

PROSPECTUS



(incorporated as a *société anonyme* in France)

**€300,000,000 4.875 per cent. Bonds due 2016 to be consolidated and form a single series with the existing
€400,000,000 4.875 per cent. Bonds due 2016 issued on 26 May 2006**

Issue price: 94.777 per cent.

**plus an amount of €6,451,027.40 corresponding to accrued interest with respect to the period from, and including, 26 May 2010 to,
but excluding, the Issue Date**

The €300,000,000 4.875 per cent. Bonds due 2016 (the “**New Bonds**”) are to be issued outside France by WENDEL (the “**Issuer**” or “**WENDEL**”) on 3 November 2010 (the “**Issue Date**”). The New Bonds will be consolidated, form a single series and be interchangeable for trading purposes with the existing €400,000,000 4.875 per cent. Bonds due 2016 issued by the Issuer on 26 May 2006 (the “**Original Bonds**” and, together with the New Bonds, the “**Bonds**”) on or after a date expected to be 13 December 2010 upon certification as to non U.S. beneficial ownership. The Issuer may, at its option, and in certain circumstances shall, redeem all, but not some only, of the Bonds at any time at par plus accrued interest in the event of certain tax changes as described under “Terms and Conditions of the Bonds - Redemption and Purchase”. Unless previously redeemed or cancelled, the Bonds will be redeemed at their principal amount on 26 May 2016 (the “**Maturity Date**”).

Application has been made to the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities, for the approval of this Prospectus for the purposes of Directive 2003/71/EC (the “**Prospectus Directive**”).

The Original Bonds have been admitted to trading on the Luxembourg Stock Exchange’s regulated market and are listed on the Official List of the Luxembourg Stock Exchange (the “**Official List**”). Application has been made to the Luxembourg Stock Exchange for the New Bonds to be admitted to the Official List and to be admitted to trading on the Luxembourg Stock Exchange’s regulated market. References in this Prospectus to the Bonds being “listed” (and all related references) shall mean that the Bonds have been admitted to the Official List and admitted to trading on the Luxembourg Stock Exchange’s regulated market. The Luxembourg Stock Exchange’s regulated market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on Markets in Financial Instruments.

The New Bonds have been assigned a rating of BB- by Standard & Poor’s Rating Services, a division of the McGraw Hill Companies Inc. The Original Bonds are currently assigned a rating of BB- by Standard & Poor’s Rating Services, a division of the McGraw Hill Companies Inc.. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

The New Bonds will be in bearer form and in the denomination of €50,000 each. The New Bonds will initially be represented on issue by a temporary global bond (the “**Temporary Global Bond**”), without interest coupons, which will be deposited on or about the Issue Date with a common depositary for Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”). Interests in the Temporary Global Bond will be exchangeable for interests in a permanent global bond (the “**Permanent Global Bond**” and, together with the Temporary Global Bond, the “**Global Bonds**”), without interest coupons, on or after 13 December 2010, upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Bond will be exchangeable for New Bonds in definitive form in the denomination of €50,000 with interest coupons attached only in certain limited circumstances - see “Summary of Provisions relating to the Bonds while represented by the Global Bonds”.

This Prospectus has not been submitted for the approval of the *Autorité des marchés financiers*.

Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Prospectus.

JOINT LEAD MANAGERS

HSBC

NATIXIS

**SOCIÉTÉ GÉNÉRALE CORPORATE
& INVESTMENT BANKING**

The date of this Prospectus is 2 November 2010

Responsibility Statement

This Prospectus comprises a prospectus for the purposes of Article 5.3 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer and the New Bonds which according to the particular nature of the Issuer and the New Bonds, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer. The Issuer (the “Responsible Person”) accepts responsibility for the information contained in this Prospectus and to the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Issuer or the Joint Lead Managers (as defined in “Subscription and Sale” below) to subscribe or purchase any of the New Bonds. The distribution of this Prospectus and the offering of the New Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions.

For a description of further restrictions on offers and sales of New Bonds and the distribution of this Prospectus, see “Subscription and Sale” below.

No person is or has been authorised to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by, or on behalf of, the Issuer or the Joint Lead Managers (as defined under “Subscription and Sale” below).

Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Group (as defined in Condition 9 of the Terms and Conditions), since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the New Bonds is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Joint Lead Managers have not separately verified the information contained herein. To the fullest extent permitted by law, the Joint Lead Managers accept no responsibility whatsoever for the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the New Bonds or their distribution or for any other statement, made or purported to be made by a Joint Lead Manager or on its behalf in connection with the Issuer or the issue and offering of the New Bonds. Each Joint Lead Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such information or statement.

Neither this Prospectus nor any other information supplied in connection with the New Bonds or their distribution is intended to provide the basis of any credit or other evaluation or should be considered as a recommendation by the Issuer or the Joint Lead Managers that any recipient of this Prospectus or any other information supplied in connection with the New Bonds or their distribution should purchase any of the New Bonds. Each investor contemplating subscribing or purchasing New Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer or the Group.

Save for any fees payable to the Joint Lead Managers, so far as the Issuer is aware, no person involved in the issue of the New Bonds has an interest material to the offer.

The Original Bonds and the New Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended, (the “Securities Act”) and are subject to U.S. tax law requirements. Subject to certain exceptions, the New Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act). For a further description of certain restrictions on the offering and sale of the New Bonds and on distribution of this document, see “Subscription and Sale” below.

This Prospectus may not be used for any purposes other than those for which it has been published.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see “Documents Incorporated by Reference”).

All references in this document to “euro”, “EUR” and “€” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended. In addition, all references in this document to “U.S. Dollars”, “USD” and “U.S. \$” refer to United States dollars and to “GBP” and “£” refer to pounds sterling.

Stabilisation

In connection with the issue of the New Bonds, Société Générale (the “Stabilising Manager”) (or any person acting on behalf of the Stabilising Manager) may over-allot Bonds or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the New Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the New Bonds and 60 days after the date of the allotment of the New Bonds. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or any person acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.

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RISK FACTORS

Prior to making an investment decision, prospective investors in the New Bonds should consider carefully, in the light of the circumstances and their investment objectives, the information contained and/or incorporated by reference in this entire Prospectus. Prospective investors should nevertheless consider, among other things, the risk factors set out below. This summary is not intended to be exhaustive. Prospective investors should make their own independent evaluations of all risk factors and should also read the detailed information set out elsewhere in this Prospectus.

Risks relating to the Issuer

The risks relating to the Issuer are set out in the 2009 Reference Document, incorporated by reference herein.

Risks relating to the New Bonds

No fungibility with Original Bonds prior to 13 December 2010

The New Bonds will not trade fungibly with the Original Bonds until the 40th day after the Issue Date (expected to be 13 December 2010) and only if and to the extent that the relevant principal amount of New Bonds, as represented by the Temporary Global Bond, have been exchanged for corresponding interests in the Permanent Global Bond in accordance with its terms. Accordingly, until such date, the trading market for the New Bonds may be limited.

The secondary market generally

Although the Original Bonds are already in issue, this does not mean that they have an established trading market. An established trading market in the Bonds (including the New Bonds) may never develop. If a secondary market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Bonds in the secondary market (in which case the market or trading price and liquidity may be adversely affected) or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

The New Bonds may not be a suitable investment for all investors

Each potential investor in the New Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the New Bonds, the merits and risks of investing in the New Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the New Bonds and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the New Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the New Bonds and be familiar with the behaviour of any relevant indices and financial markets; and

- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the New Bonds in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease (i) the Investor's Currency-equivalent yield on the New Bonds, (ii) the Investor's Currency-equivalent value of the principal payable on the New Bonds and (iii) the Investor's Currency-equivalent market value of the New Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in the New Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the New Bonds.

The Bonds may be redeemed prior to maturity

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Bonds due to any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of France or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Bonds in accordance with the Conditions.

