Full Year 2017 Results

A Step Change in Sales with Improved Performance

Airgas Synergies Ahead of Plan

Paris, 15 February 2018
Agenda

1. Highlights
2. 2017 performance
3. 2018 priorities and outlook
Highlights

- Sales reached a new level in 2nd half with improved operating margin
- Increased dividend proposal
- Strong cash-flow, reduced net debt and continued improvement in ROCE
- Airgas synergies ahead of plan
- NEOS, delivering in the short-term and investing for the long-term
Step-up in sales growth in 2nd half

Comparable sales growth
- Group
- Gas & Services

Improved Operating Margin(1)
Excluding Energy Impact

As published
- 2016: 16.1%
- 2017: 16.5%

Excl. energy impact
- 2016: 16.8%
- 2017: 16.8%

(1) Group margin vs. 2016 adjusted group margin
Increased Dividend Proposal

Net Profit

€2.2bn
As published

+19.3%
As published

+10%
Excluding non-cash non-recurring items & taxes

Dividend Growth: +12%

€2.65
(2)

Dividend(1)
in € per share

20 yrs CAGR
+9.5%

(1) Historical data adjusted for attribution of free shares and for a factor 0.974 reflecting the value of the rights of the capital increase completed in October 2016
(2) Subject to approval at the combined shareholders’ meeting scheduled for 16 May 2018
Improved Cash Flow and Balance Sheet

Reduced Net Debt and Gearing

- Airgas acquisition
- Net debt
- Gearing

Continued Improvement in ROCE

Excl. 2017 positive impact on net profit of non-cash one-off items

(1) As published 2017 ROCE = 8.2%
Airgas Synergies Ahead of Plan

Synergies US$40m ahead of initial 2017 target

- Cost synergies delivered faster
- Cumulated synergies end of 2019:
  - in excess of US$300m
  - pace and higher level of cost synergies
  - revenues synergies ramping

Leveraging the Airgas model

Expansion of customer centric management in the Group

Cumulated Synergies
Dec. 2017

US$215m
Delivering in the Short-Term...

Mega trends

Energy & Healthcare
- Biogas
- Energy efficiency
- E-health

Digital
- Smart Innovative Operations (SIO)
- Voice of the Customer (VoC)
- E-business websites

Group
- Strategic asset review
- New organization

15 February 2018
Full Year 2017 Results
... and Investing for the Long-Term

<table>
<thead>
<tr>
<th>Research &amp; Development</th>
<th>Innovation</th>
<th>Energy Transition</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Renewal of R&amp;D centers</td>
<td>• 2017 ~€290m spending in innovation</td>
<td></td>
</tr>
<tr>
<td>✓ Over 3 years</td>
<td>• ALIAD: cumulative ~€80m investments in start-ups</td>
<td></td>
</tr>
<tr>
<td>✓ Cumulative €130m investments</td>
<td></td>
<td>• Hydrogen Council</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• CO₂ capture</td>
</tr>
</tbody>
</table>

**Digital**
- Data analytics
- Transforming operations
2017 Performance

Fabienne Lecorvaisier
Executive Vice President &
Chief Financial Officer
Sales Growth Accelerating in G&S, E&C Stabilizing

<table>
<thead>
<tr>
<th>Sales in €m</th>
<th>FY 16</th>
<th>FY 17</th>
<th>FY 17/16 As published</th>
<th>FY 17/16 Comparable&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>Q4 17/16 Comparable&lt;sup&gt;(1)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas &amp; Services</td>
<td>17,331</td>
<td>19,642</td>
<td>+13.3%</td>
<td>+3.5%</td>
<td>+4.4%</td>
</tr>
<tr>
<td>Engineering &amp; Construction</td>
<td>474</td>
<td>335</td>
<td>-29.3%</td>
<td>-28.1%</td>
<td>+3.0%</td>
</tr>
<tr>
<td>Global Markets &amp; Technologies</td>
<td>330</td>
<td>372</td>
<td>+12.8%</td>
<td>+13.9%</td>
<td>+11.0%</td>
</tr>
<tr>
<td>Group Total</td>
<td>18,135</td>
<td>20,349</td>
<td>+12.2%</td>
<td>+2.9%</td>
<td>+4.5%</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Refer to appendix for definitions
Better Economic Environment

Step-up in IP growth, expected to stabilize in 2018

Industrial Production Year on Year in % (3-month rolling average)

Negative FX Impact\(^{(1)}\)
-1.6% FY 2017
-5.4% Q4 2017

Low Energy impact in Q4\(^{(1)}\)
+1.5% FY 2017
+0.5% Q4 2017

\(^{(1)}\) On Group sales, based on 2016 adjusted sales
Key Growth Drivers in Q4 2017

Comparable sales growth:
- **ASIA**: +11%
- **INDUSTRIAL**: +12%
- **MERCHANT**: +8%
- **AMERICAS**: +7%
- **ELECTRONICS**: +6%
- **GLOBAL MARKETS & TECHNOLOGIES**: +5%

15 February 2018
Full Year 2017 Results
The world leader in gases, technologies and services for Industry and Health
Base Business Contribution Firming-Up

G&S Quarterly Growth Analysis

- Strongest base business since Q1 2014

(1) Comparable growth based on 2016 adjusted sales
Q4 - Accelerating Americas, Sustained IM in Europe

