



2015 1st quarter revenue

In the first quarter 2015, sales were up +7.0% in a contrasted global market environment. Growth benefited from a positive +7.3% currency impact, partly offset by a negative -3.3% energy impact. Comparable growth was up +3.0%.

The strong growth momentum seen in the past few quarters continued in China (+19.9%^(a)) and in Electronics (+14.4%^(a)). Sales in developing economies grew by +9.4%^(a). Healthcare revenue growth returned to historic levels (+6.8%^(a)), partly due to acquisitions completed in recent months. Growth in other business lines saw a more moderate start to the year. Gas & Services revenue grew by +2.6%^(a), outperforming the +1.7% growth of global industrial production (weighted for the Group's industrial sales). The sales are compared to a high level of activity in the 1st quarter 2014.

Operating performance benefited from continuing efficiency gains, the progressive results of the realignment plan, and the narrowing of the gap between cost inflation and price rises. Cash flows from operating activities before changes in working capital remain solid, at 18.6% of sales, up +6.4% excluding currency effects.

Investment decisions amounted to 733 million euros, a high level comparable to that of the fourth quarter 2014. The investment backlog was 2.6 billion euros while 12-month investment opportunities amounted to 3 billion euros. The strong levels of both the investment commitments and opportunities pave the way for future growth.

Revenue (in millions of euros)	Q1 2014	Q1 2015	Q1 2015/2014 reported change	Q1 2015/2014 comparable change ^(a)
Gas & Services	3,416	3,632	+6.3%	+2.6%
Engineering & Technology	175	217	+24.0%	+16.4%
Other activities	143	144	+1.0%	-3.6%
TOTAL REVENUE	3,734	3,993	+7.0%	+3.0%

(a) comparable change: excluding the impact of currency, energy and significant scope

Revenue analysis

Group

Group revenue for the 1st quarter 2015 reached **3,993 million euros**, up **+7.0%** on a reported basis. Adjusted for the positive currency and negative energy impacts, revenue grew by **+3.0%** on a comparable basis. There was no significant scope impact during the quarter.

Unless mentioned otherwise, all changes in revenue described below are based on changes on a comparable basis, which excludes currency, energy (natural gas and electricity) and significant scope impacts. The energy impact may include other Large Industries energy feedstocks in the future.

Gas & Services

In the 1st quarter 2015, **Gas & Services** revenue amounted to **3,632 million euros**, up **+6.3%** as reported, benefiting from a positive +7.3% currency impact, partly offset by a negative -3.6% energy impact. Comparable growth was up **+2.6%**.

Revenue (in millions of euros)	Q1 2014	Q1 2015	Q1 2015/2014 reported change	Q1 2015/2014 comparable change ^(a)
Europe	1,701	1,696	-0.3%	+1.3%
Americas	814	895	+9.9%	+1.1%
Asia-Pacific	816	946	+16.0%	+6.9%
Middle East and Africa	85	95	+12.1%	+1.4%
Gas & Services	3,416	3,632	+6.3%	+2.6%
Large Industries	1,285	1,264	-1.7%	+0.2%
Industrial Merchant	1,229	1,327	+8.0%	+0.3%
Healthcare	626	685	+9.4%	+6.8%
Electronics	276	356	+29.0%	+14.4%

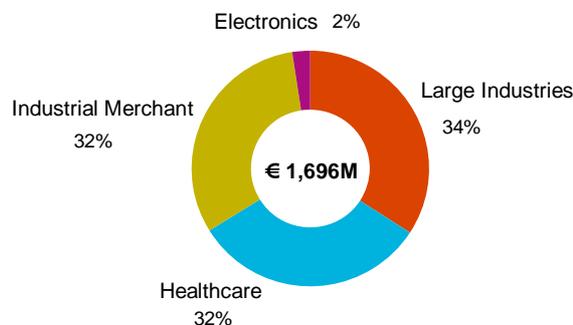
(a) comparable: excluding the impact of currency, energy and significant scope

Europe

At **1,696 million euros**, revenue in Europe was up **+1.3%**. The quarter benefited from a slight improvement in liquid gas volumes, strong growth in sales in the Healthcare segment, including the acquisitions signed at the end of 2014, and activity momentum in developing economies.

