



## *information*

Paris, 26 January 2006

### *Press release*

## **2005 CONSOLIDATED SALES**

**Sales: 10,435 million euros, +10.7%**

### **Strong momentum in 2005**

Consolidated 2005 sales amounted to **10,435 million euros**, an increase on 2004 of **+10.7%**. On a comparable basis (excluding currency, natural gas and perimeter effects), the increase was **+6.2%**, with, in addition, a perimeter effect of **+1.8%**, including notably the full year consolidation of the activities acquired from Messer.

In the fourth quarter 2005, consolidated sales were **2,827 million euros**, an increase of **+9.3%**. On a comparable basis, the increase was **+7.1%**.

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

*« Air Liquide saw a strong level of activity in 2005. The successful integration of the acquired Messer activities and our growth in Large Industries and Healthcare strengthened our presence in the most advanced industrial economies. 2005 was also notable for the numerous positions we established in new territories, in Asia, Russia, and the Middle East, with gas and equipment sales.*

*In view of this strong performance, in line with our expectations, in all our geographies and in all our business lines, we maintain our target of double-digit net earnings growth for 2005, excluding any significant exceptional items.*

*In 2006, under presently anticipated market conditions, the expected contributions of our recent investments and our commercial successes make us confident in delivering sustained growth in our activities. »*

## 1 – GAS AND SERVICES

In 2005, sales for Gas and Service activities amounted to 9,148 million euros, an increase of +10.5% and of +5.5% on a comparable basis\* versus 2004.

For the fourth quarter 2005, Gas and Services sales reached 2,459 million euros, an increase of +8.4% and of +6.1% on the same base of comparison.

Sales (million €)	FY 2005	Change as reported	Change on comparable basis*	4 <sup>th</sup> quarter 2005	Change as reported	Change on comparable basis*
Asia-Pacific	1,614	+6.7%	+6.1%	412	<13.5%>	+2.2%
Americas	2,547	+13.8%	+7.0%	730	+28.5%	+10.5%
Europe	4,824	+10.3%	+4.5%	1,275	+7.5%	+5.5%
Africa	163	+7.2%	+6.0%	42	+11.9%	+7.4%
<b>Gas and Services</b>	<b>9,148</b>	<b>+10.5%</b>	<b>+5.5%</b>	<b>2,459</b>	<b>+8.4%</b>	<b>+6.1%</b>
Industrial Customers	4,154	+8.3%	+3.0%	1,066	+1.6%	+2.4%
Large Industries	2,744	+21.4%	+8.7%	811	+31.9%	+14.4%
Electronics	855	<3.3%>	+6.6%	211	<18.1%>	+2.0%
Healthcare	1,395	+7.7%	+6.5%	371	+7.0%	+5.5%

\*on comparable basis: excluding currency, natural gas, acquired Messer activities, Asian consolidation and deconsolidation of Electronics liquid chemicals in the United States

Variations discussed below are all on a comparable basis.

- **Asia-Pacific**

2005 Asia-Pacific sales were **1,614 million euros**, up **+6.1%**. Excluding Japan, the zone reported double-digit sales growth, whilst progress in **China** was more than **+40%**.

**Large Industries** reported record growth (+26%). In China, in particular, the business line benefited from the ramp-up of our Caojing site, in the Shanghai region, and the new contract signed with Rhizao Steel. Many new contracts will further strengthen our positions in this high growth country (Tianjing, Zhenjang and Yingkou).

Similarly, **Electronics** continued along a dynamic trend, driven by our commercial successes in Asia.

This was a year of recovery for **Japan** (+3.1%), driven by good levels of activity in Large Industries, and further progress in Electronics, where equipment and installation sales were particularly active. Gas sales to Industrial Customers progressed well in 2005.

Growth in the **fourth quarter** was moderate by comparison, as the fourth quarter in 2004 was a record for equipment and installations.

- **Americas**

In the Americas, where we benefited fully from the robust economies, full year sales amounted to **2,547 million euros**, an increase of **+7.0%**.

In **Large Industries**, our clients very quickly resumed production at full capacity following the hurricanes of the third quarter. Over the year, hydrogen sales continued their strong growth, particularly with the ramp-up of our new El Segundo unit in California.