Exercise of put option in respect of certain Bonds may affect the liquidity of the Bonds in respect of which such put option is not exercised

Depending on the number of Bonds (including the New Bonds) in respect of which the put option provided in Condition 6.4 is exercised, any trading market in respect of those Bonds in respect of which such put option is not exercised may become illiquid.

Market value of the Bonds

The market value of the Bonds (including the New Bonds) will be affected by the creditworthiness of the Issuer and a number of additional factors.

The value of the Bonds (including the New Bonds) depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which such Bonds are traded. The price at which a holder of such Bonds will be able to sell such Bonds prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

Because the Global Bonds are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

The New Bonds will be represented by the Global Bonds except in certain limited circumstances described in the Permanent Global Bond. The Global Bonds will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Bond, investors will not be entitled to receive New Bonds in definitive form. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Bonds. While the New Bonds are represented by the Global Bonds, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the New Bonds by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a global bond must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the New Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Bonds.

Credit rating of the Bonds

The New Bonds have been assigned a rating of BB- by Standard & Poor's. The Original Bonds are currently assigned a rating of "BB-" by Standard & Poor's. The rating assigned to the Bonds by the rating agency is based on the Issuer's financial situation, but takes into account other relevant structural features of the transaction, including, *inter alia*, the terms of the Bonds, and reflects only the views of the rating agency. The rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this paragraph, and other factors that may affect the value of the Bonds. The rating addresses the likelihood of full and timely payment to the Bondholders of all payments of interest on each interest payment date and repayment of principal on the final payment date. There is no assurance that any such rating will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the rating agency as a result of changes in or unavailability of information or if, in the rating agency's judgement, circumstances so warrant. A credit rating and/or a corporate rating is not a recommendation to buy, sell or hold securities. Any adverse change in an applicable credit rating could adversely affect the trading price for the Bonds.

Modification

The Terms and Conditions of the Bonds (including the New Bonds) contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

Change of law

The conditions of the Bonds (including the New Bonds) are based on the laws of England in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of England or administrative practice after the date of this Prospectus. Furthermore, the Issuer operates in a heavily regulated environment and has to comply with extensive regulations in France and elsewhere. No assurance can be given as to the impact of any possible judicial decision or change to laws or administrative practices after the date of this Prospectus.

French insolvency law

Under French insolvency law, holders of debt securities, whether issued in France or outside France, are automatically grouped into a single assembly of holders (the “**Assembly**”) in order to defend their common interests if a preservation procedure (*procédure de sauvegarde*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer. The Assembly comprises holders of all debt securities issued by the Issuer (including the New Bonds) regardless of their governing law. The Assembly deliberates on the proposed safeguard plan (*projet de plan de sauvegarde*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Bondholders) by rescheduling due payments and/or partially or totally writing off receivables in form of debt securities;
- establish an unequal treatment between holders of debt securities (including the Bondholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the New Bonds) into securities that give or may give right to share capital.

Decisions of the Assembly will be taken by a two-thirds majority (calculated as a proportion of the amount of debt securities held by the holders who voted during such Assembly; notwithstanding any clause to the contrary and the law governing the issuance agreement). No quorum is required for the Assembly to be validly held.

Stipulations relating to the representation of holders of the New Bonds will not be applicable if they depart from any imperative dispositions of French insolvency law that may be applicable.

The procedures, as described above or as they may be amended, could have an adverse impact on holders of the Bonds seeking repayment in the event that the Issuer or its subsidiaries were to become insolvent.

Taxation

Potential purchasers and sellers of the New Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the New Bonds are transferred or other jurisdictions. Potential investors are advised not to rely upon the tax summaries contained in this Prospectus but to ask for their own tax adviser’s advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the New Bonds. Only these advisers are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

EU Savings Directive

The EC Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the “**Directive**”) requires each Member State as from 1 July 2005 to provide to the tax authorities of another Member State details of payments of interest and other similar income within the meaning of the Directive made by a paying agent within its jurisdiction to, or under certain circumstances collected for the benefit of a beneficial owner (within the meaning of the Directive), resident in that other Member State, except that Luxembourg and Austria impose instead a withholding system for a transitional period unless the beneficiary of interest payment elects for the exchange of information. The rate of this withholding tax is currently 20 per cent. and will be raised to 35 per cent. as from 1 July 2011 until the end of the transitional period.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Bonds as a result of the imposition of such withholding tax.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the New Bonds are legal investments for it, (2) the New Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any New Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the New Bonds under any applicable risk-based capital or similar rules.

Restricted covenants

The Bonds (including the New Bonds) do not restrict the Issuer or its Subsidiaries (as defined in “Terms and Conditions of the Bonds”) from incurring additional debt. The Terms and Conditions of the Bonds contain a negative pledge that prohibits the Issuer and its Principal Subsidiaries (as defined in “Terms and Conditions of the Bonds”) in certain circumstances from creating security over assets, but only to the extent that such is used to secure other bonds or similar listed or quoted debt instruments, and there are certain exceptions to the negative pledge. The Terms and Conditions of the Bonds do not contain any other covenants restricting the operations of the Issuer. The Issuer’s Subsidiaries are not bound by obligations of the Issuer under the Bonds and are not guarantors of the Bonds.

Structural subordination due to holding company status

The Issuer is a holding company. Investors will not have any direct claims on the cash flows or the assets of the Issuer’s Subsidiaries, and such Subsidiaries have no obligation, contingent or otherwise, to pay amounts due under the Bonds (including the New Bonds) or to make funds available to the Issuer for these payments.

Claims of the creditors of the Issuer’s Subsidiaries have priority as to the assets of such Subsidiaries over the claims of the Issuer’s creditors. Consequently, holders of the Bonds (including the New Bonds) are in effect structurally subordinated on insolvency to the prior claims of the creditors of the Issuer’s Subsidiaries.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published or are published simultaneously with this Prospectus and have been filed with the CSSF, are incorporated by reference in this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded to the extent that any statement contained in this Prospectus operates to modify or supersede a statement contained in any such document incorporated by reference (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded by the statement in this Prospectus, constitute a part of this Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

Copies of the documents incorporated by reference are available free of charge at the specified offices of the Paying Agent and the Issuer. The documents are also available (free of charge) on the website of the Luxembourg Stock Exchange (www.bourse.lu).

- (i) The original French language unaudited condensed consolidated financial statements and auditors' report of WENDEL as at, and for the six months ended, 30 June 2010 (the **"2010 Interim Report"**);
- (ii) The original French language version of the 2009 annual report (comprising the management report (**"Vol I"**) and the financial and legal report (**"Vol II"**)) for WENDEL except for the AMF visa on page 236 of Vol II, the statement of the person responsible for the registration document on page 230 of Vol II and the statutory auditors' report on the report of the chairman of the supervisory board on page 178 of Vol II (the **"2009 Annual Report"**). It contains the audited consolidated annual financial statements of WENDEL as at, and for the year ended, 31 December 2009; and
- (iii) The original French language version of the 2008 annual report for WENDEL except for the AMF visa on page 259, the statement of the person responsible for the registration document on page 255, the information concerning FY 2007 and FY 2006 on page 238 and the statutory auditors' report on the report of the chairman of the supervisory board on page 65 (the **"2008 Annual Report"**). It contains the audited consolidated annual financial statements of WENDEL as at, and for the year ended, 31 December 2008.

The non-binding English translations (which have been prepared by the Issuer for information purposes only) of the original French language versions of the documents listed above can be found on the Issuer's website (www.wendelgroup.com). For the avoidance of doubt, if there is any inconsistency between the information in the original French language version and the non-binding English translation of such documents, the original French language versions listed above shall prevail.

Cross-reference list in respect of the Issuer information incorporated by reference

Annex 9 of the European Regulation 809/2004/EC of 29 April 2004		2009 Annual Report		2010 Interim Report
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Any information not listed in the cross-reference list above but included in the document incorporated by reference is given for information purposes.