Europe Gas & Services revenue

- **Large Industries** revenue was down -3.5%, following temporary turnarounds for maintenance of customer units, especially those that are consumers of hydrogen in France and Belgium. Excluding these turnarounds and the remaining impact of the disposal of the cogeneration plants end of 2013, early 2014, sales were almost flat.
- In the **Industrial Merchant** business line, sales were stable, as in the fourth quarter 2014, following several quarters of decline. The situation in European markets remains contrasted, but showed an improving trend. Liquid volumes were slightly higher in Germany, France, Spain and Benelux, while cylinder volumes remained weak in all markets except Spain and the UK. Sales continued to grow steadily in developing economies with liquid volumes up sharply. Regional price impact was -0.4%.
- **Healthcare** recorded strong growth, **up +7.7%**, partly due to acquisitions made in recent months. Home Healthcare also continued to expand due to the steady increase in the number of patients treated. In the medical gases for hospitals segment, budgetary pressure continues to weigh on gas volumes which remain slightly down. Hygiene and Specialty Ingredients saw particularly strong growth, up +10% and +8% respectively.

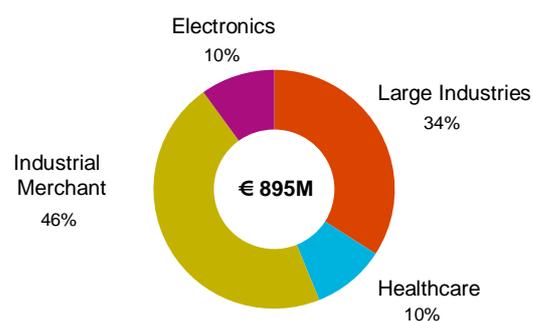


Americas

Gas & Services revenue in the Americas was **895 million euros**, up **+1.1%**. Business was relatively weak in the 1st quarter in Large Industries and Industrial Merchant in North America, while sales continued to grow in South America.

Americas Gas & Services Revenue

- **Large Industries** sales were down -1.5%. Weaker volumes in North America were affected by temporary turnarounds of about ten customer units and by a 15-day turnaround for regulatory inspection of the hydrogen pipeline network in the US. Volumes have increased progressively since the end of March. Excluding these turnarounds, growth in the region would have been +3.7%. Cogeneration sales were down in Canada. Turnover was up +12.2% in South America, benefiting from the ramp-up of a production unit in Brazil.
- Sales in the **Industrial Merchant** business were up **+1.0%**. In North America, liquid volumes (particularly nitrogen) were affected by the slowdown in the oil well services. The cylinder business was slightly down in Canada. Sales were up in South America, boosted by price increases, despite a slowdown in activity in Brazil. Pricing was positive in all countries, averaging +5.2% across the region.
- **Healthcare** revenue was up **+3.9%**. Excluding the impact of reclassification of a business in the French West Indies as within the France perimeter, growth would have been around +12%. Business was particularly dynamic in Canada, benefiting from an acquisition, and in South America, where medical gas volumes and the number of Home Healthcare patients are increasing significantly.
- **Electronics** sales were up **+10.7%**, helped by strong development (+41.4%) in Advanced Materials which includes the ALOHA™ range and products from Voltaix, a company acquired in 2013.



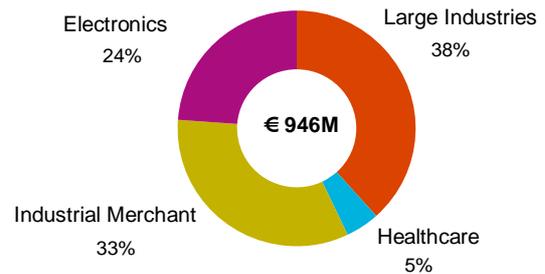
Equipment and Installation sales, which are more cyclical, were relatively weak compared to their record in the 1st quarter 2014. Carrier gases sales continued to grow.

Asia-Pacific

Revenue in the **Asia-Pacific** region increased by **+6.9%** to **946 million euros**. Revenue was up in Japan, due primarily to dynamic performance in Electronics, although Industrial Merchant activity was stable. Developing economies, notably China (up +19.9%), continued to grow steadily, offsetting weaker activity in Australia due to pricing pressure.

Asia-Pacific Gas & Services Revenue

- Sustained by the ramp-up of new units started up at the end of 2013 and beginning of 2014 in China, **Large Industries** sales increased by **+8.7%**. Air gases and hydrogen volumes expanded in the region. There were no unit start-ups during the quarter.
- **Industrial Merchant** revenues were stable, at **+0.2%** compared to the 1st quarter 2014. Sales are continuing to increase in developing economies, especially China, boosted by volume growth. Price pressure intensified in the region (down -1.6%), mainly in Australia where the competitive situation is challenging and in Singapore where shipbuilders have been hit by the oil industry slowdown. Sales in Japan were stable over the quarter.
- The **Electronics** business continued to expand with sales up **+15.7%**. Revenue increased in all countries in the region and particularly in Japan, China and Taiwan, reflecting the ongoing momentum of the business. Carrier gases benefited from the start-up and ramp-up of a number of plants in China. Advanced Materials revenue rose significantly in the region, notably in Japan and Korea.
- **Healthcare** sales rose by **+1.8%**. Excluding the impact of reclassification in the France perimeter of a business in French Overseas Territories, growth would have been around +8%. Sales were particularly strong in Australia, Hong Kong and Korea.



