

January 24, 2008

STRONG UPSWING IN 2007 ESTIMATED RESULTS OUTPERFORMING OBJECTIVES

- ▶ **SALES:** **+4.4% (€43,421 million);**
+5.8% at constant exchange rates*;
+5.0% at constant structure and exchange rates*

- ▶ **OPERATING INCOME:** **+10.6% (€4,108 million);**
+11.4% at constant exchange rates*

- ▶ **RECURRING NET INCOME**:** **+24.2% (€2,114 million)**

* based on average exchange rates for 2006

** excluding capital gains, asset write-downs, and the €694 million provision for the Flat Glass fines (European Commission)

2008 OBJECTIVES

- ▶ **MODEST GROWTH IN OPERATING INCOME (at constant exchange rates*) AND RECURRING NET INCOME****

* average exchange rates for 2007

** excluding capital gains, asset write-downs, and the €694 million provision for the Flat Glass fines (European Commission)

Performance of Group sectors

The Saint-Gobain Group enjoyed upbeat trading activity in 2007, delivering 5% organic growth (including a 3.7% price impact and a 1.3% volume effect) despite the slowdown observed in the second half of the year, which compares to buoyant business levels in the second half of 2006. **The Group's five sectors all contributed to this performance** (see appendix 1), particularly activities linked to construction markets in Europe (Flat Glass, Building Distribution, Interior Solutions), which enjoyed vigorous demand bolstered by new regulations promoting energy efficiency in buildings. This strong momentum more than offset the downturn in US construction activities. **Emerging countries and Asia, which account for 15% of Group sales and 19% of its operating income, continued to deliver robust growth (+16.6%) across all Group businesses.** Lastly, industrial output and capital expenditure held firm in all regions.

The Flat Glass sector turned in the Group's strongest performance, both in terms of sales (+10.4% on a reported basis and +11.2% like-for-like) and operating income (+49.4%). This reflects vibrant demand across all of its markets (construction and automotive industries) in Europe as well as in emerging countries, sales price increases implemented in the construction glass business, and a rise in contributions from high value-added products. As a result, **the sector's operating margin jumped to 12.8%, from 9.4% in 2006.**

Within the High-Performance Materials (HPM) sector, **Ceramics, Plastics & Abrasives reported 4.5% organic growth** on the back of healthy capital expenditure and industrial output worldwide. Organic growth for the sector as a whole came in at 2.2% given the 4.2% downturn in the Reinforcements business, a significant part of which was sold to Owens Corning on November 1, 2007. **The sector's operating margin improved significantly, up to 12.3% versus 10.1% in 2006.**

Sales for the Construction Products (CP) sector edged up 2.5% like-for-like (+2.2% on a reported basis), spurred by vigorous growth in demand across western Europe and emerging countries (77% of total sales). This performance comfortably offsets – in both Interior and Exterior Solutions divisions – the downturn in the US housing market (23% of total sales). In this more difficult climate, operating margin held up well, coming in at **11.8%** (compared to 12.7% in 2006): the operating margin for the Interior Solutions division stood at 14.8% (versus 16% in 2006), while Exterior Solutions reported an operating margin of 7.4% (down from 7.8% in 2006).

Building Distribution delivered a 10.8% jump in sales on a reported basis, boosted partly by acquisitions carried out in 2006 and 2007, coupled with **solid 5.7% organic growth.** Business held firm in most western European countries except Germany. As in previous years, the best like-for-like sales performances were achieved in Scandinavia, Spain, France and, to a lesser extent, the United Kingdom. Emerging countries continued to enjoy robust trading conditions, with sales in excess of the billion-euro mark, bolstered by organic growth of around 20% in both eastern Europe and Latin America. **The Building Distribution business also delivered double-digit growth in operating income (+10.1%),** which represents 5.7% of sales.

The Packaging sector posted a 5.5% rise in like-for-like sales, thanks chiefly to an increase in sales prices on the back of strong demand in Europe and emerging countries. **Excluding the impact of the disposals of Calmar and Desjonquères, operating income for the sector surged 24% and operating margin for the year edged up to 11.1% from 9.1%.** Taking into account the impact of the Calmar and Desjonquères divestments, which were completed on July 1, 2006 and March 31, 2007 respectively, operating income advanced 6.6% and operating margin edged up to 11.3% in 2007 from 9.2% a year earlier.