TERMS AND CONDITIONS OF THE BONDS

The terms and conditions of the New Bonds (the “Terms and Conditions” or the “Conditions”) will be as follows:

The issuance of the €300,000,000 4.875 per cent. Bonds due 2016 (the “**New Bonds**”) of WENDEL, a French *société anonyme* registered at the *Registre du Commerce et des Sociétés* of Paris under the number RCS 572 174 035 (the “**Issuer**”) has been authorised pursuant to a resolution of the *Conseil de surveillance* (Supervisory Board) of the Issuer adopted on 7 October 2010, a resolution of the *Directoire* (Executive Board) of the Issuer dated 18 October 2010 and a decision of the *Président du Directoire* (Chairman) of the Issuer dated 20 October 2010. The New Bonds will be consolidated and form a single series with the €400,000,000 4.875 per cent. Bonds due 2016 issued by the Issuer on 26 May 2006 pursuant to a resolution of the Supervisory Board of the Issuer adopted on 29 March 2006, a resolution of the Executive Board of the Issuer dated 10 April 2006 and a decision of the Chairman of the Issuer dated 12 May 2006 (the “**Original Bonds**”, and together with the New Bonds, the “**Bonds**”, which expression shall in these Conditions, unless the context otherwise requires, include any further bonds issued pursuant to Condition 13 and forming a single series with the Bonds). The Bonds are issued outside France subject to and with the benefit of an Agency Agreement dated 24 May 2006 as supplemented by a supplemental agency agreement dated on or about the Issue Date of the New Bonds (such agreement as so supplemented as amended and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) made between the Issuer and Société Générale Bank & Trust as fiscal agent and paying agent (the “**Fiscal Agent**” and, together with any other paying agents appointed from time to time, the “**Paying Agents**” which term shall include successors).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement. Copies of the Agency Agreement are available for inspection during normal business hours upon prior request by the holders of the Bonds (the “**Bondholders**”) and the holders of interests in the coupons appertaining to the Bonds (the “**Couponholders**” and the “**Coupons**” respectively) at the specified office of each of the Paying Agents. The Bondholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them.

1 Form, Denomination and Title

(1) Form and Denomination

The Bonds are in bearer form, and, in the case of definitive Bonds, shall be serially numbered, in the denomination of €50,000 each with Coupons attached on issue. The holder of each Coupon, whether or not such Coupon is attached to a Bond, shall be subject to and bound by all the provisions contained in such Bond.

(2) Title

Title to the Bonds and to the Coupons will pass by delivery.

(3) Holder Absolute Owner

The Issuer and any Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the holder of any Bond or Coupon as the absolute owner for all purposes (whether or not the Bond or Coupon shall be overdue and notwithstanding any notice of ownership, trust or interest in it or writing on the Bond or Coupon or any notice of previous loss or theft of the Bond or Coupon) and no person shall be liable for so treating the holder.

2 Status of the Bonds

The Bonds and the Coupons are direct, unconditional and (subject to the provisions of Condition 3) unsecured and unsubordinated obligations of the Issuer and (subject to the provisions of Condition 3) rank and will rank *pari passu*, without any preference among themselves (subject to such exceptions as are from time to time mandatory under French law) with all other outstanding, unsecured and unsubordinated obligations, present and future, of the Issuer.

3 Negative Pledge

(1) Negative Pledge

So long as any of the Bonds remains outstanding (as defined in the Agency Agreement), the Issuer will not, and will ensure that save as stated in paragraph (2) below no Principal Subsidiary (as defined below) shall, create or permit to subsist any Security Interest upon the whole or any part of the Issuer's or such Principal Subsidiary's present or future undertaking, business, assets or revenues to secure any Relevant Indebtedness (as defined below), unless at the same time or prior thereto the Issuer's obligations under the Bonds and the Coupons either (a) are equally and rateably secured by such Security Interest or (b) have the benefit of such other security, guarantee or indemnity or other arrangement as shall be approved by a simple majority in an ordinary resolution of the general assembly of the Bondholders provided that the quorum at any meeting for passing such resolution will be one or more persons present holding or representing more than 25 per cent. in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting one or more persons present whatever the principal amount of the Bonds held or represented by him or them. For the avoidance of doubt, any escrow arrangement is not a Security Interest (*sûreté réelle*) and does not fall within the scope of this negative pledge provision.

(2) Acquisition Debt

Paragraph (1) above shall not apply to any Security Interest created by a Principal Subsidiary to secure any Relevant Indebtedness which is incurred (or granted in the case of a guarantee) for or in connection with any one or more of the following purposes: (i) financing in whole or in part the making of an Acquisition; (ii) paying or funding in whole or in part related fees, costs, expenses and financing requirements; (iii) refinancing financial indebtedness of the target of such Acquisition (x) existing at the time of the Acquisition or (y) incurred at any time during a 12-month period beginning on the date of the Acquisition; and (iv) refinancing in whole or in part financial indebtedness taken on for any or all of the foregoing purposes.

(3) Interpretation

For the purposes of these Conditions:

- (a) **"Relevant Indebtedness"** means (i) any present or future indebtedness for borrowed money for, or in respect of, or represented by any notes (excluding, for the avoidance of doubt, notes constituting promissory notes and bills of exchange issued in the ordinary course of trade), bonds (*obligations*), debentures, debenture stock, loan stock or other securities (including *titres de créances négociables*) which are for the time being, or are likely to be or capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market and (ii) any guarantee or indemnity or other like obligation granted in respect of any such indebtedness;

- (b) **“Acquisition”** means the purchase of a business by either (i) a Principal Subsidiary or (ii) an entity in which the Issuer has an interest which permits it to appoint at least one member of the board of directors (or its equivalent) of such entity, including by way of the purchase of (x) the assets, liabilities and associated goodwill of that business; (y) the shares (or equivalent units) in each company, entity or fund which is carrying on that business;
- (c) **“Security Interest”** means mortgage, charge, lien, pledge or other Security Interest (*sûreté réelle*); and
- (d) **“Principal Subsidiary”** shall have the meaning given to it in Condition 9.

4 Interest

(1) Interest Payment Dates

The Original Bonds bear interest from and including 26 May 2006. The New Bonds bear interest from and including 26 May 2010. The Bonds bear interest at the rate of 4.875 per cent. per annum, payable annually in arrear on 26 May in each year (each, an **“Interest Payment Date”**). The first payment representing a full year’s interest in respect of the New Bonds shall be made on 26 May 2011.

(2) Interest Accrual

Each Bond will cease to bear interest from and including the due date for redemption unless, upon due presentation thereof, payment of the principal in respect of the Bond is improperly withheld or refused or unless default is otherwise made in respect of the payment. In such event, interest will continue to accrue at such rate (both before and after judgment, as the case may be) until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Bond up to that date have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Bonds has been received by the Fiscal Agent and notice to that effect has been given to the Bondholders in accordance with Condition 11.

(3) Calculation of Broken Interest

When interest is required to be calculated in respect of a period of less than a full year, it shall be calculated on the basis of (a) the actual number of days in the period from and including the date from which interest begins to accrue (the **“Accrual Date”**) to but excluding the date on which it falls due divided by (b) the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date.

5 Payments

(1) Payments in respect of Bonds

Payments of principal and interest in respect of each Bond will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Bond, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States of any of the Paying Agent(s).

(2) **Method of Payment**

Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by euro cheque.

(3) **Missing Unmatured Coupons**

Each Bond should be presented for payment together with all relative unmatured Coupons, failing which the full amount of any relative missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of the missing unmatured Coupon which the amount so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7(3)) in respect of the relevant Bond (whether or not the Coupon would otherwise have become void pursuant to Condition 8).

(4) **Payments subject to Applicable Laws**

Payments in respect of principal and interest on Bonds are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 7.

(5) **Payment only on a Presentation Date**

A holder shall be entitled to present a Bond or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 4, be entitled to any further interest or other payment if a Presentation Date is after the due date.

