

Letter to shareholders

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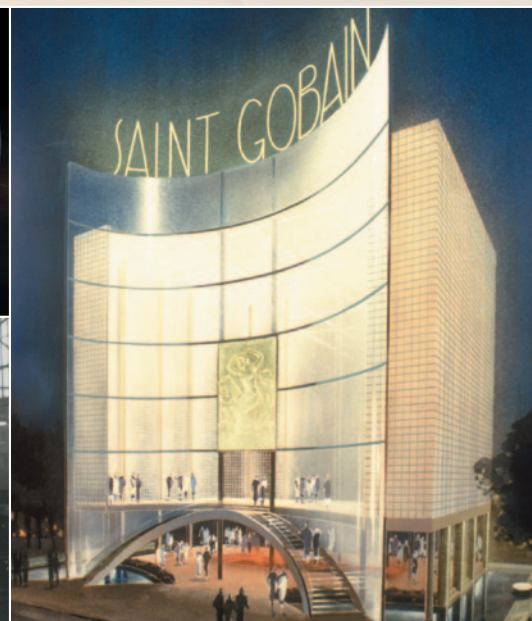
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“2014 confirmed the improvement in the Group’s results despite a challenging macroeconomic climate in France and uncertainty in Germany. In 2015, we will continue to implement our strategic priorities and we are targeting a further like-for-like improvement in operating income along with continuing high levels of free cash flow.”

PIERRE-ANDRÉ DE CHALENDAR,

Chairman and Chief Executive Officer of Saint-Gobain

RESULTS FOR 2014

Operating income **up 7.0%** on a like-for-like basis excluding VNA

Consolidated sales were down 1.7%. The **currency impact** was a negative 1.5%, resulting primarily from the fall in Latin American and Scandinavian currencies against the euro. The **impact of changes in Group structure** was a negative 2.4%, primarily reflecting the disposal of Verallia North America (VNA) on April 11, 2014, along with the sale of certain non-core Exterior Solutions and Building Distribution businesses. Like-for-like (comparable Group structure and exchange rates), sales moved up 2.2%, with both **sales prices** and **volumes** gaining 1.1%.

Operating income rose 1.6%, despite the negative currency and Group structure impact (up 7.0% like-for-like excluding VNA). This drove a rise in the operating margin, which came in at 6.8% of sales from 6.6% in the prior-year period, bolstered by cost cutting efforts. Excluding Building Distribution, the operating margin increased from 8.9% to 9.3% in 2014.

Recurring net income (excluding capital gains and losses, asset write-downs and material non-recurring provisions) jumped 7.4% to €1,103 million.

Net income soared 60.2% to €953 million.



"2014 confirmed the improvement in the Group's results despite a challenging macroeconomic climate in France and uncertainty in Germany. Other regions reported good levels of growth. We continued to cut costs on all fronts."

During the year, Saint-Gobain embarked on a significant reorganization of its business portfolio, with the plan to acquire a controlling interest in Sika and the launch of a competitive bidding process for the sale of Verallia. This marks an acceleration in the roll-out of the strategy we unveiled in November 2013.

In 2015, we will continue to implement our strategic priorities and we are targeting a further like-for-like improvement in operating income along with continuing high levels of free cash flow."

PIERRE-ANDRÉ DE CHALENDAR,

Chairman and Chief Executive Officer of Saint-Gobain



The full press release and the webcast of our 2014 results presentation can be found on **www.saint-gobain.com** in the Finance section and on the **Saint-Gobain SHAREHOLDER app**.

2014 SALES

€41 bn

+2.2% like-for-like excluding VNA

2014 OPERATING INCOME

€2.8 bn

+7.0% like-for-like excluding VNA

2014 RECURRING NET INCOME*

€1.1 bn

+7.4%

* Excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions.

DIVIDEND PER SHARE STABLE AT

€1.24*

50% payable in cash and 50% in cash or in shares at shareholders' discretion

* Dividend to be recommended to the June 4, 2015 Shareholders' Meeting.

