



2013 Investor Meeting

Paris, November 27, 2013



SAINT-GOBAIN



Saint-Gobain's strategy Introduction

Pierre-André de Chalendar
Paris, November 27, 2013



SAINT-GOBAIN

Investor Meeting program

- ➡ 2:30 pm: Introduction
- ➡ 3:00 pm: Key priorities for sectors and geographic areas
- ➡ 4:15 pm: Break
- ➡ 4:30 pm: Conclusion
- ➡ 5:00 pm: Q&A

Introduction

- A **vision** for Saint-Gobain development
- The last few years in retrospect: **steady progress** on the implementation of our **strategy**
- Key priorities for the **next five years**

Introduction

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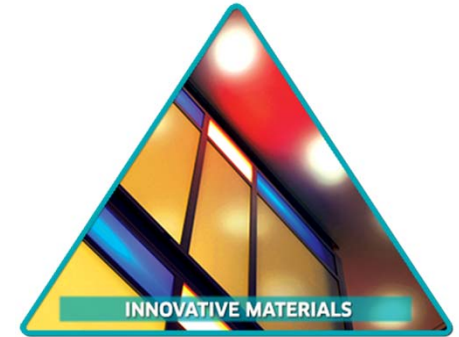
A vision for Saint-Gobain

- *A world leader in habitat and high-performance materials...
... with a global presence, a unique portfolio of activities,
unrivalled technological expertise, and a strong culture of
innovation...
... bringing critical, high value-added solutions to meet today's
global challenges, including growth, energy and the environment*
- ***Saint-Gobain creates and delivers innovative and high-performance solutions to enhance our habitat and our daily life***

A world leadership based on complementary strategic positions in materials and construction technologies



Contribution to the Group's mission: Innovative Materials



- ➡ The **locomotive of innovation** in the Group
 - Broad portfolio of materials and processes with a critical size for R&D
 - Importance of co-development and of niche markets
 - Early presence in cutting-edge applications
- ➡ Accelerating the move towards **high value-added and co-developed solutions**
- ➡ Ensuring technological leadership through access to **diversified habitat and industrial end-markets**
- ➡ **Rebalancing from Flat Glass to High-Performance Materials**

Contribution to the Group's mission: Construction Products



- Developing a **wide range of habitat solutions** with **faster-than-GDP growth**
 - Energy savings, comfort in developed countries
 - Substitution effects in emerging economies
 - Focus on innovative, locally designed solutions, replicating High-Performance Materials approaches
- Benefiting from a strong portfolio of **major brands**
 - Facilitates prescription of solutions, standards and regulations
 - Key asset for developing innovative solutions and online sales
- Ensuring a **global geographic base** for the Group, with a large presence in high-growth markets

Contribution to the Group's mission: Building Distribution



➡ Accelerating the **Habitat strategy**

- Deep knowledge of local markets and ingrained culture of customer focus
- Continuous push for differentiated solutions through high brand visibility and network density in key areas, innovation, and craftsmen training
- Major efforts to expand over the internet and via multi-channel sales

➡ Strongly contributing to the Group's **overall balance**

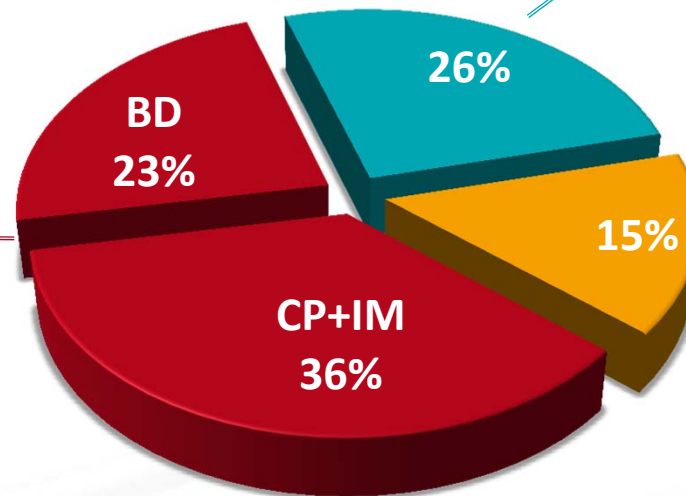
- Strong European leadership
- Business focused on growing renovation markets
- Low capital intensity and resilient cash generation

A primary focus on habitat market solutions with the highest growth potential

Saint-Gobain industrial assets, excluding Verallia, 2012

High-growth markets in mature economies:

- Energy efficiency
- Tightening of new construction and renovation standards
- More demanding customers
- Increasing skills in the construction workforce through IT and improved training



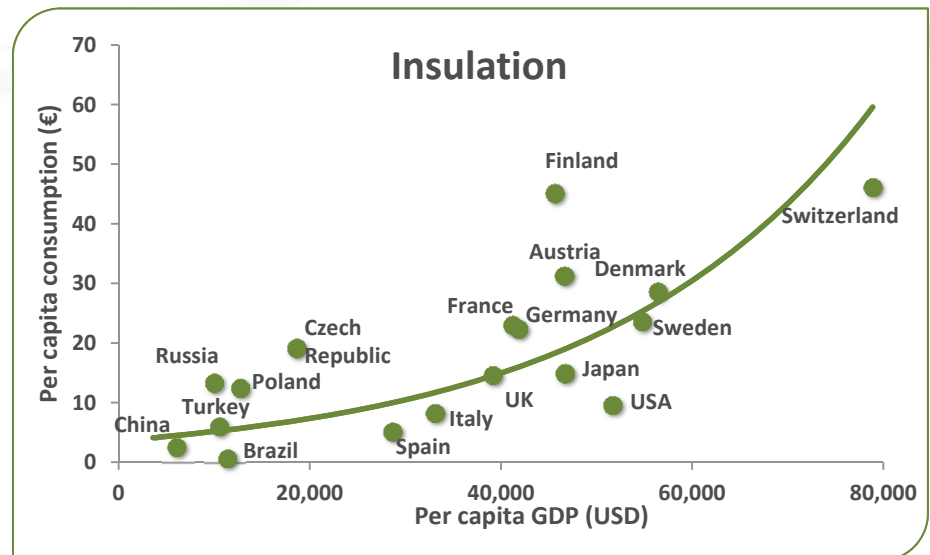
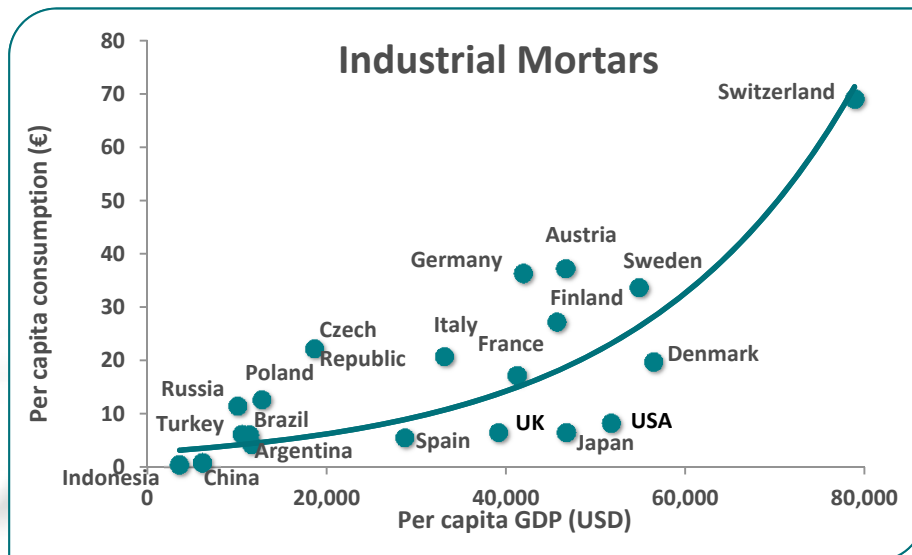
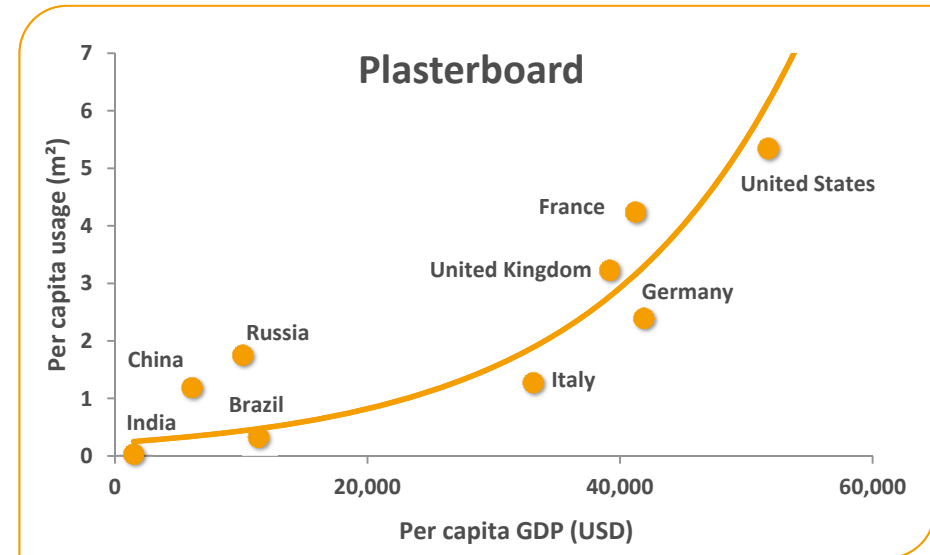
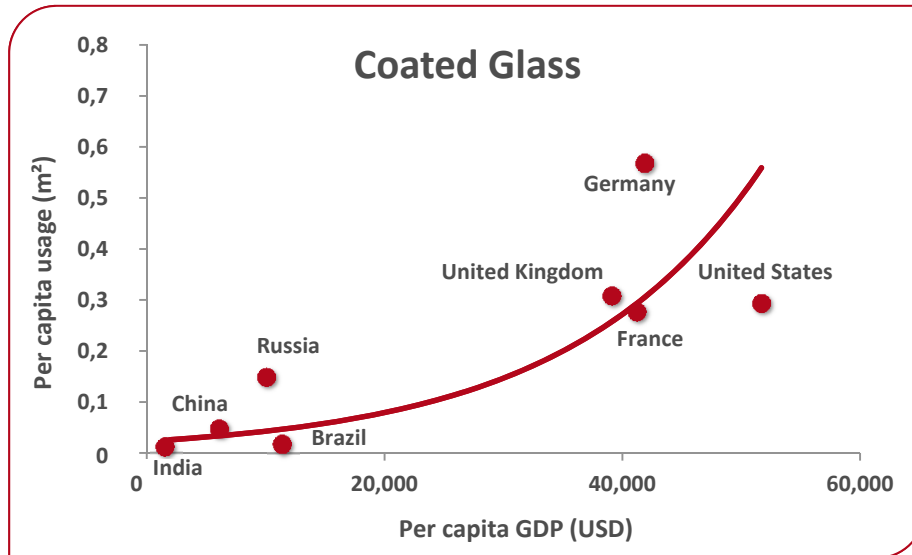
Asian and emerging construction markets:

- Urbanization
- Higher wealth growth
- Emergence of middle classes
- Increasing labor costs

Fast-growing industrial markets (50% in Asia and emerging countries):

- Aerospace
- Energy
- Life sciences
- Automotive
- Various industrial niches, primarily in co-development

A primary focus on habitat market solutions with the highest growth potential

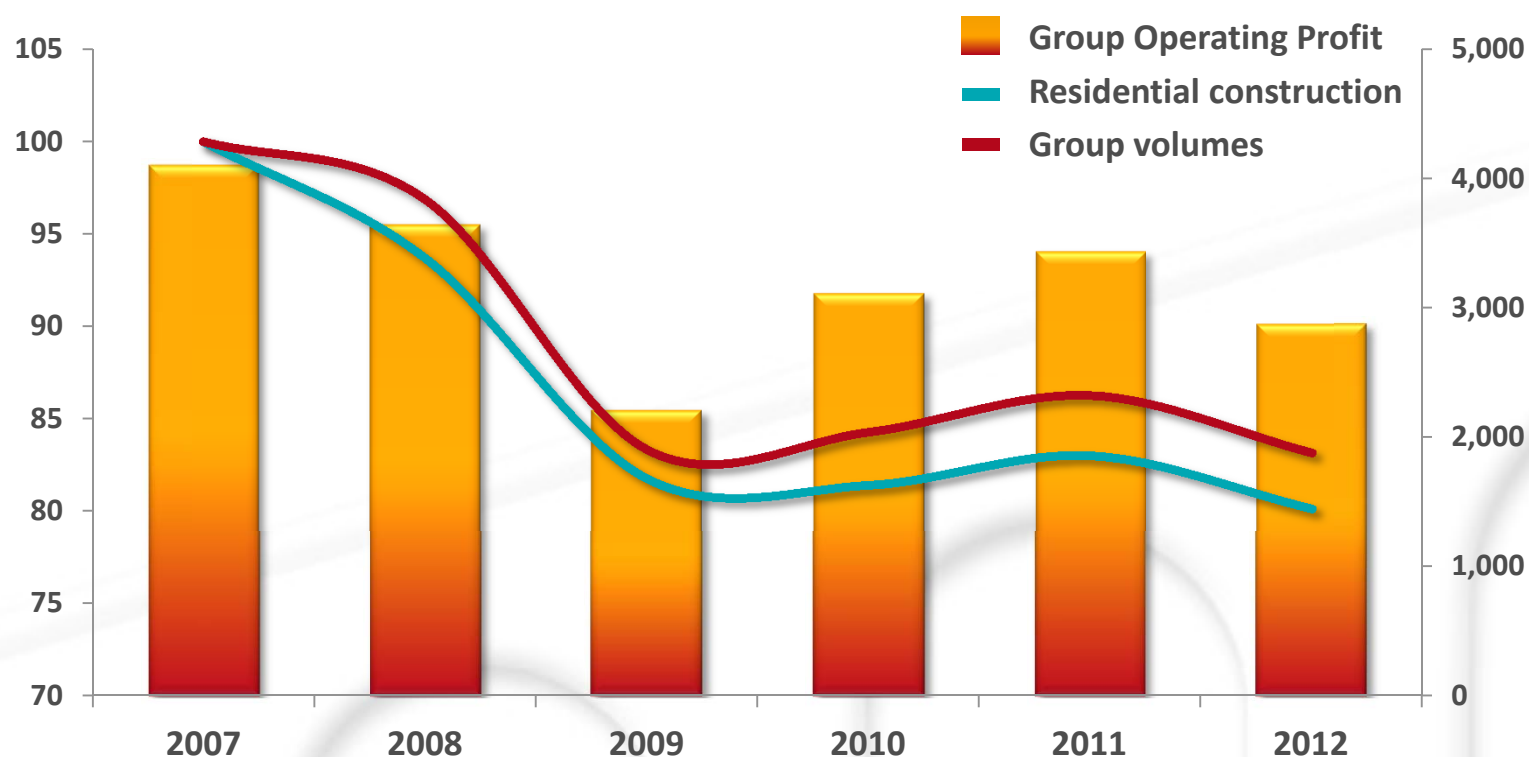


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A 17% decrease in sales volume, yet to be recovered

- Real residential construction output (new construction and renovation)*, Saint-Gobain sales volumes (constant perimeter and foreign exchange) (lhs), 100=2007, and Group Operating Profit in millions of euros (rhs), 2007-2012

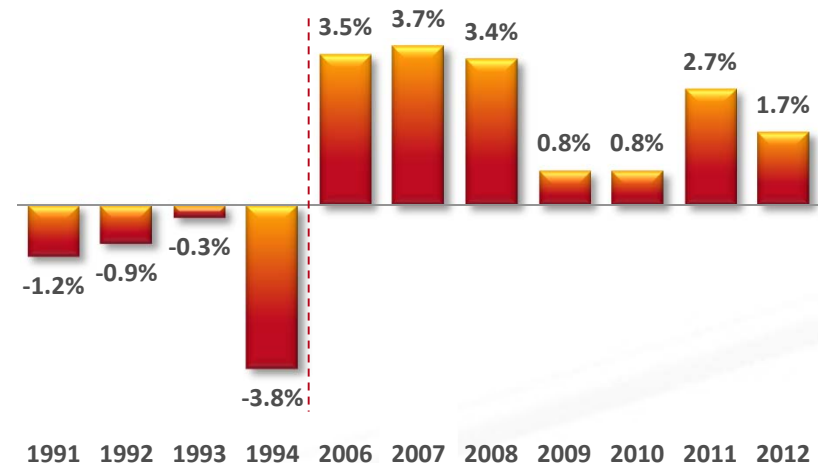


* Source: IHS Global Insight. Weighted by Saint-Gobain sales mix between new construction and renovation and by Saint-Gobain sales per country for the base year (2007)

1 Decisive actions to increase the operating leverage

- ➔ **Demonstrated ability to increase prices** and protect gross margins, with the exceptions of Flat Glass and of Interior Solutions in the USA
- ➔ **€3.2bn cumulative savings** since 2008, of which ~50% are structural
- ➔ **Staffing reduction in line with volumes** in Western Europe and North America, with minimized restructuring costs

Annual growth rate of Average Selling Price, 1991-1994 and 2006-2012



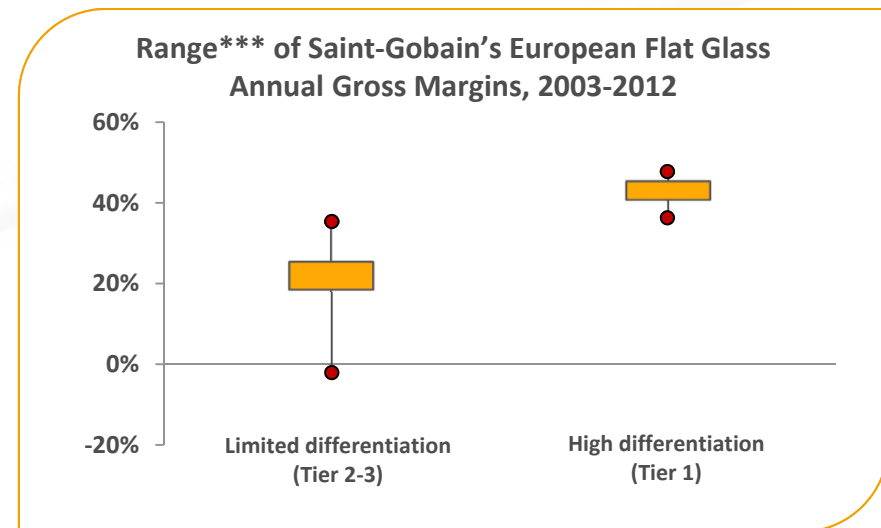
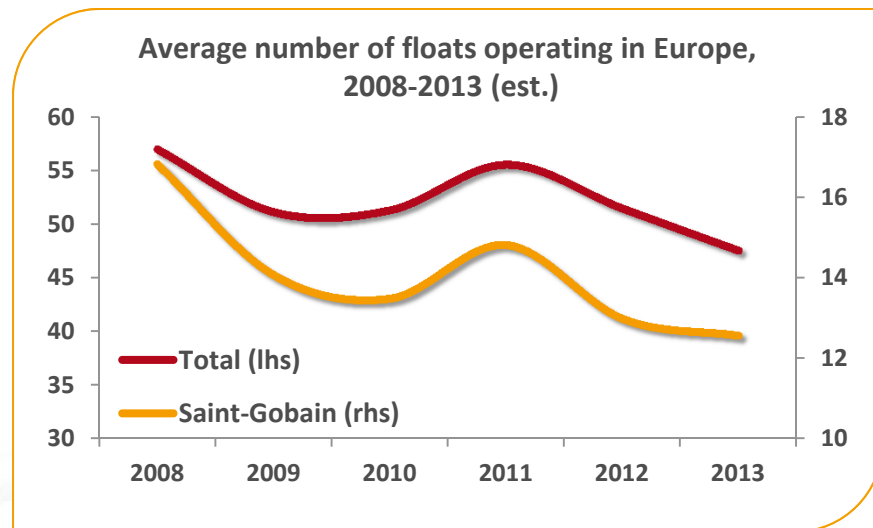
Cost-cutting programs of €3.2bn between 2008-2013, breakdown by type (€m)



2 Major adjustments launched in Flat Glass

➔ European Flat Glass undergoing crisis of historic proportions

- ~3% average operating profit margin since 2010 vs. 7%-10% over the past 20 years*
- Around **25% reduction in capacity** vs. 20% on average**
- Strengthened focus on **high value-added solutions**: 27% of sales in 2012, +8 points since 2007



* For historical consistency reasons, European Flat Glass perimeter covers France, Germany, Italy, the Netherlands, Poland, Spain, Sweden and the United Kingdom which together account for 97% of Flat Glass sales in Europe in 2012

