

Paris, 26th January 2005

**Press release**

**2004 CONSOLIDATED SALES**

**2004: a very significant year for the Group**

**Sales: 9,376 million Euros, +11.7 %**

Consolidated sales for 2004 were 9,376 million Euros, an increase of +11.7% over 2003. This figure includes growth of +7.1% from our activities (excluding foreign exchange and natural gas) and the contribution of acquired Messer operations (470 million Euros over eight months) of +5.6%.

In the 4<sup>th</sup> quarter 2004, consolidated sales reached 2,554 million Euros. They include acquired Messer operations (178 million Euros) as well as the first time proportional consolidation of full year sales in our joint ventures in Singapore and Hong Kong (110 million Euros). Excluding these effects and adjusted for foreign exchange and natural gas, activities grew by +5.8% over the period.

Commenting on these figures, **Benoît Potier, Chairman of the Management Board of Air Liquide**, said:

***"Year 2004 was very significant for Air Liquide, due to the acquisition and successful integration of Messer operations which enhances our core business in Europe and the US and the delivery of accelerated growth which confirms our strategy.***

***As a result, the Group has recorded strong consolidated sales growth for the year. Our hydrogen activities have developed strongly and both our homecare and service businesses have confirmed their ability to deliver sustainable growth. In 2004, we grew in all our markets, in Europe, the US and Asia, and particularly in China, demonstrating the Group's new momentum.***

***For 2004, we confirm higher growth in reported net earnings than in 2003, close to the Group's organic sales growth for the year.***

***In 2005, these positive trends should continue with the development of our growth drivers and geographic expansion."***

## 1- GAS AND SERVICES

In 2004, Gas and Services sales, which represent almost 90% of the Group's activities, amounted to 8,275 million Euros, registering growth of +6.6% excluding foreign exchange, natural gas and major perimeter effects.

Sales in the 4<sup>th</sup> quarter reached a good level at 2,268 million Euros – an increase of +6.0% over the 4<sup>th</sup> quarter 2003, on the same basis.

### ⇒ Analysis by geographic zone

Sales (millions of €)	To 31 <sup>st</sup> December 2004	2004/2003 (excl. forex, natural gas, Asian consolidation)		4 <sup>th</sup> quarter 2004	Q4 variation (excl. forex, natural gas, Asian consolidation)	
		with Messer	excl. Messer		with Messer	excl. Messer
Asia-Pacific	1,512	+7.5%	<b>+7.5%</b>	477	+7.5%	<b>+7.5%</b>
Americas	2,238	+11.3%	<b>+6.5%</b>	569	+11.7%	<b>+4.2%</b>
Europe (excl. France)	2,754	+23.9%	<b>+7.4%</b>	764	+31.2%	<b>+7.0%</b>
France	1,619	+5.0%	<b>+5.0%</b>	421	+5.6%	<b>+5.6%</b>
Africa	152	+5.8%	<b>+5.8%</b>	37	+3.4%	<b>+3.4%</b>
<b>Gas and Services</b>	<b>8,275</b>	<b>+13.0%</b>	<b>+6.6%</b>	<b>2 268</b>	<b>+15.4%</b>	<b>+6.0%</b>

Figures given below exclude foreign exchange, natural gas, the consolidation of Asian and Messer activities.

- **Asia-Pacific**

2004 was a strong year for the Asia-Pacific zone. The industry region grew by **+7.5% and by +15.7% excluding Japan**. All businesses are growing. The ramp-up of large contracts notably in South Korea and the dynamic semi-conductor market (particularly for flat screens) underpinned this performance. In Japan, activity was stronger at the end of the year, thanks notably to Electronics and a better 4<sup>th</sup> quarter in Industrial Customers. Best performances were seen in other Asian countries, with very significant growth in China and Korea.

The outlook for our activities in the zone remains very favorable, with the start-up of large contracts and recent investment in Electronics.

- **Americas**

The Americas also performed well. Sales in the zone rose **+6.5%** in 2004, with high utilization rates of our capacity and new developments.

