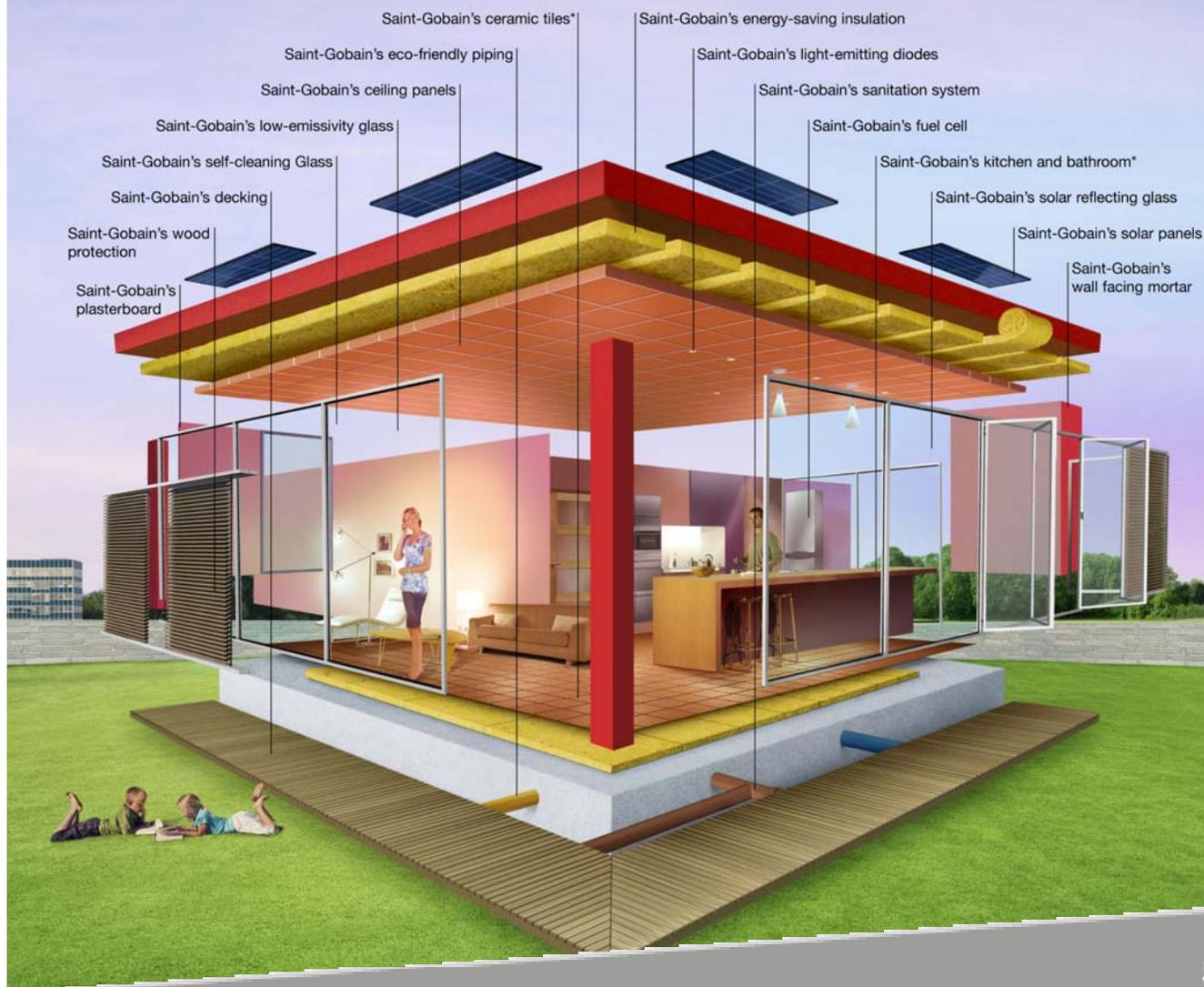


Energy-saving, innovation, environment-protecting.

2009 Results and Outlook for 2010

Analyst-Investor meeting

March 2010



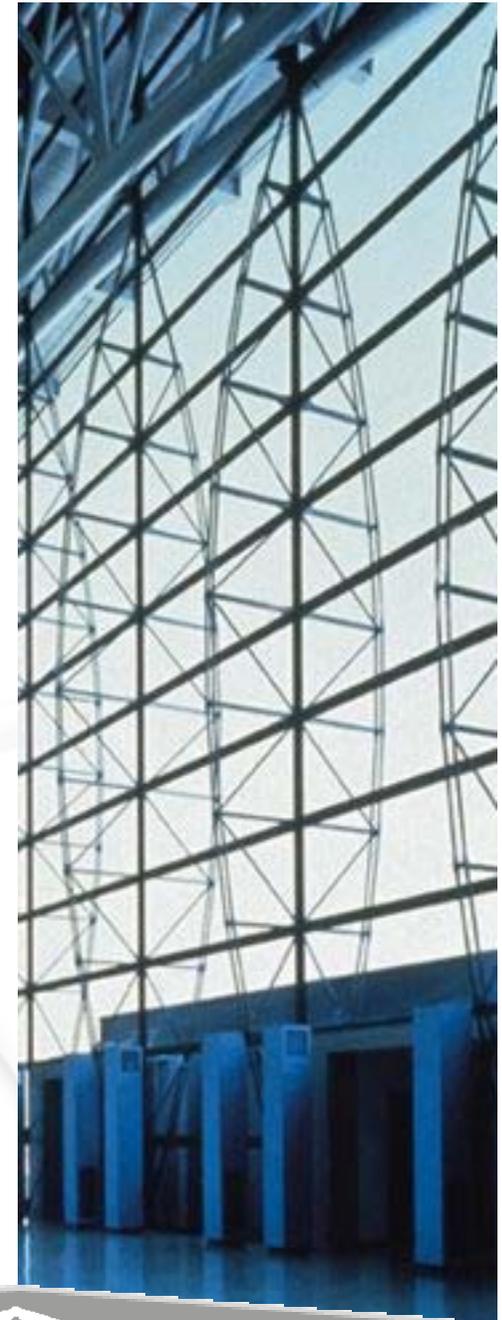
Contents

1 2009 Highlights

2 2009 Results

3 Strategy

4 Outlook and Objectives for 2010



1

2009 Highlights

2009 key figures

Amounts in €m	2008	2009	% change
Net sales	43,800	37,786	-13.7%
Operating income	3,649	2,216	-39.3%
Recurring net income*	1,914	617	-67.8%
Free cash flow*	1,338	1,019	-23.8%
Net debt	11,679	8,554	-26.8%

* excluding capital gains/losses on disposals, exceptional asset write-downs and material non-recurring provisions

Very tough economic climate in 2009

- > **Global economic crisis, affecting in particular Europe and North America. Recession in the first half of 2009 in most Western countries**
- > **Sharp downturn in all Construction markets**
- > **Steep decline in industrial markets in the first half**



Sluggish trading throughout the year across all Group businesses, particularly in the first half

Action plan: ahead of targets

Significant upswing in operating performance in H2

- > Priority given to sales prices: **up 0.8% over the year**
- > Cost cutting programs: **additional savings of €1.1bn in 2009 versus 2008**

	H1-2009	H2-2009	Change H2-09/H1-09
Operating income	€930m	€1,286m	+38%
Recurring net income*	€210m	€407m	+94%

* excluding capital gains/losses on disposals, exceptional asset write-downs and material non-recurring provisions

Action plan: ahead of targets

Very strong cash flow generation and robust financial position

- > Sharp reduction in capital expenditure:
down €900m in 2009/2008 (versus target reduction of €700m)
- > Tight rein on WCR: down €1.4bn or 7 days' sales at end-2009/end-2008
- > Free cash flow above €1bn: €1,019m*
- > Acquisition projects scaled back: €204m in 2009



**Balance sheet strengthened: net debt reduced by
€3.1bn (-27%) at end-2009/end-2008**

* excluding the tax impact of capital gains/losses, exceptional asset write-downs and material non-recurring provisions

2

2009 Results

Group

Business Sectors

Geographic Areas

Net sales

€m

43,800

-1.4%

+0.9%

+0.8%

-14.0%

-13.7%

37,786

-13.2%
on a like-for-like
basis

2008 sales

Exchange
rate

Structure

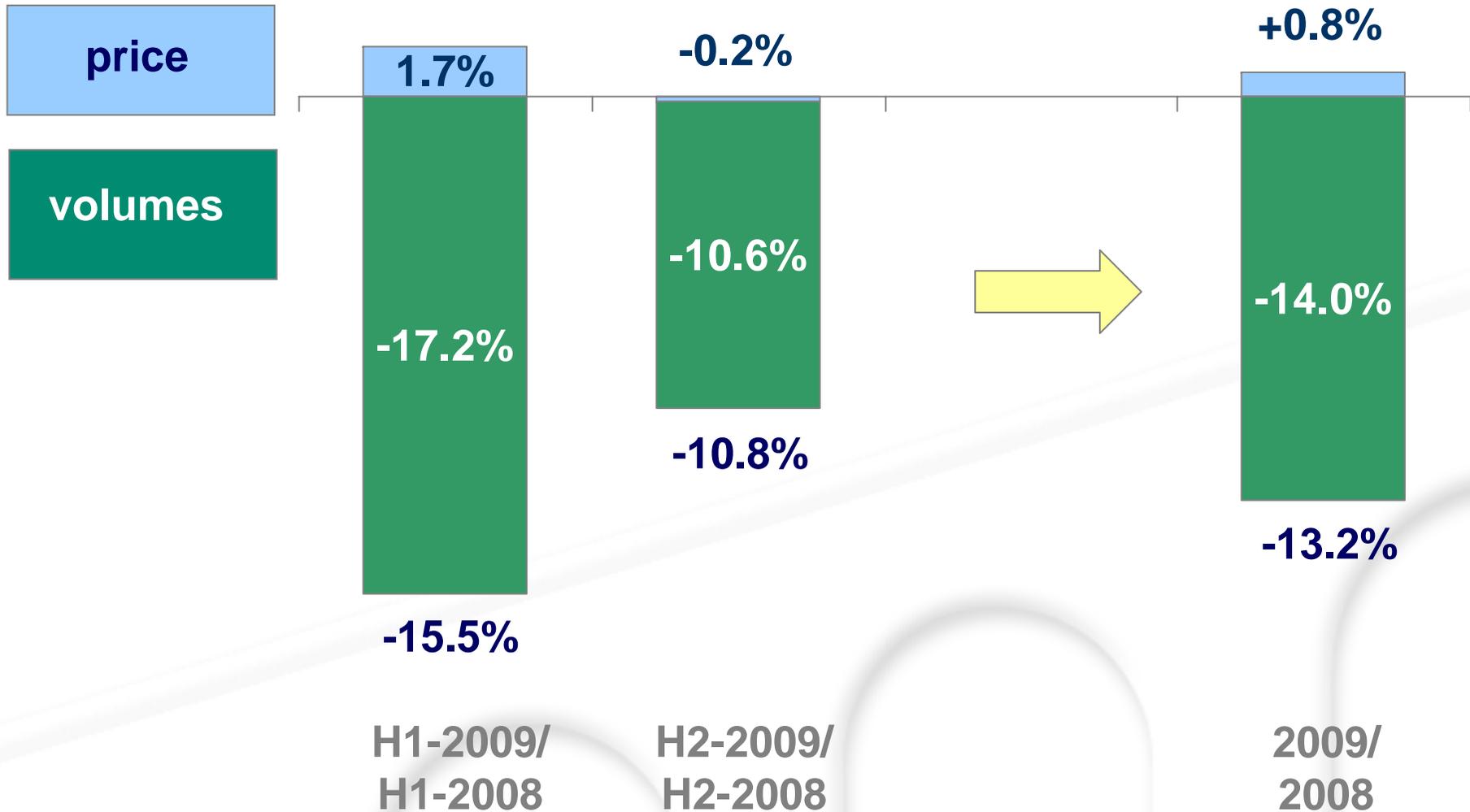
Price

Volumes

2009 sales

Half-year organic growth

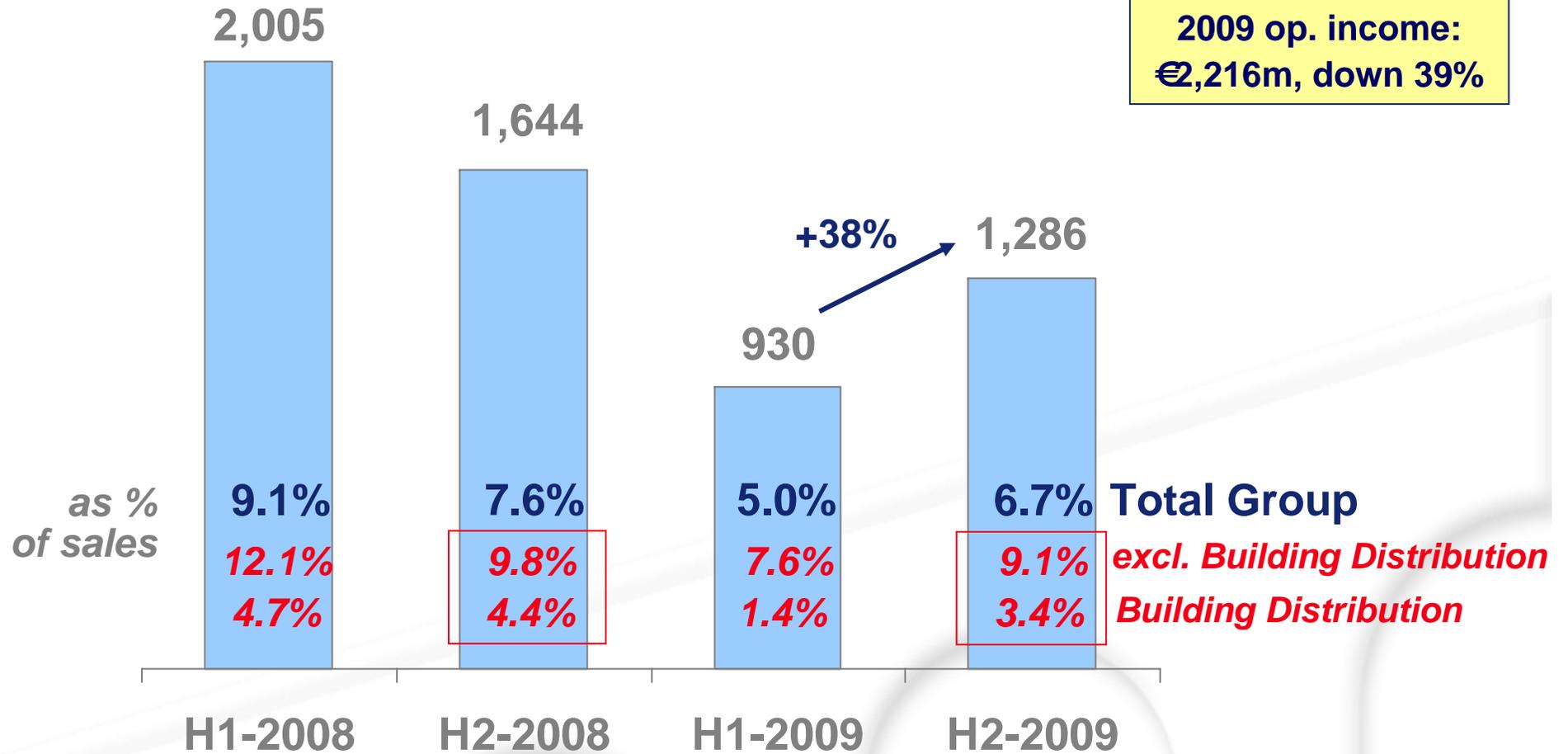
*% change in 2009/2008 sales
on a like-for-like basis*



Half-year operating income

(€m and % of sales)

