



Shareholders' General Meeting

Paris, June 5, 2014





Introduction

Pierre-André de Chalendar

Paris, June 5, 2014





2013 Results

Laurent Guillot

Paris, June 5, 2014



Financial performance

Return to
organic growth
+2.6%
in H2

Recovery of
operating income
+16%
in H2
at constant exchange rates



Strict cash
discipline
€1.2bn
in free cash flow

Stronger balance sheet
€1bn
reduction in net debt

Extra-financial performance

Improve safety at work

five-fold decrease
in accident frequency rate
in 10 years

Develop our employees' skills

4.2 million
of training hours
in 2013



Building our
environment
together

Protect natural resources

6.2% decrease
in water abstraction
since 2010

Respect the environment

11.7% fall
in non-recycled waste
since 2010

2013: Key figures

Amounts in €m	2012*	2013	2013/2012	2013/2012* at cer**
Net Sales	43,198	42,025	-2.7%	+0.0%
Operating Income	2,863	2,764	-3.5%	+0.4%
Recurring Net income***	1,053	1,027	-2.5%	+2.4%
Free Cash Flow****	822	1,157	+40.8%	+45.3%
Net Debt	8,490	7,521		

* 2012: restated in line with IAS 19

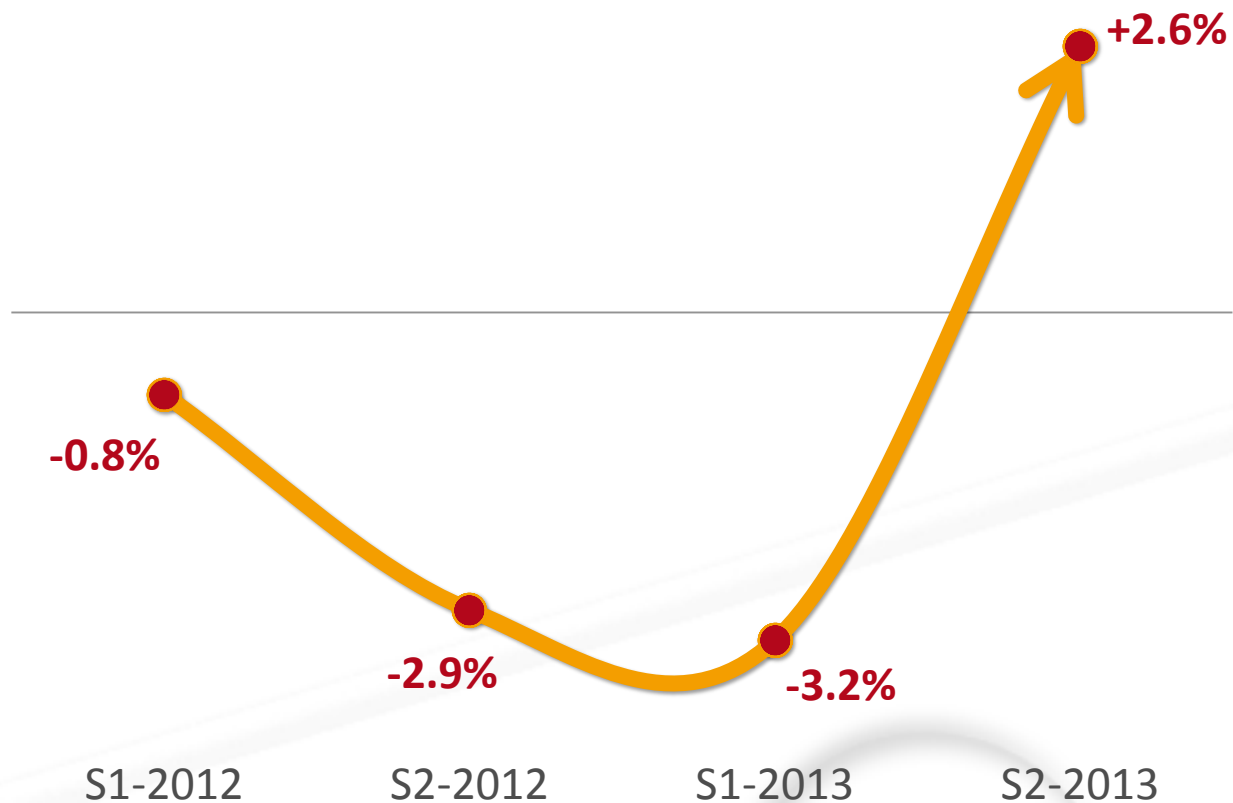
** constant exchange rates: based on 2012 average exchange rates

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

**** excluding the tax effect of capital gains and losses on disposals, asset write-downs and material non-recurring provisions

