PRESS RELEASE
AND ACTIVITY REPORT

Paris, October 24, 2018

3rd quarter 2018

- **Continued strong growth**
- **Dynamic business development**

Key Figures (in millions of euros)	Q3 2018	2018/2017 as published	2018/2017 comparable (1)
Group Revenue	**5,271**	**+6.6%**	**+6.0%**
Gas & Services Revenue	*5,066*	*+5.8%*	*+5.2%*
Engineering & Construction Revenue	*105*	*+39.0%*	*+38.9%*
Global Markets & Technologies Revenue	*100*	*+22.1%*	*+22.7%*

(1) Comparable growth excluding the currency, energy (natural gas and electricity) and significant scope impacts; see reconciliation in appendix.

Commenting on the 3rd quarter of 2018, Benoît Potier, Chairman and CEO, said:

"The strong sales growth recorded in the 1st half of this year continued through this quarter. Group revenue totaled 5.3 billion euros, an increase of 6.6% that was driven by all Group businesses: Gas & Services, Engineering & Construction, and Global Markets & Technologies. The currency impact softened, though it remains negative. The sales increase also reflects higher energy prices.

All Gas & Services activities are reporting growth that is near the top of our medium-term objectives whether for Industrial Merchant, Large Industries, Healthcare, or Electronics. From a geographic perspective, our activities continue to progress in every zone of the world, particularly in Asia and the United States.

In addition, the Group is ahead on its annual operational efficiency program and will achieve synergies linked to the integration of Airgas as early as beginning 2019, which is more than one year ahead of schedule. Cash flow from operations remains high and the investment cycle remains particularly well oriented, with a high level of opportunities 12 months out. Investment decisions, fuel for future growth, are up substantially and total 1.9 billion euros at the end of September.

Our performance since the start of the year already reflects the structuring decisions that we have made over the course of the last two years, with the integration of Airgas, the reorganization of the company around the customer, the digital transformation, and the implementation of a new approach to innovation.

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] *2017 exceptionals: exceptionals non-cash items having a net positive impact on 2017 net profit.*

3rd quarter 2018 highlights

- **Innovation**: inauguration of the Paris Innovation Campus in the "Plateau de Saclay" (Paris area), with a totally renovated R&D center and the announcement that a deep tech start-up accelerator is being created.
- **New decisions:**
    - Investment for a **major customer** in the Gulf Coast.
    - **Entry in Kazakhstan**, with the signing of a long-term contract to supply hydrogen and the takeover of an existing production unit.
    - **Electronics:** three new investments, in China and in Singapore.
    - **GM&T:** bio-methane in Northern Europe
- **Hydrogen energy**: inauguration of an electrolyzer for the production of carbon-free hydrogen in Denmark. New meeting of the Hydrogen Council in San Francisco, which now brings together 54 global reach companies.

Group revenue stood at **5,271 million euros** in the 3rd quarter of 2018, up **+6.0%** on a comparable basis and at the high end of the NEOS target range. This strong growth was in line with that of the 1st half year and was driven by a robust market environment overall. This was supported by high Gas & Services sales, an improvement in Engineering & Construction and the strong growth of Global Markets & Technologies. The negative currency impact eased over the quarter to -1.2%, mainly due to a stronger US dollar against the euro. The energy impact was higher, at +2.3%. The sale of the Airgas Refrigerants business at the end of 2017 led to a significant scope impact of -0.5%. Published change in Group revenue was therefore up +6.6% over the quarter.

Gas & Services revenue reached **5,066 million euros** during the 3rd quarter, up **+5.2%** on a comparable basis. All regions contributed to this growth.

