of minority share of its investment in Constantia Flexibles. Accordingly, in November 2015, MCP acquired approximately 11% of the capital of Constantia Flexibles from Wendel for €101 million.

Following this transaction, Wendel, the H. Turnauer Foundation and MCP participated in a €50 million capital increase for Constantia Flexibles, each subscribing to a pro-rata stake, to finance the acquisitions of Afripack and Pemara.

Following the capital increase and MCP's entry into the capital of Constantia Flexibles, Wendel's equity investment in Constantia Flexibles totaled €571 million. Wendel is the company's controlling shareholder, with 61.4% of the share capital.

Founded by Herbert Turnauer in the 1960s, the Vienna-based Constantia Flexibles Group produces flexible packaging solutions, primarily for the agri-food and pharmaceutical industries. Constantia Flexibles has successfully developed its activity outside Europe and over the last five years has become a global leader in flexible packaging. Constantia Flexibles now has more than 3,000 customers worldwide, around 10,000 employees and 53 manufacturing sites in 23 countries. Its products are sold in more than 115 countries (figure reflects the Afripack and Pemara acquisitions).

Acquisition of AlliedBarton Security Services

On December 1, 2015, Wendel announced it had finalized the acquisition of AlliedBarton Security Services, one of the largest security officer services companies in the United States, for approximately $1.68 billion. As part of the transaction, Wendel invested approximately $688 million in equity alongside AlliedBarton's management, for an ownership stake of around 95% in the company.

Founded in 1957, AlliedBarton is a leader in the US security services market. Based in Conshohocken, PA (USA), the company provides physical guarding and related services to more than 3,300 customers in a wide variety of industries. These customers testify to the experience and credibility of AlliedBarton, which has more than 62,000 employees and 120 regional and district offices located throughout the United States.

A small, but growing part of AlliedBarton's business (7% of sales) consists in providing security services to various US government departments and agencies as well as to companies under contract with the government. In this regard, the company has implemented a Corporate governance structure that complies with US national security interests, thereby furthering its efforts to assert itself in this market. AlliedBarton is expected to appoint three well-known members of the US defense and aerospace community—individuals with national security clearance—as independent members of its Board.

Divestment of Parcours

Wendel has signed a sale agreement with ALD Automotive, with a view to selling all of the share capital of Parcours to ALD. ALD Automotive is the Société Générale Group's long-term leasing subsidiary and is one of the world's major companies in the financing and management of automotive fleets.

ALD Automotive is offering to buy all of the shares of Parcours, and its offer values the shareholders' equity at €300 million. For Wendel the net proceeds of the transaction would total around €240 million. This amount would represent around 2.2 times the total amount Wendel has invested. IRR would be around 18% p.a. since April 2011.

The transaction is expected to close in the first half of 2016, provided the necessary regulatory approvals are received.

Parcours employs more than 450 people in five countries and achieved 2015 sales of €374 million. Since 2010, the fleet of vehicles managed by Parcours has increased by nearly 10% p.a. on average and the company's workforce has doubled.

4.1.4 Consolidated balance sheet

The following table shows the principal changes that took place in the balance sheet in 2015. For the purposes of this analysis and to ease understanding, certain line items of a similar nature have been combined and only the net amount shown. Accordingly, financial debt is presented net of cash and cash equivalents, both pledged and unpledged, and Wendel's short-term financial investments. Financial assets and liabilities are also presented net of these items.

Assets (in millions of euros)	12/31/2015	12/31/2014
Goodwill, net	4,305	2,701
Intangible assets and property, plant & equipment	4,298	2,671
Equity-method investments	3,727	3,553
Net working capital requirements	953	589
Assets and liabilities of operations held for sale[1]	176	2
TOTAL ASSETS	**13,459**	**9,516**

(1) In 2015, essentially the Parcours Group.

Liabilities and shareholders' equity (in millions of euros)	12/31/2015	12/31/2014
Shareholders' equity – Group share	2,982	2,464
Non-controlling interests	973	629
Provisions	589	371
Net financial debt	8,019	5,558
Net financial assets and liabilities	371	238
Net deferred tax liabilities	525	257
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**13,459**	**9,516**

4.1.5 Breakdown of principal variations in the consolidated balance sheet

In millions of euros	
GOODWILL AS OF DECEMBER 31, 2014	**2,701**
Business combinations (including AlliedBarton, Constantia Flexibles and CSP Technologies)	1,730
Reclassification of Parcours under "Operations held for sale"	-36
Impairment for the year	-108
Currency fluctuations and other	18
GOODWILL AS OF DECEMBER 31, 2015	**4,305**

INTANGIBLE ASSETS AND PROPERTY, PLANT & EQUIPMENT AS OF DECEMBER 31, 2014	**2,671**
Investments	707
Sales	-10
Business combinations (including AlliedBarton, Constantia Flexibles and CSP Technologies)	2,413
Reclassification of Parcours' used vehicles in inventory (net)	-102
Depreciation and provisions recognized during the year	-566
Reclassification of Parcours under "Operations held for sale"	-805
Currency fluctuations and other	-10
INTANGIBLE ASSETS AND PROPERTY, PLANT & EQUIPMENT AS OF DECEMBER 31, 2015	**4,298**

EQUITY-METHOD INVESTMENTS AS OF DECEMBER 31, 2014	**3,553**
Re-investment in IHS	156
Share in net income for the year	-76
Share in loss from the sale of Verallia	-97
Dividends paid	-82
Impact of changes in currency translation adjustments	114
Reversal of impairment on Saint-Gobain shares (à formater)	203
Impairment of exceet shares (à formater)	-17
Other	-28
EQUITY-METHOD INVESTMENTS AS OF DECEMBER 31, 2015	**3,727**

CONSOLIDATED SHAREHOLDERS' EQUITY, GROUP SHARE, AS OF DECEMBER 31, 2014	**2,464**
Net income for the year	-146
Dividend paid by Wendel	-93
Items of comprehensive income	54
Buyback of shares	-45
Currency translation reserves	88
Impact of Bureau Veritas block sale (à formater)	728
Changes in scope of consolidation (à formater)	-50
Other	-17
CONSOLIDATED SHAREHOLDERS' EQUITY, GROUP SHARE, AS OF DECEMBER 31, 2015	**2,982**

Changes in other balance sheet line items relate mostly to the entry of CSP Technologies, Constantia Flexibles and AlliedBarton into the scope of consolidation.

	Wendel and holding companies	Subsidiaries	Group Total
NET FINANCIAL DEBT AS OF DECEMBER 31, 2014	**2,610**	**2,948**	**5,558**
MAIN CASH FLOWS OF WENDEL AND ITS HOLDING COMPANIES:			
"Recurring" operating expenses, management fees, and taxes(1)	53		
"Recurring" financing costs (excluding accounting effects) of Wendel and its holding companies(1)	186		
Dividends paid	93		
Dividends received(2)	-172		
Acquisition of CSP Technologies	176		
Net acquisition of Constantia Flexibles	571		
Acquisition of AlliedBarton Security Services	650		
Acquisition of IHS	97		
Repayment of Kilione loan	-25		
Sterigenics bonds	44		
Sale of Saint-Gobain put	136		
Sale of Bureau Veritas shares	-975		
Main cash flows of subsidiaries			
Net cash flow from operating activities		-1,494	
Net finance costs		181	
Net cash flows related to taxes		281	
Acquisition of shares by Bureau Veritas		108	
Acquisition of shares by Constantia Flexibles		52	
Acquisition of property, plant & equipment and intangible assets		317	
Acquisition of vehicles by Parcours (net of sales)		300	
Dividends paid(2)		232	
Other cash flows			
Purchase of treasury shares	45	45	
Impact of changes in the scope of consolidation		1,563	
Other	-37	34	
NET FINANCIAL DEBT AS OF DECEMBER 31, 2015	**3,452**	**4,567**	**8,019**

(1) Cash flows from items in "Net income from business sectors" for Wendel and holding companies.
(2) Includes €85 million from Bureau Veritas, eliminated upon consolidation.

NET FINANCIAL ASSETS AND LIALIBILITIES AS OF DECEMBER 31, 2014	**-238**
Sterigenics bonds	44
Acquisition of unconsolidated shares by Constantia Flexibles	77
Fair value adjustment	44
Business combinations	32
Earnouts, deferred payments and other financial liabilities of operating subsidiaries	-134
Minority puts and liabilities related to liquidity guarantee	-238
Liability related to co-investors in IHS	-87
Sale of Saint-Gobain puts	164
Other	-35
NET FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2015	**-371**

4.2 Analysis of the parent company financial statements

4.2.1 Income statement

In millions of euros	2015	2014
Income from investments in subsidiaries and associates	1,500	285
Other financial income and expense	-135	-139
NET FINANCIAL INCOME (EXPENSE)	**1,365**	**146**
Operating income	-28	-32
NET INCOME (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX	**1,337**	**114**
Exceptional items	4	-2
Income taxes	-2	6
NET INCOME	**1,339**	**118**

Income before exceptional items and tax was €1,337 million in 2015 compared with €114 million in 2014. The change resulted essentially from the dividend of €1,500 million received from Trief Corporation in 2015 vs. €285 million in 2014.

The tax expense stems primarily from the 3% tax on distributed income.

4.2.2 Balance sheet

Assets (in millions of euros)	12/31/2015	12/31/2014
Property, plant & equipment	2	3
Non-current financial assets	3,605	3,583
Net intra-group receivables	5,339	3,389
Net WCR	12	31
Cash and marketable securities	825	1,070
Repayment premium	12	17
TOTAL ASSETS	**9,795**	**8,092**

Liabilities and shareholders' equity (in millions of euros)	12/31/2015	12/31/2014
Shareholders' equity	5,505	4,250
Provisions	31	35
Financial debt	4,230	3,770
Issue premiums on borrowings	29	37
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**9,795**	**8,092**

Net receivables from subsidiaries increased by €1,950 million as a result of the following factors:

- Wendel borrowed a total of €1,144 million from its subsidiaries, related mainly to proceeds from the sale of Saint-Gobain shares (€975.4 million), and to Bureau Veritas and Saint-Gobain dividends received by its subsidiaries during the year (€169 million);
- loans to subsidiaries:
  - €96.5 million to finance the subscription of shares in IHS (telecoms infrastructure in Nigeria, Côte d'Ivoire, and Cameroon),
  - €570 million to finance the acquisition of Constantia Flexibles (flexible packaging solutions and labels for the food and pharmaceutical industries) in March 2015,
  - the equivalent of €650 million, denominated in euros and dollars, to finance the acquisition of AlliedBarton Security Services, a leading US security services company, in December 2015,
  - the Company increased its loan to Trief Corporation following Trief Corporation's payment of a €1,500 million interim dividend to Wendel SE.

Shareholders' equity totaled €5,505 million at December 31, 2015, against €4,250 million at December 31, 2014. The change primarily reflected the following:

- €1,339 million net income for the year;
- a cash dividend of €93 million (or €2 per share) paid on 2014 earnings.

The main changes in financial debt (excluding intragroup items) in 2015 were:

- repayment of €347.6 million in bonds maturing in 2015;
- the issue of €500 million and €300 million (par value) of new bonds maturing in 2027 and 2020, respectively.

4.3 Net asset value (NAV)

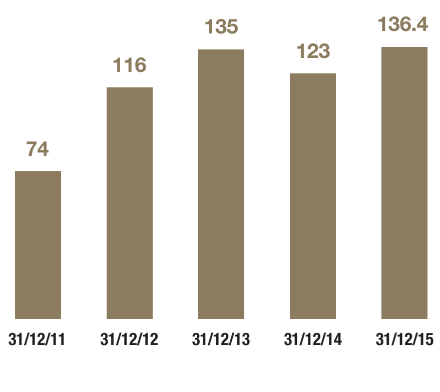
4.3.1 NAV as of December 31, 2015

NAV as of December 31, 2015 and 2014 broke down as follows:

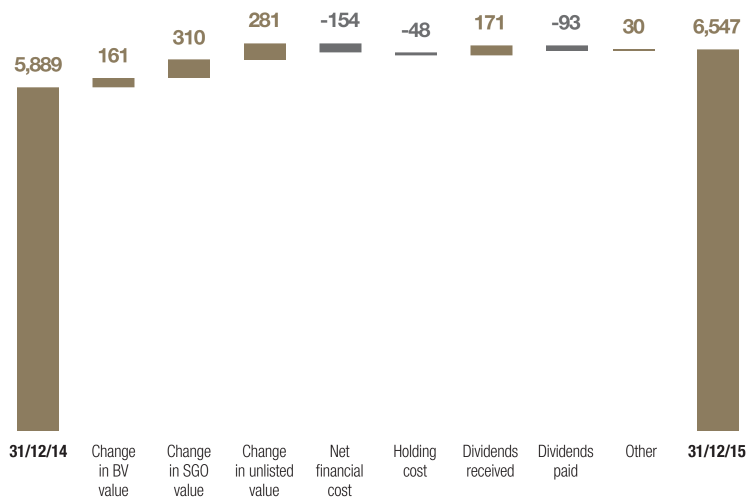
In millions of euros	Number of shares	Share price(1)	12/31/2015	12/31/2014
Listed equity investments			5,883	6,388
■ Bureau Veritas	177.2/225.2 million	€18.6/€18.2	3,287	4,102
■ Saint-Gobain	65.8 million	€39.4/€34.7	2,596	2,286
Unlisted investments and Oranje-Nassau Développement(2)(3)			3,891	2,083
Other assets and liabilities of Wendel and holding companies(4)			204	169
Cash and marketable securities(5)			799	1,185
GROSS ASSETS, REVALUED			**10,777**	**9,826**
Wendel bond debt			-4,230	-3,769
Value of puts issued on Saint-Gobain(6)			-	-168
NET ASSET VALUE			**6,547**	**5,889**
Number of shares			47,992,530	47,796,535
NET ASSET VALUE PER SHARE			**€136.4**	**€123.2**
Average of 20 most recent Wendel share prices			€107.4	€92.1
PREMIUM (DISCOUNT) ON NAV			**-21.3%**	**-25.3%**

(1) Average share price of the 20 trading days prior to December 31, 2015 and 2014.
(2) Unlisted equity investments (Cromology, Stahl and IHS as of December 31, 2014 plus Constantia Flexibles and AlliedBarton as of December 31, 2015) and Oranje-Nassau Développement (NOP, Saham Group, Mecatherm, Parcours, VGG, exceet, indirect investments and unlisted debt as of December 31, 21014 as well as CSP Technologies as of December 31, 2015).
(3) In accordance with Wendel's NAV calculation methodology, the values of Constantia Flexibles, IHS and Stahl have been reduced by the full or partial application of completed transaction valuations (acquisitions, capital increases) over a 12-month period or of offers received and not accepted. This had an impact of several euros per share on the valuation of each of these companies, which will be integrated into the NAV at the end of the 12-month period. Parcours was valued on the basis of peer-group multiples as of December 31, 2015.
(4) Includes 1,963,301 Wendel shares held in treasury as of December 31, 2015 and 1,761,948 as of December 31, 2014.
(5) Cash and marketable securities owned by Wendel and holding companies included €470 million in cash and €329 million in liquid and available financial investments as of December 31, 2015 and €854 million in cash and €331 million in liquid and available financial investments as of December 31, 2014.
(6) Puts issued (written) on Saint-Gobain and unwound in the first half of 2015 with a value of €136 million.

NAV per share (in euros)



NAV over the past five years



4.3.2 NAV calculation method

4.3.2.1 Net asset value publication dates and publication-related verification

The annual schedule of NAV publication dates is available in advance on Wendel's website at the following address: http://www.wendelgroup.com.

At each NAV publication date, the Statutory Auditors verify that the methodology used for calculating net asset value complies with the Group's methodology and confirm consistency with accounting data.

The Audit Committee reviews each published NAV and compares Wendel's valuation of unlisted investments with one performed by an independent expert.

4.3.2.2 Presentation of Net Asset Value

Presentation format (publication at the level of detail indicated)	Comments
Equity investments valuation date	
+ Listed investments, including:	
▪ Bureau Veritas	*Average closing price over 20 trading days*
▪ Saint-Gobain	
+ Unlisted investments and Oranje-Nassau Développement	*Unlisted investments are valued using the method described below. exceet is valued on the basis of the average share price of the 20 trading days prior to the NAV calculation date.*
+ Other assets and liabilities of Wendel and holding companies	*Includes Wendel shares held in treasury*
Cash and marketable securities	*Pledged & unpledged cash of Wendel and holding companies*
Wendel's bond debt and syndicated credit line	*Face value + accrued interest*
Bank debt with margin calls	*Face value + accrued interest*
Net Asset Value	
Number of Wendel shares	
NAV/share	
Average of 20 most recent Wendel share prices	
Premium (discount) on NAV	

NAV is a short-term valuation of the Group's assets. It does not take into account any control premiums or illiquidity discounts.

4.3.2.3 Listed equity investments

Listed investments are valued on the basis of the average closing price of the 20 trading days prior to the valuation date.

4.3.2.4 Valuation of unlisted investments

Valuation at cost for the 12 months following their acquisition.

New, unlisted investments are valued at cost for the first 12 months following their acquisition. After this period, the company is valued on the basis outlined below.

Valuation by listed peer-group multiples

The preferred method for valuing unlisted investments is comparison with the multiples of comparable listed companies.

The value of shareholders' equity of the companies in Wendel's portfolio is determined as their enterprise value minus net financial debt of investments (gross face value of debt less cash) appearing in the most recent financial statements. To value Parcours, we use the ratio of market capitalization to pre-tax ordinary income. The value of the company's shareholders' equity is thus directly determined by multiplying its pre-tax ordinary income by the multiples of comparable listed companies. The announced Parcours sale price was not taken into account until a firm offer was received in February 2016.

If net debt exceeds enterprise value, the value of shareholders' equity remains at zero if the debt is without recourse to Wendel.

Wendel's percentage ownership is determined by the features of the equity instruments held by Wendel, non-controlling interests and co-investor managers, if any (see note 4 "Participation of managers in Group investments" to the consolidated financial statements).

Enterprise value is obtained by multiplying measures of each company's earnings by stock-market multiples of similar listed companies.

The measures of earnings most often used in the calculation are recurring EBITDA (earnings before interest, taxes, depreciation and amortization) and recurring EBIT (before goodwill). The choice of earnings measures used can be adjusted depending on the sector in which the subsidiary operates or its business model. In this case, Wendel publishes an explanation of the adjustment.

For the first half of the year, the enterprise value corresponds to the average of the values calculated using EBITDA and EBIT of the previous year and the budget (or budget update) for the current year. For the second half of the year, including for the calculation as of December 31, the next year is also taken into account, because there is sufficient visibility on the end of the current year and the following year can be estimated satisfactorily. For the second half, therefore, the enterprise value is the average of the values calculated for three periods: the most recently audited fiscal year, the entire current year and the following year.

Stock-market multiples of comparable companies are obtained by dividing their enterprise value by their EBITDA or EBIT for the reference periods. Multiples of pre-tax ordinary income are obtained by dividing market capitalization by pre-tax ordinary income for the reference periods.

Enterprise value of the comparable companies is obtained by adding market capitalization (the average closing price over the last 20 trading days) and net financial debt (gross face value of debt less cash) at the same (or similar) date as that applied to the net debt of the company being valued.

Comparable listed companies are chosen based on independent data and studies, information available from Wendel's subsidiaries, and research carried out by Wendel's investment team. Certain peer-group companies can be more heavily weighted if their characteristics are closer to those of the company being valued than are those of the other companies in the sample.

The peer group remains stable over time. It is adjusted when a company is no longer comparable (in which case it is removed from the peer group) or when a company is newly considered as belonging to the peer group for the investment being valued.

Non-representative multiples are excluded from the peer group, such as occur during takeover offers or any other exceptional circumstance affecting the measures of income or the share price.

The data, analyses, forecasts or consensus values used are based on information available at each date.

Valuation by transaction multiples

Transaction multiples may also be used when the transaction involves a company whose profile and business are similar to those of the company being valued. In this case, reliable information must be available on the transaction, in sufficient detail. In some cases, the multiple used to value an investment will be an average, either straight or weighted, of the peer-group multiple and the transaction multiple. If used, the transaction multiple is applied for a period of 12 months, in line with the methodology of using the price paid in an acquisition.

Other methods

If a valuation by peer-group comparison is not accurate, other methods may be used, depending on the nature of the business, the characteristics of the asset and market practices. These include expert appraisals, valuation by discounted future cash flows, sum of the parts, and other methods.

Purchase offers

Purchase offers received for unlisted investments are taken into account if they are serious, i.e. relatively firm, and reasonable. In this case, Wendel uses the average, either straight or weighted based on the probability of acceptance, of the internal valuation and the average purchase price offered. Depending on the specific terms of these offers, they might be used as the sole basis for the valuation. The price of a purchase offer is applied for a period of 12 months, in line with the methodology of using the price paid in an acquisition.

Price of dilutive capital transactions

Capital increases that have a significant dilutive or accretive effect on the whole or on certain shareholders are considered as a transaction between shareholders. The price of such a transaction can be used to value the entire related investment, and is maintained for a period of 12 months, just as in the case of the price paid in an acquisition.

The principle of valuation at the price paid is not applied in the event Wendel exercises an option to acquire shares or subscribe to a capital increase at an exercise price set on the basis of a situation that pre-dates the exercise.

4.3.2.5 Cash

Cash of Wendel and its holding companies includes available cash at the valuation date (including liquid financial investments) and pledged cash.

4.3.2.6 Financial debt

Financial debt (Wendel's bond debt, syndicated loan outstandings and bank debt with margin calls) is valued at its face value plus accrued interest.

For the purposes of the calculation, financial debt is valued at face value, which is not affected by changes in interest rates or credit quality. Accordingly, interest-rate swaps are not valued at their market value, as the swaps are treated as part of the debt.

4.3.2.7 Other NAV components

Current assets and liabilities are considered at their net book value or their market value, depending on their nature, *i.e.* at face value, less any impairment, in the case of receivables, and at market value in the case of derivatives, with the exception of interest-rate swaps. Real estate is valued on the basis of appraisals carried out at regular intervals.

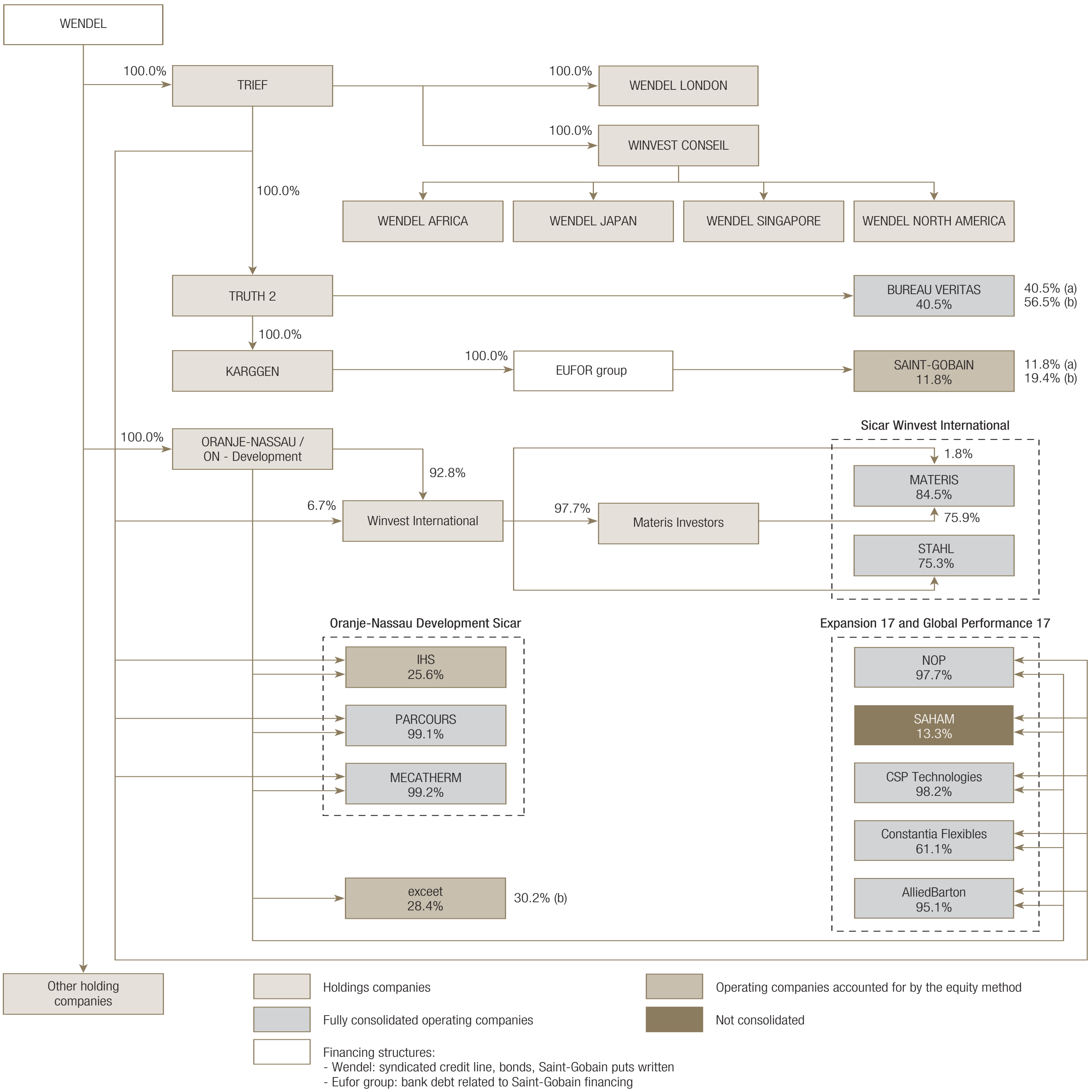
Shares held in treasury and earmarked for sale upon the exercise of stock options are valued at the lower of the strike price of the options or the average price of the shares over the last 20 trading days. Shares held to cover performance share plans are valued at zero. Other shares held in treasury are valued at the average price over the last 20 trading days.

As NAV is a short-term valuation of the Group's assets, Wendel's future operating expenses do not enter into the calculation. Similarly, future tax effects are not included so long as the sale price of an investment and the form of the sale (in particular the tax consequences) are not both known and certain.

The number of Wendel shares taken into account in the calculation of NAV per share is the total number of shares composing Wendel's equity at the valuation date.

Some aspects of the method described above may be amended if such a change produces a more faithful valuation. Any such changes would be announced by Wendel.

4.4 Organization chart

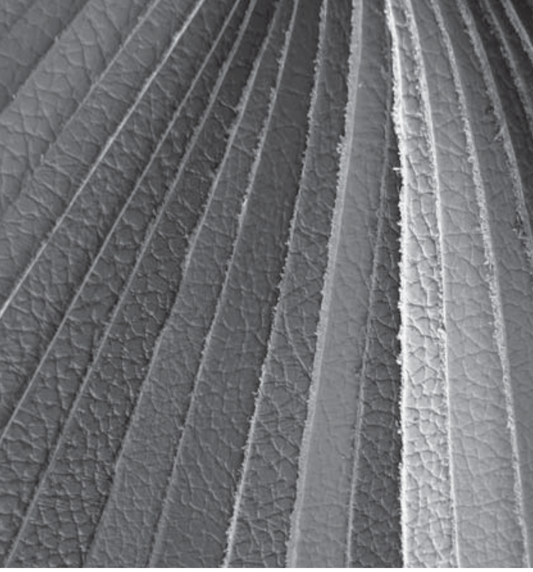


(a) Percentage interest after taking into account shares held in treasury.
(b) Percentage of exercisable voting rights.

Other holding companies

These intermediary holding companies serve, among other things, to finance and hold Group equity investments.

Company name (shareholders)	Intermediate holding companies held
AFRICA TELECOM TOWERS (62.7% Oranje-Nassau Développement SA Sicar)	
COBA (100% Wendel)	-
FROEGGEN (100% Trief Corporation)	-
GLOBEX AFRICA 1 (100% Global Performance 17/Expansion 17)	-
GRAUGGEN (100% Eufor)	-
HIRVEST 1 (100% Eufor)	-
HIRVEST 3 (100% Eufor)	-
HOURGGEN (100% Eufor)	-
IREGGEN (100% Eufor)	-
JEURGGEN (100% Eufor)	-
MECATHERM GUARANTCO (100% Trief Corporation)	-
ORANJE-NASSAU DEVELOPMENT BV (100% Oranje-Nassau Groep)	100% Oranje-Nassau Développement SA SICAR
	100% Oranje-Nassau Participaties BV
	54.2% Oranje-Nassau Parcours
	57.7% Oranje-Nassau Mecatherm
ORANJE-NASSAU DEVELOPPEMENT NOP (100% Global Performance 17/Expansion 17)	100% NOP Europe
ORANJE-NASSAU DEVELOPPEMENT SA SICAR (99.5% Oranje-Nassau Development BV/Trief Corporation)	-
ORANJE-NASSAU GP (100% Winvest Conseil)	-
ORANJE-NASSAU INVESTMENTS BV (100% Oranje-Nassau Groep)	-
ORANJE-NASSAU MECATHERM (57.7% Oranje-Nassau Development BV, 40.5% Trief Corporation)	-
ORANJE-NASSAU PARCOURS (54.2% Oranje-Nassau Development BV, 41.6% Trief Corporation)	-
ORANJE-NASSAU PARTICIPATIES BV (100% Oranje-Nassau Development BV)	-
NOP EUROPE (100% Oranje-Nassau Développement NOP)	
SOFISAMC (100% Trief Corporation)	-
SOFISERVICE (100% Wendel)	-
WALDGGEN (98.6% Trief Corporation)	-
WIN SECURITIZATION 2 (100% Trief Corporation)	-



5 CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2015

5.1 Balance sheet – Consolidated financial position

Assets

In millions of euros	Note	12/31/2015	12/31/2014
Goodwill, net	6 & 7	4,305.0	2,701.2
Intangible assets, net	6 & 8	2,705.3	1,254.9
Property, plant & equipment, net	6 & 9	1,592.7	1,415.8
Non-current financial assets	6 & 13	469.6	224.2
Pledged cash and cash equivalents	6 & 12	34.6	0.4
Equity-method investments	6 & 10	3,726.8	3,552.9
Deferred tax assets	6	196.8	182.0
TOTAL NON-CURRENT ASSETS		**13,030.8**	**9,331.6**
Assets of operations held for sale	**34**	**970.8**	**2.4**
Inventories	6	485.8	224.9
Trade receivables	6 & 11	2,044.0	1,524.5
Other current assets	6	264.5	235.4
Current income tax assets	6	73.1	91.2
Other current financial assets	6 & 13	421.3	407.3
Cash and cash equivalents	6 & 12	1,188.6	1,192.6
TOTAL CURRENT ASSETS		**4,477.3**	**3,675.9**
TOTAL ASSETS		**18,478.9**	**13,010.0**

The notes to the financial statements are an integral part of the consolidated statements.

Liabilities & shareholders' equity

In millions of euros	Note	12/31/2015	12/31/2014
Share capital		192.0	191.2
Share premiums		31.7	23.2
Retained earnings & other reserves		2,904.5	2,229.6
Net income for the year – Group share		-146.2	19.6
		2,982.0	2,463.5
Non-controlling interests		972.5	628.9
TOTAL SHAREHOLDERS' EQUITY	**14**	**3,954.5**	**3,092.4**
Short-term provisions	6 & 15	453.4	362.4
Financial debt (non-current portion)	6 & 16	8,660.9	6,187.7
Other non-current financial liabilities	6 & 13	748.4	329.3
Deferred tax liabilities	6	722.0	439.3
TOTAL NON-CURRENT LIABILITIES		**10,584.6**	**7,318.6**
Liabilities of operations held for sale	**34**	**794.3**	**0.0**
Short-term provisions	6 & 15	136.0	8.3
Financial debt (current portion)	6 & 16	910.3	894.3
Other current financial liabilities	6 & 13	184.6	209.3
Trade payables	6	785.0	572.5
Other current liabilities	6	1,034.3	834.1
Current income tax liabilities	6	95.2	80.5
TOTAL CURRENT LIABILITIES		**3,145.4**	**2,599.0**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**18,478.9**	**13,010.0**

Pursuant to IFRS 5, "Non-current assets held for sale and discontinued operations", the assets and liabilities of the Parcours Group have been reclassified as "Assets and liabilities of operations held for sale" as of December 31, 2015 (see note 2 "Changes in scope of consolidation").

The notes to the financial statements are an integral part of the consolidated statements.

5.2 Consolidated income statement

In millions of euros	Note	2015	2014
Net sales	6 & 17	7,867.1	5,574.5
Other income from operations		9.6	3.5
Operating expenses		-7,100.9	-4,986.1
INCOME FROM ORDINARY ACTIVITIES	**18**	**775.8**	**591.9**
Other operating income and expenses	19	-210.2	-94.3
OPERATING INCOME	**6**	**565.7**	**497.6**
Income from cash and cash equivalents		43.9	31.1
Finance costs, gross		-404.2	-396.6
Finance costs, net	*6 & 20*	*-360.3*	*-365.6*
Other financial income and expense	6 & 21	-10.1	-56.3
Tax expense	6 & 22	-211.0	-180.9
Net income from equity-method investments	6 & 23	25.6	-76.0
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		**9.9**	**-181.2**
Net income from discontinued operations and operations held for sale	34	14.6	378.9
NET INCOME		**24.5**	**197.8**
Net income, non-controlling interests		170.7	178.2
NET INCOME, GROUP SHARE		**-146.2**	**19.6**

In euros	Note	2015	2014
Basic earnings per share *(in euros)*	24	-3.17	0.42
Diluted earnings per share *(in euros)*	24	-3.43	0.31
Basic earnings per share from continuing operations *(in euros)*	24	-3.47	-6.93
Diluted earnings per share from continuing operations *(in euros)*	24	-3.69	-7.04
Basic earnings per share from discontinued operations *(in euros)*	24	0.31	7.35
Diluted earnings per share from discontinued operations *(in euros)*	24	0.26	7.35

Pursuant to IFRS 5, “Non-current assets held for sale and discontinued operations”, the contribution from Parcours has been reclassified on a single line of the income statement, “Net income from discontinued operations and operations held for sale” for fiscal years 2015 and 2014 (see note 2, “Changes in scope of consolidation”).

The notes to the financial statements are an integral part of the consolidated statements.

5.3 Statement of comprehensive income

In millions of euros	2015			2014		
	Gross amounts	Tax effect	Net amounts	Gross amounts	Tax effect	Net amounts
Items recyclable into net income						
Currency translation reserves[1]	70.7	-	70.7	192.8	-	192.8
Gains and losses on qualified hedges	16.9	-11.4	5.6	-8.1	2.3	-5.8
Gains and losses on assets available for sale[2]	43.3	-	43.3	-	-	-
Earnings previously recognized in shareholders' equity taken to the income statement	4.2	-1.3	2.9	-4.4	-1.9	-6.3
Items non-recyclable into net income						
Actuarial gains and losses	12.3	-7.4	4.9	-127.1	43.5	-83.6
INCOME AND EXPENSES RECOGNIZED DIRECTLY IN SHAREHOLDERS' EQUITY (A)	**147.4**	**-20.0**	**127.4**	**53.2**	**43.9**	**97.1**
Net income for the period (B)			24.5			197.8
TOTAL INCOME AND EXPENSES RECOGNIZED DURING THE PERIOD (A) + (B)			**151.9**			**294.9**
Attributable to:						
■ shareholders of Wendel			-4.0			88.4
■ non-controlling interests			155.9			206.4

(1) This item integrates in particular the contributions of Saint-Gobain in the amount of €+50 million, IHS for €+63 million, set off by the AlliedBarton negative changes in the amount of €-19 million and Bureau Veritas, in the amount of €-17 million.
(2) The main impact is connected to changes in the fair value of Saham Group shares, for €+44 million (see note 13 "Details of financial assets and liabilities").

The notes to the financial statements are an integral part of the consolidated statements.

5.4 Changes in shareholders' equity

In millions of euros	Number of shares outstanding	Share capital	Share premiums	Treasury shares	Retained earnings & other reserves	Currency translation adjustments	Group share	Non-controlling interests	Total shareholders' equity
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2013	**46,881,612**	**194.5**	**114.6**	**-143.0**	**2,634.5**	**-265.1**	**2,535.5**	**522.1**	**3,057.6**
Income and expenses recognized directly in shareholders' equity (A)		-	-	-	-74.8	143.6	68.9	28.3	97.1
Net income for the period (B)					19.6	-	19.6	178.2	197.8
TOTAL INCOME AND EXPENSES RECOGNIZED DURING THE PERIOD (A) + (B)		**-**	**-**	**-**	**-55.2**	**143.6**	**88.4**	**206.4**	**294.9**
Dividends paid(2)					-86.4		-86.4	-113.7	-200.2
Movements in treasury shares	-987,515	-3.9	-96.1	-14.8			-114.9		-114.9
Capital increase									
▪ exercises of stock options	116,468	0.5	2.7				3.2		3.2
▪ Company savings plan	24,022	0.1	2.0				2.1		2.1
Share-based payments					16.8		16.8	9.5	26.2
Changes in scope of consolidation					27.2	42.8	69.9	11.1	81.0
Other					-51.0	-	-51.0	-6.5	-57.5
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2014	**46,034,587**	**191.2**	**23.2**	**-157.9**	**2,485.7**	**-78.7**	**2,463.5**	**628.9**	**3,092.4**
Income and expenses recognized directly in shareholders' equity (A)		-	-	-	54.4	87.9	142.2	-14.8	127.4
Net income for the period (B)					-146.2	-	-146.2	170.7	24.5
TOTAL INCOME AND EXPENSES RECOGNIZED DURING THE PERIOD (A) + (B)(1)		**-**	**-**	**-**	**-91.9**	**87.9**	**-4.0**	**155.9**	**151.9**
Dividends paid(2)					-92.6		-92.6	-146.6	-239.2
Movements in treasury shares	-201,353			-45.4			-45.4	-	-45.4
Cancellations of treasury shares							-	-	-
Capital increase								-	
▪ exercises of stock options	177,745	0.7	7.0				7.7	-	7.7
▪ Company savings plan	18,250	0.1	1.5				1.6	-	1.6
Share-based payments					16.2		16.2	11.8	27.9
Change in scope of consolidation(3)					671.5	6.0	677.5	522.7	1,200.2
Other(4)					-38.5	-4.0	-42.5	-200.1	-242.6
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2015	**46,029,229**	**192.0**	**31.7**	**-203.3**	**2,950.3**	**11.2**	**2,982.0**	**972.5**	**3,954.5**

(1) See "Statement of comprehensive income".
(2) In 2015, Wendel paid a cash dividend of €2.00 per share, for a total of €92.6 million. In 2014, Wendel paid a cash dividend of €1.85 per share, for a total of €86.4 million.
(3) Changes in scope of consolidation include the impacts connected to the disposal of the block of Bureau Veritas shares, i.e. a gain of €727.5 million, Group share, and a change of €141.7 million in the share of non-controlling interests, as well as the impacts connected to entries into the scope of the Constantia Flexibles Group for an amount of €356 million in non-controlling interests, and of the AlliedBarton Group, for an amount of €30.5 million in non-controlling interests. All of the changes in scope of consolidation are detailed in note 2 "Changes in scope of consolidation".
(4) Other changes include the impact of minority put options, in particular the put option granted to the H. Turnauer foundation, as well as the impact of liquidity granted in the framework of co-investments (see note 35, "Off-balance-sheet commitments").

The notes to the financial statements are an integral part of the consolidated statements.

5.5 Consolidated cash flow statement

In millions of euros	Note	2015	2014
Cash flows from operating activities			
Net income		24.5	197.8
Share of net income/loss from equity-method investments		-25.6	76.0
Net income of tax from discontinued operations and operations held for sale		-14.6	-368.0
Depreciation, amortization, provisions and other non-cash items		622.3	528.0
Expenses on investments and divestments		17.2	3.5
Cash flow from companies held for sale		201.6	-
Gains/losses on divestments		4.1	20.1
Financial income and expense		370.4	429.2
Taxes (current & deferred)		211.0	189.1
Cash flow from consolidated companies before tax		1,411.0	1,075.5
Change in working capital requirement related to operating activities		24.2	13.6
NET CASH FLOWS FROM OPERATIONS, EXCLUDING TAX	**6**	**1,435.2**	**1,089.2**
Cash flows from investing activities, excluding tax			
Acquisition of property, plant & equipment and intangible assets	25	-707.1	-522.0
Disposal of property, plant & equipment and intangible assets	26	102.6	93.4
Acquisition of equity investments	27	-2,447.5	-1,069.0
Disposal of equity investments	28	1,078.2	2,170.1
Impact of changes in scope of consolidation and of operations held for sale	29	131.3	-12.7
Changes in other financial assets and liabilities and other	30	-191.6	-108.3
Dividends received from equity-method investments and unconsolidated companies	31	87.3	86.6
Change in working capital requirements related to investment activities		23.6	53.0
NET CASH FLOWS FROM INVESTMENT ACTIVITIES, EXCLUDING TAX	**6**	**-1,923.4**	**691.1**
Cash flows from financing activities, excluding tax			
Proceeds from issuance of shares		9.4	5.3
Contribution of non-controlling shareholders	32	271.0	4.5
Share buybacks			
■ Wendel		-45.4	-114.9
■ Subsidiaries		-45.2	-46.1
Dividends paid by Wendel		-92.6	-86.4
Dividends paid to non-controlling shareholders of subsidiaries		-146.6	-113.7
New borrowings	33	2,911.8	2,479.4
Repayment of borrowings	33	-1,603.9	-3,052.8
Net finance costs		-383.9	-354.1
Other financial income/expense		-61.5	16.1
Change in working capital requirements related to financing activities		-28.3	110.0
NET CASH FLOWS FROM FINANCING ACTIVITIES, EXCLUDING TAX	**6**	**784.7**	**-1,152.8**
Cash flows related to taxes			
Current tax expense		-280.3	-213.4
Change in tax assets and liabilities (excl. deferred taxes)		9.1	8.8
NET CASH FLOWS RELATED TO TAXES	**6**	**-271.2**	**-204.6**
Effect of currency fluctuations		4.9	5.8
Net change in cash and cash equivalents		30.1	428.7
Cash and cash equivalents at beginning of period		1,193.0	764.4
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**6 AND 12**	**1,223.2**	**1,193.0**

The principal components of the consolidated cash flow statement are detailed beginning in note 25 *et seq*.

Details on the cash and cash equivalents accounts and how they are classified on the consolidated balance sheet are shown in note 12 "Cash and cash equivalents".

The cash flow of Parcours, which was reclassified in operations held for sale as of December 31, 2015, was maintained in each of the cash flow categories for the full year 2015. Cash as of December 31, 2015 was entered in the line "Impact of changes in scope of consolidation and of operations held for sale" in the amount of €21.5 million.

The notes to the financial statements are an integral part of the consolidated statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: DETAILED CONTENTS

5.6 General principles

Wendel is a *Société européenne* with an Executive Board and a Supervisory Board, governed by European and French legislative and regulatory provisions applicable now or in the future. The Company is registered in the Paris Trade and Company Register under number 572 174 035. Its head office is located at 89 rue Taitbout, Paris, France.

Its business consists in investing for the long term in industrial and service companies, in order to accelerate their growth and development.

As of December 31, 2015, the Wendel Group primarily comprised:

- fully consolidated operating companies: Bureau Veritas (40.5% net of treasury shares), Materis (84.5%)(1), itself composed of the holding companies Materis and Cromology (formerly known as Materis Paints), Stahl (75.3%), AlliedBarton (95.1%), Constantia Flexibles (61.1%) and the companies held by Oranje-Nassau Développement: Mecatherm (99.2%), NOP (97.7%), CSP Technologies (98.2%) and Parcours (99.1%), which is classified under "Assets and liabilities of operations held for sale" as of December 31, 2015;
- operating companies consolidated using the equity method: Saint-Gobain (11.8% net of treasury shares), IHS (25.6%)(2) and exceet (28.4% net of treasury shares), which is held by Oranje-Nassau Développement; and
- Wendel and its fully consolidated holding companies.

The consolidated financial statements of the Wendel Group cover the 12-month fiscal year from January 1 to December 31, 2015 and are expressed in millions of euros. They include:

- the balance sheet (statement of financial position);
- the income statement and the statement of comprehensive income;
- the statement of changes in shareholders' equity;
- the cash flow statement;
- the notes to the financial statements.

Each accounting item in these financial statements includes the contribution of all of the Group's fully consolidated companies. However, each of Wendel's subsidiary companies is managed independently under the responsibility of its own executive management. It is therefore important to analyze subsidiaries' individual performance using relevant aggregate accounting data for their respective business activities. Aggregate data for each fully-consolidated subsidiary are presented in note 6 "Segment information", which shows the contribution of each subsidiary to the income statement, balance sheet, and cash flow statement. Aggregate accounting data for equity-method investments are set out in note 10 "Equity-method investments". An analysis of the Group's overall performance by business activity is provided in note 6 "Segment information", which details recurring net income by business activity and non-recurring net income. There is no financial recourse between the different operating subsidiaries or from the operating subsidiaries to Wendel and its holding companies (see note 5-2.2.2 "Impact of liquidity risk of subsidiaries on Wendel"). The debt positions of the fully-consolidated subsidiaries, and of Wendel and its holding companies, are presented individually in note 5-2 "Managing Liquidity Risk".

These financial statements were finalized by Wendel's Executive Board on March 17, 2016 and will be submitted for shareholders' approval at the General Meeting of Shareholders.

(1) This is the percentage held from a legal point of view. For consolidation purposes, Materis has been consolidated with a holding of 90%. This percentage includes the shares held by Materis managers that might be repurchased in the context of the liquidity to be offered to them in 2016 (see note 35-6, "Shareholder agreements and co-investment mechanisms").

(2) This rate does not integrate the co-investors' share, which is recognized in the Group's share pursuant to IFRS (see note 10, "Equity-method investments").

5.7 Notes

NOTE 1 Accounting principles

Wendel's consolidated financial statements for the fiscal year ended December 31, 2015 have been prepared in accordance with IFRS (International Financial Reporting Standards) principles and methods as adopted by the European Union on December 31, 2015, in accordance with Regulation no. 1606/2002 of the European Council and the European Parliament pertaining to the application of international accounting standards, adopted on July 19, 2002.

With the exception of the new standards and interpretations that became mandatory for fiscal years beginning on or after January 2015, these accounting principles are the same as those used in preparing the consolidated financial statements for the fiscal year ended December 31, 2014. They correspond to the International Financial Reporting Standards as adopted by the European Union, which are available on the European Commission's website:

"http://ec.europa.eu/finance/accounting/ias/index_en.htm"

Note 1-1 Standards, interpretations and amendments to existing standards that were mandatory in 2015

IFRIC 21, "Levies", is applicable to the Wendel Group as from January 1, 2015. IFRIC 21 aims to clarify the event triggering the expense in relation to all taxes and fees other than income taxes. The main impact of IFRIC 21 is to fully recognize the expense by way of certain taxes as from the moment that the trigger event (in this instance, the tax liability) occurs, instead of spreading out such debt over the fiscal year. In particular, the rhythm for the recognition of two taxes in force in France, the property tax and the *contribution sociale de solidarité des sociétés* (C3S), was thus modified. The change in accounting method is to be applied retrospectively. Its application has no impact on the operating results for the full year. Moreover, no significant impact as of December 31, 2014 was recorded. In 2015, the changes were posted to the "consolidated reserves" of the statement of changes in shareholders' equity. This impact being non-significant at the Group level, the prior data was not restated.

The implementation of the following amendments applicable to the Wendel Group as of January 1, 2015, had no significant impact on the consolidated financial statements for the 2015 fiscal year:

- amendment to IFRS 3, "Business combinations" – Non-application of IFRS 3 to the formation of a partnership in the financial statements of said partnership;
- amendment to IFRS 13, "Fair value measurement" – Exemption referenced in paragraph 52 on portfolios of financial instruments;
- amendment to IAS 40, "Investment property" – Clarification of the interaction between IFRS 3 and IAS 40 for the classification of a building, between an investment building and a building occupied by its owner.

Note 1-2 Standards, interpretations and amendments to existing standards, for which early adoption was not applied in the 2015 financial statements

Standards, interpretations and amendments to existing standards, for which early adoption was not applied in the 2015 financial statements

In general, the Group has not opted for early adoption of standards and interpretations applicable to accounting periods beginning on or after January 1, 2016, whether or not they have been adopted by the European Commission. In particular, the Group has not applied the amendments and standards presented below, to fiscal year 2015, which might more particularly concern it:

- amendment to IAS 19, "Employee benefits", published in November 2013 by the IASB, for which application is mandatory for fiscal periods opened no later than January 1, 2016;
- amendment to IFRS 2, "Share-based payment", from the Annual Improvements to IFRSs 2010-2012 Cycle, published in December 2013 by the IASB, and which is to be applied prospectively for share payment plans granted starting from July 1, 2014;
- amendment to IFRS 3, "Business combinations," also from the Annual Improvements to IFRSs 2010-2012 Cycle, which is to be applied prospectively for business combinations starting from July 1, 2014;
- amendment to IFRS 8, "Operating segments" from the Annual Improvements to IFRSs 2010-2012 Cycle, which is to be applied mandatorily for fiscal periods opened not later than January 1, 2016.

Existing standards, interpretations and amendments which could not be early adopted in 2015, in the absence of adoption by the European Union.

The Wendel Group is currently assessing the potential impact of the application of these texts on its financial statements:

- IFRS 9, "Financial instruments", published in July 2014 by the IASB in its final version, not yet adopted by the European Commission This new standard aims to replace IAS 39, "Financial instruments: recognition and measurement". This standard must mandatorily be applied for fiscal periods opened starting not later than January 1, 2018;
- IFRS 15, "Revenue from contracts with customers", published in May 2014 by the IASB and not yet adopted by the European Commission. The standard specifies the rules for the recognition of revenue, regardless of the types of contracts entered into by the entity with its customers. This standard must mandatorily be applied for fiscal periods opened starting not later than January 1, 2018; The Group does not envisage applying it in advance. Wendel Group companies reviewed the impact of IFRS 15 on the principles of recognition of their various types of contracts, in particular, Bureau Veritas and Mecatherm. Regarding Bureau Veritas, revenue from short-term contracts, currently recognized after the end of the work, must be deferred up until the issuance of the report, for contracts which do not give an enforceable right to payment for the services rendered as of the closing date. For the other contracts, in particular, in Marine & Offshore, and Construction and Industry operations, the percentage-of-completion method, currently being used, will be maintained. Mecatherm, which now recognizes revenue utilizing the percentage-of-completion method for a portion of its long-term contract operations, and upon completion, for after-sales service operations, reviewed the consequences of IFRS 15 on its practices and its organization. The wording of certain contractual points must be reinforced; and
- IFRS 16, "Leases", published in January 2016 by the IASB and not yet adopted by the European Commission. This standard must mandatorily be applied for fiscal periods opened not later than starting not later than January 1, 2019.

Note 1-3 Method of consolidation

The companies over which Wendel has exclusive control are fully consolidated. Companies over which Wendel has significant influence have been accounted for using the equity method. Net income of acquired subsidiaries is consolidated from their acquisition date, while net income of divested subsidiaries is consolidated up to their divestment date.

Note 1-4 Financial statements used as the basis for consolidation

Wendel's consolidated financial statements have been prepared on the basis of:

- the consolidated financial statements of Bureau Veritas, Cromology, Stahl, Saint-Gobain, IHS, exceet, Mecatherm, Nippon Oil Pump (NOP), and Parcours for the 12-month fiscal year ended December 31, 2015 (the last four companies are included in the Oranje-Nassau Développement subgroup);
- the consolidated financial statements of CSP Technologies for the 11-month period following the acquisition, i.e. from February 1 to December 31, 2015;
- the consolidated financial statements of Constantia Flexibles for the 9-month period following the acquisition, i.e. from April 1 to December 31, 2015;
- the AlliedBarton consolidated financial statements for the one-month period following the acquisition, i.e. from December 1 to of December 31, 2015;
- for all other companies, their individual financial statements for the 12-month fiscal year ended December 31, 2015.

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 2015 are presented in note 2 "Changes in scope of consolidation". The main subsidiaries consolidated as of December 31, 2015 are presented in note 38 "List of principal consolidated companies".

Note 1-5 Business combinations

IFRS 3 "Business combinations", and IAS 27 "Consolidated and separate financial statements", revised, applicable since January 1, 2010, affect the accounting for transactions that lead to the taking of control, or partial sales that lead to a loss of control. Specifically:

- ancillary transaction costs are recognized in operating income for the period; price adjustments are initially recognized at their fair value, and future fluctuations in their value are recognized in operating income;
- when control is obtained (or lost) the percentage previously held (or remaining) is revalued at fair value and recognized in profit or loss;
- when control is obtained, non-controlling interests are recognized either in proportion to their share in the fair value of the assets and liabilities of the acquired entity, or at their fair value. A proportion of goodwill is also allocated to non-controlling interests at that time. This choice is made on a case-by-case basis for each acquisition;
- purchases and sales of shares in controlled companies that do not lead to the assumption or loss of control are recognized as transfers between the Group share of consolidated shareholders' equity and the share held by non-controlling interests. There is no impact on profit or loss;
- non-controlling interests may become negative because the net income or loss of a subsidiary is allocated between the Group share and the non-controlling interests' share, according to their respective equity interests.

Note 1-6 Commitments to buy non-controlling interests of consolidated subsidiaries

When the Group has made firm or conditional commitments to non-controlling shareholders in consolidated subsidiaries to buy their stakes, a financial liability is recognized in an amount corresponding to the estimated present value of the purchase price.

As of December 31, 2015, in the absence of any specific IFRS guidance, this financial liability was offset:

- firstly, by eliminating the carrying amount of the corresponding non-controlling interests;
- secondly, by a decrease in shareholders' equity, Group share: the difference between the estimated exercise price of the purchase commitments granted and the carrying amount of non-controlling interests is recorded as a deduction from the Group share of consolidated reserves. This balance is adjusted at the end of each accounting period to reflect changes in the estimated exercise price of the purchase commitments and the carrying amount of the non-controlling interests.

This has no impact on the consolidated income statement, barring subsequent changes to standards and interpretations.

Note 1-7 Intercompany asset sales and transfers

Gains and losses on the sale or transfer of assets between consolidated companies have been eliminated from income and the assets have been maintained at their initial value, except in the event of losses deemed permanent, for which an impairment charge is recognized on the income statement.

Note 1-8 Conversion of the financial statements of foreign companies, for which the functional currency is not the euro

Wendel presents its financial statements in euros.

The balance sheets of foreign companies whose functional currency is not the euro have been converted into euros at the exchange rate prevailing at the closing date, and their income statements converted at the average exchange rate for the fiscal year or consolidation period. The discrepancy between the opening and closing balance sheets, as well as that resulting from the application of these exchange rates have been allocated to retained earnings and other reserves under "translation adjustments". Translation adjustments related to subsidiaries are recognized on the income statement when those subsidiaries are divested.

The principal exchange rates used in the consolidated financial statements are as follows:

	Closing rate		Average rate	
	December 31, 2015	December 31, 2014	2015	2014
EUR/USD	1.0887	1.2141	1.1091	1.3267

Note 1-9 Use of estimates

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the amounts reported in such financial statements. These estimates and judgments are based on Wendel's and its subsidiaries' appreciation of the facts and circumstances existing at the balance sheet date, as well as on information available on the date the accounts were finalized. They are based on Group management's past experience and various other factors deemed reasonable, such as market data or the work of an independent appraiser, and are reviewed on a regular basis. The uncertain global economic picture has complicated forecasting, and actual amounts could therefore be different from the forecasts.

Estimates and assessments made in order to prepare these financial statements concern in particular, for the most significant elements, goodwill, impairment tests on goodwill and equity-method investments, provisions, deferred taxes, derivatives, valuation of purchase commitments of non-controlling interests, and the treatment of co-investments.

