SAINT-GOBAIN

PRESS release

February 25, 2010

2009 ACTION PLAN: AHEAD OF TARGETS

> Sales prices: **+0.8%** over the year.

> Cost savings over the year: **€1,100m**.

> Second-half operating income and recurring net income well above the first half: respectively, **+38% and +94%.**

> Free cash flow[1] for the year above €1bn **(€1,019m)**, and reduction of **€1.4bn** in working capital requirements (WCR).

> Sharp reduction in capex: **-€900m** and tight rein on acquisitions, down to **€204m.**

> Balance sheet strenghtened: **€3.1bn** of net debt paid down; gearing ratio cut to **53%** of equity.

2009 DIVIDEND UNCHANGED AT €1 PER SHARE

2010 TARGET: STRONG GROWTH IN OPERATING INCOME (AT CONSTANT EXCHANGE RATES[2])

2009 KEY FIGURES (€m)	FY 2009	H1 2009	H2 2009	Change H2/H1
Net sales	37,786 (-13.7%)	18,715	19,071	+1.9%
Operating income	2,216 (-39.3%)	930	1,286	+38%
Recurring net income[3]	617 (-67.8%)	210	407	+94%

1. Excluding the tax effect of capital gains and losses on disposals, exceptional asset write-downs and material non-recurring provisions.
2. Exchange rates for 2009.
3. Excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions.

Operating performance

Against the backdrop of an unprecedented economic and financial crisis affecting virtually all sectors and countries across the globe, **trading for the Group was sluggish throughout 2009** in most of its businesses and geographic areas. However, there was a relative improvement over the second half of the year compared with the first half, in terms of both like-for-like growth and profitability. Gains in profitability were chiefly attributable to the cost cutting program implemented. The Group therefore considers that business bottomed out overall in 2009. Nevertheless, the global economic climate remained very challenging in the second half of the year. **Only Asian and Latin American countries saw a significant pick-up in trading between the first and second half of the year (around 20%), and have now put the crisis behind them.** While trading in both Western and Eastern Europe along with North America seems to have stabilized overall at a low level (particularly in Construction), certain industries such as the automotive sector saw an improvement in the second half of the year. Household consumption, in turn, remained relatively less affected by the downturn in the economic climate in 2009.

The Group as a whole reported **a 13.2% decline in like-for-like sales for 2009 (-15.5% in the first half and -10.8% in the second)**. This decline is due to a sharp 14.0% fall in sales volumes over the year (-17.2% in the first half and -10.6% in the second). **Sales prices, in contrast, held firm over the year in all business sectors** except Flat Glass, **allowing the Group to benefit from a positive spread between prices and the cost of raw materials and energy**. However, prices slipped 0.2% in the second half of the year after a rise of 1.7% in the six months to June 30, due mainly to a strong performance in the comparative period. The cost savings realized by the Group drove **a significant rise in its operating margin in the second half of the year, up to 6.7% versus 5.0% in the first half.**

1°) Performance of Group business sectors

All of the Group's business sectors with the exception of Packaging were hit by a sharp decline in sales volumes and profitability over the year, although there was a relative improvement in the second half compared with the six months to June 30.

After being the hardest hit by the economic crisis in the first half of 2009, **Innovative Materials** staged the strongest recovery in the second half of the year, in terms of both sales and profitability, **lifting the sector's operating margin from 2.7% in the first half to 6.7% in the following six months.**

- **Flat Glass posted a strong like-for-like advance in sales in the second half of the year compared with the six months to June 30**, powered by a sharp upturn in sales volumes in Asia and Latin America, and in Automotive Flat Glass across the globe, as well as a steep rise in the price of commodity products (float glass) in Europe during the second half of the year. Buoyed by the impact of the cost cutting program launched in 2009 and by the fall in the cost of raw materials and energy, the operating margin for the second half **jumped to 6.0% of sales, versus 0.6% of sales in the first half of 2009.**

- **High-Performance Materials (HPM)** also saw like-for-like trading rally between the first and second six months of the year. This reflects the upturn in Asian and Latin American economies, and more generally, the recovery of some HPM markets linked to industrial output. HPM reported a significant improvement in its operating margin over the second half of the year, **up to 7.8% versus 5.5% in the first half**, boosted by the cost savings achieved and upbeat sales prices amid falling raw materials and energy costs.

Trading in the **Construction Products (CP) Business Sector** stabilized over the second half of 2009 compared with the first half, both for the sector as a whole and for each of its businesses. The restructuring measures carried out and a positive price impact in Exterior Solutions throughout the year **pushed the sector's operating margin up to 9.5% in 2009 from 8.9%, with the increase gathering pace in the second half of the year** (9.9% versus 9.1% in the six months to June 30).

- Owing to a more favorable basis for comparison (particularly in the UK and US), the like-for-like **decline in Interior Solutions sales was smaller in the second half of 2009 compared to the first** (**down 14.8% versus 19.5%**). The operating margin crept up slightly in the second half, **to 6.9% compared with 6.7% for the previous six months**, as the cost savings achieved were partly offset by the erosion in sales prices in the six months to December 31, 2009.

- **Exterior Solutions** also saw a relative improvement in sales volumes in the second half of the year compared to the first six months, chiefly in North America, Asia and emerging countries. Over the year as a whole and in the six months to December 31, the sector's profitability also continued to benefit from a favorable price effect (despite a much higher basis for comparison in the second half of the year compared with the first six months) and from the positive impact of the restructuring measures carried out. Consequently, **its operating margin rose significantly over the year, up to 11.8% versus 8.1%, with the increase picking up pace in the second half** (12.5% versus 11.2% in the six months to June 30).