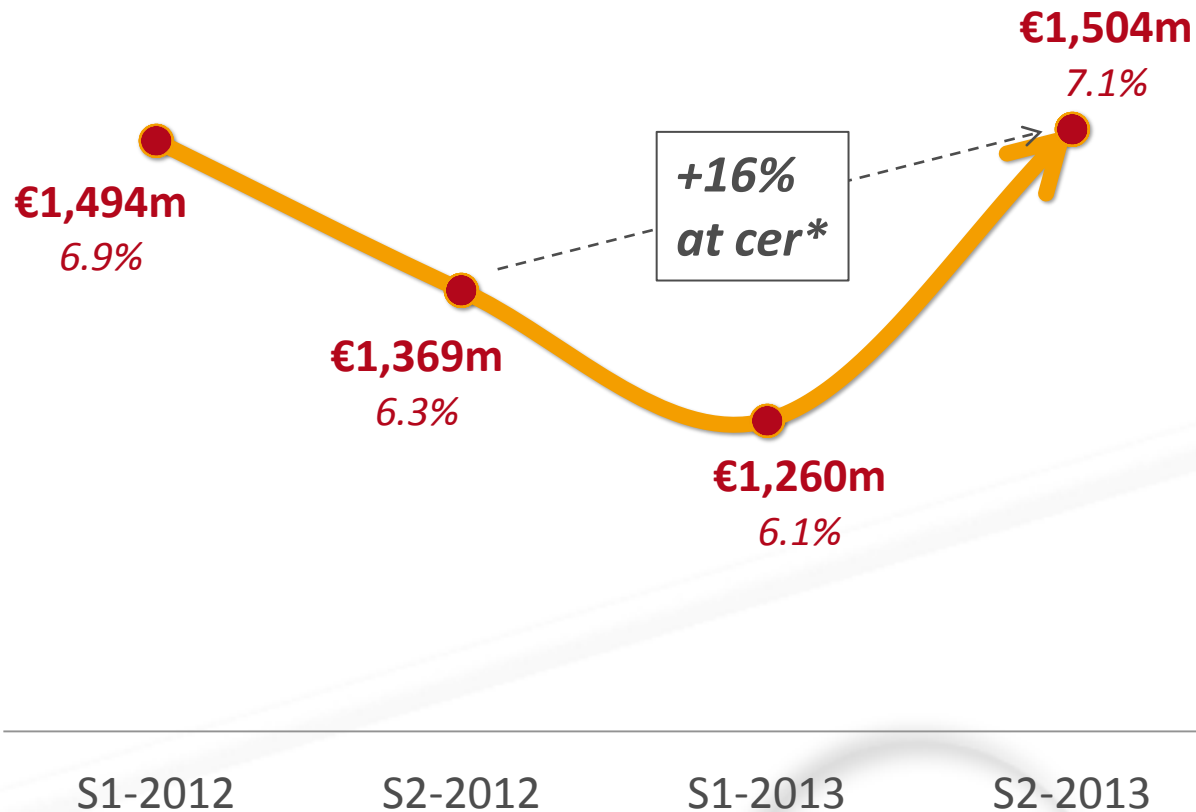
Organic growth returns in H2

(like-for-like sales growth)



... buoyed by good price rises (up 1.1%) and a rally in volumes (up 1.5%)

Sharp upswing in operating income and operating margin in H2



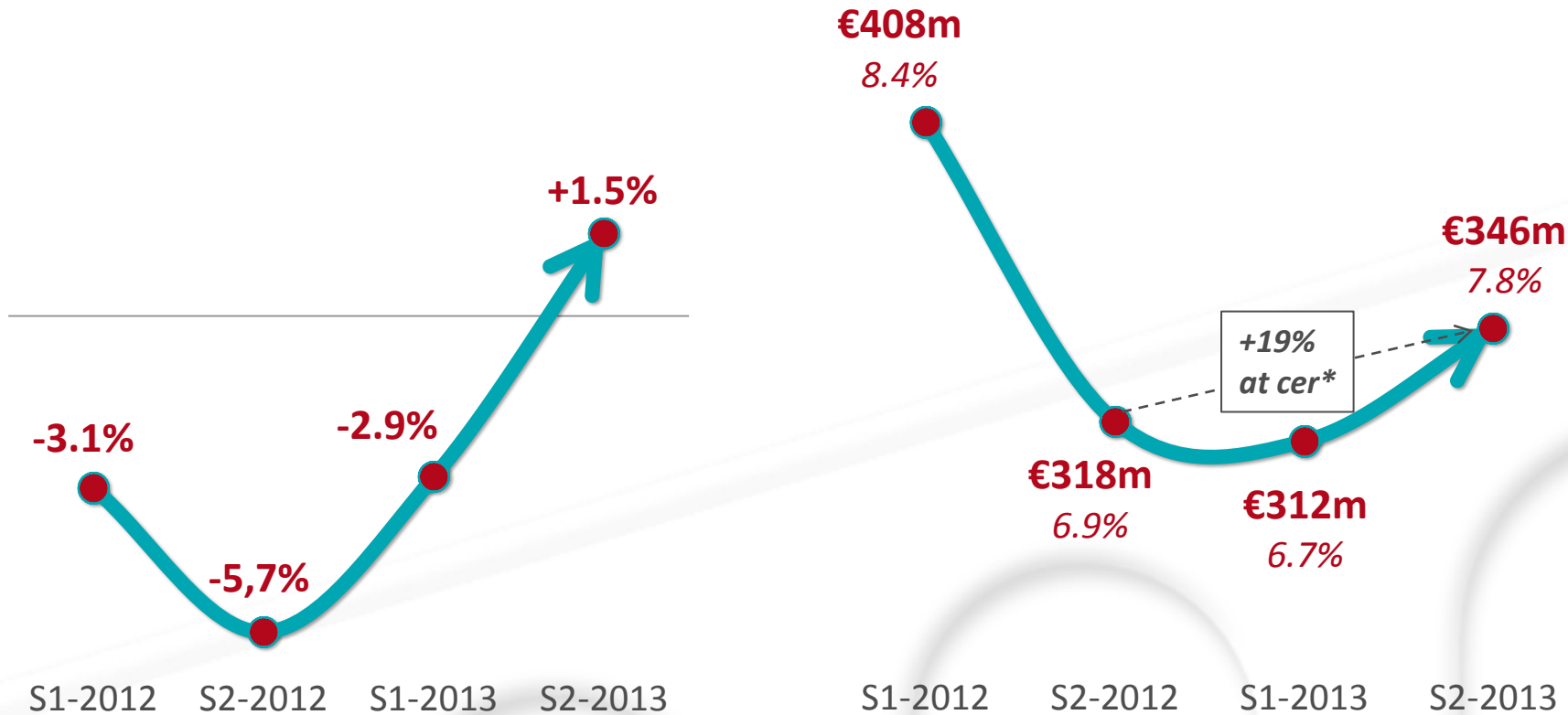
... on the back of strong operating leverage from the upturn in sales volumes and continued cost savings (€600m in 2013)

