
PRESS RELEASE

Paris, February 22, 2018

2017 Results

Further strong progress in results

- Solid organic growth in all Business Sectors and regions (up 4.7%); acceleration in H2 (up 6.0%) and in Q4 (up 6.5%)
- Positive trends in sales prices, up 2.0%; acceleration in H2 (up 2.3%) and in Q4 (up 2.7%)
- Further rise in operating income, up 9.6% like-for-like, and in operating margin, up to 7.4% from 7.2%
- Further strong increase in recurring net income¹, up 16.7%
- Free cash flow² up 7.6% to €1,353 million
- Ahead of our strategic objectives, with €641 million in acquisitions and €290 million in cost savings
- Net debt at €5.95 billion (versus €5.64 billion at end-2016); buyback of 8.3 million shares during the year
- 2017 dividend up at €1.30 per share, to be paid wholly in cash

(€m)	2016	2017	Change	Change like-for-like
Sales	39,093	40,810	+4.4%	+4.7%
Operating income	2,818	3,028	+7.5%	+9.6%
Recurring net income¹	1,398	1,631	+16.7%	
Net attributable income	1,311	1,566	+19.5%	
Free cash flow²	1,258	1,353	+7.6%	

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

“Saint-Gobain’s robust growth and the acceleration in our performance over the course of the year illustrates the effectiveness of our strategy. All Business Sectors and regions contributed to this good set of results, especially France which confirmed its recovery. In line with our focus on pricing in an environment where inflation is increasing once again, sales prices rose significantly, particularly in the second half of the year. Cost savings, another priority for the Group, exceeded objectives at €290 million. The Group pursued its profitable growth strategy by stepping up both its financial investments, with 28 small and mid-sized acquisitions in the year, and its capital expenditure, with a focus on emerging countries, Industry 4.0, and digitalization, particularly in Building Distribution.

In 2018, we expect the economic climate to remain supportive. We will continue to implement our strategic objectives and are targeting a further like-for-like increase in operating income.”

1. Recurring net income: net attributable income excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions.

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

Operating performance

The Group's 2017 **sales** totaled **€40,810 million**, up 4.4% on a reported basis and **up 4.7% like-for-like**. Organic growth was driven both by higher volumes (up 2.7%) and higher prices (up 2.0%) in all Business Sectors and all regions, despite the adverse impact of the June 2017 cyber-attack. The price effect continued to grow (up 2.3% in the second half), against a backdrop of rising raw material and energy costs over the course of the year.

The **Group structure impact** added 0.9% to growth as the Group's stepped up its acquisitions with the consolidation of companies in Asia and emerging countries (Emix, Tumelero, Solcrom, Megaflex), in new niche technologies and services (H-Old, France Pare-Brise, Scotframe), and to consolidate our strong positions (Glava, Pietta Glass, SimTek, bolt-on acquisitions in Building Distribution).

However, overall growth was tempered by a negative 1.2% **currency effect** over the year (a negative 2.6% in the second half), mainly reflecting the depreciation of the pound sterling, US dollar and certain Asian and emerging country currencies against the euro.

The Group's operating margin¹ widened to 7.4% from 7.2% in 2016, with 7.7% for the second half (versus 7.4% in second-half 2016). There was a further like-for-like increase in operating income, up 12.4% in the second half, bringing growth over the full year to 9.6%.

The year was also marked by the cyber-attack on June 27; the Group was able to react swiftly not only to re-establish a return to normal in our operating activities, but also to reinforce our defenses. The impact on 2017 is estimated at a negative €80 million on operating income. Overall, around half of the impact of the cyber-attack concerned Building Distribution, while the rest concerned the Group's industrial businesses, particularly Construction Products. From a geographical perspective, Western European countries were the hardest hit, especially Nordic countries, Germany and France.

Capital expenditure increased to **€1.54 billion** in 2017 from €1.37 billion in 2016, and focused on growth capex outside Western Europe, Industry 4.0 and digitalization.

The Group achieved **€290 million in cost savings** compared to 2016, exceeding its objectives.

Free cash flow showed a clear improvement, up 7.6% to €1,353 million.

Operating working capital requirements remained stable at a good level of 28 days.

The Group stepped up its **acquisitions**, which represented over €500 million in full-year sales.

Legal proceedings initiated by Schenker-Winkler Holding to restore its voting rights are in progress. Saint-Gobain remains confident in the outcome of its plan to acquire a controlling interest in Sika.

Performance of Group Business Sectors

Innovative Materials sales climbed 5.3% like-for-like over the year and 6.5% in the second half. The operating margin for the Business Sector improved significantly, to 12.4% from 11.2%, spurred by both Flat Glass and High-Performance Materials.

- **Flat Glass** like-for-like sales increased 5.2% over the year (up 4.7% in the second half). Automotive glass advanced in all regions in terms of both sales and orders, bolstered in particular by strong momentum in Asia and emerging countries. Sales linked to the construction market in Western Europe improved, with float glass price trends stabilizing and higher prices for transformed glass in the second half; Asia and emerging countries continued to grow. Organic growth along with a positive price-cost spread for raw materials and energy drove a further rally in the operating margin, up to 10.1% from 9.1% in 2016.

1. Operating margin = Operating income expressed as a percentage of sales.

- **High-Performance Materials (HPM)** sales rose 5.8% on a like-for-like basis (up 9.2% in the second half), lifted by all regions and especially Asia and emerging countries. After a hesitant start to the year, North America saw good momentum in the second half. All HPM businesses reported growth over the year, particularly Ceramics on the back of strong sales in the second half. The operating margin continued to improve, up to 15.1% from 13.7% in 2016 driven by volumes, amid limited increases in raw material and energy costs.

