

## ESTIMATED RESULTS FOR FIRST-HALF 2001:

### . CONTINUED GROWTH

- Sales up 3.6% on a comparable structure basis
- Operating income up 5.2% on a comparable structure basis
- Net income excluding capital gains up 2.9%, to EUR 560 million

### . OBJECTIVE MAINTAINED FOR FULL YEAR 2001: 10% GROWTH IN NET INCOME EXCLUDING CAPITAL GAINS

Excluding profit on sales of non-current assets, net income of the Saint-Gobain Group for the first half of 2001 is estimated at EUR 560 million (FF 3,673 million), up 2.9% compared with the same period of 2000.

Consolidated net income is estimated at EUR 658 million (FF 4,316 million). This is 24.6% below the first-half 2000 figure, due to lower capital gains.

*The Group's consolidated financial statements for first-half 2000 included the results of Essilor, which was fully consolidated over the entire period. In first-half 2001, however, Essilor was no longer consolidated, as the Group had sold its entire stake in this company in November 2000. For purposes of comparability, the Group's consolidated financial statements for first-half 2000 are also presented with Essilor accounted for by the equity method, and the comments that follow are based on this presentation.*

The estimated interim consolidated financial statements were reviewed by the Board of Directors at its meeting of July 26, 2001. Key figures for the period are as follows:

	H1 2000 EUR millions	H1 2000 pro forma Essilor by E.M. EUR millions	H1 2001 est. EUR million	Change %
		(1)	(2)	(2)/(1)
<b>Net sales</b>	<b>13,782</b>	<b>12,804</b>	<b>15,286</b>	<b>19.4%</b>
<b>Operating income</b>	<b>1,401</b>	<b>1,271</b>	<b>1,377</b>	<b>8.3%</b>
Dividend income	22	22	22	0%
Interest and other financial charges, net	(272)	(254)	(311)	22.4%
Non-operating costs	(63)	(62)	(43)	-30.6%
Income before profit on sales of non-current assets and taxes	1,088	977	1,045	7.0%
Profit on sales of non-current assets, net	414	414	134	-67.6%
Provisions for income tax	(483)	(450)	(412)	-8.4%
Amortization of goodwill	(97)	(86)	(93)	8.1%
Share in net results of equity investees	31	50	9	-82.0%
Net income before minority interests	953	905	683	-24.5%
Minority interests	(80)	(32)	(25)	-21.9%
<b>Net income</b>	<b>873</b>	<b>873*</b>	<b>658</b>	<b>-24.6%</b>
Earnings per share (in EUR)	10.41	10.41	7.64	-26.6%
<b>Net income excluding capital gains</b>	<b>544</b>	<b>544*</b>	<b>560</b>	<b>2.9%</b>
Earnings per share excluding capital gains (in EUR)	6.49	6.49	6.5	0.2%
<b>Cash flow from operations</b>	<b>1,339</b>	<b>1,226**</b>	<b>1,384</b>	<b>12.9%</b>
<b>Cash flow excluding capital gains</b>	<b>1,428</b>	<b>1,315**</b>	<b>1,435</b>	<b>9.2%</b>
Depreciation and amortization (including goodwill)	813	756	836	10.6%
Capital expenditure	779	695	557	-19.9%
Investments in securities	2,242	2,170	539	-75.2%
<b>Net indebtedness</b>	<b>8,421</b>	<b>8,421</b>	<b>8,355</b>	<b>-0.8%</b>

\* of which Essilor: EUR 20 million

\*\* of which Essilor: EUR 11 million

This performance in first-half 2001, compared to a particularly strong first-half 2000, reflects the Saint-Gobain Group's ability to continue to grow despite a markedly more difficult economic environment, particularly in the United States. The Group's sturdier operations mix, added to the constant profitability-boosting efforts pursued in each of the business sectors (see Appendix) explains this resilience.

**The Glass Sector** posted the strongest performance within the Group in first-half 2001. Its sales and earnings were bolstered by sustained demand across all business lines and higher Flat Glass and Reinforcements prices.

