

LETTER TO Shareholders

No. 62
NOVEMBER 2011

RESULTS

P. 2

Sales for the first nine months of 2011	2
By geographic area	2
By Business Sector	3

FEATURE

P. 4

Saint-Gobain's
Multi-Comfort House



NEWS ROUND-UP

P. 6

Latest news	6
SGS ClimatCoat: an innovative windshield combining comfort and respect for the environment	7



Report and film on
Sustainable Development

SHAREHOLDER'S NOTEBOOK

P. 8

Head's up with Pierre-André de Chalendar

Chairman and Chief Executive Officer of Saint-Gobain

“Despite a tougher environment, we are confirming our targets for full-year 2011 of robust organic growth and a double-digit rise in operating income (at constant exchange rates*).”

Saint-Gobain has just published its sales for the first nine months of 2011. What main trends emerged?

The Group reported solid sales growth over the first nine months of the year, up 5.4% to €31.6 billion.

Overall, the Group's trading performance in the third quarter was in line with the three months to June 30, thanks mainly to upbeat trends in sales prices and continuing robust momentum in Asia and emerging countries as well as in industrial markets. Residential construction and renovation markets in France, Germany and Scandinavia also continued to enjoy good growth in the third quarter, driven by energy-efficient Habitat solutions – particularly in France (insulation, reinforced thermal insulating glass, etc.).

Are you managing to offset the rise in raw material and energy costs by raising sales prices?

We increased our sales prices by 2.9% in the third quarter and 2.6% over the first nine months of 2011. In the fourth quarter, the Group will continue to leverage its price-focused policy. However, it is unclear whether price increases will be sufficient to fully offset the sharp rise in raw material and energy costs observed since the beginning of the year.

What is your outlook for the end of the year?

We expect the underlying trends over the past quarter to continue in the three months to December 31 but amid a more difficult environment, due to both increased economic uncertainty and a tougher basis for comparison, compounded by fewer working days than in 2010. However, despite this more challenging context, we confirm our full-year 2011 targets of robust organic growth and a double-digit rise in operating income at constant exchange rates*.

We also confirm our free cash flow target of €1.3 billion, after a €500 million increase in our capital expenditure focused mainly on the Group's key growth drivers (emerging countries and energy-efficient solutions for the Habitat market).

Despite these satisfactory results, the Saint-Gobain share is struggling to make gains. How do you explain this?

For the past five or six months, equity markets have been hit by the uncertainty concerning the economic and financial situation of the eurozone caused by the sovereign debt crisis. These uncertainties are affecting share prices across the board and have resulted in severe share price volatility. The Saint-Gobain



share was no exception here. We strongly regret this situation which does not in any way reflect Saint-Gobain's fundamentals, its financial strength and growth potential. However, the “buy” recommendations emanating from the majority of financial analysts who track the Group show that its strengths are recognized.

* average exchange rates for 2010.

Sales for the first nine months
of 2011

€31.6bn

↗ 5.4% (on a reported basis)

Sales for the first nine months of 2011

€31,629m

↗ +5.4% on a reported basis

↗ +5.8% like-for-like

Organic growth

↗ +5.8%

of which 4.1% in the third quarter

2011 targets confirmed

Despite a tougher economic environment in the last few months of this year, the Group confirms its targets for full-year 2011:

- robust organic growth;
- double-digit growth in operating income (at constant exchange rates*) despite the rise in raw material and energy costs;
- €1.3 billion in free cash flow, after a €500 million increase in capital expenditure;
- a persistently strong balance sheet.

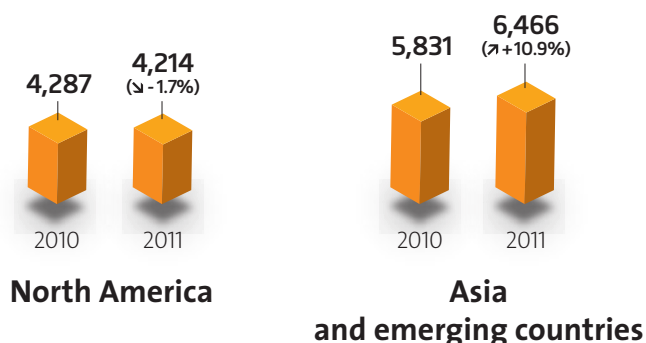
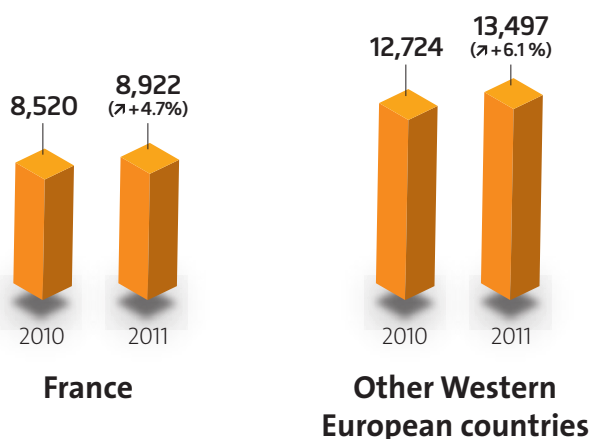
*average exchange rates for 2010.

