
PRESS RELEASE

Paris, February 23, 2017

2016 Results

Strong progress in results

- Organic growth of 2.6% led by volumes; prices stable, with a progression of 0.6% in H2
- Negative 2.9% currency impact on sales (with a negative 2.3% impact in H2); negative 1.0% Group structure impact
- Further rise in operating income up 10.8% like-for-like, and operating margin up to 7.2% from 6.7%
- Further strong 20.0% increase in recurring net income¹
- 29.0% increase in free cash flow² to €1,258 million
- Acceleration of acquisitions in H2, totaling €362 million over the full year
- Increase in net debt to €5.6 billion, due namely to optimization of pension costs; buyback and cancelation of 11 million shares during the year
- *2016 dividend increased to €1.26, to be paid wholly in cash*

(€m)	2015	2016	Change	Change like-for-like
Sales	39,623	39,093	-1.3%	+2.6%
EBITDA	3,844	3,998	+4.0%	+7.4%
Operating income	2,636	2,818	+6.9%	+10.8%
Recurring net income¹	1,165	1,398	+20.0%	
Net attributable income	1,295	1,311	+1.2%	
Free cash flow²	975	1,258	+29.0%	

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

“Saint-Gobain showed strong progress in its 2016 results. We saw the benefits of our optimisation efforts and of our development in emerging markets, in a more supportive economic environment than 2015. As expected, France stabilized over the year as new-build activities recovered. All other regions enjoyed good momentum. The Group also benefited from its focus on pricing against a backdrop of lower energy and raw material costs.

In 2017, Saint-Gobain will maintain focus on its operational and strategic priorities. We expect both costs and prices to begin to rise again. The economic environment should be positive overall, although uncertainties remain in some of our markets. In this context, we are targeting a further like-for-like increase in operating income in 2017.”

1. Recurring net income: net attributable income from continuing operations excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions.

2. Cash flow from continuing operations excluding the tax impact of capital gains and losses on disposals, asset write-downs and material non-recurring provisions, less capital expenditure of continuing operations.

Operating performance

The Group reported 2016 **sales** of **€39,093 million**, including a significant 2.9% negative **currency impact** due namely to the depreciation of the pound sterling – and to a lesser extent Latin American currencies – against the euro.

The negative 1.0% **Group structure impact** reflects the time-lag between the impact of disposals made to optimize the Building Distribution portfolio in late 2015/early 2016 and the acquisitions carried out mostly at the end of the period.

On a like-for-like basis, sales were up 2.6%, driven by volume growth in all of our Business Sectors and regions. Based on a constant number of working days (negative calendar effect in the second half), volumes continued to increase in the six months to December 31, at the same pace as the first half. Prices stabilized over the year, gaining 0.6% in the second half amid an uptick in inflation.

The Group's operating margin¹ increased to 7.2% from 6.7% in 2015, with 7.4% for the second half (versus 6.9% in second-half 2015). In line with our objectives, we saw a further like-for-like increase in operating income, up 11.5% in the second half, bringing growth over the full year to 10.8%.

In 2016, the Group's **capital expenditure** was **€1.37 billion**, in line with our objective; we made **€270 million in cost savings** (versus 2015), exceeding our €250 million target.

Free cash flow jumped 29% to €1,258 million, in line with the Group's operating performance.

Operating working capital requirements remained at a good level of 28 days, despite a rise of 1.7 days' sales, after the record low of 2015.

The Group continued to pursue its **acquisitions strategy**, representing close to €300 million in full-year sales.

Regarding the plan to acquire a controlling interest in Sika, the Group is confident that SWH's rights will be restored.

Performance of Group Business Sectors

Innovative Materials sales climbed 4.5% like-for-like over the year, in line with the first half. The operating margin for the Business Sector widened to 11.2% from 10.5%, driven by the rebound in Flat Glass and a good performance from HPM.

- **Flat Glass** like-for-like sales increased 6.5% over the year, in line with the first half, led by both construction and automotive in Asia and emerging countries. In Western Europe, construction volumes and prices both improved, benefiting from higher float prices and, as from the second half, from a rise in the price of downstream glass; automotive glass stabilized at a good level.

This organic growth, combined with the optimization of operating leverage over recent years, resulted in a further increase in operating margin, up from 7.9% to 9.1%, and 9.5% in second-half 2016.

- **High-Performance Materials** (HPM) sales rose 2.2% on a like-for-like basis. Despite the decline in industrial markets in the US, all HPM businesses advanced in the second half, led by Asia and emerging countries. Plastics also benefited from robust momentum in Europe. Ceramics stabilized over the year, with a less favorable mix in the second half. Textile Solutions were buoyed by the sharp rise in Roofing volumes in the US.

The operating margin for the year widened to 13.7% from 13.4%, and stood at 13.3% for the second half (13.2% in second-half 2015).

1. Operating margin = Operating income expressed as a percentage of sales.

Construction Products (CP) reported 1.4% organic growth, including 1.1% in the second half. The operating margin improved, up to 9.3% from 8.5% despite the decline in Pipe.

- **Interior Solutions** showed good organic growth, at 3.7% (2.2% in the second half owing to the negative calendar impact). Sales were up in Western Europe; the price effect was slightly negative but neutral in the second half. Trading in North America continued to advance, albeit at a slower rate than the first half; prices remained negative over the year but improved in the six months to December 31. Asia and emerging countries continued to deliver growth.

