



2014 Results and Outlook

February 26, 2015



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2014 HIGHLIGHTS



SAINT-GOBAIN

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2014 KEY FIGURES

<i>Amounts in €m</i>	2013*	2014	2014/ 2013*	2014/ 2013* like-for-like** excluding VNA
Sales	41,761	41,054	-1.7%	+2.2%
EBITDA	4,161	4,151	-0.2%	+3.9%
Operating income	2,754	2,797	+1.6%	+7.0%
Recurring*** net income	1,027	1,103	+7.4%	
Net income	595	953	+60.2%	
Free cash flow****	1,176	1,002	-14.8%	
Net debt	7,513	7,221	-3.9%	

* 2013: restated in line with IFRS 10-11 and IFRIC 21 (for the half-year analysis)

** like-for-like (comparable structure and exchange rates)

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

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

2014: CONTRASTING TRENDS IN OUR MARKETS



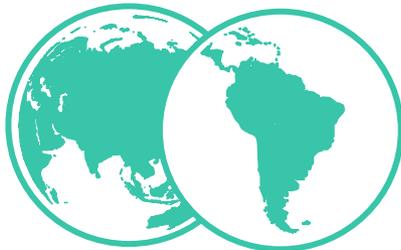
WESTERN EUROPE

- » **Growth** driven by the UK and to a lesser extent by Scandinavia
- » **Downturn** in Germany in the second half
- » Continued **tough** conditions in France



NORTH AMERICA

- » **Good momentum** in construction markets, with the exception of Roofing
- » **Significant improvement** in industrial markets



ASIA AND EMERGING COUNTRIES

- » **Resilient**, with a slowdown in Brazil and, in the second half, in certain Eastern European countries

2014: OPERATING INCOME UP 7% LIKE-FOR-LIKE EXCLUDING VNA

- » All Business Sectors and Divisions delivered **organic sales growth**:
 - **Volumes up 1.1%**
 - **Further increase in sales prices, up 1.1%**, in a less inflationary environment
- » **Additional cost savings of €450m in 2014** compared to 2013, in line with our objective
- » **Capex** held in check, at **€1.4bn**
- » **60% jump in net income**, despite asset write-downs totaling €802m
- » Further reduction in **net debt**

2014: ACCELERATION IN THE ROLL-OUT OF OUR STRATEGY

- » Deconsolidation of **Verallia North America** on April 11, 2014, generating a **€375m capital gain**
- » Announcement of the **plan to sell the Packaging Business Sector**
- » **Signature of an agreement to acquire a controlling interest in Sika**

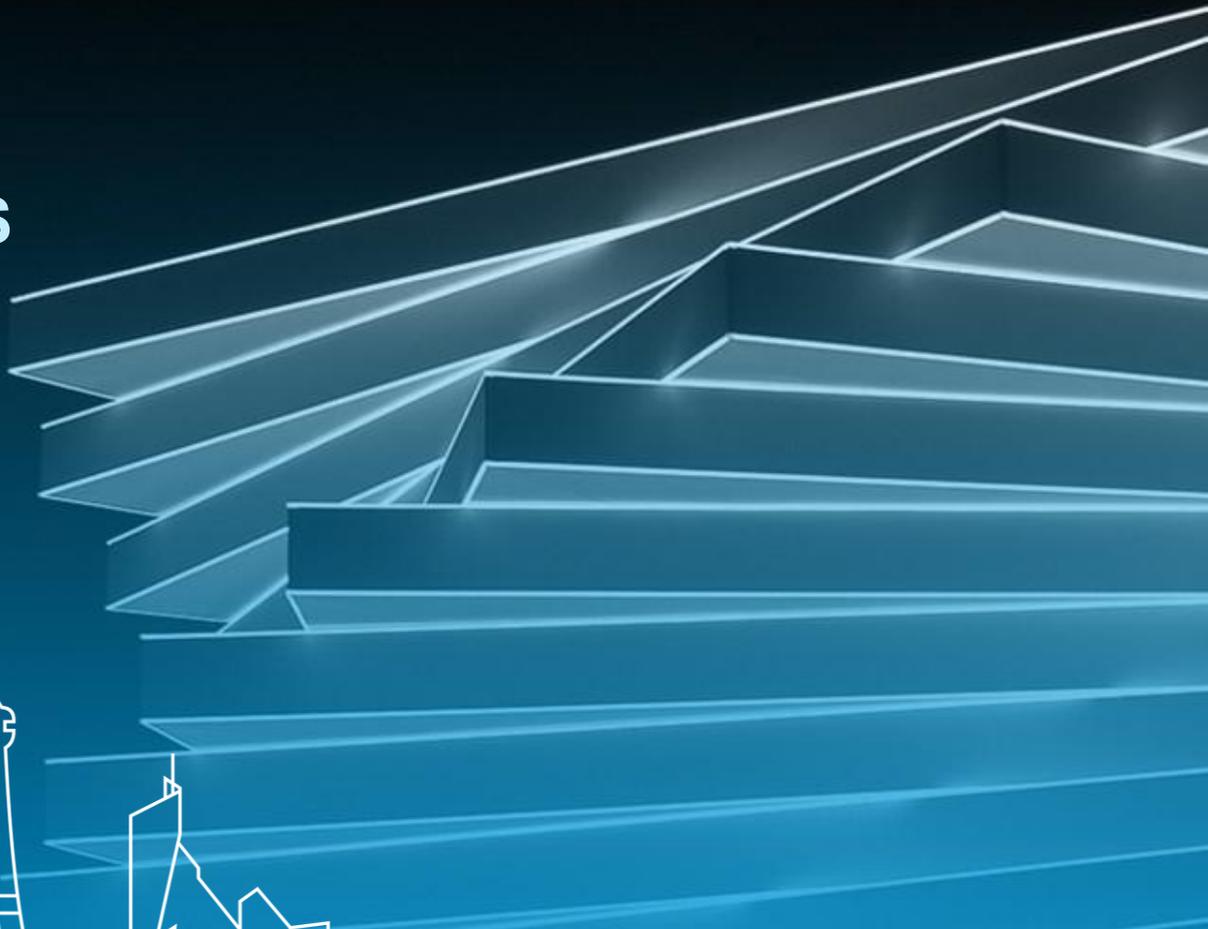
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2014 RESULTS

GROUP

BUSINESS SECTORS

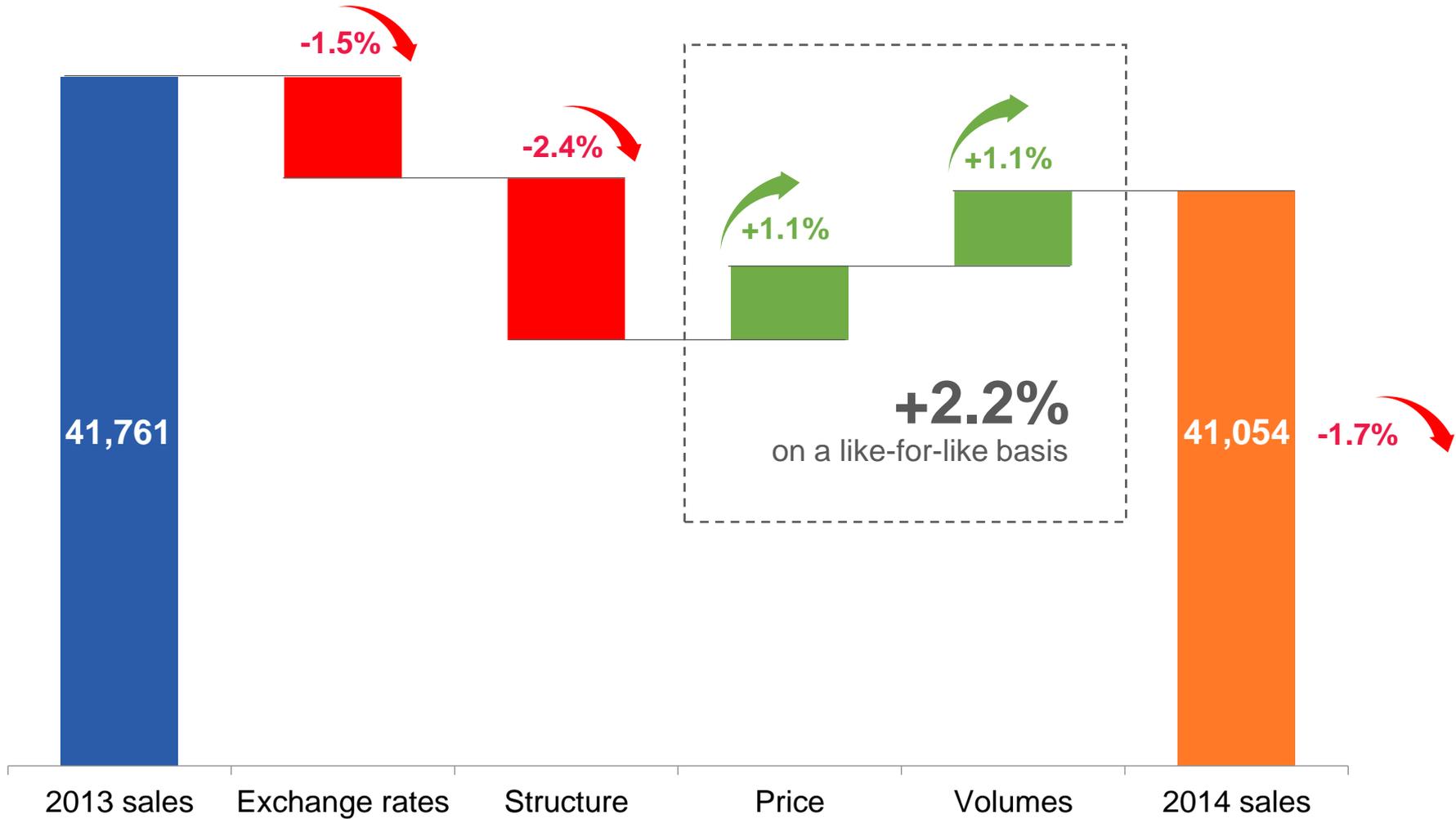
GEOGRAPHIC AREAS



SAINT-GOBAIN
350

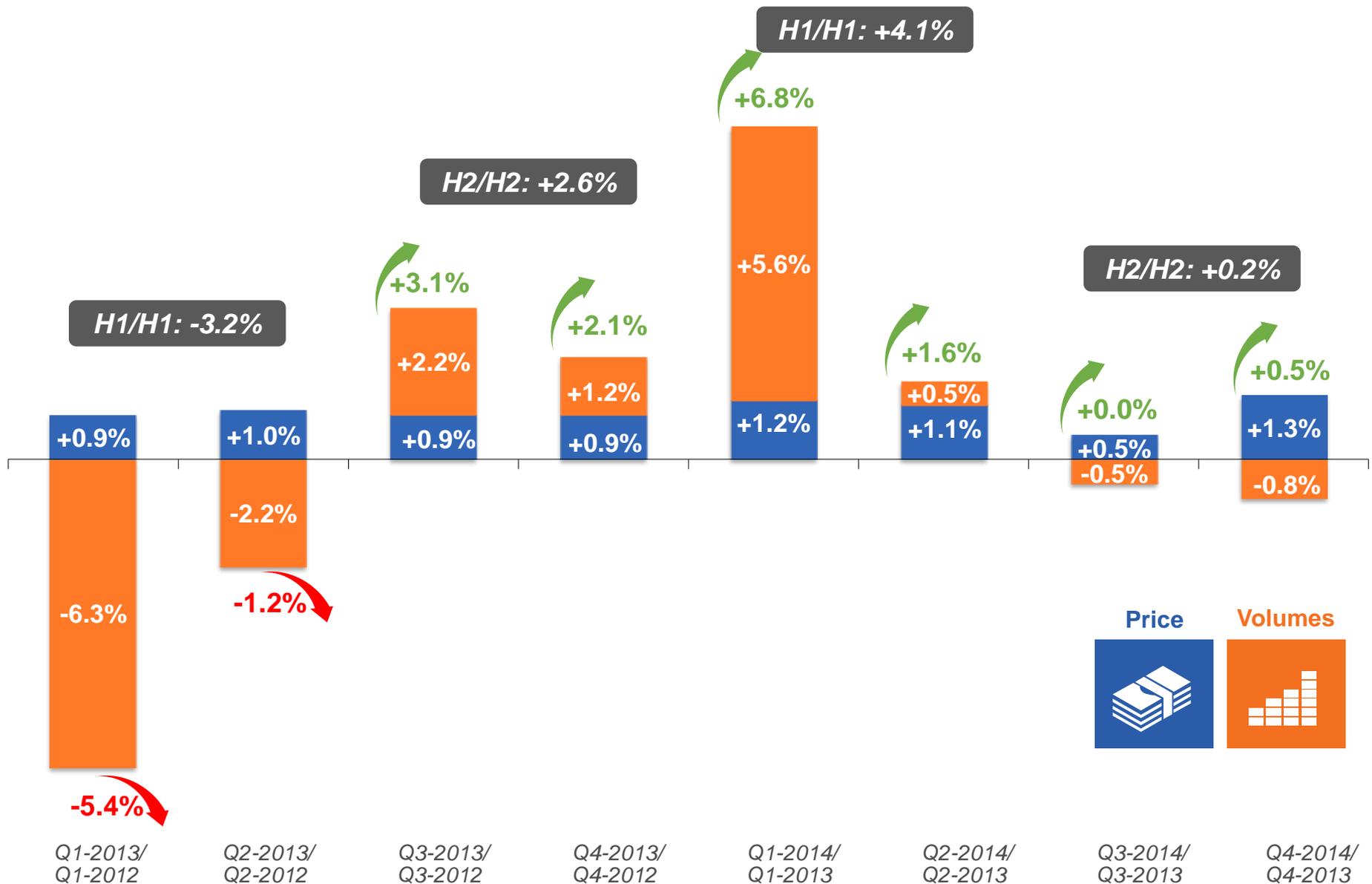
SALES

(€m)



