

Q3 2017 Pre-Quarterly Sales Communication

Air Liquide has compiled the following items for consideration to assist in the financial modeling of the Group Q3 2017 sales.

- **General presentation**

For Q3 2017 sales announcement, AL will follow the same methodology as in Q1 2017 and H1 2017:

- **Q3 2017 "As published" sales growth will be based on Q3 2016 "Restated" sales.** Restated Q3 2016 sales take into account the divestiture of both Aqua Lung (press release: December 30, 2016) and Air Liquide Welding (press release: July 31, 2017).
- **Q3 2017 Comparable sales growth will be based on Q3 2016 "Adjusted" sales, excluding currency and energy price fluctuation impact.** "Adjusted" Q3 2016 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.

Airgas was first consolidated in Q2 2016 (from May 23rd 2016) and therefore 100% consolidated in Q3 2016. However, to be noted that in Q3 2016 "Adjusted" sales are lower than "Restated" sales as the divested business required by the FTC was only effectively deconsolidated from September 8, 2016.

in €m	Q3 2016 « As Published » sales	Q3 2016 « Restated » sales	Q3 2016 « Adjusted » sales
Group	5,077	4,961	4,922
Gas & Services	4,783	4,783	4,744
Industrial Merchant	2,308	2,308	2,270
Healthcare	814	814	813
Americas	2,042	2,042	2,003
Americas IM	1,419	1,419	1,381
Americas HC	192	192	191

NB: figures not reported above remain unchanged.

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

Main currency variations:

€ versus	Q3 2016	Q3 2017	change
US Dollar	1.116	1.174	+5.2%
Japanese Yen	114.3	130.4	+14.0%
Chinese Yuan	7.44	7.83	+5.2%
Egyptian Pound	9.94	21.01	+111.4%

The currency impact in Q2 2017 compared to Q2 2016 adjusted sales (therefore including Airgas 2016 sales translation from USD to Euro) was **+1.0%** on Group revenues and **+1.1%** at the Gas & Services level. Based on the evolution of foreign currency rates, the currency impact on Group sales is estimated at around **-4%** in Q3 2017. 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**

In Q2 2017, compared to adjusted Q2 2016, the pass-through effect on Group revenue was **+1.5%** for natural gas and **+0.4%** for electricity. In Q3 2017, the pass-through impact on Group revenue is expected to be around **+0.8%** for natural gas and around **+0.1%** for electricity.

- **Business items**

- **Large Industries:** Q2 2017 comparable growth was +1.8% in a context of no significant start-up. In the U.S. Gulf Coast, thanks to its pipelines, Air Liquide had been able to supply customers with nitrogen to ensure safe stoppage of the refineries during the hurricane Harvey and continuity of gas deliveries to those customers which maintained operations. Q3 sales will be moderately impacted by lower consumption at the end of August and early September.
- **Industrial Merchant** posted an increase of +3.1% in Q2 2017 supported by business improvement in all regions, with a sequential increase of sales per day in Q2 versus Q1. During Q3, hurricanes Harvey & Irma temporarily impacted deliveries in the Texas and Florida regions.
- The lower demand due to the hurricanes **will moderately impact Q3 sales**. However, **most of the operating profit shortfall should be covered by the insurance policy** and reconstruction work should drive higher volumes in the months to come.
- **Healthcare:** Q2 2017 showed a sustained comparable sales growth of +3.5%. In Q3 2017, Air Liquide continued its strategy of bolt-on M&A with the acquisition of a Japanese home healthcare and medical gases player.
- **Electronics:** sales increased by +1.2% in Q2 2017. The comparison basis (E&I strong sales and high neon pricing in 2016) will ease from Q3 2017.
- **Engineering & Construction:** order intake has been improving through 2017 but it will not materialize in sales before H2 2018.

- **Free share attribution**

Following the free share attribution which took place on October 2, 2017, the **number of shares outstanding amounts to 428,052,848**.

Q3 2017 revenue will be announced on **October 25, 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 65,000 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, EURO STOXX 50 and FTSE4Good indexes.

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