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*Q1 2008 Consolidated Revenue  
Continued growth momentum*

*John Glen: Group Finance Director*

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April 24<sup>th</sup>, 2008

## A dynamic first quarter

- Strong demand in steel, chemicals, energy
- Continued robust manufacturing environment
- Good progress in ALMA implementation
- Dynamic Gas & Services growth across key markets
- Accelerated H<sub>2</sub> and O<sub>2</sub> demand boosting LI growth in all regions
- Sustained level of investment decisions: €700m

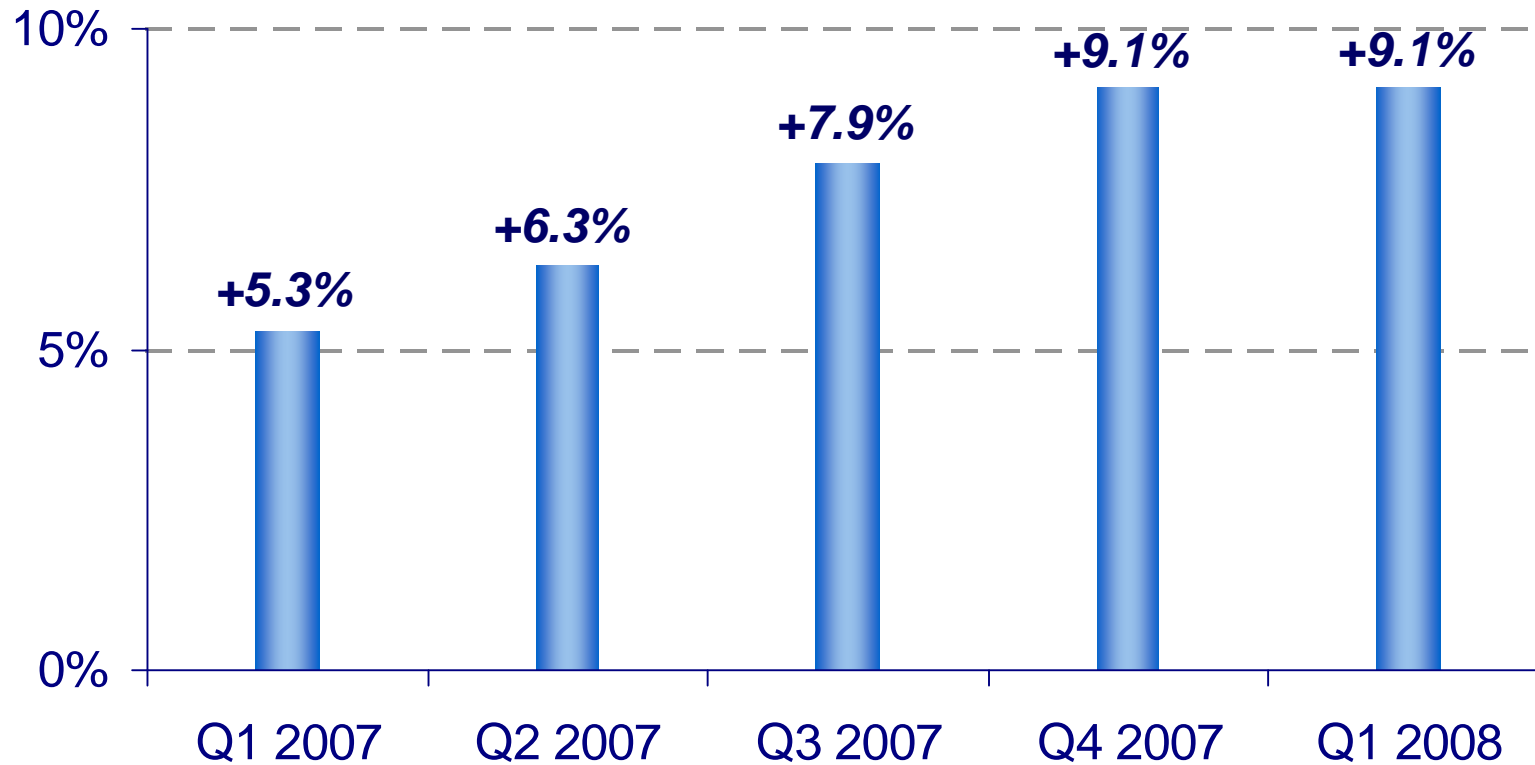
## Q1 2008 published growth: +10.8%

<i>In €M</i>	<i>Q1 08 revenue</i>	<i>Q1 08/07 as published</i>	<i>Q1 08/07 comparable*</i>
Group	<b>3 091</b>	<b>+10.8%</b>	+8.5%
Gas & Services	<b>2 649</b>	+8.0%	<b>+9.1%</b>
E&C	189	+119.9%	+12.5%
Other Activities	253	+0.2%	+1.5%

