



2012 Results and Outlook

Paris, February 21, 2013



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The logo for Saint-Gobain, featuring a stylized white building icon above the text "SAINT-GOBAIN" in white capital letters, all contained within an orange arrow-shaped graphic pointing upwards.

SAINT-GOBAIN



1. 2012 Highlights



2012 Key figures

Amounts in €m

	2012	2012/ 2011
Sales	43,198	+2.6%
EBITDA	4,431	-10.5%
Operating income	2,881	-16.3%
Recurring* net income	1,126	-35.1%
Net income	766	-40.3%
Free cash flow**	895	-36.7%
Free cash flow** after operating WCR	1,450	+73.2%
Net debt	8,490	+4.9%

*excluding capital gains and losses on disposals, exceptional 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

2012: A difficult economic environment in Western Europe and in Flat Glass as a whole

➔ In Western Europe:

- **General slowdown** in trading in **industrial markets** (particularly automotive) and **construction** (new-build and renovation)
- **Very tough conditions in Flat Glass**

➔ In North America:

- **Ongoing upbeat industrial** markets
- **Gradual upturn in residential construction** (new-build and renovation)

➔ Overall trading in **high-growth countries leveling off:**

- Gradual **upturn** in **Latin America** in the second half
- **Difficulties** in **Asia** and **Eastern Europe** (except Russia), particularly in **Flat Glass**

2012: Particularly difficult conditions in Flat Glass

- **Slowdown** in trading in Flat Glass for the **building** industry, in both Western Europe and Asia & emerging countries
- **Collapse** of **solar business**
- **Sharp decline** in European **automotive market**
- **Fall** in **float glass prices**
- **Rise** in **raw material and energy costs**, particularly in the first half
- Performances **stabilized** in the second half, following the swift roll-out of cost cutting measures

- **Flat Glass sales and results down sharply**
- **Significant negative impact on the Group's 2012 results**

2012: Swift measures taken to address the deteriorating economic climate

- **Increase in sales prices (up 1.7% over the year and up 2.0% excluding Flat Glass)**, thereby curbing the impact of the rise in raw material and energy costs
- Launch of **new cost cutting measures: €520m in 2012** (calculated on the 2011 cost base), **in line with the €500m forecast**
- Rise in **restructuring costs**

2012: Saint-Gobain continues to pursue its strategic goals amid strict financial discipline

- **Capital expenditure and acquisitions focused** on the Group's key growth drivers:
 - High-growth countries
 - Energy efficiency and energy markets
 - Consolidation of our strengths in Building Distribution
 - ➔ ~ two-thirds of the Group's total investments in 2012

- Refocus on **Habitat: disposal of Verallia North America**
 - ➔ well-priced transaction perfectly aligned with strategy (US\$ 1.7bn, or 6.5 x 2012 EBITDA)

- Sharp improvement in **cash generation**:
 - Operating WCR: down €555m or 5 days' sales
 - Free cash flow after operating WCR: up €613m, or 73%



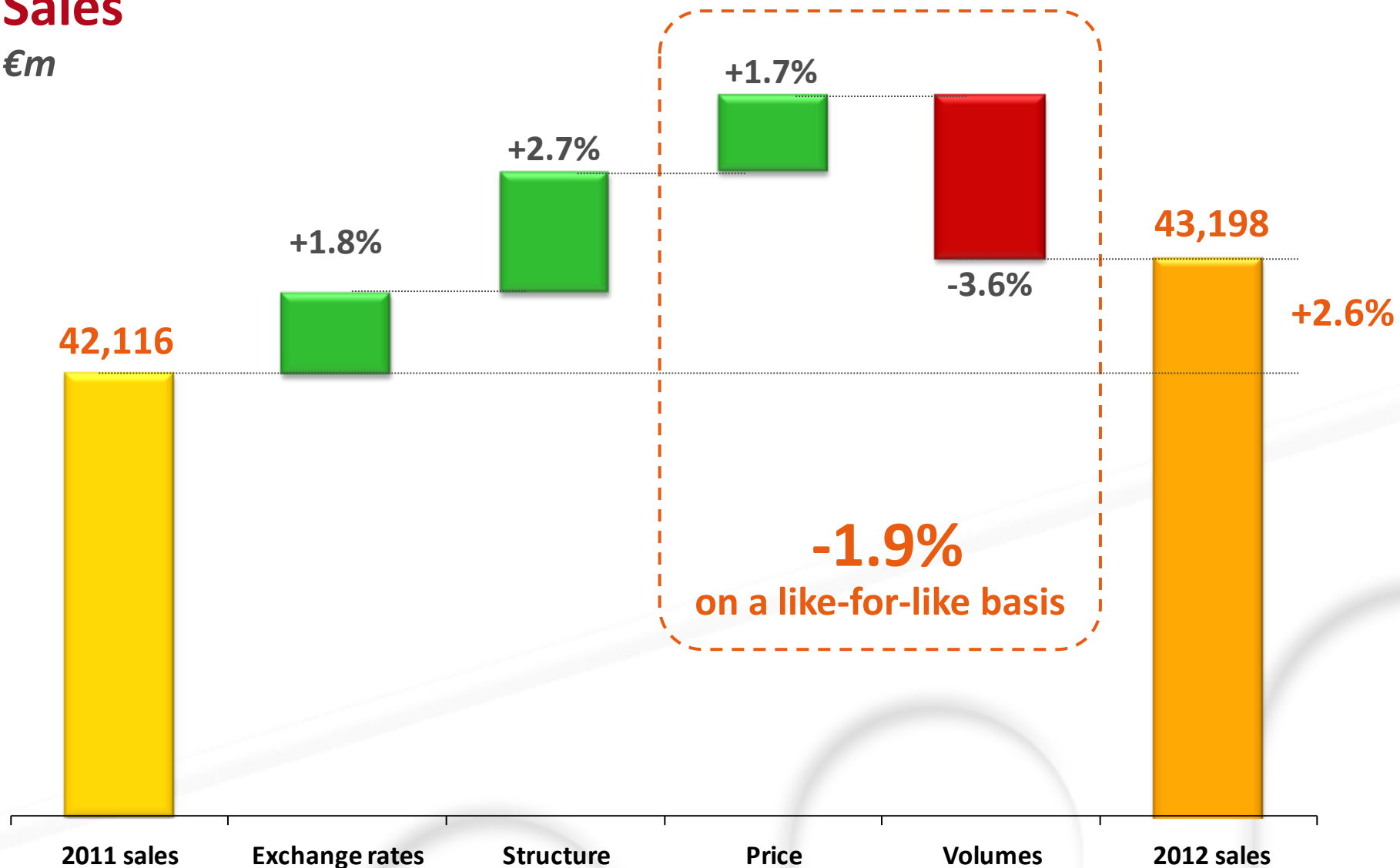
2. 2012 Results

- Group
- Business Sectors
- Geographic Areas



Sales

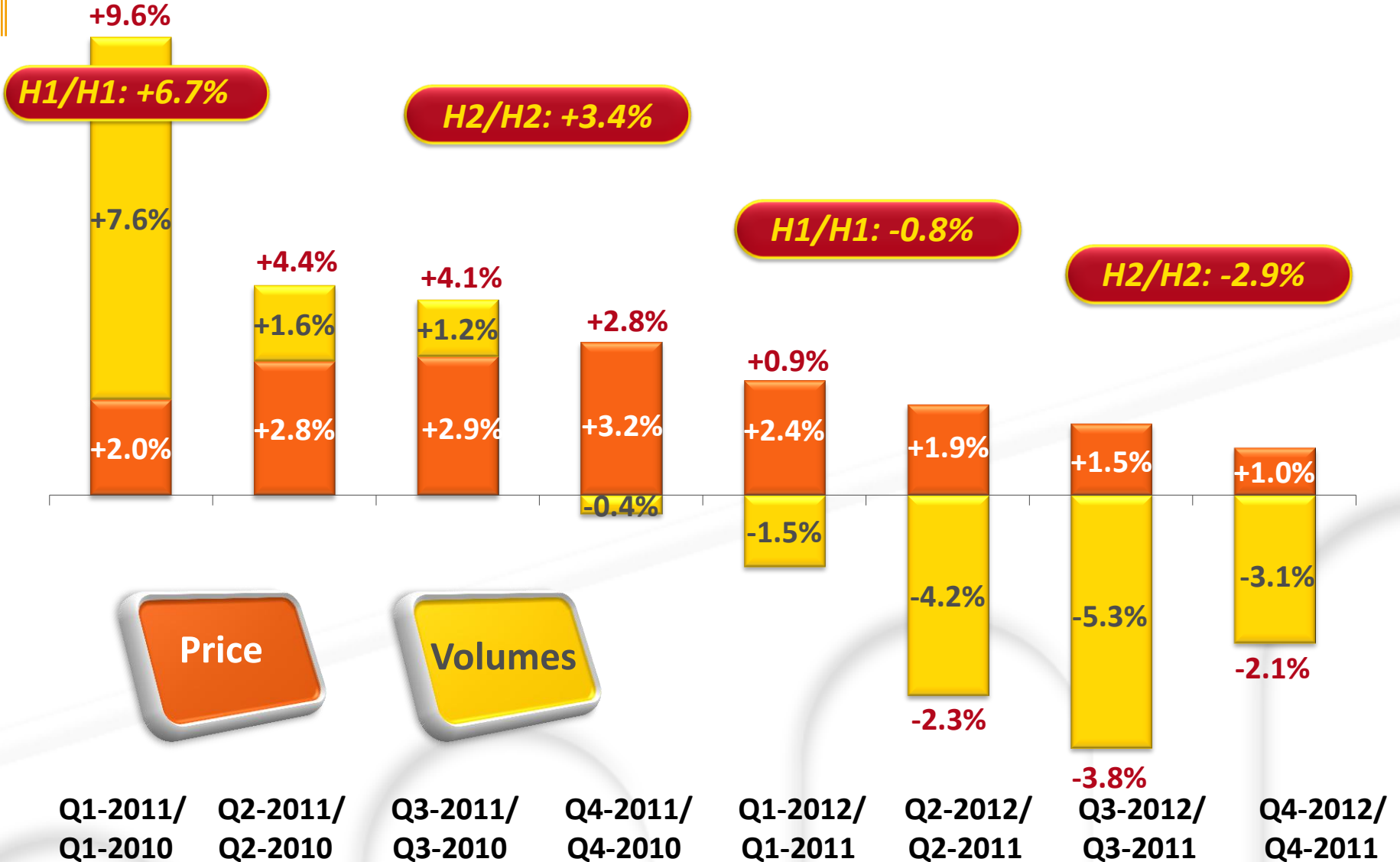
€m



Sales prices held up well despite the volume downturn

Quarterly organic growth

% change in sales on a like-for-like basis



Price

Volumes

Q1-2011/
Q1-2010

Q2-2011/
Q2-2010

Q3-2011/
Q3-2010

Q4-2011/
Q4-2010

Q1-2012/
Q1-2011

Q2-2012/
Q2-2011

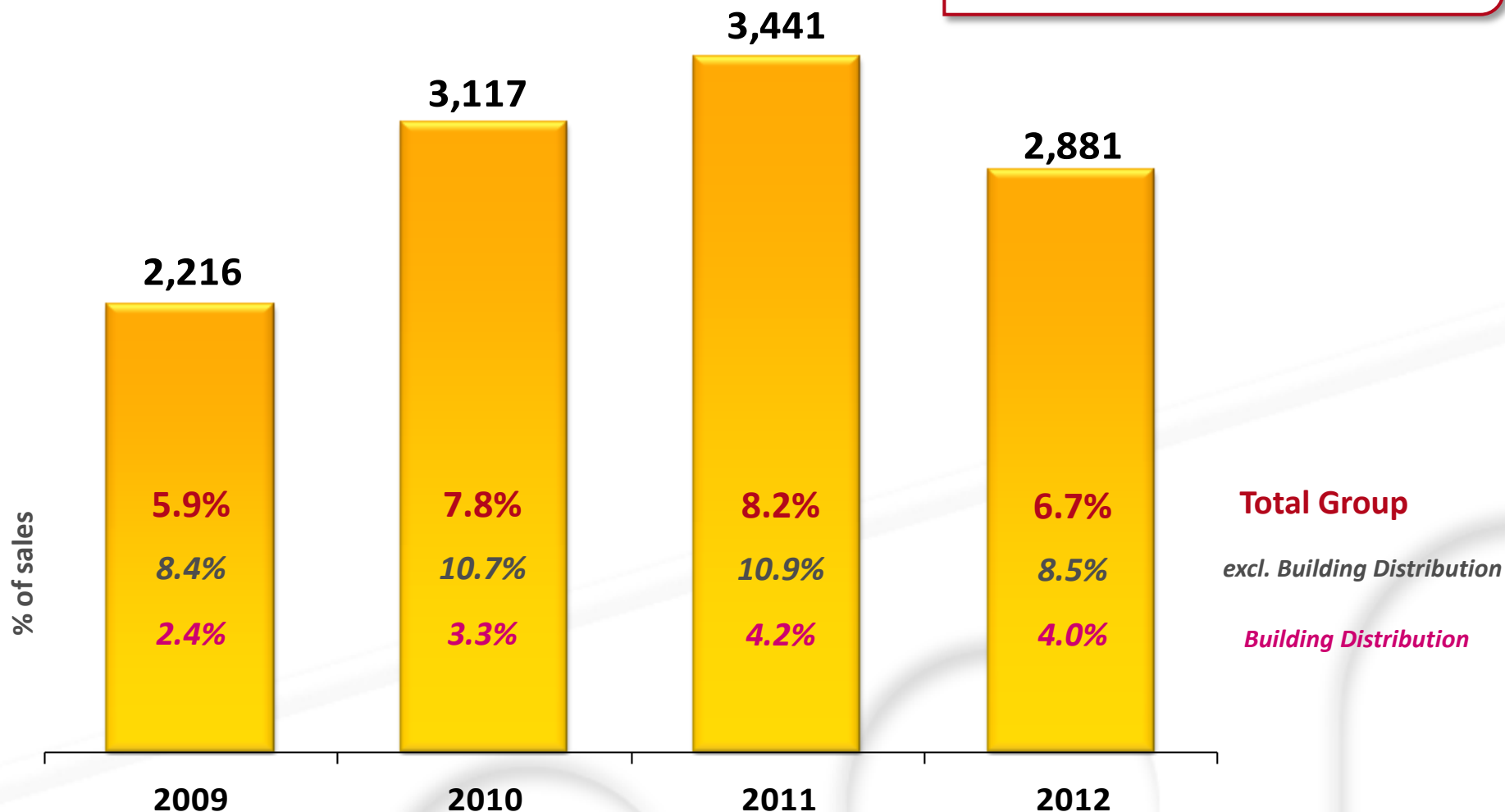
Q3-2012/
Q3-2011

Q4-2012/
Q4-2011

Operating income

(€m and % of sales)

2012/2011: -16%
H2-2012/H1-2012: -9%



**Tough conditions in Flat Glass
impacted consolidated operating income**

Non-operating items

€m

	2011	2012	Change
Operating income	3,441	2,881	-16.3%
Non-operating costs	(395)	(507)	
<i>o/w:</i>			
Provision for asbestos-related litigation	(90)	(90)	
Other expenses	(305)	(417)	
Other operating expenses	(400)*	(390)*	
Business income	2,646	1,984	-25.0%

* o/w asset write-downs: €436m in 2012 versus €383m in 2011

Increase in restructuring costs to address the deterioration in the economic climate

Outstanding claims

Asbestos claims in the US

- ➔ Around **US\$ 67m** paid in 2012 (versus US\$ 82m in 2011)
- ➔ **€90m** accrual to the provision in 2012 (€90m in 2011), bringing the total balance sheet provision to US\$ 550m at end-2012 (US\$ 504m at end-2011)

	2009	2010	2011	2012*
New claims	4,000	5,000	4,000	4,000
Settled claims	8,000	13,000	8,000	9,000
Outstanding claims	64,000	56,000	52,000	43,000**

