2011 Results
Extracts from the Management report

2011 Performance

2011 KEY FIGURES

A solid full year performance was achieved in 2011.

In the first nine months, growth continued in advanced economies and was strong in developing economies. Due to the diversity of activities and the Group's extended geographical coverage, the Group's overall growth was only slightly affected by the tsunami in Japan, the Arab Spring and the flooding in Australia and Thailand. In the last quarter of the year, in an environment affected by the public sector debt crisis, the reversal of the Electronics investment cycle, and decline in the demand for steel in Western Europe, combined with the absence of major start-ups, heightened customer prudence and weighed on growth.

However, the Group's investment cycle momentum was sustained with numerous contracts signed throughout the year, and a record amount of investment opportunities at the end of December.

In millions of euros	**2010**	**2011**	**2011/2010 published change**	**2011/2010 comparable change**
Total revenue	13,488	**14,457**	+7.2%	+6.8% (a)
of which Gas and Services	11,886	**12,839**	+8.0%	+7.5% (a)
Operating income recurring	2,252	**2,409**	+7.0%	
Operating income recurring as % of revenue	16.7%	**16.7%**	=	+ 10bp (b)
Net profit (Group share)	1,404	**1,535**	+9.4%	
Net earnings per share (in euros)	4.99	**5.43**	+8.8%	
Adjusted dividend per share (in euros)	2.35	**2.50**(c)	+6.4%	
Cash flow from operating activities before change in working capital requirement	2,661	**2,728**	+2.5%	
Net capital expenditure (d)	1,738	**1,676**		
Net debt	5,039	**5,248**		
Debt to equity ratio	55%	**53%**		
Return On Capital Employed – ROCE after tax (e)	12.1%	**12.1%**		

(a) Excluding natural gas, exchange rate and significant perimeter impacts.
(b) Excluding the natural gas impact.
(c) Subject to the approval of the May 9, 2012 Shareholders' Meeting.
(d) Including transactions with minority shareholders.
(e) Return On Capital Employed after tax: (net profit after tax before deduction of minority interests – net cost of debt after taxes)/weighted average of (shareholders' equity + minority interests + net indebtedness).

SUMMARY

Revenue increased by + 7.2%, amounting to 14,457 million euros. Gas and Services revenue totaled 12,839 million euros, up + 7.5% on a comparable basis, excluding exchange rate, significant perimeter, and rising natural gas prices impacts. Group operating income remained high at 16.7%, up +10 basis points, excluding the natural gas impact. Net profit totaled 1,535 million euros, up + 9.4%. The dividend per share to be submitted to the vote of the Shareholders' Meeting of May 9, 2012 is 2.50 euros, representing an estimated pay-out ratio of 47.5%.

Net cash from operating activities before changes in working capital amounted to 2,728 million euros, up +2.5%. Investments, net of disposals, declined slightly to 1,676 million euros. Industrial investments increased by more than 20% over the period. Hence, net debt remained stable at 5,248 million euros, excluding exchange rate and scope impacts. The debt-to-equity ratio decreased compared to December 31, 2010 to 53%.

2011 HIGHLIGHTS

In 2011, Air Liquide reported revenue growth of + 7.2% and an operating margin of 16.7%. This sustained operating performance together with the high level of **investment decisions** at 2.0 billion euros has been achieved despite numerous natural disasters, political uprisings in Africa and Middle East and economic uncertainty surrounding public sector debt levels and the future of the Euro zone. This performance clearly demonstrates the **robustness of the growth model** and confirms the importance of the **growth drivers**.

In 2011, Air Liquide pursued its investments and growth in **developing economies,** which now represent 21% of Gas and Services revenue. The Group strengthened its presence in Eastern Europe. In **Ukraine,** an initial air gas supply contract was signed with Metinvest, the Ukrainian leader in steel. In **Russia,** a new oxygen, nitrogen and argon supply contract for the new Severstal steel production unit helped consolidate the Group's positions. In **Turkey**, Air Liquide pursued its growth by acquiring three air gas production units in Petkim, thus confirming the real opportunity for site takeovers, and undertook to invest in a new production unit. Finally, in Latin America, the Group entered the **Mexican market** and pursued its investments in **Chile**. These contracts illustrate the growing trend of customer **outsourcing**.

In **Energy and the Environment**, 2011 was marked by the start-up or ramp-up of significant hydrogen production units in Rotterdam and Singapore. Based on Lurgi technology, the Group entered the **gasification** sector by signing a long-term syngas purification contract in China. This year, in the **Hydrogen Energy** sector, Air Liquide undertook to supply the hydrogen required to power a fleet of forklifts at the Coca-Cola distribution and packaging center in California. Plans were announced to cooperate with Plug Power to develop the hydrogen-powered forklift market in Europe based on state-of-the-art **fuel cell** technology. The Group made new breakthroughs in the **enhanced oil recovery** sector: in Canada, the decision was made to increase nitrogen capacity in order to satisfy the growing needs of the Canadian oil industry, and in Saudi Arabia Air Liquide signed a new supply contract with Saudi Aramco. This contract follows the signature in 2010 of the most significant contract in the Group's history with this partner and strengthens its position as industrial gas leader in the Middle East. Finally, the Group also developed and launched new product offers intended for the offshore oil market.

European leader in **Home healthcare**, Air Liquide pursued its **acquisition strategy**. The Healthcare business line increased its presence in France by acquiring ADEP Assistance, a significant French specialist in home respiratory care, and extended its therapy expertise through the acquisition of Licher in Germany, a company specializing in the treatment of Parkinson's disease.

In the **high technologies** market, numerous new contracts were signed in 2011 with leaders in the **photovoltaic** industry, mainly in China, Taiwan, Japan, India, Vietnam, Morocco, the United States and Germany. To better understand and anticipate the new needs of customers, Air Liquide invested in **a photovoltaic cell manufacturing R&D line**. The Group also entered the **nanopowder** market, a new high tech market with significant growth potential, by signing a long-term contract with Nanomakers, a French company specializing in the production of high grade silicon carbide nanopowders.

In a more difficult financial context, due to its **robust financial structure,** the Group was able to anticipate the renewal of its **syndicated credit line,** maturing in July 2012, for an amount of 1 billion euros, with a new maturity of 5-7 years. The Group continued to diversify its funding sources and in September issued **a Renminbi-denominated bond** for a total amount of 319 million euros. This bond issue, which was awarded an A rating by Standard & Poor's, was mostly subscribed to by Asian investors and enabled the Group to finance its numerous investments in China at an optimum cost. Furthermore, in December, the Group issued Yen-denominated bonds in a private placement under the EMTN program, maturing in 7 years, for 155 million euros equivalent.

The **12-month portfolio of opportunities** reached a record level of 4.2 billion euros as of December 31, 2011. **Investment decisions**, which totaled 2 billion euros in 2011, guarantee the growth in capacity in forthcoming years. Finally, the Group confirmed its growth momentum in developing economies with 9 unit start-ups out of a total of 16.

Finally, against a backdrop of rising inflation, particularly in Europe that was only partially offset by price increases Air Liquide managed to accelerate its **efficiency programs** and this year recorded gains of 270 million euros, thus exceeding its annual target of 200 million euros. These new efficiencies contributed to the solid operating performance.

2011 INCOME STATEMENT

Revenue

Revenue In millions of euros	2010	2011	2011/2010 published change	2011/2010 comparable change [(a)]
Gas and Services	11,886	12,839	+8.0%	+7.5%
Engineering and Construction	751	705	-6.1%	-6.0%
Other activities	851	913	+7.3%	+7.6%
TOTAL REVENUE	**13,488**	**14,457**	**+7.2%**	**+6.8%**

(a) Excluding exchange rate, natural gas and significant perimeter impacts

Unless otherwise stated, the changes in revenue outlined below are based on comparable data (excluding exchange rate, natural gas and significant perimeter impacts).

Group revenue totaled **14,457 million euros**, up + 7.2% compared to 2010.

On a comparable basis, revenue increased by **+ 6.8**%, compared to 2010, excluding negative - 0.2% exchange rate and - 0.4% significant perimeter impacts, following the sale of a non-strategic subsidiary in the European electronic equipment sector, and a positive + 1.0% natural gas impact.

