

Combined Ordinary and Extraordinary Shareholders' Meeting

to be held on **June 9, 2005** at 3.00 p.m.

at the Grand Auditorium of the Palais des Congrès
Porte Maillot – 75017 Paris.

Dear Shareholder,

On behalf of Compagnie de Saint-Gobain, it is with great pleasure that I invite you to the General Meeting of the Company's shareholders, to be held at **3.00 p.m. on Thursday, June 9, 2005** at the Grand Auditorium of the Palais des Congrès, Porte Maillot, Paris 17th.

As every year, this meeting will give you the opportunity to obtain further information about the Group and to express your opinions.

At the meeting, I will inform you of the main events in the life of the Group in 2004 and reply to your questions.

Your involvement in the meeting is important to us at Saint-Gobain and I hope that you will be able to take part.

You will find all the information you need to that effect in this document.

I thank you in advance for your consideration of the resolutions submitted for approval.

Very truly yours,

Jean-Louis BEFFA
Chairman and Chief Executive Officer

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Compagnie de Saint-Gobain
French public company (*Société Anonyme*)
with capital of € 1,363,952,000
Head office: Les Miroirs,
18 avenue d'Alsace, 92400 Courbevoie

How to participate In the General Meeting

▶ The conditions required to **exercise your right to vote**

As a Saint-Gobain shareholder you are entitled to attend General Meetings in person, irrespective of the number of shares you hold, or you may prefer to cast a postal vote or appoint a proxy.

Whatever you decide to do you simply need to indicate your choice on the attached postal vote/proxy form.

Your financial intermediary – i.e. the bank, stockbroker, savings bank, post office or public accountant holding your securities account – will be your sole contact for the purposes of the Meeting and will act as the link between Compagnie de Saint-Gobain and yourself.

The financial intermediary will certify that you are indeed a Saint-Gobain shareholder and place your shares in a blocked account until the day after the Meeting.

▶ How to vote?

To help in the preparation of the Meeting, you are requested to initiate your preferred procedure **as soon as possible**.

If you wish to attend the Meeting in person

All you need to do is to request an admission card by ticking **box A** at the top of the attached form and then signing and dating it and returning it to your financial intermediary who will send you your admission card.

If you intend to appoint a proxy or cast a postal vote

If you are unable to attend the Meeting, you can use the attached form to:

- **exercise a postal vote** on the resolutions submitted to you, or,
- **appoint the Chairman** of Saint-Gobain to exercise a proxy vote on your behalf **in favor** of the resolutions proposed by the Board of Directors; or,
- **appoint someone to represent you in person** at the Meeting. In this case, your representative must be either your spouse or another Saint-Gobain shareholder who will attend the Meeting and vote on your behalf.

Whatever you decide, do not forget to sign and date the form and to **return it only to your financial intermediary**. A pre-paid envelope is enclosed for your convenience.

The French version of this document governs; the English translation is for convenience only.

▶ How to fill out **your form**?

If you intend to attend the Meeting in person: tick box **A** to request an admission card.

If you are unable to attend the Meeting and wish to cast a postal vote or appoint a proxy: tick box **B**.

To appoint the Chairman of Saint-Gobain to exercise a proxy vote on your behalf: simply tick box **B** at the top of the form and sign and date it at the bottom.

To appoint your spouse or another Saint-Gobain shareholder to represent you at the Meeting: tick here and indicate the name and contact details of your representative.

IMPORTANT : avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso / Before selecting, please see instructions on reverse side.

A **QUELLE QUE SOIT L'OPTION CHOISIE, DATER ET SIGNER AU BAS DU FORMULAIRE / WHICHEVER OPTION IS USED, DATE AND SIGN AT THE BOTTOM OF THE FORM**
B Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire / I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.
 J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / I prefer to use the postal voting form or the proxy form as specified below.

COMPAGNIE DE SAINT-GOBAIN
 S A au Capital de € 1.363.952.000
 Siège Social : Les Miroirs, 18 avenue d'Alsace 92400 COURBEVOIE 542 039 532 RCS NANTERRE

ASSEMBLEE GENERALE MIXTE convoquée pour le jeudi 9 juin 2005 à 15 heures au Grand Auditorium du Palais des Congrès, 2, place de la Porte Maillot, Paris 17^e
COMBINED GENERAL MEETING to be held on Thursday June 9, 2005 at 3:00 pm at Grand Auditorium du Palais des Congrès, 2, place de la Porte Maillot, Paris 17^e

CADRE RESERVE / For Company's use only
 Identifiant / Account Number
 Nominatif / Registered
 Porteur / Bearer
 Nombre d'actions / Number of shares
 Nombre de voix / Number of voting rights
 VS / single vote
 VD / double vote

JE VOTE PAR CORRESPONDANCE / I VOTE BY POST
 Cf. au verso renvoi (3) - See reverse (3)

Je vote **OUI** à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration, à l'EXCEPTION de ceux que je signale en noircissant comme ceci ■ la case correspondante et pour lesquels je vote **NON** ou je m'abstiens.
 I vote **FOR** all the draft resolutions approved by the Board of Directors EXCEPT those indicated by a shaded box - like this ■, for which I vote against or I abstain.

Sur les projets de résolutions non agréés par le Conseil d'Administration, je vote en noircissant comme ceci ■ la case correspondant à mon choix.
 On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice - like this ■.

	Oui	Non/Abst	Oui	Non/Abst
	Yes	No/Abs	Yes	No/Abs
1	<input type="checkbox"/>	<input type="checkbox"/>	F	<input type="checkbox"/>
2	<input type="checkbox"/>	<input type="checkbox"/>	G	<input type="checkbox"/>
3	<input type="checkbox"/>	<input type="checkbox"/>	H	<input type="checkbox"/>
4	<input type="checkbox"/>	<input type="checkbox"/>	J	<input type="checkbox"/>
5	<input type="checkbox"/>	<input type="checkbox"/>	K	<input type="checkbox"/>
6	<input type="checkbox"/>	<input type="checkbox"/>		
7	<input type="checkbox"/>	<input type="checkbox"/>		
8	<input type="checkbox"/>	<input type="checkbox"/>		
9	<input type="checkbox"/>	<input type="checkbox"/>		
10	<input type="checkbox"/>	<input type="checkbox"/>		
11	<input type="checkbox"/>	<input type="checkbox"/>		
12	<input type="checkbox"/>	<input type="checkbox"/>		
13	<input type="checkbox"/>	<input type="checkbox"/>		
14	<input type="checkbox"/>	<input type="checkbox"/>		
15	<input type="checkbox"/>	<input type="checkbox"/>		
16	<input type="checkbox"/>	<input type="checkbox"/>		
17	<input type="checkbox"/>	<input type="checkbox"/>		
18	<input type="checkbox"/>	<input type="checkbox"/>		

JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE
 dater et signer au bas du formulaire, sans rien remplir
 I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE MEETING
 date and sign the bottom of the form without completing it
 cf. au verso renvoi (2) - See reverse (2)

JE DONNE POUVOIR A : (soit le conjoint, soit un autre actionnaire - cf. renvoi (2) au verso) **pour me représenter à l'assemblée**
 I HEREBY APPOINT (you may give your PROXY either to your spouse or to another shareholder - see reverse (2)) **to represent me at the above mentioned meeting.**
 M, Mme ou Mlle / Mr, Mrs or Miss
 Adresse / Address

ATTENTION : S'il s'agit de titres au porteur, les présentes instructions que vous avez données, ne seront valides que si les titres correspondants ont été immobilisés, dans les délais prévus, par l'établissement financier qui tient votre compte de titres.
 CAUTION : concerning bearer shares, your vote or proxy will not be counted unless these shares have been blocked from trading by the subcustodian within the prescribed period.

Norm, Prénom, Adresse de l'actionnaire (si ces informations figurent déjà, les vérifier et les rectifier éventuellement)
 - Surname, first name, address of the shareholder (if this information is already supplied, please verify and correct if necessary)
 Cf. au verso renvoi (1) - See reverse (1)

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / In case amendments or new resolutions are proposed during the meeting :
 - Je donne pouvoir au Président de l'A.G. de voter en mon nom. / I appoint the Chairman of the meeting to vote on my behalf ...
 - Je m'abstiens (l'abstention équivaut à un vote contre). / I abstain from voting (is equivalent to a vote against)
 - Je donne procuration (cf. au verso renvoi 2) à M, Mme ou Mlle pour voter en mon nom / I appoint (see reverse (2)) Mr, Mrs or Miss to vote on my behalf

Pour être prise en considération, toute formule doit parvenir au plus tard à la Banque le 8 juin 2005
 In order to be considered, this completed form must be returned to the Bank at the latest on June 8th, 2005

En aucun cas le document ne doit être retourné à la Cie de Saint Gobain / In no case, this document must be returned to Cie de Saint Gobain

La langue française fait foi / The french version of this document governs; the english translation is for convenience only

Date & Signature

To cast a postal vote: tick here

- To vote **YES** to a resolution, leave blank the box next to the resolution number concerned.
- To vote **NO** to or abstain from a resolution, fill in the box next to the resolution number concerned.

Whatever you decide to do, do not forget to sign and date the form here.

Add your full name and address here or check the details if they already appear.

Ordinary Meeting

- 1** Approval of the parent Company financial statements for 2004,
- 2** Approval of the consolidated financial statements for 2004,
- 3** Approval of the appropriation of income and the proposed dividend,
- 4** Approval of regulated related-party agreements,
- 5** Authorization of the Board of Directors to buy back and possibly resell the Company's shares,
- 6** Renewal of the term of office as Director of Mr. Gianpaolo Caccini,
- 7** Renewal of the term of office as Director of Mr. Jean-Martin Folz,
- 8** Renewal of the term of office as Director of Mr. Michel Pébereau,
- 9** Appointment of Mr. Gerhard Cromme as Director, to replace Mr. Rolf-E. Breuer,
- 10** Appointment of Mr. Jean-Cyril Spinetta as Director, to replace Mr. Bruno Roger.

Extraordinary Meeting

- 11** Authorization of the Board of Directors to increase the share capital, through the issue of ordinary shares, with pre-emptive subscription rights for existing shareholders, and/or all securities exercisable for shares in the Company or its subsidiaries, up to a maximum of €680 million (par value of ordinary shares) and €3 billion (debt securities), the amounts specified in the twelfth and thirteenth resolutions being set off against these sums,
- 12** Authorization of the Board of Directors to increase the share capital, through the issue of ordinary shares, without pre-emptive subscription rights for existing shareholders, and/or all securities exercisable for shares in the Company or its subsidiaries, or for shares in the Company to which entitlement would be granted by securities to be issued, where applicable, by the subsidiaries, up to a maximum of €270 million (par value of ordinary shares) and €1.2 billion (debt securities), such amounts being respectively set off against those specified in the eleventh resolution,
- 13** Authorization of the Board of Directors to increase the share capital, through the capitalization of share premiums, reserves, profits or other amounts, up to a maximum par value of €84 million, such amount being set off against that specified at the eleventh resolution, in respect of ordinary shares,
- 14** Authorization of the Board of Directors to carry out employee securities issues reserved for members of the Group Savings Plan up to a maximum aggregate par value of €64 million,
- 15** Authorization of the Board of Directors to grant stock purchase or subscription options up to a maximum of 3% of the share capital, this 3% limit being the aggregate limit for both this resolution and the sixteenth resolution,
- 16** Authorization of the Board of Directors to grant free ordinary shares, which exist or are to be issued in future, up to a maximum of 3% of the share capital, this 3% limit being the aggregate limit for both this resolution and the fifteenth resolution,
- 17** Authorization of the Board of Directors to cancel, where applicable, shares representing up to a maximum of 10% of the Company's share capital,
- 18** Powers to carry out formalities.