Analysis of the estimated consolidated financial statements for 2007

Based on the estimates presented at the Board of Directors' meeting on January 24, 2008, unaudited key consolidated data for 2007 are set out below. The final version of the 2007 consolidated financial statements will be authorized for issue by the Board of Directors at their meeting of March 20, 2008.

| | 2006 € millions (1) | 2007 € millions (2) | % change (2)/(1) |
|--|---------------------------|---------------------------|------------------------|
| Sales and ancillary revenue | 41,596 | 43,421 | +4.4% |
| Operating income | 3,714 | 4,108 | +10.6% |
| Non-operating costs* | (367) | (290)* | n.m. |
| Provision for Flat Glass fines | 0 | (694) | |
| Capital gains and losses and exceptional asset write-downs | (27) | 30 | n.m. |
| Dividends received | 2 | 2 | n.m. |
| Business income | 3,322 | 3,156 | -5.0% |
| Net financial expense | (748) | (701) | -6.3% |
| Income tax | (899) | (926) | +3.0% |
| Share in net income of associates | 7 | 14 | n.m. |
| Income before minority interests | 1,682 | 1,543 | -8.3% |
| Minority interests | (45) | (56) | +24.4% |
| Recurring net income** | 1,702 | 2,114 | +24.2% |
| Recurring** earnings per share (1) (in €) | 4.62 | 5.65 | +22.3% |
| Net income | 1,637 | 1,487 | -9.2% |
| Earnings per share (1) (in €) | 4.44 | 3.97 | -10.6% |
| Cash flow from operations* | 3,347 | 3,762 | +12.4% |
| Cash flow from operations excluding capital gains tax** | 3,374 | 3,712 | +10.0% |
| Depreciation and amortization | 1,717 | 1,875 | +9.2% |
| Capital expenditure | 2,191 | 2,273 | +3.7% |
| Free cash flow (excluding capital gains tax)** | 1,183 | 1,439 | 21.6% |
| Investments in securities | 584 | 965 | +65.2% |
| Net debt | 11,599 | 9,928 | -14.4% |

* excluding the provision for Flat Glass fines (European Commission).

** excluding capital gains and losses, asset write-downs and the provision for Flat Glass fines (European Commission)

(1) calculated based on the number of shares outstanding at December 31 (374,216,152 shares in 2007 versus 368,419,723 in 2006). Based on the average number of shares outstanding (367,124,675 shares in 2007 versus 341,048,210 shares in 2006), recurring earnings per share comes out at €5.76 (compared with €4.99 in 2006), and earnings per share comes out at €4.05 (compared with €4.80 in 2006).

Group sales moved up 4.4%, or 5.8% at constant exchange rates. Changes in the Group structure had a positive 0.7% impact, with contributions from acquisitions carried out in 2006 and 2007 (essentially in the Building Distribution and CP sectors) just exceeding contributions from companies sold (mainly Calmar on July 1st, 2006, Desjonquères on March 31, 2007, and the Reinforcements & Composites business on November 1, 2007). **On a like-for-like basis*, Group sales advanced 5.0% or €2,059 million**, including a 3.7% price impact and a 1.3% volume effect.

The breakdown of like-for-like sales by geographic area presents a sharply contrasting picture, with North America (13% of Group sales), declining 7.1%, but the rest of the world delivering sustained sales growth. Sales climbed 5.2% in France (which accounts for 28% of sales for the Group as a whole) and 6.0% in other western European countries (44% of Group sales). Emerging countries and Asia (15% of Group sales) continued to outperform other regions, reporting organic growth of 16.5%.

* Based on average exchange rates for 2006

Operating income jumped 10.6%, or **11.4% at constant exchange rates***. The Group's operating margin, which notched up gains in each half of the year, advanced to **9.5%** of sales (**12.0%** excluding Building Distribution), **compared with 8.9% of sales in 2006** (10.9% excluding Building Distribution). With the exception of North America, profitability improved across all geographic areas.

Non-operating costs came in at €984 million (versus €367 million in 2006), and include a €200 million charge in respect of industrial restructuring measures, a €90 million charge for asbestos-related litigation involving CertainTeed in the US (versus €272 million and €95 million, respectively, in 2006) and a €694 million provision in respect of the two proceedings conducted by the European Commission into the Flat Glass sector (see the section entitled "European Commission proceedings" below).

The net total of capital gains and losses and exceptional asset write-downs came in at €30 million, versus a negative €27 million in 2006. Capital gains of €394 million, arising mainly on the sale of Desjonquères, were partly offset by €364 million in exceptional write-downs, including around €190 million in connection with the sale of the Reinforcements & Composites business.

Business income shed 5% due to the factors mentioned above (non-operating costs, capital gains and losses and exceptional asset write-downs).

Net financial expense was scaled back 6.3% to €701 million, compared with €748 million in 2006, reflecting chiefly the fall in average net debt over the year. The interest cover ratio (operating income over interest expense) continued to improve, at 5.9 versus 5 in 2006.

