

# LETTER TO SHAREHOLDERS

H1 2016  
SALES

€19,549m

+ 2.9%

like-for-like

H1 2016  
OPERATING INCOME

+10.2%

like-for-like

H1 2016  
RECURRING\* NET INCOME

+13.0%

\*From continuing operations excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions.

“Saint-Gobain’s sales for first-half 2016 confirm our February forecasts, with France stabilizing and all regions making a strong contribution to growth. Our strategy of investing in emerging markets provides us with a diversified platform for profitable growth. Our first-half results also benefited from efforts to optimize our operations, particularly in Western Europe, and from upbeat trading in the US. The results are in line with our objectives and we expect a like-for-like improvement in operating income for second-half 2016 versus second-half 2015. While the June 23 Brexit vote in the UK has created a climate of uncertainty, it does not affect our objectives.”

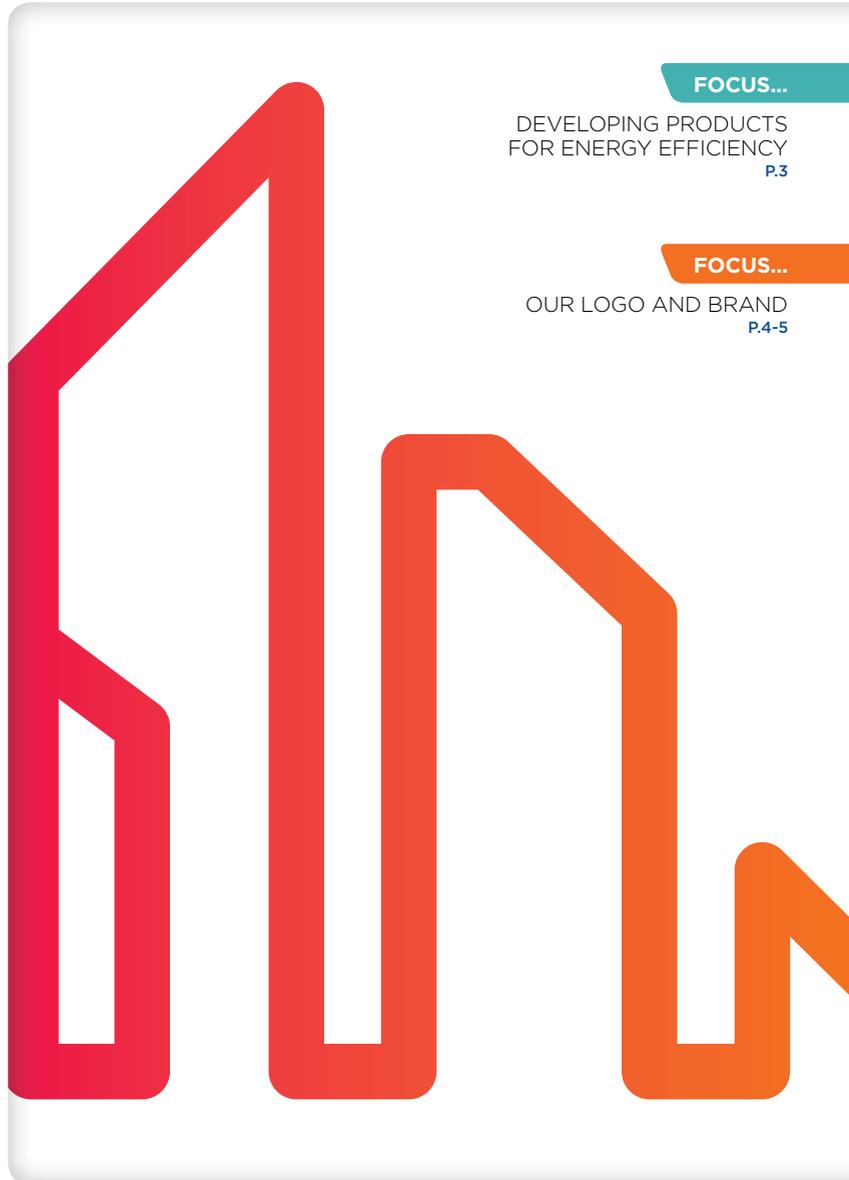
**PIERRE-ANDRÉ DE CHALENDAR,**  
Chief Executive Officer  
of Saint-Gobain

FOCUS...

DEVELOPING PRODUCTS  
FOR ENERGY EFFICIENCY  
P.3

FOCUS...

