

Paris, April 28, 2004

**Press release**

**1<sup>st</sup> QUARTER 2004 CONSOLIDATED SALES**

**Sustained activity during the first-quarter  
Sales up by +9.2% (excluding foreign exchange and natural gas impacts)**

First quarter 2004 consolidated sales reached 2,186 million euros, up +3.6% over the first quarter of 2003, despite negative foreign exchange and natural gas impacts. Excluding these impacts, the Group sales grew by +9.2%, which includes a perimeter effect of +0.6%. On the same basis, Gas and Services sales increased by +7.8%.

Commenting on the announcement of first-quarter 2004 sales figures, **Benoît Potier, Chairman of Air Liquide's Management Board**, stated:

***"First-quarter consolidated sales signal a good start to the year and demonstrate the Group's ability to accelerate growth in all business lines and geographic zones and benefit from the improved business climate.***

***Compared to the fourth quarter of 2003, growth rate progressed further, taking advantage of the economic recovery in North America and continuing strong growth in Asia. In Europe, new applications and services contributed to growth in all countries.***

***Large Industries benefited from new hydrogen contracts. Liquid gas volumes for Industrial Customers rose sharply, particularly in the United States. Sales in Electronics, especially dynamic in Asia, were driven notably by flat-screen production. Finally, all our Healthcare products and services performed well.***

***This good first quarter, combined with our continued productivity efforts, allows us to confirm our full year objective to achieve higher growth in activities and reported net earnings than in 2003."***

## 1- GAS AND SERVICES

Gas and Services sales reached 1,895 million euros over the first quarter, an increase of +7.8%, excluding foreign exchange and fluctuations in natural gas prices. Signs of recovery, first observed at the end of 2003 were confirmed and the first quarter showed an acceleration.

### ⇒ Analysis by geographic zone

Sales (million €)	Q1 2004	Q1 change (excl. forex, natural gas)
Asia-Pacific	348.6	+14.0%
Americas	520.4	+8.3%
Europe (excl. France)	589.6	+8.2%
France	401.5	+1.6%
Africa	35.0	+5.2%
<b>Gas and Services</b>	<b>1,895.1</b>	<b>+7.8%</b>

- **Asia-Pacific**

The strong progress in sales observed at year-end continued through the first quarter (+14,0% excluding foreign exchange and natural gas), this performance being chiefly linked with very high growth in Electronics. Japan showed renewed levels of activity with double-digit growth. Korea benefited from the ramp-up of new hydrogen contracts and China took advantage of very high demand.

Over the first-quarter, Asia represented approximately 20% of sales and 1/3 of growth.

- **Americas**

The Americas (+8.3% excluding foreign exchange and natural gas) benefited from the economic upturn. All business lines recorded growth levels above +5%. Liquid gas volumes increased significantly in all markets in a firm pricing environment. Recovery was confirmed in Large Industries, with strong air gases and hydrogen volumes. The United States and Latin America recorded the best performance.

- **Europe (excluding France)**

Europe's good performance (+8.2% excluding foreign exchange and natural gas) was driven by the ramp-up of new hydrogen contracts, which will continue throughout the year. Hydrogen volumes have doubled over the last 18 months. Healthcare registered good growth levels in all activities, with the development of hygiene products and services, particularly in Italy and Germany. Industrial Customers performed better than industrial production.

- **France**

In France sales were up +1.6% excluding natural gas fluctuations, in an environment still showing no clear sign of recovery. By activity, Healthcare recorded the best performance, with double-digit growth in homecare. Electronics was impacted by an unfavorable base for comparison, owing to strong equipment billings early in 2003. Sales to Industrial Customers increased slightly.

⇒ **Analysis by business line**

Sales (million €)	Q1 2004	Q1 change (excl. forex, natural gas)
Industrial Customers	837.6	+4.5%
Large Industries	540.4	+11.6%
Electronics	209.3	+11.3%
Healthcare	307.8	+7.5%
<b>Gas and Services</b>	<b>1,895.1</b>	<b>+7.8%</b>

- **Industrial Customers**

Sales to Industrial Customers saw steady growth (+4.5% excluding foreign exchange), continuing the positive trend seen in the fourth quarter of 2003. Sales of liquid gas were particularly high throughout the Americas and in Asia (excluding Japan) in a firm pricing environment. In Europe, growth was more varied, with better performance in northern countries. Services (metrology and analysis) experienced strong growth.

- **Large Industries**

Large Industries (+11.6% excluding foreign exchange and natural gas) confirmed the improvement recorded at year-end. Growth was mainly linked with a ramp-up in hydrogen and CO volumes, particularly in Belgium and Korea. In the United States, air gases volumes rose significantly, driven by a sustained recovery in Chemicals stimulated by exports.

