

# Consolidated Revenue Third Quarter 2008

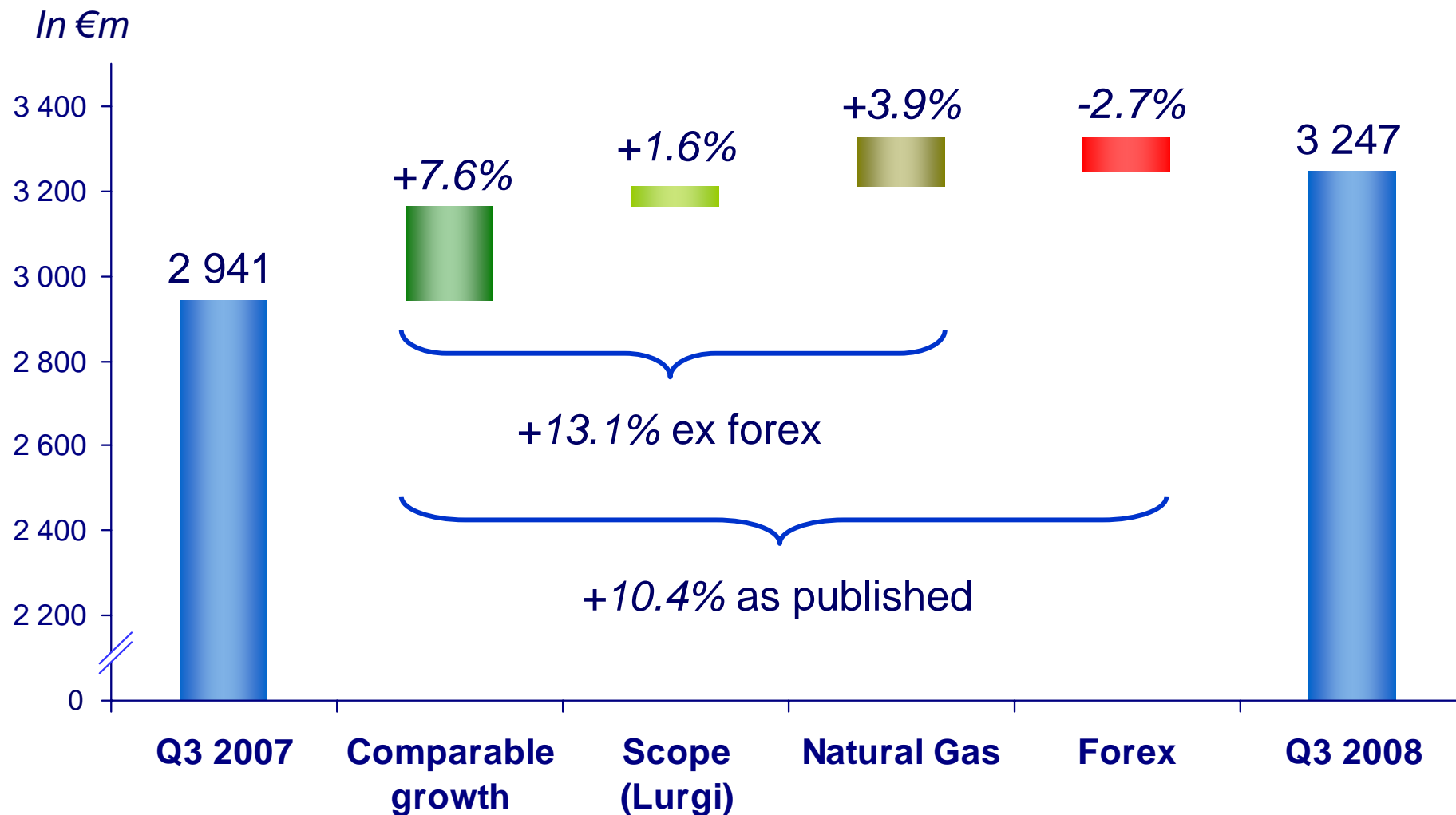
*Klaus Schmieder: Senior Executive Vice-President*  
*Benoît Potier, Chief Executive Officer*

