

PRESS release

First-half 2013: The Group confirms its target of a recovery in operating income in the second half.

Paris, July 24, 2013 - Publication of first-half 2013 results.

KEY FIGURES (€m)	H1-2012*	H1-2013	Change*
Sales	21,590	20,771	-3.8%
EBITDA	2,266	1,983	-12.5%
Operating income	1,494	1,260	-15.7%
Recurring ¹ net income	608	422	-30.6%
Net income	463	332	-28.3%

First-half 2013 highlights:

- Sales **prices** hold firm: **up 1.0%**.
- First-half sales **volumes** hard hit by fewer working days (1.8 days less, or a negative impact of around 1.4%) and by poor weather: **down 4.2%**.
- **Asia and emerging countries** deliver **3.9%** like-for-like growth.
- **Cost cutting program**: an additional **€300m in cost savings** compared to first-half 2012.
- Free cash flow²: **up 3.0%** to **€646m**.
- **2013 targets** confirmed.

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

“The continued upturn in US construction markets and a return to growth for our businesses in emerging countries failed to offset the general slowdown in the European economic environment, exacerbated by a negative calendar impact and very poor weather. In this tough market climate, we pressed ahead with our cost cutting efforts while successfully pursuing our price-focused policy.

As announced previously, we expect trading to gradually improve in the second half, based on the trends already observed in the three months to June 30, and can therefore confirm our target of a recovery in operating income in the second half.”

* Items restated to reflect the impacts of the amendment to IAS 19.

1. Excluding capital gains and losses on disposals, asset write-downs, and material non-recurring provisions.

2. Excluding the tax impact of capital gains and losses on disposals, asset write-downs and material non-recurring provisions.

Operating performance

Overall, after a particularly tough first quarter hit by both fewer working days than in the year-earlier period and by very poor weather, the **second quarter** saw underlying trends stabilize on the Group's main markets in Western Europe and market conditions continue to rally in other regions. However, like-for-like, the **second quarter** was down a slight **1.2%** on the same period in 2012, **with volumes off 2.2% and prices up 1.0%**. With the exception of Flat Glass – buoyed by a pick-up in growth in Asia and emerging countries – and Interior Solutions – lifted by the gradual improvement in the US construction market – all of the Group's Business Sectors and Divisions continued to suffer from sluggish European economies, albeit far less than in the first quarter.

In this persistently tough economic climate and despite the smaller rise in raw material and energy costs, **sales prices** remained a key priority for the Group throughout the first half, and **gained 1.0%**.

Overall, due to the ground lost in the first quarter, like-for-like **consolidated sales were down 3.2%** in the first six months of the year, with **volumes losing 4.2% and prices gaining 1.0%**.

Despite profitability gains in North America and in Asia and emerging countries, **the Group's operating margin narrowed, to 6.1% in first-half 2013** compared to 7.0% for the same period in 2012 and 6.3% for second-half 2012.

1°) Performance of Group Business Sectors

The deteriorating economic environment in Western Europe led to negative organic growth for all of the Group's Business Sectors in the six months to June 30, 2013.

Along the lines of the first quarter, **Innovative Materials sales fell 2.9% on a like-for-like basis** in the first half, hurt by a downturn in sales volumes, especially in Western Europe. **The operating margin for the Business Sector narrowed, to 6.7%** from 8.4% in first-half 2012 and 6.9% in second-half 2012.

- Like-for-like, **Flat Glass sales lost 1.3% over the first half, but were up 2.4% in the second quarter**. In the three months to June 30, the quicker pace of recovery in Asia and emerging countries (**double-digit growth**) more than offset the downturn in volumes and sales prices on Western European construction markets. Automotive Flat Glass sales stabilized over the second quarter in Western Europe, after a very tough first three months. Over the first half as a whole, the price of commodity products (float glass) in Europe remained lower on average than in first-half 2012, despite the price increases implemented in the second quarter. As a result, and despite the large-scale restructuring measures rolled out, the **operating margin** for the Division slipped further, down to **1.5% of sales** versus 2.1% of sales in first-half 2012.
- **High-Performance Materials (HPM) sales shed 5.1%** on a like-for-like basis, reflecting the decline in businesses related to capital spending (Ceramics). HPM's other businesses (Abrasives, Plastics, Textile Solutions) proved resilient, especially in the US and in Asia and emerging countries. The **operating margin**, up against a very tough basis for comparison (15.6% in first-half 2012) came in at **13.0%**, an improvement on the six months to December 31, 2012 (12.7%).

Construction Products (CP) sales retreated 1.7% on a like-for-like basis, hit by the slowdown in sales in Western Europe, not wholly offset by growth in Asia and emerging countries. The **operating margin narrowed slightly, to 8.5%** from 8.8% in first-half 2012.

