

3rd quarter 2016:

Airgas operations merged October 1st

Solid Gas & Services sales growth

2016 objective confirmed

Q3 2016 key figures *

■ Group revenue:	+26.8%
5,077 million euros	
▪ of which Gas & Services:	+33.1%
4,783 million euros	
▪ Industrial Merchant:	+79.0%
▪ Healthcare:	+19.1%
■ Gas & Services revenue :	+2.0%
(excluding Airgas)	

Q3 2016 highlights

- **Airgas:** completion of acquisition refinancing and disposal of assets in the United States to Matheson Tri-Gas.
- **Portfolio management:** negotiations with Montagu Private Equity for Aqua Lung disposal.
- **New developments in Industry and Healthcare:** hydrogen unit for a refinery customer (Argentina), pure helium storage (Germany), specialty ingredient production plant for cosmetic & pharmaceutical markets (United States).
- **Innovation and Digital:** investment in big data company (France).

* Variation Q3 2016/Q3 2015 excluding currency and energy impact

Commenting on the third quarter of 2016, **Benoît Potier, Chairman and CEO of Air Liquide**, said:

“This quarter has been characterized by the successful refinancing of the Airgas acquisition, the disposal of certain assets in the United States executed under excellent conditions, and the operational merger of Airgas since October 1st. In addition, for the first time, Airgas contributed to the Group's performance over a full quarter.

In the context of continued moderate global growth, Gas & Services sales posted solid growth, primarily driven by ramp-ups of our Large Industries plants, the strength of the Healthcare business and by the developing economies, in particular China. The Group continues to generate recurring efficiency gains, which contribute to operational performance.

Today, a new phase begins. Priorities include delivering Airgas synergies in accordance with our plan and continued implementation of NEOS, our corporate program. The investment backlog, amounting to 2.2 billion euros, and innovations aimed at enriching the customer experience, will contribute to growth in the coming years.

Following the completion of the acquisition of Airgas, Air Liquide is confident in its ability to generate growth in 2016, both in net profit and net earnings per share, including the effect of the capital increase finalized in early October.”

Q3 2016 Group revenue, which includes Airgas sales for the full quarter, reached **5,077 million euros**. It rose +23.9% on a reported basis and +26.8%, excluding the currency and energy impact, compared with third quarter 2015. Excluding Airgas and the currency and energy impact, Group revenue fell slightly by -1.1%, impacted by slower sales in Engineering & Construction.

Gas & Services sales, which reached **4,783 million euros**, were up +29.9% on a reported basis and +33.1% as adjusted for currency and energy impact and compared with third quarter 2015. Excluding Airgas, comparable¹ growth is +2.0%. The unfavorable **currency** effect (-0.4%) and the negative impact of **energy** prices (-2.8%) this quarter were attenuated as compared with the first half of 2016.

Developing economies posted solid growth, with Gas & Services sales up **+6.7%** on a comparable basis.

Overall, the comparable growth in **Gas & Services** sales was driven by Large Industries and Healthcare in the third quarter:

- **Large Industries**, up **+5.0%**, benefited from the ramp-up of our production units, notably in Eastern Europe, North and South America, and Asia-Pacific. Thanks to high volumes, Large Industries sales progressed in China by nearly +10%. Finally, revenue growth was solid in Middle East & Africa.
- Following the acquisition of Airgas, **Industrial Merchant** sales rose by nearly +80% during the quarter. Excluding Airgas, revenue fell by **-2.0%** on a comparable basis. Industrial Merchant revenue was contrasted by country and market segments.
Europe, penalized by the negative impact of working days over the third quarter, continued to see bulk volumes progress while the cylinder business remained weak, in particular for acetylene sales. In North America, markets related to energy and metal fabrication are still down, while Agri-Food and Pharmaceuticals sectors continue to grow. The activity in this region posted a slight positive inflection over the third quarter as compared to average sales over the prior 12 months. In Asia Pacific, growth was driven by higher volumes in China and Japan. The overall price effect remains low at +0.2% against a global environment of low inflation.
- **Electronics**, impacted this quarter by decreased equipment and installations sales, was quasi-stable at **-0.5%**. Excluding these sales, growth was +3.0%, marked by stable sales of specialty gases after a period of strong increase. Electronics maintains strong fundamentals; sales of carrier gases are solid and benefit from ramp-ups of new units. Demand for advanced materials in Asia remains dynamic, with growth of more than +30% in sales of this product line.
- **Healthcare** revenue rose +19.1% including the contribution of Airgas via its sales of medical gases to hospitals in the United States, and excluding currency effect. On a comparable basis, growth was robust at **+5.2%**, boosted by high demand for home healthcare services and strong hygiene and specialty ingredient sales, which rose +12%.