Recurring net income (excluding capital gains and losses, exceptional asset write-downs and the provision for Flat Glass fines) **surged 24.2% to €2,114 million**, compared with €1,702 million in 2006. Based on the number of shares outstanding at December 31, 2007 (374,216,152 shares compared with 368,419,723 shares at December 31, 2006), **recurring earnings per share comes in at €5.65, up 22.3%** on 2006 (€4.62).

Net income was 9.2% lower year-on-year at €1,487 million, hit by the provision for the Flat Glass fines mentioned above. Based on the number of shares outstanding at December 31, 2007 (374,216,152 shares compared with 368,419,723 shares at December 31, 2006), earnings per share comes in at €3.97, down 10.6% on 2006 (€4.44).

Capital expenditure edged up 3.7% to €2,273 million in 2007 (€2,191 million in 2006), and represented 5.2% of sales (5.3% in 2006). The Group continues to focus its investments on emerging countries (40% of growth investments) and on markets linked to energy efficiency (in particular Flat Glass and CP sectors, representing more than 50% of investment outlay).

Cash flow from operations (excluding provision for the Flat Glass fines) came in 12.4% higher year-on-year, at €3,762 million. Before the tax impact of capital gains and losses and asset write-downs, cash flow from operations climbed 10%, to €3,712 million, compared with €3,374 million in 2006.

Free cash flow (cash flow from operations less capital expenditure) surged 28.8% to €1,489 million. Before the tax impact of capital gains and losses and asset write-downs, **free cash flow moved up 21.6% to €1,439 million**.

Investments in securities amounted to €965 million in 2007. This figure does not include the Maxit acquisition, which was announced in August and is pending approval from the European competition authorities. Investments totaled €582 million for the Building Distribution sector (53 acquisitions representing €1,304 million in full-year sales), and €226 million for the Construction Products business.

Net debt before the acquisition of Maxit stands at €9,928 million at December 31, 2007, down 14.4% on end-2006 (€11,599 million) and 17.3% on June 30, 2007. At end-December 2007, 88% of the Group's debt was at fixed rates, and had an average maturity of five years. Net debt represents 65% of consolidated shareholders' equity, compared with 80% at December 31, 2006.

* Based on average exchange rates for 2006

Update on asbestos claims in the United States

Some 6,000 claims were filed against CertainTeed in 2007, versus 7,000 in 2006. Around 8,000 claims were settled over the period, bringing the number of outstanding claims to 74,000 at December 31, 2007, compared with 76,000 at end-2006. A total of USD 73 million indemnity payments were paid over the last 12 months, compared to USD 83 million over 2006.

In light of these trends, an additional provision of €90 million was recorded in 2007 (versus €95 million in 2006), increasing the total coverage for CertainTeed's asbestos-related claims to USD 473 million at December 31, 2007, compared to USD 451 million at end-2006.

* * *

European Commission proceedings (Flat Glass)

Further to its investigations in February and March 2005, the European Commission sent Statements of Objections to Saint-Gobain Glass France (glass for the construction industry) on March 12, 2007, and to Saint-Gobain Glass France, Saint-Gobain Sekurit Deutschland and Saint-Gobain Sekurit France (automotive glass) on April 19, 2007. The two Statements of Objections, which were also sent to Compagnie de Saint-Gobain in its capacity as parent company of these entities, concerned an alleged breach of Article 81 of the Treaty of Rome.

In summary, the Statements of Objections claim that the above-mentioned glass subsidiaries contacted or met with one or more competitors to discuss pricing strategies or market share stabilization, or to exchange illicit information.

Following a review of the case and the objections, Saint-Gobain Glass France did not challenge the allegations made in respect of its construction glass activity, while Saint-Gobain Glass France, Saint-Gobain Sekurit Deutschland and Saint-Gobain Sekurit France acknowledged the claims against their automotive glass businesses but challenge the scope given to certain such claims by the Commission.

In their responses to the Commission, the companies concerned nevertheless set forth a series of arguments based on the seriousness and duration of the alleged infringements, the amount of sales generated by the activities to be taken into account in the claim, and the impact of the repeat offence. Compagnie de Saint-Gobain has formally denied any liability whatsoever for the allegations made in the two cases.

In a decision of November 28, 2007 concerning its investigation into companies manufacturing glass for the construction industry, the European Commission held that Saint-Gobain Glass France had indeed violated Article 81 of the Treaty of Rome. Accordingly, Saint-Gobain Glass France was fined, jointly and severally with Compagnie de Saint-Gobain, an amount of €133.9 million. Compagnie de Saint-Gobain and Saint-Gobain Glass France have decided not to appeal this decision.

