

# Ordinary and Extraordinary General Meeting

to be held on **June 10, 2004** at 3:00 p.m.

at the Grand Auditorium of the Palais des Congrès  
Porte Maillot – 75017 Paris.

Dear Shareholder,

On behalf of Compagnie de Saint-Gobain, it is with great pleasure that I invite you to the General Meeting of the Company's shareholders, to be held at

**3:00 pm on Thursday, June 10, 2004**

at the Grand Auditorium of the Palais des Congrès,  
Porte Maillot, Paris 17<sup>th</sup>.

As every year, this meeting will give you the opportunity to obtain further information about the Group and to express your opinions.

At the meeting, I will inform you of the main events in the life of the Group in 2003 and reply to your questions.

Your involvement in the meeting is important to us at Saint-Gobain and I hope that you will be able to take part.

You will find all the information you need to that effect in this document.

I thank you in advance for your consideration of the resolutions submitted for approval.

Yours faithfully,

**Jean-Louis BEFFA**

Chairman and Chief Executive Officer

How to participate: p. **2**

Agenda: p. **4**

Presentation  
of resolutions: p. **6**

Directorship candidates: p. **8**

Presentation  
of the Board of Directors: p. **10**

Financial summary: p. **12**

Complete text  
of resolutions: p. **18**

Request for  
information: p. **23**

Compagnie de Saint-Gobain  
French public company (*Société Anonyme*)  
with capital stock of €1,364,100,540  
Head office: Les Miroirs,  
18 avenue d'Alsace, 92400 Courbevoie, France

# How to participate in the General Meeting

## The conditions required to **exercise your right to vote**

**As a Saint-Gobain shareholder you are entitled to attend General Meetings in person, irrespective of the number of shares you hold, or you may prefer to cast a postal vote or appoint a proxy.**

Whatever you decide to do you simply need to indicate your choice on the attached postal vote/proxy form.

Your financial intermediary – i.e. the bank, stockbroker, savings bank, post office or public accountant holding your securities account – will be your sole contact for the purposes of the Meeting and will act as the link between Compagnie de Saint-Gobain and yourself.

The financial intermediary will certify that you are indeed a Saint-Gobain shareholder and place your shares in a blocked account until the day after the Meeting.

## How to vote?

To help in the preparation of the Meeting, you are requested to initiate your preferred procedure **as soon as possible**.

### **If you wish to attend the Meeting in person**

All you need to do is to request an admission card by ticking **box A** at the top of the attached form and then signing and dating it and returning it to your financial intermediary who will send you your admission card.

### **If you intend to appoint a proxy or cast a postal vote**

If you are unable to attend the Meeting, you can use the attached form to:

- **exercise a postal vote** on the resolutions submitted to you, or,
- **appoint the Chairman** of Saint-Gobain to exercise a proxy vote on your behalf **in favor** of the resolutions proposed by the Board of Directors; or,
- **appoint someone to represent you in person** at the Meeting. In this case, your representative must be either your spouse or another Saint-Gobain shareholder who will attend the Meeting and vote on your behalf.

Whatever you decide, do not forget to sign and date the form and to **return it only to your financial intermediary**. A pre-paid envelope is enclosed for your convenience.

*The French version of this document governs; the English translation is for convenience only.*

▶ How to fill out **your form**?

**If you intend to attend the Meeting in person:**  
tick box **A** to request an admission card.

**If you are unable to attend the Meeting and wish to cast a postal vote or appoint a proxy:**  
tick box **B**.

**To appoint the Chairman of Saint-Gobain to exercise a proxy vote on your behalf,**  
simply tick box **B** at the top of the form and sign and date it at the bottom.

**To appoint your spouse or another Saint-Gobain shareholder to represent you at the Meeting:**  
tick here and indicate the name and contact details of your representative.

**IMPORTANT : avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso / Before selecting, please see instructions on reverse side.**  
**QUELLE QUE SOIT L'OPTION CHOISIE, DATER ET SIGNER AU BAS DU FORMULAIRE / WHICHEVER OPTION IS USED, DATE AND SIGN AT THE BOTTOM OF THE FORM**  
Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire / I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.  
J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / I prefer to use the postal voting form or the proxy form as specified below.

**COMPAGNIE DE SAINT-GOBAIN**  
S A au Capital de € 1.364.100.540  
Siège Social :  
Les Miroirs, 18 avenue d'Alsace  
92400 COURBEVOIE  
542 039 532 RCS NANTERRE

**ASSEMBLEE GENERALE MIXTE convoquée pour le jeudi 10 juin 2004 à 15 heures** au Grand Auditorium du Palais des Congrès, 2, place de la Porte Maillot, Paris 17<sup>e</sup>  
**COMBINED GENERAL MEETING to be held on Thursday June 10, 2004 at 3:00 pm** at Grand Auditorium du Palais des Congrès, 2, place de la Porte Maillot, Paris 17<sup>e</sup>

**CADRE RESERVE / For Company's use only**  
Identifiant / Account Number  
Nombre d'actions / Number of shares  
Nombre de voix / Number of voting rights  
Nominatif / Registered  
Porteur / Bearer  
VS / single vote  
VD / double vote

**JE VOTE PAR CORRESPONDANCE / I VOTE BY POST**  
Cf. au verso renvoi (3) - See reverse (3)  
Je vote **OUI** à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration, à l'EXCEPTION de ceux que je signale en noirissant comme ceci ■ la case correspondante et pour lesquels je vote **NON** ou je m'abstiens.  
I vote **FOR** all the draft resolutions approved by the Board of Directors **EXCEPT** those indicated by a shaded box - like this ■, for which I vote against or I abstain.  
Sur les projets de résolutions non agréés par le Conseil d'Administration, je vote en noirissant comme ceci ■ la case correspondante à mon choix.  
On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice - like this ■.

**JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE**  
dater et signer au bas du formulaire, sans rien remplir  
I **HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE MEETING**  
date and sign the bottom of the form without completing it.  
cf. au verso renvoi (2) - See reverse (2)

**JE DONNE POUVOIR A :** (soit le conjoint, soit un autre actionnaire - cf. renvoi (2) au verso) **POUR ME REPRÉSENTER À L'ASSEMBLÉE**  
I **HEREBY APPOINT** (you may give your PROXY either to your spouse or to another shareholder - see reverse (2)) **to represent me at the above mentioned meeting.**  
M, Mme ou Mlle / Mr, Mrs or Miss  
Adresse / Address

**ATTENTION :** S'il s'agit de titres au porteur, les présentes instructions que vous avez données, ne seront valides que si les titres correspondants ont été immobilisés, dans les délais prévus, par l'établissement financier qui tient votre compte de titres.  
**CAUTION :** concerning bearer shares, your vote or proxy will not be counted unless these shares have been blocked from trading by the subcustodian within the prescribed period.

Nom, Prénom, Adresse de l'actionnaire (si ces informations figurent déjà, les vérifier et les rectifier éventuellement)  
- Surname, first name, address of the shareholder (if this information is already supplied, please verify and correct if necessary)  
Cf. au verso renvoi (1) - See reverse (1)

1	2	3	4	5	6	7	8	9	Oui Yes	Non/No Abst/Abs	Oui Yes	Non/No Abst/Abs		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A	<input type="checkbox"/>	<input type="checkbox"/>	F	<input type="checkbox"/>	<input type="checkbox"/>
10	11	12	13	14	15	16	B	<input type="checkbox"/>	<input type="checkbox"/>	G	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	C	<input type="checkbox"/>	<input type="checkbox"/>	H	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	D	<input type="checkbox"/>	<input type="checkbox"/>	I	<input type="checkbox"/>	<input type="checkbox"/>		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	E	<input type="checkbox"/>	<input type="checkbox"/>	J	<input type="checkbox"/>	<input type="checkbox"/>		

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / In case amendments or new resolutions are proposed during the meeting:  
- Je donne pouvoir au Président de l'A.G. de voter en mon nom. / I appoint the Chairman of the meeting to vote on my behalf...  
- Je m'abstiens (l'abstention équivaut à un vote contre). / I abstain from voting (is equivalent to a vote against)...  
- Je donne procuration (cf. au verso renvoi 2) à M, Mme ou Mlle... pour voter en mon nom / I appoint (see reverse (2)) Mr, Mrs or Miss / to vote on my behalf

Pour être prise en considération, toute formule doit parvenir à la Banque le 9 juin 2004  
In order to be considered, this completed form must be returned to the Bank at the latest on June 9th, 2004

En aucun cas le document ne doit être retourné à la Cie de Saint Gobain / In no case, this document must be returned to Cie de Saint Gobain

La langue française fait foi / The french version of this document governs; the english translation is for convenience only

Date & Signature

**To cast a postal vote:**  
tick here

- To vote **YES** to a resolution, leave blank the box next to the resolution number concerned.
- To vote **NO** to or abstain from a resolution, fill in the box next to the resolution number concerned.

