

**First-quarter 2012 sales up 3.7% to €10.2 billion.  
Organic growth: 0.9%.**

**Paris, May 3, 2012.**

- Sales prices: **up 2.4%**, with a positive contribution from all Business Sectors.
- Sales volumes: **down 1.5%** (very tough basis for comparison).
- **Double-digit** organic growth in the **United States**, driven by businesses linked to residential construction.
- Upbeat momentum **confirmed** in construction markets in **Northern Europe**; continuing difficulties in **Southern Europe**.
- **Solid** performance in **France**.
- Continued **brisk trading** on **industrial markets** (excluding automotive in Europe).
- Slowdown in **organic growth** in **Asia and emerging countries: +0.6%**.
  
- **2012 targets** confirmed.

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

*“Amid an uncertain economic climate and despite a particularly tough basis for comparison, Saint-Gobain delivered further organic growth in the first quarter of 2012. We continued to raise our sales prices in order to broadly offset the rise in raw material and energy costs over the year. Trading volumes remained satisfactory but varied widely from one region to the next. The rebound in US housing starts helped counter slacker activity in Europe (due partly to harsh weather conditions in February) and the slowdown in Asia. Thanks to our strategic positioning in high value-added habitat solutions, we continue to deliver growth ahead of our markets and to benefit from stricter energy efficiency standards in the habitat segment.*”

**For 2012 as a whole, we are therefore confirming our targets of moderate organic growth, while operating income and profitability should prove resilient”.**

Saint-Gobain posted moderate growth in sales for first-quarter 2012, **up 3.7%** to **€10,162 million** 9,799 million in first-quarter 2011.

**Exchange rates accounted for a 1.0% increase in sales**, mainly attributable to gains in the US dollar and British pound against the euro. **Changes in Group structure had a positive 1.8% impact**, resulting equally from the acquisition of Build Center on November 1, 2011 and from acquisitions carried out over the past 12 months in energy efficiency businesses and emerging countries.

**Like-for-like sales** (comparable Group structure and exchange rates) edged up **0.9%**. Volumes retreated 1.5%, while **sales prices** climbed **2.4%**.

Overall, despite a particularly tough basis for comparison (9.6% organic growth in first-quarter 2011) and a more uncertain economic climate, **the Group continued to deliver a satisfactory trading performance in the three months to March 31, 2012.**

In line with the scenario announced in February:

- the Group benefited from upbeat industrial markets in **North America**, and especially the start of a recovery in residential construction in the US, which pushed the CP and Building Distribution Sectors into double-digit organic growth;
- as expected, despite ongoing brisk growth in Latin America, **momentum in emerging countries** and **Asia** slowed significantly, due chiefly to the downturn in our Asian operations;
- trading was slightly weaker in **Western Europe** (compared to a strong 10.2% rise in first-quarter 2011), chiefly reflecting the downturn in the automotive market and to a lesser extent, the impact of harsh weather conditions in February on the construction sector. However, trading in other industrial sectors (excluding automotive) remained satisfactory. Residential construction proved resilient overall, despite continuing stark contrasts between Northern Europe (Scandinavia and Germany) which continued to perform very well and Southern Europe, where conditions remained extremely tough. France continued to enjoy upbeat trading conditions in the quarter;
- **businesses related to household consumption (Packaging, Verallia)** remained upbeat across all geographic areas.

In this still unsettled economic environment, **sales prices were once again among the Group's top priorities** as energy and raw material costs continued their upward spiral. After a 2.7% rise in 2011, sales prices **moved up a further 2.4%** over the three months to March 31, 2012, led by Construction Products and High-Performance Materials in particular. Only Flat Glass saw a fall in its sales prices amid a downturn in its main markets, despite the hike in energy and raw material costs.