2015 STRATEGIC PRIORITIES

2015 will be dedicated to firmly rolling out the strategy defined at the Group's November 27, 2013 Investor Meeting according to its three main goals:

- **improving the Group's growth potential** by focusing more sharply on high value-added, asset-light activities; expanding its footprint in emerging countries; and further strengthening its business portfolio;
- creating a **stronger presence in differentiated products and solutions**, with R&D efforts focused on local and co-developed projects with its customers and on the fast-growing markets of sustainable habitat and industrial applications. Marketing initiatives will also be stepped up, with an ambitious digital strategy and the development of ever stronger brands;
- continuing to work towards management's priorities of achieving **operational excellence**, and **further progress in Corporate Social Responsibility (CSR)**; **attractive returns for shareholders**; and a persistently **solid financial structure**.

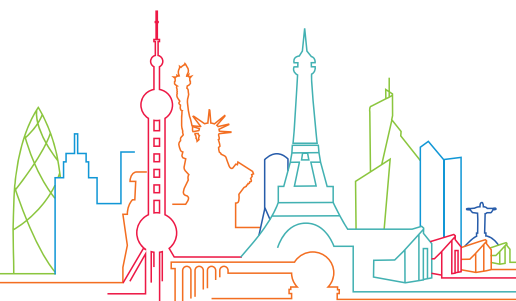
The Group's plan to acquire a controlling interest in Sika announced on December 8, 2014 is fully aligned with this strategy.

2015 OUTLOOK

In 2015, the Group should benefit from continued upbeat trading in the US as well as in Asia and emerging markets. In Western Europe, the recovery will be dampened by the decline in France. The first half will be impacted by a tough 2014 basis for comparison. Household consumption is expected to remain firm.

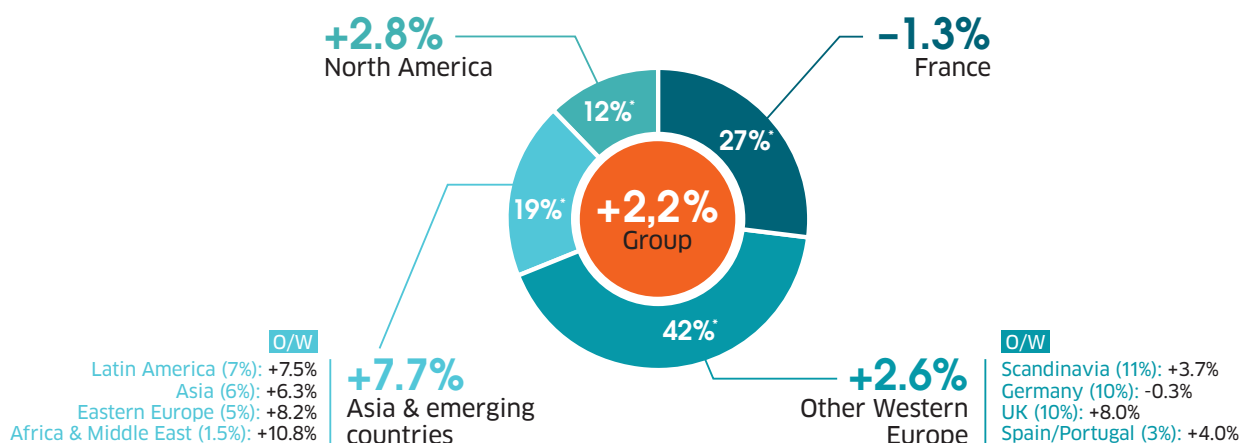
The Group is targeting a further like-for-like improvement in operating income for 2015 and a continuing high level of free cash flow.

In line with its strategy, Saint-Gobain will firmly pursue its plan to **divest Verallia** and also intends to finalize the **acquisition of a controlling interest in Sika** in the second half of 2015, as announced in December 2014.



SALES TRENDS BY GEOGRAPHIC AREA

(% change in 2014/2013 like-for-like sales)



* Breakdown of 2014 sales.

RESULTS BY BUSINESS SECTOR

INNOVATIVE MATERIALS

2014 SALES

€9,115m

Sales moved up 3.9% in 2014 on a like-for-like basis, and advanced 4.2% in the second half. The **operating margin for the Business Sector widened**, from 7.2% to 9.4% (9.6% in the second half), driven by the improved performance for Flat Glass.