Whatever you decide to do,  
**do not forget to sign and date the form here.**

**Add your full name and address here or check the details if they already appear.**

The French version of this document governs; the English translation is for convenience only.

## Ordinary Meeting

- 1** Approval of the parent company financial statements for the year ended December 31, 2003
- 2** Approval of the consolidated financial statements for the year ended December 31, 2003
- 3** Approval of the appropriation of net income and the proposed dividend
- 4** Report on regulated agreements
- 5** Authorization to the Board of Directors to buy back and resell the Company's shares
- 6** Renewal of the term of office as director of Jean-Louis Beffa
- 7** Renewal of the term of office as director of Isabelle Bouillot
- 8** Renewal of the term of office as director of Sylvia Jay
- 9** Renewal of the term of office as director of José Luis Leal Maldonado
- 10** Appointment of Gian Paolo Caccini as director to replace Eric d'Hautefeuille
- 11** Renewal of PricewaterhouseCoopers Audit's term of office as titular statutory auditor
- 12** Appointment of KPMG Audit as titular statutory auditor
- 13** Appointment of Yves Nicolas as substitute statutory auditor
- 14** Appointment of Jean-Paul Vellutini as substitute statutory auditor

## **Extraordinary** Meeting

- 15** Amendments to the Company's bylaws to comply with certain provisions of the Commercial Code deriving from the *Loi de sécurité financière* of August 1, 2003
- 16** Powers to carry out formalities.

# Presentation of the resolutions submitted by the Board of Directors

The Board of Directors is inviting shareholders to vote fourteen resolutions governed by the quorum and majority voting rules applicable to Ordinary General Meetings (resolutions 1 to 14) and two resolutions governed by the quorum and majority voting rules applicable to Extraordinary General Meetings (resolutions 15 and 16).

## ▶ Financial statements of the Company and Group - Dividend

1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> resolutions

Shareholders are invited to approve the financial statements of the Company (**1<sup>st</sup> resolution**) and the Group (**2<sup>nd</sup> resolution**) for the year ended December 31, 2003.

Consolidated sales totaled €29,590 million in 2003, versus €30,274 million in 2002. Operating income came to €2,442 million compared with €2,582 million in 2002, and consolidated net income amounted to €1,039 million versus €1,040 million in 2002.

Further financial information is provided on pages 12, 13 and 16 of this document.

**Net income** for Compagnie de Saint-Gobain came to €513,574 thousand in 2003, versus €595,916 thousand in 2002.

Total distributable income amounts to €1,603,938 thousand. This figure includes €1,090,363 thousand in retained earnings brought over from prior years, which takes into account the €370 thousand adjustment to the 2002 dividend relating to the 336,000 treasury shares acquired and the 8,300 treasury shares sold between the Board Meeting held to approve the accounts on March 23, 2003 and the dividend payment date of June 23, 2003.

In the **3<sup>rd</sup> resolution**, shareholders are invited to:

- appropriate €290,391 thousand to the special long-term capital gains reserve;
- carry forward €926,575 thousand as retained earnings;
- **appropriate for distribution to shareholders a total of €386,972,080.15**, corresponding to a **net dividend per share of €1.15** which, including the 50% *avoir fiscal* tax credit of €0.575 (where applicable), represents **total dividend income per share of €1.725**.

The 2003 net dividend of €1.15 (up from €1.13 for 2002) will be payable in cash from June 24, 2004 on all outstanding shares in circulation at that date.

## ▶ Regulated agreements

4<sup>th</sup> resolution

No new agreements governed by articles L-225-38 *et seq.* of the Commercial Code were entered into during the year.

## ▶ Authorization to buy back and resell Saint-Gobain shares

5<sup>th</sup> resolution

The purpose of the **5<sup>th</sup> resolution** is to authorize the Board of Directors to buy back and possibly resell Saint-Gobain shares. The maximum purchase price under this authorization is set at €55 per share and the minimum sale price at €23 per share.

This authorization is intended to enable Compagnie de Saint-Gobain to continue to take advantage of the flexibility allowed by the legal provisions relating to the buy back and resale of its own shares, including: in connection with the grant or exercise of stock purchase options, to allocate shares to employees, to buy and sell the Company's shares (including while a public tender offer is in progress) to take advantage of market situations, to stabilize the share price by trading against the trend, to cancel the shares subject to authorization by an Extraordinary Meeting (as provided in the fifteenth resolution of the Ordinary and Extraordinary General Meeting held on June 5, 2003), to hold the shares in treasury stock or transfer them in any way, including in exchange for shares, or to manage the Company's cash position or equity. The shares bought back may not exceed 10% of the Company's capital stock. In view of the treasury shares held by the Company, the maximum theoretical purchase price for share buy backs would be €1,626,733,350, corresponding to 29,576,970 shares acquired at a price of €55 each.

*The French version of this document governs; the English translation is for convenience only.*

▶ **Renewal of the terms of office  
of four Directors – Election of a new Director**  
**6<sup>th</sup>, 7<sup>th</sup>, 8<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> resolutions**

- At its meeting of March 25, 2004, the Board of Directors approved the recommendation of the Appointments Committee to renew the terms of office of the following four directors whose terms expire at the end of this meeting:

- Jean-Louis Beffa, Chairman and Chief Executive Officer of Compagnie de Saint-Gobain (**6<sup>th</sup> resolution**),
- Isabelle Bouillot (**7<sup>th</sup> resolution**),
- Sylvia Jay (**8<sup>th</sup> resolution**),
- José Luis Leal Maldonado (**9<sup>th</sup> resolution**).

These directors will be given new four-year terms of office, expiring at the Annual General Meeting held in 2008.

Shareholders are invited to approve the renewal of the terms of office for these four directors.

- At its meeting of March 25, 2004, the Board of Directors also approved the recommendation of the Appointments Committee to nominate for election Gian Paolo Caccini as a director, to replace Eric d'Hautefeuille, who passed away on January 17, 2004.

Subject to shareholder approval, his term of office will correspond to the remainder of Mr d'Hautefeuille's term, expiring at the close of the Annual General Meeting to be called in 2005.

Shareholders are invited to elect Mr Caccini in the **10<sup>th</sup> resolution**.

▶ **Renewal of one Titular Statutory Auditor's  
term of office, appointment of second Titular  
Statutory Auditor, and appointment  
of two Substitute Statutory Auditors**  
**11<sup>th</sup>, 12<sup>th</sup>, 13<sup>th</sup> et 14<sup>th</sup> resolutions**

At its meeting of March 25, 2004 the Board of Directors approved the recommendation of the Financial Statements Committee to renew the term of office as titular statutory auditor of PricewaterhouseCoopers Audit, 32 rue Guersant, 75017 Paris, (**11<sup>th</sup> resolution**), which is due to expire at the close of this meeting.

In addition, having noted the resignation of S.E.C.E.F from its position as titular statutory auditor on November 3, 2003 – effective from the date of this meeting – the Board of Directors also approved the recommendation to appoint as titular statutory auditor KPMG Audit, Department of KPMG S.A., 1 cours Valmy, 92923 Paris La Défense Cedex (**12<sup>th</sup> resolution**).

The Board also approved the recommendation to appoint Yves Nicolas, 32 rue Guersant, 75017 Paris, as substitute statutory auditor (**13<sup>th</sup> resolution**) to replace Daniel Chauveau whose term of office expires at the close of this meeting.

The Board of Directors also noted that Pierre-Henri Scacchi & Associés had resigned from its position of substitute statutory auditor on October 27, 2003 – with effect from the date of this meeting – and approved the recommendation to appoint Jean-Paul Vellutini, 1 cours Valmy, 92923 Paris La Défense Cedex, as substitute statutory auditor (**14<sup>th</sup> resolution**).

