

Press release

SALES FOR THE FIRST NINE MONTHS OF 2006:

- ▶ UP 20.1% ON A REPORTED BASIS
- ▶ UP 6.3% LIKE-FOR-LIKE

The Saint-Gobain Group delivered **consolidated sales** of €30,925 million during the first nine months of 2006, **an increase of 20.1%** on a reported basis and of 19.1% at constant exchange rates (based on average exchange rates for the first nine months of 2005).

The contribution from acquisitions, net of disposals, accounted for an increase of 12.8%. The Gypsum division (formerly BPB) posted a 13.3% rise in sales over the nine months period, to €2,931 million.

Organic growth for the first nine month came in at 6.3% on a like-for-like basis (comparable Group structure and exchange rates), fuelled by continuous sales price rises (up 3.3%) and on-going satisfactory growth in volumes (up 3.0%). The robust trading performance recorded in the first six months of the year (up 6.3% for first-half 2006) continued throughout the third quarter (up 6.2%), enabling the Group to maintain organic growth for the nine months **at the same level as for first-half 2006**.

Each of the Group's five business sectors reported a notable advance in like-for-like sales over the first nine months of 2006.

Businesses related to construction markets, in particular, continued to post overall healthy growth figures, boosted by the impact of new European regulations on energy efficiency in the building industry and by the upswing in Germany. **In Europe, vigorous construction markets** (new residential and commercial construction and renovation spending) balanced the impact of the slowdown in US housing starts, which broadly evolved in line with the Group's economic assumptions for full-year 2006.

Businesses exposed to household consumption and industrial production markets remain on the growth track.

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

	Sales for the first nine months of 2006 (in € millions)	Sales for the first nine months of 2005 (in € millions)	Change based on actual structure (%)	Change based on comparable structure (%)	Change based on comparable structure and exchange rates (%)
<u>SECTORS & DIVISIONS</u>					
Building Distribution sector	12,883	11,370	13.3%	6.0%	5.7%
High-Performance Materials sector (1)	3,745	3,623	3.4%	5.6%	3.8%
<i>Ceramics & Plastics and Abrasives</i>	2,706	2,668	1.4%	4.9%	3.3%
<i>Reinforcements</i>	1,050	969	8.4%	6.9%	5.0%
Flat Glass sector	3,716	3,460	7.4%	7.5%	5.7%
Packaging sector	3,094	2,990	3.5%	4.2%	2.9%
Construction Products sector (1)	8,198	4,740	72.9%	11.6%	10.3%
<i>Gypsum</i>	2,931	<i>n.a.</i>	<i>n.a.</i>	13.3%	12.2%
<i>Building Materials</i>	2,087	2,082	0.2%	6.1%	4.0%
<i>Insulation</i>	1,872	1,612	16.1%	13.1%	12.2%
<i>Pipe</i>	1,333	1,060	25.8%	15.2%	14.1%
<i>Internal sales and misc.</i>	(711)	(440)	-----	-----	-----
GROUP	30,925**	25,743**	20.1%	7.3%	6.3%*
<u>GEOGRAPHIC AREAS</u>					
France	9,296	8,524	9.1%	5.3%	5.3%
Other western European countries	13,604	11,025	23.4%	5.7%	5.8%
North America	5,309	4,430	19.8%	7.8%	5.7%
Emerging countries and Asia-Pacific	4,316	3,168	36.2%	17.6%	11.9%
<i>Internal sales and misc.</i>	(1,600)	(1,404)	-----	-----	-----
GROUP	30,925**	25,743**	20.1%	7.3%	6.3%*

* 5.8% excluding BPB's organic growth

** including ancillary revenue of €197 million for the first nine months of 2006, compared with €181 million for the year-earlier period

(1) including inter-division eliminations

The Building Distribution sector posted a sharp increase in sales on a reported basis (up 13.3% over the first nine months and up 11.9% in the third quarter), including contributions from recent acquisitions, particularly Sanitas-Troesch and Optimera, which were consolidated with effect from March 1, 2005 and August 1, 2005, respectively. Organic growth for the nine-month period (5.7%) picked up pace compared with the first six months of 2006, thanks to a very good third quarter (+6.3% organic growth), buoyed by brisk business conditions in French and Scandinavian markets, the upswing in the German market and a more favorable trading environment in the UK.

High-Performance Materials generated sustained like-for-like sales growth (3.8% over the nine months to September 30, 2006 and 4.3% over the third quarter). Sales reported by the Ceramics, Plastics and Abrasives businesses expanded 3.3% over the first nine months (with a high basis for comparison in 2005), while Reinforcement sales climbed 5%, chiefly in terms of volumes.

The **Flat Glass sector** notched up a **significant rise** in sales at comparable structure and exchange rates (**up 5.7% over the first nine months of 2006, and up 8.8% over the third quarter**). This performance was bolstered by strong construction markets which, in the third quarter, saw significant price rises in Europe, coupled with robust business levels in Europe and in most emerging countries. The automotive market continued to present a mixed overall picture.

Like-for-like Packaging sales inched up a moderate 2.9% over the nine-month period, and 2.0% in the third quarter, reflecting the sustained organic growth of the Flasks business (4.8% over the nine-month period) and the benefits reaped by the Bottles & Jars businesses from price increases in both Europe and the US.

The **Construction Products (CP) sector** continued to register **very significant like-for-like growth (10.3% over the nine-month period and 7.6% in the third quarter)**. The interior building solutions businesses (Gypsum and Insulation) reported very strong overall organic growth figures (12.2% over the nine-month period), powered by vigorous residential and commercial construction markets, measures designed to promote energy efficiency, and good price levels. The strong growth momentum experienced by the Pipe division continued apace, coming in at 14.1%, on the back of robust sales volumes and a healthy order book both in Europe and for exports. The Building Materials division posted further organic growth gains in Europe through the Industrial Mortars business, while on-going sharp increases in sales prices in the US since the beginning of the year more than offset the fall-off in volumes observed on the US market in recent months.

By geographic area, like-for-like growth remained buoyant in **France** (5.3% over the nine first months) and accelerated in **other western European countries** (5.8% over the nine-month period, of which 6.2% in the third quarter). The upswing in the **German** economy – which currently accounts for 10.7% of Group sales – took hold and picked up pace, with organic growth of 5.3% over the nine-month period, and of 8.6% in the third quarter. Growth slowed in the **United States** (16.0% of Group sales), as anticipated (5.7% over the first nine months of 2006 and 2.2% in the third quarter).

Emerging countries and Asia-Pacific put in another strong performance, particularly Eastern Europe and Latin America, with aggregate organic growth of 11.9% over the nine months to September 30, 2006, and of 14% in the third quarter.

Update on asbestos claims in the United States: Some 2,000 new claims were filed against CertainTeed in the third quarter of 2006. Over the first nine months of the year, approximately 6,000 new claims were filed, compared with 12,000 in the same period of last year. Since the beginning of the year, 10,000 claims have been resolved, including 2,000 in the third quarter. The number of claims outstanding at September 30, 2006 remained stable in relation to end-June 2006, at 86,000. The average cost per claim settled in the last 12 months or in the process of settlement came in at USD 2,800, above the end-June 2006 figure due to fewer mass actions as a proportion of total claims.

Outlook and targets: the Group confirms its targets for full-year 2006:

- an increase of 27% - 28% in operating income at constant exchange rates (average rates for full year 2005),
- 25% - 26% growth in net income excluding capital gains.
