PRESS RELEASE

Paris, July 26, 2018

First-half 2018 results

Sharp uptick in sales in the second quarter
Acceleration of strategy

- Organic growth at 4.9% (including 8.0% in the second quarter), with volumes up 2.4%
- Prices up 2.5%, accelerating in line with the rise in raw material and energy costs
- 4.4% negative currency impact, mainly due to the depreciation of the US dollar and of certain Asian and emerging country currencies; positive 1.4% structure impact
- Operating income at €1,469 million (up 0.3% as reported), an increase of 1.7% like-for-like
- Recurring net income up 6.8% and net attributable income up 61.7% notably including a positive impact of €781 million relating to the Sika transaction
- 13 acquisitions for a total of €356 million (excluding Sika)
- 8.8 million shares bought back in first-half 2018
- Objectives for full-year 2018 confirmed
- Acceleration of strategy: divestments representing at least €3 billion in sales by the end of 2019, continued high level of value-creating acquisitions, review of the Group's organizational structure

(€m)	H1 2017	**H1 2018**	**Change**	**Change** like-for-like
Sales	**20,409**	**20,787**	**1.9%**	**4.9%**
EBITDA	**2,071**	**2,070**	**0.0%**	
Operating income	**1,465**	**1,469**	**0.3%**	**1.7%**
Recurring net income[1]	**751**	**802**	**6.8%**	
Net attributable income	**754**	**1,219**	**61.7%**	

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

"The second quarter marks a return to supportive trends in all our main markets. After a disappointing first quarter, affected by harsh winter weather in Europe which weighed on results, the second quarter was far more encouraging in terms of volumes and prices. The Group succeeded in further raising sales prices amid continued raw material and energy cost inflation. Despite a combination of temporary one-off factors, our first-half results progressed once again.

Saint-Gobain is therefore confirming its objectives for full-year 2018 and for the second half expects the like-for-like increase in operating income to be clearly above the level achieved in the first half.

After having agreed a transaction with Sika on excellent financial terms, the Group will accelerate the implementation of its strategy: the roll-out of a divestment program representing at least €3 billion in sales by the end of 2019, the continuation of its policy of value-creating acquisitions, and the launch of a review of the Group's organizational structure in order to give greater priority to the regional dimension of its businesses with the aim of enhancing its agility to drive growth and reinforce its competitiveness."

1. Recurring net income excl. capital gains and losses on disposals, asset write-downs, material non-recurring provisions and Sika income.

Operating performance

First-half consolidated **sales** were **€20,787 million**, an increase of 1.9% year-on-year on a reported basis and of **4.9% like-for-like**. Organic growth was driven both by volumes (up 2.4%) and by prices (up 2.5%) with a progression in all Business Sectors and all regions. Price rises accelerated in the second quarter, up 3.0% in a context of continued raw material and energy cost inflation. The growth in our main markets, aided by a weak prior-year comparison basis (June 2017 cyber-attack) and a positive 1% calendar effect, also contributed to the 5.0% uptick in volumes in the second quarter. The calendar effect had a slightly negative impact of around 0.5% over the half-year period as a whole.

The Group structure impact added 1.4% to overall growth, essentially reflecting the consolidation of acquisitions in Asia and emerging countries (KIMMCO, Megaflex, Tumelero, Isoroc Poland), in new niche technologies and services (TekBond, Scotframe, Maris) and to consolidate our strong positions (Glava, Kirson, Biolink, Wattex, SimTek, bolt-on acquisitions in Building Distribution such as Per Strand).
Overall growth was affected by a 4.4% negative **currency impact** however, mainly due to the depreciation of the US dollar, Brazilian real, Nordic krona and other Asian and emerging country currencies against the euro.

The Group's operating income remained stable on a reported basis (up 0.3%) and increased 1.7% like-for-like. The **operating margin[1] came in at 7.1%** compared to 7.2% in first-half 2017.

Performance of Group Business Sectors

Innovative Materials sales climbed 6.0% on a like-for-like basis, driven by High-Performance Materials. The operating margin for the Business Sector remained stable at 12.3%.