In accordance with the applicable law, PricewaterhouseCoopers Audit and Yves Nicolas will be granted six-year terms, expiring at the General Meeting held to approve the 2009 financial statements. The terms of office of KPMG Audit and Jean-Paul Vellutini will correspond to the remainder of their predecessor's terms of office and will therefore expire at the General Meeting held to approve the 2005 financial statements.

Shareholders are invited to approve the renewal of the term of office of PricewaterhouseCoopers Audit as titular statutory auditor and the three new appointments.

▶ **Amendments to the bylaws**  
**15<sup>th</sup> resolution**

The purpose of the **15<sup>th</sup> resolution** is to ensure that the bylaws comply with certain provisions of the *Loi de sécurité financière* of August 1, 2003. This will require amendments to paragraph 4 of article 7, paragraph 2 of article 12, and article 14 of the bylaws.

These amendments relate to the time limit for informing the Company where disclosure thresholds are crossed – reducing it from fifteen days to five trading days –, the information necessary for directors to fulfill their duties, and the powers of the Chairman of the Board of Directors. The resolution contains the current and amended versions of the bylaws.

The **16<sup>th</sup> resolution** gives full powers to carry out formalities associated with the General Meeting.



# Directorship candidates

You will find below a presentation of the four directors whose terms of office are up for renewal and of the candidate for a new directorship:

## ► Renewal of terms of office

The renewal of terms of office for these four directors will be for new four-year terms in accordance with article 9, paragraph 4 of the bylaws as amended at the Combined Ordinary and Extraordinary General Meeting of June 5, 2003.



## ► Jean-Louis BEFFA

Jean-Louis Beffa, 62, is Chairman and Chief Executive Officer of Compagnie de Saint-Gobain. He graduated from the *Ecole Polytechnique*, the *Ecole Nationale Supérieure du Pétrole* and the *Institut d'Etudes Politiques de Paris*. He also holds the title of "*Ingénieur en chef des Mines*". After starting his career at the Oil Division of the French Ministry of Industry, Jean-Louis Beffa joined the Saint-Gobain Group in 1974 as Vice President Corporate Planning. In 1978 he was appointed Chief Executive Officer of Pont-à-Mousson before going on to become Chairman of that company and President of the Group's Pipe and Mechanics Division in 1979. He joined the Group's General Management team in 1982 and was appointed Chairman and Chief Executive Officer of Saint-Gobain in January 1986. His term of office as director was renewed for six years in June 1992 and again in June 1998.

In July 2002, in accordance with the *Loi sur les nouvelles régulations économiques*, the Board of Directors decided that he should continue to be responsible for the general management of Compagnie de Saint-Gobain and therefore retain the title of Chairman and Chief Executive Officer.

Jean-Louis Beffa is also Vice-Chairman of the Board of Directors of BNP Paribas, a director of the Bruxelles Lambert Group, a member of the Supervisory Board of Le Monde S.A. and Société Editrice du Monde S.A., President of Claude Bernard Participations SAS and a member of the Supervisory Board of Le Monde Partenaires SAS. Within the Saint-Gobain Group, he is the Company's permanent representative on the Board of Saint-Gobain PAM, a director of Saint-Gobain Cristaleria and Saint-Gobain Corporation, and joint Chairman of the corporate foundation, Saint-Gobain Center for Economic Research. He is also Vice-Chairman of the Supervisory Board of the Pension Reserve Fund. Jean-Louis Beffa owns 210,000 Saint-Gobain shares.

**Shareholders are invited to renew Jean-Louis Beffa's term of office in the 6<sup>th</sup> resolution.**



## ► Isabelle BOUILLOT

Isabelle Bouillot, 55, is a member of the Supervisory Board of Accor and a director of La Poste. She holds a degree in public law and graduated from the *Institut d'Etudes Politiques de Paris* and the *Ecole Nationale d'Administration*. She started her public career within the French Budget Department before being appointed Cabinet Director for the Employment Minister in 1982 and going on to work as Deputy Cabinet Director for the Economy and Finance Minister between 1983 and 1984. She then held the post of Chairman at l'Union des Banques à Paris between 1985 and 1986 before becoming a Government Representative for the Department for the Control of Financial Operations between 1986 and 1989 (*Mission de contrôle des activités financières*). She was an economic advisor to the French President between 1989 and 1991 and then the Budget Director of the Economy and Finance Ministry from 1991 to 1995. In June 1995, she joined la Caisse des Dépôts et Consignations as Deputy Chief Operating Officer where she was responsible for managing banking and finance activities. She went on to become Chairman of the Management Board of CDC Finance-CDC IXIS, before standing down from the position in the second half of 2003. She has also resigned from her positions as Chairman, member of the Supervisory Board or permanent representative on the Board of Directors or Supervisory Board which she held in various subsidiaries and affiliates of CNCE and CDC Finance - CDC Ixis within the Caisse des Dépôts Group.

Isabelle Bouillot was a member of the Financial Markets Council from 1997 until October 2003.

She owns 1,200 Saint-Gobain shares.

Isabelle Bouillot was elected as a director of Compagnie de Saint-Gobain in June 1998.

**Shareholders are invited to renew Isabelle Bouillot's term of office in the 7<sup>th</sup> resolution.**

*The French version of this document governs; the English translation is for convenience only.*





## ▶ Sylvia JAY

Sylvia Jay, 57, is a British citizen and is the Director General of the British Food and Drink Federation.

She has previously held several positions as a senior British civil servant, in the Overseas Development Administration (ODA) and in secondment to the French Ministry of International Cooperation, the French Treasury and the European Bank for Reconstruction and Development (EBRD).

Sylvia Jay is also a director of Carrefour. She is a Lay member of the Procedures and Disciplinary Committee of the General Council to the Bar, Industrial Governor of the British Nutrition Foundation, trustee of the Pilgrim Trust and the Entente Cordiale Scholarships Scheme, and a member of the Council of Food from Britain and the Franco-British Council. Sylvia Jay owns 800 Saint-Gobain shares.

She was elected as a director of Compagnie de Saint-Gobain in June 2001.

**Shareholders are invited to renew Sylvia Jay's term of office in the 8<sup>th</sup> resolution.**



## ▶ José Luis LEAL MALDONADO

José Luis Leal Maldonado, 64, is a Spanish citizen. He has a law degree from the University of Madrid and a Political Science degree from the University of Geneva. He also has a degree in Statistics and a doctorate in economics from the University of Paris. After lecturing at the University of Nanterre for five years, he went on to work at the OECD for a further five-year period.

In September 1977 he was appointed as Director General for economic policy in Spain, a post he held until February 1978 when he became Secretary of State for economic co-ordination and planning. In April 1979 he was appointed as Spain's Minister of the Economy, a position he held until September 1980.

Between 1981 and 1990 José Luis Leal Maldonado acted as an economic advisor for Banco de Vizcaya and held the position of Vice Chairman at Banco Bilbao Vizcaya. He is currently Chairman of the Spanish Banking Association.

He is a director of Saint-Gobain Cristaleria, a Spain-based Group subsidiary, and of CEPESA, Renault (Spain) and Alcatel (Spain). He is also the Chairman of "Dialogo", an association to promote Franco-Spanish amity, and of *Accion Contra el Hambre*. He is Vice-Chairman of *Fundacion Abril Martorell* and a member of *Real Patronato del Museo del Prado* and *Fundacion Duques de Soria*. José Luis Leal Maldonado owns 4,000 Saint-Gobain shares.

He was elected as a director of Compagnie de Saint-Gobain in June 1998.

**Shareholders are invited to renew José Luis Leal Maldonado's term of office in the 9<sup>th</sup> resolution.**

## ▶ Election of a new Director

In accordance with paragraph 9 of article 9 of the Company's bylaws, if elected by the shareholders, Gian Paolo Caccini will be granted a term of office of one year, corresponding to the remainder of the term of Eric d'Hautefeuille who has passed away.



## ▶ Gian Paolo CACCINI

Gian Paolo Caccini was born in 1938 and is an Italian citizen. He has a doctorate in Chemistry from the University of Pavia in Italy. He joined the Saint-Gobain Group in 1973 as Sales Director for the Insulation Division of the Italian subsidiary, Balzaretto Modigliani. He was appointed as Director of the Sealings Division of that company in 1980, before going on to become Chief Executive Officer of Vetrotex Italia in 1983 and a director of Vitrofil in 1986 (two companies within the Group's Reinforcements Division). He was then appointed Chairman and Chief Executive Officer of Saint-Gobain Desjonquères (Containers Division) in 1988, President of the Insulation Division in 1991 and also of the Reinforcements Division in 1993. In 1996 he became Senior Vice-President of Compagnie de Saint-Gobain and General Delegate for North America. Then in 2000, he went on to become Chief Operating Officer of Compagnie de Saint-Gobain, a position he held until his retirement on April 1, 2004.