* estimated

** after the transfer of 4,000 claims to inactive dockets

Net financial expense and Income tax

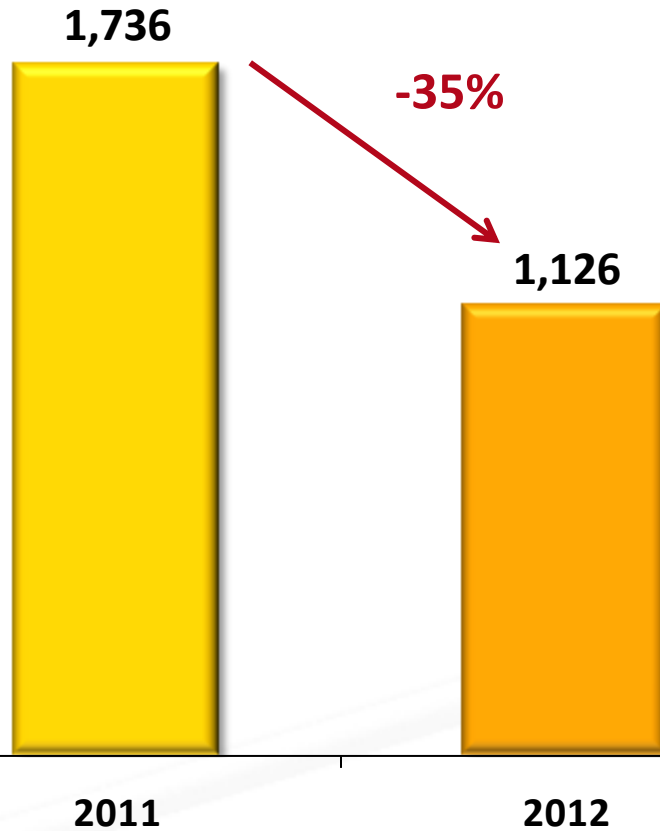
€m

	2011	2012
Net financial expense	638	724
Average cost of gross debt*	4.8%	4.7%
Income tax	656	476
Tax rate on recurring net income	29%	34%

* at December 31

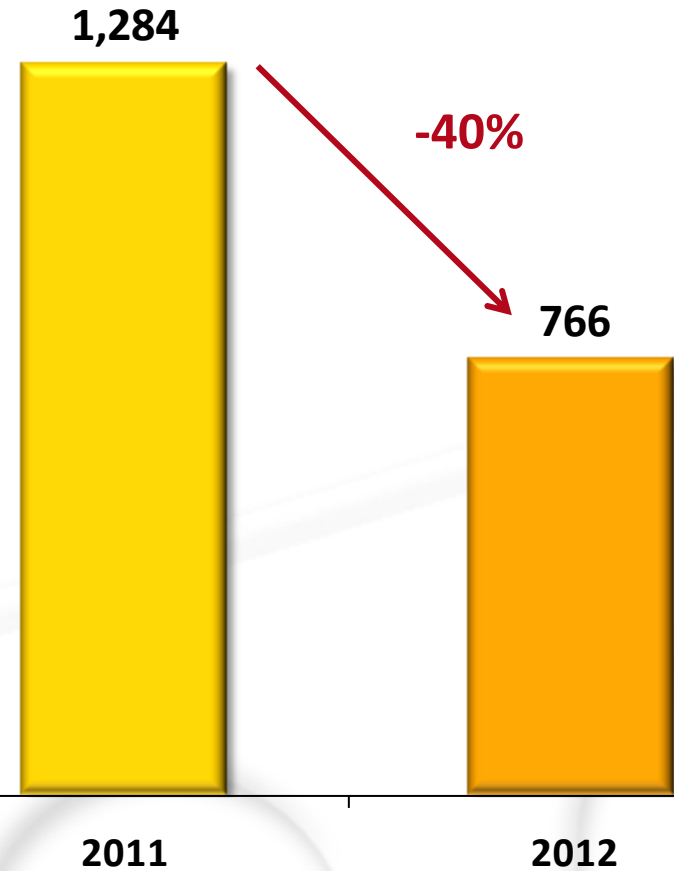
Recurring* net income

€m



Recurring* EPS^(a): €2.14 (-35%)

Net income



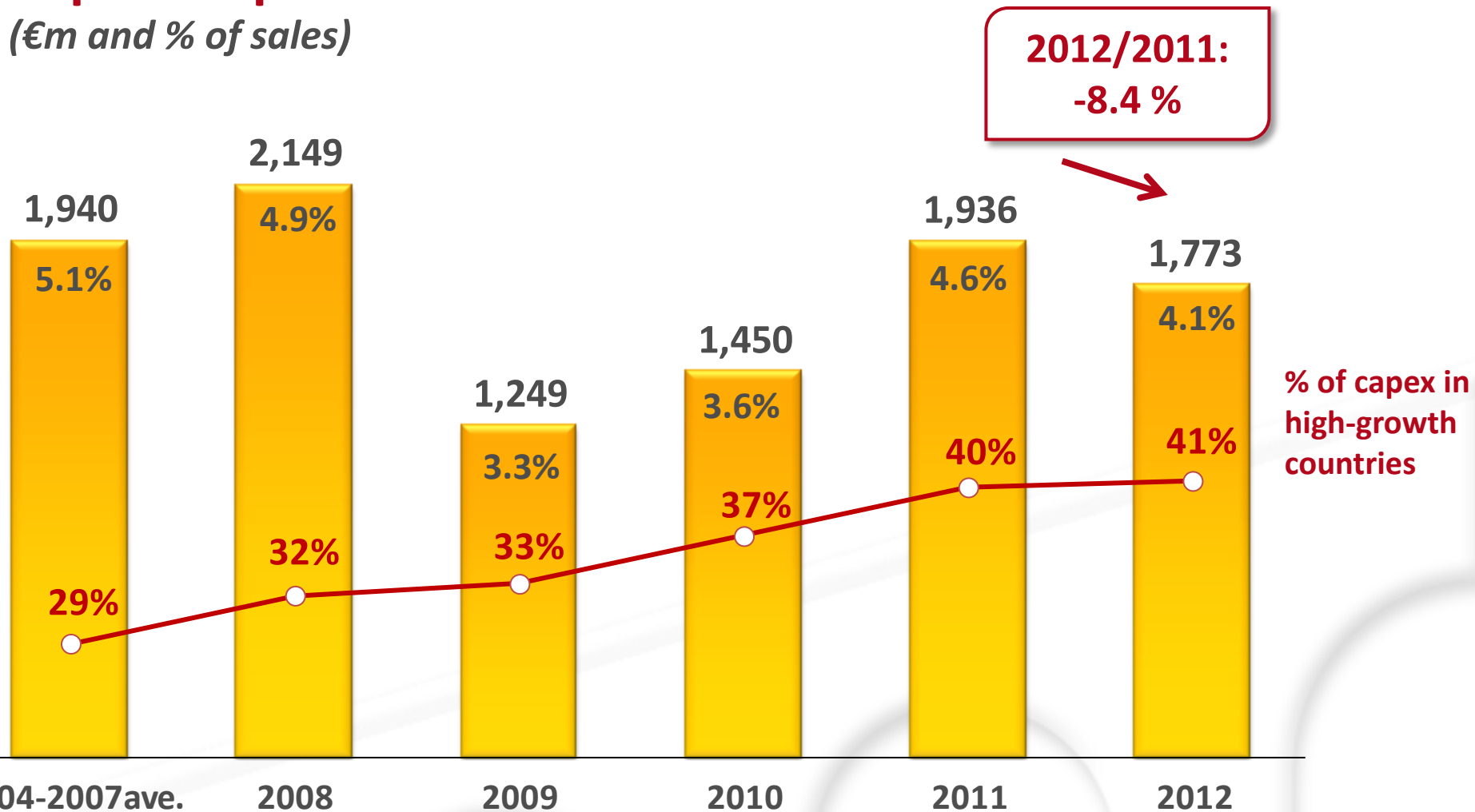
EPS^(a): €1.46 (-40%)

* excluding capital gains on disposals and asset write-downs

(a) excluding treasury stock (526.4 million shares at December 31, 2012 versus 526.2 million at December 31, 2011)

Capital expenditure

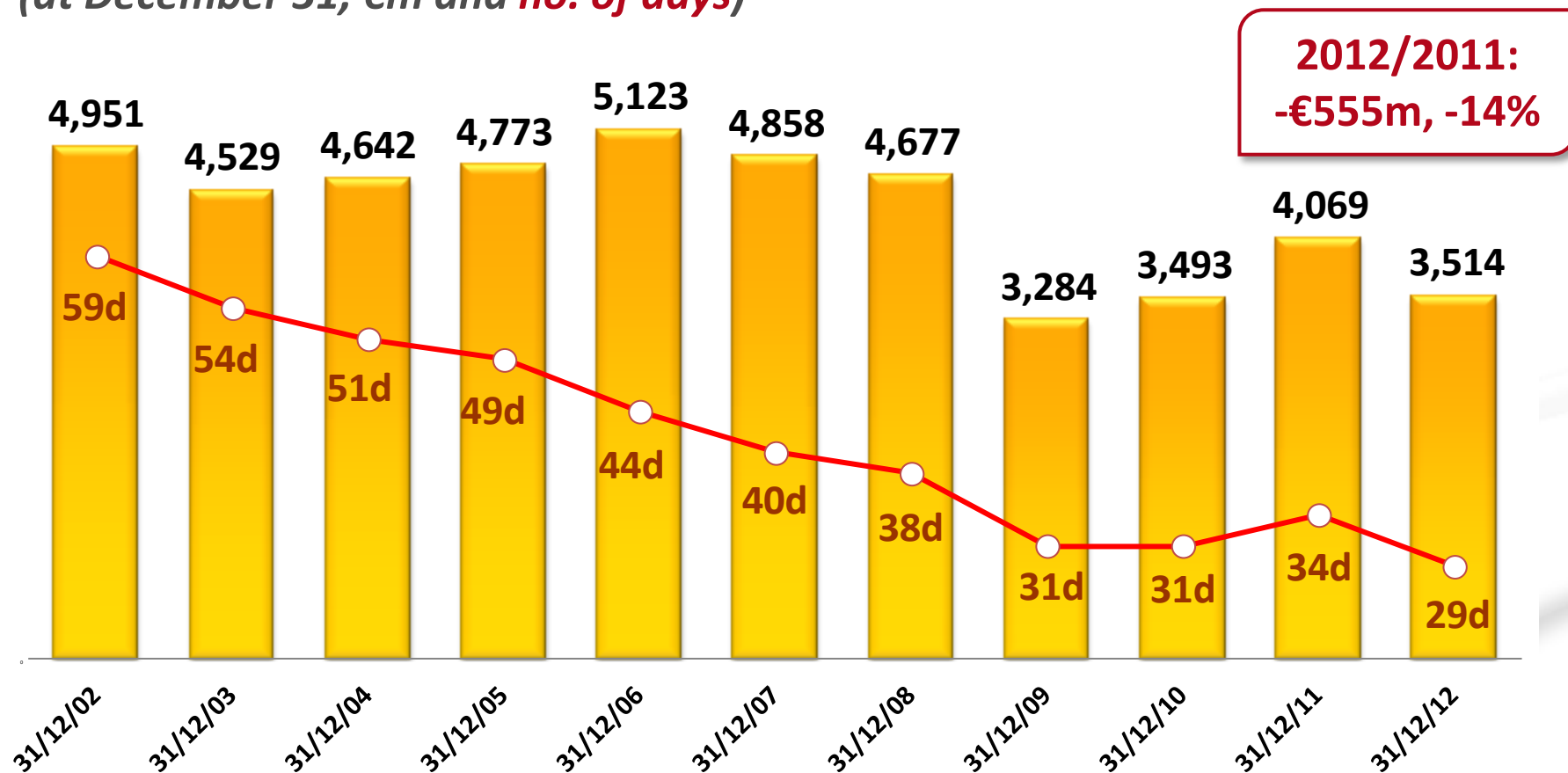
(€m and % of sales)



- . Tight rein on capital expenditure, well below 5% of sales
- . Growth capex (~€850m) focused primarily on Asia & emerging countries

Tight rein on operating WCR

(at December 31, €m and *no. of days*)



**Steep fall in operating WCR,
down to an all-time low of 29 days' sales**

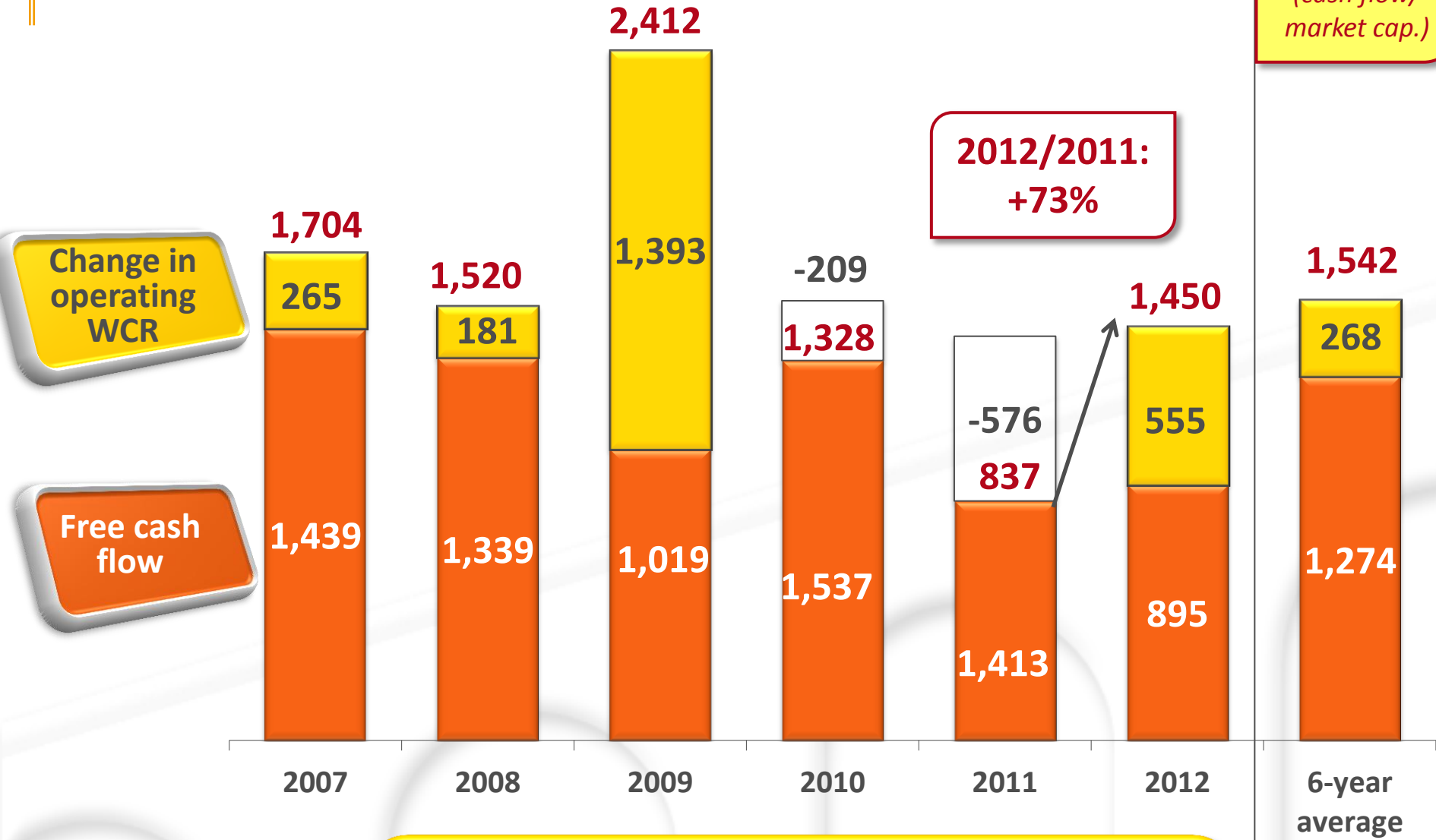
Improved cash generation

(over 12 months, €m)

FCF yield

9.0%

(cash flow/
market cap.)



