



2015 Results and Outlook

February 26, 2016



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2015 HIGHLIGHTS



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2015 KEY FIGURES

(Following the sale of the Packaging business and in accordance with IFRS 5, Verallia – including Verallia North America – has been reclassified within “Net income from discontinued operations” in the 2014 and 2015 income statement)

	2014 <i>restated</i>	2015	2015/ 2014
<i>Amounts in €m</i>			
Sales	38,349	39,623	+3.3%
EBITDA	3,709	3,844	+3.6%
Operating income	2,522	2,636	+4.5%
Recurring* net income	973	1,165	+19.7%
Net income**	953	1,295	+35.9%
Free cash flow***	916	975	+6.4%
Net debt	7,221	4,797	-33.6%

* recurring net income from continuing operations excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions

** consolidated net income attributable to the Group

*** free cash flow from continuing operations excluding the tax impact of capital gains and losses on disposals, asset write-downs and material non-recurring provisions

SHARPLY CONTRASTING MACROECONOMIC ENVIRONMENT



WESTERN EUROPE

- » **Growth** driven by Scandinavia, the UK and Southern Europe
- » Germany **better** in the second half, still affected in 2015 by the renovation market
- » **Sharp decline** in France



NORTH AMERICA

- » **Slight growth** in construction markets, dented by Roofing prices
- » **Slack** industrial markets, **sharp contraction** in ceramic proppants



ASIA AND EMERGING COUNTRIES

- » **Robust growth** across the region, excluding the slowdown in Brazil and in China in the second half

HIGHLIGHTS

- » **Sluggish organic growth** with a **small increase in volumes**, due mainly to weak trading in France
- » **Positive 0.3% price impact** in a deflationary environment
- » **Operating income up 4.5%** as reported and up **2.2%** like-for-like, buoyed by **€360m in cost savings**
- » **Working capital requirements** down to a new record low of **26 days**, and **net debt** down sharply to **€4.8bn**
- » **Verallia sold** in October on very good financial terms
- » Continued goal of optimizing the business portfolio: **disposals** representing €700m in full-year sales and **acquisitions** representing €300m in full-year sales
- » Further improvement in **net income (up 35.9%)**

2 2015 RESULTS

GROUP
SECTORS
REGIONS



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INCOME STATEMENT IMPACT RESULTING FROM THE APPLICATION OF IFRS 5

(Following the sale of the Packaging business and in accordance with IFRS 5, Verallia – including Verallia North America – has been reclassified within “Net income from discontinued operations” in the 2014 and 2015 income statement)

	FY 2014 published	Restatements	FY 2014 restated
<i>Amounts in €m</i>			
Sales	41,054	(2,705)	38,349
EBITDA	4,151	(442)	3,709
Operating income	2,797	(275)	2,522
Business income	2,209	(629)	1,580
Recurring net income	1,103	(130)	973*
Net income from discontinued operations (Verallia)	0	+125 Verallia net income +356 cap. gain on disposal of VNA	481
Net income**	953	0	953
Free cash flow	1,002	(86)	916***

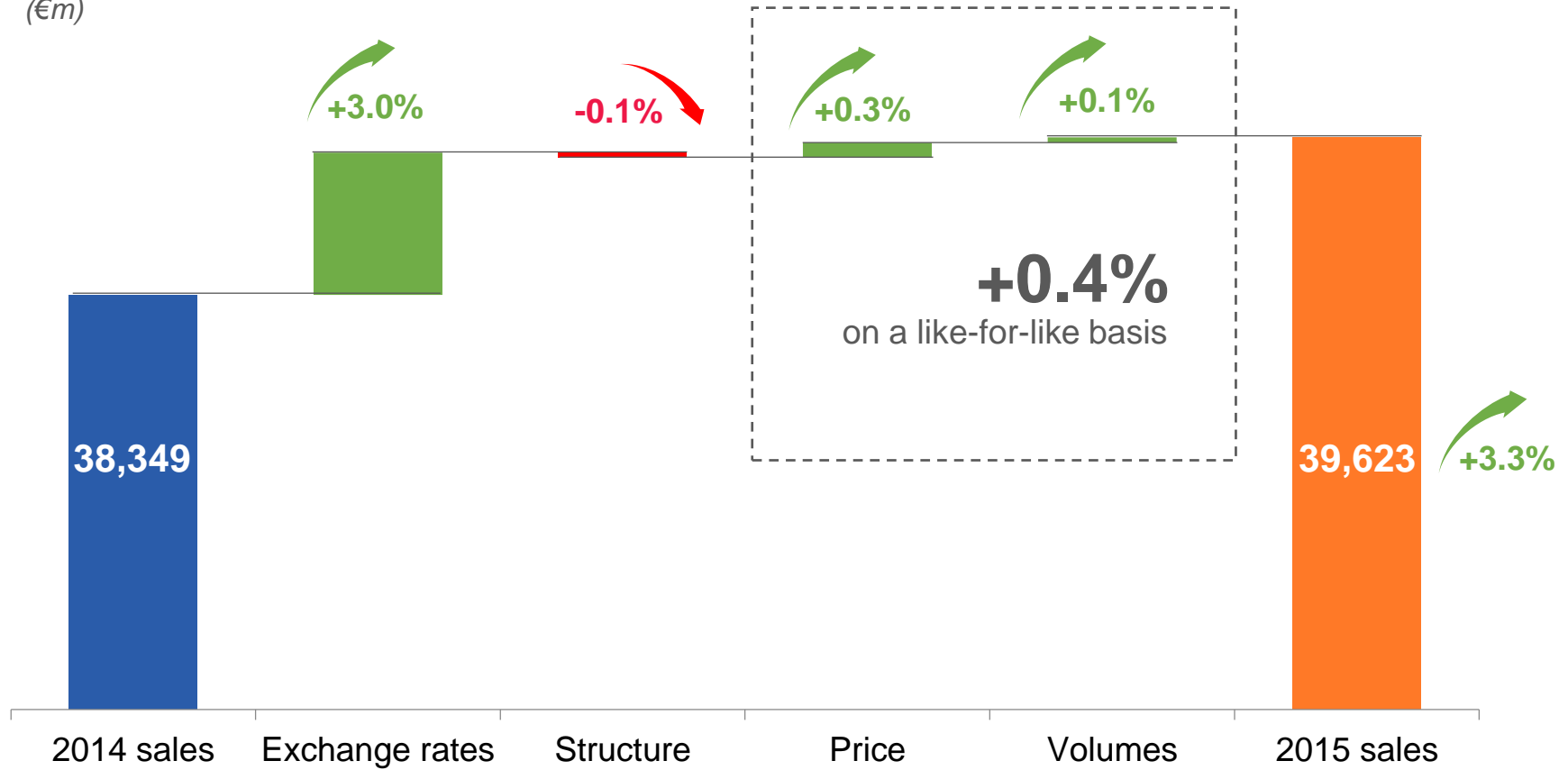
* recurring net income from continuing operations excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions

** consolidated net income attributable to the Group

*** free cash flow from continuing operations excluding the tax impact of capital gains and losses, asset write-downs and material non-recurring provisions

SALES

(€m)

