Full Year 2016 Results
Solid Performance in 2016 after Airgas Integration
Increase in Revenue, Net Profit and EPS

Paris, 15 February 2017
Agenda

1. 2016, a successful transformational year
2. Solid operational performance
3. Improved investment portfolio profile
4. 2017: delivering NEOS
2016, a Successful Transformational Year

Benoît Potier
Chairman & Chief Executive Officer
Major Steps Successfully Achieved

- US divestitures
- Rights issue
- € and US$ bonds issue
- Merger of operations

- Customer-centric transformation
- 2020 ambition
- New organization

- Focus on Gas & Services and GMT

- Divestiture of Other Activities
2016 Highlights

Group Sales

- 2013: €14.6bn
- 2014: €15.0bn
- 2015: €17.4bn
- 2016: €18.1bn

+14.6%

Cash Flow

Strong performance
20.4% of sales

Net Profit

- In line with guidance
+5.0%

Gearing

- Gearing back <100%
- 90%

NB: 2015 figures have been restated to account for IFRS 5, discontinued operations
Increased Dividend Proposal

Dividend\(^{(1)}\)  \(\text{in € per share over 20 years}\)

- 20 yrs CAGR: +9.5%
- Global pay-out ratio: 56%
- €2.6\(^{(2)}\)  \(+2.7\%\)

(1) Historical data adjusted for attribution of free shares and for a factor of 0.974 reflecting the value of the rights of the capital increase completed in October 2016
(2) Subject to approval at the combined Shareholders’ Meeting scheduled for 3 May 2017
Starting 2017 on a Solid Foundation

- 2015
  - IP stabilizing
  - Organization in place

- 2016
  - Sustainable scope
  - Ambitious growth objectives
  - More balanced investment portfolio
  - FX & Energy turning favorable

- 2017
  - New visual identity
Solid Operational Performance

Fabienne Lecorvaisier
Chief Financial Officer
# Sales Growth Above Market

<table>
<thead>
<tr>
<th>Sales in €m</th>
<th>FY 15</th>
<th>FY 16</th>
<th>FY 16/15 as published</th>
<th>FY 16/15 comparable (2)</th>
<th>Q4 16/15 comparable (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas &amp; Services</td>
<td>14,752</td>
<td>17,331</td>
<td>+17.5%</td>
<td>+2.7%</td>
<td>+1.7%</td>
</tr>
<tr>
<td>Engineering &amp; Construction</td>
<td>775</td>
<td>474</td>
<td>-38.8%</td>
<td>-38.0%</td>
<td>-34.5%</td>
</tr>
<tr>
<td>Global Markets &amp; Technologies</td>
<td>292</td>
<td>330</td>
<td>+13.2%</td>
<td>+13.6%</td>
<td>+20.0%</td>
</tr>
<tr>
<td><strong>Group Total</strong></td>
<td>15,819</td>
<td>18,135</td>
<td>+14.6%</td>
<td>+0.9%</td>
<td>+0.5%</td>
</tr>
</tbody>
</table>

(1) Industrial Production weighted average by Air Liquide industrial sales footprint.
(2) Estimated comparable growth: excluding Currency, Energy and Airgas impact.

NB: 2015 figures have been restated to account for IFRS 5, discontinued operations.
Stabilizing Economic Backdrop

**FX Impact* **
-1.4%  
FY 2016
+0.1%  
Q4 2016

**Energy Impact* **
-2.2%  
FY 2016
+0.4%  
Q4 2016

**Industrial Production**
Year on Year in % (3-month rolling average)

Source Coe-Rexecode as of January 2017

*On Group sales
Strong Growth Drivers in 2016

LARGE INDUSTRIES

AIRGAS INTEGRATION

GLOBAL MARKETS & TECHNOLOGIES

HEALTHCARE

DEVELOPING ECONOMIES

Sales Growth excluding Currency, Energy and Airgas impact. Comparable sales growth for Americas for Q4 16 and FY16 are estimated due to the merger of Airgas and Air Liquide US operations.
Q4 - Better Europe, Stable Americas

**Improved Q4**
- LI: good volumes in air gases, positive one-off
- IM: confirmed bulk volumes increase, positive Food, low Fabrication; growth in South West Europe
- HC: steady organic growth

**IM still weak but positive signals**
- LI: record volumes of air gases in US, several H₂ turnarounds
- IM: better bulk volumes in US
- EL: lower E&I sales
- HC: pursued development in South America

Comparable sales growth for Americas for Q4 16 and FY16 is estimated due to the merger of Airgas and Air Liquide US operations.
Q4 - Solid Fundamentals in Asia, Turnaround in MEA

