

2016 Q1 Activity

Solid Comparable G&S Sales Growth

Paris, 26 April 2016



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Fabienne Lecorvaisier | Chief Financial Officer

→ Maintained business focus

- Solid comparable G&S sales growth at +4.2%, with strong Forex & Energy impacts
- Efficiencies in line; selective investments

→ Airgas transaction on track

Solid Comparable G&S Sales Growth

Industrial Production
+0.4%⁽¹⁾
Q1 2016

Sales in €m	Q1 15	Q1 16	Q1 16/15 <i>as published</i>	Q1 16/15 <i>comparable</i> ⁽²⁾
Gas & Services ⁽³⁾	3,614	3,548	-1.8%	+4.2%
Engineering & Construction ⁽³⁾	177	124	-30.2%	-28.3%
Global Markets & Technologies ⁽³⁾	58	65	+11.2%	+11.1%
Other activities	144	135	-6.5%	-6.6%
Group Total	3,993	3,872	-3.1%	+2.4%

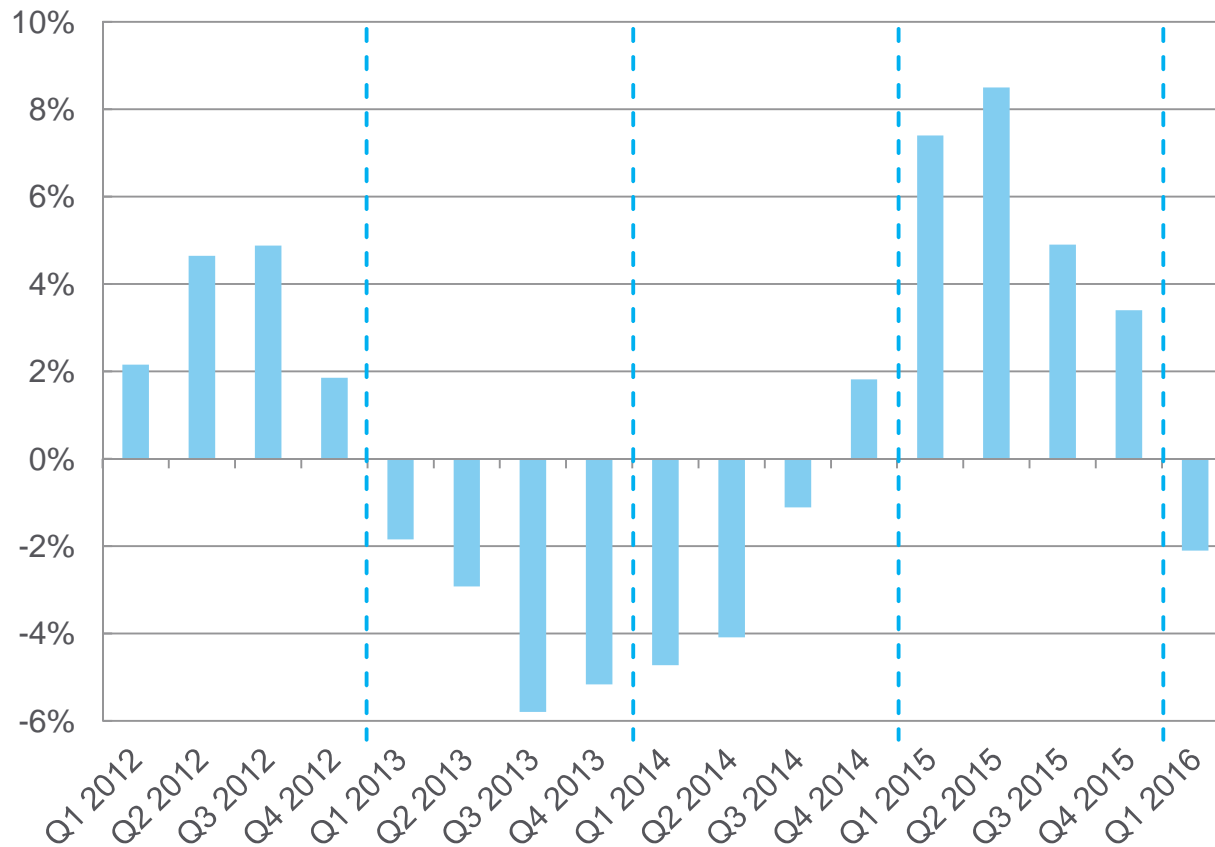
(1) Weighted Industrial Production average by Air Liquide's industrial sales geographic footprint.

(2) Excluding currency, energy and significant scope impact.

(3) Q1 2015 data are restated to account for the creation of the new activity (GM&T).

Reversal of Forex to Negative Headwinds

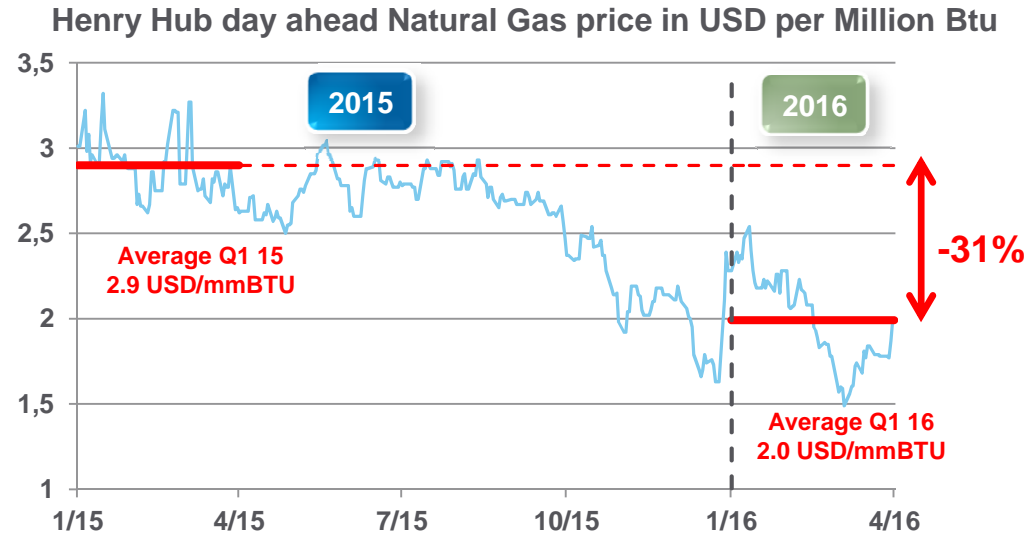
→ Impact of foreign exchange on G&S sales



