

# Letter to shareholders

## 2015 RESULTS

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2015 sales

€40 bn

+0.4% like-for-like

2015 operating income

€2.6 bn

+2.2% like-for-like

2015 recurring\*  
net income

€1.2 bn

+19.7%

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

Dividend stable at

€1.24  
per share

Paid fully in cash

Amount to be recommended to the AGM on June 2, 2016.



## Appointments

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## Shareholders' agenda for first-half 2016

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## Webconference

Choose the issues that interest you for the webconference to be broadcast live on the Shareholders' space on September 20.

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## RESULTS FOR 2015

Operating income **up 2.2%**  
on a like-for-like basis



“Saint-Gobain delivered improved earnings in 2015 in a sharply contrasted economic climate. The improvement was dampened by continued weak trading in France, hurt in particular by the sharp contraction in Pipe in the second half of the year, despite the first signs of an upturn in construction indicators.

The Group completed a key stage in the reorganization of its business portfolio, with the sale of Verallia on very favorable terms, and continues to pursue its plan to acquire a controlling interest in Sika after obtaining all antitrust approvals prior to closing the deal.”

**PIERRE-ANDRÉ DE CHALENDAR,**

Chairman and Chief Executive Officer of Saint-Gobain

## 2016 OUTLOOK

In 2016 the Group should benefit from more vibrant trading in Western Europe, with France stabilizing. North America should continue to see slight growth on construction markets but is expected to face a more uncertain outlook in industry. Our operations in Asia and emerging countries should deliver satisfactory growth overall, albeit affected by the slowdown in Brazil.

In line with its strategy, Saint-Gobain is confidently pursuing its plan to acquire a controlling interest in Sika.

In a still very volatile macroeconomic environment, we will continue to adapt in 2016 and are targeting **a further like-for-like improvement in operating income.**

Consolidated **sales** advanced 3.3%. **Exchange rates** had a positive 3.0% impact on sales, mainly due to gains in the US dollar and pound sterling against the euro. The positive currency impact was less in the second half (+1.4%), in particular as Latin American currencies weakened sharply against the euro. After reclassification of the Packaging business, divestments (mainly in Building Distribution) and bolt-on acquisitions (particularly in the US and in emerging markets) had an offsetting impact, resulting in a negative **Group structure impact** of 0.1%. Like-for-like (comparable Group structure and exchange rates), sales inched up 0.4% with slack volumes.

Despite the lack of volume growth, **operating income** was up 4.5%, or 2.2% like-for-like, representing 6.7% of sales versus 6.6% of sales in 2014.

**Net attributable income** including net income from discontinued operations surged 35.9% at €1,295 million.

## 2016 STRATEGIC PRIORITIES

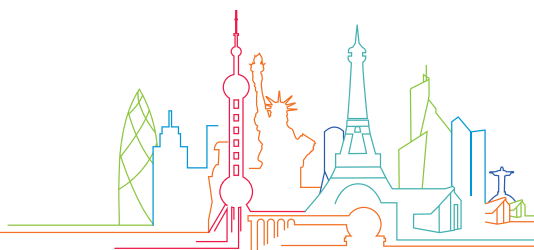
The Group will pursue its internal optimization efforts and its acquisitions and divestments strategy. This will allow it **to improve the Group's growth potential** by focusing on high value-added and less capital-intensive businesses and on activities outside Western Europe.

Saint-Gobain is pursuing **its plan to acquire a controlling interest in Sika**. During 2015 it obtained the antitrust authorities' unconditional approval for the transaction and various legal decisions were handed down in favor of the deal's completion. 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.

A new €800 million cost-cutting program for 2016-2018 will be launched as part of ongoing cost savings initiatives. This program will focus more extensively **on operational excellence** and purchasing, and will include **new initiatives** in terms of **logistics optimization, sales excellence and the digital transformation** of industrial plants.

