

LETTER TO No. 81 SHAREHOLDERS

2016 RESULTS STRONG PROGRESS

2016 SALES

€39bn

+2.6%

like-for-like

2016 OPERATING INCOME

€2.8bn

+10.8%

like-for-like

2016 RECURRING
NET INCOME*

€1.4bn

+20.0%

* From continuing operations excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions.

DIVIDEND

Increased to

€1.26 per share

paid fully in cash

Amount to be recommended to the AGM on June 8, 2017.



FOCUS...

THE INDIVIDUAL SHAREHOLDERS
CLUB GETS A NEW LOOK

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FOCUS...

INPI ADOPTS THE
SAGEGLASS® SOLUTION

P.5

Building Distribution
Sector speeds up
approach for private
individuals

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Saint-Gobain News

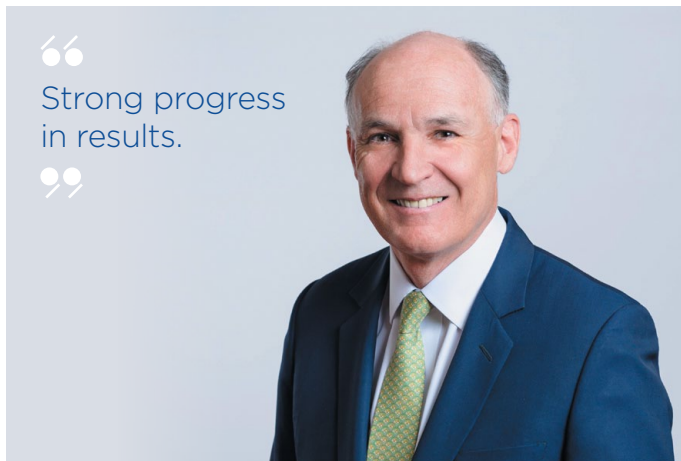
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MESSAGE

FROM PIERRE-ANDRÉ DE CHALENDAR



Strong progress
in results.



Saint-Gobain showed strong progress in its 2016 results. We saw the benefits of our optimisation efforts and of our development in emerging markets, in a more supportive economic environment than 2015. As expected, France stabilized over the year as new-build activities recovered. All other regions enjoyed good momentum. The Group also benefited from its focus on pricing against a backdrop of lower energy and raw material costs.

PIERRE-ANDRÉ DE CHALENDAR,

Chairman and Chief Executive Officer of Saint-Gobain

2017 OUTLOOK

In 2017 the Group should benefit from a gradual improvement in France, despite a still uncertain renovation market. Western Europe should deliver organic growth, despite less visibility in the UK. North America should continue to advance in construction markets, excluding the exceptional weather impacts of 2016, but will continue to face uncertainty in industry. Our operations in Asia and emerging countries should enjoy robust growth.

Saint-Gobain will continue its disciplined approach towards cash management and financial strength.

The Group is targeting a further like-for-like increase in operating income in 2017.

ON MAY 17, 2017,
THE GROUP WILL
HOLD AN **INVESTOR
DAY** TO DISCUSS ITS
STRATEGY.

The Group reported **2016 sales** of **€39,093 million**, including a significant 2.9% negative **currency impact** due namely to the depreciation of the pound sterling – and to a lesser extent Latin American currencies – against the euro.

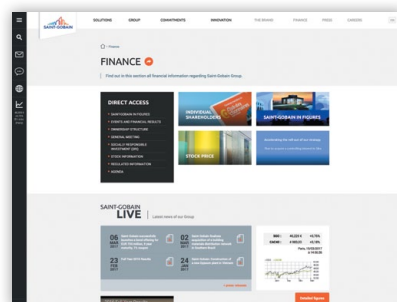
The negative 1.0% **Group structure** impact reflects the time-lag between the impact of disposals made to optimize the Building Distribution portfolio in late 2015/early 2016 and the acquisitions carried out mostly at the end of the period.

On a **like-for-like basis**, **sales** were up 2.6%, driven by volume growth in all of our Business Sectors and regions.

The **Group's operating margin increased to 7.2%** from 6.7% in 2015. In line with our objectives, we saw a further like-for-like increase in operating income, up 10.8%.

Free cash flow jumped **29%** to €1,258 million, in line with the Group's operating performance.

