

# 2012 Results

Growth in Revenue and Profit  
Investments in the most dynamic markets

Venice, March 21-22, 2013 | Nomura Global Chemical Industry leaders conference



# 2012 Results

**2012** → Performance delivered

→ Solid balance sheet

→ Investment gaining momentum

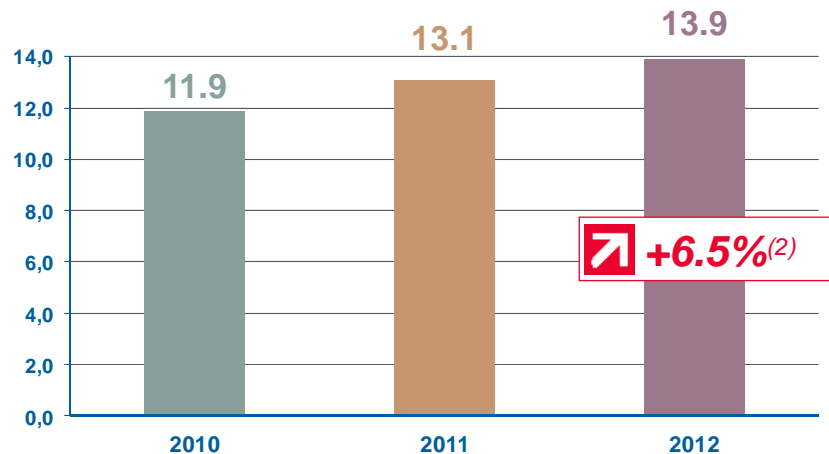
**2013** → Strengthening for growth

→ Updating ALMA to meet new challenges

# Performance delivered

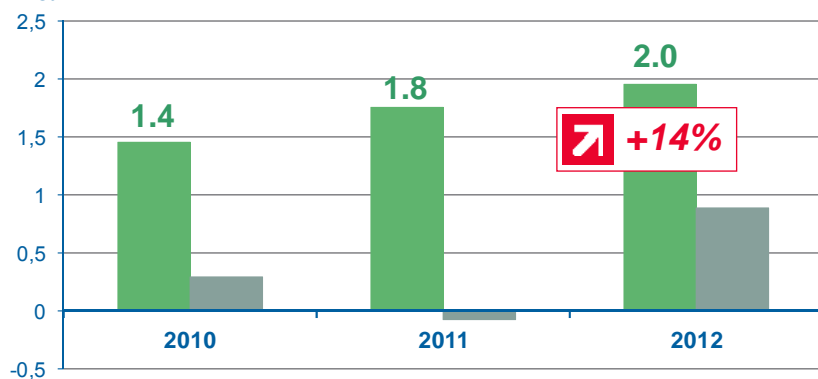
## ➔ Gas & Services sales<sup>(1)</sup>

In €bn



## ➔ Capex

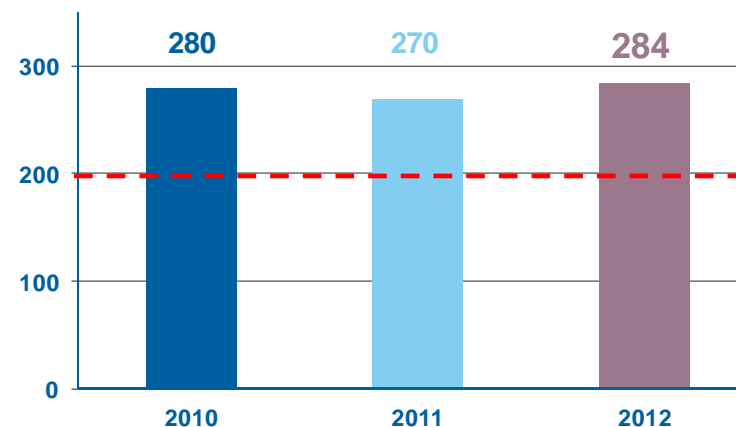
In €bn



## ➔ Efficiencies

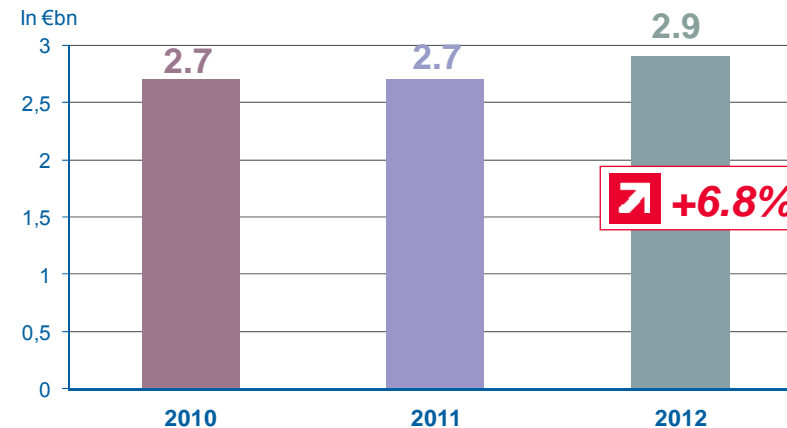
In €m

Annual objective 2012  
> € 200 M



## ➔ Operating Cash flow<sup>(4)</sup>

In €bn



(1) 2011 figure revised for integration of Seppic in Gas and Services. (2) Published growth.

(3) Financial investments, including transactions with minorities, net of divestitures. (4) from operations, before WCR.

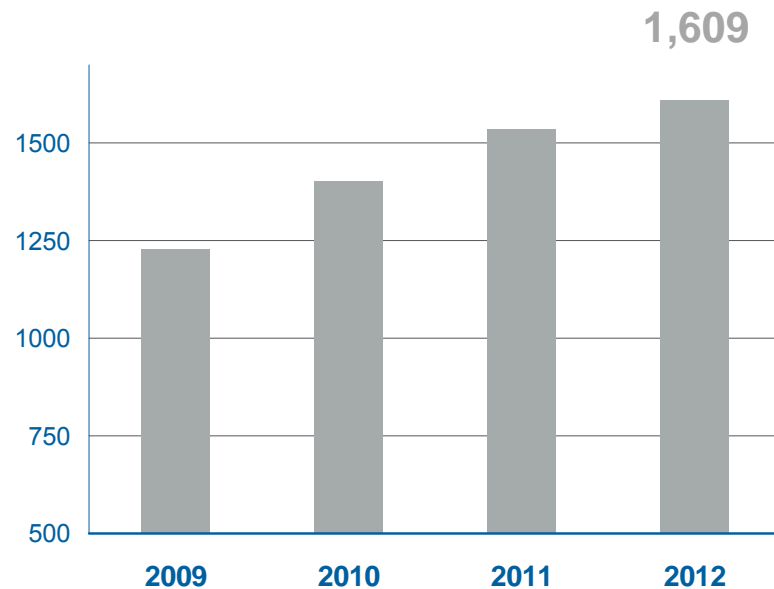
# Continuous growth in net profit and dividend

➔ Net profit (Group Share): +4.9%

➔ Dividend per share<sup>(1)</sup>: +10.3%

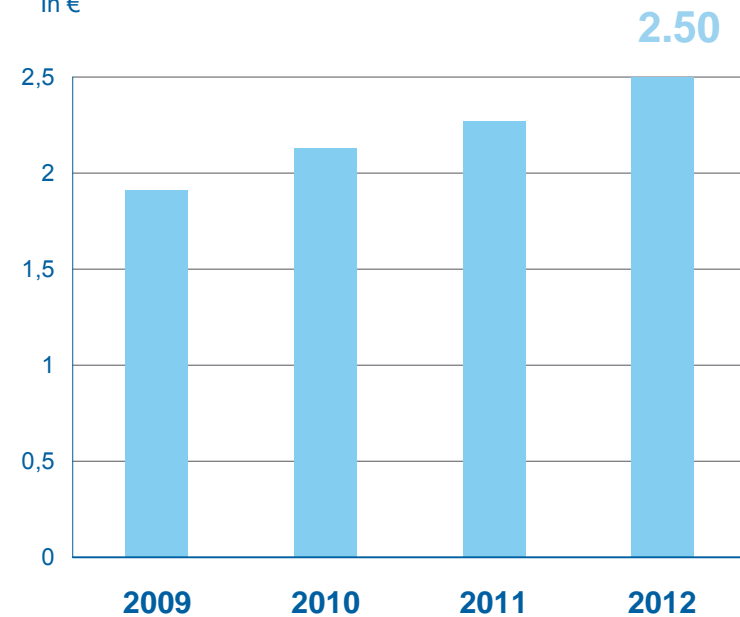
2009-2012 CAGR: +9.4%

In €m



2009-2012 CAGR: +9.4%<sup>(1)</sup>

In €



■ Pay-out ratio **49.9%**

(1) Subject to approval at the General Shareholder Meeting to be held on May 7, 2013, detached on May 16 and paid on May 22.  
Historical data adjusted for free share attributions

# 2012 Results

- Performance delivered
- Investment and solid balance sheet

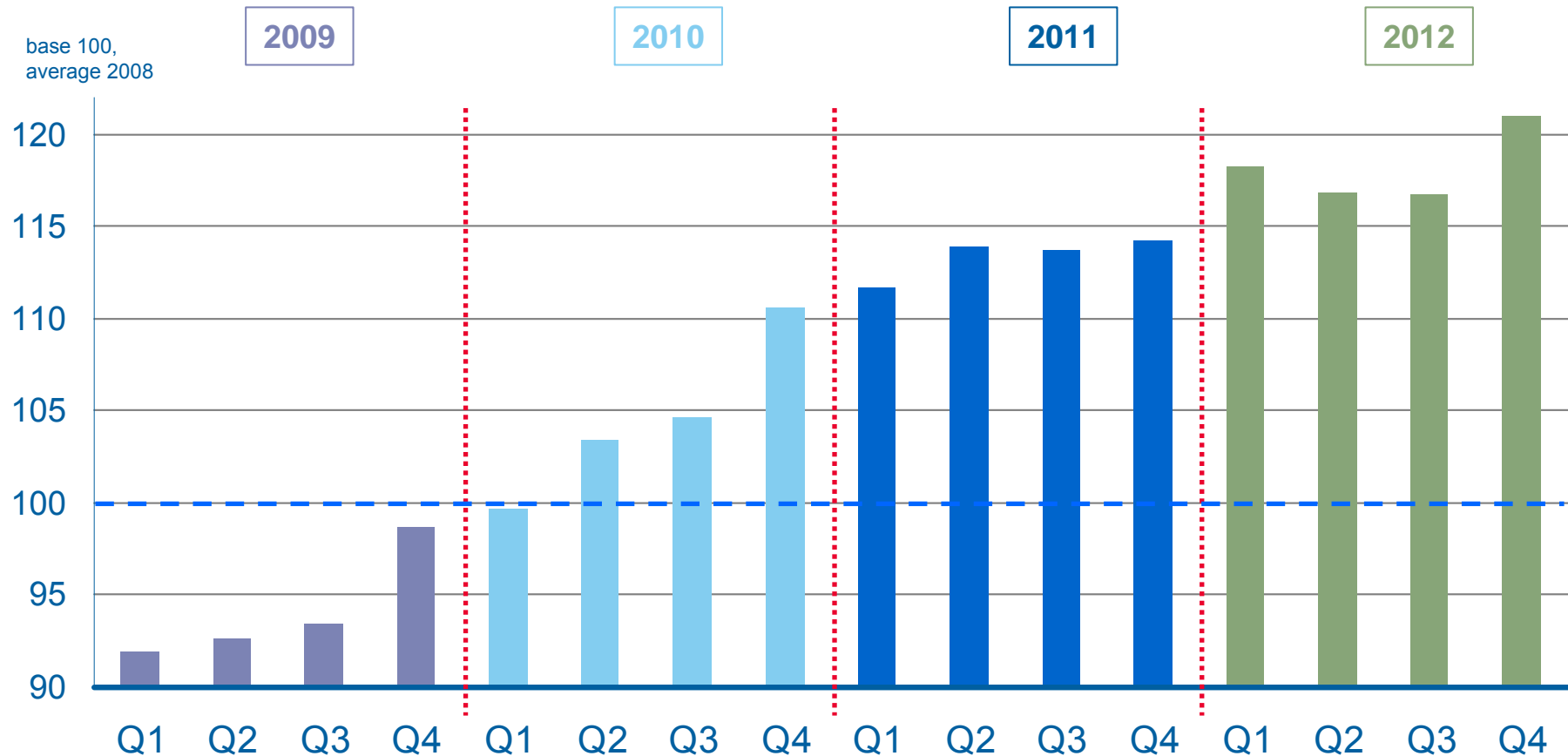
# Key figures

Sales in €m	FY 11 <i>revised <sup>(1)</sup></i>	FY 12	FY 12/11 <i>as published</i>	FY 12/11 <i>excl Nat gas and forex</i>
<b>Gas &amp; Services</b>	<b>13,064</b>	<b>13,912</b>	<b>+6.5%</b>	<b>+3.0%</b>
<b>Engineering &amp; Construction</b>	<b>705</b>	<b>785</b>	<b>+11.3%</b>	<b>+9.4%</b>
<b>Other Activities</b>	<b>688</b>	<b>629</b>	<b>-8.4%</b>	<b>-9.8%</b>
<b>Group Total</b>	<b>14,457</b>	<b>15,326</b>	<b>+6.0%</b>	<b>+2.7%</b>

(1) 2011 figures revised for integration of Seppic in Gas and Services.