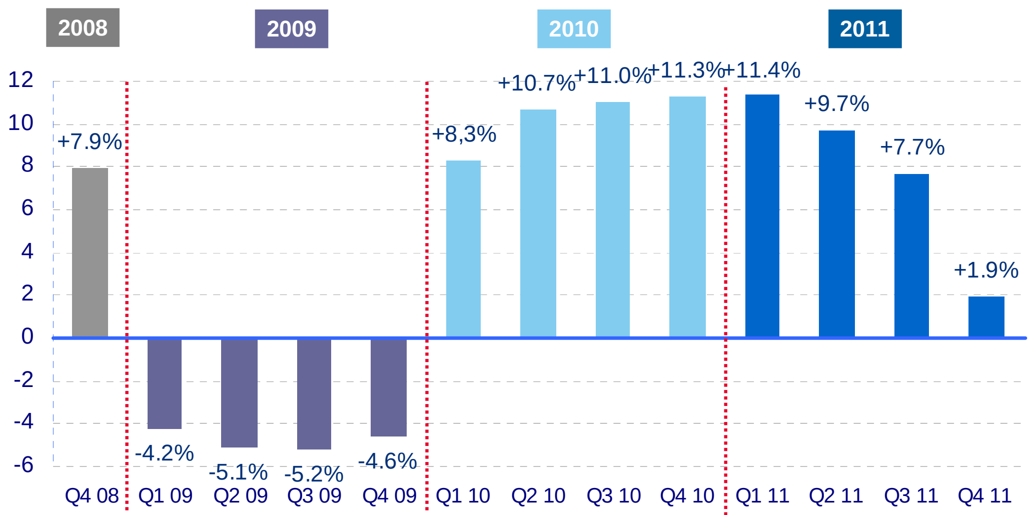
Revenue In millions of euros	**Q1 11**	**Q2 11**	**Q3 11**	**Q4 11**	**Change Q4 11/Q4 10 published**
Gas and Services	3,185	3,171	3,223	3,260	*+ 3.5 %*
Engineering and Construction	134	156	158	258	*+ 45.8 %*
Other activities	224	246	216	227	*+ 4.3 %*
TOTAL REVENUE	**3,543**	**3,573**	**3,597**	**3,745**	***+ 5.7 %***

Revenue continued to progress sequentially quarter on quarter, reaching 3.7 billion euros in the fourth quarter. Nevertheless, year on year published growth slowed down in the last period to +5.7%.

Gas and Services

Gas and Services revenue totaled 12,839 million euros, up + 8.0%. Negative exchange rate and significant perimeter contributions totaled – 0.2% and – 0.4%, respectively, and were more than offset by a natural gas price increase of + 1.1%. On a comparable basis, the increase amounted to +7.5% compared to 2010, with a very steady performance in the first three quarters at +9.5%. Fourth quarter growth was +1.9%, compared to a very strong 4th quarter 2010, impacted by a global customer cautiousness, visible in particular, in the steel and electronics sectors. Maintenance outage at major client facilities and the absence of significant start-ups also affected volumes.

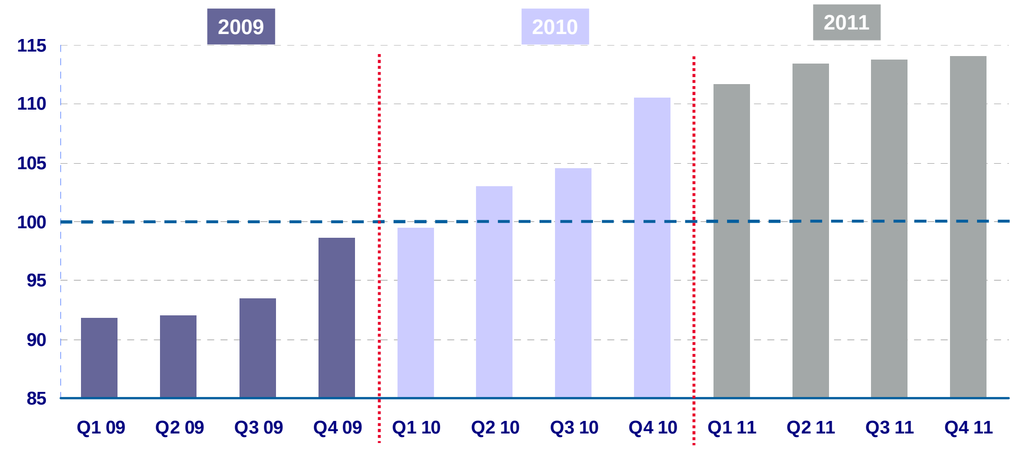
Comparable* Gas and Services sales growth



* *Comparable: excluding exchange rate, natural gas and significant perimeter impacts.*

Gas and Services monthly activity index

*2008 average base 100**



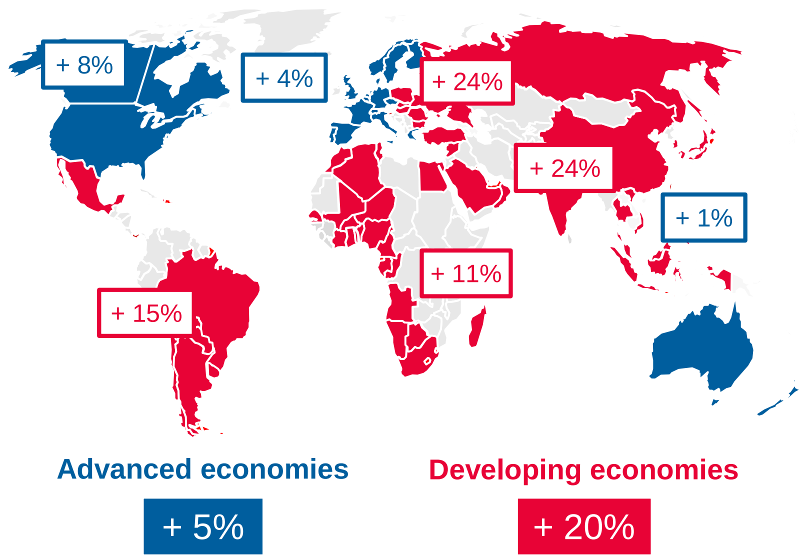
** Comparable revenue, adjusted for the number of days per month.*

This performance was attributable to:

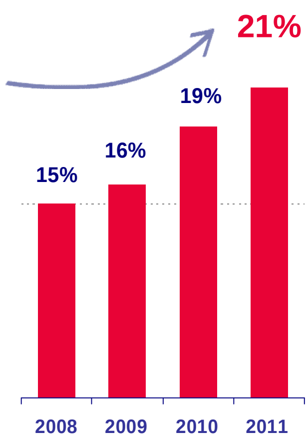
• a +20% increase in sales in developing economies due to solid growth in demand and a significant number of unit start-ups and ramp-ups,

• a +5% increase in sales in advanced economies where events in Japan, the Euro zone and Australia weighed on demand.

Comparable Gas and Services sales growth (2011/2010)



G&S sales share developing economies



* *Comparable: excluding exchange rate, natural gas and significant perimeter impacts.*

Start-ups, ramp-ups, site takeovers and minor acquisitions carried out during the year contributed + 5% to Gas and Services sales.

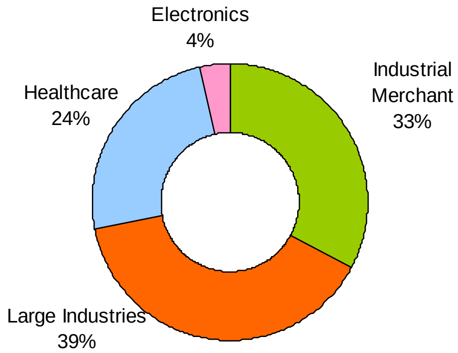
Revenue *(in millions of euros)*	**2010**	**2011**	**2011/2010 published change**	**2011/2010 comparable change** (a)
Europe	6,201	6,585	*+6.2%*	*+4.5%*
Americas	2,748	2,859	*+4.0%*	*+9.0%*
Asia-Pacific	2,644	3,083	*+16.6%*	*+12.5%*
Middle East and Africa	293	312	*+6.4 %*	*+10.9%*
Gas and Services	**11,886**	**12,839**	***+8.0%***	***+7.5%***
Industrial Merchant	4,753	4,892	*+2.9%*	*+2.9%*
Large Industries	4,019	4,585	*+14.1%*	*+11.7%*
Healthcare	1,937	2,076	*+7.2%*	*+7.4%*
Electronics	1,177	1,286	*+9.3%*	*+11.9%*

(a) Excluding exchange rate, natural gas and major scope impacts.