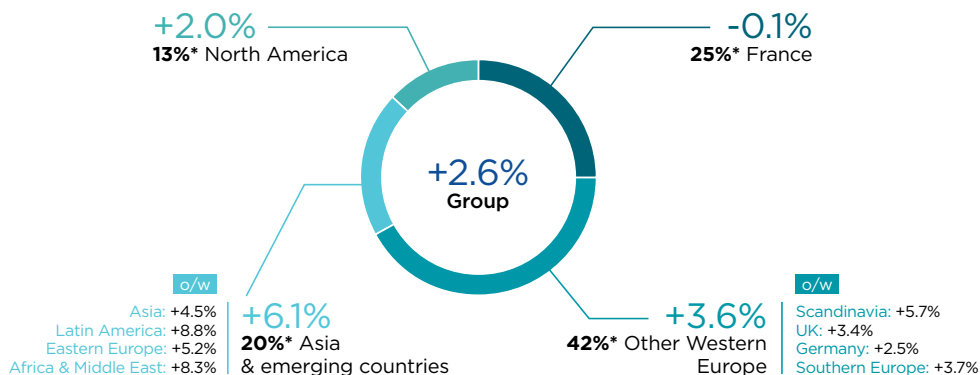
The Group continued to pursue its **acquisitions strategy**, representing close to €300 million in full-year sales.



Visit www.saint-gobain.com/en/finance
for all financial information on the Group.

SALES TRENDS BY GEOGRAPHIC AREA

(% change in 2016/2015 like-for-like sales)



*Breakdown of 2016 sales.

RESULTS BY BUSINESS SECTOR



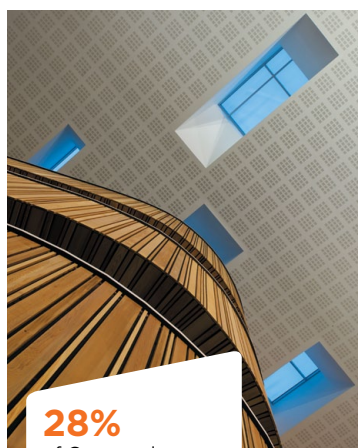
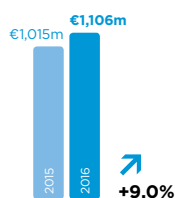
INNOVATIVE MATERIALS

2016 SALES

€9,857m

2016 OPERATING INCOME

€1,106m



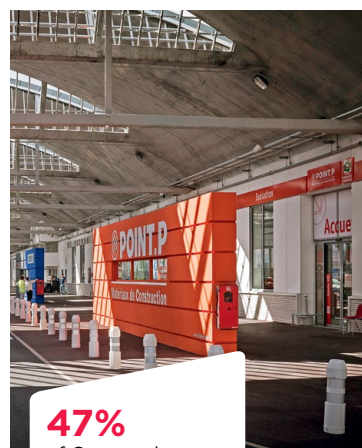
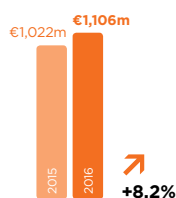
CONSTRUCTION PRODUCTS

2016 SALES

€11,921m

2016 OPERATING INCOME

€1,106m



BUILDING DISTRIBUTION

2016 SALES

€18,248m

2016 OPERATING INCOME

€616m

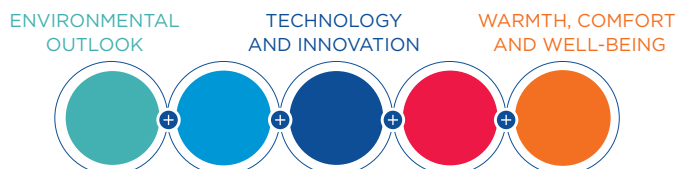




THE INDIVIDUAL SHAREHOLDERS' CLUB GETS A NEW LOOK

We are proud to unveil the new logo of the Saint-Gobain Shareholders' Club, whose vibrant colors reflect the Group's values: green for environment, blue for innovation and red for comfort. This change is in line with the development of the Group's new graphic identity.

