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Saint-Gobain Nederland B.V.

Financial Report

December 31, 2009

Saint-Gobain Nederland B.V.
Prins Bernhardplein 200
1097 JB Amsterdam

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Annual report of the directors

Annual report of the directors 2009

The management hereby presents to the shareholders the annual financial report for the year ended December 31, 2009. SAINT-GOBAIN NEDERLAND Company is a finance company without any industrial or commercial activity. The company has no employees. All bonds issued by SAINT-GOBAIN NEDERLAND are secured by COMPAGNIE de SAINT-GOBAIN. Financial instruments related to these bonds are also held directly by COMPAGNIE de SAINT-GOBAIN and not by the company. Therefore, the company is not subject to any risk in this context.

During this year, the company pursued its financing activity. The company did not issue any new bonds.

The financial position of the company as of December 31, 2009 is presented in the balance sheet included in the accompanying financial statements. The main financial items are presented below :

- Financial fixed assets (loans to Compagnie de Saint-Gobain): EUR 1,523 million of euros
- Long term debts (Bond issues): EUR (1,554) million of euros

The net profit after tax for the year, amounts to EUR 200 thousand, including a net financial income of EUR 360 thousand, other operating expenses EUR -129 thousand and a tax expense of EUR -31 thousand.


No major post-balance sheet events affecting the accounts, herewith presented, have occurred to date. No major change in the company's activity is planned to date.

Statement of directors

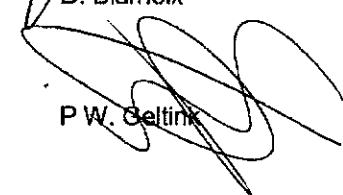
Further to the requirements set out in Article 5:525c sub 2c of the "Wet Financieel Toezicht (Wft)", the directors of the Company hereby state that, to the best of our knowledge,:

- the financial statements for the year ending December 31, 2009 give a true and fair view of the assets, liabilities, financial position of and the result generated by the Company;
- the report of the directors gives a true and fair view of the status of the Company as per the balance sheet date and the state of affairs during the financial year to which the report relates; and
- this report of the directors includes a description of the substantial risks the issuer is facing.

Amsterdam, April 09, 2010.



D. Biarneix



P.W. Geltink

Financial statements

Balance sheet as at December 31, 2009

(before profit appropriation)

		<u>December 31, 2009</u>		<u>December 31, 2008</u>	
		EUR	EUR	EUR	EUR
<i>Assets</i>					
Financial assets					
Long term loans to group companies	5	477 346 530		1 467 756 530	
Bond issue expenses	6	<u>10 789 785</u>		<u>15 284 616</u>	
			488 136 315		1 483 041 146
Current assets					
Loans to group companies	7	990 410 000		986 250 000	
Other receivables from group companies	8	94 332 305		127 782 174	
Income tax		27 327		-	
Cash and cash equivalents		<u>64 064</u>		<u>6 764</u>	
			1 084 833 696		1 114 038 938
Total			<u>1 572 970 011</u>		<u>2 597 080 084</u>

		<u>December 31, 2009</u>		<u>December 31, 2008</u>	
		EUR	EUR	EUR	EUR
<i>Equity and liabilities</i>					
Equity					
Share capital	9	12 447 872		12 447 872	
Other reserves	10	6 582 723		6 582 563	
Profit for the year		200 218		1 360 498	
			19 230 813		20 390 933
Non-current liabilities	11		500 847 740		1 500 847 740
Current liabilities					
Loans from third parties	11	1 000 000 000		1 000 000 000	
Income tax	14	-		283 177	
Payables and accrued expenses	12	52 891 458		75 557 684	
Bank overdraft		-		550	
			1 052 891 458		1 075 841 411
Total			<u>1 572 970 011</u>		<u>2 597 080 084</u>

The accompanying notes form an integral part of the year accounts.

Income statement for 2009

	<u>2009</u>		<u>2008</u>	
	EUR	EUR	EUR	EUR
Finance income				
Interest and similar income	104 361 041		148 270 382	
Finance costs				
Interest and similar expense	(104 028 418)		(146 324 872)	
Foreign exchange differences	<u>27 463</u>		<u>(64 155)</u>	
Finance income and costs		360 087		1 881 355
Other operating expenses		(129 032)		(63 506)
Profit before tax		<u>231 055</u>		<u>1 817 849</u>
Income tax expense		(30 837)		(457 351)
Profit after tax		<u>200 218</u>		<u>1 360 498</u>

The accompanying notes form an integral part of the year accounts.