\* comparable: excluding impact of currency, natural gas and Lurgi acquisition

- Continued impact from decline in USD
- Strong demand for Engineering & Construction (E&C)

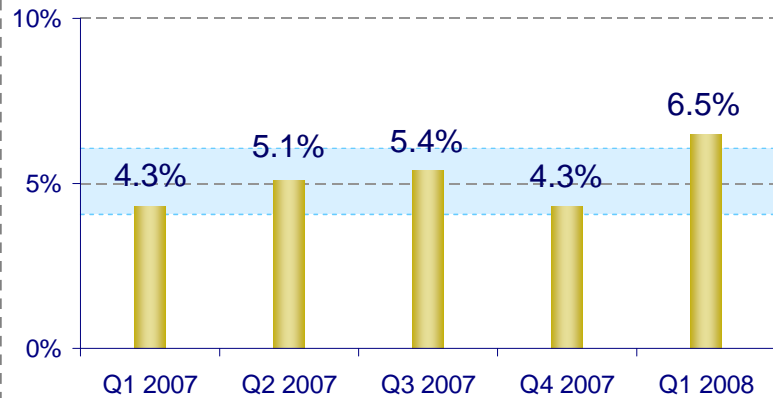
# Gas & Services growth at high Q4 2007 level



*Comparable growth: excluding impact of currency and natural gas*

# All business lines performed well

## Industrial Merchant

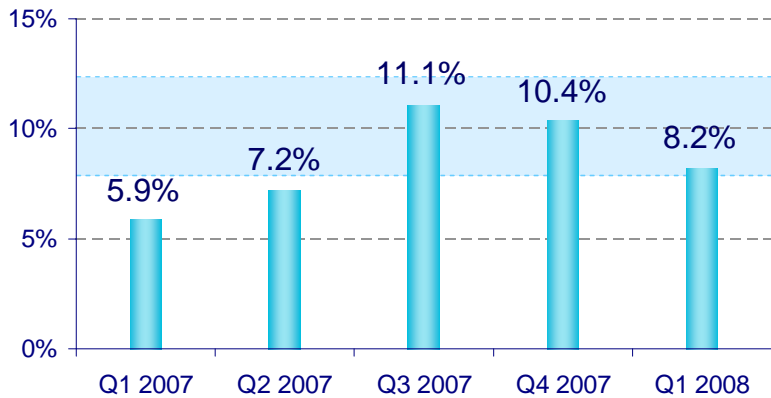


## Large Industries

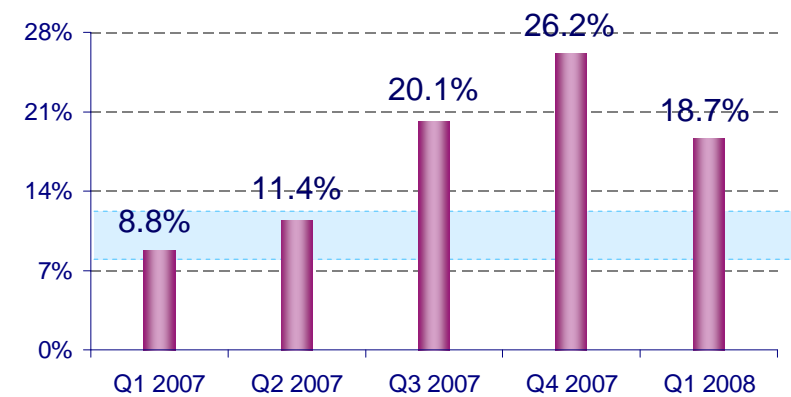


mid-term revenue objectives

## Healthcare



## Electronics



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

# Europe: Large Industries driving growth

## ■ Industrial Merchant:

- ✓ Good volumes in bulk & cylinders
- ✓ Strong metal fabrication, pharmaceuticals and photovoltaic