2009 op. income:
€2,216m, down 39%



FY 2009	5.9%	Total Group
	8.4%	excl. Building Distribution
	2.4%	Building Distribution

Non-operating costs

(€m)

	2008	2009	% change
Operating income	3,649	2,216	-39.3%
Non-operating costs	(710)*	(596)	
o/w:			
Provision for asbestos-related litigation	(75)	(75)	
Restructuring costs	(190)	(435)	
Other items	(128)	(380)	
Gains (losses) on disposals	53	(32)	
Asset write-downs	(181)	(348)	
Business income	2,814	1,240	-55.9%

* o/w €400m provision for Flat Glass fines

Outstanding claims

Asbestos claims against CertainTeed in the US

- > Approximately **US\$ 77m** paid out (US\$71m in 2008) and a further **€75m** accrual to the provision in 2009 (€75m in 2008), bringing the total coverage to US\$ 500m at end-2009 (versus US\$ 502m at end-2008)

	2008	2009*
New claims	5,000	4,000
Settled claims	8,000	8,000
Outstanding claims	68,000	64,000

* estimated

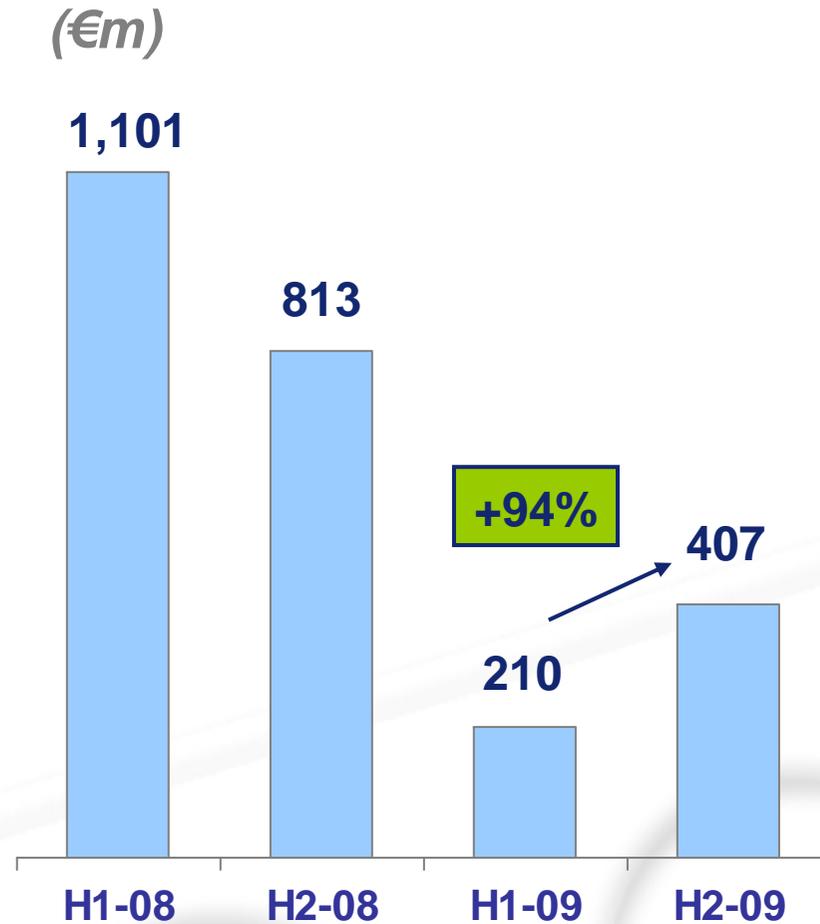
Net financial expense and income tax

(€m)

	2008	2009
Net financial expense	(750)	(805)
<i>Cost of net debt</i>	5.5%	5.5%

	2008	2009
Income tax	(638)	(196)
<i>Tax rate on recurring net income</i>	26%	26%

Half-year recurring net income*

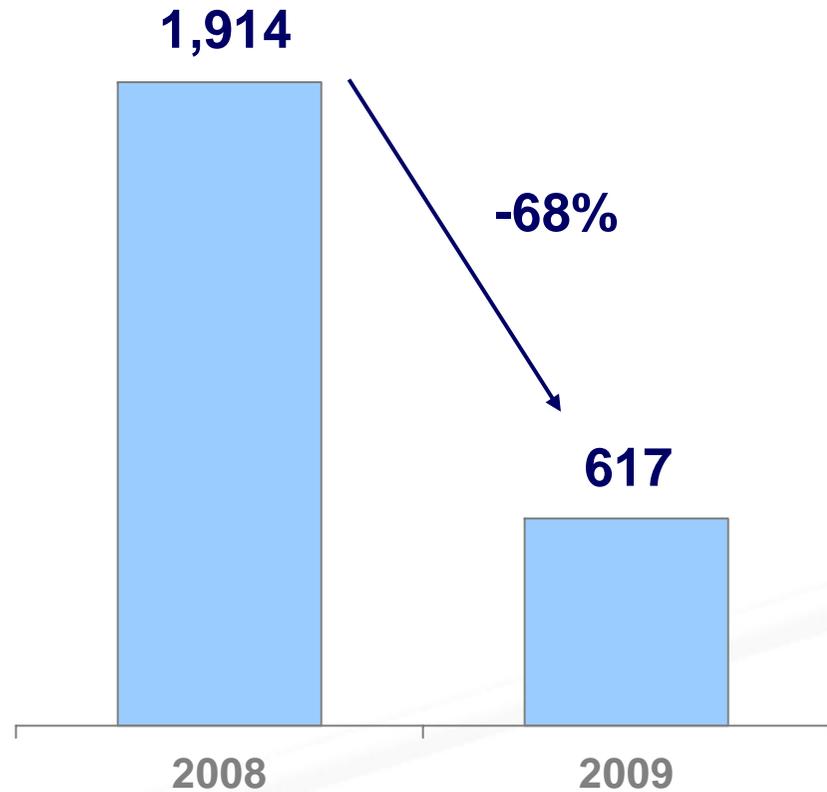


> Sharp improvement in H2 compared to H1

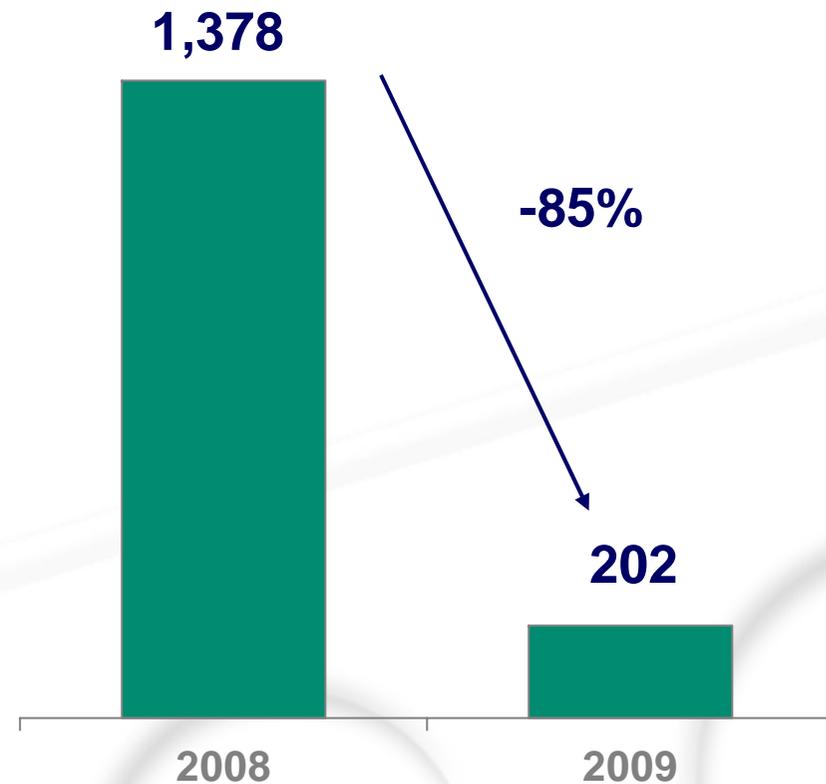
* excluding capital gains and losses on disposals, asset write-downs and provision for Flat Glass fines

Recurring net income*

€m



Net income



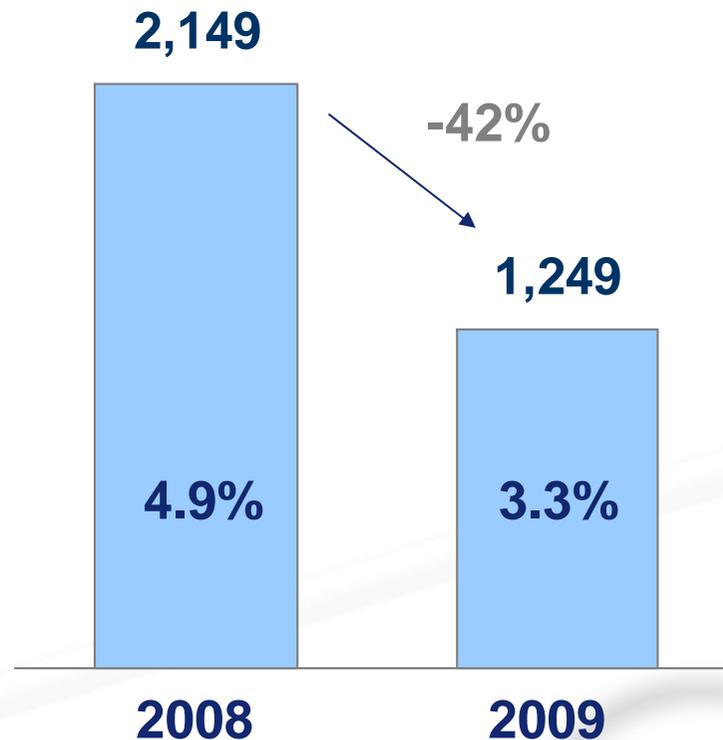
> **Recurring EPS*: €1.20 (-76%)**

EPS: €0.39 (-89%)

* excluding capital gains on disposals, asset write-downs and provision for Flat Glass fines

Reduction in Capex ahead of target

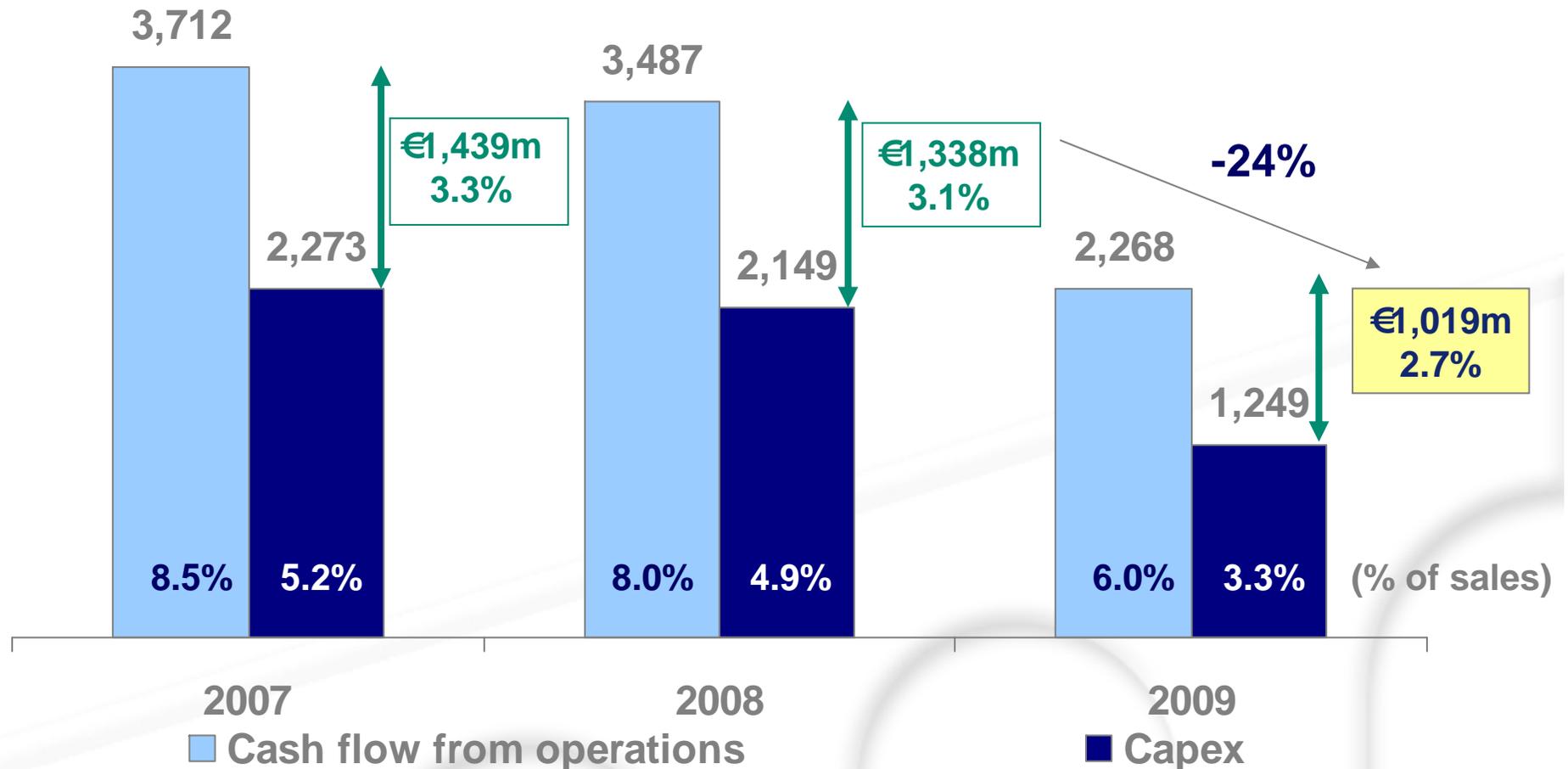
(€m and % of sales)



€900m reduction in Capex, versus target reduction of €700m

Cash from operations and Capex (excl. tax impact of cap. gains / losses)