**The High-Performance Materials Sector** recorded a slight dip in relation to first-half 2000, in terms of both sales and profitability, due to the impact on the Abrasives Division of the manufacturing slowdown in the United States and to the abrupt contraction in the worldwide electronics market, which has hurt several Ceramics & Plastics businesses since the beginning of the second quarter.

**The Housing Products Sector** recorded mixed results: Building Materials Distribution continued to develop through both organic growth and bolt-on acquisitions, but the Division's operating margin has been diluted by the acquisition of Raab-Karcher in 2000. The Pipe Division's sales were on a par with those of first-half 2000, but its margins grew thanks to the cost-reduction drive undertaken in the final months of 2000. Although affected by the slowdown in the U.S. building industry since the peak of the first-half 2000, the performance of the Building Materials Division has improved compared to second-half 2000 thanks to the industrial rationalization efforts it has carried out and to a marked upturn in activity in the United States in the second quarter.

\* \* \*

**Group sales** were up 19.4%. Based on a comparable Group structure, sales rose 3.6% in euros and 2.6% in local currencies. This growth was mainly attributable to higher sales prices in all Group Divisions, as volumes declined slightly: the drop in North America was not fully offset by expansion in Europe and in emerging countries.

Sales in France accounted for 29.4% of the total, with other European countries contributing 40.3%, North America 23% and other countries 7.3%.

**Operating income** rose by 8.3%, and 5.2% on a comparable structure basis. Operating margin was 9%, compared to 9.9% in first-half 2000. The change was wholly attributable to the increased weight of the Distribution Division. Excluding Distribution, operating margin rose to 11%, up from 10.9% in first-half 2000.

Profitability gains were achieved in France and in other European countries (excluding Building Materials Distribution) as well as in emerging countries, but margins contracted in North America due to the overall slowdown in most of the Group's markets (with the notable exception of glass containers).

The increase in **net interest and other financial charges** was the result of the acquisitions carried out in the course of 2000. **Non-operating costs** contracted sharply to EUR 43 million from EUR 62 million in first-half 2000.

**Profit on sales of non-current assets**, in an amount of EUR 134 million, mainly concerned capital gains on the disposal of the Group's entire stake in BNP Paribas, less asset write-downs recorded by the Lapeyre Group with a view to disposing of its operations involving sales of third-party products and sales to building sites.

**The Group's share in net results of equity investees** amounted to €EUR 9 million, against EUR 50 million in first-half 2000. This sharp decrease was mainly due to the sale in November 2000 of the Group's interest in Essilor and also to the full consolidation of certain subsidiaries.

**Net income** amounted to EUR 658 million, down 24.6% in relation to first-half 2000. Based on the number of shares outstanding at June 30, 2001 (86,133,298 shares, taking into account the 903,150 shares issued under the Group Savings Plan), earnings per share came to EUR 7.64. In line with the commitments made by the Group, the new shares issued in the course of the first half will be neutralized in the second, by the cancellation of an equivalent number of shares, to bring total capital stock back to its level at December 31, 2000, i.e. 85,213,263 shares.

**Excluding profit on sales of non-current assets**, net income came to EUR 560 million, 2.9% higher than the EUR 544 million recorded in first-half 2000. Based on the total number of shares outstanding at June 30, 2001 (86,133,298), earnings per share excluding capital gains stood at EUR 6.5.

**Cash flow from operations** expanded by 12.9% to EUR 1,384 million. Excluding the EUR 51 million in tax on profit on sales of non-current assets, cash flow from operations stood at EUR 1,435 million, an increase of 9.2% over the EUR 1,314 million for first-half 2000.

**Capital expenditure on plant and equipment** totalled EUR 557 million (compared to EUR 695 million for the same period last year), representing 3.6% of sales, down from 5.4% in first-half 2000.

**Expenditure on securities** amounted to EUR 538 million, including EUR 322 million for the buyback of minority interests in Saint-Gobain Cristalería and in the Group's Brazilian subsidiaries.