- Gas & Services revenue in the **Americas zone** stood at **2,017 million euros** over the quarter, i.e., an increase of **+5.4%**, higher than in the 1st half of the year. This reflected a high level of activity in Large Industries (+10.2%), in particular in the United States. Industrial Merchant sales enjoyed solid growth again (+4.2%) with a higher price impact in the United States. Healthcare revenue continued to improve markedly (+7.1%) in the zone.
- Revenue in the **Europe zone** totaled **1,779 million euros** in the 3rd quarter, up **+3.1%**. Large Industries saw an increase in sales over the quarter (+4.2%), driven by strong demand for hydrogen for refining and a start-up in Eastern Europe. Growth was solid in Industrial Merchant (+2.8%), in line with the 1st half of the year. Healthcare continued its steady growth (+4.9%), mainly supported by organic sales growth.
- Revenue in the **Asia-Pacific zone** was up **+6.4%** in the 3rd quarter at **1,099 million euros**. This was mainly thanks to the strong momentum in the Industrial Merchant and Electronics activities. The slight decline in Large Industries sales (-1.2%) was due to several customer maintenance turnarounds and a weaker contribution to sales from units that started up in China during the 3rd quarter of 2017. Industrial Merchant continued to improve strongly in the zone (+7.7%), driven by the markedly high growth that continued in China. Double-digit Electronics sales growth (+16.4%) benefited from thriving demand for new molecules and exceptionally high Equipment & Installation sales.
- Revenue in the **Middle East and Africa** zone amounted to **171 million euros**, up **+16.3%**. The start-up of the world's largest air separation unit in South Africa at the end of 2017 contributed greatly to Large Industries sales growth. Business momentum remained strong in Egypt.

In line with the 1st half of the year, Gas & Services revenue benefited from a strong contribution from all business lines and a sustained increase in the base business. In **Industrial Merchant**, sales growth remained strong (**+4.2%**), driven by the majority of end markets. Price impacts were higher (+2.9%) and reflected an improved correlation with inflation. Large Industries (+5.4%) benefited from the start-up and ramp-up of units, strong demand for oxygen and hydrogen in the Americas zone and for hydrogen for the refining industry in Europe. Several customer maintenance turnarounds limited growth in the Asia zone. Momentum in Healthcare was strong (+5.7%), in particular in Home Healthcare, where the number of patients treated continued to increase, and in Specialty Ingredients. Electronics revenue climbed +8.5%, mainly driven in Asia by the start-up of Carrier Gases units and the strong demand for new molecules, and by exceptionally high Equipment & Installations sales.

Engineering & Construction revenue totaled 105 million euros, up +38.9% compared to the 3rd quarter of 2017. It benefited from the gradual improvement in order intake seen since the beginning of 2017.

Global Markets & Technologies sales were up +22.7% at 100 million euros. The main contributor to this growth was the bio-methane sector, which benefited from the ramp-up of a major landfill biogas purification unit in the United States and three small farm waste biogas purification units in France and in the United Kingdom.

The Group's efficiency gains reached 80 million euros in the 3rd quarter and 254 million euros at end-September, outpacing the NEOS program annual target of more than 300 million euros.

Additional Airgas synergies represented 13 million US dollars in the 3rd quarter and a cumulated 273 million US dollars since the acquisition of Airgas. The initial target of 300 million US dollars will be reached at the beginning of 2019, i.e., more than a year earlier than the initial target.

Cash flow from operating activities before changes in working capital requirements for the first 9 months of the year reached 3,005 million euros, or 19.5% of sales. It allowed in particular the financing of net capital expenditure, including transactions with minority shareholders, which totaled 1,655 million euros at the end of September and represented 10.7% of sales, in line with the mid-term strategic plan.

Investment momentum remained strong. Industrial and financial investment decisions totaled around 510 million euros for the 3rd quarter, i.e., a total of 1.9 billion euros since the beginning of the year, representing an increase of +15% over the first 9 months. The 12-month portfolio of opportunities totaled 2.6 billion euros at the end of September 2018, up 100 million euros compared with the end of June 2018. The 12-month portfolio of investment opportunities was balanced in terms of project size, which helps limit risks, as well as geographic spread and breakdown by business sector.

