



2014 third quarter revenue

- Continued growth in a more contrasted environment
- Focusing on key markets while continuously adapting to new dynamics
- Investing for the future

Q3 revenue growth reached +4.3% on a comparable basis. The combined currency, natural gas and consolidation scope impact remained negative resulting in published sales growth of +1%.

Gas and Services comparable growth was +3.6% in a more contrasted environment. While Industrial Production is slowing down in Western Europe, growth remained solid in the Americas and Asia, and Electronics sales were at a high level, resulting in growth in excess of worldwide industrial production of +2.8% (weighted by Air Liquide Industrial Merchant footprint). Gas and Services for Industry sales in Developing economies were up +15% in the quarter, bringing its share to over 30%. Healthcare benefitted from ongoing growth in demand, particularly in Home Healthcare; somewhat offset by ongoing pressure on tariffs.

Operating margins are under control thanks to ongoing efficiency, the results of the progressive execution of the realignment programs and a reduced gap between cost inflation and pricing. Operating cashflow was solid, up +6.5% excluding currency impact, after financing of the realignment programs. Capital expenditure was in line with the guidance of 2 billion euros for the full year. The balance sheet remains solid.

Investment decisions at 589 million euros for the quarter were slightly higher than in the past quarters but continue to reflect a selective approach to investment.

Revenue (in millions of euros)	Q3 2013	Q3 2014	Q3 2014/2013 change	Q3 2014/2013 Comparable*	YTD 2014/2013 Comparable*
Gas and Services	3,444	3,446	+0.1%	+3.6%	+4.3%
Engineering and Technology	184	213	+15.6 %	+18.0%	+15.1%
Other activities	137	142	+3.8%	+3.5%	-0.8%
TOTAL REVENUE	3,765	3,801	+1.0%	+4.3 %	+4.7%

* comparable growth excluding natural gas, currency and significant M&A impacts. Natural gas is an essential raw material for the production of hydrogen and the operation of cogeneration units. All Large Industries hydrogen and cogeneration contracts have clauses indexing sales to the price of natural gas. Hence, when the natural gas price varies, the price of hydrogen or steam for the customer is automatically adjusted proportionally, according to the indexation.

Revenue analysis

Unless otherwise stated, all the changes in revenue described below are based on comparable data, excluding currency, natural gas and M&A impacts.