** Number of active floats in Europe in January 2008 vs. October 2013, excluding for Saint-Gobain the sales of 50% of Salaise and Flovetto. Saint-Gobain estimates

*** From top to bottom, maximum, box (75% of observations) and minimum

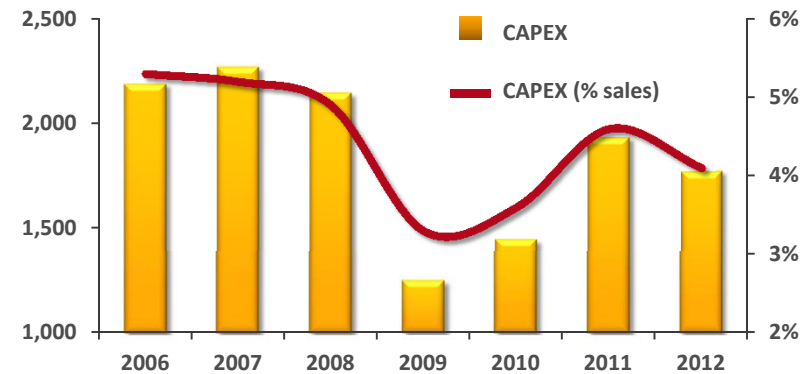
3 Reduced capital requirements

➔ **Capital expenditure** reduced by **20% in 2012** vs. 2006-2008 as a percent of sales

➔ Typical reduction in **investment unit costs** by approx. **10-30%**: civil works, standardization, low-cost sourcing

➔ **Operating working capital** reduced by **15 days** since 2006: efficiency gains in supply chain, strong reduction in debtors

Industrial Investments (€m)



CAPEX optimization in the Gypsum activity



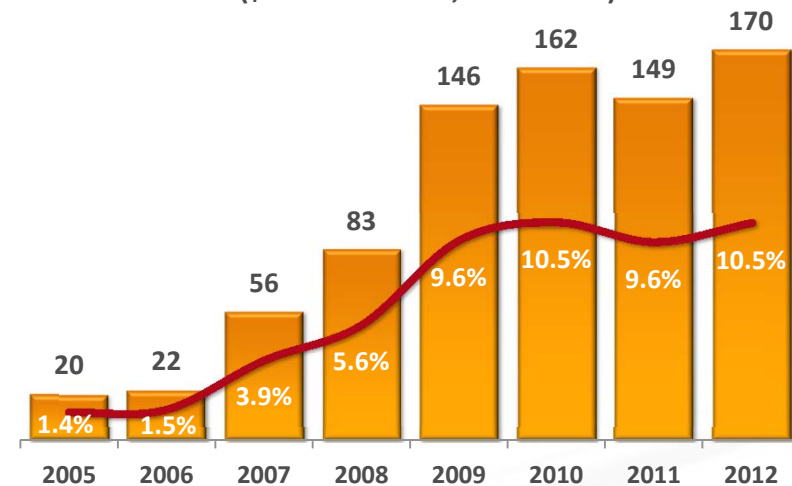
Operating Working Capital (€m, days of sales)



4 Strengthened activity portfolio

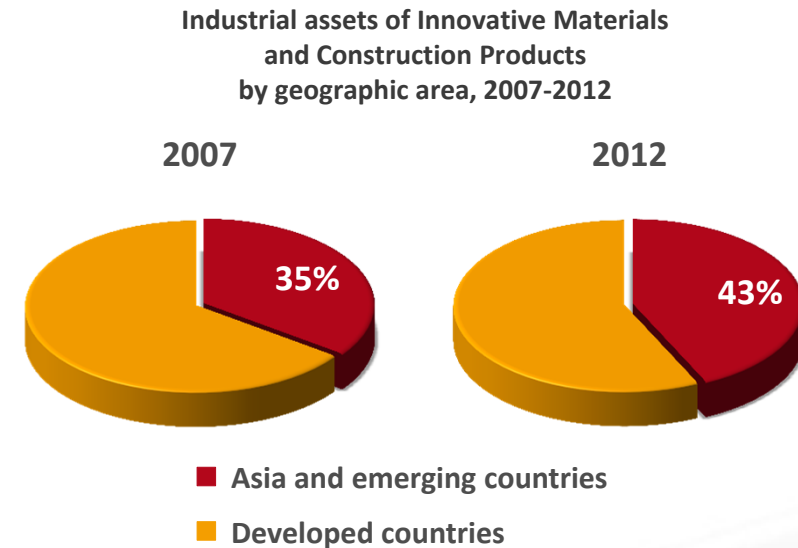
- ➔ Disposal of **Verallia North America** in very favorable sale conditions (~€1.3bn)
- ➔ **30 significant additional disposals** (€700m total since mid 2010)
- ➔ **Highly selective acquisition policy** (€1.3bn since mid 2010): emerging markets, high-end technologies, Building Distribution's core positions

Verallia North America's Operating profit
(\$m and % sales, 2005-2012)

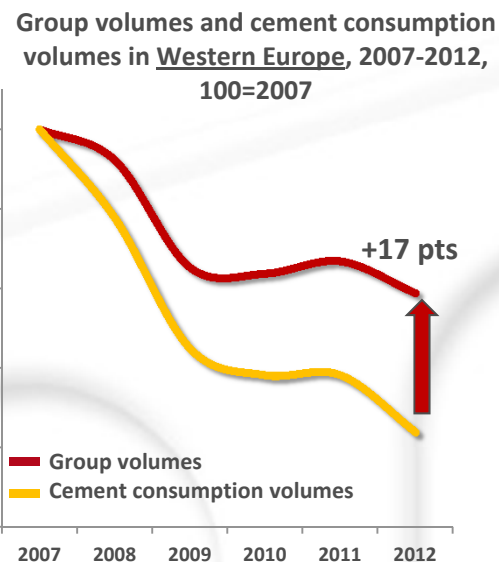
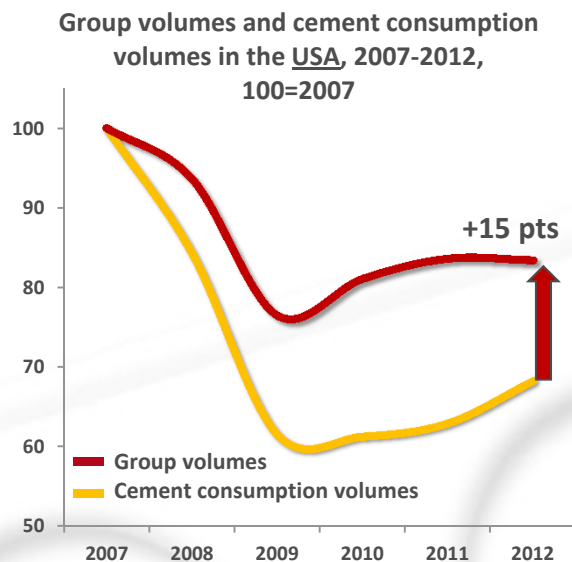


5 Increased growth potential

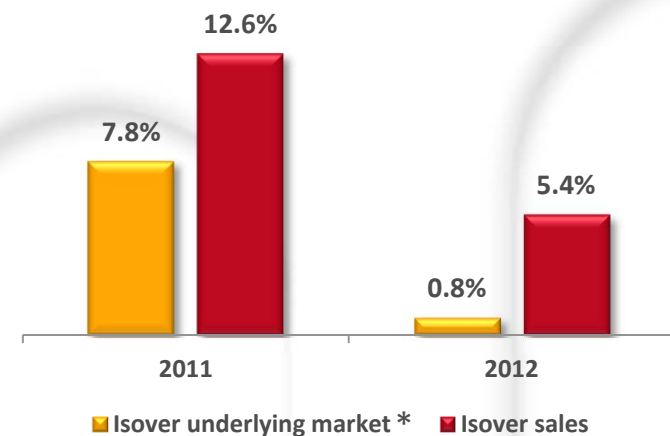
- ➔ Strengthened presence of industrial sectors in **emerging countries**



- ➔ Concentration on **fast-growing market segments in mature economies**



Annual growth of Isover sales in France vs. underlying market*, 2011-2012



* Isover underlying market indicator: weighted average of renovation (60%, real output, yoy growth) and new construction (40%, yoy change in housing starts)
Sources: IHS Global Insight, Euroconstruct, Saint-Gobain

6 Stronger fundamental values

➡ Innovation

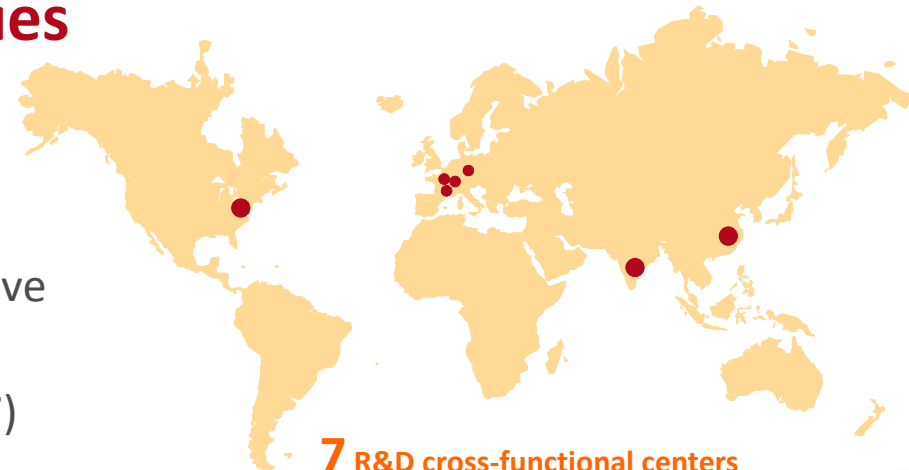
- Among the world's top 100 innovative companies*
- New R&D centers in Shanghai (2007) and Chennai (2012)

➡ Corporate Social Responsibility

- Strong improvements in safety: Group TF1 reduced from 5.9 to 2.4 since 2006
- Multiple employer awards to HR policy
- Sustainable development report: A+ Global Reporting Initiative application level in 2011 and 2012

➡ Performance oriented organization

- ROCE incentives key for 200 top managers



7 R&D cross-functional centers

3,700 people

400 patent applications annually



FTSE4Good

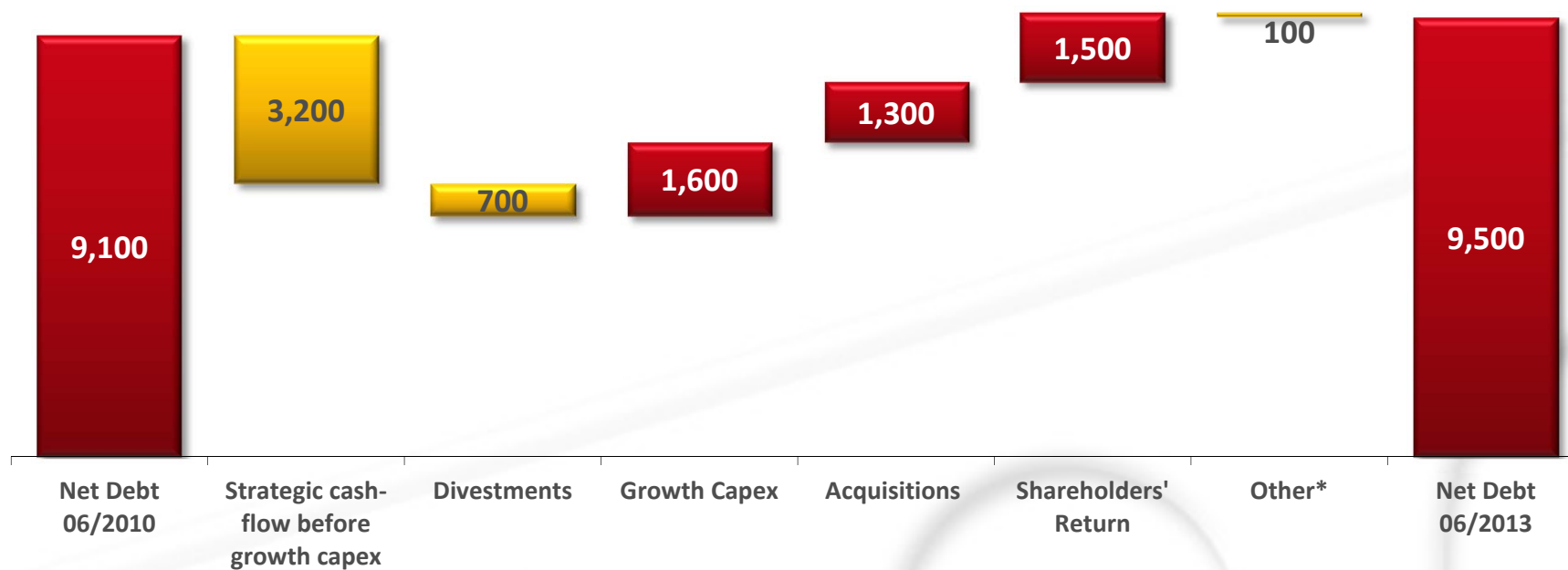
Supersector leader!



* Source: Thomson Reuters TOP 100 Global Innovators 2011, 2012, 2013

7 Rigorous allocation of resources

Net Debt Bridge, 06/2010 - 06/2013 (in €m)



**Other includes: increase/decrease in loans and deposits, net effect of exchange rate changes on net debt; net effect from changes in fair value on net debt.*

The last few years in retrospect: Key takeaways

➤ Strong response to market downturn

- ✓ €3.2bn cumulated savings in 2013, significant staffing reductions, resilient prices, around €1.5bn saved in working capital
- ~ Secondary positions from Building Distribution showed relatively low profit resilience in cycle
- ✗ Cost reductions and restructuring in European Flat Glass could not absorb the full impact of a protracted market crisis

➤ Steady progress on strategic priorities

- ✓ Concentration of the Group on habitat and innovative, high-performance solutions, and significant commercial synergies
- ✓ Strengthened growth potential, with high investment in emerging countries
- ~ Saint-Gobain brand not yet fully leveraged

➤ Rigorous allocation of resources

Introduction


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Key priorities for the next five years

- Strengthen the **Group profile** to raise the potential for organic growth: reduce the Group's capital intensity in developed countries; focus investments outside Western Europe; exit Verallia; and accelerate acquisitions and disposals
- Increase the Group's focus on **differentiation**: strengthen and focus R&D and marketing on local and co-developed innovations; accelerate developments on highly innovative industrial niches, sustainable construction, and over the internet
- Ensure **solid Group management** with four key priorities: operational excellence; Corporate Social Responsibility; attractive returns for shareholders; and a solid financial structure

Key priorities for sectors and geographic areas

- Strengthen the focus of Innovative Materials on high-performance and co-developed solutions Jean-Pierre Floris
- Build up Building Distribution's leadership positions and expand multi-channel sales Benoît Bazin
- Lead mature markets' shift to sustainable construction Peter Hindle
- Accelerate the development of Construction Products in high-growth countries Claude Imauven
- Strengthen our presence in North America John Crowe



Strengthen the focus of Innovative Materials on high-performance and co-developed solutions

Jean-Pierre Floris

Paris, November 27, 2013

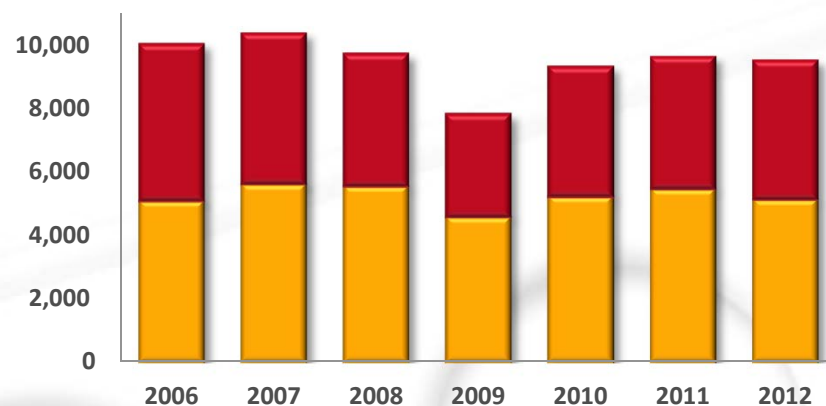


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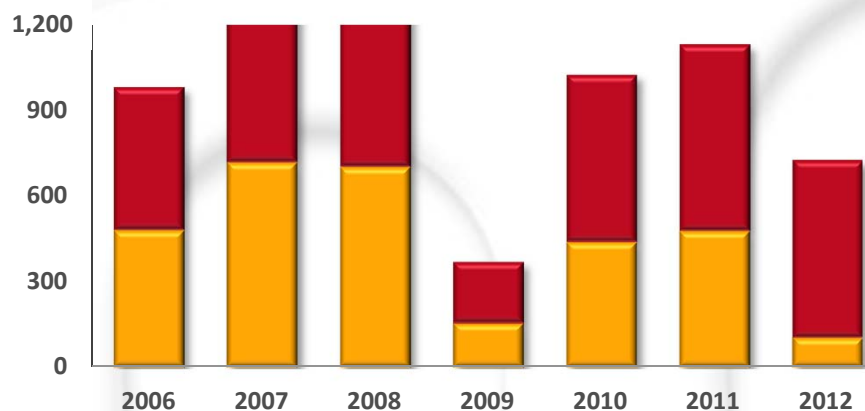
Innovative materials: key figures



Sales (€m), 2006-2012



Operating Profit (€m), 2006-2012

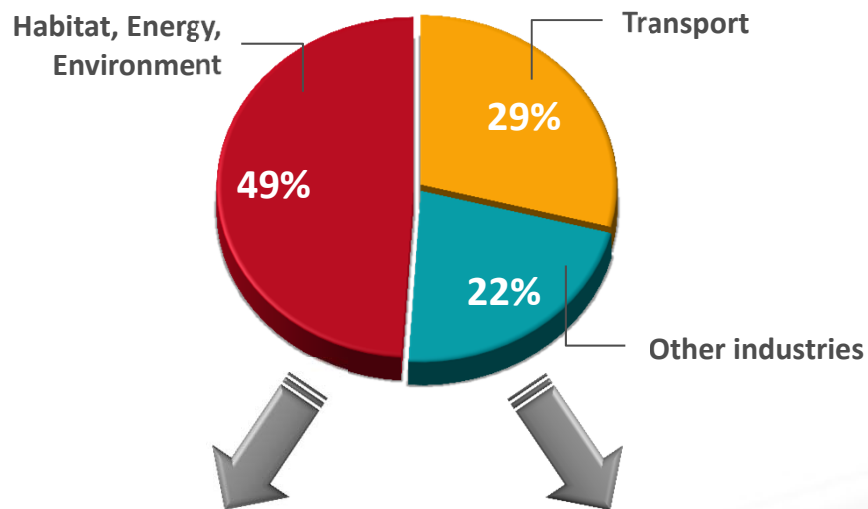


Flat Glass High-Performance Materials

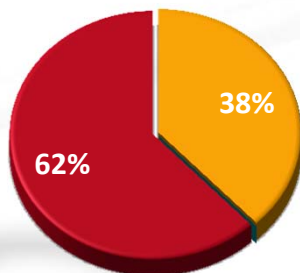
Innovative Materials Sector has multi-market and worldwide exposure

Market diversity

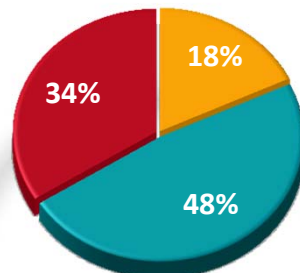
Sales split 2012



Flat Glass

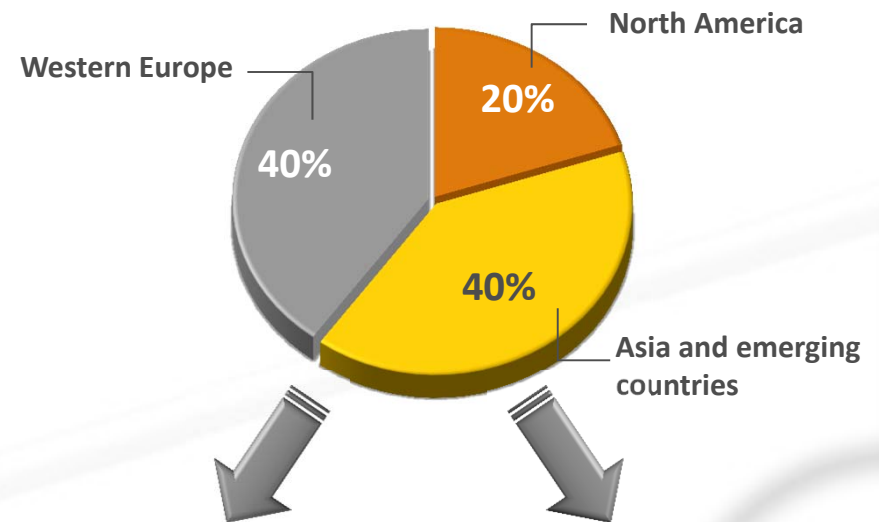


HPM

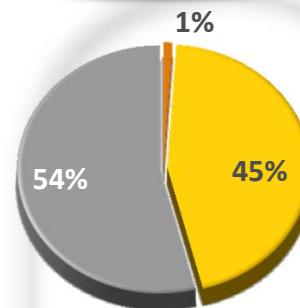


Worldwide presence

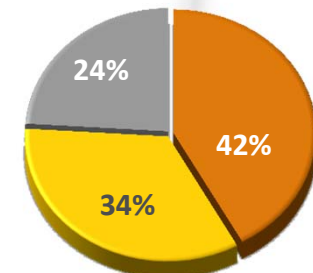
Sales split 2012



Flat Glass



HPM



The Innovative Materials Business Model

- A unique and **profitable** portfolio of high-tech value-added solutions, with strong market opportunities in **habitat**
- **Co-development, research and innovation** powering **differentiation** and **growth**
- **Global** presence and growing in the **emerging countries**



