

April 22, 2008

## FIRST-QUARTER 2008 SALES

- ▶ **UP 1.5% AT CONSTANT EXCHANGE RATES\***
- ▶ **UP 0.9% LIKE-FOR-LIKE**

Saint-Gobain's consolidated sales for first-quarter 2008 came in at **€10,301 million**, compared with €10,447 million in the same year-ago period. This represents a decline of 1.4% on an actual structure basis, but **a rise of 0.9% like-for like (on a constant structure and exchange rate basis) and of 1.5% at constant exchange rates\***.

**At a constant number of working days, organic growth for the Group would have been slightly above 3.0%**, despite the very high comparison basis with first-quarter 2007 (up 8.0% on a like-for-like basis compared to the prior-year period).

Changes in Group structure represent 0.5% growth in sales. The impact of the Desjonquères and Reinforcements & Composites divestments in 2007 was more than offset by the contribution from acquisitions, in particular Maxit and Norandex (consolidated as of March 1, 2008 and September 1, 2007, respectively). The exchange rate impact was a negative 2.8%, in particular as a result of the further slide in the value of the US dollar and pound sterling against the euro.

**Like-for-like, consolidated sales moved up €96 million, or 0.9%. Sales prices remained on an upward trend (+2.6%)**, while volumes fell back slightly (-1.7%), as expected, due to fewer working days than for the same period 2007.

**All of the Group's business sectors reported a rise in like-for-like sales over the quarter, with the exception of Construction Products (CP)**, which saw a 0.4% dip in sales. This was fueled by a downturn in the Interior Solutions business in the US, not entirely offset by vigorous 4.9% growth in Exterior Solutions.

On the whole, residential construction remained on track in western European countries. In the United States, however, in line with the economic scenario set out by the Group at the beginning of the year, residential construction markets continued to lose ground and are not yet showing any tangible signs of leveling off.

*(\*) Based on average exchange rates for first-quarter 2007.*

As anticipated, household consumption, industrial output and capital spending held up very well in both the United States and Europe.

**Emerging countries and Asia remained buoyant and once again posted double-digit growth.**

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Sales trends by business sector and major geographic area are as follows:

	Q1 2008 sales (€ millions)	Q1 2007 sales (€ millions)	% change on an actual structure basis	% change on a comparable structure basis	% change like-for-like
<b><u>BY BUSINESS SECTOR</u></b>					
<b>Flat Glass</b>	<b>1,399</b>	<b>1,369</b>	<b>+2.2%</b>	<b>+1.5%</b>	<b>+3.0%</b>
<b>High-Performance Materials</b>	<b>1,036</b>	<b>1,241</b>	<b>-16.5%</b>	<b>-4.5%</b>	<b>+0.5%</b>
<b>Construction Products (1)</b>	<b>2,730</b>	<b>2,720</b>	<b>+0.4%</b>	<b>-4.1%</b>	<b>-0.4%</b>
<i>Interior Solutions</i>	1,578	1,680	-6.1%	-6.9%	-3.7%
<i>Exterior Solutions</i>	1,159	1,047	+10.7%	+0.6%	+4.9%
<b>Building Distribution</b>	<b>4,637</b>	<b>4,424</b>	<b>+4.8%</b>	<b>-0.8%</b>	<b>+1.1%</b>
<b>Packaging</b>	<b>797</b>	<b>955</b>	<b>-16.5%</b>	<b>+0.2%</b>	<b>+4.5%</b>
<i>Internal sales and other</i>	(298)	(262)			
<b>GROUP</b>	<b>10,301</b>	<b>10,447</b>	<b>-1.4%</b>	<b>-1.9%</b>	<b>+0.9%</b>
<b><u>BY GEOGRAPHIC AREA</u></b>					
France	3,250	3,277	-0.8%	+2.4%	+2.4%
Other western European countries	4,699	4,725	-0.6%	-3.5%	-0.7%
North America	1,263	1,473	-14.3%	-17.3%	-6.2%
Emerging countries and Asia-Pacific	1,630	1,533	+6.3%	+11.5%	+11.8%
Internal sales	(541)	(561)	-----	-----	-----
<b>GROUP</b>	<b>10,301</b>	<b>10,447</b>	<b>-1.4%</b>	<b>-1.9%</b>	<b>+0.9%</b>

(1) Including inter-division eliminations.

