

Contents

➤ Key points

➤ Plan to acquire a controlling interest in Sika

➤ Plan to launch a competitive bidding process for the sale of Verallia

➤ A stronger Group



Saint-Gobain is accelerating the roll-out of its strategy

- ➔ *Raise potential for organic growth*
- ➔ *Reduce capital intensity*
- ➔ *Increase focus on differentiation*



Saint-Gobain is accelerating the roll-out of its strategy

- ➔ ***Plan to acquire 16.1% of the capital and 52.4% of the voting rights of Sika for CHF 2.75 billion (~€2.3bn)***
 - *Acquisition of a controlling interest and full consolidation as from closing*
 - *No offer for the remaining shares*
 - *Synergies: €100m in the second year; €180m as from the fourth year*
 - *The acquisition will contribute to earnings as from the first year and will create value by the fourth year*
- ➔ ***Plan to launch a competitive bidding process for the sale of Verallia***
 - *based on H2 2014 earnings (a clear improvement on H1)*



Saint-Gobain is accelerating the roll-out of its strategy

- ➔ ***The acquisition of a controlling interest in Sika will give the Group:***
 - *Additional organic growth of 0.6-0.7 percentage points per year*
 - *Additional potential for external growth*
 - *Another strong brand associated with a culture of innovation*
- ➔ ***As a result of both transactions:***
 - *The Group's growth in emerging countries and in the US will gather pace*
 - *The Group's capital intensity will be reduced by 2 percentage points*
 - *The percentage of total sales represented by value-added products for the habitat and industrial markets will increase by 2 percentage points*

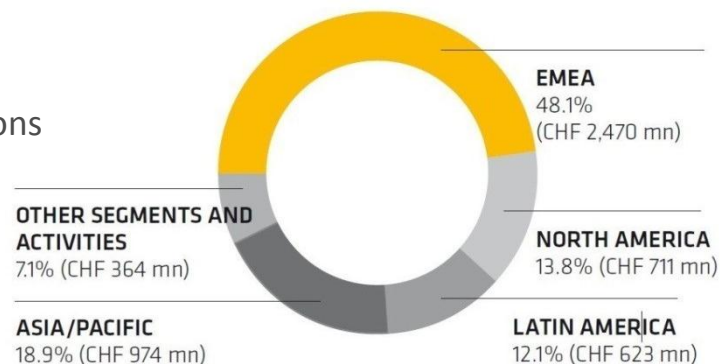
Contents

- ➔ Key points
- ➔ **Plan to acquire a controlling interest in Sika**
- ➔ Plan to launch a competitive bidding process for the sale of Verallia
- ➔ A stronger Group

Leading positions in specialty chemicals, a key sector for the habitat and high-performance materials markets

A world leader in specialty chemicals

- World no. 1 in construction chemicals
- World no. 2 in adhesives and sealants for its industrial applications
- 16,293 employees in 84 countries with 160 production facilities



Source Sika

A growth strategy that has yielded results

- Niche positioning in fast-growing segments, supported by a strong brand
- Strong capacity for innovation
- Swift geographic expansion in emerging countries (38% of sales)
- Organic growth close to 8% over the last 10 years



Outstanding, resilient financial performance

- CHF 5,142m in sales
- EBIT margin almost 10% (2007-2013 average)
- ROCE over 20% (2007-2013 average)
- Low level of debt (CHF 267m, rated A-)

Renowned technological expertise coupled with a strong culture of innovation



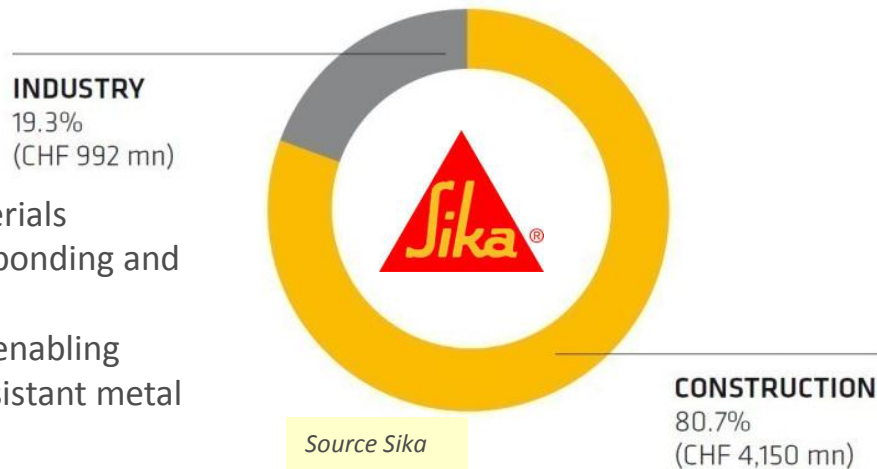
- Thanks to its expertise in formulation, the company has developed high value-added technical solutions for the construction market helping to meet the demand for energy efficiency and living comfort