# Sound activity level

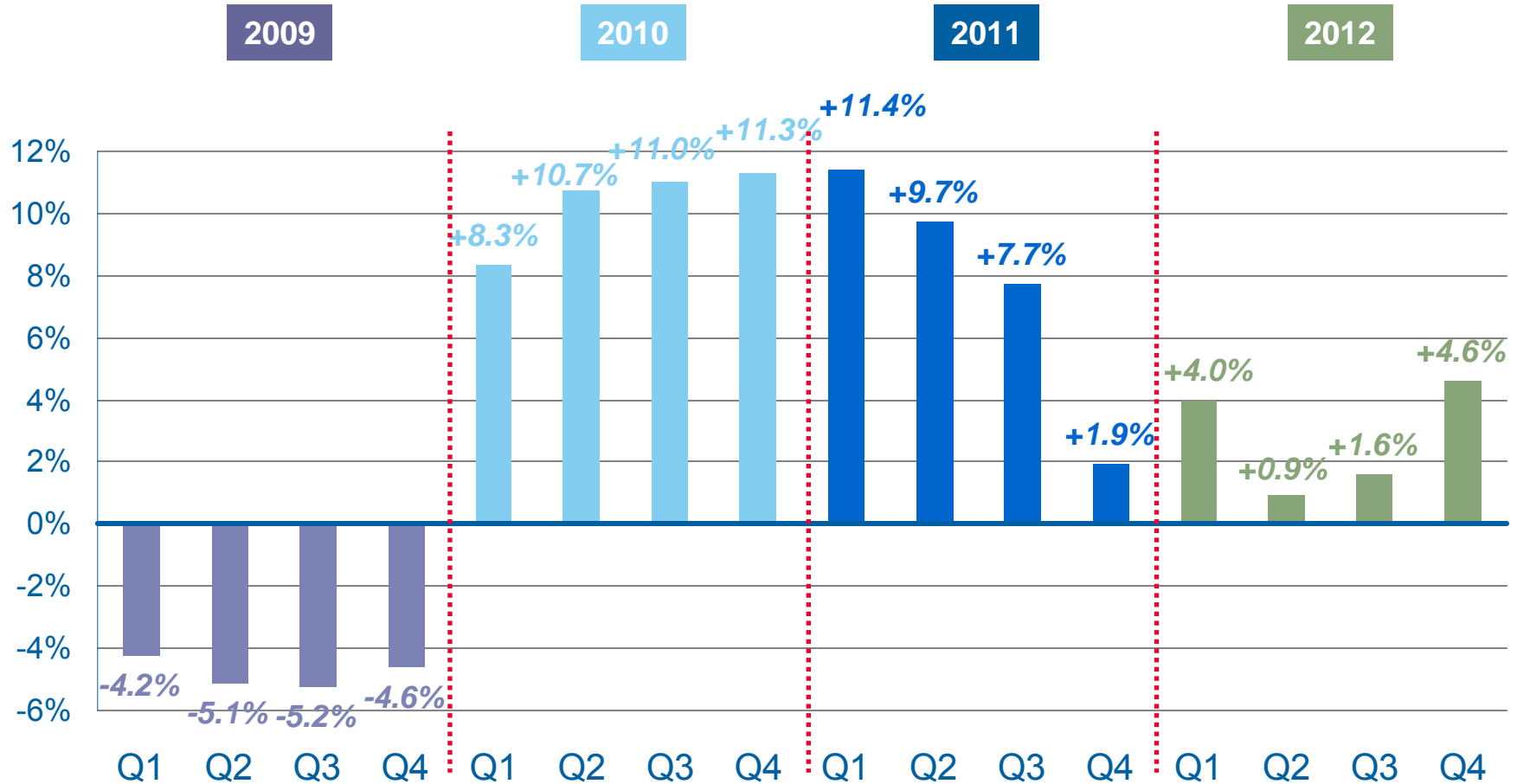
## → Quarterly G&S activity indicator<sup>(1)</sup>



(1) Revenue (excluding currency and natural gas), adjusted for the number of days per month. Q4 2012 includes LVL Médical and Gasmedi activities.

# Positive signs in Q4

➔ G&S comparable growth<sup>(1)</sup>



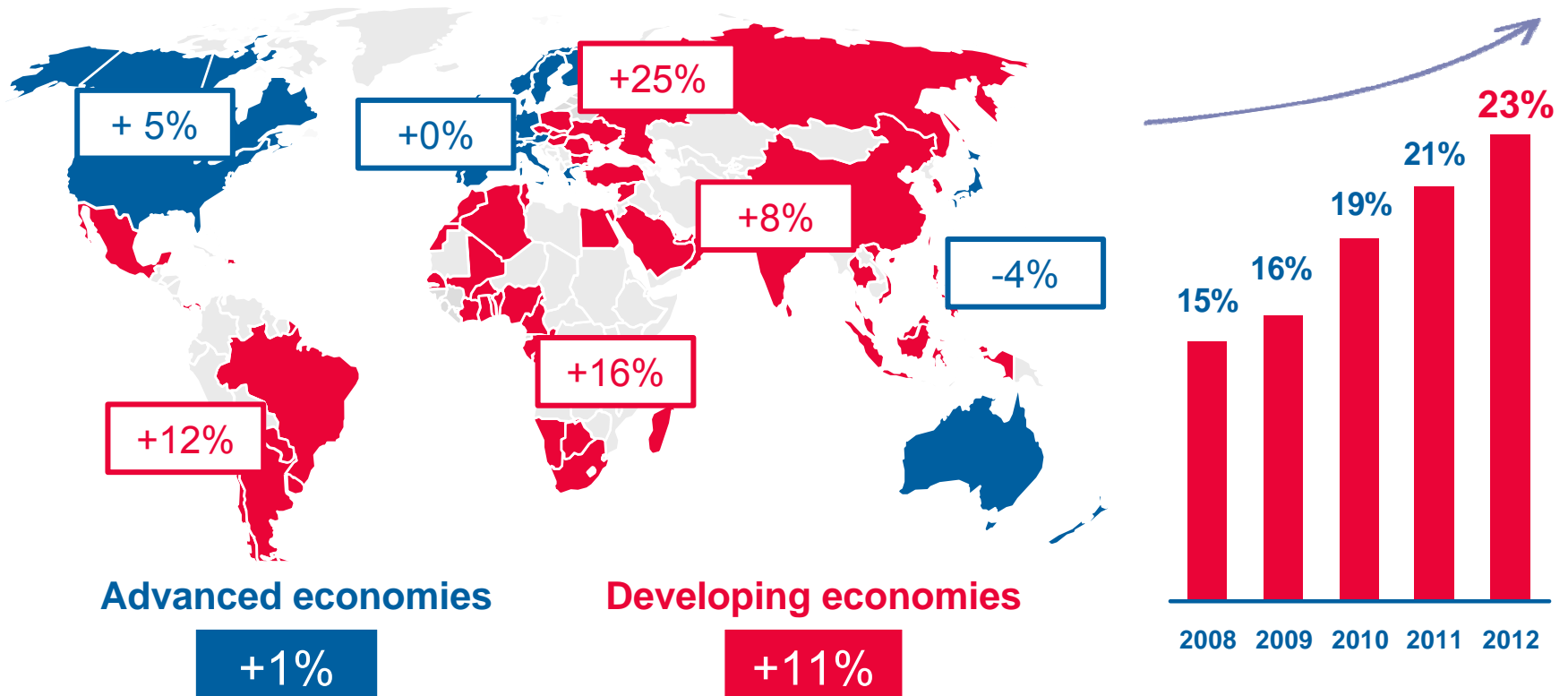
(1) excluding currency, natural gas and significant scope impacts. 2009, 2010 and 2011 growth rates are not revised for the integration of Seppic into the G&S activity.



# In particular in Developing economies

→ Comparable G&S sales growth<sup>(1)</sup>  
(2012/ 2011)

→ G&S sales share in  
developing economies

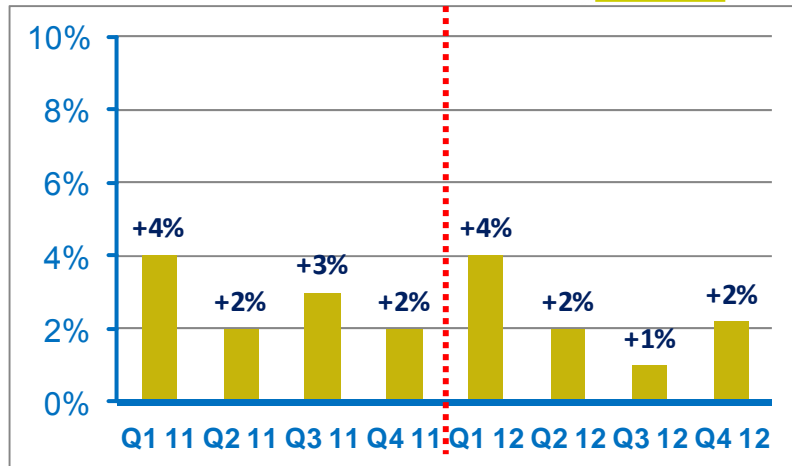


Developing economies in Q4 2012: **+14%**.

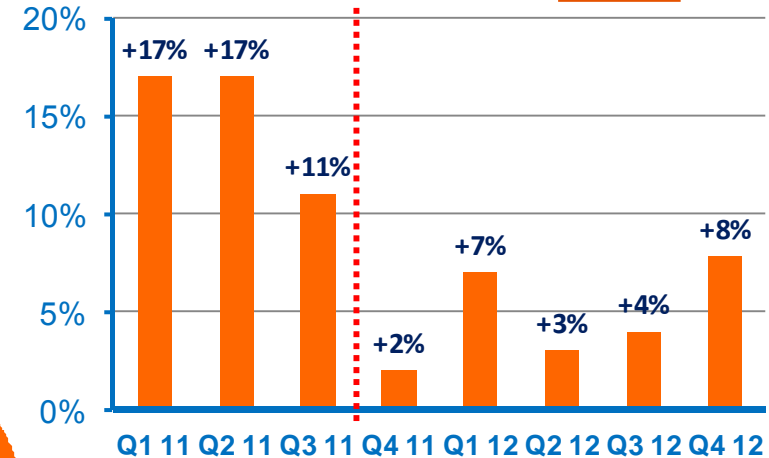
(1) excluding currency, natural gas and significant scope impacts.