QUARTERLY ORGANIC GROWTH

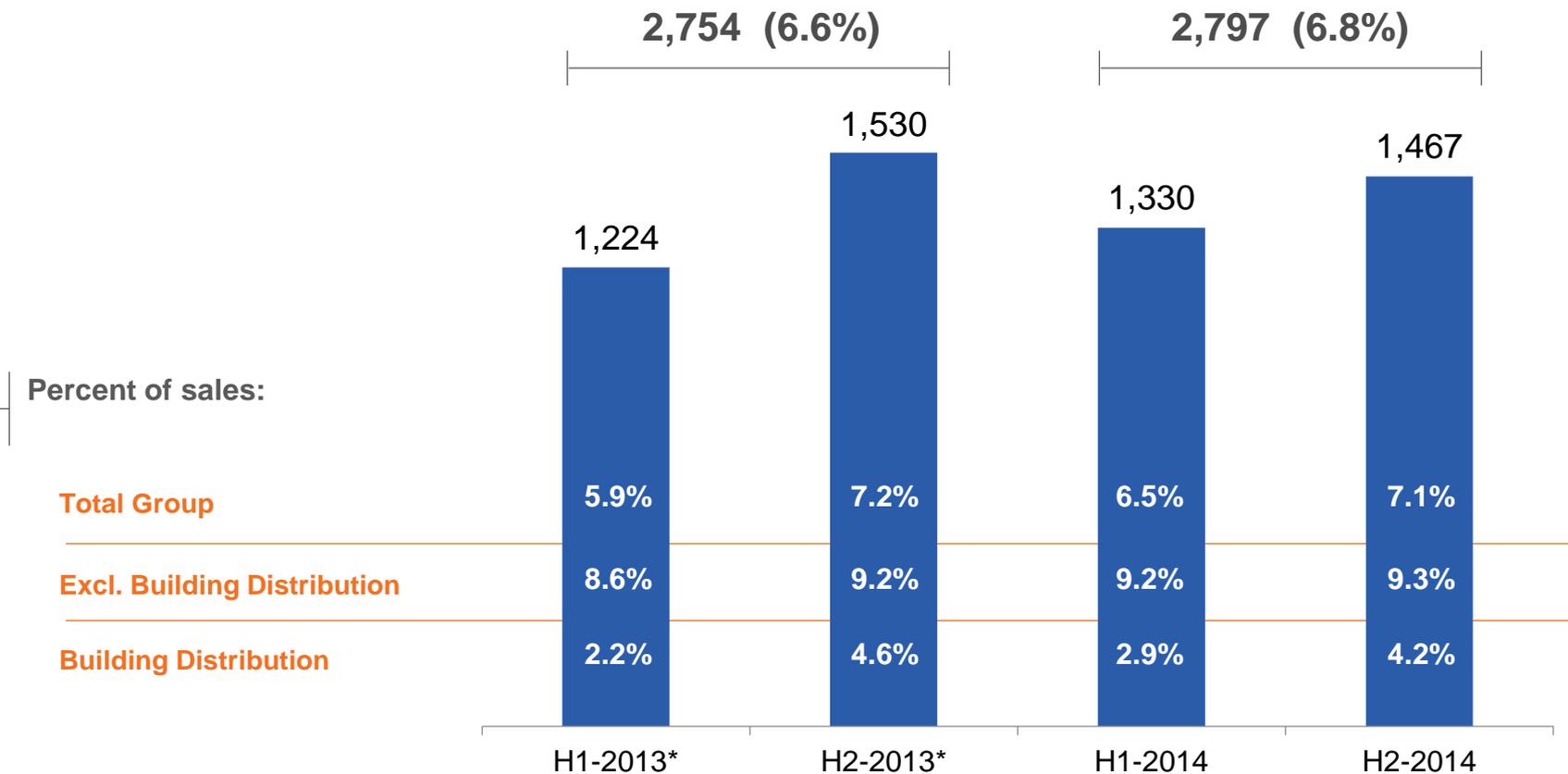
(% change in sales on a like-for-like basis)



OPERATING INCOME

(€m and % of sales)

2014/2013*:
+1.6% and +3.9%
 at constant exchange rates**



* 2013 restated in line with IFRS 10-11 and IFRIC 21: H1-2013 impact -€36m and H2-2013 impact +€26m

** 2013 average exchange rates

NON-OPERATING ITEMS

(€m)

	2013*	2014	Change
Operating income	2,754	2,797	+1.6%
Non-operating costs	(490)	(190)	
<i>o/w:</i> Provision for asbestos-related litigation	(90)	(90)	
Other expenses	(400)	(100)	
Other operating expenses	(381)	(398)	
<i>o/w:</i> Capital gains on disposals	99	408	
Asset write-downs	(476)	(802)	
Business income	1,883	2,209	+17.3%

* 2013: restated in line with IFRS 10-11

OUTSTANDING CLAIMS

Asbestos-related claims in the US

- » Around **US\$ 68m** paid out in 2014 (*versus US\$ 88m in 2013*)
- » **€90m** accrual to the provision in 2014 (*€90m in 2013*), bringing the total balance sheet provision to **US\$ 571m** at end-2014 (*US\$ 561m at end-2013*)

	2012	2013	2014*
New claims	4,000	4,500	4,000
Settled claims	9,000	4,500	6,500
Outstanding claims	43,000**	43,000	37,000**

* estimated

** after the transfer of 4,000 claims to inactive dockets in 2012 and 3,500 in 2014

NET FINANCIAL EXPENSE AND INCOME TAX

(€m)

	2013*	2014
Net financial expense	790	696
Average cost of gross debt**	4.4%	4.3%
Income tax	463	513
Tax rate on recurring net income	32%	34%

* including the impact of IFRS 10-11 and IFRIC 21 in 2013:

- net financial expense: -€5m

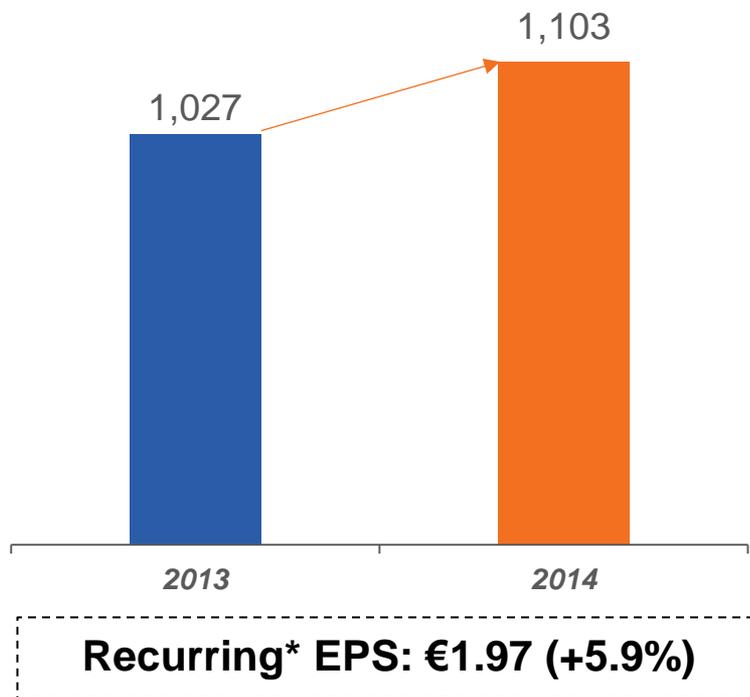
- income tax: -€13m

** at December 31

RECURRING* NET INCOME

(€m)

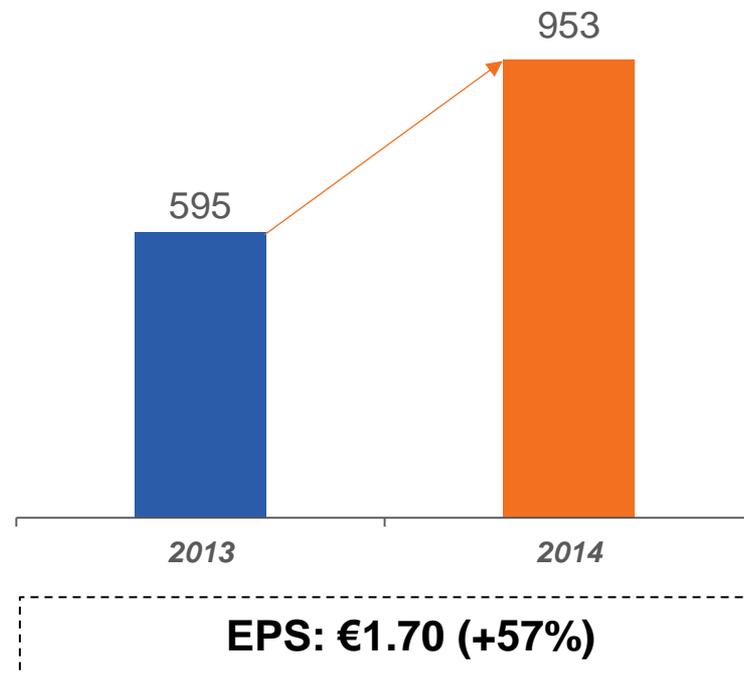
2014/2013: **+7.4%**, **+10.2% at cer****



NET INCOME

(€m)

2014/2013: **+60.2%**, **+64.6% at cer****

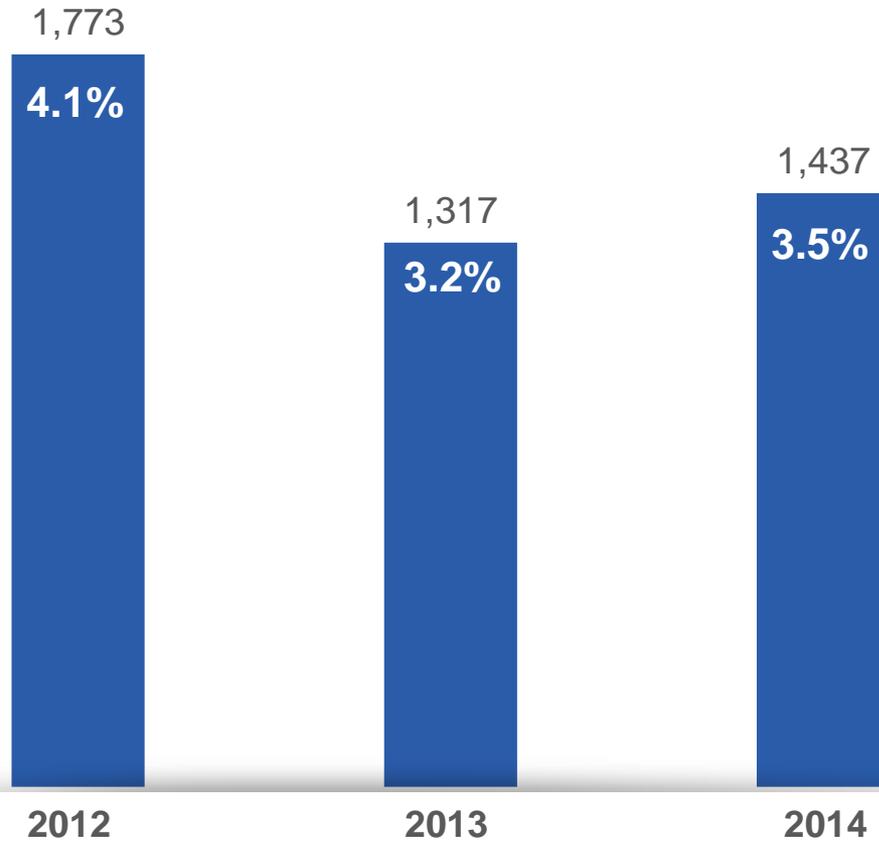


* excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions

** estimated change at constant exchange rates (average 2013 exchange rates)

CAPEX

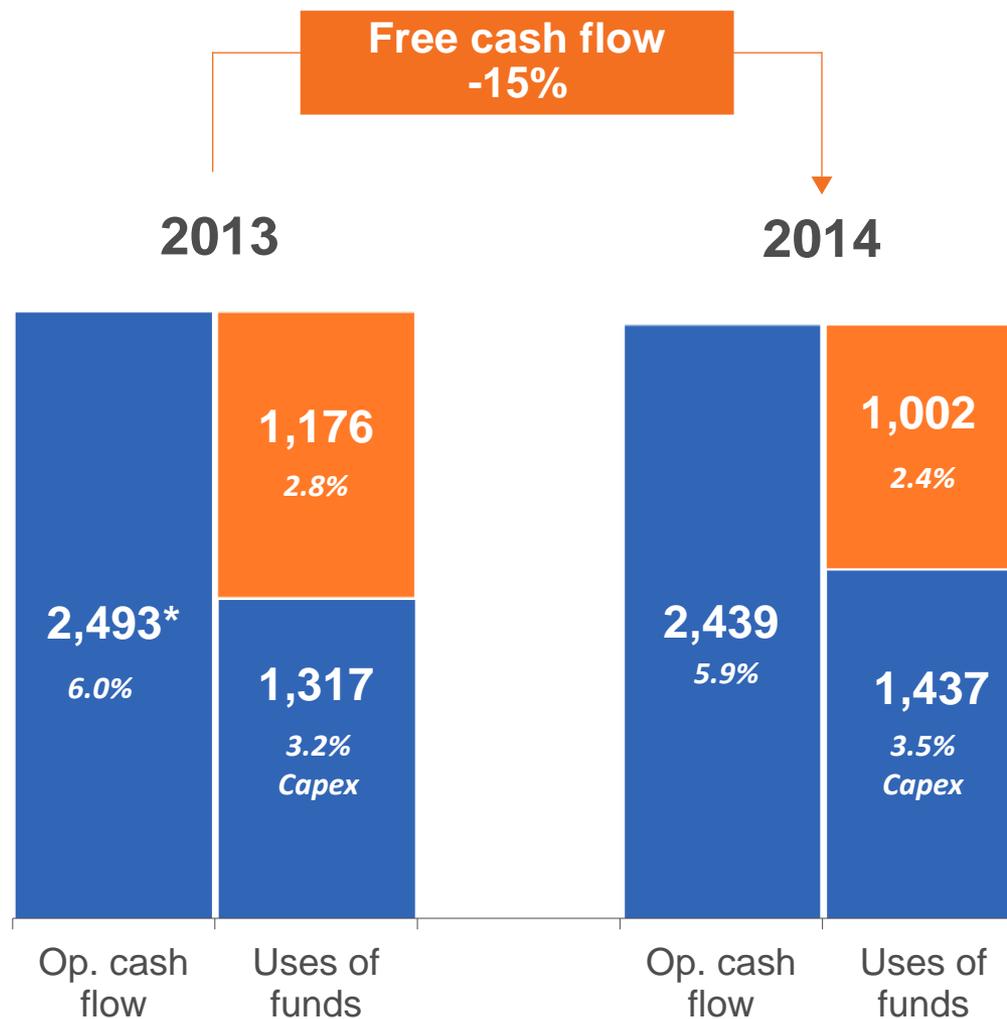
(€m and % of sales)