October 23, 2008

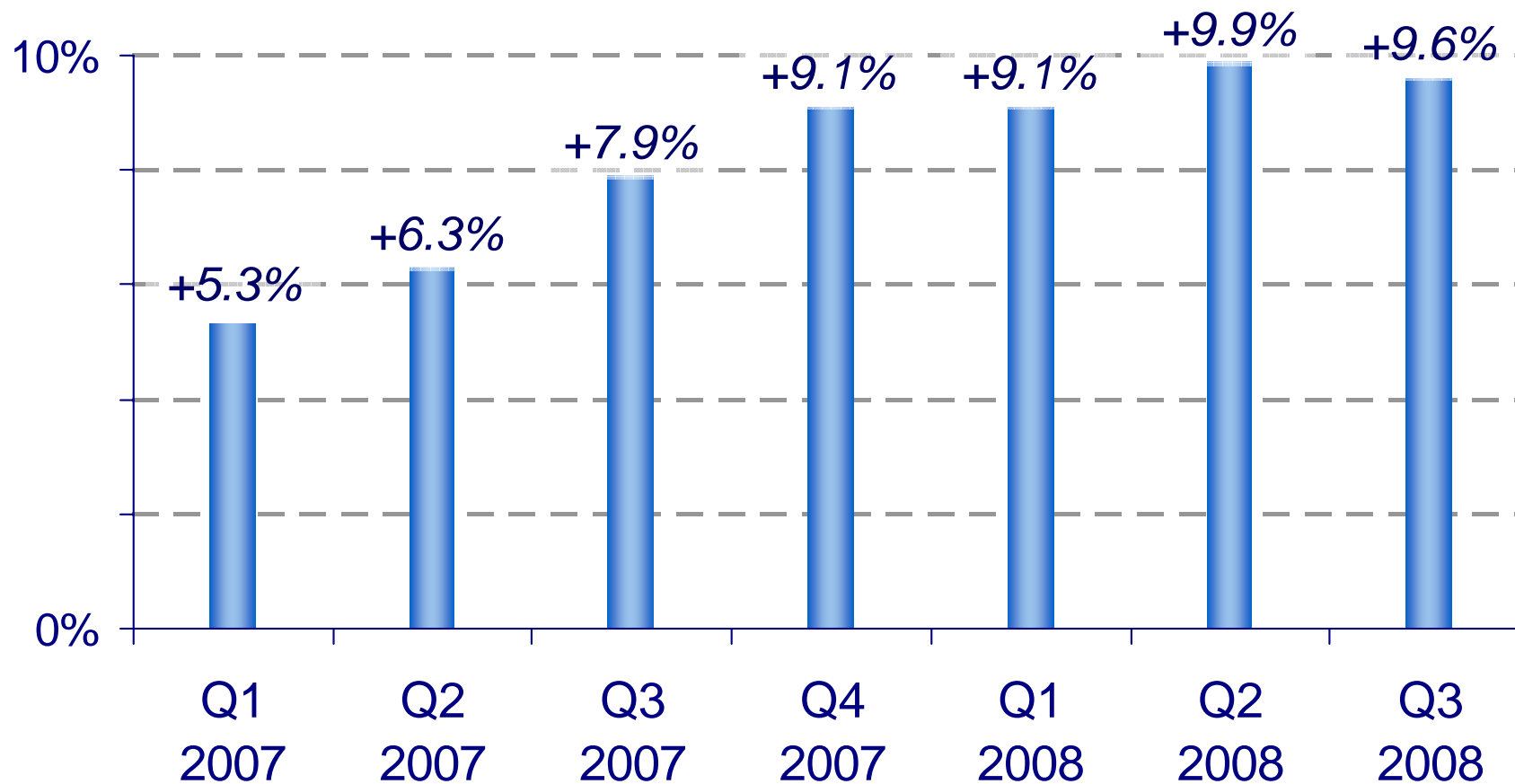
# Sustained growth in the third quarter

- Revenue up +13.1% excluding forex, +10.4% as published
- Contribution of start-ups and ramp-ups
- Strong demand in key customer markets
- ALMA transformation, growth, efficiency and productivity on track

# Group revenue up +10.4% as published



# G&S growth maintained at a high level

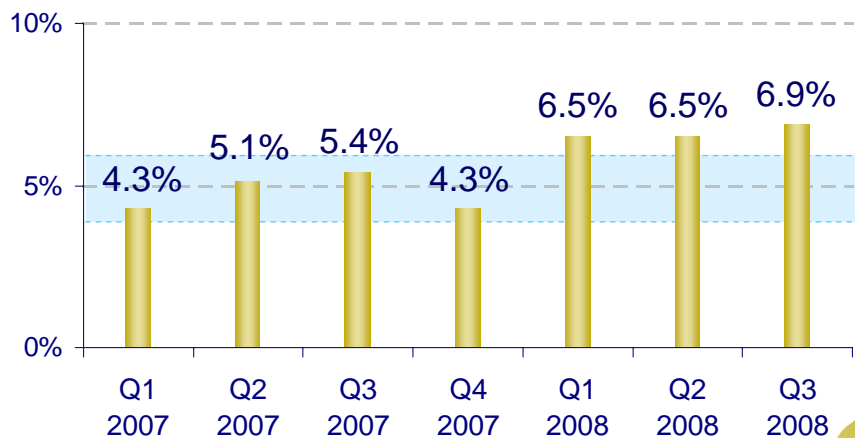


Gas and Services revenue comparable growth\*

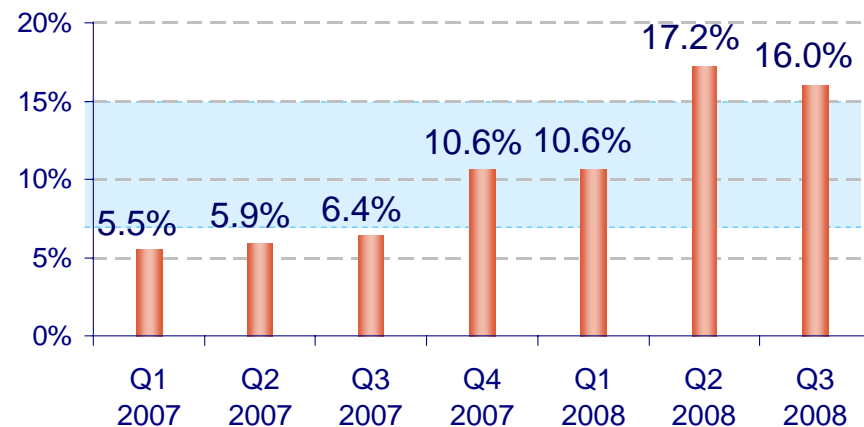
\*excluding impact of currency and natural gas

# Solid growth momentum

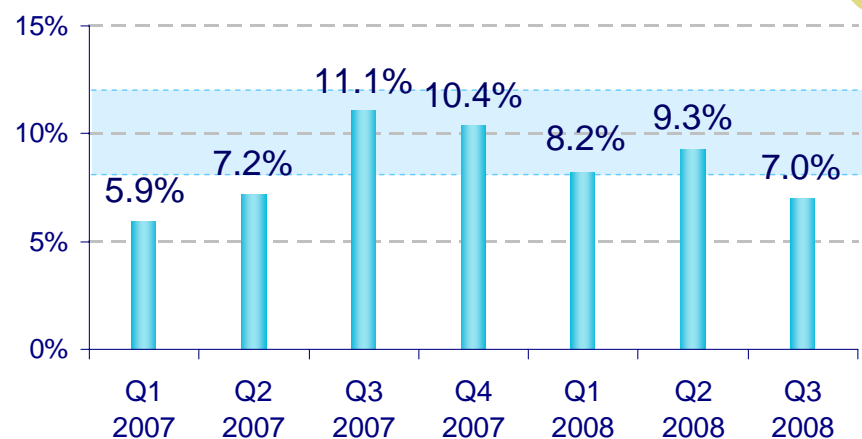
## Industrial Merchant:



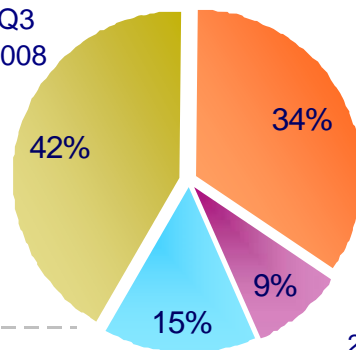
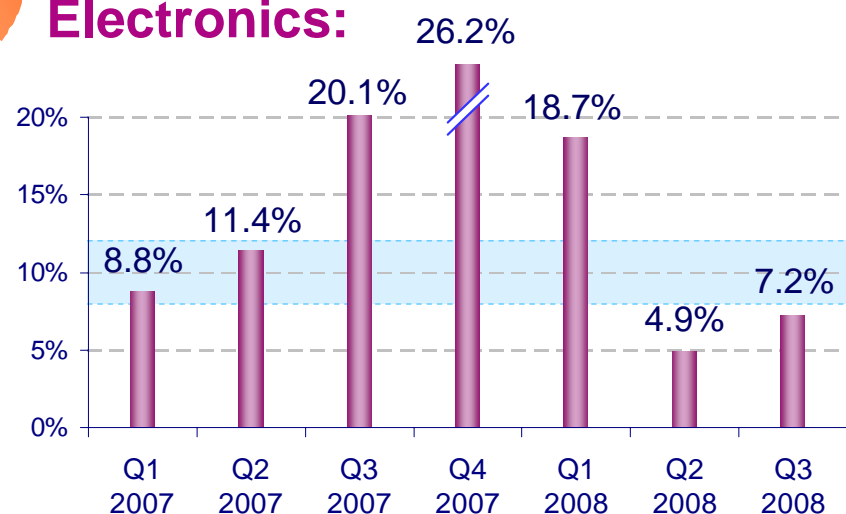
## Large Industries:



## Healthcare:



## Electronics:



All figures represent Gas & Services comparable growth: excluding impact of currency and natural gas

mid-term revenue growth objectives

# Europe: pricing improvement and ramp-ups

## ■ Industrial Merchant

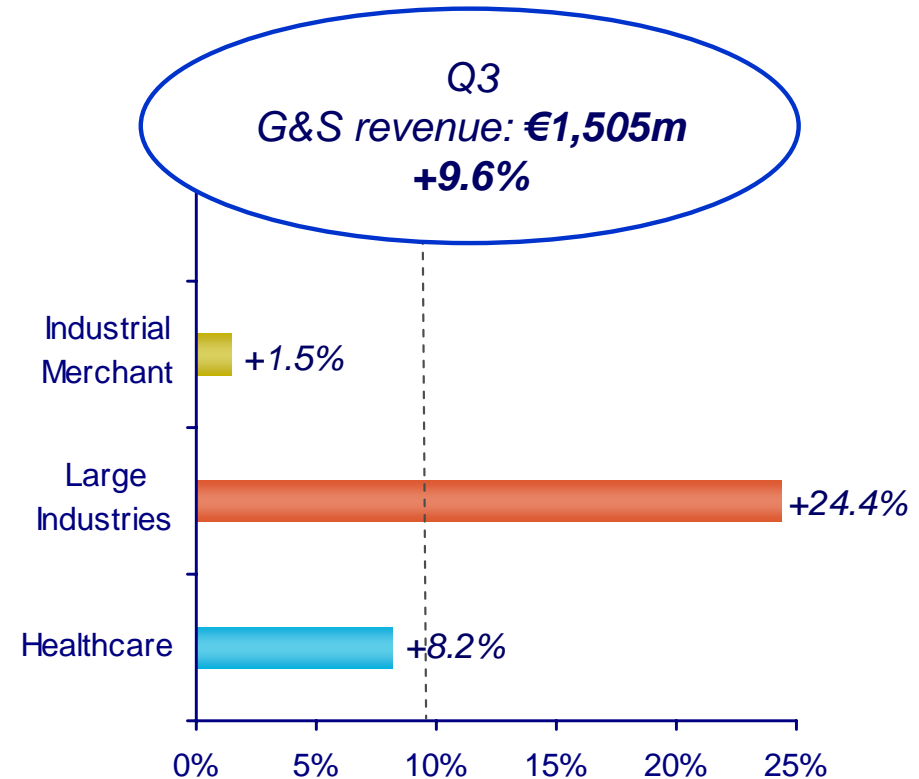
- ✓ Up +4.2% excl. Metrology divestiture
- ✓ Improved pricing across the region
- ✓ Stable volumes
- ✓ Strong development in Eastern Europe

## ■ Large Industries

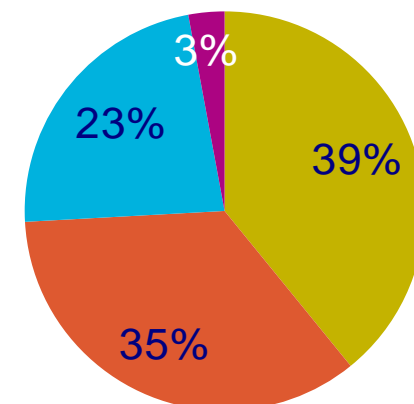
- ✓ Cogen being commissioned in Rotterdam
- ✓ Hydrogen ramp-up
- ✓ Solid underlying demand

## ■ Healthcare

- ✓ Hygiene double digit growth
- ✓ Lower bolt-on acquisition impact in homecare
- ✓ Continued pricing pressure in hospitals



**Q3 2008 breakdown**



# Americas: solid demand

## ■ Industrial Merchant

- ✓ Good demand and pricing in the US
- ✓ Strong development in South America

## ■ Large Industries

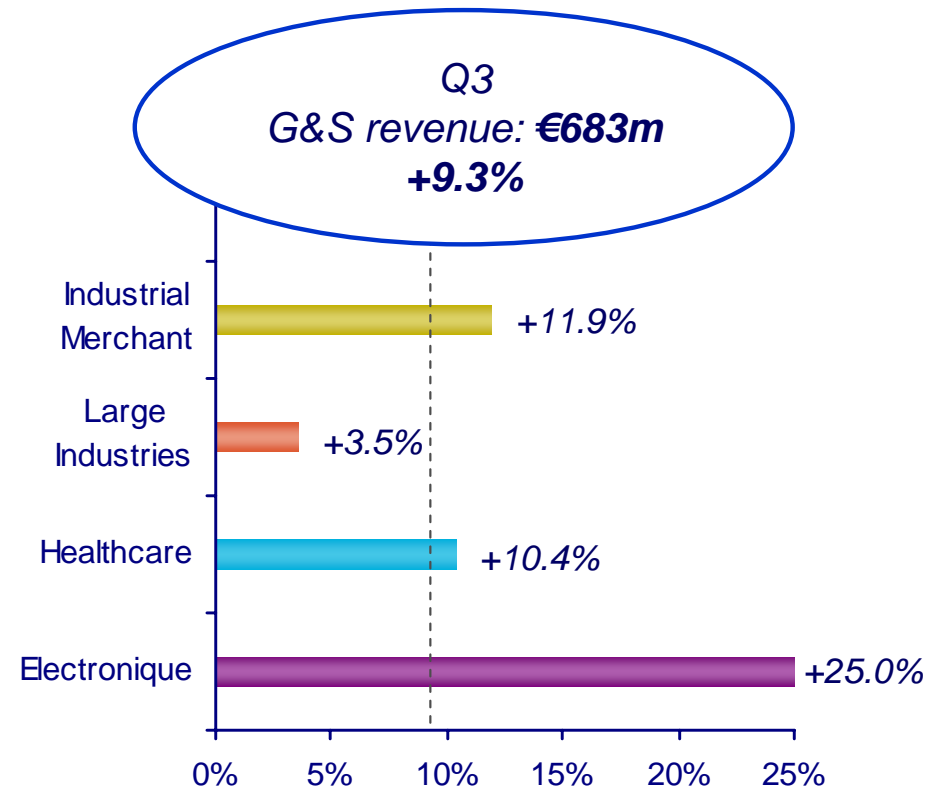
- ✓ Two weeks impact of hurricanes in US
- ✓ Strong hydrogen demand
- ✓ Dynamic activity in South America