After adjusting the amount of the provision set aside in respect of this fine for Construction Glass, and revising the provision for the automotive glass investigation to incorporate a higher sales basis (2007 rather than 2006 sales), the €650 million provision set aside in the first half of 2007 was increased to **€694 million** at December 31, 2007.

Strategy

The Group's robust performance in 2007 highlights the efficiency of its business model and the vigorous implementation of its construction-focused growth strategy, offering innovative solutions to the fundamental challenges of our time: growth, energy efficiency and the environment. Following the sale of Calmar in July 2006 and Desjonquères in March 2007, the Group sold its Reinforcements & Composites business on November 1, 2007. In parallel, the Group carried out 64 acquisitions in the construction market in 2007, representing €1.6 billion in total full-year sales.

For 2008 and beyond, the Group intends to press ahead with the strategic focuses unveiled in July 2007, including:

- stepping up expansion efforts through growth investments in emerging countries, with the aim of generating 33% of Group sales (excluding Building Distribution) in these regions by 2010,
- pursuing acquisition-led growth, in particular to deepen the Group's footprint in emerging countries, enhance its potential for innovation and reinforce Building Distribution,
- intensifying R&D initiatives and innovation, particularly in terms of energy and the environment.

The Group therefore confirms its targets through 2010:

For 2007-2010:

- 5% average annual organic growth
- 10% average annual growth in recurring EPS (earnings per share)

For 2010:

- ROI of between 22% and 25%
- ROCE of between 13% and 14%

2008 outlook and objectives

In 2008, the Group will have to contend with **a more difficult and far more uncertain macro-economic climate** than in 2007, with a possible recession for the US economy and growth in housing starts across Europe losing momentum due chiefly to stricter lending criteria. However, Saint-Gobain is well positioned to face these challenging business conditions, thanks to:

- a strong position on the European building renovation market,
- global leadership on markets related to energy efficiency in buildings, which account for almost 30% of Group sales,
- significant contributions from Asia and emerging countries to Group operating income (around 20%, i.e. double the North American contribution in 2007),
- the positive impact on the Group's results of further acquisitions,
- a solid financial structure and high levels of free cash flow.

In view of the above, for 2008 the Group is targeting:

- **modest growth in operating income** at constant exchange rates (*average exchange rates for 2007*) and **recurring net income***,
- a solid financial structure **and continuing high levels of free cash flow.**

* *excluding capital gains, asset write-downs and the €694 million provision for Flat Glass fines (European Commission)*

Forthcoming results announcements

- Final results for 2007: March 20, 2008 after close of trading on the Paris Bourse.
- Sales for the first quarter of 2008: April 22, 2008, after close of trading on the Paris Bourse.

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Investor Relations Department

Mrs Florence Triou-Teixeira
Mr Alexandre Etuy
Mr Vivien Dardel

Tel.: +33 1 47 62 45 19
Tel.: +33 1 47 62 37 15
Tel.: +33 1 47 32 44 29
Fax.: +33 1 47 62 50 62

Appendix 1 : Results by Business Sector and geographic area

| I. SALES | 2006 (in EUR m) | 2007e (in EUR m) | Change on an actual structure basis | Change on a comparable structure basis | Change on a comparable structure and currency basis |
|---------------------------------------|--------------------|---------------------|--|---|---|
| <u>By sector and division:</u> | | | | | |
| Flat Glass | 5,083 | 5,611 | +10.4% | +10.5% | +11.2% |
| High Performance Materials (1) | 4,938 | 4,752 | -3.8% | -1.6% | +2.2% |
| Ceramics & Plastics and Abrasives | 3,589 | 3,584 | -0.1% | +0.4% | +4.5% |
| Reinforcements (2) | 1,365 | 1,182 | -13.4% | -7.2% | -4.2% |
| Construction Products (1) | 10,876 | 11,112 | +2.2% | +0.4% | +2.5% |
| Interior Solutions (*) | 6,424 | 6,628 | +3.2% | +1.2% | +2.9% |
| Exterior Solutions (*) | 4,476 | 4,516 | +0.9% | -0.7% | +2.1% |
| Building Distribution | 17,581 | 19,480 | +10.8% | +5.7% | +5.7% |
| Packaging (3) | 4,080 | 3,546 | -13.1% | +2.5% | +5.5% |
| <i>Internal sales and misc.</i> | -962 | -1,080 | <i>n.m.</i> | <i>n.m.</i> | <i>n.m.</i> |
| GROUP TOTAL | 41,596 | 43,421 | +4.4% | +3.7% | +5.0% |