Construction Products (CP) reported 6.2% organic growth, with 8.8% in the second half. The operating margin was 9.1% versus 9.3% in 2016, affected primarily by the timelag between pricing and cost increases, with however a more significant pricing effect at the end of the year.

- **Interior Solutions** like-for-like sales moved up 5.9% over the year and 7.6% in the second half, spurred by growth in Asia and emerging countries. Volumes continued to pick up in Western Europe and especially France. Trading in North America improved in the second half. Prices rose significantly, with an acceleration over the course of the year, but remained behind the sharp increase in raw material and energy costs. This led to a decline in the margin, at 9.5% in 2017 versus 10.3% in 2016.
- **Exterior Solutions** reported 6.7% organic growth in 2017, driven by an improvement in all businesses in the second half (up 10.1%) and particularly Exterior Products in the US. In the second half, this business benefited from additional weather-related demand in the US, whilst the pricing environment remained tough. Pipe began to recover, led by the rise in prices amid strong inflation in raw material costs; volumes were down over the year, hit by the lack of major export contracts, but stabilized in the second half thanks to the upturn in Brazil and the improvement in China. Mortars had a very good year, reporting an acceleration in growth in the second half thanks to Asia and emerging countries, with an improved performance in Brazil in a construction market that nevertheless remains uncertain. The operating margin moved up to 8.4% from 7.9% in 2016 despite raw material and energy cost inflation.

Building Distribution posted 3.6% organic growth for the year, with 4.1% in the second half. Trading in France continued to recover, led by good momentum in new-builds and the progress in renovation. Nordic countries enjoyed robust growth throughout the year, as did the Netherlands and Spain. The UK grew at the same rate in the second half as in the first half, with prices rising but volumes down. Germany and Brazil contracted slightly. The operating margin for 2017 remained stable at 3.4%, despite the impact of the cyber-attack and of the acceleration in digital investments, edging up to 4.1% in the second half (versus 4.0% in second-half 2016).

Analysis by region

- **France** confirmed its recovery over the year with 3.5% organic growth, including 4.8% in the second half buoyed by dynamic new-build activity and progress in renovation. The operating margin for 2017 widened, at 3.1% versus 2.9% in 2016.
- **Other Western European countries** saw like-for-like sales growth of 3.1%, with 3.6% growth in the second half. This reflects advances in all our countries with the exception of Germany which remains hesitant, affected by production transfers. The UK delivered further growth driven by prices, despite volumes settling and a lack of visibility. The operating margin was down, at 5.9% compared to 6.2% in 2016, hit by the impact of the cyber-attack which primarily affected this region, and by the rise in raw material and energy costs.
- **North America** improved, posting like-for-like growth of 6.0%, including 9.8% growth in the second half. Construction volumes continued to trend well, boosted namely by additional weather-related demand in the second half; industry also saw a good improvement overall. The price effect improved slightly in an inflationary cost environment. The operating margin gained ground, up to 11.3% from 10.5% in 2016.
- **Asia and emerging countries** continued to advance, posting robust organic growth of 9.2% led by all regions. Growth came in at 11.4% in the second half, driven by an improved performance in Brazil in particular. The operating margin continued to rise, up to 11.5% from 10.9% in 2016.

Analysis of the 2017 consolidated financial statements

The 2017 consolidated financial statements were approved and adopted by Saint-Gobain's Board of Directors at its meeting of February 22, 2018. The consolidated financial statements were audited and certified by the statutory auditors.

€m	2016 (A)	2017 (B)	% change (B)/(A)
Sales and ancillary revenue	39,093	40,810	4.4%
Operating income	2,818	3,028	7.5%
Operating depreciation and amortization	1,180	1,206	2.2%
EBITDA (operating income + operating depr./amort.)	3,998	4,234	5.9%
Non-operating costs	(312)	(337)	8.0%
Capital gains and losses on disposals, asset write-downs, corporate acquisition fees and earn-out payments	(202)	(180)	-10.9%
Business income	2,304	2,511	9.0%
Net financial expense	(541)	(448)	-17.2%
Income tax	(416)	(438)	5.3%
Share in net income of associates	5	0	n.m.
Net income before minority interests	1,352	1,625	20.2%
Minority interests	41	59	43.9%
Net attributable income	1,311	1,566	19.5%
Earnings per share² (in €)	2.36	2.84	20.3%
Recurring¹ net income	1,398	1,631	16.7%
Recurring¹ earnings per share² (in €)	2.53	2.96	17.0%
Cash flow from operations ³	2,749	3,020	9.9%
Cash flow from operations excluding capital gains tax⁴	2,628	2,891	10.0%
Capital expenditure ⁵	1,370	1,538	12.3%
Free cash flow⁶	1,258	1,353	7.6%
Investments in securities	362	641	77.1%
Net debt	5,644	5,955	5.5%

1. Recurring net income: net attributable income excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions.
2. Calculated based on the number of shares outstanding at December 31 (550,785,719 shares in 2017, versus 553,388,403 shares in 2016).
3. Cash flow from operations = operating cash flow excluding material non-recurring provisions.
4. Cash flow from operations excluding capital gains tax = (3) less the tax impact of capital gains and losses on disposals, asset write-downs and material non-recurring provisions.
5. Capital expenditure: investments in property, plant and equipment.
6. Free cash flow = (4) less capital expenditure.