3rd QUARTER 2018 REVENUE

Except where indicated, revenue growth discussed below is made on a comparable basis, excluding the currency, energy and significant scope impacts. The reference to Airgas corresponds to the Group's Industrial Merchant and Healthcare activities in the United States.

Analysis of 3rd quarter revenue

REVENUE

Revenue *(in millions of euros)*	**Q3 2017**	**Q3 2018**	**2018/2017 published change**	**2018/2017 comparable change**
Gas & Services	4,787	5,066	+5.8%	+5.2%
Engineering & Construction	75	105	+39.0%	+38.9%
Global Markets & Technologies	82	100	+22.1%	+22.7%
TOTAL REVENUE	**4,944**	**5,271**	**+6.6%**	**+6.0%**

Group

Group revenue stood at 5,271 million euros in the 3rd quarter of 2018, up +6.0% on a comparable basis and at the high end of the NEOS target range. This strong growth was in line with that of the 1st half year and was driven by a robust market environment overall. This was supported by high Gas & Services sales, an improvement in Engineering & Construction and the strong growth of Global Markets & Technologies. The negative currency impact eased over the quarter to -1.2%, mainly due to a stronger US dollar against the euro. The energy impact was higher, at +2.3%. The sale of the Airgas Refrigerants business at the end of 2017 led to a significant scope impact of -0.5%. Published change in Group revenue was therefore up +6.6% over the quarter.

Gas & Services

Gas & Services revenue reached 5,066 million euros during the 3rd quarter, up +5.2% on a comparable basis. In line with the 1st half of the year, revenue was driven by a strong contribution from all business lines and a sustained increase in base business. Industrial Merchant growth was robust (+4.2%), in particular in the Americas and Europe, and remained high in Asia. Large Industries (+5.4%) benefited from a major start-up in South Africa at the end of the 4th quarter 2017 and sustained demand from all markets. Growth in Healthcare was very solid (+5.7%) despite a limited contribution from bolt-on acquisitions. Demand remained very strong in Electronics, with revenue up +8.5%, driven by high gas and Equipment & Installation sales. Sales as published were up +5.8%, the unfavorable currency and significant scope impacts (at -1.3% and -0.5% respectively) were offset by a positive energy impact of +2.4%.

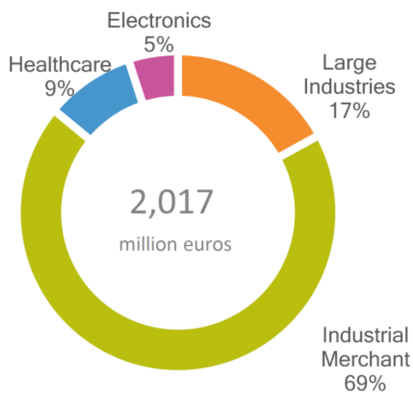
Revenue by geography and business line *(in millions of euros)*	**Q3 2017**	**Q3 2018**	**2018/2017 published change**	**2018/2017 comparable change**
Americas	1,968	2,017	+2.5%	+5.4%
Europe	1,657	1,779	+7.3%	+3.1%
Asia-Pacific	1,010	1,099	+8.7%	+6.4%
Middle East & Africa	152	171	+12.8%	+16.3%
GAS & SERVICES REVENUE	**4,787**	**5,066**	**+5.8%**	**+5.2%**
Large Industries	1,286	1,454	+13.0%	+5.4%
Industrial Merchant	2,265	2,312	+2.1%	+4.2%
Healthcare	833	862	+3.4%	+5.7%
Electronics	403	438	+8.7%	+8.5%

Americas

Gas & Services revenue in the Americas stood at 2,017 million euros over the quarter, i.e., an increase of +5.4% which exceeded that of the 1st half year. This reflected a high level of activity in Large Industries (+10.2%), in particular in the United States. Industrial Merchant sales enjoyed solid growth again (+4.2%) with a higher price impact in the United States. Healthcare revenue continued to improve markedly (+7.1%) in the zone.