- **Electronics**

Electronics grew by +11.3%, excluding foreign exchange, continuing the steady sequential growth recorded over the past two years. The quarter was marked by the strong contribution of Japan, where the Group business line's management is now located. Specialty gases recorded very good performance, benefiting in particular from the sharp rise in flat-screen sales. Sales of ultra-pure gases also showed double-digit growth, while equipment sales were down slightly.

- **Healthcare**

Healthcare experienced a good quarter in all activities (+7.5% excluding foreign exchange). Sales of gas to hospitals were robust. Homecare also showed a strong increase, particularly in France. Hygiene products and services continued to grow steadily, with higher trends in Italy.

**High value-added services** in all business lines (healthcare, metrology, analysis, local customer support) recorded double-digit growth, above the Group average. The first quarter saw the creation of a metrology unit (Trescal) that will include the recently acquired activities of Livingston.

## 2 – RELATED ACTIVITIES

Sales (million €)	Q1 2004	Q1 change (excl. forex)
AL Welding	119.2	+7.2%
Engineering & Construction	79.8	+89.4%
Other Businesses	92.2	+2.3%
<b>Related activities</b>	<b>291.2</b>	<b>+19.7%</b>

Sales in all Related Activities grew in the first quarter.

- **Engineering and Construction** sales contributed more strongly to this performance, particularly through billings by the new Sasol unit in South Africa and sales in Asia.
- **AL Welding** saw an upswing in activity, particularly in March.
- **Other businesses** (chemicals and diving) benefited from a renewal of their product lines.

## 3 – ANNUAL GENERAL SHAREHOLDERS' MEETING

Air Liquide's Annual General Meeting will be held at 3 p.m. on Wednesday, May 12, 2004, at the Palais des Congrès in Paris, France. It will be broadcast live, with simultaneous translation, on Air Liquide's website. A dividend of 3.20 euros per share excluding tax credit and the allocation of 1 bonus share for every 10 shares owned, with rights as of January 1, 2004, will be proposed to the shareholders.

### 2004 Financial Agenda

Annual General Shareholders' Meeting	Wednesday, May 12
Dividend payout	Tuesday, May 18
Bonus share allocation (1 for 10)	Monday, June 14
First-half 2004 sales	Tuesday, July 27
First-half 2004 earnings	Monday, September 6
Third-quarter 2004 sales	Thursday, October 28

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*Present in 65 countries, **Air Liquide** is the **world leader** in industrial and medical gases and related services. The Group offers **innovative solutions** based on constantly enhanced **technologies**. These solutions, which are consistent with Air Liquide's commitment to **sustainable development**, help to protect life and enable our customers to manufacture many indispensable everyday products. Founded in 1902, Air Liquide has 31,900 employees. The Group has successfully developed a long-term relationship with its shareholders built on **trust** and **transparency** and guided by the principles of **corporate governance**. Since the publication of its first consolidated financial statements in 1971, Air Liquide has posted **strong and steady earnings growth**. Sales in 2003 totaled 8.394 billion euros, with sales outside France accounting for almost 80%. Air Liquide is listed on the Euronext Paris stock exchange and is a component of the CAC 40 and EuroStoxx 50 indexes (ISIN code FR 0000120073).*

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## APPENDICES (1)

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*In addition to the comparison of published figures provided, financial information is presented excluding foreign exchange and natural gas fluctuations as well as on a comparable basis (excluding foreign exchange, natural gas and perimeter). Since industrial and medical gases are not exported, the impact of currency fluctuations on sales and earnings is limited to converting the financial statements of our foreign subsidiaries into euros. In addition, fluctuations in natural gas prices are passed on to customers through indexed pricing clauses.*

### Consolidated sales figures as of March 31, 2004 include:

2004/2003	million €	% change (published)	of which forex	of which natural gas	% change (excl. forex, natural gas)
<b>First quarter</b>	<b>2,186.3</b>	<b>+3.6%</b>	-4.4%	-1.2%	<b>+9.2%</b>

- *An exchange rate effect, linked with the conversion of the financial statements of our foreign subsidiaries into euros, represented –92 million euros, or an impact of –4.4% on sales growth in the first quarter. The bulk of this impact is linked to the continued appreciation of the euro relative to the U.S. dollar.*
- *The natural gas price impact was the opposite of that in 2003; representing -26 million euros in the first quarter, ie a negative impact of –1.2% on sales growth. Prices nevertheless remained at rather high levels in North America during the quarter.*
- *With the consolidation of JAG now complete, the perimeter effect was limited during the first quarter, representing +13 million euros, or a positive impact of +0.6% on growth. This was linked particularly with acquisitions in Services in Europe.*