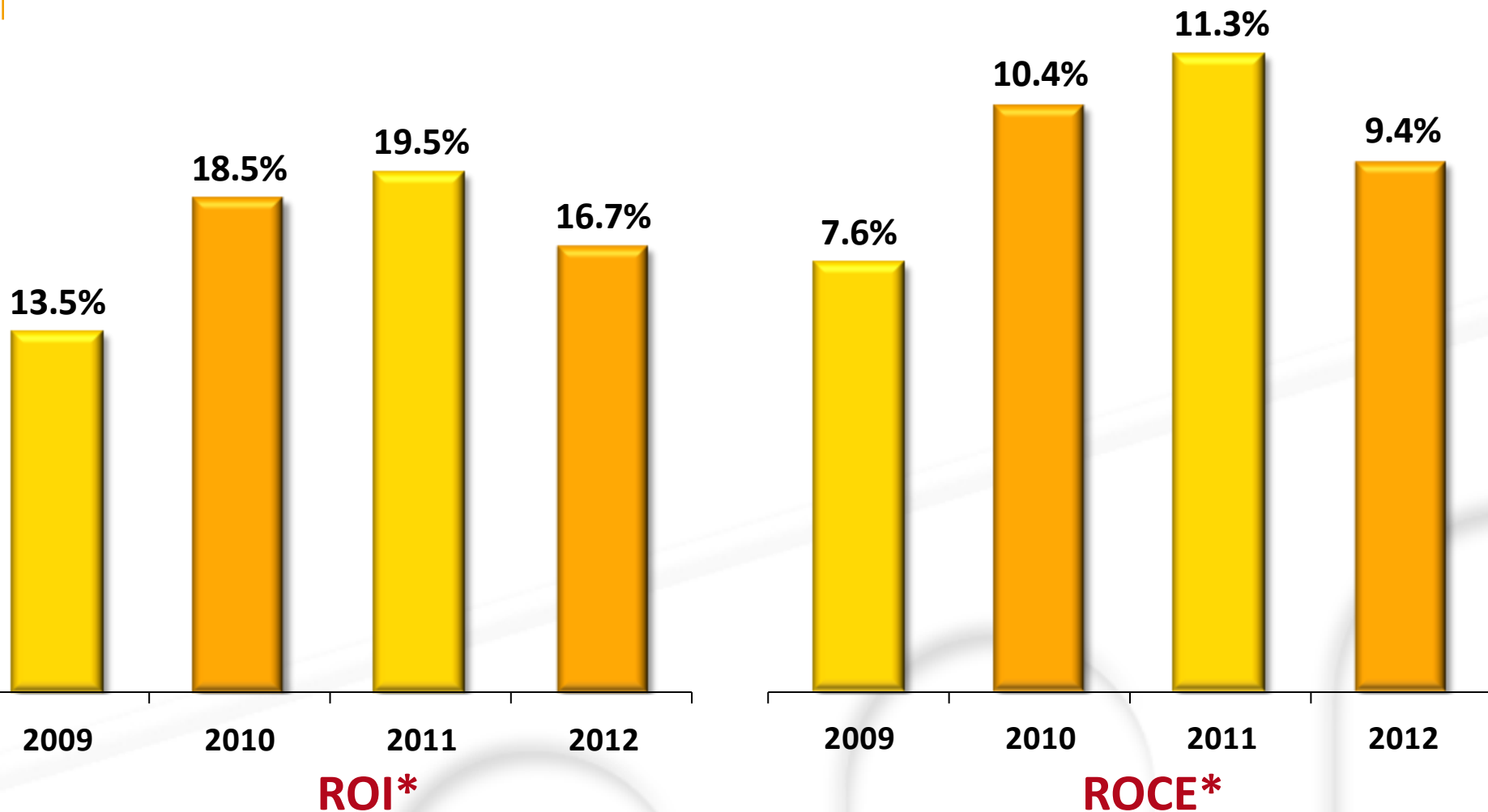
Continuing high cash flow yield

Capex and acquisitions (€354m): highly selective operations, focused on the Group's key growth drivers

- ➔ **High-growth countries: ~€760m**, mainly capital expenditure
- ➔ **Energy efficiency and energy markets: ~€200m:**
 - Electrochromic glass in the US (SAGE)
 - Insulation: purchase of Celotex in the UK and acquisition of a stake in Isoroc in Russia
- ➔ **Consolidation in Building Distribution: ~€440m:**
 - Acquisition of Brossette in France
 - Bolt-on acquisitions in Scandinavia

**Focus on the Group's key growth drivers
(two-thirds of total capital expenditure and acquisitions)**

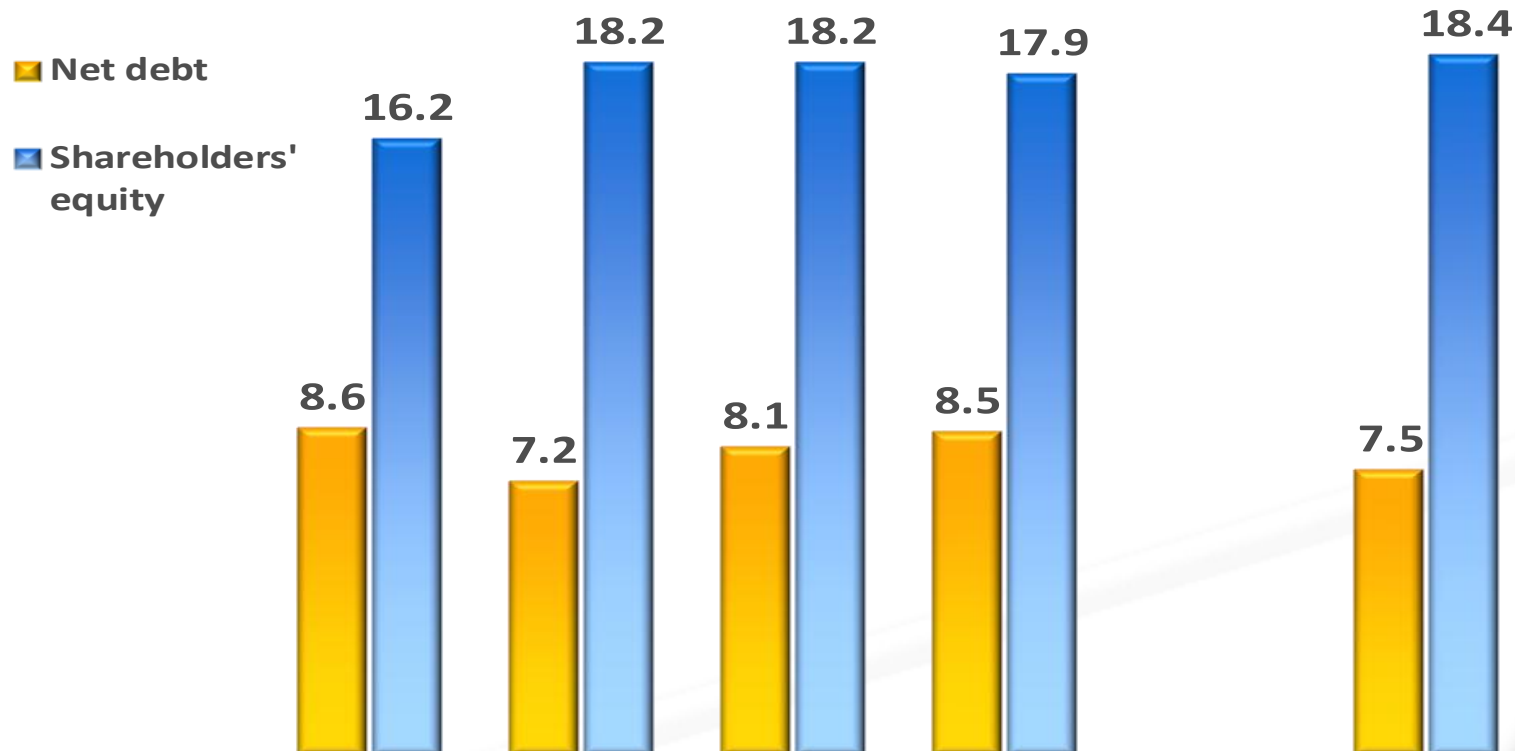
ROI and ROCE



* before taxes

Net debt & Shareholders' equity

€bn



Net debt/ Shareholders' equity	12-2009	12-2010	12-2011	12-2012	12-2012 pf**
	53%	39%	44%	47%	41%
Net debt/ EBITDA*	2.3	1.5	1.63	1.92	1.77

Balance sheet remains strong, particularly after the disposal of Verallia North America

* EBITDA = operating income + operating depreciation/amortization over 12-month period

** proforma, after the disposal of Verallia North America



2. 2012 Results

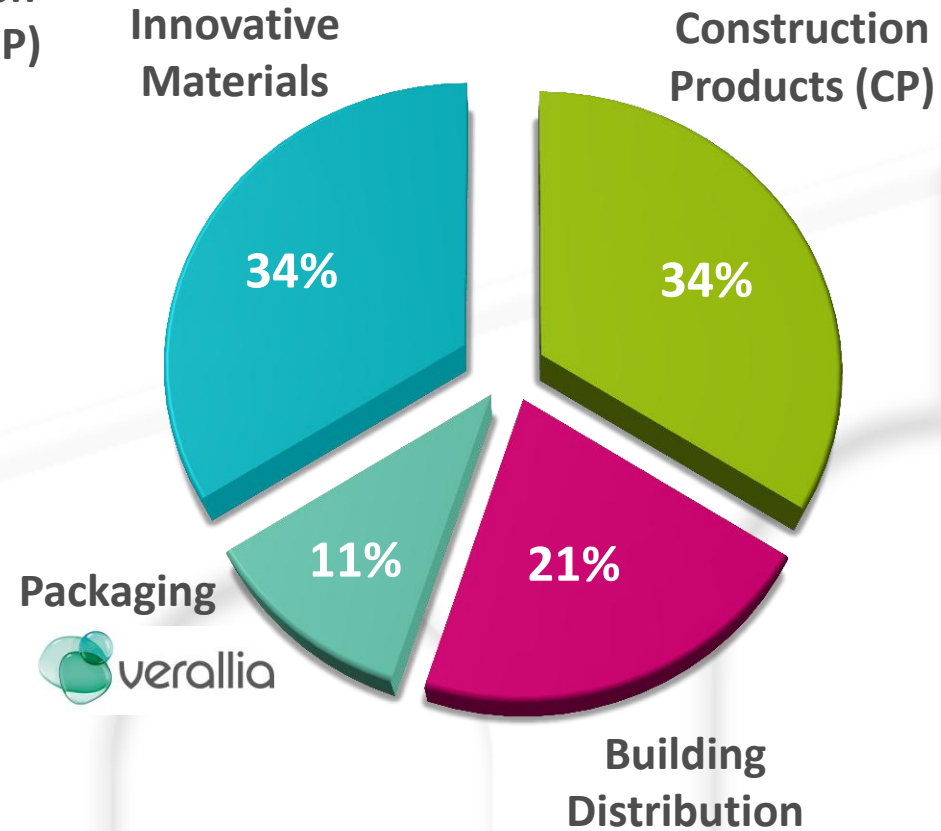
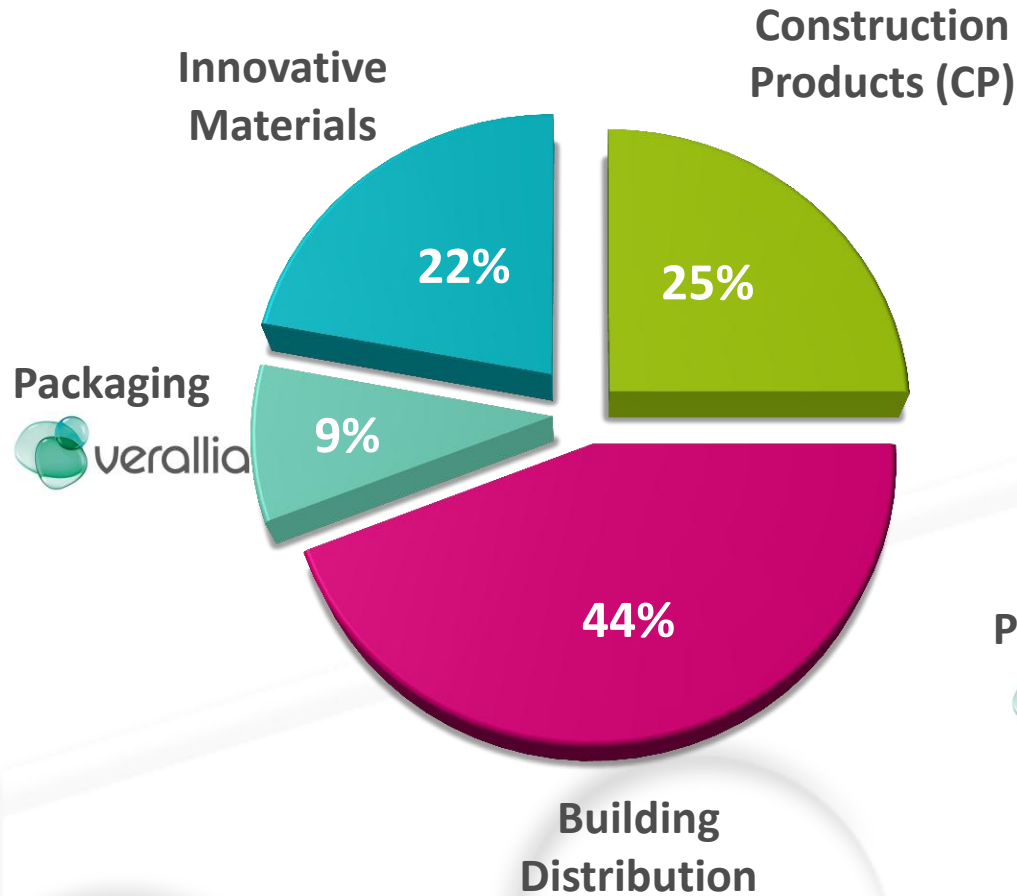
- Group
- Business Sectors
- Geographic Areas



Breakdown of sales and industrial assets by Business Sector

2012 Sales

2012 Industrial assets



Organic growth by Business Sector

% change in 2012/2011 sales on a like-for-like basis

Group: -1.9%

Innovative Materials (IM)

-4.4%

Flat Glass -6.6%
HPM -1.7%

22%*

Construction Products (CP)

-1.3%

Interior Solutions +1.3%
Exterior Solutions -3.7%

25%*

Packaging

9%*

Verallia +3.5%

44%*

Building Distribution

-2.0%

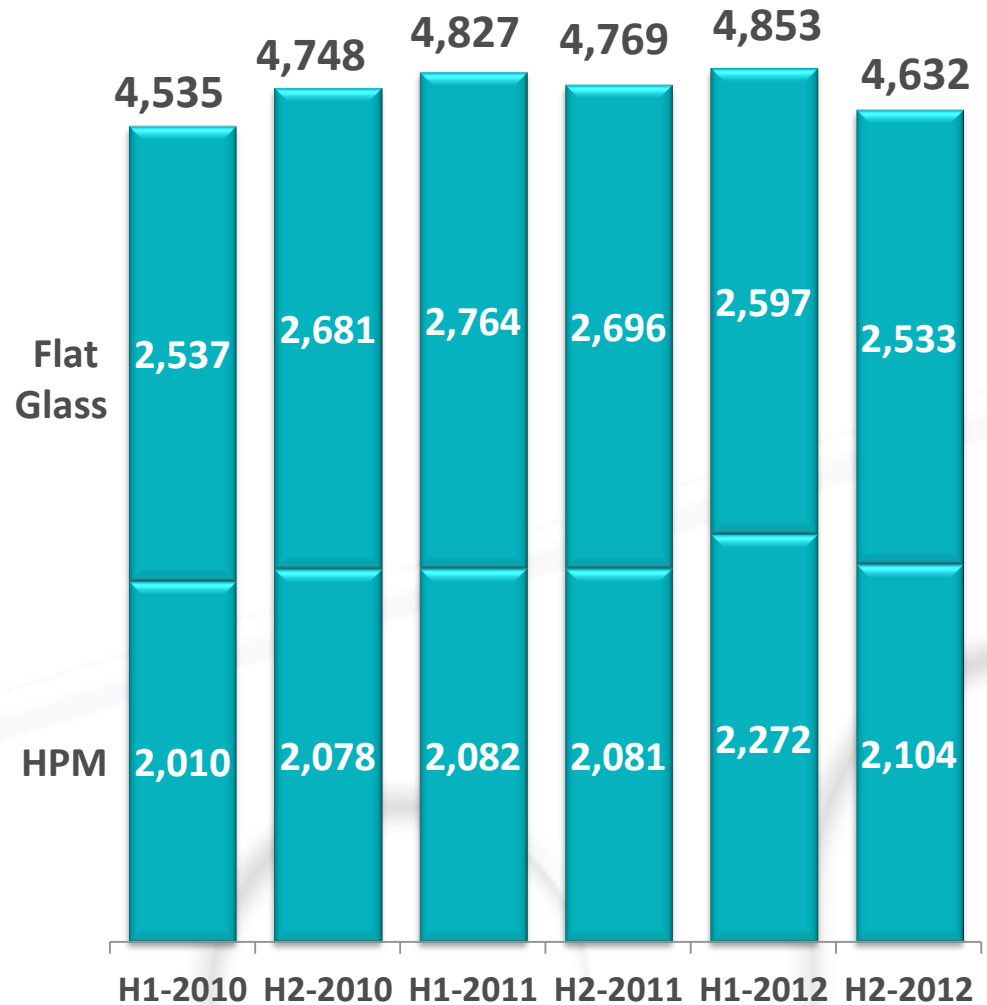
* breakdown of 2012 sales

Innovative Materials (*Flat Glass - HPM*)

Sales (€m)

2012/2011 organic growth
(like-for-like)

