

April 22, 2010

**FIRST-QUARTER 2010 SALES:
down 0.5% (down 2.4% like-for-like)**

Saint-Gobain's consolidated sales for first-quarter 2010 came in at **€8,737 million**, versus €8,782 million in the first quarter of 2009, representing a **decline of 0.5% on an actual structure basis** and of **2.0% at constant exchange rates***.

Exchange rates accounted for a 1.5% rise in sales, powered chiefly by sharp gains in Scandinavian currencies and most emerging country currencies (particularly the Brazilian real) against the euro, offsetting the slide in the US dollar. Changes in Group structure also had a slightly positive impact, driving sales up 0.4%.

Like-for-like (comparable Group structure and exchange rates), consolidated sales were down 2.4%. Volumes slipped 1.7%, while **sales prices edged down 0.7%** compared to the strong 2.3% rise in first-quarter 2009.

This slight drop in like-for-like consolidated sales conceals starkly contrasting performances across business sectors and geographical areas, in line with the economic scenario presented by the Group at the end of February.

Trading was very upbeat in the following Group businesses and areas:

- activities linked to industrial output (representing the bulk of sales for the Innovative Materials Sector), which saw double-digit organic growth over the quarter;
- all Group businesses in Asia and Latin America, which confirmed their return to growth, delivering a 22% rise in sales over the three months to March 31.

Businesses related to household consumption (Packaging Sector) continued to hold up very well, reporting like-for-like sales almost identical to the previous year.

* Based on average exchange rates for first-quarter 2009.

The Group's other businesses exposed to construction markets in Europe and North America continued to face tough conditions, amplified by a very cold winter in the first two months of the year.

For the Group's businesses in general, **March** – which benefited from a return to “normal” weather conditions in the Northern hemisphere and an extra working day compared with 2009 – **saw a sharp improvement in trading compared to the first two months of the year.**

Sales trends by business sector and major geographic area are as follows:

	Q1 2009 (€millions)	Q1 2010 (€millions)	% change on an actual structure basis	% change on a comparable structure basis	% change like-for-like
<u>BY BUSINESS SECTOR</u>					
Innovative Materials (1)	1,863	2,106	+13.0%	+12.9%	+10.4%
<i>Flat Glass</i>	1,050	1,193	+13.6%	+14.1%	+9.6%
<i>High-Performance Materials</i>	818	921	+12.6%	+11.8%	+11.9%
Construction Products (1)	2,456	2,413	-1.8%	-2.3%	-3.3%
<i>Interior Solutions</i>	1,280	1,191	-6.9%	-6.5%	-8.1%
<i>Exterior Solutions</i>	1,184	1,229	+3.8%	+2.4%	+1.9%
Building Distribution	3,911	3,663	-6.3%	-6.8%	-8.8%
Packaging	800	787	-1.6%	-1.7%	-0.4%
<i>Internal sales and other</i>	(248)	(232)	-----	-----	-----
GROUP	8,782	8,737	-0.5%	-0.9%	-2.4%
<u>BY GEOGRAPHIC AREA</u>					
France	2,822	2,678	-5.1%	-5.1%	-5.1%
Other Western European countries	3,756	3,622	-3.6%	-3.6%	-5.6%
North America	1,228	1,249	+1.7%	+0.9%	+6.1%
Emerging countries and Asia/Pacific	1,339	1,609	+20.2%	+17.9%	+8.3%
<i>Internal sales</i>	(363)	(421)	-----	-----	-----
GROUP	8,782	8,737	-0.5%	-0.9%	-2.4%

(1) Including inter-division eliminations.

Performance of Group business sectors (like-for-like basis)

Innovative Materials reported double-digit organic growth of 10.4% over the quarter, buoyed by the rebound in markets linked to industrial output in North America and to a lesser extent in Western Europe, as well as the sharp rise in sales in emerging countries and Asia (which represent 35% of the Sector's sales).

