

Pre-Quarterly Sales Communication

Air Liquide has compiled the following items for consideration to assist in the financial modeling of the Group Q1 2017 sales.

- **“Other Activities” no longer consolidated in Group revenue**

Considering the disposal of Aqua Lung closed on December 30, 2016, and the fact that Air Liquide entered into exclusive negotiations with Lincoln Electric to sell its Air Liquide Welding subsidiary (press release of March 2, 2017), these “Other Activities” are no longer consolidated in Group sales.

- **Comparable growth based on 2016 adjusted sales**

The closing of the Airgas acquisition was effective on May 23, 2016 and the Industrial Merchant and Healthcare activities of Airgas and Air Liquide in the United States were merged on October 1, 2016. As a consequence, it is no longer possible to isolate Air Liquide and Airgas activities as to the former scope.

However, in addition to the comparison of published figures, **2016 adjusted sales** are communicated below in order to provide a comparable basis for 2016: adjusted sales **are computed as if Airgas had been consolidated with divestments fully completed and Aqua Lung and Air Liquide Welding deconsolidated as of January 1, 2016.**

Therefore, as of Q1 2017 and until the end of 2017, Air Liquide will communicate **a comparable growth based on 2016 adjusted sales**, excluding currency and energy price fluctuation impact.

Quarterly 2016 adjusted sales:

in €m	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016
Group	4,857	4,877	4,922	5,156	19,812
Gas & Services	4,668	4,666	4,744	4,930	19,008
Industrial Merchant	2,261	2,271	2,270	2,293	9,095
Healthcare	792	807	813	846	3,258
Americas	1,944	1,957	2,003	2,003	7,907
Americas IM	1,381	1,370	1,381	1,369	5,501
Americas HC	181	186	191	188	746

NB: figures not reported above remain unchanged.

- **Currency impact, based on 2016 adjusted sales**

Main currency variations:

€ versus	Q1 2016	Q1 2017	change
US Dollar	1.102	1.065	-3.4%
Japanese Yen	127.0	121.0	-4.7%
Canadian Dollar	1.51	1.41	-7.0%
Brazilian Real	4.30	3.35	-22.2%
Egyptian Pound	8.97	18.62	+107.5%

Based on the evolution of foreign currency rates, the currency impact on Group sales in Q1 2017 compared to 2016 adjusted sales (therefore including Airgas Q1 2016 sales translation from USD to euro) is estimated at around **+2%**.

The impact on Gas & Services sales is expected to be similar to the impact on Group sales.

- **Pass-through impact of Natural Gas and Electricity, based on 2016 adjusted sales**

Given that natural gas and electricity impacts are related to Large Industries activity, there is no additional impact in euro coming from the integration of Airgas in the 2016 adjusted figures (Industrial Merchant and Healthcare activities).

In Q1 2017 and compared to adjusted Q1 2016, the pass-through impact of natural gas is expected to be around **+2%** on Group revenue; the pass-through impact of electricity is expected to be around **+0.5%** on Group revenue.

- **Business items**

Large Industries: Q4 2016 comparable growth (+4.2%) was mainly impacted by two items: a positive one-off in Europe and the negative effect of the Yanbu planned turnaround. No significant start-up is expected in Q1 2017.

Industrial Merchant posted a decrease of -1.1% in Q4 2016; as explained during the conference call, several markets and customers were sending positive signals end of 2016, beginning of 2017, but materialization of growth recovery would be progressive.

Healthcare: Q4 2016 showed a sustained comparable sales growth of +4.8% with a low contribution from bolt-on M&A. No significant contribution from bolt-on acquisition is expected in Q1 2017.

Electronics: in the second half of 2016, growth was penalized by a drop in the E&I activity after several very dynamic quarters and by weaker sales of electronics specialty materials given that the price of neon was exceptionally high in Q4 2015. The negative comparison basis will continue in Q1 2017 for the same reasons.

Engineering & Construction: in Q4 2016, sales were down -34.5%, affected by the slowdown in major energy-related projects and the low number of new projects in a still difficult global environment. No improvement in the global environment is expected in H1 2017.

Q1 2017 revenue will be announced on **April 26, 2017**.

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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 67,000 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 revenue amounted to € 18.1 billion in 2016 and its solutions that protect life and the environment represented more than 40% of sales.

Air Liquide is listed on the Euronext Paris stock exchange (compartment A) and belongs to the CAC 40, Dow Jones Euro STOXX 50 and FTSE4Good indexes.