# ... and in all business lines

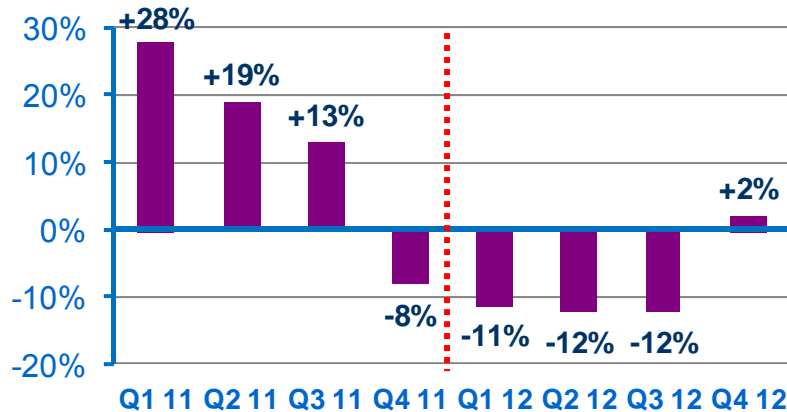
## ➔ Industrial Merchant **+2%** FY12



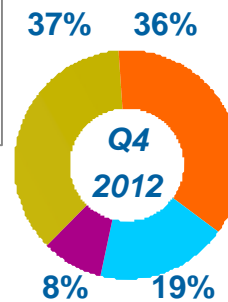
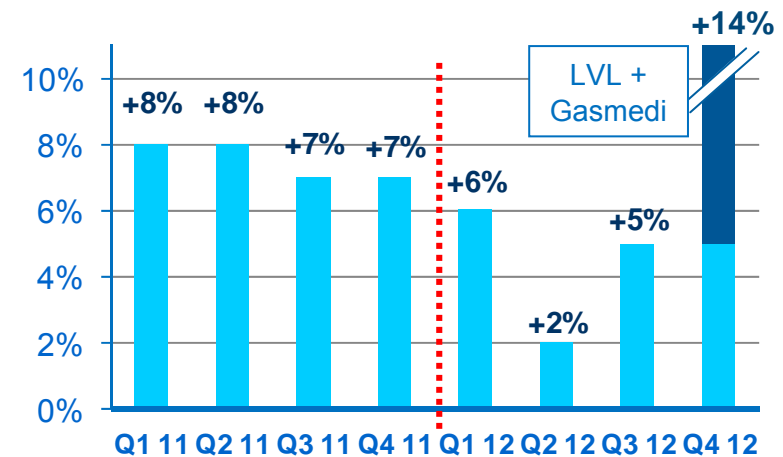
## ➔ Large Industries **+6%** FY12



## ➔ Electronics **-8%** FY12



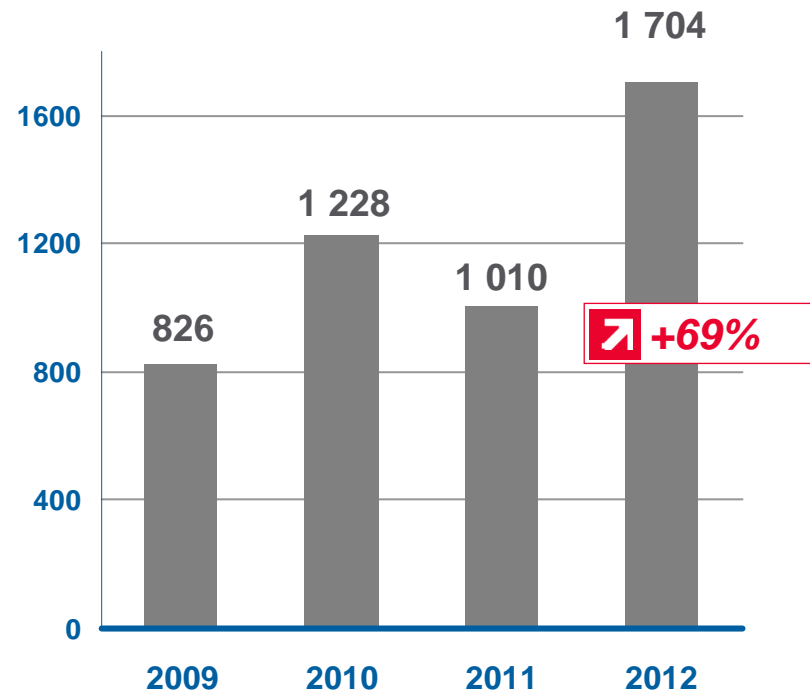
## ➔ Healthcare **+4%** FY12



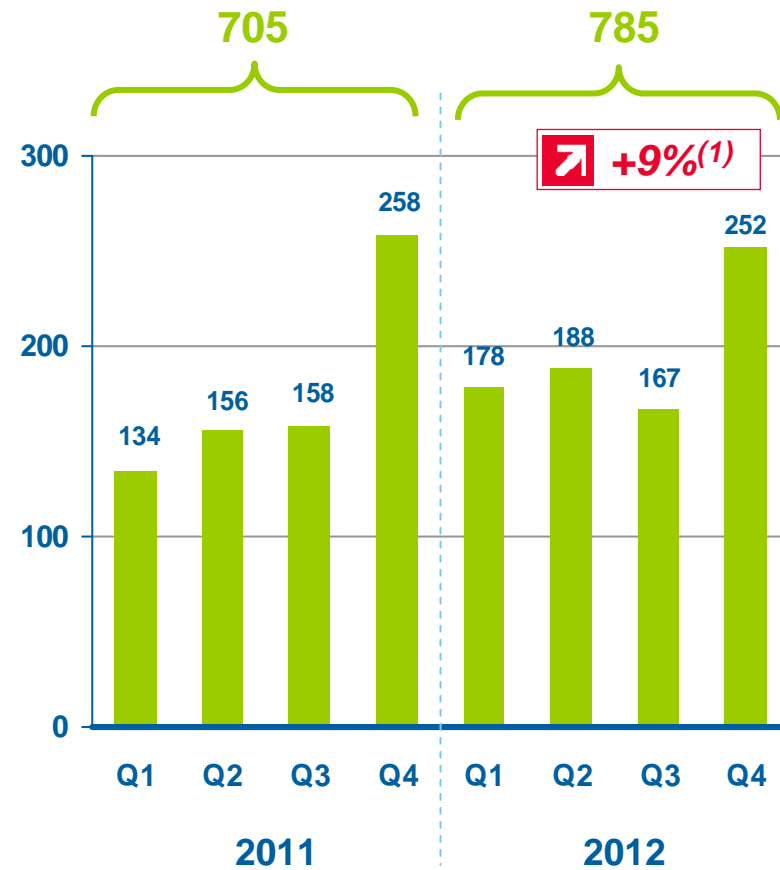
Comparable growth: excluding currency, natural gas and significant scope impacts, relative to the same period in preceding year.

# Record order intake in Engineering & Construction

## → E&C order intake



## → Third party E&C sales



(1) Comparable growth

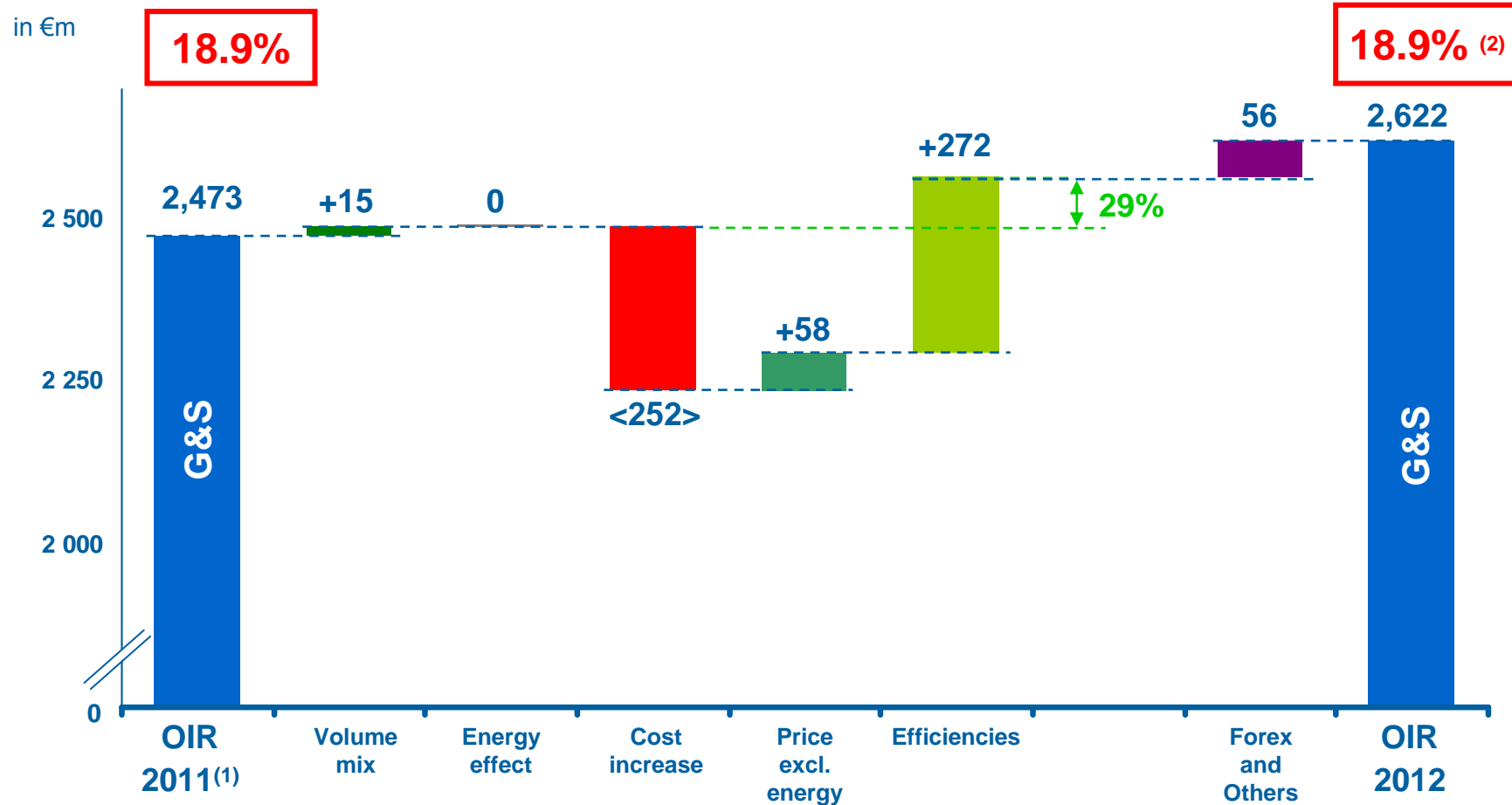
# Net Profit up +4.9%

In €m	2011	2012	Change 12 vs 11
<b>Revenue</b>	<b>14,457</b>	<b>15,326</b>	<b>+6.0%</b>
<b>Operating Income Recurring</b>	<b>2,409</b>	<b>2,560</b>	<b>+6.3%</b>
Other non-recurring operating income & expenses	28	(27)	
<b>Operating Income</b>	<b>2,437</b>	<b>2,533</b>	<b>+4.0%</b>
<b>OIR margin</b>	<b>16.7%</b>	<b>16.7%</b>	
Net financial costs and other net financial expenses	(298)	(312)	
Income taxes	(576)	(566)	
<i>Tax rate</i>	<i>27.0%</i>	<i>25.5%</i>	
<b>Net profit (Group share)</b>	<b>1,535</b>	<b>1,609</b>	<b>+4.9%</b>
Earnings per share (in €)	4.93 <sup>(1)</sup>	5.17	<b>+4.9%</b>

(1) adjusted for the free share attribution in May 2012.

# ...supported by close to 30% efficiency retention

## → G&S OIR margin



(1) OIR = Operating Income Recurring, revised for integration of Seppic in G&S

(2) Excluding natural gas. As published: 18.8%.