Consolidated **sales** increased by 4.7% like-for-like, led by both volumes and prices. On a reported basis, sales were up 4.4% with a negative 1.2% **currency impact** (even stronger in the second half at -2.6%), due mainly to the depreciation of the pound sterling, US dollar and certain Asian and emerging country currencies against the euro. The positive 0.9% **Group structure impact** essentially reflects the consolidation of acquisitions made in Asia and emerging countries, in new niche technologies and services, and to consolidate our strong positions.

Operating income increased 7.5% on a reported basis despite a negative currency effect, and by 9.6% like-for-like. The operating margin stood at 7.4% of sales versus 7.2% of sales in 2016. **EBITDA** climbed 5.9% to €4,234 million, or 10.4% of sales (10.2% of sales in 2016).

Non-operating costs were higher at €337 million versus €312 million in 2016, with a decrease in restructuring costs but a rise in litigation-related expenses. Non-operating costs include a €90 million accrual to the provision for asbestos-related litigation involving CertainTeed in the US, unchanged from 2016.

The net balance of capital gains and losses on disposals, asset write-downs and corporate acquisition fees was an expense of €180 million compared to an expense of €202 million in 2016. In 2017, this item includes €237 million in asset write-downs and €57 million in gains on disposals of assets less acquisition fees. **Business income** rose 9.0%.

Net financial expense improved sharply, down 17.2% to €448 million from €541 million in 2016. This primarily reflects the decrease in the cost of gross debt to 2.8% at December 31, 2017 from 3.4% at end-2016.

The tax rate on recurring net income was 25% compared to 27% in 2016, owing mainly to items such as the reimbursement of the 3% tax on dividends in France. **Income tax expense** was €438 million versus €416 million in 2016, with the US tax reform resulting in a non-recurring gain of €91 million.

Recurring net income (excluding capital gains and losses, asset write-downs and material non-recurring provisions) jumped 16.7% to €1,631 million.

Net attributable income climbed 19.5% to €1,566 million in 2017.

Capital expenditure totaled €1,538 million (€1,370 million in 2016), representing 3.8% of sales (3.5% of sales in 2016).

Cash flow from operations improved, up 9.9% to €3,020 million (€2,749 million in 2016). Before the tax impact of capital gains and losses on disposals, asset write-downs and material non-recurring provisions, cash flow from operations climbed 10.0% to €2,891 million and **free cash flow** increased 7.6% to €1,353 million (3.3% of sales versus 3.2% of sales in 2016).

Operating working capital requirements (WCR) remained stable at a good level of 28 days' sales, a rise of €130 million in value terms (to €3,140 million).

Investments in securities picked up pace, at €641 million (€362 million in 2016), and relate to targeted acquisitions in Asia and emerging countries (Megaflex, Isoroc, Tumelero), in new niche technologies and services (TekBond, Maris, Scotframe), and to consolidate our strong positions (Glava, Biolink, Kirson, Wattex, SimTek, bolt-on acquisitions in Building Distribution).

Net debt rose to €5.95 billion from €5.64 billion, due mainly to the acceleration in acquisitions and to share buybacks for €403 million. Net debt represents 32% of consolidated equity, compared to 29% at December 31, 2016.

The net debt to EBITDA ratio remained stable at 1.4 at end-2017.

Update on asbestos claims in the US

Some 3,100 claims were filed against CertainTeed in 2017, down slightly on 2016. At the same time, around 3,900 claims were settled (versus 3,700 in 2016), bringing the total number of outstanding claims to around 34,300 at December 31, 2017, a decrease of around 800 compared to end-2016.

A total of USD 76 million in indemnity payments were made in the 12 months to December 31, 2017, compared to USD 97 million in 2016. In light of these trends and of the €90 million provision accrual in 2017, the total provision for CertainTeed's asbestos-related claims amounted to USD 555 million at December 31, 2017, compared to USD 562 million at December 31, 2016.

Dividend

At today's meeting, Compagnie de Saint-Gobain's Board of Directors decided to recommend to the June 7, 2018 Shareholders' Meeting to pay in cash an **increased dividend of €1.30 per share** (versus €1.26 in 2016), demonstrating once again our focus on shareholder returns in the context of our strong 2017 results and our confidence looking ahead. This dividend represents **44% of recurring net income** and a dividend yield of 2.8% based on the closing share price at December 29, 2017 (€45.98). The ex-dividend date has been set at June 11 and the dividend will be paid on June 13, 2018.

Strategic priorities and outlook

The Group continued to implement its strategic priorities in 2017:

- **€290 million in cost savings** versus 2016, ahead of our objectives, as part of the €1.2 billion cost reduction program for 2017-2020. Our focus on Industry 4.0 and digitalization is beginning to bear fruit;
- **28 acquisitions** of small and mid-sized companies for a total of **€641 million** and disposals for a total of €213 million, as part of the portfolio optimization strategy targeting €2 billion in acquisitions for 2017-2020;
- **8.3 million shares bought back** (€403 million) in line with long-term objectives, and 7 million shares cancelled, thereby reducing the number of outstanding shares to 550.8 million at December 31, 2017 (553.4 million at December 31, 2016).

In 2018, the Group should benefit from a supportive economic environment:

- further growth in **France**, led by the new-build market and by progress in renovation;
- progression in **other Western European countries**, despite continued uncertainty in the UK;
- growth in **North America**, in both construction markets and industry;
- good momentum in **Asia and emerging countries**.

