

Press release

FINAL RESULTS FOR 2003:

Confirmation of the figures published at the end of January 2004

- **At constant exchange rates (*), growth in sales and operating income in line with objectives:**
 - **Sales** down **2.3%** to EUR 29,590 million (**up 4.1% excluding currency effects and up 2.5% on a like-for-like basis**)
 - **Operating income** down **5.4%** to EUR 2,442 million (**up 1.0% excluding currency effects and up 0.1% on a like-for-like basis**)
 - **Operating margin: 8.3%**
- **Stable net income:** down **0.1%** to EUR 1,039 million
 - **Net income excluding capital gains** down **2.9%**, to EUR 1,020 million
- **Strong free cash flow, at EUR 1.2 billion (excluding taxes on capital gains)**
- **Significant 19% decrease in net debt, to EUR 5.7 billion**

DIVIDEND RECOMMENDED FOR APPROVAL BY THE AGM: EUR 1.15 per share, up 1.8%.

2004 TARGETS CONFIRMED: to outperform 2003 growth in operating income at constant exchange rates, and to maintain strong free cash flow levels.

(*) based on average 2002 exchange rates

At its meeting of Thursday, March 25, 2004, the Board of Directors of Saint-Gobain reviewed the Group's consolidated financial statements for 2003.

□ **Analysis of the 2003 key consolidated data:**

The Group's key consolidated data, which confirm the estimates published at the end of January, are set out in the table below. Except for investments in securities, which amounted to EUR 789 million (compared with the estimated figure of EUR 783 million), and net indebtedness which came to EUR 5,657 million (compared with the estimated figure of EUR 5,656 million), the data set out below, as well as the results by business sector, division and geographical area in the appendix, are exactly the same as the estimated figures published at the end of January(**).

	2002 in EUR millions	2003 in EUR millions	% change
Net sales	30,274	29,590	-2.3%
Operating income	2,582	2,442	-5.4%
Dividend income	22	12	-45.5%
Interest and other financial charges, net	(504)	(457)	-9.3%
Non-operating costs	(252)	(275)	+9.1%
Income before profit on sales of non-current assets and taxes	1,848	1,722	-6.8%
Profit on sales of non-current assets, net	3	86	n.m.
Provision for income tax	(612)	(595)	-2.8%
Amortization of goodwill	(169)	(154)	-8.9%
Share in net results of equity investees	4	6	+50%
Net income before minority interests	1,074	1,065	-1.0%
Minority interests	(34)	(26)	-23.5%
Net income	1,040	1,039	-0.1%
Earnings per share (in EUR)	3.05	2.99	-2.0%
Earnings per share excluding treasury stock (in EUR)	3.10	3.09	-0.3%
Net income excluding profit on sales of non-current assets	1,051	1,020	-2.9%
Earnings per share excluding profit on sales of non-current assets (in EUR)	3.08	2.93	-4.9%
Earnings per share excluding profit on sales of non-current assets and treasury stock (in EUR)	3.13	3.03	-3.2%
Cash flow from operations	2,673	2,471	-7.6%
Cash flow excluding capital gains tax	2,688	2,540	-5.5%
Capital expenditure	1,431	1,351	-5.6%
Investments in securities	789	789	0,0%
Net indebtedness	7,012	5,657	-19.3%

All of the comments made at the end of January(**) about the Group's consolidated financial statements therefore apply to the final figures, except for those relating to investments in securities, which are updated as follows:

Investments in securities amounted to EUR 789 million, including EUR 436 million for bolt-on acquisitions in the Building Materials Division, and EUR 229 million for share buybacks.

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Asbestos claims against CertainTeed in the United States:

The Group confirms the figures and comments relating to 2003, published at the end of January(**) concerning this issue.

In addition, the Senate Republican leader intends to have the draft legislation to create a federal asbestos trust fund (as approved by the US Senate Judiciary Committee on July 11, 2003) put on the Senate floor for consideration in the coming weeks.

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Annual General Meeting

The Board of Directors also reviewed the accounts of Compagnie de Saint-Gobain, the parent company. Net income amounted to EUR 514 million for the year ended December 31, 2003, against EUR 596 million for 2002.

At the General Meeting of the Company's shareholders, called for June 10, 2004, the Board will recommend the distribution of EUR 387 million (which accounts for 38% of net income excluding capital gains), compared with EUR 379 million last year. The dividend per share would therefore amount to EUR 1.15, an increase of 1.8% over last year. To this would be added a tax credit of EUR 0.575, giving a total of EUR 1.725 per share. Based on today's closing share price, this dividend represents a gross yield of 4.3%. The dividend will be paid entirely in cash as from June 24, 2004.

In addition, the Board of Directors will ask the General Meeting of June 10, 2004 to re-elect Jean-Louis Beffa, Isabelle Bouillot, Sylvia Jay, and José Luis Leal Maldonado as directors for a further four-year term, and to elect Gian Paolo Caccini as a director, to replace Eric d'Hautefeuille who passed away on January 17, 2004. Gian Paolo Caccini is currently Saint-Gobain's Chief Operating Officer and will be retiring on April 1, 2004.