Good volume levels coupled with productivity gains and a fall in costs – particularly energy – drove a sharp improvement in the operating margin, which reached 10.3% in 2016 compared to 8.9% in 2015.

- **Exterior Solutions** like-for-like sales stabilized over the second half (slipping 0.1%) and were down by 1.1% over the year, hit by the downturn in Pipe. This business continued to suffer from contracting markets in its main regions except Brazil, where the comparison basis was particularly weak. Exterior Products in the US reported strong volume growth, boosted especially by favorable weather impacts; prices remained down over the year but to a lesser extent in the second half. Mortars posted like-for-like growth powered by Asia and emerging countries, despite their exposure to the Brazilian market. The operating margin was 7.9% versus 8.0% in 2015.

Building Distribution reported 2.7% organic sales growth for the year, with 2.2% in the second half, slightly up on the first half based on a comparable number of working days. Trading in France benefited from the upturn in new-builds, while renovation stabilized at a low level in a still deflationary environment, including at the end of the year. Scandinavia confirmed its good momentum over the full year, as did Spain and the Netherlands. The UK has not shown signs of weakness since the Brexit vote and continued to advance in line with the first half. Germany enjoyed good growth, although momentum slowed in the second half. Brazil continued to suffer from the market downturn.

The operating margin was 3.4% for the year versus 3.2% in 2015 (4.0% in the second half compared to 3.8% in second-half 2015), impacted by the negative price effect which stabilized in the six months to December 31.

Analysis by region

- In line with our expectations, **France** stabilized over the year (slipping 0.1% like-for-like). Trading edged down 0.7% in the second half, hit by an unfavorable calendar impact. The decline in Pipe was offset by an improvement in the new-build market, while renovation stabilized at a low level in a still deflationary environment. The operating margin leveled off at 2.9%.
- **Other Western European countries** saw like-for-like sales growth of 3.6%, with 2.9% growth in the second half (impacted by a negative calendar impact). This reflects upbeat market conditions in all of our main countries, including in the second half. Only Germany posted a slowdown in growth in the six months to December 31, related in particular to Interior Solutions. The operating margin climbed to 6.2% in 2016 from 5.7% in 2015.
- **North America** reported 2.0% like-for-like sales growth, buoyed by volumes in both Exterior Products and Interior Solutions, mainly in the first half. Industrial markets were down slightly. Prices continued to have a negative impact, although this eased in the second half. The operating margin rose to 10.5% from 9.1% in 2015, driven mainly by volumes.
- **Asia and emerging countries** continued to advance, reporting 6.1% organic growth (7.3% in the second half). Trading remained robust in all regions despite the slowdown in Brazil. The region delivered further growth in its operating margin, up to 10.9% from 10.3% in 2015.

Analysis of the 2016 consolidated financial statements

The 2016 consolidated financial statements were approved and adopted by Saint-Gobain's Board of Directors at its meeting of February 23, 2017. The consolidated financial statements were audited and certified by the statutory auditors.

€m	2015 (A)	2016 (B)	% change (B)/(A)
Sales and ancillary revenue	39,623	39,093	-1.3%
Operating income	2,636	2,818	6.9%
Operating depreciation and amortization	1,208	1,180	-2.3%
EBITDA (operating income + operating depr./amort.)	3,844	3,998	4.0%
Non-operating costs	(344)	(312)	-9.3%
Capital gains and losses on disposals, asset write-downs, corporate acquisition fees and earn-out payments	(998)	(202)	-79.8%
Business income	1,294	2,304	78.1%
Net financial expense	(629)	(541)	-14.0%
Income tax	(248)	(416)	67.7%
Share in net income of associates	0	5	n.s.
Net income from continuing operations	417	1,352	224.2%
Net income from discontinued operations	929	0	n.s.
Net income before minority interests	1,346	1,352	0.4%
Minority interests	51	41	-19.6%
Net attributable income	1,295	1,311	1.2%
Earnings per share² (in €)	2.32	2.36	1.7%
Recurring¹ net income from continuing operations	1,165	1,398	20.0%
Recurring¹ earnings per share² from continuing operations (in €)	2.09	2.53	21.1%
Cash flow from operations ³	2,562	2,749	7.3%
Cash flow from operations excluding capital gains tax⁴	2,321	2,628	13.2%
Capital expenditure ⁵	1,346	1,370	1.8%
Free cash flow⁶	975	1,258	29.0%
Investments in securities	227	362	59.5%
Net debt	4,797	5,644	17.7%

1. Recurring net income: net attributable income from continuing operations excluding capital gains and losses, asset write-downs and material non-recurring provisions.
2. Calculated based on the number of shares outstanding at December 31 (553,388,403 shares in 2016, versus 558,607,521 in 2015).
3. Cash flow from operations = operating cash flow from continuing operations excluding material non-recurring provisions.
4. Cash flow from operations excluding capital gains tax = (3) less the tax impact of capital gains and losses, asset write-downs and material non-recurring provisions.
5. Capital expenditure: investments in property, plant and equipment.
6. Free cash flow = (4) less capital expenditure of continuing operations.

Consolidated **sales** advanced 2.6% like-for-like, led by volume growth (stable price effect). On a reported basis, sales were down 1.3%, with a negative 2.9% **currency impact** due namely to the depreciation of the pound sterling – and to a lesser extent Latin American countries – against the euro. The negative 1.0% **Group structure impact** essentially reflects disposals carried out in the Building Distribution Sector.

