

SAINT-GOBAIN GROUP FINAL RESULTS FOR 2000:

ANOTHER YEAR OF VIGOROUS GROWTH

- Net sales up **25.5%** to EUR 28.8 billion (FRF 189 billion)
- Consolidated net income up **23.7%** to EUR 1.5 billion (nearly FRF 10 billion)
- Net income excluding capital gains up **16.2%** to EUR 1 billion (FRF 6.7 billion)

- **EARNINGS PER SHARE EXCLUDING CAPITAL GAINS UP 19% TO EUR 12.04**

DIVIDEND (RECOMMENDED TO THE GENERAL MEETING)

EUR 4.30 PER SHARE, UP 19.4%

**TARGET FOR 2001: 10% GROWTH IN NET INCOME
EXCLUDING CAPITAL GAINS**

At its meeting of Thursday March 29, 2001, the Board of Directors of Saint-Gobain approved the Group's consolidated financial statements for 2000.

The Group's consolidated financial statements for the year ended December 31, 2000 reflect the full consolidation of Essilor from January 1, 2000 until June 30, 2000; the company was then accounted for by the equity method from July 1, 2000 to November 15, 2000, at which time the Group disposed of its entire interest in Essilor. Key consolidated figures for 1999 and 2000 are also presented in Appendix 1 with Essilor accounted for by the equity method up to November 15, 2000.

The key consolidated figures, which confirm the estimates published at the end of January, are as follows:

	2000	1999	% change
	in EUR millions	in EUR millions	
Net sales	28,815	22,952	25.5%
Operating income	2,693	2,314	16.4%
Dividend income	24	26	-7.69%
Interest and other financial charges, net	(612)	(328)	86.6%
Non-operating costs	(158)	(191)	-17.3%
Income before tax and before profit on sale of non-current assets and taxes	1,947	1,821	6.9%
Profit on sale of non-current assets	584	457	27.8%
Provision for income taxes	(791)	(775)	2.1%
Amortization of goodwill	(182)	(142)	28.2%
Share in net results of equity investees	84	28	200.0%
Net income before minority interests	1,642	1,389	18.2%
Minority interests	(125)	(163)	-23.3%
Net income	1,517	1,226	23.7%
EPS (in EUR)	17.80	14.05	26.7%
Net income before profit on sale of non-current assets	1,026	883	16.2%
EPS before profit on sale of non-current assets (in EUR)	12.04	10.12	19.0%
Cash flow from operations	2,643	2,360	12.0%
Capital expenditure on plant and equipment	1,722	1,712	0.6%
Expenditure on securities	3,347	2,481	34.9%
Net debt	8,217	6,306	30.3%

These results are slightly above the target set by the Group for 2000, despite less favorable economic conditions in the second half. They represent the pay-off from the transformation of the business portfolio and the Group's strategy to boost the profitability of its three core businesses, Glass, High-Performance Materials and Housing Products (see Appendix 2).

Glass Sector sales and earnings were boosted by sustained demand across most of its business lines and higher Flat Glass and Reinforcements prices.

The **High-Performance Materials Sector** reported only modest growth on an actual structure basis, due to the use of the equity method to account for Essilor in the second half. Excluding Essilor, the Sector turned in a very satisfactory performance on both a published and like-for-like basis, thanks to strong gains by the Ceramics and Plastics division.

The **Housing Products Sector** experienced a sharp dip in its profitability, despite robust sales growth, especially in distribution. Significant increases in raw materials and energy costs eroded margins, particularly in the Building Materials and Pipe divisions. Building Materials Distribution operating margin was diluted by the Raab-Karcher acquisition, masking a modest improvement in underlying profitability.

Excluding Essilor, **consolidated net sales** expanded by 30.8% (25.5% including Essilor). Based on a comparable structure, the growth rates were 11% in euros and 5.5% in local currencies. Sales prices rose 2.1%, reflecting increases in Flat Glass, Reinforcements and Building Materials prices throughout the year 2000. Sales volumes rose sharply in the first half, especially in Europe, but flattened in the second half, due mainly to slacker demand in the United States and Germany.

Out of total sales (excluding Essilor), France contributed 29.6%, the rest of Europe 38.8%, North America 24.2% and the rest of the world 7.4%.

Excluding Essilor, operating income expanded 22.9% (16.4 including Essilor). Operating margin stood at 9.2% (9.3% including Essilor) versus 9.8% in 1999. Excluding both Essilor and the Building Materials Distribution division, operating margin came to 10.6% compared with 10.5% in 1999.