Note 1-10 Rules of evaluation

Note 1-10.1 Goodwill

Goodwill represents the difference between the cost of acquiring a company and the Group's share of the fair value of its net assets, liabilities, and identifiable contingent liabilities on the date of acquisition. The identifiable assets and liabilities of the acquired company that meet the IFRS recognition criteria are recognized at their fair value at the date of the acquisition. Adjustments in the fair values of assets and liabilities acquired as part of business combinations and initially recognized on the basis of temporary values (because of ongoing appraisals or outstanding additional analyses) are recognized as retroactive goodwill adjustments if they occur within 12 months after the acquisition date. Thereafter, such adjustments are recognized directly on the income statement unless they are made in correction of errors. The revised version of IFRS 3 "Business combinations" provides that goodwill may be applied to non-controlling interests, if the Group so chooses. Goodwill is presented, where applicable, net of any cumulative recognized loss in value.

Goodwill is not amortized, but is instead tested for impairment at least once per year, on December 31, or more frequently if there is any indication that it may be impaired. Indications of impairment may include, in particular, 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 environment in which a company operates. For these tests, goodwill is broken down by Cash Generating Units (CGUs); each operating subsidiary (Bureau Veritas, Cromology, Stahl, Mecatherm, NOP, CSP Technologies, Constantia Flexibles and AlliedBarton) corresponding to 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 a CGU recognized within its scope of consolidation (and not recognized at the level of the Wendel Group), this loss is maintained at the level of Wendel's consolidation, with this being the case even if the analysis conducted by Wendel on 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 amount of these companies and therefore not presented separately (IAS 28 "Investments in associates and joint ventures", s.23). It is therefore not subject to a separate impairment test, as the value of equity-method investments is subject to a separate test, goodwill included. Hence, as regards equity-method shareholdings, in the event of an improvement in their value justifying an impairment writeback, the portion of the impairment pertaining to goodwill is also written back. Impairment losses and the gain or loss on divestments and dilution are recognized in the income statement under "Net income from equity-method investments".

Impairment tests on goodwill and equity-method investments are described in notes 7 "Goodwill" and 10 "Equity-method investments".

Note 1-10.2 Intangible assets

1. Brands of the Bureau Veritas, AlliedBarton, Cromology and Mecatherm groups.

These brands have been valued using the relief-from-royalty approach, which consists in discounting to perpetuity royalty cash flows determined at a theoretical rate based on net sales generated by the brands. The brands are considered as having an indefinite useful life as there is no foreseeable time limit on their potential to generate cash flow. They are therefore not amortized but are tested for impairment on an annual basis.

The brands of the Bureau Veritas Group's subsidiaries have been amortized over a period of 5-15 years. Only those brands identified at the Wendel Group level when Wendel acquired control of Bureau Veritas are considered to have an indefinite life.

2. Contracts and customer relations of the Bureau Veritas, Constantia Flexibles, AlliedBarton, Cromology, Parcours, NOP and CSP Technologies groups.

The value of these assets corresponds to the margin expected to be generated over the residual lives of contracts in force at the date Wendel assumed control, taking into account contract renewals where such renewals are considered probable based on historical statistical data. These contracts and client relationships are therefore amortized over the period used for the calculation of each contract category (from 5 to 23 years, depending on the contract and subsidiary).

Note 1-10.3 Other intangible assets

The cost of developing software intended for internal use and other development costs have been capitalized when it is likely that these expenditures will generate future economic benefits. These costs are then amortized over the asset's estimated useful life.

Note 1-10.4 Property, plant & equipment

Property, plant & equipment are recognized at their historical cost, determined at the time of acquisition of these assets or at fair value in the event of a business combination. Historical cost includes all costs directly attributable to the acquisition or construction of the assets concerned, in particular borrowing costs that are directly attributable to the acquisition or production of the property, plant & equipment during the accounting period prior to being brought into service.

Property, plant & equipment other than land and investment properties are depreciated on a straight-line basis over a period corresponding to their probable useful life. The depreciation basis for property, plant & equipment is its historical cost less the residual value, i.e. the value expected at the end of the asset's useful life, after allowing for any divestment costs.

The duration of useful life utilized for buildings is from 10 to 50 years; for industrial facilities, from 3 to 10 years, and for equipment and tooling, from 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 tangible and intangible assets

In accordance with IAS 36 "Impairment of assets", the value in use of property, plant & equipment, and intangible assets is tested when there is an indication of impairment. These tests are performed either when there is an indication of a loss of value, or once a year for assets having indefinite useful lives, which in Wendel's case is limited to goodwill and brands. Impairment losses are recognized on the income statement under "Other operating income and expenses".

Note 1-10.6 Financial assets and liabilities

Financial assets include investments in unconsolidated companies, operating receivables, debt securities, marketable securities, derivatives, and cash. Financial liabilities include borrowings, other funding sources and bank overdrafts, derivatives, operating liabilities, and certain liquidity commitments on the Group's shares held by certain co-shareholders (see note 35-6 "Shareholder agreements and co-investment mechanisms"). Financial assets and liabilities are recognized and measured in accordance with IAS 39 "Financial instruments: recognition and measurement". In accordance with IFRS 13 "Fair value measurement", the value of financial assets and liabilities was adjusted for the impact of Wendel's own credit risk.

1. Financial assets at fair value through profit or loss

These assets include short-term financial investments without the characteristics of cash equivalents. These assets are measured at market value at the balance sheet date, and gains and losses arising from changes in value are recognized through the income statement.

2. Financial assets available for sale

In accordance with IAS 39.9, classifying a financial asset as available for sale does not necessarily mean that the Wendel Group actually intends to sell it. This category includes all non-derivative financial assets that are designated as available for sale or that are not classified in any of the other categories of financial assets.

They have been measured at fair value, and gains or losses arising from changes in fair value are recognized under shareholders' equity. Any significant or prolonged decline in the fair value of these financial assets below their acquisition cost gives rise to an additional impairment provision on the income statement. This impairment cannot be written back through the income statement, except in the event of sale.

3. Assets held until maturity and loans and receivables

These instruments are stated at amortized cost using the effective interest method. Their carrying amount represents outstanding principal, adjusted for any non-amortized acquisition costs, premiums or discounts. They are tested for recoverable value whenever there is an indication that their recoverable amount might be lower than their carrying value. Any impairment loss is recognized on the income statement.

4. Financial liabilities

With the exception of derivative instruments and financial liabilities relating to liquidity commitments on the Group's shares held by certain co-shareholders (see note 35-6 "Shareholder agreements and co-investment mechanisms"), all borrowings and other financial liabilities are stated at amortized cost using the effective interest method.

5. Derivative

Derivatives are measured at fair value. Gains and losses arising from changes in the fair value of derivatives are recognized in the income statement, apart from certain exceptions set out below.

Derivatives can be designated as hedges of fair value, future cash flow or net investment value:

- fair value hedges are used to offset changes in the fair value of a recognized asset or liability due to shifts in exchange rates, interest rates or other benchmarks;
- cash flow hedges are used to hedge changes in future cash flows from a present or future asset or liability. Wendel and its subsidiaries use cash flow hedges to offset shifts in foreign exchange rates, interest rates and commodity prices;

- hedges of a net investment in a foreign business can be designated as hedging instruments, as long as they meet the criteria of IAS 39 "Financial instruments: recognition and measurement". These hedges help offset fluctuations in value due to conversion into the reporting currency used by the parent company in its consolidated financial statements. Financial debt denominated in the operating currency of the hedged investment can be designated as an investment hedge when the hedge has been recognized as such for accounting purposes.

A hedging relationship qualifies for hedge accounting if:

- the hedging relationship is clearly defined and documented at the outset;
- the effectiveness of the hedging relationship can be demonstrated from the outset and throughout its term.

The use of hedge accounting has the following consequences:

- for hedges used to offset changes in the fair value of a recognized asset or liability, the hedged item is measured at fair value in the balance sheet. Changes in the fair value of the hedged item are recognized on the income statement and are offset by symmetrical changes in the fair value of the hedging instrument to the extent that the hedge is effective;
- the effective portion of changes in the fair value of derivatives that are designated as, and qualify for, cash flow hedges is recognized directly in shareholders' equity. The gain or loss from the ineffective portion is recognized on the income statement. Amounts accumulated in shareholders' equity are passed through the income statement in the same periods as the corresponding hedged items, or are written back against the acquisition cost of the assets in which the financial risk related to the acquisition price was hedged;
- for net investment hedges, the portion of a gain or loss that is considered effective in the hedge of a net investment in a foreign business is recognized directly in shareholders' equity. The ineffective portion is immediately recognized on the income statement. Cumulative gains and losses in shareholders' equity are recognized on the income statement when the foreign business is sold.

Derivatives are measured using the Group's mathematical models, as well as by independent appraisers, and/or the Group's counterparties.

Note 1-10.7 Methods of measuring the fair value of financial instruments

In accordance with the amendment to IFRS 7 "Financial instruments:Disclosures" (March 2009), the tables in note 13 present the Group's assets and liabilities that are measured at fair value, based on their method of measurement. These methods are defined as follows:

- level 1: unadjusted, listed prices of identical instruments on an active market;
- level 2: observable data other than the listed prices referred to in level 1, either directly (such as a price), or indirectly (calculated from another price);
- level 3: fair values that are not determined on the basis of observable market data.

During fiscal year 2015, there were no transfers between levels 1 and 2, or transfers to or from level 3, of fair value measurements of financial instruments.

Note 1-10.8 Inventories

Inventories have been stated at the lower of cost or net realizable value. Production cost includes the costs of raw materials, direct labor, and any operating costs that can reasonably be associated with production.

Note 1-10.9 Cash and cash equivalents (pledged and unpledged)

Cash is comprised of cash at banks.

In accordance with IAS 7 "Statement of cash flows", cash equivalents are short-term, highly liquid investments that are readily convertible into a known amount of cash and are subject to an insignificant risk of a change in value. Cash equivalents include euro-denominated, money-market mutual funds and deposit accounts with initial maturities less than or equal to three months. They are measured at their fair value at the balance sheet date.

Pledged cash and cash equivalents are presented as non-current assets, as they are not immediately available.

Note 1-10.10 Provisions

In accordance with IAS 37 "Provisions, contingent liabilities and contingent assets", a provision is recognized when the Group has an obligation with respect to a third party as a result of a past event for which it is probable or certain that there will be an outflow of resources to that third party, without at least an equivalent inflow from that third party. Provisions for restructuring costs are recognized only when the restructuring has been announced and the Group has drawn up or has started to implement a detailed, formal plan.

Provisions are discounted on the basis of the estimated duration of the obligation. The impact of this discounting is recalculated at each balance sheet date, and the related adjustment is recognized on the income statement under "Other financial income and expense".

Note 1-10.11 Provision for employee benefits

Defined-contribution plans: contributions are recognized as operating expenses.

Defined-benefit plans: the present value of statutory retirement bonuses and supplementary pension benefits payable to active and retired employees is calculated using the projected unit credit method. The obligation is determined at each balance sheet date taking into account the age of the Company's employees, their length of service, and the likelihood that they will remain at the Company until they retire. The calculation is based on an actuarial method using assumptions relating to the yield on long-term investments. The funding provision corresponds to the difference between the total obligation as set out above and any assets invested with insurance companies to cover these obligations.

Actuarial gains and losses are recognized in shareholders' equity as soon as they appear (IAS 19R, "Employee benefits").

Note 1-10.12 Deferred taxes

In accordance with IAS 12 "Income taxes", deferred taxes are recognized for timing differences between the carrying amounts of assets and liabilities and their tax base.

Tax-loss carryforwards are recognized as deferred tax assets when it is likely that they can be offset against tax on future earnings or when they can be offset by deferred tax liabilities of an equal or higher amount. In application of this principle, no tax-loss carryforwards of the Wendel tax group were recognized as assets on the balance sheet.

Regarding subsidiaries and equity-method investments, a deferred tax liability is recognized for all timing differences between the carrying amount of the related shares and their tax base, unless:

- if the Group is able to control the date of the reversal of the timing difference;
- it is probable that the timing difference will not reverse itself in the foreseeable future.

Deferred taxes are calculated by the variable carryforward method, based on the tax rates in effect at the balance sheet date. For French companies, this is 34.43% for income subject to standard assessment plus a 10.7% exceptional contribution, which is applicable for fiscal years ending no later than December 30, 2016.

Note 1-10.13 Treasury shares

All treasury shares held by the Group are stated at their acquisition cost as a deduction from shareholders' equity. Proceeds from any sales of treasury shares are credited directly to shareholders' equity. Divestment gains or losses therefore have no impact on income for the fiscal year.

Note 1-10.14 Assets held for sale and businesses being divested

An asset or group of assets is classified as held for sale if its carrying amount will be recovered mainly through a sale transaction rather than through continued use, and when its sale is highly probable. Depreciation on these assets ceases when the asset has been classified as held for sale, and a provision is recognized if the asset's residual carrying amount exceeds its likely realizable value, reduced for selling costs.

A business is considered as being divested when it meets the criteria of assets held for sale. Assets and liabilities of these businesses are presented on a separate line in the balance sheet of the current fiscal year, and the net income or loss they generate is presented on a separate line in the income statement (including fiscal years presented for comparison). Net income or loss from discontinued operations includes, where applicable, any divestment gains or losses or any impairment losses recognized for the business.

Note 1-10.15 Revenue recognition

Revenue from the sale of goods is recognized under net sales when the risks and rewards of ownership are substantially transferred to the buyer.

At the Bureau Veritas Group, most contracts are short-term. For these contracts, Bureau Veritas recognizes income when the service has been provided to the customer. For other contracts, Bureau Veritas uses the percentage-of-completion method to determine the amount to be recognized under net sales during a given period, insofar as the income from contracts can be reliably determined. The percentage of completion is determined for each contract by reference to the costs incurred at the balance sheet date, compared to the total estimated costs. The increment of this percentage, applied to the total forecast income from the contract, represents the profit margin recognized in the period. In the event of a forecast negative margin, provisions are recognized immediately for the entire contract.

The Mecatherm Group also uses the percentage-of-completion method to determine the amount to be recognized under net sales during a given period, insofar as the income from contracts can be reliably determined. The increment in the percentage of completion, applied to the total forecast income from the contract, represents the profit margin recognized in the period.

Note 1-10.16 Translation of currency transactions

Transactions denominated in foreign currencies are translated into euros using the exchange rates prevailing at the dates of the transactions. Receivables and payables in foreign currencies are translated into euros at the exchange rate prevailing at the balance sheet date. Exchange differences resulting from the translation of transactions in currencies other than euros are recognized on the income statement under "Other financial income and expenses".

In the event of hedges of a net investment in a foreign business (see above, "Derivatives"), the portion of the gain or loss on a hedging instrument covering a net investment in a foreign business that is considered to be an effective hedge is recognized directly in shareholders' equity. The ineffective portion is immediately recognized on the income statement.

Note 1-10.17 Stock subscription and stock purchase option plans

In accordance with IFRS 2 "Share-based payments", the Group recognizes an expense corresponding to the fair value of employee stock subscription options, purchase options, bonus shares, and performance shares at the grant date, with the corresponding offsetting entry being recognized under consolidated shareholders' equity. The expense is spread out over the options' vesting period.

Wendel uses a binomial model to determine the fair value of options and performance shares granted. In 2015, as in previous fiscal years, Wendel's plans were valued by an independent appraiser.

Note 1-10.18 Accounting treatment of mechanisms for the participation of management teams in the Group's investments

The co-investment mechanisms described in note 4 "Participation of managers in Group investments" take the form of ownership by managers of various financial instruments, such as ordinary shares, index-based or preferred shares, warrants, etc.

These investments are redeemed upon divestment or an IPO, or after a pre-determined period of time. At this time, the investment gains are shared on the basis of whether or not Wendel's annual performance and cumulative profitability objectives have been met.

These investments are measured and accounted for based on the manner in which they will be redeemed, either as equity instruments under a divestment or an IPO, or in cash under Wendel's liquidity commitments, to buy them back after a predetermined 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 it is estimated the investments are most likely to be redeemed as equity instruments, the managers' initial investment is accounted for as non-controlling interests in proportion to their share of the total investment. On redemption, the dilution created by the sharing of the investments' value reduces Wendel's capital gain. If, in the other hand, the beneficiaries have invested at the fair value of the subscribed or acquired instruments, there is no initial advantage and therefore 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. In addition, these co-investors are not considered minority shareholders from an accounting standpoint. Rather, their investment is consolidated in the Group's net income and consolidated reserves.

The most likely redemption method is determined at each balance sheet date, until the investments are redeemed. Should the most likely method change, the effects of the change are recognized in advance on the income statement. Hence, if the most likely redemption method were to be changed to cash, the amount recognized on the income statement at the time of the change would be the fully revalued amount of the instruments at that date.

As of December 31, 2015, the liquidity windows which will open in 2016 have led to the recognition of a financial liability and an amount for the difference between the value of this liability and the share of the corresponding non-controlling reserves, since a cash settlement is considered as the most probable settlement. There is, however, no certainty that these liquidities will actually be exercised. Wendel believes that the majority of the Group's co-investments are most likely to be redeemed as part of a divestment of the investments concerned or as part of an IPO of these investments. Liquidity commitments under minority puts and co-investments, as well as the corresponding amounts recorded in financial liabilities, are set out in note 35-6 "Shareholder agreements and co-investment mechanisms".

Note 1-11 Presentation rules

Note 1-11.1 Balance sheet presentation

An asset is classified as current when it meets any of the four following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle; or
- it is held primarily for the purpose of being traded; or
- it is expected to be realized within 12 months after the balance sheet closing 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; or
- it is held primarily for the purpose of being traded; or
- it is due to be settled within 12 months after the balance sheet date; or
- the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Note 1-11.2 Income statement presentation

"Operating income" includes income and expenses not resulting from financial activities, equity-method investments, discontinued activities, activities held for sale, and income tax.

"Other operating income and expenses" corresponds to the impact of limited, unusual, abnormal, or infrequent events. These may include gains or losses on divestments of property, plant & equipment or intangible assets, impairment losses on property, plant & equipment or intangible assets, restructuring costs, and provisions for claims and litigation.

Financial income and expenses include "Finance costs, net" and "Other financial income and expense", which include gains and losses on disposals of financial assets, impairment losses on financial assets, dividends paid by unconsolidated associates, changes in the fair value of "financial assets at fair value through profit or loss", the impact of discounting receivables, liabilities or provisions, and foreign exchange differences.

1. Income taxes: treatment of the CVAE tax

According to Wendel's analysis, the CVAE tax on value added meets the definition of an income tax, as defined in IAS 12.2 "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 the value added constitutes the intermediate level of profit systematically used, in accordance with French tax rules, to determine the amount due under the CVAE.

The CVAE tax is therefore presented in the "Tax expense" line.

2. Taxes: treatment of the CICE tax credit

According to Wendel's analysis, the CICE tax credit does not meet the definition of an income tax, as defined in IAS 12.2 "Taxes based on taxable profits". Wendel therefore deducts the CICE tax credit from personnel costs.

The CICE tax credit is presented within "Income from ordinary activities".

Note 1-11.3 Earnings per share

Basic earnings per share are calculated by dividing the Group's share of net income for the year by the average number of shares outstanding during the year.

Diluted earnings per share are calculated by dividing the Group's share of net income by the average number of shares outstanding during the year, adjusted according to the "treasury stock" method. According to the "treasury stock" method, it is assumed that the cash received from the exercise of dilutive instruments would be used to buy back the shares and partially neutralize the resulting dilution. The potential dilution is thus the net impact. Dilutive instruments issued by subsidiaries are also included in determining the Group share of net income.

If the income statement presents income from divested businesses separately, earnings per share from continuing and discontinued operations are also presented separately.

NOTE 2 Changes in scope of consolidation

Note 2-1 Changes in scope of consolidation in fiscal year 2015

The scope of consolidation of Wendel Group is set out in note 38 "List of principal consolidated companies as of December 31, 2015".

Note 2-1.1 Acquisition of the US Group CSP Technologies (high-performance plastic packaging)

On January 29, 2015, the Group completed its acquisition of CSP Technologies, a leading US supplier of innovative plastic packaging solutions for the pharmaceutical and food industries. CSP Technologies is the world's leading manufacturer of high-performance plastic desiccant vials used, notably, to store test strips for diabetics. In 2015, CSP Technologies had revenues of $106.5 million and EBITDA excluding non-recurring items of $20.4 million (unaudited figures). The acquisition was made at an enterprise value of $360 million. The Group invested $198 million of equity for 98% of the capital.

The acquisition vehicle (CSP Technologies Parent) is financed as follows:

■ Contributions from Wendel (exchange rate on acquisition):	€176 million
■ Contributions by managers:	€2 million
■ Bank borrowings:	€151 million
	€329 MILLION

These amounts were used for:

■ Acquisition of shares:	€184 million
■ Fees and other acquisition costs:	€27 million
■ Refinancing the debt of CSP Technologies Group:	€118 million
	€329 MILLION

Provisional goodwill recognized on acquisition was €151 million:

■ Provisional residual goodwill:	€151 million
■ Customer relationships (amortized over 16-23 years):	€80 million
■ Brands and patents (amortized over 11-14 years):	€28 million
■ Property, plant and equipment: (€9 million revaluation difference amortized over variable periods)	€63 million
■ Inventories (€5 million revaluation difference amortized over 5 months):	€31 million
■ Deferred taxes:	€-36 million
■ Other balance sheet items on acquisition:	€-133 million
SHARE ACQUISITION PRICE:	**€184 MILLION**

As permitted by IFRS, the acquisition price will only be definitively allocated during the 12 months following the acquisition date.

The CSP Technologies Group is fully consolidated at 98.2% as from February 1, 2015 as the Group exercises sole control.

Over 11 months of consolidation, CSP Technologies contributed €90 million to net sales and €17 million to EBITDA excluding non-recurring items.

Note 2-1.2 Divestment of 48 million in Bureau Veritas shares (compliance certification and verification services)

On March 6, 2015 the Group sold 11.0% of the capital of Bureau Veritas by block sale in the market of 48 million shares for €975 million. Following this divestment, Wendel Group continues to exercise sole control over the Bureau Veritas Group and its governance system is unchanged.

The gain on divestment was €727.5 million (net of selling costs) and was recognized as a change in equity of the parent company in accordance with the provisions of IFRS 10 "Consolidated financial statements", as the sale entailed no loss of control.

As of December 31, 2015, Wendel held 177,173,360 Bureau Veritas shares, 40.5% of the capital (net of treasury shares) and 56.5% of voting rights.

Note 2-1.3 Acquisition of Constantia Flexibles Group (flexible packaging)

On March 27, 2015, the Group completed its acquisition of the Constantia Flexibles Group, a global leader in flexible packaging. The Vienna-based group produces flexible packaging solutions and labels, primarily for the agri-food and pharmaceutical industries. In 2015, the company had net sales of €1,898.7 million and EBITDA excluding non-recurring items of €263.1 million (unaudited figures).

The acquisition of Constantia Flexibles was based on an enterprise value of €2.3 billion. Under this transaction, Wendel invested €640 million in equity. The H. Turnauer Foundation supported the acquisition as a significant non-controlling shareholder, contributing €240 million.

The acquisition vehicle was financed as follows:

■ Wendel contributions:	€640 million
■ H. Turnauer Foundation contributions:	€240 million
■ Bank borrowings:	€1,092 million
	€1,972 MILLION

These amounts were used for:

■ Acquisition of shares:	€1,329 million
■ Fees and other acquisition costs:	€85 million
■ Part-refinancing of Constantia Flexibles Group debt:	€558 million
	€1,972 MILLION

Provisional goodwill recognized on acquisition was €713 million:

■ Provisional residual goodwill:	€713 million
■ Customer relationships (amortized over 15 years):	€869 million
■ Technologies (amortized over 5 years):	€18 million
■ Inventories (€16 million revaluation difference amortized over 10 months):	€270 million
■ Deferred tax on revaluation differences:	€-262 million
■ Other non-revalued balance sheet items on acquisition:	€-279 million
SHARE ACQUISITION PRICE:	**€1,329 MILLION**

As permitted by IFRS, the acquisition price will only be definitively allocated during the 12 months following the acquisition date.

In November 2015, the Group syndicated a minority portion of its investment in Constantia Flexibles, representing 11.4% of the capital, by disposing of it to Maxburg Capital Partners for €101 million. The transaction also involves an additional payment to the Group, payable when this non-controlling shareholder exits, subject to conditions on the return on its investment. The €3.4 million gain on divestment was recognized in equity in accordance with IFRS 10 "consolidated financial statements", as this transaction involved no loss of control.

Finally, Constantia Flexibles, held a €50 million capital increase (€31 million for the Wendel Group) at the end of 2015 to finance two new acquisitions: Afripack and Pemara.

At December 31, 2015, Wendel also invested a net €571 million to acquire 61.4% of the capital of Constantia Flexibles. The Group has sole control and has therefore fully consolidated its holding as from April 1, 2015, the monthly accounting closing date nearest to the transaction date.

The contribution of Constantia Flexibles to net sales for the 9-month period following the acquisition date is €1,442 million. Its contribution to EBITDA excluding non-recurring items is €196 million.

Note 2-1.4 Investment in Saint-Gobain (production, transformation and distribution of building materials)

In 2015, Wendel's percentage stake in Saint-Gobain varied for a number of reasons:

- the capital increase reserved for employees;
- stock option exercises;
- net treasury share buybacks; and
- the dividend of €1.24 per share paid by Saint-Gobain, which was paid half in cash and half in cash or shares, at the shareholder's option (issue price: €36.62 per share). 69.2% of shareholders chose to receive the dividend in shares. Wendel opted to receive its dividends in shares and sold all of the shares thus received under the terms of a bank financing agreement. As a result of this transaction, Wendel received the equivalent of the dividend in cash (€1.24 per share or €81.6 million) on the shares it held, plus a premium of €4.7 million relating to the financing agreement.

These effects led to in an immaterial change in the Group's percentage interest in Saint-Gobain, resulting in a €-6.1 million earnings dilution recognized in "Net income from equity-method investments".

As of December 31, 2015, Wendel held 65,812,635 Saint-Gobain shares, representing 11.8% of the capital (net of treasury shares) and 19.36% of voting rights.

Note 2-1.5 Investment in IHS (mobile telephone infrastructure in Africa)

IHS held a $600 million capital increase in 2015. The offering was part of a $2.6 billion fundraising program launched in the second half of 2014 and comprising a €2.0 billion capital increase coupled with a $600 million loan facility raised from its shareholders and longstanding creditors, as well as new equity and debt investors. As part of this program, Wendel undertook to invest $304 million, taking its total stake in IHS to $779 million. Wendel had already invested $195 million during the first capital increase, which was finalized in the second half of 2014, at a premium of 25% compared with the previous capital increase in the first half of 2014. A further $109 million was invested at end-June 2015 as part of the same program at an additional premium of 15% compared to the second half of 2014 investment.

In addition, Wendel has brought together four US and European family investors to invest alongside it in IHS. In addition to the $779 million it has invested, Wendel has raised an additional $181 million through a co-investment vehicle in IHS ($116 million of this sum was invested in 2014 and $65 million in 2015). Wendel manages the fund and exercises all its voting rights in IHS. The accounting treatment of this co-investment is explained in note 10 "Equity-method investments".

As of December 31, 2015, Wendel held 25.6%[(1)] of the share capital, remained the company's principal shareholder, and controlled, together with its co-investors, 35% of the voting rights. Wendel's investment in IHS continued to be accounted for by the equity method.

The change in the consolidated percentage interest generated a dilution gain of €18.1 million related to the successive premiums applied to the price of IHS's capital increase.

Note 2-1.6 Acquisition of AlliedBarton (security services)

At the start of December 2015, Wendel acquired AlliedBarton Security Services, one of the biggest suppliers of security services in the USA, for around $1.68 billion. The transaction meant Wendel invested $688 million in equity alongside AlliedBarton managers and holds 95% of the share capital. AlliedBarton was founded in 1957 and today is a leader in the US security services market providing physical guarding and related services. In 2015, the group made $2,257 million in revenue and $147 million in EBITDA excluding non-recurring items (figures not audited).

(1) This percentage does not include the co-investors' share, which is recorded in the Group share in accordance with IFRS.

The acquisition vehicle was financed as follows:

Wendel contributions:	**€650 million**
■ Reinvestment by managers:	€30 million
	€680 MILLION

These amounts were used for:

Acquisition of shares:	**€674 million**
■ Fees and other acquisition costs:	€6 million
	€680 MILLION

Provisional goodwill recognized on acquisition was €929 million:

Provisional residual goodwill:	**€929 million**
■ Brand:	€263 million
■ Customer relationships (amortized over 6 years):	€274 million
■ Financial debt and other non-revalued balance sheet items on acquisition:	€-792 million
SHARE ACQUISITION PRICE:	**€674 MILLION**

As permitted by IFRS, the acquisition price will only be definitively allocated during the 12 months following the acquisition date.

A small part of AlliedBarton's business (7% of net sales) involves the provision of security services to various departments and agencies of the US government and government subcontractors. In this regard, the Company has undertaken to set up a governance structure that complies with the US national security regulations and, in doing so, has further enhanced the efforts of AlliedBarton to strengthen its presence in this market. Under this governance structure, the company's Board of Directors consists of three independent directors, one management representative and two Wendel representatives. The three independent directors are appointed by Wendel with the approval of the US authorities. They are independent and have received special personnel security clearance. They are recognized figures in the US defense and aerospace communities. They have a dual responsibility to guarantee US national security and act in the interest of shareholders, which allows Wendel to exercise sole control over AlliedBarton. This investment has therefore been fully consolidated since the acquisition date.

The contribution of AlliedBarton to net sales for the one-month period following the acquisition date was €184 million. Its contribution to EBITDA excluding non-recurring items was €8.9 million.

Note 2-1.7 Signature in February 2016 of a contract to divest Parcours (long-term vehicle leasing to corporate customers)

In February 2016, Wendel signed an agreement to sell Parcours to ALD Automotive, a subsidiary of Société Générale. The sale should take effect in H1 2016 after authorization from the competition authorities. The deal values Parcours at €300 million for 100% of the capital. For Wendel, the net gain on divestment will be around €240 million, 2.2 times its original investment and an IRR (internal rate of return) of around 18% annually since April 2011.

In accordance with IFRS 5 “Non-current assets held for sale and discontinued operations”, the contribution of Parcours to the consolidated net income of Wendel has been reclassified to the single line item “Net income from discontinued operations and operations held for sale” for fiscal year 2015 and fiscal year 2014 (presented for comparative purposes). It is recognized on the balance sheet for December 31, 2015 in 2 lines: “Assets of operations held for sale” and “Liabilities of operations held for sale”. In the cash flow statement, cash from Parcours was restated as an effect of changes in scope of consolidation at the end of 2015, when the division was reclassified as held for sale.

In 2015, Parcours had net sales of €374 million and current pre-tax profit of €28 million.

Note 2-1.8 Pro forma

In millions of euros	Reported 2015	Pro Forma 2015
Net sales	7,867.1	10,184.8
Operating income	565.7	632.5
Finance costs, net	-360.3	-426.3
Other financial income and expense	-10.1	-11.2
Tax expense	-211.0	-209.8
Share in net income of equity-method investments	25.6	25.6
Net income from discontinued operations and operations held for sale	14.6	14.6
Net income	24.5	25.4

The pro forma income statement shown above was prepared on the assumption that the acquisitions of CSP Technologies, Constantia Flexibles and AlliedBarton took place on January 1, 2015. Net sales and income from ordinary activities figures show actual data over the 12 months. In addition, no non-current operating expenses were included for the periods between January 1 and the actual acquisition dates. For the period between January 1 and the acquisition date, net finance expenses were extrapolated based on those recorded post-acquisition in the case of CSP Technologies and Constantia Flexibles, which were refinanced as part of the acquisition. Figures for AlliedBarton are real net finance expense for the period.

Note 2-1.9 Principal changes in scope of consolidation of subsidiaries and investments

1. Changes in scope of consolidation of the Bureau Veritas Group (compliance evaluation and certification services)

The principal acquisitions by Bureau Veritas in 2015 were as follows:

- Shandong Chengxin, a Chinese company specialized in support services for infrastructure construction projects in the power industry;
- Ningbo Hengxin, a Chinese company specialized in non-destructive inspection and metallurgical testing;
- CTS, a Chinese laboratory specializing in the testing of toys, electrical goods, electronics, and consumer durables;
- Shanghai TJU Engineering Service, a Chinese company specialized in construction project supervision for industrial assets;
- Hydrocéan, a French engineering company specialized in hydrodynamic digital simulation for the maritime industry;
- Certest, an Italian luxury goods and apparel testing laboratory;
- NCC, a certification body for electrical and electronic equipment in Latin America.

The total cost of these acquisitions was €107.6 million and the total goodwill recognized on these companies was €50.7 million (incl. €13.1 million for Shandong Chengxin). The annual net sales for the fiscal year of companies acquired in 2015 is around €82 million.

2. Changes in scope of consolidation by the Saint-Gobain Group (production, transformation and distribution of building materials), an equity-method investment

1. Divestment of Packaging Division – Verallia

The Saint-Gobain Group sold its Verallia Packaging Division at the end of October 2015. The sale was agreed at an enterprise value of €2,945 million.

Part of the goodwill recognized by Wendel at the time it acquired the Saint-Gobain investment in 2007 was allocated to Verallia's carrying amount. This goodwill was included in the gain or loss on divestment booked in Wendel's financial statements. The gain recognized by Saint-Gobain in its consolidated financial statements therefore translates as an accounting loss of €96.5 million in Wendel's consolidated financial statements.

2. Other changes in scope of consolidation

As well as divesting the Packaging Division, the Saint-Gobain Group continued its active management of its portfolio of operations, in line with its strategy. Among others, Saint-Gobain agreed to sell its US distribution business Norandex. A number of acquisitions were made to strengthen the group's presence in high added value businesses and growth markets.

3. Proposed acquisition of Sika

Saint-Gobain continues to implement its strategy after the announcement on December 8, 2014 of its planned takeover of Sika, market leader in construction chemistry. The plan is the acquisition, for 2.83 billion Swiss francs (fully hedged in euros) by Saint-Gobain from holding company Schenker Winkler Holding AG (SWH) which held, at December 31, 2015, 16.97% of the share capital and 52.92% of voting rights in Sika. Completion of this transaction is subject to a number of authorizations by the competent competition authorities, all of which were granted at December 2, 2015. In addition, the Swiss Takeover Commission, FINMA (the Swiss Federal Financial Market Supervision Authority) and the Swiss Federal Administrative Court, confirmed the validity, on, respectively, April 1, 2015, May 4, 2015 and August 27, 2015 on appeal, of the opt-out clause in Sika's bylaws, thereby dispensing Saint-Gobain from the requirement to launch a mandatory public takeover bid following acquisition of SWH's shares, No reservation was expressed on the application of this clause to the acquisition by Saint-Gobain of all of SWH's shares. Finally, Saint-Gobain noted the decisions taken at Sika's Shareholders' Meetings of April 14, 2015, and July 24, 2015, after the Board decided to cap, for certain resolutions, SWH's voting rights at 2.6%. Saint-Gobain had anticipated these decisions by agreeing with SWH to extend the duration of the acquisition agreement from April 2015 until June 2016,

In March 2016, Saint-Gobain and the Burkard family decided to amend their agreement on the sale of the SWH shares and extend the validity of the agreement until June 30, 2017. At that date, Saint-Gobain will have the option of further extending the agreement for a term running until December 31, 2018. Wendel is backing this project.

3. Changes in the scope of consolidation of Constantia Flexibles (flexible packaging)

In July 2015, Constantia Flexibles announced the acquisition of South-African packaging company Afripack, based in Durban. Afripack is the second-largest flexible packaging company in sub-Saharan Africa. The company produces flexible packaging solutions for the agri-food industry and packaging labels for its home market and export to other African countries. Afripack achieved net sales over 12 months of around €108 million.

In November 2015, Constantia also announced the acquisition of Australian company Pemara Labels Group, which produces self-adhesive labels (pressure-sensitive labels), in-mold labels and Fix-a-Form™ leaflet-labels. It is also a leader in digital print solutions. Its customers are national and multinational companies in the mass market consumer, pharmaceutical and agri-food industries across the Asia-Pacific region. Pemara saw net sales of around €34 million over 12 months.

These two companies will be consolidated as from 2016, with their shares being recognized as non-current financial assets at December 31, 2015.

Note 2-2 Changes in scope of consolidation in fiscal year 2014

The principal changes in scope during 2014 were as follows:

- divestment of a 4.3% stake in Saint-Gobain for a net amount of €1,008 million, generating a loss on divestment of €-106.7 million;
- the Group subscribed to a series of capital increases by IHS for a total of $394 million;
- first-time consolidation of NOP Group; and
- divestment of Materis's mortars, aluminates and admixtures divisions.

NOTE 3 Related parties

Wendel's related parties are:

- Saint-Gobain, exceet and IHS, which are accounted for by the equity method;
- the members of Wendel's Executive Board and Supervisory Board; and
- Wendel-Participations, which is the Group's control structure.

Note 3-1 Saint-Gobain

During the 2015 fiscal year, Wendel received €81.6 million in dividends from Saint-Gobain, in the form of cash and Saint-Gobain shares. All of the shares received have been sold, see note 2 "Changes in scope of consolidation".

Some Saint-Gobain subsidiaries undertake transactions with Wendel Group subsidiaries. These transactions are carried out at market prices.

Note 3-2 Members of the Supervisory Board and Executive Board

Compensation paid by Wendel Group SE to the members of the Executive Board in respect of 2015 amounted to €3,811.3 thousand. The value of options and performance shares allocated to the members of the Executive Board in 2015 totaled €3,061.8 thousand as of the date they were granted.

Compensation paid to members of the Supervisory Board in 2015 totaled €760.9 thousand, including €695 thousand in Wendel SE directors' fees and compensation paid to the Chairman of the Supervisory Board, and €65.9 thousand in directors' fees paid to certain members of the Supervisory Board by Wendel-Participations for serving on its Board. These amounts do not include the salary of the employee representative on Wendel's Supervisory Board, who does not receive Wendel SE director's fees.

The Company has committed to pay Frédéric Lemoine, Chairman of the Executive Board, in the event of his departure, a maximum of twice his most recent yearly fixed salary and variable pay on achieved objectives, provided certain conditions have been met.

The Company's commitments to Bernard Gautier, member of the Executive Board, in the event of his departure, are as follows:

- end-of-contract severance pay, representing a maximum of one year of fixed salary and variable pay on achieved objectives, as allocated by the Supervisory Board;
- end-of-appointment severance pay, representing a maximum of one year of fixed salary and variable pay on achieved objectives, as allocated by the Supervisory Board, subject to certain conditions.

The members of the Executive Board, and around 40 other people, have co-invested in Materis, Stahl, Parcours, Mecatherm, IHS, NOP, Saham, CSP Technologies, Constantia Flexibles and AlliedBarton (see note 4 "Participation of managers in Group investments").

Note 3-3 Wendel-Participations

Wendel-Participations is owned by approximately 1,080 Wendel family individuals and legal entities. Wendel-Participations owned 36.22% of Wendel SE's share capital as of December 31, 2015.

There are no other economic or financial relationships between Wendel-Participations and Wendel besides those related to the holding of shares and the following agreements:

- a memorandum of understanding on the use of the "Wendel" family name and a license agreement governing the use of the "WENDEL Investissement" brand; and
- agreements with Wendel-Participations regarding technical assistance and leasing of premises.

NOTE 4 Participation of managers in Group investments

Note 4-1 Participation of Wendel teams in Group investments

To involve its managers in the Group's value creation, Wendel has set up co-investment mechanisms to allow them to invest their personal funds in the same assets in which the Group invests. This gives managers a personal stake in the risks and rewards of these investments. Several mechanisms co-exist depending on the date of Wendel's initial investment. However, certain rules are common to all mechanisms:

i) the amount of the co-investment is no more than 0.5% of the amount invested by Wendel; the co-investments correspond to the disbursements made by each manager, concurrent with the Wendel investments;

ii) if a liquidity event (as defined in paragraph (iii) below) occurs, the managers have, depending on the particular case, either the same rights and obligations as Wendel in relation to the gain or the loss incurred (*pari passu* co-investment), or different rights and obligations. In the latter case, if Wendel achieves a predefined level of return, the managers have the right to a greater share of the gain; conversely, if the return is not achieved, the managers lose all rights to any capital gain, as well as the amount of their initial contribution;

iii) a liquidity event is defined as a full divestment of a portfolio company, a change in control, or divestment of more than 50% of the shares held by Wendel, or if the company concerned is listed on a stock exchange. The liquidity extended to co-investors may be either the total amount or an amount proportional to the investment sold;

iv) co-investors' rights vest over a period of four years in five tranches of 20% each, including 20% at the investment date. In the event of their departure before a liquidity event (as defined in iii) above) or before an automatic liquidity tranche (as defined in v) below), the managers agree to sell (and in certain cases have the option to sell) their unvested rights upon request at their initial value, and, in certain cases, to sell their vested rights under predefined financial conditions;

v) in the absence of a liquidity event several years after the initial investment, a cash payout is offered to co-investors, in one or more tranches. The valuation of the portfolio company is systematically performed by an internationally-renowned independent expert, and managers' rights and obligations are calculated in accordance with the rules set out in paragraph ii) above.

In addition, co-investments deriving from small investments can be aggregated and paid up at the end of the year. Accordingly, payment of co-investments that together represent less than €100,000 for all co-investor/managers (corresponding to Wendel investments of less than €20 million) can be deferred until a cumulative threshold of €250,000 is reached. If this threshold is not reached at least once a year, payment must nevertheless be made.

2006-08 period

Co-investments related to acquisitions Wendel made between 2006 and 2008 (and to subsequent reinvestments Wendel made in these companies) remain governed by the principles above, and the following specific rules:

i) the co-investments confer a right to 10% of the capital gain (on 0.5% of the investments), provided that Wendel has obtained a minimum return of 7% p.a. and a cumulative return of 40% on its investment. Otherwise, the co-investors lose all rights to any capital gain, as well as the amount invested;

ii) if no liquidity event occurs, a cash payment is offered to the co-investors after a period of 10 years, i.e. on December 31, 2016.

Under these previously applied principles, managers invested personally alongside Wendel in:

- Saint-Gobain: this co-investment was unwound in 2010, prior to maturity, in light of the absence of prospects of a return for co-investors, who thereby lost the whole of their investment;
- Materis, Deutsch, Stahl, and Van Gansewinkel Groep (VGG): these co-investments were made through Winvest International SA SICAR, formed in 2006 and divided into four sub-funds corresponding to each of these four companies; the co-investment in Deutsch was unwound when the company was sold to TE Connectivity in April 2012. The co-investment in VGG was liquidated when the company was taken over by its creditors in July 2015 (co-investors lost the whole of their investment).

2011-12 period

In 2011, the co-investment principles evolved, in particular to include a *pari passu* share and to reduce the share of the capital gain likely to be returned to co-investors. Co-investments related to acquisitions made by Wendel between 2011 and 2012 (and to potential subsequent reinvestments made by Wendel in these companies) are therefore governed by the principles set out at the beginning of note 4-1 and by the following specific rules:

i) 30% of the amounts invested by the co-investors are invested under the same terms and conditions as Wendel (pari passu co-investment);

ii) the remaining 70% confer a right, should a liquidity event occur, to 7% of the capital gain (carried interest), provided that Wendel has obtained a minimum return of 7% *per annum* and a cumulative return of 40% on its investment. Otherwise, the co-investors lose all rights to any capital gain on 70% of their investment, and also lose 70% of the amount invested;

iii) from eight years after Wendel's initial investment, if Wendel has not fully divested the company in question or listed it on a stock exchange, a three-stage payment is offered to co-investors: the potential capital gain is realized after eight years on one-third of the amounts invested by co-investors; similarly, the potential gain on the other two-thirds is realized after 10, then 12 years if no full divestment or IPO has taken place in the meantime.

Under these principles, the managers invested personally alongside Wendel in Parcours, Mecatherm, and IHS. These co-investments were made through Oranje-Nassau Développement SA SICAR, created in 2011, and currently divided into three sub-funds corresponding to each of these three companies.

In 2015, as part of Wendel's reinvestments in IHS, Wendel managers made supplementary co-investments (the rules of the supplementary co-investments follow those applicable to the initial co-investments). Accordingly, on the prior authorization of the Supervisory Board, which was based on the Governance Committee's opinion, the Chairman and the other member of the Executive Board made respective follow-on co-investments of €97,020 and €64,680 in IHS.

2013-17 period

The co-investment mechanism was again amended in 2013, on the initiative of the Supervisory Board, in order to introduce a pooled share and, in certain cases, to raise the Group's minimum return condition. These amendments were set for the four years of the Executive Board's current term. Co-investments related to acquisitions made by Wendel in new companies between April 2013 and April 2017 are therefore governed by the principles set out at the beginning of note 4-1 and by the following specific rules:

i) 35% of the amount co-invested gives the right, if a liquidity event occurs, to 3.5% of the capital gain realized on each of the investments of the period, on the condition that Wendel's return is at least 10% *per annum* (carried interest deal by deal); a three-stage payment is offered to co-investors at 8, 10 and 12 years after Wendel's initial investment (see 2011-12 period), if Wendel has not fully divested the company in question or listed it on a stock exchange;

ii) 35% of the amount co-invested gives the right to 3.5% of the capital gain realized on each of the investments of the period, on the condition that Wendel's return, calculated for all of these investments as a whole, is at least 7% *per annum* (pooled carried interest); if Wendel has not fully divested each of the investments of the period in question, or listed them on a stock exchange, the pooled potential capital gain will be allocated equally in 2024 and 2025 (the investments remaining in the portfolio being valued by an independent expert in every case);

iii) the remaining 30% is co-invested *pari passu* with Wendel, 15% on a deal-by-deal basis, and 15% on a pooled basis;

iv) the co-investors having freely made the commitment to participate in the 2013-17 at a certain proportion of total co-investments are required to invest at this level in all of the investments of the period with respect to the pooled portion (carried interest and *pari passu*); failing which, the co-investor concerned will lose all of his/her rights to the pooled capital gain for the non-invested portion and his/her previous investment, except for cases of *force majeure* where the co-investor will simply be diluted;

v) those co-investors who have met their commitment to co-invest in the pooled portion may invest the same amount on a deal-by-deal basis (carried interest and *pari passu*), without obligation;

vi) the four-year period necessary to acquire the rights to pooled carried interest is calculated from the date of the initial investment.

In addition, the share of the Executive Board's co-investment has been fixed at one-third of the total co-investment, comprising 60% and 40%, respectively, from the Chairman and the other member of the Executive Board.

As a result of implementing these new principles, two new private equity investment companies, or "SICARs", (Expansion 17 SA SICAR and Global Performance 17 SA SICAR) have been incorporated in Luxembourg and have been approved by Luxembourg's financial regulator, the *Commission de surveillance du secteur financier* (CSSF).

Co-investments are made in euros. In the case of foreign currency investments the euro exchange rate is adjusted to that applying on the day of the SICARs' capital increase.

Wendel managers used these SICARs to co-invest alongside Wendel in Saham, Nippon Oil Pump, and CSP Technologies, as well as Constantia Flexibles and AlliedBarton Security Services in 2015. Accordingly, on the prior authorization of the Supervisory Board, which was based on the Governance Committee's opinion, the Chairman and the other member of the Executive Board made respective follow-on co-investments of €570,699 and €380,371 in Constantia Flexibles, and €649,923 and €433,173 in AlliedBarton Security Services.

Note 4-2 Participation of subsidiaries' managers in the performance of their companies

Various mechanisms exist in Wendel Group subsidiaries to allow senior managers to participate in the performance of each entity.

For listed subsidiaries (Bureau Veritas), these mechanisms comprise subscription- and purchase-type stock option plans, and performance share plans.

For unlisted subsidiaries (AlliedBarton, Materis, CSP Technologies, Mecatherm, Parcours, Stahl, and NOP), the participation policy is based on a co-investment mechanism through which these executives have co-invested significant sums alongside Wendel. These investments present a risk for the co-investors/managers in that they run the risk of losing all or part of the significant sums they have invested, depending on the value of the investment at maturity.

These mechanisms are generally composed in part of a *pari passu* investment, which gives a return profile identical to that achieved by Wendel, and in part of a ratchet investment, which offers a gain profile differentiated according to performance criteria such as the internal rate of return (IRR) achieved by Wendel. Accordingly, on this portion of the investment, the co-investing managers only benefit from a return in excess of Wendel's when a certain profitability threshold has been met by Wendel (ranging from 7% to 10%).

These co-investment mechanisms and the sharing of risk between Wendel and the manager co-investors are represented by a variety of financial instruments held by Wendel and the manager co-investors. These instruments include ordinary shares, index-based or preferred shares, fixed-rate bonds, warrants, etc. The ratchet portions may also be structured as bonus systems linked to the relevant entity's performance, or to the profitability of Wendel Group's investment in the entity.

These investments mature either when a liquidity event occurs (divestment or IPO) or, if no such event takes place, at a specific point in time (depending on the company, between two and 14 years after the initial investment by Wendel).

Furthermore, associate companies accounted for by the equity method (Saint-Gobain, IHS, and exceet) have implemented performance share plans and/or stock-option plans that may have a dilutive effect on Wendel's capital holding in these companies.

Note 4-3 Impact of co-investment mechanisms for Wendel

In the event that the business plans of the subsidiaries and companies related to the co-investments of managers from Wendel and its subsidiaries are realized, there could be a dilutive impact of up to 15% on Wendel's ownership interest in these companies if a liquidity event occurs.

NOTE 5 Managing financial risks

Note 5-1 Managing equity market risks

Note 5-1.1 Value of investments

Wendel's assets are mainly investments in which it is the main or controlling shareholder. Some assets are listed (Saint-Gobain, Bureau Veritas and exceet) and some are unlisted (Cromology, Stahl, IHS, Constantia Flexibles, AlliedBarton, Mecatherm, NOP, CSP Technologies and Parcours, held for sale on the closing date). The Group also holds non-controlling interests, such as in Saham.

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, aggregate defined in the annual financial report) depends on its managers' capacity to select, buy, develop and then resell companies able to distinguish themselves as leaders in their sectors.

Wendel makes its decisions on the basis of its investment teams' expertise and in-depth strategic, accounting/financial, legal, tax and environmental analyses. These processes identify the operating, competitive, financial and legal opportunities and threats likely to have an impact on the value of an investment.

Wendel monitors and analyzes each company's operating and financial performance and the risks to which they are subject, alongside the managers of the companies, during regular in-depth operational review meetings or meetings of these companies' governance entities. In addition, knowledge sharing with the management team makes it possible to develop true sectoral expertise and thus to prepare an analysis of future prospects at regular intervals. This regular review also enables Wendel to better analyze developments in each investment and play its role of principal shareholder.

Wendel's company-specific approach is supplemented at the Group level through an overall analysis of the distribution of Wendel's subsidiaries and investments by economic activity, in order to ensure sufficient diversification, not only sectorally, but also from the point of view of their competitive positioning and of the resilience of the companies to a deterioration in the economic climate.

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 also the after-effects of the global recession, which continue to generate much uncertainty about economic trends.

Additionally, the financial and debt structure of certain unlisted investments (Cromology, Stahl, Constantia Flexibles, AlliedBarton, Mecatherm, CSP Technologies and NOP) accentuates the valuation risk of these investments. While leverage makes high internal rates of return (IRR) possible on these investments, it also exacerbates financial difficulties in the event of a significant slowdown in economic activity, by restricting the access of the companies in question 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 prevent and manage the risk incurred by these companies' financial structure, cash flow and financial covenant forecasts are prepared regularly, based on various scenarios, in order to prepare, if necessary, targeted solutions to ensure their long-term survival and to create value. Moreover, Wendel and its subsidiaries are in close contact with bank lenders, in order to more effectively manage the restrictions on these financing agreements.

The value of these investments is therefore subject to the risk that their economic and financial performance and prospects for business development and profitability will be undermined by difficulties related to their organization, financial structure, economic sector and/or the global economic environment. The value of investments 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 Short-term financial investments indexed to equity markets

As part of its cash management (see note 5-2 "Managing liquidity risk"), Wendel uses liquid, short-term financial investments, a small portion of which is indexed to equity markets (equity funds). This small portion is therefore exposed to equity market risk. Such investments, which offer higher expected yields than cash instruments, but also greater risk of loss in value, are formally monitored on a regular basis by the Chief Financial Officer and the Executive Board.

Note 5-1.3 Equity market risk

Equity market risk relates to:

- consolidated and equity-method shares, whose "recoverable values" used for impairment tests are based on market parameters, including, and depending on the case, the discount rate used in calculating "value in use" or the market price used in calculating "fair value" (see the impairment tests in note 7 "Goodwill" and in note 10 "Equity-method investments");
- the Saham shares are recorded as financial assets and recognized at their fair value. Their value is subject to changes in this company's business and in the benchmark companies used to determine its valuation, in particular the multiples of peer-group companies. Changes in value are recorded within shareholders' equity unless there is a decline in value that is considered to be significant or lasting, in which case an impairment charge is recognized in the income statement. This charge can only be reversed through the income statement in the event of divestment. As of December 31, 2015, the net value retained for these shares was remeasured through shareholders' equity at €113 million, up from €69 million at the end of 2014 (see note 13 "Financial assets and liabilities");
- financial investments indexed to equity markets, the total value of which was €88 million as of December 31, 2015. Such investments are, in the main, 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 could have an impact of about +/-€5 million on the value of these investments, most of which would be recognized in the income statement;
- the covenants under Wendel's syndicated loan. 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, 2015, Wendel was in compliance with all covenants and this credit was undrawn;
- the degree of financial leverage of Wendel and its holding companies (i.e. net debt/assets), a key indicator of the cost of bond financing (and in some cases, bank financing), which Wendel may seek to access. This indicator is also monitored by Standard & Poor's, which has been mandated by Wendel to rate its financial structure and bond borrowings.

					Impact on net income			
In millions of euros	Net carrying amount (Group share)	Market value (closing share price)	Impact on market value from a change of -5% in market price	Balance sheet note	change of +/-5% in market price	change of -/+ 0.5% of the discount rate applied to the value of future cash flows	change of -/+ 0.5% of the perpetual growth rate used to calculate discounted future cash flows	reduction of 1% in the normative margin used to discount cash flows in post-business-plan periods
Equity-method investments								
Saint-Gobain	3,014.4	2,318.6	-131.1	10	N/A[1]	+88/-295	+88/-217	-437
IHS	666.6	N/A	N/A	10	N/A	N/A[2]	N/A[2]	N/A[2]
Oranje-Nassau Développement – exceet	36.6	22.0	-1.1	10	N/A[1]	+3/-3	+1/-1	-3
Consolidated investments								
Bureau Veritas	868.0	3,258.2	-162.9	7	0	N/A[3]	N/A[3]	N/A[3]
Materis (Cromology)	-281.4	N/A	N/A	7				
Shareholder loan[4]	396.3							
	114.9				N/A	0/0	0/0	0
Stahl	162.6	N/A	N/A	7	N/A	0/0	0/0	0
Constantia Flexibles	547.0	N/A	N/A	7	N/A	0/0	0/0	0
AlliedBarton	622.1	N/A	N/A	7	N/A	N/A[5]	N/A[5]	N/A[5]
Oranje-Nassau Développement								
■ Parcours[6]	159.4	N/A	N/A	2	N/A	N/A	N/A	N/A
■ Mecatherm	80.0	N/A	N/A	7	N/A	0/0	0/0	0
■ CSP Technologies	165.6	N/A	N/A	7	N/A	0/-25	0/-18	-10
■ NOP	25.5	N/A	N/A	7	N/A	0/0	0/0	0
Other financial assets								
Investment in Saham	113	N/A	N/A	13	N/A[7]	N/A[7]	N/A[7]	N/A[7]
Short-term financial investments indexed to the equity markets	87.6	87.6	-4.4		+/- 4.4	N/A	N/A	N/A

(1) Impairment tests are based on value in use (discounted future cash flows). See note 10 "Equity-method investments";
(2) No impairment test was performed on IHS because there is no indication of impairment, and the most recent capital increase at the end of June 2015 was carried out at a premium compared to previous issues;
(3) The recoverable value used for the Bureau Veritas impairment test was the market share price;
(4) Eliminated on consolidation;
(5) No test was performed on AlliedBarton in that the acquisition was made only one month before the balance sheet date;
(6) Parcours is classed as an operation held for sale and the net sale price expected is higher than the carrying amount, see note 2 "Changes in scope of consolidation";
(7) See note 13 "Financial assets and liabilities".