Operating income increased 6.9% on a reported basis despite a negative currency impact and by 10.8% like-for-like. The operating margin stood at 7.2% of sales versus 6.7% of sales in 2015. **EBITDA** (operating income plus operating depreciation and amortization) climbed 4.0% to €3,998 million, or 10.2% of sales (9.7% of sales in 2015).

Non-operating costs fell to €312 million from €344 million in 2015, driven by lower restructuring costs thanks to a decrease in the second half. This amount also includes a €90 million accrual to the provision for asbestos-related litigation involving CertainTeed in the US, unchanged from 2015.

The net balance of capital gains and losses on disposals, asset write-downs and corporate acquisition fees was an expense of €202 million, compared to an expense of €998 million one year earlier. In 2016, this item includes €190 million in asset write-downs, chiefly in Interior Solutions and proppants. **Business income** rose 78.1%.

Net financial expense improved sharply, down 14.0% to €541 million from €629 million in 2015. This primarily reflects the decrease in average net debt over 12 months, compared to a decrease only late in the year in 2015 (disposal of Verallia in October 2015). The cost of gross debt also fell, to 3.4% at December 31, 2016 versus 3.9% at end-December 2015, due mainly to the September 2016 bond issue for €1 billion, at 0% and maturing in three and a half years.

The tax rate on recurring net income was 27%, compared to 29% in 2015, owing mainly to a favorable geographical mix and lower tax rates in certain countries. **Income tax expense** was €416 million compared to €248 million in 2015, which had seen the reversal of deferred tax liabilities linked to intangible asset write-downs.

Recurring net income (excluding capital gains and losses, asset write-downs and material non-recurring provisions) rose 20.0% to €1,398 million.

Net attributable income, which in 2015 included net income from discontinued operations (Verallia), climbed 1.2% in 2016 to €1,311 million.

Capital expenditure totaled €1,370 million, in line with our objective, representing 3.5% of sales (3.4% of sales in 2015).

Cash flow from operations rose 7.3% to €2,749 million (€2,562 million in 2015). Before the tax impact of capital gains and losses on disposals, asset write-downs and material non-recurring provisions, cash flow from operations climbed 13.2% to €2,628 million and **free cash flow** increased 29.0% to €1,258 million (3.2% of sales versus 2.5% of sales in 2015).

Operating working capital requirements (WCR) remained at a good level of 28 days' sales, a rise of 1.7 days from the record low recorded in 2015 and representing an increase of €175 million in value terms (to €3,010 million).

Investments in securities totaled €362 million (€227 million in 2015) and relate to targeted acquisitions in Asia and emerging countries, technological niche markets, and efforts to consolidate the Group's positions in Building Distribution, especially in Nordic countries.

Net debt rose from €4.8 billion to €5.6 billion, due mainly to share buybacks of €418 million and a one-off contribution of USD 640 million to US pension funds (USD 422 million after the tax credit effective in 2017). This contribution will enable the Group to save around USD 20 million in finance costs each year. Net debt represents 29% of consolidated equity, compared to 25% at December 31, 2015.

The net debt to EBITDA ratio came out at 1.4 versus 1.2 at end-2015.

Update on asbestos claims in the US

Some 3,200 claims were filed against CertainTeed in 2016, in line with 2015. At the same time, around 3,700 claims were settled (versus 4,600 in 2015), bringing the total number of outstanding claims to around 35,100 at December 31, 2016, a decrease of around 500 compared to end-2015.

A total of USD 97 million in indemnity payments were made in the 12 months to December 31, 2016, compared to USD 65 million in 2015 due to the catch-up in payments on settlements pending documentation and settlement payments in certain important cases. In light of these trends and of the €90 million provision accrual in 2016, the total provision for CertainTeed's asbestos-related claims amounted to USD 562 million at December 31, 2016, compared to USD 581 million at December 31, 2015.

Share buyback and dividend

In line with its objectives, in 2016 the Group bought back and later canceled around 11 million shares for €418 million, resulting in a decrease in the number of shares outstanding to 553.4 million shares at end-December 2016 (compared to 558.6 million shares at end-December 2015).

At today's meeting, Compagnie de Saint-Gobain's Board of Directors decided to recommend to the June 8, 2017 Shareholders' Meeting to pay in cash an **increased dividend of €1.26 per share** (versus €1.24 in 2015), demonstrating our focus on shareholder returns in the context of our strong 2016 results and confidence looking ahead. This dividend represents **50% of recurring net income** and a dividend yield of 2.85% based on the closing share price at December 30, 2016 (€44.255). The ex-dividend date has been set at June 12 and the dividend will be paid on June 14, 2017.

2017 outlook

In 2017 the Group should benefit from a gradual improvement in France, despite a still uncertain renovation market. Western Europe should deliver organic growth, despite less visibility in the UK. North America should continue to advance in construction markets, excluding the exceptional weather impacts of 2016, but will continue to face uncertainty in industry. Our operations in Asia and emerging countries should enjoy robust growth.

Saint-Gobain will continue its disciplined approach towards cash management and financial strength. In particular, it will pursue:

- **its focus on sales prices** amid an uptick in inflation;
- **its cost savings program**, with the aim of unlocking additional savings of **around €270 million** (calculated on the 2016 cost base);
- **its capital expenditure** program (around €1,600 million in 2017), with a focus on growth capex outside Western Europe and also on productivity and digital transformation;
- **its commitment to invest in R&D** to support its differentiated, high value-added strategy;
- **its focus on high levels of free cash flow generation.**

The Group is targeting a further like-for-like increase in operating income in 2017.