OUR LOGO AND BRAND  
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**Eighth R&D center  
for Saint-Gobain**

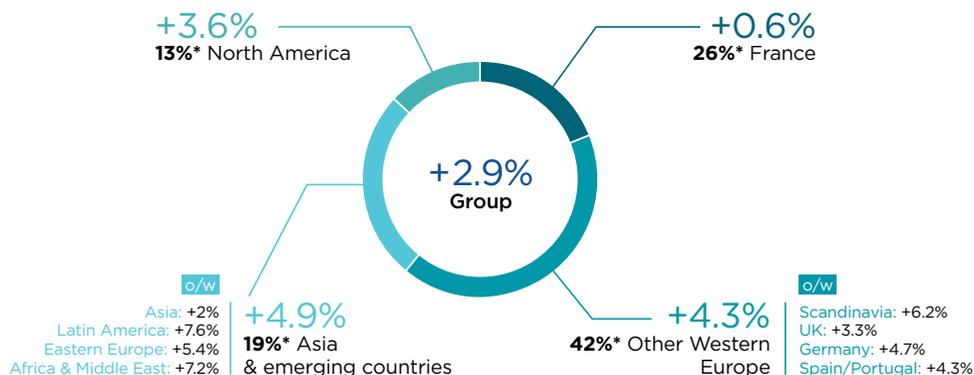
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**Saint-Gobain News**

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## SALES TRENDS BY REGION

(% change in H1 2016/H1 2015 like-for-like sales)



\*Breakdown of H1 2016 sales

## RESULTS BY BUSINESS SECTOR

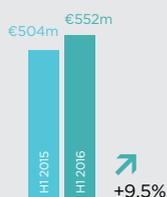
### INNOVATIVE MATERIALS

H1 2016 SALES

**€4,912m**

25% of Group sales

H1 2016  
OPERATING INCOME



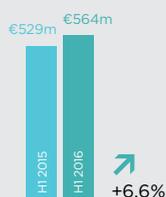
### CONSTRUCTION PRODUCTS

H1 2016 SALES

**€6,008m**

29% of Group sales

H1 2016  
OPERATING INCOME



### BUILDING DISTRIBUTION

H1 2016 SALES

**€9,104m**

46% of Group sales

H1 2016  
OPERATING INCOME



## 2016 OUTLOOK

After a first half in line with our forecasts, our outlook for the second half is as follows:

- **France** should gradually benefit from the recovery in new-builds after stabilizing over the six months to June 30.
- **Other Western European countries** should continue to deliver growth, even though the UK could be hit by uncertainties following the June 23 Brexit vote.

- **North America** should advance despite uncertainty in industrial markets.
- **Asia and emerging countries** should continue to see good organic growth for our businesses, despite the contraction in Brazil.

**The Group confirms its objectives for full-year 2016 and expects a like-for-like improvement in operating income in the second half versus second-half 2015.**

# DEVELOPING PRODUCTS FOR ENERGY EFFICIENCY

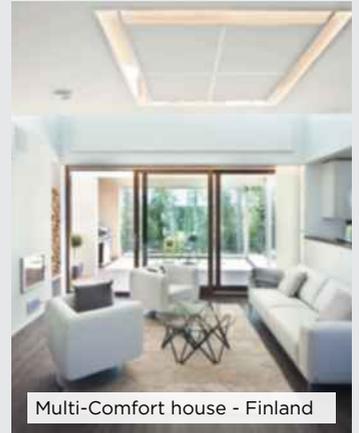
In our Letter to Shareholders No. 79, we described how Saint-Gobain best optimizes its environmental performance through its energy, atmospheric emissions and climate change policy that was adopted in 2014. This time, we emphasize the net energy savings that Saint-Gobain's solutions can allow their customers to make.

**Saint-Gobain thermal insulation and insulation glazing help the building segment reduce its CO<sub>2</sub> emissions.** Thanks to the installation of our solutions in buildings, we will have significantly contributed to achieving those targets for which the World Green Building Council has committed to mobilizing stakeholders by 2050:

- Net zero carbon new buildings;
- Energy efficiency and extensive renovation of existing buildings.