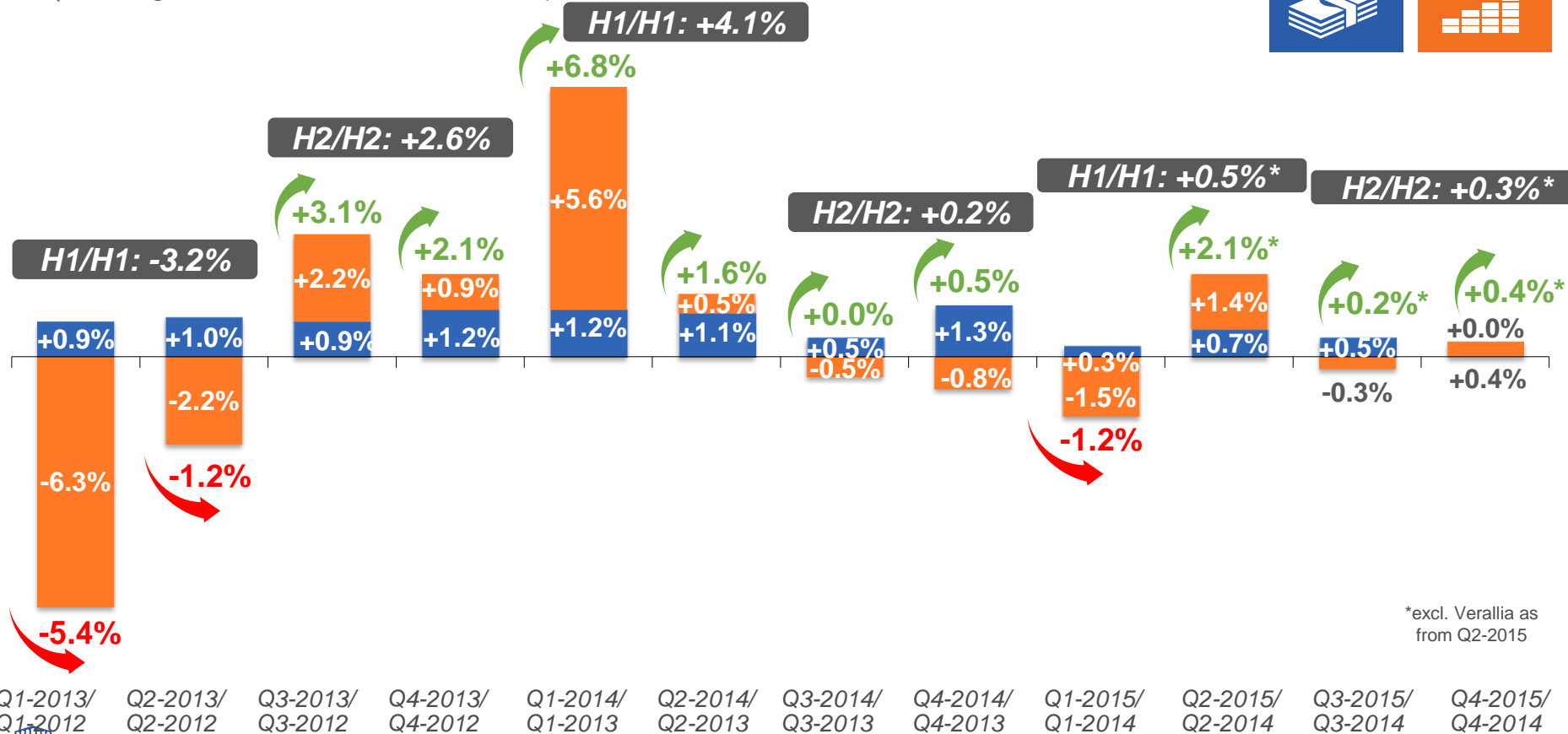


QUARTERLY ORGANIC GROWTH

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

Price

Volumes



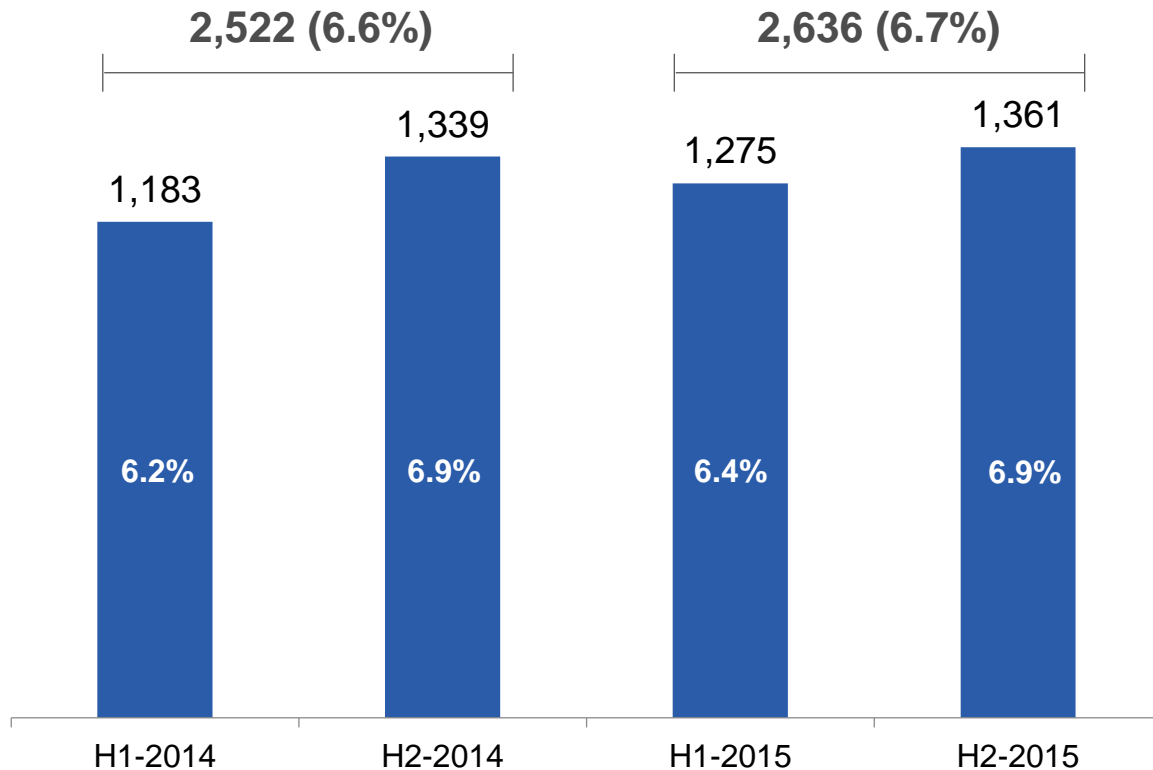
*excl. Verallia as from Q2-2015

Q1-2013/ Q1-2012 Q2-2013/ Q2-2012 Q3-2013/ Q3-2012 Q4-2013/ Q4-2012 Q1-2014/ Q1-2013 Q2-2014/ Q2-2013 Q3-2014/ Q3-2013 Q4-2014/ Q4-2013 Q1-2015/ Q1-2014 Q2-2015/ Q2-2014 Q3-2015/ Q3-2014 Q4-2015/ Q4-2014

OPERATING INCOME

(€m and % of sales)

2015/2014: **+4.5%**
+2.2% like-for-like



Percent of sales:

NON-OPERATING ITEMS

(€m)

	2014	2015	Change
Operating income	2,522	2,636	+4.5%
Non-operating costs	(183)	(344)	
<i>o/w:</i>			
<i>Provision for asbestos-related litigation</i>	<i>(90)</i>	<i>(90)</i>	
<i>Other expenses</i>	<i>(93)</i>	<i>(254)</i>	
Other operating expenses	(759)	(998)	
<i>o/w:</i>			
<i>Disposal gains (losses)</i>	<i>41</i>	<i>(65)</i>	
<i>Asset write-downs</i>	<i>(800)</i>	<i>(933)</i>	
Business income	1,580	1,294	-18.1%

OUTSTANDING CLAIMS

Asbestos-related claims in the US

- » Around **US\$ 65m** paid out in 2015 (*versus US\$ 68m in 2014*)
- » €90m accrual to the provision in 2015;
total balance sheet provision: **US\$ 581m** at end-2015 (*versus US\$ 571m at end-2014*)

	2013	2014	2015*
New claims	4,500	4,000	3,200
Settled claims	4,500	6,500	4,600
Outstanding claims	43,000	37,000**	35,600

* estimated

** after the transfer of 3,500 claims to inactive dockets in 2014

NET FINANCIAL EXPENSE, INCOME TAX AND NET INCOME FROM DISCONTINUED OPERATIONS

(€m)

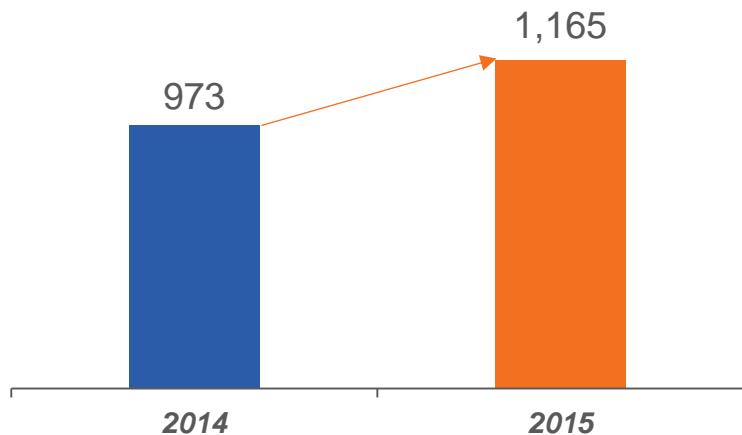
	2014	2015
Net financial expense	663	629
Average cost of gross debt*	4.2%	3.9%
Income tax	398	248
Tax rate on recurring net income	32%	29%
Net income from discontinued operations	481	929

* at December 31

RECURRING* NET INCOME

(€m)

2015/2014: **+19.7%**

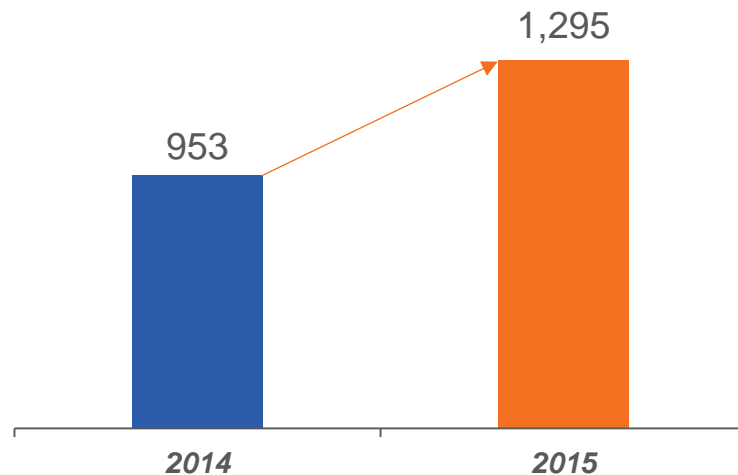


Recurring* EPS: €2.09 (+20.1%)

NET INCOME

(€m)

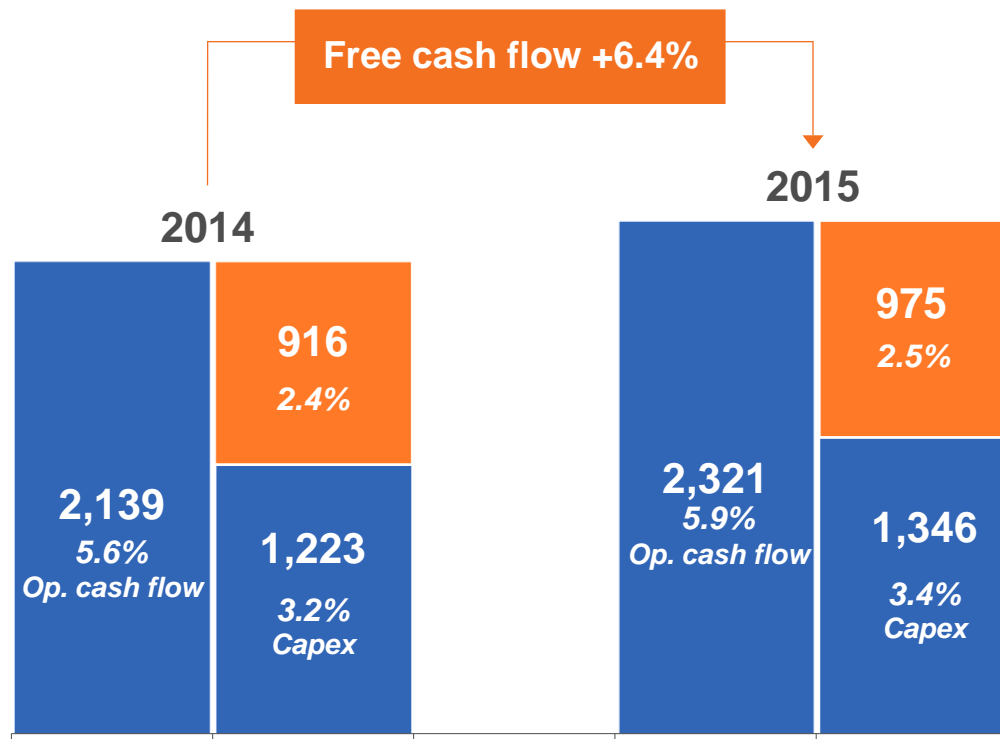
2015/2014: **+35.9%**



EPS: €2.32 (+36.5%)

* recurring net income from continuing operations excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions

CASH FLOW FROM OPERATIONS (excl. tax impact*) AND CAPEX (€m and % of sales)

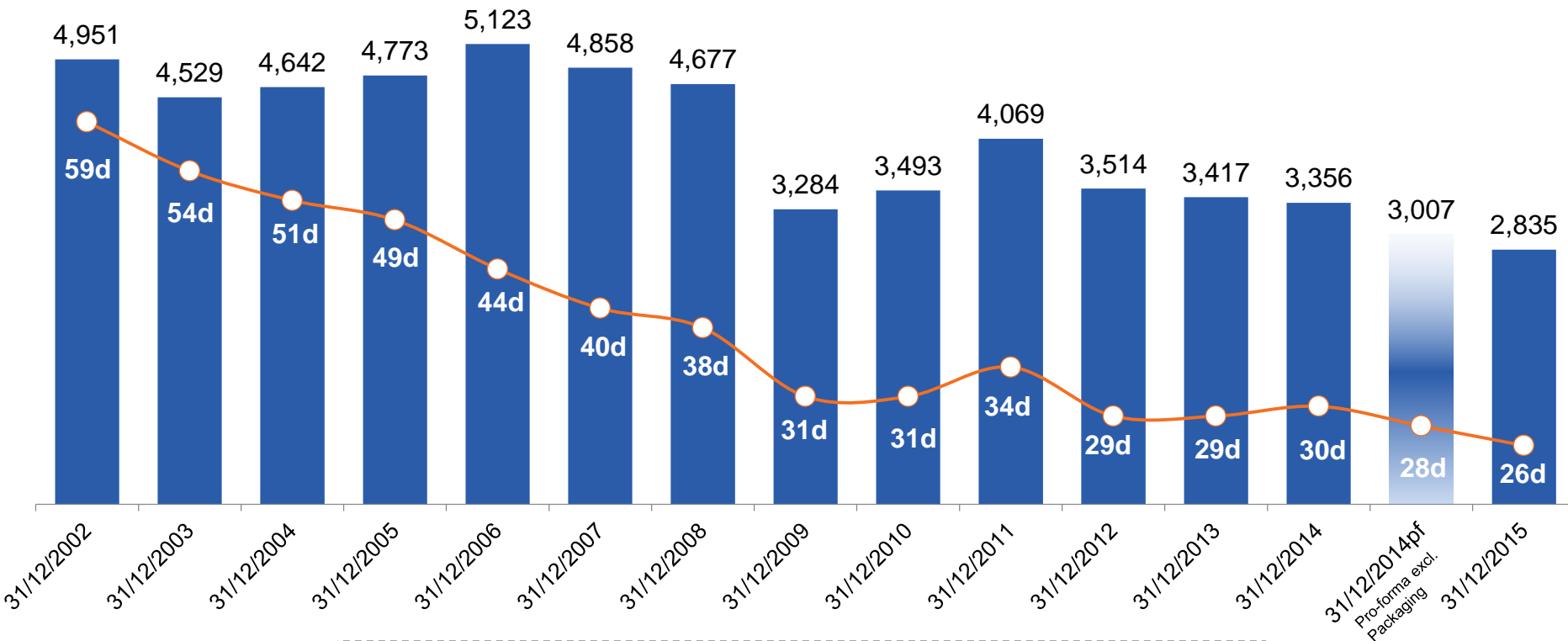


* excluding the tax impact of capital gains and losses on disposals, asset write-downs and material non-recurring provisions