- **Interior Solutions** reported **timid 1.0% organic growth over the first half** on the back of continued strong momentum in its second-quarter sales in the US. After a very difficult start to the year, the business in Western Europe leveled off at the end of the first half, while trading in Asia and emerging countries remained upbeat. Although sales prices moved up across the Division, the **operating margin dropped to 7.6%** from 8.7% in first-half 2012 and 7.9% in second-half 2012, squeezed by the volume downturn in Western Europe.
- **Exterior Solutions sales contracted 4.1% on a like-for-like basis**, hit by the fall in Exterior Products sales in the US. Unlike the bullish first quarter, the three months to June 30, 2013 took an exceptional hit resulting from the large-scale destocking by our distributors. This destocking in no way reflects the underlying momentum of the US market. Pipe continued to feel the pinch of austerity measures in Europe, which the fledgling recovery in export sales has not yet been able to fully offset (the first deliveries under the USD 200 million contract with Kuwait began at the very end of the second quarter). Industrial Mortars enjoyed further vigorous growth in Asia and emerging countries, but were hit in Western Europe by the impact of the economic slowdown and poor weather conditions early in the year. Sales prices for the Division as a whole remained upbeat over the first half. As a result, the **operating margin widened, to 9.3%** of sales from 8.9% of sales in first-half 2012 and 7.7% of sales in the six months to December 31, 2012.

Building Distribution sales dropped 4.6% on a like-for-like basis over the first half, hard hit by fewer working days than in the year-earlier period (1.8 days less, representing a **negative impact of 1.4% on Business Sector volumes**) and by very harsh weather early in the year. However, the Sector's performance improved sharply in the second quarter, driven chiefly by a strong rebound in the UK, accelerated growth in Brazil, and stabilizing sales in Scandinavia. In France, trading continued to prove fairly resilient in a tough economic environment, with further gains in market share. Overall, sales prices remained upbeat across the Business Sector. The **operating margin** came out at **2.4%** versus 3.9% in first-half 2012, owing chiefly to the sharp downturn in volumes in the first quarter.

Packaging (Verallia) sales slipped 2.9% on a like-for-like basis over the six months to June 30, despite a 2.1% rise in sales prices. Volumes retreated in the US and in Western Europe, and remained stable in Russia and Latin America. **Operating income increased by €36 million, or 17.4%**, as a result of applying IFRS 5 (assets and liabilities held for sale) to Verallia North America (VNA) as of January 1, 2013, according to which depreciation of VNA's fixed assets (€36 million in the first half) is no longer charged to operating income. **Excluding this one-off item**, Verallia's operating income would be stable, at €207 million, and its **operating margin** – buoyed by a positive price/cost spread – **would be 11.4%**, versus 10.8% in first-half 2012. Regarding the planned divestment of VNA, Ardagh and Saint-Gobain are disappointed by the complaint filed by the FTC (Federal Trade Commission) on July 2, 2013, and intend to vigorously defend the transaction in litigation, whilst at the same time working with the FTC to seek to resolve its concerns.

2°) Analysis by geographic area

In line with the economic scenario presented by the Group in February and consistent with the first quarter's underlying trends, trading by geographic area in the first six months of 2013 reveals a sharp contrast between Western Europe – which slowed despite some improvement towards the end of the period – and Asia and emerging countries which, on the whole, returned to growth. North America continued to enjoy strong trading momentum, fueled by the upturn in the construction market, although Exterior Products suffered the fall-out in the second quarter of its very strong start to the year.

Consequently, profitability improved in Asia and emerging countries and in North America, but declined in both France and in other Western European countries.

- **France and other Western European countries** saw like-for-like **sales decline 6.3% and 4.8%, respectively**. This downtrend reflects the very tough market conditions in the first quarter and, to a lesser extent, the general slowdown in European economies over the six months to June 30, 2013. These factors impacted all of the Group's Business Sectors and Divisions (particularly Innovative Materials), which all reported volume declines over the period. In contrast, sales prices held up well. In the **second quarter**, while Southern Europe, Benelux and to a lesser extent France continued to slow (albeit far less than in the first quarter), trading stabilized in Germany and Scandinavia and picked up in the UK, spurred by the rebound in the construction market at the end of the period. The **operating margin narrowed**, both in France and in other Western European countries, **to 4.9% and 3.1%, respectively** (5.7% and 6.0%, respectively, in first-half 2012).
- **North America** posted a **2.0% drop in like-for-like sales**, with trading down 6.6% in the second quarter after growing 3.1% in the first. The reversal in the trend is wholly due to Exterior Products which, after a very strong start to the year, suffered in the second quarter from exceptionally high destocking by building materials distributors. This destocking in no way reflects the underlying momentum of the US market. Sales prices were up sharply over the first half, buoyed by further rises implemented since the beginning of the year in Construction Products. The **operating margin continued to recover, up to 13.2%** from 11.6% in first-half 2012.
- After a fledgling recovery in the first quarter (up 1.5%), **Asia and emerging countries saw trading pick up pace in the three months to June 30 (up 6.1%)**, and reported **3.9% like-for-like sales growth over the first half**. This increase, which outpaced growth in the Group's underlying markets in the region, chiefly reflects the investments made in these countries over the past few years and continues to be led primarily by Latin America, with steep gains in Flat Glass and Interior Solutions. In contrast, Asia continued to decrease in the six-month period, despite advancing 2.7% in the second quarter, while Eastern Europe stabilized as vigorous momentum in Russia and the Baltics offset difficulties in Poland and the Czech Republic. The **operating margin** recovered, up to **7.1% of sales** versus 6.1% of sales one year earlier.