Additionally, in accordance with accounting standards, IHS shares held by co-investors via the co-investment vehicle controlled by Wendel, are recognized as equity-method investments. As an offset, the Group must recognize a financial liability equal to the fair value of these shares. The change in the fair value of this liability is recognized on the income statement. As of December 31, 2015, this liability stood at €182.3 million and its revaluation resulted in the recognition of a €15.7 million charge over the period. The impact was purely of an accounting nature. The accounting treatment is described in greater detail in note 10 "Equity-method investments."

Note 5-2 Managing liquidity risk

Note 5-2.1 Liquidity risk of Wendel and the holding companies

Wendel needs cash to make investments, service debt and pay operating expenses and dividends. These needs are covered by asset rotation, bank and bond financing, and by dividends received from subsidiaries and associates.

1. Position and monitoring of cash and short-term financial investments

1.1. Cash and short-term financial investments as of December 31, 2015

As of December 31, 2015, cash and short-term financial investments held by Wendel and its holding companies (excluding operating subsidiaries) were as follows:

In millions of euros	Denominated in €	Denominated in $	Total
Money-market mutual funds	216	25	241
Bank accounts and bank certificates of deposit	201	28	229
Diversified, equity and bond funds*	27	32	59
Funds managed by financial institutions*	271		271
TOTAL	**715**	**85**	**800**

* *Classified under "Other current financial assets".*

The amount of short-term financial investments and cash invested in US dollars is part of the Group's strategy of investing in North America.

1.2. Monitoring cash and short-term financial investments

Every month cash & equivalents (including short-term financial investments) and cash flow are displayed on a chart summarizing the changes during the month and the month-end position. This chart is presented to the Executive Board on a monthly basis. It also details the various cash and short-term financial investment vehicles utilized, as well as counterparty information. Finally, another chart indicating the expected cash flows over the coming months and years is prepared and used to determine when financing needs will arise under various scenarios.

Cash investment vehicles consist of short-term bank deposits and low-volatility, money-market mutual funds (classified under "Cash and cash equivalents"), funds managed by financial institutions, and equity, bond and diversified funds (classified under "Other financial assets"). These investments are valued daily (or in some cases weekly). Amounts allocated to more volatile funds, potentially generating higher returns, represent an insignificant portion of cash and short-term financial investments. Wendel has a formal procedure for monitoring the net asset values of these more volatile funds on a weekly basis. In choosing the various types of investments, Wendel takes into account the compatibility of their term with its debt repayment obligations and those of its holding companies.

2. Position and management of debt maturities and refinancing

2.1. Debt position as of December 31, 2015

As of December 31, 2015, gross debt (excl. operating subsidiaries) was composed of €4,136 million in Wendel bonds with maturities ranging from May 2016 to February 2027 (see details in note 16 "Financial debt"). As of the end of December 2015, the average maturity of this debt was 4.4 years.

Available, undrawn lines totaled €1,500 million as of end-December 2015 and were composed of:

- a €650 million syndicated loan maturing in November 2019. Its financial covenants were respected (see note 5-2.24 "Wendel's syndicated loan – documentation and covenants"); and
- bank debt with margin calls (Saint-Gobain shares, Bureau Veritas shares, and cash) totaling €850 million, including €350 million maturing in December 2019 and €500 million maturing in March 2020 (see note 5-2 "Bank financing with margin calls").

These lines enable Wendel to ensure repayment of the closest maturities and have enough flexibility to take advantage of investment opportunities.

In 2015, Wendel issued €800 million of new bonds:

- €500 million maturing on February 9, 2027 with a 2.5% coupon; and
- €300 million maturing on April 12, 2020 with a 1.875% coupon.

In addition, €348 million of bonds were repaid when they reached maturity in September 2015.

Additionally, within the context of managing currency risk (see note 5-5 "Managing currency risk"), €800 million of bond debt was synthetically swapped to debt denominated in dollars using derivative instruments (cross currency swaps) in February and March 2016 (post-closing).

On February 19, 2016, Standard & Poor's confirmed Wendel's long-term investment grade rating of BBB- with a "stable" outlook. The short-term rating is A-3.

2.2. Managing debt

To manage debt maturities, Wendel must find the necessary resources to cover the repayment of its financial obligations at their maturity. These resources can derive from available cash, asset rotation, the drawdown of available credit lines or new financing. This latter resource may be limited by:

- the availability of bank and bond lending sources, which has been restricted by financial market volatility, banks' access to liquidity, and pressure from financial institution regulators;
- the level of financial leverage of Wendel and its holding companies (i.e. net debt/assets), which is a key credit risk indicator tracked by Wendel's lenders and by Standard & Poor's, which rates the Group's financial structure. Likewise, the syndicated loan is subject to financial covenants that are based principally on the market value of Wendel's assets and on the amount of net debt (see note 5-2.4 "Wendel's syndicated loan – documentation and covenants".) Leverage depends in particular on asset values and is thus subject to equity market risk (see note 5-1.3 "Equity market risk"); and
- a potential rating downgrade for Wendel by Standard & Poor's.

To manage refinancing risk, Wendel seeks to align the maturities of its bond and bank financing with its long-term investor outlook. Wendel therefore secures medium to long-term financing and extends existing maturities when market conditions allow and when Wendel management deems it necessary to do so.

Note 5-2.2 Liquidity risk of operating subsidiaries

1. Managing liquidity risk of operating subsidiaries

The management of each operating subsidiary is responsible for managing the cash, debt, and liquidity risk of that entity.

Cash and debt levels are reported regularly to Wendel. Forecasts of bank covenant compliance for the coming year and over the lifetime of the business plan are prepared several times a year and any time an event occurs that could have a material impact on the covenants. These forecasts and calculations of covenant compliance are presented regularly to Wendel.

2. Impact of liquidity risk of subsidiaries on Wendel

Debt of operating subsidiaries and associates is without recourse to Wendel. As such, these subsidiaries' liquidity risk affects Wendel only when Wendel chooses to accept it. Wendel has no legal obligation to support those of its operating subsidiaries and associates that might experience cash flow difficulties. Similarly, they have no mutual support obligation between them. As a result, Wendel's liquidity is affected only if Wendel decides to contribute cash to an operating subsidiary. Such a decision would result from an in-depth analysis of all the constraints to which Wendel is subject, including return on investment, Wendel's own liquidity, additional investment in other subsidiaries, and new investments. In this context, Wendel extended a €15 million liquidity line to Mecatherm (€5 million of which had been drawn as of end-December 2015) and provided a guarantee of €15 million to Mecatherm's lenders in return for the easing of financial covenants and banking documentation relating to the Mecatherm debt. Changes in the economic and financial situation of subsidiaries can also have an impact on Wendel's liquidity via the amount of dividends they pay to Wendel. Similarly, changes in the economic and financial position of subsidiaries has an impact on their value, however, this value is taken into account in calculating Wendel's financial leverage (see note 5-1.3 "Equity market risk").

Note 5-2.3 Wendel's liquidity outlook

The main debt maturity in the 12 months following the 2015 year end is the €644 million bond repayment in May 2016. Wendel's liquidity risk for this period is low, given the high level of cash and short-term financial investments, and the undrawn available credit lines.

Note 5-2.4 Financing agreements and covenants of Wendel and its holding companies

1. Bonds issued by Wendel – documentation

These bonds are not subject to financial covenants, but carry standard clauses for this type of debt instrument (prohibition or restriction on the pledging of assets as collateral to certain types of lenders, accelerated maturity should Wendel default on a payment beyond certain thresholds, change of control clause, etc.)

2. Wendel's syndicated loan – documentation and covenants (undrawn as of December 31, 2015)

The syndicated loan 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. The net debt taken into account corresponds to Wendel bonds and the syndicated loan, where drawn, less available cash (potential pledged cash being lodged in the structure for financing with margin calls).

Net debt of the Group subsidiaries is deducted from the gross revalued assets of these subsidiaries inasmuch as it is without recourse to Wendel. Potential drawing of debt with margin calls (less any cash pledged), would be recognized as a deduction from the shares pledged inasmuch as it is also without recourse to Wendel.

These covenants are as follows:

- the net financial debt of Wendel and its financial holding companies must not exceed 50% of gross revalued assets after future tax on unrealized gains and losses (excluding cash);
- the ratio of:
  - unsecured gross debt plus off-balance-sheet commitments similar in nature to unsecured financial debt of Wendel and its financial holding companies, less available cash (not pledged or in escrow) of Wendel and the financial holding companies, to
  - 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 loan line. As of December 31, 2015 Wendel was in compliance with all covenants.

The syndicated loan agreement carries standard covenants for this type of debt instrument (prohibition or restriction on the pledging of assets as collateral to certain types of lenders, accelerated maturity should Wendel default on a payment beyond certain thresholds, change of control clause, etc.).

3. Bank financing with margin calls (undrawn as of December 31, 2015)

If the two bank facilities with margin calls are drawn down, listed securities must be pledged. In this event, the value of the collateral given (Saint-Gobain shares, Bureau Veritas shares, and cash) must remain at the level required under the bank agreement covenants, based in turn on the amount of debt. If this value declines, the bank demands further collateral; if it increases, a portion of the collateral is freed up. As these debts are without recourse to Wendel, the Company could decide not to respond to potential additional margin calls. This would put the related financing contract in default, and the bank could then exercise the collateral already provided.

Note 5-2.5 Financial debt of operating subsidiaries – documentation and covenants

1. Bureau Veritas financial debt

This debt is without recourse to Wendel.

As of December 31, 2015, Bureau Veritas' gross financial debt was €2,389.9 million, and its cash balance was €522.9 million. Bureau Veritas does not have significant repayment obligations on its debt in the short term and, in addition to its cash balance, had unused lines of credit amounting to €450 million as of December 31, 2015.

The relevant covenants are as follows:

- the ratio of consolidated EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization and Provisions) adjusted for the last 12 months to net interest expense must be greater than 5.5; and
- the ratio of adjusted net financial debt to consolidated EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization and Provisions) adjusted for the last 12 months, must be less than 3.25.

Bureau Veritas was in compliance with these ratios as of December 31, 2015.

2. Cromology financial debt

This debt is without recourse to Wendel.

As of end-2015, Cromology's bank debt was €270 million (including accrued interest, and excluding deferred issuance costs and shareholder loan). Its cash balance was €25.8 million. As of that date, this bank borrowing was subject to the following covenants:

- adjusted LTM EBITDA divided by net cash interest expense must be greater than 2.20 (this minimum rises to 2.70 in 2018). The test is quarterly; and
- consolidated net debt (excluding shareholder loan) divided by adjusted LTM EBITDA must be less than 5.32 (this ceiling declines to 3.75 in 2019). The test is quarterly.

As of December 31, 2015, these covenants were respected.

The documentation related to this debt contains the standard restrictions for this type of credit facility. Certain transactions, such as asset divestments, granting collateral, acquisitions, additional debt, and payment of dividends are prohibited, restricted, or require the prior approval of the lenders.

3. Stahl financial debt

This debt is without recourse to Wendel.

As of December 31, 2015, the gross face value of Stahl's bank debt was €245.0 million (including accrued interest, and excluding issuance costs). Its cash balance was €77.8 million. As of that date, the covenants were as follows:

- LTM EBITDA divided by net interest expense paid must be greater than or equal to 5.48. This minimum rises to 6 on June 30, 2016. This ratio is calculated on a rolling 12-month basis. It is tested quarterly; and
- consolidated net debt divided by LTM EBITDA must be less than or equal to 2.60 (this ceiling falls to 2 on December 31, 2016). This ratio is tested on a quarterly basis.

As of December 31, 2015, these covenants were respected.

The documentation related to Stahl's debt contains the standard restrictions for this type of credit facility. Certain transactions, such as mergers, asset divestments, granting collateral, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted, or require prior approval of the lenders.

4. Constantia Flexibles financial debt

This debt is without recourse to Wendel.

As of December 31, 2015, the gross face value of Constantia Flexibles' bank debt was €1,296.4 million (including accrued interest, and excluding issuance costs). Its cash balance was €63.9 million. The bank debt is only subject to a financial covenant when more than 35% of the revolving credit line is drawn. In this event, the ratio of net debt to EBITDA for the last 12 months must be less than 6.7. As of December 31, 2015, this covenant was respected.

The documentation related to Constantia Flexibles' debt contains the standard restrictions for this type of credit facility. Certain transactions, such as mergers, asset divestments, granting collateral, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted, or require prior approval of the lenders.

5. AlliedBarton financial debt

This debt is without recourse to Wendel.

As of December 31, 2015, the gross face value of AlliedBarton bank debt was $1,016.1 million, or €933.3 million (including accrued interest, and excluding issuance costs and fair value accounting adjustments). Its cash balance was $4.2 million, or €3.9 million, and $30 million, or €27.6 million in cash was frozen in order to comply with financial covenants (classed as non-current financial assets). The subordinated bank debt is only subject to a financial covenant when more than 25% of the revolving credit line is drawn. In this event, the ratio of net debt to EBITDA for the last 12 months must be less than 6.75. As of December 31, 2015, this covenant was respected.

The documentation related to AlliedBarton's debt contains the standard restrictions for this type of credit facility. Certain transactions, such as additional debt are restricted.

6. Mecatherm financial debt

As of December 31, 2015, the gross face value of Mecatherm's debt was €48.4 million (including accrued interest, non-recourse discounting, and a €5 million liquidity line granted by Wendel, and excluding issuance costs). Its cash balance was €5.2 million.

Given the particularly volatile economic context in recent years, Mecatherm and its bank lenders agreed to suspend covenant tests, provided that operating income did not exceed a certain contractually defined ceiling. As part of this agreement, Wendel committed to providing a €15 million liquidity line (€5 million of which had been drawn as of end-December 2015) to enable Mecatherm to finance its general corporate needs, and to grant a €15 million first-demand guarantee to the banks to cover the servicing of Mecatherm's bank debt. The recourse of Mecatherm's bank lenders to the Wendel Group is limited to this guarantee.

7. CSP Technologies financial debt

This debt is without recourse to Wendel.

As of December 31, 2015, the gross face value of CSP Technologies' bank debt was $170.3 million, or €156.5 million (including accrued interest, and excluding issuance costs). Its cash balance was $3.7 million, or €3.4 million. As of that date, the covenants were as follows:

- LTM EBITDA divided by net interest expense paid must be greater than or equal to 2.25. This minimum rises to 3 on March 30, 2018. This ratio is calculated on a rolling 12-month basis. It is tested quarterly; and
- consolidated net debt (gross debt less cash of up to $10.5 million) divided by LTM EBITDA must be less than or equal to 6.25 (this ceiling falls to 3 on September 30, 2019). This ratio is tested quarterly.

As of December 31, 2015, these covenants were respected.

The documentation related to CSP Technologies' debt contains the standard restrictions for this type of credit facility. Certain transactions, such as mergers, asset divestments, granting collateral, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted, or require prior approval of the lenders.

8. Nippon Oil Pump financial debt

This debt is without recourse to Wendel.

As of end-2015, the gross face value of NOP's bank debt was JPY 4.5 billion (i.e. €34 million). Its cash balance was JPY 0.7 billion (i.e. €5 million). Around one-third of these bank debts will be amortized until 2019, and two-thirds are repayable at maturity in 2019. The financial covenants specify a minimum level of shareholders' equity and stipulate that net income cannot be negative for two consecutive years. As of December 31, 2015, these covenants were respected.

Note 5-3 Managing interest rate risk

As of December 31, 2015, the exposure of the Wendel Group (Wendel, its holding companies, and fully-consolidated operating subsidiaries) to interest rates was limited.

In billions of euros	Fiscal rate	Capped rate	Variable rate
Gross debt	6.1	-	3.4
Cash and short-term financial investments*	-0.3	-	-1.2
Impact of derivatives	0.2	0.9	-1.1
INTEREST RATE EXPOSURE	**6.0**	**0.9**	**1.2**
	74%	*11%*	*14%*

* *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, 2015 during which they will hedge interest rate risk.

As of December 31, 2014, the exposure of the Wendel Group (Wendel, its holding companies, and fully-consolidated operating subsidiaries) to interest rates was also limited.

In billions of euros	Fiscal rate	Capped rate	Variable rate
Gross debt	5.4	-	1.6
Cash and short-term financial investments*	-0.3	-	-1.2
Impact of derivatives	0.6	0.7	-1.3
INTEREST RATE EXPOSURE	**5.7**	**0.7**	**-0.9**
	103%	*13%*	*-17%*

* *Excluding €0.1 billion in short-term financial investments not sensitive to interest rates.*

The notional amount of derivative instruments was weighted by the portion of the 12 months following December 31, 2014 during which they hedged interest rate risk.

A +100 basis point change in the interest rates to which the consolidated Group's interest rate exposure is indexed would have an impact of around €-9 million (€+6 million as of December 31, 2014) on net Finance income / costs before tax over the 12 months after December 31, 2015, based on net financial debt as of December 31, 2015, interest rates on that date, and the maturities of existing interest rate hedging derivatives.

Note 5-4 Managing credit risk

Each operating subsidiary has set up a policy to monitor its customer credit risk, and the receivables for which a risk of non-payment exists are subject to write-down. As of the closing date, owing to the Group's geographical and sectoral diversification, there was no significant concentration of credit risk in trade receivables.

The cash and financial investments of Wendel and its holding companies are placed essentially with top-ranking financial institutions. However, given the high amount of cash and short-term financial investments as of December 31, 2015 (see note 5-2 "Managing liquidity risk"), significant amounts could be placed with the same financial institution. Derivative contracts are entered into with top-ranking financial institutions.

Note 5-5 Managing currency risk

Note 5-5.1 Wendel

As of December 31, 2015, Wendel owned €85 million in cash and short-term financial investments denominated in dollars. The amount held in US dollars is part of the Group's strategy of investing in North America. These financial assets are recognized at fair value. A 5% decline in the value of the dollar compared with the euro would accordingly have an impact of €-4 million on Wendel's income statement.

Certain subsidiaries operate in several countries and, as a result, derive a share of their earnings in currencies other than the euro, in particular the US dollar. The subsidiaries with the greatest exposure to the US dollar are Bureau Veritas, Stahl, IHS, CSP Technologies, Constantia Flexibles and AlliedBarton.

Given the exposure of some of the Group's assets to the US dollar, Wendel decided to synthetically swap part of its bond debt into this currency using derivative instruments. €800 million euro/dollar Cross currency swaps were set up in February and March 2016 (post-closing). This transaction limits the impact of changes in euro/dollar parity on the Group's net asset value.

Note 5-5.2 Bureau Veritas

Bureau Veritas operates internationally and is consequently exposed to the risk of fluctuations in several foreign currencies, even though natural hedges may exist due to the fact that many of the entities where services are supplied locally have corresponding costs and revenues.

Some Bureau Veritas sales in relation to business exposed to globalized markets, particularly Commodities and Consumer Goods, as well as Marine & Offshore and Services to Governments and International Commerce, are denominated in US dollars or are influenced by the rate of this currency. They are, therefore, indirectly impacted by fluctuations in the US currency.

In 2015, over 70% of Bureau Veritas' net sales were the result of the consolidation of financial statements of entities with functional currencies other than the euro, including 19.5% in US dollars or currencies correlated to the US dollar (including the Hong Kong dollar), 9.2% in Chinese yuans, 4.2% in Canadian dollars, 3.6% in Australian dollars and 3.6% in Brazilian reals. No other currency individually accounted for more than 4% of Bureau Veritas' net sales. Accordingly, a 1% fluctuation of the euro against the US dollar and the currencies correlated to it would have had an impact of around 0.2% (or around €9 million) on the 2015 consolidated net sales of Bureau Veritas, and a 0.2% impact on the company's 2015 operating income (i.e. less than €2 million).

Note 5-5.3 Cromology

Cromology has subsidiaries in Morocco and Argentina. In 2015, Cromology had net sales of €56 million in Argentina, or 7% of its total net sales. When the Argentine peso became a free-floating currency as of December 31, 2015, it experienced a devaluation of around 25%. The impact on Cromology's operating income is not, however, likely to be material, given Argentina's limited contribution to the Group's operating income (less than €2 million in 2015). In addition, locally available cash was immaterial as of December 31, 2015.

Note 5-5.4 Stahl

In 2015, 59% of Stahl's net sales were in currencies other than the euro, including 33% in US dollars, 8% in Chinese yuans, 7% in Indian rupees and 4% in Brazilian reals. A +/-5% fluctuation in the US dollar, or in currencies correlated to it, against the euro would have had an impact of around +/-6% on Stahl's 2015 income from ordinary activities before depreciation, amortization and provisions (excluding goodwill allocation and non-recurring expenses), or +/-€6 million.

In addition, Stahl has financial debt of €199 million, denominated in US dollars and carried by a company whose functional currency is the euro. Therefore, in the event of a +/-5% fluctuation in the US dollar's value against the euro, a translation impact of about -/+€10 million would be recognized in net finance costs.

Note 5-5.5 Constantia Flexibles

In 2015, 35% of Constantia Flexibles' net sales were in currencies other than the euro, including 19% in US dollars. A +/-5% fluctuation in the US dollar, or in currencies correlated to it, against the euro would have had an impact of around +/-0.6% on Constantia Flexibles' 2015 income from ordinary activities before depreciation, amortization and provisions (excluding goodwill allocation and non-recurring expenses), or less than +/-€2 million.

In addition, Constantia Flexibles has financial debt of €207 million, denominated in US dollars and carried by a company whose functional currency is the euro. Therefore, in the event of a +/-5% fluctuation in the US dollar's value against the euro, a translation impact of about -/+€10 million would be recognized in net finance costs.

Note 5-5.6 CSP Technologies

The CSP Technologies Group is mainly based in the United States and so its functional currency is the US dollar and around 70% of its business is conducted in this currency. A +/-5% fluctuation in the US dollar against the euro would have an impact of less than +/-€1 million on 2015 income from ordinary activities in Wendel's financial statements presented in euros.

An intra-group loan between the US and European companies in the CSP Technologies Group is likely to generate a loss/gain of -/+€2 million in the event of a rise/fall in the US dollar.

CSP Technologies Group debt is all denominated in US dollars. Since its functional currency is also the US dollar, there is no impact on the income statement.

Note 5-5.7 AlliedBarton

The AlliedBarton Group is based in the United States and so its functional currency is the US dollar. A +/-5% fluctuation in the US dollar against the euro would have had a full-year impact of around +/-7% on its 2015 income from ordinary activities before depreciation, amortization and provisions (excluding goodwill allocation and non-recurring expenses) in Wendel's financial statements presented in euros.

AlliedBarton Group debt is all denominated in US dollars. Since its functional currency is also the US dollar, there is no impact on the income statement.

Note 5-6 Managing commodity risk

The Group investments most exposed to the risk of changes in commodity prices are Cromology, Stahl and Constantia Flexibles.

Cromology purchased around €132 million of commodities in 2015. A 10% increase in the price of the commodities used by Cromology would have led to a theoretical increase in the cost of these commodities of around €13 million on a full-year basis. Cromology nevertheless considers that, circumstances allowing, a short-term increase in the sales price of its products would compensate for the overall effect of such commodity price increases. Cromology continually works to optimize its purchases by approving new suppliers, and by developing new formulations for its products.

Stahl purchased around €296 million of commodities in 2015. A 10% increase in the price of the commodities used by Stahl would have led to a theoretical increase in the cost of these raw materials of around €30 million on a full-year basis. Stahl nevertheless considers that, circumstances allowing, a short-term increase in the sales price of its products would compensate for the overall effect of such commodity price increases. Stahl did not enter into any contracts to hedge movements in commodity prices in 2015.

Constantia Flexibles purchased around €913 million of commodities in 2015. A 10% increase in the price of the commodities used by Constantia Flexibles would have led to a theoretical increase in the cost of these commodities of around €91 million on a full-year basis. Constantia Flexibles has a policy of hedging fluctuations in the price of aluminum using hedging contracts. In addition, the company considers that an increase in the sales price of its products would compensate for the overall effect of such short-term commodity price increases.

NOTE 6 Segment information

Analysis of the income statement by business sector is divided into three parts: net income from business sectors, non-recurring items and the impact of goodwill allocation.

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, Cromology, Stahl, Constantia Flexibles and AlliedBarton, as well as Parcours, Mecatherm, NOP and CSP Technologies held by Oranje-Nassau Développement and Wendel's share in the net income of investments accounted for under the equity method (Saint-Gobain, IHS, as well as exceet, held by Oranje-Nassau Développement) before non-recurring items and the impact of goodwill allocations;
- the net income of holding companies incorporates the general and administrative expenses of Wendel and its holding companies, the cost of the net borrowings put in place to finance Wendel and its holding companies, and the tax expense and income connected with these items. The amounts shown are those recognized at the level of Wendel and all of its consolidated financial holding companies (excluding acquisition holding companies and operating subsidiaries).

Non-recurring income

"Non-recurring income" includes, for the entire scope of consolidation, the net, after-tax amounts not linked to the operating activity or to the recurring operations of subsidiaries and associates or to the recurring operations of Wendel and its holding companies:

- capital gains and losses from the divestment of assets;
- restructuring costs considered exceptional;
- exceptional legal disputes, notably those that are not linked to operating activities;
- interest income and expenses on shareholder loans, as these are linked to the structure of the financial instruments used to invest in the subsidiaries and associates. These items do not usually give rise to a settlement in cash prior to divestment. The tax impact related to these items is considered recurring inasmuch as it has a structural impact on the tax to be paid;
- changes in "fair value";
- impairment losses on assets, and in particular on the value of goodwill;
- currency impact on financial liabilities;
- financial restructuring expenses and the income and expenses related to extinguishing debt;
- any other significant item unconnected with the Group's recurring operations.

Impact of goodwill allocation

The impact of goodwill on the income statement derives from the revaluation of assets and liabilities carried out at the time of the acquisition (or from changes to these valuations within 12 months after the transaction). The affected items are primarily:

- inventories and work-in-progress;
- property, plant & equipment;
- intangible assets, including brands and contracts;
- the related deferred taxes.

These accounting items modify net income from investments by disconnecting the income statement from the cash flows deriving from the business activity of those companies (because the accounting entries relate to the companies' acquisition prices and not their business activities).

Note 6-1 Income statement by business sector for fiscal year 2015

In millions of euros	Bureau Veritas	Constantia Flexibles	Allied Barton	Cromology	Stahl	Oranje-Nassau Développement	Equity-method investments Saint-Gobain	Equity-method investments IHS	Holding companies	Total Oprations
Net income from business sectors										
Net sales	**4,634.8**	**1,442.0**	**183.7**	**751.9**	**628.1**	**226.6**			**-**	**7,867.1**
EBITDA[(1)]	**N/A**	**197.5**	**8.9**	**67.8**	**128.7**	**N/A**				
Adjusted operating income[(1)]	**775.2**	**125.7**	**8.6**	**42.8**	**113.6**	**6.4**				
Other recurring operating items	-	-1.5	-0.7	-2.1	-6.4	-2.4				
Operating income	**775.2**	**124.2**	**7.8**	**40.7**	**107.2**	**4.0**			**-56.8**	**1,002.3**
Net borrowing costs	-80.0	-58.2	-5.0	-18.8	-9.5	-14.5			-156.1	-342.0
Other financial income and expense	-9.3	0.8	0.2	-1.6	7.2	-0.5				-3.2
Tax expense	-254.0	-11.5	-0.0	-3.7	-20.5	-3.8			-4.3	-297.8
Share in net income of equity-method investments	0.8	-	-	0.3	-	-0.1	153.2	-68.5	-	85.7
Net income from discontinued operations and operations held for sale	-	-	-	-	-	17.1	-	-	-	17.1
RECURRING NET INCOME FROM BUSINESS SECTORS	**432.7**	**55.3**	**3.0**	**17.0**	**84.4**	**2.3**	**153.2**	**-68.4**	**-217.3**	**462.2**
Recurring net income from business sectors, non-controlling interests	256.4	22.3	0.1	1.9	23.5	0.1	-	-0.4	-	303.9
RECURRING NET INCOME FROM BUSINESS SECTORS – GROUP SHARE	**176.3**	**33.0**	**2.9**	**15.1**	**60.9**	**2.2**	**153.2**	**-68.0**	**-217.3**	**158.3**
Non-recurring income										
Operating income	-198.3	-71.9	-9.9	-16.6	-21.3	-47.8	-	-	-70.9	-436.6
Net financial income (expense)	0.0	-11.7	0.0	-61.1	-24.6	-	-	-	72.0	-25.3
Tax expense	33.3	20.7	-	2.1	19.9	10.8	-	-	-	86.8
Share in net income of equity-method investments	-	-	-	-	-	-19.4	0.9	-41.6	-	-60.1
Net income from discontinued operations and operations held for sale	-	-	-	-	-	-2.5	-	-	-	-2.5
NON-RECURRING NET INCOME	**-165.0**	**-62.8**	**-9.9**	**-75.5**	**-26.0**	**-58.9**	**0.9**	**-41.6**	**1.2**	**-437.7**
of which:										
■ Non-recurring items	-14.7	-19.2	-6.2	-74.2	-13.9	-7.8	9.4	-41.6[(3)]	1.2[(4)]	-167.1
■ Impact of goodwill allocation	-60.3	-43.7	-3.7	-1.3	-12.1	-14.3	-7.3	-	-	-142.5
■ Asset impairment	-90.0	-	-	-	-	-36.9	-1.2[(2)]	-	-	-128.1
Non-recurring net income, non-controlling interests	-97.3	-20.2	-0.5	-7.5	-7.3	-0.3	-	-0.3	0.2	-133.1
NON-RECURRING NET INCOME – GROUP SHARE	**-67.7**	**-42.6**	**-9.4**	**-68.0**	**-18.7**	**-58.6**	**0.9**	**-41.3**	**1.0**	**-304.6**
CONSOLIDATED NET INCOME	**267.7**	**-7.6**	**-6.9**	**-58.5**	**58.4**	**-56.6**	**154.1**	**-110.0**	**-216.1**	**24.5**
Consolidated net income, non-controlling interests	159.1	2.1	-0.3	-5.6	16.2	-0.2	-	-0.6	0.2	170.7
CONSOLIDATED NET INCOME – GROUP SHARE	**108.6**	**-9.6**	**-6.5**	**-52.9**	**42.2**	**-56.4**	**154.1**	**-109.4**	**-216.3**	**-146.2**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.
(2) This heading includes the following items:
- asset impairments recognized by the Saint-Gobain Group of €108.2 million;
- reversal of an asset impairment recognized by Wendel on Saint-Gobain shares of €203.4 million;
- net loss on the disposal of the Verallia packaging division of €96.5 million.
(3) IHS: this item mainly consists of foreign exchange losses of €56.1 million (see note 10 "Equity method investments") and a dilution gain of €18 million (see note 10 "Equity method investments").
(4) This item includes a loss on exercises of cash equivalents by the co-investing managers of €64.9 million (see note 35-6 "Shareholder agreements and co-investment mechanisms") and a gain on the sale of Saint-Gobain puts of €28.4 million (see note 13 "Financial Assets and Liabilities").

The detail of Oranje-Nassau Développement's contribution to the 2015 income statement by business sector is as follows:

	Oranje-Nassau Développement					
In millions of euros	Parcours	Mecatherm	CSP Technologies	NOP	exceet	Total
Net income from business sectors						
Net sales	**N/A**	**96.4**	**90.2**	**40.0**	**-**	**226.6**
EBITDA*	**N/A**	**-11.8**		**4.8**	**-**	
Adjusted operating income*	**N/A**	**-13.5**	**16.6**	**3.2**	**-**	
Other recurring operating items	-0.3	-0.5	-1.5	-0.2	-	-2.4
Operating income	**-0.3**	**-14.0**	**15.1**	**3.1**	**-**	**4.0**
Net borrowing costs	-	-1.9	-12.1	-0.5	-	-14.5
Other financial income and expense	-	-0.5	0.0	-	-	-0.5
Current pre-tax profit (CPTP), management fees included	**-0.3**	**N/A**	**N/A**	**N/A**		
Tax expense	-	-1.4	-1.5	-0.8	-	-3.8
Share in net income of equity-method investments	-	-	-	-	-0.1	-0.1
Net income from discontinued operations and operations held for sale	17.1	-	-	-	-	17.1
RECURRING NET INCOME FROM BUSINESS SECTORS	**16.9**	**-17.8**	**1.5**	**1.8**	**-0.1**	**2.3**
Recurring net income from business sectors, non-controlling interests	0.2	-0.2	0.1	-	-	0.1
RECURRING NET INCOME FROM BUSINESS SECTORS – GROUP SHARE	**16.7**	**-17.6**	**1.4**	**1.8**	**-0.1**	**2.2**
Non-recurring income						
Operating income		-27.1	-18.3	-2.3		-47.8
Net financial income (expense)		-	-	-		-
Tax expense		3.1	6.9	0.9		10.8
Share in net income of equity-method investments		-	-	-	-19.4	-19.4
Net income from discontinued operations and operations held for sale	-2.5					-2.5
NON-RECURRING NET INCOME	**-2.5**	**-24.1**	**-11.4**	**-1.5**	**-19.4**	**-58.9**
of which:						
■ Non-recurring items	-1.0	-3.7	-3.5	-0.0	0.4	-7.8
■ Impact of goodwill allocation	-1.5	-0.9	-7.9	-1.5	-2.5	-14.3
■ Asset impairment	-	-19.5	-	-	-17.3	-36.9
Non-recurring net income, non-controlling interests	-	-0.1	-0.2	-	-	-0.3
NON-RECURRING NET INCOME – GROUP SHARE	**-2.5**	**-24.0**	**-11.2**	**-1.4**	**-19.4**	**-58.6**
CONSOLIDATED NET INCOME	**14.4**	**-41.9**	**-9.9**	**0.3**	**-19.5**	**-56.6**
Consolidated net income, non-controlling interests	0.2	-0.2	-0.2	0.0	-	-0.2
CONSOLIDATED NET INCOME – GROUP SHARE	**14.2**	**-41.7**	**-9.8**	**0.3**	**-19.5**	**-56.4**

* *Before the impact of goodwill allocation, non-recurring items and management fees.*

Note 6-2 Income statement by business sector for fiscal year 2014

In millions of euros	Bureau Veritas	Materis	Stahl	Oranje-Nassau Développement	Equity-method investments		Holding companies	Total Operations
					Saint-Gobain	IHS		
Net income from business sectors								
Net sales	**4,171.5**	**747.6**[2]	**512.6**	**142.9**			**-**	**5,574.5**
EBITDA[1]	**N/A**	**67.1**[2]	**91.4**	**N/A**				
Adjusted operating income[1]	**694.0**	**40.2**	**78.7**	**14.8**				**827.6**
Other recurring operating items	-	-2.1	-3.5	-0.9				-6.5
Operating income	**694.0**	**38.1**	**75.2**	**13.9**			**-55.9**	**765.2**
Net borrowing costs	-77.1	-60.1	-13.3	-3.3			-170.9	-324.7
Other financial income and expense	-3.7	3.1	13.1	-0.5				11.9
Tax expense	-209.6	-5.9	-22.6	-3.4			0.4	-241.2
Share in net income of equity-method investments	0.7	0.2	-0.3	2.1	139.3	-42.2	-	99.7
Net income from discontinued operations and operations held for sale	-	46.2	-	15.6	-	-	-	61.7
RECURRING NET INCOME FROM BUSINESS SECTORS	**404.2**	**21.5**	**52.0**	**24.2**	**139.3**	**-42.2**	**-226.5**	**372.5**
Recurring net income from business sectors, non-controlling interests	202.8	2.5	12.2	0.3	-	-0.2	-	217.7
RECURRING NET INCOME FROM BUSINESS SECTORS – GROUP SHARE	**201.4**	**19.0**	**39.7**	**23.9**	**139.3**	**-42.0**	**-226.5**	**154.9**
Non-recurring income								
Operating income	-143.8	-26.8	-30.6	-5.8	-	-	-60.4	-267.6
Net financial income (expense)	-0.0	-69.5	-28.7	0.5	-	-	-11.3	-109.0
Tax expense	39.1	5.1	14.2	1.9	-	-	-	60.3
Share in net income of equity-method investments	-	-	-	-2.7	-97.6	31.3	-106.7[3]	-175.7
Net income from discontinued operations and operations held for sale	-	322.0	-	-4.7	-	-	-0.1	317.2
NON-RECURRING NET INCOME	**-104.7**	**230.8**	**-45.2**	**-10.8**	**-97.6**	**31.3**	**-178.6**	**-174.8**
of which:								
■ Non-recurring items	-18.3	232.9[4]	-29.6	-2.8	5.0	31.3[5]	-147.3[6]	71.3
■ Impact of goodwill allocation	-84.9	-2.1	-15.6	-8.0	-8.1	-	-	-118.8
■ Asset impairment	-1.5	-	-	-	-94.5	-	-31.3[7]	-127.3
Non-recurring net income, non-controlling interests	-50.8	22.5	-11.1	-0.1	-	-0.0	0.1	-39.5
NON-RECURRING NET INCOME – GROUP SHARE	**-53.9**	**208.3**	**-34.2**	**-10.6**	**-97.6**	**31.3**	**-178.6**	**-135.3**
CONSOLIDATED NET INCOME	**299.5**	**252.3**	**6.7**	**13.5**	**41.7**	**-10.9**	**-405.0**	**197.8**
Consolidated net income, non-controlling interests	152.0	25.0	1.2	0.2	-	-0.2	0.1	178.2
CONSOLIDATED NET INCOME – GROUP SHARE	**147.5**	**227.3**	**5.6**	**13.3**	**41.7**	**-10.7**	**-405.1**	**19.6**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.
(2) Net sales and EBITDA of Cromology in 2014, excluding holding company expenses and elimination of transactions with divested divisions. Holding company expenses totaled €8.1 million and are reflected in adjusted operating income.
(3) This amount represents the loss on the sale of 24 million Saint-Gobain shares.
(4) This item includes the €27.4 million capital gain on Kerneos, the €266.5 million gain on Parex, the €35.6 million gain on Chryso, restructuring costs, divestment costs, and the interest expense on shareholder loans.
(5) This item represents the dilution gain recognized on IHS.
(6) This amount includes, in particular, the change in the fair value of Saint-Gobain puts of €22.5 million (see note 13-4 "Put options issued (written) on Saint-Gobain shares"), the loss on the sale of the Saint-Gobain block of shares, and expenses related to co-shareholder liquidity arrangements (see note 35-6 "Shareholder agreements and co-investment mechanisms").
(7) The asset impairment corresponds to the change in fair value of Saham.

The detail of Oranje-Nassau Développement's contribution to the 2014 income statement by business sector is as follows:

In millions of euros	Parcours	Mecatherm	NOP	exceet	Oranje-Nassau Développement
Net income from business sectors					
Net sales		**104.7**	**38.2**	**-**	**142.9**
EBITDA*		**11.5**	**6.4**	**-**	
Adjusted operating income*		**9.9**	**4.9**	**-**	**14.8**
Other recurring operating items	-0.3	-0.5	-0.2	-	-0.9
Operating income	**-0.3**	**9.4**	**4.7**	**-**	**13.9**
Net borrowing costs		-2.9	-0.5	-	-3.3
Other financial income and expense		-0.5	-	-	-0.5
Current pre-tax profit (CPTP), management fees included		**N/A**	**N/A**		**-**
Tax expense		-1.9	-1.5	-	-3.4
Share in net income of equity-method investments	-	-	-	2.1	2.1
Net income from discontinued operations and operations held for sale	15.6	-	-	-	15.6
RECURRING NET INCOME FROM BUSINESS SECTORS	**15.3**	**4.1**	**2.8**	**2.1**	**24.2**
Recurring net income from business sectors, non-controlling interests	0.2	0.1	0.1	-	0.3
RECURRING NET INCOME FROM BUSINESS SECTORS – GROUP SHARE	**15.1**	**4.0**	**2.7**	**2.1**	**23.9**
Non-recurring income					
Operating income		-1.7	-4.1		-5.8
Net financial income (expense)		0.5	-		0.5
Tax expense		0.4	1.5		1.9
Share in net income of equity-method investments		-	-	-2.7	-2.7
Net income from discontinued operations and operations held for sale	-4.7				-4.7
NON-RECURRING NET INCOME	**-4.7**	**-0.8**	**-2.6**	**-2.7**	**-10.8**
of which:					
■ Non-recurring items	-2.5	0.1	-0.2	-0.2	-2.8
■ Impact of goodwill allocation	-2.1	-0.9	-2.5	-2.5	-8.0
■ Asset impairment	-	-	-	-	-
Non-recurring net income, non-controlling interests	-0.1	-0.0	-0.1	-	-0.1
NON-RECURRING NET INCOME – GROUP SHARE	**-4.6**	**-0.8**	**-2.6**	**-2.7**	**-10.6**
CONSOLIDATED NET INCOME	**10.6**	**3.3**	**0.1**	**-0.6**	**13.5**
Consolidated net income, non-controlling interests	0.1	0.0	0.0	-	0.2
CONSOLIDATED NET INCOME – GROUP SHARE	**10.5**	**3.3**	**0.1**	**-0.6**	**13.3**

* *Before the impact of goodwill allocation, non-recurring items and management fees.*

Note 6-3 Balance sheet by business sector as of December 31, 2015

In millions of euros	Bureau Veritas	Constantia Flexibles	Allied Barton	Cromology	Stahl	Oranje-Nassau Développement	Saint-Gobain	IHS	Holding companies	Consolidated
Goodwill, net	2,172.4	713.1	902.5	205.0	53.6	258.5	-	-	-	4,305.0
Intangible assets, net	826.9	855.7	518.9	209.8	95.4	198.5	-	-	0.1	2,705.3
Property, plant & equipment, net	497.9	759.8	6.8	91.7	139.8	83.1	-	-	13.7	1,592.7
Non-current financial assets	76.6	103.8	43.4	6.1	1.6	2.5	-	-	235.6	469.6
Pledged cash and cash equivalents	-	-	33.9	-	-	0.2	-	-	0.5	34.6
Equity-method investments	4.8	-	-	1.1	-	36.6	3,014.4	669.9	-	3,726.8
Deferred tax assets	137.2	8.9	-	28.2	21.5	0.2	-	-	0.9	196.8
Total non-current assets	**3,715.7**	**2,441.3**	**1,505.4**	**541.8**	**311.9**	**579.6**	**3,014.4**	**669.9**	**250.7**	**13,030.8**
Assets and operations held for sale	**6.6**	**-**	**-**	**-**	**1.6**	**962.5**	**-**	**-**	**-**	**970.8**
Inventories and work-in-progress	18.3	253.2	-	88.5	81.9	44.0	-	-	-	485.8
Trade receivables	1,228.9	203.9	284.5	147.9	116.3	62.3	-	-	0.1	2,044.0
Other current assets	127.0	51.9	11.0	42.4	18.1	6.7	-	-	7.4	264.5
Current income tax liabilities	45.5	8.4	-	5.0	13.8	0.3	-	-	0.0	73.1
Other current financial assets	61.7	1.4	-	-	0.1	0.0	-	-	358.1	421.3
Cash and cash equivalents	522.9	63.9	4.3	32.8	77.8	14.0	-	-	472.9	1,188.6
Total current assets	**2,004.4**	**582.6**	**299.8**	**316.6**	**308.1**	**127.4**	**-**	**-**	**838.5**	**4,477.3**
TOTAL ASSETS										**18,478.9**
Shareholders' equity, Group share										2,982.0
Non-controlling interests										972.5
Total shareholders' equity										**3,954.5**
Short-term provisions	282.2	65.6	19.2	34.2	19.6	10.7	-	-	22.0	453.4
Financial debt (current portion)	2,311.0	1,231.6	872.3	314.6	210.6	204.6	-	-	3,516.1	8,660.9
Other current financial liabilities	52.1	98.2	61.8	1.2	0.1	9.4	-	-	525.7	748.4
Deferred tax liabilities	220.7	280.4	-	139.9	18.4	62.2	-	-	0.4	722.0
Total non-current liabilities	**2,865.9**	**1,675.8**	**953.3**	**489.9**	**248.7**	**286.8**	**-**	**-**	**4,064.2**	**10,584.6**
Liabilities held for sale	**1.8**	**-**	**-**	**-**	**-**	**792.6**	**-**	**-**	**-**	**794.3**
Short-term provisions	-	57.4	68.0	0.7	0.2	9.8	-	-	-	136.0
Financial debt (current portion)	78.9	14.3	31.6	0.3	28.6	18.8	-	-	737.8	910.3
Other current financial liabilities	118.7	42.1	0.8	-	-	-	-	-	23.1	184.6
Trade payables	302.5	245.8	45.1	97.0	68.8	21.2	-	-	4.7	785.0
Other current liabilities	660.4	77.3	81.5	99.8	49.5	50.3	-	-	15.6	1,034.3*
Current income tax liabilities	72.1	17.4	0.0	-	4.7	0.8	-	-	0.2	95.2
Total current liabilities	**1,232.5**	**454.2**	**227.0**	**197.8**	**151.7**	**100.8**	**-**	**-**	**781.3**	**3,145.4**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY										**18,478.9**

* *As of December 31, 2015, this amount included deferred revenue of €144.9 million.*

The detail of Oranje-Nassau Développement's contribution to the 2015 balance sheet by business sector is as follows:

In millions of euros	Parcours	Mecatherm	CSP Technologies	NOP	exceet	Oranje-Nassau Développement
Goodwill, net	-	84.1	157.3	17.2	-	258.5
Intangible assets, net	-	67.5	104.7	26.3	-	198.5
Property, plant & equipment, net	-	6.1	64.9	12.2	-	83.1
Non-current financial assets	-	0.6	0.3	1.6	-	2.5
Pledged cash and cash equivalents	-	-	0.2	-	-	0.2
Equity-method investments	-	-	-	-	36.6	36.6
Deferred tax assets	-	-	0.2	-	-	0.2
Total non-current assets	**-**	**158.3**	**327.5**	**57.3**	**36.6**	**579.6**
Assets and operations held for sale	**962.5**	**-**	**-**	**-**	**-**	**962.5**
Inventories and work-in-progress	-	12.2	24.4	7.4	-	44.0
Trade receivables	-	34.0	14.0	14.3	-	62.3
Other current assets	-	3.5	3.1	0.2	-	6.7
Current income tax liabilities	-	0.3	-	-	-	0.3
Other current financial assets	-	-	0.0	-	-	0.0
Cash and cash equivalents	-	5.2	3.4	5.4	-	14.0
Total current assets	**-**	**55.2**	**44.9**	**27.3**	**-**	**127.4**
Short-term provisions	-	4.1	0.2	6.5	-	11.0
Financial debt (current portion)	-	27.5	146.4	30.7	-	204.6
Other current financial liabilities	-	1.2	7.3	0.8	-	9.4
Deferred tax liabilities	-	20.5	31.8	9.8	-	62.2
Total non-current liabilities	**-**	**53.3**	**185.7**	**47.8**	**-**	**286.8**
Liabilities held for sale	**792.6**	**-**	**-**	**-**	**-**	**792.6**
Short-term provisions	-	9.7	0.0	-	-	9.8
Financial debt (current portion)	-	14.9	0.8	3.1	-	18.8
Other current financial liabilities	-	-	-	-	-	-
Trade payables	-	11.1	5.4	4.7	-	21.2
Other current liabilities	-	38.2	9.5	2.6	-	50.3
Current income tax liabilities	-	-	0.7	0.1	-	0.8
TOTAL CURRENT LIABILITIES	**-**	**73.9**	**16.4**	**10.5**	**-**	**100.8**

Note 6-4 Balance sheet by business sector as of December 31, 2014

In millions of euros	Bureau Veritas	Cromology	Stahl	Oranje-Nassau Développement	Saint-Gobain	IHS	Holding companies	Consolidated
Goodwill, net	2,286.9	204.9	55.9	153.6	-	-	-	2,701.2
Intangible assets, net	848.0	207.0	94.6	105.3	-	-	0.1	1,254.9
Property, plant & equipment, net	475.6	97.7	146.2	682.4	-	-	13.9	1,415.8
Non-current financial assets	52.9	6.9	1.4	4.4	-	-	158.6	224.2
Pledged cash and cash equivalents	-	-	-	-	-	-	0.4	0.4
Equity-method investments	5.1	0.8	-	54.5	2,886.0	606.4	-	3,552.9
Deferred tax assets	129.9	33.2	18.4	-	-	-	0.5	182.0
Total non-current assets	**3,798.6**	**550.4**	**316.5**	**1,000.1**	**2,886.0**	**606.4**	**173.6**	**9,331.6**
Assets and operations held for sale	**-**	**-**	**2.4**	**-**	**-**	**-**	**-**	**2.4**
Inventories and work-in-progress	15.6	87.0	82.9	39.4	-	-	-	224.9
Trade receivables	1,161.0	151.7	111.1	100.5	-	-	0.2	1,524.5
Other current assets	148.4	41.6	21.7	16.9	-	-	6.7	235.4
Current income tax liabilities	63.2	5.8	6.4	1.5	-	-	14.4	91.2
Other current financial assets	43.2	-	2.2	1.5	-	-	360.4	407.3
Cash and cash equivalents	220.1	55.6	44.4	18.3	-	-	854.2	1,192.6
Total current assets	**1,651.5**	**341.7**	**268.8**	**178.2**	**-**	**-**	**1,235.8**	**3,675.9**
TOTAL ASSETS								**13,010.0**
Shareholders' equity, Group share								2,463.5
Non-controlling interests								628.9
Total shareholders' equity								**3,092.4**
Short-term provisions	273.4	35.4	20.4	11.0	-	-	22.2	362.4
Financial debt (current portion)	1,944.8	320.4	247.5	313.7	-	-	3,361.2	6,187.7
Other current financial liabilities	63.5	0.3	0.1	2.5	-	-	262.9	329.3
Deferred tax liabilities	234.8	146.8	18.8	38.8	-	-	0.0	439.3
Total non-current liabilities	**2,516.5**	**502.9**	**286.9**	**366.0**	**-**	**-**	**3,646.4**	**7,318.6**
Liabilities held for sale	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Short-term provisions	-	-	0.4	6.3	-	-	1.6	8.3
Financial debt (current portion)	153.9	11.7	10.9	283.7	-	-	434.1	894.3
Other current financial liabilities	65.8	-	5.1	1.5	-	-	136.9	209.3
Trade payables	276.2	83.3	67.8	128.1	-	-	17.0	572.5*
Other current liabilities	622.9	121.4	44.9	31.1	-	-	13.8	834.1
Current income tax liabilities	71.7	-	8.1	0.5	-	-	0.2	80.5
Total current liabilities	**1,190.6**	**216.4**	**137.3**	**451.2**	**-**	**-**	**603.5**	**2,599.0**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY								**13,010.0**

* *As of December 31, 2014 this amount included deferred revenue of €115.4 million.*

The detail of Oranje-Nassau Développement's contribution to the 2014 balance sheet by business sector is as follows:

In millions of euros	Parcours	Mecatherm	NOP	exceet	Oranje-Nassau Développement
Goodwill, net	35.8	102.3	15.5	-	153.6
Intangible assets, net	8.6	70.9	25.7	-	105.3
Property, plant & equipment, net	666.2	5.5	10.7	-	682.4
Non-current financial assets	2.3	0.6	1.4	-	4.4
Pledged cash and cash equivalents	-	-	-	-	-
Equity-method investments	-	-	-	54.5	54.5
Deferred tax assets	-	-	-	-	0.0
Total non-current assets	**712.9**	**179.3**	**53.3**	**54.5**	**1,000.1**
Assets and operations held for sale	**-**	**-**	**-**		**-**
Inventories and work-in-progress	22.8	9.1	7.5		39.4
Trade receivables	31.0	56.5	13.0		100.5
Other current assets	13.5	3.3	0.1		16.9
Current income tax liabilities	-	1.5	-		1.5
Other current financial assets	1.5	-	-		1.5
Cash and cash equivalents	7.6	5.8	4.9		18.3
Total current assets	**76.4**	**76.3**	**25.5**		**178.2**
Short-term provisions	2.2	2.6	6.2		11.0
Financial debt (current portion)	247.1	36.9	29.8		313.7
Other current financial liabilities	-	1.6	0.9		2.5
Deferred tax liabilities	7.0	22.4	9.5		38.8
Total non-current liabilities	**256.2**	**63.4**	**46.4**		**366.0**
Liabilities held for sale	**-**	**-**	**-**		**-**
Short-term provisions	1.8	4.5	-		6.3
Financial debt (current portion)	272.3	9.4	1.9		283.7
Other current financial liabilities	1.5	-	-		1.5
Trade payables	97.4	26.2	4.6		128.1
Other current liabilities	4.9	24.0	2.3		31.1
Current income tax liabilities	-	-	0.5		0.5
Total current liabilities	**377.8**	**64.1**	**9.3**		**451.2**

Note 6-5 Cash flow statement by business segment for 2015

In millions of euros	Bureau Veritas	Constantia Flexibles	Allied Barton	Cromology	Stahl	Oranje-Nassau Développement	Holding companies	Eliminations and unallocated	Group total
Net cash flows from operating activities, excluding tax	939.8	197.1	-30.7	45.3	126.0	216.6	-58.8	-	1,435.2
Net cash flows from investing activities, excluding tax	-267.8	-1,440.4	-574.0	-19.4	-23.1	-504.6	991.9	-86.0	-1,923.4
Net cash flows from financing activities, excluding tax	-135.9	660.2	645.0	-42.7	-52.5	105.6	-480.9	86.0	784.7
Net cash flows related to taxes	-231.6	-23.1	-0.0	-5.7	-16.7	-3.9	9.8	-	-271.2

The detail of Oranje-Nassau Développement’s contribution to the 2015 cash flow statement by business sector is as follows:

In millions of euros	Parcours	Mecatherm	CSP Technologies	NOP	Total – Oranje-Nassau Développement
Net cash flows from operating activities, excluding tax	186.5	8.3	16.9	5.0	216.6
Net cash flows from investing activities, excluding tax	-309.4	-1.3	-192.0	-2.0	-504.6
Net cash flows from financing activities, excluding tax	116.5	-6.3	-2.8	-1.7	105.6
Net cash flows related to taxes	-1.2	-1.3	-0.3	-1.2	-3.9

Note 6-6 Cash flow statement by business segment for 2014

In millions of euros	Bureau Veritas	Constantia Flexibles	Cromology	Stahl	Oranje-Nassau Développement	Holding companies	Eliminations and unallocated	Group total
Net cash flows from operating activities, excluding tax	792.7		63.1	84.1	199.5	-50.2	-	1,089.2
Net cash flows from investing activities, excluding tax	-770.3		1,091.1	-85.2	-232.1	796.4	-108.8	691.1
Net cash flows from financing activities, excluding tax	191.9		-1,172.4	-7.3	46.7	-320.5	108.8	-1,152.8
Net cash flows related to taxes	-189.7		5.8	-6.1	-9.3	-5.3	-	-204.6

The detail of Oranje-Nassau Développement's contribution to the 2014 cash flow statement by business sector is as follows:

In millions of euros	Parcours	Mecatherm	NOP	Total – Oranje-Nassau Développement
Net cash flows from operating activities, excluding tax	181.3	13.6	4.6	199.5
Net cash flows from investing activities, excluding tax	-230.3	-5.2	3.5	-232.1
Net cash flows from financing activities, excluding tax	60.6	-11.4	-2.5	46.7
Net cash flows related to taxes	-6.9	-1.6	-0.7	-9.3

5.8 Notes on the balance sheet

NOTE 7 Goodwill

	12/31/2015		
In millions of euros	Net amount	Impairment	Gross amount
Bureau Veritas	2,321.1	148.7	2,172.4
Constantia Flexibles	713.1	-	713.1
AlliedBarton	902.5	-	902.5
Cromology	404.6	199.7	205.0
Stahl	53.6	-	53.6
Oranje-Nassau Développement	276.7	18.3	258.5
TOTAL	**4,671.6**	**366.6**	**4,305.0**

	12/31/2014		
In millions of euros	Net amount	Impairment	Gross amount
Bureau Veritas	2,346.3	59.4	2,286.9
Cromology	404.4	199.6	204.9
Stahl	55.9	-	55.9
Oranje-Nassau Développement	153.6	-	153.6
TOTAL	**2,960.2**	**258.9**	**2,701.2**

The principal changes during the year were as follows:

In millions of euros	2015	2014
Net amount at beginning of year	2,701.2	2,595.6
Business combinations[(1)]	1,729.8	3.0
Reclassification of Parcours under "Operations held for sale"	-35.8	-
Impact of changes in currency translation adjustments and other	18.0	104.2
Impairment for the year[(2)]	-108.3	-1.5
NET AMOUNT AT THE END OF THE YEAR	**4,305.0**	**2,701.2**

(1) Including €713 million in Constantia Flexibles, €151 million in CSP Technologies and €929 million in AlliedBarton (see note 2 "Changes in scope of consolidation").