For 2018, the Group expects the following for its Business Sectors:

- continued growth and a good margin level in **Innovative Materials**;
- better volumes and prices, focus on the price-cost spread in **Construction Products**;
- **Building Distribution** should benefit from volume growth in Western Europe.

Saint-Gobain will continue its disciplined approach to cash management and financial strength. In particular, it will pursue:

- its **focus on sales prices** amid continued inflationary pressure on costs;
- its **cost savings program**, with the aim of unlocking additional savings of around **€300 million** (calculated on the 2017 cost base);
- its **capital expenditure** program of around €1.7 billion (representing around 4% of sales, in line with our objectives), with a focus on growth capex outside Western Europe and also on productivity (Industry 4.0) and digital transformation, particularly in Building Distribution;
- 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**.

The Group is targeting a further like-for-like increase in operating income in 2018.

Financial calendar

- An information meeting for analysts and investors will be held at 8:30am (GMT+1) on February 23, 2018 and will be broadcast live on www.saint-gobain.com/en/full-year-2017-results
- Sales for the first quarter of 2018: April 26, 2018, after close of trading on the Paris Bourse.
- First-half 2018 results: July 26, 2018, after close of trading on the Paris Bourse.

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

- changes in Group structure, by calculating indicators for the year under review based on the scope of consolidation of the previous year (Group structure impact);
- changes in foreign exchange rates, by calculating the indicators for the year under review and those for the previous year based on identical foreign exchange rates for the previous year (currency impact);
- changes in applicable accounting policies.

All indicators contained in this press release (not defined in the footnotes) are explained in the notes to the 2017 consolidated financial statements, available by clicking here: www.saint-gobain.com/en/full-year-2017-results

The glossary below shows the note of the financial statements in which you can find an explanation of each indicator.

Glossary:

Cash flow from operations	Note 3
Net debt	Note 8
EBITDA	Note 3
Non-operating costs	Note 3
Operating income	Note 3
Net financial expense	Note 8
Recurring net income	Note 3
Business income	Note 3

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.

This press release does not constitute any offer of purchase or exchange, nor any solicitation of an offer to sell or exchange securities of Saint-Gobain.

For any further information, please visit www.saint-gobain.com.

Appendix 1: Results by business sector and geographic area - Full Year

I. SALES	2016 (in EUR m)	2017 (in EUR m)	Change on an actual structure basis	Change on a comparable structure basis	Like-for-like change
by sector and division:					
Innovative Materials¹	9,857	10,383	+5.3%	+4.4%	+5.3%
<i>Flat Glass</i>	5,364	5,672	+5.7%	+4.7%	+5.2%
<i>High-Performance Materials</i>	4,507	4,738	+5.1%	+4.3%	+5.8%
Construction Products¹	11,921	12,624	+5.9%	+4.7%	+6.2%
<i>Interior Solutions</i>	6,583	6,884	+4.6%	+3.9%	+5.9%
<i>Exterior Solutions</i>	5,423	5,834	+7.6%	+5.7%	+6.7%
Building Distribution	18,248	18,800	+3.0%	+2.4%	+3.6%
<i>Internal sales and misc.</i>	-933	-997	n.m.	n.m.	n.m.
Group Total	39,093	40,810	+4.4%	+3.5%	+4.7%

¹ including inter-division eliminations.

by geographic area:					
France	10,225	10,600	+3.7%	+3.5%	+3.5%
Other Western European countries	17,292	17,611	+1.8%	+1.1%	+3.1%
North America	5,198	5,418	+4.2%	+4.1%	+6.0%
Emerging countries and Asia	8,281	9,166	+10.7%	+8.3%	+9.2%
<i>Internal sales</i>	-1,903	-1,985	n.m.	n.m.	n.m.
Group Total	39,093	40,810	+4.4%	+3.5%	+4.7%

II. OPERATING INCOME	2016 (in EUR m)	2017 (in EUR m)	Change on an actual structure basis	2016 (in % of sales)	2017 (in % of sales)
by sector and division:					
Innovative Materials	1,106	1,286	+16.3%	+11.2%	+12.4%
<i>Flat Glass</i>	490	571	+16.5%	+9.1%	+10.1%
<i>High-Performance Materials</i>	616	715	+16.1%	+13.7%	+15.1%
Construction Products	1,106	1,143	+3.3%	+9.3%	+9.1%
<i>Interior Solutions</i>	675	652	-3.4%	+10.3%	+9.5%
<i>Exterior Solutions</i>	431	491	+13.9%	+7.9%	+8.4%
Building Distribution	616	631	+2.4%	+3.4%	+3.4%
Misc.	-10	-32	n.m.	n.m.	n.m.
Group Total	2,818	3,028	+7.5%	+7.2%	+7.4%

by geographic area:					
France	301	331	+10.0%	+2.9%	+3.1%
Other Western European countries	1,072	1,034	-3.5%	+6.2%	+5.9%
North America	544	611	+12.3%	+10.5%	+11.3%
Emerging countries and Asia	901	1,052	+16.8%	+10.9%	+11.5%
Group Total	2,818	3,028	+7.5%	+7.2%	+7.4%