Analysis by geographic area

An analysis of the Group's organic growth by key geographic area in the third quarter shows continued vigorous trading in Asia and emerging countries and a strong upturn in North America following the severe storms that hit the US early in the year. France and other Western European countries reported more moderate growth.

Sales at September 30, 2011 (% change on an actual structure basis)

(€m)



On a like-for-like basis (constant Group structure and exchange rates), **France** and **other Western European countries** posted organic growth of **4.7% for the nine months to September 30** (1.6% and 1.8%, respectively, **in the third quarter**), driven chiefly by further advances in businesses related to industrial markets and overall by upbeat sales prices. The improvement in residential construction markets in France, Germany and Scandinavia during the first half continued into the third quarter, but at a slower pace. However, conditions on residential construction markets remained challenging in the UK and Southern Europe.

On a like-for-like basis, **North America** reported organic growth of **6.2% over the first nine months of the year and 11.0% in the third quarter**. This was chiefly powered by ongoing solid trading in High-Performance Materials and by an increase in Construction Products sales due to the one-off boost in renovation demand following the severe storms in the US early in the year.

On a like-for-like basis, **Asia and emerging countries** turned in another bumper growth performance, at **10.4% over the nine-month period and 7.2% in the third quarter**, despite a slowdown in the Pipe business, particularly in China and the Middle East.

Analysis by Business Sector (comments based on like-for-like figures)



Innovative Materials continued to report robust growth, over both the nine months to September 30 (7.3%) and the third quarter (4.9%, after 5.5% in the second quarter). Emerging countries and markets related to industrial output continued to perform well. Sales prices continued to advance across all divisions.



Sales for the **Construction Products (CP) Sector** rose 5.5% over the nine-month period and 6.9% in the third quarter (after 3.7% in the three months to June 30). The sharp organic growth in sales over the three months to September 30 chiefly reflects the surge in sales volumes in US Interior Solutions and Exterior Solutions compared to the same period in 2010 (the year-earlier period provides a particularly weak basis for comparison, with volumes down 24%). Trading remained bullish in Asia and emerging countries but more uneven in Western Europe. Sales prices remained upbeat in all divisions and geographic areas.



Building Distribution kept up its good momentum, reporting organic growth of 5.8% over the nine months to September 30 and 3.0% in the third quarter. Over the past three months, growth continued to be powered by France, Germany and Scandinavia, although its pace slowed slightly compared to the second quarter (4.5%), due to a tougher basis for comparison as well as the continuing slowdown in the UK and Southern Europe. Sales prices remained upbeat throughout the nine-month period.



Packaging (Verallia) reported 2.8% organic growth for the nine-month period (0.0% in the third quarter), buoyed by favorable trends in sales prices, which gained 2.6% over the nine months to September 30 as well as in the third quarter. In contrast, sales volumes were broadly stable over the period (but edged down slightly in the three months to September 30), with the slowdown in the US and to a lesser extent in Europe fully offset by strong growth in Latin America over the first nine months of the year.

Update on asbestos claims in the US

Some 3,000 claims were filed against CertainTeed in the first nine months of 2011, compared with 4,000 claims in the same period in 2010. Taking into account around 7,000 claims settled or transferred to inactive dockets in the nine-month period (versus 13,000 in the first nine months of 2010), the total number of outstanding claims continued to fall, down to 52,000 at September 30, 2011 versus 54,000 at June 30, 2011 and 56,000 at December 31, 2010.



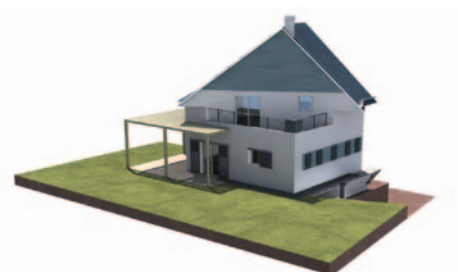
Details of the consolidated financial statements are available on the Group's website (www.saint-gobain.com) or on request from the Shareholder Relations Department. (see contact details on the back page).



