

July 27, 2006.

Press

release

STRONG UPSWING IN FIRST-HALF 2006 RESULTS

- **SALES:** up 21.8% to €20,551 million; up 19.7% at constant exchange rates*.
- **OPERATING INCOME:** up 32.3% to €1,815 million; up 29.8% at constant exchange rates*.
- **NET INCOME (EXCLUDING PROFIT/(LOSS) ON SALES OF NON-CURRENT ASSETS*):** up 26.6%, to €813 million.

* average exchange rates for first-half 2005

2006 TARGETS RAISED

- **27% TO 28% INCREASE IN OPERATING INCOME AT CONSTANT EXCHANGE RATES**** (versus an increase of 23% to 25% initially announced in January).
- **25% TO 26% RISE IN NET INCOME EXCLUDING PROFIT/(LOSS) ON SALES OF NON-CURRENT ASSETS** (versus a rise of 18% to 20% initially announced in January)

** average exchange rates for 2005

Performance of Group business sectors

Overall, the Group's five business sectors saw a rise in like-for-like sales (constant Group structure and exchange rates) over first-half 2006 (see appendix 1). Most businesses reported a solid increase in sales volumes as well as a significant rise in sales prices, enabling them to pass on the higher costs of energy and certain raw materials at Group level. On a like-for-like basis, first-half sales climbed 6.3% (including a +3.0% price impact and a 3.3% volume effect). Business trends observed in the first quarter – which were boosted by a higher number of working days than first-quarter 2005 – sustained their momentum over the three months to June 30, 2006 (based on a constant number of working days). The Group's growth continued to be driven by businesses serving the construction markets (in particular the Construction Products and Building Distribution sectors), while businesses related to industrial markets held firm. The Group's ongoing expansion in Asia and emerging countries continues to bolster performance, posting like-for-like growth of 10.9% in first-half 2006.

Building Distribution delivered a sharp 14.1% increase in underlying sales, fuelled by both the first-half contribution of acquisitions carried out in 2005 (particularly Optimera and Sanitas-Troësch) and by the strong 5.4% organic growth reported by the sector's main banners, namely in France and Scandinavia. The UK businesses posted moderate growth, while the German market showed the first signs of an upturn in the second quarter. The sector's operating margin continued on an upward trend, at 5.0% compared with 4.9% in the year-earlier period.

High-Performance Materials posted a 3.4% rise in like-for-like sales, reflecting strong sales volumes. Ceramics & Plastics and Abrasives delivered a further improvement in profitability, which climbed to 13.8% against 13.4% in the first six months of 2005. However, the Reinforcements division saw its operating margin narrow due to a further decrease in sales prices, as well as rising energy, raw materials and freight costs. Operating margin for the sector as a whole slipped to 10.8% versus 11.2% in first-half 2005.

Flat Glass sales advanced 4.2% like-for-like, on the back of robust growth in sales volumes, in particular on the construction markets. The hike in the cost of energy and certain raw materials dented profitability, however, and was not, on average, fully passed on to sales prices over first-half 2006. Sales prices rose mainly in the second quarter and the full benefits of this will therefore be felt in the second half of the year, which will also be boosted by a more favorable comparison basis.

Like-for-like sales for the **Packaging** sector edged up by 3.3%, thanks to sales price increases implemented in the past few months across both Europe and the US. This helped to partly counter the strong upward spiral observed since summer 2005 in the cost of energy and certain raw materials. The sector's operating margin, which improved on second-half 2005, nevertheless remains below first-half 2005 levels.

On the back of strong contributions from each of its businesses, the **Construction Products (CP)** sector posted the Group's highest organic growth at 11.5% (including a 5.7% price impact and a 5.8% volume effect). Both "interior building solutions" businesses (Gypsum and Insulation) turned in an excellent performance, registering organic growth above the sector average (at 13.7% and 12.2%, respectively), and marked price increases. The Building Materials division also raised its prices significantly, while the Pipe division continued to report vigorous export sales (up 17.0% like-for-like). Thanks to improved profitability across all of its businesses, the sector's operating margin leapt to 12.9% compared with 9.1% in first-half 2005 (or 10.6% pro forma including BPB over the six-month period to June 30, 2005).