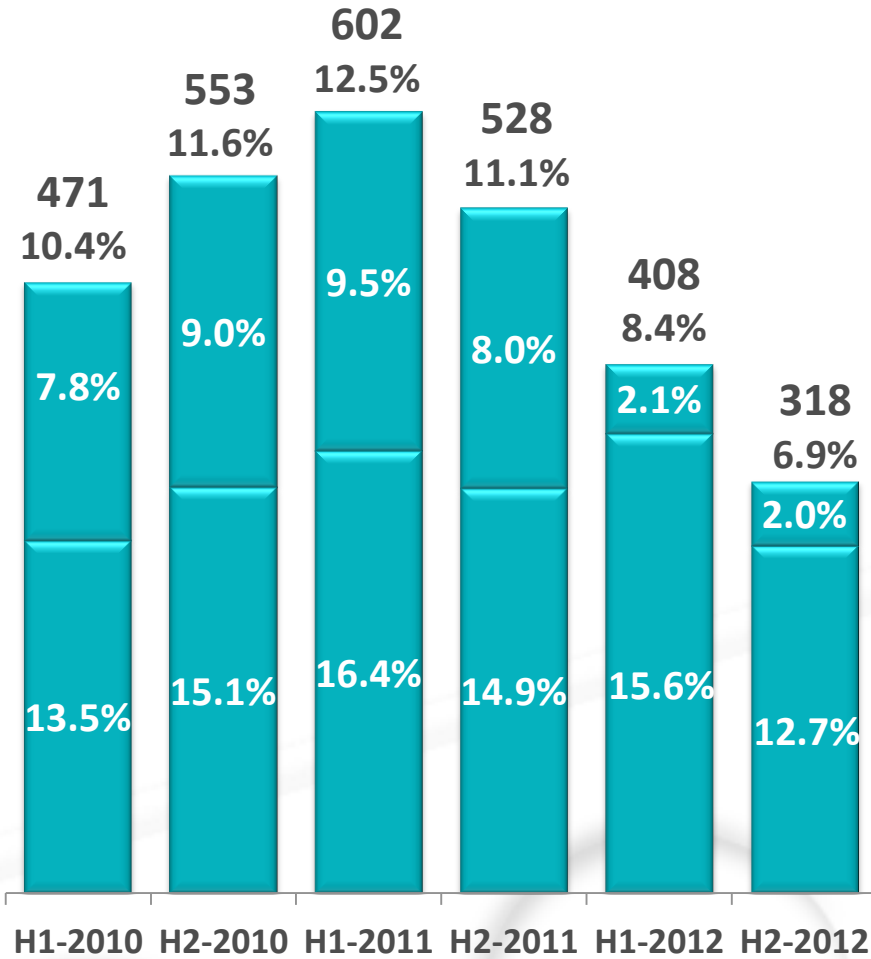
	2012/ 2011	H1/H1	H2/H2
Innovative Materials	-4.4%	-3.1%	-5.7%
Flat Glass	-6.6%	-6.5%	-6.7%
HPM	-1.7%	+1.4%	-4.9%



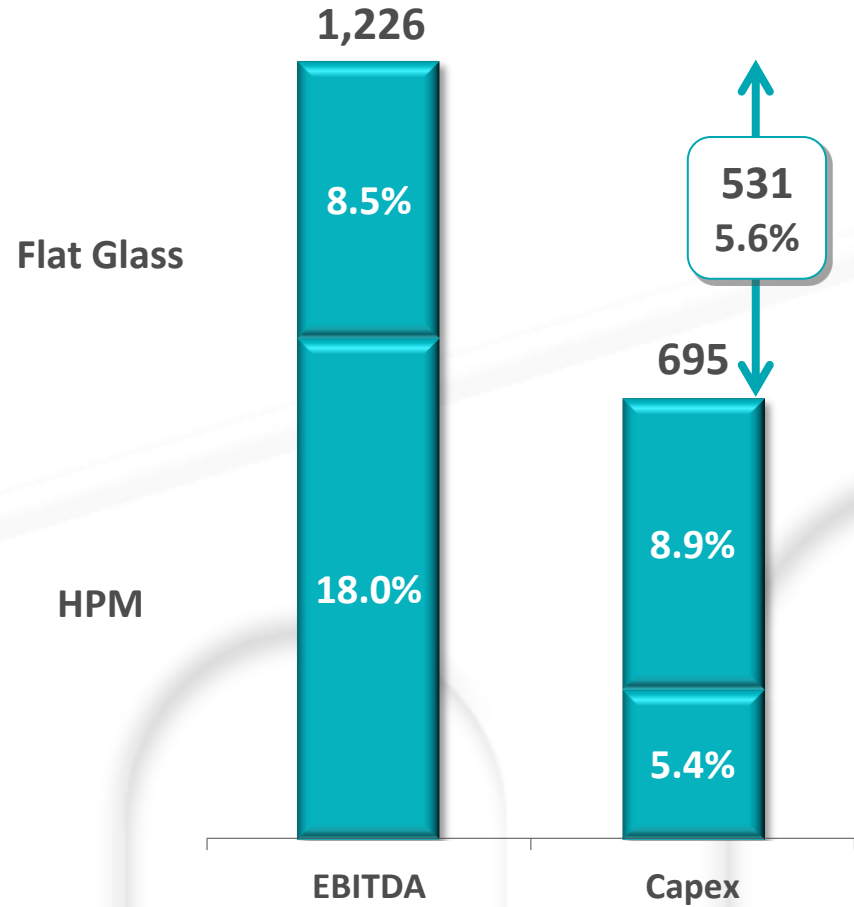
Innovative Materials (Flat Glass - HPM)

(€m and % of sales)

Operating income



EBITDA & Capex 2012

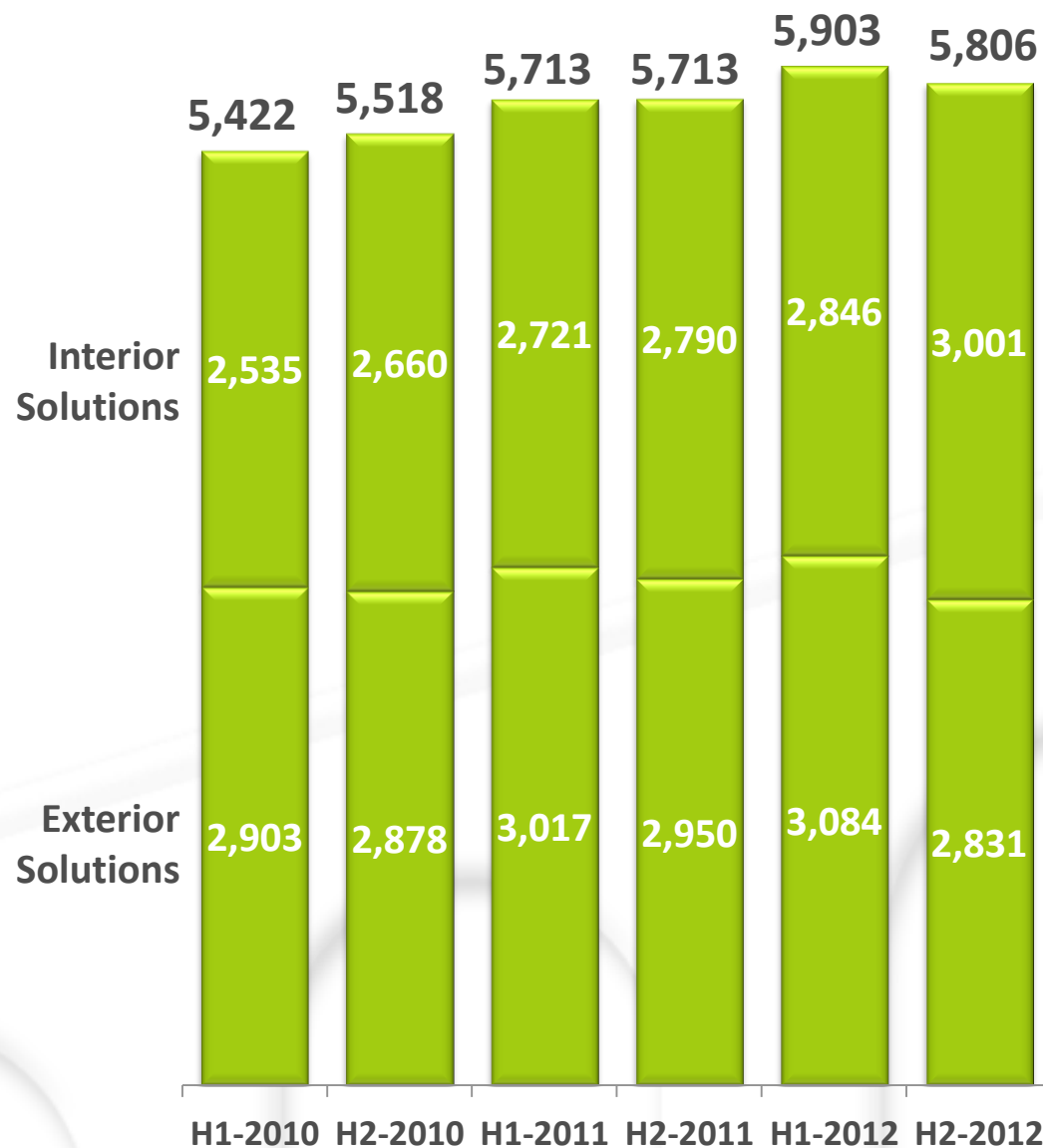


Construction Products

Sales (€m)

2012/2011 organic growth
(like-for-like)

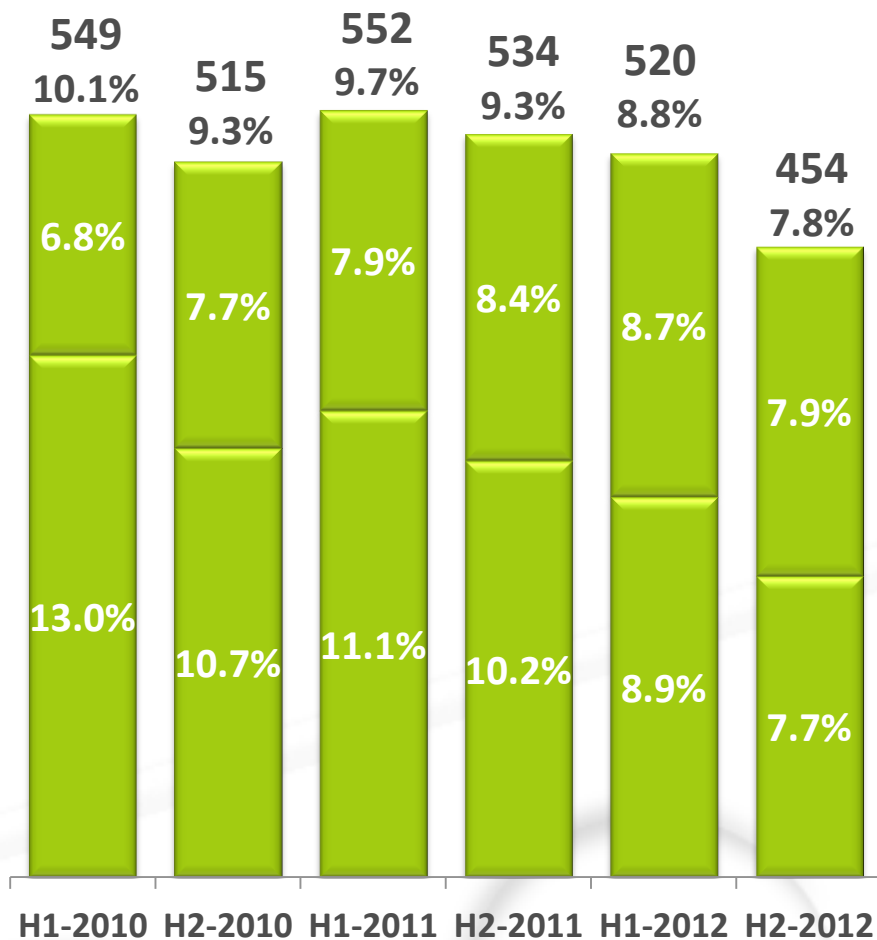
	2012/ 2011	H1/H1	H2/H2
CP	-1.3%	-0.3%	-2.3%
Interior Solutions	+1.3%	+0.7%	+1.9%
Exterior Solutions	-3.7%	-1.2%	-6.3%



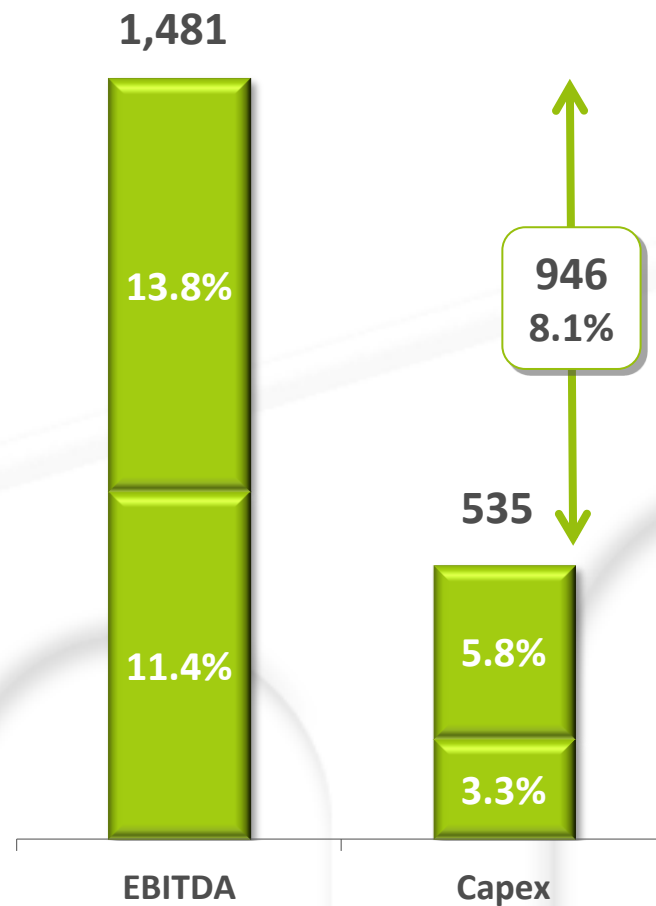
Construction Products

(€m and % of sales)

Operating income

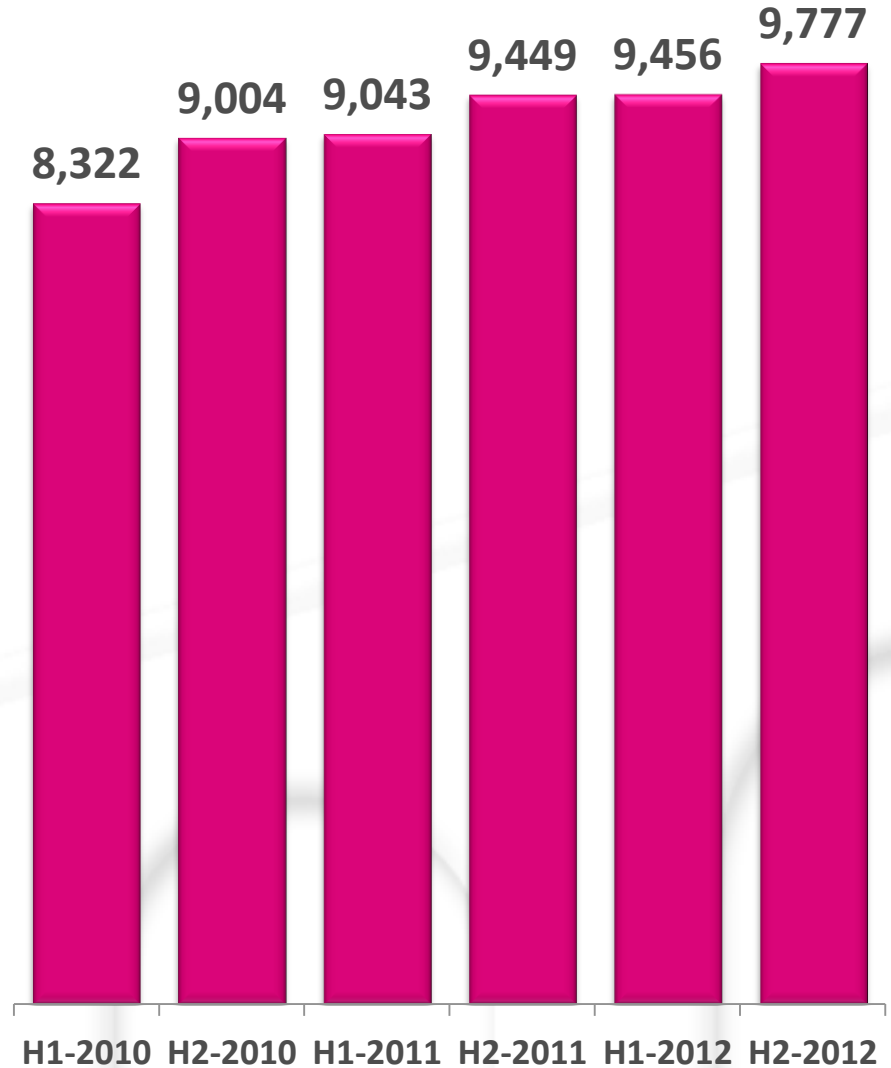


EBITDA & Capex 2012



Building Distribution

Sales (€m)