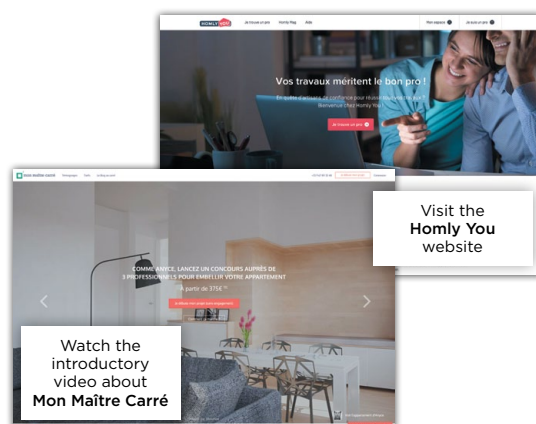
We hope that you will enjoy it as much as we enjoyed designing it.



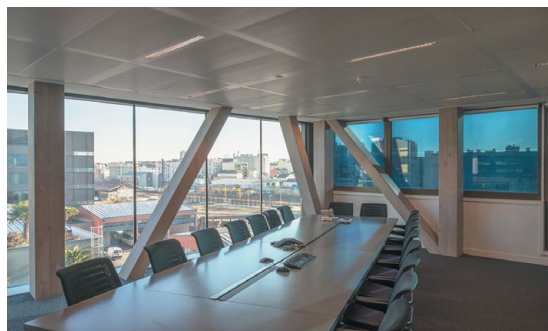
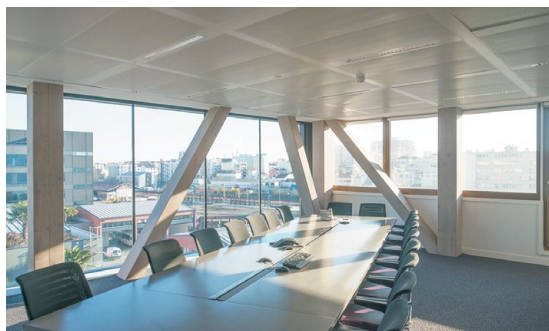
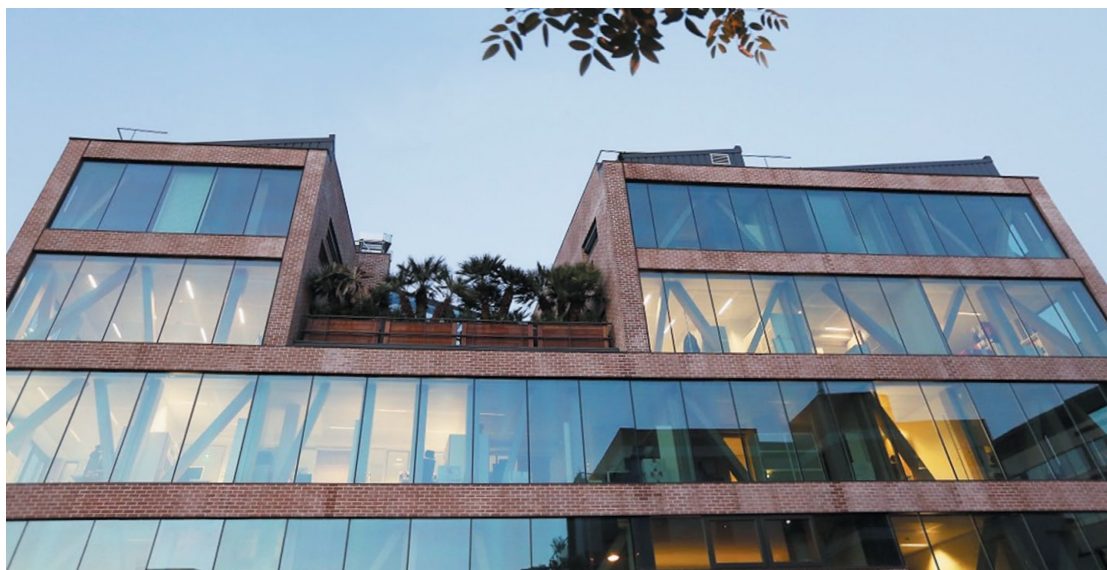
BUILDING DISTRIBUTION SECTOR

SPEEDS UP APPROACH FOR PRIVATE INDIVIDUALS

Saint-Gobain Distribution Bâtiment France (SGDB France) has recently acquired a stake in the start-up **Mon Maître Carré**, a website for individuals who wish to contact architects and interior designers to help them with their renovation projects. They can get suggestions for interior designs with 2D and 3D drawings, a list of materials needed and quotations for the work involved. This partnership further enriches the SGDB France ecosystem, to which **Homly You** – a platform that puts individuals with a work project into contact with qualified building professionals free of charge – had already been added in 2016. These two websites enhance the Group's commitment to provide tangible support for private individuals' projects.