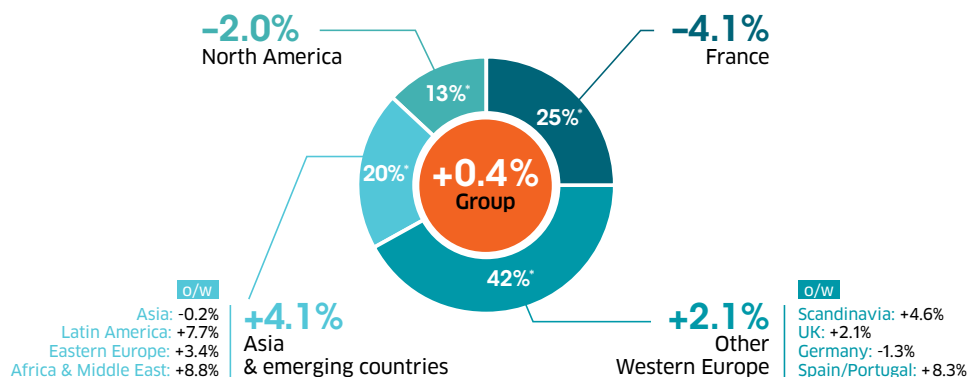
**The digital shift** remains an important focus. Thanks to its presence at several levels of the value chain (production and distribution), Saint-Gobain is particularly well placed to leverage the opportunities resulting from the digital transformation of its markets.

Saint-Gobain has reaffirmed its **commitment to fighting climate change** by introducing an internal carbon price which will be factored into all assessments of future investments. Climate change represents both a major challenge for society and a growth opportunity for Saint-Gobain's products.



## SALES TRENDS BY GEOGRAPHIC AREA

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



\* Breakdown of 2015 sales.

## RESULTS BY BUSINESS SECTOR

### INNOVATIVE MATERIALS

2015 SALES  
€9,703m



Innovative Materials **sales** climbed 2.2% like-for-like over the year as a whole and 1.7% in the second half. The **operating margin** for the Business Sector widened to 10.5% from 9.4% (10.7% in the second half), driven by the rally in Flat Glass and a resilient performance from High-Performance Materials.

### CONSTRUCTION PRODUCTS

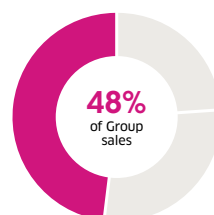
2015 SALES  
€12,012m



Construction Products (CP) reported 0.5% **organic growth**, but slipped 0.1% in the second half due chiefly to the downturn in Pipe, which reduced the Business Sector's **operating margin** for the year from 9.0% to 8.5%.

### BUILDING DISTRIBUTION

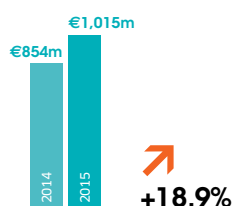
2015 SALES  
€18,849m



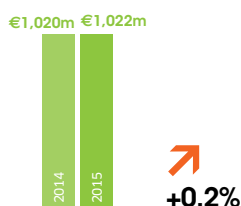
Building Distribution **sales** slipped 0.6% (down 0.1% over the second half) in a construction market that declined sharply in France but showed the first signs of stabilizing towards the end of the year.

The **operating margin** was affected by slack volumes in France, coming in at 3.2% for the full year (3.8% in the second half), versus 3.5% in 2014.

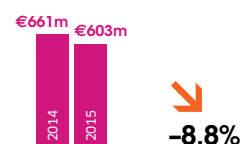
### OPERATING INCOME



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### OPERATING INCOME





# SAINT-GOBAIN, PARTNER OF COP21

As an official partner of COP21, the Saint-Gobain Group shares a commitment to strong action to fight global warming.

 more details on COP21 website



The United Nations Conference on Climate Change, or **COP21**, was held from November 30 to December 12, 2015 at Le Bourget, near Paris (France). The **final agreement sets the maximum rise in global temperatures at a target 1.5°C**, below the initial target of 2°C. The involvement of the business world at the summit was a first. **As an official partner of the event, Saint-Gobain** stepped up its commitment to responsible growth and a carbon-free world, with its signature of the Global Alliance for Buildings and Construction and the Business Alliance for Water and Climate Change.

## THE AREAS OF COP21 SUPPORTED BY SAINT-GOBAIN INCLUDE:

An **ambitious global climate agreement** that takes into account scientific findings about net global carbon emissions trends.

Clear, effective and predictable carbon pricing mechanisms alongside complementary economic signals to achieve **global net emission reductions** at the lowest possible cost. Such mechanisms should be carefully designed and implemented, and underscored by an industry-specific approach, in order to reduce competitive distortions in the most sensitive sectors.

The **guarantee** that international trade and investment rules and regulations will positively encourage action on climate change.

The **roll-out of efficient measures** to reduce energy consumption and greenhouse gas emissions in buildings and transport.

**Assisting this transition** by ensuring the long-term viability of measures taken locally.

The **introduction of certifications** to underscore the environmental benefits of products.



# INNOVATING FOR THE HABITAT MARKETS

Saint-Gobain aims to become the reference for sustainable habitat.



