2013 Results and Outlook

February 20, 2014

SAINT-GOBAIN

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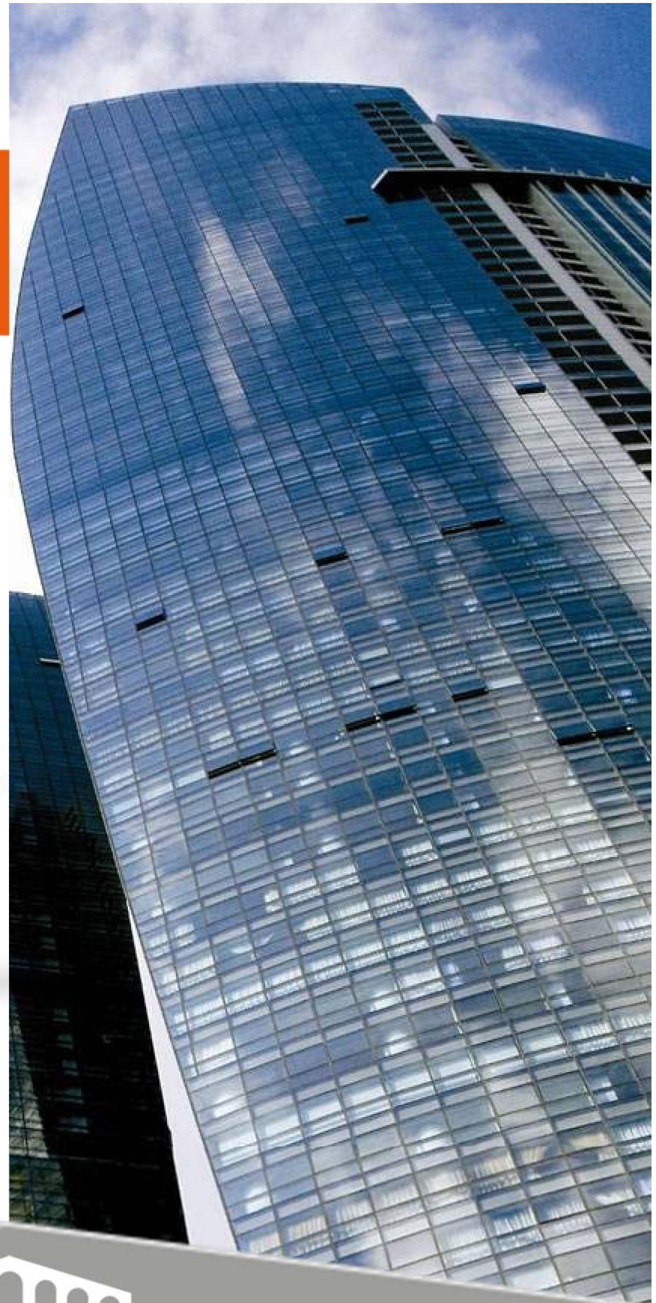

1. 2013 Highlights

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2013 Key figures

Amounts in €m	2012*	2013	2013/ 2012*	2013/ 2012* at cer**
Sales	43,198	42,025	-2.7%	*+0.0%*
EBITDA	4,413	4,189	-5.1%	*-1.7%*
Operating income	2,863	2,764	-3.5%	*+0.4%*
Recurring*** net income	1,053	1,027	-2.5%	*+2.4%*
Net income	693	595	-14.1%	*-6.9%*
Free cash flow****	822	1,157	+40.8%	*+45.3%*
Net debt	8,490	7,521	-11.4%	

** 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*

2013: Steady improvement during the year

- In Western Europe:
  - Difficult **first half** due to bad weather conditions and a **sluggish** economic environment
  - **Rebound in the second half**, led by the UK and Germany
- In North America:
  - **Strong upturn** in residential construction
  - **Solid** industrial markets
- In Asia and emerging countries:
  - Construction sector **held firm** across all regions
- **Sharp depreciation of certain currencies** against the euro (impact of -4.1% on Group sales in H2)

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2013: Swift implementation of our key priorities

- Continuous **sales prices increases (+1%)** in a context of reduced inflation of raw material and energy costs
- Significant **cost savings,** in line with our objective: **€600m in 2013**
- First results of **large-scale adjustments in Flat Glass**
- Continued tight control on cash
  - **Capex down €400m** versus 2012
  - **Acquisitions** held in check: **€100m**
  - **Operating WCR** at a record low: **29 days**

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2013: Our results recover in line with our objectives

- **Rebound in operating income in the second half:**
  up 16% on H2 2012 at constant exchange rates
  (up 9.9% at actual exchange rates)

- **High level of free cash flow: €1,157m,** up 41% on 2012

- Robust balance sheet, with **net debt down to €7.5bn**

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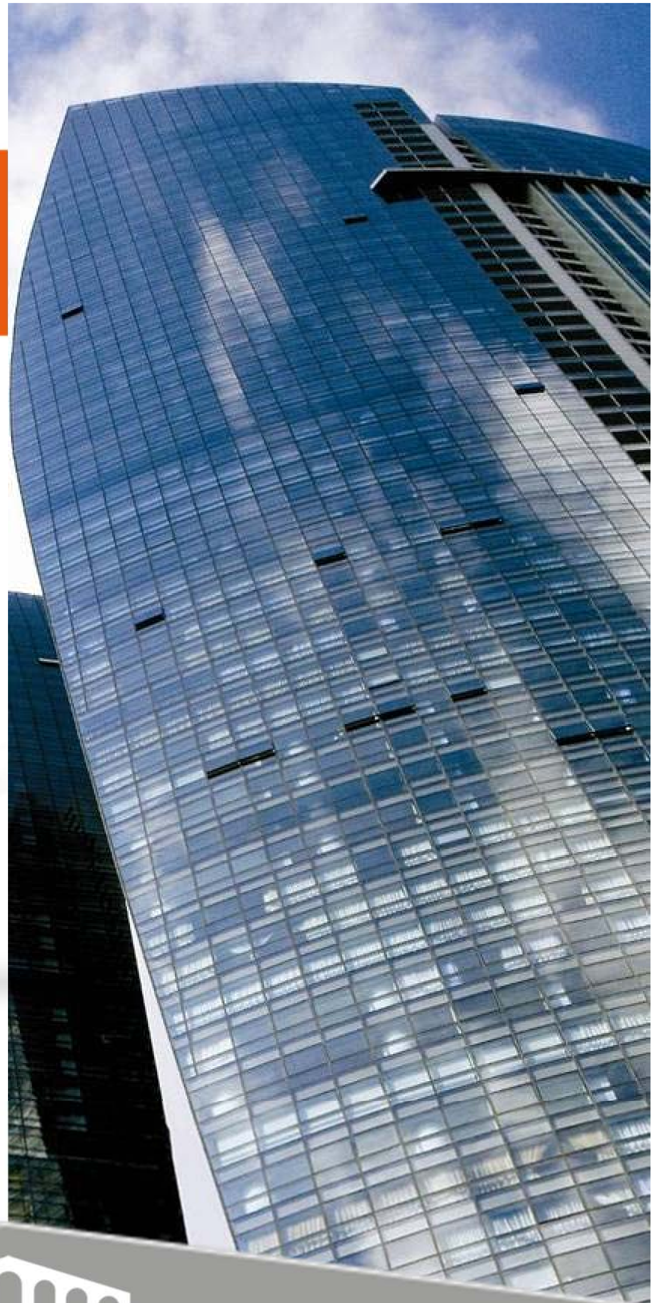
2. 2013 Results

- Group
- Business Sectors
- Geographic Areas



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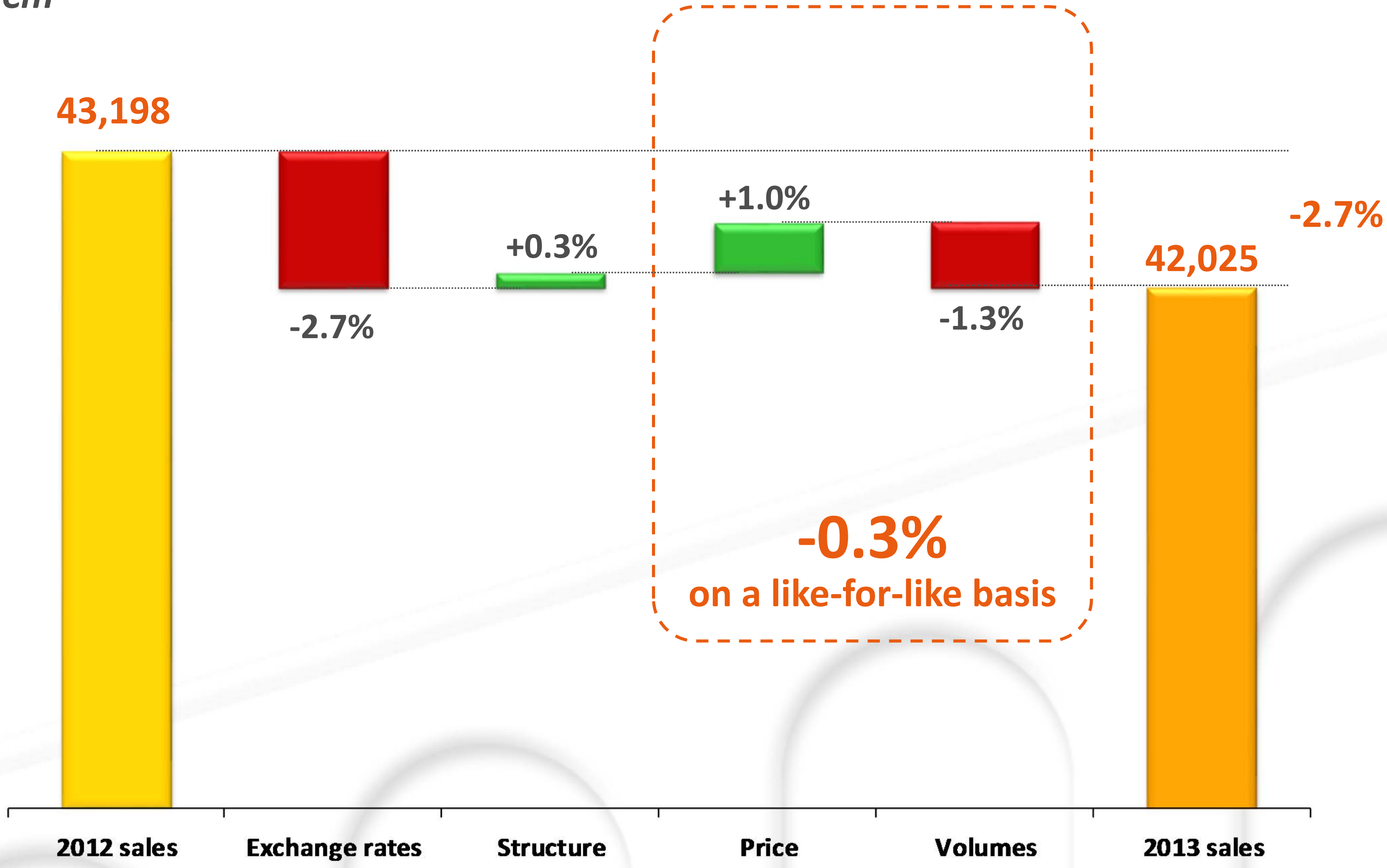
Sales

€m



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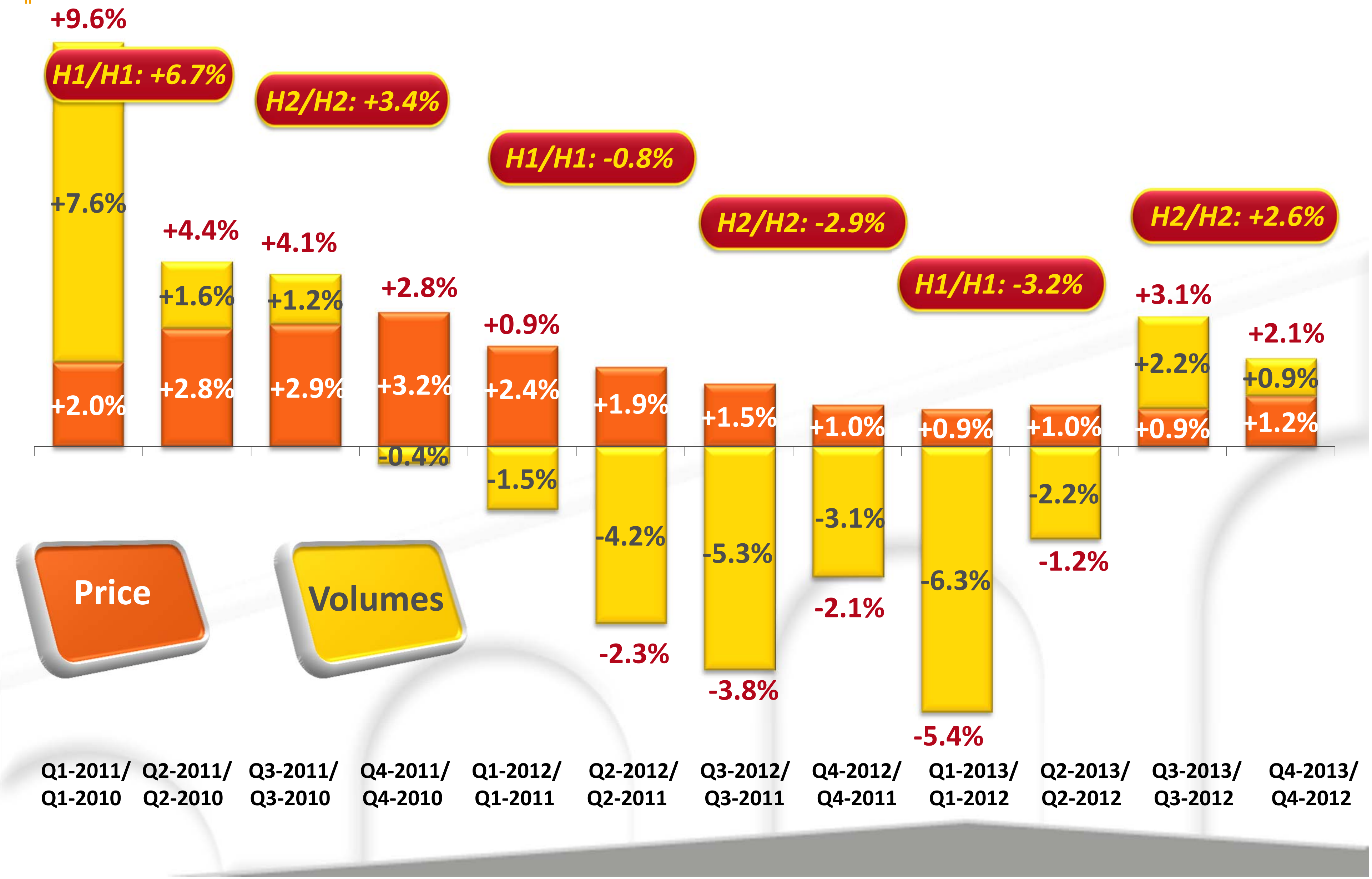
Quarterly organic growth