## Performance of Group sectors

Activity in the **Flat Glass sector (+3.0% like-for-like)** continued to be driven by construction markets in Europe, Asia and emerging countries. There was a further rise in volumes and sales prices and the product mix continued to expand. Demand for automotive glass also remained strong worldwide.

**High-Performance Materials achieved 0.5% like-for-like growth**, mainly as a result of the 2.8% growth in Ceramics, Plastics & Abrasives.

**Sales recorded by the Construction Products (CP) sector** gained 0.4% on a reported basis but **lost 0.4% like-for-like**. The impact of changes in Group structure (-4.5%) stemming from Saint-Gobain's acquisition of Norandex and Maxit (consolidated as of September 1, 2007 and March 1, 2008, respectively) offset the negative exchange rate impact (-3.7%) resulting chiefly from the fall in the value of the US dollar.

- Hit by a further weakening of its US operations, **Interior Solutions** saw sales **fall by 6.1% on a reported basis and by 3.7% like-for-like**, despite the resilience of Europe and sustained business momentum in emerging countries.
- In contrast, sales for the **Exterior Solutions business surged 10.7% on a reported basis and 4.9% like-for-like**, buoyed by a vigorous performance from Pipe and Mortars. Exterior Fittings businesses in the United States remained stable over the quarter.

**Building Distribution delivered the Group's best sales growth on a reported basis at 4.8%, powered by acquisitions (5.6%) and organic growth (1.1%)**, despite a very high comparison basis (organic growth of 11.0% in first-quarter 2007) . Growth continued to be powered by France and Scandinavia, with the United Kingdom reporting a slight downturn.

**Packaging delivered 4.5% organic growth**, amid robust demand especially in Europe and emerging countries.

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## Sales analysis by geographic area

The breakdown of sales by geographic area is in line with the trends observed in fourth quarter 2007.

- **France** (29.5% of Group sales in first-quarter 2008) posted a **2.4%** rise in sales on a like-for-like basis, while **other western European countries** (43.9% of Group sales) saw like-for-like sales shed **0.7%**. The expected slowdown in Spain and softening market conditions in the United Kingdom were not entirely offset by good performances from Germany – up on the first quarter despite the unfavorable basis for comparison –, Scandinavia and Benelux.
- In **North America** (11.9% of Group sales), business continued on a downward trend with a fall of **6.2%** in like-for-like sales fueled by the ongoing crisis in residential construction markets.
- **Asia and emerging countries** (14.7% of Group sales) continued to post **vigorous growth, coming in at 11.8%** on a like-for-like basis. Latin America and Asia turned in particularly robust performances, delivering organic growth of 15.4% and 16.2%, respectively.

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## Update on asbestos claims in the United States

Some 1,000 claims were filed against CertainTeed in the first quarter of 2008, versus 2,000 in the same period of 2007. After taking into account around 2,000 settlements made during the period, the number of outstanding claims at March 31, 2008 declined to approximately 73,000 from 74,000 claims outstanding at December 31, 2007.

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## Outlook

The Group is confident in its ability to adapt and withstand more challenging economic conditions, and therefore confirms its **objectives for 2008**:

- **modest growth in operating income** at constant exchange rates (*average exchange rates for 2007*) and **recurring net income\***,
- a solid financial structure and continuing **high levels of free cash flow**.

*\* excluding capital gains, asset write-downs, and the Flat Glass fines (European Commission)*

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## Forthcoming results announcements:

- Final results for first-half 2008: July 24, 2008, after close of trading on the Paris Bourse.

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