*

*

*

Analysis of the interim consolidated financial statements for first-half 2006

The interim consolidated financial statements set out below were reviewed by the Board of Directors on July 27, 2006:

	H1 2005 €million	H1 2006 €million	% change
	(1)	(2)	(2)/(1)
Sales*	16,877*	20,551*	+21.8%
Operating income	1,372	1,815	+32.3%
Non-operating expenses	(108)	(157)	+45.4%
Capital gains and losses and exceptional write-offs	4	13	n.m.
Business income	1,268	1,671	+31.8%
Net financial income	(266)	(374)	-40.6%
Income taxes	(359)	(479)	+33.4%
Share in net income of associates	5	(2)	n.m.
Income before minority interests	648	816	+25.9%
Minority interests	(16)	(19)	+18.7%
Net income	632	797	+26.1%
Earnings per share (in €)	1.83	2.27	+24.0%
Net income excluding profit/(loss) on sales of non-current assets	642	813	+26.6%
Earnings per share excluding profit/(loss) on sales of non-current assets (in €)	1.86	2.32	+24.7%
Cash flow from operations	1,355	1,643	+21.3%
Cash flow from operations excluding capital gains tax	1,360	1,672	+22.9%
Amortization and depreciation	689	887**	+28.7%
Capital expenditure	598	811	+35.6%
Investments in securities	563	346	-38.5%
Net debt	7,463	13,738	+84.1%

* including ancillary revenue of €134 million in first-half 2006 and €118 million in first-half 2005.

** including additional amortization of €9 million in first-half 2006 resulting from the allocation of BPB's acquisition cost to certain items of property, plant and equipment (gypsum quarries and industrial plants) and intangible assets such as patents.

Consolidated first-half sales jumped 21.8% on an actual structure basis and 19.7% at constant exchange rates*. Contributions from acquisitions, net of disposals, accounted for 12.9% of this increase. British Plaster Board (BPB), which has been consolidated within the Group's accounts since December 1, 2005, delivered sales of €1,964 million in the six months to June 30, 2006.

At constant Group structure and exchange rates*, Group sales advanced by **€1,146 million**, a rise of **6.3% including BPB organic growth (13.7%)**, and of 5.6% excluding BPB.

The breakdown of like-for-like sales by geographic area reveals robust business levels in France and other Western European countries, with the first signs of an upturn in Germany in the second quarter. Business in North America remained vigorous, with an advance in non-residential construction markets, although residential housing starts stalled as predicted. Emerging countries and Asia reported the Group's highest organic growth, at 10.9%.

By geographic area, France accounted for 29.1% of sales, with other Western European countries contributing 41.2%, North America 17.3%, and emerging countries and Asia/Pacific 12.4%.

* based on average exchange rates for first-half 2005

Operating income surged 32.3%, or **29.8% at constant exchange rates**. The Group reported a significant rise in operating margin to **8.8% (11.1% excluding Building Distribution)**, compared with 8.1% (10.4% excluding Building Distribution) in the same year-ago period. This chiefly reflects the **contribution from BPB**, which posted first-half operating income of **€334 million** (including €20 million in synergies), representing 17.0% of sales.

All geographic areas reported improved profitability figures, with the exception of Asia and emerging countries, which were hit by an appreciation in certain currencies.

Business income soared 31.8%, fuelled mainly by an increase in operating income.

Non-operating expenses advanced to €157 million, compared with €108 million in the six months to June 30, 2005, due to additional restructuring measures designed to boost productivity and competitiveness of Group businesses. They also include a €50 million charge in respect of asbestos claims filed against CertainTeed (compared with €54 million in the year-earlier period).

Capital gains and losses and exceptional write-offs came in at €13 million, compared with €4 million in the year-earlier period. Capital gains on sales of assets during the first half of the year (€141 million including €139 million on the sale of Calmar) were almost fully offset by one-off asset impairment charges (€128 million).