(1) including intra-sector eliminations

(2) of which Reinforcements and Composites businesses (sold on November 1st, 2007): €671m in 2006 and €593m in 2007 before inter businesses eliminations

(3) of which Desjonquères (sold on March 31, 2007) and Calmar (sold on July 1, 2006) : €760m in 2006 and €148m in 2007

(*) See Appendix 3 for details

| <u>By geographic area :</u> | 2006 (in EUR m) | 2007e (in EUR m) | Change on an actual structure basis | Change on a comparable structure basis | Change on a comparable structure and currency basis |
|------------------------------------|--------------------|---------------------|--|---|---|
| France | 12,528 | 12,931 | +3.2% | +5.2% | +5.2% |
| Other Western European countries | 18,448 | 19,905 | +7.9% | +5.8% | +6.0% |
| North America | 6,790 | 5,793 | -14.7% | -14.6% | -7.1% |
| Emerging countries and Asia | 5,933 | 6,921 | +16.6% | +15.7% | +16.5% |
| <i>Internal sales</i> | -2,103 | -2,129 | <i>n.m.</i> | <i>n.m.</i> | <i>n.m.</i> |
| GROUP TOTAL | 41,596 | 43,421 | +4.4% | +3.7% | +5.0% |

| II. OPERATING INCOME | 2006 (in EUR m) | 2007e (in EUR m) | Change on an actual structure basis | 2006 (in % of sales) | 2007e (in % of sales) |
|---------------------------------------|--------------------|---------------------|--|-------------------------|--------------------------|
| <u>By sector and division:</u> | | | | | |
| Flat Glass | 480 | 717 | +49.4% | 9.4% | 12.8% |
| High Performance Materials | 500 | 585 | +17.0% | 10.1% | 12.3% |
| Ceramics & Plastics and Abrasives | 468 | 485 | +3.6% | 13.0% | 13.5% |
| Reinforcements (1) | 32 | 100 | <i>n.m.</i> | 2.3% | 8.5% |
| Construction Products | 1,376 | 1,313 | -4.6% | 12.7% | 11.8% |
| Interior Solutions (*) | 1,028 | 980 | -4.7% | 16.0% | 14.8% |
| Exterior Solutions (*) | 348 | 333 | -4.3% | 7.8% | 7.4% |
| Building Distribution | 1,001 | 1,102 | +10.1% | 5.7% | 5.7% |
| Packaging (2) | 376 | 401 | +6.6% | 9.2% | 11.3% |
| Miscellaneous | -19 | -10 | <i>n.m.</i> | <i>n.m.</i> | <i>n.m.</i> |

| | | | | | |
|--------------------|--------------|--------------|---------------|-------------|-------------|
| GROUP TOTAL | 3,714 | 4,108 | +10.6% | 8.9% | 9.5% |
|--------------------|--------------|--------------|---------------|-------------|-------------|

(1) of which Reinforcements and Composites businesses (sold on November 1st, 2007): €11m in 2006 and €49m in 2007

(2) of which Desjonquères (sold on March 31, 2007) and Calmar (sold on July 1, 2006) : €72m in 2006 and €23m in 2007

(*) See Appendix 3 for details

| | | | | | |
|----------------------------------|--------------|--------------|---------------|-------------|-------------|
| By geographic area : | | | | | |
| France | 970 | 1,096 | +13.0% | 7.7% | 8.5% |
| Other Western European countries | 1,506 | 1,869 | +24.1% | 8.2% | 9.4% |
| North America | 701 | 344 | -50.9% | 10.3% | 5.9% |
| Emerging countries and Asia | 537 | 799 | +48.8% | 9.1% | 11.5% |
| GROUP TOTAL | 3,714 | 4,108 | +10.6% | 8.9% | 9.5% |

| III. BUSINESS INCOME | 2006 (in EUR m) | 2007e (in EUR m) | Change on an actual structure basis | 2006 (in % of sales) | 2007e (in % of sales) |
|-----------------------------------|---------------------------|----------------------------|--|--------------------------------|---------------------------------|
| By sector and division: | | | | | |
| Flat Glass | 455 | -49 (a) | n.m. | 9.0% | -0.9% |
| High Performance Materials | 416 | 333 | -20.0% | 8.4% | 7.0% |
| Ceramics & Plastics and Abrasives | 411 | 482 | +17.3% | 11.5% | 13.4% |
| Reinforcements (1) | 5 | -149 (b) | n.m. | 0.4% | n.m. |
| Construction Products | 1,229 | 1,243 | +1.1% | 11.3% | 11.2% |
| Interior Solutions (*) | 989 | 962 | -2.7% | 15.4% | 14.5% |
| Exterior Solutions (*) | 240 | 281 | +17.1% | 5.4% | 6.2% |
| Building Distribution | 979 | 1,069 | +9.2% | 5.6% | 5.5% |
| Packaging (2) | 379 | 688 (c) | n.m. | 9.3% | n.m. |
| Miscellaneous | -136 | -128 (d) | n.m. | n.m. | n.m. |
| GROUP TOTAL | 3,322 | 3,156 | -5.0% | 8.0% | 7.3% |

