

Analyst – Investor meeting

London August 1, 2005



SAINT-GOBAIN

The Saint-Gobain logo, featuring a stylized white icon of a building with a gabled roof above the company name "SAINT-GOBAIN" in white capital letters.

A First-half 2005 results

B BPB plc

First-half 2005 results

- 1** First-half 2005 highlights
- 2** First-half 2005 results
- 3** Operating performance in first-half 2005
- 4** Outlook and targets for second-half 2005

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First-half 2005 highlights



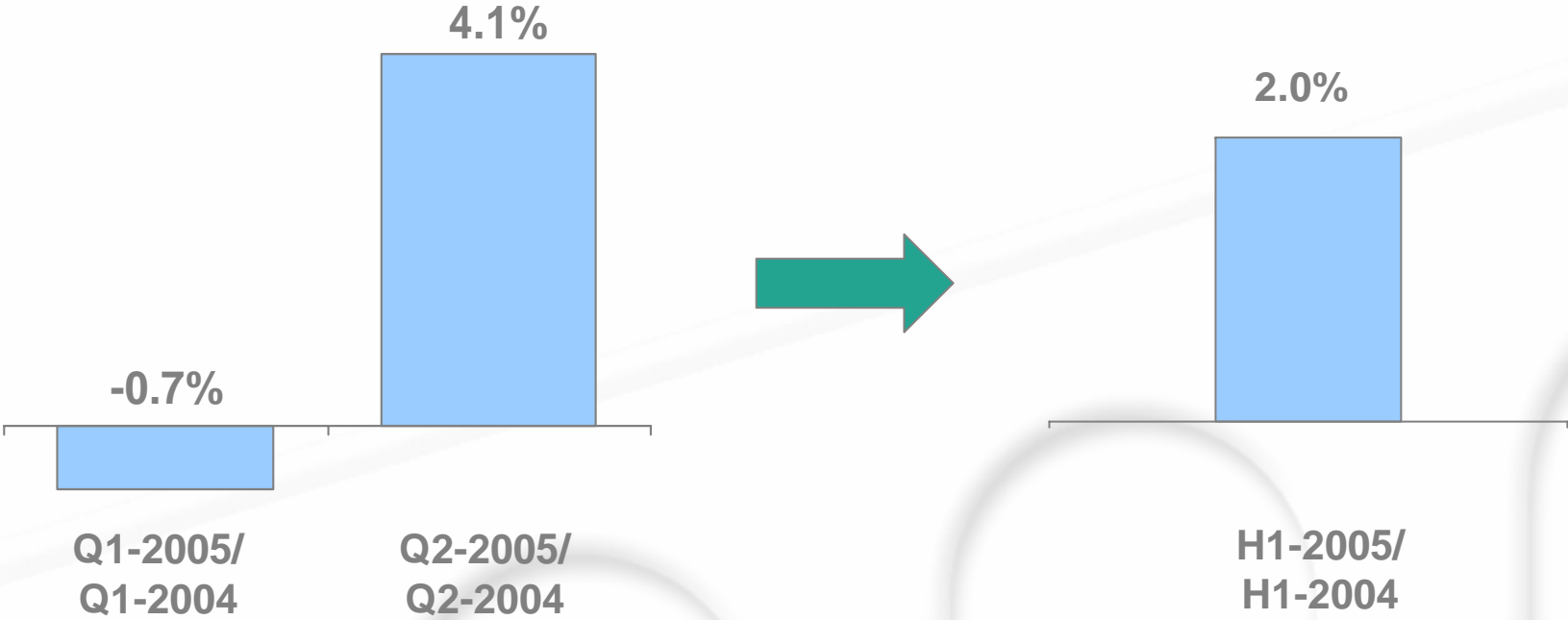
Saint-Gobain in H1 2005: key figures

	€m	Change H1-2005/ H1-2004	Change H1-2005/ H1-2004 at constant exchange rates*
Net sales	16,877	+7.0%	+7.4%
Operating income	1,372	+4.6%	+4.9%
Business income	1,268	+10.5%	+10.5%
Net income, excluding capital gains	642	+10.9%	
Net income	632	+13.9%	

* average exchange rates for H1-2004

H1-2005: A difficult start followed by a vigorous second quarter

> Organic growth*: 2.0% at end-June 2005



* on a like-for-like basis

H1-2005: A buoyant economic climate despite a harder-than-expected first quarter

Rising energy costs

Europe:

- > Stable manufacturing markets
- > Business in **residential construction** markets remained buoyant in France, Scandinavia, Spain and Portugal

US:

- > Satisfactory **industrial growth**
- > Strong **household demand** (consumption and housing)

Emerging countries and Asia:

- > **Robust growth** in the Group's main markets
- > Adverse impact of bad weather on first-quarter 2005 results in Eastern Europe

Operations launched since start-2005

- > **Further acquisitions: around 30 transactions bringing onboard more than €1bn in full-year sales**
- > **Expansion in Asia and emerging countries**
 - **Various capital investments in Russia, Eastern Europe and China**
 - **Acquisition of a controlling interest in Hankuk Glass Industries (Korea)**
- > **Disposals: concrete products (Stradal), glass bricks, Ibiden JV**

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First-half 2005 results



2. First-half 2005 results

A. Group

B. Update on asbestos-related claims in the United States

Saint-Gobain: Key H1 figures (€m)

	H1-2004	H1-2005	% Change
Net sales	15,768	16,877	+7.0%
Operating income	1,312	1,372	+4.6%
Non-operating costs *	(133)	(108)	-18.8%
Other business income and expenses	(31)	4	n.m.
Business income *	1,148	1,268	+10.5%
Interest and other financial charges, net	(261)	(266)	+1.9%
Income taxes	(316)	(359)	+13.6%
Minority interests	(19)	(16)	-15.8%
Net income *	555	632	+13.9%
Net income, excl. capital gains *	579	642	+10.9%
Cash flow, excl. taxes on capital gains *	1,252	1,360	+8.6%
Capital expenditure	554	598	+7.9%
Net debt	7,431	7,463	+0.4%

* Including pre-tax asbestos-related charge of €54m in H1-05 (€50m in H1-04)

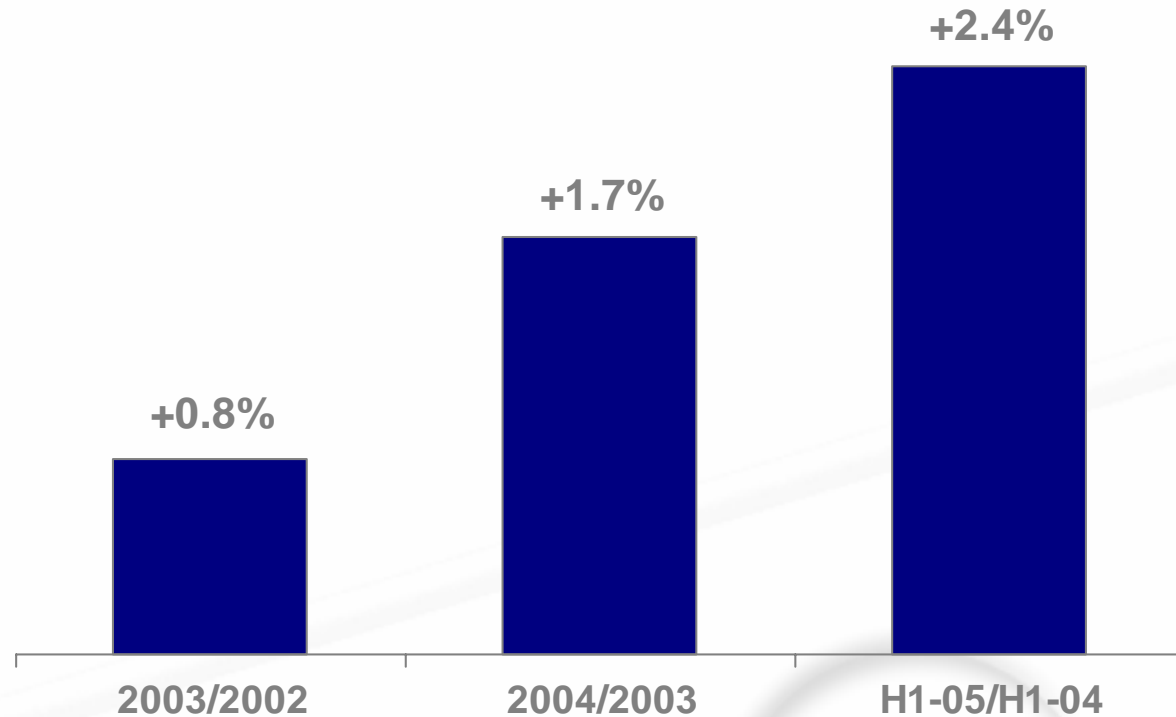
Net sales (€bn)



- Strong increase in prices
- Significant contribution from acquisitions

Sales price trends

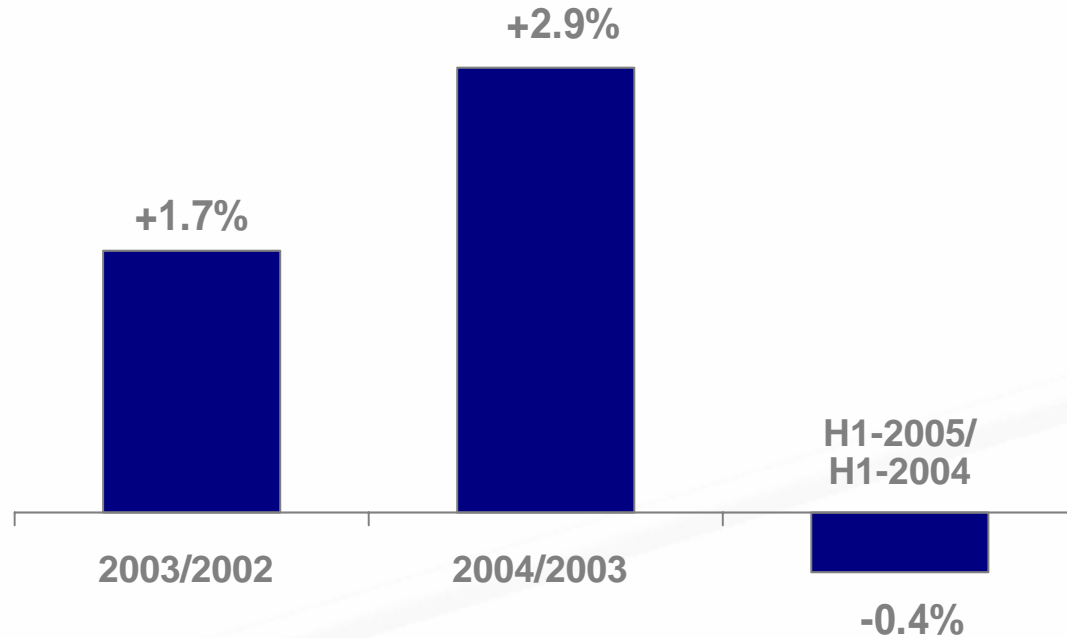
- *% annual change on a comparable structure basis*
- *Group composite index*
- *Current prices in local currencies*