Gian Paolo Caccini is also a director of Nexans and JM Huber Corporation (United States) and Chairman of the Italian Association of Glass Manufacturers.

He owns 4,820 Saint-Gobain shares.

**Shareholders are invited to elect Gian Paolo Caccini in the 10<sup>th</sup> resolution.**

# Presentation of the Board of Directors

At April 1, 2004, the membership of the Board of Directors was as follows:



▶ **Jean-Louis BEFFA**

*Chairman and Chief Executive Officer.*

Jean-Louis Beffa, 62, is also Vice-Chairman of the Board of Directors of BNP Paribas, a Director of the Bruxelles Lambert Group, a member of the Supervisory Board of Le Monde S.A. and Société Editrice du Monde S.A., President of Claude Bernard Participations SAS and a member of the Supervisory Board of Le Monde Partenaires SAS. Within the Saint-Gobain Group, he is the Company's permanent representative on the Board of Saint-Gobain PAM, a Director of Saint-Gobain Cristaleria and Saint-Gobain Corporation, and joint Chairman of the corporate foundation, Saint-Gobain Center for Economic Research. He is also Vice-Chairman of the Supervisory Board of the Pension Reserve Fund. Jean-Louis Beffa owns 210,000 Saint-Gobain shares. Les Miroirs - 92096 La Défense Cedex, France  
Shareholders are invited to renew Jean-Louis Beffa's term of office in the 6<sup>th</sup> resolution.



▶ **Daniel BERNARD**

*Chairman and Chief Executive Officer of Carrefour.*

Daniel Bernard, 58, is also a Director of Alcatel. Within the Carrefour group, Daniel Bernard is Chairman of G S, Vice-Chairman of Dia S.A., a Director of Eterco, Grandes Superficies de Colombia, Presicarre, Centros Comerciales Carrefour and Finiper, as well as Chief Executive Officer of Carrefour Americas Ltda, Chief Operating Officer of SISP and Vice-President of Vicour. Daniel Bernard owns 4,400 Saint-Gobain shares. 6 avenue Raymond Poincaré - 75769 Paris Cedex 16, France



▶ **Isabelle BOUILLOT**

Isabelle Bouillot, 55, is a member of the Supervisory Board of Accor and a Director of La Poste. Within the Caisse des Dépôts group, she has held positions of Chairman, Supervisory Board member or permanent representative on the Board of Directors or the Supervisory Board at various subsidiaries and affiliates of CNCE and CDC Finance – CDC Ixis, positions she stepped down from in the second half of 2003. She owns 1,200 Saint-Gobain shares. 26-28 rue Neuve Tolbiac - F-75658 Paris Cedex 13, France  
Shareholders are invited to renew Isabelle Bouillot's term of office in the 7<sup>th</sup> resolution.



▶ **Rolf-E. BREUER**

*Chairman of the Supervisory Board of Deutsche Bank AG.*

Rolf-E. Breuer, 66, of German nationality, is also Chairman of the Supervisory Board of Deutsche Börse AG, a member of the Supervisory Boards of E.ON AG and Bertelsmann AG, and a Director of Landwirtschaftliche Rentenbank and Kreditanstalt für Wiederaufbau (KfW). He is a member of the Consultative Committee of C.H. Boehringer Sohn, and Chairman of Bundesverband Deutscher Banken e.V. In 2003, Rolf-E. Breuer was also Vice-Chairman of the Supervisory Board of Siemens AG and a member of the Supervisory Board of Deutsche Lufthansa AG, but he stood down from these positions during the year. He owns 4,516 Saint-Gobain shares. Taunusanlage 12, D-60262 Frankfurt am Main, Germany



▶ **Paul Allan DAVID**

*Professor of Economics.*

Paul A. David, 69, a U.S. citizen, is Professor of Economics at Stanford University (USA), and Emeritus Professor of Economics and Economic History at the University of Oxford (United Kingdom). He does not hold any other directorships. He owns 800 Saint-Gobain shares. Stanford University, Department of Economics, Stanford, CA 94305-6072, United States of America.



▶ **Jean-Martin FOLZ**

*Chairman of the Management Board of Peugeot SA.*

Jean-Martin Folz, 57, is also a Director of Solvay (Belgium). Within the PSA group, he is Chairman of the Board of Directors of Automobiles Peugeot and Automobiles Citroën, and a Director of Banque PSA Finance, Peugeot Citroën Automobiles and Faurecia. He owns 1,200 Saint-Gobain shares. 75 avenue de la Grande-Armée - 75116 Paris, France



▶ **Sylvia JAY**

*Director General of the British Food and Drink Federation.*

Lady Jay, 57 and a British citizen, is also a Director of Carrefour. She is a lay member of the Procedures and Disciplinary Committee of the General Council to the Bar, Industrial Governor of the British Nutrition Foundation, a trustee of the Pilgrim Trust and the Entente Cordiale Scholarships Scheme and a member of the Council of Food from Britain and the Franco-British Council. She owns 800 Saint-Gobain shares. 6 Catherine Street, London WC2B 5JJ, United Kingdom  
Shareholders are invited to renew Sylvia Jay's term of office in the 8<sup>th</sup> resolution.



▶ **Pierre KERHUEL**

*President of the Saint-Gobain Employees' and Former Employees' Shareholders' Association and Chairman of the Supervisory Board of the Group Savings Plan Mutual Funds.*

Pierre Kerhuel, 60, is Directeur chargé de mission of Saint-Gobain Matériaux de Construction. Up until March 31, 2003 he also held the position of Deputy Chief Operating Officer at Saint-Gobain Terreal. He owns 800 Saint-Gobain shares. Les Miroirs - 92096 La Défense Cedex, France

*The French version of this document governs; the English translation is for convenience only.*



▶ **José Luis LEAL MALDONADO**  
*Chairman of the Spanish Banking Association.*

José Luis Leal Maldonado, 64, of Spanish nationality, is also a Director of CEPSA, Alcatel España and Renault España, as well as Saint-Gobain Cristalería.

He owns 4,000 Saint-Gobain shares.

C/Velasquez, 64-6e E-28001 Madrid, Spain

Shareholders are invited to renew José Luis Leal Maldonado's term of office in the 9<sup>th</sup> resolution.



▶ **Sehoon LEE**  
*Co-Chairman of Hankuk Glass Industries and Hankuk Sekurit (South Korea).*

Sehoon Lee, 54, of South Korean nationality, is also Chairman of the Board of Directors of Saint-Gobain Hanglas Asia and SL

Investment Ltd. He owns 1,000 Saint-Gobain shares.

Youngpoong Building, 33 Seorin-dong, Jongno-gu, Seoul 100-752 (Korea)



▶ **Gérard MESTRALLET**  
*Chairman and Chief Executive Officer of Suez.*

Gérard Mestrallet, 54, is also a member of the Supervisory Boards of AXA and Taittinger, and a Director of Crédit Agricole and Pargesa Holding. Within the Suez group, Gérard Mestrallet is the Chairman of Suez-Tractebel (Belgium) and of Hisusa (Spain), Vice-Chairman of Sociedad General de Aguas de Barcelona and a Director of Electrabel (Belgium). In 2003 he was also Chairman of Société Générale de Belgique and Tractebel, Vice-Chairman of Hisusa and a non-voting Director of Casino. He owns 840 Saint-Gobain shares.

16 rue de la Ville-l'Evêque - 75008 Paris, France



▶ **Michel PÉBEREAU**  
*Chairman of the Board of Directors of BNP Paribas.*

Michel Pébereau, 62, is also a Director of Lafarge and Total, a member of the Supervisory Boards of AXA and Dresdner Bank, and a non-voting Director of Galeries Lafayette. Within the BNP Paribas group, he is a Director of BNP Paribas UK. In addition, he is Vice-Chairman of the International Monetary Conference, a member of the International Advisory Panel of the Monetary Authority of Singapore and the International Capital Markets Advisory Committee of the Federal Reserve Bank of New York. He owns 820 Saint-Gobain shares.

