

press
release

**FINAL RESULTS FOR FIRST-HALF 2002:
CONFIRMATION OF NET INCOME EXCLUDING CAPITAL GAINS
AT EUR 515 MILLION
REDUCTION IN DEBT**

The Board of Directors of Saint-Gobain met on September 19, 2002 to review the final consolidated financial statements of the Group for the six months ended June 30, 2002. The main consolidated results, which are in line with the estimates announced on July 25, are as follows:

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.

This transfer does not affect overall Group income as presented below, but it does impact sales and operating income data by division presented in the Appendix.

	H1 2001 EUR millions	H1 2002 EUR millions	Change %
	(1)	(2)	(2)/(1)
Net sales	15,286	15,350	+0.4%
Operating income	1,376	1,292	-6.1%
Dividend income	22	17	-22.7%
Interest and other financial charges, net	(311)	(274)	-11.9%
Non-operating costs	(43)	(99)	N.M.
Income before profit on sales of non-current assets and taxes	1,044	936	-10.3%
Profit on sales of non-current assets, net	134	-24	N.M.
Provisions for income tax	(407)	(321)	-21.1%
Amortization of goodwill	(93)	(78)	-16.1%
Share in net results of equity investees	9	1	-88.9%
Net income before minority interests	687	514	-25.2%
Minority interests	(24)	(16)	-33.3%
Net income	663	498	-24.9%
Earnings per share (in EUR)	1.92*	1.44	-25.0%
Net income excluding capital gains	560	515	-8.0%
Earnings per share excluding capital gains (in EUR)	1.63*	1.49	-8.6%
Cash flow from operations	1,390	1,357	-2.4%
Cash flow excluding capital gains tax	1,437	1,350	-6.1%
Capital expenditure	557	575	+3.2%
Investments in securities	537	480	-10.6%
Dividend distribution	-	378**	N.M.
Net indebtedness	8,376	8,009	-4.4%
Gearing ratio	67%	67%	-

* Earnings per share for first-half 2001 have been restated to take into account the four-for-one stock split carried out on June 27, 2002

** EUR 357 million were distributed in July 2001

Group net indebtedness improved: taking into account the fact that the dividend had not been paid at the end of June 2001, net indebtedness at June 30, 2002 was EUR 724 million lower than a year earlier.

The Board of Directors also reviewed the financial statements of **Compagnie de Saint-Gobain, the parent company of the Group**, which operates as a holding company. These financial statements show net income of EUR 520 million for the first six months of 2002, compared with net income of EUR 1,027 million for the same period of 2001, which included capital gains from disposals that did not recur in 2002.

* * *

Group sales over the months of July and August were in line with the full-year target of **net income excluding capital gains on a par with 2001**.

Appendix 1: Results by business sector, division and geographic area.

Appendix 2: Consolidated balance sheet at June 30, 2002.

September 19, 2002

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Appendix 1

Result by Business Sector, Division and Geographic Area

(in EUR millions)

I. SALES	H1 2001	H1 2002	change on an actual structure basis	change on a comparable structure basis	change on a comparable structure and currency basis
by sector and division:					
Glass (1)	5 967	6 018	+0.9%	+0.0%	+0.9%
Flat Glass	2 262	2 244	-0.8%	-1.6%	-0.1%
Insulation and Reinforcements	1 652	1 678	+1.5%	-0,0%	-0.1%
Containers	2 059	2 101	+2.1%	+1.7%	+2.8%
High-Performance Materials (1)	2 129	1 913	-10.2%	-11.0%	-10.1%
Ceramics & Plastics and Abrasives	2 129	1 913	-10.2%	-11.0%	-10.1%
Housing Products (1)	7 310	7 565	+3.5%	+1.4%	+1.8%
Building Materials	1 596	1 644	+3.0%	+3.3%	+4.4%
Building Materials Distribution	4 914	5 371	+9.3%	+1.4%	+1.5%
<i>Building Materials Distribution pro forma (2)</i>	<i>5 142</i>	<i>5 371</i>	<i>+4.4%</i>	<i>+1.4%</i>	<i>+1.5%</i>
Pipe	916	690	-24.7%	-5.3%	-4.5%
<i>Pipe pro forma (2)</i>	<i>729</i>	<i>690</i>	<i>-5.3%</i>	<i>-5.3%</i>	<i>-4.5%</i>
<i>internal sales</i>	<i>-120</i>	<i>-146</i>			
Group	15 286	15 350	+0.4%	-1.0%	-0.3%
by geographic area:					
France	4 662	4 793	+2.8%	+1.1%	+1.1%
Other European Countries	6 404	6 420	+0.3%	-2.5%	-2.8%
North America	3 652	3 614	-1.0%	+0.4%	+0.4%
Rest of the world	1 159	1 127	-2.8%	-4.2%	+6.5%
<i>internal sales</i>	<i>-591</i>	<i>-604</i>			
Group	15 286	15 350	+0.4%	-1.0%	-0.3%

(1) including inter-division eliminations

(2) 2001 pro forma, i.e. including sales from Pipe distribution operations within Building Materials Distribution