Europe

Europe revenue totaled **6,585 million euros**, up **+4.5%**, with strong growth in developing economies and more modest in advanced economies. The quarterly growth rate was curbed by a high comparison base due to the consolidation of the site takeovers in Germany from June 2010 and lower demand from the steel sector. The Healthcare growth rate remained stable. The development of Industrial Merchant was more contrasted between advanced Europe and developing Europe.

Europe Gas and Services Revenue



2011 revenue: 6,585 million euros

- **Large Industries** reported **+ 7.0% growth**, benefitting in the first half of 2011 from a high demand and the ongoing contribution of the site takeover in 2010 of Oxea, a syngas production unit in Germany. From the end of the third quarter, steel site closures, certain customer maintenance stoppages and the absence of new start-ups weighed on growth. Demand for hydrogen in refining and for oxygen in the Chemicals sector remained solid throughout the year. The delayed start-up of a new hydrogen unit in Rotterdam had only a slight impact in 2011. Business in developing Europe increased significantly, mainly due to the ramp-up of units in Poland and Bulgaria, as well as the contribution in December of a site takeover in Turkey.
- **Industrial Merchant** sales declined slightly (**- 0.9%**). Excluding internal reclassifications, the level would have been stable. Developing economies continued to report double-digit growth. In advanced economies, sales growth was contrasted. In Spain, sales remained well below the 2008 level, and other markets recovered slowly. Bulk activity continued to improve slightly, whereas cylinder activity

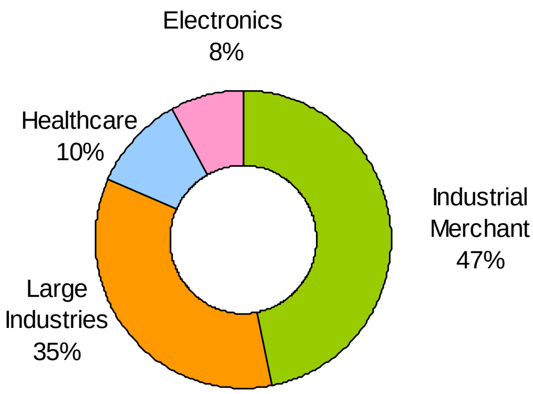
remained below the 2008 level. The price impact improved quarter-on-quarter and was slightly positive for the full year.

- **Healthcare** pursued its development, with **+ 6.3% growth**. Home Healthcare continued to record strong growth of + 8.2%, driven by the sustained rise in demand and two acquisitions: ADEP, a French specialist in home respiratory care and Licher, a company specializing in the treatment of Parkinson's disease, based in Germany. The increase in medical gas volumes was curbed by the price pressures relating to public sector deficits. After two contrasting years, impacted by exceptional sales during the H1N1 crisis, the Hygiene activity regained its historical annual growth rate of more than + 8%.
- **Electronics** revenue rose sharply by **+ 18.9%,** due to significant Equipment and Installation sales, relating to the construction of a new photovoltaic panel *fab* in Italy. Nevertheless, the Electronics sector's investment cycle was reversed at the end of the first half and growth slowed down from the third quarter. Sales of carrier and specialty gases continued to improve, benefitting from new contracts, particularly since the start-up of the new *fab* in Italy.

Americas

Gas and Services revenue in the Americas totaled **2,859 million euros** up **+ 9.0%**. This performance was due to solid activity levels in North America, and still dynamic growth in South America, particularly Argentina.

Americas Gas and Services Revenue



2011 revenue: 2,859 million euros

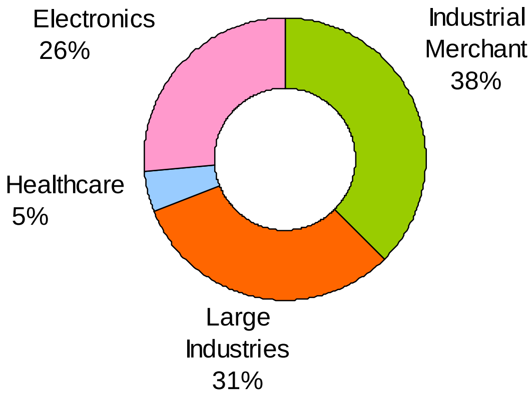
- **Large Industries** reported a robust **+ 8.5%** increase in sales, despite numerous client maintenance stoppages and sluggish metals activity in Canada. Demand in the Chemicals sector remained high due to the increased competitiveness of US sites, which benefit from an advantageous natural gas price. The demand in the metals sector appeared to recover at the year-end, as flat steel inventories for the automotive industry reached a low point. Cogeneration units reported sharp growth in sales due to rising electricity prices. Argentina reported significant increases in air gas and hydrogen sales.
- **Industrial Merchant** increased by **+ 6.6%** due to sustained demand in the United States and sales momentum in Canada and developing economies. Bulk sales for oil exploration and equipment sales increased sharply in Canada. Cylinder activity improved over the entire area, particularly in South America. Pricing campaigns were organized to take into account rising costs, particularly in energy and transport.
- **Healthcare** revenue rose by **+ 9.5%,** driven by sustained high growth in the Home healthcare sector in Latin America (Argentina, Brazil and Chile). The more moderate growth in North America resulted from the combination of solid medical gas demand growth in the United States and lower equipment sales in Canada.
- **Electronics** reported substantial **+ 28.1%** growth for the full year, due to the start-up of a new *fab* in the United States in the first quarter and the strong contribution from both carrier and specialty gases,

in addition to the significant Equipment and Installation sales. However, equipment sales gradually slowed down as from the second half of 2011 and the fourth quarter was marked by a decline in client production operating rates, resulting in a sequential decrease in specialty gas sales.

Asia-Pacific

Asia-Pacific revenue grew by **+ 12.5%** to reach **3,083 million euros**. Performance remains contrasted between advanced economies, where sales were virtually stable at + 1%, and developing economies, where sales growth was strong up + 24%. 2011 was particularly marked by numerous natural disasters: the earthquake and tsunami in Japan, and flooding in Australia and Thailand. The Electronics business, representing 26% of revenue in Asia-Pacific, reported a marked slowdown at the end of the year, particularly in Japan, leading initially to a decline in Equipment and Installation sales, followed by a decline in specialty gas sales. Growth remained particularly high in China at + 28.6%, despite slightly weaker demand, especially in Industrial Merchant, and the absence of any start-ups during the period.

Asia-Pacific Gas and Services Revenue



2011 revenue: 3,083 million euros

- **Large Industries** revenue growth was **+ 29.5%.** This sustained growth resulted from ongoing ramp-ups, particularly of a major hydrogen unit which started up in late 2010. A quarter on quarter slowdown was observed from the third quarter, as a result of a pause in the number of start-ups, especially in China, and client maintenance stoppages. A new growth phase is expected for 2012 with 9 start-ups expected in the region, including 8 in China.
- **Industrial Merchant** activity increased by **+ 5.3%** in 2011. Activity differed from country to country. Japan and Australia reported only slight growth, affected by natural disasters. The post-earthquake recovery expected in Japan at the end of the year remained moderate. In developing economies, sales growth was high but dipped in the last quarters. The growth in liquid product demand slowed down as from the second half of 2011, particularly in China, and more specifically in activities such as LED and back-end electronics.
- **Electronics** business growth totaled **+ 5.6%** for the year. In Japan, the sector's investment cycle finished at the end of the first quarter of 2011. Thus, starting from the second quarter, Equipment and Installation activity stabilized at more traditional levels. Fab production rates and specialty gas consumption also slowed down dramatically as from the third quarter. In other countries, growth remained positive, especially in China due to new specialty and carrier gas contracts.

