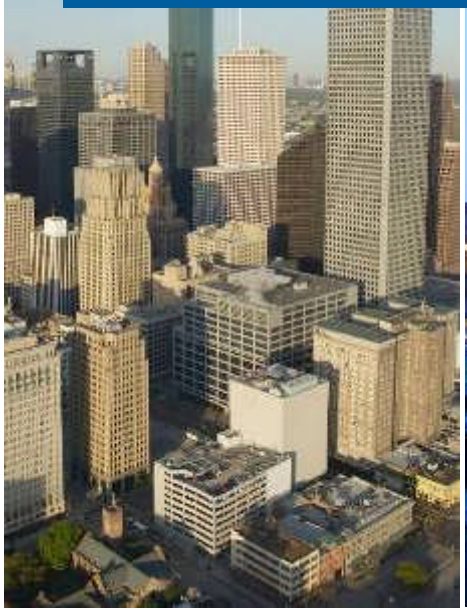
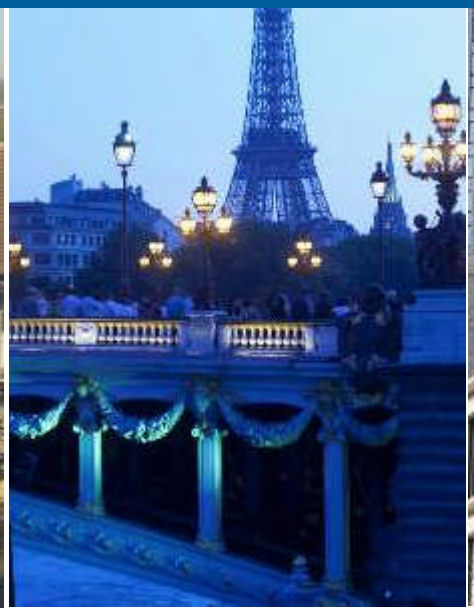
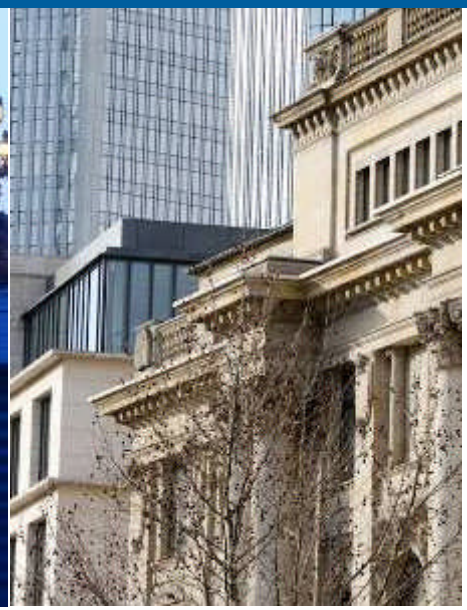
2012 Results

Paris, February 14, 2013 |

Benoît Potier | Chairman and Chief Executive Officer
Fabienne Lecorvaisier | Chief Financial Officer

2012 Results

Paris, February 14, 2013

2012

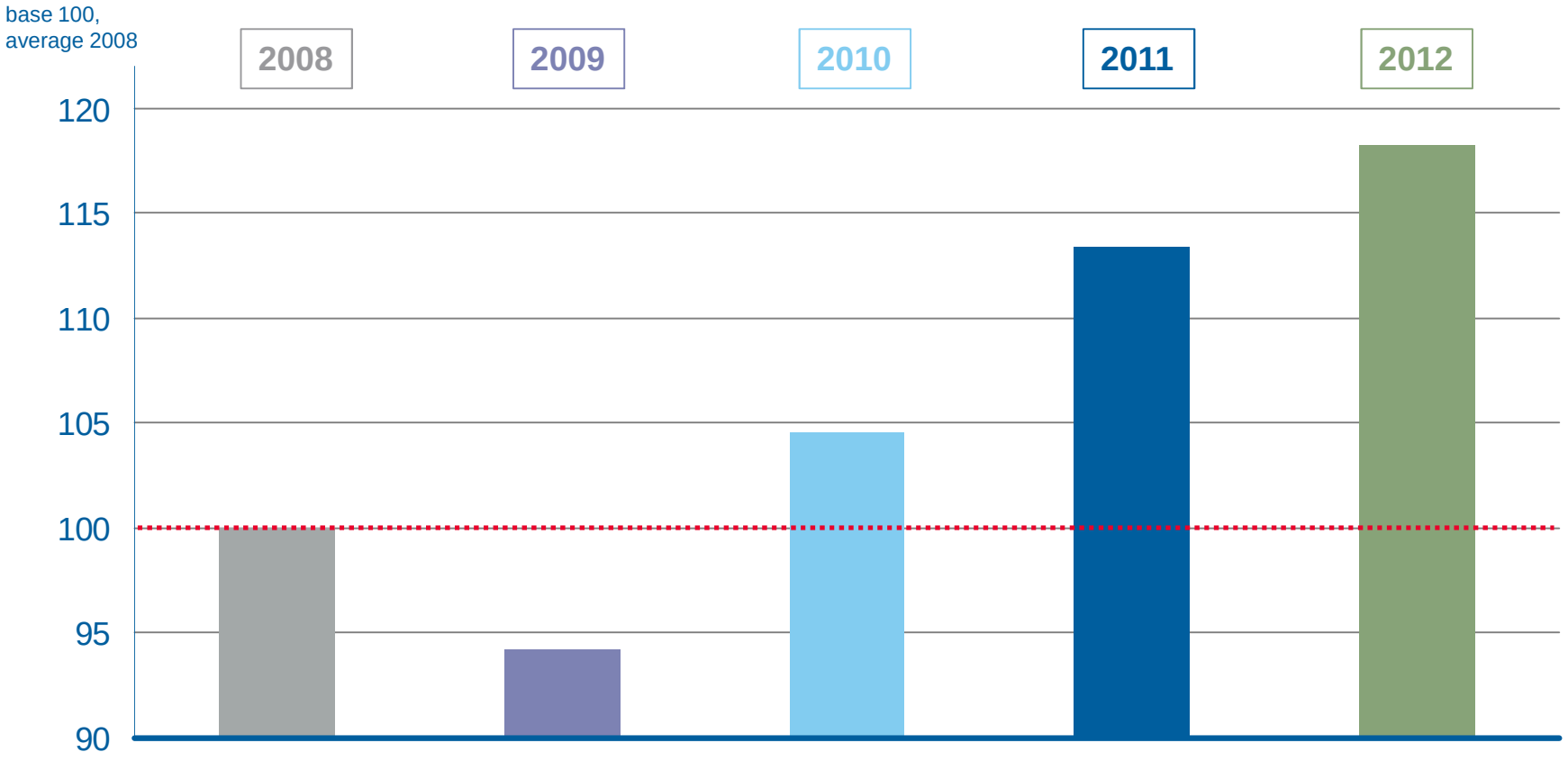
- **Performance delivered**
- **Solid balance sheet**
- **Investment gaining momentum**

2013

- **Strengthening for growth**
- **Updating ALMA to meet new challenges**

Activity level close to +20% above 2008 reference

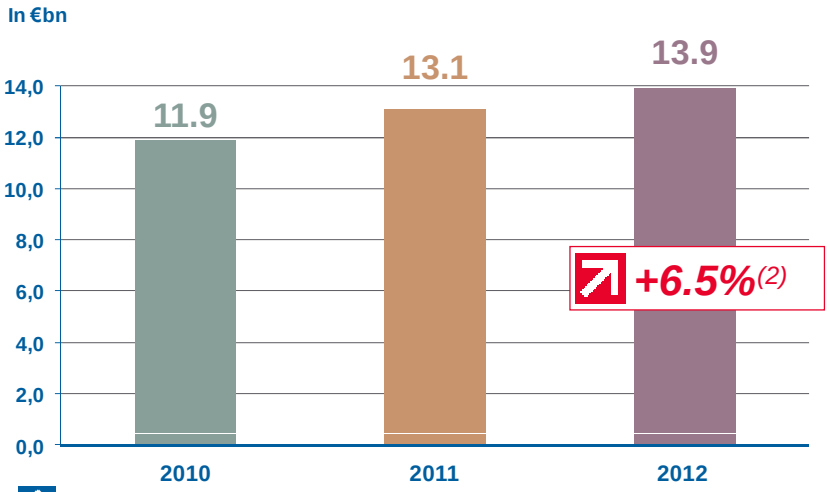
Annual G&S activity indicator(1)



(1) Revenue (excluding currency and natural gas), adjusted for the number of days per month. 2012 data includes LVL Médical and Gasmedi activities.

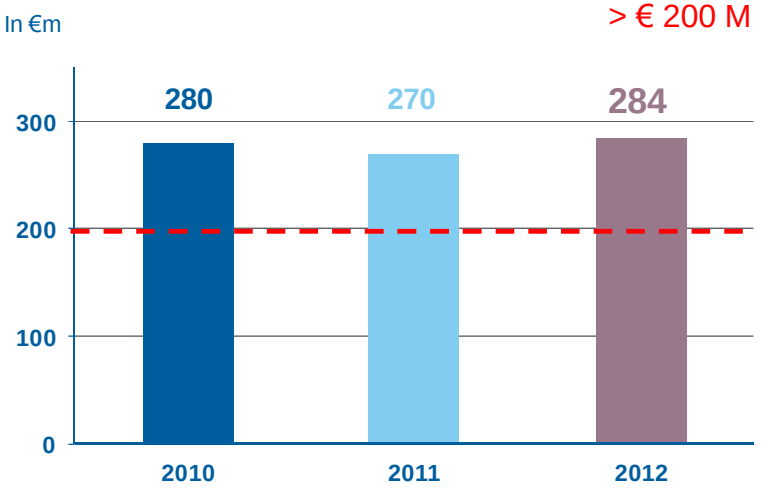
Performance delivered

Gas & Services sales(1)

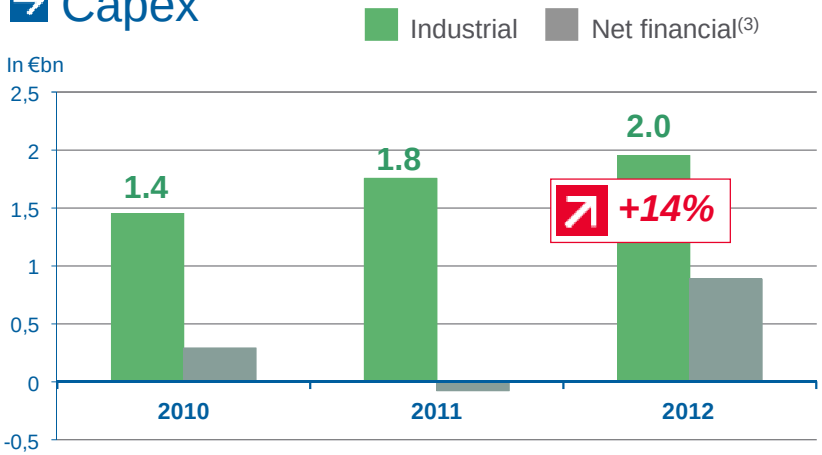


Efficiencies

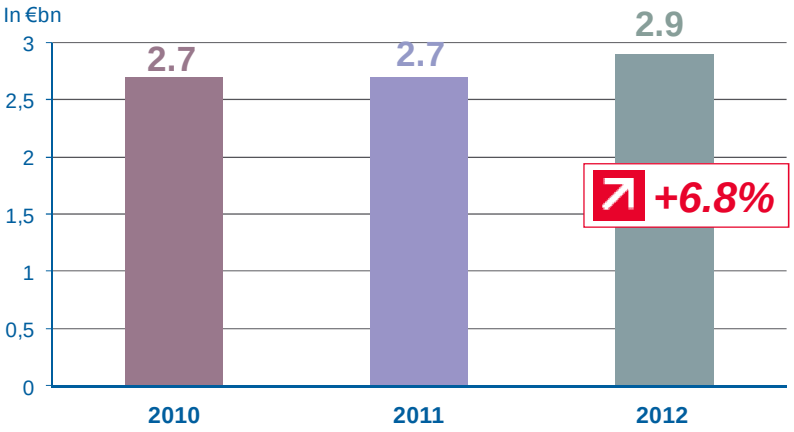
Annual objective 2012
> € 200 M



Capex



Operating Cash flow(4)

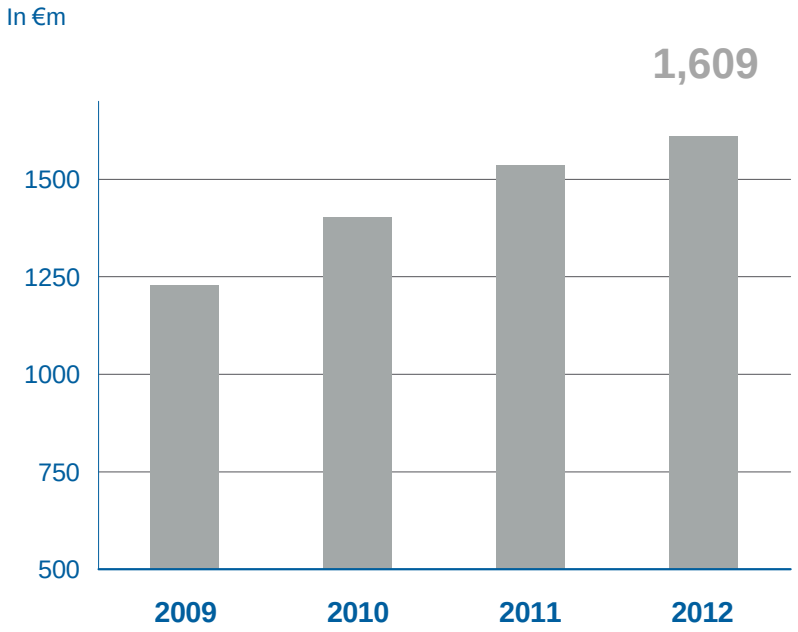


(1) 2011 figure revised for integration of Seppic in Gas and Services. (2) Published growth.
(3) Financial investments, including transactions with minorities, net of divestitures. (4) from operations, before WCR.