Engineering & Construction revenue reached **105 million euros**, a sharp reduction compared with the third quarter of 2015, adversely impacted by the slowdown in large-scale projects related to energy and by the low number of new projects.

For **Global Markets & Technologies**, revenue reached **73 million euros**, an increase of **+10.6%** on a comparable basis, driven by sales of biogas and maritime markets.

The Group, which continues to reinforce its competitiveness, has generated **223 million euros** in recurrent **efficiency gains** over the first nine months of 2016, contributing to operational performance. In addition to these efficiencies, the first benefits of the **Airgas synergies** recorded this quarter will ramp-up in the fourth quarter. The Airgas integration process is well underway and the **full Airgas cost synergies** are expected to be delivered **by the end of 2018**, earlier than initially anticipated.

¹ Adjusted for currency, energy (natural gas and electricity) and significant M&A impacts (Airgas)

Q3 2016 revenue

<i>In millions of euros</i>		Q3 2016/2015 reported	Q3 2016/2015 excluding currency and energy impact	Q3 2016/2015 comparable¹
Group revenue	5,077 M€	+23.9%	+26.8%	-1.1%
of which Gas & Services	4,783 M€	+29.9%	+33.1%	+2.0%

¹ Adjusted for currency, energy, and significant M&A impact (Airgas).

The presentation of the publication is available starting at 9:00 am (Paris time) on the Air Liquide website airliquide.com

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UPCOMING EVENTS

Actionaria trade show, Paris, France
November 18 and 19, 2016

2016 Annual results
February 15, 2017

The world leader in gases, technologies and services for Industry and Health, Air Liquide is present in 80 countries with approximately 68,000 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 revenues amounted to €16.4 billion in 2015, and its solutions that protect life and the environment represented more than 40% of sales. On 23 May 2016, Air Liquide completed its acquisition of Airgas, which had revenues amounting to \$5.3 billion (around €4.8 billion) for the fiscal year ending 31 March 2016.

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

*Following the acquisition of Airgas on 23 May 2016

Third Quarter 2016 Revenue

The quarter was marked by several major advances in the Airgas integration process with the effective merger of the two organizations in Industrial Merchant and Healthcare as of 1st October, successful refinancing of the acquisition, and asset disposals in the United States executed under excellent conditions.

Gas & Services revenue improved +29.9% as published, benefiting from the consolidation of Airgas sales over the full quarter, and +2.0% on a comparable basis. Currency (-0.4%) and energy (-2.8%) impact continued to affect published growth.

The start-ups and ramp-ups of units in Large Industries and sustained strong sales in Healthcare were solid growth drivers during the quarter, with both business lines increasing +5%. Sales also strongly increased in developing economies (+6.7%), notably in China. Electronics was quasi-stable over the quarter (-0.5%), impacted by a decrease in Equipment and Installation sales. Excluding these sales, growth was +3.0%, marked by stable sales of specialty gases after a period of strong increase. Carrier gases were solid and benefited from the ramp-up of new units. Demand for advanced materials remained dynamic, with double-digit growth. In Industrial Merchant, sales were down -2.0% over the quarter with situations contrasted by country and market segment. Europe was penalized by a working day impact over the quarter.