## ■ Electronics

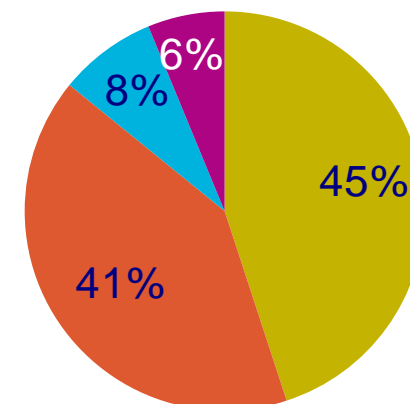
- ✓ Several start-ups
- ✓ Contribution from acquisitions

## ■ Healthcare

- ✓ Strong hospital demand and pricing in the US



**Q3 08 breakdown**



# Sustained development in Asia

## ■ Industrial Merchant

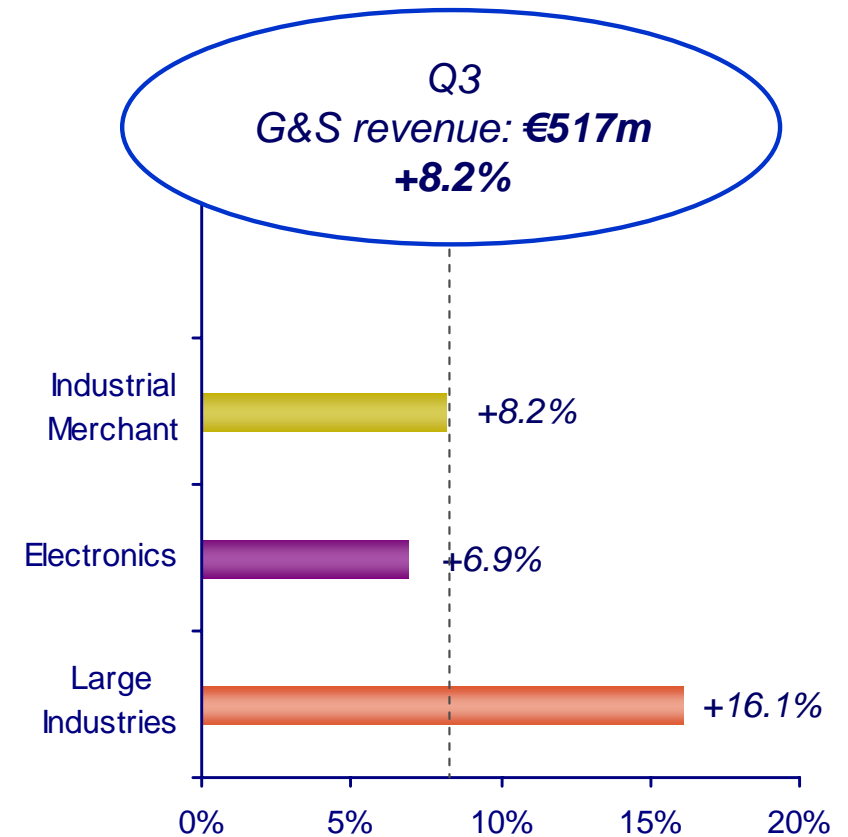
- ✓ +18.6% in emerging Asia with one liquid plant start-up in China
- ✓ Stable volumes in Japan

## ■ Electronics

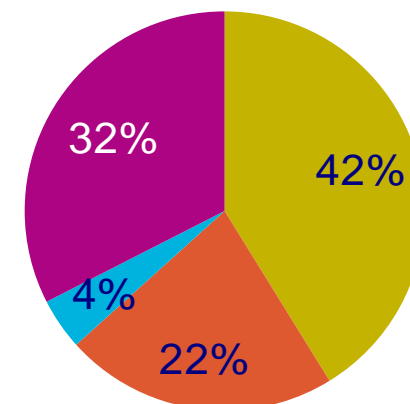
- ✓ Sustained growth in carrier gases
- ✓ Stable ESG sales
- ✓ Good E&I sales in Taiwan & Singapore