Innovative Materials Strategic Roadmap

3 Core Strengths

Innovation

- Increase R&D effort driven by marketing
- Adaptation to local needs
- Leverage **external incubators**
- Reduce **time-to-market**

Co-development

- Strengthen **co-development** and **application engineering**

Competitive cost position

- Maintain **competitive cost base** and **industrial leadership**
- Keep **fixed cost** under strict control

4 Strategic Levers

Optimize asset base

- **Optimize investments**
- **Adapt asset base** on challenged markets
- Build **partnerships**, especially for key R&D programs

Increase our differentiation

- Increase mix of **high value-added products / new products**
- Offer **new services** valued by customers

Accelerate development in growing regional markets

- Consolidate / build **strong local positions** in emerging countries
- Pursue development of **attractive niches in North America**

Enter new niches

- Selectively target **€750m-€1bn sales in new niches by 2018**
- Supported by external growth and / or R&D programs

Strengthen the focus of Innovative Materials on high-performance and co-developed solutions

1. Turn around Flat Glass

- Complete the restructuring of European operations
- Strengthen focus on high value-added and downstream activities
- Reduce capital intensity by 15 points by 2018

2. Strengthen Sekurit positions in emerging countries and on high-end markets

3. Accelerate the growth of High-Performance Materials

- Overarching priority: high-potential industrial niches prone to co-developments
- Key markets in North America
- Key emerging countries

1 Turn around Flat Glass

Complete the restructuring of European operations

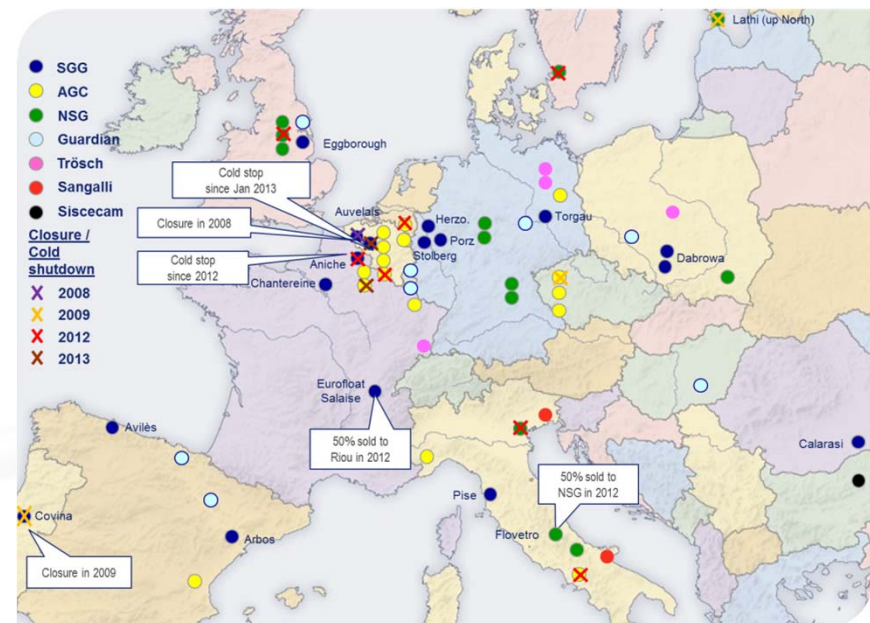
➡ European glass still near record-low levels

- Demand for architectural glass still subdued
- Decreasing automotive demand

➡ Decisive adjustments in float capacities: around 25% reduction in capacity vs. -20% average for total market*

➡ Unprecedented reduction in fixed costs

Change in the number of floats in Europe**, 2008-2013



* Number of active floats in Europe in January 2008 vs. October 2013, excluding for Saint-Gobain the sales of 50% of Salaise and Flovetto. Saint-Gobain estimates

** Saint-Gobain estimates

1 Turn around Flat Glass Strengthen its focus on high value-added and downstream activities

- ➔ **Clear priorities for differentiation** defined by local marketing teams with end-user surveys
 - Performance, aesthetics, environment-friendly solutions
 - Associated service: technical support, logistics, digital applications
 - Highly innovative solutions, e.g. electrochromic glass
- ➔ **Increase market segmentation** and develop specific solutions for key market segments (hospitals, schools...)
- ➔ Push for **higher brand and product recognition**, e.g. with glass marking

House Windows

Windows for the home bring many benefits. To learn more and find a suitable product for your home please select one of the boxes below.

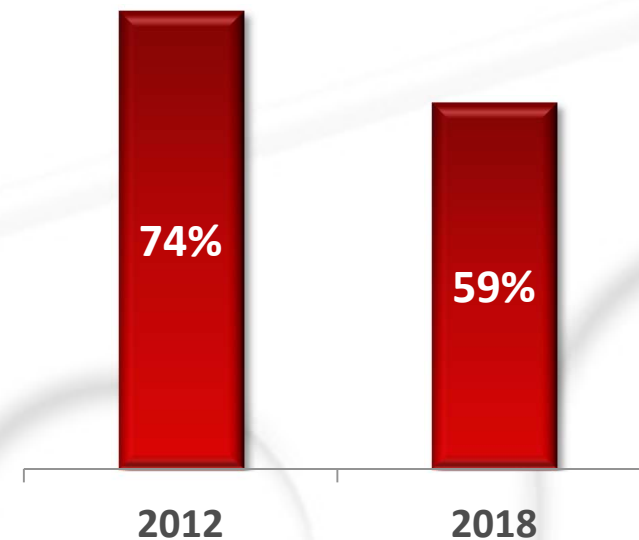


1 Turn around Flat Glass

Reduce Flat Glass capital intensity by 15 points by 2018

- ➡ Active management of **production capacities**
- ➡ Focus all activities **on high value-added solutions**, associated services, and downstream activities

Flat Glass capital intensity* 2012-2018



** Industrial assets divided by consolidated annual sales, including within the Group.*

2 Strengthen Sekurit positions in emerging countries and on high-end markets

➤ High investments in **emerging markets**

- In association with major customers and/or to serve local carmakers
- Projects in Argentina, Russia and ASEAN countries

➤ Strategic R&D programs to **maintain technological leadership**

- Continue to differentiate Sekurit as the preferred choice for highly innovative solutions
- Priority programs include light-weight solutions, connectivity (display, antennas...), and industrial efficiency



3 Accelerate the growth of High-Performance Materials

High-Performance Materials sales, 2012

Plastics:

#1 Fluid-circuit components

#1 Sliding fluoropolymer bearings

#1 Architectural fabrics for large construction projects



Abrasives:

#1 Bonded

#2 Coated

#1 Superabrasives



Ceramics:

#1 Refractories

#1 Silicon Carbide

#1 Abrasive grains

#2 Proppants



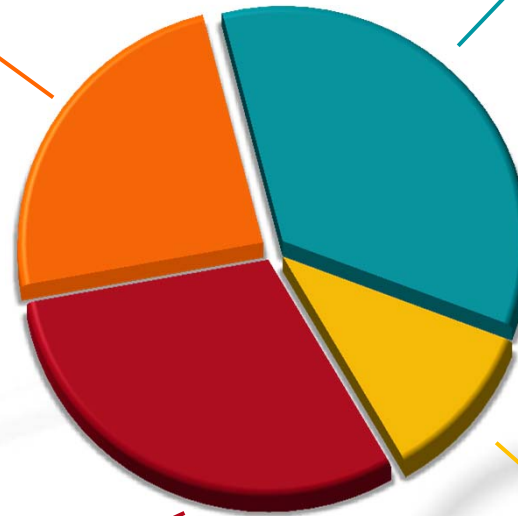
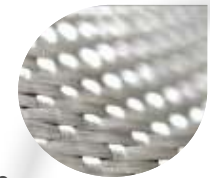
Textile Solutions:

#1 External Insulation

#1 Dry wall tape

#2 Glass veil in Europe

#1 Wall covering



3 Accelerate the growth of High-Performance Materials **Priority to industrial niches prone to co-developments**

➡ **Co-developments** on diversified **industrial niches** bring **sustained superior profitability** and are critical for maintaining technological leadership over the long-term

- ~25% of sales and increasing
- 3,400 employees working in direct contact with customers (~13% of total headcount)

➡ **€750m-€1bn** targeted in additional sales in new niches by 2018

- Priority to co-development opportunities and customized solutions with high switching costs
- Strong intellectual property protection

3 Accelerate the growth of High-Performance Materials Selected examples of current niches

- **Catalyst carriers** (ceramic) co-developed with catalyst companies for petrochemical and refinery plants
- SefPro **glass refractories** for the structure and lining of glassmaking furnaces
- High-performance refractories for non-glass sectors such as **internal lining tiles for gas turbine combustion chambers**
- Customized **bearings and tolerance rings**, primarily for the automotive sector



3 Accelerate the growth of High-Performance Materials

Critical components for growing markets: high-performance Seals and Bearings for Energy, Aerospace and Automotive

➡ **Global leadership** in high-performance polymer-based seals and components

- **Co-development business model** with integrated technology from material formulation and component design to precision manufacturing
- Focus on providing solutions for Energy and Aerospace markets

➡ **Global leadership** in bearings through development of custom-designed solutions:

- Close work with customers through our **application experts** network
- Design solutions (long life, noise-free,...) to serve various applications of the automotive markets



NORGLIDE
Bearings

RENCOL
Tolerance Rings

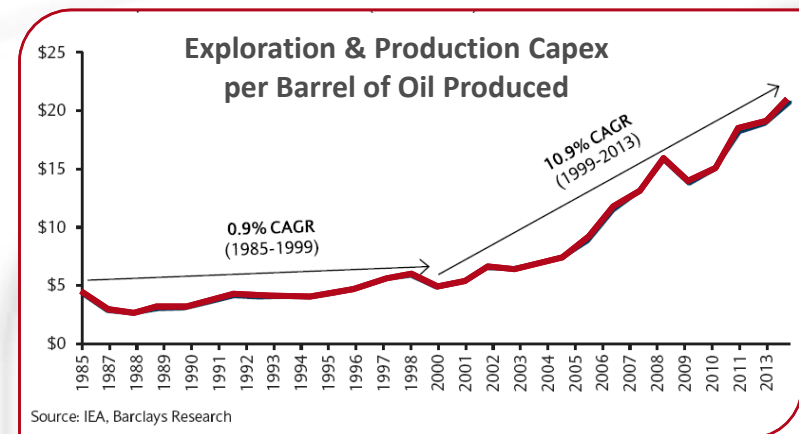
3 Accelerate the growth of High-Performance Materials Critical components for growing markets: Ceramic Proppants for Oil & Gas

➡ Spherical beads used in the extraction of oil & gas

- Increasing the production yield of the well
- Able to withstand **highest stress conditions**

➡ Strongly benefit from the **shale gas revolution** in North America

➡ Greenfield plant in Arkansas started operations in 2013 and is the **world's largest capacity ceramic proppant line**



3 Accelerate the growth of High-Performance Materials **Critical components for growing markets: applications for Biopharma**

➡ **Customized plastics for single-use systems** in biopharmaceutical manufacturing

- One of biopharma's strongest markets as processes shift from stainless steel tanks and pipes to plastic disposable systems
- High value-added through customized design and application expertise



3 Accelerate the growth of High-Performance Materials Critical components for growing markets e.g. Specialty films and Coated fabrics for habitat

➡ Develop **unique value propositions** for habitat and industrial applications with metalized, coated, and laminated films, leveraging technical synergies with Flat Glass

➡ Advance window film technology to **improve performance and offer new functionalities**



Denver Airport, Sheerfill architectural membrane



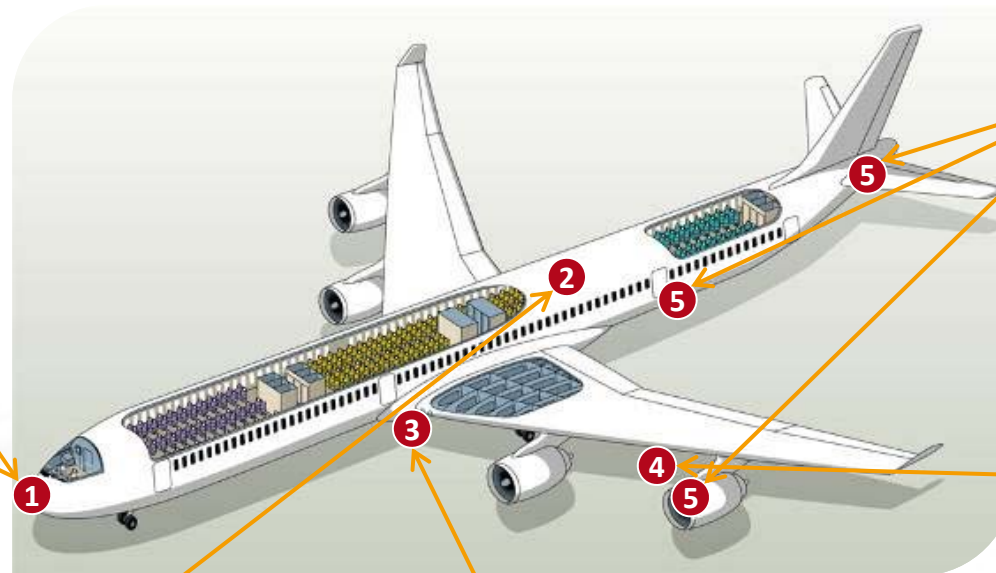
6,500 sqm of Solar Gard Stainless Steel film installed on Hyatt Regency Century Plaza (CA)

3 Accelerate the growth of High-Performance Materials Critical components for growing markets e.g. Radomes, Films, Polymer components for Aerospace

- ➔ Saint-Gobain is already a **well-recognized supplier** of critical solutions for aerospace applications, e.g. radomes
- ➔ **Rapid underlying market growth** with lightweight systems for fuel efficiency and unmanned aerial vehicles



1 Aircraft radomes



5 Plastic seals and gaskets



4 Polyimide components



2 Low pressure ducting



3 Composite molding release films

3 Accelerate the growth of High-Performance Materials Key emerging markets: Abrasives in Latin America

- **Strong presence** in the region, in particular in Brazil
- **Double digit annual growth since 2008**, with strong infrastructure markets
- Development through both **investments and acquisitions**, e.g. Nikkon, Difer (2010) and Doble A, Dancan (2011)



3 Accelerate the growth of High-Performance Materials Key emerging markets: Performance Plastics in Emerging Asia

➡ **Aim at sustaining double-digit growth** over the medium term (15-20% annual growth since 2008)



➡ **Priority markets:**

- Bearings, Specialty Films, Seals, Foams and Tapes to serve local industrial clusters (automotive, electronics, oil & gas...)
- Life sciences



3 Accelerate the growth of High-Performance Materials Key emerging markets: multi-activity strategy in India

- ➔ **Double-digit annual sales growth** in all activities over the past five years
- ➔ Coordinated plans to **increase commercial presence** and **expand local manufacturing footprint with maximum synergies**
 - **Ceramic Materials:** Develop specific consumables for the domestic metallurgy market, and leverage our plants to serve both domestic and exports markets for high-performance refractories
 - **Abrasives:** Significant capacity expansion planned in 2014
 - **Performance Plastics:** Expand range of product offering through a combination of local and global sourcing
 - **Textile Solutions:** Strengthen commercial presence to serve road infrastructures (geotextiles) and habitat markets (e.g. insect screens and wall coverings)



Conclusion: Strengthen the focus of Innovative Materials on high-performance and co-developed solutions

2018 Sector Objectives

- 1** Increase the share of assets and sales outside Western Europe from 65% to 70% and 61% to 69%, respectively
- 2** Increase the share of sales on high value-added or co-developed solutions, including for energy efficiency, (differentiation ratio) from 61% to 66%
- 3** Restructure Flat Glass and reduce its capital intensity by 15 points
- 4** Selectively target €750m-€1bn of additional sales for High-Performance Materials in new niches by 2018



Build up Building Distribution's leadership positions and expand multi-channel sales

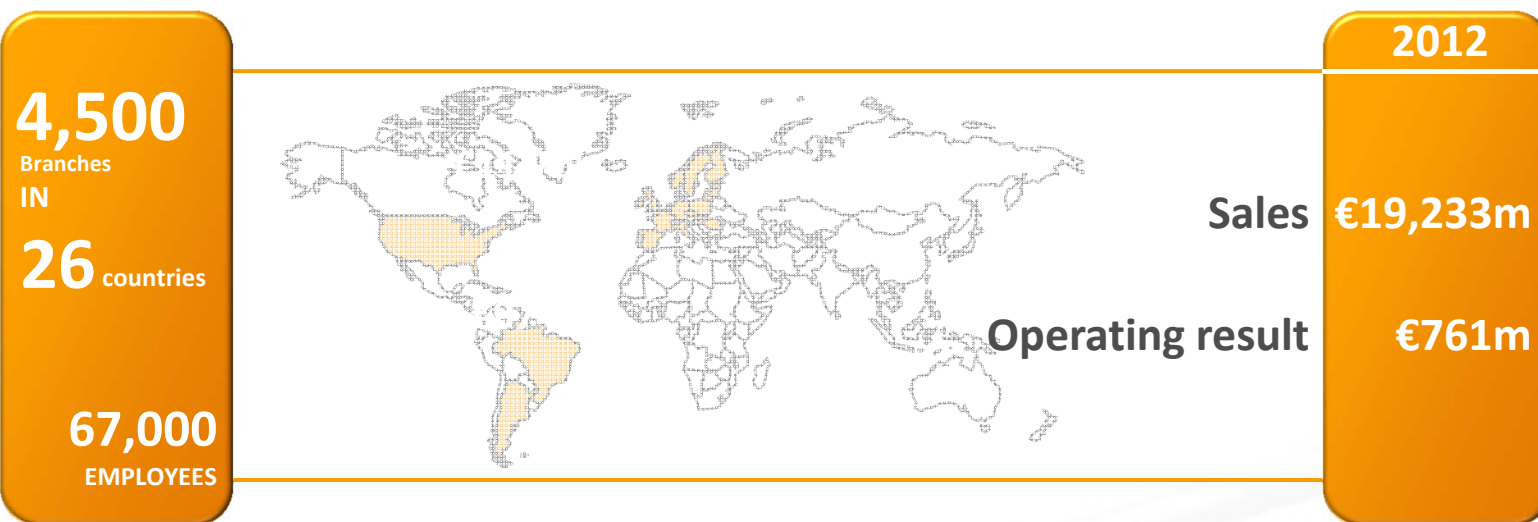
Benoît Bazin

Paris, November 27, 2013

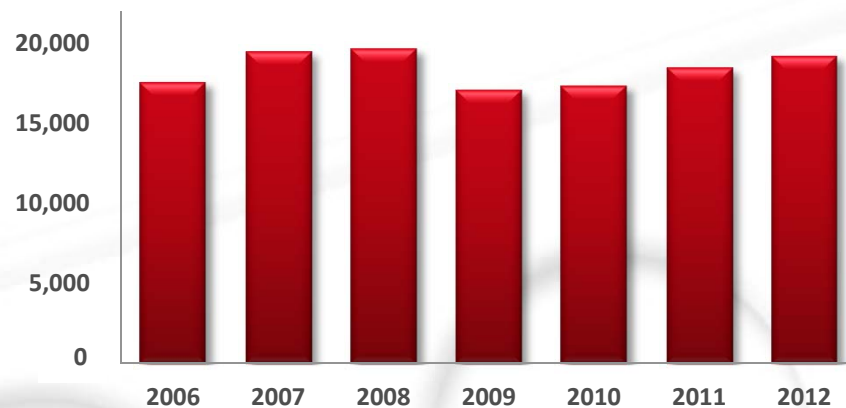


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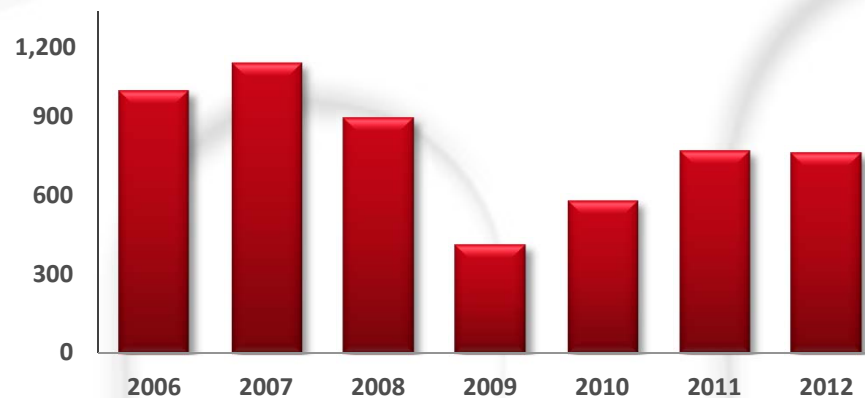
Distribution: key figures