- **Flat Glass** reported 3.5% organic growth over the six months to June 30. The automotive business advanced in all of its regions, particularly in Asia and emerging countries, and continues to ramp up its capital expenditure and investments in innovation. Sales linked to the construction market were penalized by float repairs in Poland and Romania. Higher prices in Europe continue to be driven by transformed glass, with a smaller rise in float glass prices. Asia and emerging countries progressed slightly despite the stoppage of the Egyptian float line owing to flooding at the end of April and the 10-day truck drivers' strike in May in Brazil. The operating margin narrowed to 8.0% versus 9.9% in first-half 2017, affected by the one-off operational issues.
- **High-Performance Materials** (HPM) sales rose 9.2% like-for-like over the first half, in all businesses and particularly in Ceramics, buoyed by exceptionally strong sales of refractories. All regions contributed to the trading momentum, with strong increases in Asia and emerging countries, the US and Western Europe. The operating margin benefited from the significant volumes and hit a new record high of 17.3% compared to 15.0% in first-half 2017.

Construction Products (CP) sales were up 6.8% like-for-like in first-half 2018. The operating margin for the Business Sector was 8.6% versus 9.3% in first-half 2017, affected by Exterior Solutions.

- **Interior Solutions** reported 7.1% organic growth, with an acceleration in sales prices over the period (up 4.1%) amid continued inflation in raw material and energy costs. After a first quarter affected by harsh weather conditions, activity in Western Europe regained good levels in the second quarter. North America confirmed its positive pricing dynamic and delivered volume improvement. Asia and emerging countries continued to post strong growth. The operating margin remained stable at 9.9%, held back by harsh weather conditions in Europe over the first quarter and by the ongoing shift from synthetic to natural gypsum, but benefited over the half-year period from a positive price-cost spread in terms of raw materials and energy.

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

- **Exterior Solutions** sales moved up 6.6% like-for-like. Exterior Products in North America reported a significant improvement in volumes, aided by an easier comparison basis in second-quarter 2017; prices, after stabilizing in the first quarter, were back on an upward trend at the end of the half-year amid higher inflation in asphalt and transportation costs. Pipe successfully raised prices, while volumes remained down overall. In a tough profitability environment, the business continued to restructure its European and Chinese plants. Mortars had a good first half, driven by a strong upturn in the second quarter, particularly in Europe which had been hit by harsh weather conditions early in the year. Asia and emerging countries continued to benefit overall from bullish growth, despite the truck drivers' strike in Brazil at the end of May. The overall operating margin was down at 7.0% versus 8.4% in first-half 2017, affected by a lag between prices and raw material and energy costs for Exterior Products in the US, despite an improvement at the end of the half-year period.

Building Distribution like-for-like sales rose 3.1%, benefiting from a strong 6.7% upturn in the second quarter, partly buoyed by a positive 1% calendar effect and a weak comparison basis (June 2017 cyber-attack). After a strong negative impact resulting from harsh weather conditions in Europe at the beginning of the year, trends returned to good levels in the second quarter. France continued to recover thanks to growth in both new-builds and renovation. Nordic countries returned to dynamic underlying growth in the second quarter in both Norway and Sweden. The UK improved, with a significant price effect and a smaller decline in volumes, likely benefiting from a partial catch-up of the weather impact at the start of the year. Germany reported slight growth after a difficult first quarter, while Brazil remained sluggish. The operating margin remained stable at 2.7%: the return of upbeat market conditions in the second quarter failed to offset the lag established at the beginning of the year owing to bad weather.

<u>Analysis by region</u>

- **France** reported further growth over the first half (up 3.1% like-for-like), benefiting from a return to supportive trends in the second quarter in new-build and renovation markets, after a first quarter affected by harsh weather conditions. The operating margin widened sharply, up to 3.3% from 2.5% in first-half 2017.
- **Other Western European countries** progressed 3.6% over the first half, reporting further organic growth with a sharp uptick in the second quarter led mainly by more normal weather conditions and by a favorable comparison basis (June 2017 cyber-attack). Nordic countries reported good growth in both Norway and Sweden. The UK delivered slight organic growth with a strong price effect but a decline in volumes that nevertheless slowed in the second quarter in a still uncertain environment. Germany progressed slightly over the first half. The region's operating margin fell to 5.4% from 6.0% in first-half 2017, hit by the harsh weather conditions at the start of the year.
- In **North America**, like-for-like sales were up 9.4% in the first half, buoyed by strong momentum in industrial markets and robust growth in construction against a favorable comparison basis. The operating margin was 11.1% versus 11.8% in first-half 2017, with a rise in prices for Exterior Products which lagged behind costs.
- **Asia and emerging countries** continued to advance in all regions, posting organic growth of 8.2% with an acceleration in the second quarter to 9.7%. Latin America advanced significantly in all main countries, including in Brazil despite the strike in May. Asia benefited from strong momentum in India. Eastern Europe achieved a good performance led by Poland. The operating margin was up slightly at 10.8% versus 10.7% in first-half 2017.