The activity level remained weak in Engineering & Construction as compared to 2015 sales which were reinforced by the exceptional conversion of a Large Industries project to sale of the unit to the customer. Overall, the comparable change in Group revenue stood at -1.1% and published growth integrating Airgas contribution reached +23.9%.

Productivity efforts were pursued throughout the Group, leading to 80 million euros in efficiencies this quarter, or 223 million euros year-to-date, in line with annual objectives of more than 250 million euros. Furthermore, the first cost synergies of Airgas have materialized. Cash flow from operating activities before changes in working capital amounted to 18.6% of sales.

The investment opportunities at 12-months reached 2.2 billion euros at the end of September and were stable as compared with the end of June 2016. Investment decisions including Airgas totaled approximately 620 million euros for the quarter and 1.7 billion euros year-to-date. The investment backlog stood at 2.2 billion euros, up slightly as compared with the end of June.

Revenue (in millions of euros)	Q3 2015	Q3 2016	Q3 2016/2015 published change	Q3 2016/2015 comparable change ^(a)
Gas and Services	3,682	4,783	29.9 %	+ 2.0 %
Engineering & Construction	219	105	- 52.0 %	- 51.9 %
Global Markets & Technology	67	73	+ 10.0 %	+ 10.6 %
Other Activities	129	116	- 10.5 %	- 9.7 %
TOTAL REVENUE	4,097	5,077	+ 23.9 %	- 1.1 %

(a) Comparable change: excluding the impact of currency, energy and significant scope

Revenue Analysis

Group

Group revenue for the 3rd quarter 2016 reached 5,077 million euros, up +23.9% on a published basis. It benefited from the consolidation of Airgas sales over a full quarter, but remained penalized by negative currency impact of -0.5% and adverse energy impact of -2.4%. Excluding currency and energy impact, growth stood at **+26.8%**.

The change in revenue was **-1.1%**, excluding Airgas, currency and energy impact. The activity level remained weak in Engineering & Construction in contrast with the high level of sales in the third quarter 2015, reinforced by an exceptional conversion of a Large Industries project to sale of the unit to the customer.

Gas & Services

Unless otherwise stated, all changes in revenue commented below are all based on comparable changes: excluding currency and energy (natural gas and electricity) impact and excluding effect from Airgas consolidation.

Gas & Services revenue totaled 4,783 million euros, up +29.9% as published as compared with the 3rd quarter 2015. It benefited from the consolidation of Airgas sales but was penalized by negative currency impact of -0.4% and adverse energy impact of -2.8%. Growth excluding currency and energy impact was **+33.1%**.

Excluding the contribution from Airgas, currency and energy impact, growth on a comparable basis was **+2.0%**, sustained by solid sales growth in Large Industries and Healthcare. Sales in Electronics were quasi-stable (-0.5%), impacted by the decrease in sales of Equipment & Installations. Excluding these sales, growth was +3.0%, marked by stable sales of Specialty Gases after a period of strong increase. Growth in Carrier Gases was solid, sustained by ramp-ups of new plants. Demand for Advanced Molecules remained dynamic, sales improved at a rhythm in excess of +10%. In Industrial Merchant, sales were down by -2.0% over the quarter with contrasted situations by country and market segment; Europe penalized by the working day impact. Moreover, sales grew across all geographic regions.

Revenue (in millions of euros)	Q3 2015	Q3 2016	Q3 2016/2015 published change	Q3 2016/2015 comparable change ^(a)
Europe	1,670	1,601	- 4.1 %	+ 0.5 %
Americas	897	2,042	+ 127.6 %	+ 3.2 %
Asia-Pacific	963	997	+ 3.6 %	+ 3.5 %
Middle East and Africa	152	143	- 6.4 %	+ 2.0 %
Gas and Services	3,682	4,783	+ 29.9 %	+ 2.0 %
Large Industries	1,312	1,261	- 3.9 %	+ 5.0 %
Industrial Merchant	1,293	2,308	+ 78.6 %	- 2.0 %
Healthcare	692	814	+ 17.7 %	+ 5.2 %
Electronics	385	400	+ 3.7 %	-0.5%