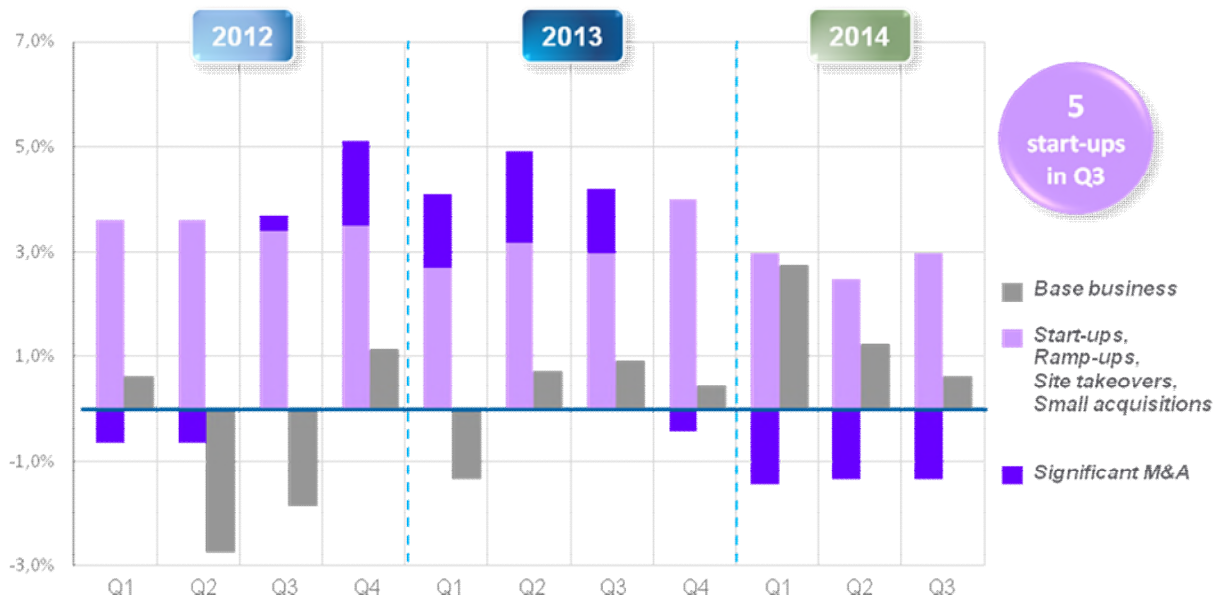
Group

Group revenue was **3,801 million euros** in Q3 2014, up +1.0% as published. Adjusted for a currency impact of -1.1%, the effect of declining natural gas prices for -1.1%, and the sale of Anios in Q4 2013 -1.2%, Group revenue was up **+4.3%** on a comparable basis.

Gas and Services

In Q3 2014, **Gas and Services** revenue **totaled 3,446 million euros**, up +0.1% as published. The translation impact of currencies against the euro has subsided significantly with the recent euro weakness to only -1.1%. Conversely, natural gas pass-through has fallen more this quarter, with an impact of -1.2%. The adjustment for the disposal of Anios amounted to -1.3%. On a comparable basis, Gas and Services sales rose +3.6% compared to the same period in 2013, in line with Q2. Sustained contribution of start-ups since the beginning of the year and bolt-on acquisitions of +3.0%, compensated for lower base business growth of +0.6%, impacted by low electricity prices and a soft summer for Western European industry.

Gas and Services quarterly growth analysis



Revenue (In millions of euros)	Q3 2013	Q3 2014	Q3 2014/2013 change	Q3 2014/2013 Comparable*
Europe	1,745	1,601	-8.3%	-2.4%
Americas	813	864	+6.3%	+7.3%
Asia-Pacific	796	890	+11.7%	+12.5%
Middle East and Africa	90	91	+2.0%	+6.6%
Gas and Services	3,444	3,446	+0.1%	+3.6%
Large Industries	1,218	1,217	-0.1%	+3.6%
Industrial Merchant	1,274	1,276	+0.2%	+1.8%
Healthcare	667	638	-4.3%	+3.5%
Electronics	285	315	+10.6%	+11.7%

* comparable growth excluding natural gas, currency and significant M&A impacts

Europe

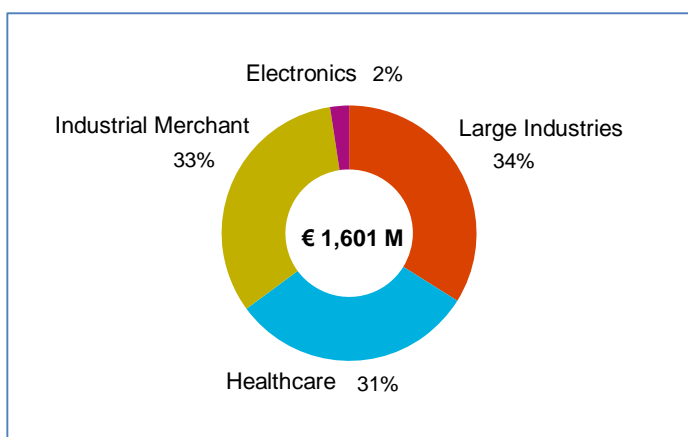
Q3 2014 European revenue totaled **1,601 million euros**, down **-2.4%** on a comparable basis. While Healthcare remained positive during the period, Industrial Merchant and Large Industries business lines saw a decline in activity, impacted by weak summer demand in Western Europe. While UK and Spain are better, most other countries in Western Europe were down slightly. The conflict in Ukraine has temporarily interrupted production in that country, but activity in Russia is still solid.