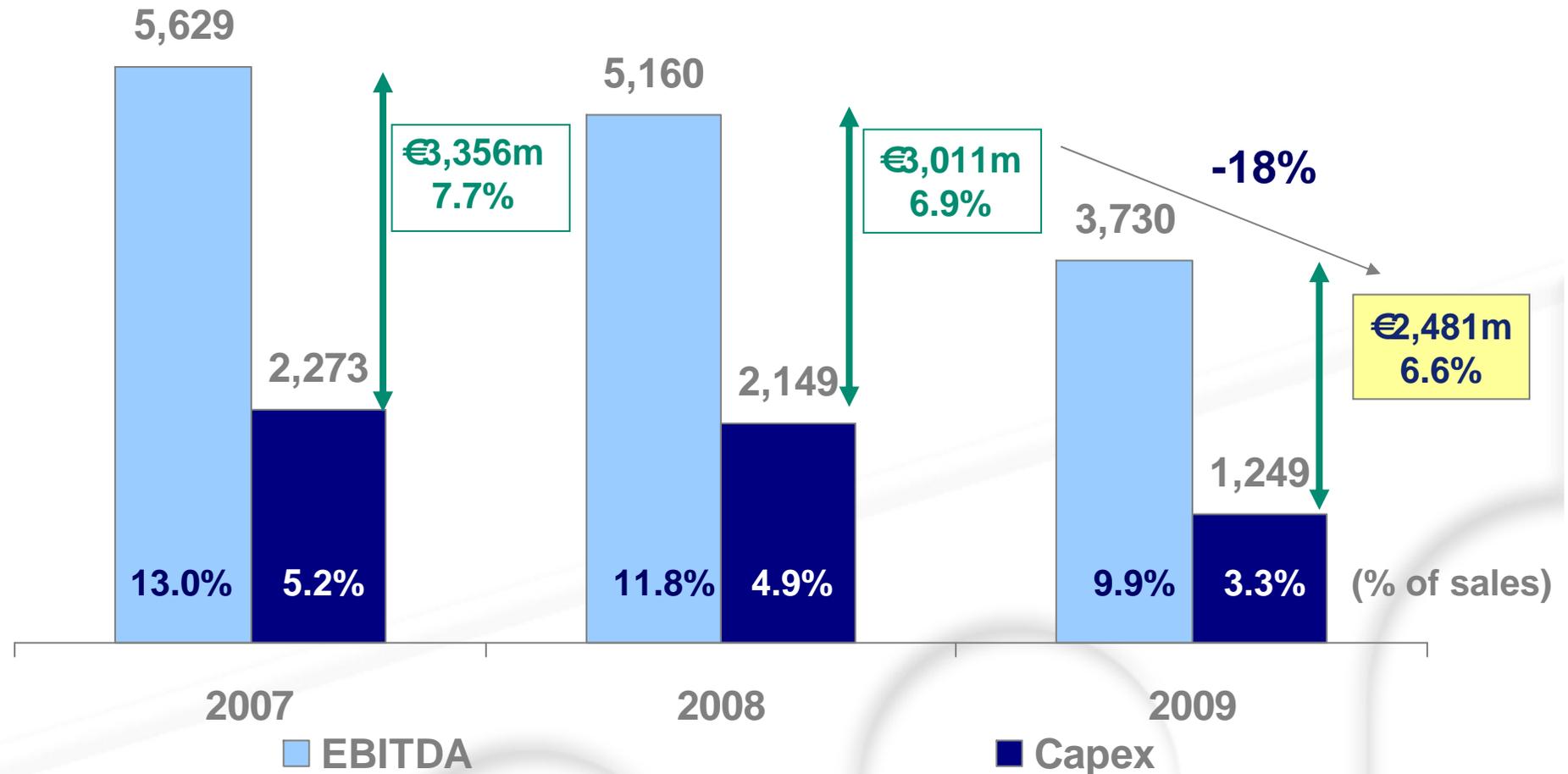
(€m and % of sales)



Free cash flow above €1bn – in line with target

EBITDA and Capex

(€m and % of sales)

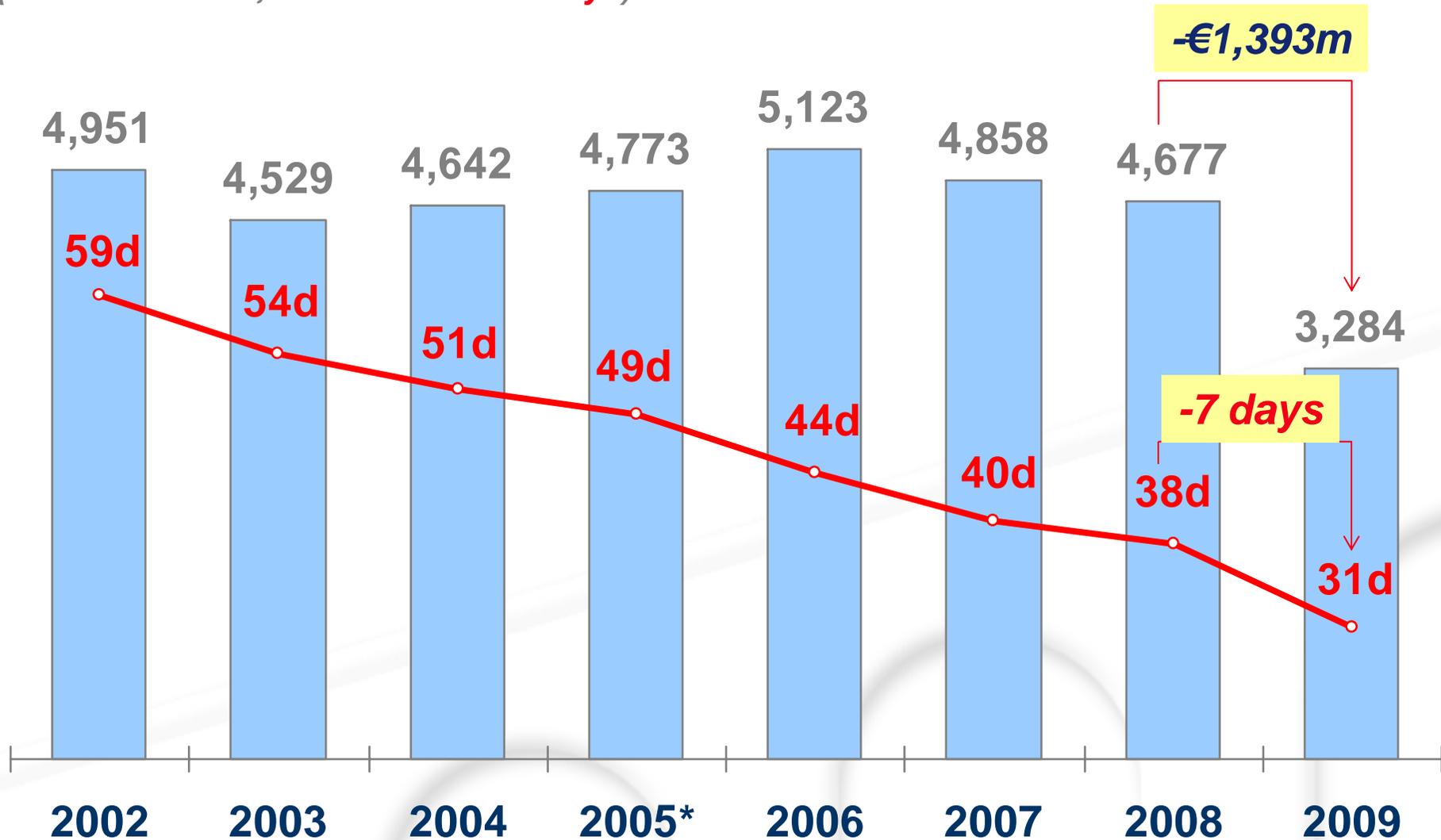


EBITDA after Capex virtually stable as % of sales

* EBITDA = Operating income + depr./amort. of operating items

Further gains in WCR: -7 days' sales (-€1.4bn)

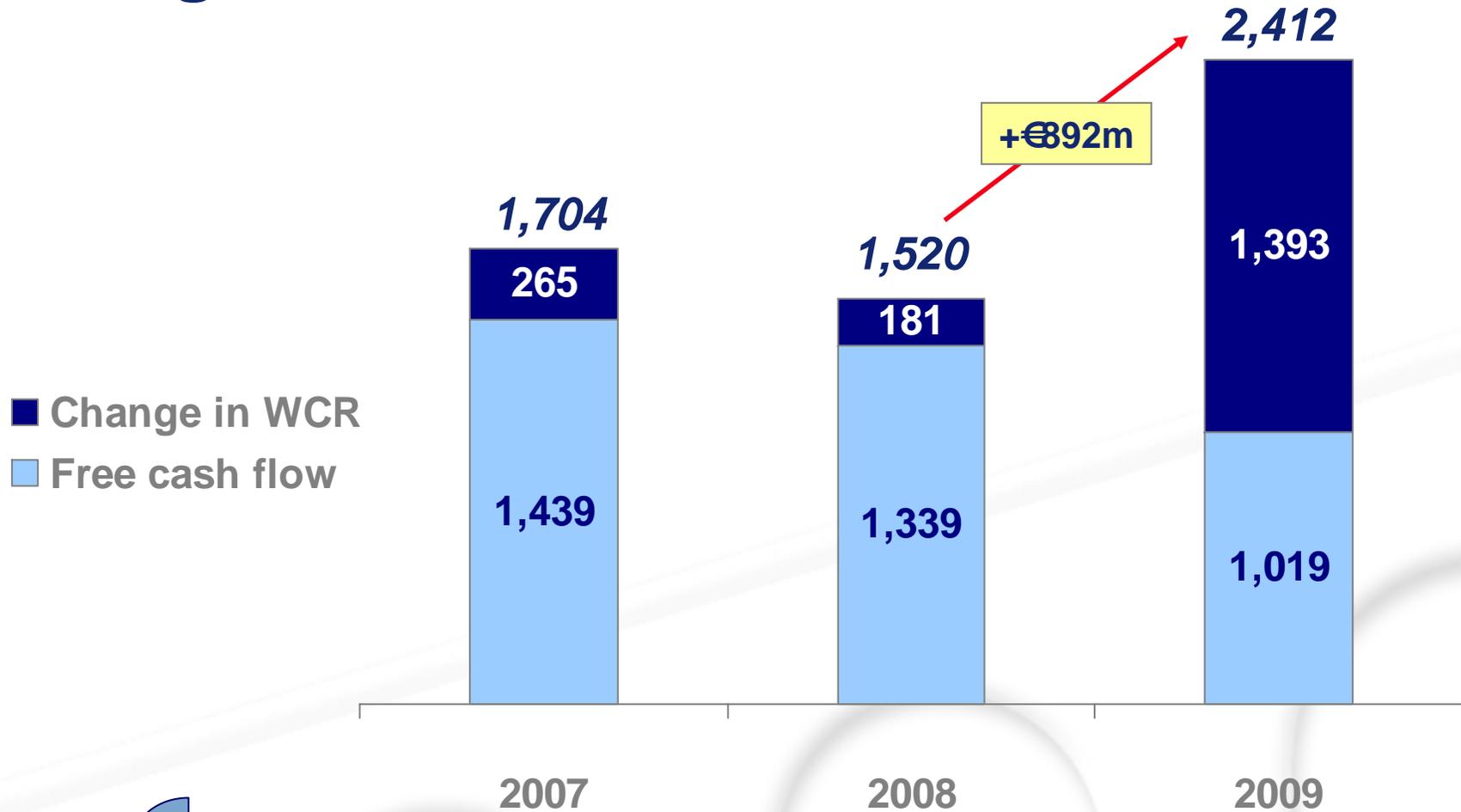
(at December 31, in €m and *no. of days*)



2002 and 2003 under French GAAP
2004 and 2005 under IFRS
* 2005 excl. Gypsum

Free cash flow (excl. tax impact of capital gains and losses) and change in WCR, over 12 months

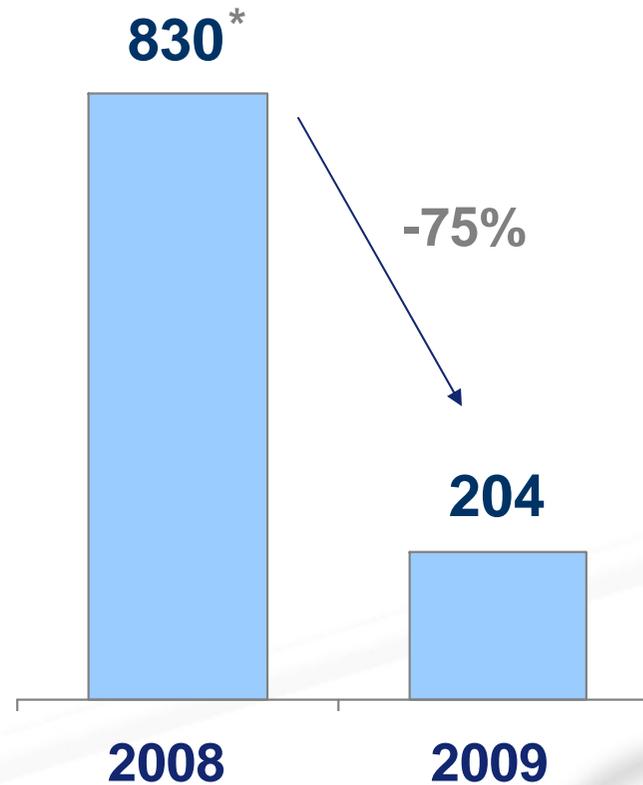
€m



**Free cash flow generation of €2.4bn after WCR,
over 12 months**

Acquisition projects scaled back

(Investments in securities, €m)