On May 17, 2017, the Group will hold an Investor Day to discuss its strategy.

Financial calendar

- An information meeting for analysts and investors will be held at 8:30am (GMT+1) on February 24, 2017 and will be broadcast live on www.saint-gobain.com
- Sales for the first quarter of 2017: April 26, 2017, after close of trading on the Paris Bourse.
- **Investor Day: May 17, 2017.**
- First-half 2017 results: July 27, 2017, after close of trading on the Paris Bourse.

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Data on **organic growth** and **like-for-like changes in sales or operating income** reflect the Group's underlying performance, excluding the impact of:

- changes in Group structure, by calculating indicators for the year under review based on the scope of consolidation of the previous year (Group structure impact);
- changes in foreign exchange rates, by calculating the indicators for the year under review and those for the previous year based on identical foreign exchange rates for the previous year (currency impact);
- changes in applicable accounting policies.

All indicators contained in this press release (not defined in the footnotes) are explained in the notes to the 2016 consolidated financial statements, available by clicking here: www.saint-gobain.com/en/full-year-2016-results

The glossary below shows the note of the financial statements in which you can find an explanation of each indicator.

Glossary:

Cash flow from operations	Note 3
Net debt	Note 8
EBITDA	Note 3
Non-operating costs	Note 3
Operating income	Note 3
Net financial expense	Note 8
Recurring net income	Note 3
Net income from discontinued operations	Note 2
Business income	Note 3

Important disclaimer – forward-looking statements:

This press release contains forward-looking statements with respect to Saint-Gobain's financial condition, results, business, strategy, plans and outlook. Forward-looking statements are generally identified by the use of the words "expect", "anticipate", "believe", "intend", "estimate", "plan" and similar expressions. Although Saint-Gobain believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions as at the time of publishing this document, investors are cautioned that these statements are not guarantees of its future performance. Actual results may differ materially from the forward-looking statements as a result of a number of known and unknown risks, uncertainties and other factors, many of which are difficult to predict and are generally beyond the control of Saint-Gobain, including but not limited to the risks described in Saint-Gobain's registration document available on its website (www.saint-gobain.com). Accordingly, readers of this document are cautioned against relying on these forward-looking statements. These forward-looking statements are made as of the date of this document. Saint-Gobain disclaims any intention or obligation to complete, update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

This press release does not constitute any offer of purchase or exchange, nor any solicitation of an offer to sell or exchange securities of Saint-Gobain.

For any further information, please visit www.saint-gobain.com

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

I. SALES	2015 (in EUR m)	2016 (in EUR m)	Change on an actual structure basis	Change on a comparable structure basis	Like-for like change
by sector and division:					
Innovative Materials¹	9,703	9,857	+1.6%	+1.4%	+4.5%
<i>Flat Glass</i>	5,217	5,364	+2.8%	+2.7%	+6.5%
<i>High-Performance Materials</i>	4,502	4,507	+0.1%	-0.2%	+2.2%
Construction Products¹	12,012	11,921	-0.8%	-1.4%	+1.4%
<i>Interior Solutions</i>	6,485	6,583	+1.5%	+0.7%	+3.7%
<i>Exterior Solutions</i>	5,599	5,423	-3.1%	-3.7%	-1.1%
Building Distribution	18,849	18,248	-3.2%	-0.1%	+2.7%
<i>Internal sales and misc.</i>	-941	-933	n.s.	n.s.	n.s.
Group Total	39,623	39,093	-1.3%	-0.3%	+2.6%

¹ including inter-division eliminations.

by geographic area:	2015 (in EUR m)	2016 (in EUR m)	Change on an actual structure basis	Change on a comparable structure basis	Like-for like change
France	10,326	10,225	-1.0%	-0.1%	-0.1%
Other Western European countries	17,414	17,292	-0.7%	-0.2%	+3.6%
North America	5,366	5,198	-3.1%	+2.0%	+2.0%
Emerging countries and Asia	8,375	8,281	-1.1%	-0.8%	+6.1%
<i>Internal sales</i>	-1,858	-1,903	n.s.	n.s.	n.s.
Group Total	39,623	39,093	-1.3%	-0.3%	+2.6%

II. OPERATING INCOME	2015 (in EUR m)	2016 (in EUR m)	Change on an actual structure basis	2015 (in % of sales)	2016 (in % of sales)
by sector and division:					
Innovative Materials	1,015	1,106	+9.0%	10.5%	11.2%
<i>Flat Glass</i>	413	490	+18.6%	7.9%	9.1%
<i>High-Performance Materials</i>	602	616	+2.3%	13.4%	13.7%
Construction Products	1,022	1,106	+8.2%	8.5%	9.3%
<i>Interior Solutions</i>	576	675	+17.2%	8.9%	10.3%
<i>Exterior Solutions</i>	446	431	-3.4%	8.0%	7.9%
Building Distribution	603	616	+2.2%	3.2%	3.4%
<i>Misc.</i>	-4	-10	n.s.	n.s.	n.s.
Group Total	2,636	2,818	+6.9%	6.7%	7.2%

by geographic area:	2015 (in EUR m)	2016 (in EUR m)	Change on an actual structure basis	2015 (in % of sales)	2016 (in % of sales)
France	297	301	+1.3%	2.9%	2.9%
Other Western European countries	984	1,072	+8.9%	5.7%	6.2%
North America	490	544	+11.0%	9.1%	10.5%
Emerging countries and Asia	865	901	+4.2%	10.3%	10.9%
Group Total	2,636	2,818	+6.9%	6.7%	7.2%