Building Distribution also saw a slight improvement in trading in the second half of the year compared with the first, with sales declining only 9.9% after 14.5% in the first half. While the UK and Spain remained the hardest hit by the economic crisis, their performance now benefits from a weaker comparative period (second-half 2008). Germany and Scandinavia continued to hold up well in the second half of the year. Most other European countries and the United States reported a slight slowdown in the pace of decline compared with the first half. Upbeat sales margins and especially the restructuring measures carried out helped drive a **significant improvement in the sector's operating margin, up to 3.4% in the second half of the year from 1.4% in the first half.**

Packaging continued to turn in a solid performance despite the crisis, with sales and operating income for the year virtually unchanged from 2008. However, its like-for-like trading slipped 3.8%, as the positive momentum in sales prices failed to fully offset the decline in sales volumes in Europe. **The operating margin for the sector improved slightly on 2008, up to 12.7% compared with 12.5% previously**.

2°) Analysis by geographic area

All of the geographic areas where the Group operates were affected by the economic crisis throughout 2009. However, there was a relative improvement in the second half of the year compared with the first half, fueled mainly by the recovery of certain industrial markets. The pace of the decline in like-for-like sales slowed and operating margins improved significantly. After a sharp upturn in activity between the first and second six months of the year, **Latin America and Asia in particular** have now put the crisis behind them, with fourth-quarter trading for these regions on a par with their performance in the three months to December 31, 2008.

- **In France**, trading remained sluggish in the second half of the year, dampened by lackluster activity in construction and industrial markets. However, **the operating margin for the region improved, up to 5.6% in the second half of 2009 from 5.4% in the six months to June 30.**

- **Other Western European countries** benefited from a noticeable uptrend in the second half of the year, with negative organic growth coming in at 11.4% versus negative growth of 19.5% in the six months to June 30. This was due chiefly to second-half trading advances across Germany (particularly in industry) and Scandinavia compared with the first half, as well as a more favorable basis for comparison in the UK and Spain. Combined with the impact in the second half of the year of cost savings achieved since the onset of the crisis, this performance sparked a **significant improvement in the region's operating margin, up to 5.6% of sales compared with 3.2% in the first half.**

- **North America** was affected by the continuing decline in construction coupled with the collapse in industrial markets over the first half of the year. Like-for-like sales retreated 14.5% over the year. The decline was smaller in the second half due to a slowdown in the decrease in volumes. Over the year as a whole, **the operating margin rose sharply to 8.9% from 5.1% in 2008**, on the back of the restructuring measures carried out and robust sales prices, **with the increase gathering pace in the second half of the year** (8.9% versus 8.8% in the first half).

- **Emerging countries and Asia** bounced back strongly between the first and second six months of the year, with sales rebounding 12.9% after trading picked up in Latin American and Asian economies – where like-for-like growth between the two periods came in at 18.7%. Eastern European countries are recovering more slowly, and trading remains very slack. The decline in sales for the region slowed markedly in the second half compared with the first (down 9.3% versus 13.5%), while the **operating margin almost doubled to 8.5%, from 4.5% in the six months to June 30, 2009.**

2009 consolidated financial statements

The Group's 2009 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 25, 2010. Key consolidated data are summarized below:

	2008 € millions	2009 € millions	% change
Sales and ancillary revenue	**43,800**	**37,786**	**-13.7%**
Operating income	**3,649**	**2,216**	**-39.3%**
Operating depreciation and amortization	1,511	1,514	+0.2%
EBITDA (op. inc.+ operating depreciation and amortization)	**5,160**	**3,730**	**-27.7%**
Non-operating costs	(710)[1]	(596)	-16.1%
Capital gains and losses on disposals and exceptional asset write-downs	(127)	(380)	+199.2%
Dividends received	3	0	n.m.
Business income	**2,814**	**1,240**	**-55.9%**
Net financial expense	(750)	(805)	+7.3%
Income tax	(638)	(196)	-69.3%
Share in net income of associates	11	2	n.m.
Income before minority interests	**1,437**	**241**	**-83.2%**
Minority interests	(59)	(39)	-33.9%
Recurring net income[2]	**1,914**	**617**	**-67.8%**
Recurring[2] **earnings per share**[3] (in €)	**5.00**	**1.20**	**-76.0%**
Net income	**1,378**	**202**	**-85.3%**
Earnings per share[3] **(in €)**	**3.60**	**0.39**	**-89.2%**
Cash flow from operations[4]	3,524	2,303	-34.6%
Cash flow from operations excluding capital gains tax[5]	**3,487**	**2,268**	**-35.0%**
Capital expenditure	2,149	1,249	-41.9%
Free cash flow (excluding capital gains tax)[5]	**1,338**	**1,019**	**-23.8%**
Investments in securities	2,358	204	-91.3%
Net debt	**11,679**	**8,554**	**-26.8%**

1 Including the €400 million provision for Flat Glass fines.

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

3 Calculated based on the number of shares outstanding at December 31 (512,931,016 shares in 2009 versus 382,571,985 in 2008). Based on the weighted average number of shares outstanding (473,244,410 shares in 2009 versus 374,998,085 in 2008), recurring earnings per share comes out at €1.30 (versus €5.10 in 2008), and earnings per share comes out at €0.43 (versus €3.67 in 2008).

4 Excluding material non-recurring provisions.

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

Sales declined 13.7%. The positive 0.9% impact of changes in the scope of consolidation was offset by a negative 1.4% currency impact, reflecting a decline in the pound sterling and Brazilian real against the euro. **Like-for-like (comparable Group structure and exchange rates)**, consolidated sales **fell 13.2%: sales volumes retreated 14.0%, while prices remained upbeat, gaining 0.8%.**

Operating income shed 39.3%. The Group's operating margin came in at **5.9%** of sales (**8.4%** excluding Building Distribution), versus 8.3% (11.0% excluding Building Distribution) in 2008.
In line with the target set by the Group, second-half operating income outperformed operating income for the six months to June 30, 2009, up by 38% to €1,286 million from €930 million. This essentially reflects the impact of cost savings achieved by the Group.
As a result, **the second-half operating margin was up significantly on the margin for the first six months of 2009 (6.7% versus 5.0%)**, but remained slightly down on the margin for second-half 2008 (6.7% versus 7.6%).