** change based on average 2012 exchange rates*

Innovative Materials (Flat Glass and HPM)

Net Sales evolution
Organic growth in %

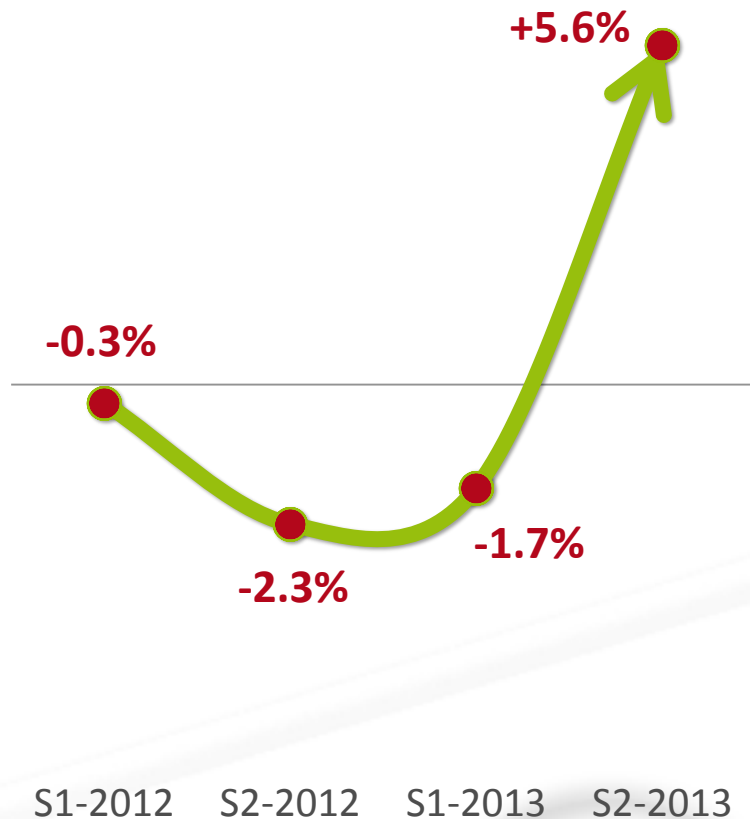
Operating Income
€m and % of sales



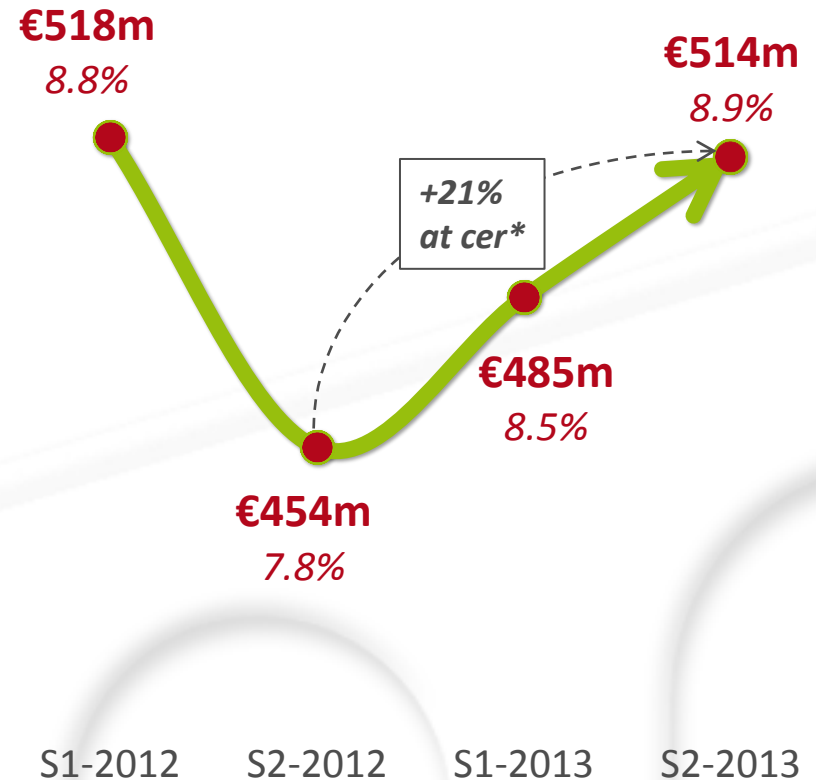
* change based on average 2012 exchange rates

