

Press release

**CONSOLIDATED REVENUES
at 30 September 2006**

Strong third quarter in line with first half

Key figures (growth on a comparable basis*):

▪ Gas and Services revenues		
3 rd quarter	2,367 million €	+7.2%
9 months	7,188 million €	+6.4%
▪ Group revenues		
3 rd quarter	2,666 million €	+6.5%
9 months	8,148 million €	+6.1%

** on a comparable basis: excluding currency, natural gas and the impact of the deconsolidation of liquid chemicals in the US since 2nd quarter 2005 (see appendix 1)*

Third quarter highlights:

- **Sustained Group revenues growth on a comparable basis: confirmation of first half trends and accelerated revenues in Gas and Services (+7.2%)**
- **Published growth (+3.9%) includes negative impact of lower natural gas price and euro appreciation versus yen and US dollar**
- **Large Industries: robust activity in customer markets (steel, chemicals, refining) and growth strengthened by start-ups**
- **Industrial Customers: strong growth in the Americas and Asia; more varied progress in Europe with a competitive market environment in cylinders in France and Germany**
- **Continued progress in Healthcare: good revenue growth in homecare and hygiene; more modest in traditional medical gases for hospitals**
- **Good performance in Electronics, driven by customer demand.**

Commenting on these figures, **Benoît Potier, Chairman and CEO of Air Liquide**, says:

“This good third quarter is in line with and confirms the continuing positive trends we have seen in the first half. Revenue growth is strong in Asia and the Americas but more varied in Europe, depending on the segments.

All our business lines are growing, with strong performance in Large Industries and Industrial Customers, good activity in Electronics and more moderate progress in Healthcare.

Based on the continuing expansion of our markets, our positions in developed economies and our growth drivers, we remain confident and maintain our target for the year of growth in comparable net earnings close to that of 2005.”

1- GAS AND SERVICES

At 30 September 2006, revenues for Gas and Services amounted to **7,188 million euros**, an increase of **+6.4%** on a comparable basis* versus the first nine months of 2005.

In the third quarter 2006, Gas and Services revenues were **2,367 million euros**, an increase of **+7.2%** versus the third quarter 2005 on a comparable basis*.

This quarter shows solid growth, confirming first half trends, driven by good progress in the Americas and Asia and with more mixed growth in Europe.

Revenues (million €)	3 rd quarter 2006	Change Q3 06 / 05 (as reported)	Change Q3 06 / 05 (comparable*)	30 September 2006	Change 9m 06 / 05 (as reported)	Change 9m 06 / 05 (comparable*)
Europe	1,249	+6.9%	+5.4%	3,821	+7.7%	+5.6%
Americas	640	<0.6%>	+8.5%	1,953	+7.5%	+6.2%
Asia-Pacific	434	+5.3%	+10.0%	1,283	+6.8%	+8.3%
Africa	44	+2.1%	+10.0%	131	+8.7%	+10.1%
Gas and Services	2,367	+4.4%	+7.2%	7,188	+7.5%	+6.4%
Industrial Customers	1,078	+3.2%	+5.3%	3,255	+5.4%	+4.8%
Large Industries	716	+6.6%	+11.1%	2,189	+13.3%	+8.7%
Electronics	215	+1.4%	+6.6%	653	+1.3%	+7.4%
Healthcare	358	+5.3%	+5.9%	1,091	+6.6%	+6.0%

* on a comparable basis: excluding currency, natural gas and the impact of the deconsolidation of liquid chemicals in the US since second quarter 2005 (see appendix 1)

Except where indicated, comments below are all made with regard to changes on a comparable basis in the third quarter 2006 versus the third quarter 2005.

- **Europe**

Revenues for the third quarter 2006 were **1,249 million euros**, an increase of **+5.4%**. Growth was driven by Large Industries, Healthcare and Electronics, whilst Industrial Customers activity remained stable.

Revenues for **Industrial Customers** were steady both for the quarter and cumulatively at the end of September. The industrial environment remains difficult, particularly in the automotive and small manufacturing sectors. In this more competitive environment, we have seen a slight reduction in cylinder activity in France (volumes) and Germany (pricing). Other European countries registered good growth, particularly in Central and Eastern Europe. Liquid gas and small on-sites also improved in the zone.