**AMERICAS FY 2017**
€8,150m

**EUROPE FY 2017**
€6,776m

**Strong IM and LI in Americas**
- **LI**: rebounding after hurricanes
- **IM**: growth accelerating to >=+6%
- **EL**: dynamic Advanced Materials, low E&I
- **Strong HC** in Latin America and Canada

**Improved underlying activity**
- **LI**: solid H₂ demand; high comparison effect
- **IM**: sustained growth above +3%; bulk and cylinder volumes up
- **Solid HC**, still low contribution from acquisitions
Very good momentum in all WBLs
- **LI**: ramp-ups in China, high volumes
- **IM**: China driving growth with strong volumes and pricing; low equipment sales in Japan
- **EL**: accelerated growth, strong Carrier Gases, dynamic Advanced Materials, high E&I

High growth in all WBLs
- **LI**: high loading at Yanbu (KSA); major start-up in South Africa end December
- **IM**: volumes improvement throughout the region
- **Strong HC in South Africa**

---

**ASIA-PACIFIC**
FY 2017
€4,081m

**MIDDLE-EAST & AFRICA**
FY 2017
€635m

**G&S Comparable Sales Growth**
Continued increase in IM

- Accelerating in North America
- Very strong China, dynamic developing economies
- All end-markets up
- Firming pricing, +1.7%

High volumes offset by Q4 2016 one-off

- High air gases and H2 volumes in Americas
- Ramp-ups in China
- Major start-up in South Africa
- Europe: sales slightly up excl. exceptionals
Q4 - Very Dynamic HC and EL

Steady activity, high contribution from acquisitions
- Very strong Americas
- Dynamic development in Asia
- High growth in Medical Gases

Double-digit growth in Asia
- Ramp-ups in Carrier Gases
- New contracts in Asia, high E&I
- Strong Advanced Materials

HEALTHCARE
FY 2017
€3,401m

ELECTRONICS
FY 2017
€1,644m

G&S Comparable Sales Growth

+9% FY as published
Low E&C, Developing GMT

Sales and Order intake (1) – in €m

(1) Group and third-party order intake
### Improved OIR Margin in line with NEOS

<table>
<thead>
<tr>
<th></th>
<th>In €m</th>
<th>FY 16</th>
<th>FY 16 Adjusted</th>
<th>FY 17</th>
<th>FY 17/16 Adjusted Comparable</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td>18,135</td>
<td>19,812</td>
<td>20,349</td>
<td>+12.2%</td>
</tr>
<tr>
<td><strong>Purchases</strong></td>
<td>-6,693</td>
<td></td>
<td>-7,721</td>
<td></td>
<td>+15.4%</td>
</tr>
<tr>
<td><strong>Personnel expenses</strong></td>
<td>-3,659</td>
<td></td>
<td>-4,138</td>
<td></td>
<td>+15.4%</td>
</tr>
<tr>
<td><strong>Other net income and expenses</strong></td>
<td>-3,172</td>
<td></td>
<td>-3,348</td>
<td></td>
<td>+9.6%</td>
</tr>
<tr>
<td><strong>Operating profit before depreciation</strong></td>
<td></td>
<td>4,611</td>
<td>4,916</td>
<td>5,142</td>
<td>+11.5%</td>
</tr>
<tr>
<td><strong>Depreciation and amortization</strong></td>
<td>-1,587</td>
<td></td>
<td>-1,727</td>
<td>-1,778</td>
<td>+12.0%</td>
</tr>
<tr>
<td><strong>Operating Income Recurring</strong></td>
<td></td>
<td>3,024</td>
<td>3,189</td>
<td>3,364</td>
<td>+11.2%</td>
</tr>
<tr>
<td><strong>OIR Margin</strong></td>
<td>16.7%</td>
<td>16.1%</td>
<td>16.5%</td>
<td></td>
<td>+40bps</td>
</tr>
<tr>
<td><strong>OIR margin excluding energy effect</strong></td>
<td></td>
<td></td>
<td>16.8%</td>
<td></td>
<td>+70bps</td>
</tr>
</tbody>
</table>

Full Year 2017 Results

The world leader in gases, technologies and services for Industry and Health

15 February 2018
Efficiencies Above NEOS Target

FY 17 Efficiencies

NEOS Cumulated Efficiencies

- 2017: €323m (€23m above target)
- 2018: €600m
- 2019: €900m
- 2020: €1,200m

Categories:
- Procurement
- Industrial
- Others
- Industrial Merchant
- Large Industries
- Healthcare
- Electronics
- E&C, GMT, Corporate
2017 Airgas Cumulated Synergies Ahead of Plan

- Costs ~US$190m
- Revenue ~US$25m

• 2017 costs synergies US$40m above initial target
  - Higher procurement synergies
  - Cylinder management integration faster than expected