Sales trends by Business Sector and major geographic area are as follows:

	Q1 2011 sales (€m)	Q1 2012 sales (€m)	% change on an actual structure basis	% change on a comparable structure basis	% change like-for-like
<b><u>BY BUSINESS SECTOR</u></b>					
<b>Innovative Materials (1)</b>	<b>2,386</b>	<b>2,381</b>	<b>-0.2%</b>	<b>-2.3%</b>	<b>-3.1%</b>
Flat Glass	1,359	1,290	-5.1%	-5.8%	-5.6%
High-Performance Materials	1,040	1,104	+6.2%	+2.4%	+0.3%
<b>Construction Products (1)</b>	<b>2,658</b>	<b>2,817</b>	<b>+6.0%</b>	<b>+5.1%</b>	<b>+3.7%</b>
Interior Solutions	1,346	1,408	+4.6%	+4.0%	+3.1%
Exterior Solutions	1,323	1,420	+7.3%	+6.2%	+4.3%
<b>Building Distribution</b>	<b>4,151</b>	<b>4,343</b>	<b>+4.6%</b>	<b>+2.2%</b>	<b>+1.6%</b>
<b>Packaging (Verallia)</b>	<b>852</b>	<b>880</b>	<b>+3.3%</b>	<b>+3.1%</b>	<b>+1.7%</b>
Internal sales and misc.	(248)	(259)	-----	-----	-----
<b>GROUP</b>	<b>9,799</b>	<b>10,162</b>	<b>+3.7%</b>	<b>+1.9%</b>	<b>+0.9%</b>
<b><u>BY GEOGRAPHIC AREA</u></b>					
France	2,910	2,896	-0.5%	-0.7%	-0.7%
Other Western European countries	4,096	4,180	+2.0%	-0.4%	-1.5%
North America	1,301	1,519	+16.7%	+14.7%	+10.1%
Emerging countries and Asia/Pacific	1,979	2,027	+2.4%	+0.2%	+0.6%
Internal sales	(487)	(460)	-----	-----	-----
<b>GROUP</b>	<b>9,799</b>	<b>10,162</b>	<b>+3.7%</b>	<b>+1.9%</b>	<b>+0.9%</b>

(1) including inter-division eliminations.

### Performance of Group Business Sectors (like-for-like)

hit by the downturn in Flat Glass delivered small organic growth gains over the quarter, spurred chiefly by the continuing uptrend in sales prices.

**Innovative Materials** sales **dropped 3.1%** due to the decline in Flat Glass. High-Performance Materials remained stable.

- Sales of **Flat Glass** fell 5.6%, reflecting the slowdown in Asia and emerging countries, the contraction in solar markets and the European automotive industry, and faltering construction activity in Western Europe. Against this backdrop, despite soaring energy and raw material costs, sales prices especially for commodity products (float glass) – were down on first-quarter 2011.

- **High-Performance Materials (HPM)** reported a slight **0.3%** advance in sales on the back of a significant increase in sales prices. Volumes remained robust in the US, powered by healthy trading on industrial markets, but slowed in Western Europe and in Asia and emerging countries owing chiefly to the contraction in the automotive market.

**Construction Products (CP) sales** moved up **3.7%**. Sales growth for the Business Sector reflects upbeat price momentum across all divisions except Pipe, as well as the sharp rally in sales volumes in the US as residential construction activity began to pick up.

- **Interior Solutions** reported moderate **3.1%** organic growth, due mainly to good sales price increases over the period (up 2.9%). Sales volumes remained virtually stable, as the recovery in the US was offset by slacker trading in Western Europe. Sales in Asia and emerging countries advanced slightly over the period, thanks mainly to bullish Latin American economies.
- **Exterior Solutions** also posted moderate organic growth, at **4.3%**, reflecting a very mixed performance from its various activities. Exterior Products delivered double-digit growth spurred by the upturn in US housing starts, while Pipe saw a further sharp fall in sales, hit by both the austerity measures implemented in Europe and sluggish exports. Industrial Mortars continued to be powered by Asia and emerging countries, which posted vigorous growth over the quarter. Sales prices remained upbeat across the entire Business (except Pipe), but failed to fully offset the rise in raw material costs.

