



2013 first quarter revenue

- Growth investment decisions continue
- Good resilience of the G&S activity

In 1st quarter 2013, in a context which has remained difficult, at least in Western Europe and Japan, our year on year activity level continues to grow and our developments in fast growing markets are delivering.

Published growth year on year is hampered by negative currency translation impact, lower price of natural gas, fewer working days in the period and by a high comparison basis linked to last year customer settlements. However the underlying trend remains positive.

The resilience of the portfolio of investment opportunities and solid signatures both in the gas business and in engineering illustrate the medium-term confidence of customers.

As a result of ongoing efficiency and strict cash control the main financial indicators were preserved during the quarter.

Revenue (in millions of euros)	Q1 2012	Q1 2013	Q1 2013/2012 published change	Q1 2013/2012 change Excl. currencies and natural gas	Q1 2013/2012 Underlying trend
Gas and Services	3,443	3,406	- 1.1%	+ 1.4%	+ 4.9%
Engineering and Technology	178	147	- 17.4%	-16.8%	
Other activities	158	145	- 8.0%	- 7.5%	
TOTAL REVENUE	3,779	3,698	- 2.1%	+ 0.2%	

Revenue analysis

Group

1st quarter 2013 Group revenue totaled **3,698 million euros**, down – 2.1% as published. Adjusted for the significant currency and natural gas impact sales are up +0.2%.

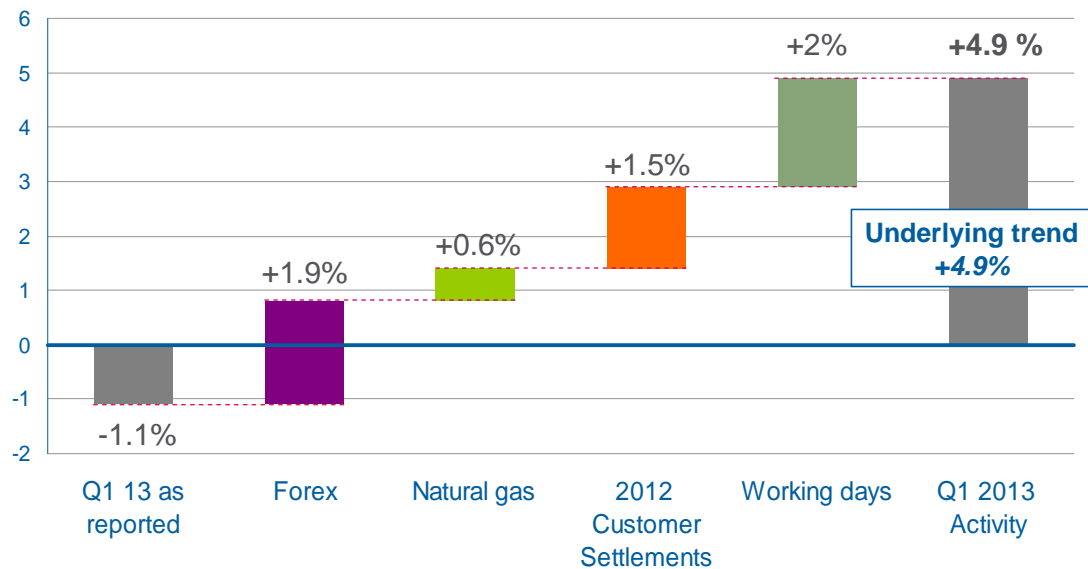
Gas and Services

Unless mentioned otherwise, all the changes in G&S revenue described below are based on comparable data excluding the impact of currency, natural gas and significant scope. For 1st quarter 2013, they are also adjusted for some significant 2012 customer settlements. These adjustments impact Large Industries in North America and Asia-Pacific.