As in the first half, **Large Industries** drove the growth, with strong contributions from hydrogen and air gases. Our customer markets remain positive, with high activity levels in steel and refining and good capacity utilization in chemicals. Hydrogen volumes increased significantly with continued ramp-up of our capacity, in Belgium (Antwerp) and Spain. Oxygen volumes are also growing well in Northern Europe and Italy, due to demand from our steel and refinery customers. To be noted: the start-up of an hydrogen unit in France (Lavera) at the end of September.

Healthcare revenues are driven by homecare and hygiene. Homecare activities continued to increase in France, Germany and Italy, while hygiene continues to deliver double digit growth, even if progress

was slightly slower than in the first half. Growth in sales to hospitals was more modest, where hospitals are looking to reduce costs. This cost pressure should benefit homecare activity.

Electronics saw significant growth both in the quarter and over the nine month period. This was driven by strong European fab activity and exceptional equipment and installation sales.

- **Americas**

In the third quarter 2006, revenues in the Americas zone amounted to **640 million euros**, an increase of **+8.5%**, a slight acceleration versus the first six months. Growth rates were similar in North and South America. Industrial Customers continues to deliver sustained growth, whilst Large Industries revenues rose substantially in the third quarter.

Large Industries delivered double digit growth, driven notably by the ramp-up of hydrogen contracts and the start-up at the end of July of our high capacity unit in Bayport, which is supplying our Gulf Coast network. Strong oxygen demand from our refinery, steel and chemicals clients also contributed to this performance. This growth is to be compared, however, with a slightly weaker third quarter in 2005 when some invoicing was postponed due to the hurricanes.

In the third quarter, **Industrial Customers** continued to progress in North America, driven by the energy and manufacturing sectors in the US. In Canada, growth came particularly from activities linked with the energy (fracturing) and the mining sectors. Throughout the zone, volumes of liquid gases and specialty gases were particularly strong. There was also good volume growth and firmer pricing in South America.

Electronics is developing well excluding equipment sales, which were lower versus 2005. Excluding equipment and installation, growth was double digit, with notably new client wins in carrier gases. Good levels in Balazs, our analysis laboratory serving the semi-conductor industry, should also be noted.

- **Asia-Pacific**

In the third quarter 2006, revenues in the Asian zone amounted to **434 million euros**, an increase of **+10.0%**. This growth resulted from a combination of strong presence in advanced economies such as Japan, where growth was +6%, and continued development in emerging countries including China, South Korea and South-East Asia. All business lines contributed to the growth.

Industrial Customers saw very robust growth. In Japan, the automotive, glass and plastics markets drove growth with firmer pricing and equipment sales. Liquid gas activities made good progress. The rest of Asia also contributed to growth for the zone, in particular China showed significant progress.

Electronics delivered solid revenue growth excluding equipment and installation for the quarter and over nine months. Carrier gases contributed strongly to this increase, with the start-up of two new units in the first half 2006, as well as significant demand for liquid gases in Japan. Growth of Electronics specialty gases is strong, with increasing volumes largely offsetting pricing pressures. Two new Electronics specialty gas production and analysis centers in China and Taiwan will support the development of this activity in the zone.

Large Industries saw substantial growth with three start-ups in the zone in 2006, in China and Japan. In China, South Korea and the rest of Asia, air gases and hydrogen contributed to this growth, meeting the demand from steel and chemicals clients.

- **Africa**

Africa continued to record double digit growth, driven by good Industrial Customers activity in South Africa.

2 – RELATED ACTIVITIES

Revenues (million €)	3 rd quarter 2006	Change Q3 06 / 05 (comparable*)	30 September 2006	Change 9m 06 / 05 (comparable*)
Welding	130	+10.0%	404	+7.8%
Engineering and Construction	79	<13.6%>	262	<3.1%>
Other activities	90	+3.7%	294	+7.6%
Related activities	299	+0.8%	960	+4.5%

*on a comparable basis: excluding currency

Welding achieved +10% growth, driven by consumables volumes, Central Europe and exports to the Middle East, as well as by the energy and utility markets.

Engineering and Construction activities continue to operate at full capacity, responding first and foremost to the Group's own needs and its investment strategy. The published decrease in external revenues masks the high activity levels dedicated to internal needs.

Financial calendar 2006-2007

2006 FY revenues	Thursday 25 January 2007
2006 FY results	Tuesday 27 February 2007
Q1 2007 revenues	Wednesday 25 April 2007
Annual Shareholders' Meeting	Wednesday 9 May 2007

Present in 72 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 almost 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**. Revenues in 2005 totalled 10,435 million euros, with revenues 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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APPENDICES (1)

In addition to the comparison of published figures, financial information is given excluding currency, the impact of fluctuations in natural gas price and, for the first nine months, the deconsolidation of liquid chemicals for Electronics in the US undertaken in the second quarter of 2005.