We want to meet our customers' desire for buildings that are healthier, more efficient and more comfortable, offering their occupants the added benefits of well-being and lower energy bills. Our Multi-Comfort program demonstrates that it is possible to design, build and renovate buildings using Saint-Gobain solutions.

**Saint-Gobain is eager to provide its customers with genuine added value by developing and distributing innovative solutions that help reduce the environmental impact of buildings and infrastructure.**

Together, our marketing, R&D and building science teams work on all stages in the life cycle of their solutions, from the choice of raw materials to product use and end-of-life.

Saint-Gobain has also introduced an Eco-Innovation toolbox based on Life Cycle Analyses (LCA). LCA is a tool used to assess and quantify the environmental impact of a product or solution at all stages in its lifecycle.

This approach was notably applied when developing a tile adhesive that cuts carbon emissions by 56 percent compared with a

mortar adhesive of the same class.

**As a world leader in habitat, Saint-Gobain is committed to moving the sustainable construction market forward.**

Investment in training a new generation of tradespeople and professionals attuned to energy efficiency and sustainable building issues will guarantee the future of the industry's professions and drive its future growth.

Our building materials distribution brands are actively involved in training tradespeople. For example, in the United Kingdom, the Greenworks Training Academy run by Jewson, Graham, Gibbs & Dandy and Minster has provided

more than 80,000 hours of training to 13,000 employees, customers and suppliers since it was created in 2012.

Saint-Gobain Distribution Bâtiment France brands have trained more than 15,000 professionals in FEE Bat training sessions (*training on energy efficiency in buildings for businesses and craftspeople*).



## OUR MAIN COMMITMENTS

- **Promote the protection and availability** of natural resources.
- **Reduce the amount of non-recovered waste** and our consumption of natural resources.
- **Reduce the quantity of water drawn** and in the long term, aim for zero industrial water discharge in liquid form.
- **Reduce energy consumption** and greenhouse gas emissions for the Group's activities.
- **Reduce CO<sub>2</sub> emissions** for the Group's industrial activities, transport, infrastructure, products and services.
- **Reduce energy consumption** and greenhouse gas emissions for our tertiary buildings and infrastructure with the CARE:4® program.
- **Increase the number of R&D projects**, investments and initiatives aimed at reducing the environmental footprint of our processes and solutions.



# LA HALLE DE PANTIN

## EUROPE'S FIRST COVERED MARKET FOR BUILDING TRADE PROFESSIONALS

**In September 2015, Saint-Gobain Distribution Bâtiment France (Building Distribution) opened Europe's first covered market specifically for building trade professionals in Pantin, north of Paris.**

Unique in the Building Distribution sector, La Halle de Pantin brings together eight complementary Saint-Gobain Distribution Bâtiment France (SGDB France) brands (Point.P Matériaux de Construction, La Plateforme du Bâtiment, CEDEO, Décocéram, PUM Plastiques, CDL Elec, Outiz and SFIC) and two part-

ner brands (Hilti and Kiloutou) under the same roof.

### **An unrivalled response to the demands of trade professionals**

La Halle de Pantin offers an unrivalled response in terms of efficiency, availability, performance and assistance to professionals in the construction and renovation industries, regardless of their line of business or scale. In all, 110 people are on hand during extended opening hours (6:30am to 8:00pm Monday to Friday and until 6:00pm on Saturday) to welcome and

advise clients on the brands' extensive range of products and solutions. A host of additional services are also on offer to facilitate day-to-day life, with a 2.0 cafeteria, free Wi-Fi, a VNG (Vehicle Natural Gas) station, electric vehicle recharging terminals, food trucks at lunchtime, equipment rentals (Kiloutou), and a waste drop-off service (as from 2016).

### **A showcase for Saint-Gobain Distribution Bâtiment France and its brands**

La Halle de Pantin provides a comprehensive range of products and services helping to make buildings more **energy-efficient**. These products and services are designed to improve the building structure, envelope, roofing, insulation, join-



ery, heating and ventilation, as well as **durability and comfort** for occupants, with home automation solutions, lighting, and products to improve accessibility and help the elderly remain in their homes. La Halle de Pantin is also a showcase for environmentally-friendly solutions for wastewater treatment, drinking water distribution, exterior fittings and urban landscaping.

### An exceptional refurbishment program with strong eco-credentials

Born out of a rehabilitated French industrial heritage site (a former “fast freight forwarding” facility built between 1946 and 1949), the building was constructed in keeping with SGDB France’s eco-responsible “Ressource” program.