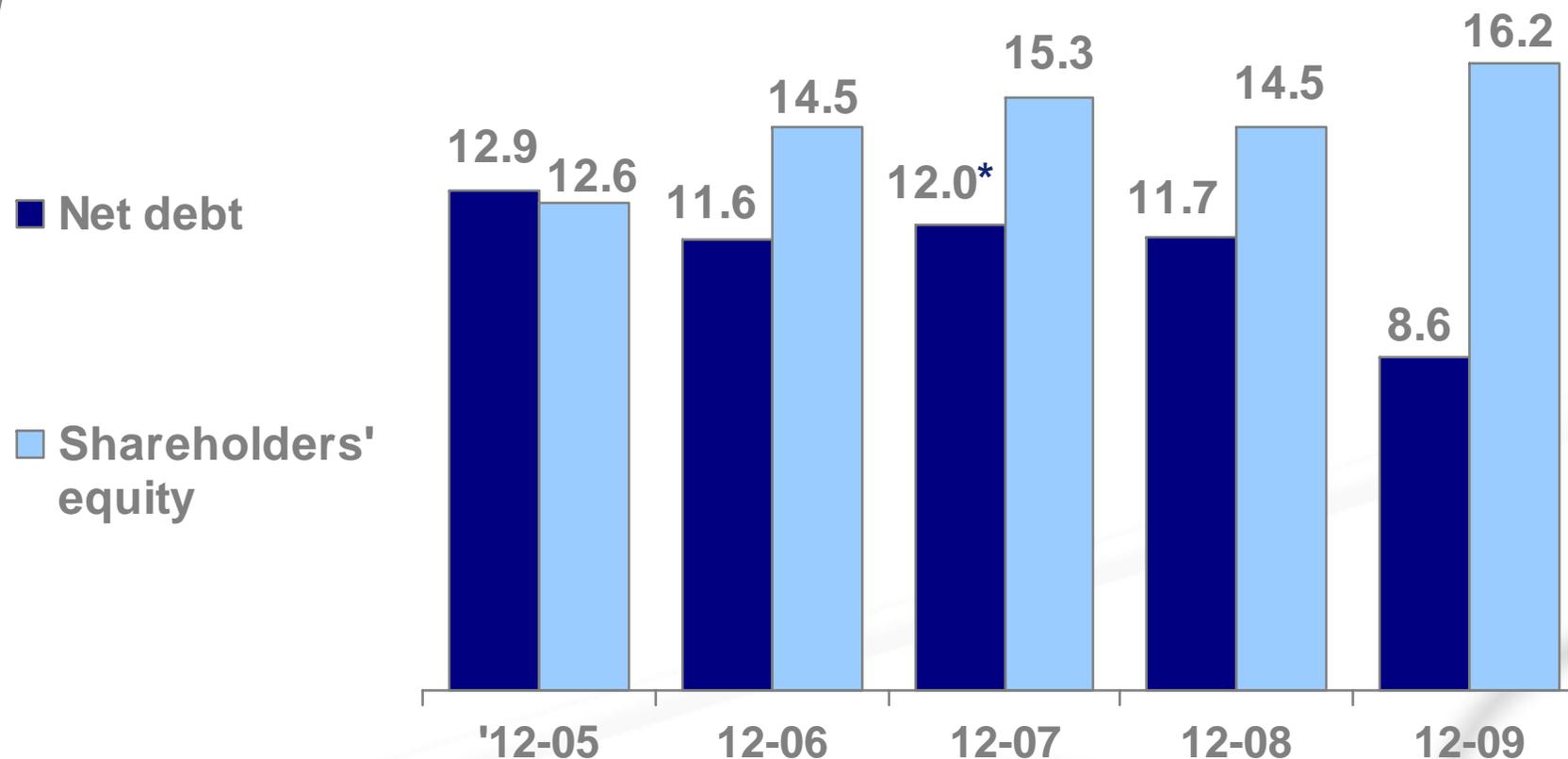


Fall of €626m in investments in securities

* Maxit acquisition signed in 2007, completed in early 2008

Net debt & Shareholders' equity

€bn



Net debt/Equity	102%	80%	78%*	80%	53%
Net debt/EBITDA**	2.6***	2.2	2.1*	2.3	2.3

* after Maxit acquisition

** EBITDA = operating income + depr./amort.

*** 2005: proforma BPB

2

2009 Results

Group

Business Sectors

Geographic Areas

Trading by business sector

*% change in 2009/2008 sales
on a like-for-like basis*

Group: -13.2%

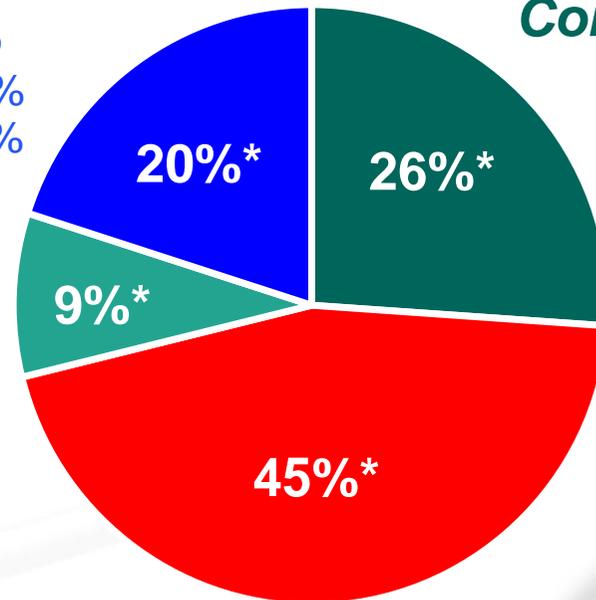
Innovative Materials

-17.4%

Flat Glass -14.9%
HPM -21.1%

Packaging

-3.8%



Construction Products

-14.4%

Interior Solutions -17.2%
Exterior Solutions -11.3%

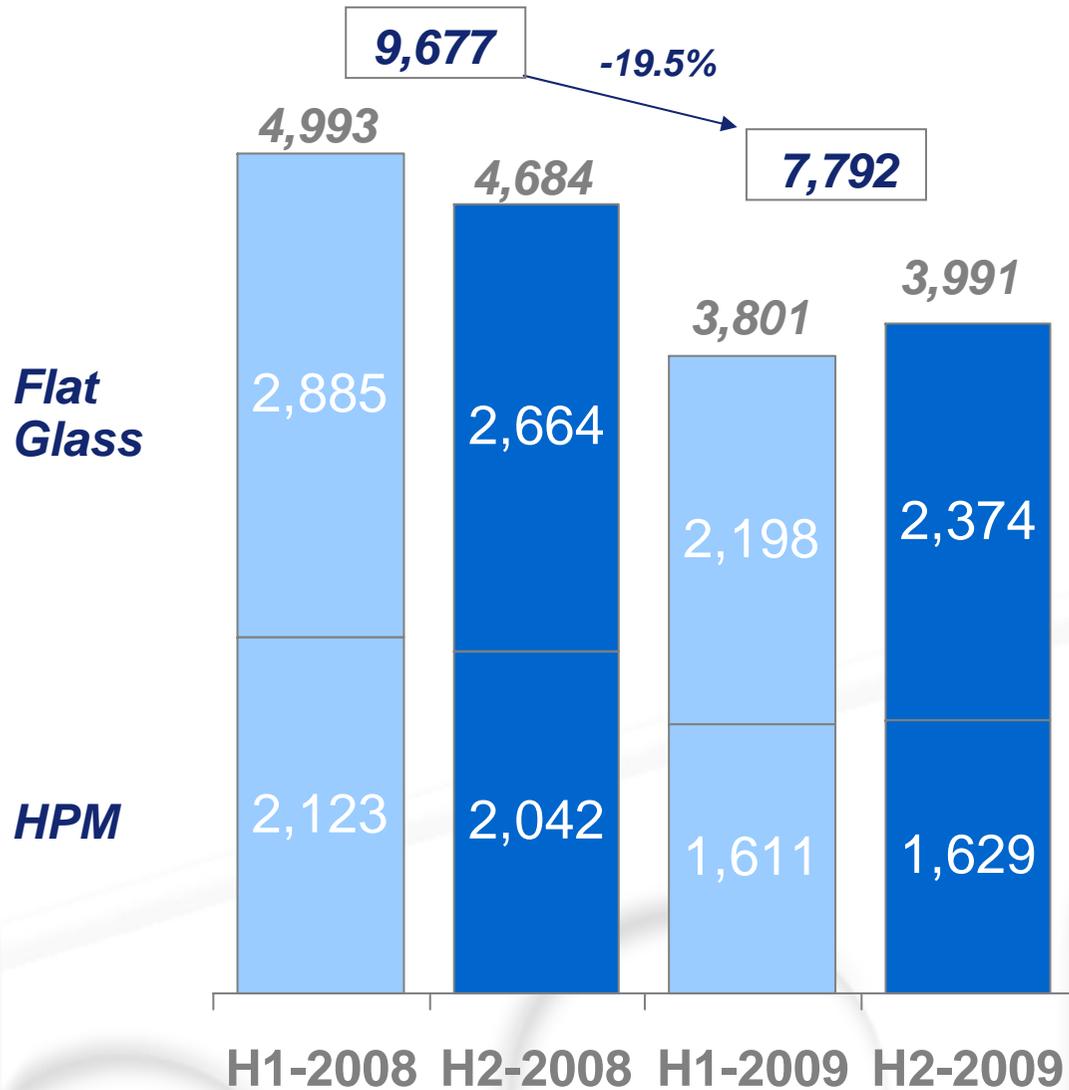
Building Distribution

-12.2%

* 2009 sales breakdown

Innovative Materials (Flat Glass - HPM) (€m)

Sales

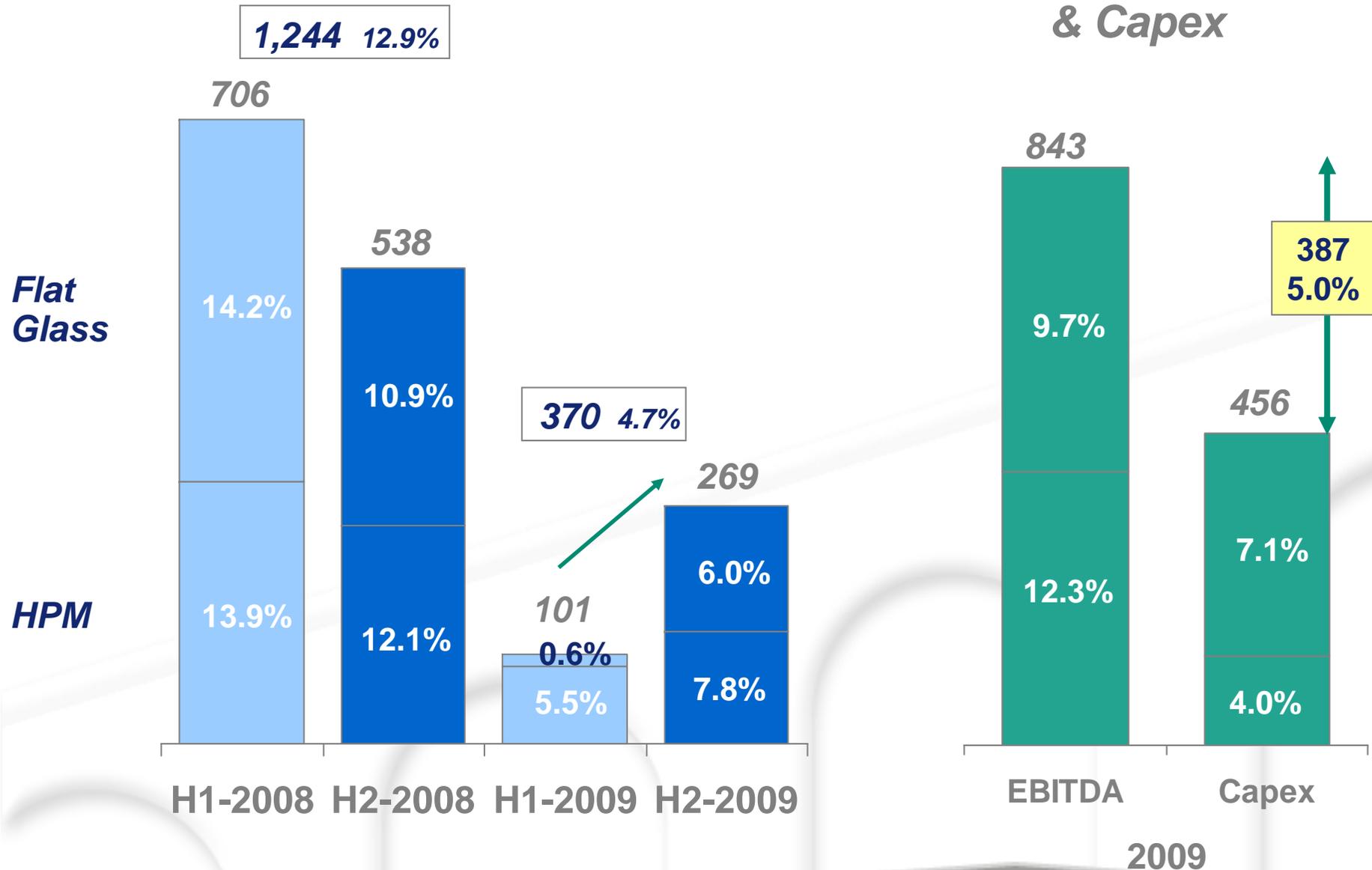


Organic growth (like-for-like)			
	H1/H1	H2/H2	09/08
IM	-22.1%	-12.3%	-17.4%
Flat Glass	-20.4%	-8.9%	-14.9%
HPM	-24.7%	-17.2%	-21.1%

Innovative Materials (Flat Glass - HPM) (€m and % of sales)

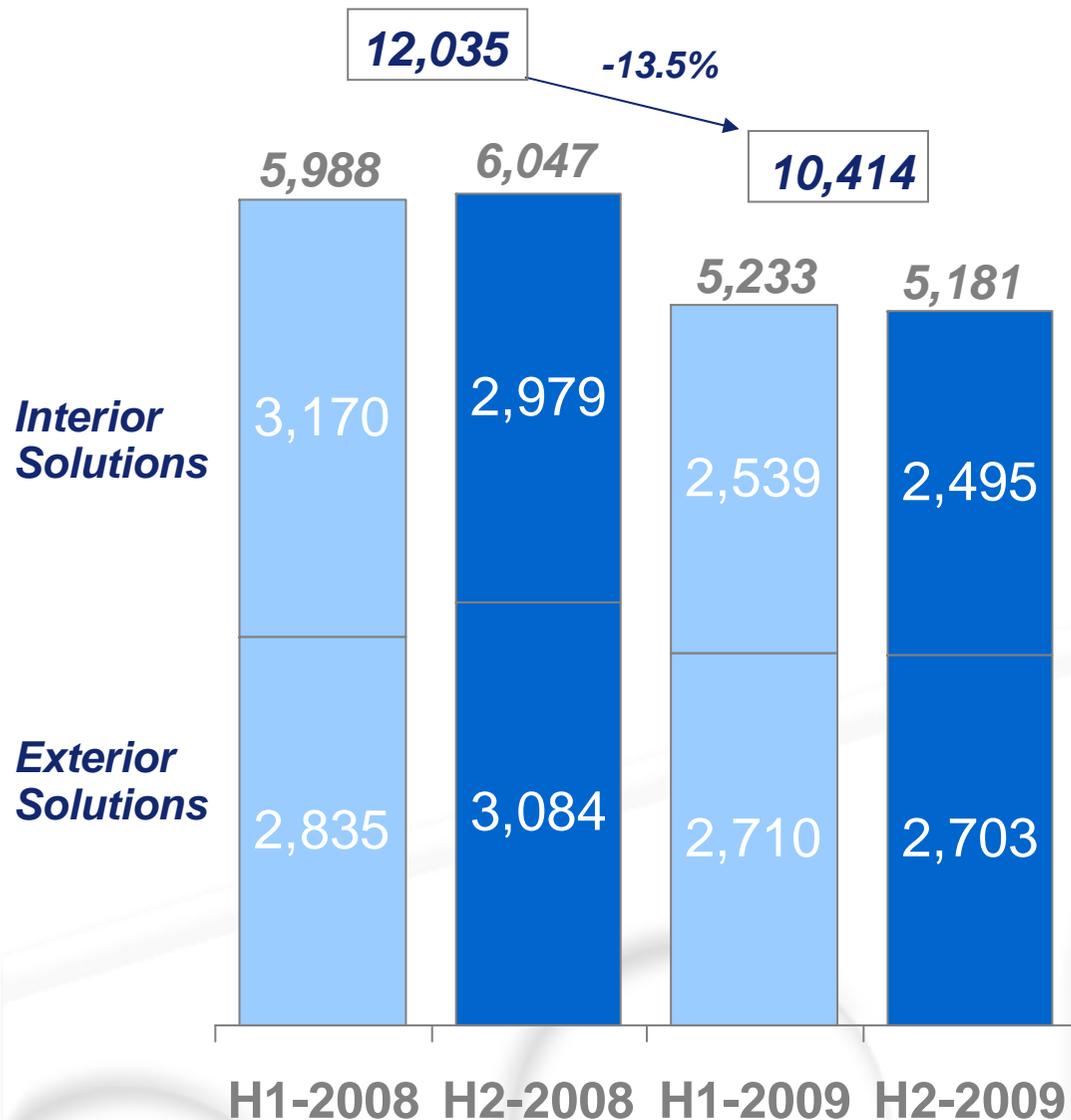
Operating income

EBITDA & Capex



Construction Products (€m)

Sales

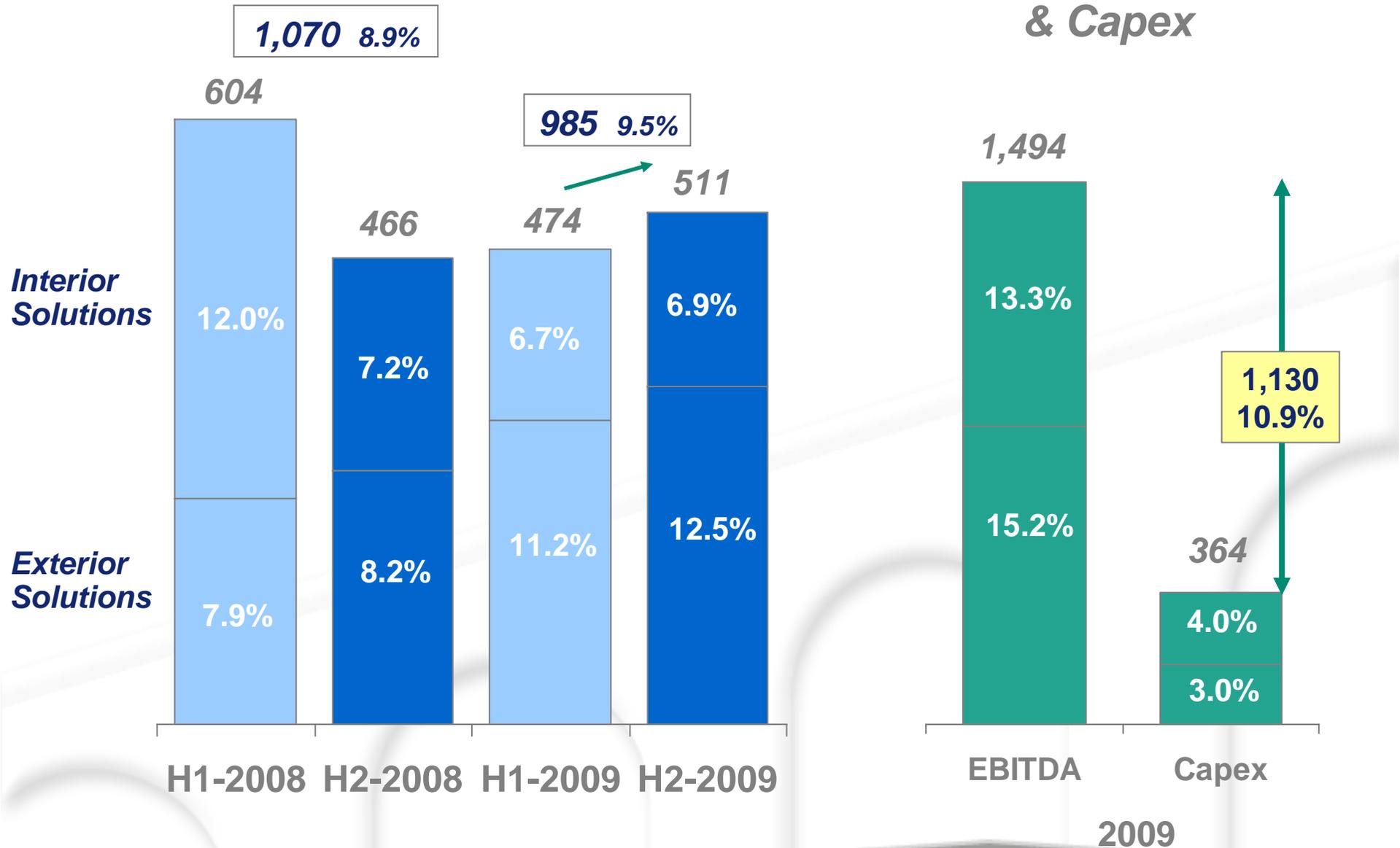


Organic growth (like-for-like)			
	H1/H1	H2/H2	09/08
CP	-15.3%	-13.5%	-14.4%
Int. Sol.	-19.5%	-14.8%	-17.2%
Ext. Sol.	-10.4%	-12.2%	-11.3%

