

Pre-Quarterly Sales Communication

Air Liquide has compiled the following items for consideration to assist in the financing modeling of the Group's Q3 2016 sales.

- **Currency impact**

The main currency variations in Q3 2016 versus Q3 2015 were:

€ versus	Q3 2016	Q3 2015	Change
US Dollar	1.116	1.112	0.4%
Japanese Yen	114.3	135.9	<15.9%>
Chinese Yuan	7.44	7.01	6.2%
Canadian Dollar	1.455	1.454	0.1%
Argentina Peso	16.89	10.35	63.2%
Brazilian Real	3.62	3.91	<7.4%>
South African Rand	15.7	14.4	8.8%

The currency impact in Q2 2016 was **-3.0%** on Group revenues and **-3.2%** at the G&S level. Based on the evolution of foreign currency rates, the currency impact on Group sales is estimated at around **-0.5%** in Q3 2016 mainly driven by the Argentina Peso and the Chinese Renminbi. The impact on Gas & Services sales is expected to be similar to the impact on Group sales.

- **Pass-through impact of Natural Gas**

The natural gas pass-through effect on Group revenues was **-2.3%** in Q2 2016. In Q3 2016, the pass-through impact of natural gas is expected to be around **-2.0%** on Group revenues, slightly less negative than in Q2 due to the Americas, where the Henry-Hub spot price is rather stable between Q3 2016 and Q3 2015.

- **Pass-through impact of Electricity**

The electricity pass-through effect on Group revenues was **-0.8%** in Q2 2016. It is expected to remain in the same range in Q3 2016.

- **Airgas integration**

The closing of the Airgas acquisition was effective on May 23, 2016, and since this date, Airgas financial statements are consolidated.

On September 8, Air Liquide completed the divestiture of certain U.S. assets to Matheson Tri-Gas, Inc. ("Matheson"). This divestiture represents the vast majority of the **\$270m** sales to be divested as required by the FTC in connection with Air Liquide's acquisition of Airgas. **As of September 8, the Airgas sales contribution will be reduced by the impact of this divestiture.**

- **Business items**

Large Industries: in Q2, the +4.0% comparable growth integrated the final ramp-up impact of Yanbu and Dormagen large HYCO units, both which started-up at the beginning of Q2 2015. No significant start-up has occurred in Q3 2016.

Industrial Merchant: the latest IP estimates for Q3 2016 across the main regions are the following:

	Q1 2016	Q2 2016	Q3 2016
USA	<1.6%>	<1.1%>	<0.9%>
Canada	0.4%	<1.1%>	<1.7%>
France	1.0%	0.3%	<0.4%>
Germany	1.5%	0.2%	0.5%
Japan	<3.2%>	<1.7%>	<0.2%>

Source: Consensus Forecasts September 12th, 2016

In Europe, Industrial Merchant will be negatively impacted by one less working day in Q3 2016 vs. Q3 2015. Conversely, with -0.6% of comparable growth, Q2 2016 benefited from one additional working day vs. Q2 2015.

Healthcare: in Q2 2016, solid comparable growth of +5.4% was driven by organic development in Home Healthcare, Specialty Ingredients and Hygiene and a lower incremental contribution from bolt-on acquisitions.

Electronics: in Q2 2016, sales grew strongly at +9.0% on a comparable basis but with Book to Bill below 1, at 0.66, at the end of the period. This advanced indicator signals lower sales in E&I.

Engineering & Construction: in Q2 2016, E&C sales were down -34.4% due to a slowdown in the signing of new projects in a difficult global environment.

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The world leader in gases, technologies and services for Industry and Health, Air Liquide is present in 80 countries with approximately 68,000 employees and serves more than 3 million customers and patients*. Oxygen, nitrogen and hydrogen are essential small molecules for life, matter and energy. They embody Air Liquide's scientific territory and have been at the core of the company's activities since its creation in 1902.

Air Liquide's ambition is to lead its industry, deliver long-term performance and contribute to sustainability. The company's customer-centric transformation strategy aims at profitable growth over the long term. It relies on operational excellence, selective investments, open innovation and a network organization implemented by the Group worldwide. Through the commitment and inventiveness of its people, Air Liquide leverages energy and environment transition, changes in healthcare and digitization, and delivers greater value to all its stakeholders.

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. On 23 May 2016, Air Liquide completed its acquisition of Airgas, which had revenues amounting to \$5.3 billion (around €4.8 billion) for the fiscal year ending 31 March 2016.

Air Liquide is listed on the Paris Euronext stock exchange (compartment A) and belongs to the CAC 40 and Dow Jones Euro Stoxx 50 indexes.

* Following the acquisition of Airgas on 23 May 2016