□ **2004 outlook and targets:** the Group confirms that in 2004 it will aim to outperform 2003 growth in operating income at constant exchange rates, and to maintain strong free cash flow levels.

(**) *the press release relating to the Group's estimated 2003 results – published at end-January 2004 – is available on the Saint-Gobain website at www.saint-gobain.com.*

Next results announcements:

- First quarter 2004 sales: April 27, 2004, after the close of the Paris Stock Exchange.
- Final results for the first half of 2004: July 29, 2004, after the close of the Paris Stock Exchange.

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Appendix:**Results by Business Sector, Division and Geographic Area**

(in millions of euros)

I. SALES	2002	2003	Change on an actual structure basis	Change on a comparable structure basis	Change on a comparable structure and currency basis
1°)By sector and division:					
Glass (1)	11,818	11,266	-4.7%	-5.2%	+1.5%
Flat Glass	4,423	4,298	-2.8%	-3.3%	+1.9%
Insulation and Reinforcements	3,329	3,110	-6.6%	-7.8%	-0.6%
Containers	4,076	3,869	-5.1%	-5.1%	+2.7%
High-Performance Materials (1)	3,637	3,256	-10.5%	-10.5%	+0.5%
Ceramics & Plastics and Abrasives	3,637	3,256	-10.5%	-10.5%	+0.5%
Housing Products (1)	15,102	15,362	+1.7%	-0.8%	+3.9%
Building Materials	3,074	2,824	-8.1%	-6.7%	+4.9%
Building Materials Distribution	10,953	11,305	+3.2%	-0.5%	+2.5%
Pipe	1,344	1,516	+12.8%	+11.0%	+14.2%
<i>Internal sales</i>	<i>(283)</i>	<i>(294)</i>			
2°)By geographic area:					
France	9,439	9,926	+5.2%	+2.7%	+2.7%
Other European Countries	13,068	12,948	-0.9%	-2.7%	+0.4%
North America	6,785	5,735	-15.5%	-13.9%	+2.8%
Rest of the world	2,195	2,227	+1.5%	-3.0%	+17.4%
<i>Internal sales</i>	<i>(1,213)</i>	<i>(1,246)</i>			
GROUP TOTAL	30,274	29,590	-2.3%	-3.7%	+2.5%

(1) including inter-division eliminations

II. OPERATING INCOME	2002	2003	Change
1°)By sector and division:			
Glass	1,325	1,178	-11.1%
Flat Glass	495	471	-4.8%
Insulation and Reinforcements	351	265	-24.5%
Containers	479	442	-7.7%
High-Performance Materials	244	273	+11.9%
Ceramics & Plastics and Abrasives	244	273	+11.9%
Housing Products	1,004	976	-2.8%
Building Materials	335	265	-20.9%
Building Materials Distribution	534	560	+4.9%
Pipe	135	151	+11.9%
2°)By geographical area:			
France	841	884	+5.1%
Other European Countries	923	869	-5.9%
North America	586	452	-22.9%
Rest of the world	232	237	+2.2%
GROUP TOTAL	2,582	2,442	-5.4%

III. CASH FLOW	2002	2003	Change
1°)By sector and division:			
Glass	1,614	1,406	-12.9%
Flat Glass	622	548	-11.9%
Insulation and Reinforcements	436	354	-18.8%
Containers	556	504	-9.4%
High-Performance Materials	246	291	+18.3%
Ceramics & Plastics and Abrasives	246	291	+18.3%
Housing Products	814	714	-12.3%
Building Materials	247*	172	-30.4%
Building Materials Distribution	414	398	-3.9%
Pipe	153	144	-5.9%
2°)By geographic area:			
France	794	832	+4.8%
Other European Countries	1,050	921	-12.3%
North America	513*	450*	-12.3%
Rest of the world	316	268	-15.2%
GROUP TOTAL	2,673	2,471	-7.6%

* after the CertainTeed asbestos-related charge of EUR 67 m after tax

IV. CAPITAL EXPENDITURE ON PLANT AND EQUIPMENT	2002	2003	Change
1°)By sector and division:			
Glass	869	861	-0.9%
Flat Glass	377	364	-3.4%
Insulation and Reinforcements	198	232	+17.2%
Containers	294	265	-9.9%
High-Performance Materials	160	108	-32.5%
Ceramics & Plastics and Abrasives	160	108	-32.5%
Housing Products	401	380	-5.2%
Building Materials	135	117	-13.3%
Building Materials Distribution	227	213	-6.2%
Pipe	39	50	+28.2%
2°)By geographic area:			
France	309	305	-1.3%
Other European Countries	575	587	+2.1%
North America	316	233	-26.3%
Rest of the world	231	226	-2.2%
GROUP TOTAL	1,431	1,351	-5.6%