## ■ Large Industries:

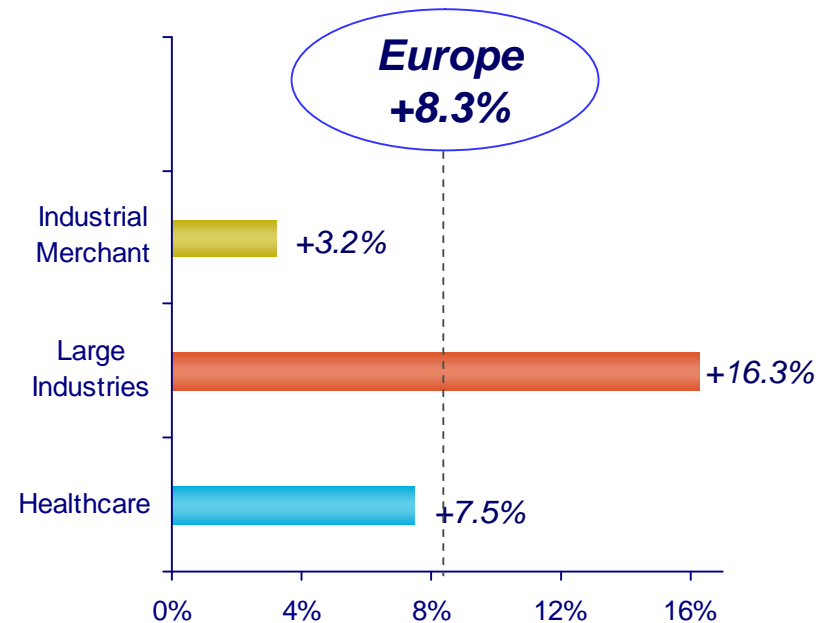
- ✓ Strong underlying demand
- ✓ Major unit start-ups & ramp-ups
  - World-scale new capacity on H<sub>2</sub> pipeline network
  - O<sub>2</sub> ramp-up in Russia

## ■ Healthcare:

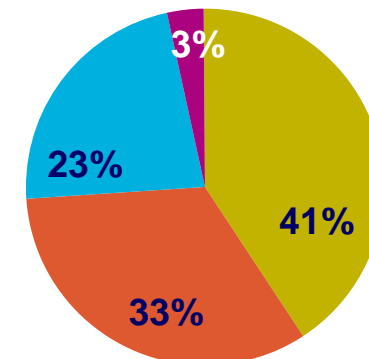
- ✓ Double digit growth in homecare
- ✓ Modest increase in hygiene in comparison to a high Q1 2007

Gas & Services revenue: €1 481M

Q1 growth 08/07\*



Q1 08 breakdown



\* comparable basis

# Americas: robust activity level

## ■ Industrial Merchant:

- ✓ Good volume and favorable pricing in the US
- ✓ Lower activity in Canada
- ✓ Sustained growth in South America

## ■ Large Industries:

- ✓ Oxygen:
  - Strong chemical demand in the US driven by export
  - Volumes impacted by customer turnarounds

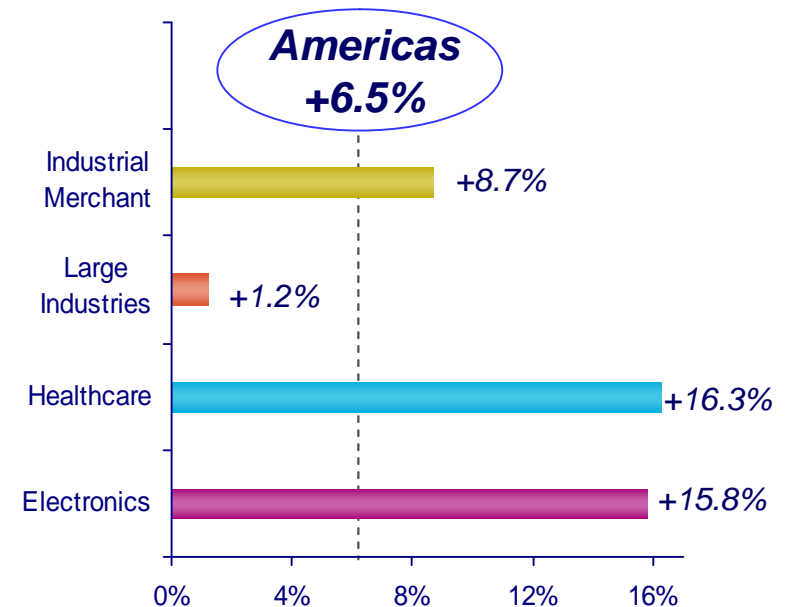
- ✓ Hydrogen: strong demand

## ■ Healthcare and Electronics:

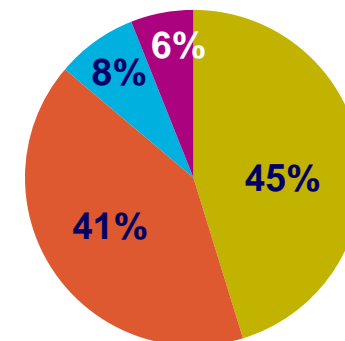
- ✓ Development hospital business
- ✓ Sustained Electronics ramp-ups