II. OPERATING INCOME	H1 2001	H1 2002	change
by sector and division:			
Glass	684	641	-6.3%
Flat Glass	274	227	-17.2%
Insulation and Reinforcements	208	176	-15.4%
Containers	202	238	+17.8%
High-Performance Materials	253	137	-45.8%
Ceramics & Plastics and Abrasives	253	137	-45.8%
Housing Products	430	511	+18.8%
Building Materials	131	199	+51.9%
Building Materials Distribution	220	244	+10.9%
<i>Building Materials Distribution pro forma (1)</i>	<i>213</i>	<i>244</i>	<i>+14.6%</i>
Pipe	79	68	-13.9%
<i>Pipe pro forma (1)</i>	<i>86</i>	<i>68</i>	<i>-20.9%</i>
misc.	9	3	
Group	1 376	1 292	-6.1%
by geographic area:			
France	479	445	-7.1%
Other European Countries	470	417	-11.3%
North America	297	328	+10.4%
Rest of the world	130	102	-21.5%
Group	1 376	1 292	-6.1%

(1) 2001 pro forma, i.e. including operating income from Pipe distribution operations within Building Materials Distribution

III. CASH FLOW	H1 2001	H1 2002	change
by sector and division:			
Glass	800	770	-3.8%
Flat Glass	313	292	-6.7%
Insulation and Reinforcements	232	205	-11.6%
Containers	255	273	+7.1%
High-Performance Materials	210	131	-37.6%
Ceramics & Plastics and Abrasives	210	131	-37.6%
Housing Products	347	387	+11.5%
Building Materials	129	149	+15.5%
Building Materials Distribution	146	166	+13.7%
<i>Building Materials Distribution pro forma (1)</i>	<i>134</i>	<i>166</i>	<i>+23.9%</i>
Pipe	72	72	+0.0%
<i>Pipe pro forma (1)</i>	<i>84</i>	<i>72</i>	<i>-14.3%</i>
misc.	33	69	+109.1%
Group	1 390	1 357	-2.4%

by geographic area:			
France	429	445	+3.7%
Other European Countries	495	472	-4.6%
North America	297	295	-0.7%
Rest of the world	169	145	-14.2%
Group	1 390	1 357	-2.4%

(1) 2001 pro forma, i.e. including cash flow from Pipe distribution operations within Building Materials Distribution

IV. CAPITAL EXPENDITURE ON PLANT AND EQUIPMENT	H1 2001	H1 2002	change
by sector and division:			
Glass	296	345	+16.6%
Flat Glass	117	158	+35.0%
Insulation and Reinforcements	94	78	-17.0%
Containers	85	109	+28.2%
High-Performance Materials	75	58	-22.7%
Ceramics & Plastics and Abrasives	75	58	-22.7%
Housing Products	186	171	-8.1%
Building Materials	55	52	-5.5%
Building Materials Distribution	115	105	-8.7%
<i>Building Materials Distribution pro forma (1)</i>	<i>118</i>	<i>105</i>	<i>-11.0%</i>
Pipe	16	14	-12.5%
<i>Pipe pro forma (1)</i>	<i>13</i>	<i>14</i>	<i>+7.7%</i>
misc.	0	1	
Group	557	575	+3.2%

by geographic area:			
France	138	104	-24.6%
Other European Countries	191	242	+26.7%
North America	141	114	-19.1%
Rest of the world	87	115	+32.2%
Group	557	575	+3.2%

(1) 2001 pro forma, i.e. including the capex of Pipe distribution operations within Building Materials Distribution

Appendix 2: CONSOLIDATED BALANCE SHEET
In EUR millions

ASSETS	June 30, 2002	Dec. 31, 2001
Goodwill	5 705	6 065
Other intangible assets, net	1 904	1 805
	7 609	7 870
Property, plant and equipment	22 188	23 258
Less: depreciation	(12 694)	(12 909)
	9 494	10 349
Investments in equity investees	147	169
Investments, at cost	151	171
Non-current marketable securities	176	176
Other non-current assets	836	943
	1 310	1 459
Non-current assets	18 413	19 678
Inventories	4 966	5 075
Trade accounts receivable	5 162	4 552
Other receivables	1 327	1 228
Short-term loans	320	245
Marketable securities	369	406
Cash and cash equivalents	950	958
	13 094	12 464
Current assets	13 094	12 464
Total assets	31 507	32 142
LIABILITIES AND SHAREHOLDERS' EQUITY		
Capital stock	1 383	1 364
(At June 30, 2002 composed of 345,851,068 shares with a par value of € 4; and at Dec. 31, 2001 composed of 85,258,628 shares with a par value of € 16.)		
Additional paid-in capital and legal reserve	2 392	2 249
Retained earnings and net income for the period	8 662	8 540
Translation adjustments	(1 056)	(161)
Treasury stock	(71)	(67)
	11 310	11 925
Shareholders' equity	11 310	11 925
Minority interests	246	423
Net equity of consolidated entities	11 556	12 348
Non-voting participating securities	391	391
Pensions and other post-retirement benefits	1 758	1 836
Deferred tax liability	657	685
Other liabilities	1 090	1 255
Long-term debt	6 426	5 247
	21 878	21 762
Shareholders' equity and non-current liabilities	21 878	21 762
Trade accounts payable	3 572	3 425
Other payables	2 836	2 801
Current portion of long-term debt	794	991
Short-term debt and bank overdrafts	2 427	3 163
	9 629	10 380
Current liabilities	9 629	10 380
Total liabilities and shareholders' equity	31 507	32 142