TIGHT REIN ON OPERATING WCR

(at December 31, €m and no. of days)

**-2 days
over 12 months**



**Ongoing tight rein on operating WCR,
down to a record low**

MAIN FINANCIAL TRANSACTIONS

€227m in financial investments

- » Small and mid-scale acquisitions policy continued, in line with the Group's strategic objectives:
 - » **HPM**: ZenPure (US), British Indústria (Brazil)
 - » **CP**: VTI (Vietnam), Lodhia Gypsum Industries (Tanzania), joint venture in Ghana, PT Cipta Mortar Utama (Indonesia), Structus Building Technologies (US), Fortcola (Brazil), Isoroc (Russia)
 - » **Building Distribution**: bolt-on acquisitions in Nordic countries

... and continued optimization of the business portfolio

- » Disposals representing ~€700m in full-year sales, mainly in Building Distribution

Sale of Verallia for €2,945m

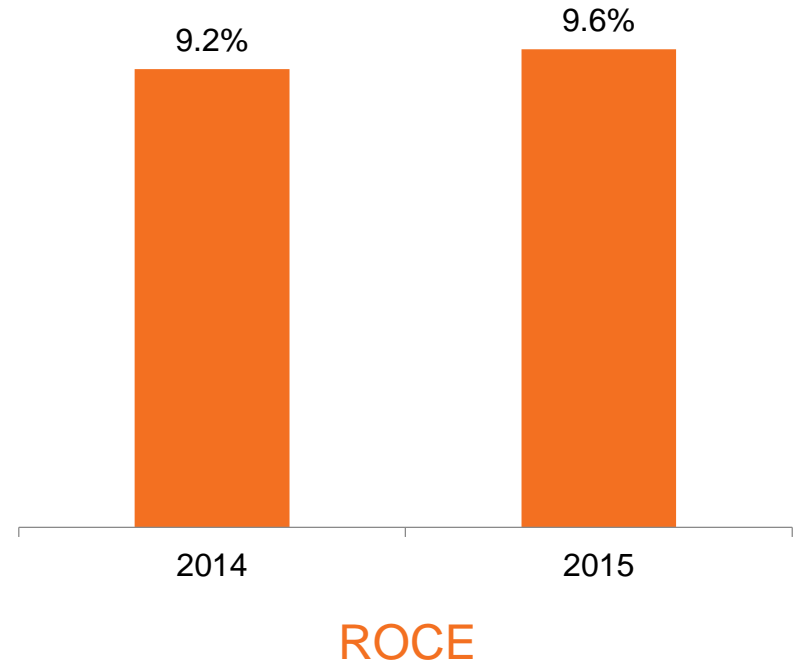
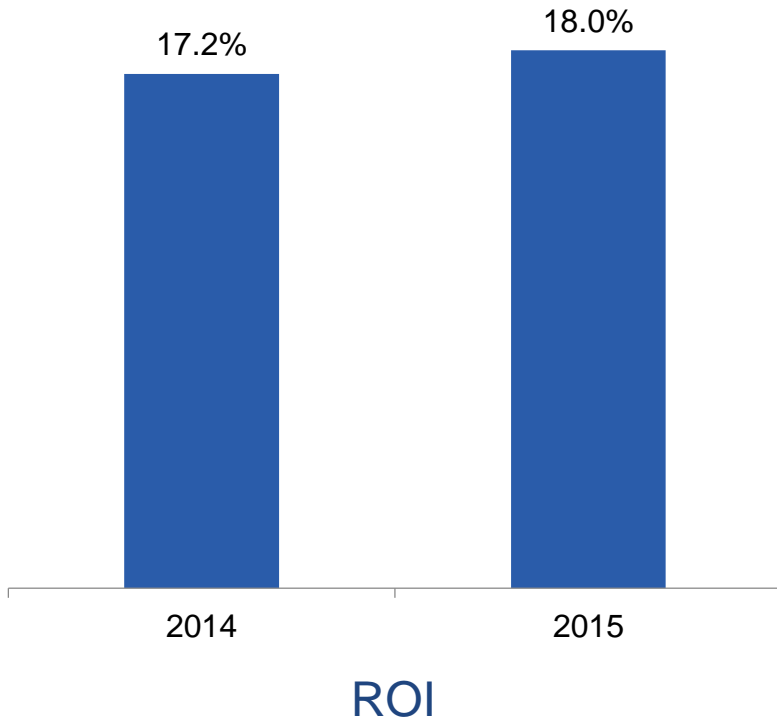
- » Capital gain of €777m net of tax and disposal costs

€545m in share buybacks

- » In line with the Group's long-term objectives, 13.9m shares repurchased
- » Reduction of 1.8m in the number of shares outstanding

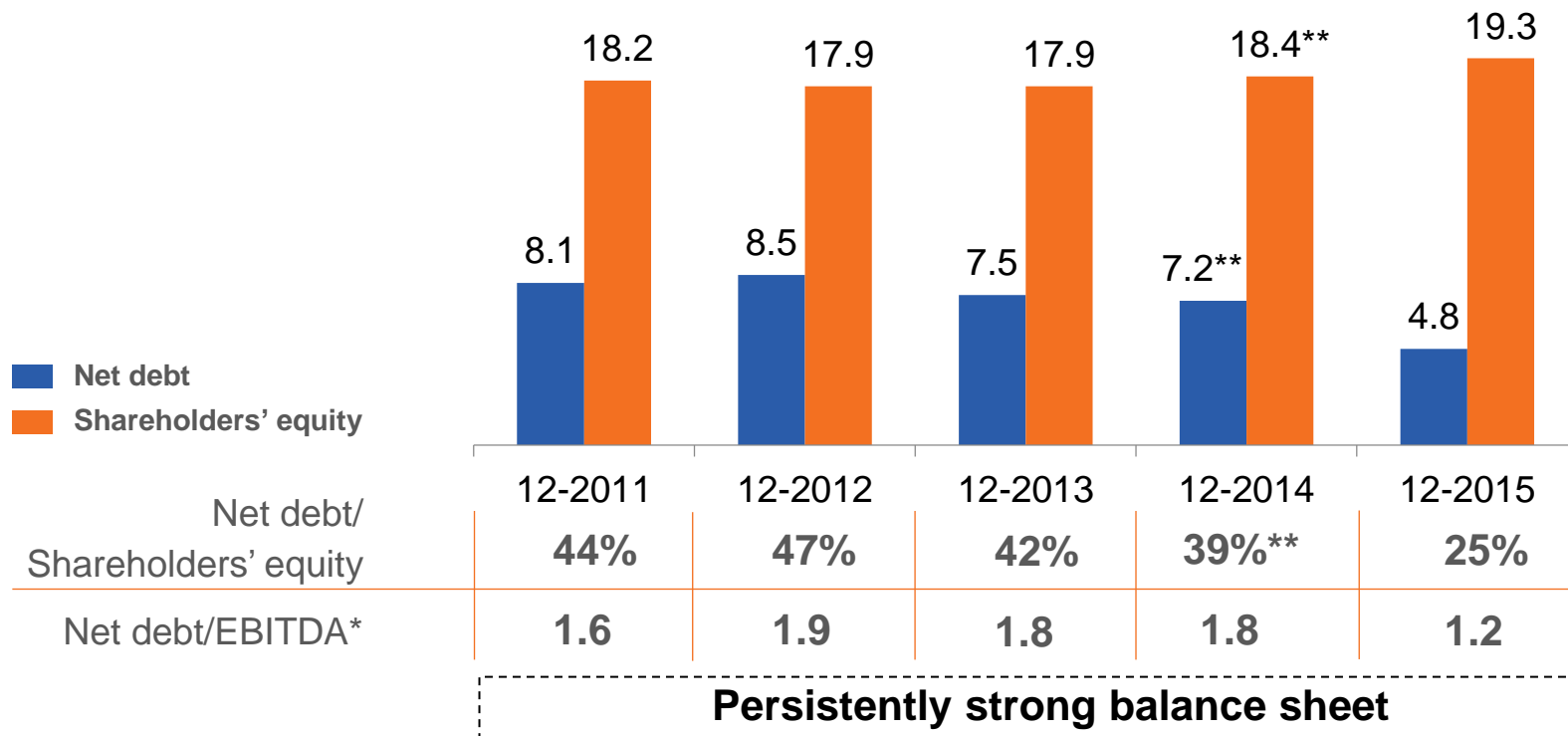
STEADY IMPROVEMENT IN ROI AND ROCE

(excl. Verallia, before tax)



NET DEBT AND SHAREHOLDERS' EQUITY

(€bn)



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

** including Verallia

2 2015 RESULTS

GROUP
SECTORS
REGIONS



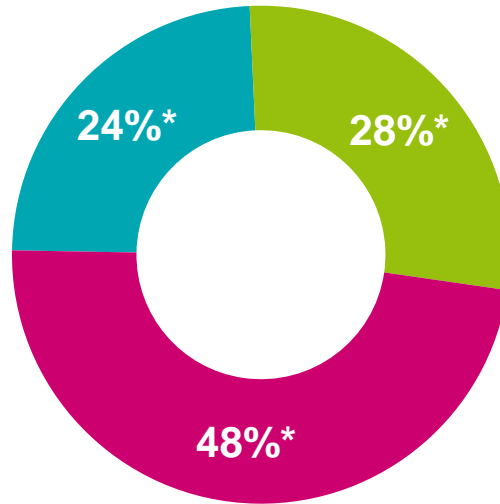
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SALES TRENDS BY BUSINESS SECTOR

(% change in 2015/2014 like-for-like sales)