In North America, Industrial Customers registered a significant increase in liquid volumes, benefiting from the economic environment. Activity in Large Industries was sustained throughout the year and we started up a very large 100,000m<sup>3</sup>/hour hydrogen unit in California in the 4<sup>th</sup> quarter. Contracts won in 2004 in hydrogen and Electronics and the integration of Messer will enable us to sustain our momentum in the American continent in 2005.

- **Europe**

Over the year, **France** saw growth of **+5.0%** and **Europe excluding France** of **+7.4%**.

Air Liquide activities in Europe achieved significant growth, despite a weaker economic environment. This is the result of our strategy of developing new markets: hydrogen, healthcare and services. The integration of Messer in Germany is progressing favourably, with a new organisational structure fully in place since 1<sup>st</sup> January 2005.

In Large Industries, our hydrogen capacity was tripled, with the start-up of units in France, Spain and Belgium. Our products and services in Healthcare are recording sustained growth. Industrial Customers are benefiting from the integration of enlarged offer and services.

The continued ramp-up of large contracts and the developments in Healthcare businesses ensure good prospects for 2005.

⇒ **Analysis by activity**

Sales (millions of €)	To 31 <sup>st</sup> December 2004	2004/2003 (excl. forex, natural gas, Asian consolidation)		4 <sup>th</sup> quarter 2004	Q4 variation (excl. forex, natural gas, Asian consolidation)	
		with Messer	excl. Messer		with Messer	excl. Messer
Industrial Customers	3,834	+15.1%	<b>+4.5%</b>	1,048	+19.9%	<b>+4.0%</b>
Large Industries	2,261	+14.7%	<b>+10.0%</b>	615	+14.5%	<b>+7.5%</b>
Electronics	884	+6.7%	<b>+6.7%</b>	258	+9.6%	<b>+9.6%</b>
Healthcare	1,296	+8.5%	<b>+6.8%</b>	347	+8.7%	<b>+6.4%</b>
<b>Gas and Services</b>	<b>8,275</b>	<b>+13.0%</b>	<b>+6.6%</b>	<b>2,268</b>	<b>+15.4%</b>	<b>+6.0%</b>

Figures given below exclude foreign exchange, natural gas, the consolidation of Asian and Messer activities.

• **Industrial Customers**

Industrial Customers saw growth of **+4.5%** over the year. Liquid volumes rose strongly in the US, emerging Asia and Eastern Europe. The development of services continues, particularly in Europe with the creation of Trescal (metrology). Sales of rare gases, pure gases and mixtures saw good growth momentum. At the same time as integrating the Messer activities, Germany also generated growth. These positive trends will enable the Group to pursue further productivity efforts and further development.

• **Large Industries**

2004 was a very good year for Large Industries, with growth of **+10.0%**. Europe shows good momentum with growth close to +40% in hydrogen for chemicals and refining. Oxygen volumes linked with the steel industry rose, particularly at the end of the year. Europe is very dynamic, with double-digit growth over the year: Large Industries currently account for more than a quarter of our activity in this zone. The outlook for 2005 looks favourable and our investments in less capital-intensive businesses are leading to a positive evolution in our portfolio of activities. In a few years, hydrogen sales should equal those of oxygen.

• **Electronics**

In 2004, Electronics recorded growth of **+6.7%**, with a strong 4<sup>th</sup> quarter, which notably includes high levels of equipment billing. Over the year, Asia was the leading growth contributor, with significant sales of ultra pure gases, equipment and installation (Japan, China and Taiwan). Equipment and installation also saw strong billings in Europe (AMD contract in Germany). We have continued to invest in large contracts (carrier gases). Whilst the industry is cautious in its outlook for 2005, Air Liquide should benefit from investments and new contracts and gain leverage from the strong balance of its geographic positioning.

