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Paris, February 20th, 2009

Saint-Gobain launches a €1.5 billion rights issue through free allotment of warrants to existing shareholders

The Board of Directors has decided to launch a share capital increase preserving the interests of Saint-Gobain's shareholders and which is fully underwritten by a syndicate led by BNP Paribas, Calyon and J.P. Morgan.

A ratio of 2 new shares for 7 existing shares and a subscription price of €14 per new share.

The Saint-Gobain Group intends to press ahead with the implementation of its medium-term strategy and continue to enjoy front-ranking positions in all of its businesses.

The Group has decided to launch a rights issue in order to anticipate its future financing needs and maintain strict financial discipline in a challenging economic and financial environment. This capital increase will be accompanied by a wide and coherent plan of financial, operational and strategic measures, which have already been initiated by the Group. These measures will be actively pursued and could be intensified.

The €1.5 billion rights issue, with preferential subscription rights, will be fully underwritten by the banks and will strengthen the Group's financial flexibility. It will also improve its debt/equity ratio and equity risk premium, strengthen its credit rating and provide satisfactory long-term access to financing markets.

From an operational standpoint, the Group will:

- **continue to prioritize sales prices**, as in 2008 (up 3.4% over the year and 3.8% over the second half);
- **press ahead with a significant cost-cutting program** across all businesses:
 - in 2008, staff numbers were cut by 8,000 worldwide (compared with 4,000 announced in July) while cost savings totaled €400 million (versus a target of €300 million).
 - for 2009, the Group aims to scale back costs a further €600 million, bringing total cost savings to €1 billion in 2008-2009.

- **further optimize cash flow generation** (free cash flow of €1.4 billion in 2008), by :
 - maintaining a tight rein on working capital (gain of 2 additional days in 2008, driving down days' sales outstanding to 38 compared with 40 in 2007);
 - significantly curbing capital expenditure (at least 25% or €500 million in 2009) compared with 2008.
- **manage divestments in a dynamic and timely manner**
 - carrying out small- or medium-sized disposals;
 - implementing the sale of the Packaging business as and when the opportunity arises. This divestment is part of a strategy that has been temporarily put on hold given the difficulties encountered by potential acquirers in securing funding.
- **put on hold any acquisition projects in 2009.**

This rights issue complements the set of measures already taken by the Group on strategic and operational aspects, including a further optimization of cash flow generation and significant cost reduction plans.

108,022,404 new shares will be created for approximately €1.5 billion by this rights issue announced today by Saint-Gobain. The capital increase will be carried out through free allotment of warrants ("*bon de souscription d'actions*" or "*BSA*") to Saint-Gobain's existing shareholders.

Each shareholder will be allotted one free warrant per share held at the close of trading on February 20, 2009. 7 warrants will enable their holder to subscribe for 2 new shares at an exercise price of €14 per new share.

The exercise period of the warrants will run from February 23, 2009 to March 6, 2009 inclusive. During this period, the warrants will be listed and negotiable on Euronext Paris under ISIN code FR0010729871.

The offering will be open to the public in France as well as in the United Kingdom, Belgium, the Netherlands, Germany and Switzerland, where Saint-Gobain's shares are listed.

Warrants which are not exercised by the end of the subscription period, i.e. March 6, 2009, shall automatically be repurchased in accordance with Article L. 228-102 of the French Commercial Code by Saint-Gobain acting as agent (*commissionnaire* in accordance with Article L. 132.1 of the French Commercial Code) in its name but on behalf of the underwriters. The underwriters committed to exercise all of the repurchased warrants.

The new shares issued upon exercise of such warrants will be repurchased by the underwriters and placed by the underwriters pursuant to a private placement with institutional investors in and outside France, subject to certain restrictions (the "Share Placement"). The Share Placement is expected to last up to two trading days, from March 18, 2009 to March 19, 2009 inclusive. However, such placement may close earlier without prior notice.

The holders of repurchased warrants shall receive, per each repurchased warrant, a sum equal to the higher of the following two amounts:

- the difference, if positive, between the Share Placement price and the exercise price for one new share upon exercise of the warrants, multiplied by the subscription ratio, i.e. 2/7 with 7 warrants required to subscribe for 2 new shares; or
- €0.01.

The repurchase price will be determined on March 19, 2009 (at the latest) and paid on March 24, 2009 (at the latest) by Saint-Gobain to the financial intermediaries managing accounts on behalf of the holders of such warrants.

The settlement and listing of the new shares on Euronext Paris and the other stock exchanges are scheduled to take place on March 23, 2009.

The new shares will be entitled to any dividend paid in respect of fiscal year 2008 and thereafter, and will thus be immediately fungible with existing shares.

Wendel has not yet communicated whether or not it intends to subscribe for the right issue, and continues to assess its options. Wendel will unveil its position in a timely manner so as to respect market imperatives. The Employees' Savings Plan, which holds 7.8% of Saint-Gobain's issued capital, will use the proceeds from partial sale of warrants, to subscribe to new shares ("tail swallow").

The rights issue is underwritten by a syndicate of banks led by BNP Paribas as Global Coordinator and Joint Lead Manager - Joint Bookrunner and Calyon and J.P Morgan as Joint Lead Managers and Joint Bookrunners.

Centralisation Agent

BNP Paribas Securities Services – Immeuble Tolbiac – 25, quai Panhard et Levassor – 75450 Paris Cedex 09.

Information for the public

A toll-free number is available to the public: 0 800 156 157. From Monday to Friday, from 9am to 6pm Paris time, our advisers will answer all questions relating to the terms and conditions of the capital increase. All information regarding the subscription terms and conditions is also available on the Internet: "www.saint-gobain.com"

A prospectus approved by the Autorité des marchés financiers (the "AMF" the French Securities Regulator) under No. 09-042 on February 19, 2009 is available free of charge at the head office of Saint-Gobain, through the Joint Bookrunners, as well as on the Internet websites of Saint-Gobain ("www.saint-gobain.com") and the AMF ("www.amf-france.org"). The prospectus consists of the reference document filed with the AMF on April 8, 2008 under No D.08-0214, an update of this reference document filed with the AMF on February 19, 2009 under No D.08-0214-A01 and an offering memorandum (which includes a summary).

Saint-Gobain draws the attention of investors to the risk factors section in the prospectus approved by the AMF.

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About Saint-Gobain

Saint-Gobain worldwide leader in the habitat and construction markets, designs, manufactures and distributes building materials. With 43.8 billion euros of sales in 2008, Saint-Gobain is present in 59 countries and employs 210,000 people .

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