**Industrial Customers** saw sustained growth over 2005, finishing the year with a very buoyant fourth quarter, despite rises in energy costs. In North America, sales were driven by strong volume increases and good pricing effect. Furthermore, we significantly developed our nitrogen and CO<sub>2</sub> activities in the Alberta oil fields of Canada.

**Electronics** reported sustained growth in 2005, with good equipment sales. We signed new on-site contracts.

In the **fourth quarter**, there was a double-digit increase in sales in the Americas zone, at +10.5%.

- **Europe**

Full year sales were **4,824 million euros**, an increase of **+4.5%**.

**Large Industries** progressed, thanks to hydrogen volume growth, with the ramp-up of new units at Port-Jérôme (France), La Corogna (Spain) and Antwerp (Belgium). Air gas sales are stable, reflecting European steel market activity. Cogeneration sales rose, with the start-up of a new unit in Germany.

In a generally difficult European economic environment, particularly in France, Germany and Italy, **Industrial Customers** experienced moderate sales growth.

Strong development continued for our **Healthcare** activities, particularly in Germany, where growth was helped by homecare acquisitions. In France, homecare and hygiene did particularly well.

In **Electronics**, carrier gas sales rose, led by Germany, which is seeing the first effects of the AMD contract, offsetting a slight decrease in equipment and installation sales.

We took numerous new positions in **Eastern Europe**, with contracts signed in Poland, Russia, Romania and Bulgaria.

In the **fourth quarter**, European sales rose by +5.5%.

## 2 – RELATED ACTIVITIES

Sales (million €)	FY 2005	On a comparable basis *	4 <sup>th</sup> quarter 2005	On a comparable basis *
AL Welding	512	<b>+6.0%</b>	137	<b>+8.5%</b>
Engineering & Construction	419	<b>+27.1%</b>	147	<b>+24.6%</b>
Other activities	356	<b>+4.7%</b>	83	<b>+9.2%</b>
<b>Related activities</b>	<b>1,287</b>	<b>+11.7%</b>	<b>367</b>	<b>+14.7%</b>

*\*on comparable basis: excluding currency, natural gas, acquired Messer activities, Asian consolidation and deconsolidation of Electronics liquid chemicals in the United States*

**Welding** saw the benefits of the restructuring work undertaken since 2004, with accelerating growth.

Our **Engineering and Construction** activities are very dynamic, confirming the Group's strong competitive positioning. Our production facilities are fully loaded.

**Chemicals** progressed over the year, recording a fourth quarter growth rate higher than during the same period last year.

### Financial calendar 2006

2005 full year results	Monday 27 February 2006
First quarter 2006 sales	Wednesday 26 April 2006
AGM	Wednesday 10 May 2006
First half 2006 sales	Wednesday 26 July 2006
First half 2006 results	Monday 4 September 2006
Third quarter 2006 sales	Thursday 26 October 2006

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Present in more than 70 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 36,000 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 2005 totaled 10,435 million euros, with sales outside France accounting for almost 80%. Air Liquide is listed on the 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 currency, the impact of fluctuations in natural gas price, the consolidation impact of major acquisitions (acquired Messer activities), the consolidation impact of Asian subsidiaries (in the fourth quarter) and the deconsolidation of liquid chemicals for Electronics in the US.*

*Since industrial and medical gases are not exported, the impact of currency fluctuations on sales and results 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.*

*The impact of adopting IFRS reporting on sales is limited to Engineering and Construction. Since 1<sup>st</sup> January 2005, sales are registered according to the stage of advancement of work and no longer according to completion. The main impacts from the transition to IFRS reporting were communicated on 9th May 2005.*

### 2005 consolidated sales take the following factors into account:

	Sales (million €)	Change % (as reported)	Currency impact	Natural gas impact	Perimeter effects *	On a comparable basis **
<b>Group</b>						
<b>At 31 December 2005</b>	<b>10,435</b>	<b>+10.7%</b>	+0.5%	+2.2%	+1.8%	<b>+6.2%</b>
<b>4<sup>th</sup> quarter 2005</b>	<b>2,827</b>	<b>+9.3%</b>	+2.8%	+3.7%	<4.3%>	<b>+7.1%</b>
<b>Gas and Services</b>						
<b>At 31 December 2005</b>	<b>9,148</b>	<b>+10.5%</b>	+0.5%	+2.5%	+2.0%	<b>+5.5%</b>
<b>4<sup>th</sup> quarter 2005</b>	<b>2,459</b>	<b>+8.4%</b>	+3.0%	+4.3%	<5.0%>	<b>+6.1%</b>