Positive underlying activity
- Turnarounds in LI
- Flat EL: high 2015 basis in E&I and neon; China, Taiwan, Singapore >+9%
- Strong IM in China
- Australia back to slight growth

Yanbu turnaround in KSA
- Modest growth in South Africa
- Low IM except dynamic Egypt

Q4 - Solid LI, Slightly Better IM

**LARGE INDUSTRIES**
- €5,037m
- FY 2016

**INDUSTRIAL MERCHANT**
- €7,565m
- FY 2016

**G&S Comparable Sales Growth**
- FY 2015: +5%
- Q1: +9%
- Q2: +4%
- Q3: +5%
- Q4: +4%

**Positive signals in contrasted markets**
- Food up, Manufacturing stabilizing, Construction down
- Bulk volumes up in Europe and Asia
- Better pricing

**Turnarounds compensated by one-off**
- Strong air gases volumes
- Positive one-off in Europe
- Several significant turnarounds

(1) Comparable growth: excluding Currency, Energy and Airgas impact. Comments relate to Q4 2016. Comparable sales growth for Americas for Q4 16 and FY16 is estimated due to the merger of Airgas and Air Liquide US operations.
Q4 - Sound HC, Steady Underlying in EL

HEALTHCARE FY 2016
€3,111m

- Increased number of patients in Home Healthcare
- Low contribution from bolt-on M&A
- Strong Hygiene and Specialty Ingredients

ELECTRONICS FY 2016
€1,618m

- Lower E&I
- ESM(2) impacted by neon sales
- Solid Carrier Gases growth
- Dynamic Advanced Materials

(2) Electronics Specialty Materials
E&C Low, GMT Developing

Order Intake[^1]

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>266</td>
<td>73</td>
</tr>
<tr>
<td>Q2</td>
<td>255</td>
<td>53</td>
</tr>
<tr>
<td>Q3</td>
<td>172</td>
<td>119</td>
</tr>
<tr>
<td>Q4</td>
<td>243</td>
<td>144</td>
</tr>
</tbody>
</table>

Sales

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>E&amp;C</td>
<td>€775m</td>
<td>€474m</td>
</tr>
<tr>
<td>GMT</td>
<td>€292m</td>
<td>€330m</td>
</tr>
</tbody>
</table>

[^1]: Group and Third Party Orders.
### OIR Margin Reflecting New Mix with Airgas Consolidation

<table>
<thead>
<tr>
<th>In €m</th>
<th>2015</th>
<th>2016</th>
<th>FY 16/15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>15,819</td>
<td>18,135</td>
<td>+14.6%</td>
</tr>
<tr>
<td><strong>Purchases</strong></td>
<td>(5,890)</td>
<td>(6,693)</td>
<td>+13.6%</td>
</tr>
<tr>
<td><strong>Personnel expenses</strong></td>
<td>(2,929)</td>
<td>(3,659)</td>
<td></td>
</tr>
<tr>
<td><strong>Other net income and expenses</strong></td>
<td>(2,785)</td>
<td>(3,172)</td>
<td>+19.6%</td>
</tr>
<tr>
<td><strong>Operating profit before depreciation</strong></td>
<td>4,215</td>
<td>4,611</td>
<td>+9.4%</td>
</tr>
<tr>
<td><strong>Depreciation and amortization</strong></td>
<td>(1,359)</td>
<td>(1,587)</td>
<td>+16.8%</td>
</tr>
<tr>
<td><strong>Operating Income Recurring (OIR)</strong></td>
<td>2,856</td>
<td>3,024</td>
<td>+5.9%</td>
</tr>
<tr>
<td><strong>OIR margin</strong></td>
<td>18.1%</td>
<td>16.7%</td>
<td>-140bps</td>
</tr>
<tr>
<td>OIR margin excluding energy effect</td>
<td></td>
<td>16.4%</td>
<td>-170bps</td>
</tr>
</tbody>
</table>

**NB:** 2015 figures have been restated to account for IFRS 5, discontinued operations.
Level of Efficiencies Aligned with NEOS

Breakdown of Efficiencies

- Procurement
- Industrial
- Others

Industrial Merchant
Large Industries
Healthcare
Electronics
E&C, GMT, Corporate

NB: 2015 figures have been restated to account for IFRS 5, discontinued operations.