Analysis of the interim consolidated financial statements for first-half 2013

The interim consolidated financial statements set out below were approved and adopted by the Board of Directors on July 24, 2013. The comparative consolidated P&L presented in the financial statements for first-half 2012 has been restated to reflect the amendment to IAS 19 regarding employee benefits.

If the amended standard had been applied at January 1, 2012, it would have had the following impacts on the financial statements for the six months ended June 30, 2012 and for the year ended December 31, 2012, respectively:

- **an increase of €44 million in financial expenses** (€31 million after tax) **for the six months ended June 30, 2012 and of €88 million for the year ended December 31, 2012** (€62 million after tax), as a result of applying a rate of return on plan assets equal to the discount rate used for employee benefit obligations, instead of the expected rate of return;
- **an increase of €18 million in operating expenses** (€12 million after tax) **for the six months ended June 30, 2012 and the year ended December 31, 2012**, due to the impacts of employee benefit plan amendments;

- a decrease of €14 million in equity (€9 million after tax) at January 1, 2012, due mainly to the immediate recognition of past service cost (€8 million impact). The combined impact of all these adjustments on closing equity at December 31, 2012 would have been a negative €32 million (€21 million after tax).

	H1 2012*	H1 2013	% change	H1 2012
	€m (A)	€m (B)	(B)/(A)	€m (C)
Sales and ancillary revenue	21,590	20,771	-3.8%	21,590
Operating income	1,494	1,260	-15.7%	1,512
EBITDA (op. inc. + operating depr./amort.)	2,266	1,983	-12.5%	2,284
Non-operating costs	(224)	(260)	+16.1%	(224)
Capital gains and losses on disposals, asset write-downs, corporate acquisition fees and earn-out payments	(135)	(26)	-80.7%	(135)
Business income	1,135	974	-14.2%	1,153
Net financial expense	(400)	(403)	-0.8%	(356)
Income tax	(266)	(231)	-13.2%	(285)
Share in net income of associates	4	7	+75.0%	4
Income before minority interests	473	347	-26.6%	516
Minority interests	(10)	(15)	+50.0%	(10)
Recurring¹ net income	608	422	-30.6%	651
Recurring¹ earnings per share² (in €)	1.14	0.76	-33.3%	1.23
Net income	463	332	-28.3%	506
Earnings per share² (in €)	0.87	0.60	-31.0%	0.95
Operating depreciation and amortization	772	723	-6.3%	772
Cash flow from operations ³	1,419	1,146	-19.2%	1,462
Cash flow from oper. excl. cap. gains tax⁴	1,381	1,165	-15.6%	1,424
Capital expenditure	754	519	-31.2%	754
Free cash flow (excluding capital gains tax)⁴	627	646	+3.0%	670
Investments in securities	277	41	-85.2%	277
Net debt	9,828	9,497	-3.4%	9,828

* Accounts restated to reflect the impacts of the amendment to IAS 19.

1 Excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions.

2 Calculated based on the number of shares outstanding at June 30 (552,755,774 shares in 2013, including the capital increase following the payment of a share dividend on July 5, 2013, versus 531,052,614 shares in 2012). Based on the weighted average number of shares outstanding (527,978,739 shares in first-half 2013 versus 526,833,258 shares in first-half 2012), recurring earnings per share comes out at €0.80 (versus €1.15 in first-half 2012), and earnings per share comes out at €0.63 (versus €0.88 in first-half 2012).

3 Excluding material non-recurring provisions.

4 Excluding the tax effect of capital gains and losses on disposals, asset write-downs and material non-recurring provisions.

The comments below refer to the restated interim financial statements for first-half 2012.

Consolidated sales fell 3.8% to €20,771 million, from €21,590 million in first-half 2012. **Exchange rate fluctuations** had a **negative 1.3% impact**, chiefly resulting from the depreciation against the euro of the currencies of the main emerging markets where the Group operates (particularly Latin America) and, to a lesser extent, the US dollar and British pound. In contrast, **changes in Group structure** had a **positive 0.7% impact** over the first half (but a negative impact in the second quarter), mainly reflecting the consolidation of Brossette as of April 1, 2012.