Construction Products

Net Sales evolution
Organic growth in %



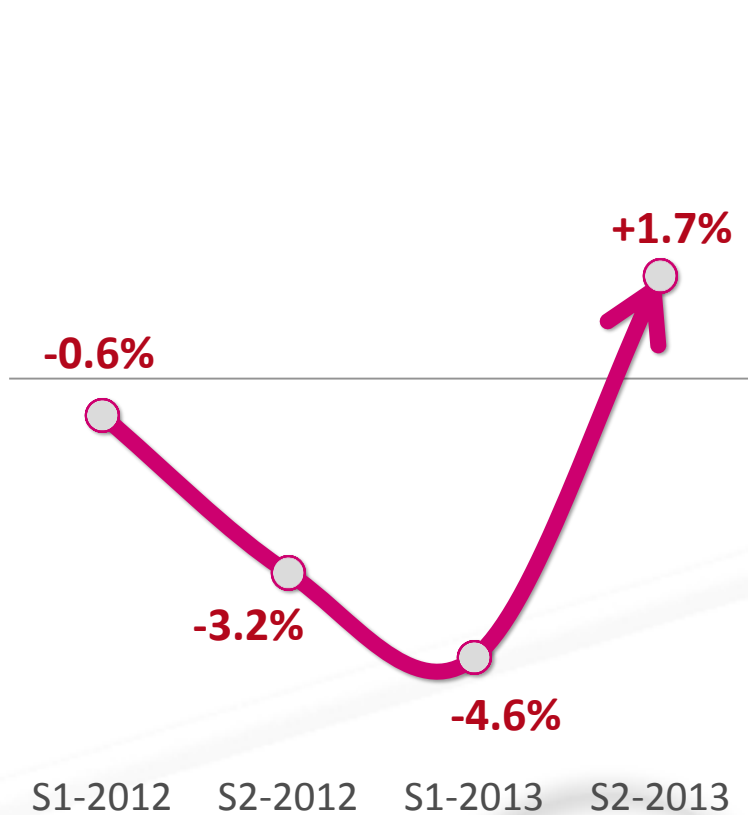
Operating Income
€m and % of sales



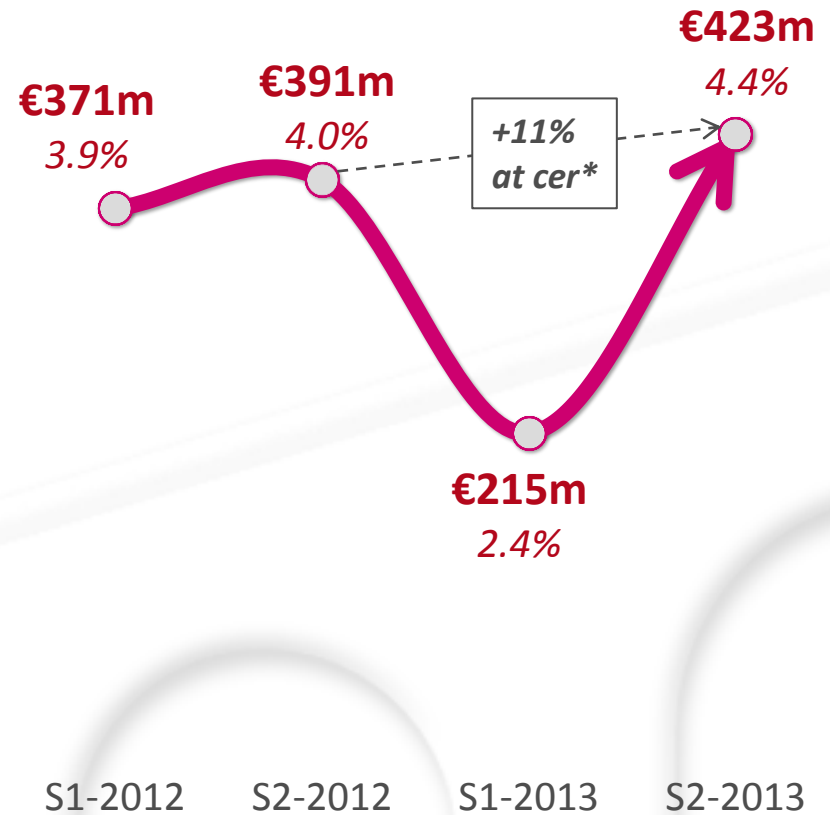
* change based on average 2012 exchange rates

