

press release

Saint-Gobain's acquisitions in 2001:

Expenditure of EUR 412 million for additional sales of more than EUR 850 million

The purpose of this press release is to recapitulate the acquisitions (not including buybacks of Compagnie de Saint-Gobain stock) carried out by the Group in 2001, particularly those which were not specifically announced at the time. The sales figures provided below are based on estimated full-year data for 2001.

In 2001, the Group continued to pursue its external growth strategy, through more than 60 acquisitions, most of them small-scale operations in the high-growth businesses of Building Materials Distribution on the one hand and Ceramics & Plastics, Abrasives and Reinforcements on the other. These acquisitions represented an aggregate investment in securities of EUR 412 million, with enterprise value of EUR 402 million since the net cash acquired totaled EUR 10 million, for additional full-year sales of EUR 854 million.

The Group also bought out almost all minority interests in some of its listed subsidiaries, for a total expenditure of EUR 345 million. These operations concerned the Spanish subsidiary Saint Gobain Cristalería (for EUR 231 million) and the three listed Brazilian subsidiaries (for EUR 114 million).

In line with the Group's development strategy, the majority of these acquisitions concerned the high-growth businesses of Building Materials Distribution and Ceramics and Composites. Investment in these two areas totaled EUR 323 million, for additional sales of EUR 776 million.

- **Building Materials Distribution: acquisitions of EUR 192 million for additional annual sales of EUR 660 million**

In 2001, the Division continued its external growth through 46 bolt-on acquisitions in France, the United Kingdom and Germany.

France:

The Point.P group carried out 35 external growth operations, adding EUR 272 million to its full-year sales. In particular, **Point.P** strengthened its coverage of southeastern France by acquiring **Matériaux Réunis**, a network of 30 outlets selling a broad range of building materials. The company enjoys an excellent reputation and has an annual sales volume of EUR 107 million.

Point.P also acquired the following companies, which added 65 sales outlets:

- several general distributors (total sales acquired: EUR 75 million), including **SPC** (Paris area), **Vinets Matériaux and Bétons Champenois** (central France), **Verney** (region of Lyon), and **Sud Ouest Matériaux Penquerch** (southwest);
- specialized distributors (total acquired sales: EUR 90 million), such as **Brill**, dealing with ceilings, insulation and partitions; **Hubert**, specialized in hardware, carpentry, wood and paneling (northern France); **Sevegrand**, a distributor of plumbing equipment in the Paris area and **BCCDL**, a producer of ready-mixed concrete in the southwest.

United Kingdom:

Drawing upon the Point.P business model, Saint Gobain Building Distribution carried out several bolt-on acquisitions in the United Kingdom. Of the six companies purchased in 2001, the four largest were **Archibald** and **Matthew Charlton**, two general distributors, and **Cakebread Robey** and **Nixon Knowles**, specialized respectively in heating and bathroom supplies, and in wood and paneling. These four companies, which represent sales of EUR 108 million, have been integrated into the Group's two distribution networks in the United Kingdom, Jewson as the general distributor, and Graham as the plumbing and heating specialist.

Germany and Central Europe:

Raab Karcher acquired **Keramundo**, the leading German distributor of ceramic tiles with 52 sales outlets and sales of EUR 230 million. This operation was rounded out by the takeover of another specialized ceramic tiles trader, Geldmacher. Still in Germany, **Roha**, **Menke** and **Kulb & Diers**, three specialized distributors of materials for heavy construction also joined the fold.

In the Czech Republic, Raab Karcher bought the **BayWa** group's building materials distribution network, which includes 10 outlets.

In all, Raab-Karcher's acquisitions added EUR 280 million to its sales.

- **Ceramics and Composites: acquisitions of EUR 131 million for additional annual sales of EUR 116 million**

In Ceramics & Plastics:

The Division continued to bolster its positions, focusing mainly on specialty products.

Its principal acquisitions included **Mox-Med Inc.**, a U.S. based manufacturer of silicone elastomers **mainly for the healthcare industry**, with annual sales of EUR 20 million, and **Jinzhou** in China, a producer of quartz for the semiconductor industry. In Saudi Arabia, the Division set up a joint venture with **Obeikan** to produce coated fabrics (part of the High-Performance Plastics business), intended particularly for the market of large-format advertising displays.

The Division also took full control of its previously equity-accounted U.S. subsidiary **Norton Alcoa Proppants**, in which it already held a 50% interest. This company, which was renamed Norton Proppants Inc., produces ceramic pellets for oil and gas well fracturing. Its annual sales amount to EUR 70 million.

The total sales acquired by the division came to EUR 90 million.

In Abrasives, the Group acquired **Merit**, an abrasives manufacturer with operations in California and Mexico, and annual sales of EUR 26 million.

In Reinforcements, the Group kept up its development in Asia, by acquiring an 80% stake in the Chinese company **Hangzhou**.

- **Historical businesses: investments of EUR 89 million, of which EUR 37 million gave rise to additional annual sales of EUR 78 million.**

Among the historical businesses, only the Flat Glass, Insulation and Pipe divisions pursued acquisitions in 2001. As required by the strategic focuses defined by the Group, these operations were designed to extend the reach of these historical businesses in emerging countries and/or in downstream operations.

Flat Glass: EUR 57 million in acquisitions of investments, of which EUR 14 million gave rise to additional sales of EUR 27 million.

In China, the Division acquired **Yong Xin Glass**, which manufactures microwave oven trays.

In France, it performed two bolt-on acquisitions in processing and distribution of flat glass for the building industry, with **Pradel** and **AMS**. In the United Kingdom, it purchased the assets of **Art Glass**, also in the field of processing for the building industry.

The Division also bought out the minority interests in its Mexican subsidiary **SG Glass Mexico** (previously 80%-owned and fully consolidated), and increased to 40% its interest in the Korean company **Hankuk Glass Industry**, previously accounted for by the equity method and now proportionally consolidated.

Insulation: EUR 21 million in acquisitions of investments, of which EUR 17 million gave rise to additional sales of EUR 21 million.

The Division's main investment consisted in acquiring **API**, a company specialized in metallic frames for suspended ceilings.

Pipe: EUR 11 million in acquisitions of investments, of which EUR 6 million gave rise to additional sales of EUR 30 million.

The Division's main investment consisted in acquiring **Sebold** (annual sales: EUR 30 million), which allowed it to extend its German distribution network for public-works pipes.

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