2014/2013:
+9.1%

Priority focus on growth capex outside Western Europe

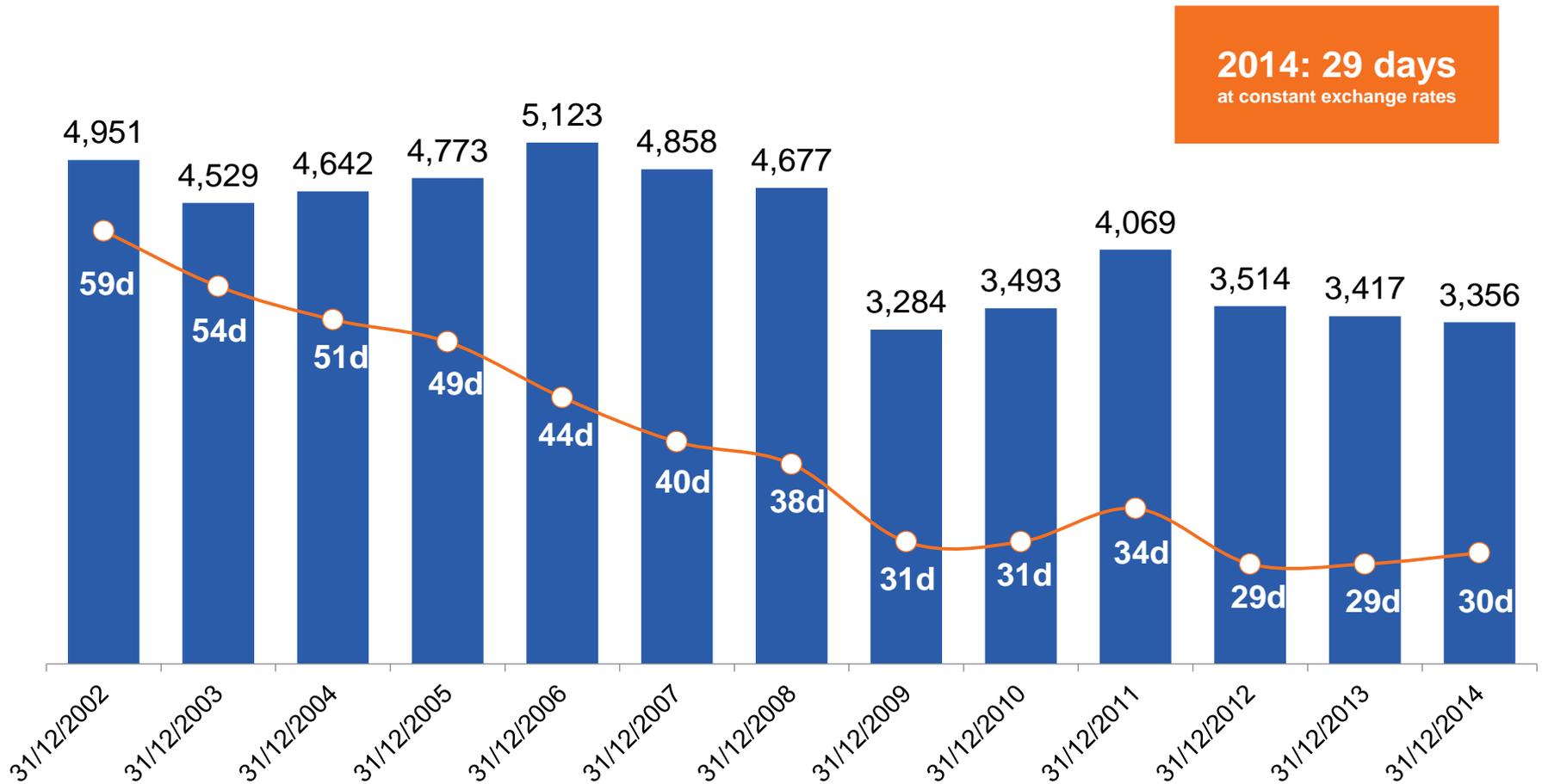
CASH FLOW FROM OPERATIONS (excl. tax impact of capital gains/losses) AND CAPEX (€m and % of sales)



* including the impact of IFRS 10-11 in 2013: -€17m

TIGHT REIN ON OPERATING WCR

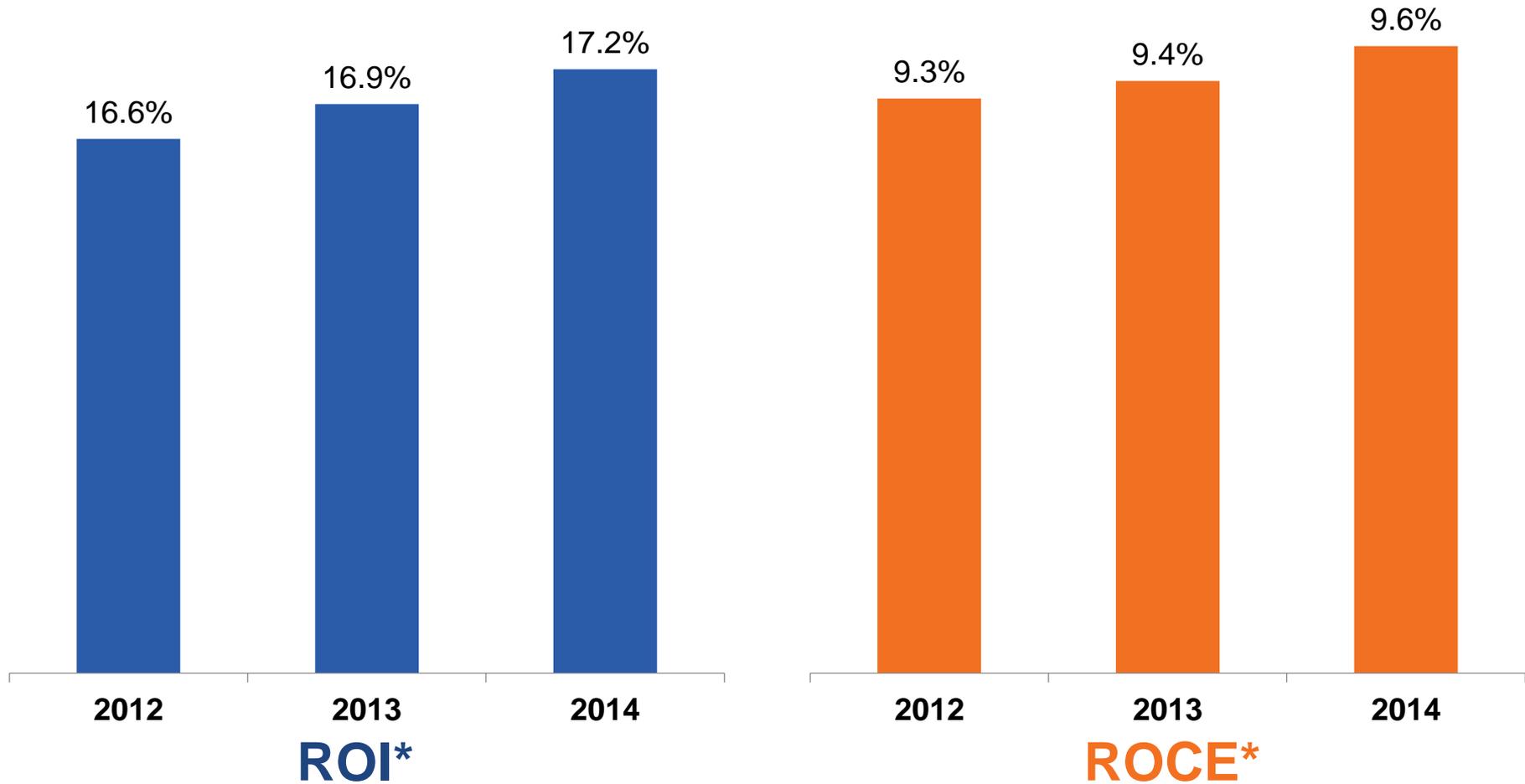
(at December 31, €m and no. of days)



2014: 29 days
at constant exchange rates

**Operating WCR has stabilized at a record 29-day low,
at constant exchange rates**

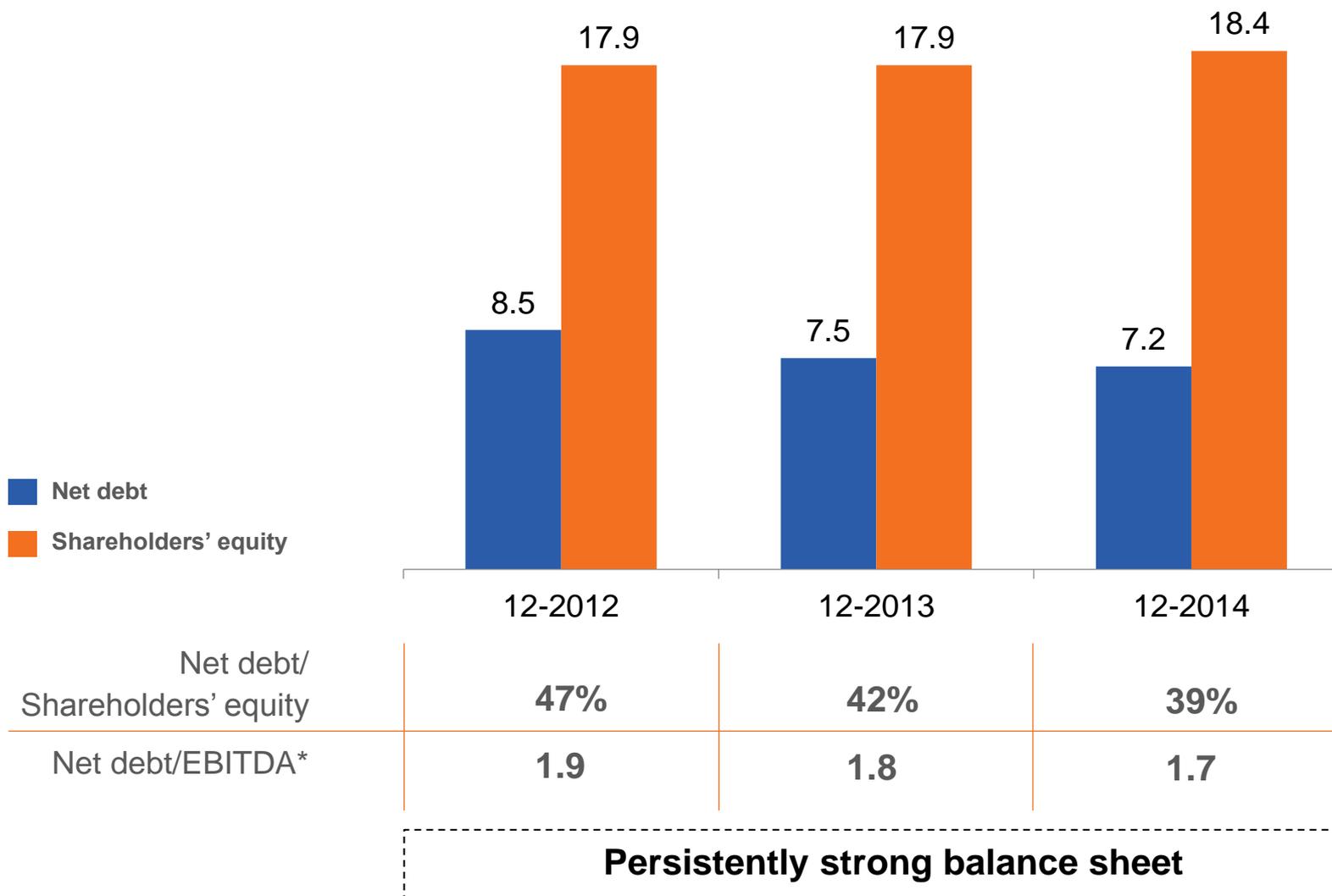
STEADY IMPROVEMENT IN ROI AND ROCE



* before tax - 2012: restated in line with IAS 19

NET DEBT AND SHAREHOLDERS' EQUITY

(€bn)



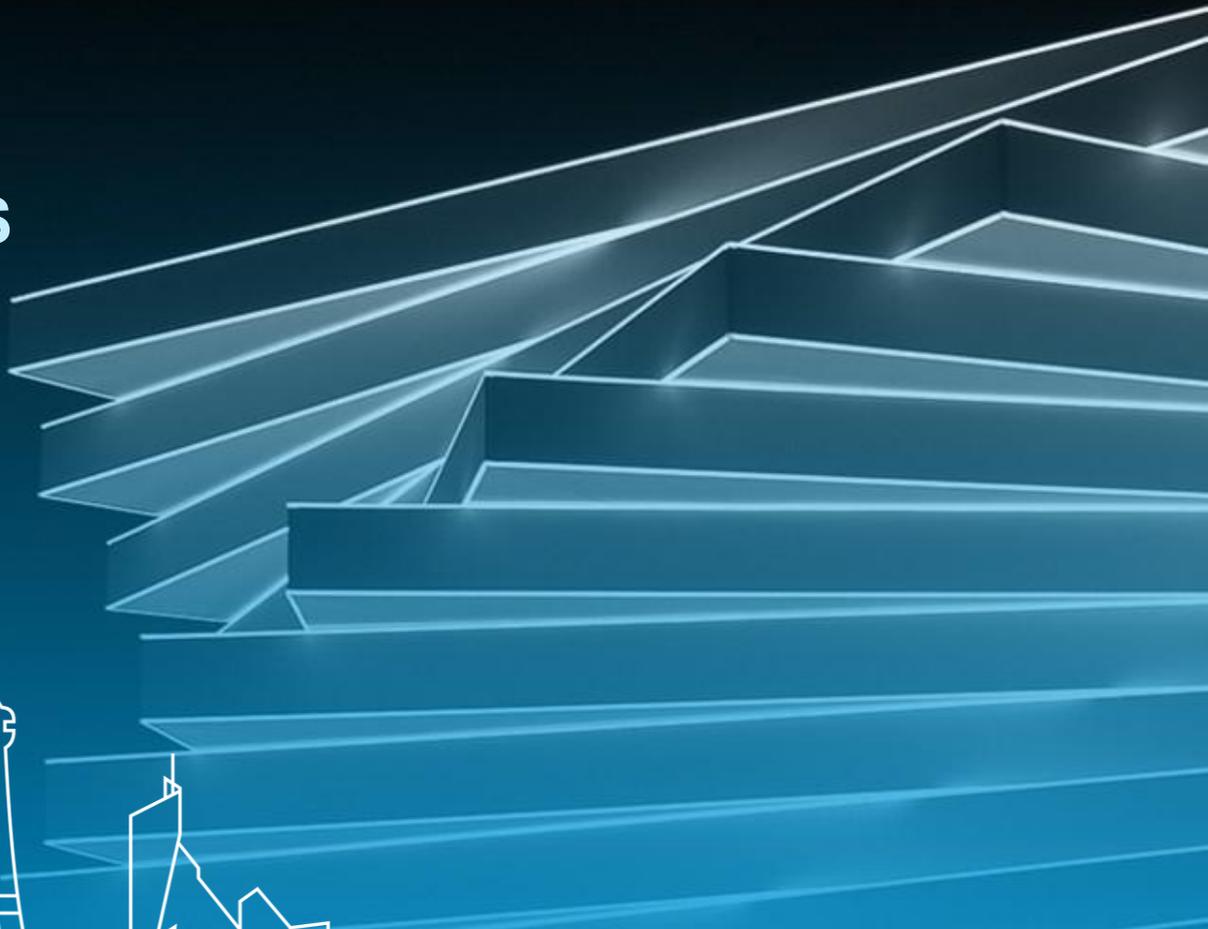
* EBITDA = operating income + operating depreciation/amortization over a 12-month period