Sales (€m), 2006-2012

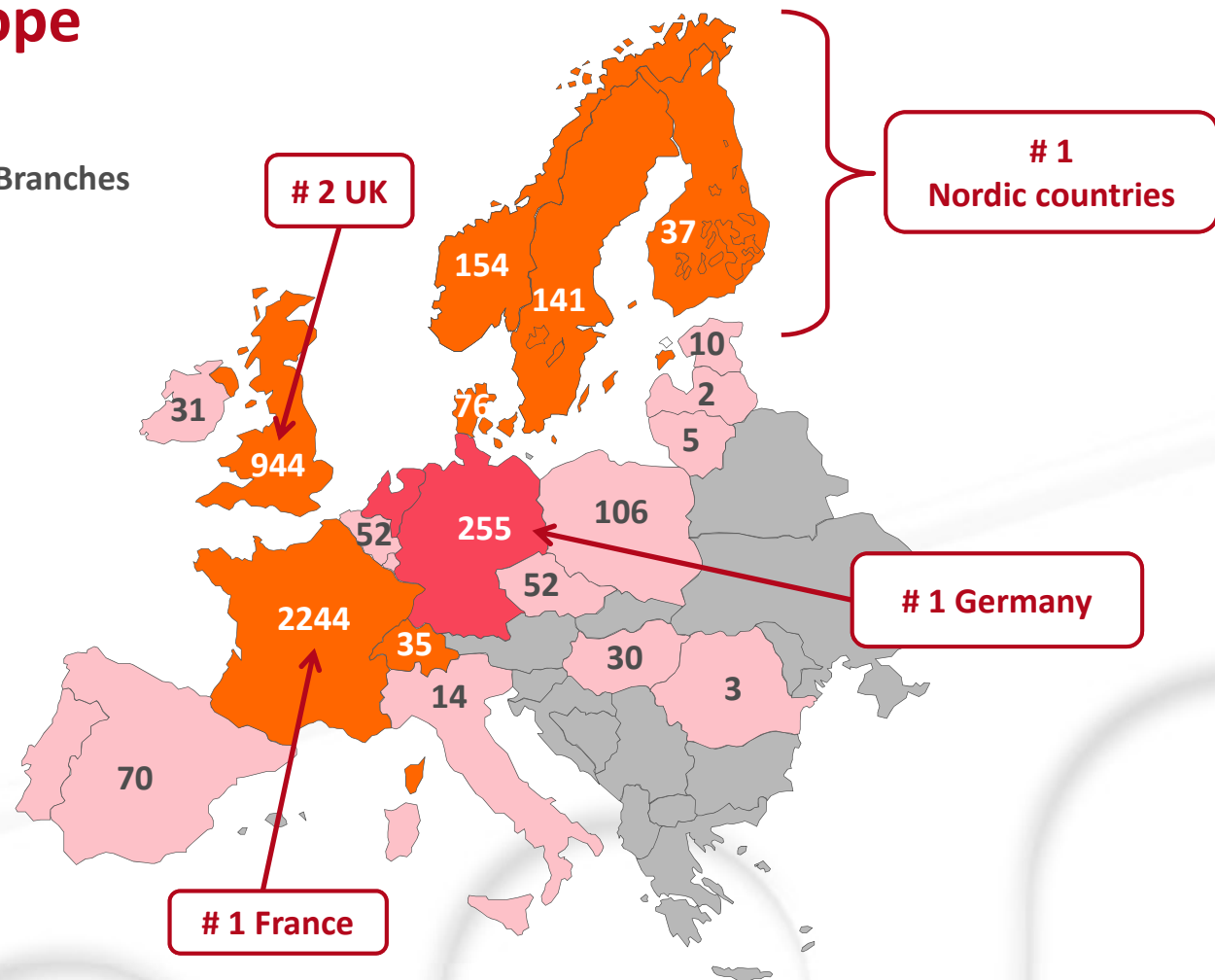
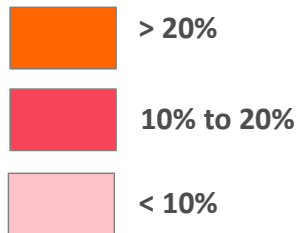


Operating Profit (€m), 2006-2012



Saint-Gobain Building Distribution: # 1 Building Materials Distribution in Europe

National Market Share and # of Branches (2013)



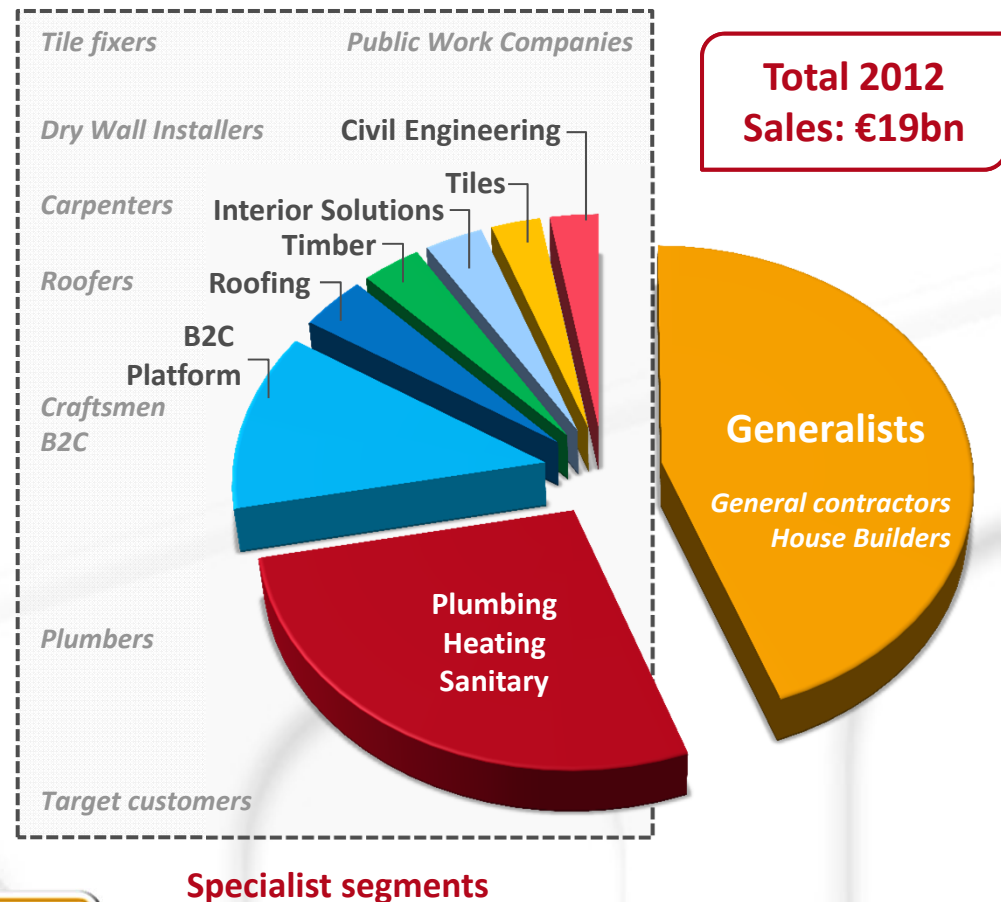
Regional leadership for Generalists

European leadership for Specialists

A multi-brand and multi-specialties portfolio to cover the needs of all customers

- ➔ Target specific **customers needs** across **all markets**
- ➔ Provide both **wide** (Generalists) and **deep offers** (Specialists)
- ➔ Leverage complementarities between **expertise** and **scale**

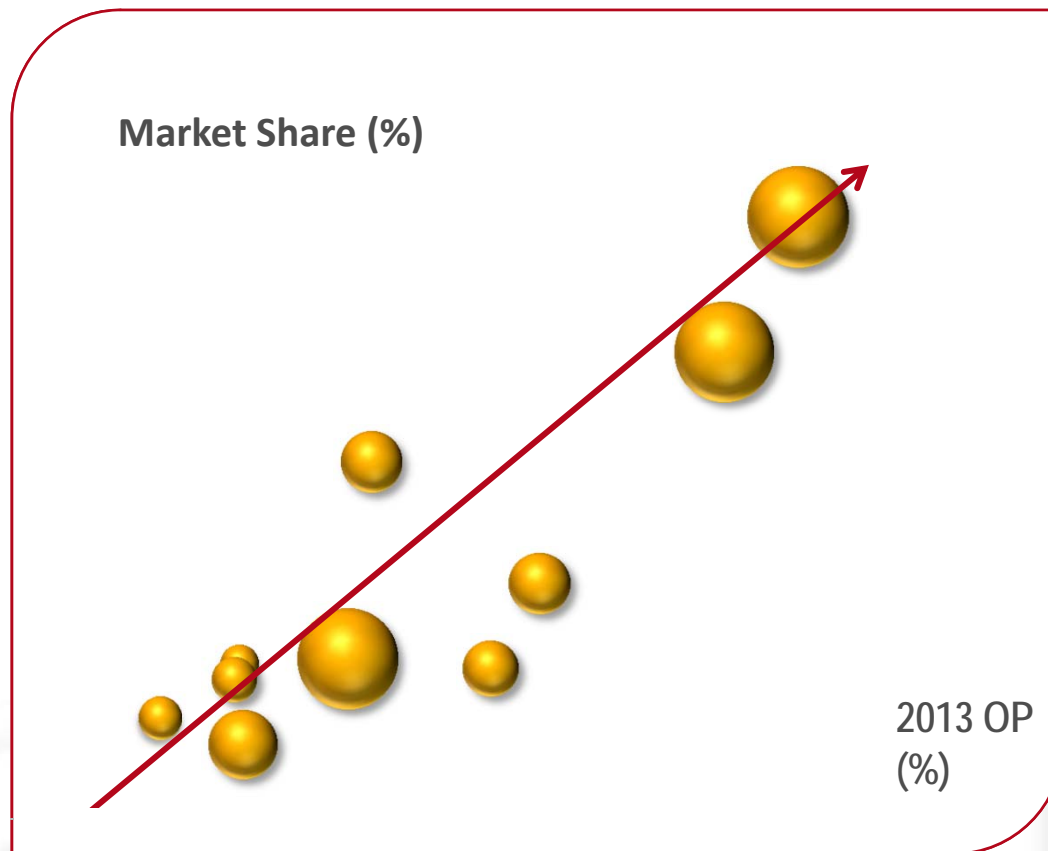
Share of sales between generalist and specialist segments



A key differentiating factor

1 Strategy: Build up on strong profitable positions

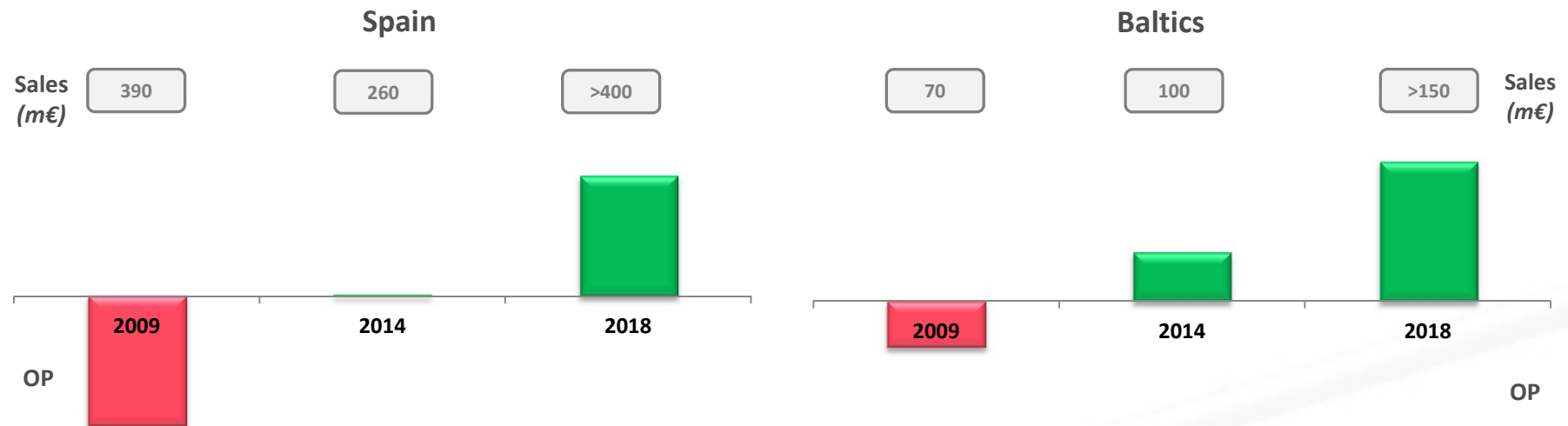
Clear link between market share and profitability



- Ability to attract **best teams**
- Stronger **purchasing** leverage and ability to deliver **better pricing**
- Economies of scale on **IT, logistics, sourcing, etc.**
- Still some room for ad-hoc **bolt-on acquisitions**

1 Strategy: Exit or restructure difficult businesses

➔ **Keep restructuring** in difficult markets: 477 branches closed since 2009



➔ **Dispose** of Business Units with **no leadership perspective**

- Plateforme Italy (2009)



- Lapeyre Belgium (2013)



- La Maison in China (2011)

- Tiles activities in Czech Rep. and Slovakia (2012)



- Barugel in Argentina (2013)



- Mpro in Belgium (2013/2014)



- Raab Karcher in Poland (2013/2014)



1 Strategy: Grow in Brazil

➔ Growth opportunities

- +35% organic growth since 2007
- Still a very fragmented environment

➔ Telhanorte is **accelerating**

- Good operational performance
- Format well-adapted to local market

➔ Ongoing **growth projects**

- New distribution center in Minas Gerais (2013)
- New branches in 2014
- Acquisitions opportunities



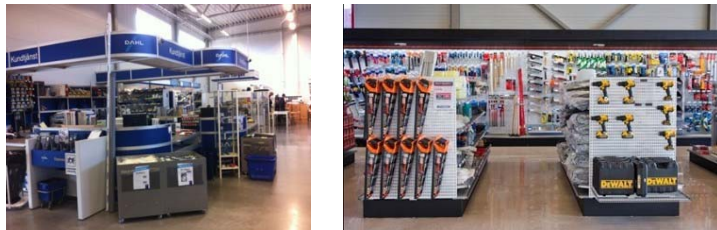
2 Operational excellence: Accelerate organic growth

- ➔ Accelerate organic growth **over the market**
- ➔ Through **customer focus, innovation** and value-added **services**

- 35% high value-added products and solutions by 2018 (30% in 2013)

➔ Merchandising and marketing

Nordics example



Point. P – Customer promise

PLUS FIABLE, PLUS SIMPLE, PLUS RAPIDE ET SURTOUT PONCTUEL !

• NOS GARANTIES « LIVRAISONS »
Nous vous livrons en 24h Pour toute commande passée avant 15h selon créneaux horaires ci-dessous.
Et à l'heure que vous souhaitez Pour toute commande passée 48h avant la date de livraison souhaitée.

• UN SUIVI EN TEMPS DIRECT
1- Vous recevez un SMS de confirmation de votre commande qui vous indique le créneau horaire de votre livraison.
2- Vous recevez un SMS qui vous indiquera le départ de votre commande.
3- Et enfin, en cas de retard, vous recevez un SMS qui vous prévient.

AU-DELÀ DE 2H DE RETARD sur le créneau horaire confirmé par SMS, POINT.P VOUS REMBOURSE LA LIVRAISON.

Je commande

Année	Je suis livré le lendemain
Année 0 h	7h à 9h
Année 10 h	9h à 10h30
Année 11 h	10h30 à 12h
Année 12 h	12h à 14h30
Année 13 h	14h30 à 16h
Année 14 h	16h à 18h

Je suis livré le lendemain

Camion benne 10 tonnes triple d'usage
Camion benne 20 tonnes avec chariot élévateur articulé
Camion benne 20 tonnes triple d'usage
Camion benne 10 tonnes triple d'usage
Camion 20 tonnes avec chariot élévateur articulé
Semi remorque avec chariot élévateur articulé
Semi remorque avec gros module articulé
Camion benne 10 tonnes pour transport de matériaux

Point. P – Energy efficiency



2 Operational excellence: Leverage scale synergies

➔ Purchasing excellence

- Negotiations at European level
- Suppliers rationalization

Analysis of key suppliers to develop partnerships



➔ Private label and low-cost sourcing

- 15% of private label sales in 2018 (versus 11% in 2013)



Key Private Labels

KERMOS

Altech

Alterna

luxra

NOVIPro

G·E·M·I·N·I
cosmic wall & floor tile collection

DELTA PRO
LA MISE EN ŒUVRE EN TOUTE CONFIANCE

ULTIBAT

➔ Logistics: share knowledge of most advanced Business Units

2 Operational excellence: Improve cost ratios

➡ Personnel costs

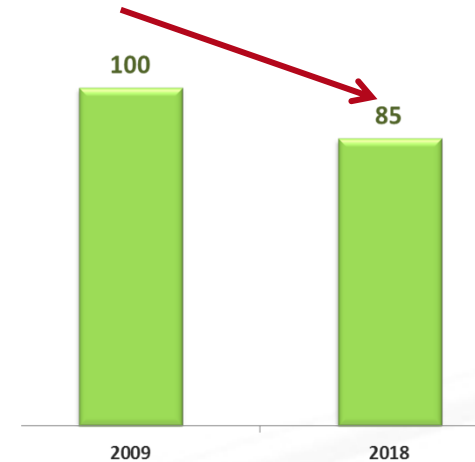
➡ Transport costs

- Truck pools
- Improved billing and service rates, with gains in on-time delivery service

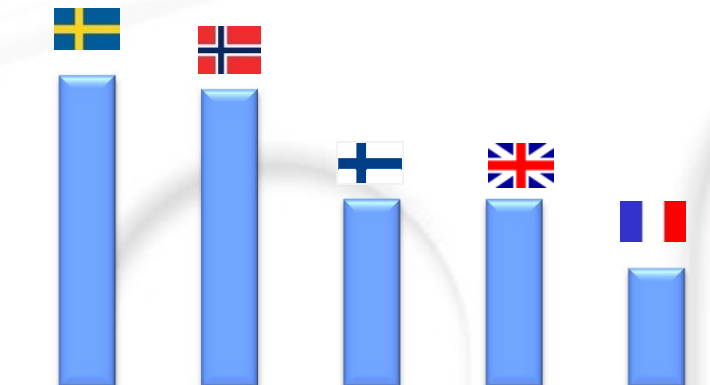
➡ Real estate costs

- Benchmark sales / m²
- Share sites (shop-in-shop)

Change in Personnel Expenses / Gross Margin ratio (%)
Base 100 = 2009

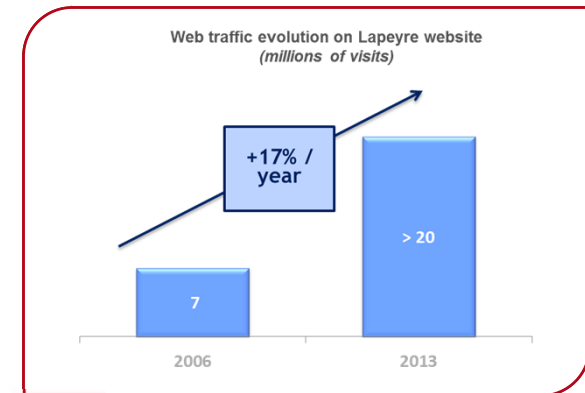


Sales / built surfaces – PHS*



3 Multi-channel growth: Leverage the Sector's strong assets

- **Expert teams** (solutions knowledge, 200 million customers contacts / year)
- Strong **partnerships** (suppliers & customers)
- **Brands** and physical **networks** (one-stop-shopping, drives, click & collect)