III. BUSINESS INCOME	2015 (in EUR m)	2016 (in EUR m)	Change on an actual structure basis	2015 (in % of sales)	2016 (in % of sales)
by sector and division:					
Innovative Materials	696	901	+29.5%	7.2%	9.1%
<i>Flat Glass</i>	217	426	+96.3%	4.2%	7.9%
<i>High-Performance Materials</i>	479	475	-0.8%	10.6%	10.5%
Construction Products	762	941	+23.5%	6.3%	7.9%
<i>Interior Solutions</i>	448	555	+23.9%	6.9%	8.4%
<i>Exterior Solutions</i>	314	386	+22.9%	5.6%	7.1%
Building Distribution	-46	552	n.s.	-0.2%	3.0%
<i>Misc. (a)</i>	-118	-90	n.s.	n.s.	n.s.
Group Total	1,294	2,304	+78.1%	3.3%	5.9%

by geographic area:	2015 (in EUR m)	2016 (in EUR m)	Change on an actual structure basis	2015 (in % of sales)	2016 (in % of sales)
France	-317	252	+179.5%	-3.1%	2.5%
Other Western European countries	752	980	+30.3%	4.3%	5.7%
North America (a)	159	249	+56.6%	3.0%	4.8%
Emerging countries and Asia	700	823	+17.6%	8.4%	9.9%
Group Total	1,294	2,304	+78.1%	3.3%	5.9%

(a) after asbestos-related charge (before tax) of €90m in 2015 and in 2016

IV. CASH FLOW	2015	2016	Change on an	2015	2016
	(in EUR m)	(in EUR m)	actual structure	(in % of sales)	(in % of sales)
			basis		
by sector and division:					
Innovative Materials	931	1,031	+10.7%	9.6%	10.5%
<i>Flat Glass</i>	449	501	+11.6%	8.6%	9.3%
<i>High-Performance Materials</i>	482	530	+10.0%	10.7%	11.8%
Construction Products	790	899	+13.8%	6.6%	7.5%
Building Distribution	629	519	-17.5%	3.3%	2.8%
Misc. ^(b)	212	300	n.s.	n.s.	n.s.
Group Total	2,562	2,749	+7.3%	6.5%	7.0%

by geographic area:					
France	382	316	-17.3%	3.7%	3.1%
Other Western European countries	941	1,060	+12.6%	5.4%	6.1%
North America ^(b)	412	412	+0.0%	7.7%	7.9%
Emerging countries and Asia	827	961	+16.2%	9.9%	11.6%
Group Total	2,562	2,749	+7.3%	6.5%	7.0%

^(b) after asbestos-related charge (after tax) of €55m in 2015 and in 2016

V. CAPITAL EXPENDITURE	2015	2016	Change on an	2015	2016
	(in EUR m)	(in EUR m)	actual structure	(in % of sales)	(in % of sales)
			basis		
by sector and division:					
Innovative Materials	529	573	+8.3%	5.5%	5.8%
<i>Flat Glass</i>	311	375	+20.6%	6.0%	7.0%
<i>High-Performance Materials</i>	218	198	-9.2%	4.8%	4.4%
Construction Products	528	515	-2.5%	4.4%	4.3%
<i>Interior Solutions</i>	312	337	+8.0%	4.8%	5.1%
<i>Exterior Solutions</i>	216	178	-17.6%	3.9%	3.3%
Building Distribution	231	245	+6.1%	1.2%	1.3%
Misc.	58	37	n.s.	n.s.	n.s.
Group Total	1,346	1,370	+1.8%	3.4%	3.5%

by geographic area:					
France	269	262	-2.6%	2.6%	2.6%
Other Western European countries	335	387	+15.5%	1.9%	2.2%
North America	282	203	-28.0%	5.3%	3.9%
Emerging countries and Asia	460	518	+12.6%	5.5%	6.3%
Group Total	1,346	1,370	+1.8%	3.4%	3.5%

VI. EBITDA	2015	2016	Change on an	2015	2016
	(in EUR m)	(in EUR m)	actual structure	(in % of sales)	(in % of sales)
			basis		
by sector and division:					
Innovative Materials	1,457	1,539	+5.6%	15.0%	15.6%
<i>Flat Glass</i>	701	762	+8.7%	13.4%	14.2%
<i>High-Performance Materials</i>	756	777	+2.8%	16.8%	17.2%
Construction Products	1,493	1,567	+5.0%	12.4%	13.1%
<i>Interior Solutions</i>	896	982	+9.6%	13.8%	14.9%
<i>Exterior Solutions</i>	597	585	-2.0%	10.7%	10.8%
Building Distribution	868	870	+0.2%	4.6%	4.8%
Misc.	26	22	n.s.	n.s.	n.s.
Group Total	3,844	3,998	+4.0%	9.7%	10.2%

by geographic area:					
France	595	587	-1.3%	5.8%	5.7%
Other Western European countries	1,361	1,438	+5.7%	7.8%	8.3%
North America	665	717	+7.8%	12.4%	13.8%
Emerging countries and Asia	1,223	1,256	+2.7%	14.6%	15.2%
Group Total	3,844	3,998	+4.0%	9.7%	10.2%