Presentation of the resolutions submitted by the Board of Directors

The resolutions that you are invited to vote upon are governed by the quorum and majority voting rules applicable to Ordinary General Meetings in relation to resolutions 1 to 10 and are governed by the quorum and majority voting rules applicable to Extraordinary General Meetings in relation to resolutions 11 to 18.

Parent Company and consolidated financial statements - Dividend (1st, 2nd and 3rd resolutions)

Shareholders are invited to approve the financial statements of Compagnie de Saint-Gobain (**1st resolution**) and the consolidated financial statements of the Saint-Gobain Group (**2nd resolution**) for the year ended December 31, 2004.

In relation to the consolidated financial statements, the Group's revenues totaled €32,025 million compared with €29,590 million in 2003. Operating income came to €2,632 million compared with €2,442 million in 2003, and the Group share of consolidated net income amounted to €1,083 million compared with €1,039 million in 2003.

Further details of this information are provided on pages 14 to 18 of this document.

In relation to the parent Company financial statements, net income for Compagnie de Saint-Gobain in 2004 came to €766,017 thousand, compared with €513,574 thousand in 2003.

Taking account of the retained earnings of €921,176 thousand (after deduction of the special 2.5% tax of €4,987,500 provided for in article 30 of the 2004 Amended Finance Act), the Shareholders are invited (**3rd resolution**) to:

- adjust of €13,725 thousand with regard to the amount temporarily allocated in respect of 2003 to the Special long-term capital gains reserve so as to decrease its total amount from €291,929 thousand to €278,204 thousand;
- carry forward €1,271,471 thousand as retained earnings;
- **distribute to Shareholders a total of €429,446,054.40** corresponding to a **net dividend** per share of **€1.28**. In accordance with article 243 bis of the French Tax Code, this dividend is eligible to benefit from the 50% tax deduction provided for in article 158-3 of the same Code;
- authorize the Board of Directors in accordance with article 39 of the 2004 Amended Finance Act to transfer, prior to December 31, 2005, €200,000 thousand from the Special long-term capital gains reserve account to the Other reserves account and to transfer €4,987,500, corresponding to the special tax levied on the amount transferred, from the Other Reserves account to Retained earnings, from which this tax was paid at December 31, 2004.

The net dividend of €1.28 which has **increased by 11.3 %** when compared with the net dividend paid in 2004 (€1.15), will be paid on all outstanding shares as of the date the coupon is detached, that is June 23, 2005. Payment will be made entirely in cash.

Approval of regulated related-party agreements (4th resolution)

In relation to new agreements governed by articles L-225-38 *et seq.* of the French Commercial Code, the agreements described in the Auditors' special report are submitted for your approval, such agreements having already been authorized by the Board of Directors (the Director concerned: Mr. Sehoon Lee). These agreements, which were entered into on April 6, 2005 relate to the acquisition by Saint-Gobain of a controlling interest in the Korean glass company Hankuk Glass Industries, in which it already held 46% of the share capital at the end of 2004.

Authorization to buy back and possibly resell Saint-Gobain shares (5th resolution)

The purpose of the **5th resolution** is to renew the authorization to the Board of Directors to buy back and possibly resell Saint-Gobain shares. The maximum purchase price under this authorization is set at €55 per share and the minimum sale price at €23 per share.

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This authorization is intended to enable Compagnie de Saint-Gobain to continue, as the case may be, to buy back and resell its own shares, within the limits specified in the European Regulation of December 22, 2003, which came into effect on October 13, 2004, and articles 241-1 to 241-8 of the General Regulation of the Autorité des Marchés Financiers (the French Financial Markets Authority). These purchases are, therefore, principally made to enable the Company to honor its commitments in relation to the stock purchase option plan and the program for the grant of free shares, the allocation of shares in the context of employee share ownership to promote profit sharing, the allocation of shares upon the exercise of rights attached to securities, for financing any external growth transactions and also with a view to their cancellation (subject to approval of the 17th resolution).

The maximum number of shares bought back may not exceed 10% of the total number of shares making up the share capital at the date when the buy-back takes place.

For information purposes, at March 1, 2005, the theoretical maximum amount of funds that the Company would have been able to invest in relation to these operations would have been €1,875,434,000 which corresponds to 34,098,800 shares bought at a price of €55 each.

**Renewal of terms of office of three Directors -
Appointment of two new Directors**
(6th, 7th, 8th, 9th and 10th resolutions)

- On the recommendation of the Appointments Committee, at its meeting held on March 24, 2005, the Board of Directors approved the proposed renewal of the terms of office of the following three directors whose terms of office expire at the end of this Shareholders' Meeting:
 - Renewal of the term of office of Mr. Gianpaolo Caccini (**6th resolution**),
 - Renewal of the term of office of Mr. Jean-Martin Folz (**7th resolution**),
 - Renewal of the term of office of Mr. Michel Pébureau (**8th resolution**),

The Shareholders are asked to approve the renewal of these three terms of office.

If the Shareholders approve these propositions, the three appointments will be made for terms of four years, that is, until the 2009 Annual Shareholders' Meeting.

- In addition, and on the recommendation of the Appointments Committee, at its meeting held on March 24, 2005, the Board of Directors approved the proposed appointments as directors of:

- Mr. Gerhard Cromme, replacing Mr. Rolf-E. Breuer, whose term of office expires at the end of this Shareholders' Meeting (**9th resolution**),
- Mr. Jean-Cyril Spinetta, replacing Mr. Bruno Roger, whose term of office expires at the end of this Shareholders' Meeting (**10th resolution**),

The Shareholders are asked to approve these two appointments.

If the Shareholders approve these proposals, the two appointments will each be made for a term of four years, that is, until the 2009 Annual Shareholders' Meeting.

Further details relating to the appointees are provided on pages 10 and 11.

**New financial authorizations to be given to the
Board of Directors with a view to increasing the
share capital of Compagnie de Saint-Gobain**
(11th, 12th and 13th resolutions)

In view of the powers that the law now gives the Board of Directors to decide upon or authorize the issue of bonds, the Shareholders are asked to vote on three resolutions which give the Board of Directors the power to increase, where applicable, the share capital of the Company, during a limited period of 26 months.

Pursuant to the **11th resolution**, Shareholders are asked to authorize the Board of Directors to increase the share capital, where applicable, through the issue of ordinary shares, with pre-emptive subscription rights for existing shareholders, and/or all forms of securities exercisable for shares in the Company or its subsidiaries, up to a maximum par value of €680 million (that is a maximum of 170 million shares) and €3 billion (debt securities), the amounts specified in the twelfth and thirteenth resolutions being set off against these sums.

Pursuant to the **12th resolution**, Shareholders are asked to authorize the Board of Directors to increase the share capital, where applicable, through the issue of ordinary shares without pre-emptive subscription rights for existing shareholders, and/or all forms of securities exercisable for shares in the Company or its subsidiaries, or for shares in the Company to which entitlement would be granted by securities to be issued, where applicable, by the subsidiaries, up to a maximum par value of €270 million (that is a maximum of 67.5 million shares) and €1.2 billion (debt securities), such amounts being respectively set off against those specified in the eleventh resolution.

Pursuant to the **13th resolution**, Shareholders are asked to authorize the Board of Directors to increase the share capital, through the capitalization of share premiums, reserves, profits or other amounts, up to a maximum par value of €84 million (that is a maximum of 21 million shares), such amount being set off against that specified at the eleventh resolution in respect of ordinary shares.

The purpose of these financial authorizations which you are asked to renew and approve is to give the Board of Directors a large degree of flexibility in the choice of securities to be issued and to enable it to tailor the form of marketable securities issued to market opportunities and conditions prevailing either in France or abroad at the time of the issue. The Board of Directors is asking for the possibility to make issues where Shareholders waive their pre-emptive subscription rights to cover situations where the speed of transactions is vital to their success, or where it is preferable to obtain financing from a wide range of investors, as well as to be able to carry out issues on foreign markets where appropriate.

The possibility to increase the share capital through the capitalization of share premiums, reserves, profits or other amounts (13th resolution), will enable the Board of Directors to grant free shares to be issued, subject to Shareholders' approval and to the extent allowed under the 16th resolution.

Shareholders' attention is drawn to the fact that the issuance of preferred shares is not provided for under these three authorizations.

Continued development of employee share ownership (14th resolution)

The **14th resolution** is part of the continued development of employee share ownership in Compagnie de Saint-Gobain which has been the ongoing aim of the Board of Directors for the past seventeen years.

The purpose of this resolution is to renew the authorization granted to the Board of Directors at the Combined Ordinary and Extraordinary Shareholders' Meeting of June 5, 2003 to carry out employee share issues reserved for members of the Group Savings Plan. This Plan offers the possibility to current and former employees of Group companies in France and abroad, subject to certain conditions, to directly or indirectly subscribe for Saint-Gobain securities offered at a discount not exceeding 20% of the average stock market price prior to the date of the decision of the Board of Directors setting the price of the securities (or 30% when the period during which the securities must be retained is equal to or greater than 10 years). Due to its nature, this resolution entails the automatic waiver of pre-emptive subscription rights by existing shareholders. As in 2003, the authorization will be granted up to a maximum aggregate par value of €64 million (representing a maximum of 16 million shares) and the authorization will be valid for 26 months.

Renewal of authorization to the Board of Directors to grant stock options and authorization to the Board of Directors to grant free shares

(15th and 16th resolutions)

In relation to the stock options specified under the **15th resolution**, Shareholders are asked to renew the authorization to grant stock purchase and/or subscription options to certain employees and corporate officers of the Saint-Gobain Group given to the Board of Directors at the Combined Ordinary and Extraordinary Shareholders' Meeting of June 5, 2003. The resolution provides that the exercise price of the stock options will be set by the Board of Directors, **without any discount**, and will be calculated by reference to the average of the stock market prices prior to the date of the decision of the Board of Directors.

Moreover, the Shareholders are asked to enable the Board of Directors, under the **16th resolution**, to make use of the new possibilities offered by the 2005 Finance Act and to authorize it to possibly grant free ordinary shares which exist or are to be issued in future to employees or categories of employees and corporate officers of the Saint-Gobain Group.

The period of validity of these two authorizations may not exceed 26 months, and the aggregate limit for both resolutions will be 3% of the share capital, so that the total number of stock options and shares is not greater than the maximum limit set in the previous authorizations for the options alone.

Cancellation of shares

(17th resolution)

In the **17th resolution**, Shareholders are invited to renew the authorization given to the Board of Directors at the Combined Ordinary and Extraordinary Shareholders' Meeting of June 5, 2003, for a period of 26 months, to cancel shares of the Company acquired under authorizations given by the Shareholders, representing up to a maximum of 10% of the Company's share capital per 24 month period.