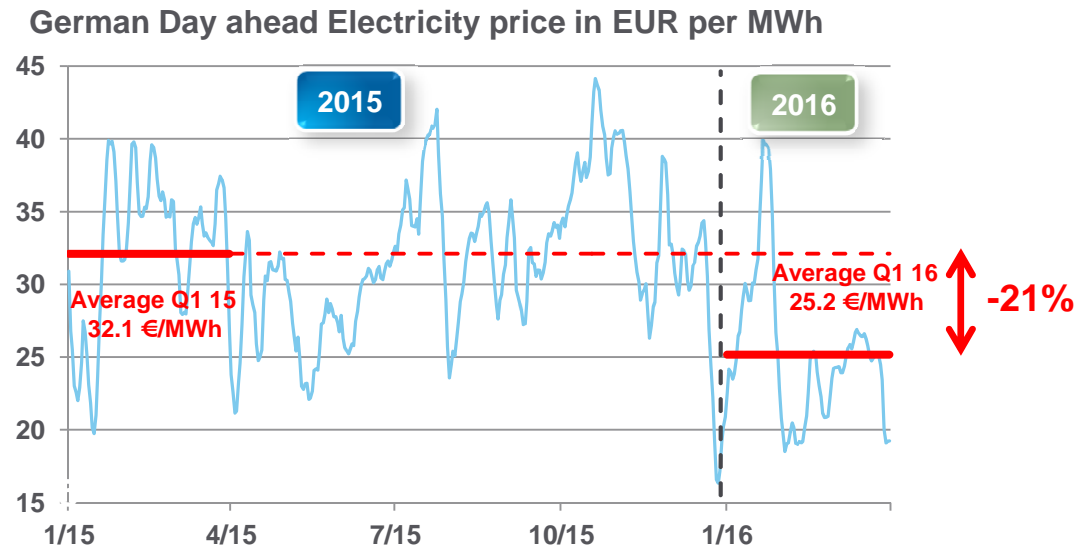
FX Impact
on G&S sales
-2%

Increased Negative Energy Impact

→ Natural Gas

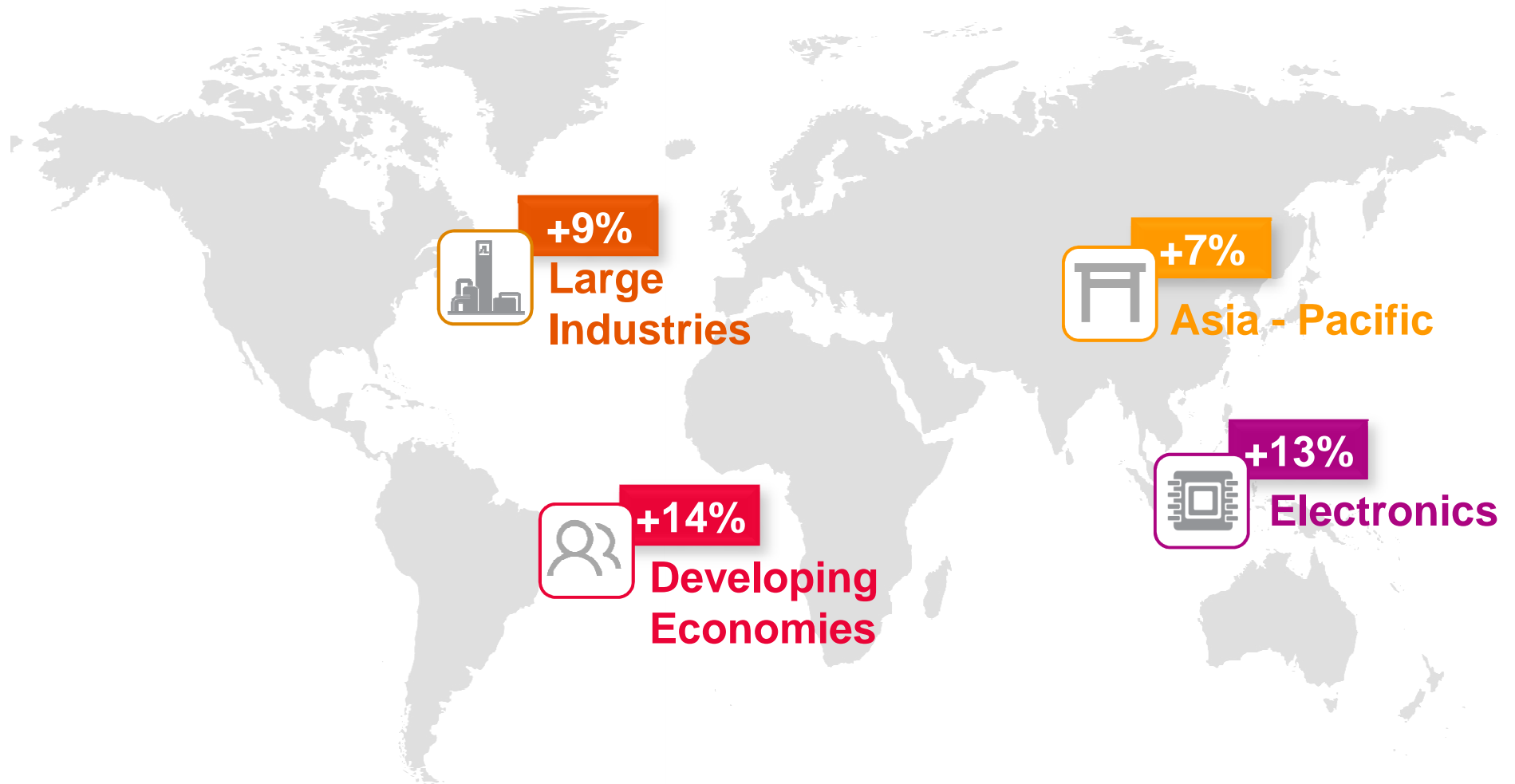


→ Electricity



Energy Impact
-4%
on G&S sales

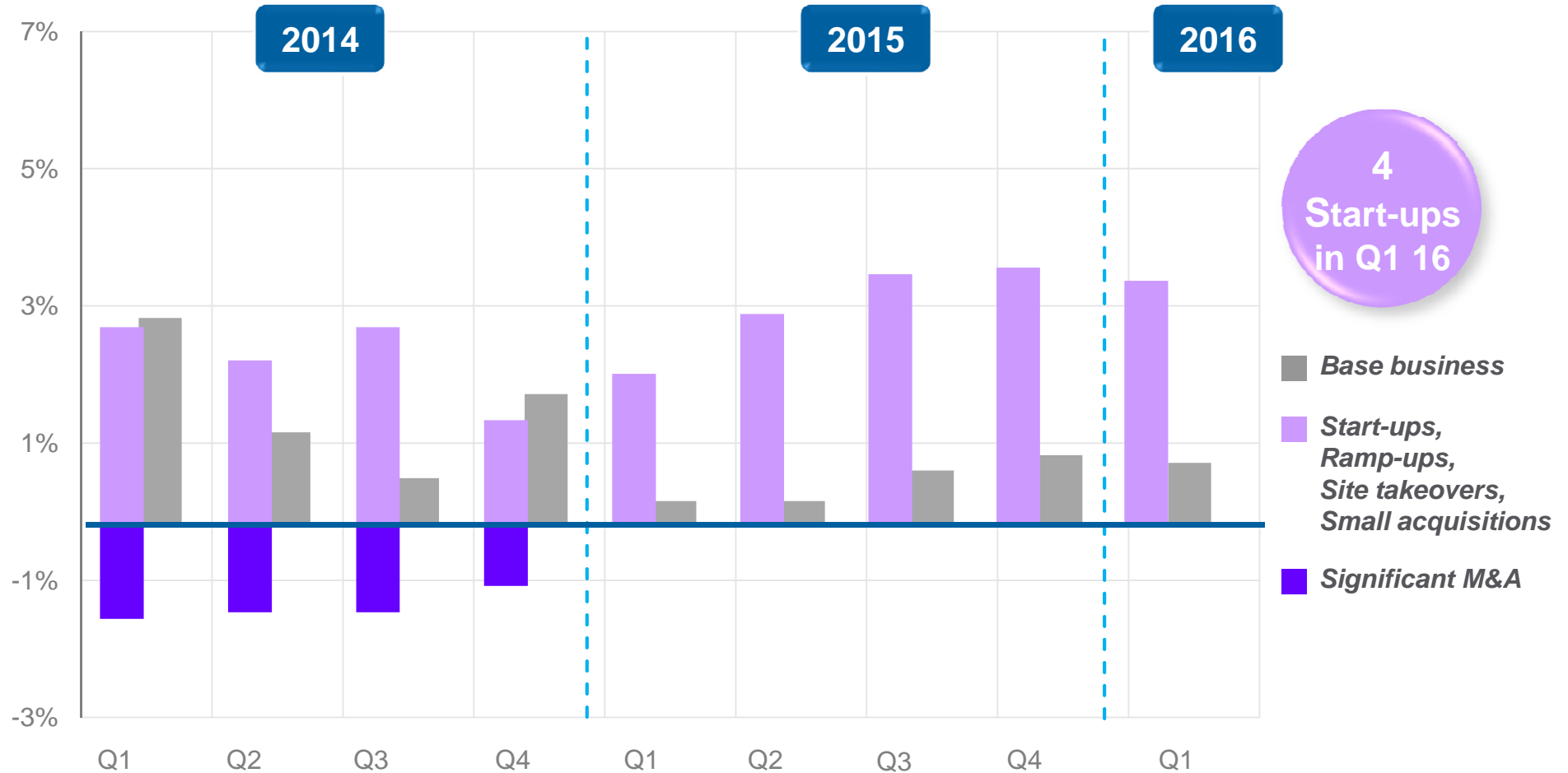
Strong Growth Drivers



Gas & Services sales growth, excluding currency, energy and significant M&A impacts.

Sustained Start-ups & Ramp-ups Contribution

G&S quarterly growth analysis

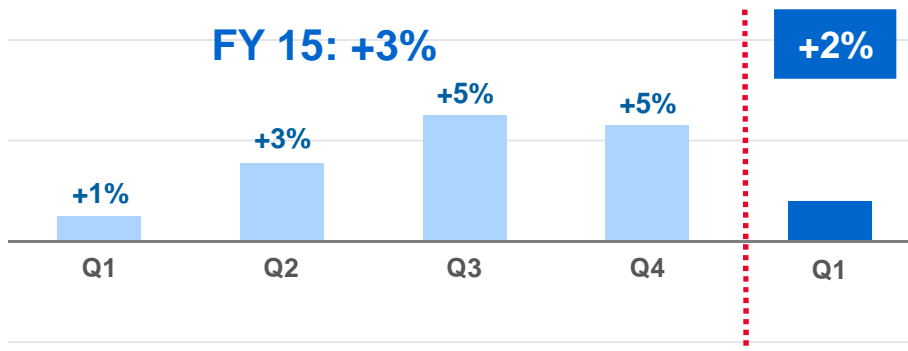


G&S growth over the first 3 quarters of 2015 are restated to account for the creation of the new activity (GM&T).
As of 1 January 2015, base business adjusted for the Energy impact to include Electricity as well as Natural Gas.

Europe Positive, LI Growth in Americas

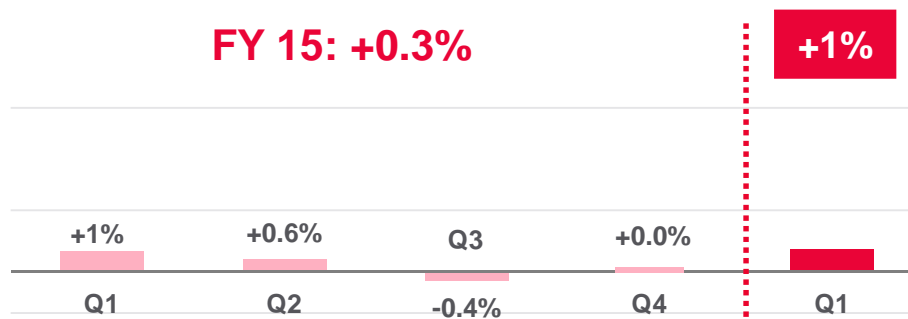
➔ G&S comparable sales growth⁽¹⁾

Europe Q1 2016: €1,614m



- Volume ramp-ups in LI
- IM: resilient Food Processing, low Fabrication
- Steady organic growth in HC

Americas Q1 2016: €824m



- LI: strong air gases volumes
- IM still impacted by OWS*, Machinery and Metal Fabrication
- Dynamic HC in South America and Canada

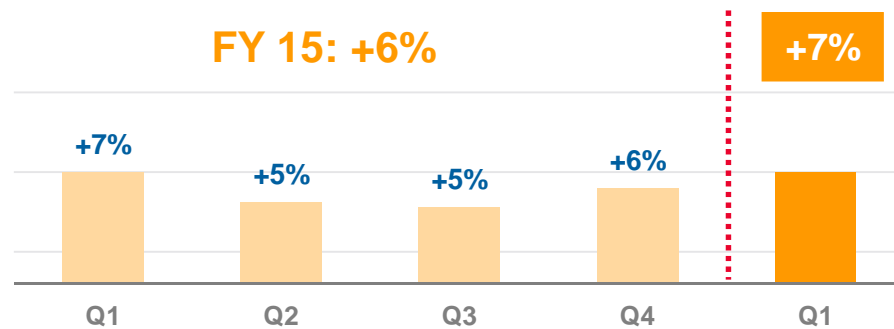
(1) Excluding currency, energy and significant M&A impacts. As of 1 January 2015, energy includes Natural gas and Electricity impacts. G&S growth over the first 3 quarters of 2015 are restated to account for the creation of the new activity (GM&T).