Cash flow statement for 2009

	<u>December 31, 2009</u>		<u>December 31, 2008</u>	
	EUR	EUR	EUR	EUR
Cash flow from investing activities				
Interest received	104 361 041		148 270 382	
Interest paid	(104 028 418)		(146 324 872)	
Other expenses	(101 569)		(127 661)	
Income taxes paid	(341 341)		(457 351)	
Decrease capitalized bond issue expenses	4 494 831		5 420 815	
Net cash provided by investment activities		<u>4 384 544</u>		<u>6 781 313</u>
Cash flow from financing activities				
Decrease other receivables	33 449 869		14 982 511	
Decrease other payables	(22 666 226)		(16 100 527)	
Dividend paid	(1 360 338)		(1 310 102)	
Decrease long term loans to group companies	990 410 000		986 250 000	
Decrease long term liabilities	(1 000 000 000)		(1 000 000 000)	
Increase short-term loans to group companies	(4 160 000)		(271 467 975)	
Increase short-term loans from third parties	-		430 870 677	
(Decrease short-term loans from group companies	-		(150 000 000)	
Net cash used in financing activities		<u>(4 326 695)</u>		<u>(6 775 416)</u>
Net cash flows		<u>57 849</u>		<u>5 897</u>

Movements in cash and cash equivalents can be broken down as follows:

	<u>2009</u>	<u>2008</u>
	EUR	EUR
At January 1st :	6 214	317
Movements during the year	<u>57 849</u>	<u>5 897</u>
At December 31th :	64 063	6 214

1 Notes to the financial statements

1.1 General

Saint-Gobain Nederland B.V. is a wholly owned subsidiary of Compagnie de Saint-Gobain SA, Courbevoie, France. The principal activity of the company is that of a finance company. Compagnie de Saint-Gobain SA has confirmed its intention to continue to render financial support to the company when and to the extent needed.

1.2 Group structure

Saint-Gobain Nederland B.V. is a member of the Compagnie de Saint-Gobain group. The ultimate parent company of this group is Compagnie de Saint-Gobain SA. The financial statements of Saint-Gobain Nederland B.V. are included in the consolidated financial statement of Compagnie de Saint-Gobain SA. Copies of the consolidated financial statements of Compagnie de Saint-Gobain SA are available at cost price from the offices of Saint-Gobain Nederland B.V.

1.3 Related parties

All subsidiaries of Compagnie de Saint-Gobain SA are considered to be related parties. The parent company Compagnie de Saint-Gobain SA also qualifies as a related party.

1.4 Notes to the cash flow statement

The cash flow statement has been prepared applying the indirect method. The cash items disclosed in the cash flow statement are comprised of cash and cash equivalents. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received and income taxes are included in cash from investing activities. Dividends paid are recognised as cash used in financing activities.

1.5 Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Netherlands Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question.

2 Accounting policies for the balance sheet

2.1 General information

The financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. The financial statements are denominated in euros.

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or fair value. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred. The balance sheet, income statement and cash flow statement include references to the notes.

2.2 Prior-year comparison

The principles of valuation and determination of result remain unchanged compared to the prior year.

2.3 Foreign currencies

Foreign currency transactions in the reporting period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognised in the income statement, except when deferred in equity as qualifying hedges.

2.4 Financial assets

Long-term loans in the form of bonds are stated at cost less provision for diminution in value, if required. Bond issue expenses are capitalised at cost and amortised over the duration of the loans.

2.5 Current assets

Current assets mainly include short-term loans and investments relating to financing activities. Other investments are valued at the lower of cost or market value.

2.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts are shown within current liabilities on the balance sheet.

3 Accounting policies for the income statement

3.1 General information

Profit or loss is determined as the difference between financial income and expense, and the costs and other charges for the period. Gains or losses on transactions are recognised in the period in which they are realised; losses are taken as soon as they are foreseeable.

3.2 Exchange differences

Exchange differences arising upon the settlement of monetary items are recognised in the income statements in the period that they arise, unless they are hedged.

3.3 Interest income and expenses

Interest paid and interest received is recognised on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognising interest paid, allowance is made for transaction costs on loans received.

3.4 Income tax expense

Income tax is calculated on the profit / loss before tax in the income statement, taking into account any losses carried forward from previous years (where not included in deferred income tax assets) and tax-exempt items, plus non-deductable expenses. Account is also taken of changes in deferred income tax assets & liabilities owing to changes in the applicable tax rates.

4 Financial Instruments and risk management

4.1 Currency risk

Saint-Gobain Nederland B.V. mainly operates in the European Union. The currency risk for Saint-Gobain Nederland B.V. largely concerns positions and future transactions in USD and GBP. Based on a risk analysis, management of Saint-Gobain Nederland B.V. determined that there is no need to hedge this currency risk.

4.2 Interest rate risk

Saint-Gobain Nederland B.V. runs interest rate risks on the interest-bearing debtors (in particular under financial fixed assets) and interest-bearing long-term and current liabilities (including debts to credit institutions).

For debtors and debts with variable interest agreements, Saint-Gobain Nederland B.V. runs risks regarding future cash flows. In addition, regarding fixed-interest debtors and debts, Saint-Gobain Nederland B.V. runs risks on the market value.

5 Long term Loans to group companies

This caption consists of unsecured loans granted to the company's parent company.