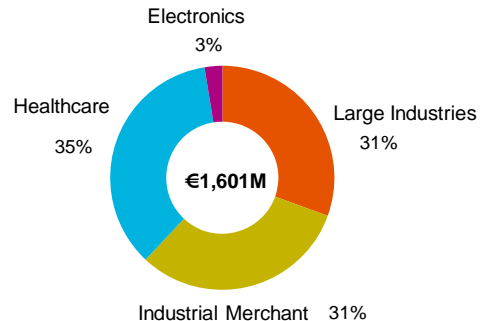
(a) Comparable change: excluding the impact of currency, energy and significant scope

Europe

At **1,601 million euros**, revenue in Europe, penalized by a negative working day impact, was up **+0.5%**. The environment remained difficult for the cylinder activity and Large Industries sales were impacted by temporary turnaround of a major customer in Germany. Healthcare sales pursued solid progression this quarter.

Europe Gas & Services Revenue

- **Large Industries** revenue was quasi-stable at **-0.2%**. Demand for air gases continued to improve, in particular for oxygen in Germany, France and Italy. However, the temporary turnaround of a HyCO customer in Germany, as well as weaker volumes for refineries in the Benelux penalized revenue growth. Sales in Eastern Europe pursued dynamic growth, particularly in Russia.
- Sales in the **Industrial Merchant** business line were down **-1.1%**, penalized by a negative working day impact. Liquid volumes continued to rise in an environment of prices oriented downwards. The cylinder activity remained weak, in particular for acetylene used in Welding and Metal Fabrication. Eastern European countries continued their steady growth. The price impact in the region was **-0.8%** in an environment of virtually zero inflation.
- **Healthcare** recorded growth of **+4.3%**, superior to the 1st half of the year. The Home Healthcare activity continued organic development, with relatively low incremental contribution from bolt-on acquisitions this quarter. In Medical Gases for hospitals, pricing pressure continued to penalize revenue. Hygiene and Specialty Ingredients activities grew substantially with growth exceeding **+10%**.

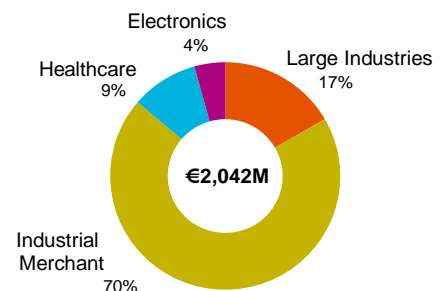


Americas

Gas & Services revenue in the Americas reached **2,042 million euros**, up **+131%** excluding currency and energy impact, and excluding Airgas, up **+3.2%**. Large Industries growth was strong whereas Industrial Merchant sales remained sluggish in North America, with manufacturing output still slow in the United States and Canada. In South America, sales continued to improve with growth exceeding **+18%**.

Americas Gas & Services Revenue

- **Large Industries** revenue pursued strong development, with growth of **+7.1%**. Sales benefitted from the ramp-up of several units in North America and South America. Volumes were up in all countries.
- The **Industrial Merchant** activity grew **+263%** excluding currency impact and contracted to **-3.0%** excluding Airgas. Performance was contrasted by country. In the United States and Canada, slow manufacturing output penalized industrial customers in the Energy, Mining, Metal Fabrication and Technology sectors. Conversely, the gas requirements of customers in the Food and Pharmaceuticals sectors continued to grow. We note a slight positive inflection this quarter in North American activity as compared to the average sales over twelve months. In South America, revenue progressed more than **+10%**. The pricing variation in the Americas remained positive at **+1.6%**.
- **Healthcare** revenue pursued its dynamic development, increasing to **+119%** excluding currency impact and **+13.8%** excluding Airgas. Sales in Canada were sustained by solid organic growth and contribution from an acquisition in Home Healthcare. The activity expanded in South America, with double-digit growth in Brazil and Argentina.
- **Electronics** sales progressed **+4.5%** over the quarter.