### Gas and Services sales figures as of March 31, 2004 include:

2004/2003	million €	% change (published)	of which forex	of which natural gas	% change (excl. forex, natural gas)
<b>First quarter</b>	<b>1,895.1</b>	<b>+1.7%</b>	-4.7%	-1.4%	<b>+7.8%</b>

## APPENDICES (2)

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### Analysis of Gas and Services sales by geographic zone

by geographic zone	First quarter 2004			
	million € <i>(published)</i>	% change <i>(published)</i>	% change <i>(excl. forex, natural gas)</i>	% change <i>(on a comparable basis)</i>
Asia-Pacific	348.6	+8.8%	+14.0%	+14.1%
Americas	520.4	-7.2%	+8.3%	+8.2%
Europe <i>(excl. France)</i>	589.6	+6.8%	+8.2%	+7.8%
France	401.5	+1.2%	+1.6%	+0.1%
Africa	35.0	+5.5%	+5.2%	+5.2%
<b>Gas and Services</b>	<b>1,895.1</b>	<b>+1.7%</b>	<b>+7.8%</b>	<b>+7.3%</b>

### Analysis of Gas and Services sales by business line

by business line	First quarter 2004			
	million € <i>(published)</i>	% change <i>(published)</i>	% change <i>(excl. forex, natural gas)</i>	% change <i>(on a comparable basis)</i>
Industrial Customers	837.6	+0.9%	+4.5%	+5.4%
Large Industries	540.4	+0.1%	+11.6%	+9.9%
Electronics	209.3	+3.0%	+11.3%	+10.0%
Healthcare	307.8	+6.0%	+7.5%	+6.2%
<b>Gas and Services</b>	<b>1,895.1</b>	<b>+1.7%</b>	<b>+7.8%</b>	<b>+7.3%</b>

## APPENDICES (3)

### Sales by business

	<b>2003</b>	<b>2004</b>
	<b>1<sup>st</sup> Quarter</b>	<b>1<sup>st</sup> Quarter</b>
<b>GAS &amp; SERVICES</b>	<b>1,863.2</b>	<b>1,895.1</b>
<i>Industrial Customers</i>	829.9	837.6
<i>Large Industries</i>	539.8	540.4
<i>Electronics</i>	203.2	209.3
<i>Healthcare</i>	290.3	307.8
<b>AL WELDING</b>	<b>111.4</b>	<b>119.2</b>
<b>OTHER ACTIVITIES</b>	<b>92.8</b>	<b>92.2</b>
<i>Chemicals</i>	49.3	52.4
<i>Sundry</i>	41.6	38.9
<i>Holding</i>	1.9	0.9
<b>ENGINEERING/CONSTRUCTION</b>	<b>43.3</b>	<b>79.8</b>
<b>TOTAL</b>	<b>2,110.7</b>	<b>2,186.3</b>

### Sales by region

<b>2004: End of March</b>	<b>France</b>	<b>Europe Excl. France</b>	<b>Americas</b>	<b>Asia Pacific</b>	<b>Africa</b>	<b>TOTAL</b>
<b>GAS &amp; SERVICES</b>	401.5	589.6	520.4	348.6	35.0	1,895.1
<b>AL WELDING</b>	42.2	77.0				119.2
<b>OTHER ACTIVITIES</b>	62.7	11.7	15.9	1.9		92.2
<b>Sub/total excluding Eng/Construc.</b>	<b>506.4</b>	<b>678.3</b>	<b>536.3</b>	<b>350.5</b>	<b>35.0</b>	<b>2,106.5</b>
<b>ENGINEERING/CONSTRUCTION</b>	11.3	4.0	2.3	17.1	45.1	79.8
<b>TOTAL</b>	<b>517.7</b>	<b>682.3</b>	<b>538.6</b>	<b>367.6</b>	<b>80.1</b>	<b>2,186.3</b>

<b>2003: End of March</b>	<b>France</b>	<b>Europe Excl. France</b>	<b>Americas</b>	<b>Asia Pacific</b>	<b>Africa</b>	<b>TOTAL</b>
<b>GAS &amp; SERVICES</b>	396.9	552.1	560.6	320.5	33.1	1,863.2
<b>AL WELDING</b>	40.5	70.9				111.4
<b>OTHER ACTIVITIES</b>	62.6	10.1	18.2	1.9		92.8
<b>Sub/total excluding Eng/Construc.</b>	<b>500.0</b>	<b>633.1</b>	<b>578.8</b>	<b>322.4</b>	<b>33.1</b>	<b>2,067.4</b>
<b>ENGINEERING/CONSTRUCTION</b>	5.4	5.8	3.3	10.8	18.0	43.3
<b>TOTAL</b>	<b>505.4</b>	<b>638.9</b>	<b>582.1</b>	<b>333.2</b>	<b>51.1</b>	<b>2,110.7</b>