Margins improved in France and the rest of Europe – excluding Building Materials Distribution – as well as in emerging markets, but they contracted in North America due to slower economic growth in the United States in the second half of the year.

Excluding Essilor, income before profit on sale of non-current assets and taxes expanded by 12.8% (6.9% including Essilor). Growth in operating income offset the increase in net interest and other financial charges triggered by the financing of acquisitions made during the year. Excluding Essilor, non-operating costs contracted sharply to EUR 157 million from EUR 185 million in 1999.

Profit on sale of non-current assets, in an amount of EUR 584 million, mainly concerned the sale of 4 million Vivendi shares and the Group's entire interest in Essilor.

Net income reached EUR 1,517 million, up 23.7%. **Earnings per share rose 26.7% to EUR 17.80** from EUR 14.05 in 1999, based on the 85,213,263 shares outstanding at December 31, 2000 following the cancellation of 5% of capital stock.

Excluding profit on sale of non-current assets, net income came to EUR 1,026 million versus EUR 883 million in 1999, representing an increase of 16.2%. Based on the number of shares outstanding at December 31, 2000, **earnings per share before profit on sale of non-current assets stood at EUR 12.04, up 19%** compared with EUR 10.12 in 1999.

Excluding Essilor, cash flow from operations expanded by 18.7% to EUR 2,530 million (12% increase with Essilor). Excluding the EUR 104 million in tax on profit on sale of non-current assets, cash flow from operations stood at EUR 2,634 million, an increase of 16.9% (10.7% including Essilor).

Excluding Essilor, capital expenditure on plant and equipment totalled EUR 1,638 million, representing 5.9% of sales against 7.4% in 1999. Including Essilor, capital expenditure came to EUR 1,722 million, representing 6% of sales.

Excluding Essilor, expenditure on securities amounted to EUR 3,275 million (EUR 3,347 million with Essilor), including EUR 1,978 million for the Meyer and Raab Karcher acquisitions and EUR 376 million for the buyback of 2.5 million Saint-Gobain shares.

Net debt at December 31, 2000 stood at EUR 8.2 billion, representing approximately 68% of shareholders' equity.

General Meeting

The Board of Directors also reviewed the accounts of Compagnie de Saint-Gobain, the parent (holding) company. Net income amounted to EUR 1,015 million for the year ended December 31, 2000, against EUR 574 million for 1999.

At the General Meeting of the Company's shareholders, called for June 28, 2001, the Board will recommend the distribution of EUR 357.3 million, against EUR 300.9 million last year. The **dividend** per share would therefore amount to **EUR 4.30, a 19.4% increase** over last year. To this would be added a tax credit of EUR 2.15 per share, giving a total of EUR 6.45 per share. The dividend will be paid entirely in cash as from July 2, 2001.

In addition, the Board of Directors will recommend that the General Meeting confirm the appointment of Jean-Martin Folz, Chairman of the Management Board of Peugeot S.A., appointed as a Director on March 29, 2001, to replace Pierre Faurre following the latter's death. The Board of Directors will also recommend that the General Meeting elect Paul A. David, Professor at the universities of Stanford and Oxford, as a Director.

Outlook: the Saint-Gobain Group confirms its target for 2001 a 10% increase in net income before profit on sale of non-current assets, provided there is no new and significant deterioration in the economic environment.

March 29, 2001.

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Appendix 1 :

Key proforma consolidated figures for the years 1999 and 2000 with Essilor accounted for by the equity method (until Nov. 15,2000)

(in millions of euros)

	1999	2000 est.	change
Net Sales	21,290	27,837	+30.8%
Operating Income	2,085	2,563	+22.9%
Dividend Income	26	24	-7.7%
Interest and other financial charges, net	-298	-594	+99.3%
Non-operating costs	-185	-157	-15.1%
Income before tax and before capital gains	1,628	1,836	+12.8%
Capital gains	457	584	+27.8%
Provision for Income taxes	-725	-758	+4.6%
Amortization of goodwill	-122	-171	+40.2%
Share in net results of equity investees	67	103	+53.7%
Net income before minority interests	1,305	1,594	+22.1%
Minority interests	-79	-77	-2.5%
Net income	1,226	1,517	+23.7%
Earnings per share (in euros)	14.05	17.8	+26.7%
Net income excluding capital gains	883	1,026	+16.2%
Earnings per share excluding capital gains (in euros)	10.12	12.04	+19.0%
Cash flow from operations	2,131	2,530	+18.7%
Capital expenditure on plant and equipment	1,583	1,638	+3.5%
Expenditure on securities	2,436	3,275	+34.4%
Net debt	6,142	8,217	+33.8%