Analysis of the consolidated financial statements for first-half 2018

The unaudited interim consolidated financial statements for first-half 2018 were subject to a limited review by the statutory auditors and were approved and adopted by the Board of Directors on July 26, 2018.

€m	H1 2017 (A)	H1 2018 (B)	% change (B)/(A)
Sales and ancillary revenue	**20,409**	**20,787**	**1.9%**
Operating income	**1,465**	**1,469**	**0.3%**
Operating depreciation and amortization	606	601	-0.8%
EBITDA (operating income + operating depr./amort.)	2,071	2,070	0.0%
Non-operating costs	(166)	(54)	-67.5%
Capital gains and losses on disposals, asset write-downs, corporate acquisition fees and earn-out payments	7	(296)	n.s.
Business income	**1,306**	**1,119**	**-14.3%**
Net financial income (expense)	(231)	392	n.s.
Income tax	(297)	(265)	-10.8%
Share in net income (loss) of associates	(1)	0	n.s.
Net income before minority interests	**777**	**1,246**	**60.4%**
Minority interests	23	27	17.4%
Net attributable income	**754**	**1,219**	**61.7%**
Earnings per share[2] (in €)	1.36	2.23	64.0%
Recurring net income[1]	**751**	**802**	**6.8%**
Recurring[1] earnings per share[2] (in €)	1.35	1.47	8.9%
Cash flow from operations[3]	1,407	1,410	0.2%
Cash flow from operations (excluding capital gains tax)[4]	1,410	1,398	-0.9%
Capital expenditure[5]	427	561	31.4%
Free cash flow[6]	**983**	**837**	**-14.9%**
Investments in securities	136	1,289	n.s.
Net debt	**6,816**	**9,294**	**36.4%**

1. Recurring net income: net attributable income excluding capital gains and losses on disposals, asset write-downs, material non-recurring provisions and Sika income.
2. Calculated based on the number of shares outstanding at June 30 (546,918,263 shares in 2018, versus 554,424,460 shares in 2017).
3. Cash flow from operations = operating cash flow excluding material non-recurring provisions.
4. Cash flow from operations excluding capital gains tax = (3) less the tax impact of capital gains and losses on disposals, 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.

Consolidated **sales** advanced 4.9% like-for-like, led by both prices (up 2.5%) and by volumes (up 2.4%). On a reported basis, sales were 1.9% higher, with a negative 4.4% **currency impact** resulting mainly from the depreciation of the US dollar, Brazilian real, Nordic krona and other Asian and emerging country currencies against the euro. The positive 1.4% **Group structure impact** essentially reflects the consolidation of acquisitions in Asia and emerging countries (KIMMCO, Megaflex, Tumelero, Isoroc Poland), in new niche technologies and services (TekBond, Scotframe, Maris) and to consolidate our strong positions (Glava, Kirson, Biolink, Wattex, SimTek, bolt-on acquisitions in Building Distribution, including Per Strand).

Operating income was stable based on reported figures (up 0.3%) and increased 1.7% like-for-like. The operating margin came in at 7.1% of sales versus 7.2% of sales in first-half 2017.

EBITDA (operating income plus operating depreciation and amortization) remained stable at €2,070 million and the EBITDA margin represented 10.0% of sales compared to 10.1% of sales in first-half 2017.

Non-operating costs totaled €54 million, down from €166 million in first-half 2017, benefiting from a one-off gain linked to the Sika transaction and despite a rise in restructuring costs relating mainly to Pipe. The €45 million accrual to the provision for asbestos-related litigation involving CertainTeed in the US remained unchanged from the last few half-year periods.
The net balance of capital gains and losses on disposals, asset write-downs and corporate acquisition fees represented an expense of €296 million compared to income of €7 million in first-half 2017. In first-half 2018, this item includes €267 million in asset write-downs, mainly in Pipe, and €29 million in losses on asset disposals and acquisition fees. **Business income** was therefore down 14.3% to €1,119 million.

Net financial income (expense) represented income of €392 million compared to an expense of €231 million in first-half 2017. Besides the improvement resulting from a lower interest cost on pensions (thanks to contributions in previous years) and a decrease in the cost of gross debt (2.5% versus 2.7% at June 30, 2017), net financial income was boosted by a €601 million gain relating to the Sika transaction.
Income tax totaled €265 million (€297 million in first-half 2017).
The income tax rate on recurring net income was 25% compared to 27% in first-half 2017, due mainly to the reduction in the US tax rate.
Recurring net income (excluding capital gains and losses, asset write-downs, material non-recurring provisions and Sika income) rose 6.8% to €802 million.
Net attributable income increased sharply, up 61.7% to €1,219 million.

