



W E N D E L

PRESS RELEASE, 12/3/2015

## Sales and net asset value up over the first nine months of the year.

**31, 2014**

**the nine months, up 37.1% overall and up 2.6% organically**

Wendel is hosting its 14<sup>th</sup> annual Investor Day today, dedicated to its new acquisitions and the Group's unlisted assets. Net asset value (NAV), published today, totaled €140.3 per share as of November 18, 2015, vs. €123.2 on December 31, 2014.

**Frédéric Lemoine, Chairman of the Executive Board of Wendel, said,**

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

The Group's principal companies turned in very strong performances in the first nine months of the year including Constantia Flexibles, Stahl, IHS as well as Bureau Veritas and Saint-Gobain, two global companies whose growth is nonetheless being held back by current economic turbulence. We are confident that the quality of our companies and the skills of the entrepreneurs who manage them will enable them to rise to these challenges and to take full advantage of the underlying trends on which their strategies are based.

Our 2015 Investor Day, which we are hosting today, is an opportunity for



## Sales of Group companies in Q3 2015

### Consolidated sales in Q3 2015

| (in millions of euros)      | Q3 2014        | Q3 2015        |               | Organic              |
|-----------------------------|----------------|----------------|---------------|----------------------|
| Bureau Veritas              | 1,065.0        | 1,143.0        | +7.3%         | +0.9%                |
| Constantia Flexibles        | -              | 483.5          | n.a.          | +6.2% <sup>(1)</sup> |
| Cromology <sup>(2)</sup>    | 192.9          | 193.2          | +0.2%         | -0.6%                |
| Stahl                       | 146.9          | 151.1          | +2.9%         | -2.8%                |
| Oranje-Nassau Développement | 114.6          | 154.6          | +34.9%        | +13.8%               |
| Parcours                    | 84.5           | 93.4           | +10.5%        | +10.5%               |
| Mecatherm                   | 20.1           | 27.2           | +35.2%        | +35.2%               |
| Nippon Oil Pump             | 10.0           | 9.9            | -0.7%         | -3.1%                |
| CSP Technologies            | -              | 24.1           | n.a.          | +3.2% <sup>(1)</sup> |
| <b>Consolidated sales</b>   | <b>1,519.3</b> | <b>2,125.4</b> | <b>+39.9%</b> | <b>+1.4%</b>         |

<sup>(1)</sup> Organic growth over three months (Q3 2015 vs. Q3 2014).

<sup>(2)</sup> Materials "Kernops" aluminates, "Parex" mortars, and "Chryso" admixtures divisions, sold in 2014, are included in "

## Sales of Group companies

### **Bureau Veritas**   **Nine- 2.7%**

*(Full consolidation)*

Nine-month 2015 revenue totaled €3,461.7 million, a 14.2% increase vs. last year. Q3 2015 revenue totaled €1,143 million, up 7.3% compared to Q3 2014.

**Cromology** (formerly Materis Paints) – **Sales stable over the first nine months of 2015 (up 0.1%). New corporate governance**

Third-quarter sales totaled €483.5 million, growing 6.2% organically.

Currency fluctuations had a positive 3.6% impact resulting from gains in the US dollar and the pound sterling against the euro - mainly in the first half.

Like-for-like (comparable structure and exchange rates), sales were up 0.4% with no volume growth (-0.1%). Sales prices gained 0.5% over the nine months to September 30 in a slightly deflationary environment for raw material and energy costs.

Consolidated sales for the third quarter came in at €9,966 million, up 2.2% from €9,755 million in third-quarter 2014, including a positive scope impact of 0.2%.

Currency fluctuations continued to have a positive impact (1.8%), although less than in the first half due chiefly to the sharp slide in the value of the Brazilian real against the euro. This trend was more pronounced in September, with the currency impact turning negative.

As a result, organic growth came in at 0.2% for the quarter. Volumes slipped 0.3%, hit by the decline in construction markets in France. In line with the first nine months of the year, prices had a positive impact of 0.5%.

**Innovative Materials** sales climbed 2.5% over the nine-month period (up 2.3% over the third quarter), powered once again by Flat Glass.