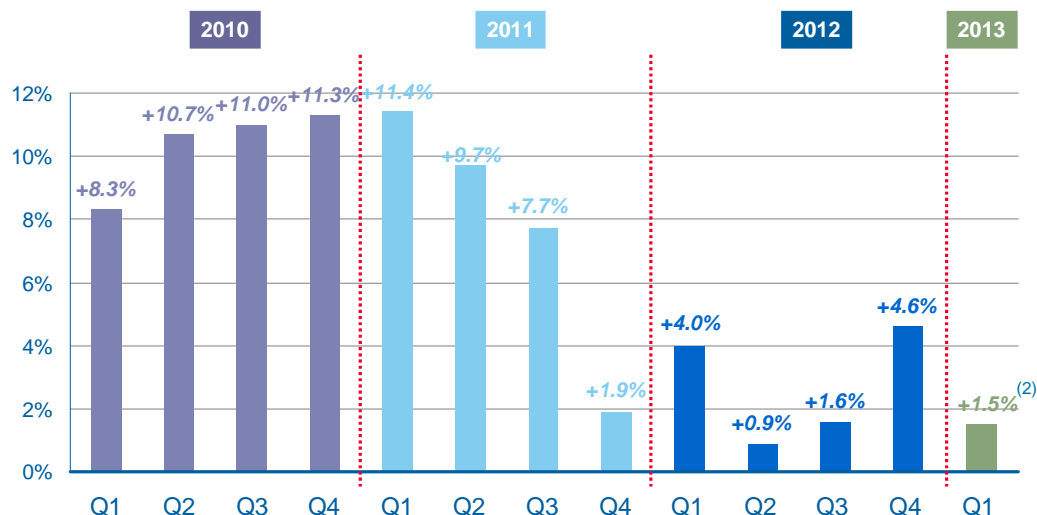
In 1st quarter 2013, **Gas and Services** published revenue declined -1.1%, impacted by a -1.9% negative currency impact and a -0.6% negative natural gas impact. The year on year comparison is also penalized by the exceptionals of last year, namely two particularly significant Large Industries customer settlements that were recorded in the 1st quarter for 1.5%. Finally it is also important to highlight that 1st quarter 2013 had two working days less than 1st quarter 2012, which impacts in particular the Industrial Merchant business line and reduces Gas and Services sales by approximately 2% for the period.

Excluding these various impacts, the analysis of the underlying trend in activity remains positive, showing a +4.9% growth.

Gas & Services Q1 2013 revenue growth analysis



Comparable Gas and Services sales growth⁽¹⁾



(1) Comparable growth, excluding the impact of currency, natural gas and significant scope. Growth rates prior to 2012 are not revised for the integration of Seppic into the Gas and Services activity.

(2) For Q1 2013, also adjusted for the impact of 2012 customer settlements.

Globally, Gas and Services growth is still impacted by the environment, now for the 6th quarter in a row. However start-ups, ramp-ups and bolt-on acquisitions are contributing +2.7% to growth, in line with expectations. Growth remains very strong in developing economies, at +9% on a comparable basis as well as in the Healthcare business line, at +12% including the contribution of the 2012 major acquisitions in Europe, LVL Médical and Gasmedi.

Revenue (In millions of euros)	Q1 2012	Q1 2013	Q1 2013/2012 published change	Q1 2013/2012 comparable change ^(a)
Europe	1,747	1,769	+1.2%	+0.2%
Americas	772	766	-0.8%	+3.2% ^(b)
Asia-Pacific	840	780	-7.2%	+ 1.0% ^(b)
Middle East and Africa	84	91	+8.9%	+16.8%
Gas and Services	3,443	3,406	-1.1%	+1.5% ^(b)
Large Industries	1,262	1,225	-3.0%	+3.4% ^(b)
Industrial Merchant	1,281	1,254	-2.1%	+0.5%
Healthcare	598	659	+10.1%	+3.4%
Electronics	302	268	-11.3%	-6.3%

(a) Comparable growth, excluding the impact of currency, natural gas and significant scope