Since industrial and medical gases are very rarely exported, the impact of currency fluctuations on revenues 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.

Consolidated revenues take the following elements into account:

	Revenues (million €)	Change (as reported)	Currency	Natural gas	Perimeter	Change on a comparable basis*
Group						
3rd quarter 2006	2,666	+ 3.9%	- 45	- 21	0	+ 6.5 %
At 30 September 2006	8,148	+ 7.1%	+ 41	+ 61	- 27	+ 6.1%

Gas and Services						
3rd quarter 2006	2,367	+ 4.4%	- 43	- 21	0	+7.2%
At 30 September 2006	7,188	+ 7.5%	+ 41	+ 61	- 27	+ 6.4%

** on a comparable basis: excluding currency, natural gas and the impact of the deconsolidation of liquid chemicals in the US since 2nd quarter 2005*

- In the third quarter 2006, the currency effect linked with the conversion of the financial statements of our subsidiaries into euros represents -45 million euros, an impact of -1.7% on growth for the Group. The inversion of the currency effect stems mainly from appreciation of the euro, particularly against the yen and the US dollar.
At 30 September, the currency effect remained positive at +41 million euros, an impact of +0.5% on Group revenues.
- The price of natural gas fell sharply in the US and Europe in the third quarter. In total, the variation in natural gas prices in the third quarter 2006 represents an impact of -21 million euros, or -0.9% on Group revenues.
At 30 September, the impact of natural gas remained positive at +61 million euros, an impact of +0.8% on Group revenues.
- There is no perimeter effect in the third quarter 2006. At 30 September, the effect (linked with the fact that the Group has, since the 2nd quarter 2005, no longer consolidated chemical activities for Electronics in the US) amounted to -27 million euros, or an impact of -0.3% on Group revenues.

APPENDICES (2)

Revenue by business

Million €

	2005		2006	
	3 rd Quarter	Total 9 Months	3 rd Quarter	Total 9 Months
GAS & SERVICES	2,267.2	6,688.4	2,366.8	7,187.8
<i>Industrial Customers</i>	1,044.0	3,088.0	1,077.9	3,255.1
<i>Large Industries</i>	671.0	1,932.1	715.9	2,188.7
<i>Electronics</i>	212.4	644.1	215.2	652.6
<i>Healthcare</i>	339.8	1,024.2	357.8	1,091.4
AL WELDING	117.9	375.0	129.6	404.1
OTHER ACTIVITIES	88.2	273.0	90.4	294.2
<i>Chemicals</i>	54.2	160.0	53.3	175.4
<i>Sundry</i>	33.2	109.5	36.4	116.9
<i> Holding</i>	0.8	3.5	0.7	1.9
ENGINEERING/CONSTRUCTION	93.0	271.3	78.8	262.3
TOTAL	2,566.3	7,607.7	2,665.6	8,148.4

Revenue by region

Million €

	France	Europe <i>Excl. France</i>	Americas	Asia Pacific	Africa	TOTAL
2006: Total 9 Months						
GAS & SERVICES	1,322.3	2,498.8	1,952.5	1,282.7	131.5	7,187.8
AL WELDING	129.4	274.7				404.1
OTHER ACTIVITIES	202.6	32.9	53.7	5.0		294.2
Sub/total excluding Eng/Construc.	1,654.3	2,806.4	2,006.2	1,287.7	131.5	7,886.1
ENGINEERING/CONSTRUCTION	62.2	50.3	36.5	100.1	13.2	262.3
TOTAL	1,716.5	2,856.7	2,042.7	1,387.8	144.7	8,148.4
2005: Total 9 Months						
GAS & SERVICES	1,257.5	2,292.1	1,817.0	1,200.9	120.9	6,688.4
AL WELDING	123.5	251.5				375.0
OTHER ACTIVITIES	188.0	34.7	44.6	5.7		273.0
Sub/total excluding Eng/Construc.	1,569.0	2,578.3	1,861.6	1,206.6	120.9	7,336.4
ENGINEERING/CONSTRUCTION	95.9	25.5	43.9	86.8	19.2	271.3
TOTAL	1,664.9	2,603.8	1,905.5	1,293.4	140.1	7,607.7