Full Year 2016 Results
15 February 2017
The world leader in gases, technologies and services for Industry and Health
First Airgas Synergies Delivered in 2016

Cost Synergies on track

$45m

- 18 site closures
- Logistics optimization
- Elimination of redundancies

- Sourcing
- Primary production
- Logistics optimization

- Business & administrative process review
- Procurement

- Leverage on IT
- Shared services
- Delisting
- Management
2017-2019: Synergies > US$300m Confirmed

Cost Synergies

Revenue Synergies

- Cross-selling
- Product availability
- Gas applications
- Small on-site generators

Timeline for delivery of synergies

<table>
<thead>
<tr>
<th>Year</th>
<th>Costs Synergies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>US$45m</td>
</tr>
<tr>
<td>2017</td>
<td>&gt;US$130m</td>
</tr>
<tr>
<td>2018</td>
<td>&gt;US$60m</td>
</tr>
<tr>
<td>2019</td>
<td>&gt;US$65m</td>
</tr>
</tbody>
</table>
## Net Profit Up +5.0%

<table>
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<th>2016</th>
<th>FY 16/15</th>
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<tr>
<td>Other non-recurring operating income &amp; expenses</td>
<td>(123)</td>
<td>36</td>
<td></td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>2,733</td>
<td>3,060</td>
<td>+12.0%</td>
</tr>
<tr>
<td>Net financial costs and other net financial expenses</td>
<td>(262)</td>
<td>(403)</td>
<td></td>
</tr>
<tr>
<td>Income taxes</td>
<td>(661)</td>
<td>(747)</td>
<td></td>
</tr>
<tr>
<td>Tax rate</td>
<td>26.8%</td>
<td>28.2%</td>
<td></td>
</tr>
<tr>
<td><strong>Share of profit of associates</strong></td>
<td>13</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Minority interests</td>
<td>(82)</td>
<td>(83)</td>
<td></td>
</tr>
<tr>
<td><strong>Profit from discontinued operations</strong></td>
<td>15</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td><strong>Net profit (Group share)</strong></td>
<td>1,756</td>
<td>1,844</td>
<td>+5.0%</td>
</tr>
<tr>
<td>Earnings per share (in €)</td>
<td>4.99</td>
<td>5.11</td>
<td>+2.4%</td>
</tr>
</tbody>
</table>

NB: 2015 figures have been restated to account for IFRS 5, discontinued operations.
Gearing at 90%

GEARING 90%

GEARING 57%

Net Debt 31 Dec 2015
Cash Flow
WCR + Others
Net investments excl. Airgas acquisition(1)
Airgas acquisition net of divestitures
Dividends
Rights Issue
Currency & Scope
Net Debt 31 Dec 2016

<7,239>
+3,523
+173
<11,580>
<1,019>
+3,365
<563>
<15,368>

(1) Including acquisitions, transactions with minority shareholders, net of divestitures, excluding Airgas acquisition.

15 February 2017 | Full Year 2016 Results | The world leader in gases, technologies and services for Industry and Health
Improved Investment Portfolio Profile

Fabienne Lecorvaisier
Chief Financial Officer
Improved Investment Portfolio Profile

Investment Opportunities\(^{(1)}\)
- 12 months portfolio
- €2.2bn

FY 2016 Investment Decisions\(^{(1)}\)
- €2.4bn
- €2.2bn

FY 2016 Start-up/Ramp-up Sales Growth Contribution
- ~€225m

- Smaller projects
- Lower risk
- Increased selectivity on projects
- Airgas ~€230m, including 9 acquisitions
- ASUs in Americas and Australia
- 3 IM and 4 EL units in Asia

\(^{(1)}\) See definitions in appendix.
Investment Backlog Adjusting for Start-ups

Investment Backlog\(^{(1)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Investment Backlog (€bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 2013</td>
<td>2.7</td>
</tr>
<tr>
<td>Dec 2014</td>
<td>2.8</td>
</tr>
<tr>
<td>Dec 2015</td>
<td>2.3</td>
</tr>
</tbody>
</table>

FY 2016

- Decisions: ~€0.8bn
- Start-ups: €2.1bn

Yearly Sales Backlog\(^{(1)}\) after full Ramp-ups: ~€0.8bn

(1) See definitions in appendix.
Focus on ROCE

- Short-term impact of Airgas acquisition
- Expected lower capex on sales
- Focus on delivering efficiencies and synergies

* Published ROCE vs. “pro forma” ROCE of 6.9%
2017: Delivering NEOS

Benoît Potier
Chairman & Chief Executive Officer
2016: Transition to NEOS

**GROWTH & CASH**
- +5.4% sales growth
- New long-term contracts with tier-1 customers

**CUSTOMER REACH & COMPETITIVENESS**
- >US$45m of synergies
- Airgas operations merged
- Leveraging on multi-channel customer reach

**EXPANSION**
- >+13% sales growth including Airgas
- Expanding geographies and portfolio of therapies

**PREMIUM VALUE**
- >+19% Advanced Materials
- Sales mix favorable to margins

**NEW BUSINESSES**
- >+13% sales growth
- Major contracts in Space

Comparable sales growth: excluding Currency, Energy and Airgas impact; except for HC including Airgas impact.
2017 Outlook