Continuous growth in net profit and dividend

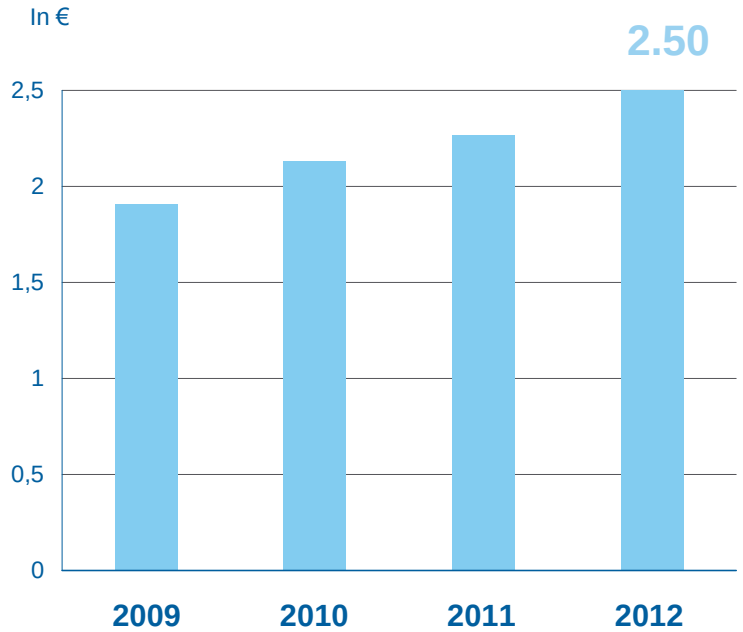
Net profit (Group Share): +4.9%

2009-2012 CAGR: **+9.4%**



Dividend per share(1): +10.3%

2009-2012 CAGR: **+9.4%**(1)



Pay-out ratio **49.9%**

(1) Subject to approval at the General Shareholder Meeting to be held on May 7, 2013, detached on May 16 and paid on May 22.
Historical data adjusted for free share attributions

2012 Results

Paris, February 14, 2013 l **Fabienne Lecorvaisier** l Chief Financial Officer

- Activity
- Performance
- Investments

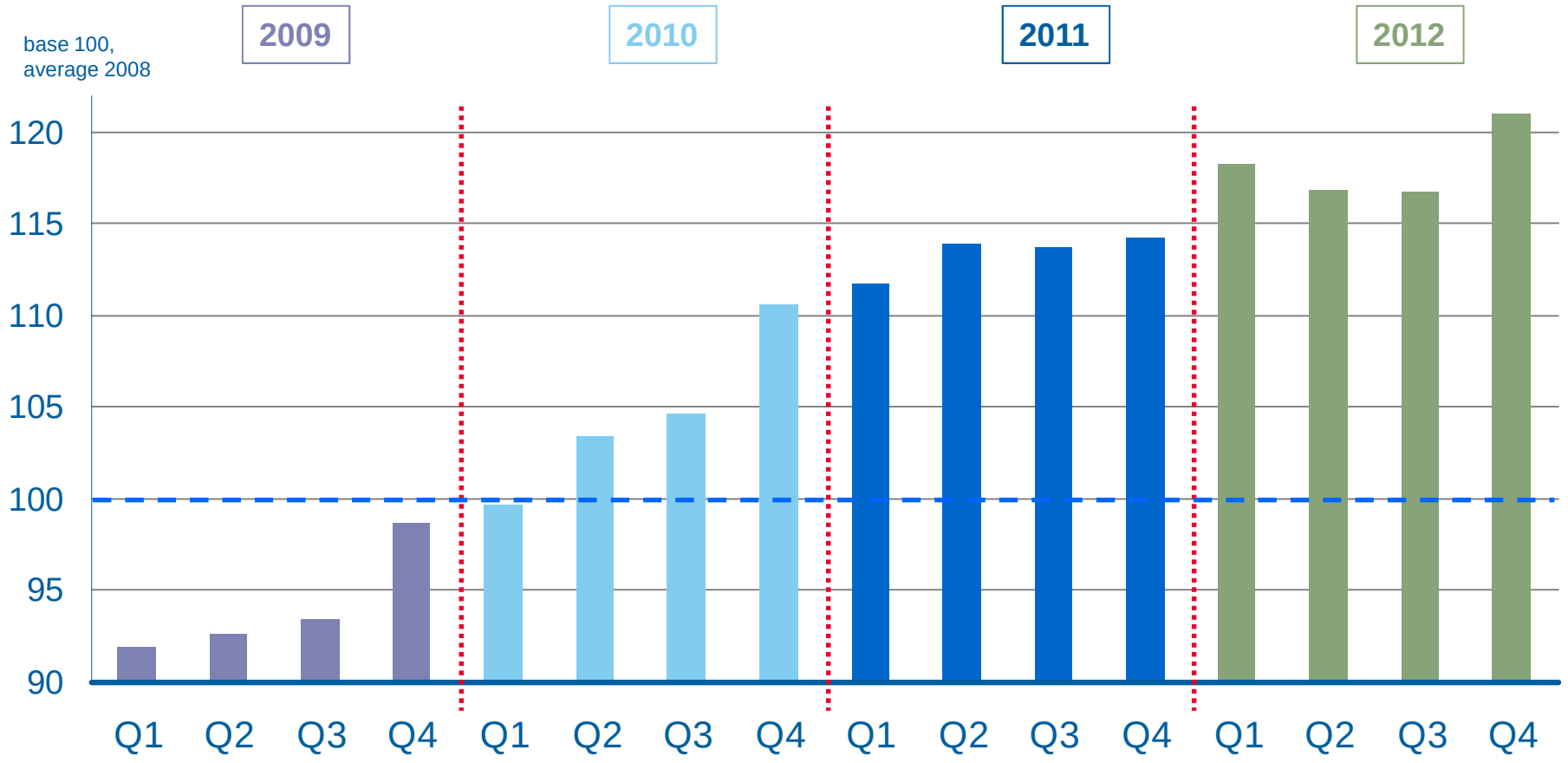
Key figures

Sales in €m	FY 11 *revised (1)*	FY 12	FY 12/11 *as published*	FY 12/11 *excl Nat gas and forex*
Gas & Services	13,064	13,912	*+6.5%*	*+3.0%*
Engineering & Construction	705	785	*+11.3%*	*+9.4%*
Other Activities	688	629	*-8.4%*	*-9.8%*
Group Total	14,457	15,326	*+6.0%*	*+2.7%*

(1) 2011 figures revised for integration of Seppic in Gas and Services.

Sound activity level

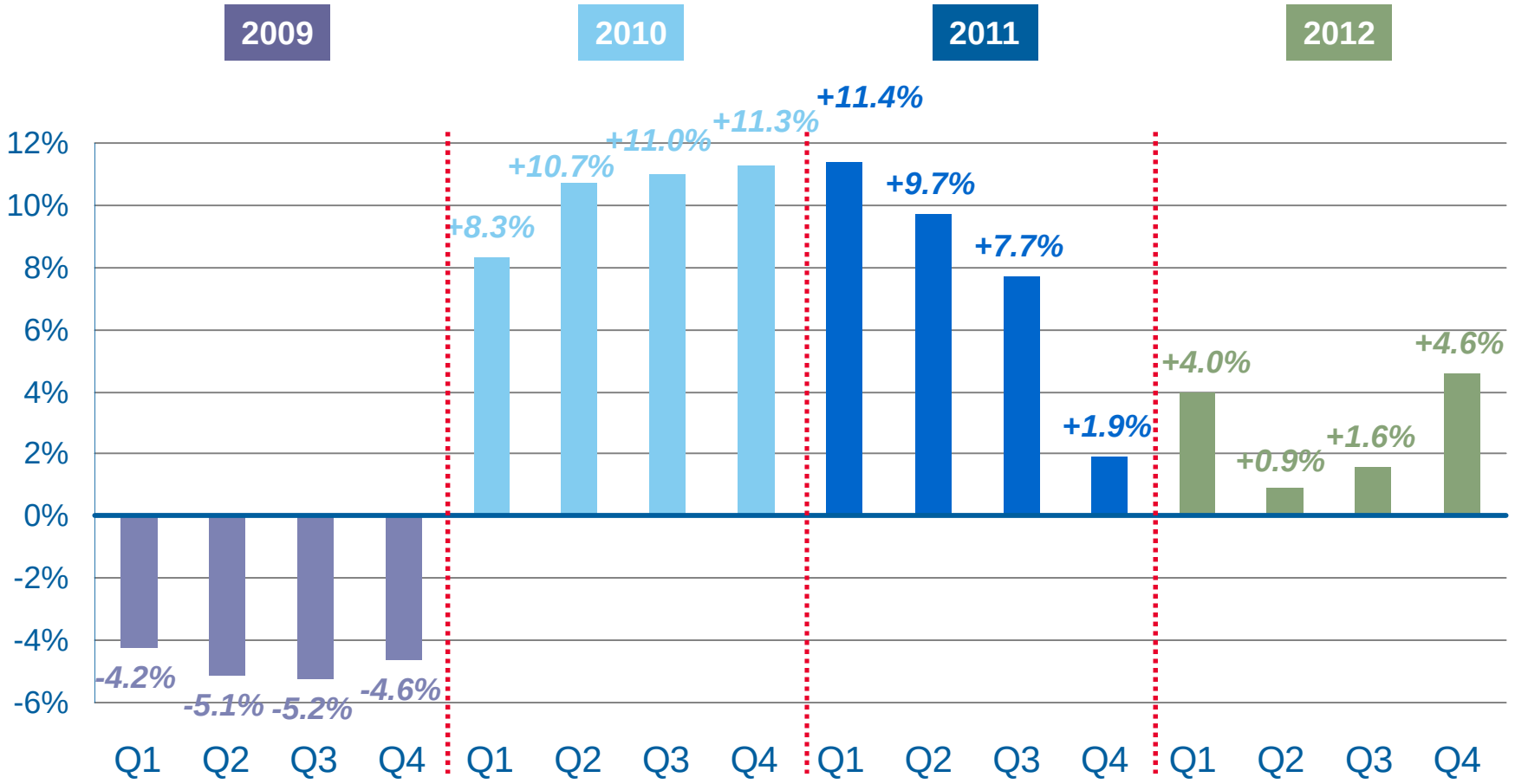
Quarterly G&S activity indicator(1)



(1) Revenue (excluding currency and natural gas), adjusted for the number of days per month. Q4 2012 includes LVL Médical and Gasmedi activities.

Positive signs in Q4

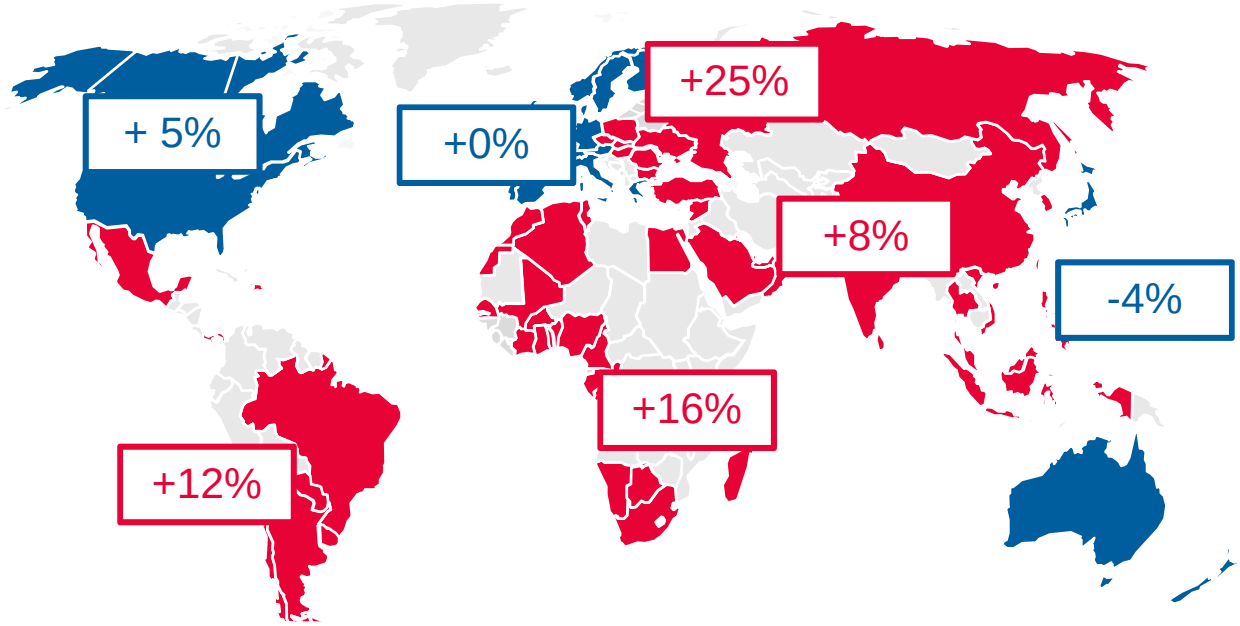
G&S comparable growth(1)



(1) excluding currency, natural gas and significant scope impacts. 2009, 2010 and 2011 growth rates are not revised for the integration of Seppic into the G&S activity.

In particular in Developing economies

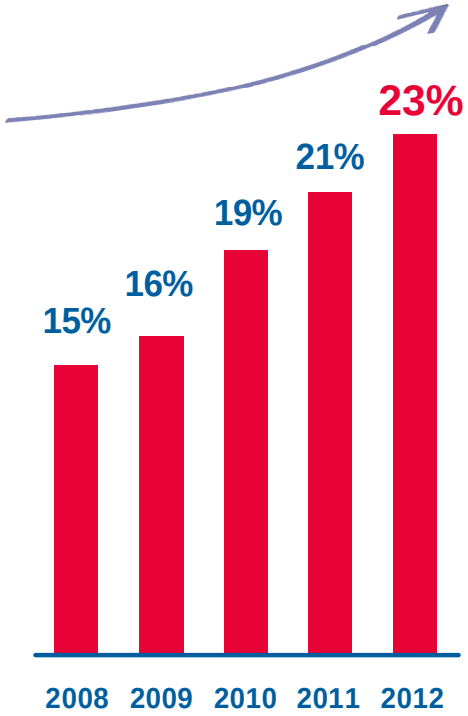
Comparable G&S sales growth(1) (2012/ 2011)



Advanced economies +1%

Developing economies +11%

G&S sales share in developing economies

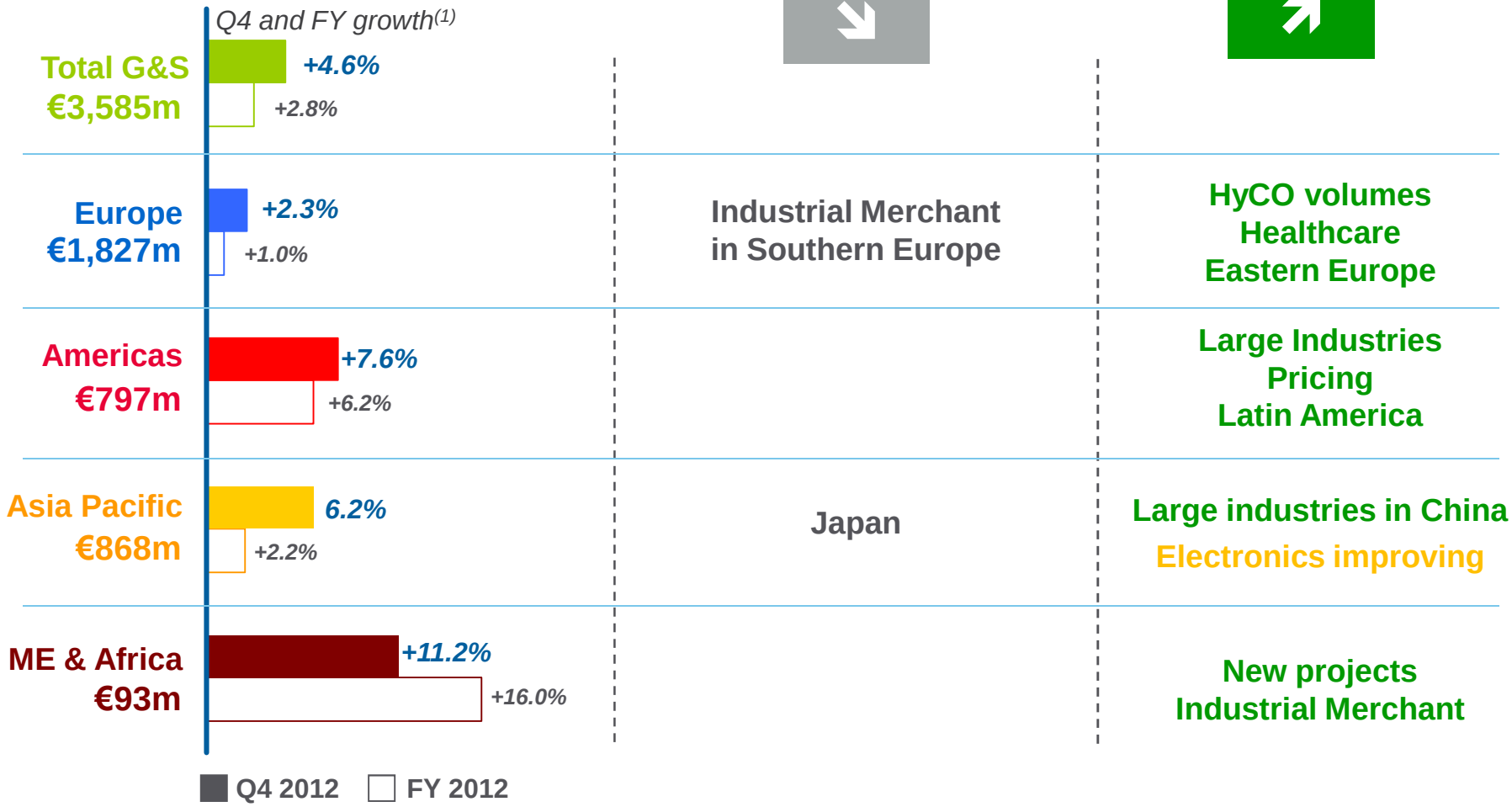


Developing economies in **Q4 2012**: **+14%.**

(1) excluding currency, natural gas and significant scope impacts.

Back to more robust growth in all zones...