Capital expenditure totaled €561 million, representing 2.7% of sales compared to a particularly low 2.1% of sales in first-half 2017.
Cash flow from operations remained stable at €1,410 million (€1,407 million in first-half 2017); before the tax impact of capital gains and losses on disposals, asset write-downs and material non-recurring provisions, cash flow from operations was €1,398 million (€1,410 million in first-half 2017) and free cash flow decreased 14.9% to €837 million (4.0% of sales versus 4.8% of sales in first-half 2017).

The difference between EBITDA and capital expenditure fell 8.2% to €1,509 million (€1,644 million in first-half 2017), representing 7.3% of sales (8.1% in first-half 2017).
Operating working capital requirements (WCR) came in at €4,598 million (€4,333 million at June 30, 2017), a rise of one day to 40 days of sales.
Investments in securities totaled €1,289 million (€136 million in first-half 2017), including €933 million relating to the Sika transaction (on a net basis after the disposal of 6.97% of shares) and €356 million in targeted acquisitions made to consolidate leading positions, notably Per Strand in Norway (Building Distribution), to develop innovative niches with Micro Hydraulics Pharma, HyComp and Logli Massimo (Innovative Materials), and to establish a foothold in new countries with KIMMCO in Insulation in Kuwait (CP).

Net debt rose from €6.8 billion to €9.3 billion at June 30, 2018, with in particular the Sika transaction for €933 million and €389 million in share buybacks over the period. Net debt represents 48% of consolidated equity compared to 36% at June 30, 2017. **The net debt to EBITDA ratio** over the last 12-month rolling period was 2.2 at end-June 2018 compared to 1.7 at end-June 2017.

Update on asbestos claims in the US

Some 1,300 new claims were filed against CertainTeed in first-half 2018 (versus 1,600 in first-half 2017).
At the same time, around 1,500 claims were settled (versus 2,300 claims in first-half 2017), bringing the total number of outstanding claims to around 34,100 at June 30, 2018, a decrease of 200 compared to end-2017 (34,300).
A total of USD 74 million in indemnity payments were made in the 12 months to June 30, 2018, compared to USD 76 million in the 12 months to December 31, 2017.

Strategic priorities and outlook

The Group continued to implement its strategic priorities in first-half 2018:
- €150 million in cost savings versus first-half 2017;
- 13 acquisitions in the first half and 3 being finalized in July;
- 8.8 million shares bought back in the first half, an acceleration compared to last year (8.3 million over full-year 2017), contributing to a reduction in the number of shares outstanding to 546.9 million at June 30, 2018 (554.4 million at June 30, 2017).

In the second half, the Group should continue to operate in a supportive economic environment:
- **France** to continue to enjoy robust momentum in construction markets;
- progression in **other Western European countries**, despite continued uncertainty in the UK;
- growth in **North America**, in both construction markets and industry;
- good momentum in **Asia and emerging countries**.

The Group confirms its **action priorities for the year as a whole**:
- its **focus on sales prices** amid continued inflationary pressure on costs;
- its **cost savings program**, with the aim of unlocking additional savings of around €300 million (calculated on the 2017 cost base);
- its **capital expenditure program** of around €1.7 billion (representing around 4% of sales, in line with our objectives), with a focus on growth capex outside Western Europe and also on productivity (Industry 4.0) and digital transformation, particularly in Building Distribution;
- 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**.

Saint-Gobain confirms its objective for full-year 2018 of a like-for-like increase in operating income and for the second half expects the like-for-like increase to be clearly above the level achieved in the first half.

After having agreed a transaction with Sika on excellent financial terms, the Group will continue and accelerate the roll-out of its strategy:

- Acceleration in divestments by the end of 2019, representing sales of at least €3 billion, with a positive impact of around 40 basis points on the operating margin.
- Ongoing value-creating acquisitions policy representing over €500 million per year on average through to 2020, with three focuses: Asia and emerging countries, new niche technologies and services, and the consolidation of the Group's strong positions.
- Launch of a review of the Group's organizational structure to give greater priority to the regional dimension of construction businesses in order to: increase market proximity, enhance agility in order to drive growth, leverage new opportunities from our digital transformation programs and reinforce our competitiveness, while maintaining business synergies. The new organizational structure that results from this review will be unveiled before the end of 2018. In line with our culture of social dialog, employee representative bodies will be kept informed.