Middle East and Africa

Middle East and Africa revenue totaled **312 million euros,** up **+ 10.9%.** In the Middle East, Large Industries reported significant growth due to the ramp-up of new entities and scope impacts. The construction of a major hydrogen unit in Yanbu began on schedule. In Africa, Industrial Merchant growth remained solid, particularly in South Africa, despite the contrasting situations between countries due to Arab Spring events and instability in the Ivory Coast.

Engineering and Construction

Engineering and Construction revenue totaled **705 million euros,** down – 6% compared to 2010. Sales were steady in the first three quarters of 2011, and increased strongly in the fourth quarter, particularly due to hydrogen projects. In the last three months, project phases were completed and therefore revenues were recognized.

In 2011, order intake totaled 1.0 billion euros, close to the 2010 figure. The vast majority of projects involve air gas units for the metals and chemicals sectors. The most active areas were Asia followed by the Middle East.

Orders in hand totaled 3.2 billion euros as of December 31, 2011, reflecting the good progress achieved in projects in 2011. As the Group's projects have increased in size, the decision process may take more time. The level of negotiations remained high at the start of 2012.

These levels of sales, of order intake and of orders in hand illustrate the Group's E&C strategy where on the one hand, priority is given to internal projects and, on the other hand, to engineering and procurement third party projects. The decline in construction projects in favor of engineering and procurement projects has reduced revenue and the order intake amount but improved the business risk profile.

Other Activities

Revenue *(in millions of euros)*	**2010**	**2011**	**2011/2010 published change**	**2011/2010 comparable change [(a)]**
Welding	429	**469**	+ 9.3%	+8.9%
Specialty chemicals and Diving	422	**444**	+5.3%	+6.3%
TOTAL	**851**	**913**	**+7.3%**	**+7.6%**

(a) Comparable: excluding exchange rate impacts.

Other activities revenue totaled 913 million euros, up + 7.6% compared to 2010.

The turnaround in the **Welding** activity continued with an increase in consumables and good year-end equipment and automation sales. However, 2011 sales were still lower than the 2008 levels. Consumable sales slowed down slightly in the last quarter of 2011.

Specialty Chemicals (Seppic) reported comparable sales growth of + 7%, mainly driven by the vaccines activity. **Diving** (Aqualung) reported sustained +5.0% growth for 2011, due to the development of new innovative products.

Operating income recurring

Group operating income recurring (OIR) totaled **2,409 million euros** in 2011, up **+ 7.0%** compared to 2010. Operating margin (OIR over revenue) was stable at the previous year's record level of 16.7%. Excluding the impact of natural gas price increases, the margin increased by **+ 10 basis points**.

This improvement was attributable to a further substantial increase in **efficiency by 270 million euros**, exceeding the annual objective fixed at more than 200 million euros, and positive pricing (excluding energy indexation), which helped offset the +3.0% cost (excluding indexed energy) inflation.

This efficiency represented savings of 2.7% of the cost-base. Over half the gain was attributable to the reduction in energy consumption and the optimization of the logistics chain, and one third resulted from the roll-out of worldwide and regional purchasing platforms. The remainder corresponds to reorganizations and overhead optimization.

Operating income recurring before depreciation and amortization totaled 3,564 million euros, up **+ 5.6%**. Depreciation and amortization amounted to 1,155 million euros, up + 2.9%, reflecting a reduction in the number of major start-ups compared to the previous year.

EXPLANATION OF THE NATURAL GAS IMPACT

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 price of natural gas varies, the price of hydrogen or steam for the customer is automatically adjusted proportionately, according to the index.

When the price of natural gas increases, revenue and costs rise by the same euro amount, without impacting significantly Operating income recurring. This mechanism has a negative effect on the operating margin.

Conversely, when the price of natural gas decreases, revenue and costs decrease and Operating income recurring is maintained, which has a positive effect on the operating margin.

In both cases, natural gas price fluctuations do not change the intrinsic profitability of the activity.

Gas and Services

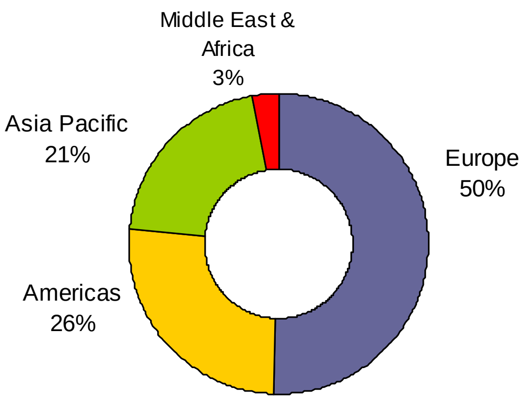
2011 was marked by significant cost inflation throughout the year, offset by efficiencies largely exceeding the annual target, and a positive price impact in all regions of the Industrial Merchant business line.

Gas and Services operating income recurring totaled **2,421 million euros**, up **+6.2%**. The operating income recurring over revenue amounted to **18.9%,** compared to 19.2% in 2010. Excluding the natural gas impact it remained high at **19.1%.**

Costs, energy costs in particular, are indexed in the Large Industries long-term contracts, and in some of the Industrial Merchant or Electronics contracts. For contracts where there is no automatic indexation, price increases are necessary in order to pass on higher energy, maintenance, transport or salary costs. Sustained efficiency gains of 253 million euros helped to offset the difference between cost inflation at + 3.3% and higher prices of + 0.6%. Industrial Merchant pricing at +1.5% for the year improved quarter after quarter but was somewhat offset by pricing pressure in Electronics and tariff reductions in Healthcare.

This small change in the Gas and Services margin is attributable to a persistent lag between cost and price inflation in Industrial Merchant, and by the product mix impact in Large Industries. Indeed, the steadier growth in the hydrogen and cogeneration activities, where capital intensity is less than that of oxygen, slightly diluted the operating margin, even though returns on investment remained the same. In Healthcare, despite pressure on tariffs, the margin increased due to productivity. The change in product mix for the Electronics activity, related to lower equipment and installation sales at the end of the year, as well as productivity efforts, helped margins to improve in this business.

Gas and Services operating income recurring by geography



2011 operating income recurring: 2,421 million euros

Gas and Services operating margin

Operating margin [(a)]	2010	2011
Europe	19.1%	18.6%
Americas	21.5%	22.0%
Asia-Pacific	16.4%	16.3%
Middle East and Africa	25.0%	20.8%
TOTAL	**19.2%**	**18.9%**

(a) Operating income recurring/revenue.

European operating income recurring totaled **1,227 million euros**, up **+ 3.7%**. The operating margin, excluding the natural gas impact, is virtually stable at **- 10 basis points. Despite a gradual improvement in prices quarter by quarter,** the time lag between the increase in prices and inflation continued in Industrial Merchant. Margins for the other business lines have improved.

Operating income recurring in the **Americas** amounted to **628 million euros**, up **+ 6.4%**. Excluding the natural gas impact, the operating margin rose by **+ 20 basis points** due to better Large Industries, Healthcare and Electronics margins.

In **Asia-Pacific**, operating income recurring amounted to **502 million euros**, an increase of **+ 15.5%.** Excluding the natural gas impact, the operating margin as a percentage of revenue rose by **+ 10 basis points** thanks to improved Industrial Merchant loading rates of new production capacities and the ramp-up of carrier gas contracts in Electronics. This improvement was slightly attenuated by the start-up of a major hydrogen unit, with lower capital intensity.

Operating income recurring for **Middle East and Africa** amounted to **65 million euros**, a decline of **– 11.4%.** The operating margin remained above Group average, despite a drop of **- 420 basis points**, due to lower volumes in the aftermath of the Arab Spring, and significant development efforts.

Engineering and Construction

Operating income recurring for Engineering and Construction was **75 million euros**. The operating margin reached 10.6%, up **+ 160 basis points** compared to 2010. This performance reflects a solid work-load and improved project risk management.

Other activities

The Group's Other Activities reported operating income recurring of **106 million euros**, up **+ 31.2%**, attributable to improved profitability, particularly in the Welding activities. The operating margin reached 11.6%, an improvement of + 210 basis points.

Research and Development and corporate costs, included consolidation adjustments and amounted to **194 million euros**, up **+ 9.2%.** This increase reflects the Group's efforts to develop its capacity for innovation and to sustain its geographical expansion. Holding costs are under control.

