

## **FRENCH CONSTRUCTION GROUP PLANS 4,000 JOB CUTS**

Received Thursday, 24 July 2008 19:36:00 GMT

**P**ARIS, July 24, 2008 (AFP) - French construction group Saint-Gobain said Thursday it would cut 4,000 jobs this year, mostly in Britain, Spain and the United States, as part of a cost-cutting drive in the face of a sharp downturn in the housing market.

"Faced with the gradual deterioration in the international economic environment since summer 2007, the group has stepped up the cost cutting program put in place for the United States in the second half of 2006 and for certain European countries at the end of 2007," Saint-Gobain said in an earnings statement.

"In total, these programs will lead to additional full-year workforce reductions of 6,000, including 4,000 in 2008, and generate savings of 435 million euros (682 million dollars), of which 300 million euros for 2008."

Group managing director Pierre-Andre de Chalendar said most of the cuts would affect facilities in Britain, Spain and the United States.

### **He added that there would in fact be no closures in France.**

Saint-Gobain currently has a workforce of 210,000 worldwide compared with 207,649 at the end of 2007.

"We are increasing our staff in areas that are working well, such as emerging markets, but also in certain European markets that are holding up," said the spokeswoman.

Faced with a slowdown in the construction sector, brought on in part by falling house prices and increases in materials and energy costs, Saint-Gobain said it saw no improvement in the second half of this year in its US and western Europe operations.

The group said that "against this backdrop and despite a continuing strong growth outlook in Asia and emerging countries," it was lowering its full-year operating and net income objectives in 2008 to levels "close to those recorded in 2007."

Saint-Gobain in the first six months of the year reported a 3.2 percent gain in recurring net earnings to 1.1 billion euros from sales that were up 1.7 percent at 22.14 billion euros.

**NOTE : Not closing anything in France! Conclusion**