Europe Gas and Services revenue

- **Large Industries** was down **-5.2%** impacted by the disposal of some cogen activities in Spain and France and declining electricity prices, particularly in Italy. Hydrogen demand for the refining sector remained strong throughout the period, while oxygen volumes were slightly down. Ramp-up of a unit in Turkey compensated for the temporary interruption of a unit in Ukraine.

- **Industrial Merchant** sales were down **-2.2%**. While pricing has stable due to much lower cost inflation, and falling energy prices, demand was weak in Germany and Eastern Europe, but was up in Spain for the first time since 2010. Focus on growing segments continues with for example very strong growth in sales to the offshore oil industry and in rare gases.

- **Healthcare** grew **+1.0%**. Home Healthcare was up +1.7% thanks to continued growth in the number of Home Healthcare patients and some contract renewals, particularly in France and Spain. Medical gas volume growth has been affected by lower hospital demand. Tariff pressure has stabilized in France and softened in Spain. Hygiene activity continues to grow strongly at +5.1% while Specialty Ingredients have been affected by weakness in the cosmetics markets in Europe.

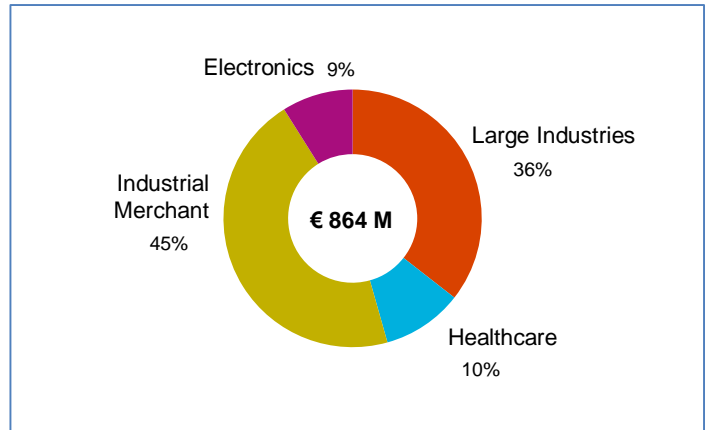


Americas

Gas and Services Q3 revenue in the Americas totaled **864 million euros**, up **+7.3%**. This performance reflects solid demand in all business segments in North America, despite some hydrogen and cogeneration plant turnarounds in the US, as well as continued growth in South America, particularly in Healthcare and in Argentina.

Americas Gas and Services Revenue

- **Large Industries** reported **+2.7%** growth, slightly below recent trends due to some temporary turnarounds on the US Gulf Coast. However, demand from the petro-chemicals sector in the region remained strong. Demand in South America was sustained in all countries.
- **Industrial Merchant** growth remained solid at **+5.8%**. Volume growth was good in both the North, boosted in particular by oil well services in Canada, and the South, with a ramp-up in Mexico and strong demand in Argentina. Brazil was quasi flat. Pricing remained strong at **+5.1%** in the region.
- **Healthcare** revenue grew **+12.8%**, driven by high double digit growth in Home Healthcare in Latin America, and in particular in Brazil.
- **Electronics** revenue increased by **+32.2%**, benefitting from the effect of the acquisition of Voltaix, but also from strong momentum in specialty gases and advanced materials sales, as well as strong equipment sales and higher fab loadings as the sector approaches the top of the cycle.