EBITDA (operating income + operating depreciation and amortization) fell 27.7%. The consolidated EBITDA margin came in at **9.9%** of sales (**14.1%** excluding Building Distribution), compared with 11.9% of sales (15.8% excluding Building Distribution) in 2008. The consolidated EBITDA margin in the second half of 2009 was close to its level of second-half 2008 (10.7% versus 11.0%), thanks to the cost cutting program.

Non-operating costs came in at €596 million (€310 million in 2008, excluding €400 million in provisions for Flat Glass fines). The rise in non-operating costs reflects the acceleration in restructuring measures and other adjustments made in response to the crisis, which represented costs of €435 million in 2009 versus €190 million in 2008. Accruals to the provision set aside for asbestos-related litigation involving CertainTeed in the United States totaled €75 million in 2009, as in 2008.

The net balance of capital gains and losses on disposals and exceptional asset write-downs was a negative €380 million, including €348 million in exceptional asset write-downs. This amount includes €215 million for the write-down of a portion of the goodwill relating to the Gypsum business in the United States. The balance primarily reflects write-downs of assets linked to restructuring measures and site closures initiated during the period.

Business income tumbled 55.9% after taking into account the items mentioned above (non-operating costs, capital gains/losses on disposals and exceptional asset write-downs).

Net financial expense edged up to €805 million from €750 million in 2008, mainly reflecting the rise in the interest cost of pensions (up €105 million on 2008), while net borrowing costs were down 12%. **The average cost of net debt came out at 5.5%**, on a par with 2008.

Recurring net income (excluding capital gains and losses, exceptional asset write-downs and material non-recurring provisions) shed **67.8% year-on-year** to **€617 million**. Based on the number of shares outstanding at December 31, 2009 (512,931,016 shares versus 382,571,985 shares at December 31, 2008), **recurring earnings per share came out at €1.20, down 76.0%** on 2008 (€5.00). **Recurring net income almost doubled in the second half of the year compared with the first, up 94% to €407 million** from €210 million, comfortably meeting the target set by the Group (second-half recurring net income to outperform recurring net income for the first half).

Net income came in at **€202 million, down 85.3%** year-on-year. Based on the number of shares outstanding at December 31, 2009 (512,931,016 shares versus 382,571,985 shares at December 31, 2008), **earnings per share came out at €0.39, down 89.2%** on 2008 (€3.60).

Capital expenditure was scaled back 41.9% to **€1,249 million** (versus €2,149 million in 2008), and represented **3.3% of sales** (4.9% in 2008). The bulk of these investments (55%) focused on markets linked to energy efficiency (Flat Glass – including Solar Power – and Construction Products), and on selective growth projects in emerging countries (e.g., new float-line in Egypt and plasterboard plant in Abu Dhabi).

Cash flow from operations totaled **€2,303 million**, down 35% on 2008. Before the tax impact of capital gains and losses on disposals and asset write-downs, cash flow from operations was €2,268 million versus €3,487 million in 2008, also down 35%.

Free cash flow (cash flow from operations less capital expenditure) fell 23.3% and 23.8% before the tax impact of capital gains and losses on disposals and asset write-downs, but in both cases was **ahead** of the Group's **€1 billion** target, at **€1,054 million and €1,019 million,** respectively, or 2.8% and 2.7% of sales. **In second-half 2009 alone, free cash flow came out at €469 million** (before the tax impact of capital gains and losses on disposals and asset write-downs), **up 45% on second-half 2008.** This represents the Group's highest second-half free cash flow in the last five years, and reflects the critical importance of cash flow management to the Group.

The difference between EBITDA and capital expenditure fell 18% over the year, to €2,481 million compared with €3,011 million in 2008, **representing 6.6% of sales** (6.9% in 2008). **However, this indicator improved significantly in the second half**, compared to both the first half of the year (up 12%), and especially the second half of 2008 (up 15%).

After six years of continuous improvements, operating working capital requirements (WCR) were slashed once again, down to 31 days' sales at December 31, 2009 from 38 days' sales at end-2008, representing a **cash gain of €1.4 billion over the year**.

Investments in securities totaled **€204 million** (down 91.3% on 2008), and chiefly resulted from acquisitions carried out in 2008 but only completed in 2009. Of this amount, €86 million concerned energy efficiency (solar power and thermal insulation), and €70 million related to Asia and emerging countries.

Net debt came in at €8.6 billion at December 31, 2009, down **€3.1 billion, or 26.8%**, on December 31, 2008 (€11.7 billion). This reflects improvements in operating working capital requirements and a steep reduction in capital expenditure, as well as the rights issue carried out at the beginning of the year. Net debt represents **53% of shareholders' equity**, compared with 80% at December 31, 2008. **The net debt to EBITDA ratio came out at 2.3X, stable compared with end-December 2008.**

Update on asbestos claims in the US

Some 4,000 claims were filed against CertainTeed in 2009, compared with 5,000 in 2008. Over the year, 8,000 claims were settled (as in 2008), bringing the total number of outstanding claims to **64,000** at December 31, 2009, versus 68,000 at December 31, 2008.
A total of USD 77 million in indemnity payments were made over the 12 months to December 31, 2009, versus USD 71 million in the year to December 31, 2008.