- Large Industries posted revenue growth of +10.2%. It benefited from a marked increase in oxygen volumes, driven by OCI's start-up in the United States and the ramp-up of units in the United States and Latin America. Hydrogen continued to develop in the zone with strong volume growth as well. In the United States, sales benefited from a favorable basis of comparison due to the hurricanes which affected business during the 3rd quarter of 2017.
- Industrial Merchant sales were up +4.2%. Growth in the United States was driven by solid cylinder gas sales which benefited from favorable trends in most end markets. In Canada, sales of cylinder gases and hardgoods were up markedly. Growth in South America remained dynamic, with a strong increase in sales in Brazil in particular. The price impact in the zone strengthened in line with inflation and stood at +3.4%.

Americas Gas & Services Q3 2018 revenue



- Healthcare revenue was up +7.1%, despite the limited contribution from bolt-on acquisitions. Growth was strong in Medical Gases in the United States. Momentum remained dynamic in Latin America, in particular in Brazil, Argentina and Colombia.
- Electronics revenue posted growth of +3.2%, driven in particular by Equipment & Installations.

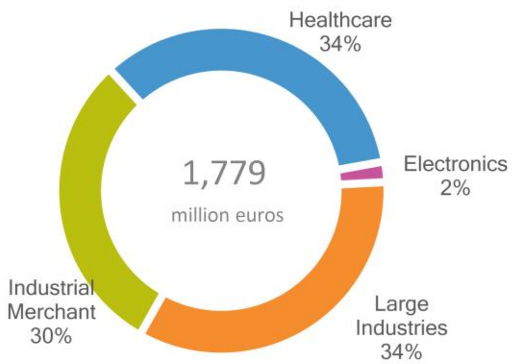
Europe

Revenue in the Europe zone totaled 1,779 million euros in the 3rd quarter, up +3.1%. Large Industries saw an increase in sales over the quarter (+4.2%), driven by strong demand for refining and a start-up in Eastern Europe. Growth was solid in Industrial Merchant (+2.8%), in line with the 1st half of the year. Healthcare continued its steady growth (+4.9%), mainly supported by organic sales growth.

- Large Industries revenue was up +4.2% in the 3rd quarter of 2018, driven mainly by strong demand for hydrogen for refining. Oxygen volumes were down slightly, due to limited demand from steel producers in particular in France and Germany. Cogeneration sales were high in the Benelux. In Eastern Europe, growth was particularly dynamic, notably in Russia and Kazakhstan where the Group launched its business with the takeover of a hydrogen production plant in Pavlodar to meet the needs of the national oil company.

- Industrial Merchant sales were up +2.8% over the quarter. Activity levels were robust, in particular in France, Germany, and Italy. Cylinder gases sales improved, but the increase remained below that of liquid gas sales. Growth continued at a very fast pace in Eastern Europe, in particular in Poland, Russia and in Turkey. The price impact continued to strengthen and reached +1.6%, progressively catching up with inflation.

Europe Gas & Services Q3 2018 revenue



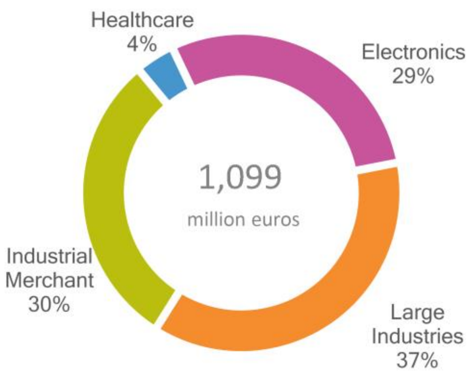
- Healthcare continued to improve steadily, posting sales growth of +4.9%, which was mainly organic with limited contribution from bolt-on acquisitions. Home Healthcare momentum remained very strong with a marked increase in the number of diabetic patients served, particularly in Scandinavia. Sales growth in Medical Gases for hospitals was more moderate due to constant price pressure. Sales in Specialty Ingredients grew significantly.