Net profit

Net profit (Group share) rose by **+ 9.4%, an increase that significantly exceeded sales growth**.

Other operating income and expenses posted a positive balance of **28 million euros in 2011**. This primarily comprises capital gains on the disposal of non-strategic subsidiaries in Industrial Specialty Chemicals and equipment for sub-contractors in the Electronics sector for 122 million euros. Other operating expenses include charges covering litigation-related risks, and certain one-off costs. These expenses include a best estimate of the risk associated with the fine imposed on Air Liquide in Japan by the local competition authorities, which the Group is appealing.

The **Net financial expenses, at -298 million euros, were down slightly** compared to last year. **Net finance costs,** up + 2.9%, reflected a very limited increase in average debt over the year and an average financing rate of 4.8% that was slightly below last year. Other financial income and expenses improved in comparison to the 2010 level, which had been impacted by negative fair value measurements of certain hedging instruments.

The **effective tax rate** was **27.0%,** due to the recognition of exceptional income taxable at reduced rates. In 2010, the tax rate was 26.4% for the same reasons.

Profit from associates amounted to **33 million euros,** an increase of 5 million euros compared to 2010. **Minority interests** were 60 million euros, up +9.7%.

Overall, **Net profit (Group share) amounted to 1,535 million euros** in 2011, up **+ 9.4%.**

Net earnings per share was 5.43 euros, up **+ 8.8%** compared to 2010. The average number of outstanding shares used for the net earnings per share calculation as of December 31, 2011 was 282,615,649.

Change in the number of shares

	2010	2011
Average number of outstanding shares [(a)]	281,491,673	**282,615,649**

(a) Used to calculate net earnings per share.

Number of shares as of December 31, 2010	**284,095,093**
Cancellation of treasury shares	(1,200,000)
Options exercised during the year	917,848
Number of shares as of December 31, 2011	**283,812,941**

Dividend

At the Shareholders Meeting of May 9, 2012, the payment of a dividend of 2.50 euros per share will be proposed to shareholders in respect of the full year 2011. This corresponds to a distribution rate of 47.5%.

The record date has been set for May 11, 2012 and the payment date for May 16, 2012.

2011 CASH FLOW AND BALANCE SHEET

In millions of euros	2010	2011
Cash flow from operating activities before changes in working capital	**2,661**	**2,728**
Changes in working capital requirement	(155)	(193)
Other	(86)	(109)
Net cash from operating activities	**2,420**	**2,426**
Dividends	(647)	(721)
Purchases of property, plant and equipment, intangible assets and long-term investments, net of disposals [a]	(1,738)	(1,676)
Increase in share capital	110	52
Purchase of treasury shares	3	(94)
Other	(295)	(196)
Change in net indebtedness	**(148)**	**(209)**
Net indebtedness as of December 31	(5,039)	(5,248)
Debt to equity ratio as of December 31	**55%**	**53%**

(a) Including minority interest transactions.

Cash flow from operating activities

Cash flow from operating activities before changes in the working capital requirement (WCR) amounted to 2,728 million euros, up + 2.5% compared to 2010. The performance differential between net profit and cash flow from operating activities is due, on one hand, to the presentation of purchases of property, plant and equipment, intangible assets and long-term investments net of gains on disposals in the cash flow statement and, on the other hand, to lower growth in depreciation and amortization charges given the relatively modest number of start-ups.

Changes in working capital requirement

The working capital requirement increased by 193 million euros in 2011 excluding currency and perimeter impacts. This increase was partly attributable to the Engineering and Construction business cycle. The working capital to sales ratio, excluding taxes, was 7.0% slightly up relative to 6.5% in 2010. Excluding Engineering and Construction working capital was stable as a percentage of sales.

Total capital expenditure

Reflecting a substantial 2.2 billion euros in 2010 investment decisions, total industrial capital expenditure rose strongly to stand at 1.8 billion euros. Acquisitions amounted to 103 million euros, including numerous modest acquisitions in Industrial Merchant and Healthcare. Disposals represented 182 million euros due to the sale of three non-strategic subsidiaries in Industrial Specialty Chemicals, equipment for sub-contractors in the Electronics sector and the cryogenic activities in Japan.

Total Group investment capital expenditure

In millions of euros	Industrial investment	Financial investment [a]	Total capex
2006	1,128	72	1,200
2007	1,359	1,308	2,667
2008	1,908	242	2,150
2009	1,411	109	1,520
2010	1,450	332	1,782
2011	**1,755**	**103**	**1,858**

(a) Including minority interest transactions

Industrial investment

Industrial investment amounted to 1.8 billion euros in 2011, largely exceeding the amount of 2010. This includes the construction of numerous units in developing economies: China, Russia, Brazil, Singapore and the Middle East, and the launch of work on the hydrogen unit in Yanbu, Saudi Arabia. In the advanced economies, investment continued with, in particular, the reinforcement of Industrial Merchant capacities and the completion of hydrogen units in the United States and the Netherlands.

Gas and Services Industrial investment capex by geographical area

In millions of euros	Gas and Services				
	Europe	Americas	Asia-Pacific	Middle East and Africa	Total
2010	521	370	465	69	1,425
2011	**690**	**387**	**510**	**137**	**1,724**

Financial investment

Financial investment amounted to 100 million euros, excluding minority interest transactions. The item comprises the acquisition of two Home healthcare companies, one specializing in the treatment of respiratory failure in France and the other in Parkinson's disease in Germany. In addition, the rate of acquisitions in Industrial Merchant accelerated significantly at the year-end, with the acquisitions of local distributors to develop the cylinder activity based on new liquid facilities and thus optimize the production tool in Canada, China, Russia and Brazil.

Net indebtedness

Net indebtedness as of December 31, 2011 totaled 5,248 million euros, up slightly compared to the 5,039 million euros posted at the end of 2010. Excluding foreign exchange and scope impacts of 195 million euros, net indebtedness was steady. The debt to equity ratio was 53%, an improvement compared to December 31, 2010. The Group's financial structure thus continues to improve.

ROCE

The return on capital employed after tax was stable at 12.1%, despite the negative impact of a weakening euro on capital employed at the year-end.

Investment cycle and financing strategy

The Group's steady long-term growth is partly due to its ability to invest in new projects each year. Industrial gas investment projects are widespread throughout the world, their capital intensity is high and the related contracts are long term, particularly for Large Industries. Air Liquide has thus put in place a financing strategy tailored to the nature of its projects, based on the diversification of funding sources and the prudential management of the balance sheet equilibrium. This financing ability represents a major competitive edge.

INVESTMENTS

The Group's investments reflect its growth strategy.

They can be classified into two categories: industrial investments, which bolster organic growth or guarantee the efficiency, maintenance or safety of installations, and financial investments, corresponding to acquisitions. The nature of the industrial investment differs from one world business line to the next: from gas production units for Large Industries, to filling centers, logistics structures, storage facilities and management systems for Industrial Merchant, Electronics and Healthcare. Capital intensity varies greatly from one business line to another.

The long-term development is a key characteristic of the industrial gases business. It is particularly evident in the investment cycle, where there is approximately a 5-year span between the study of a new construction project for a Large Industries customer and the first corresponding gas sales. **Monitoring this cycle is essential to anticipating the Group's future growth.**

Portfolio of opportunities

As at December 31, 2011, the 12-month portfolio of opportunities totaled 4.2 billion euros, an increase compared to the 3.9 billion euros at the end of 2010, despite the substantial number of investment decisions made throughout the year. This growth arises from new projects mostly located in advanced economies. The amount of projects in developing economies remained stable, masking constant project rotation and intense internal project review activity.

Accordingly, the percentage of projects in developing economies declined slightly to 65%, following the entry into the portfolio of projects based in advanced economies, mainly plant renewals in France, Germany, the United States, Canada and South Korea.

The outsourcing of industrial gas production continued, both in advanced economies, for example, when replacing former plants, and developing economies for new facilities. The 12-month portfolio of opportunities included 10 planned site takeovers, currently operated by clients.

Most of the portfolio concerns Large Industries, since Industrial Merchant, Healthcare and Electronics projects frequently amount to less than 5 million euros.