Building Distribution

Net Sales evolution
Organic growth in %



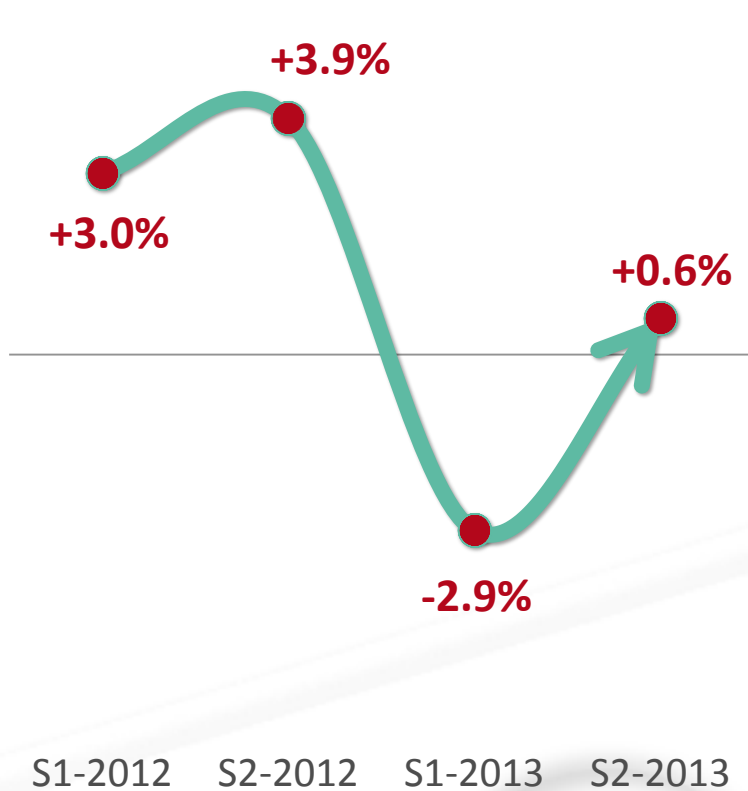
Operating Income
€m and % of sales



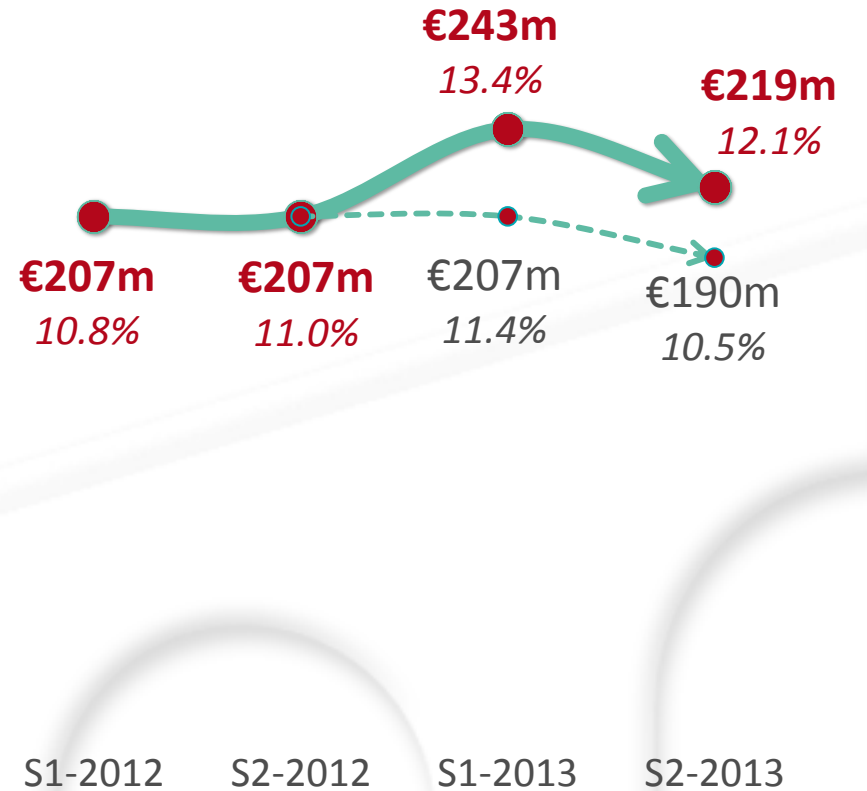
* change based on average 2012 exchange rates

Packaging - Verallia

Net Sales evolution
Organic growth in %



Operating Income
€m and % of sales

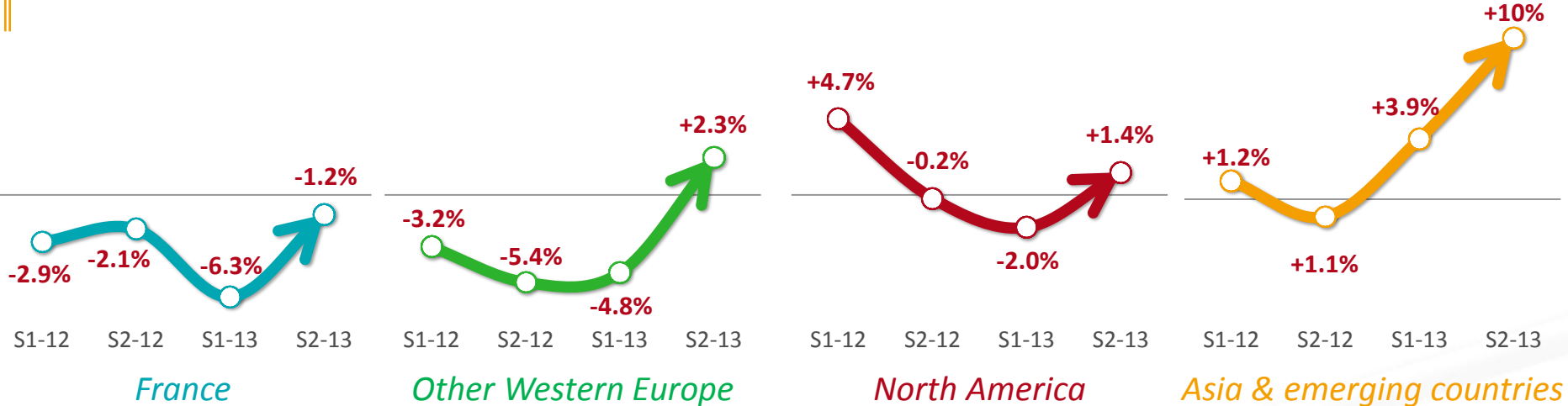


----- including depreciation of VNA's fixed assets

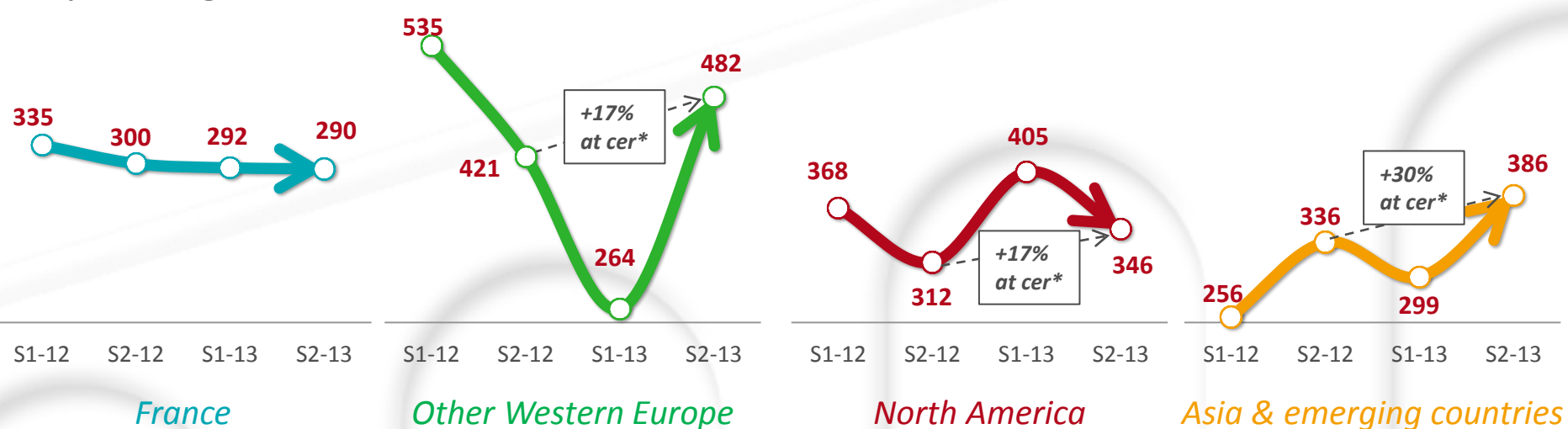
* change based on average 2012 exchange rates