“**Presentation Date**” means a day which (subject to Condition 8):

- (a) is or falls after the relevant due date;
- (b) is a Business Day in the place of the specified office of the Paying Agent at which the Bond or Coupon is presented for payment; and
- (c) in the case of payment by credit or transfer to a euro account as referred to above, is a TARGET Settlement Day.

In this Condition:

“**Business Day**” means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place; and

“**TARGET Settlement Day**” means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open.

(6) **Initial Paying Agent**

The name of the initial Paying Agent and its initial specified office is set out at the end of these Conditions. The Issuer reserves the right at any time to vary or terminate the appointment of a Paying Agent and to appoint additional or other Paying Agents provided that it will at all times maintain:

- (a) a Fiscal Agent;

- (b) a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other law (of a country whether in or outside the European Union) implementing or complying with, or introduced in order to conform to, such Directive; and
- (c) so long as the Bonds are listed on the Luxembourg Stock Exchange and the rules of such exchange so require, a Paying Agent having its specified office in Luxembourg.

Notice of any termination or appointment and of any changes in specified offices shall be given to the Bondholders promptly by or on behalf of the Issuer in accordance with Condition 11.

6 Redemption and Purchase

(1) Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Bonds at their principal amount on 26 May 2016.

(2) Redemption for Taxation Reasons

- (a) If, as a result of any change in, or amendment to, the laws or regulations of the Republic of France or any political sub-division or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective after 4 May 2006, the Issuer would, on the next Interest Payment Date, be required to pay Additional Amounts (as defined, and as provided or referred to in Condition 7(2)), and the requirement cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may at its option, at any time, having given not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 11 (which notice shall be irrevocable), redeem all outstanding Bonds, but not some only, at any time at their principal amount together with interest accrued to but excluding the date of redemption, provided that the due date for the redemption of which notice hereunder shall be given shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Bonds or, if such date is past, as soon as practicable thereafter.
- (b) Prior to the publication of any notice of redemption pursuant to paragraph (a) above, the Issuer shall deliver to the Fiscal Agent a certificate signed by the Chairman (*Président du Directoire*) of the Issuer stating that the requirement referred to in (a) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such Additional Amounts as a result of the change or amendment.

(3) Special Tax Redemption

If the Issuer would on the next Interest Payment Date be prohibited by any law or regulation of the Republic of France from making the payment of the Additional Amounts as provided or referred to in Condition 7(2), the Issuer shall, in lieu of making any such payments, at any time, having given not less than 7 nor more than 45 days' notice to the Bondholders in accordance with Condition 11, redeem all outstanding Bonds at their principal amount, together with accrued interest to the date fixed for redemption, provided that the due date for the redemption of which notice hereunder shall be given

shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Bonds or, if such date is past, as soon as practicable thereafter.

(4) **Redemption at the Option of the Bondholders (Change of Control)**

(a) A “**Put Event**” will be deemed to occur if:

- (i) any person or any persons acting in concert or any person or persons acting on behalf of any such person(s) (the “**Relevant Person**”) at any time directly or indirectly own(s) or acquire(s): (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (B) such number of shares in the capital of the Issuer carrying more than 50 per cent. of the total voting rights attached to the issued or allotted share capital of the Issuer that are normally exercisable at a general meeting of the Issuer (such event being a “**Change of Control**”), provided that a Change of Control shall be deemed not to have occurred if (a) all or substantially all of the shareholders of the Relevant Person are, or immediately prior to the event which would otherwise have constituted a Change of Control were, the shareholders of the Issuer with the same (or substantially the same) pro rata interest in the share capital of the Relevant Person as such shareholders have, or as the case may be, had in the share capital of the Issuer; or (b) the Relevant Person is, or immediately prior to the event which would otherwise have constituted a Change of Control was, a shareholder of the Issuer and already owns, or immediately prior to the event which would otherwise have constituted a Change of Control owned, (alone or together with the person or persons acting in concert) at least 33.33 per cent. of the issued or allotted share capital of the Issuer or such number of shares in the capital of the Issuer carrying at least 33.33 per cent. of the total voting rights attached to the issued or allotted share capital of the Issuer that are normally exercisable at a general meeting of shareholders of the Issuer; and
- (ii) on the date (the “**Relevant Announcement Date**”) that is the earlier of (x) the date of the first public announcement of the relevant Change of Control; and (y) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Bonds carry from either of Moody’s Investors Service Limited (“**Moody’s**”) or Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc. (“**S&P**”) or any of their respective successors or any other rating agency (each a “**Substitute Rating Agency**”) of international standing, specified by the Issuer (each, a “**rating agency**”):
 - (A) an investment grade credit rating (Baa3/BBB-, or equivalent, or better), and such rating from any rating agency is within the Change of Control Period either downgraded to a non-investment grade credit rating (Ba1/BB+, or equivalent, or worse) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such rating agency; or
 - (B) a non-investment grade credit rating (Ba1/BB+, or equivalent, or worse), and such rating from any rating agency is within the Change of Control Period downgraded by one or more notches (for illustration, Ba1/BB+ to Ba2/BB being one notch) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such rating agency; or

- (C) no credit rating, and no rating agency assigns within the Change of Control Period an investment grade credit rating to the Bonds,

provided that if on the Relevant Announcement Date the Bonds carry a credit rating from more than one rating agency, at least one of which is investment grade, then subparagraph (A) will apply; and

- (iii) in making the relevant decision(s) referred to above, the relevant rating agency announces publicly or confirms in writing to the Issuer, the Fiscal Agent or the holder of any Bond, that such decision(s) resulted, in whole or to a significant degree, from the occurrence of the Change of Control.

If the rating designations employed by either of Moody's or S&P are changed from those which are described in paragraph (ii) of the definition of "Put Event" above, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine the rating designations of Moody's or S&P or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's or S&P and this Condition 6(4) shall be read accordingly.

- (b) If a Put Event occurs, each holder of each Bond will have the option to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Bond on the Put Date (as defined below) at the Put Amount. Such option shall operate as set out below.
- (c) Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall, give notice (a "**Put Event Notice**") to the Bondholders in accordance with Condition 11 specifying the nature of the Put Event and the procedure for exercising the option contained in this Condition 6(4).
- (d) To exercise the option to require the redemption or purchase of a Bond under this Condition 6(4) the holder of the Bond must, if this Bond is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver such Bond, on any business day in Paris falling within the period (the "**Put Period**") of 45 days after a Put Event Notice is given, at the specified office of any Paying Agent, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a "**Change of Control Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment may be made under this Condition. The Bonds should be delivered together with all Coupons appertaining thereto maturing after the date which is seven days after the expiration of the Put Period (the "**Put Date**"), failing which the Paying Agent will require payment of an amount equal to the face value of any missing such Coupon. Any amount so paid will be reimbursed to the Bondholder against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 10) at any time after such payment, but before the expiry of the period of five years from the date on which such Coupon would have become due, but not thereafter. The Paying Agent to which such Bond and Change of Control Put Notice are delivered will issue to the Bondholder concerned a non-transferable receipt in respect of the Bond so delivered. Payment in respect of any Bond so delivered will be made on or after the Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. If the Bondholder duly specified a bank account to which payment is to be made in the Change of Control Put Notice, the payment will be made on the Put Date by transfer to that bank account.

If this Bond is represented by a Global Bond or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Bond the holder

of this Bond must, within the Put Period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Bond is represented by a Global Bond, at the same time present or procure the presentation of the relevant Global Bond to the Agent for notation accordingly.

Any Change of Control Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg, once given, shall be irrevocable. For the purposes of these Conditions, receipts issued pursuant to this Condition shall be treated as if they were Bonds. The Issuer shall redeem or repay the relevant Bonds on the Put Date unless previously redeemed and cancelled.

If 80 per cent. or more in nominal amount of the Bonds then outstanding have been redeemed pursuant to this Condition 6(4), the Issuer may, on not less than 30 or more than 60 days' notice to the Bondholders given within 30 days after the Put Date, redeem, at its option, the remaining Bonds as a whole at the Put Amount.