2 2014 RESULTS

GROUP

BUSINESS SECTORS

GEOGRAPHIC AREAS

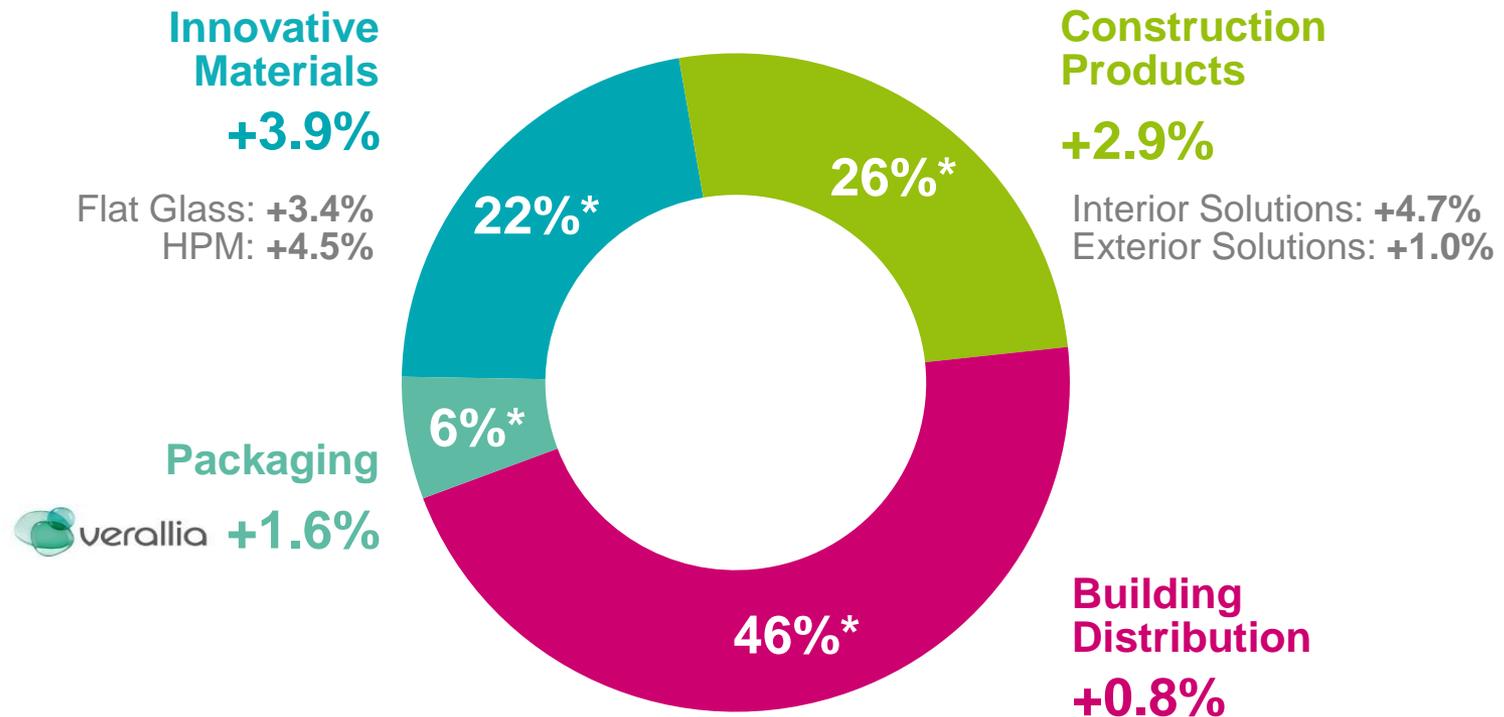


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SALES TRENDS BY BUSINESS SECTOR

(% change in 2014/2013 like-for-like sales)

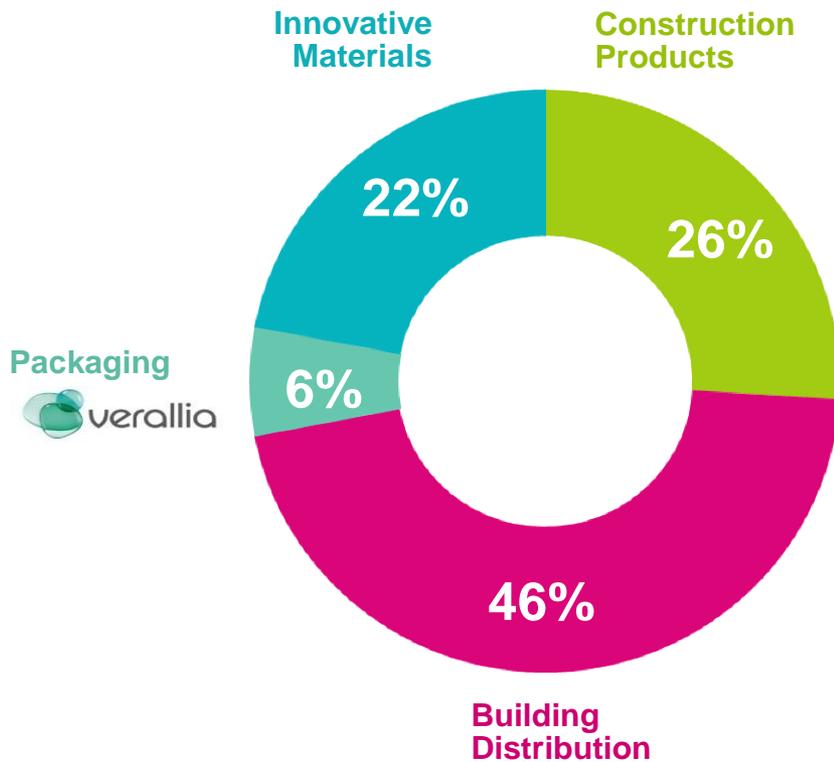
Group
 **+2.2%**



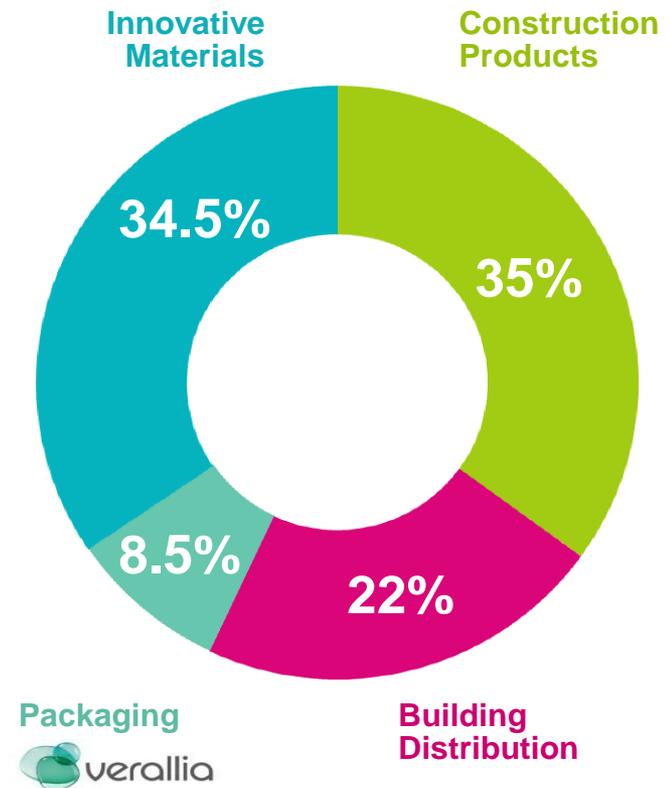
* breakdown of 2014 sales

BREAKDOWN OF SALES AND INDUSTRIAL ASSETS BY BUSINESS SECTOR

2014 Sales



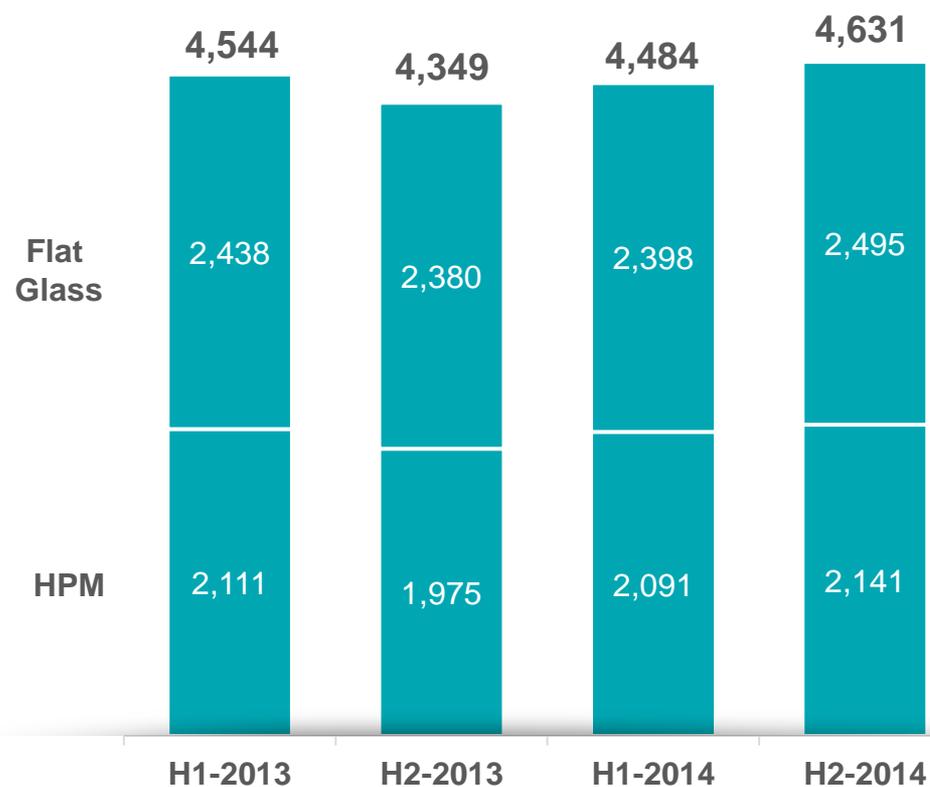
Industrial assets at Dec. 31, 2014



INNOVATIVE MATERIALS (FLAT GLASS – HPM)

2014/2013 organic growth (like-for-like)			
	2014/ 2013	H1/H1	H2/H2
Innovative Materials	+3.9%	+3.7%	+4.2%
Flat Glass	+3.4%	+3.4%	+3.4%
HPM	+4.5%	+4.0%	+5.0%

Sales in €m



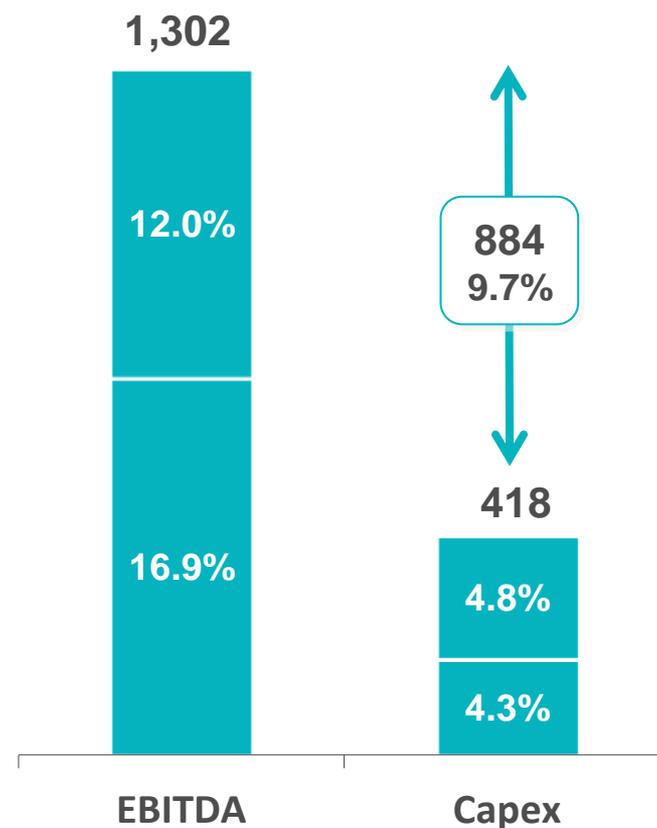
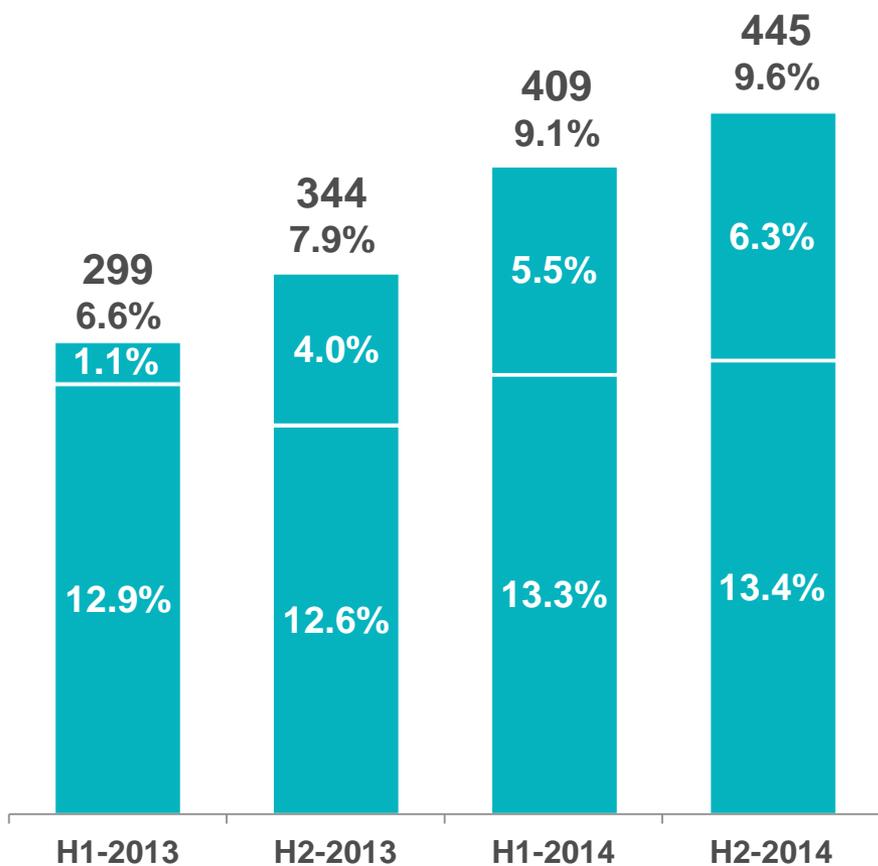
INNOVATIVE MATERIALS (FLAT GLASS – HPM)

(€m and % of sales)



Operating income

2014 EBITDA & Capex



CONSTRUCTION PRODUCTS

2014/2013 organic growth (like-for-like)			
	2013/ 2014	H1/H1	H2/H2
CP	+2.9%	+5.5%	+0.4%
Exterior Solutions	+1.0%	+3.9%	-1.6%
Interior Solutions	+4.7%	+7.1%	+2.3%