Net financial income fell 40.6% to €(374) million versus €(266) million in first-half 2005, reflecting the increase in net debt due to the BPB acquisition. Excluding BPB-related acquisition financing costs, net financial income remained virtually unchanged.

Net income climbed 26.1% on first-half 2005, to €797 million. Based on the total number of shares outstanding at June 30, 2006 (350,655,561 following the issuance of 5,399,291 shares in connection with the Group Savings Plan), earnings per share surged 24.0% to €2.27, compared with €1.83 at June 30, 2005 (based on 345,255,470 shares). Based on the number of shares excluding treasury stock (343,262,396 shares at June 30, 2006 compared with 340,058,134 shares at June 30, 2005), earnings per share amounts to €2.32, an increase of 24.7% on June 30, 2005 (€1.86).

Excluding profit/(loss) on sales of non-current assets, net income leapt 26.6% to €813 million, versus €642 million in the year-earlier period. Based on the total number of shares outstanding at June 30, 2006 (350,655,561 shares), earnings per share excluding profit/(loss) on sales of non-current assets jumped 24.7% to €2.32, compared with €1.86 at end-June 2005. **Based on the number of shares excluding treasury stock** (343,262,396 shares at June 30, 2006 compared with 340,058,134 shares at June 30, 2005), **earnings per share** comes in at **EUR 2.37**, reflecting an **increase of 25.4%** on June 30, 2005 (EUR 1.89).

Cash flow from operations was 21.3% higher than the year-earlier period, at €1,643 million. Excluding the impact of capital gains tax, cash flow from operations advanced 22.9% to €1,672 million, versus €1,360 million for the six months to June 30, 2005.

Capital expenditure rose 35.6% to €811 million, compared with €598 million in first-half 2005. This increase reflects primarily the integration of BPB, whose higher year-on-year capital expenditure accounted for 10.5% of sales. The Group's capital expenditure programs in emerging countries and Asia also remain vigorous, accounting for 29.7% of the Group's capital expenditure in first-half 2006.

Investments in securities totaled €346 million, including €306 million relating to the Building Distribution business.

After adjusting for the dividend payout, and before the proceeds from the sale of Calmar (paid in July for an amount of €560 million), **net debt** totaled €13,738 million at June 30, 2006, an increase of 6.9% on December 31, 2005 (€12,850 million). Net debt represents 106.6% of consolidated shareholders' equity, compared with 104.4% at December 31, 2005.

Update on asbestos claims in the United States

Some 4,000 new claims were filed against CertainTeed in the first six months of 2006, down 60% on the first half of 2005 (10,000 claims). 8,000 claims were resolved (versus 13,000 in first-half 2005), and 10,000 claims were transferred to an "inactive docket" further to a number of court rulings in the State of Ohio. The number of outstanding claims therefore continued on a downward trend, falling to 86,000 at June 30, 2006 versus 100,000 at December 31, 2005. The average cost of claims settled in the past 12 months or in the process of settlement fell to around USD 2,200 per claim, down on the first-quarter figure (around USD 2,500 per claim), owing to a higher number of mass actions dismissed in the past twelve months.

Regarding the legislative effort to create a Federal asbestos trust fund, the probability of a vote on reform in 2006 appears to be remote.

However, a large number of States are considering tort reform measures in order to adopt medical criteria requirements and reduce abuses of the system.

Strategy

The Group's robust results for the six months to June 30, 2006 highlight the efficiency of its business model and the high-quality acquisition of BPB, which posted better-than-expected operating results, was integrated swiftly, and unlocked synergies ahead of term.

The Group intends to focus its strategy on:

- prioritizing development of construction and housing related businesses, in particular through bolt-on acquisitions in Building Distribution and Construction Products sectors;
- pushing ahead with R&D and innovation initiatives, particularly in High-Performance Materials and Flat Glass sectors;
- stepping up expansion efforts in emerging countries for all businesses.

Saint-Gobain has agreed with Owens Corning to transfer its Reinforcements and Composites businesses (€850 million in sales in 2005, i.e. 60% of Reinforcement sales) to a newly created joint venture which will be 40%-held by the Group.

