

## First half 2014:

# Activity progressing and performance in line with full year outlook

## 2014 objective maintained

### H1 2014 key figures

■ <b>Group revenue:</b> 7,506 million euros	<b>+4.8%*</b>
■ <b>Operating margin on the rise at 16.7%</b>	<b>+10bps</b>
■ <b>Net profit (Group share):</b> 755 million euros	<b>+5.0%**</b>

### Highlights

- **New contracts in growing markets:** air gases for OCI in the United States (methanol) and for ThyssenKrupp Steel Europe in the Rhine-Ruhr area, ultra-pure vector gases for CEC-Panda in China (flat panel displays).
- **Continued acquisitions:** in Healthcare with SEPRODUM (France) and in Industrial Merchant with Scientific and Technical Gases Ltd., United Kingdom supplier of specialty and calibration gases.
- **Innovation and technological development:** supply of cryogenic equipment for the ITER scientific project, hydrogen filling stations for electric vehicles in Denmark, investments in France to accelerate innovation.

\*variation H1 2014/H1 2013 on a comparable basis : excluding currency, natural gas and significant scope impacts (Anios)

\*\*excluding currency and Anios disposal impacts

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

***“The Group’s performance during the first half was solid and in line with our outlook for the year. This performance benefited from regional sources of growth – the Americas, Asia-Pacific and more globally the developing economies –, as well as from the pick-up in Electronics and the contribution from new unit start-ups. While the pace of activity in Southern Europe remains modest, it is stabilizing. Published results for the period were impacted by an unfavorable currency translation effect.***

***The increase in profit reflects our ability to control our costs and consistently generate substantial efficiencies, which contribute to the regular improvement in our operating margin. The Group thus continues to align itself to the market trends to prepare for its growth over the medium term.***

***The investment decisions during the first half of the year reflect the Group's greater selectivity in its projects. The investment backlog amounts to € 2.6 billion. As with the Group-led innovation and technologies initiatives, it will contribute to growth in the next few years.***

***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.”***

1<sup>st</sup> half 2014 Group revenue was € 7,506 million, an increase versus 1<sup>st</sup> half 2013 of +4.8% on a comparable basis, and down slightly (-0.7%) on a reported basis. Similarly, Gas & Services sales, which amounted to € 6,807 million, grew +4.7% in first half 2014 on a comparable basis and fell slightly (-1.1%) as published. The currency impact, which has no impact on the business, continues to be unfavorable (-4.2% at the Group level for the semester).

On a comparable basis, Gas & Services sales in developing economies rose by +13.9% for first half 2014 and all Gas & Services activities posted growth. Large Industries, up +4.8%, benefited from the start-up of new production units, as well as from higher demand for hydrogen in the United States for the refining sector, the development of the chemical sector in the industrial basins of Antwerp and Rotterdam, and from sustained demand for air gases in both China and the United States. The resilience of Industrial Merchant, up +3.5%, is illustrated in particular by the higher volumes in developing economies, especially China, the pursuit of a demand-side recovery in Japan (sales on a comparable basis up +9.6%), and the rise in helium and specialty gases sales. First half 2014 was also marked by robust growth in Electronics (+11.7%), driven by higher equipment and installation sales in the United States, the acquisition of Voltaix, and the success of the ALOHA™ advanced precursor range in the United States and in Asia. Healthcare was up +3.9%, benefiting from the dynamic home healthcare market, in spite of persistent downward pressure on tariffs in Europe, as well as from its expansion in developing economies and the +12.8% increase in hygiene sales posted by Schülke.

Engineering and Technology sales increased +13.7% on a comparable basis, while the level of new orders reflects the greater selectivity in both internal projects and those involving third-party customers.

The Group's operating margin improved slightly to 16.7% (+10 basis points) thanks in particular to substantial efficiency gains totaling € 152 million. Despite an increase in the tax rate, net profit (Group share) reached € 755 million, an increase of +5.0% excluding currency and Anios disposal impacts, and of +0.4% on a reported basis. The Group's net debt of € 6,797 million, is down slightly compared with June 2013, thanks in particular to greater control over the capital expenditure. The return on capital employed (ROCE) at 11%, excluding the currency impact, will increase as current growth projects ramp up.

## H1 2014 Performance

<i>In millions of euros</i>		<i>Published</i>	<i>Excluding currency, natural gas and Anios impact</i>
<b>Group revenue</b>	<b>7,506 M€</b>	-0.7 %	<b>+4.8 %</b>
including Gas & Services	6,807 M€	-1.1 %	<b>+4.7 %</b>
<b>Operating income recurring</b>	<b>1,254 M€</b>	-0.2 %	<b>+5.2 %</b>
<b>Net profit (Group share)</b>	<b>755 M€</b>	+0.4 %	<b>+5.0 %</b>
<b>Net debt as of June 30, 2014</b>	<b>6,797 M€</b>		

---

The Air Liquide **Board of Directors** met on July 30, 2014. The Board welcomed Mr. Philippe Dubrulle, appointed to serve on the Board as the representative of employees by the Group Works Council France. During this meeting, the Board of Directors reviewed the consolidated financial statements for the six months ended June 30, 2014.

Limited review procedures have been completed in relation to the consolidated interim financial statements, and an unqualified review report is in the process of being issued by the statutory auditors.

---

**Follow the announcement of first half results live on [Twitter](#) using the hashtag [#ALresults](#)  
All year long, follow Air Liquide news on <https://twitter.com/airliquidegroup>**

## CONTACTS

### Corporate Communications

Anne Bardot  
+ 33 (0)1 40 62 53 34  
Garance Bertrand  
+ 33 (0)1 40 62 59 62

### Investor Relations

Virginia Jeanson  
+33 (0)1 40 62 57 37  
Annie Fournier  
+33 (0)1 40 62 57 18

## UPCOMING EVENTS

### 3rd quarter revenue

October 24, 2014

### Actionaria exhibition, Paris, France

November 21-22, 2014

### 2014 annual results

February 17, 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 € 15.2 billion in 2013, 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.