2012/2011 organic growth
(like-for-like)

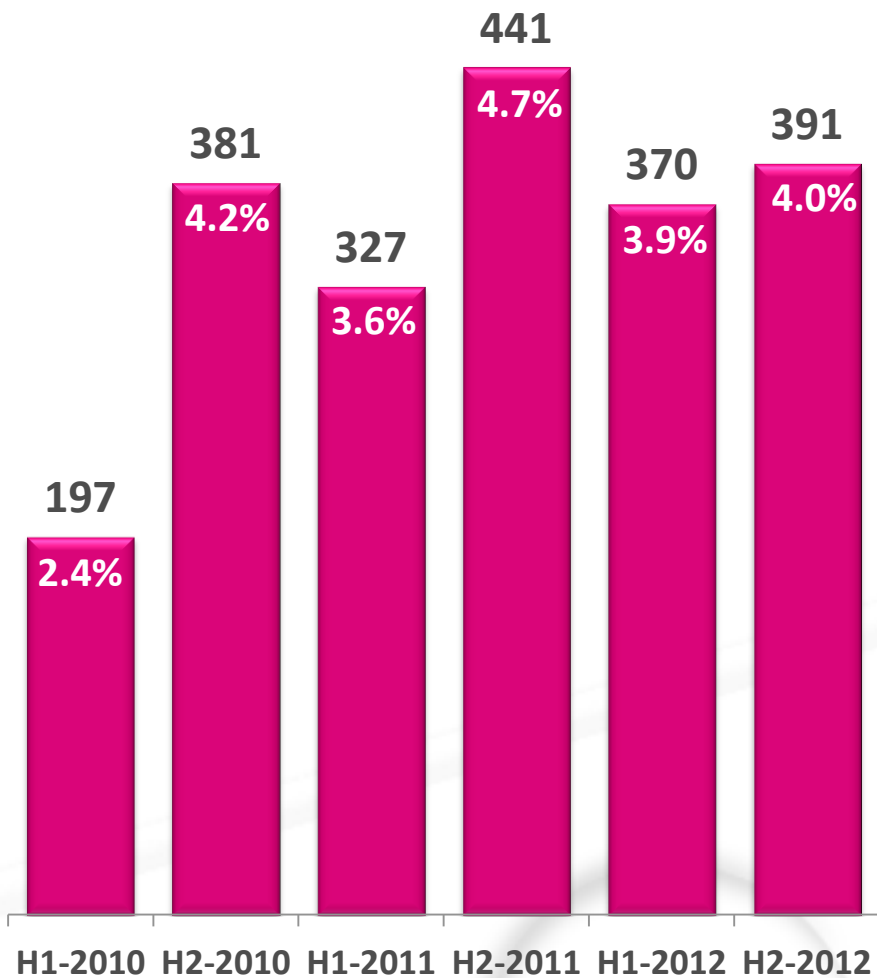
	2012/ 2011	H1/H1	H2/H2
Building Distribution	-2.0%	-0.6%	-3.2%



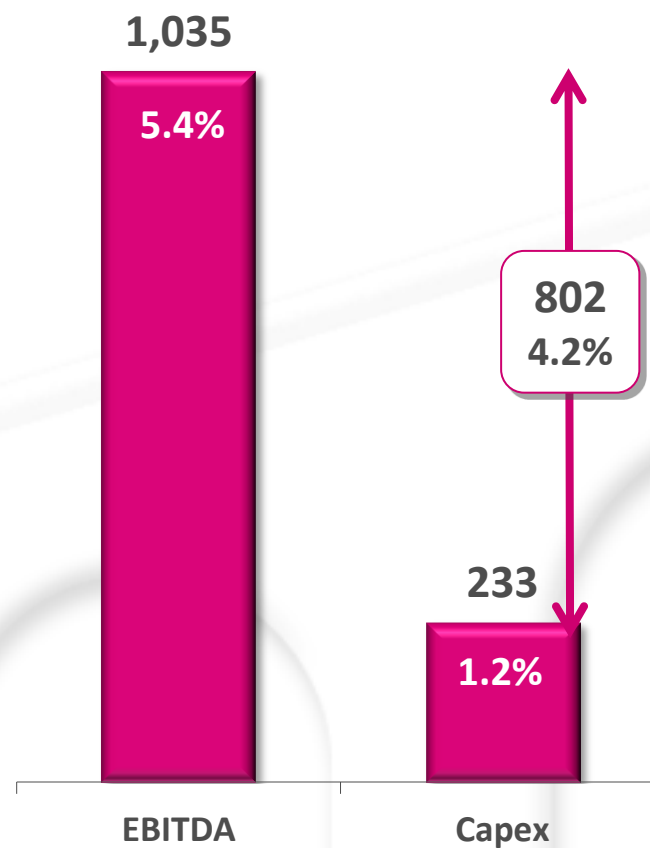
Building Distribution

(€m and % of sales)

Operating income

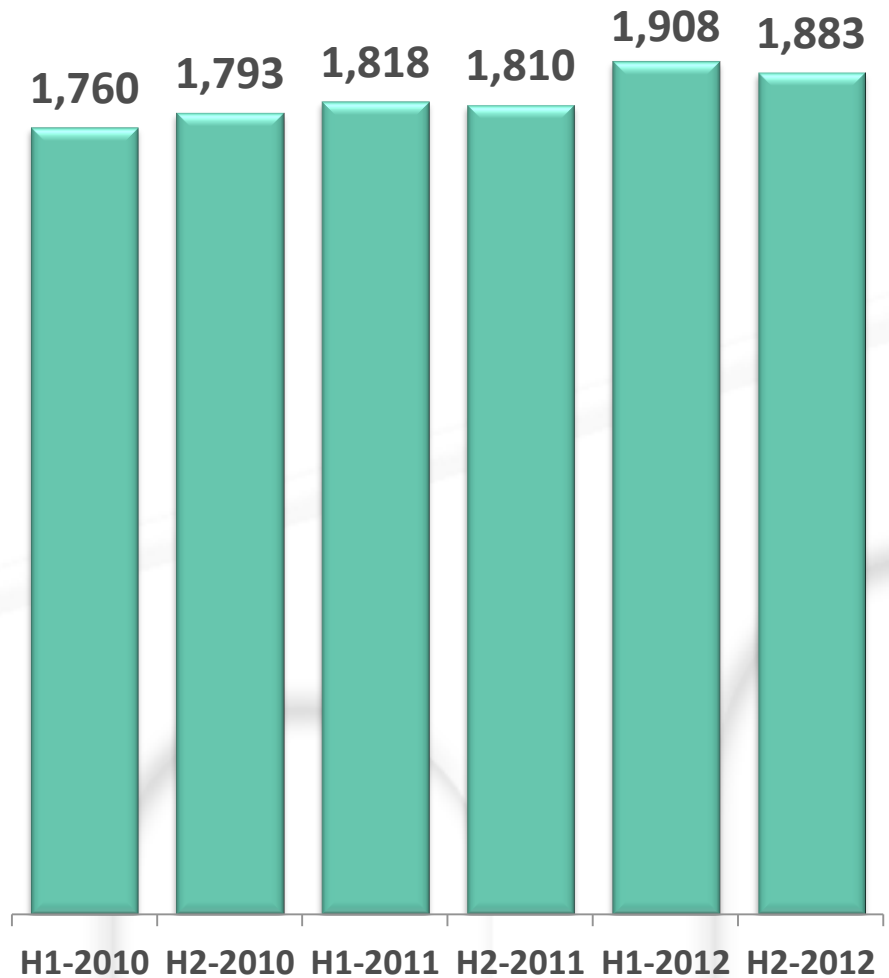


EBITDA & Capex 2012



Packaging

Sales (€m)



2012/2011 organic growth (like-for-like)

	2012/ 2011	H1/H1	H2/H2
Verallia	+3.5%	+3.0%	+3.9%

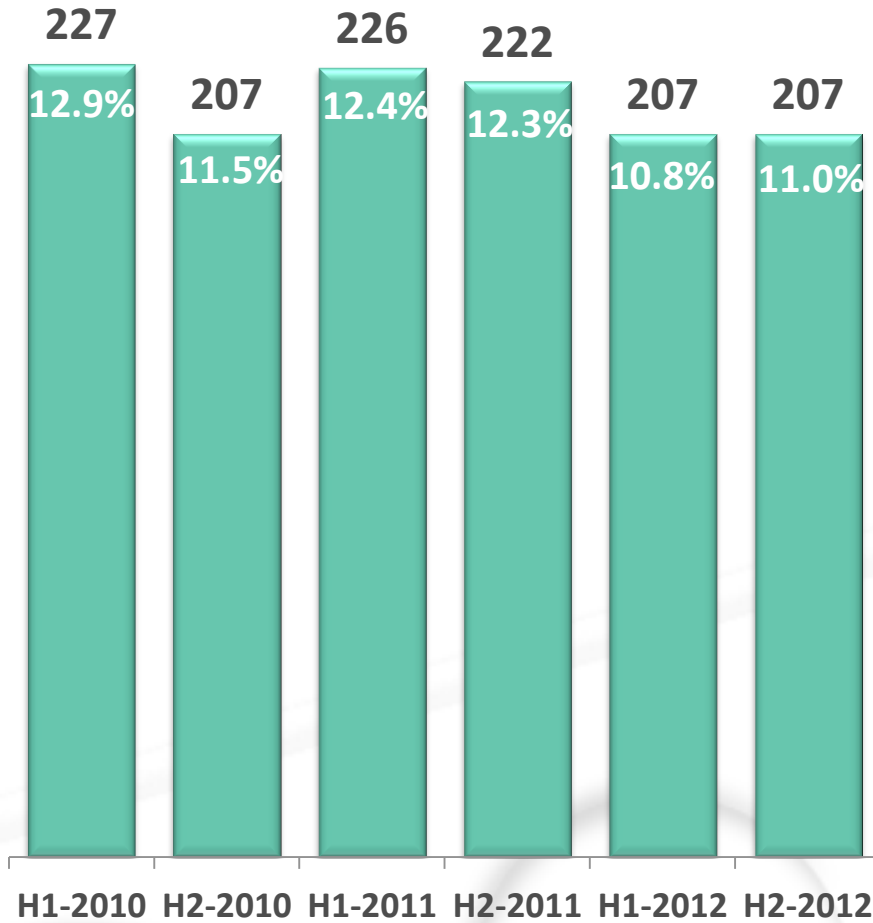


Packaging

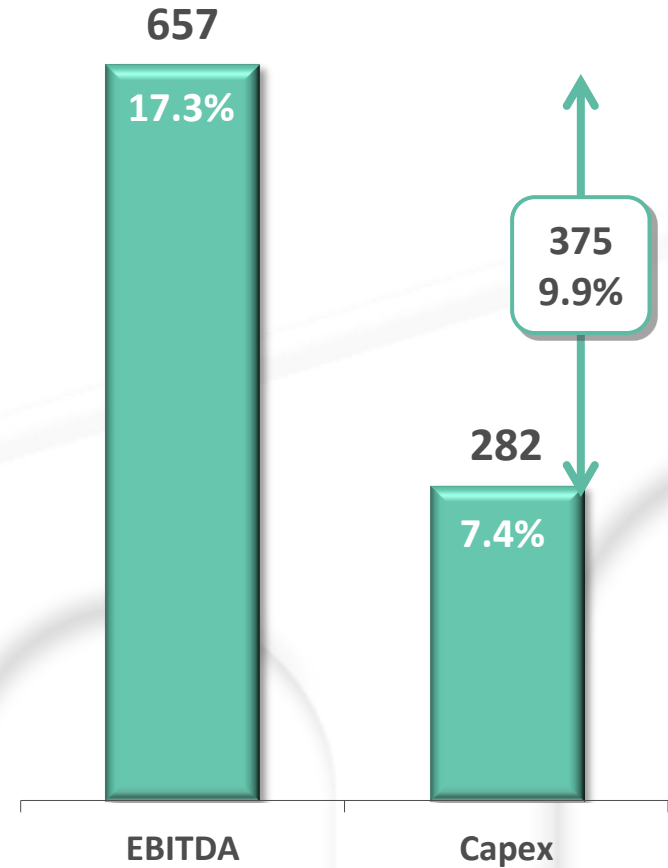
(€m and % of sales)



Operating income



EBITDA & Capex 2012





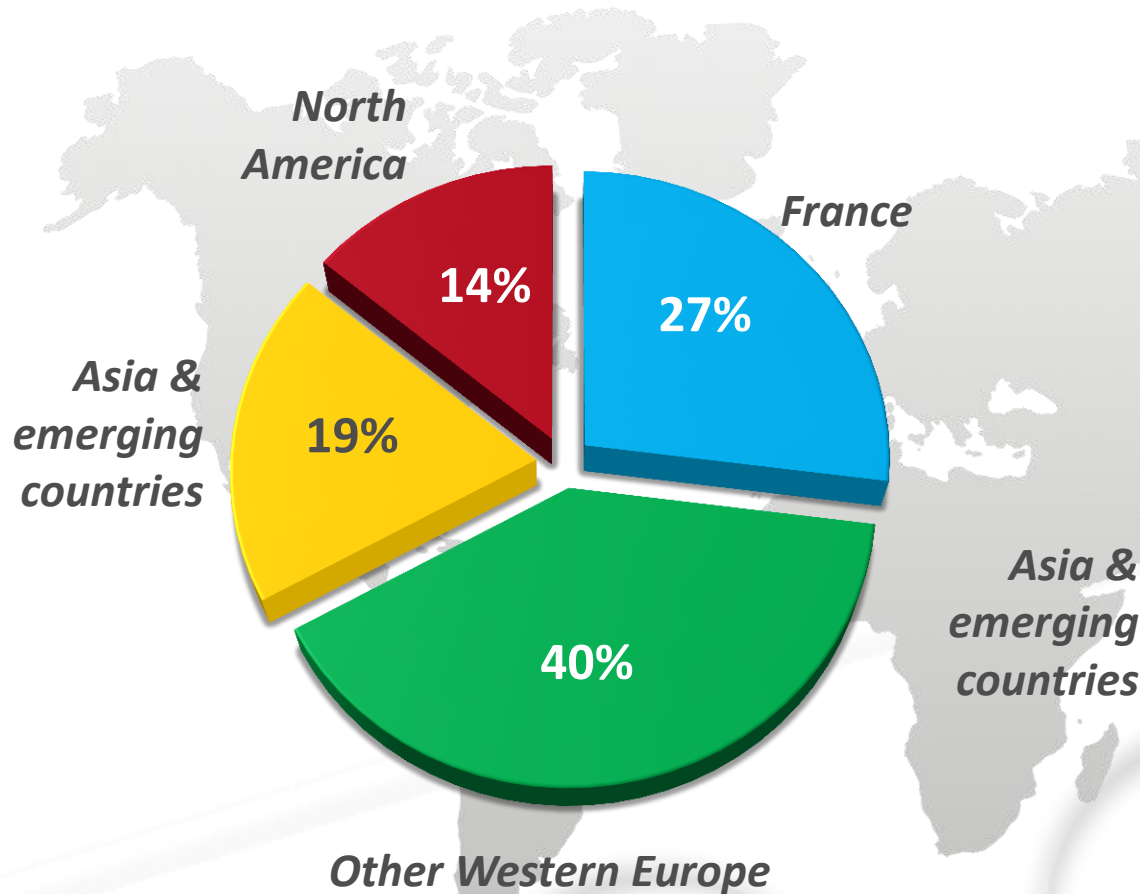
2. 2012 Results

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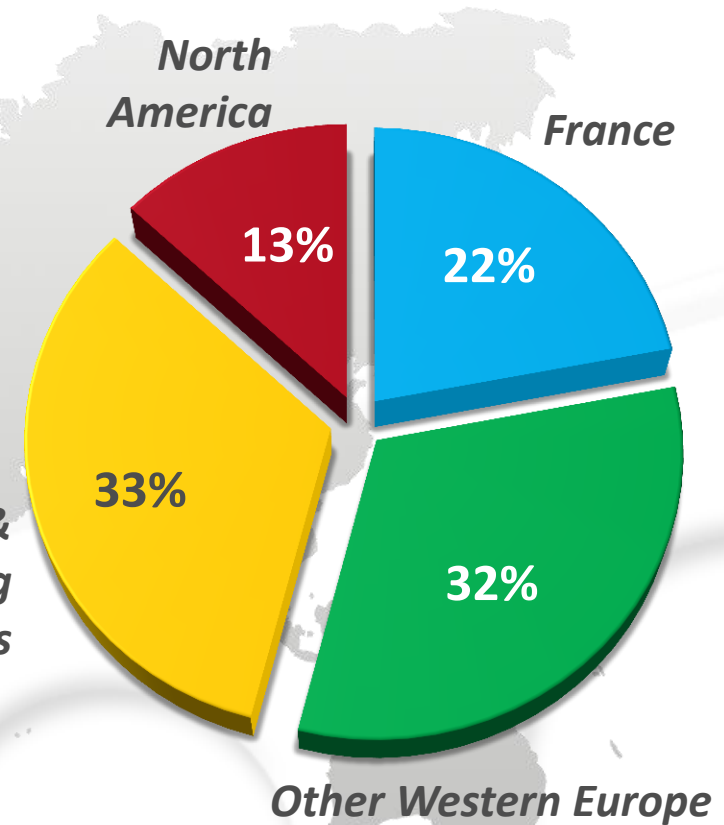