• **Healthcare**

Healthcare delivered solid growth in 2004 of **+6.8%**, with continuous increase in three businesses (hospital, homecare and hygiene) throughout the year. France, Northern Europe and Italy recorded the best performances. Homecare saw sustained growth, with the development of new market segments (treatment of respiratory diseases and diabetes in particular). Strong momentum for hospital products and services continued and, at the end of the year, hygiene registered a sequential rise in sales for the eighth consecutive quarter. These performances illustrate the quality of our products and services for the Healthcare industry: hospitals, homecare and hygiene. 2005 will enable us to continue to develop growth in Europe, with acquired Messer activities enabling stronger expansion in Germany.

Over 2004, **Services** recorded regular growth of **+8.7%**. As at 31<sup>st</sup> December 2004, they account for 18.7% of Gas and Services sales (excluding Messer and Asian consolidation), against 18.3% in 2003. High added value services, now deployed across our range of activities (healthcare, metrology, analysis, local client support), continue to deliver double-digit organic growth.

## 2 – RELATED ACTIVITIES

Sales (%) (millions of €)	To 31 <sup>st</sup> December 2004	2004/2003 (excluding forex)	4 <sup>th</sup> quarter 2004	Q4 variation (excluding forex)
AL Welding	486	<b>+14.9%</b>	128	<b>+18.7%</b>
Engineering and Construction	277	<b>+11.8%</b>	82	<b>&lt;13.4%&gt;</b>
Other businesses	338	<b>+4.7%</b>	76	<b>+7.5%</b>
<b>Related activities</b>	<b>1,101</b>	<b>+10.7%</b>	<b>286</b>	<b>+4.6%</b>

Related activities delivered dynamic performance throughout the year, with growth of **+10.7% excluding foreign exchange**.

- **Engineering and Construction** and welding (**AL Welding**) grew more than 10%.
- In other businesses, diving (**Aqualung**) progressed by +9.5%.
- In the 4<sup>th</sup> quarter, performance was in line with 2003 and the variation in the growth rate of **Engineering and Construction** simply reflected the different billing calendar from 2003.

### 2005 financial calendar

Full Year 2004 results	Monday 28 February 2005
First quarter 2005 sales	Thursday 21 April 2005
AGM	Wednesday 11 May 2005
First half 2005 sales	Tuesday 26 July 2005
First half 2005 results	Tuesday 6 September 2005
Third quarter 2005 sales	Wednesday 26 October 2005

### IFRS calendar

On 28 February 2005, full year results for 2004 will be presented according to French accounting standards. On this occasion, the Group will present an update of the main non-audited impacts resulting from the transition to IFRS. A specific information meeting will be held in June to provide details about the new standards and present the opening balance sheet and the 2004 profit and loss statement. First half 2005 results will be published on 6 September 2005 according to IFRS norms, with restated 2004 figures.

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Present in 65 countries, **Air Liquide** provides 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 more than 35,500 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 2004 totaled 9,376 million 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 indices (ISIN code FR 0000120073).

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## APPENDIX (1)

*In addition to the comparison of published figures, financial information is given excluding foreign exchange and the impact of fluctuations in natural gas price and excluding the consolidation of major acquisitions (acquired Messer assets) and the effect of consolidating subsidiaries in Singapore and Hong Kong.*

*Since industrial and medical gases are not exported, the impact of currency fluctuations is limited to the accounting consolidation in euros of the financial statements of our foreign subsidiaries. Fluctuations in natural gas prices are passed on to our customers through indexed pricing clauses.*

### Consolidated sales take into account the following elements:

2004	In millions of Euros	variation % (reported)	Foreign exchange impact	Natural gas impact	Asian consolidation impact	Messer consolidation impact	variation % (activities)*
12 months	9,376	+11.7%	<2.8%>	+0.5%	+1.3%	+5.6%	+7.1%
4 <sup>th</sup> quarter	2,554	+18.5%	<2.7%>	+2.1%	+5.0%	+8.3%	+5.8%

*\*excluding foreign exchange, change in natural gas price, consolidation of Asian and Messer activities*

