

FIRST-HALF 2009: AMID A SHARP SLOWDOWN IN MARKETS, ACCELERATION AND EXTENSION OF ACTION PLAN UNVEILED AT THE BEGINNING OF THE YEAR

Against the backdrop of an unprecedented economic crisis, the Group has resolutely implemented and extended its action plan.

- Cost cutting program extended: **€440m** in cost savings over the first half; **€1,100m** over the full year (versus an initial target of €600 million).
- Priority given to sales prices: **up 1.7%** over the period.
- Acquisition projects put on hold and capital expenditure significantly reduced: **down €358m** over the first half and **down €700m** over the full year (versus an initial target reduction of €500 million).
- Free cash flow¹ totaling **€873m** over 12 months, and operating working capital requirement (WCR) reduced by **€924m** over the 12 months to June 30.
- Balance sheet strengthened: **€2.4bn** of net debt paid down over 12 months and gearing ratio reduced to **66.5%** of shareholders' equity.
- Outlook for second-half 2009: barring a further deterioration in the economic environment, **operating income and recurring net income should outperform first-half figures.**

1. Excluding the tax impact of capital gains and losses on disposals, exceptional asset write-downs and material non-recurring provisions.

FIRST-HALF 2009 KEY FIGURES

(in €millions)	H1 2008	H1 2009	Change
Sales	22,141	18,715	-15.5%
Operating income	2,005	930	-53.6%
Recurring net income ²	1,101	210	-80.9%
Net income	1,076	128	-88.1%

2. Excluding capital gains and losses, exceptional asset write-downs and material non-recurring provisions.

Operating performance

Against the backdrop of an unprecedented economic and financial crisis affecting virtually all sectors and countries across the globe, **trading for the Group remained sluggish in second-quarter 2009**, along the lines of the three months to March 31. Both construction and industrial markets continued to decline in the US and Western Europe, as well as in most Asian and emerging countries. Only household consumption remained relatively less affected by the downturn. The Group posted **negative organic growth of 15.5% for the first half of the year** (-15.9% in the second quarter and -14.9% in the first quarter). This decline is due to a sharp 17.2% drop in sales volumes in the first six months of the year, breaking down as -17.2% in the first quarter and -17.1% in the second quarter, of which -2.6% related to the adverse impact of fewer working days. It was partially offset by the **continued positive momentum in sales prices, which gained 1.7% over the period** (2.3% in the three months to March 31 and 1.2% in the second quarter).

1°) Performance of Group Business Sectors

All of the Group's Business Sectors with the exception of Packaging were affected by the deterioration in the global economic environment and reported a sharp decline in sales volumes over the half year, broadly in line with the first quarter. Sales prices, in contrast, remained well oriented across all Sectors except Flat Glass, allowing the Group to benefit from a positive spread compared with the cost of raw materials and energy.

Innovative Materials was the worst hit by the economic crisis, due to the sharp decline in the Sector's main markets, both in construction and industry. Sales for the Sector shed 22.1% on a like-for-like basis and its operating margin fell to 2.7% of sales versus 14.1% of sales in first-half 2008.

- **Flat Glass posted a 20.4% drop in sales**, mirroring its first-quarter performance. Despite rebounding in June, prices of commodity products (float glass) remained sharply down on the same period in 2008. This put pressure on prices for construction glass and for the Flat Glass Sector as a whole, despite more favorable trends in automotive glass. Operating margin, also hit by the steep slide in sales volumes, and to a lesser extent by the rise in the cost of raw materials, is just about positive at 0.6% of sales (versus 14.2% of sales in first-half 2008).
- **High-Performance Materials (HPM)** also experienced a strong 24.7% decline in like-for-like sales, owing to the slump in industrial output and capital spending across the globe. Operating margin retreated to 5.5% (versus 13.9% in first-half 2008), despite a rise of 2.3% in sales prices.

Sales for the Construction Products (CP) Sector were down 15.3% on a like-for-like basis. The sharp 4.1% rise in prices failed to fully offset the continuing fall in sales volumes, particularly in Interior Solutions. The Sector's operating margin narrowed to 9.1% versus 10.1% in the same year-ago period.