3 rue d'Antin – 75002 Paris, France



▶ **Denis RANQUE**  
*Chairman and Chief Executive Officer of Thales.*

Denis Ranque, 52, is also Chairman of the Board of Directors of l'Ecole Nationale Supérieure des Mines de Paris and of the Cercle de l'Industrie, a Director of the Fondation de l'Ecole Polytechnique, and a member of the Advisory Committee of the Banque de France. He owns 800 Saint-Gobain shares.

45, rue de Villiers - 92526 Neuilly-sur-Seine, France



▶ **Bruno ROGER**  
*President of Lazard Frères SAS.*

Bruno Roger, 70, is also a Director of Cap Gemini Ernst & Young and of Sofina (Belgium), and a member of the Supervisory Boards of AXA and Pinault Printemps Redoute. Within the Lazard Group, he is a member of the Supervisory Board of Eurazeo (having been Chairman until July 2003). He owns 48,040 Saint-Gobain shares.

121 Boulevard Haussmann – 75008 Paris, France

*Eric d'Hautefeuille, who was a appointed Director of Compagnie de Saint Gobain in June 1999, passed away on January 17, 2004. Holding the title of "Ingénieur en chef des Mines", he took the helm of Saint-Gobain's Insulation Division in 1982 before going on to head the Flat Glass Division in 1992. He was subsequently appointed Chief Operating Officer of Compagnie de Saint-Gobain in 1996 and held this office until 2000 when he retired. He remained a Director until his death earlier this year. The Chairman and the Board of Directors gratefully acknowledge the contribution he made over the years to the Group.*

\* \*  
\*



*Chief Operating Officer:* **Christian STREIFF**

A graduate of the École des Mines de Paris, Christian Streiff, 49, Chief Operating Officer of Compagnie de Saint-Gobain, had previously been President of the Group's Ceramics and Plastics and Abrasives Divisions since October 2001. Within the Group, he held in 2003 the positions of Chairman of SEPR and Saint-Gobain Abrasives, Chairman and Chief Executive Officer of Saint-Gobain Advanced Ceramics Corp., Chairman of the Board of Directors of Carborundum Ventures Inc., Saint-Gobain Ceramics & Plastics Inc. and Saint-Gobain Performance Plastics Corp., Managing Director of Saint-Gobain KK, and a Director of Grindwell Norton Ltd. He owns 3,200 Saint-Gobain shares.

Secretary to the Board of Directors: **Bernard Field**, Corporate Secretary of Compagnie de Saint-Gobain.

# Financial summary

(at April 1, 2004)

 The key consolidated figures for 2003 are as follows:

(in € millions)	2002 (1)	2003 (2)	% change (2)/(1)
<b>Net sales</b>	<b>30,274</b>	<b>29,590</b>	<b>-2.3%</b>
<b>Operating income</b>	<b>2,582</b>	<b>2,442</b>	<b>-5.4%</b>
<b>Dividend income</b>	<b>22</b>	<b>12</b>	<b>-45.5%</b>
<b>Interest and other financial charges, net</b>	<b>(504)</b>	<b>(457)</b>	<b>-9.3%</b>
<b>Non-operating costs</b>	<b>(252)</b>	<b>(275)</b>	<b>+9.1%</b>
<b>Income before profit on sales of non-current assets and taxes</b>	<b>1,848</b>	<b>1,722</b>	<b>-6.8%</b>
<b>Profit on sales of non-current assets</b>	<b>3</b>	<b>86</b>	<b>n.m.</b>
<b>Provision for income taxes</b>	<b>(612)</b>	<b>(595)</b>	<b>-2.8%</b>
<b>Amortization of goodwill</b>	<b>(169)</b>	<b>(154)</b>	<b>-8.9%</b>
<b>Share in net results of equity investees</b>	<b>4</b>	<b>6</b>	<b>+50%</b>
<b>Net income before minority interests</b>	<b>1,074</b>	<b>1,065</b>	<b>-1.0%</b>
<b>Minority interests</b>	<b>(34)</b>	<b>(26)</b>	<b>-23.5%</b>
<b>Net income</b>	<b>1,040</b>	<b>1,039</b>	<b>-0.1%</b>
<b>Earnings per share (in €)</b>	<b>3.05</b>	<b>2.99</b>	<b>-2.0%</b>
<b>Earnings per share excluding treasury stock (in €)</b>	<b>3.10</b>	<b>3.09</b>	<b>-0.3%</b>
<b>Net income excluding profit on sales of non-current assets</b>	<b>1,051</b>	<b>1,020</b>	<b>-2.9%</b>
<b>Earnings per share excluding profit on sales of non-current assets (in €)</b>	<b>3.08</b>	<b>2.93</b>	<b>-4.9%</b>
<b>Earnings per share excluding profit on sales of non-current assets and treasury stock (in €)</b>	<b>3.13</b>	<b>3.03</b>	<b>-3.2%</b>
<b>Cash flow from operations</b>	<b>2,673</b>	<b>2,471</b>	<b>-7.6%</b>
<b>Cash flow excluding capital gains tax</b>	<b>2,688</b>	<b>2,540</b>	<b>-5.5%</b>
<b>Capital expenditure</b>	<b>1,431</b>	<b>1,351</b>	<b>-5.6%</b>
<b>Investments in securities</b>	<b>789</b>	<b>789</b>	<b>0.0%</b>
<b>Net indebtedness</b>	<b>7,012</b>	<b>5,657</b>	<b>-19.3%</b>

## Group sales

dipped 2.3% in 2003 on an actual structure basis and 3.7% based on a comparable structure. **At constant exchange rates\***, sales were up 4.1% on an actual structure basis, and 2.5% based on a comparable structure. Currency effects had a 6.1 point negative impact on sales for the year, particularly due to the significant depreciation of the US dollar, pound sterling and Brazilian real against the euro (down 16%, 9% and 20% respectively). Sales volumes climbed 1.7%, spurred by a recovery in the second half of the year. At the same time, prices increased by 0.8%. France accounted for 32.2% of total sales, with other European countries contributing 42.0%, North America 18.6% and other countries 7.2%.

## Operating income

contracted 5.4%. At constant exchange rates however, it rose 1.0% on an actual structure basis and 0.1% based on a comparable structure. Operating margin was 8.3% compared with 8.5% in 2002. This change was essentially due to a significant increase in the cost of energy and certain raw materials such as natural gas, asphalt, iron and resins, at the start of 2003, particularly in the United States. However, operating margins did pick up in the second half of the year.

These cost increases also largely explain the contraction in profitability in North America and most European countries, except for France and the United Kingdom. Profitability remained high though in emerging countries.

\* Based on average 2002 exchange rates



### Dividend income received from non-consolidated companies

fell significantly to €12 million in 2003, compared with €22 million a year earlier, reflecting the fact that Vivendi Universal did not pay any dividends for fiscal year 2002.

### Net interest and other financial charges

retreated 9.3% to €457 million from €504 million in 2002, thanks to the reduction in the Group's net debt and the favorable impact of converting interest on dollar-denominated debt into euros.

### Non-operating costs

edged up to €275 million, from €252 million in 2002. This slight increase was due to new restructuring programs implemented to boost competitiveness at certain of the Group's manufacturing businesses. As in 2002, the 2003 figure includes a €100 million charge for the cost of asbestos-related claims filed against CertainTeed.

### Profit on sales of non-current assets

totaled €86 million in 2003. Capital gains made during the year – including on the sales of Terréal and 7 million Vivendi Universal shares – were partly offset by losses on other asset sales and by asset write-downs.

### Goodwill amortization

amounted to €154 million in 2003, compared with €169 million a year earlier. This decline resulted from the currency impact of converting into euros goodwill amortization for the Group's US subsidiaries.

### Minority interests

decreased from €34 million in 2002 to €26 million in 2003. This slight reduction stemmed from the unfavorable currency effect on minority interests in the Brazilian subsidiaries.

### Consolidated net income

came to €1,039 million for 2003, virtually on a par with 2002. Based on the 347,824,967 shares outstanding at December 31, 2003, earnings per share (EPS) came to €2.99, a 2.0% contraction from €3.05 in 2002. Based on the number of shares excluding treasury stock (336,185,581 at December 31, 2003 compared with 335,850,864 at December 31, 2002), earnings per share amounted to €3.09, on a par with the 2002 figure of €3.10. The issue of 6,814,287 new shares in 2003 required for attribution under the Group Savings Plan and further to the exercise of 314,880 stock options, were offset by the buyback during the year of an almost equivalent number of shares on the market. At December 31, 2003 treasury stock therefore represented 11,639,386 shares, compared with 5,159,816 shares at December 31, 2002. At its meeting of January 29, 2004, the Board of Directors cancelled 6,799,832 treasury shares, thus reducing the Group's capital stock to 341,025,135 shares at that date, practically unchanged from the 341,010,680 shares outstanding at December 31, 2002.