(2) Impairments in the period concerned Mecatherm for €18.3 million (see the note below, paragraph 4) and the Bureau Veritas Commodities CGU for €90 million.

Note 7-1 Goodwill impairment tests

In accordance with accounting standards, goodwill for each CGU (Cash Generating Unit) is tested for impairment as soon as there is any indication that its value may be impaired, and at least once per year on December 31 (see the Accounting principles section, note 1-10.1 "Goodwill"). The Group's CGUs are its fully-consolidated subsidiaries: Bureau Veritas, Cromology, Stahl, Constantia Flexibles, AlliedBarton, Mecatherm, CSP Technologies and NOP. The Parcours Group was reclassified in operations held for sale at December 31, 2015 and its carrying amount was lower than the sales price (see note 2 "Change in scope of consolidation.")

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 the positions existing at the end of December 2015. 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 2015 balance sheet date.

The tests are performed in accordance with IAS 36 "Impairment of assets", and involve comparing the carrying amount of the subsidiaries to their recoverable value (the higher of fair value and value in use). Nonetheless, no test was performed on AlliedBarton in that the acquisition was made only one month before the balance sheet date.

Note 7-1.1 Impairment test on Bureau Veritas goodwill (listed company)

The carrying amount of the Bureau Veritas shares at end-2015 (€4.90 per share, or €868 million for the shares held) was significantly below their fair value (closing share price: €18.39 per share, or €3,258.2 million for the shares held). As a result, there was no need to apply value in use for the impairment test, and no impairment has been recognized.

Note 7-1.2 Impairment tests on the goodwill of Wendel's unlisted subsidiaries: Cromology, Stahl, Constantia Flexibles, Mecatherm, CSP Technologies and NOP

The values in use determined by Wendel for these tests were based on discounted future cash flows. The business plans used were prepared by Wendel on the basis of those drawn up by the subsidiaries, and using the latest information available on the underlying markets. For each subsidiary, the value calculated for Wendel's share of the capital (including shareholder loans where appropriate) is compared to the carrying amount (share of shareholders' equity increased, where appropriate, for shareholder loans eliminated on consolidation).

1. Cromology

A discount rate of 8% was used for calculating future discounted cash flows, and a long-term growth rate of 2% was applied to post-business plan cash flows, as in 2014. The business plan covers a five-year period. Cromology's value in use was above its carrying amount as of December 31, 2015, and accordingly no impairment was recognized. In addition, an analysis of the test's sensitivity to the discount rate and to the long-term growth assumption showed there would be no impairment in the event that these parameters fluctuated by +0.5% and -0.5%, respectively. For the calculated value to be less than the carrying amount, the discount rate would have to exceed 13% or the long-term growth rate would have to be negative. Finally, if the normative margin used for cash flows after the end of the five-year business plan period were reduced by 1 percentage point, no impairment would have to be recognized.

2. Stahl

A discount rate of 9% was used for Stahl and a long-term growth rate of 2% was applied to post-business plan cash flows, as in 2014. The business plan covers a five-year period. Stahl's value in use was higher than its carrying amount at December 31, 2015. No impairment was recognized. In addition, an analysis of the test's sensitivity to the discount rate and to the long-term growth assumption showed there would be no impairment in the event that these parameters fluctuated by +0.5% and -0.5%, respectively. For an impairment loss to be recognized at the Wendel level, the long-term growth rate would have to become negative, or the discount rate would have to rise significantly (to exceed 20%). Moreover, if the normative margin used for cash flows after the end of the five-year business plan period were reduced by 1 basis point, no impairment would have to be recognized.

3. Constantia Flexibles

A discount rate of 8% was used for Constantia Flexibles and a long-term growth rate of 2% was applied to post-business plan cash flows. The business plan covers a five-year period. Constantia Flexibles' value in use was higher than its carrying amount at December 31, 2015. No impairment was recognized. In addition, an analysis of the test's sensitivity to the discount rate and to the long-term growth assumption showed there would be no impairment in the event that these parameters fluctuated by +0.5% and -0.5%, respectively. For an impairment charge to be recognized, it would take a long-term growth rate below 0.8% or a discount rate above 9%. A one percentage point reduction in the normative margin used for cash flows after the end of the five-year business plan period would not call for an impairment.

4. Mecatherm

At June 30, 2015 the operating loss recognized for the first half-year of 2015 led to an impairment test, and an impairment expense of €18.3 million was then recognized. At December 31, 2015 the test was performed again. The business plan used was prepared by Wendel and covered a five-year period. A discount rate of 9% was used for Mecatherm and a long-term growth rate of 2% was applied to post-business plan cash flows, as it was at June 30, 2015 and December 31, 2014. Mecatherm's value in use calculated as of December 31, 2015 was above its carrying amount and so no further impairment was recognized, beyond that recognized at June 30, 2015. An analysis of the sensitivity of the test at December 31, 2015 to the discount rate and to the long-term growth assumption showed there would be no further impairment in the event that these parameters fluctuated by +0.5% and -0.5%, respectively. For an additional impairment charge to be recognized, the long-term growth rate would have to be below 1% or the discount rate would have to exceed 10%. Moreover, if the normative margin used for cash flows after the end of the five-year business plan period were reduced by 1 percentage point, no additional impairment would have to be recognized.

5. CSP Technologies

A discount rate of 8% was used for CSP Technologies and a long-term growth rate of 2.5% was applied to post-business plan cash flows. The business plan covers a five-year period. The value in use of this investment was close to its carrying amount at December 31, 2015. Therefore no impairment was recognized. A sensitivity test on the discount rate showed that there would be an impairment loss of €25 million recognized should there be a change of +0.5% in this parameter. Similarly, if the long-term growth rate were 0.5% lower, an impairment of €18 million would have to be recognized. A one percentage point reduction in the normative margin used for cash flows after the end of the five-year business plan period would call for an impairment of €10 million.

6. NOP

A discount rate of 6.5% was used for NOP, which is located in Japan, and a long-term growth rate of 1% was applied to post-business plan cash flows. The business plan covers a five-year period. NOP's value in use was above its carrying amount as of December 31, 2015, and accordingly no impairment was recognized. An analysis of sensitivity to the discount rate and to the long-term growth assumption showed there would be no impairment in the event that these parameters fluctuated by +0.5% and -0.5%, respectively. For the calculated value to be less than the carrying amount, the discount rate would have to exceed 8% or the long-term growth rate would have to be negative. Finally, if the normative margin used for cash flows after the end of the five-year business plan period were reduced by 1 percentage point, no impairment would have to be recognized.

NOTE 8 Intangible Assets

The details by subsidiary are presented in note 6 "Segment information".

In millions of euros

	12/31/2015		
	Gross amount	Amortization and provisions	Net amount
Amortizable assets			
Internally generated	**45.4**	**14.8**	**30.6**
Acquired			
Concessions, patents, and licenses	160.5	79.3	81.2
Customer relationships	2,648.8	887.9	1,760.9
Software	180.0	121.3	58.7
Other intangible assets	71.3	12.1	59.2
Intangible assets in progress	18.6	-	18.6
	3,079.2	**1,100.7**	**1,978.6**
With indefinite useful life	**-**	**-**	**-**
Acquired	**-**	**-**	**-**
Brands	725.5	29.3	696.2
	725.5	**29.3**	**696.2**
TOTAL	**3,850.1**	**1,144.8**	**2,705.3**

In millions of euros	12/31/2014		
	Gross amount	**Amortization and provisions**	**Net amount**
Amortizable assets			
Internally generated	**38.1**	**9.6**	**28.5**
Acquired			
Concessions, patents, and licenses	125.3	62.7	62.6
Customer relationships	1,418.6	771.9	646.7
Software	134.0	85.9	48.0
Other intangible assets	51.0	22.8	28.2
	1,728.8	**943.3**	**785.5**
With indefinite useful life			
Acquired			
Brands	469.4	28.6	440.9
	469.4	**28.6**	**440.9**
TOTAL	**2,236.4**	**981.5**	**1,254.9**

The principal changes during the year were as follows:

In millions of euros	2015	2014
Amount at beginning of year	**1,254.9**	**1,229.0**
Acquisitions	41.2	10.4
Internally generated assets	6.5	9.3
Reclassification of Parcours under “Operations held for sale”	-6.9	-
Impact of business combinations*	1,585.8	112.8
Impact of currency translation adjustments and other	9.4	48.5
Amortization and impairment losses for the year	-185.5	-155.1
AMOUNT AT END OF YEAR	**2,705.3**	**1,254.9**

* *In 2015 the impact of business combinations included the impact of acquisitions made (€100.5 million for CSP Technologies, €900.6 million for Constantia Flexibles and €537.8 million for AlliedBarton).*

NOTE 9 Property, plant and equipment

The details by subsidiary are presented in note 6 "Segment information".

In millions of euros	12/31/2015		
	Gross amount	Depreciation and provisions	Net amount
Land	132.3	1.6	130.8
Buildings	457.1	118.2	338.9
Plant, equipment, and tooling	1,673.2	775.9	897.2
Other property, plant & equipment	437.7	290.9	146.8
Assets under construction	79.0	-	79.0
TOTAL	**2,779.3**	**1,186.5**	**1,592.7**

In millions of euros	12/31/2014		
	Gross amount	Depreciation and provisions	Net amount
Land	77.2	1.6	75.5
Buildings	213.6	103.8	109.8
Plant, equipment, and tooling	1,056.8	631.3	425.5
Other property, plant & equipment	1,290.7	529.2	761.5
Assets under construction	43.5	-	43.5
TOTAL	**2,681.8**	**1,266.0**	**1,415.8**

The principal changes during the year were as follows:

In millions of euros	2015	2014
Amount at beginning of year	**1,415.8**	**1,359.5**
Acquisitions(1)	659.4	502.2
Divestments	-10.1	-16.3
Parcours: reclassification in inventory of used vehicles (net)(3)	-102.4	-88.6
Reclassification of Parcours under "Operations held for sale"	-797.8	-
Impact of business combinations(2)	827.0	-68.3
Impact of currency translation adjustments and other	-19.1	10.8
Depreciation and provisions recognized during the year	-380.0	-283.5
AMOUNT AT END OF YEAR	**1,592.7**	**1,415.8**

The change in property, plant & equipment during 2015 derived principally from:

(1) the amount including acquisitions of vehicles by the Parcours Group for €389.1 million and internal capital investments by Bureau Veritas of €137.7 million and by Constantia Flexibles of €75.9 million;

(2) the consequences of business combinations include the €762 million impact of the entry into the scope of consolidation of Constantia Flexibles;

(3) Parcours' fleet of leased vehicles is recognized under property, plant & equipment. Second-hand vehicles returned by customers at contract termination are recognized on the balance sheet under "Inventories" before being sold.

NOTE 10 Equity-method investments

In millions of euros	12/31/2015	12/31/2014
Saint-Gobain	3,014.4	2,886.0
IHS	669.9	606.4
exceet	36.6	54.5
Investments of Bureau Veritas	4.8	5.1
Investments of Cromology	1.1	0.8
TOTAL	**3,726.8**	**3,552.9**

The change in equity-method investments broke down as follows:

In millions of euros	2015
Amount at beginning of year	3,552.9
Share in net income for the period	
Saint-Gobain (excluding divestment of Verallia)	53.4
Impact of divestment of Verallia(1)	-96.5
IHS	-128.1
exceet	-2.2
Other	1.1
Dividends for the year paid by Saint-Gobain	-81.6
Impact of changes in currency translation adjustments	114.1
Impact of dilution on the Saint-Gobain investment(1)	-6.1
Impact of dilution on IHS(1)	18.1
Reinvestment in IHS(1)	155.7
Asset impairment(2)	186.0
Other	-39.9
AMOUNT AS OF DECEMBER 31, 2015	**3,726.8**

(1) See note 2 "Changes in scope of consolidation".
(2) Including a €203.4 million reversal of the impairment of Saint-Gobain shares and a €17.3 million impairment loss on exceet shares.

Note 10-1 Additional information on Saint-Gobain

The main Saint-Gobain accounting data (at 100%) are the following (including the impact of the goodwill recognized on acquiring the equity):

In millions of euros	12/31/2015	12/31/2014
Carrying amounts at 100%		
Total non-current assets	27,309	28,584
Total current assets	17,547	16,220
Impact of the revaluation of acquired assets and liabilities	3,760	3,822
Goodwill adjustment (Wendel)(1)	2,870	2,739
Non-controlling interests	364	405
Total non-current liabilities	12,921	14,357
Total current liabilities	12,615	12,029
including cash and cash equivalents	*5,380*	*3,493*
including financial debt	*10,177*	*10,714*

	2015	2014
Net sales(2)	39,623	38,349
Operating income	2,636	2,522
Business income	1,294	1,580
Current net income, Group share	1,165	973
Net income, Group share	1295	953
Impact of the revaluation of acquired assets and liabilities	-62	-63

(1) Value of residual goodwill after impairment, see note 10-4.1 "Impairment test on Saint-Gobain, accounted for by the equity method".
(2) In 2015, net sales rose 3.3%, while organic growth was +0.4%.

Note 10-2 Additional information on IHS

The main IHS accounting data (at 100%) are the following (including the impact of the goodwill recognized on acquiring the equity).

In millions of euros	12/31/2015	12/31/2014
Carrying amounts at 100%		
Total non-current assets	3,558.6	2,051.4
Total current assets	788.4	1,125.8
Goodwill adjustment (Wendel)	64.2	57.5
Non-controlling interests	190.7	138.4
Total non-current liabilities	1,764.7	982.1
Total current liabilities	224.4	186.1
including cash and cash equivalents	*568.9*	*798.3*
including financial debt	*1,412.3*	*910.8*

	2015	2014
Net sales	652.0	235.5
EBIT	77.9	17.7
Net income, Group share*	-393.2	-129.6

* *The devaluation of the Nigerian naira and the Zambian kwacha caused the IHS Group to recognize a currency translation loss on dollar-denominated liabilities on the books of Nigerian and Zambian companies whose functional currencies are respectively the naira and the kwacha. The use of dollar-denominated liabilities in Nigeria and Zambia is called for primarily because certain aspects of the contracts are indexed to the dollar.*

In accordance with accounting standards, IHS shares held by some co-shareholders via a co-investment vehicle are presented as equity-method investments on Wendel's consolidated balance sheet, as the Group controls this vehicle (see note 2 "Change in scope of consolidation") and the divestment decisions for these shares. An offsetting financial liability must also be recognized in the Group's balance sheet for the fair value of these shares. (This liability is presented in note 13 "Financial assets and liabilities".) This accounting treatment, particularly the recognition of the financial liability, is primarily linked to the limited life of the co-investment vehicle, which will ultimately be liquidated, if no liquidity event for IHS shares occurs first. This liquidation would result in the shares financed through the vehicle being distributed to each respective shareholder (Wendel Group and the co-investors). The Group has no economic rights to co-investors' stakes in IHS and has no other obligation (or debt) with regard to co-investors apart from remitting the potential proceeds and profits on the sale of shares financed by the co-investors or, if the vehicle is liquidated, returning the shares to the co-investors.

Out of the total €669.9 million (or 30.0% of IHS equity) recognized in equity-method investments, €99.7 million (4.5% of IHS equity) are of economic value to the co-investors.

Note 10-3 Additional information on exceet

The main exceet accounting data (at 100%) are the following (including the impact of the goodwill recognized on acquiring the equity.)

In millions of euros	12/31/2015	12/31/2014
Carrying values at 100%		
Total non-current assets	96.9	96.9
Total current assets	89.6	86.1
Goodwill adjustment (Wendel)(1)	23.1	90.6
Non-controlling interests	-	-
Total non-current liabilities	55.2	54.1
Total current liabilities	25.8	27.8
including cash and cash equivalents	*33.3*	*31.0*
including financial debt	*41.4*	*40.4*

	2015	2014
Net sales(2)	181.6	185.3
EBITDA	12.7	19.0
Net income, Group share	-1.2	4.4
Impact of the revaluation of acquired assets and liabilities	-8.1	-8.1

(1) Value of residual goodwill after impairment, see note 10-4.2 "Impairment test on exceet shares accounted for by the equity method".
(2) In 2015, net sales fell back by 2.0%, with an organic contribution of -8.1%.

Oranje-Nassau Développement's percentage interest (100% Wendel) in exceet Group SE is subject to the potentially dilutive effect of financial instruments issued by exceet.

In addition to the 20,073,695 listed shares in circulation (net of treasury shares), 5,708,427 of which are held by the Wendel Group, exceet has issued the following financial instruments:

- 20,000,000 listed warrants giving access to the capital of exceet under the following terms:
  - exercise price of €12/share, and
  - a cashless exercise: upon exercise, the holders will not pay the exercise price in cash, but will receive exceet shares equal in value to the intrinsic value of a number of warrants given in exchange for the shares;
- ultimately, the maximum number of exceet shares to be issued is approximately €2.94 million. The Wendel Group holds 6.75% of these warrants, which are recognized as financial assets at their fair value;
- 5,210,526 unlisted promoters' shares, of which 1,000,000 will be converted into listed shares if the share price reaches €12/share, 2,105,263 will be converted into listed shares if the share price reaches €14/share and 2,105,263 will be converted into listed shares if the share price reaches €16/share. They do not give dividend rights or rights to the net assets of exceet if they are not converted. These shares are held by the promoters of the Helikos project, including the Wendel Group, which holds 75.8% of the shares. These instruments are accounted for as shareholders' equity and are thus recognized in Wendel's financial statements as part of the value of exceet shares accounted for by the equity method; and
- 9,000,000 unlisted, earn-out shares that can be converted into listed shares in three equal tranches, if the listed share price reaches the thresholds of €12, €13 and €15 per share. These earn-out shares do not give dividend rights or rights to the net assets of exceet if they are not converted. They are held by Vorndran Mannheims Capital Advisors GmbH, the other main shareholder of the exceet Group.

From July 2016, the promoters' shares and earn-out shares will no longer be convertible and will be reimbursed at par (€0.0152 per share). The warrants are exercisable until the same date, and may be repurchased at €0.01 per warrant, provided the share price exceeds €17. Warrants not exercised will be automatically canceled.

As of December 31, 2015, the listed share price of exceet was below the exercise prices of the dilutive instruments issued.

Note 10-4 Impairment tests on equity-method investments

No impairment test was performed on IHS as there is no indication that the value of this investment may be impaired. The last capital increase of June 2015 was carried out on a higher valuation than those of previous capital increases.

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 the positions existing at the end of 2015. 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 2015 balance sheet date.

Note 10-4.1 Impairment test on Saint-Gobain shares

An impairment test was performed on the Saint-Gobain shares, as their carrying amount, calculated according to the equity method, was higher than their market value.

In accordance with IAS 36, recoverable value was determined as the higher of (i) fair value, i.e. the share price at the balance sheet date (€39.85 per share, or €2,622.6 million for the 65.8 million Saint-Gobain shares); and (ii) value in use, i.e. the discounted value of future cash flows.

Wendel has performed this discounted cash flow valuation. The five-year business plan used in this calculation was prepared by Wendel using, among other things, research on the sector published by leading forecasters, Wendel's internal analyses and studies carried out by Wendel. The assumptions underlying the business plan (trends in underlying markets, price effects, etc.) were developed by sector and by country. In accordance with IAS 36, the business plan included no strategic acquisitions. In particular, the plan did not include the acquisition of Schenker-Winkler Holding AG, which holds 16.97% of the share capital and 52.92% of the voting rights of Sika, as this acquisition remained to be completed at the 2015 year-end. Finally, the assumptions used in calculating post-business plan cash flows (i.e. growth in sales and normative profitability) were based on an analysis of the historical performances of Saint-Gobain's activities over more than 20 years.

The long-term growth rate applied to post-business plan cash flows is the same as that used at prior balance sheet dates: 2%. The discount rate used was also identical to that used at prior balance sheet dates: 8%. It was based in particular on market parameters (risk-free rate, market premium, beta of comparables) and took into account risks specific to the business plan.

At December 31, 2015 the gross carrying amount of Saint-Gobain shares on Wendel's financial statements was €47.14 per share, or €3,102.6 million. The impairment recognized on Saint-Gobain shares was €4.43 per share at end-2014, or €292 million. At the June 30, 2015 close, the estimated value in use resulted in a reversal of the provision of €3.09 per share, or €203.4 million, and the amount of the provision was therefore adjusted to €1.34 per share, or €88.1 million. Thus the net carrying amount of the shares was €45.80 per share at December 31, 2015 after adjusting for this provision for impairment (€3,014.4 million for all shares). The estimated value in use at the December 31, 2015 close was similar, at €46.06 per share. No new material items affecting Saint-Gobain or its environment required any additional adjustment in the provision for impairment as compared to June 30, 2015. This impairment was therefore preserved at €1.34 per share and the net carrying amount at €45.80 per share. The 2015 net income of equity method investments therefore includes a reversal of €203.4 million.

Sensitivity analysis shows that:

- if the discount rate rose 0.5% the €203.4 million reversal would not be recognized but an additional impairment charge of €92 million would be;
- if the long-term growth rate were 0.5% lower, the €203.4 million reversal would not be recognized but an additional impairment of €14 million would be; or
- if the normative margin used for cash flows after the end of the five-year business plan period were reduced by one percentage point, the €203.4 million reversal would not have been recognized but an additional impairment charge of €234 million would be.

Finally, the model as a whole is sensitive to the assumptions of the five-year business plan.

The difference between the net carrying amount and the market price reflects Wendel's investment horizon and the significant influence Wendel exerts over Saint-Gobain.

Note 10-4.2 Impairment test on exceet shares

An impairment test was performed on these equity-method shares, as their carrying amount was higher than their market value.

In accordance with IAS 36, recoverable value was determined as the higher of (i) fair value, i.e. the share price at the balance sheet date (€22 million for the 5.7 million shares held), and (ii) value in use, i.e. the discounted value of future cash flows.

Wendel has performed this discounted cash flow valuation. The business plan used covers an eight-year period, and in accordance with IAS 36, no strategic acquisitions are included in its assumptions. As in 2014, the long-term growth rate applied to post-business plan cash flows was 2% and the discount rate was 10%. The impact of dilutive instruments in exceet's capital was taken into account.

The value in use thus calculated is €6.41 per share, or €36.6 million for all shares accounted by the equity method. It is lower than the gross carrying amount, which is €53.9 million. Consequently, an impairment expense of €17.3 million was recognized at December 31, 2015.

Sensitivity analysis shows that:

- if the discount rate were +0.5% higher, an additional impairment of €3 million would be recognized;
- if the long-term growth rate were -0.5% lower, an additional impairment of €1 million would be recognized; or
- if the normative margin used for cash flows after the end of the eight-year business plan period were reduced by one percentage point, an additional impairment charge of €3 million would be recognized.

NOTE 11 Trade receivables

	12/31/2015			12/31/2014
In millions of euros	Gross amount	Provisions	Net amount	Net amount
At:				
Bureau Veritas	1,292.4	63.5	1,228.9	1,161.0
Constantia Flexibles	210.7	6.7	203.9	-
AlliedBarton	284.6	0.1	284.5	-
Cromology	167.9	20.0	147.9	151.7
Stahl	121.6	5.3	116.3	111.1
Oranje-Nassau Développement	66.2	3.8	62.3	100.5
Wendel and holding companies	0.2	0.1	0.1	0.2
TOTAL	**2,143.5**	**99.5**	**2,044.0**	**1,524.5**

Unprovisioned past-due trade receivables and related accounts for the largest subsidiaries were as follows:

- for Bureau Veritas: a total of €420.3 million at December 31, 2015 vs. €385.1 million at December 31, 2014, including respectively €119.7 million and €108.4 million over three months past due;
- for Constantia Flexibles: a total of €38.5 million at December 31, 2015 including €8.7 million over three months past due;
- for AlliedBarton: a total of €284.5 million at December 31, 2015 less than three months past due;
- for Cromology: a total of €33.9 million at December 31, 2015 vs. €30.8 million at December 31, 2014, of which €8.5 million and €9.5 million, respectively, were more than three months past due; and
- for Stahl: a total of €16.5 million at December 31, 2015 vs. €14.4 million at December 31, 2014, of which €2.0 million and €0.5 million, respectively, were more than three months past due.

NOTE 12 Cash and cash equivalents

In millions of euros	12/31/2015 Net amount	12/31/2014 Net amount
Pledged cash and cash equivalents of Wendel and its holding companies, classified as non-current assets	0.5	0.4
Unpledged cash and cash equivalents of Wendel and its holding companies, classified as current assets	469.8	854.2
Cash and cash equivalents of Wendel and its holding companies*	**470.3**	**854.6**
Pledged cash and cash equivalents of subsidiaries and other holding companies used as collateral, classified as non-current assets	34.1	-
Unpledged cash and cash equivalents of subsidiaries and other holding companies, classified as current assets		
Bureau Veritas	522.9	220.1
Constantia Flexibles	63.9	-
AlliedBarton	4.3	-
Cromology	25.8	26.8
Stahl	77.8	44.4
Oranje-Nassau Développement	14.0	18.3
Other holding companies	10.1	28.8
Cash and cash equivalents of subsidiaries and other holding companies	**752.9**	**338.5**
TOTAL	**1,223.2**	**1,193.0**
of which non-current assets	***34.6***	***0.4***
of which current assets	***1,188.6***	***1,192.6***

* *In addition to this cash, Wendel had €328.9 million in short-term financial investments as of December 31, 2015 and €331.2 million as of December 31, 2014, recognized in other current financial assets (see note 5-2.1 "Liquidity risk of Wendel and the holding companies").*

NOTE 13 Financial assets and liabilities (excl. financial debt and operating receivables and payables)

Note 13-1 Other financial assets

In millions of euros	Method of recognition of variations	Level	12/31/2015	12/31/2014
Pledged cash and cash equivalents of Wendel and holding companies	Income statement(1)	1	0.5	0.4
Unpledged cash and cash equivalents of Wendel and holding companies	Income statement(1)	1	469.8	854.2
Wendel's short-term financial investments	Income statement(1)	1	328.9	331.2
Assets held until maturity	Amortized cost	N/A	-	-
Cash and short-term financial investments of Wendel and its holding companies			**799.2**	**1,185.8**
Pledged cash and cash equivalents of subsidiaries	Income statement(1)	1	34.1	-
Cash and cash equivalents of subsidiaries	Income statement(1)	1	718.8	338.5
Assets available for sale – A	Shareholders' equity(2)	3	217.3	73.7
Financial assets at fair value through profit or loss	Income statement(1)	1	28.8	31.5
Loans – B	Amortized cost	N/A	92.5	64.9
Deposits and guarantees	Amortized cost	N/A	78.4	68.6
Derivatives – C	Income statement(1)/Sh. equity(2)	See C	27.7	16.0
Other			117.4	45.6
TOTAL			**2,114.1**	**1,824.6**
of which non-current financial assets, including pledged cash and cash equivalents			**504.2**	**224.7**
of which current financial assets, including cash and cash equivalents			**1,609.9**	**1,599.9**

(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 of recognition of variations	Level	12/31/2015	12/31/2014
Derivatives – C	Income statement(1)/Sh. equity(2)	See C	14.2	186.0
Minority put options, earn-outs and other financial liabilities of subsidiaries – D	Income statement(1)/Sh. equity(2)	3	342.6	131.0
Minority put options, earn-outs and other financial liabilities of Wendel and holding companies – E	Income statement(1)/Sh. equity(2)	3	394.0	125.9
Financial liabilities pertaining to the IHS co-investment vehicle – F	Income statement(1)	3	182.3	95.7
TOTAL			**933.1**	**538.6**
of which non-current financial liabilities			**748.4**	**329.3**
of which current financial liabilities			**184.6**	**209.3**

(1) Change in fair value through profit or loss.
(2) Change in fair value through shareholders' equity.

Note 13-3 Breakdown of financial assets and liabilities

A – At December 31, 2015 this item included **the Saham Group investment**. Based in Morocco, Saham is majority-owned by its founder and historically has two business lines: insurance and customer relationship centers. It is also expanding in real estate, healthcare and education. This investment represents 13.3% of Saham Group share capital. It is measured at fair value in the amount of €113 million (vs. €69 million at year-end 2014.) To determine this value, the group's main business, insurance, was valued based on the price paid by the Sanlam Group (the leading financial services company in Africa) to acquire 30% of its equity. The fair value revaluation from December 31, 2014 is largely attributable to a reflection of this price. It is recognized in consolidated reserves as "Gains and losses on assets held for sale" in the amount of €+44 million, in accordance with the accounting principles (see note 1-10.6 "Accounting principles: financial assets and liabilities.")

The shares in Afripak and Pemara recently acquired by Constantia Flexibles are also recognized in this line until their initial consolidation (see note 2 "Change in scope of consolidation.")

(In accordance with IAS 39.9, classifying a financial asset as available for sale does not necessarily mean that the Wendel Group actually intends to sell it. This category includes all non-derivative financial assets that are designated as available for sale or that are not classified in any of the other categories of financial assets.)

B – **Loans:** this amount includes in particular a loan granted to Kerneos (leading aluminate technology company) for €46 million (after repayment of €25 million during the period). This loan, maturing in 2021, carries an annual interest rate of 10.5%. Additionally, $47 million of Sterigenics debt (global leader in sterilization services) was subscribed in 2015 and also recognized on this line. This debt, maturing in 2023, carries an annual coupon of 6.5%.

C – **Derivatives:**

In millions of euros		12/31/2015		12/31/2014	
	Level	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Saint-Gobain puts written(1)	2		-		164.4
Interest rate swaps – hedging of cash flows(2)	2	4.3	-	0.0	1.3
Interest rate swaps – not qualifying for hedge accounting(2)	2	4.9	8.5	7.1	14.0
Other derivatives – not qualifying for hedge accounting	2	18.4	5.7	8.9	6.2
TOTAL		**27.7**	**14.2**	**16.0**	**186.0**
Of which:					
Non-current portion		**8.2**	**6.4**	**8.4**	**51.3**
Current portion		**19.5**	**7.8**	**7.6**	**134.6**

(1) See description of puts in the following note.
(2) See description of swaps in the following note.

D – **Other financial liabilities:** at December 31, 2015, this amount related in particular to Bureau Veritas in the amount of €169 million and Constantia Flexibles in the amount of €132 million. It mainly involves puts written to non-controlling interests and earn outs.

E – **Other financial liabilities:** at December 31, 2015, this amount mainly reflected puts written to a non-controlling interest, Clariant, on its equity in Stahl and to the Turnauer Foundation on 50% of its equity in Constantia Flexibles. It also includes liabilities for certain cash equivalents granted as part of co-investments. See note 35-6 "Off-balance-sheet commitments: shareholder agreements and co-investment mechanisms."

F – **Other financial liabilities:** see note 10-2 "Equity-method investments – additional information on IHS."

Note 13-4 Put options written on Saint-Gobain shares

The puts on Saint-Gobain shares were totally unwound in early 2015 in the amount of €-136.1 million, and the difference from the value of these puts at year-end 2014 was recognized in "Other financial income" as a €28.4 million credit.

Note 13-5 Interest rate swaps and foreign exchange hedges

The value of interest rate swaps is calculated by the counterparties on the basis of the yield curve at the balance sheet date and the present value of cash flows expected from the contracts.

Notional amount	Characteristics[(1)]	Qualified as	Start[(1)]	Maturity[(1)]	12/31/2015	12/31/2014
	sign convention: (+) assets, (-) liabilities					
Interest rates swaps carried by Wendel						
€100 M	Pay 3.98% against 4.21%		pre-closing	05-2016	0.1	0.3
€300 M	Pay 12-month Euribor +0.93% between 1.70% and 2.60%, 3.40% if < 1.70%, and 3.53% if > 2.60%. Against 3.49%		pre-closing	08-2017	0.5	0.8
€800 M	Pay 1.04% against Euribor[(2)]		01-2014	01-2016	-0.5	-8.3
					0.1	-7.2
Hedging of subsidiaries' debt						
€80 M	0.42% cap on Euribor		pre-closing	12-2017	-	0.2
€100 M	Pay 0.19% on Euribor (0% floor)	hedge	pre-closing	10-2017	-0.3	-0.1
€40 M	1% cap on Euribor		04-2017	10-2018	-	-
€30 M	Collar 0.02% – 0.43% on Euribor		06-2015	10-2018	-0.2	
$127 M	2% cap on Libor		pre-closing	04-2017	-	0.3
€45 M	Pay 0.21% against Euribor		pre-closing	04-2017	0.1	-0.1
€200 M	Pay 0.75% against Euribor	hedge	pre-closing	04-2022	-4.5	
€200 M	Cap 2.00% against Euribor		pre-closing	04-2018	0.1	
€200 M	Cap 2.00% against Euribor		pre-closing	04-2022	2.1	
$160 M	Pay 2.40% against Libor	hedge	pre-closing	07-2016	-0.9	
	Other[(3)]				4.2	-1.3
					0.6	-1.0
TOTAL					**0.7**	**-8.2**

(1) The positions indicated in this table are aggregations of several similar contracts. The characteristics are therefore weighted averages.
(2) The net value of all swaps as of December 31, 2015 was €-0.5 million, vs. €-8.3 million at end-2014. The year on year change of positive €7.8 million was recognized in profit and loss since these instruments do not qualify as hedges.
(3) This amount includes currency hedges by Bureau Veritas to convert the pound sterling tranches of its American private placement into a euro liability.

NOTE 14 Shareholders' equity

Note 14-1 Total number of shares

	Par value	Number of shares	Treasury shares	Number of capital outstanding shares
As of 12/31/2014	4 €	47,796,535	1,761,948	46,034,587
As of 12/31/2015	4 €	47,992,530	1,963,301	46,029,229

The reduction of 195,995 shares is due to:

- the exercise of stock options (177,745 shares); and
- subscriptions to the Company savings plan (18,250 shares).

Note 14-2 Treasury shares

As of December 31, 2015, 100,000 shares were held for the purposes of the liquidity contract, unchanged from December 31, 2014.

As of December 31, 2015, Wendel held 1,863,301 of its shares in treasury outside the context of the liquidity contract (1,661,948 as of December 31, 2014). These treasury shares are primarily allocated to cover stock option exercises and grants of bonus and performance shares, with the remainder being retained for potential acquisitions.

The net increase of 201,353 shares derived from:

- the purchase of 643,829 shares during the year;
- the sale of 442,476 shares in the exercise of the purchase-type stock option plan and the delivery of performance shares.

In total, shares held in treasury represented 4.09% of the share capital as of December 31, 2015.

Note 14-3 Non-controlling interests

In millions of euros	% interest as of December 31, 2015	12/31/2015	12/31/2014
Bureau Veritas Group	59.51%	758.5	633.6
Constantia Flexibles Group	38.93%	220.3	-
Cromology Group	9.96%	-22.7	-16.4
Stahl Group	24.74%	-0.3	-1.3
Parcours Group	0.92%	2.0	1.4
Mecatherm Group	0.83%	1.5	1.8
Other		13.1	9.7
TOTAL		**972.5**	**628.9**

NOTE 15 Provisions

In millions of euros	12/31/2015	12/31/2014
Provisions for risks and contingencies	307.1	158.4
Employee benefits	282.3	212.3
TOTAL	**589.4**	**370.7**
of which non-current	*453.4*	*362.4*
of which current	*136.0*	*8.3*

Note 15-1 Provisions for risks and contingencies

In millions of euros	12/31/2014	Additions	Reversals: used	Reversals: unused	Impact of discounting	Business combinations/ divestments	Currency translation adjustments, reclassifications	12/31/2015
Bureau Veritas[1]								
Disputes and litigation	51.5	11.1	-1.8	-3.3	-	-	-	57.5
Other	63.6	29.7	-20.1	-5.4	-	-	8.4	76.2
Cromology	11.2	2.5	-3.4	-0.3	-	-	-0.2	9.9
Stahl	1.4	0.1	-0.3	-0.0	-	-	-0.0	1.2
Constantia Flexibles[2]	-	7.0	-3.4	-	-	58.0	-	61.6
AlliedBarton[3]	-	3.0	-2.8	-	-	72.6	-4.8	68.0
Oranje-Nassau Développement	8.3	10.9	-3.0	-	-	-	-4.3	11.9
Wendel and holding companies[4]	22.4		-1.7	-	-	-	-	20.7
TOTAL	**158.4**	**64.2**	**-36.4**	**-9.1**	**-**	**130.6**	**-0.8**	**307.1**
of which current	*8.3*							*136.0*

In millions of euros	12/31/2013	Additions	Reversals: used	Reversals: unused	Impact of discounting	Business combinations/ Divestments	Currency translation adjustments, reclassifications	12/31/2014
Bureau Veritas								
Disputes and litigation	43.2	13.9	-2.9	-4.5	0.3	1.0	0.5	51.5
Other	28.2	36.0	-14.7	-6.4	-	0.1	20.4	63.6
Materis	15.9	1.4	-2.6	-0.1	-	-3.4	-0.0	11.2
Stahl	0.7	0.2	-0.1	-	-	0.6	-	1.4
Oranje-Nassau Développement	6.7	6.8	-5.4	-0.1	-	0.2	-	8.3
Wendel and holding companies	20.7	1.7	-0.1	-	-	-	-	22.4
TOTAL	**115.5**	**60.0**	**-25.8**	**-11.1**	**0.3**	**-1.5**	**20.9**	**158.4**
of which current	*9.4*							*8.3*

1. Provisions for risks and contingencies of Bureau Veritas

In the normal course of its activities, Bureau Veritas is party, with respect to certain of its activities, to various disputes and legal actions that aim, among other things, to invoke its professional liability with regard to services it has provided. While Bureau Veritas pays the greatest attention to risk control and the quality of its services, some of those services can give rise to claims and result in financial penalties.

Provisions for litigation on contracts changed because developments in ongoing litigation during the year led to changes in estimates. They also reflected new risks that, taken individually, and given Bureau Veritas' insurance coverage, are not material. Provisions have been recognized on the losses that may result from such litigation, after taking into account the amounts covered by the Bureau Veritas Group's insurance policies.

Accordingly, Bureau Veritas estimated that a total provision of €11.1 million was necessary for certain of these risks in 2015 (vs. €13.9 million in 2014), given the development of certain claims.

The calculation of provisions for risks and contingencies as of December 31, 2015 takes into account developments in the exceptional legal claim that arose in 2004 in relation to the construction of a hotel and retail complex in Turkey. No amendment was made to the provision for the exceptional legal claim that arose in 2004 pertaining to the crash of a Gabon Express flight.

On the basis of the insurance coverage relating to these legal claims, on the information currently available, and after taking into account the opinions of its legal advisors, Bureau Veritas considers that these claims will not have a significant adverse effect on its consolidated financial statements.

There are no other government, administrative, legal or arbitration proceedings or investigations (including any proceedings of which Bureau Veritas is aware that are pending or with which Bureau Veritas is threatened) that may have, or have had, during the previous 12 months, significant effects on the financial position or profitability of Bureau Veritas.

In terms of other provisions for risks and contingencies, Bureau Veritas has recognized additional provisions of €29.7 million and has reversed €25.5 million of provisions, giving a net increase of €4.2 million. Provisions for restructuring fell by €5.9 million during the period, while provisions for tax contingencies rose by €16.5 million. The total balance of movements over the year included provisions recognized for losses on contracts and other operating risks.

2. Provisions for risks and contingencies of Constantia Flexibles

Provisions recognized by Constantia Flexibles principally include a provision for its future obligations under a long-term performance-based profit-sharing plan for certain executives and a provision for pending litigation concerning a "squeeze out" of shares in Constantia Packaging AG.

3. Provisions for risks and contingencies of AlliedBarton

The provisions are largely for social security protection of employees; additionally, three class action suits are underway in California for alleged infringement of labor laws.

4. Provisions for risks and contingencies of Wendel and its holding companies

The principal disputes, claims and risks identified for Wendel and its holding companies are as follows:

- a provision is maintained for an environmental risk concerning polluted land which belonged to a Group subsidiary whose operations were discontinued in 1967;
- various appeals have been sued against Wendel by Éditions Odile Jacob in the wake of Wendel's takeover of Editis from Lagardère in 2004. By its decision of January 28, 2016, the Court of Justice of the European Union definitively dismissed the claims of Éditions Odile Jacob. There remains a pending proceeding before the Paris Commercial Court, in which Éditions Odile Jacob have filed to void the sale of Editis to Wendel;
- Wendel considers that the claims of Éditions Odile Jacob are unfounded and has not recognized any provision related to this dispute;
- various judicial procedures have been initiated by former management-level employees of Wendel as a result of the unwinding of a mechanism for participating in the Group's performance. The amount of the claims against various defendants, including Wendel, totals some €30 million, subject to adjustment (depending on the claimant) based on the potential consequences of procedures initiated against them by the tax authority.
- one of these former managers had his suit dismissed by the Paris Commercial Court on January 15, 2016, which he has appealed;
- on December 17, 2013, the Commercial Court rejected the claims of one of the former managers and also required him to pay a token amount of €1 to Wendel in recognition of damage to the company's image. This former manager appealed this decision and a ruling is expected on April 12, 2016. Another legal action against Wendel for almost €5 million, initiated in the labor courts by this former manager after his employment contract was terminated in June 2009, was also rejected on March 31, 2014 and upheld by a ruling of November 10, 2015, against which he has appealed;
- the Company considers the various claims of these former employees to be unfounded and has not recognized any provision against them.

Note 15-2 Employee benefits

In millions of euros	12/31/2015	12/31/2014
Defined-benefit plans	88.4	82.3
Retirement bonuses	137.2	95.1
Other	56.7	34.8
TOTAL	**282.3**	**212.3**
Of which non-current	*282.3*	*212.3*
Of which current	-	-

The breakdown by subsidiary was as follows:

In millions of euros	12/31/2015	12/31/2014
Bureau Veritas	148.4	158.2
Constantia Flexibles	61.3	-
AlliedBarton	19.2	-
Cromology	24.9	24.2
Stahl	18.6	19.4
Oranje-Nassau Développement	8.5	8.9
Wendel and holding companies	1.4	1.5
	282.3	**212.3**

The change in provisions for employee benefits broke down as follows for 2015:

In millions of euros	12/31/2014	Service costs	Actuarial gains and losses	Benefits paid	Interest costs	Curtailment and settlement	Business combinations	Translation adjustments and other	12/31/2015
Commitments									
Defined-benefit plans	239.8	4.1	-10.6	-14.5	4.1	0.4	26.7	1.9	245.9
Retirement bonuses	104.0	11.3	-8.2	-9.7	2.0	1.1	39.2	1.9	147.6
Other	46.0	2.9	-0.9	-4.7	0.9	0.5	27.6	-4.7	67.6
	389.8	**18.2**	**-19.7**	**-28.9**	**7.0**	**2.0**	**93.6**	**-0.9**	**461.1**

In millions of euros	12/31/2014	Return on assets	Employer contributions	Amounts used	Actuarial gains and losses	Business combinations	Translation adjustments and other	12/31/2015
Partially-funded plan assets								
Defined-benefit plans	157.4	3.3	-2.8	-3.9	-3.7	5.8	1.3	157.5
Retirement bonuses	8.9	0.1	0.6	0.2	-0.1	-	0.9	10.5
Other	11.2	0.2	0.1	0.3	-0.9	-	-	10.8
	177.5	**3.6**	**-2.2**	**-3.5**	**-4.7**	**5.8**	**2.2**	**178.8**
PROVISION FOR EMPLOYEE BENEFITS	**212.3**							**282.3**

The change in provisions for employee benefits broke down as follows for 2014:

In millions of euros	12/31/2013	Service costs	Actuarial gains and losses	Benefits paid	Interest costs	Curtailment and settlement	Business combinations	Translation adjustments and other	12/31/2014
Commitments									
Defined-benefit plans	226.3	6.1	24.8	-8.8	6.1	0.8	-17.8	2.2	239.8
Retirement bonuses	108.3	6.6	14.1	-7.9	2.7	2.1	-23.6	1.7	104.0
Other	22.0	5.2	1.1	-1.4	1.0	1.1	16.6	0.4	46.0
	356.7	**17.9**	**39.9**	**-18.0**	**9.8**	**4.0**	**-24.8**	**4.3**	**389.8**

In millions of euros	12/31/2013	Return on assets	Employer contributions	Amounts used	Actuarial gains and losses	Business combinations	Translation adjustments and other	12/31/2014
Partially-funded plan assets								
Defined-benefit plans	171.3	4.3	5.6	11.0	-4.2	-32.6	2.0	157.4
Retirement bonuses	21.7	0.2	0.2	0.2	-0.0	-13.6	0.2	8.9
Other	0.2	0.3	0.1	-0.8	-0.0	11.5	-	11.2
	193.2	**4.8**	**5.9**	**10.5**	**-4.2**	**-34.7**	**2.2**	**177.5**
PROVISION FOR EMPLOYEE BENEFITS	**163.5**							**212.3**

Liabilities on defined-benefit plans broke down as follows:

In millions of euros	12/31/2015	12/31/2014
Unfunded liabilities	204.0	131.7
Partially or fully-funded liabilities	257.0	258.1
TOTAL	**461.1**	**389.8**

Assets of defined-benefit plans broke down as follows as of December 31, 2015:

	12/31/2015	12/31/2014
Insurance Company funds	28%	31%
Equity instruments	20%	18%
Debt instruments	13%	13%
Cash and other	40%	38%

Expenses recognized on the income statement broke down as follows:

In millions of euros	2015	2014
Expenses recognized on the income statement with respect to defined-benefit plans		
Service costs during the year	18.2	17.9
Interest costs	7.0	9.8
Expected return on plan assets	-3.6	-4.8
Past service costs	0.9	0.4
Impact of plan curtailments or settlements	1.9	1.0
TOTAL	**24.5**	**24.3**
Expenses recognized on the income statement with respect to defined-contribution plans	**80.4**	**73.2**

1. Commitment characteristics and actuarial assumptions applied at Bureau Veritas

Employee benefits at Bureau Veritas included the following defined-benefit plans:

- pension plans, most of which have been closed for several years. Pension plans are generally unfunded, with the exception of a very limited number of plans financed by contributions paid to insurance companies and valued on the basis of periodic actuarial calculations;
- retirement bonuses;
- long-service awards.

The principal actuarial assumptions used to calculate these commitments are as follows: average discount rate of 2.5%; implied rate of return on plan assets of 3.8%; average salary increase rate of 2.6% (Germany: 1.5%, France: 3.0%, Italy: 2.0%, Netherlands: 0.6%, United Kingdom: 3.0%).

2. Commitment characteristics and actuarial assumptions applied at Cromology

Retirement benefits are calculated mainly on the basis of employees' seniority when they retire. These plans essentially concern France (and to a lesser extent Portugal, Italy, and Switzerland). Actuarial assumptions are determined for each country.

The main assumptions utilized for the European region were as follows: discount rate of 2%, inflation rate of 1.75%, salary increase rate of 2%, and rate of return on assets of 2%.

3. Commitment characteristics and actuarial assumptions applied at Stahl

Stahl employee benefits in Germany, Italy, the Netherlands, Mexico, the United Kingdom, the United States, India, France, Brazil, Thailand, and Switzerland concern the following defined-benefit plans, depending on the country:

- partially-funded retirement plans;

- retirement bonuses;
- long-service awards.

The main actuarial assumptions were as follows: discount rate of 2.9%, inflation rate of 2.2%, salary increase rate of 1.8%, and return on assets of 2.9%.

4. Commitment characteristics and actuarial assumptions applied at AlliedBarton

The employee benefits of AlliedBarton concern two defined contribution plans:

- a “Supplemental Executive Retirement Plan” (SERP), opened to certain company managers. The factors of change for this plan, in particular, the discount rate (7% in 2015) are determined each year by the Company’s management;
- a “Supplemental Income Plan” (SIP), opened to certain persons at managerial levels in the Company, who are not able to benefit from other programs in place within the AlliedBarton Group. This plan is partially funded.

5. Commitment characteristics and actuarial assumptions applied at Constantia Flexibles.

Employee benefits for Constantia Flexibles in Germany, Austria, France, Mexico, Turkey, Russia, and Spain concern the following defined-benefit plans, as applicable:

- retirement plans, funded or unfunded;
- retirement bonuses;
- long-service awards.

The principal actuarial assumptions utilized are discount rates between 2.1% and 10.1%, salary increase rates, included between 1.0% and 6.5%, and a rate of return on assets of between 2.1% and 10.1%.

6. Wendel’s commitments

In 1947, the Company “Les Petits-Fils de François de Wendel” (now Wendel) set up a supplementary pension plan for all employees, regardless of their category, provided they retire while employed by the Company. This plan was closed on December 31, 1998. The supplementary pension plan guarantees each employee beneficiary an overall level of retirement income. This income is expressed as a percentage of end-of-career compensation (fixed + variable excl. extraordinary amounts). It increases in relation to the employee’s age and seniority up to a maximum of 65% of this compensation. The pension plan provides for a payout of 60% to a surviving spouse as of the date of the employee’s retirement, and includes supplements for dependent children.

Benefits financed by the Group under this supplementary plan are calculated by deducting the total amount of pensions financed by Wendel while the employee served in the Group from the guaranteed amount. Since 2005, the Company transfers the assets necessary to service pension benefits to an insurance company, which makes payments to the beneficiaries.

As of December 31, 2015, 46 retirees and nine employees of the Company benefited from the plan.

NOTE 16 Financial debt

Principal changes in 2015 are described in note 5-2 "Managing liquidity risk".

In millions of euros	Currency	Coupon rate	Effective interest rate(2)	Maturity	Repayment	Overall line	12/31/2015	12/31/2014
Wendel and holdings								
2015 bonds	EUR	4.875%	4.910%	09-2015	at maturity		-	347.6
2016 bonds	EUR	4.875%	5.501%	05-2016	at maturity		643.7	643.7
2017 bonds	EUR	4.375%	5.186%	08-2017	at maturity		692.0	692.0
2018 bonds	EUR	6.750%	5.727%	04-2018	at maturity		500.0	500.0
2019 bonds	EUR	5.875%	5.397%	09-2019	at maturity		600.0	600.0
2020 bonds	EUR	1.875%	2.055%	04-2020	at maturity		300.0	
2021 bonds	EUR	3.750%	3.833%	01-2021	at maturity		400.0	400.0
2024 bonds	EUR	2.750%	2.686%	10-2024	at maturity		500.0	500.0
2027 bonds	EUR	2.500%	2.576%	02-2027	at maturity		500.0	
Syndicated loan	EUR	Euribor + margin		11-2019	revolving credit	€650 M	-	-
Bank borrowings(1)	EUR	Euribor + margin		03-2020	revolving credit	€500 M	-	-
Bank borrowings(1)	EUR	Euribor + margin		12-2019	revolving credit	€350 M	-	-
Amortized cost of bonds, syndicated loans and deferred issuance costs							4.2	7.9
Accrued interest							93.9	86.1
Loans from non-controlling shareholders							20.2	17.9
							4,254.0	**3,795.2**
Bureau Veritas								
2017 bonds	EUR	3.750%		05-2017	at maturity		500.0	500.0
2021 bonds	EUR	3.125%		01-2021	at maturity		500.0	500.0
Borrowings and debt from lending institutions maturing in less than 1 year – fixed rate							11.9	-
Borrowings and debt from lending institutions maturing in less than 1 year – floating rate							67.1	153.9
Borrowings and debt from lending institutions maturing in 1 to 5 years – fixed rate							642.1	437.2
Borrowings and debt from lending institutions maturing in 1 to 5 years – floating rate							314.4	77.0
Borrowings and debt from lending institutions maturing in more than 5 years – fixed rate							183.7	265.9
Borrowings and debt from lending institutions maturing in more than 5 years – floating rate							170.8	164.7
							2,390.0	**2,098.7**
Constanta Flexibles								
2017 bonds	EUR		Fixed	05-2017	at maturity		129.1	
Bank borrowings	EUR		Euribor + margin	04-2022	at maturity		660.3	
Bank borrowings	EUR		Euribor + margin	04-2022	at maturity		226.0	
Bank borrowings	USD		Libor + margin	2015 to 2022	amortizing		206.9	
Bank borrowings	EUR		Euribor + margin	04-2022	revolving credit	€110 M	-	
Bank borrowings (EUR, RUB, INR, CNY)			Euribor + margin and Fixed	2015 to 2022	amortizing		36.3	
Deferred issuance costs							-50.5	
Other borrowings and accrued interest							37.8	
							1,245.8	

In millions of euros	Currency	Coupon rate	Effective interest rate[2]	Maturity	Repayment	Overall line	12/31/2015	12/31/2014
Allied Barton								
Bank borrowings	USD	Libor + margin		02-2021	amortizing		637.0	
Bank borrowings	USD	Libor + margin		08-2021	at maturity		271.0	
Bank borrowings	USD	Libor + margin		02-2019	revolving credit	USD 81 million	24.8	
Deferred issuance costs and other							-29.4	
Other borrowings and accrued interest							0.6	
							903.9	
Cromology								
Bank borrowings	EUR	Euribor + margin		08-2021	at maturity		267.0	267.0
Bank borrowings	EUR	Euribor + margin		08-2020	revolving credit	€77 M	-	3.0
Deferred issuance costs							-6.3	-7.3
Materis sharehoder loans							51.2	58.0
Other borrowings and accrued interest							3.0	11.4
							314.9	**332.2**
Stahl								
Bank borrowings	EUR	Euribor + margin		06-2019	revolving credit	€35 M	-	-
Bank borrowings	USD	Libor + margin		06-2019	amortizing		99.4	96.9
Bank borrowings	EUR	Euribor + margin		06-2019	amortizing		19.6	24.0
Bank borrowings	USD	Libor + margin		12-2019	at maturity		100.0	118.5
Bank borrowings	EUR	Euribor + margin		12-2019	at maturity		26.0	26.0
Deferred issuance costs							-5.8	-7.1
Other borrowings and accrued interest							-	0.1
							239.2	**258.4**
Parcours								
Bank borrowings	EUR	Euribor + margin		2015 to 2017	amortizing			504.5
Other borrowings and accrued interest								14.9
								519.4
Mecatherm								
Bank borrowings(senior)	EUR	Euribor + margin		2015 to 2018	amortizing		37.1	46.1
Bank borrowings	EUR	Euribor + margin		09-2017	revolving credit	€5 M	5.0	-
Deferred issuance costs							-0.8	-1.3
Other borrowings and accrued interest							1.0	1.6
							42.4	**46.4**

In millions of euros	Currency	Coupon rate	Effective interest rate[(2)]	Maturity	Repayment	Overall line	12/31/2015	12/31/2014
CSP Technologies								
Bank borrowings	USD	Libor + margin		01-2022	amortizing		153.9	
Bank borrowings	USD	Libor + margin		01-2020	revolving credit	USD 25 million	-	
Deferred issuance costs							-9.3	
Other borrowings and accrued interest							2.6	
							147.2	
NOP								
Bank borrowings	JPY	Tibor + margin		2015 to 2019	amortizing		9.6	10.4
Bank borrowings	JPY	Tibor + margin		02-2019	at maturity		22.9	20.7
Deferred issuance costs							-0.2	-0.3
Other borrowings and accrued interest							1.5	0.9
							33.8	**31.7**
TOTAL							**9,571.2**	**7,081.9**
of which non-current portion							8,660.9	6,187.7
of which current portion							910.3	894.3

(1) These loans were granted by the banks in the form of combined financial instruments, contractually and inseparably linked, so as to enable the repayment to the banks of the funds made available. The combination of these instruments is equivalent to a conventional bank loan.

(2) The effective interest rate is calculated inclusive of the issue premiums or discounts and bank issuance fees. For bonds having been issued in several stages, the effective interest rate corresponds to the weighted average of the par value issued.

Note 16-1 Financial debt maturity schedule

In millions of euros	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Par value Wendel and holding companies	-643.7	-2,092.0	-1,400.0	-4,135.7
Interest Wendel and holding companies(1)	-186.2	-410.5	-157.5	-754.3
Investments:				-
■ nominal amount	-179.0	-1,950.9	-3,233.0	-5,362.9
■ interest(1)	-226.0	-761.3	-127.1	-1,114.4
TOTAL	**-1,234.9**	**-5,214.8**	**-4,917.6**	**-11,367.3**

(1) Interest is calculated on the basis of the yield curve prevailing on December 31, 2015. Interest on debt and interest rate hedges does not reflect interest earned on invested cash.