**La Halle de Pantin is an exceptional achievement** in terms of energy performance, long-lasting integration into its surrounding urban environment and social responsibility, and consumes five times less energy than the requirements of the French RT 2012 commercial buildings standard. It is certified at the “Design” level of France’s HQE Renovation standard and has also been awarded the BBC Renovation label for energy efficiency. Successfully integrated within its urban environment, La Halle de Pantin has over 12,450 sq.m. of green space reserved for the treatment and recovery of water using

a system of phytoremediation, biodiversity protection and pedagogical facilities open to the general public. The creation of the complex was also an opportunity for SGDB France to sign a partnership agreement with the “Est-Ensemble” association of local communities

to set up a program to help people into paid employment. A total of 13 people have been trained and recruited under the program by the different brands operating at La Halle, and 10 others were signed up on permanent contracts during the rehabilitation work. ■



Discover **la Halle de Pantin** on our YouTube channel\*.

\* In French only.

### LA HALLE DE PANTIN IN FIGURES

**35,000 sq.m.** for building trade professionals

**11,000 sq.m.** of covered parking

**8** complementary brands

**100,000** available listings



## APPOINTMENTS



### CLAUDE IMAUVEN

Senior Vice-President in charge of the Construction Products Sector, was appointed Chief Operating Officer and notably oversees innovation, the Group's digital transformation, operational excellence and international development.



### BENOÎT BAZIN

Senior Vice President in charge of the Building Distribution Sector, was appointed President of the Construction Products Sector.



### LAURENT GUILLOT

Chief Financial Officer, was appointed President of the High-Performance Materials Sector and manages the Ceramic Materials division.



### KARE MALO

Chief Executive Officer of Saint-Gobain Distribution Nordic, Director of Procurement & Marketing of Saint-Gobain Distribution Bâtiment, was appointed Senior Vice-President in charge of the Building Distribution Sector.



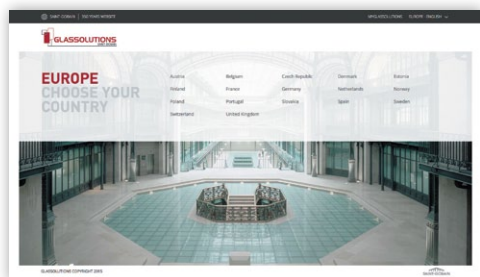
### GUILLAUME TEXIER

President of Ceramic Materials, was appointed Chief Financial Officer.

## Laurent Guillot named CFO of the Year at the 16<sup>th</sup> CFO Awards

The 2015 CFO Awards were held on December 9, 2015 and attended by some **300 finance directors from across the business spectrum**. This exceptional ceremony, an enriching platform for exchange and discussion, serves to promote the finance profession and underscores the significance of the CFO's role in terms of corporate strategy and development.

**Laurent Guillot** and **Marc Henry** (CFO and head of Specialty Product Lines at the Michelin group) were selected by a **prestigious jury** and collected their awards in the presence of well-known figures from the finance world including this year's Honorary President, **Vivek Badrinath**, Deputy Chief Executive Officer of AccorHotels.



## New digital window for Glassolutions

Glassolutions (Innovative Materials) has unveiled its new website. Geared to customers' needs and harmonized across Europe thanks to a central website and 17 national websites, it offers user-friendly browsing and a modern design. The full responsive design interface, devised for all media and mobile Internet applications, has enriched content. Users can now browse by universe and application to find the solutions best suited to their needs or discover glass projects by Glas-solutions. The product catalog has been revisited and contact facilitated for customers seeking information. This digital window is also a gateway to Saint-Gobain's corporate websites and the MyGlassolutions e-commerce interface for the UK.

For more information, visit [www.glassolutions.eu](http://www.glassolutions.eu)

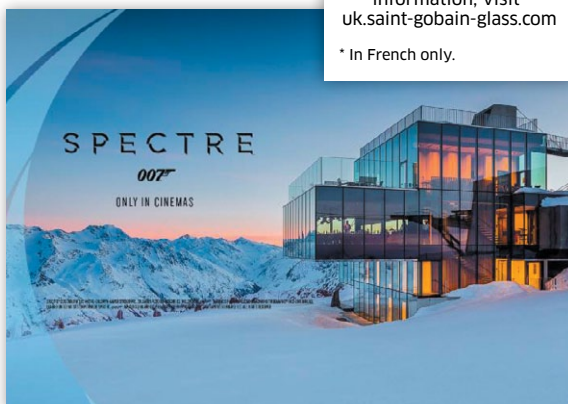
## JAMES BOND GETS A STUNNING VIEW OF THE ALPS THANKS TO SAINT-GOBAIN

Glassolutions Austria (Innovative Materials) supplied the windows for the ICE-Q building in Sölden (Austria), where the legendary secret agent 007 meets the new James Bond® girl in Spectre®, the latest film in the saga.

