
PRESS RELEASE

Paris, April 26, 2017

First-quarter 2017 sales

€9,937 million
Robust organic growth of 7.6%

- Volumes up 6.0%, with a significant improvement in all Business Sectors and regions supported by a favorable calendar impact of around 3%
- Positive 1.6% price effect amid rising raw material and energy costs
- Slightly positive currency impact of 0.4%; positive Group structure impact of 0.8%

Pierre-André de Chalendar, Chairman and Chief Executive Officer of Saint-Gobain, commented:

“The first quarter saw robust trading. The good momentum in sales volumes observed in 2016 continued at the start of the year in all Business Sectors and regions. France benefited from the recovery in new-build activity, while other Western European countries delivered further growth. North America and emerging markets had a good start to the year. The Group continued to pursue its priorities, focusing particularly on sales prices amid a more inflationary backdrop. We confirm our target of a further like-for-like increase in operating income for the full year 2017.”

On a **like-for-like** basis **sales** rose 7.6%, driven by a clear improvement in **volumes** (up 6.0%) in all Business Sectors and regions, also supported by a favorable calendar impact of around 3%. Prices continued their rise from the second half of last year, up 1.6% over the quarter in a more inflationary cost environment. All of our regions were able to report a positive price impact, including France and North America.

On a reported basis, **sales** came in at **€9,937 million**. The **currency impact** was slightly positive, at 0.4%, mainly due to the depreciation of the euro against the Brazilian real and the US dollar, partly offset by the fall in the pound sterling.

The positive 0.8% **Group structure impact** primarily reflects acquisitions made in Asia and emerging countries (Emix, Solcrom), in new niche technologies and services (H-Old, Isonat, France Pare-Brise), and to further strengthen our positions in Building Distribution.

€m	Sales Q1 2016	Sales Q1 2017	Change on an actual structure basis	Change on a comparable structure basis	Like-for-like change
Sector and division:					
Innovative Materials^a	2,396	2,606	8.8%	8.0%	6.4%
<i>Flat Glass</i>	1,276	1,426	11.8%	10.9%	9.4%
<i>High-Performance Materials</i>	1,123	1,184	5.4%	4.7%	3.0%
Construction Products^a	2,797	3,104	11.0%	10.2%	8.6%
<i>Interior Solutions</i>	1,609	1,707	6.1%	6.2%	6.2%
<i>Exterior Solutions</i>	1,208	1,419	17.5%	15.6%	11.8%
Building Distribution	4,170	4,483	7.5%	6.9%	7.9%
<i>Internal sales and misc.</i>	-227	-256	---	---	---
Geographic area:					
France	2,514	2,637	4.9%	4.6%	4.6%
Other Western European countries	3,976	4,241	6.7%	5.9%	8.3%
North America	1,245	1,398	12.3%	12.3%	8.2%
Emerging countries and Asia	1,884	2,174	15.4%	13.7%	10.5%
<i>Internal sales</i>	-483	-513	---	---	---
Group Total	9,136	9,937	8.8%	8.0%	7.6%

^a Including inter-division eliminations.

Like-for-like performance of Group Business Sectors

Innovative Materials sales climbed 6.4%.

- **Flat Glass** continued to show upbeat growth, with sales up 9.4%, aided partly by the positive calendar impact and once again led by emerging countries in the construction and automotive segments. Brazil declined slightly in construction but was up noticeably in the automotive segment against a more favorable comparison basis. Construction activity improved in Europe mainly due to volumes, with the price effect also positive; automotive glass sales remained at a good level.
- **High-Performance Materials (HPM)** sales rose 3.0% driven solely by volumes. All businesses improved except Ceramics, which was impacted by the strong performance from refractories in the comparative period of 2016.

Construction Products (CP) sales grew 8.6%.

- **Interior Solutions** advanced 6.2%, with volume growth supported by a positive calendar impact, and an increase in prices in a strong cost inflation environment. Trading in Western Europe and in Asia and emerging countries improved both in terms of volumes and prices. North America also progressed.

- **Exterior Solutions** sales rose 11.8%. Exterior Products were boosted by a sharp rise in volumes owing mainly to stockpiling by distributors before the expected price rise and to favorable weather conditions in the US; prices stabilized over the quarter. Pipe sales grew slightly, helped by a rise in prices linked to the hike in raw material costs – particularly in China; volumes were hit once again by the lack of major export contracts. Mortars delivered robust growth in Western Europe and continued to be driven by good momentum in Asia and emerging countries.

