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press release

Saint-Gobain's acquisitions in 2003:
Expenditure of €560 million for additional sales of about €1,124 million

The purpose of this press release is to provide an update on the acquisitions carried out by the Group in 2003 (not including share buybacks by Compagnie de Saint-Gobain), and particularly those which were not specifically announced at the time. The sales figures provided below are based on estimated full-year data for 2003.

The Group continued to pursue its external growth strategy in 2003, through 53 bolt-on acquisitions. These acquisitions represented an aggregate investment in securities or assets of €560 million, for additional full-year sales of approximately €1,124 million. The net debt acquired in connection with these transactions totaled €6 million.

The majority of these acquisitions concerned the Group's new businesses – primarily Building Materials Distribution and to a lesser extent Ceramics and Composites – reflecting Saint-Gobain's development strategy. The Group also acquired companies in emerging countries in its historic businesses in line with its strategy to expand its geographic reach.

- **Building Materials Distribution: expenditure of €436 million for additional sales of €993 million.**

In 2003, the Division continued its external growth through 38 bolt-on acquisitions in France, the United Kingdom, Germany and the Netherlands.

France:

The Point P Group carried out 23 external growth transactions involving 210 sales outlets, essentially in France but also in Spain. In total these acquisitions represent full-year sales of €648 million.

Point P's acquisitions in France – representing 208 sales outlets – included the following:

- specialized distributors which accounted for the majority of acquisitions. These companies represented €570 million in acquired sales and included:
 - **Dubois Matériaux**, a distributor of wood and insulation panels (17 sales outlets and €211 million in sales).
 - **PUM Plastiques**, which specializes in plastic products for the public works market (127 sites in France, Spain, Poland and Belgium, and €234 million in sales).
 - **Sem-Angles**, a specialist in plumbing and heating (36 sites in Southwestern France and €107 million in sales).
 - **Skipper**, a ceramic tiles distributor (3 sites in France and €6 million in sales).
 - **Lemonnier**, a Brittany-based distributor specializing in roofing products and plumbing and heating (3 sites and €12 million).
- several general distributors: **Bloc Matériaux (Côte d'Or)**, **Comptoir des Bois et Matériaux (Haute-Garonne)** and **Briffaz (Haute-Savoie)**. These companies contributed total acquired sales of €62 million and 22 sales outlets.

In Spain, the Point P Group acquired **Comercial Urgel**, a general distributor operating in Catalonia (1 sales outlet and €13 million in sales) as well as **Agusti Canals** (1 sales outlet and €3 million in sales).

United Kingdom:

Saint-Gobain Building Distribution made 12 bolt-on acquisitions in the United Kingdom, representing 41 sales outlets and full-year sales of €234 million.

The majority of the companies acquired were general distributors with acquired sales amounting to €124 million, including **J&S Millington & Sons** in Leicestershire, **Grays-Group Ltd** in Scotland, **Roger-W Jones** and **Homebuild Supplies** in Wales, and **Healey-Ward Ltd** in West Yorkshire.

The Division also strengthened its network of specialized distributors adding €110 million in sales. The main acquisitions were **BCL Ltd** (specialists in panels and surface decoration), **Ceramic Tile Distributors Newcastle Ltd** (specialists in

ceramic tiles), and **G&B Plumbing & Heating Supplies** and **Priority Plumbing Supplies Ltd.** (distributors in the heating and plumbing market).

Netherlands and Germany:

In the Netherlands, Raab Karcher acquired **Heijmans Bouwstoffen**, a general distributor with 1 site and €12 million in sales.

In Germany, 2 external growth transactions brought in sales of €99 million and 19 sales outlets. The specialist roofing and insulation distributor **Gallhöfer** represented 15 of these outlets with the other 4 coming from **Schloderer** a general distributor with a weighting toward ceramic tiles.

- **Ceramics and Composites: expenditure of €42 millions for additional sales of €53 million.**

- In Ceramics & Plastics

Saint-Gobain increased its stake to 60% in the Japan-based fused-cast refractories company, **Toshiba Monofrax**. The Division also acquired the activities of silicon carbide batts for the porcelain industry of **Borgestadt** in Norway.

- In Abrasives

In 2003, the Abrasives Division acquired the activities of **Rastawerk AG** – a Switzerland-based company specializing in the sale of thin grinding wheels, representing annual acquired sales of €12 million. It also completed the acquisition of the coated abrasives specialist, Merit, in the United States.

- In Reinforcements

The Division's major acquisition during the year was the assets of **Gividi USA**, a specialist glass fabric manufacturer based in South Carolina. Gividi USA reported full-year sales of €7 million.

The Reinforcements Division also set up a joint-venture with Owens Corning to build a joint glass fiber manufacturing plant in Mexico which will begin operations in early 2005.

- **Historic businesses: expenditure of €82 million for additional annual sales of €78 million**

In line with the Group's strategic objectives, the vast majority of acquisitions in the historic businesses took place in emerging countries.

Transactions in emerging countries: expenditure of €61 million

The main transactions were as follows:

- Flat Glass

Saint-Gobain acquired Poland-based **Jaroszowiec**, which specializes in manufacturing screen printed glass and general glass processing including lamination and screen printing. The company has annual sales of €17 million.

- Pipe

During 2003 Saint-Gobain entered into a partnership with **Xuzhou** in China to manufacture cast iron pipes. It also set up a company to run the new foundry at **Ma'anshan** and bought out the minority interest in SG Pipelines.

Other acquisitions by the historic businesses: expenditure of €21 million.

The historic businesses also made the following acquisitions in developed markets:

-Insulation

In Portugal, Saint-Gobain acquired **Gabelex Industria de Tectos Metalicos, SA**, the domestic market leader in metal ceilings and frameworks for suspended ceilings. The company has annual sales of €8 million.

In the Netherlands, the Division acquired **Clecon**, a manufacturer of insulation felts, and also **Akisol**, a distributor of insulating products. Annual sales for these two companies amount to €17 million.

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