# 2012 Results

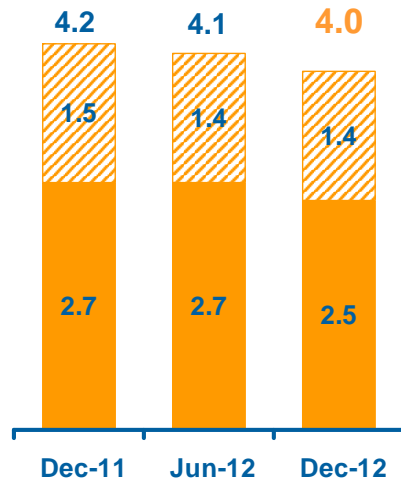
- Performance delivered
- **Investments and solid balance sheet**

# Confidence in the medium term



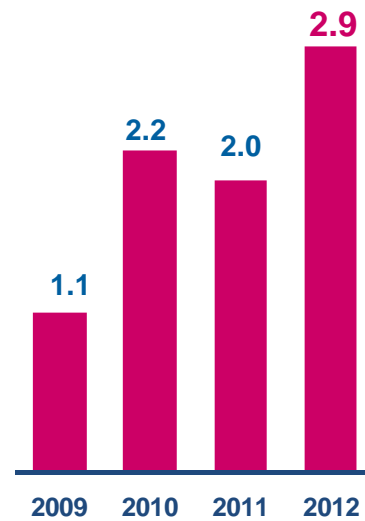
## 12-month portfolio of opportunities

In €bn



## Investment decisions<sup>(1)</sup>

In €bn

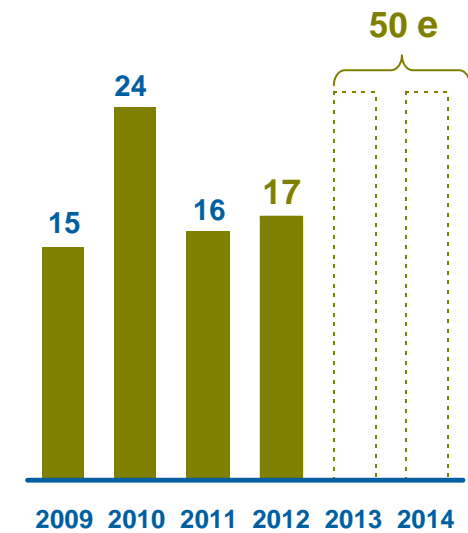


## Net capex<sup>(1)</sup>

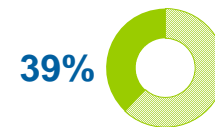
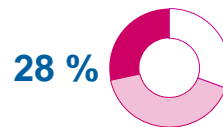
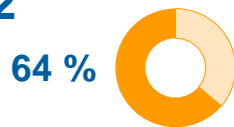
In €bn



## Start-ups<sup>(2)</sup>



## FY 2012

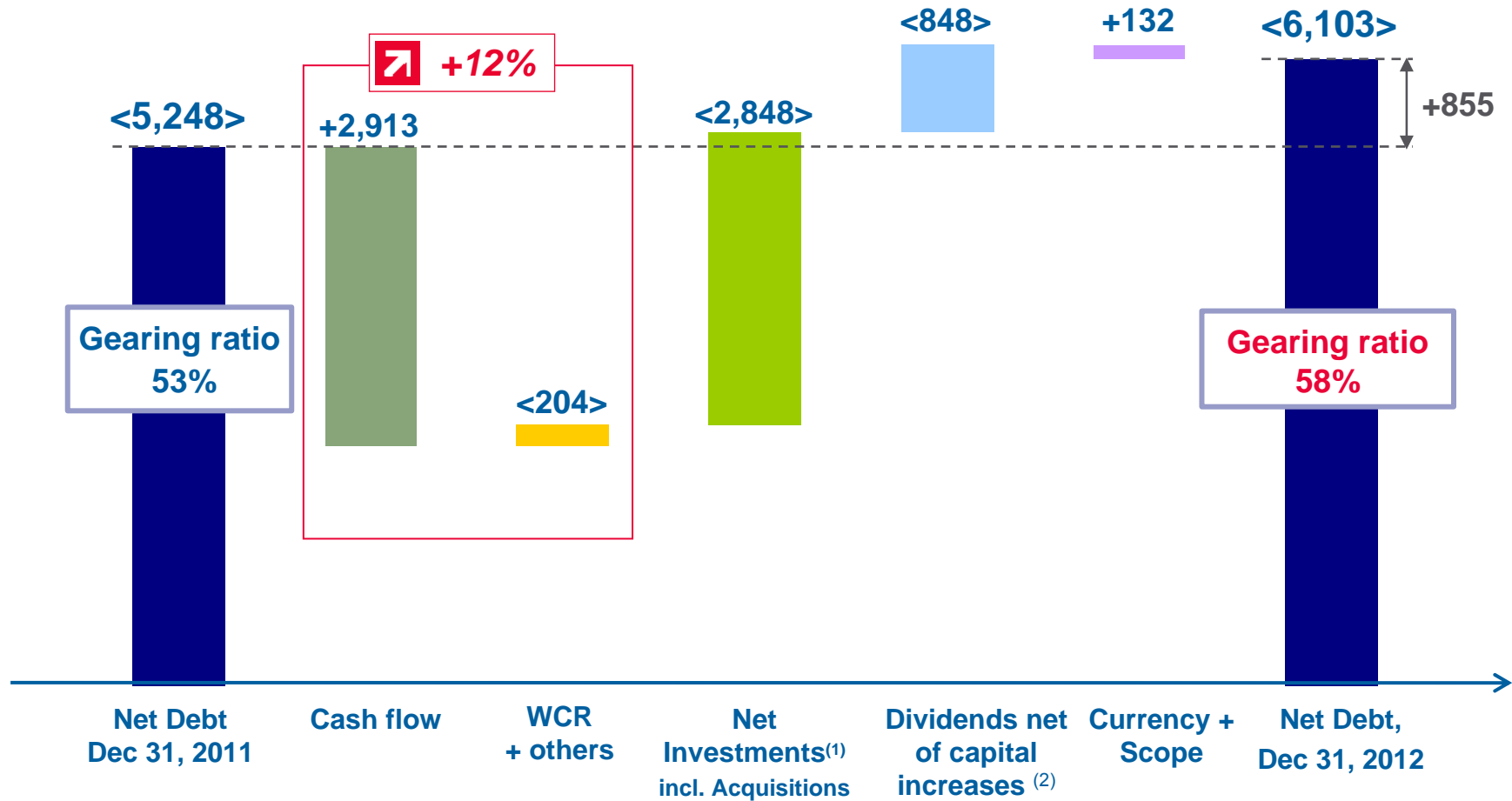


■ Developing Economies    ▨ Advanced Economies    □ Acquisitions

# Net debt stable excluding acquisitions

## → Net debt

In €m

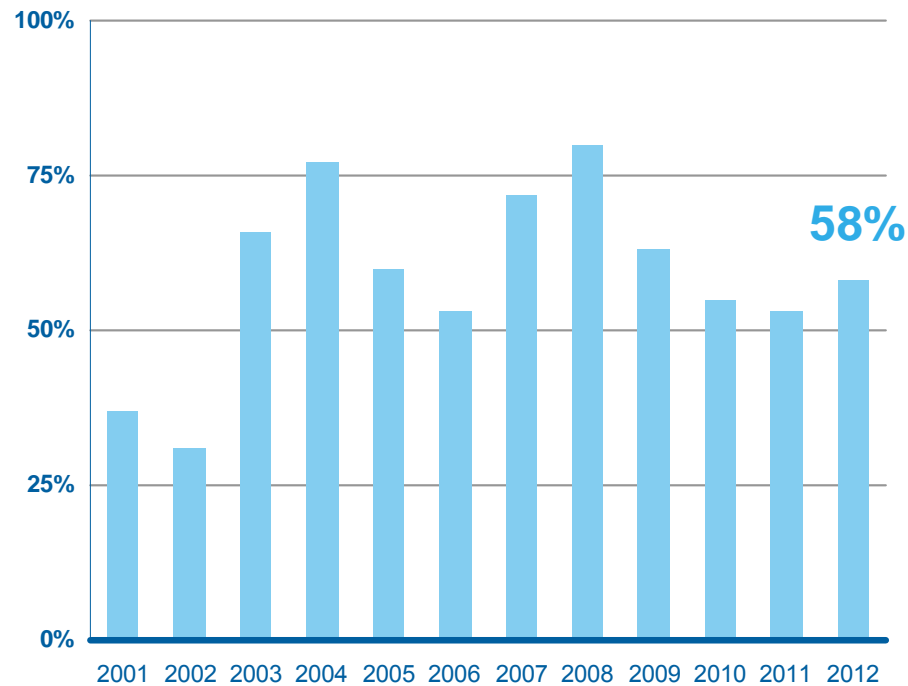


(1) Including transactions with minority shareholders, net of divestitures (2) incl. share purchases €104m.

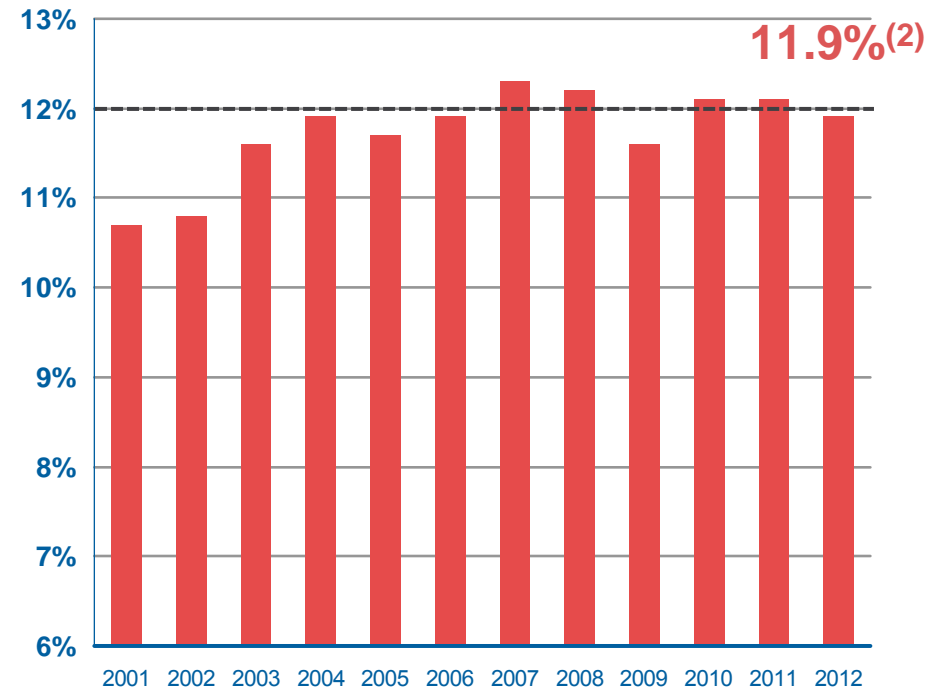


# Solid Balance sheet

## → Net debt to equity



## → ROCE<sup>(1)</sup>



(1) Reminder : Return On Capital Employed after tax: (Net profit before deduction of the minority interests – net finance costs after taxes) / weighted average for the year of (shareholders' equity + minority interests + net indebtedness).

(2) pro-forma, including annualized profit impact of LVL Médical and Gasmedi acquisitions.

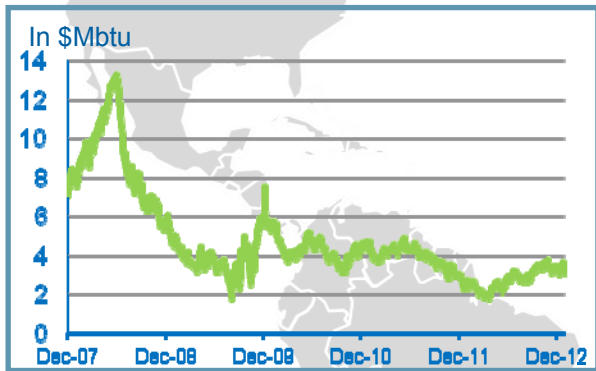
# Strengthening for growth



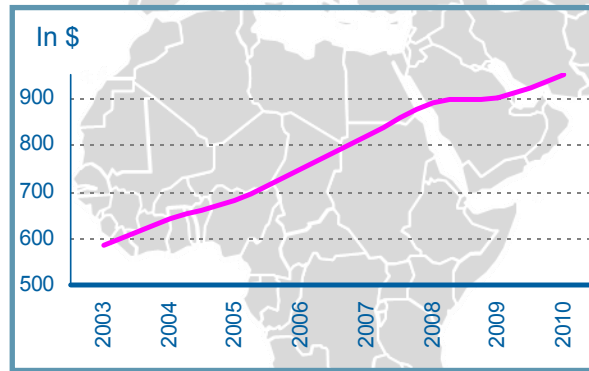
- Major trends
- Updating ALMA to meet new challenges

# Changing macroeconomics

## Natural gas price in the US

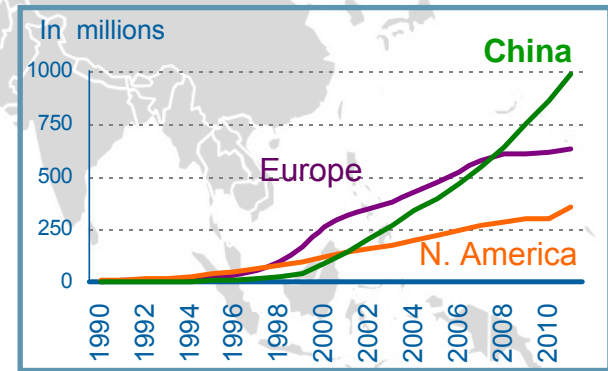


## Health expenses per capita



Source: World bank indicator

## Mobile cellular subscriptions



Source: World bank indicator

# Major trends are shaping our markets

Industrial production  
Natural resources



Demography  
Urbanization



Appetite for  
Innovation



# Updating ALMA to meet new Challenges



## Ambition

*“To be the leader of our industry through **performance** and **responsibility** over the long term.”*



## Strategic objective

*“Strengthening our **competitiveness** and **innovation** for profitable **growth** over the long term”*

