1st Half 2009 Results
Analyst-Investor meeting
July 24, 2009

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4 Conclusion
**Highlights**

First-half 2009 key figures: impact of an unprecedented crisis

<table>
<thead>
<tr>
<th></th>
<th>Amount in €m</th>
<th>Change H1-2009/H1-2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>18,715</td>
<td>-15.5%</td>
</tr>
<tr>
<td>Operating income</td>
<td>930</td>
<td>-53.6%</td>
</tr>
<tr>
<td>Net income</td>
<td>128</td>
<td>-88.1%</td>
</tr>
<tr>
<td>Recurring net income*</td>
<td>210</td>
<td>-80.9%</td>
</tr>
</tbody>
</table>

* excluding capital gains on disposals and asset write-downs
Dismal economic environment

- **Global financial and economic crisis**, affecting virtually every country and business sector
- **Fierce recession** in most Western countries (US, Germany, France, UK, Spain)
- Continued **strong decline** in Construction markets
- **Slump** in all industrial markets since Q4 2008 (particularly automotive)
- **Steep volatility** in energy/raw material prices and exchange rates

Subdued trading throughout the first half in all of the Group’s businesses

Swift, vigorous roll-out of action plan announced

- Priority given to **sales prices**
- Extension of **cost cutting** programs
- Significant reduction in **capital expenditure**
- Tight rein on **operating working capital requirement (WCR)**
- **Acquisition projects** put on hold
- **Balance sheet strengthened**
Priority given to sales prices
Like-for-like price trends based on 100 at end-June 2002

Extension of cost cutting programs
cumulative, in €m

+1.7% in H1-2009

+440

550

260

290

110

180

110

290

110
Action on costs: capacity adjustments

North America
- 6 Distribution outlets closed
- 29 plant closures

United Kingdom
- 39 Distribution outlets closed
- 8 plant closures

Spain
- 13 Distribution outlets closed
- 16 plant closures

Latin America, Asia
- 2 Distribution outlets closed
- 5 plant closures

Other Europe
- 79 Distribution outlets closed
- 43 plant closures

Group total
- 139 Distribution outlets closed
- 101 plant closures

Adjustment of capacity to economic climate

<table>
<thead>
<tr>
<th>Sector/Division</th>
<th>Capacity adjustments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat Glass:</td>
<td></td>
</tr>
<tr>
<td>- Float (Europe)</td>
<td>-23% 4 lines stopped</td>
</tr>
<tr>
<td>- Float (non-Europe)</td>
<td>-19% 3 lines stopped</td>
</tr>
<tr>
<td>- Sekurit</td>
<td>-24% 5 lines shut down</td>
</tr>
<tr>
<td>- Glass processing for the Construction industry</td>
<td>-15% 9 plants closed and 6 lines stopped</td>
</tr>
<tr>
<td>HPM:</td>
<td>-25% 35 sites closed</td>
</tr>
<tr>
<td>CP:</td>
<td></td>
</tr>
<tr>
<td>- Gypsum</td>
<td>-27% 7 plants closed and 4 lines stopped</td>
</tr>
<tr>
<td>- Insulation</td>
<td>-24% 3 plants closed and 4 lines stopped</td>
</tr>
<tr>
<td>- Mortars</td>
<td>-14% 36 plants closed</td>
</tr>
<tr>
<td>Building Distribution:</td>
<td>139 outlets closed (incl. 53 in H1-2009)</td>
</tr>
</tbody>
</table>
Significant reduction in capital expenditure
(in €m and as % of sales)

H1-2008  H1-2009
872       514
3.9%      2.7%
\(-41\%\)

Capital expenditure scaled back €358m

Tight rein on operating WCR
(at June 30, in €m and in no. of days)

- Reduction of €924m over 12 months
- Strict management of operating WCR

Cut by €924m
The Group generated €1.8bn in free cash flow after operating WCR over 12 months (June 30, 2008-June 30, 2009).

Acquisition projects put on hold

(Investments in securities, excl. Maxit*, in €m)

Investments in securities in H1-2009 relate to acquisitions launched in 2008:
- CP €120m
- Building Distribution €42m

* acquisition of Maxit signed in 2007, completed in early 2008
Balance sheet strengthened

- €2.4bn of net debt paid down (end-June 2009/end-June 2008):
  - February 2009 rights issue: €1.5bn
  - 65% of 2008 dividend paid in stock
  - focus on cash management

- All maturing debt refinanced until Q1-2011:
  - bond issues (€1bn in January 2009 and €0.75bn in May 2009)
  - new syndicated loan for €2.5bn