Saint-Gobain's Multi-Comfort House: the home of tomorrow available today

On July 5, 2011, Saint-Gobain unveiled its Multi-Comfort House in Beaucouzé near Angers in the Maine-et-Loire region (France).

This **low-consumption, positive-energy** house showcases the best of the Group's expertise and **meets the environmental challenges facing the Habitat market.**



Tomorrow's home

Pre-empting Thermal Regulation 2020 resulting from France's Grenelle Environment Forum, Saint-Gobain's Multi-Comfort House is a tangible expression of the Group's strategy of becoming the worldwide reference in sustainable

housing. In all, 15 Saint-Gobain companies joined forces to build this sustainable house for the future, which generates more energy (61 kWh/m³/year) than it consumes (39 kWh/m³/year). Boasting a living area of 162m², the house is comprised of three modules which each use different building systems and are connected by a glass atrium: the main house with interior insulation, an extension with exterior insulation, and a timber-frame garage.

At the opening ceremony, Saint-Gobain Chairman and Chief Executive Officer Pierre-André de Chalendar said, "I'm very proud of what we have achieved. This house is the demonstration of our expertise. It provided teams with an unprecedented opportunity to work together and will encourage the development of new solutions."

Occupant well-being

Saint-Gobain's Multi-Comfort House was designed with the occupants' well-being in mind to ensure maximum thermal, acoustic, visual and health comfort levels. The focus was on creating a healthy home using high-quality ventilation and airtight properties, wall paint free of organic solvents and furniture made of untreated wood (i.e., no glue or varnish).



- 1 Saint-Gobain's Multi-Comfort House is a pioneering living space which anticipates the requirements of Thermal Regulation 2020.
- 2 Pierre-André de Chalendar unveils Saint-Gobain's Multi-Comfort House on July 5, 2011.
- 3 Equipped with sensors, the Multi-Comfort House will be used for two years as a laboratory for Saint-Gobain's other banners, which will monitor its daily performance.

Particular care was also taken to monitor the quality of the air within the house using the new air quality performance measurement protocol (part of the *HQE Performance* environmental standard) and to analyze in detail the concentration of air pollutants (radons, formaldehyde, carbon dioxide, etc.).

The Multi-Comfort House provides modular comfort that can be adapted to changes in family size or to the specific needs of people with impaired mobility. Designed as a pleasant and healthy living space, the house fulfils its symbolic role as a shelter and refuge.


A commitment to environmental concerns and to an architectural model

As a low-consumption, positive-energy home, the Multi-Comfort House shows that tomorrow's homes can be thought about and built using innovative solutions available today. This sustainable house is very environmentally friendly owing to its use of materials with minimal environmental impact from manufacture to end-of-life (limited energy consumption resulting from manufacture and transport, management of construction waste). It delivers a superior energy performance thanks to its bioclimatic architectural design, highly effective thermal insulation and a combination of technical fittings based on renewable energy (heat exchanger, thermal and photovoltaic panels).

The house is the result of a successful combination of energy efficiency and superior aesthetic comfort. Tomorrow's

Key figures

- 162m² living area
- 509m² land surface area
- €1,500/m² incl. VAT
i.e. €260,000
- 61 kWh/m²/year
Energy generated
- 39 kWh/m²/year
Energy consumed
- 22 kWh/m²/year
Energy generated less energy consumed

home loses its monolithic compactness to gain harmony in terms of volumes and its architectural model reconciles creativity, sustainability and accessibility. 

In September, some 20 members of the Shareholders' Club were given the opportunity to visit Saint-Gobain's Multi-Comfort House usually open only to professionals. During the visit, guests went behind the scenes of this state-of-the-art environmentally-conscious home. If you also wish to become a member of Saint-Gobain's Shareholders' Club, sign up now on www.saint-gobain.com/Finance/IndividualShareholders.

 **Club des actionnaires**
SAINT-GOBAIN

A closer look at the construction of Saint-Gobain's Multi-Comfort House

FROM CONSTRUCTION TO FURNISHING

An environmentally friendly project

The entire project was designed with environmental concerns in mind. The choice of materials, especially the glues used for the woodwork and paint, was dictated by precise specifications targeting the best environmental results. All of the Saint-Gobain materials used have an environmental and health declaration certificate.

During construction, waste was managed based on an onsite sorting system using large bags for wood, mortar, plastic, metal and packaging board. Point.P (Building Distribution) then collected the waste for recovery. Calculating the exact volume of cement needed and cutting concrete blocks offsite helped keep construction waste to a minimum. All furniture was bought with environmental concerns in mind from a French supplier using only untreated wood. Natural linen, cotton and nettle fiber fabrics along with sofa foam made from soy emulsion were also used.