### Excluding profit on sales of non-current assets

net income came to €1,020 million, 2.9% lower than in 2002. This reduction reflects the negative impact of currency effects – including the fall in the US dollar, Brazilian real and pound sterling – which hit the Group's main income statement captions. On a constant exchange rate basis, net income excluding profit on sales of non-current assets would have been slightly higher than in 2002. Based on the 347,824,967 shares outstanding at December 31, 2003, earnings per share excluding profit on sales of non-current assets dipped 4.9% to €2.93 compared with the 2002 figure of €3.08. Based on the number of shares excluding treasury stock (336,185,581 at December 31, 2003 compared with 335,850,864 at December 31, 2002), earnings per share excluding profit on sales of non-current assets amounted to €3.03, a 3.2% decrease from the 2002 figure of €3.13.

### Cash flow from operations

came in at €2,471 million, down 7.6% on the prior-year figure. Excluding the €69 million in tax on profit on sales of non-current assets, cash flow from operations contracted 5.5% to €2,540 million from €2,688 million in 2002. On a constant exchange rate basis, cash flow from operations (excluding tax on capital gains) would have been slightly up on 2002.

### Capital expenditure on plant and equipment

stood at €1,351 million, compared with €1,431 million in 2002, and represented 4.6% of sales, versus 4.7% the previous year.

### Free cash flow (cash flow minus capital expenditure on plant and equipment)

totaled €1,189 million excluding capital gains tax, compared with €1,257 million in 2002.

### Investments in securities

amounted to €789 million, including €436 million for bolt-on acquisitions in the Building Materials Distribution Division, and €229 million for share buybacks.

### Net indebtedness

was €5.7 billion at December 31, 2003 after payment of the 2002 dividend, down €1.3 billion on the prior-year figure. The gearing ratio – based on consolidated shareholders' equity plus non-voting participating securities – was 49.3%.

## Performance of Group Sectors and Divisions:

Although changes in exchange rates negatively impacted all Group divisions, all three sectors reported increased like-for-like sales (based on a comparable Group structure and at constant exchange rates).

The Glass Sector achieved a 1.5% increase in like-for-like sales but operating margin dipped slightly, to 10.5% from 11.2%. This was due to lower margins across the board for the sector, with Containers and Insulation hit by soaring energy costs in the United States and renewed pricing pressure for Reinforcements. The Flat Glass Division reported sustained sales in emerging markets as well as in the European automobile market, but the picture was more mixed in the European construction market. However, the strong price increases seen in South America and Asia since the beginning of the year slowed down towards the end of 2003.

The High Performance Materials Sector posted a 0.5% increase in like-for-like sales and a solid improvement in operating margin, to 8.4% from 6.7% in 2002. This was achieved primarily thanks to the cost cutting measures implemented since 2001. Both manufacturing and capital expenditure began to recover towards the end of the year, particularly in the United States.

The Housing Products Sector was the star performer in terms of organic growth. The 3.9% rise in like-for-like sales was fueled by the 14.2% surge in Pipe sales, spurred by major distant export contracts. However, the sector's operating margin dipped slightly, to 6.4% from 6.6%, due to sharply higher raw materials costs for the Pipe division (iron) and particularly the Building Materials division (asphalt and resins). Improvements in Building Materials operating margin were achieved though, as the year went on, thanks to measures implemented to reshape the division's manufacturing and sales operations. The Building Materials Distribution division continued to gain ground, through a combination of organic and external growth and also posted a further improvement in profitability with operating margin coming in at 5.0%, despite the persistently dismal conditions in Germany and the Netherlands. On a constant exchange rate basis, operating income for the division was up 8.5% on the 2002 figure.

## Asbestos-related claims in the United States:

During 2003, around 62,000 new asbestos claims were filed against CertainTeed, including 29,000 in the state of Mississippi. The number of new claims filed in the second half of the year was significantly lower than the first half, representing a 71% decrease from 48,000 to 14,000. Excluding claims filed in Mississippi, the period-on-period reduction was 35% with 20,000 claims in the first half and 13,000 in the second. These figures indicate that the exceptional surge in new claims observed in Mississippi since Autumn 2002 appears to have come to an end. They also confirm the downward trend in new claims observed in the rest of the United States since June 2003, particularly as there have been no significant surges in new claims in Texas, Ohio or Michigan, where the introduction of tort reform measures may make those states less plaintiff-friendly venues. Average monthly new claims totaled some 2,300 during the second half of 2003, less than half as many as in 2002 and in the first six months of 2003.

54,000 claims were resolved during the year, including 29,000 in the second half, representing over double the number of new claims filed in the second half. 7,000 claims were also placed on the inactive docket. At December 31, 2003, some 108,000 claims were outstanding, virtually unchanged from the December 31, 2002 figure of 107,000 and down on the 123,000 claims in progress at June 30, 2003.

The average costs of claims settled in 2003 was approximately US\$ 2,100, unchanged since the start of the year.

At December 31, 2003, the Group's total cover for asbestos-related claims against CertainTeed amounted to US\$ 431 million, practically identical to the 2002 figure. This amount comprises insurance policies and provisions, including the €100 million accrual booked in 2003.

In addition, the Senate Republican leader intends to have the draft legislation to create a federal asbestos trust fund (as approved by the US Senate Judiciary Committee on July 11, 2003) put on the Senate floor for consideration in April 2004.



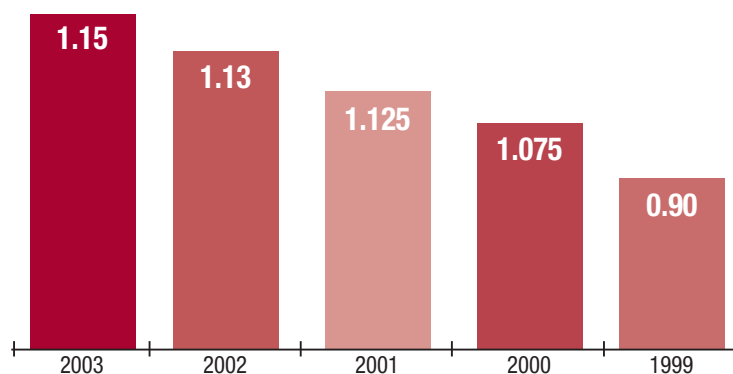
## Five-year consolidated data

(in € millions)	2003	2002	2001	2000	1999
<b>Net sales</b>	29,590	30,274	30,390	28,815	22,952
<b>Gross margin</b>	7,327	7,604	7,698	8,146	6,851
<b>Operating income</b>	2,442	2,582	2,681	2,693	2,314
<b>Income before tax and before profit on sales of non-current assets</b>	1,722	1,848	1,988	1,947	1,821
<b>Net income before minority interests</b>	1,065	1,074	1,174	1,642	1,389
<b>Net income</b>	1,039	1,040	1,134	1,517	1,226
<b>Earnings per share (€)</b>	2.99	12.20 3.05*	13.30	17.80	14.05
<b>Net income excluding profit on sales of non-current assets</b>	1,020	1,051	1,057	1,026	883
<b>Earnings per share excluding profit on sales of non-current assets (in €)</b>	2.93	12.32 3.08*	12.40	12.04	10.12
<b>Cash flow from operations</b>	2,471	2,673	2,733	2,643	2,360
<b>Capital expenditure</b>	1,351	1,431	1,430	1,722	1,712
<b>Total investment outlay<sup>(1)</sup></b>	1,911	2,061	2,246	4,694	3,479
<b>Net equity</b>	11,310	11,542	12,348	11,724	11,151
<b>Net debt</b>	5,657	7,012	7,792	8,217	6,306
<b>Non-current assets</b>	17,237	18,840	19,678	19,530	16,909
<b>Working capital</b>	5,247	3,951	3,075	3,222	2,612
<b>Employees (as of Dec. 31)</b>	172,811	172,357	173,329	171,125	164,698

(\*) After the four-for-one stock split carried out on June 27, 2002.

(1) Capital expenditure on plant and equipment plus investments in securities, excluding Saint-Gobain shares bought back.