* Oil Well Services and related sectors

Dynamic Asia, Continued Ramp-ups in MEA

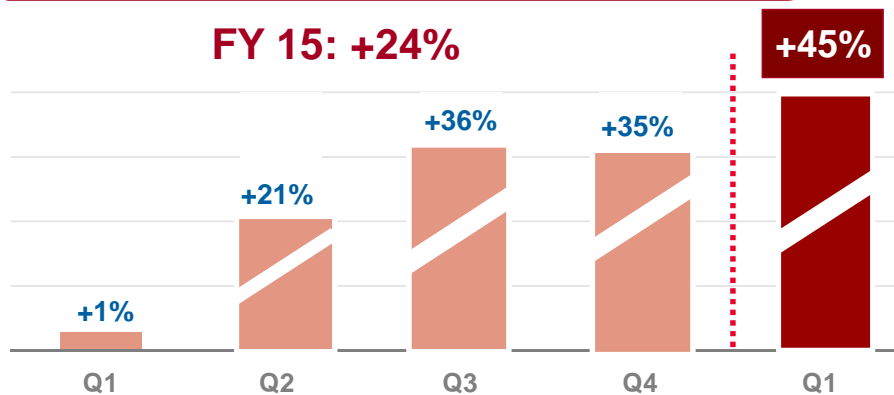
→ G&S comparable sales growth⁽¹⁾

Asia-Pacific Q1 2016: €966m



- Vigorous China +11%
- Sustained growth in Electronics >+20%
- Bulk and packaged gas volumes up

Middle-East & Africa Q1 2016: €144m



- Yanbu H₂ plant (Saudi Arabia): from start-up to ramp-up phase
- IM: growing bulk, low packaged gas

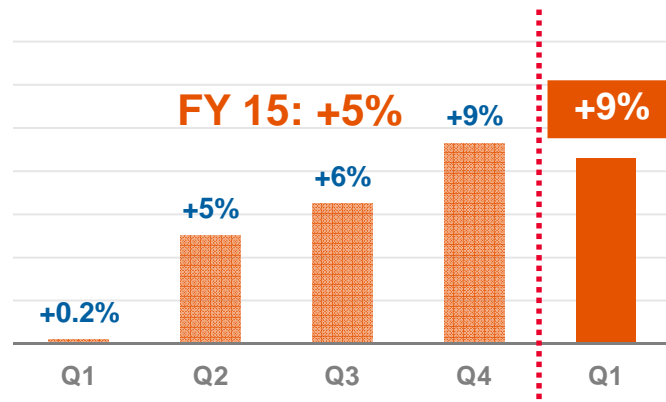
(1) Excluding currency, energy and significant M&A impacts. As of 1 January 2015, energy includes Natural gas and Electricity impacts. G&S growth over the first 3 quarters of 2015 are restated to account for the creation of the new activity (GM&T).

As of Q4 2015, Middle-East & Africa includes India, previously part of Asia-Pacific. Data over the first 3 quarters of 2015 has been restated accordingly.

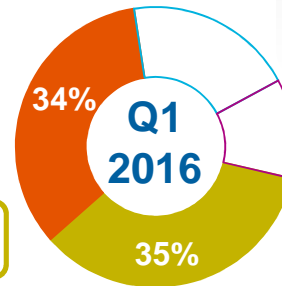
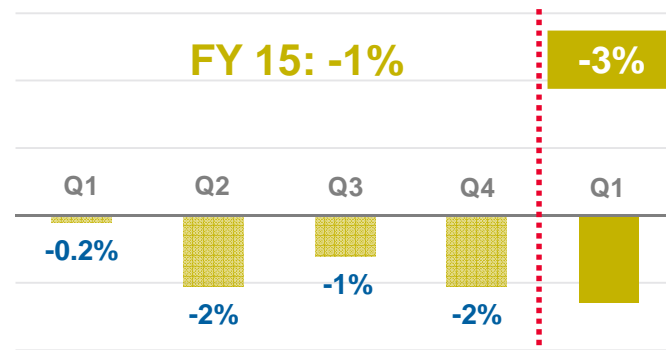
Pursued High Growth in LI, Low IM

➔ G&S comparable sales growth⁽¹⁾

Large Industries Q1 2016: € 1,207m



Industrial Merchant Q1 2016: € 1,238m



- Pursued start-ups / ramp-ups in all regions
- Strong volumes in air gases

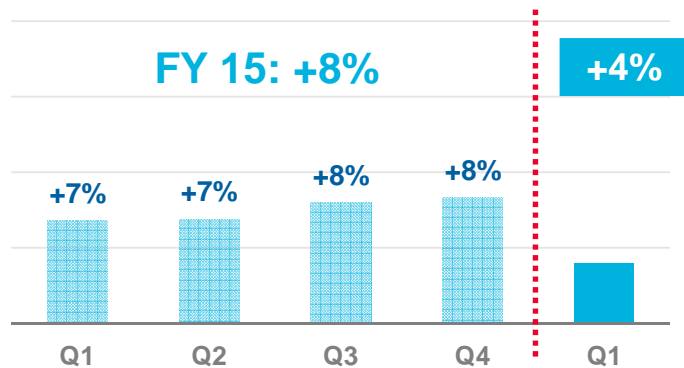
- Contrasted end markets: Energy down, Food up
- Good volumes in developing economies
- Pricing slightly positive

(1) Excluding currency, energy and significant M&A impacts. As of 1 January 2015, energy includes Natural gas and Electricity impacts. G&S growth over the first 3 quarters of 2015 are restated to account for the creation of the new activity (GM&T).

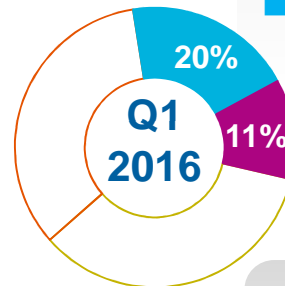
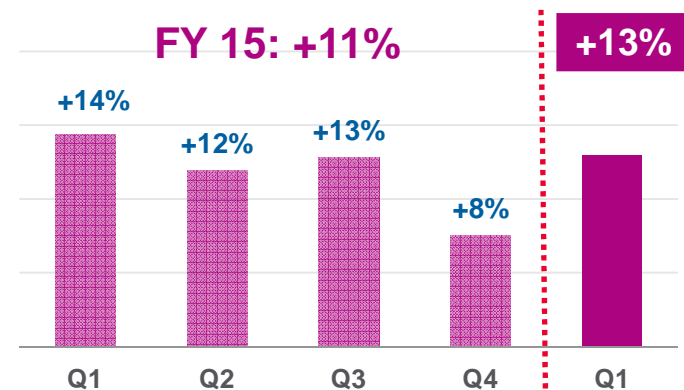
Robust Organic Growth in HC, Very Strong EL