INPI ADOPTS THE SAGEGLASS® SOLUTION



INNOVATION SERVING EMPLOYEES

SageGlass® is the world's first dynamic glass. Technologically advanced, maintenance-free and easy to use, it can be electronically tinted on request.

The new SageGlass® windows at the headquarters of the French Patent and Trademark Office

(INPI) in Courbevoie, France, were unveiled by Pierre-André de Chalendar, Chairman and CEO of Saint-Gobain and Romain Soubeyran, CEO of INPI, on January 12, 2017. The 1,400sq.m. of glass installed by Glassolutions Paris-Centre Normandie is designed to reduce the energy consumption of this high environmental quality (HQE) building, and provide daylight, out-

door views and comfort to the 550 employees working there.

The INPI's headquarters is one of the first buildings in France to adopt the SageGlass® solution. By installing this technology, INPI seeks to meet a dual objective as part of its CSR approach: respect for the environment and improved employee comfort.

SAINT-GOBAIN NEWS



INNOVATION: SAINT-GOBAIN AMONG THE TOP 100 WORLDWIDE

Saint-Gobain has been ranked among the top 100 Global Innovators for the sixth consecutive year by Clarivate Analytics, which determined the global ranking of the most innovative companies and institutions in 2016. The award is based on patent volume, patent grant success rates, and global reach. R&D is at the heart of the Group's strategy, and involved 3,700 people, 8 major cross-business research centers worldwide and an investment of €438 million in 2016.

PRIZE FOR BEST DIGITAL COMMUNICATION IN 2016 AWARDED BY LE REVENU WEBSITE

Saint-Gobain's website, given a new look in late 2014, was designed for use on a touchpad. In order to improve its accessibility, the layout automatically and intelligently adapts to the format of tablet and smartphone screens. These efforts were already recognized by professional juries in 2015, when the website picked up the Grand Prix Or Top/Com in the Digital category and a Digital Marketing credit in the Grand Prix Stratégies. Our recent exchanges with shareholders (information meetings, site visits, etc.) have enabled us to identify their expectations. The new individual shareholders' page on our website is more ergonomic and user-friendly. *"This award falls within the scope of the Group's digital transformation led by our Chairman Pierre-André de Chalendar",* said Gaetano Terrasini, Director of Financial Communications and Investor Relations at Saint-Gobain.

SAINT-GOBAIN CERTIFIED "TOP EMPLOYER GLOBAL 2017"

Saint-Gobain has obtained "Top Employer Global" certification for the second year in a row and is one of ten companies worldwide to have received this label. Saint-Gobain particularly stood out for the close attention it pays to talent management and skills development. This year, 28 countries in which Saint-Gobain operates were certified, seven more than in 2016. Like last year, the Group was also certified "Top Employer Europe", "Top Employer North America" and "Top Employer Asia-Pacific".

SAINT-GOBAIN PARTNERS JUNIOR-ENTREPRENEURS

In France, Saint-Gobain is stepping up its partnership with the Junior-Entreprises (JE) organization to become their "Business Partner". This unique positioning, tailor-made for the Group, is helping to increase Saint-Gobain brand awareness by broadening professional experience. This project was unveiled on November 26, 2016 at the National Winter Congress bringing together over 900 students in Saint-Jean-de-Monts. Saint-Gobain benefited from an allotted time to present to the JE its businesses, examples of joint projects, and a call for tenders for 2017.

SAINT-GOBAIN JOINS THE CIRCLE OF FRENCH EXCELLENCE

On November 30, 2016, Saint-Gobain joined the Circle of French Excellence, which commended the Group for its dynamism and capacity for innovation. Created in 2009 to promote French expertise, the Circle of French Excellence honors companies and institutions in various business sectors that have contributed to France's global renown.