*

The **18th resolution** gives full powers to carry out the formalities associated with the Shareholders' Meeting.

Directorship candidates

You will find below a presentation of the three Directors whose terms of office are up for renewal and of the two new Directors you are being asked to appoint:

These five terms of office are to be granted for a term of four years, in accordance with article 9, paragraph 4 of the bylaws, that is until the 2009 Annual Shareholders' Meeting.

► Renewal of terms of office



Mr. Gianpaolo CACCINI

Former Chief Operating Officer of Compagnie de Saint-Gobain.

Gianpaolo Caccini, 66, is an Italian citizen. He has a doctorate in Chemistry from the University of Pavia in Italy. He joined the Saint-Gobain Group in 1973 as Sales Director for the Insulation Division of the Italian subsidiary, Balzaretti Modigliani. He was appointed as Director of the Sealings Division of that company in 1980, before going on to become Chief Executive Officer of Vetrotex Italia in 1983 and a director of Vitrofil in 1986 (two companies within the Group's Reinforcements Division). He was then appointed Chairman and Chief Executive Officer of Saint-Gobain Desjonquères (Containers Division) in 1988, President of the Insulation Division in 1991 and also of the Reinforcements Division in 1993. In 1996 he became Senior Vice-President of Compagnie de Saint-Gobain and General Delegate for North America. Then in 2000, he went on to become Chief Operating Officer of Compagnie de Saint-Gobain, a position he held until his retirement on April 1, 2004.

Other directorships and positions currently held by Gianpaolo Caccini are listed on page 12.

He was appointed Director of Compagnie de Saint-Gobain by the Shareholders' Meeting of June 10, 2004 for the remaining term of office of Eric d'Hautefeuille, the Director he is replacing (i.e. until the 2005 Annual Shareholders' Meeting)

Gianpaolo Caccini owns 4,820 Saint-Gobain shares.

Shareholders are invited to renew Gianpaolo Caccini's term of office in the 6th resolution.



Mr. Jean-Martin FOLZ

Chairman of the Management Board of Peugeot SA

Jean-Martin Folz, 58, is a former graduate of the *Ecole Polytechnique* and *Ecole des Mines*. After one year in Tokyo at the *Maison Franco-Japonaise*, he began his professional career in 1972 in a local office of the French Ministry of Industry. Between 1975 and 1978, he held various ministerial positions and was appointed Chief of Staff to the French Secretary of State for Industry. In 1978, he joined the Rhône-Poulenc group as Plant Manager of the Saint-Fons unit before going on to become Chief Operating Officer of the Rhône-Poulenc Specialty Chemicals Division. From 1984 to 1987, he was Chief Operating Officer and then Chairman and Chief Executive Officer of Jeumont-Schneider, a subsidiary of the Schneider group, and in July 1987, became Chief Executive Officer of Pêchiney and then Chairman of Carbone Lorraine. He was appointed Chief Executive Officer of Eridania Béghin-Say and Chairman of Béghin-Say in 1991. In July 1995 he joined the PSA Peugeot Citroën group and became Director of its Automobile Division in April 1996 and Chairman of the PSA Peugeot Citroën group on October 1, 1997. On the same date, he also became Chairman of Automobiles Peugeot and Automobiles Citroën. Other directorships and positions currently held by Jean-Martin Folz are listed on page 12.

He became a Director of Compagnie de Saint-Gobain in March 2001, and on June 28, 2001, the General Shareholders' Meeting approved his appointment to the Board for the remaining term of office of Pierre Faure, the Director he is replacing (i.e. until the 2005 Shareholders' Meeting).

Jean-Martin Folz owns 1,200 Saint-Gobain shares.

Shareholders are invited to renew Jean-Martin Folz's term of office in the 7th resolution.

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Mr. Michel PÉBEREAU

Chairman of the Board of Directors of BNP Paribas.

Michel Pébereau, 63, is a graduate of the *Ecole Polytechnique* and the *Ecole Nationale d'Administration*. He obtained the rank of *Inspecteur des finances* in 1967 and between 1970 and 1974 served in the French Ministry of Finance as Policy Officer and subsequently Technical Advisor. As Policy Officer, Assistant Director, Deputy Director and then Head of the Monetary and Financial Affairs section of the French Treasury Department, between 1978 and 1981 he acted as Director of the office of the Finance Minister and subsequently Policy Officer for the Minister. In 1982, he was appointed Chief Executive Officer of *Crédit Commercial de France*, before becoming Chairman and Chief Executive Officer in 1987. He held the positions of Chairman and Chief Executive Officer of BNP and then BNP Paribas from 1993 to 2003, and since 2004, has been Chairman of the Board of Directors of BNP Paribas. Other directorships and positions currently held by Michel Pébereau are listed on page 13.

He was appointed as a Director of *Compagnie de Saint-Gobain* by the Shareholders' Meeting of June 17, 1993, and his term of office was renewed by the Shareholders' Meeting of June 24, 1999.

Michel Pébereau owns 820 *Saint-Gobain* shares.

Shareholders are invited to renew Michel Pébereau's term of office in the 8th resolution.

▶ Appointment of two new Directors



Mr. Gerhard CROMME

Chairman of the Supervisory Board of ThyssenKrupp AG.

Gerhard Cromme, 62, a German citizen, graduated in Economics and holds a doctorate in law. In 1971, he joined the *Saint-Gobain* Group in Germany, and in the early 1980s became Deputy General Delegate to Germany and Chairman of *Vegla*, the Group's German glass subsidiary.

In 1986, he joined the *Krupp* group and was appointed Chairman of the Management Boards of *Krupp Stahl AG*, then *Fried. Krupp AG Hoesch-Krupp* and subsequently *ThyssenKrupp AG*. Since October 2001, he has been Chairman of the Supervisory Board of *ThyssenKrupp AG*.

He is also Chairman of the German Governmental Commission on Corporate Governance, and Chairman of the *European Round Table*. He currently sits on the Supervisory Boards of *Allianz*, *Axel Springer*, *Deutsche Lufthansa*, *E.ON*, *Hochtief*, *Siemens*, and *Volkswagen* in Germany, and on the Board of Directors of *BNP Paribas* and *Suez* in France.

August-Thyssen-Strasse 1, D-40211 Düsseldorf (Germany)

Shareholders are invited to appoint Gerhard Cromme as a Director to replace Rolf E. Breuer in the 9th resolution.



Mr. Jean-Cyril SPINETTA

Chairman and Chief Executive Officer of Air France-KLM.

Jean-Cyril Spinetta, 61, holds a university degree in public law and is a graduate of the *Institut d'études politiques de Paris* and the *Ecole Nationale d'Administration*. He entered the French Civil Service as Head of the Investments and Planning Department of the Ministry of Education in 1972 and was seconded as a legal assistant at the *Conseil d'Etat*. He was appointed to the office of secretary general in 1978, and became Head of the Information Department for the Prime Minister in 1981, and then Director of Schools for the French Ministry of Education in 1983. In 1984, he became Chief of Staff for the Ministry of Employment and Vocational Training, the Ministry of Social Affairs and Development and subsequently the Ministry of Public Works, Housing, Transport and the Sea. He became Chairman and Chief Executive Officer of *Air Inter* in 1990, where he remained until 1993. Between 1994 and 1995, he acted as advisor to the President of France on industrial issues. In 1996, he joined the staff of the European Commissioner in charge of science, research and education, and was appointed Special Advisor to the Minister of Education and to the Minister of Employment and Solidarity in 1997.

Jean-Cyril Spinetta was appointed Chairman and Chief Executive Officer of *Air France* in 1997, and has been Chairman and Chief Executive Officer of the *Air France-KLM* Group since June 2004. He also acted as Chairman of the Association of European Airlines in 2001 and was elected Chairman of the *IATA* for 2004/2005, he is a Director of *Alitalia* and permanent representative of *Air France-KLM* on the Board of Directors of *Le Monde Entreprises*.

45, rue de Paris - 95747 Roissy-Charles de Gaulle Cedex

Shareholders are invited to appoint Jean-Cyril Spinetta as a Director to replace Bruno Roger in the 10th resolution.

Presentation of the Board of Directors

At April 1, 2005 the membership of the Board of Directors was as follows:



Jean-Louis BEFFA

Chairman and Chief Executive Officer of Compagnie de Saint-Gobain.

Jean-Louis Beffa, 63, is also Vice-Chairman of the Board of Directors of BNP Paribas, a Director of Gaz de France and the Bruxelles Lambert Group, a member of the Supervisory Board of Le Monde S.A. and Société Editrice du Monde S.A., President of Claude Bernard Participations SAS and a member of the Supervisory Board of Le Monde Partenaires SAS. Within the Saint-Gobain Group, he is the Company's permanent representative on the Board of Saint-Gobain PAM, a Director of Saint-Gobain Cristaleria and Saint-Gobain Corporation. He is also Chairman of the corporate foundation, Cournot Center for Economic Research and vice-Chairman of the Supervisory Board of the Pension Reserve Fund. Jean-Louis Beffa owns 210,000 Saint-Gobain shares.
Les Miroirs - 92096 La Défense Cedex, France



Gianpaolo CACCINI

Former Chief Operating Officer of Compagnie de Saint-Gobain.

Gianpaolo Caccini, 66, an Italian citizen, is a Director of Nexans, JM Huber Corp., Saint-Gobain Corporation and Chairman of the Italian Association Assovetro. He owns 4,820 Saint-Gobain shares.

Via Bissolati 76, I, Rome, Italy

Shareholders are invited to renew Gianpaolo Caccini's term of office in the 6th resolution.



Daniel BERNARD

Daniel Bernard, 59, is the former Chairman and Chief Executive Officer of Carrefour. Mr. Bernard is also a Director of Alcatel. He owns 4,400 Saint-Gobain shares.
42 avenue de la Grande Armée – 75017 Paris, France



Paul Allan DAVID

Professor of Economics at Stanford.

Paul A. David, 70, is a U.S. citizen and Emeritus Professor of Economics and Economic History at the University of Oxford (United Kingdom). He does not hold any other directorships. He owns 800 Saint-Gobain shares.

Stanford University, Department of Economics, Stanford, CA 94305-6072, United States of America.



Isabelle BOUILLOT

Isabelle Bouillot, 56, is a member of the Supervisory Board of Accor, Director of La Poste and Umicore, and majority shareholder and manager of IB Finance. She owns 1,200 Saint-Gobain shares.
42 rue Henri Barbusse – 75005 Paris, France



Jean-Martin FOLZ

Chairman of the Management Board of Peugeot SA.

Jean-Martin Folz, 58, is also a Director of Solvay (Belgium). Within the PSA group, he is Chairman of the Board of Directors of Automobiles Peugeot and Automobiles Citroën, and a Director of Banque PSA Finance, Peugeot Citroën Automobiles and Faurecia. He owns 1,200 Saint-Gobain shares.

75 avenue de la Grande-Armée -75116 Paris, France

Shareholders are invited to renew Jean-Martin Folz's term of office in the 7th resolution.



Rolf-E. BREUER

Chairman of the Supervisory Board of Deutsche Bank AG.