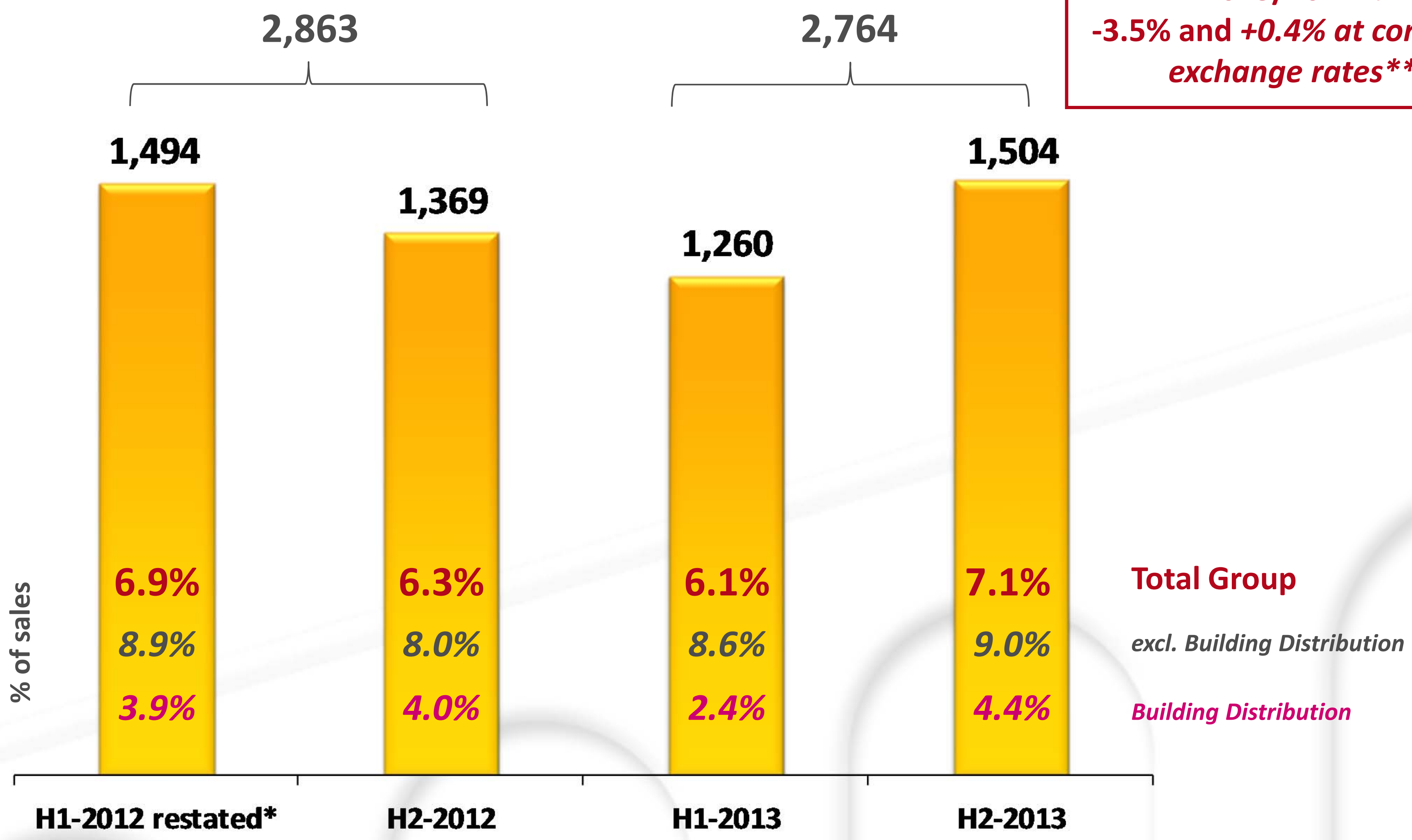
% change in sales on a like-for-like basis



Operating income

(€m and % of sales)

2013/2012*:
-3.5% and *+0.4% at constant exchange rates***



* IAS 19: H1-2012 impact -€18m

** 2012 average exchange rates

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Impact of changes in accounting for employee benefits (IAS 19) on the 2012 income statement

Amounts in €m	Full-year 2012 publish.	 *impact*	 restated
Sales	**43,198**	-	**43,198**
Operating income	**2,881**	*-18*	**2,863**
Net financial expense	**(724)**	*-88*	**(812)**
Income tax	**(476)**	*+33*	**(443)**
Recurring* net income	**1,126**	*-73*	**1,053**
Net income	**766**	*-73*	**693**
Free cash flow**	**895**	*-73*	**822**

- Increase in operating expenses due to the impact of plan amendments
- Increase in financial expenses as a result of applying a rate of return on plan assets equal to the discount rate used for employee benefit obligations instead of an expected rate of return based on past performance

** 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*

Non-operating items

€m

	2012	2013	Change
Operating income	2,863*	2,764	-3.5%
Non-operating costs	(507)	(492)	
o/w:			
Provision for asbestos-related litigation	(90)	(90)	
Other expenses	(417)	(402)	
Other operating expenses	(390)	(381)	
o/w:			
Capital gains on asset disposals	60	99	
Asset write-downs	(437)	(476)	
Business income	1,966*	1,891	-3.8%

** IAS 19 restatement: -€18m*

Outstanding claims

Asbestos-related claims in the US

- Around **US$ 88m** paid out in 2013 (versus US$ 67 in 2012)
- **€90m** accrual to the provision in 2013 (€90m in 2012), bringing the total balance sheet provision to US$ 561m at end-2013 (US$ 550m at end-2012)

	2011	2012	2013*
New claims	4,000	4,000	4,500
Settled claims	8,000	9,000	4,500
Outstanding claims	52,000	43,000**	43,000

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

Net financial expense and Income tax

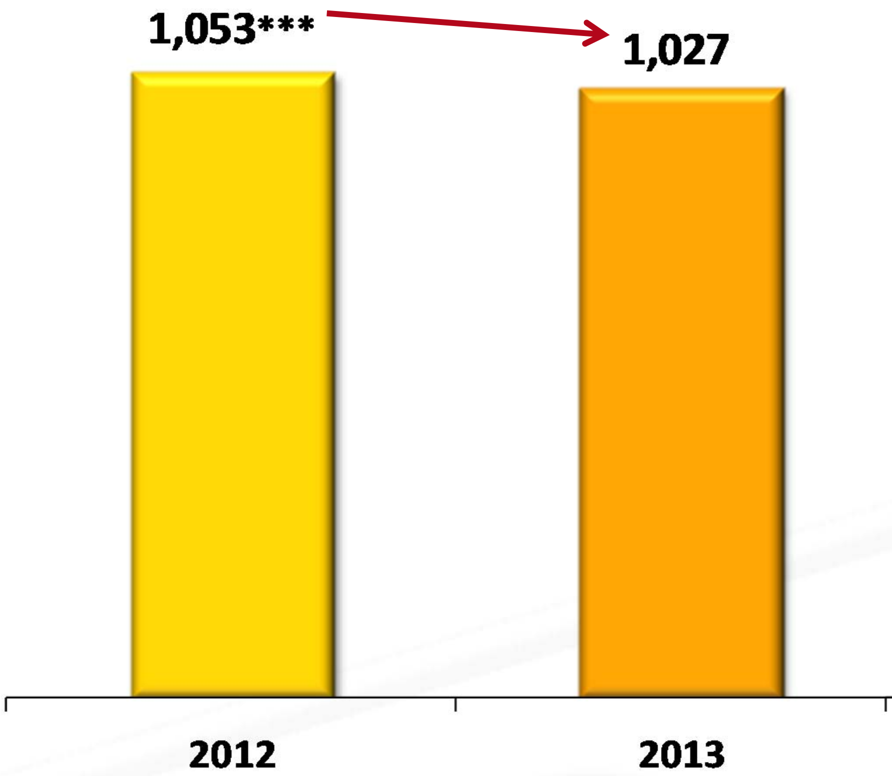
€m

	2012 *pro forma**	2013
Net financial expense	812	795
Average cost of gross debt**	*4.7%*	*4.4%*
Income tax	443	476
Tax rate on recurring net income	*34%*	*32%*

** including the impact of IAS 19 in 2012:*
- net financial expense: +€88m
- income tax: -€33m
*** at December 31*

Recurring* net income *€m*

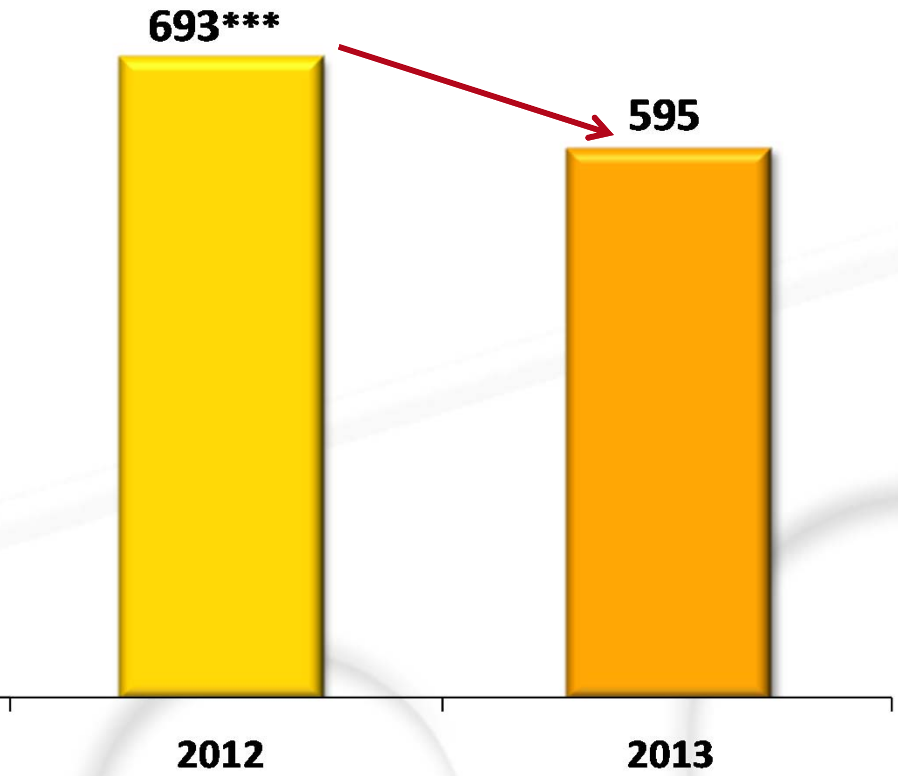
2013/2012: -2.5%, *+2.4% at cer***



Recurring* EPS: €1.86 (-7.0%)

Net income *€m*

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

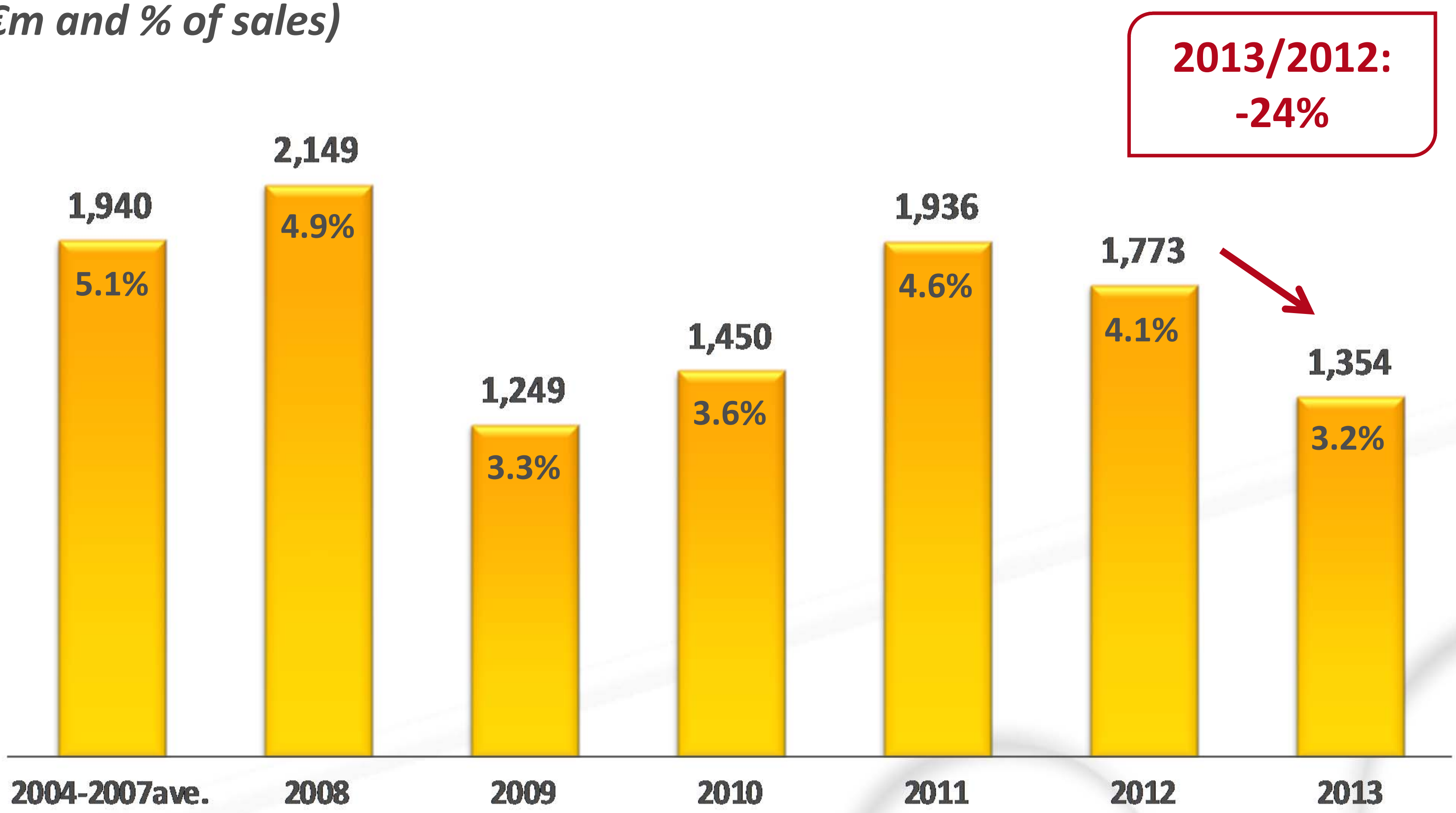


EPS: €1.08 (-18.2%)