Results of action plan at end-June

- Priority given to sales prices: up 1.7% in H1-2009 vs. H1-2008
- Extension of cost cutting programs: €440m in H1-2009 vs. H1-2008
- Significant reduction in capital expenditure: scaled back €358m in H1-2009 vs. H1-2008
- Tight rein on operating WCR: reduced by €924m or 3 days at end-June 2009 vs. end-June 2008
- Acquisition projects put on hold: €164m in H1-2009 (down 75%)
- Balance sheet strengthened:
  - reduction in net debt: -€2.4bn at end-June 2009 vs. end-June 2008
  - maturing debt refinanced up to Q1-2011
Group Results

A. Group
B. Sectors
C. Geographic areas

Sales trends

in €m

-15.5% on a like-for-like basis
**Quarterly organic growth**

\% change in 2009/2008 sales on a like-for-like basis

- **Volumes:**
  - Q1-2009/Q1-2008: 2.3\%
  - Q2-2009/Q2-2008: 1.2\%
  - H1-2009/H1-2008: 1.7\%

- **Prices:**
  - Q1-2009/Q1-2008: -17.2\%
  - Q2-2009/Q2-2008: -17.1\%
  - H1-2009/H1-2008: -17.2\%

**Key Points:**
- Sharp drop in sales volumes
- Sales prices held up well

**Operating income**

in €m

- **Total Group:**
  - H1-2007: 2,093 \(\text{Operating margin as \% of sales: 9.6\%} \)
  - H1-2008: 2,005 \(\text{Operating margin as \% of sales: 9.1\%} \)
  - H2-2008: 1,644 \(\text{Operating margin as \% of sales: 7.6\%} \)
  - H1-2009: 930 \(\text{Operating margin as \% of sales: 5.0\%} \)

- **Excl. Distribution:**
  - H1-2007: 2,093 \(\text{Operating margin as \% of sales: 12.6\%} \)
  - H1-2008: 2,005 \(\text{Operating margin as \% of sales: 12.1\%} \)
  - H2-2008: 1,644 \(\text{Operating margin as \% of sales: 9.8\%} \)
  - H1-2009: 930 \(\text{Operating margin as \% of sales: 7.6\%} \)
### Non-operating items

<table>
<thead>
<tr>
<th></th>
<th>H1-08</th>
<th>H1-09</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>2,005</td>
<td>930</td>
<td>-54%</td>
</tr>
<tr>
<td>Provision for asbestos-related litigation</td>
<td>(37)</td>
<td>(37)</td>
<td>-26%</td>
</tr>
<tr>
<td>Non-operating costs</td>
<td>(42)</td>
<td>(227)</td>
<td>-83%</td>
</tr>
<tr>
<td>Other operating costs</td>
<td>(31)</td>
<td>(65)</td>
<td>-52%</td>
</tr>
<tr>
<td>Business income</td>
<td>1,897</td>
<td>601</td>
<td>-68%</td>
</tr>
<tr>
<td>Net borrowing costs</td>
<td>(326)</td>
<td>(332)</td>
<td>-1.9%</td>
</tr>
<tr>
<td>Cost of net debt in %</td>
<td>5.3%</td>
<td>5.4%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Other financial income and expenses</td>
<td>(26)</td>
<td>(80)</td>
<td>-67%</td>
</tr>
<tr>
<td>Net financial expense</td>
<td>(352)</td>
<td>(412)</td>
<td>-17%</td>
</tr>
<tr>
<td>Income taxes</td>
<td>(444)</td>
<td>(53)</td>
<td>-88%</td>
</tr>
</tbody>
</table>

### Recurring net income*

<table>
<thead>
<tr>
<th></th>
<th>H1-07</th>
<th>H1-08</th>
<th>H1-09</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recurring net income*</td>
<td>1,067</td>
<td>1,101</td>
<td>210</td>
<td>-81%</td>
</tr>
</tbody>
</table>

* excl. capital gains on disposals, asset write-downs and provision for Flat Glass fines

### Net income

<table>
<thead>
<tr>
<th></th>
<th>H1-07</th>
<th>H1-08</th>
<th>H1-09</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recurring EPS*</td>
<td>€0.41</td>
<td>(-86%)</td>
<td>€0.25</td>
<td>(-91%)</td>
</tr>
<tr>
<td>EPS: €0.25</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* excl. capital gains on disposals, asset write-downs and provision for Flat Glass fines
Cash flow from operations (excl. tax impact of cap. gains and losses) and Capital expenditure

<table>
<thead>
<tr>
<th></th>
<th>H1 2007</th>
<th>H1 2008</th>
<th>H1 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operations</td>
<td>1,883</td>
<td>1,887</td>
<td>1,064</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>822</td>
<td>872</td>
<td>514</td>
</tr>
</tbody>
</table>

- **H1 2007:** Cash flow from operations: €1,883m (8.6% of sales), Capital expenditure: €822m (3.8% of sales)
- **H1 2008:** Cash flow from operations: €1,887m (8.4% of sales), Capital expenditure: €872m (3.9% of sales)
- **H1 2009:** Cash flow from operations: €1,064m (5.2% of sales), Capital expenditure: €514m (2.7% of sales)

Free cash flow represents around 3% of sales.