(1) Defined in 2016
## Positive Non-cash Exceptionals, Net Profit Recurring +10%

<table>
<thead>
<tr>
<th>In €m</th>
<th>FY 16 As Publ.</th>
<th>FY 17 Recurring</th>
<th>FY 17 Recurring / FY 16 As Publ.</th>
<th>Non-cash items</th>
<th>FY 17 As Publ.</th>
<th>FY 17/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>18,135</td>
<td>20,349</td>
<td>+12.2%</td>
<td>20,349</td>
<td>+12.2%</td>
<td></td>
</tr>
<tr>
<td>Operating Income Recurring</td>
<td>3,024</td>
<td>3,364</td>
<td>+11.2%</td>
<td>3,364</td>
<td>+11.2%</td>
<td></td>
</tr>
<tr>
<td>Other non-recurring operating income &amp; expenses</td>
<td>36</td>
<td>56</td>
<td></td>
<td>(400)</td>
<td>(344)</td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>3,060</td>
<td>3,420</td>
<td></td>
<td>3,020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net financial costs and other net financial expenses</td>
<td>(403)</td>
<td>(474)</td>
<td></td>
<td>(15)</td>
<td>(489)</td>
<td></td>
</tr>
<tr>
<td>Income taxes</td>
<td>(747)</td>
<td>(793)</td>
<td></td>
<td>586</td>
<td>(207)</td>
<td></td>
</tr>
<tr>
<td>Share of profit of associates</td>
<td>6</td>
<td>5</td>
<td></td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minority interests</td>
<td>(83)</td>
<td>(92)</td>
<td></td>
<td>(92)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net result from discontinued operations</td>
<td>11</td>
<td>(37)</td>
<td></td>
<td>(37)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net profit (Group share)</strong></td>
<td>1,844</td>
<td>2,029</td>
<td>+10.0%</td>
<td>171</td>
<td>2,200</td>
<td>+19.3%</td>
</tr>
<tr>
<td>Earnings per share (in €)</td>
<td>4.64</td>
<td>4.76</td>
<td>+2.6%</td>
<td></td>
<td>5.16</td>
<td>+11.2%</td>
</tr>
</tbody>
</table>

Recurring FY 2017 = FY 2017 excluding non-cash one-off items

FY 2016 Earnings Per Share adjusted for free share attribution of October 2, 2017.
2017 Non-Cash Exceptional Items and Taxes

- Extended strategic review of assets portfolio
- 2017 impact of U.S. tax reform
  - Tax rate adjustment on deferred taxes
  - Repatriation tax
- Impact of U.S. tax reform onwards
  2018: US$50m to US$70m tax reduction
Significant Debt Reduction

GEARING 90%

CASH FLOW +15%

Net Debt 31 Dec. 2016 <15,368>
Cashflow +4,133
WCR + Other +121
Net Investments (1) <1,850>
Dividends (2) <1,187>
Currency & Scope +780
Net Debt 31 Dec. 2017 <13,371>

(1) Including acquisitions, transactions with minority shareholders, net of divestitures.
(2) Including share purchases and capital increases.
Selected Investments for the Future

### Investment Opportunities (1)
- 12-month portfolio

### 2017 Investment Decisions (1)
- €2.6bn

### 2017 Start-up/Ramp-up Sales Growth Contribution
- €190m

- **Continued active bidding**
- Small to medium size projects
- Americas 1st geography, then Europe and Asia

- **Long-term contracts**
- 2 take-overs
- EL contracts in Asia and Americas
- **Acquisitions** in HC and IM accelerating in H2

- Above the €170m forecasted
- 19 start-ups including 1 major in AME

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(1) See definitions in appendix

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Stable Backlog despite Major LI Start-Up in Q4

Investment Backlog\(^{(1)}\) in €bn

![Graph showing investment backlog in €bn from Dec 2014 to December 2017. Decisions and Start-ups are highlighted.]

Increasing Investment Decisions

![Bar chart showing increasing investment decisions in €m from Q1-17 to Q4-17.]

Yearly sales backlog\(^{(1)}\) after full ramp-ups

\(^{(1)}\) See definitions in appendix

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Air Liquide

The world leader in gases, technologies and services for Industry and Health

15 February 2018

Full Year 2017 Results
Starting-up Major LI Units in a Dynamic Environment

- 2018 forecasted additional sales >€370m
- Increased bidding activity on new projects
2018 Outlook

- Step change in sales with improved performance
- Airgas synergies ahead of plan
- Moving forward with NEOS

2018

- Deliver major LI start-ups
- Continue to focus on growth & operational excellence
- Pursue business transformation; leverage the Airgas model
- While investing for the future

“Assuming a comparable environment, Air Liquide is confident in its ability to deliver net profit growth in 2018, calculated at constant exchange rate and excluding 2017 exceptionals\(^{(1)}\).”

\(^{(1)}\) exceptional non-cash items having a net positive impact on 2017 net profit
FY 2017 Appendix
Adjusted Sales Used as a Comparison Basis (1/2)

(1) Excluding Air Liquide Welding and Aqua Lung
(2) Excluding currency, energy price fluctuation and significant M&A impacts
## Adjusted Sales Used as a Comparison Basis (2/2)

