



SAINT-GOBAIN: REGIONAL DEVELOPMENT IN RUSSIA

CONFERENCE
AEB REAL ESTATE DAY 2016

SEPTEMBER 22ND – MOSCOW

WORLD LEADER IN HABITAT

2015 net sales

€39.6 BN

More than **170,000** employees
and **98** nationalities
represented

Present in

66 countries

More than **80%** of sales
are made in the habitat markets:
construction, renovation,
infrastructures and civil
engineering



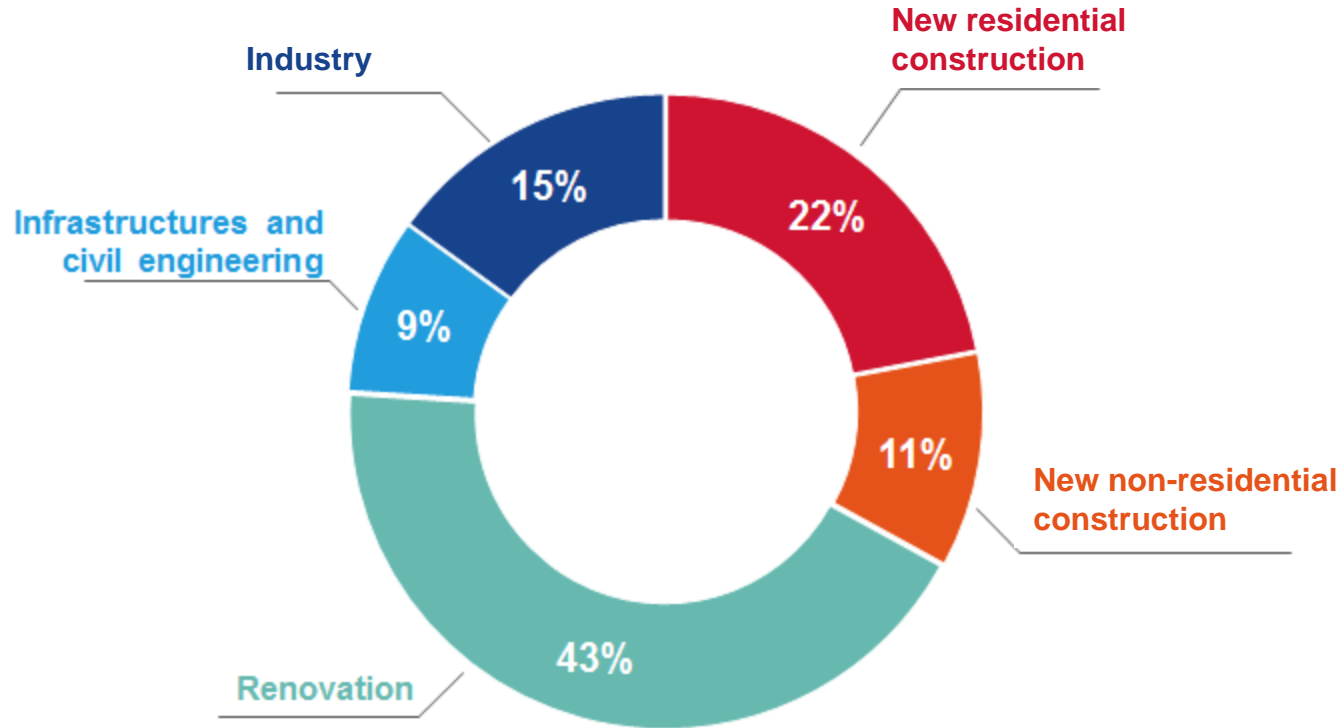
More than **4,000**
sales outlets

One of the top **100** industrial
groups in the world with around
950 production sites