Continuing strong upward trend in sales prices

Volume trends

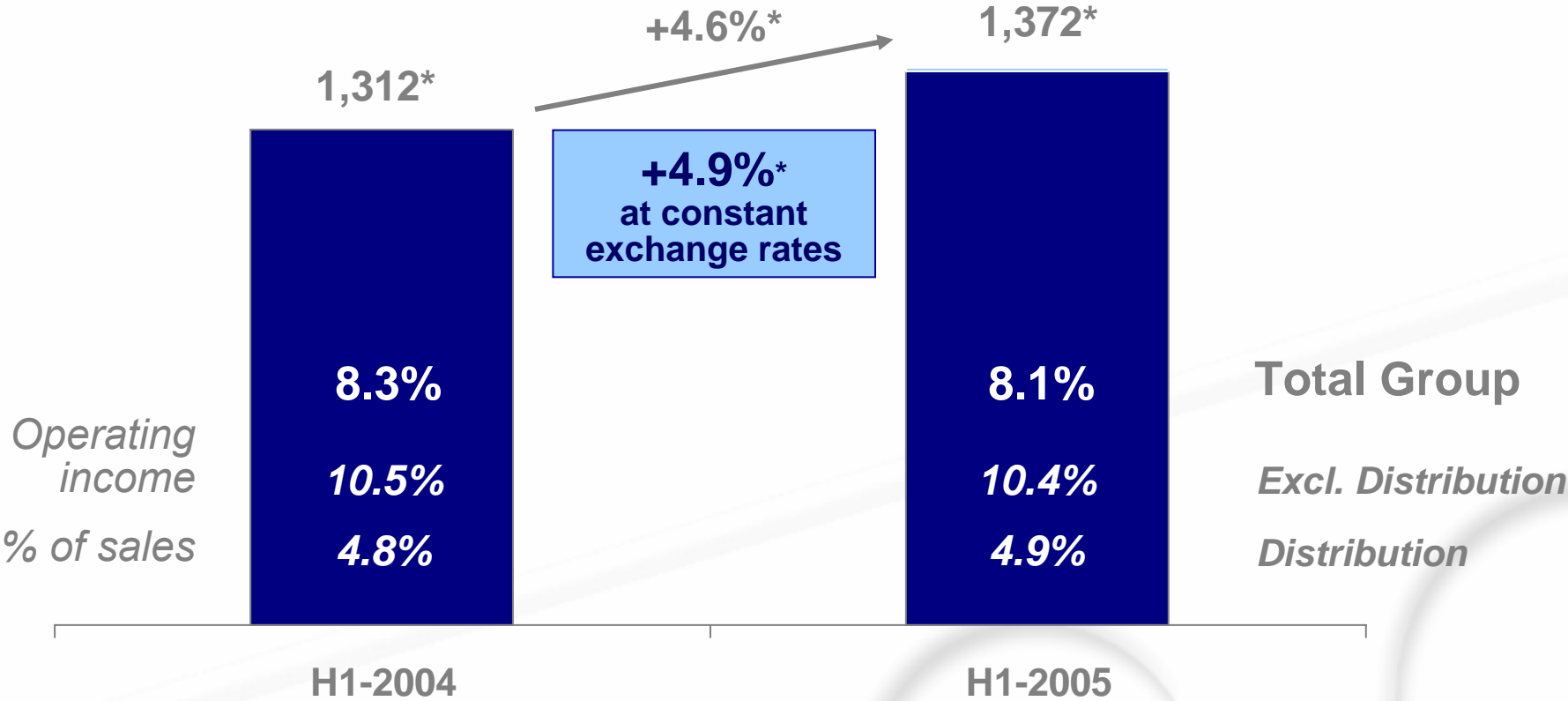
- % annual change on a comparable structure basis
- Group composite index



Recovery in sales volumes during the second quarter

Operating income

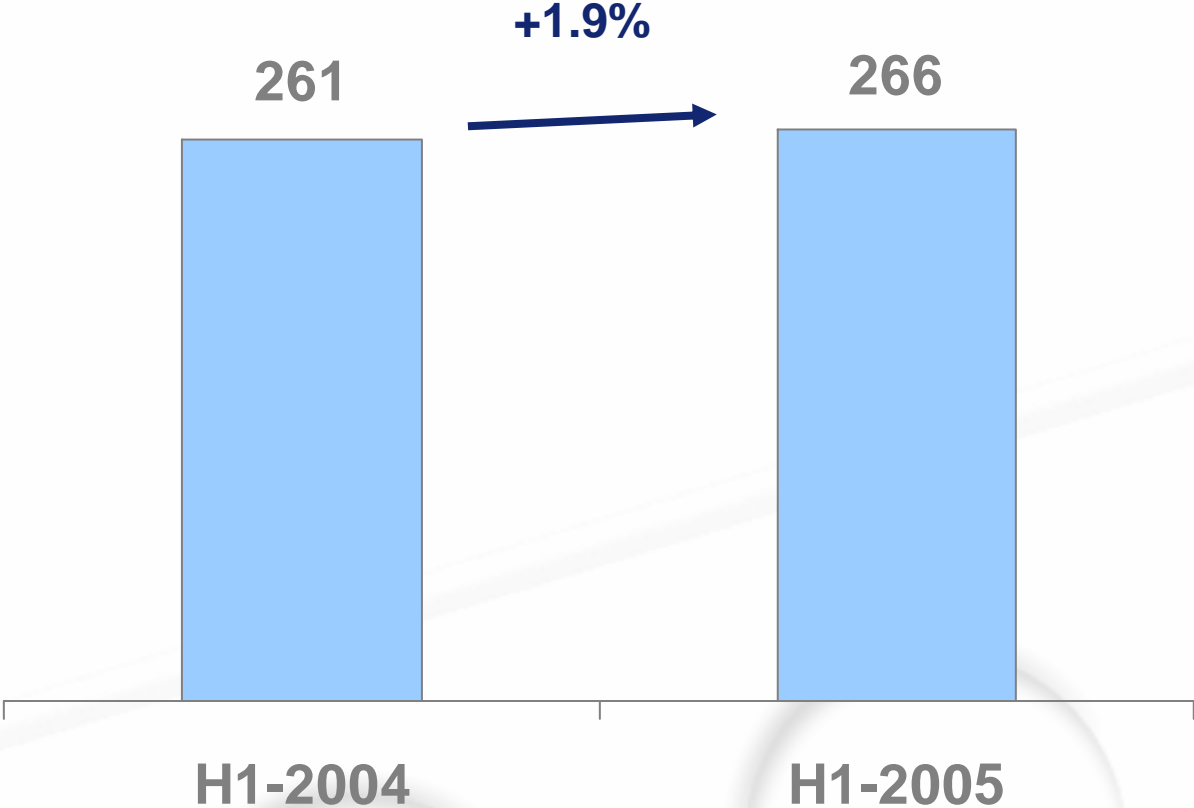
(in €m)



* Including costs relating to the Group Savings Plan and stock options (€23m in H1-04, €26m in H1-05)

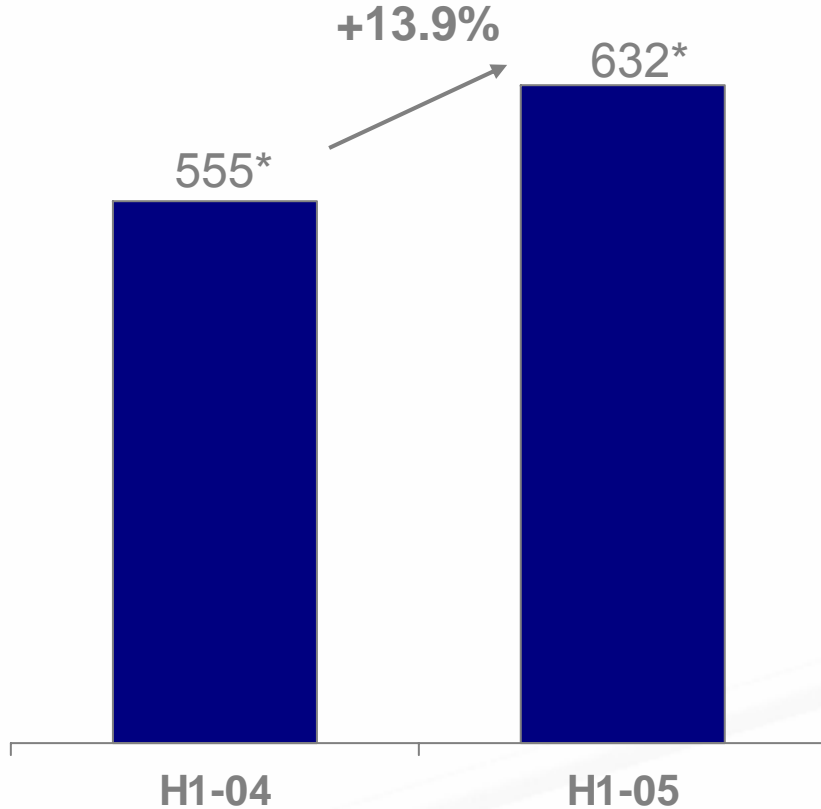
Interest and other financial charges

(in €m)

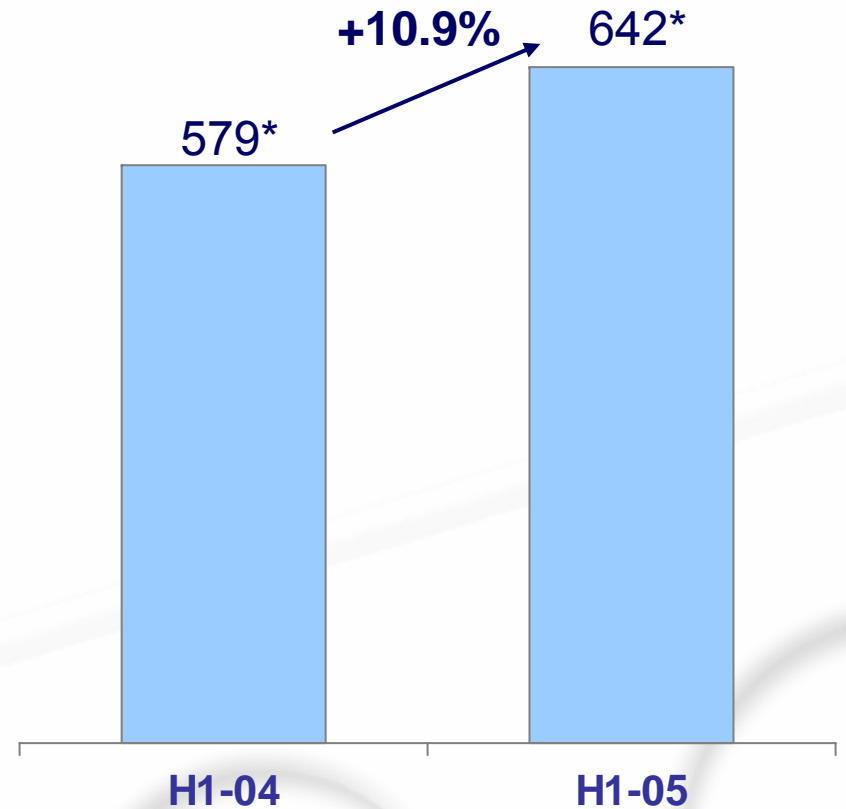


Net income

(in €m)



Net income, excl. capital gains

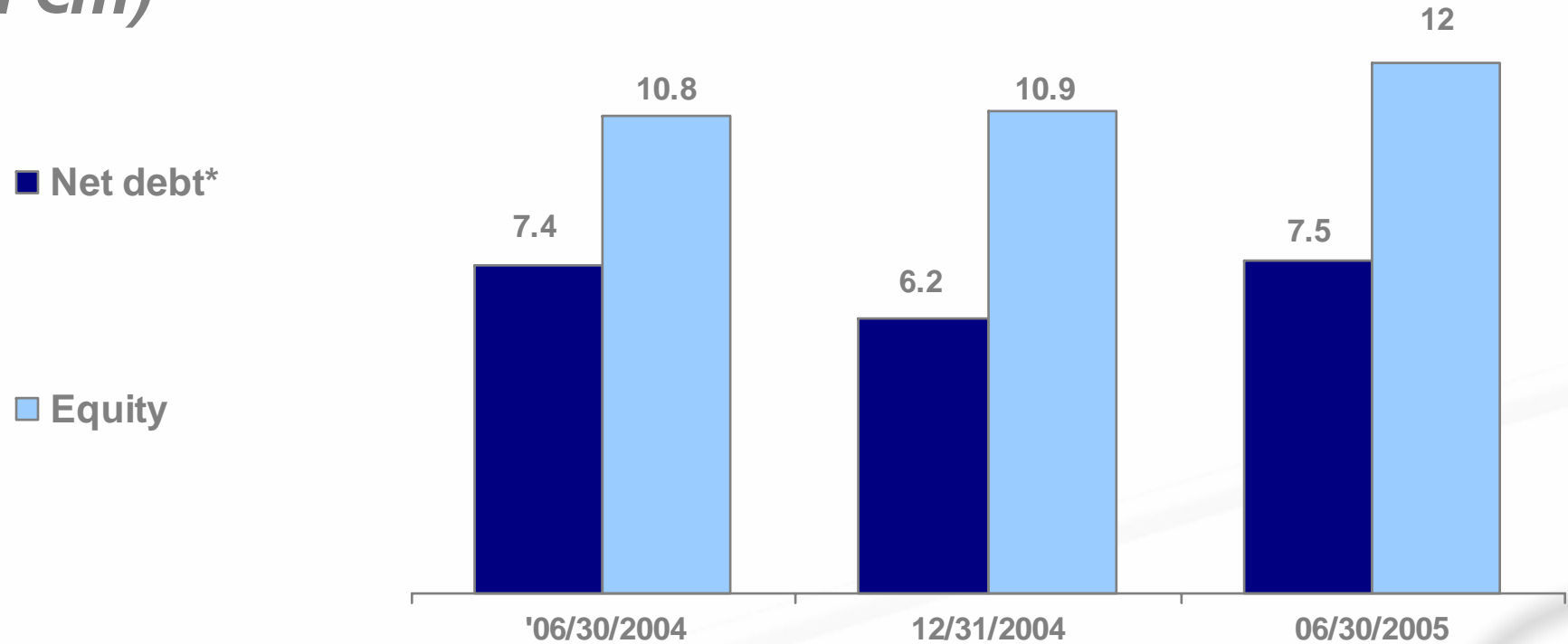


Strong growth in net income

* Including pre-tax asbestos-related charge of €54m in H1-05 (€50m in H1-04)