III. BUSINESS INCOME	2016 (in EUR m)	2017 (in EUR m)	Change on an actual structure basis	2016 (in % of sales)	2017 (in % of sales)
by sector and division:					
Innovative Materials	901	1,188	+31.9%	+9.1%	+11.4%
<i>Flat Glass</i>	426	580	+36.2%	+7.9%	+10.2%
<i>High-Performance Materials</i>	475	608	+28.0%	+10.5%	+12.8%
Construction Products	941	950	+1.0%	+7.9%	+7.5%
<i>Interior Solutions</i>	555	556	+0.2%	+8.4%	+8.1%
<i>Exterior Solutions</i>	386	394	+2.1%	+7.1%	+6.8%
Building Distribution	552	493	-10.7%	+3.0%	+2.6%
Misc. ^(a)	-90	-120	n.m.	n.m.	n.m.
Group Total	2,304	2,511	+9.0%	+5.9%	+6.2%

by geographic area:					
France	252	187	-25.8%	+2.5%	+1.8%
Other Western European countries	980	865	-11.7%	+5.7%	+4.9%
North America ^(a)	249	388	+55.8%	+4.8%	+7.2%
Emerging countries and Asia	823	1,071	+30.1%	+9.9%	+11.7%
Group Total	2,304	2,511	+9.0%	+5.9%	+6.2%

^(a) after asbestos-related charge (before tax) of €90m in 2016 and in 2017

IV. CASH FLOW	2016	2017	Change on an	2016	2017
	(in EUR m)	(in EUR m)	actual	(in % of sales)	(in % of sales)
			structure basis		
by sector and division:					
Innovative Materials	1,031	1,188	+15.2%	+10.5%	+11.4%
<i>Flat Glass</i>	501	583	+16.4%	+9.3%	+10.3%
<i>High-Performance Materials</i>	530	605	+14.2%	+11.8%	+12.8%
Construction Products	899	1,015	+12.9%	+7.5%	+8.0%
Building Distribution	519	653	+25.8%	+2.8%	+3.5%
Misc. ^(b)	300	164	n.m.	n.m.	n.m.
Group Total	2,749	3,020	+9.9%	+7.0%	+7.4%

by geographic area:					
France	316	397	+25.6%	+3.1%	+3.7%
Other Western European countries	1,060	1,026	-3.2%	+6.1%	+5.8%
North America ^(b)	412	554	+34.5%	+7.9%	+10.2%
Emerging countries and Asia	961	1,043	+8.5%	+11.6%	+11.4%
Group Total	2,749	3,020	+9.9%	+7.0%	+7.4%

^(b) after asbestos-related charge (after tax) of €55m in 2016 and in 2017

V. CAPITAL EXPENDITURE	2016	2017	Change on an	2016	2017
	(in EUR m)	(in EUR m)	actual	(in % of sales)	(in % of sales)
			structure basis		
by sector and division:					
Innovative Materials	573	660	+15.2%	+5.8%	+6.4%
<i>Flat Glass</i>	375	468	+24.8%	+7.0%	+8.3%
<i>High-Performance Materials</i>	198	192	-3.0%	+4.4%	+4.1%
Construction Products	515	582	+13.0%	+4.3%	+4.6%
<i>Interior Solutions</i>	337	374	+11.0%	+5.1%	+5.4%
<i>Exterior Solutions</i>	178	208	+16.9%	+3.3%	+3.6%
Building Distribution	245	251	+2.4%	+1.3%	+1.3%
Misc.	37	45	n.m.	n.m.	n.m.
Group Total	1,370	1,538	+12.3%	+3.5%	+3.8%

by geographic area:					
France	262	293	+11.8%	+2.6%	+2.8%
Other Western European countries	387	431	+11.4%	+2.2%	+2.4%
North America	203	201	-1.0%	+3.9%	+3.7%
Emerging countries and Asia	518	613	+18.3%	+6.3%	+6.7%
Group Total	1,370	1,538	+12.3%	+3.5%	+3.8%

VI. EBITDA	2016	2017	Change on an	2016	2017
	(in EUR m)	(in EUR m)	actual	(in % of sales)	(in % of sales)
			structure basis		
by sector and division:					
Innovative Materials	1,539	1,733	+12.6%	+15.6%	+16.7%
<i>Flat Glass</i>	762	851	+11.7%	+14.2%	+15.0%
<i>High-Performance Materials</i>	777	882	+13.5%	+17.2%	+18.6%
Construction Products	1,567	1,609	+2.7%	+13.1%	+12.7%
<i>Interior Solutions</i>	982	953	-3.0%	+14.9%	+13.8%
<i>Exterior Solutions</i>	585	656	+12.1%	+10.8%	+11.2%
Building Distribution	870	892	+2.5%	+4.8%	+4.7%
Misc.	22	0	n.m.	n.m.	n.m.
Group Total	3,998	4,234	+5.9%	+10.2%	+10.4%

by geographic area:					
France	587	624	+6.3%	+5.7%	+5.9%
Other Western European countries	1,438	1,398	-2.8%	+8.3%	+7.9%
North America	717	777	+8.4%	+13.8%	+14.3%
Emerging countries and Asia	1,256	1,435	+14.3%	+15.2%	+15.7%
Group Total	3,998	4,234	+5.9%	+10.2%	+10.4%