Rolf-E. Breuer, 67, of German nationality, is also Chairman of the Supervisory Board of Deutsche Börse AG, a member of the Supervisory Boards of E.ON AG and Bertelsmann AG, and a Director of Landwirtschaftliche Rentenbank and Kreditanstalt für Wiederaufbau (KfW). He is also a member of the Consultative Committee of C.H. Boehringer Sohn. He owns 4,516 Saint-Gobain shares.
Taubusanlage 12, D-60262 Frankfurt am Main, Germany.

Rolf-E. Breuer's term of office expires after the Shareholders' Meeting of June 9, 2005: Shareholders are invited to replace him with Gerhard CROMME (9th resolution).



Sylvia JAY

Lady Jay, 58 and a British citizen, is Director General of the British Food and Drink Federation. She is also a lay member of the Procedures and Disciplinary Committee of the General Council to the Bar, Industrial Governor of the British Nutrition Foundation, Chairman of the Pilgrim Trust and the Entente Cordiale Scholarships Scheme and a member of the Council of Food from Britain and the Franco-British Council. She owns 800 Saint-Gobain shares.
6 Catherine Street, London WC2B 5JJ, United Kingdom.

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Pierre KERHUEL

President of the Saint-Gobain Employee and Former Employee Shareholders' Association and Chairman of the Supervisory Board of the Group Savings Plan Mutual Funds.

Pierre Kerhuel, 61, is an Officer and in charge of special projects of Saint-Gobain Matériaux de Construction. He owns 800 Saint-Gobain shares.
Les Miroirs - 92096 La Défense Cedex, France



José-Luis LEAL MALDONADO

Chairman of the Spanish Banking Association.

José-Luis Leal Maldonado, 65, of Spanish nationality, is also a Director of Carrefour, CEPSA and Renault España, as well as Saint-Gobain Cristalería. He owns 4,000 Saint-Gobain shares.
C/Velasquez, 64-6° E-28001 Madrid, Spain



Sehoon LEE

Co-Chairman of Hankuk Glass Industries and Hankuk Sekurit (South Korea).

Sehoon Lee, 55, of South Korean nationality, is also Chairman of the Board of Directors of Saint-Gobain Hanglas Asia and SL Investment Ltd. He owns 1,000 Saint-Gobain shares.
Youngpoong Building, 33 Seorin-dong, Jongno-gu, Seoul 100-752, Korea



Gérard MESTRALLET

Chairman and Chief Executive Officer of Suez.

Gérard Mestrallet, 55, is also a member of the Supervisory Boards of AXA and Taittinger, and a Director of Crédit Agricole and Pargesa Holding. Within the Suez group, Gérard Mestrallet is the Chairman of the Board of Directors of Suez-Tractebel, Suez Environnement, Electrabel, Vice-Chairman of Hisusa and Sociedad General de Aguas de Barcelona. He owns 840 Saint-Gobain shares.
16 rue de la Ville-l'Evêque - 75008 Paris, France



Michel PÉBEREAU

Chairman of the Board of Directors of BNP Paribas.

Michel Pébereau, 63, is also a Director of Lafarge and Total, a member of the Supervisory Board of AXA, and a Non-Voting Director of Galeries Lafayette. Within the BNP Paribas group, he is a Director of BNP Paribas UK and the Banque Marocaine pour le Commerce et l'Industrie. In addition, he is Chairman of the European Banking Federation, of the *Institut de l'Entreprise*, and of the Orientation Committee of the Aspen Institute, a member of the International Monetary Conference, the International Advisory Panel of the Monetary Authority of Singapore, the International Capital Markets Advisory Committee of the Federal Reserve Bank of New York and the International Business Leaders' Advisory Council for the Mayor of Shanghai. He owns 820 Saint-Gobain shares.
3 rue d'Antin - 75002 Paris, France

Shareholders are invited to renew Michel Pébereau's term of office in the 8th resolution.



Denis RANQUE

Chairman and Chief Executive Officer of Thales.

Denis Ranque, 53, is also Chairman of the Board of Directors of the *Ecole Nationale Supérieure des Mines de Paris* and of the *Cercle de l'Industrie* and a Director of the *Fondation de l'Ecole Polytechnique*. He owns 800 Saint-Gobain shares.
45, rue de Villiers - 92526 Neuilly-sur-Seine Cedex, France



Bruno ROGER

President of Lazard Frères SAS.

Bruno Roger, 71, is also a Director of Cap Gemini and a member of the Supervisory Boards of AXA and Pinault Printemps Redoute. Within the Lazard Group, he is a Non-Voting Director of Eurazeo (after being a member of the Supervisory Board until May 2004). He owns 48,040 Saint-Gobain shares.
121 Boulevard Haussmann - 75008 Paris, France

Bruno Roger's term of office expires after the Shareholders' Meeting of June 9, 2005: Shareholders are invited to replace him with Jean-Cyril Spinetta (10th resolution).

Financial summary

Group sales

are up by 8.2%. **At constant exchange rates***, consolidated sales rose by **10.3% on an actual structure basis**, and by 6.8% excluding Dahl. **On a like-for-like basis, sales growth stands at 4.6%**, with a 2.9% rise in sales volumes and a 1.7% rise in prices.

The breakdown of like-for-like sales by geographic area reveals very robust business levels in France - despite the drop in sales of the Pipe Division - and especially in the United States, which posted an increase of 10.1%. Other Western European countries - also affected by the decline in the Pipe Division - showed slight growth. Delivering like-for-like sales expansion of 13.9%, emerging countries remain the Group's biggest growth driver.

By geographic area, France accounted for 31.7% of total sales, with other Western European countries contributing 40.8%, North America 17%, and emerging countries and Asia 10.5%.

(at April 1, 2005)

 The key consolidated data for the Group in **2004** are as follows:

<i>In € millions</i>	2003 (1)	2004 (2)	% Change (2)/(1)
Net sales	29,590	32,025	+8.2%
Operating income	2,442	2,632	+7.8%
Dividend income	12	3	-75.0%
Interest and other financial charges, net	(457)	(441)	-3.5%
Non-operating costs	(275)	(280)	+1.8%
Income before profit on sales of non-current assets and taxes	1,722	1,914	+ 11.1%
Profit (loss) on sales of non-current assets, net	86	(44)	n.m.
Provisions for income tax	(595)	(603)	+1.3%
Amortization of goodwill	(154)	(155)	+0.6%
Share in net results of equity investees	6	8	+33.3%
Net income before minority interests	1,065	1,120	+5.2%
Minority interests	(26)	(37)	+42.3%
Net income	1,039	1,083	+4.2%
Earnings per share (in €)	2.99	3.18	+6.4%
Earnings per share excluding treasury stock (in €)	3.09	3.23	+4.5%
Net income excluding profit on sales of non-current assets	1,020	1,122	+10.0%
Earnings per share excluding profit on sales of non-current assets (in €)	2.93	3.29	+12.3%
Earnings per share excluding profit on sales of non-current assets and treasury stock (in €)	3.03	3.35	+10.6%
Cash flow from operations	2,471	2,612	+5.7%
Cash flow excluding capital gains tax	2,540	2,608	+2.7%
Capital expenditure	1,351	1,537	+13.8%
Investments in securities	789	899	+13.9%
Net indebtedness	5,657	5,566	-1.6%

* based on average 2003 exchange rates.

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Operating income

is up by 7.8%. At constant exchange rates*, it rose 10.3% on an actual structure basis and 7.2% excluding Dahl, thus ahead of the 7% target. Like-for-like growth in operating income stands at 8.1%. Operating margin stood at 8.2% compared with 8.3% in 2003. This slight contraction is solely attributable to the increased relative weight of Building Distribution within the Group. This Sector's operating margin rose significantly, to 5.4% of sales in 2004, up from 5.0% in 2003. Excluding Building Distribution, the Group's operating margin remained stable at 10.1%.

Margins improved in all of the geographic areas where the Group operates except France, where the Pipe Division reported lower earnings as a result of significant increases in the cost of raw materials. The strongest growth in operating income (28.5%) was generated by the emerging countries, which also saw their operating margin rise from 10.5% to 11.8%.

Net interest and other financial charges

decreased 3.5% to €441 million from €457 million in 2003, primarily thanks to the favorable impact of converting interest on dollar-denominated debt into euros.

Non-operating costs

came in at €280 million, up slightly in relation to 2003 (€275 million). This figure includes a €108 million charge for the cost of asbestos-related claims filed against CertainTeed, compared to €100 million in 2003 (see below).

Sales of non-current assets

The Group has registered a €44 million loss on sales of non-current assets, due to write-downs and disposal losses, and despite the capital gain realized on the sale of the Group's remaining interest in Vivendi Universal.

Goodwill amortization

remained more or less stable at €155 million.

Minority interests

rose by 42.3% due to the increase in the contribution from the Group's South American subsidiaries. It climbed from €26 million in 2003 to €37 million in 2004.

Consolidated net income

came to €1,083 million, up 4.2% on the year-earlier figure. Based on the 340,988,000 shares outstanding at December 31, 2004, earnings per share totaled €3.18, which represents a rise of 6.4% on 2003 (€2.99 for 347,824,967 shares). Based on the number of shares excluding treasury stock outstanding at December 31, 2004 (335,127,590 shares compared with 336,185,581 shares at December 31, 2003), earnings per share amounted to €3.23, which denotes an increase of 4.5% on 2003 (€3.09).

Excluding profit and loss on sales of non-current assets, consolidated net income

was €1,122 million, up 10.0% on the 2003 figure. Based on the 340,988,000 shares outstanding at December 31, 2004, earnings per share excluding profit on sales of non-current assets amounted to €3.29, compared with €2.93 in 2003 (based on 347,824,967 shares), which represents an increase of 12.3%. Based on the number of shares excluding treasury stock outstanding at December 31, 2004 (335,127,590 shares compared with 336,185,581 shares at December 31, 2003), earnings per share excluding profit on sales of non-current assets amounted to €3.35, reflecting a rise of 10.6% on 2003 (€3.03).

Cash flow from operations

came to €2,612 million, an increase of 5.7% on the prior-year figure. Excluding the tax impact of capital gains and losses, cash flow from operations rose by 2.7% in relation to 2003, coming in at €2,608 million, compared with €2,540 million a year earlier.

Capital expenditure

rose 13.8% to €1,537 million, from €1,351 million in 2003, and represented 4.8% of sales, compared to 4.6% in 2003. This rise was mainly fueled by the ramp-up of the capital expenditure program in emerging countries, particularly in Asia.

Investments in securities

totaled €899 million, including €658 million relating to acquisitions (value of shares acquired) – primarily concerning Building Distribution (€529 million) – and €241 million relating to share buyback programs.

Net indebtedness

stood at €5.6 billion at December 31, 2004, down slightly from €5.7 billion one year earlier, despite the increase in the amount spent on acquisitions. The gearing ratio – based on consolidated shareholders' equity plus non-voting participating securities – stands at 46%.

* based on average 2003 exchange rates.

► Organization and presentation of financial statements

The Group modified its structure in 2004 to bring it into line with its business model. As a result, the three existing business Sectors (Glass, Housing Products and High-Performance Materials) have been reorganized into five new business Sectors (two for new businesses, three for historic ones). The new structure stands as follows:

New businesses:

- Building Distribution Sector
- High-Performance Materials Sector (HPM), which includes Ceramics & Plastics, Abrasives, and now also Reinforcements.