- **Interior Solutions sales retreated 19.5% on a like-for-like basis**, as the business continued to feel the pinch of weakening construction markets in North America and Europe. This took its toll on the operating margin, which stood at 6.7% compared with 12.0% in first-half 2008, despite the rise in sales prices in the Gypsum division.
- **Exterior Solutions** saw a similar drop in sales volumes over the first half of the year, but benefited from restructuring measures and a favorable price impact at the level of operating income. **Operating margin for the Sector therefore continued to climb, up to 11.2% from 7.9%.**

Building Distribution like-for like sales contracted 14.5%, at a slower pace than in the Construction Products sector. While the UK and Spanish construction markets remained the worst affected by the economic crisis, most other European countries also began to flag (except Switzerland), posting a double-digit decline in sales volumes over the six months to June 30. Although sales prices held firm, the lackluster performance weighed on the Sector's operating margin, which came in at 1.4% of sales (versus 4.7% of sales in first-half 2008).

Packaging stood out from the Group's other Business Sectors, delivering sales and operating income on a par with first-half 2008 figures despite the crisis. Like-for-like, sales for the Sector edged down 3.5%, as

robust sales prices failed to fully offset the 6.7% decline in sales volumes. **Operating margin held firm year-on-year, at 13.4% of sales.**

2°) Analysis by geographic area

All of the geographic areas where the Group operates were hard hit by the crisis in first-half 2009, in line with the trends observed in the first quarter.

- In **France**, like-for-like sales retreated 13.5% due to the downturn in construction and industrial – particularly automotive – markets over the period. Operating margin narrowed to 5.4% of sales, even though gross margins in the Building Distribution sector held up well.
- The downturn in **other Western European countries** was even greater, with like-for-like sales falling 19.5% and operating margin sliding to 3.2% of sales from 8.7% previously. Most European countries saw weak trading conditions in their markets over the period.
- Sales for **North America** dropped 15.1% like-for-like, reflecting the continued decline in construction coupled with the contraction in industrial markets since the beginning of the year. In contrast, **operating margin continued on the strong upward trend** observed in second-half 2008, coming in at **8.8% of sales** (4.6% in first-half 2008) on the back of a significant 7.6% price effect and the impact of restructuring measures.
- **Emerging countries and Asia** were also affected by the economic crisis, reporting a 13.5% drop in like-for-like sales. The region experienced a significant decline in profitability, with operating margin falling to 4.5% of sales compared with 11.7% one year earlier. Eastern Europe and Asia (except India) were the most affected by the challenging conditions, while Latin America and especially Brazil proved resilient.

Analysis of the interim consolidated financial statements for first-half 2009

The interim consolidated financial statements set out below were authorized for issue by the Board of Directors on July 23, 2009:

	H1 2008 €million	H1 2009 €million	% change
Sales and ancillary revenue	22,141	18,715	-15.5%
Operating income	2,005	930	-53.6%
Non-operating costs	(79)	(264)	+234%
Capital gains and losses and exceptional asset write-downs	(31)	(65)	+110%
Dividends received	2	0	-100%
Business income	1,897	601	-68.3%
Net financial expense	(352)	(412)	+17.0%
Income tax	(444)	(53)	-88.1%
Share in net income of associates	7	2	n.m.
Income before minority interests	1,108	138	-87.5%
Minority interests	(32)	(10)	-68.8%
Recurring net income¹	1,101	210	-80.9%
Recurring¹ earnings per share² (in €)	2.88	0.41	-85.8%
Net income	1,076	128	-88.1%
Earnings per share² (in €)	2.81	0.25	-91.1%
Depreciation and amortization of operating items	740	756	+2.2%
Cash flow from operations ³	1,894	1,079	-43.0%
Cash flow from operations excluding capital gains tax⁴	1,887	1,064	-43.6%
Capital expenditure	872	514	-41.1%
Free cash flow (excluding capital gains tax)⁴	1,015	550	-45.8%
Investments in securities	2,178	164	-92.5%
Net debt	13,321	10,890	-18.2%

1 Excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions.

2 Calculated based on the number of shares issued at June 30 (512,893,494 shares in 2009 versus 382,489,099 shares in 2008). Based on the weighted average number of shares outstanding (439,305,156 shares in first-half 2009 versus 371,914,226 shares in first-half 2008), recurring earnings per share comes out at €0.48 (€2.96 in first-half 2008), and earnings per share at €0.29 (€2.89 in first-half 2008).