Like-for-like (constant exchange rates and Group structure), sales therefore **declined 3.2%**, with the **1.0%** rise in **sales prices** failing to offset the **4.2%** downturn in **volumes**.

Operating income shed **15.7%**, hit by slowing sales volumes. Consequently, **the operating margin** narrowed, to **6.1% of sales (8.6% excluding Building Distribution)**, versus 6.9% of sales (8.9% excluding Building Distribution) in first-half 2012 and 6.3% in second-half 2012 (8.0% excluding Building Distribution).

EBITDA (operating income + operating depreciation and amortization) **retreated 12.5%**. The consolidated **EBITDA margin** came in at **9.5%** of sales (13.5% excluding Building Distribution), versus 10.5% of sales (14.0% excluding Building Distribution) in first-half 2012.

Non-operating costs rose 16.1% to €260 million (€224 million in first-half 2012), driven by an increase in restructuring costs (particularly in Flat Glass). Non-operating costs for first-half 2013 include a €45 million accrual to the provision for asbestos-related litigation at CertainTeed in the US, unchanged compared to the first-half 2012 accrual.

The net balance of capital gains and losses on disposals, asset write-downs and corporate acquisition fees was a negative €26 million compared with a negative €135 million in the year-earlier period. This item includes €85 million in gains on disposals of assets relating mainly to the sale of the PVC Pipe & Foundations business, and €109 million in asset write-downs. The bulk of these write-downs are inherent to the restructuring plans and site closures implemented over the period, especially in Flat Glass (€87 million) and, to a lesser extent, in certain Construction Products businesses in Spain.

Business income fell **14.2%** to €974 million after taking into account the items mentioned above (non-operating costs, capital gains and losses on disposals and asset write-downs).

Net financial expense was practically unchanged, up 0.8% to €403 million from €400 million in first-half 2012, as the cost of gross debt stabilized over the period. Thanks to the Group's recent bond issues, **the average cost of gross debt over the first half fell to 4.7%** from 4.9% in first-half 2012.

In line with pre-tax income trends, **income tax** was down 13.2%, from €266 million to €231 million. The tax rate applicable to recurring net income was 32.7%, as in first-half 2012.

Recurring net income (excluding capital gains and losses, exceptional asset write-downs and material non-recurring provisions) **fell 30.6%** on first-half 2012 to €422 million. Based on the number of shares outstanding at June 30, 2013 (552,755,774 shares including the capital increase following the payment of a share dividend on July 5, 2013, versus 531,052,614 shares at June 30, 2012), **recurring earnings per share** came out at €0.76, **33.3% lower** than in first-half 2012 (€1.14).

Net income was **down 28.3%** year-on-year at €332 million. Based on the number of shares outstanding at June 30, 2013 (552,755,774 shares including the capital increase following the

payment of a share dividend on July 5, 2013, versus 531,052,614 shares at June 30, 2012), **earnings per share** came out at €0.60, **down 31.0%** on the year-earlier period (€0.87).

Capital expenditure was down 31.2% to €519 million (€754 million in first-half 2012), representing **2.5% of sales** (3.5% in first-half 2012). The bulk of these investments consisted of growth capex focused on Asia and emerging countries and on markets related to energy efficiency in Western Europe and in the US.

Cash flow from operations came in at €1,146 million, **down 19.2%** on the year-earlier period (€1,419 million). Before the tax impact of capital gains and losses on disposals and asset write-downs, cash flow from operations **contracted 15.6%**, to €1,165 million from €1,381 million in first-half 2012.

Given the decrease in capital spending:

- **free cash flow** (cash flow from operations less capital expenditure) **fell 5.7%** to €627 million. Before the tax impact of capital gains and losses on disposals and asset write-downs, **free cash flow advanced 3.0%** to €646 million, representing **3.1% of sales** (2.9% in first-half 2012);

- **the difference between EBITDA and capital expenditure** was €1,464 million, **3.2% less** than in first-half 2012 (€1,512 million), and represented **7.0% of sales**, as in the previous year.

Operating working capital requirements continued to improve in value terms (down €44 million to €4,982 million) and remained largely unchanged in terms of days' sales compared to first-half 2012, at **42.4 days** versus 41.5 days in the year-earlier period.

Investments in securities were down sharply, to just €41 million compared to €277 million in first-half 2012. They primarily concerned selective bolt-on acquisitions consistent with the Group's strategic goals, namely development in Asia and emerging countries and energy efficiency markets and consolidation in Building Distribution.

Net debt was **down 3.4%** year-on-year to €9.5 billion, spurred by the sharp reduction in capital expenditure and financial investments over the past 12 months. Net debt represented **52% of consolidated equity** versus 54% at June 30, 2012. The **net debt to EBITDA ratio came out at 2.3**, compared to 2.1 at end-June 2012.