**Net debt** at June 30, 2001 stood at EUR 8.4 billion, on a par with the amount at December 31, 2000 and representing approximately 67% of shareholders' equity.

**Outlook:** the Saint-Gobain confirms its target for 2001 a 10% increase in net income before profit on sales of non-current assets, provided there is no new and significant deterioration in the economic environment. The Group is therefore aiming for a sharp year-on-year expansion in its second-half net income excluding capital gains, taking into account, on the one hand, a lower reference point (as the effects of the slowdown in North America had already been felt in second-half 2000) and, secondly, potential for performance improvements in the Housing Products Sector, particularly the Distribution Division.

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**Next results announcements:**

- **Final results for first-half 2001:** Thursday, September 20, after the Paris Stock Exchange has closed.

- **Sales for the nine months to September 30, 2001:** Tuesday, October 30, after the Paris Stock Exchange has closed.

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*The Saint-Gobain Group will be holding an analysts' meeting on Friday, July 27 at 8:30 a.m. (Paris time) to present its interim results. This meeting will be broadcast on the Internet, live beginning at 8:30 a.m. (Paris time), and recorded as from 2:00 p.m. (Paris time). If you wish to take part and ask questions directly, we invite you to visit the Saint-Gobain website at [www.saint-gobain.com](http://www.saint-gobain.com). You will need a personal computer with a sound card and with the RealPlayer program installed and correctly configured for the browser you are using.*

*To test your equipment setup prior to the live event, you can tune in to the webcast of the Annual Shareholders' Meeting of June 28, 2001, which is already available on the Saint-Gobain website.*

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## Appendix

### Results by Business Sector, Division and Geographic Area

(in EUR millions)

	H1 2000	H1 2001 est.	change on an actual structure basis	change on a comparable structure	change on a comparable structure and currency basis
<b>I. SALES</b>					
<b>by sector and division:</b>					
<b>Glass (1)</b>	<b>5 519</b>	<b>5 967</b>	<b>+8.1%</b>	<b>+6.2%</b>	<b>+5.2%</b>
Flat Glass	2 055	2 262	+10.1%	+7.3%	+8.0%
Insulation and Reinforcements	1 548	1 652	+6.7%	+1.7%	+0.1%
Containers	1 921	2 059	+7.2%	+8.8%	+6.2%
<b>High-Performance Materials &amp; Plastics (1)</b>	<b>2 996</b>	<b>2 129</b>	<b>-28.9%</b>	<b>-0.6%</b>	<b>-3.1%</b>
Ceramics and H.P. Plastics & Abrasives	2 018	2 129	+5.5%	-0.6%	-3.1%
Essilor	978	0	-100.0%		
<b>Housing Products (1)</b>	<b>5 343</b>	<b>7 310</b>	<b>+36.8%</b>	<b>+2.4%</b>	<b>+2.0%</b>
Building Materials	1 527	1 596	+4.5%	+1.8%	-1.2%
Building Distribution	3 028	4 914	+62.3%	+4.4%	+4.8%
Pipe	882	916	+3.9%	-1.4%	-0.5%
<i>internal sales</i>	<i>-76</i>	<i>-120</i>			
<b>Group</b>	<b>13 782</b>	<b>15 286</b>	<b>+10.9%</b>	<b>+3.6%</b>	<b>+2.6%</b>
<b>by geographic area:</b>					
Essilor	4 313	4 662	+8.1%	+6.1%	+6.1%
France	4 707	6 404	+36.1%	+2.5%	+3.1%
Other European Countries	3 356	3 652	+8.8%	+2.6%	-4.3%
North America	957	1 159	+21.1%	+5.2%	+12.5%
Rest of the world	978	0	-100.0%		
<i>internal sales</i>	<i>-529</i>	<i>-591</i>	<i>n.s.</i>		
<b>Group</b>	<b>13 782</b>	<b>15 286</b>	<b>+10.9%</b>	<b>+3.6%</b>	<b>+2.6%</b>