At the end of 2011, Large Industries opportunities relating to the chemicals sector virtually doubled, representing the vast majority of projects, followed by metals, with the formerly leading energy sector falling to last position. The significant 12-month portfolio resulted from the solid investment cycle and the robustness of the Group's growth drivers, i.e. energy, environment, high technologies, health and developing economies.

Investment decisions

The Investment decision process is at the heart of the Group's growth strategy providing the backbone to all future investment plans concerning:

- internal and external growth projects;
- equipment renewals;
- investments contributing to efficiency and reliability;
- industrial safety improvement.

Strict discipline drives investment decisions, as they commit the Group over the long term. A dedicated process involving top management is in place to ensure that selected projects comply with the Group's rules and sustain long-term growth with a required minimum return on capital employed of between 12% and 13%.

The return on capital employed (ROCE) for a major Large Industries long-term contract will change over the term of the contract. It is lower in the first four to five years, due to the ramp-up in client demand, compared to a straight-line depreciation over time. Return on capital increases rapidly thereafter.

Investment decisions

In billions of euros	Industrial investment decisions	Financial investment decisions (acquisitions)	Total investment decisions
2007	2.1	0.9	3.0
2008	2.2	0.2	2.4
2009	1.0	0.1	1.1
2010	1.8	0.4	2.2
2011	**1.9**	**0.1**	**2.0**

Industrial and financial investment decisions, representing Group commitments to invest, totaled 2.0 billion euros. This amount is similar to that of the previous year and confirms the investment momentum in 2011. With two successive years at more than 2 billion euros, investment decisions are in line with ALMA 2015 objectives.

Investment decisions were spread out during 2011. Decisions regarding investments in developing economies continued to increase, reaching 61% at the end of 2011, compared to 54% in 2010. In 2011, the Group entered new markets, signing projects in Mexico, Ukraine and Turkey.

Industrial decisions increased compared to 2010, whereas acquisitions completed by year-end, although in greater number, represented a lower amount.

By geography, decisions were spread across all regions. Europe and Asia-Pacific each contributed to one third of decisions. In China, a particularly active market, Air Liquide signed a record amount of investment decisions primarily for air gas and gasification units.

Almost half of investment decisions concerned Large Industries projects and mainly correspond to air gas units. In Industrial Merchant, projects involved new liquid facilities or acquisitions of local medium-sized distributors in developing economies. Healthcare acquired two Home healthcare companies in 2011: ADEP in France and Licher in Germany. Investment decisions in Electronics remained stable and concern projects relating to the semi-conductor market.

Capital expenditures

In 2011, capital expenditure totaled 1.9 billion euros, and comprised several medium-sized acquisitions, particularly in Home healthcare, for 100 million euros, and two site takeovers, in Mexico and Turkey. Asset disposals, in the amount of 182 million euros, involved non-strategic activities: equipment for Electronics suppliers and a specialty chemicals business supplying the industrial sector. Net capital expenditure thus totaled 1.7 billion euros. Gas and Services capital expenditure represented 14.2% of sales.

Start-ups

In 2011 16 units were commissioned, slightly lower than forecast, due to the postponement of four projects that should start-up in the first half of 2012. Developing economies accounted for 56% of start-ups during the year. In 2011, 80% of start-ups involved oxygen units. For 2012, a record number of 29 start-ups is expected, as a result of the substantial investment decisions in 2010 and 2011 and those delayed from the fourth quarter of 2011.

FINANCING STRATEGY

The Group's financing strategy is regularly reviewed to provide support to the Group's growth strategy and take into account changes in financial market conditions, while respecting a gearing ratio in line with a Standard & Poor's long term "A" rating.

In 2011, the prudential principles already in place have been maintained:

- a continued diversification of funding sources and spreading of short and long-term debt maturities in order to minimize refinancing risk;
- backing of commercial paper with confirmed lines of credit;
- hedging of interest rate risk to ensure that funding costs are in line with long-term investment decisions;
- funding of investments in the currency of operating cash flows generated, in order to create a natural foreign exchange hedge;
- further centralization of excess cash through Air Liquide Finance.

Diversifying funding sources

As of December 31, 2011 funding through capital markets accounts for two thirds of the Group's gross debt.

Air Liquide diversifies its funding sources by accessing various debt markets : commercial paper, bonds and banks. Air Liquide uses short-term commercial paper : in France through two French Commercial Paper programs up to a maximum of 3 billion euros, and in the United States, through a US Commercial Paper program (USCP), up to a maximum of 1.5 billion US dollars.

To avoid liquidity risk relating to the renewal of funding at maturity, and in accordance with the Group's internal policy, the Group wishes to limit its debt short-term maturities to 2.1 billion euros, amount which is covered by committed credit lines.

This amount includes a 1 billion euro syndicated credit facility with Group's core banks which has been renewed in advance in November for 5 years (up to 7), replacing the existing 2004 credit facility maturing in July 2012.

Air Liquide can issue long-term bonds through its Euro Medium Term Note (EMTN) program totaling 8 billion euros, the utilization of which is delegated to the Board of Directors. At the end of 2011, outstanding notes under this program amounted to 3,6 billion euros (nominal amount).

In September 2011, the Group conducted one Chinese Renminbi « dim sum » bond issuance in Hong-Kong in 2 series (5 and 7 years) out of its EMTN program, amounting to 2.6 billion Renminbi (319 million euros equivalent). The bond proceeds contribute to the financing of the development of Air Liquide's activities in China mainland, by diversifying the Group's funding sources at attractive market conditions. The Group also obtains funding through bank debt (loans and lines of credit) and private placements.

An 8-year-maturity Japanese Yen denominated private placement of 155 million euros equivalent has been issued in December 2011 within the EMTN program.

Net indebtedness by currency

	2010	2011
EUR (Euro)	33%	22%
USD (US Dollar)	25%	30%
JPY (Japanese Yen)	24%	23%
CNY (Chinese Renminbi)	9%	12%
Other currencies	9%	13%
TOTAL	**100%**	**100%**

Investments are essentially funded in the currency of the cash flows generated, thus creating a natural foreign exchange hedge. Air Liquide's debt is thus mainly in Euro, US Dollar, Japanese Yen and Chinese Renminbi, which reflects the weight of these currencies in the Group's cash flow.

Group net indebtedness converted into euros decreased against indebtedness in other currencies, in line with the significant rise of investments in developing economies.

Centralization of funding and excess cash

To benefit from economies of scale and facilitate capital markets funding (bonds and commercial paper), the Group uses a dedicated subsidiary, Air Liquide Finance. This subsidiary centralizes the Group's funding activities, particularly in Europe, North America, Japan and China. As of December 31, 2011, Air Liquide Finance granted, directly of indirectly, the equivalent of 4,7 billion euros in loans and received 2.8 billion euros in cash surpluses as deposits. These transactions were denominated in 14 currencies (primarily the Euro, US dollar, Japanese Yen, Chinese Renminbi, British Sterling Pound, Swiss Franc and Singapore Dollar) and extended to approximately 200 subsidiaries.

Because of the currency offsetting positions adopted by Air Liquide Finance, resulting from the currency hedging of intra-group loans and borrowings, these intra-group funding operations do not generate foreign exchange risk for the Group. Furthermore, in certain specific cases (e.g.: regulatory constraints, high country risk, partnership), the Group may decide to limit its risk by setting up independent funding for these subsidiaries in the local banking market, and by calling on credit insurance firms.

Air Liquide Finance also monitors interest rate risk management for the Group.