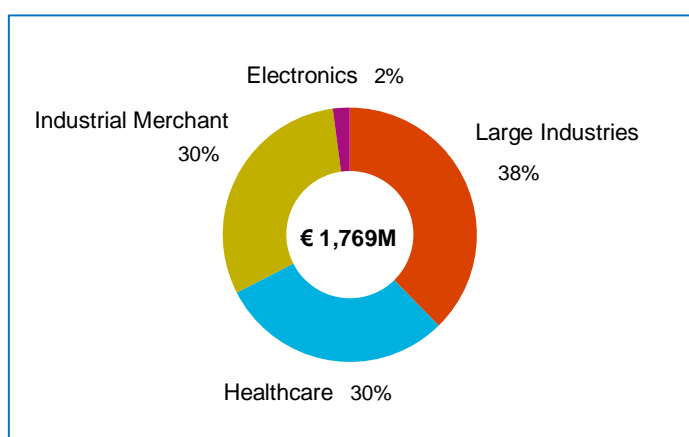
(b) Also adjusted for the impact of 2012 customer settlements.

Europe

Europe revenue, at **1,769 million euros**, is up **+ 0.2%**, reflecting significant volume growth in developing economies, solid underlying growth in demand in healthcare while the demand for gases remained soft in advanced economies. A reduction in number of working days during the quarter weighed on comparable growth, particularly in Healthcare and Industrial Merchant.

Europe Gas and Services revenue

- Large Industries** reported **+ 1.0% growth**, marked by continued weakness in metals demand. Demand in the Chemicals and Refining sectors remained solid, with a pick-up at the end of the quarter as the rather longer than usual outages were completed. Revenue grew strongly in Central and Eastern Europe, with the contribution of a site takeover in Ukraine and a ramp-up in Russia.
- Industrial Merchant** sales were down slightly by **- 1.0%**, with ongoing double-digit growth in sales in developing economies supported by small bolt-on acquisitions and increasing capacity utilization nearly compensating for weak sales in advanced economies. The price effect remained positive at **+0.5%**.
- Healthcare** growth was more modest than usual at **+ 2.1%**, due to the lower number of days during the quarter. However, including the LVL Médical and Gasmedi acquisitions in France and Spain, revenue was up **+12.5%**. Home Healthcare continued to report significant growth in volumes and revenues, driven by the continuous increase in number of patients treated and the successful integration of the acquired companies in France, in Spain and in Sweden offsetting price reductions. Medical gases more moderate volume increases were offset by weak pricing and lower equipment sales. The Hygiene activity maintained a steady growth rate at **+ 7%**.
- Electronics** revenue declined by **- 16.5%** compared to 1st quarter 2012. Equipment sales were very limited due to an absence of investment projects in the sector. Gases sales were down slightly, in the absence of any new contracts, in line with lower industry production rates and with the progressive transfer of solar production capacity to Asia.

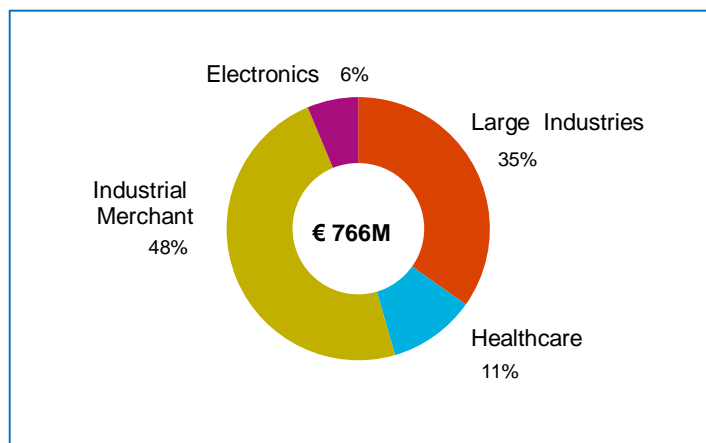


Americas

Gas and Services revenue in the Americas totaled **766 million euros**, up **+ 3.2%**. Momentum remained strong in South America while North America sales were impacted by several seasonal customer turnarounds and by a very significant reduction in Electronics equipment sales.