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A</strong></td>
<td>Published 2016 excluding Air Liquide Welding and Aqua Lung</td>
<td>Published 2016 Air Liquide sales excluding Air Liquide Welding and Aqua Lung (IFRS 5, discontinued operations)</td>
</tr>
<tr>
<td><strong>B</strong></td>
<td>Airgas consolidated - Airgas divestments</td>
<td>Published 2016 Airgas sales with divestments fully completed as of January 1st, 2016</td>
</tr>
<tr>
<td><strong>C</strong></td>
<td>Adjusted Air Liquide sales</td>
<td>2016 starting point: <strong>A</strong> + <strong>B</strong></td>
</tr>
<tr>
<td><strong>D</strong></td>
<td>Published 2017</td>
<td>Published 2017 Air Liquide sales</td>
</tr>
<tr>
<td><strong>E</strong></td>
<td>Comparable growth</td>
<td>Growth between 2016 adjusted Air Liquide sales and published 2017 sales excluding change, energy and significant M&amp;A versus <strong>C</strong></td>
</tr>
<tr>
<td><strong>F</strong></td>
<td>Published growth</td>
<td>Growth between published 2016 Air Liquide sales, excluding Air Liquide Welding and Aqua Lung, and published 2017 Air Liquide sales <strong>D</strong> versus <strong>A</strong></td>
</tr>
</tbody>
</table>

2016 comparable sales growth excluding currency, energy price fluctuation and Airgas impact
FY 2017 G&S Revenue Breakdown by Region

€19,642m
GAS & SERVICES
FY 2017
REVENUE

AMERICAS 41%
€8.1bn

EUROPE 35%
€6.8bn

ASIA-PACIFIC 21%
€4.1bn

Europe

Americas

Asia-Pacific

Industrial Merchant
Large Industries
Healthcare
Electronics

31%
37%
31%
31%
35%
3%
17%
10%
4%

AFRICA MIDDLE-EAST

3%

35%

15 February 2018
Full Year 2017 Results
The world leader in gases, technologies and services for Industry and Health
# Consolidated P&L

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>Non-cash items</th>
<th>FY 17 excl. non cash items</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>18,135</td>
<td>20,349</td>
<td></td>
<td>20,349</td>
</tr>
<tr>
<td>Cost of goods</td>
<td>(13,524)</td>
<td>(15,207)</td>
<td>(15,207)</td>
<td></td>
</tr>
<tr>
<td><strong>Operating income recurring before depreciation</strong></td>
<td>4,611</td>
<td>5,142</td>
<td></td>
<td>5,142</td>
</tr>
<tr>
<td>Depreciation and amortization expense</td>
<td>(1,587)</td>
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<td><strong>Operating Income Recurring</strong></td>
<td>3,024</td>
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<tr>
<td>Net profit from discontinued operations</td>
<td>11</td>
<td>(37)</td>
<td></td>
<td>(37)</td>
</tr>
<tr>
<td><strong>Profit for the period</strong></td>
<td>1,927</td>
<td>2,292</td>
<td>171</td>
<td>2,121</td>
</tr>
<tr>
<td>- Minority Interest</td>
<td>83</td>
<td>92</td>
<td></td>
<td>92</td>
</tr>
<tr>
<td>- <strong>Net Profit (Group share)</strong></td>
<td>1,844</td>
<td>2,200</td>
<td>171</td>
<td>2,029</td>
</tr>
<tr>
<td>Basic earnings per share (in €) (1)</td>
<td>4.64</td>
<td>5.16</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) FY 2016 Basic earnings per share adjusted for the free share attribution of October 2, 2017
Operating Margin (OIR/Revenue)

<table>
<thead>
<tr>
<th></th>
<th>H1 2016</th>
<th>H2 2016</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group</strong></td>
<td>17.0%</td>
<td>16.4%</td>
<td>16.7%</td>
</tr>
<tr>
<td><strong>Group Adjusted</strong></td>
<td>15.8%</td>
<td><strong>16.3%</strong></td>
<td><strong>16.1%</strong></td>
</tr>
<tr>
<td><strong>Gas &amp; Services</strong></td>
<td>19.1%</td>
<td>18.3%</td>
<td>18.7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>H1 2017</th>
<th>H2 2017</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group</strong></td>
<td>16.1%</td>
<td>17.0%</td>
<td>16.5%</td>
</tr>
<tr>
<td><strong>Group - Excl. Energy</strong></td>
<td>16.5%</td>
<td><strong>17.1%</strong></td>
<td><strong>16.8%</strong></td>
</tr>
<tr>
<td><strong>Gas &amp; Services</strong></td>
<td>17.6%</td>
<td>18.9%</td>
<td>18.3%</td>
</tr>
<tr>
<td><strong>Gas &amp; Services - Excl. Energy</strong></td>
<td>18.1%</td>
<td>19.0%</td>
<td>18.5%</td>
</tr>
</tbody>
</table>

FY 2017 operating margin excluding energy **improved +70bps** compared to adjusted FY 2016

NB: 2016 figures have been restated to account for IFRS 5, discontinued operations.
## Consolidated Balance Sheet Simplified - In €m

