SAINT-GOBAIN

PRESS release

2012 Results

Paris, February 20, 2013 - Publication of sales for the fourth quarter of 2012 and of results for the year ended December 31, 2012.

KEY FIGURES *(€m)*	2011	**2012**	**Change 2012/2011**
Sales	42,116	**43,198**	**+2.6%**
Operating income	3,441	**2,881**	**-16.3%**
Recurring net income[1]	1,736	**1,126**	**-35.1%**
Net income	1,284	**766**	**-40.3%**

2012 dividend: stable at €1.24, paid **in cash or in shares**, at shareholders' discretion

Ongoing pursuit of strategic goals:

- Refocus on Habitat: **sale of Verallia North America announced for USD 1.7bn**
- Development in **high-growth countries**, **energy efficiency and energy** markets and **Building Distribution**: **€1.3bn** invested in 2012, or **66%** of the Group's capital expenditure and acquisitions

Swift roll-out of action plan to address economic climate:

- Priority focus on sales prices: **up 1.7%** (up 2.0% excluding Flat Glass)
- **€520m** in cost savings in 2012; **€1,100m** in 2013 (calculated on the 2011 cost base)
- Sharp improvement in operating WCR[2]: **down 5.0 days**, representing a gain of **€555m**
- Free cash flow[3] after changes in operating WCR: **up 73.2%** to **€1.4bn**
- Strong balance sheet: net debt/equity at **47%** and net debt/EBITDA at **1.9**

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

"***2012*** *saw a further general slowdown in economies across Europe as well as slacker growth on our main markets (particularly Flat Glass) in Asia and emerging countries. Faced with this bleaker economic climate, which hit our trading and earnings performances,* ***we were very quick to react, cutting another €520 million in costs and keeping a closer watch on cash.*** *At the same time, we continued to pursue a selective investment policy focused on our strategic goals. The announced divestment of Verallia North America on very favorable financial terms confirms the refocusing of our business on the Habitat sector.*
The global economic environment looks set to remain uncertain for the time being, despite the improvements expected in the US and Asia. We remain firmly committed to our strategic goals, while continuing to keep an extremely tight rein on cash. ***In 2013, we anticipate operating income to recover in the second half of the year, after having bottomed out in the second half of 2012 or first half of 2013***".

1. Excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions.
2. Operating working capital requirements.
3. Excluding the tax effect of capital gains and losses on disposals, asset write-downs and material non-recurring provisions.

Operating performance

After a broadly satisfactory start to the year, the Group's businesses were hit as from the second quarter by the deteriorating economic climate in Europe and by difficult trading in Flat Glass, in both Europe and Asia and emerging countries. **Sales edged down 1.9% on a like-for-like basis (comparable Group structure and exchange rates), with volumes down 3.6% and prices up 1.7%** over the year as a whole. Barring Interior Solutions – buoyed by the upturn in residential construction in the US and the growing energy efficiency market in Europe – and Packaging (Verallia) – boosted by good household consumption levels, all of the Group's Business Sectors and Divisions saw sales decline over the year as a whole, affected by the slowdown in industrial and residential construction markets in Western Europe. While Latin America picked up in the second half, markets in Asia and emerging countries remained stable overall in 2012. Among the major geographic areas in which the Group operates, only North America remained upbeat, fuelled by the ongoing upturn in housing and despite tough 2011 comparatives for this market (roofing renovations had been boosted in this prior period by severe storms).

In this challenging economic environment, with commodity and energy costs jumping over the year, **sales prices** remained an important priority for the Group, and **moved up 1.7%, or 2.0% excluding Flat Glass.**

Despite profitability gains in North America, the **Group's operating margin narrowed, to 6.7% versus 8.2% in 2011**, impacted mainly by the decline in sales volumes in Western Europe and a sharply negative price/cost spread in Flat Glass.

1°) Performance of Group Business Sectors

Innovative Materials sales fell 4.4% on a like-for-like basis, hit by tough trading in Flat Glass and by the slowdown in High-Performance Materials, particularly in Western Europe. The Business Sector's operating margin fell to 7.7%, from 11.8% in 2011.

- **Flat Glass** reported **a 6.6% decline in like-for-like sales**, driven by a combination of adverse economic factors including a contraction in its main markets (automotive, construction and solar) in Western Europe, slack trading in Asia and emerging countries, lower float glass prices, and soaring raw material and energy costs. Only Latin America remained upbeat, with growth picking up pace in the second half. Despite measures taken to address the deteriorating economic climate (significant capacity reductions, restructuring, etc.), the **operating margin** for the Division was down sharply, at **2.0% of sales** from 8.8% in 2011.

- After brisk first-half trading, **High-Performance Materials (HPM) sales slipped 1.7% on a like-for-like basis over the year as a whole**, chiefly due to the economic slowdown in the second half of 2012, particularly in Europe. Thanks to cost savings and to upbeat sales prices, **the operating margin** held up well, at **14.2%** versus 15.7% in 2011.

Construction Products (CP) like-for-like sales dipped 1.3%, due to the decline in sales volumes in Western Europe and Asia. Sales prices remained upbeat. **The operating margin fell to 8.3%** from 9.5% in 2011.

- **Interior Solutions** reported **mild 1.3% organic growth for the year**, buoyed by strong sales price momentum (especially in the US), which helped offset the impact of rising energy and raw material costs on earnings. Volumes were up in both North and especially South America, and also in Asia, but retreated in Western and Eastern Europe. In France, Isover continued to benefit from stricter energy efficiency regulations in the Habitat industry (and particularly from Thermal Regulation 2012 in France), and **delivered organic growth of 5.4% for the year.** The **Division's operating margin improved**, at **8.3%** of sales versus 8.2% of sales in 2011.

- **Exterior Solutions** saw **like-for-like sales fall 3.7%**, hit by the sharp drop in Pipe sales, while the Division's other businesses remained stable. Exterior Products continued to benefit from the upturn in residential construction in the US, but suffered from the very tough 2011 comparison basis (severe storms in the US in early 2011 had temporarily boosted roofing renovations). This temporarily conceals advances in the business. Industrial Mortars delivered double-digit growth in Asia and emerging countries, but the worsening economic crisis took its toll on trading in Western Europe. For the Division as a whole and Mortars in particular, sales prices remained upbeat, but could not fully offset the spike in raw material and energy costs. Consequently, despite the first effects of the cost cutting measures, the **operating margin declined to 8.3%** from 10.7% in 2011.