Flat Glass delivered further robust organic growth over the quarter, at 5.5% (5.6% for the nine-month period). Automotive glass continued to advance strongly in all regions except Brazil and China. Construction markets remained upbeat in Asia and emerging countries including Brazil; in Europe, prices were stable vs. the second quarter amid still shaky markets.

High-Performance Materials (HPM) sales edged down 0.9% over the nine months to September 30. They retreated 1.3% in the third quarter, still affected by the decline in ceramic proppants. Other HPM businesses continued to deliver organic growth, but at a slower pace.

**Construction Products (CP)** sales climbed 0.8% over the nine months and inched up 0.4% over the third quarter, affected by Pipe.

Interior Solutions reported 1.9% growth over the nine-month period. In the third quarter, sales rose 1.3%, confirming the solid momentum in Asia and emerging countries. Trading in North America was dented by the shrinking Canadian market. Growth remained weak in Western Europe, hard hit once again by the decline in the French market along with slight downward pressure on prices.

Exterior Solutions, down 0.6% over the third quarter, remained on track with thees.

renew its commitment to invest in R&D in order to support its differentiated, high value-added strategy;  
pursue its plan to acquire a controlling interest in Sika pending the decision in first instance of the Zug court  
expected during first-half 2016.

In this tougher-than-expected, highly uncertain macroeconomic environment, for full-year 2015 Saint-Gobain expects to  
at least maintain operating income on a like-for-like basis and expects a continuing high level of free cash flow.”

In addition, Saint-Gobain pursued its share repurchase and cancellation programme in the third quarter of 2015. On  
October 5 2015, the company announced the repurchase of 111.98 million shares of its common stock at a price of 17.17  
euros per share, for a total value of approximately 1.91 billion euros. The repurchase was completed on October 5, 2015.



### **Mecatherm** Nine-month 2015 sales up 15.1%, action plan to rebuild profitability continues

*(Full consolidation)*

Mecatherm's sales totaled €65.5 million in the first nine months of the year, up 15.1% compared with the same period in 2014. Growth was driven by the “Crusty” segment in the Western European and North American markets.

Firm orders taken during the first nine months totaled €74 million, of which more than a third came from emerging markets (Eastern Europe, Africa and Middle East), bringing the total of the last 12 months to €111.4 million. There is still a high level of new business in the pipeline. Following a year that will end with negative EBITDA, Mecatherm will pursue its action plan aimed at fundamentally reorganizing the group. This plan has produced a significant trend reversal in the second half of 2015. Management projects that the company will return to profitability in 2016.

### **Nippon Oil Pump (NOP)** Sales up 2.4% over nine months

*(Full consolidation)*

NOP posted sales of ¥4,017 million over the first nine months of the year, up 2.4% and up 1.6% organically. Sales of trochoid pumps, which account for approximately 75% of the total, grew by 3.2% over the nine-

## **CSP Technologies - Good organic growth, impacted by negative currency impact**

*(Full integration since February 2015)*

CSP Technologies' sales for the first nine months of the year were \$77.0 million, up c. 7.9% organically, but impacted by negative foreign exchange rate fluctuations due to a weaker euro vs. the dollar (growth including FX impact was 1.1%).

Organic growth was driven by a combination of volume gains in all market segments, specifically diabetes test strips, cups, dairy and OTC; and generation of new business.

In Q3 2015, CSP Technologies increased its sales and marketing efforts with key hires to drive top-line growth in new and existing markets.

Net asset value was €6,734 million or €140.3 per share as of November 18, 2015 (see Appendix 1 below detail), a 13.9% rise from €123.2 per share as of December 31, 2014. The discount to NAV was 22.4% as of November 18, 2015.

## **Other significant events since the beginning of 2015**

### **Debt maturity extended and cost reduced**

After a successful first issue of 12-year bonds since 2005 in January with a par value of €500 million and a coupon of 2.50%, 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 is now 4.3% vs. 4.8% as of December 31, 2014.