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

I. SALES	H2 2015 (in EUR m)	H2 2016 (in EUR m)	Change on an actual structure basis	Change on a comparable structure basis	Like-for-like change
by sector and division:					
Innovative Materials¹	4,781	4,945	+3.4%	+3.2%	+4.6%
<i>Flat Glass</i>	2,584	2,708	+4.8%	+4.7%	+6.4%
<i>High-Performance Materials</i>	2,205	2,243	+1.7%	+1.4%	+2.4%
Construction Products¹	5,933	5,913	-0.3%	-0.8%	+1.1%
<i>Interior Solutions</i>	3,288	3,286	-0.1%	-0.5%	+2.2%
<i>Exterior Solutions</i>	2,686	2,670	-0.6%	-1.0%	-0.1%
Building Distribution	9,511	9,144	-3.9%	-0.8%	+2.2%
<i>Internal sales and misc.</i>	-462	-458	n.s.	n.s.	n.s.
Group Total	19,763	19,544	-1.1%	+0.0%	+2.3%

¹ including inter-division eliminations.

by geographic area:					
France	5,044	4,955	-1.8%	-0.7%	-0.7%
Other Western European countries	8,840	8,632	-2.4%	-1.9%	+2.9%
North America	2,628	2,524	-4.0%	+0.9%	+0.4%
Emerging countries and Asia	4,156	4,325	+4.1%	+5.1%	+7.3%
<i>Internal sales</i>	-905	-892	n.s.	n.s.	n.s.
Group Total	19,763	19,544	-1.1%	+0.0%	+2.3%

II. OPERATING INCOME	H2 2015 (in EUR m)	H2 2016 (in EUR m)	Change on an actual structure basis	H2 2015 (in % of sales)	H2 2016 (in % of sales)
by sector and division:					
Innovative Materials	511	554	+8.4%	+10.7%	+11.2%
<i>Flat Glass</i>	219	256	+16.9%	+8.5%	+9.5%
<i>High-Performance Materials</i>	292	298	+2.1%	+13.2%	+13.3%
Construction Products	493	542	+9.9%	+8.3%	+9.2%
<i>Interior Solutions</i>	288	340	+18.1%	+8.8%	+10.3%
<i>Exterior Solutions</i>	205	202	-1.5%	+7.6%	+7.6%
Building Distribution	361	363	+0.6%	+3.8%	+4.0%
Misc.	-4	-9	n.s.	n.s.	n.s.
Group Total	1,361	1,450	+6.5%	+6.9%	+7.4%

by geographic area:					
France	161	177	+9.9%	+3.2%	+3.6%
Other Western European countries	524	559	+6.7%	+5.9%	+6.5%
North America	231	234	+1.3%	+8.8%	+9.3%
Emerging countries and Asia	445	480	+7.9%	+10.7%	+11.1%
Group Total	1,361	1,450	+6.5%	+6.9%	+7.4%

III. BUSINESS INCOME	H2 2015 (in EUR m)	H2 2016 (in EUR m)	Change on an actual structure basis	H2 2015 (in % of sales)	H2 2016 (in % of sales)
by sector and division:					
Innovative Materials	233	439	+88.4%	+4.9%	+8.9%
<i>Flat Glass</i>	36	249	+591.7%	+1.4%	+9.2%
<i>High-Performance Materials</i>	197	190	-3.6%	+8.9%	+8.5%
Construction Products	287	413	+43.9%	+4.8%	+7.0%
<i>Interior Solutions</i>	190	236	+24.2%	+5.8%	+7.2%
<i>Exterior Solutions</i>	97	177	+82.5%	+3.6%	+6.6%
Building Distribution	-242	333	n.s.	-2.5%	+3.6%
Misc. ^(a)	-64	-37	n.s.	n.s.	n.s.
Group Total	214	1,148	+436.4%	+1.1%	+5.9%

by geographic area:					
France	-424	162	n.s.	-8.4%	+3.3%
Other Western European countries	359	515	+43.5%	+4.1%	+6.0%
North America ^(a)	-41	23	+156.1%	-1.6%	+0.9%
Emerging countries and Asia	320	448	+40.0%	+7.7%	+10.4%
Group Total	214	1,148	+436.4%	+1.1%	+5.9%

^(a) after asbestos-related charge (before tax) of €45m in H2-2015 and in H2-2016

IV. CASH FLOW	H2 2015 (in EUR m)	H2 2016 (in EUR m)	Change on an actual structure basis	H2 2015 (in % of sales)	H2 2016 (in % of sales)
by sector and division:					
Innovative Materials	466	529	+13.5%	+9.7%	+10.7%
<i>Flat Glass</i>	228	247	+8.3%	+8.8%	+9.1%
<i>High-Performance Materials</i>	238	282	+18.5%	+10.8%	+12.6%
Construction Products	375	479	+27.7%	+6.3%	+8.1%
Building Distribution	441	328	-25.6%	+4.6%	+3.6%
Misc. ^(b)	85	153	n.s.	n.s.	n.s.
Group Total	1,367	1,489	+8.9%	+6.9%	+7.6%

by geographic area:					
France	292	227	-22.3%	+5.8%	+4.6%
Other Western European countries	471	555	+17.8%	+5.3%	+6.4%
North America ^(b)	212	201	-5.2%	+8.1%	+8.0%
Emerging countries and Asia	392	506	+29.1%	+9.4%	+11.7%
Group Total	1,367	1,489	+8.9%	+6.9%	+7.6%