# Competitiveness

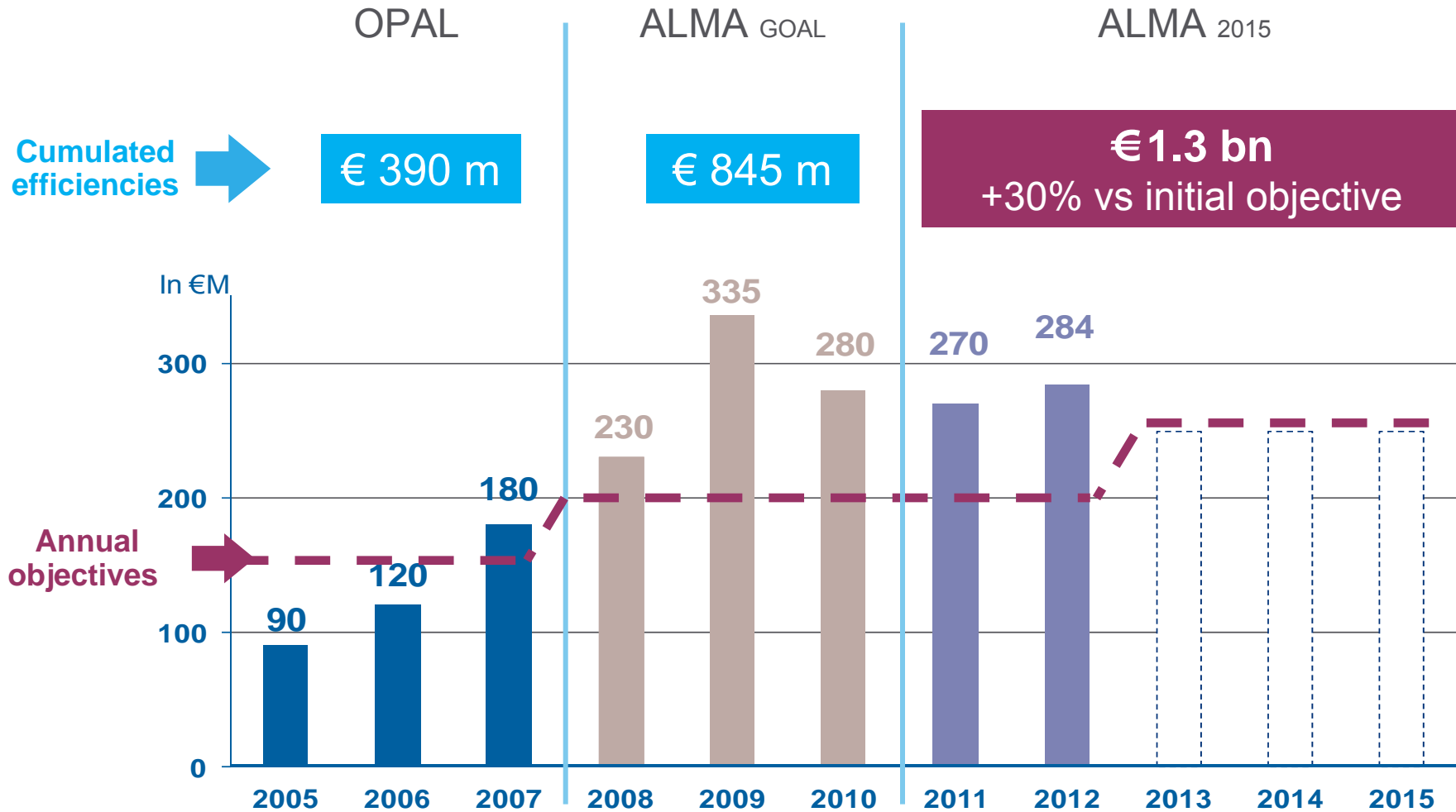
	Price	Non-price
■ Market focus		✓
■ Streamlining	✓	✓
■ Efficiencies	✓	

Update

2011-2015 *efficiency objective*  
boosted *from € 1bn to € 1.3bn*

# Boosted efficiency objective

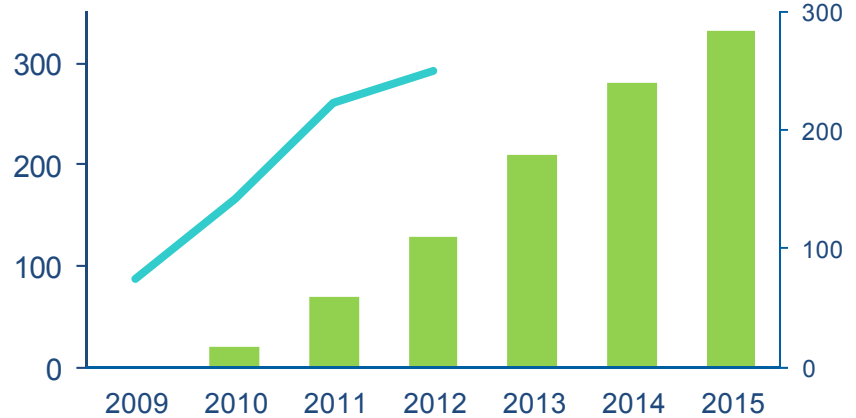
## → Efficiencies



# Innovation

## ➔ Electronics volumes driven by innovation

Aloha sales  
base 100 in 2008



## ➔ New H<sub>2</sub> mobility market

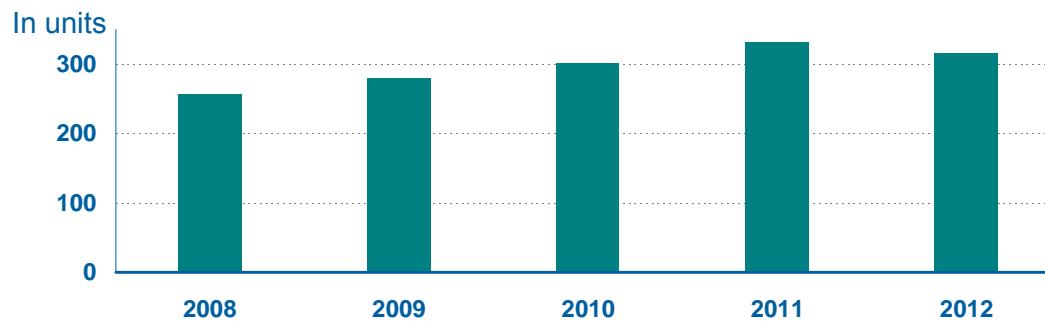
*“Key world manufacturers joining forces on fuel cell vehicles” - Jan 24 & 28, 2013*

*“1.6m H<sub>2</sub> powered vehicles on UK roads in 2030” - UK H<sub>2</sub> mobility estimates Feb. 3, 2013*



Public H<sub>2</sub> filling station in Germany

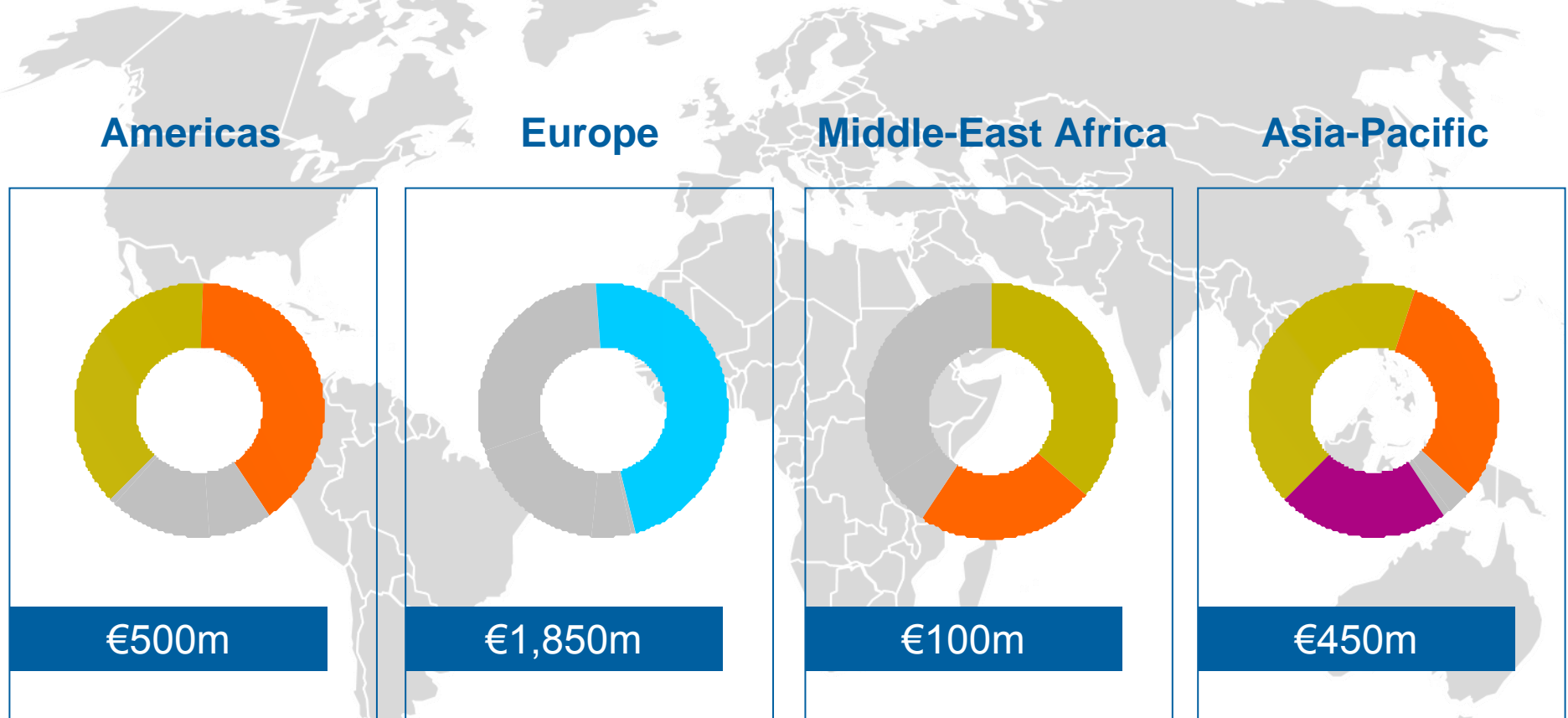
## ➔ New inventions patented during the year





# Investment decisions focused in growing markets

→ 2012 G&S investment decisions (industrial + financial)



Targeted markets: ■ Large Industries ■ Industrial Merchant ■ Healthcare ■ Electronics

# Growth aligned with major trends

## → Air Liquide 2012 growth



H<sub>2</sub> volumes

+14%



1 million  
Home Healthcare  
patients

+38%



New Top cylinders  
rentals growth

+34%

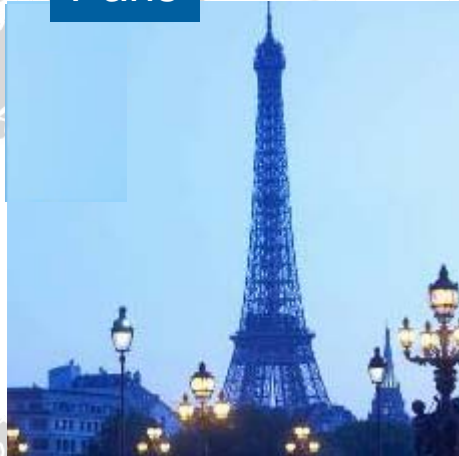
# Market focused organization

## Houston



- Energy
- Americas

## Paris



- Healthcare
- Environment
- Europe
- Middle-East & Africa

## Frankfurt



- Engineering
- Large projects
- Europe

## Shanghai



- Electronics
- Asia-Pacific

▪ Technology and R&D

# 2013 Outlook

## 2013

- Accelerating momentum in new markets
- Moderate growth in historical markets
- Reinforced competitiveness and innovation