⇒ G&S comparable sales growth⁽¹⁾

Healthcare Q1 2016: € 695 m



Electronics Q1 2016: € 408 m

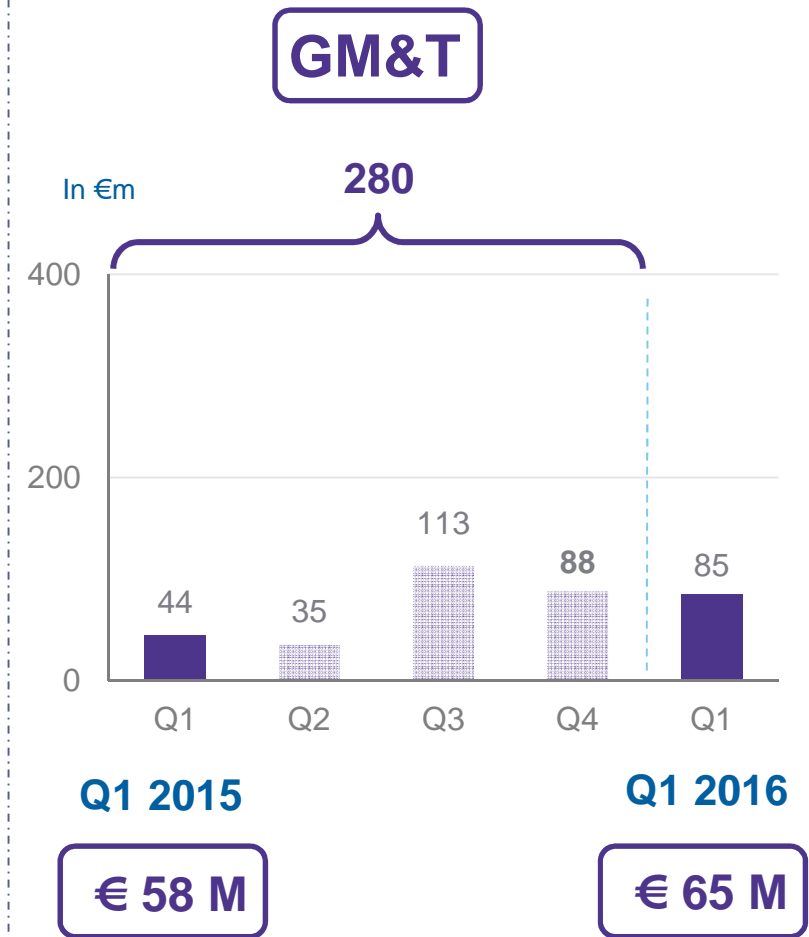
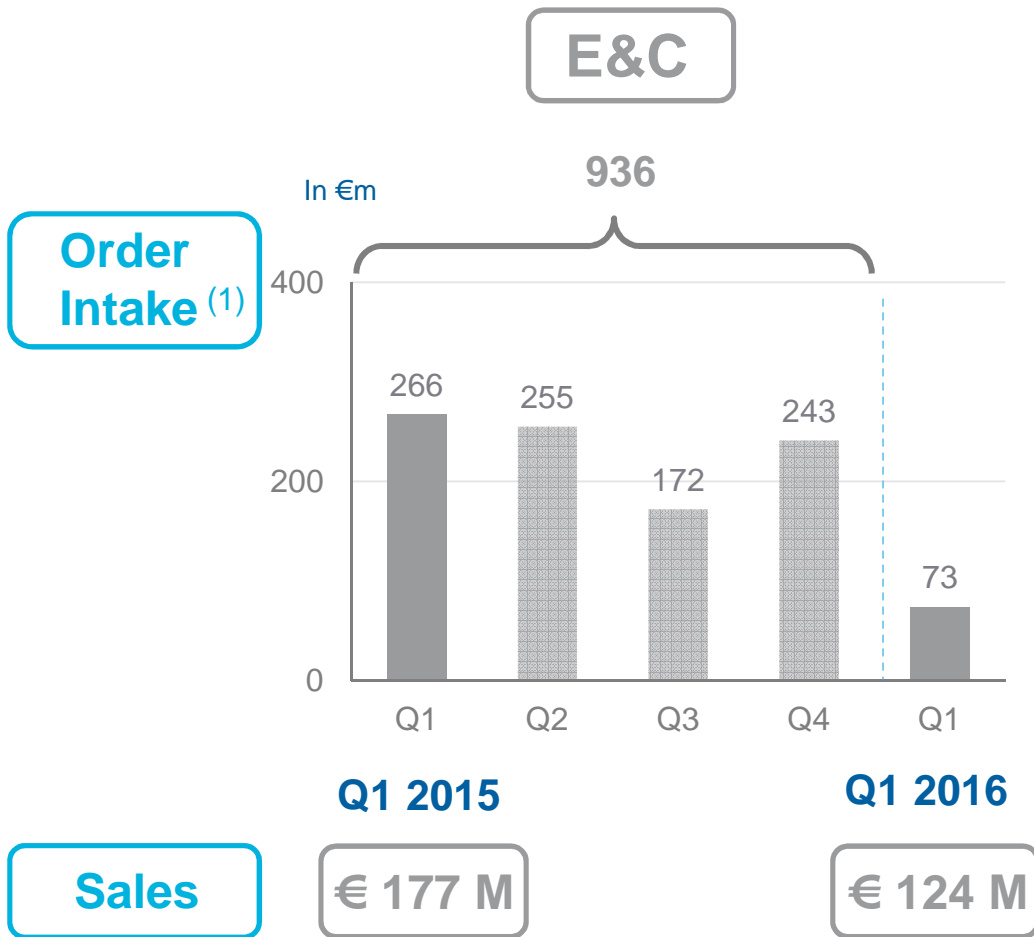


- Solid organic growth
- Lower contribution from bolt-on acquisitions
- Dynamic Hygiene

- Very strong momentum in China, Japan and Singapore
- 2 start-ups
- Advanced Materials and E&I >+30%

(1) Excluding currency, energy and significant M&A impacts. As of 1 January 2015, energy includes Natural gas and Electricity impacts. G&S growth over the first 3 quarters of 2015 are restated to account for the creation of the new activity (GM&T).

Slow Down in E&C, Development in GM&T



(1) Group and Third Party orders

Q1 2016 Performance

Q1 2016

→ Solid G&S comparable growth

+4.2%

→ Efficiencies in line with objectives

→ Solid G&S cash flow

Cost & Capex

→ Q1 Efficiency gains

€ 63m

→ Cash flow on sales ⁽¹⁾

18.0%

→ Net Capex

€ 501m

(1) Operating Cash Flow before change in Working Capital Requirements, as of 31 March 2016

Balanced Portfolio of Selective Investments

Investment Opportunities ⁽¹⁾
-
12 months portfolio



- Longer path to decision

Q1 2016 Investment decisions⁽¹⁾



- ASU in China
- Investment in Innovation

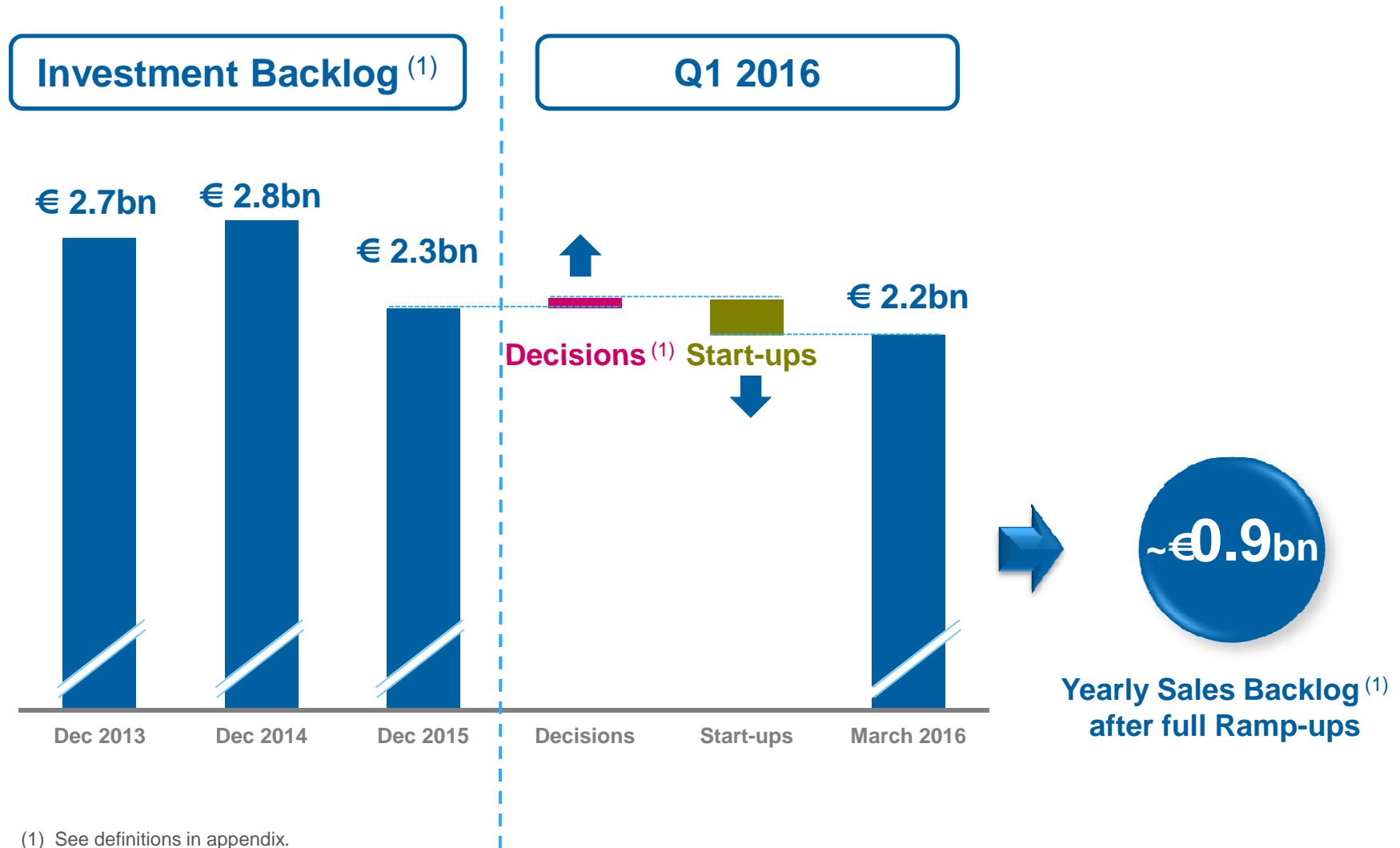
Q1 2016 Start-up / ramp-up sales growth contribution