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>31/12/16</th>
<th>31/12/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>13,890</td>
<td>12,840</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>22,003</td>
<td>20,137</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>960</td>
<td>1,059</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td><strong>36,853</strong></td>
<td><strong>34,036</strong></td>
</tr>
<tr>
<td>Inventories &amp; work in-progress</td>
<td>1,323</td>
<td>1,334</td>
</tr>
<tr>
<td>Trade receivables &amp; other current assets</td>
<td>4,090</td>
<td>3,963</td>
</tr>
<tr>
<td>Cash and cash equivalents *</td>
<td>1,576</td>
<td>1,694</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>6,989</strong></td>
<td><strong>6,991</strong></td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>276</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>44,118</strong></td>
<td><strong>41,027</strong></td>
</tr>
<tr>
<td></td>
<td>31/12/16</td>
<td>31/12/17</td>
</tr>
<tr>
<td>Net debt</td>
<td>15,368</td>
<td>13,371</td>
</tr>
<tr>
<td>Net debt ratio</td>
<td>89.7%</td>
<td>80.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EQUITY AND LIABILITIES</th>
<th>31/12/16</th>
<th>31/12/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders’ equity</td>
<td>16,742</td>
<td>16,318</td>
</tr>
<tr>
<td>Minority interests</td>
<td>383</td>
<td>400</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td><strong>17,125</strong></td>
<td><strong>16,718</strong></td>
</tr>
<tr>
<td>Provisions &amp; deferred tax liabilities</td>
<td>4,971</td>
<td>4,401</td>
</tr>
<tr>
<td>Non-current borrowings</td>
<td>14,890</td>
<td>12,522</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>504</td>
<td>241</td>
</tr>
<tr>
<td><strong>Total equity and non current liabilities</strong></td>
<td><strong>37,490</strong></td>
<td><strong>33,882</strong></td>
</tr>
<tr>
<td>Provisions &amp; deferred tax liabilities</td>
<td>280</td>
<td>333</td>
</tr>
<tr>
<td>Trade payables &amp; other current liabilities</td>
<td>4,103</td>
<td>4,266</td>
</tr>
<tr>
<td>Current borrowings*</td>
<td>2,064</td>
<td>2,548</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>6,447</strong></td>
<td><strong>7,145</strong></td>
</tr>
<tr>
<td>Liabilities held for sale</td>
<td>181</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td><strong>44,118</strong></td>
<td><strong>41,027</strong></td>
</tr>
</tbody>
</table>

* Including fair value of derivatives

---

37  | 15 February 2018  | Full Year 2017 Results  | The world leader in gases, technologies and services for Industry and Health

Air Liquide
# Cash Flow Statement

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In €m</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Funds provided by operations</strong></td>
<td>3,523</td>
<td>4,133</td>
</tr>
<tr>
<td>Changes in Working Capital</td>
<td>331</td>
<td>188</td>
</tr>
<tr>
<td>Other items</td>
<td>(158)</td>
<td>(67)</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td>3,696</td>
<td>4,254</td>
</tr>
<tr>
<td>Purchase of PPE* and intangible assets</td>
<td>(2,259)</td>
<td>(2,183)</td>
</tr>
<tr>
<td>Purchase of financial assets and the impact of changes in scope</td>
<td>(12,165)</td>
<td>(140)</td>
</tr>
<tr>
<td>Proceeds from sale of PPE*, intangible and financial assets</td>
<td>830</td>
<td>477</td>
</tr>
<tr>
<td><strong>Net cash in investing activities</strong></td>
<td>(13,594)</td>
<td>(1,846)</td>
</tr>
<tr>
<td>Distribution</td>
<td>(1,019)</td>
<td>(1,099)</td>
</tr>
<tr>
<td>Increase in capital stock</td>
<td>3,361</td>
<td>70</td>
</tr>
<tr>
<td>Purchase of treasury shares</td>
<td>4</td>
<td>(158)</td>
</tr>
<tr>
<td>Transactions with minority shareholders</td>
<td>(14)</td>
<td>(4)</td>
</tr>
<tr>
<td>Impact of Exchange rate changes and net indebtedness of newly consolidated companies &amp; others</td>
<td>(563)</td>
<td>780</td>
</tr>
<tr>
<td><strong>Change in net indebtedness</strong></td>
<td>(8,129)</td>
<td>1,997</td>
</tr>
</tbody>
</table>

* PPE: Property, plant and equipment.
## Impact of Currency and Energy on G&S Revenue

<table>
<thead>
<tr>
<th>Currency</th>
<th>In €m</th>
<th>Q1 16</th>
<th>Q2 16</th>
<th>Q3 16</th>
<th>Q4 16</th>
<th>Q1 17</th>
<th>Q2 17</th>
<th>Q3 17</th>
<th>Q4 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>€/USD</td>
<td>+14</td>
<td>(14)</td>
<td>(3)</td>
<td>+10</td>
<td></td>
<td>+64</td>
<td>+49</td>
<td>(89)</td>
<td>(161)</td>
</tr>
<tr>
<td>€/CNY</td>
<td>(10)</td>
<td>(28)</td>
<td>(23)</td>
<td>(20)</td>
<td></td>
<td>(7)</td>
<td>(8)</td>
<td>(20)</td>
<td>(23)</td>
</tr>
<tr>
<td>€/JP¥</td>
<td>+14</td>
<td>+22</td>
<td>+42</td>
<td>+30</td>
<td></td>
<td>+13</td>
<td>(1)</td>
<td>(34)</td>
<td>(30)</td>
</tr>
<tr>
<td>Others</td>
<td>(89)</td>
<td>(98)</td>
<td>(32)</td>
<td>(17)</td>
<td></td>
<td>+46</td>
<td>+10</td>
<td>(51)</td>
<td>(59)</td>
</tr>
<tr>
<td><strong>Total currency impact</strong></td>
<td>(71)</td>
<td>(118)</td>
<td>(16)</td>
<td>+3</td>
<td></td>
<td>+116</td>
<td>+50</td>
<td>(194)</td>
<td>(273)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average rate</th>
<th>In €m</th>
<th>Q1 16</th>
<th>Q2 16</th>
<th>Q3 16</th>
<th>Q4 16</th>
<th>Q1 17</th>
<th>Q2 17</th>
<th>Q3 17</th>
<th>Q4 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>€/USD</td>
<td>1.10</td>
<td>1.13</td>
<td>1.12</td>
<td>1.08</td>
<td></td>
<td>1.07</td>
<td>1.10</td>
<td>1.17</td>
<td>1.18</td>
</tr>
<tr>
<td>€/CNY</td>
<td>7.21</td>
<td>7.38</td>
<td>7.44</td>
<td>7.37</td>
<td></td>
<td>7.33</td>
<td>7.55</td>
<td>7.83</td>
<td>7.79</td>
</tr>
<tr>
<td>€/JP¥</td>
<td>127.0</td>
<td>121.9</td>
<td>114.3</td>
<td>117.8</td>
<td></td>
<td>121.0</td>
<td>122.2</td>
<td>130.4</td>
<td>132.9</td>
</tr>
</tbody>
</table>