^(b) after asbestos-related charge (after tax) of €28m in H2-2015 and in H2-2016

V. CAPITAL EXPENDITURE	H2 2015 (in EUR m)	H2 2016 (in EUR m)	Change on an actual structure basis	H2 2015 (in % of sales)	H2 2016 (in % of sales)
by sector and division:					
Innovative Materials	364	397	+9.1%	+7.6%	+8.0%
<i>Flat Glass</i>	220	273	+24.1%	+8.5%	+10.1%
<i>High-Performance Materials</i>	144	124	-13.9%	+6.5%	+5.5%
Construction Products	345	351	+1.7%	+5.8%	+5.9%
<i>Interior Solutions</i>	202	226	+11.9%	+6.1%	+6.9%
<i>Exterior Solutions</i>	143	125	-12.6%	+5.3%	+4.7%
Building Distribution	149	176	+18.1%	+1.6%	+1.9%
Misc.	31	18	n.s.	n.s.	n.s.
Group Total	889	942	+6.0%	+4.5%	+4.8%

by geographic area:					
France	200	181	-9.5%	+4.0%	+3.7%
Other Western European countries	228	279	+22.4%	+2.6%	+3.2%
North America	163	122	-25.2%	+6.2%	+4.8%
Emerging countries and Asia	298	360	+20.8%	+7.2%	+8.3%
Group Total	889	942	+6.0%	+4.5%	+4.8%

VI. EBITDA	H2 2015 (in EUR m)	H2 2016 (in EUR m)	Change on an actual structure basis	H2 2015 (in % of sales)	H2 2016 (in % of sales)
by sector and division:					
Innovative Materials	726	771	+6.2%	+15.2%	+15.6%
<i>Flat Glass</i>	354	393	+11.0%	+13.7%	+14.5%
<i>High-Performance Materials</i>	372	378	+1.6%	+16.9%	+16.9%
Construction Products	728	772	+6.0%	+12.3%	+13.1%
<i>Interior Solutions</i>	448	491	+9.6%	+13.6%	+14.9%
<i>Exterior Solutions</i>	280	281	+0.4%	+10.4%	+10.5%
Building Distribution	494	490	-0.8%	+5.2%	+5.4%
Misc.	10	8	n.s.	n.s.	n.s.
Group Total	1,958	2,041	+4.2%	+9.9%	+10.4%

by geographic area:					
France	308	322	+4.5%	+6.1%	+6.5%
Other Western European countries	711	741	+4.2%	+8.0%	+8.6%
North America	316	318	+0.6%	+12.0%	+12.6%
Emerging countries and Asia	623	660	+5.9%	+15.0%	+15.3%
Group Total	1,958	2,041	+4.2%	+9.9%	+10.4%

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

SALES	Q4 2015 (in EUR m)	Q4 2016 (in EUR m)	Change on an actual structure basis	Change on a comparable structure basis	Like-for-like change
by sector and division:					
Innovative Materials¹	2,403	2,506	+4.3%	+4.0%	+5.1%
<i>Flat Glass</i>	1,306	1,377	+5.4%	+5.4%	+7.0%
<i>High-Performance Materials</i>	1,103	1,132	+2.6%	+2.2%	+2.5%
Construction Products¹	2,896	2,886	-0.3%	-0.8%	+0.6%
<i>Interior Solutions</i>	1,651	1,646	-0.3%	-0.6%	+2.0%
<i>Exterior Solutions</i>	1,266	1,263	-0.2%	-1.0%	-1.0%
Building Distribution	4,725	4,625	-2.1%	-0.1%	+2.9%
<i>Internal sales and misc.</i>	-227	-230	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>
Group Total	9,797	9,787	-0.1%	+0.6%	+2.6%

¹ including inter-division eliminations.

by geographic area:					
France	2,615	2,565	-1.9%	-0.9%	-0.9%
Other Western European countries	4,352	4,240	-2.6%	-2.3%	+2.6%
North America	1,214	1,224	+0.8%	+3.5%	+1.9%
Emerging countries and Asia	2,059	2,190	+6.4%	+7.3%	+8.3%
<i>Internal sales</i>	-443	-432	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>
Group Total	9,797	9,787	-0.1%	+0.6%	+2.6%

Appendix 4: Consolidated balance sheet

<i>in € million</i>	Dec. 31, 2015	Dec. 31, 2016
Assets		
Goodwill	10,683	10,669
Other intangible assets	2,748	2,662
Property, plant and equipment	11,587	11,654
Investments in equity-accounted companies	319	376
Deferred tax assets	1,337	1,188
Other non-current assets	635	710
Non-current assets	27,309	27,259
Inventories	5,715	5,875
Trade accounts receivable	4,751	4,935
Current tax receivable	296	445
Other receivables	1,405	1,515
Cash and cash equivalents	5,380	3,738
Current assets	17,547	16,508
Total assets	44,856	43,767
Equity and Liabilities		
Capital stock	2,244	2,221
Additional paid-in capital and legal reserve	6,341	6,090
Retained earnings and consolidated net income	10,805	11,078
Cumulative translation adjustments	(528)	(743)
Fair value reserves	181	191
Treasury stock	(87)	(72)
Shareholders' equity	18,956	18,765
Minority interests	364	375
Total equity	19,320	19,140
Long-term debt	7,330	6,959
Provisions for pensions and other employee benefits	3,849	3,615
Deferred tax liabilities	466	363
Other non-current liabilities and provisions	1,276	1,242
Non-current liabilities	12,921	12,179
Current portion of long-term debt	2,231	1,835
Current portion of other liabilities and provisions	454	436
Trade accounts payable	5,716	5,805
Current tax liabilities	150	148
Other payables	3,448	3,636
Short-term debt and bank overdrafts	616	588
Current liabilities	12,615	12,448
Total equity and liabilities	44,856	43,767