Following the successful divestments of Calmar and Synflex, the Group will press ahead with a significant divestment program through to mid-2007, in line with its business model, and growth and profitability potential.

* * *

2006 outlook and targets

The Group expects trading in the second half of the year to be broadly in line with the trends observed in the six months to June 30, 2006, and is therefore lifting its full-year growth targets:

- **growth in operating income** at constant exchange rates (average rates for 2005) is now targeted at **27%-28%**, up from an initial target of 23%-25%;
- **growth in net income excluding profit(loss) on sales of non-current assets** is now targeted at **25%-26%**, up from an initial target of 18%-20%.

The Group's revised targets take account of the June 30, 2006 divestment of Calmar.

* * *

Forthcoming results announcements

- Sales for the first nine months of 2006: October 24, 2006, after close of trading on the Paris Bourse.

* * *

Investor Relations department

Florence Triou-Teixeira
Alexandre Etuy

Tel.: +33 1 47 62 45 19
Tel.: +33 1 47 62 37 15
Fax : +33 1 47 62 50 62

Appendix 1: Results by business sector and geographic area

I. SALES	H1 2005 (in EURm)	H1 2006 (in EURm)	Change on an actual structure basis	Change on a comparable structure basis	Change on a comparable structure and currency basis
By sector and division:					
Building Distribution	7 364	8 401	+14,1%	+5,8%	+5,4%
High-Performance Materials (1)	2 415	2 544	+5,3%	+7,0%	+3,4%
Ceramics & Plastics and Abrasives	1 788	1 833	+2,5%	+5,4%	+1,8%
Reinforcements	638	718	+12,5%	+10,6%	+7,0%
Flat Glass	2 329	2 498	+7,3%	+6,9%	+4,2%
Packaging	1 977	2 129	+7,7%	+5,8%	+3,3%
Construction Products (1)	3 096	5 460	+76,4%	+14,2%	+11,5%
Building Materials	1 361	1 383	+1,6%	+9,7%	+5,2%
Insulation	1 045	1 224	+17,1%	+14,1%	+12,2%
Gypsum	0	1 964	n.m.	+16,0%	+13,7%
Pipe	700	905	+29,3%	+18,5%	+17,0%
<i>Internal sales and misc.</i>	-304	-481	n.m.	n.m.	n.m.
Total Group	16 877	20 551	+21,8%	+8,2%	+6,3%
H1-2005 BPB pro forma*:					
Building Distribution	7 433	8 401	+13,0%	+5,8%	+5,4%
Construction Products (1)	4 838	5 460	+12,9%	+14,2%	+11,5%
Insulation	1 064	1 224	+15,0%	+14,1%	+12,2%
Gypsum	1 724	1 964	+13,9%	+16,0%	+13,7%
<i>Internal sales and misc.</i>	-474	-481	n.m.	n.m.	n.m.
Group total based on H1-2005 BPB pro forma	18 518	20 551	+11,0%	+8,2%	+6,3%

By geographic area:					
France	5 826	6 357	+9,1%	+4,9%	+4,9%
Other Western European countries	7 135	8 887	+24,6%	+5,7%	+5,8%
North America	2 876	3 634	+26,4%	+12,8%	+7,4%
Emerging countries and Asia	1 978	2 762	+39,6%	+20,0%	+10,9%
<i>Internal sales</i>	-938	-1 089	n.m.	n.m.	n.m.
Group total	16 877	20 551	+21,8%	+8,2%	+6,3%
H1-2005 BPB pro forma*:					
France	6 071	6 357	+4,7%	+4,9%	+4,9%
Other Western European countries	7 985	8 887	+11,3%	+5,7%	+5,8%
North America	3 282	3 634	+10,7%	+12,8%	+7,4%
Emerging countries and Asia	2 160	2 762	+27,9%	+20,0%	+10,9%
<i>Internal sales</i>	-980	-1 089	n.m.	n.m.	n.m.
Group total based on H1-2005 BPB pro forma	18 518	20 551	+11,0%	+8,2%	+6,3%