** 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*

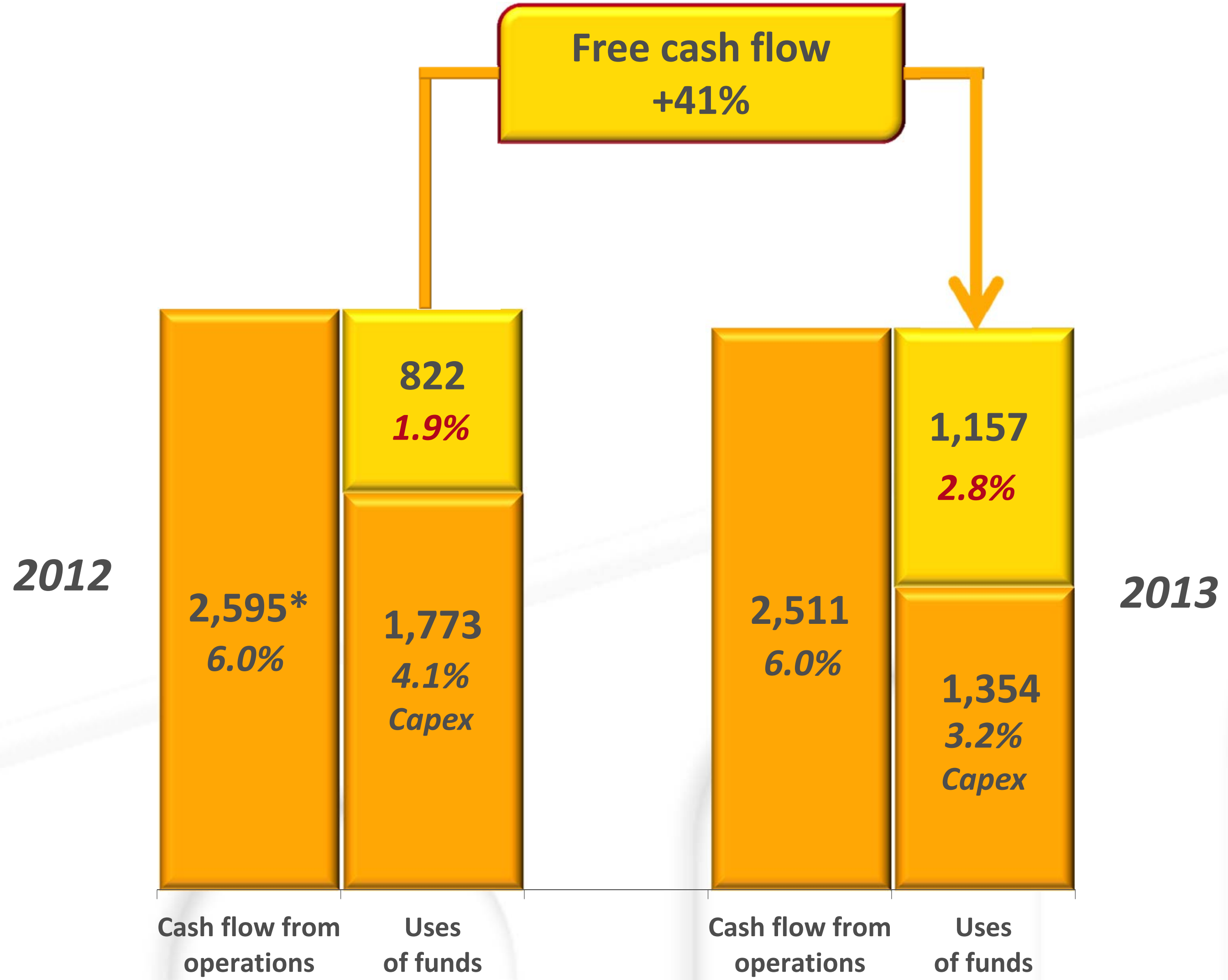
Capital expenditure

(€m and % of sales)



. Optimization of capex timing and unit cost savings
. Priority focus on growth capex outside Western Europe

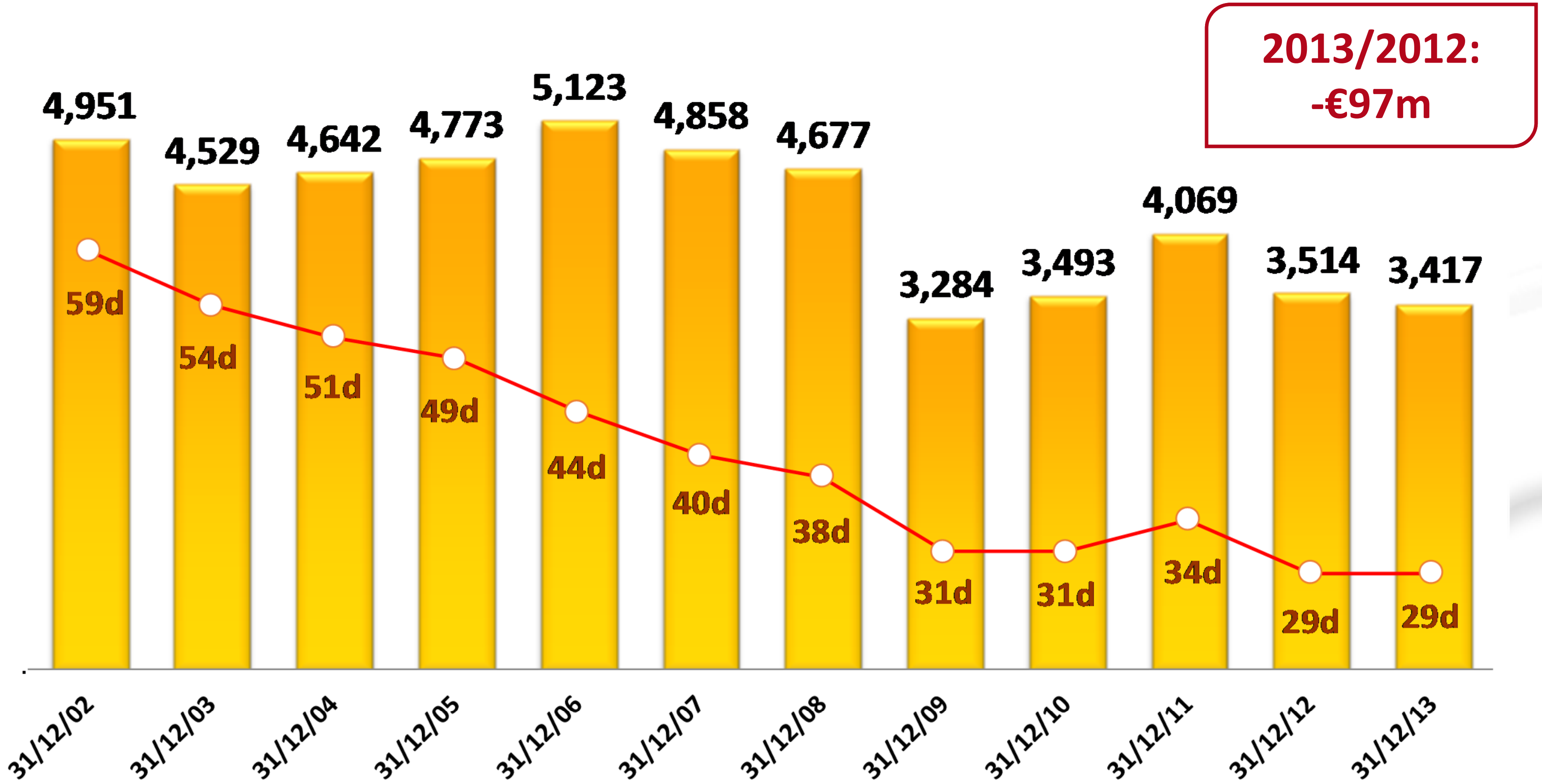
Cash flow from operations *(excl. tax impact of capital gains & losses)* and Capex *(€m and % of sales)*



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

Tight rein on operating WCR

(at December 31, €m and no. of days)



Operating WCR stabilized at a record low in terms of number of days

2013: Portfolio turnover to strengthen the Group profile

*Accelerate expansion **outside Western Europe** and step up the development of **HPM**, especially **high value-added solutions** and **co-developments**; reinforce our leadership positions in **Building Distribution***

Acquisitions: €100m

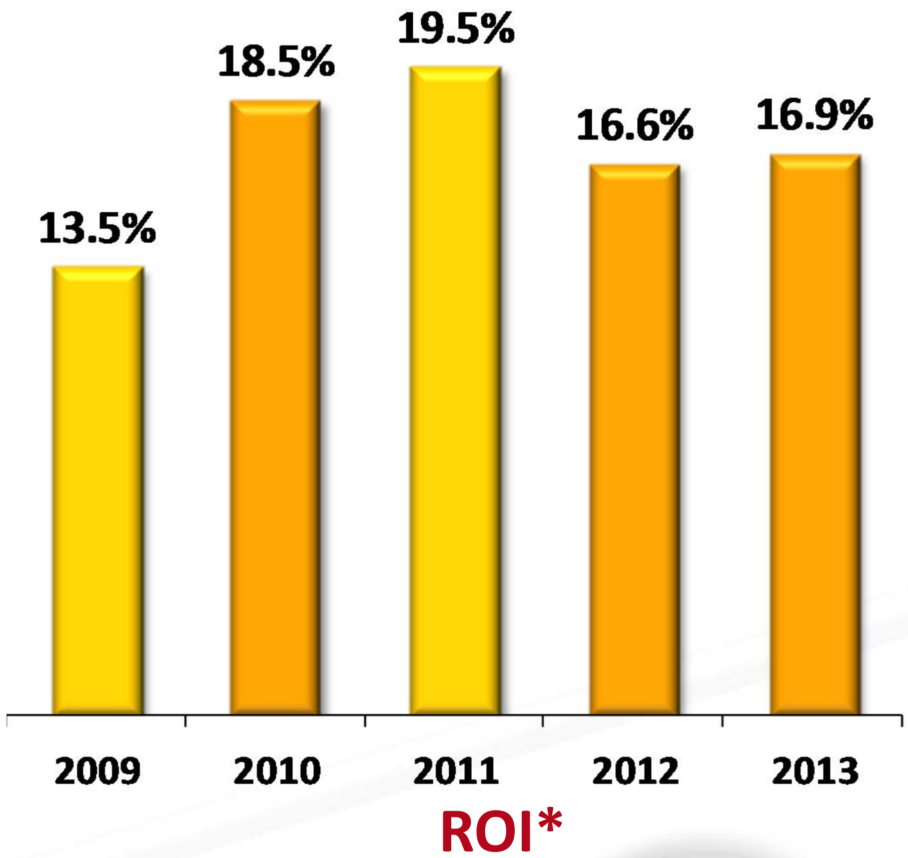
- HPM (Plastics business): LS in Germany, Flex-Polimeros in Brazil, Applied Bioprocess Containers in the US
- CP: Moongypse in Morocco

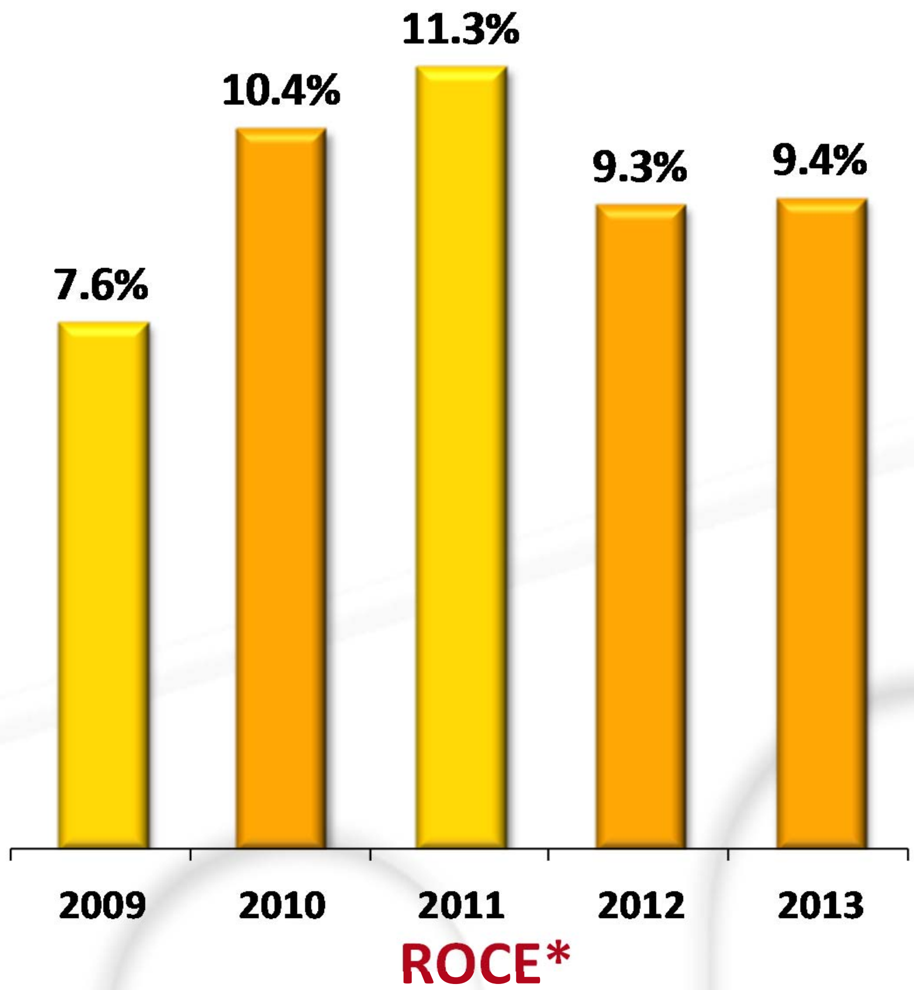
Divestments: €357m*

- CP: Pipe & Foundations, *m-tec and Fiber Cement in progress*
- Building Distribution: disposals in Argentina, Eastern Europe, Benelux, France and UK; *Mpro (Belgium) in progress*
- Sale of the head office building

