



PRESS
release

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2013 Investor meeting Medium-term strategy

Today, Saint-Gobain held a meeting for investors and financial analysts to discuss its medium-term strategy.

Three pillars help drive the Group's strategy

The Group's priority is to focus on high-growth, high value-added markets in habitat and industry.

- **Innovative Materials** constitute the locomotive of innovation of the Group, in particular thanks to their diversified markets in sustainable habitat and high-tech industrial applications, increasingly co-developed with our customers;
- **Construction Products** – whose differentiation versus commodity products continues to progress – are seeing their markets grow faster than GDP per capita in both mature and emerging countries. With leadership positions and strong brands, Construction Products have a balanced global presence and spearhead the Group's drive into newly emerging markets;
- **Building Distribution** with its deep knowledge of local markets, ingrained culture of customer focus and well-recognized brands, holds top-ranking positions on the growing renovation market and provides a strong accelerator for the Habitat strategy.

2013-2018 strategy

Saint-Gobain will continue to roll out its strategy over the next five years, focusing on three main areas:

- Improving the Group's growth potential by focusing more sharply on high value-added, asset-light activities; expanding its footprint in emerging countries; and further strengthening its business portfolio, particularly through the disposal of Verallia;
- Creating a stronger presence in differentiated products and solutions, with R&D efforts focused on local projects co-developed with its customers and on the fast-growing markets of sustainable habitat and industrial applications. Marketing initiatives will also be stepped up with an ambitious digital strategy and by the development of ever stronger brands;
- Continuing to work towards management's priorities of achieving operational excellence, with an additional cost savings plan over 2014-2015; further progress in Corporate Social Responsibility; attractive returns for shareholders; and a persistently solid financial structure.

This vision for Saint-Gobain development going forward is based on strategic leadership positions that will allow the Group to create value for its shareholders and be one of the strongest and best-positioned companies in materials and construction technologies.

2013-2018 strategic goals

For each of these strategic focuses, the Group has set itself the following goals over the next five years:

- 1) Strengthen the **Group's profile** to raise its potential for organic growth:
 - Reduce capital intensity in developed countries to 27%-29%
 - Focus investments outside Western Europe so that two-thirds of Innovative Materials and Construction Products industrial assets are located there
 - Complete the Group's business refocus by disposing of Verallia and stepping up small or mid-scale acquisitions: €4bn in acquisitions
 - Focus Building Distribution development on leadership positions

- 2) Increase the Group's focus on **differentiation**:
 - Concentrate R&D and marketing on local, co-developed innovations: +50% co-developments and partnerships
 - Improve internal differentiation ratio (to reach 53% of Group sales) and new solutions ratio (target 30% of Innovative Materials and Construction Products sales)
 - Step up development on highly innovative industrial markets to reach between €750m and €1bn in additional sales in new High-Performance Materials niche segments
 - Boost market demand for higher value-added solutions by supporting sustainable construction
 - Enhance the Group's online offer to reach over €1.5bn of sales, or 15% of Building Distribution sales, on the relevant markets in 2018, versus 5% currently
 - Better associate the Group's brands with innovation, with a 5 point increase in average brand awareness

- 3) Continue to work towards **management's priorities**:
 - Continuously seek operational excellence: €800m in additional cost savings in 2014-2015
 - Make further progress in the Corporate Social Responsibility area
 - Target attractive returns for shareholders
 - Maintain a solid financial structure

Discover all of the presentations on www.saint-gobain.com from 2:30pm onwards.

About Saint-Gobain

Saint-Gobain, the world leader in habitat markets, designs, manufactures and distributes high-performance building materials, bringing innovative solutions to meet today's global challenges, including growth, energy and the environment. With 2012 sales of €43.2 billion, Saint-Gobain operates in 64 countries and has nearly 193,000 employees. For more information about Saint-Gobain, please visit www.saint-gobain.com.

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