Created more than
350 years ago



OUR REFERENCE MARKET: CONSTRUCTION



WE BELIEVE IN POTENTIAL OF THE RUSSIAN MARKET

▼ Housing per capita

Russia: 22-25 m²

Europe: 45 m²

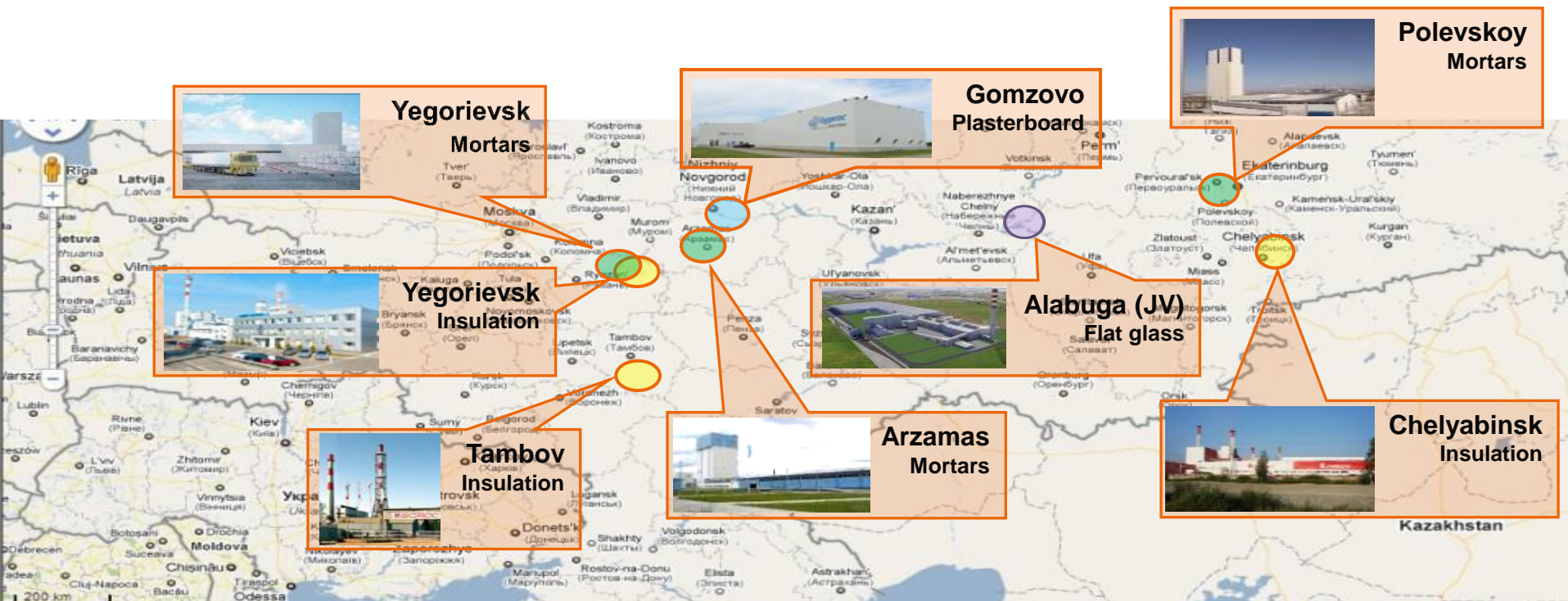
▼ Average energy consumption in residential buildings

Russia: 350 kWt·h/m²,

Europe: from 24 to 47% lower depending on the type of building



INDUSTRIAL PRESENCE IN RUSSIA



FACTORS INFLUENCING THE CHOICE OF A REGION



Availability of raw materials



Infrastructure gradations in the region



Availability of qualified manpower

- Professional education system, salary level, employee turnover etc.



Presence of competitors` production capacity in the region

**Investment
potential**



Congenial investment climate

- Legislative and institutional system to attract investors
- Regular support from the regional authorities



Access to market outlets

- Equal location of production facilities in the regions with large volume and high potential for construction growth
- Favorable geographical position. Reduction of transport cost

REGIONS ARE LEADERS IN COMMISSIONING OF NEW HOUSING

1. Large volume of new housing construction / high investment potential / favorable investment climate

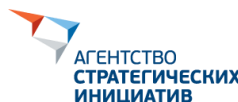
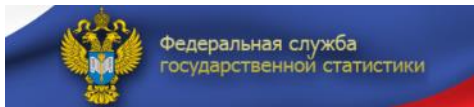
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|---------------------|------------------|
| 1) Krasnodar region | 3) Tatarstan |
| 2) Moscow | 4) Bashkortostan |

2. Large volume of new housing construction / high investment potential

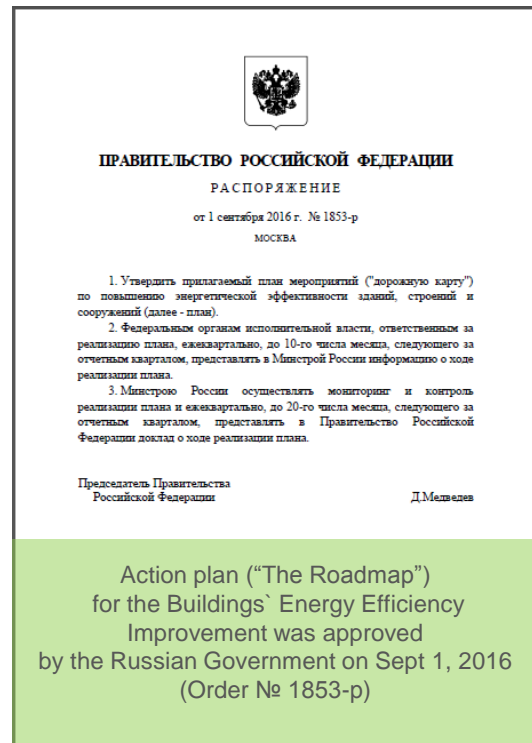
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|----------------------|-----------------------|
| 1) Moscow region | 4) Rostov region |
| 2) Saint Petersburg | 5) Leningrad region |
| 3) Sverdlovsk region | 6) Novosibirsk region |

3. High rate of commissioning per capita / favorable investment climate

- | | |
|--------------------|------------------|
| 1) Tyumen region | 4) Kaluga region |
| 2) Belgorod region | 5) Tambov region |
| 3) Lipetsk region | |



ENERGY EFFICIENCY IMPROVEMENT IS A DRIVER OF THE ECONOMY



- ▶ **Federal level:** improvement of technical and legal regulation of energy efficiency standards in buildings for new construction
- ▶ **Regional level:** implementation of mandatory energy efficiency measures during overhaul of the existing housing

