

2017 FIRST 9 MONTH
SALES

€30,570m

+4.2%

like-for-like



"The third quarter confirmed the upbeat trends seen in the first half excluding the impact of the cyber-attack. All Business Sectors and regions advanced, including France. We continued to see a good price effect against a tougher basis for comparison, but not yet sufficient in all of the Group's businesses given the more inflationary raw material and energy cost environment. The Group continued to focus on its strategic priorities, signing 23 acquisitions since the beginning of the year, including the recently finalized Glava deal.

Saint-Gobain confirms its objective for the full year 2017 and expects the like-for-like increase in operating income for the second half to be above the level achieved in the first half despite ongoing inflationary pressure on costs."

Pierre-André de Chalendar

Chairman and Chief Executive Officer
of Saint-Gobain

NOVEMBER 2017

LETTER TO No.83 SHAREHOLDERS

FOCUS...

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EXHIBITS ITS VISION FOR THE
21ST CENTURY CITY IN SINGAPORE

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INNOVATION

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Saint-Gobain News

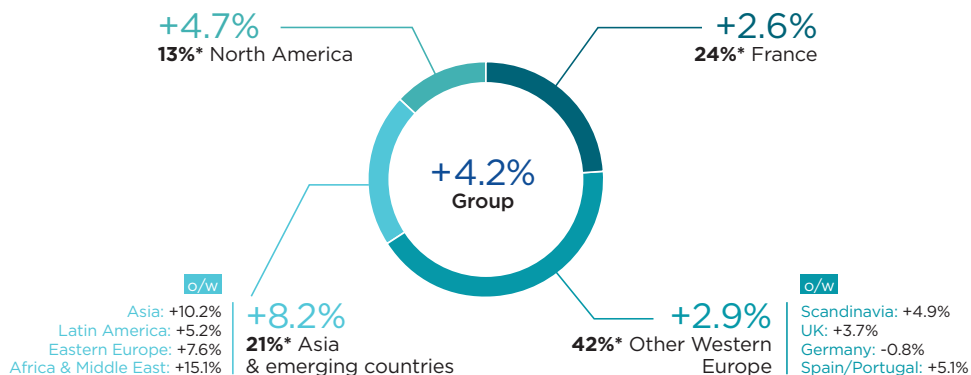
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**Shareholder's
notebook**

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SALES TRENDS BY REGION

(% change in 9m-2017/9m-2016 sales like-for-like)



*Breakdown of first nine months 2017 sales

SALES BY BUSINESS SECTOR

INNOVATIVE MATERIALS

2017 FIRST 9 MONTH SALES

€7,787m

↑ +4.8%*

25% of Group sales

CONSTRUCTION PRODUCTS

2017 FIRST 9 MONTH SALES

€9,512m

↑ +5.0%*

29% of Group sales

BUILDING DISTRIBUTION

2017 FIRST 9 MONTH SALES

€14,019m

↑ +3.5%*

46% of Group sales

* % change 9m-2017/9m-2016 sales like-for-like

ANALYSIS BY REGION (like-for-like)

- **France** continued to improve during the quarter, up 3.4% (up 2.6% over the nine-month period), buoyed by dynamic new-build activity. Renovation showed the first signs of improvement in the quarter.
- **Other Western European countries** delivered further good growth, at 3.3% (2.9% over the nine-month period), led by Nordic countries. The UK reported lower growth driven by prices, with volumes settling and a continued lack of visibility. Germany remained hesitant.
- **North America** reported 9.3% organic growth over the quarter (4.7% over the nine-month period). Construction volumes continued to trend well, helped by additional weather-related demand; industry was up overall. Pricing slowed amid a tougher basis for comparison and a particularly competitive environment.
- **Asia and emerging countries** reported further good growth in the third quarter, at 10.8% (8.2% over the nine-month period), driven by all regions.

Q4 2017 OUTLOOK

The Group expects the following trends for the fourth quarter:

- gradual improvement of construction markets in **France**;
- continued upbeat trends overall in **other Western European countries**, despite less visibility in the UK and Germany still hesitant;
- positive market conditions in **North American** construction;
- good organic growth in **Asia and emerging countries**;
- ongoing inflationary pressure on costs.