Group
➔ **+0.4%**

**Innovative
Materials**
+2.2%
Flat Glass: **+5.1%**
HPM: **-1.0%**



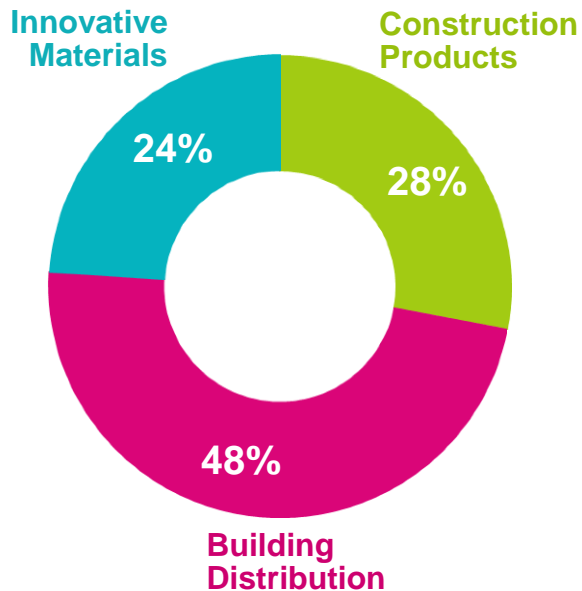
**Construction
Products**
+0.5%
Interior Solutions: **+1.9%**
Exterior Solutions: **-1.0%**

**Building
Distribution**
-0.6%

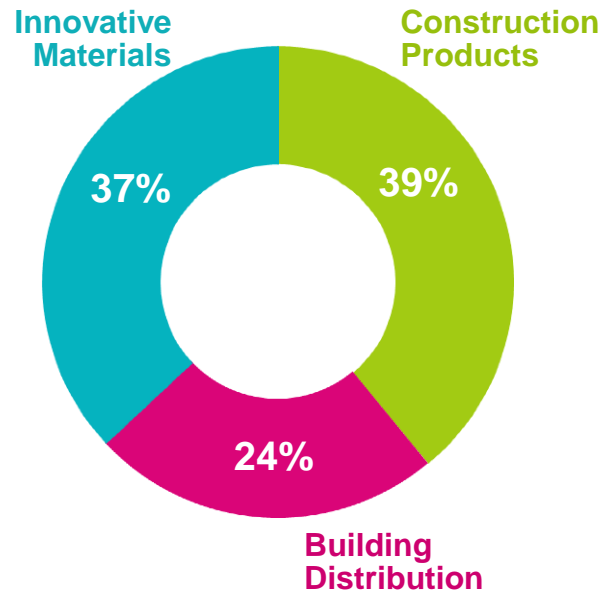
* breakdown of 2015 sales

BREAKDOWN OF SALES AND INDUSTRIAL ASSETS BY BUSINESS SECTOR

2015 Sales

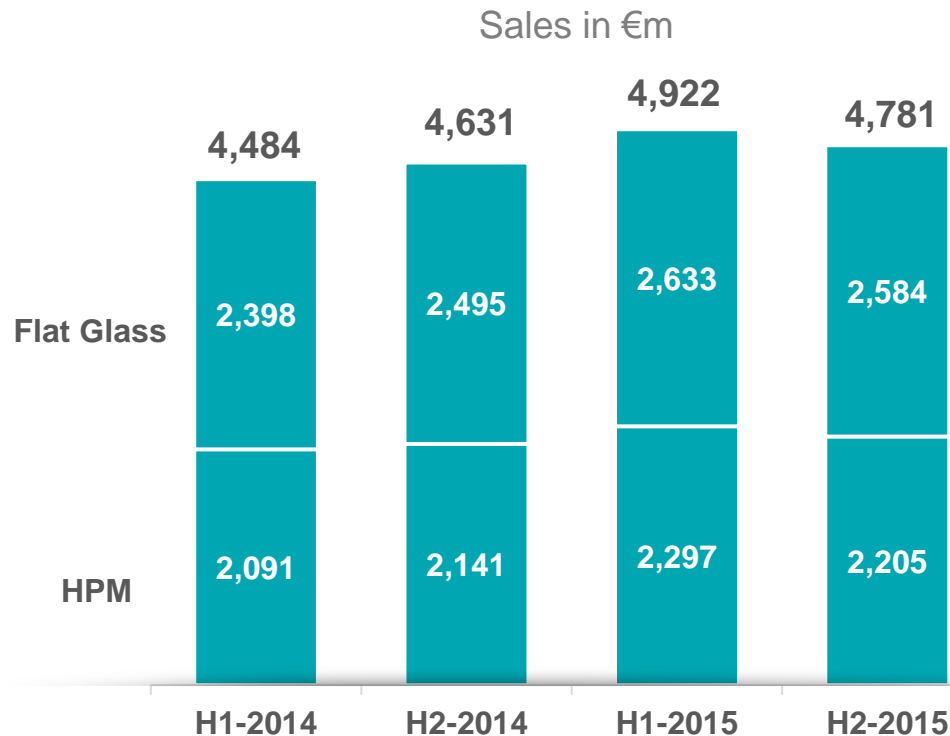


Industrial assets
at Dec. 31, 2015



INNOVATIVE MATERIALS (FLAT GLASS – HPM)

2015/2014 organic growth (like-for-like)			
	2015/ 2014	H1/H1	H2/H2
Innovative Materials	+2.2%	+2.6%	+1.7%
Flat Glass	+5.1%	+5.6%	+4.4%
HPM	-1.0%	-0.8%	-1.2%

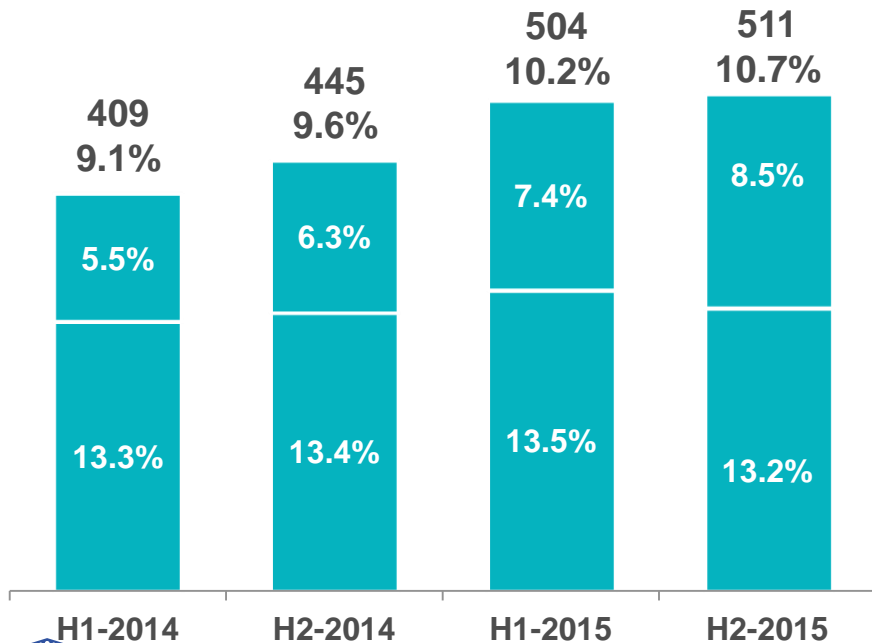


INNOVATIVE MATERIALS (FLAT GLASS – HPM)

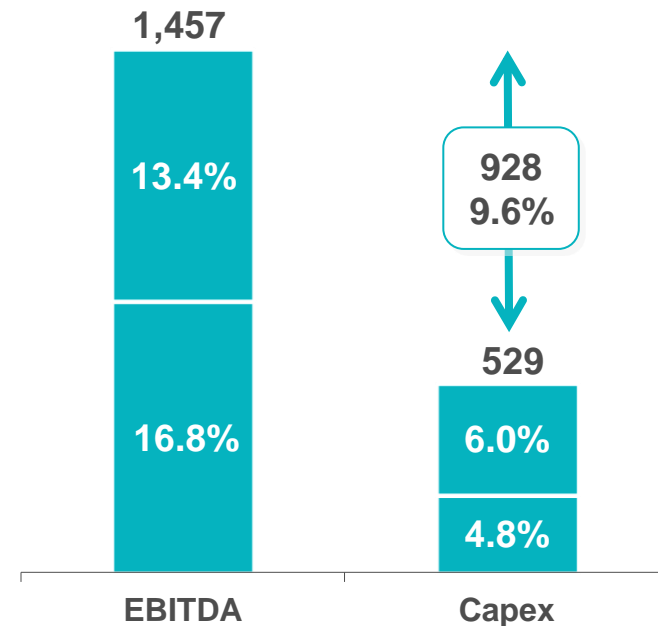
(€m and % of sales)



Operating income

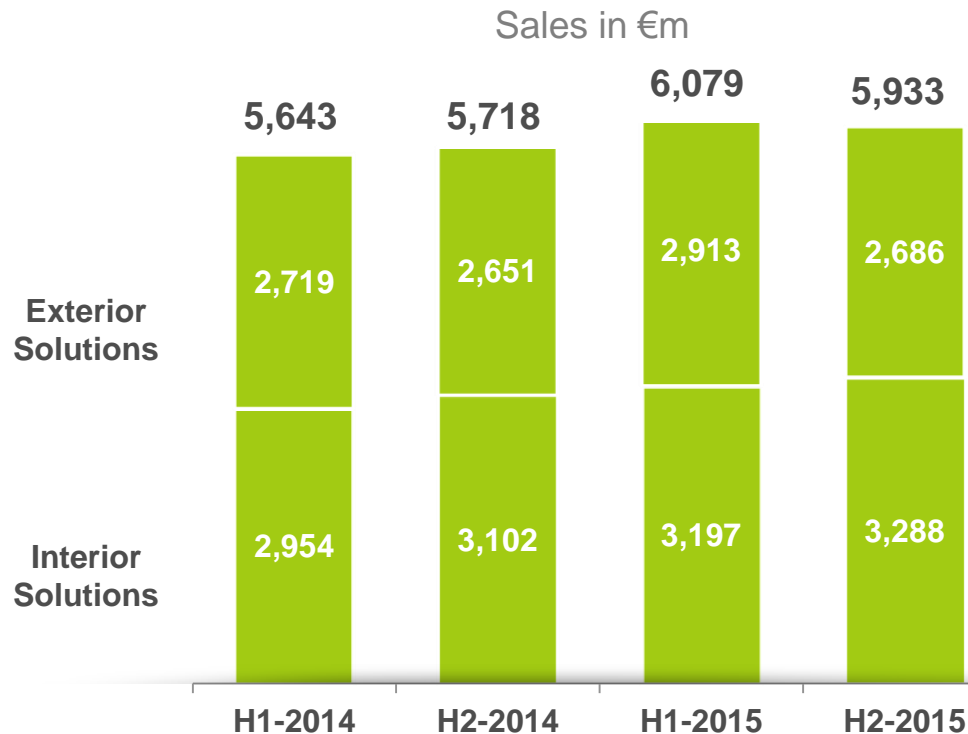


2015 EBITDA & Capex



CONSTRUCTION PRODUCTS

2015/2014 organic growth (like-for-like)			
	2015/ 2014	H1/H1	H2/H2
Construction Products	+0.5%	+0.9%	-0.1%
Ext. Solutions	-1.0%	-0.4%	-2.0%
Int. Solutions	+1.9%	+2.2%	+1.8%