## ■ Large Industries

- ✓ One start-up in China
- ✓ Continued ramp-ups

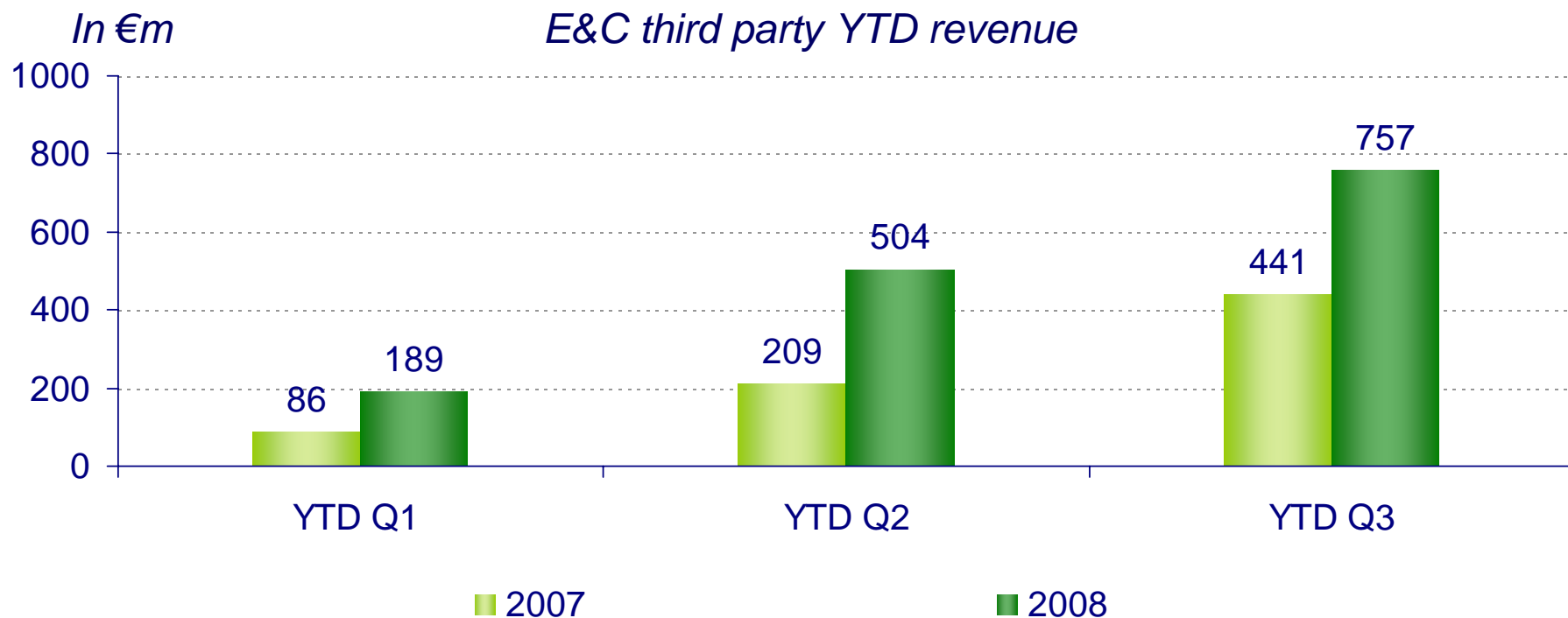


**Q3 08 breakdown**





# Engineering & Construction in line



- Good level of activity in cryogenics and hydrogen
- Lurgi teams progressively moving onto internal projects
- Total order-intake on track

# Strategic moves in Q3



## Energy

- Air Liquide coordinates **H2E 7 years R&D program**: to build sustainable and competitive hydrogen energy solutions

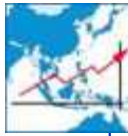


## Environment



## High Tech

- In South Korea, **Helium cooling system** (- 269°C) for plasma generation, a potential new source of energy
- Several successes in **photovoltaic**
- Long term **silane** sourcing agreement



## Emerging economies



















- **India**: €45m ASU investment
- **Malaysia**: €30m ASU investment
- **Middle-East**: launch of argon IM business supported by Pure Helium acquisition and new ASUs
- **Poland**: €100m Large Industries investment and development of Industrial Merchant business



## Health

- **LENOXe** tested in Italy, 3rd country in Europe

# 2<sup>nd</sup> half major market trends

	H1 08	H2 08	
Steel			Reduced production
Chemicals			High capacity utilization but uncertainty
Oil and gas			Sustained refinery demand
Electronics			DRAM inventory adjustments; delay of new fab start-ups
Industrial Merchant			
Americas			Demand remains steady
Japan			Stable outlook
Emerging Asia			Continued buoyant demand
Europe			Stable volumes in Western Europe Eastern Europe strong development
Healthcare			Good trends continue

# Short term actions to adapt to economic environment

## Financing

- Short term financing secured
- Focus on working capital
- Share buy-backs curtailed



***To continue to invest  
in growth and  
efficiency projects***

## Operations

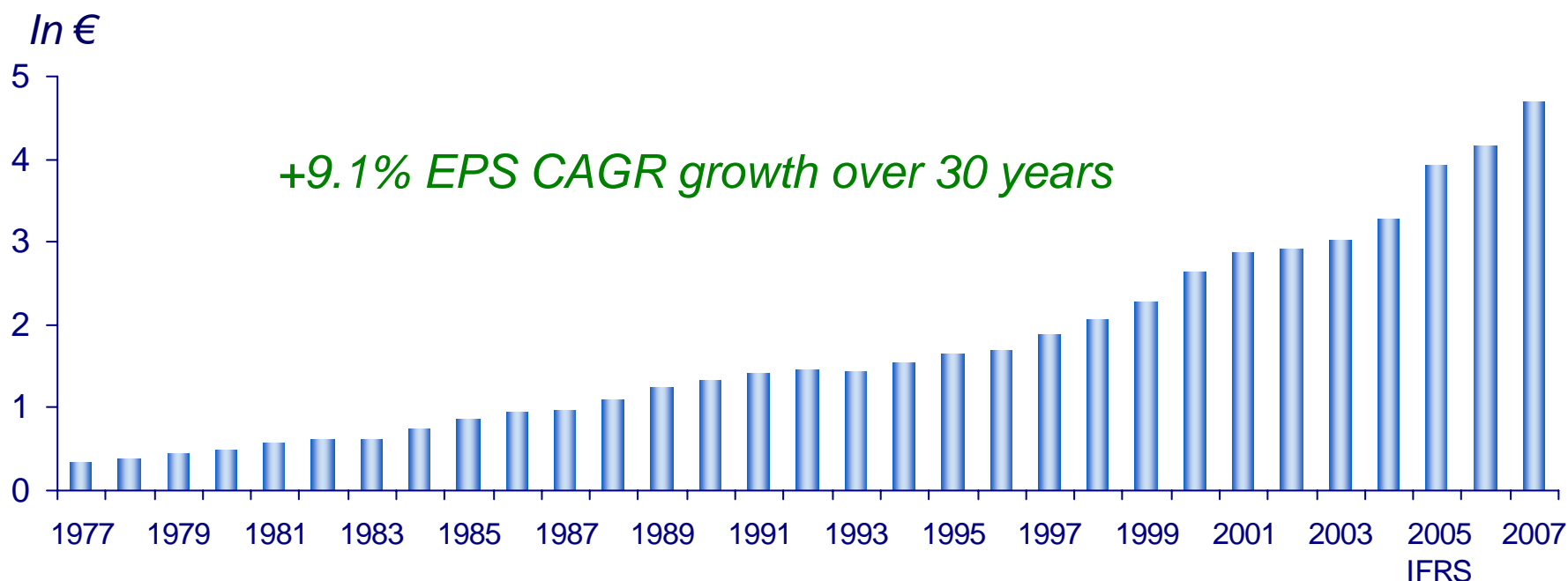
- Emphasis on pricing actions
- Reinforcement of efficiency measures