Construction Products (€m and % of sales)

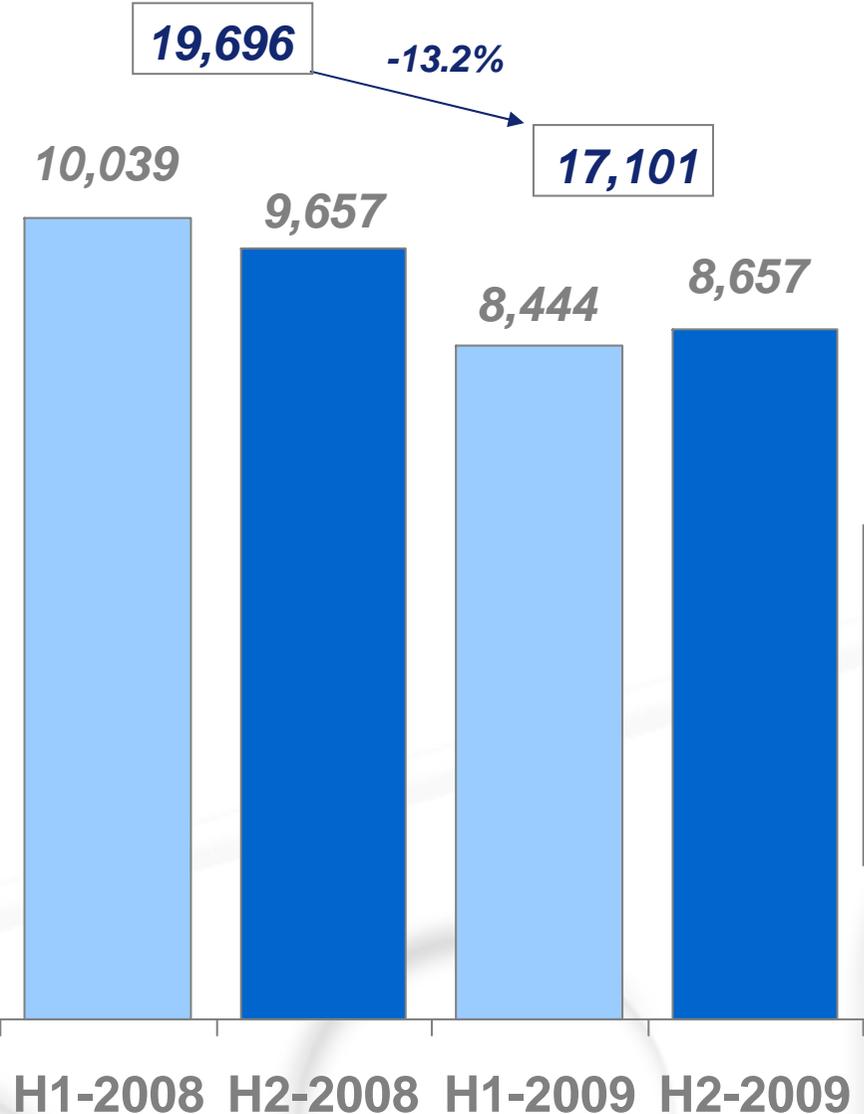
Operating income

EBITDA & Capex



Building Distribution (€m)

Sales

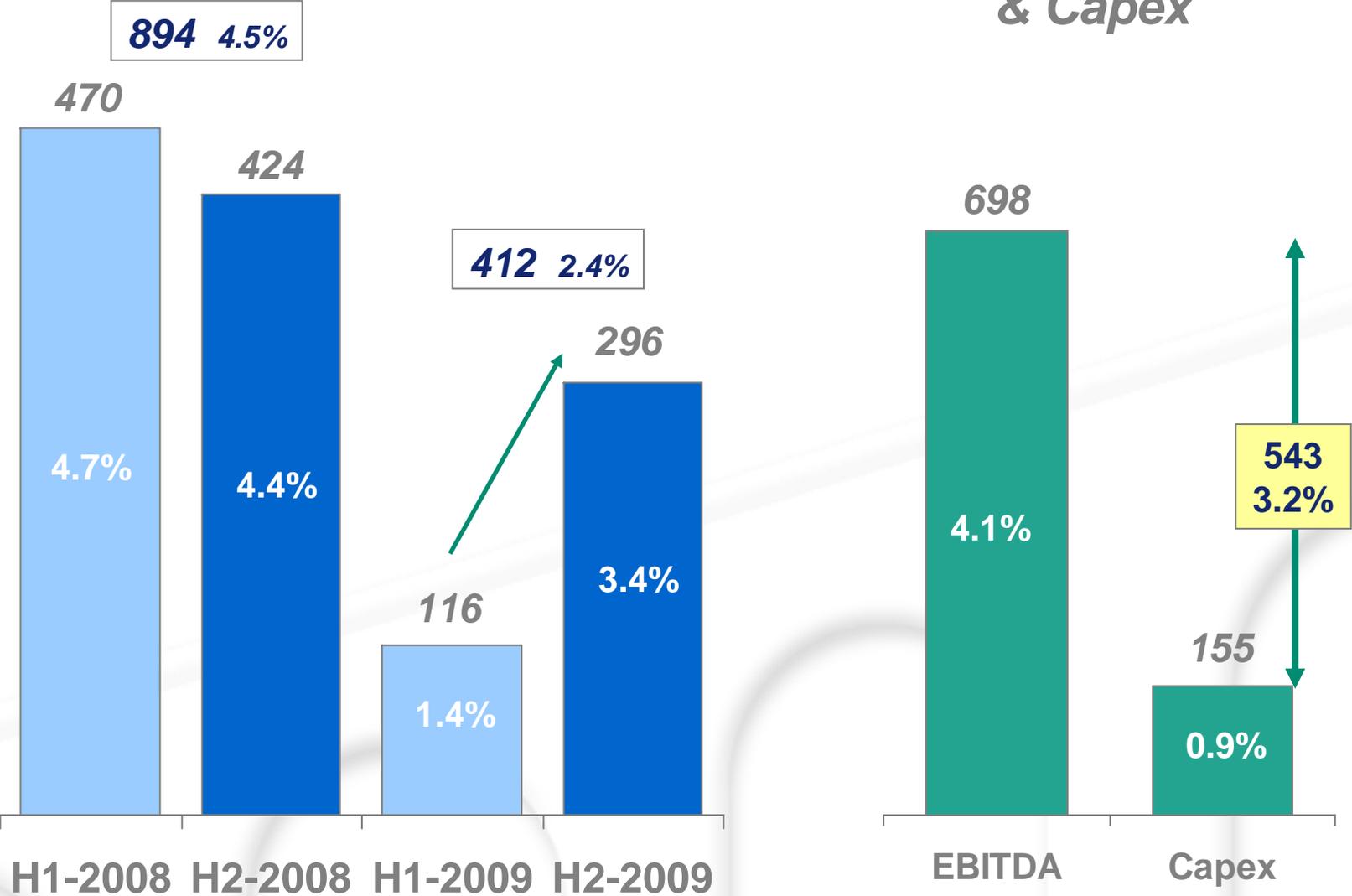


<i>Organic growth (like-for-like)</i>			
	H1/H1	H2/H2	09/08
Building Distrib.	-14.5%	-9.9%	-12.2%

Building Distribution (€m and % of sales)

Operating income

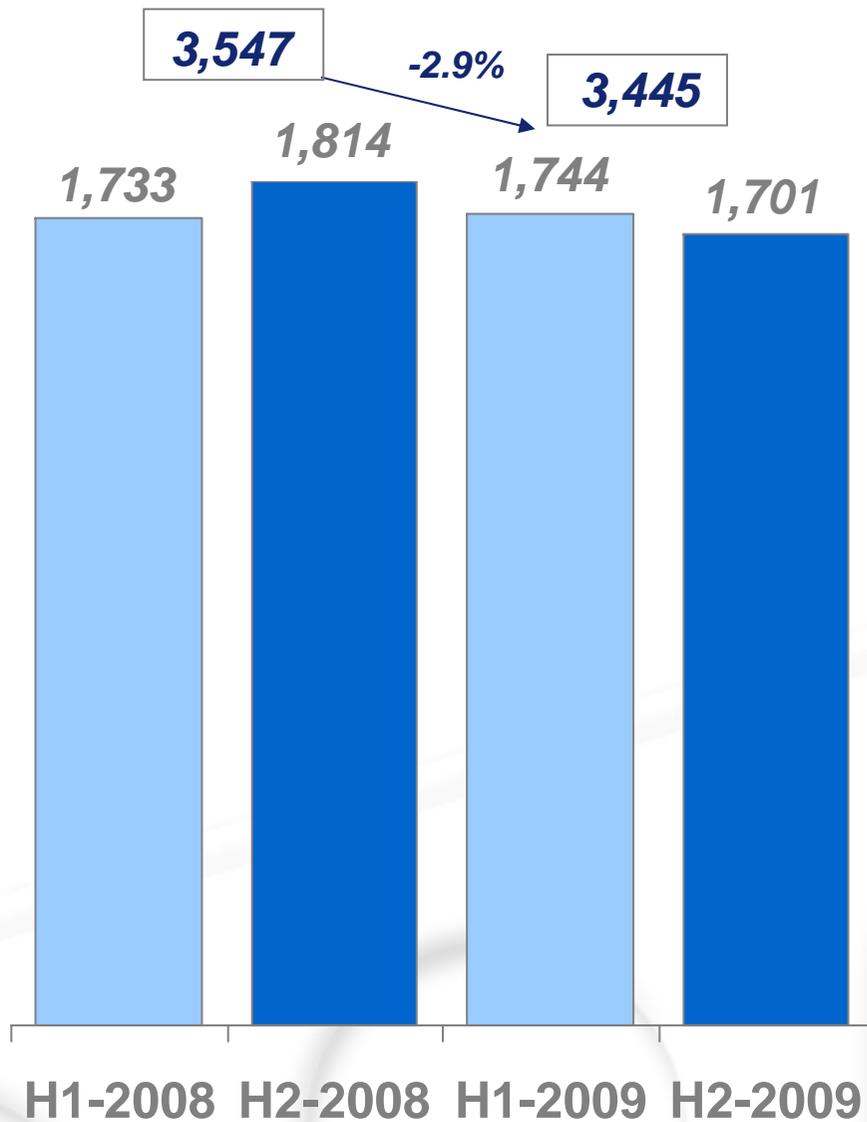
EBITDA
& Capex



2009

Packaging (€m)

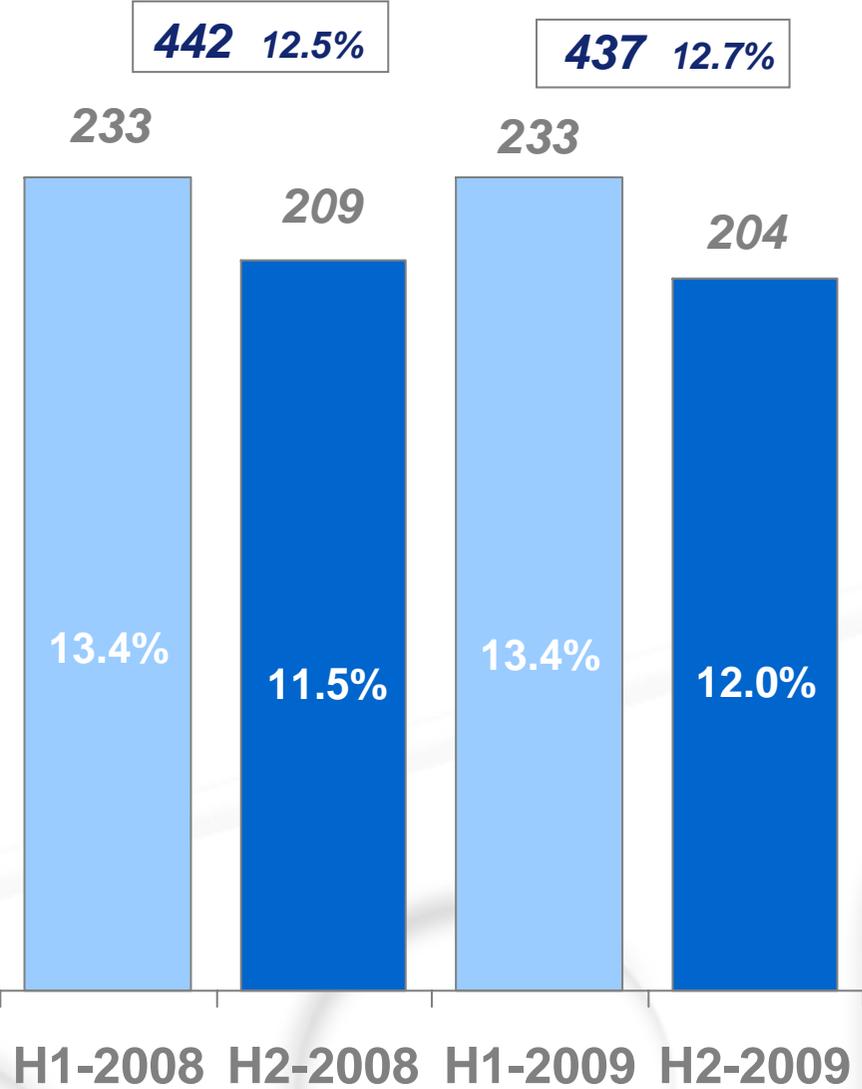
Sales



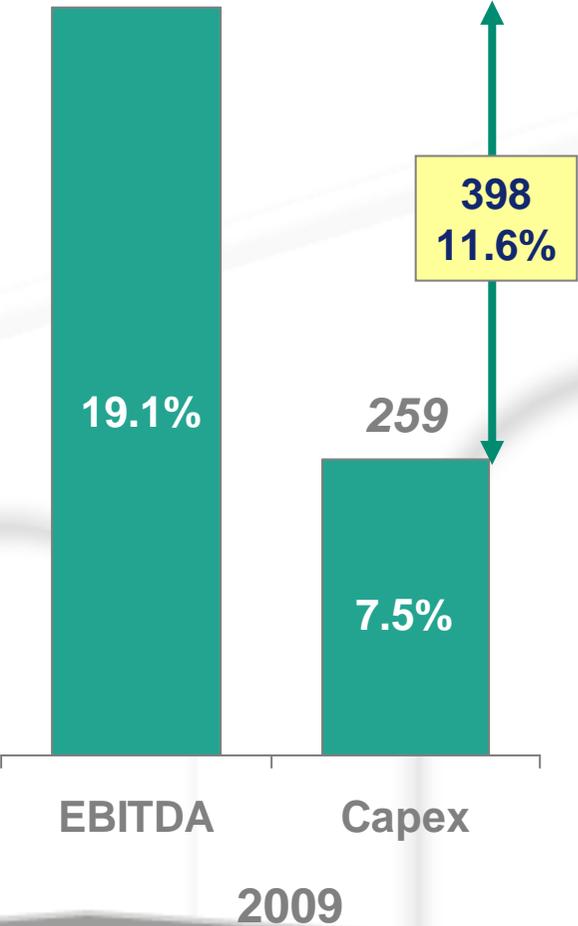
Organic growth (like-for-like)			
	H1/H1	H2/H2	09/08
Packg.	-3.5%	-4.1%	-3.8%

