SAINT-GOBAIN

press release

CONSOLIDATED SALES
FOR THE FIRST NINE MONTHS OF 2002: UP 0.6%
ON COMPARABLE STRUCTURE AND EXCHANGE RATES BASIS

Saint-Gobain Group sales for the first nine months of 2002 amounted to EUR 22,927 million, on a par with the EUR 22,932 million reported for the same period of 2001.

Based on a comparable Group structure, sales were down 1.4% in euros and up 0.6% in local currencies. Resilient prices boosted sales by 0.9%, offsetting the 0.3% negative impact of slightly lower volumes.

The breakdown of sales by operating sector, division and major geographical area is as follows:

	Sales, 9 months to Sept. 30, 2002 (in EUR millions)	Sales, 9 months to Sept. 30, 2001 (in EUR millions)	% change incl. changes in structure	% change comparable structure in euro	% change based on comparable structure and exchange rates (like-for-like)
SECTORS & DIVISIONS					
GLASS (1)	**8,946**	**8,906**	**0.5%**	**–0.4%**	**2.0%**
Flat Glass	3,308	3,323	–0.4%	–1.1%	1.6%
Insulation and Reinforcements	2,505	2,481	0.9%	–0.8%	0.6%
Containers	3,141	3,109	1.0%	0.7%	3.6%
HIGH-PERFORMANCE MATERIALS (1)	**2,770**	**3,080**	**–10.1%**	**–10.4%**	**–7.4%**
Ceramics, High-Perf. Plastics and Abrasives	2,770	3,080	–10.1%	–10.4%	–7.4%
HOUSING PRODUCTS (1)	**11,426**	**11,132**	**2.6%**	**0.6%**	**1.8%**
Building Materials	2,427	2,469	–1.7%	–1.6%	2.1%
Building Materials Distribution before transfer	*7,901* **	*7,450*	6.1%	2.0%	2.5%
Building Materials Distribution after transfer	8,196	7,807*	5.0%	2.0%	2.5%
Pipe before transfer	*1,268* **	1,*369*	–7.6%	-5.6%	-4.3%
Pipe after transfer	1,013	1,074*	–5.6%	–5.6%	–4.3%
INTERNAL SALES (INTER-SECTOR)	**–215**	**–186**	–	–	–
GROUP	**22,927**	**22,932**	**0.0%**	**–1.4%**	**0.6%**
GEOGRAPHIC AREAS					
France	7,085	6,813	3.9%	1.8%	1.8%
Other European countries	9,817	9,712	1.1%	–1.2%	–1.3%
North America	5,289	5,530	–4.4%	–3.0%	0.4%
Rest of the world	1,654	1,716	–3.6%	–5.6%	10.9%
INTERNAL SALES	**–918**	**–839**	–	–	–
GROUP	**22,927**	**22,932**	**0.0%**	**–1.4%**	**0.6%**

Within the Housing Products Sector, the Pipe Division's distribution operations have been transferred, as from January 1, 2002, to the Building Materials Distribution Division, in order to set up a European organization for sales of materials in civil engineering markets.

* proforma 2001, after transfer of pipe distribution operations from the Pipe Division to the Building Materials Distribution Division (sales amounting to EUR 357 million before eliminations, and EUR 295 million after).

** proforma 2002, before transfer of pipe distribution operations from the Pipe Division to the Building Materials Distribution Division (sales amounting to EUR 295 million before eliminations, and EUR 255 million after).

(1) including inter-division eliminations

Overall, the trends observed in the first half of 2002 continued in the third quarter, with businesses serving the new construction, renovation and consumer markets enjoying robust demand both in the United States and in Europe, with the exception of Germany. After a very difficult start to the year, High Performance Materials sales are slightly down on the third quarter of 2001. Prices have risen compared with last year in all divisions, with the exception of Insulation and Reinforcements.

The Glass sector achieved the strongest growth in like-for-like sales. All of the divisions contributed to this performance, led by Containers which benefited from a combination of robust demand and resilient prices in the third quarter, both in Europe and the United States. The Flat Glass division's operations in Europe and the Reinforcements division continued to be affected by lower sales prices but volumes increased at a healthy rate in the third quarter. The Insulation division suffered the effects of the persistently lackluster construction market in Germany, as well as experiencing pricing pressures.

The High Performance Materials sector recorded a sharp falloff in sales in the first nine months, in both Industrial Ceramics and Abrasives. The increase in corporate capital spending observed in the second quarter appears to have been short-lived and fourth quarter sales are expected to be low.

The Housing Products sector's third quarter performance – based on a comparable structure and constant exchange rates – was consistent with the favorable trend observed in the first half. Building Materials sales benefited from the satisfactory conditions in the US construction market, while the Building Materials Distribution division continued to expand through a combination of organic and external growth. Pipe sales for the first nine months were down on the same period of 2001. However, fourth quarter sales will be boosted by the first deliveries under the Abu Dhabi contract, helping to offset the relatively weak demand forecast in Europe and Brazil.

By geographic area, sales remained good in France during the third quarter and the German market showed signs of recovering. In the United States, Insulation and Building Materials sales were strong, reflecting robust demand in the construction market. The High Performance Materials sector and the Reinforcements division reported higher US sales volumes in the third quarter. Most of the Group's Brazilian operations achieved double-digit sales growth – on a like-for-like basis – in the first nine months of the year.

Asbestos claims in the United States: the number of new claims filed against Certain Teed in the third quarter – representing around 5,000 per month – is in line with the trend observed since the start of the year and represents an annual rate consistent with that for 2001. Assuming that the trend remains unchanged in the fourth quarter, the Group expects to record an additional charge of EUR 50 million for asbestos claims at December 31, 2002, raising the total charge for the year to EUR 100 million (before tax).

Outlook:

Based on the satisfactory level of sales for the first nine months of 2002, the Group is still aiming to meet its stated objective of matching 2001 net income excluding capital gains.

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