***To be prepared  
to face  
a softer environment***

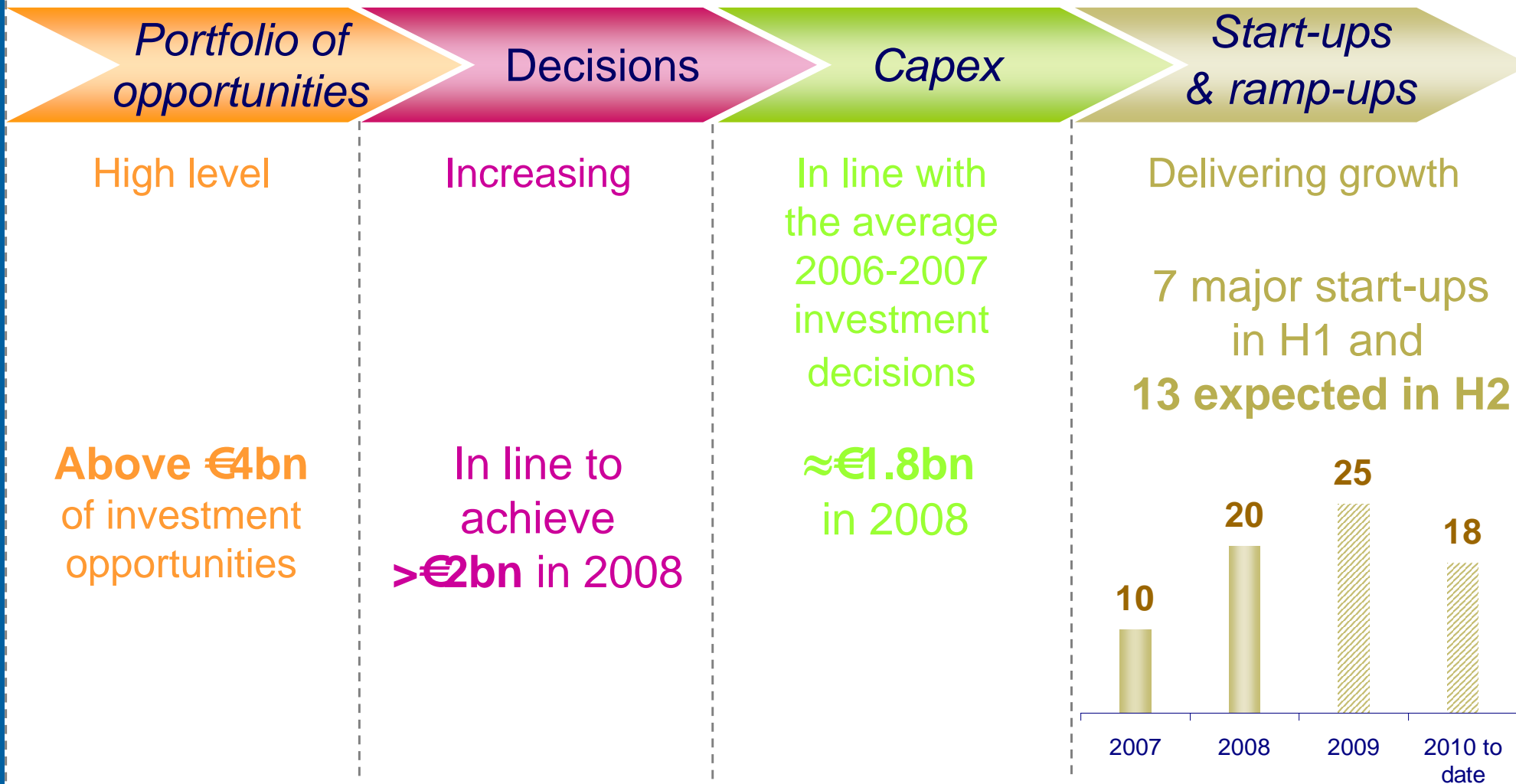
# Resilient business model

- Geographical spread across 75 countries
- Serving a wide variety of end markets
- Robust Large Industries long term business model with take or pay and cost indexation
- Healthy balance sheet to maintain high investment level
- Strong portfolio of projects