Asia-Pacific

Revenue in the Asia-Pacific zone stood at 1,099 million euros in the 3rd quarter, up +6.4%, driven notably by strong momentum in Industrial Merchant and Electronics. The slight decline in Large Industries sales (-1.2%) was due to several customer maintenance turnarounds and a weaker contribution to sales from units that started up in China during the 3rd quarter of 2017. Industrial Merchant continued to improve strongly in the zone (+7.7%), driven by the markedly high growth that continued in China. Double-digit Electronics sales growth (+16.4%) benefited from thriving demand for new molecules and exceptionally high Equipment & Installation sales.

- Large Industries revenue was down slightly by -1.2%, impacted by several customer maintenance turnarounds in China and Singapore. Moreover, the contribution to sales of the ramp-up of units which started up during the 3rd quarter of 2017 in China was weaker and no longer offset the loss in revenue from the three isolated units in Northern China which were sold at the end of 2017. Customer demand was good, in particular in South Korea in refining and in South East Asia in chemicals.
- Industrial Merchant sales were up by a strong +7.7%, with performances varying greatly by country. In China, growth continued to exceed +15%, and remained driven by the strong increase in cylinder gases as well as by higher prices. Revenue in Japan was stable and business in Australia continued to improve. The price impact stood at +2.3% in the zone.

Asia-Pacific Gas & Services Q3 2018 revenue



- Electronics revenue increased by a further +16.4%. It benefited from a strong demand for Advanced molecules, in particular in South Korea, China and Singapore, and the ramp-up of Carrier Gases units in Singapore, China, and Japan. Equipment & Installations sales remained exceptionally high and posted growth that exceeded +50%.

Middle East and Africa

Revenue in the Middle East and Africa zone amounted to 171 million euros, up +16.3%. Large Industries sales continued to benefit from the start-up at the end of 2017 of the world's largest air separation unit in South Africa. Business momentum remained strong in Egypt, with the start-up of an air separation unit during the 1st quarter and growing volumes in Industrial Merchant. Healthcare continued to develop, in particular in Saudi Arabia, where a recent acquisition led to the launch of the Home Healthcare activity.

Engineering & Construction

Engineering & Construction revenue totaled 105 million euros, up +38.9% compared to the 3rd quarter of 2017. It benefited from the gradual improvement in order intake seen since the beginning of 2017.

Order intake reached 656 million euros at the end of September, up +30% compared with the end of September 2017. Air separation units accounted for around 60% of orders. These included Group projects and third-party customer orders, in particular in Asia and Eastern Europe.

Global Markets & Technologies

Global Markets & Technologies sales were up +22.7% at 100 million euros. The main contributor to this growth was the bio-methane sector, which benefited from the ramp-up of a major landfill biogas purification unit in the United States and three small farm waste biogas purification units in France and in the United Kingdom.

Order intake was up +70% at the end of September and reached 328 million euros.

Focus

- Early September, Air Liquide inaugurated in Hobro, Denmark, HyBalance, a pilot site for the production of carbon-free hydrogen, in the presence of the project's partners. This facility uses electrolysis technology and allows to balance the electricity grid and store surplus electricity in the form of hydrogen that will be used in industry and transportation. The electrolyser, with a capacity of 1.2 MW, enables the production of around 500 kg of hydrogen a day without releasing CO_2. As part of this project initiated in 2016, Air Liquide developed, built, and is operating the facility that produces hydrogen from water electrolysis as well as the filling center for its customers delivered by trailers.

- At the end of September, Air Liquide inaugurated its Paris Innovation Campus on the "Plateau de Saclay", in the Paris area. This new Campus illustrates the Group's open innovation approach, especially on energy transition and environment, healthcare and digital transformation. It includes Air Liquide's largest Research & Development Center, a fully renovated center with an investment of €50 million. It is a high-performance energy building allowing to test new clean energies: fuel cell, photovoltaic panels, 100% bio-methane natural gas, and 100% renewable electricity. It brings together almost 500 people, including 350 researchers, and 48 laboratories as well as pilot platforms, on a surface of 15,000-square-meter. From 2019, the Innovation Campus will also host a deep tech start-up accelerator.