- Acquisition fully completed
- Solid operational performance
- Improved investment portfolio profile
- Transition to NEOS

2017

- Steady underlying activity
- Positive signals from customers
- Delivering expected efficiencies and synergies
- Focus on value creation

“Assuming a comparable environment, Air Liquide is confident in its ability to deliver net profit growth in 2017”
2017: Delivering NEOS

- Airgas synergies
- Efficiencies
- Customer reliability
- Focus on ROCE

- “LI Connect”
- i-Lab initiatives
- Connected cylinder
- e-Health

- Open innovation
- ALIAD
- Hydrogen Council
- Biogas
## Impact of Currency and Energy on G&S Revenue

**In €m**

<table>
<thead>
<tr>
<th>Currency</th>
<th>Q1 15</th>
<th>Q2 15</th>
<th>Q3 15</th>
<th>Q4 15</th>
<th>Q1 16</th>
<th>Q2 16</th>
<th>Q3 16</th>
<th>Q4 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>€/US$</td>
<td>+109</td>
<td>+129</td>
<td>+110</td>
<td>+91</td>
<td>+14</td>
<td>(14)</td>
<td>(3)</td>
<td>+10</td>
</tr>
<tr>
<td>€/CNY</td>
<td>+52</td>
<td>+76</td>
<td>+52</td>
<td>+36</td>
<td>+14</td>
<td>(28)</td>
<td>(23)</td>
<td>(20)</td>
</tr>
<tr>
<td>€/JP¥</td>
<td>+11</td>
<td>+9</td>
<td>+3</td>
<td>+17</td>
<td>+14</td>
<td>(98)</td>
<td>(89)</td>
<td>(32)</td>
</tr>
<tr>
<td>Others</td>
<td>+78</td>
<td>+76</td>
<td>+4</td>
<td>(22)</td>
<td>(89)</td>
<td>(89)</td>
<td>(89)</td>
<td>(89)</td>
</tr>
</tbody>
</table>

**Total currency impact**

|               | +250  | +290  | +169  | +122  | (71)  | (119) | (16)  | +3    |

**Average rate**

<table>
<thead>
<tr>
<th>Currency</th>
<th>Q1 15</th>
<th>Q2 15</th>
<th>Q3 15</th>
<th>Q4 15</th>
<th>Q1 16</th>
<th>Q2 16</th>
<th>Q3 16</th>
<th>Q4 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>€/US$</td>
<td>1.13</td>
<td>1.10</td>
<td>1.11</td>
<td>1.10</td>
<td>1.10</td>
<td>1.10</td>
<td>1.10</td>
<td>1.08</td>
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<tr>
<td>€/CNY</td>
<td>7.04</td>
<td>6.85</td>
<td>7.01</td>
<td>7.00</td>
<td>7.21</td>
<td>7.38</td>
<td>7.44</td>
<td>7.37</td>
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<tr>
<td>€/JP¥</td>
<td>134.6</td>
<td>134.0</td>
<td>135.9</td>
<td>132.9</td>
<td>127.0</td>
<td>121.9</td>
<td>114.3</td>
<td>117.8</td>
</tr>
</tbody>
</table>

**Natural Gas**

**Natural Gas Impact**

|           | (116) | (77)  | (55)  | (114) | (108) | (94)  | (82)  | +13   |

**Electricity**

**Electricity Impact**

|           | (8)   | (17)  | (16)  | (4)   | (36)  | (32)  | (18)  | +3    |
### Consolidated P&L

<table>
<thead>
<tr>
<th>In €m</th>
<th>2015</th>
<th>2016</th>
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<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>15,819</td>
<td>18,135</td>
</tr>
<tr>
<td>Cost of Goods</td>
<td>(11,604)</td>
<td>(13,524)</td>
</tr>
<tr>
<td><strong>Operating income recurring before depreciation</strong></td>
<td>4,215</td>
<td>4,611</td>
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<td>(1,359)</td>
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<td>6</td>
</tr>
<tr>
<td>Net income from discontinued operations</td>
<td>15</td>
<td>11</td>
</tr>
<tr>
<td><strong>Profit for the period</strong></td>
<td>1,838</td>
<td>1,927</td>
</tr>
<tr>
<td>-Minority interest</td>
<td>82</td>
<td>83</td>
</tr>
<tr>
<td>- <strong>Net profit (Group share)</strong></td>
<td>1,756</td>
<td>1,844</td>
</tr>
<tr>
<td>Basic earnings per share (in €)</td>
<td>4.99</td>
<td>5.11</td>
</tr>
</tbody>
</table>