Source Sika,
Saint-Gobain

Niche positioning and low capital intensity

- Exposure to fast-growing markets in construction and industrial sectors (notably automotive)
- Capital intensity of around 31% (versus 39% for the Group)



INDUSTRY
19.3%
(CHF 992 mn)

- Composite materials requiring more bonding and less welding
- New adhesives enabling lighter, more resistant metal structures
- Modular production concepts incorporating high-performance bonding systems

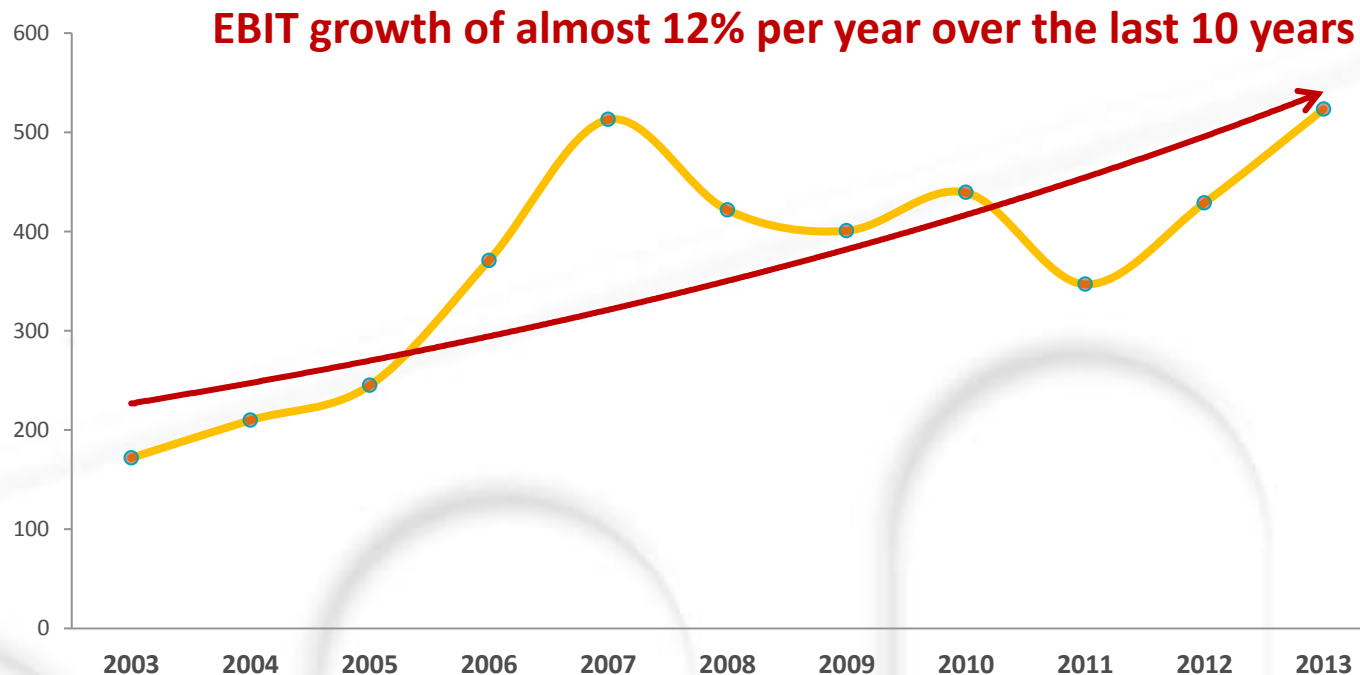
CONSTRUCTION
80.7%
(CHF 4,150 mn)

- Increase in demand for high-performance concrete
- Development of new refurbishment solutions
- Expanding needs in insulation and waterproofing
- Criteria related to living comfort increasingly important
- Stricter fire safety and earthquake resistance standards

Excellent financial performance over the long term



- **Organic growth:** +7.6% per year over the last 10 years and +5.3% per year over 2007-2013 in a crisis-ridden environment
- **External growth:** +4% per year over the last 10 years
- **ROCE:** above 20% on average