(e) In these Conditions:

“Change of Control Period” means the period commencing on the Relevant Announcement Date and ending 90 days after the Change of Control (or such longer period for which the Bonds are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control) for rating review or, as the case may be, rating by a rating agency, such period not to exceed 60 days after the public announcement of such consideration);

“Determination Date” means the date which is two business days prior to the Put Date;

“Relevant Potential Change of Control Announcement” means any public announcement or statement by the Issuer, any actual or potential bidder or any advisor thereto relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs;

“Put Amount” means in respect of any Bond as at the Put Date an amount equal to: (i) the then Adjusted Amount; and (ii) any interest (or, where purchased, an amount equal to such interest) accrued up to the Put Date, and for such purposes, **“Adjusted Amount”** means, in respect of each Bond as at the Put Date, the higher of (A) the principal amount of such Bond; and (B) the price, expressed as a percentage (rounded to four decimal places, 0.00005 being rounded upwards), at which the current yield on the Bonds on the Determination Date (assuming for this purpose that the Bonds are to be redeemed at their principal amount on the Maturity Date) would be equal to the then current yield (determined by reference to the middle market price) at 11.00 a.m. (Paris time) on the Determination Date of the Reference Bond plus 0.25 per cent, all as determined in accordance with standard market convention by a leading investment bank of international standing selected by the Issuer;

“Reference Bond” means the Bund DBR 3.5 per cent. due 4 January 2016.

(5) **Purchases**

The Issuer, or any of its Subsidiaries (as defined in Condition 9), may at any time purchase Bonds (provided that all unmatured Coupons appertaining to the Bonds are purchased with the Bonds) for

cash consideration or otherwise (including, without limitation, by means of exchange) in the open market or otherwise, at any price and on any conditions, subject to compliance with any applicable laws. If purchases are made by tender, tenders must be available to all Bondholders alike.

(6) **Cancellations**

All Bonds which are (a) redeemed or (b) purchased by or on behalf of the Issuer will forthwith be cancelled, together with all relative unmatured Coupons attached to the Bonds and accordingly may not be reissued or resold.

(7) **Notices Final**

Upon the expiry of any notice as is referred to in paragraph (2) or (3) above, the Issuer shall be bound to redeem the Bonds to which the notice refers in accordance with the terms of the relevant paragraph.

7 Taxation

(1) **Payment without Withholding**

The Bonds are denominated in euro and accordingly are deemed to be issued outside France for the purposes of Article 131 *quater* of the *Code général des impôts* (French general tax code). Payments of interest and other revenues in respect of the Bonds and Coupons will benefit from the exemption provided for in such Article from deduction of tax at source.

(2) **Additional Amounts**

If French law should require that any payments of principal, interest and/or other revenues in respect of the Bonds and/or Coupons by the Issuer be subject to withholding or deduction for or on account of any present or future taxes, duties or assessments of whatever nature (“**Taxes**”) imposed or levied by or on behalf of the Republic of France or any political sub-division or any authority thereof or therein having power to tax, the Issuer shall, to the fullest extent permitted by French law, pay such additional amounts (“**Additional Amounts**”) as shall be necessary in order that the net amounts received by the holders of the Bonds or Coupons after such withholding or deduction shall equal the respective amounts of principal, interest and other revenues which would otherwise have been receivable in respect of the Bonds or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable with respect to any Bond or Coupon:

- (a) presented for payment by or on behalf of a holder who is liable for such Taxes in respect of such Bond or Coupon by reason of his having some connection with the Republic of France other than the mere holding of such Bond or Coupon; or
- (b) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an Additional Amount on presenting the same for payment on the last day of the period of 30 days assuming that day to have been a Presentation Date (as defined in Condition 5(5)); or
- (c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other law (of a country whether in or outside the European Union) implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Bond or Coupon to another Paying Agent in a Member State of the European Union.

(3) **Interpretation**

- (a) In these Conditions “**Relevant Date**” means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Fiscal Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect shall have been duly given to the Bondholders by the Issuer in accordance with Condition 11.
- (b) Any reference in these Conditions to any amounts in respect of the Bonds shall be deemed also to refer to any Additional Amounts which may be payable under this Condition.

8 Prescription

Bonds and Coupons will become void unless presented for payment within periods of 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 7) in respect of the Bonds or, as the case may be, the Coupons, subject to the provisions of Condition 5.

9 Events of Default

Any Bondholder or Bondholders holding at least 10 per cent. of the principal amount then outstanding of the Bonds may give notice to the Fiscal Agent at its specified office that the Bonds of such holders are, and they shall accordingly forthwith become, immediately due and repayable at their principal amount, together with interest accrued to the date of repayment, if any of the following events (each such event, an “**Event of Default**”) shall have occurred and be continuing:

- (i) if default is made in the payment when due of any amount due in respect of the Bonds, and such default shall not have been remedied within 7 days thereafter; or
- (ii) if default is made in the performance of, or compliance with, any obligation of the Issuer in respect of the Bonds other than as referred to in paragraph (i), and (except in any case where the failure is incapable of remedy when no continuation as mentioned before or notice as is hereinafter mentioned will be required) such default shall not have been remedied within 30 calendar days after receipt by the Issuer of written notice of such default given by the Fiscal Agent (following the service at its specified office of a notice by any Bondholder); or
- (iii) any other present or future indebtedness of the Issuer for or in respect of borrowed money (i) becomes due and payable (*exigible*) prior to its stated maturity by reason of the occurrence of a default, event of default or other similar condition or event (however described) with equivalent effect or (ii) is not repaid on or before its due date or within any applicable grace period or (iii) the Issuer fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any borrowed money, provided that in each case the aggregate amount of the relevant indebtedness, guarantees or indemnities in respect of which one or more of the events mentioned above in this paragraph have occurred equals or exceeds €80,000,000 or its equivalent in any other currency unless such default is contested in good faith by the Issuer before a competent court or by other appropriate proceedings in which case such event shall not constitute an event of default under this paragraph (iii) so long as the dispute has not been finally adjudicated upon; or
- (iv) the Issuer makes any proposal for a general moratorium in relation to its debts; or applies for the appointment of a *mandataire ad hoc* or a conciliator (*conciliateur*) in each case in the context of insolvency concerns; or enters into an amicable settlement (*règlement amiable*) with its creditors pursuant to articles L.611-3 to L.611-6 of the French *Code de Commerce*; or a judgement is issued for the judicial liquidation (*liquidation judiciaire*) or for the transfer of the whole of the business (*cession*

totale de l'entreprise) of the Issuer; or, to the extent permitted by applicable law, if the Issuer is subject to any other insolvency or bankruptcy proceedings or is granted a moratorium of payments; or if the Issuer makes any conveyance, assignment or other arrangement for the benefit of, or enters into a composition with, all or a substantial number of its creditors with a view to a restructuring or rescheduling of its indebtedness; or