Building Distribution saw **a 2.0% dip in like-for-like sales,** reflecting the gradual deterioration in market conditions across all Western European countries as from the second quarter, not entirely offset by sales prices. Over the year as a whole, only Germany, Scandinavia, the US and Brazil continued to report positive organic growth. Trading in France proved resilient (down slightly), as a result of further market share gains, as in Scandinavia. The **operating margin for the Business Sector** came in at **4.0%** versus 4.2% in 2011.

Packaging (Verallia) delivered **3.5% organic growth**, buoyed by a strong uptrend in sales prices in the main countries in which it operates. Trading remained brisk in the US, France and Brazil, but fell back in Southern and Eastern Europe. However, the **Business Sector's operating margin lost ground, falling to 10.9% of sales** from 12.3% of sales in 2011, due mainly to difficulties in Southern Europe and to the time needed to fully pass on the rise in energy costs to sales prices.

2°) Analysis by geographic area

An analysis by geographic area reveals **contrasting trends between Western Europe** – where trading slowed – **and North America –** which reported modest organic growth. Asia and emerging countries remained stable, although there were stark differences from one country to the next.
Profitability improved in North America, but waned in all other geographic areas.

- In **France** and **other Western European countries**, **like-for-like sales were down 2.5% and 4.3%, respectively**, due to the sharp drop in Flat Glass and Pipe sales. Overall, all of the Group's other businesses were affected by the deteriorating economic environment in Western Europe as from the second quarter. In contrast, Packaging sales (Verallia) held up well throughout the year. **The operating margin declined**, both in France and in other Western European countries, to **5.4% and 5.3%, respectively** (versus 6.6% and 6.7%, respectively, in 2011).

- **North America** posted **2.3% organic growth**, with a **positive contribution from all Business Sectors** and especially Construction Products, where the gradual upturn in residential construction and positive trends in sales prices boosted trading. **The operating margin** continued to advance, up to **11.1%** from 10.4% in 2011.

- **Sales in Asia and emerging countries** were virtually stable (down 0.1%) on a like-for-like basis, with the downturn in the Group's Asian markets (particularly in Flat Glass and Pipe) countered by **upbeat trading in Latin America**. Trading in Eastern Europe retreated slightly, as strong growth in Russia and the Baltics failed to fully offset the slowdown in other Eastern European countries. **The operating margin** fell sharply, chiefly reflecting tough trading conditions for Flat Glass, and came out at **6.8% of sales** versus 10.2% of sales in 2011.

2012 consolidated financial statements

The Group's consolidated financial statements and the financial statements of the Group's parent company, Compagnie de Saint-Gobain, were approved and adopted by Saint-Gobain's Board of Directors at its meeting of February 20, 2013. These financial statements have been audited by the Statutory Auditors. Key consolidated data are shown below:

	2011 €m	2012 €m	% change
Sales and ancillary revenue	**42,116**	**43,198**	**+2.6%**
Operating income	**3,441**	**2,881**	**-16.3%**
Operating depreciation and amortization	1,511	1,550	+2.6%
EBITDA (op. inc. + operating depreciation/amortization)	**4,952**	**4,431**	**-10.5%**
Non-operating costs	(395)	(507)	+28.4%
Capital gains and losses on disposals, asset write-downs, corporate acquisition fees and earn-out payments	(400)	(390)	-2.5%
Business income	**2,646**	**1,984**	**-25.0%**
Net financial expense	(638)	(724)	+13.5%
Income tax	(656)	(476)	-27.4%
Share in net income of associates	8	12	+50.0%
Income before minority interests	**1,360**	**796**	**-41.5%**
Minority interests	(76)	(30)	-60.5%
Recurring[1] net income	**1,736**	**1,126**	**-35.1%**
Recurring[1] earnings per share[2] (in €)	**3.30**	**2.14**	**-35.2%**
Net income	**1,284**	**766**	**-40.3%**
Earnings per share[2] (in €)	**2.44**	**1.46**	**-40.2%**
Cash flow from operations[3]	3,421	2,791	-18.4%
Cash flow from operations excl. capital gains tax[4]	**3,349**	**2,668**	**-20.3%**
Capital expenditure	1,936	1,773	-8.4%
Free cash flow (excluding capital gains tax)[4]	**1,413**	**895**	**-36.7%**
Investments in securities	702	354	-49.6%
Net debt	**8,095**	**8,490**	**+4.9%**

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 (excluding treasury stock) at December 31 (526,434,577 shares in 2012 versus 526,205,696 shares in 2011). Based on the number of shares comprising the share capital at December 31 (531,125,642 shares in 2012 versus 535,563,723 shares in 2011), recurring earnings per share comes out at €2.12 (versus €3.24 in 2011), and earnings per share comes out at €1.44 (versus €2.40 in 2011).

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.

Sales climbed 2.6% to €43,198 million, versus €42,116 million in 2011. **The currency impact** was a positive **1.8%**, primarily reflecting gains in the US dollar and pound sterling against the euro. **Changes in Group structure** also had a positive impact **of 2.7%**, resulting mainly from the acquisitions of Build Center and Brossette (Building Distribution) and Solar Gard (High-Performance Materials), along with bolt-on acquisitions carried out by Construction Products (CP) in Asia and emerging countries and on energy efficiency markets in Europe.
Like-for-like, sales **slipped 1.9%**, with the **1.7% increase in sales prices** failing to fully offset **the 3.6% downturn in volumes**.

Operating income shed 16.3%, squeezed by both a decline in sales volumes and a sharply negative cost/price spread in Flat Glass, to come in at €2,881 million versus €3,441 million one year earlier. The **operating margin** was **6.7% (8.5% excluding Building Distribution)** compared to 8.2% (10.9% excluding Building Distribution) in 2011.

EBITDA (operating income + operating depreciation and amortization) fell 10.5%. The consolidated EBITDA margin came in at **10.3%** of sales (13.7% excluding Building Distribution), versus 11.8% of sales (16.0% excluding Building Distribution) in 2011.