- ~ **€100m** capex per year on **IT** and **logistics**

3 Multi-channel growth: Accelerate existing and new initiatives

➡ Some **successful** initiatives

Netherlands – Plumbing Heating Sanitary

E-business service pack

Aspect	Galvano / SG role				
	Supplier (B2B)	Content Provider Light (B2B)	Content Provider Pro (B2B2C)	Portal Provider (B2B2C)	Clicks& bricks (B2C)
Collecting points >					★
Portal >				★	★
Intelligent content >			★	★	★
Light content >		★	★	★	★
Goods >	★	★	★	★	★

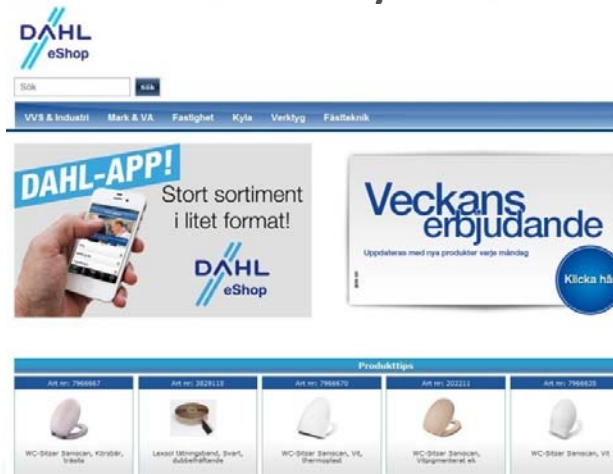
proposition

returns

Degree of customer integration / dependency

80% of relevant sales

Nordics - Plumbing Heating Sanitary



20% of relevant sales

Point P

Outiz
LE WEBSTORE PRO

Point.P: goal of 10% of relevant sales by 2018

➡ **Specific multi-channel strategies** for each Business Unit: towards 15% online sales on a relevant perimeter by 2018 (from 5% / €400m today)

Conclusion for Saint-Gobain Building Distribution

- ➡ A strong business with **key assets**
 - Regional as well as European leadership positions: #1 or #2
 - Differentiated portfolio with both generalist and specialist brands
- ➡ A clear priority to **capitalize** on **strong positions** and to further **develop** them:
 - Organic growth above underlying markets
 - Operational excellence and synergies
 - Growth market segments in Europe and Brazil
 - Restructuring and divestments where appropriate
- ➡ **Accelerated** development of **multi-channel** offer to seize **new digital opportunities**

Build up Building Distribution's leadership positions and expand multi-channel sales

2018 Sector Objectives

- 1 Focus on positions with #1 or #2 regional leadership and seek European leadership for specialists networks
- 2 Achieve organic sales growth over the market
- 3 Increase the share of high value-added products and solutions from 30% to 35% of total sales, and the share of private labels from 11% to 15%
- 4 Develop internet strategies for every market, and achieve 15% of sales through internet on a relevant perimeter (from 5% / €400m today)



Lead mature markets' shift to sustainable construction

Peter Hindle

Paris, November 27, 2013



SAINT-GOBAIN

Lead mature markets' shift to sustainable construction

- ➡ A **powerful** and global trend towards more **comfort** and **sustainability**
- ➡ We deliver **multi-activity innovations**
- ➡ And set standards for **global solutions**

Sustainability and comfort are becoming key criteria for construction choices



Hearing

Noise
Acoustics

Airborne sound insulation

Impact sound insulation

Reverberation



Thinking

Social
Responsibility
Maintenance

Energy consumption

Carbon footprint

Running costs



Touch

Temperature
Texture

Thermal insulation

Airtightness

Summer comfort



Vision

Design
Colors
Light

Day lighting

Glare

Luminance



Smell

Air quality
Clean and dry

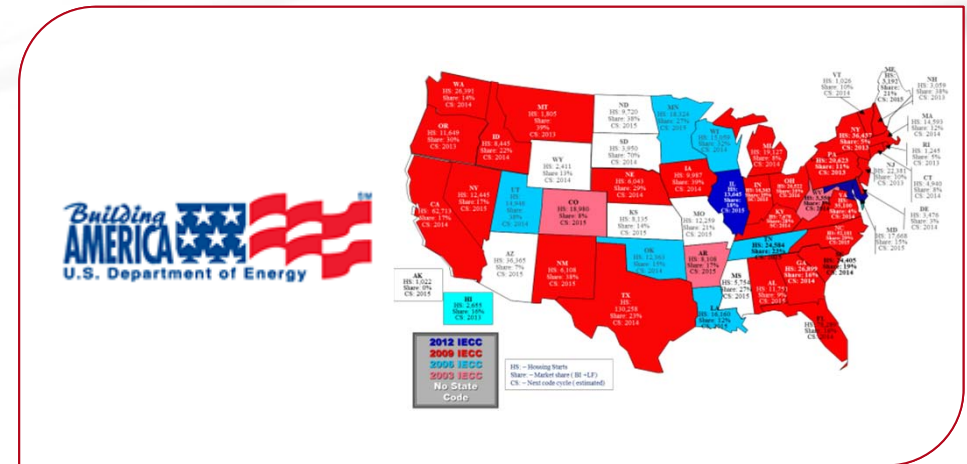
Fresh air supply

Moisture management

CO₂ & VOC levels

➡ **Energy Efficiency Directive in the European Union**
(October 25, 2012) and country-specific regulations

- ➡ **Renovation** now seen as #1 priority to meet overall energy reduction targets
- ➡ **Active stimulation of the United States market** by the Department of energy, and ongoing tightening of State building codes



Multiple cross-activity initiatives to promote innovations and sustainability

➤ Prescription tools



Klimacenter, Denmark

Saint-Gobain Innovation Centre, London, UK

➤ Eco-labels and other certifications



WORLD GREEN BUILDING COUNCIL



breeam



Lead mature markets' shift to sustainable construction

- ➡ A **powerful** and global trend towards more **comfort** and **sustainability**
- ➡ We deliver **multi-activity innovations**
- ➡ And set standards for **global solutions**

Solutions for energy efficiency and thermal comfort

	ISOVER	GYPSUM	WEBER	GLASS GLASSOLUTIONS	Performance Plastics	ADFORS	SAGE	Building Distribution
Energy Efficiency	●	●	●	●	●	●	●	●
Thermal Comfort	●	●	●	●	●	●	●	●



Placo®
Duo'Tech,
Placotherm
...



ETICS, insulative mortars, Iso-blocks



High perf. glazing Planitherm



Solargard films

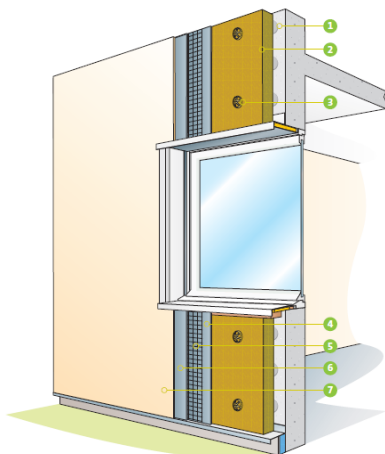
Novelio Thermal

Low lambda thermal insulation products and VARIO membranes



Dedicated
formats and
expert advice

ETICS systems and iso-blocks

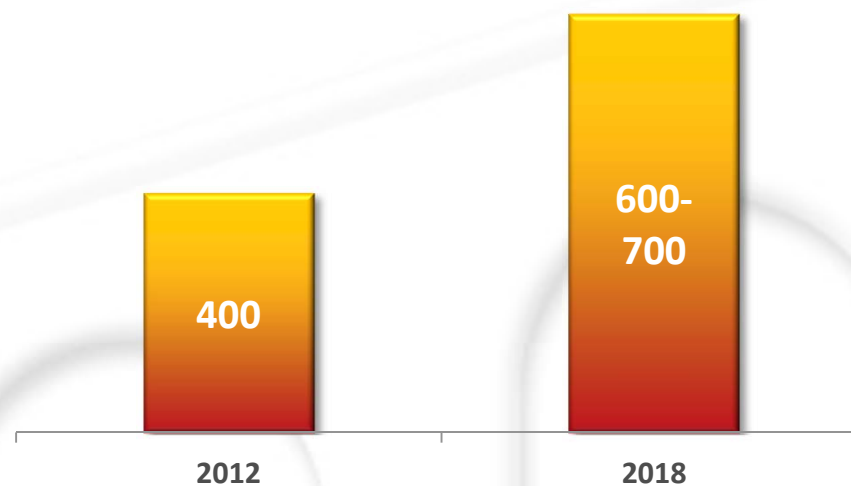


Sales of ETICS systems (€m)

ISOVER
SAINT-GOBAIN

weber
SAINT-GOBAIN

Placo
SAINT-GOBAIN



Specialized energy efficiency services, dedicated formats and prescription tools in Building distribution



GREENWORKS TRAINING ACADEMY

The Greenworks Training Academy offers a multi-purpose training space with products and solutions in real-life settings. Demonstration areas include; room sets for wet and dry work, a dedicated low level roofing rig, a training set for the commissioning of solar thermal and solar photovoltaic (PV) systems, an elevated drainage pit and rainwater harvesting systems. The facility has three training rooms all with full IT and internet access, two of the rooms have moving walls to create a large inter-connected training area.

The lay-out of the comprehensive 15,000sq ft Academy has been specifically designed to offer a practical solution lead approach to installations. Courses can incorporate real working drawings and estimating where appropriate. The open plan space allows a total of 60 delegates to be trained at the same time.

Courses at the new Greenworks Training Academy are scheduled in-line with customer demand and changes to legislation, product and market drivers, and are carried out by specialist training companies and manufacturers. Based in Birmingham with excellent transport links, the Academy is easily accessible to ensure customers can receive training on the latest technology quickly and effectively as soon as it reaches the market place.

Developed by the building distribution network of Saint-Gobain, Greenworks has grown to become the UK's recognised authority and market expert in sustainable building products and solutions.



120 Point.P Energy efficiency outlets by 2014













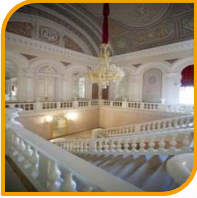







Greenworks academy, Raab Karcher, NL

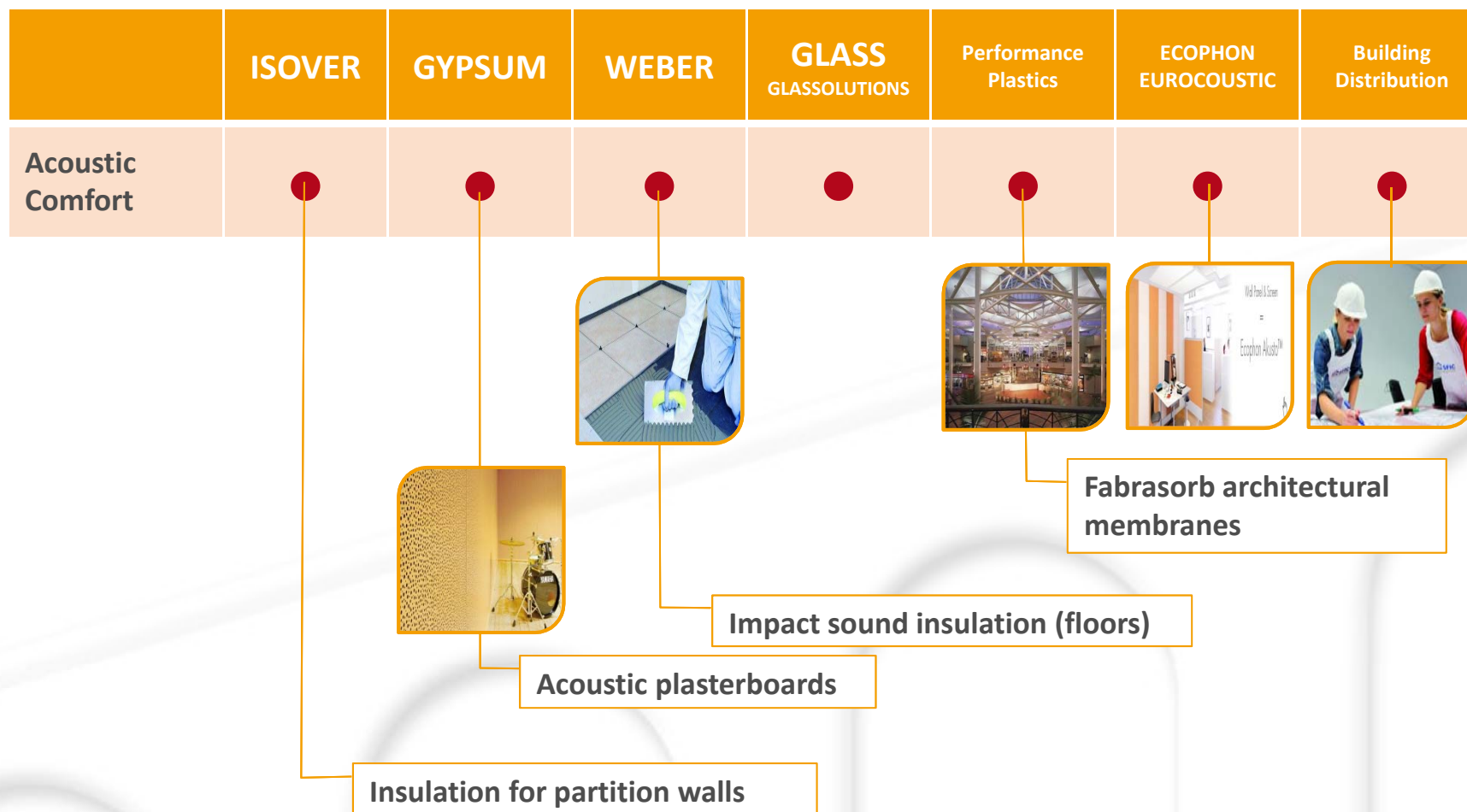


Customers education centers:
Klimacenter, DK

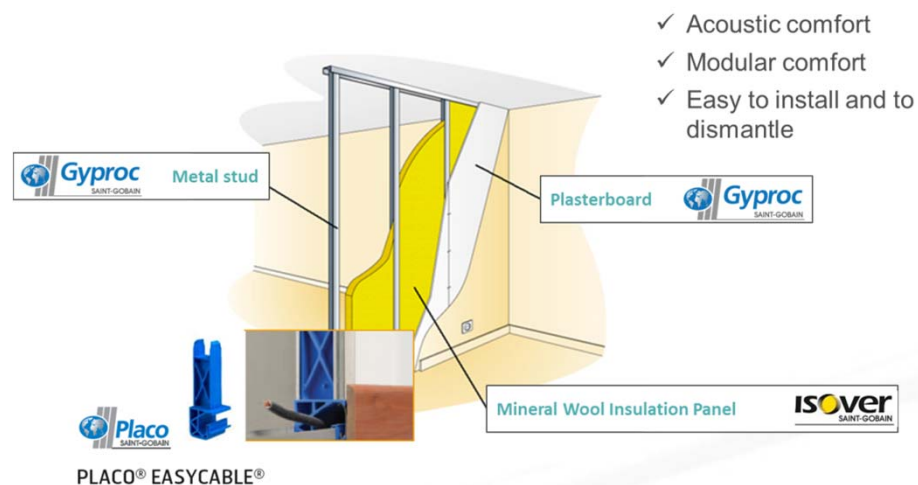
Solutions for visual comfort

	GYPSUM	WEBER	GLASS GLASSOLUTIONS	ECOPHON EUROCOUSTIC	CertainTeed	Performance Plastics	ADFORS	SAGE	Building Distribution
Visual Comfort									
									

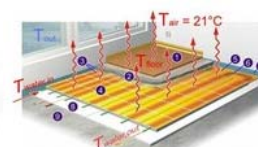
Solutions for acoustic comfort



Acoustic plasterboards, partition walls, noise reducing floors



- ✓ Acoustic comfort
- ✓ Modular comfort
- ✓ Easy to install and to dismantle



Weber comfort floor

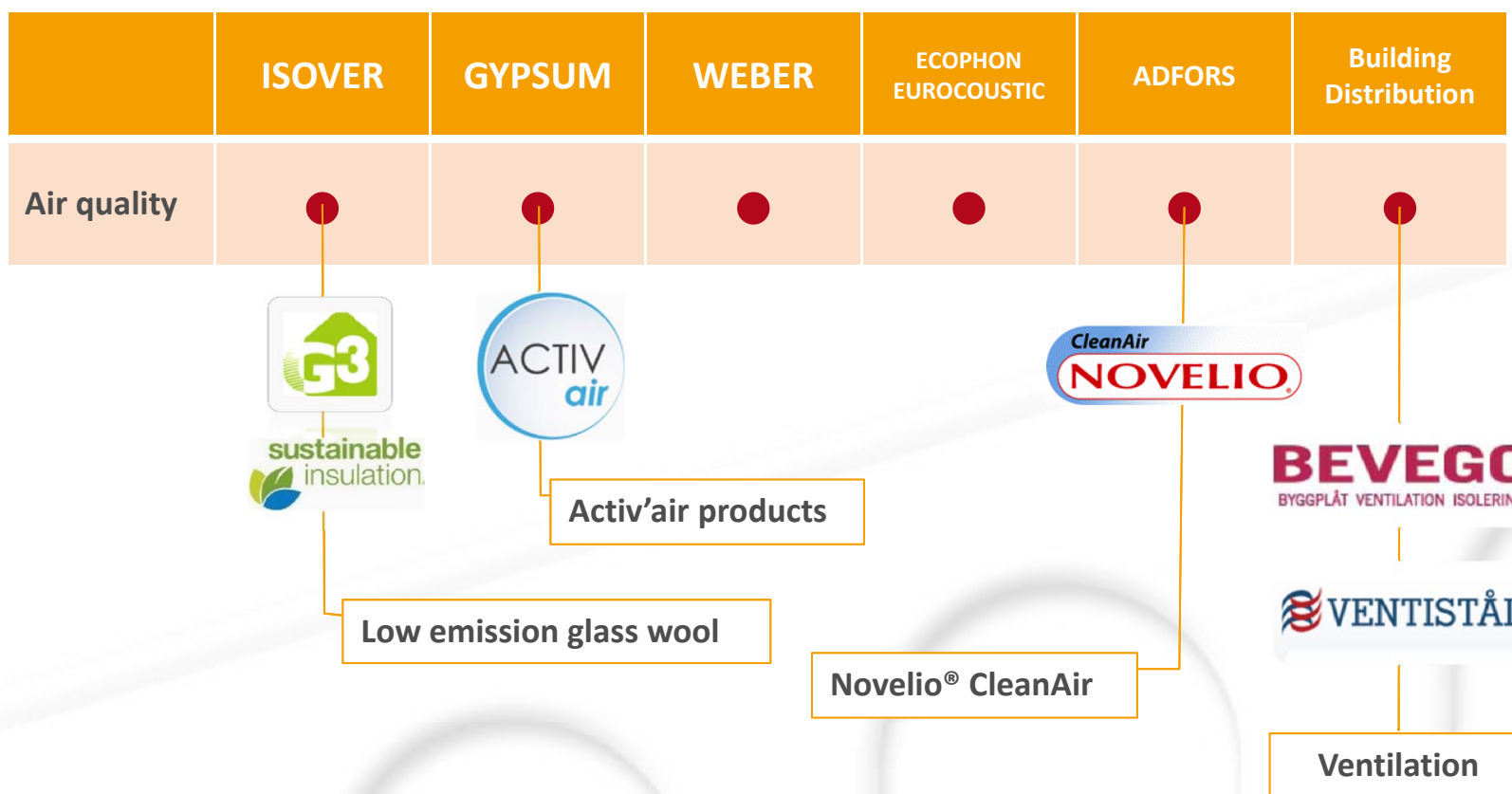
- Floor heating and levelling system for water born heating
- Very even heat distribution
- Impact sound insulation 25-27 dB
- Only 60 mm total thickness
- Fast and easy application



Weber dB floor

- Impact sound reduction floor levelling system
- Only 28 mm total thickness!
- Impact sound insulation 19 dB (long lasting performance)
- Fast and easy application

Solutions for improved air quality



Beyond the use phase...

	Manufacturing	Logistics	Installation	Use	Dismantling
Comfort		Easy to handle	Easy to install		Easy to dismantle
Health		Safe to handle	Safe to install		Safe to dismantle

WEBER:

- Low dust / light weight products

GYPSUM:

- Light weight boards (ERGOLITE)

ISOVER / GYPSUM:

- Dry construction systems (F4, partition walls...)