Gas & Services revenue: €635M

Q1 growth 08/07\*



Q1 08 breakdown



\* comparable basis

# Asia: double digit growth in key markets

## ■ Industrial Merchant:

- ✓ Strong bulk volumes in emerging Asia

## ■ Electronics:

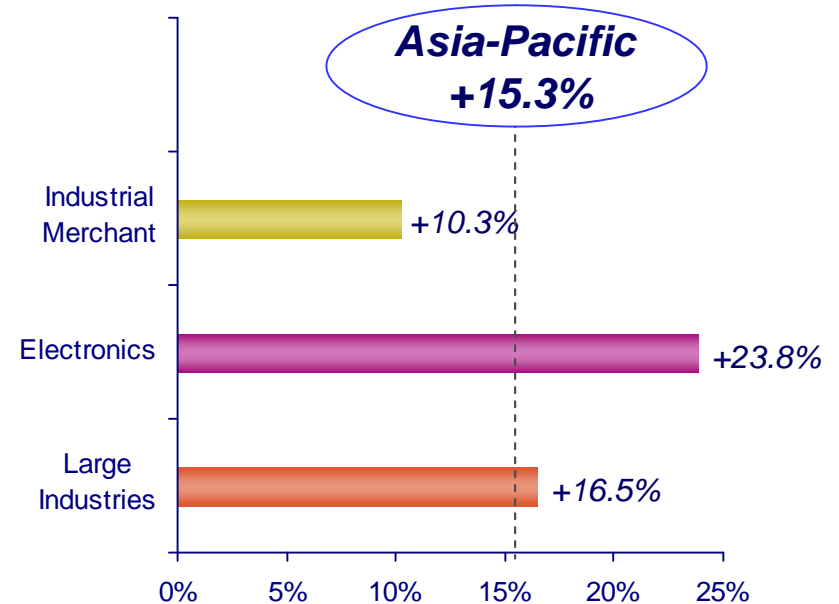
- ✓ Carrier gases: start-ups & ramp-ups in South Korea, Japan and China
- ✓ ESG: strong demand on TFT-LCD market in Japan & Taiwan
- ✓ Softer semiconductor demand

## ■ Large Industries:

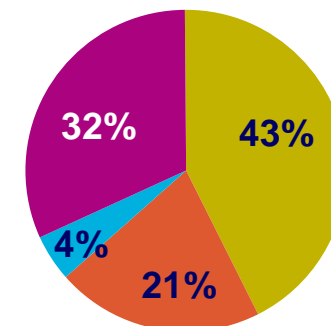
- ✓ Growing demand for H<sub>2</sub>/CO in China and South Korea

Gas & Services revenue: €491M

Q1 growth 08/07\*



Q1 08 breakdown



\* comparable basis



# ALMA: growth developments in Q1

## ⇒ Energy

- **Hydrogen:**
  - ✓ Start-up in Antwerp
  - ✓ Bio fuels contract in Singapore on pipeline network
- **Coal gasification:** sale of 2 ASU (3,000t/d each) for CTC
- **Reduction of CO<sub>2</sub> emissions:** increased participation in industrial-scale research programs

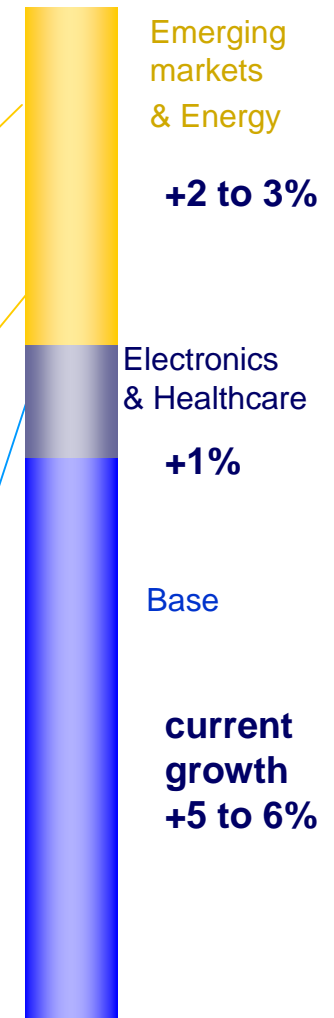
## ⇒ Emerging markets

- **Eastern Europe:** long term contracts in metals, automotive and shipyard markets
- **Middle East:** first start-up; 4 more expected in 2008
- **China:** further development of outsourcing model with major signature in Tianjin