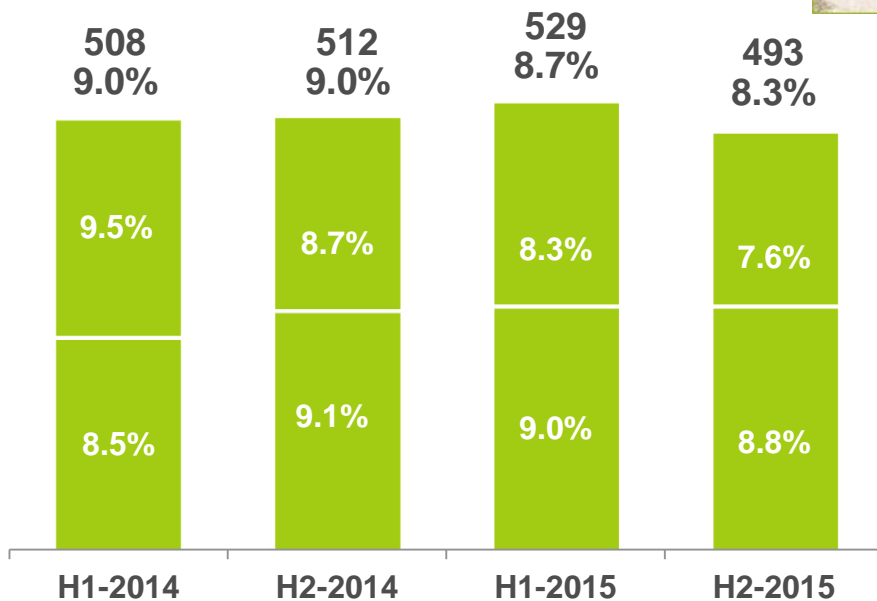


CONSTRUCTION PRODUCTS

(€m and % of sales)



Operating income



2015 EBITDA & Capex

1,493

Exterior Solutions

10.7%

Interior Solutions

13.8%

965
8.0%

528

3.9%

4.8%

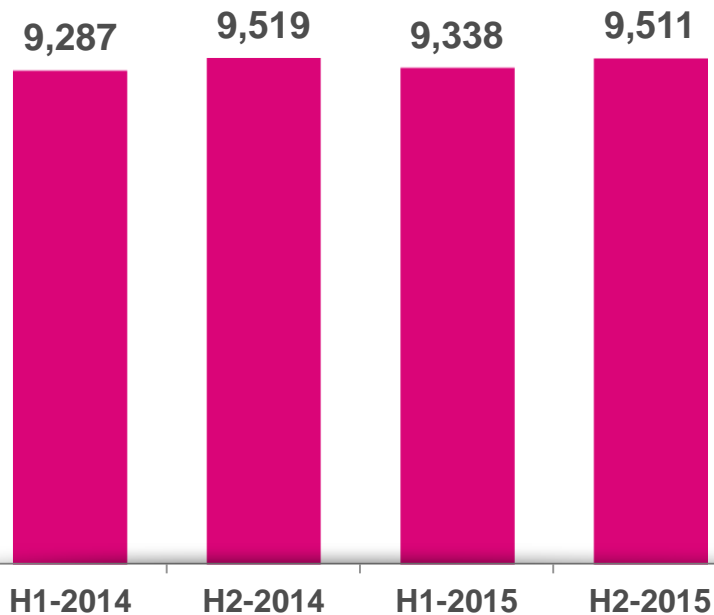
EBITDA

Capex

BUILDING DISTRIBUTION

2015/2014 organic growth (like-for-like)			
	2015/ 2014	H1/H1	H2/H2
Building Distribution	-0.6%	-1.1%	-0.1%

Sales in €m

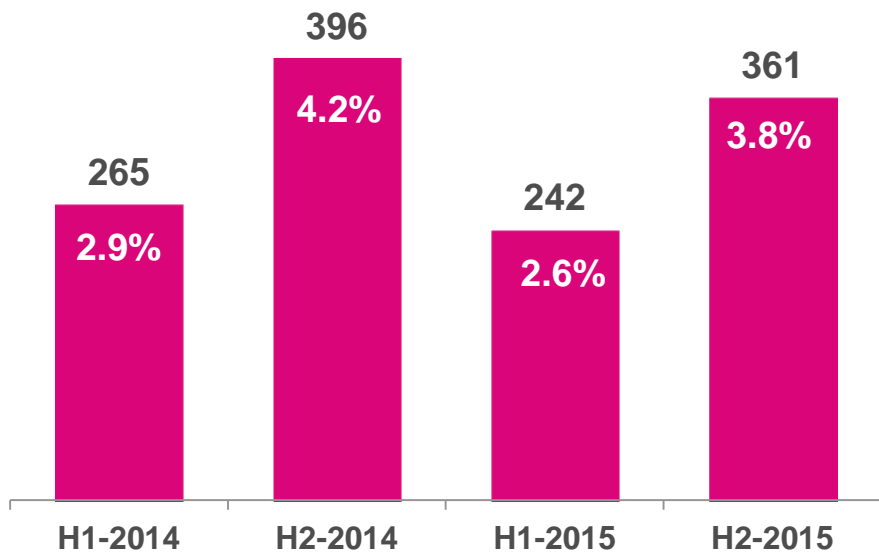


BUILDING DISTRIBUTION

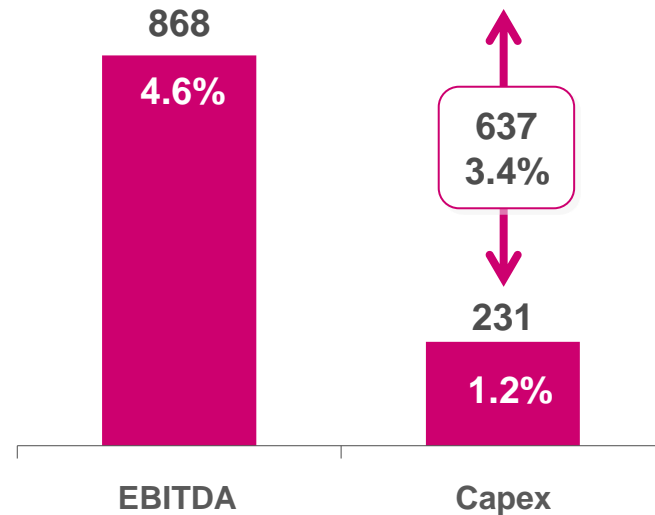
(€m and % of sales)



Operating income

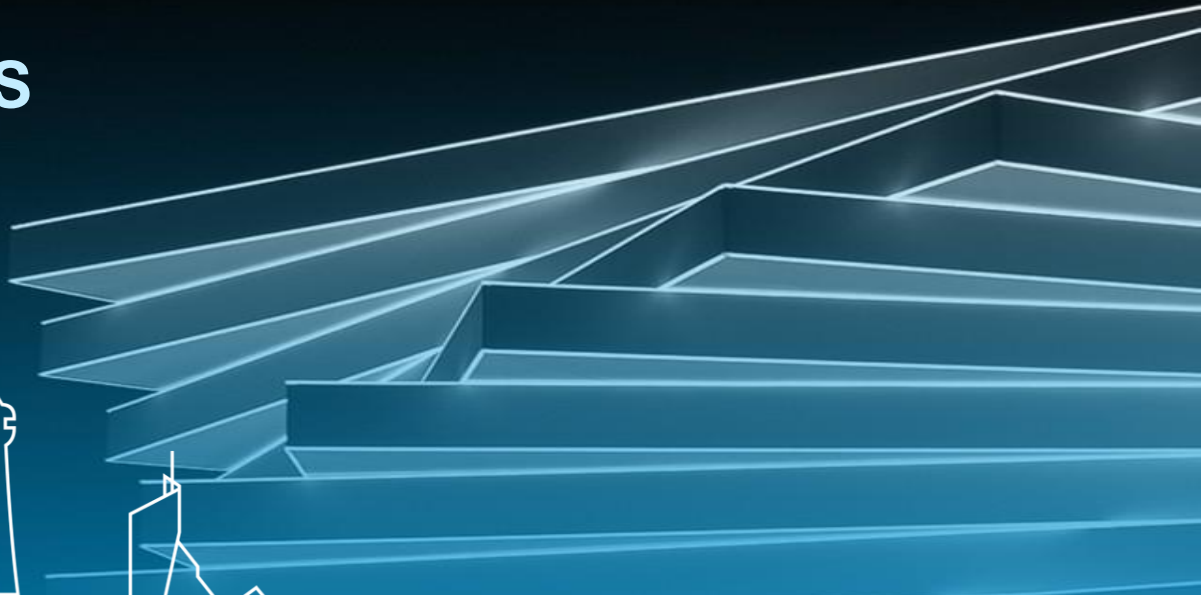


2015 EBITDA & Capex



2 2015 RESULTS

GROUP
SECTORS
REGIONS



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SALES TRENDS BY REGION

(% change in 2015/2014 like-for-like sales)

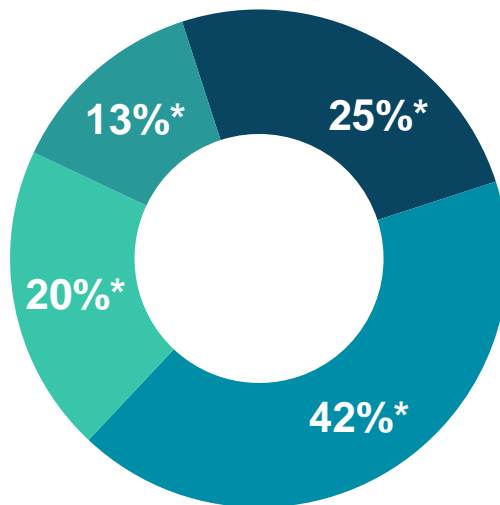
Group
 **+0.4%**

North America
-2.0%

France
-4.1%

Asia & emerging countries
+4.1%

Other Western Europe
+2.1%



O/W:

Asia (7%):	-0.2%
Latin America (6%):	+7.7%
Eastern Europe (5%):	+3.4%
Africa & Middle East (2%):	+8.8%

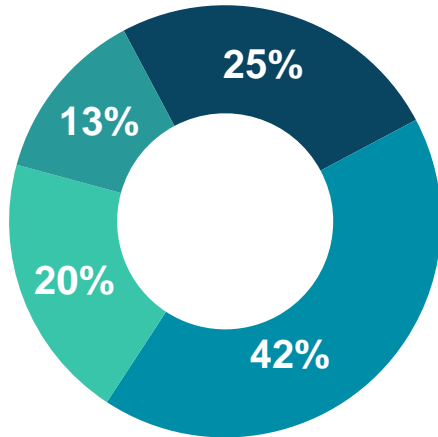
O/W:

Scandinavia (12%):	+4.6%
UK (12%):	+2.1%
Germany (10%):	-1.3%
Spain/Portugal (3%):	+8.3%

* breakdown of 2015 sales

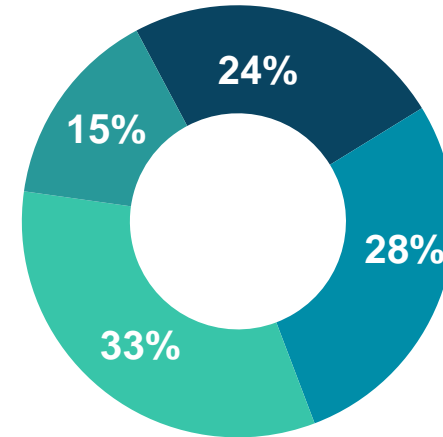
BREAKDOWN OF SALES AND INDUSTRIAL ASSETS BY REGION