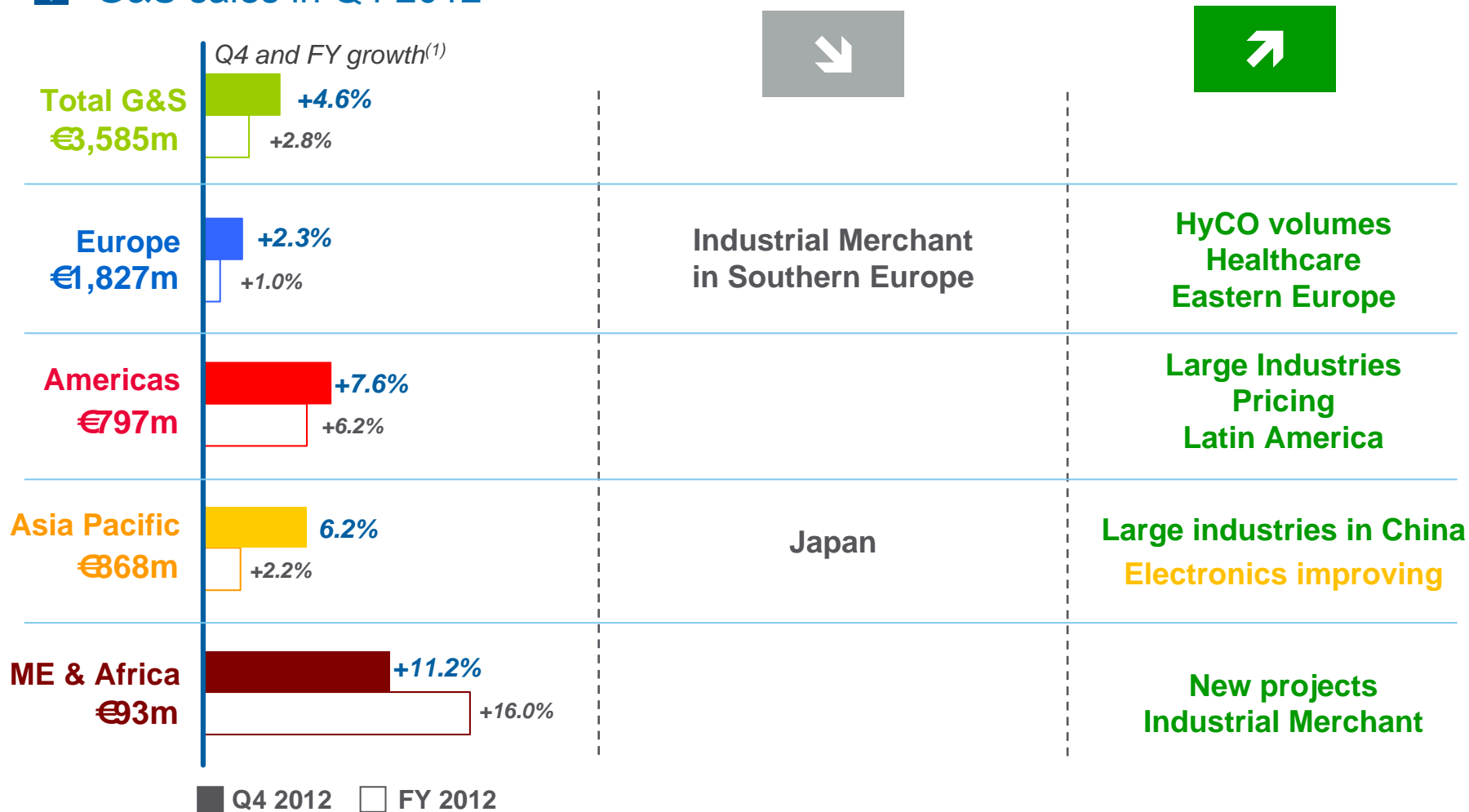
## 2013 objective

Barring a degradation of the environment,  
Air Liquide is confident in its ability  
to deliver another year of net profit growth in 2013

# Appendix

# Back to more robust growth in all zones...

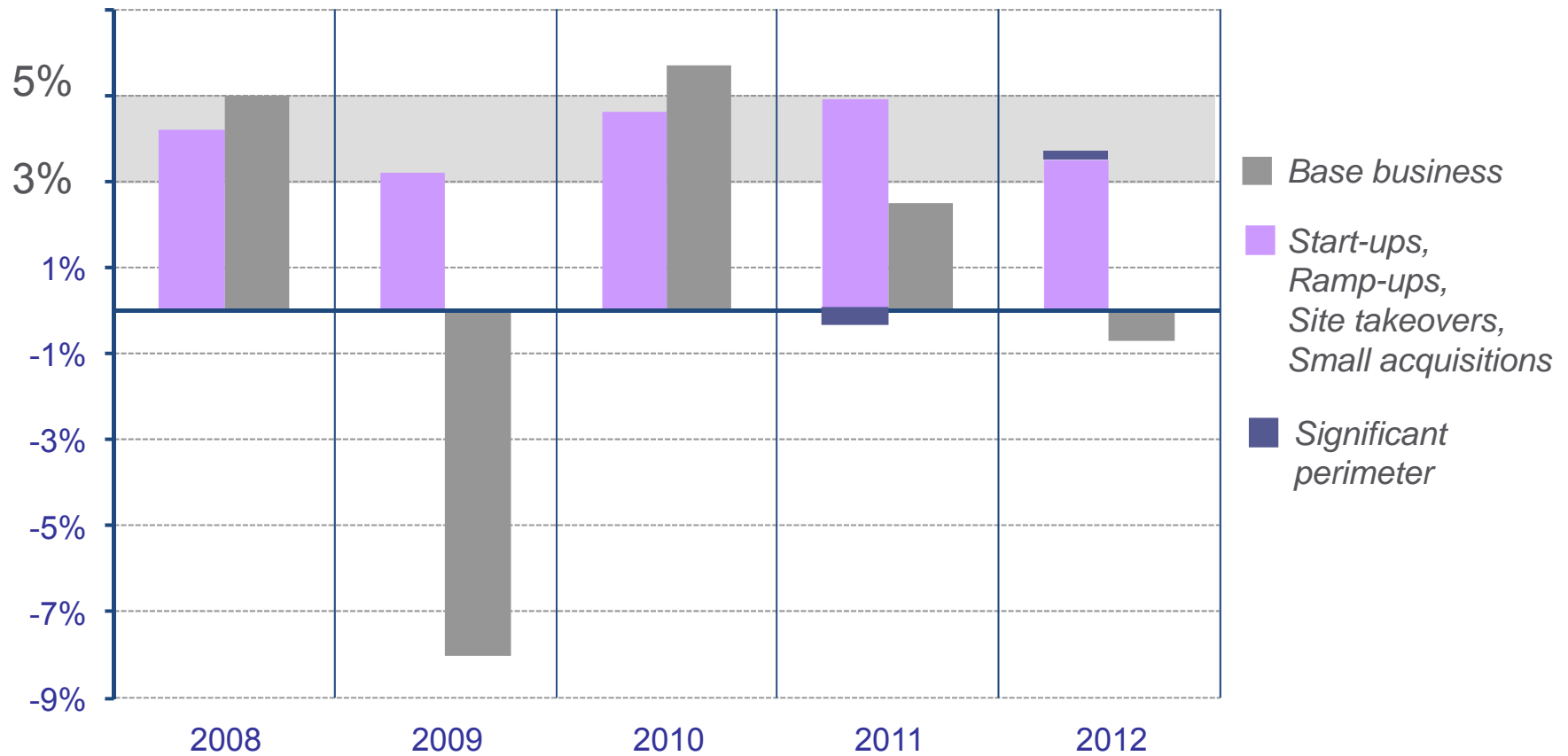
## → G&S sales in Q4 2012



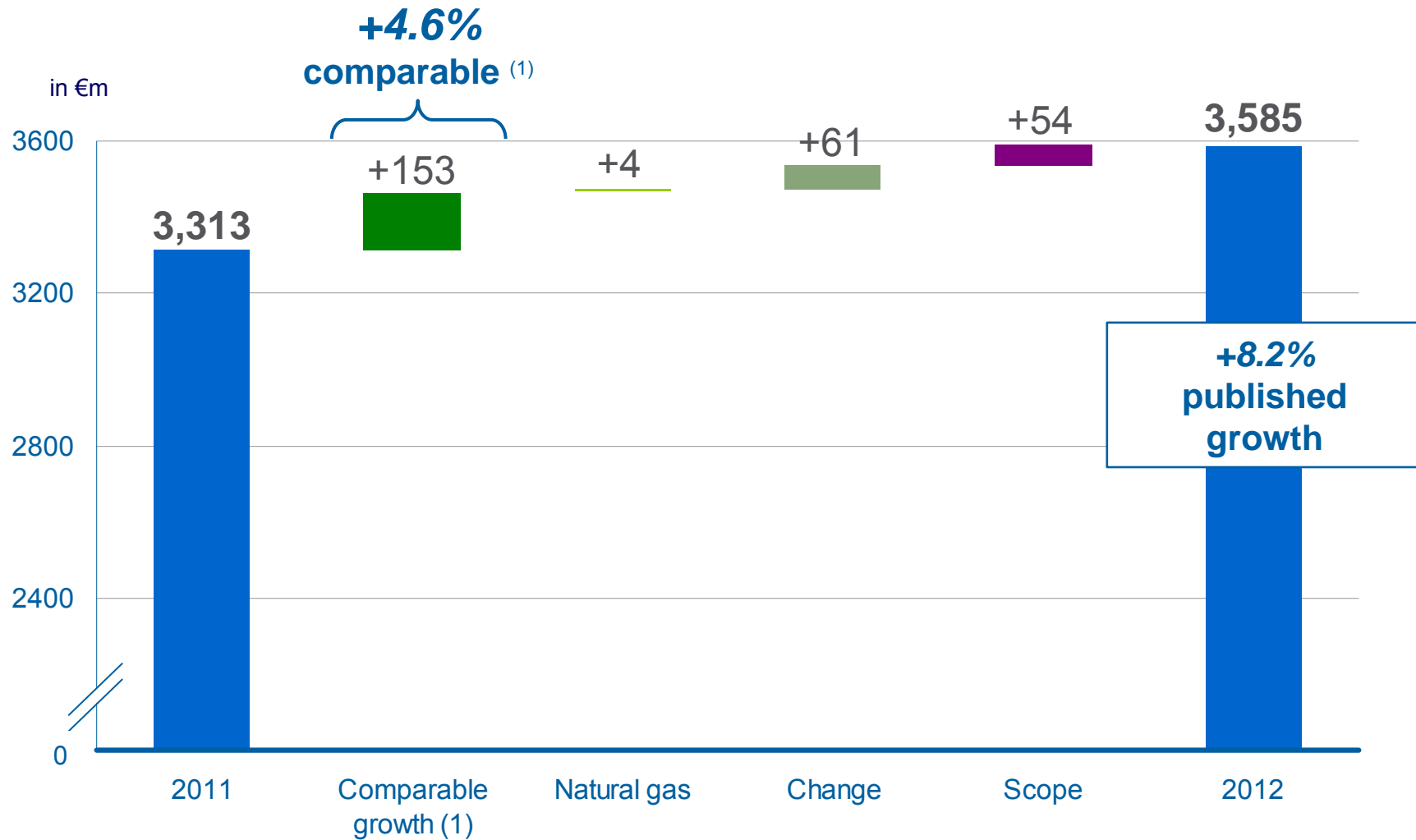
(1) Comparable growth, excluding currency, natural gas and significant scope impacts

# Steady contribution from growth initiatives

## → G&S annual growth analysis



# Growth in Q4 2012 G&S revenue

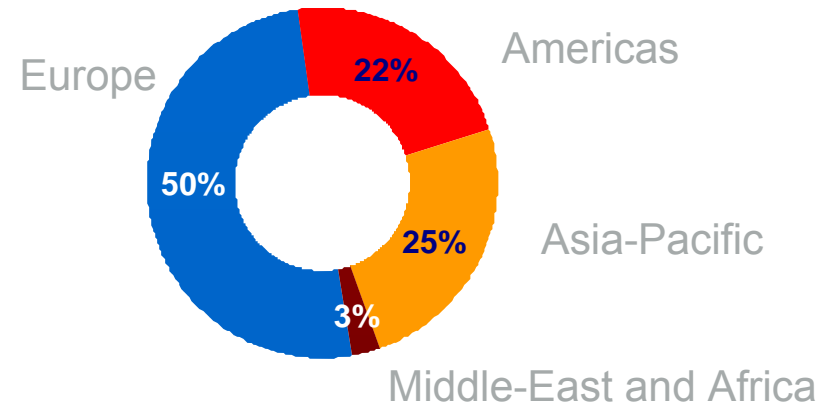


(1) excluding currency, natural gas and significant perimeter impacts.