Historic businesses:

- Flat Glass Sector
- Packaging Sector
- Construction Products Sector (CP), which includes Building Materials, Insulation and Pipe.

The following comments are presented in accordance with this new structure.

► Performance of Group Sectors and Divisions

Overall, apart from the Pipe Division, all of the Group's divisions reported sales growth on a like-for-like basis in 2004. In line with the economic scenario anticipated at the beginning of the year and the trends observed in the first nine months, the new businesses (Building Distribution and High-Performance Materials), as well as emerging countries in general (sales up 13.6% and operating income up 28.4%), proved to be the Group's main growth and profitability drivers in 2004.

New businesses:

The Building Distribution Sector achieved the largest contribution to consolidated sales growth and operating income, posting a 21% increase in sales and a 32% rise in operating income (respectively, 5% and 12% on a like-for-like basis). Thanks to further internal progress and the positive contribution from recent acquisitions (especially Dahl), the Sector's operating margin improved significantly to 5.4% from 5.0% in 2003.

High-Performance Materials Sector (including Reinforcements) reported the Group's strongest like-for-like growth at 8.9%, as well as a significant increase in operating margin to 9.9% from 8.3% in 2003. These performances reflect a strong increase in overall sales volumes for the Sector (up 11.0%), and were achieved despite a contraction in sales prices and the resulting fall in the profitability of the Reinforcements Division. The recovery in the manufacturing industry and capital spending took hold throughout the year, particularly in the United States, and benefits from the cost reduction programs carried out in recent years continued to filter through.

Historic businesses:

The Flat Glass Sector continued on a growth track, posting a 2.9% increase in like-for-like sales. However, margins were eroded due to downward pressure on sales prices in the European construction market. Further advances have been achieved in both the European automotive Sector and in emerging countries. Towards the end of the year, price trends improved in the European construction market.

The Packaging Sector registered a slight rise in like-for-like sales with price rises implemented throughout the Division more than offsetting a dip in sales volumes in the European wine market. Despite the increase in energy costs, the operating margin edged up to 11.6%, compared with 11.4% in 2003.

Organic growth posted by the Construction Products Sector is consistent with the Group average, coming in at 4.3% on a like-for-like basis, despite the sharp drop in sales reported by the Pipe Division (down 9.1% on a like-for-like basis) since the last deliveries under the Abu Dhabi contract at the end of the first quarter of 2004.

Building Materials – which is smaller in size since the sale of Terreal and CertainTeed Ventilation in 2003 – and Insulation benefited from the buoyant residential construction market in the United States, both achieving very strong levels of organic growth of 9.6% and 8.1%, respectively, on a like-for-like basis. Meanwhile, operating income for the sector as a whole remained stable on a like-for-like basis, with higher raw materials costs negatively impacting the profitability of the Building Materials Division (asphalt and resins) and, especially, the Pipe Division (scrap metal, cast iron and coke).

Asbestos claims in the United States

During 2004, around 18,000 new asbestos claims were filed against CertainTeed, including 2,000 in the state of Mississippi, representing a decline of approximately 70% in relation to 2003 (62,000 claims including 29,000 in Mississippi). Approximately 4,000 new claims were filed in the fourth quarter of 2004, which is more or less on a par with the number of claims filed in each of the first three quarters of the year. The number of new claims seems to have stabilized at around 4,000 to 5,000 per quarter.

Approximately 20,000 claims were resolved during the year, including 3,000 in the fourth quarter. At December 31, 2004, some 106,000 claims were outstanding, slightly down on the 108,000 claims in progress at December 31, 2003.

The average cost of claims settled in 2004 was approximately US\$ 2,900 per claim, compared with US\$ 2,100 in 2003. This increase was due to the lower number of mass claims as a proportion of overall claims settled and claims currently in the process of being settled.

Based on all these trends, an additional accrual of US\$ 134 million (€108 million) was recorded in 2004, increasing the total coverage for CertainTeed's asbestos-related claims to US\$ 402 million for the period ended December 31, 2004. CertainTeed's risk concerning asbestos-related claims is now exclusively covered by way of provisions as insurance coverage was exhausted in 2004.

Driven by the new Chairman of the US Senate Judiciary Committee, further active negotiations have taken place during the last few weeks concerning the proposed legislation to create a National Asbestos Trust Fund in the United States. A new bill is expected to be put before the Senate in the near future.

▶ Five-year consolidated financial highlights

In € millions	2004	2003	2002	2001	2000
Net sales	32,025	29,590	30,274	30,390	28,815
Gross margin	8,096	7,327	7,604	7,698	8,146
Operating income	2,632	2,442	2,582	2,681	2,693
Income before tax and before profit on sales of non-current assets	1,914	1,722	1,848	1,988	1,947
Net income before minority interests	1,120	1,065	1,074	1,174	1,642
Net income	1,083	1,039	1,040	1,134	1,517
Earnings per share (in €)	3.18	2.99	12.20 3.05*	13.30	17.80
Net income excluding profit on sales of non-current assets	1,122	1,020	1,051	1,057	1,026
Earnings per share excluding profit on sales of non-current assets (in €)	3.29	2.93	12.32 3.08*	12.40	12.04
Cash flow from operations	2,612	2,471	2,673	2,733	2,643
Capital expenditure	1,537	1,351	1,431	1,430	1,722
Total investment outlay⁽¹⁾	2,194	1,911	2,061	2,246	4,694
Net equity	11,806	11,310	11,542	12,348	11,724
Net debt	5,566	5,657	7,012	7,792	8,217
Non-current assets	17,515	17,237	18,840	19,678	19,530
Working capital	4,943	5,247	3,951	3,075	3,222
Employees (as of Dec. 31)	181,249	172,811	172,357	173,329	171,125

(* After the four-for-one stock split carried out on June 27, 2002.

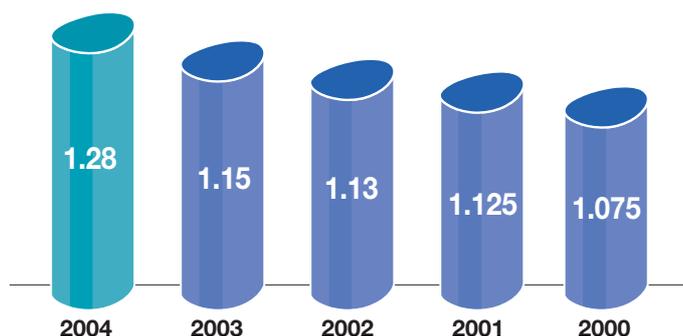
(1) Capital expenditure on plant and equipment plus investments in securities, excluding Saint-Gobain shares bought back.

▶ Main impacts of the switch to IFRS on the Group's 2004 financial statements

The impacts of the switch to IFRS on the Group's 2004 financial statements primarily concern the opening balance sheet, and notably lead to an increase in the gearing ratio from 49% to 62% at January 1, 2004 and 46% to 57% at December 31, 2004.

The impacts on the statement of income are limited (but generally positive), and mainly result from various reclassifications and the elimination of goodwill amortization (IFRS 3). Consequently, net income rose by € 156 million (or 14.4%) and net income excluding profit/loss on sales of non-current assets rose by € 167 million (14.9%).

▶ Five-year trends in net dividends per share (€ 4 par value) (in euros)



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► Five-year **financial summary** of Compagnie de Saint-Gobain, the Group's parent company

The table below summarizes the financial statements of Compagnie de Saint-Gobain, the Group's parent company, over the past five years. Compagnie de Saint-Gobain has no industrial activity and holds directly or indirectly the Group's investments in subsidiaries. These financial statements therefore do not reflect the overall business activity of the Saint-Gobain Group nor changes in its net income.

Five-year financial summary

(In € thousands)	2004	2003	2002	2001	2000
1 – CAPITAL STOCK AT YEAR-END					
Capital stock	1,363,952	1,391,300	1,364,043	1,364,138	1,363,412
Number of common shares outstanding	340,988,000	347,824,967	341,010,680	85,258,628	85,213,263
2 – OPERATIONS AND RESULTS FOR THE YEAR					
Sales excluding taxes	158,410	163,379	156,150	149,431	138,313
Earnings before tax, depreciation, amortization and provisions	719,758	430,896	507,093	1,115,028	1,087,460
Income tax	45,403	69,888	30,396	15,020	(46,464)
Earnings after tax, depreciation, amortization and provisions	766,017	513,574	595,916	1,092,872	1,014,611
Dividend distribution	⁽¹⁾ 429,446	⁽²⁾ 387,384	⁽³⁾ 379,141	⁽⁴⁾ 378,364	⁽⁵⁾ 356,860
3 – EARNINGS PER SHARE (IN €)					
Earnings per share before tax, depreciation and provisions	2.11	1.24	1.49	13.08	12.76
Earnings per share after tax, depreciation and provisions	2.25	1.48	1.75	12.82	11.91
Net dividend per share	1.28	1.15	1.13	4.50	4.30
4 – PERSONNEL ⁽⁶⁾					
Average number of employees during the year	237	235	240	249	249
Total payroll cost for the year	25,140	24,991	25,094	24,389	20,525
Total benefits for the year	14,274	13,863	13,850	12,956	11,330

(1) On the basis of 340,988,000 shares (capital stock at December 31, 2004) less 5,483,270 treasury shares held at 28 February 2005, i.e. 335,504,730 dividend-bearing shares

(2) Reflects a €412 thousand adjustment due to the 357,874 treasury shares sold between February 29, 2004 and June 24, 2004, when payment of the dividend began.

(3) Reflects a €370 thousand adjustment due to the 336,000 treasury shares acquired and 8,300 treasury shares sold between March 20, 2003, the date of the Board meeting approving the financial statements, and June 23, 2003 when payment of the dividend began.

(4) Reflects a €118 thousand adjustment due to the 26,150 treasury shares sold between March 28, 2002, the date of the Board meeting approving the financial statements, and June 24, 2002 when payment of the dividend began.

(5) Reflects a €451 thousand adjustment due to the 104,854 treasury shares acquired between March 29, 2001, the date of the Board meeting approving the financial statements, and July 2, 2001 when payment of the dividend began.

(6) Personnel figures exclude the German branch.

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Full text of resolutions

▶ Ordinary Meeting

First resolution

The Shareholders in Ordinary Meeting, after reviewing the report of the Board of Directors and the report of the Statutory Auditors, approve the parent Company financial statements for 2004 as presented, as well as the transactions reflected in these financial statements and summarized in these reports.

Second resolution

The Shareholders in Ordinary Meeting, after reviewing the report of the Board of Directors and the report of the Statutory Auditors, approve the consolidated financial statements for 2004 as presented, as well as the transactions reflected in these financial statements and summarized in these reports.

Third resolution

The Shareholders in Ordinary Meeting, having noted that net income for 2004 amounts to €766,016,813.60 and retained earnings at December 31, 2004 amount to €921,175,685.49 (after deduction of the special tax of €4,987,500 on the Special long-term capital gains reserve), giving a total of €1,687,192,499.09, approve the proposals made by the Board of Directors with respect to the appropriation of earnings and resolve:

- to adjust by €13,724,965 the amount temporarily allocated in respect of 2003 to the Special long-term capital gains reserve, so as to decrease its total amount from €291,929,000 to €278,204,035,
- to carry forward €1,271,471,409.69 as retained earnings,
- to appropriate for distribution to the Shareholders:
 - a first dividend of €67,100,946
 - an additional dividend of €362,345,108.40
 - giving a total amount of €429,446,054.40.