SMART CITIES

SAINT-GOBAIN EXHIBITS ITS VISION FOR THE 21ST CENTURY CITY IN SINGAPORE

Today, over half the world's population lives in cities and by 2030 this figure could be as high as 70%. The economic, environmental, social and cultural repercussions of such a profound demographic shift are enormous. The Smart Cities initiative aspires to step up to these challenges by shaping new urban policies and leveraging new technologies. The primary objective of the initiative is to meet the needs of citizens, institutions and businesses by adopting a holistic approach and managing resources wisely.



Central to the idea of a Smart City (a digital, green, connected, eco and sustainable city) is the notion of developing means and solutions that can meet citizens' needs whilst safeguarding natural resources and the environment.

Although the concept originated in the US, it was in Asia, in cities such as Singapore and Hong Kong, that the smart city philosophy was first pioneered. Singapore has been leading the way in advanced technologies and cutting-edge services since 1980, as an extension of its image as a bold, futuristic city. The most notable example of this is the Supertrees project, which has seen 50-meter-tall artificial trees planted throughout the city. These temperature-controlled trees perform various eco-friendly

gestures such as providing light and collecting rainwater.

SAINT-GOBAIN: AT THE HEART OF THESE DEVELOPMENTS

Saint-Gobain is a pioneer in the development of Smart Cities across the globe, with several products adapted to these new needs. SageGlass is a dynamic glass that allows building occupants to choose the best level of natural light for their comfort. Sekurit's smart windshield ClimaCoat improves driving, offering swift and secure reading of information on the head-up display while maintaining user comfort with an excellent energy performance. These are just some of the products serving to illustrate Saint-Gobain's commitment to sustainable cities.

In 2016, Saint-Gobain teamed up with French daily *Le Monde* to run the *Prix Européens de l'Innovation Le Monde* (European smart cities innovation) awards. These awards honor groundbreaking projects aimed at improving urban life in six categories: urban innovation, civic engagement, habitat, mobility, energy and cultural action.

For the launch of the 2017 awards, Gérard Fafet, Senior Vice President Innovation Saint-Gobain and CEO of Saint-Gobain Research, spoke at a Big Data* discussion day on November 25, 2016. He used this opportunity to present the "Comfort-meter," a connected object developed by Saint-Gobain for measuring peoples' individual feelings about their comfort and to offer solutions for its improvement.

Saint-Gobain also took part in a one-day conference in Singapore entitled "Smart Cities: which visions and models for the 21st century?" as part of the *Le Monde - Smart Cities* international urban innovation awards ceremony. During the "Habitat, spaces, time frames" roundtable, Emmanuel Normant, Saint-Gobain's Vice President for Sustainable Development, presented the Group's vision of the smart city, which begins with occupant comfort and wellbeing and is central to business strategy. Didier Roux, Vice President, Research & Development and Innovation for the Saint-Gobain Group up to June 30, 2017, also gave a video presentation about the Group's research in the field of materials science, as well as the importance given to how each person experiences comfort. ■



See Didier Roux
video presentation

* Big Data incorporates a range of technologies and practices intended to store very large volumes of data and analyze them very quickly.

ECLAZ®:

A BREAKTHROUGH IN INSULATING GLAZING



The energy efficiency of a window is based on:

- **Natural light:** this is the direct or indirect light coming from the sun. Recent studies show the importance of natural light to mood, productivity and sleep quality.
- **Thermal insulation:** using heavy-duty windows to efficiently manage heat loss generates savings of up to 20% on energy bills* and lessens the cold wall effect.
- **Solar gains:** heat transferred by the sun is a free energy source, which also contributes to occupant comfort in winter.

A NEW-GENERATION GLASS

In response to these three requirements, Saint-Gobain is launching the ECLAZ® range on the European construction market. This new product serves a dual purpose:

- **Provide greater transparency** to let through more natural light which is known to have numerous beneficial effects.
- **Guarantee greater thermal insulation** in order to improve energy performance.

*Reduction of heating requirements in a standard house taking into account heat loss and solar gains when a single-glazed window is replaced by double-glazing. Up to 30% energy is saved with triple-glazing.