Net debt and equity

(in €m)



Interest cover

5.0

5.1

5.2

Net-debt-to-cash-flow (12m)

37%

42.4%

36.6%

Net debt/equity

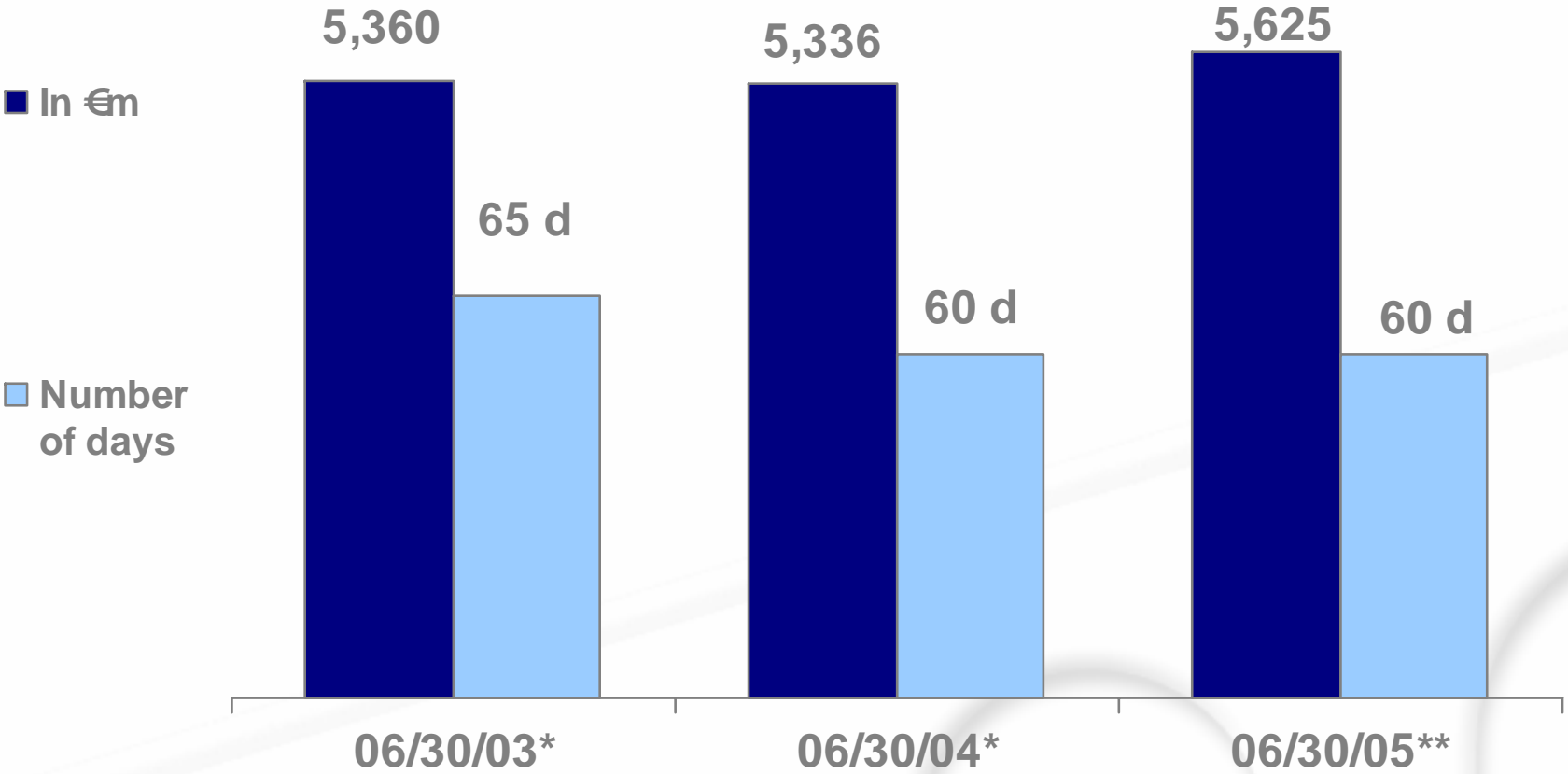
69%

57%

62%

Operating working capital

(in €m and number of days)

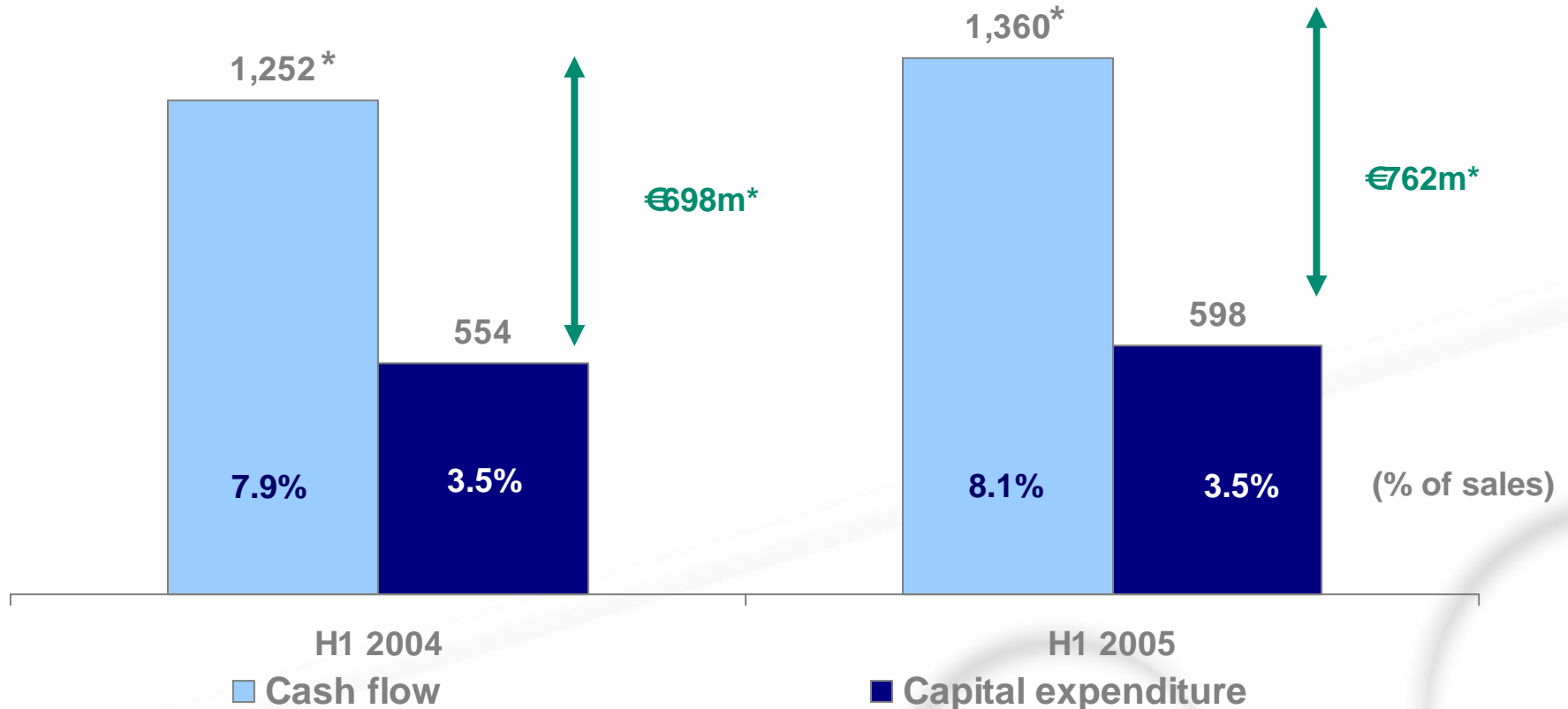


Continuing tight rein on working capital

* French GAAP
** IFRS

Cash flow and capital expenditure

In €m (excl. taxes on capital gains)



- Ongoing high levels of cash flow
- Continued capital spending in emerging countries

* Including pre-tax asbestos-related charge of €54m in H1-05 (€50m in H1-04)

Investments and disposals

> Bolt-on acquisitions	€374m
▪ Building Distribution	€337m
▪ High-Performance Materials	€37m
> Development in emerging countries (historic businesses)	€174m
> Other investments	€15m
	<hr/>
Total	€563m
> Disposals	€95m

2. First-half 2005 results

A. Group

B. Update on asbestos-related claims in the United States

Update on asbestos-related claims against CertainTeed in the United States

- > **First-half 2005 litigation trends**
- > **Current status of US asbestos legislation**

Asbestos-related litigation against CertainTeed in the US

First-half 2005 litigation trends

- > Number of **new claims** continues to **level out**
- > Slight **drop** in **pending claims**
- > **Average cost** of settlements in line with prior ranges
- > Additional charge of **€54 million** to the provision in H1-2005

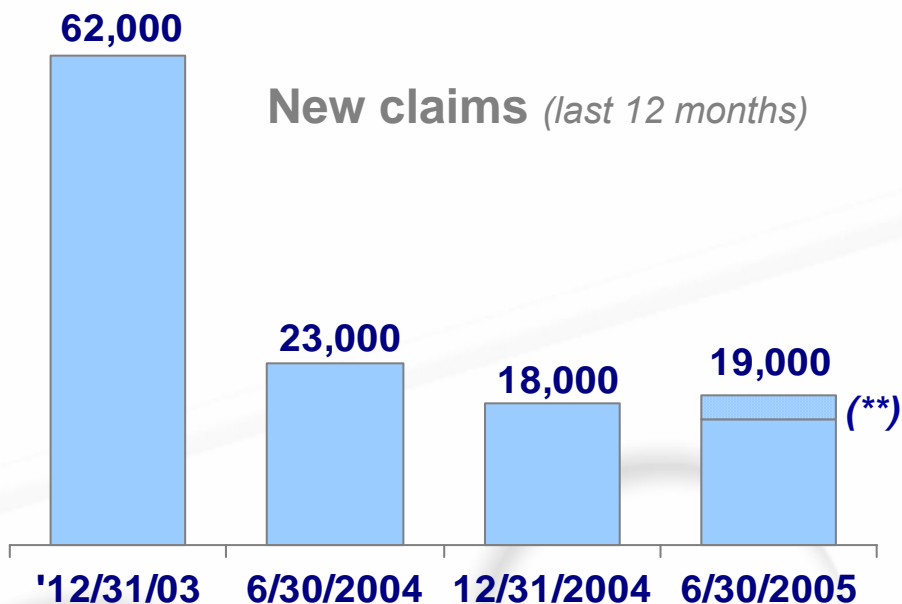
Asbestos-related litigation against CertainTeed in the US

New claims filed - First-half 2005

	2003	2004	Q1 2005*	Q2 2005*
Total	62,000	18,000	6,000**	4,000

* estimated

** including 3,000 mass claims in KY



> Claims fell or leveled out in virtually all States

> Mississippi: only 300 new claims filed in H1-2005

Asbestos-related litigation against CertainTeed in the US

Claims resolved - First-half 2005

	2003	2004	Q1 2005*	Q2 2005*
Resolved	54,000	20,000	7,000**	6,000
Pending	108,000	106,000	102,000	100,000

** after 3,000 claims transferred to an "inactive docket"

- > The number of claims resolved was slightly higher than the number of new claims → pending claims ~ 100,000