Update on asbestos claims in the US

Some 2,000 claims were filed against CertainTeed in the first half of 2013 (as in first-half 2012). At the same time, 2,000 claims were settled (versus 7,000 in first-half 2012), bringing the total number of outstanding claims to **43,000** at June 30, 2013, unchanged from December 31, 2012. A total of USD 87 million in indemnity payments were made in the US in the 12 months to June 30, 2013, versus USD 67 million in the year to December 31, 2012.

Action plan to address the deteriorating economic environment

To address the deteriorating economic environment observed in Western Europe in first-half 2013, Saint-Gobain:

- **continued to give priority to sales prices**, which **rose 1.0%** over the first half;
- rolled out new **cost cutting measures**, with additional **cost savings of around €300 million in first-half 2013** compared to first-half 2012, chiefly in Western Europe (and Flat Glass in particular). These measures will be continued and stepped

up in the second half, leading to **total annual cost savings of €580 million** in 2013, and of **€1,100 million compared to the 2011 cost base**;

- **stabilized its operating working capital requirements (WCR)** at 42 days' sales;
- **slashed its capital spending and financial investments** by €471 million year-on-year, driving net debt lower by 3.4%.

This action plan will be continued and intensified in the six months to December 31, 2013.

Outlook and objectives for full-year 2013

The first six months of 2013 remained tough, hit by a significantly negative calendar impact and by very poor weather early in the year, particularly in Europe. In the next few quarters, the Group expects trading to gradually improve, especially in North America and in Asia and emerging countries (regions which together represented 44% of consolidated operating income and 46% of the Group's fixed assets in 2012):

- **in North America**, the residential new-build and renovation markets should continue on a steady upward trend, while industrial output should remain at a good level;
- **in Asia and emerging countries**, trading should continue to improve, but stark contrasts will persist from one country to the next, with robust growth in Latin America, moderate growth in India and China, and stability in Eastern Europe;
- **in Western Europe**, industrial markets (particularly automotive) should stabilize, while construction market trends should remain challenging on the whole, albeit with sharply contrasting patterns from one country to the next. Regulatory measures promoting energy efficiency in new and existing homes should shore up demand, however, and allow the Group to outperform its underlying markets;
- lastly, **household consumption markets** should remain upbeat overall.

Against this backdrop, over the next few quarters the Group will press ahead with its action plan, focusing particularly on:

- **increasing its sales prices**, in a context of a slower rise in raw material and energy costs;
- **pursuing its cost cutting program**, in order to achieve **additional cost savings of €160 million** in the second half compared to the first six months of 2013 (or **€280 million** compared to second-half 2012). This will represent **€580 million in cost savings in 2013 as a whole** and **€1,100 million in cumulative cost savings** calculated on the 2011 cost base;
- keeping a **close watch on cash management and financial strength**.

Saint-Gobain will also **continue to pursue its strategic goals** (development in Asia and emerging countries, energy efficiency and energy markets, and consolidation in Building Distribution and Construction Products). Profitability will remain a constant focus, underpinned by strict financial discipline.

The Group is therefore **confirming its targets for full-year 2013:**

- **a recovery in operating income in the second half**, after having bottomed out in first-half 2013;
- **a high level of free cash flow**, thanks mainly to a €200 million reduction in capital expenditure;
- **a robust balance sheet, further strengthened by the disposal of Verallia North America.**

Forthcoming results announcement

- Sales for the first nine months of 2013: **October 24, 2013**, after close of trading on the Paris Bourse.

* * *

Analyst/Investor relations		Press relations	
Gaetano Terrasini	+33 1 47 62 32 52	Sophie Chevallon	+33 1 47 62 30 48
Vivien Dardel	+33 1 47 62 44 29	Susanne Trabitzsch	+33 1 47 62 43 25
Alexandra Baubigeat	+33 1 47 62 30 93		

Appendix 1 : Results by business sector and geographic area

H1-2012: Items restated to reflect the impacts of the amendment to IAS 19

I. SALES	H1 2012 (in EUR m)	H1 2013 (in EUR m)	Change on an actual structure basis	Change on a comparable structure basis	Change on a comparable structure and currency basis
By sector and division:					
Innovative Materials (1)	4,853	4,623	-4.7%	-4.8%	-2.9%
Flat Glass	2,597	2,519	-3.0%	-2.9%	-1.3%
High-Performance Materials	2,272	2,111	-7.1%	-7.5%	-5.1%
Construction Products (1)	5,903	5,724	-3.0%	-3.7%	-1.7%
Interior Solutions	2,846	2,870	+0.8%	-0.9%	+1.0%
Exterior Solutions	3,084	2,882	-6.5%	-6.2%	-4.1%
Building Distribution	9,456	9,099	-3.8%	-5.2%	-4.6%
Packaging (Verallia)	1,908	1,813	-5.0%	-4.2%	-2.9%
Internal sales and misc.	-530	-488	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>
Group Total	21,590	20,771	-3.8%	-4.5%	-3.2%

