Wendel reports solid growth in H1 2010 income

- **Consolidated sales up +10.3% to €2,711 million**
- **Strong growth in net income of business sectors (+256% to €220.3 million)**
- **Outstanding performance of unlisted companies**
- **Positive net income of €199.4 million**
- **Net asset value up 19% compared to end of December 2009 at €63.2 per share**

Frédéric Lemoine, Chairman of the Executive Board stated that:

"Wendel recorded a strong H1 2010. All Group companies returned or remained on the growth track at a faster and more significant pace than expected. Unlisted companies, in particular, posted performances which fully warranted the support and investments Wendel has provided as a long-term shareholder throughout the past twelve months.

For all Group companies, the rebound in business and operational changes significantly drove profitability.

Last, as we announced, the companies under Wendel's control carried out selective high-quality acquisitions to strengthen their presence in emerging markets and win market shares in the fastest growing business sectors.

Wendel's results reflected these good news and net asset value has grown 22% since the start of the year to 63 euros."

H1 2010 consolidated income

(in million of euros)	*H1 2009*	H1 2010	Δ
Consolidated subsidiaries	*261.5*	393.2	+50.4%
Financing, operating expenses and tax	*(199.7)*	(172.9)	-13.4%
Net income from business sectors[1]	***61.8***	**220.3**	**+256.4%**
Including net income from business sectors, Group share [1]	*(10.8)*	*123.2*	*NS*
Non-recurring income[2]	*(963.1)*	(20.9)	*NS*
Net income (loss)	*(901.3)*	199.4	*NS*
Including net income (loss), Group share	***(959.8)***	***124.5***	***NS***

(1) Net income before goodwill allocation and non-recurring items
(2) Including goodwill allocation

Net income of business sectors

	(in millions of euros)	*H1 2009*	H1 2010	Δ
Fully consolidated	Bureau Veritas	*141.3*	152.8	+8.1%
	Materis	*10.5*	14.5	+38.8%
	Deutsch	*(10.1)*	31.7	NS
	Stallergenes	*13.4*	20.2	+49.9%
	Stahl	*0.0*	9.2	NS
	Oranje-Nassau Energie	*13.8*	-	NS
Equity method	Saint-Gobain	*41.6*	102.2	+145.7%
	Legrand	*51.1*	62.7	22.8%
	Business sector contribution	***261.5***	***393.2***	***+50.4%***
	Operating expenses	*(21.9)*	(18.0)	-18.0%
	Amortisation, provisions and stock options expenses	*(0.1)*	(2.2)	NS
	Sub-total	***(22.0)***	**(20.2)**	**-8.2%**
	Management fees	*(0.9)*	1.3	NS
	Total operating expenses	***(22.9)***	**(18.9)**	**-17.5%**
	Net financial expenses	*(56.1)*	(59.8)	+6.7%
	Financing costs related to Saint-Gobain	*(120.7)*	(94.2)	-22.0%
	Total financial expenses	***(176.8)***	**(154.1)**	**-12.9%**
	Net income from business sectors (1)	***61.8***	**220.3**	***+256.4%***
	Of which Group share (1)	*(10.8)*	*123.2*	NS

[redacted]

The Supervisory Board met on 31 August 2010 to examine Wendel's consolidated financial statements which were approved by the Executive Board on 26 August. The financial statements were subject to a limited review by the statutory auditors.

Wendel recorded a 10.3% rise in consolidated sales to €2,711 million and organic growth of 3.6% (5.5% with Stahl accounted on a six months basis). All of the companies, consolidated on a global or equity basis, grew.

The overall contribution of the Group's companies totalled €393.2 million, reflecting a substantial 50% increase compared to H1 2009: all of the companies contributed positively to Wendel's net income. Wendel's operating expenses fell 18% and financial expenses were cut by 12.9% over the first half. As a result, net income jumped a whopping 256.4% to €220.3 million. There were few non-recurring items in H1 2010 and a non-recurring loss of -€20.9 million against -€963.1 million in H1 2009.

The Group's net income was largely positive at €199.4 million (€124.5 million, Group share) for the second half year in a row, after the significant loss in H1 2009 (-€901.3 million, or -€959.8 million, Group share) following the dilution loss and impairment charge on Saint-Gobain holdings. Consolidated Shareholders' Equity advanced to €2,020 million at June 30, 2010, from €1,581 million at December 31, 2009.