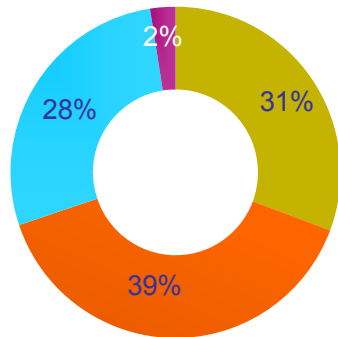


# 2012 Revenue breakdown by region

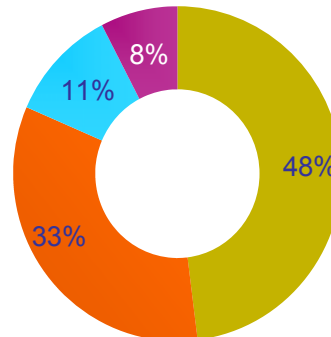
→ Gas & Services 2012 Revenue  
€13.9bn



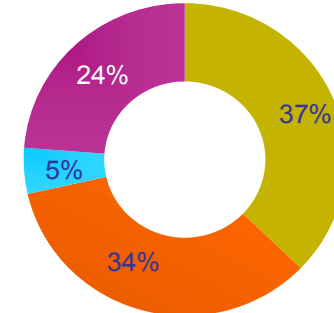
Europe: €7.0bn



Americas: €3.1bn



Asia-Pacific: €3.4bn



Industrial Merchant
  Large Industries
  Healthcare
  Electronics

# Europe in Q4

→ Q4 Gas & Services sales: €1,827m

## ■ Industrial Merchant

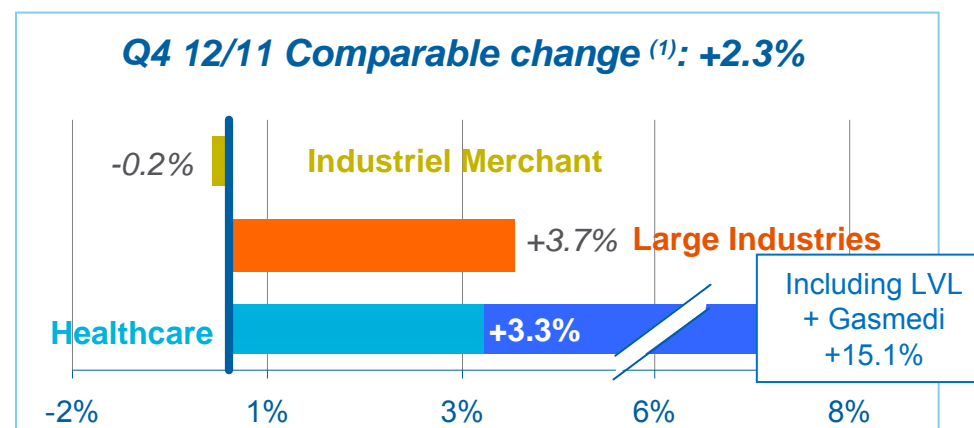
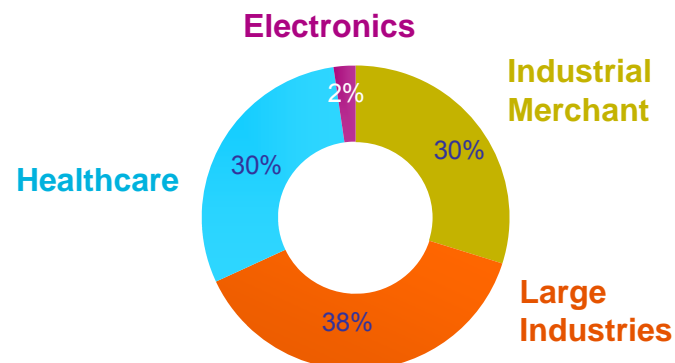
- Continued weakness in Southern Europe
- Acquisitions in UK and Eastern Europe
- Pursued pricing actions

## ■ Large Industries

- Steel still low
- Solid H<sub>2</sub> demand
- Site takeover in Turkey

## ■ Healthcare

- Acquisitions
- Home Healthcare demand growth
- Tariff reductions



In €m	FY 2012	Publ. growth	Comp. growth <sup>(1)</sup>
Sales	7,025	+3.2%	+1.0%
OIR	1,285	+0.6%	
OIR/Sales	18.3%	-50bps	-20bps <sup>(2)</sup>

(1) excluding impact of currency, natural gas and significant scope.

(2) excluding impact of natural gas.

# Americas in Q4

➔ Q4 Gas & Services sales: €797m

## ■ Industrial Merchant

- Sustained activity across the region
- Acquisitions
- Solid pricing effect

## ■ Large Industries

- Strong H<sub>2</sub> demand
- Lower cogen sales due to decline in electricity tariffs

## ■ Healthcare

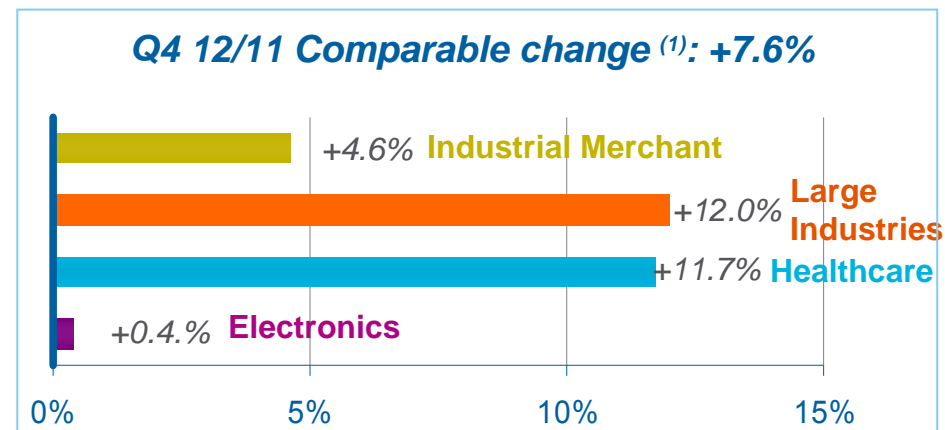
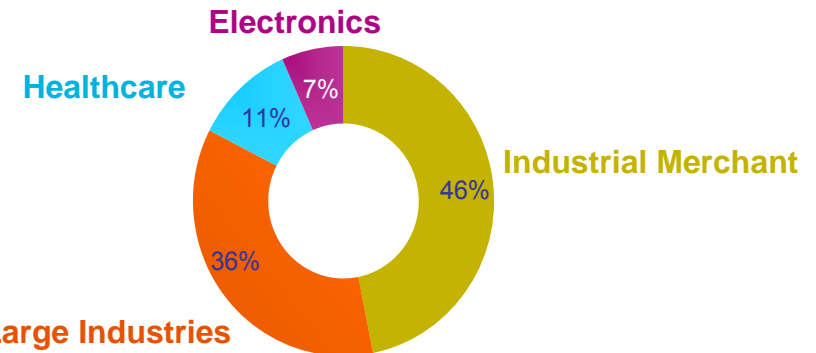
- Strong growth in developing economies

## ■ Electronics

- New E&I sales

(1) excluding impact of currency, natural gas and significant scope.

(2) excluding impact of natural gas.



In €m	FY 2012	Publ. growth	Comp. growth <sup>(1)</sup>
Sales	3,108	+8.7%	+6.2%
OIR	745	+18.6%	
OIR/Sales	24.0%	+200bps	+120bps <sup>(2)</sup>

# Asia-Pacific in Q4

→ Q4 Gas & Services sales: €868m

## ■ Industrial Merchant

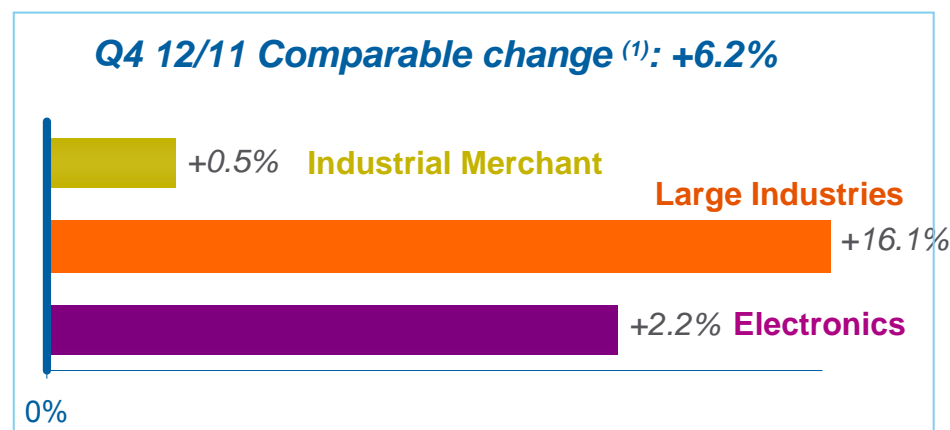
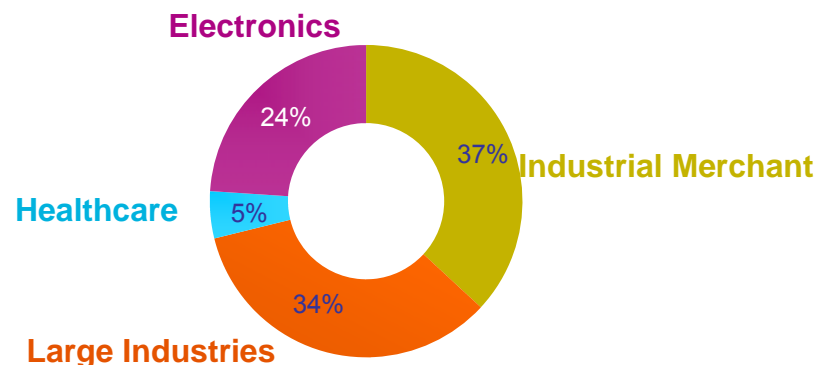
- Still weak in Japan
- Back to double digit growth in China

## ■ Large Industries

- Strong growth and start-ups in China
- Very strong growth in H<sub>2</sub>

## ■ Electronics

- Japanese industry under restructuring
- Positive growth in E&I
- Weak ESG pricing

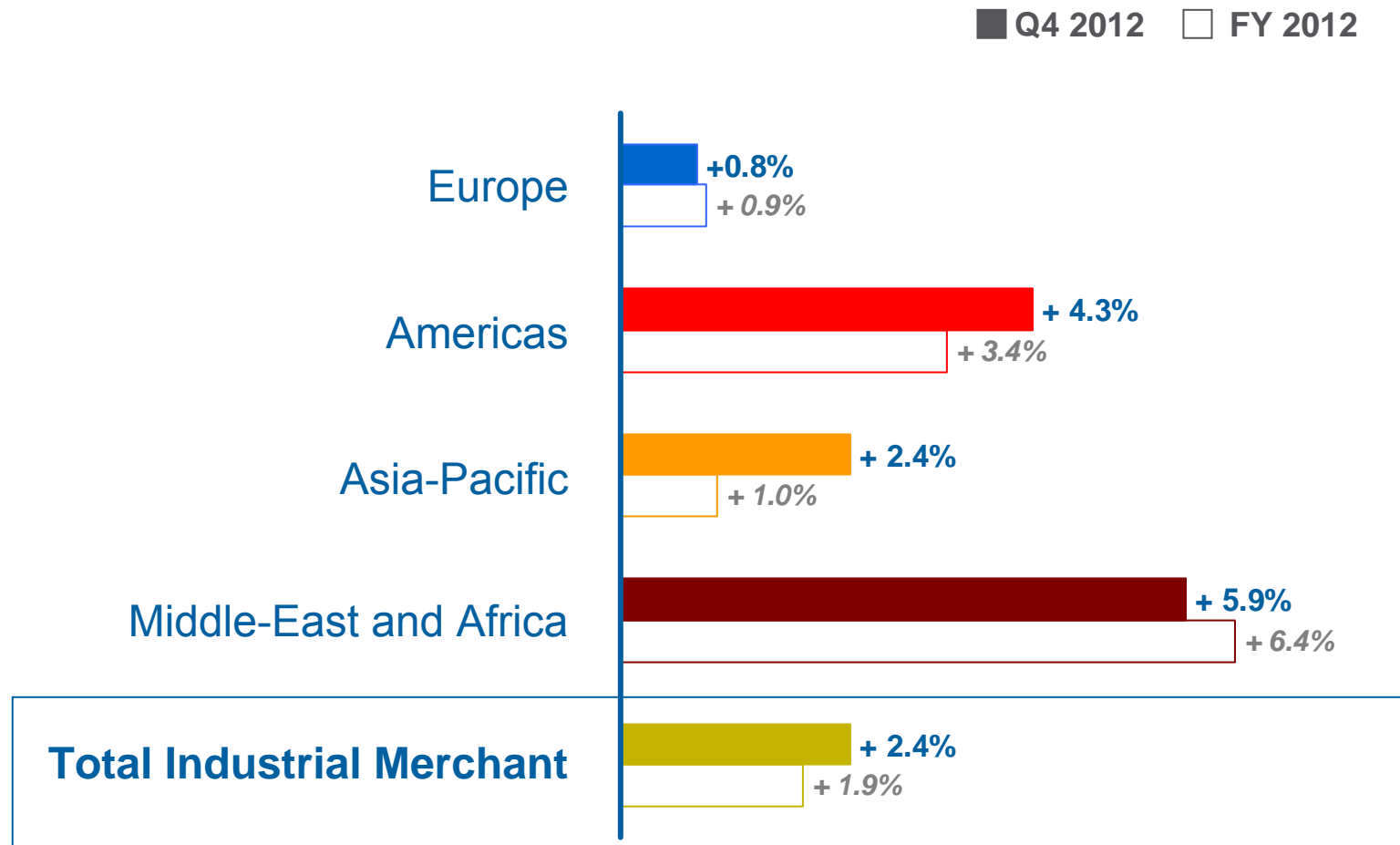


In €m	FY 2012	Publ. growth	Comp. growth <sup>(1)</sup>
Sales	3,416	+10.8%	+2.2%
OIR	516	+2.8%	
OIR/Sales	15.1%	-120bps	-120bps <sup>(2)</sup>

(1) excluding impact of currency, natural gas and significant scope.