Despite a very tough comparison basis (10.8% organic growth in first-quarter 2011) and adverse weather conditions in February, **Building Distribution** saw sales advance **1.6%**, driven once again by Germany and Scandinavia. Trading for the Business Sector in Southern and Eastern European countries and to a lesser extent in the UK remained challenging, while trading in France held firm. After a consecutive five-year decline, US Building Distribution rallied sharply, posting double-digit organic growth for the quarter. Sales prices remain upbeat across the Business Sector, in line with the Group average.

**Packaging (Verallia)** reported **1.7% organic growth** in the quarter, fuelled chiefly by favorable trends in sales prices, which gained 2.2%. This organic growth was driven by North America (up 4.3%), while Europe remained stable, with strong sales volumes in France and Germany offsetting the decline in other European countries. Sales in Latin America slipped 1.0% on a like-for-like basis, due mainly to a tough comparison basis.

#### **Analysis by geographic area (like-for-like)**

Based on our analysis of trading by geographic area, stark contrasts emerged between Western Europe where sales fell slightly and North America, which reported double-digit growth over the quarter. Trading in Asia and emerging countries stabilized at the high levels reported in first-quarter 2011.

- Sales in **France** and **other Western European countries** slipped **0.7%** and **1.5%**, respectively, hit by a very tough basis for comparison and harsh weather conditions in February. Sales for Building Distribution and Packaging (Verallia) as well as Insulation held firm, but failed to fully offset the sharp downturn in Pipe and the decline in Flat Glass. On a country-by-country basis, trading was again buoyant in Scandinavia, powered by Norway in particular, while business across Southern Europe remained in the doldrums. Germany, France and the UK delivered a solid performance, although they were hit during the quarter by the harsh weather conditions in February.

- **North America** posted **10.1%** organic growth on the back of a sharp upturn in sales volumes across businesses linked to construction (CP and Building Distribution). All Group businesses in the region enjoyed favorable sales price trends amid upbeat industrial markets and household consumption.
- Growth was very weak in **Asia and emerging countries (0.6%)**, as the contraction in our Asian operations (particularly in China and South Korea) offset ongoing bullish conditions in Latin America and small growth gains in Eastern Europe.

### Update on asbestos claims in the US

Some 1,000 claims were filed against CertainTeed in the first three months of 2012, on a par with the same period in 2011. Taking into account the number of claims settled in the period (around 2,000, versus 3,000 in first-quarter 2011), the total number of outstanding claims continued to fall, down to 51,000 at March 31, 2012 from 52,000 at end-December 2011.

### Outlook and objectives for 2012

After a broadly satisfactory first-quarter performance despite a tough comparison basis and harsh weather conditions across Europe in February, the Group expects the underlying trends presented in February to continue over the next few quarters. In particular:

- **in Asia and emerging countries**, growth should remain modest in the second quarter before picking up in the second half of the year;
- **in North America**, industrial markets should continue to perform well and construction markets should confirm their gradual recovery;
- **in Western Europe**, the automotive market is expected to remain difficult, while trading in other industrial markets should remain upbeat. Residential construction markets should continue to prove resilient overall, particularly in the second quarter. However, the situation should continue to vary widely from one country to the next, with further gains expected in Germany and Scandinavia and continued healthy trading in France, but persistent difficulties in Southern Europe and to a lesser extent the UK;
- **lastly, household consumption markets** should hold firm across all geographic areas.

Against this backdrop, providing the economic and financial crisis does not escalate, **trading for the Group should remain satisfactory overall**, helped by weaker comparison bases over the next few months.

Consequently, the Group is **confirming its targets for full-year 2012:**

- **moderate organic growth**, driven chiefly by **sales prices**;
- **operating income** and profitability to **prove resilient**;
- **high levels of free cash flow** and capex to stabilize at its 2011 level ( 2 billion);
- **a persistently robust balance sheet**.

**Forthcoming results announcement:**

First-half 2012 earnings: July 26, 2012, after close of trading on the Paris Bourse.

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