Investment cycle

The upturn in activity witnessed in investment projects in recent quarters continued. Another increase in the 12-month portfolio of opportunities confirmed dynamic global demand.

INVESTMENT DECISIONS AND INVESTMENT BACKLOG

Industrial and financial investment decisions totaled **510 million euros** for the 3rd quarter, i.e., a **total of 1.9 billion euros** since the beginning of the year, representing an increase of **+15%** over the first 9 months.

Industrial decisions accounted for almost all of these decisions in the 3rd quarter. They included two major contracts in Large Industries, with an efficiency investment in Japan and a growth investment in the United States, three investments in Electronics in Asia, and a contract for bio-methane supply in Northern Europe.

Over the first 9 months, Air Liquide signed 14 new projects with investments above 20 million euros, half of the projects being located in Asia. The Group achieved a **very high project signature rate** in the industrial basins where the Group is already present: in the Gulf Coast in the United States for projects with investments of approximately 200 million euros, in Benelux for around 80 million euros and in South Korea for 100 million euros. Lastly, in Electronics, Air Liquide had leading positions in projects with tier-one customers.

Financial investment decisions stood at around **20 million euros** in the 3rd quarter, but several projects are currently being studied and should be completed quickly.

The total **investment backlog** amounted to **2.4 billion euros**, an increase of more than +100 million euros compared with the end of June 2018. It should represent a future contribution to annual sales of approximately **1 billion euros per year** after a full ramp-up of the units.

START-UPS

Three new units started up during the 3rd quarter of 2018. These were three Large Industries sites: a cogeneration unit in the United States, a hydrogen purification unit in the Benelux, and a takeover in Kazakhstan, which marks the Group's entry into this country.

Focus

- Early September, Air Liquide starts supplying hydrogen in Kazakhstan through the acquisition of hydrogen and purification units with a total capacity of up to 30,000 Nm^3/h. This investment of 12 million euros by Air Liquide Munay Tech Gases (ALMTG) marks the first step in the cooperation between Air Liquide and KazMunayGaz (KMG). The hydrogen and steam produced will be delivered to the Pavlodar Oil Chemistry Refinery (POCR) in the context of a long term Gas Supply Agreement.

The **contribution to sales** of these unit start-ups and ramp-ups totaled **56 million euros** over the quarter and just over **190 million euros** since the beginning of the year. This mainly included the start-up of a major air separation unit in South Africa at the end of December 2017. **Over the year, the contribution to 2018 sales from unit start-ups and ramp-ups should be around 250 million euros.** Regarding the Fujian Shenyuan project in China, the Air Liquide's units are running and final permits have been obtained. However, the customer is still discussing the implementation of the signed contract and therefore the Group remains prudent on the commercial start-up date.

PORTFOLIO OF OPPORTUNITIES

The 12-month portfolio of opportunities totaled 2.6 billion euros at the end of September 2018, up 100 million euros compared with June 2018, with new projects in the portfolio being higher than those signed by the Group, awarded to the competition or delayed. The portfolio of opportunities had not reached this level since the end of 2015.

The Americas remained the leading region within the portfolio with more than 40% of opportunities, and Asia and Middle East & Africa zones increased their relative weight. Opportunities mainly came from the chemicals and refining industries in Large Industries, which together represented more than 50% of the portfolio, and from semiconductors industry in Electronics.

Approximately 85% of projects had investments below 50 million euros and six projects had investments of between 100 and 150 million euros; the average size of projects was around 20 million euros. This lower average size contributes to a better distribution of risk and ensures more regular future growth. The portfolio of opportunities included a few takeovers that have a faster contribution to growth.

The 12-month portfolio of opportunities is balanced from a size of projects standpoint, which contributes to limit the risks, as well as from a geographical and business sector standpoint.