Note 16-2 Market value of gross financial debt

The fair value of bond debt is the market price on December 31, 2015.

In millions of euros	12/31/2015	12/31/2014
Wendel and holding companies	4,476.8	4,175.8
Operating subsidiaries	5,545.5	3,482.9
TOTAL	**10,022.3**	**7,658.7**

5.9 Notes to the income statement

Pursuant to IFRS 5 "Non-current assets held for sale and discontinued operations", elements from the revenue of Parcours have been reclassified into "Net income from discontinued operations and operations held for sale" for the 2015 and 2014 fiscal years.

NOTE 17 Net sales

In millions of euros	2015	2014	% Change	Organic growth
Bureau Veritas	4,634.8	4,171.5	11.1%	1.9%
Constantia Flexibles*	1,442.0	-	N/A	5.8%
AlliedBarton*	183.7	-	N/A	5.0%
Cromology	751.9	747.6	0.6%	-0.4%
Stahl	628.1	512.6	22.5%	2.0%
Oranje-Nassau Développement				
■ Mecatherm	96.4	104.7	-7.9%	-7.9%
■ NOP	40.0	38.2	4.6%	-0.6%
■ CSP Technologies(1)	90.2	-	N/A	9.2%
CONSOLIDATED NET SALES	**7,867.1**	**5,574.5**	**41.1%**	**1.4%**

(1) Organic growth is calculated over 12 months.

Consolidated net sales broke down as follows:

In millions of euros	2015	2014
Sales of goods	3,036.0	1,486.3
Sales of services	4,831.1	4,088.2
CONSOLIDATED NET SALES	**7,867.1**	**5,574.5**

NOTE 18 Income from ordinary activities

In millions of euros	2015	2014
Bureau Veritas	670.0	560.4
Constantia Flexibles	47.7	-
AlliedBarton	3.7	-
Cromology	36.6	36.1
Stahl	88.8	53.4
Oranje-Nassau Développement	-22.4	8.2
Wendel and holding companies	-48.6	-66.3
INCOME FROM ORDINARY ACTIVITIES	**775.8**	**591.9**

Note 18-1 R&D costs recognized as expenses

In millions of euros	2015	2014
Constantia Flexibles	5.4	
Cromology	5.0	15.1
Stahl	4.0	3.1
CSP Technologies	1.4	
Oranje-Nassau Développement	0.2	0.2

Note 18-2 Average number of employees at consolidated companies

	2015	2014
Bureau Veritas	65,995	66,494
Constantia Flexibles(1)	8,471	-
AlliedBarton(1)	65,689	-
Cromology	3,894	3,955
Stahl	1,754	1,566
Oranje-Nassau Développement	1,025	571
including CSP Technologies(1)	369	-
Wendel and holding companies	87	83
TOTAL	**146,915**	**72,669**

(1) See note 2 "Changes in scope of consolidation".

NOTE 19 Other operating income and expenses

In millions of euros	2015	2014
Net gains (losses) on sale of intangible assets and property, plant & equipment	-4.1	-9.2
Net gains (losses) on divestment of consolidated investments	-	0.2
Restructuring costs[(1)]	-10.4	-23.6
Asset impairment[(2)]	-108.3	-1.5
Other income and expenses[(3)]	-87.4	-60.2
TOTAL	**-210.2**	**-94.3**

(1) The 2015 restructuring costs relate to Cromology.
(2) Impairment concerned Bureau Veritas' commodities CGU in the amount of €90.1 million, and Mecatherm, in the amount of €18.3 million (see note 7 "Goodwill").
(3) It relates mainly to expenses connected to recognition of the financial liabilities connected to the 2016 liquidity commitments of the managers which are payable in 2017(see note 35-6, "Shareholder agreements and co-investment mechanisms").

NOTE 20 Finance costs, net

In millions of euros	2015	2014
Income from cash and cash equivalents[(1)]*	43.9	31.1
Finance costs, gross		
Interest expense	-378.6	-352.3
Interest expense on shareholder loans from non-controlling interests	-9.6	-9.0
Deferral of debt issuance costs and premiums (calculated according to the effective interest method)	-16.0	-35.4
	-404.2	-396.7
TOTAL	**-360.3**	**-365.6**

(1) Includes €36.6 million for Wendel and the holding companies, to which is added €7.9 million from returns on Wendel's investments (recognized under "Other income and financial expenses"), or total income of €44.5 million in 2015 (€41.8 million in 2014), including €32 million from foreign-exchange gain on cash held in US dollars, intended for acquisitions made in the USA (CSP Technologies and AlliedBarton).

NOTE 21 Other financial income and expense

In millions of euros	2015	2014
Gains (losses) on disposals of assets available for sale	1.0	-0.0
Dividends received from unconsolidated companies	0.9	0.6
Income on interest-rate, currency and equity derivatives(1)	35.5	-22.3
Interest on other financial assets	7.4	20.3
Net currency exchange gains (losses)	-45.6	-11.2
Impact of discounting	-7.1	-4.1
Gain on buyback of debt	-0.2	-2.3
Other(2)	-1.8	-37.4
TOTAL	**-10.1**	**-56.3**

(1) In 2015, this amount mainly included changes in the fair value of puts on Saint-Gobain shares in the amount of €+28.4 million (see note 13-4) (€-22.5 million in 2014) and the adjustment to fair value of Wendel's interest rate derivatives, for €+7.8 million.

(2) In 2014, this item included, in particular, the change in fair value of the Saham holding, in the amount of €-31 million. In 2015, the positive change in fair value was recognized in equity in the amount of €44 million, pursuant to IFRS (see note 13-3-A, "Breakdown of financial assets and liabilities").

NOTE 22 Tax expense

In millions of euros	2015	2014
Current income tax liabilities	-287.7	-217.5
Deferred taxes	76.7	36.6
TOTAL	**-211.0**	**-180.9**

The portion of CVAE (value added) tax is recognized as an income tax, in accordance with IAS 12 and the instruction of the CNC (French national accounting council) of January 14, 2010.

As of December 31, 2015, the balance sheet changes in deferred taxes were as follows:

In millions of euros	2015	2014
Amount at beginning of year	**-257.2**	**-286.0**
Changes through profit or loss	76.7	33.1
Changes through shareholders' equity	-4.5	3.4
Currency translation adjustments	-1.4	-6.1
Business combinations	-344.1	-1.7
Other	5.4	-
AMOUNT AT END OF THE YEAR	**-525.2**	**-257.2**

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	-205.4	400.6	195.2
Theoretical amount of tax expense calculated on the basis of a rate of 34.43%	**70.7**	**-137.9**	**-67.2**
Impact of:			
Uncapitalized tax losses of Wendel/holding companies and transactions subject to reduced tax rates at the holding company level	-78.9		-78.9
Uncapitalized tax losses at the operating subsidiary level		-11.4	-11.4
Reduced tax rates and foreign tax rates at the operating subsidiary level		42.2	42.2
CVAE tax paid by operating subsidiaries		-14.5	-14.5
Tax on dividends (Wendel and Bureau Veritas)	-2.8	-6.3	-9.1
Tax on dividends received from consolidated subsidiaries		-18.1	-18.1
Other	0.3	-54.1	-53.9
ACTUAL TAX EXPENSE	**-10.7**	**-200.3**	**-211.0**

NOTE 23 Net income (loss) from equity-method investments

In millions of euros	2015	2014
Net income including impact of goodwill allocation		
Saint-Gobain (excluding Verallia divestiture)	53.4	65.3
Divestiture of Saint-Gobin's Verallia division(1)	-96.5	-
exceet	-2.2	-0.6
IHS	-128.1	-42.5
Other companies	1.1	0.5
Reversal of write-down on Saint-Gobain securities(2)	**203.4**	
Write-down on exceet securities(2)	**-17.3**	**-**
Disposal of Saint-Gobain securities	**-**	**-106.7**
Impact of dilution on the Saint-Gobain investment(1)	**-6.1**	**-23.6**
Impact of dilution on the IHS investment(2)	**18.1**	**31.7**
TOTAL	**25.6**	**-76.0**

(1) See note 2 "Changes in scope of consolidation" with respect to Saint-Gobain and IHS.
(2) See note 10 "Equity-method investments".

NOTE 24 Earnings per share

In euros and millions of euros	2015	2014
Net income, Group share	-146.2	19.6
Impact of dilutive instruments on subsidiaries	-12.2	-5.2
Diluted net income	**-158.4**	**14.4**
Average number of shares, net of treasury shares	46,185,976	46,468,917
Potential dilution due to Wendel stock options(1)	-	11,265
Diluted number of shares	**46,185,976**	**46,480,182**
Basic earnings per share (in euros)	-3.17	0.42
Diluted earnings per share (in euros)	-3.43	0.31
Basic earnings per share from continuing operations (in euros)	-3.47	-6.93
Diluted earnings per share from continuing operations (in euros)	-3.69	-7.04
Basic earnings per share from discontinued operations (in euros)	0.31	7.35
Diluted earnings per share from discontinued operations (in euros)	0.26	7.35

(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 shares and partially neutralize the resulting dilution. The potential dilution thus corresponds to the net impact.

In 2015, net income, Group share was negative, the dilutive instruments of Wendel are thus not taken into account.

5.10 Notes on changes in cash position

NOTE 25 Acquisition of property, plant & equipment and intangible assets

In millions of euros	2015	2014
By Bureau Veritas	169.4	147.8
By Constantia Flexibles	81.1	-
By Cromology	20.2	22.9
By Stahl	27.1	11.7
By Oranje-Nassau Développement[(1)]	408.4	335.9
By Wendel and holding companies	0.9	3.6
TOTAL	**707.1**	**522.0**

(1) Including €389.1 million for purchases of vehicles available for lease from Parcours in 2015 (€323.8 million in 2014).

NOTE 26 Disposal of property, plant & equipment and intangible assets

Disposal of property, plant & equipment and intangible assets includes mainly the Parcours disposals of used vehicles in the amount of €89.1 million (€83.8 million in 2014).

NOTE 27 Acquisition of equity investments

The principal acquisitions undertaken during the period are detailed in note 2 "Changes in scope of consolidation".

In millions of euros	2015	2014
CSP Technologies[(1)]	184.1	-
Constantia Flexibles[(1)]	1,336.9	-
AlliedBarton[(1)]	649.9	-
Subscription to IHS capital increase[(1)]	97.1	300.0
By Bureau Veritas	107.7	666.9
By Constantia Flexibles[(1)]	52.4	-
By AlliedBarton	0.5	-
By Stahl	0.2	76.3
Other securities	18.7	25.8
TOTAL	**2,447.5**	**1,069.0**

(1) See note 2 "Changes in scope of consolidation".

NOTE 28 Divestments

In millions of euros	2015	2014
Disposal of Bureau Veritas securities[(1)]	975.1	
Disposal of Constantia Flexibles securities[(1)]	101.7	-
Disposal of the Kerneos, Parex, and Chryso divisions of Materis[(1)]	-	1,160.9
Disposal of Saint-Gobain securities	-	1,007.7
Other	1.3	1.4
TOTAL	**1,078.2**	**2,170.1**

(1) See note 2 "Changes in scope of consolidation" pertaining to Bureau Veritas and Constantia Flexibles.

NOTE 29 Impact of changes in scope of consolidation and of operations held for sale

In 2015, this item corresponded to entries in the scope of CSP Technologies, Constantia Flexibles and AlliedBarton for €127.8 million (29.4 million in 2014) and to the reclassification to "Assets and operations held for sale" of Parcours' cash and cash equivalents, in the amount of €-21.5 million (in 2014, €-46.8 million for the reclassification of Materis' Parex and Chryso businesses).

NOTE 30 Changes in other financial assets and liabilities and other

In 2015, this item mainly consisted of the closing of Saint-Gobain put options in the amount of €-136.1 million, reimbursements for the Kerneos loan, in the amount of €+25 million, and the subscription of Sterigenics debt, in the amount of €-44 million (see note 13.3 "Breakdown of financial assets and liabilities").

In 2014, this item was composed primarily of a €60 million loan granted to Kerneos when it was sold by Materis (see note 2 "Changes in scope of consolidation") and €30.3 million of security deposits and escrow accounts put in place by Bureau Veritas as part of its acquisition activities.

NOTE 31 Dividends received from equity-method investments and unconsolidated companies

This amount corresponds mainly to the Saint-Gobain dividend received in the amount of €86.3 million (including €4.7 million in premium, see note 2 "Changes in scope of consolidation)". It was €86.2 million in 2014 (including €4.5 million in premium).

NOTE 32 Contribution of non-controlling shareholders

As of December 31, 2015, this item consisted mainly of the contribution from the H. Turnauer Foundation in the acquisition of Constantia Flexibles for €240 million (see note 2 "Changes in scope of consolidation").

NOTE 33 Net change in borrowing and other financial liabilities

Details of financial debt are shown in note 16 “Financial debt”.

In millions of euros	2015	2014
New borrowings by:		
Wendel – Bond issue	800.0	900.0
Constantia Flexibles(1)	1,094.6	-
Bureau Veritas	391.5	663.4
Cromology	0.5	270.6
Stahl	-	260.8
Oranje-Nassau Développement(2)	614.2	384.6
AlliedBarton	11.0	-
	2,911.8	**2,479.4**
Borrowings repaid by:		
Wendel – Repurchase of bonds	-	60.7
Wendel – 2014 and 2015 bonds	347.8	445.1
Debt financing the acquisition of Saint-Gobain shares	-	425.0
Constantia Flexibles(1)	565.0	-
Bureau Veritas	161.5	156.3
Cromology	11.7	1,439.9
Stahl	44.7	199.3
Oranje-Nassau Développement(2)	471.6	326.5
AlliedBarton	1.6	-
	1,603.9	**3,052.8**
TOTAL	**1,307.9**	**-573.4**

(1) *These amounts correspond to the new funding put into place for Constantia Flexibles during its acquisition by Wendel and to the reimbursement of the former funding (see note 2 “Changes in scope of consolidation” pertaining to Constantia Flexibles).*
(2) *These amounts concerned €151.0 million in drawdowns of the funding put into place by CSP Technologies during its acquisition and €118.0 million in reimbursement of the preceding funding (see note 2 “Changes in scope of consolidation”, pertaining to CSP Technologies). These amounts also include the operating debt of Parcours for €443.3 million in debt issuance and €327.0 million in repayment of borrowings. This debt financed the Company’s fleet of vehicles leased out to customers.*

5.11 Other notes

NOTE 34 Operations discontinued or held for sale

Note 34-1 Net income from discontinued operations and operations held for sale

In millions of euros	2015	2014
Gain on divestments		
Materis[1]	-	328.6
Other		-0.1
	-	**328.4**
Share in net income for the period from discontinued operations		
Parcours[1]	14.6	10.9
Materis[1]	-	39.6
TOTAL	**14.6**	**378.9**

(1) See note 2 "Changes in scope of consolidation", pertaining to Parcours and to fiscal year 2014.

Note 34-2 Information pertaining to the Parcours Group

The principal aggregates of the income statement of the Parcours Group are presented below:

In millions of euros	2015	2,014
Net sales[1]	374.4	339.7
Current pre-tax profit	28.0	25.2
Tax expense	-9.5	-8.2
Net income[2]	14.4	10.6

(1) Net sales includes the sale of vehicles for, respectively, €89.1 million as of December 31, 2015 and €83.7 million as of December 31, 2014.
(2) This includes items eliminated on consolidation.

The nature of the Parcours Group's assets and liabilities reclassified into assets and liabilities held for sale as of December 31, 2015, is as follows:

In millions of euros	12/31/2015
Goodwill	35.8
Intangible assets	6.9
Property, plant and equipment(1)	797.8
Inventories(2)	30.3
Other Assets	70.2
Cash and cash equivalents	21.5
TOTAL ASSETS HELD FOR SALE	**962.5**
Financial debt (current portion)	646.0
Other Liabilities	146.6
TOTAL LIABILITIES OF OPERATIONS HELD FOR SALE	**792.6**

(1) It includes €782.9 million for the fleet of leased vehicles.
(2) It includes €29.6 million of used-car inventory.

NOTE 35 Off-balance-sheet commitments

As of December 31, 2015, no commitment was likely to have a significant impact on the Group's financial position, other than those mentioned below.

Note 35-1 Collateral and other security given in correction with financing

In millions of euros	12/31/2015	12/31/2014
(i) Pledge by Constantia Flexibles Group entities of shares of the principal companies and of certain bank accounts and trade receivables as collateral for the repayment of the debt owed by the Constantia Flexibles Group.	1,296.4	-
(ii) Pledge by Cromology Group (formerly Materis Paints) entities of shares of the principal companies and of certain bank accounts and trade receivables as collateral for the repayment of the debt owed by the Cromology Group.	270.0	281.4
(iii) Pledge by Stahl Group entities of shares of the principal companies and of certain bank accounts, trade receivables and assets as collateral for the repayment of debt owed by the Stahl Group.	245.0	265.4
(iv) Security given by Parcours Group entities under its bank borrowing arrangements, including the financed vehicles and the lease payments received. Pledge of certain bank accounts and trade receivables.	635.0	484.0
(v) Pledge by CSP Technologies Group entities of shares of the principal companies and of certain bank accounts and trade receivables as collateral for the repayment of the debt owed by the CSP Technologies Group.	156.5	-
(vi) Joint and several guarantee and/or pledge by Mecatherm Group entities of shares of the companies and of certain trade receivables as collateral for the repayment of the debt owed by the Mecatherm Group. It should be noted that Wendel granted a guarantee payable upon first demand of €15 million in favor of the banks.	42.7	46.1
(vii) Pledge by Nippon Oil Pump Group entities of shares of the principal companies and of certain bank accounts, trade receivables and assets as collateral for the repayment of debt owed by the Nippon Oil Pump Group.	32.5	32.8
(viii) Pledge by AlliedBarton (ABSS) Group entities of shares of the principal companies and of certain bank accounts, trade receivables and assets as collateral for the repayment of debt owed by the AlliedBarton Group.	933.3	-
(ix) Pledge of listed shares in connection with financing subject to margin calls	-	-
(x) Pledge of cash in connection with financing subject to margin calls	-	-
TOTAL	**3,611.4**	**1,109.7**

Note 35-2 Guarantees given on part of asset sales

The guarantees given in the context of the disposal of the Kerneos, Parex, and Chryso divisions of Materis, and disposals of the Deutsch and Editis groups, as well as the reciprocal guarantees granted upon the occasion of the entry of Clariant into the share capital of Stahl in exchange for the contribution of its Leather Finishing division covered a limited number of customary declarations. No claim with respect to these representations has been received to date.

Tax guarantees given in connection with the divestment of Oranje-Nassau Énergie's oil & gas activities in 2009 and expiring in May 2016 were limited to a theoretical maximum of €240 million as of December 31, 2015. There were no guarantees of environmental risks or site remediation costs connected with the divestment. No claim with respect to these warranties has been received to date.

No claim with respect to these warranties has been received to date.

Note 35-3 Guarantees received in connection with asset acquisitions

The guarantees received in connection with the acquisitions of Parcours, Mecatherm, IHS, Constantia Flexibles, CSP Technologies, and Saham, as well as the reciprocal guarantees received upon the occasion of the entry of Clariant into the share capital of Stahl in exchange for the contribution of its Leather Finishing division cover the customary operational representations, for a total amount of €342.5 million as of December 31, 2015.

Note 35-4 Off-balance-sheet commitments given and received related to operating activities

In millions of euros	12/31/2015	12/31/2014
Market counter-guarantees and other commitments given		
by Bureau Veritas(1)	401.6	370.2
by Constantia	1.5	-
by Materis	8.7	15.2
by Stahl	-	1.0
by Oranje-Nassau Développement (Mecatherm)	20.9	26.5
TOTAL COMMITMENTS GIVEN	**432.7**	**412.9**
Other commitments received(2)	429.8	390.0
TOTAL COMMITMENTS RECEIVED	**429.8**	**390.0**

(1) Commitments given by Bureau Veritas included guarantees such as bank and parent company guarantees.
(2) The commitments received consist of lease payments to be received by Parcours (Oranje-Nassau Développement) on its portfolio of existing lease agreements.

Note 35-5 Subscription commitments

As of December 31, 2015, the Group made a commitment to invest approximately €13.5 million in indirect investments of Oranje-Nassau Développement.

Note 35-6 Shareholder agreements and co-investment mechanisms

As of December 31, 2015, the Wendel Group was party to several agreements governing its relationships with its co-shareholders, whether it concerns co-investors in its subsidiaries, or unlisted holdings (Constantia Flexibles, IHS, Materis, Saham and Stahl) or managers (or former managers) of subsidiaries, relating to mechanisms aimed at involving them in their company's performance (AlliedBarton, CSP Technologies, Materis, Stahl, Parcours, Mecatherm and NOP).

These agreements contain various clauses related to:

- Corporate governance (composition of governing bodies, veto rights on certain strategic decisions and rights to information);
- terms of share transfers (lock-up periods, pre-emptive rights and rights of first refusal);
- anti-dilution rules in the event of transactions involving the share capital;
- exit terms in the event of a sale (tag-along and drag-along rights) or IPO.

The Constantia Flexibles, Stahl and Saham shareholder agreements also contain the following terms:

- for Constantia Flexibles, the H. Turnauer Foundation, of the founding family of Constantia Flexibles, has the option to request, between 2020 and 2023, that an IPO or a share buyback process by refinancing of the group be launched, aiming at ensuring the priority liquidity of its stake. Otherwise, the Wendel Group has granted the H. Turnauer Foundation a put option for half of its initial stake at market value, payable in two tranches, in cash or in Wendel stock, at the choice of the Wendel Group. This commitment was recognized in financial liabilities in accordance with accounting principles applicable to minority puts;

- for Stahl:
  - Stahl's minority financial investors (former second-lien and former mezzanine lenders) have a put option to sell shares at a discount, in tranches of one-third of their stake, between 2016 and 2018. This commitment was recognized in financial liabilities in accordance with accounting principles applicable to minority puts,
  - Clariant, a minority shareholder in Stahl since the acquisition of Clariant Leather Services, benefits in particular from a medium-term liquidity commitment granted by the Wendel Group in an amount determined on the basis of a predefined margin multiple. This commitment was recognized in financial liabilities in accordance with accounting principles applicable to minority put options; and
- for Saham, the majority shareholder of Saham has the option, until 2018, to buy back the whole of the Wendel Group's stake in Saham (at a price guaranteeing a minimum IRR of 15% for the Wendel Group).

Agreements with the management teams (managers or former managers) of the subsidiaries (AlliedBarton, CSP Technologies, Materis, Mecatherm, NOP, Parcours and Stahl) also include stipulations pertaining to:

- the right to liquidate their co-investment in successive tranches, beyond a certain period (between the 2nd anniversary and the 14th anniversary of the completion of the Wendel Group's investment, depending on the agreements concerned), in the absence of a divestment or an IPO; and
- the handling of executive departures (commitment to sell shares to the Wendel Group in the event of an executive departure from a subsidiary and/or commitment to buy shares in certain specific cases).

Co-investment terms for senior managers in the subsidiary companies are described in greater detail in note 4-2 relating to the participation of subsidiary managers in the performance of Group entities.

As part of the liquidity commitments under these agreements, if no liquidity event (divestment or IPO) takes place before certain predetermined dates, the Wendel Group can be required to buy back the shares held by managers (or former managers) in the AlliedBarton, CSP Technologies, Materis, Mecatherm, NOP, Parcours and Stahl subsidiaries. The value applied to these liquidity commitments is either market value, as determined by the parties or by an independent expert, or a value calculated on the basis of a profitability multiple.

This would also be the case for Wendel managers holding stakes under co-investment mechanisms in AlliedBarton, Constantia Flexibles, CSP Technologies, IHS, Materis, Mecatherm, Parcours, NOP, Saham and Stahl (see note 4-1 on the participation of the Wendel teams in the Group's investments).

As of December 31, 2015, based on the investment values used to calculate NAV or, where appropriate, based on pricing formulas in the agreements:

- the value of *pari passu* investments made under the same risk and return conditions as Wendel by all co-investing co-shareholders and managers of subsidiaries and Wendel benefiting from liquidity rights was €379 million (including therein the amounts pertaining to minority put options on Constantia Flexibles and Stahl); and
- the value of the portion of non *pari passu* investments of co-investing managers of Wendel and its subsidiaries, i.e., investments having dilutive effects on the Wendel Group's ownership interest, was €127 million.

In accordance with accounting principles relating to minority puts and to co-investment mechanisms, a portion of these amounts is recognized within financial liabilities (€432 million).

The liquidity commitments of 2016 for Stahl's managers and Wendel's managers for their co-investment in Stahl were recognized in financial liabilities in 2015, generating an accounting expense of €70.2 million; this liquidity would be payable in 2017 if no liquidity event (divestiture or IPO) takes place before the expiry date.

Moreover, for the liquidity of Materis, the managers (or former managers) of Materis exercised a portion of their liquidity (€11 million) in 2015, which amount had been provisioned in Wendel's consolidated financial statements starting from the 2014 fiscal year; the portion not exercised could be exercised anew in 2016, therefore, the provision with respect to such portion is maintained in the balance sheet.

Co-investment and liquidity commitment values vary with the value of each investment. As a result, they may be lower (or nil) or higher in future fiscal years.

Note 35-7 Other agreements entered into by the Wendel Group in connection with acquisitions, divestitures, or restructuring of financings of equity interests

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 the Wendel Group'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, insomuch as the exercise of this right depends on the Wendel Group's decision to divest.

The sellers of CSP Technologies have a right to a limited earn-out, provided that the CSP Technologies Group meets predetermined performance criteria during the three consecutive fiscal years following the acquisition of the group by Wendel. No provision has been constituted for such purpose.

In connection with the acquisition of AlliedBarton, the Wendel Group has granted the sellers a right to an earn-out of $50 million in the event that certain significant transactions are concluded involving the AlliedBarton Group within the 12 months following the signature of the purchase agreement.

In relation to the syndication with Maxburg Capital Partners of a minority share of the investment in Constantia Flexibles, the Wendel Group has a right to an earn-out on the fraction thus sold, provided that Maxburg Capital Partners achieves certain minimum profitability thresholds over the term of its investment in Constantia Flexibles, in case of divestiture.

Note 35-8 Leasing

Apart from the transactions described below, no finance lease is likely to have a significant impact on Wendel's financial position.

Note 35-8.1 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	12/31/2015	12/31/2014
More than 5 years	31.0	4.2
Due in 1 to 5 years	18.3	3.6
Due in less than 1 year and accrued interest	5.9	1.1
TOTAL	**55.2**	**8.9**

These contracts give rise to a non-current asset and a financial debt on the balance sheet, in accordance with IAS 17 "Leases".

Note 35-8.2 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	12/31/2015	12/31/2014
More than 5 years	125.7	115.6
Due in 1 to 5 years	315.9	281.5
Due in less than 1 year and accrued interest	144.1	131.5
TOTAL	**585.6**	**528.6**

The amount of future lease payments comes mainly from Bureau Veritas, for €395.2 million (€380.5 million in 2014).

NOTE 36 Stock options, bonus shares and performance shares

The total expense related to allocation of stock options or other share-based compensation for fiscal year 2015 was €29.1 million vs. €29.2 million in 2014.

In millions of euros	2015	2014
Stock options at Wendel	4.0	3.4
Grant of bonus shares at Wendel	3.2	2.3
Stock options at Bureau Veritas	3.0	3.2
Grant of bonus shares at Bureau Veritas	18.9	20.4
TOTAL	**29.1**	**29.2**

The principal stock option plans granted in 2015 were as follows:

1. Wendel

Pursuant to the authorization given by shareholders at their June 5, 2015 General Meeting, options giving the right to subscribe to 268,314 shares were allocated on July 15, 2015 with a strike price of €112.39 and a 10-year life. These options have the following features:

- a service condition: the definitive allocation of the options is 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 granted vests the increase in NAV over the 2015-2017 period (adjusted for dividends) is greater than or equal to 10.25%. One-half vests if the increase in NAV over the 2015-2016 period (adjusted for dividends) is greater than or equal to 5%. The NAV used as the point of reference for 2015 is the average of the three NAVs published prior to the date of allocation, namely, €141 per share (average of the published NAVs as of December 31, 2014, March 16, 2015 and May 28, 2015).

These options have been valued using a Monte-Carlo model, based on the following principal assumptions: an average rate of return of 2.2%; volatility of 28.5%; and staff turnover considered to be zero. The period of illiquidity of the stock options has also been taken into account. These options have been valued at €17.90 each. The expense has been spread over the options' vesting period.

Under the authorization granted by shareholders at their June 5, 2015 General Meeting, 70,268 performance shares were also granted on July 15, 2015. They are subject to the same service and performance-based conditions as the options granted in 2015 (see previous paragraph). These performance shares are granted subject to a two-year presence condition and do not vest until the end of the two-year period.

They have been valued at €52.80 per share. This value takes into account the period of illiquidity of these performance shares.

The instruments granted and not exercised or vested were as follows:

Stock options	Number of options outstanding as of 12/31/2014	Options granted in 2015	Options canceled in 2015	Options exercised in 2015	Number of options outstanding as of 12/31/2015	Exercise price (€)	Average exercise price (€)	Average residual life	Number of exercisable options
Stock purchase options	32,572	-	-	-13,000	19,572	22.58 and 41.73	25.52	3.6	19,572
Stock purchase options indexed to NAV/share	1,226,520	268,314	-150	-364,881	1,129,803	44.32 to 112.39	88.82	7.5	629,805
Stock subscription options	61,800	-	-	-35,000	26,800	90.14	90.14	0.5	26,800
Stock subscription options indexed to NAV/share	321,996	-	-	-142,745	179,251	18.96 to 132.96	107.71	1.8	179,251

Performance shares	Shares granted as of 12/31/2014	Awards during the fiscal year	Options vested	Shares granted as of 12/31/2014	Grant date	Vesting date
Plan 5-1	64,595	-	-64,595	-	01/07/2013	01/07/2015
Plan 6-1	68,928	-	-	68,928	08/07/2014	08/07/2016
Plan 7-1	-	70,268	-	70,268	15/07/2015	15/07/2017
	133,523	**70,268**	**-64,595**	**139,196**		

2. Bureau Veritas

By resolution of Bureau Veritas' Board of Directors on July 15, 2015, Bureau Veritas granted to certain of its employees and to the corporate officer, 1,344,000 stock purchase options. The exercise price of the options is €20.51. The allocations are subject to a condition of service as well as to the achievement of performance objectives based on 2015 adjusted operating income and on the ratios of management results/net sales for 2016 and 2017. Stock options have a 10-year life after the grant date. The average unit fair value of options granted during the fiscal year was €2.75 per share.

The fair value of the options granted in 2015 was determined according to the following main assumptions and characteristics: an exercise price of €20.51, expected share volatility of 22.1%, dividend yield of 2.3%, anticipated four-year duration of the option, risk-free rate of interest of 0.08%, determined using State borrowing rates over the anticipated term of the option.

By resolution of the Bureau Veritas Board of Directors on July 15, 2015, Bureau Veritas also granted performance-based shares to certain of its employees and to the corporate officer. The grant is subject to the completion of three years of service in France, or four years internationally, as well as the achievement of a performance objective based on the 2015 adjusted operating income and on the ratios of management results/net sales for 2016 and 2017. Shares granted in France are subject to a lock-up period of two years.

The weighted average fair value of the performance shares granted in 2015 was €17.66 per share, the share price on the grant date.

The instruments granted and not exercised or vested were as follows:

Stock options	Number of options outstanding as of 12/31/2014	Options granted in 2015	Options canceled in 2015	Options exercised in 2015	Number of options outstanding as of 12/31/2015	Exercise price (€)	Average exercise price (€)	Average residual life	Number of exercisable options
Bureau Veritas	5,632,280	1,344,000	-560,172	-739,752	5,676,356	8.75 to 21.01	18.15	5.8 years	2,405,874

Performance shares	Shares granted as of 12/31/2015	Grant date	Expiration date
	783,800	07/18/2012	07/18/2016 or 07/18/2015 for employees of a French company
	1,201,962	07/22/2013	07/22/2017 or 07/22/2016 for employees of a French company
	770,000	07/22/2013	07/22/2021 or 07/22/2022
	890,719	07/16/2014	07/16/2018 or 07/16/2017 for employees of a French company
	1,093,350	07/15/2015	07/15/2019 or 07/15/2018 for employees of a French company
	4,739,831		

NOTE 37 Subsequent events

In February 2016, Wendel signed a contract for the sale of Parcours, which would take place during the first half of 2016 (see note 2 "Changes in scope of consolidation").

NOTE 38 List of principal consolidated companies as of December 31, 2015

Method of consolidation	% of interest net of treasury shares	Company name	Country	Business segment
FC	**100.0**	**Wendel**	**France**	**Management of shareholdings**
FC	100.0	Coba	France	"
FC	100.0	Eufor	France	"
FC	100.0	Hirvest 1	France	"
FC	100.0	Hirvest 3	France	"
FC	100.0	Sofiservice	France	"
FC	98.6	Waldggen	France	"
FC	100.0	Wendel Japan	Japan	Services
FC	99.5	Africa Telecom Towers	Luxembourg	Management of shareholdings
FC	99.5	Expansion 17	Luxembourg	"
FC	100.0	Froeggen	Luxembourg	"
FC	99.5	Global Performance 17	Luxembourg	"
FC	99.5	Globex Africa 1	Luxembourg	"
FC	100.0	Grauggen	Luxembourg	"
FC	100.0	Hourggen	Luxembourg	"
FC	100.0	Ireggen	Luxembourg	"
FC	100.0	Jeurggen	Luxembourg	"
FC	100.0	Karggen	Luxembourg	"
FC	97.3	Materis Investors	Luxembourg	"
FC	100.0	Mecatherm GuarantCo	Luxembourg	"
FC	99.5	Oranje-Nassau Développement SA SICAR	Luxembourg	"
FC	99.5	Oranje-Nassau Développement NOP	Luxembourg	"
FC	100.0	Oranje-Nassau GP	Luxembourg	"
FC	99.2	Oranje-Nassau Mecatherm	Luxembourg	"
FC	99.1	Oranje-Nassau Parcours	Luxembourg	"
FC	100.0	Trief Corporation	Luxembourg	"
FC	100.0	Truth 2	Luxembourg	"
FC	100.0	Winvest Conseil	Luxembourg	Services
FC	99.5	Winvest International SA SICAR	Luxembourg	Management of shareholdings
FC	100.0	Win Securitization 2	Luxembourg	"
FC	99.5	NOP Europe	Belgium	"
FC	100.0	Wendel North America	United States	Services
FC	100.0	Wendel London	United Kingdom	Services
FC	100.0	Wendel Africa	Morocco	Services

Method of consolidation	% of interest net of treasury shares	Company name	Country	Business segment
FC	100.0	Oranje-Nassau Groep	Netherlands	Management of shareholdings
FC	100.0	Oranje-Nassau Développement	Netherlands	"
FC	100.0	Wendel Singapore	Singapore	Services
FC	100.0	Sofisamc	Switzerland	Management of shareholdings
FC	**61.1**	**Constantia Flexibles and its subsidiaries**	**Austria**	**Flexible packaging**
FC	**95.1**	**AlliedBarton and its subsidiaries**	**United States**	**Security services**
FC	**40.5**	**Bureau Veritas and its subsidiaries**	**France**	**Certification and verification**
FC	**84.5(1)**	**Materis Parent and its subsidiaries**	**Luxembourg**	**Specialty chemicals for construction**
FC	**75.3**	**Stahl Group and its subsidiaries**	**Netherlands**	**High-performance coatings and leather-finishing products**
E	**11.8**	**Saint-Gobain and its subsidiaries**	**France**	**Production, transformation and distribution of building materials**
E	**25.6(2)**	**IHS Holding and its subsidiaries**	**Mauritius**	**Mobile telephone infrastructure in Africa**
Oranje-Nassau Développement includes:				
FC	**98.2**	**CSP Technologies and its subsidiaries**	**United States**	**High-performance plastic packaging**
FC	**99.2**	**Mecatherm and its subsidiaries**	**France**	**Industrial bakery equipment**
FC	**99.1**	**Parcours and its subsidiaries**	**France**	**Long-term vehicle leasing to corporate customers**
FC	**97.7**	**NOP and its subsidiaries**	**Japan**	**Manufacture of trochoid pumps and hydraulic motors**
E	**28.4**	**exceet and its subsidiaries**	**Switzerland**	**Design of embedded systems**

(1) This is the percentage held from a legal point of view. For consolidation purposes, Materis was consolidated with a 90% interest, integrating the shares of Materis's managers which may be bought back in the framework of the liquidity offered to them in 2016.
(2) This rate does not include the co-investors' share, which must be recorded in the Group share in accordance with IFRS.
FC: Full consolidation. Wendel exercises exclusive control over these companies.
E: Companies accounted for by the equity method. Wendel exercises significant influence over these companies.

5.12 Statutory Auditors' report on the Consolidated Financial Statements

(Year ended 31 December 2015)

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the Group's management report. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Wendel

89, rue Taitbout

75009 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting of Shareholders, we hereby report to you, for the year ended 31 December 2015, 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 31 December 2015 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the matter set out in Note 10-4 "Impairment tests on equity-method investments" to the consolidated financial statements. In a context of uncertainties with regard to the outlook for the global economy which makes forecasting difficult, this note describes the methods applied to test the interest held by Wendel in Saint-Gobain for impairment as at 31

December 2015, and in particular, the sensitivity of the result of this test, with regard to changes in the discount rate, the long-term growth rate and normative profitability taken into account for the computation of cash flows beyond the five-year business plan.

II - Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

Accounting estimates

In preparing its financial statements, your Company makes estimates and assumptions concerning, in particular, the value of certain assets, liabilities, income and expenses. The accounting estimates used in the preparation of the consolidated financial statements for the year ended 31 December 2015 were made in a context in which uncertainties with regard to the outlook for the global economy make forecasting difficult, as described in Note 1-9 "Use of estimates" to the consolidated financial statements.

It is in this specific context that at 31 December 2015 the Company carried out impairment tests on goodwill, intangible assets with indefinite useful lives and equity-method investments, in accordance with the methods described in the following notes to the consolidated financial statements: Note 1-10 "Rules of evaluation", Note 7-1 "Goodwill impairment tests" and Note 10-4 "Impairment tests on equity-method investments".

We reviewed the methods applied to implement these impairment tests and verified that the above-mentioned notes provide appropriate disclosure. In particular, with regard to the impairment test on the Saint-Gobain shares, we reviewed the assumptions and estimates applied by the Company to determine the value in use of the investment.

Accounting principles

We reviewed the accounting treatment applied by your Company in preparing its consolidated financial statements with respect to managers' participation in Group investments. We verified that Note 1-10.18 "Accounting treatment of mechanisms for the participation of management teams in Group's investments" and Note 35-6 "Shareholder agreements and co-investment mechanisms" to the consolidated financial statements provide appropriate disclosure in this regard.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - Specific verification

As required by law we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, 30 March 2016

The Statutory Auditors

French original signed by:

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean Bouquot

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PARENT COMPANY FINANCIAL STATEMENTS

6.1 Balance sheet as of December 31, 2015

Assets

In thousands of euros		12/31/2015			12/31/2014
	Note	Gross amounts	Depr./amort.or provisions	Net amounts	Net amounts
Non-current assets					
Intangible assets and property, plant & equipment		**16,351**	**14,068**	**2,283**	**2,580**
Non-current financial assets(1)					
Investments in subsidiaries and associates	1	3,483,865	-	3,483,865	3,532,274
Other long-term investments		34	-	34	34
Treasury shares	2	120,622	-	120,622	49,945
Loans and other non-current financial assets		336	-	336	281
		3,604,857	-	3,604,857	3,582,534
TOTAL		**3,621,208**	**14,068**	**3,607,140**	**3,585,114**
Current assets					
Trade receivables(2)		4,574	67	4,507	18,173
Other receivables(2)	3	5,363,831	-	5,363,831	3,432,725
Financial instruments	9	-	-	-	103,348
Marketable securities	4	674,216	487	673,729	989,700
Cash		151,195	-	151,195	80,454
Prepaid expenses		1,062	-	1,062	1,287
TOTAL		**6,194,879**	**554**	**6,194,325**	**4,625,686**
Currency translation adjustments		5,405	-	5,405	-
Deferred expenses		14,540	6,351	8,189	5,800
Original issue discounts		115,657	103,452	12,205	17,072
TOTAL ASSETS		**9,951,690**	**124,425**	**9,827,265**	**8,233,671**
(1) Of which less than one year				-	-
(2) Of which more than one year				-	*276*

Liabilities and shareholders' equity

In thousands of euros	Note	12/31/2015	12/31/2014
Shareholders' equity			
Share capital		191,970	191,186
Share premiums		31,728	23,123
Legal reserve		20,224	20,224
Regulated reserves		191,820	191,820
Other reserves		2,250,000	2,250,000
Retained earnings		1,480,968	1,455,596
Net income for the year		**1,338,591**	**118,020**
TOTAL	**5**	**5,505,301**	**4,249,970**
Provisions for risks and contingencies	**6**	**31,077**	**35,037**
Borrowings[(1)]	7	4,239,032	3,779,335
Other liabilities	8	23,113	132,311
TOTAL[(2)]		**4,262,145**	**3,911,646**
Issue premiums on borrowings		28,741	37,018
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**9,827,265**	**8,233,671**
(1) Of which short-term bank borrowings		*220*	*374*
(2) Of which less than one year		*770,145*	*493,542*
Of which more than one year		*3,492,000*	*3,418,104*

6.2 Income statement

In thousands of euros	Note	2015	2014
Income from investments in subsidiaries, associates and long-term equity portfolio	**11**	**1,500,019**	**285,027**
Other financial income and expense	**12**		
Income			
■ Income from loans and invested cash		141,020	100,907
■ Provisions reversed		18,532	7,474
Expenses			
■ Interest and similar expenses		280,388	222,373
■ Depreciation, amortization, and provisions		14,344	24,620
NET FINANCIAL INCOME		**1,364,839**	**146,415**
Operating revenue	**13**		
Other income		11,400	10,695
Provisions reversed and expenses transferred		3,571	5,354
Operating expenses			
Purchases and external services		17,017	19,371
Taxes other than income taxes		2,318	3,001
Wages and salaries	14	11,939	12,435
Social security costs		9,071	8,086
Depreciation & amortization and deferred expenses		1,578	4,668
Provisions recognized		-	-
Miscellaneous expenses		695	703
OPERATING INCOME (LOSS)		**-27,646**	**-32,215**
NET INCOME (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		**1,337,193**	**114,200**
Exceptional income			
On operating transactions		980	6
On capital transactions		2,876	299
Provisions reversed		499	115
Exceptional expenses			
On operating transactions		501	2,281
On capital transactions		-	123
Provisions recognized		-	55
EXCEPTIONAL ITEMS	**15**	**3,854**	**-2,039**
INCOME TAXES	**16**	**-2,456**	**5,859**
NET INCOME (LOSS)		**1,338,591**	**118,020**

6.3 Cash flow statement

In thousands of euros	Note	2015	2014
Cash flows from operating activities, excluding tax			
Net income		1,338,591	118,020
Depreciation, amortization, provisions, and other non-cash items		1,532	4,643
Gains/losses on divestments		-4,319	2,039
Financial income and expense		-1,364,838	-146,415
Taxes		2,456	-5,859
Cash flows from operating activities before net finance costs and tax		-26,578	-27,572
Change in working capital requirement related to operating activities		13,519	-9,015
NET CASH FLOWS FROM OPERATING ACTIVITIES, EXCLUDING TAX		**-13,059**	**-36,587**
Cash flows from investing activities, excluding tax			
Acquisition of property, plant & equipment and intangible assets		-407	-513
Disposal of property, plant & equipment and intangible assets		262	4
Acquisition of equity investments	1	-42,620	-44,863
Disposal of equity investments	1	45,496	45,360
Changes in other financial assets and liabilities and other		-55	-57
Dividends received	11	1,500,019	285,027
Change in working capital requirements related to investment activities		176	-2,415
NET CASH FLOWS FROM INVESTING ACTIVITIES, EXCLUDING TAX		**1,502,871**	**282,542**
Cash flows from financing activities, excluding tax			
Proceeds from issuance of shares	5	9,388	5,279
Treasury share buybacks and cancellations		-45,398	-114,882
Dividends paid	5	-92,649	-86,449
New borrowings	7	797,339	905,066
Repayment of borrowings	7	-347,600	-505,770
Net change in intragroup assets and liabilities		-1,949,023	-113,799
Net finance costs		-151,411	-114,706
Other financial income/expense		-3,525	-5,325
Change in working capital requirements related to financing activities		72,942	14,851
NET CASH FLOWS FROM FINANCING ACTIVITIES, EXCLUDING TAX		**-1,709,937**	**-15,734**
Income taxes	16	-2,456	5,859
Change in tax assets and liabilities		16,201	15,182
NET CASH FLOWS RELATED TO TAXES		**13,745**	**21,041**
Effect of currency fluctuations		-5,111	-
CHANGE IN CASH AND CASH EQUIVALENTS		**-211,491**	**251,264**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD*		**976,251**	**724,986**
CASH AND CASH EQUIVALENTS AT END OF PERIOD*		**764,760**	**976,251**

* *Cash and cash equivalents included marketable securities (excluding Wendel treasury shares), cash, and bank borrowings.*

6.4 Notes to the parent company financial statements

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS:DETAILED CONTENTS

6.4.1 Highlights of the year

Universal transfer of Winbond assets and liabilities

In order to simplify the Group's structure, all of the assets and liabilities of Winbond were transferred to Wendel SE in 2015. Wendel contributed Trief Corporation shares totaling €2,860,179 thousand. A technical merger loss of €384,960 thousand was recognized and set against the entry value of the Trief Corporation shares.

Dividends received from subsidiaries

Wendel received an interim dividend of €1,500 million from its subsidiary Trief Corporation primarily relating to the proceeds of the sale of a block of Bureau Veritas shares by a subsidiary of Trief Corporation.

Capital and dividend paid

At their Annual Meeting of June 5, 2015, shareholders approved the payment of a cash dividend of €2 per share. The total dividend paid was €92.6 million.

In 2015, the Company repurchased 643,829 Wendel shares for a total of €71 million. Wendel sold 442,476 of its own shares for a total of €25 million in connection with the exercise of options and the grant of performance shares to employees.

As of December 31, the Company held 1,963,301 Wendel shares, including 1,213,924 held as long-term investments, 649,377 as marketable securities, and 100,000 held under the liquidity contract.

Financing

On February 9, 2015, the Company issued bonds maturing on February 9, 2027 with a par value of €500 million, a coupon of 2.50%, and an issue price of 99.703%.

On September 21, 2015, the Company repaid its bonds expiring in 2015 for a total of €347.6 million.

On October 12, 2015, the Company issued bonds maturing on April 10, 2020 with a par value of €300 million, a coupon of 1.875%, and an issue price of 99.608%.

The syndicated credit line was undrawn as of December 31, 2015.

Net receivables from subsidiaries increased by €1,950 million, principally as a result of the following factors:

- Wendel borrowed a total of €1,144 million from its subsidiaries, related mainly to proceeds from the sale of Bureau Veritas shares (€975.4 million), and to Bureau Veritas and Saint-Gobain dividends received by its subsidiaries in 2015 (€169 million);
- loans to subsidiaries:
  - €96.5 million to finance the subscription of shares in IHS (telecoms infrastructure in Nigeria, Côte d'Ivoire, and Cameroon),
  - €570 million to finance the acquisition of Constantia Flexibles (flexible packaging solutions and labels for the food and pharmaceutical industries) in March 2015,
  - the equivalent of €650 million, denominated in euros and dollars, to finance the acquisition of AlliedBarton Security Services, a leading US security services company, in December 2015,
  - the Company increased its loan to Trief Corporation following Trief Corporation's payment of a €1,500 million interim dividend to Wendel SE.

These financial statements were finalized by Wendel SE's Executive Board on March 17, 2016.

6.4.2 Accounting principles

The Company's change in legal status from *société anonyme* to *societas europaea* (European company) has no impact on its accounting obligations. The balance sheet and income statement have been prepared in accordance with the accounting standards prescribed by the French chart of accounts in effect, applying the same exceptions as in previous years.

The two exceptions to the policies set out in the French chart of accounts are as follows:

- substitution of "Net financial income" as the sub-total representing the Company's activity for "Operating income", as defined by the chart of accounts;

- recognition of all capital transactions on assets other than "Marketable securities" in "Exceptional items". Regarding marketable securities, changes in provisions for impairment and gains and losses on disposal are recognized in "Net financial income".

The valuation methods applied remain unchanged compared to those of prior years.

The gross value of items included in non-current assets corresponds to their acquisition cost or the cost at which they were contributed to the Company, excluding ancillary costs.

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.

Investments

The initial value of investments in subsidiaries and associates is historical cost. Internal indicators of loss in value are reviewed annually for each investment. In the event of an indication of loss in value, valuations are updated. The valuation method used depends on the type of business (operating or holding company) and can be based on the ownership share of the net book value of the entity or of the net asset value after revaluation. In this case, the valuation can be based on a variety of methods, including discounted future cash flows, a multiple of sales or income, external transactions on similar companies, stock market values, etc. When the carrying value falls below net book value, an impairment loss is recognized on the difference.

Loans and receivables

Loans and receivables are valued at face value. An impairment loss is recognized if there is a probability of non-recovery. Loans and receivables related to investments are written down if the net asset value of the subsidiary concerned (or the net book value if it is deemed representative of the recoverable value) becomes negative.

Original issue discounts and debt issuance costs

Original issue discounts and premiums are generally amortized using the effective interest method over the term of the corresponding loan. Debt issuance costs are spread over the term of the loan in accordance with the preferential method recommended by CRC Regulation No. 99-02.

Interest rate derivatives

Financial gains and losses arising on interest rate swaps are recognized in the profit and loss account when realized or incurred. A provision for losses is recognized when the value of the swaps is negative and when the swaps do not qualify as hedging instruments.

Marketable securities

Marketable securities are measured using the first-in, first-out method. A provision for impairment is recognized if the net book value of the securities is greater than market value.

Accounting for transactions in foreign currencies

Receivables and payables denominated in foreign currencies are converted into euros at the year-end exchange rate. Currency translation differences on items that have not been hedged for exchange rate risks are recognized as currency translation adjustments within assets or liabilities. A provision is made for unrealized foreign exchange losses.

Provisions for pensions

Obligations related to retirement bonuses and defined-benefit pension schemes are determined at each balance sheet date taking into account the age of the Company's employees, their length of service, and the likelihood that they will remain at the Company until they retire. The calculation is based on an actuarial method. A provision is recognized for the portion of the obligation that is not covered by plan assets.

6.4.3 Notes to the balance sheet

NOTE 1 Investments in subsidiaries and associates

In thousands of euros	% Interest 12/31/2014	% Interest 12/31/2015	Net amounts 12/31/2014	Purchases and subscriptions	Sales and mergers	Change in provisions	Net amounts 12/31/2015
French investments							
Sofiservice	100.00	100.00	354				354
Winbond(1)	100.00	-	3,293,547		3,293,547		-
Trief Corporation(1)	-	100.00	-	2,860,178			2,860,178
Trief Corporation – technical merger loss(1)		100.00	-	384,960			384,960
Saint-Gobain(2)	-	-	-	42,620	42,620		-
Non-French investments							
Oranje-Nassau	100.00	100.00	238,320				238,320
Other			53				53
			3,532,274	**3,287,759**	**3,336,167**	**-**	**3,483,865**

(1) *In order to simplify the Group's structure, Winbond was absorbed by Wendel SE in 2015. Wendel contributed Trief Corporation shares totaling €2,860,178 thousand. A technical merger loss of €384,960 thousand was recognized and set against the entry value of the Trief Corporation shares.*
(2) *In 2015, Saint-Gobain offered shareholders the choice of receiving their dividend in cash (€1.24 per share), or 50% in shares (issue price: €36.62 per share) and 50% in cash. The Wendel SE Group subsidiaries holding Saint-Gobain shares chose to receive the dividend in shares and in cash. Wendel SE purchased the shares received and subsequently entered into a financial contract under which all of the shares were sold on. As a result of this transaction, the Wendel SE Group received the equivalent of a cash dividend of €1.24 per share on the shares owned by its subsidiaries, plus a premium of €4.7 million relating to the financial contract.*

NOTE 2 Treasury shares

As of December 31, 2015, Wendel SE held 1,863,301 of its shares in treasury outside the context of the liquidity contract (1,661,948 as of December 31, 2014). These treasury shares were allocated as follows:

- 649,377 shares were allocated to cover grants under stock-option plans. They were classified as marketable securities within current assets (see note 4 "Marketable securities");
- 1,213,924 shares were allocated to potential acquisition activity, and were classified as non-current financial assets (570,095 as of December 31, 2014).

In thousands of euros	% Interest 12/31/2014	% Interest 12/31/2015	Net amounts 12/31/2014	Purchases	Sales	Transfers	Change in provisions	Net amounts 12/31/2015
Wendel shares	1.19%	2.53%	49,945	70,677	-	-	-	120,622
			49,945	**70,677**	**-**	**-**	**-**	**120,622**

NOTE 3 Other receivables

In thousands of euros	12/31/2015 Gross amounts	12/31/2015 Provisions	12/31/2015 Net amounts	12/31/2014 Gross amounts	12/31/2014 Provisions	12/31/2014 Net amounts
Tax and employee social security receivables	5,349	-	5,349	18,761	-499	18,262
Loans and advances connected with investments[(1)]	5,351,724	-	5,351,724	3,407,440	-	3,407,440
Other[(2)]	6,758	-	6,758	7,022	-	7,022
	5,363,831	**-**	**5,363,831**	**3,433,224**	**-499**	**3,432,725**
Of which related companies	*5,351,724*			*3,407,440*		
Of which accrued revenue	*11,694*			*25,280*		

(1) These receivables mainly related to advances to holding companies that held the Group's various investments, in particular its stake in Saint-Gobain. As of December 31, 2015, based on a valuation of Saint-Gobain at €46.06 per share, calculated by the present value of future cash flows, these loans were not written down. The movement in receivables is set out in the "Highlights of the year".
(2) Includes €6,697 thousand in accrued interest on interest rate derivatives (see note 9).

NOTE 4 Marketable securities

In thousands of euros	12/31/2015 Net book value	12/31/2015 Market value	12/31/2014 Net book value	12/31/2014 Market value
Wendel shares (excluding liquidity contract)[(1)]				
Shares allocated to stock-option plans[(2)]	49,635	69,724	77,865	95,473
Shares allocated to performance share plans[(3)]	-	-	6,533	6,003
	49,635	**69,724**	**84,398**	**101,477**
Money-market mutual funds and deposits	276,195	276,195	564,286	564,286
Diversified funds, equities or bonds	50,181	58,359	50,713	66,357
Funds managed by financial institutions	270,575	270,575	264,882	264,882
Liquidity contract[(4)]				
Wendel shares	10,737	10,737	9,130	9,294
Mutual funds	16,406	16,406	16,290	16,290
	624,095	**632,272**	**905,301**	**921,109**
	673,729	**701,996**	**989,700**	**1,022,585**

(1) Number of Wendel shares held as of December 31, 2015: 649,377.
Number of Wendel shares held as of December 31, 2014: 1,091,853.
(See note 2).
(2) Shares held for the exercise of purchase-type stock options granted under stock-option plans. The net book value of these shares is the lower of the strike price for the options granted, and their stock market value. The negative difference arising between the book value and the exercise price of the purchase options is provisioned in proportion to the extent to which they have vested within "Provisions for risks and contingencies". As of December 31, 2015, this provision totaled €4,197 thousand.
(3) No shares were allocated to cover performance share plans. In accordance with accounting standards, the loss related to the vesting of performance shares is provisioned in proportion to the extent to which they have vested. As of December 31, 2015, these plans were not hedged, but the value of the allocated shares as of that date of €7,372 thousand was recognized in "Provisions for risks and contingencies".
(4) Number of Wendel shares held as of December 31, 2015: 100,000.
Number of Wendel shares held as of December 31, 2014: 100,000.