BUILDING DISTRIBUTION

Reducing environmental impacts



LCA / EPD

Measuring, benchmarking, improving and communicating the environmental impact of our solutions



Eco-Innovation

Developing and distributing new products, with increased added value and reduced environmental impacts



Construction & Demolition waste management

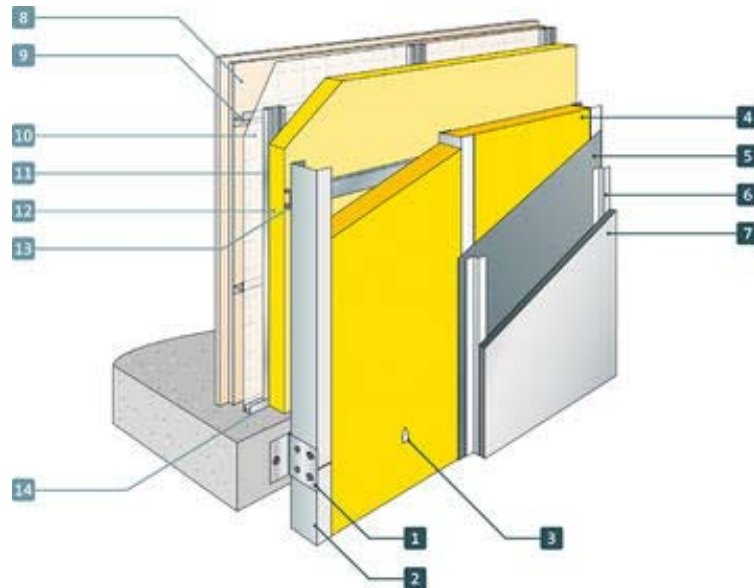
Boosting the implementation of solutions to collect, sort and treat waste



- ✓ Environmental footprint assessed (Life Cycle)
- ✓ Environmental Product Declaration verified



Reducing water usage and construction time: dry construction systems



- 1 Platine F4
- 2 Profilé F4
- 3 Maxi PB Fix
- 4 Isofaçade 32
- 5 Pare-pluie F4
- 6 Profilé Interface bardage
- 7 Bardage
- 8 Placoplatre BA13
- 9 Profilé Stil Mob
- 10 Membrane Vario Duplex
- 11 Fourrure + Eclisse Optima + Appui Optima2
- 12 Isoconfort 32
- 13 Fourrure Optima
- 14 Lisse Clip' Optima



*Court of Auditors,
State of Ceará, Brazil*



*Minha Casa Minha Vida, Ponta Grossa,
State of Paraná, Brazil*



*Eco Mall Center, Arapongas,
State of Paraná, Brazil*

Eco-friendly and recycled solutions

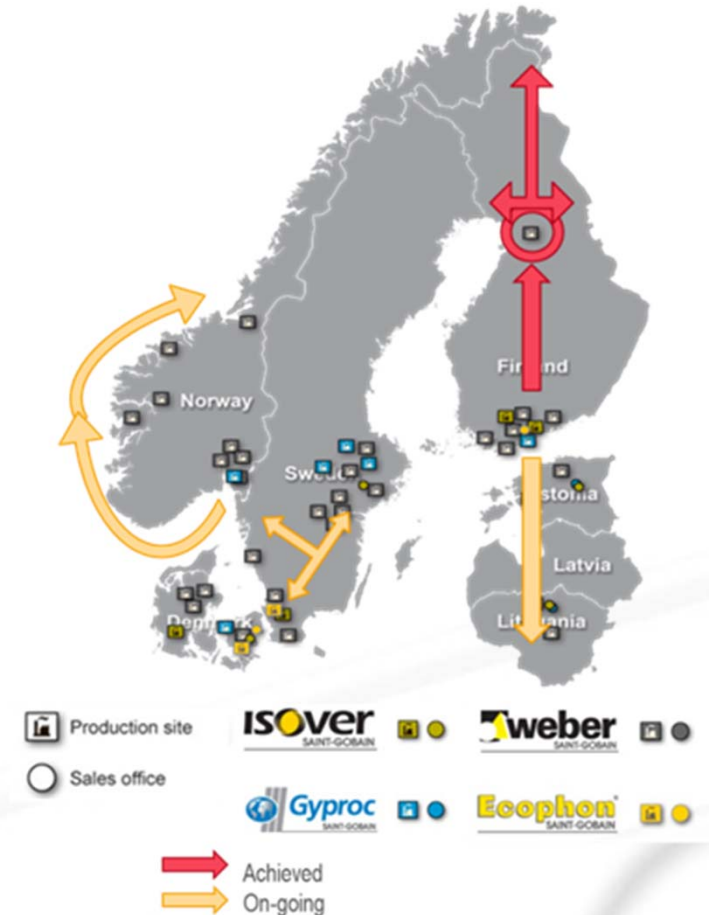
- ➔ **Waste decrease.** E.g. Over 60% decrease of waste to landfill (in tonnes per £m sales) for SGBD UK between 2008 and 2012
- ➔ **Major effort to increase recycling.** Broad range of materials: asphalt shingles, plasterboards, glasswool, packaging
- ➔ **Larger distribution and industrial players have a comparative advantage**



More efficient logistics

➔ Reduction of environmental impact and gains in product availability

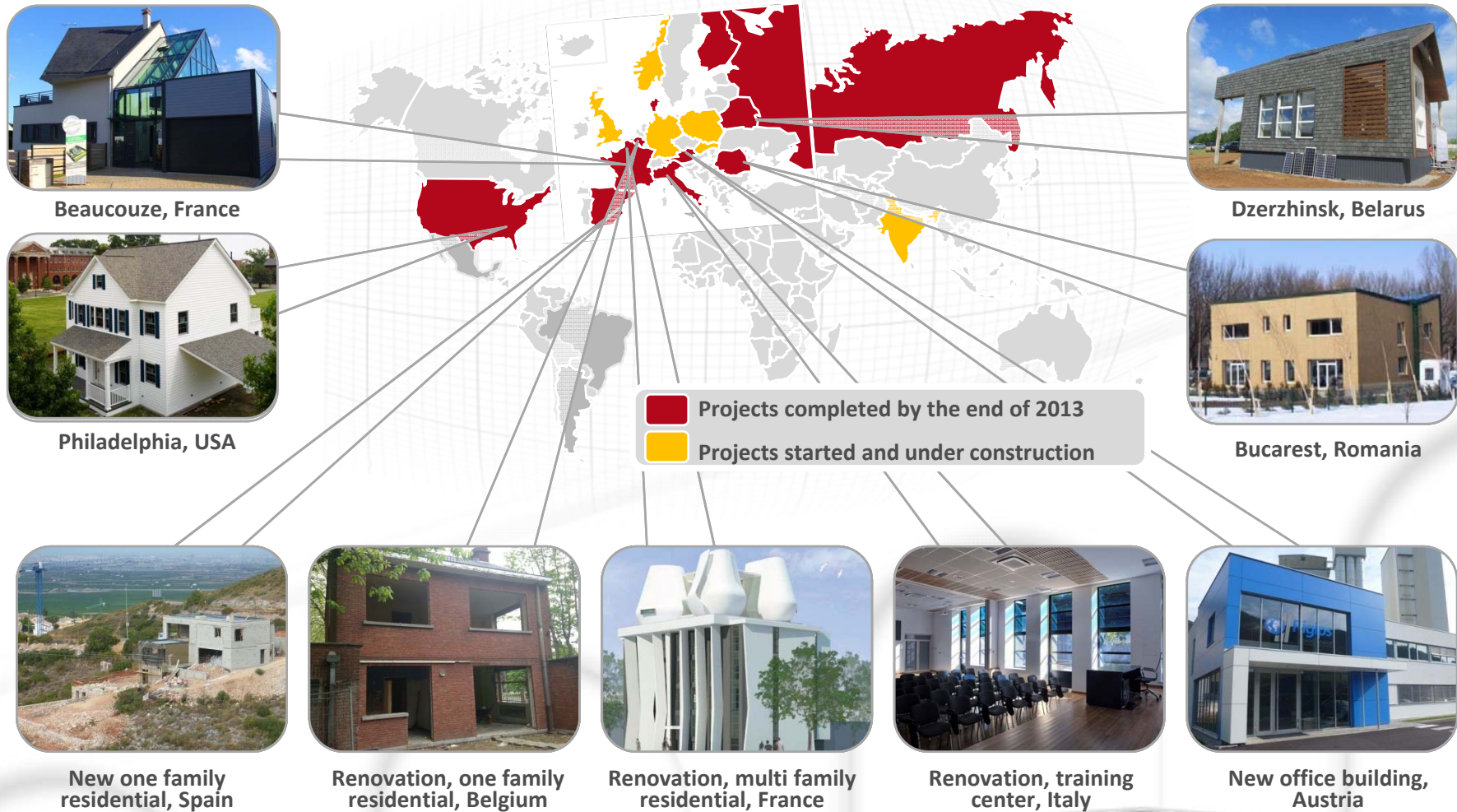
- Multi-brand, combined warehouses and transport systems in Germany and the Nordics (Construction Products)
- New and expanded logistics centers in France and the Nordics (Distribution)
- Evoluvert launched by Point.P



Lead mature markets' shift to sustainable construction

- ➡ A **powerful** and global trend towards more **comfort** and **sustainability**
- ➡ We deliver **multi-activity** innovations
- ➡ And set standards for **global solutions**

The Multi-Comfort concept defines well-being in various building segments, climates and cultures



New construction - residential, Germany



ISOVER
SAINT-GOBAIN

weber
SAINT-GOBAIN

GLASSOLUTIONS
SAINT-GOBAIN

Rigips
SAINT-GOBAIN

SOLARKAUF


SAINT-GOBAIN

New construction - residential - Net Zero Energy house, Philadelphia, PA, USA

More than 20 CertainTeed products were used on this project



Philadelphia (USA)

New construction, non-residential: Cowboys Stadium, Arlington, TX

➡ Saint-Gobain solutions

- **CertainTeed® Ecophon® Focus™**
Ds ceiling panels
- **Performance Plastics:**
Thermalbond® structural glazing
spacers
- **Performance Plastics:** Sheerfill®
architectural membrane with
EverClean™ photocatalytic top coat



New construction, non-residential: Vancouver convention center

➡ Saint-Gobain solutions

- **Glass:** ClimaPlus® glass
- **CertainTeed®** Decoustics Metallo™ wall finish
- **CertainTeed®** Vinylrock™ ceiling panels
- **Performance Plastics:** Sheerfill® architectural roofing membrane
- **Performance Plastics:** Thermalbond® structural glazing spacers



New construction, non-residential: Glasgow Riverside Museum

➡ Saint-Gobain solutions

- **British Gypsum:**
Rigitone, ShaftWall, Gyproc CoreBoard, Rigidur H, GypLyner Universal, CasoLine MF, GypLyner IWL
- **Saint-Gobain Glass:**
SGG Parsol, SGG Planitherm Ultra N, SGG Cool-Lite SKN 154, SGG Seralit screen print
- **Saint-Gobain Isover:**
Acoustic Partition Roll



New construction, residential and non-residential: The Shard, London, Europe's tallest building

➡ Saint-Gobain solutions

- **Glassolutions:** high-performance façade glazing, low-iron, heat-strengthened laminated safety glass
- **Saint-Gobain Abrasives:** Ultimax wet core drilling and VMAX wall Saw diamond blades
- **PAM:** cast iron systems
- **British Gypsum:** first project meeting EN Standard fire rating with fire protection boards and metal partition systems; partitioning packages



Renovation, non-residential building, Italy

CARE:4
Company Actions for the Reduction of Energy by 4



Corsico (Milano - ITALY)

Le soluzioni di Habitat Lab

Involucro: superfici esterne verticali trasparenti

SGG CLIMATOP® SOLAR
CONTROL SILENCE
realizzata con vetro
SGG COOL-LITE® SKN 154 II
e SGG STADIP® SILENCE



SageGlass®
(vetro elettrocromico)



Involucro: superfici esterne verticali opache

Cappotto weber.therm.comfort

• Lastre strutture a secco:

Aquaroc
Rigidur H
Habitat 13 ActivAir

Isolante minerale XL G3 touch

• Pitture:

weber.cote mineral L
weber.tec flex L



Per il taglio e la molatura
di materiali edili, dischi
diamantati e abrasivi



Pareti: divisori interni

Habitat Tecnica con tecnologia
ActivAir

SGG STADIP® SILENCE
Priva-lite



Infrastrutture e canalizzazioni

Epams® per acque piovanti
e SMU® per lo scarico
di acque reflue



Coperture

Pittura riflettente California P
Monoflex 4 mm P Tex
Barriera al vapore Aluvapor
Tender

Isolante minerale Superbac
Roofline G3 (spessore 39 cm)

Moduli fotovoltaici Sunstyle®,
Powermax®, Suneka®

Lucernari

SGG CLIMATOP® SOLAR
CONTROL SILENCE realizzata
con vetro SGG COOL-LITE® SKN
154 II e SGG STADIP® SILENCE



Pavimenti

weber.fug 875 F
weber.xerm 850
weber.plan MR81
weber.floor 4610 Industry top
Isolante XPS BT



Controsoffitti

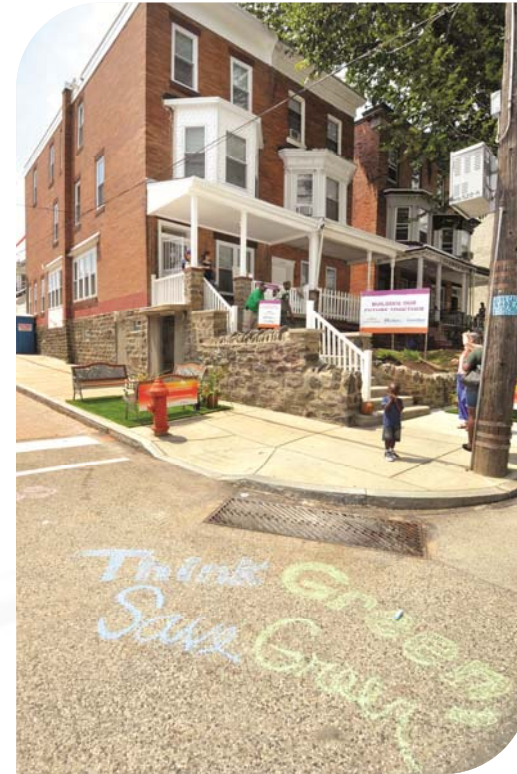
Per un perfetto
controllo dell'acustica
degli ambienti



impianto a pompa di calore
ad alta efficienza. Domotica
di controllo per il comfort
interno e i consumi energetici.



Renovation - Youthbuild home, Philadelphia, PA, USA



- **Saint-Gobain solutions:** CertainTeed® roofing, siding, housewrap, fence, railing, insulation and wallboard; Green Glue noiseproofing compound; Grenite® engineered stone LEED® Platinum



Accelerate the development of Construction Products in high-growth countries

Claude Imauven

Paris, November 27, 2013

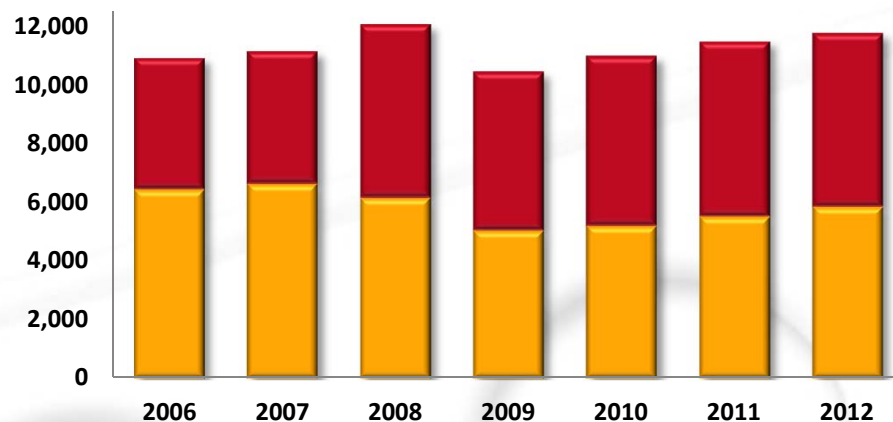


SAINT-GOBAIN

Construction products: key figures

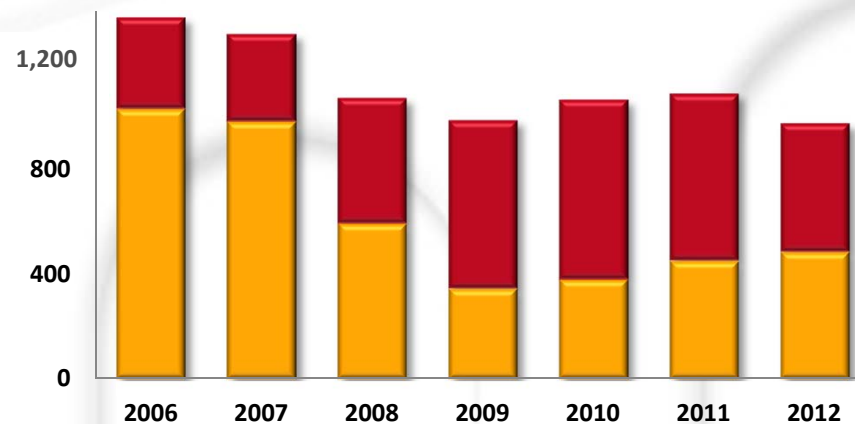


Sales (€m), 2006-2012



Interior Solutions Exterior Solutions

Operating Profit (€m), 2006-2012



Reinforce the Sector's already strong presence in high-growth countries

➤ **Increase the share of assets and sales outside Western Europe from 50% to 63% and 49% to 63%* in 2018, respectively**

1. Take advantage of construction market recovery in the United States

- Recovery of new construction and renovation markets
- Higher long-term growth potential than other mature economies
- Mature market with strong demand for higher value-added solutions

2. Strengthen the Sector's positions in emerging countries

- High long-term growth driven by strong fundamentals: demographics, urbanization, rising middle-classes and increasing labor costs

3. Enter new emerging countries

** Including sales to Building Distribution Sector*

1 Take advantage of the recovery of the construction market in the United States

➔ **Growth investments** to capture market growth with maximum profitability

- Roxboro new plasterboard plant started in 2012
- New Roofing plant in Missouri: \$100m investment between 2013 and 2016



Roxboro plant

➔ **Strengthened differentiation and cross-activity synergies**

- Share of new products and solutions in CertainTeed portfolio to increase from 17% of total sales to 22% in 2018
- Many projects under Habitat strategy (services, digital tools)



➔ **Screening of market consolidation and external growth opportunities**

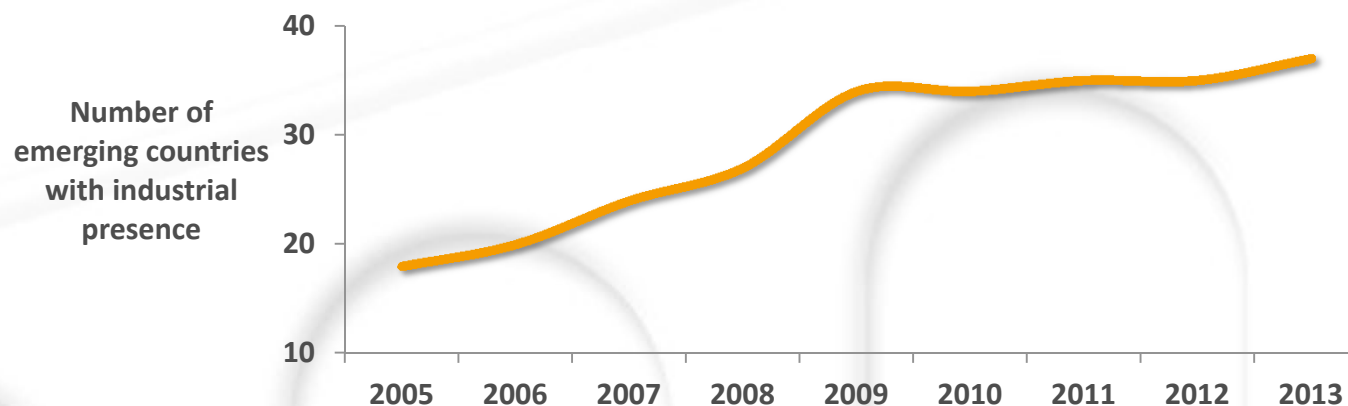
2 Strengthen the Sector's positions in emerging countries An early and fast-growing presence in emerging countries (7% sales CAGR since 2007)

➔ An early presence in emerging countries

- Gypsum plant in South Africa in 1929
- Barra Mansa pipe plant in Brazil in 1937
- Brasilit tiles production in 1940



➔ The number of emerging countries with Sector industrial presence has doubled since 2005



2 Strengthen the Sector's positions in emerging countries **Emerging countries are a clear priority for investments and acquisitions**

➡ Close to €700m in industrial growth capex and 11 acquisitions between 2007-2012