Last 12 months	06/30/04	12/31/04	03/31/05*	06/30/05*
Average cost	\$2,700	\$2,900	\$3,000	\$2,500

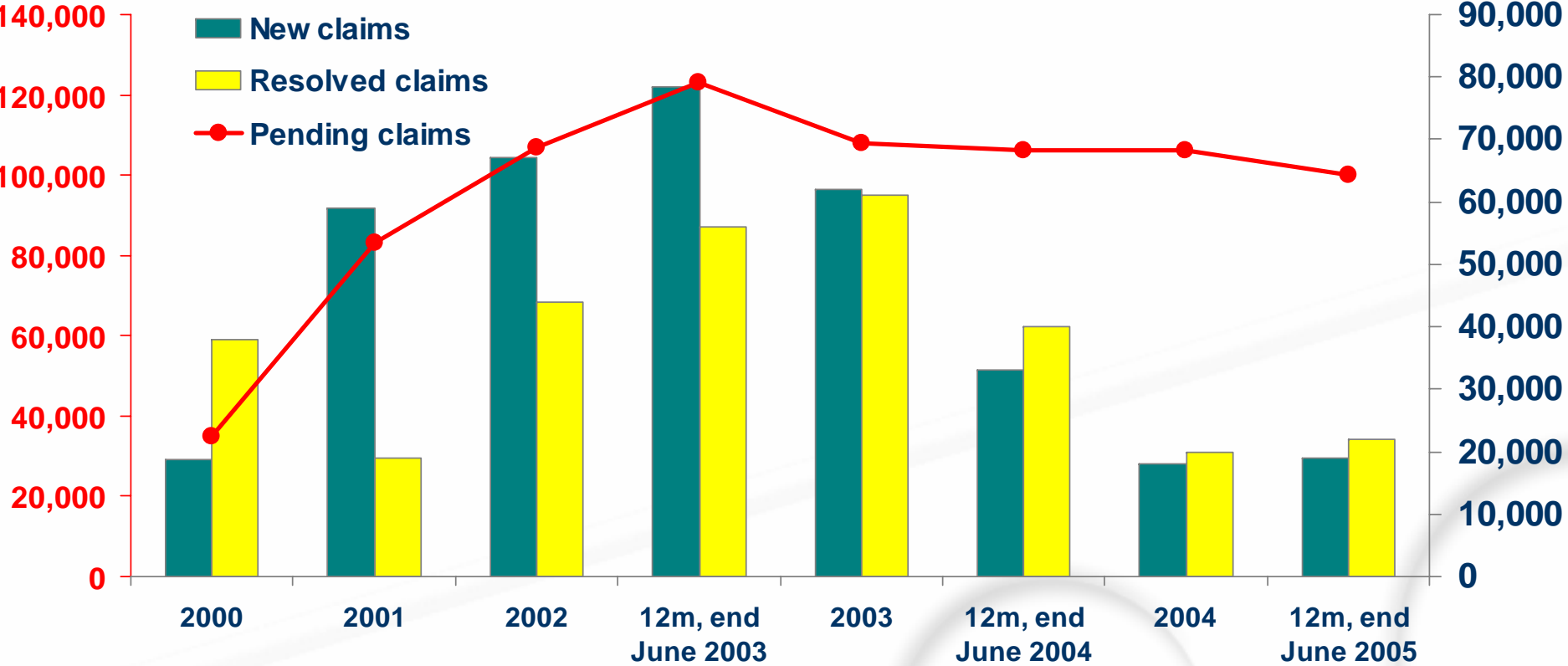
- > Average settlement cost currently under US\$ 3,000

* estimated

Asbestos-related litigation against CertainTeed in the US

Pending claims

New claims/Resolved claims



Ave. cost per claim	2000	2001	2002	12m, end June 2003	2003	12m, end June 2004	2004	12m, end June 2005
	\$2,800	\$1,950	\$2,100	\$2,100	\$2,700	\$2,900	\$2,500	



Asbestos-related litigation against CertainTeed in the US

Legislation reform update

Federal reforms

- > May 26, 2005: **bipartisan vote** by the Senate Judiciary Committee on the Asbestos Trust Fund bill
- > Since then, much debate between the bill's advocates and opponents
- > Uncertainty surrounding the **date** of the Senate plenary **vote** (not before Fall 2005)

State reforms

- > Favorable developments in several **States**
 - Legislation (TX, FL, GA, OH)
 - Judicial decisions (NY, MS, IL)
- > **Medical/restrictions criteria** (jurisdiction, proof of medical impairment, exposure to products, etc.)
- > **Potential favorable long-term impact** on pending and new claims in these States (see Mississippi)

3

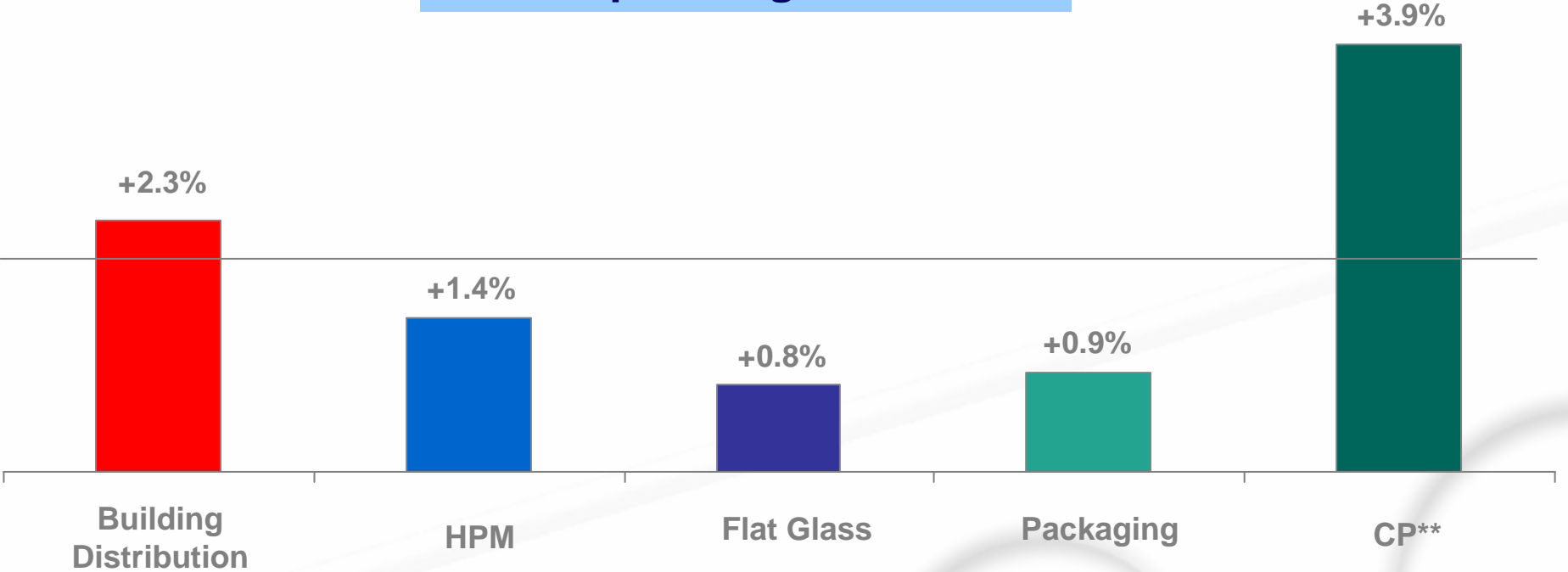
Operating performance in first-half 2005



Organic growth at end-June 2005

% change in H1-2005/H1-2004 net sales on a like-for-like basis

Group average : +2.0%



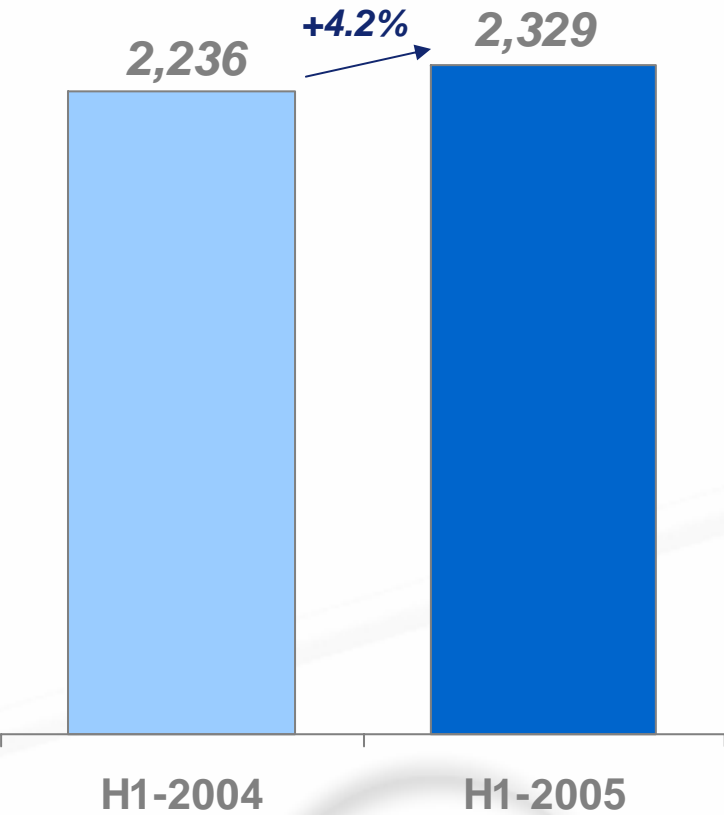
CPA* +3.3%
Reinforcements -4.2%

Building Materials +6.4%
Insulation +6.1%
Pipe -3.9%

* CPA = Ceramics, Plastics and Abrasives
** CP = Construction Products

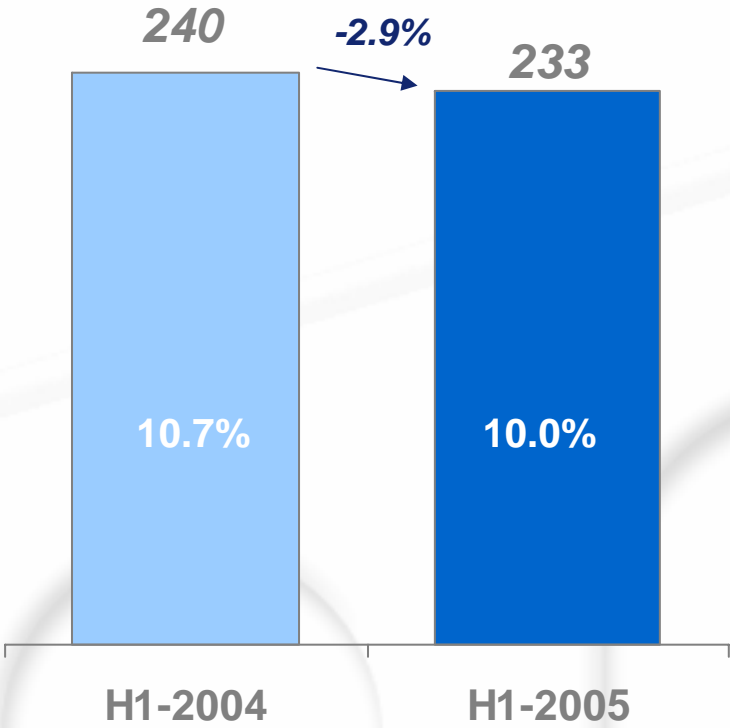
Flat Glass

Net sales (in €m)