Consequently, the dividend paid on each share which carries dividend rights will be €1.28.

In accordance with article 243 bis of the French Tax Code, the dividend is eligible for the 50 % tax deduction provided for in article 158-3 of said Code.

In accordance with legal requirements, dividends paid in the last three years are presented in the table below:

Year	Number of shares on which dividends paid	Net dividend €	Tax credit €**	Total revenue €
2001	84,080,890 *	4.50 *	2.25 *	6.75 *
	336,323,560	1.125	0.5625	1.6875
2002	335,523,164	1.13	0.565	1.695
2003	336,855,335	1.15	0.575	1.725

* Before the four-for-one share split decided upon by the Combined Ordinary and Extraordinary Shareholders' Meeting of June 6, 2002, under the 8th resolution.

** The 50% tax credit has been included for the purposes of this table

The Shareholders' Meeting authorizes the Board of Directors, pursuant to article 39 of the Amended Finance Act of December 30, 2004:

- to transfer €200,000,000 before December 31, 2005 from the Special long-term capital gains reserve account to the Other reserves account;
- to transfer €4,987,500 in relation to the special tax levied on the amount transferred from the Other reserves account to Retained Earnings, from which this tax was paid at December 31, 2004.

Fourth resolution

The Shareholders in Ordinary Meeting note the terms of the Statutory Auditors' special report on regulated related-party agreements, drawn up in accordance with article L. 225-40 of the French Commercial Code, and approve the agreements authorized by the Board of Directors which are set out therein.

Fifth resolution

The Shareholders in Ordinary Meeting, having reviewed the report of the Board of Directors and the prospectus approved by the Autorité des Marchés Financiers, authorize the Board of Directors to buy back and possibly resell the Company's own shares, in accordance with articles L. 225-209 *et seq.* of the French Commercial Code with a view to the grant of stock purchase options and/or the grant of free shares within the scope of articles L. 225-197-1 *et seq.* of the French Commercial Code, the grant of shares in the context of employee share ownership to promote profit sharing, the allocation of shares upon the exercise of rights attached to securities which are exercisable in any manner for shares in the Company, the cancellation of shares subject to the authorization of the Extraordinary Shareholders' Meeting (17th resolution), the retention, transfer by any means, notably via the exchange or sale of securities, in external growth transactions, and more generally in relation to any other transaction allowed by current regulations.

Shares may be purchased, sold, transferred or exchanged at any time, by any means, on one or more occasions including during a tender offer provided that regulations in force are complied with, on the stock exchange or over-the-counter, in blocks of shares or using options or derivatives.

The Shareholders' Meeting sets the following limits:

- maximum purchase price: €55 per share
- minimum sale price: €23 per share
- maximum number of shares to be purchased: 10% of the total number of shares making up the Company's share capital at the date of completion of the purchases.

For information purposes, at March 1, 2005, the theoretical maximum amount of funds that the Company would have been able to invest in such an operation would have been €1,875,434,000, which corresponds to 34,098,800 shares acquired for €55 each.

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In the event of an increase in capital by capitalizing reserves, or a grant of free shares, a stock split or reverse stock split, the above prices per share will be adjusted arithmetically based on the ratio between the total number of shares issued and outstanding before and after the transaction.

The Shareholders' Meeting gives full powers to the Board of Directors, and by delegation, to any person, under the conditions required by law, to implement this authorization, to carry out trades on or off the stock exchange, to enter into any and all agreements, carry out any and all formalities and make all appropriate declarations to the authorities and generally do all that is necessary.

This authorization is granted for a period of eighteen months from the date of this Meeting. It supersedes, for the unexpired period, the unused portion of the authorization granted in the fifth resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting of June 10, 2004.

Sixth resolution

The Shareholders in Ordinary Meeting, in light of the Board of Directors' Report, having noted that this term of office expires at the end of this Shareholders' Meeting, renew the appointment of Mr. Gianpaolo Caccini as Director.

This appointment is made for a term of four years, expiring at the close of the Shareholders' Meeting called to approve the 2008 financial statements.

Seventh resolution

The Shareholders in Ordinary Meeting, in light of the Board of Directors' Report, having noted that this term of office expires at the end of this Shareholders' Meeting, renew the appointment of Mr. Jean-Martin Folz as Director.

This appointment is made for a term of four years, expiring at the close of the Shareholders' Meeting called to approve the 2008 financial statements.

▶ Extraordinary Meeting

Eleventh resolution

The Shareholders in Extraordinary Meeting, in light of the report of the Board of Directors and the special report of the Statutory Auditors, and in accordance with French Company law, including in particular articles L. 225-129-2, L. 225-132, L. 228-92 and L. 228-93 of the French Commercial Code:

1/ Authorize the Board of Directors to carry out capital increases on one or more occasions, the amounts and timing of which will be decided at the Board of Directors' discretion, through the issue on the French, foreign and/or international markets of:

- a) ordinary shares in the Company,
- b) and/or any securities whether or not in the form of debt securities which are or may be, now or in the future, at any time or on a fixed date, subscribed for, convertible, exchangeable, redeemable, or otherwise exercisable on the presentation of a coupon or

Eight resolution

The Shareholders in Ordinary Meeting, in light of the Board of Directors' Report, having noted that this term of office expires at the end of this Shareholders' Meeting, renew the appointment of Mr. Michel Pébureau as Director.

This appointment is made for a term of four years, expiring at the close of the Shareholders' Meeting called to approve the 2008 financial statements.

Ninth resolution

The Shareholders in Ordinary Meeting, in light of the Board of Directors' Report, appoint Mr. Gerhard Cromme as Director to replace Mr. Rolf-E. Breuer, whose term of office ends after this Shareholders' Meeting.

This appointment is made for a term of four years, expiring at the close of the Shareholders' Meeting called to approve the 2008 financial statements.

Tenth resolution

The Shareholders in Ordinary Meeting, in light of the Board of Directors' Report, appoint Mr. Jean-Cyril Spinetta as Director to replace Mr. Bruno Roger, whose term of office ends after this Shareholders' Meeting.

This appointment is made for a term of four years, expiring at the close of the Shareholders' Meeting called to approve the 2008 financial statements.

otherwise, for ordinary shares which exist or are to be issued in future by the Company or any company in which the Company directly or indirectly owns more than half the share capital, and these securities other than the ordinary shares may be denominated in euros, foreign currencies or in any monetary unit defined by reference to a basket of currencies.

2/ Resolve that this authorization is valid for a period of 26 months from the date of this Shareholders' Meeting.

3/ Resolve that the following conditions will apply if the Board of Directors uses this authorization:

- a) the maximum par value of ordinary shares which may be issued, now or in the future, either directly or on the presentation of securities, whether debt securities or otherwise, is €680 million, plus the total par value of any ordinary shares that may be issued to maintain, in accordance with the law, the rights of the holders of these securities which are convertible, exchangeable, redeemable,

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or otherwise exercisable for ordinary shares. The par value of any ordinary shares issued either directly or indirectly under the terms of the twelfth and thirteenth resolutions of this Shareholders' Meeting will be set off against this total,

b) the maximum nominal value of debt securities of the Company which may be issued under this resolution is set at €3 billion, or the foreign currency equivalent thereof, on the date of the decisions to issue the securities. The par value of any debt securities issued, where applicable, under the terms of the twelfth resolution of this Shareholders' Meeting will be set off against this total.

4/ Resolve that the following conditions will apply if the Board of Directors uses this authorization:

a) the Shareholders will have a pre-emptive right to subscribe for securities issued under this resolution, pro rata to their existing holdings in the Company's capital,

b) if the subscriptions by Shareholders pursuant to their priority rights pro rata to their existing holdings as well as for any shares not taken up by other Shareholders, do not cover the total value of the issue of ordinary shares or securities referred to at 1/ above, the Board of Directors may, at its discretion, freely allot all or part of the unsubscribed shares, offer them to the public or limit the issue to the amount of shares that has been subscribed for, provided that such amount is at least equal to three-quarters of the number of shares which were to be issued,

c) in accordance with article L. 225-135-1 of the French Commercial Code, if the Board of Directors observes that there is excess demand for shares, the number of shares issued may be increased, at its discretion, within 30 days of the closing date for the subscription period, up to a maximum of 15% of the initial issue amount, at the same price as the initial issue, and up to the maximum limit specified in 3/a) above,

d) note, as necessary, that this authorization automatically entails the waiver by the Shareholders, in favor of the holders of above issued securities, of their pre-emptive right to subscribe for the ordinary shares to which the issued securities give entitlement.

5/ Grant full powers to the Board of Directors to use this authorization or to subdelegate in accordance with the conditions provided by law and in particular to:

■ set the amount of the issue within the limits specified at 3/ above, the issue price and the amount of the share premium,

■ set the conditions of any issue or issues,

■ decide or otherwise that where shares that have not been subscribed for by Shareholders pursuant to their pre-emptive rights, they will be allotted to Shareholders that have subscribed for shares in excess of their entitlement under their own pre-emptive subscription rights, in proportion to the subscription rights that they hold, and in any event, within the limit of the number of shares requested,

■ decide on the timing and other terms of the issue, the nature, the form and characteristics of the securities to be issued, which may be subordinated or unsubordinated, and may or may not have a fixed maturity date,

■ set the terms of payment for the ordinary shares and/or the securities issued or to be issued in the future,

■ define, where appropriate, the terms and conditions for the exercise of any rights attached to the securities issued or to be

issued and, in particular, set the date from which the new ordinary shares will carry dividend or interest rights, which may be set retroactively, as well as all other terms and conditions relating to the issue,

■ set the conditions under which the securities issued or to be issued, may be bought back or exchanged by the Company on the stock exchange, at any time or during fixed periods,

■ provide that the rights attached to the securities giving entitlement to ordinary shares may be suspended for a period not exceeding three months,

■ make, where applicable, the adjustments relating to any financial transactions in respect of the Company's share capital,

■ at its sole discretion, charge issue costs to the related premiums and credit all or part of the remaining premiums to the legal reserve as needed in order to raise this reserve to one-tenth of the new share capital after each increase,

■ and generally, enter into all and any agreements, take any action or carry out any formalities necessary in connection with the issue, the listing of the shares, the due completion and the financial servicing of the securities issued under this authorization as well as in relation to the exercise of all rights attached to such securities, record completion of each capital increase and make the related amendments to the bylaws.

6/ Note that this authorization supersedes, for the unexpired period, the unused portion of the authorization granted in the eleventh resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting of June 5, 2003 in relation to that part having the same subject matter.