In light of these trends, an additional provision of €75 million was recorded in 2009 (the same euro amount as in 2008), bringing the coverage for CertainTeed's asbestos-related claims to around USD 500 million at December 31, 2009 versus USD 502 million at December 31, 2008.

Crisis action plan: all goals of the action plan unveiled at the beginning of the year and stepped up in July accomplished

Against the backdrop of an unprecedented economic crisis, the Group resolutely implemented its action plan, which was stepped up in the second half of the year.

In 2009, Saint-Gobain:

- continued to give clear operating priority to **sales prices**, which **inched up 0.8% over the year** despite the downward trend in inflation. The spread between sales prices and raw materials and energy costs therefore had a very positive impact throughout the year, due mainly to the rise in sales prices in the first half and to the fall in raw materials and energy costs in the six months to December 31.

- implemented and extended the **cost cutting program** across all of its businesses:

    - **€1.1 billion in additional cost savings** were unlocked over the year compared with 2008 (versus an initial goal of €600 million, raised to €700 million in April and €1.1 billion in July). This brings total cost savings realized in 2008 and 2009 to **€1.5 billion**.

- continued to optimize **free cash flow generation**, by:

    - generating **€1 billion in free cash flow** despite the spike in restructuring costs, **thus meeting the objective set at the beginning of 2009**;
    - maintaining a tight rein on working capital requirements (WCR), which **fell by €1.4 billion** (a reduction of 7 days' sales) in 2009;
    - slashing capital expenditure, which dropped **€900 million over the year** compared with an initial target reduction of €500 million, increased to €700 million in July).

- **significantly curbed acquisitions:** financial investments in 2009 (€204 million) were down 91% on the same year-ago period and are mainly related to the completion of acquisitions undertaken in 2008 in the energy efficiency segment (solar power and thermal insulation) as well as in Asia and emerging countries.

- Thanks to these measures, coupled with a successful €1.5 billion rights issue and payment of 65% of the 2008 dividend in stock, **the Group has paid down €3.1 billion in net debt** and **strengthened its balance sheet: the gearing ratio has been cut to 53% of equity versus 80% at end-December 2008**, while the **net debt to EBITDA ratio stabilized at 2.3X.**

Outlook and objectives for 2010

After a particularly tough year in 2009, **the Group expects the economic environment to prove somewhat better overall in 2010**, but with contrasting trends across each region.

In Western Europe and North America, the economic mood appears fragile, and trends are expected to vary widely from one country to the next (improvement in Anglo-Saxon countries, further declines in Southern Europe). Trading conditions should remain challenging in construction markets. In contrast, the upturn in industrial markets observed in the second half of 2009 should continue, thanks to rebuilding of inventory levels. Lastly, household consumption markets should hold firm.

The recovery in Asia and emerging countries should gather pace in 2010, spurred by vigorous growth in Latin America and Asia, and particularly Brazil, China and India. The upswing in Eastern European countries appears slower and more subdued.

Against this backdrop, the Group will continue to react and adapt to developments in its markets in 2010, and will pursue its 2009 action plan priorities with a highly selective approach. Accordingly, Saint-Gobain will:

- continue to give priority to sales prices.

- continue to implement **cost cutting measures, targeting an additional €200 million in cost savings, focused** on countries and/or businesses with limited short-term recovery prospects as well as businesses reliant on capital expenditure.
  This will come on top of the full benefits of the 2009 cost cutting measures set to boost 2010 operating income, with €400 million in cost savings in second-half 2009 carried over to first-half 2010. Therefore, **total cost savings in 2010 are expected to exceed 2009 cost savings by €600 million**, prompting to an upswing in earnings and operating margins. **All in all, the Group's cost base will have been slashed by €2.1 billion in 2010 compared to 2007.**

- continue to maintain strict financial discipline.

- finally, thanks to its robust financial structure, Saint-Gobain will be ideally placed to leverage any growth opportunities in its markets, buoyed by a highly selective and tempered investment policy (capex and investments in securities). This policy will be anchored around emerging countries, energy efficiency and solar power, which should represent more than 80% of capacity investments by the Group's industrial businesses in 2010.

The Group's targets for 2010 are therefore:

- strong growth in operating income at constant exchange rates (2009 exchange rates);

- free cash flow of above €1 billion;

- a persistently robust financial structure.

In terms of **dividend policy**, at its meeting of February 25, Compagnie de Saint-Gobain's Board of Directors decided to recommend to the June 3, 2010 Shareholders' Meeting the same dividend amount as in 2009, i.e. **€1 per share, payable in cash or in shares*,** at shareholders' discretion. The dividend **represents 83% of recurring EPS and 256% of EPS, and a net dividend yield of 2.6%** based on the closing share price at December 31, 2009. The record date set for June 8 will be followed by a take-up period of 15 days between June 9 and June 23. The dividends will therefore be paid in cash or in shares on July 2, 2010.

*regarding stock dividends, Compagnie de Saint-Gobain's Board of Directors will recommend that the Shareholders' Meeting set the issue price for any new shares by applying a 10% discount to the average opening share price over the 20 trading days preceding the Shareholders' Meeting of June 3, 2010, less the amount of the dividend.

