

press

release

FIRST-QUARTER 2007 SALES:

- ▶ **UP 7.2% ON A REPORTED BASIS**
- ▶ **UP 8.0% LIKE-FOR-LIKE**

Consolidated first-quarter sales for the Saint-Gobain Group came in at **€10,447 million**, compared with €9,745 million in the same year-ago period, representing a **rise of 7.2% on an actual structure basis** and 9.0% at constant exchange rates.

The perimeter evolution accounted for 1.0% of sales, with the contribution from bolt-on acquisitions (mainly in the Construction Products and Building Distribution sectors) being slightly above that from disposals (chiefly *Synflex* within the High-Performance Materials sector and *Calmar* within the Packaging sector). The currency effect had a negative -1.8% impact, mainly as a result of the decline in the US dollar.

Like-for-like consolidated sales climbed 8.0%^(*) or €772 million, with a strong growth coming both from volumes (+4.3%) and prices (+3.7%).

All of the Group's business sectors reported an increase in like-for-like sales.

Businesses related to the construction market in Europe delivered robust growth, with strong showings from most of Western Europe, notably Germany, Southern Europe (Spain and Italy), the Nordic countries and France. Emerging countries continued to turn in a very strong performance, especially Eastern Europe, where sales were boosted by particularly favorable weather conditions.

In line with the scenario announced early this year, the **slowdown in the US** only affected the **residential construction sector**, and is **largely offset** by the Group's performance in all **other geographic regions**.

() Based on average exchange rates for first-quarter 2006.*

Sales trends by business sector and geographic area break down as follows:

	Q1 2007 sales (in millions of euros)	Q1 2006 sales (in millions of euros)	% change on an actual structure basis	% change on a comparable structure basis	% change like-for-like
BY BUSINESS SECTOR					
Flat Glass	1,369	1,218	+12.4%	+12.5%	+14.2%
High-Performance Materials (1)	1,241	1,301	-4.6%	-2.7%	+1.9%
<i>Ceramics & Plastics and Abrasives</i>	916	948	-3.4%	-0.7%	+4.4%
<i>Reinforcements</i>	328	356	-7.9%	-7.8%	-4.4%
Construction Products (1)	2,720	2,630	+3.4%	+2.0%	+4.7%
<i>Building Materials</i>	586	635	-7.7%	-8.4%	-3.3%
<i>Insulation</i>	685	600	+14.3%	+8.0%	+10.0%
<i>Gypsum</i>	1,000	956	+4.6%	+6.0%	+8.4%
<i>Pipe</i>	461	446	+3.4%	+1.4%	+2.2%
Building Distribution	4,424	3,810	+16.1%	+11.3%	+11.0%
Packaging	955	1,011	-5.6%	+4.0%	+7.2%
<i>Internal sales and other</i>	(262)	(225)	-----	-----	-----
GROUP	10,447	9,745	+7.2%	+6.2%	+8.0%
BY GEOGRAPHIC AREA					
France	3,277	3,024	+8.4%	+7.4%	+7.4%
Other western European countries	4,725	4,113	+14.9%	+11.6%	+11.0%
North America	1,473	1,819	-19.0%	-15.1%	-7.3%
Emerging countries and Asia-Pacific	1,533	1,307	+17.3%	+14.5%	+19.6%
Internal sales	(561)	(519)	-----	-----	-----
GROUP	10,447	9,745	+7.2%	+6.2%	+8.0%

(1) Including inter-division eliminations.

Performance of Group business sectors

The Flat Glass sector delivered the Group's best organic growth performance, at +14.2% on a like-for-like basis. This reflects a sharp volume increase in the Construction market in emerging countries and Europe, which is also feeling the positive effects of a surge in demand for energy efficient glass. The very favorable price trends that commenced on European building markets mid-2006 continued. The automotive flat glass business also performed well across the globe.

Within the High-Performance Materials sector, the Ceramics, Plastics and Abrasives divisions reported healthy organic growth of +4.4% while the sales of Reinforcements business was down. Overall, the High-Performance Materials sector recorded a moderate +1.9% growth in like-for-like sales.

The Construction Products (CP) sector posted +4.7% like-for-like growth, Europe and emerging countries more than offsetting the downturn in housing starts in the US.

- Gypsum and Insulation businesses benefited from favorable regulatory and fiscal measures promoting home improvement (in particular measures designed to encourage energy efficiency), reporting respectively strong **internal growth of +8.4 % and +10%** amid a vigorous trading environment in Europe and emerging countries.
- In the Building Materials division (**down -3.3%** like-for-like), the exterior products business in the United States was hit by the overall slowdown in the housing market, which was not fully offset by the very robust performance achieved by the mortars business in Europe and emerging countries.
- Pipe registered a solid rise in business across its principal geographic segments.

Building Distribution delivered the Group's strongest growth on a reported basis, at +16.1% overall (around +5% of which was due to acquisitions and **+11% to organic growth**). All countries, but particularly Germany, central Europe, Scandinavia and France, contributed to this vigorous performance, on the back of favorable weather conditions at the start of the year. Growth on the UK market was more moderate.

Organic growth for the Packaging business came in at +7.2% thanks to a strong price effect and buoyant sales volumes in Europe, while Latin America and North America businesses advanced at a more moderate pace.

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Sales analysis by geographic area

The breakdown of sales by geographic area is in line with the trends observed in second-half 2006. Based on constant Group structure and exchange rates:

- Sales in **France** (29.8% of total Group turnover in the first quarter of 2007) **continued to perform well**, up **+7.4%** like-for-like. Sales in **other western European countries** (42.9% of total Group Turnover) **also picked up pace** (average rise of **+11%** like-for-like), substantiating the vigor of the German economy and the continued growth in Southern Europe.
- **North America** (13.4% of total Group turnover) **reported a marked decline** in sales (like-for-like down **-7.3%**) on the back of a significant fall-off in housing starts. This was partially offset by the strength of other sectors of the US economy, especially non-residential construction and industrial investment.
- **Emerging countries** (13.9% of total Group turnover) **reported vigorous growth of +19.6%** like-for-like. Eastern Europe turned in the most noteworthy performance of the first quarter, its robust structural growth having being boosted by a mild winter. Latin America and Asia also performed well.

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Update on asbestos claims in the United States

New claims filed against CertainTeed during the first quarter 2007 were approximately 2,000, which is equivalent to the number of claims which were settled during the same period. As a consequence, approximately 76,000 claims remained outstanding at the end of March 2007, similar to the situation at the end of December 2006. At end of March 2007, the average cost of claims settled in the past twelve months or in the process of being settled came to around USD 3,200, slightly increasing compared to December 2006 (USD 3,000).

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Outlook

The **first three months of the year have confirmed the trend** observed in second-half 2006 and the scenario envisaged at the end of January for 2007, namely a strong trading environment in Europe, which is more than offsetting the housing slowdown in the United States.

The Group expects **this trend to continue** in the coming months and in this respect **confirms its objectives* for the year**:

- a **robust** increase in operating income at constant exchange rates;
- and a **double-digit** growth in net income excluding capital gains and losses.

** These objectives are based on the divestiture of Saint-Gobain Desjonquères (done on March 29, 2007) and on the assumption that the Reinforcements & Composites business will be deconsolidated in 2007, but do not reflect any other major scope adjustments that may occur in 2007.*

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Forthcoming results announcements:

- final results for first-half 2007: July 26, 2007, after close of trading on the Paris bourse.

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