Financial calendar

- An information meeting for analysts and investors will be held at *8:30am (GMT+1) on July 27, 2018* and will be broadcast live on www.saint-gobain.com

- Sales for the first nine months of 2018: *October 25,* 2018 after close of trading on the Paris Bourse.

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All indicators contained in this press release (not defined in the footnotes) are explained in the notes to the financial statements in the interim financial report, available by clicking here: https://www.saint-gobain.com/en/finance/regulated-information/half-yearly-financial-report

The glossary below shows the notes in which you can find an explanation of each indicator.
Glossary:

Cash flow from operations	*Note 4*
Net debt	*Note 9*
EBITDA	*Note 4*
Non-operating costs	*Note 4*
Operating income	*Note 4*
Net financial income (expense)	*Note 9*
Recurring net income	*Note 4*
Business income	*Note 4*

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

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Appendix 1: Results by business sector and geographic area - First Half

I. SALES

	H1 2017 (in €m)	H1 2018 (in €m)	Change on an actual structure basis	Change on a comparable structure basis	Like-for-like change
by sector and division:					
Innovative Materials[1]	**5,242**	**5,282**	**+0.8%**	**+0.1%**	**+6.0%**
Flat Glass	*2,865*	*2,852*	*-0.5%*	*-0.8%*	*+3.5%*
High-Performance Materials	*2,387*	*2,441*	*+2.3%*	*+1.4%*	*+9.2%*
Construction Products[1]	**6,329**	**6,476**	**+2.3%**	**+0.2%**	**+6.8%**
Interior Solutions	*3,417*	*3,579*	*+4.7%*	*+2.1%*	*+7.1%*
Exterior Solutions	*2,958*	*2,947*	*-0.4%*	*-1.7%*	*+6.6%*
Building Distribution	**9,344**	**9,550**	**+2.2%**	**+1.3%**	**+3.1%**
Internal sales and misc.	*(506)*	*(521)*	*n.s.*	*n.s.*	*n.s.*
Group Total	**20,409**	**20,787**	**+1.9%**	**+0.5%**	**+4.9%**

[1] including inter-division eliminations.

	H1 2017 (in €m)	H1 2018 (in €m)	Change on an actual structure basis	Change on a comparable structure basis	Like-for-like change
by geographic area:					
France	5,398	5,569	+3.2%	+3.1%	+3.1%
Other Western European countries	8,736	9,034	+3.4%	+1.5%	+3.6%
North America	2,824	2,784	-1.4%	-1.9%	+9.4%
Emerging countries and Asia	4,457	4,504	+1.1%	-0.9%	+8.2%
Internal sales	*(1,006)*	*(1,104)*	*n.s.*	*n.s.*	*n.s.*
Group Total	**20,409**	**20,787**	**+1.9%**	**+0.5%**	**+4.9%**

II. OPERATING INCOME

	H1 2017 (in €m)	H1 2018 (in €m)	Change on an actual structure basis	H1 2017 (in % of sales)	H1 2018 (in % of sales)
by sector and division:					
Innovative Materials	**643**	**651**	**+1.2%**	**12.3%**	**12.3%**
Flat Glass	*284*	*229*	*-19.4%*	*9.9%*	*8.0%*
High-Performance Materials	*359*	*422*	*+17.5%*	*15.0%*	*17.3%*
Construction Products	**586**	**560**	**-4.4%**	**9.3%**	**8.6%**
Interior Solutions	*337*	*353*	*+4.7%*	*9.9%*	*9.9%*
Exterior Solutions	*249*	*207*	*-16.9%*	*8.4%*	*7.0%*
Building Distribution	**248**	**254**	**+2.4%**	**2.7%**	**2.7%**
Misc.	(12)	4	n.s.	n.s.	n.s.
Group Total	**1,465**	**1,469**	**+0.3%**	**7.2%**	**7.1%**

	H1 2017 (in €m)	H1 2018 (in €m)	Change on an actual structure basis	H1 2017 (in % of sales)	H1 2018 (in % of sales)
by geographic area:					
France	133	185	+39.1%	2.5%	3.3%
Other Western European countries	521	487	-6.5%	6.0%	5.4%
North America	334	310	-7.2%	11.8%	11.1%
Emerging countries and Asia	477	487	+2.1%	10.7%	10.8%
Group Total	**1,465**	**1,469**	**+0.3%**	**7.2%**	**7.1%**

