

Solid 2014 performance in a mixed environment

Another year of growth in revenues, operating margin and net profit

2014 Key figures

■ Group revenue: 15,358 million euros	+4.5%*
■ Operating margin up: 17.1%	+20 bps
■ Net profit (Group share): 1,665 million euros	+3.8%**
■ TSR (1 year) (total shareholder return)	+12.7%
■ Proposed 2014 dividend of 2.55 euros per share	+10.3%

2014 Highlights

- **New contracts in growing markets:** air gases in the major industrial basins of the US Gulf Coast and the Rhine-Ruhr region, in Brazil and in Australia; ultra-pure carrier gases for electronics in China
- **Further acquisitions in Home Healthcare:** SEPRODUM and ARAIR Assistance in France
- **Innovation and technology:** Supply of cryogenic equipment for the ITER project; new Engineering & Construction manufacturing center in the United Arab Emirates
- **New developments for sustainable mobility:** Extension of the hydrogen charging station network for fuel cell electric vehicles in the United States, in Europe, and in Japan; acquisition of FordonsGas in Sweden

*change 2014/2013 on a comparable basis: adjusted for currency, natural gas and significant scope (Anios) impacts

**adjusted for currency and the operating impact of the disposal of Anios

Commenting on the 2014 results, **Benoît Potier, Chairman and CEO of Air Liquide**, stated:

“In a mixed environment that was also marked by rapid changes in exchange rates and the oil price, the Group achieved a solid 2014 performance, in sales, operating margin and cash flow.

Revenue growth in 2014 was primarily driven by strong momentum in the Americas, Asia-Pacific and the developing economies, and by robust Electronics activity. In Europe, performance remains contrasted, albeit with a slight improvement in the fourth quarter. Overall, on a comparable basis, all of our Gas & Services and Engineering & Technology businesses reported growth in the fourth quarter, as well as for the year as a whole.

In 2014, the Group continued to improve its competitiveness, in particular through successful cost adjustments and substantial efficiency gains, which contributed to our increased operating margin.

The strength of the balance sheet, the investment backlog at € 2.8 billion, and the new contracts signed will contribute to growth in the next few years, as will the initiatives underway designed to accelerate innovation.

Assuming a comparable economic environment, Air Liquide is confident in its ability to deliver another year of net profit growth in 2015.”

2014 consolidated revenue reached **€ 15,358 million**, an increase of **+4.5%** over 2013 on a comparable basis. On a reported basis, the increase was +0.9 %, reflecting an unfavorable currency impact over the first three quarters of 2014. **Gas & Services** revenue, which reached **€ 13,867 million**, was up **+4.1%** on a comparable basis. This

performance reflects the combined impact of organic business growth throughout the year and the contribution of start-ups, of new production unit ramp-ups, and of acquisitions.

On a comparable basis, **all Gas & Services business lines saw revenue growth in 2014:**

- **Large Industries**, up **+3.6%**, benefited from sustained demand for air gases and hydrogen in Asia, particularly in China, from higher sales of air gases in the United States and in Latin America and from higher volumes of hydrogen for the Northern Europe refining sector.
- The good performance of **Industrial Merchant**, which was up **+3.0%**, is reflected in particular in high volumes in all product segments in China and by solid sales in North America, particularly in Canada. In Europe, where the situation is contrasted between the West and the East, a slight improvement was observed in the fourth quarter. Sales growth was robust in all developing economies (**+9.0%**).
- In **Healthcare**, up **+3.7%**, revenue grew in all geographic zones, posting double-digit growth in South America and in the developing economies of Asia. Growth was once again driven by sustained demand for home healthcare (**+5.5%**), despite significant tariff pressure in Europe, and by strong hygiene sales (**+6.1%**).
- **Electronics** showed robust growth of **+12.0%**. This performance was driven by higher carrier gases sales, especially in China and in the United States, as well as specialty gas and advanced precursor (the ALOHA™ range) activity in the United States, in Japan and in Taiwan. The American company Voltaix, acquired in 2013, also contributed to the performance of this business line in 2014.

Engineering & Technology revenue rose **+15.6%**, on a comparable basis, reflecting third-party customer project progress, while the order intake (**€ 1.4 billion**) is at a good level.