Twelfth resolution

The Shareholders in Extraordinary Meeting, in light of the report of the Board of Directors and the special report of the Statutory Auditors, and in accordance with French Company law, including articles L. 225-129-2, L. 225-135, L. 225-136, L. 228-92 and L. 228-93 of the French Commercial Code:

1/ Authorize the Board of Directors to carry out capital increases on one or more occasions, the amounts and timing of which will be decided at the Board of Directors' discretion, through the issue on the French, foreign and/or international markets of:

a) ordinary shares in the Company, and/or any securities whether or not debt securities which, now or in the future, at any time or on a fixed date, may be subscribed for, convertible, exchangeable, redeemable, or otherwise exercisable on the presentation of a coupon or otherwise, for ordinary shares which exist or are to be issued in future by the Company or any company in which the Company directly or indirectly owns more than half the share capital, it being specified that:

■ these securities, other than ordinary shares, may be denominated in euros, foreign currencies or in any monetary unit defined by reference to a basket of currencies,

■ ordinary shares and/or securities which are redeemable, convertible, exchangeable or otherwise exercisable for ordinary shares, that exist or will exist in future, may be issued in payment for shares of another company tendered to a stock-for-stock exchange offer made by the Company, subject to compliance with the provisions of article L. 225-148 of the French Commercial Code, or, having regard to the contribution auditor's report and up to a maximum of

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- 10% of the share capital of the Company as of the date of this Shareholders' meeting, in relation to contributions in kind made to the Company in the form of shares or securities which are redeemable, convertible, exchangeable or otherwise exercisable for shares, provided that the conditions specified in article L. 225-148 do not apply.
- b) the ordinary shares in the Company and/or securities as specified at a) above, following the issue by one of the companies in which the Company either directly or indirectly holds more than half the share capital, subject to authorization from the Shareholders' Meeting of such company, of the securities specified at article L. 228-93 of the French Commercial Code which are immediately or after a given period, redeemable, convertible, exchangeable or otherwise exercisable for shares in the Company.
- 2/** Resolve that this authorization is valid for a period of 26 months from the date of this Shareholders' Meeting.
- 3/** Resolve that the following conditions will apply if the Board of Directors uses this authorization:
- a) the maximum par value of ordinary shares that may be issued now or in future, whether directly or by presenting securities whether debt securities or otherwise, is set at €270 million, increased by the aggregate par value of the ordinary shares that may be issued in order to maintain, in accordance with the law, the rights belonging to the holders of securities that are convertible, exchangeable, redeemable or otherwise exercisable for ordinary shares, it being specified that the par value of the ordinary shares issued directly or otherwise under this authorization will be set off against the limit specified in 3/a) of the eleventh resolution of this Shareholders' Meeting.
- b) and the maximum par value of debt securities of the Company will be €1.2 billion or the foreign currency equivalent thereof, on the date of the decision to issue the securities, it being specified that the par value of these securities issued under this authorization will be set off against the limit specified in 3/b) of the eleventh resolution of this Shareholders' Meeting.
- 4/** Resolve to cancel the pre-emptive subscription rights of Shareholders to securities which are the subject matter of this resolution, these securities either being issued by the Company itself or by a company in which it directly or indirectly holds more than half the share capital, and to authorize the Board of Directors, in accordance with the provisions of L. 225-135, paragraph 2 of the French Commercial Code to decide that Shareholders shall have during a time period and in accordance with terms and conditions to be set by the Board of Directors and in respect of all or part of the securities issued, a priority period for subscription which shall not be less than three stock exchange trading days, and which does not give rise to the creation of negotiable rights, and which shall be exercised pro rata to the number of ordinary shares held by each Shareholder and which may be increased by a subscription for shares that have not been taken up by other Shareholders if the Board of Directors so decides.
- 5/** Note, as necessary, that this authorization automatically entails the waiver by the Shareholders, in favor of the holders of issued securities, of their pre-emptive right to subscribe for the ordinary shares to which the issued securities give entitlement.
- 6/** Resolve that the amount of the valuable consideration which is payable or may ultimately be payable to the Company in respect of each ordinary share issued or to be issued in future under this authorization, having taken into account, in the event of an issue of stand-alone warrants, the issue price of such warrants, shall be at least equal to the minimum price specified in the legal and/or regulatory provisions applicable on the date of issue, whether or not the securities to be issued now or in the future rank *pari passu* with the securities already issued, and after adjusting this amount to take account, where applicable, of the difference in the date as from which these securities will carry dividend and interest rights.
- 7/** Resolve that if the subscriptions do not cover the total value of the issue of ordinary shares or securities specified at 1/ above, the Board of Directors may limit the issue, in accordance with the law.
- 8/** Resolve, in accordance with article L. 225-135-1 of the French Commercial Code, if the Board of Directors observes that there is excess demand for shares, that the number of shares issued may be increased, at its discretion, within 30 days of the closing date for the subscription period, up to a maximum of 15% of the initial issue amount, at the same price as the initial issue, and up to the maximum limit specified in 3/a) above.
- 9/** Grant full powers to the Board of Directors to use this authorization or to subdelegate in accordance with the conditions provided by law and in particular to:
- set the conditions of any issue or issues, in agreement, where applicable, with the managing bodies of the companies in question,
 - set the amount of the issue, the issue price in accordance with the conditions specified at 6/ above and within the limits specified at 3/ above, together with the amount of the share premium,
 - decide on the timing and other terms of the issue, the nature, the form and characteristics of the securities to be issued, which may be subordinated or unsubordinated, and may or may not have a fixed maturity date,
 - set the terms of payment for the ordinary shares and/or the securities issued or to be issued in future,
 - define, where appropriate, the terms and conditions for the exercise of any rights attached to the securities issued or to be issued and, in particular, set the date from which the new ordinary shares will carry dividend or interest rights, which may be set retroactively, as well as all other terms and conditions relating to the issue,
 - set the conditions under which the securities issued or to be issued may be bought back or exchanged by the Company on the stock exchange, at any time or during fixed periods,
 - provide that the rights attached to these issued securities may be suspended for a period not exceeding three months,
 - make, where applicable, the adjustments relating to any financial transactions in respect of the Company's share capital,
 - at its sole discretion, charge issue costs to the related premiums and credit all or part of the remaining premiums to the legal reserve as needed in order to raise this reserve to one-tenth of the new share capital after each increase,
 - and generally, enter into all and any agreements, take any action or carry out any formalities necessary in connection with the issue, the listing of the shares, the due completion and the financial servicing of the securities issued under this authorization as well as in relation to the exercise of all rights attached to such securities, record completion of each capital increase and make the related amendments to the bylaws.
- 10/** Note that this authorization supersedes, for the unexpired period, the unused portion of the authorization granted in the twelfth resolution of the Combined Shareholders' Meeting of June 5, 2003.

Thirteenth resolution

The Shareholders in Extraordinary Meeting, in light of the report of the Board of Directors and in accordance with French Company law, including article L-225-130 of the French Commercial Code:

- 1/ Authorize the Board of Directors to carry out capital increases on one or more occasions, the amounts and timing of which will be decided at the Board of Directors' discretion, through the capitalization of share premiums, reserves, profits or other amounts, as possible in accordance with the law and the bylaws, by the grant of free ordinary shares or by increasing the par value of existing ordinary shares, or by a combination of the two.
- 2/ Resolve that this authorization is valid for a period of 26 months from the date of this Shareholders' Meeting.
- 3/ Resolve that the following conditions will apply if the Board of Directors uses this authorization:
 - a) the total amount of the share capital increases that take place as a result of capitalization of share premiums, reserves, profits or other amounts, increased by the aggregate par value of the ordinary shares that may be issued to maintain, in accordance with the law, the rights of the holders of securities which give entitlement to ordinary shares, shall not be greater than the amounts in the share premium, reserve, profit or other accounts which exist at the time of the capital increase, up to a maximum of €84 million, it being specified that the par value of the ordinary shares issued or the amount of the shares whose par value has been increased under this authorization will be set off against the limit specified in 3/a) of the eleventh resolution of this Shareholders' Meeting,
 - b) in accordance with the provisions of article L.225-130 of the French Commercial Code, the rights to fractions of shares shall be neither negotiable nor transferable and the corresponding shares shall be sold, the sums being paid in respect thereof being allocated to the holders of rights to such fractions of shares, at the latest thirty days after the date on which their shareholdings (in respect of a whole number of shares) are recorded in respect of the allotted securities.
- 4/ Grant full powers to the Board of Directors to use this authorization or to subdelegate in accordance with the conditions provided by law and in particular to:
 - a) set the conditions of any issue or issues,
 - b) set, within the limits specified at 3/a) above, the amount and the nature of the sums to be capitalized, the number of new ordinary shares to be issued or the amount by which the par value of existing shares making up the share capital shall be increased, and set the date from which the new ordinary shares will carry dividend or interest rights and the date from which the par value increase shall be effective, both of which may be set retroactively,
 - c) make, where applicable, the adjustments relating to any financial transactions in respect of the Company's share capital,
 - d) at its sole discretion, charge issue costs to the related premiums and credit all or part of the remaining premiums to the legal reserve as needed in order to raise this reserve to one-tenth of the new share capital after each increase,
 - e) and generally, enter into all and any agreements, take any action or carry out any formalities necessary in connection with the issue, the

listing of the shares, the due completion and the financial servicing of the ordinary shares issued under this authorization as well as in relation to the exercise of all rights attached to such securities, record completion of each capital increase and make the related amendments to the bylaws.

- 5/ Note that this authorization supersedes, for the unexpired period, the unused portion of the authorization granted in the eleventh resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting of June 5, 2003 in relation to that part having the same subject matter.

Fourteenth resolution

The Shareholders in Extraordinary Meeting, in light of the report of the Board of Directors and the special report of the Statutory Auditors and in accordance with both French Company law, including articles L.225-129-6 and L.225-138-1 of the French Commercial Code, and articles L.443-1 *et seq.* of the French Labor Code:

- 1/ Authorize the Board of Directors to carry out capital increases on one or more occasions, at the Board of Directors' discretion, in relation to the issue of securities reserved for members of the Group Savings Plan. This authorization entails the waiver by the Shareholders of their pre-emptive right to subscribe for shares issued to the members of the Group Savings Plan.
- 2/ Resolve that the beneficiaries of the capital increases hereby authorized will be the members of the Savings Plan of Compagnie de Saint-Gobain and of all or some of the companies or groupings that are related to it, as specified in articles L.225-180 of the French Commercial Code and L.444-3 of the French Labor Code, and which comply, in addition, with any criteria that may be set by the Board of Directors.
- 3/ Resolve that this authorization is valid for a period of 26 months from the date of this Shareholders' Meeting.
- 4/ Resolve to set at €64 million the maximum par value of shares that may be issued hereunder.
- 5/ Resolve that the subscription price of the issued securities under this authorization will be set in accordance with the conditions specified in article L.433-5 of the French Labor Code and cannot be greater than the average of the opening prices for the Saint-Gobain share on the Eurolist of Euronext during the 20 stock exchange sessions preceding the decision of the Board of Directors which sets the date for the opening of the subscription period, nor more than 20% less than this average or 30% when the period during which they are to be frozen under the Plan under article L.443-6 of the French Labor Code is greater than or equal to 10 years.
- 6/ Grant full powers to the Board of Directors to use this authorization or to subdelegate in accordance with the conditions provided by law and in particular to:
 - define the type of shares to be issued,
 - set the conditions that the beneficiaries of the securities that will result from the share capital increases that are the subject matter of this resolution, must fulfill,
 - set the terms and conditions of the issue,
 - set the amount of the issue within the limits specified at 4/ above, the issue price and the date and conditions of each issue,

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- set the timing for the payment of the securities by members,
 - make, where applicable, the adjustments relating to any financial transactions in respect of the Company's share capital,
 - set the date, even retroactively, from which the new securities will carry dividend or interest rights,
 - record or arrange for the recording of the completion of the share capital increase for the amount of securities that are actually subscribed or decide to increase the amounts issued within the limits specified in 4/ above so that securities may be issued in respect of the total amount of subscriptions received, set the terms and conditions in relation to the reduction of subscriptions in the event that they exceed the amount of the issue,
 - at its sole discretion, charge issue costs to the related premiums and credit all or part of the remaining premiums to the legal reserve as needed in order to raise this reserve to one-tenth of the new share capital after each increase,
 - take all action necessary to carry out the capital increases, carry out the related formalities, in particular, in connection with the listing of any securities thus issued and amend the bylaws accordingly.
- 7/ Note that this authorization supersedes, for the unexpired period, the unused portion of the authorization granted in the thirteenth resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting of June 5, 2003.