Appendix 2:

Results by Business Sector, Division and Geographic Area

(in millions of euros)

	1999	2000	change on an actual structure basis	change on a comparable structure	change on a comparable structure and currency basis
I. SALES					
by sector and division:					
Glass (1)	10,217	11,317	+10.8%	+10.0%	+4.3%
Flat Glass	3,718	4,167	+12.1%	+11.8%	+7.8%
Insulation and Reinforcements	2,864	3,254	+13.6%	+11.4%	+4.7%
Containers	3,640	3,906	+7.3%	+7.2%	+0.4%
High Performance Materials & Plastics (1)	4,726	5,073	+7.3%	+16.3%	+6.9%
Ceramics and H.P. Plastics & Abrasives	3,066	4,095	+33.6%	+16.3%	+6.9%
Essilor	1,662	978	-41.1%		
Housing Products (1)	8,157	12,596	+54.4%	+10.4%	+6.6%
Building Materials	2,625	3,067	+16.8%	+14.3%	+3.8%
Building Distribution	4,078	7,930	+94.5%	+10.1%	+10.0%
Pipe	1,605	1,778	+10.8%	+5.6%	+3.2%
<i>internal sales</i>	-306	-360			
Group	22,952	28,815	+25.5%	+11.0%	+5.5%
by geographic area:					
France	7,631	8,541	+11.9%	+8.7%	+8.7%
Other European Countries	7,561	11,204	+48.2%	+6.1%	+4.7%
North America	5,306	7,002	+32.0%	+17.3%	+1.2%
Rest of the world	1,614	2,148	+33.1%	+31.9%	+14.7%
Essilor	1,662	978	-41.1%		
<i>internal sales</i>	-822	-1,058			
Group	22,952	28,815	+25.5%	+11.0%	+5.5%

(1) including inter-divisions eliminations

	1999	2000	change
II. OPERATING INCOME			
by sector and division:			
Glass	1,053	1,227	+16.5%
Flat Glass	328	430	+31.1%
Insulation and Reinforcements	358	423	+18.2%
Containers	367	374	+1.9%
High Performance Materials & Plastics	594	668	+12.5%
Ceramics and H.P. Plastics & Abrasives	365	538	+47.4%
Essilor	229	130	-43.2%
Housing Products	664	780	+17.5%
Building Materials	283	252	-11.0%
Building Distribution	252	422	+67.5%
Pipe	129	106	-17.8%
misc.	3	18	
Group	2,314	2,693	+16.4%
by geographic area:			
France	701	797	+13.7%
Other European Countries	602	791	+31.4%
North America	607	739	+21.7%
Rest of the world	175	236	+34.9%
Essilor	229	130	-43.2%
Group	2,314	2,693	+16.4%

III. CASH FLOW	1999	2000	change
by sector and division:			
Glass	1,273	1,421	+11.6%
Flat Glass	408	489	+19.9%
Insulation and Reinforcements	389	452	+16.2%
Containers	476	480	+0.8%
High Performance Materials & Plastics	554	582	+5.1%
Ceramics and H.P. Plastics & Abrasives	315	458	+45.4%
Essilor	239	124	-48.1%
Housing Products	690	702	+1.7%
Building Materials	306	273	-10.8%
Building Distribution	241	309	+28.2%
Pipe	143	120	-16.1%
misc.	-157	-62	
Group	2,360	2,643	+12.0%

by geographic area:			
France	526	598	+13.7%
Other European Countries	761	926	+21.7%
North America	566	673	+18.9%
Rest of the world	268	322	+20.1%
Essilor	239	124	-48.1%
Group	2,360	2,643	+12.0%

IV. CAPITAL EXPENDITURE ON PLANT AND EQUIPMENT	1999	2000	change
by sector and division:			
Glass	995	961	-3.4%
Flat Glass	389	425	+9.3%
Insulation and Reinforcements	345	258	-25.2%
Containers	261	278	+6.5%
High Performance Materials & Plastics	266	289	+8.6%
Ceramics and H.P. Plastics & Abrasives	137	205	+49.6%
Essilor	129	84	-34.9%
Housing Products	393	468	+19.1%
Building Materials	159	172	+8.2%
Building Distribution	145	229	+57.9%
Pipe	89	67	-24.7%
misc.	58	4	
Group	1,712	1,722	+0.6%

by geographic area:			
France	398	433	+8.8%
Other European Countries	653	572	-12.4%
North America	320	362	+13.1%
Rest of the world	212	271	+27.8%
Essilor	129	84	-34.9%
Group	1,712	1,722	+0.6%