Income from the Group’s companies attests to their operational quality

Bureau Veritas – Return to positive organic growth in H1 2010 – Step-up in growth expected in H2 2010

Bureau Veritas recorded sales up +1.5% to €1,349 million compared to H1 2009. Bureau Veritas returned to positive organic growth of 2.5% in Q2. All businesses reported positive organic growth in

Deutsch – A significantly faster pace in sales growth in Q2 – Operating profit more than doubled over H1 2010

Deutsch, a world leader in high-performance connectors, posted sales of $269.9 million, up +19.2% compared with H1 2009, and organic growth of +19%. Growth stepped up significantly in Q2 2010, with organic growth of +34.1% vs. +6.7% in Q1 2010. Growth was driven by LADD (organic growth of +51.5%) and the industrial division (organic growth of +104.6%) attributable to strong demand across all high-performance connector end markets, in particular, heavy vehicles and construction machines and, the coming on stream of the factory opened earlier in the year in Shanghai. The Aerospace division fell back (-13.1%), but its order book rose +13.6% in H1 2010 and has been on a significant uptrend since autumn 2009.
Drastic cost-cutting in 2009 produced its full effect this half of the year. Accordingly, operating profit more than doubled to $56.0 million (+103.4%), from $27.5 million. Operating margin stood at 20.7% of sales, vs. 12.1% in H1 2009.
The debt renegotiation transaction, finalised on 30 April, reduced net debt by 14.2% to $598 million.
Against an ongoing uncertain economic backdrop in its markets, Deutsch nonetheless expects to maintain its adjusted operating margin to over 20%.

Stallergenes – Excellent sales and profit growth - Upward revision of annual targets

Sales for the first half, up +13% compared to the first half of 2009, amounted to €110.6 million, thanks to the continued advancement of sublingual treatments and buoyant Oralair® sales in Germany. Other highlights of the first half include the positive clinical results for Oralair® in the United States, Staloral® mites in China and Actair®.

A substantial increase in earnings was achieved in the first half. R&D expenditure fell very significantly by -22% in the first half due to a timing difference between the end of the clinical studies in progress and the start of new studies. Thus, operating profit rose by +51% to €29.5 million. Net income (Stallergenes share) also rose by +51% to €20.2 million, representing 18.2% of sales. These results are particularly encouraging in Stallergenes drive to enter into strategic partnerships.

With a temporary -26% dip in investments and stable working capital requirements, free cash flow recorded an unprecedented +90% increase to €27.6 million. Net cash resources grew from €1.3 million to €25.0 million.

A priority for its expansion, the international deployment of Stallergenes will continue with, for example, the anticipated autumn market entry of Oralair® in the Netherlands, the Czech Republic, Slovakia and Austria. The market access process is ongoing in Southern European countries. In France more specifically talks have been initiated with the “Commission de Transparence” which should issue a public opinion by the end of the year.

Stallergenes increased its full-year 2010 projected sales growth to more than 10%. Despite the recovery of R&D expenditure in the second half, Stallergenes expects a significant increase in its full-year operating margin, which will be reflected in greater generation of free cash flow compared to 2009.

Stahl – Strong recovery in sales with an all-time high in the second quarter - Solid outlook for full-year 2010

(Full consolidation starting from 26 February 2010)

Stahl, of which Wendel took control early in the year and in which the Group now holds a 92% stake, posted sales of €168.5 million in the first half of 2010, a +52.1% increase on the same period last year. Organic growth increased by +48%. The second quarter, which recorded an all-time high for sales (€93.8 million), saw strong organic growth at +42.7%, despite a less favourable base effect.

The world leader in leather finishing products and high-performance coatings gained market share, notably in the Permuthane (high-performance surface coating) division and by extending its range of products in the Leather division. Stahl also achieved sustained growth in emerging markets (which account for over 50% of its sales).

Adjusted operating income of €27.6 million represents a +288% increase compared to the first half of 2009. Stahl's operating margin was up sharply, at 16.4%, thanks to the two-fold impact of volumes, prices and the fixed cost reduction plan.
Stahl's net financial debt amounted to €205 million at the end of June 2010, compared to €195 million following the financial restructuring which took place in February 2010. This was due to a slight deterioration in working capital requirement (WCR) associated with the sharp recovery in activity.

Considering the intensification of its marketing efforts in emerging countries, an increase in the workforce at its Suzhou factory, the opening of new laboratories in China and the extension of its distribution network, Stahl expects its growth to stabilise at high but more sustainable levels in the medium to long-term.

Saint-Gobain – Half-year results rebound strongly

(Equity method)

Saint-Gobain's consolidated sales increased by +4.3% to €19,529 million. Organic sales rose +1.0%, including a positive +0.9% volume impact and a positive +0.1% price effect.
Thanks chiefly to the cost savings achieved, the Saint-Gobain's operating income increased sharply by +55% compared to first-half 2009 and +12.4% on the six months to 31 December 2009. This fuelled a steep rise in the operating margin, which climbed to 7.4% of sales, compared to 5.0% and 6.7% in the first and second halves of 2009 respectively. Each major geographic region made a positive contribution.

Legrand – Strong growth in emerging markets and continuing acquisitions – Target for 2010

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Appendix 1: Contribution of companies to first-half 2010 sales

Consolidated sales

(in millions of euros)	*H1 2009*	H1 2010	Organic growth	Reported growth
Bureau Veritas	*1,329.5*	1,349.1	0%	1.5%
Deutsch	*170.1*	203.7	19.0%	19.8%
Materis	*860.7*	925.3	5.1%	7.5%
Stallergenes	*97.6*			

Sales of companies consolidated using the equity method

Appendix 2: NAV at 25 August 2010: €63.2 per share

Appendix 3: Economic and accounting results reconciliation table