This eco-innovation is the result of eight years of research and development and is central to Saint-Gobain's action for sustainable development.

ECLAZ® exemplifies the new generation of enhanced thermally insulated glazing by Saint-Gobain. It provides exceptional transparency as well as best-in-class thermal insulation. With significant natural light and solar gains, ECLAZ® is positioning itself as a high-end range that complements the well-known Planitherm range.

In Europe, people spend 90% of their time in indoor living spaces. Comfort and wellbeing have become a major concern for the occupant,



as has energy efficiency. By improving the energy efficiency of the best windows currently available on the market by 20%, the ECLAZ® range will help drive the market towards low-consumption buildings. By offering natural light gains of up to 10%, ECLAZ® provides an unparalleled solution to the challenge of occupant comfort.

Given the unique market performance of ECLAZ®, which has already been certified by the Passive House Institute, it is well ahead of the requirements of upcoming European environmental regulations, such as Environmental Regulation RE 2018 in France and the Energieeinsparverordnung EnEV2020 in Germany.

ECLAZ® is designed for windows and façades in new or renovated buildings on residential and tertiary markets in cold or temperate climates. ■

RANGE AND CHARACTERISTICS

ECLAZ®

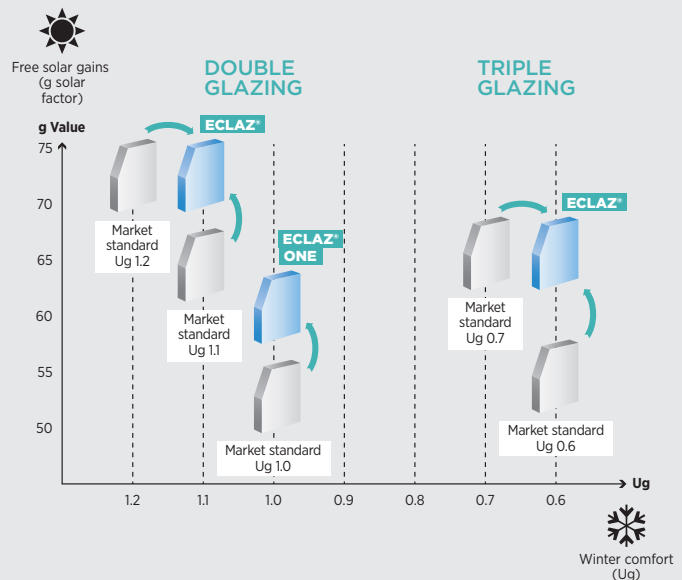
Low-E double and triple glazing with Ug-values of 1.1 and 0.6 respectively.

- An unparalleled combination of high solar gains and light transmission, which enhances energy efficiency and gives significant access to natural light. This is of particular benefit in cold and temperate climates.
- 6% more solar gains than the best double glazing currently available
- 10% more solar gains than triple glazing currently available
- Extremely neutral exterior appearance with limited mirror effect to improve aesthetic integration within the home.

ECLAZ® ONE

Low-E glass for double glazing (Ug: 1.0)

- A 10% increase in thermal insulation compared with traditional double glazing with enhanced thermal insulation, whilst still providing high light transmission and solar gains.
- 8% more natural light than double glazing (Ug: 1.0).
- Extremely neutral exterior appearance with limited mirror effect to improve aesthetic integration within the home.



SAINT-GOBAIN NEWS



GRAND PRIX DE L'AG

— 2017 —

SAINT-GOBAIN WINS AWARD AT THE GRAND PRIX FOR AGMS

Saint-Gobain was awarded the Special Jury Prize at the *Grand Prix de l'Assemblée Générale 2017* for the quality of its Annual General Meeting. The Group was rated based on a scale of 90 criteria and commended for the connectivity of the information it provides, its detailed presentation of market trends and its focus on corporate culture.

These awards, which were launched in 2005 by Capitalcom and are now run by the French Institute for Responsible Capitalism, single out best practices by listed companies in terms of AGMs and governance.