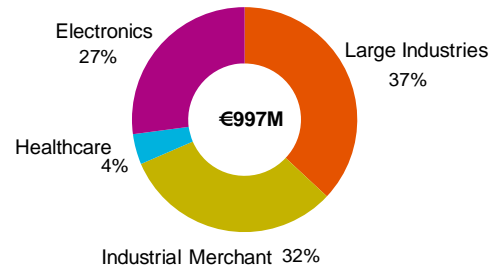


Asia-Pacific

Revenue in the **Asia-Pacific** region progressed **+3.5%** to **997 million euros**. Large Industries reported growth close to +10%; notably in China. Industrial Merchant sales were slightly down, with a situation contrasted by country. Electronics showed limited improvement, due to significant decrease in Equipment & Installation sales and weak demand for Specialty Gases.

- **Large Industries** sales were up **+9.5%**. In China, they benefited from the ramp-up of new production units. Volumes were also up in Singapore.
- **Industrial Merchant** revenue was slightly down by **-0.8%**, with a situation contrasted by country. China grew, notably in cylinder activity, and sales were up in Japan. However, revenue in Singapore was down, with negative comparison basis due to major equipment sales in the 3rd quarter 2015. Sales in Australia stabilized. The pricing effect remained negative, at -0.4% in the 3rd quarter.
- **Electronics** was up slightly by **+0.8%**. The activity was impacted by a drop in Equipment and Installation sales of more than -10%, especially in Japan, China and Taiwan. Excluding E&I sales, growth was close to +3.0%, marked by stable sales of Specialty Gases after a period of strong increase. Growth in Carrier Gases was solid and Advanced Materials sales pursued dynamic development with growth greater than +30%.

Asia-Pacific Gas & Services Revenue



Middle-East and Africa

Middle-East and Africa revenue totaled **143 million euros**, up **+2.0%**. This performance was linked to dynamic Egypt where sales benefitted from pre-loading a Large Industries plant and development of Industrial Merchant activity with glass and steel manufacturing customers. Activity in South Africa was contrasted with strong growth in Large Industries but a difficult environment in other activities. In Industrial Merchant, the oil-related markets were particularly weak in the region. Also, it must be noted that the region no longer benefits from the ramp-up impact of Yanbu hydrogen unit after 18 months of operation and that a temporary turnaround is planned for the customer's unit in 4th quarter 2016.

Engineering & Construction

Engineering & Construction revenue totaled **105 million euros**, down **-51.9%** as compared with the 3rd quarter 2015. It was affected by the slowdown in major energy-related projects and the low number of new projects in a more difficult global environment. The comparison effect with the 3rd quarter 2015 was also unfavorable, as sales had been reinforced by the conversion of a Large Industries project into an exceptional sale of the unit to the customer.

Total order intake reached 119 million euros in the 3rd quarter 2016 and 245 million euros at the end of September 2016.

Global Markets & Technologies

Global Markets & Technologies pursued its development with revenue up **+10.6%** at **73 million euros**, with significant sales in biogas and maritime.

Other Activities

Other Activities revenue in the 3rd quarter 2016 declined by **-9.7%** to reach **116 million euros**.

- **Welding** sales decreased **-10.4%**, due to weak activity, notably in Western Europe.
- **Diving** (Aqua Lung™) posted a decline in sales of **-8.6%**, as the geopolitical context was less favorable to the growth of diving activities in certain regions.