- The foreign exchange impact linked with the conversion of the accounts of our foreign subsidiaries into Euros is -231 million Euros for the year, representing a negative effect of -2.8% on growth for the year. The impact on sales in the 4<sup>th</sup> quarter is -58 million Euros, an impact of -2.7% on growth, following a further fall in the US dollar and the yen.
- The effect of price variation in natural gas represents additional sales for the year of +36 million Euros, excluding foreign exchange, or +0.5% on growth. In the 4<sup>th</sup> quarter, the price of natural gas reached its highest level for the year in all zones. It had a positive impact of +44 million Euros, or +2.1% of growth, over the past three months.
- Principal perimeter effects are linked with the full consolidation of Messer assets since 7 May 2004, representing +471 million Euros or +5.6% of growth. Over the last quarter of the year, this effect was +178 million Euros, or +8.3% of sales growth.  
Since the 4<sup>th</sup> quarter of 2004, the consolidation perimeter also includes our joint venture activities in Singapore (Soxal) and Hong Kong (HKO). We have consolidated annual sales for the first time in proportion to our holding of 50% - this represents +109 million Euros. This decision has a positive effect of +1.3% on growth for the year and of +5.0% on growth for the 4<sup>th</sup> quarter.

## APPENDIX (2)

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

By geography	2004/2003				
	in M€ <i>(published)</i>	Variation % <i>(published)</i>	Variation % (excl. forex, natural gas, Asian consolidation)		
			<i>with Messer</i>	<i>excl. Messer</i>	<i>organic</i>
Asia-Pacific	1,512.1	+13.1%	+7.5%	+7.5%	+7.6%
Americas	2,237.7	+5.0%	+11.3%	+6.5%	+6.0%
Europe (excl. France)	2,753.9	+23.4%	+23.9%	+7.4%	+6.2%
France	1,619.6	+4.8%	+5.0%	+5.0%	+1.9%
Africa	151.9	+5.8%	+5.8%	+5.8%	+5.8%
<b>Gas and Services</b>	<b>8,275.2</b>	<b>+12.0%</b>	<b>+13.0%</b>	<b>+6.6%</b>	<b>+5.5%</b>

By geography	4 <sup>th</sup> quarter 2004				
	in M€ <i>(published)</i>	Variation % <i>(published)</i>	Variation % (excl. forex, natural gas, Asian consolidation)		
			<i>with Messer</i>	<i>excl. Messer</i>	<i>organic</i>
Asia-Pacific	476.6	+34.6%	+7.5%	+7.5%	+7.5%
Americas	568.6	+11.3%	+11.7%	+4.2%	+3.7%
Europe (excl. France)	763.8	+32.2%	+31.2%	+7.0%	+5.6%
France	421.5	+5.5%	+5.6%	+5.6%	+3.0%
Africa	37.5	+2.6%	+3.4%	+3.4%	+3.4%
<b>Gas and Services</b>	<b>2,268.0</b>	<b>+20.7%</b>	<b>+15.4%</b>	<b>+6.0%</b>	<b>+4.9%</b>

### Analysis of Gas and Services sales by activity

by activity	2004/2003				
	in M€ <i>(published)</i>	Variation % <i>(published)</i>	Variation % (excl. forex, natural gas, Asian consolidation)		
			<i>with Messer</i>	<i>excl. Messer</i>	<i>organic</i>
Industrial Customers	3,834.5	+14.3%	+15.1%	+4.5%	+3.5%
Large Industries	2,260.6	+13.1%	+14.7%	+10.0%	+9.0%
Electronics	884.3	+6.6%	+6.7%	+6.7%	+5.7%
Healthcare	1,295.8	+7.4%	+8.5%	+6.8%	+5.1%
<b>Gas and Services</b>	<b>8,275.2</b>	<b>+12.0%</b>	<b>+13.0%</b>	<b>+6.6%</b>	<b>+5.5%</b>