- 4 start-ups
- Yanbu and Dormagen: from start-up to ramp-up phase

(1) See definitions in appendix

Stable Backlog to Fuel Future Growth



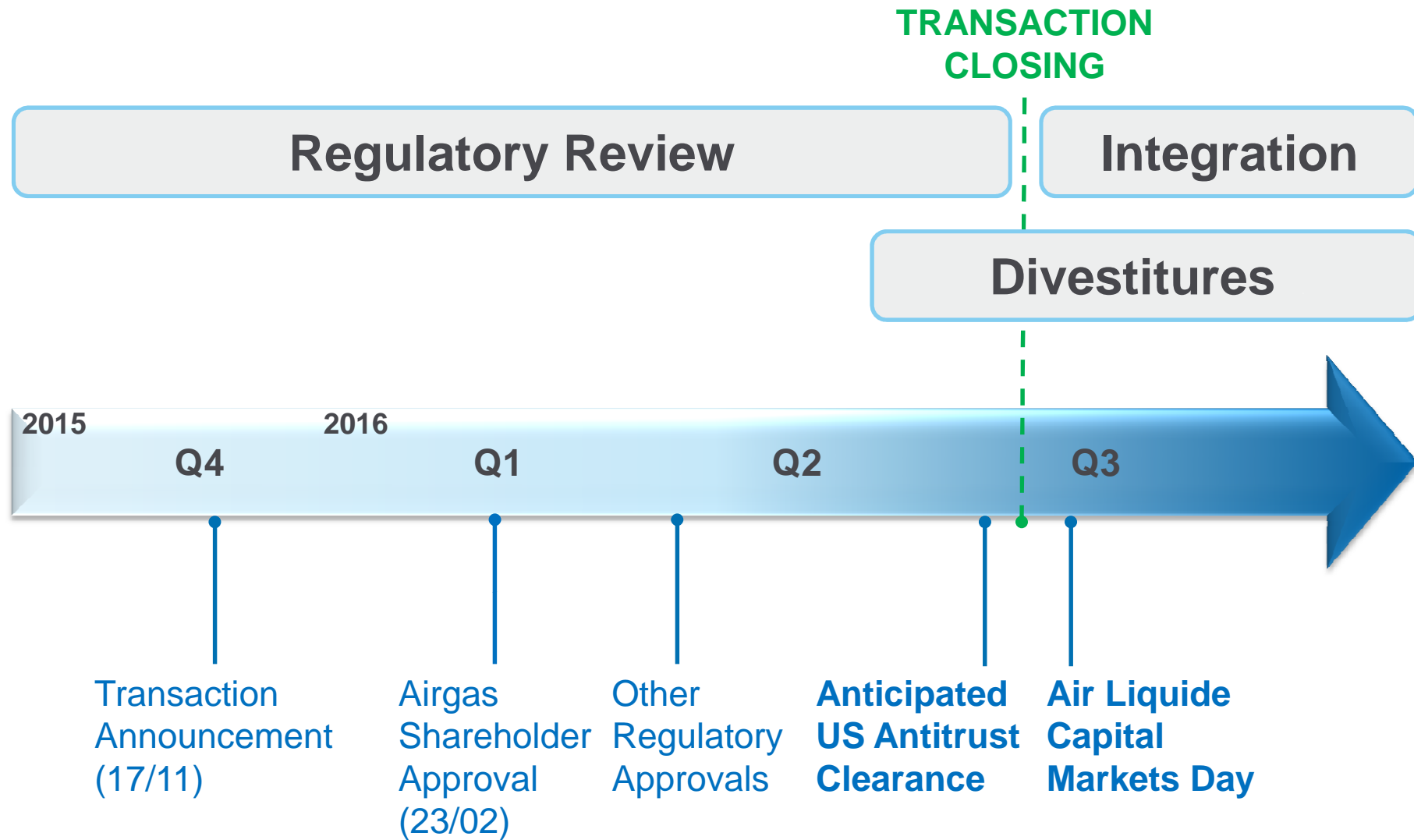
Airgas: Transaction On Track

Paris, 26 April 2016

Pierre Dufour | Senior Executive Vice-President

- **Possible closing by late Q2**
- **Integration plan moving forward**
- **Confirmed synergies**
- **Fined-tuned refinancing,
reduced range of capital increase**

Awaiting Final Clearance



Integration Plan Moving Forward

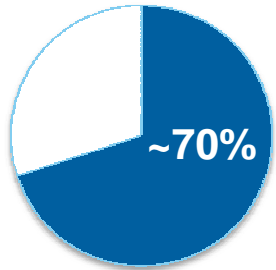
➔ Integration plan for the post-closing entity



Confirmed >\$300m Synergies

Cost & Efficiency synergies

2 to 3 years



PRODUCTION & DISTRIBUTION

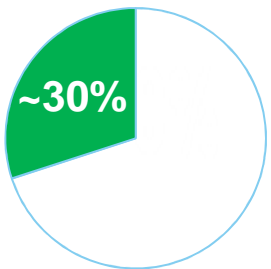
- Sourcing: internalize Airgas supply
- Increase asset loading
- Optimize distribution

SITES & ADMINISTRATION

- Optimize administrative costs
- Align and improve processes

Volume growth synergies

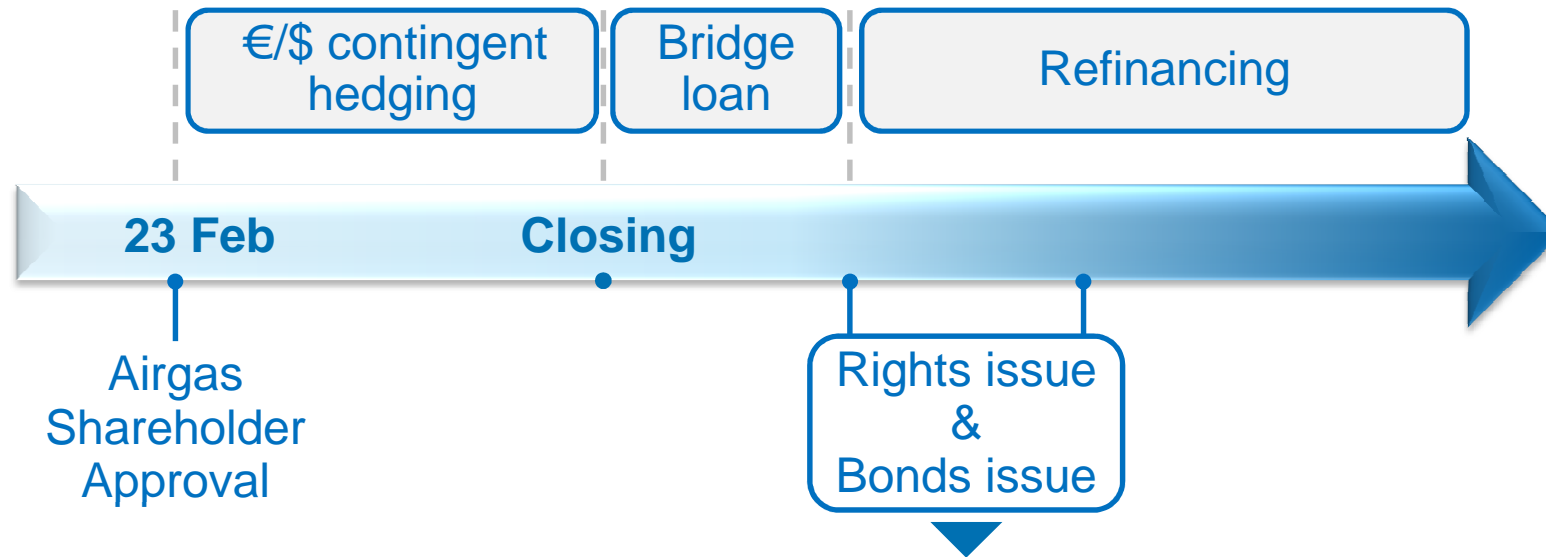
3 to 4 years



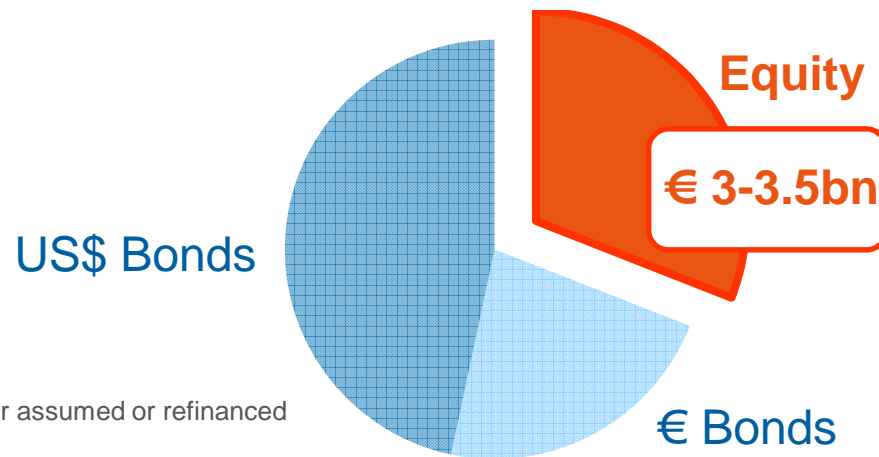
CROSS-SELLING & INNOVATION

- Develop new combined bulk and cylinders offers
- Roll-out Air Liquide's innovative product offerings

Fine-tuned Refinancing, Reduced Equity Range



Deal Financing⁽¹⁾ - € 9.9bn/ US\$ 10.7bn⁽²⁾



(1) Excluding existing Airgas debt, either assumed or refinanced

(2) 1 € = 1.08 US\$

2016 Outlook

Paris, 26 April 2016

Pierre Dufour | Senior Executive Vice-President

2016 Outlook

Q1 2016

- Maintained business focus
Solid comparable G&S sales growth at +4.2%
- Airgas acquisition on track, awaiting final clearance

2016

Excluding the impact of Airgas acquisition and financing, and assuming a comparable environment, Air Liquide is confident in its ability to deliver another year of net profit growth in 2016



AIR LIQUIDE

TM

Creative Oxygen

Q1 2016 Appendix



Investment Cycle - Definitions

→ Investment opportunities at end of the period

Investment opportunities under consideration by the Group for decision within 12 months

Industrial projects with investment value > €5M for Large Industries and > €3M for other business lines. Includes asset replacements or efficiency projects. Excludes maintenance and safety.

→ Investment backlog at end of the period

Cumulated G&S industrial investment value of projects decided but not yet started

Gas & Services industrial only projects, with value > €10M, including asset replacements or efficiency projects, excluding maintenance and safety.