CONSTRUCTION PRODUCTS

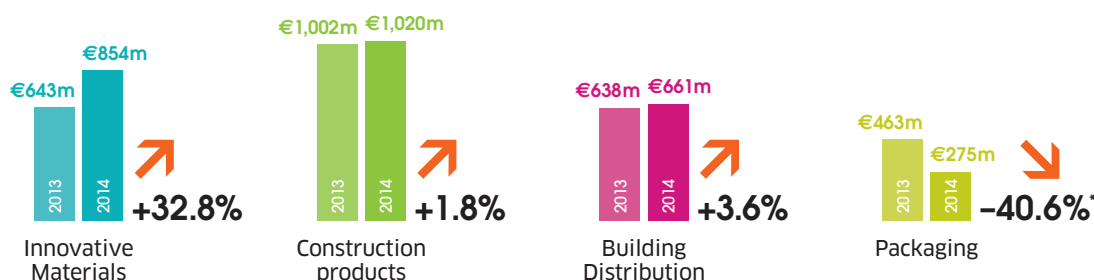
2014 SALES

€11,361m

Boosted by the first-half performance, **sales moved up** 2.9% on a like-for-like basis in 2014 and 0.4% in the second half, owing chiefly to a deterioration in the US Exterior Solutions market. The **operating margin improved** slightly, at 9.0% versus 8.8% in 2013.



OPERATING INCOME BY BUSINESS SECTOR

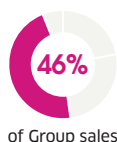


BUILDING DISTRIBUTION

2014 SALES

€18,806m

The sector posted 0.8% **organic growth**, helped by mild winter weather in the first quarter and despite a 1.8% decline in the second half due to the downturn in the French and German markets. Over the year, Building Distribution still managed to deliver **annual margin growth**, at 3.5% versus 3.4% in 2013.

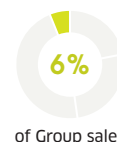


PACKAGING

2014 SALES

€2,705m

Sales were up 1.6% on a like-for-like basis. Excluding VNA, which was sold on April 11, 2014, the **operating margin** came in at 9.6%. The margin was 10.6% in the second half, confirming the upturn in results in line with expectations, after a first half affected by non-recurring items.



1665 2015

This year, Saint-Gobain turns 350! With its sights set firmly on the future, the Group will celebrate this exceptional anniversary by promoting its history throughout 2015, a year that will be packed full of events. The celebrations began on January 9 in Shanghai (China) and will end in Paris (France) in October.



The four travelling pavilions, "Look", "Listen", "Color", "Create", at The Bund in Shanghai. Open to the general public, they will tour the world providing a sensory experience for visitors.

Saint-Gobain, a Group with its sights set firmly on the future

Since its creation by King Louis XIV and Jean-Baptiste Colbert in 1665, Saint-Gobain has successfully adapted to a changing world and taken up the many challenges it has faced. Today we are celebrating not only Saint-Gobain's exceptional 350-year history but also the history of the men and women who together built the oldest company on France's CAC 40 stock market index and one of the oldest manufacturing companies in the world. It is a celebration of History with a capital 'h', defined by Saint-Gobain's innovations.

"Our history is proof that we are a company that has consistently pushed back boundaries and taken up technological challenges. As we look back over our past and examine today's world and our place in it, we are convinced that there are many reasons to believe in the future."

So it is with our sights set on the future and on innovation that we are celebrating this anniversary. It is this optimism that we want to share with you in 2015," says Pierre-André de Chalendar, Chairman and CEO of Saint-Gobain.

A 350 year-old story

Saint-Gobain's history is defined by constant diversification and shifts in business focus. And yet the Group has never lost sight of its original flat glass manufacturing business – even if this business today only accounts for 11% of its sales. The Group's other distinctive features include a tradition of innovation and early internationalization.

