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# Consolidated Revenue First Quarter 2007

*John Glen: Group Finance Director*

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April 25<sup>th</sup>, 2007

# Q1: sustained growth and active development

- Q1 2007 revenue up +5.2% on a comparable basis
- Operating Income Recurring growing at a higher rate
- Growth consistent with recent periods

- Major steps to support new growth ambitions:
  - ✓ Strategic acquisitions
  - ✓ Important signatures

# Q1 2007 Group revenue growth sustained

<i>In €M</i>	Q1 06	Q4 06	Q1 07 revenue	Q1 07/06 <i>as published</i>	Q1 07/06 <i>comparable</i>
Gas & Services	2,445	2,440	<b>2,452</b>	+0.3%	<b>+5.3%</b>
Related Activities	328	360	<b>339</b>	+3.1%	<b>+4.5%</b>
<b>Group</b>	<b>2,773</b>	<b>2,800</b>	<b>2,791</b>	<b>+0.6%</b>	<b>+5.2%</b>

- Excellent growth in Asia, both Japan and emerging Asia
- In Europe, good sales driven primarily by Germany
- Softer growth in North America

# Europe: higher Industrial Merchant growth

In €M	Q1 07	y/y growth*
Europe Gas & Services	1,351	+4.1%

**% of Europe G&S  
Q1 2007 revenue**

## ■ Industrial Merchant: +3.3%

- ✓ Better manufacturing environment, stable pricing
  - Germany, Italy and Spain led by bulk volumes
  - Cylinders: pick-up in Germany and Scandinavia

## ■ Large Industries: +2.8%

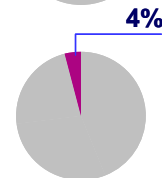
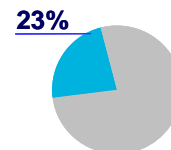
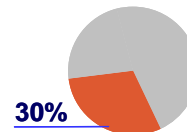
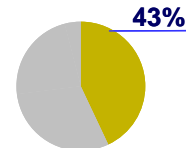
- ✓ Sustained high level of activity
- ✓ Significant new start-ups expected from H2 2007

## ■ Healthcare: +6.3%

- ✓ Homecare and hygiene France and Germany: double digit growth
- ✓ Medical gases up ; Equipment down vs. high level in Q1 06

## ■ Electronics: +11.3%

- ✓ Driven by E&I sales in Germany



\* comparable basis

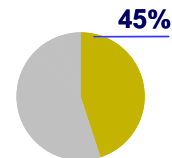
# Americas: softer growth in North America

In €M	Q1 07	y/y growth*
Americas Gas & Services	628	+3.2%

## % of Americas G&S Q1 2007 revenue

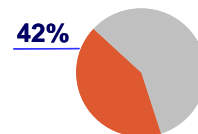
### ■ Industrial Merchant: +3.5%

- ✓ US: strong demand but capacity constraints, favorable pricing
- ✓ Canada: weaker energy and mining activity
- ✓ South America: double digit growth



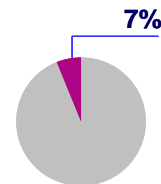
### ■ Large Industries: +3.1%

- ✓ H<sub>2</sub>: strong growth due to Bayport ramp-up
- ✓ O<sub>2</sub>: down slightly due to inventory management in steel industry
- ✓ Cogen: impacted by Sabine divestiture (-3%) and turnarounds



### ■ Electronics: +3.7%

- ✓ +12% growth in recurring business
- ✓ E&I sales down relative to high level in Q1 2006



\* comparable basis

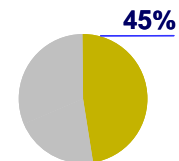
# Asia-Pacific: continued excellent growth

In €M	Q1 07	y/y growth*
Asia-Pacific Gas & Services	431	+11.9%

## % of Asia-Pacific G&S Q1 2007 revenue

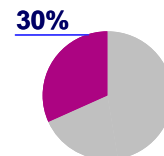
### ■ Industrial Merchant: +7.4%

- ✓ Japan: strong volume growth and firm pricing in automotive, glass & plastics
- ✓ China: booming demand in metals, glass & construction