(1) including inter-division eliminations

	H1 2000	H1 2001 est.	change
<b>II. OPERATING INCOME</b>			
<b>by Sector and Division:</b>			
<b>Glass</b>	<b>589</b>	<b>684</b>	<b>+16.1%</b>
Flat Glass	192	274	+42.7%
Insulation and Reinforcements	199	208	+4.5%
Containers	198	202	+2.0%
<b>High-Performance Materials &amp; Plastics</b>	<b>399</b>	<b>253</b>	<b>-36.6%</b>
Ceramics and H.P. Plastics & Abrasives	269	253	-5.9%
Essilor	130	0	-100.0%
<b>Housing Products</b>	<b>408</b>	<b>429</b>	<b>+5.1%</b>
Building Materials	152	130	-14.5%
Building Distribution	192	220	+14.6%
Pipe	64	79	+23.4%
misc.	5	11	
<b>Group</b>	<b>1 401</b>	<b>1 377</b>	<b>-1.7%</b>
<b>by geographic area:</b>			
France	425	480	+12.9%
Other European Countries	359	470	+30.9%
North America	390	297	-23.8%
Rest of the world	97	130	+34.0%
Essilor	130	0	-100.0%
<b>Group</b>	<b>1 401</b>	<b>1 377</b>	<b>-1.7%</b>

<b>III. CASH FLOW</b>	<b>H1 2000</b>	<b>H1 2001 est.</b>	<b>change</b>
<b>by Sector and Division:</b>			
<b>Glass</b>	<b>687</b>	<b>797</b>	<b>+16.0%</b>
Flat Glass	230	310	+34.8%
Insulation and Reinforcements	215	232	+7.9%
Containers	242	255	+5.4%
<b>High-Performance Materials &amp; Plastics</b>	<b>348</b>	<b>210</b>	<b>-39.7%</b>
Ceramics and H.P. Plastics & Abrasives	224	210	-6.3%
Essilor	124	0	-100.0%
<b>Housing Products</b>	<b>360</b>	<b>347</b>	<b>-3.6%</b>
Building Materials	149	129	-13.4%
Building Distribution	144	145	+0.7%
Pipe	67	73	+9.0%
misc.	-56	30	
<b>Group</b>	<b>1 339</b>	<b>1 384</b>	<b>+3.4%</b>

<b>by geographic area:</b>			
France	316	425	+34.5%
Other European Countries	423	495	+17.0%
North America	341	297	-12.9%
Rest of the world	135	167	+23.7%
Essilor	124	0	-100.0%
<b>Group</b>	<b>1 339</b>	<b>1 384</b>	<b>+3.4%</b>

<b>IV. CAPITAL EXPENDITURE ON PLANT AND EQUIPMENT</b>	<b>H1 2000</b>	<b>H1 2001 est.</b>	<b>variation</b>
<b>by Sector and Division:</b>			
<b>Glass</b>	<b>430</b>	<b>292</b>	<b>-32.1%</b>
Flat Glass	189	115	-39.2%
Insulation and Reinforcements	136	91	-33.1%
Containers	105	86	-18.1%
<b>High-Performance Materials &amp; Plastics</b>	<b>170</b>	<b>75</b>	<b>-55.9%</b>
Ceramics and H.P. Plastics & Abrasives	86	75	-12.8%
Essilor	84	0	-100.0%
<b>Housing Products</b>	<b>178</b>	<b>190</b>	<b>+6.7%</b>
Building Materials	66	55	-16.7%
Building Distribution	87	119	+36.8%
Pipe	25	16	-36.0%
misc.	1	0	
<b>Group</b>	<b>779</b>	<b>557</b>	<b>-28.5%</b>

<b>by geographic area:</b>			
France	166	144	-13.3%
Other European Countries	231	191	-17.3%
North America	158	141	-10.8%
Rest of the world	140	81	-42.1%
Essilor	84	0	-100.0%
<b>Group</b>	<b>779</b>	<b>557</b>	<b>-28.5%</b>