(a) after a provision of €694m for the flat glass fines (European Commission)

(b) after €190 m of asset write-downs related to the disposal of the Reinforcements & Composites businesses

(c) after €283m of capital gains following the disposal of Desjonquères

(d) after asbestos-related charge (before tax) of €90m in 2007 versus €95m in 2006

(*) See Appendix 3 for details

| | | | | | |
|----------------------------------|--------------|--------------|--------------|-------------|-------------|
| By geographic area : | | | | | |
| France | 883 | 816(a) | -7.6% | 7.0% | 6.3% |
| Other Western European countries | 1,457 | 1,536(a) | +5.4% | 7.9% | 7.7% |
| North America | 481 | 109(b) | -77.3% | 7.1% | 1.9% |
| Emerging countries and Asia | 501 | 695 | +38.7% | 8.4% | 10.0% |
| GROUP TOTAL | 3,322 | 3,156 | -5.0% | 8.0% | 7.3% |

(a) after a provision of €694m for the flat glass fines (European Commission)

(b) after asbestos-related charge (before tax) of €90m in 2007 versus €95m in 2006

| IV. CASH FLOW | 2006 (in EUR m) | 2007e (in EUR m) | Change on an actual structure basis | 2006 (in % of sales) | 2007e (in % of sales) |
|-----------------------------------|---------------------------|----------------------------|--|--------------------------------|---------------------------------|
| By sector and division: | | | | | |
| - Flat Glass | 529 | 677 | +28.0% | 10.4% | 12.1% |
| High Performance Materials | 432 | 487 | +12.7% | 8.7% | 10.2% |
| Ceramics & Plastics and Abrasives | 363 | 396 | +9.1% | 10.1% | 11.0% |
| Reinforcements (1) | 69 | 91 | +31.9% | 5.1% | 7.7% |
| Construction Products | 1,048 | 1,060 | +1.1% | 9.6% | 9.5% |
| Interior Solutions (*) | 726 | 739 | +1.8% | 11.3% | 11.1% |
| Exterior Solutions (*) | 322 | 321 | -0.3% | 7.2% | 7.1% |

| | | | | | |
|------------------------------|--------------|--------------|---------------|-------------|--------------|
| Building Distribution | 817 | 825 | +1.0% | 4.6% | 4.2% |
| Packaging (2) | 402 | 425 | +5.7% | 9.9% | 12.0% |
| Miscellaneous | 119 | 288 | n.m. | n.m. | n.m. |
| GROUP TOTAL | 3,347 | 3,762 | +12.4% | 8.0% | 8.7% |

(1) of which Reinforcements and Composites businesses (sold on November 1st, 2007): €25m in 2006 and €25m in 2007

(2) of which Desjonquères (sold on March 31, 2007) and Calmar (sold on July 1, 2006) : €63m in 2006 and €14m in 2007

(*) See Appendix 3 for details

| | | | | | |
|----------------------------------|--------------|--------------|---------------|-------------|-------------|
| By geographic area : | | | | | |
| France | 733 | 866 | +18.1% | 5.9% | 6.7% |
| Other Western European countries | 1,446 | 1,731 | +19.7% | 7.8% | 8.7% |
| North America | 573 | 401 (a) | -30.0% | 8.4% | 6.9% |
| Emerging countries and Asia | 595 | 764 | +28.4% | 10.0% | 11.0% |
| GROUP TOTAL | 3,347 | 3,762 | +12.4% | 8.0% | 8.7% |

(a) after asbestos-related charge (after tax) of € 55m in 2007 versus €64m in 2006