Sales and Industrial assets by geographic area

2012 Sales



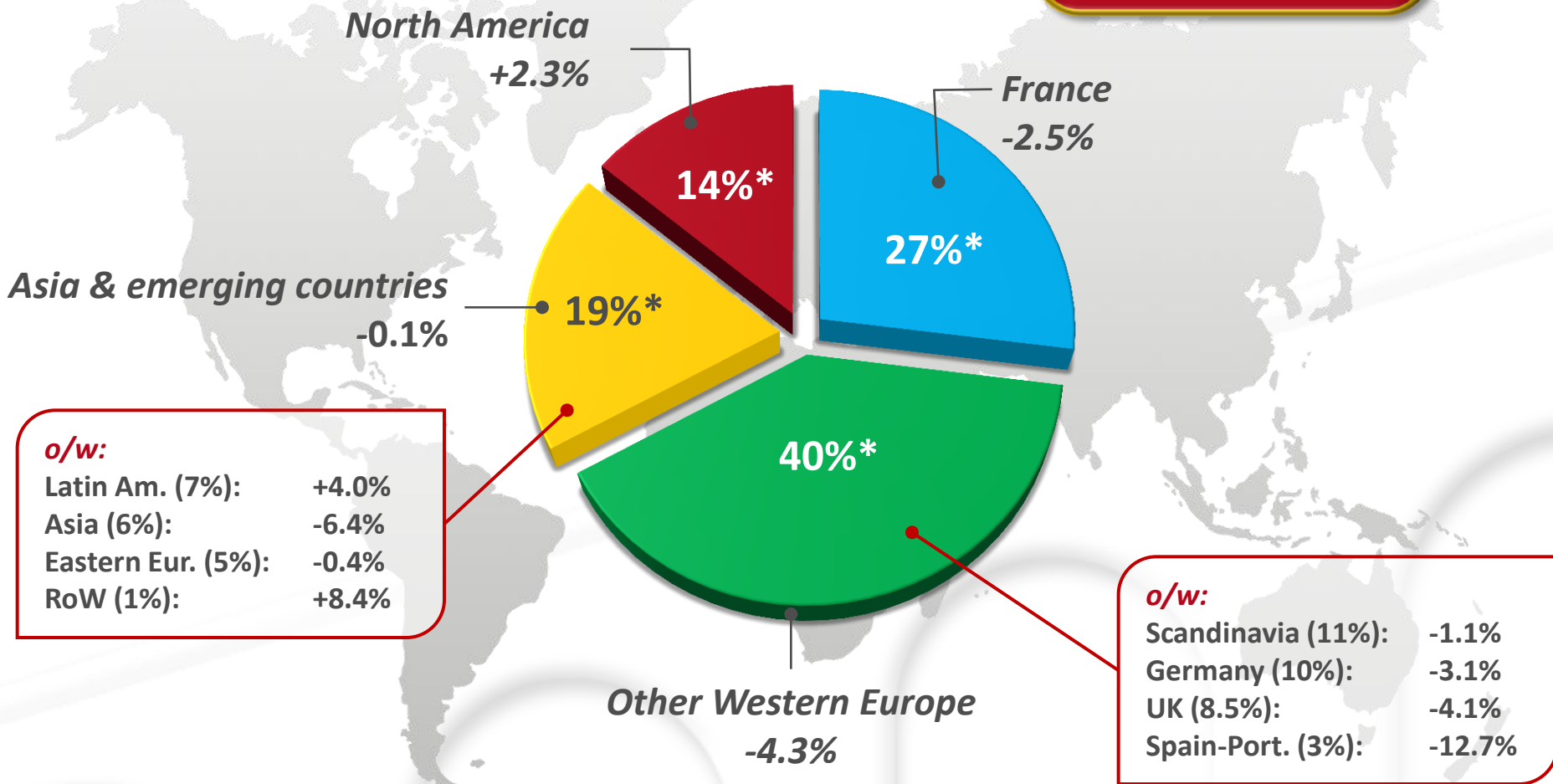
2012 Industrial assets



Organic growth by geographic area

% change in 2012/2011 sales
on a like-for-like basis

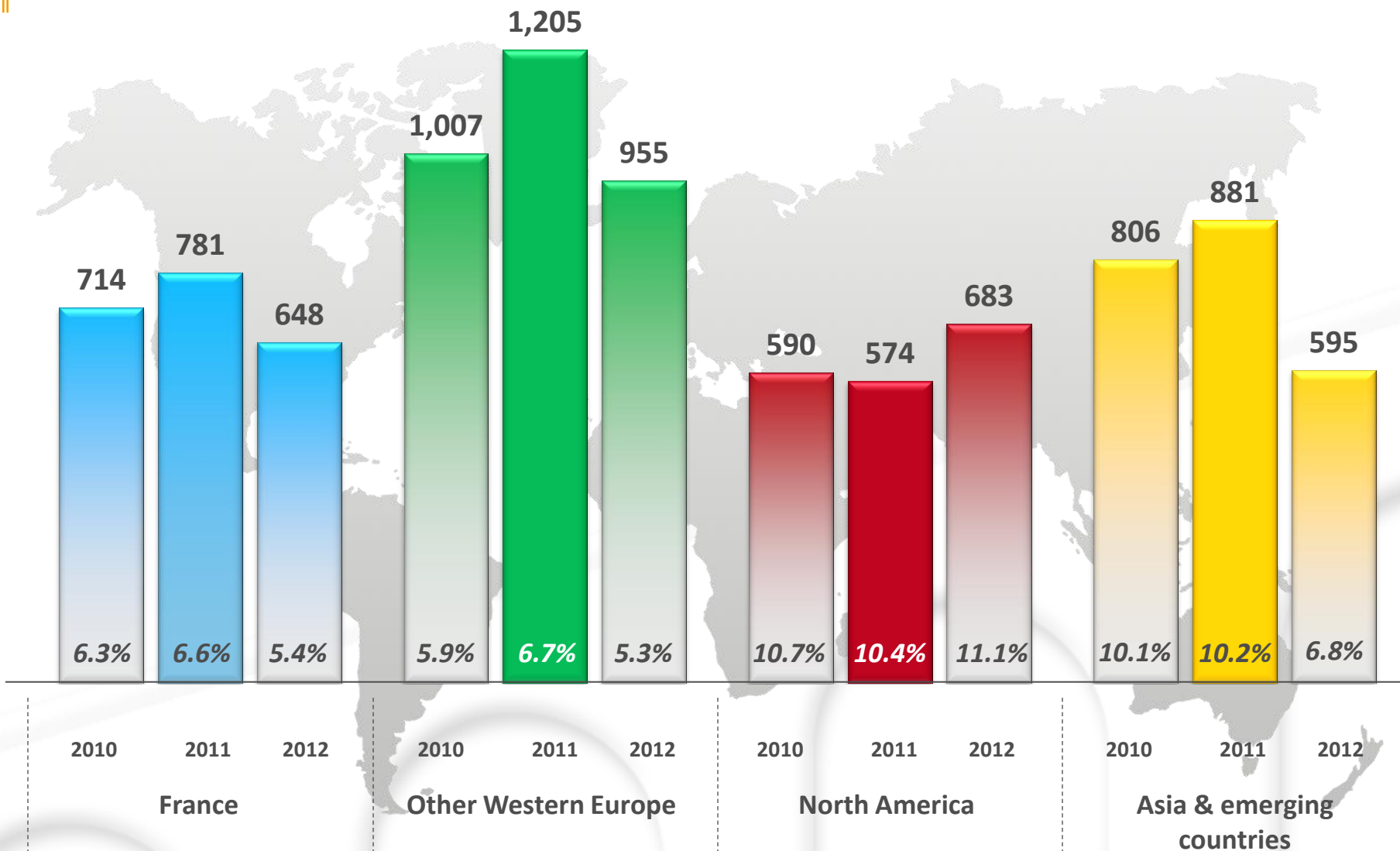
Group: -1.9%



* breakdown of 2012 sales

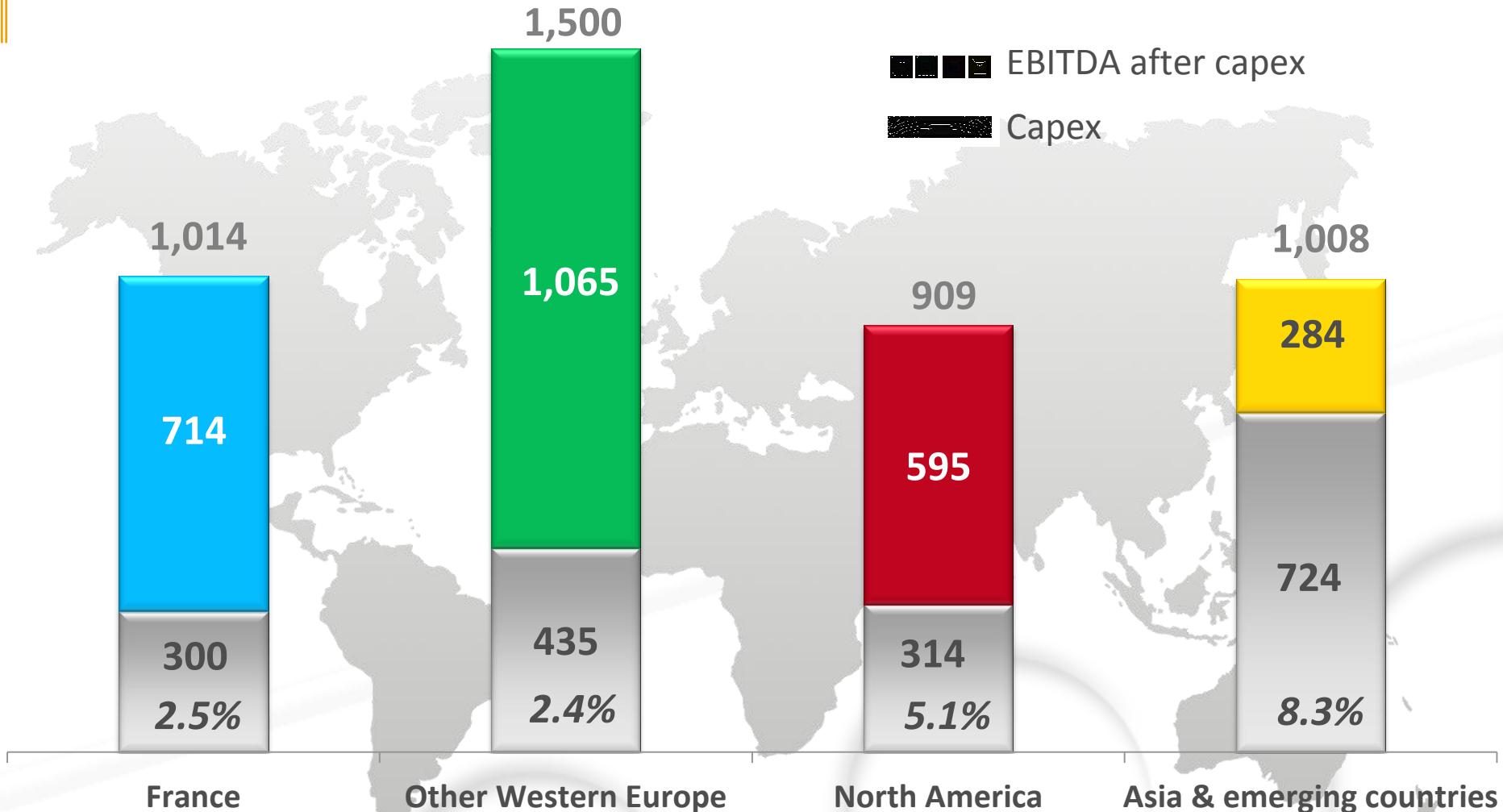
Operating income by geographic area

(€m and % of sales)



EBITDA and Capex by geographic area

(2012, €m and % of sales)



Capex represents less than 2.5% of sales in Europe and is focused primarily on Asia & emerging countries and North America

Selective Capex to bolster our local presence in Asia & emerging countries and in the US

➔ In Asia & emerging countries:

- Flat Glass: new float-lines in Brazil, India and Colombia
- CP: plasterboard in China and Russia; mortars in Brazil

➔ In the US: **two** sophisticated, state-of-the-art **new plants**

- Roxboro (**plasterboard**): ~US\$ 150m, opened in 2012
- **Asphalt roofing shingles** plant (US Midwest): ~US\$ 100m, due to open in 2014-2015

Bolstering the Group's strategic positions on these markets



3. Strategy



A vision of Saint-Gobain



*World leader of the **Habitat** market, offering **innovative solutions** to today's critical challenges of **growth, energy and the environment***



***THE* reference in sustainable Habitat**

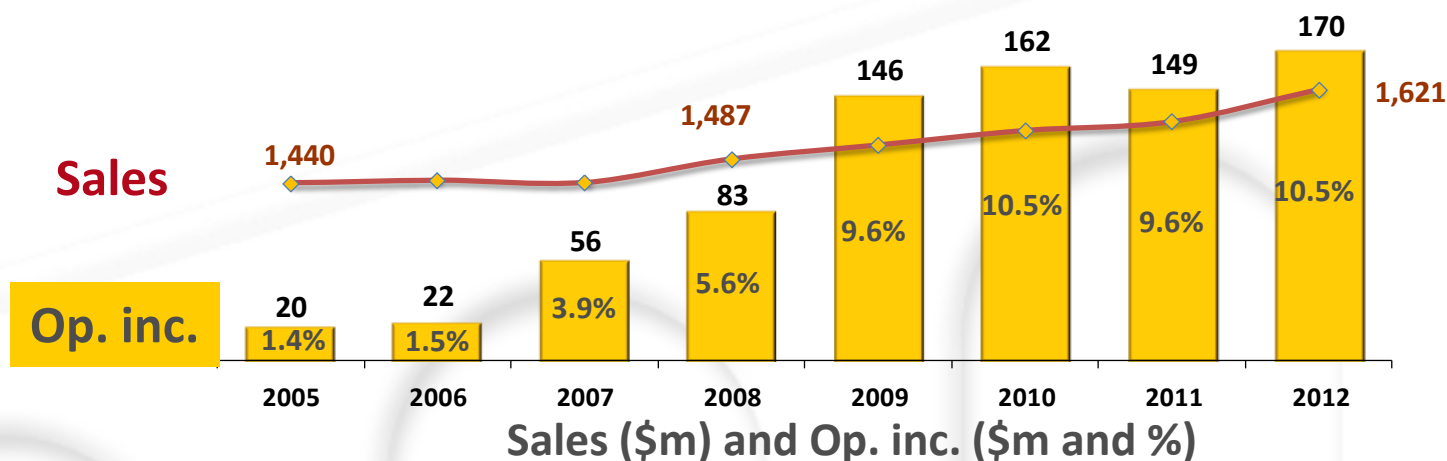
Strategy

- I. Complete the Group's refocus on Habitat with the gradual divestment of Verallia
- II. Continue to pursue measures to address the economic climate and maintain strict financial discipline
- III. Continue to bolster the Group's positions in high value-added solutions for the Habitat market
- IV. Step up development in Asia & emerging countries

I. Refocus on Habitat

Disposal of Verallia North America

- ➔ Transaction completed on very favorable financial terms (US\$ 1,694m, or **~€1,275m**):
 - **6.5 x 2012 EBITDA**, above the indicative price range given at the time of the June 2011 IPO (5.8 – 6.4)
 - **Capital gains of around €500m** after tax
 - **Good timing:** Verallia North America reported its best-ever figures