(1) 2015 Net earnings per share restated for the impact of the preferential subscription rights allocated to Group shareholders as part of the capital increase
NB: 2015 figures have been restated to account for IFRS 5, discontinued operations.
Consolidated Balance Sheet - In €m

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>31/12/15</th>
<th>31/12/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>5,730</td>
<td>13,890</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>16,555</td>
<td>22,003</td>
</tr>
<tr>
<td>Other non-current assets*</td>
<td>936</td>
<td>960</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>23,221</td>
<td>36,853</td>
</tr>
<tr>
<td>Inventories &amp; work in-progress</td>
<td>981</td>
<td>1,323</td>
</tr>
<tr>
<td>Trade receivables &amp; other current assets</td>
<td>3,711</td>
<td>4,090</td>
</tr>
<tr>
<td>Cash and cash equivalents*</td>
<td>1,028</td>
<td>1,576</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>5,720</td>
<td>6,989</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>-</td>
<td>276</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>28,941</td>
<td>44,118</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>31/12/15</th>
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<tr>
<td>28,941</td>
<td>44,118</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EQUITY AND LIABILITIES</th>
<th>31/12/15</th>
<th>31/12/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders’ equity</td>
<td>12,406</td>
<td>16,742</td>
</tr>
<tr>
<td>Minority interests</td>
<td>365</td>
<td>383</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>12,771</td>
<td>17,125</td>
</tr>
<tr>
<td>Provisions &amp; deferred tax liabilities</td>
<td>3,435</td>
<td>4,971</td>
</tr>
<tr>
<td>Non-current borrowings</td>
<td>6,291</td>
<td>14,890</td>
</tr>
<tr>
<td>Other non-current liabilities*</td>
<td>475</td>
<td>504</td>
</tr>
<tr>
<td><strong>Total equity and non current liabilities</strong></td>
<td>22,972</td>
<td>37,490</td>
</tr>
<tr>
<td>Provisions</td>
<td>271</td>
<td>280</td>
</tr>
<tr>
<td>Trade payables &amp; other current liabilities</td>
<td>3,728</td>
<td>4,103</td>
</tr>
<tr>
<td>Current borrowings*</td>
<td>1,970</td>
<td>2,064</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>5,969</td>
<td>6,447</td>
</tr>
<tr>
<td>Liabilities held for sale</td>
<td>-</td>
<td>181</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>28,941</td>
<td>44,118</td>
</tr>
</tbody>
</table>

* Including fair value of derivatives.
## Cash Flow Statement

<table>
<thead>
<tr>
<th>In €m</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Funds provided by operations</strong></td>
<td>3,150</td>
<td>3,523</td>
</tr>
<tr>
<td>Changes in Working Capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other items</td>
<td>(258)</td>
<td>331</td>
</tr>
<tr>
<td>Other items</td>
<td>(60)</td>
<td>(158)</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td>2,832</td>
<td>3,696</td>
</tr>
<tr>
<td>Purchase of PPE* and intangible assets</td>
<td>(2,028)</td>
<td>(2,259)</td>
</tr>
<tr>
<td>Purchase of financial assets and the impact of changes in scope</td>
<td>(384)</td>
<td>(12,165)</td>
</tr>
<tr>
<td>Proceeds from sale of PPE*, intangible and financial assets</td>
<td>131</td>
<td>830</td>
</tr>
<tr>
<td><strong>Net cash in investing activities</strong></td>
<td>(2,281)</td>
<td>(13,594)</td>
</tr>
<tr>
<td>Distribution</td>
<td>(975)</td>
<td>(1,019)</td>
</tr>
<tr>
<td>Increase in capital stock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of treasury shares</td>
<td>86</td>
<td>3,361</td>
</tr>
<tr>
<td>Transactions with minority shareholders</td>
<td>(178)</td>
<td>4</td>
</tr>
<tr>
<td>Impact of Exchange rate changes and net indebtedness of newly consolidated companies &amp; others</td>
<td>(11)</td>
<td>14</td>
</tr>
<tr>
<td><strong>Change in net indebtedness</strong></td>
<td>(933)</td>
<td>(8,129)</td>
</tr>
</tbody>
</table>

* Property, plant and equipment.
Growth in Q4 G&S Revenue

Growth in Q4 G&S Revenue

Comparable sales growth for Americas for Q4 16 and FY16 is estimated due to the merger of Airgas and Air Liquide US operations.