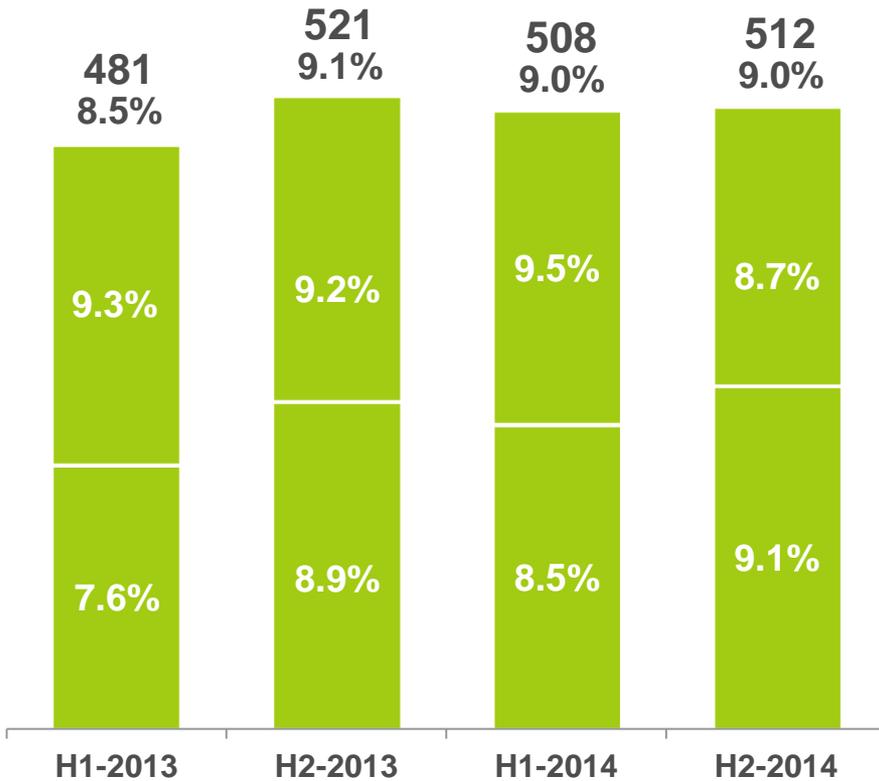
CONSTRUCTION PRODUCTS

(€m and % of sales)



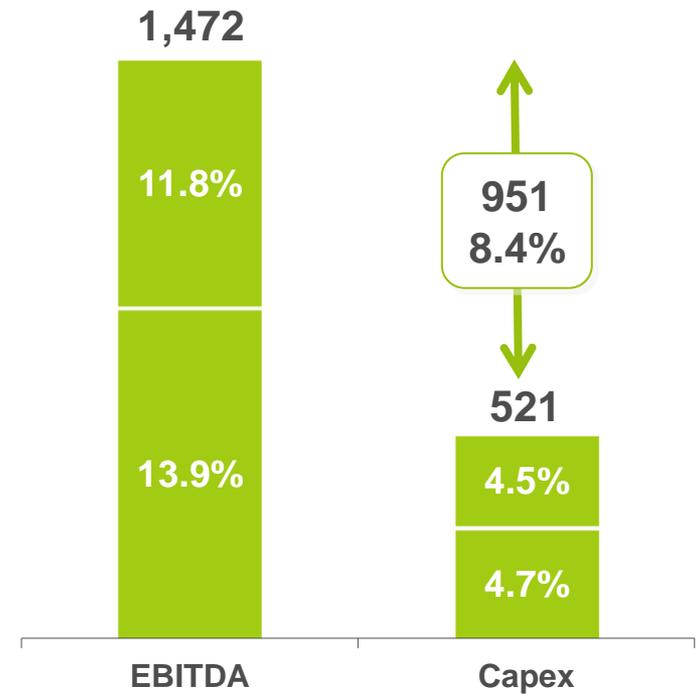
Operating income

2014 EBITDA & Capex



Exterior Solutions

Interior Solutions

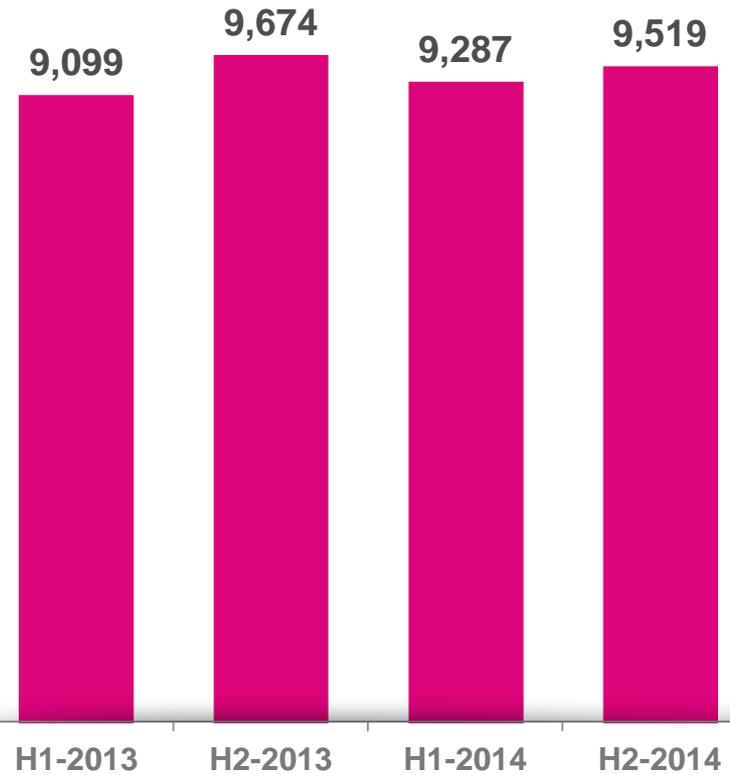


BUILDING DISTRIBUTION

2014/2013 organic growth <i>(like-for-like)</i>			
	2014/ 2013	H1/H1	H2/H2
Building Distribution	+0.8%	+3.6%	-1.8%



Sales in €m



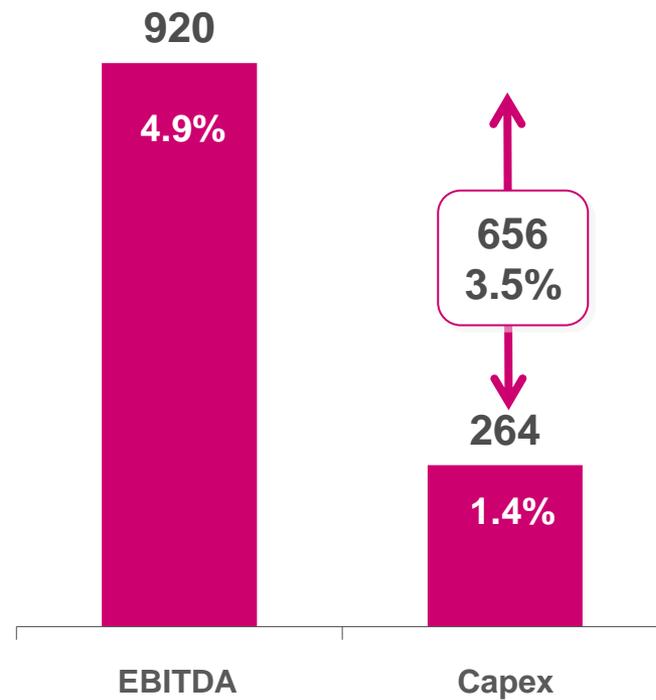
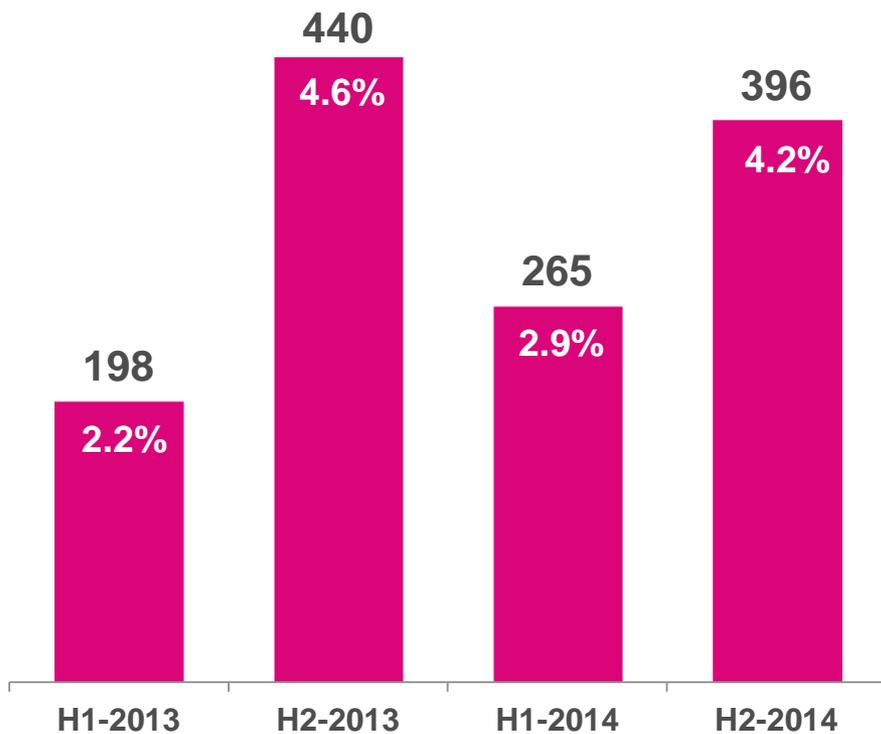
BUILDING DISTRIBUTION

(€m and % of sales)

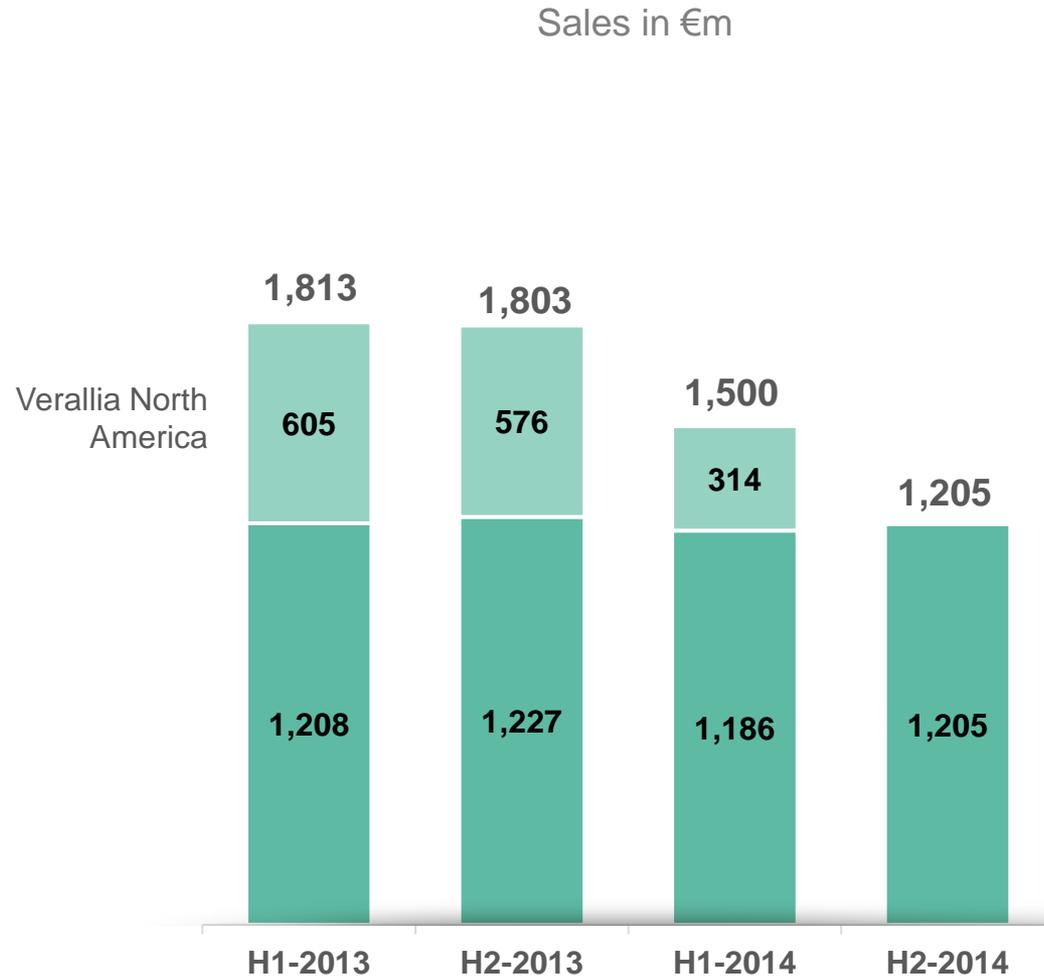


Operating income

2014 EBITDA & Capex



2014/2013 organic growth (like-for-like)			
	2014/ 2013	H1/H1	H2/H2
Verallia	+1.6%	+1.7%	+1.6%

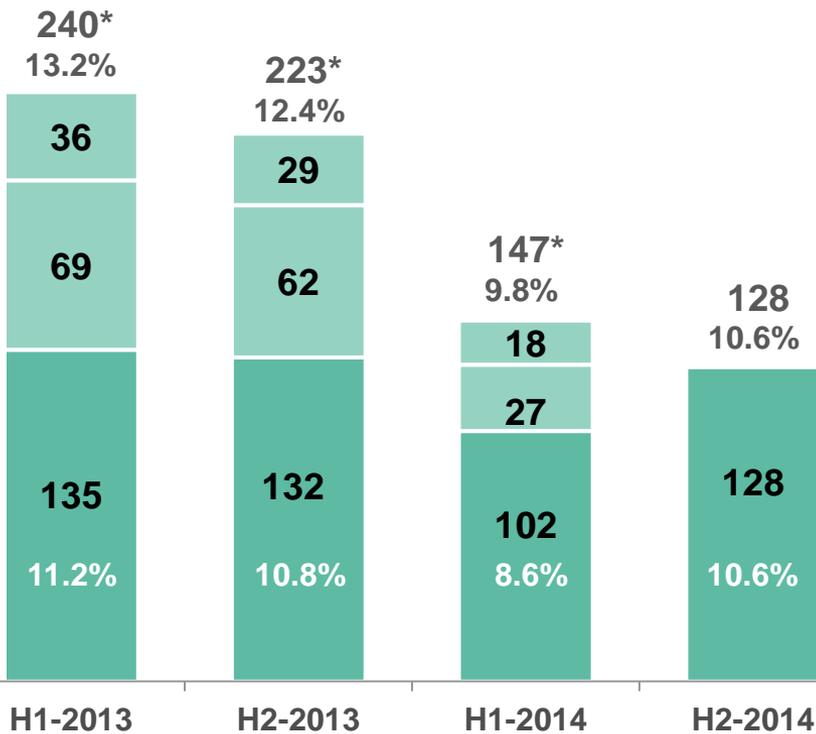


PACKAGING

(€m and % of sales)