NOTE 5 Change in shareholders' equity

Number of shares	In thousands of euros	Share capital (par value €4)	Share premiums	Legal reserve	Regulated reserve	Other reserves and retained earnings	Net income for the year	Total shareholders' equity
48,631,341	**Balance as of 12/31/2013 before appropriation**	**194,525**	**114,552**	**20,224**	**191,820**	**3,457,785**	**334,261**	**4,313,167**
	Appropriation of 2013 net income[1]					334,261	-334,261	-
	Dividend					-86,449[3]		-86,449
	Issuance of shares							
24,022	■ company savings plan	96	1,995					2,091
116,468	■ exercise of options	466	2,722					3,188
	Capital reduction							
-975,296	■ Executive Board decision 09/16/2014	-3,901	-96,146					-100,047
	2014 net income						118,020	118,020
47,796,535	**Balance as of 12/31/2014 before appropriation**	**191,186**	**23,123**	**20,224**	**191,820**	**3,705,596**	**118,020**	**4,249,970**
	Appropriation of 2014 net income[2]					118,020	-118,020	-
	Dividend					-92,649[3]		-92,649
	Issuance of shares							
18,250	■ company savings plan	73	1,564					1,637
177,745	■ exercise of options	711	7,041					7,752
	2015 net income						1,338,591	1,338,591
47,992,530	**Balance as of 12/31/2015 before appropriation**	**191,970**	**31,728**	**20,224**	**191,820**	**3,730,968**	**1,338,591**	**5,505,301**

(1) The amount appropriated to retained earnings, as approved by shareholders at their June 6, 2014 Annual Meeting, was increased by €3,708 thousand because no dividends were paid on the Wendel shares the Company held in treasury on the dividend payment date.
(2) The amount appropriated to retained earnings, as approved by shareholders at their June 5, 2015 Annual Meeting, was increased by €3,184 thousand because no dividends were paid on the Wendel shares the Company held in treasury on the dividend payment date.
(3) A dividend of €2.00 per share was paid in 2015 on 2014 earnings. The dividend paid in 2014 on 2013 earnings was €1.85 per share.

NOTE 6 Provisions for risks and contingencies

In thousands of euros	Note	12/31/2014	Allocations for the year	Reversals during the year used	Reversals during the year unused	12/31/2015
Provision for pensions and post-employment benefits		1,129	-	35	-	1,094
Provision for allocation of bonus shares and purchase options	Note 4	13,098	925	2,454	-	11,569
Provision on swaps	Note 9	8,273	-	7,801	-	472
Provision for risks*		-	5,405	-	-	5,405
Other risks and contingencies		12,537	-	-	-	12,537
		35,037	**6,330**	**10,290**	**-**	**31,077**
		Operating income	-	35	-	
		Net financial income (expense)	6,330	10,255	-	
		Exceptional items	-	-	-	
			6,330	**10,290**	**-**	

* *As of December 31, 2015, a currency translation adjustment of €5,405 thousand was recorded within assets on a foreign exchange loss relating to an intragroup receivable denominated in dollars. In accordance with accounting principles, a provision was recognized for the same amount.*

The principal disputes, claims, and risks identified for Wendel SE are as follows:

- various proceedings have been brought against Wendel by Éditions Odile Jacob following Wendel's purchase of Editis from Lagardère in 2004. On January 28, 2016, the Court of Justice of the European Union rejected Éditions Odile Jacob's claims. One proceeding remains pending before the Paris Commercial Court, in which Éditions Odile Jacob is seeking the annulment of Wendel's acquisition of Editis in 2004.

  Wendel SE considers that the claims of Éditions Odile Jacob are unfounded and has not recognized any provision related to this dispute;

- various judicial procedures have been initiated by former management-level employees of Wendel as a result of the unwinding of a mechanism for participating in the Group's performance. The amount of the claims against various defendants, including Wendel, totaled €30 million, subject to adjustment (depending on the claimant) based on the potential consequences of procedures initiated against them by the tax authority.

On January 15, 2016, the Paris Commercial Court rejected the claims of one of the former managers. He has appealed this decision. On December 17, 2013, the Commercial Court rejected the claims of another former manager and also required him to pay a token amount of €1 to Wendel in recognition of damage to the Company's image. The former manager has appealed this decision. The ruling is expected on April 12, 2016. This former manager initiated another legal action against Wendel in the labor courts for almost €5 million after his employment contract was terminated in June 2009. This action was also rejected on March 31, 2014, and confirmed on appeal by the ruling of November 10, 2015. He has lodged an appeal with the Cour de Cassation, France's highest court of appeal.

The Company considers the various claims of these former employees to be unfounded and has not recognized any provision against them.

NOTE 7 Financial debt

In thousands of euros	12/31/2015	12/31/2014
4.875% 2015 bonds(1)	-	347,600
4.875% 2016 bonds	643,650	643,650
4.375% 2017 bonds	692,000	692,000
6.75% 2018 bonds	500,000	500,000
5.875% 2019 bonds	600,000	600,000
3.75% 2021 bonds	400,000	400,000
2.75% 2024 bonds	500,000	500,000
2.50% 2027 bonds(2)	500,000	-
1.875% 2020 bonds(2)	300,000	-
Syndicated credit facility (Euribor + margin)(3)	-	-
Accrued interest	94,677	87,190
	4,230,327	3,770,440
Borrowings connected with investments in subsidiaries and associates		
Sofiservice	8,412	8,437
Other	73	84
	8,485	8,521
Other borrowings	1	-
Short-term bank borrowings	220	374
	4,239,032	**3,779,334**
Of which: less than one year	*747,032*	*356,495*
1 to 5 years	*2,192,000*	*2,435,650*
more than 5 years	*1,300,000*	*900,000*
accruals	*94,677*	*87,190*

(1) In September 2015, the Company repaid its bonds expiring in 2015 for a total of €347.6 million.
(2) On February 9, 2015, the Company issued bonds maturing on February 9, 2027 with a par value of €500.0 million, a coupon of 2.50%, and an issue price of 99.703%. On October 12, 2015, the Company issued additional bonds maturing on April 10, 2020 with a par value of €300.0 million, a coupon of 1.875%, and an issue price of 99.608%.
(3) As of December 31, 2015, the Company had not used its syndicated credit line.

NOTE 8 Other liabilities

In thousands of euros	Note	12/31/2015	12/31/2014
Trade payables*		2,797	3,269
Tax and employee social security liabilities		14,450	19,633
Treasury instruments			
Equity derivatives	9	-	103,348
Accrued interest on interest rate derivatives	9	5,666	5,566
Other		200	495
		23,113	**132,311**
Of which related companies		*4,259*	*9,837*
Of which accrued expenses		*16,883*	*16,434*

* *The breakdown of trade payables by maturity (Article L. 441-6-1 of the French Commercial Code) was as follows:*

	As of 12/31/2015	*As of 12/31/2014*
payment within 30 days:	*922*	*825*
payment in more than 30 days:	*14*	*511*
invoices not yet received:	*1,861*	*1,933*

NOTE 9 Financial instruments

In thousands of euros	12/31/2015		12/31/2014	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Equity derivatives				
Premiums	-	-	103,348	103,348
Provision for risks & contingencies	-	-	-	-
■ of which symmetric positions	-	-	103,348	103,348
	-	**-**	**103,348**	**103,348**
Interest rate derivatives				
Accrued interest not yet due	6,697	5,666	6,848	5,566
■ of which symmetric positions	-	-	-	-
Provision for risks & contingencies	-	472	-	8,273
■ of which symmetric positions	-	-	-	-
	6,697	**6,138**	**6,848**	**13,839**

Equity derivatives

Wendel SE's symmetrical position of 3,494,418 Saint-Gobain puts within assets and 3,494,418 puts within liabilities was unwound during the year with no impact on the income statement.

Interest rate derivatives

Wendel bonds

Wendel SE has entered into interest rate swaps on some of its bonds, with the following features:

Notional amount In thousands of euros		**Maturity**	**Assets** Fair value 12/31/2015	**Liabilities** Fair value 12/31/2015
100,000	Pay 3.98% against 4.21%	May-16	76	-
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	507	-
			583	**-**

In accordance with accounting principles, the positive fair value of these swaps has not been recognized in the balance sheet.

Other

The interest rate swaps, entered into by Wendel SE, have not been symmetrical since 2014 and therefore had an impact on Wendel SE's net income. In accordance with accounting principles, provisions are recognized on negative fair values of swaps that do not qualify as hedges. A provision of €472 thousand was therefore recognized as of December 31, 2015 (note 6).

The positions indicated are aggregations of several similar contracts. The characteristics are therefore weighted averages, and are as follows:

Wendel/bank position

Notional amount In thousands of euros		**Maturity**	**Assets** Fair value 12/31/2015	**Liabilities** Fair value 12/31/2015
400,000	Pay 1.06% against Euribor	Jan-16	-	84
400,000	Pay 1.02% against Euribor	Feb-16	-	388
			-	**472**

NOTE 10 Off-balance-sheet commitments

None.

6.4.4 Notes to the income statement

NOTE 11 Income from investments in subsidiaries, associates, and the long-term equity portfolio

Dividends from: In thousands of euros	**2015**	**2014**
Winbond	-	285,000
Trief Corporation	1,500,000	-
Other	19	27
	1,500,019	**285,027**
Of which interim dividends	*1,500,000*	*285,000*

NOTE 12 Other financial income and expense

Income In thousands of euros	**2015**	**2014**
Other interest and similar income(1)	141,020	100,907
Provisions reversed(2)	10,255	-
Amortization of bond issue premiums	8,277	7,474
	159,551	**108,381**
Of which related companies	*21,815*	*62,436*

Expenses	**2015**	**2014**
Interest on bonds	183,319	182,457
Other interest and similar expenses(3)	97,069	39,916
Provisions recognized(4)	6,817	10,279
Amortization of original issue discounts on bonds	7,527	14,341
	294,731	**246,994**
Of which related companies	*25,250*	*30*

(1) Primarily comprises currency gains of €71,546 thousand, income of €25,190 thousand relating to the symmetric unwinding of Saint-Gobain puts, and €21,815 thousand of interest income on shareholder loans.
(2) Relates to the reversal of a provision for risks and contingencies for stock purchase options of €2,454 thousand (see note 4) and the reversal of a provision on swaps of €7,801 thousand.
(3) This item mainly includes interest expense on swaps of €8,370 thousand, currency losses of €51,682 thousand, and an expense of €25,190 thousand relating to the symmetric unwinding of Saint-Gobain puts.
(4) This item mainly comprises a provision for a currency translation adjustment to assets of €5,405 thousand (see note 6) and a provision of €925 thousand relating to the granting of performance shares.

NOTE 13 Operating revenue

In thousands of euros	2015	2014
Property rental	163	164
Services invoiced to subsidiaries	9,677	9,779
Other income	1,560	752
Expenses transferred*	3,525	5,325
Provisions reversed	46	29
	14,971	**16,049**
Of which related companies	*11,173*	*10,433*

* *This item principally relates to debt issuance costs to be spread over the term of the loans. (See "Accounting principles").*

NOTE 14 Compensation and staff numbers

See note 18 for a description of the compensation the Company allocated to the members of the Executive and Supervisory Boards.

Average staff numbers	2015	2014
Management	57	53
Non-management	9	13
	66	**66**

NOTE 15 Exceptional items

The net exceptional income mainly comprises the €2,876 thousand net gain on the divestment of Saint-Gobain shares. (See note 1.)

NOTE 16 Income tax

Income taxes are detailed as follows:

In thousands of euros

Taxable base at a rate of	**33.33%**
On 2015 income before exceptional items	-51,175
On 2015 exceptional items	2,960
	-48,216
Addbacks/deductions related to tax consolidation	-23,265
	-71,581
Deduction of losses carried forward	-
Taxable bases of the tax consolidation group	-71,581
Corresponding tax	**-**
Contributions of 3.3%	-
Tax on dividends	-2,779
Deduction in respect of tax credits	65
Impact of tax consolidation	258
INCOME TAX RECOGNIZED IN THE INCOME STATEMENT	**-2,456**

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 paying Wendel the amount it would have paid had it been taxed on a stand-alone basis (i.e. without tax consolidation). Certain Group companies in turn hold subsidiaries. The tax consolidation agreements between Wendel and these companies require the Company at the head of such a sub-group to calculate its contribution to the tax of the Wendel Group based on the sub-group's overall income as if the Company and its subsidiaries were a distinct tax consolidation group. There are three such sub-tax-consolidation groups: Eufor and its subsidiaries, the Mecatherm Group and its subsidiaries, and Financière Parcours and its subsidiaries.

This mechanism produced a tax income for Wendel SE equal to the difference between the tax payable and the amount received from subsidiaries. In 2015, the members of the Wendel tax consolidation group were: the parent company Wendel SE, Sofiservice, Coba, Eufor, Hirvest 1, Hirvest 3, the Mecatherm Group, Mecatherm, Gouet, Financière Parcours, Servipar, Parcours, Parcours Immobilier, Immobilier Bordeaux, Parcours Tours, Parcours Strasbourg, and Parcours Annecy.

NOTE 17 Liquidity and debt situation

As of December 31, 2015, Wendel SE's gross debt was composed of €4,136 million in Wendel bonds with maturities ranging from end-May 2016 to February 2027 (see details in note 7 "Financial debt"). As of December 31, 2015 the average maturity of the bonds was 4.4 years.

Wendel placed two new bond issues totaling €800 million in 2015:

- €500 million par value maturing on February 9, 2027 with a coupon of 2.5%; and
- €300 million par value maturing on April 12, 2020 with a coupon of 1.875%.

In addition, bonds of €348 million were repaid on maturity in September 2015.

Wendel SE has an unused syndicated credit line of €650 million expiring in November 2019. The covenants are described below and Wendel was in compliance with them as of December 31, 2015.

The main financial debt maturity, external to the Group, in the 12 months following the 2015 close is the repayment of the May 2016 bonds, totaling €644 million. Wendel SE's liquidity risk for this period is low, given the high level of cash and short-term financial investments, and the undrawn available credit lines.

Bond indentures

The bonds are not subject to financial covenants, but carry standard clauses for this type of debt instrument (prohibition or restriction on the pledging of assets as collateral to certain types of lenders, accelerated maturity should Wendel SE default on a payment beyond certain thresholds, change of control clause, etc.).

Wendel's new syndicated credit (undrawn as of December 31, 2015) – Documentation and covenants

The syndicated credit facility has financial covenants associated with it, based primarily on the market value of Wendel's assets and on the amount of its net debt.

This net debt figure is based on consolidation of the Group's financial holding companies and does not include the debt of operating companies or that of holding companies set up for the purpose of acquisitions. The net debt taken into account therefore corresponds to Wendel bonds and the syndicated credit when drawn, less available cash (potential pledged cash being lodged in the structure for financing with margin calls).

Net debt of the Group subsidiaries is deducted from the gross revalued assets of these subsidiaries inasmuch as it is without recourse to Wendel. The potential drawing of debt with margin calls (less any cash potentially pledged), is deducted from the securities pledged against this debt as these credit lines are also without recourse to Wendel.

These covenants are as follows:

- the net financial debt of Wendel and its financial holding companies must not exceed 50% of gross revalued assets after future tax on unrealized gains and losses (excluding cash);
- the ratio of:

(i) unsecured gross debt plus off-balance-sheet commitments similar in nature to unsecured debt of Wendel and its financial holding companies, less available cash (not pledged or in escrow) of Wendel and the financial holding companies,

to

(ii) the sum of 75% of the value of the available listed assets (not pledged or in escrow) and 50% of the value of available unlisted assets (not pledged or in escrow), must not exceed 1.

These ratios are tested half-yearly when there are drawdowns under the syndicated credit line. As of December 31, 2015 Wendel was in compliance with all covenants.

The syndicated loan agreement carries standard covenants for this type of debt instrument (prohibition or restriction on the pledging of assets as collateral to certain types of lenders, accelerated maturity should Wendel default on a payment beyond certain thresholds, change of control clause, etc.).

NOTE 18 Related parties

Related parties are Wendel-Participations, and the members of the Supervisory Board and the Executive Board:

Members of the Supervisory Board and Executive Board

Compensation paid by the Wendel SE Group to the members of the Executive Board in respect of 2015 amounted to €3,811.3 thousand. The value of options and performance shares allocated to the members of the Executive Board in 2015 totaled €3,061.8 thousand as of the date they were granted.

Compensation paid to members of the Supervisory Board in 2015 totaled €760.9 thousand, including €695 thousand in Wendel SE director's fees and compensation paid to the Chairman of the Supervisory Board, and €65.9 thousand in director's fees paid to certain members of the Supervisory Board by Wendel-Participations for serving on its Board. These amounts do not include the salary of the employee representative on the Supervisory Board, who does not receive Wendel SE director's fees either.

The Company has committed to pay Frédéric Lemoine, Chairman of the Executive Board, in the event of his departure, a maximum of twice his most recent yearly fixed salary and variable pay on achieved objectives, provided certain conditions have been met.

The Company's commitments to Bernard Gautier, member of the Executive Board, in the event of his departure, are as follows:

- end-of-contract severance pay, representing a maximum of one year of fixed salary and variable pay on achieved objectives, as allocated by the Supervisory Board; and
- end-of-appointment severance pay, representing a maximum of one year of fixed salary and variable pay on achieved objectives, as allocated by the Supervisory Board, subject to certain conditions.

Wendel-Participations

Wendel-Participations is owned by approximately 1,080 Wendel family individuals and legal entities. Wendel-Participations owns 36.22% of Wendel SE's share capital as of December 31, 2015.

There are no other economic or financial relationships between Wendel-Participations and Wendel besides those related to the holding of shares and the following agreements:

- a memorandum of understanding on the use of the "Wendel" family name and a license agreement governing the use of the "WENDEL Investissement" brand; and
- agreements with Wendel-Participations regarding technical assistance and leasing of premises.

NOTE 19 Subsequent events

No significant events have occurred since the accounts were closed on December 31, 2015.

Securities portfolio as of December 31, 2015

In thousands of euros	Number of shares owned	% interest	Gross carrying value
Investments in subsidiaries and associates			
Subsidiaries (over 50% owned)			
a) French			
Sofiservice	8,500	100.0%	354
Trief Corporation	41,881	100.0%	2,860,178
Trief Corporation – technical merger loss			384,960
b) Non-French			
Oranje-Nassau	1,943,117	100.0%	238,320
Other subsidiaries and associates			
French equities	2,500	-	53
			3,483,865
OTHER LONG-TERM INVESTMENTS			
Other French equities	-	-	34

Subsidiaries and associates as of December 31, 2015

In thousands of euros	Share capital	Other share-holders' equity (incl. net income or loss)	% of capital held	Gross carrying value of shares held	Net carrying value of shares held	Loans and advances granted	Guarantees given	Sales of previous fiscal year	Net income of previous fiscal year	Dividends received during the year
Detailed information (on subsidiaries and associates whose net carrying value is greater than 1% of the share capital of Wendel)										
French										
Trief Corporation(1)(2)	1,047,025	540,471	100.0%	3,245,139	3,245,139	1,792,385	-	-	1,003,023	1,500,000
Non-French										
Oranje-Nassau(2)	8,744	904,073	100.0%	238,320	238,320	859,387	-	-	1,508	-
Overall summary										
French subsidiaries				407	407					
Non-French subsidiaries				-	-					
French associates				-	-					
Non-French associates				-	-					

(1) *Including technical merger loss.*
(2) *Consolidated figures.*

Five-year financial summary

Nature of disclosures	Fiscal year 2011	Fiscal year 2012	Fiscal year 2013	Fiscal year 2014	Fiscal year 2015
1. Capital at year-end					
Share capital(1)	202,244	198,175	194,525	191,186	191,970
Number of ordinary shares in issue	50,560,975	49,543,641	48,631,341	47,796,535	47,992,530
Maximum number of shares that could be issued:					
■ through the exercise of options	1,300,342	884,540	500,264	383,796	206,051
2. Results of operation(1)					
Revenues (excluding taxes)	5,656	5,975	10,224	10,695	11,400
Income from investments in subsidiaries and associates	480,015	890,024	470,044	285,027	1,500,019
Income before tax, depreciation, amortization, and provisions	376,013	655,762	307,523	133,886	1,339,692
Income taxes(5)	-2,993	-27,532	-38,615	-5,859	2,456
Net income	683,205	782,962	334,261	118,020	1,338,591
Dividends(2)	62,890(3)	82,985	86,449	92,649	103,184(4)
of which interim dividends	-	-	-	-	-
3. Net income per share (in euros)					
Income after tax but before depreciation, amortization, and provisions	7.50	13.79	7.12	2.92	27.86
Net income	13.51	15.80	6.87	2.47	27.89
Net dividends	1.30	1.75	1.85	2.00	2.15(4)
of which interim dividends	-	-	-	-	-
4. Employee data					
Average number of employees	65	65	66	66	66
Total payroll(1)	12,159	11,808	12,337	12,435	11,939
Staff benefits paid during the year (social security, social welfare, etc.)(1)	6,041	6,957	8,200	8,086	9,071

(1) In thousands of euros.
(2) Including treasury shares.
(3) The 2011 ordinary dividend included an exceptional distribution of 1 Legrand share for every 50 Wendel shares held.
(4) Ordinary dividend of €2.15 (subject to approval by shareholders at their Annual Meeting of June 1, 2016).
(5) The negative amounts represent income for the company.

6.5 Statutory auditors' report on the financial statements

(Year ended 31 December 2015)

This is a free translation into English of the Statutory Auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting of Shareholders, we hereby report to you, for the year ended 31 December 2015, 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 31 December 2015 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 31 December 2015 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

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Executive Board and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of the shareholders or holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris-La Défense, 30 March 2016
The Statutory Auditors
French original signed by:

PricewaterhouseCoopers Audit
Etienne Boris

ERNST & YOUNG Audit
Jean Bouquot

7

INFORMATION ON THE COMPANY AND SHARE CAPITAL

7.1 Information on the Company

7.1.1 General information

Company name

Wendel

Registered office

89, rue Taitbout, 75009 Paris (France)

Telephone: +33 1 42 85 30 0 – Fax: +33 1 42 80 68 67

Website: www.wendelgroup.com

Official registration

The Company is registered in the Paris Company Register (*Registre du commerce et des sociétés*) under number 572 174 035; its APE code is 7010Z.

Date founded and duration

The Company was formed on December 4, 1871 for a period of 99 years, subsequently extended to July 1, 2064, barring a new extension or early dissolution.

Legal structure and applicable legislation

The Company has been a *societas europaea* with an Executive Board and Supervisory Board since July 2015, as decided by shareholders at their Annual Meeting of June 5, 2015. It is governed by European and French legislative and regulatory provisions that are or will be in force.

Fiscal year

The fiscal year runs for 12 months, beginning on January 1 of each year.

Access to legal documents and regulated information

Legal documents relating to the Company may be viewed at the registered office. Ongoing or periodic regulated information may be viewed (in French) on the Company's website, at www.wendelgroup.com, under the heading *Information réglementée*.

7.2 Principal by-laws

Wendel's by-laws may be viewed (in French) on the Company's website, at www.wendelgroup.com, under the heading *Information réglementée*.

7.2.1 Purpose of the Company

Pursuant to Article 3 of the by-laws, the Company has the following purpose, in all countries, directly or indirectly:

- any equity holdings in industrial, commercial and financial companies of whatever nature through the creation of new companies, transfers of subscriptions or purchases of shares or ownership rights, mergers, alliances, associations or otherwise; any disposals, exchanges or other operations concerning these shares, ownership rights or equity interests;
- the purchase, rental and operation of any equipment;
- the acquisition, sale and commercial use of any processes, patents or patent licenses;
- the acquisition, operation, sale or exchange of any real estate or real estate rights;
- and generally, any commercial, industrial, financial, investment and real estate operations directly or indirectly related to the abovementioned activities or to all similar or connected activities.

7.2.2 Appropriation of net income

Article 27 of the by-laws provides for the following:

1. at least 5% of net profit for each year, less any losses carried forward from prior years, is credited to the legal reserve until such time as the legal reserve represents one-tenth of share capital, as well as any amount credited to reserves pursuant to applicable legislation.

- Distributable earnings include net income for the year plus any unappropriated retained earnings carried forward from prior years.
- On the recommendation of the Executive Board, shareholders may decide in their Annual Meeting to deduct from this amount:
  - the amounts they consider should be allocated to any special reserve account;
  - the sum required to serve as revenue on shares based on the amount of paid-up, non-repaid capital within the limit of 5% per year;
  - the amounts they consider should be allocated to the general reserve or to share capital repayment.

2. any balance remaining after these appropriations are distributed to shareholders, less the sum allocated to retained earnings;
3. on the condition that all earnings available for distribution have been allocated in the form of dividends and on the recommendation of the Executive Board, shareholders at their Ordinary Meeting may allocate any amounts transferred from the share premium account;
4. as an exception to the provisions of the present article, funds may be allocated to the special employee profit sharing reserve under the terms and conditions set by law;
5. dividends are paid in the form and at the times determined by shareholders at their Ordinary Meeting or by the Executive Board with the authorization of shareholders at their Ordinary Meeting in accordance with applicable legislation. The Executive Board may decide to distribute an interim dividend before the approval of the financial statements for the year in accordance with applicable legislation.

- On the recommendations of the Executive Board, the shareholders, convened in their Annual Meeting to approve the year's financial statements, may offer each shareholder the choice to receive payment of all or a part of the distributed dividend (or interim dividend) in cash or in shares, under the terms and conditions defined by applicable legislation.

6. the shareholders at their Ordinary Meeting may also decide to distribute earnings, reserves or share premium amounts in kind, in particular by distributing marketable securities from among the assets on the balance sheet of the Company, with or without a cash option. The shareholders may decide that the rights comprising fractional shares shall not be negotiable or transferable, notwithstanding the provisions of Article 11.III of the by-laws. In the event marketable securities are distributed from among the assets on the balance sheet of the Company, the shareholders may decide that, if the amount of the dividend does not correspond to a whole number of securities, the shareholder will receive the whole number of securities immediately below plus a cash payment for the balance.

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.

7.2.3 Executive Board membership

See section 2.1.1 “The Executive Board and its operations”.

7.2.4 Supervisory Board membership

See section 2.1.2 “The Supervisory Board and its operations”.

7.2.5 Ownership thresholds that must be reported to the Company

In accordance with Article L. 233-7 of the French Commercial Code and Article 28 of the by-laws, any individual or corporate shareholder, acting alone or in concert with other shareholders, who comes to own a number of shares or voting rights representing more than 2% of the share capital or voting rights, or any multiple thereof, is required to so inform the Company within four trading days of crossing this threshold.

The same disclosure requirements apply when the number of shares or voting rights held is reduced to below the 2% threshold or any multiple thereof.

Failure to comply with the above requirements is sanctioned, as prescribed by law, by the deprivation of voting rights for those shares exceeding the fraction that should have been disclosed, for all Shareholders’ Meetings held within two years of the date on which the failure to give proper notice to the Company was rectified. This sanction is applicable at the request (recorded in the minutes of the Shareholders’ Meeting) of one or more shareholders holding at least 2% of the number of shares or voting rights.

7.3 How to take part in Shareholders' Meetings

All shareholders have the right to participate in Shareholders' Meetings under the conditions set down by the law.

Article 25 of the by-laws provides for the following:

1. Invitation to attend Shareholders' Meetings

Shareholders' Meetings are convened and held as prescribed by law.

They are held at the Company's registered office, or at another location, as indicated in the invitation to the meeting.

2. Participation in Shareholders' Meetings

Any shareholder whose shares are registered under the conditions and at a date set by the applicable legal and regulatory provisions has the right to participate in the Shareholders' Meetings on proof of his or her qualification and identity.

All Shareholders Meeting the required conditions have the right to participate in Shareholders' Meetings personally or by proxy, or to vote by mail.

As proof of shareholders' right to participate in the Company's Shareholders' Meetings, shares must be deposited in a securities account in their name or in the name of the financial intermediary that holds them on their behalf no later than midnight Paris time before the second business day prior to the meeting:

- for holders of registered shares: in the registered securities accounts held by the Company;
- for holders of bearer shares: in the bearer securities accounts of the authorized financial intermediary pursuant to the regulations in force.

In accordance with applicable law, the Executive Board may organize shareholder participation and voting via videoconferencing or other telecommunication systems that enable shareholder identification. Shareholders who participate in Shareholders' Meetings through videoconferencing or such other system are deemed present for the purposes of calculating the quorum and the majority.

If an electronic voting form is provided, shareholders who use it by the required deadline are considered to be present or represented shareholders. The electronic voting form may be entered and signed directly on the Company's website through any procedure approved by the Executive Board.

Any proxies or votes submitted using this electronic means prior to the Shareholders' Meeting, as well as the corresponding acknowledgements of receipt, are considered to be irrevocable and enforceable, it being specified that in the event of the sale of shares prior to the date and time set by legal and regulatory provisions in force, the Company shall accordingly invalidate or amend, as applicable, the proxies or votes cast prior to that date and that time.

3. Voting rights and acquisition of double voting rights

Voting rights attached to the shares are proportionate to the percentage of capital they represent.

Nevertheless, double voting rights are granted to fully paid-up shares that have been registered with the Company for at least two years in the name of the same shareholder.

In the event of a capital increase through the capitalization of reserves, distributable net income or share premium amounts, double voting rights may be granted at issue on the registered shares thus distributed to shareholders in proportion to their existing shares that benefited from this right.

Shares converted to bearer shares or transferred to another owner lose their double voting rights. However, registered shares that are transferred by way of an inheritance, the liquidation of a marital estate or a gift to a spouse or a direct relative do not lose their double voting rights and are considered as having remained the property of the same shareholder for the purpose of determining the two-year minimum holding period. The same terms apply in the event of a transfer resulting from the merger or demerger of a corporate shareholder.

Identifiable bearer shares

Article 9 of the by-laws allows shares to be held in registered or bearer form at the shareholder's discretion.

The Company has the right to request identification of the holders of shares carrying current or future voting rights at its Shareholders' Meetings and the number of shares so held, in accordance with legislation in force.

Modification of shareholder rights

In the absence of specific provisions in the by-laws, any change in the rights attached to shares is subject to legislation in force.

7.4 Information on share capital

7.4.1 Principal shareholders

As of December 31, 2015, the share capital was composed of 47,992,530 shares with a par value of €4 each, benefiting from 71,414,944 theoretical voting rights and 69,451,643 exercisable voting rights. Double voting rights are granted to fully paid-up shares which have been registered in the same shareholder's name for at least two years, regardless of the shareholder's country of citizenship. As of that date, 23,422,414 shares had double voting rights.

To the best of the Company's knowledge, the main shareholders as of December 31, 2015 were as follows:

	% of share capital
Wendel-Participations SE and related parties*	36.2%
Institutional investors outside France	26.8%
Individual shareholders	20.9%
Institutional investors in France	7.2%
Treasury shares	4.1%
Employees and executives	2.2%
Other	2.6%

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

To the best of the Company's knowledge:

- no shareholder, other than Wendel-Participations SE, owns more than 5% of the Company's shares;
- Supervisory and Executive Board members hold or represent 1.97% of the share capital and 2.02% of the exercisable voting rights.

There are no securities or other rights representing liabilities of the Company, convertible bonds, exchangeable bonds and/or bonds redeemable in shares that give or could give access to the capital except for stock options (subscription or purchase) and future performance share plans.

There are no shares that do not represent capital, such as founder shares or voting rights certificates.

As of December 31, 2015, total exercisable stock subscription option grants represented 0.4% of the share capital.

7.4.2 Controlling legal entities or individuals

Wendel-Participations SE

Presentation

Wendel-Participations SE is a holding company that holds Wendel shares. Wendel-Participations SE is owned by approximately 1,080 Wendel family individuals and legal entities. The purpose of Wendel-Participations SE is to:

- invest and manage its own funds and acquire participating interests;
- own (through purchase, subscription at issue, exchange or any other means) and manage any French or foreign listed or unlisted securities and rights to intangible or tangible property, and engage in any type of short-, medium- or long-term capital transactions;
- participate in any guarantee, placement or other syndicates;
- create new companies;
- preserve the assets and other interests of the Wendel family;
- and generally, in France, and in countries outside France, undertake any commercial, industrial, financial, investment or real estate operations directly or indirectly related, in whole or in part, to the above-mentioned activities.

Wendel's control structure

As of December 31, 2015, Wendel-Participations SE (and related parties) had a controlling interest in Wendel with 36.22% of its share capital, 48.68% of its theoretical voting rights, and 50.05% of its exercisable voting rights.

The following measures ensure that this control is appropriately exercised:

- management and oversight are separated through a two-tiered structure, including an Executive Board and a Supervisory Board;
- at least one-third of Supervisory Board members are independent;
- the chairmen of the Supervisory Board committees are independent Board members.

Economic and financial ties with Wendel

There are no significant economic or financial relations between Wendel-Participations SE and Wendel, other than the dividends received and the following agreements (section 8.1 of the registration document):

- a memorandum of understanding on the use of the "Wendel" family name and a license agreement governing the use of the "Wendel" brand, amended in October 2013 and October 2015, as mentioned in the Statutory Auditors' special report on related-party agreements and commitments;
- agreements with Wendel-Participations SE covering administrative assistance and leasing of premises, mentioned in the Statutory Auditors' report on related-party agreements and commitments.

7.4.3 Significant changes in share ownership and voting rights in the last three years

	Situation as of 12/31/2015		Situation as of 12/31/2014		Situation as of 12/31/2013	
	Share capital	Voting rights	Share capital	Voting rights	Share capital	Voting rights
Wendel-Participations SE*	36.2%	50.1%	36.4%	49.0%	35.7%	48.4%
First Eagle	3.4%	2.3%	3.8%	4.6%	3.6%	4.5%
Treasury shares (registered shares)	3.9%		2.7%		3.4%	
Group savings plan	0.7%	0.8%	0.7%	0.8%	0.8%	0.8%
Other shareholders (institutional and individual)	55.9%	46.8%	56.4%	45.6%	56.5%	46.3%
of which individual shareholders	*20.9%*	*22.3%*	*22.6%*	*23.1%*	*23.7%*	*24.0%*
TOTAL SHARES AND EXERCISABLE VOTING RIGHTS	**47,995,530**	**65,451,643**	**47,796,535**	**70,936,549**	**48,631,341**	**71,836,125**

Voting rights are calculated based on the exercisable voting rights as of that date.

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

In January 2016, a study was performed, as is done every year, to identify the shareholders of Wendel as of December 31, 2015.

There was relatively little change during the year in Wendel's shareholder structure, with a decrease in French institutional investors (7.3% vs. 8.1% as of December 31, 2014) and an increase in foreign institutional investors (26.8% vs. 24.9% as of December 31, 2014). The number of individual shareholders decreased to 34,200 vs. 40,300 in the previous year, and their share of capital decreased slightly to 20.9% vs. 22.6% in the previous year.

7.4.4 Changes in share capital in the last three years

Date of change in capital	Type of transaction	Change in number of shares	Number of shares comprising the capital	Par value	Change in share capital (in euros)	Amount of share capital (in euros)	Change in share premiums (in euros)	Amount of share premiums
Situation as of December 31, 2012			**49,543,641**	**€4**		**198,174,564**		**184,361,423**
	Exercises of options	50,706	49,594,347	€4	202,824	198,377,388	2,596,684	186,958,107
	Issue of shares reserved for employees	28,854	49,623,201	€4	115,416	198,492,804	1,798,181	188,756,288
	Cancellation of shares	-991,860	48,631,341	€4	-3,967,440	194,525,364	-74,204,428	114,551,861
Situation as of December 31, 2013			**48,631,341**	**€4**		**194,525,364**		**114,551,861**
	Exercises of options	116,468	48,747,809	€4	465,872	194,991,236	2,721,958	117,273,819
	Issue of shares reserved for employees	24,022	48,771,831	€4	96,088	195,087,324	1,995,027	119,268,846
	Cancellation of shares	-975,296	47,796,535	€4	-3,901,184	191,186,140	-96,145,795	23,123,051
Situation as of December 31, 2014			**47,796,535**	**€4**		**191,186,140**		**23,123,051**
	Exercises of options	177,745	47,974,280	€4	710,980	191,897,120	7,040,866	30,163,917
	Issue of shares reserved for employees	18,250	47,992,530	€4	73,000	191,970,120	1,563,660	31,727,577
Situation as of December 31, 2015			**47,992,530**	**€4**		**191,970,120**		**31,727,577**

7.4.5 Ownership threshold disclosures

On December 18, 2015, First Eagle Investment Management LLC disclosed that its holdings of Wendel voting rights had fallen below the 4% statutory threshold, following the conversion of registered shares, previously held by the funds managed by First Eagle, to bearer shares. This resulted in the loss of double voting rights attached to those shares. As of December 15, 2015, First Eagle held 3.42% of Wendel's share capital and 2.26% of theoretical voting rights.

On January 7, 2016, Wendel-Participations SE disclosed that it had exceeded the 48% threshold for voting rights on January 6, 2016, following passive accretion resulting from the conversion of registered shares previously held by another shareholder to bearer shares (see section 7.4.3 above).

7.4.6 Pledging of issuer's shares

To the best of the Company's knowledge, 165,689 registered Wendel shares (in either pure or administered form) were pledged as collateral as of December 31, 2015.

7.5 Principal new investments and acquisitions of controlling interests

Wendel's investment activities generate a certain turnover in its portfolio. Over the past three years, its principal investments and divestments have been as follows:

In 2013, Wendel increased its investment in IHS to a total of $276 million, giving it a stake of more than 35% in the company, sold its remaining interest in Legrand for €520 million, generating a capital gain of about €370 million, sold 1.9 million Saint-Gobain shares for €68 million, invested €100 million for a 13.33% stake in Saham, entered exclusive negotiations with Astorg to sell Kerneos for €610 million, with a €60 million reinvestment by Wendel in subordinated debt, and acquired Nippon Oil Pump in Japan for €24 million.

In 2014, Wendel increased its investment in IHS by $503 million, of which $394 million was invested in 2014 and $109 million was invested in 2015. Wendel sold 4.3% of the capital of Saint-Gobain for about €1 billion. Stahl acquired the Leather Services division of Clariant for €75 million in cash and 23% of Stahl's share capital. Materis sold Kerneos, ParexGroup and Chryso for a total of €1.7 billion. Wendel entered into exclusive negotiations to acquire CSP Technologies for an enterprise value of $360 million, and signed an acquisition agreement to acquire Constantia Flexibles based on an enterprise value of €2.3 billion.

In 2015, Wendel completed the acquisition of CSP Technologies on January 29 with a $198 million investment representing 98% of capital, and on March 6, sold 10.9% of Bureau Veritas capital for about €1 billion. On March 27, Wendel completed the acquisition of Constantia Flexibles for an enterprise value of €2.3 billion. After the syndication of a €101 million minority interest of its initial €640 million investment and an additional €31 million investment in November, Wendel's total investment in Constantia Flexibles was €571 million, representing a 61.4% stake. In July, Wendel invested $109 million in IHS to complete the last tranche of a capital increase launched by IHS in November 2014. On December 1, Wendel acquired 96% of the capital of AlliedBarton Security Services for $688 million.

The Company's 2015 activities are detailed in section 1 and in the changes in consolidation scope detailed in the notes to the consolidated financial statements.

Press releases on Wendel's transactions are posted on its website, at www.wendelgroup.com, under the heading "Press Portal".

As of the date of this registration document, no other investment plan is sufficiently far advanced for Wendel's management to have made any firm commitments.

7.6 Financial authorizations

7.6.1 Existing financial authorizations and use thereof

As of December 31, 2015, the following financial authorizations were in effect:

Authorization	Annual Meeting date (resolution no.)	Period and expiration date	Authorized amount (par value) or % of share capital	Amount used as of 12/31/2015
A. Issue of shares or other securities giving access to the capital				
■ With maintenance of preferential subscription rights	06/05/2015 13th resolution	14 months 08/05/2016	€95 million	-
■ With waiver of preferential subscription rights	06/05/2015 14th, 15th, and 16th resolutions	14 months 08/05/2016	€40 million	-
■ Under greenshoe option	06/05/2015 17th resolution	14 months 08/05/2016	15% of the initial issue	-
■ As consideration for securities (contributions in kind/exchange offers)	06/05/2015 18th resolution	14 months 08/05/2016	10% of the capital and €100 million for exchange offers	-
■ Capitalization of reserves	06/05/2015 19th resolution	14 months 08/05/2016	€80 million	-
■ Overall ceiling authorized	06/05/2015 20th resolution	14 months 08/05/2016	€325 million	-
B. Authorization of share buyback program and share cancellations				-
■ Share buybacks	06/05/2015 9th resolution	14 months 08/05/2016	10% Max. price: €200 per share	1,522,210 shares, i.e. 3.18% of share capital
■ Cancellation of shares	06/05/2015 15th resolution	24 months 08/05/2017	10% per 24-month period	-
C. Employee share ownership				
■ Group savings plan	06/05/2015 21st resolution	14 months 08/05/2016	€200,000	€73,000
■ Stock options (subscription and/or purchase)	06/05/2015 22nd resolution	14 months 08/05/2016	1% of share capital at the grant date, i.e. 479,163 shares (common ceiling for options and performance shares)	268,314 shares, i.e. 0.55% of share capital
■ Performance shares	06/05/2015 23rd resolution	14 months 08/05/2016	0.3333% of share capital at the grant date (this ceiling is applied to the above common ceiling)	70,268 shares, i.e. 0.15% of share capital

7.6.2 Financial authorizations to be proposed at the Shareholders' Meeting of June 1, 2016

Authorization	Annual Meeting date (resolution no.)	Period and expiration date	Authorized amount (par value) or % of share capital
A. Issue of shares or other securities giving access to the capital			
■ With maintenance of preferential subscription rights	06/01/2016 10th resolution	14 months 08/01/2017	€95 million
■ With waiver of preferential subscription rights	06/01/2016 11th, 12th and 13th resolutions	14 months 08/01/2017	€19 million
■ Under greenshoe option	06/01/2016 14th resolution	14 months 08/01/2017	15% of the initial issue
■ As consideration for securities (contributions in kind/exchange offers)	06/01/2016 15th resolution	14 months 08/01/2017	10% of the capital and €19 million for exchange offers
■ Capitalization of reserves	06/01/2016 16th resolution	14 months 08/01/2017	€80 million
■ Overall ceiling authorized	06/01/2016 17th resolution	14 months 08/01/2017	€210 million
B. Authorization of share buyback program			
■ Share buybacks	06/01/2016 9th resolution	14 months 08/01/2017	10% of the capital, max. price: €200 per share
C. Employee share ownership			
■ Group savings plan	06/01/2016 18th resolution	14 months 08/01/2017	€200,000
■ Stock options (subscription and/or purchase)	06/01/2016 19th resolution	14 months 08/01/2017	1% of share capital (common ceiling for options and performance shares)
■ Performance shares	06/01/2016 20th resolution	14 months 08/01/2017	0.3333% of capital (this ceiling is applied to the above common ceiling)

The resolutions submitted to shareholders for approval at the June 1, 2016 Shareholders' Meeting will cancel the unused amounts of, and replace, the resolutions with the same purpose that were adopted at the June 5, 2015 Shareholders' Meeting.

7.7 Share buybacks

7.7.1 Legal framework

At their meeting of June 6, 2014 (9th resolution), shareholders authorized a program allowing the Company to buy back its own shares, limited to the number of shares representing 10% of the share capital at the time of the buyback, for a period of 14 months.

At their meeting of June 5, 2015 (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 period of 14 months. The maximum repurchase price under this authorization is €200.

The Executive Board is thus authorized to repurchase the number of shares representing a maximum of 10% of the share capital. For information, at the dates the authorizations were granted, these maximums were 4,873,340 and 4,788,846 shares, respectively.

In accordance with applicable regulations and market practices permitted by the AMF, the objectives of the share buyback program are as follows:

- to deliver shares (as an exchange, payment or other consideration) in the context of acquisitions, mergers, spin-offs or asset contributions, subject to prior authorization by the Supervisory Board;
- to deliver shares on the occasion of the exercise of rights attached to securities giving access to the Company's share capital immediately or at a later date;
- to enable an investment service provider to make a secondary market in the Company's stock or maintain the liquidity thereof under a liquidity contract in compliance with the Code of Conduct of the Autorité des marchés financiers;
- to implement a stock purchase option plan as defined in Articles L. 225-177 *et seq*. of the French Commercial Code;
- to allocate performance shares pursuant to Articles L. 225-197-1 *et seq*. of the French Commercial Code;
- to allocate or sell shares as part of the Group's profit sharing program and any Group savings plan as provided for by law, particularly Articles L. 3321-1 *et seq*. and L. 3331-1 *et seq*. of the French Labor Code;
- to cancel all or part of the shares purchased.

This program also allows the Company to pursue any other purpose that has been or may be authorized by legislation or regulations in force. In such an event, the Company would inform shareholders *via* a press release.

At their meeting of June 5, 2015 (12th resolution), shareholders authorized the Executive Board, for a period of 26 months, with prior approval of the Supervisory Board, to reduce the share capital of the Company by no more than 10% per 24-month period through the cancellation of shares repurchased in the various share buyback programs authorized by shareholders.

7.7.2 Liquidity contract

On October 4, 2005, Wendel entered into a liquidity contract with Oddo Corporate Finance, with a view to making a market and ensuring regular price quotations of its shares, and made €5,000,000 and 80,000 shares available to Oddo.

On September 8, 2011, Wendel contributed an additional €10,000,000, bringing the resources available under the liquidity contract to €15,000,000 and 80,000 shares.

Under the liquidity contract, between January 1 and December 31, 2015, Oddo Corporate Finance:

- purchased for the account of Wendel 1,609,827 shares for a total value of €174,344,055.50 and an average unit value of €108.30;
- sold for the account of Wendel 1,609,827 shares for a total value of €174,605,374.77 and an average unit value of €108.46.

7.7.3 Implementation of stock-option and performance share plans

Between January 1 and December 31, 2015, Wendel did not directly acquire any of its own shares to cover exercises under purchase-type stock-option and performance share plans.

7.7.4 Delivery of shares in the context of acquisitions, mergers, spin-offs or asset contributions

Between January 1, 2015 and December 31, 2015, Wendel directly acquired 643,829 of its own shares for delivery in the context of acquisitions, mergers, spin-offs or asset contributions. These shares were acquired for a gross value of €70,676,860.12 and an average unit price of €109.78.

7.7.5 Cancellation of shares

Between January 1 and December 31, 2015, Wendel did not reduce capital by cancellation of shares.

7.7.6 Summary of transactions on shares held by the Company as of December 31, 2015

The Company has not repurchased or sold shares for any purposes authorized under the program other than those detailed in section 7.7.3 above.

Wendel did not make use of any derivative instruments in the context of this share buyback program.

In the 24 months prior to December 31, 2015, Wendel canceled 975,296 shares (September 2014).

As of December 31, 2015, the Company held 1,963,301 of its own shares, or 4.09% of the capital.

Summary of the Company's transactions on its own shares from January 1 to December 31, 2015

	Cumulative gross amounts in 2015	
	Purchases	**Sales/Transfers**
Number of shares	2,253,656	2,052,303
Average maximum maturity	-	-
Average transaction price	€108.72	€97.27
Average exercise price	-	-
Amounts	€245,020,915.62	€199,622,014.83

Open positions as of December 31, 2015

Open long positions			Open short positions		
Calls purchased	Puts issued (written)	Forward purchases	Calls issued (written)	Puts purchased	Forward sales
-	-	-	-		
-	-	-	-	-	-

7.7.7 Description of the program to be proposed to shareholders at their June 1, 2016 Annual Meeting

The 9th resolution proposed at the June 1, 2016 Shareholders' Meeting asks shareholders to approve a new share buyback program, pursuant to Articles L. 225-209 *et seq*. of the French Commercial Code, to Title IV of Book II of the General Regulation of the AMF and to European Commission regulation 2273/2003, dated December 22, 2003.

Under this program, shares can be bought for any of the following purposes:

- to deliver shares (as an exchange, payment or other consideration) in the context of acquisitions, mergers, spin-offs, or asset contributions;
- to deliver shares 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 Conduct of the Autorité des marches financiers;
- to implement stock purchase option plans as defined in Articles L. 225-177 *et seq*. of the French Commercial Code;
- to allocate performance shares pursuant to Articles L. 225-197-1 *et seq*. of the French Commercial Code;
- to allocate or sell shares as part of the Group's profit sharing program and any Group savings plan as provided for by law, particularly Articles L. 3321-1 *et seq*. and L. 3331-1 *et seq*. of the French Labor Code;
- to cancel all or part of the shares purchased.

This program is also intended to allow the Company to pursue any other purpose that has been or may be authorized by legislation or regulations in force. In such an event, the Company would inform shareholders *via* a press release.

The number of shares repurchased under the authorization to be granted to the Executive Board may not exceed 10% of the share capital at the time of the buyback. For information, as of December 31, 2015, this authorization represented 4,799,253 shares, or a maximum theoretical investment of €959,850,600 based on the maximum buyback price of €200 per share.

Pursuant to Article L. 225-210 of the French Commercial Code, the Company has made a commitment to keep its holding, both direct and indirect, within the limit of 10% of share capital. As of December 31, 2015, the number of Wendel shares held by the Company was 1,963,301. In light of the shares already held in treasury, the Company would be able to repurchase 2,835,952 shares, or 5.9% of the share capital, for a maximum amount of €567,190,400, based on the maximum unit purchase price of €200. The Company reserves the right to pursue the program to the full extent of its authorization.

The share buyback authorization would be valid for a period of 14 months from the June 1, 2016, Shareholders' Meeting, i.e. until August 1, 2017.

7.8 Transactions on Company securities by corporate officers

Summary of transactions on Company shares, pursuant to Article L. 621-18-5 of the French Monetary and Financial Code, carried out during 2015[(1)].

Name and function	Type of security	Type of transaction	Number of securities
Frédéric Lemoine Chairman of the Executive Board	Shares	Sale	134,020
	Shares	Exercise of stock options	144,500
	Shares	Subscription	5,000
Bernard Gautier member of the Executive Board	Shares	Sale	40,598
	Shares	Exercise of stock options	43,597
	Shares	Subscription	1,100
Jean-Michel Ropert[(2)] member of Wendel's Supervisory Board, representing employees	Shares	Sale	19,000
	Shares	Exercise of stock options	18,000
	Shares	Subscription	691
Jacqueline Tammenoms Bakker member of the Supervisory Board	Shares	Purchases	500
Gervais Pellissier member of the Supervisory Board	Shares	Purchases	500

(1) Including transactions carried out by closely-related persons, as defined in the AMF instruction of September 28, 2006.
(2) Mr. Ropert was a member of the Supervisory Board until September 30, 2015.

7.9 Shareholder agreements

7.9.1 Commitments concerning Wendel shares

In accordance with the law of August 1, 2003, the Company has been informed of the following share retention commitments between Wendel-Participations SE and Spim and certain individual shareholders:

- commitments to hold shares for a period of six years pursuant to Article 885 I *bis* of the French Tax Code, dated December 14, 2007, December 1, 2008, December 1, 2010, December 5, 2011, December 19, 2012 and December 3, 2013 relating to 36.49%, 38.06%, 36%, 36.74%, 39.12% and 38.58% of the share capital, respectively, at those dates;
- commitments to hold shares for a period of two years pursuant to Article 885 I *bis* of the French Tax Code, dated December 10, 2015 relating to 38.73% of share capital at that date;
- commitments to hold shares for a period of two years pursuant to Article 787 B of the French Tax Code, dated December 5, 2011, December 19, 2012, December 3, 2013, December 1, 2014, and December 10, 2015 relating to 36.71%, 36.91%, 37.48%, 39.06% and 38.98% 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 SE and Spim. The shareholders involved in these obligations are not considered to be acting in concert.

As required by Articles 885 I *bis* and 787 B of the French Tax Code and L. 233-11 of the French Commercial Code, these agreements have been reported to the AMF.

Other retention commitments concerning Wendel shares are set out in section 2.1.6.6.

7.9.2 Shareholder and Corporate governance agreements entered into by the Wendel Group: unlisted companies

As of December 31, 2015, the Wendel Group was party to several agreements governing its relationships with the co-shareholders in its unlisted companies, including minority investors (Constantia Flexibles, IHS, Materis, Saham, and Stahl), and subsidiary managers (or former managers) having taken advantage of programs enabling them to share in their company's performance (AlliedBarton, CSP Technologies, Materis, Stahl, Parcours, Mecatherm, and NOP).

These agreements contain various clauses related to:

- Corporate governance (composition of governing bodies, veto rights on certain strategic decisions and rights to information);
- terms of share transfers (lock-up periods, pre-emptive rights and rights of first refusal);
- anti-dilution rules in the event of transactions involving the share capital; and
- exit terms in the event of a sale (tag-along and drag-along rights) or IPO.

The Constantia Flexibles, Stahl and Saham shareholder agreements also contain the following terms:

- for Constantia Flexibles, the H. Turnauer Foundation, which manages the interests of Constantia Flexibles' founding family, has the option to request, between 2020 and 2023, either the launch of an IPO or the repurchase of shares through refinancing by the Group, to ensure the preferential liquidity of its investment. Failing either of those actions, the Wendel Group has granted the H. Turnauer Foundation a put option at market value for half of its initial investment, payable in two tranches in cash or in Wendel shares, at Wendel's option. This commitment was recognized in financial liabilities in accordance with accounting principles applicable to minority puts;
- for Stahl:
  - Stahl's minority financial investors (for example, second-lien and mezzanine lenders) have a put option to sell shares at a discount, in tranches of one-third of their stake, between 2016 and 2018; This commitment was recognized in financial liabilities in accordance with accounting principles applicable to minority puts,

- Clariant, minority shareholder in Stahl since the acquisition of Clariant Leather Services, benefits from a medium-term liquidity guarantee granted by Wendel to Clariant in an amount determined by a predefined margin multiple; This commitment was recognized in financial liabilities in accordance with accounting principles applicable to minority puts;

- in Saham, the majority shareholder of Saham has the option to buy back the whole of Wendel's investment in Saham until 2018 (at a price guaranteeing a minimum IRR of 15% for Wendel);
- finally, AlliedBarton Security Services has agreed to implement a governance structure in compliance with US national security interests (see section 1.7.7 and note 2.1.6 to the consolidated financial statements).

The agreements with the management teams of the subsidiaries (AlliedBarton, CSP Technologies, Materis, Mecatherm, NOP, Parcours, and Stahl) also carry stipulations relating to:

- the handling of executive departures (commitment to sell shares to the Group in the event of an executive departure from a subsidiary and/or commitment to buy shares in certain specific cases); and
- the right to liquidate their co-investment in successive tranches, in the absence of a sale or IPO beyond a certain period of time (2-14 years after the Wendel Group's investment, depending on the agreement).

Co-investment terms for senior managers in the subsidiary companies are described in greater detail in note 4.2 relating to the participation of subsidiary managers in the performance of Group entities.

As part of the liquidity commitments under these agreements, if no liquidity event (divestment or IPO) takes place before certain predetermined dates, the Wendel Group can be required to buy back the shares held by managers (or former managers) in the AlliedBarton, CSP Technologies, Materis, Mecatherm, NOP, Parcours, and Stahl subsidiaries. The value applied to these liquidity commitments is market value, as determined by an appraiser, or a value calculated on the basis of a profitability multiple.

This would also be the case for Wendel managers holding shares under co-investment plans in AlliedBarton, Constantia Flexibles, CSP Technologies, IHS, Materis, Mecatherm, NOP, Saham, and Stahl (see note 4.1 on the participation of Wendel managers in the Group's investments).

7.9.3 Shareholder and Corporate governance agreements entered into by the Wendel Group: listed companies

7.9.3.1 exceet Group SE

In an agreement entered into in July 2011, Oranje-Nassau Participaties BV, a Wendel subsidiary, the individual founding shareholders of Helikos SE, VMCap and the principal executives of exceet formalized their relationship as shareholders of exceet Group SE acting in concert.

This agreement has a term of five years (with automatic renewal for successive one-year periods), but can be terminated earlier under certain circumstances, in particular if the stake held by VMCap or Wendel should fall below 5% of the capital. It provides for the following:

- VMCap, Wendel and management shall have seats on exceet's Board of Directors and standing committees (with the representation of VMCap and Wendel being adjusted in proportion to their stake in the company);
- VMCap and Wendel shall act in concert before strategic decisions are made by the Board of Directors or at Shareholders' Meetings; and
- certain agreements governing the transfer by Wendel or VMCap of their investment in exceet, and particularly a right of first refusal in the event of sale of public shares.

