

Saint-Gobain Nederland B.V.

First-half Financial Report

June 30, 2009

Saint-Gobain Nederland B.V.
Prins Bernhardplein 200
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First-half 2009: Report of the directors

Report of the directors June 30, 2009

The management hereby presents to the shareholders the half year financial report for the year half ended June 30, 2009. SAINT-GOBAIN NEDERLAND Company is a finance company without any industrial or commercial activity. The company has no employee. 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 period, your company pursued its financing activity. The company did not issue any new bond.

The financial position of the company as of June 30, 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 2,494 million of euros
- Long term debts (Bond issues): EUR (2,538) million of euros

The net profit after tax for the year, amounts to EUR 155 thousand, including a net financial income of EUR 267 thousands, other operating expenses EUR -53 thousand and a tax expense of EUR -47 thousands.


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

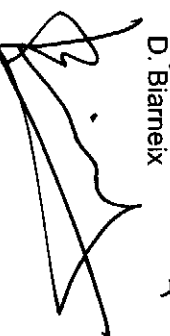
Further to the requirements set out in Article 5:525c sub 2c of the "Wet Financieel Toezicht (Wft)", the directors of the Company hereby state that, to the best of our knowledge.:

- the financial statements for the year ending 30 June 2009 give a true and fair view of the assets, liabilities, financial position of and the result generated by the Company;
- the half year 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, August 31, 2009



Buillot



D. Biameix

Financial statements

Balance sheet as at June 30, 2009

	<u>June 30, 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>12 726 735</u>	<u>15 284 616</u>	
		490 073 265		1 483 041 146
Current assets				
Loans to group companies	7	1 953 976 250	986 250 000	
Other receivables from group companies	8	113 445 343	127 782 174	
Incomes tax		90 588	-	
Others assets				
Cash and cash equivalents		<u>12 757</u>	<u>6 764</u>	
		2 067 524 938		1 114 038 938
Total		<u>2 557 598 203</u>		<u>2 597 080 084</u>

	June 30, 2009		December 31, 2008	
	EUR	EUR	EUR	EUR
Equity and liabilities				
Equity				
Share capital	9	12 447 872	12 447 872	
Other reserves	10	6 582 723	6 582 563	
Profit for the year		155 403	1 360 498	
		19 185 998	20 390 933	
Non-current liabilities	11	500 847 740	1 500 847 740	
Current liabilities				
Loans from third parties	11	1 977 000 000	1 000 000 000	
Loans from group companies	12	-	-	
Income tax	15	151 460	283 177	
Payables and accrued expenses	13	60 412 789	75 557 684	
Bank overdraft		216	550	
		2 037 564 465	1 075 841 411	
Total		2 557 598 203	2 597 080 084	

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

Income statement at June 30, 2009

	<u>June 30, 2009</u>		<u>June 30, 2008</u>	
	EUR	EUR	EUR	EUR
Finance income				
Interest and similar income	63 483 677		81 560 768	
Finance costs				
Interest and similar expense	(63 244 394)		(80 521 610)	
Foreign exchange differences	<u>27 459</u>		<u>(64 287)</u>	
Finance income and costs		266 742		974 871
Other operating expenses		(53 146)		(41 067)
Profit before tax		<u>213 596</u>		<u>933 804</u>
Income tax expense		(58 193)		(235 020)
Profit after tax		<u>155 403</u>		<u>698 784</u>

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

Cash flow statement at June 2009

	June 30, 2009		June 30, 2008	
	EUR	EUR	EUR	EUR
Cash flow from investing activities				
Interest received	63 483 677		81 560 768	
Interest paid	(63 244 394)		(80 521 610)	
Other expenses	(25 687)		(105 355)	
Income taxes paid	(58 193)		(235 020)	
Decrease capitalized bond issue expenses	2 557 881		2 819 239	
Net cash provided by investment activities		<u>2 713 284</u>		<u>3 518 023</u>
Cash flow from financing activities				
Decrease other receivables	14 246 243		2 242 187	
Decrease other payables	(15 276 612)		(12 050 059)	
Dividend paid	(1 360 338)		(1 310 102)	
Decrease long term receivables	990 410 000			
Decrease long term debts	(1 000 000 000)			
Increase short-term loans to group companies	(967 726 250)		352 143 588	
Increase short-term loans from third parties	977 000 000		(204 540 806)	
(Decrease short-term loans from group companies			(140 000 000)	
Net cash used in financing activities		<u>(2 706 957)</u>		<u>(3 515 192)</u>
Net cash flows		<u>6 327</u>		<u>2 831</u>
Movements in cash and cash equivalents can be broken down as follows:				
		<u>2009</u>		<u>2008</u>
At January 1st :		EUR		EUR
Movements of the period		6 214		317
		<u>6 327</u>		<u>2 831</u>
At June 30th :		12 541		3 148