Published growth

Q4 2016

Comparables growth

Energy

Currency

Significant perimeter

Q4 2015

3,768

+63

+15

+3

+1,081

4,930

+30.8%
## Revenue Analysis by Quarter and by Geography

<table>
<thead>
<tr>
<th>Sales in €m</th>
<th>Q4 15</th>
<th>Q1 16</th>
<th>Q2 16</th>
<th>Q3 16</th>
<th>Q4 16</th>
<th>Q4 16/15 comparable(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Europe</strong></td>
<td>1,713</td>
<td>1,614</td>
<td>1,611</td>
<td>1,601</td>
<td>1,767</td>
<td>+3.2% +4.2%</td>
</tr>
<tr>
<td><strong>Americas</strong></td>
<td>899</td>
<td>824</td>
<td>1,361</td>
<td>2,042</td>
<td>2,003</td>
<td>+122.9% -0.2%</td>
</tr>
<tr>
<td><strong>Asia-Pacific</strong></td>
<td>995</td>
<td>966</td>
<td>954</td>
<td>997</td>
<td>1,019</td>
<td>+2.4% +0.5%</td>
</tr>
<tr>
<td><strong>Middle-East and Africa</strong></td>
<td>161</td>
<td>144</td>
<td>144</td>
<td>143</td>
<td>141</td>
<td>-12.1% -7.6%</td>
</tr>
<tr>
<td><strong>Gas &amp; Services</strong></td>
<td>3,768</td>
<td>3,548</td>
<td>4,070</td>
<td>4,783</td>
<td>4,930</td>
<td>+30.8% +1.7%</td>
</tr>
<tr>
<td><strong>Engineering &amp; Construction</strong></td>
<td>173</td>
<td>124</td>
<td>130</td>
<td>105</td>
<td>115</td>
<td>-34.0% -34.5%</td>
</tr>
<tr>
<td><strong>Global Markets &amp; Technologies</strong></td>
<td>93</td>
<td>65</td>
<td>81</td>
<td>73</td>
<td>111</td>
<td>+19.5% +20.0%</td>
</tr>
<tr>
<td><strong>GROUP TOTAL</strong></td>
<td>4,034</td>
<td>3,737</td>
<td>4,281</td>
<td>4,961</td>
<td>5,156</td>
<td>+27.8% +0.5%</td>
</tr>
</tbody>
</table>


Comparable sales growth for Americas for Q4 16 and FY16 is estimated due to the merger of Airgas and Air Liquide US operations.

NB: 2015 figures have been restated to account for IFRS 5, discontinued operations.
Revenue Analysis by Quarter and by Business Line

<table>
<thead>
<tr>
<th>Sales in €m</th>
<th>Q4 15</th>
<th>Q1 16</th>
<th>Q2 16</th>
<th>Q3 16</th>
<th>Q4 16</th>
<th>Q4 16/15 comparable(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Industries</td>
<td>1,324</td>
<td>1,207</td>
<td>1,181</td>
<td>1,261</td>
<td>1,388</td>
<td>+4.8%</td>
</tr>
<tr>
<td>Industrial Merchant</td>
<td>1,314</td>
<td>1,238</td>
<td>1,726</td>
<td>2,308</td>
<td>2,293</td>
<td>+74.5%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>725</td>
<td>695</td>
<td>756</td>
<td>814</td>
<td>846</td>
<td>+16.7%</td>
</tr>
<tr>
<td>Electronics</td>
<td>405</td>
<td>408</td>
<td>407</td>
<td>400</td>
<td>403</td>
<td>-0.5%</td>
</tr>
<tr>
<td><strong>Gas &amp; Services</strong></td>
<td>3,768</td>
<td>3,548</td>
<td>4,070</td>
<td>4,783</td>
<td>4,930</td>
<td>+30.8%</td>
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</tr>
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<td><strong>Global Markets &amp; Technologies</strong></td>
<td>93</td>
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<td>73</td>
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<tr>
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<td>+27.8%</td>
</tr>
</tbody>
</table>


Comparable sales growth for Americas for Q4 16 and FY16 is estimated due to the merger of Airgas and Air Liquide US operations.

NB: 2015 figures have been restated to account for IFRS 5, discontinued operations.
G&S Revenue Growth by Quarter and by Impact