(1) including intra-sector eliminations

By geographic area:	H1 2012 (in EUR m)	H1 2013 (in EUR m)	Change on an actual structure basis	Change on a comparable structure basis	Change on a comparable structure and currency basis
France	6,148	5,919	-3.7%	-6.3%	-6.3%
Other Western European countries	8,901	8,477	-4.8%	-5.1%	-4.8%
North America	3,192	3,078	-3.6%	-3.3%	-2.0%
Emerging countries and Asia	4,263	4,182	-1.9%	-1.3%	+3.9%
Internal sales	-914	-885	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>
Group Total	21,590	20,771	-3.8%	-4.5%	-3.2%

II. OPERATING INCOME	H1 2012 (in EUR m)	H1 2013 (in EUR m)	Change on an actual structure basis	H1 2012 (in % of sales)	H1 2013 (in % of sales)
By sector and division:					
Innovative Materials	408	312	-23.5%	8.4%	6.7%
Flat Glass	54	38	-29.6%	2.1%	1.5%
High-Performance Materials	354	274	-22.6%	15.6%	13.0%
Construction Products	518	485	-6.4%	8.8%	8.5%
Interior Solutions	247	218	-11.7%	8.7%	7.6%
Exterior Solutions	271	267	-1.5%	8.8%	9.3%
Building Distribution	371	215	-42.0%	3.9%	2.4%
Packaging (Verallia)	207	243	+17.4%	10.8%	13.4%
Misc.	-10	5	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>
Group Total	1,494	1,260	-15.7%	6.9%	6.1%

H1 2012	
Published	IAS 19 impact
408	
54	
354	
520	-2
247	
273	-2
370	1
207	
7	-17
1,512	-18

By geographic area:	H1 2012 (in EUR m)	H1 2013 (in EUR m)	Change on an actual structure basis	H1 2012 (in % of sales)	H1 2013 (in % of sales)
France	335	292	-12.8%	5.4%	4.9%
Other Western European countries	535	264	-50.7%	6.0%	3.1%
North America	368	405	+10.1%	11.5%	13.2%
Emerging countries and Asia	256	299	+16.8%	6.0%	7.1%
Group Total	1,494	1,260	-15.7%	6.9%	6.1%

Published	IAS 19 impact
349	-14
534	1
370	-2
259	-3
1,512	-18

III. BUSINESS INCOME	H1 2012 (in EUR m)	H1 2013 (in EUR m)	Change on an actual structure basis	H1 2012 (in % of sales)	H1 2013 (in % of sales)
By sector and division:					
Innovative Materials	265	98	-63.0%	5.5%	2.1%
Flat Glass	-76	-162	-113.2%	-2.9%	-6.4%
High-Performance Materials	341	260	-23.8%	15.0%	12.3%
Construction Products	450	513	+14.0%	7.6%	9.0%
Interior Solutions	205	193	-5.9%	7.2%	6.7%
Exterior Solutions	245	320	+30.6%	7.9%	11.1%
Building Distribution	276	173	-37.3%	2.9%	1.9%
Packaging (Verallia)	201	221	+10.0%	10.5%	12.2%
Misc.	-57(a)	-31(a)	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>
Group Total	1,135	974	-14.2%	5.3%	4.7%

H1 2012	
Published	IAS 19 impact
265	
-76	
341	
452	-2
205	
247	-2
275	1
201	
-40(a)	-17(a)
1,153	-18

By geographic area:	H1 2012 (in EUR m)	H1 2013 (in EUR m)	Change on an actual structure basis	H1 2012 (in % of sales)	H1 2013 (in % of sales)
France	315	204	-35.2%	5.1%	3.4%
Other Western European countries	321	105	-67.3%	3.6%	1.2%
North America	306(a)	416(a)	+35.9%	9.6%	13.5%
Emerging countries and Asia	193	249	+29.0%	4.5%	6.0%
Group Total	1,135	974	-14.2%	5.3%	4.7%

Published	IAS 19 impact
329	-14
320	1
308(a)	-2(a)
196	-3
1,153	-18

(a) after asbestos-related charge (before tax) of €45m in H1 2012 and €45m in H1 2013

IV. CASH FLOW	H1	H1	Change on an actual structure basis	H1	H1	H1 2012	
	2012	2013		2012	2013	Published	IAS 19 impact
	(in EUR m)	(in EUR m)		(in % of sales)	(in % of sales)		
By sector and division:							
Innovative Materials	392	261	-33.4%	8.1%	5.6%	392	
Flat Glass	102	31	-69.6%	3.9%	1.2%	102	
High-Performance Materials	290	230	-20.7%	12.8%	10.9%	290	
Construction Products	375	304	-18.9%	6.4%	5.3%	377	-2
Building Distribution	255	123	-51.8%	2.7%	1.4%	255	
Packaging (Verallia)	239	215	-10.0%	12.5%	11.9%	248	-9
Misc.	158(a)	243(a)	n.m.	n.m.	n.m.	190(a)	-32(a)
Group Total	1,419	1,146	-19.2%	6.6%	5.5%	1,462	-43
By geographic area:							
France	209	180	-13.9%	3.4%	3.0%	219	-10
Other Western European countries	634	358	-43.5%	7.1%	4.2%	634	
North America	290(a)	256(a)	-11.7%	9.1%	8.3%	321(a)	-31(a)
Emerging countries and Asia	286	352	+23.1%	6.7%	8.4%	288	-2
Group Total	1,419	1,146	-19.2%	6.6%	5.5%	1,462	-43