Packaging (€m and % of sales)

Operating income



EBITDA & Capex



2

2009 Results

Group

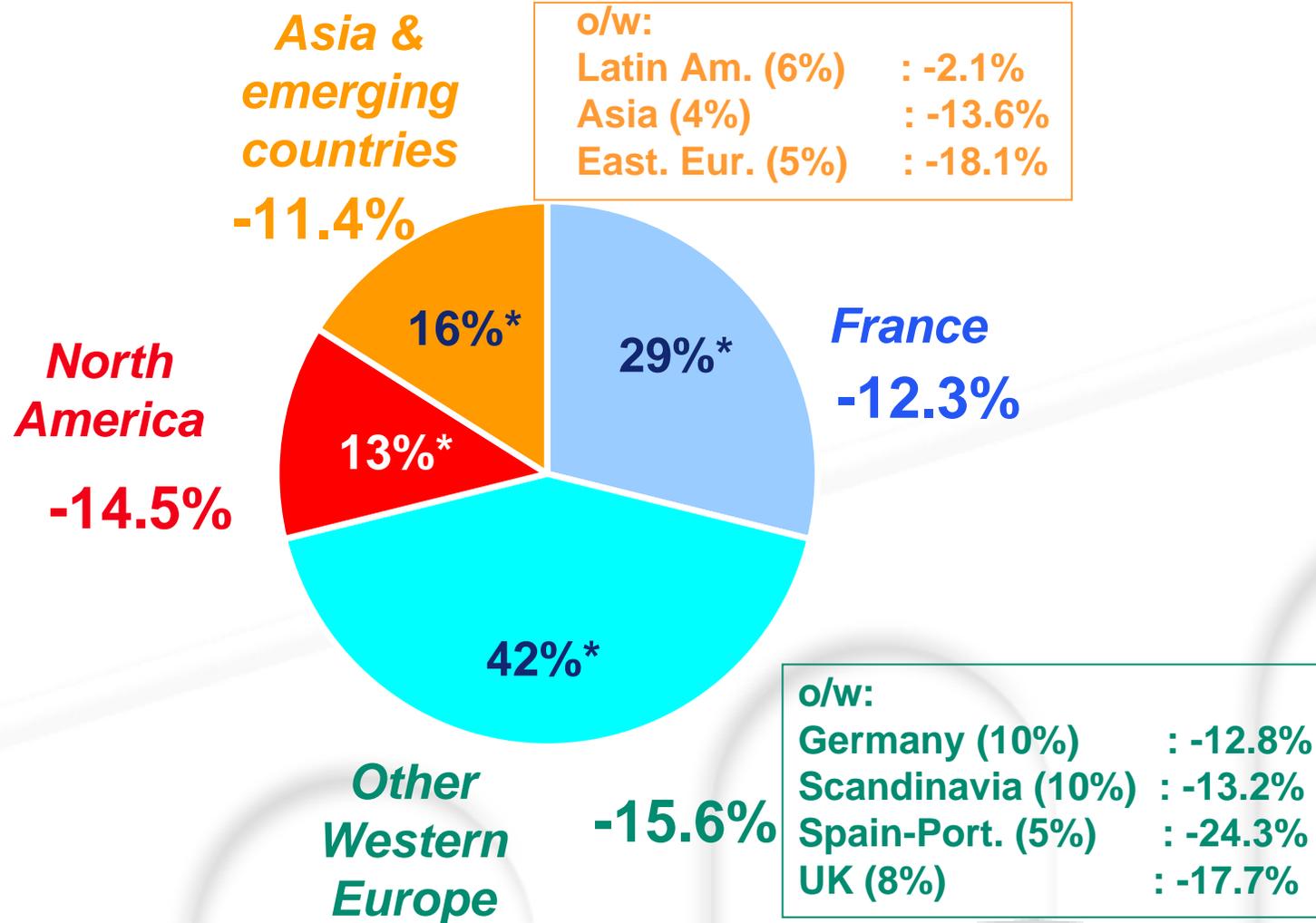
Business Sectors

Geographic Areas

Organic growth by geographic area

% change in 2009/2008 sales
on a like-for-like basis

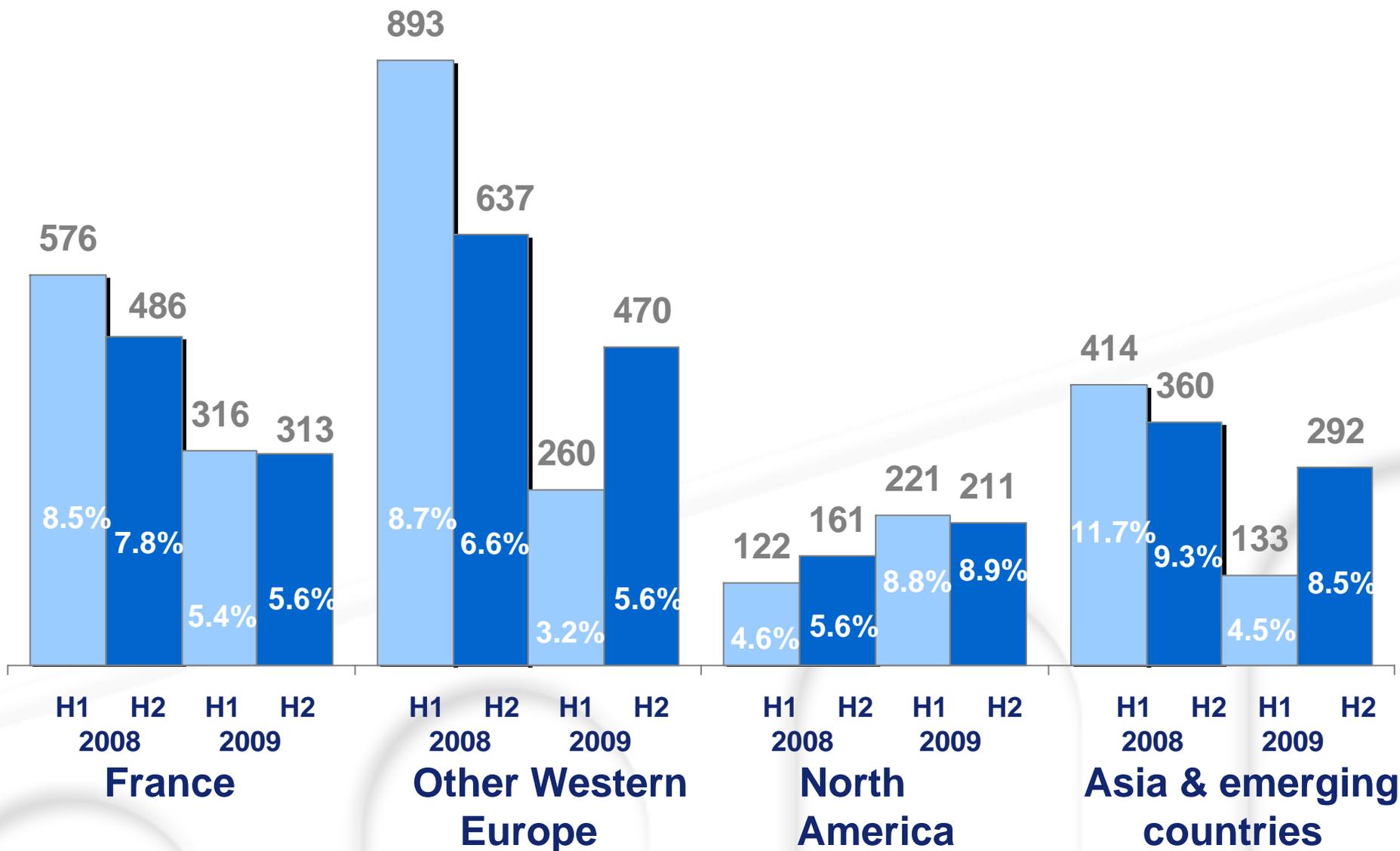
Group: -13.2%



* 2009 sales breakdown

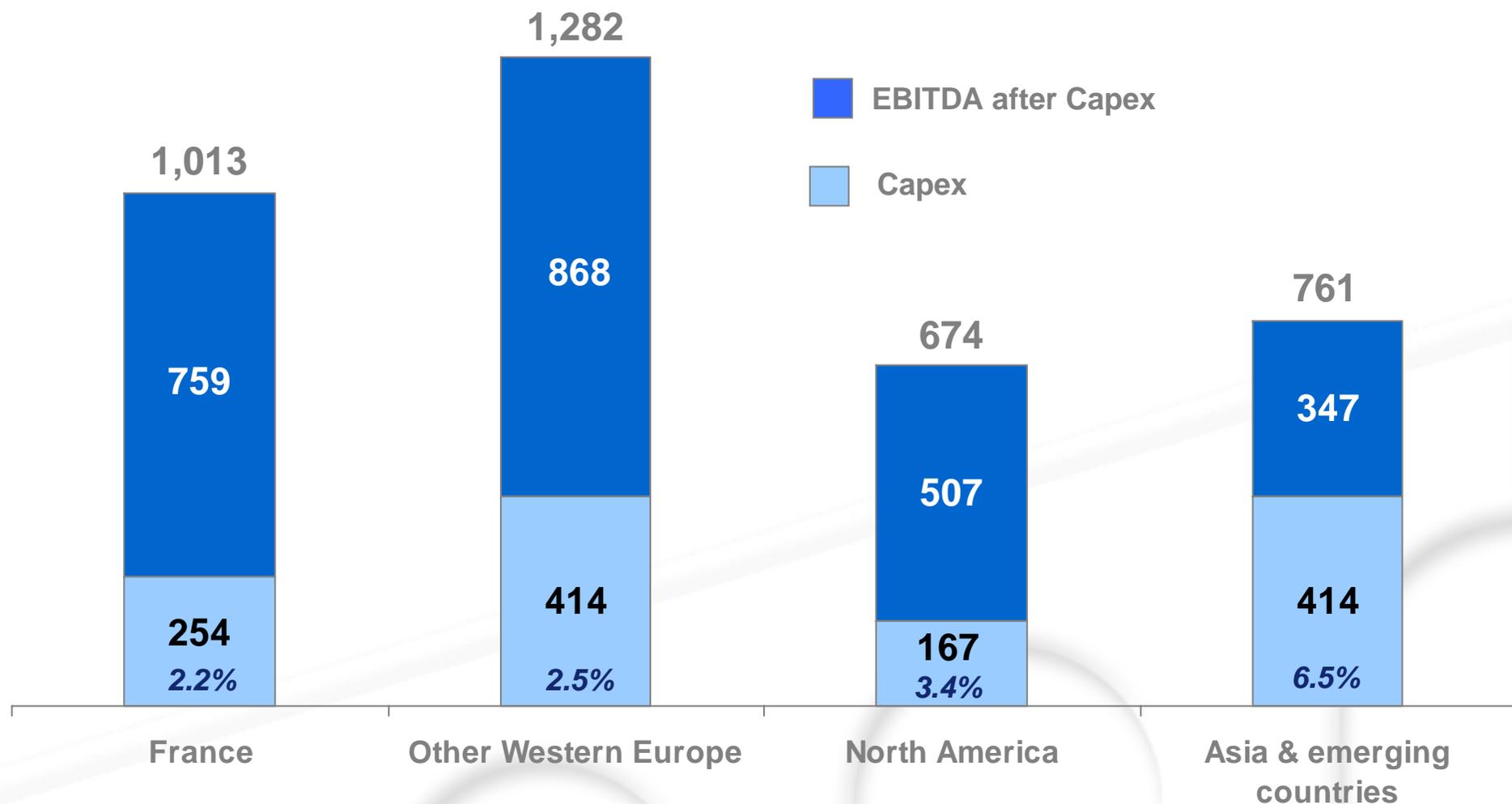
Operating income by geographic area

(€m and % of sales)



EBITDA and Capex by geographic area

(2009, €m and % of sales)



3

Strategy

The crisis has reinforced our ambition:

*To be a world leader in Habitat,
offering innovative solutions
to today's critical challenges of
growth, energy and the environment*

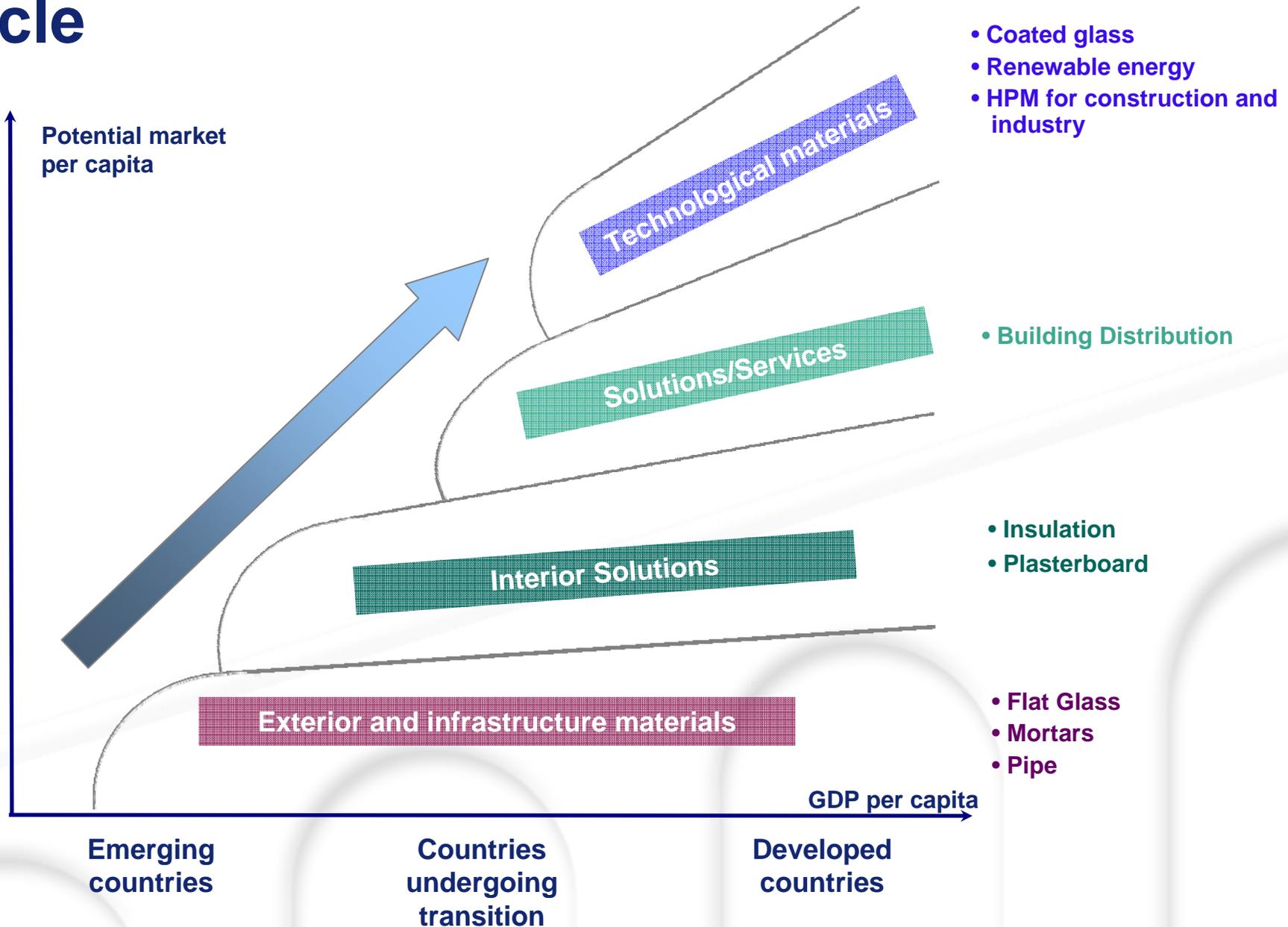


*Unrivalled positioning enabling the Group to meet the
needs of the Habitat market*