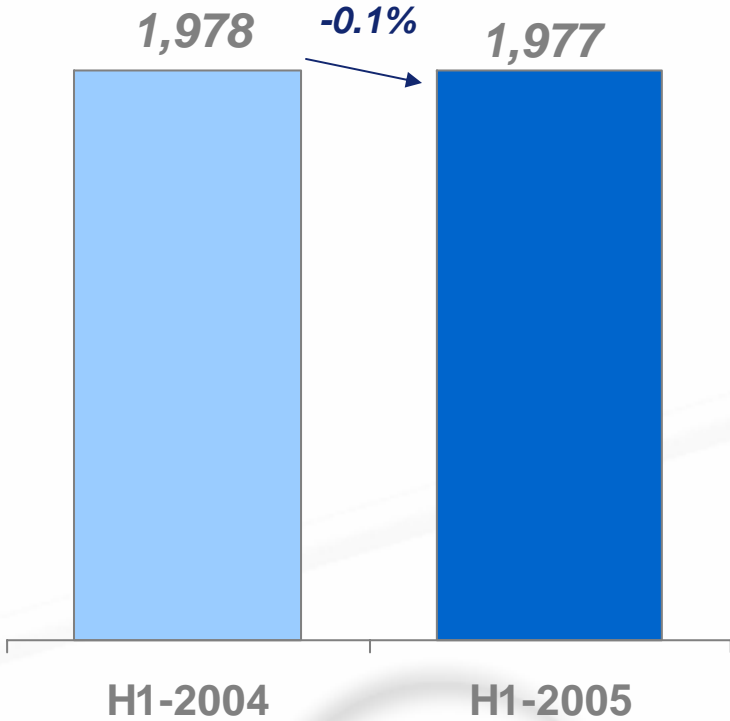
+0.8% on a like-for-like basis

Operating income
(in €m and as % of sales)



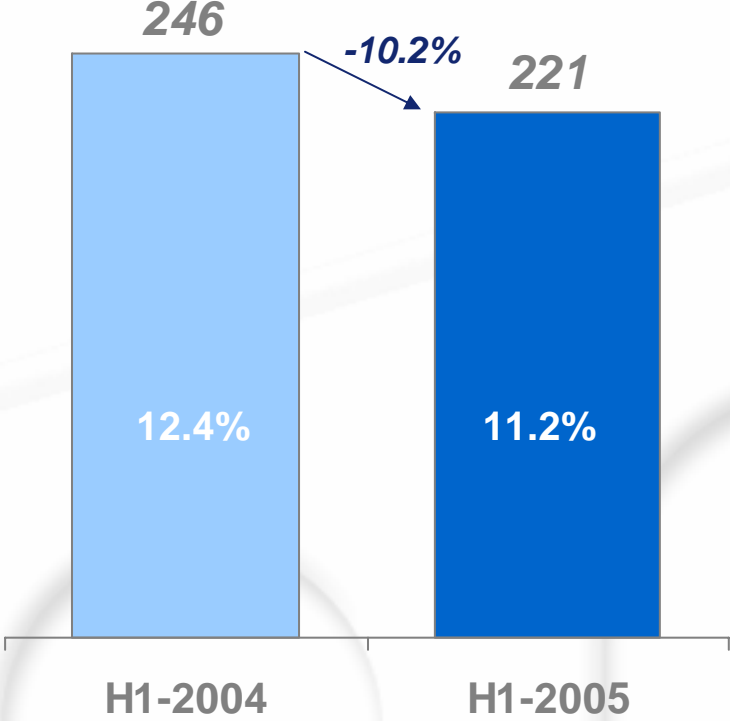
Packaging

Net sales (in €m)



+0.9% on a like-for-ilke basis

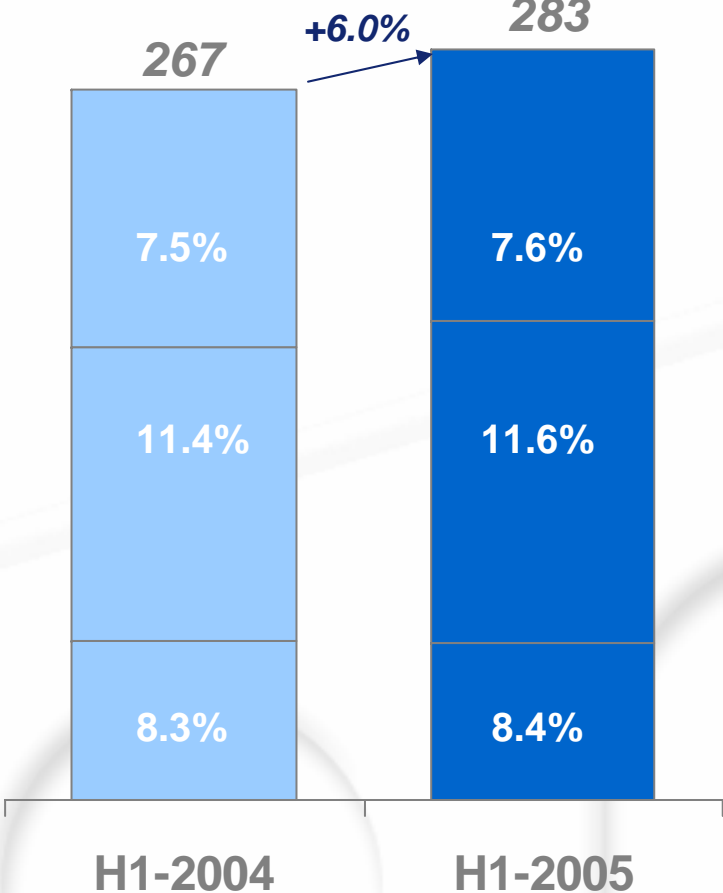
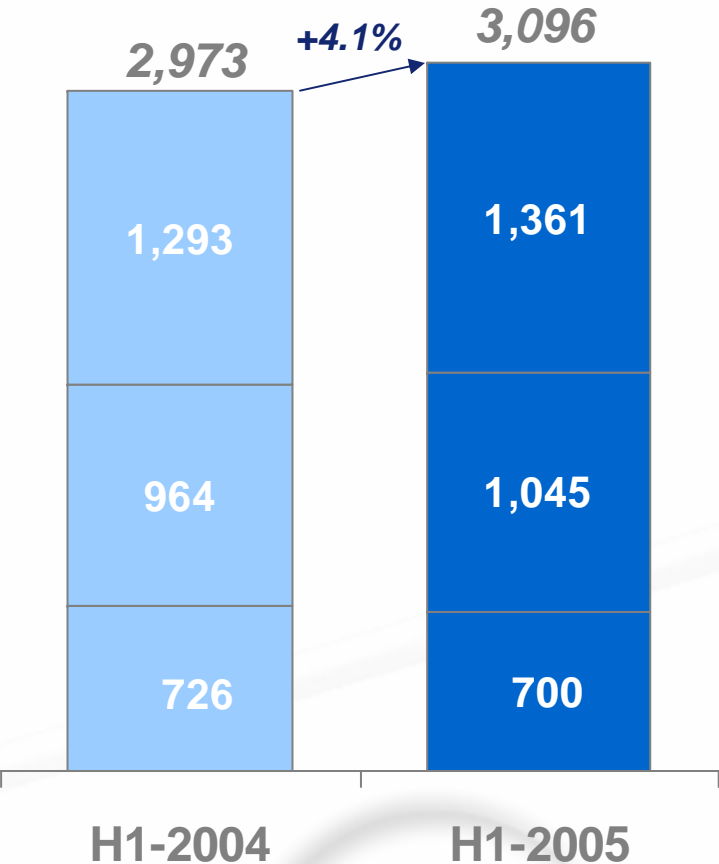
Operating income (in €m and as % of sales)



Construction Products

Net sales (in €m)

Operating income (in €m and as % of sales)



+3.9% on a like-for-like basis

9.0% 9.1%

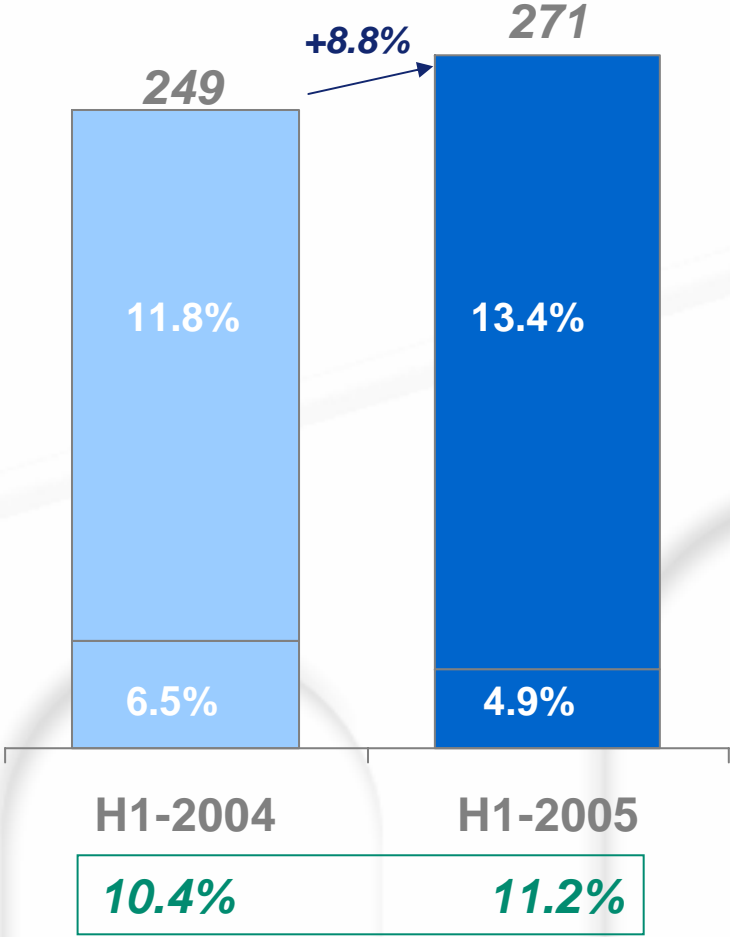
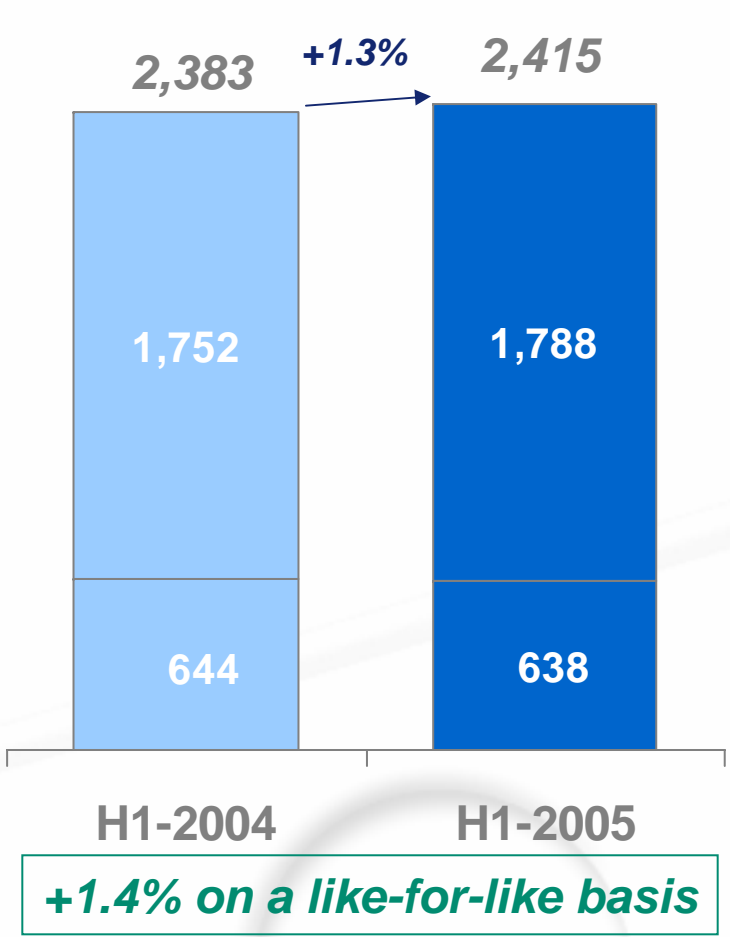
High-Performance Materials

Net sales (in €m)

Operating income (in €m and as % of sales)

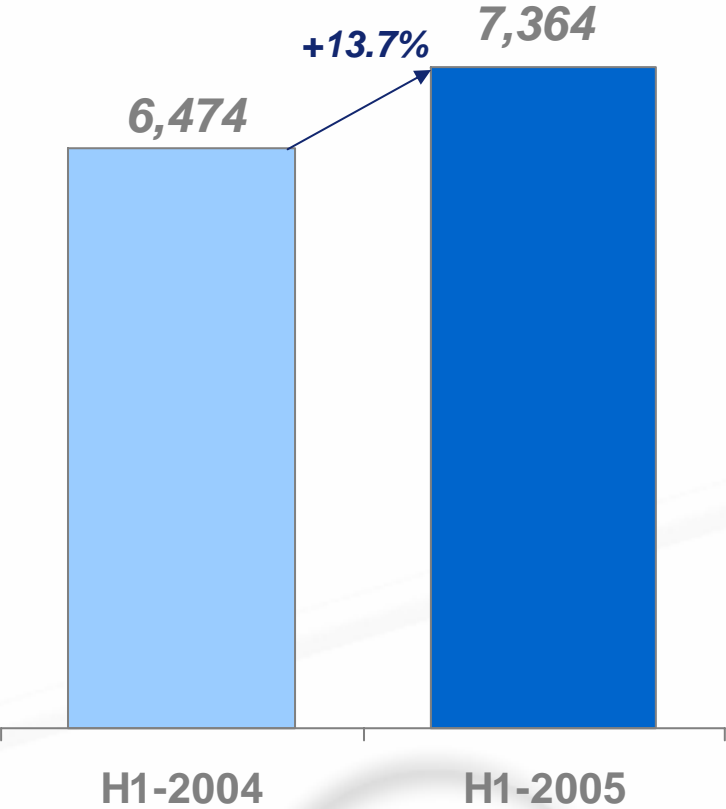
Ceram.
Plastics
Abrasives

Reinfor.