To highlight this contribution, we have teamed up with EY's Sustainable Performance & Transformation department to develop a method<sup>(1)</sup> to estimate the greenhouse gas emissions saved by using these insulation solutions (thermal insulation – glass wool, rock wool and EPS – and insulation glazing – coated double- and triple-glazing) in Europe<sup>(2)</sup>. On average, these solutions **offset the emissions attributable to their production<sup>(3)</sup> after just three months of use.**

Beyond these three months, the savings continue to accumulate. It is estimated that the solutions produced and sold in Europe in 2014 will, over their entire life span<sup>(4)</sup>, provide a **potential net cumulative saving of more than 550 Mt of CO<sub>2</sub> equivalent. This corresponds to about 90 times the Group's greenhouse gas emissions in 2014<sup>(5)</sup> for the same geographic scope.** Based on extrapolation, the calculated ratio is

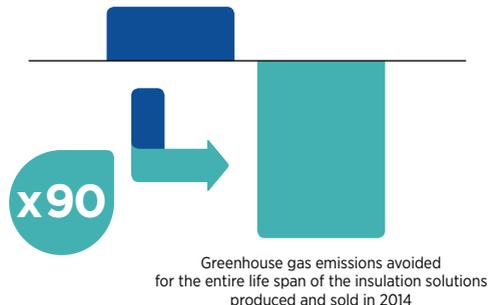


similar for a worldwide scope. Approximately one billion metric tons of CO<sub>2</sub> emissions will have been avoided over the entire life span of the insulation solutions produced and sold by the Group in 2014.

## SOLUTIONS TO AVOID GREENHOUSE GAS EMISSIONS

The energy savings generated by our insulation solutions are about 90 times greater than Saint-Gobain's greenhouse gas emissions.

Direct and indirect CO<sub>2</sub> emissions generated by Saint-Gobain in 2014\*



1. A detailed document explaining this method is available on request. 2. 28 EU Member States plus Norway and Switzerland. 3. "Emissions attributable to their production" represents the emissions attributable to the entire life cycle (raw material extraction, production, transportation, use and end-of-life). 4. 30 years for insulation glazing and 50 years for thermal insulation materials. 5. Excluding Verallia.



# OUR LOGO AND BRAND

Saint-Gobain has always known how to reinvent itself while remaining true to its values. In 2016 the Group revealed a new identity, linking its historical logo (the arches of the Pont-à-Mousson bridge are still identifiable) with its construction-focused strategy.

The vibrant new logo is full of motion: a skyline unfolds in an explosion of color, reflecting a Saint-Gobain that, after more than three centuries of existence, is more dynamic than ever.

## BRIDGE

An emblem known by all and a symbol of our industrial strength

## SUSTAINABLE BUILDINGS

Saint-Gobain provides solutions for the well-being of us all

## 350th ANNIVERSARY

A key moment in our history

## VITALITY

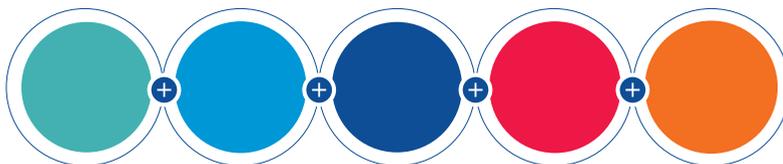
The beating heart of a Group on the move



## AN ENVIRONMENTAL OUTLOOK

## TECHNOLOGY AND INNOVATION

## WARMTH, COMFORT AND WELL-BEING



At its Annual General Meeting on June 2, Saint-Gobain unveiled its new logo.

The logo is the expression of a brand strategy tuned into today's communication challenges. "Digital technology is changing how we engage with our customers,"

explains Pierre-André de Chalendar, Chairman and Chief Executive Officer of Saint-Gobain. "Until now, we have emphasized the decentralized nature of the Group, based on the extensive recognition our subsidiary brands enjoy among professional customers. Today, the Group wants to connect more closely with end

users, the people who occupy the buildings around the world where our solutions are used. Whether people are at home, at work or on the move, Saint-Gobain materials contribute to individual well-being and to our collective future. Our mission? To create great living places and improve daily life."

## HEADS-UP WITH

### Fabrice Didier

Vice-President, Marketing

### Charles Hufnagel

Vice-President, Communications

### How would you sum up Saint-Gobain's new positioning?

**Fabrice Didier:** It is based around a primary aim: to create great living places and improve daily life. In fact, through its materials and solutions, Saint-Gobain is present everywhere around us in daily life, whether it's in the workplace, in the street or at home.

Saint-Gobain delivers well-being to customers and end users including building occupants, users of public transport, and so on.

**Charles Hufnagel:** Saint-Gobain is concerned about the major challenges facing society as a whole: building a sustainable future, fighting climate change and dealing with population growth, for example, are key to the Group's long-term strategy.

The Group has a number of attributes that can help tackle these issues such as materials expertise, a culture of innovation, a deep understanding of customer needs and solid core values.