Attractive prospects going forward

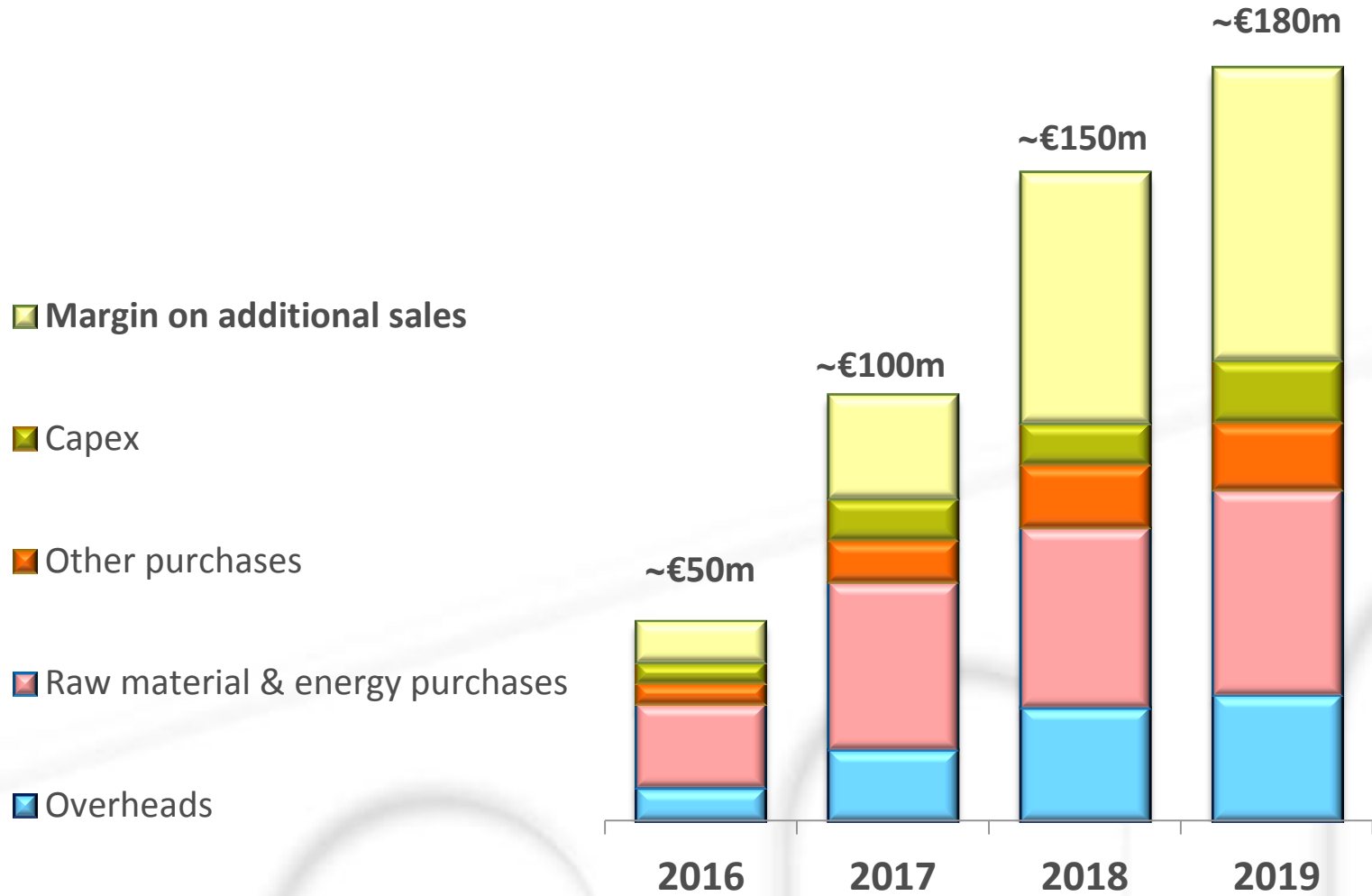


<i>In CHF millions and as % of sales</i>	2013	2014	2015
	<i>actual</i>	<i>IBES consensus Nov. 2014</i>	
Sales	5,142	5,542	5,942
EBITDA	676	749	815
EBITDA (%)	13.1%	13.5%	13.7%
EBIT	523	585	644
EBIT (%)	10.2%	10.6%	10.8%
Net income	345	402	452
Net debt	267		

2018 strategy

- Annual growth of 6%-8% and an emerging country presence of 42%-45%
- EBIT > 10%
- Operating Free Cash Flow > 6%
- ROCE > 20%
- A- rating

€180m in synergies in 2019, including around €70m for Sika



Cost synergies and capex optimization

➤ Purchases

- Optimization of raw materials supply contracts
- Use of framework agreements for general purchases, transport and energy
- Around €65m in 2019 calculated on a cost base of €3.5bn

➤ Overheads

- Co-operation between support functions, specialization of sales teams, joint marketing efforts, economies of scale for administrative functions
- Around €30m in 2019 calculated on a cost base of over €1.2bn

➤ Capex

- Reduction in investments thanks to pooled facilities and shared best practices
- Around €15m in 2019 calculated on a relevant scope of €300m