For more details on this agreement, please refer to the Proxy Statement dated June 7, 2011 available on the company's website (www.exceet.ch).

7.9.3.2 Joint statement by Wendel and Saint-Gobain

In a statement published on May 26, 2011, Wendel and Saint-Gobain expressed their satisfaction that the agreements signed in March 2008 had allowed Saint-Gobain to develop under favorable conditions. The representation of Wendel on Saint-Gobain's Board of Directors, the creation of a Strategy Committee and the resulting high-quality discussions have helped to establish a constructive dialogue and efficient governance and are likely to create favorable conditions for Saint-Gobain's development over the long term. Wendel, as leading shareholder, and Saint-Gobain, through the agreement of its Board of Directors, therefore wish to confirm clear governance principles in a spirit of continuity while marking a new stage in the strategic cooperation and regular dialogue between the two groups.

Wendel and Saint-Gobain reiterate their commitment to the following principles:

- support for the strategy approved by the Board of Directors and implemented by Executive Management;
- respect for Saint-Gobain's independence and equal treatment for all shareholders;
- stability of the shareholder base, Wendel's contribution to Saint-Gobain's projects and its long-term commitment to Saint-Gobain.

Wendel and Saint-Gobain affirm their determination to implement the business model defined by Saint-Gobain's Board of Directors which serves a clear ambition: to become the leading player in sustainable housing, by offering solutions that make buildings energy-efficient and more environmentally-friendly while improving comfort and quality of life for all, and by maintaining its exemplary approach to all aspects (economic, environmental, social and societal) of sustainable development.

Saint-Gobain's business model is built on three main pillars: Construction Products, Building Distribution and Innovative Materials. Each of these businesses provides Saint-Gobain with specific advantages which together will help drive growth, notably through targeted acquisitions.

As well as an extensive global footprint including in emerging countries, the Construction Products sector offers Saint-Gobain leading-edge technical expertise, particularly in terms of energy efficiency. This can be used to support the development of other Saint-Gobain businesses throughout the world. The sector's construction products and solutions also allow Saint-Gobain to meet the fast-growing needs of emerging countries resulting from demographic and economic change and rapid urbanization, and to provide mature economies with sustainable habitat solutions.

Thanks to its close-up knowledge of customers and market trends, the Building Distribution sector contributes to the entire Saint-Gobain Group. Growth in this sector is driven by new store concepts and new countries.

The third pillar of the model is the Innovative Materials sector, which includes Flat Glass and High-Performance Materials. This sector facilitates access to innovation, as well as to emerging countries. It acts as a technological leader for the entire Group, thanks to a diverse portfolio of materials, patents and processes which have applications in a wide variety of sectors and will also be used in building homes for tomorrow.

On November 15, 2010, the Group set the following objectives through to 2015:

- organic growth in excess of the Saint-Gobain Group's historical average organic growth rate, accompanied by a targeted acquisitions policy;
- increase in the Saint-Gobain Group's profitability to above its historical average;
- completion of the strategic refocus on Habitat and withdrawal from Packaging (Verallia);
- stronger positions for the Saint-Gobain Group in high value-added solutions;
- faster-paced development for the Saint-Gobain Group in Asia and emerging countries.

The implementation of this strategy will be pursued while respecting the need for strict financial discipline and a clear policy of shareholder returns.

In terms of the governance of the Saint-Gobain Group, Wendel currently holds three out of sixteen seats on Saint-Gobain's Board of Directors, a representation that will remain unchanged going forward. If Wendel were to hold less than 10% of Saint-Gobain's voting rights, it would be entitled to only one seat on the Board. A director representing Wendel has also been appointed to each of Saint-Gobain's Board committees where Wendel plays an important role and this representation would therefore remain unchanged.

Wendel and the Saint-Gobain Group's Executive Management will consult with each other in due time, notably as regards any draft resolution to be put to the vote of Shareholders' Meetings. Neither of the two groups will publish a press release nor publicly adopt a position concerning the other party without having previously informed the other party of its intention to do so.

Wendel confirms that it has no plans to increase its shareholding, either directly or indirectly, alone or in concert, beyond 21.5% of Saint-Gobain's capital. This provision will not apply (i) if the number of Saint-Gobain shares is reduced or if Saint-Gobain buys back its own shares, with Wendel's previously held number of shares remaining unchanged, or (ii) if a stock dividend is paid leading to an accretion of Wendel's interest. These provisions regarding changes in Wendel's shareholding will no longer apply if any other shareholder acting alone or in concert crosses the threshold of 11% of Saint-Gobain's capital, or if a tender offer is launched for Saint-Gobain.

Finally, Wendel agrees not to join a tender offer if the terms of the offer have not been approved by Saint-Gobain's Board of Directors and to abstain from any action that may provoke, encourage or help any such offer to succeed as well as from publicly recommending such an offer, it being specified that Wendel shall nevertheless remain free to tender all or some of its shares if such an offer were to occur.

Wendel shares Saint-Gobain's desire to promote a stable, high-quality shareholder base. Consequently, should Wendel consider transferring shares representing at least 5% of Saint-Gobain's capital, on one or more occasions, to a limited number of buyers, it shall inform Saint-Gobain's Executive Management of its intention. Saint-Gobain's Executive Management would then have one week to submit an acquisition proposal for the shares concerned, by a third party or by Saint-Gobain, remaining valid for a reasonable period of time. Following discussions between the Chairman of each party, Wendel may accept Saint-Gobain's proposal or pursue another offer with financial and key strategic characteristics that it considers in good faith are better aligned with its own interests. Saint-Gobain may ask Wendel to arrange a prior meeting with any such buyer(s) that may have been identified. In any case, the Executive Management of Saint-Gobain and Wendel will use their best efforts to make the transaction a success, in a spirit of cooperation and partnership. In the event of a tender offer for Saint-Gobain, this right of first offer will not apply to any Saint-Gobain shares tendered by Wendel to an offer declared valid by the market authorities.

The items described above provide a favorable basis for the development of the long-term partnership between Saint-Gobain and its leading shareholder, Wendel. It is understood that in the unlikely event that Wendel should notice a disagreement with the majority of Saint-Gobain's Board of Directors on an issue considered of importance, Wendel and Saint-Gobain would use their best efforts to jointly define, within a period of one month, an amicable solution that allows Wendel to continue fulfilling its role on the Board. If Wendel requested that a resolution not approved by the Board be put to the vote of a Shareholders' Meeting of Saint-Gobain, this would obviously constitute a disagreement on an issue considered to be of importance. If the disagreement persisted, Wendel and Saint-Gobain would be discharged from all of their commitments stated herein and the directors representing Wendel would be led to leave the Board at the end of the following Shareholders' Meeting. The aforementioned commitments are valid for a period of ten years from the end of the Shareholders' Meeting of June 9, 2011.

This statement can be found on Wendel's website under the heading "Press portal".

7.10 Factors likely to have an impact in the event of a takeover offer

Pursuant to Article L. 225-100-3 of the French Commercial Code, to the best of the Company's knowledge, the items that might have an impact in the event of a takeover bid are as follows:

- the 36.22% of the Company's shares and 48.68% of its theoretical voting rights held by Wendel-Participations SE and its related parties of as of December 31, 2015;
- agreements authorizing the Company and its international offices to use the "Wendel" name and the "Wendel" brand. These agreements contain a cancellation clause in the event that Wendel-Participations SE's stake in the Company should fall below 33.34% of the shares for 120 consecutive days (see section 8.1 of the Statutory Auditor's special report on related-party agreements and commitments with related third parties);
- the granting of double voting rights to fully paid-up shares that have been registered with the Company for at least two years in the name of the same shareholder (see section 7.3);
- change-of-control clauses in bond indentures and certain loan agreements of Wendel and its subsidiaries (see "Managing Liquidity Risk" in note 5.2 to the consolidated financial statements);
- right of first refusal: the share-retention commitments of certain shareholders grant a right of first refusal to Wendel-Participations SE or Spim (see section 7.9.1 above);
- authorizations granted to the Executive Board to increase share capital;
- prior authorization from the Supervisory Board required to amend the by-laws;
- termination payments for Executive Board members: the departure of the members of the Executive Board in the event of a change in control of the Company would result in termination payments, as decided at the meetings of the Supervisory Board of May 6, 2009 and February 11, 2010, and confirmed in its meeting of March 27, 2013 (section 2.1.7.7);
- crossing statutory thresholds: the crossing of every 2% threshold of share capital or voting rights holding must be disclosed.

8

SHAREHOLDERS' MEETING OF JUNE 1, 2016

8.1 Statutory Auditors' special report on related party agreements and commitments

This is a free translation into English of the Statutory Auditors' special 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 Meeting of Shareholders for the approval of the financial statements for the year ended December 31, 2015)

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 the agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of Article R. 225-58 of the French Commercial Code (*Code de commerce*), it is the responsibility of the 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 Meeting of Shareholders.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements and commitments submitted for the approval of the General Meeting of Shareholders

Agreements and commitments authorized during the year

In accordance with Article L. 225-88 of the French Commercial Code, we were informed of the following agreements and commitments that were previously authorized by your Supervisory Board.

A. With Fréderic Lemoine, Chairman of the Executive Board, and Bernard Gautier, member of the Executive Board of your Company

1. Co-investment by members of the Executive Board in AlliedBarton Security Services

On December 1, 2015, the Wendel Group ("your Group") invested $688 million in AlliedBarton Security Services. In accordance with the co-investment rules applicable to Global Performance 17 SA Sicar and Expansion 17 SA Sicar, a proposal was made to management and to certain executives to co-invest 0.5% of the amounts invested by your Group.

As a result, after prior authorization by the Supervisory Board on September 9, 2015, Fréderic Lemoine and Bernard Gautier invested €649,923.50 and €433,173.25 respectively in Global Performance 17 SA Sicar and in the AlliedBarton Security Services compartment of Expansion 17 SA Sicar on November 27, 2015. The Supervisory Board noted the importance of allowing members of the Executive Board to invest in these companies alongside your Group, in order to align their interests with those of the shareholders.

2. Additional co-investments by members of the Executive Board in CSP Technologies

Following the adjustment of the amount invested by your Group in CSP Technologies in light of the net book value at the closing date, and in accordance with the co-investment rules applicable to Global Performance 17 SA Sicar and Expansion 17 SA Sicar, Fréderic Lemoine and Bernard Gautier, after prior authorization by the Supervisory Board on February 11, 2015, invested €3,953.50 and €2,635 respectively in Global Performance 17 SA Sicar and in the CSP Technologies compartment of Expansion 17 SA Sicar on December 22, 2015. The Supervisory Board noted the importance of allowing members of the Executive Board to invest in these companies alongside your Group, in order to align their interests with those of the shareholders.

B. With Wendel-Participations, shareholder of your Company

Use of the Wendel brand to establish your Company in London

In the context of the reopening of an office in London, on December 8, 2015, your Company and Wendel-Participations, owner of the Wendel brand, signed an amendment to the license agreement of May 15, 2002 authorizing the use of the Wendel brand for this office. No other amendments were made to the brand license agreement. This agreement received prior authorization from the Supervisory Board on October 22, 2015. The Supervisory Board considered that it was important for the Company to be visible on the UK market under the Wendel brand name.

Agreements and commitments authorized since the year end

A. With Fréderic Lemoine, Chairman of the Executive Board, and Bernard Gautier, member of the Executive Board of your Company

1. Additional co-investments by members of the Executive Board in CSP Technologies

In view of the planned additional investment by your Group in CSP Technologies, at its meeting on February 10, 2016, the Supervisory Board authorized the members of the Executive Board to invest one-third of 0.5% of the amount your Group will invest in CSP Technologies. This co-investment authorization is based on a maximum equity investment by your Group of the euro equivalent of $30 million in CSP Technologies. These co-investments are subject to the co-investment rules applicable to Global Performance 17 SA Sicar and Expansion 17 SA Sicar.

As a result, Fréderic Lemoine and Bernard Gautier invested €26,574.50 and €17,711.75 respectively in Global Performance 17 SA Sicar and in the CSP Technologies compartment of Expansion 17 SA Sicar on February 25, 2016. The Supervisory Board noted the importance of allowing members of the Executive Board to invest in these companies alongside your Group, in order to align their interests with those of the shareholders.

2. Additional co-investments by members of the Executive Board in IHS

In view of the planned additional investment by your Group in IHS, at its meeting of February 10, 2016, the Supervisory Board authorized the members of the Executive Board to invest one-third of 0.5% of the amount your Group will invest in IHS, up to a maximum of the euro equivalent of $60,000 for Fréderic Lemoine and $40,000 for Bernard Gautier. This co-investment authorization is based on a maximum equity investment by your Group of the euro equivalent of $60 million in IHS. These coinvestments are subject to the co-investment rules applicable to Oranje-Nassau Développement SA Sicar. The Supervisory Board noted the importance of allowing members of the Executive Board to invest in this company alongside your Group, in order to align their interests with those of the shareholders.

Agreements and commitments already approved by the General Meeting of Shareholders

Agreements and commitments approved in previous years

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 Meeting of Shareholders in previous years, remained in force during the year ended December 31, 2015.

A. With Fréderic Lemoine, Chairman of the Executive Board, and Bernard Gautier, member of the Executive Board of your Company

1. Framework agreement on co-investments by Wendel's management team relating to acquisitions made by Wendel between 2006 and 2008 (and to later re-investments made by Wendel in these companies)

In 2006 and 2007, Wendel implemented a co-investment system designed to associate Wendel's management team in your Group's performance. As a result, the management team members invested personally alongside your Group in Winvest International SA Sicar, which held your Group's investments in the unlisted companies Cromology (formerly Materis) and Stahl at December 31, 2015.

The general principles applicable to these co-investments are as follows:

(i) the co-investors invest alongside your Group, at Wendel's request, a maximum overall amount of 0.5% of the total amounts invested by Wendel;

(ii) the co-investors are entitled to 10% of the capital gain (for 0.5% of the total investment), provided that Wendel has achieved a minimum annual return of 7% and a cumulative return of 40% on its investment; failing this, members of the management team will lose the amounts they invested; the minimum annual return condition of 7% will be assessed based on the original value of the investments and investment dates;

(iii) rights to co-investment benefits will vest gradually over a period of four years in five 20% tranches (20% at the investment date, then 20% at each anniversary date); however, the members of the management team have committed, in the event of departure, to sell on demand their unvested shares at their original value;

(iv) the capital gain will be realized at the time of divestment, or, in the absence of divestment, at the end of ten years, on the basis of an expert opinion.

In this context, in 2010 the members of the management team entered into, with your Group, agreements to sell and agreements to buy that are to be exercised:

- either upon the occurrence of a liquidity event affecting Cromology (formerly Materis) or Stahl, a liquidity event being defined as complete divestment of the company concerned, a change in control, sale or repayment of more than 50% of the financial instruments held by your Group in the company concerned, the stock market flotation of the company concerned, or the end of the ten-year period as from the initial investment (December 31, 2016); or
- in the event of the departure from your Group of the management team member concerned.

In the case of a liquidity event, your Group has undertaken to buy from the members of the management team their shares in Winvest International SA Sicar representative of the company concerned, at a price such that the latter receive 10% of the capital gain made on this company, subject to your Group having obtained a minimum annual return of 7% and a cumulative return of 40% on its investment. Failing this, the members of the management team have undertaken to sell, to your Group, their shares in Winvest International SA Sicar representative of the company concerned, for the token sum of €1.

In the event of the departure of a member of the management team:

- the person concerned has undertaken to sell to your Group:

(i) his or her unvested shares in Winvest International SA Sicar at their original value, whatever the reasons for this person's departure from your Group, and

(ii) his or her vested shares in Winvest International SA Sicar, (a) at their market value in the event of gross misconduct resulting in dismissal or removal from office or non-renewal of office, (b) for €1 with an earn-out at market value in the case of a liquidity event when the departure is due to dismissal or removal from office for serious misconduct; and (c) at their original value or the market value, whichever is higher, in the event of death;

- your Group has undertaken to purchase from the person concerned:

(i) his or her unvested shares in Winvest International SA Sicar at their original value in the event of dismissal or removal from office or non-renewal of office, except in the event of serious or gross misconduct, or in the event of death, and

(ii) his or her vested shares in Winvest International SA Sicar, at their market value in the event of dismissal or removal from office or non-renewal of office, except in the event of serious or gross misconduct, and at their original value or market value, whichever is higher, in the event of death.

At December 31, 2014, Winvest International SA Sicar held the investment in Van Gansewinkel Groep (VGG). In accordance with the principles governing the framework agreement, the members of the management team lost all of their co-investment when this company was sold in July 2015.

2. Framework agreement on co-investments by Wendel's management team relating to acquisitions made by Wendel between 2011 and 2012 (and to later re-investments made by Wendel in these companies)

In 2011, Wendel integrated a *pari passu* principle into its co-investment system resulting in a change in the co-investment principles applicable to Wendel's management team for acquisitions carried out by Wendel in 2011 and 2012. The management team members invested personally alongside your Group in Oranje-Nassau Développement SA Sicar, which held your Group's investments in the unlisted companies Parcours (currently being sold), Mecatherm and IHS at December 31, 2015.

The general principles applicable to these co-investments are as follows:

(i) the co-investors invest alongside your Group, at Wendel's request, a maximum overall amount of 0.5% of the total amounts invested by Wendel;

(ii) 30% of the amount invested by the management teams is invested under the same conditions as Wendel (*pari passu* co-investment);

(iii) the remaining 70%, i.e., a co-investment of 0.35% of the total invested by Wendel, gives entitlement, in the case of events defined in paragraphs (v) and (vi) below, to 7% of the capital gains (leveraged co-investment), on condition that Wendel has obtained a minimum annual return of 7% and a cumulative return of 40% on its investment; failing this, the coinvestors will lose the 70% invested;

(iv) the rights to leveraged co-investment benefits are vested gradually over a period of four years in five 20% tranches (20% at the investment date, then 20% at each anniversary date);

(v) the potential capital gain is realized in the event of total divestment, change of control, sale of over 50% of the shares owned by your Group or the stock market flotation of the company concerned; depending on the situation, the liquidity granted to the co-investors may be total or in proportion to the shareholding transferred;

(vi) at the end of an eight-year period as from the initial investment by your Group and failing any total divestment or stock market flotation, the potential capital gain is also realized on one-third of the amounts invested by the co-investors; the same holds true after ten years, then twelve years, if no total divestment or stock market flotation has taken place in the meanwhile; in these cases, the co-investment is valued at the end of each period by an internationally-recognized independent expert.

In the event of departure of a member of the management team, the commitments made and received by the co-investors and your Group are identical to those under the framework agreement on the co-investments made by the management team relating to acquisitions made by Wendel between 2006 and 2008 (and to the subsequent re-investments made by Wendel in these companies) as described above.

In accordance with the principles governing the framework agreement, the members of the Executive Board made an additional co-investment in IHS on June 16, 2015. More specifically, Fréderic Lemoine and Bernard Gautier invested €97,020 and €64,680 respectively in the IHS compartment of Oranje-Nassau Développement SA Sicar.

3. Framework agreement on co-investments by Wendel's management team relating to acquisitions made by Wendel between April 2013 and April 2017 (and to later reinvestments made by Wendel in these companies)

In 2013, Wendel made changes concerning the investments made by the Wendel Group in new companies acquired between April 2013 and April 2017, by introducing a pooled share and raising the condition for the minimum return of the Wendel Group. The members of Wendel's management team therefore invested personally alongside your Group in Expansion 17 SA Sicar and Global Performance 17 SA Sicar, which held your Group's investments in the unlisted companies Saham, Nippon Oil Pump, CSP Technologies, Constantia Flexibles and AlliedBarton Security Services as at December 31, 2015.

The general principles applicable to these co-investments are as follows:

- 35% of the amount co-invested gives the right, if a liquidity event occurs, to 3.5% of the capital gain realized on each of the investments of the period, on the condition that Wendel's return is at least 10% (carried interest deal by deal);
- 35% of the amount co-invested gives the right to 3.5% of the capital gain calculated on all of the co-investments of the period, on the condition that Wendel's annual return, calculated for all of these investments as a whole, is at least 7% (pooled carried interest); if Wendel has not fully divested each of the investments of the period, or has listed them on a stock exchange, any capital gain will be allocated equally in 2024 and 2025 (the investments remaining in the portfolio being valued by an independent expert in every case);
- the remaining 30% is co-invested *pari passu* with Wendel, 15% on a deal-by-deal basis and 15% on a pooled basis;
- the co-investors having freely made the commitment to participate in the 2013-2017 coinvestment program are required to invest in all of the investments for the period with respect to the pooled portion (carried interest and *pari passu*); failing this, the co-investor concerned will lose all of his or her rights, except for cases of *force majeure*, where the co-investor will simply be diluted pro rata for the unsubscribed portion;
- co-investors who have met their commitment to co-invest in the pooled portion may invest the same amount on a deal-by-deal basis (carried interest and *pari passu*), without obligation.

The other co-investment rules have not changed:

- the amount co-invested cannot exceed 0.5% of Wendel's investment;
- liquidity events include complete divestment, change in control, sale of more than 50% of the financial instruments held by the Group or the stock market flotation of the company concerned;
- for investments on a deal-by-deal basis, one-third of the amount invested is distributed to the co-investors, failing any total divestment or stock market flotation, eight, ten and twelve years after the initial investment;
- rights to carried interest will vest gradually over a period of four years in five 20% tranches, including 20% at the investment date. For Global Performance 17 SA Sicar, this period begins with the first investment. In the event of a departure during this period, the members of the management team undertake to sell on demand (and in some cases, are entitled to sell) their unvested rights at their original value (and in some cases, their fully vested rights) under predefined financial conditions.

The Executive Board's share of the co-investment is equal to one-third of the total co-investment, breaking down as 20% for the Chairman of the Executive Board and 13.33% for Bernard Gautier.

On February 11, 2015, the Supervisory Board specified that the date to be used to determine any applicable rate of exchange is the date of the capital increases of Expansion 17 SA Sicar and Global Performance 17 SA Sicar, reflecting the co-investments of the members of the Executive Board.

In accordance with the principles governing the framework agreement, following the co-investment in Constantia Flexibles on March 24, 2015, the members of the Executive Board made additional co-investments on November 24, 2015 in proportion to the additional investment made by your Group to finance the acquisition of Afripack and Pemara for Constantia Flexibles. A repayment was also made to members of the Executive Board following the syndication by your Group of part of its investment in Constantia Flexibles to Maxburg Capital Partners on November 13, 2015. Fréderic Lemoine and Bernard Gautier had therefore invested a total of €570,699 and €380,371.29 respectively in Global Performance 17 SA Sicar and in the Constantia Flexibles compartment of Expansion 17 SA Sicar as at December 31, 2015.

B. With Bernard Gautier, member of the Executive Board of your Company

Variable compensation of a member of the Executive Board

Bernard Gautier has held an employment contract since he joined Wendel in 2003. In 2005 he was appointed member of the Executive Board and his employment contract continued in force. His fixed and variable compensation is paid to him in respect of his employment contract.

At its meeting on March 30, 2016, upon the recommendation of the Chairman of the Executive Board and on the advice of the Governance Committee, the Supervisory Board authorized your Company to pay Bernard Gautier variable compensation in respect of 2015, given the targets achieved, equal to 87.51% of his fixed compensation. As a result, Bernard Gautier's variable compensation for 2015 amounted to €700,080.

C. With the member of the Supervisory Board representing your Company's employees until October 1, 2015

Co-investments in Constantia Flexibles and IHS

Prior to his resignation that took effect on October 1, 2015, the member of the Supervisory Board representing your Company's employees made co-investments in Constantia Flexibles and IHS. He invested €81,999 in Global Performance 17 SA Sicar and in the Constantia Flexibles compartment of Expansion 17 SA Sicar on March 24, 2015 and €19,140 in the IHS compartment of Oranje-Nassau Développement SA Sicar on June 16, 2015.

D. With Wendel-Participations, shareholder of your Company

1. Service agreement for administrative assistance

On September 2, 2003, your Company entered into a service agreement for administrative assistance with Wendel-Participations: your Company invoiced €13,000 before tax in respect of 2015.

2. Agreement to rent premises

On September 2, 2003, your Company entered into a commitment with Wendel-Participations to rent premises: your Company invoiced €43,733.28 before tax in respect of 2015.

3. Agreements on the use of the Wendel brand

By two agreements dated May 15, 2002, SLPS and Wendel-Participations authorized your Company to use the Wendel family name as its corporate and commercial name, and granted your Company an exclusive license to use the brand "WENDEL Investissement".

These agreements were entered into without consideration and for an indefinite period, with the stipulation that they may be revoked if the direct or indirect interest of the family companies in the capital of your Company remains less than 33.34% for 120 consecutive days. If this right of revocation is not exercised within 60 days after the expiration of the said 120-day period, the right to use the name and the exclusive license to use the brand shall become final and irrevocable.

One of these agreements was modified by amendment dated October 25, 2013, in order to define the rules for the use of the Wendel brand abroad within the context of the international expansion of your Company's activities in North America, Germany, Africa, South-East Asia, China and Japan, thus enabling your Company to use the Wendel brand in these geographical areas.

Neuilly-sur-Seine and Paris-La Défense, April 6, 2016

The Statutory Auditors

French original signed by:

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean Bouquot

8.2 Statutory Auditors' report on the issue of shares and various securities with or without cancellation of preferential subscription rights

This is a free translation into English of the Statutory Auditors' report on the issue of shares and various securities with or without cancellation of preferential subscription rights 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 1, 2016 – Tenth, eleventh, twelfth, thirteenth, fourteenth, fifteenth et seventeenth resolutions)

To the Shareholders

In our capacity as Statutory Auditors of your company and in compliance with articles L. 228-92 and L. 225-135 et seq. of the French Commercial Code (Code de commerce), we hereby report on the proposed delegations of authority to your Executive Board to proceed with various issues of shares and securities, operations upon which you are called to vote.

On the basis of its report, your Executive Board proposes that:

- you delegate authority to it, with the possibility to sub-delegate such authority, in the conditions laid down by law, subject to prior authorization by the Supervisory Board in accordance with article 15-V b) of the Memorandum and Articles of Association, for a period of fourteen months, to decide whether to proceed with the following operations and to fix the final terms and conditions thereof, and proposes to cancel your preferential subscription rights if appropriate:
  - the issue, without cancellation of preferential subscription rights, of shares of the company or securities of any nature giving access to a portion of the share capital to be issued by the company or one of the companies referred to in article L.228-93 of the French Commercial Code (tenth resolution),
  - the issue, with cancellation of preferential subscription rights, by means of an offer to the public of shares of the company or securities of any nature giving access to a portion of the share capital to be issued by the company or one of the companies referred to in with article L.228-93 of the French Commercial Code (eleventh resolution),
  - the issue, with cancellation of preferential subscription rights, of shares or securities giving access to the capital of the company, as a result of the issue by companies referred to in article L.228-93 of the French Commercial Code, of securities giving access to the capital of the company (eleventh resolution),
  - the issue, with cancellation of preferential subscription rights, by means of offers referred to in section II of article L. 411-2 of the French Monetary and Financial Code (Code monétaire et financier) and, within the limit of 10% of the share capital per year, of shares of the company or securities of any nature giving access to a portion of the share capital of the company or one of the companies referred to in article L. 228-93 of the French Commercial Code or giving access to the allocation of debt securities (twelfth resolution),
  - the issue of shares or securities giving access to the capital of the company (fifteenth resolution):
    - with a view to the remuneration of contributions in kind granted to the company, composed of shares or securities giving access to the capital when the provisions of article L. 225-148 of the French Commercial Code are not applicable, within the limit of 10% of the capital;
    - as remuneration for securities contributed in respect of a public offer of exchange launched by your company in the conditions laid down by article L. 225-148 of the French Commercial Code.
- you authorize it, by the thirteenth resolution and within the scope of the implementation of the delegation of authority referred to in the eleventh and twelfth resolutions, to fix the issue price within the legal annual limit of 10% of the share capital.

The nominal amount of the capital increases that may be carried out immediately or in the future may not exceed €95,000,000 in respect of the tenth resolution and €19,000,000 in respect of the eleventh, twelfth, thirteenth and fifteenth resolutions, it being specified that these amounts will be deducted from the overall limit of €210,000,000 applicable to the tenth, eleventh, fourteenth, fifteenth and sixteenth resolutions (as stipulated in the seventeenth resolution).

This limit take into account the additional number of securities to be created within the context of the implementation of the delegations of authority referred to in the tenth, eleventh, twelfth, and thirteenth resolutions, in the conditions provided for in article L. 225-135-1 of the French Commercial Code, if you adopt the fourteenth resolution.

The Executive Board may not, without the prior authorization of the General Meeting of Shareholders, use these delegations of authority as from the moment that a third party has filed a proposed public offer relating to the shares of the company and until the end of the offer period.

It is the responsibility of the Executive Board to prepare a report in accordance with articles R. 225-113 et seq. of the French Commercial Code. Our role is to report on the fairness of the financial information taken from the accounts, on the proposed cancellation of preferential subscription rights and on other information relating to these operations provided in the report.

We performed the procedures we deemed necessary to comply with the professional guidance issued by the French national auditing body (Compagnie nationale des commissaires aux comptes) for this type of engagement. These procedures consisted in verifying the information provided in the Executive Board's report relating to these operations and the methods used to determine the issue price of the equity securities to be issued.

Subject to a subsequent examination of the conditions for the proposed issue, we have no matters to report as to the methods used to determine the issue price of the equity securities to be issued provided in the Executive Board's report in respect of the eleventh, twelfth, and thirteenth resolutions.

Moreover, as the methods used to determine the issue price of the equity securities to be issued within the context of the implementation of the tenth and fifteenth resolutions are not specified in that report, we cannot report on the choice of constituent elements used to determine the issue price.

As the final conditions for the issue have not yet been determined, we cannot report on these conditions and, consequently, on the cancellation of preferential subscription rights proposed in the eleventh and twelfth resolutions.

In accordance with article R. 225-116 of the French Commercial Code, we will issue a supplementary report, if appropriate, when your Executive Board has exercised these delegations of authority in the event of the issue of securities that are equity securities giving access to other equity securities or giving access to the allocation of debt securities, in the event of the issue of securities giving access to equity securities to be issued and in the event of the issue of shares with cancellation of preferential subscription rights.

Neuilly-sur-Seine and Paris-La Défense, April 6, 2016

The Statutory Auditors

French original signed by:

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean Bouquot

8.3 Statutory Auditors' report on the authorization to award stock subscription and/or purchase options to corporate officers and employees

This is a free translation into English of the Statutory Auditors' report on the authorization to award stock subscription and/or purchase options to corporate officers and employees 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 1, 2016 – Nineteenth resolution)

To the Shareholders

In our capacity as Statutory Auditors of your Company and in compliance with articles L. 225-177 and R. 225-144 of the French Commercial Code (Code de commerce), we hereby report on the authorization to award stock subscription and/or purchase options to those who will be designated from among the corporate officers referred to in article L. 225-185 of the French Commercial Code and employees of the Company and of the companies or groups of companies that are related to it within the meaning of article L. 225-180 of said Code, an operation upon which you are called to vote.

On the basis of its report, your Executive Board proposes that it be authorized, for a period of fourteen months, to award stock subscription and/or purchase options.

It is the responsibility of the Executive Board to prepare a report on the reasons for awarding stock subscription and/or purchase options and on the proposed methods for the determination of the subscription and/or purchase price. Our role is to express an opinion on the proposed methods for the determination of the subscription and/or purchase price of the shares.

We performed the procedures we deemed necessary to comply with the professional guidance issued by the French national auditing body (Compagnie nationale des commissaires aux comptes) for this type of engagement. These procedures consisted in verifying that the proposed methods for the determination of the share subscription and/or purchase price are included in the Executive Board's report and are in accordance with French laws and regulations.

We have no matters to report as to the proposed methods for the determination of the share subscription and/or purchase price.

Neuilly-sur-Seine and Paris-La Défense, April 6, 2016

The Statutory Auditors

French original signed by:

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean Bouquot

8.4 Statutory Auditors' report on the authorization to award free existing shares or shares to be issued to corporate officers and employees

This is a free translation into English of the Statutory Auditors' report on the authorization to award free existing shares or shares to be issued to corporate officers and employees 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 1, 2016 - Twentieth resolution)

To the Shareholders

In our capacity as Statutory Auditors of your Company and in compliance with article L. 225-197-1 of the French Commercial Code (Code de commerce), we hereby report on the proposed authorization to award free existing shares or shares to be issued by your society to the employees and corporate officers of your Company as defined in section II of article L. 225-197-1 of the French Commercial Code, or to the employees and corporate officers of the companies or groups of companies that are related to it within the meaning of article L. 225-197-2 of the French Commercial Code, an operation upon which you are called to vote.

On the basis of its report, your Executive Board proposes that it be authorized, for a period of fourteenth months, to award free existing shares or shares to be issued.

It is the responsibility of the Executive Board to prepare a report on the proposed operation. Our role is to report on any matters relating to the information provided to you regarding the proposed operation.

We performed the procedures we deemed necessary to comply with the professional guidance issued by the French national auditing body (Compagnie nationale des commissaires aux comptes) for this type of engagement. These procedures consisted mainly in verifying that the proposed methods described in the Executive Board's report comply with the legal provisions governing such operations.

We have no matters to report as to the information provided in the Executive Board's report relating to the proposed authorization to award free existing shares or shares to be issued.

Neuilly-sur-Seine and Paris-La Défense, April 6, 2016

The Statutory Auditors

French original signed by:

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean Bouquot

8.5 Statutory Auditors' report on the issue of shares or securities giving access to the capital with cancellation of preferential subscription rights reserved for employees that are members of one or more company savings schemes set up within the group

This is a free translation into English of the Statutory Auditors' report on the issue of shares or securities giving access to the capital with cancellation of preferential subscription rights reserved for employees that are members of one or more company savings schemes set up within the group 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 1, 2016 - Eighteenth resolution)

To the Shareholders

In our capacity as Statutory Auditors of your Company and in compliance with articles L. 228-92 and L. 225-135 et seq. of the French Commercial Code (Code de commerce), we hereby report on the proposed delegation of authority to the Executive Board to decide whether to proceed with a capital increase by issuing shares or securities giving access to the Company's capital, for a maximum nominal amount of €200,000, with cancellation of preferential subscription rights, reserved for employees that are members of one or more company savings schemes set up within the group, an operation upon which you are called to vote.

This capital increase is submitted for your approval in accordance with article L. 225-129-6 of the French Commercial Code and article L. 3332-18 et seq. of the French Labour Code (Code du travail).

On the basis of its report, your Executive Board proposes that you delegate authority to it, with the possibility to sub-delegate such authority, in the conditions laid down by law, subject to prior authorization by the Supervisory Board in accordance with article 15-V b) of the Memorandum and Articles of Association, for a period of fourteen months, to decide whether to proceed with capital increase, on one or more occasions, and to cancel your preferential subscription rights relating to the shares or securities to be issued. If necessary, it will fix the final terms and conditions of issue under this operation.

It is the Executive Board's responsibility to prepare a report in accordance with articles R. 225-113 et seq. of the French Commercial Code. Our role is to report on the fairness of the financial information taken from the accounts, on the proposed cancellation of preferential subscription rights and on other information relating to the issue provided in the report.

We performed the procedures we deemed necessary to comply with the professional guidance issued by the French national auditing body (Compagnie nationale des commissaires aux comptes) for this type of engagement. These procedures consisted in verifying the information provided in the Executive Board's report relating to this operation and the methods used to determine the issue price of the equity securities to be issued.

Subject to a subsequent examination of the conditions for the proposed issue, we have no matters to report as to the methods used to determine the issue price of the equity securities to be issued provided in the Executive Board's report.

As the final conditions for the issue have not yet been determined, we cannot report on these conditions, and, consequently, on the proposed cancellation of preferential subscription rights.

In accordance with article R. 225-116 of the French Commercial Code, we will issue a supplementary report when your Executive Board has exercised this delegation of authority, in the event of the issue of shares or securities that are equity securities giving access to other equity securities, and in the event of the issue of securities giving access to equity securities to be issued.

Neuilly-sur-Seine and Paris-La Défense, April 6, 2016

The Statutory Auditors

French original signed by:

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean Bouquot

8.6 Supplementary report from the Executive Board on the capital increase reserved for members of the Wendel Group Savings Plan in 2015

Using the power delegated to it by the shareholders at their Combined Shareholders' Meeting on June 5, 2015 by virtue of the twenty-first resolution, and after obtaining the approval of the Supervisory Board on that same date, the Executive Board decided on June 30, 2015 to carry out a capital increase reserved for members of the Wendel Group savings plan, in favor of whom the shareholders canceled their preferential subscription rights.

The purpose of this report, prepared in accordance with Article R. 225-116 of the French Commercial Code, is to describe the final terms and conditions of the capital increase carried out with the approval of the shareholders.

I. Final terms and conditions of the capital increase

Maximum size of the reserved capital increase

On June 30, 2015, the Executive Board decided to set the maximum par value of the reserved capital increase at €200,000, or 50,000 shares with a par value of €4 per share.

Subscription price

On June 30, 2015, the Executive Board set the discount at 20% of the reference price, noting that:

- the reference price, calculated based on the average closing share price for the 20 trading days prior to June 30, 2015, was €112.09;
- the subscription price, set at 80% of the reference price, was €89.68.

Each new share having a par value of €4 is therefore issued with a share premium of €85.68.

The total amount of the capital increase, including the share premium, is €4,484,000.

Beneficiaries

The beneficiaries of the offer are the members of the Wendel Group savings plan, employees and corporate officers with at least three months of service with the Company as of the closing date of the subscription period.

Cancellation of preferential subscription rights

At the Combined Shareholders' Meeting on June 5, 2015, the shareholders' preferential subscription rights were canceled in favor of the beneficiaries of the capital increase.

Rights attached to shares

The new shares will be issued with ownership rights taking effect at once and immediately treated in the same way as existing shares.

Maximum subscription rights

Each beneficiary has the right to subscribe to new shares in accordance with the terms and conditions of the Wendel Group savings plan and any amendments thereto.

Matching contribution

For 2015, the matching contribution will be 200% of the subscriber's voluntary contribution, up to a limit of 91 Wendel shares. The amount of 91 shares represents the largest whole number of shares that may be subscribed without the employers' contribution exceeding the legal limit of €5,477.76 per savings plan member.

Adjustments to the reserved capital increase

If the total number of shares requested exceeds the maximum number of shares offered in connection with the reserved capital increase, not all share requests will be fulfilled. Reductions will be made as follows:

- no reduction to share requests eligible for the matching contribution;
- share requests made in connection with the reinvestment of dividends from Company shares held in the Wendel Group savings plan will be fulfilled before other requests;
- all other share requests will be fulfilled in proportion to the remaining quantity of shares requested by each subscriber.

If the total number of shares requested is less than the maximum number of shares offered in connection with the reserved capital increase, the share capital will be increased only by the number of subscribed shares.

Subscription period

The subscription period will run from July 3 to July 16, 2015, inclusive.

The subscription period may end at any time before July 16, 2015 if all beneficiaries have either returned their subscription form or notified the Company that they waive their right to subscribe to the shares offered.

Listing of new shares

Admission to trading of the Company's new shares on Eurolist by Euronext will be requested as soon as possible following the capital increase.

II. Impact of the capital increase

In the event that the increase in share capital reserved for participants in Wendel's Group Savings Plan is totally subscribed, 50,000 new shares will be issued.

In accordance with Article R. 225-115 of the French Commercial Code, the Executive Board hereby reports on the impact of this issue on the situation of holders of equity shares in the Company and holders of securities giving access to the Company's capital. The impact of the issue was assessed based on the latest annual financial statements dated December 31, 2014.

Impact on the share of owned capital as of December 31, 2014:

After taking into account the 50,000 shares subscribed to in connection with the capital increase covered in this report, book value per share would remain unchanged, based on a total of 47,846,535 shares issued representing the Company's share capital, and would remain unchanged based on a total of 48,103,431 shares issued or that could potentially be issued.

Theoretical impact on the share's current stock market value based on the average share price for the 20 trading days prior to June 30, 2015

After taking into account the 50,000 shares subscribed to in connection with the capital increase covered in this report, the share's market price would decline by €0.12 per share based on a total of 47,846,535 shares issued, representing the Company's share capital, and by €0.12 per share based on a total of 48,103,431 shares issued or that could potentially be issued.

June 30, 2015

Frédéric Lemoine
Chairman of the Executive Board

Bernard Gautier
Member of the Executive Board

8.7 Statutory Auditors’ supplementary report on the increase in capital with cancellation of preferential subscription rights reserved for members of a company savings scheme

This is a free translation into English of the Statutory Auditors’ supplementary report on the increase in capital with cancellation of preferential subscription rights reserved for members of a company savings scheme 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.

Executive Board meeting of June 30, 2015

To the Shareholders

In our capacity as Statutory Auditors of your company and in compliance with article R. 225-116 of the French Commercial Code (Code de commerce) and further to our special report dated April 10, 2015, we hereby report on the increase in capital with cancellation of preferential subscription rights, reserved for members of a company savings scheme, authorized by your Extraordinary Shareholders' Meeting on June 5, 2015.

The Shareholders’ Meeting had delegated authority to your Executive Board to decide whether to proceed with such an operation, for a period of fourteen months and a maximum amount of €200,000. Exercising this delegation of authority, your Executive Board decided, at its meeting on June 30, 2015, to proceed with an increase in capital limited to the nominal amount of €200,000, by issuing 50,000 ordinary shares with a nominal value of €4 each and a share premium of €85.68.

It is the responsibility of the Executive Board to prepare a report in accordance with articles R. 225-115 and R. 225-116 of the French Commercial Code (Code de commerce). Our role is to report on the fairness of the financial information taken from the accounts, on the proposed cancellation of preferential subscription rights and on other information relating to the share issue provided in the report.

We performed the procedures we deemed necessary to comply with the professional guidance issued by the French national auditing body (Compagnie nationale des commissaires aux comptes) for this type of engagement. These procedures consisted in verifying:

- the fairness of the financial information taken from the annual accounts approved by the Executive Board. We performed an audit of these accounts in accordance with professional standards applicable in France;
- the compliance with the terms of the operation as authorized by the Shareholders’ Meeting;
- the information provided in the Executive Board’s supplementary report on the choice of constituent elements used to determine the issue price and on its final amount.

We have no matters to report as to:

- the fairness of the financial information taken from the accounts and included in the Executive Board’s supplementary report;
- the compliance with the terms of the operation as authorized by the Extraordinary Shareholders’ Meeting of June 5, 2015 and the information provided to the shareholders;
- the choice of constituent elements used to determine the issue price and its final amount;
- the presentation of the effect of the issuance on the financial position of the shareholders as expressed in relation to shareholders' equity, and on the market value of the share;
- the cancellation of the preferential subscription rights, upon which you have voted.

Neuilly-sur-Seine and Paris-La Défense, July 15, 2015

The Statutory Auditors

French original signed by:

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean Bouquot

8.8 Observations from the Supervisory Board for the shareholders

To the Shareholders,

Throughout 2015, the Supervisory Board, with the meticulous and diligent support of its committees, carried out its control and oversight function of the Executive Board as set forth in the Company's by-laws. In 2015, the Supervisory Board met 10 times. The Audit Committee met six times and the Governance Committee met five times.

Despite a lackluster economic climate, Wendel continued to carry out a very active portfolio management strategy, especially outside France with:

- the finalization of the acquisitions of CSP Technologies in the United States and Constantia Flexibles in Austria;
- the sale of an approximately 10% stake in Bureau Veritas;
- an additional investment in IHS to finalize the capital increase launched in late 2014;
- the acquisition of AlliedBarton Security Services in the United States.

The Group's main companies performed well in 2015 and the value of its unlisted companies in its NAV is on the rise.

The Supervisory Board would like to congratulate the Executive Board as well as the Wendel teams under their direction.

On March 30, 2016, the Supervisory Board examined and finalized Wendel's parent company and consolidated financial statements as prepared by the Executive Board. It has no matters to bring to your attention and recommend their approval.

The consolidated financial statements for the year ended December 31, 2015 show consolidated net sales of €7,867.1 million, and net income from business sectors of €462.2 million, up 24.1%.

These results confirm the strategy implemented by the Executive Board. The Supervisory Board has approved the Executive Board's proposal to set the 2015 dividend at €2.15 per share, reflecting a steady increase over time.

In terms of governance, you are asked to approve the renewal of François de Wendel's term, who has been Chairman of the Supervisory Board since March 2013.

Finally, the Board recommends your approval of all the resolutions submitted to you by the Executive Board at the Annual Meeting.

8.9 Report of the Executive Board on the resolutions submitted to shareholders at their Annual Meeting on June 1, 2016

8.9.1 Overview of resolutions

Ordinary General Meeting

2015 financial statements, allocation of income and related-party agreements

The purpose of the **first** and **second resolutions** is to approve Wendel's financial statements as of December 31, 2015.

The parent company financial statements show net income of €1,338.6 million. Shareholders' equity totaled €5,505.3 million, reflecting Wendel's sound financial condition. The consolidated financial statements show net income of €24.5 million and net income, group share of €-146.2 million.

The **third resolution** proposes to allocate net income for the year ended December 31, 2015 and distribute a dividend of €2.15 per share, an increase from the dividends paid for the past three years:

	2012	2013	2014
Dividend	€1.75	€1.85	€2

The ex-dividend date will be set for June 6, 2016, and the dividend will be paid on June 8, 2016.

Under current regulations, in accordance with Article 243 *bis* of the French Tax Code, the entire dividend paid to individuals resident in France for tax purposes is subject to a progressive income tax rate, after applying the 40% exclusion allowed under Article 158-3 2° of the French Tax Code.

A mandatory non-definitive withholding tax of 21% is in principle applicable to the gross dividend amount, in addition to a 15.5% social security withholding tax, and will be applied to the income tax owed for the year 2016.

The **fourth resolution** proposes to approve the Statutory Auditors' special report on the related-party agreements entered into in 2015 and early 2016. This report details the co-investment by Executive Board members in AlliedBarton Security Services and the additional co-investments by Executive Board members in IHS and CSP Technologies.

The **fifth resolution** proposes to approve the amendment to the brand license agreement between Wendel and Wendel-Participations as part of the reopening of Wendel's London office, so the office can use the Wendel brand name.

Supervisory Board: renewal of the term of one member

The **sixth resolution** proposes to renew the appointment of François de Wendel for four years.

His biography is provided in section 2.1.2.2 of the Company's 2015 registration document.

If this renewal is approved, the Supervisory Board will still have 12 members, including five independent members, five women, and one member representing employees.

Non-binding vote on compensation for executive corporate officers

In accordance with recommendation 24.3 of the Afep-Medef Code as amended in June 2013, which the Company has adopted pursuant to Article L. 225-37 of the French Commercial Code, the seventh and eighth resolutions ask shareholders to cast a favorable vote on the compensation owed or granted to Executive Board Chairman Frédéric Lemoine and Executive Board member Bernard Gautier for the 2015 fiscal year.

Their compensation is detailed below in the second part of this report.

Share buyback program

The **ninth resolution** would renew the authorization granted to the Company to buy back its own shares as provided for by law. The maximum repurchase price has been set at €200 and the authorization would be valid for 14 months.

The share buyback program can only be used for the purposes defined by law and determined in this resolution. In practice, your Company may use this program to buy back and cancel shares, carry out acquisitions, stimulate the market for the Company's shares or cover stock purchase options or performance shares. In 2015, Wendel purchased directly 643,829 treasury shares.

In all cases, the Company may not acquire more than 10% of its capital, or (on an indicative basis) based on the share capital as of December 31, 2015 and taking into account the shares held in treasury as of that date, 2,835,952 shares. This authorization may not be used during a takeover bid.

Extraordinary General Meeting

Renewal of financial authorizations

The **tenth through seventeenth resolutions** propose to renew, for a period of 14 months, existing financial authorizations that are due to expire. The maximum par value of the corresponding capital increases is set at €210 million.

The authorizations relate to the issue of shares or securities giving immediate or future access to the capital of the Company, with the maintenance or cancellation of preferential subscription rights in favor of shareholders, depending on the opportunities arising on the financial markets and the interests of the Company and its shareholders. They would give the Company flexibility and the ability to act quickly by allowing the Executive Board, with the prior approval of the Supervisory Board, to carry out market transactions as needed to implement the Group's strategy.

These authorizations may not be used during a public offering period.

The authorized amount for the capital increase with cancellation of preferential subscription rights has been reduced substantially to reflect current best practices, recommendations from voting agencies and the opinions expressed by certain shareholders.

The Executive Board did not use any of these authorizations in 2015.

The **tenth resolution** would authorize the Executive Board to increase the share capital, with preferential subscription rights maintained, by up to a maximum par value of €95 million.

The **eleventh resolution** would authorize the Executive Board to increase capital while canceling preferential subscription rights, but with the possibility of granting the shareholders a priority period, up to a maximum par value of €19 million and at a price that is at least equal to the weighted average share price for the three trading days prior to the price-setting, to which a discount of up to 5% may be applied. The total authorization for capital increases with cancellation of preferential subscription rights is €19 million.

The **twelfth resolution** would authorize the Executive Board to issue securities, with cancellation of preferential subscription rights, for private placements up to a maximum of 20% of the capital per year and using the price setting method set forth by law. The **thirteenth resolution** would authorize the Executive Board to increase capital, with cancellation of preferential subscription rights and up to a maximum of 10% of the capital per year, through a private placement or public offering, at a price at least equal to the average Wendel share closing price over the 20-day period preceding the issue, to which a discount of up to 10% may be applied. The par value of any such share issues would be included in the €19 million maximum amount set in the eleventh resolution.

The **fourteenth resolution** would authorize the Executive Board to increase the size of the above issues by up to 15% of the initial issue, with maintenance or cancellation of preferential subscription rights, in the event of excess demand. Any such increases must not exceed the maximum limit set for the Board.

The **fifteenth resolution** would authorize the Executive Board to increase the share capital, with cancellation of preferential subscription rights, in consideration for contributions in kind consisting of shares, up to a maximum of 10% of the capital, or in connection with a public exchange offer, up to a maximum par value of €19 million. This authorization would enable the Company to acquire equity investments in unlisted or listed companies and to fund those acquisitions with shares rather than cash. The par value of any such share issues would be included in the €19 million maximum amount set in the eleventh resolution.

The **sixteenth resolution** would authorize the Executive Board to carry out a capital increase for the benefit of Company shareholders through the capitalization of reserves, profits or premiums, up to a maximum par value of €80 million. This capital increase may be carried out through the allocation of bonus shares to shareholders and/or an increase in the par value of existing shares.

The **seventeenth resolution** would set the maximum aggregate par value of capital increases resulting from the tenth to seventeenth resolutions at €210 million.

Employee savings and employee share ownership

Wendel implements its employee share ownership policy with the aim of limiting the dilutive effect for shareholders.

Group savings plan

The **eighteenth resolution** would authorize the Executive Board, for a period of 14 months, to increase the Company's capital, with the prior approval of the Supervisory Board, in favor of the Group's employees and corporate officers and under the Group Savings Plan, up to a maximum par value of €200,000, as in previous years.

In accordance with the legislation in force, the issue price of shares may not be higher than the average closing share price for the 20 trading days prior to the Executive Board's decision, nor lower than this average reduced by a maximum discount of 20%.

The Executive Board used the authorization granted by shareholders at their June 5, 2015 meeting. Employee share ownership through the Group savings plan was 0.7% of the capital as of December 31, 2015.

Grant of stock subscription and/or purchase options and performance shares

The exercise of options to purchase or subscribe to shares and the vesting of performance shares are subject to service and performance conditions and, for Executive Board members, to an obligation to hold the shares issued upon the exercise of stock options or the vested performance shares.

Performance conditions for the Executive Board members will be set by the Supervisory Board; performance conditions for the beneficiary employees, if applicable, will be set by the Executive Board.

The **nineteenth resolution** would authorize the Executive Board, for a period of 14 months, to grant stock subscription and/or purchase options, for up to a maximum of 1% of the capital, to employees and corporate officers of the Wendel Group. The price would be set in accordance with legal and regulatory provisions, with no discount.

The **twentieth resolution** would authorize the Executive Board, for a period of 14 months, to grant performance shares to employees and corporate officers, up to a maximum of 0.3333% of the capital. Any such performance shares would be included in the aggregate maximum amount of 1% set in the nineteenth resolution.

In accordance with recommendation 23.2.4 of the Afep-Medef Code as amended in June 2013, the nineteenth and twentieth resolutions indicate the maximum percentage of stock options and performance shares that can be granted to Executive Board members. This percentage would be set at 0.36% of the capital.

Powers

Finally, the **twenty-first resolution** would grant the necessary powers to accomplish legal formalities.

8.9.2 Breakdown of compensation owed or granted to Executive Board members for 2015 and submitted to a shareholder vote

In accordance with recommendation 24.3 of the Afep-Medef Code as amended in June 2013, which the Company has adopted as set forth in Article L. 225-37 of the French Commercial Code, the following aspects of the compensation owed or granted to Executive Board members for the fiscal year under review must be submitted to a vote of shareholders:

- fixed compensation;
- variable compensation for the year, including any multi-year variable portion, together with the objectives contributing to the determination of that variable compensation;
- exceptional compensation;
- stock options, performance shares, and any other form of long-term compensation;
- hiring bonuses and termination benefits;
- supplementary pension plans;
- any other benefits.

At the June 1, 2016 Annual Meeting, shareholders will be asked to vote on the following compensation owed or granted to Executive Board members for the 2015 fiscal year.

2015 compensation owed or granted to Executive Board Chairman Frédéric Lemoine, to be submitted to a shareholder vote

Form of compensation	Amounts	Comments
Gross fixed compensation Director's fees	€1,200,000 €239,424 of this amount	The Supervisory Board approved this compensation, which includes Director's fees, on February 10, 2016.
Gross variable compensation for the year	€1,050,120	If all the quantitative (70%) and qualitative (30%) objectives are achieved, the variable compensation will total 100% of fixed compensation. The quantitative objectives are operating income of Wendel companies, use of cash, debt levels, and the increase in NAV. On March 30, 2016, upon the recommendation of the Governance Committee, the Supervisory Board set Mr. Lemoine's variable compensation at 87.51% of his fixed compensation, or €1,050,120.
Stock options and performance shares	51,747 stock options valued at €926,271 and 17,249 performance shares valued at €910,747	Under the authorization granted by shareholders at the June 5, 2015 Annual Meeting and upon the recommendation of the Governance Committee, the Supervisory Board decided on July 2, 2015 to grant stock options and performance shares to Executive Board members. Subject to and without prejudice to the presence condition, vesting of the stock options and performance shares is subject to the following performance condition: Half of the performance shares or stock options vest if NAV increases by at least 5% over the 2015-16 period; all options and performance shares vest if NAV increases by at least 10.25% over the 2015-17 period. The NAV used as the point of reference for 2015 is the average of the last three NAVs published before the grant date, or €141 per share. The NAVs used as the points of reference for 2016 and 2017 will be the average of the last three NAVs published before the anniversary of the option grant date, plus accumulated dividends paid after May 28, 2015.
Other benefits	€17,661.98	Matching contributions under the Group savings plan and unemployment benefits
Termination benefits	None owed or paid	If Mr. Lemoine's term as Executive Board Chairman were to be terminated, he would be entitled to a benefit of a maximum of two years' total fixed compensation and target compensation. This payment is subject to two performance conditions: 50% of the benefit would be paid only if he received for two of the three fiscal years prior to departure, including the year in progress, variable compensation equal to at least 50% of his target variable compensation as approved by the Supervisory Board for those three fiscal years; and 50% of the benefit would be paid only if NAV per share at the end of the term of office (Actual NAV) is greater than or equal to 90% of the average NAV per share for the preceding 12 months (Reference NAV). If Actual NAV is between 90% and 60% of the Reference NAV, the corresponding portion of the amount paid would be reduced by 2.5 times the difference. If Actual NAV is lower than 60% of the Reference NAV, this portion of the benefit would be zero (see section 2.1.7.8).

Mr. Lemoine is not entitled to any of the following benefits: multi-year variable compensation, exceptional compensation, a non-compete clause payment, or a supplementary pension plan.