Kick-off for a year of celebrations and events across the globe

Four temporary pavilions open to the public will provide a window onto the

Group as well as a sensory and aesthetic experience. They showcase the Group's capacity for innovation and its exceptional expertise in materials, particularly for the construction industry. These traveling pavilions will tour the world throughout 2015, taking in China (January), Brazil (March) and the US (June), before arriving in France in October.

Launched in February, the virtual exhibition looks back at 350 years of Saint-Gobain through some 700 archived documents, photographs and films. A 3D reconstruction will take the visitor deep into world of the Manufacture Royale des Glaces as it would have been at the end of the eighteenth century. To access the exhibition, please visit Saint-Gobain350ans.com.

Events will be held throughout the year to celebrate the anniversary and will be reported to you in the Letter to Shareholders.



1665

Creation of the Manufacture Royale des glaces

1688

Invention of glass table casting

1850-1900

Saint-Gobain expands in Europe: Germany, Italy, Belgium and Spain

1900-1950

Saint-Gobain diversifies into new markets and new products

1970

Merger between Pont-à-Mousson and Saint-Gobain. Ongoing internationalization

1990's

Refocus on materials with a high technology content and entry into building distribution and plasterboard

2007

Saint-Gobain focuses its strategy on habitat

2015

Saint-Gobain celebrates its 350th anniversary

ACCELERATING THE ROLL-OUT OF OUR STRATEGY

On December 8, 2014, Saint-Gobain announced a major new stage in the roll-out of its strategy by unveiling its plan to acquire a controlling interest in Sika and to launch a competitive bidding process for the sale of Verallia.

AT A GLANCE

World leader in construction chemicals

No. 2 worldwide in adhesives and sealants for its industrial applications

Present in **90 countries**

17,000 employees

2014 sales:

CHF 5.57bn, up 8.3%
(+13% at constant exchange rates)

2014 operating income: **CHF 633m**



Acquisition of a controlling interest in Sika

Created in Switzerland by Kaspar Winkler in 1910, Sika originally produced admixtures. These were notably used to waterproof the Gotthard Tunnel, enabling this major rail route to be electrified. Today, Sika's products and services draw on extensive technological expertise in waterproofing, soundproofing, sealing and bonding, and protecting and reinforcing structures. Over the past few years, Sika has shown remarkable growth (more than 8% average annual growth between 2007 and 2013) and capacity for development in emerging countries (38% of its sales were made in emerging markets in 2013).

The family that founded Sika has remained a major shareholder of the com-

pany holding the majority of its voting rights through Schenker-Winkler Holding AG (16.1% of Sika's capital and 52.4% of its voting rights). The planned transaction involves Saint-Gobain's purchase of Schenker-Winkler Holding AG for CHF 2.75 billion (around €2.3 billion). This amount had been hedged in euros before the recent appreciation of the Swiss franc.

Given the proximity of Sika's activities with those of Saint-Gobain (Construction Products and Innovative Materials as well as Building Distribution), the deal is expected to generate €100 million in synergies as from the second year (2017), increasing to €180 million per year as from 2019.



A FEW WORDS FROM
PIERRE-ANDRÉ DE CHALENDAR,
Chairman and Chief Officer of Saint-Gobain

"The two planned transactions we are announcing will accelerate the Group's strategic refocus on the design, production and distribution of innovative, high-performance solutions for habitat and industry. The transactions meet the objectives we announced in November 2013 to raise the growth potential and reduce the capital intensity of our businesses, increase our presence in emerging countries and in the US, and expand our range of differentiated products supported by strong brands. We are looking forward to working with Sika to enhance the growth potential of this excellent business."



Sale of Verallia

At the same time as the planned Sika acquisition, Saint-Gobain also announced the plan to launch a competitive bidding process for the sale of Verallia. This announcement is the next logical step after the divestment of the North American business that was finalized in April 2014. The Group aims to reach an agreement with a buyer before summer 2015, once the relevant works councils have been consulted.