➤ Based on arm's length contracts

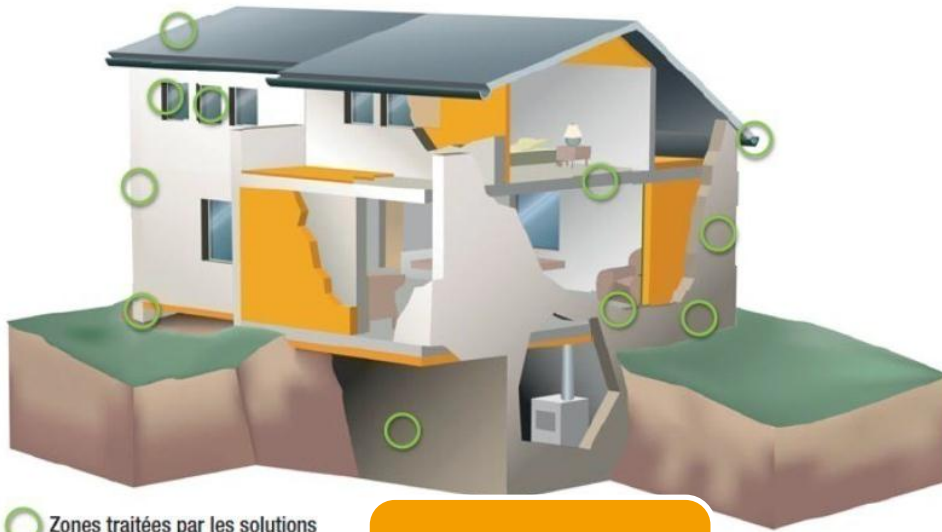
Sika: complementarity and growth synergies

Construction chemicals segments	Complementary products and technologies	Complementary market access	
Additives	Gypsum and mortars: optimization of processes and products	Sika present in emerging markets at an earlier stage	
Concrete repair			
Waterproofing	Mortars: tile fixing systems Pipe: innovative coatings	Optimization of positions in distribution	Joint approach to projects and specifiers
Roofing	Insulation: integrated roofing systems Adfors: membrane reinforcements		
Flooring	Mortars: self-leveling, polymer-based underlayment	Customer portfolio, specifiers and specialized distribution	
Adhesives and sealants	Glassolutions, Sekurit: joints for glazing PPL: adhesives for architectural membranes, foams and films	Synergies in industrial distribution and in automotive after-sales	
		Joint development with PPL and Sekurit for automotive customers	



€250m in additional sales in 2019

Complementary products: a stronger range of solutions for buildings



Zones traitées par les solutions

Sika:
waterproofing,
sealants,
flooring, roofing

Saint-Gobain:
walls, insulation,
façades, flooring,
glazing

A "Floor to Roof" approach



Complementary market access: the case of Weber

Developed countries

Sophisticated markets where Weber is not present

- Potential entry on certain segments
- Mortars market worth €3bn-€4bn

Sophisticated markets where Weber is present

- Complementary market access
- Major projects, specifiers, distribution

Emerging countries

Existing markets where Weber is not present

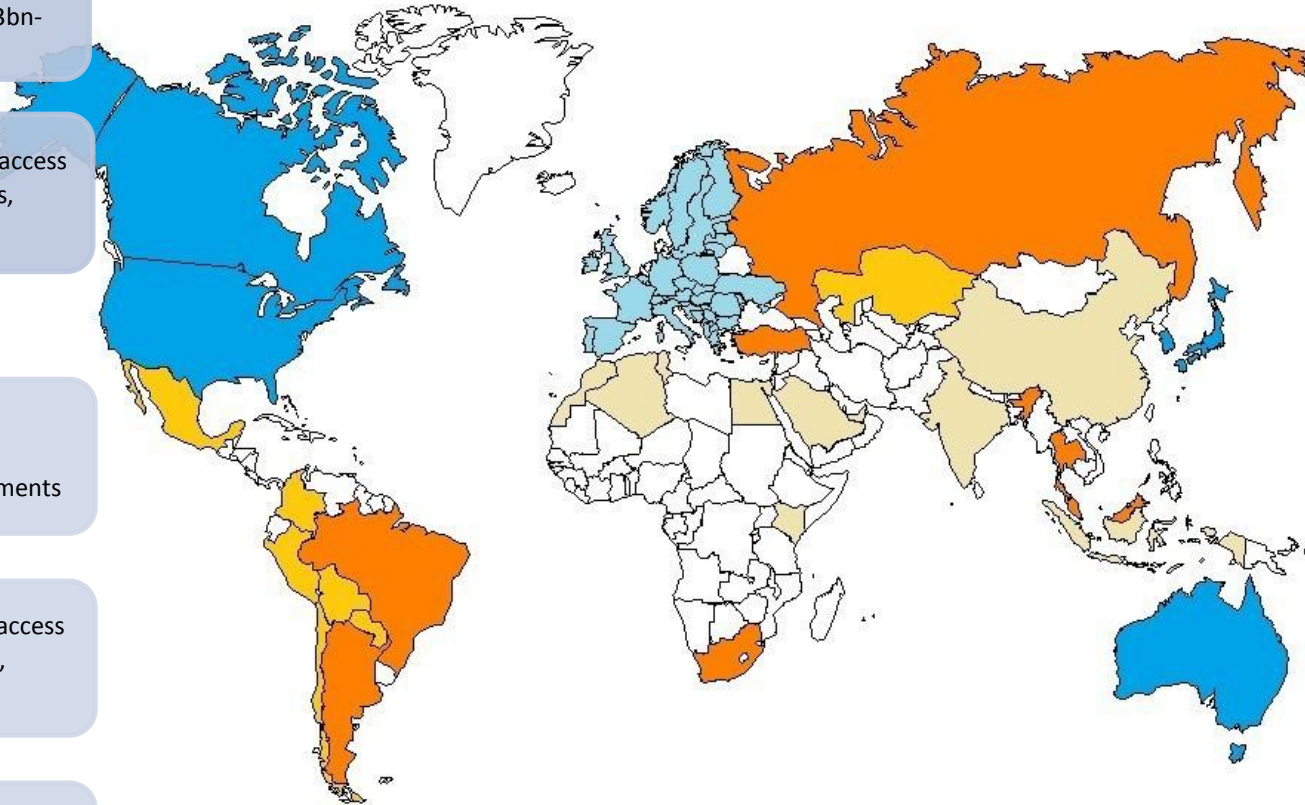
- Accelerated business development
- Swifter, optimized investments