Middle East and Africa

Middle East and Africa revenue totaled **95 million euros**, up **+1.4%**. This contribution reflects ongoing instability in the Middle East and a difficult economic environment in North Africa, offset by a slight upturn in business in Egypt. Sales grew rapidly in South Africa, driven mainly by the ramp-up of a unit that started up in the 1st quarter 2014 and by robust Industrial Merchant activity.

Engineering & Technology

Engineering & Technology revenue totaled **217 million euros**, up **+16.4%** compared to the 1st quarter 2014. This is the result of the steady progress of projects under execution.

At **310 million euros**, orders in the 1st quarter 2015 were higher than in the 1st quarter 2014 and mainly relate to Group projects.

Other activities

Revenue (in millions of euros)	Q1 2014	Q1 2015	Q1 2015/2014 reported change	Q1 2015/2014 comparable change ^(a)
Welding	96	93	- 3.6%	-4.5%
Diving	47	51	+10.7%	-1.6%
TOTAL OTHERS	143	144	+1.0%	-3.6%

(a) comparable: excluding currency impact

Other Activities revenue in the 1st quarter 2015 declined by **-3.6%** to **144 million euros**.

- **Welding** revenue decreased by **-4.5%** in the 1st quarter, still impacted by the weakness of the European economy.
- **Diving** (Aqua LungTM) saw a decline in sales following the sale of a non-strategic business at the end of 2014. Excluding this disposal, revenue increased significantly.

Quarterly highlights

Industrial developments

New contracts were signed in **Large Industries** in both developing and advanced economies in the 1st quarter 2015.

- In the United States, Air Liquide entered into a new long-term agreement to supply Yuhang Chemical. The Group will build a new Air Separation Unit (ASU), with total capacity of 2,400 tonnes of oxygen per day, for the new large-scale methanol production complex of the customer in St. James Parish, Louisiana. The ASU will be connected to the Group's extensive pipeline system, providing enhanced reliability of supply. Air Liquide will also license its leading MegaMethanol[®] Technology. This agreement illustrates the value for the customer of a complementary offer combining Group proprietary technologies with long term oxygen supply.
- Air Liquide and Sasol, an international integrated energy and chemicals company, signed a long-term agreement for the supply of large quantities of industrial gases to Sasol's Secunda site in South Africa (around 140 km East of Johannesburg). Air Liquide will invest around 200 million euros for the construction of the largest Air Separation Unit (ASU) ever built, with total capacity of 5,000 tonnes of oxygen per day (equivalent to 5,800 tonnes per day at sea level), a milestone in the history of industrial gas production. It is the first time Sasol will outsource its oxygen needs to a specialist of industrial gas production at its Secunda site.
- In Australia, Air Liquide announced a new long-term agreement with Nyrstar, an integrated mining and metals company. Air Liquide will invest 60 million euros in a 1,400 tonnes per day new Air Separation Unit (ASU), to help Nyrstar reduce the environmental footprint of the site and to enhance both efficiency and production capabilities.

New developments in Healthcare

In the 1st quarter 2015, Air Liquide pursued its external growth strategy in **Healthcare**.

- In Germany, the Group strengthened its Home Healthcare offering with the acquisition of Optimal Medical Therapies (OMT). OMT provides services for around 5,000 patients and is recognized for its expertise in home infusion services that include immunotherapy, pain management, and the treatment of pulmonary hypertension and Parkinson's disease.
- Schülke, an Air Liquide Healthcare entity specializing in hospital disinfection and hygiene, is expanding its presence in Eastern Europe and widening its range of complementary products through the acquisition of the Hygiene division of Bochemie, a major player in the Czech Republic.

Hydrogen mobility

Air Liquide has pursued its developments in **hydrogen mobility**.