→ Sales backlog

Cumulated expected sales per year generated by the current investment backlog after full ramp-up

→ Decisions of the period

Cumulated value of industrial and financial investment decisions

- Industrial, growth and non-growth projects including asset replacements, efficiency, maintenance and safety
- Financial decisions (acquisitions)

Impact of Currency and Energy on G&S Revenue

→ Currency

In €m	Q1 15	Q2 15	Q3 15	Q4 15	Q1 16
€/USD	+109	+129	+110	+91	+14
€/CNY	+52	+76	+52	+36	(10)
€/JP¥	+11	+9	+3	+17	+14
Others	+78	+76	+4	(22)	(89)
Total currency impact	+250	+290	+169	+122	(71)

Average rate	Q1 15	Q2 15	Q3 15	Q4 15	Q1 16
€/USD	1.13	1.10	1.11	1.10	1.10
€/CNY	7.04	6.85	7.01	7.00	7.21
€/JP¥	134.6	134.0	135.9	132.9	127.0

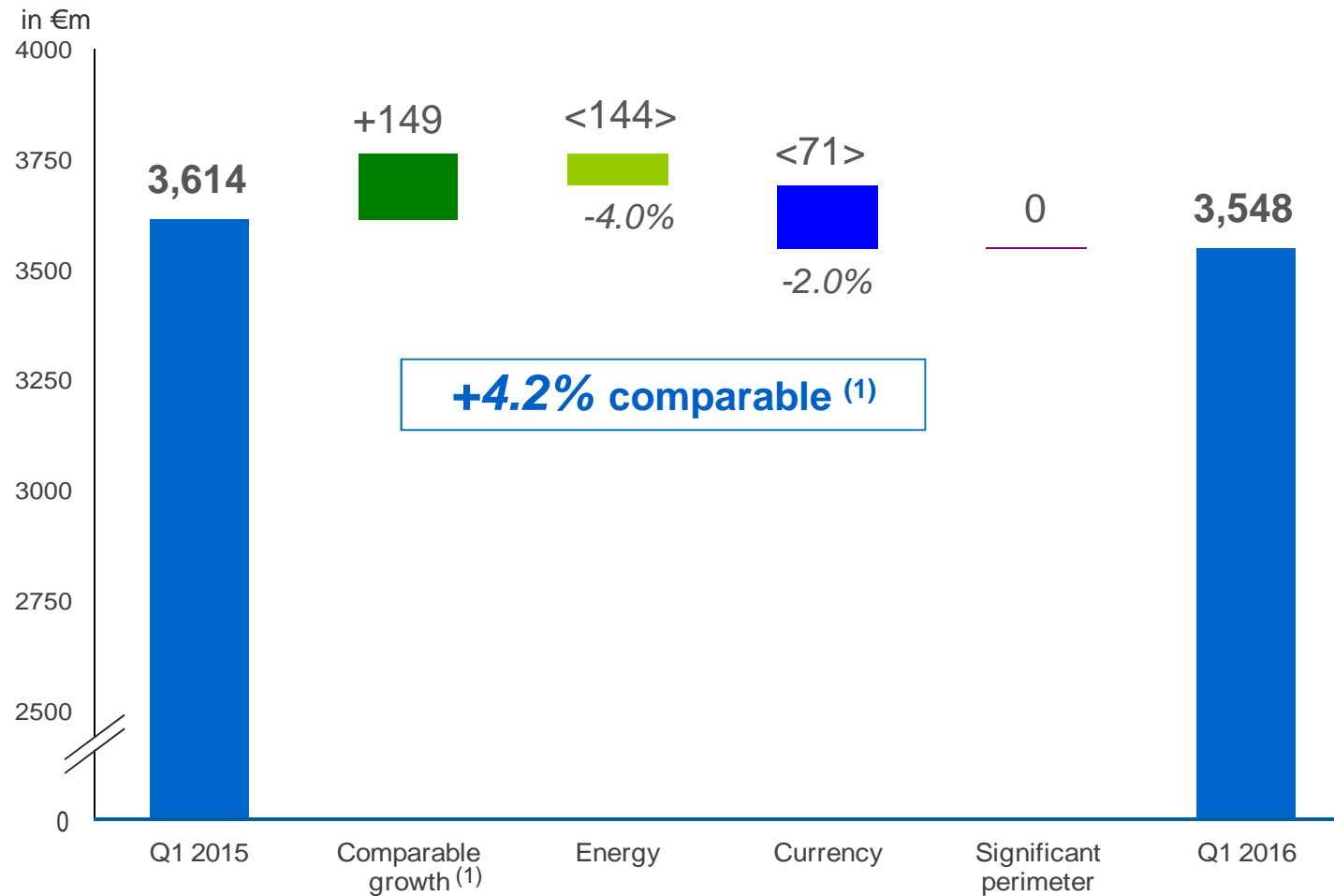
→ Natural Gas

In €m	Q1 15	Q2 15	Q3 15	Q4 15	Q1 16
Natural Gas Impact	(116)	(77)	(55)	(114)	(108)

→ Electricity

In €m	Q1 15	Q2 15	Q3 15	Q4 15	Q1 16
Electricity Impact	(8)	(17)	(16)	(4)	(36)

Growth in Q1 2016 G&S Revenue



(1) Excluding currency, energy and significant M&A impacts.

Revenue Analysis by Quarter and by Geography

Sales in €m	Q1 15	Q2 15	Q3 15	Q4 15	Q1 16	Q1 16/15	Q1 16/15 comparable ⁽¹⁾
Europe	1,684	1,682	1,670	1,713	1,614	-4.2%	+1.6%
Americas	888	911	897	899	824	-7.2%	+1.1%
Asia-Pacific	936	956	963	995	966	+3.2%	+7.1%
Middle-East and Africa	106	139	152	161	144	+36.6%	+44.7%
Gas & Services	3,614	3,688	3,682	3,768	3,548	-1.8%	+4.2%
Engineering & Construction	177	205	219	173	124	-30.2%	-28.3%
Global Markets & Technologies	58	74	67	93	65	+11.2%	+11.1%
Other Activities	144	154	129	135	135	-6.5%	-6.6%
Group Total	3,993	4,121	4,097	4,169	3,872	-3.1%	+2.4%

(1) Excluding currency, energy and significant M&A impacts.

G&S data over the first 3 quarters of 2015 are restated to account for the creation of the new activity (GM&T).

Middle-East & Africa now includes India, previously part of Asia-Pacific. Data over the first 3 quarters of 2015 have been restated accordingly.

Revenue Analysis by Quarter and by Business Line

Sales in €m	Q1 15	Q2 15	Q3 15	Q4 15	Q1 16	Q1 16/15	Q1 16/15 comparable ⁽¹⁾
Large Industries	1,264	1,301	1,312	1,324	1,207	-4.5%	+8.6%
Industrial Merchant	1,309	1,313	1,293	1,314	1,238	-5.4%	-2.6%
Healthcare	685	697	692	725	695	+1.4%	+4.1%
Electronics	356	377	385	405	408	+14.4%	+13.4%
Gas & Services	3,614	3,688	3,682	3,768	3,548	-1.8%	+4.2%
Engineering & Construction	177	205	219	173	124	-30.2%	-28.3%
Global Markets & Technologies	58	74	67	93	65	+11.2%	+11.1%
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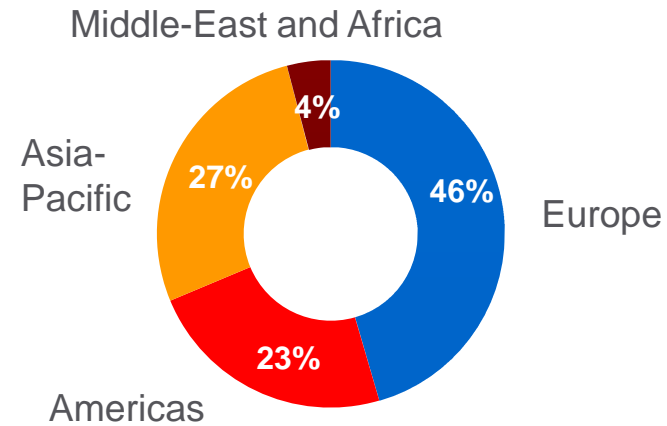
G&S Revenue Growth by Quarter and by Impact

	Growth as published	Natural Gas	Electricity	Currency	Significant perimeter	Comparable growth ⁽¹⁾
Q2 2014	- 2.7%	- 0.8%		- 4.1%	- 1.4%	+ 3.6%
Q3 2014	- 0.1%	- 1.2%		- 1.1%	- 1.3%	+ 3.5%
Q4 2014	+ 2.8%	- 1.2%		+ 1.8%	- 0.9%	+ 3.1%
Q1 2015	+ 6.2%	- 3.4%	- 0.2%	+ 7.4%	0.0%	+ 2.4%
Q2 2015	+ 9.3%	- 2.2%	- 0.5%	+ 8.5%	0.0%	+ 3.5%
Q3 2015	+7.4%	- 1.6%	- 0.4%	+ 4.9%	0.0%	+ 4.5%
Q4 2015	+4.9%	- 3.2%	- 0.1%	+ 3.4%	0.0%	+ 4.8%
Q1 2016	-1.8%	-3.0%	-1.0%	-2.0%	0.0%	+4.2%

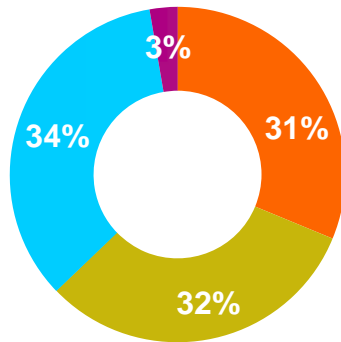
(1) Excluding currency, energy and significant M&A impacts. As of January 1, 2015, energy includes Natural gas and Electricity impacts. G&S data over 2014 and through the first 3 quarters of 2015 are restated to account for the creation of the new activity (GM&T).