Existing markets where Weber is present

- Complementary market access
- Major projects, specifiers, distribution

Markets in the early stages of development

- Possibility of seizing opportunities early thanks to Sika's presence in projects and infrastructures



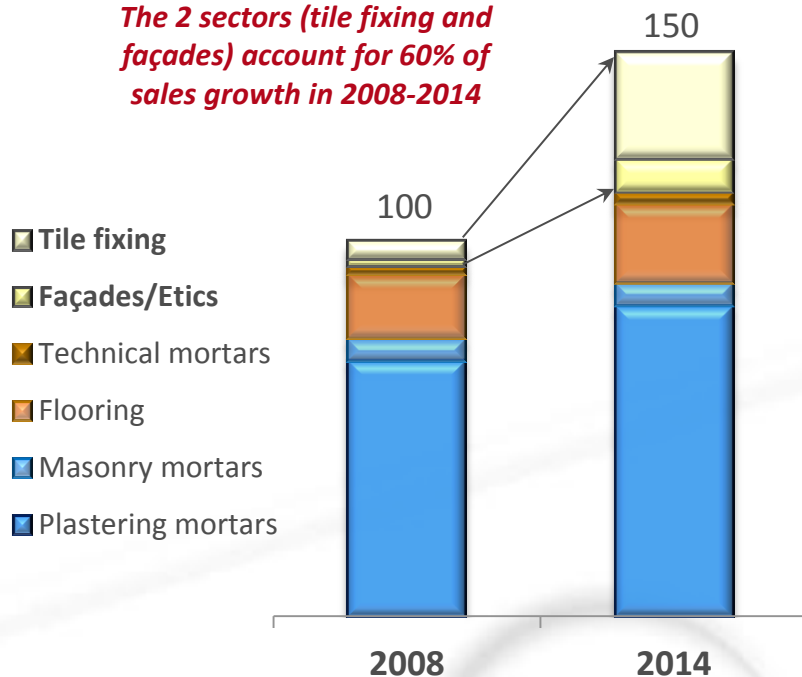
Weber's experience in Sika's markets

Synergies generated from previous acquisitions

2008 Maxit acquisition

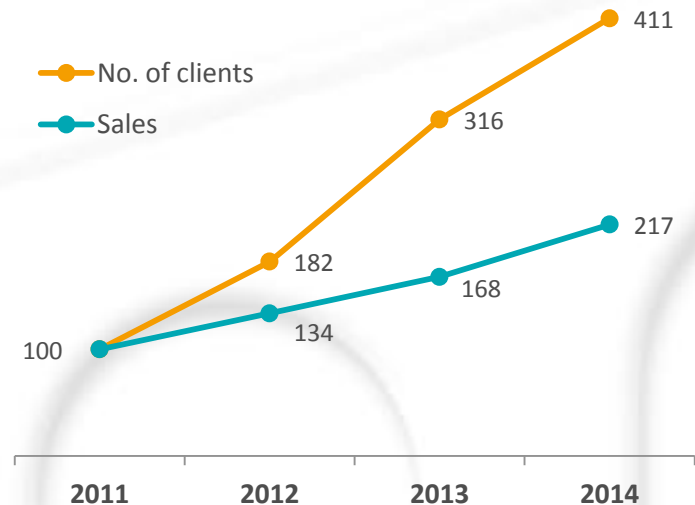
Development of Weber in Russia thanks to Maxit's strong base in the country

The 2 sectors (tile fixing and façades) account for 60% of sales growth in 2008-2014



2011 Anhortec acquisition

Business development for Anhortec in Brazil thanks to distribution channel synergies with Weber (improved regional deployment, better exposure of products and solutions)



Basis: 100 in tonnes

A transaction that will create value by the fourth year

As a result of:

➤ Sika's growth

- 13% EBIT growth on average over 2001-2013
- 10% EBIT growth on average over 2005-2013, despite the crisis
- EBIT growth guidance of between 8%-12% for 2014 (12%-16% excluding 2013 one-off items)

➤ and the synergies between Sika and Saint-Gobain: €180m in 2019

2019 forecasts in €m	<i>Before tax</i>	<i>After tax</i>
Sika EBIT (stand alone) before synergies	700-740	505-530
Synergies (attributable to Sika)	70	55
Saint-Gobain return (16.1%)		95-100
Synergies (attributable to Saint-Gobain)	110	75
Deal ROCE after tax		7.4-7.6%*

* Higher than WACC

Details of the planned transaction

- **Acquisition of the family-owned holding company**, owner of 2,330,841 registered shares and 20,000 bearer shares, giving the Group **16.1% of Sika's capital and 52.4% of its voting rights**
- **Price: CHF 2.75bn (~€2.3bn)**
- **No offer for the remaining shares**
- The company will be **fully consolidated**, resulting in a **positive impact on net income by 2015 and on cash generation by 2016**

Details of the planned transaction

- To further bolster the Group's financial structure, a **hybrid bond** may be issued (\leq €1bn) provided that the financial conditions are appropriate
- The **transaction is signed and binding**. It is expected to be **finalized in H2 2015 at the latest**, once it has been approved by the anti-trust authorities of the different countries concerned
- The **Board of Directors** will be reorganized after closing

Contents

- Key points
- Plan to acquire a controlling interest in Sika
- **Plan to launch a competitive bidding process for the sale of Verallia**
- A stronger Group

verallia **A major player with leading positions in its markets, to be divested by the Group**

- Global presence with €2.4bn in sales in 2013
- Expanding presence in high-growth countries, which already represent 16% of its sales
- Leading position in its markets
 - No. 3 worldwide, No. 1 worldwide on the wine market
 - No. 1 in Europe, No. 1 in Europe on the food market
 - No. 1 in France, Italy and Spain on the spirits market
 - No. 2 in Latin America



33 plants (61 furnaces)

16 billion units produced
(bottles and jars)



Verallia **Improved results conducive to the launch of a competitive bidding process**

➤ **Clear improvement in H2**

- Low point hit in H1
- Improving operating performance
- Tight rein on inventory levels

➤ **... and the momentum will remain upbeat in 2015**

➤ **Plan to launch a competitive bidding process**

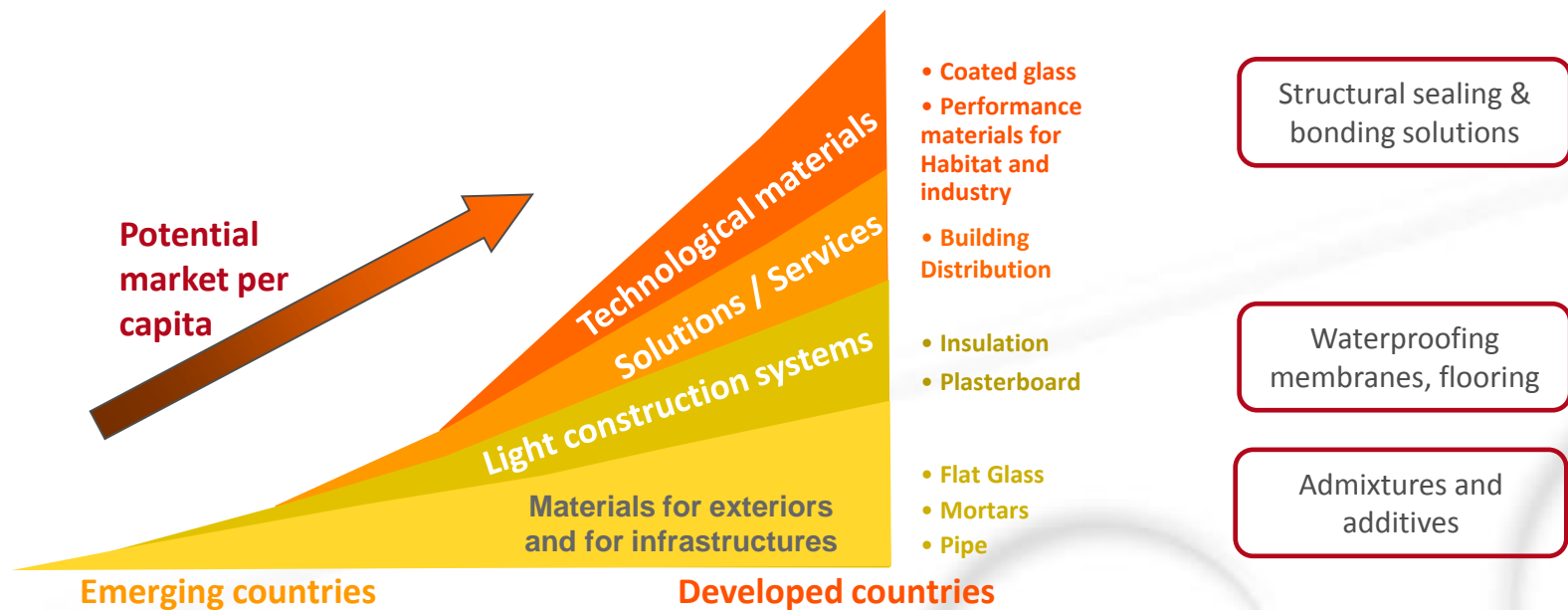
- Based on 2014 earnings
- With the aim of reaching an agreement with a buyer before summer 2015, once the relevant works councils have been consulted