Free cash flow (excl. tax impact of capital gains and losses) and change in operating WCR, over 12 months

<table>
<thead>
<tr>
<th></th>
<th>end-June 07</th>
<th>end-June 08</th>
<th>end-June 09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in operating WCR</td>
<td>-113</td>
<td>-57</td>
<td>924</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>1,383</td>
<td>1,393</td>
<td>873</td>
</tr>
</tbody>
</table>

- **H1 2007:** Free cash flow: €1,383m, Change in operating WCR: €-113m
- **H1 2008:** Free cash flow: €1,393m, Change in operating WCR: €-57m
- **H1 2009:** Free cash flow: €924m, Change in operating WCR: €924m

The Group generated €1.8bn in free cash flow after operating WCR over 12 months (June 30, 2008-June 30, 2009).
**Balance sheet: Net debt & Shareholders’ equity**

*(in €bn)*

<table>
<thead>
<tr>
<th></th>
<th>30/06/2008</th>
<th>31/12/2008</th>
<th>30/06/2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net debt</td>
<td>13.3</td>
<td>11.7</td>
<td>10.9</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>15.4</td>
<td>14.5</td>
<td>16.4</td>
</tr>
</tbody>
</table>

- Net debt/Shareholders’ equity: 86% > 80% > 67%
- Net debt/EBITDA*: 2.4 > 2.3 > 2.7

* over 12 months

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**Very healthy financial position**

- Reduction of €2.4bn in net debt
- All maturing debt refinanced up to Q1 2011
- Even bond redemption profile of below €1.5bn per year
- Average debt maturity extended to 4.5 years
- Average cost of debt 5.4% in H1, with more than 90% at fixed rates
- Gearing ratio around 67% of shareholders’ equity
2 Group Results

A. Group
B. Sectors
C. Geographic areas

Organic growth
% change in H1-2009/H1-2008 sales on a like-for-like basis

Group: -15.5%

Innovative Materials
-22.1%
Flat Glass -20%
HPM -25%

Packaging
-3.5%

Construction Products
-15.3%
Interior Solutions -20%
Exterior Solutions -10%

Building Distribution
-14.5%

* Breakdown of H1-2009 sales
Innovative Materials (Flat Glass - HPM) (in €m and as % of sales)

- Flat Glass: Sales -23.9%, Operating income 14.2%, Cash flow 14.1%
- HPM: Sales -22.1%, Operating income 13.9%, Cash flow 14.1%

Cash flow Capex
H1-2008 H1-2009
2,123 1,611 6.8%
2,885 2,198 1.9%

like-for-like -22.1%
Flat Glass -20.4%
High-Performance Materials -24.7%

Construction Products (in €m and as % of sales)

- Interior Solutions: Sales -12.6%, Operating income 12.0%, Cash flow 10.1%
- Exterior Solutions: Sales -15.3%, Operating income 7.9%, Cash flow 9.1%

Cash flow Capex
H1-2008 H1-2009
5,988 5,233 6.3%
2,835 2,710 6.3%

like-for-like -15.3%
Interior Solutions -19.5%
Exterior Solutions -10.4%
**Building Distribution** *(in €m and as % of sales)*

<table>
<thead>
<tr>
<th>Sales</th>
<th>Operating income</th>
<th>Cash flow from operations &amp; Capex</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1-2008</td>
<td>H1-2009</td>
<td>H1-2008</td>
</tr>
<tr>
<td>10,039</td>
<td>15.9%</td>
<td>8,445</td>
</tr>
</tbody>
</table>

**Packaging** *(in €m and as % of sales)*

<table>
<thead>
<tr>
<th>Sales</th>
<th>Operating income</th>
<th>Cash flow from operations &amp; Capex</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1-2008</td>
<td>H1-2009</td>
<td>H1-2008</td>
</tr>
<tr>
<td>1,733</td>
<td>+0.6%</td>
<td>1,744</td>
</tr>
</tbody>
</table>

-14.5% on a like-for-like basis

-3.5% on a like-for-like basis
Group Results

A. Group
B. Sectors
C. Geographic areas

Organic growth by geographic area

% change in H1-2009/H1-2008 sales on a like-for-like basis

Group: -15.5%

-13.5%
-19.5%
-15.1%
-13.5%

* Breakdown of H1-2009 sales
Operating income by geographic area
(in €m and as % of sales)

