



press release

FIRST QUARTER 2003 SALES: UP 2.6% ON A LIKE-FOR-LIKE BASIS

Net consolidated sales of the Saint-Gobain Group for the first quarter of 2003 amounted to €986 million, compared with €296 million for the same period in 2002, representing a contraction of 4.2% on an actual structure basis, or 5.8% on a comparable structure basis. This decline is entirely due to currency effects – which had an 8.2% negative impact during the period – and especially the sharp falls in the value of the US dollar and the Brazilian real. On a comparable structure and exchange rate basis (like-for-like), sales were up 2.6%. Sales volumes increased by 1.2%, while prices remained firm, rising by 1.4%.

The majority of the Group's divisions contributed to this performance, which was achieved against a backdrop of challenging economic conditions, testifying to Saint-Gobain's growth capacity, boosted by an expanding presence in emerging countries.

Sales trends by business sector, division and geographic area are as follows:

	Q1 2003 sales (in EUR millions)	Q1 2002 sales (in EUR millions)	Change based on actual structure	Change based on comparable structure in euros	Change based on comparable structure and exchange rates (like- for-like)
<u>SECTORS & DIVISIONS</u>					
GLASS (1)	2,777	2,916	-4.8%	-5.4%	+3.9%
Flat Glass	1,069	1,100	-2.8%	-2.9%	+5.7%
Insulation & Reinforcements	774	820	-5.6%	-7.5%	+1.5%
Containers	936	1,000	-6.4%	-6.4%	+3.8%
HIGH-PERFORMANCE MATERIALS (1)	835	955	-12.6%	-10.5%	+3.6%
Ceramics & Plastics and Abrasives	835	955	-12.6%	-10.5%	+3.6%
HOUSING PRODUCTS (1)	3,448	3,500	-1.5%	-4.7%	+1.4%
Building Materials	671	754	-11%	-12.5%	+3.4%
Building Materials Distribution*	2,486	2,450	+1.5%	-2.7%	+0.8%
Pipe	358	359	-0.3%	-0.3%	+3.3%
INTERNAL SALES	(74)	(74)	-----	-----	-----
GROUP	6,986	7,296	-4.2 %	-5.8%	+2.6%
<u>GEOGRAPHIC AREAS</u>					
France	2,401	2,271	+5.7%	+1.5%	+1.5%
Other European Countries	2,943	2,997	-1.8%	-2.8%	+0.0%
North America	1,452	1,759	-17.5%	-16.2%	+2.6%
Rest of the world	496	561	-11.6%	-14.7%	+26.6%
INTERNAL SALES	(306)	(292)	----	----	----
GROUP	6,986	7,296	-4.2 %	-5.8%	+2.6%

* Within the Housing Products Sector, the Pipe Division's distribution operations were 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 engineering markets. Excluding the Pipe distribution operations, Building Materials Distribution sales would be up 1.4% on a comparable structure and exchange rate basis.

(1) including inter-division eliminations

With the exception of Reinforcements, all of the Group's divisions enjoyed moderate sales growth in first quarter 2003, particularly in terms of prices.

The Glass Sector reported the Group's strongest like-for-like growth in the period, for the bulk of its businesses. Robust sales for the Flat Glass Division in Brazil and the European automotive market offset the downturn felt in the European construction market. The Insulation Division reaped the benefits of the healthy US residential construction market, while Containers reported a further increase in both volumes and prices, particularly in the United States and Germany. Reinforcements faced downward price pressure and, despite a sharp improvement in volumes, was the only division to report a slight contraction in sales over the period.

After two years of declining sales, **the High-Performance Materials Sector** showed the first signs of a recovery in its main markets for Ceramics & Plastics as well as for Abrasives.

Like-for-like growth in the **Housing Products Sector** was slightly below the Group average, due to the lower contribution, during the quarter, from the Building Materials Distribution Division. This was mainly due to the reorganization of Pipe Distribution operations as well as to a further downturn in the construction market in Germany and, to a lesser extent, a slowdown in the interior decoration market in France, which had a direct impact on Lapeyre's sales. Business in the Sector's other divisions was buoyant, boosted by the strong US residential construction market for the Building Materials Division and deliveries under the Abu Dhabi contract for the Pipe Division.

By geographic area, moderate like-for-like growth was reported in France and the United States. In the rest of Europe the picture was mixed, with the downturn continuing in Germany, but Spain, Italy and the United Kingdom reporting strong performances. At the same time, demand was still buoyant in emerging countries, particularly in Latin America.

Asbestos claims in the United States: some 22,000 new claims were received by Certain Teed in first-quarter 2003, including 14,000 in the State of Mississippi. As announced at the beginning of 2003, there was an exceptional surge of claims in Mississippi prior to the end of last year, following a new law more favorable to defendants. Most of the claims received during the first quarter 2003 in Mississippi were filed prior to January 1st, 2003, when the new law became fully applicable. Excluding this exceptional surge, the number of new claims filed is not on a general upward trend.

At the same time, 9,000 claims were settled, and several thousand transferred to an inactive docket. As a result, there were approximately 114,000 outstanding claims at March 31, 2003.

The average individual cost of settlement came to US\$ 2,100, on a par with the trend of the prior period.

Over the next few months, the number of new claims filed in Mississippi should reduce significantly and newly introduced or expected amendments to legislation in other States could also have a positive impact on the future rate of new claims filed.

Outlook:

The Group's moderate organic growth in first-quarter 2003 is in line with the objectives announced for the year as a whole. Nevertheless, the Group is feeling the negative impact of currency effects and the increase in the cost of energy and certain raw materials. As the international economic situation is still highly uncertain, it is too early to tell, at this stage, whether or not these negative factors will be corrected by the end of the year.

April 24, 2003.

Next results announcements:

- First-half 2003 results: July 24, 2003, after the close of the stock market.

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