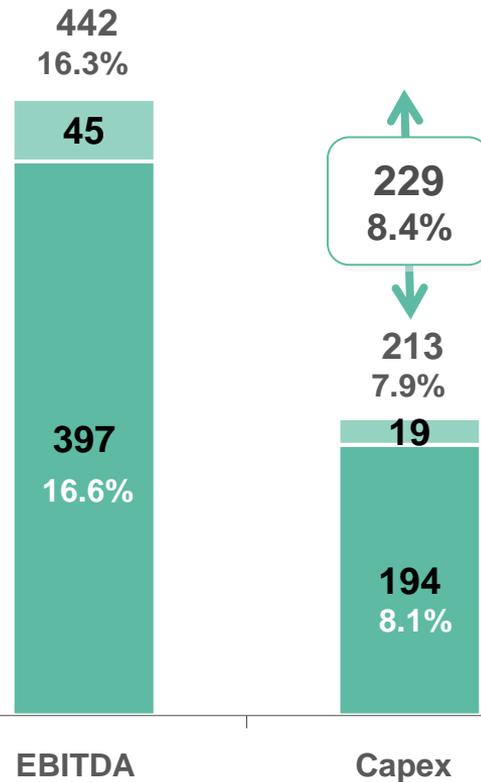


Operating income



Verallia
North America

2014 EBITDA & Capex



* after discontinuing depreciation of VNA's fixed assets as of Jan. 1, 2013 (IFRS 5): €36m in H1-2013, €29m in H2-2013 and €18m in H1-2014

2

2014 RESULTS

GROUP

BUSINESS SECTORS

GEOGRAPHIC AREAS



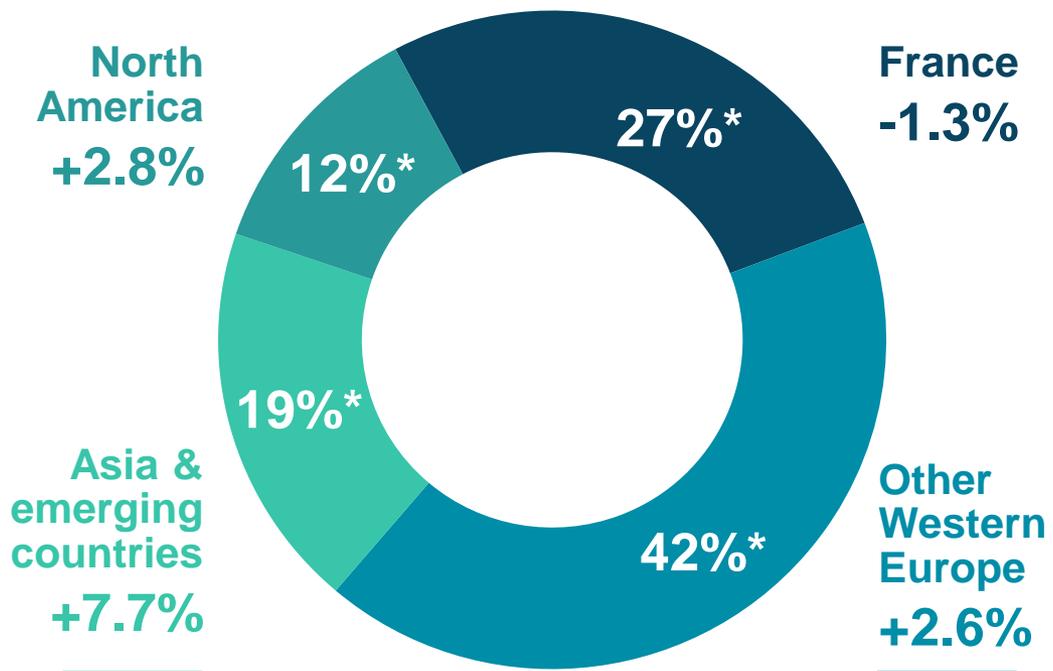
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SALES TRENDS BY GEOGRAPHIC AREA

(% change in 2014/2013 like-for-like sales)

Group
 **+2.2%**



O/W:

Latin America (7%):	+7.5%
Asia (6%):	+6.3%
Eastern Europe (5%):	+8.2%
Africa & Middle East (1.5%):	+10.8%

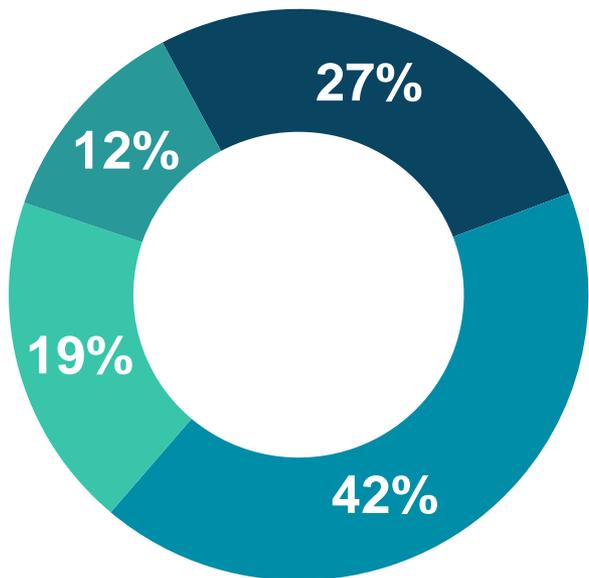
O/W:

Scandinavia (11%):	+3.7%
Germany (10%):	-0.3%
UK (10%):	+8.0%
Spain/Portugal (3%):	+4.0%

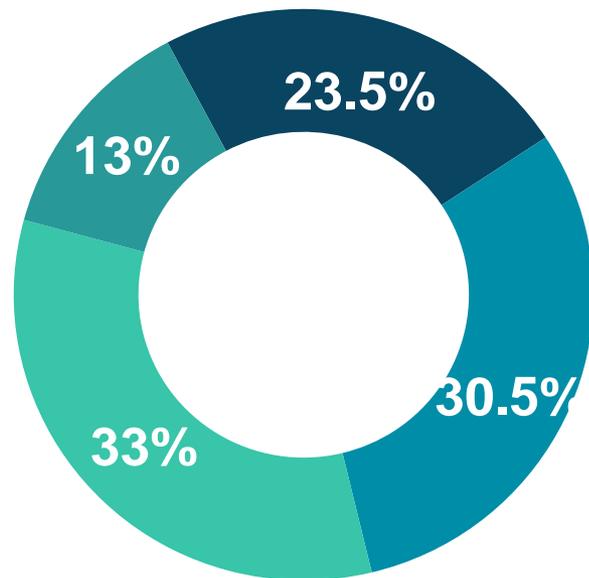
* breakdown of 2014 sales

BREAKDOWN OF SALES AND INDUSTRIAL ASSETS BY GEOGRAPHIC AREA

2014 Sales



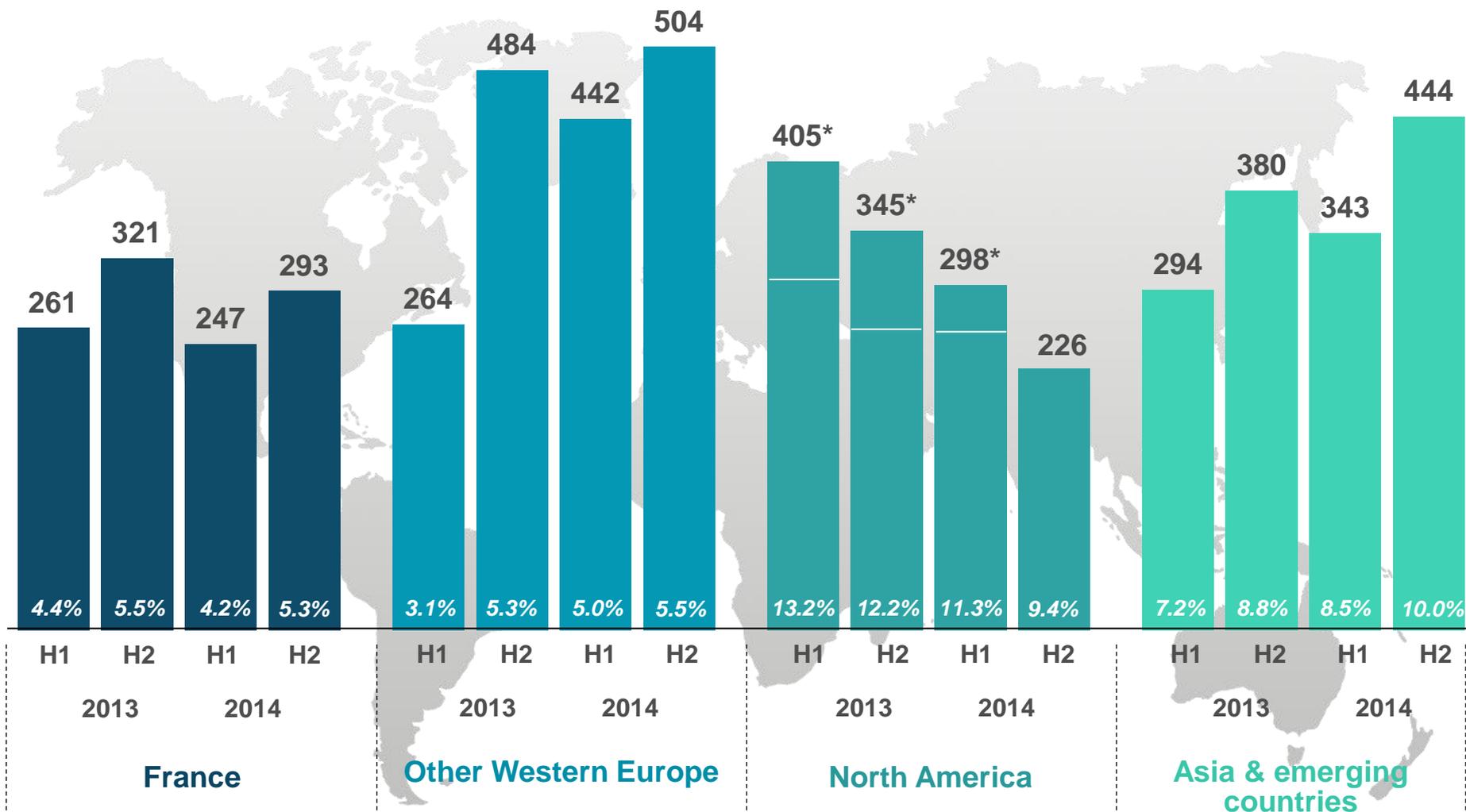
Industrial assets at Dec. 31, 2014



France
Other Western Europe
Asia & emerging countries
North America

OPERATING INCOME BY GEOGRAPHIC AREA

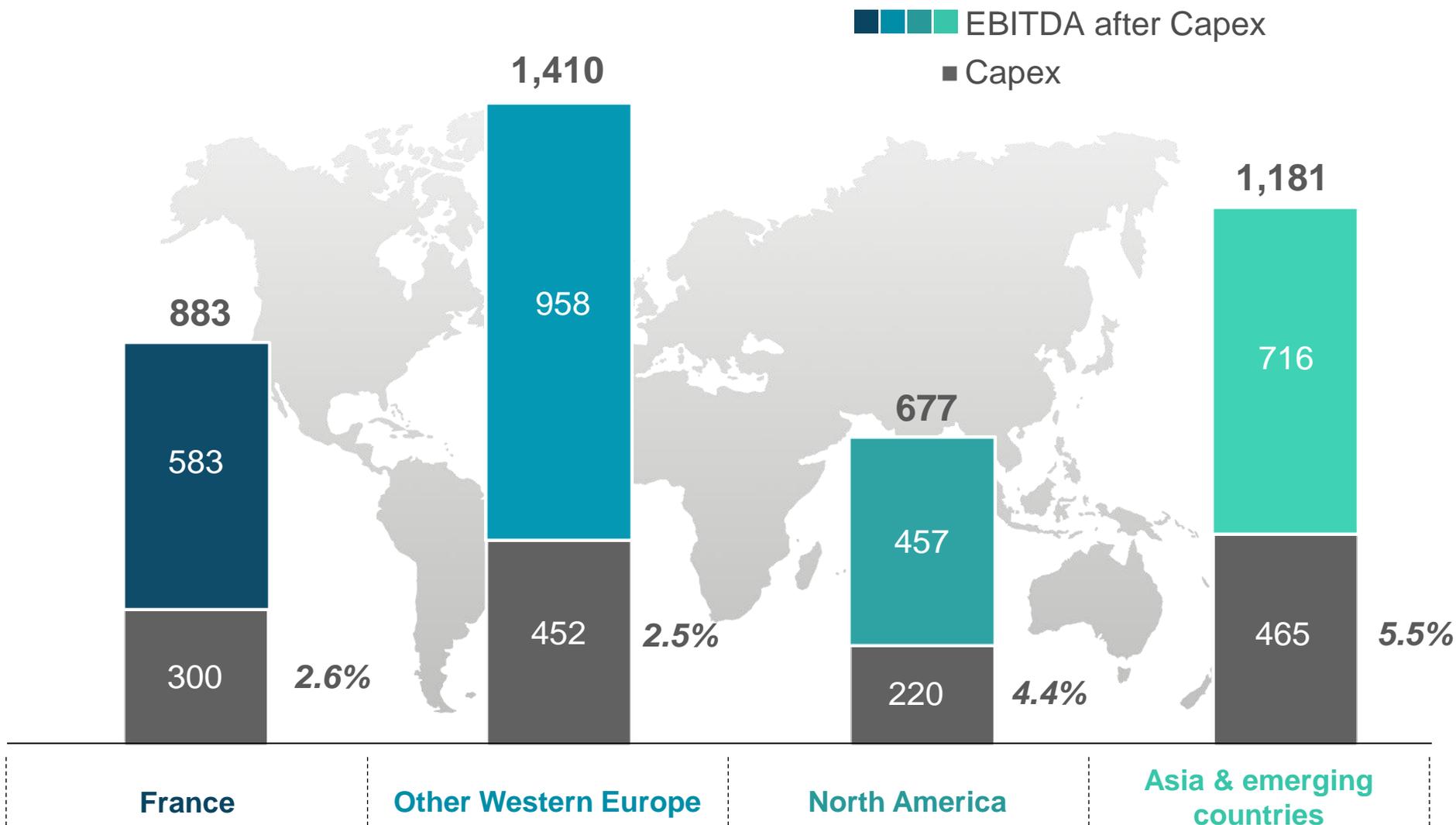
(€m and % of sales)



* including VNA: €105m in H1-2013, €91m in H2-2013 and €45m in H1-2014

EBITDA AND CAPEX BY GEOGRAPHIC AREA

(2014, €m and % of sales)