III. BUSINESS INCOME

	H1 2017 (in €m)	H1 2018 (in €m)	Change on an actual structure basis	H1 2017 (in % of sales)	H1 2018 (in % of sales)
by sector and division:					
Innovative Materials	**580**	**550**	**-5.2%**	**11.1%**	**10.4%**
Flat Glass	*272*	*161*	*-40.8%*	*9.5%*	*5.6%*
High-Performance Materials	*308*	*389*	*+26.3%*	*12.9%*	*15.9%*
Construction Products	**557**	**198**	**-64.5%**	**8.8%**	**3.1%**
Interior Solutions	*321*	*317*	*-1.2%*	*9.4%*	*8.9%*
Exterior Solutions	*236*	*(119)*	*-150.4%*	*8.0%*	*-4.0%*
Building Distribution	**236**	**241**	**+2.1%**	**2.5%**	**2.5%**
Misc. [a]	(67)	130	n.s.	n.s.	n.s.
Group Total	**1,306**	**1,119**	**-14.3%**	**6.4%**	**5.4%**

	H1 2017 (in €m)	H1 2018 (in €m)	Change on an actual structure basis	H1 2017 (in % of sales)	H1 2018 (in % of sales)
by geographic area:					
France	118	21	-82.2%	2.2%	0.4%
Other Western European countries	471	593	+25.9%	5.4%	6.6%
North America [a]	242	234	-3.3%	8.6%	8.4%
Emerging countries and Asia	475	271	-42.9%	10.7%	6.0%
Group Total	**1,306**	**1,119**	**-14.3%**	**6.4%**	**5.4%**

[a] *after asbestos-related charge (before tax) of €45m in H1-2017 and in H1-2018*

IV. CASH FLOW

	H1 2017 (in €m)	H1 2018 (in €m)	Change on an actual structure basis	H1 2017 (in % of sales)	H1 2018 (in % of sales)
by sector and division:					
Innovative Materials	**592**	**597**	**+0.8%**	**11.3%**	**11.3%**
Flat Glass	*324*	*239*	*-26.2%*	*11.3%*	*8.4%*
High-Performance Materials	*268*	*358*	*+33.6%*	*11.2%*	*14.7%*
Construction Products	**506**	**501**	**-1.0%**	**8.0%**	**7.7%**
Building Distribution	**243**	**238**	**-2.1%**	**2.6%**	**2.5%**
Misc. [b]	66	74	n.s.	n.s.	n.s.
Group Total	**1,407**	**1,410**	**+0.2%**	**6.9%**	**6.8%**

by geographic area:					
France	111	123	+10.8%	2.1%	2.2%
Other Western European countries	545	537	-1.5%	6.2%	5.9%
North America [b]	253	243	-4.0%	9.0%	8.7%
Emerging countries and Asia	498	507	+1.8%	11.2%	11.3%
Group Total	**1,407**	**1,410**	**+0.2%**	**6.9%**	**6.8%**

[b] *after asbestos-related charge (after tax) of €28m in H1-2017 and €33m in H1-2018*

V. CAPITAL EXPENDITURE

	H1 2017 (in €m)	H1 2018 (in €m)	Change on an actual structure basis	H1 2017 (in % of sales)	H1 2018 (in % of sales)
by sector and division:					
Innovative Materials	**161**	**241**	**+49.7%**	**3.1%**	**4.6%**
Flat Glass	*102*	*165*	*+61.8%*	*3.6%*	*5.8%*
High-Performance Materials	*59*	*76*	*+28.8%*	*2.5%*	*3.1%*
Construction Products	**157**	**195**	**+24.2%**	**2.5%**	**3.0%**
Interior Solutions	*99*	*121*	*+22.2%*	*2.9%*	*3.4%*
Exterior Solutions	*58*	*74*	*+27.6%*	*2.0%*	*2.5%*
Building Distribution	**92**	**100**	**+8.7%**	**1.0%**	**1.0%**
Misc.	17	25	n.s.	n.s.	n.s.
Group Total	**427**	**561**	**+31.4%**	**2.1%**	**2.7%**

by geographic area:					
France	90	99	+10.0%	1.7%	1.8%
Other Western European countries	118	154	+30.5%	1.4%	1.7%
North America	65	75	+15.4%	2.3%	2.7%
Emerging countries and Asia	154	233	+51.3%	3.5%	5.2%
Group Total	**427**	**561**	**+31.4%**	**2.1%**	**2.7%**