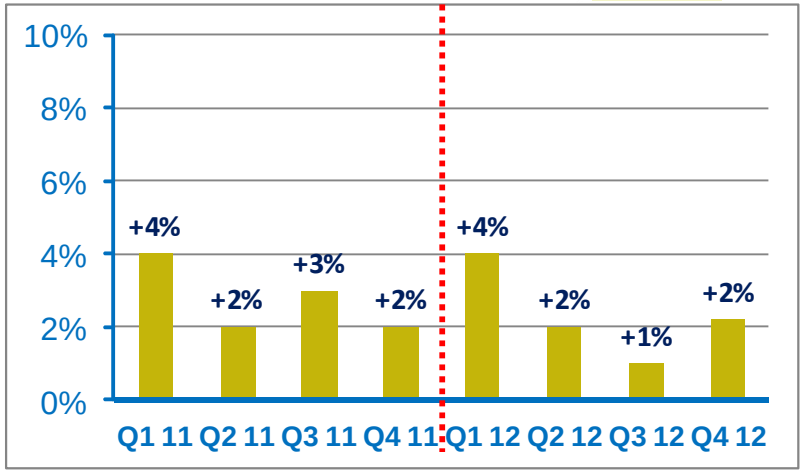
G&S sales in Q4 2012



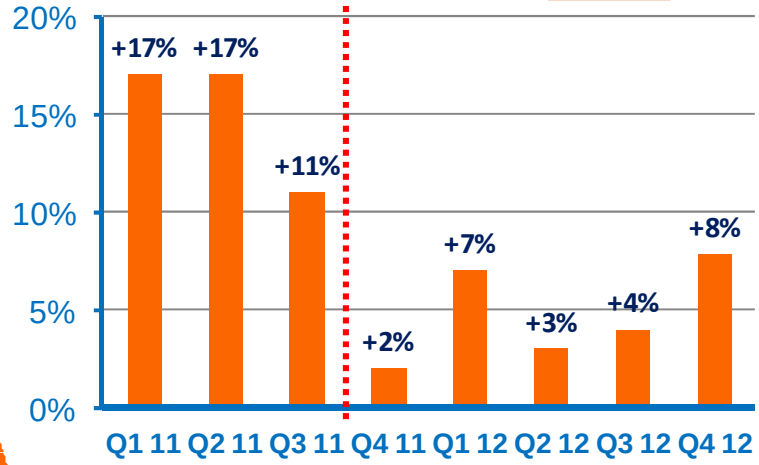
(1) Comparable growth, excluding currency, natural gas and significant scope impacts

… and in all business lines

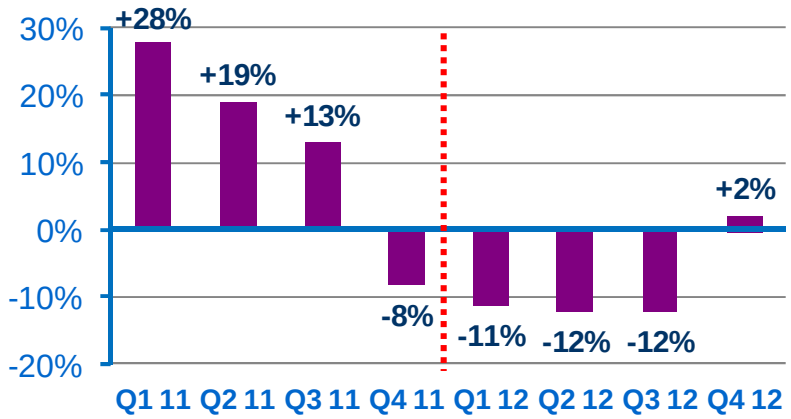
Industrial Merchant +2% FY12



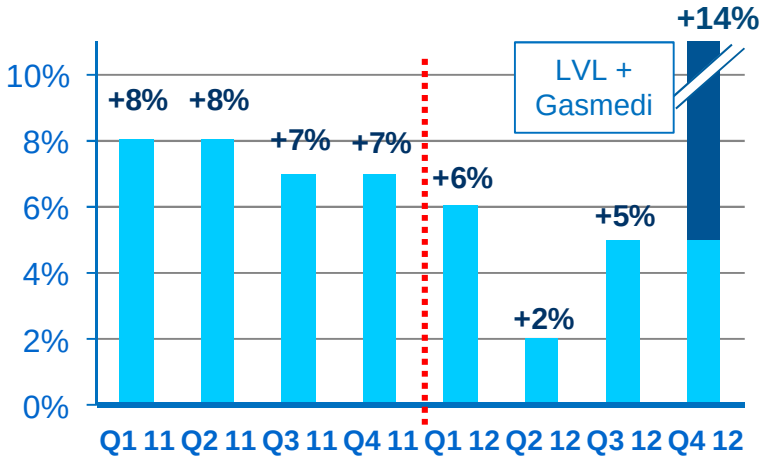
Large Industries +6% FY12



Electronics -8% FY12



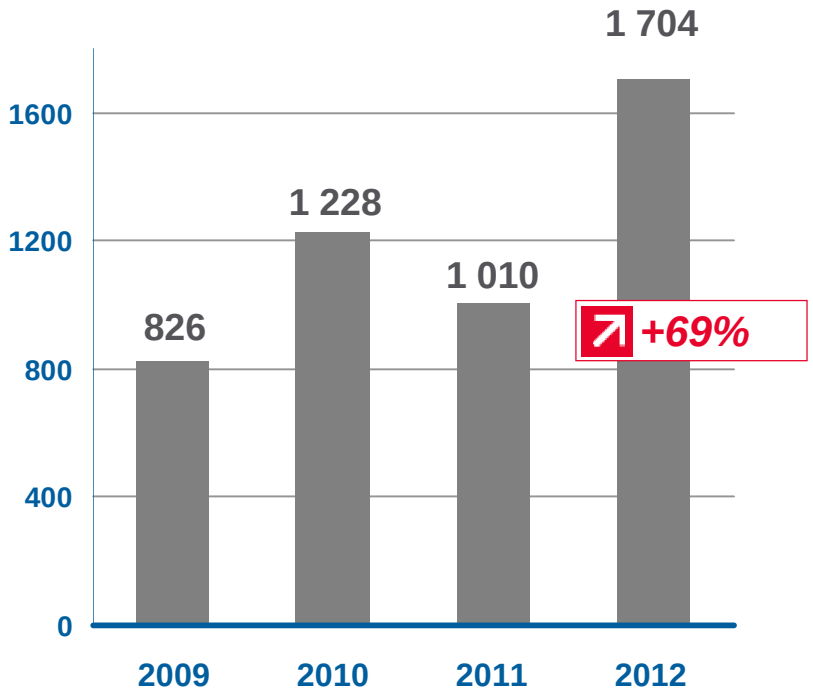
Healthcare +4% FY12



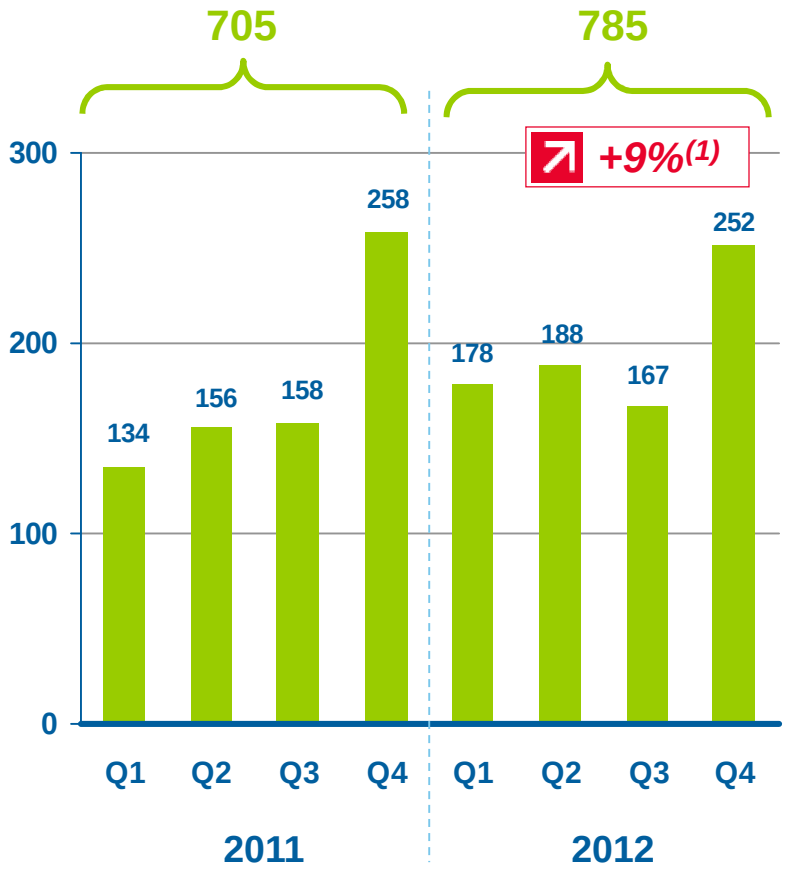
Comparable growth: excluding currency, natural gas and significant scope impacts, relative to the same period in preceding year.

Record order intake in Engineering & Construction

E&C order intake



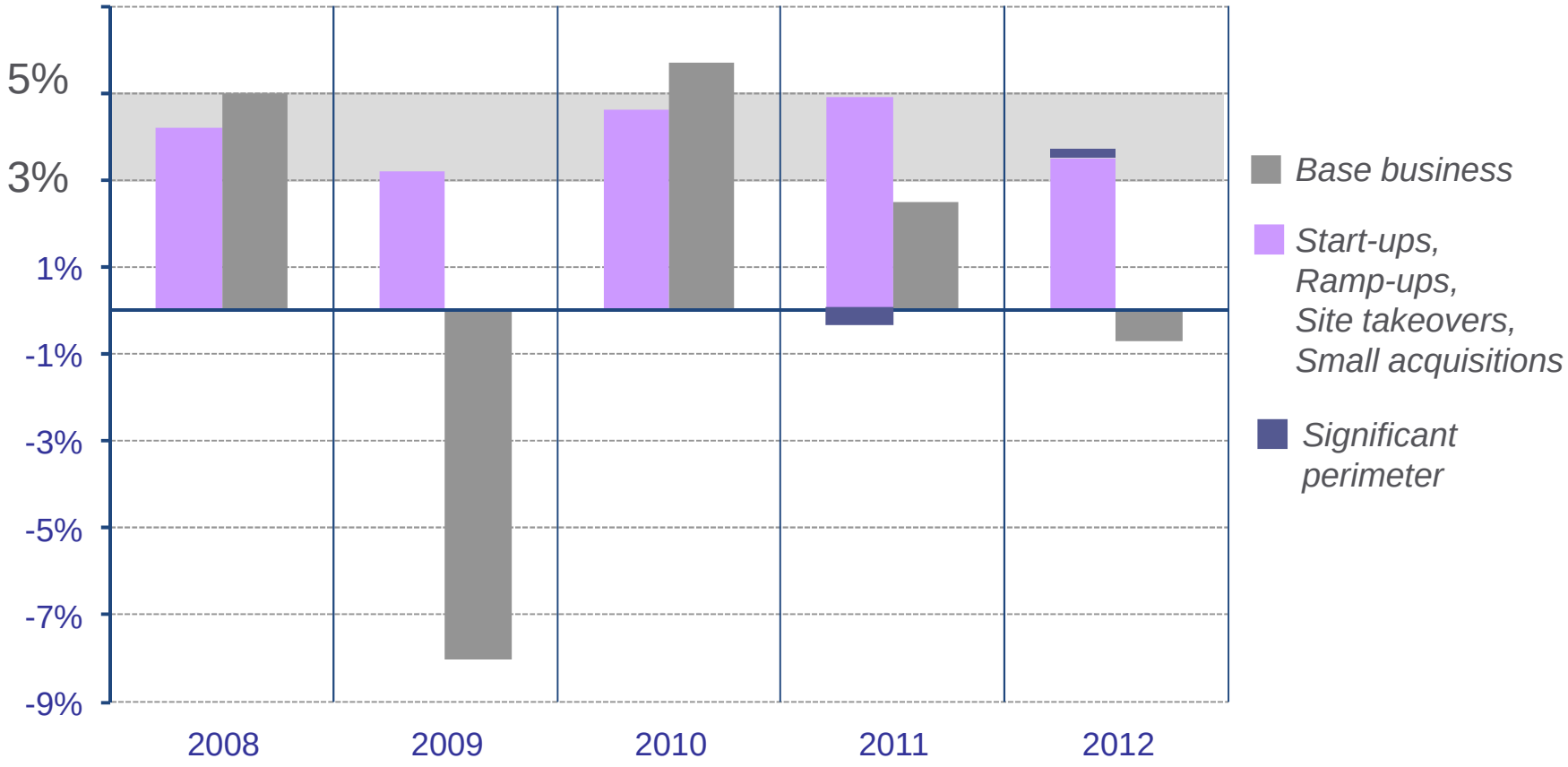
Third party E&C sales



(1) Comparable growth

Steady contribution from growth initiatives

G&S annual growth analysis



2012 Results

Paris, February 14, 2013 l **Fabienne Lecorvaisier** l Chief Financial Officer

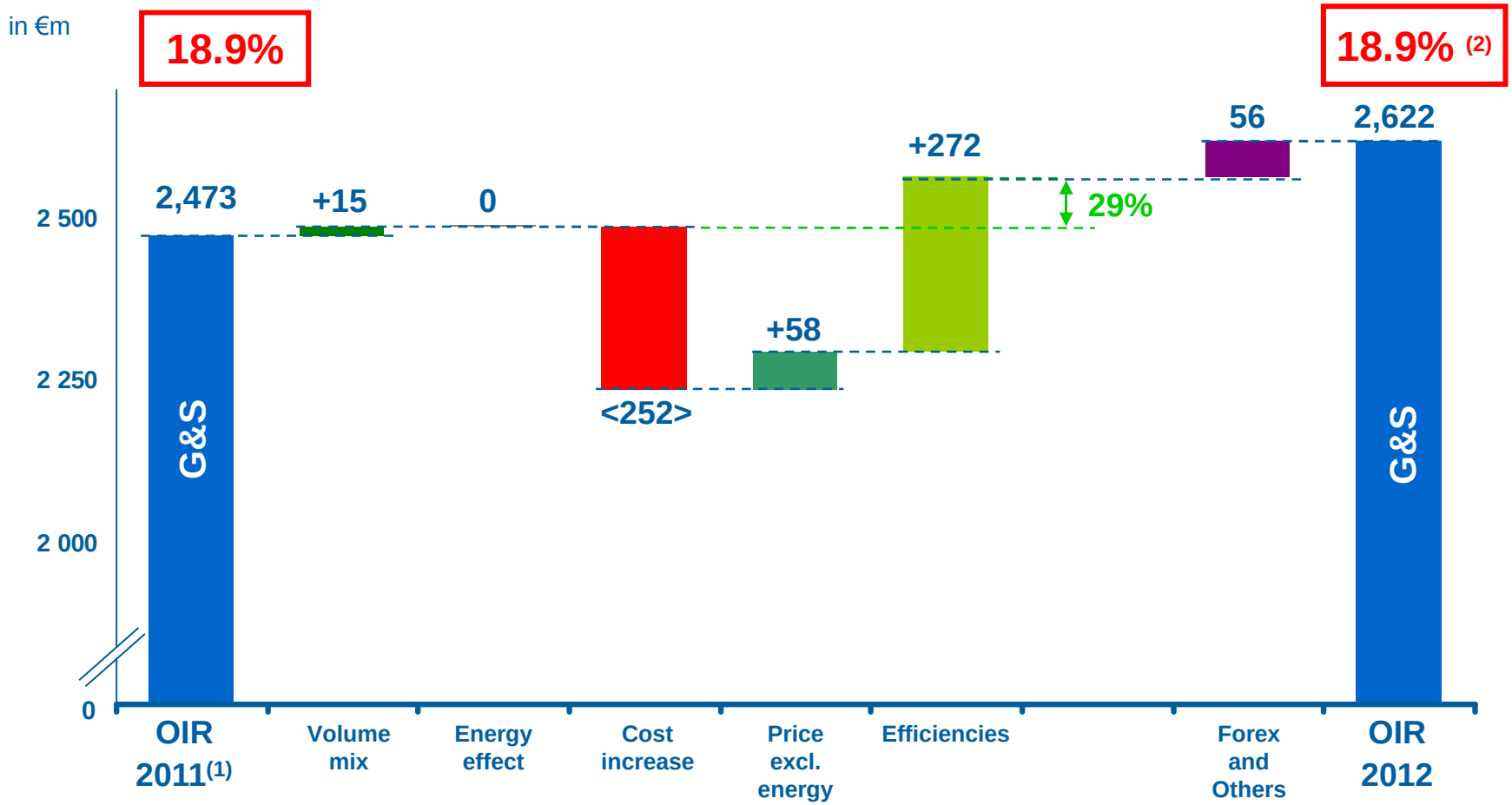
- Activity
- Performance
- Investments

Margin preserved…

In €m	2011	2012	Change 12 vs 11
Revenue	14,457	**15,326**	***+6.0%***
Purchases	(5,762)	**(6,099)**	***+5.8%***
Personnel expenses	(2,481)	**(2,667)**	***+5.9%***
Other net income and expenses	(2,650)	**(2,768)**	
Operating profit before depreciation	3,564	**3,792**	*+6.4%*
Depreciation and amortization	(1,155)	**(1,232)**	*+6.7%*
Operating Income Recurring (OIR)	2,409	**2,560**	***+6.3%***
OIR margin	16.7%	**16.7%**	**=**
OIR margin excl. natural gas effect		**16.7%**	

