

Pre-Q3 2018 Sales Communication

Air Liquide has compiled the following items for consideration to assist in the financial modeling of the Group Q3 2018 sales.

- **Significant perimeter impact**

As a reminder, **Airgas refrigerants** activity (in the Industrial Merchant business line) was divested in October 2017. It generates a significant perimeter impact in 2018, notably **-0.5%** in **Q3 2018** at Group level:

At Group level	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
€m	-35	-36	-26	-1	-98
%	-0.7%	-0.7%	-0.5%	0.0%	-0.5%

- **Currency impact**

Main currency variations:

€ versus	Q3 2017	Q3 2018	change
Argentina Peso	20.66	40.48	+95.9%
Brazilian Real	3.71	4.60	+23.7%
US Dollar	1.174	1.163	-1.0%

The currency impact in Q2 2018 was **-5.2%** on Group revenue. Based on the evolution of foreign currency rates, the currency impact on Group sales is estimated at around **-1%** in Q3 2018. The impact on Gas & Services sales is expected to be similar. For the FY 2018, the impact is expected to be at around **-4%** on Group revenue with an annual average EUR/USD exchange rate estimated at 1.19.

- **Energy Pass-through impact**

In Q2 2018, the energy pass-through effect on Group revenue was **+1.0%**. In **Q3 2018**, it is expected to be between **+2%** and **+3%** on Group and Gas & Services revenue.

- **Business items**

- **Large Industries**, with a comparable sales growth of **+4.3%** in Q2 2018, benefited from the ramp-up of units, including a major unit in South Africa and several Q3 2017 Chinese start-ups .
- In **Industrial Merchant**, comparable sales growth stood at **+4.5%** in Q2 2018, close to the top of the range of NEOS objective. No working day impact is expected in Q3 2018, after a slightly positive impact in Q2 2018.
- **Healthcare**: comparable sales growth was very dynamic in Q2 2018, at **+6.9%** driven by all segments, especially dynamic home healthcare, high medical gases and the contribution of an acquisition in Japan from Q3 last year.
- **Electronics**: revenue grew by **+7.6%** in Q2 2018 on a comparable basis, driven by a double-digit growth in Asia in particular thanks to booming Equipment and Installations sales.
- **Engineering & Construction** revenue totaled **€94m** in Q2 2018, showing a very progressive improvement.
- **Global Markets & Technologies** sales were up **+33.2%** in Q2 2018, benefiting from start-ups of biogas purification units in the US and in Europe.

Q3 2018 revenue will be announced on **October 24, 2018**.

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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 65,000 employees and serves more than 3.5 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 20.3 billion euros in 2017 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, EURO STOXX 50 and FTSE4Good indexes.