### Why are you refreshing the Saint-Gobain brand?

**F.D.:** We want to give greater visibility to a corporate brand that perhaps lacked wider recognition because it was known mainly by industry professionals. In this digital era, explaining what our corporate brand stands for is not just an opportunity, it is a necessity. Consumers, the end users of our solutions, are increasingly



well-informed. Today, they are in a position to make an informed choice about the products they want to use. And that is changing our marketing and sales approach.

**C.H.:** It's also an opportunity to connect better with consumers and with our targets, especially in the area of recruitment. A more visible and engaging corporate brand contributes to the company's overall attractiveness. Our commercial brands, such as Isover, Placo, CertainTeed, Sekurit, and Point.P, to name just a few, will also benefit from a stronger Group image.

### What will this new identity mean for Saint-Gobain?

**F.D.:** It will renew and strengthen perceptions of our brand. It gives us a new dynamic, based on an ambitious vision for Saint-Gobain's future.

More concretely, it provides a clear strategic direction for our teams, giving meaning to our actions and engaging all Group employees worldwide. Externally, our customers will see a brand that conveys a coherent message, consistent with our long-standing beliefs and core business.

**C.H.:** With this new logo, the Group is projecting an optimistic and enthusiastic view of the world: the freedom to work creatively in a multicultural company with recognized expertise. Internal enthusiasm is strong already. From now on, Saint-Gobain will live and communicate in color.



Aubervilliers  
FRANCE

Chantreine  
FRANCE

Cavaillon  
FRANCE

Herzogenrath  
GERMANY

Northboro  
UNITED STATES

Capivari  
BRAZIL

Chennai  
INDIA

Shanghai  
CHINA

## AN EIGHTH R&D CENTER FOR SAINT-GOBAIN

Saint-Gobain's eighth R&D center has been officially opened in Capivari, northwest of Sao Paulo. It is also the Group's first in the Southern Hemisphere. The center has been tasked with improving the range of existing products and with developing, alone or in partnerships, products for construction materials and high-performance industrial application markets tailored to local market needs.

Given its strategic location in Sao Paulo State, the center will be able to strengthen ties with the local scientific community and South American innovation agencies, and form partnerships with universities and start-ups. This research unit has been designed to allow continuous interaction with our customers and partners. This capacity for interaction will soon be enhanced with the creation of a sensory space where construction professionals will be able to test

the acoustic, thermal, visual comfort, and interior air quality properties of our products.

### TWO RESEARCH GROUPS

The center's team of 15 researchers and technicians will work on two main areas of research. The first will focus on the science of materials with an analytic laboratory to identify their chemical composition, structure and properties. The second will specialize in the science of building physics in order

to develop construction solutions and systems that combine energy efficiency, reduced environmental impact and improved user comfort. The research will also include issues of raw material availability, installers' specific needs, and compliance with technical standards and consumers' needs.

In particular, the laboratory will perform tests in the areas of thermal shock behavior, mechanical strength, fire resistance and impermeability.

### AN EXEMPLARY WORK SPACE

The center is renowned for its energy efficiency and provides its occupants with ideal thermal, acoustic and light level comfort. It incorporates a system for reusing wastewater and the construction site was subject to a sustainable management approach. Built using many Saint-Gobain materials, the building is the Group's first in Brazil to comply with the principles of the US LEED (Leadership in Energy and Environmental Design) standard.

## SAINT-GOBAIN NEWS



### CERTAINTEED OPENS NEW FACILITY IN JONESBURG

CertainTeed (Interior and Exterior Fittings) recently unveiled its new asphalt shingle manufacturing facility in Jonesburg, United States.

Occupying 210,000 sq.m., the facility will strengthen CertainTeed's presence in the US by rolling out a full roofing production and service supply network and is set to give Missouri's economy a boost by creating close to 100 new jobs.

**CertainTeed**  
SAINT-GOBAIN

Roofing



### EUROFLOAT BACK IN BUSINESS FOR ANOTHER 20 YEARS

After 110 days' renovation work, the furnace at the Eurofloat plant in Salaise-sur-Sanne (France) was opened on June 1 by Saint-Gobain and RIOU Flat Glass. A total of €26 million was invested in completely renovating and modernizing the float line that manufactures flat glass for residential and commercial buildings. The renovation has clearly improved the float line's technical and environmental performance. With its leading-edge technology, the new furnace reduces energy consumption by about 25% compared to the previous facility and therefore its CO<sub>2</sub> atmospheric emissions as well. The new furnace's 20-year life ensures the continuation of the French manufacturing facility.