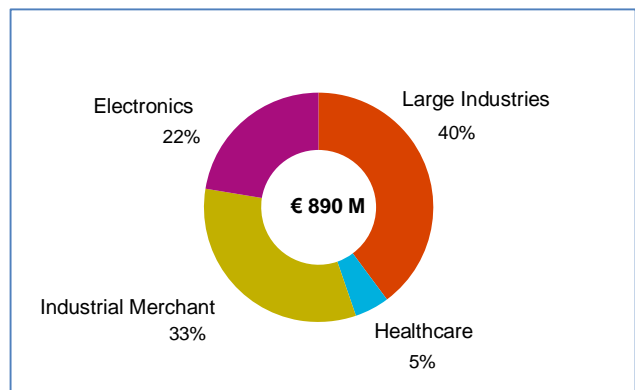


Asia-Pacific

Asia-Pacific revenue was up **+12.5%**, at **890 million euros**. Growth in demand and Large Industries and ramp-ups in China are contributing strongly. The high level of the Electronics cycle is confirmed and the trend remains positive in Japan. Healthcare is growing rapidly, from a low base across the region.

Asia-Pacific Gas and Services Revenue

- A **+23.7%** increase in **Large Industries** sales reflects the impact of ramp-ups in China and solid demand in the rest of the region.
- **Industrial Merchant** revenue was up by **+3.5%** over the quarter. Activity in Japan was stable with both cylinder and bulk growth offset by a decline in Equipment sales. More generally in the region, demand remained strong, particularly in China, except in Australia. Pricing was slightly down.
- The recovery in **Electronics** continued in the quarter, with revenue growth of **+9.0%**. This dynamism is supported by the ramp-up of new carrier gas contracts in China, strong advanced materials sales and further Equipment and Installation sales in Japan, Singapore and Taiwan. ESG sales remain solid throughout the region.
- **Healthcare** revenue grew by **+14.2%**, boosted by strong development in Home Healthcare in Japan, Hong Kong and Australia and by an acquisition. Growth in medical gases was also sustained in Singapore and Japan.



Middle-East and Africa

Middle East and Africa revenue amounted to **91 million euros**, up **+6.6%**, showing a better trend than in the first half. Demand improved in Egypt and Saudi Arabia. In South Africa, sales were boosted by the Argon shortage being resolved and the ramp-up of the new air separation unit for the metals sector. The Yanbu hydrogen units and the customer plant are initiating commissioning for start-up in the first half of 2015.

Engineering and Technologies

Engineering and Technologies revenue reached **213 million euros**, up **+18.0%** compared to the Q3 2013 bringing the year to date increase to +15.1% reflecting solid sales recognition.

Q3 order intake was 354 million euros resulting in a year to date total of 895 million euros, below the 1,238 million euros for the same period last year, reflecting a more selective approach to both investment decisions and third-party contracts.

Other activities

Revenue (in millions of euros)	Q3 2013	Q3 2014	Q3 2014/2013 change	Q3 2014/2013 change excluding currency
Welding	94	96	+1.9%	+1.6%
Diving	43	47	+7.7%	+7.4%
TOTAL	137	142	+3.8%	+3.5%

Q3 revenue for **Other activities** increased by **+3.5%** to reach **142 million euros**.

The **Welding** activity has turned positive for the first time in many years. While activity in Western Europe remains weak, exports to China have been strong. Diving (Acqualung) has maintained its high single digit rate of growth in Q3 reflecting new product development and a bolt-on acquisition.

2014 Q3 Highlights

Industrial developments

New contracts were signed in **Large Industries** in both developing and advanced economies in the Q3 2014.

- At the end of July 2014, Air Liquide announced a €90 million (US\$ 120 million) investment to supply Natgasoline LLC (a wholly-owned subsidiary of OCI N.V.) with 2,400 tonnes of oxygen per day for its new world-scale methanol plant in Beaumont, Texas under a new long-term agreement. Air Liquide also signed with this customer a contract, via its Engineering and Construction division, for the supply of the Lurgi MegaMethanol[®] process technology.
- In the south of Brazil, Air Liquide will be investing €40 million to build a new Air Separation Unit that will supply more than 160 tonnes of oxygen per day to Klabin, Brazil's biggest pulp and paper manufacturer. The unit will also allow Air Liquide to provide oxygen, nitrogen and argon to customers in the industrial and healthcare sectors, and expand its presence in the region.