VI. EBITDA

	H1 2017 (in €m)	H1 2018 (in €m)	Change on an actual structure basis	H1 2017 (in % of sales)	H1 2018 (in % of sales)
by sector and division:					
Innovative Materials	**869**	**872**	**+0.3%**	**16.6%**	**16.5%**
Flat Glass	*426*	*368*	*-13.6%*	*14.9%*	*12.9%*
High-Performance Materials	*443*	*504*	*+13.8%*	*18.6%*	*20.6%*
Construction Products	**818**	**787**	**-3.8%**	**12.9%**	**12.2%**
Interior Solutions	*488*	*503*	*+3.1%*	*14.3%*	*14.1%*
Exterior Solutions	*330*	*284*	*-13.9%*	*11.2%*	*9.6%*
Building Distribution	**378**	**387**	**+2.4%**	**4.0%**	**4.1%**
Misc.	6	24	n.s.	n.s.	n.s.
Group Total	**2,071**	**2,070**	**-0.0%**	**10.1%**	**10.0%**

by geographic area:					
France	279	334	+19.7%	5.2%	6.0%
Other Western European countries	704	677	-3.8%	8.1%	7.5%
North America	420	389	-7.4%	14.9%	14.0%
Emerging countries and Asia	668	670	+0.3%	15.0%	14.9%
Group Total	**2,071**	**2,070**	**-0.0%**	**10.1%**	**10.0%**

Appendix 2: Sales by business sector and geographic area - Second Quarter

SALES	Q2 2017 (in €m)	Q2 2018 (in €m)	Change on an actual structure basis	Change on a comparable structure basis	Like-for-like change
by sector and division:					
Innovative Materials[1]	**2,636**	**2,732**	**+3.6%**	**+2.9%**	**+8.4%**
Flat Glass	*1,439*	*1,468*	*+2.0%*	*+1.5%*	*+6.0%*
High-Performance Materials	*1,203*	*1,268*	*+5.4%*	*+4.4%*	*+11.1%*
Construction Products[1]	**3,225**	**3,422**	**+6.1%**	**+4.3%**	**+10.4%**
Interior Solutions	*1,710*	*1,831*	*+7.1%*	*+4.9%*	*+9.7%*
Exterior Solutions	*1,539*	*1,616*	*+5.0%*	*+3.7%*	*+11.2%*
Building Distribution	**4,861**	**5,151**	**+6.0%**	**+5.1%**	**+6.7%**
Internal sales and misc.	*(250)*	*(273)*	*n.s.*	*n.s.*	*n.s.*
Group Total	**10,472**	**11,032**	**+5.3%**	**+4.0%**	**+8.0%**

[1] including inter-division eliminations.

by geographic area:					
France	2,761	2,896	+4.9%	+4.8%	+4.8%
Other Western European countries	4,495	4,868	+8.3%	+6.2%	+8.1%
North America	1,426	1,509	+5.8%	+5.1%	+14.1%
Emerging countries and Asia	2,283	2,320	+1.6%	+0.2%	+9.7%
Internal sales	*(493)*	*(561)*	*n.s.*	*n.s.*	*n.s.*
Group Total	**10,472**	**11,032**	**+5.3%**	**+4.0%**	**+8.0%**

Appendix 3: Consolidated balance sheet

in € million	**Dec. 31, 2017**	**June 30, 2018**
Assets		
Goodwill	10,575	10,726
Other intangible assets	2,603	2,627
Property, plant and equipment	11,590	11,414
Investments in equity-accounted companies	379	393
Deferred tax assets	938	896
Other non-current assets	774	2,647
Non-current assets	**26,859**	**28,703**
Inventories	6,041	6,429
Trade accounts receivable	5,134	6,189
Current tax receivable	204	167
Other receivables	1,395	2,151
Assets held for sale - Discontinued operations	0	153
Cash and cash equivalents	3,284	2,241
Current assets	**16,058**	**17,330**
Total assets	**42,917**	**46,033**
Equity and Liabilities		
Capital stock	2,214	2,210
Additional paid-in capital and legal reserve	5,944	5,856
Retained earnings and consolidated net income	12,167	12,948
Cumulative translation adjustments	(1,756)	(1,923)
Fair value reserves	22	13
Treasury stock	(123)	(235)
Shareholders' equity	**18,468**	**18,869**
Minority interests	384	383
Total equity	**18,852**	**19,252**
Non-current portion of long-term debt	7,655	8,976
Provisions for pensions and other employee benefits	2,927	2,606
Deferred tax liabilities	427	446
Other non-current liabilities and provisions	1,053	1,070
Non-current liabilities	**12,062**	**13,098**
Current portion of long-term debt	1,064	1,011
Current portion of other liabilities and provisions	412	407
Trade accounts payable	6,027	6,213
Current tax liabilities	157	116
Other payables	3,823	4,254
Liabilities held for sale - Discontinued operations	0	134
Short-term debt and bank overdrafts	520	1,548
Current liabilities	**12,003**	**13,683**
Total equity and liabilities	**42,917**	**46,033**