I. Refocus on Habitat

Disposal of Verallia North America

Transaction perfectly aligned with strategy:

- ➔ **Refocusing** on **Habitat** markets
- ➔ **Strengthening** the Group's **balance sheet (net debt cut by €1bn)**
- ➔ **Without North America, Verallia** remains a global entity and leader on its markets, **generating high levels of cash** and offering significant growth potential

II. Ongoing measures to address the economic climate and maintain strict financial discipline

- ➔ Increase in **sales prices**

- ➔ **Cost savings** programs stepped up

- ➔ Strict financial criteria as regards **capital allocation**:
 - Capital expenditure
 - Good price for disposals
 - Restructuring measures
 - Quickly value enhancing acquisitions

II. Adapting quickly to the changing economic climate

Further cost cutting measures

- **€1,100m** in cost savings in 2013 (calculated on the 2011 cost base), of which:
 - **€520m** in 2012/2011
 - **€580m** in 2013/2012

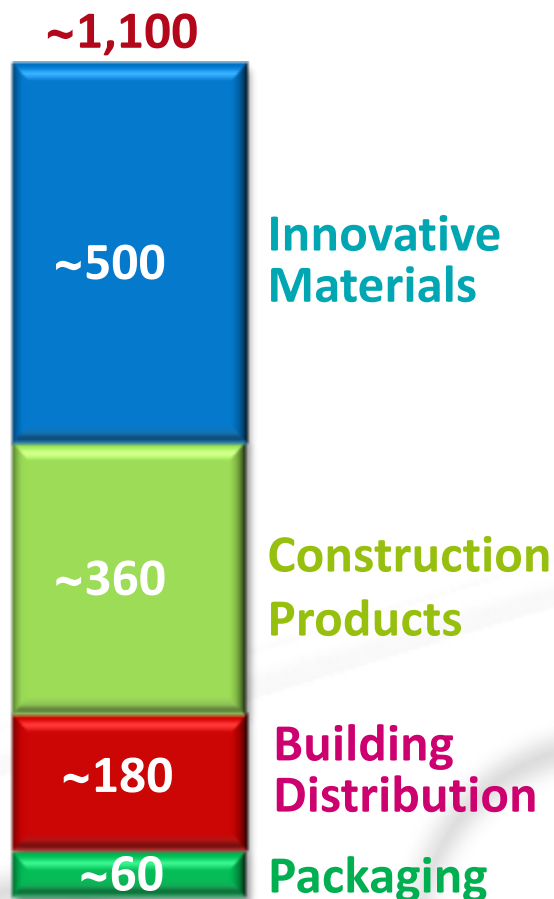
- **€350m more** than the figure announced in July 2012 (€750m)

Total cost savings of €3.2bn since 2008

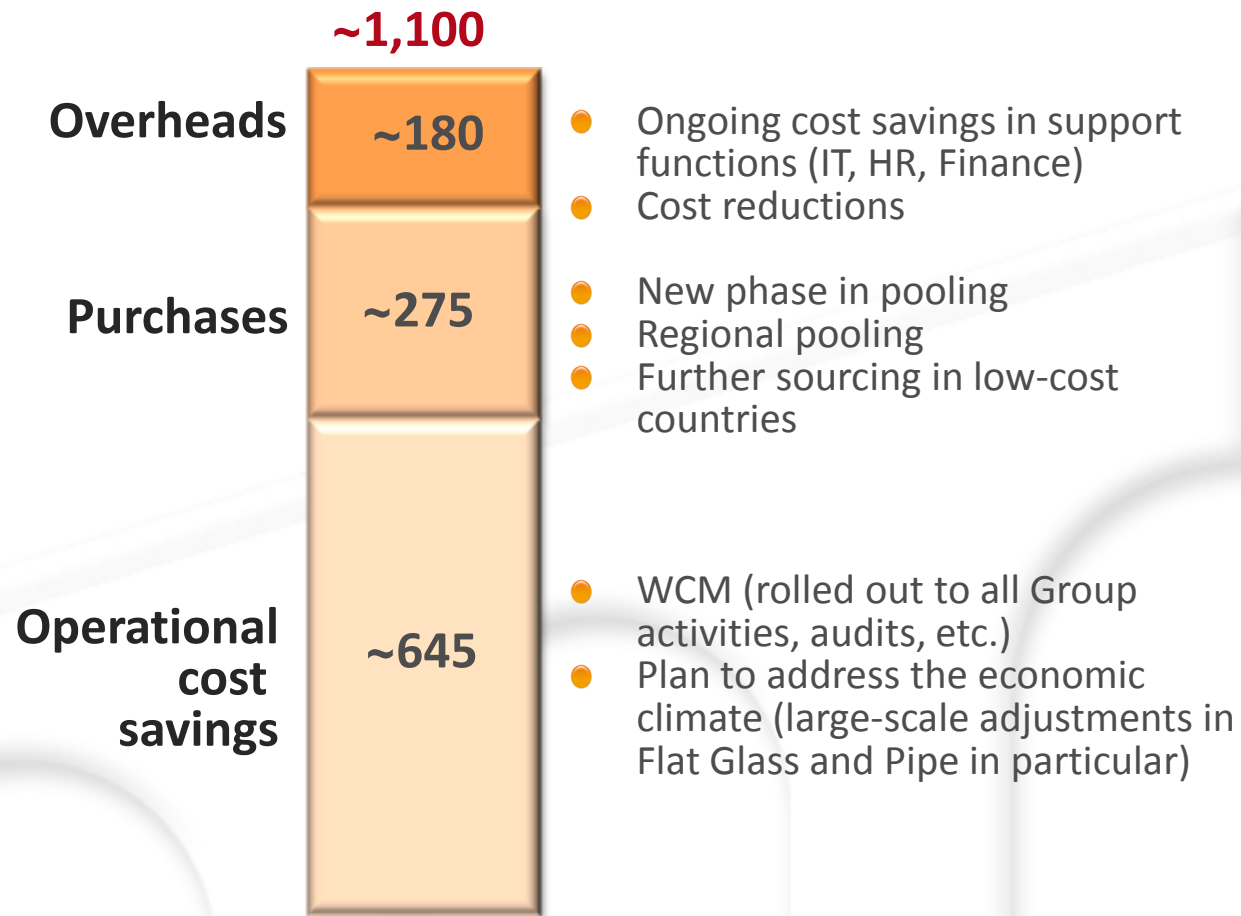
II. Adapting quickly to the changing economic climate Further cost cutting measures

€1,100m of cost savings in 2013 *(calculated on the 2011 cost base)*

Breakdown by Sector

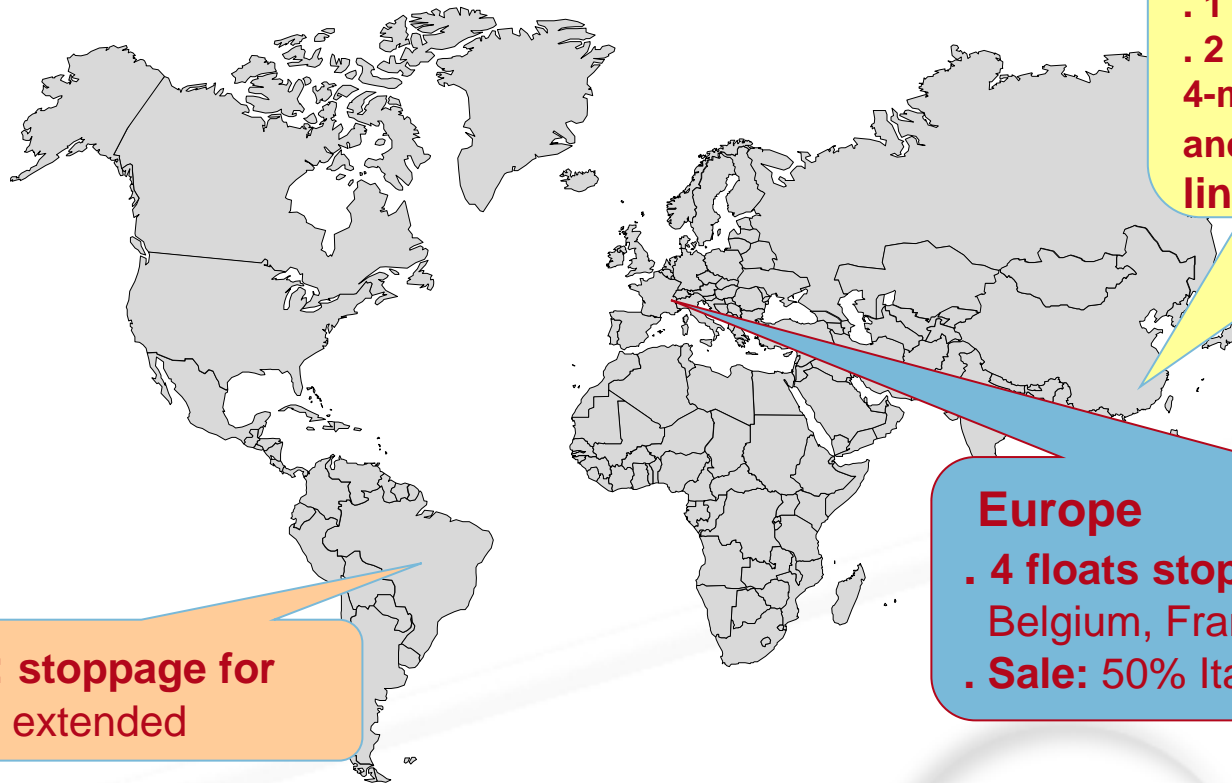


Breakdown by type



Large-scale adjustment program in Flat Glass

Float lines stopped & output reduced



Brazil: stoppage for repairs extended

Asia: 3 floats stopped
• 1 in China
• 2 in South Korea (o.w. one 4-month stoppage)
and 1 patterned glass line stopped in China

Europe

• 4 floats stopped: Portugal, Belgium, France, Germany
• Sale: 50% Italy, 50% France

Capacity reductions:

- Float lines in Europe: -19%
- Float lines outside Europe: -22%

Large-scale adjustment program in Flat Glass

- ➔ Production **capacity reduced** for **Sekurit in Europe (-15%)**
 - 3 lines stopped in early 2012
 - one-off adjustments at all European facilities
- ➔ **Accelerated consolidation** of **Glass Solutions** networks:
 - 2012: 5 industrial sites and 7 distribution facilities closed
- ➔ **Sharp reduction and write-down** of **solar businesses**
- ➔ 2012-2013: **freeze on new investments**
- ➔ Steep **reduction** in inventories and **operating WCR**

Selective measures in the Group's other businesses

➤ Southern Europe:

- Restructuring in CP (Mortars, Insulation, Gypsum) and in Building Distribution
- 19 Building Distribution outlets shut in Spain

➤ Other European countries:

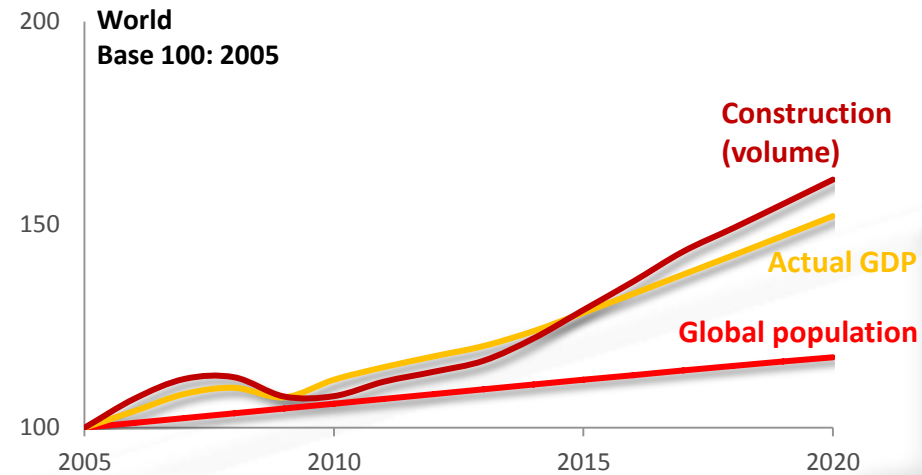
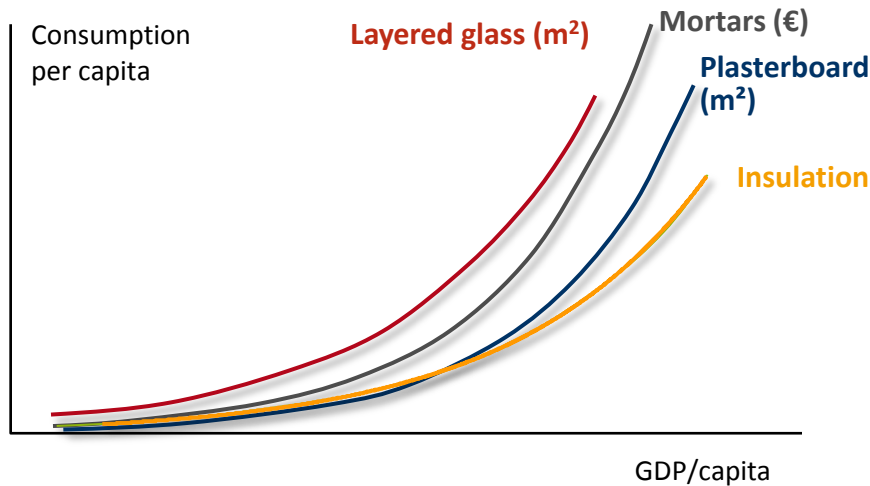
- Headcount adjustments and reorganization in HPM and CP (Pipe, Mortars)
- Restructuring and staff reductions in Building Distribution

➤ Asia & emerging countries:

- Restructuring and capacity adjustments in Pipe (China and Brazil)
- Staff reductions in HPM (China and Brazil)

III. Bolstering the Group's positions in high value-added solutions for the Habitat market

Fast-growing markets



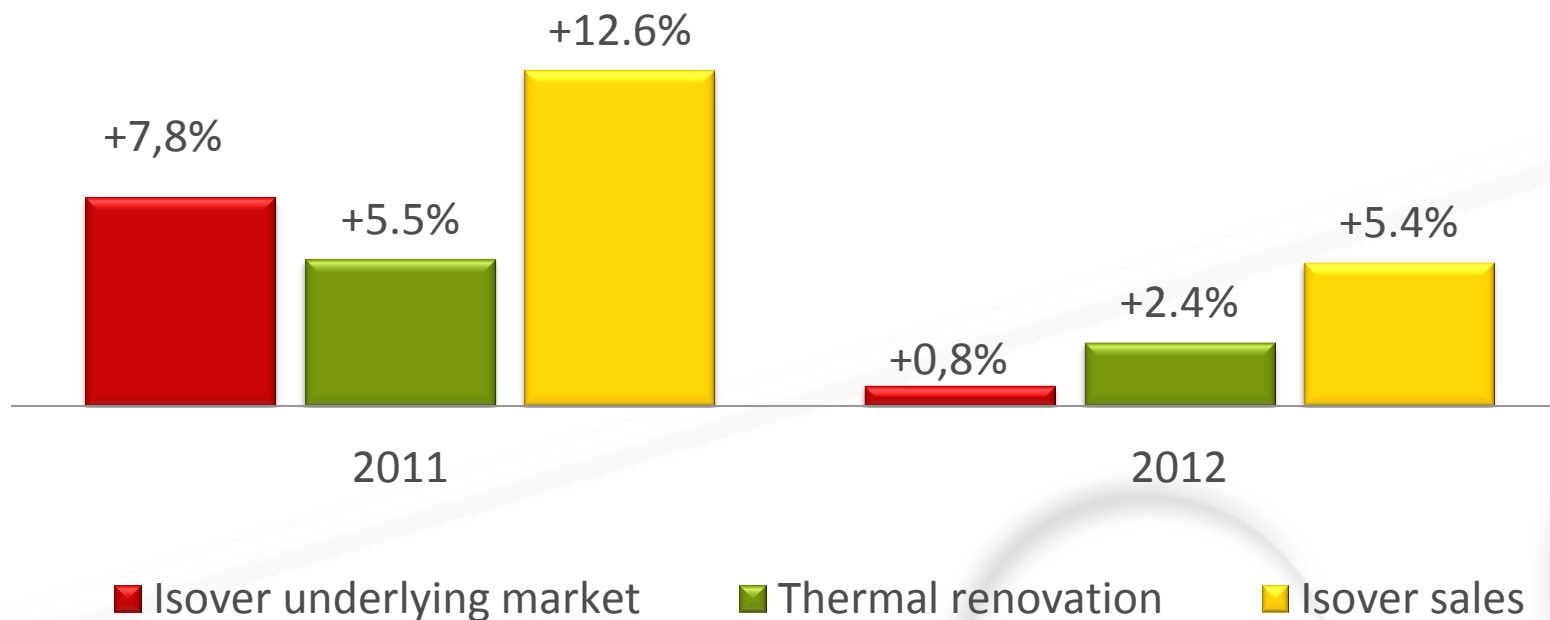
- The energy efficiency market relating to the building industry is undergoing rapid expansion, fuelled by underlying trends in both developed and emerging countries:
 - Stricter energy efficiency regulations in mature markets
 - Rising energy prices
 - Sustainable procurement policies in public and private sectors
 - Growth in eco-labels

Habitat market set to grow rapidly in the medium term in both emerging and developed countries

III. Bolstering the Group's positions in high value-added solutions for the Habitat market

Growth structurally superior to the residential construction market

Example: France



Sources: Saint-Gobain (underlying market indicator), Xerfi (thermal renovation).