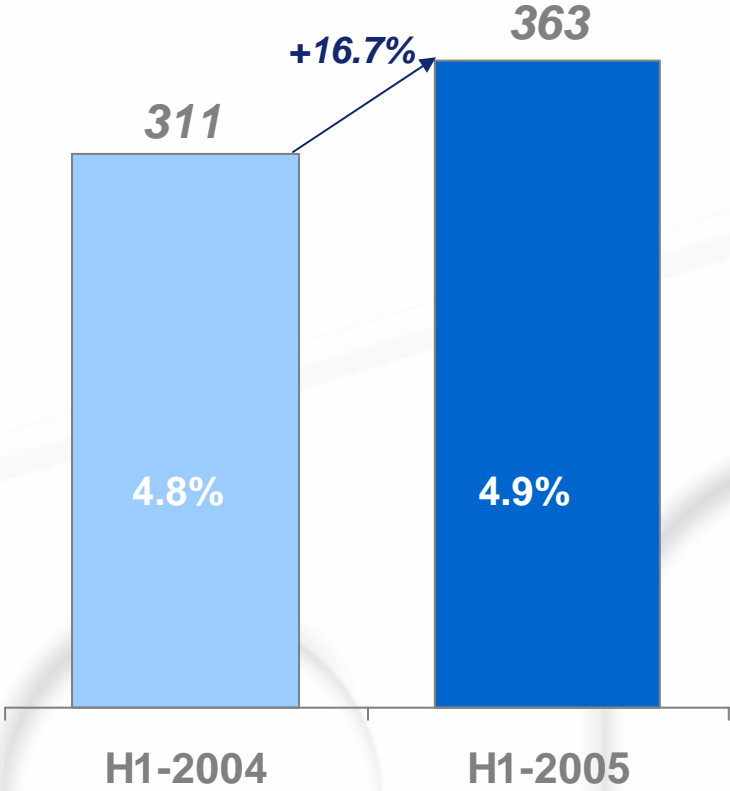


Building Distribution

Net sales (in €m)



Operating income (in €m and as % of sales)

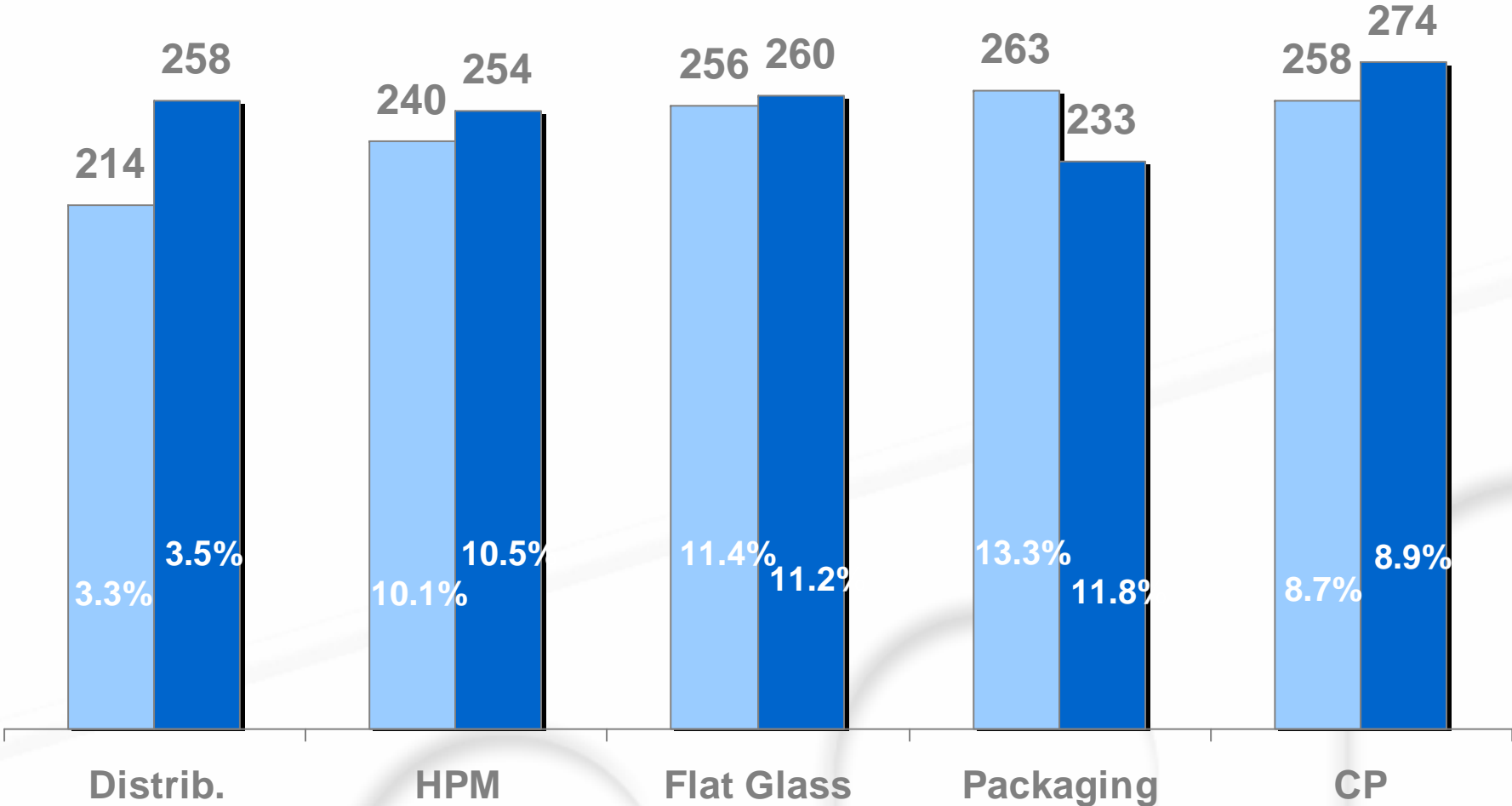


+2.3% on a like-for-like basis

Cash flow by sector

(in €m and as % of sales)