Our strategic priorities

- > **Capture growth at the different stages of economic development**
- > **Maintain our technological edge**
- > **Constantly adapt our organization and industrial facilities to changing trends in our markets**

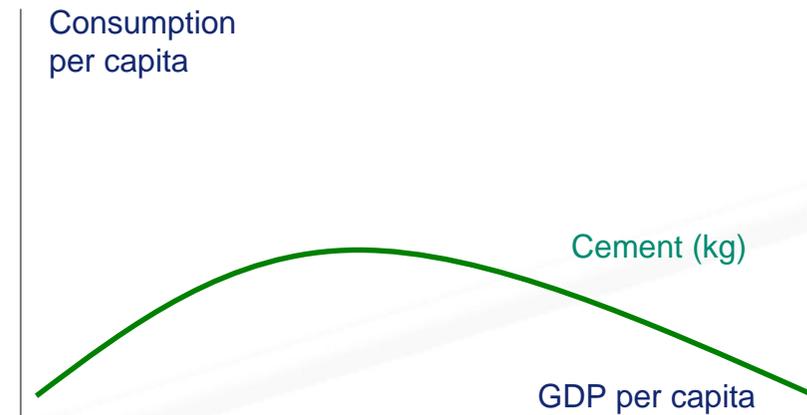
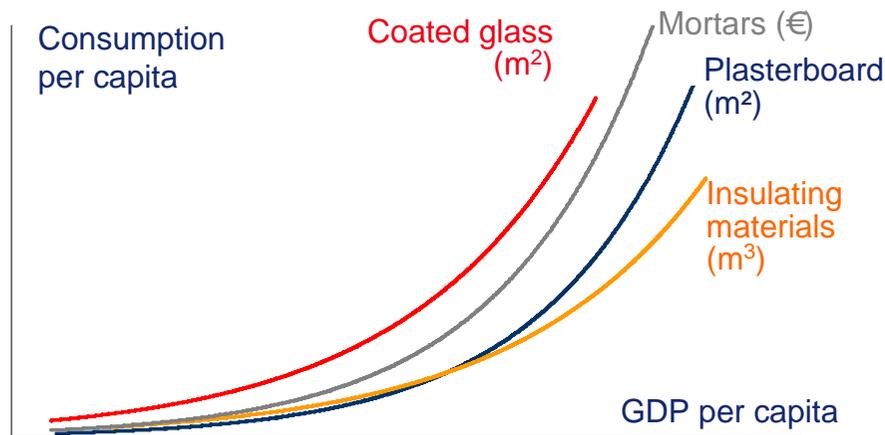
Solutions for every stage of the development cycle



Growing markets in mature countries...

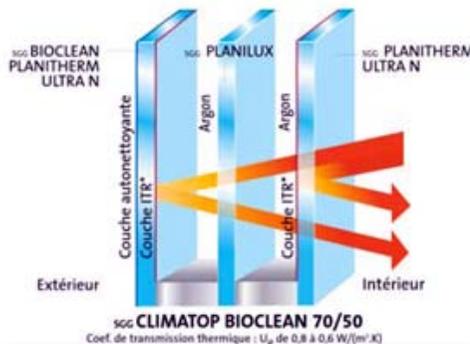
> Technical solutions for tomorrow's homes

Consumption per capita based on wealth



> Solutions promoting the energy efficiency of buildings

Thermal renovation: up 8.7%/year in France over 2006-2008

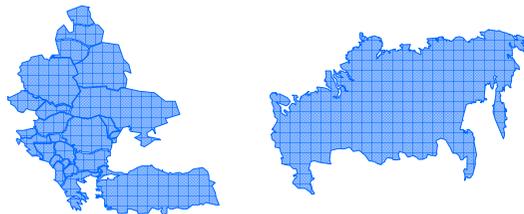


... as well as in emerging countries

- > **Meet vigorous demand for new construction and materials:** *pipe, mortars, flat glass, reinforced concrete*
- > **Progressive switch to high-end products:** *plasterboard, coated glass, renewable energies...*
- > **Continue to deepen our footprint on these markets**

Eastern Eur. and Russia

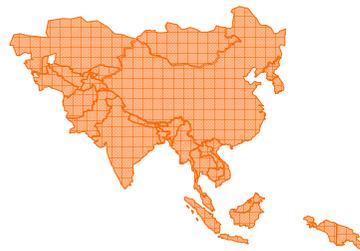
CAGR 7%*



Cement ... ultimately with our presence... strong ambitions in Russia

Asia

CAGR 8%*



Stand out from our competitors thanks to innovation (China, Korea)
Expand our geographic reach

Latin America

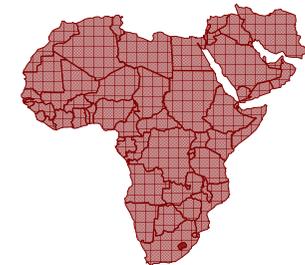
CAGR 6%*



Expand our geographic reach

Africa M.E.

CAGR 5%*



Growth based on business clusters

* Construction markets CAGR 2009-2014,

Source: *Global Construction 2020, Global Construction Perspectives and Oxford Economics.*

Innovation at the service of local markets

> Ongoing R&D efforts

- R&D expenditure maintained at €400m
- Development in emerging countries (particularly in Shanghai)



R&D center in Shanghai

> Priorities underpinning our Habitat strategy

- Solar program
- Exterior thermal insulation
- High-performance insulating materials
- Lighting and materials
- Active glazing

Constantly adapting to developments in our markets

> Additional selective cost reductions (€200m)

- mainly in Europe
- in businesses reliant on capital expenditure



€2.1bn in cumulative cost savings since 2007

> Seize growth opportunities

- in industrial businesses : ~80% of growth capex earmarked for emerging countries, energy efficiency and solar power
 - E.g.: Egypt (SGG), China (Pipe), Brazil (Mortars)
- financial investments:
 - Priorities: emerging countries, energy efficiency and solar power

4

Outlook and Objectives for 2010

Economic outlook for 2010

Economic environment

- > **Western Europe and North America:**
 - fragile recovery; mixed impacts of stimulus packages in 2010
 - trading conditions in Construction markets to remain very tough, with trends varying widely from one country to the next
 - industry should pick up slightly, thanks chiefly to inventory rebuilding
- > **Asia and Latin America:** accelerated growth (particularly in Brazil, China and India)
- > **Eastern Europe:** slow, fragile recovery
- > **Overall:** continued volatility in the cost of energy and raw materials, and in exchange rates)



Economic climate better overall in 2010, but still uncertain and with contrasting trends from one country to the next

Economic outlook for 2010

Group businesses

Innovative Materials

- > Significant upturn in volumes and robust sales prices
- > Upswing in margins (impact of cost savings)

CP

- > Market conditions to remain tough in mature countries
- > Strong growth in emerging countries and Asia
- > Rise in the cost of raw materials and energy

Building Distribution

- > Fragile upturn in Europe; growth in Latin America and Asia
- > Sales prices to hold firm
- > Upswing in margins spurred by cost savings

Packaging

- > Trading and earnings to remain resilient



Earnings and margins should significantly recover, particularly in Innovative Materials and Building Distribution

Our priorities in 2010

> **Continued focus on 2009 action plan priorities, but with a more selective approach:**

- priority focus on sales prices
- additional cost savings of €600m compared with 2009, including €200m from new focused programs in 2010
- strict cash discipline

> **Same level of R&D**

> **Selective investment policy**



Proven ability to react and adapt to the economic environment

2010 objectives

- > **Strong growth in operating income***
- > **Free cash flow > €1 bn**
- > **Continuing robust financial structure**

*at constant exchange rates

2009 dividend*

- > Same amount as in 2008 : **€1 per share**
 - Net dividend yield at 12/31/2009 = 2.6%

- > Payment: **in cash or in shares**, at shareholders' discretion

- > Timetable:
 - **June 3, 2010: AGM**
 - June 8, 2010: record date
 - **June 9, 2010: dividend cut-off date**
 - June 9-23, 2010: take-up period
 - **July 2, 2010: settlement/delivery**

* proposal of the Board of Directors to the AGM

Conclusion: a stronger Group

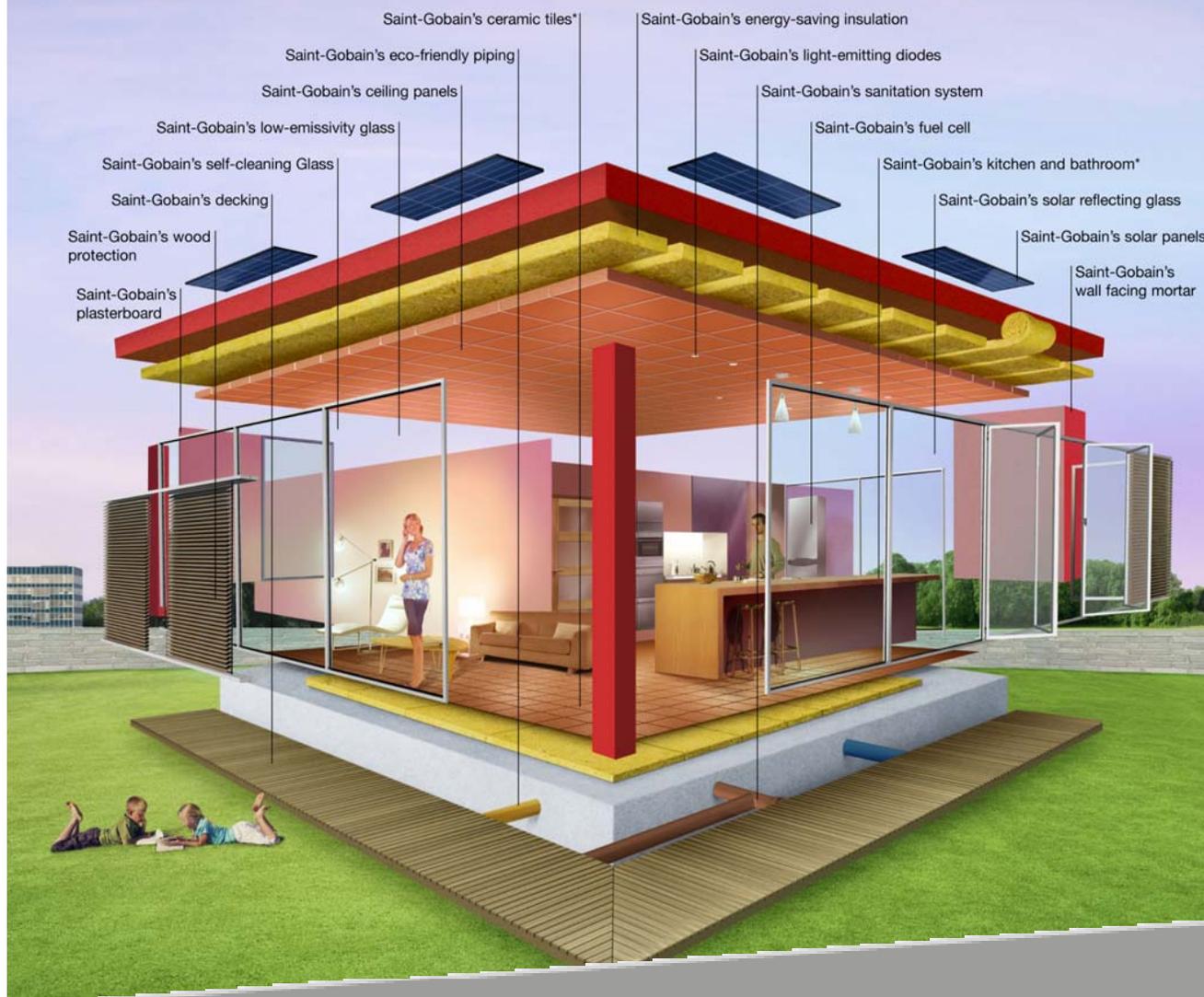
- **Positioned on growth markets in both mature and emerging countries**
- **Constantly adapting to developments in our markets**
- **Robust financial structure allowing us to capitalize on any growth opportunities**

Energy-saving, innovation, environment-protecting.