2015 Sales



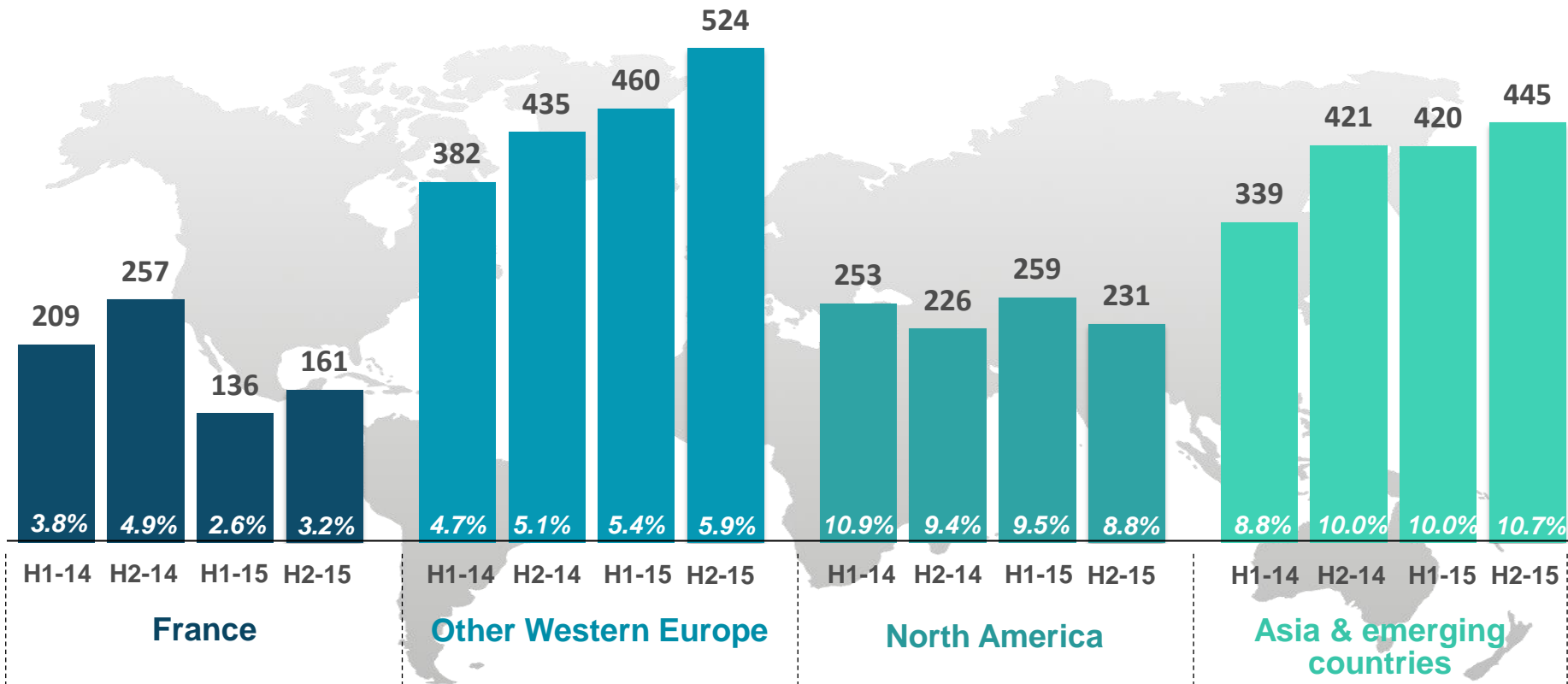
France
Other Western Europe
Asia & emerging countries
North America

Industrial assets
at Dec. 31, 2015



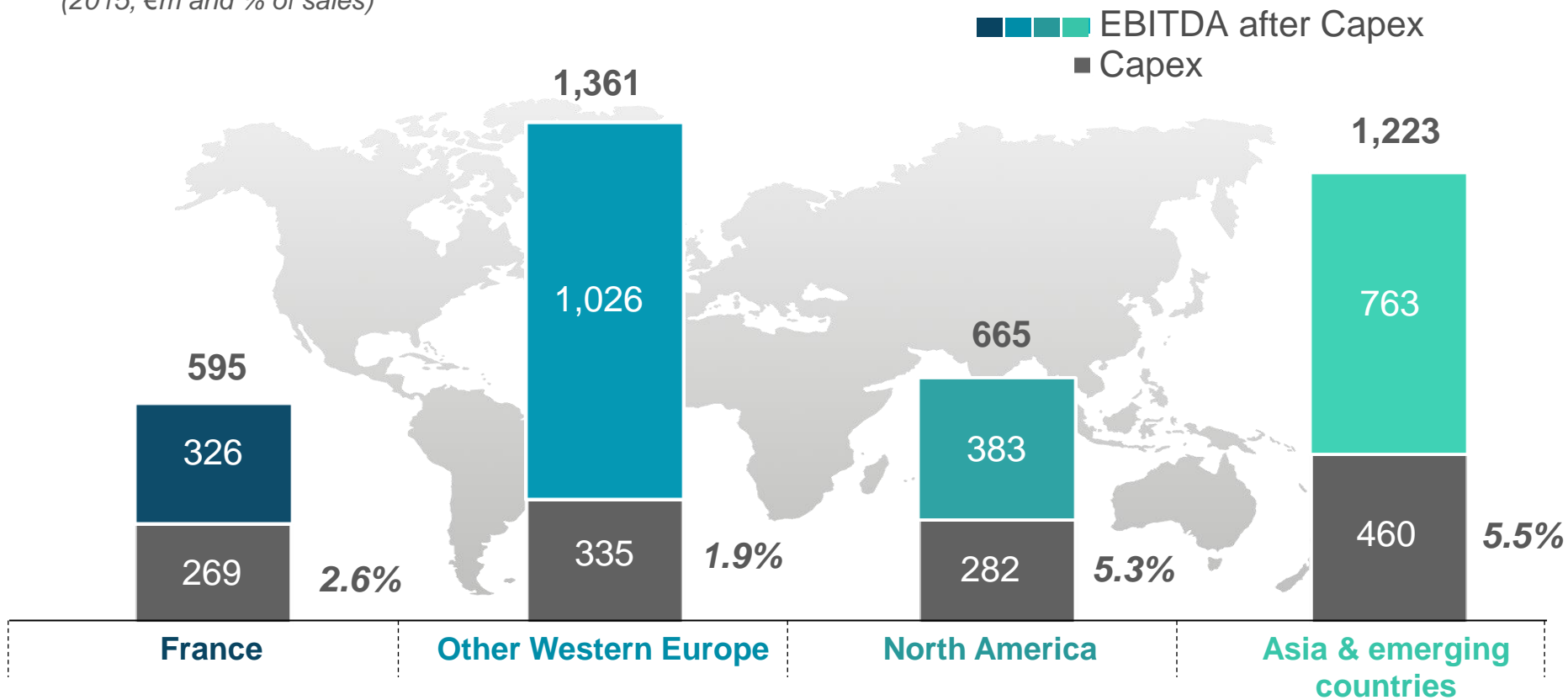
OPERATING INCOME BY REGION

(€m and % of sales)



EBITDA AND CAPEX BY REGION

(2015, €m and % of sales)



3 STRATEGY



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FOLLOWING THE SALE OF VERALLIA, THE GROUP'S DEVELOPMENT IS BASED ON THREE PILLARS



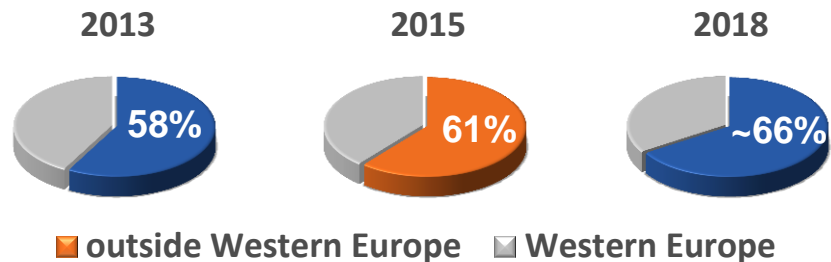
STRATEGY

- » **Boost our strengths**
- » Respond to the major trends in our markets
- » Accelerate the change in our portfolio

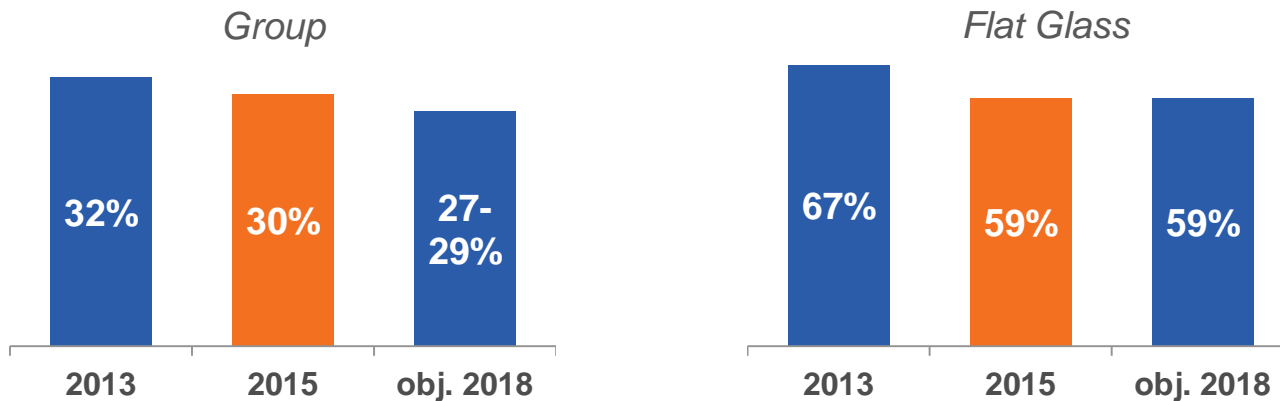
ON TRACK TO MEET OUR 2018 OBJECTIVES

STRENGTHEN THE GROUP PROFILE TO RAISE THE POTENTIAL FOR ORGANIC GROWTH

» **Industrial assets outside Western Europe**
(IM + CP, based on 2013 exch. rates)

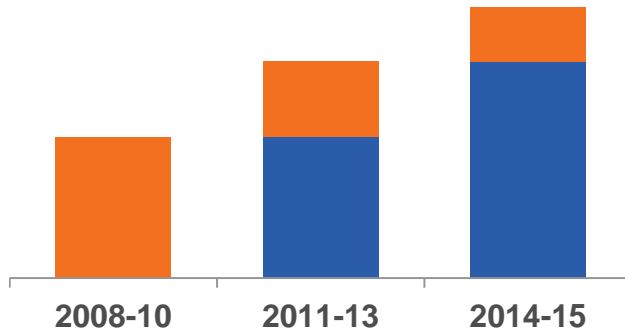


» **Capital intensity in developed countries**
(% industrial assets/annual sales)