Scintillating at over 3,000 meters, this gourmet restaurant converted in the film into a futuristic hospital offers a breathtaking panoramic view of the Ötztal valley's 250 summits. Eckelt Glas' Steyr facility supplied the 900 sq.m. of CLIMA-TOP triple glazing used for the façade and the terrace balustrade.

For more information, visit\* [uk.saint-gobain-glass.com](http://uk.saint-gobain-glass.com)

\* In French only.





# Shareholder's Agenda



Two ways to sign up:

- log on to your **shareholder's space**
- call freephone **0 800 32 33 33** Service & appel gratuits (France only)

Thursday March 3, 2016 – 2:00pm - 4:00 pm

## SAINT-GOBAIN ISOVER PLANT IN CHALON-SUR-SAÔNE (71)



For over 75 years, Isover, the world's leading supplier of insulation, has been manufacturing and distributing thermal and acoustic insulation and fire protection solutions aimed at providing long-lasting comfort and optimal energy performance for both residential and non-residential (schools, hospitals, administrative facilities, etc.) buildings and industrial sites.

Isover has four mineral wool production sites, three of which produce glass wool: Orange (84), Chalon-sur-Saône (71) and Chemillé (49). The fourth site in Genouillac (23) manufactures stone wool.

- Sign up from: **Thursday February 11, 2016**
- Maximum number of participants: **20**

Tuesday March 15, 2016 – 2:00pm - 4:00pm

## LA HALLE DE PANTIN (93)



A first in the building distribution industry, La Halle de Pantin – opened in September 2015 – brings together eight of Saint-Gobain Distribution Bâtiment France's complementary brands.

- Sign up from: **Tuesday February 23, 2016**
- Maximum number of participants: **25**

Monday March 21, 2016 – From 6:00pm

## SHAREHOLDER MEETING – NANTES (44)

Saint-Gobain has teamed up with Sanofi to organize this shareholder meeting, to be held at **La Cité, Centre des Congrès - 5, rue de Valmy - 44041 Nantes (France)**.

Thursday May 26, 2016 – 1:00pm/3:00pm

## HALL OF MIRRORS AT THE CHÂTEAU DE VERSAILLES (78)



The Hall of Mirrors at the Château de Versailles is undoubtedly the first masterpiece of Manufacture Royale des Glaces – created in 1665 by Colbert – which will move to the city of Saint-Gobain some 30 years later. With 357 mirrors fixed by ornate rods and engraved bronze links, the Hall of Mirrors is Mansart's stroke of genius.

- Sign up from: **Wednesday May 4, 2016**
- Maximum number of participants: **50**

Thursday June 2, 2016 – 3:00pm

## ANNUAL GENERAL MEETING

**Palais des Congrès - 2, place de la Porte Maillot - 75017 Paris (France).**

Monday June 20, 2016 – 9:00am - 12:00pm

## SAINT-GOBAIN SULLY (45)

Saint-Gobain Sully specializes in the design and manufacture of state-of-the-art windows in glass, acrylic or polycarbonate in compliance with the strictest international standards and guaranteeing perfect visibility whatever the weather.

Saint-Gobain Sully has been developing transparent glass for over 40 years, used in aeronautical, rail, maritime and military applications, where it has proved its ability to adapt to constantly changing demands.

- Sign up from: **Monday May 30, 2016**
- Maximum number of participants: **20**

Tuesday June 28, 2016 – From 6:00pm

## SHAREHOLDER MEETING – ANNECY (74)

Saint-Gobain will welcome you in the **Imperial Palace Hotel, Allée de l'Impérial - 74000 Annecy (France)**.