** amount excluding divestments in progress*

ROI and ROCE



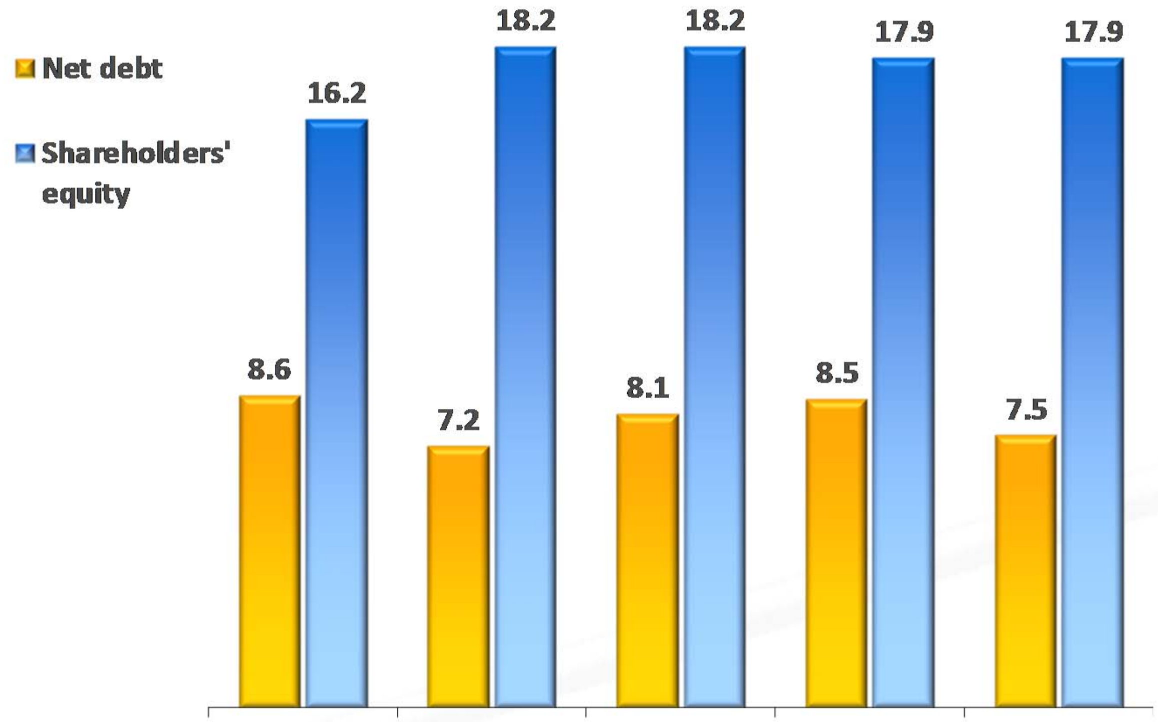


ROI and ROCE held firm

* before tax
2012: restated in line with IAS 19

Net debt & Shareholders' equity

€bn



	12-2009	12-2010	12-2011	12-2012	12-2013
Net debt/ Shareholders' equity	53%	39%	44%	47%	42%
Net debt/EBITDA*	2.3	1.5	1.6	1.9	1.8

Persistently strong balance sheet

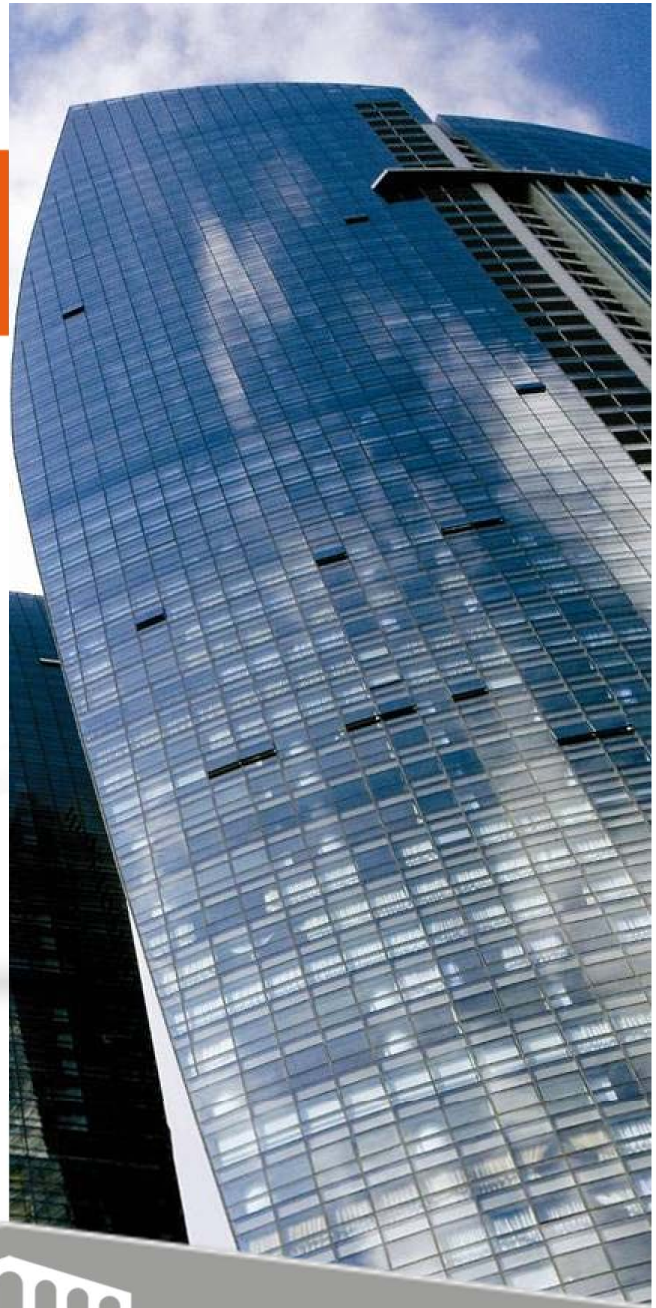
* EBITDA = operating income + operating depreciation/amortization over a 12-month period

2. 2013 Results

- Group

- **Business Sectors**

- Geographic Areas



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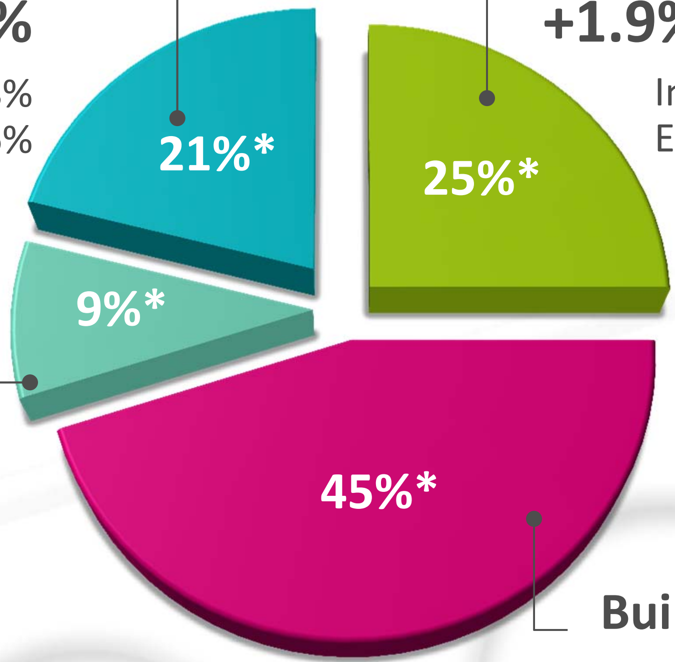
Sales trends by Business Sector

% change in 2013/2012 like-for-like sales

Group: -0.3%

Innovative Materials
-0.7%
Flat Glass +0.8%
HPM -2.6%

Construction Products
+1.9%
Interior Solutions +3.4%
Exterior Solutions +0.5%



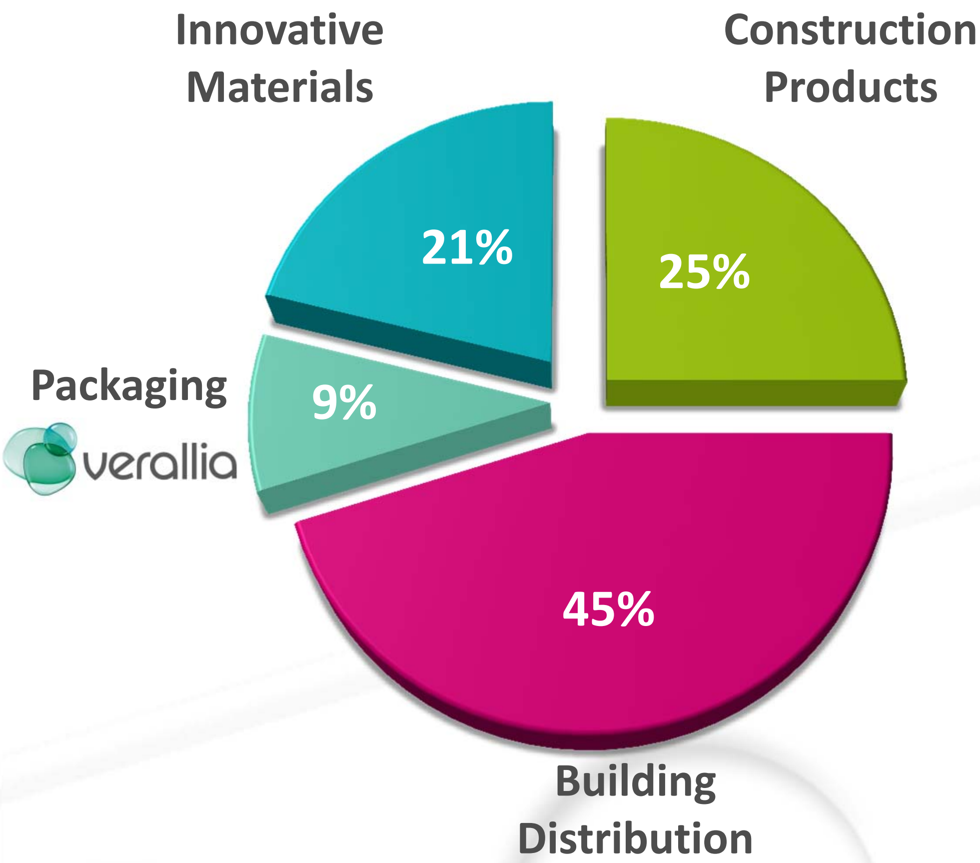
Packaging
verallia **-1.8%**

Building Distribution
-1.4%

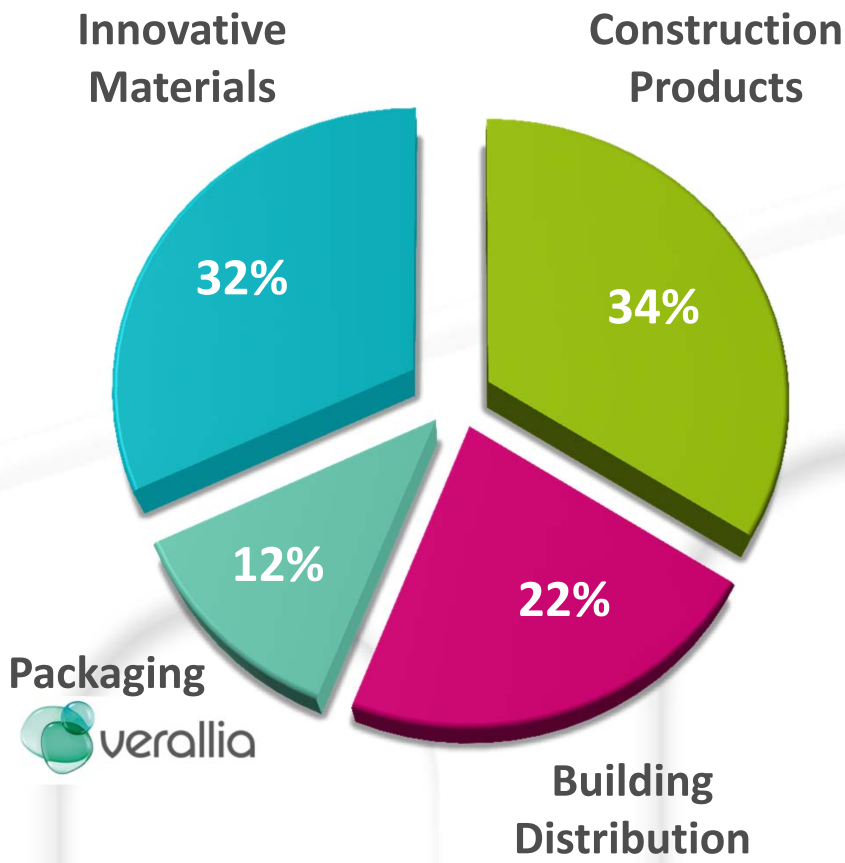
** breakdown of 2013 sales*

Breakdown of sales and industrial assets by Business Sector

2013 sales



Industrial assets at Dec. 31, 2013



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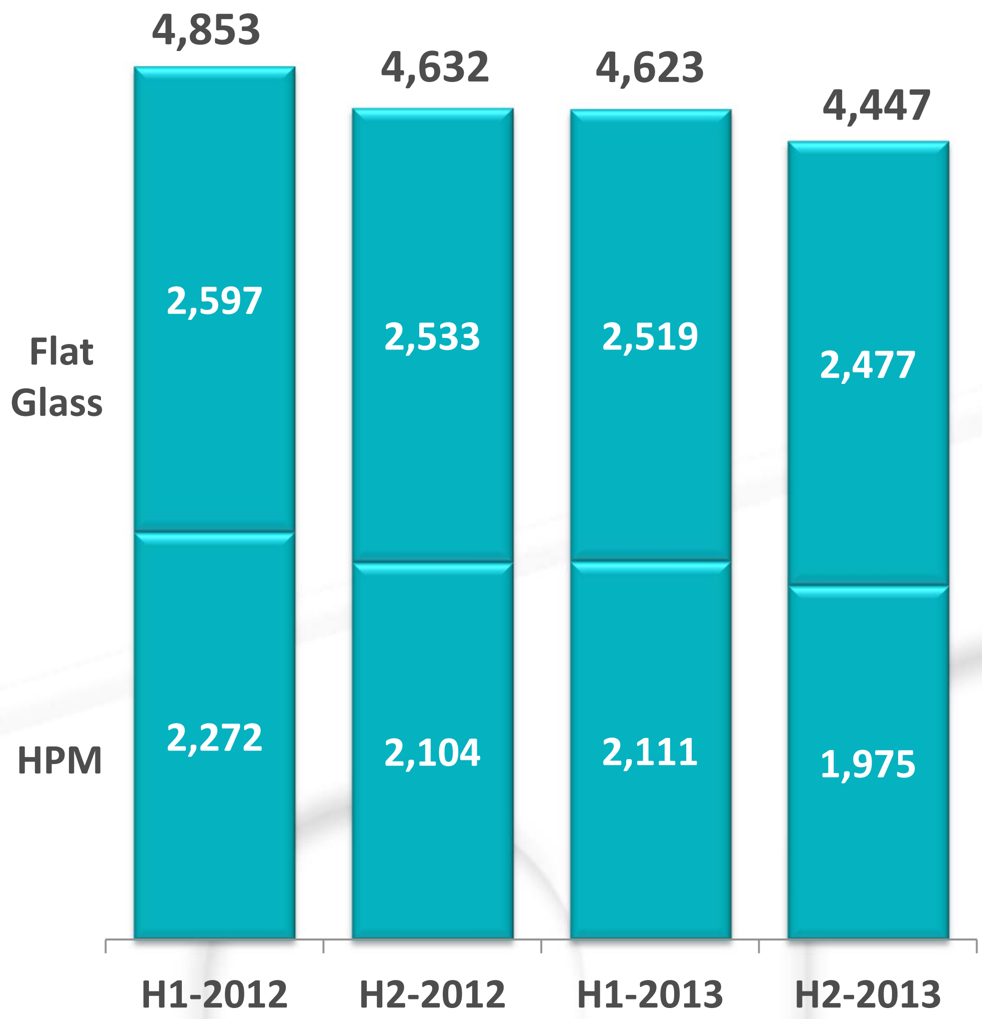
Innovative Materials *(Flat Glass - HPM)*