In **Electronics**, Air Liquide signed a major contract with BOE Technology Group to supply its new G8.5 Flat Panel Display Device and System Project located in Chongqing, China. BOE has become the largest supplier of flat panel display technologies, products and solutions in mainland China and one of the world leaders. Air Liquide will invest €30 million in a high efficiency on-site gas supply system that will produce 30,000 Nm³/h of ultra-high purity nitrogen and associated bulk gas infrastructure. With this contract, Air Liquide will supply the majority of BOE's fabs in China with a total of 100,000 Nm³/h of nitrogen for sites in Beijing, Chengdu, Hefei, Ordos and Chongqing.

New investment in the Research field

In Q3 2014, Air Liquide started the construction of its 12,000 square-meter **Shanghai Research & Technology Center** (SRTC). This center, which will be operational at the end of 2015, represents a €25 million investment and will cover several different research & development areas, such as energy efficiency, technologies designed to reduce industrial emissions of CO₂, water treatment, and processes for preserving and freezing food. It will ultimately house 200 highly skilled employees.

Hydrogen mobility

Several key developments have occurred during Q3 regarding the commercial development of **Fuel Cell Electric Vehicles**:

- The participation of Air Liquide, as the exclusive partner for hydrogen solutions, in the “2014 Innovation March”, a two-month long roadshow in China sponsored by SAIC Motor Corp. featuring new energy vehicles.
- The installation of a hydrogen filling station in Saint-Lô, France. This unit will refill the Fuel Cell Electric Vehicles to be added to the fleet operated by the region's local authority by the end of 2014. This is the first step in the process of rolling out an infrastructure for hydrogen distribution in France.
- The construction of two hydrogen filling stations for public use, in Nagoya and Fukada, Japan. These stations are being built by the new joint venture company established between Toyota Tsusho Corporation and Air Liquide Japan.
- The first hydrogen filling station for the general public in the Netherlands was inaugurated in September. It has the capacity to refill fifty cars per day and is part of “HIT”, a European hydrogen infrastructure deployment project.

2014 Q3 Investment cycle

Investment opportunities

Investment opportunities remained stable at 3.4 billion euros at the end of the quarter, with new projects, mostly on the US Gulf Coast, compensating those that have been awarded or cancelled.

As a result the opportunities are more evenly balanced, with developing regions accounting for 64%, and Asia and Americas accounting for one third each and Chemicals and Energy projects contributing for more than 70% of the total.

Investment decisions and backlog

Investment decisions amounted to 589 million euros in Q3, including one large over-the-fence oxygen contract for an energy project in China, as well as some pipeline extension in Northern Europe. This brings the year to date total to 1.3 billion euros, reflecting a more selective approach to investments.

There were a further five start-ups in Q3 bringing the total to 16 since the beginning of the year, of which six in Asia, four in Europe and 3 each in Americas and Middle-East Africa.

In terms of investment amounts since the beginning of the year, decisions were just higher than start-ups, thus the backlog is up in 2014 to 2.8 billion euros at the end of September. This investment backlog will generate approximately 1.3 billion euros of fully ramped-up sales.

Operating performance

Group **efficiency gains** reached 81 million euros in Q3, cumulating to **233 million euros** for the first nine months of the year, well ahead of the annual target of 250 million euros. Efficiency includes the contribution from the European and Japanese realignment plans which are now implemented. The Group continues to adapt to its operating environment.

The combination of ongoing tight cost management and the launch of several pricing initiatives in a low inflation environment is also helping to preserve the Group's operating performance.

Cash from operations has risen by +6.5% excluding the currency impact to 678 million euros, after the financing of the realignment plans. Net industrial capital expenditures were 554 million euros over the same period. As a result, for the first nine months of the year net industrial capex is at 1.3 billion euros, in line with the guidance of 2 billion euros for the full year. The Group's financial structure remains solid.