Q1 2016 Revenue Breakdown by Region

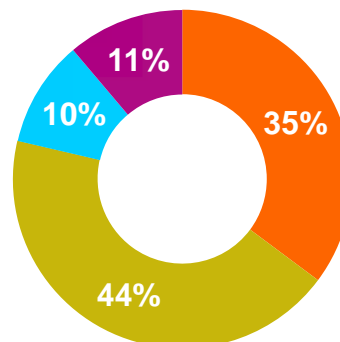
→ Gas & Services
 Q1 2016 Revenue: **€3,548m**



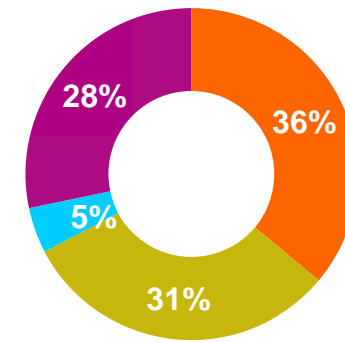
Europe: €1,614m



Americas: €824m



Asia-Pacific: €966m



Large Industries

Industrial Merchant

Healthcare

Electronics

Europe in Q1 2016

■ Healthcare

- Solid organic growth
- Lower contribution from acquisitions
- Dynamic Hygiene

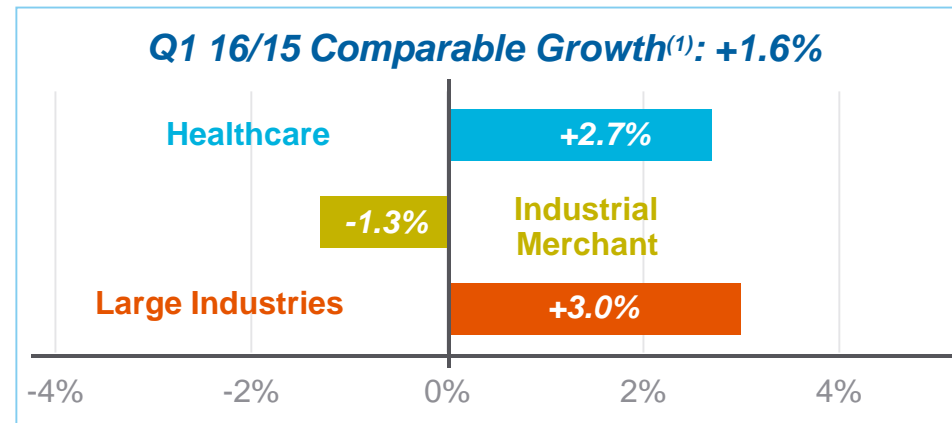
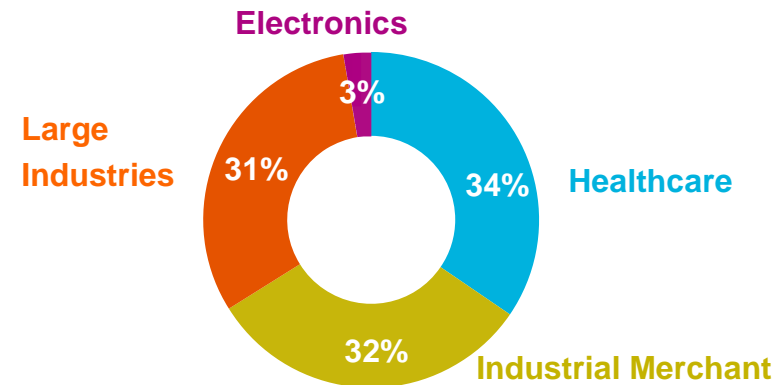
■ Industrial Merchant

- Increased liquid volumes, continuous price pressure
- Cylinder activity in slight decline
- Strong liquid volumes growth in Eastern Europe

■ Large Industries

- Ramp-ups: Dormagen CO plant (Germany) and H2 units (Benelux)
- Stronger demand for O2
- Dynamic Eastern Europe (Russia & Poland)

➔ Q1 Gas & Services sales: € 1,614 m



(1) Excluding currency, energy and significant M&A impacts.

Americas in Q1 2016

■ Industrial Merchant

- North America: bulk volumes impacted by slowdown in OWS, Metal Fab and Machinery
- Stable sales in Brazil despite low IP

■ Large Industries

- Strong air gases volumes
- >+25% growth in South America: SU in Mexico and RU in Brazil

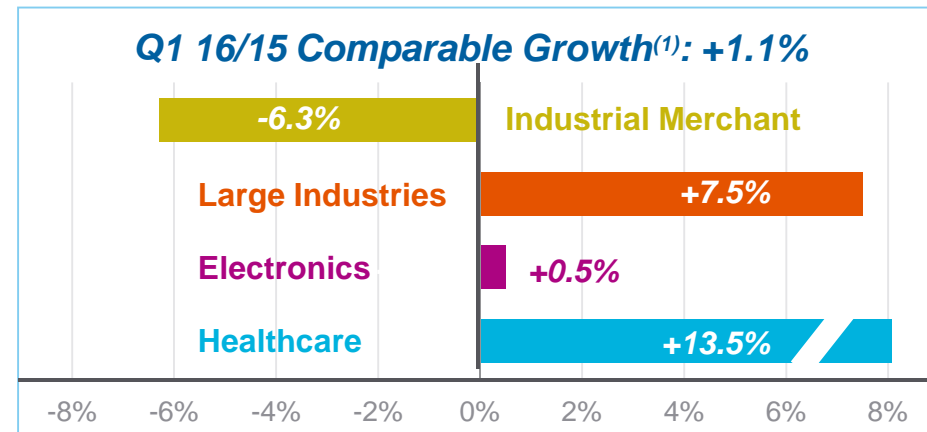
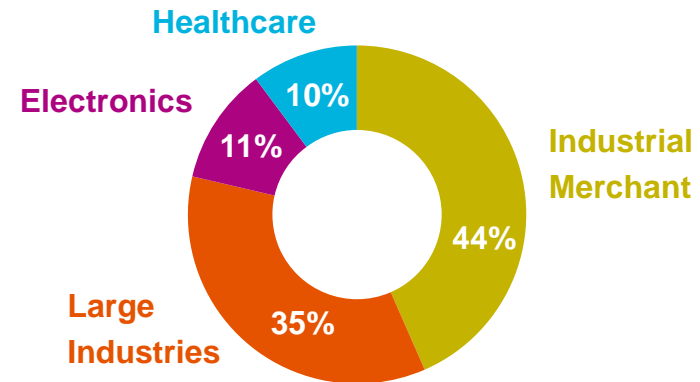
■ Electronics

- +2.3% sales growth excluding E&I

■ Healthcare

- Solid organic growth in Canada
- South America +20%

➔ Q1 Gas & Services sales: € 824 m



(1) Excluding currency, energy and significant M&A impacts.

Asia-Pacific in Q1 2016

■ Large Industries

- Continued ramp-ups in China
- Strong air gases volumes

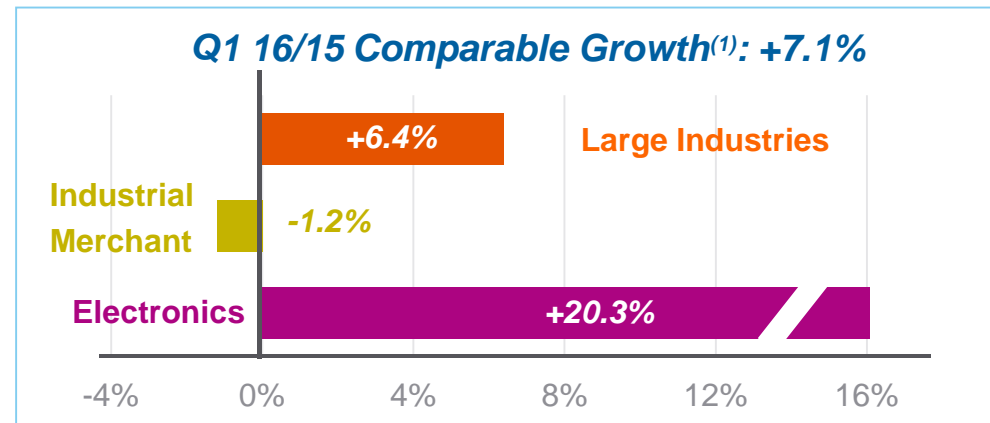
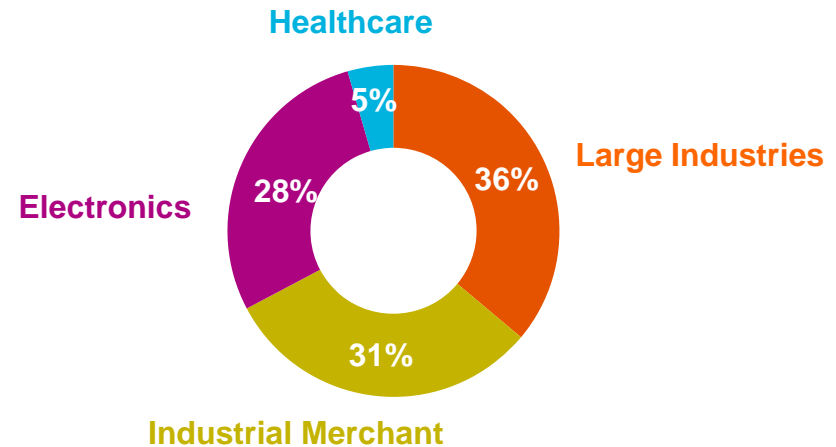
■ Industrial Merchant