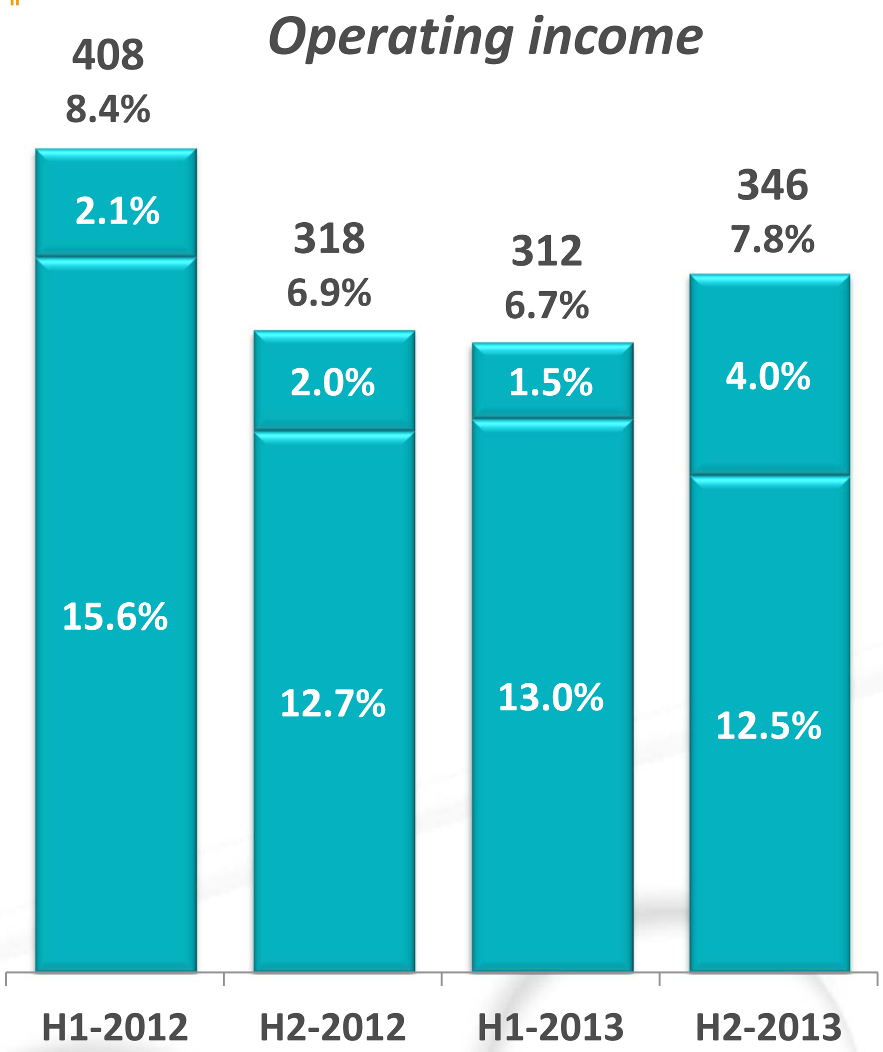
Sales (€m)

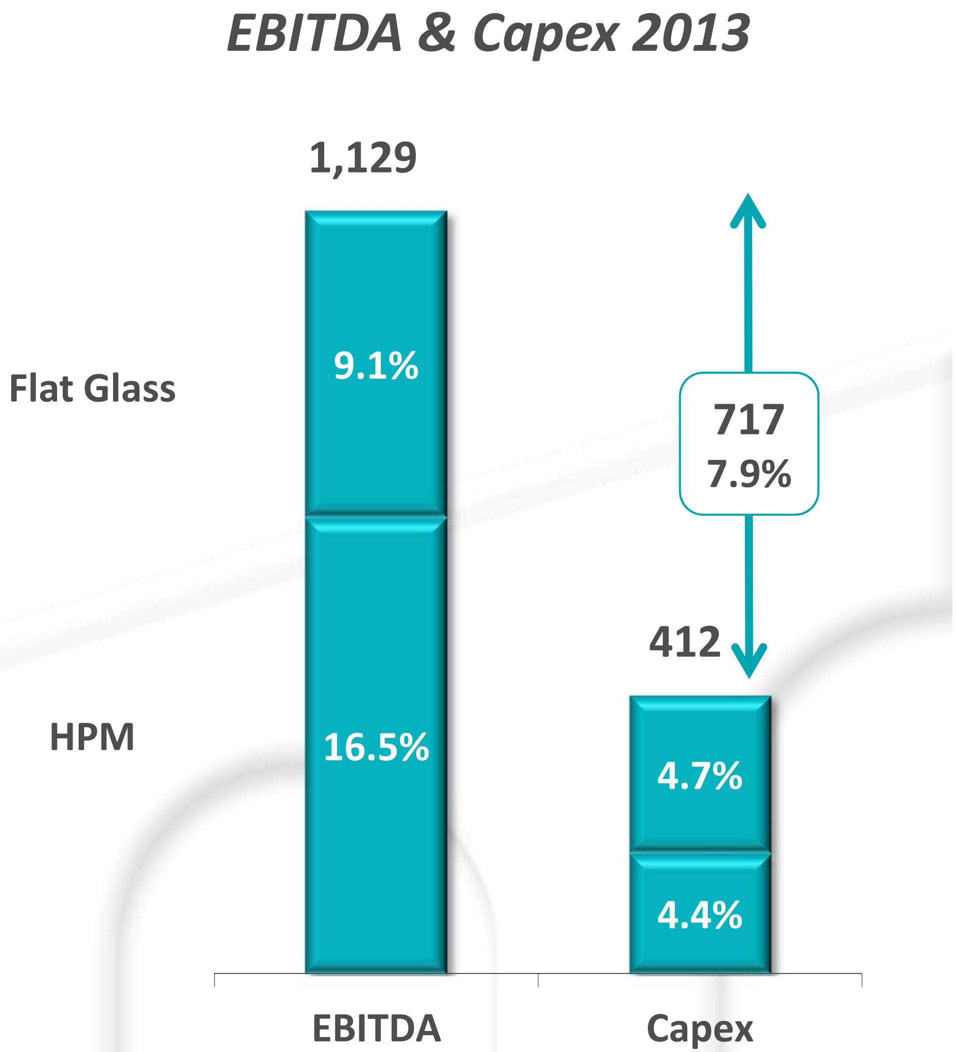
2013/2012 organic growth (like-for-like)	2013/ 2012	H1/H1	H2/H2
Innovative Materials	**-0.7%**	-2.9%	+1.5%
Flat Glass	**+0.8%**	-1.3%	+2.8%
HPM	**-2.6%**	-5.1%	+0.0%



Innovative Materials *(Flat Glass - HPM)*

(€m and % of sales)

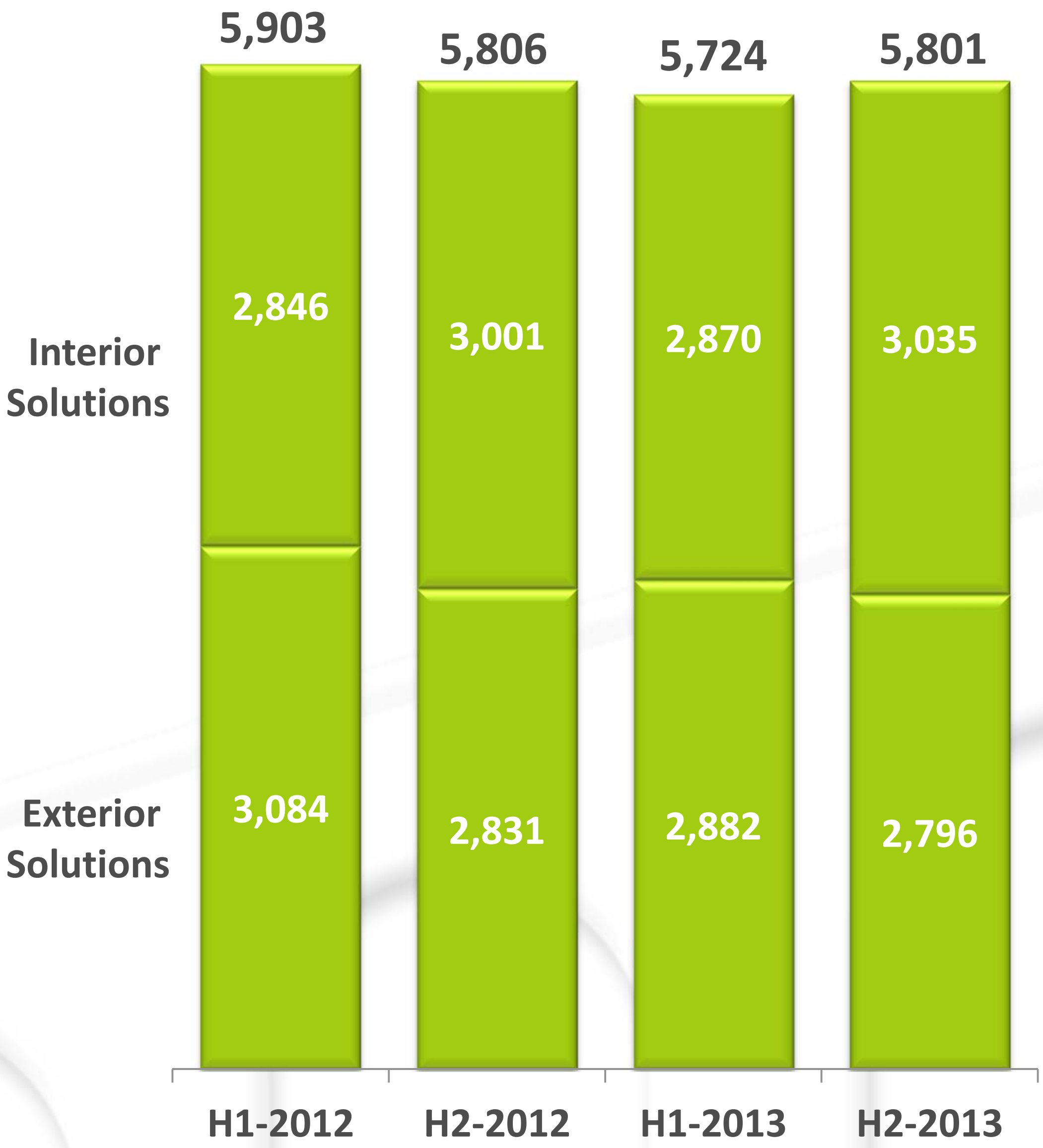




Construction Products

Sales (€m)

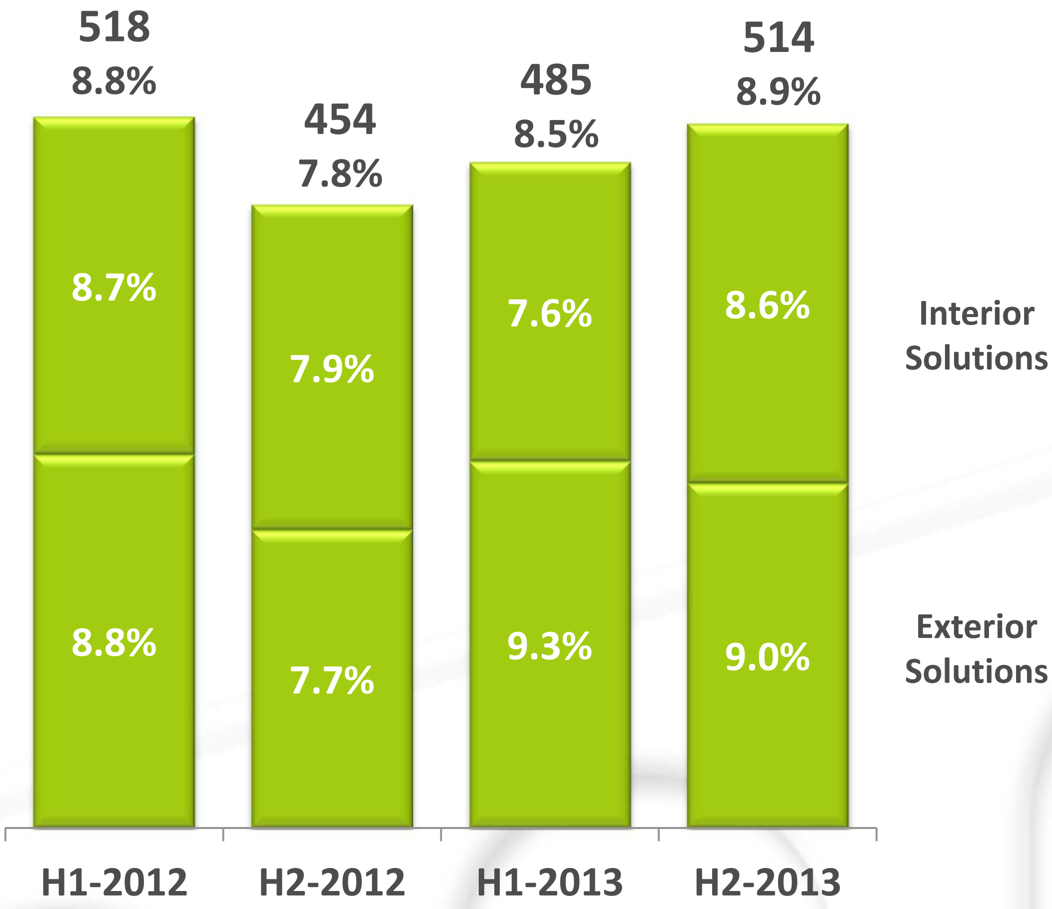
2013/2012 organic growth *(like-for-like)*			
	2013/ 2012	H1/H1	H2/H2
CP	+1.9%	-1.7%	+5.6%
Interior Solutions	+3.4%	+1.0%	+5.9%
Exterior Solutions	+0.5%	-4.1%	+5.4%