Contents

- Key points
- Plan to acquire a controlling interest in Sika
- Plan to launch a competitive bidding process for the sale of Verallia
- **A stronger Group**

Raise the Group's potential for growth

- Sika's growth represents additional organic growth of 0.6-0.7 percentage points for the Group
- Sika's portfolio of solutions will give Saint-Gobain earlier and faster access to new markets

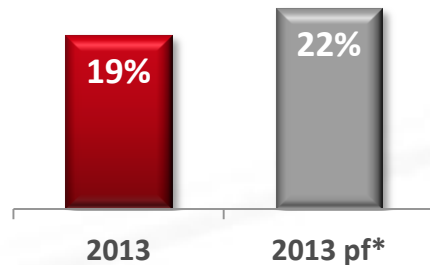


- Presence in new market segments and countries raises the Group's potential for external growth through acquisitions of small and medium-sized companies

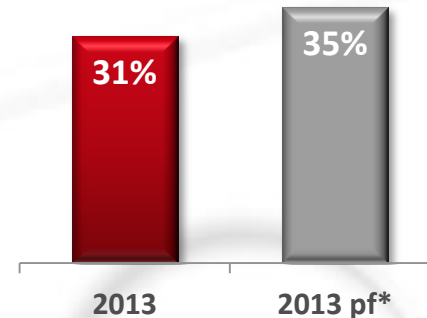
Accelerate development in emerging countries and in the US

- Stronger Group presence in emerging countries: **plus 3 percentage points due to the planned transactions**
- Development in emerging markets through **complementary products/solutions** and a good **geographical fit** (Mexico, Colombia, India, China, etc.)

% total Group sales in emerging countries



% sales in emerging countries excluding Building Distribution

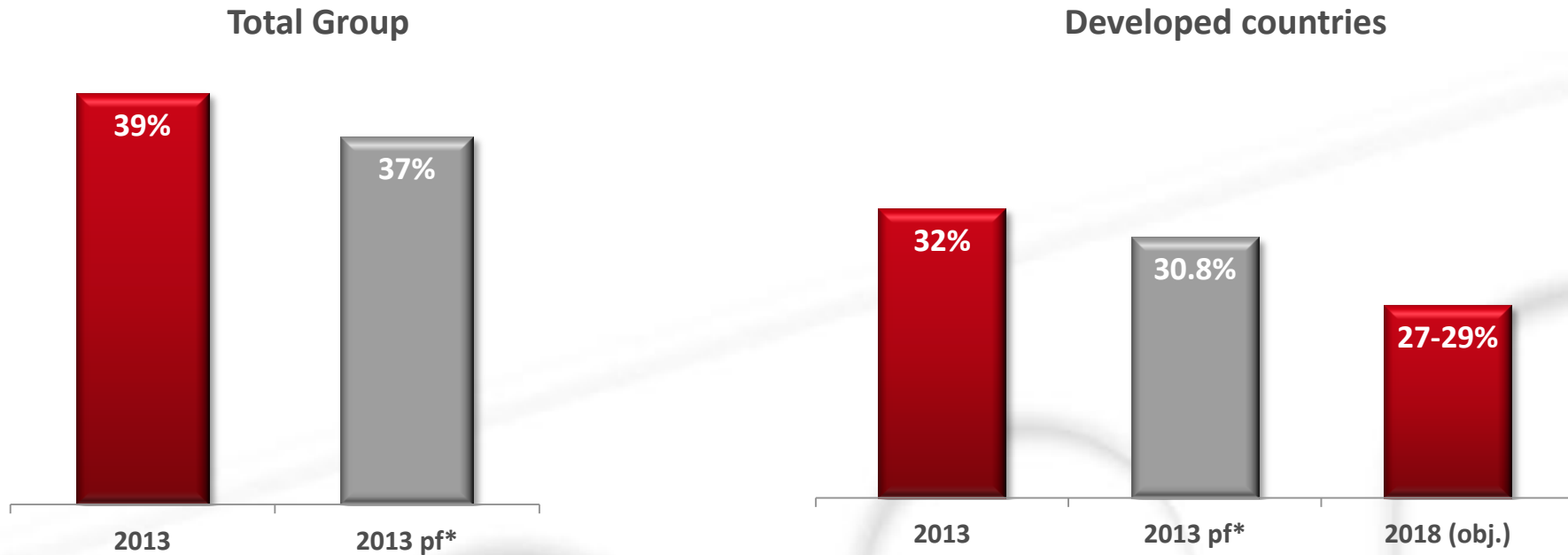


- Access to **certain developed market segments** in North America and developed Asia (mortars market worth €3bn-€4bn)