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Growth as published</th>
<th>Natural Gas</th>
<th>Electricity</th>
<th>Currency</th>
<th>Significant perimeter</th>
<th>Comparable growth (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2015</td>
<td>+ 6.2%</td>
<td>- 3.4%</td>
<td>- 0.2%</td>
<td>+ 7.3%</td>
<td>0.0%</td>
<td>+ 2.6%</td>
</tr>
<tr>
<td>Q2 2015</td>
<td>+ 9.3%</td>
<td>- 2.2%</td>
<td>- 0.5%</td>
<td>+ 8.5%</td>
<td>0.0%</td>
<td>+ 3.5%</td>
</tr>
<tr>
<td>Q3 2015</td>
<td>+ 7.4%</td>
<td>- 1.6%</td>
<td>- 0.4%</td>
<td>+ 4.9%</td>
<td>0.0%</td>
<td>+ 4.5%</td>
</tr>
<tr>
<td>Q4 2015</td>
<td>+ 4.9%</td>
<td>- 3.2%</td>
<td>- 0.1%</td>
<td>+ 3.4%</td>
<td>0.0%</td>
<td>+ 4.8%</td>
</tr>
<tr>
<td>Q1 2016</td>
<td>- 1.8%</td>
<td>- 3.0%</td>
<td>- 1.0%</td>
<td>- 2.0%</td>
<td>0.0%</td>
<td>+ 4.2%</td>
</tr>
<tr>
<td>Q2 2016</td>
<td>+ 10.3%</td>
<td>- 2.6%</td>
<td>- 0.9%</td>
<td>- 3.2%</td>
<td>+13.9%</td>
<td>+ 3.1%</td>
</tr>
<tr>
<td>Q3 2016</td>
<td>+ 29.9%</td>
<td>- 2.3%</td>
<td>- 0.5%</td>
<td>- 0.4%</td>
<td>+31.1%</td>
<td>+ 2.0%</td>
</tr>
</tbody>
</table>

Q4 2016  
+30.8%   +0.4%   +0.0%   +0.0%   +28.7%   +1.7%


Comparable sales growth for Americas for Q4 16 and FY16 is estimated due to the merger of Airgas and Air Liquide US operations.
FY 2016 G&S Revenue Breakdown by Region

- **EUROPE**: 38% of €17,331m
- **AMERICAS**: 36% of €6.2bn
- **ASIA-PACIFIC**: 23% of €3.9bn

**Full Year 2016 Results** 15 February 2017

The world leader in gases, technologies and services for Industry and Health
Europe
Q4 Gas & Services Sales: €1,767m

**INDUSTRIAL MERCHANT**
- Confirmed bulk volume increase
- Encouraging signs in cylinder business
- Food & Pharma up, Manufacturing low
- Dynamic Eastern Europe

**LARGE INDUSTRIES**
- Good volumes in air gases
- Positive one-off
- Robust growth in Eastern Europe

**HEALTHCARE**
- Steady organic growth
- Low contribution from bolt-on M&A
- Strong Hygiene

---

**Q4 16/15 Comparable change (€m): +4.2%**

- Sales: €6,593, comparable growth 2.0%
- OIR: €1,319, comparable growth -0.5%
- OIR/Sales: 20.0%, comparable growth +40bps

(1) Excluding significant scope, currency and energy impact.
(2) Excluding energy impact.
Americas
Q4 Gas & Services Sales: €2,003 m

INDUSTRIAL MERCHANT
• Still weak in North America
• Better bulk volumes in US
• Volumes low in Energy, Metal Fab and Construction, solid in Food & Pharma

LARGE INDUSTRIES
• Record volumes of air gases in US
• Several H₂ turnarounds
• Continued double-digit growth in South America

HEALTHCARE
• Dynamic South America
• Solid organic growth and contribution from an acquisition in Canada

ELECTRONICS
• Low E&I sales

Comparable sales growth for Americas for Q4 16 and FY16 is estimated due to the merger of Airgas and Air Liquide US operations.
(2) Excluding energy impact.
Asia-Pacific
Q4 Gas & Services Sales: €1,019m

**INDUSTRIAL MERCHANT**
- Back to slight growth
- Bulk & cylinder volume growth >+9% in China
- Flat Japan
- Positive pricing

**LARGE INDUSTRIES**
- Several maintenance turnarounds
- Ramp-up of a new unit in Australia

**ELECTRONICS**
- Flat growth
- Low E&I & ESM in NE Asia
- High neon price in Q4 2015 impacting ESM
- Carrier gases sales growth >+5%

---

Q4 16/15 Comparable change: **+0.5%**

<table>
<thead>
<tr>
<th>In €m</th>
<th>FY 2016</th>
<th>Published growth</th>
<th>Comparable growth(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>3,936</td>
<td>+2.2%</td>
<td>+4.2%</td>
</tr>
<tr>
<td>OIR</td>
<td>730</td>
<td>+4.0%</td>
<td></td>
</tr>
<tr>
<td>OIR/Sales</td>
<td>18.5%</td>
<td>-30bps</td>
<td>0bp(2)</td>
</tr>
</tbody>
</table>

---

(1) Excluding significant scope, currency and energy impact.
(2) Excluding energy impact.
Industrial Merchant Pricing

Europe
-0.7%  -0.7%

Americas
+2.6%  +2.5%

Asia-Pacific
+0.9%

Middle-East and Africa
+3.7%

TOTAL
+0.9%

+0.5%

Full Year 2016 Results
The world leader in gases, technologies and services for Industry and Health
# Operating Margin – Energy Effect