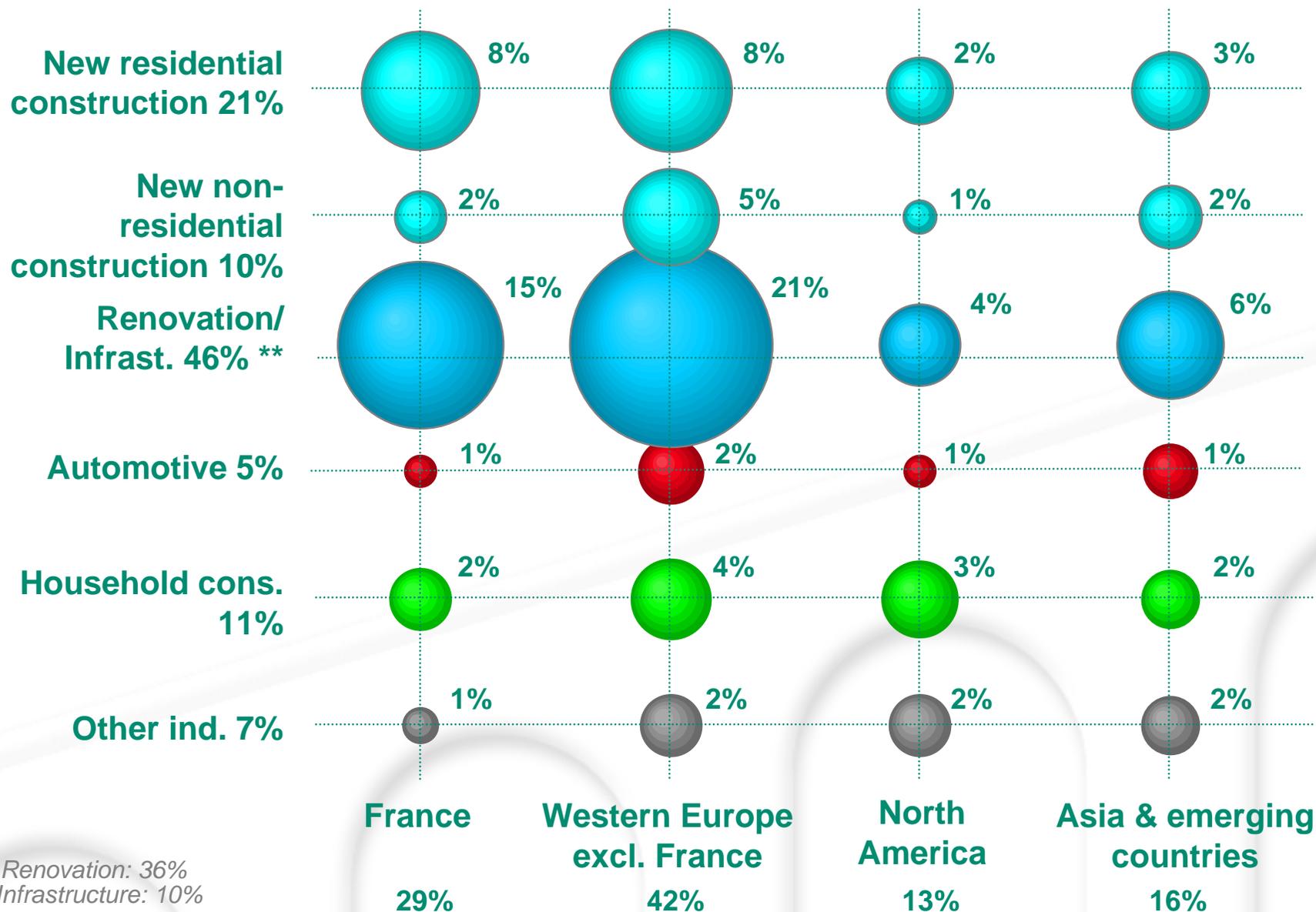
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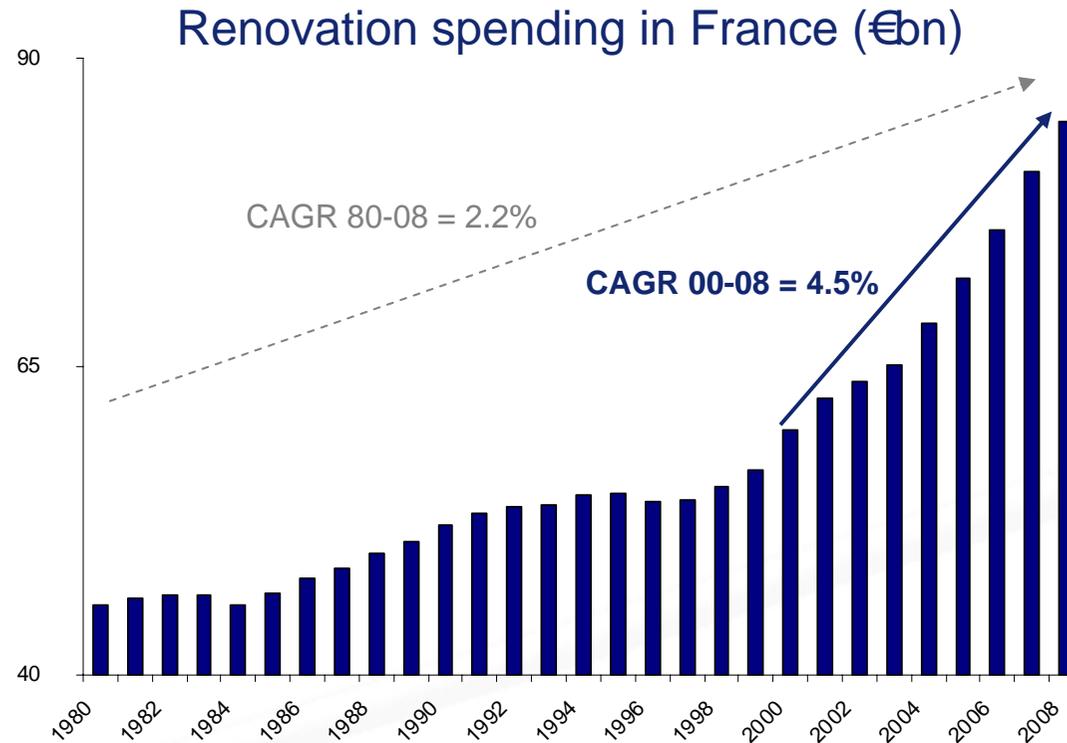
March 2010



Attractive positioning focused on residential construction and renovation



Renovation: structural growth in mature markets



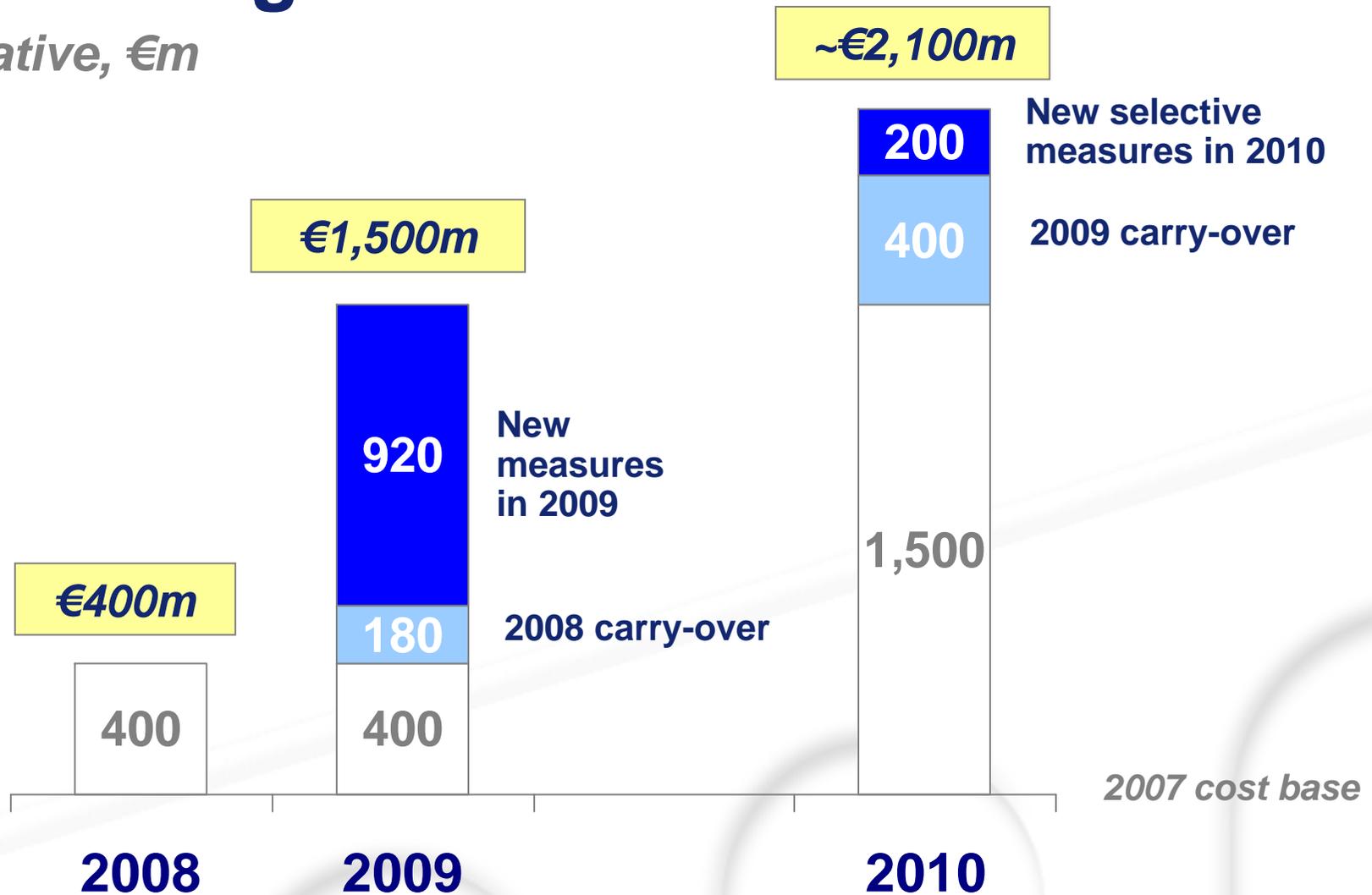
Source: BIPE, actual €

Market driven by stricter energy performance requirements

- In France: approval of the “Grenelle” environment bill
- In Europe: stricter overall energy performance requirements, adoption of the Directive on the Energy Efficiency of Buildings

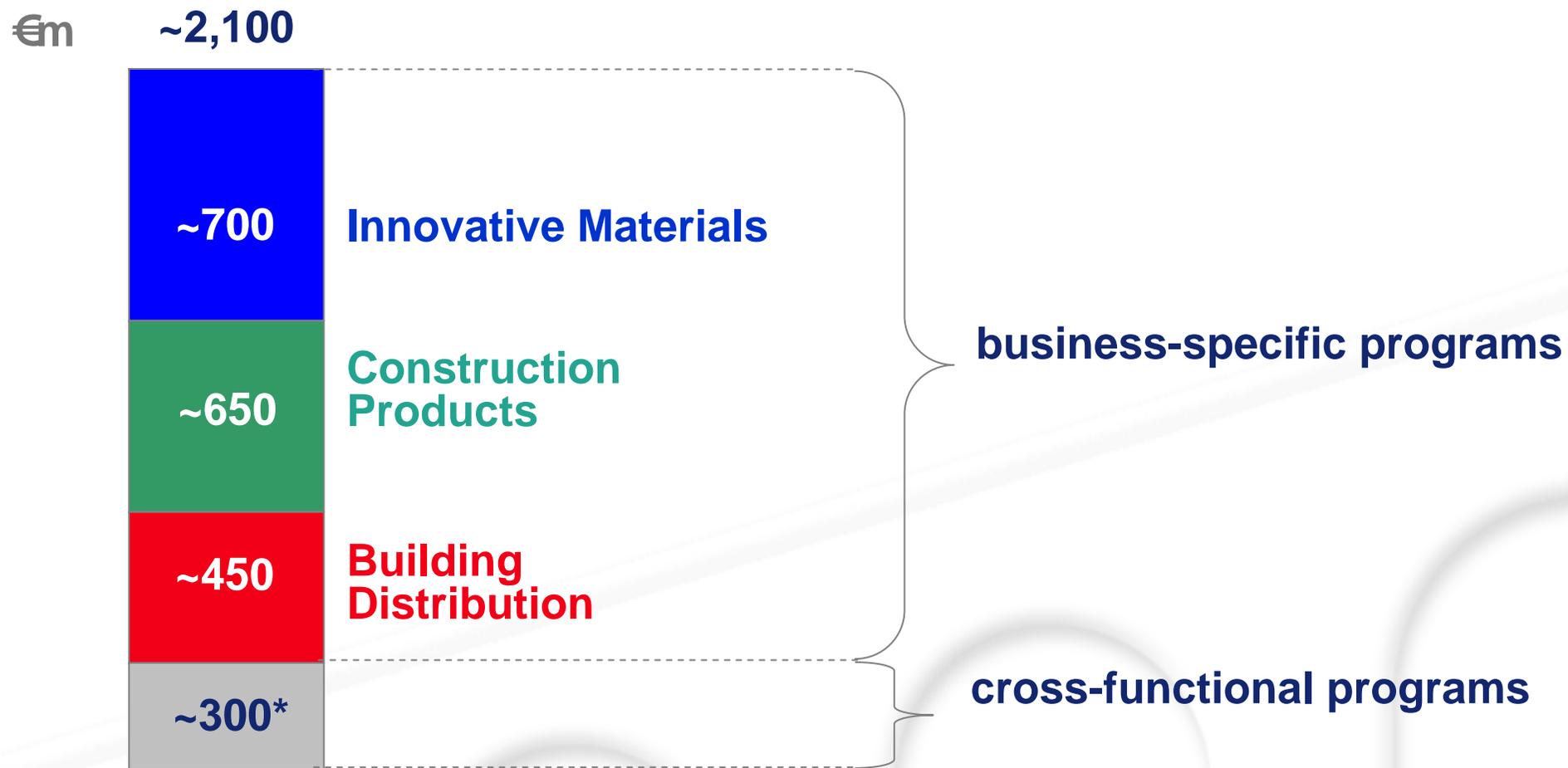
Cost savings

cumulative, €m



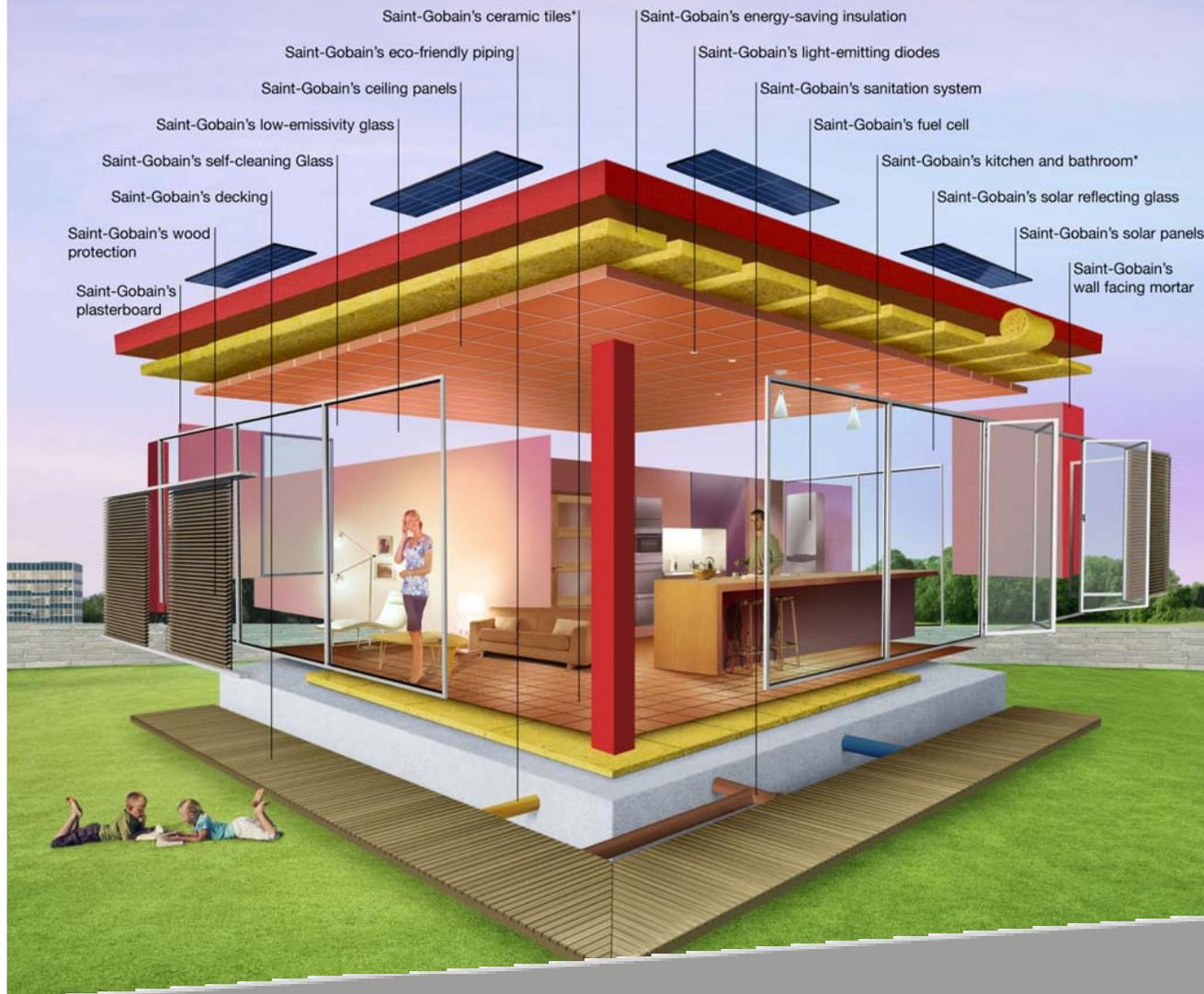
€600m in additional cost savings in 2010/2009

€2.1 billion in additional cost savings in 2008-2010 compared to 2007: breakdown by business sector



* NB €300m target set in July 2007

Energy-saving, innovation, environment-protecting.



2009 Results and Outlook for 2010

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