- New plasterboard plant in Russia (2013)
- New plasterboard capacity in Huludao, Northern China (2013)
- 4 new Industrial Mortar plants in Brazil since 2008, diversification in admixtures with Anchartec acquisition (2011)



Gomzovo
plasterboard plant in
Russia



Ibiporã Weber plant
in Brazil

➡ €1,000m growth capex planned in emerging countries between 2013-2018









➡ Acquisition targets identified in all emerging regions

2 Strengthen the Sector's positions in emerging countries A strong focus on adapting solutions to local markets

- **Low-cost** offer in **Brazil**: Habitat projects; strong development of Brasilit roofing systems
- Investment in **stonewool technology** in **Russia**, well-adapted to local needs: acquisition in 2011 (Linerock), JV in 2012 (Isoroc)
- Diversification in **autoclaved aerated concrete blocks**, a fast-growing solution in **South-East Asia**: acquisitions in 2011 (Mortar Utama, CSR Malaysia)
- Development of locally adapted **pipe solutions**: PAMBoo in China or specific solutions for hot countries



2 Strengthen the Sector's positions in emerging countries A constant priority for local leadership positions

Activity competitive position (2012)	Gypsum	Insulation	Ind. Mortars	Pipe
 Brazil	2	1	1	1
 China				2
 India	1			
 Thailand	2		1	
 South Africa	1	1		
 Czech Rep.	2	1	1	1
 Russia		3	3	
 Turkey	3	1	3	

2

Strengthen the Sector's positions in emerging countries Strict investment discipline to mitigate risks and ensure profitability

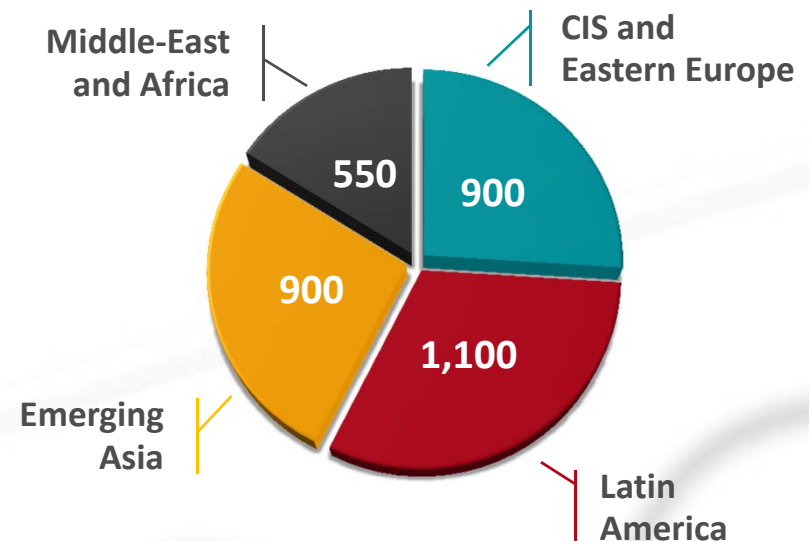
➔ Mitigating country-specific risks

- Balanced geographical presence
- Local partnerships (industrials, R&D, academics, institutionals, banks)

➔ Mitigating activity-specific risks

- Balance between external and internal solutions
- Promotion of cross-activity solutions

Geographical breakdown of the Sector's 2013e sales in emerging regions (€m)



3 Enter new emerging countries

➡ Key recent developments

- Sodamco acquisition: a strong position in the Middle-East
- Gypsum Joint-Venture in Morocco (2013)
- Construction of the Sector's first plasterboard plant in Indonesia (€35m) started in 2013



➡ Many acquisition targets in new countries within a cross-sector, cross-activity approach

- Leverage Sector positions to expand other Activities



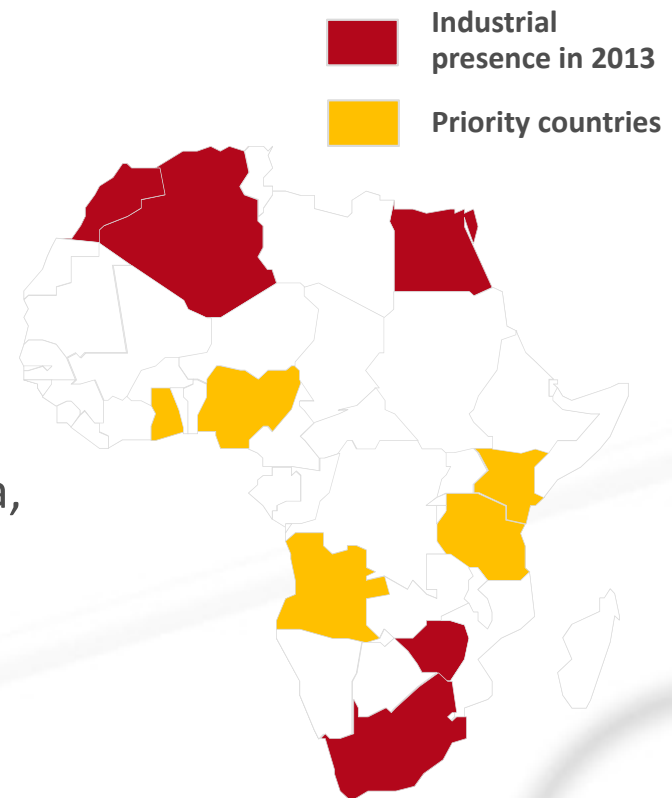
3 Enter new emerging countries **A new commercial strategy in Africa**

➡ **Sector's solutions are developing quickly**

➡ **Specific strategy to develop the Sector's presence in Sub-Saharan Africa**

- Priority countries identified: Ghana, Nigeria, Kenya, Tanzania, Angola
- Build local partnerships or acquisitions to develop the Sector's positions and brands
- Build local teams in the fastest growing markets

➡ **€400m sales in Africa by 2018 in Construction Products (vs. €200m in 2012)**



Conclusion

➡ The Sector is well positioned to take advantage of fast-growing construction markets in the coming years

- Strong presence in the United States
- Strong and balanced presence in all emerging regions
- Market dynamics boosting the Sector's solutions in emerging regions

➡ High-growth countries are a key priority for the Sector

- Priority for capex, acquisitions, partnerships, HR, etc.
- Leading the Group in newly emerging countries

Accelerate the development of Construction Products in high-growth countries

2018 Sector Objectives

- 1** Increase the share of assets and sales outside Western Europe from 50% to 63% and 49% to 63%*, respectively
- 2** Increase the share of sales on high value-added or co-developed solutions, including for energy efficiency (differentiation ratio) from 53% to 65%
- 3** Achieve €400m sales in Africa

** Including sales to Building Distribution Sector*



Strengthen our presence in North America

John Crowe

Paris, November 27, 2013



SAINT-GOBAIN

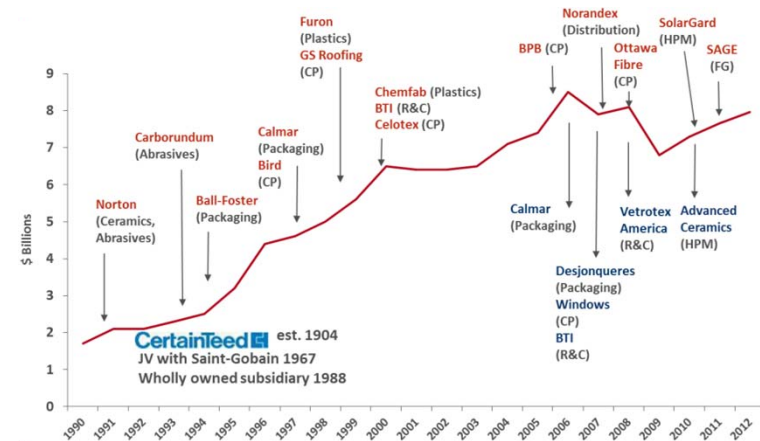
Strengthen our presence in North America

- 1. Solid positions established in Construction Products and High-Performance Materials**
- 2. Dynamic underlying markets**
- 3. Key priorities for growth**
 - In Construction Products
 - In High-Performance Materials

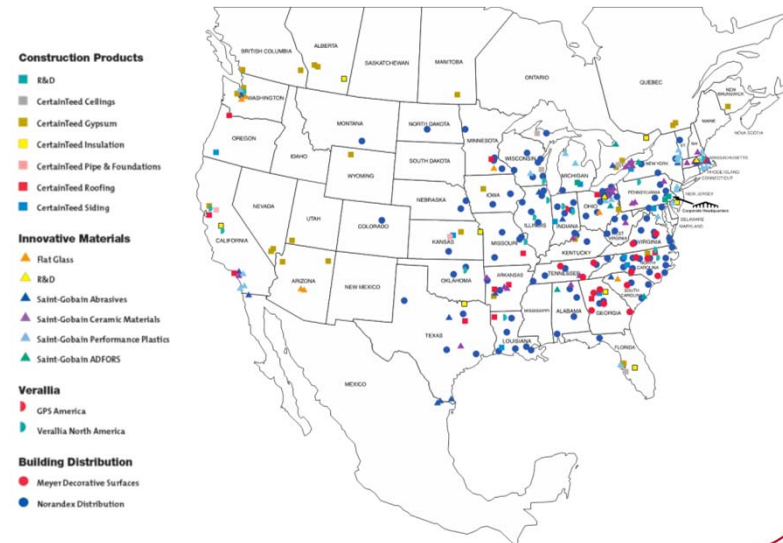
1 Solid positions in Construction products and High-Performance Materials

- ➡ **\$7,9bn sales**, 11% operating profit margin, 19,000 employees (2012)
- ➡ More than **250 locations** across the U.S. and Canada
- ➡ A **balanced portfolio of activities**, primarily in Construction Products and High-Performance Materials
- ➡ Important **innovation capabilities** and culture of **co-development**

Saint-Gobain sales in North America, current \$, 1990-2012, and key milestones of Group development

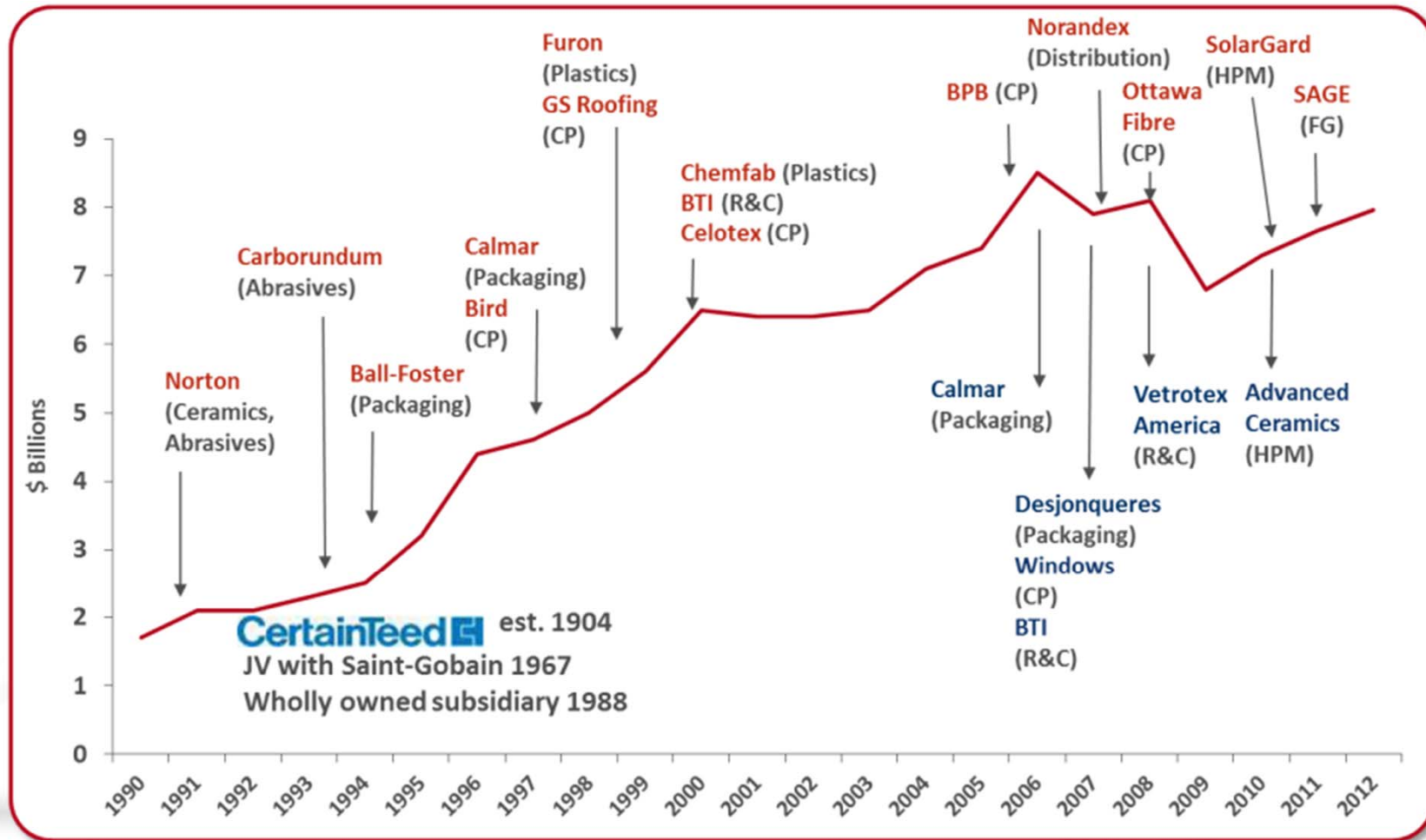


Saint-Gobain significant sites in North America, 2012



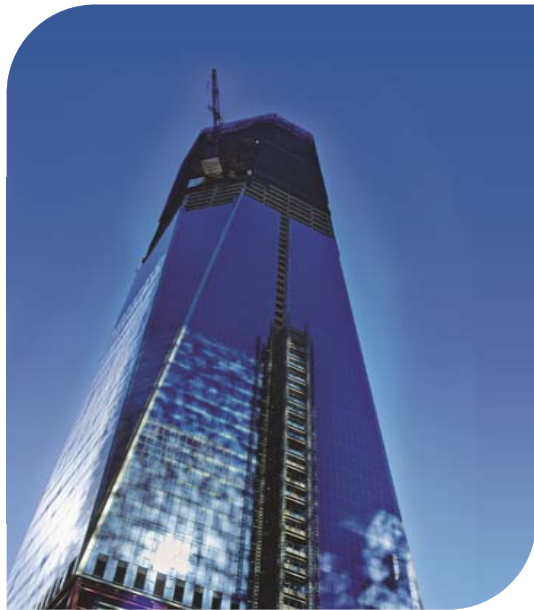
1 Solid positions in Construction Products and High-Performance Materials

Saint-Gobain sales in North America, current \$, 1990-2012,
and key milestones of Group development



1 Solid positions in Construction Products and High-Performance Materials

➡ A well-recognized leader, regularly selected for reference projects



One World Trade Center, NY
Saint-Gobain, CertainTeed



Statue of Liberty
Saint-Gobain, Vetrotex



Navy Pier, Chicago, IL
Saint-Gobain, Sheerfill

1 Solid positions in Construction Products



\$3.3 Billion Sales
2012



Leader in US and Canada



Roofing

13 Plants
1,500 people



Siding

7 plants
1,000 people



Fiber Cement

3 plants
250 people



Insulation

7 plants
900 people



Gypsum

26 plants
1,300 people



Ceilings

4 plants
400 people



1 Solid positions in High-Performance Materials



\$2.7 Billion Sales*
2012



#1 or #2 in most activities



Abrasives

15 plants
3,500 people



Performance Plastics

22 plants
2,500 people



Ceramics

23 plants
2,200 people



Textile solutions

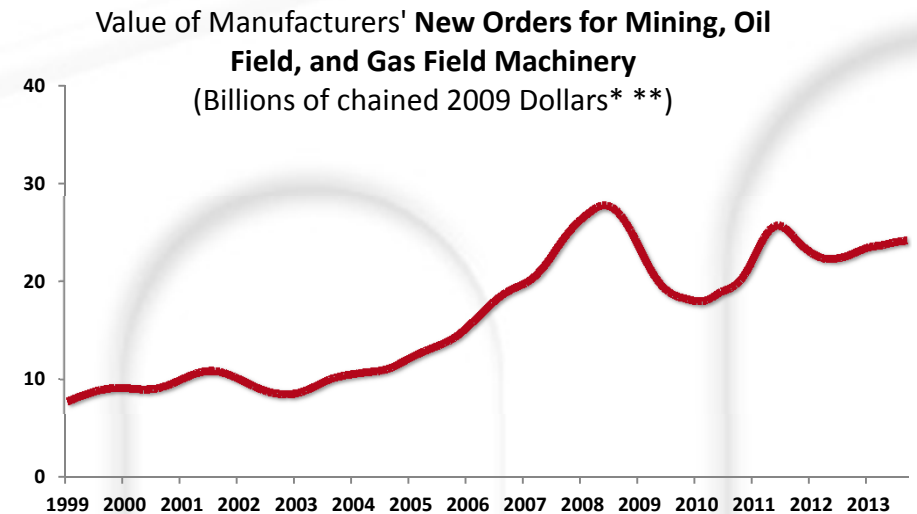
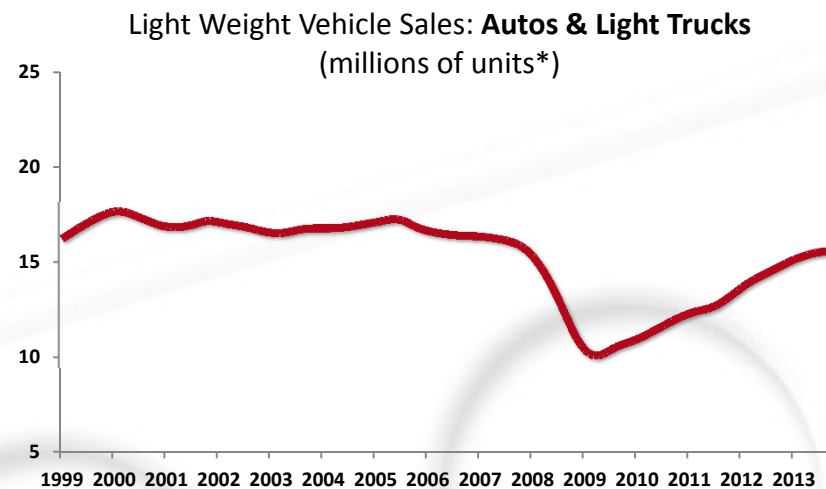
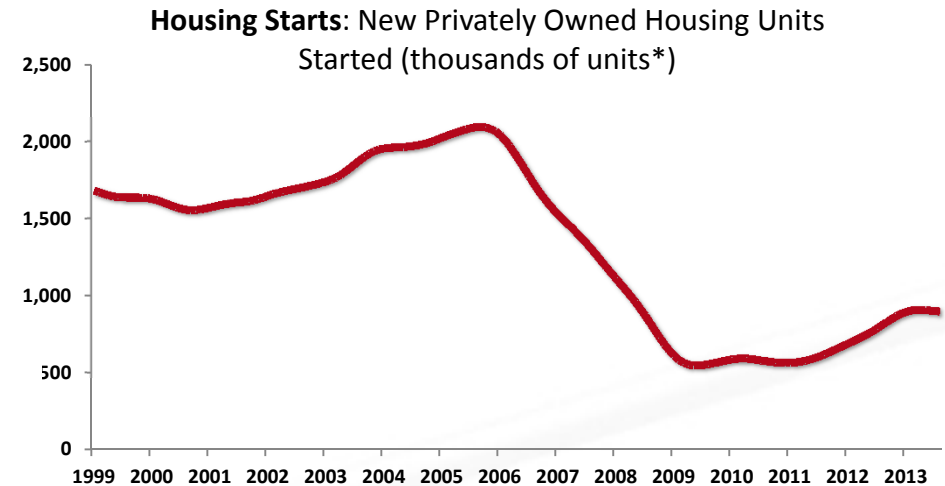
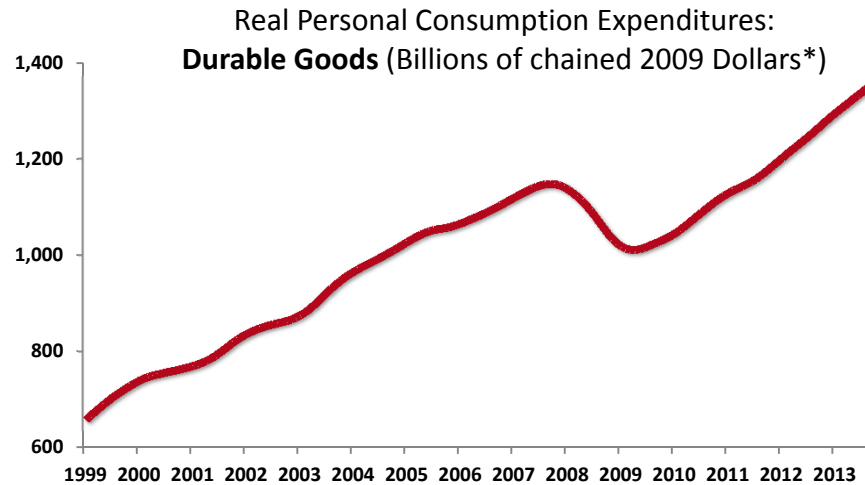
5 plants
400 people



* Total Innovative Materials sales in North America, the vast majority of which are from HPM.