…supported by close to 30% efficiency retention

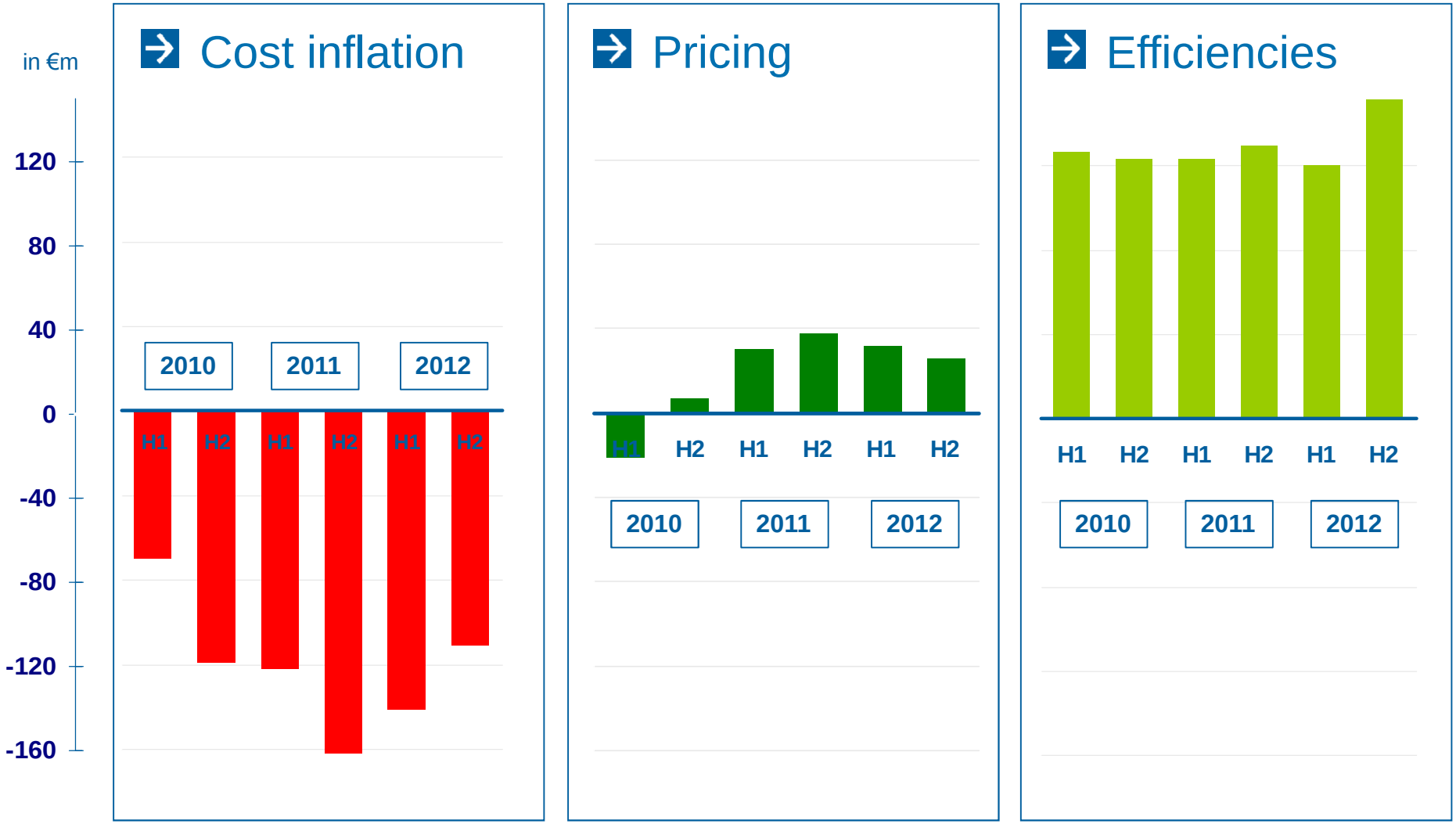
G&S OIR margin



(1) OIR = Operating Income Recurring, revised for integration of Seppic in G&S

(2) Excluding natural gas. As published: 18.8%.

Pricing and efficiency more than offset cost inflation



Net Profit up +4.9%

In €m	2011	2012	Change 12 vs 11
Revenue	**14,457**	**15,326**	***+6.0%***
Operating Income Recurring	**2,409**	**2,560**	***+6.3%***
Other non-recurring operating income & expenses	28	(27)	
Operating Income	**2,437**	**2,533**	***+4.0%***
Net financial costs and other net financial expenses	(298)	(312)	
Income taxes	(576)	(566)	
Tax rate	*27.0%*	*25.5%*	
Share of profit of associates	32	20	
Minority interests	(60)	(66)	
Net profit (Group share)	**1,535**	**1,609**	***+4.9%***
Earnings per share (in €)	4.93 (1)	5.17	***+4.9%***

(1) adjusted for the free share attribution in May 2012.

2012 Results

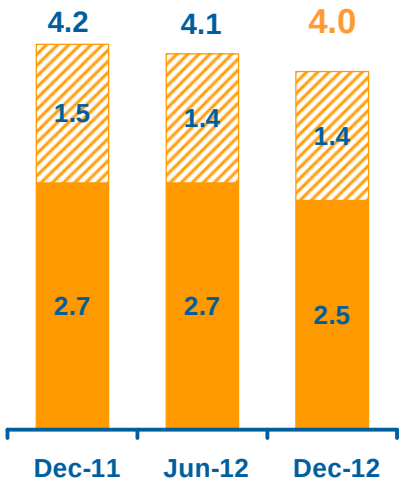
Paris, February 14, 2013 l **Fabienne Lecorvaisier** l Chief Financial Officer

- Activity
- Performance
- Investments

Confidence in the medium term

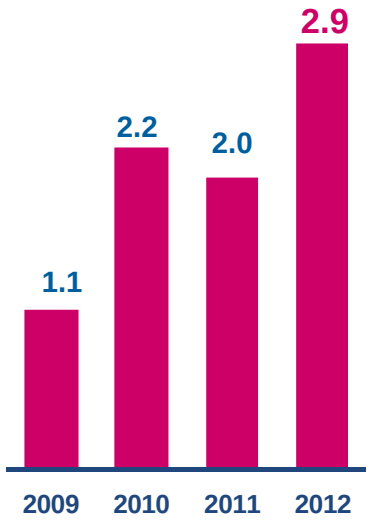
12-month portfolio of opportunities

In €bn



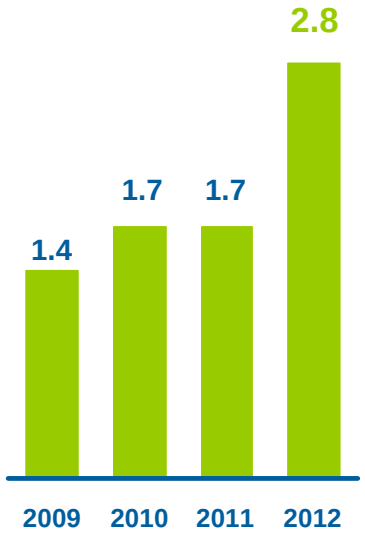
Investment decisions(1)

In €bn

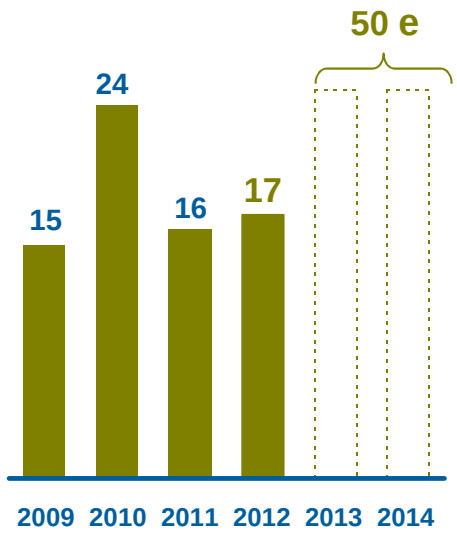


Net capex(1)

In €bn



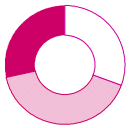
Start-ups(2)



FY 2012

64 %

28 %



39%

50 %

Developing Economies | Advanced Economies | Acquisitions

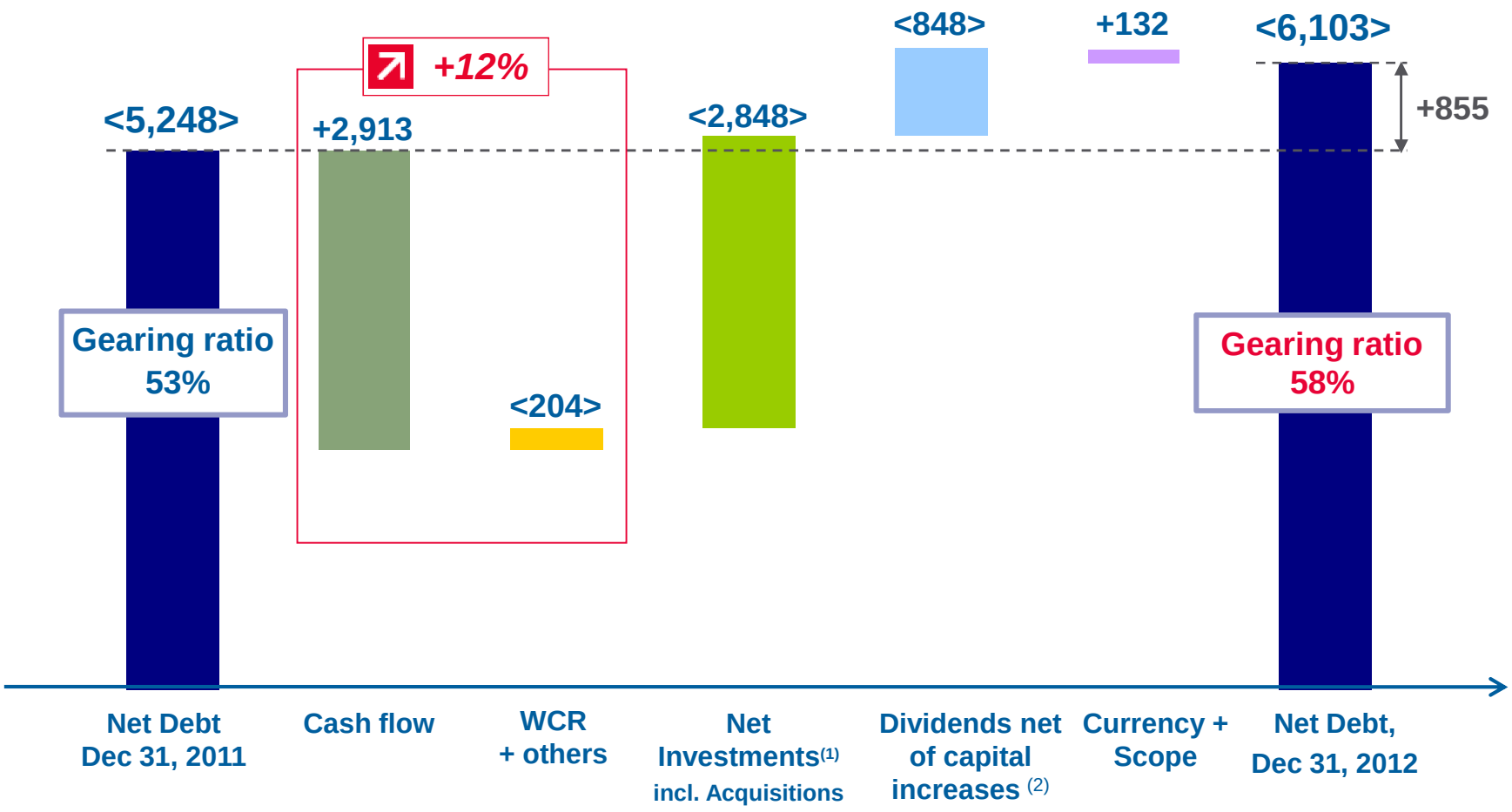
(1) Industrial and financial investments, including transaction with minority shareholders, net of divestitures (2) Industrial projects > €10m

AIR LIQUIDE

Net debt stable excluding acquisitions

Net debt

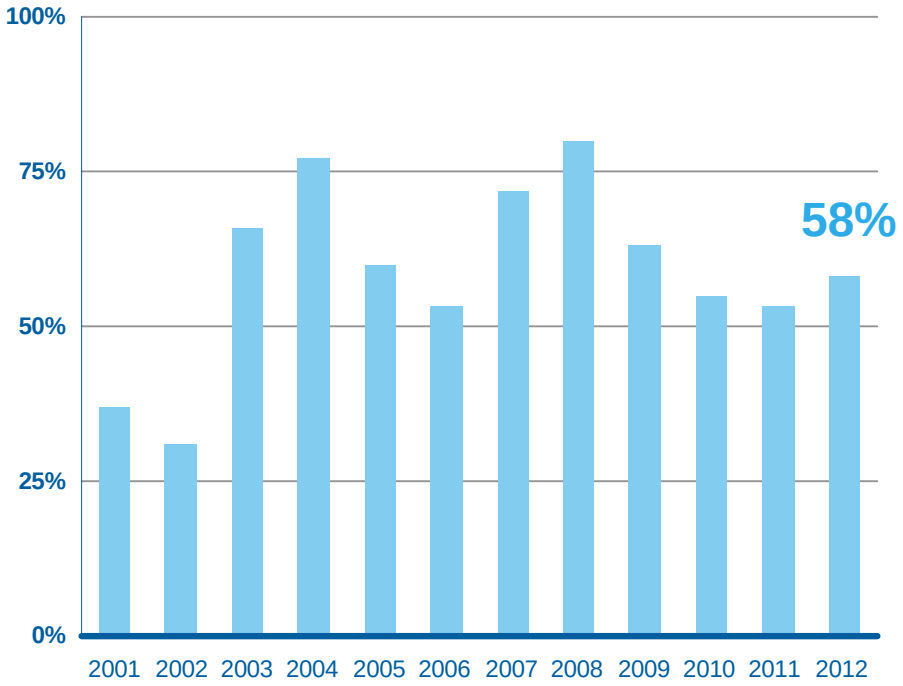
In €m



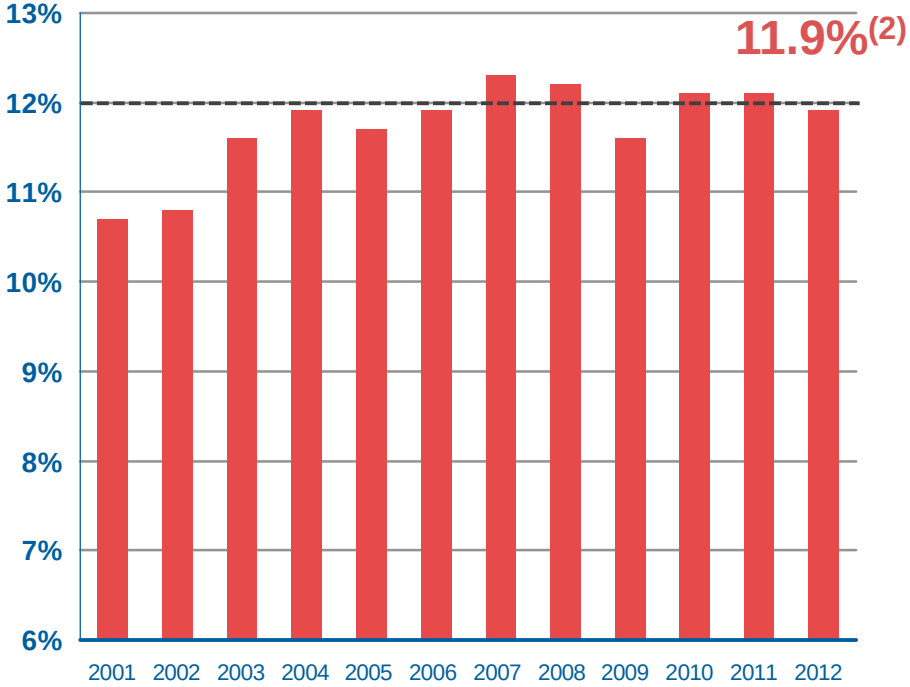
(1) Including transactions with minority shareholders, net of divestitures (2) incl. share purchases €104m.