Non-operating costs rose 28.4%, due to the rise in restructuring costs aimed at addressing the deteriorating economic climate in Europe. The accrual to the provision for asbestos-related litigation in the US was the same as in 2011, at €90 million (see "Update on asbestos claims in the US" on page 7).

The net balance of capital gains and losses on disposals, asset write-downs, and corporate acquisition fees was a negative €390 million. This amount includes €436 million in asset write-downs and €60 million in capital gains on disposals. Asset write-downs include €310 million taken against property, plant and equipment relating to solar businesses (restructuring plans and site closures), with the remainder relating primarily to cost cutting programs put in place in certain Building Distribution and Construction Products businesses in Southern Europe.

Business income fell 25.0% to €1,984 million, hit by the sharp rise in asset write-downs and non-operating costs (see above).

Net financial expense advanced €86 million (up 13.5%) to €724 million, chiefly reflecting the rise in average net debt over 2012 as a whole. **The average cost of gross debt at December 31 fell slightly, to 4.7%** from 4.8% in 2011.

In line with the 36.9% decline in pre-tax income, **income tax expense was 27.4% lower**, falling to €476 million from €656 million one year earlier. Due mainly to the rise in the income contribution from the United States (with an income tax rate of 39%), **the tax rate on recurring net income rose** to **34%** from 29% in 2011.

Recurring net income (excluding capital gains and losses, asset write-downs and material non-recurring provisions) amounted to **€1,126 million**, a **35.1%** fall on 2011. Based on the number of shares outstanding (excluding treasury stock) at December 31, 2012 (526,434,577 shares versus 526,205,696 shares at December 31, 2011), **recurring earnings per share** came out at **€2.14**, **down 35.2%** on 2011 (€3.30).

Net income came in at **€766 million**, **a decline of 40.3%** year-on-year. Based on the number of shares outstanding (excluding treasury stock) at December 31, 2012 (526,434,577 shares versus 526,205,696 shares at December 31, 2011), **earnings per share** came out at **€1.46**, **down 40.2%** on 2011 (€2.44).

Demonstrating the Group's strict financial discipline amid a slowing economy, **capital expenditure** was down 8.4% or **€163 million** over the year, after a fall of 21.3% or €276 million, in the second half. Capital expenditure totaled **€1,773 million** over the year as a whole, or **4.1% of sales**, compared to 4.6% in 2011. Almost half of this amount relates to growth capex, earmarked almost entirely for Asia and emerging countries.

Cash flow from operations came in at **€2,791 million**, 18.4% lower than in 2011. Before the tax impact of capital gains and losses on disposals and asset write-downs, **cash flow from operations fell 20.3% to €2,668 million**, from €3,349 million in 2011.

Following the 25.0% fall in business income and despite the tight rein on capital expenditure:

- **free cash flow (cash flow from operations less capital expenditure) fell 31.4%**, to €1,018 million. Before the tax impact of capital gains and losses on disposals and asset write-downs, free cash flow stood at **€895 million**, **down 36.7%** on 2011 (€1,413 million), representing **2.1% of sales** (versus 3.4% in 2011);

- **the difference between EBITDA and capital expenditure** was **€2,658 million**, versus €3,016 million in 2011, representing **6.2% of sales** (7.2% in 2011).

Operating working capital requirements (WCR) improved sharply amid a slowdown in trading, **falling 5 days** to **29 days' sales** at December 31, 2012, **a record low for the Group**. This performance represents a **gain of €555 million**.

Investments in securities came in at **€354 million**, almost half the figure for 2011 (€702 million), reflecting the Group's emphasis on cash generation. Investments in securities relate chiefly to **acquisitions focused on the Group's key growth drivers**, namely Asia and emerging countries, energy efficiency and consolidation in the Construction Products and Building Distribution businesses (in particular, with the purchase of Brossette on April 1, 2012).

Net debt rose 4.9%, or €395 million, to **€8.5 billion** at December 31, 2012. Net debt represents **47% of consolidated equity** versus 44% one year earlier. The **net debt to EBITDA ratio** came out at **1.92**, slightly above the end-2011 figure (1.63). **Based on the proforma financial statements at December 31, 2012 (following the sale of Verallia North America)**, the Group's net debt falls to €7.5 billion, giving a net debt to equity ratio of **41%** and a net debt to EBITDA ratio of **1.77**.

Update on asbestos claims in the US

Some 4,000 claims were filed against CertainTeed in 2012, stable compared with 2011. At the same time, 9,000 claims were settled (versus 8,000 in 2011), and 4,000 claims were transferred to inactive dockets. As a result, the total number of outstanding claims at December 31, 2012 fell sharply, to **43,000** from 52,000 at December 31, 2011.
A total of USD 67 million in indemnity payments were made in the 12 months to December 31, 2012, down sharply compared to 2011 (USD 82 million).
In light of these trends, and particularly the decrease in indemnity payments and the €90 million provision accrual in 2012 (see p.6), the total provision for CertainTeed's asbestos-related claims amounted to around USD 550 million at December 31, 2012, compared to USD 504 million at December 31, 2011.

Action plan to address the deteriorating economic climate

The Group once again showed its extensive capacity to adapt to the deterioration in the economic climate as from the second quarter in Western Europe and in Flat Glass as a whole. It also showed steely financial discipline while pursuing its **strategic goals**, by:

- **continuing to give priority to sales prices**, which rose 1.7% over the year (**2.0% excluding Flat Glass**), and helped curb the impact of rising raw material and energy costs;

- rolling out **new cost cutting measures representing savings of €520 million** over the year as a whole (including €110 million in Flat Glass). The cost cutting program primarily focused on Western Europe, Asia and emerging countries (for Flat Glass and Pipe in particular) will be extended and intensified in 2013, bringing its full-year impact (in 2013) to **€1,100 million** (calculated on the 2011 cost base) **–** including €240 million in Flat Glass **–** instead of the €750 million initially forecast;

- slashing operating working capital requirements **(WCR)**, with a **gain of 5 days (€555 million)** over the year as a whole, representing a rise of **€613 million (73.2%**) in cash generated (free cash flow***** + change in operating WCR) to reach **€1,450 million**;

- keeping **capital expenditure and financial investments** in check (down 19% on 2011), particularly in the second half (down 39% on second-half 2011). Spending focused primarily (66%) on **strategic growth drivers**, namely Asia and emerging countries, energy efficiency and energy markets, and consolidation of the Group's strengths in Construction Products and Building Distribution;

- entering a new phase in its strategy of **refocusing on Habitat**, with the signature of an agreement concerning the **sale** of **Verallia North America** on very favorable pricing terms (USD 1.7 billion, or 6.5 x EBITDA). This transaction also enables the Group to reinforce its balance sheet and consolidate its financial strength. Accordingly, taking into account this disposal and on a pro forma basis at December 31, 2012:
  - the **gearing ratio** (net debt to equity) falls from **47% to 41%**,
  - the **net debt to EBITDA ratio** falls from **1.92 to 1.77**;

- increasing its **R&D expenditure** by 11.1%, up to €479 million.

