



Successful completion of the Materis debt restructuring

During a press conference on Thursday June 25th, Wendel announced the successful completion of the debt restructuring of its subsidiary Materis.

Materis and Wendel have obtained the following amendments from a pool of 199 lenders following a 3 months process started in April 2009:

- The liquidity of Materis has been secured until 2013 through :
 - A deferral of amortisation (€290 million of repayments deferred to 2013) ;
 - The capitalisation of mezzanine interest (€70 million of additional liquidity by 2013)
 - The availability of a €100 million acquisition and capital expenditure facility ;
 - An additional €40 million basket of factoring ;
- Covenants have been reset on the basis of a revised business plan taking into account the economic downturn ;
- The company will be allowed to perform debt buybacks in the secondary market.

Wendel and Materis will contribute €45 million of equity in the same proportions as the initial 2006 investment, i.e. €36 million for Wendel and €9 million for the 550 manager investors of Materis. The company will also pay all lenders a consent fee of 25 bps, and will increase margins on its €370 million amortising debt by 75 bps, such incremental interest being fully capitalised.

The debt package structured in 2006 for the acquisition of Materis by the Wendel group included €1,545 million of senior debt, €140 million of second lien, and €260 million of mezzanine.

The amendment request received strong support from the company's pool of 199 lenders, with unanimous consent from the mezzanine lenders and 99% consent from the senior lenders. The lenders appreciated the robust performance of the company, which is ahead of the revised business plan as at the end of May, in the current volatile market. This performance stems from the leading positions of Materis in its markets, its diversified portfolio both in terms of geographies and activities, the quality and implication of the management team and the launch of cost reduction and cash preservation action plans since late 2007.

Frédéric Lemoine, Chairman of the Executive Board of Wendel, said: “The completion of this amendment illustrates Wendel’s role as a committed shareholder. We strongly support Materis in these difficult times, and are convinced, with the financial restructuring now offering the appropriate time schedule, that the activities of this wonderful group will come out stronger of the current construction downturn”.

Olivier Legrain, CEO of Materis, said: “This is a strong sign of confidence from our main shareholder, our lenders and our employees on our ability to stay focused and deliver a strong performance in those exceptionally troubled times”.

About Materis

Materis, which is majority owned by Wendel, comprises four activities - Admixtures, Aluminates, Mortars and Paints - each holding leading positions in their markets. Materis is a leading player in specialty chemicals for the construction industry, with a turnover in excess of €1.8 billion and 9,000 employees around the world.

About Wendel

Wendel is one of Europe’s leading investment firms. It invests in France and internationally, in companies that are leaders in their sectors, including Bureau Veritas, Legrand, Saint-Gobain, Materis, Deutsch, Stallergènes, Oranje-Nassau and Stahl, and in which it plays a hands-on role as an operational investor. It implements long-term development strategies, which involve boosting growth and margins of its companies, in order to enhance their leading market positions. Wendel posted 2008 consolidated sales of €5.4 billion. Wendel is listed in Paris on Euronext.



Press Contacts :

Anne-Lise BAPST : + 33 (0) 1 42 85 63 24 – e-mail : al.bapst@wendelgroup.com

Analysts and Investors Contacts :

Gérard LAMY tel : + 33 (0)1 42 85 63 75 - e-mail : g.lamy@wendelgroup.com

Olivier ALLOT tel: + 33 (0) 1 42 85 63 73 – e-mail : o.allot@wendelgroup.com