**Net dividend per share (€4 par value shares)**  
(in euros)



The French version of this document governs; the English translation is for convenience only.

## ▶ Compagnie de Saint-Gobain (parent company) Financial summary

The table below summarizes the financial data of Compagnie de Saint-Gobain, parent company of the Group. Compagnie de Saint-Gobain has no industrial activity and holds directly or indirectly the Group's investments in subsidiaries. These financial statements therefore do not reflect the overall business activity of the Saint-Gobain Group nor changes in its net income.

Results (*and other key data*) of Compagnie de Saint-Gobain over the past five years

(in € thousands)	2003	2002	2001	2000	1999
<b>Capital stock at year-end</b>					
<b>Capital stock</b>	1,391,300	1,364,043	1,364,138	1,363,412	1,395,788
<b>Number of common shares outstanding</b>	347,824,967	341,010,680	85,258,628	85,213,263	87,236,750
<b>Operations and results for the year</b>					
<b>Sales excluding taxes <sup>(1)</sup></b>	163,379	156,150	149,431	138,313	113,942
<b>Earnings before tax, depreciation and provisions</b>	430,896	507,093	1,115,028	1,087,460	600,175
<b>Income tax</b>	69,888	30,396	15,020	(46,464)	(36,209)
<b>Net income after tax, depreciation and provisions</b>	513,574	595,916	1,092,872	1,014,611	573,860
<b>Dividend distribution</b>	<sup>(2)</sup> 386,972	<sup>(3)</sup> 379,141	<sup>(4)</sup> 378,364	<sup>(5)</sup> 356,860	<sup>(6)</sup> 300,916
<b>Earnings per share (in €)</b>					
<b>Earnings per share before tax, depreciation and provisions</b>	1.24	1.49	13.08	12.76	6.88
<b>Earnings per share after tax, depreciation and provisions</b>	1.48	1.75	12.82	11.91	6.58
<b>Net dividend per share</b>	1.15	1.13	4.50	4.30	3.60
<b>Personnel <sup>(7)</sup></b>					
<b>Average number of employees during the year</b>	235	240	249	249	239
<b>Total payroll cost for the year</b>	24,991	25,094	24,389	20,525	19,066
<b>Total benefits for the year</b>	13,863	13,850	12,956	11,330	9,139

(1) Represents royalties and other services.

(2) On the basis of 341,025,135 shares (capital stock at January 29, 2004 after cancellation of 6,799,832 shares), less 4,527,674 treasury shares held at February 29, 2004, i.e. 336,497,461 dividend-earning shares.

(3) Reflects a €370 thousand adjustment due to the 336,000 treasury shares acquired and 8,300 treasury shares sold between March 20, 2003, the date of the Board meeting approving the financial statements, and June 23, 2003 when payment of the dividend began.

(4) Reflects a €118 thousand adjustment due to the 26,150 treasury shares sold between March 28, 2002, the date of the Board meeting approving the financial statements, and June 24, 2002 when payment of the dividend began.

(5) Reflects a €451 thousand adjustment due to the 104,854 treasury shares acquired between March 29, 2001, the date of the Board meeting approving the financial statements, and July 2, 2001 when payment of the dividend began.

(6) Reflects a €3,889 thousand adjustment due to the 1,080,200 treasury shares acquired between March 30, 2000, the date of the Board meeting approving the financial statements, and July 3, 2000 when payment of the dividend began.

(7) Personnel figures exclude the German branch.

# Complete text of resolutions

## ▶ Ordinary Meeting

### ▶ First resolution

The General Meeting, after reviewing the reports of the Board of Directors and the Statutory Auditors, approves the parent company financial statements for the year ended December 31, 2003 as presented, as well as the transactions reflected in the financial statements and summarized in the reports.

### ▶ Second resolution

The General Meeting, after reviewing the reports of the Board of Directors and the Statutory Auditors, approves the consolidated financial statements for the year ended December 31, 2003 as presented, as well as the transactions reflected in the financial statements and summarized in the reports.

### ▶ Third resolution

The General Meeting, having noted that net income for the year amounts to €513,574,452.67 and retained earnings to €1,090,363,072.07, giving a total of €1,603,937,524.74 approves the recommendations made by the Board of Directors with respect to the appropriation of net income, and resolves:

- to appropriate €290,390,704 to the special long-term capital gains reserve;
- to carry forward €926,574,740.59 as retained earnings;
- to appropriate for distribution to shareholders:
  - a first dividend of €67,299,492.20.
  - an additional dividend of €319,672,587.95.
  - giving a total amount of €386,972,080.15.

The net dividend per share carrying dividend rights will therefore amount to €1.15 which, including the 50% *avoir fiscal* tax credit of €0.575 (where applicable), represents total dividend income per share of €1.725.

In accordance with legal requirements, dividends paid in respect of the previous three years are presented in the table below:

Year	Number of shares on which dividends paid	Net dividend (in €)	Tax credit*** (in €)	Total dividend income (in €)
2000	82,990,762 *	4.30	2.15	6.45
	331,963,048 **	1.075	0.5375	1.6125
2001	84,080,890 *	4.50	2.25	6.75
	336,323,560 **	1.125	0.5625	1.6875
2002	335,523,164	1.13	0.565	1.695

(\*) Before and (\*\*) after the four-for-one stock split carried out in June 2002

(\*\*\*) A 50% tax credit has been applied for the purposes of this table

### ▶ Fourth resolution

The General Meeting notes the terms of the Statutory Auditors' special report on regulated agreements, drawn up in accordance with legal requirements, which records no regulated agreements entered into in 2003.

### ▶ Fifth resolution

The General Meeting, having reviewed the report of the Board of Directors and the prospectus approved by the *Autorité des Marchés Financiers*, authorizes the Board of Directors to buy back and possibly resell Company shares, in accordance with articles L.225-209 *et seq.* of the Commercial Code, on one or more occasions. The shares may be purchased, sold or transferred by any appropriate method, including over-the-counter, in the form of block sales, through option transactions or by means of derivative instruments. The purpose of this authorization is to allow the Company to grant and give effect to the exercise of stock purchase options, allocate shares to employees, buy and sell the Company's shares (including while a public tender offer is in progress) to take advantage of market situations, to stabilize the share price by trading against the trend, to cancel the shares subject to authorization by an Extraordinary Meeting, to hold the shares in treasury stock or to sell or transfer them on or off a stock exchange, including in exchange for shares, or to manage the Company's cash position or equity. Such transactions will be governed by the following terms:

- maximum purchase price: €55 per share
- minimum sale price: €23 per share

*The French version of this document governs; the English translation is for convenience only.*

- maximum number of shares: 10% of the total number of shares making up the Company's capital stock. In view of the treasury shares held by the Company, the maximum theoretical purchase price for share buy backs would be €1,626,733,350, corresponding to 29,576,970 shares acquired at a price of €55 each.

In the case of a bonus share issue paid up by capitalizing reserves, or a stock split or reverse stock split, the above prices per share will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction.

This authorization is granted for a period of eighteen months from the date of this meeting. It supersedes, for the unexpired period, the unused portion of the authorization granted in the fifth resolution of the Ordinary General Meeting of June 5, 2003.

The General Meeting gives full powers to the Board of Directors, and by delegation, to any person duly authorized by the Board, to enter into any and all agreements, carry out any and all formalities and take any and all other action required to give effect to this authorization.

#### Sixth resolution

After reviewing the report of the Board of Directors explaining that Jean-Louis Beffa's term of office expires at the close of this meeting, the General Meeting renews his term of office for a period of four years, expiring at the close of the General Meeting called to approve the financial statements for the year ending December 31, 2007.

#### Seventh resolution

After reviewing the report of the Board of Directors explaining that Isabelle Bouillot's term of office expires at the close of this meeting, the General Meeting renews her term of office for a period of four years, expiring at the close of the General Meeting called to approve the financial statements for the year ending December 31, 2007.

#### Eighth resolution

After reviewing the report of the Board of Directors explaining that Sylvia Jay's term of office expires at the close of this meeting, the General Meeting renews her term of office for a period of four years, expiring at the close of the General Meeting called to approve the financial statements for the year ending December 31, 2007.

#### Ninth resolution

After reviewing the report of the Board of Directors explaining that José Luis Leal Maldonado's term of office expires at the close of this meeting, the General Meeting renews his term of office for a period of four years, expiring at the close of the General Meeting called to approve the financial statements for the year ending December 31, 2007.