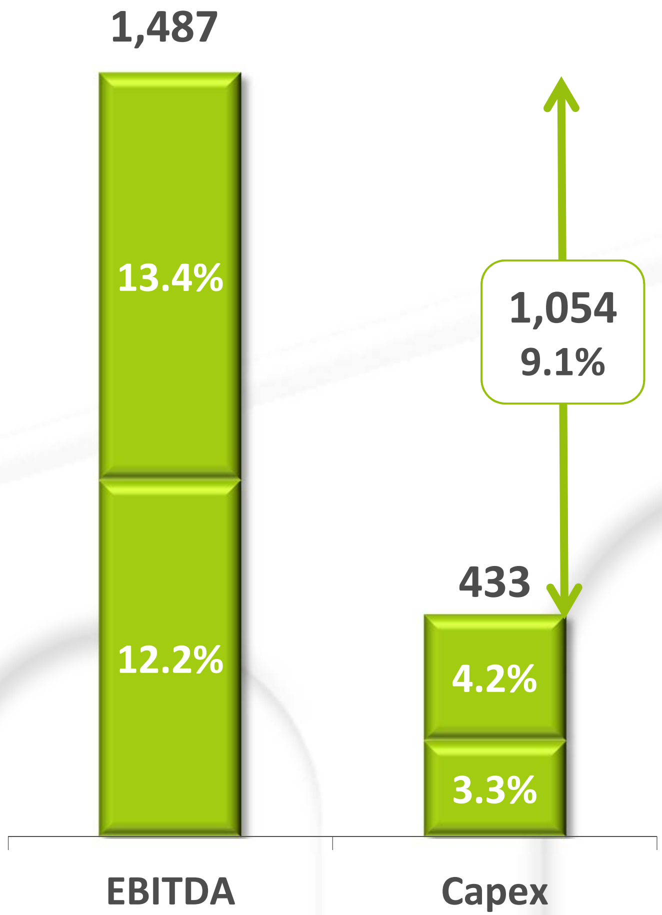
Construction Products

(€m and % of sales)

Operating income

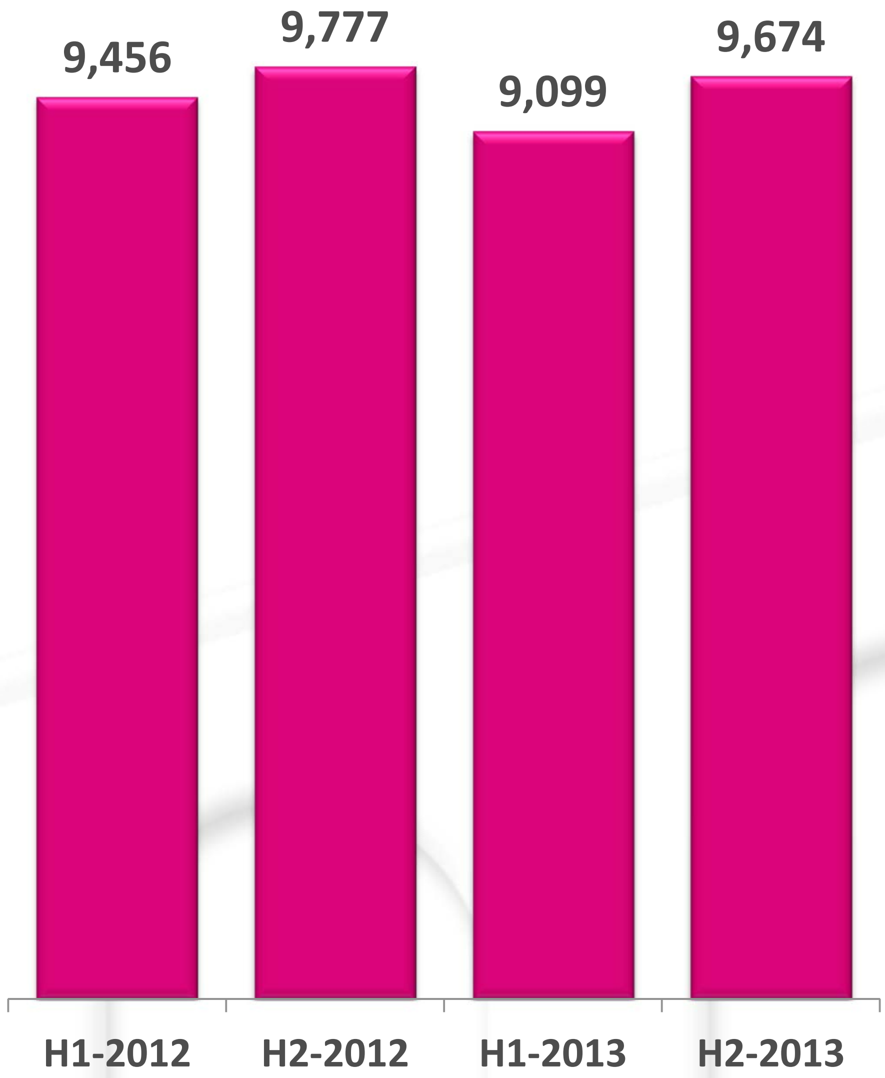


EBITDA & Capex 2013



Building Distribution

Sales (€m)



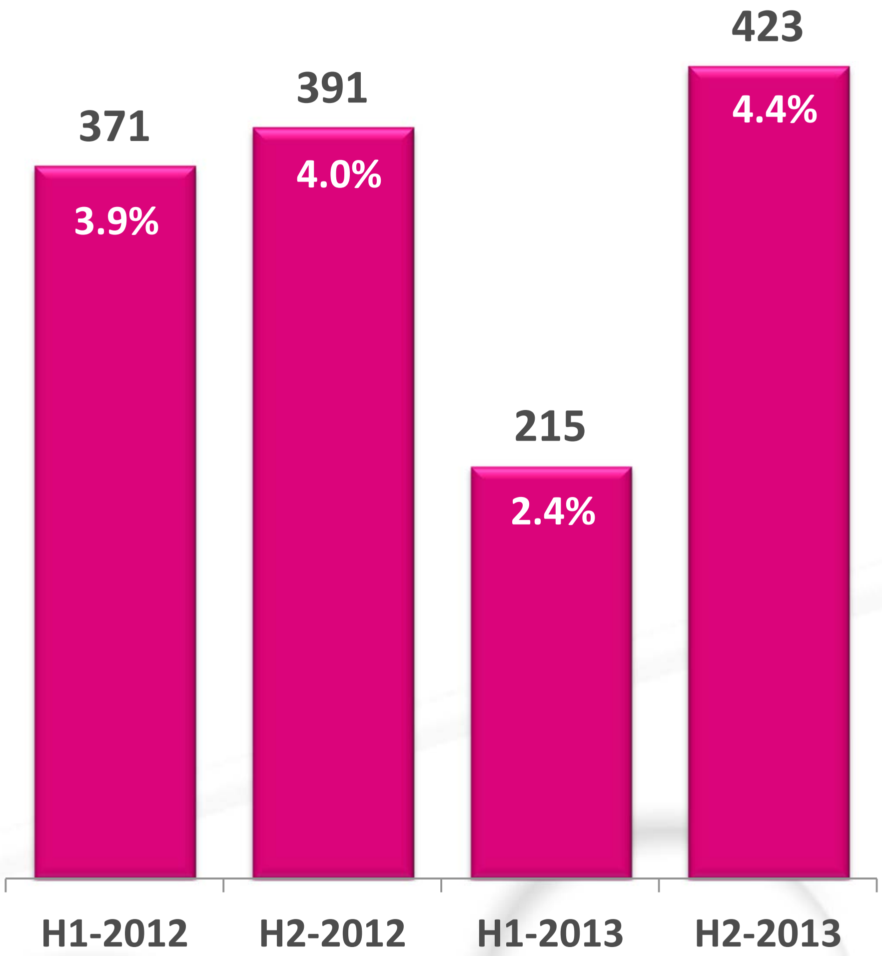
Organic growth 2013/2012
(like-for-like)

	2013/ 2012	H1/H1	H2/H2
Building Distribution	**-1.4%**	-4.6%	+1.7%

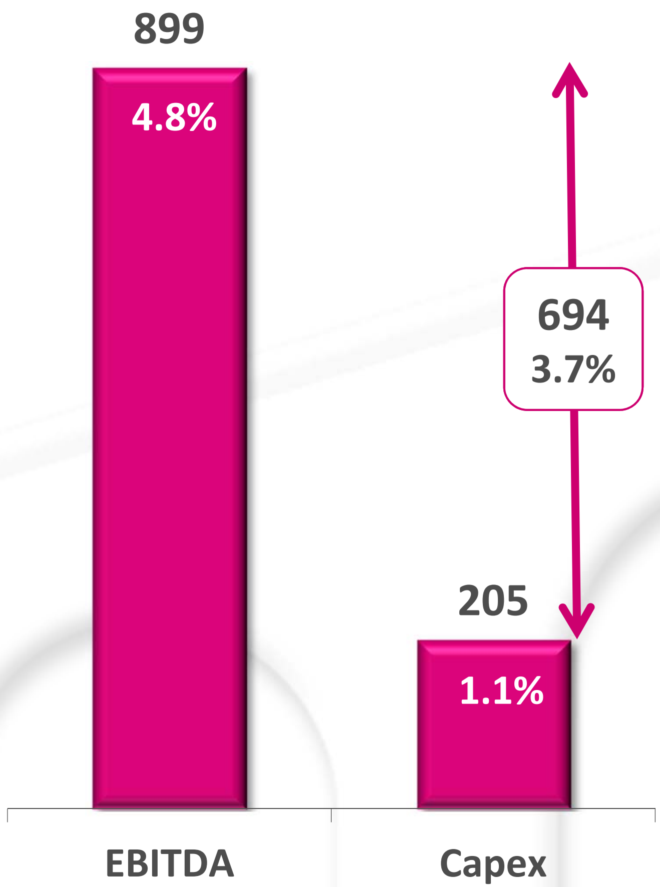
Building Distribution

(€m and % of sales)

Operating income

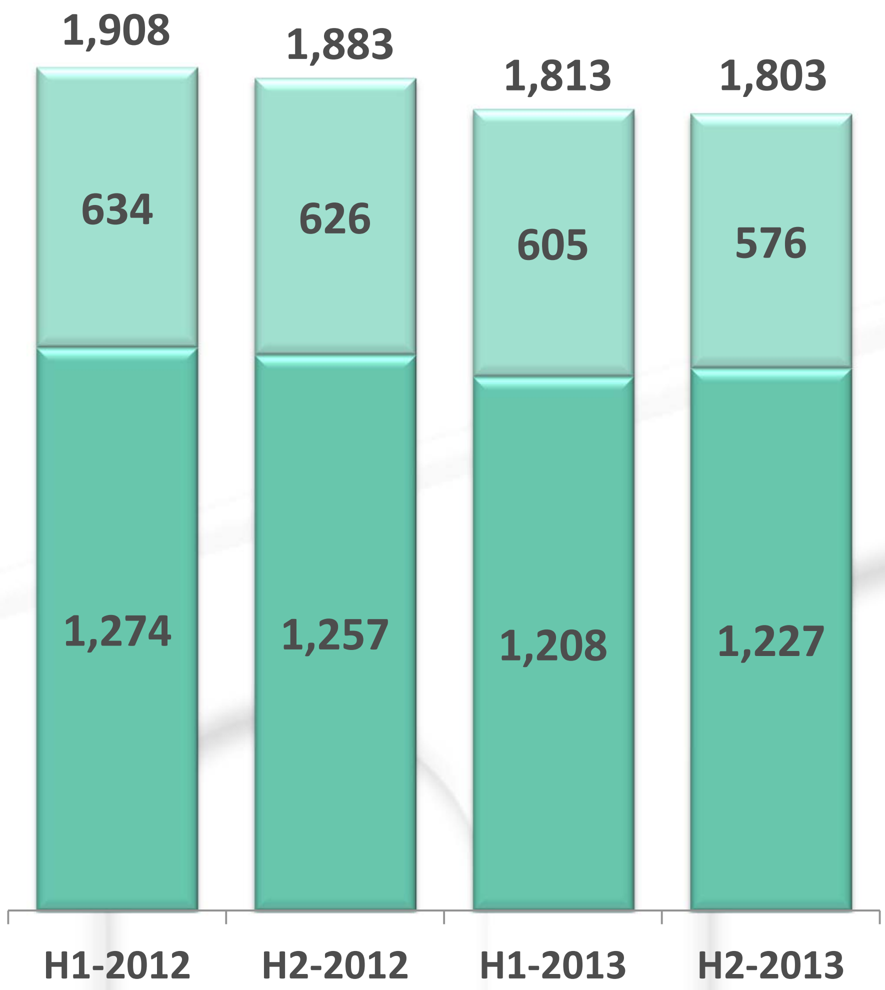


EBITDA & Capex 2013



Packaging

Sales (€m)



Organic growth 2013/2012
(like-for-like)

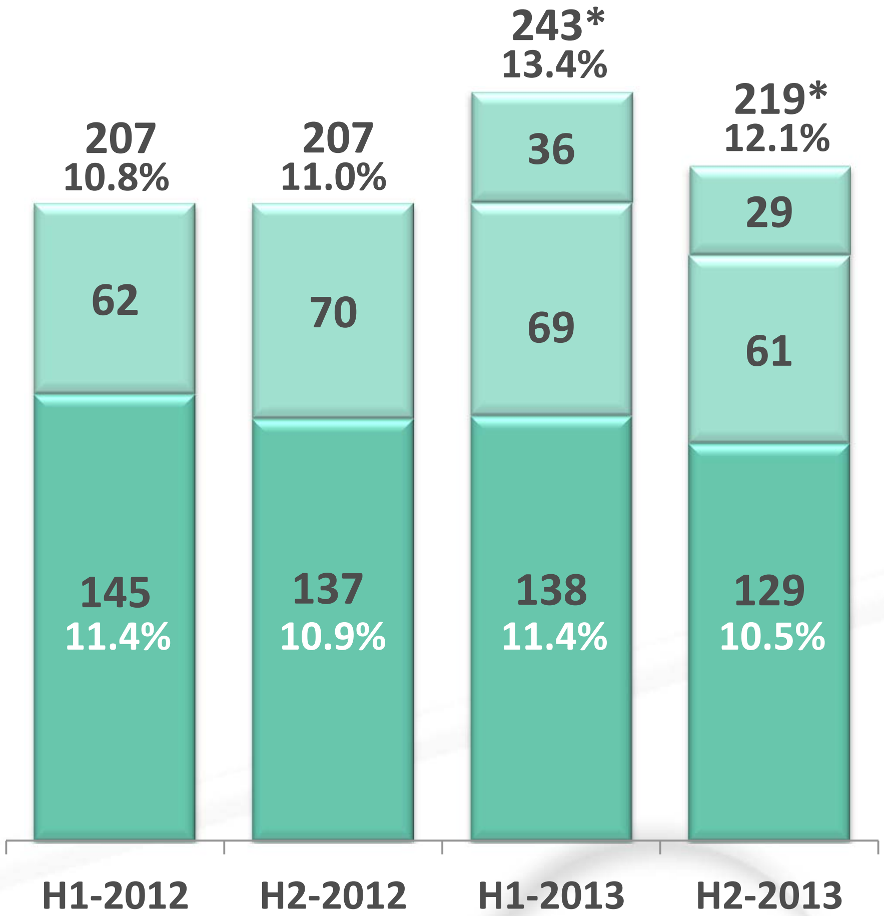
	2013/ 2012	H1/H1	H2/H2
Verallia	**-1.8%**	-2.9%	-0.6%