Revenue (in millions of euros)	Q3 2015	Q3 2016	Q3 2016/2015 published change	Q3 2016/2015 comparable change ^(a)
Welding	82	73	- 11.3 %	- 10.4 %
Diving	47	43	- 9.0 %	- 8.6 %
TOTAL OTHERS	129	116	- 10.5 %	- 9.7 %

(a) Comparable change: excluding the impact of currency

Quarterly Highlights

Airgas

Successful refinancing of the transaction:

- On 12 September 2016, Air Liquide announced the share capital increase with preferential subscription rights for existing shareholders (the “Rights Issue”) as part of the refinancing of the Airgas acquisition. This transaction constituted the 2nd step of refinancing of this acquisition following a 3 billion euro bond issue placed successfully on June 6, 2016. The subscription period from 14 September to 28 September included, with parity of 1 new share for 8 existing shares and a subscription unit price of 76 euros for each new share. The final gross proceeds amounted to 3,283 million euros resulting in the issuance of 43,202,209 new shares. The total subscription rate reached 191.2 %.
- On 23 September, Air Liquide announced the successful placement of five USD-denominated senior bonds for an aggregate amount of 4.5 billion U.S. dollars, which constitute the 3rd and last step in refinancing its acquisition of Airgas. These bond issuances have maturities ranging from 3 to 30 years, for an average weighted maturity of 10.6 years and an average weighted rate of 2.3 %.

Within the framework of the Airgas acquisition and pursuant to the request of the American anti-trust authorities, Air Liquide has completed the divestiture of certain U.S. assets to Matheson Tri-Gas, Inc in early September. This transaction included the sale of eighteen air separation units in sixteen locations; two nitrous oxide production facilities; six carbon dioxide production facilities; and three Airgas retail packaged welding gas stores in Alaska. Under the terms of the agreement, Matheson has acquired production facilities, equipment, inventory, distribution assets, and customer contracts, and has also hired employees related to the divested assets.

The transaction, valued at 781 million U.S. dollars, generated a net gain versus book value of approximately 250 million U.S. dollars for Air Liquide. This gain will offset the totality of the exceptional costs relative to the Airgas acquisition for the year.

On 18 October, the American anti-trust authorities published a request for comment for Air Liquide's proposal to sell the remaining assets to Reliant Holdings, Ltd and its subsidiary Reliant Processing, Ltd. This transaction concerns two liquid carbon dioxide plants in Iowa. The request for comment period should end 17 November.

Industrial Developments

In July 2016, Air Liquide announced the commissioning of a world premiere pure helium storage facility in Gronau-Epe in the North Rhine-Westphalia region, 120 kilometers from Düsseldorf, Germany. This site offers its customers service to secure their helium supply. With this initiative, Air Liquide will better address customer needs in offering reliable and complete helium provisioning.

Air Liquide recently signed a new long-term contract with Axion Energy Argentina, subsidiary of Bidas Corporation and leading refiner in Argentina. Under the terms of the new contract, Air Liquide will invest 55 millions euros in a second hydrogen production unit (Steam Methane Reformer - SMR) for Axion. Implanted in Campana, Buenos Aires, this SMR will raise the hydrogen production capacity of the site to 37,000 Nm³ per hour. Operations are expected to start in the second half of 2018.

Healthcare Developments

Air Liquide announced on 13 October that its subsidiaries SEPPIC, healthcare specialty ingredients manufacturer, and Schülke, hygiene specialist, broke ground on a shared state of the art production facility in Sandston, Henrico County - Virginia, United States. This plant is expected to start operations in the first half of 2018 and will produce ingredients destined to the cosmetic and pharmaceutical markets. The planned investment is over 60 million U.S. dollars.

Innovation

Through ALIAD, the Group's venture capital, Air Liquide announced an investment in Proxem, a leading French software publisher specializing in the semantic analysis of textual big data for companies. A player in big data, artificial intelligence and digital transformation, it helps companies extract relevant information in real time, from a large volume of textual data in the field of customer knowledge, market intelligence and human resources. This investment is inscribed in the digital transformation program of the Group.

Portfolio Management

In early October, Air Liquide announced that it had entered exclusive negotiations with Montagu Private Equity, a leading European private equity firm, for the potential sale of Aqua Lung™, a key player in personal aquatic equipment for recreational and professional use. If realized, the transaction will permit Montagu Private Equity to accompany the next phase of growth and transformation of Aqua Lung™ to become a major consumer products player.