Solid Balance sheet

Net debt to equity



ROCE(1)

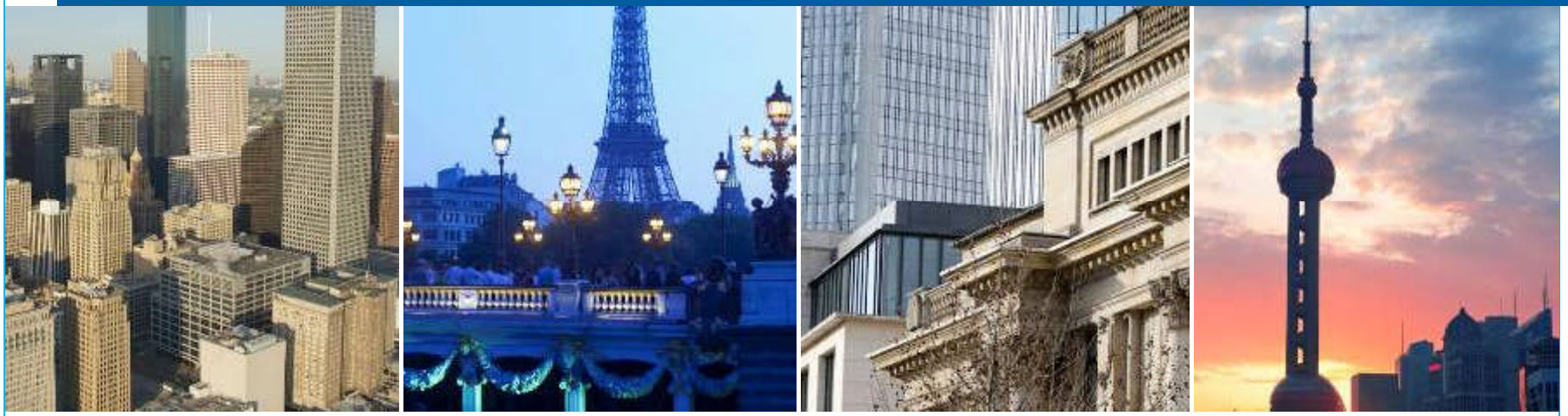


(1) Reminder : Return On Capital Employed after tax: (Net profit before deduction of the minority interests – net finance costs after taxes) / weighted average for the year of (shareholders' equity + minority interests + net indebtedness).

(2) pro-forma, including annualized profit impact of LVL Médical and Gasmedi acquisitions.

Strengthening for growth

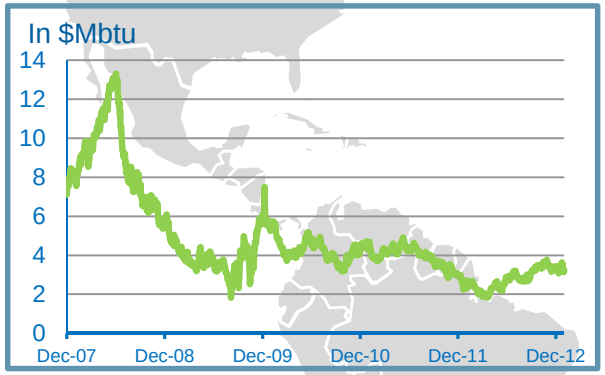
Paris, February 14, 2013 l **Benoît Potier** l Chairman and Chief Executive Officer



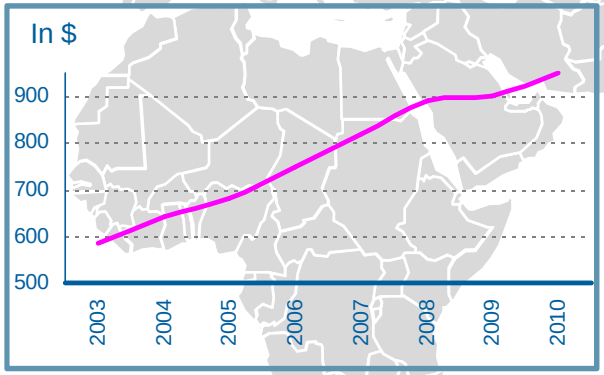
- Major trends
- Updating ALMA to meet new challenges

Changing macroeconomics

Natural gas price in the US

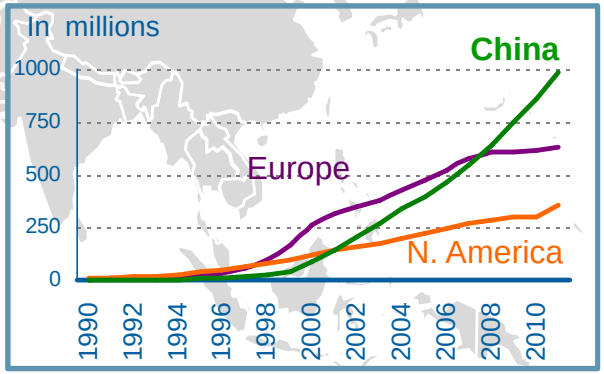


Health expenses per capita



Source: World bank indicator

Mobile cellular subscriptions



Source: World bank indicator

Major trends are shaping our markets

Industrial production Natural resources

Demography Urbanization

Appetite for Innovation

Updating ALMA to meet new Challenges

Ambition

*"To be the leader of our industry through **performance** and **responsibility** over the long term."*

Strategic objective

*"Strengthening our **competitiveness** and **innovation** for profitable **growth** over the long term"*

Competitiveness

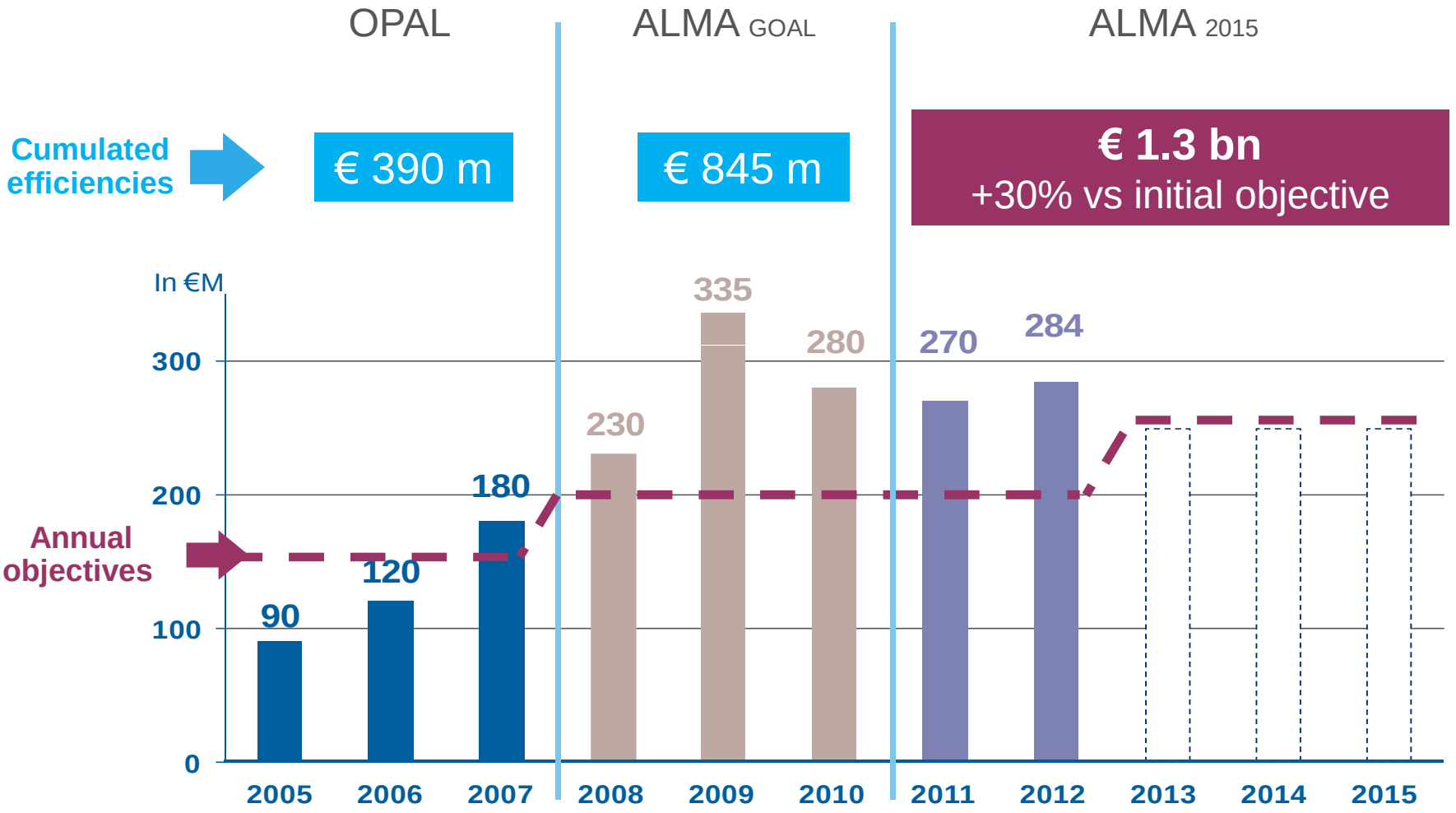
	Price	Non-price
Market focus		✓
Streamlining	✓	✓
Efficiencies	✓	

Update

2011-2015 ***efficiency objective***
boosted ***from € 1bn*** *to* ***€ 1.3bn***

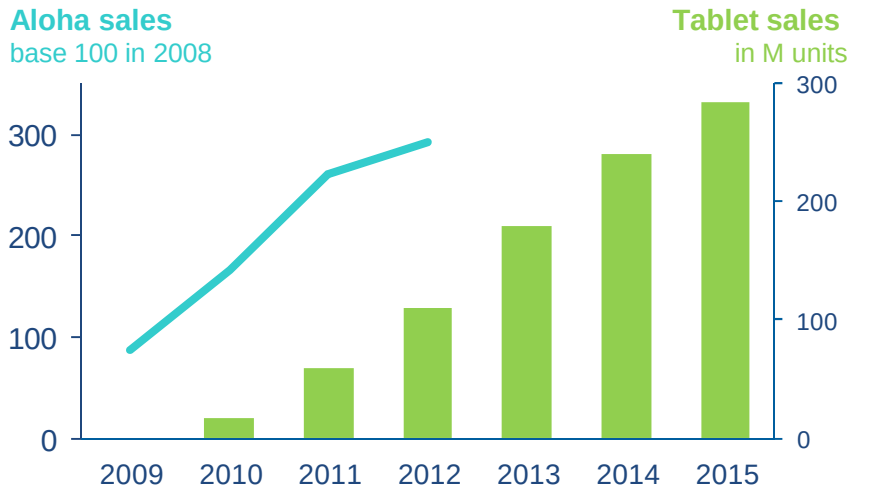
Boosted efficiency objective

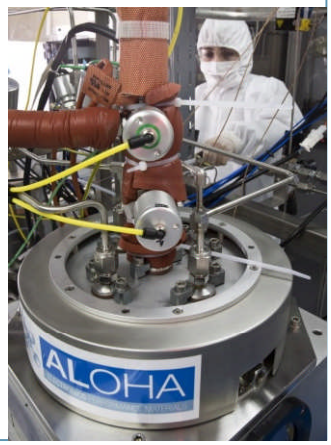
Efficiencies



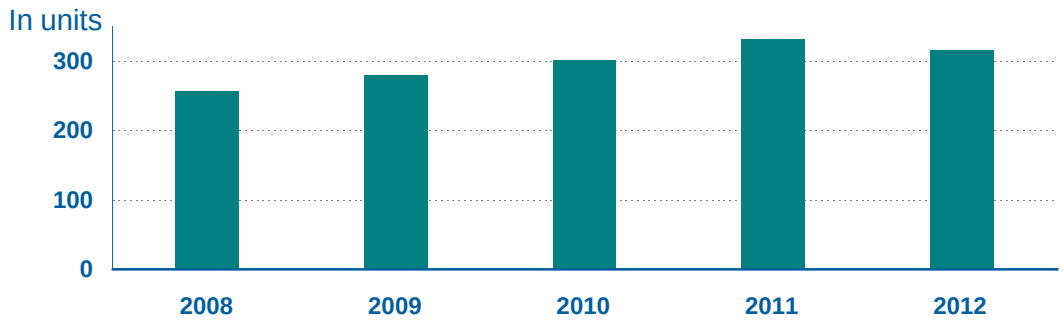
Innovation

Electronics volumes driven by innovation





New inventions patented during the year



New H_2 mobility market

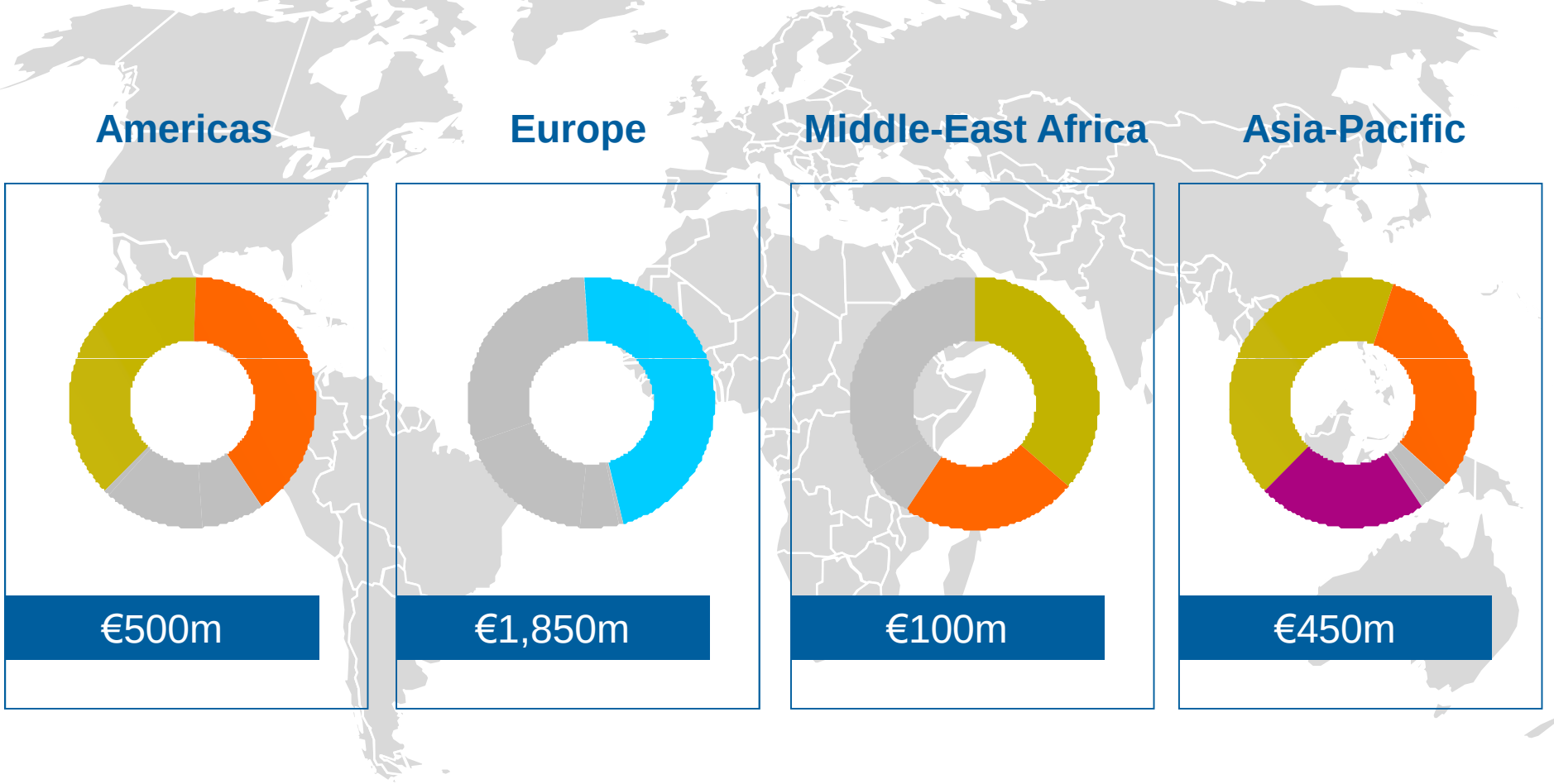
" Key world manufacturers joining forces on fuel cell vehicles" - Jan 24 & 28, 2013