Appendix 4: Consolidated cash flow statement

(in € million)	H1 2017	H1 2018
Net income of operations attributable to equity holders of the parent	**754**	**1,219**
Minority interests in net income	23	27
Share in net income of associates, net of dividends received	(3)	(13)
Depreciation, amortization and impairment of assets	639	863
Gains and losses on disposals of assets	(7)	11
Extraordinary net income SWH/Sika	0	(781)
Unrealized gains and losses arising from changes in fair value and share-based payments	3	3
Changes in inventories	(437)	(444)
Changes in trade accounts receivable and payable, and other accounts receivable and payable	(937)	(1,137)
Changes in tax receivable and payable	255	(7)
Changes in deferred taxes and provisions for other liabilities and charges	56	93
Net cash from operating activities	**346**	**(166)**
Purchases of property, plant and equipment [in H1-2017: (427), in H1-2018: (561)] and intangible assets	(479)	(637)
Acquisitions of property, plant and equipment under finance leases	(9)	(9)
Increase (decrease) in amounts due to suppliers of fixed assets	(149)	(208)
Acquisitions of shares in consolidated companies [in H1-2017: (52), in H1-2018: (285)], net of debt acquired	(114)	(295)
Acquisitions of other investments	(84)	(1,000)
Increase in investment-related liabilities	4	27
Decrease in investment-related liabilities	(38)	(9)
Investments	**(869)**	**(2,131)**
Disposals of property, plant and equipment and intangible assets	60	6
Disposals of shares in consolidated companies, net of net debt divested	28	27
Divestments	**88**	**33**
Increase in loans and deposits	(89)	(90)
Decrease in loans and deposits	38	23
Net cash from (used in) investment and divestment activities	**(832)**	**(2,165)**
Issues of capital stock	168	179
(Increase) decrease in treasury stock	(178)	(389)
Dividends paid	(694)	(707)
Minority interests' share in capital increases of subsidiaries	0	3
Acquisitions of minority interests without gain of control	0	(4)
Dividends paid to minority shareholders of consolidated subsidiaries	(21)	(38)
Increase (decrease) in dividends payable	(1)	(1)
Net cash from (used in) financing activities	**(726)**	**(957)**
Net effect of IFRS 9 on net debt	0	(4)
Net effect of exchange rate changes on net debt	35	(35)
Net effect from changes in fair value on net debt	5	(12)
Increase (decrease) in net debt	**(1,172)**	**(3,339)**
Net debt at beginning of period	**(5,644)**	**(5,955)**
Net debt at end of period	**(6,816)**	**(9,294)**

Appendix 5: Debt at June 30, 2018

Amounts in €bn		**Comments**
Amount and structure of net debt	**€bn**	
Gross debt	11.5	At end of June 2018:
Cash & cash equivalents	2.2	**75%** of gross debt was at **fixed interest rates**
Net debt	9.3	the **average cost** of gross debt was **2.5%**
Breakdown of gross debt	**11.5**	
Bond debt and perpetual notes	**9.0**	
October 2018	0.8	
September 2019	0.9	
March 2020	1.0	
June 2020	0.5	
June 2021	0.7	
March 2022	0.9	
October 2022	0.1	
After June 2023	4.1	
Other long-term debt	**0.7**	(including €0.4bn long-term securitization)
Short-term debt	**1.8**	*(excluding bonds)*
Negotiable European Commercial Paper (NEU CP)	0.9	Maximum amount of issuance program: €3bn
Securitization	0.4	(€0.3bn equivalent in USD + €0.1bn)
Local debt and accrued interest	0.5	Frequent rollover; many different sources of financing
Credit lines, cash & cash equivalents	**6.2**	
Cash and cash equivalents	2.2	
Back-up credit-lines	4.0	See breakdown below
Breakdown of back-up credit lines	**4.0**	

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

		Expiry	**Covenants**
Syndicated line:	€2.5bn	December 2022	None
Syndicated line:	€1.5bn	December 2022	None