| V. CAPITAL EXPENDITURE | 2006 | 2007e | Change on | 2006 | 2007e |
|-----------------------------------|-------------------|-------------------|------------------|------------------------|------------------------|
| | (in EUR m) | (in EUR m) | an actual | (in % of sales) | (in % of sales) |
| | | | structure | | |
| | | | basis | | |
| By sector and division: | | | | | |
| - | | | | | |
| Flat Glass | 448 | 523 | +16.7% | 8.8% | 9.3% |
| High Performance Materials | 225 | 238 | +5.8% | 4.6% | 5.0% |
| Ceramics & Plastics and Abrasives | 161 | 192 | +19.3% | 4.5% | 5.4% |
| Reinforcements (1) | 64 | 46 | -28.1% | 4.7% | 3.9% |
| Construction Products | 844 | 830 | -1.7% | 7.8% | 7.5% |
| Interior Solutions (*) | 632 | 621 | -1.7% | 9.8% | 9.4% |
| Exterior Solutions (*) | 212 | 209 | -1.4% | 4.7% | 4.6% |
| Building Distribution | 315 | 353 | +12.1% | 1.8% | 1.8% |
| Packaging (2) | 335 | 309 | -7.8% | 8.2% | 8.7% |
| Miscellaneous | 24 | 20 | n.m. | n.m. | n.m. |
| GROUP TOTAL | 2,191 | 2,273 | +3.7% | 5.3% | 5.2% |

(1) of which Reinforcements and Composites businesses (sold on November 1st, 2007): €40m in 2006 and €22m in 2007

(2) of which Desjonquères (sold on March 31, 2007) and Calmar (sold on July 1, 2006) : €53m in 2006 and €14m in 2007

(*) See Appendix 3 for details

| | | | | | |
|----------------------------------|--------------|--------------|--------------|-------------|-------------|
| By geographic area : | | | | | |
| France | 485 | 536 | +10.5% | 3.9% | 4.1% |
| Other Western European countries | 749 | 698 | -6.8% | 4.1% | 3.5% |
| North America | 363 | 368 | +1.4% | 5.3% | 6.4% |
| Emerging countries and Asia | 594 | 671 | +13.0% | 10.0% | 9.7% |
| GROUP TOTAL | 2,191 | 2,273 | +3.7% | 5.3% | 5.2% |

Appendix 2: Consolidated Balance Sheet

| <i>in EUR millions</i> | Dec 31, 2007 | Dec 31, 2006 |
|---|---------------------|---------------------|
| Assets | | |
| Goodwill | 9,240 | 9,327 |
| Other intangible assets | 3,125 | 3,202 |
| Property, plant and equipment | 12,753 | 12,769 |
| Investments in associates | 123 | 238 |
| Deferred tax assets | 328 | 348 |
| Other non-current assets | 472 | 390 |
| Non-current assets | 26,041 | 26,274 |
| Inventories | 5,833 | 5,629 |
| Trade accounts receivable | 6,211 | 6,301 |
| Current tax receivable | 173 | 66 |
| Other accounts receivable | 1,481 | 1,390 |
| Assets held for sale | 105 (*) | 548 |
| Cash and cash equivalents | 1,294 | 1,468 |
| Current assets | 15,097 | 15,402 |
| Total assets | 41,138 | 41,676 |
| Liabilities and Shareholders' equity | | |
| Capital stock | 1,497 | 1,474 |
| Additional paid-in capital and legal reserve | 3,617 | 3,315 |
| Retained earnings and net income for the year | 10,625 | 9,562 |
| Cumulative translation adjustments | (564) | 140 |
| Fair value reserves | 8 | (20) |
| Treasury stock | (206) | (306) |
| Shareholders' equity | 14,977 | 14,165 |
| Minority interests | 290 | 322 |
| Total equity | 15,267 | 14,487 |
| Long-term debt | 8,747 | 9,877 |
| Provisions for pensions and other employee benefits | 1,807 | 2,203 |
| Deferred tax liabilities | 1,277 | 1,222 |
| Provisions for other liabilities and charges | 923 | 936 |
| Non-current liabilities | 12,754 | 14,238 |
| Current portion of long-term debt | 971 | 993 |
| Current portion of provisions for other liabilities and charges | 1,107 | 467 |
| Trade accounts payable | 5,752 | 5,519 |
| Current tax liabilities | 317 | 190 |
| Other accounts payable | 3,425 | 3,336 |
| Liabilities held for sale | 41 (*) | 249 |
| Short-term debt and bank overdrafts | 1,504 | 2,197 |
| Current liabilities | 13,117 | 12,951 |
| Total equity and liabilities | 41,138 | 41,676 |

(*) SG VTX America Plastic

Appendix 3 : Construction Products sector - details

The activities of the Construction Products sector are henceforth presented in two sub-groups: Interior Solutions, (Insulation and Gypsum), and Exterior Solutions, (Building Materials and Pipe).