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

Dividend

At its meeting of February 20, Compagnie de Saint-Gobain's Board of Directors decided to recommend to the June 6, 2013 Shareholders' Meeting a **dividend of <u>€1.24 per share</u>**, unchanged from 2011. The Board also decided that shareholders may **receive their dividends in cash or in shares***, at their own discretion. The dividend represents **58% of recurring earnings per share, 85% of earnings per share,** and a **dividend yield of 3.8%** based on the closing share price at December 31, 2012 (€32.22). The record date is set for June 11 and will be followed by an option period of 15 days, from June 12 to 26. Consequently, the dividends will be paid in cash or in shares on July 5, 2013.

* For dividends paid in shares, Compagnie de Saint-Gobain's Board of Directors will recommend that the Shareholders' Meeting set the issue price for the new shares by applying a **10% discount** to the average opening share price over the 20 trading days preceding the June 6, 2013 AGM, after deducting the discount from the amount of the dividend.

Outlook for 2013

After a difficult year in 2012 affected by the sharp decline in Flat Glass markets and slowdown in European economies, the outlook for 2013 appears very uncertain for the time being. However, the year should see an ongoing economic recovery in North and South America and Asia, although significant uncertainties will continue to plague Europe.

Against this backdrop, the Group expects the following trends in its main markets:

- **in North America**, the gradual upturn in the residential new-build and renovation markets should continue, while industrial output should remain at a good level;

- **in Asia and emerging countries**, trading overall should get back into positive territory, although trends are likely to differ widely from one country to the next, with moderate growth in Brazil and China, a slowdown in India, and stability in Eastern Europe;

- **in Western Europe**, industrial markets and particularly automotive, should continue to contract, while construction market trends should remain very uncertain for the time being. Regulatory measures promoting energy efficiency in new-builds and existing homes should shore up demand, however, and allow the Group to outperform its underlying markets;

- lastly, **household consumption** should hold firm overall.

In the face of persistently unsettled market conditions, in 2013 **Saint-Gobain will continue to demonstrate its extensive capacity to adapt to changes in its markets**, by **swiftly implementing the necessary adjustments** in countries and/or businesses where trading continues to suffer (in particular Flat Glass and Southern Europe), but also by **continuing to pursue its strategic goals**, namely development in high-growth countries and on energy efficiency and energy markets, and consolidation in Building Distribution and Construction Products. Profitability will be a constant focus, underpinned by strict financial discipline.

Its action priorities will be to continue:

- **increasing sales prices**, with the aim of passing on the rise in raw material and energy costs;

- **stepping up its cost cutting measures** in order to achieve savings of **€1,100 million** in 2013 (calculated on the 2011 cost base);

- keeping a **close watch** on **cash management** and **financial strength**;

- continuing to **pursue its strategic goals**, through a selective investment policy (capex and financial investments);

- pursuing its **R&D efforts**.

<u>For 2013</u>, the Group is therefore anticipating:

- **its operating income to recover in the second half**, after having bottomed out between mid-2012 and mid-2013;
- **a high level of free cash flow**, namely as a result of a €200 million reduction in capital expenditure;
- **a robust balance sheet, strengthened by the disposal of Verallia North America.**

Given the deterioration in the global (and particularly European) economic environment in 2012 and the deep-seated uncertainties plaguing the short-term macro-economic outlook, the Group's 2015 financial targets set in 2010 are unlikely to be met at this date. However, aside from the current lack of visibility, the Group is firmly pursuing its strategy, underpinned by **two key growth drivers**: **high value-added products** for **mature** markets in the environment and energy efficiency sectors, and the **growth of Habitat markets in Asia and emerging countries**.

In the second half of 2013, the Group will present its outlook for the mid to long-term taking into account the economic environment.

The Group will also maintain **strict financial discipline**, by continuing to apply stringent financial criteria (to capital expenditure, disposals and acquisitions, and restructuring operations) and by pursuing its **shareholder-focused policy** defined in 2010 (dividend to remain stable or to increase from one year to the next, and to be paid as soon as possible in cash and the number of shares comprising the share capital gradually stabilizing, at a level close to today's figure of around 530 million shares).

Forthcoming results announcement

- Sales for the first quarter of 2013: **April 25, 2013**, after close of trading on the Paris Bourse.

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Appendix 1: Results by business sector and geographic area - Full Year

I. SALES

	2011 (in EUR m)	2012 (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)	**9,596**	**9,485**	**-1.2%**	**-2.7%**	**-4.4%**
Flat Glass	5,460	5,130	-6.0%	-6.3%	-6.6%
High-Performance Materials	4,163	4,376	+5.1%	+1.9%	-1.7%
Construction Products (1)	**11,426**	**11,709**	**+2.5%**	**+1.0%**	**-1.3%**
Interior Solutions	5,511	5,847	+6.1%	+3.7%	+1.3%
Exterior Solutions	5,967	5,915	-0.9%	-1.4%	-3.7%
Building Distribution	**18,492**	**19,233**	**+4.0%**	**-0.6%**	**-2.0%**
Packaging (Verallia)	**3,628**	**3,792**	**+4.5%**	**+5.9%**	**+3.5%**
Internal sales and misc.	*-1,026*	*-1,021*	*n.m.*	*n.m.*	*n.m.*
Group Total	**42,116**	**43,198**	**+2.6%**	**-0.1%**	**-1.9%**