Activity by geographic area

Net Sales evolution: organic growth in %



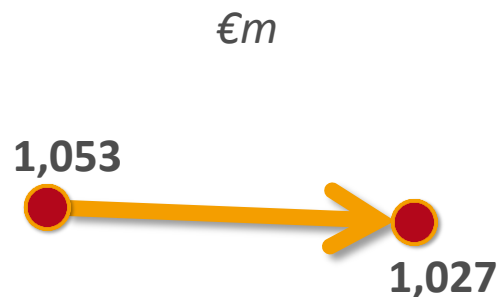
Operating Income €m



* change based on average 2012 exchange rates

Recurring Net income*

2013/2012: -2.5%, +2.4% at cer**



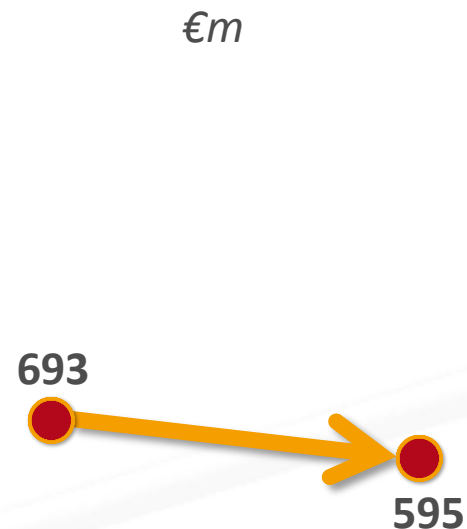
2012

2013

Recurring* EPS: €1.86 (-7.0%)

Net income

2013/2012: -14.1%, -6.9% at cer**



2012

2013

EPS: €1.08 (-18.2%)

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

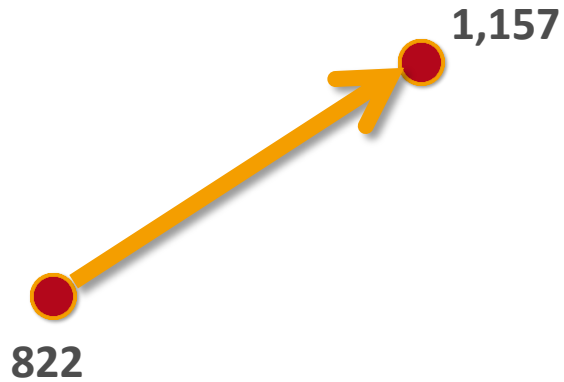
** estimated change at constant exchange rates (2012 average exchange rates)

(including the impact of IAS 19 in 2012: -€73m)

Strict cash discipline

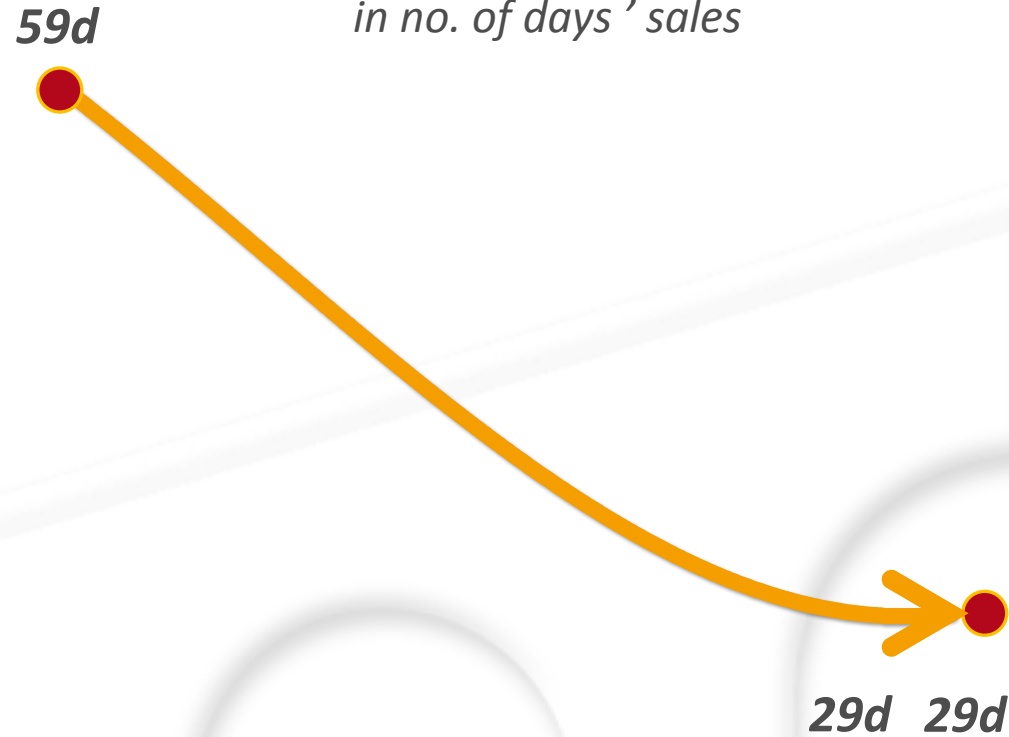
High level of free cash flow

€m



Operating WCR at an all-time low

in no. of days' sales



2012

2013

2002

2007

2012 2013

2013: Portfolio turnover to strengthen the Group profile

➤ Acquisitions: €100m

- HPM (Plastics business): LS in Germany, Flex-Polimeros in Brazil, Applied Bioprocess Containers in the US
- CP: Moongypse in Morocco