2 Dynamic underlying markets

United States, 1999-2013



* Monthly, Seasonally Adjusted Annual Rate, HP filtered ($\lambda = 100$)

** Deflated by the Domestic Producer Prices Index - Manufacturing for the United States

Sources: St. Louis Fed., Bureau of Economic Analysis

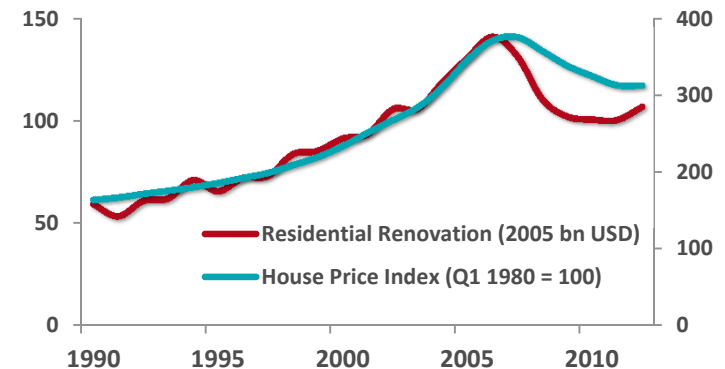
3 Key priorities for growth: Construction Products

Reopen and expand capacities in the United States with the housing recovery

➡ Robust demand expected in coming years

- In residential and non-residential markets
- For new housing and renovation, with increasing housing prices
- Strong attention paid to regional dynamics

Residential renovation volumes (lhs) and House Price Index (rhs) in the United States, 1990-2012



➡ Proactive expansion / reopening of capacities

to meet growing demand and strengthen positions for the medium-term.

- Reopening of lines mothballed during the crisis: gypsum (Seattle, WA), ceilings (Meridian, MS), insulation
- New \$160m Roxboro plasterboard plant commissioned in 2012
- Ceiling Grid Joint-Venture with Bailey Metal Products



Roxboro, NC plant

3 Key priorities for growth: Construction Products

Boost margins with premium solutions and excellent operations

➔ Strong brand positioning of CertainTeed as **North America's Leading Brand of Sustainable Building Products**



➔ Focus on innovation and premium solutions

- Energy efficient, Lightweight, Moisture and Mold resistance, Acoustic boards
- Recycling, LEED
- Online and mobile applications



➔ Operational efficiency

- Common SAP System



3 Key priorities for growth: Construction Products

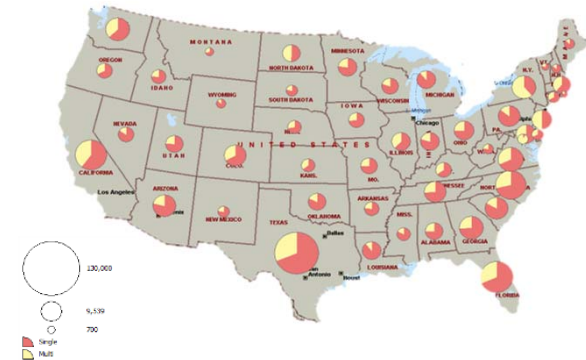
Expand Construction Products on priority markets

➡ Coastal areas, selected mid-western and southern states

➡ Activities with strong differentiation and superior margins

- \$100m investment in the new Roofing plant in Jonesburg, Missouri, between 2013 and 2016
- First greenfield roofing plant in 25 years
- Key investment to meet demand in Midwest

Housing starts by state, USA, 2012



Jonesburg, MO plant

3 Key priorities for growth: High-Performance Materials Strong positions on habitat and industrial niches

➔ High value component to serve dynamic markets, including

- **Energy efficiency:** High-end SolarGard window films (sites in San Diego, Belgium, China)
- **Aerospace:** High-performance seals (16% CAGR in 2010-2012); strong growth of radomes
- **Energy:** Proppants strongly benefitting from shale gas revolution; High-performance seals (18% CAGR in 2010-2012)
- **Life Sciences:** leadership in critical fluid management in biopharmaceutical single-use systems



Gulfstream G400 equipped with a Saint-Gobain radome



3 Key priorities for growth: High-Performance Materials **Strong positions on habitat and industrial niches**

➤ **New ceramic proppant plant in Little Rock, Arkansas**

- World's largest capacity line
- Superior technology: enhanced proppants productivity allow reduced drilling and preparation time and longer wells



New proppant plant
in Little Rock, AK

➤ **In Glass, Electrochromic technology bringing differentiation in architectural glass**

- Used in building windows, skylights, curtain walls
- Reducing the need for air-conditioning and lighting



Strengthen our presence in North America

- A **well-established presence** in North America as a leader for sustainable building products and high-end solutions for niche industrial markets, with a strong portfolio of **reference projects**
- Strong **organic growth drivers**
- **€1.3bn investments** planned over 2013-2018
- Active screening of **acquisition opportunities**



Saint-Gobain's strategy Conclusion

Pierre-André de Chalendar
Paris, November 27, 2013



SAINT-GOBAIN

Conclusion

- ➡ Strengthen the **Group profile** to raise the potential for organic growth
- ➡ Increase the Group's focus on **differentiation**
- ➡ Manage the Group with **four key priorities**

Conclusion

➡ Strengthen the **Group profile** to raise the potential for organic growth

1. Reduce the Group's **capital intensity** in developed countries
2. Focus investments **outside Western Europe**
3. **Exit Verallia** and accelerate **acquisitions and disposals**

➡ Increase the Group's focus on **differentiation**

➡ Manage the Group with **four key priorities**

1 Focus on asset-light activities in developed countries

Group's capital intensity*
in developed countries:
27-29% in 2018

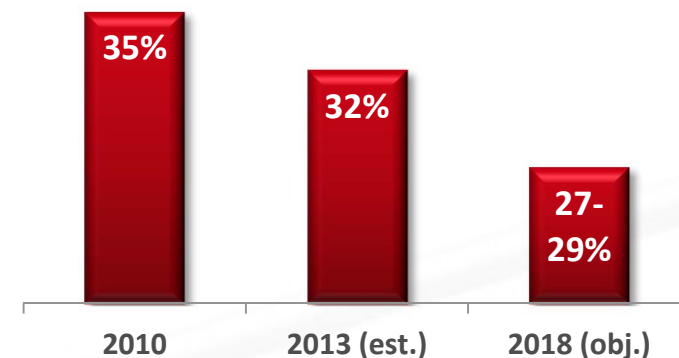
➡ Reduce the **Group's capital intensity in developed countries to 27-29%** by 2018

- Focus industrial sectors on downstream, asset-light solutions
- Further develop Building Distribution

➡ Reduce **Flat Glass's capital intensity by 15 points** by 2018

- Active management of production capacities
- Focus on high value-added products and improved marketing

Capital intensity* of Group activities in developed countries



* Industrial assets divided by consolidated annual sales, including within the Group.

2 Focus investments outside Western Europe

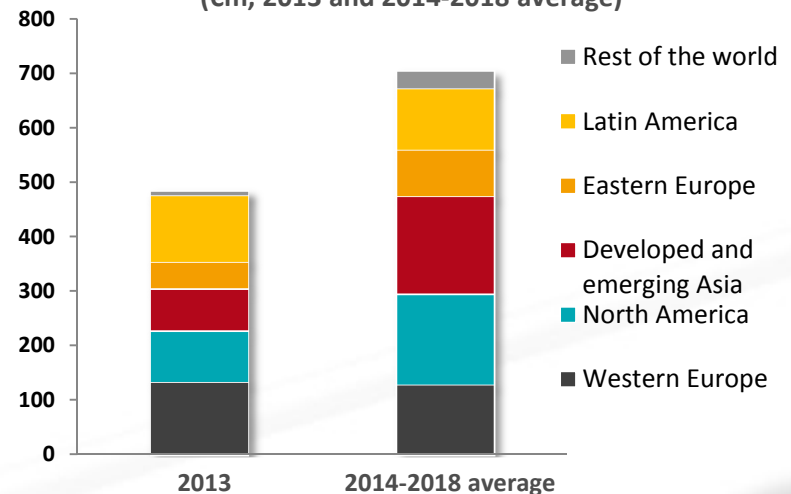
2/3rds of IM and CP industrial assets outside Western Europe in 2018

➔ More than €3bn of growth capex outside Western Europe over 2013-2018

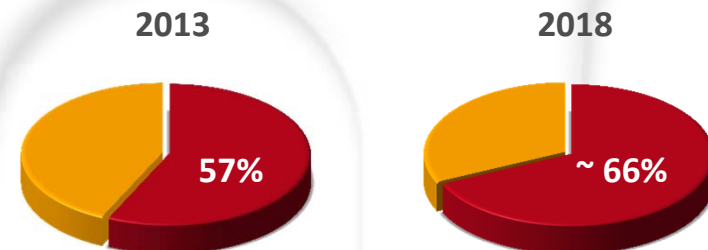
- €1.3bn in North America as both construction *and* renovation pick up
- Newly emerging countries - in particular, Group Sales to Africa to double over 2013-2018, to €500m

➔ Two thirds of Innovative Materials and Construction Products industrial assets outside Western Europe in 2018

Growth CAPEX in Innovative Materials and Construction Products
(€m, 2013 and 2014-2018 average)



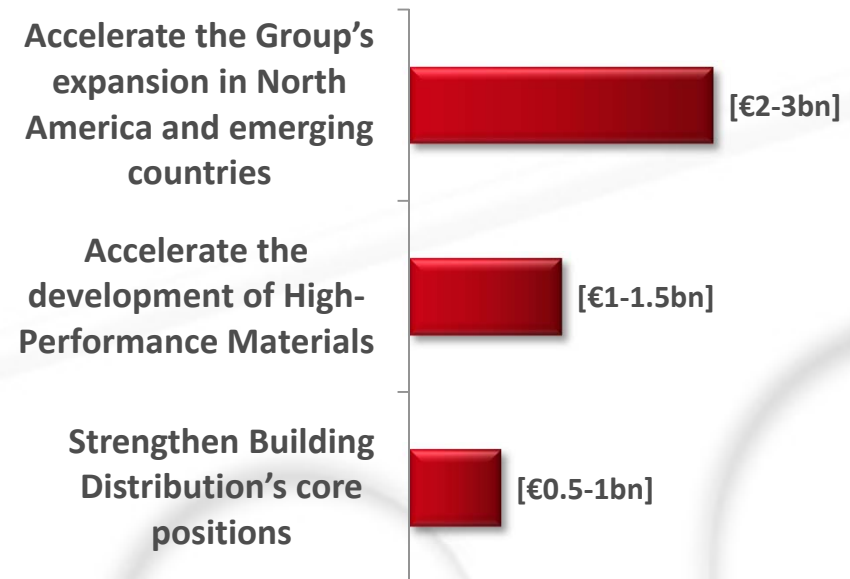
Innovative Materials and Construction Products industrial assets in North America, Asia and Emerging countries, 2013-2018 (est., at constant exchange rate)



3 Accelerate acquisitions and disposals to support strategic objectives

- ➔ After the disposal of Verallia North America, **Verallia will exit the Group as soon as market conditions permit**
- ➔ **Additional divestment program** of non-core assets in place
- ➔ **Acquisition targets identified** for around **€4bn** of portfolio reallocation over 2014-2018, in addition to Verallia North America

Acquisitions priorities over 2014-2018



Conclusion

- Strengthen the **Group profile** to raise the potential for organic growth
- Increase the Group's focus on **differentiation**
 1. Focus R&D and marketing on **local and co-developed innovations**
 2. Accelerate developments on highly innovative **industrial niches**
 3. Boost market demand for higher value-added solutions by supporting **sustainable construction**
 4. Differentiate the Group's offer over the **internet** and capture digital opportunities
 5. Better associate the Group's **brands** with innovation
- Manage the Group with **four key priorities**

1 Focus R&D and marketing on local and co-developed innovations

+50%
in co-developments
and partnerships

➡ Customer focus

- Including with 50% more new co-developments with customers



Klimacenter (Denmark)

➡ Local innovations

- R&D staffing in emerging countries: 10-15% of total in 2018



*Saint-Gobain Research
Shanghai*

➡ R&D efficiency

- 50% more co-developments and partnerships with industrial partners and startups
- Lower time-to-market, faster prototyping and testing, optimized resource allocation



2 Accelerate developments on highly innovative industrial niches

€750m-€1bn in additional HPM sales on new markets

➤ Sekurit

- Investments in **all major emerging areas**
- Multi-pronged program to ensure continuous **technological leadership**

➤ **High-Performance Materials:** €750m-1bn of additional sales targeted by 2018 through additional investments and acquisitions, primarily

- In **Plastics**
- In **fast-growing industrial niches**

3 Boost market demand for higher value-added solutions by supporting sustainable construction

- Actively promote market demand for higher value-added solutions in terms of **comfort** and **sustainability**
 - Prescription tools, training
 - Market regulations and standards
- Lead the drive to sustainability through **multi-activity innovations**
 - All dimensions of sustainability and comfort prone to differentiation, e.g. thermal efficiency, acoustics and recycling
- Reinforce Saint-Gobain's position of **leader for sustainable solutions**
 - Multi-Comfort program and other demonstrators
 - Residential and non-residential markets

4 Differentiate the Group's offer over the internet and capture digital opportunities

Over €300m invested to expand digital presence;
15% online sales in Building Distribution, on a relevant perimeter, by 2018

➡ All activities rolling out **digital strategies**

- Integrated, customer-focused approach
- Efficient websites, mobile applications...
- Over €300m invested over 5 years

➡ In Building Distribution, **a multi-channel strategy in core markets:** 15% online sales on a relevant perimeter by 2018 (from 5% / €400m today)

5 Better associate the Group's brands with innovation

Key brand awareness:
+5 points on average
in 2018

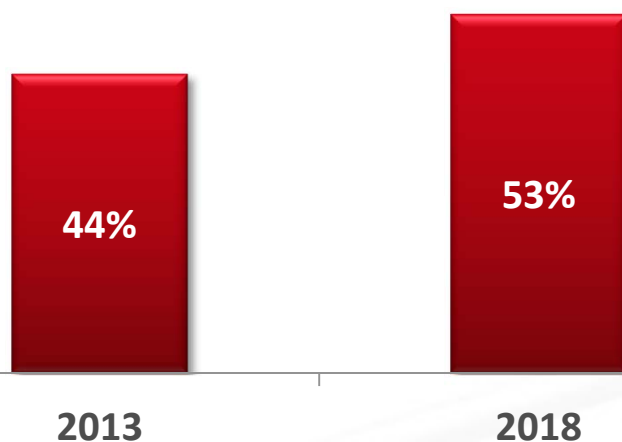
➡ Better leverage the Group's brands to **increase margins**

- Increase the **awareness** of key **brands** by +5 pts on average in their core markets by 2018
- Associate Saint-Gobain's brand image more clearly with **innovation** and market **leadership**, and double its online visibility by 2018

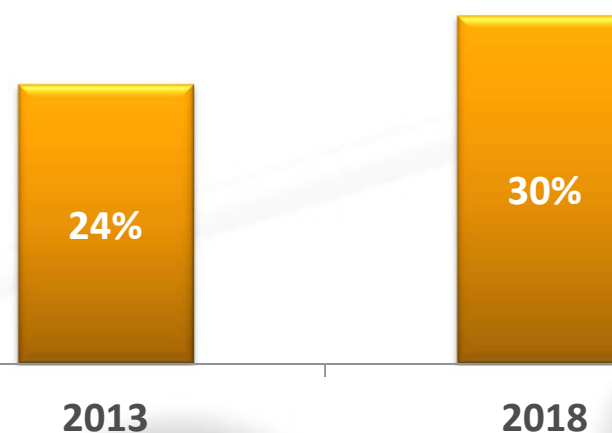
Increase the Group's focus on differentiation

Differentiation ratio*:
+9 points in 2018
New solutions ratio**:
+6 points in 2018

Differentiation ratio*



New solutions ratio (IM+CP)**



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

** Share of sales related to products and solutions of less than five years and considered as new by our customers

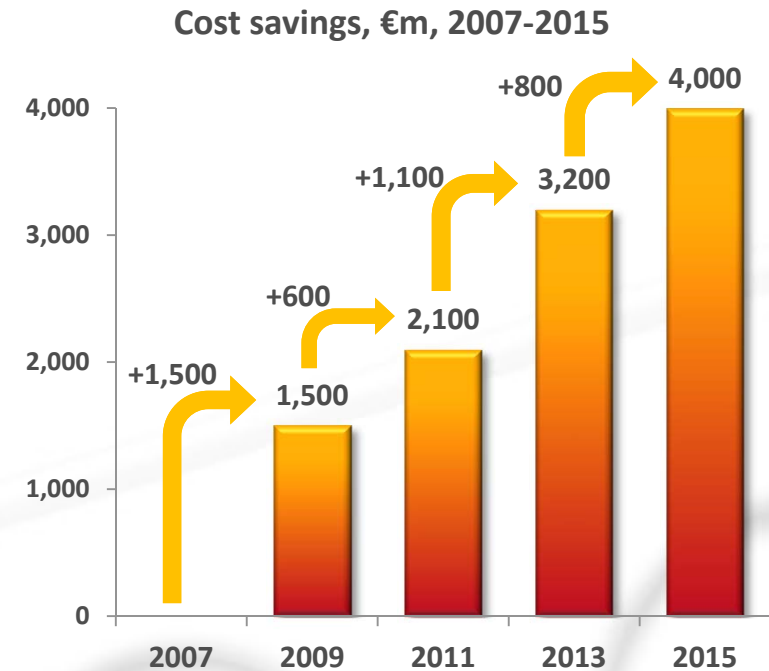
Conclusion

- Strengthen the **Group profile** to raise the potential for organic growth
- Increase the Group's focus on **differentiation**
- Manage the Group with **four key priorities**
 1. Continuously seek **operational excellence**
 2. Make further progress in the **Corporate Social Responsibility** area
 3. Target **attractive returns for shareholders**
 4. Maintain a **solid financial structure**

1 Operational excellence

€800m in additional
cost savings
in 2014-2015

- ➡ **€800m** in additional **cost savings** in 2014-2015, continued efforts to increase prices
- ➡ **Expand WCM approach** to new areas (logistics, sales)
- ➡ Keep a decentralized organization with **increased geographical focus** and reduce administrative costs



2 Make further progress in the Corporate Social Responsibility area

- Embed Corporate Social Responsibility into **the core of Saint-Gobain's business model**
- Continue to develop our **Compliance Program** and ensure full respect of our values and guidelines: our **principles of conduct and action**
- **Safety**: our number one priority
- Further improve the ability of the Group to **attract and retain talents**: diversity, mobility, stronger employer brand
- Exemplarity as regards our **actions on the value chain**, our **environmental impacts**, our **social practices**, and our engagement to **support local communities**

3 Target attractive returns to shareholders

➡ Two **priorities: maintain dividend; payment in cash**

➡ Three **objectives** to balance

- Grow dividend
- Normalized payout of 35 to 40%
- Contain dilution by gradually reducing number of shares to 2010 level (530 million shares)

➡ This policy will reflect and take into account the **Group's financial situation**

4 Maintain a solid financial structure

- **Continuing high levels of free cash flow:** > €1.5bn per year on average over 2014-2018
- Operating WCR: around **30 days** (at year-end)
- Industrial capex: **Capex < 5% of sales**; Capex in Western Europe < 3% of sales; value creation in Year Y+2; IRR > 20%
- **Acquisitions: value creation in Year Y+2**; priority focus on North America and emerging countries, High-Performance Materials and consolidation of Building Distribution's core positions

Conclusion

- A solid Group, with three complementary sectors positioned on fast-growing habitat and industrial markets
- Strong assets to benefit from the U.S. housing recovery and from the amelioration of the European economic environment
- Continuous progress on strategic priorities, in particular innovation, technology and emerging countries
- Strict financial discipline

One of the strongest and best-positioned companies in materials and construction technologies



**Saint-Gobain creates and delivers
innovative and high-performance solutions
to enhance our habitat and our daily life**



2013 Investor Meeting

Paris, November 27, 2013



SAINT-GOBAIN