Americas Gas and Services Revenue

- **Large Industries** reported solid **+ 7.0%** sales growth. After longer than normal customer outages, Gulf coast chemicals and refining demand picked up strongly at the end of March. Canadian oxygen demand was also solid due to stronger demand from the steel sector. Developing economies continued to post robust sales growth in both air gases and hydrogen.
- **Industrial Merchant** achieved **+ 4.5%** growth, due to sustained demand across the Americas. Strong pricing, bolt-on acquisitions and growth in South America more than offset the impact of seasonal sales to the fracking industry in North America.
- **Healthcare** revenue increased by **+ 8.1%**, driven by significant growth in the number of Home healthcare patients in Latin America and a new hospital contract in Brazil. Activity and pricing were more difficult in the USA.
- **Electronics** sales were down, to **- 24.6%**, as last year sales were boosted by a large Equipment and Installation contract. In the absence of any new contracts and weak customer production levels, gas sales were also down.

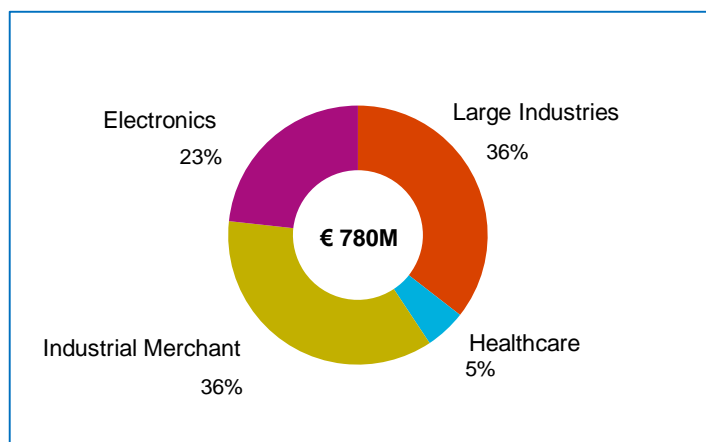


Asia-Pacific

Asia-Pacific revenue rose by **+ 1.0%** to **780 million euros**. Situations were very contrasted with a continued slow down in Japan in particular in Industrial Merchant, solid growth in China despite Large Industries turnarounds and a soft recovery in Electronics, mostly visible in Equipment and Installation sales at this stage.

Asia-Pacific Gas and Services Revenue

- Despite the absence of any start-ups in the region during the 1st quarter and customer outages, **Large Industries** sales rose **+ 5.1%**, boosted by continued growth in China.
- The trend in **Industrial Merchant** deteriorated year on year, down **- 3.9%**. This was due to a significant slowdown in sales in Japan and soft demand throughout the region during the period which was impacted by a lower number of days. However specialty gases are growing and pricing effect was positive at **+1.1%**.



- **Electronics** sales were up **+ 2.2%**. While gas sales were more or less stable across the region, equipment sales rose off a low base, providing a possible indicator of a recovery in the cycle in the second half of the year.
- **Healthcare** revenue increased by **+ 5.3%**, driven by strong progress in South Korea and a return to growth in Japan after many months of restructuring.

Middle East and Africa

Middle East and Africa revenue amounted to **91 million euros**, up **+ 16.8%**. This performance reflects strong underlying industrial demand in virtually all countries in the region, particularly in South Africa and Saudi Arabia, and benefits from the development of the healthcare activities off a very low base in Northern Africa and the Middle East.

Engineering and Technology

In order to reflect the technological evolution of the Engineering business unit, into more and more sophisticated engineering projects, the activities have been renamed Engineering and Technology. While the revenues have always included the technology sales of the Group, the published order intake was limited to the traditional gas and energy projects. From the beginning of 2013, the technology order-intake will be included. In 2012, total technology order-intake was 238 million euros relative to the Engineering and Construction order-intake of 1,704 million euros.