- (v) an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer, or the Issuer ceases or threatens to cease to carry on all or a material part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (each a “**Reorganisation Event**”) either (i) on terms approved by an Extraordinary Resolution of the Bondholders, or (ii) whereby the undertaking and assets of the Issuer are transferred to or otherwise vested in one or more companies within the Group, provided that in the case of (i) above, if the requisite majority for the passing of an Extraordinary Resolution of the Bondholders in respect of the proposed Reorganisation Event is not attained, no event of default shall occur under these Terms and Conditions if the Issuer either (a) makes any further or modified proposal in relation to the Reorganisation Event (including, without limitation, the provision of guarantees or other comfort) as is approved by an Extraordinary Resolution of the Bondholders and the Reorganisation Event is subsequently implemented in accordance with such proposal or (b) promptly notifies the Bondholders in accordance with Condition 11 of its intention to repay, and repays the Bonds in full at the earliest practicable date following the initial meeting of the Bondholders and in any case prior to the implementation of the proposed Reorganisation Event; or
- (vi) any security interest (*sûreté réelle*) such as a mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer becomes enforceable and 21 any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person), unless the amount secured by any such security interest (*sûreté réelle*) which is the subject of the enforcement does not exceed in aggregate €80,000,000 (or its equivalent in any other currency or currencies), provided that such steps taken to enforce any such security interests shall not be discharged, withdrawn or stayed within 120 calendar days; or
- (vii) a distress, attachment, execution or other similar legal process is levied, enforced or sued out on or against all or a material part of the property, assets or revenues of the Issuer and is not discharged or stayed within 120 calendar days, unless the amount which is the subject of any such distress, attachment, execution or other similar legal process does not exceed in aggregate €80,000,000 (or its equivalent in any other currency or currencies); or
- (viii) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) necessary to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds admissible in evidence in the courts of the Republic of France is not taken, fulfilled or done; or
- (ix) the Issuer makes any change to the general nature of its business, namely the management and holding of shares within a diversified portfolio of investments, from that carried on at the issue date of the Bonds, provided such change has (or is capable of having) a material adverse effect on the capacity of the Issuer to perform or comply with its obligations under the Bonds, or the Issuer ceases to be the Holding Company of the Group, unless any such change is approved by an Extraordinary Resolution of the Bondholders; or

- (x) it is or will become unlawful or illegal for the Issuer to perform or comply with any one or more of its material obligations under the Bonds.

For the purposes of these Conditions:

“**Group**” shall mean the Issuer and its Subsidiaries for the time being;

“**Holding Company**” shall mean, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary;

“**Person**” includes any individual, company, corporation, firm, partnership, joint-venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not having separate legal personality);

“**Principal Subsidiary**” shall mean, in relation to any Person or entity at any time, any other Person or entity (whether or not now existing) as defined in Article L.233-1 of the French Code de commerce (commercial code);

“**Subsidiary**” shall mean, in relation to any Person or entity at any time, any other Person or entity (whether or not now existing) controlled directly or indirectly by such Person or entity within the meaning of Article L.233-3 of the French *Code de commerce* (commercial code).

10 Replacement of Bonds and Coupons

Should any Bond or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Fiscal Agent acting as Replacement Agent (as defined in the Agency Agreement), upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Bonds or Coupons must be surrendered before replacements will be issued. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Bondholders in accordance with this Condition.

11 Notices

All notices to the Bondholders will be valid if published in a leading English language daily newspaper published in London or such other English language daily newspaper with general circulation in Europe as the Issuer may decide and, if and for so long as the Bonds are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, in a daily newspaper of general circulation in Luxembourg and/or the Luxembourg Stock Exchange’s website (www.bourse.lu). It is expected that publication will normally be made in Europe in the *Financial Times* and in *Luxemburger Wort* or the *Tageblatt*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any other stock exchange or any other relevant authority on which the Bonds are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

12 Meetings of Bondholders and Modification

(1) Provisions for Meetings

The Agency Agreement contains provisions for convening meetings of the Bondholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Conditions or the provisions of the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 25 per

cent. in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting one or more persons present whatever the principal amount of the Bonds held or represented by him or them, except that at any meeting the business of which includes the modification of certain of these Conditions the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than 50 per cent., or at any adjourned meeting not less than 25 per cent., of the principal amount of the Bonds for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Bondholders will be binding on all Bondholders, whether or not they are present at the meeting, and on all Couponholders.

(2) **Modification**

The Fiscal Agent may agree, without the consent of the Bondholders or Couponholders, to any modification of any of these Conditions or any of the provisions of the Agency Agreement either (i) for the purpose of curing any ambiguity or of curing, correcting or supplementing any manifest or proven error or any other defective provision contained herein or therein or (ii) in any other manner which does not materially prejudice the interests of the Bondholders. Any modification shall be binding on the Bondholders and the Couponholders and, unless the Fiscal Agent agrees otherwise, any modification shall be notified by the Issuer to the Bondholders as soon as practicable thereafter in accordance with Condition 11.

13 Further Issues

The Issuer may from time to time without the consent of the Bondholders or Couponholders create and issue further bonds, having terms and conditions the same as those of the Bonds, or the same except for the amount of the first payment of interest thereon, which may be consolidated and form a single series with the outstanding Bonds.

14 Contracts (Rights of Third Parties) Act 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

15 Governing Law and Submission to Jurisdiction

(1) **Governing Law**

The Agency Agreement, the Bonds and the Coupons are governed by, and shall be construed in accordance with, English law.

(2) **Jurisdiction**

The Issuer irrevocably agrees for the benefit of the Bondholders and the Couponholders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Bonds or the Coupons and that accordingly any suit, action or proceedings (together referred to as “**Proceedings**”) arising out of or in connection therewith may be brought in the courts of England.

The Issuer irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of England and any claim that any Proceedings have been brought in an inconvenient forum and further irrevocably and unconditionally agrees that a judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction. Nothing

in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

(3) **Appointment of Process Agent**

The Issuer hereby irrevocably and unconditionally appoints Hackwood Secretaries Limited at One Silk Street, London EC2Y 8HQ, England (or at such other office for the time being as has been notified to the Bondholders in accordance with Condition 11) as its agent for service of process in England in respect of any Proceedings and undertakes that in the event of such agent ceasing so to act it will appoint another person with an office in London as its agent for that purpose.

(4) **Other Documents**

The Issuer has in the Agency Agreement submitted to the jurisdiction of the English courts and appointed an agent in England for service of process, in terms substantially similar to those set out above.

SUMMARY OF PROVISIONS RELATING TO THE BONDS WHILE REPRESENTED BY THE GLOBAL BONDS

*The following is a summary of the provisions to be contained in the Temporary Global Bond and the Permanent Global Bond (together the “**Global Bonds**”) which will apply to, and in some cases modify, the Terms and Conditions of the Bonds while the New Bonds are represented by the Global Bonds.*

1. **Exchange**

Interests in the Temporary Global Bond will be exchangeable for interests in the Permanent Global Bond on or after 13 December 2010, upon certification as to non-U.S. beneficial ownership.

The Permanent Global Bond will be exchangeable in whole but not in part (free of charge to the holder) for definitive Bonds only if any of the following events occurs (each an “**Exchange Event**”):

- (a) an Event of Default (as set out in Condition 9) has occurred and is continuing; or
- (b) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or
- (c) the Issuer has or will become subject to adverse tax consequences which would not have been or would not be suffered were the Bonds in definitive form.

The Issuer will promptly give notice to Bondholders if an Exchange Event occurs. In the case of (a) or (b) above, the holder of the Permanent Global Bond, acting on the instructions of one or more of the Accountholders (as defined below), may give notice to the Issuer and the Fiscal Agent and, in the case of (c) above, the Issuer may give notice to the Fiscal Agent of its intention to exchange the Permanent Global Bond for definitive Bonds on or after the Exchange Date (as defined below).

On or after the Exchange Date, the holder of the Permanent Global Bond may or, in the case of (c) above, shall surrender the Permanent Global Bond to, or to the order of, the Fiscal Agent. In exchange for the Permanent Global Bond the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of definitive Bonds (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Bond), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Agency Agreement. On exchange of the Permanent Global Bond, the Issuer will procure that it is cancelled and the relevant definitive Bonds delivered to, or to the order of, the Fiscal Agent.

For these purposes, “**Exchange Date**” means a day specified in the notice requiring exchange falling not less than 60 days after that on which such notice is given, being a day on which banks are open for general business in the place in which the specified office of the Fiscal Agent is located and, except in the case of exchange pursuant to (b) above, in the place in which the relevant clearing system is located.