Appendix 2: Results by business sector and geographic area - 2nd Half

I. SALES	H2 2016 (in EUR m)	H2 2017 (in EUR m)	Change on an actual structure basis	Change on a comparable structure basis	Like-for-like change
by sector and division:					
Innovative Materials¹	4,945	5,141	+4.0%	+2.9%	+6.5%
<i>Flat Glass</i>	2,708	2,807	+3.7%	+2.7%	+4.7%
<i>High-Performance Materials</i>	2,243	2,351	+4.8%	+3.8%	+9.2%
Construction Products¹	5,913	6,295	+6.5%	+4.8%	+8.8%
<i>Interior Solutions</i>	3,286	3,467	+5.5%	+4.2%	+7.6%
<i>Exterior Solutions</i>	2,670	2,876	+7.7%	+5.5%	+10.1%
Building Distribution	9,144	9,456	+3.4%	+2.9%	+4.1%
<i>Internal sales and misc.</i>	-458	-491	n.m.	n.m.	n.m.
Group Total	19,544	20,401	+4.4%	+3.4%	+6.0%

¹ including inter-division eliminations.

by geographic area:	H2 2016 (in EUR m)	H2 2017 (in EUR m)	Change on an actual structure basis	Change on a comparable structure basis	Like-for-like change
France	4,955	5,202	+5.0%	+4.8%	+4.8%
Other Western European countries	8,632	8,875	+2.8%	+2.1%	+3.6%
North America	2,524	2,594	+2.8%	+2.5%	+9.8%
Emerging countries and Asia	4,325	4,709	+8.9%	+6.3%	+11.4%
<i>Internal sales</i>	-892	-979	n.m.	n.m.	n.m.
Group Total	19,544	20,401	+4.4%	+3.4%	+6.0%

II. OPERATING INCOME	H2 2016 (in EUR m)	H2 2017 (in EUR m)	Change on an actual structure basis	H2 2016 (in % of sales)	H2 2017 (in % of sales)
by sector and division:					
Innovative Materials	554	643	+16.1%	+11.2%	+12.5%
<i>Flat Glass</i>	256	287	+12.1%	+9.5%	+10.2%
<i>High-Performance Materials</i>	298	356	+19.5%	+13.3%	+15.1%
Construction Products	542	557	+2.8%	+9.2%	+8.8%
<i>Interior Solutions</i>	340	315	-7.4%	+10.3%	+9.1%
<i>Exterior Solutions</i>	202	242	+19.8%	+7.6%	+8.4%
Building Distribution	363	383	+5.5%	+4.0%	+4.1%
<i>Misc.</i>	-9	-20	n.m.	n.m.	n.m.
Group Total	1,450	1,563	+7.8%	+7.4%	+7.7%

by geographic area:	H2 2016 (in EUR m)	H2 2017 (in EUR m)	Change on an actual structure basis	H2 2016 (in % of sales)	H2 2017 (in % of sales)
France	177	198	+11.9%	+3.6%	+3.8%
Other Western European countries	559	513	-8.2%	+6.5%	+5.8%
North America	234	277	+18.4%	+9.3%	+10.7%
Emerging countries and Asia	480	575	+19.8%	+11.1%	+12.2%
Group Total	1,450	1,563	+7.8%	+7.4%	+7.7%

III. BUSINESS INCOME	H2 2016 (in EUR m)	H2 2017 (in EUR m)	Change on an actual structure basis	H2 2016 (in % of sales)	H2 2017 (in % of sales)
by sector and division:					
Innovative Materials	439	608	+38.5%	+8.9%	+11.8%
<i>Flat Glass</i>	249	308	+23.7%	+9.2%	+11.0%
<i>High-Performance Materials</i>	190	300	+57.9%	+8.5%	+12.8%
Construction Products	413	393	-4.8%	+7.0%	+6.2%
<i>Interior Solutions</i>	236	235	-0.4%	+7.2%	+6.8%
<i>Exterior Solutions</i>	177	158	-10.7%	+6.6%	+5.5%
Building Distribution	333	257	-22.8%	+3.6%	+2.7%
<i>Misc. (a)</i>	-37	-53	n.m.	n.m.	n.m.
Group Total	1,148	1,205	+5.0%	+5.9%	+5.9%

by geographic area:	H2 2016 (in EUR m)	H2 2017 (in EUR m)	Change on an actual structure basis	H2 2016 (in % of sales)	H2 2017 (in % of sales)
France	162	69	-57.4%	+3.3%	+1.3%
Other Western European countries	515	394	-23.5%	+6.0%	+4.4%
North America (a)	23	146	+534.8%	+0.9%	+5.6%
Emerging countries and Asia	448	596	+33.0%	+10.4%	+12.7%
Group Total	1,148	1,205	+5.0%	+5.9%	+5.9%

(a) after asbestos-related charge (before tax) of €45m in H2-2016 and in H2-2017

IV. CASH FLOW	H2 2016 (in EUR m)	H2 2017 (in EUR m)	Change on an actual structure basis	H2 2016 (in % of sales)	H2 2017 (in % of sales)
by sector and division:					
Innovative Materials	529	596	+12.7%	+10.7%	+11.6%
<i>Flat Glass</i>	247	259	+4.9%	+9.1%	+9.2%
<i>High-Performance Materials</i>	282	337	+19.5%	+12.6%	+14.3%
Construction Products	479	509	+6.3%	+8.1%	+8.1%
Building Distribution	328	410	+25.0%	+3.6%	+4.3%
Misc. ^(b)	153	98	n.m.	n.m.	n.m.
Group Total	1,489	1,613	+8.3%	+7.6%	+7.9%
by geographic area:					
France	227	286	+26.0%	+4.6%	+5.5%
Other Western European countries	555	481	-13.3%	+6.4%	+5.4%
North America ^(b)	201	301	+49.8%	+8.0%	+11.6%
Emerging countries and Asia	506	545	+7.7%	+11.7%	+11.6%
Group Total	1,489	1,613	+8.3%	+7.6%	+7.9%