Engineering & Technology revenue totaled **147 million euros**, down – 17.4% compared to 1st quarter 2012. This decline in revenues is due to the large number of projects being in their early phase. The higher levels of order intake since the beginning of 2012 will start to feed into revenues more significantly in the last quarters of the year.

At **448 million euros**, the quarterly order intake was solid, including average-sized projects in every region, with a larger number of Group projects signed during the period.

Other activities

Revenue (in million of euros)	Q1 2012	Q1 2013	Q1 2013/2012 published change	Q1 2013/2012 comparable change ^(a)
Welding	111	101	- 9.3%	- 9.2%
Diving	47	44	- 5.0%	- 3.6%
TOTAL OTHERS	158	145	- 8.0%	- 7.5%

(a) Comparable : excluding currency impact

Other Activities revenue in 1st quarter 2013 declined by – 7.5% to 145 million euros.

Welding revenue was down - 9.2% in the 1st quarter, due to a continued weakness in European and export demand.

Diving (Aqua Lung) reported a reduction in sales, linked to lower professional demand while leisure activity remained strong.

Highlights of the 2013 first quarter

Industrial investment decisions

Air Liquide USA acquired Progressive Resources Inc., a supplier of liquid nitrogen and cryogenic storage for oil and gas customers. PRI has five customer service centres in four states of the central United States. The Group also inaugurated a new nitrogen liquefaction facility in Texas.

In California, the Group signed a contract with Calgren Renewable Fuels for the recovery and purification of carbon dioxide through which it will provide services to the food-and-beverage and manufacturing industries in the region.

In the port of Rotterdam, the second-largest chemical and petrochemical basin in Europe, Air Liquide signed a contract with Huntsman. This long-term supply contract will double the production capacity of Air Liquide in carbon monoxide in this basin. The Group is preparing to invest 65 million euros for this unit to be built by the Group's Engineering & Technology division; the commissioning of the plant is scheduled for early 2015.

As part of a European project to develop the use of vehicles running on hydrogen, Air Liquide will design and install three new high-capacity filling stations in the cities of Bremen in Germany, Birmingham in the United Kingdom and Brussels in Belgium, by 2014. Over a three-year period, 90 hydrogen-fuelled vehicles will be made available to drivers in order to collect concrete data on how the vehicles are used.

Expansion in Healthcare

The Group is expanding its presence in the Nordic countries and in the field of Home Healthcare for non-respiratory diseases with the acquisition of NordicInfu Care, a major player in Home Healthcare in Northern Europe. This acquisition will enable Air Liquide to enter new countries by taking care of 4,600 new patients in Sweden, Norway, Denmark and Finland. By providing both the medication and the medical equipment needed, NordicInfu Care enables patients with chronic diseases to be treated at home, thereby giving them greater autonomy.

Through its subsidiary Seppic, Air Liquide acquired BiotechMarine, a French company that specializes in the design of bio-based cosmetic ingredients made from algae. BiotechMarine brings the Group complementary expertise in research and innovation using marine biotechnology and plant cell culture.

Innovation in electronics in Asia

Air Liquide signed two contracts with the largest manufacturer of advanced-technology flat panel displays in China, BOE Technology. Two new cutting-edge plants, located in Inner Mongolia and in Anhui Province, will be supplied with ultra-pure carrier gases. The two new fabs are scheduled to be commissioned in late 2013 and early 2014, respectively. This long-term partnership is the largest investment made by Air Liquide to date for a client in this sector in China.

300 million euros bond issue

Under its Euro Medium Term Note (EMTN) programme, the Group issued 300 million euros of bonds with a 10 and a half year maturity and a coupon of 2.375%. This transaction enabled Air Liquide to extend the average maturity of existing debt, while benefitting from favourable market conditions. The bond is rated "A" by Standard & Poor's.