* Proforma following the acquisition of a controlling interest in Sika and the sale of Verallia

Reduce capital intensity

- ➔ **2 percentage point reduction** in the Group's capital intensity

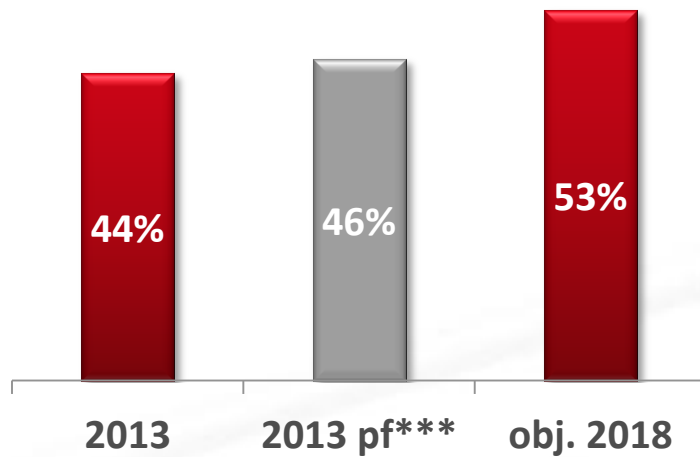


* Proforma following the acquisition of a controlling interest in Sika and the sale of Verallia

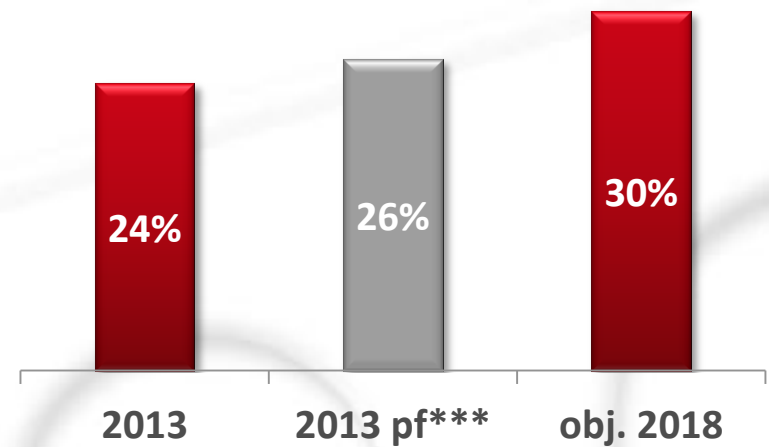
Increase focus on differentiation

- ➔ **2 percentage point** increase in the differentiation ratio
- 2 percentage point** increase in the new solutions ratio

Differentiation ratio*



New solutions ratio**



* Differentiation ratio: share of sales of high value-added solutions, in co-development with customers, or related to energy efficiency

** New solutions ratio (IM+CP): share of sales related to products and solutions less than 5 years old and considered as new by our clients

*** Proforma following the acquisition of a controlling interest in Sika and the sale of Verallia



Saint-Gobain is accelerating the roll-out of its strategy

- ➔ *Raise potential for organic growth*
- ➔ *Reduce capital intensity*
- ➔ *Increase focus on differentiation*

Important disclaimer - forward-looking statements

This presentation contains forward-looking statements with respect to Saint-Gobain's financial condition, results, business, strategy, plans and outlook. Forward-looking statements are generally identified by the use of the words "expect", "anticipate", "believe", "intend", "estimate", "plan" and similar expressions. Although Saint-Gobain believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions as at the time of publishing this document, investors are cautioned that these statements are not guarantees of its future performance. Actual results may differ materially from the forward-looking statements as a result of a number of known and unknown risks, uncertainties and other factors, many of which are difficult to predict and are generally beyond the control of Saint-Gobain, including but not limited to the risks described in Saint-Gobain's registration document available on its website (www.saint-gobain.com). Accordingly, readers of this document are cautioned against relying on these forward-looking statements. These forward-looking statements are made as of the date of this document. Saint-Gobain disclaims any intention or obligation to complete, update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. This presentation does not constitute any offer to purchase or exchange, nor any solicitation of an offer to sell or exchange securities of Saint-Gobain. No representation or warranty, expressed or implied, is given on behalf of Saint-Gobain or any of its directors, officers, employees, shareholders, agents, representatives or advisers as to the relevance, completeness or fairness of the information or opinions contained in this presentation.



Accelerating the roll-out of our strategy
*Plan to acquire a controlling interest in Sika
and to launch a competitive bidding process
for the sale of Verallia*

December 8, 2014