#### Tenth resolution

After reviewing the report of the Board of Directors, the General Meeting elects Gian Paolo Caccini as a director to replace Eric d'Hautefeuille who has passed away.

His term of office will correspond to the remainder of Mr d'Hautefeuille's term, expiring at the close of the General Meeting held to approve the financial statements for the year ending December 31, 2004.

#### Eleventh resolution

Having reviewed the report of the Board of Directors explaining that the term of office as Titular Statutory Auditor, granted to PricewaterhouseCoopers Audit at the June 25, 1998 Ordinary and Extraordinary General Meeting, expires at the close of this meeting, the General Meeting renews said term of office for PricewaterhouseCoopers Audit, 32 rue Guersant, 75017 Paris, as Titular Statutory Auditor for a six-year term, expiring at the General Meeting held to approve the financial statements for the year ending December 31, 2009.

#### Twelfth resolution

Having reviewed the report of the Board of Directors which noted the resignation of S.E.C.E.F from its position as Titular Statutory Auditor on November 3, 2003 – effective from the date of this meeting –, the General Meeting appoints as Titular Statutory Auditor KPMG Audit, Department of KPMG S.A., 1 cours Valmy, 92923 Paris La Défense Cedex, for the remainder of its predecessor's term of office, which expires at the General Meeting held to approve the financial statements for the year ending December 31, 2005.

#### Thirteenth resolution

Having reviewed the report of the Board of Directors explaining that the term of office as Substitute Statutory Auditor, granted to Daniel Chauveau at the June 25, 1998 Ordinary and Extraordinary General Meeting, expires at the close of this meeting, the General Meeting appoints Yves Nicolas, 32 rue Guersant, 75017 Paris, as Substitute Statutory Auditor for a six-year term, expiring at the General Meeting held to approve the financial statements for the year ending December 31, 2009.

#### Fourteenth resolution

Having reviewed the report of the Board of Directors which noted the resignation of Pierre-Henri Scacchi & Associés from its position as Substitute Statutory Auditor on October 27, 2003 – effective from the date of this meeting – the General Meeting appoints Jean-Paul Vellutini, 1 cours Valmy, 92923 Paris La Défense Cedex, as Substitute Statutory Auditor for the remainder of his predecessor's term of office, which expires at the General Meeting held to approve the financial statements for the year ending December 31, 2005.

## ▶ Extraordinary Meeting

### ▶ Fifteenth resolution

Having reviewed the report of the Board of Directors, the Extraordinary General Meeting resolves to amend paragraph 4 1° of article 7, paragraph 2 of article 12, and article 14 of the bylaws as follows:

■ The first amendment relates to the time limit for informing the Company where disclosure thresholds set down in the bylaws are crossed.

*(Amendments in italics)*

CURRENT WORDING	NEW WORDING
ARTICLE 7 FORM OF SHARES <b>Paragraph 4</b> 1°/ Where a shareholder, acting alone or in concert, increases the amount of their direct or indirect holding (as defined in L.223-9 and L.233-10 of the Commercial Code) such that the shares held represent at least 0.5% of the Company's capital or voting rights or any multiple thereof, the said shareholder must inform the Company of their total number of shares or voting rights held upon the crossing of each disclosure threshold. Said disclosure must be made by registered letter with return receipt requested within fifteen days of the date when the threshold is crossed. The same obligation applies when a shareholder crosses the said disclosure thresholds by reducing their direct or indirect interest in the Company's capital or voting rights.	ARTICLE 7 FORM OF SHARES <b>Paragraph 4</b> 1°/ Where a shareholder, acting alone or in concert, increases the amount of their direct or indirect holding (as defined in L.223-9 and L.233-10 of the Commercial Code) such that the shares held represent at least 0.5% of the Company's capital or voting rights or any multiple thereof, the said shareholder must inform the Company of their total number of shares or voting rights held upon the crossing of each disclosure threshold. Said disclosure must be made by registered letter with return receipt requested within <b>five trading</b> days of the date when the threshold is crossed. The same obligation applies when a shareholder crosses the said disclosure thresholds by reducing their direct or indirect interest in the Company's capital or voting rights.

■ The second amendment concerns information provided to directors.

*(Amendments in italics)*

CURRENT WORDING	NEW WORDING
ARTICLE 12 POWERS OF THE BOARD OF DIRECTORS <b>Paragraph 2</b> Directors shall receive all information required for them to fulfill their duties and may request any documents which they may think fit.	ARTICLE 12 POWERS OF THE BOARD OF DIRECTORS <b>Paragraph 2</b> <b><i>The Chairman or the Chief Executive Officer of the Company shall provide directors with all of the documents and information necessary to enable them to fulfill their duties.</i></b>

- The third amendment concerns the powers of the Chairman of the Board of Directors

*(Amendments in italics)*

CURRENT WORDING	NEW WORDING
<p>ARTICLE 14 CHAIRMAN OF THE BOARD OF DIRECTORS</p> <p>The Chairman of the Board of Directors shall represent the Board. He shall organize and manage the work of the Board and report thereon to General Shareholders' Meetings. He shall oversee the proper operation of the Company's management bodies and ensure that the directors are in a position to fulfill their duties. When the Chairman of the Board is not also the Company's Chief Executive Officer, he will be required to retire from office at the latest at the close of the General Meeting held to approve the accounts of the year in which he reaches his sixty-eighth birthday.</p>	<p>ARTICLE 14 PRÉSIDENT DU CONSEIL D'ADMINISTRATION</p> <p><b><i>The Chairman of the Board of Directors</i></b> shall organize and manage the work of the Board and report thereon to General Shareholders' Meetings. He shall oversee the proper operation of the Company's management bodies and ensure that the directors are in a position to fulfill their duties. When the Chairman of the Board is not also the Company's Chief Executive Officer, he will be required to retire from office at the latest at the close of the General Meeting held to approve the accounts of the year in which he reaches his sixty-eighth birthday.</p>

### ▶ Sixteenth resolution

The Extraordinary General Meeting gives full powers to the bearer of an original, copy or extract of the minutes of this meeting, to carry out all necessary formalities.

*The French version of this document governs; the English translation is for convenience only.*



# Request for information

This form must only be sent to your bank, broker or other financial intermediary responsible for the management of your shares



I, the undersigned:

Full name: .....

Address: .....

.....

owner of ..... Saint-Gobain shares held as

- registered shares
- bearer shares, registered in an account with <sup>(1)</sup>:

request that I be sent the **Annual Report/Document de Référence** of Compagnie de Saint-Gobain.

Signed in (city) ..... on ..... 2004

Signature

(1) Please indicate the name of the bank, financial institution or stockbroker that holds your account.

## Note

1/ The "Document de Référence" includes the following: parent company financial statements, consolidated financial statements, report on the management of the Group, report on the organization and preparation of the Board of Directors' work, internal control procedures implemented by Compagnie de Saint-Gobain and any limitations placed on the Chief Executive Officer's powers, table showing the appropriation of net income specifying in particular the source of the amounts earmarked for distribution, reports of the Statutory Auditors, list of marketable securities held in the investment portfolio at the year-end, and reports of the Board of Directors to the Meeting. These documents, together with the information contained in this pack, constitute the information to which shareholders are entitled under articles 133 and 135 of the decree of March 23, 1967.

2/ In accordance with paragraph 3 of article 138 of the above decree, shareholders owning registered shares may by a single request have the company send them the documents covered by article 135 of the above decree at the time of each subsequent Shareholders' Meeting.

*In accordance with legal requirements, the Meeting will be first convened on May 10, 2004, at 10:30 a.m., at the head office, Les Miroirs, 18, avenue d'Alsace, 92400 Courbevoie. The probable lack of a quorum on this occasion will prevent the proceedings from being valid, and the Meeting will therefore be convened for a second time on Thursday, June 10, 2004, at 3:00 p.m., at the Grand Auditorium of the Palais des Congrès, Porte Maillot, Paris 17.*

## For further information on the Group,

please contact the Investor Relations department:

▶ **by telephone**  
+33 (0)1 47 62 33 33

▶ **by mail**  
COMPAGNIE DE SAINT-GOBAIN  
Investor Relations Department  
Les Miroirs - 92096 La Défense Cedex, France

▶ **E-mail**  
actionnaires@saint-gobain.com

▶ **Internet**  
www.saint-gobain.com

**The French version of this document governs; the English translation is for convenience only.**