(1) including intra-sector eliminations

II. OPERATING INCOME	H1 2005 (in EURm)	H1 2006 (in EURm)	Change on an actual structure basis	H1 2005 (as % of sales)	H1 2006 (as % of sales)
By sector and division:					
Building Distribution	363	418	+15,2%	4,9%	5,0%
High-Performance Materials	271	276	+1,8%	11,2%	10,8%
Ceramics & Plastics and Abrasives	240	253	+5,4%	13,4%	13,8%
Reinforcements	31	23	-25,8%	4,9%	3,2%
Flat Glass	233	228	-2,1%	10,0%	9,1%
Packaging	221	205	-7,2%	11,2%	9,6%
Construction Products (1)	283	704	+148,8%	9,1%	12,9%
Building Materials	103	120	+16,5%	7,6%	8,7%
Insulation	121	169	+39,7%	11,6%	13,8%
Gypsum	0	334	n.m.	n.m.	17,0%
Pipe	59	81	+37,3%	8,4%	9,0%
Miscellaneous	1	-16	n.m.	n.m.	n.m.
Group total	1 372	1 815	+32,3%	8,1%	8,8%
H1-2005 BPB pro forma*:					
Building Distribution	365	418	+14,5%	4,9%	5,0%
Construction Products (1)	512	704	+37,5%	10,6%	12,9%
Insulation	123	169	+37,4%	11,6%	13,8%
Gypsum	227	334	+47,1%	13,2%	17,0%
Group total based on H1-2005 BPB pro forma	1 603	1 815	+13,2%	8,7%	8,8%

By geographic area:					
France	440	491	+11,6%	7,6%	7,7%
Other Western European countries	490	695	+41,8%	6,9%	7,8%
North America	269	407	+51,3%	9,4%	11,2%
Emerging countries and Asia	173	222	+28,3%	8,7%	8,0%
Group total	1 372	1 815	+32,3%	8,1%	8,8%
H1-2005 BPB pro forma*:					
France	478	491	+2,7%	7,9%	7,7%
Other Western European countries	607	695	+14,5%	7,6%	7,8%
North America	326	407	+24,8%	9,9%	11,2%
Emerging countries and Asia	192	222	+15,6%	8,9%	8,0%
Group total based on H1-2005 BPB pro forma	1 603	1 815	+13,2%	8,7%	8,8%

* unaudited. BPB pro forma information is disclosed solely for those business sectors affected by the BPB acquisition. Figures for BPB's building merchants' business are included within the Building Distribution sector.

III. BUSINESS INCOME	H1 2005 (in EURm)	H1 2006 (in EURm)	Change on an actual structure basis	H1 2005 (as % of sales)	H1 2006 (as % of sales)
By sector and division					
Building Distribution	358	411	+14,8%	4,9%	4,9%
High-Performance Materials	242	232	-4,1%	10,0%	9,1%
Ceramics & Plastics and Abrasives	216	220	+1,9%	12,1%	12,0%
Reinforcements	26	12	-53,8%	4,1%	1,7%
Flat Glass	229	216	-5,7%	9,8%	8,6%
Packaging	233	229	-1,7%	11,8%	10,8%
Construction Products	267	664	+148,7%	8,6%	12,2%
Building Materials	99	106	+7,1%	7,3%	7,7%
Insulation	122	165	+35,2%	11,7%	13,5%
Gypsum	0	333	n.m.	n.m.	17,0%
Pipe	46	60	+30,4%	6,6%	6,6%
Miscellaneous	-61**	-81**	n.m.	n.m.	n.m.
Group total	1 268	1 671	+31,8%	7,5%	8,1%
H1-2005 BPB pro forma*:					
Building Distribution	360	411	+14,2%	4,8%	4,9%
Construction Products	465	664	+42,8%	9,6%	12,2%
Insulation	124	165	+33,1%	11,7%	13,5%
Gypsum	196	333	+69,9%	11,4%	17,0%
Group total based on H1-2005 BPB pro forma	1 468	1 671	+13,8%	7,9%	8,1%