2015 compensation owed or granted to Executive Board member Bernard Gautier, to be submitted to a shareholder vote

Form of compensation	Amounts	Comments
Gross fixed compensation Director's fees	€800,000 €179,757 of this amount	The Supervisory Board approved this compensation, which includes Director's fees, on February 10, 2016, on the recommendation of the Executive Board Chairman.
Gross variable compensation for the year	€700,080	If all the quantitative (70%) and qualitative (30%) objectives are achieved, the variable compensation will total 100% of fixed compensation. The quantitative objectives are operating income of Wendel companies, use of cash, debt levels, and the increase in NAV. On March 30, 2016, upon the proposal of the Executive Board Chairman and the recommendation of the Governance Committee, the Supervisory Board set variable compensation at 87.51% of fixed compensation, or €700,080.
Stock options and performance shares	34,500 stock options valued at €617,550 and 11,500 performance shares valued at €607,200	Under the authorization granted by shareholders at the June 5, 2015 Annual Meeting and upon the recommendation of the Governance Committee, the Supervisory Board decided on July 2, 2015 to grant stock options and performance shares to Executive Board members. Subject to and without prejudice to the presence condition, vesting of the stock options and performance shares is subject to the following performance condition. Half of the performance shares or stock options vest if NAV increases by at least 5% over the 2015-16 period; all options and performance shares vest if NAV increases by at least 10.25% over the 2015-17 period. The NAV used as the point of reference for 2015 is the average of the last three NAVs published before the grant date, or €141 per share. The NAVs used as the points of reference for 2016 and 2017 will be the average of the last three NAVs published before the anniversary of the option grant date, plus accumulated dividends paid after May 28, 2015.
Other benefits	€5,439.98	Matching contributions under the Group savings plan
Termination benefits	None owed or paid	In the event Bernard Gautier's employment contract should be terminated, he would be entitled to one year's fixed compensation and target variable compensation (corresponding to the average of the yearly compensation allocated with respect to the last three fiscal years for which the financial statements have been approved); if this amount exceeds the maximum benefit authorized by the collective bargaining agreement, the excess amount would be paid only if Mr. Gautier has been paid, for two of the three years prior to termination, variable compensation equal to at least 50% of his target variable compensation in relation to those three years. In the event of the termination of his term on the Executive Board, Bernard Gautier will receive compensation equal to one year of fixed and target variable compensation (corresponding to the average annual compensation allocated for the last three periods for which the financial statements have been approved), subject to the following performance conditions: 50% of the amount of the benefit would be paid only if he received, for two of the three fiscal years for which the financial statements have been approved before the departure, variable compensation equal to at least 50% of the target variable compensation as approved by the Supervisory Board for those three fiscal years; and 50% of the amount of the benefit would be paid only if NAV per share at the end of the term of office (Actual NAV) is greater than or equal to 90% of the average NAV per share for the preceding 6 months (Reference NAV). If Actual NAV is between 90% and 60% of the Reference NAV, the corresponding portion of the benefit would be reduced by 2.5 times the difference. If Actual NAV is lower than 60% of the Reference NAV, this portion of the benefit would be zero. Mr. Gautier's total termination benefits may not exceed two years' gross fixed and target variable compensation (see section 2.1.7.8).

Mr. Gautier is not entitled to any of the following benefits: multi-year variable compensation, exceptional compensation, a non-compete clause payment, or a supplementary pension plan.

8.10 Agenda and draft resolutions

Resolutions pertaining to the Ordinary Meeting

1. Approval of the 2015 parent company financial statements;
2. Approval of the 2015 consolidated financial statements;
3. Net income allocation, dividend approval and payment;
4. Approval of related-party agreements;
5. Approval of a related party agreement;
6. Renewal of the appointment of one member of the Supervisory Board;
7. Non-binding vote on compensation owed or granted to Executive Board Chairman Frédéric Lemoine;
8. Non-binding vote on compensation owed or granted to Executive Board member Bernard Gautier;
9. Authorization granted to the Executive Board to purchase the Company's shares;

Resolutions pertaining to the Extraordinary Meeting

10. Delegation of power to the Executive Board to increase share capital through the issue of shares or securities giving access to the capital with preferential subscription rights maintained;
11. Delegation of power to the Executive Board to increase share capital through the issue of shares or securities giving access to the capital with preferential subscription rights canceled;
12. Delegation of power to the Executive Board to increase share capital through the issue of shares or securities giving access to the Company's capital with preferential subscription rights canceled, under a private placement as set forth in Article L. 411-2 II of the French Monetary and Financial Code;
13. Authorization for the Executive Board to set the issue price, using the method set forth by shareholders at their Annual Meeting, for shares or securities with preferential subscription rights canceled, up to a yearly limit of 10% of the Company's share capital;
14. Delegation of power to the Executive Board to increase the number of shares to be issued in the event of excess demand, with preferential subscription rights maintained or canceled;
15. Delegation of power to the Executive Board to increase capital in consideration for contributions of shares, either independently or through a public exchange offer, with preferential subscription rights canceled;
16. Delegation of power to the Executive Board to increase share capital through the capitalization of reserves, profits or premiums;
17. Maximum aggregate amount of capital increases;
18. Delegation of power to the Executive Board to increase share capital, with preferential subscription rights canceled, through the issue of shares or securities giving access to the capital reserved for members of the Group savings plan;
19. Authorization granted to the Executive Board to grant stock subscription and/or purchase options to corporate officers and employees, with preferential subscription rights canceled;
20. Authorization granted to the Executive Board to grant performance shares to corporate officers and employees, either existing or to be issued, with preferential subscription rights canceled for any shares to be issued;

Resolution pertaining to the Ordinary Meeting

21. Powers for legal formalities.

A. Resolutions pertaining to the Ordinary Meeting

First resolution

Approval of the 2015 parent company financial statements

The shareholders in General Meeting, voting under the quorum and majority required for Ordinary General Meetings of shareholders,

- having heard the management report of the Executive Board on the activity and situation of the Company in 2015 and the observations of the Supervisory Board,
- and having heard the report of the Statutory Auditors on the parent company financial statements,

hereby approve the parent company financial statements for the fiscal year beginning on January 1, 2015, and ending on December 31, 2015, as presented by the Executive Board, with net income of €1,338,591,468.59 as well as the transactions presented in these statements or described in these reports.

Second resolution

Approval of the 2015 consolidated financial statements

The shareholders in General Meeting, voting under the quorum and majority required for Ordinary General Meetings of shareholders,

- having heard the management report of the Executive Board on the activity and situation of the Company in 2015 and the observations of the Supervisory Board,
- and having heard the report of the Statutory Auditors on the consolidated financial statements,

hereby approve the consolidated financial statements for the fiscal year beginning on January 1, 2015, and ending on December 31, 2015, as presented by the Executive Board, with net income, Group share, of €-146,230 thousand as well as the transactions presented in these statements or described in these reports.

Third resolution

Net income allocation, dividend approval and payment

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, acting on the recommendation of the Executive Board, as approved by the Supervisory Board,

1. decide:
   - to allocate 2015 net income totaling €1,338,591,468.59,
   - plus retained earnings of €1,480,967,942.90,

   comprising income available for distribution of €2,819,559,411.49 in the following manner:
   - to shareholders, the amount of €103,183,939.50 to pay a net dividend of €2.15 per share,
   - to other reserves, the amount of €0.00,
   - to retained earnings, the remaining amount of €2,716,375,471.99;
2. decide that the ex-dividend date shall be June 6, 2016, and that the dividend shall be paid on June 8, 2016;
3. decide that the dividend that cannot be paid to Wendel treasury shares shall be allocated to retained earnings and that the amounts required to pay the dividend described above on shares resulting from the exercise of stock subscription or purchase options before the ex-dividend date shall be deducted from retained earnings;
4. acknowledge the Executive Board's presentation of distributions allocated in the three previous fiscal years:

Fiscal year	Dividends distributed	Net dividend per share
2012	82,985,060	€1.75
2013	86,448,689	€1.85
2014	92,648,748	€2.00

Under current regulations, in accordance with Article 243 *bis* of the French Tax Code, the entire dividend paid to individuals resident in France for tax purposes is subject to a progressive income tax rate, after applying the 40% exclusion allowed under Article 158-3 2° of the French Tax Code.

A mandatory non-definitive withholding tax of 21% is in principle applicable to the gross dividend amount, in addition to a 15.5% social security withholding tax, and is applied to the income tax owed for the year in which the dividend is paid.

Fourth resolution

Approval of related-party agreements

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, having heard the special report of the Statutory Auditors on the agreements described in Articles L. 225-38 *et seq*. and L. 225-86 *et seq*. of the French Commercial Code, approve the agreements entered into during the fiscal year ended December 31, 2015 and in early 2016 described in this report. These agreements deal with Executive Board members' co-investment in AlliedBarton Security Services and Executive Board members' additional co-investments in IHS and CSP Technologies.

Fifth resolution

Approval of a related party agreement concerning the Wendel brand

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 agreement entered into during the fiscal year ended December 31, 2015 concerning the use of the Wendel brand in the UK.

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 Ordinary Shareholders' Meeting called in 2020 to approve the financial statements for the fiscal year ending December 31, 2019.

Seventh resolution

Non-binding vote on compensation owed or granted to Executive Board Chairman Frédéric Lemoine

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, having heard the report of the Executive Board, vote in favor of the compensation owed or granted to Executive Board Chairman Frédéric Lemoine for the fiscal year ended December 31, 2015, as detailed in the Executive Board's report on the meeting resolutions (section 8.9.2 of the Company's 2015 registration document).

Eighth resolution

Non-binding vote on compensation owed or granted to Executive Board member Bernard Gautier

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, having heard the report of the Executive Board, vote in favor of the compensation owed or granted to Executive Board member Bernard Gautier for the fiscal year ended December 31, 2015, as detailed in the Executive Board's report on the meeting resolutions (section 8.9.2 of the Company's 2015 registration document).

Ninth resolution

Authorization granted to the Executive Board to purchase the Company's shares at a maximum price of €200

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, acting on the recommendation of the Executive Board approved by the Supervisory Board, in application of Article 15-V b) of the by-laws,

- having heard the report of the Executive Board,
- and pursuant to Articles L. 225-209 *et seq*. of the French Commercial Code, the General Regulation of the Autorité des marchés financiers, and European Commission regulation no. 2273/2003,

1. authorize the Executive Board, with the power of sub-delegation as provided for by law, to buy back shares in the Company within the following limits:
   - the number of shares purchased by the Company during the buyback program shall not exceed 10% of the number of shares comprising the Company's share capital, at any time, with this percentage applying to capital adjusted for transactions that may impact it subsequent to this Shareholders' Meeting, or (on an indicative basis), 4,799,253 shares as of December 31, 2015,
   - 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 (as an exchange, payment, or other consideration) in the context of acquisitions, mergers, spin-offs or asset contributions, subject to prior authorization by the Supervisory Board,
   - 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 conduct of the Autorité des marches financiers,
- to implement stock purchase option plans as defined in Articles L. 225-177 *et seq*. of the French Commercial Code,
- to allocate performance shares pursuant to Articles L. 225-197-1 *et seq*. of the French Commercial Code,
- to allocate or sell shares as part of the Group's profit sharing program and any Group savings plan as provided for by law, in particular 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, subject to prior authorisation of the Supervisory Board.

This program is also intended to allow the Company to pursue any other purpose that has been or may be authorized by legislation or regulations in force. In such an event, the Company shall inform its shareholders by issuing a press release;

3. decide that the acquisition, sale or transfer of shares may, subject to applicable legal and regulatory restrictions, be made at any time and by any means, on the stock market or through private transactions, including the acquisition or sale of blocks of shares (without limiting the portion of the buyback program that may be conducted in this way), through public offers to purchase, sell or exchange shares, or through the use of options or other derivatives traded in a regulated stock market or in private transactions, or by the delivery of shares subsequent to the issue of securities giving access to the Company's capital by conversion, exchange, reimbursement, exercise of warrants or otherwise, either directly or indirectly through an investment service provider;
4. set the maximum purchase price at €200 per share, representing, on an indicative basis, a total maximum share buyback amount of €959,850,600, based on 4,799,253 shares and corresponding to 10% of the capital as of December 31, 2015, and give full power to the Executive Board to adjust this purchase price, in the event of transactions on the Company's capital, to take into account the impact of these transactions on the value of the shares;
5. decide that the Executive Board shall not, without the prior authorization of shareholders, use this delegation of power from the date of filing by a third party of a public offering for the Company's securities until the end of the offering period;
6. give full power to the Executive Board to decide and apply this authorization, to specify, where necessary, the terms and procedures, to carry out the share buyback program, and in particular to trade in the stock market, enter into any agreements, facilitate the recording of purchases and sales in stock market registers, make any disclosures including to the Autorité des marchés financiers, carry out any formalities, and, generally, do what is required for the application of this authorization;
7. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

B. Resolutions pertaining to the Extraordinary Meeting

Tenth resolution

Delegation of power to the Executive Board to increase share capital, with preferential subscription rights maintained, for a maximum par value of €95 million

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board and the special report of the Statutory Auditors,
- and pursuant to Articles L. 225-129-2, L. 225-129-4, L. 225-129-5, L. 225-132, and L. 225-134 and Articles L. 228-91 to L. 228-93 of the French Commercial Code,

1. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, the power to issue, on one or more occasions, in the proportions and at the times that it shall determine, in France or outside France, subject to valuable consideration or not, with preferential subscription rights maintained, shares of the Company or any other securities giving access, at any time or at a specified date–through subscription, conversion, exchange, repayment, exercise of warrants or in any other manner–to a portion of the share capital to be issued by the Company or by one of the companies described in Article L. 228-93 of the French Commercial Code, it being specified that these securities may be denominated in euros or another currency or in a monetary unit established by reference to a number of currencies, and that these issues may be subscribed either in cash, or by offsetting uncontested and liquid debts payable by the Company;
2. decide that the par value of any capital increases carried out immediately or at a later date under this authorization shall not exceed €95 million or its equivalent at the issue date in the event of an issue in another currency or in a monetary unit established by reference to a number of currencies, it being specified that this amount shall be included in the maximum aggregate par value set in paragraph 1 of the seventeenth resolution of this Shareholders' Meeting;
3. decide that to these amounts shall be added, if applicable, the par value of additional shares to be issued to protect the rights of holders of securities giving access to the Company's share capital;
4. decide that the issue or issues shall be reserved, on a preferential basis, to shareholders, who may subscribe as of right in proportion to the number of shares they own:
   - take note that the Executive Board may grant shareholders the right to subscribe for excess securities in addition to the number of securities they are entitled to subscribe for as of right, in proportion to their subscription rights and, in any case, not exceeding the number requested,
   - take note that if all the shares issued are not taken up through subscriptions as of right and, if applicable, subscriptions for excess shares, the Executive Board may use, as provided for by law and in the order that it shall determine, one or more of the powers below:
     - restrict the increase of capital to the subscription amount, subject to this amount attaining at least three-quarters of the increase decided,
     - distribute as it sees fit all or a portion of the securities not taken up,
     - offer to the public all or a portion of the securities not taken up;
5. take note and decide, where necessary, that this authorization shall by law entail, in favor of the holders of the securities giving access to shares of the Company that may be issued under this resolution, the waiver by the shareholders of their preferential subscription rights to the new shares to which these securities give access;
6. decide that the issues of equity warrants in the Company may be carried out by subscription offer, but also by free allocation to the owners of existing shares, it being specified that the Executive Board shall have the power to decide that allocation rights comprising fractional shares shall not be negotiable and that the corresponding securities shall be sold;
7. decide that the Executive Board shall not, without the prior authorization of shareholders, use this delegation of power from the date of filing by a third party of a public offering for the Company's securities until the end of the offering period;
8. give full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this authorization, in particular to:
   - determine the dates and the amounts of the issues as well as the form and the characteristics of the securities to be created; set the issue price of the shares or securities giving access to the capital, the date from which ownership rights on them shall take effect, including a retroactive date, and the method of payment; provide for, if applicable, the terms and conditions of their repayment, repurchase on the stock market or exchange for shares or other securities, the possibility to suspend the exercise of rights attached to securities for a period not to exceed the maximum period authorized by the legal and regulatory provisions in force; determine and carry out any adjustments intended to take into account the impact of transactions on the share capital of the Company and set

the terms and conditions by which it shall ensure, if applicable, the protection of the rights of the holders of securities giving access to the capital,

- in the event of an issue of debt securities, decide whether they shall be subordinated or not, set their interest rates and the terms and conditions of interest payment, their term (with or without a maturity date), the redemption price (fixed or variable, with or without premium), repayment terms based notably on market conditions, the terms under which these securities shall give entitlement to shares and, more generally, determine all other issue and repayment terms and conditions; modify, during the life of the securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities,
- charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve,
- recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
- and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned issues;

9. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

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 €19 million

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board and the special report of the Statutory Auditors,
- and pursuant to the provisions of Articles L. 225-129-2, L. 225-129-4, L. 225-129-5, L. 225-134 to L. 225-136, and L. 228-91 to L. 228-93 of the French Commercial Code,

1. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, the power to issue, on one or more occasions and as part of a public offering, in the proportions and at the times that it shall determine, in France or outside France, subject to valuable consideration or not, shares of the Company or any other securities giving access, at any time or at a specified date—through subscription, conversion, exchange, repayment, exercise of warrants or in any other manner—to a portion of the share capital to be issued by the Company or by one of the companies described in Article L. 228-93 of the French Commercial Code, it being specified that these securities may be denominated in euros or another currency or in a monetary unit established by reference to a number of currencies, and that these issues may be subscribed either in cash or by offsetting uncontested and liquid debts payable by the Company;
2. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, the power to issue shares or securities giving access to the capital of the Company subsequent to the issue, by companies described in Article L. 228-93 of the French Commercial Code, of securities giving access to the capital of the Company;
3. decide that the par value of any capital increases carried out immediately or at a later date under this authorization shall not exceed €19 million or its equivalent at the issue date in the event of an issue in another currency or in a monetary unit established by reference to a number of currencies, it being specified that this amount shall be included in the maximum aggregate par value set in paragraph 1 of the seventeenth resolution of this Shareholders' Meeting;
4. decide that to this amount shall be added, if applicable, the par value of additional shares to be issued to protect the rights of holders of securities giving access to the Company's share capital;
5. decide to cancel the preferential subscription rights of shareholders to securities issued under this authorization, it being understood that the Executive Board may grant to shareholders, for a period of time and according to terms and conditions that it shall set in accordance with applicable legal and regulatory provisions, for the entire share issue through public offering, a priority period to subscribe for the abovementioned securities, in proportion to the number of shares held by each shareholder, as of right and possibly not as of right, without giving rise to the creation of negotiable rights;
6. decide that if the issue of shares or securities giving access to the Company's capital is not fully subscribed, the Executive Board can take some or all of the measures allowed under Article L. 225-134 of the French Commercial Code, in the order that it deems appropriate;
7. take note and decide, where necessary, that this authorization shall by law entail, in favor of the holders of the securities giving access to shares of the Company that may be issued under this resolution or by companies in which the Company directly or indirectly holds more than half of the share capital, the waiver by the shareholders of their preferential subscription rights to the new shares to which these securities give access;

8. take note that, pursuant to Article L. 225-136 of the French Commercial Code:
   - the issue price of shares issued directly shall be at least equal to the minimum provided for by the applicable regulatory provisions at the issue date (which under current regulations is the weighted average share price of the three trading days prior to the date on which the share subscription price is set, discounted by 5%),
   - the issue price of securities giving access to the share capital shall be such that the sum received immediately by the Company, increased by any amount received subsequently by the Company, is, for each share issued as a result of the issue of securities, at least equal to the minimum subscription price defined in the previous paragraph;
9. decide that the Executive Board shall not, without the prior authorization of shareholders, use this delegation of power from the date of filing by a third party of a public offering for the Company's securities until the end of the offering period;
10. give full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this authorization, in particular to:
    - decide to carry out the issues and set all terms and conditions, notably: determine the dates and the amounts of the issues as well as the form and the characteristics of the securities to be created; set the issue price of the shares or securities, the date from which ownership rights on them shall take effect, including a retroactive date, and the method of payment; provide for, if applicable, the terms and conditions of their repayment, repurchase on the stock market or exchange for shares or other securities, the possibility to suspend the exercise of rights attached to securities for a period not to exceed the maximum period authorized by the legal and regulatory provisions in force; determine and carry out any adjustments intended to take into account the impact of transactions on the share capital of the Company and set the terms and conditions by which it shall ensure, if applicable, the protection of the rights of the holders of securities giving access to the capital,
    - in the event of an issue of debt securities, decide whether they shall be subordinated or not, set their interest rates and the terms and conditions of interest payment, their term (with or without a maturity date), the redemption price (fixed or variable, with or without premium), repayment terms based notably on market conditions, the terms under which these securities shall give entitlement to shares and, more generally, determine all other issue and repayment terms and conditions; if applicable, these securities may be accompanied by warrants giving access to the allocation, acquisition or subscription of bonds or other securities representing debt; modify, during the life of the securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities,
    - charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve,
    - recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
    - and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned issues;
11. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Twelfth resolution

Delegation of power to the Executive Board to increase share capital through the issue of shares or securities giving access to the Company's capital with preferential subscription rights canceled, under a private placement as set forth in Article L. 411-2 II of the French Monetary and Financial Code

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board and the special report of the Statutory Auditors,
- and pursuant to the provisions Articles L. 225-129-2, L. 225-129-4, L. 225-129-5, L. 225-134 to L. 225-136 and L. 228-91 to L. 228-93 of the French Commercial Code and part II of Article L. 411-2 of the French Monetary and Financial Code,

1. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, the power to issue, as part of offerings allowed under Article L. 411-2, paragraph II, of the French Monetary and Financial Code and within the limits set by law and regulations, on one or more occasions, in the proportions and at the times that it shall determine, in France or outside France, subject to valuable consideration or not, shares of the Company or any other securities giving access, at any time or at a specified date—through subscription, conversion, exchange, repayment, exercise of warrants or in any other manner—to a portion of the share capital of the Company or one of the companies described in Article L. 228-93 of the French Commercial Code, or giving the right to be granted 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. decide that the par value of any capital increases carried out under this authorization cannot exceed 10% of the Company's share capital at the time of the issue over a 12-month period, and shall be included in the maximum aggregate par value set in paragraph 3 of the eleventh resolution of this Shareholders' Meeting;
3. decide that to this amount shall be added, if applicable, the par value of additional shares to be issued to protect the rights of holders of securities giving access to the Company's share capital;
4. decide to cancel the shareholders' preferential subscription right to shares or securities issued by virtue of this resolution;
5. decide that if the issue of shares or securities giving access to the Company's capital is not fully subscribed, the Executive Board can take some or all of the measures allowed under Article L. 225-134 of the French Commercial Code, in the order that it deems appropriate;
6. take note and decide, where necessary, that this authorization shall by law entail, in favor of the holders of the securities giving access to shares of the Company that may be issued under this resolution or by companies described in Article L. 228-93 of the French Commercial Code, the waiver by the shareholders of their preferential subscription rights to the new shares to which these securities give access;
7. take note that, pursuant to Article L. 225-136 of the French Commercial Code:
   - the issue price of shares issued directly shall be at least equal to the minimum provided for by the applicable regulatory provisions at the issue date (which under current regulations is the weighted average share price of the three trading days prior to the date on which the share subscription price is set, discounted by 5%),
   - the issue price of securities giving access to the share capital shall be such that the sum received immediately by the Company, increased by any amount received subsequently by the Company, is, for each share issued as a result of the issue of securities, at least equal to the minimum subscription price defined in the previous paragraph;
8. decide that the Executive Board shall not, without the prior authorization of shareholders, use this delegation of power from the date of filing by a third party of a public offering for the Company's securities until the end of the offering period;
9. give full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this authorization, in particular to:
   - decide to carry out the issues and set all terms and conditions, notably: determine the dates and the amounts of the issues as well as the form and the characteristics of the securities to be created; set the issue price of the shares or securities, the date from which ownership rights on them shall take effect, including a retroactive date, and the method of payment; provide for, if applicable, the terms and conditions of their repayment, repurchase on the stock market or exchange for shares or other securities, the possibility to suspend the exercise of rights attached to securities for a period not to exceed the maximum period authorized by the legal and regulatory provisions in force; determine and carry out any adjustments intended to take into account the impact of transactions on the share capital of the Company and set the terms and conditions by which it shall ensure, if applicable, the protection of the rights of the holders of securities giving access to the capital,
   - establish the list of parties that can purchase shares under the issue,
   - in the event of an issue of debt securities, decide whether they shall be subordinated or not, set their interest rates and the terms and conditions of interest payment, their term (with or without a maturity date), the redemption price (fixed or variable, with or without premium), repayment terms based notably on market conditions, the terms under which these securities shall give entitlement to shares and, more generally, determine all other issue and repayment terms and conditions; if applicable, these securities may be accompanied by warrants giving access to the allocation, acquisition or subscription of bonds or other securities representing debt; modify, during the life of the securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities,
   - charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve,
   - recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
   - and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned issues;
10. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Thirteenth resolution

Authorization for the Executive Board to set the issue price, using the method set forth at the Annual Shareholders' Meeting, for shares or securities, with preferential subscription rights canceled, through a private placement or public offering, up to a yearly limit of 10% of the Company's share capital

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board and the special report of the Statutory Auditors,
- and pursuant to the provisions of Article L. 225-136 of the French Commercial Code,

1. authorize the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, in the event of the issue, for consideration or otherwise, of shares in the Company or any other securities giving access, at any time or at a specified date–through subscription, conversion, exchange, repayment, exercise of warrants or in any other manner–to a portion of the share capital of the Company or a company meeting the criteria in Article L. 228-93 of the French Commercial Code, or giving the right to be granted debt securities, without preferential subscription rights, under the conditions (notably in terms of amounts) set forth in the eleventh and twelfth resolutions of this Shareholders' Meeting, to depart from the price-setting method set forth in those resolutions and set the issue price as follows:
   - for a share issue, the issue price shall be at least equal to the average Wendel share closing price over the 20-day period preceding the issue, to which a 10% discount may be applied,
   - for an issue of other securities, the issue price shall be set such that the sum received immediately by the Company, increased by any amount received subsequently by the Company, is, for each share issued as a result of the issue of securities, at least equal to the minimum subscription price defined above;
2. decide that the par value of any capital increases carried out under this authorization cannot exceed 10% of the Company's share capital at the time of the issue over a 12-month period, and shall be included in the maximum aggregate par value set in paragraph 3 of the eleventh resolution of this Shareholders' Meeting;
3. decide that the Executive Board shall not, without the prior authorization of shareholders, use this delegation of power from the date of filing by a third party of a public offering for the Company's securities until the end of the offering period;
4. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Fourteenth resolution

Delegation of power to the Executive Board to increase the number of shares to be issued in the event of excess demand, by up to 15% of the initial issue, with preferential subscription rights maintained or canceled

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board and the special report of the Statutory Auditors,
- and pursuant to Article L. 225-135-1 of the French Commercial Code,

1. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, and within the share capital limit and the limit specified in the resolution authorizing the issue, for each of the issues decided by virtue of the tenth to thirteenth resolutions of this Shareholders' Meeting, in the event of excess demand, the power to increase the number of securities to be issued at the same price as that set for the initial issue and within the periods and up to the limits provided by applicable regulations on the issue date (currently within 30 days of the closing date of the subscription and by up to 15% of the initial issue);
2. decide that the par value of any capital increases carried out shall be included in the maximum aggregate par value set in paragraph 1 of the seventeenth resolution of this Shareholders' Meeting;
3. decide that the Executive Board shall not, without the prior authorization of shareholders, use this delegation of power from the date of filing by a third party of a public offering for the Company's securities until the end of the offering period;
4. decide that this authorization shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Fifteenth resolution

Delegation of power to the Executive Board to increase share capital, in consideration for contributions of shares, either independently or through a public exchange offer, of up to €19 million, with preferential subscription rights canceled

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board and the special report of the Statutory Auditors,
- and pursuant to Articles L. 225-129 *et seq*., L. 225-147, L. 225-148, and L. 228-91 *et seq*. of the French Commercial Code,

1. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, the power to issue, on one or more occasions, shares or securities giving access to the Company's share capital, on the basis of the report from the contributions auditor (*commissaire aux apports*), up to a maximum of 10% of the share capital at the time of issue, in consideration for contributions in kind made to the Company and comprising shares or securities giving access to the capital, when the provisions of Article L. 225-148 of the French Commercial Code are not applicable;
2. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, the power to issue, on one or more occasions, shares or securities giving access to the Company's share capital, in consideration for shares tendered in a public exchange offer initiated by the Company, in France or outside France, in compliance with local regulations, on the shares of another company whose shares are traded on a regulated market, in accordance with Article L. 225-148 of the French Commercial Code, for up to €19 million or its equivalent at the issue date in the event of an issue in another currency or in a monetary unit established by reference to a number of currencies;
3. decide that the maximum par value of any capital increases carried out under this authorization cannot exceed €19 million, and shall be included in the maximum aggregate par value set in paragraph 3 of the eleventh resolution of this Shareholders' Meeting;
4. decide to cancel, in favor of the holders of the shares tendered, the preferential subscription rights of shareholders to the shares and securities issued in consideration for the contributions in kind;
5. decide that the par value of any capital increases carried out immediately or at a later date under the above authorizations shall be included in the maximum aggregate value set in paragraph 3 of the eleventh resolution of this Shareholders' Meeting;
6. decide that to this amount shall be added, if applicable, the par value of additional shares to be issued to protect the rights of holders of securities giving access to the Company's share capital;
7. decide that the Executive Board shall not, without the prior authorization of shareholders, use this delegation of power from the date of filing by a third party of a public offering for the Company's securities until the end of the offering period;
8. give full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this authorization, in particular to:
   - approve the valuation of contributions and set the exchange ratio as well as, if applicable, the amount of the cash consideration,
   - approve the granting of special benefits, and reduce, if the contributors agree, the valuation of the contributions or the consideration for the special benefits,
   - recognize the number of securities tendered to the exchange,
   - recognize the number of securities to be issued,
   - determine the dates and terms of issues, notably the price and the effective date ownership rights take effect on shares or other securities to be issued and giving access to the share capital of the Company,
   - recognize the difference between the issue price of new shares and their par value in shareholders' equity on the balance sheet, under share premiums, to which all shareholders shall have rights,
   - charge, if applicable, all costs and fees related to the authorized transaction against share premiums and deduct from this amount the sums required to raise the legal reserve,
   - recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
   - and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned issues;
9. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Sixteenth resolution

Delegation of power to the Executive Board to increase share capital through the capitalization of reserves, profits or premiums, by up to €80 million

The shareholders in General Meeting, voting under the quorum and majority required for Ordinary General Meetings of shareholders,

- having heard the report of the Executive Board,
- and pursuant to Articles L. 225-129-2, L. 225-129-4, and L. 225-130 of the French Commercial Code,

1. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, the power to increase share capital, on one or more occasions, in the proportions and at the times that it shall determine, up to a maximum par value of €80 million, through the successive or simultaneous capitalization of all or part of the reserves, profits or premiums (from issues, mergers or contributions) or other amounts, realized by the issue and allocation of bonus shares, by an increase in the par value of shares or by the joint use of both these methods;
2. decide that the par value of any capital increases carried out immediately or at a later date under this authorization shall be included in the maximum aggregate par value set in paragraph 1 of the seventeenth resolution of this Shareholders' Meeting;
3. decide, in the event of the distribution of bonus shares:
   - that the rights representing fractional shares shall not be negotiable and that the corresponding securities shall be sold; the proceeds of the sale shall be allocated to the rights holders in accordance with applicable laws and regulations,
   - to carry out any adjustments intended to take into account the impact of transactions on the Company's share capital and set the terms and conditions by which it shall ensure, if applicable, the protection of the rights of the holders of securities giving access to the capital;
4. decide that the Executive Board shall not, without the prior authorization of shareholders, use this delegation of power from the date of filing by a third party of a public offering for the Company's securities until the end of the offering period;
5. give full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this authorization, in particular to:
   - set the amount and nature of the sums to be incorporated into the capital,
   - set the number of shares to be issued or the amount by which the par value of shares comprising the share capital shall be increased,
   - set the date from which ownership rights on new shares or the increase in par value shall take effect,
   - appropriate from one or more available reserve accounts the amounts required to raise the legal reserve,
   - recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
   - and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned transactions;
6. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Seventeenth 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 €210 million the maximum aggregate par value of capital increases that may be carried out by virtue of the delegations of power to the Executive Board resulting from the tenth, eleventh, fourteenth, fifteenth, and sixteenth resolutions of this Shareholders' Meeting;
2. decide that to this amount shall be added, if applicable, the par value of additional shares to be issued to protect the rights of holders of securities giving access to the Company's share capital;
3. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Eighteenth resolution

Delegation of power to the Executive Board to increase share capital, with preferential subscription rights canceled, through the issue of shares or securities giving access to the capital, reserved for members of the Group savings plan, up to a maximum par value of €200,000

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board,
- having heard the special report of the Statutory Auditors,

- and pursuant to Articles L. 225-129-6 and L. 225-138-1 of the French Commercial Code and Articles L. 3332-1 *et seq*. of the French Labor Code,

1. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, the power to increase share capital, on one or more occasions, through the issue of shares or securities giving access to the capital, reserved for members of one or more Company savings plans implemented within the Group;
2. decide to set at €200,000 the maximum aggregate par value of capital increases that may be carried out by virtue of this resolution;
3. decide to cancel, in favor of members of one or more Company savings plans implemented within the Group, shareholders' preferential subscription right to securities issued under this resolution;
4. decide that the subscription price of new shares, set by the Executive Board in accordance with Article L. 3332-19 of the French Labor Code, shall not be higher than the average closing share price for the 20 trading days prior to the date of the Executive Board's decision setting the opening date of the subscription, nor more than 20% lower than this average;
5. authorize the Executive Board to allocate, free of consideration, to the members of one or more Company savings plans implemented within the Group, in addition to the shares or securities giving access to the capital that must be subscribed for in cash, shares or securities giving access to share capital already issued, in full or partial substitution for the discount set by the Executive Board and/or as a matching contribution, it being understood that the resulting benefit from this allocation may not exceed the applicable legal or regulatory limits defined in Articles L. 3332-19 *et seq*. and L. 3332-11 of the French Labor Code;
6. give full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this authorization, in particular to:
   - determine the companies or corporate groups whose employees may subscribe or receive the shares or securities allocated by virtue of this resolution,
   - decide that shares or securities may be subscribed or acquired directly by the beneficiaries, members of a Company savings plan implemented within the Group or through mutual funds or other structures or entities authorized by applicable legal or regulatory provisions,
   - determine the amount to be issued or sold, set the issue price in accordance with the terms and limits set by the legislation in force, the terms of payment, set the dates, terms and conditions of the issues to be carried out under this authorization,
   - set the date from which ownership rights on the new shares shall take effect, set the period within which payment must be made within the maximum period set by the legal and regulatory provisions in force, as well as, if applicable, the required length of service for beneficiaries to participate in the transaction and benefit from the Company's contribution,
   - in the event of the allocation of bonus shares or securities giving access to the capital, set the number of the shares or securities giving access to capital to be issued, the number to be allocated to each beneficiary, and set the dates, time periods, terms and conditions of the allocation of these shares or securities giving access to the capital within the legal and regulatory limits in force and, notably, choose to allocate these shares or securities giving access to the capital in full or partial substitution for the discount decided by the Executive Board, or to apply the value of these shares or securities to the total of the matching contribution, or to combine the two possibilities,
   - charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve,
   - recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
   - and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned transactions;
7. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Nineteenth resolution

Authorization granted to the Executive Board to grant stock subscription options to corporate officers and employees, with preferential subscription rights canceled, and/or stock purchase options, up to a maximum of 1% of the share capital, with up to 0.36% of this maximum amount available to Executive Board members, and with the 1% limit being a common ceiling for this resolution and the twentieth 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. 225-177 *et seq*. of the French Commercial Code,

1. authorize the Executive Board to grant, on one or more occasions, stock subscription options, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, and/or stock purchase options in the Company, in favor of individuals it shall designate – or cause to be designated – from among the corporate officers described in Article L. 225-185 of the French Commercial Code and employees of the Company or of companies or corporate groups related to it as defined by Article L. 225-180 of the French Commercial Code;
2. decide that the number of shares available to be acquired or subscribed through the exercise of options granted under this authorization shall not exceed 1% of the existing share capital on the date the options are granted, it being specified that the number of performance shares awarded under the twentieth resolution of this Shareholders' Meeting shall be deducted from this common ceiling;
3. decide that the total number of shares available to be acquired or subscribed by Executive Board members through the exercise of options granted under this authorization plus the total number of performance shares available for granting to Executive Board members under the twentieth resolution cannot exceed 0.36% of the capital;
4. decide that the Executive Board may amend its initial choice between stock subscription or stock purchase options, before the start of the period during which options may be exercised; should the Executive Board amend its choice to stock subscription options, it must obtain the prior approval of the Supervisory Board, in application of Article 15-V b) of the by-laws;
5. decide that this authorization shall entail, in favor of the beneficiaries of stock subscription options, the express waiver by the shareholders of their preferential subscription rights to the shares issued as a result of the exercise of these options;
6. take note that in the event that options are granted to the corporate officers described in Article L. 225-185 of the French Commercial Code, the Supervisory Board shall subject the grant or exercise of these options to performance conditions and must set the minimum number of shares resulting from the exercise of options that they are required to hold in registered form until termination of their appointment;
7. decide that the options to be granted under this authorization shall be subject to disclosure in the form of a special report of the Executive Board to the shareholders, in accordance with legal and regulatory provisions in force;
8. give full power to the Executive Board to implement this authorization, in particular to:
   - set the terms and conditions by which the options shall be granted and draw up the list or categories of option beneficiaries,
   - determine the dates of each allocation,
   - determine the subscription price of new shares and the purchase price of existing shares, it being specified that this share subscription or purchase price shall be set in accordance with the legal and regulatory provisions in force on the date that the options are granted and shall not be lower than the average closing share price for the 20 trading days prior to the date of the price-setting,
   - take the necessary steps to protect the interests of beneficiaries with regard to any financial transactions that may be carried out before the exercise of the options,
   - set the terms and conditions of the exercise of the options and notably (i) the period or periods during which the options granted may be exercised, it being specified that the period during which these options may be exercised shall not exceed ten years from their grant date and (ii), if applicable, individual and/or collective performance conditions for employees,
   - provide for the possibility to temporarily suspend the exercise of options in accordance with legal and regulatory provisions for a maximum of three months in the event that financial transactions are carried out involving the exercise of rights attached to the shares,
   - record, if appropriate, at its first meeting after the end of each fiscal year, the number and total value of the shares issued during the year as a result of the exercise of options,
   - charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve,
   - recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
   - and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned transactions;
9. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Twentieth resolution

Authorization to the Executive Board to grant performance shares to corporate officers and employees, with preferential subscription rights canceled, up to a limit of 0.3333% of share capital, with this amount being included in the common ceiling of 1% set in the nineteenth resolution, and with up to 0.36% of the share capital being available to Executive Board members

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

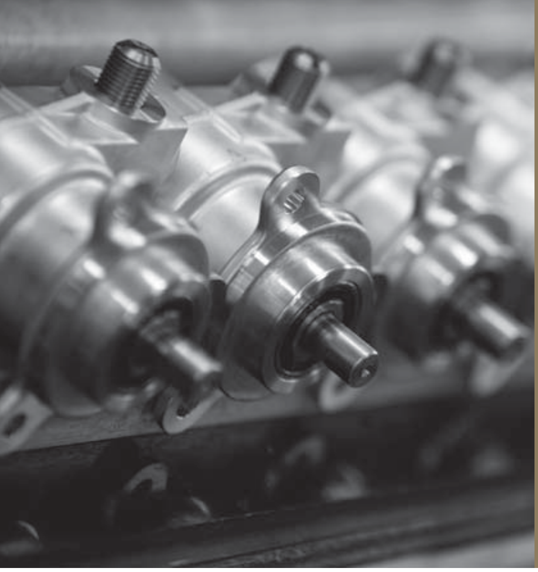
- having heard the report of the Executive Board,
- having heard the special report of the Statutory Auditors,
- and pursuant to Articles L. 225-197-1 *et seq*. of the French Commercial Code,

1. authorize the Executive Board to grant, on one or more occasions, existing performance shares or, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, performance shares to be issued, in favor of employees or corporate officers of the Company described in paragraph II of Article 225-197-1 of the French Commercial Code, or employees and corporate officers of companies or corporate groups related to it as defined by Article 225-197-2 of the French Commercial Code;
2. decide that the total number of performance shares, whether existing or to be issued, that may be granted under this authorization shall not exceed 0.3333% of the existing share capital on the date the shares are granted, it being specified that the number of performance shares granted shall be deducted from the maximum number of shares that may be issued by virtue of the nineteenth resolution of this Shareholders' Meeting, set at 1% of the capital;
3. decide that the total number of performance shares available for granting to Executive Board members plus the total number of shares available for acquisition or subscription by Executive Board members through the exercise of options granted under the nineteenth resolution cannot exceed 0.36% of the capital;
4. decide that the performance shares granted to beneficiaries shall vest at the end of a minimum vesting period of one year, and that the combined vesting period and lock-up period shall be at least two years;
5. take note that in the event that performance shares are awarded to corporate officers, the Supervisory Board shall subject the grant and/or vesting of shares to certain conditions, in particular performance conditions, and must either prohibit the sale of these shares by the beneficiaries before the termination of their appointments, or set a minimum number of these shares that they are required to hold in registered form until termination of their appointment;
6. authorize the Executive Board to adjust the number of shares, if applicable, during the vesting period, as a result of transactions affecting the Company's share capital, so as to protect the rights of the beneficiaries;
7. take note that in the case of performance shares to be issued, this authorization shall entail, in favor of the beneficiaries, the waiver by the shareholders of their preferential rights to subscribe to the shares whose issuance is authorized through the capitalization of reserves, profits or premiums;
8. give full power to the Executive Board to implement this authorization, in particular to:
   - establish the list of beneficiaries of performance shares or define the category or categories of beneficiaries to receive performance shares as well as the number of shares to be awarded to each,
   - adjust, if applicable, the number of performance shares to protect the rights of beneficiaries with regard to any transactions involving the Company's share capital, it being specified that the shares granted as a result of these adjustments shall be considered to have been distributed on the same date as the shares initially awarded;
   - set the conditions and criteria for the share grants, in the event of the issue of new shares,
   - charge, if applicable, the amounts required for the full payment of shares against reserves, profits or share premiums,
   - charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve,
   - recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
   - and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned transactions;
9. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Twenty-first resolution

Powers for legal formalities

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, hereby give full powers to the bearer of copies or extracts of the minutes of these proceedings to make all necessary filings and carry out any registration, filing or other legal formalities.



9

SUPPLEMENTAL INFORMATION

9.1 Principal contracts

Shareholder and Corporate governance agreements are described in section 7.9 of this registration document.

Financial contracts are described in note 5, "Managing financial risks", of the notes to the consolidated financial statements.

Except for these contracts and agreements, the Group does not have any significant dependence on any given patent, license, or industrial, commercial or financial contract.

9.2 Transactions with related parties

Information on related parties can be found in the notes to the consolidated statements of this registration document.

The "regulated" agreements as defined by Articles L. 225-38 and L. 225-86 of the French Commercial Code are mentioned in the Statutory Auditors' report on related party agreements and commitments in section 8.1 "Shareholders' Meeting", of this registration document.

There are no industrial, commercial or management agreements between Wendel and its subsidiaries or associates. Wendel provides certain of them with advice and assistance regarding strategic, legal, tax, financial and accounting matters. These services are billed on an arm's length basis by reference to actual costs if identifiable or at flat rates.

Wendel billed the following amounts over the three previous fiscal years:

Excluding VAT In thousands of euros	**2015**	**2014**	**2013**
Eufor	800	900	900
Winvest Conseil	8,800	8,800	8,700
Wendel-Participations	13	13	13
Other subsidiaries	64	66	70

Wendel-Participations made a lease payment of €43,733 in 2015, mentioned in the Statutory Auditor's special report on related-party agreements and commitments.

9.3 Significant changes in financial condition or business status

To the best of the Company's knowledge, since December 31, 2015, there have been no exceptional events that might have a significant impact on the financial condition, business, earnings or assets of the Company or the Group, other than the following:

- the events described in note 37 to the 2015 consolidated financial statements given in this registration document.

9.4 Expenses described in Articles 39-4 and 223 quater of the French Tax Code

The expenses described in 39-4 and 223 quater of the French Tax Code amounted to €7,482 for Wendel in 2015.

9.5 Person responsible for financial information

Jérôme Michiels, Chief Financial Officer

Tel: +33 1 42 85 30 00

E-mail: j.michiels@wendelgroup.com

9.6 Statement by the person responsible for the registration document including the annual financial report

I hereby certify, having taken all reasonable measures in this regard, that the information contained in this registration document is, to the best of my knowledge, accurate and that no information has been omitted that would be likely to alter its substance.

I hereby certify that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and present a true and fair view of the assets, financial position and results of the Company and of its consolidated group of companies and that the management report presents a true and fair picture of the business, its results and the financial condition of the Company and of its consolidated group of companies, as well as a description of the principal risks and uncertainties to which they are exposed.

I have obtained a statement from the Company's Statutory Auditors, wherein they indicate that they have verified the information regarding the financial position and financial statements included in the registration document and that they have read the entire registration document.

The Statutory Auditors have issued a report on the consolidated financial statements for fiscal year 2015. Their report can be found in section 5 of this document and includes the following observation:

"Without qualifying our opinion, we draw your attention to note 10-4 "Impairment tests of equity-method investments" to the consolidated financial statements. In a context of uncertainties with regard to the outlook for the global economy which makes forecasting difficult, this note describes the methods applied to test the interest held in Saint-Gobain for impairment at December 31, 2015, and in particular, the sensitivity of the result of this test, with regard to changes in the discount rate, the long-term growth rate and normative profitability taken into account for the computation of cash flows beyond the five-year business plan."

The Statutory Auditors' reports on the consolidated financial statements for the fiscal years ended December 31, 2014 and December 31, 2013 contain certain observations. They can be found on page 257 of the 2014 registration document, filed with the AMF on April 15, 2015 under no. D. 15-0349, and on page 252 of the 2013 registration document, filed with the AMF on April 22, 2014 under no. D. 14-0387.

Paris, April 8 , 2016

Frédéric Lemoine

Chairman of the Executive Board

9.7 Persons responsible for the audit of the financial statements and their fees

9.7.1 Principal Statutory Auditors

Ernst & Young Audit represented by Jean Bouquet

Member of the Compagnie régionale des Commissaires aux comptes de Versailles.

Tour First – 1/2, place des Saisons - 92400 Courbevoie-Paris-La Défense 1, France

Date appointed to first term: Date appointed to first term: Combined Shareholders' Meeting of November 15, 1988 (formerly named Castel Jacquet et Associés).

Appointment last renewed: Combined Shareholders' Meeting of May 28, 2013.

Term of office: six years.

Current term of office ends: Shareholders' Meeting convened to approve the financial statements for fiscal year 2018.

PricewaterhouseCoopers Audit represented by Étienne Boris

Member of the Compagnie régionale des Commissaires aux comptes de Versailles.

63, rue de Villiers – 92208 Neuilly-sur-Seine, France

Date appointed to first term: Combined Shareholders' Meeting of November 24, 1994 (formerly named Befec-Mulquin et Associés, and Befec-Price Waterhouse).

Appointment last renewed: Combined Shareholders' Meeting of May 28, 2013.

Term of office: six years.

Current term of office ends: Shareholders' Meeting convened to approve the financial statements for fiscal year 2018.

9.7.2 Fees paid to the Statutory Auditors and members of their networks

	Ernst & Young Audit				**PricewaterhouseCoopers Audit**			
	Amount excl. VAT		**%**		**Amount excl. VAT**		**%**	
In thousands of euros	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Audit								
Audit and certification of the parent company and consolidated financial statements	2,940	2,369			6,438	5,179		
Wendel	*696*	*648*	*13%*	*17%*	*700*	*655*	*8%*	*8%*
Fully consolidated subsidiaries	*2,244*	*1,720*	*42%*	*44%*	*5,738*	*4,524*	*63%*	*57%*
Other verifications and services directly related to the auditing assignment	492	487			1,428	1,882		
Wendel	*286*	*212*	*5%*	*5%*	*124*	*77*	*1%*	*1%*
Fully consolidated subsidiaries(1)	*206*	*275*	*4%*	*7%*	*1,305*	*1,805*	*14%*	*23%*
SUB-TOTAL	**3,433**	**2,856**	**64%**	**73%**	**7,866**	**7,061**	**87%**	**89%**
Other services provided by the networks to fully consolidated subsidiaries								
Legal, tax, employment(2)	1,912	1,040	36%	27%	924	899	10%	11%
Other	17	-	0%	0%	250	-	3%	0%
SUB-TOTAL	**1,929**	**1,040**	**36%**	**27%**	**1,174**	**899**	**13%**	**11%**
TOTAL	**5,362**	**3,896**	**100%**	**100%**	**9,040**	**7,960**	**100%**	**100%**

(1) This item mainly reflects verifications performed in connection with acquisitions made by operating companies.
(2) This item mainly reflects tax review services in the context of acquisitions, as well as studies concerning operational companies' adherence to local and international tax laws.

9.8 Cross-reference index for the registration document

To facilitate the reading of this annual report, filed as the registration document, the following cross-reference index identifies the principal categories of information required under Appendix 1 of European Regulation 809/2004 and indicates the corresponding pages of this document.

Categories of Appendix 1 to European regulation 809/2004

9.9 Cross-reference index for the annual financial report

This registration document includes all the items of the annual financial report mentioned in Article L. 451-1-2, paragraph I, of the French Monetary and Financial Code as well as in Article 222-3 of the General Regulation of the AMF.

The following table shows the sections of the registration document corresponding to the various chapters of the annual financial report.

9.10 Cross-reference index for the management report required under Articles L. 225-100 *et seq.* of the French Commercial Code

Management report required by the French Commercial Code		Page
Activity report		
1.	Financial condition and business activities of the Company in the past fiscal year	1 to 7, 14, 15, 28 to 30, 34 to 66,198 to 214
2.	Earnings and business activities of the Company, its subsidiaries and the companies it controls	34 to 66, 198 to 214
3.	Key financial performance indicators	14, 15
4.	Analysis of changes in business, earnings and financial condition	2 to 5, 198 to 214
5.	Significant events occurring between the balance sheet date and publication of the management report	312, 337, 399
6.	Trends and outlook	6, 7, 28 to 30, 34 to 66
7.	Research and development activities	34 to 66, 297
8.	Payment terms for trade payables	330
9.	Changes to the presentation of annual financial statements and valuation methods	231 to 239, 323, 324
10.	Description of principal risks and uncertainties	117 to 120, 249 to 258, 286, 287,328
11.	Information on "high threshold" Seveso installations	N/A
12.	Information on the use of financial instruments	249 to 258, 330
13.	Investments made in the three previous fiscal years	350
14.	Acquisitions during the year of significant or controlling interests in companies whose registered office is in France	N/A
Corporate social responsibility		
15.	Information on the manner in which the Company handles the corporate social and environmental consequences of its business activities	136 to 196
16.	Key environmental and corporate social performance indicators	136 to 196
Corporate governance		
17.	Entity chosen to carry out the Company's executive management	21, 74 to 77, 101, 102
18.	List of all of the appointments and functions performed in any company by each corporate officer in the past fiscal year	75, 76, 79 to 93
19.	Compensation and benefits of any nature paid to each corporate officer in the past fiscal year	104 to 117, 381 to 382
20.	Description of the fixed, variable and exceptional components of this compensation and these benefits and the criteria used to calculate them	104 to 113
21.	Commitments of any nature made to executive managers	105, 107, 108, 114, 115
22.	Obligation for executives to hold shares obtained through stock option or bonus share plans	105, 108 to 113
23.	Transactions on Company shares by executive managers and individuals who are closely related to them	357
24.	Shareholding structure and changes thereto during the fiscal year	68, 346 to 348
25.	Employee participation in share capital	68, 140, 346, 348
26.	Buyback and sale by the Company of its own shares	285, 353 to 356
27.	Names of controlled companies and the amount of the Company's equity stake	12, 13, 218, 312 to 313, 338
28.	Disposal of shares to reduce cross holdings	N/A
29.	Amount of dividends and other distributed income paid in the three previous fiscal years	14, 68, 339, 384

9.11 Sustainable development cross-reference index (Articles L. 225-102-1 and R. 225-14 *et seq.* of the French Commercial Code)

Corporate social information	Registration document page
Employment	
Total workforce and breakdown by gender, age and geographic region	139
new hires and dismissals	139
compensation	140
Organization of work	
organization of working time	139
Absenteeism	139
Social relations	
Organization of labor-management dialogue, especially procedures used to inform, consult and negotiate with staff	140
Summary of collective agreements	140
Health and safety	
health and safety conditions at work	140
Summary of agreements signed with trade unions or employee representatives regarding workplace health and safety	140
Workplace accidents, especially accident and severity rates, as well as occupational illnesses	140
Training	
Training policies implemented	140
Total training hours	140
Equal treatment	
Measures taken to promote gender equality	140
Measures taken to promote the employment and inclusion of people with disabilities	140
Non-discrimination policy	140
Promotion and application of the provisions of the International Labor Organization's fundamental conventions on:	
■ protecting the freedom of association and the right to collective bargaining	140
■ eliminating discrimination in employment and occupation	140
■ eliminating forced labor	140
■ abolishing child labor	140

Environmental data	Registration document page
General environmental policy	
How the Company addresses environmental issues and, if applicable, how it assesses or certifies environmental performance	Not applicable*
initiatives to train and inform employees about environmental protection	140
resources devoted to preventing environmental risks and pollution	Not applicable*
the amount of provisions and guarantees to cover environmental risks, provided that this information is not likely to cause serious harm to the Company's position in an existing dispute	Not applicable*
Pollution and waste management	
measures to prevent, reduce or offset emissions into the air, water and soil that seriously impact the environment	Not applicable*
measures to prevent, recycle and eliminate waste	142
consideration of noise and all other forms of pollution specific to a business activity	Not applicable*
Sustainable use of resources	
water consumption and supply based on local constraints	Not applicable*
consumption of raw materials and measures taken to use them more efficiently	Not applicable*
consumption of energy, measures taken to improve energy efficiency, and use of renewable energy	142
land use	Not applicable*
Climate change	
greenhouse gas emissions	142
measures taken to adapt to the effects of climate change	Not applicable*
Protection of biodiversity	
measures taken to protect or enhance biodiversity	Not applicable*

* *Not applicable to Wendel: because of the nature of Wendel's business activities, collecting this type of data is not relevant.*

Information on commitments to promote sustainable development	Registration document page
Regional, economic and social impact of the Company's business activities	
on employment and regional development	Not applicable*
On neighboring or local populations	Not applicable*
Relations with individuals or organizations with an interest in the Company's business activities, such as organizations promoting inclusion, schools, environmental protection organizations, consumer groups and neighboring populations	
dialogue with these individuals or organizations	143
partnership or sponsorship initiatives	143
Subcontractors and suppliers	
integration of social and environmental issues in purchasing policies	Not applicable*
degree of subcontracting and consideration, in dealing with suppliers and subcontractors, of their social and environmental responsibilities	Not applicable*
Fair business practices	
initiatives taken to prevent corruption	138
measures taken to promote the health and safety of consumers	Not applicable*
Other initiatives taken to promote human rights	140

* *Not applicable to Wendel: because of the nature of Wendel's business activities, collecting this type of data is not relevant.*

The original French version of this report was registered with the French stock exchange authorities (Autorité des marchés financiers, or AMF) on April 8, 2016 under number D. 16-0308, 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 AMF. This document was produced by the issuer, and the signatories to it are responsible for its contents.

The English language version of this text is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate representation of the original. However in all matters of interpretation of information, views or opinion, the original French language version of the document takes precedence over the translation.
English text: Trafi ne sarl

This document is printed in compliance with ISO 14001.2004 for an environment managment system

Designed & published by LABRADOR +33 (0)1 53 06 30 80

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April 2016

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