Building Distribution sales were up 7.9%, including a favorable calendar impact of around 3%. Led by new-build activity, trading in France continued to recover and benefited from a price effect which moved back into slight positive territory. Nordic countries confirmed their dynamism, with both Norway and Sweden reporting strong growth. The UK maintained a good level of growth driven by prices, Spain and the Netherlands continued to deliver robust growth, while Germany posted a more modest rise. Tough macroeconomic conditions continued to affect Brazil.

Like-for-like analysis by region

France (up 4.6%) confirmed its improvement, benefiting from a dynamic new-build market and a positive calendar impact. Renovation remained hesitant. The price effect moved back into slight positive territory.

Other Western European countries (up 8.3%) delivered further growth, also helped by a favorable calendar impact. Good market conditions continued to benefit the Nordic countries and the UK, while Germany saw more moderate growth.

North America reported 8.2% sales growth led by construction. Industry was up slightly overall, despite contrasting trends between end-markets.

Asia and emerging countries continued on a strong trajectory, growing 10.5%. Trading was again robust in all regions, despite Brazil remaining slightly down.

2017 outlook

After a solid first quarter at a constant number of working days (the positive impact of around 3% will be reversed in the second quarter), the Group confirms its outlook for the full year 2017:

- France should continue to benefit from a gradual improvement, led by new-builds;
- Western Europe should deliver organic growth, despite less visibility in the UK;
- North America should continue to advance in construction markets, excluding the exceptional weather impacts of 2016;
- Asia and emerging countries should see robust growth.

The Group maintains its **priorities** as defined in February:

- its **focus on sales prices** amid a stronger uptick in inflation;
- its **cost savings program**, with the aim of unlocking additional savings of **around €270 million** (calculated on the 2016 cost base);
- its **capital expenditure** program (around €1,600 million in 2017), with a focus on growth capex outside Western Europe and also on productivity and digital transformation;
- its **commitment to invest in R&D** to support its differentiated, high value-added strategy;
- its **focus on high levels of free cash flow generation**.

In line with its February objective, **the Group is targeting a further like-for-like increase in operating income in 2017.**

Glossary:

Organic growth and like-for-like changes in sales and operating income reflect the Group's underlying performance excluding the impact of:

- changes in Group structure: indicators for the period concerned are calculated based on the scope of consolidation for the previous period (Group structure impact);
- changes in exchange rates: indicators for the period concerned and those for the previous period are calculated using exchange rates for the previous period (currency impact);
- changes in applicable accounting policies.

Operating income: see Note 3 to the financial statements in the 2016 registration document, available by clicking here: https://www.saint-gobain.com/sites/sgcom.master/files/ddr_2016_va.pdf

Free cash flow: cash flow from continuing operations excluding the tax impact of capital gains and losses on disposals, asset write-downs and material non-recurring provisions, less capital expenditure.

Capital expenditure: investments in property, plant and equipment.

Financial calendar

- Investor Day: *May 17, 2017.*
- First-half 2017 results: *July 27, 2017*, after closing of trading on the Paris Bourse.

Analyst/Investor relations		Press relations	
Vivien Dardel	+33 1 47 62 44 29	Charles Hufnagel	+33 1 47 62 30 10
Florent Nouveau	+33 1 47 62 30 93	Susanne Trabitersch	+33 1 47 62 43 25
Floriana Michalowska	+33 1 47 62 35 98		

A conference call will be held at 6:30pm (Paris time) on April 26, 2017: +33 1 70 77 09 47.

Important disclaimer – forward-looking statements:

This press release contains forward-looking statements with respect to Saint-Gobain's financial condition, results, business, strategy, plans and outlook. Forward-looking statements are generally identified by the use of the words "expect", "anticipate", "believe", "intend", "estimate", "plan" and similar expressions. Although Saint-Gobain believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions as at the time of publishing this document, investors are cautioned that these statements are not guarantees of its future performance. Actual results may differ materially from the forward-looking statements as a result of a number of known and unknown risks, uncertainties and other factors, many of which are difficult to predict and are generally beyond the control of Saint-Gobain, including but not limited to the risks described in Saint-Gobain's registration document available on its website (www.saint-gobain.com). Accordingly, readers of this document are cautioned against relying on these forward-looking statements. These forward-looking statements are made as of the date of this document. Saint-Gobain disclaims any intention or obligation to complete, update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

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