By geographic area					
France	435	442	+1,6%	7,5%	7,0%
Other Western European countries	490	737	+50,4%	6,9%	8,3%
North America	174**	277**	+59,2%	6,1%	7,6%
Emerging countries and Asia	169	215	+27,2%	8,5%	7,8%
Group total	1 268	1 671	+31,8%	7,5%	8,1%
H1-2005 BPB pro forma*:					
France	472	442	-6,4%	7,8%	7,0%
Other Western European countries	576	737	+28,0%	7,2%	8,3%
North America	230	277	+20,4%	7,0%	7,6%
Emerging countries and Asia	190	215	+13,2%	8,8%	7,8%
Group total based on H1-2005 BPB pro forma	1 468	1 671	+13,8%	7,9%	8,1%

* **after a pre-tax asbestos-related charge of €50 million at June 30, 2006, versus €54 million at end-June 2005

IV. CASH FLOW	H1 2005 (in EURm)	H1 2006 (in EURm)	Change on an actual structure basis	H1 2005 (as % of sales)	H1 2006 (as % of sales)
By sector and division:					
Building Distribution	258	310	+20,2%	3,5%	3,7%
High-Performance Materials	254	211	-16,9%	10,5%	8,3%
Ceramics & Plastics and Abrasives	195	167	-14,4%	10,9%	9,1%
Reinforcements	59	44	-25,4%	9,2%	6,1%
Flat Glass	260	261	+0,4%	11,2%	10,4%
Packaging	233	225	-3,4%	11,8%	10,6%
Construction Products	274	552	+101,5%	8,9%	10,1%
Building Materials	97	111	+14,4%	7,1%	8,0%
Insulation	122	168	+37,7%	11,7%	13,7%
Gypsum	0	201	n.m.	n.m.	10,2%
Pipe	55	72	+30,9%	7,9%	8,0%
Miscellaneous	76**	84**	n.m.	n.m.	n.m.
Group total	1 355	1 643	+21,3%	8,0%	8,0%
H1-2005 BPB pro forma*:					
Construction Products	413	552	+33,7%	8,5%	10,1%
Gypsum	139	201	+44,6%	8,1%	10,2%
Group total based on H1-2005 BPB pro forma	1 494	1 643	+10,0%	8,1%	8,0%
By geographic area:					
France	480	414	-13,8%	8,2%	6,5%
Other Western European countries	448	658	+46,9%	6,3%	7,4%
North America	224**	304**	+35,7%	7,8%	8,4%
Emerging countries and Asia	203	267	+31,5%	10,3%	9,7%
Group total	1 355	1 643	+21,3%	8,0%	8,0%
H1-2005 BPB pro forma*:					
France	450	414	-8,0%	7,4%	6,5%
Other Western European countries	542	658	+21,4%	6,8%	7,4%
North America	275	304	+10,5%	8,4%	8,4%
Emerging countries and Asia	227	267	+17,6%	10,5%	9,7%
Group total based on H1-2005 BPB pro forma	1 494	1 643	+10,0%	8,1%	8,0%

* unaudited. BPB pro forma information is disclosed solely for those business sectors affected by the BPB acquisition. Figures for BPB's building merchants' business are included within the Building Distribution sector.