3 STRATEGY



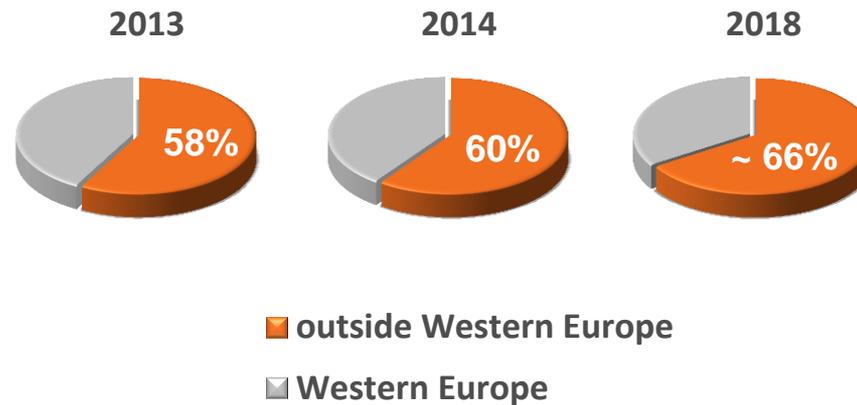
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STRENGTHEN THE GROUP PROFILE TO RAISE THE POTENTIAL FOR ORGANIC GROWTH

- » Greater exposure of our industrial businesses to fast-growing regions

Industrial assets*

66% OUTSIDE WESTERN EUROPE IN 2018

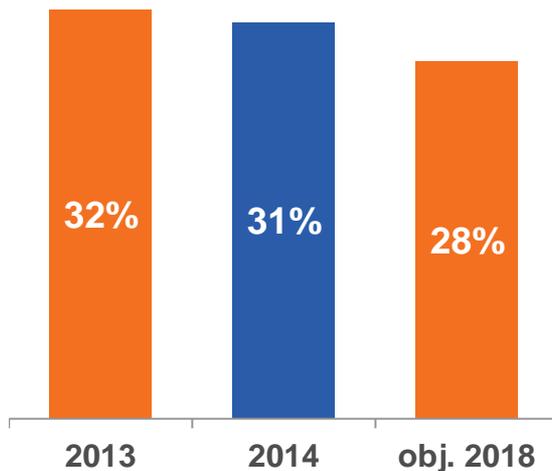


* Innovative Materials (IM) and Construction Products (CP) Business Sectors, at constant exchange rates

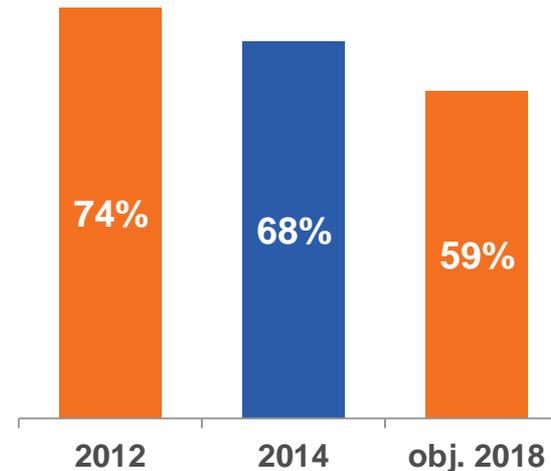
STRENGTHEN THE GROUP PROFILE TO RAISE THE POTENTIAL FOR ORGANIC GROWTH

» Progress made in refocusing industrial sectors on downstream, asset-light solutions

Capital intensity
(% industrial assets/annual sales)
TOTAL GROUP IN DEVELOPED COUNTRIES



Capital intensity
(% industrial assets/annual sales)
FLAT GLASS

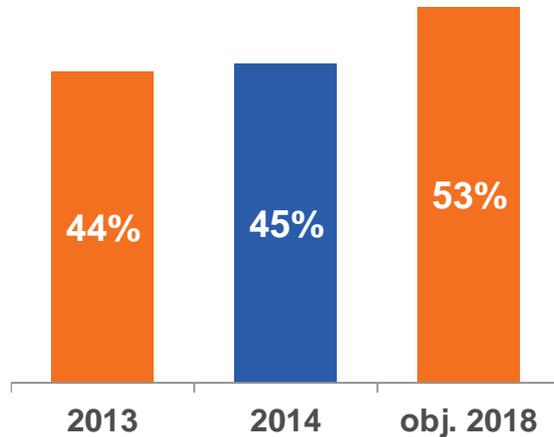


» Financial investments in 2014 (€95m) focused mainly on new industrial niches, fast-growing countries and bolt-on acquisitions for Building Distribution

INCREASE THE GROUP'S FOCUS ON DIFFERENTIATION

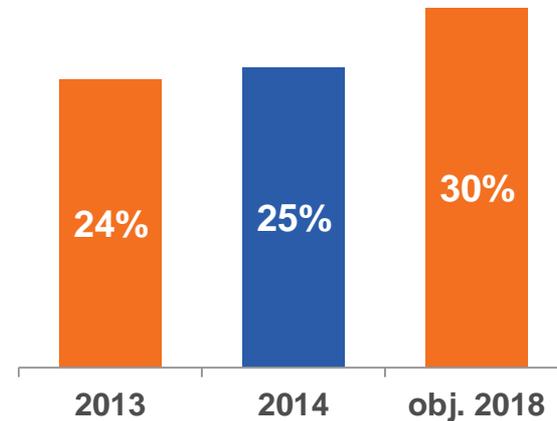
- » Continued high R&D spending (~€400m) and focus on co-development opportunities

Differentiation ratio*



* Differentiation ratio: share of sales of high value-added solutions, in co-development with customers, or related to energy efficiency

New solutions ratio (IM+CP)**



** New solutions ratio (IM+CP): share of sales related to products and solutions less than five years old and considered as new by our clients

- » Around €100m invested (logistics and information systems) for the roll-out of Building Distribution's digital strategy

SAINT-GOBAIN IS ACCELERATING THE ROLL-OUT OF ITS STRATEGY WITH THE PLANS TO ACQUIRE A CONTROLLING INTEREST IN SIKA AND TO SELL VERALLIA

“ Announcement on December 8, 2014”

- » The acquisition of a controlling interest in Sika will give the Group:
 - Additional **organic growth** of 0.6-0.7 percentage points per year
 - Additional potential for **external growth**
 - Another **strong brand**, associated with a culture of **innovation**
 - **Value creation as from 2019**

- » As a result of both transactions:
 - The Group’s **growth** in emerging countries and in the US will **gather pace**
 - The Group’s **capital intensity will be reduced** by 2 percentage points
 - The percentage of total sales represented by **value-added products** for the habitat and industrial markets will increase by 2 percentage points

A DEAL WITH STRONG LONG-TERM INDUSTRIAL LOGIC OFFERING BENEFITS FOR BOTH GROUPS

» RESEARCH & DEVELOPMENT

Increased innovation through **joint developments** –
e.g. HPM and Sika polymers

» MARKETING

Better access to markets thanks to **complementary** sales channels: Sika has a stronger presence in the specifier and infrastructure project markets, while CP is stronger in renovation and distribution

» SALES

Additional sales thanks to a good **geographical fit**: Sika is more developed in Asia and North America, while Weber is more developed in some European countries and Latin America

» INDUSTRIAL ASSETS

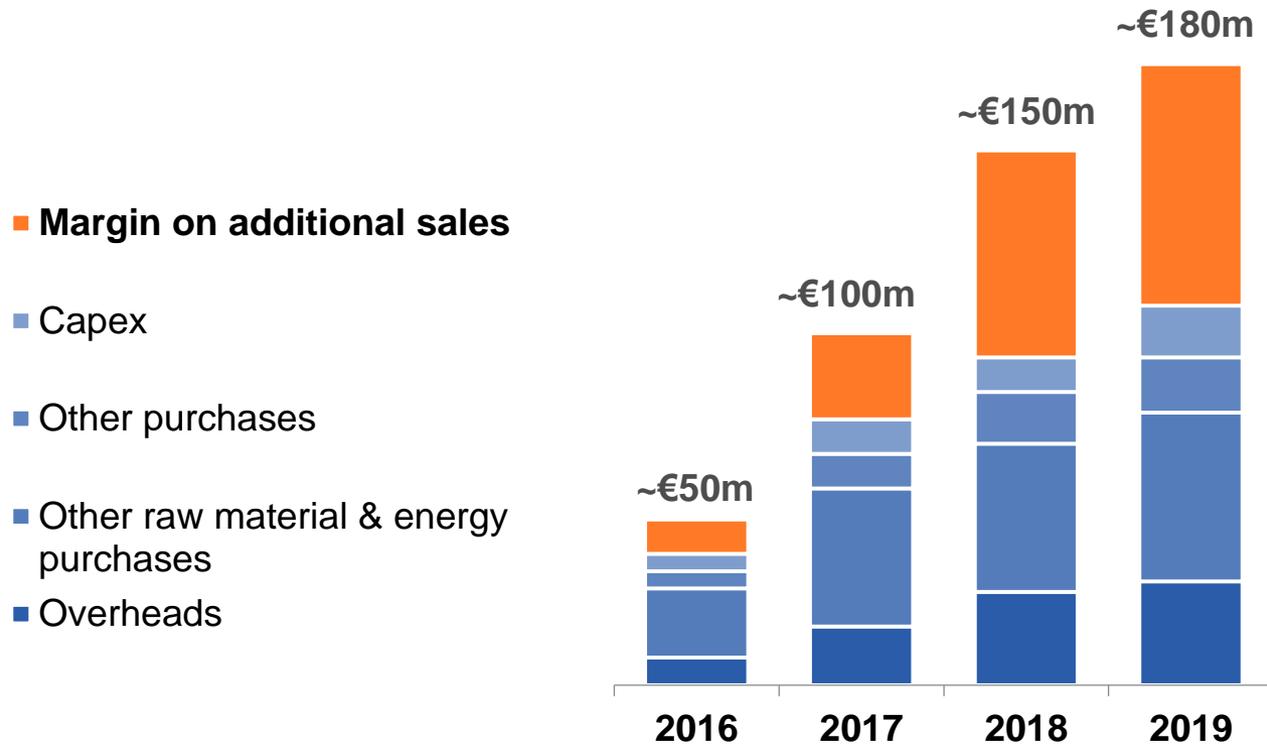
Optimized industrial development costs by **pooling** industrial assets in certain fast-growing markets

» PURCHASES

Cost savings due to **scale**

A DEAL WITH STRONG LONG-TERM INDUSTRIAL LOGIC OFFERING BENEFITS FOR BOTH GROUPS

- » Synergies based on **arm's length** contracts and tight follow-up benefiting the shareholders of both groups



SAINT-GOBAIN AND SIKA'S SHARED VALUES WITHSTAND THE TEST OF TIME

- » This year, as Saint-Gobain celebrates its **350th anniversary**, Sika turns **105**. Both groups have a long-standing presence in Switzerland
- » Both Saint-Gobain and Sika:
 - » Focus on innovation
 - » Have a long history of commitment to employees and community engagement
 - » Have a decentralized organization
- » Saint-Gobain is a global company that embraces diversity – including on its Board
- » Consequently, we hope that those members of Sika's management team who currently oppose the transaction will rethink their position and the radical steps they have taken which are detrimental to the group's 17,000 employees
 - » Saint-Gobain wishes to reassure Sika's employees that their jobs are safe: no lay-offs due to restructuring associated with the transaction

THE TIE-UP BETWEEN SAINT-GOBAIN AND SIKA IS A FRIENDLY TRANSACTION

- » Sika's founders' heirs sold the shares of their holding company to a solid, reliable strategic partner with the same values
- » Saint-Gobain and Sika rarely compete directly
- » The situation was well-known by the market
 - » *“Shareholders cannot plead ignorance. The rights... are spelt out prominently...”*
(Lex, Financial Times, December 8, 2014)
 - » ***“An acquirer of shares of the Company is not obliged to make a public purchase offer”*** (Section 5, Company bylaws)

THE MEASURES TAKEN BY THOSE MEMBERS OF SIKA'S BOARD WHO OPPOSE THE TRANSACTION GO AGAINST NORMAL MARKET PRINCIPLES

- » Amidst all the media uproar following the announcement of the transaction, analysts' opinions about an overreaction by the market went unheeded
 - » The steps taken by part of Sika's management have led to a climate of uncertainty which has been detrimental to certain Sika shareholders who sold their shares, while enabling other investors to capitalize on share price volatility
 - » As of today, this overreaction has been mostly corrected: Sika is now underperforming its market index (SMI) only by around 6% compared to the three-month average share price before the transaction was announced

- » In a listed company, certain members of management and of the Board cannot:
 - » Decide when and to whom shareholders can sell their shares
 - » Interpret the company's bylaws differently depending on events or on the identity of the owners of one of its shareholders with the aim of stripping that shareholder of its rights

- » **Saint-Gobain's commitment is irrevocable**
 - » **The transaction is in the long-term interests of both companies**

4 OUTLOOK



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OUTLOOK FOR 2015

ECONOMIC CLIMATE

- » Gradual recovery in **Western Europe**, hampered by the downturn in France
- » Continued good momentum in **North America** and in Asia and emerging countries
- » **Household consumption** to hold firm

GROUP BUSINESSES

- » **Innovative Materials**: ongoing gradual profitability gains in Flat Glass and continued good margins in HPM
- » **Construction Products**: ongoing upbeat momentum in Interior Solutions; Roofing should stabilize
- » **Building Distribution**: organic growth hampered by the downturn in France
- » **Packaging**: good level of operating income

2015 ACTION PRIORITIES

- » **Priority focus on increasing sales prices** amid a small rise in raw material costs and energy deflation
- » **Additional cost savings of €400m over the year** (calculated on the 2014 cost base)
- » **Capital expenditure program of under €1,600m**, focused primarily on growth capex outside Western Europe
- » **Renewed commitment to invest in R&D** in order to support the differentiated, high value-added strategy

2014 DIVIDEND

(Board's recommendation to the June 4, 2015 AGM)

€1.24 PER SHARE,
stable compared to 2014

- » Dividend yield
at Dec. 31, 2014: **3.5%**
- » Payout rate based on recurring net
income: **62%**

PAYMENT:

- » **50% in cash**
- » **50% in cash or in shares,**
at shareholders' discretion

TIMETABLE:

- » **June 4, 2015:** AGM
- » **June 10, 2015:** Ex-date
- » **June 10-24, 2015:** Option period
- » **July 3, 2015:** Payment date

CONCLUSION

- » A **solid Group**, with three complementary Business Sectors positioned on fast-growing habitat and industrial markets
- » **In 2015:**
 - » **Further** like-for-like **improvement in operating income** and a continuing **high level of free cash flow**
 - » **Acceleration in the roll-out of the Group's strategy**