SMART CITIES PARTNERSHIP WITH LE MONDE

Saint-Gobain has become a partner in French daily *Le Monde's* European Smart Cities innovation awards, which honor innovative projects for improving urban life in six categories: urban innovation, civic engagement, habitat, mobility, energy and cultural action. For the launch of the 2017 awards, Gérald Fafet, Senior Vice President Innovation at Saint-Gobain and CEO of Saint-Gobain Recherche, gave a speech on November 25 presenting the "Comfort-meter," a connected object developed by Saint-Gobain to measure each individual's perception of his or her comfort. The partnership with *Le Monde* falls within the scope of the Group's commitment to placing user well-being at the heart of its value proposal.

INNOVATIVE DISTRIBUTION CONCEPT AWARD

Vita Confort is a Lapeyre group brand targeting those in search of accessibility solutions for senior citizens, disabled people, people with mobility issues and their carers, and pregnant women, etc. Vita Confort combines practicality, accessibility and design, offering innovative, multifunctional furniture, home automation technology and practical accessories, among others. Vita Confort won the "Innovative distribution concept award" at the 37th edition of the LSA Innovation Awards. This staple event for mass market professionals showcases innovative manufacturers and distributors. Vita Confort won over its audience thanks to its innovative approach to the Silver economy*.

* The Silver economy is dedicated to senior citizens in our societies and is about enabling and encouraging innovations that support this population in their old age and help them maintain their independence for as long as possible

SHAREHOLDER'S AGENDA

TWO WAYS TO SIGN UP

- log onto your [shareholders' space](#)
- call freephone 0800 32 33 33 (France only)

Thursday March 9, 2017 - 10:30am to 11:30am

A GLASS HOUSE (75)

Located in the heart of Paris, A Glass House is a showcase for Saint-Gobain glass. A first-of-its-kind in France, A Glass House gives you an overview of Saint-Gobain's glass products and solutions for building interiors.

Designed for both industry professionals (architects, designers, interior decorators, design officers, fitters, installers, etc.) and retail customers, A Glass House is for all those in search of advice and tips.

- Sign up from: February 8, 2017
- Maximum number of participants: 20



Monday April 3, 2017 - From 6:00pm

SHAREHOLDER MEETING - AIX-EN-PROVENCE (13)

Saint-Gobain has teamed up with Société Générale to organize this shareholder meeting, to be held at: **Centre de Congrès - 14, boulevard Carnot - 13100 Aix-en-Provence, France.**

Friday April 21, 2017 - 10:00am to 1:00pm

EUROFLOAT (38)

A 50/50 joint venture between Saint-Gobain and Riou Glass, Eurofloat manufactures flat glass and has a 34-hectare plant at Salaise-sur-Sanne, in the Isère region of France.

Equipped with cutting-edge technology, this state-of-the-art plant includes a float line which produces clear glass for homes and commercial buildings for use as glazing (windows, verandas), glazed façades, and interior furnishings (partitions, glass tiles, etc.).

A new furnace inaugurated on June 1, 2016 uses almost 25% less energy than the previous furnace.

- Sign up from: March 20, 2017
- Maximum number of participants: 40



Friday May 19, 2017 - 2:00pm to 3:30pm

POINT.P LOGISTICS PLATFORM (13)

Point.P's logistics platform at Miramas, in Southern Europe's Logistics Center, opened its doors in 2009 and is set to be one of the leading logistics hubs in France and Europe.

Featuring 36,000 sq.m. of covered inventory, 12,500 articles and 6,000 sq.m of external surface area, this warehouse delivers to the Auvergne-Rhône-Alpes, Provence-Alpes-Côte d'Azur, Occitanie and Nouvelle-Aquitaine regions, i.e., around 640 Saint-Gobain Building Distribution France branches covering all banners.

- Sign up from: April 18, 2017
- Maximum number of participants: 20



Thursday June 15, 2017 - 2:30pm to 4:30pm

BEHIND THE SCENES AT THE EIFFEL TOWER (75)

A world-renowned symbol of France, the Eiffel Tower has attracted more visitors over the past 30 years than over the first century of its existence. French architect Alain Moatti supervised the restoration of the monument's first floor, a project that had to meet new imperatives in terms of visitor numbers, waiting time and technical constraints.