## SHAREHOLDER'S NOTEBOOK

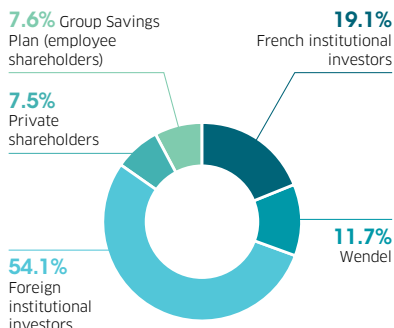
### TOTAL NUMBER OF SHARES

(at December 31, 2015)

# 560,943,439

### OWNERSHIP STRUCTURE

(at December 31, 2015) (%)



### SIGN UP FOR THE E-LETTER TO SHAREHOLDERS



To receive your copy of the Letter to Shareholders and keep abreast of all the latest Saint-Gobain news, sign up for the e-Letter to Shareholders in the Shareholders section of [www.saint-gobain.com](http://www.saint-gobain.com) or send an e-mail to [actionnaires@saint-gobain.com](mailto:actionnaires@saint-gobain.com)

### YOUR OPINION MATTERS

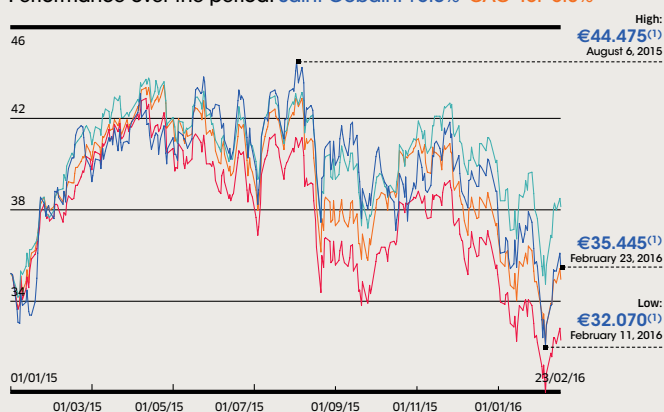
A webconference will be broadcast live on the shareholders' space on September 20, 2016, focusing on three or four issues. Your opinion is important to us. We would be grateful if you could e-mail or call us before July 15, 2016 with the four issues among the ten listed below that are of most interest to you:

1. Taxation of shares
2. Succession planning - gifts
3. The stock market in 2016
4. Stock market ratios
5. Getting to grips with economic news: the ideal scorecard
6. Managing a portfolio
7. The attitude to adopt in times of market volatility
8. Stock ownership plan: a guide
9. Dividends: a guide
10. Better understanding a company's financial performance

### SAINT-GOBAIN SHARE PERFORMANCE

1/01/2015 - 23/02/2016

Performance over the period: Saint-Gobain: +0.6% CAC 40: -0.8%



— (1) Saint-Gobain share price — CAC 40  
— DJ EURO STOXX 50 — DJ EURO STOXX 600 Construction

Recent performance at February 23, 2016 (€35,445) In %	Saint-Gobain share price	CAC 40	DJ Euro Stoxx 50	DJ Euro Stoxx 600 Construction
Trailing month	-5.2%	-2.3%	-4.5%	-1.4%
Trailing 3 months	-12.9%	-13.3%	-16.2%	-9.4%
Trailing 6 months	-10.6%	-8.5%	-11.1%	-3.3%
Trailing 12 months	-14.9%	-12.8%	-18.0%	-7.5%

## YOUR CONTACTS

Saint-Gobain's Shareholder Relations Department will be pleased to answer any enquiries. Please feel free to contact them:

#### • By dialing,

**0 800 32 33 33** Service & appel gratuits

from France (calls free of charge from landlines) or **0033 (0)1 47 62 33 33** from outside France

#### • Online, at [www.saint-gobain.com](http://www.saint-gobain.com)

#### • By e-mail, at [actionnaires@saint-gobain.com](mailto:actionnaires@saint-gobain.com)

#### • Via the Saint-Gobain Shareholder App



#### • By post, Compagnie de Saint-Gobain Service Actionnaires Les Miroirs 92096 La Défense Cedex

#### • Reuters: SGOB.PA

Managing Editor: Guillaume Texier  
ISSN No. 1245-3978

Design: *lamata*

Photo credits: Pierre-Yves Brunaud, Fotolia (p.1), Jean Chiscano (p.2), Fotolia (p.4), Pierre-Yves Brunaud (p.6-7), Photothèque Saint-Gobain, Jean Chiscano, Franck Dunouau, Glassolutions, Danjaq/Soelden (p.8), Saint-Gobain Isover, Pierre-Yves Brunaud, RMN (Château de Versailles)/Michel Urtado (p.9).

Printed by: Gilbert Clarey Imprimeurs certified Imprim'Vert and FSC on FSC-certified paper, using recycled paper and pulp from sustainably managed forests.



SAINT-GOBAIN

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