- The Group has been chosen by FM Logistic, an international logistics and supply chain group, to provide support for its projected deployment of hydrogen-powered forklift trucks on its sites. At its logistics platform located near the city of Orléans (France), Air Liquide installed a hydrogen charging station that will service FM Logistic's forklifts equipped with hydrogen fuel cells.
- Moreover, following the announcement of such developments by the end of 2014, almost 40 million euros of capital expenditures were initiated in the 1st quarter to hook up new hydrogen filling stations in Germany, Denmark and the USA.

Bond issue

In January 2015, Air Liquide Finance innovated yet again with the issue of its first **Chinese renminbi-denominated bond** on the Taiwanese market ("Formosa Bond") for a total of 500 million Chinese renminbi, equivalent to 68 million euros. Air Liquide is thus the first non-Taiwanese corporate to issue bonds in Chinese renminbi on this market.

Investment cycle

Investment opportunities

12-month investment opportunities remained stable at 3.0 billion euros at the end of March 2015, with new projects in the portfolio substantially offsetting those signed by the Group, awarded to the competition or delayed. The large project signed with SASOL at the start of the year was thus removed from the opportunities portfolio.

Nearly two-thirds of the investment opportunity projects in the 12-month portfolio continue to be located in developing economies. The North America weighting is stable. The portfolio also includes nine takeovers representing approximately 12% of the total value of investment opportunities.

Investment decisions and investment backlog

Industrial and financial investment decisions totaled 733 million euros during the quarter, which is a significant level. Industrial decisions accounted for 80% of that amount.

The investment backlog totaled 2.6 billion euros, representing a future contribution to revenue of approximately 1.1 billion euros in the coming years.

Start-ups

Five new units were started up at the end of the 1st quarter 2015, the majority in North America, one Electronics unit in China and one in Dormagen in Germany.

In 2015, start-ups and ramp-ups are expected to contribute around 350 million euros to sales growth.

Operating performance

The Group's efficiency gains in the quarter amounted to 62 million euros. The sustained effort of many projects throughout the Group, principally in industrial operations (production, logistics) this quarter, have contributed to this performance. The adaptation plans initiated at the end of 2013 are continuing to contribute to efficiencies this year and, with the different reorganizations of our activities, account for some 20% of the savings generated.

Cash flow from operating activities before changes in working capital for the first three months of the year was solid, at 18.6% of sales, up +6.4% excluding currency effects, more than covering the 439 million euros of net industrial capital expenditure. The Group's financial structure remains solid.

Net capital expenditure, excluding transactions with minority shareholders, was 532 million euros for the quarter.

Outlook

Growth this quarter was driven by the dynamism of Healthcare and Electronics, and by developing economies, especially China where sales rose by nearly +20% on a comparable basis.

Industrial demand was moderate at the start of the year. In North America, the slowdown in the oil services industry, combined with temporary plant turnarounds of several customers, had a short-term impact on Large Industries activities, while in Western Europe, the manufacturing sector continues to improve in several countries. Globally, the Group's revenue growth outpaced that of its market, against a backdrop of falling energy prices and favorable exchange rates.

Operational performance remains solid; the Group continues to generate efficiency gains and is also reinforcing its growth initiatives.

Growth in the next few years will be supported by the recent major new contract signings, the investment backlog of € 2.6 billion, and 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.

Appendix

Currency, energy (natural gas, electricity) and significant M&A impacts

In addition to the comparison of published figures, financial information for first quarter 2015 is provided before currency, energy price fluctuations and significant M&A impacts. As of January 1st, 2015, the energy impact includes impacts of natural gas and electricity. In the future, it may also include other energy Large Industries feedstocks.

Since gases for industry and health 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 and electricity prices are passed on to customers through price indexation clauses.

Consolidated 2015 first quarter revenue includes the following:

<i>In millions of euros</i>	Revenue Q1 2015	Q1 2015/2014 change	Currency	Natural gas	Electricity	Significant scope	Q1 2015/2014 comparable change ^(a)
Group	3,993	+7.0%	271	(116)	(8)	(0)	+3.0%
Gas & Services	3,632	+6.3%	251	(116)	(8)	(0)	+2.6%

(a) excluding currency, energy (natural gas and electricity) and significant M&A impacts.

For the Group,

- The currency impact was +7.3%.
- The impact of natural gas price fluctuations was -3.1%.
- The impact of electricity price fluctuations was -0.2%.
- There was no significant M&A impact.

For Gas & Services,

- The currency impact was +7.3%.
- The impact of natural gas price fluctuations was -3.4%.
- The impact of electricity price fluctuations was -0.2%.
- There was no significant M&A impact.

This management report is also available on our website:

<http://www.airliquide.com/en/investors/financial-presentations.html>