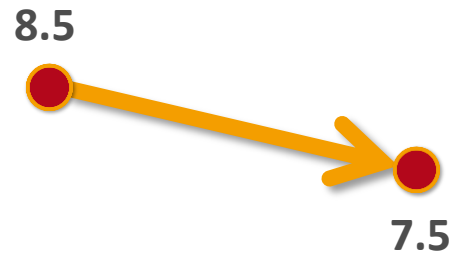
➤ Divestments: €357m

- CP: Pipe & Foundations
- Building Distribution: disposals in Argentina, Eastern Europe, Benelux, France and UK
- Sale of the head office building

➤ Completion of the Verallia North America sale in April 2014

Stronger financial structure

Net Debt
€bn



1 €bn
reduction in net debt

2012

2013

2013 summary

- ➔ **Organic growth returned in H2**
- ➔ **Sharp growth in operating income in H2**
- ➔ **Strict cash discipline**
- ➔ **Stronger financial structure**



Pierre-André de Chalendar

Paris, June 5, 2014



Board of Directors

- 16 members, of whom 8 are independent and 6 are women
- 9 meetings in 2013
- Average attendance rate of 90 %

Board Committees

➤ 3 committees:

- Financial Statements Committee
- Appointments, Compensation and Governance Committee
- Strategy and Corporate Social Responsibility Committee

	Chairman	% of independent members	Number of meetings	Attendance rate
Financial Statements Committee	Jean-Dominique Senard (independent)	75%	3	85%
Appointments, Compensation and Governance Committee	Philippe Varin (independent)	75%	3	100%
Strategy and Corporate Social Responsibility Committee	Jean-Martin Folz	-	6	100%

Appointments, Compensation and Governance Committee

- ➔ Supports the Board's decisions in three main areas:
 - The Chairman and Chief Executive Officer's compensation
 - Stock option and performance share grants
 - Changes in the Board's membership
- ➔ Leads the assessment of the Board's organization and performance

2013 assessment of the Board's performance

- The Board assesses its performance every year, including once every three years with the support of a specialized independent consultancy
- The 2013 assessment was reviewed by the Board on March 21, 2013
- All of the directors agreed that the 2010 decision to combine the roles of Chairman and Chief Executive Officer was and remains appropriate
- The situation is considered very satisfactory: the Board noted that since the last assessment, there has been a sustained improvement in its practices, procedures and governance
- All of the consultant's recommendations were implemented

Components of the Chairman and Chief Executive Officer's compensation subject to an advisory vote by shareholders

- The Chairman and Chief Executive Officer's compensation comprises:
 - A salary, which is commensurate with his experience and responsibilities, and comparable to salaries offered by similar large companies.
 - A bonus, which is awarded in recognition of his contribution to Saint-Gobain's results for the year.
 - Performance stock options and performance units, which are designed to align management and shareholder interests over the long term.

- In addition, shareholders have granted Mr. de Chalendar, who has waived his employment contract, the following compensation components:
 - Compensation for loss of office
 - A non-compete indemnity
 - Both of these components are also subject to performance conditions.

- Lastly, he is enrolled in a supplementary pension plan covering all employees and managers of Compagnie de Saint-Gobain hired prior to January 1, 1994

Components of the compensation due or awarded in respect to 2013

Chairman and Chief Executive Officer's salary

- €1,100,000 (unchanged since 2010)

Components of the compensation due or awarded in respect to 2013

The Chairman and Chief Executive Officer's bonus

- 60% of the bonus is based on quantitative objectives and 40% on qualitative objectives, set annually by the Board. The total bonus may not exceed 1.5 times his annual salary (ceiling unchanged since 2010).

Components of the compensation due or awarded in respect to 2013

The Chairman and Chief Executive Officer's bonus

Objectives:

Quantitative (60%)

-each one counting for one-fourth-

ROCE

Operating income

Recurring earnings per share

Operating free cash flow

Qualitative (40 %)

Response to the changing business environment

The Group's expansion in emerging markets and value-added Habitat solutions

Investor relations

Leadership of the Board of Directors

Corporate social responsibility

Components of the compensation due or awarded in respect to 2013

The Chairman and Chief Executive Officer's bonus

- Overall achievement rate of the quantitative objectives (counting for 60%): 42.4%
- Overall achievement rate of the qualitative objectives (counting for 40%): 75%
- In all:
 - The aggregate achievement rate was 55.4%
 - The bonus therefore amounted to €914,760, representing a 9.6% increase compared with 2012

Components of the compensation due or awarded in respect to 2013

- Total compensation (salary plus bonus) for 2013: €2,014,760, up 4.1% on 2012
- No deferred compensation
- No long-term incentive bonus
- No exceptional bonus
- No directors' fees paid by Group companies
- Chauffeured company car

Components of the compensation due or awarded in respect to 2013

Chairman and Chief Executive Officer's deferred compensation: performance units exercisable as from 2017

- Principle: value of each unit = the Saint-Gobain share price on the exercise date + any dividends paid since November 21, 2017.
- Number: between 0 and 60,000 depending on the growth in average ROCE over the 2014-2016 period
- Value based on the method used to prepare the consolidated financial statements: €1,414,000