ARENA MINERAL WOOL BY SAINT-GOBAIN ISOVER: THE BUILDING PROFESSIONALS' CHOICE

In Spain, Saint-Gobain ISOVER conducted a satisfaction survey among building professionals in which they blind-tested various types of insulation panels and rolls. Out of the 30 products tested by installers, Saint-Gobain ISOVER's Arena range of mineral wool was voted best for ease of installation and technical performance. The entire range of Arena products is currently on promotion on the business' website with the slogan Arena: naturally against noise. Also being promoted are the iSound Studio software and the dB Station app used to test a room's acoustic comfort.



SAINT-GOBAIN TAKES UP THE CHALLENGE AGAINST HUNGER

On June 16, 2017, Saint-Gobain took part in the 10th Challenge Against Hunger, a charity sporting event that raises funds for the non-profit organization Action Against Hunger. The event took place in the Paris business district of La Défense, as well as at the headquarters of Saint-Gobain Building Distribution France and other sites in the greater Paris region. Some 150 Group employees ran, walked or took part in zumba, yoga and boxing sessions to raise over €33,000 for the charity.

A NEW SALES OUTLET FOR PUM PLASTIQUES

PUM Plastiques, a Saint-Gobain Building Distribution France brand specializing in the distribution of plastic pipes, has opened a new sales outlet in Perpignan, in southern France.

The outlet is divided into several spaces including a 186-sq.m. self-service area and a 300-sq.m. store for heavy and light materials. It carries more than 1,900 product references, 1,400 of which are available in the self-service section, providing a particularly broad range for plumbers and masons.

To design and build this sales outlet, PUM Plastiques chose to use local skills and worked with contractors from the surrounding area. It is the brand's 207th sales outlet and enjoys a strategic location in the heart of a vast regional economic area, enabling PUM Plastiques to further boost its coverage across the entire Perpignan region.

A BIO-CLEANABLE ACOUSTIC CEILING BY SAINT-GOBAIN ECOPHON

The new hard-wearing Hygiene Performance™ ceiling range by Saint-Gobain Ecophon in France offers cost-effective maintenance and long-lasting use thanks to the anti-stain surface that reduces the build-up of dirt and the use of detergents.

This new surface complies with the cleaning requirements demanded by hygiene standards and regulations, internal objectives and customers, helping Saint-Gobain Ecophon to confirm its benchmark position on the hygienic acoustic ceiling market.

13TH MULTICOMFORT HOUSE STUDENT COMPETITION

The 13th edition of Saint-Gobain's Multi-Comfort House international student competition took place in Madrid this year. The event, open to architecture students around the world, aims to promote the concept of sustainable homes through innovative design. Some 1,800 students from 200 schools of building science in 90 countries presented their ideas for sustainable energy-saving homes to an international judging panel of trade professionals and experts. The Latvian Sun Shade project was awarded first prize at a ceremony in the Crystal Gallery of the Palacio de Cibeles, in the presence of Pierre-André de Chalendar, Chairman and Chief Executive Officer, Gianni Scotti, General Delegate for the Mediterranean, and local authority representatives. In his speech, Pierre-André de Chalendar reiterated that sustainable development is "at the heart of the Group's strategy" and emphasized that Saint-Gobain's priority is "to listen to customers and respond to their current needs while anticipating the future."



POINT.P TRAVAUX PUBLICS TAKES TO 3D PRINTING

POINT.P Travaux Publics, a Saint-Gobain Distribution Bâtiment France brand, organized a co-design workshop with the start-up XtreeE, SADE (Société Auxiliaire des Distributions d'Eau) and project managers to define which products manufactured using 3D technology would be most relevant for the public works market. 3D concrete printing reduces concrete consumption, thus helping to protect the environment whilst at the same time making working conditions easier. This collective initiative has led to the unprecedented installation – at the request of the European Metropolis of Lille – of a storm weir created using 3D concrete printing. This remarkable technological achievement, which consists of a complex structure weighing more than five metric tons, was completed in less than nine hours.



SAINT-GOBAIN CREATES THE FIRST POSITIVE ENERGY SCHOOL IN EUROPE

Saint-Gobain has inaugurated the first positive energy primary school in Stuttgart, Germany. Built in 1954, the Plusenergie Uhlandschule is now renowned for producing more energy than it consumes.