Packaging

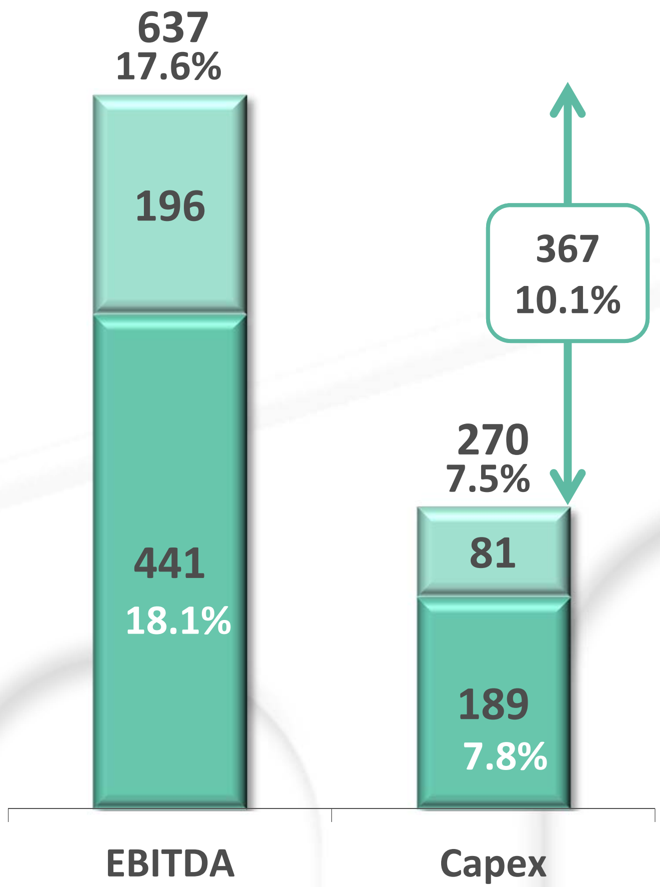
(€m and % of sales)

Verallia North America

Operating income



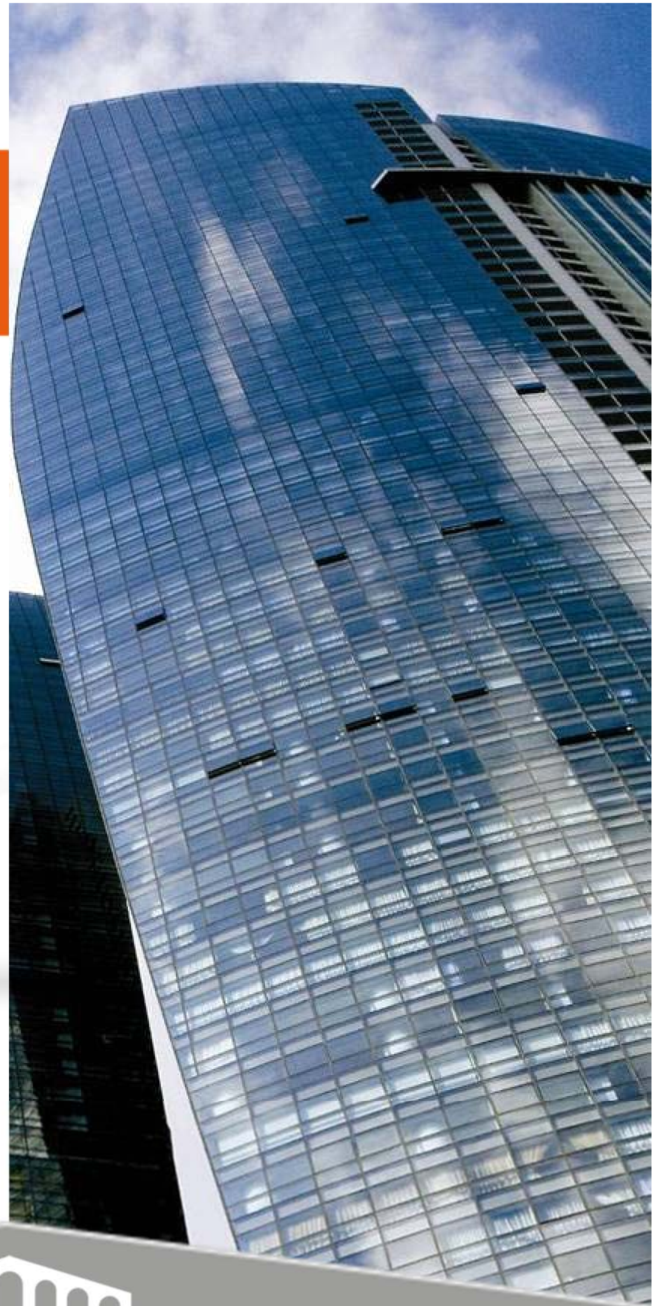
EBITDA & Capex 2013



* *after discontinuing depreciation of VNA's fixed assets as of Jan. 1, 2013 (IFRS 5): €36m in H1-2013 and €29m in H2-2013*

2. 2013 Results

- Group
- Business Sectors
- **Geographic Areas**



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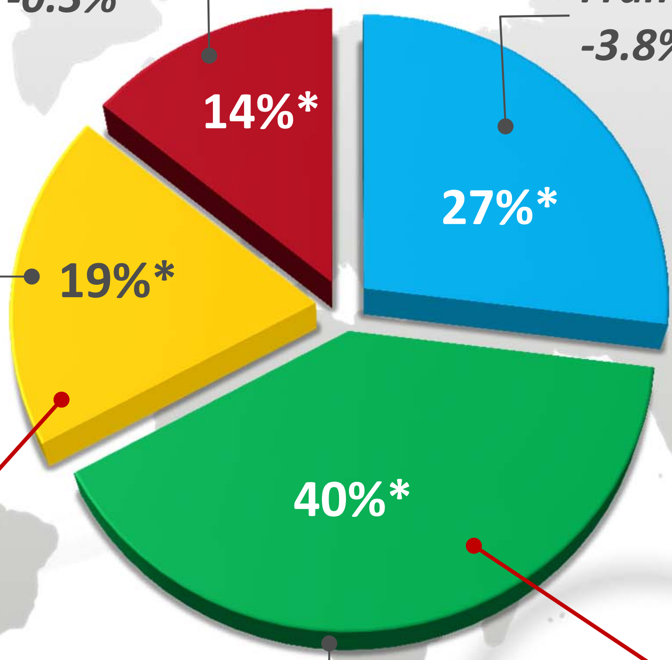
Sales trends by geographic area

% change in 2013/2012 like-for-like sales

Group: -0.3%



North America
-0.3%

France
-3.8%

Asia & emerging countries +7.2%

o/w:

Latin Am. (7.5%):	+12.0%
Asia (5.5%):	+2.9%
Eastern Eur. (4.5%):	+4.1%
Africa & M.E. (1.5%):	+13.2%

Other Western Europe
-1.2%

o/w:

Scandinavia (11%):	-1.2%
Germany (10%):	-0.7%
UK (9%):	+3.6%
Spain-Port. (3%):	-6.5%

** breakdown of 2013 sales*

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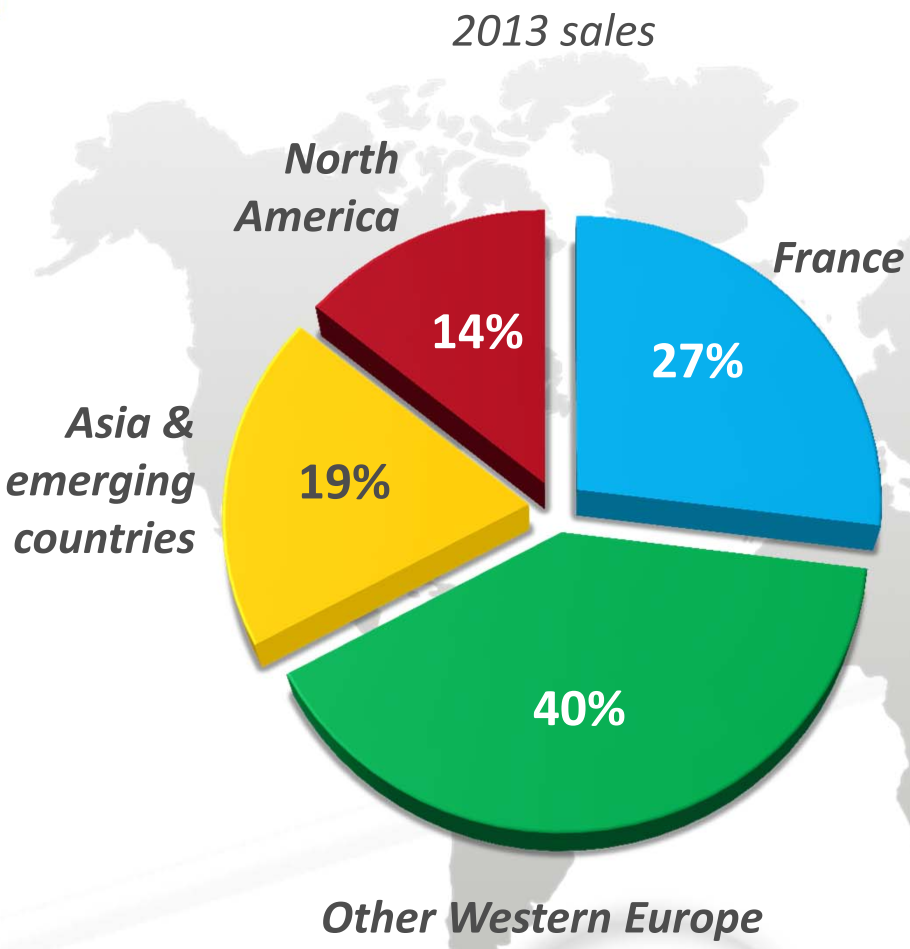
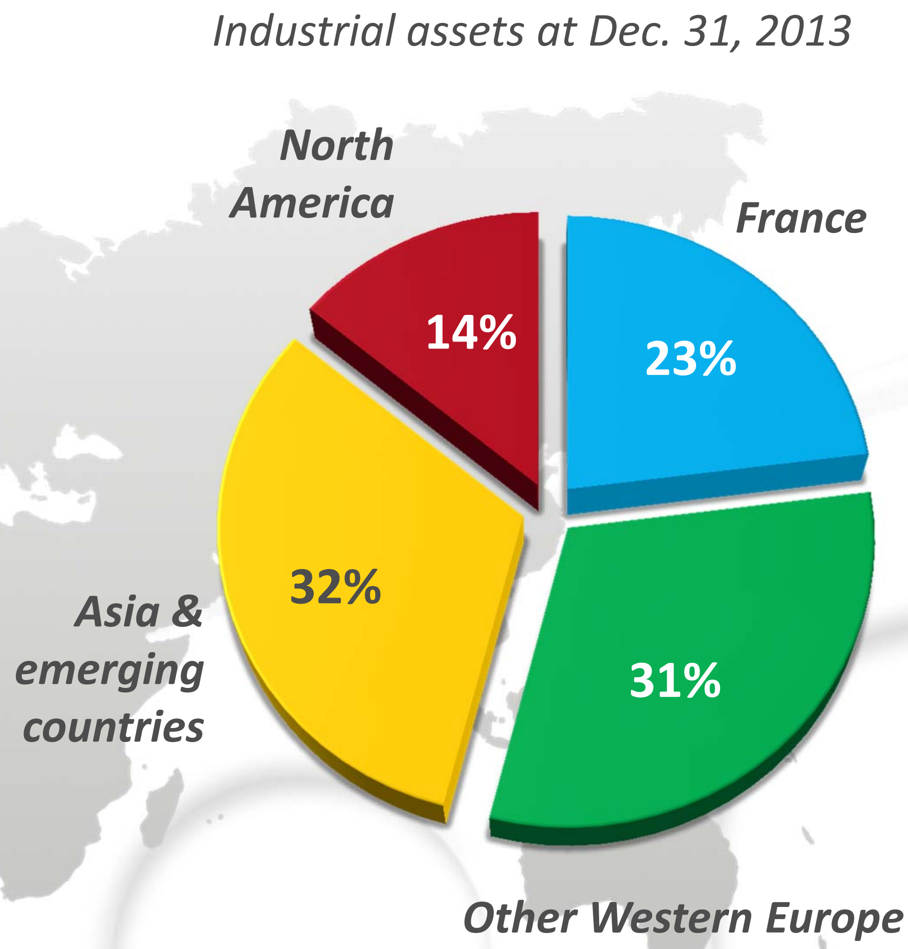
Breakdown of sales and industrial assets by geographic area