(1) including intra-sector eliminations

	2011 (in EUR m)	2012 (in EUR m)	change on an actual structure basis	change on a comparable structure basis	change on a comparable structure and currency basis
by geographic area:					
France	11,802	12,044	+2.1%	-2.5%	-2.5%
Other Western European countries	18,049	18,014	-0.2%	-2.3%	-4.3%
North America	5,505	6,179	+12.2%	+10.7%	+2.3%
Emerging countries and Asia	8,643	8,709	+0.8%	-0.7%	-0.1%
Internal sales	*-1,883*	*-1,748*	*n.m.*	*n.m.*	*n.m.*
Group Total	**42,116**	**43,198**	**+2.6%**	**-0.1%**	**-1.9%**

II. OPERATING INCOME

	2011 (in EUR m)	2012 (in EUR m)	change on an actual structure basis	2011 (in % of sales)	2012 (in % of sales)
by sector and division:					
Innovative Materials	**1,130**	**726**	**-35.8%**	**11.8%**	**7.7%**
Flat Glass	478	104	-78.2%	8.8%	2.0%
High-Performance Materials	652	622	-4.6%	15.7%	14.2%
Construction Products	**1,086**	**974**	**-10.3%**	**9.5%**	**8.3%**
Interior Solutions	450	484	+7.6%	8.2%	8.3%
Exterior Solutions	636	490	-23.0%	10.7%	8.3%
Building Distribution	**768**	**761**	**-0.9%**	**4.2%**	**4.0%**
Packaging (Verallia)	**448**	**414**	**-7.6%**	**12.3%**	**10.9%**
Misc.	9	6	n.m.	n.m.	n.m.
Group Total	**3,441**	**2,881**	**-16.3%**	**8.2%**	**6.7%**

	2011 (in EUR m)	2012 (in EUR m)	change on an actual structure basis	2011 (in % of sales)	2012 (in % of sales)
by geographic area:					
France	781	648	-17.0%	6.6%	5.4%
Other Western European countries	1,205	955	-20.7%	6.7%	5.3%
North America	574	683	+19.0%	10.4%	11.1%
Emerging countries and Asia	881	595	-32.5%	10.2%	6.8%
Group Total	**3,441**	**2,881**	**-16.3%**	**8.2%**	**6.7%**

III. BUSINESS INCOME

	2011 (in EUR m)	2012 (in EUR m)	change on an actual structure basis	2011 (in % of sales)	2012 (in % of sales)
by sector and division:					
Innovative Materials	**928**	**261**	**-71.9%**	**9.7%**	**2.8%**
Flat Glass	340	-274	-180.6%	6.2%	-5.3%
High-Performance Materials	588	535	-9.0%	14.1%	12.2%
Construction Products	**752**	**794**	**+5.6%**	**6.6%**	**6.8%**
Interior Solutions	211	408	+93.4%	3.8%	7.0%
Exterior Solutions	541	386	-28.7%	9.1%	6.5%
Building Distribution	**598**	**613**	**+2.5%**	**3.2%**	**3.2%**
Packaging (Verallia)	**437**	**387**	**-11.4%**	**12.0%**	**10.2%**
Misc.	-69 (a)	-71 (a)	n.m.	n.m.	n.m.
Group Total	**2,646**	**1,984**	**-25.0%**	**+6.3%**	**+4.6%**

	2011 (in EUR m)	2012 (in EUR m)	change on an actual structure basis	2011 (in % of sales)	2012 (in % of sales)
by geographic area:					
France	707	589	-16.7%	6.0%	4.9%
Other Western European countries	926	431	-53.5%	5.1%	2.4%
North America	173 (a)	524 (a)	+202.9%	3.1%	8.5%
Emerging countries and Asia	840	440	-47.6%	9.7%	5.1%
Group Total	**2,646**	**1,984**	**-25.0%**	**+6.3%**	**+4.6%**

(a) after asbestos-related charge (before tax) of €90m in 2011 and €90m in 2012

IV. CASH FLOW

	2011 (in EUR m)	2012 (in EUR m)	change on an actual structure basis	2011 (in % of sales)	2012 (in % of sales)
by sector and division:					
Innovative Materials	**1,102**	**730**	**-33.8%**	**11.5%**	**7.7%**
Flat Glass	521	221	-57.6%	9.5%	4.3%
High-Performance Materials	581	509	-12.4%	14.0%	11.6%
Construction Products	**888**	**641**	**-27.8%**	**7.8%**	**5.5%**
Building Distribution	**566**	**555**	**-1.9%**	**3.1%**	**2.9%**
Packaging (Verallia)	**512**	**506**	**-1.2%**	**14.1%**	**13.3%**
Misc.	353 (a)	359 (a)	n.m.	n.m.	n.m.
Group Total	**3,421**	**2,791**	**-18.4%**	**+8.1%**	**+6.5%**

by geographic area:					
France	568	387	-31.9%	4.8%	3.2%
Other Western European countries	1,314	1,149	-12.6%	7.3%	6.4%
North America	594 (a)	610 (a)	+2.7%	10.8%	9.9%
Emerging countries and Asia	945	645	-31.7%	10.9%	7.4%
Group Total	**3,421**	**2,791**	**-18.4%**	**+8.1%**	**+6.5%**

(a) after asbestos-related charge (after tax) of €55m in 2011 versus €55m in 2012

V. CAPITAL EXPENDITURE

	2011 (in EUR m)	2012 (in EUR m)	change on an actual structure basis	2011 (in % of sales)	2012 (in % of sales)
by sector and division:					
Innovative Materials	**880**	**695**	**-21.0%**	**9.2%**	**7.3%**
Flat Glass	682	459	-32.7%	12.5%	8.9%
High-Performance Materials	198	236	+19.2%	4.8%	5.4%
Construction Products	**553**	**535**	**-3.3%**	**4.8%**	**4.6%**
Interior Solutions	330	339	+2.7%	6.0%	5.8%
Exterior Solutions	223	196	-12.1%	3.7%	3.3%
Building Distribution	**210**	**233**	**+11.0%**	**1.1%**	**1.2%**
Packaging (Verallia)	**267**	**282**	**+5.6%**	**7.4%**	**7.4%**
Misc.	26	28	n.m.	n.m.	n.m.
Group Total	**1,936**	**1,773**	**-8.4%**	**+4.6%**	**+4.1%**

by geographic area:					
France	313	300	-4.2%	2.7%	2.5%
Other Western European countries	547	435	-20.5%	3.0%	2.4%
North America	295	314	+6.4%	5.4%	5.1%
Emerging countries and Asia	781	724	-7.3%	9.0%	8.3%
Group Total	**1,936**	**1,773**	**-8.4%**	**+4.6%**	**+4.1%**