3 Excluding material non-recurring provisions.

4 Excluding the tax impact of capital gains and losses on disposals, asset write-downs and material non-recurring provisions.

Sales fell 15.5%. Changes in Group structure had a positive 1.3% impact, fully offset by the negative 1.3% currency effect, resulting chiefly from the weakness of the pound sterling and Brazilian real against the euro. **On a like-for-like basis, Group sales were also down 15.5%. Sales volumes contracted 17.2%, while prices remained upbeat, gaining 1.7%.**

Operating income shed 53.6%. The Group's operating margin came in at **5.0%** of sales (**7.6%** excluding Building Distribution), versus 9.1% (12.1% excluding Building Distribution) in first-half 2008.

Non-operating costs totaled €264 million compared with €79 million in first-half 2008, as the Group stepped up adjustments and restructuring measures to tackle the crisis. Non-operating costs include a charge of €37.5 million for asbestos-related litigation involving CertainTeed in the US (amount unchanged from first-half 2008).

The net total of capital gains and losses and exceptional asset write-downs was a negative €65 million, including €67 million in exceptional asset write-downs. Most of these write-downs relate to restructuring measures launched during the period.

Business income fell 68.3% after taking into account the factors mentioned above (non-operating costs, capital gains and losses on disposals and exceptional asset write-downs).

Net financial expense edged up to €412 million versus €352 million in first-half 2008, reflecting mainly the €48 million year-on-year rise in the interest cost on pensions, while net borrowing costs remained virtually stable. **The average cost of net debt came in at 5.4% for the period**, versus 5.3% in first-half 2008.

Recurring net income (excluding capital gains and losses, exceptional asset write-downs and material non-recurring provisions) **shed 80.9% year-on-year, at €10 million**. Based on the number of shares issued at June 30, 2009 (512,893,494 shares versus 382,489,099 shares at June 30, 2008), **recurring earnings per share came in at €0.41, down 85.8%** on first-half 2008 (€2.88).

Net income came in at **€128 million, a decline of 88.1%** compared with the same period in 2008. Based on the number of shares issued at June 30, 2009 (512,893,494 shares versus 382,489,099 shares at June 30, 2008), **earnings per share came in at €0.25, down 91.1%** on first-half 2008 (€2.81).

Capital expenditure contracted by 41.1%, to **€514 million** (versus €872 million in first-half 2008), and represented **2.7% of sales** (3.9% of sales in first-half 2008). Over half (55%) of these investments concerned activities related to energy efficiency (Flat Glass – including Solar technologies – and Construction Products Sectors), as well as selective growth projects in emerging countries (new float line in Egypt and plasterboard plant in Abu Dhabi).

Cash flow from operations decreased 43.0% versus first-half 2008, to **€1,079 million**. Before the tax impact of capital gains and losses and asset write-downs, cash flow from operations fell 43.6% to €1,064 million compared with €1,887 million in first-half 2008.

Free cash flow (cash flow from operations – capital expenditure) declined 44.7% to €565 million. Before the tax impact of capital gains and losses and asset write-downs, **free cash flow fell 45.8% to €50 million, representing 2.9% of sales**.

Investments in securities were slashed by 92.5% compared with first-half 2008, to **€164 million**, and were solely related to acquisitions carried out in 2008 but only completed in first-half 2009. Of this amount, €120 million relates to the Construction Products Sector and €42 million to the Building Distribution Sector.

Net debt amounted to €10.9 billion at June 30, 2009, **down €2.4 billion, or 18.2%**, on June 30, 2008 (€13.3 billion). Net debt represents **66.5% of consolidated shareholders' equity**, compared with 86% at June 30, 2008 and 80% at December 31, 2008.

Update on asbestos claims in the United States

Some 2,000 claims were filed against CertainTeed in the first half of 2009, compared with 3,000 in first-half 2008). Over the period, 3,000 claims were settled (4,000 in first-half 2008), bringing the total number of outstanding claims to **67,000** at June 30, 2009, versus 68,000 at December 31, 2008.

