

First quarter 2016: Solid Comparable Gas & Services Sales Growth Airgas Acquisition on Track

Q1 2016 Key Figures

■ Group Revenue: 3,872 million euros	+2.4%*
■ of which Gas & Services: 3,548 million euros	+4.2%*

Q1 2016 Highlights

- **External factors:** lower exchange rates and energy prices.
- **New contracts in growing markets:** air gases for energy (China), ultra-pure xenon for satellite propulsion (France), biogas purification units (Europe).
- **Acquisitions in Healthcare** (hygiene specialist in Brazil) **and in Industrial Merchant** (a UK-based player in temperature controlled logistics for the pharmaceutical industry).
- **Innovation and Technologies:** project for the plant of the future certified “technological showcase” in France, inauguration of the new Research and Technology Center in Shanghai.

* Change Q1 2016/Q1 2015 on a comparable basis: excluding currency, energy, and significant M&A impacts.

Commenting on the first quarter 2016, **Benoît Potier, Chairman and CEO of Air Liquide**, said:

“In the first quarter, growth was driven by dynamic sales in Electronics and the ramp-up of our production units in Large Industries. From a geographic perspective, growth was driven by Asia-Pacific, especially China. This quarter was also characterized by lower exchange rates and energy prices.

In Western Europe, industrial demand was moderate early in the year, while in North America sales continued to be affected by the slowdown in the oil & gas and metal fabrication sectors. Conversely, developing economies posted strong growth.

In addition, the Group continues to generate recurring efficiency gains, strengthen its competitiveness, and invest in its growth markets.

The Airgas acquisition is on track and in line with our expectations, with the preparatory work for integration allowing us to confirm synergies of more than \$ 300 million, as announced last November. In addition, the transaction refinancing allows us today to envision a capital increase of between 3 and 3.5 billion euros. Lastly, acquisition timing might shorten, with possible completion by late Q2 2016.

Excluding the impact of Airgas acquisition and financing, and assuming a comparable environment, Air Liquide is confident in its ability to deliver another year of net profit growth in 2016.”

Q1 2016 Group revenue reached **€ 3,872 million**, up **+2.4%** on a comparable basis and down **-3.1%** on a reported basis compared with Q1 2015. Sales in **Gas & Services**, which amounted to **€ 3,548 million**, rose by **+4.2%** on a comparable basis and fell **-1.8%** on a reported basis. During this quarter, the unfavorable currency impact (**-2.0%** for Gas & Services), which was favorable in 2015, added to the negative impact of energy prices (**-4.0%** for Gas & Services).

The **developing economies** posted strong growth, with Gas & Services revenue up **+14.1%** on a comparable basis.

Overall, all **Gas & Services** sales grew on a comparable basis in the 1st quarter, except for Industrial Merchant, impacted by weak demand in certain industrial sectors. Therefore:

- **Large Industries** strongly increased by **+8.6%**, benefiting from the ramp-up of our production units, notably in Germany, in China, and in Saudi Arabia. Hydrogen volumes were up substantially, in particular due to the ramp-up of the Yanbu site, while demand for air gases remained sustained in all geographic regions.
- **Industrial Merchant**, down by **-2.6%**, remains contrasted. Demand for oil services and related industries in North America was still weak, while in Western Europe, manufacturing activity was moderate. Conversely, developing economies grew, notably in China, with volumes substantially up. Overall, the most dynamic end markets this quarter were the Automotive and Food industries. The price effect was slightly positive at **+0.5 %** in a low inflation environment.
- **Electronics** continues to record robust growth of **+13.4%**. It was driven by the strong rise in sales of equipment and installation, increased demand for specialty gases, and growth in sales of advanced materials of more than **+30%**. The Electronics business was particularly vigorous in Japan, in China, and in Singapore.
- **Healthcare**, up **+4.1%**, continues to be a growth driver for the Group. All geographic zones had increased revenue growth. Home healthcare benefited from solid organic growth, while the contribution to sales from bolt-on acquisitions was moderate this quarter. In Hygiene, sales have continued to strongly increase (**+21.2%**).

Engineering and Construction revenue, which reached **€ 124 million** this quarter, was lower due to the impact of the slowdown in large projects linked to energy in a number of countries.

Global Markets & Technologies revenue totaled **€65 million**, an increase of **+11.1%** on a comparable basis, driven by markets related to maritime and those related to the energy transition and space.

Efficiency gains amounted to **€ 63 million**, in line with our forecasts for the year. Actions carried out on production sites as well as in supply chain and procurement management, contributed to the Group's good operating performance.

CONTACTS

Corporate Communications

Annie Fournier
+ 33 (0)1 40 62 51 31
Caroline Philips
+ 33 (0)1 40 62 50 84

Investor Relations

Aude Rodriguez
+33 (0)1 40 62 57 08
Erin Sarret
+33 (0)1 40 62 57 37
Louis Laffont
+33 (0)1 40 62 57 18

UPCOMING EVENTS

Annual General Meeting

May 12, 2016

Dividend ex-date

May 23, 2016

Dividend payment date

May 25, 2016

2016 First Half results

August 1, 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 revenues amounted to € 16.4 billion in 2015 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.