Forthcoming results announcement

- Sales for the first quarter of 2010: **April 22, 2010**, 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	2008 (in EUR m)	2009 (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)	**9,677**	**7,792**	**-19.5%**	**-18.5%**	**-17.4%**
Flat Glass	5,549	4,572	-17.6%	-17.6%	-14.9%
High-Performance Materials	4,165	3,240	-22.2%	-20,0%	-21.1%
Construction Products (1)	**12,035**	**10,414**	**-13.5%**	**-15.2%**	**-14.4%**
Interior Solutions	6,149	5,034	-18.1%	-19.0%	-17.2%
Exterior Solutions	5,919	5,413	-8.5%	-11.2%	-11.3%
Building Distribution	**19,696**	**17,101**	**-13.2%**	**-14.5%**	**-12.2%**
Packaging	**3,547**	**3,445**	**-2.9%**	**-3.5%**	**-3.8%**
Internal sales and misc.	*-1,155*	*-966*	*n.m.*	*n.m.*	*n.m.*
GROUP TOTAL	**43,800**	**37,786**	**-13.7%**	**-14.6%**	**-13.2%**

(1) including intra-sector eliminations

By geographic area:					
France	13,076	11,495	-12.1%	-12.3%	-12.3%
Other Western European countries	19,941	16,557	-17.0%	-18.1%	-15.6%
North America	5,499	4,864	-11.5%	-10.1%	-14.5%
Emerging countries and Asia	7,404	6,377	-13.9%	-16.5%	-11.4%
Internal sales	*-2,120*	*-1,507*	*n.m.*	*n.m.*	*n.m.*
GROUP TOTAL	**43,800**	**37,786**	**-13.7%**	**-14.6%**	**-13.2%**

II. OPERATING INCOME	2008 (in EUR m)	2009 (in EUR m)	Change on an actual structure basis	2008 (in % of sales)	2009 (in % of sales)
By sector and division:					
Innovative Materials	**1,244**	**370**	**-70.3%**	**12.9%**	**4.7%**
Flat Glass	701	155	-77.9%	12.6%	3.4%
High-Performance Materials	543	215	-60.4%	13.0%	6.6%
Construction Products	**1,070**	**985**	**-7.9%**	**8.9%**	**9.5%**
Interior Solutions	592	344	-41.9%	9.6%	6.8%
Exterior Solutions	478	641	34.1%	8.1%	11.8%
Building Distribution	**894**	**412**	**-53.9%**	**4.5%**	**2.4%**
Packaging	**442**	**437**	**-1.1%**	**12.5%**	**12.7%**
Misc.	-1	12	*n.m.*	*n.m.*	*n.m.*
GROUP TOTAL	**3,649**	**2,216**	**-39.3%**	**8.3%**	**5.9%**

By geographic area:					
France	1,062	629	-40.8%	8.1%	5.5%
Other Western European countries	1,530	730	-52.3%	7.7%	4.4%
North America	283	432	52.7%	5.1%	8.9%
Emerging countries and Asia	774	425	-45.1%	10.5%	6.7%
GROUP TOTAL	**3,649**	**2,216**	**-39.3%**	**8.3%**	**5.9%**

III. BUSINESS INCOME	2008 (in EUR m)	2009 (in EUR m)	Change on an actual structure basis	2008 (in % of sales)	2009 (in % of sales)
By sector and division:					
Innovative Materials	**712**	**70**	**-90.2%**	**7.4%**	**0.9%**
Flat Glass	212	-46	-121.7%	3.8%	-1.0%
High-Performance Materials	500	116	-76.8%	12.0%	3.6%
Construction Products	**948**	**639**	**-32.6%**	**7.9%**	**6.1%**
Interior Solutions	579	59	-89.8%	9.4%	1.2%
Exterior Solutions	369	580	57.2%	6.2%	10.7%
Building Distribution	**826**	**250**	**-69.7%**	**4.2%**	**1.5%**
Packaging	**432**	**395**	**-8.6%**	**12.2%**	**11.5%**
Misc.	-104 (a)	-114 (a)	*n.m.*	*n.m.*	*n.m.*
GROUP TOTAL	**2,814**	**1,240**	**-55.9%**	**6.4%**	**3.3%**

By geographic area:					
France	838	462	-44.9%	6.4%	4.0%
Other Western European countries	1,107	358	-67.7%	5.6%	2.2%
North America	162 (a)	64 (a)	-60.5%	2.9%	1.3%
Emerging countries and Asia	707	356	-49.6%	9.5%	5.6%
GROUP TOTAL	**2,814**	**1,240**	**-55.9%**	**6.4%**	**3.3%**

(a) after asbestos-related charge (before tax) of €75m in 2009 and 2008

IV. CASH FLOW	**2008 (in EUR m)**	**2009 (in EUR m)**	**Change on an actual structure basis**	**2008 (in % of sales)**	**2009 (in % of sales)**
By sector and division:					
Innovative Materials	**1,170**	**385**	**-67.1%**	**12.1%**	**4.9%**
Flat Glass	733	170	**-76.8%**	13.2%	3.7%
High-Performance Materials	437	215	**-50.8%**	10.5%	6.6%
Construction Products	**885**	**659**	**-25.5%**	**7.4%**	**6.3%**
Building Distribution	**650**	**283**	**-56.5%**	**3.3%**	**1.7%**
Packaging	**510**	**492**	**-3.5%**	**14.4%**	**14.3%**
Misc.	309 (a)	484 (a)	*n.m.*	*n.m.*	*n.m.*
GROUP TOTAL	**3,524**	**2,303**	**-34.6%**	**8.0%**	**6.1%**

By geographic area:					
France	720	527	-26.8%	5.5%	4.6%
Other Western European countries	1,655	797	-51.8%	8.3%	4.8%
North America	314 (a)	451(a)	43.6%	5.7%	9.3%
Emerging countries and Asia	835	528	-36.8%	11.3%	8.3%
GROUP TOTAL	**3,524**	**2,303**	**-34.6%**	**8.0%**	**6.1%**