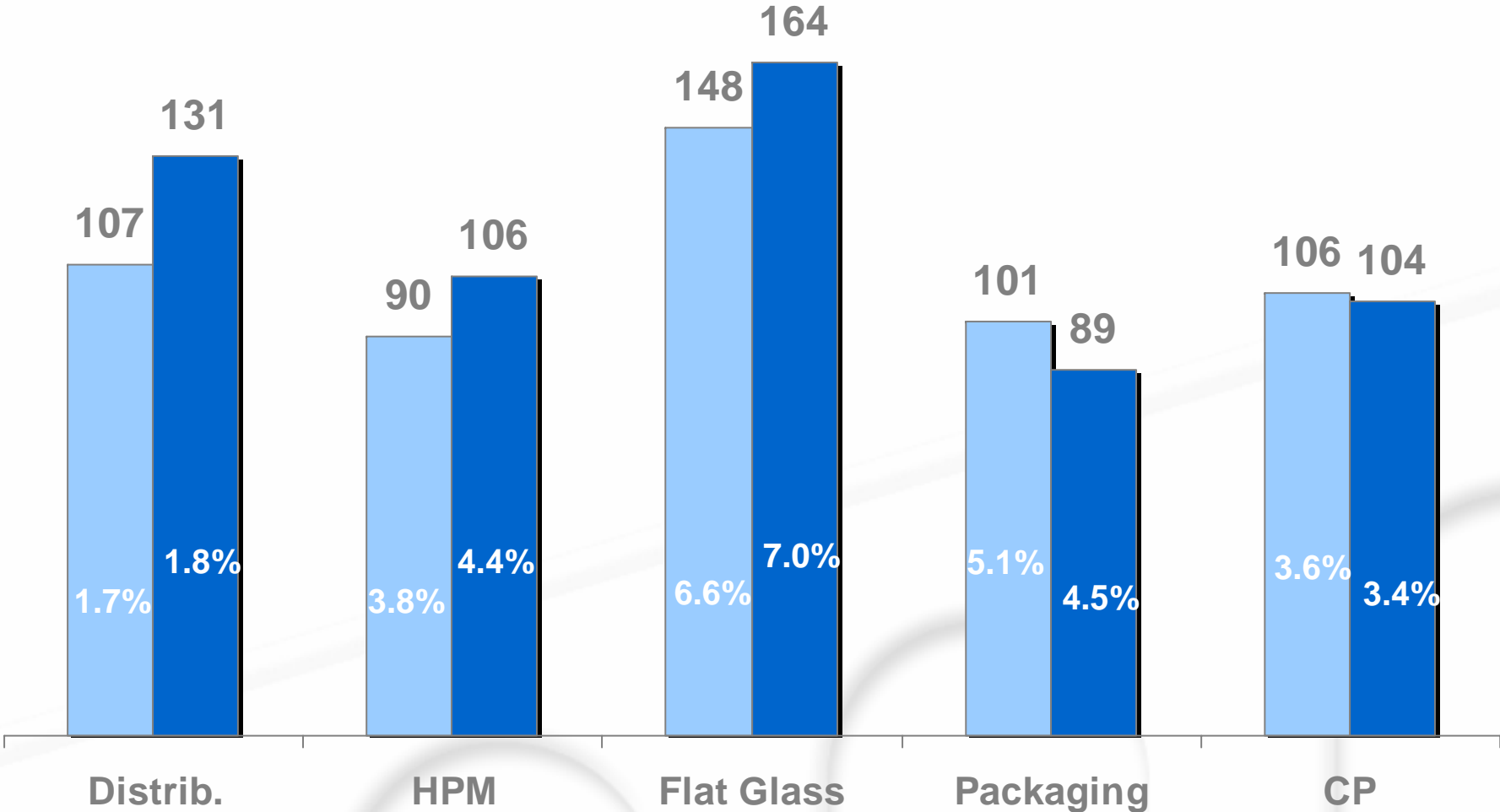
■ H1-04 ■ H1-05



Capital expenditure by sector

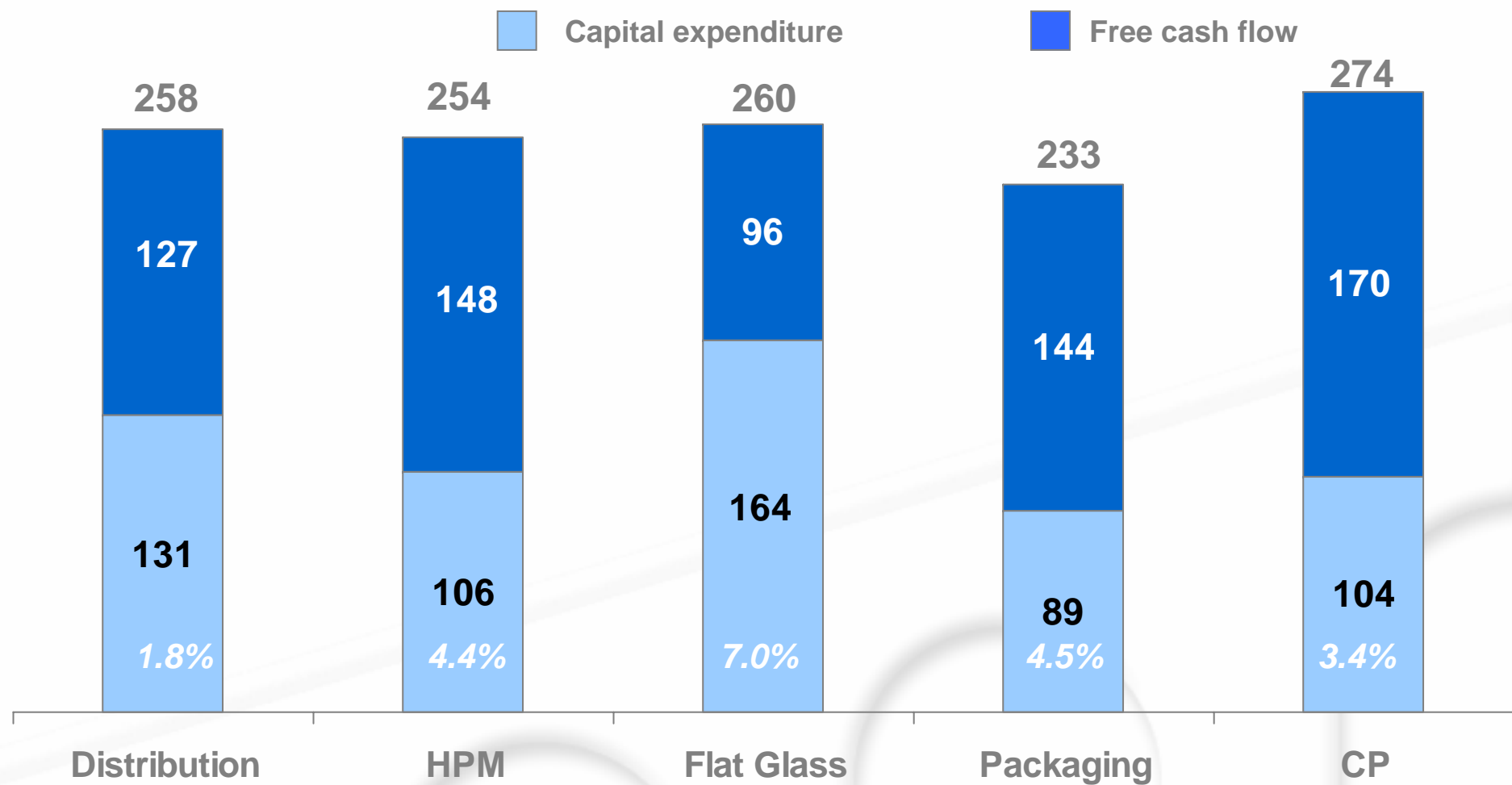
(in €m and as % of sales)

■ H1-04 ■ H1-05



Cash flow and capital expenditure

(in €m and as % of sales)



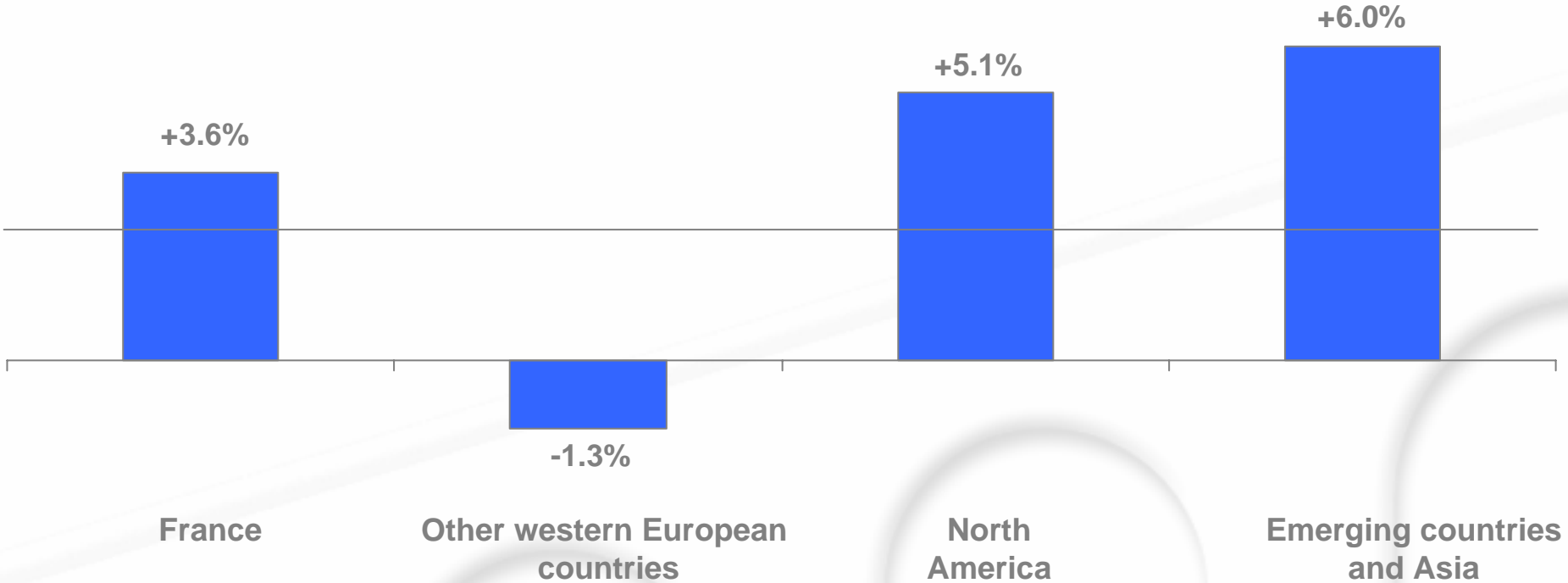
Free cash flow = Cash flow – Capital expenditure

* CP = Construction Products

Organic growth by geographic area (end-June 2005)

% change in like-for-like sales: H1-2005/H1-2004

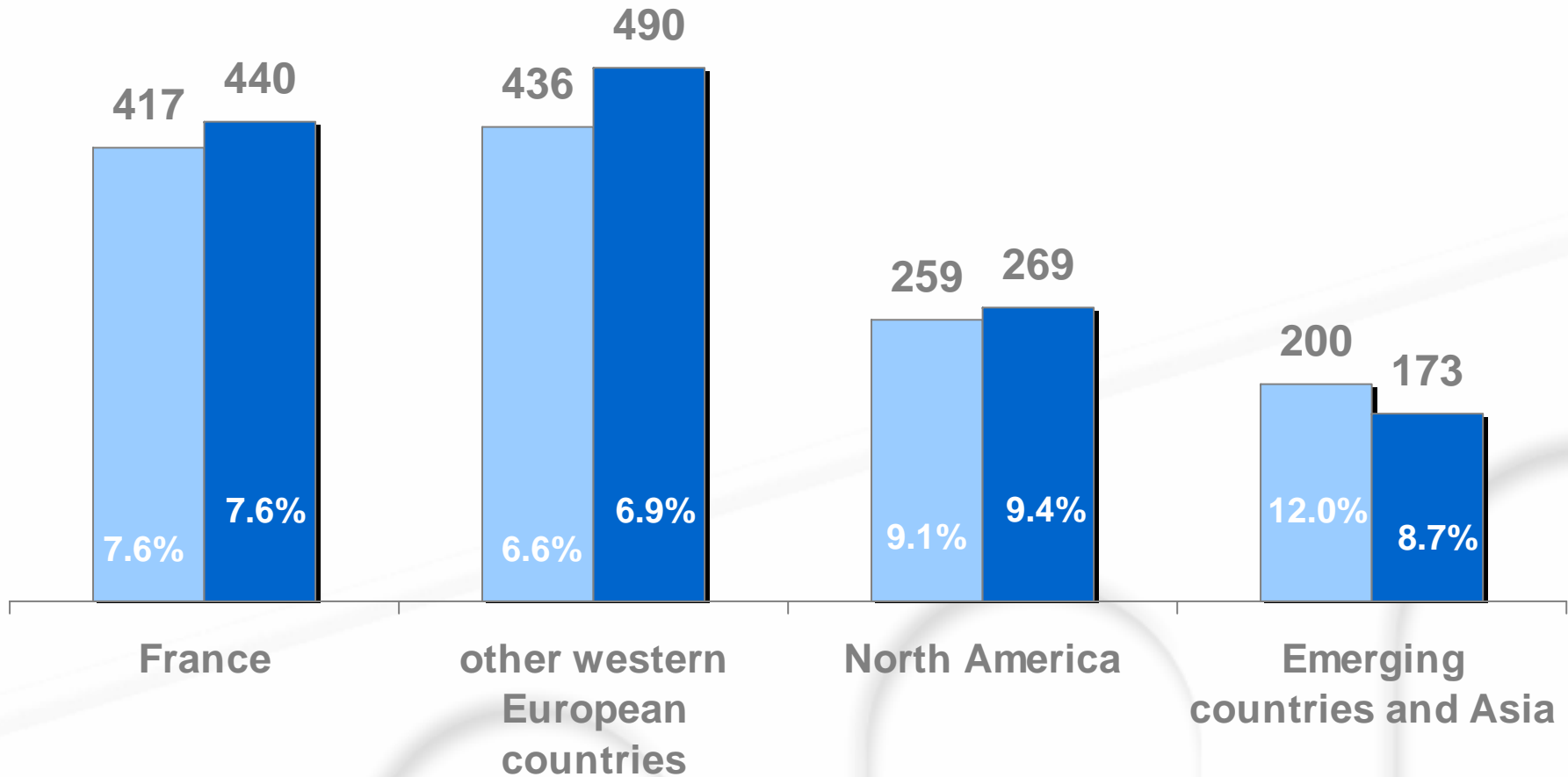
Group average: +2.0%



Operating income by geographic area

(in €m and as % of sales)

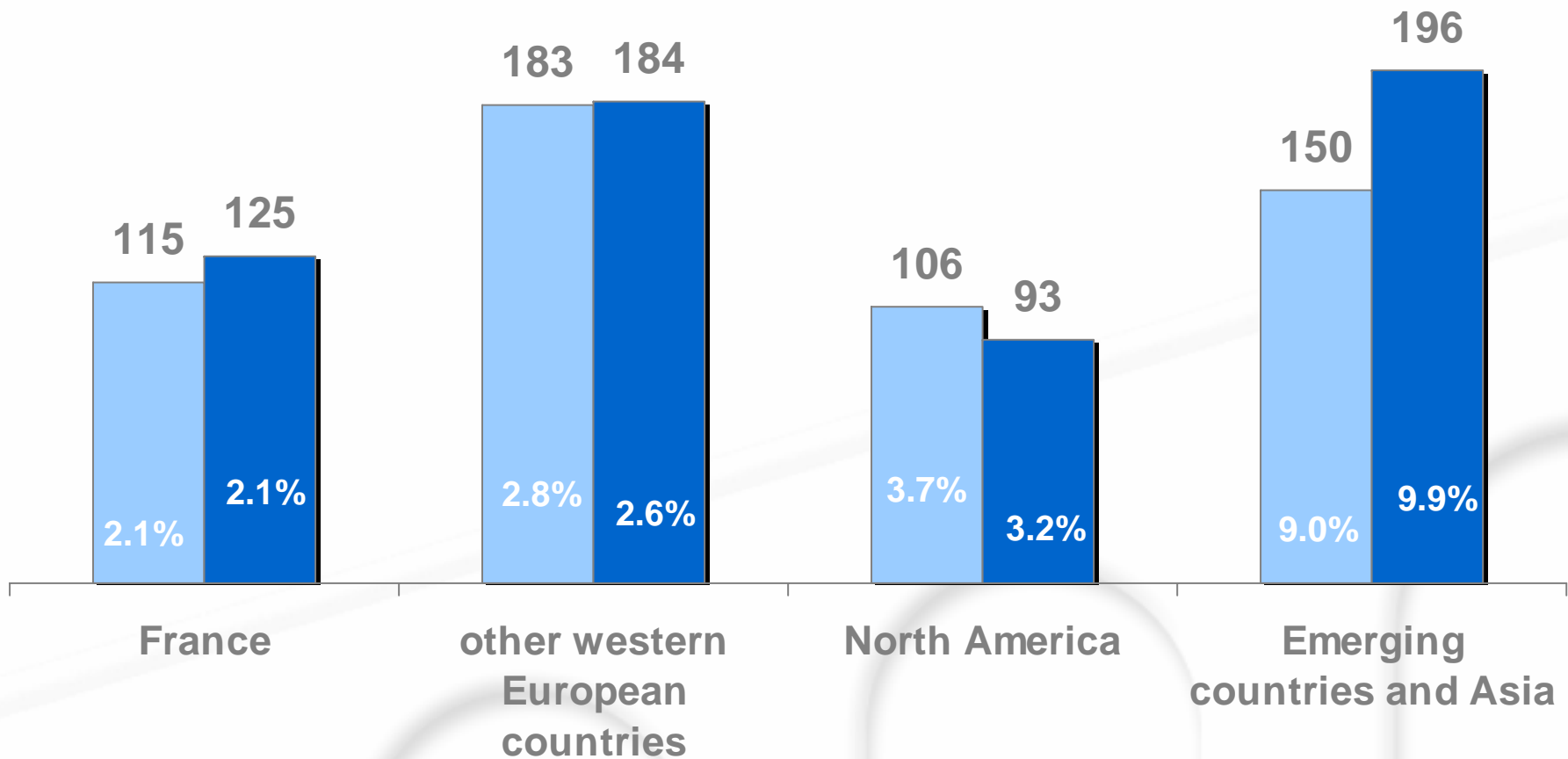
■ H1-04 ■ H1-05



Capital expenditure by geographic area

(in €m and as a % of sales)