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 half 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>June 30, 2009</u>		<u>December 31, 2008</u>	
	EUR	EUR	EUR	EUR
Balance at the beginning of the period	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 the end of the period		<u>477 346 530</u>		<u>1 467 756 530</u>

6 Bond issue expenses

	<u>June 30, 2009</u>		<u>December 31, 2008</u>	
	EUR	EUR	EUR	EUR
Balance at the beginning of the period	15 284 616		20 705 431	
Amortisation for the period	(2 557 881)		(5 412 918)	
Exchange difference			(7 897)	
Balance at the end of the period		<u>12 726 735</u>		<u>15 284 616</u>

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:

	<u>June 30, 2009</u>		<u>December 31, 2008</u>	
	EUR	EUR	EUR	EUR
Balance at beginning of the period	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 the end of the period		<u>6 582 723</u>		<u>6 582 563</u>

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:

<i>Short term</i>					
Nominal value	Interest rate	Date of redemption	June 30, 2009	December 31, 2008	
EUR 977 000 000	4.75%	09/07/2009	977 000 000	1 000 000 000	
EUR 1 000 000 000	5%	16/04/2010	1 000 000 000	0	
			<u>1 977 000 000</u>	<u>1 000 000 000</u>	
<i>Long-term</i>					
Nominal value	Interest rate	Date of redemption	June 30, 2009	December 31, 2008	
EUR 1 000 000 000	5%	16/04/2010	0	1 000 000 000	
EUR 500 847 740	5%	25/04/2014	500 847 740	500 847 740	
			<u>500 847 740</u>	<u>1 500 847 740</u>	

12 Loans from group companies

This caption consisted of unsecured short-term loans from group companies.

13 Payables and accrued expenses

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

14 Finance income and costs

In the finance income all interests EUR 63,483,677 are received from group companies.

15 Income tax expense

The profit before tax for the first semester is EUR 213596. The income tax expense amounts to EUR 58193. The effective tax rate is in line with the applicable tax rate.

16 Directors

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

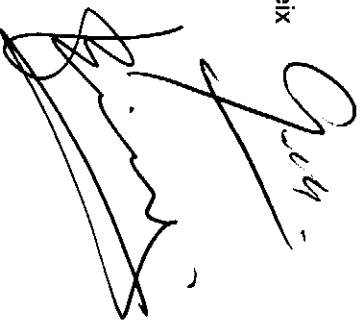
17 Average number of employees

The company has no employee.

Amsterdam, August 31, 2009

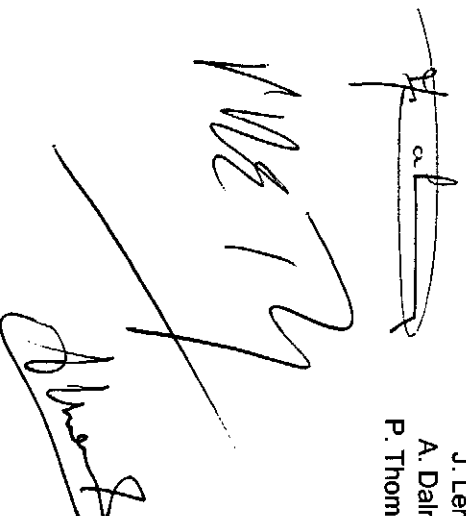
Board of Directors

L Guillot
D. Bianeix



Supervisory Board of directors

J. Leroux
A. Dalmas
P. Thomson



Other information

1 Auditor's report

There is no review done by the external auditors at June 30, 2009.