(a) after asbestos-related charge (after tax) of €27m in H1 2012 and €27m in H1 2013

V. CAPITAL EXPENDITURE	H1	H1	Change on an actual structure basis	H1	H1
	2012	2013		2012	2013
	(in EUR m)	(in EUR m)		(in % of sales)	(in % of sales)
By sector and division:					
Innovative Materials	325	193	-40.6%	6.7%	4.2%
Flat Glass	245	113	-53.9%	9.4%	4.5%
High-Performance Materials	80	80	+0.0%	3.5%	3.8%
Construction Products	203	132	-35.0%	3.4%	2.3%
Interior Solutions	121	81	-33.1%	4.3%	2.8%
Exterior Solutions	82	51	-37.8%	2.7%	1.8%
Building Distribution	97	68	-29.9%	1.0%	0.7%
Packaging (Verallia)	116	110	-5.2%	6.1%	6.1%
Misc.	13	16	n.m.	n.m.	n.m.
Group Total	754	519	-31.2%	3.5%	2.5%

By geographic area:	H1	H1	Change on an actual structure basis	H1	H1
	2012	2013		2012	2013
	(in EUR m)	(in EUR m)		(in % of sales)	(in % of sales)
France	119	71	-40.3%	1.9%	1.2%
Other Western European countries	174	127	-27.0%	2.0%	1.5%
North America	133	113	-15.0%	4.2%	3.7%
Emerging countries and Asia	328	208	-36.6%	7.7%	5.0%
Group Total	754	519	-31.2%	3.5%	2.5%

VI. EBITDA	H1	H1	Change on an actual structure basis	H1	H1	H1 2012	
	2012	2013		2012	2013	Published	IAS 19 impact
	(in EUR m)	(in EUR m)		(in % of sales)	(in % of sales)		
By sector and division:							
Innovative Materials	651	552	-15.2%	13.4%	11.9%	651	
Flat Glass	214	202	-5.6%	8.2%	8.0%	214	
High-Performance Materials	437	350	-19.9%	19.2%	16.6%	437	
Construction Products	773	732	-5.3%	13.1%	12.8%	775	-2
Interior Solutions	407	376	-7.6%	14.3%	13.1%	407	
Exterior Solutions	366	356	-2.7%	11.9%	12.4%	368	-2
Building Distribution	506	347	-31.4%	5.4%	3.8%	505	1
Packaging (Verallia)	333	331	-0.6%	17.5%	18.3%	333	
Misc.	3	21	n.m.	n.m.	n.m.	20	-17
Group Total	2,266	1,983	-12.5%	10.5%	9.5%	2,284	-18

By geographic area:	H1	H1	Change on an actual structure basis	H1	H1	H1 2012	
	2012	2013		2012	2013	Published	IAS 19 impact
	(in EUR m)	(in EUR m)		(in % of sales)	(in % of sales)		
France	516	473	-8.3%	8.4%	8.0%	530	-14
Other Western European countries	806	515	-36.1%	9.1%	6.1%	805	1
North America	483	483	+0.0%	15.1%	15.7%	485	-2
Emerging countries and Asia	461	512	+11.1%	10.8%	12.2%	464	-3
Group Total	2,266	1,983	-12.5%	10.5%	9.5%	2,284	-18

Appendix 2: Sales by business sector and geographic area - Second Quarter

SALES	Q2 2012 (in EUR m)	Q2 2013 (in EUR m)	Change on an actual structure basis	Change on a comparable structure basis	Change on a comparable structure and currency basis
By sector and division:					
Innovative Materials (1)	2,472	2,412	-2.4%	-2.5%	-0.6%
Flat Glass	1,307	1,319	+0.9%	+1.0%	+2.4%
High-Performance Materials	1,168	1,097	-6.1%	-6.4%	-3.9%
Construction Products (1)	3,086	2,970	-3.8%	-3.7%	-1.5%
Interior Solutions	1,438	1,503	+4.5%	+3.9%	+6.3%
Exterior Solutions	1,664	1,483	-10.9%	-10.1%	-8.2%
Building Distribution	5,113	4,989	-2.4%	-1.9%	-1.1%
Packaging (Verallia)	1,028	978	-4.9%	-4.6%	-3.1%
Internal sales and misc.	-271	-252	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>
Group Total	11,428	11,097	-2.9%	-2.6%	-1.2%