Components of the compensation due or awarded in respect to 2013

Chairman and Chief Executive Officer's deferred compensation: performance stock options exercisable as from 2017

- Number: between 0 and 50,000, depending on Saint-Gobain's relative stock performance over the four-year vesting period compared with an index (50% CAC 40 stocks/50% sample of eight companies operating in one or more of Saint-Gobain's business segments)
- Value based on the method used to prepare the consolidated financial statements: €298,500

Components of the compensation due or awarded in respect to 2013

Characteristics of the 2013 stock option and performance unit plans

- As long as he remains in office, the Chairman and Chief Executive Officer is required to hold a number of Saint-Gobain shares equivalent to 50% of the net capital gain realized on the shares acquired upon exercise of his options
- The performance unit and stock option plans stipulate that the equity risk arising from the grant may not be hedged

Components of the compensation due or awarded in respect to 2013 subject to an advisory vote by shareholders in Annual General Meeting in line with related-party agreement procedure

Compensation for loss of office

- ▶ Due in the following cases:
 - If he is removed from office or his term of office is not renewed, except as a result of gross or willful misconduct or serious misconduct not related to his duties as Chief Executive Officer, or
 - If he is forced to resign
- ▶ Amount: up to twice his annual salary and average bonus (annual gross compensation) in respect to the last three years
- ▶ Performance condition: the average bonus for the last three years must represent at least half of the maximum potential bonus
- ▶ Exception: No compensation would be due if he were to resign or be entitled to claim pension benefits within twelve months of leaving office

Components of the compensation due or awarded in respect to 2013 subject to an advisory vote by shareholders in Annual Meeting in line with related-party agreement procedure

Non-compete indemnity

- ▶ Principle: in exchange for signing a one-year non-compete agreement, if Mr. de Chalendar were to leave the Group in circumstances entitling him to compensation for loss of office, he would also be entitled to a non-compete indemnity equal to one year's gross compensation
- ▶ Limitation : the sum of the non-compete indemnity and the compensation for loss of office may in no circumstances exceed two times his total gross annual compensation

Components of the compensation due or awarded in respect to 2013 subject to an advisory vote by shareholders in Annual Meeting in line with related-party agreement procedure

Supplementary pension plan

- Pension plan covering all Compagnie de Saint-Gobain employees hired prior to January 1, 1994
- To benefit from the plan, a participant must:
 - Be a Saint-Gobain employee
 - Retire at 60 or over, on a full pension under the compulsory government-sponsored schemes
 - After contributing to the plan for at least 15 years
- Total benefit, assuming retirement after completing the maximum 35 pensionable years' service and including benefits paid under the compulsory basic and supplementary pension schemes: approximately 47% of his final year's salary



Statutory auditors' Reports

Ordinary and Extraordinary Shareholders'



Reports on the financial statements



Report on the consolidated financial statements and report on the parent company financial statements

(respectively pages 181 and 182 and 210 and 211 of the 2013 Annual report)

1st et 2nd resolutions of the Ordinary Shareholders' Meeting

➔ Objective

- The objective of our audit is to obtain reasonable assurance that the financial statements and information contained therein give a true and fair view of the Group and parent company

➔ Opinion on the financial statements

- We issued an unqualified opinion on the consolidated financial statements and on the parent company financial statements
- Consolidated financial statements: without qualifying our opinion, we draw your attention to the impact of the adoption of IAS 19 revised at January 1st 2013

➔ Specific verifications

- We have verified that the information given in the management report of the Board of Directors and in the Notes to the financial statements is appropriate

➔ Justification of our assessments

Focus points	<ul style="list-style-type: none">● Consolidated financial statements: Measurement of property, plant and equipment and intangible assets; employee benefit and provisions (pages 181 to 182 of the 2013 annual report)● Parent company financial statements: Financial investments and investments in subsidiaries and affiliates (page 210 of the 2013 annual report)
Specific procedures	<ul style="list-style-type: none">● Assessing the methods applied in implementing impairment tests of property, plant and equipment and intangible assets and the estimates and assumptions used● Assessing whether the assumptions used are appropriate and reviewing, on a test basis, calculations of employee benefit obligations● Assessing whether the methods and data used to determine provisions are appropriate

Special report on related party agreements and commitments

(pages 105 to 107 of the 2013 Annual report)

- Agreements and Commitments to be submitted for the approval of the annual general meeting:
 - Commitments given to M. de CHALENDAR concerning the compensation and benefits potentially due, in certain cases, on the termination of his duties as CEO
 - Pension plan for M. de CHALENDAR in his capacity as non-salaried executive corporate officer
 - Benefits under the Group health and personal risk insurance contracts applicable to Compagnie Saint-Gobain employees to be maintained for M. de CHALENDAR in his capacity as non-salaried executive corporate officer

- Agreements and commitments previously approved by the annual general meeting
 - 4 were implemented during the year
 - 2 remained in force but were not implemented during the year

Other reports



Report on the report of the Chairman of the Board of Directors on internal control and risk management procedures

(page 116 of the 2013 Annual report)

Report on the « RSE » consolidated informations (Grenelle II synthesis)

- ➡ We have no matters to draw to your attention regarding these reports

Special report on the share transactions included in the resolutions to be submitted for the approval of the Extraordinary General Meeting

- Your Board of Directors asked you to renew these two authorizations given to him regarding:
 - Grant performance stock options for new or existing shares (13th resolution)
 - Grant free performance shares (14th resolution)
- We have no matters to report on the information given in the report of the Board of Directors regarding the proposed transactions
- In accordance with the French Commercial Code, we will establish additional reports, in case of the use of these authorizations and delegations by the Board of Directors



Questions-Answers

Paris, June 5, 2014





Shareholders' General Meeting

Paris, June 5, 2014

