

First half 2015: Sustained sales and earnings growth 2015 objective maintained

H1 2015 key figures

■ Group revenue: 8,115 million euros	+8.1%
■ Operating margin up at 17.4%*	+70 bps
■ Net profit (Group share): 849 million euros	+12.5%

* Operating margin at 16.8% at constant energy prices, up +10 bps.

First half 2015 highlights

- **Numerous production unit start-ups:** 12 in total, including Yanbu (Saudi Arabia) and the Dormagen hydrogen and carbon monoxide plant (Germany).
- **New investments in growing markets:** including South Africa for the construction of the largest air separation unit ever built and China for the supply of oxygen to a major copper producer.
- **Further acquisitions in Healthcare:** reinforcement in home healthcare (Germany and Ireland), and in hygiene (Czech Republic and Asia Pacific).
- **Developments in hydrogen energy for mobility:** inauguration of charging stations (Japan, Denmark, France); contract for the conversion of a fleet of forklifts to hydrogen (France).

Commenting on the first half of 2015, **Benoît Potier, Chairman and CEO of Air Liquide**, stated:

"In an uncertain global economic environment, Air Liquide delivered sustained growth over the first half of 2015. It was driven by the strong performance of our Healthcare and Electronics businesses, by the developing economies, by a favourable currency impact, and by a quarter on quarter improvement in Large Industries.

We saw growth across all geographies over the period. In Europe, a gradual recovery is firming up in certain sectors, while North American industrial markets are affected by the slowdown in services related to oil exploration. Asia-Pacific continues to benefit from growth in China and the positive performance of Japan. Furthermore, the start-up of the Yanbu project in Saudi Arabia is accelerating growth in the Middle East and Africa and increases our global hydrogen production capacity by nearly 20%.

Air Liquide's operating performance over the period was solid, reflected in a high operating margin and another increase in net profit.

The investment decisions made over the period, which totalled 1.3 billion euros, the signing of new contracts and the commissioning of new units are paving the way for growth in the next few years. This is also the case for the innovations and technologies currently under development.

Assuming a comparable economic environment, Air Liquide is confident in its ability to deliver another year of net profit growth in 2015."

Group revenue for the first half of 2015 was € 8,115 million, an increase of **+8.1%** on a reported basis and of **+3.2%** on a comparable basis¹ compared with the first six months of 2014. The positive currency effect (**+7.8%**) was partly offset by the negative impact of energy prices (**-2.9%**).

Gas & Services sales, at € 7,340 million, were up **+7.8%** on a reported basis and **+3.1%** on a comparable basis in the **first half of 2015**. Compared with the first quarter, the second quarter of 2015 saw a sequential improvement in sales. **Developing economies** remain dynamic, with Gas & Services sales for the first six months of 2015 up **+9.9%** on a comparable basis.

In the **first half of 2015**, **Gas & Services** sales growth on a comparable basis was contrasted:

- **Healthcare** revenue rose by a significant **+6.8%**, boosted by the dynamism of home healthcare, despite significant pricing pressure in Europe, by acquisitions completed in late 2014 and in the first half of 2015, by our expansion in developing economies, and by the **+12.2%** increase in hygiene-related sales.
- **Electronics** continued to deliver robust revenue growth of **+13.1%**. Sales of all our product lines were up, in particular sales of advanced materials, which include the ALOHA™ and the Voltaix offers, which rose **+36.0%**. Within Asia-Pacific, double digit growth was recorded in China, Japan, Taiwan and Singapore.
- **Large Industries** revenue was up **+2.6%** for the first half of 2015. This business line reported a solid performance in the second quarter, with sales up **+5.0%**. Growth in the first half of the year was driven mainly by the ramp-up of production units in China and higher volumes of air gases in the second quarter in Northern Europe, for customers in the chemical and steel industries, as well as in North America. The start-up of two large hydrogen production units in Yanbu during the second quarter also contributed to growth.
- In **Industrial Merchant**, where revenue was down **-0.7%**, the situation remains varied, with a slight increase in bulk volumes in Europe and solid growth in Spain and Eastern Europe, while North American volumes were impacted by moderate manufacturing activity and lower demand for oil-related services. In Asia-Pacific, sales in Australia were down, affected by the downturn in the mining sector. Sales in China and Southeast Asia continued to grow in the first half of the year. The price effect was positive over the period at **+1.0%** against a global backdrop of low inflation.

Engineering and Technology revenue rose by **+10.5%** compared with the first half of 2014 on a comparable basis, reflecting the progress made on projects underway for third-party customers. Total order intake reached € 600 million for the first half of 2015, an increase of **+11.0%** compared with the first six months of 2014.

The Group's **operating margin** reached **17.4%**. This strong performance was driven primarily by low energy prices and a good level of **efficiency gains** delivered by Air Liquide, which amounted to € 132 million, in line with the annual target of achieving over € 250 million. **Net profit (Group share)** reached € 849 million, an increase of **+12.5%** on a reported basis (**+5.2%** excluding currency impact). **Cash flow** (before the changes in Working Capital Requirements) is up **+13.0%** versus the first six months of 2014 (**+5.1%** excluding currency impact). **Net debt** increased to € 7.9 billion; the net debt to equity ratio remains under control below 60%. Standard & Poor's confirmed its **A+ rating** of Air Liquide in June 2015. The **return on capital employed (ROCE)**, after tax, was unchanged compared with year end 2014 at **10.8%**.

¹ Adjusted for currency, energy (natural gas and electricity) and significant M&A impacts

H1 2015 performance

<i>In millions of euros</i>		<i>Reported</i>	<i>Excluding currency, energy and significant M&A impacts</i>
Group revenue	8,115 M€	+8.1%	+3.2%
of which Gas & Services	7,340 M€	+7.8%	+3.1%
Operating income recurring	1,409 M€	+12.3%	+4.7%
Net profit (Group share)	849 M€	+12.5%	+5.2%
Net debt as of June 30, 2015	7,927 M€		

The Air Liquide **Board of Directors** met on July 29, 2015. During this meeting, the Board of Directors reviewed the consolidated financial statements for the six months ended June 30, 2015.

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

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UPCOMING EVENTS

3rd quarter 2015 revenue

October 27, 2015

Actionaria trade show, Paris, France

November 20 and 21, 2015

2015 annual results

February 16, 2016

World leader in gases, technologies and services for Industry and Health, Air Liquide is present in 80 countries with more than 50,000 employees and serves more than 2 million customers and patients. Oxygen, nitrogen and hydrogen have been at the core of the company's activities since its creation in 1902. Air Liquide's ambition is to be the leader in its industry, delivering long-term performance and acting responsibly.

Air Liquide ideas create value over the long term. At the core of the company's development are the commitment and constant inventiveness of its people. Air Liquide anticipates the challenges of its markets, invests locally and globally, and delivers high-quality solutions to its customers and patients, and the scientific community. The company relies on competitiveness in its operations, targeted investments in growing markets and innovation to deliver profitable growth over the long-term.

Air Liquide's revenue amounted to € 15.4 billion in 2014, and its solutions that protect life and the environment represented more than 40% of sales. Air Liquide is listed on the Paris Euronext stock exchange (compartment A) and is a member of the CAC 40 and Dow Jones Euro Stoxx 50 indexes.