*" **1.6m** H_2 powered vehicles on UK roads in 2030 " - UK H_2 mobility estimates Feb. 3, 2013*

Public H_2 filling station in Germany

Investment decisions focused in growing markets

2012 G&S investment decisions (industrial + financial)



Growth aligned with major trends

Air Liquide 2012 growth

H_2 volumes

+14%

1 million
Home Healthcare
patients

+38%

New Top cylinders
rentals growth

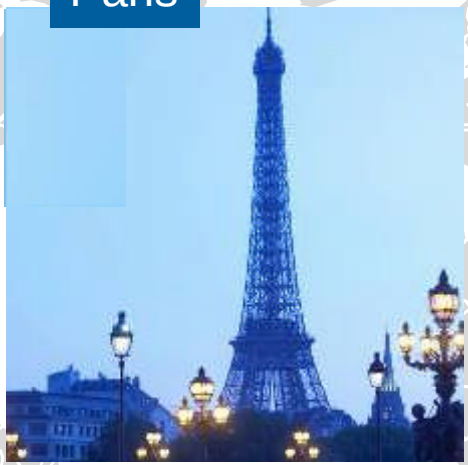
+34%

Market focused organization

Houston

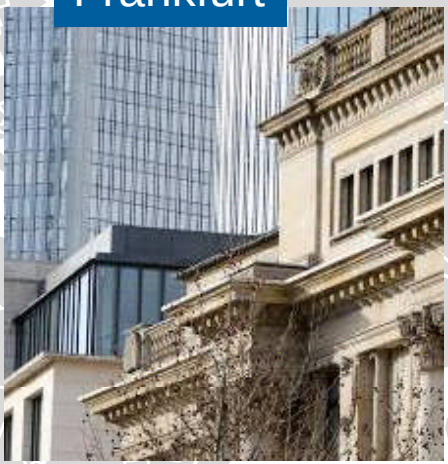
- Energy
- Americas

Paris



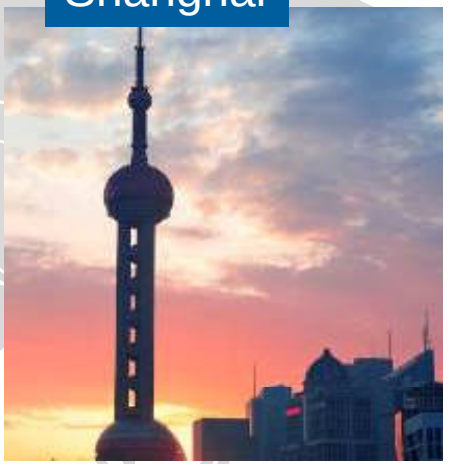
- Healthcare
- Environment
- Europe
- Middle-East & Africa

Frankfurt



- Engineering
- Large projects
- Europe

Shanghai



- Electronics
- Asia-Pacific

- Technology and R&D

2013 Outlook

2013

- Accelerating momentum in new markets
- Moderate growth in historical markets
- Reinforced competitiveness and innovation

2013 objective

Barring a degradation of the environment,
Air Liquide is confident in its ability
to deliver another year of net profit growth in 2013

Appendix

Impact of currency and natural gas on G&S revenue

Currency

In €m	Q4 11	Q1 12	Q2 12	Q3 12	Q4 12
€/USD	+5	+18	+54	+56	**+20**
€/CAD	(0)	+4	+11	+16	**+11**
€/JP¥	+21	+21	+37	+30	**(3)**
Others	+0	+27	+48	+57	**+33**
Total currency impact	**+26**	**+70**	**+150**	**+160**	**+61**

Average rate	Q4 11	Q1 12	Q2 12	Q3 12	Q4 12
€/USD	1.35	1.31	1.28	1.25	**1.30**
€/CAD	1.38	1.31	1.29	1.24	**1.29**
€/JP¥	104.2	104.0	102.6	98.4	**105.3**

Natural Gas

In €m					
Natural Gas Impact	**+46**	**+22**	**0**	**(9)**	**+4**

Consolidated P&L

In €m	2011	2012
Revenue	**14,457**	**15,326**
Cost of goods	(10,893)	(11,534)
Operating income recurring before depreciation	**3 564**	**3 792**
Depreciation and amortization expense	(1,155)	(1,232)
Operating income Recurring	**2,409**	**2,560**
Net non-recurring operating income	28	(27)
Operating income	**2,437**	**2,533**
Net finance costs & other net financial expenses	**(298)**	**(312)**
Income taxes	(576)	(566)
Share of profit of associates	32	20
Profit for the period	**1,595**	**1,675**
- Minority interest	60	66
- **Net profit (Group share)**	**1,535**	**1,609**
Basic earnings per share (in €)	4.93(1)	5.17

(1) adjusted for the free share attribution in May 2012.

Consolidated Balance Sheet

In €m

ASSETS	31/12/11	31/12/12
Goodwill	4,559	5,133
Fixed assets	12,735	13,511
Other non-current assets*	963	1,077
Total non-current assets	**18,257**	**19,721**
Inventories & work in-progress	784	776
Trade receivables & other current assets	3,276	3,320
Cash and cash equivalents*	1,806	1,187
Total current assets	**5,866**	**5,283**
Total assets	**24,123**	**25,004**

EQUITY AND LIABILITIES	31/12/11	31/12/12
Shareholders' equity	9,759	10,212
Minority interests	237	233
Total equity	**9,996**	**10,445**
Provisions & deferred tax liabilities	3,102	3,351
Non-current borrowings	5,663	5,789
Other non-current liabilities*	316	281
Total equity and non current liabilities	**19,077**	**19,866**
Provisions	191	243
Trade payables & other current liabilities	3,398	3,398
Current borrowings*	1,457	1,497
Total equity and liabilities	**24,123**	**25,004**

	31/12/11	31/12/12
Net debt	**5,248**	**6,103**
Net debt ratio	**52.5%**	**58.4%**

** including fair value of derivatives*

Cash Flow statement

In €m	2011	2012
Funds provided by operations	**2,728**	**2,913**
Changes in Working Capital	(193)	(67)
Other items	(109)	(137)
Net cash from operating activities	**2,426**	**2,709**
Purchase of PPE* and intangible assets	(1,755)	(2,008)
Purchase of financial assets	(100)	(879)
Proceeds from sale of PPE*, intangible and financial assets	182	50
Net cash in investing activities	**(1,673)**	**(2,837)**
Distribution	(721)	(781)
Increase in capital stock	52	37
Purchase of treasury shares	(94)	(104)
Transactions with minority shareholders	(3)	(11)
Exchange rate and consolidation scope effect	(196)	132
Change in net indebtedness	**(209)**	**(855)**

* property, plant and equipments

Revenue analysis by quarter (1)

Sales in €m (1)	Q4 11 revised	Q1 12	Q2 12	Q3 12	Q4 12	*Q4 12/11*	*Q4 12/11* comparable(2)
Europe	1,720	1,747	1,724	1,728	**1,827**	*+6.2%*	*+2.3%*
Americas	722	772	746	793	**797**	*+10.3%*	*+7.6%*
Asia-Pacific	787	840	835	873	**868**	*+10.4%*	*+6.2%*
Middle-East & Africa	84	84	89	96	**93**	*+11.1%*	*+11.2%*
Gas & Services	**3,313**	**3,443**	**3,394**	**3,490**	**3,585**	***+8.2%***	***+4.6%***
Engineering & Construction	258	178	188	167	**252**	*-1.9%*	*-2.6%*
Other Activities	174	158	172	146	**153**	*-12.1%*	*- 12.3%*
Group Total	**3,745**	**3,779**	**3,754**	**3,803**	**3,990**	***+6.6%***	***+3.3%***

(1) 2011 figures are revised for the transfer of Seppic from Other activities to the Healthcare segment. (2) Excluding currency, natural gas and significant scope impacts.

Revenue analysis by quarter (2)

Sales in €m (1)	Q4 11 revised	Q1 12	Q2 12	Q3 12	Q4 12	*Q4 12/11*	*Q4 12/11* comparable(2)
Industrial Merchant	1,256	1,281	1,283	**1,322**	**1,307**	*+4.1%*	*+2.2%*
Large Industries	1,174	1,262	1,204	**1,253**	**1,296**	*+10.4%*	*+7.7%*
Electronics	291	302	308	**308**	**304**	*+4.6%*	*+1.7%*
Healthcare	592	598	599	**607**	**678**	*+14.3%*	*+5.0%*
Gas & Services	**3,313**	**3,443**	**3,394**	**3,490**	**3,585**	***+8.2%***	***+4.6%***
Engineering & Construction	258	178	188	167	**252**	*-1.9%*	*-2.6%*
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Group Total	**3,745**	**3,779**	**3,754**	**3,803**	**3,990**	***+6.6%***	***+3.3%***

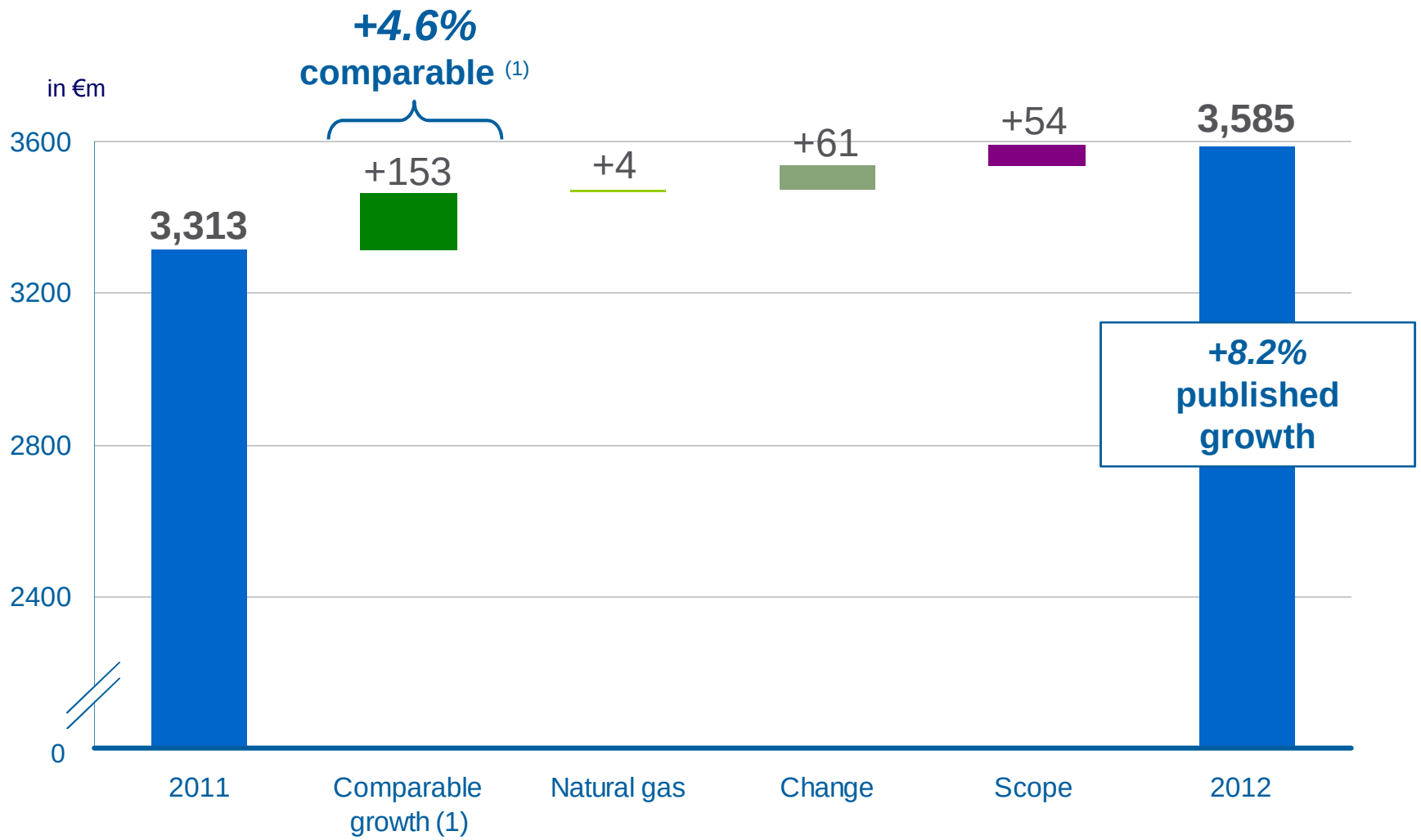
(1) 2011 figures are revised for the transfer of Seppic from Other activities to the Healthcare segment. (2) Excluding currency, natural gas and significant scope impacts.

G&S Revenue growth by quarter (3)

	Growth as published	Natural Gas	Currency	Significant scope	Comparable growth(1)
Q2 2011 (2)	+8.1%	+1.6%	-3.2%	-	+9.7%
Q3 2011 (2)	+5.9%	+1.0%	-1.9%	-0.9%	+7.7%
Q4 2011 (2)	+3.5%	+1.5%	+0.8%	-0.7%	+1.9%
Q1 2012	+6.3%	+0.7%	+2.2%	-0.6%	+4.0%
Q2 2012	+4.9%	+0.0%	+4.6%	-0.6%	+0.9%
Q3 2012	+6.5%	-0.3%	+4.9%	+0.3%	+1.6%
Q4 2012	+8.2%	+0.2%	+1.8%	+1.6%	+4.6%

(1) excluding currency, natural gas and significant scope impacts. (2) Not revised for Seppic.

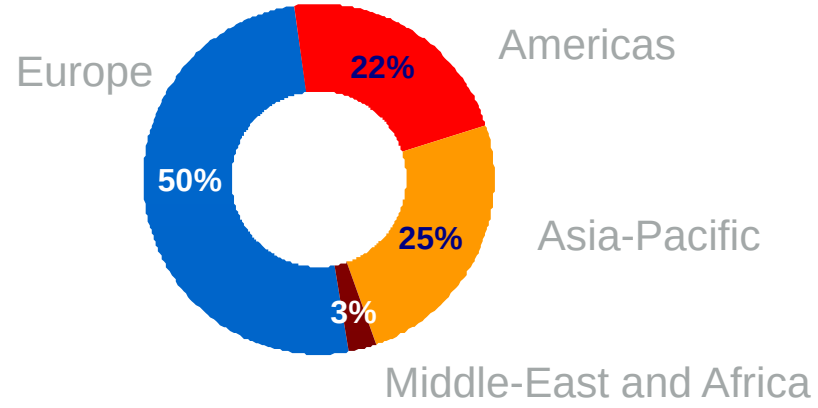
Growth in Q4 2012 G&S revenue



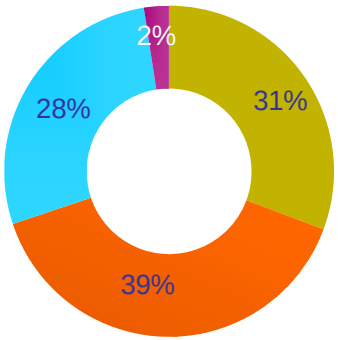
(1) excluding currency, natural gas and significant perimeter impacts.

