

Saint-Gobain Nederland B.V.

Financial Report

December 31, 2011

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 2011

The management hereby presents to the shareholders the annual financial report for the year ended December 31, 2011. 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 continued its financing activity. The Company did not issue any new bonds or repay it's loans

The financial position of the Company as of December 31, 2011 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 477 million of euros
- Long term debts (Bond issues): EUR (501) million of euro

The net profit after tax for the year, amounts to EUR 189 thousand, including a net financial income of EUR 328 thousand, other operating expenses EUR (43) thousand and a tax expense of EUR (96) 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, 2011 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, 02 2012.

D. Biarneix Director



P.W. Geltink Director



Financial statements

Balance sheet as at December 31, 2011

(before profit appropriation)

	<u>December 31, 2011</u>		<u>December 31, 2010</u>	
	EUR	EUR	EUR	EUR
<i>Assets</i>				
Financial assets				
Long term loans to group companies	5	477.346.530		477.346.530
 Current assets				
Other receivables from group companies	6	53.711.850	51.128.825	
Income tax		-	38.946	
Cash and cash equivalents		<u>96.150</u>	<u>60.009</u>	
		53.808.000		51.227.781
Total		<u>531.154.530</u>		<u>528.574.311</u>

		<u>December 31, 2011</u>		<u>December 31, 2010</u>	
		EUR	EUR	EUR	EUR
<i>Equity and liabilities</i>					
Equity					
Share capital	7	12.426.800		12.447.872	
Other reserves	8	6.048.787		6.582.658	
Profit for the year		189.425		(554.943)	
		<hr/>		<hr/>	
			18.665.011		18.475.587
Non-current liabilities	9		495.273.533		492.862.977
Current liabilities					
Income tax	12	29.588		-	
Payables and accrued expenses	10	17.186.397		17.235.747	
		<hr/>		<hr/>	
			17.215.985		17.235.747
Total			<hr/>		<hr/>
			531.154.530		528.574.311

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

Income statement for 2011

		2011		2010
		EUR	EUR	EUR
Interest income				
Interest and similar income	11	27.734.406		42.403.881
Interest costs				
Interest and similar expense		(27.406.309)		(42.234.252)
<hr/>				
Net financial income			328.098	169.629
Other operating expenses			(43.079)	(77.194)
<hr/>				
Profit before tax			285.019	92.435
Income tax expense	12		(95.594)	(647.378)
<hr/>				
Profit after tax			189.425	(554.943)

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

Cash flow statement for 2011

	<u>December 31, 2011</u>		<u>December 31, 2010</u>	
	EUR	EUR	EUR	EUR
Cash flow from investing activities				
Interest received	27 734 406		42 403 881	
Interest paid	(27 406 309)		(42 234 252)	
Other expenses	(43 079)		(77 194)	
Income taxes paid	(27 060)		(658 997)	
Decrease capitalized bond issue expenses	2 410 557		2 805 022	
Net cash provided by investment activities		<u>2 668 515</u>		<u>2 238 460</u>
Cash flow from financing activities				
(Increase) / Decrease other receivables (1)	(2 583 024)		43 203 480	
Decrease other payables	(49 350)		(35 655 711)	
Dividend paid	-		(200 283)	
Increase short-term loans from third parties	-		(1 000 000 000)	
Decrease short-term loans from group companies	-		990 410 000	
Net cash used in financing activities		<u>(2 632 374)</u>		<u>(2 242 514)</u>
Net cash flows		<u>36 141</u>		<u>(4 054)</u>

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

	<u>2011</u>	<u>2010</u>
	EUR	EUR
At January 1st :	60 009	64 063
Movements during the year	<u>36 141</u>	<u>(4 054)</u>
At December 31th :	96 150	60 009

(1) Receivables with the group Company

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, having its statutory seat in Amsterdam, The Netherlands. 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 office 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 euro.

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 and non-current liabilities

Long term loans to group companies and bonds issued to third parties are initially measured at fair value, and subsequently carried at amortised cost. Impairment losses are deducted from amortised cost and expensed in the income statement.

All bonds issued by SAINT-GOBAIN NEDERLAND B.V. 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.

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 interest income and interest 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-deductible expenses. Account is also taken of changes in deferred income tax assets & liabilities owing to changes in the applicable tax rates.

Permanent and temporary differences may exist between the net result as presented in these financial statements and the result for corporate income tax purposes. Therefore, the corporate income tax due for the year may differ from the theoretical amount that would arise applying the nominal tax rate applicable in the Netherlands to the net result as presented in these financial statements.

As of June 18th 2010, the Company agreed on a tax ruling (Advance Pricing Agreements (APA) and Advance Tax Rulings (ATR)) with the Dutch tax authorities to obtain in advance certainty for contemplated finance activities of the Company in the Netherlands. The tax ruling was valid till the redemption date, December 31st 2014

4 Financial instruments and risk management

4.1 Price risk

Currency risk

Saint-Gobain Nederland B.V. mainly operates in the European Union and only in Euros.

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.