Debt maturity and schedule

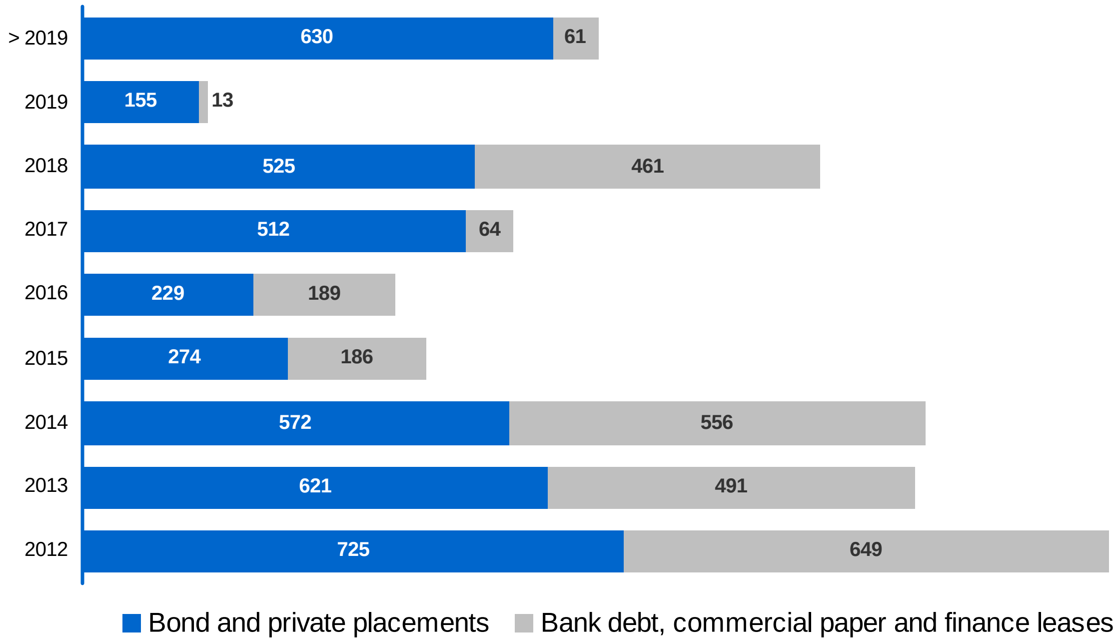
To minimize the refinancing risk related to debt repayment schedules, the Group diversifies funding sources and spreads maturity dates over several years. This refinancing risk is also reduced by the steady cash flow generation from operations.

In 2011, the Chinese Renminbi bond and the Japanese Yen private placement have enabled to further increase the average maturity of the Group's debt: the « dim sum » bond has 2 series of 5 and 7 years, and the private placement is 8 years long.

The following chart represents the debt maturity schedule. The single largest annual maturity represents approximately 20% of gross debt.

Debt maturity schedule

(in millions of euros)



The maturity date for outstanding commercial papers coincides with that of confirmed credit facilities supporting the programs.

The average debt maturity stood at 4.6 years in 2011, compared to 4.4 years in 2010, reflecting the spreading of debt maturities. The slight increase in this maturity comes from the Chinese Renminbi and Japanese Yen 2011 issuances.

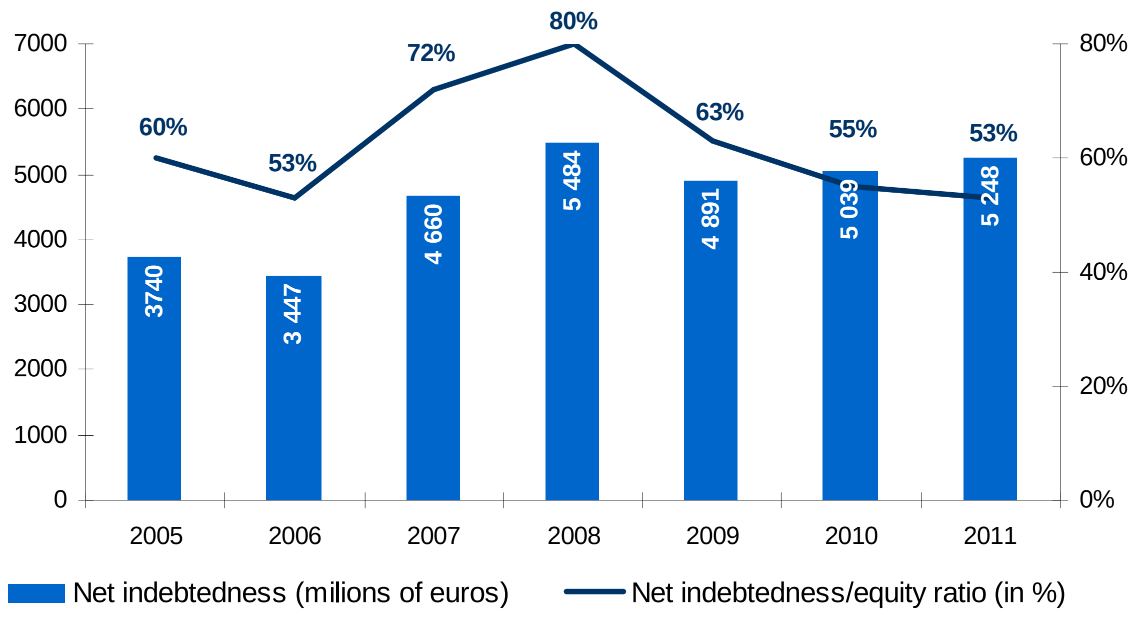
Change in net indebtedness

Net indebtedness stood at 5 248 million euros as of December 31, 2011 compared to 5 039 million euros as of December 31, 2010, an increase of 209 million euros.

This increase primarily reflects the consolidation of new entities (in particular in the Middle-East zone) and the adverse evolution of foreign currency fluctuations. The investments performed by the Group in 2011 and the dividends paid to shareholders have been funded by strong cash flow generation from operating entities.

Net indebtedness as of December 31

(in millions of euros)



The net indebtedness to equity ratio has been reduced to 53% at 2011 year-end (compared to 55% end of 2010). The continued improvement of this ratio confirms the strength of the Group's balance sheet. The equivalent ratio calculated using the US method: net indebtedness / (net indebtedness + shareholder's equity) reached 35% at the end of 2011 compared to 36% at the end of 2010. The financial expenses coverage ratio (operating income recurring + share of profit of associates)/net finance costs stood at 10.5 in 2011 compared to 10 in 2010.

The average cost of net indebtedness stood at 4.8 in 2011, a slight decrease compared to 2010 (4.9%). Cost of net indebtedness is calculated by dividing net finance costs for the fiscal year (260.9 million euros in 2011, excluding capitalized interest) by the year's average outstanding net indebtedness. The latter is calculated using a monthly average.

The average cost of gross indebtedness remained steady in 2011, due to the hedging of a significant portion of the debt at a fixed rate in recent years, pursuant to the principles of the Group's financial policy.

The decrease in the average cost of net indebtedness in 2011 primarily stems from the decrease in the cost of debt denominated in US dollar, and the better return on euro cash and cash equivalents.

Bank guarantees

In connection with its Engineering and Construction activity, the subsidiaries of the Group grant bank guarantees to customers, most often from the tendering period until the end of the guarantee period. They may be setup either to guarantee advance payment received, or sometimes, for large projects, as a performance guarantee. The projects for which these guarantees are granted, are regularly reviewed by Management and, accordingly, when guarantee payments become probable, the necessary provisions are recorded in the Consolidated financial statements.

Credit ratings

The Air Liquide long-term credit rating from Standard & Poor's remained unchanged at « A/stable » since 2007. The short-term credit ratings « A-1/stable » from Standard & Poor's and « P-1/stable » from Moody's also remained unchanged in 2011 (since 10 years). The main indicators analyzed by the rating agencies are the net indebtedness/equity ratio and the cash flow from operations before change in working capital/adjusted net indebtedness ratio, notable to take into account pension liabilities.

Outlook

In 2011, Air Liquide continued its growth and the implementation of its business model, notably in Developing economies where sales have increased more than +20% over the previous year.

This momentum, together with our on-going efficiency programs on a global scale, helped to further improve operating results, demonstrating the Group's capacity to adapt to diverse environments and to generate growth while controlling expenses.

Investment decisions reached € 2 billion in 2011, of which more than 60% in Developing economies. In addition, the signature of new contracts and permanent innovation broaden our businesses and provide the Group with the capacity to strengthen its position in growth markets. Therefore the Group is confident in its medium-term development within the framework of the ALMA 2015 program.

In this context, and barring a major economic downturn, Air Liquide continues to aim for growth in net profit in 2012.