2012 Revenue breakdown by region

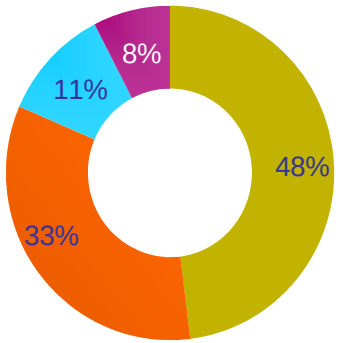
- Gas & Services 2012 Revenue €13.9bn



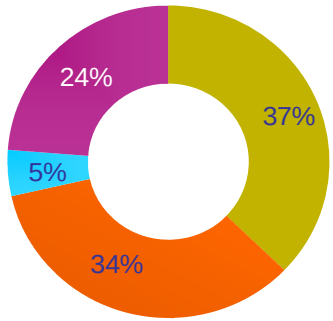
Europe: €7.0bn



Americas: €3.1bn



Asia-Pacific: €3.4bn

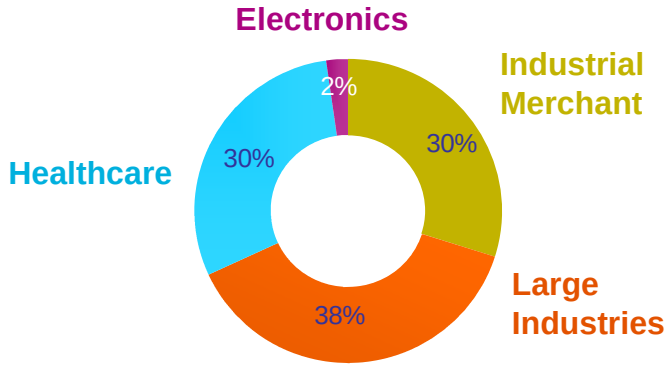


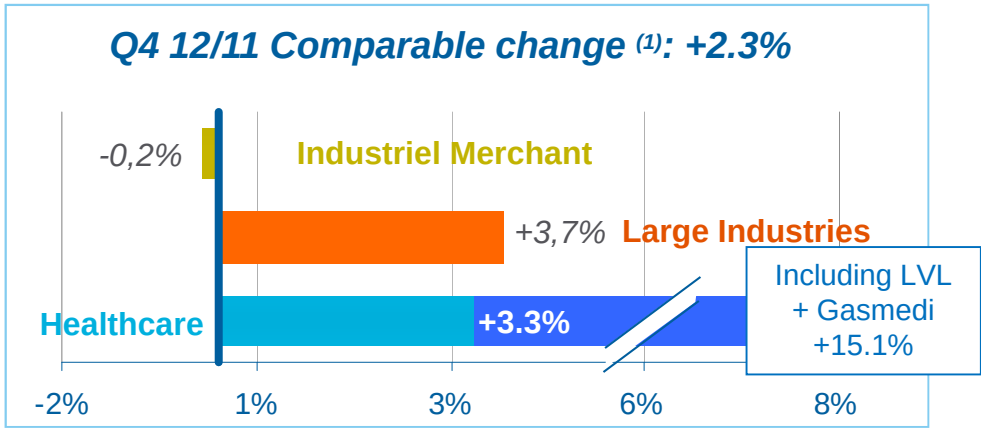
Industrial Merchant | Large Industries | Healthcare | Electronics

Europe in Q4

- Q4 Gas & Services sales: **€1,827m**

- Industrial Merchant
  - Continued weakness in Southern Europe
  - Acquisitions in UK and Eastern Europe
  - Pursued pricing actions
- Large Industries
  - Steel still low
  - Solid H_2 demand
  - Site takeover in Turkey
- Healthcare
  - Acquisitions
  - Home Healthcare demand growth
  - Tariff reductions



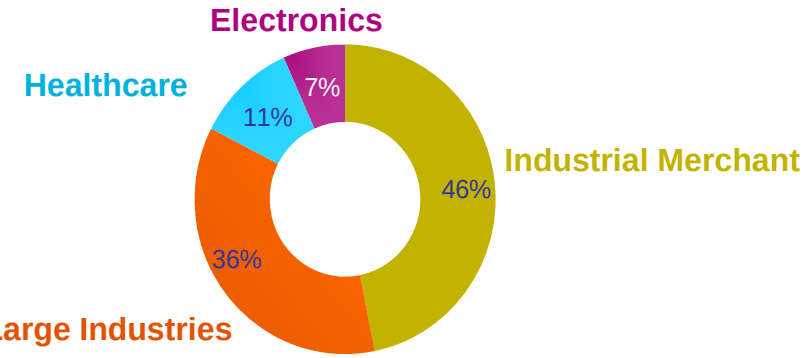


In €m	FY 2012	Publ. growth	Comp. growth(1)
Sales	7,025	*+3.2%*	*+1.0%*
OIR	1,285	*+0.6%*	
OIR/Sales	18.3%	*-50bps*	*-20bps(2)*

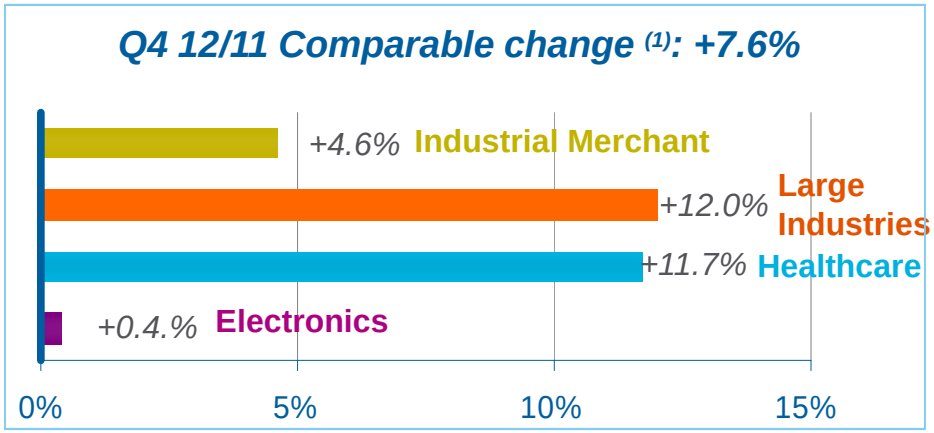
(1) excluding impact of currency, natural gas and significant scope.
(2) excluding impact of natural gas.

Americas in Q4

Q4 Gas & Services sales: **€797m**



- **Industrial Merchant**
  - Sustained activity across the region
  - Acquisitions
  - Solid pricing effect
- **Large Industries**
  - Strong H_2 demand
  - Lower cogen sales due to decline in electricity tariffs
- **Healthcare**
  - Strong growth in developing economies
- **Electronics**
  - New E&I sales

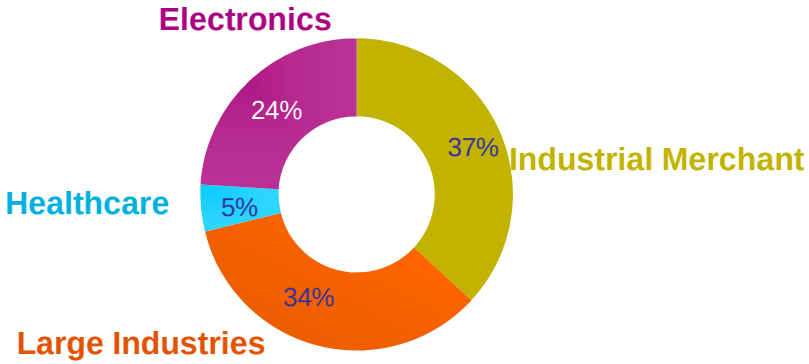


In €m	FY 2012	Publ. growth	Comp. growth(1)
Sales	3,108	+8.7%	+6.2%
OIR	745	+18.6%	
OIR/Sales	24.0%	+200bps	+120bps(2)

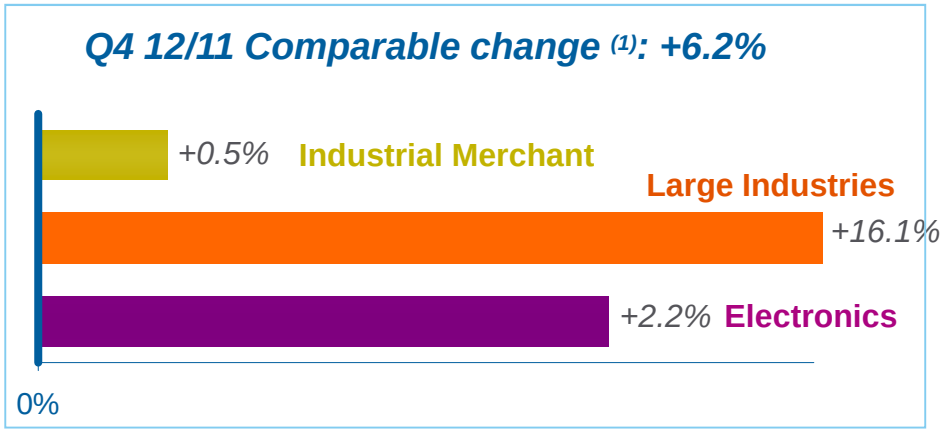
(1) excluding impact of currency, natural gas and significant scope.
(2) excluding impact of natural gas.

Asia-Pacific in Q4

Q4 Gas & Services sales: **€868m**



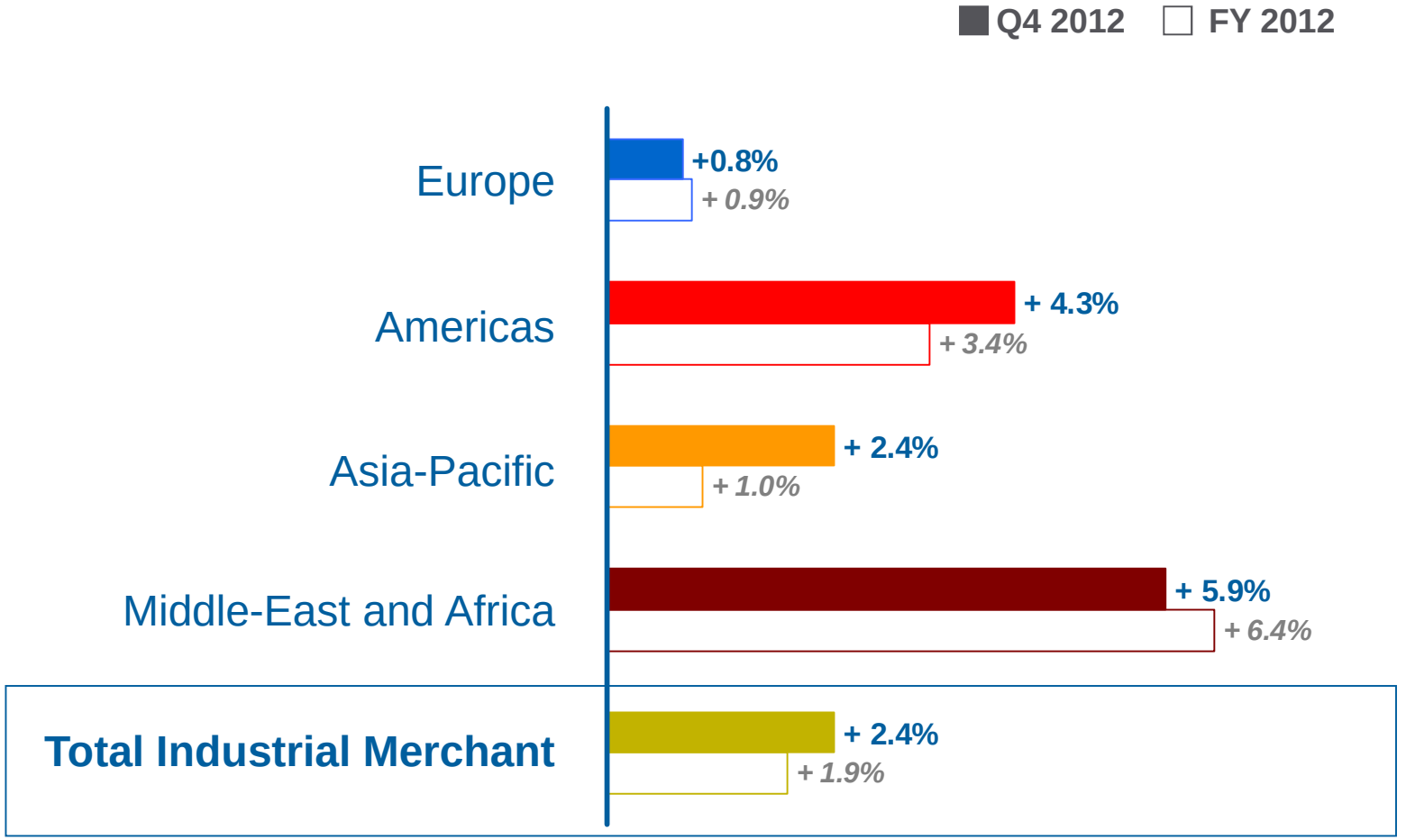
- **Industrial Merchant**
  - Still weak in Japan
  - Back to double digit growth in China
- **Large Industries**
  - Strong growth and start-ups in China
  - Very strong growth in H_2
- **Electronics**
  - Japanese industry under restructuring
  - Positive growth in E&I
  - Weak ESG pricing



In €m	FY 2012	Publ. growth	Comp. growth(1)
Sales	3,416	*+10.8%*	*+2.2%*
OIR	516	*+2.8%*	
OIR/Sales	15.1%	*-120bps*	*-120bps(2)*

(1) excluding impact of currency, natural gas and significant scope.
(2) excluding impact of natural gas.

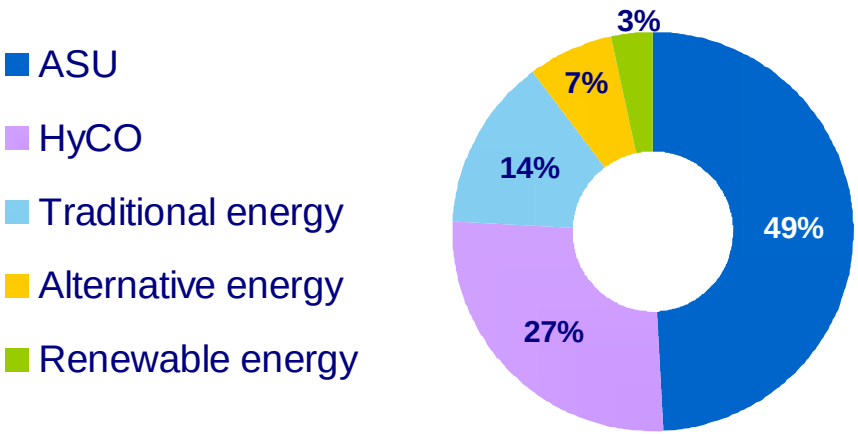
Industrial Merchant pricing



Engineering & Construction

In €m	2011	2012
Consolidated revenues	705	785
OIR(1) margin	10.6%	10.0%
Total order intake	1,010	1,704
Total orders-in-hand	3,200	4,000

Total Orders-in-hand breakdown
at Dec 31, 2012



(1) includes financial income generated by customer advances.

Operating margin – natural gas effect

Group, in €m	2011	2012
Revenue	**14,457**	**15,326**
Incl. Natural gas effect		+17
Operating income recurring	2,409	2,560
Operating margin	16.7%	16.7%
Operating margin excluding natural gas		**16.7%**

Gas and services, in €m	2011 revised (1)	2012
Revenue	**13,064**	**13,912**
Incl. Natural gas effect		+17
Operating income recurring	2,473	2,622
Operating margin	18.9%	18.8%
Operating margin excluding natural gas		**18.9%**

(1) 2011 revised for integration of Seppic in Gas and Services.