Operating Performance

The Group's **efficiency gains** reached **80 million euros** in the 3rd quarter and **254 million euros** at end-September, outpacing the NEOS program's annual target of more than 300 million euros. They included a contribution from Airgas of 22 million euros at the end of September. Around 50% of these efficiencies related to industrial projects, targeting in particular a decrease in logistic costs, for instance at Airgas, and the optimization of the operation of production units. These include, for example, the accelerated roll-out of remote operation centers (Smart Innovative Operations, SIO) notably in the United States, as well as the integration of the hydrogen cavern in pipeline network management in the United States. More than 25% of efficiencies related to purchasing gains, principally for the purchase of energy in Large Industries and of molecules in Electronics. The remaining efficiencies mainly related to administrative efficiencies and restructuring. Large Industries and Industrial Merchant were the business lines generating most of the efficiencies and accounted for almost two thirds of total efficiencies.

Additional Airgas synergies represented **13 million US dollars in the 3rd quarter** and **273 million US dollars in total** since the acquisition of Airgas. The share of growth synergies is rising and now represents approximately **half of the quarter's synergies**. These came from the roll-out of cross-selling offers in the United States, such as small onsite generators using Air Liquide technology offered to Airgas customers and cylinder gases and hardgoods now available to Air Liquide customers. They also came from accompanying Airgas customers in their expansion in Canada and Mexico. **The 300 million US dollar target will be reached at the beginning of 2019, i.e., more than a year earlier than the initial target.**

Cash flow from operating activities before changes in working capital requirements for the first 9 months of the year reached **3,005 million euros**, or **19.5% of sales**. It allowed in particular the financing of net capital expenditure, including transactions with minority shareholders, which totaled 1,655 million euros at the end of September and represented 10.7% of sales, in line with the mid-term strategic plan.

Outlook

The strong sales growth recorded in the first half of this year continued through this quarter. Group revenue totaled 5.3 billion euros, an increase of 6.6% that was driven by all Group businesses: Gas & Services, Engineering & Construction, and Global Markets & Technologies. The currency impact softened, though it remains negative. The sales increase also reflects higher energy prices.

All Gas & Services activities are reporting growth that is near the top of the medium-term objectives whether for Industrial Merchant, Large Industries, Healthcare, or Electronics. From a geographic perspective, activities continue to progress in every zones in the world, particularly in Asia and the United States.

In addition, the Group is ahead on its annual operational efficiency program and will achieve synergies linked to the integration of Airgas as early as beginning 2019, which is more than one year ahead of schedule. Cash flow from operations remains high and the investment cycle remains particularly well oriented, with a high level of opportunities 12 months out. Investment decisions, fuel for future growth, are up substantially and total 1.9 billion euros at the end of September.

Performance since the start of the year already reflects the structuring decisions that were made over the course of the last two years, with the integration of Airgas, the reorganization of the company around the customer, the digital transformation, and the implementation of a new approach to innovation.

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[2]."

[2] *2017 exceptionals: exceptionals non-cash items having a net positive impact on 2017 net profit.*

APPENDIX

Currency, energy and significant scope impacts (Quarter)

Applied method

In addition to the comparison of published figures, financial information is given **excluding currency, natural gas and electricity price fluctuation and significant scope impacts.**

- Since industrial and Medical Gases are rarely exported, the impact of currency fluctuations on activity levels and results is limited to euro translation impacts with respect to the financial statements of subsidiaries located outside the euro zone. **The currency effect** is calculated based on the aggregates for the period converted at the exchange rate for the previous period.
- In addition, the Group passes on variations in the cost of energy (electricity and natural gas) to its customers via indexed invoicing integrated into their medium and long-term contracts. This indexing can lead to significant variations in sales (mainly in the Large Industries Business Line) from one period to another depending on fluctuations in prices on the energy market.

  An **energy impact** is calculated based on the sales of each of the main subsidiaries in Large Industries. Their consolidation allows the determination of the energy impact for the Group as a whole. The foreign exchange rate used is the average annual exchange rate for the year N-1.