by activity	4 <sup>th</sup> quarter 2004				
	in M€ <i>(published)</i>	Variation % <i>(published)</i>	Variation % (excl. forex, natural gas, Asian consolidation)		
			<i>with Messer</i>	<i>excl. Messer</i>	<i>organic</i>
Industrial Customers	1,048.4	+23.1%	+19.9%	+4.0%	+2.7%
Large Industries	615.1	+24.2%	+14.5%	+7.5%	+7.4%
Electronics	257.5	+22.6%	+9.6%	+9.6%	+8.6%
Healthcare	347.0	+7.7%	+8.7%	+6.4%	+4.2%
<b>Gas and Services</b>	<b>2,268.0</b>	<b>+20.7%</b>	<b>+15.4%</b>	<b>+6.0%</b>	<b>+4.9%</b>

### APPENDIX (3)

#### Sales by activity

In millions of Euros

	2003		2004	
	4 <sup>th</sup> Quarter	Full Year	4 <sup>th</sup> Quarter	Full Year
<b>GAS &amp; SERVICES</b>	<b>1,879.4</b>	<b>7,388.5</b>	<b>2,268.0</b>	<b>8,275.2</b>
<i>Industrial Customers</i>	851.5	3,353.9	1,048.4	3,834.5
<i>Large Industries</i>	495.5	1,998.8	615.1	2,260.6
<i>Electronics</i>	210.0	829.6	257.5	884.3
<i>Healthcare</i>	322.4	1,206.2	347.0	1,295.8
<b>AL WELDING</b>	<b>107.9</b>	<b>423.2</b>	<b>127.9</b>	<b>485.7</b>
<b>OTHER ACTIVITIES</b>	<b>71.7</b>	<b>328.8</b>	<b>76.1</b>	<b>338.4</b>
<i>Chemicals</i>	41.4	181.2	46.0	196.2
<i>Sundry</i>	29.5	141.4	28.9	138.9
<i>Holding</i>	0.8	6.2	1.2	3.3
<b>ENGINEERING/CONSTRUCTION</b>	<b>96.2</b>	<b>253.1</b>	<b>81.6</b>	<b>276.9</b>
<b>TOTAL</b>	<b>2,155.2</b>	<b>8,393.6</b>	<b>2,553.6</b>	<b>9,376.2</b>

#### Sales by geographic zone

2004: Full Year	France	Europe Excl. France	Americas	Asia Pacific	Africa	TOTAL
<b>GAS &amp; SERVICES</b>	1,619.6	2,753.9	2,237.7	1,512.1	151.9	8,275.2
<b>AL WELDING</b>	165.9	319.8				485.7
<b>OTHER ACTIVITIES</b>	230.5	43.5	57.8	6.6		338.4
Sub/total excluding Eng/Construc.	2,016.0	3,117.2	2,295.5	1,518.7	151.9	9,099.3
<b>ENGINEERING/CONSTRUCTION</b>	69.5	36.8	33.3	88.3	49.0	276.9
<b>TOTAL</b>	<b>2,085.5</b>	<b>3,154.0</b>	<b>2,328.8</b>	<b>1,607.0</b>	<b>200.9</b>	<b>9,376.2</b>

  

2003: Full Year	France	Europe Excl. France	Americas	Asia Pacific	Africa	TOTAL
<b>GAS &amp; SERVICES</b>	1,544.8	2,232.3	2,131.4	1,336.3	143.7	7,388.5
<b>AL WELDING</b>	148.7	274.5				423.2
<b>OTHER ACTIVITIES</b>	222.9	38.9	60.4	6.6		328.8
Sub/total excluding Eng/Construc.	1,916.4	2,545.7	2,191.8	1,342.9	143.7	8,140.5
<b>ENGINEERING/CONSTRUCTION</b>	63.9	34.3	12.8	103.8	38.3	253.1
<b>TOTAL</b>	<b>1,980.3</b>	<b>2,580.0</b>	<b>2,204.6</b>	<b>1,446.7</b>	<b>182.0</b>	<b>8,393.6</b>