### HABITO WINS PRIZE FOR INNOVATION

Habito gypsum plasterboard took the gold medal at the International Building Fair held in Brno, Czech Republic. Noting the ease with which objects can be fastened to walls with this material as well as its superior acoustic performance, a jury of industry professionals chose Habito as the year's most innovative material. At the trade fair, Saint-Gobain Rigips exhibited a Habito climbing wall that gave visitors the opportunity to test its sturdiness!



### FIRST MULTI-COMFORT HOUSE IN CHINA

Opened in April in Changzhou (China), Saint-Gobain's first Multi-Comfort house in the country includes visual, thermal and acoustic comfort as well as indoor air quality. In addition to their high level of energy efficiency, the materials used to build the house have a minimal environmental footprint from manufacture to end-of-life. This building, open to the general public, is designed to raise the local population's awareness of sustainable construction, now one of the Chinese government's priorities given the exponential rise in the country's urbanization.

# SHAREHOLDER'S NOTEBOOK

## DATES FOR YOUR DIARY

### SITE VISITS

Friday November 25

Visit of the Saint-Gobain PAM plant in Pont-à-Mousson, north-east France

### SHAREHOLDER MEETING

Monday November 14 in Toulouse

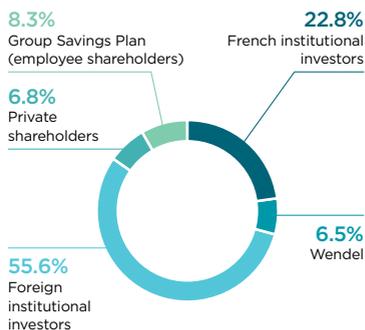
## TOTAL NUMBER OF SHARES

(at June 30, 2016)

# 554,878,897

## OWNERSHIP STRUCTURE

(at June 30, 2016) (%)



## SALON ACTIONARIA

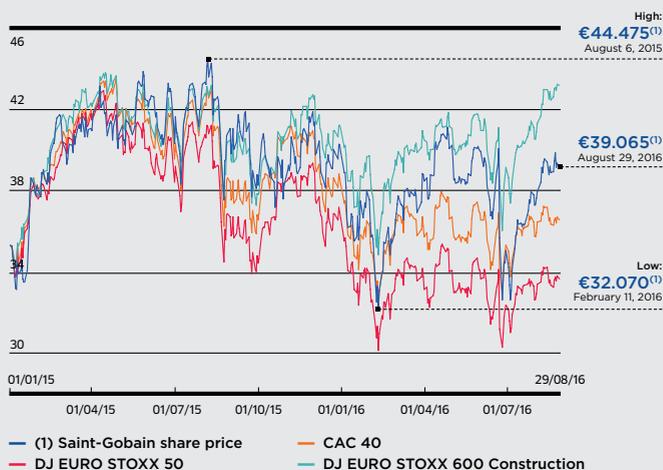
FRIDAY NOVEMBER 18 AND SATURDAY NOVEMBER 19  
AT THE PALAIS DES CONGRÈS IN PARIS

Come and find out more about Saint-Gobain's main brands at our stand and hear us speak at the *Agora des Présidents*, the forum for chief executives, on Friday at 3:05 pm.

For a free invitation, visit the Actionaria website, click on the "Inscription gratuite" tab and enter the code COM490.

## SAINT-GOBAIN SHARE PERFORMANCE 01/01/2015 - 29/08/2016

Performance over the period: Saint-Gobain: +10.9% CAC 40: +3.5%



Recent performance at August 29, 2016 (€39.065) in %	Saint-Gobain share price	CAC 40	DJ Euro Stoxx 50	DJ Euro Stoxx 600 Construction
Trailing month	3.1%	-0.4%	0.3%	4.2%
Trailing 3 months	-2.5%	-2.0%	-2.6%	3.5%
Trailing 6 months	10.7%	2.5%	2.4%	12.0%
Trailing 12 months	-4.1%	-5.4%	-8.8%	6.9%

## YOUR CONTACTS

Saint-Gobain's Shareholder Relations Department will be pleased to answer any enquiries. Please feel free to contact them:

### • By dialing,

**0 800 32 33 33** Service & appel gratuits from France (calls free of charge from landlines)

or **0033 (0)1 47 62 33 33** from outside France

### • Online, at [www.saint-gobain.com](http://www.saint-gobain.com)

### • By e-mail, at [actionnaires@saint-gobain.com](mailto:actionnaires@saint-gobain.com)

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