A total of USD 61 million in indemnity payments were made over the 12 months to June 30, 2009, compared with USD 71 million over the 12 months to December 31, 2008.

Crisis action plan: acceleration and extension of measures unveiled at the beginning of the year

Against the backdrop of an unprecedented economic crisis, the Group has resolutely implemented and extended the action plan unveiled at the beginning of 2009.

In the first half of the year, Saint-Gobain:

- continued to give clear operating priority to **sales prices, which rose 1.7% over the period** despite the downward trend in inflation;
- implemented and extended the **cost cutting program** across all of its businesses:
 - over the period, **€440 million in cost savings** were unlocked versus first-half 2008;
 - **for the year as a whole, the Group is now targeting cost savings of €1.1 billion compared to 2008** (versus an initial goal of €600 million, raised to €700 million in April). This will bring total cost savings realized in 2008 and 2009 to **€1.5 billion**.
- continued to optimize **free cash flow generation**, by:
 - maintaining a tight rein on operating working capital requirement (WCR), which **fell by €924 million** (a reduction of three days' sales outstanding) over the 12 months to June 30, 2009;
 - significantly reducing capital expenditure, which **dropped €358 million in first-half 2009 (full-year target reduction of €700 million instead of an initial target of €500 million)**.
As a result of these efforts, **the Group generated €1,797 million in free cash flow after operating WCR over the 12 months to end-June**, reflecting a reduction of €924 million in operating WCR and free cash flow totaling €873 million, and excluding the tax impact of capital gains and losses on disposals, exceptional asset write-downs and material non-recurring provisions.
- **put acquisition projects on hold:** financial investments totaling €164 million in first-half 2009 are down 92.5% on the same year-ago period and relate solely to the completion of acquisitions undertaken in 2008.
- Thanks to these measures, coupled with a successful €1.5 billion rights issue and the payment of 65% of the 2008 dividend in stock, **the Group paid down €2.4 billion in debt** (over one year) and **strengthened its balance sheet: the gearing ratio has been cut to 66.5% versus 80% at end-December 2008**. The Group has also refinanced all of its maturing debt up to the first quarter of 2011.

In the second half of 2009, these measures will continue to be actively pursued, as in the six months to June 30.

Outlook

Global markets remained in the doldrums during the first half of the year, though the dismal trading environment appeared to stabilize somewhat between the first and second quarters. The Group expects the economic climate to remain extremely challenging in the six months to December 31. However, despite persistent uncertainty going forward and severe volatility in energy/raw material prices and exchange rates, Saint-Gobain does not expect any overall further deterioration compared with first-half 2009.

Moreover, the Group should benefit from a lower basis for comparison than in the first six months of the year (especially in the fourth quarter), and from the acceleration and extension of the action plan rolled out at the beginning of the year, with, in particular:

- a positive price/cost spread (energy/raw material costs) thanks to the priority given to sales prices and a deeper fall in the cost of raw materials and energy than in the first half;
- cost savings in the six months to December 31, 2009 set to exceed first-half cost savings by €400 million, owing to the extension of the cost cutting program.

Barring a further decline in the economic environment, **operating income and recurring net income for second-half 2009 should therefore outperform first-half figures.**

In addition, the Group will continue to optimize cash generation on the back of strong free cash flow and an ongoing tight rein on operating WCR.

The Group has taken advantage of the crisis to reinforce its core assets, with the aim of preparing its future and further developing its various strategic priorities over the longer term.

- Industrial and commercial facilities have been overhauled by restructuring a number of industrial plants and selectively closing Building Distribution branches experiencing structural difficulties, while maintaining the core commercial network.
- Expansion in Asia and emerging countries has continued, with once again one-third of the Group's total capital expenditure focused on these countries (double their weight in the Group's total sales). In particular, capital spending for the period remained upbeat in Latin America, Asia and the Middle East. The Group carved out new strategic footholds during the period in this latter Middle East region.
- R&D initiatives have been maintained, with an increasingly sharp focus on energy efficiency and solar technologies, which account for more than 50% of R&D projects in 2009.
- The Group has considerably strengthened its balance sheet and optimized its free cash flow generation after operating WCR, in order to leverage any growth opportunities going forward.