The **Group's operating margin** rose to **17.1%**, up +20 basis points, boosted by **efficiency gains of € 321 million**, well in excess of the annual target. This improvement was even more pronounced for **Gas & Services** (+40 basis points). **Net profit (Group share)** is **€ 1,665 million**, up **+3.8 %** when adjusted for the currency and significant scope impacts and of **+1.5%** as reported. The effective tax rate rose from 26.6% in 2013 to 28.3% in 2014.

The Group's cash flow model once again demonstrated its solidity, with **net debt** at **€ 6,306 million**, virtually unchanged excluding the currency impact, and a slightly improved **debt to equity ratio** of **53%**. The **return on capital employed** after tax is **11.1%** excluding currency impact (**10.8%** as reported) and will improve with the ramp-up of growth projects currently under development.

Air Liquide's **Board of Directors**, which met on February 16, 2015, approved the audited financial statements for fiscal year 2014. The Group's Statutory Auditors are in the process of issuing an unqualified opinion on the financial statements.

At the next Annual General Meeting of Shareholders, the Board of Directors will propose the payment of a dividend of **2.55 euros per share**, an increase of **+10.3%**, taking into account the attribution in 2014 of 1 free share for 10 existing. The ex-dividend date has been set for **May 18, 2015** and the payment date for **May 20, 2015**.

The Board also approved the draft resolutions that will be submitted to the Annual General Meeting on May 6, 2015, in particular calling for the renewal for a period of four years of the term of office of Mrs. Siân Herbert-Jones, a member of the Company's Board of Directors since 2011, as well as the appointment, for a four-year term, of Mrs. Geneviève Berger.

The Board of Directors duly noted that the terms of office of board members Mr. Gérard de la Martinière and Mr. Cornelis Van Lede will expire at the close of the next Annual General Meeting and thanked them sincerely for their significant contribution to the work of the Board and the Board's committees.

Following the Annual General Meeting, the Board of Directors would consist of 12 members including, since last year, a board member who is an employee of the Company, appointed by the Works Council for France on June 18, 2014. Nine of the eleven members elected by the Annual General Meeting would be independent as defined in the internal regulations. The Board would include five women and six members whose nationality is other than French.

In addition, the Board set executive compensation for 2014 and 2015, details of which will be published on the Air Liquide corporate website. The components of executive compensation for 2014 will be submitted to the shareholders for their opinion, as was the case last year, under two specific "Say on Pay" resolutions.

Lastly, concerning the double-voting rights introduced by the French Law of March 29, 2014, known as the "Florange law", the Board of Directors has decided to propose an amendment to the Company's articles of association at the shareholders meeting to return to the principle of "one share, one voice", in practice for the last twenty years at Air Liquide. This principle of shareholder equality is consistent with the logic of preserving interests of shareholders, whose loyalty has been rewarded in the form of bonus dividends.

Benoît Potier also comments on the Group's 2014 results in a [video interview](#) available in French and in English at www.airliquide.com.

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UPCOMING EVENTS

2015 1st quarter revenue

Friday, April 24, 2015

Annual General Meeting

Wednesday, May 6, 2015

2015 First half results

Thursday, July 30, 2015

World leader in gases, technologies and services for Industry and Health, Air Liquide is present in 80 countries with more than 50,000 employees and serves more than 2 million customers and patients. Oxygen, nitrogen and hydrogen have been at the core of the company's activities since its creation in 1902. Air Liquide's ambition is to be the leader in its industry, delivering long-term performance and acting responsibly.

Air Liquide ideas create value over the long term. At the core of the company's development are the commitment and constant inventiveness of its people.

Air Liquide anticipates the challenges of its markets, invests locally and globally, and delivers high-quality solutions to its customers and patients, and the scientific community.

The company relies on competitiveness in its operations, targeted investments in growing markets and innovation to deliver profitable growth over the long-term.

Air Liquide's revenues amounted to € 15.4 billion in 2014, and its solutions that protect life and the environment represented around 40% of sales. Air Liquide is listed on the Paris Euronext stock exchange (compartment A) and is a member of the CAC 40 and Dow Jones Euro Stoxx 50 indexes.