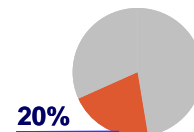
### ■ Electronics: +9.5%

- ✓ Including a boost from TNA JV in Japan
- ✓ Carrier gases ramp-ups in China and Taiwan
- ✓ ESG volumes up in Japan, down in Taiwan and Korea



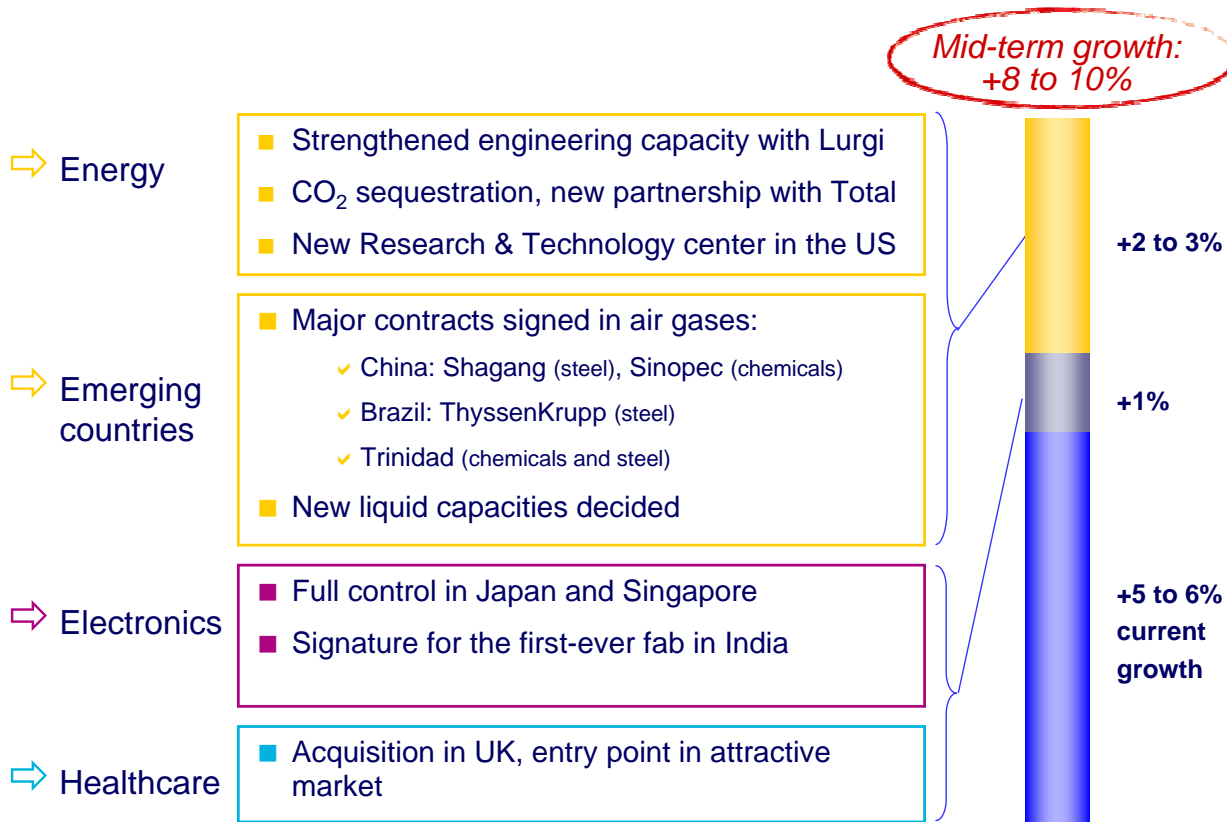
### ■ Large Industries: +29%

- ✓ Revenue more than tripled in China

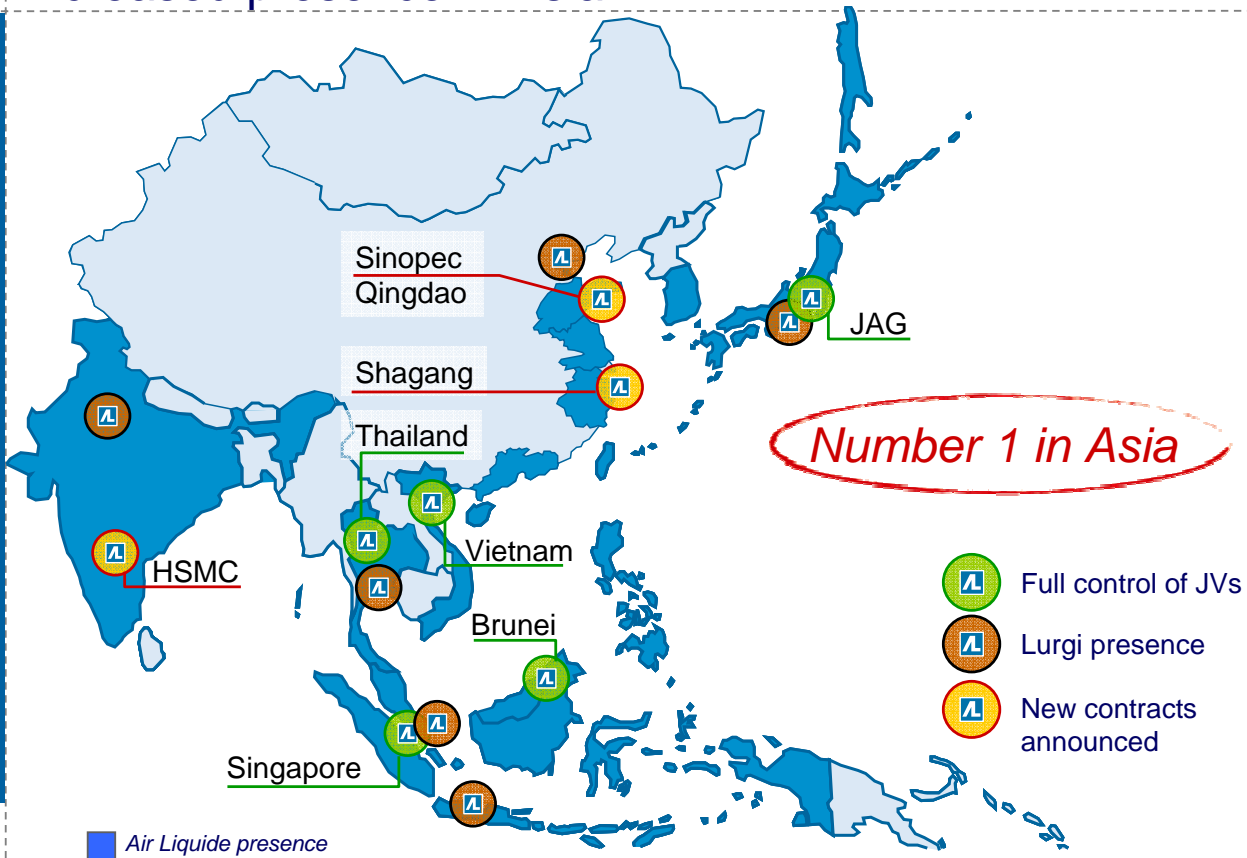


\* comparable basis

# Major strategic steps taken in Q1

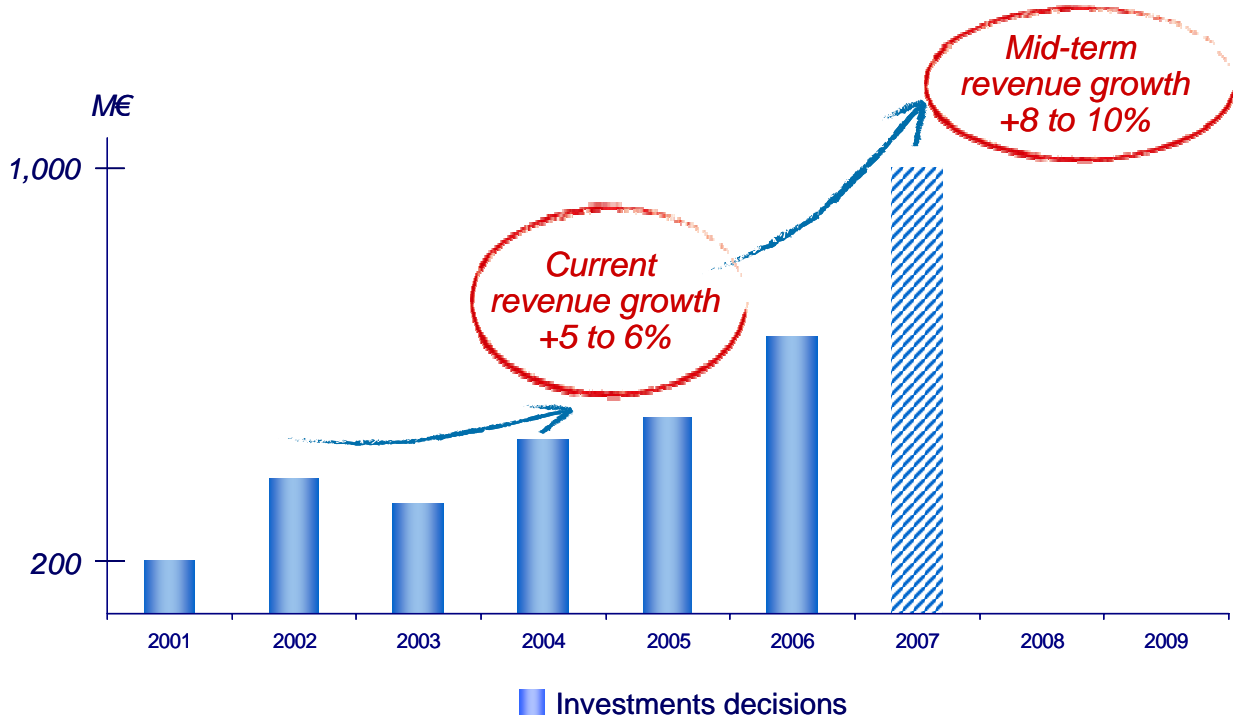


# Increased presence in Asia



# LI projects: accelerated investment decisions

- Investment decisions drive revenue growth 2 years later



# Outlook

- Q1 2007 revenue up +5.2% on a comparable basis
- Operating Income Recurring growing at a higher rate
- Same trends expected in Q2 2007
- In second half 2007:
  - ✓ Several Large Industries start-ups