Appendices

Consolidated financial statements

For the year ended December 31

in million of euros	*2010*	*2011*	*Change*
Revenue	**13,488.0**	**14,456.9**	*+7.2%*
Purchases	(5,240.0)	(5,761.6)	
Personnel expenses	(2,378.3)	(2,481.5)	
Other operating income & expenses	(2,495.4)	(2,650.2)	
Operating Income Recurring before depreciation and amortization	**3,374.3**	**3,563.6**	*+5.6%*
Depreciation and amortization expense	(1,122.1)	(1,154.9)	
Operating Income Recurring	**2,252.2**	**2,408.7**	*+7.0%*
Other non-recurring operating income and expenses	2.0	27.8	
Operating income	**2,254.2**	**2,436.5**	*+8.1%*
Net finance costs	(228.9)	(235.5)	
Other net financial expenses	(82.3)	(62.7)	
Income taxes	(512.7)	(576.4)	
Share of profit of associates	27.8	32.8	
Net profit for the period	**1,458.1**	**1,594.7**	*+9.4%*
- Minority interest	54.5	59.8	
- Net Profit (Group share)	**1,403.6**	**1,534.9**	*+9.4%*
Basic earnings per share *(in euros)*	**4.99**	**5.43**	*+8.8%*
Diluted earnings per share *(in euros)*	**4.97**	**5.41**	

Consolidated Balance Sheet (summarized)

As at December 31

in million of euros	Dec. 31, 2010	Dec 31, 2011
ASSETS		
Goodwill	4,390.8	4,558.5
Intangible assets and property, plant and equipment	11,706.8	12,735.1
Other non-current assets [(1)]	973.0	963.3
TOTAL NON-CURRENT ASSETS	**17,070.6**	**18,256.9**
Inventories and work-in-progress	741.7	784.1
Trade receivables and other current assets	3,150.4	3,276.1
Cash and cash equivalents [(1)]	1,574.9	1,806.3
TOTAL CURRENT ASSETS	**5,467.0**	**5,866.5**
TOTAL ASSETS	**22,537.6**	**24,123.4**

in million of euros	Dec. 31, 2010	Dec 31, 2011
EQUITY AND LIABILITIES		
Shareholders' equity	**8,903.5**	**9,758.6**
Minority interests	**209.0**	**237.1**
TOTAL EQUITY	**9,112.5**	**9,995.7**
Provisions. employee benefit commitments & deferred tax liabilities	2,930.0	3,101.9
Non-current borrowings	5,680.8	5,662.5
Other non-current liabilities and non-current liability derivatives	336.1	316.5
TOTAL NON-CURRENT LIABILITIES	**8,946.9**	**9,080.9**
Provisions and employee benefit commitments	216.4	190.6
Trade payables and other current liabilities	3,298.2	3,399.2
Current borrowings [(1)]	963.6	1,457.0
TOTAL CURRENT LIABILITIES	**4,478.2**	**5,046.8**
TOTAL EQUITY AND LIABILITIES	**22,537.6**	**24,123.4**

(1) including derivatives

Consolidated cash flow statement

For the year ended December 31

in millions of euros	2010	2011
Operating activities		
Net profit (Group share)	**1,403.6**	**1,534.9**
Minority interests	**54.5**	**59.8**
Adjustments for:		
Depreciation and amortization	1,122.1	1,154.9
Changes in deferred taxes	130.2	99.6
Increase in provisions	(34.2)	5.1
Share of profit of associates (less dividends received)	(10.6)	(17.9)
Profit/loss on disposal of assets	(4.7)	(108.3)
Cash flow from operating activities before changes in working capital	**2,660.9**	**2,728.1**
Changes in working capital	(154.9)	(192.8)
Other	(86.1)	(109.5)
Net cash from operating activities	**2,419.9**	**2,425.8**
Investing activities		
Purchases of property plant & equipment and intangible assets	(1,449.8)	(1,755.0)
Acquisition of subsidiaries and financial assets	(239.9)	(99.5)
Proceeds from sales of property, plant & equipment, intangible	43.0	180.9
Proceeds from sale of financial assets	0.8	1.3
Net cash used in investing activities	**(1,645.9)**	**(1,672.3)**
Financing activities		
Dividends paid		
• L'Air Liquide S.A.	(609.0)	(679.2)
• Minorities interests	(37.8)	(42.2)
Proceeds from issues of share capital	110.3	51.5
Purchase of treasury shares	2.8	(93.8)
Increase (decrease) in borrowings	99.3	237.2
Transactions with minority shareholders	(92.5)	(3.3)
Net cash used in financing activities	**(526.9)**	**(529.8)**
Effect of exchange rate changes and change in scope of consolidation	(90.8)	6.5
Net increase in cash and cash equivalents	**156.3**	**230.2**
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE PERIOD	**1,325.9**	**1,482.2**
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	**1,482.2**	**1,712.4**

The analysis of net cash and cash equivalents at the end of the period is as follows:

in millions of euros	2010	2011
Cash and cash equivalent	1,523.1	1,761.1
Bank overdrafts (included in current borrowings)	(40.9)	(48.7)
Net cash and cash equivalent	**1,482.2**	**1,712.4**

Net indebtedness calculation

in millions of euros	2010	2011
Non-current borrowings (long-term debt)	(5,680.8)	(5,662.5)
Current borrowings (short-term debt)	(921.2)	(1,373.5)
TOTAL GROSS INDEBTEDNESS	**(6,602.0)**	**(7,036.0)**
Cash and cash equivalent	**1,523.1**	**1,761.1**
Derivative instruments (asset) – fair value hedge of borrowings	39.6	26.8
TOTAL NET INDEBTEDNESS AT THE END OF THE PERIOD	**(5,039.3)**	**(5,248.1)**

Statement of changes in net indebtedness

in millions of euros	2010	2011
Net indebtedness at the beginning of the period	**(4,890.8)**	**(5,039.3)**
Net cash from operating activities	2,419.9	2,425.8
Net cash used in investing activities	(1,645.9)	(1,672.3)
Net cash used in financing activities excluding increase (decrease) of borrowings	(626.2)	(767.0)
Total net cash flow	**147.8**	**(13.5)**
Effect of exchange rate changes and change in scope of consolidation and other	(296.3)	(195.3)
Change in net indebtedness	**(148.5)**	**(208.8)**
NET INDEBTEDNESS AT THE END OF THE PERIOD	**(5,039.3)**	**(5,248.1)**

Segment and geographic information

Breakdown of Revenue and Operating Income Recurring

in millions of euros	2010	2011
Gas & Services	11,885.7	12,838.6
Engineering & Construction	751.3	705.1
Other Activities	851.0	913.2
REVENUE	**13,488.0**	**14,456.9**
Gas & Services	2,280.7	2,421.4
Engineering & Construction	67.8	74.7
Other Activities	81.0	106.3
Reconciliation	(177.3)	(193.7)
OPERATING INCOME RECURRING	**2,252.2**	**2,408.7**

Gas and Services Revenue and Operating Income Recurring geographic breakdown

in millions of euros	Europe	Americas	Asia-Pacific	Middle-East and Africa	Total
2011					
Revenue	6,584.9	2,859.0	3,083.2	311.5	12,838.6
Operating Income Recurring	1,226.9	627.8	501.8	64.9	2,421.4
2010					
Revenue	6,201.1	2,748.5	2,643.6	292.5	11,885.7
Operating Income Recurring	1,182.8	590.2	434.4	73.3	2,280.7

Currency and natural gas impacts

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

Since gases for industry, healthcare and the environment are rarely exported, the impact of currency fluctuations on revenue and results is limited to the translation effects of the accounting consolidation in euros of 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 2011 revenue includes the following elements:

in millions of euros	**Revenue**	***11/10*** *as published*	**Currency**	**Natural gas**	***11/10*** *comparable**
Group	**14,457**	*+7.2%*	(33)	136	*+6.8%*
Gas and Services	**12,839**	*+8.0%*	(29)	136	*+7.5%*

** on a comparable basis: excluding currency, natural gas and significant perimeter impacts.*

For the Group,
- The currency effect for the full year is -0.2%.
- The contribution to revenue growth of increased natural gas prices in 2011 was +1.0%.

For Gas and Services,
- The currency effect for the full year is -0.3%.
- The natural gas price increase represents a contribution to growth of +1.2%.