■ H1-04 ■ H1-05

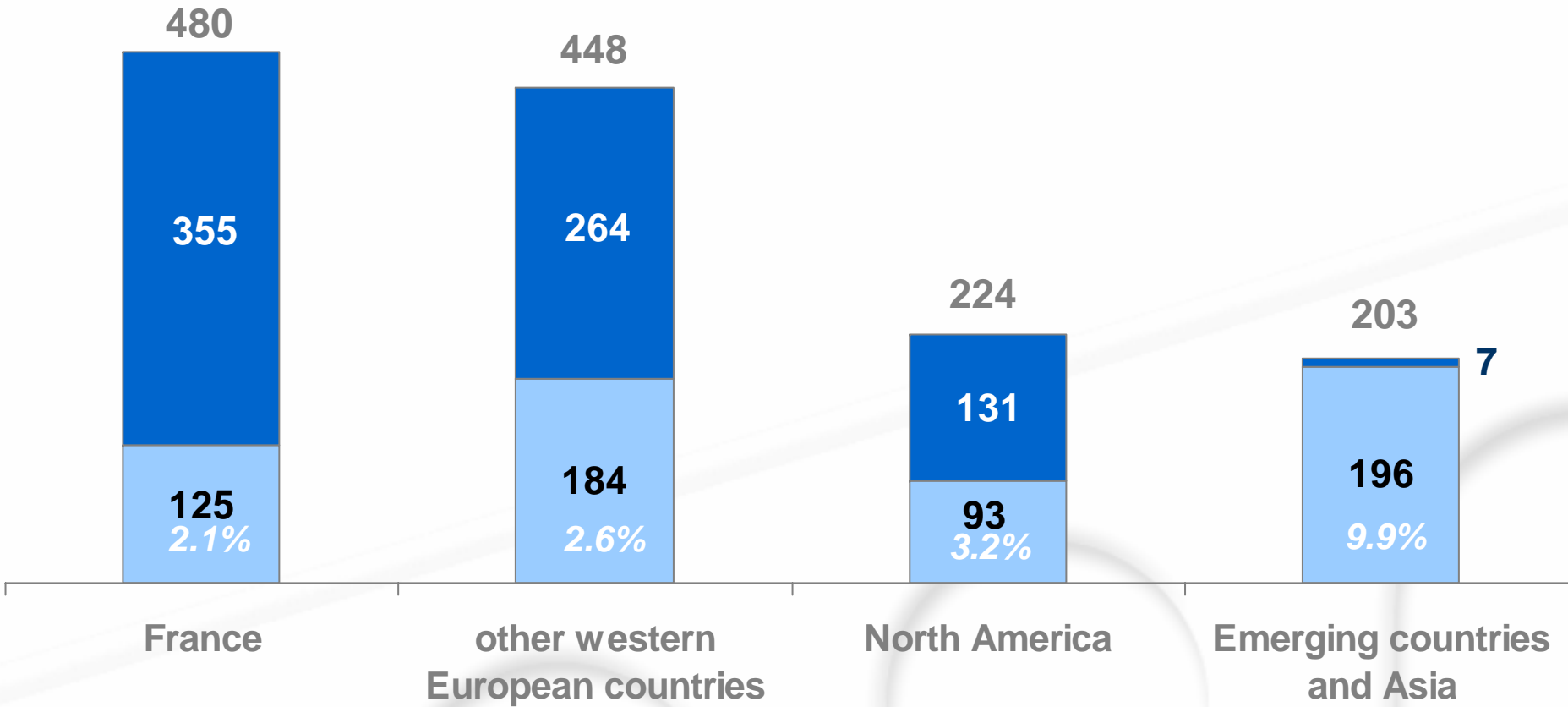


Cash flow and capex by geographic area

(in €m and as % of sales)

Capital expenditure

Free cash flow



Free cash flow = Cash flow – Capital expenditure

Developments in the Building Distribution Sector in H1-2005

- > 24 acquisitions bringing onboard €540m in full-year sales
- > 59 new stores opened, including our first store in Shanghai, China (“La Maison”)
- > Three new geographic leadership positions:
 - WAV-A-Keramika: no. 1 in Slovakia/ranked 2 in Czech Republic
 - Sanitas Troesch: no. 1 in Switzerland (bathroom distribution)
 - Optimera: no. 1 in Norway (general distribution)



2005 sales > €15bn

Developments in the HPM Sector in H1-2005

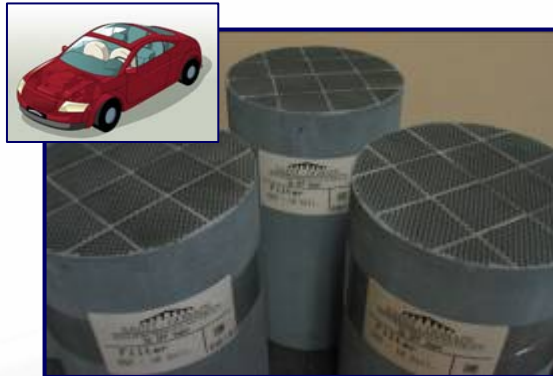
> Strong expansion in Asia and emerging countries:

- Five new plants in Asia and Eastern Europe
- First-half net sales: €629m (up 15.8% on H1-2004)

> Large-scale projects underway to boost organic growth:

Diesel vehicle particulate filter:

Construction of the first two lines in Rodental (Germany)



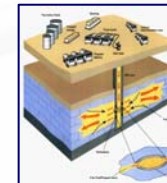
Refractors for LCD glass:

Installation of the world's largest isostatic press in Buckhannon (USA)



Proppants:

Upgrade in capacity at Fort Smith (USA) and acquisition of Guanghang Proppants (China)



Developments in historic businesses in emerging countries during H1-2005

- > Capital expenditure up 36%

- > Flat Glass:
 - start-up of float-line in China in April 2005
 - float-line in India (Sept. 2005)
 - float-line in Romania

- > CP:
 - Insulation:
 - . Russia
 - . Romania
 - . China

 - Building Materials (mortars):
 - . Brazil
 - . Thailand
 - . Turkey

Summary of first-half 2005

- > Hike in sales prices offset rising raw materials and energy costs
- > Upturn in sales volumes during Q2
- > Growth remains driven by:
 - High-Performance Materials Operating income up 8.8%
 - Building Distribution Operating income up 16.7%
- > Solid balance sheet structure

4

Outlook and targets

- A. Outlook for second-half 2005
- B. Targets for FY 2005

Outlook for second-half 2005

Macro-economic environment

Europe:

- > **Capital spending** and **production** set to remain buoyant
- > Continued boom in the **construction** market in France, Spain and Scandinavia. Slight decline in the UK.
- > German economy still hit by sluggish **construction market** and flat **domestic demand**

Outlook for second-half 2005

Macro-economic environment

US:

- > Continued satisfactory levels of **industrial activity**
- > **Residential construction** market expected to remain buoyant until year-end
- > Sustained **household consumption**, despite rising energy costs

Emerging countries:

- > **Vigorous growth** expected across all sectors in Asia and Eastern Europe

Outlook for second-half 2005

Saint-Gobain's businesses

HPM and Building Distribution Sectors to continue expansion

- > Ongoing robust performance of **High-Performance Materials**
- > Strong growth in **Building Distribution**

Other Sectors: well-positioned overall

- > Further progress in all businesses in the **Construction Products Sector**
- > Prices set to level out in **Flat Glass**, bolstered by robust growth in emerging countries and the solid performance of the automotive industry
- > **Packaging** hit by the tension in certain markets and by energy costs in the US

Continuation of the upturn observed in Q2

- > Full-year effect of **acquisitions** in the Building Distribution Sector
- > Overall, the **European and US housing markets** are set to hold firm
- > Favorable **price** effects and **productivity gains**
- > Robust growth in **emerging countries**

Targets for FY 2005

- > **Confirmation of 2005 target: 6% growth in operating income, at constant exchange rates***, thanks to a continuation of the favorable trends observed in Q2

- > Sustained high levels of free cash flow

** average exchange rates for 2004*

A First-half 2005 results

B BPB plc

Why have we approached BPB?




SAINT-GOBAIN

Why have we approached BPB?

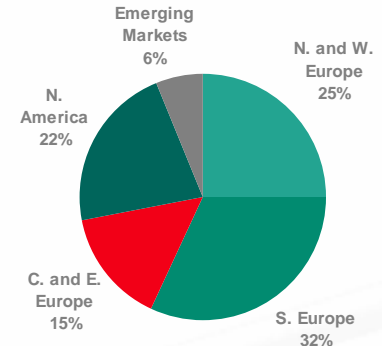
The opportunity to create a leader in building interior solutions

- > Building interior solutions (partitions, ceilings, insulation,...), the core business of SG Insulation and BPB, presents attractive characteristics for Saint-Gobain :
 - Growth
 - High profitability and strong free cash flow generation
 - Multi-regional markets
- > A combination of BPB and SG Insulation would create a leader in this market

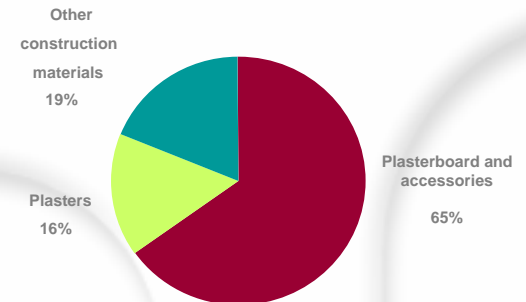
BPB : the leader in plasterboard

- > BPB is a leading producer of plasterboard and related systems, and has a global footprint
 - Leader in Western Europe
 - Strong market positions in North America
 - Strong presence in high-growth emerging markets (Central and Eastern Europe, Asia)
- > 2005 sales: £2.3 billion (€3.4 billion), up 6.7% versus 2004
 - Operating profit of £308 million representing a 13.3% margin

2005 sales by region



2005 sales by product



Source: annual report Year to March 2005

Strong complementarities with our 'Construction Products Sector'

- > We target the same client base (contractors, distributors, installers)**
- > We offer complementary products**
- > Our respective geographical locations can facilitate rapid expansion in emerging markets**

Why are we considering sizeable acquisitions now ?

Saint-Gobain is now in a position to pursue a more aggressive acquisition strategy, thanks to :

- > A sound financial position
- > A more favourable evolution of the asbestos issue
- > Attractive interest rates environment



A new stage in external growth

What next?

- > On 22 July, Saint Gobain made an approach to BPB to buy the company for 675p a share in cash
- > Our proposal was fully financed and subject to very limited due diligence. It was rejected by BPB. While we were surprised by their response and disappointed that the management of BPB did not wish to enter into discussions with us, our objective remains to agree a recommended deal with BPB
- > We have noted BPB's trading statement and are currently assessing the situation and continue to evaluate our options in respect of BPB
- > We will only do a deal at a price we believe adds value to our shareholders
- > We have identified other sizeable growth opportunities that are consistent with our new acquisition strategy

Analyst – Investor meeting

London, August 1, 2005