<table>
<thead>
<tr>
<th>geographic area</th>
<th>H1-08</th>
<th>H1-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>576</td>
<td>316</td>
</tr>
<tr>
<td>Other Western Europe</td>
<td>893</td>
<td>938</td>
</tr>
<tr>
<td>North America</td>
<td>122</td>
<td>221</td>
</tr>
<tr>
<td>Asia &amp; emerging countries</td>
<td>414</td>
<td>133</td>
</tr>
</tbody>
</table>

* at constant exchange rates

Cash flow and Capex by geographic area
(in €m and as % of sales)

<table>
<thead>
<tr>
<th>geographic area</th>
<th>Free cash flow</th>
<th>Capex</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>299</td>
<td>106</td>
</tr>
<tr>
<td>Other Western Europe</td>
<td>359</td>
<td>193</td>
</tr>
<tr>
<td>North America</td>
<td>235</td>
<td>189</td>
</tr>
<tr>
<td>Asia &amp; emerging countries</td>
<td>186</td>
<td>162</td>
</tr>
</tbody>
</table>

Free cash flow = Cash flow from operations – Capex
Economic outlook for second-half 2009

Economic environment

> Economic environment should remain in the doldrums, though no further overall deterioration is expected compared with first-half 2009

> So far only limited benefits from economic stimulus packages

> Financial crisis should gradually run out of steam, heralding a return to “normal” financing conditions

> Ongoing steep volatility in energy/raw material prices and exchange rates

- Crisis probably bottomed out in H1-2009
- Timing of recovery still uncertain
Economic outlook for second-half 2009

*Group businesses*

> Trading to remain sluggish in most Group businesses

> Lower basis for comparison than in first-half 2009, especially in Q4

> Favorable impact of fall in the cost of raw materials and energy

Vigorous roll-out of action plan continued in second-half 2009

> Priority given to *sales prices*

> Extension of *cost cutting* programs

> Constant close *monitoring of cash management*
Priority given to sales prices

> Sales prices to remain a priority focus, despite downward price pressure in certain businesses (particularly Insulation) and slowing momentum compared with the first half

> The Group will seek to maintain a positive price/cost spread: energy and raw material costs much more favorable in the second half

Extension of cost cutting programs

<table>
<thead>
<tr>
<th>Amounts in €m</th>
<th>2008/2007</th>
<th>2009/2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Initial target</td>
<td>Revised April 2009</td>
</tr>
<tr>
<td>Cost savings</td>
<td>400</td>
<td>600</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>190</td>
<td>&gt;300</td>
</tr>
</tbody>
</table>

⇒ €1.5bn in cost savings over 2008-2009
€400m of additional cost savings in second-half 2009 compared with the first half.

€1.5 billion of cost savings in 2008-2009: breakdown by sector

- Innovative Materials: ~530
- Construction Products: ~410
- Building Distribution: ~320
- Cross-functional programs: ~240*

* ahead of targets (€180m at end-2009 to €300m at end-2010)
€1.5 billion of cost savings in 2008-2009: breakdown by type

- **Purchasing**
  - pooling
  - low-cost countries

- **Overheads**
  - administrative functions pooled
  - (cross-functional savings): more than 80 shared service centers set up in 2008-2009
  - additional cost savings realized in each sector

- **Operational savings**
  - roll-out of WCM: 50% of plants covered by end-2009
  - operational savings:
    - renegotiation of commercial leases in Building Distribution
    - non-renewal of outsourcing contracts: tasks taken on internally
    - capacity and headcount adjustments to tackle economic crisis
Structural improvement in industrial and commercial infrastructure

> Economic crisis: opportunity to accelerate renewal/upgrade of industrial facilities

> Highly selective approach in Building Distribution
  - core network preserved: strategic locations maintained; closure of structurally less profitable outlets
  - network optimization (back offices merged)

Constant close monitoring of cash management

> Sharp reduction in capital expenditure: down €700m over the year (versus initial target of €500m)

> Free cash flow generation and ongoing tight rein on operating WCR

> Acquisitions freeze
Summary of outlook for second-half 2009

> Aim of maintaining positive spread between sales prices and energy/raw material costs

> Extension of cost cutting program

> Close monitoring of cash management

Barring a further deterioration in the economic environment, operating income and recurring net income should outperform first-half 2009 figures

Conclusion
Core assets for emerging from the crisis as a stronger player

> Cost base significantly reduced and structural improvement in industrial and commercial infrastructure

> Ongoing expansion in emerging countries

> Continued R&D efforts

> Worldwide leadership on fast-growing energy efficiency markets, key to governments’ economic stimulus packages

> Strong balance sheet in order to leverage any growth opportunities going forward

Conclusion

> The Group will be one of the main beneficiaries of economic recovery

> Based on comparable activity levels, margins could rebound sharply in 2010
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