  - ✓ Full consolidation at latest Q3 of new acquisitions

*We maintain our guidance for 2007 of  
“double digit growth in net profit”*

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# Appendices

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# Growth in all geographic zones

<i>revenue in M€</i>	Q1 06	Q2 06	Q3 06	Q4 06	Q1 07	Q1 07/06 as published	Q1 07/06 comparable
Asia-Pacific	417	433	434	432	<b>431</b>	<b>+3.6%</b>	<b>+11.9%</b>
Americas	680	632	640	616	<b>628</b>	<b>-7.7%</b>	<b>+3.2%</b>
Europe	1,305	1,267	1,249	1,350	<b>1,351</b>	<b>+3.5%</b>	<b>+4.1%</b>
Africa and Middle East	43	44	44	42	<b>42</b>	<b>-2.9%</b>	<b>+11.9%</b>
<b>Total Gas &amp; Services</b>	<b>2,445</b>	<b>2,376</b>	<b>2,367</b>	<b>2,440</b>	<b>2,452</b>	<b>+0.3%</b>	<b>+5.3%</b>
Related activities	328	334	299	360	<b>339</b>	<b>+3.1%</b>	<b>+4.5%</b>
<b>Total Group</b>	<b>2,773</b>	<b>2,710</b>	<b>2,666</b>	<b>2,800</b>	<b>2,791</b>	<b>+0.6%</b>	<b>+5.2%</b>

# Growth in all business lines

<i>revenue in M€</i>	Q1 06	Q2 06	Q3 06	Q4 06	Q1 07	Q1 07/06 as published	Q1 07/06 comparable
Industrial Merchant	1,092	1,086	1,078	1,109	<b>1,091</b>	<b>+0,0%</b>	<b>+4.3%</b>
Large Industries	774	698	716	733	<b>763</b>	<b>-1.5%</b>	<b>+5.5%</b>
Electronics	211	226	215	211	<b>214</b>	<b>+1.5%</b>	<b>+8.8%</b>
Healthcare	368	366	358	387	<b>384</b>	<b>+4.3%</b>	<b>+5.9%</b>
<b>Total Gas &amp; Services</b>	<b>2,445</b>	<b>2,376</b>	<b>2,367</b>	<b>2,440</b>	<b>2,452</b>	<b>+0.3%</b>	<b>+5.3%</b>
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# Major start-ups in Large Industries, Electronics and Industrial Merchant