CONSTANTLY AIM FOR OPERATING EXCELLENCE

**Cost savings:
> €4bn over 2008-2015**



» A new €800m, three-year cost-cutting plan (2016-2018)

- » Work stepped up on existing drivers
 - » Purchasing, operating excellence
- » New systematic action plans
 - » Supply chain excellence, industry 4.0

STRATEGY

- » Boost our strengths
- » **Respond to the major trends in our markets**
- » Accelerate the change in our portfolio

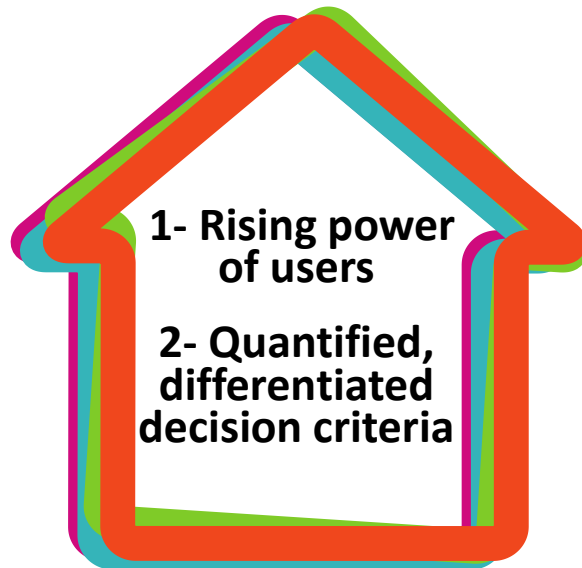
UNDERLYING TRENDS AT WORK IN CONSTRUCTION

User



Multi-comfort

Demand for comfort (visual, thermal, acoustic, air quality) largely unsatisfied



Builder



Productivity

Need for productivity in construction

Need for innovative, easy-to-implement solutions
Need for additional services, particularly digital services

A DIGITAL ACTION PLAN TO DEVELOP SERVICES IN ALL OF THE GROUP'S BUSINESSES



» New online sales formats in Building Distribution

» Chargeable digital service package for craftsmen (quotations, configuration, etc.) offered by Point.P

» Tool for displaying flat glass products for architects and owners

Productivity

Productivity

Multi-comfort

Productivity

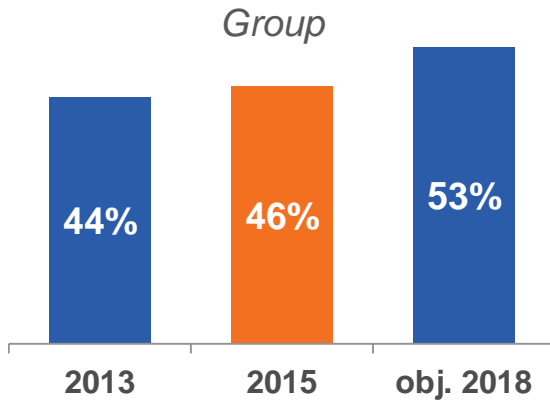
An additional source of growth going forward thanks to our unique positioning at the crossroads of products and services

ON TRACK TO MEET OUR 2018 OBJECTIVES

INCREASE THE GROUP'S FOCUS ON DIFFERENTIATION

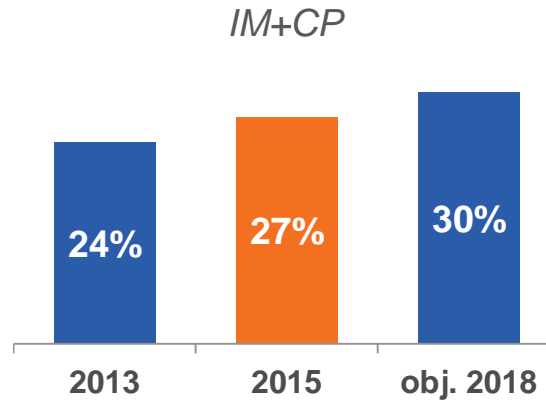
» Differentiation ratio

(share of sales of high value-added solutions, in co-development with customers, or related to energy efficiency)



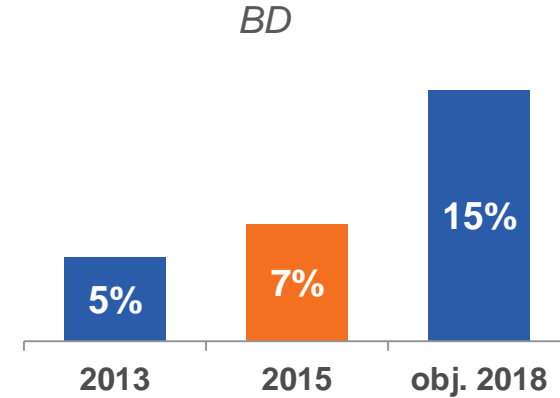
» New solutions ratio

(share of sales related to products and solutions less than five years old and considered as new by our customers)



» % online sales

(share of Building Distribution online sales based on a relevant scope)



STRATEGY

- » Boost our strengths
- » Respond to the major trends in our markets
- » **Accelerate the change in our portfolio**

ACQUISITION OF A CONTROLLING INTEREST IN SIKA: A PERFECT STRATEGIC FIT WITH SAINT-GOBAIN AND A UNIQUE VALUE CREATION OPPORTUNITY FOR SIKA

- » New technological skills (construction chemicals/adhesives) at the crossroads of the trends towards **productivity** and **multi-comfort**
- » **0.6-0.7 percentage points of additional organic growth p.a. for Saint-Gobain** thanks to the significant intrinsic growth of Sika's businesses
- » Possible combinations with each of the Group's businesses, generating **€250m in additional sales**
- » **Synergies totaling €180m** as from year 4, of which €70m benefiting Sika and its minority shareholders

SAINT-GOBAIN IS DETERMINED TO PURSUE ITS ACQUISITION OF A CONTROLLING INTEREST IN SIKA

- » In 2015 the antitrust authorities gave their **unconditional approval for the transaction** and various **legal decision were handed down in favor of the deal's completion**, thereby dismissing all of the arguments put forward by Sika's board of directors
- » The last obstacle remains the limitation of the voting rights of the SWH holding company, on which a **decision in first instance is expected from the Zug court in summer 2016**
- » The strategic interest of the transaction is confirmed **and its financial logic reinforced (fixed price in euros and value creation as from year Y+3**, thanks to better-than-expected results)
- » Saint-Gobain reiterates its commitment to **protect Sika's culture and staff** once the acquisition is completed
- » **This transaction does not affect the roll-out of Saint-Gobain's strategy**

A transaction which continues to make complete strategic and financial sense

CONTINUE THE DIVESTMENTS AND ACQUISITIONS POLICY TO SUPPORT THE STRATEGIC OBJECTIVES

- » **Leverage opportunities for value creation beyond Sika**
- » **Accelerate the ongoing strategic review of our existing businesses**

In order to...

- » Develop new technologies and niche markets
- » Consolidate strong positions in Building Distribution
- » Bolster our positions in growing markets

4 OUTLOOK



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2015 DIVIDEND

(Board's recommendation to the June 2, 2016 AGM)

€1.24 PER SHARE,
stable compared to 2014

- » Dividend yield
at Dec. 31, 2015: **3.1%**
- » Payout ratio based on
recurring net income: **59%**

PAYMENT:

- » **In cash**

TIMETABLE:

- » **June 2, 2016:** AGM
- » **June 6, 2016:** Ex-date
- » **June 8, 2016:** Payment date

OUTLOOK FOR 2016

ECONOMIC CLIMATE

- » Good momentum in **Western Europe**, with **France** stabilizing
- » Slight growth in construction markets in **North America**, uncertainty in industry
- » Continued growth in **Asia & emerging countries**, despite the slowdown in Brazil

GROUP BUSINESSES

- » **Innovative Materials**: further annual profitability gains for Flat Glass and continued good margins for HPM
- » **Construction Products**: improved profitability despite a first half affected by the downturn in Pipe
- » **Building Distribution**: organic growth benefiting from a change in the trend in France

2016 ACTION PRIORITIES

- » **Priority focus on sales prices** in a still deflationary environment
- » **Additional cost savings of around €250m over the year** (calculated on the 2015 cost base)
- » **Capital expenditure program** (around €1,400 million) focused primarily on growth capex outside Western Europe
- » **Renewed commitment to invest in R&D** to support our differentiated, high value-added strategy
- » **Ongoing plan to acquire a controlling interest in Sika**
- » **Priority focus on high free cash flow generation**

**The Group is targeting a further like-for-like improvement
in operating income**

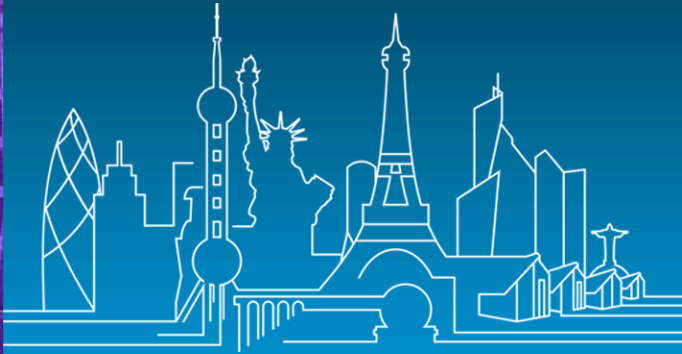
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This presentation contains forward-looking statements with respect to Saint-Gobain's financial condition, results, business, strategy, plans and outlook. Forward-looking statements are generally identified by the use of the words "expect", "anticipate", "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.



