

press **release**

**FIRST QUARTER 2004 SALES:
UP 5.1% ON A LIKE-FOR-LIKE BASIS**

Consolidated sales of the Saint-Gobain Group for the first quarter of 2004 amounted to **€7,233 million**, compared with €6,986 million for the same period in 2003, representing an increase of 3.5% on an actual structure basis, and 1.3% based on a comparable structure. **At constant exchange rates^(*), sales were up 7.4% on an actual structure basis and 5.1% based on a comparable structure.** This increase was achieved thanks to a significant 5.1% rise in sales volumes in most of the Group's geographic areas, while sales prices held firm.

This performance demonstrates Saint-Gobain's ability to reap the benefits of the economic recovery currently taking hold, particularly in industrial production and capital spending.

(*) based on average exchange rates for the first quarter of 2003.

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

	Q1 2004 sales	Q1 2003 sales	Change on an actual structure basis	Change on a comparable structure basis	Change on a comparable structure and currency basis
	(in € millions)	(in € millions)		(in €)	
<u>BY SECTOR AND DIVISION</u>					
GLASS (1)	2,764	2,777	-0.5%	-1.2%	+3.3%
Flat Glass	1,079	1,069	+0.9%	+0.2%	+2.8%
Insulation & Reinforcements	772	774	-0.3%	-1.4%	+4.3%
Containers	916	936	-2.1%	-2.6%	+3.0%
HIGH-PERFORMANCE MATERIALS (1)	845	835	+1.2%	-1.4%	+6.8%
Ceramics & Plastics and Abrasives	845	835	+1.2%	-1.4%	+6.8%
HOUSING PRODUCTS (1)	3,711	3,448	+7.6%	+4.3%	+6.5%
Building Materials	562	671	-16.2%	-2.8%	+6.8%
Building Materials Distribution	2,846	2,486	+14.5%	+6.8%	+7.5%
Pipe	358	358	0.0%	-0.8%	-0.1%
INTERNAL SALES & MISCELLANEOUS	(87)	(74)	-----	-----	-----
GROUP TOTAL	7,233	6,986	+3.5%	+1.3%	+5.1%
<u>BY GEOGRAPHIC AREA</u>					
France	2,601	2,401	+8.3%	+5.1%	+5.1%
Other Western European countries	2,936	2,827	+3.9%	+1.8%	+2.4%
North America	1,332	1,452	-8.3%	-7.4%	+7.6%
Emerging countries and the Asia-Pacific region	763	655	+16.6%	+9.9%	+16.3%
INTERNAL SALES	(398)	(348)	-----	-----	-----
GROUP TOTAL	7,233	6,986	+3.5%	+1.3%	+5.1%

(1) Including inter-division eliminations.

Except for the Pipe Division, whose figures were on a par with the prior year, sales growth was reported across the board in the first quarter of 2004. Particularly strong performances were achieved by the Group's new businesses (Building Materials Distribution, Ceramics & Plastics and Abrasives), which are the main growth drivers, as anticipated at the beginning of the year.

The Glass Sector posted moderate like-for-like sales growth. Business was brisk for Insulation, Containers and Flat Glass for the automotive industry, in their principal markets. However, Flat Glass for the European construction industry and Reinforcements were once again hit by downward pressure on sales prices, despite a significant upturn in sales volumes.

High-Performance Materials reported the Group's strongest like-for-like growth (+6.8%). The recovery in the manufacturing industry and capital spending which began at the end of 2003 in the United States, continued during the first quarter of the year

and picked up pace. Based on the Sector's current order books this favorable trend should be sustained.

The Housing Products Sector also achieved very strong sales. Building Materials continued to benefit from the buoyant residential construction market in the United States, while the Building Materials Distribution Division recorded the Group's highest organic growth rate (+7.5%), thanks to a significant increase in sales volumes for all of its brands, including in Germany. Pipe was the only Division where like-for-like sales did not increase, reflecting the completion at the end of March of deliveries under the Abu Dhabi contract.

By geographic area, strong like-for-like growth was achieved in France and the United States. A moderate upturn was felt in other Western European countries, with a slight recovery observed in Germany. Markets remained extremely buoyant in emerging countries – particularly in Asia and Eastern Europe – and the Group achieved double digit growth in these regions.

Asbestos claims in the United States: some 5,000 new claims were filed against Certain Teed during first-quarter 2004, including 700 in the State of Mississippi, representing 4 four times less than the number of new claims in the same period of 2003 (22,000, including 8,000 in Mississippi). At the same time, 5,000 claims were resolved during the period. Therefore, at March 31, 2004 some 108,000 claims were outstanding, unchanged from the December 31, 2003 figure. The average cost of claims settled over the last twelve months was US\$ 2,500 per claim, up, as expected, on the 2003 average figure of US\$ 2,100.

In addition, the Republican leadership of the United States Senate recently attempted to move forward a debate on proposed legislation to create a national asbestos trust fund. As expected in the current political climate, on April 22, 2004, the 60 votes required to proceed were not obtained. A mediation process has been launched at the request of the Senate's Republican and Democrat leaders, in an attempt to seek an agreement among the various parties involved, particularly relating to the size of the fund.

Outlook

In the first quarter of 2004, the Group posted satisfactory sales growth despite the negative impact of currency effects.

For the full year, Saint-Gobain confirms its objective of achieving further growth – of 4% to 5% – in operating income at constant exchange rates, and of maintaining strong free cash flow levels.

Next results announcement:

- First-half 2004 results: July 29, 2004, after close of trading on the Paris Bourse.

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