IMPORTANT DISCLAIMER – FORWARD-LOOKING INFORMATION

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



2014 Results and Outlook

February 26, 2015



IMPACT OF CHANGES IN ACCOUNTING STANDARDS APPLICABLE IN 2014 (IFRS 10-11 AND IFRIC 21) ON THE 2013 INCOME STATEMENT

<i>Amounts in €m</i>	FY-2013		
	published	restated	impact
Sales	42,025	41,761	-264
Operating income	2,764	2,754	-10
Net financial expense	(795)	(790)	+5
Income tax	(476)	(463)	+13
Recurring* net income	1,027	1,027	+0
Net income	595	595	+0
Free cash flow**	1,157	1,176	+19

» IFRIC 21: impact on operating income: -€31m in H1, +€31m in H2, zero impact over the full year

» IFRS 10 & 11: -€264m impact on sales and -€10m impact on operating income over the full year

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

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

ADAPTING SWIFTLY TO THE CHANGING ECONOMIC CLIMATE

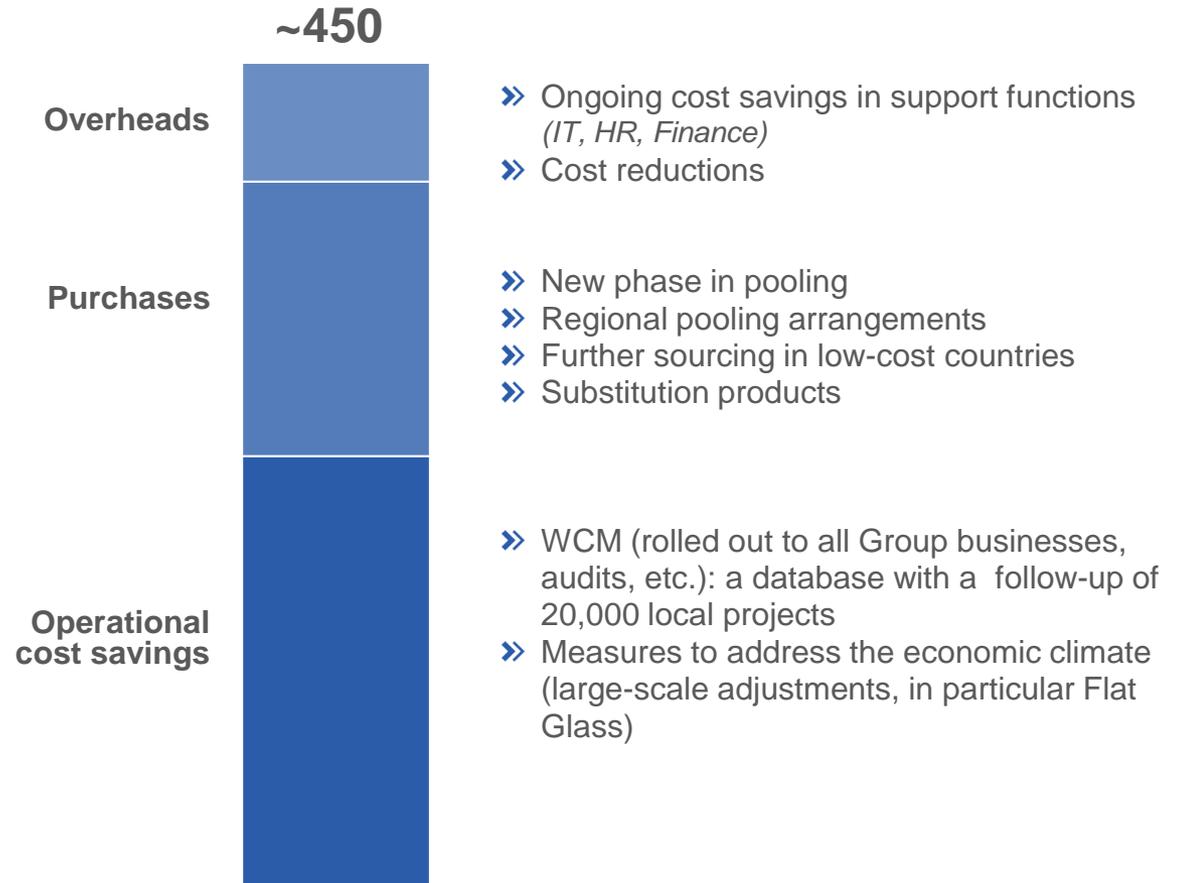
NEW COST CUTTING PROGRAM

€450m new cost savings in 2014 *(calculated on 2013 base)*

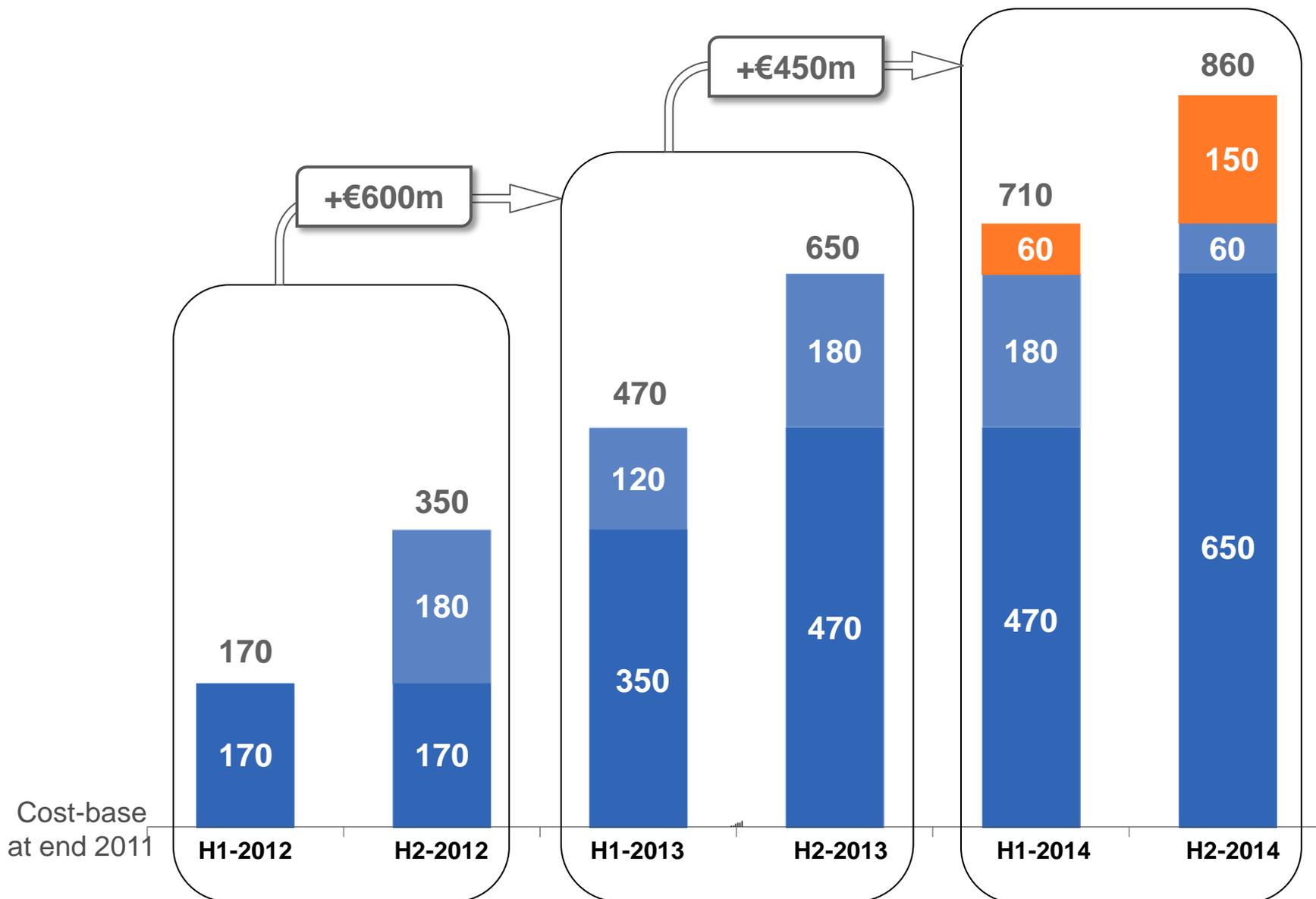
Breakdown by Business Sector



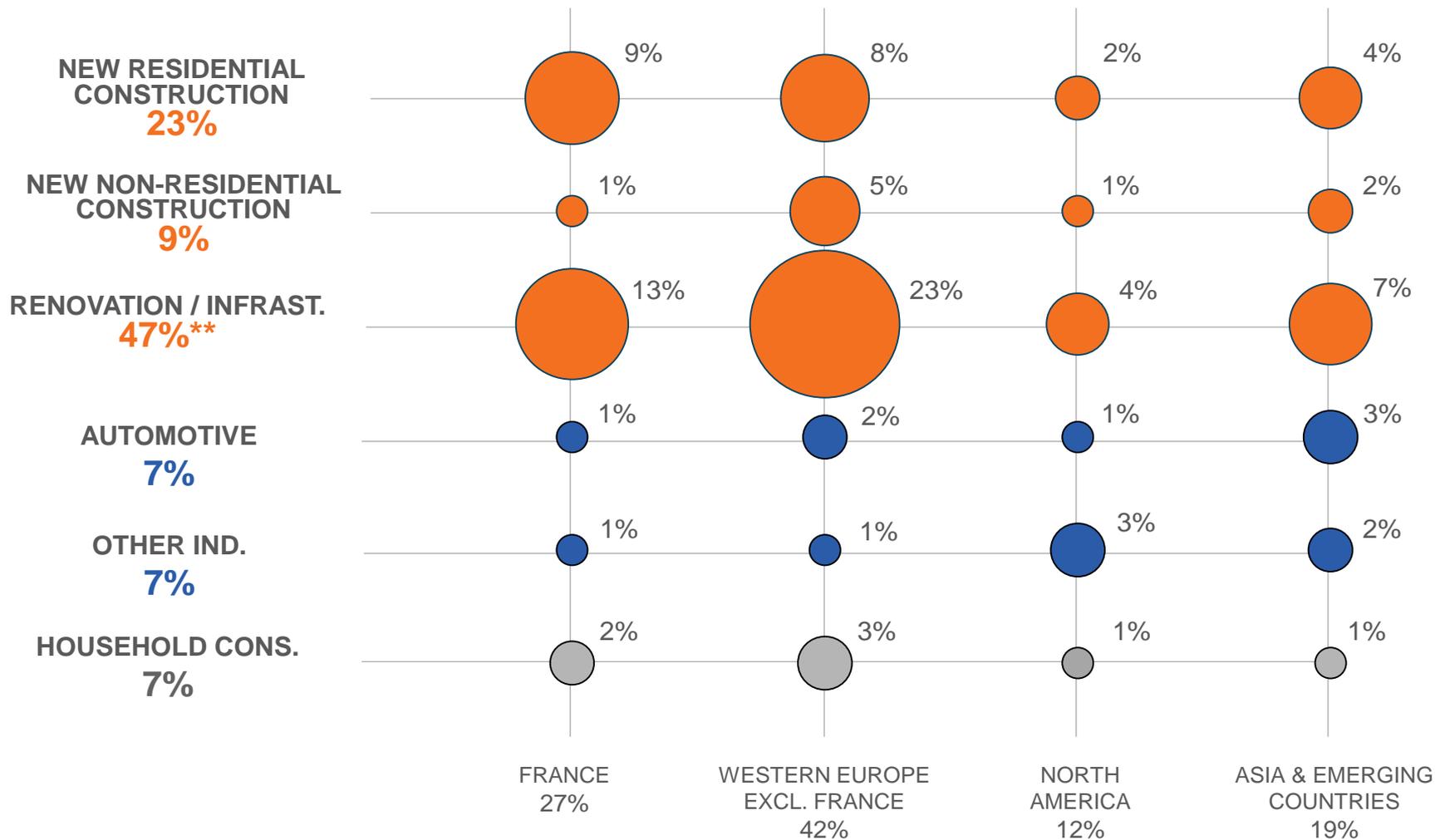
Breakdown by type



RESULTS OF THE NEW COST CUTTING PROGRAM: €450M IN ADDITIONAL COST SAVINGS IN 2014



ATTRACTIVE POSITIONING FOCUSED ON RESIDENTIAL CONSTRUCTION AND RENOVATION*



* Saint-Gobain estimates

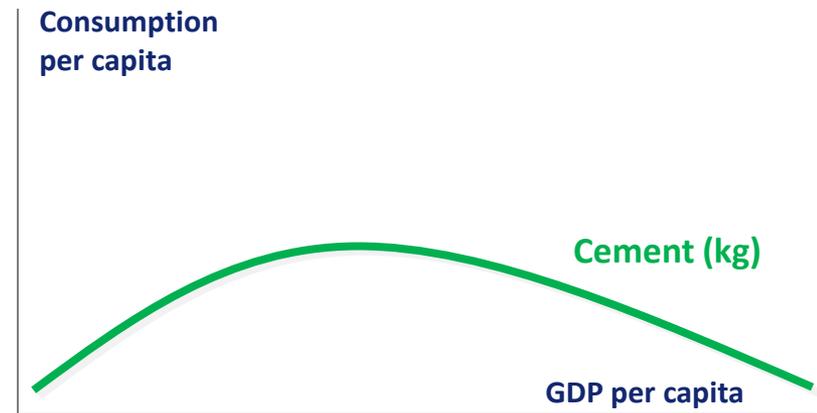
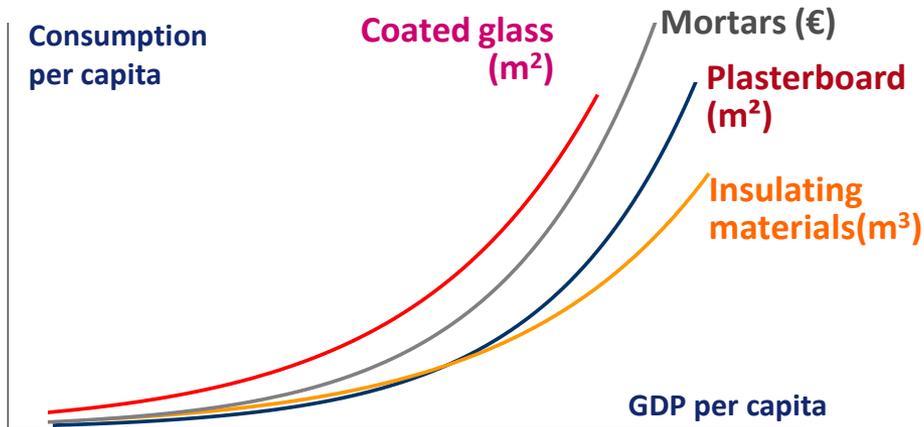
** Renovation : 39%

Infrastructure : 8 %

UNIQUE, ATTRACTIVE POSITIONING GROWING MARKETS

» Technical solutions for tomorrow's homes

CONSUMPTION PER CAPITA BASED ON WEALTH



» Solutions promoting energy efficiency in buildings