VI. EBITDA

	2011 (in EUR m)	2012 (in EUR m)	change on an actual structure basis	2011 (in % of sales)	2012 (in % of sales)
by sector and division:					
Innovative Materials	**1,605**	**1,226**	**-23.6%**	**16.7%**	**12.9%**
Flat Glass	793	437	-44.9%	14.5%	8.5%
High-Performance Materials	812	789	-2.8%	19.5%	18.0%
Construction Products	**1,590**	**1,481**	**-6.9%**	**13.9%**	**12.6%**
Interior Solutions	769	805	+4.7%	14.0%	13.8%
Exterior Solutions	821	676	-17.7%	13.8%	11.4%
Building Distribution	**1,041**	**1,035**	**-0.6%**	**5.6%**	**5.4%**
Packaging (Verallia)	**685**	**657**	**-4.1%**	**18.9%**	**17.3%**
Misc.	31	32	n.m.	n.m.	n.m.
Group Total	**4,952**	**4,431**	**-10.5%**	**+11.8%**	**+10.3%**

by geographic area:					
France	1,143	1,014	-11.3%	9.7%	8.4%
Other Western European countries	1,743	1,500	-13.9%	9.7%	8.3%
North America	797	909	+14.1%	14.5%	14.7%
Emerging countries and Asia	1,269	1,008	-20.6%	14.7%	11.6%
Group Total	**4,952**	**4,431**	**-10.5%**	**+11.8%**	**+10.3%**

Appendix 2: Results by business sector and geographic area - Second Half

I. SALES

	H2 2011 (in EUR m)	H2 2012 (in EUR m)	change on an actual structure basis	change on a comparable structure and currency basis	change on a comparable structure and currency basis
by sector and division:					
Innovative Materials (1)	**4,769**	**4,632**	**-2.9%**	**-3.8%**	**-5.7%**
Flat Glass	2,696	2,533	-6.0%	-5.9%	-6.7%
High-Performance Materials	2,081	2,104	+1.1%	-1.3%	-4.9%
Construction Products (1)	**5,713**	**5,806**	**+1.6%**	**+0.2%**	**-2.3%**
Interior Solutions	2,790	3,001	+7.6%	+5.0%	+1.9%
Exterior Solutions	2,950	2,831	-4.0%	-4.4%	-6.3%
Building Distribution	**9,449**	**9,777**	**+3.5%**	**-1.5%**	**-3.2%**
Packaging (Verallia)	**1,810**	**1,883**	**+4.0%**	**+6.3%**	**+3.9%**
Internal sales and misc.	*-500*	*-490*	*n.m.*	*n.m.*	*n.m.*
Group Total	**21,241**	**21,608**	**+1.7%**	**-0.9%**	**-2.9%**

(1) including intra-sector eliminations

by geographic area:					
France	5,664	5,896	+4.1%	-2.1%	-2.1%
Other Western European countries	9,221	9,113	-1.2%	-2.9%	-5.4%
North America	2,733	2,987	+9.3%	+8.2%	-0.2%
Emerging countries and Asia	4,494	4,446	-1.1%	-1.5%	-1.1%
Internal sales	*-871*	*-834*	*n.m.*	*n.m.*	*n.m.*
Group Total	**21,241**	**21,608**	**+1.7%**	**-0.9%**	**-2.9%**

II. OPERATING INCOME

	H2 2011 (in EUR m)	H2 2012 (in EUR m)	change on an actual structure basis	H2 2011 (in % of sales)	H2 2012 (in % of sales)
by sector and division:					
Innovative Materials	**528**	**318**	**-39.8%**	**11.1%**	**6.9%**
Flat Glass	217	50	-77.0%	8.0%	2.0%
High-Performance Materials	311	268	-13.8%	14.9%	12.7%
Construction Products	**534**	**454**	**-15.0%**	**9.3%**	**7.8%**
Interior Solutions	234	237	+1.3%	8.4%	7.9%
Exterior Solutions	300	217	-27.7%	10.2%	7.7%
Building Distribution	**441**	**391**	**-11.3%**	**4.7%**	**4.0%**
Packaging (Verallia)	**222**	**207**	**-6.8%**	**12.3%**	**11.0%**
Misc.	-4	-1	n.m.	n.m.	n.m.
Group Total	**1,721**	**1,369**	**-20.5%**	**8.1%**	**6.3%**

by geographic area:					
France	339	299	-11.8%	6.0%	5.1%
Other Western European countries	654	421	-35.6%	7.1%	4.6%
North America	264	313	+18.6%	9.7%	10.5%
Emerging countries and Asia	464	336	-27.6%	10.3%	7.6%
Group Total	**1,721**	**1,369**	**-20.5%**	**8.1%**	**6.3%**

III. BUSINESS INCOME

	H2 2011 (in EUR m)	H2 2012 (in EUR m)	change on an actual structure basis	H2 2011 (in % of sales)	H2 2012 (in % of sales)
by sector and division:					
Innovative Materials	**453**	**-4**	**-100.9%**	**9.5%**	**-0.1%**
Flat Glass	151	-198	-231.1%	5.6%	-7.8%
High-Performance Materials	302	194	-35.8%	14.5%	9.2%
Construction Products	**248**	**342**	**+37.9%**	**4.3%**	**5.9%**
Interior Solutions	16	203	+1168.8%	0.6%	6.8%
Exterior Solutions	232	139	-40.1%	7.9%	4.9%
Building Distribution	**331**	**338**	**+2.1%**	**3.5%**	**3.5%**
Packaging (Verallia)	**217**	**186**	**-14.3%**	**12.0%**	**9.9%**
Misc.	-59 (a)	-31 (a)	n.m.	n.m.	n.m.
Group Total	**1,190**	**831**	**-30.2%**	**5.6%**	**3.8%**

by geographic area:					
France	289	260	-10.0%	5.1%	4.4%
Other Western European countries	494	111	-77.5%	5.4%	1.2%
North America	-35 (a)	216 (a)	n.m.	n.m.	7.2%
Emerging countries and Asia	442	244	-44.8%	9.8%	5.5%
Group Total	**1,190**	**831**	**-30.2%**	**5.6%**	**3.8%**