Investment Cycle

Investment Opportunities

The investment opportunities at 12-months amounted to **2.2 billion euros** at the end of September 2016, stable compared with the end of June 2016. New projects entering the portfolio offset those signed by the Group, awarded to the competition or delayed. The global portfolio, including projects which may be signed before or after 12 months, remains solid, covering between 4.5 and 5 billion euros.

A little over 60% of the investment opportunities at 12-months are located in developing economies. China remains the leading region and represents approximately one-third of the investment opportunities, followed by Americas and Europe.

Moreover, the average investment amount in the portfolio of opportunities is 25 million euros and only a few projects exceed 100 million euros.

Investment Decisions and Investment Backlog

Industrial and financial investment decisions totaled approximately **620 million euros** for the quarter. Industrial decisions accounted for 90% of this amount. These projects concern notably Large Industries in Argentina and Electronics in China.

Investment decisions reached **1.7 billion euros** from the beginning of the year.

The investment backlog represented a total of **2.2 billion euros**, slightly up compared with the end of June. This backlog should bring future sales contribution of around 0.9 billion euros per year, once ramp-ups are fully completed.

Start-Ups

Three new units started up during the 3rd quarter 2016; two Large Industries units (one in United States and one in Australia) and a new plant for Electronics in Singapore. The sales contribution of start-ups and ramp-ups reached approximately **40 million euros** over the quarter and **200 million euros** at the end of September, in line with our expectations for 2016.

Operating Performance

The key event of the quarter is the pursued integration process of Airgas following the effective merger of the two organizations as of 1st October. In parallel, productivity efforts are pursued throughout the Group.

The Group's efficiency gains reached **80 million euros** in the 3rd quarter and **223 million euros** at the end of September, in line with the annual target of more than 250 million euros. This performance is part of an ongoing effort and includes numerous projects throughout the Group. It constitutes a solid base to reach the NEOS objective of 300 million euros average per year as of 2017. The efficiencies are principally realized this quarter in industrial operations (production, logistics) and procurement. The restructuring of certain activities contributed to just over 10% of efficiencies generated.

In addition to these efficiencies, **the first cost synergies with Airgas should be entirely achieved before the end of 2018, earlier than initially anticipated.** The integration process took a major step with the effective merger of the two organizations on 1st October. The Group's Industrial Merchant and Healthcare customers in the United States are now served by this new organization. Operational integration is going according to plan, notably with the closure of 17 cylinder filling or storage sites in order to optimize the flow of products, which contributes to logistical synergies. The projects which will permit the generation of revenue synergies have also begun, in particular with the launch of the Group's on-site offering (FloxalTM) to Airgas customers and the training of sales teams. These teams will be fully trained in all combined product offerings by the end of the year.

Cash-flow from operations before changes in working capital requirements reached **18.6% of sales** for the first nine months of 2016. It notably ensures the financing of net investments which reached 611 million euros for the quarter, of which 568 million euros were industrial investments.

Outlook

This quarter has been characterized by the successful refinancing of the Airgas acquisition, the disposal of certain assets in the United States executed under excellent conditions, and the operational merger of Airgas since October 1st. In addition, for the first time, Airgas contributed to the Group's performance over a full quarter.

In the context of continued moderate global growth, Gas & Services sales posted solid growth, primarily driven by ramp-ups of Large Industries plants, the strength of the Healthcare business and by the developing economies, in particular China. The Group continues to generate recurring efficiency gains, which contribute to operational performance.

Today, a new phase begins. Priorities include delivering Airgas synergies in accordance with plan and continued implementation of NEOS, the Group's corporate program. The investment backlog, amounting to 2.2 billion euros, and innovations aimed at enriching the customer experience, will contribute to growth in the coming years.