- Strong sales and volumes in developing economies
- Better Australia, lower Japan

■ Electronics

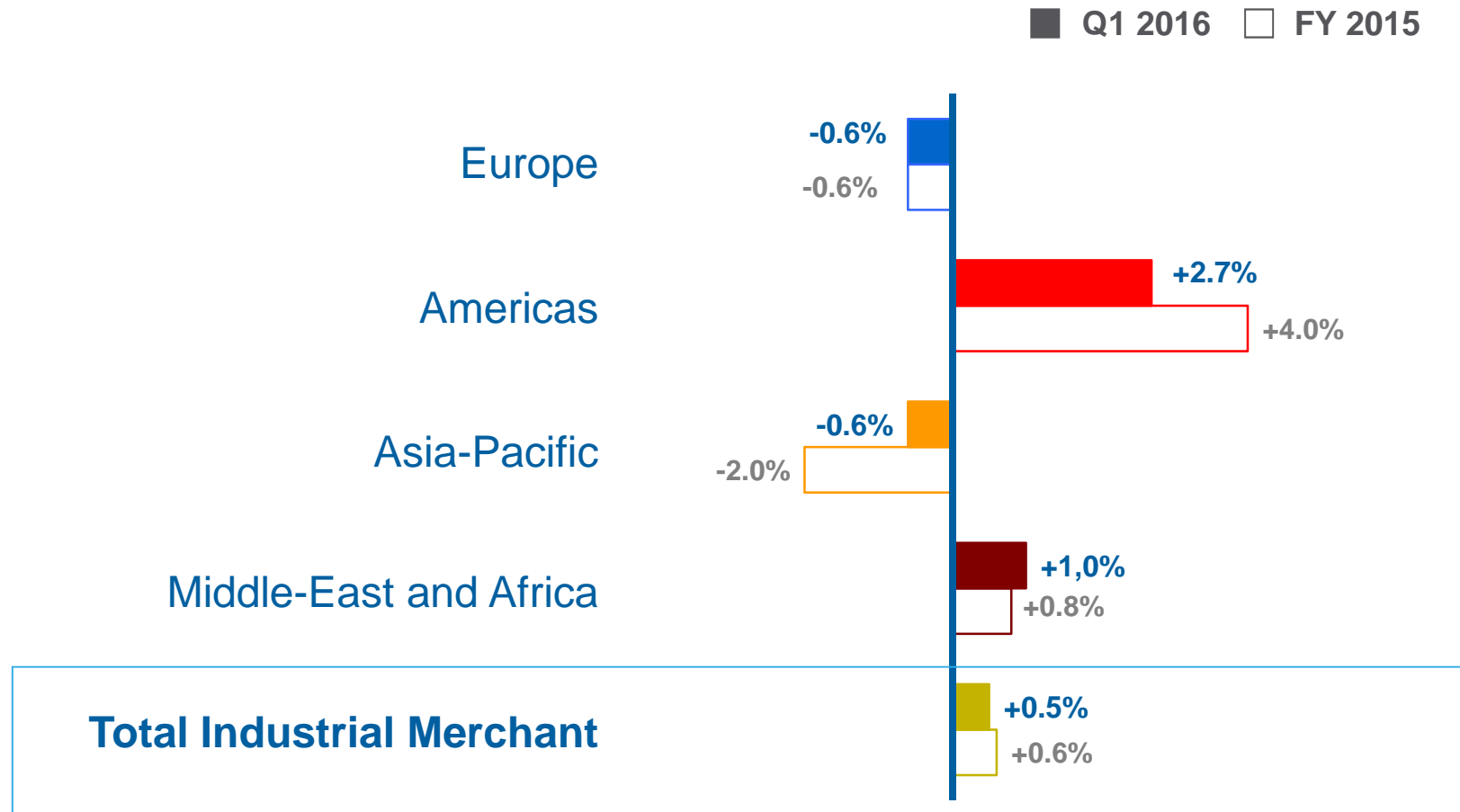
- Strong momentum, 2 start-ups
- Dynamic China, Singapore, Japan
- Very strong Advanced Materials and E&I

➔ Q1 Gas & Services sales: € 966 m



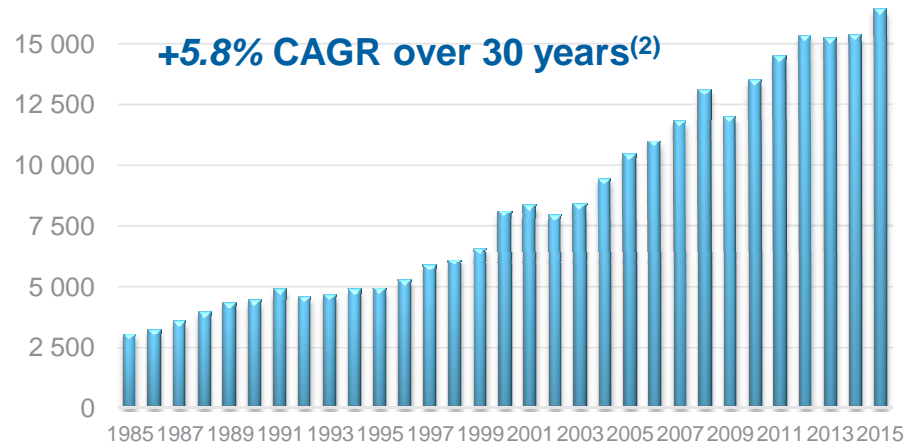
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Industrial Merchant Pricing

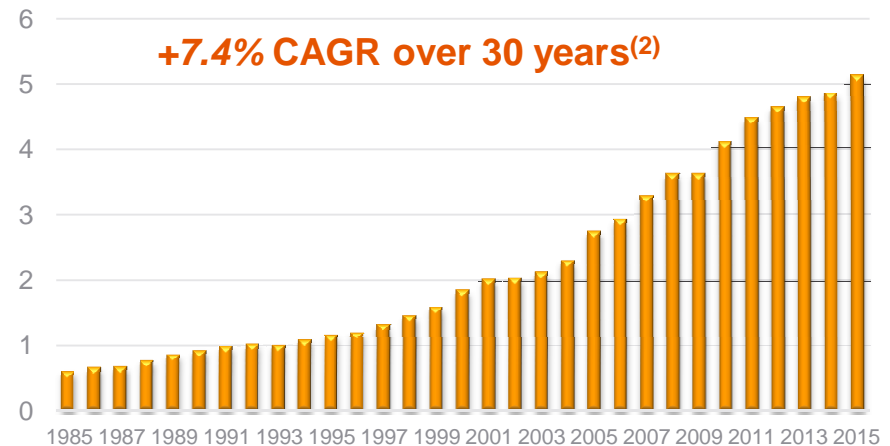


Regular and Sustained Performance

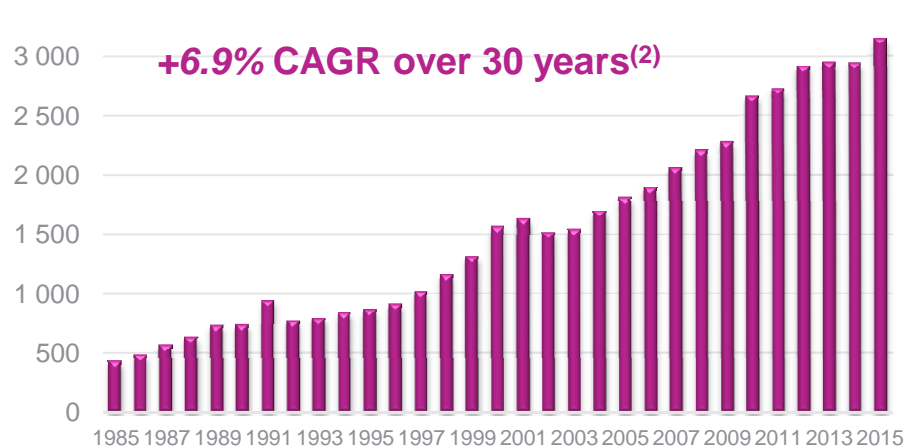
→ Revenue (in €m)



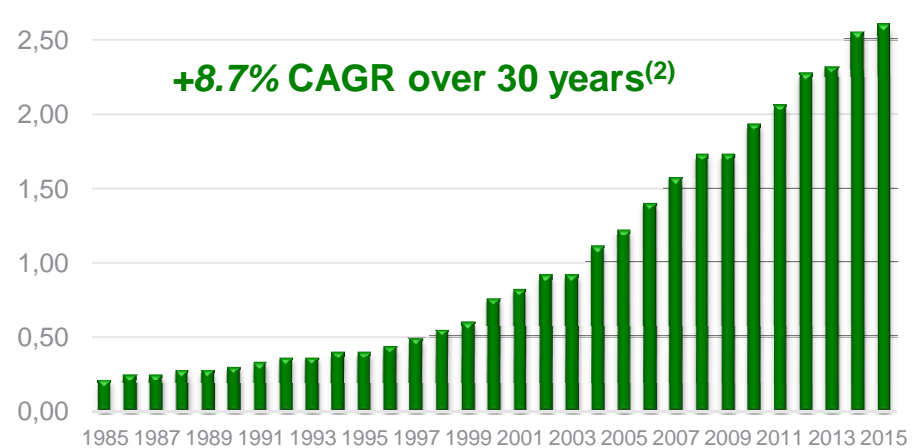
→ EPS ⁽¹⁾ (in €)



→ Cashflow (in €m)



→ Dividend ⁽¹⁾ (in € per share)



(1) Adjusted for the 2-for-1 share split in 2007 and free share attributions. (2) Calculated according to prevailing accounting rules over 30 years.

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