- **Flat Glass** reported 9.6% organic growth. The strong rally in the global automotive market and robust momentum in Asia and emerging countries (which account for over 39% of the Sector's sales) more than offset sluggish construction markets across Western Europe. Despite the slight rise in prices for commodity products (float glass) in Europe compared with first-quarter 2009, sales prices across the Sector were still down, mainly due to the time-lag in passing float glass price increases onto processed products.
- **High-Performance Materials (HPM)** posted an 11.9% increase in sales, fueled chiefly by the sharp rally in industrial output in Asia and North and South America, and the more modest industrial output gains in Europe. This more than offset the slowdown (in terms of volumes and prices) in businesses linked to capital expenditure.

Construction Products (CP) sales fell 3.3%, reflecting the impact of very poor weather conditions in the Northern hemisphere over the first two months of the year.

- **Interior Solutions** sales for the first quarter were dampened by slack construction markets across Europe and the US, which vigorous demand in Asia and Latin America failed to offset. In this context, sales prices were slightly down on average compared to the same year-ago period, particularly in the US, despite an upward trend at the end of the quarter.
- **Exterior Solutions** sales climbed 1.9% on the back of vigorous growth in Asia (particularly for Pipe) and Latin America, as well as brisk trading in US Exterior Products, bolstered by the rebuilding of inventory levels by distributors. Sales prices remained upbeat, reflecting the rising trend in commodity and energy costs.

Building Distribution was hard hit by persistently tough conditions on European construction markets and by extremely harsh winter weather in the first two months of the year, driving an 8.8% drop in sales. Sales fell in most countries where the Sector operates, although the decline was smaller in the UK, thanks to a more favorable basis for comparison. Sales prices held up well.

Trading remained brisk for the **Packaging** business, in line with first-quarter 2009 (down 0.4%). Robust sales prices helped offset the slight drop in volumes in Europe.

Analysis by geographic area (like-for-like basis)

Sales trends for the quarter varied widely from one region to the next. Latin America and Asia confirmed the recovery begun in fourth-quarter 2009. Countries in the Northern hemisphere benefited from the upturn in industrial output, but continued to face challenging market conditions in construction, intensified by very bad weather conditions over the first two months of the year. **Trading in March – which gained from an extra working day compared to 2009 – was up significantly compared to January and February in both Europe and North America.**

- **Sales in France and other Western European countries** were down 5.1% and 5.6%, respectively, for the quarter, on the back of the ongoing contraction in sales to the construction industry. In contrast, markets linked to industrial output saw a timid recovery, allowing the Innovative Materials business to post robust growth gains throughout the region.
- **North America** reported 6.1% organic growth, buoyed by the strong rebound in industrial output combined with robust sales for Packaging and Exterior Products.
- Like-for-like sales advanced 8.3% in **Asia and emerging countries**, thanks to vigorous momentum in Latin America and Asia, with overall organic growth of 22% for the quarter. Trading in Eastern European countries remained very sluggish, although there was a relative improvement in March compared to the previous two months, spurred by more favorable weather conditions.

Update on asbestos claims in the United States

Some 1,000 claims were filed against CertainTeed in first-quarter 2010, in line with the number of claims filed in the three months to March 31, 2009. Taking into account some 1,000 claims settled during this period (unchanged from first-quarter 2009), the number of claims outstanding at March 31, 2010 was virtually the same as at December 31, 2009.

Outlook

After persistently tough conditions in the three months to March 31, the Group is expecting for the next few quarters:

- consolidation of the relative improvement in residential construction observed in March in **North America and Western Europe**, although trading should continue to vary widely from one country to the next (upturn in the UK and US, further decline in Southern Europe). Industrial markets should continue to trend upwards in the short term, while household consumption should remain upbeat.
- further growth gains throughout 2010 in **Asia and emerging countries** particularly in Asia and Latin America. In Eastern Europe, however, trading is expected to remain difficult over the next few months, although somewhat better than in the first three months of the year.

During this first quarter, the Group resolutely pursued its action plan priorities amid an economic climate that remained fragile. As announced in February, further cost cutting measures were launched, targeting €200 million in additional cost savings for full-year 2010, while the Group's first-quarter operating income also received a boost from the cost savings already unlocked in the second half of 2009.

The Group therefore **confirms its targets for full-year 2010:**

- **strong growth in operating income at constant exchange rates** (2009 exchange rates);
- **free cash flow of above €1 billion;**
- **a persistently robust financial structure.**

Forthcoming results announcements:

Results for first-half 2010: July 29, 2010, after close of trading on the Paris Bourse.

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