# Transforming opportunities into growth

In Q3



# Outlook

Capacity to  
adapt

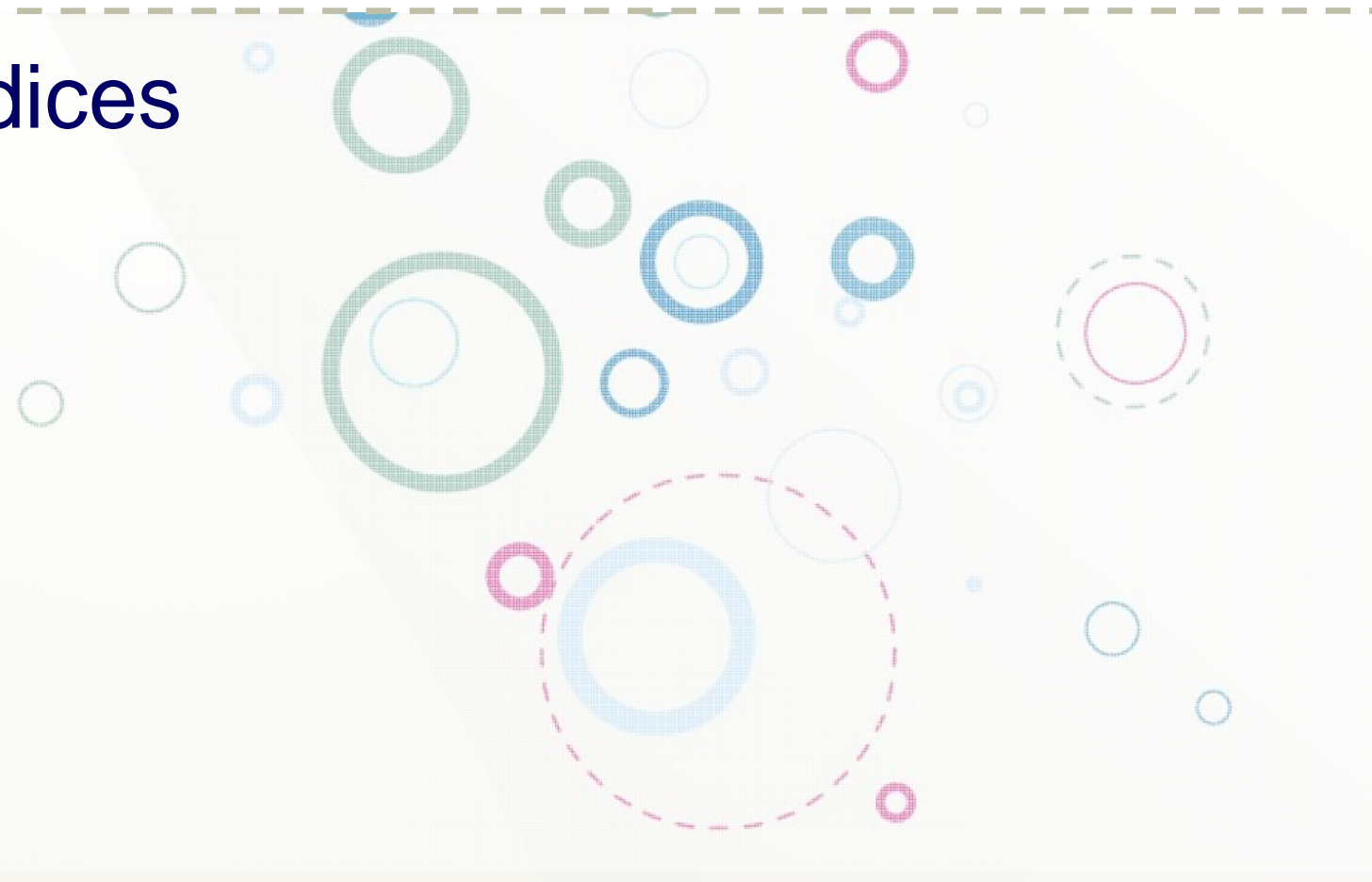
Resilient  
business model

Growth  
drivers

✓ Excluding a significant slowdown of end-user markets, Air Liquide remains confident in its ability to achieve double digit growth in 2008 net profit at constant exchange rates

✓ The Group maintains its investment program and confirms its 2007 to 2011 ALMA objectives

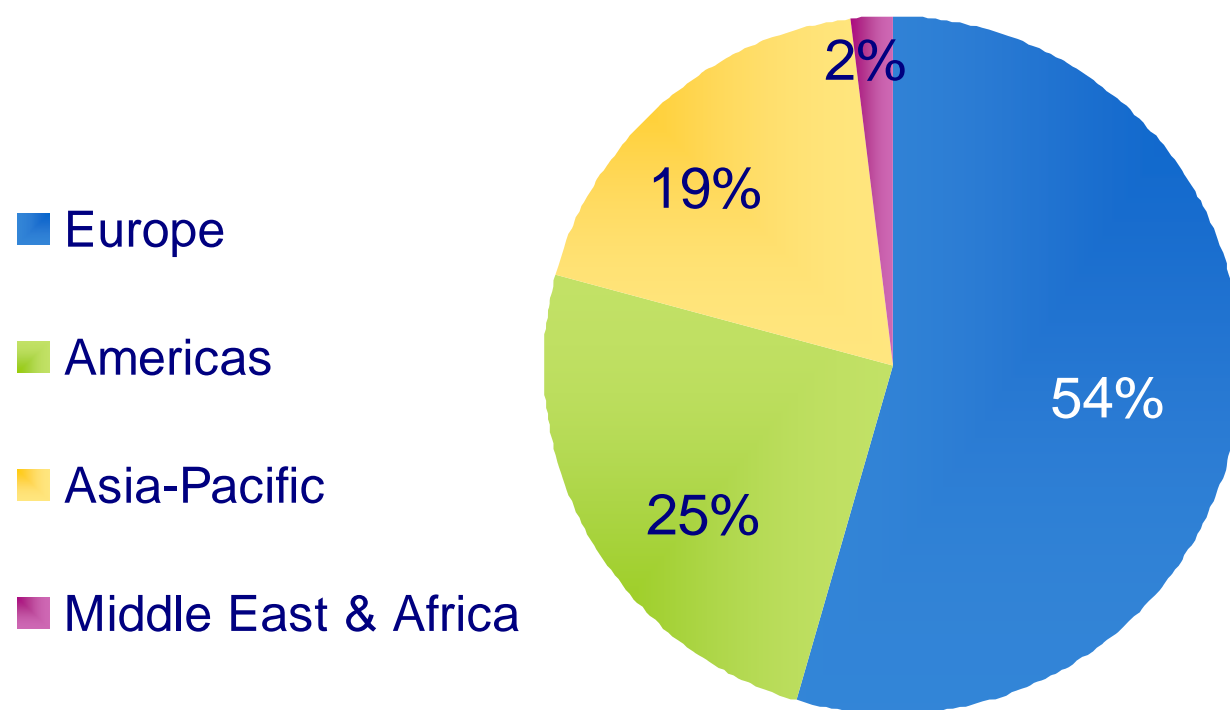
# Appendices





# Geographical breakdown of sales

Q3 2008 Gas & Services revenue: €2 760m



# Gas & Services quarterly growth

	Published growth	Natural gas	Currency	Comparable growth
Q3 2007	+5.0%	- 0.4%	- 2.5%	+7.9%
Q4 2007	+6.6%	+0.7%	- 3.2%	+9.1%
Q1 2008	+8.0%	+2.1%	- 3.2%	+9.1%
Q2 2008	+9.5%	+4.1%	- 4.5%	+9.9%
Q3 2008	+11.1%	+4.6%	- 3.1%	+9.6%

# Growth in all geographic zones

<i>Revenue in €m</i>	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	Q3 08/07 as published	Q3 08/07 comparable
Europe	1 338	1 439	1 481	1 491	<b>1 505</b>	+12.4%	+9.6%
Americas	620	628	635	675	<b>683</b>	+10.2%	+9.3%
Asia-Pacific	480	490	491	482	<b>517</b>	+7.9%	+8.2%
Middle East & Africa	47	45	42	46	<b>55</b>	+18.7%	+30.1%
<b>Gas &amp; Services</b>	<b>2 485</b>	<b>2 602</b>	<b>2 649</b>	<b>2 694</b>	<b>2 760</b>	<b>+11.1%</b>	<b>+9.6%</b>
Engineering & Construction	232	390	189	315	254	+9.1%	-11.3%
Other Activities	224	239	253	270	233	+4.0%	+4.9%
<b>Total Group</b>	<b>2 941</b>	<b>3 231</b>	<b>3 091</b>	<b>3 279</b>	<b>3 247</b>	<b>+10.4%</b>	<b>+7.6%</b>