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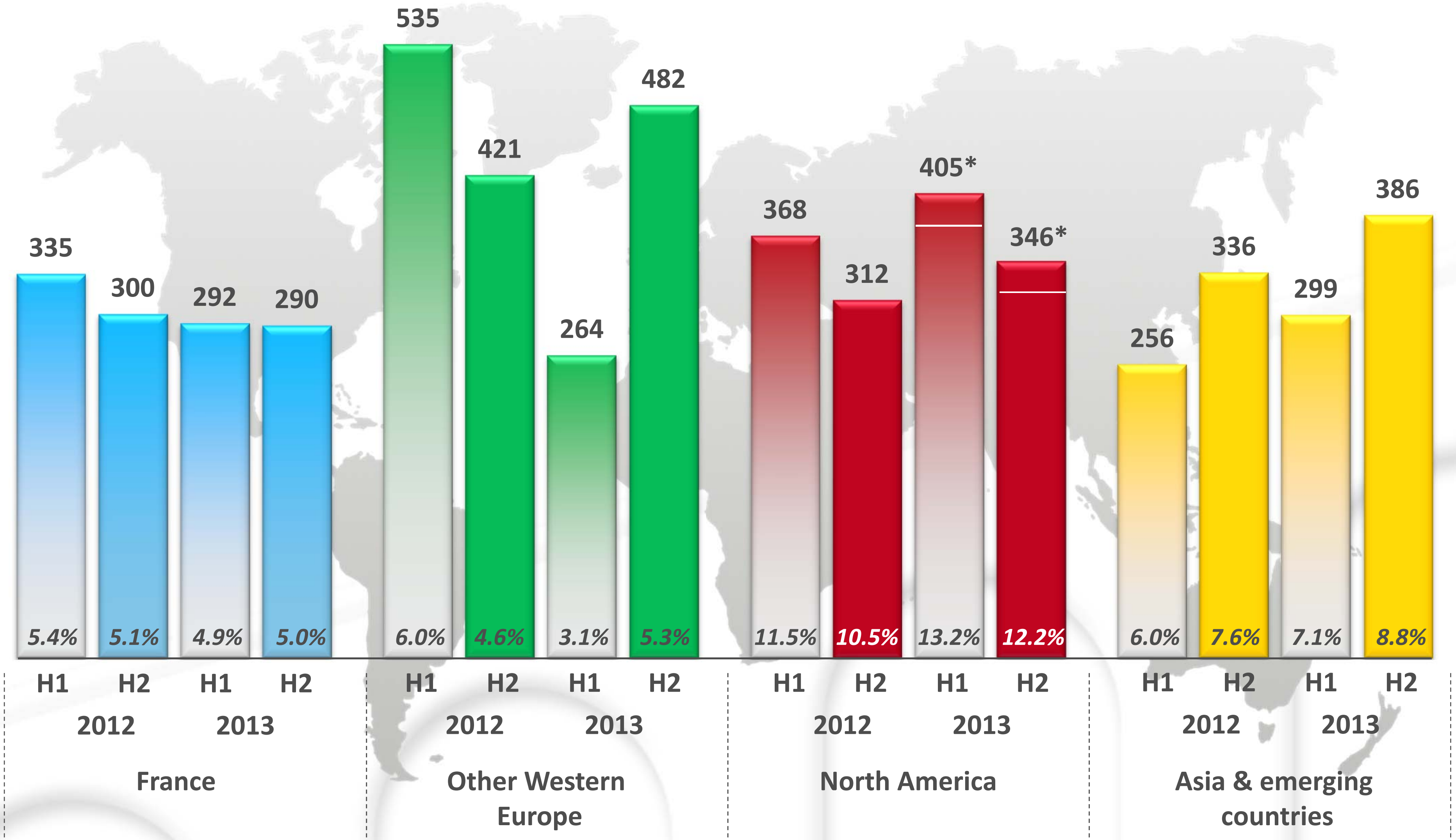
Operating income by geographic area

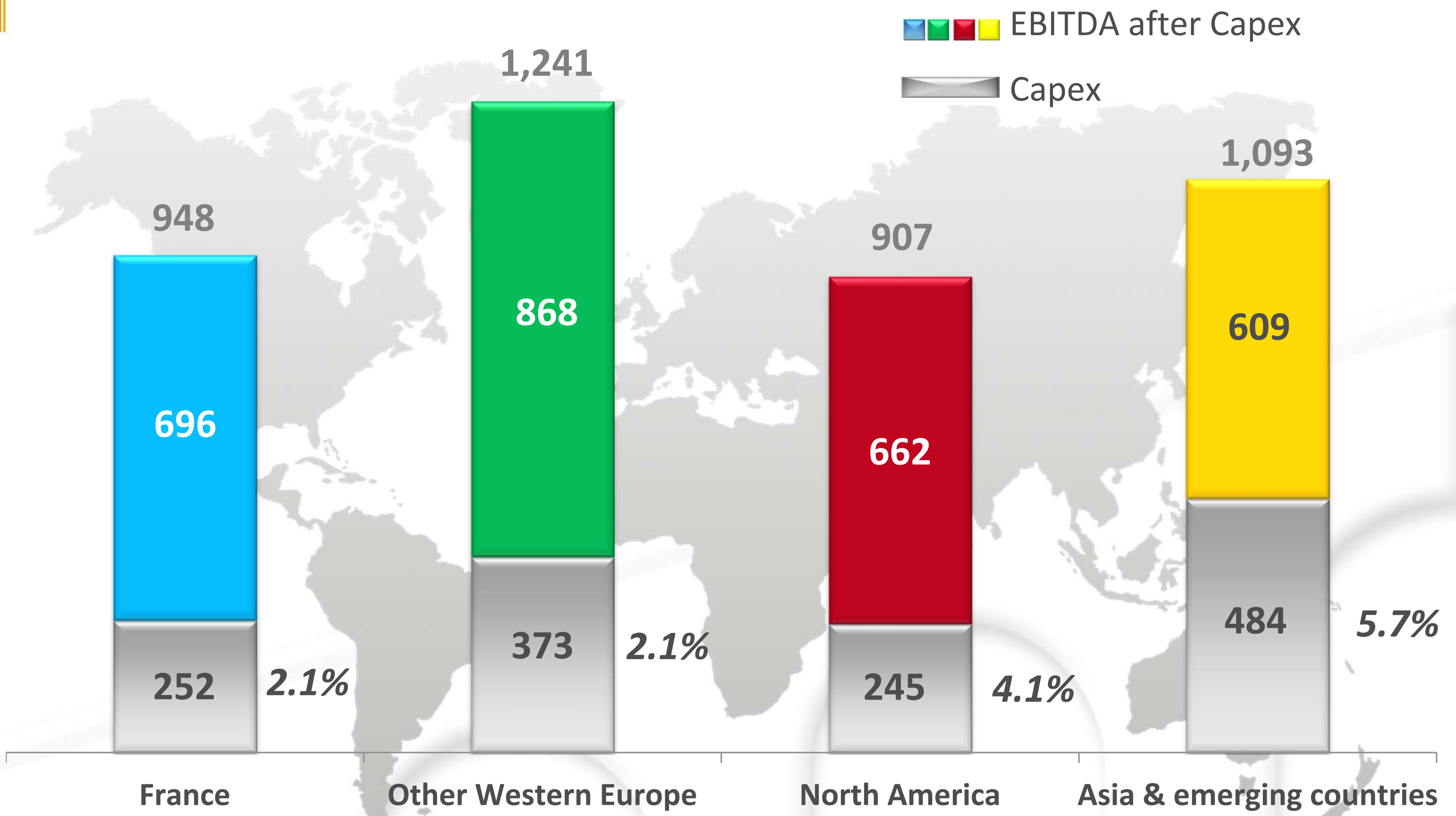
(€m and % of sales)



** after discontinuing depreciation of VNA's fixed assets as of Jan. 1, 2013 (IFRS 5): €36m in H1-2013 and €29m in H2-2013*

EBITDA and Capex by geographic area

(2013, €m and % of sales)



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Estimated impact of changes in accounting rules applicable in 2014 *(based on the 2013 accounts)*

- **IFRS 10 – 11** and other standards dealing with **control**
  - **2013 operating income** estimated impact: **-€10m**, o/w:
    - -€30m relating to the elimination of proportionate consolidation
    - +€20m relating to the reclassification of the share of "core business" equity-accounted companies (associates)
  - Fall of **€8m in net debt**

- **IFRIC 21: change in the recognition date for certain tax liabilities**
  - Neutral impact over year as a whole
  - Recognition of the total annual expense for certain taxes in January (replacing a monthly provision): impact on H1/H2 income distribution (**€60m**)

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3. Strategy

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Key priorities

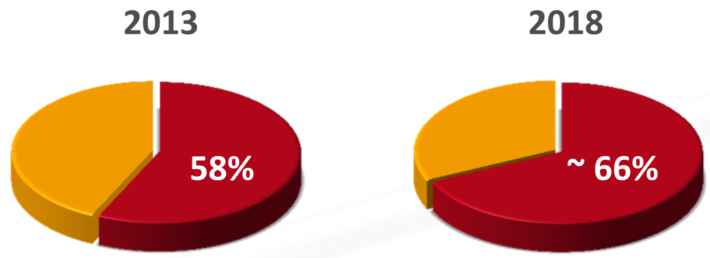
- Strengthen the **Group profile** to raise the potential for organic growth
- Increase the Group's focus on **differentiation**
- Manage the Group with **four key priorities**

Strengthen the Group profile to raise the potential for organic growth

Focus investments outside Western Europe

- Over €3bn in growth capex outside Western Europe in 2013-2018

Innovative Materials and Construction Products industrial assets in North America, Asia and emerging countries 2013-2018 (at constant exchange rates)



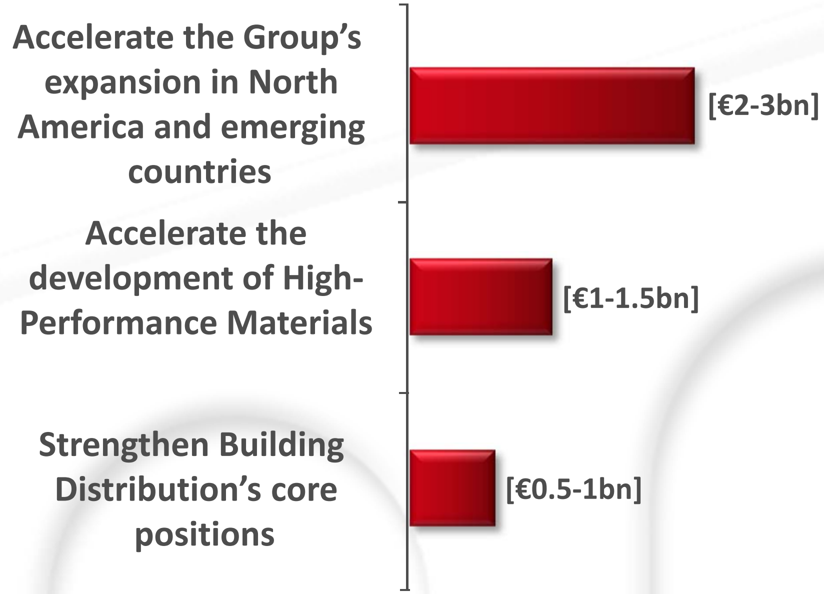
Reduce the Group's capital intensity in developed countries to 27%-29% by 2018

- Refocus industrial sectors on downstream, asset-light solutions
- Further develop Building Distribution
- Reduce capital intensity in Flat Glass by 15 points by 2018

Strengthen the Group profile to raise the potential for organic growth

- Accelerate acquisitions and disposals to support strategic objectives
  - After the disposal of Verallia North America, Verallia will exit the Group as soon as market conditions permit
  - Additional divestment program of non-core assets in place
  - Acquisition targets identified for around €4bn of portfolio reallocation over 2014-2018, in addition to Verallia North America

Acquisition priorities over 2014-2018



Increase the Group's focus on differentiation

- Focus R&D (€430m in 2013) and marketing on **local and co-developed innovations**

- Accelerate developments on highly innovative **industrial niches** and strengthen the Group's leadership on the **market for sustainable solutions**

- Adapt marketing efforts to accelerate the roll-out of the Group's **digital strategy** and raise **brand visibility**

Manage the Group with four key priorities

- Continually strive for **operational excellence**, aided by additional cost savings of €450m in 2014 (€800m over 2014-2015)

- Make further progress in **Corporate Social Responsibility**, which remains at the heart of Saint-Gobain's business model

- Target **attractive returns for shareholders**, with the aim of maintaining the dividend payment, paying in cash, and striking a balance between three objectives:
  - Grow dividend
  - Normalized payout rate of 35% to 40% of recurring net income
  - Contain dilution by gradually reducing the number of shares to close to their 2010 level (530 million shares)

  while taking into account the Group's financial situation

Manage the Group with four key priorities

- Maintain a **solid financial structure:**
  - Continuing high level of free cash flow:
    > €1.5bn per year on average over 2014-2018
  - Operating WCR: around 30 days (at year-end)
  - Industrial capex: Capex < 5% of sales; Capex in Western Europe < 3% of sales; value creation in Year Y+2; IRR > 20%
  - Acquisitions: value creation in Year Y+2; priority focus on North America and emerging countries, High-Performance Materials and consolidation of Building Distribution's core positions

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4. Outook and Action Plan for 2014

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Economic outlook for 2014

Economic climate

- Western Europe:
  - Industrial markets to remain sluggish, notably automotive
  - Construction markets to continue on a timid upward trend led by the UK and Germany, but with stark contrasts from one country to the next
- North America:
  - Momentum likely to continue in residential construction
  - Industrial output to remain robust
- Asia & emerging countries: the pace of growth for the business should be satisfactory, but with contrasting trends from one region to the next
- Household consumption to hold firm

Ongoing improvement in 2014

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Outlook for Group businesses

Innovative Materials:

- Flat Glass: profitability should continue to improve steadily
- HPM: operating margin to remain at a good level

Construction Products:

- Good momentum in both North and South America
- Timid upturn in Europe, led by the UK and Germany
- Satisfactory pace of growth in Asia & emerging countries
- Positive impact of major contracts in Pipe

Building Distribution:

- Trading to improve steadily, but with sharply contrasting trends from one country to the next
- Operating margin to continue improving

Packaging (Verallia):

- Continued solid profitability

2014 action priorities: Continue to roll out strategy and maintain strict financial discipline

- Priority focus on increasing sales prices in a context of reduced inflation of raw material and energy costs
- Additional cost savings of €450m in the year (calculated on the 2013 cost base)
- Capex to be stepped up to around €1,500m, targeting growth capex outside Western Europe (around €550m)
- Sustained R&D efforts to support strategy of differentiation and high value-added solutions
- Finalization of the divestment of Verallia North America in the first few months of 2014

2014 Outlook

- Our **different markets should improve** even though the macroeconomic environment remains unsettled
- **Clear improvement in operating income** on a comparable structure and currency basis
- Continuing **high level of free cash flow**

2013 dividend

Board's recommendation to the June 5, 2014 AGM

- **€1.24 per share**, stable compared to 2012
  - Dividend yield at December 31, 2013: 3.1%
  - Recurring EPS payout rate: 67%
- Payment:
  - **50% in cash**
  - **50% in cash or in shares**, at shareholders' discretion
- **Timetable:**
  - June 5, 2014: AGM
  - June 11, 2014: Ex-date
  - June 11-25, 2014: Option period
  - July 4, 2014: Payment date

Conclusion

- A solid Group, with three complementary Business Sectors positioned on fast-growing habitat and industrial markets
- Strong assets to benefit from the US housing upturn and from the improved economic environment in Europe
- Continuous progress on strategic priorities, in particular innovation, technology and emerging countries
- Strict financial discipline

One of the strongest and best-positioned companies in materials and construction technologies

2013 Results and Outlook

February 20, 2014

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