### **Portfolio rebalancing**

#### **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 56.6% of its

## Acquisition of Constantia Flexibles

On March 27, 2015, Wendel announced that 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 a minority share of its investment in Constantia Flexibles. Accordingly, in November 2015, MCP acquired approximately 11% of the capital of Constantia Flexible from Wendel for €100 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 total equity investment in Constantia Flexibles is now €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 (including the acquisitions of Fnsseo.56a0056k30k300-69(E)-7(uope )-1(wi)4(de)-7(, )--9( )671 0 0 1 69.744 53(e)-9(s)-5

## Financial calendar

3/31/2016

**2015 full-year results** / Publication of NAV (pre-market release)

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6/1/2016

**Shareholders' Meeting** / Publication of NAV and trading update (before Shareholders' Meeting)

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9/8/2016

**H1 2016 earnings** / Publication of NAV (pre-market release)

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12/1/2016

**2016 Investor Day** / Publication of NAV and trading update (pre-market release)

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### About Wendel

Wendel is one of Europe's leading listed investment firms. The Group invests internationally, in companies that are leaders in their field, such as Bureau Veritas, Saint-Gobain, Cromology, Stahl, IHS, Constantia Flexibles and AlliedBarton Security Services. Wendel plays an active role as industry shareholder in these companies. It implements long-term development strategies, which involve boosting growth and margins of companies so as to enhance their leading market positions. Through Oranje-Nassau Développement, which brings together opportunities for investment in growth, diversification and innovation, Wendel is also a shareholder of exceet in Germany, Mecatherm and Parcours in France, Nippon Oil Pump in Japan, Saham Group in Africa and CSP Technologies in the United States.

Wendel is listed on Eurolist by Euronext Paris.

Standard & Poor's ratings: Long-term: Long-term: BBB-, stable outlook – Short-term: A-3 since July 7, 2014. Wendel is the Founding Sponsor of Centre Pompidou-Metz. In recognition of its long-term patronage of the arts, Wendel received the distinction of "Grand Mécène de la Culture" in 2012.

For more information: <http://www.wendelgroup.ee+>.

The valuation of Saham Finances, the insurance subsidiary of the Saham group, in the November 18, 2015 NAV does not take into account the price in the transaction with the Sanlam group, announced on November 24.

| <b>(in millions of euros)</b>  |                                    |                           | <b>11/18/2015</b> |
|--|------------------------------------|---------------------------|-------------------|
| <b>Listed equity investments</b>   | <u>Number of shares (millions)</u> | <u>Share price</u><br>(1) | <b>6,103</b>      |
| Bureau Veritas   | 177.2                              | €19.9                     | 3,526             |
| Saint-Gobain   | 65.8                               | €39.2                     | 2,578             |
| <b>Unlisted equity investments (Cromology, Stahl, IHS, Constantia Flexibles) and Oranje-Nassau Développement</b> (2) |                                    |                           | <b>3,127</b>      |
| <b>Other assets and liabilities of Wendel and holding companies</b> (3)  |                                    |                           | <b>187</b>        |
| Cash and marketable securities (4)   |                                    |                           | 1,524             |
| <b>Gross assets, revalued</b>  |                                    |                           | <b>10,943</b>     |
| Wendel bond debt and accrued interest  |                                    |                           | (4,208)           |
| <b>Net Asset Value</b>   |                                    |                           | <b>6,734</b>      |
| <i>Number of shares</i>  |                                    |                           | <i>47,991,680</i> |
| <b>Net Asset Value per share</b>   |                                    |                           |                   |
| Average of 20 most recent Wendel share prices  |                                    |                           | €108.8            |
| <b>Premium (discount) on NAV</b>   |                                    |                           | <b>(22.4%)</b>    |

(1) Average of 20 most recent closing prices calculated as of November 18, 2015.

(2) NOP, Saham, Mecatherm, Parcours, except, CSP Technologies, indirect investments and debt (Kerneos and Sterigenics)

(3) Includes 1,806,359 Wendel shares held in treasury as of November 18, 2015

(4) Cash and marketable securities owned by Wendel and holding companies, including €1,190 million in cash on hand and €334 million in liquid financial investments.

Assets and liabilities denominated currencies other than the euro have been converted at exchange rates prevailing on November 18, 2015.

If the co-investment conditions are realized, there could be a dilutive effect on Wen