*\*perimeter effects: acquired Messer activities, Asian consolidation, deconsolidation of liquid chemicals for Electronics in the US*

*\*\*excluding currency, natural gas, perimeter effects*

- Currency impacts, which were negative in the first half, reversed in the second half of 2005. For full year 2005, they represented +43 million euros, an impact of +0.5% on Group growth. For Gas and Services, this effect is also +43 million euros, an impact of +0.5% on growth. The variation in the average dollar exchange rate is neutral between 2004 and 2005. The currency impact is principally due to movements in the Canadian dollar and Japanese yen.
- The impact of natural gas prices increased throughout the year, with natural gas reaching a year high price in the fourth quarter following the impact of the hurricanes. At 31 December 2005, this effect represented additional sales of +211 million euros excluding currency, or a contribution of +2.2% for the Group and +2.5% for Gas and Services.
- The perimeter effect, positive in the first half (acquired Messer activities), became negative in the fourth quarter. It takes into account the consolidation of SOAEO as of the fourth quarter 2004. The perimeter effect of SOAEO is zero for 2005 and negative in the fourth quarter 2005. We also deconsolidated the sales of liquid chemicals in the US as of the second quarter 2005. Overall, for 2005, these effects are estimated at +163 million euros, a contribution of +1.8% to Group growth and of +2.0% for Gas and Services.

## APPENDIX (2)

### Sales by activity

In millions of euros

	2004		2005	
	4 <sup>th</sup> quarter	Cumulative to end December	4 <sup>th</sup> quarter	Cumulative to end December
<b>GAS &amp; SERVICES</b>	<b>2,268.0</b>	<b>8,275.2</b>	<b>2,459.3</b>	<b>9,147.7</b>
<i>Industrial Customers</i>	1,048.4	3,834.5	1,065.6	4,153.6
<i>Large Industries</i>	615.1	2,260.6	811.4	2,743.5
<i>Electronics</i>	257.5	884.3	211.1	855.2
<i>Healthcare</i>	347.0	1,295.8	371.2	1,395.4
<b>GROUP AL WELDING</b>	<b>126.5</b>	<b>483.0</b>	<b>137.3</b>	<b>512.3</b>
<b>OTHER ACTIVITIES</b>	<b>74.7</b>	<b>340.2</b>	<b>83.1</b>	<b>356.1</b>
<i>Chemicals</i>	46.0	196.2	51.6	211.6
<i>Other</i>	27.5	140.7	30.5	140.0
<i> Holding</i>	1.2	3.3	1.0	4.5
<b>ENGINEERING/CONSTRUCTION</b>	<b>116.8</b>	<b>330.0</b>	<b>147.4</b>	<b>418.7</b>
<b>TOTAL</b>	<b>2,586.0</b>	<b>9,428.4</b>	<b>2,827.1</b>	<b>10,434.8</b>

### Sales by geographic zone

In millions of euros

	2005: to 31 December	France	Europe ex France	Americas	Asia Pacific	Africa	TOTAL
<b>GAS &amp; SERVICES</b>		1,696.1	3,128.0	2,547.4	1,613.4	162.8	9,147.7
<b>GROUP AL WELDING</b>		171.2	341.1				512.3
<b>OTHER ACTIVITIES</b>		249.5	42.4	57.5	6.7		356.1
<b>S/total excl. Eng/Const.</b>		2,116.8	3,511.5	2,604.9	1,620.1	162.8	10,016.1
<b>ENGINEERING/CONSTRUCTION</b>		146.6	49.0	67.9	131.4	23.8	418.7
<b>TOTAL</b>		2,263.4	3,560.5	2,672.8	1,751.5	186.6	10,434.8
	2004: to 31 December	France	Europe ex 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>GROUP AL WELDING</b>		163.2	319.8				483.0
<b>OTHER ACTIVITIES</b>		232.3	43.5	57.8	6.6		340.2
<b>S/total excl. Eng/Const.</b>		2,015.1	3,117.2	2,295.5	1,518.7	151.9	9,098.4
<b>ENGINEERING/CONSTRUCTION</b>		101.3	44.4	25.0	123.2	36.1	330.0
<b>TOTAL</b>		2,116.4	3,161.6	2,320.5	1,641.9	188.0	9,428.4