2. **Payments**

On and after 13 December 2010, no payment will be made on the Temporary Global Bond unless exchange for an interest in the Permanent Global Bond is improperly withheld or refused. Payments of principal and interest in respect of Bonds represented by a Global Bond will, subject as set out below, be made against presentation for endorsement and, if no further payment falls to be made in respect of the Bonds, surrender of such Global Bond to the order of the Fiscal Agent or such other Paying Agent

as shall have been notified to the Bondholders for such purposes. A record of each payment made will be endorsed on the appropriate part of the schedule to the relevant Global Bond by or on behalf of the Fiscal Agent, which endorsement shall be prima facie evidence that such payment has been made in respect of the Bonds. Payments of interest on the Temporary Global Bond (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made. Condition 5(6)(b) and Condition 7(2)(d) will apply to the Definitive Bonds only. For the purpose of any payments made in respect of a Global Bond, Condition 5(5) shall not apply, and all such payments shall be made on a day which is a TARGET Settlement Day.

3. **Notices**

For so long as all of the Bonds are represented by a Global Bond and such Global Bond is held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Bondholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relative Accountholders rather than by publication as required by Condition 11, provided that, if and for so long as the Bonds are listed on the Luxembourg Stock Exchange, notice will also be given by publication in a daily newspaper of general circulation in Luxembourg (which is expected to be the *Luxemburger Wort* or the *Tageblatt*) and/or the Luxembourg Stock Exchange's website (www.bourse.lu). Any such notice shall be deemed to have been given to the Bondholders on the second day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

4. **Accountholders**

For so long as all of the Bonds are represented by a Global Bond and such Global Bond is held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of Bonds (each an “**Accountholder**”) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Bonds standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of that principal amount for all purposes (including but not limited to for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Bondholders and giving notices to the Issuer pursuant to Condition 9 other than with respect to the payment of principal and interest on the principal amount of such Bonds, the right to which shall be vested, as against the Issuer solely in the bearer of the relevant Global Bond in accordance with and subject to its terms. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Bond.

5. **Prescription**

Claims against the Issuer in respect of principal and interest on the Bonds represented by a Global Bond will be prescribed (in accordance with Condition 8) after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 7(3)).

6. **Cancellation**

Cancellation of any Bond represented by a Global Bond and required by the Terms and Conditions of the Bonds to be cancelled following its redemption or purchase will be effected by endorsement by or on behalf of the Fiscal Agent of the reduction in the principal amount of the relevant Global Bond on the relevant part of the schedule thereto.

7. **Euroclear and Clearstream, Luxembourg**

Bonds represented by a Global Bond are transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as appropriate. References in the Global Bonds and this summary to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system through which interests in the Bonds are held.

USE OF PROCEEDS

The net proceeds of the issue of the New Bonds, amounting to approximately €288,982,027.40, will be applied by the Issuer to refinance the existing debt of the Group, some of which may be owed to one or more of the Joint Lead Managers.

The total expenses relating to the admission to trading are estimated to be €2,810.

DESCRIPTION OF THE ISSUER

For a general description of the Issuer, its activities and its financial conditions, please refer to the cross-reference list appearing under “Documents Incorporated by Reference” above.

Recent Developments

Composition of the Supervisory Board

On 4 June 2010, the ordinary shareholders meeting of WENDEL approved the nominations of Mme Guylaine Saucier and Mme Dominique Hériard Dubreuil to the Supervisory Board. On 31 August 2010, Mr Grégoire Olivier resigned from the Supervisory Board.

Odile Jacob Litigation

By a judgment dated 13 September 2010, the European General Court (“EGC”) overturned on purely procedural grounds a decision of the European Commission dated 30 July 2004, pursuant to which WENDEL was approved as purchaser of certain Editis assets. These assets acquired by WENDEL in 2004 have since been sold to the Planeta group in May 2008. The period for a possible appeal by the European Commission against the EGC’s judgment is still pending.

Notwithstanding, Editions Odile Jacob filed a suit on 27 October 2010 before the Commercial Court of Paris claiming that, as a result of the 13 September 2010 judgment of the EGC, the purchase by WENDEL of the Editis assets should be declared null and void. WENDEL considers, based on its prior analysis of the EGC judgment, that Editions Odile Jacob's claim is without merit and, irrespective of the outcome of a potential appeal by the European Commission of the judgement of the EGC, the initial acquisition of the Editis assets or their subsequent sale to the Planeta Group should not be affected.

Sale of Legrand

On 21 September 2010, WENDEL announced the completion of the joint sale by Kohlberg Kravis Roberts & Co. and WENDEL of 23.7 million shares of Legrand, representing 9 per cent. of Legrand’s share capital, at a price of €23.95 per share.

In the context of this transaction, WENDEL sold 5.5 per cent. of Legrand’s share capital for a global amount of €346.1 million and a capital gain of around €230 million.

Following this transaction, WENDEL holds approximately 19.4 per cent. of the share capital of Legrand and approximately 27.8 per cent. of its voting rights.

This transaction is part of WENDEL’s proactive management of its portfolio. WENDEL may engage in other asset sales at any time if opportunities arise.

WENDEL gives exclusivity to Ares Life Sciences to acquire its stake in Stallergenes.

WENDEL received on 28 October 2010 a firm and irrevocable offer from Ares Life Sciences, an investment firm established by the Bertarelli family to invest in the healthcare industry, to acquire all of WENDEL’s equity interest in Stallergenes (46 per cent.). WENDEL, through its subsidiary Oranje Nassau, and Ares Life Sciences have entered into an exclusivity period to finalise the transaction.

The transaction price would be €59 per share, meaning that WENDEL's proceeds would amount to €358.8 million. WENDEL would generate a capital gain of around €300 million and 35 times its investment. This project will be soon submitted to Stallergenes’ Works Council for customary consultation.

TAXATION

The statements herein regarding taxation are based on the laws in force in France and/or, as the case may be, Luxembourg as of the date of this Prospectus and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of, the New Bonds. Each prospective holder or beneficial owner of New Bonds should consult its tax adviser as to the French or, as the case may be, the Luxembourg tax consequences of any investment in, or ownership and disposition of, the New Bonds.

EU Directive on the Taxation of Savings Income

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Directive**"), each Member State is required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a paying agent within its jurisdiction to, or under certain circumstances collected to the benefit of, a beneficial owner (within the meaning of the Directive) resident in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

Also with effect from 1 July 2005, a number of non-EU countries, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a paying agent within its jurisdiction to, or under certain circumstances collected to the benefit of, a beneficial owner (within the meaning of the Directive) resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a paying agent in a Member State to, or under certain circumstances collected to the benefit of, a beneficial owner (within the meaning of the Directive) resident in one of those territories.

On 13 November 2008 the European Commission published a detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive they may amend or broaden the scope of the requirements described above.

Taxation in France

The following is a summary of certain withholding tax considerations that may be relevant to holders of New Bonds who (i) are non-French residents, (ii) do not hold the New Bonds in connection with a business or profession conducted in France, as a permanent establishment or with a fixed base in France, and (iii) do not currently hold shares of the Issuer.

Since the New Bonds are consolidated (*assimilables* for the purpose of French law) and form a single series with the Original Bonds which were issued (or deemed issued) outside France for tax purposes before 1 March 2010, payments of interest and other revenues made by the Issuer in respect of the New Bonds benefit under present law (as interpreted in the Instruction of the *Direction Générale des Impôts* 5 I-11-98 dated 30 September 1998, Ruling N° 2007/59 of the *Direction Générale des Impôts*, dated 8 January 2008, Ruling N° 2009/23 of the *Direction Générale des Impôts*, dated 7 April 2009 and Ruling 2010/11 of the *Direction Générale des Finances Publiques*, dated 22 February 2010) from the exemption from the withholding tax set out under Article 125 A III of the French General Tax Code, as provided for in Article 131 *quater* of the French General Tax Code.

Taxation in Luxembourg

The comments below are intended as a basic summary of certain tax consequences in relation to the purchase, ownership and disposition of the Bonds under Luxembourg law and do not purport to be complete or exhaustive. Persons who are in any doubt as to their tax position should consult a professional tax adviser. This description is not intended to constitute tax or legal advice by the Issuer.