  Thus, at the subsidiary level, the following formula provides the energy impact, calculated for natural gas and electricity respectively:

  Energy impact = Share of sales index to energy year (N-1) x (Average energy price over the year (N) - Average energy price over the year (N-1))

  This indexation effect of electricity and natural gas does not impact the operating income recurring.
- **The significant scope effect** corresponds to the impact on sales of all acquisitions or disposals of a significant size for the Group. These changes in scope of consolidation are determined:
  - for acquisitions during the period, by deducting from the aggregates for the period the contribution of the acquisition,
  - for acquisitions during the previous period, by deducting from the aggregates for the period the contribution of the acquisition between January 1 of the current period and the anniversary date of the acquisition,
  - for disposals during the period, by deducting from the aggregates for the previous period the contribution of the disposed entity as of the anniversary date of the disposal,
  - for disposals during the previous period, by deducting from the aggregates for the previous period the contribution of the disposed entity.

Consolidated Q3 2018 revenue includes the following impacts:

(in millions of euros)	**Q3 2018**	**Q3 2018/2017 Published Growth**	**Currency impact**	**Natural gas impact**	**Electricity impact**	**Significant scope impact**	**Q3 2018/2017 Comparable Growth**
Revenue							
Group	5,271	+6.6%	(61)	82	36	(26)	+6.0%
Impacts in %			*-1.2%*	*+1.6%*	*+0.7%*	*-0.5%*	
Gas & Services	5,066	+5.8%	(61)	82	36	(26)	+5.2%
Impacts in %			*-1.3%*	*+1.7%*	*+0.7%*	*-0.5%*	

Consolidated Revenue Year-to-Date 2018

Impact of currency, energy (natural gas and electricity) on year-to-date 2018 revenue:

(in millions of euros)	**YTD 2018**	**YTD 2018/2017 Published Growth**	**Currency impact**	**Natural gas impact**	**Electricity impact**	**Significant scope impact**	**YTD 2018/2017 Comparable Growth**
Revenue							
Group	15,433	+1.3%	(746)	99	55	(97)	+5.8%
Impacts in %			*-4.9%*	*+0.6%*	*+0.4%*	*-0.6%*	
Gas & Services	14,835	+0.5%	(732)	99	55	(97)	+5.1%
Impacts in %			*-5.0%*	*+0.7%*	*+0.4%*	*-0.7%*	

BY GEOGRAPHY

Revenue *(in millions of euros)*	**YTD 2017**	**YTD 2018**	**Published change**	**Comparable change**
Americas	6,219	5,891	-5.3%	+4.8%
Europe	5,028	5,243	+4.3%	+2.5%
Asia-Pacific	3,042	3,206	+5.4%	+8.0%
Middle-East & Africa	476	495	+4.1%	+16.5%
Gas & Services Revenue	**14,765**	**14,835**	**+0.5%**	**+5.1%**
Engineering & Construction	221	285	+28.8%	+32.9%
Global Markets & Technologies	251	313	+24.9%	+27.1%
GROUP REVENUE	**15,237**	**15,433**	**+1.3%**	**+5.8%**

BY WORLD BUSINESS LINE

Revenue *(in millions of euros)*	**YTD 2017**	**YTD 2018**	**Published change**	**Comparable change**
Large industries	3,980	4,172	+4.8%	+5.3%
Industrial Merchant	7,022	6,813	-3.0%	+4.3%
Healthcare	2,523	2,576	+2.1%	+5.9%
Electronics	1,240	1,274	+2.7%	+7.3%
GAS & SERVICES REVENUE	**14,765**	**14,835**	**+0.5%**	**+5.1%**

The slideshow that accompanies this release is available as of 9:00 am (Paris time) at www.airliquide.com.

Throughout the year, follow Air Liquide on Twitter: @AirLiquideGroup.

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UPCOMING EVENTS

2018 Annual results:
February 14 2019

Actionaria trade show, Paris, France:
November 22-23, 2018

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.