(a) after asbestos-related charge (before tax) of €41.5m in H2-2011 and €45m in H2-2012

IV. CASH FLOW

	H2 2011 (in EUR m)	H2 2012 (in EUR m)	change on an actual structure basis	H2 2011 (in % of sales)	H2 2012 (in % of sales)
by sector and division:					
Innovative Materials	**502**	**338**	**-32.7%**	**10.5%**	**7.3%**
Flat Glass	236	119	-49.6%	8.8%	4.7%
High-Performance Materials	266	219	-17.7%	12.8%	10.4%
Construction Products	**464**	**264**	**-43.1%**	**8.1%**	**4.5%**
Building Distribution	**314**	**300**	**-4.5%**	**3.3%**	**3.1%**
Packaging (Verallia)	**251**	**258**	**+2.8%**	**13.9%**	**13.7%**
Misc.	169 (a)	169 (a)	n.m.	n.m.	n.m.
Group Total	**1,700**	**1,329**	**-21.8%**	**8.0%**	**6.2%**

by geographic area:					
France	235	168	-28.5%	4.1%	2.8%
Other Western European countries	669	515	-23.0%	7.3%	5.7%
North America	303 (a)	289 (a)	-4.6%	11.1%	9.7%
Emerging countries and Asia	493	357	-27.6%	11.0%	8.0%
Group Total	**1,700**	**1,329**	**-21.8%**	**8.0%**	**6.2%**

(a) after asbestos-related charge (after tax) of €25m in H2-2011 versus €28m in H2-2012

V. CAPITAL EXPENDITURE

	H2 2011 (in EUR m)	H2 2012 (in EUR m)	change on an actual structure basis	H2 2011 (in % of sales)	H2 2012 (in % of sales)
by sector and division:					
Innovative Materials	**557**	**370**	**-33.6%**	**11.7%**	**8.0%**
Flat Glass	431	214	-50.3%	16.0%	8.4%
High-Performance Materials	126	156	+23.8%	6.1%	7.4%
Construction Products	**406**	**332**	**-18.2%**	**7.1%**	**5.7%**
Interior Solutions	242	218	-9.9%	8.7%	7.3%
Exterior Solutions	164	114	-30.5%	5.6%	4.0%
Building Distribution	**141**	**136**	**-3.5%**	**1.5%**	**1.4%**
Packaging (Verallia)	**175**	**166**	**-5.1%**	**9.7%**	**8.8%**
Misc.	16	15	n.m.	n.m.	n.m.
Group Total	**1,295**	**1,019**	**-21.3%**	**6.1%**	**4.7%**

by geographic area:					
France	235	181	-23.0%	4.1%	3.1%
Other Western European countries	356	261	-26.7%	3.9%	2.9%
North America	182	181	-0.5%	6.7%	6.1%
Emerging countries and Asia	522	396	-24.1%	11.6%	8.9%
Group Total	**1,295**	**1,019**	**-21.3%**	**6.1%**	**4.7%**

VI. EBITDA

	H2 2011 (in EUR m)	H2 2012 (in EUR m)	change on an actual structure basis	H2 2011 (in % of sales)	H2 2012 (in % of sales)
by sector and division:					
Innovative Materials	**763**	**575**	**-24.6%**	**16.0%**	**12.4%**
Flat Glass	372	223	-40.1%	13.8%	8.8%
High-Performance Materials	391	352	-10.0%	18.8%	16.7%
Construction Products	**787**	**706**	**-10.3%**	**13.8%**	**12.2%**
Interior Solutions	395	398	+0.8%	14.2%	13.3%
Exterior Solutions	392	308	-21.4%	13.3%	10.9%
Building Distribution	**579**	**530**	**-8.5%**	**6.1%**	**5.4%**
Packaging (Verallia)	**338**	**324**	**-4.1%**	**18.7%**	**17.2%**
Misc.	6	12	n.m.	n.m.	n.m.
Group Total	**2,473**	**2,147**	**-13.2%**	**11.6%**	**9.9%**

by geographic area:					
France	521	484	-7.1%	9.2%	8.2%
Other Western European countries	924	695	-24.8%	10.0%	7.6%
North America	372	424	+14.0%	13.6%	14.2%
Emerging countries and Asia	656	544	-17.1%	14.6%	12.2%
Group Total	**2,473**	**2,147**	**-13.2%**	**11.6%**	**9.9%**

Appendix 3: Sales by business sector and geographic area - Fourth Quarter

I. SALES	Q4 2011 (in EUR m)	Q4 2012 (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)	**2,366**	**2,303**	**-2.7%**	**-2.9%**	**-4.2%**
Flat Glass	1,339	1,270	-5.2%	-5.1%	-6.0%
High-Performance Materials	1,030	1,036	+0.6%	-0.1%	-1.8%
Construction Products (1)	**2,723**	**2,805**	**+3.0%**	**+1.2%**	**+0.1%**
Interior Solutions	1,389	1,513	+8.9%	+5.7%	+3.6%
Exterior Solutions	1,347	1,306	-3.0%	-3.5%	-3.5%
Building Distribution	**4,729**	**4,854**	**+2.6%**	**-2.1%**	**-3.5%**
Packaging (Verallia)	**910**	**937**	**+3.0%**	**+5.3%**	**+4.7%**
Internal sales and misc.	*-241*	*-242*	*n.m.*	*n.m.*	*n.m.*
Group Total	**10,487**	**10,657**	**+1.6%**	**-0.9%**	**-2.1%**