Saint-Gobain stands to reap the full benefits that should emerge from the economic stimulus packages and energy efficiency measures launched by major governments, owing to its worldwide leadership in construction and front-ranking position in energy efficiency, **which represent almost one-third of total sales and 40% of operating income.**

Forthcoming results announcements

- Sales for the first nine months of 2009: **October 22, 2009**, after close of trading on the Paris Bourse.

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Appendix 1: Results by business sector and geographic area

I. SALES	H1 2008 (in EUR m)	H1 2009 (in EUR m)	Change on an actual structure basis	Change on a comparable structure basis	Change on a comparable structure and currency basis
By sector and division:					
Innovative Materials (1)	4,993	3,802	-23.9%	-22.8%	-22.1%
Flat Glass	2,885	2,198	-23.8%	-23.8%	-20.4%
High-Performance Materials	2,123	1,611	-24.1%	-21.6%	-24.7%
Construction Products (1)	5,988	5,233	-12.6%	-15.4%	-15.3%
Interior Solutions	3,170	2,539	-19.9%	-21.2%	-19.5%
Exterior Solutions	2,835	2,710	-4.4%	-8.8%	-10.4%
Building Distribution	10,039	8,445	-15.9%	-17.6%	-14.5%
Packaging	1,733	1,744	+0.6%	-0.5%	-3.5%
<i>Internal sales and misc.</i>	<i>(612)</i>	<i>(509)</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>
Group Total	22,141	18,715	-15.5%	-16.8%	-15.5%

(1) including intra-sector eliminations

By geographic area:					
France	6,806	5,895	-13.4%	-13.5%	-13.5%
Other Western European countries	10,244	8,099	-20.9%	-23.0%	-19.5%
North America	2,649	2,501	-5.6%	-3.5%	-15.1%
Emerging countries and Asia	3,552	2,948	-17.0%	-20.3%	-13.5%
<i>Internal sales</i>	<i>(1,110)</i>	<i>(728)</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>
Group Total	22,141	18,715	-15.5%	-16.8%	-15.5%

II. OPERATING INCOME	H1 2008 (in EUR m)	H1 2009 (in EUR m)	Change on an actual structure basis	H1 2008 (in % of sales)	H1 2009 (in % of sales)
By sector and division:					
Innovative Materials	706	101	-85.7%	14.1%	2.7%
Flat Glass	410	13	-96.8%	14.2%	0.6%
High-Performance Materials	296	88	-70.3%	13.9%	5.5%
Construction Products	604	474	-21.5%	10.1%	9.1%
Interior Solutions	379	171	-54.9%	12.0%	6.7%
Exterior Solutions	225	303	+34.7%	7.9%	11.2%
Building Distribution	470	116	-75.3%	4.7%	1.4%
Packaging	233	233	+0.0%	13.4%	13.4%
<i>Miscellaneous</i>	<i>(8)</i>	<i>6</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>
Group Total	2,005	930	-53.6%	+9.1%	+5.0%

By geographic area:					
France	576	316	-45.1%	8.5%	5.4%
Other Western European countries	893	260	-70.9%	8.7%	3.2%
North America	122	221	+81.1%	4.6%	8.8%
Emerging countries and Asia	414	133	-67.9%	11.7%	4.5%
Group Total	2,005	930	-53.6%	+9.1%	+5.0%

III. BUSINESS INCOME	H1 2008 (in EUR m)	H1 2009 (in EUR m)	Change on an actual structure basis	H1 2008 (in % of sales)	H1 2009 (in % of sales)
By sector and division:					
Innovative Materials	655	-58	-108.9%	13.1%	-1.5%
Flat Glass	394	-98	-124.9%	13.7%	-4.5%
High-Performance Materials	261	40	-84.7%	12.3%	2.5%
Construction Products	599	420	-29.9%	10.0%	8.0%
Interior Solutions	383	139	-63.7%	12.1%	5.5%
Exterior Solutions	216	281	+30.1%	7.6%	10.4%
Building Distribution	473	71	-85.0%	4.7%	0.8%
Packaging	231	218	-5.6%	13.3%	12.5%
<i>Miscellaneous</i>	<i>(61) (a)</i>	<i>(50) (a)</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>
Group Total	1,897	601	-68.3%	+8.6%	+3.2%