SYNERGIES

Fifteen contributing companies

Thanks to their respective expertise, 15 Group banners took up the challenge to pool their skills in order to create a healthy, sustainable and comfortable house: Adfors, Cedeo, EuroBéton Industrie, Glassolutions, Isover, Lapeyre, Les Menuiseries Françaises, PAM, Placo®, Plafometal, Point.P, Saint-Gobain Glass, Saint-Gobain Solar, Sevax and Weber. The companies involved in the Beaucazoué project demonstrated the complementary nature of their products and solutions and have shown that these products and solutions already comply with the legal requirements of Thermal Regulation 2020 in France, delivering a superior energy performance.



Maurice Manceau

Director, Habitat France, Saint-Gobain

“Saint-Gobain's Multi-Comfort House is the tangible expression of the Group's sustainable Habitat strategy. It is the result of the work of the Habitat France team and the companies involved in the project. The house is also a successful exercise in promoting Group banners and their products. Besides the project's potential for capturing new clients and showcasing Saint-Gobain's expertise, the house also has educational value for encouraging internal ownership of the sustainable Habitat strategy and developing a sense of belonging to Saint-Gobain. We wanted to build a house under the actual conditions found on a typical building site. The house was built within an existing, inhabited housing estate and will be used for two years by Saint-Gobain companies for internal and external events.”



Michel Fournier

Head of Engineering Studies and Construction Sites at Habitat France

“Actual construction took less than six months, thanks to the high level of commitment and motivation of the banners involved in the project. We were also able to count on the high quality of client companies through our Point. P (Building Distribution) trade network. The project allowed the Group's banners to improve their knowledge of the needs of their clients and of the building industry as a whole. Thanks to excellent cooperation, the banners were able to adapt their solutions to the particular requirements of the site. This project also provided an opportunity to discover the latest innovations such as door systems (Coramine, Sevax and Lapeyre) and roller shutters (Lapeyre and Sevax).”

LATEST NEWS

ACQUISITION
OF BUILD CENTER
AND BROSSETTE

Saint-Gobain signed an agreement with UK building materials distributor Wolesey for the acquisition of its British Build Center network and its French subsidiary Brossette.

Build Center has a network of 148 branches located across the UK and offers an excellent geographic fit with the Jewson network (Building Distribution). Brossette, specializing in the distribution of plumbing and heating

products in France, has a network of 361 outlets across the country and also presents a strong geographic fit with the French plumbing and heating business of Saint-Gobain's Building Distribution Sector, which primarily operates under the Cedeo brand. In all, these acquisitions bring in additional sales of over €1 billion for Saint-Gobain Building Distribution.

VERALLIA
ACQUIRES PUBLIC
COMPANY ALVER

Verallia signed an agreement to acquire the entire capital of public company Alver. Based in Oran, Alver is one of Algeria's leading glass packaging manufacturers

and distributors. Alver reported sales of around €7 million in 2010 and has 474 employees.



sgs ClimaCoat :

the innovative windshield combining comfort and respect for the environment

Saint-Gobain Sekurit has developed sgs ClimaCoat, an all-weather windshield. In winter, at the push of a button, this latest-generation glazing de-ices and de-mists the windshield in less than two minutes, even when outside temperatures fall as low as minus 5°C (23°F). In summer, its mirror effect reduces the amount of heat that enters the passenger compartment by reflecting the sun's rays. This also gives the driver better visibility and improves safety and comfort for all vehicle occupants, while reducing CO₂ emissions.

Innovative technology

sgs ClimaCoat is comprised of a laminated sheet of glass with a complex multi-layer coating on one of the interior surfaces of the glass. When the power is switched on, the coating starts to heat up and so heats up the windshield. As a result, the windshield is de-iced and de-misted in a matter of minutes. The embedded technologies also prevent the windshield from misting up again, as usually happens in the few minutes after starting up the vehicle. This latest-generation windshield provides excellent thermal comfort for the vehicle passengers as its metallic coating reflects the sun's rays.

This technology maintains a pleasant ambient temperature inside the vehicle. The solar factor is also significantly lower than with a standard tinted windshield.

Environmental protection

The windshield has strong eco-credentials. As a result of its reflective functions, sgs ClimaCoat helps reduce the use of air conditioning and so cuts vehicle fuel consumption and carbon dioxide emissions. About 0.1 liter of fuel per 100 kilometers can be saved by reducing the use of air conditioning and CO₂ emissions are cut by about 2.5g/km.