Outlook

In a more contrasted economic environment, the 3rd quarter was marked by good momentum in the Americas and Asia-Pacific, by vigorous revenue growth in developing economies of more than +15% on a comparable basis, and by another slowdown in Western European manufacturing. Overall, the Group grew faster than its market, assessed on the basis of the weighted industrial production index.

The Group's operating performance remains solid. Ahead of its annual efficiency objective, the Group continues to adapt to market conditions to strengthen its competitiveness. At the same time, it continues to invest and take growth initiatives, particularly in promising markets and in developing economies. Accordingly, the proportion of Gas & Services revenue for industry that is generated in developing economies today exceeds 30%.

In this context and barring a degradation of the environment, Air Liquide is confident in its ability to deliver another year of net profit growth in 2014.

Appendices

Currency, natural gas and significant M&A impacts

In addition to the comparison of published figures, financial information is given excluding currency, the impact of natural gas price fluctuations and significant M&A effect.

Since industrial and medical gases are rarely exported, the impact of currency fluctuations on activity levels and results is limited to euro translation impacts with respect to the financial statements of subsidiaries located outside the Euro-zone. Fluctuations in natural gas prices are generally passed on to our customers through indexed pricing clauses.

Consolidated 2014 Q3 revenue includes the following:

<i>In millions of euros</i>	Q3 2014 Revenue	Q3 2014/2013 change	Currency	Natural gas	Significant M&A	Q3 2014/2013 change comparable ^(a)
Group	3,801	+1.0%	(42)	(40)	(44)	+4.3%
Gas & Services	3,446	+0.1%	(38)	(40)	(44)	+3.6%

(a) excluding currency, natural gas and significant M&A impacts.

For the Group,

- The currency impact was -1.1%.
- The impact of lower natural gas prices was -1.1%.
- The significant M&A impact was -1.2%.

For Gas and Services,

- The currency impact was -1.1%.
- The impact of lower natural gas prices was -1.2%.
- The significant M&A impact was -1.3%.

YTD 2014 revenue

Consolidated year-to-date 2014 revenue includes the following:

<i>In millions of euros</i>	YTD 2014 Revenue	YTD 2014/2013 change	Currency	Natural gas	Significant M&A	YTD 2014/2013 Change comparable ^(a)
Group	11,307	-0.2%	(366)	(45)	(137)	+4.7%
Gas & Services	10,253	-0.7%	(341)	(45)	(137)	+4.3%

(a) excluding currency, natural gas and significant M&A impacts.

Revenue per business line

<i>In millions of euros</i>	YTD 2013	YTD 2014	YTD 2014/2013 Change	
			published	comparable ^(a)
Gas & Services	10,329	10,253	-0.7%	+4.3%
Large Industries	3,680	3,710	+0.8%	+4.4%
Industrial Merchant	3,812	3,755	-1.5%	+3.0%
Healthcare	2,010	1,901	-5.4%	+3.8%
Electronics	827	886	+7.1%	+11.7%
Engineering & Technologies	556	618	+11.2%	+15.1%
Other activities	442	436	-1.4%	-0.8%
Welding	301	289	-4.3%	-4.3%
Diving	141	147	+4.9%	+6.7%
Group revenue	11,327	11,307	-0.2%	+4.7%

(a) comparable growth excl. currency, natural gas and significant M&A

G&S revenue by geography

<i>In millions of euros</i>	YTD 2013	YTD 2014	YTD 2014/2013 change	
			published	comparable ^(a)
Europe	5,291	4,947	-6.5%	-1.5%
Americas	2,404	2,512	+4.5%	+9.1%
Asia-Pacific	2,358	2,526	+7.1%	+12.4%
Middle-East and Africa	276	268	-3.0%	+4.9%
Gas & Services revenue	10,329	10,253	-0.7%	+4.3%

(a) comparable growth excl. currency, natural gas and significant M&A