^(b) after asbestos-related charge (after tax) of €28m in H2-2016 and in H2-2017

V. CAPITAL EXPENDITURE	H2 2016 (in EUR m)	H2 2017 (in EUR m)	Change on an actual structure basis	H2 2016 (in % of sales)	H2 2017 (in % of sales)
by sector and division:					
Innovative Materials	397	499	+25.7%	+8.0%	+9.7%
<i>Flat Glass</i>	273	366	+34.1%	+10.1%	+13.0%
<i>High-Performance Materials</i>	124	133	+7.3%	+5.5%	+5.7%
Construction Products	351	425	+21.1%	+5.9%	+6.8%
<i>Interior Solutions</i>	226	275	+21.7%	+6.9%	+7.9%
<i>Exterior Solutions</i>	125	150	+20.0%	+4.7%	+5.2%
Building Distribution	176	159	-9.7%	+1.9%	+1.7%
Misc.	18	28	n.m.	n.m.	n.m.
Group Total	942	1,111	+17.9%	+4.8%	+5.4%
by geographic area:					
France	181	203	+12.2%	+3.7%	+3.9%
Other Western European countries	279	313	+12.2%	+3.2%	+3.5%
North America	122	136	+11.5%	+4.8%	+5.2%
Emerging countries and Asia	360	459	+27.5%	+8.3%	+9.7%
Group Total	942	1,111	+17.9%	+4.8%	+5.4%

VI. EBITDA	H2 2016 (in EUR m)	H2 2017 (in EUR m)	Change on an actual structure basis	H2 2016 (in % of sales)	H2 2017 (in % of sales)
by sector and division:					
Innovative Materials	771	864	+12.1%	+15.6%	+16.8%
<i>Flat Glass</i>	393	425	+8.1%	+14.5%	+15.1%
<i>High-Performance Materials</i>	378	439	+16.1%	+16.9%	+18.7%
Construction Products	772	791	+2.5%	+13.1%	+12.6%
<i>Interior Solutions</i>	491	465	-5.3%	+14.9%	+13.4%
<i>Exterior Solutions</i>	281	326	+16.0%	+10.5%	+11.3%
Building Distribution	490	514	+4.9%	+5.4%	+5.4%
Misc.	8	-6	n.m.	n.m.	n.m.
Group Total	2,041	2,163	+6.0%	+10.4%	+10.6%
by geographic area:					
France	322	345	+7.1%	+6.5%	+6.6%
Other Western European countries	741	694	-6.3%	+8.6%	+7.8%
North America	318	357	+12.3%	+12.6%	+13.8%
Emerging countries and Asia	660	767	+16.2%	+15.3%	+16.3%
Group Total	2,041	2,163	+6.0%	+10.4%	+10.6%

Appendix 3: Sales by business sector and geographic area - Fourth Quarter

SALES	Q4 2016 (in EUR m)	Q4 2017 (in EUR m)	Change on an actual structure basis	Change on a comparable structure basis	Like-for-like change
by sector and division:					
Innovative Materials¹	2,506	2,596	+3.6%	+2.6%	+6.8%
<i>Flat Glass</i>	1,377	1,425	+3.5%	+2.7%	+4.8%
<i>High-Performance Materials</i>	1,132	1,179	+4.2%	+3.0%	+9.8%
Construction Products¹	2,886	3,112	+7.8%	+5.4%	+10.2%
<i>Interior Solutions</i>	1,646	1,771	+7.6%	+5.1%	+8.9%
<i>Exterior Solutions</i>	1,263	1,366	+8.2%	+5.7%	+11.8%
Building Distribution	4,625	4,781	+3.4%	+2.9%	+4.0%
<i>Internal sales and misc.</i>	-230	-249	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>
Group Total	9,787	10,240	+4.6%	+3.4%	+6.5%

¹ including inter-division eliminations.

by geographic area:					
France	2,565	2,725	+6.2%	+6.0%	+6.0%
Other Western European countries	4,240	4,395	+3.7%	+2.4%	+3.8%
North America	1,224	1,239	+1.2%	+0.8%	+10.3%
Emerging countries and Asia	2,190	2,375	+8.4%	+5.9%	+12.0%
<i>Internal sales</i>	-432	-494	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>
Group Total	9,787	10,240	+4.6%	+3.4%	+6.5%

Appendix 4: Consolidated balance sheet

<i>in € million</i>	Dec. 31, 2016	Dec. 31, 2017
Assets		
Goodwill	10,669	10,575
Other intangible assets	2,662	2,603
Property, plant and equipment	11,654	11,590
Investments in equity-accounted companies	376	379
Deferred tax assets	1,188	938
Other non-current assets	710	774
Non-current assets	27,259	26,859
Inventories	5,875	6,041
Trade accounts receivable	4,935	5,134
Current tax receivable	445	204
Other receivables	1,515	1,395
Cash and cash equivalents	3,738	3,284
Current assets	16,508	16,058
Total assets	43,767	42,917
Equity and Liabilities		
Capital stock	2,221	2,214
Additional paid-in capital and legal reserve	6,090	5,944
Retained earnings and consolidated net income	11,078	12,167
Cumulative translation adjustments	(743)	(1,756)
Fair value reserves	191	22
Treasury stock	(72)	(123)
Shareholders' equity	18,765	18,468
Minority interests	375	384
Total equity	19,140	18,852
Non-current portion of long-term debt	6,959	7,655
Provisions for pensions and other employee benefits	3,615	2,927
Deferred tax liabilities	363	427
Other non-current liabilities and provisions	1,242	1,053
Non-current liabilities	12,179	12,062
Current portion of long-term debt	1,835	1,064
Current portion of other liabilities and provisions	436	412
Trade accounts payable	5,805	6,027
Current tax liabilities	148	157
Other payables	3,636	3,823
Short-term debt and bank overdrafts	588	520
Current liabilities	12,448	12,003
Total equity and liabilities	43,767	42,917