(a) after asbestos-related charge (after tax) of €46m in 2009 and 2008

V. CAPITAL EXPENDITURE	**2008 (in EUR m)**	**2009 (in EUR m)**	**Change on an actual structure basis**	**2008 (in % of sales)**	**2009 (in % of sales)**
By sector and division:					
Innovative Materials	**799**	**456**	**-42.9%**	**8.3%**	**5.9%**
Flat Glass	576	326	-43.4%	10.4%	7.1%
High-Performance Materials	223	130	-41.7%	5.4%	4.0%
Construction Products	**758**	**364**	**-52.0%**	**6.3%**	**3.5%**
Interior Solutions	528	199	-62.3%	8.6%	4.0%
Exterior Solutions	230	165	-28.3%	3.9%	3.0%
Building Distribution	**291**	**155**	**-46.7%**	**1.5%**	**0.9%**
Packaging	**283**	**259**	**-8.5%**	**8.0%**	**7.5%**
Misc.	18	15	*n.m.*	*n.m.*	*n.m.*
GROUP TOTAL	**2,149**	**1,249**	**-41.9%**	**4.9%**	**3.3%**

By geographic area:					
France	554	254	-54.2%	4.2%	2.2%
Other Western European countries	682	414	-39.3%	3.4%	2.5%
North America	220	167	-24.1%	4.0%	3.4%
Emerging countries and Asia	693	414	-40.3%	9.4%	6.5%
GROUP TOTAL	**2,149**	**1,249**	**-41.9%**	**4.9%**	**3.3%**

VI. EBITDA	**2008 (in EUR m)**	**2009 (in EUR m)**	**Change on an actual structure basis**	**2008 (in % of sales)**	**2009 (in % of sales)**
By sector and division:					
Innovative Materials	**1,737**	**843**	**-51.5%**	**17.9%**	**10.8%**
Flat Glass	1,016	444	-56.3%	18.3%	9.7%
High-Performance Materials	721	399	-44.7%	17.3%	12.3%
Construction Products	**1,573**	**1,494**	**-5.0%**	**13.1%**	**14.3%**
Interior Solutions	919	672	-26.9%	14.9%	13.3%
Exterior Solutions	654	822	25.7%	11.0%	15.2%
Building Distribution	**1,178**	**698**	**-40.7%**	**6.0%**	**4.1%**
Packaging	**650**	**657**	**1.1%**	**18.3%**	**19.1%**
Misc.	22	38	*n.m.*	*n.m.*	*n.m.*
GROUP TOTAL	**5,160**	**3,730**	**-27.7%**	**11.8%**	**9.9%**

By geographic area:					
France	1,434	1,013	-29.4%	11.0%	8.8%
Other Western European countries	2,095	1,282	-38.8%	10.5%	7.7%
North America	516	674	30.6%	9.4%	13.9%
Emerging countries and Asia	1,115	761	-31.7%	15.1%	11.9%
GROUP TOTAL	**5,160**	**3,730**	**-27.7%**	**11.8%**	**9.9%**

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

I. SALES

	H2 2008 (in EUR m)	H2 2009 (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)	**4,684**	**3,991**	**-14.8%**	**-14.0%**	**-12.3%**
Flat Glass	2,664	2,374	-10.9%	-10.9%	-8.9%
High-Performance Materials	2,042	1,629	-20.2%	-18.4%	-17.2%
Construction Products (1)	**6,047**	**5,181**	**-14.3%**	**-15.0%**	**-13.5%**
Interior Solutions	2,979	2,495	-16.2%	-16.6%	-14.8%
Exterior Solutions	3,084	2,703	-12.4%	-13.4%	-12.2%
Building Distribution	**9,657**	**8,657**	**-10.4%**	**-11.4%**	**-9.9%**
Packaging	**1,814**	**1,701**	**-6.2%**	**-6.3%**	**-4.1%**
Internal sales and misc.	*-543*	*-459*	n.m.	n.m.	n.m.
GROUP TOTAL	**21,659**	**19,071**	**-11.9%**	**-12.4%**	**-10.8%**

(1) including intra-sector eliminations

By geographic area:					
France	6,270	5,600	-10.7%	-11.0%	-11.0%
Other Western European countries	9,697	8,458	-12.8%	-13.0%	-11.4%
North America	2,850	2,363	-17.1%	-16.3%	-14.0%
Emerging countries and Asia	3,852	3,430	-11.0%	-13.0%	-9.3%
Internal sales	*-1,010*	*-780*	n.m.	n.m.	n.m.
GROUP TOTAL	**21,659**	**19,071**	**-11.9%**	**-12.4%**	**-10.8%**

II. OPERATING INCOME

	H2 2008 (in EUR m)	H2 2009 (in EUR m)	Change on an actual structure basis	H2 2008 (in % of sales)	H2 2009 (in % of sales)
By sector and division:					
Innovative Materials	**538**	**269**	**-50.0%**	**11.5%**	**6.7%**
Flat Glass	291	142	-51.2%	10.9%	6.0%
High-Performance Materials	247	127	-48.6%	12.1%	7.8%
Construction Products	**466**	**511**	**9.7%**	**7.7%**	**9.9%**
Interior Solutions	213	173	-18.8%	7.2%	6.9%
Exterior Solutions	253	338	33.6%	8.2%	12.5%
Building Distribution	**424**	**296**	**-30.2%**	**4.4%**	**3.4%**
Packaging	**209**	**204**	**-2.4%**	**11.5%**	**12.0%**
Misc.	7	6	n.m.	n.m.	n.m.
GROUP TOTAL	**1,644**	**1,286**	**-21.8%**	**7.6%**	**6.7%**

By geographic area:					
France	486	313	-35.6%	7.8%	5.6%
Other Western European countries	637	470	-26.2%	6.6%	5.6%
North America	161	211	31.1%	5.6%	8.9%
Emerging countries and Asia	360	292	-18.9%	9.3%	8.5%
GROUP TOTAL	**1,644**	**1,286**	**-21.8%**	**7.6%**	**6.7%**