By geographic area:					
France	579	282	-51.3%	8.5%	4.8%
Other Western European countries	834	101	-87.9%	8.1%	1.2%
North America	82 (a)	121(a)	+47.6%	3.1%	4.8%
Emerging countries and Asia	402	97	-75.9%	11.3%	3.3%
Group Total	1,897	601	-68.3%	+8.6%	+3.2%

(a) after asbestos-related charge (before tax) of €37.5m in H1 2009 versus €37.5m in H1 2008

IV. CASH FLOW	H1 2008 (in EUR m)	H1 2009 (in EUR m)	Change on an actual structure basis	H1 2008 (in % of sales)	H1 2009 (in % of sales)
By sector and division:					
Innovative Materials	661	123	-81.4%	13.2%	3.2%
Flat Glass	412	41	-90.0%	14.3%	1.9%
High-Performance Materials	249	82	-67.1%	11.7%	5.1%
Construction Products	479	332	-30.7%	8.0%	6.3%
Building Distribution	335	80	-76.1%	3.3%	0.9%
Packaging	259	260	+0.4%	14.9%	14.9%
Miscellaneous	160 (a)	284 (a)	n.m.	n.m.	n.m.
Group Total	1,894	1,079	-43.0%	+8.6%	+5.8%

By geographic area:					
France	403	299	-25.8%	5.9%	5.1%
Other Western European countries	913	359	-60.7%	8.9%	4.4%
North America	143 (a)	235(a)	+64.3%	5.4%	9.4%
Emerging countries and Asia	435	186	-57.2%	12.2%	6.3%
Group Total	1,894	1,079	-43.0%	+8.6%	+5.8%

(a) after asbestos-related charge (after tax) of €23m in H1 2009 versus €23m in H1 2008

V. CAPITAL EXPENDITURE	H1 2008 (in EUR m)	H1 2009 (in EUR m)	Change on an actual structure basis	H1 2008 (in % of sales)	H1 2009 (in % of sales)
By sector and division:					
Innovative Materials	306	209	-31.7%	6.1%	5.5%
Flat Glass	220	150	-31.8%	7.6%	6.8%
High-Performance Materials	86	59	-31.4%	4.1%	3.7%
Construction Products	314	135	-57.0%	5.2%	2.6%
Interior Solutions	231	88	-61.9%	7.3%	3.5%
Exterior Solutions	83	47	-43.4%	2.9%	1.7%
Building Distribution	129	67	-48.1%	1.3%	0.8%
Packaging	115	96	-16.5%	6.6%	5.5%
Miscellaneous	8	7	n.m.	n.m.	n.m.
Group Total	872	514	-41.1%	+3.9%	+2.7%

By geographic area:					
France	195	106	-45.6%	2.9%	1.8%
Other Western European countries	271	170	-37.3%	2.6%	2.1%
North America	96	73	-24.0%	3.6%	2.9%
Emerging countries and Asia	310	165	-46.8%	8.7%	5.6%
Group Total	872	514	-41.1%	+3.9%	+2.7%

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

SALES	Q2 2008 (in EUR m)	Q2 2009 (in EUR m)	Change on an actual structure basis	Change on a comparable structure basis	Change on a comparable structure and currency basis
<u>By sector and division:</u>					
Innovative Materials (1)	2,565	1,938	-24.4%	-23.2%	-22.8%
Flat Glass	1,486	1,148	-22.7%	-22.8%	-20.0%
High-Performance Materials	1,087	793	-27.0%	-24.1%	-27.1%
Construction Products (1)	3,259	2,777	-14.8%	-16.0%	-16.2%
Interior Solutions	1,592	1,259	-20.9%	-22.1%	-21.0%
Exterior Solutions	1,676	1,526	-8.9%	-10.1%	-11.6%
Building Distribution	5,402	4,534	-16.1%	-17.4%	-14.9%
Packaging	936	943	+0.7%	-0.5%	-3.3%
<i>Internal sales and misc.</i>	<i>-322</i>	<i>-258</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>
Group Total	11,840	9,934	-16.1%	-16.8%	-15.9%
<i>(1) including intra-sector eliminations</i>					
<u>By geographic area:</u>					
France	3,557	3,074	-13.6%	-13.6%	-13.6%
Other Western European countries	5,545	4,343	-21.7%	-22.6%	-19.8%
North America	1,386	1,273	-8.2%	-6.0%	-17.3%
Emerging countries and Asia	1,922	1,609	-16.3%	-19.1%	-13.3%
<i>Internal sales</i>	<i>-570</i>	<i>-365</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>
Group Total	11,840	9,934	-16.1%	-16.8%	-15.9%