Appendix 5: Consolidated cash flow statement

(in € million)

	2015	2016
Net income of continuing operations attributable to equity holders of the parent	374	1,311
Minority interests in net income	43	41
Share in net income of associates, net of dividends received	(29)	(20)
Depreciation, amortization and impairment of assets	2,085	1,369
Gains and losses on disposals of assets	70	2
Unrealized gains and losses arising from changes in fair value and share-based payments	(15)	42
Changes in inventories	26	(173)
Changes in trade accounts receivable and payable, and other accounts receivable and payable	192	72
Changes in tax receivable and payable	(134)	(135)
Changes in deferred taxes and provisions for other liabilities and charges	(143)	(544)
Net cash from operating activities of continuing operations	2,469	1,965
Net cash from operating activities of discontinued operations	140	0
Net cash from operating activities	2,609	1,965
Purchases of property, plant and equipment [in 2016: (1,370), in 2015: (1,346)] and intangible assets	(1,475)	(1,521)
Acquisitions of property, plant and equipment in finance leases	(17)	(21)
Increase (decrease) in amounts due to suppliers of fixed assets	8	24
Acquisitions of shares in consolidated companies [in 2016: (252), in 2015: (201)], net of debt acquired	(221)	(266)
Acquisitions of other investments	(26)	(110)
Increase in investment-related liabilities	14	15
Decrease in investment-related liabilities	(28)	(9)
Investments	(1,745)	(1,888)
Disposals of property, plant and equipment and intangible assets	122	85
Disposals of shares in consolidated companies, net of net debt divested	2,458	39
Disposals of other investments and other divestments	2	1
Divestments	2,582	125
Increase in loans and deposits	(136)	(144)
Decrease in loans and deposits	72	150
Net cash from (used in) investment and divestment activities of continuing operations	773	(1,757)
Net cash from (used in) investment and divestment activities of discontinued operations	(176)	0
Net cash from (used in) investment and divestment activities	597	(1,757)
Issues of capital stock	412	149
(Increase) decrease in treasury stock	(545)	(418)
Dividends paid	(695)	(680)
Minority interests' share in capital increases of subsidiaries	23	2
Increase (decrease) in investment-related liabilities (put on minority interests)	(8)	(13)
Dividends paid to minority shareholders of consolidated subsidiaries	(37)	(31)
Net cash from (used in) financing activities of continuing operations	(850)	(991)
Net cash from (used in) financing activities of discontinued operations	(1)	0
Net cash from (used in) financing activities	(851)	(991)
Net effect of exchange rate changes on net debt	13	25
Net effect from changes in fair value on net debt	45	(89)
Net effect of exchange rate changes on net debt of discontinued operations	11	0
Increase (decrease) in net debt	2,424	(847)
Net debt at beginning of period	(7,221)	(4,797)
Net debt at end of period	(4,797)	(5,644)

Appendix 6: Debt at December 31, 2016

Amounts in €bn		Comments
Amount and structure of net debt	€bn	
Gross debt	9.3	At end of December 2016, 84% of gross debt was at fixed interest rates and the average cost of gross debt was 3.4%
Cash & cash equivalents	3.7	
Net debt	5.6	
Breakdown of gross debt	9.3	
Bond debt and perpetual notes	7.8	
April 2017	1.3	
June 2017	0.2	
March 2018	0.1	(NOK 0.8bn)
October 2018	0.7	
September 2019	0.9	
March 2020	1.0	
June 2021	0.8	
After 2021	2.8	
Other long-term debt	0.6	(including EUR 0.4bn long-term securitization)
Short-term debt	0.9	<i>(excluding bonds)</i>
<i>Negotiable European Commercial Paper (NEU CP)</i>	0.0	Maximum amount of bond issue: EUR 3bn
Securitization	0.3	(EUR 0.2bn equivalent in USD + EUR 0.1bn)
Local debt and accrued interest	0.6	Frequent rollover; many different sources of financing
Credit lines, cash & cash equivalents	7.7	
Cash and cash equivalents	3.7	
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 2020	None
Syndicated line:	€1.5bn	December 2018	None

Appendix 7: External sales by business sector and geographic area

FY 2016, in % of total sales

	Innovative Materials	Construction Products	Building Distribution	Total
France	2.6%	3.3%	19.1%	25.0%
Germany - Austria	2.4%	2.2%	4.9%	9.5%
United Kingdom - Ireland	0.8%	2.3%	8.0%	11.1%
Scandinavia	0.7%	2.0%	9.9%	12.6%
Other Western European countries	2.9%	3.0%	3.5%	9.4%
North America	5.0%	7.8%	-	12.8%
Latin America	3.3%	1.9%	0.9%	6.1%
Asia	4.8%	2.7%	-	7.5%
Eastern Europe	2.2%	1.7%	0.4%	4.3%
Middle East & Africa	0.2%	1.5%	-	1.7%
Total	24.9%	28.4%	46.7%	100.0%