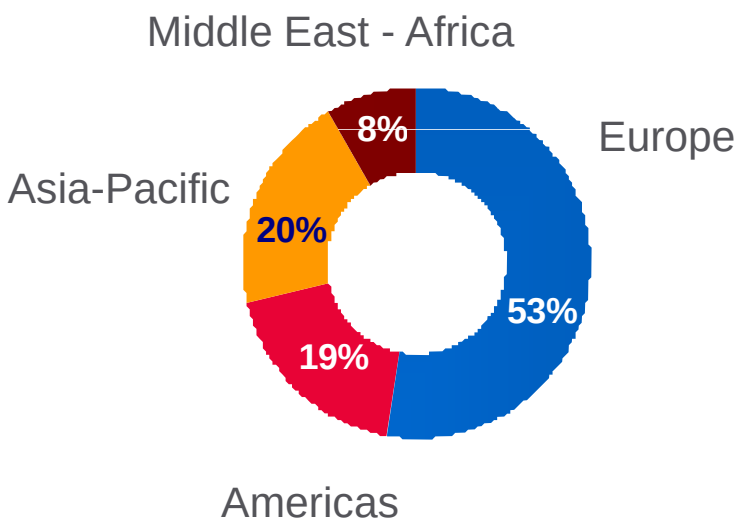
Operating margin (OIR/Revenue)

		H1 09	H2 09	2009
2009	Group	15.0%	17.6%	**16.3%**
	Gas & Services	18.1%	21.0%	**19.6%**
		H1 10	**H2 10**	**2010**
2010	Group	16.6%	16.8%	**16.7%**
	Gas & Services	19.2%	19.2%	**19.2%**
		H1 11	**H2 11**	**2011**
2011	Group	16.7%	16.6%	**16.7%**
	Gas & Services (1)	19.0%	18.8%	**18.9%**
		H1 12	**H2 12**	**2012**
2012	Group	16.5%	16.9%	16.7%
	Gas & Services	18.7%	19.0%	18.8%

(1) 2011 revised for integration of Seppic in Gas and Services.

Gas & Services capex by geography

G&S 2012 Investments(1) €2.8bn



G&S Investments(1) / sales

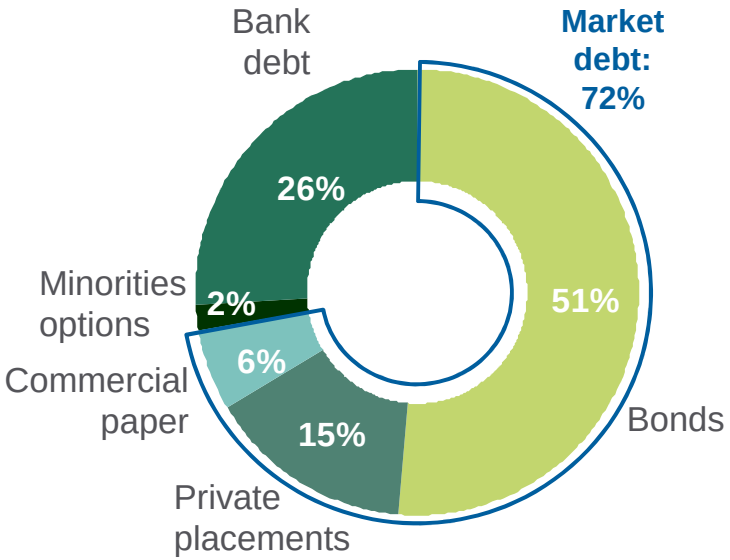
	2011	2012
Europe	11.0%	21.3%
Americas	14.8%	16.8%
Asia-Pacific	17.1%	17.0%
Middle East and Africa	46.2%	64.2%
Total	**14.2%**	**20.4%**

(1) Industrial and financial investments, including transactions with minority shareholders.

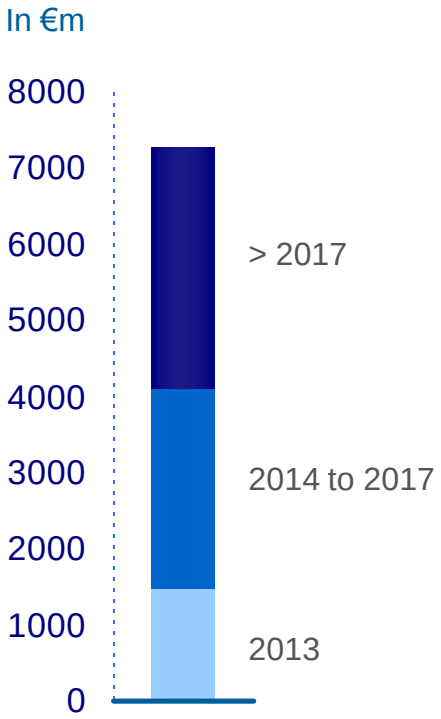
Financing structure

At 31 December 2012

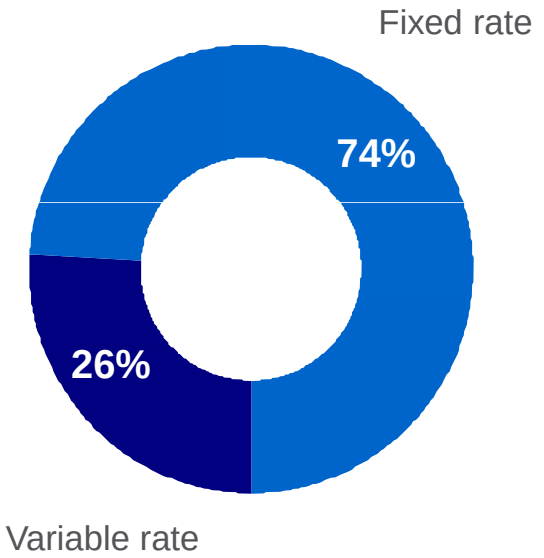
Sources



Maturity(1)

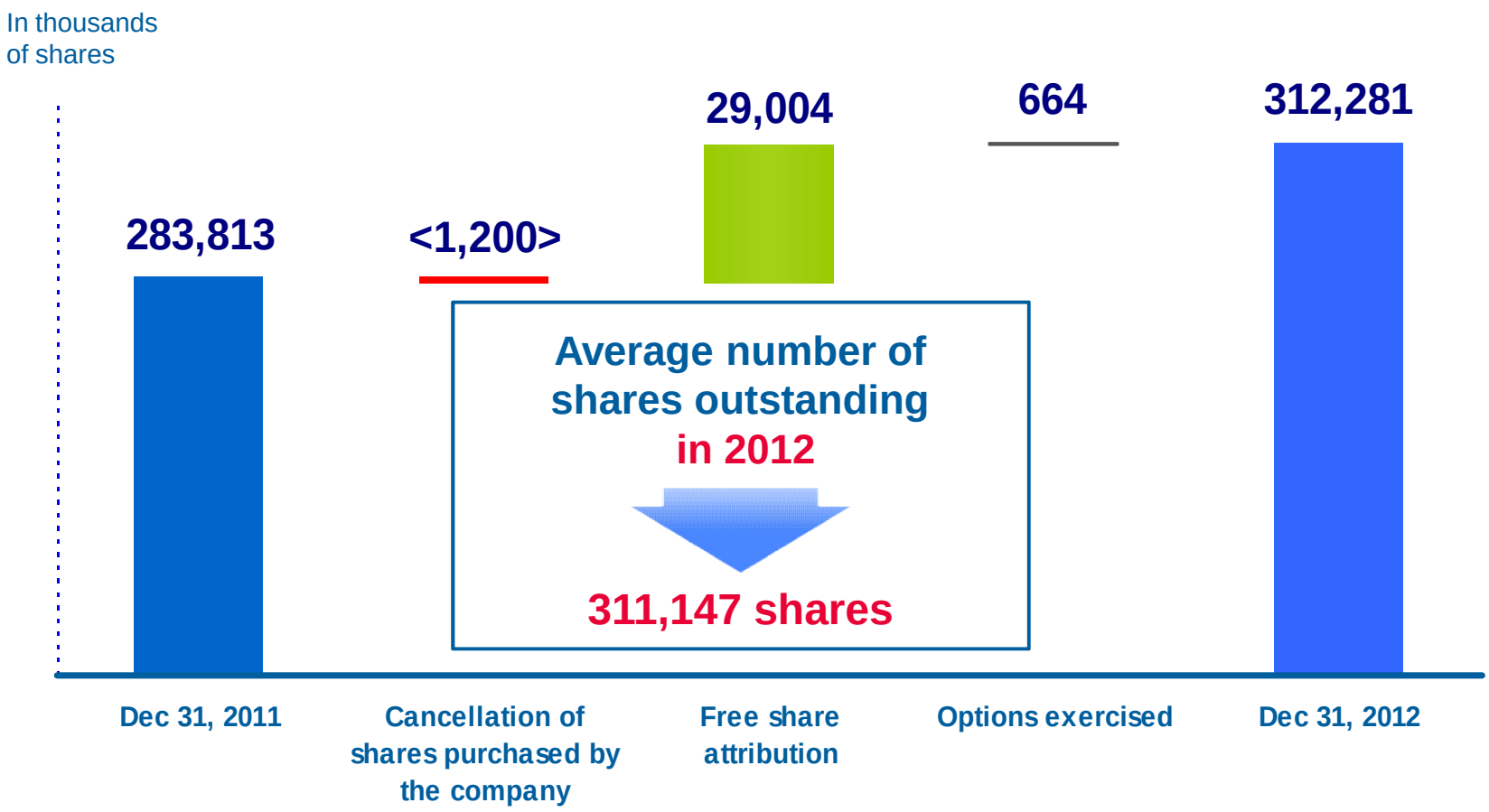


Fixed/variable rates



(1) The maturity date for commercial paper coincides with that of confirmed credit lines.

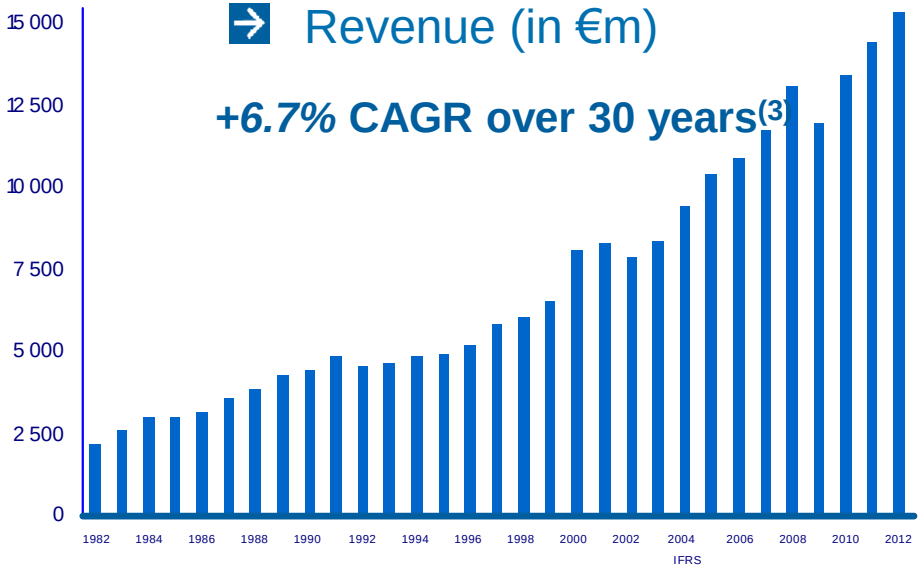
Evolution of number of shares



Regular and sustained performance

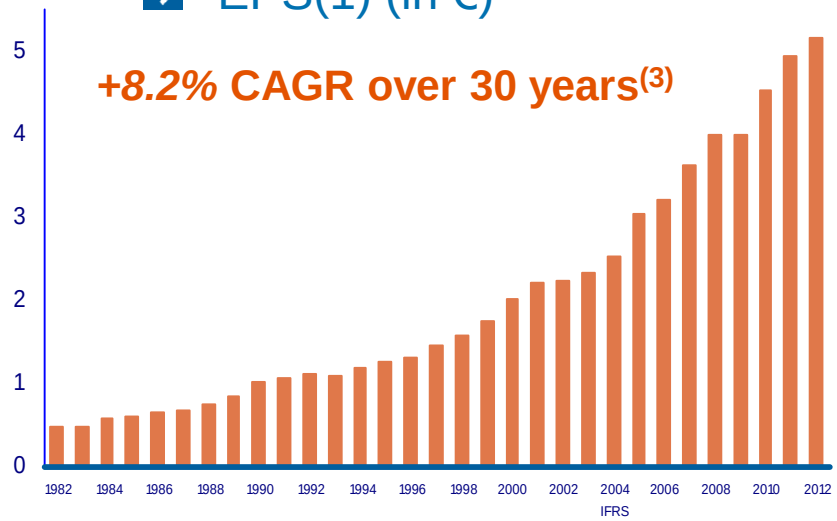
Revenue (in €m)

+6.7% CAGR over 30 years(3)



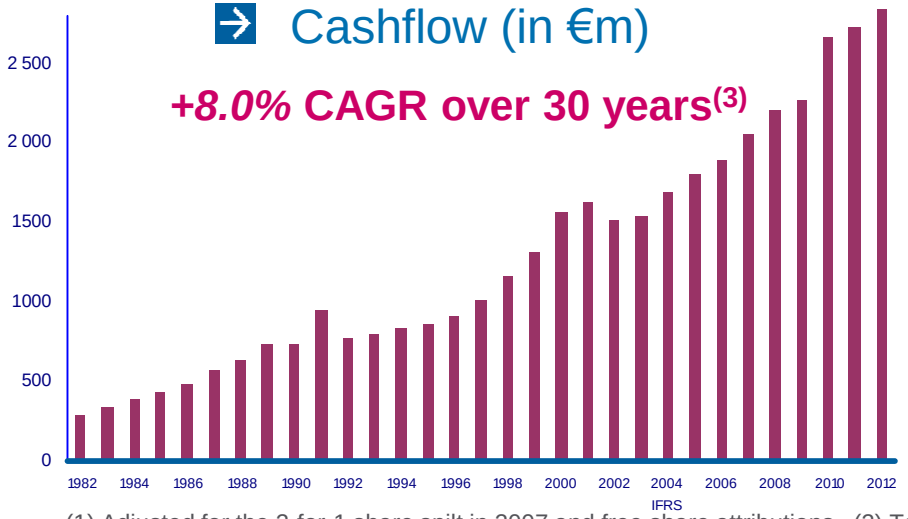
EPS(1) (in €)

+8.2% CAGR over 30 years(3)



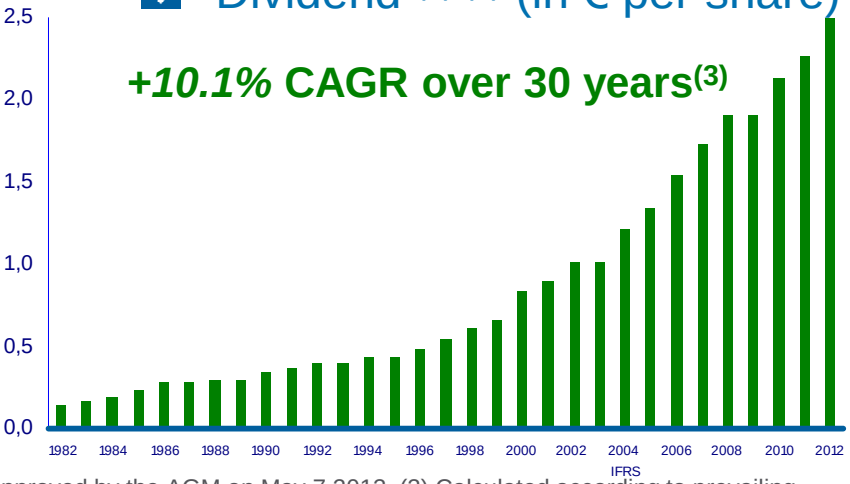
Cashflow (in €m)

+8.0% CAGR over 30 years(3)



Dividend (1) (2) (in € per share)

+10.1% CAGR over 30 years(3)



(1) Adjusted for the 2-for-1 share spilt in 2007 and free share attributions. (2) To be approved by the AGM on May 7 2013. (3) Calculated according to prevailing accounting rules over 30 years.

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