Notes to the balance sheet and the statement of income

5 Long term Loans to group companies

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

	<u>December 31, 2011</u>		<u>December 31, 2010</u>	
	EUR	EUR	EUR	EUR
Balance at the beginning of period	477 346 530		477 346 530	
Balance at the end of period		<u>477 346 530</u>		<u>477 346 530</u>

The market value of this loan is € 503 millions at December 31, 2011 (2010: € 510 millions).

6 Other receivables from group companies

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

7 Share capital

The authorised share capital consists of 100,000 shares of EUR 188 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.

8 Other reserves

The movement in other reserves can be specified as follows:

	<u>December 31, 2011</u>		<u>December 31, 2010</u>	
	EUR	EUR	EUR	EUR
Balance at the beginning of period	6 582 658		6 582 723	
Modification of reserves (1)	21 072			
Prior year's profit or loss	(554 943)		200 218	
Dividend paid			(200 283)	
Balance at the year end		<u>6 048 787</u>		<u>6 582 658</u>

(1) In accordance with the new dutch law dated July 03, 2009.
The capital is not more a translation of NLG in EUR but a capital in EUR.
Consequently roundings in capital are transferred in reserves.

9 Non-current liabilities

Non-current liabilities fully consist of bonds issued to 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, 2011	December 31, 2010
			-	-
			<hr/>	<hr/>
			-	-

Long-term

Nominal value	Interest rate	Date of redemption	December 31, 2011	December 31, 2010
EUR 500 847 740	5%	25-4-2014	500.847.740	500.847.740
Amortised costs valuation of the bonds			(5.574.207)	(7.984.763)
			<hr/>	<hr/>
			495.273.533	492.862.977

The market value of this bond is € 528 millions at December 31, 2011 (2010: € 535 millions).

10 Payables and accrued expenses

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

11 Interest income

In the interest income all interests EUR 27,734,406 are received from group.

12 Income tax expense

The income tax expense can be broken down as follows:

EUR	December 31, 2011	December 31, 2010
Profit before tax	285 019	92 435
Additional income tax 2005/2009 (1)	-	572 378
Income tax expense (2)	95 594	75 000
Total income tax	<hr/> 95 594	<hr/> 647 378
Effective tax rate	NS See below	NS See below

The effective tax rate differs from the provisions years mainly due to the modification of the calculation based on the "ruling".

- (1) The calculation of the income tax based on the "ruling" had been reviewed since 2005. Consequently an additional tax expense was recorded in 2010 for EUR 572,378.
- (2) The calculation is based on the "ruling".

13 Directors

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

14 Average number of employees

The company has no employees (previous year: 0).

15 Fees paid to the Auditors and the members of their network for 2011

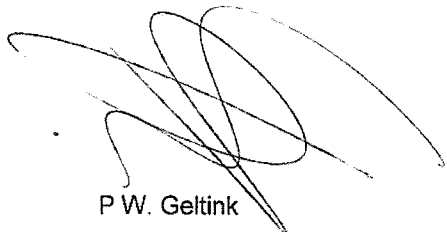
Audit	EUR	12 707
Other audit related services	EUR	0
Other services	EUR	0

Amsterdam, April, 02 2012.

Board of Directors



D. Biarneix

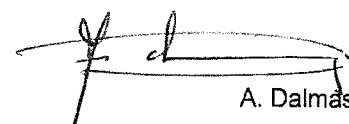


P.W. Geltink

Supervisory Board of directors



J. Leroux



A. Dalmás



P. Thomson

Other information

1 Auditor's report

The report of the auditors, PricewaterhouseCoopers Accountants N.V., is set forth on page 18.

2 Appropriation of results

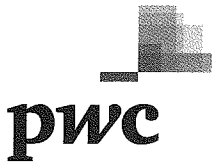
In accordance with Article 19 of the Articles of Association of the company the general meeting of shareholders decides about the appropriation of the profit for the year under review and determines, based on a proposal thereto of the supervisory board of directors, the dividend and the date of payment thereof.

3 Proposed appropriation of profit

It is proposed to pay a dividend of EUR 189,046, profit remaining will be transferred to the other reserves.

4 Post-balance sheet events

No other events took place that could have a major effect on the financial position of the Company.



Independent auditor's report

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

Report on the financial statements

We have audited the accompanying financial statements 2011 as set out on pages 4 to 17 of Saint-Gobain Nederland B.V., Amsterdam, which comprise the balance sheet as at 31 December 2011, the profit and loss account for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

Board of directors' responsibility

The board of directors is responsible for the preparation and fair presentation of these financial statements and for the preparation of the directors' report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board of directors is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 judgement, 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 company'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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

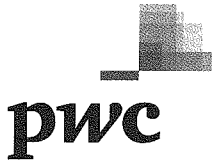
In our opinion, the financial statements give a true and fair view of the financial position of Saint-Gobain Nederland B.V. as at 31 December 2011, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

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Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the directors' report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the directors' report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Rotterdam, 2 April 2012
PricewaterhouseCoopers Accountants N.V.

A handwritten signature in black ink, appearing to be 'S.A. van Kempen', written over a horizontal line.

S.A. van Kempen RA