## ⇒ Healthcare & Electronics

- **Healthcare:**
  - ✓ First anesthesia with LENOXe in France
- **Electronics:**
  - ✓ Carrier gases successes in Taiwan
  - ✓ Silane production capacity in Japan x3
  - ✓ Opening of 3 new Material Centers

*Mid-term objectives*



## Profitability and investments

- ALMA on-going implementation
- Robust G&S operating margins
  - ✓ Efficiency & pricing initiatives on track
- Continued dynamic investments
  - ✓ Capex in line with ambitions
  - ✓ Investment decisions at  $\approx$ €700m
  - ✓ Project portfolio remains over €3bn

*“We maintain our guidance of double digit growth in net profit at constant exchange rates.”*



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# Appendices

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## Growth in all geographic zones

<i>Revenue in €M</i>	Q1 07	Q2 07	Q3 07	Q4 07	Q1 08	Q1 08/07 published	Q1 08/07 comparable
Europe	1 351	1 323	1 338	1 439	<b>1 481</b>	+9.6%	+8.3%
Americas	628	641	620	628	<b>635</b>	+1.1%	+6.5%
Asia-Pacific	431	450	480	490	<b>491</b>	+13.9%	+15.3%
Middle East & Africa	42	46	47	45	<b>42</b>	-0.2%	+11.2%
<b>Total Gas &amp; Services</b>	<b>2 452</b>	<b>2 460</b>	<b>2 485</b>	<b>2 602</b>	<b>2 649</b>	<b>+8.0%</b>	<b>+9.1%</b>
Engineering & Construction	86	123	232	390	<b>189</b>	+119.9%	+12.5%
Other Activities	253	255	224	239	<b>253</b>	+0.2%	+1.5%
<b>Total Group</b>	<b>2 791</b>	<b>2 838</b>	<b>2 941</b>	<b>3 231</b>	<b>3 091</b>	<b>+10.8%</b>	<b>+8.5%</b>

## Growth in all business lines

<i>Revenue in €M</i>	Q1 07	Q2 07	Q3 07	Q4 07	Q1 08	Q1 08/07 published	Q1 08/07 comparable
Industrial Merchant	1 091	1 108	1 112	1 128	<b>1 133</b>	+3.8%	+6.5%
Large Industries	763	729	734	799	<b>857</b>	+12.4%	+10.6%
Electronics	214	235	244	250	<b>245</b>	+14.2%	+18.7%
Healthcare	384	388	395	425	<b>414</b>	+7.8%	+8.2%
<b>Total Gas &amp; Services</b>	<b>2 452</b>	<b>2 460</b>	<b>2 485</b>	<b>2 602</b>	<b>2 649</b>	<b>+8.0%</b>	<b>+9.1%</b>
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# Continuing currency impact

## ■ Currency

<i>In €M</i>	Q1 07	Q2 07	Q3 07	Q4 07	Q1 08
€/USD	(41)	(35)	(34)	(53)	<b>(64)</b>
€/CAD	(14)	(6)	(1)	+4	<b>+3</b>
€/JP¥	(27)	(30)	(23)	(20)	<b>(2)</b>
Others	(19)	(10)	(6)	(17)	<b>(21)</b>
Currency impact	(101)	(81)	(64)	(86)	<b>(84)</b>

## Average exchange rates for the period

<i>1€ = in</i>	Q1 07	Q2 07	Q3 07	Q4 07	Q1 08
USD	1.31	1.35	1.37	1.45	<b>1.50</b>
CAD	1.54	1.48	1.44	1.42	<b>1.50</b>
JP¥	156.5	162.8	161.8	163.8	<b>157.7</b>

## ■ Natural gas and scope impacts

<i>In €M</i>	Q1 07	Q2 07	Q3 07	Q4 07	Q1 08
Natural gas impact	(25)	+10	(9)	+18	<b>+51</b>
Significant scope impact	0	0	+151	+210	<b>+95</b>



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