2015 Results and Outlook

February 26, 2016



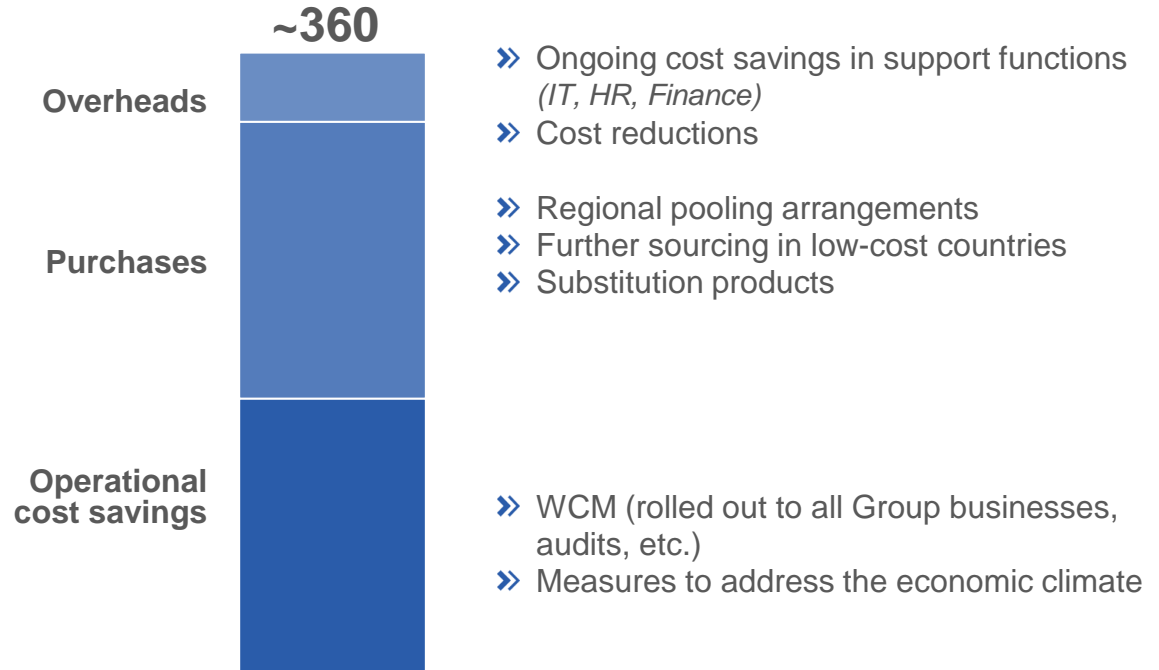
ADAPTING SWIFTLY TO THE CHANGING ECONOMIC CLIMATE NEW COST CUTTING PROGRAM

€360m cost savings in 2015 *(calculated on the 2014 cost base)*

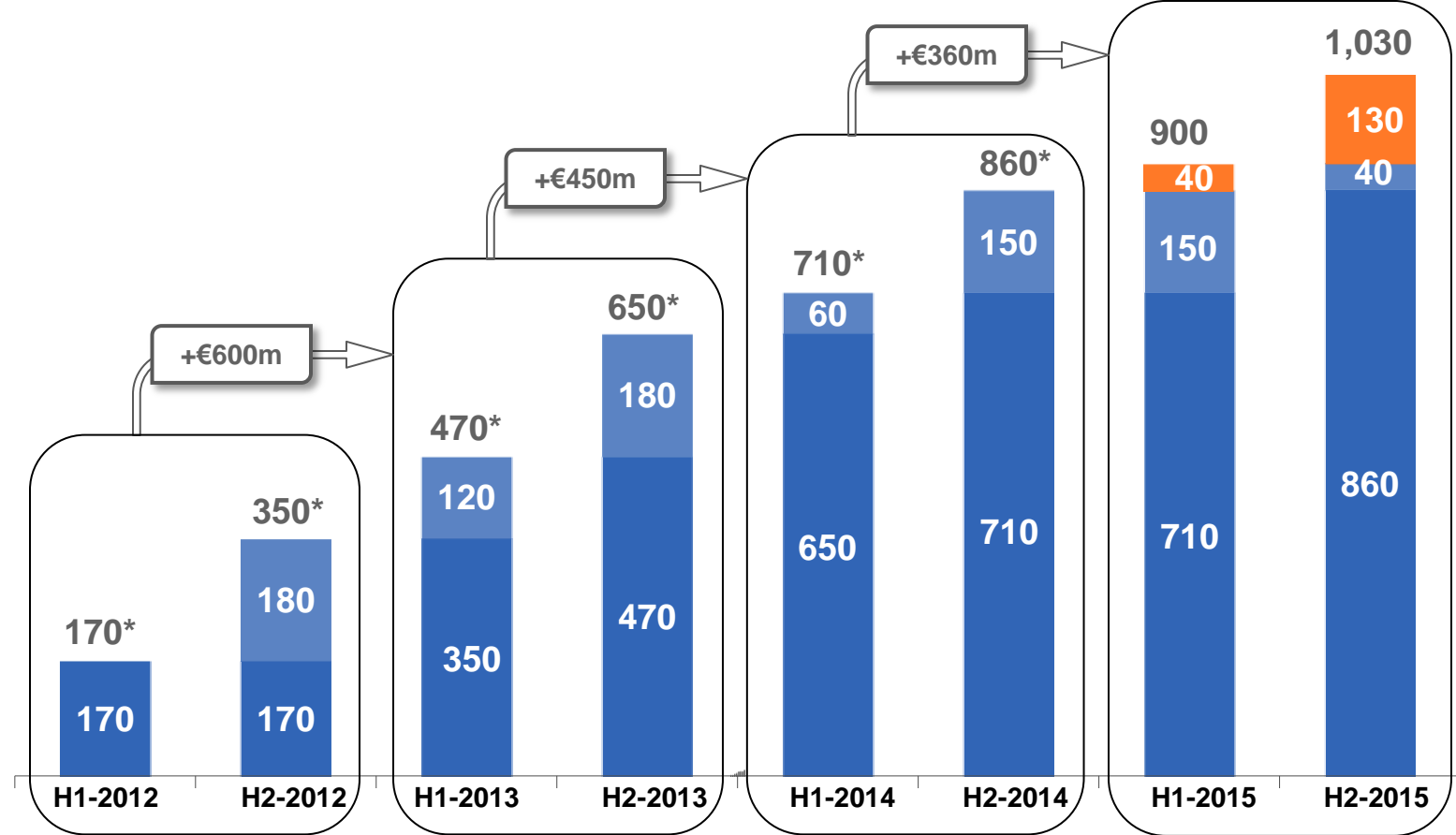
Breakdown by Business Sector



Breakdown by type



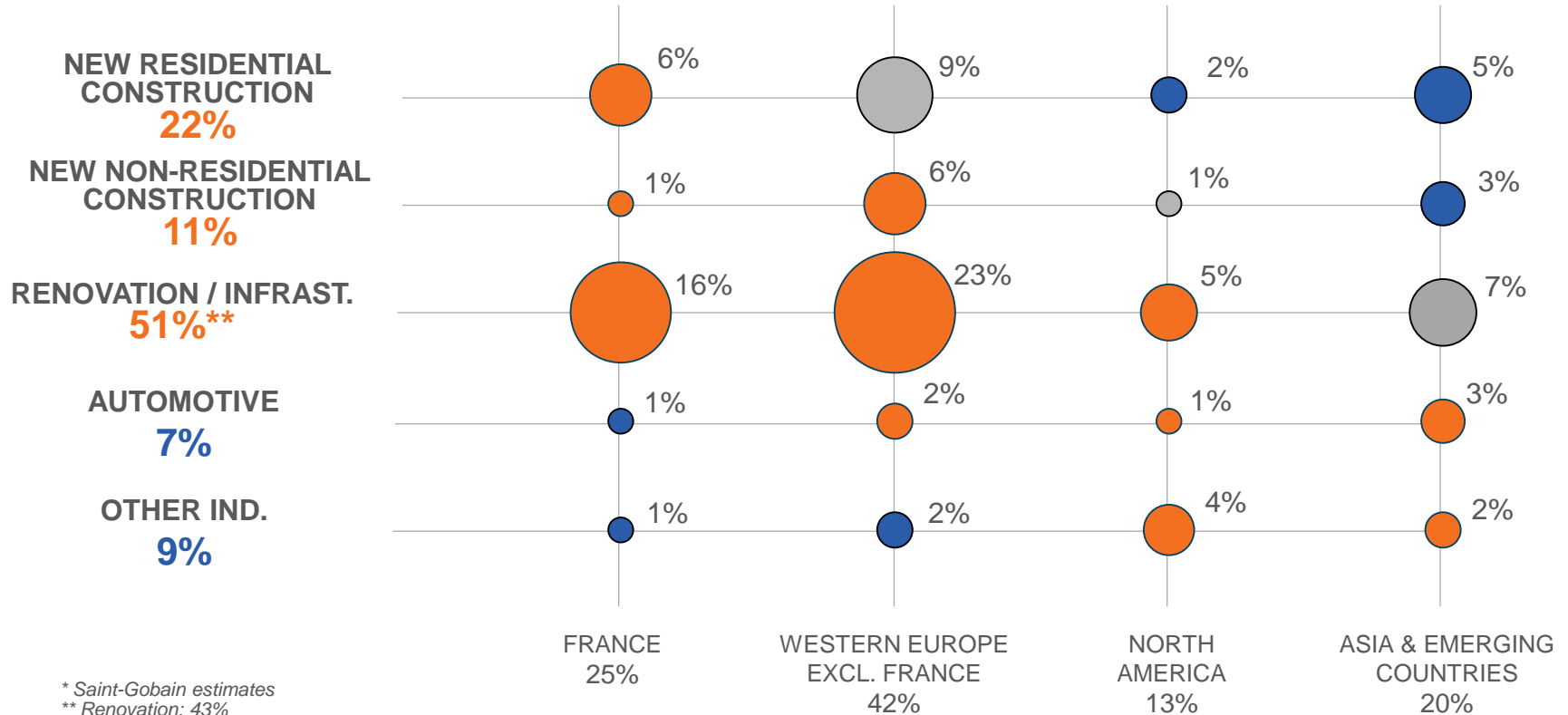
RESULTS OF THE NEW COST CUTTING PROGRAM: €360M IN ADDITIONAL COST SAVINGS IN 2015



Cost base at
end-2011

* including the Packaging business

ATTRACTIVE POSITIONING FOCUSED ON RESIDENTIAL CONSTRUCTION AND RENOVATION *

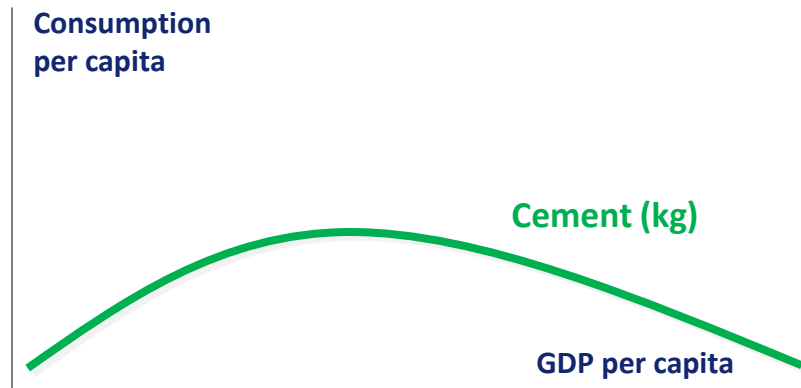
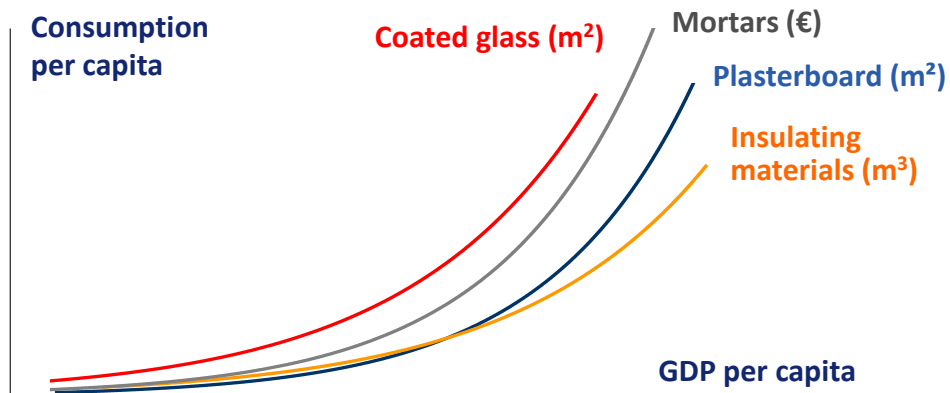


* Saint-Gobain estimates
 ** Renovation: 43%
 Infrastructure: 8%

UNIQUE, ATTRACTIVE POSITIONING GROWING MARKETS

» Technical solutions for tomorrow's homes

CONSUMPTION PER CAPITA BASED ON WEALTH



» Solutions promoting energy efficiency in buildings