Withholding tax

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to individual Noteholders or Noteholders that are Residual Entities (as defined below), there is no withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of interest paid to individual Noteholders or Noteholders that are Residual Entities (as defined below), upon repayment of the principal in case of reimbursement, redemption, repurchase or exchange of the Bonds.

(a) Luxembourg non-resident individuals

Under the Savings Directive (as defined above) and the Luxembourg laws dated 21 June 2005 implementing the Savings Directive and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union (“EU”), a Luxembourg based paying agent (within the meaning of the Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State or a residual entity in the sense of article 4.2. of the Savings Directive (“**Residual Entities**”) (i.e. an entity without legal personality (the Finnish and Swedish companies listed in Article 4.5 of the Savings Directive are not considered as legal persons for this purpose) and whose profits are not taxed under the general arrangements for the business taxation and that is not, or has not opted to be considered as, a UCITS recognised in accordance with Council Directive 85/611/EEC), established in another Member State of the European Union unless the beneficiary of the interest payments opts for the procedure of the exchange of information or for the tax certificate procedure. The same regime applies to payments to individuals or Residual Entities resident or established in certain EU dependent or associated territories.

The withholding tax rate is 20 per cent. increasing to 35 per cent. as from 1 July 2011. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain other countries.

(b) Luxembourg resident individuals

A 10 per cent. withholding tax has been introduced, as from 1 January 2006, on interest payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to Luxembourg individual residents or to certain Residual Entities that secure interest payments on behalf of such individuals (unless such entity has opted either to be treated as UCITS recognised in accordance with the Council Directive 85/611/EEC or for the exchange of information regime). Income from current accounts, provided that the interest rate is not higher than 0.75 per cent., is exempt from the withholding tax. Furthermore, interest which is accrued once a year on savings accounts (short and long term) and which does not exceed €250 per person and per paying agent is exempt from the withholding tax. This withholding tax represents the final tax liability for the Luxembourg individual resident taxpayers receiving the payment in the course of his/her private wealth.

SUBSCRIPTION AND SALE

HSBC Bank plc, Natixis and Société Générale (the “**Joint Lead Managers**”) have, pursuant to a Subscription Agreement (the “**Subscription Agreement**”) dated 2 November 2010, jointly and severally agreed, subject to satisfaction of certain conditions, to subscribe or procure subscribers for the New Bonds at the issue price of 94.777 per cent. of the principal amount of New Bonds, plus an amount of €6,451,027.40, corresponding to accrued interest with respect to the period from, and including, 26 May 2010 to, but excluding, the Issue Date, less a combined management and underwriting commission as separately agreed between the Joint Lead Managers and the Issuer. The Issuer will also reimburse the Joint Lead Managers in respect of certain of their expenses, and has agreed to indemnify the Joint Lead Managers against certain liabilities, incurred in connection with the issue of the New Bonds. The Subscription Agreement may be terminated in certain circumstances prior to payment to the Issuer.

United States

The Original Bonds and the New Bonds have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.

The New Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Joint Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the New Bonds (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells any New Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the New Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of the New Bonds, an offer or sale of New Bonds within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

Each Joint Lead Manager has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”)) received by it in connection with the issue or sale of the New Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the New Bonds in, from or otherwise involving the United Kingdom.

France

Each of the Joint Lead Managers and the Issuer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, New Bonds to the public in France, and has not distributed or

caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the New Bonds, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) investing for their own accounts, all as defined in, and in accordance with, articles L.411-2 and D.411-1 to D.411-4 of the French *Code monétaire et financier*.

The direct or indirect distribution to the public in France of any New Bonds so acquired may be made only as provided by Articles L.411-1 to L.411-4 of the French *Code monétaire et financier* and applicable regulations thereunder.

General

No action has been or will be taken by the Issuer or any of the Joint Lead Managers that would, or is intended to, permit a public offer of the New Bonds or possession or distribution of this Prospectus or any other offering material relating to the New Bonds, in any country or jurisdiction where any such action for that purpose is required. Accordingly, each Joint Lead Manager has undertaken that it will not, directly or indirectly, offer or sell any New Bonds or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information relating to the New Bonds in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of New Bonds by it will be made on the same terms.

GENERAL INFORMATION

1 Authorisation

The New Bonds were issued pursuant to a resolution of the Supervisory Board of the Issuer adopted on 7 October 2010, a resolution of the Executive Board of the Issuer dated 18 October 2010 and a decision of the Chairman (*Président du Directoire*) of the Issuer dated 20 October 2010.

2 Listing and admission to trading

Application has been made for the New Bonds to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange.

3 Clearing systems

The New Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The temporary International Securities Identification Number (“**ISIN**”) for this issue is XS0523634979 and the Common Code is 052363497, until and to the extent that interests in the Temporary Global Bond representing the New Bonds are exchanged for interests in the Permanent Global Bond in accordance with its terms, including certification as to non-US beneficial ownership, after which the ISIN will be XS0253989635 and the Common Code will be 025398963.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1885 Luxembourg.

4 No significant or material change

Save as disclosed in this Prospectus, there has been no significant change in the financial or trading position of the Group since 30 June 2010 and there has been no material adverse change in the financial position or prospects of the Group since 31 December 2009.

5 Litigation

Save as disclosed in this Prospectus, neither the Issuer nor any other member of the Group is involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which are material in the context of the Issuer’s payment obligations under the New Bonds.

6 Accounts

The auditors of the Issuer are Ernst & Young Audit and PricewaterhouseCoopers Audit, who have audited the Issuer's accounts, without qualification, in accordance with generally accepted auditing standards in France for each of the two financial years ended on 31 December 2008 and 2009. The auditors have no material interest in the Issuer.

Ernst & Young Audit is a member of the *Conseil régional des experts comptables de Paris* and the *Compagnie régionale des Commissaires aux comptes de Versailles*.

PricewaterhouseCoopers Audit is a member of the *Conseil régional des experts comptables de Paris* and the *Compagnie régionale des Commissaires aux comptes de Versailles*.

7 U.S. tax

The New Bonds and Coupons will contain the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

8 Documents

Copies of the following documents (together with English translations thereof for information) are available (in the case of the documents referred to in (a) and (b) below, for inspection only) during normal business hours at the specified offices of the Paying Agent for the time being in Luxembourg so long as any of the Bonds remains outstanding:

- (a) the *statuts* of the Issuer;
- (b) the Subscription Agreement and the Agency Agreement;
- (c) this Prospectus;
- (d) the audited consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2008 and 31 December 2009;
- (e) the most recently published audited annual consolidated and non-consolidated financial statements of the Issuer and the most recently published unaudited interim financial statements (if any) of the Issuer. The Issuer currently prepares audited consolidated and non-consolidated accounts on an annual basis and unaudited consolidated interim accounts on a semi-annual basis; and
- (f) to the extent not referred to in (a) to (e) above, each of the documents referred to in “Documents Incorporated by Reference” on page 10.

9 Yield

The yield of the New Bonds is equal to 6.00 per cent per annum and is calculated on the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

ISSUER

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75009 Paris
France

JOINT LEAD MANAGERS

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London E14 5HQ
United Kingdom

Natixis
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75013 Paris
France

Société Générale
29 boulevard Haussmann
75009 Paris
France

FISCAL AGENT AND PAYING AGENT

Société Générale Bank & Trust
11 avenue Emile Reuter
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LEGAL ADVISERS

*To the Issuer as to
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75008 Paris

*To the Joint Lead Managers as to
English law and French law*

Linklaters LLP
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75008 Paris

AUDITORS

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Tour Ernst & Young
92037 Paris Cedex

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

LUXEMBOURG LISTING AGENT

Société Générale Bank & Trust
11 avenue Emile Reuter
L 2420 Luxembourg