** after a pre-tax asbestos-related charge of €33 million at June 30, 2006 versus €36 million at end-June 2005

V. CAPITAL EXPENDITURE

	H1 2005 (in EURm)	H1 2006 (in EURm)	Change on an actual structure basis	H1 2005 (as % of sales)	H1 2006 (as % of sales)
By sector and division:					
Building Distribution	131	134	+2,3%	1,8%	1,6%
High-Performance Materials	106	77	-27,4%	4,4%	3,0%
Ceramics & Plastics and Abrasives	61	62	+1,6%	3,4%	3,4%
Reinforcements	45	15	-66,7%	7,1%	2,1%
Flat Glass	164	166	+1,2%	7,0%	6,6%
Packaging	89	119	+33,7%	4,5%	5,6%
Construction Products	104	306	+194,2%	3,4%	5,6%
Building Materials	38	39	+2,6%	2,8%	2,8%
Insulation	50	43	-14,0%	4,8%	3,5%
Gypsum	0	207	n.m.	n.m.	10,5%
Pipe	16	17	+6,3%	2,3%	1,9%
Miscellaneous	4	10	n.m.	n.m.	n.m.
Group total	598	811	+35,6%	3,5%	3,9%
H1-2005 BPB pro forma*:					
Building Distribution	132	134	+1,5%	1,8%	1,6%
Construction Products	253	306	+20,9%	5,2%	5,6%
Gypsum	149	207	+38,9%	8,6%	10,5%
Group total based on H1-2005 BPB pro forma	748	811	+8,4%	4,0%	3,9%
By geographic area:					
France	125	147	+17,6%	2,1%	2,3%
Other Western European countries	184	310	+68,5%	2,6%	3,5%
North America	93	113	+21,5%	3,2%	3,1%
Emerging countries and Asia	196	241	+23,0%	9,9%	8,7%
Group total	598	811	+35,6%	3,5%	3,9%
H1-2005 BPB pro forma*:					
France	148	147	-0,7%	2,4%	2,3%
Other Western European countries	244	310	+27,0%	3,1%	3,5%
North America	109	113	+3,7%	3,3%	3,1%
Emerging countries and Asia	247	241	-2,4%	11,4%	8,7%
Group total based on H1-2005 BPB pro forma	748	811	+8,4%	4,0%	3,9%

* unaudited. BPB pro forma information is disclosed solely for those business sectors affected by the BPB acquisition. Figures for BPB's building merchants' business are included within the Building Distribution sector.

Appendix 2: Consolidated balance sheet

<i>in EUR million</i>	June 30, 2006	Dec. 31, 2005 restated ^(*)
ASSETS		
Goodwill	9 043	9 386
Other intangible assets	3 595	3 649
Property, plant and equipment	12 566	12 894
Investments in associates	107	137
Available-for-sale and other securities	101	161
Deferred tax assets	421	410
Other non-current assets	241	280
Non-current assets	26 074	26 917
Inventories	5 939	5 535
Trade accounts receivable	7 022	5 814
Current tax receivable	51	66
Other accounts receivable	1 952	928
Assets held for sale		0
Cash and cash equivalents	1 254	2 080
Current assets	16 218	14 423
Total assets	42 292	41 340
LIABILITIES AND SHAREHOLDERS' EQUITY		
Capital stock (June 30, 2006: 350,655,561 shares with a par value of €4; Dec. 31, 2005: 345,256,270 shares with a par value of €4)	1 403	1 381
Additional paid-in capital and legal reserve	2 459	2 261
Retained earnings and net income	8 755	7 998
Cumulative translation adjustments	264	635
Fair value reserves	(4)	16
Treasury stock	(310)	(310)
Shareholders' equity	12 567	11 981
Minority interests	317	328
Total equity	12 884	12 309
Provisions for pensions and other employee benefits	2 674	3 419
Deferred tax liabilities	1 288	1 301
Provisions for other liabilities and charges	668	673
Long-term debt	10 280	11 315
Investment-related liabilities	148	130
Non-current liabilities	15 058	16 838
Current portion of provisions for other liabilities and charges	458	409
Current portion of long-term debt	1 886	922
Current portion of investment-related liabilities	130	263
Trade accounts payable	5 567	4 781
Current tax liabilities	495	275
Other accounts payable	2 988	2 850
Liabilities held for sale		0
Short-term debt and bank overdrafts	2 826	2 693
Current liabilities	14 350	12 193
Total equity and liabilities	42 292	41 340

(*) In accordance with IAS 8, at January 1, 2006 shareholders' equity was restated by €84 million. Of this amount, €18 million relates to the restatement at December 31, 2005 of actuarial gains and losses net of the deferred tax effect. These actuarial differences relate to pension obligations and are recognized against equity with effect from January 1, 2006, in accordance with the option available under the revised IAS 19.

The balance of the restatement, together with other adjustments affecting the balance sheet, are disclosed in the notes to the interim consolidated financial statements, published on the Group's website (www.saint-gobain.com, under "Investor relations/results/published results").