Appendix 3: Consolidated Balance Sheet

<i>in EUR millions</i>	June 30, 2009	Dec 31, 2008
Assets		
Goodwill	10,990	10,671
Other intangible assets	3,046	2,868
Property, plant and equipment	13,304	13,374
Investments in associates	119	116
Deferred tax assets	658	507
Other non-current assets	388	490
Non-current assets	28,505	28,026
Inventories	5,986	6,113
Trade accounts receivable	6,089	5,647
Current tax receivable	282	248
Other accounts receivable	1,283	1,424
Cash and cash equivalents	2,109	1,937
Current assets	15,749	15,369
Total assets	44,254	43,395
Liabilities and Shareholders' equity		
Capital stock	2,051	1,530
Additional paid-in capital and legal reserve	5,341	3,940
Retained earnings and net income for the year	10,394	10,911
Cumulative translation adjustments	(1,349)	(1,740)
Fair value reserves	(117)	(161)
Treasury stock	(211)	(206)
Shareholder's equity	16,109	14,274
Minority interests	263	256
Total equity	16,372	14,530
Long-term debt	8,902	10,365
Provisions for pensions and other employee benefits	2,575	2,443
Deferred tax liabilities	1,125	1,130
Provisions for other liabilities and charges	2,131	1,950
Non-current liabilities	14,733	15,888
Current portion of long-term debt	2,760	1,364
Current portion of provisions for other liabilities and charges	478	460
Trade accounts payable	5,204	5,613
Current tax liabilities	150	263
Others accounts payable	3,220	3,390
Short-term debt and bank overdrafts	1,337	1,887
Current liabilities	13,149	12,977
Total equity and liabilities	44,254	43,395

Appendix 4: Debt at June 30, 2009

Amounts in €billions

Comments

Breakdown of net debt		€bn	
Gross debt		13.0	96% of net debt at June 30 was at fixed rates The average cost of net debt was 5.4% in first-half 2009
Cash and cash equivalents		2.1	
Net debt		10.9	
Breakdown of gross debt		13.0	
Bond debt		10.8	Amounts and maturities given below
July 2009		1.0	
March 2010		0.4	
April 2010		1.0	
May 2011		1.1	
April 2012		1.3	
May 2013		0.75	
September 2013		0.75	
April 2014		0.5	
July 2014		1.0	
Beyond 2014		3.0	
Other long-term debt		0.5	
Short-term debt		1.7	(Excluding bonds)
Commercial paper (< 3 months)		0.1	Maximum issued under the program: €3bn
Securitized trade receivables		0.3	USD (€0.15bn) and GBP (€0.15bn), renewed annually
Debt contracted locally and accrued interest		1.3	Renewed annually, more than 500 sources of financing
Credit lines and cash & cash equivalents		6.7	
Cash & cash equivalents		2.1	
Confirmed, undrawn credit lines		4.6	See breakdown below, at June 30, 2009
Breakdown of credit lines		4.6	Confirmed, undrawn
			No credit lines are subject to Material Adverse Change (MAC) clauses
		Maturity	Financial covenants
Syndicated loan:	€2.0bn	Nov. 2011	None
Syndicated loan:	€2.5bn	June 2012	Net debt / (Operating income + Depreciation / amortization) < 3.75 at December 31
1 bilateral credit line:	€0.1bn	Nov. 2009	None
			Position at Dec. 31, 2008
			2.3