## Group, in €m

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>15,819</td>
<td>18,135</td>
</tr>
<tr>
<td>Incl. energy effect</td>
<td>-406</td>
<td>-356</td>
</tr>
<tr>
<td>Operating income recurring</td>
<td>2,856</td>
<td>3,024</td>
</tr>
<tr>
<td>Operating margin</td>
<td>18.1%</td>
<td>16.7%</td>
</tr>
<tr>
<td><strong>Operating margin excluding energy</strong></td>
<td></td>
<td>16.4%</td>
</tr>
</tbody>
</table>

## Gaz & Services, in €m

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>14,752</td>
<td>17,331</td>
</tr>
<tr>
<td>Incl. energy effect</td>
<td>-406</td>
<td>-356</td>
</tr>
<tr>
<td>Operating income recurring</td>
<td>2,960</td>
<td>3,239</td>
</tr>
<tr>
<td>Operating margin</td>
<td>20.1%</td>
<td>18.7%</td>
</tr>
<tr>
<td><strong>Operating margin excluding energy</strong></td>
<td></td>
<td>18.3%</td>
</tr>
</tbody>
</table>

OIR Margin Reflecting New Mix with Airgas Consolidation

NB: 2015 figures have been restated to account for IFRS 5, discontinued operations.
### Operating Margin (OIR/Revenue)

<table>
<thead>
<tr>
<th>Year</th>
<th>Group Gas &amp; Services</th>
<th>H1 15</th>
<th>H2 15</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td></td>
<td>17.7%</td>
<td>18.4%</td>
<td>18.1%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>19.4%</td>
<td>20.7%</td>
<td>20.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Group Gas &amp; Services</th>
<th>H1 16</th>
<th>H2 16</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td></td>
<td>17.0%</td>
<td>16.4%</td>
<td>16.7%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>19.1%</td>
<td>18.3%</td>
<td>18.7%</td>
</tr>
</tbody>
</table>

OIR Margin Reflecting New Mix with Airgas Consolidation

NB: 2015 figures have been restated to account for IFRS 5, discontinued operations.
Investment Cycle – Definitions

- **Investment opportunities at end of the period**
  - Investment opportunities under consideration by the Group for decision within 12 months.
  - Industrial projects with investment value > €5m for Large Industries and > €3m for other business lines.
  - Includes asset replacements or efficiency projects. Excludes maintenance and safety.

- **Investment backlog at end of the period**
  - Cumulated industrial investment value of projects decided but not yet started.
  - Industrial projects with value > €10m, including asset replacements or efficiency projects, excluding maintenance and safety.

- **Sales backlog**
  - Cumulated expected sales per year generated by the current investment backlog after full ramp-up.

- **Decisions of the period**
  - Cumulated value of industrial and financial investment decisions.
  - Industrial, growth and non-growth projects including asset replacements, efficiency, maintenance and safety.
  - Financial decisions (acquisitions).
Gas & Services Industrial Capex by Geography

G&S 2016 capex\(^{(1)}\) €2.1bn

<table>
<thead>
<tr>
<th>Region</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>8.1%</td>
<td>8.6%</td>
</tr>
<tr>
<td>Americas</td>
<td>20.3%</td>
<td>11.8%</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>12.3%</td>
<td>15.2%</td>
</tr>
<tr>
<td>Middle-East and Africa</td>
<td>23.1%</td>
<td>27.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12.8%</strong></td>
<td><strong>11.9%</strong></td>
</tr>
</tbody>
</table>

\(^{(1)}\) Gross industrial investments.
Financing Structure
As of 31 December 2016

Sources
- Market Debt: 90%
- Bank Debt: 9%
- Others: 1%
- Private placements: 11%
- Commercial paper: 4%

Maturity
- > 2021
- 2018 à 2021
- 2017

Fixed/variable rates (gross debt)
- Fixed rate: 84%
- Variable rate: 16%

(1) Others: Finance leases and put options granted to minority shareholders.
Regular and Sustained Performance

Revenue (in €m) +6.0% CAGR over 30 years

EPS(1) (in €) +7.2% CAGR over 30 years

Cashflow (in €m) +6.9% CAGR over 30 years

Dividend(1) (in € per share) +8.2% CAGR over 30 years

(1) Adjusted for the 2-for-1 share split in 2007, for attribution of free shares and for a factor of 0.974 reflecting the value of the rights of the capital increase completed in October 2016. (2) Calculated according to prevailing accounting rules over 30 years.
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L’Air Liquide S.A.

Corporation for the study and application of processes developed by Georges Claude au
capital de 2 138 509 373,00 euros

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