Following the completion of the acquisition of Airgas, Air Liquide is confident in its ability to generate growth in 2016, both in net profit and net earnings per share, including the effect of the capital increase finalized in early October.

Appendices

Currency, energy (energy & natural gas) plus significant scope impact

In addition to the comparison of published figures, financial information for 3rd quarter 2016 is provided before currency, energy price fluctuations and significant scope impact. As of 1st January 2015, the energy impact includes impact of natural gas and electricity. In the future, it may also include other energy Large Industries feedstocks.

Since gases for industry and health are rarely exported, the impact of currency fluctuations on activity levels and results is limited to euro translation impact with respect to the financial statements of subsidiaries located outside the Euro zone. Fluctuations in natural gas and electricity prices are passed on to customers through price indexation clauses.

Consolidated 3rd Quarter 2016 revenue includes the following impact:

<i>In millions of euros</i>	Revenue Q3 2016	Q3 2016/2015 change	Currency	Natural gas	Electricity	Significant scope (Airgas)	Q3 2016/2015 comparable change^(a)
Group	5,077	+23.9%	(17)	(82)	(18)	1,142	-1.1%
Gas & Services	4,783	+29.9%	(16)	(82)	(18)	1,142	+2.0%

(a) Excluding currency, energy (natural gas and electricity) and significant scope impact

For the Group,

- The currency impact was -0.5%.
- The impact of natural gas price fluctuations was -2.0%.
- The impact of electricity price fluctuations was -0.4%.
- The significant scope impact was +27.9%.

For Gas & Services,

- The currency impact was -0.4%.
- The impact of natural gas price fluctuations was -2.3%.
- The impact of electricity price fluctuations was -0.5%.
- The significant scope impact was +31.1%.

Consolidated Revenue Year-to-Date 2016

Impact of currency, energy (natural gas and electricity) on year-to-date 2016 revenue:

<i>In millions of euros</i>	YTD 2016 Sales	YTD 2016/2015 change	Currency	Natural gas	Electricity	Significant scope (Airgas)	YTD 2016/2015 Comparable change ^(a)
Group	13,372	+ 9.5 %	(216)	(285)	(86)	+ 1,654	+ 0.8 %
Gas & Services	12,401	+ 12.9 %	(206)	(285)	(86)	+ 1,654	+ 3.1 %

(a) Excluding currency, energy (natural gas and electricity) and significant scope impact

Revenue by World Business Line

<i>In millions d'euros</i>	YTD 2015	YTD 2016	YTD 2016/2015 change	
			Published	Comparable ^(a)
Large Industries	3,877	3 649	- 5.9 %	+ 5.8 %
Industrial Merchant	3,915	5,272	+ 34.6 %	- 1.7 %
Healthcare	2,074	2,265	+ 9.2 %	+ 4.9 %
Electronics	1,118	1,215	+ 8.6 %	+ 7.2 %
Gas & Services	10,984	12,401	+ 12.9 %	+ 3.1 %
Engineering & Construction	601	359	- 40.2 %	- 39.0 %
Global Markets & Technology	199	219	+ 10.3 %	+ 10.6 %
Other Activities	427	393	- 8.0 %	- 7.5 %
Total Group	12,211	13,372	+ 9.5 %	+ 0.8 %

(a) Excluding currency, energy (natural gas and electricity) and significant scope impact

G&S Revenue by Geographic Region

<i>In millions d'euros</i>	YTD 2015	YTD 2016	YTD 2016/15 change	
			Published	Comparable ^(a)
Europe	5,036	4,826	- 4.2 %	+ 1.3 %
Americas	2,696	4,227	+ 56.8 %	+ 2.4 %
Asia-Pacific	2,855	2,917	+ 2.2 %	+ 5.4 %
Middle-East and Africa	397	431	+ 8.5 %	+ 13.8 %
Gas & Services Revenue	10,984	12,401	+ 12.9 %	+ 3.1 %

(a) Excluding currency, energy (natural gas and electricity) and significant scope impact

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