(1) including intra-sector eliminations

By geographic area:					
France	3,252	3,116	-4.2%	-4.0%	-4.0%
Other Western European countries	4,721	4,673	-1.0%	-1.3%	-0.5%
North America	1,673	1,522	-9.0%	-8.4%	-6.6%
Emerging countries and Asia	2,235	2,239	+0.2%	+1.4%	+6.1%
Internal sales	-453	-453	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>
Group Total	11,428	11,097	-2.9%	-2.6%	-1.2%

Appendix 3: Consolidated balance sheet

<i>(in € million)</i>	June 30, 2013	Dec 31, 2012
ASSETS		
Goodwill	10,775	10,936
Other intangible assets	3,107	3,196
Property, plant and equipment	13,111	13,696
Investments in associates	205	206
Deferred tax assets	1,198	1,236
Other non-current assets	372	359
Non-current assets	28,768	29,629
Inventories	6,376	6,133
Trade accounts receivable	6,160	5,017
Current tax receivable	221	204
Other accounts receivable	1,359	1,425
Assets held for sale - Discontinued operations	1,007	936
Cash and cash equivalents	3,085	4,179
Current assets	18,208	17,894
Total assets	46,976	47,523
Liabilities and Shareholders' equity		
Capital stock	2,211	2,125
Additional paid-in capital and legal reserve	6,195	5,699
Retained earnings and net income for the year	10,475	10,334
Cumulative translation adjustments	(981)	(523)
Fair value reserves	(44)	(15)
Treasury stock	(160)	(181)
Shareholders' equity	17,696	17,439
Minority interests	361	412
Total equity	18,057	17,851
Long-term debt	9,452	9,588
Provisions for pensions and other employee benefits	2,829	3,465
Deferred tax liabilities	769	792
Provisions for other liabilities and charges	2,239	2,171
Non-current liabilities	15,289	16,016
Current portion of long-term debt	1,517	1,732
Current portion of provisions for other liabilities and charges	489	457
Trade accounts payable	6,069	6,143
Current tax liabilities	118	70
Other accounts payable	3,366	3,408
Liabilities held for sale - Discontinued operations	458	497
Short-term debt and bank overdrafts	1,613	1,349
Current liabilities	13,630	13,656
Total equity and liabilities	46,976	47,523

Appendix 4: Consolidated cash flow statement

(in € million)

	H1 2012	H1 2013
Net income attributable to equity holders of the parent	506	332
Minority interests in net income	10	15
Share in net income of associates, net of dividends received	(2)	(2)
Depreciation, amortization and impairment of assets	964	832
Gains and losses on disposals of assets	(66)	(85)
Unrealized gains and losses arising from changes in fair value and share-based payments	(1)	10
Changes in inventories	(117)	(387)
Changes in trade accounts receivable and payable, and other accounts receivable and payable	(679)	(1,198)
Changes in tax receivable and payable	38	17
Changes in deferred taxes and provisions for other liabilities and charges	(448)	(25)
Net cash from operating activities	205	(491)
Purchases of property, plant and equipment [H1-2012: (754), H1-2013: (519)] and intangible assets	(792)	(555)
Acquisitions of property, plant and equipment in finance leases	(7)	(9)
Increase (decrease) in amounts due to suppliers of fixed assets	(193)	(177)
Acquisitions of shares in consolidated companies [H1-2012: (276), H1-2013: (25)], net of debt acquired	(291)	(24)
Acquisitions of other investments	(1)	(16)
Increase in investment-related liabilities	46	10
Decrease in investment-related liabilities	(4)	(2)
Investments	(1,242)	(773)
Disposals of property, plant and equipment and intangible assets	51	39
Disposals of shares in consolidated companies, net of net debt divested	67	141
Disposals of other investments and other divestments	1	0
Divestments	119	180
Increase in loans and deposits	(56)	(39)
Decrease in loans and deposits	45	17
Net cash used in investing activities / divestments	(1,134)	(615)
Issues of capital stock	125	582
Minority interests' share in capital increases of subsidiaries	7	3
Increase (decrease) in investment-related liabilities (put on minority interests)	(27)	0
Disposals of minority interests without loss of control	0	12
(Increase) decrease in treasury stock	(183)	11
Dividends paid	(646)	(654)
Dividends paid to minority shareholders of consolidated subsidiaries and increase (decrease) in dividends payable	(51)	124
Net Cash from (used in) financing activities	(775)	78
Increase (decrease) in net debt	(1,704)	(1,028)
Net effect of exchange rate changes on net debt	(39)	46
Net effect from changes in fair value on net debt	10	(25)
Net debt at beginning of period	(8,095)	(8,490)
Net debt at end of period	(9,828)	(9,497)