	Main start-ups
Q1 2006	2
Q2 2006	5
Q3 2006	4
Q4 2006	6
Q1 2007	2
Expected rest of the year	12, <i>Of which 3 major:</i> <i>Shell Pernis (Netherlands)</i> <i>Severstal (Russia)</i> <i>Priolo (Italy)</i>

# Continued devaluation of USD and Yen

## Q1 2007

- Negative impact of natural gas and currency
- No perimeter impact

<i>In €M</i>	Q4 06	Q1 07
Natural gas impact	-75	-25
Currency impact	-76	-101
<b>Total</b>	<b>-151</b>	<b>-126</b>
Perimeter impact	0	0

# Currency impact

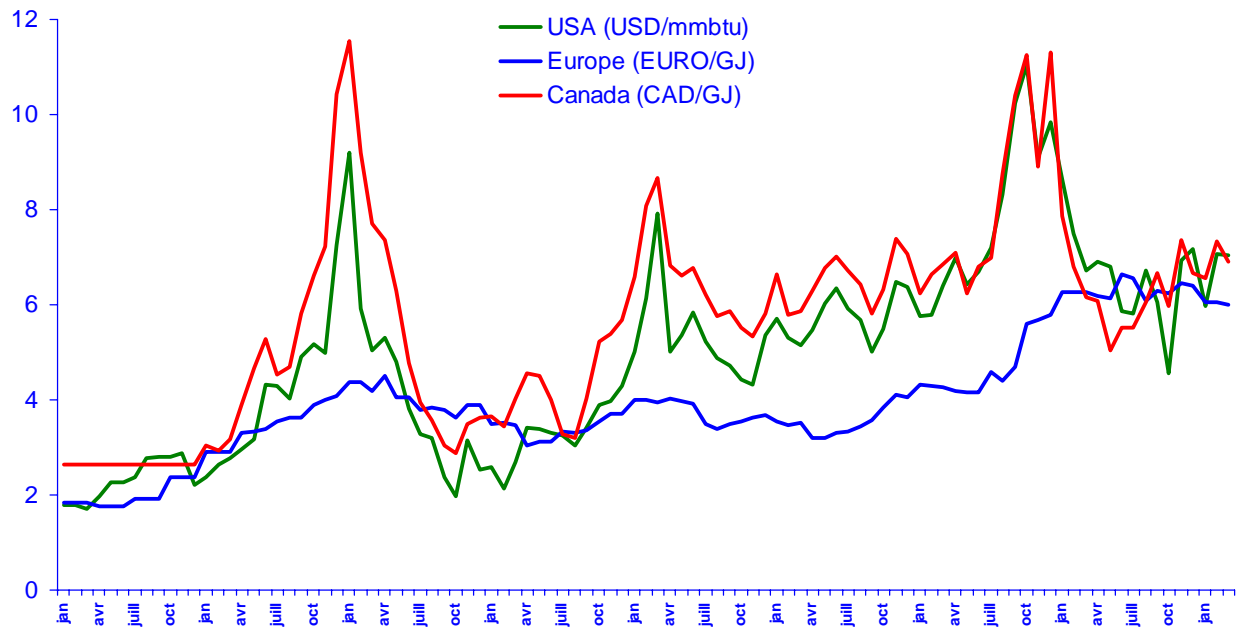
<i>In €M</i>	Q4 06	Q1 07
€/USD	-37	-41
€/CND	-5	-14
€/JP¥	-22	-27
Others	-12	-19
<b>Currency impact</b>	<b>-76</b>	<b>-101</b>

## Average exchange rates for the period

€/USD	1.29	1.31
€/CND	1.47	1.54
€/JP¥	151.8	156.5

# Natural gas prices impact

In €M	Q4 06	Q1 07
Natural gas impact	-75	-25





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