	<u>December 31, 2009</u>		<u>December 31, 2008</u>	
	EUR	EUR	EUR	EUR
Balance at January 1	1 467 756 530		2 454 006 530	
Transfer to current loans	(990 410 000)		(986 250 000)	
Exchange difference	<u>0</u>		<u>0</u>	
Balance at December 31		<u>477 346 530</u>		<u>1 467 756 530</u>

6 Bond issue expenses

	December 31, 2009		December 31, 2008	
	EUR	EUR	EUR	EUR
Balance at January 1	15 284 616		20 705 431	
Amortisation for the period	(4 494 831)		(5 412 918)	
Exchange difference	-		(7 897)	
Balance at December 31		10 789 785		15 284 616

7 Loans to group companies (current)

This caption consists of unsecured short-term loans to group companies.

8 Other receivables from group companies

This amount relates to the interest receivable on long-term and short-term loans to group companies.

9 Share capital

The authorised share capital consists of 100,000 shares of NLG 415 each of which 66,100 shares have been issued and fully paid up. These shares are held of record by Compagnie de Saint-Gobain SA.

10 Other reserves

The movement in other reserves can be specified as follows:

	December 31, 2009		December 31, 2008	
	EUR	EUR	EUR	EUR
Balance at January 1	6 582 563		6 581 922	
Addition prior year's profit	1 360 498		1 310 743	
Dividend distribution	(1 360 338)		(1 310 102)	
Balance at December 31		6 582 723		6 582 563

11 Non-current liabilities

Non-current liabilities fully consist of bonds issued to third parties. The short-term part of the non-current liabilities is included in loans from third parties.

Non-current liabilities are unconditionally and irrevocably guaranteed by Compagnie de Saint-Gobain SA and may be summarised as follows:

Short term

Nominal value	Interest rate	Date of redemption	December 31, 2009	December 31, 2008
EUR 1 000 000 000	4,75%	09/07/2009	-	1 000 000 000
EUR 1 000 000 000	5%	16/04/2010	1 000 000 000	-
			<hr/> 1 000 000 000	<hr/> 1 000 000 000

Long-term

Nominal value	Interest rate	Date of redemption	December 31, 2009	December 31, 2008
EUR 1 000 000 000	5%	16/04/2010	-	1 000 000 000
EUR 500 847 740	5%	25/04/2014	500 847 740	500 847 740
			<hr/> 500 847 740	<hr/> 1 500 847 740

12 Payables and accrued expenses

Included under this heading is the interest payable on non-current and current liabilities.

13 Finance income and costs

In the finance income all interests EUR 104,361,041 are received from group companies and an amount of EUR 2,069 of interest paid to group companies has been included.

14 Income tax expense

The profit before tax for year is EUR 231,055. The income tax expense amounts to EUR 30,837.

The income tax expense of 30,837 can be broken down as follows:

EUR	2009	2008
Operating income	231 055	1 817 849
Income tax expense	30 837	457 351
Effective tax rate	13%	25%
Applicable tax rate	21%	25%

The effective tax rate differs from the applicable tax rate and last year's rate mainly due to:

- 2007 and 2008 income tax lower than initially expected EUR (28,773).
- Interest paid for 2007 corporate tax EUR 11,691.

15 Directors

Both the board of directors and the supervisory board of directors did not receive any remuneration in their capacity.

16 Average number of employees

The company has no employees.

Amsterdam, April 09, 2010.

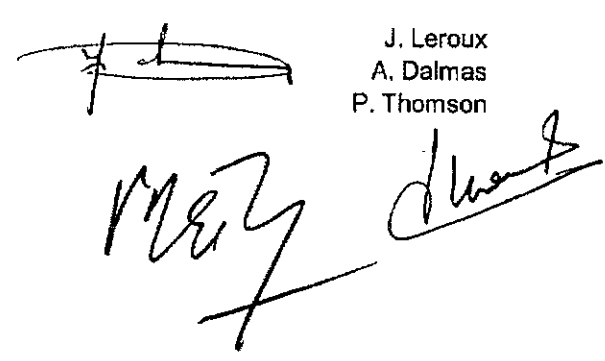
Board of Directors

D. Biarnoux
P.W. Gellink



Supervisory Board of directors

J. Leroux
A. Dalmas
P. Thomson



To the General Meeting of Shareholders of
Saint-Gobain Nederland B.V.

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Auditor's report

Report on the financial statements

We have audited the accompanying financial statements 2009 of Saint-Gobain Nederland B.V., Amsterdam as set out on pages 4 to 15 which comprise the balance sheet as at 31 December 2009, the profit and loss account for the year then ended and the notes.

The directors' responsibility

The directors of the company are responsible for the preparation and fair presentation of the financial statements and for the preparation of the directors' report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

Saint-Gobain Nederland B.V.
Auditor's report – continued
Reference: 30117801/HQ/e0163940/zm

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Saint-Gobain Nederland B.V. as at 31 December 2009, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the directors' report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Eindhoven, 9 April 2010
PricewaterhouseCoopers Accountants N.V.



H.J.M. Quadflieg RA