# Growth in all business lines

<i>Revenue in €m</i>	Q3 07	Q4 07	Q1 08	Q2 08	<b>Q3 08</b>	Q3 08/07 as published	Q3 08/07 comparable
Industrial Merchant	1 112	1 128	1 133	1 136	<b>1 154</b>	+3.9%	+6.9%
Large Industries	734	799	857	901	<b>931</b>	+26.7%	+16.0%
Electronics	244	250	245	237	<b>257</b>	+5.2%	+7.2%
Healthcare	395	425	414	420	<b>419</b>	+5.9%	+7.0%
<b>Gas &amp; Services</b>	<b>2 485</b>	<b>2 602</b>	<b>2 649</b>	<b>2 694</b>	<b>2 760</b>	<b>+11.1%</b>	<b>+9.6%</b>
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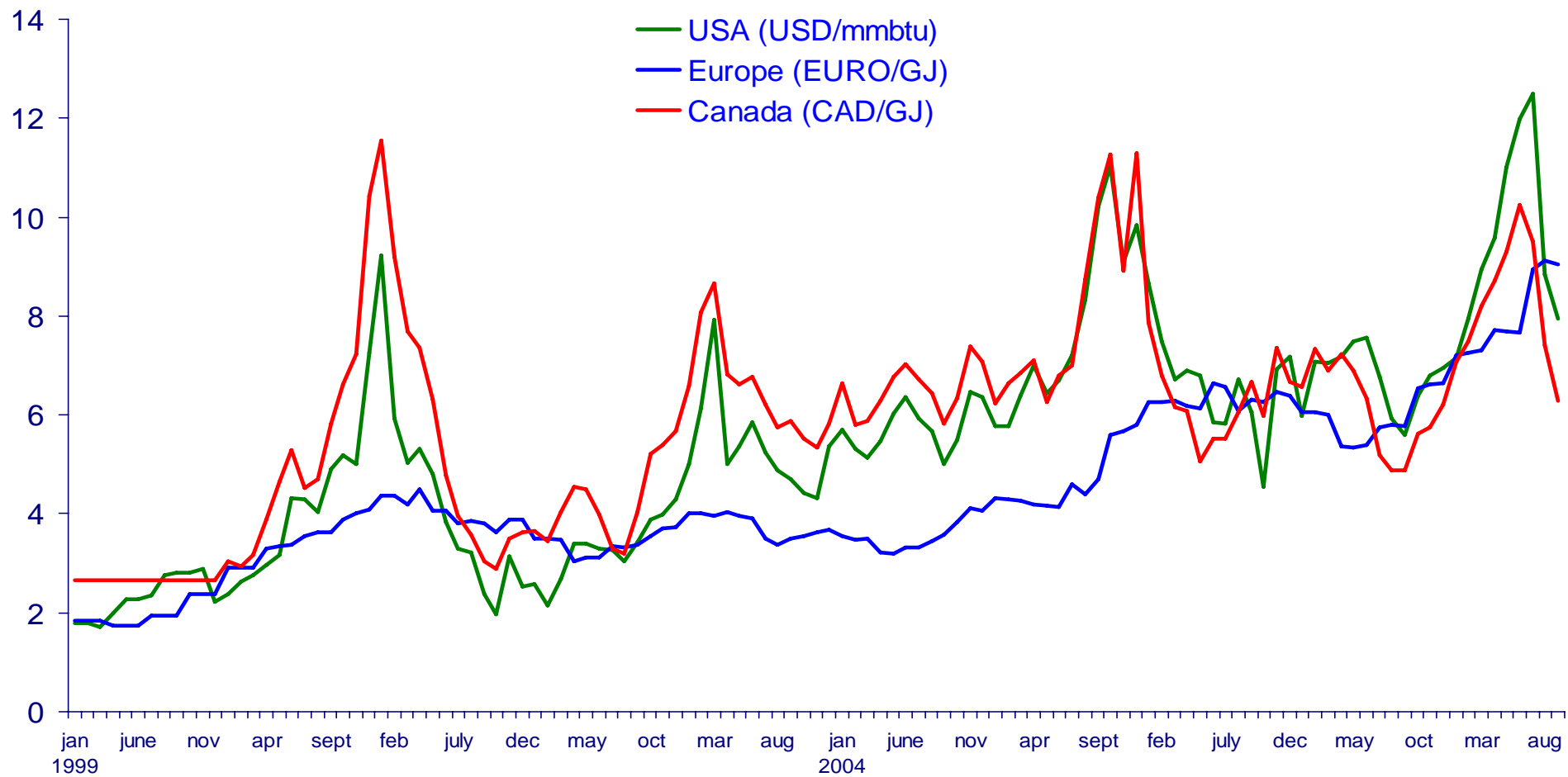
# Currency natural gas and Lurgi impact

<i>In €m</i>	Q1 07	Q2 07	Q3 07	Q4 07	Q1 08	Q2 08	<b>Q3 08</b>
€/USD	(41)	(35)	(34)	(53)	(64)	(73)	<b>(43)</b>
€/CAD	(14)	(6)	(1)	+4	+3	(9)	<b>(12)</b>
€/JP¥	(27)	(30)	(23)	(20)	(2)	(1)	<b>0</b>
Others	(19)	(10)	(6)	(17)	(21)	(32)	<b>(25)</b>
<b>Total</b>	<b>(101)</b>	<b>(81)</b>	<b>(64)</b>	<b>(86)</b>	<b>(84)</b>	<b>(115)</b>	<b>(80)</b>
Natural gas impact	(25)	+10	(9)	+18	+51	+100	<b>+114</b>
Lurgi scope impact	0	0	+151	+210	+95	+229	<b>+47</b>

## Average exchange rates for the period

	Q1 07	Q2 07	Q3 07	Q4 07	Q1 08	Q2 08	<b>Q3 08</b>
€/USD	1.31	1.35	1.37	1.45	1.50	1.56	<b>1.50</b>
€/CAD	1.54	1.48	1.44	1.42	1.50	1.58	<b>1.56</b>
€/JP¥	156.5	162.8	161.8	163.8	157.7	163.4	<b>161.5</b>

# Natural gas prices impact



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*Klaus Schmieder: Senior Executive Vice-President*  
*Benoît Potier, Chief Executive Officer*

October 23, 2008