### Natural Gas

<table>
<thead>
<tr>
<th>Natural Gas Impact</th>
<th>(108)</th>
<th>(94)</th>
<th>(82)</th>
<th>+13</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>+104</td>
<td>+75</td>
<td>+41</td>
</tr>
</tbody>
</table>

### Electricity

<table>
<thead>
<tr>
<th>Electricity Impact</th>
<th>(36)</th>
<th>(32)</th>
<th>(18)</th>
<th>+3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>+25</td>
<td>+17</td>
<td>+9</td>
</tr>
</tbody>
</table>
### Revenue Analysis by Quarter and by Business Line

<table>
<thead>
<tr>
<th></th>
<th>Q1 16</th>
<th>Q2 16</th>
<th>Q3 16</th>
<th>Q4 16</th>
<th>Q1 17</th>
<th>Q2 17</th>
<th>Q3 17</th>
<th>Q4 17</th>
<th>Q4 17/16 as published</th>
<th>Q4 17/16 comparable</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Large Industries</strong></td>
<td>1,207</td>
<td>1,181</td>
<td>1,261</td>
<td>1,388</td>
<td>1,392</td>
<td>1,302</td>
<td>1,286</td>
<td>1,356</td>
<td>-2.3%</td>
<td>+0.6%</td>
</tr>
<tr>
<td><strong>Industrial Merchant</strong></td>
<td>1,238</td>
<td>1,726</td>
<td>2,308</td>
<td>2,293</td>
<td>2,384</td>
<td>2,373</td>
<td>2,265</td>
<td>2,239</td>
<td>-2.3%</td>
<td>+5.3%</td>
</tr>
<tr>
<td><strong>Healthcare</strong></td>
<td>695</td>
<td>756</td>
<td>814</td>
<td>846</td>
<td>850</td>
<td>840</td>
<td>833</td>
<td>878</td>
<td>+3.7%</td>
<td>+6.7%</td>
</tr>
<tr>
<td><strong>Electronics</strong></td>
<td>408</td>
<td>407</td>
<td>400</td>
<td>403</td>
<td>420</td>
<td>417</td>
<td>403</td>
<td>404</td>
<td>+0.1%</td>
<td>+7.4%</td>
</tr>
<tr>
<td><strong>Gas &amp; Services</strong></td>
<td>3,548</td>
<td>4,070</td>
<td>4,783</td>
<td>4,930</td>
<td>5,046</td>
<td>4,932</td>
<td>4,787</td>
<td>4,877</td>
<td>-1.1%</td>
<td>+4.4%</td>
</tr>
<tr>
<td><strong>Engineering &amp; Construction</strong></td>
<td>124</td>
<td>130</td>
<td>105</td>
<td>115</td>
<td>53</td>
<td>93</td>
<td>75</td>
<td>114</td>
<td>-0.7%</td>
<td>+3.0%</td>
</tr>
<tr>
<td><strong>Global Markets &amp; Technologies</strong></td>
<td>65</td>
<td>81</td>
<td>73</td>
<td>111</td>
<td>77</td>
<td>92</td>
<td>82</td>
<td>121</td>
<td>+9.8%</td>
<td>+11.0%</td>
</tr>
<tr>
<td><strong>Group Total</strong></td>
<td>3,737</td>
<td>4,281</td>
<td>4,961</td>
<td>5,156</td>
<td>5,176</td>
<td>5,117</td>
<td>4,944</td>
<td>5,112</td>
<td>-0.8%</td>
<td>+4.5%</td>
</tr>
</tbody>
</table>

Refer to appendix for definitions

*40 | 15 February 2018 | Full Year 2017 Results | The world leader in gases, technologies and services for Industry and Health*
## Revenue Analysis by Quarter and by Geography