III. Bolstering the Group's positions in high value-added solutions for the Habitat market

Emphasize what makes us unique

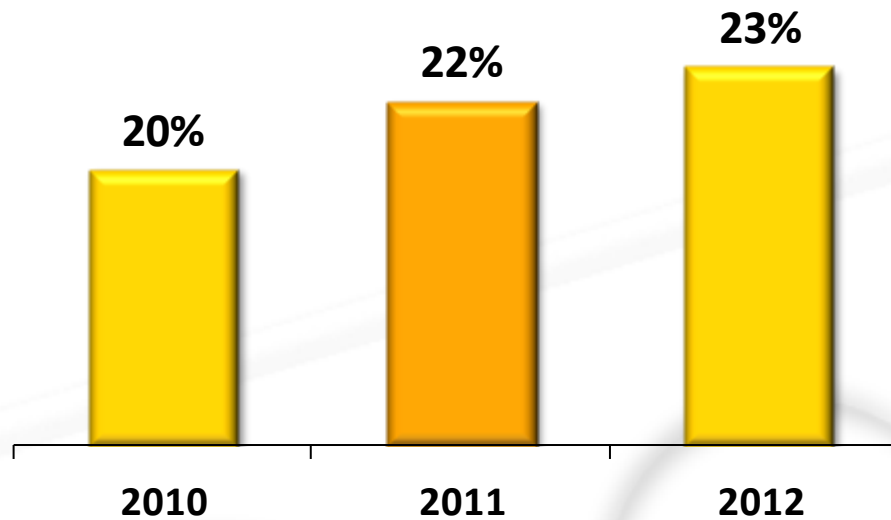
Four key areas which **set Saint-Gobain apart**:

- Technological content
- Combinations of products and solutions
- Associated services and product availability
- Brands

III. Bolstering the Group's positions in the Habitat market

Sustained R&D efforts

➔ New products: a growing proportion of Group sales



III. Bolstering the Group's positions in the Habitat market

Sustained R&D efforts: some successful launches in 2011-2012

Miralite (SG Glass)



Climatop Lux



Novelio (ADFORS)

Climacoat (Sekurit)



Duo'tech

GlasRoc



III. Bolstering the Group's positions in the Habitat market

Increase the technological content of our broad spectrum of products and solutions

- ➔ Channel our research efforts based on the opportunities for **differentiating our products, especially downstream**
- ➔ **Broad-ranging solutions developed locally:** Insulating Mortars for ETICS applications, low-cost solutions in South Africa, PAMboo (China), Cavity Walls (UK and Netherlands)
- ➔ **Roll-out of Habitat committees in 23 countries:** ETICS renovation in Sweden (Weber, Gyproc and Isover), low-cost housing in Brazil ("*Minha Casa, Minha Vida*")



III. Bolstering the Group's positions in the Habitat market

Emphasize what makes us unique

Example: Roll-out of groupwide "Saint-Gobain Multi-Comfort" initiative


	2011	2012	2013
Austria			
Belarus			
Belgium			
Finland			
France			
Germany			
Italy			
Netherlands			
Norway			
Poland			
Romania			
Russia			
Spain			
Sweden			
United Kingdom			

project
 in progress

New-build




Finland




Poland




Spain




Renovation




France



Belgium



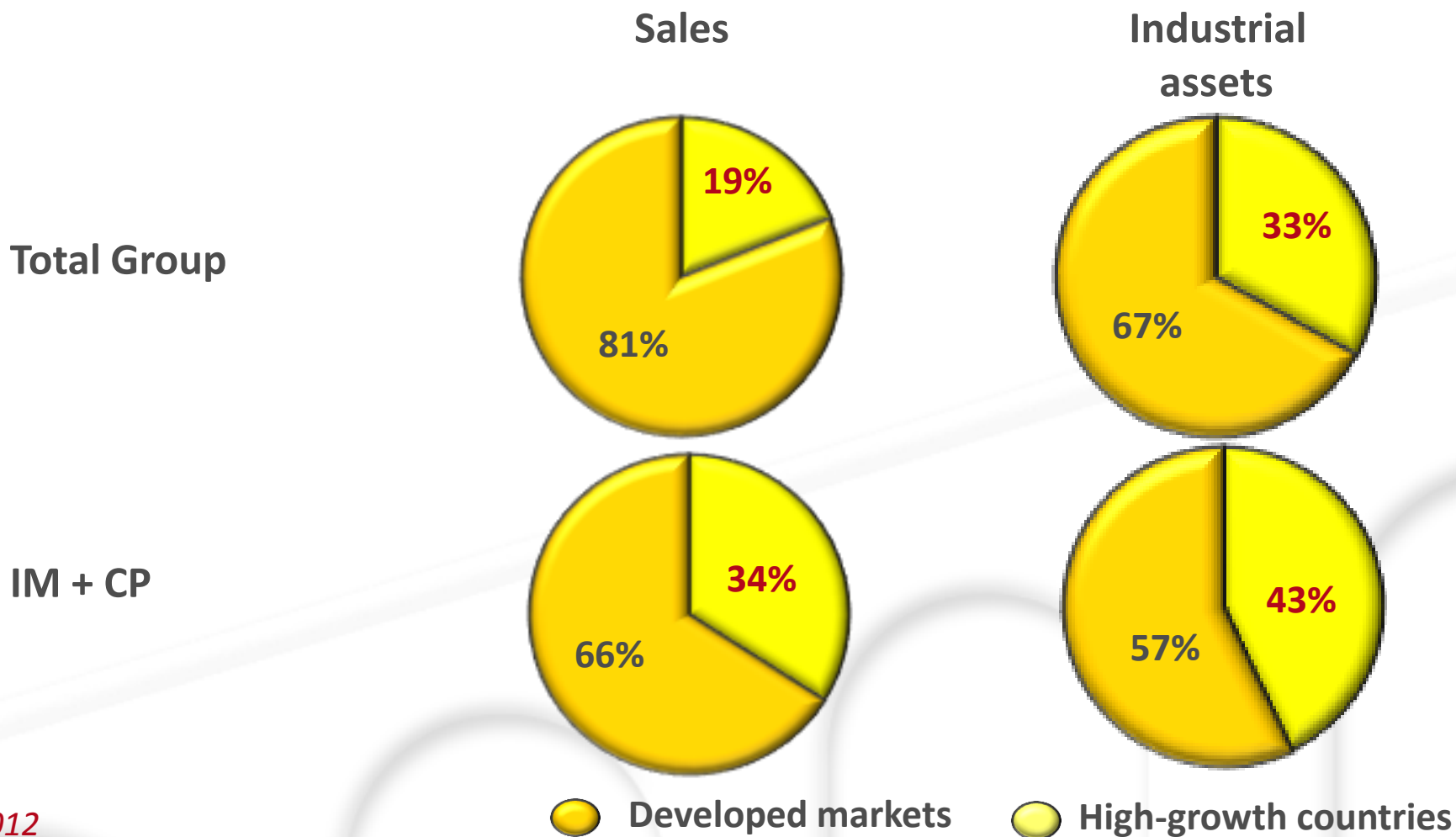
Italy



Russia

IV. Stepping up development in Asia & emerging countries

A significant part of the Group's sales and assets, particularly in Innovative Materials and Construction Products

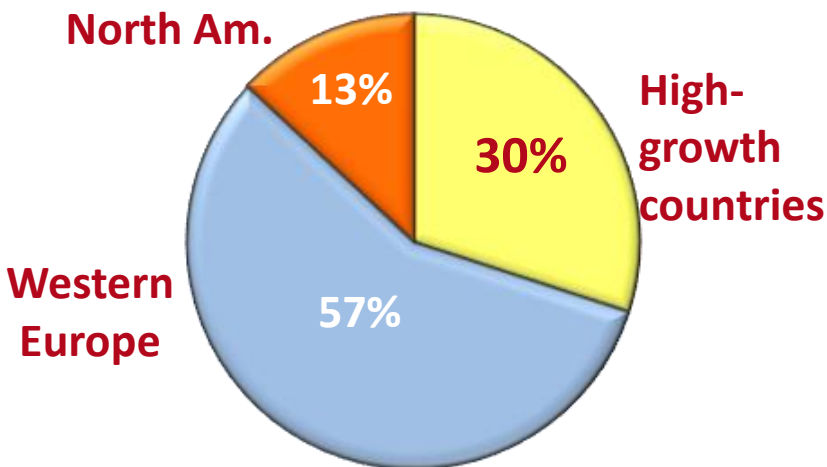


IV. Stepping up development in Asia & emerging countries

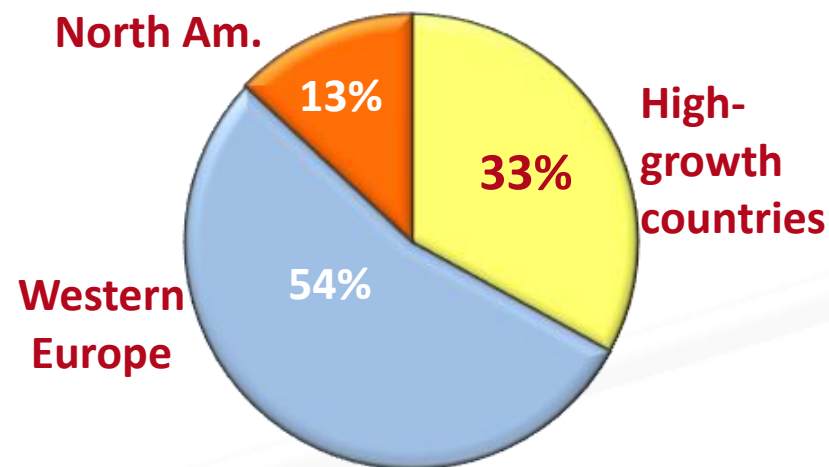
A growing proportion of the Group's assets

Breakdown of the Group's industrial assets

2010

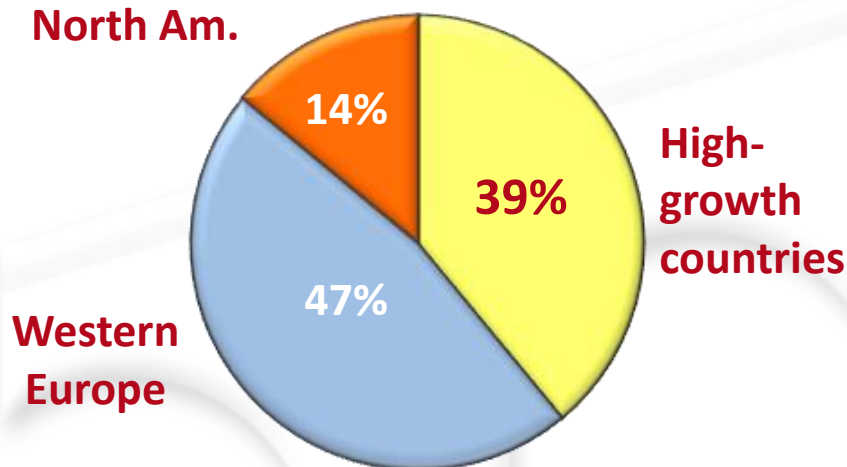


2012

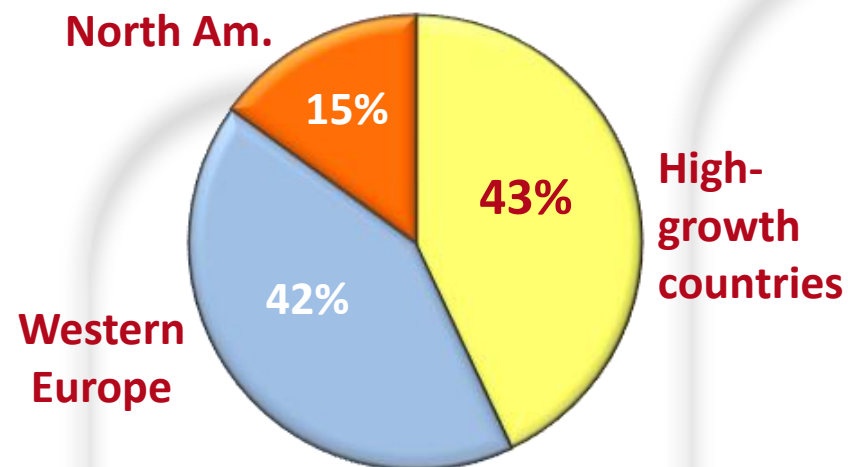


Breakdown of industrial assets in Innovative Materials and CP

2010



2012



IV. Stepping up development in Asia & emerging countries

Priorities

Flat Glass:

- Consolidating our **leadership** in **India** and **Latin America**
- **Upscaling** in all emerging countries

HPM:

- Fast-paced **development** in emerging Asia (**China** and **India**)
- Partnering **industrial clients**

CP:

- Strengthening our positions in **Russia, South-East Asia** and **Middle East**
- Consolidating our **leadership** in **Brazil** and in **Central America**



4. 2013 Outlook



Economic outlook for 2013

Economic climate

- ➔ Western Europe:
 - Continued **slowdown in industry**, particularly in automotive
 - **Ongoing strong uncertainties in construction**, with **sharply contrasting trends from one country to the next**
 - **Regulations to shore up renovation**, especially thermal renovation

- ➔ North America:
 - **Gradual upturn in residential construction** to pick up pace
 - **Industrial production to remain at a good level**

- ➔ Asia & emerging countries:
 - **Moderate growth in Brazil and China** to continue
 - **Slowdown in India**
 - **Eastern Europe to stabilize**

Second-half outlook better than the first half in North America and emerging countries

Outlook for Group businesses

➔ Innovative Materials:

- Flat Glass: trading and profitability to improve gradually
- HPM: trading and operating margin to remain upbeat, although slightly down on 2012

➔ Construction Products:

- Good momentum in North and South America
- Lack of visibility in both Western and Eastern Europe, but regulations should shore up energy efficiency market
- Situation to remain challenging in Asia (particularly for Pipe)
- Price/cost spread to improve on 2012

➔ Building Distribution:

- Trading levels should stabilize overall, but with sharply contrasting trends from one country to the next
- Operating margin should hold up well

➔ Packaging (Verallia):

- Continued moderate organic growth and healthy profitability

Priorities for 2013: Adapt swiftly to trends in our markets and continue to develop the Group's key growth drivers

- **Priority focus on sales prices**, with the aim of passing on the rise in raw material and energy costs
- **New cost cutting measures: €1,100m in cumulative cost savings** (calculated on the 2011 cost base)
- **Close watch on cash management and financial strength:** investments to be kept in check, reduction in net debt and improvement in net debt/EBITDA ratio
- Ongoing **selective development of key growth drivers:**
 - Energy efficiency
 - Asia and emerging countries
 - Consolidation in CP and Building Distribution
- Sustained **R&D efforts**

2013 Outlook for the Group as a whole

- ➔ **Operating income to recover** in the second half, after having bottomed out between mid-2012 and mid-2013
- ➔ **A high level of free cash flow**, as a result of a €200m reduction in capital expenditure
- ➔ **A robust balance sheet, strengthened by the disposal of Verallia North America**

2012 Dividend

Board's recommendation to the June 6, 2013 AGM

➔ **€1.24 per share**, stable compared to 2011

- Dividend yield at December 31, 2012: 3.8%
- Recurring EPS payout rate: 58%

➔ Dividend paid **in shares or in cash**,
at shareholders' discretion

➔ **Timetable:**

- June 6, 2013: AGM
- June 11, 2013: record date
- June 12, 2013: ex-coupon date
- June 12-26, 2013: offer period
- July 5, 2013: payment date

Conclusion: A robust Group

- ➔ A **well-balanced** business portfolio and geographical mix
- ➔ **Top-ranking positions** in all businesses
- ➔ **Proven capacity to react**, with selective measures swiftly implemented to address the downturn
- ➔ **Stronger balance sheet** and **strict financial discipline**



2012 Results and Outlook

Paris, February 21, 2013