Saint-Gobain supplied its LITE-FLOOR XTRA GRIP skid-resistant glass-tiled floor for the first level of the tower. Located at 57 meters above the ground, the space offers visitors a double attraction: a fabulous view of the city and a unique view of the tower itself.

- Sign up from: May 15, 2017
- Maximum number of participants: 20



Monday June 19, 2017 - 6:00pm

SHAREHOLDER MEETING - LYON (69)

Saint-Gobain has teamed up with Carrefour to organize this shareholder meeting to be held at: **L'Espace Tête d'Or - 103, boulevard de Stalingrad - 69100 Villeurbanne, France.**

SHAREHOLDER'S NOTEBOOK

SIGN UP FOR THE E-LETTER TO SHAREHOLDERS

To receive your copy of the Letter to Shareholders and keep abreast of all the latest Saint-Gobain news, 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



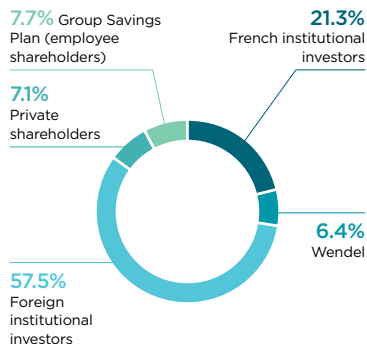
TOTAL NUMBER OF SHARES

(at December 31, 2016)

555,280,358

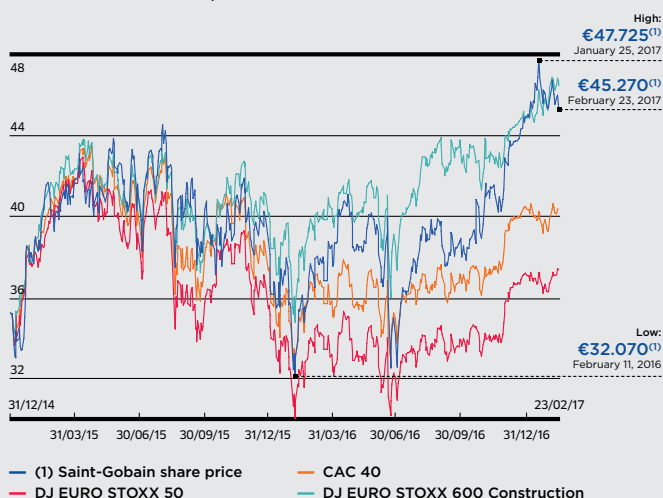
OWNERSHIP STRUCTURE

(at December 31, 2016) (%)



SAINT-GOBAIN SHARE PERFORMANCE 31/12/2014 - 23/02/2017

Performance over the period: Saint-Gobain: +28.5% CAC 40: +14.5%



Recent performance at February 23, 2017 (€45.270)	Saint-Gobain share price	CAC 40	DJ Euro Stoxx 50	DJ Euro Stoxx 600 Construction
Trailing month	-2.0%	1.4%	1.9%	3.0%
Trailing 3 months	10.3%	8.0%	10.0%	9.1%
Trailing 6 months	14.9%	10.6%	11.4%	8.0%
Trailing 12 months	27.7%	15.4%	15.5%	21.7%

YOUR CONTACTS

Saint-Gobain's Shareholder Relations Department will be pleased to answer any enquiries. Please feel free to contact them:

• By dialing:

0 800 32 33 33 Service & appel gratuits from France (calls free of charge from landlines)

or **0033 (0)1 47 62 33 33** from outside France

• Online, at www.saint-gobain.com

• By e-mail, at actionnaires@saint-gobain.com

• Via the Saint-Gobain Shareholder App



• By post:

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FSC® C112677

Managing Editor: Guillaume Texier
ISSN No. 1245-3978
Design: *tamata*

Photo credits: DR SageGlass® (p.1); Saint-Gobain/Jean Chiscano (p.2); Franck Dunouau, Gyproc/Saint-Gobain(p.3); INPI (p.5); Thomas Déron, Franck Dunouau, DR, Saint-Gobain/Joahanna Leguerre (p.7).

Printed by: Gilbert Clarey Imprimeurs certified Imprim'Vert and FSC on FSC-certified paper, using recycled paper and pulp from sustainably managed forests.