III. BUSINESS INCOME

	H2 2008 (in EUR m)	H2 2009 (in EUR m)	Change on an actual structure basis	H2 2008 (in % of sales)	H2 2009 (in % of sales)
By sector and division:					
Innovative Materials	**57**	**128**	**124.6%**	**1.2%**	**3.2%**
Flat Glass	-182	52	-128.6%	-6.8%	2.2%
High-Performance Materials	239	76	-68.2%	11.7%	4.7%
Construction Products	**349**	**219**	**-37.2%**	**5.8%**	**4.2%**
Interior Solutions	196	-80	-140.8%	6.6%	-3.2%
Exterior Solutions	153	299	95.4%	5.0%	11.1%
Building Distribution	**353**	**179**	**-49.3%**	**3.7%**	**2.1%**
Packaging	**201**	**177**	**-11.9%**	**11.1%**	**10.4%**
Misc.	-43	-64	n.m.	n.m.	n.m.
GROUP TOTAL	**917**	**639**	**-30.3%**	**4.2%**	**3.4%**

By geographic area:					
France	259	180	-30.5%	4.1%	3.2%
Other Western European countries	273	257	-5.9%	2.8%	3.0%
North America	80 (a)	-57 (a)	-171.3%	2.8%	-2.4%
Emerging countries and Asia	305	259	-15.1%	7.9%	7.6%
GROUP TOTAL	**917**	**639**	**-30.3%**	**4.2%**	**3.4%**

(a) after asbestos-related charge (before tax) of €37.5 in 2009 and 2008

IV. CASH FLOW

	H2 2008 (in EUR m)	H2 2009 (in EUR m)	Change on an actual structure basis	H2 2008 (in % of sales)	H2 2009 (in % of sales)
By sector and division:					
Innovative Materials	**509**	**262**	**-48.5%**	**10.9%**	**6.6%**
Flat Glass	321	129	-59.8%	12.0%	5.4%
High-Performance Materials	188	133	-29.3%	9.2%	8.2%
Construction Products	**406**	**327**	**-19.5%**	**6.7%**	**6.3%**
Building Distribution	**315**	**203**	**-35.6%**	**3.3%**	**2.3%**
Packaging	**251**	**232**	**-7.6%**	**13.8%**	**13.6%**
Misc.	149	200	n.m.	n.m.	n.m.
GROUP TOTAL	**1,630**	**1,224**	**-24.9%**	**7.5%**	**6.4%**
By geographic area:					
France	317	228	-28.1%	5.1%	4.1%
Other Western European countries	742	438	-41.0%	7.7%	5.2%
North America	171 (a)	216 (a)	26.3%	6.0%	9.1%
Emerging countries and Asia	400	342	-14.5%	10.4%	10.0%
GROUP TOTAL	**1,630**	**1,224**	**-24.9%**	**7.5%**	**6.4%**

(a) after asbestos-related charge (after tax) of €23m in 2009 and 2008

V. CAPITAL EXPENDITURE

	H2 2008 (in EUR m)	H2 2009 (in EUR m)	Change on an actual structure basis	H2 2008 (in % of sales)	H2 2009 (in % of sales)
By sector and division:					
Innovative Materials	**493**	**247**	**-49.9%**	**10.5%**	**6.2%**
Flat Glass	356	176	-50.6%	13.4%	7.4%
High-Performance Materials	137	71	-48.2%	6.7%	4.4%
Construction Products	**444**	**229**	**-48.4%**	**7.3%**	**4.4%**
Interior Solutions	297	111	-62.6%	10.0%	4.4%
Exterior Solutions	147	118	-19.7%	4.8%	4.4%
Building Distribution	**162**	**88**	**-45.7%**	**1.7%**	**1.0%**
Packaging	**168**	**163**	**-3.0%**	**9.3%**	**9.6%**
Misc.	10	8	n.m.	n.m.	n.m.
GROUP TOTAL	**1,277**	**735**	**-42.4%**	**5.9%**	**3.9%**
By geographic area:					
France	359	148	-58.8%	5.7%	2.6%
Other Western European countries	411	244	-40.6%	4.2%	2.9%
North America	124	94	-24.2%	4.4%	4.0%
Emerging countries and Asia	383	249	-35.0%	9.9%	7.3%
GROUP TOTAL	**1,277**	**735**	**-42.4%**	**5.9%**	**3.9%**

VI. EBITDA

	H2 2008 (in EUR m)	H2 2009 (in EUR m)	Change on an actual structure basis	H2 2008 (in % of sales)	H2 2009 (in % of sales)
By sector and division:					
Innovative Materials	**781**	**508**	**-35.0%**	**16.7%**	**12.7%**
Flat Glass	445	288	-35.3%	16.7%	12.1%
High-Performance Materials	336	220	-34.5%	16.5%	13.5%
Construction Products	**731**	**763**	**4.4%**	**12.1%**	**14.7%**
Interior Solutions	385	336	-12.7%	12.9%	13.5%
Exterior Solutions	346	427	23.4%	11.2%	15.8%
Building Distribution	**569**	**442**	**-22.3%**	**5.9%**	**5.1%**
Packaging	**315**	**312**	**-1.0%**	**17.4%**	**18.3%**
Misc.	19	19	n.m.	n.m.	n.m.
GROUP TOTAL	**2,415**	**2,044**	**-15.4%**	**11.2%**	**10.7%**
By geographic area:					
France	672	507	-24.6%	10.7%	9.1%
Other Western European countries	922	747	-19.0%	9.5%	8.8%
North America	282	327	16.0%	9.9%	13.8%
Emerging countries and Asia	539	463	-14.1%	14.0%	13.5%
GROUP TOTAL	**2,415**	**2,044**	**-15.4%**	**11.2%**	**10.7%**