The project kicked off in 2013, and involved an extensive renovation program by Saint-Gobain Weber, Saint-Gobain Glass and Saint-Gobain ISOVER, which included fully insulating the building's envelope and installing triple glazing. For the interior finish, Saint-Gobain Rigips installed solutions featuring Activ'Air technology that ensures healthy indoor air.

The Saint-Gobain Recherche teams were also tasked with monitoring the project from a scientific point of view. This accomplishment is part of the Group's Multi-Comfort program.

SAINT-GOBAIN FIBERGLASS MAXIMIZES CUSTOMER EXPERIENCE

Saint-Gobain Fiberglass in Colombia has launched a WhatsApp service in 38 outlets of Sodimac-Home, the Latin American DIY chain. The aim is to answer customers' questions about Saint-Gobain Fiberglass insulation and waterproofing solutions in-store.

The tool is available seven days a week from 8:00am to 9:00pm, and promises an answer to potential buyers' questions in under two minutes.

SHAREHOLDER'S NOTEBOOK

DATES FOR YOUR DIARY

PLANT VISIT

Tuesday November 28 from
9.30 am to midday

Visit of the Vaujours (France)
plasterboard plant

SHAREHOLDER MEETING

Wednesday November 8 in Rennes

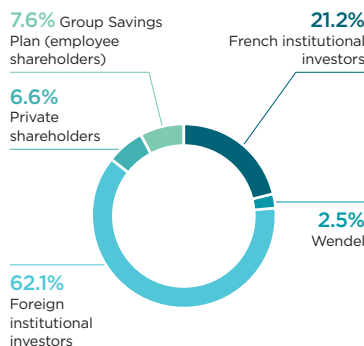
TOTAL NUMBER OF SHARES

(at September 30, 2017)

555,414,943

OWNERSHIP STRUCTURE

(at September 30, 2017) (%)



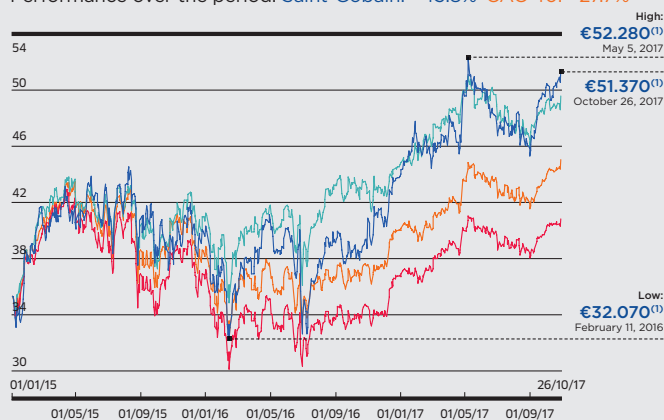
SALON ACTIONARIA TRADE SHOW

THURSDAY NOVEMBER 23 AND FRIDAY NOVEMBER 24
AT THE PALAIS DES CONGRÈS IN PARIS

Come and visit our stand to discover the various Saint-Gobain Group brands, and take part in our shareholder meeting led by Pierre-André de Chalendar and Guillaume Texier in the *Amphithéâtre Bleue* on Friday November 24 at 3:00 pm. For a free invitation please visit the *Inscription gratuite* page of actionaria.com (in French only) and enter the code COM490.

SAINT-GOBAIN SHARE PERFORMANCE 01/01/2015 - 26/10/2017

Performance over the period: Saint-Gobain: +45.8% CAC 40: +27.7%



Recent performance at October 26, 2017 (€51.370) In %	Saint-Gobain share price	CAC 40	DJ Euro Stoxx 50	DJ Euro Stoxx 600 Construction
Trailing month	3.7%	3.5%	2.9%	2.7%
Trailing 3 months	8.4%	5.1%	4.2%	3.6%
Trailing 6 months	3.1%	3.2%	1.6%	-0.9%
Trailing 12 months	32.3%	20.3%	18.1%	15.2%

YOUR CONTACTS

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FSC® C112677

Managing Editor: Guillaume Texier
ISSN No. 1245-3978

Design: *tamata*

Photo credits: Christophe Lebedinsky, Olaf Rohl-Saint-Gobain (p.1); DR (p.3); Josefine Unterhauser (p.4-5); Saint-Gobain (p.6-7).

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