| I. SALES | 2006 (in EURm) | 2007e (in EURm) | Change on an actual structure basis | Change on a comparable structure basis | Change on a comparables structure and currency basis |
|-------------------------------------|-------------------------------|----------------------------|--|---|---|
| Interior Solutions | 6,424 | 6,628 | +3.2% | +1.2% | +2.9% |
| Insulation | 2,542 | 2,785 | +9.5% | +1.9% | +3.8% |
| Gypsum | 3,895 | 3,864 | -0.8% | +0.9% | +2.5% |
| <i>internal sales</i> | -13 | -21 | <i>n.m.</i> | <i>n.m.</i> | <i>n.m.</i> |
| Exterior Solutions | 4,476 | 4,516 | +0.9% | -0.7% | +2.1% |
| Building Materials | 2,694 | 2,603 | -3.4% | -5.2% | -0.9% |
| Pipe | 1,783 | 1,913 | +7.3% | +5.9% | +6.4% |
| <i>internal sales</i> | -1 | - | <i>n.m.</i> | <i>n.m.</i> | <i>n.m.</i> |
| <i>Eliminations</i> | -24 | -32 | <i>n.m.</i> | <i>n.m.</i> | <i>n.m.</i> |
| Construction Products sector | 10,876 | 11,112 | +2.2% | +0.4% | +2.5% |

| II. OPERATING INCOME | 2006 (in EURm) | 2007e (in EURm) | Change on an actual structure basis | 2006 (as % of sales) | 2007e (as % of sales) |
|-------------------------------------|-------------------------------|----------------------------|--|---------------------------------|----------------------------------|
| Interior Solutions | 1,028 | 980 | -4.7% | 16.0% | 14.8% |
| Insulation | 379 | 442 | +16.6% | 14.9% | 15.9% |
| Gypsum | 649 | 538 | -17.1% | 16.7% | 13.9% |
| Exterior Solutions | 348 | 333 | -4.3% | 7.8% | 7.4% |
| Building Materials | 208 | 167 | -19.7% | 7.7% | 6.4% |
| Pipe | 140 | 166 | +18.6% | 7.9% | 8.7% |
| Construction Products sector | 1,376 | 1,313 | -4.6% | 12.7% | 11.8% |

| III. BUSINESS INCOME | 2006 (in EURm) | 2007e (in EURm) | Change on an actual structure basis | 2006 (as % of sales) | 2007e (as % of sales) |
|-------------------------------------|-------------------------------|----------------------------|--|---------------------------------|----------------------------------|
| Interior Solutions | 989 | 962 | -2.7% | 15.4% | 14.5% |
| Insulation | 341 | 430 | +26.1% | 13.4% | 15.4% |
| Gypsum | 648 | 532 | -17.9% | 16.6% | 13.8% |
| Exterior Solutions | 240 | 281 | +17.1% | 5.4% | 6.2% |
| Building Materials | 170 | 129 | -24.1% | 6.3% | 5.0% |
| Pipe | 70 | 152 | +117.1% | 3.9% | 7.9% |
| Construction Products sector | 1,229 | 1,243 | +1.1% | 11.3% | 11.2% |

| IV. CASH FLOW | 2006 (in EURm) | 2007e (in EURm) | Change on an actual structure basis | 2006 (as % of sales) | 2007e (as % of sales) |
|----------------------|-------------------------------|----------------------------|--|---------------------------------|----------------------------------|
|----------------------|-------------------------------|----------------------------|--|---------------------------------|----------------------------------|

| | | | | | |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Interior Solutions | 726 | 739 | +1.8% | 11.3% | 11.1% |
| Insulation | 358 | 447 | +24.9% | 14.1% | 16.1% |
| Gypsum | 368 | 292 | -20.7% | 9.4% | 7.6% |
| Exterior Solutions | 322 | 321 | -0.3% | 7.2% | 7.1% |
| Building Materials | 204 | 175 | -14.2% | 7.6% | 6.7% |
| Pipe | 118 | 146 | +23.7% | 6.6% | 7.6% |
| Construction Products sector | 1,048 | 1,060 | +1.1% | 9.6% | 9.5% |

| V. CAPITAL EXPENDITURE | 2006 (in EURm) | 2007e (in EURm) | Change on an actual structure basis | 2006 (as % of sales) | 2007e (as % of sales) |
|-------------------------------------|-------------------------------|----------------------------|--|---------------------------------|----------------------------------|
| Interior Solutions | 632 | 621 | -1.7% | 9.8% | 9.4% |
| Insulation | 145 | 199 | +37.2% | 5.7% | 7.1% |
| Gypsum | 487 | 422 | -13.3% | 12.5% | 10.9% |
| Exterior Solutions | 212 | 209 | -1.4% | 4.7% | 4.6% |
| Building Materials | 142 | 133 | -6.3% | 5.3% | 5.1% |
| Pipe | 70 | 76 | +8.6% | 3.9% | 4.0% |
| Construction Products sector | 844 | 830 | -1.7% | 7.8% | 7.5% |