Saint-Gobain Sekurit's has provided an ideal solution to the automotive market's environmental expectations. sgs ClimaCoat is ideally suited for electric vehicles with limited range. **Saint-Gobain Sekurit has signed a contract with Volkswagen for its Passat model that will offer the sgs ClimaCoat windshield as an option.**

Negotiations are also under way with other European carmakers for the delivery of this technology.



SAINT-GOBAIN AND SUSTAINABLE DEVELOPMENT Report and film on Sustainable Development

In early 2011, Saint-Gobain published its first specific report on Sustainable Development. This corporate document is available in French and English and outlines the Group's key sustainable development commitments.

The document was given a B+ application level by the Global Reporting Initiative™ (GRI). To round out this initiative, the Group also made a Sustainable Development film. Available in French, English and German, the film can be seen on www.saint-gobain.com/Press.



Dates for your diary in 2012

RESULTS FOR 2011

February 16, 2012, after close of trading on the Paris Bourse

FIRST-QUARTER 2012 SALES

May 3, 2012, after close of trading on the Paris Bourse

ANNUAL GENERAL MEETING

3:00 p.m. on June 7, 2012, at the Palais des Congrès, Paris (Porte Maillot)

RESULTS FOR FIRST-HALF 2012

July 26, 2012, after close of trading on the Paris Bourse

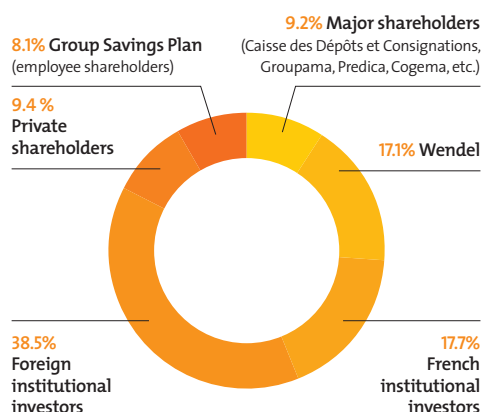
SALES FOR THE FIRST NINE MONTHS OF 2012

October 25, 2012, after close of trading on the Paris Bourse

TOTAL NUMBER OF SHARES AT SEPTEMBER 30, 2011:

535,534,333

ESTIMATED OWNERSHIP STRUCTURE AT SEPTEMBER 30, 2011 (%)



Saint-gobain share price

SHARE PERFORMANCE 2004-2011

Saint-Gobain share price* in euros, indexes at January 1, 2004

On October 25, Saint-Gobain published nine-month sales slightly above market expectations and confirmed its targets for full-year 2011. This had a positive impact on the Saint-Gobain share, which closed slightly higher in a bearish market. Over the past month, the Saint-Gobain share has gained 20.6% (see below), outperforming the CAC 40 index by almost 10 points.

Performance over the period: Saint-Gobain: -0,5% CAC 40: -5,3%



— (1) Saint-Gobain share price — CAC 40
— DJ EURO STOXX 50 — DJ EURO STOXX 50 Construction

* Data adjusted for the impact of the February 2009 rights issue.

RECENT PERFORMANCE OF THE SAINT-GOBAIN SHARE

Recent performance at October 27, 2011 (€35.095) in %

	Saint-Gobain share price	CAC 40	DJ Euro Stoxx 50	DJ Euro Stoxx 50 Construction
Trailing 12 months	+3.3%	-11.7%	-12.5%	-4.7%
Trailing 6 months	-25.3%	-17.2%	-16.8%	-20.2%
Trailing 3 months	-13.3%	-9.8%	-8.0%	-7.4%
Trailing month	+18.3%	+11.4%	+12.9%	+16.0%

Your contacts

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

• By dialing,

N° Vert 0 800 32 33 33

APPEL GRATUIT DEPUIS UN POSTE FIXE

from France (calls free of charge from landlines) or 0033 (0)1 47 62 33 33 from outside France

• Online, at www.saint-gobain.com

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

• By post, at
Compagnie de Saint-Gobain
Service Actionnaires
Les Miroirs
92096 La Défense Cedex
France

• Reuters: SGOB.PA

Managing Editor: Laurent GUILLOT
N°ISSN 1245-3978
Design: *tamata*

Photo credits: Pascal Dolémieux/LaCompany (p.1), Avancis/Saint-Gobain Isover/Franck Dunouau/Verallia (p.3), Thierry Mercier (p.4-5), Saint-Gobain Sekurit (p.7).

Printed by: Imprimerie Nouvelle - Jouve certified Imprim'Vert and FSC on FSC-certified paper, using recycled paper and pulp from sustainably managed forests.



FSC
www.fsc.org

MIXTE

Issu de sources responsables

FSC® C012614