Fifteenth resolution

The Shareholders in Extraordinary Meeting, in light of the report of the Board of Directors and the special report of the Statutory Auditors and in accordance with French Company law, including articles L. 225-177 to L. 225-185, L. 225-208 and L. 225-209 of the French Commercial Code:

- 1/ Authorize the Board of Directors to grant on one or more occasions, the proportion and timing of which will be decided at the Board of Directors' discretion, to the beneficiaries specified below, stock options that give the right either to purchase existing ordinary shares in the Company bought back by it in accordance with the law, or to the subscription for new ordinary shares in the Company to be issued by it pursuant to an increase in capital.
- 2/ Resolve that this authorization is valid for a period of 26 months from the date of this Shareholders' Meeting.
- 3/ Resolve that the beneficiaries of these options can only be, on the one hand, employees or some of them or certain categories of employees and, on the other hand, corporate officers, as defined by law, both of Compagnie de Saint-Gobain and companies and economic interest groupings which are directly or indirectly related thereto as specified in article L. 225-180 of the French Commercial Code.
- 4/ Resolve that the total number of options that will be granted under this authorization, cannot give entitlement to purchase or subscribe for a number of ordinary shares which represent more than three percent of the share capital of Compagnie de Saint-Gobain on the date of this Shareholders' Meeting. This number of shares will be set off against the limit set in the sixteenth resolution in relation to the grant of free shares and this percentage will constitute an aggregate limit which shall apply to the allotments carried out under both this resolution and the sixteenth resolution.
- 5/ Resolve that in the event of the grant of stock purchase options, the beneficiaries' purchase price will be set on the date when the options are allotted by the Board of Directors, without any discount, by reference to the average of the opening prices for Saint-Gobain shares on the Eurolist of Euronext during the 20 stock exchange sessions preceding that date and cannot in any event be less than the average purchase price for shares held by the Company pursuant to articles L. 225-208 and L. 225-209 of the French Commercial Code.
- 6/ Resolve that in the event of the grant of stock subscription options, the beneficiaries' subscription price will be set on the date when the options are allotted by the Board of Directors, without any discount, by reference to the average of the opening prices for Saint-Gobain shares on the Eurolist of Euronext during the 20 stock exchange sessions preceding that date.
- 7/ Note, as necessary, that this authorization entails the express waiver by the Shareholders, in favor of the beneficiaries of the stock subscription options of the Shareholders' pre-emptive right to subscribe for the ordinary shares which will be issued from time to time on the exercise of the options.
- 8/ Grant full powers to the Board of Directors to use this authorization or to subdelegate in accordance with the conditions provided by law and in particular to:
- set the terms and conditions under which the stock options will be granted and define the list or the categories of beneficiaries of the options as provided above,
 - set, in accordance with the law, the terms and conditions under which the price and the number of shares may be adjusted, in particular in the event of any financial transactions in respect of the Company,
 - set the period or periods during which the options thus granted can be exercised, it being specified that the duration of validity of the options may not exceed a period of ten years as from the date of their allotment,
 - provide that the exercise of the stock options may be temporarily suspended for a period not exceeding three months, in the event that financial transactions are carried out entailing the exercise of rights attached to ordinary shares,
 - carry out or arrange for the carrying out of all actions and formalities for the purposes of recording and finalizing the capital increase or increases which may take place under the authorization which is the subject matter of this resolution, make the related amendments to the bylaws and generally do all that is necessary.
 - at its sole discretion, charge issue costs to the related premiums and credit all or part of the remaining premiums to the legal reserve as needed in order to raise this reserve to one-tenth of the new share capital after each increase.
- 9/ Note that this authorization supersedes, for the unexpired period, the unused portion of the authorization granted in the fourteenth resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting of June 5, 2003.

Sixteenth resolution

The Shareholders in Extraordinary Meeting, in light of the report of the Board of Directors and the special report of the Statutory Auditors, and in accordance with French Company law, including articles L. 225-197-1 *et seq.*, L. 225-208 and L. 225-209 of the French Commercial Code:

- 1/ Authorize the Board of Directors on one or more occasions, the proportion and timing of which will be decided at the Board of Directors' discretion, to grant free ordinary shares, which exist or are to be issued in future to the beneficiaries set out below.
- 2/ Resolve that this authorization is valid for a period of 26 months from the date of this Shareholders' Meeting.
- 3/ Resolve that the sole beneficiaries of these free shares will be, on the one hand, employees or some of them or certain categories of employees and, on the other hand, corporate officers, as defined by law, both of Compagnie de Saint-Gobain and companies and economic interest groupings which are directly or indirectly related thereto as specified in article L.225-197-2 of the French Commercial Code.
- 4/ Resolve that the Board of Directors will set the terms and conditions together with, where applicable, the criteria for the grant of the shares, define the beneficiaries as specified above and identify them together with the number of free shares to be granted.
- 5/ Resolve that the total number of free ordinary shares granted under this authorization, whether in relation to existing shares or shares to be issued in future, may not represent more than three percent of the share capital of Compagnie de Saint-Gobain on the date of this Shareholders' Meeting. This number of shares will be set off against the limit set in the fifteenth resolution in relation to stock options and this percentage will constitute an aggregate limit which shall apply to the allotments carried out under both this resolution and the fifteenth resolution.
- 6/ Resolve that the grant of free ordinary shares will only be final at the end of a minimum vesting period of two years as from the decision of the Board of Directors, that the obligation for the beneficiaries to retain the ordinary shares is set at a minimum of two years as from the end of the vesting period in respect of the ordinary shares, and that the Board of Directors will be entitled to increase the duration of either of these two periods.
- 7/ Note, as necessary, that this authorization automatically entails for the beneficiaries of the free ordinary shares to be issued, a capital increase by capitalizing premiums, reserves, profits or other amounts, at the end of the vesting period and the related waiver by Shareholders of their rights to part of the reserves, profits or premiums so capitalized and used for the purposes of the issue of new shares, and accordingly entail the grant of full powers to the Board of Directors for the purposes of carrying out this or these increases in capital.
- 8/ Grant full powers to the Board of Directors to use this authorization or to subdelegate in accordance with the conditions provided by law and in particular to:
 - determine if the grant of free shares is to be made with existing shares or shares to be issued in future,

- define, in accordance with the law, the terms and conditions whereby the number of free ordinary shares may be adjusted, in particular in relation to the financial transactions of the Company,
- set the conditions for the grant of free shares,
- set in the event of the grant of free ordinary shares to be issued, the amount and the nature of the reserves, profits or premiums that will be capitalized for these purposes,
- provide that the rights to the grant may be suspended temporarily,
- carry out or arrange for the carrying out of all actions and formalities for the purposes of recording or finalizing the capital increase or increases which may take place under the authorization which is the subject matter of this resolution, in particular, in connection with the listing of any securities thus issued, amending the bylaws accordingly and generally doing all that is necessary,
- at its sole discretion, charge issue costs to the related premiums and credit all or part of the remaining premiums to the legal reserve as needed in order to raise this reserve to one-tenth of the new share capital after each increase.

Seventeenth resolution

The Shareholders in Extraordinary Meeting, in light of the report of the Board of Directors and the special report of the Statutory Auditors and in accordance with French Company Law, and in particular article L. 225-209 of the French Commercial Code:

- 1/ Resolve to authorize the Board of Directors to cancel the shares of the Company acquired under the authorizations given by the Shareholders' Meetings, as follows:
 - the Board shall have full discretionary authority to cancel, on one or more occasions, all or some of the shares purchased under Shareholder-approved buy-back programs, provided that the total number of shares cancelled in a 24-month period does not exceed 10% of the total number of shares outstanding at the date of the cancellation, and to reduce the Company's capital accordingly,
 - any difference between the price paid for the cancelled shares and their par value will be partly charged to the Legal Reserve up to a total of 10% of the capital cancelled, with the remainder being deducted from the share premium,
 - this authorization is given for a period of 26 months from the date of this Meeting. The Board of Directors shall have full power, with the possibility to subdelegate, to carry out any and all actions, formalities and filings required to cancel the shares, finalize the reductions in share capital and amend the bylaws accordingly.
- 2/ Note that this authorization supersedes, for the unexpired period, the unused portion of the authorization granted in the fifteenth resolution of the Combined Shareholders' Meeting of June 5, 2003.

Eighteenth resolution

The Shareholders, in Extraordinary Meeting, give full powers to the bearer of an original, copy or extract of the minutes of this Meeting, to carry out all necessary formalities.

Request for information



**This form must only be sent to your bank,
broker or other financial intermediary responsible
for the management of your shares**

I, the undersigned:

Full name:

Address:

owner of..... Saint-Gobain shares held as

registered shares

bearer shares, registered in an account with ⁽¹⁾:

request that I be sent the **Annual Report** registered as *Document de Référence* of Compagnie de Saint-Gobain.

Signed in (city)..... on 2005

Signature

(1) Please indicate the name of the bank, financial institution or stockbroker that holds your account.



Note

1/ The *Document de Référence* includes the following: parent company financial statements, consolidated financial statements, report on the management of the Group, report on the organization and preparation of the work of the Board of Directors, internal control procedures implemented by Compagnie de Saint-Gobain and any limitations placed on the Chief Executive Officer's powers, table showing the appropriation of net income specifying in particular the source of the amounts earmarked for distribution, reports of the Statutory Auditors, list of marketable securities held in the investment portfolio at the year-end, and reports of the Board of Directors to the Meeting. These documents, together with the information contained in this pack, constitute the information to which shareholders are entitled under articles 133 and 135 of the decree of March 23, 1967.

2/ In accordance with paragraph 3 of article 138 of the above decree, shareholders owning registered shares may by a single request have the company send them the documents covered by article 135 of the above decree at the time of each subsequent Shareholders' Meeting.

In accordance with legal requirements, the Meeting will be first convened on May 17, 2005, at 10.30 a.m., at the head office. The lack of a quorum on this occasion will prevent the proceedings from being valid, and the Meeting will therefore be convened for a second time on Thursday, June 9, 2005, at 3.00 p.m., at the Grand Auditorium of the Palais des Congrès, Porte Maillot, Paris 17.

For further information on the Group,

please contact the Investor
Relations department:

▶ by telephone

toll-free line available in France:
0800 32 33 33

▶ by mail

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The French version of this document governs; the English translation is for convenience only.