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

SALES	Q4 2008 (in EUR m)	Q4 2009 (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)	**2,228**	**2,038**	**-8.5%**	**-8.2%**	**-6.7%**
Flat Glass	1,271	1,214	-4.5%	-4.5%	-4.4%
High-Performance Materials	972	828	-14.8%	-14.1%	-10.7%
Construction Products (1)	**2,824**	**2,427**	**-14.1%**	**-14.8%**	**-12.6%**
Interior Solutions	1,425	1,225	-14.0%	-14.4%	-12.5%
Exterior Solutions	1,407	1,209	-14.1%	-15.1%	-12.6%
Building Distribution	**4,644**	**4,285**	**-7.7%**	**-8.6%**	**-8.4%**
Packaging	**919**	**825**	**-10.2%**	**-8.9%**	**-4.9%**
Internal sales and misc.	-250	-224	*n.m.*	*n.m.*	*n.m.*
GROUP TOTAL	**10,365**	**9,351**	**-9.8%**	**-10.2%**	**-8.8%**

(1) including intra-sector eliminations

By geographic area:					
France	3,167	2,873	-9.3%	-9.5%	-9.5%
Other Western European countries	4,577	4,111	-10.2%	-10.3%	-10.1%
North America	1,320	1,056	-20.0%	-20.1%	-9.7%
Emerging countries and Asia	1,793	1,706	-4.9%	-6.3%	-6.4%
Internal sales	-492	-395	*n.m.*	*n.m.*	*n.m.*
GROUP TOTAL	**10,365**	**9,351**	**-9.8%**	**-10.2%**	**-8.8%**

Appendix 4: CONSOLIDATED BALANCE SHEET

in EUR millions	**Dec 31, 2009**	**Dec 31, 2008**
ASSETS		
Goodwill	10,740	10,671
Other intangible assets	2,998	2,868
Property, plant and equipment	13,300	13,374
Investments in associates	123	116
Deferred tax assets	676	507
Other non-current assets	312	490
Non-current assets	**28,149**	**28,026**
Inventories	5,256	6,113
Trade accounts receivable	4,926	5,647
Current tax receivable	333	248
Other accounts receivable	1,202	1,424
Cash and cash equivalents	3,157	1,937
Current assets	**14,874**	**15,369**
Total assets	**43,023**	**43,395**
Liabilities and Shareholders' equity		
Capital stock	2,052	1,530
Additional paid-in capital and legal reserve	5,341	3,940
Retained earnings and net income for the year	10,137	10,911
Cumulative translation adjustments	(1,340)	(1,740)
Fair value reserves	(75)	(161)
Treasury stock	(203)	(206)
Shareholders' equity	**15,912**	**14,274**
Minority interests	302	256
Total equity	**16,214**	**14,530**
Long-term debt	8,839	10,365
Provisions for pensions and other employee benefits	2,958	2,443
Deferred tax liabilities	921	1,130
Provisions for other liabilities and charges	2,169	1,950
Non-current liabilities	**14,887**	**15,888**
Current portion of long-term debt	1,880	1,364
Current portion of provisions for other liabilities and charges	518	460
Trade accounts payable	5,338	5,613
Current tax liabilities	108	263
Other accounts payable	3,086	3,390
Short-term debt and bank overdrafts	992	1,887
Current liabilities	**11,922**	**12,977**
Total equity and liabilities	**43,023**	**43,395**

<u>Appendix 5:</u> Consolidated cash flow statement

(in € millions)	2009	2008
Net income attributable to equity holders of the parent	**202**	**1,378**
Minority interests in net income	39	59
Share in net income of associates, net of dividents received	2	(7)
Depreciation, amortization and impairment of assets	1,857	1,681
Gains and losses on disposals of assets	32	(53)
Unrealized gains and losses arising from changes in fair value and share-based payments	100	15
Changes in inventories	989	(205)
Changes in trade accounts receivable and payable, and other accounts receivable and payable	509	477
Changes in tax receivable and payable	(216)	(96)
Changes in deferred taxes and provisions for other liabilities and charges	(124)	(270)
Charge to provision for competition litigation	0	400
Net cash from operating activities	**3,390**	**3,379**
Purchases of property, plant and equipment [2009: (1,249), 2008: (2,149)] and intangible assets	(1,319)	(2,228)
Acquisitions of property, plant and equipment in finance leases	(16)	(14)
Increase (decrease) in amounts due to suppliers of fixed assets	(105)	(70)
Acquisitions of shares in consolidated companies [2009: (200), 2008: (2,328)], net of debt acquired	(181)	(2,937)
Acquisitions of other investments	(4)	(30)
Increase in investment-related liabilities	29	159
Decrease in investment-related liabilities	(59)	(103)
Investments	**(1,655)**	**(5,223)**
Disposals of property, plant and equipment and intangible assets	71	174
Disposals of shares in consolidated companies, net of net debt divested	6	46
Disposals of other investments and other divestments	6	27
Divestments	**83**	**247**
Increase in loans and deposits	(39)	(53)
Decrease in loans and deposits	47	55
Net cash used in investing activities / divestments	**(1,564)**	**(4,974)**
Issues of capital stock	1,923	356
Minority interests' share in capital increases of subsidiaries	6	4
(Increase) decrease in treasury stock	6	(7)
Dividends paid	(486)	(767)
Dividends paid to minority shareholders of consolidated subsidiaries and increase (decrease) in dividends payable	(27)	(65)
Net Cash from (used in) financing activities	**1,422**	**(479)**
Increase (decrease) in net debt	**3,248**	**(2,074)**
Net effect of exchange rate changes on net debt	(56)	323
Net effect from changes in fair value on net debt	(67)	
Net debt at beginning of year	**(11,679)**	**(9,928)**
Net debt at end of year	**(8,554)**	**(11,679)**