SHAREHOLDER'S NOTEBOOK

DATES FOR YOUR DIARY

ANNUAL GENERAL MEETING

Thursday, June 4 at 3pm
Palais des Congrès (Paris - Porte Maillot)

UPCOMING SHAREHOLDER MEETINGS

Thursday, June 25
Lille, with Gaetano Terrasini,
Head of Investor Relations

UPCOMING RESULTS PUBLICATIONS

Tuesday, April 28,
after close of trading on the Paris Bourse
Sales for the first quarter of 2015

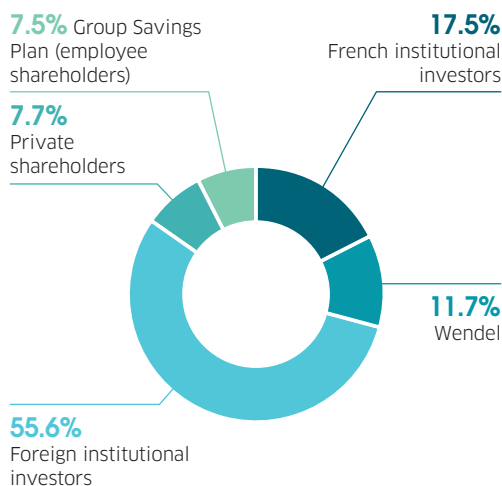
Wednesday, July 29,
after close of trading on the Paris Bourse
Results for the first half of 2015

TOTAL NUMBER OF SHARES (at December 31, 2014)

561,895,566

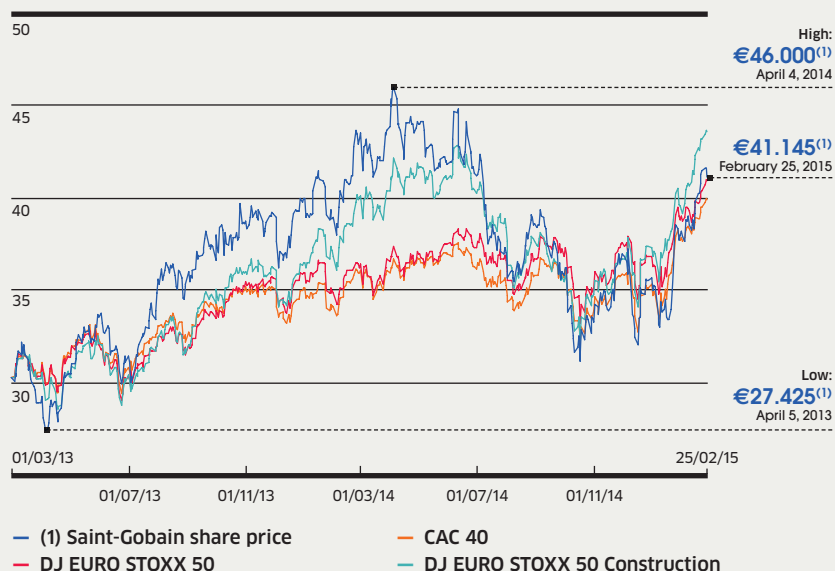
OWNERSHIP STRUCTURE

(at December 31, 2014) (%)



SAINT-GOBAIN SHARE PERFORMANCE MARCH 3, 2013 - FEBRUARY 25, 2015

PERFORMANCE OVER THE PERIOD:
SAINT-GOBAIN: +36.0% **CAC 40: +32.0%**



RECENT PERFORMANCE OF THE SAINT-GOBAIN SHARE

Recent performance at February 25, 2015 (€41.145) in %	Saint-Gobain share price	CAC 40	DJ Euro Stoxx 50	DJ Euro Stoxx 50 Construction
Trailing month	+6.8%	+5.2%	+4.7%	+8.4%
Since January 1, 2015	+16.8%	+14.3%	+12.6%	+17.5%
Trailing 3 months	+11.2%	+11.4%	+9.8%	+18.6%
Trailing 6 months	+6.0%	+12.4%	+11.9%	+16.0%
Trailing 12 months	-5.3%	+10.6%	+12.2%	+8.4%

SIGN UP FOR THE E-LETTER TO SHAREHOLDERS

To receive your quarterly copy of the Letter to Shareholders and keep abreast of all the latest Saint-Gobain news just days after results publications, sign up for the e-Letter to Shareholders in the Shareholders section of www.saint-gobain.com or send an e-mail to actionnaires@saint-gobain.com



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