Appendix 5: Consolidated cash flow statement

(in € million)

	2016	2017
Net income of operations attributable to equity holders of the parent	1,311	1,566
Minority interests in net income	41	59
Share in net income of associates, net of dividends received	(20)	(13)
Depreciation, amortization and impairment of assets	1,369	1,442
Gains and losses on disposals of assets	2	(46)
Unrealized gains and losses arising from changes in fair value and share-based payments	42	16
Changes in inventories	(173)	(348)
Changes in trade accounts receivable and payable, and other accounts receivable and payable	72	139
Changes in tax receivable and payable	(135)	236
Changes in deferred taxes and provisions for other liabilities and charges	(544)	(286)
Net cash from operating activities	1,965	2,765
Purchases of property, plant and equipment [in 2016: (1,370), in 2017: (1,538)] and intangible assets	(1,521)	(1,722)
Acquisitions of property, plant and equipment in finance leases	(21)	(15)
Increase (decrease) in amounts due to suppliers of fixed assets	24	99
Acquisitions of shares in consolidated companies [in 2016: (252), in 2017: (553)], net of debt acquired	(266)	(588)
Acquisitions of other investments	(110)	(84)
Increase in investment-related liabilities	15	17
Decrease in investment-related liabilities	(9)	(42)
Investments	(1,888)	(2,335)
Disposals of property, plant and equipment and intangible assets	85	183
Disposals of shares in consolidated companies, net of net debt divested	39	4
Disposals of other investments and other divestments	1	1
Divestments	125	188
Increase in loans and deposits	(144)	(183)
Decrease in loans and deposits	150	186
Net cash from (used in) investment and divestment activities	(1,757)	(2,144)
Issues of capital stock	149	187
(Increase) decrease in treasury stock	(418)	(406)
Dividends paid	(680)	(693)
Minority interests' share in capital increases of subsidiaries	2	7
Increase (decrease) in investment-related liabilities (put on minority interests)	(13)	(36)
Acquisitions of minority interests (without gain of control)	0	(4)
Disposals of minority interests (without loss of control)	0	25
Dividends paid to minority shareholders of consolidated subsidiaries	(31)	(27)
Changes in dividends payable	0	(11)
Net cash from (used in) financing activities	(991)	(958)
Net effect of exchange rate changes on net debt	25	22
Net effect from changes in fair value on net debt	(89)	4
Increase (decrease) in net debt	(847)	(311)
Net debt at beginning of period	(4,797)	(5,644)
Net debt at end of period	(5,644)	(5,955)

Appendix 6: Debt at December 31, 2017

Amounts in €bn	Comments	
Amount and structure of net debt	€bn	
Gross debt	9.3	At end of December 2017 85% of gross debt was at fixed interest rates and the average cost of gross debt was 2.8%
Cash & cash equivalents	3.3	
Net debt	6.0	
Breakdown of gross debt	9.3	
Bond debt and perpetual notes	7.8	
March 2018	0.1	(NOK 0.8bn)
October 2018	0.7	
September 2019	0.9	
March 2020	1.0	
June 2021	0.8	
March 2022	0.9	
October 2022	0.1	
After June 2022	3.3	
Other long-term debt	0.7	(including EUR 0.4bn long-term securitization)
Short-term debt	0.8	<i>(excluding bonds)</i>
Negotiable European Commercial Paper (NEU CP)	0.0	Maximum amount of issuance program: EUR 3bn
Securitization of trade receivables	0.3	(EUR 0.2bn equivalent in USD + EUR 0.1bn)
Local debt and accrued interest	0.5	Frequent rollover; many different sources of financing
Credit lines, cash & cash equivalents	7.3	
Cash and cash equivalents	3.3	
Back-up credit-lines	4.0	See breakdown below
Breakdown of back-up credit lines	4.0	

All lines are confirmed and undrawn, with no Material Adverse Change (MAC) clause

	Expiry	Financial Covenants
Syndicated line: €2.5bn	December 2022	None
Syndicated line: €1.5bn	December 2022	None

Appendix 7: External sales by business sector and geographic area

FY 2017, in % of total sales

	Innovative Materials	Construction Products	Building Distribution	Total
France	2.6%	3.1%	19.0%	24.7%
Germany - Austria	2.3%	2.1%	4.6%	9.0%
United Kingdom - Ireland	0.7%	2.2%	7.4%	10.3%
Nordics	0.6%	2.0%	10.1%	12.7%
Other Western European countries	2.9%	3.1%	3.4%	9.4%
North America	4.8%	8.0%	-	12.8%
Latin America	3.5%	2.0%	1.1%	6.6%
Asia	4.9%	3.1%	-	8.0%
Eastern Europe	2.5%	1.9%	0.5%	4.9%
Middle East & Africa	0.2%	1.4%	-	1.6%
Total	25.0%	28.9%	46.1%	100.0%