(1) including intra-sector eliminations

by geographic area:					
France	2,880	3,020	+4.9%	-1.9%	-1.9%
Other Western European countries	4,552	4,472	-1.8%	-3.0%	-5.1%
North America	1,291	1,397	+8.2%	+8.2%	+4.4%
Emerging countries and Asia	2,177	2,185	+0.4%	+0.1%	+0.6%
Internal sales	*-413*	*-417*	*n.m.*	*n.m.*	*n.m.*
Group Total	**10,487**	**10,657**	**+1.6%**	**-0.9%**	**-2.1%**

Appendix 4: Consolidated balance sheet

in EUR million	Dec 31, 2011	Dec 31, 2012
ASSETS		
Goodwill	11,041	10,936
Other intangible assets	3,148	3,196
Property, plant and equipment	14,225	13,696
Investments in associates	167	206
Deferred tax assets	949	1,236
Other non-current assets	347	359
Non-current assets	**29,877**	**29,629**
Inventories	6,477	6,133
Trade accounts receivable	5,341	5,017
Current tax receivable	182	204
Other accounts receivable	1,408	1,425
Assets held for sale - Discontinued operations	0	936
Cash and cash equivalents	2,949	4,179
Current assets	**16,357**	**17,894**
Total assets	**46,234**	**47,523**
Liabilities and Shareholders' equity		
Capital stock	2,142	2,125
Additional paid-in capital and legal reserve	5,920	5,699
Retained earnings and net income for the year	10,654	10,334
Cumulative translation adjustments	(476)	(523)
Fair value reserves	(22)	(15)
Treasury stock	(403)	(181)
Shareholders' equity	**17,815**	**17,439**
Minority interests	403	412
Total equity	**18,218**	**17,851**
Long-term debt	8,326	9,588
Provisions for pensions and other employee benefits	3,458	3,465
Deferred tax liabilities	893	792
Provisions for other liabilities and charges	2,143	2,171
Non-current liabilities	**14,820**	**16,016**
Current portion of long-term debt	1,656	1,732
Current portion of provisions for other liabilities and charges	733	457
Trade accounts payable	6,018	6,143
Current tax liabilities	165	70
Other accounts payable	3,562	3,408
Liabilities held for sale - Discontinued operations	0	497
Short-term debt and bank overdrafts	1,062	1,349
Current liabilities	**13,196**	**13,656**
Total equity and liabilities	**46,234**	**47,523**

Appendix 5: Consolidated cash flow statement

(in € million)	2011	2012
Net income attributable to equity holders of the parent	**1,284**	**766**
Minority interests in net income	76	30
Share in net income of associates, net of dividents received	(1)	(6)
Depreciation, amortization and impairment of assets	1,892	1,988
Gains and losses on disposals of assets	(1)	(60)
Unrealized gains and losses arising from changes in fair value and share-based payments	48	(23)
Changes in inventories	(551)	252
Changes in trade accounts receivable and payable, and other accounts receivable and payable	18	429
Changes in tax receivable and payable	(6)	(118)
Changes in deferred taxes and provisions for other liabilities and charges	(374)	(696)
Net cash from operating activities	**2,385**	**2,562**
Purchases of property, plant and equipment [2011: (1,936), 2012: (1,773)] and intangible assets	(2,028)	(1,883)
Purchases of property, plant and equipment in finance lease	(18)	(18)
Increase (decrease) in amounts due to suppliers of fixed assets	18	(67)
Acquisitions of shares in consolidated companies [2011: (688), 2012: (338)], net of debt acquired	(710)	(366)
Acquisitions of other investments	(8)	(15)
Increase in investment-related liabilities	0	46
Decrease in investment-related liabilities	(17)	(8)
Investments	**(2,763)**	**(2,311)**
Disposals of property, plant and equipment and intangible assets	90	83
Disposals of shares in consolidated companies, net of cash divested	9	98
Disposals of other investments and other divestments	2	1
Divestments	**101**	**182**
Increase in loans and deposits	(38)	(85)
Decrease in loans and deposits	53	58
Net cash used in investing activities / divestments	**(2,647)**	**(2,156)**
Issues of capital stock	158	127
Minority interests' share in capital increases of subsidiaries	4	13
Acquisitions of minority interests	(6)	4
Changes in investment related liabilities following the exercise of put options of minority	(20)	(69)
(Increase) decrease in treasury stock	(186)	(162)
Dividends paid	(603)	(646)
Dividends paid to minority shareholders of consolidated subsidiaries and increase (decrease) in dividends payable	(20)	(55)
Cash flows from (used in) financing activities	**(673)**	**(788)**
Increase (decrease) in net debt	**(935)**	**(382)**
Net effect of exchange rate changes on net debt	(24)	(4)
Net effect from changes in fair value on net debt	32	(8)
Cash and cash equivalents classified as assets held for sale	0	(1)
Net debt at beginning of year	**(7,168)**	**(8,095)**
Net debt at end of year	**(8,095)**	**(8,490)**

Appendix 6: Debt at December 31, 2012

Amounts in €bn		**Comments**
Amount and structure of net debt	**€bn**	
Gross debt	12.7	At December 31, 84% of **gross debt was at fixed interest rates** and the average cost of gross debt was 4.7**%**
Cash & cash equivalents	4.2	
Net debt	8.5	
Breakdown of gross debt	**12.7**	
Bond debt and perpetual notes	**10.5**	Amounts and maturities below
May 2013	0.6	
September 2013	0.6	
April 2014	0.5	
July 2014	0.7	
September 2015	1.0	
May 2016	0.7	
December 2016	0.4	(GBP 0.3bn)
April 2017	1.3	
June 2017	0.2	
After 2017	4.5	
Other long-term debt	**0.3**	
Short-term debt	**1.9**	*(excluding bonds)*
Commercial paper (< 3 months)	0.7	Maximum amount of bond issue: €3bn
Securitization	0.1	(USD 0.1bn)
Local debt and accrued interest	1.1	Annual rollover; several hundreds of different sources of financing
Credit lines, cash & cash equivalents	**8.2**	
Cash and cash equivalents	4.2	
Back-up credit-lines	4.0	See breakdown below
Breakdown of back-up credit lines	**4.0**	

All lines are confirmed and **undrawn, with no Material Adverse Change (MAC) clause**

		Expiry	**Covenants**
Syndicated line:	€2.5bn	December 2015	None
Syndicated line:	€1.5bn	December 2017	None