<table>
<thead>
<tr>
<th>Sales in €m</th>
<th>Q1 16</th>
<th>Q2 16</th>
<th>Q3 16</th>
<th>Q4 16</th>
<th>Q1 17</th>
<th>Q2 17</th>
<th>Q3 17</th>
<th>Q4 17 as published</th>
<th>Q4 17/16 comparable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>824</td>
<td>1,361</td>
<td>2,042</td>
<td>2,003</td>
<td>2,142</td>
<td>2,109</td>
<td>1,968</td>
<td>1,931</td>
<td>-3.6%</td>
</tr>
<tr>
<td>Europe</td>
<td>1,614</td>
<td>1,611</td>
<td>1,601</td>
<td>1,767</td>
<td>1,710</td>
<td>1,661</td>
<td>1,657</td>
<td>1,748</td>
<td>-1.1%</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>966</td>
<td>954</td>
<td>997</td>
<td>1,019</td>
<td>1,024</td>
<td>1,008</td>
<td>1,010</td>
<td>1,039</td>
<td>+2.0%</td>
</tr>
<tr>
<td>Middle-East, Africa</td>
<td>144</td>
<td>144</td>
<td>143</td>
<td>141</td>
<td>170</td>
<td>154</td>
<td>152</td>
<td>159</td>
<td>+12.4%</td>
</tr>
<tr>
<td>Gas &amp; Services</td>
<td>3,548</td>
<td>4,070</td>
<td>4,783</td>
<td>4,930</td>
<td>5,046</td>
<td>4,932</td>
<td>4,787</td>
<td>4,877</td>
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<td>Engineering &amp; Construction</td>
<td>124</td>
<td>130</td>
<td>105</td>
<td>115</td>
<td>53</td>
<td>93</td>
<td>75</td>
<td>114</td>
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</tr>
<tr>
<td>Global Markets &amp; Technologies</td>
<td>65</td>
<td>81</td>
<td>73</td>
<td>111</td>
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<td>92</td>
<td>82</td>
<td>121</td>
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</tr>
<tr>
<td><strong>Group Total</strong></td>
<td>3,737</td>
<td>4,281</td>
<td>4,961</td>
<td>5,156</td>
<td>5,176</td>
<td>5,117</td>
<td>4,944</td>
<td>5,112</td>
<td>-0.8%</td>
</tr>
</tbody>
</table>

Refer to appendix for definitions
## G&S Revenue Growth by Quarter and by Impact

<table>
<thead>
<tr>
<th></th>
<th>Growth as published</th>
<th>Natural Gas</th>
<th>Electricity</th>
<th>Currency</th>
<th>Significant perimeter</th>
<th>Comparable growth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Q1 2016</strong></td>
<td>-1.8%</td>
<td>-3.0%</td>
<td>-1.0%</td>
<td>-2.0%</td>
<td>+0.0%</td>
<td>+4.2%</td>
</tr>
<tr>
<td><strong>Q2 2016</strong></td>
<td>+10.3%</td>
<td>-2.6%</td>
<td>-0.9%</td>
<td>-3.2%</td>
<td>+13.9%</td>
<td>+3.1%</td>
</tr>
<tr>
<td><strong>Q3 2016</strong></td>
<td>+29.9%</td>
<td>-2.3%</td>
<td>-0.5%</td>
<td>-0.4%</td>
<td>+31.1%</td>
<td>+2.0%</td>
</tr>
<tr>
<td><strong>Q4 2016</strong></td>
<td>+30.8%</td>
<td>+0.4%</td>
<td>+0.0%</td>
<td>+0.0%</td>
<td>+28.7%</td>
<td>+1.7%</td>
</tr>
<tr>
<td><strong>Q1 2017</strong></td>
<td>+42.2%</td>
<td>+2.2%</td>
<td>+0.6%</td>
<td>+2.5%</td>
<td>N/A</td>
<td>+2.8%</td>
</tr>
<tr>
<td><strong>Q2 2017</strong></td>
<td>+21.2%</td>
<td>+1.6%</td>
<td>+0.4%</td>
<td>+1.1%</td>
<td>N/A</td>
<td>+2.7%</td>
</tr>
<tr>
<td><strong>Q3 2017</strong></td>
<td>+0.1%</td>
<td>+0.8%</td>
<td>+0.2%</td>
<td>-4.1%</td>
<td>N/A</td>
<td>+4.0%</td>
</tr>
<tr>
<td><strong>Q4 2017</strong></td>
<td>-1.1%</td>
<td>+0.5%</td>
<td>+0.0%</td>
<td>-5.6%</td>
<td>-0.4%</td>
<td>+4.4%</td>
</tr>
</tbody>
</table>

Refer to appendix for definitions.
Americas

Q4 Gas & Services Sales: €1,931m

INDUSTRIAL MERCHANT
- IM accelerating in U.S.
- Bulk and cylinder volumes up
- Positive pricing
- All end-markets positive
- Hardgoods significantly up

LARGE INDUSTRIES
- Back to growth following hurricanes
- High air gases and H2 volumes
- Very strong growth in South America and Canada

HEALTHCARE
- Dynamic South America: Brazil and Argentina
- Canada: solid growth

ELECTRONICS
- Very Strong Advanced Materials
- Lower E&I sales vs. high Q4 2016

Q4 17/16 Comparable growth: +6.2%

<table>
<thead>
<tr>
<th>In €m</th>
<th>FY 2017</th>
<th>Growth as published</th>
<th>Comparable growth(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>8,150</td>
<td>+30.8%</td>
<td>+3.9%</td>
</tr>
<tr>
<td>OIR</td>
<td>1,365</td>
<td>+26.8%</td>
<td></td>
</tr>
<tr>
<td>OIR/Sales</td>
<td>16.8%</td>
<td>-50bps</td>
<td>+120bps(2)</td>
</tr>
</tbody>
</table>