Investment cycle

Portfolio of opportunities

While the 12-month portfolio of opportunities remained stable at 4.0 billion euros at the end of March 2013, the composition has evolved, with a constant flow of new projects coming in, compensating for those that have been signed, awarded to competition or delayed. The portfolio includes several very large projects.

Nearly two thirds of the projects in the 12-month portfolio are still located in developing economies, with a growing focus in Eastern Europe and some very large projects in China. The portfolio also includes 11 site takeovers representing more than 25% of the value of the overall opportunities.

Investment decisions

Industrial and financial investment decisions, which are key to future growth, amounted to 710 million euros in the quarter, still amongst the highest levels of the last three years. Industrial decisions accounted for 93% of the amount. They remain well aligned with the major trends of our markets.

Large Industries projects are mostly in the chemical sector. In Industrial Merchant, there are several CO₂ capacity investments to serve the food and beverage industry. Developments were also being pursued in Home Healthcare with a rather significant acquisition in the Nordic countries and in high tech electronics with new contracts in developing Asia.

Capital expenditure

Net capital expenditure, including transactions with minority interests, stood at 531 million euros for the quarter, including 53 million euros for acquisitions.

Start-ups

Six new units were started-up in 1st quarter, the two main ones being ASU take-overs in Mexico and Ukraine.

Operating performance

Group efficiency gains for the quarter reached 59 million euros, in line both with previous 1st quarters and the new objective of more than 250 million euros each year. This performance is the result of the contribution of many projects all around the Group in purchasing, logistics and energy efficiency. The structural adaptation plans continue to be strengthened in countries where growth is more modest.

Cash from operations after change in working capital up +10% year on year was solid for the first three months of the year reaching 464 million euros and providing the financing for the 478 million euros of industrial capital expenditure. The group's financial structure remains solid.

Outlook

In an economic environment that remains contrasted, the 1st quarter saw the pursuit of growth investments and an increase in underlying growth in Gas & Services by almost 5%. Boosted by the impact of acquisitions, the Healthcare activity is characterized by sustained growth of +12%.

The newly signed contracts, the planned commissioning of 50 units between 2013 and 2014, and the gradual ramp-up of plants that have started up in the past three years strengthen the Group's confidence in its ability to pursue growth over the medium term.

Barring a degradation of the environment, the Group maintains its full year guidance to deliver net profit growth in 2013. Nevertheless, the two halves will be contrasted. Whereas the impact of new additional taxes and IFRS pension adjustments will be spread over the year, the accruals related to adaptation plans will mostly affect the 1st half, while the positive impact of these plans will only start to deliver in the 2nd half.

Appendix

Impacts of currency, natural gas, significant scope and customer settlements

In addition to the comparison of published figures, 2013 1st Quarter financial information is given excluding the impact of currencies, natural gas price fluctuations, significant scope and where relevant customer settlements.

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 2013 1st quarter revenue includes the following:

<i>In millions of euros</i>	Revenue Q1 2013	Q1 13/12 Change	Currency	Natural gas	Significant scope	Q1 13/12 comparable Change (a)	Customer Settlements	Q1 13/12 adjusted Change (b)
Group	3,698	-2.1%	-67	-21	+49	-1.1%	-50	+0.2%
Gas & Services	3,406	-1.1%	-66	-21	+49	+0.0%	-50	+1.5%

(a) excluding the impact of currency, natural gas and significant scope.

(b) excluding the impact of currency, natural gas, significant scope and 2012 customer settlements.

For the Group,

- The currency impact was – 1.7%.
- The impact of lower natural gas prices was - 0.6%.
- The significant scope impact was + 1.3%.
- The customer settlements impact accounted for - 1.3%.

For Gas and Services,

- The currency impact was - 1.9%.
- The impact of lower natural gas prices was - 0.6%.
- The significant scope impact was + 1.4%.
- The customer settlements impact accounted for - 1.5%.