(1) Refer to appendix for definitions
(2) Excluding impact of energy and compared to the adjusted 2016 operating margin
Europe

Q4 Gas & Services Sales: €1,748m

INDUSTRIAL MERCHANT
- Despite **1 less working day**, positive Q4 growth
- **Broad-based strength**, especially Eastern Europe
- Bulk and cylinder volumes up
- All end-markets growing

LARGE INDUSTRIES
- Decline as expected due to **high comparison effect** – customer indemnity
- Solid H2 demand
- Eastern Europe impacted by stoppage in Ukraine

HEALTHCARE
- Solid Healthcare
- Lower M&A, tariff pressure
- Medical gases impacted by **1 less working day**
- Solid Hygiene and Specialty Ingredients

---

(1) Refer to appendix for definitions
(2) Excluding impact of energy

---

**In €m** | **FY 2017** | **Growth as published** | **Comparable growth**
--- | --- | --- | ---
Sales | 6,776 | +2.8% | +1.3%
OIR | 1,309 | -0.7% | -
OIR/Sales | 19.3% | -70bps | -40bps
Asia-Pacific

Q4 Gas & Services Sales: €1,039m

INDUSTRIAL MERCHANT
- China again +15% with very strong growth both in cylinders and bulk
- Strong pricing
- Flat Australia, decreasing Japan

LARGE INDUSTRIES
- Several ramp-ups in China
- High air gas volumes in Singapore
- Positive Australia

ELECTRONICS
- Double digit growth (China, Korea, Japan, Singapore)
- Very dynamic Advanced Materials
- Strong growth in carrier gases
- High level of E&I sales

Q4 17/16 Comparable growth: +7.8%

<table>
<thead>
<tr>
<th>In €m</th>
<th>FY 2017</th>
<th>Growth as published</th>
<th>Comparable growth (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>4,081</td>
<td>+3.7%</td>
<td>+5.3%</td>
</tr>
<tr>
<td>OIR</td>
<td>804</td>
<td>+10.2%</td>
<td></td>
</tr>
<tr>
<td>OIR/Sales</td>
<td>19.7%</td>
<td>+120bps</td>
<td>+140bps</td>
</tr>
</tbody>
</table>

(1) Refer to appendix for definitions
(2) Excluding impact of energy
Industrial Merchant Pricing

- **Americas**: +1.9% (Q4 2017), +1.7% (FY 2017)

- **Europe**: +0.4% (Q4 2017), +0.2% (FY 2017)

- **Asia-Pacific**: +3.0% (Q4 2017), +1.5% (FY 2017)

- **Africa Middle-East**: -0.1% (Q4 2017), +2.6% (FY 2017)

**TOTAL INDUSTRIAL MERCHANT**: +1.7% (Q4 2017), +1.3% (FY 2017)

Refer to appendix for definitions
Investment Cycle – Definitions

● **Investment opportunities at end of the period**
  - Investment opportunities under consideration by the Group for decision within 12 months.
  - Industrial projects with investment value > €5m for Large Industries and > €3m for other business lines.
  - Includes asset replacements or efficiency projects. Excludes maintenance and safety.

● **Investment backlog at end of the period**
  - Cumulated industrial investment value of projects decided but not yet started.
  - Industrial projects with value > €10m, including asset replacements or efficiency projects, excluding maintenance and safety.

● **Sales backlog**
  - Cumulated expected sales per year generated by the current investment backlog after full ramp-up.

● **Decisions of the period**
  - Cumulated value of industrial and financial investment decisions.
  - Industrial, growth and non-growth projects including asset replacements, efficiency, maintenance and safety.
  - Financial decisions (acquisitions).
Gas & Services Industrial Capex by Geography

G&S FY 2017 capex\(^{(1)}\)

<table>
<thead>
<tr>
<th>Region</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>8.6%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Americas</td>
<td>11.8%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>15.2%</td>
<td>12.5%</td>
</tr>
<tr>
<td>Africa Middle-East</td>
<td>27.1%</td>
<td>24.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>11.9%</td>
<td>9.8%</td>
</tr>
</tbody>
</table>

(1) Gross industrial investments.

€1.9bn

15 February 2018  Full Year 2017 Results  The world leader in gases, technologies and services for Industry and Health
Financing Structure
As of December 31, 2017

(1) Others: Finance leases and put options granted to minority shareholders.
Regular and Sustained Performance

Revenue (in €m)

- CAGR over 30 years: +6.0%

EPS\(^{(1)}\) (in €)

- CAGR over 30 years: +7.5%

Cashflow (in €m)

- CAGR over 30 years: +6.9%

Dividend\(^{(1)}\) (in € per share)

- CAGR over 30 years: +8.6%

(1) Adjusted for the 2-for-1 share split in 2007, for attributions of free shares and for a factor of 0.974 reflecting the value of the rights of the capital increase completed in October 2016. (2) Calculated according to prevailing accounting rules over 30 years.

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