(2) excluding impact of natural gas.

# Industrial Merchant pricing

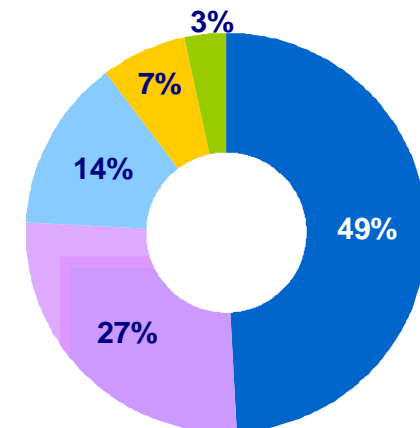


# Engineering & Construction

In €m	2011	2012
Consolidated revenues	705	785
OIR <sup>(1)</sup> margin	10.6%	10.0%
Total order intake	1,010	1,704
Total orders-in-hand	3,200	4,000

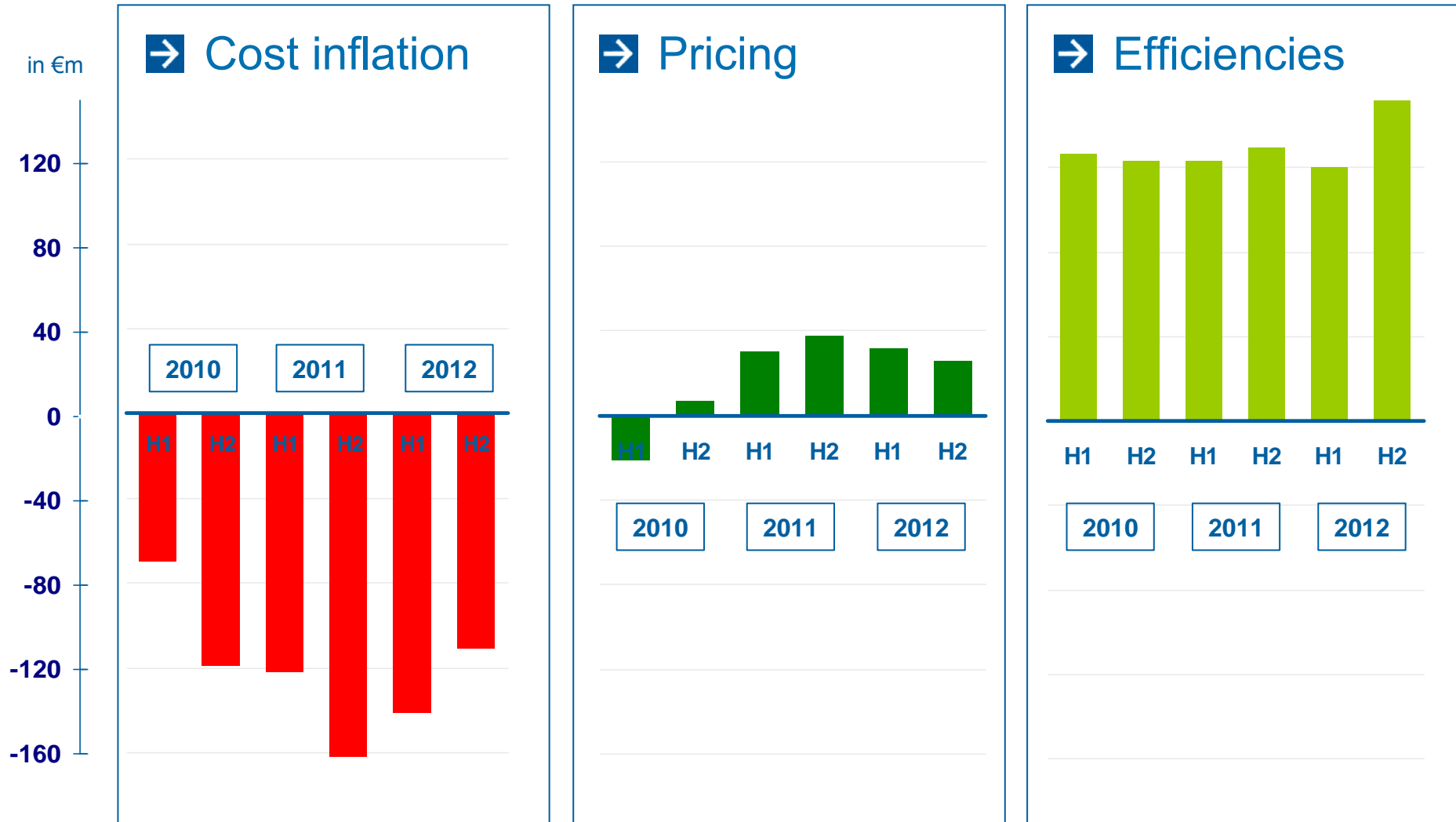
## → Total Orders-in-hand breakdown at Dec 31, 2012

- ASU
- HyCO
- Traditional energy
- Alternative energy
- Renewable energy



(1) includes financial income generated by customer advances.

# Pricing and efficiency more than offset cost inflation



# Operating margin – natural gas effect

Group, in €m	2011	2012
<b>Revenue</b>	<b>14,457</b>	<b>15,326</b>
Incl. Natural gas effect		+17
Operating income recurring	2,409	2,560
Operating margin	16.7%	16.7%
<b>Operating margin excluding natural gas</b>		<b>16.7%</b>

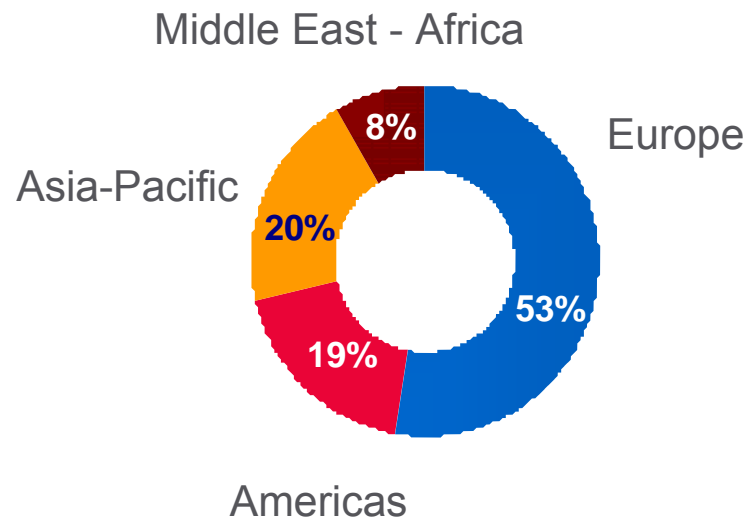
Gas and services, in €m	2011 revised <sup>(1)</sup>	2012
<b>Revenue</b>	<b>13,064</b>	<b>13,912</b>
Incl. Natural gas effect		+17
Operating income recurring	2,473	2,622
Operating margin	18.9%	18.8%
<b>Operating margin excluding natural gas</b>		<b>18.9%</b>

(1) 2011 revised for integration of Seppic in Gas and Services.



# Gas & Services capex by geography

→ G&S 2012 Investments<sup>(1)</sup>  
€2.8bn



→ G&S Investments<sup>(1)</sup> / sales

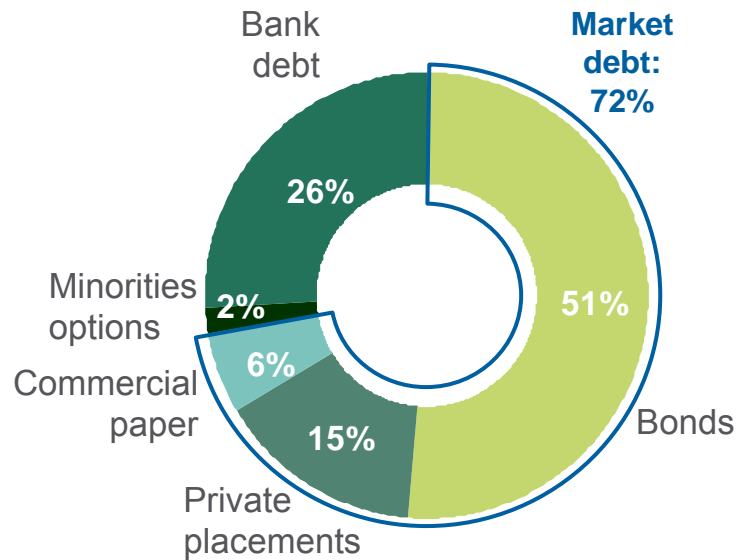
	2011	2012
Europe	11.0%	21.3%
Americas	14.8%	16.8%
Asia-Pacific	17.1%	17.0%
Middle East and Africa	46.2%	64.2%
<b>Total</b>	<b>14.2%</b>	<b>20.4%</b>

(1) Industrial and financial investments, including transactions with minority shareholders.

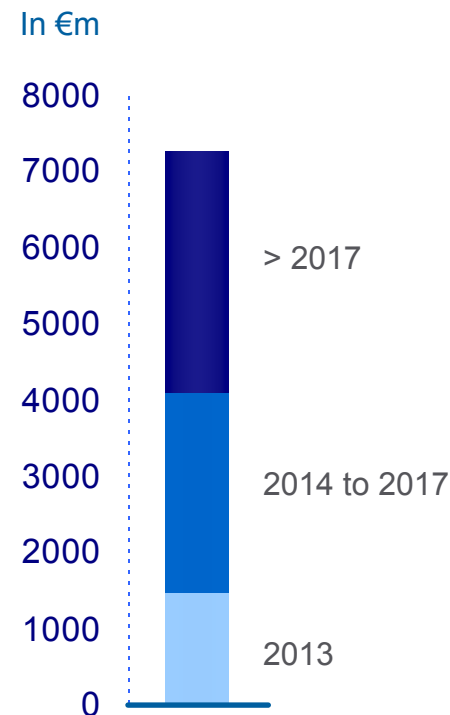
# Financing structure

At 31 December 2012

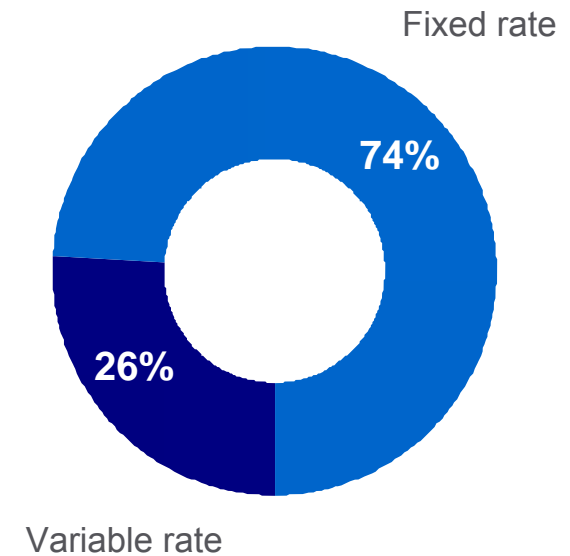
## → Sources



## → Maturity<sup>(1)</sup>

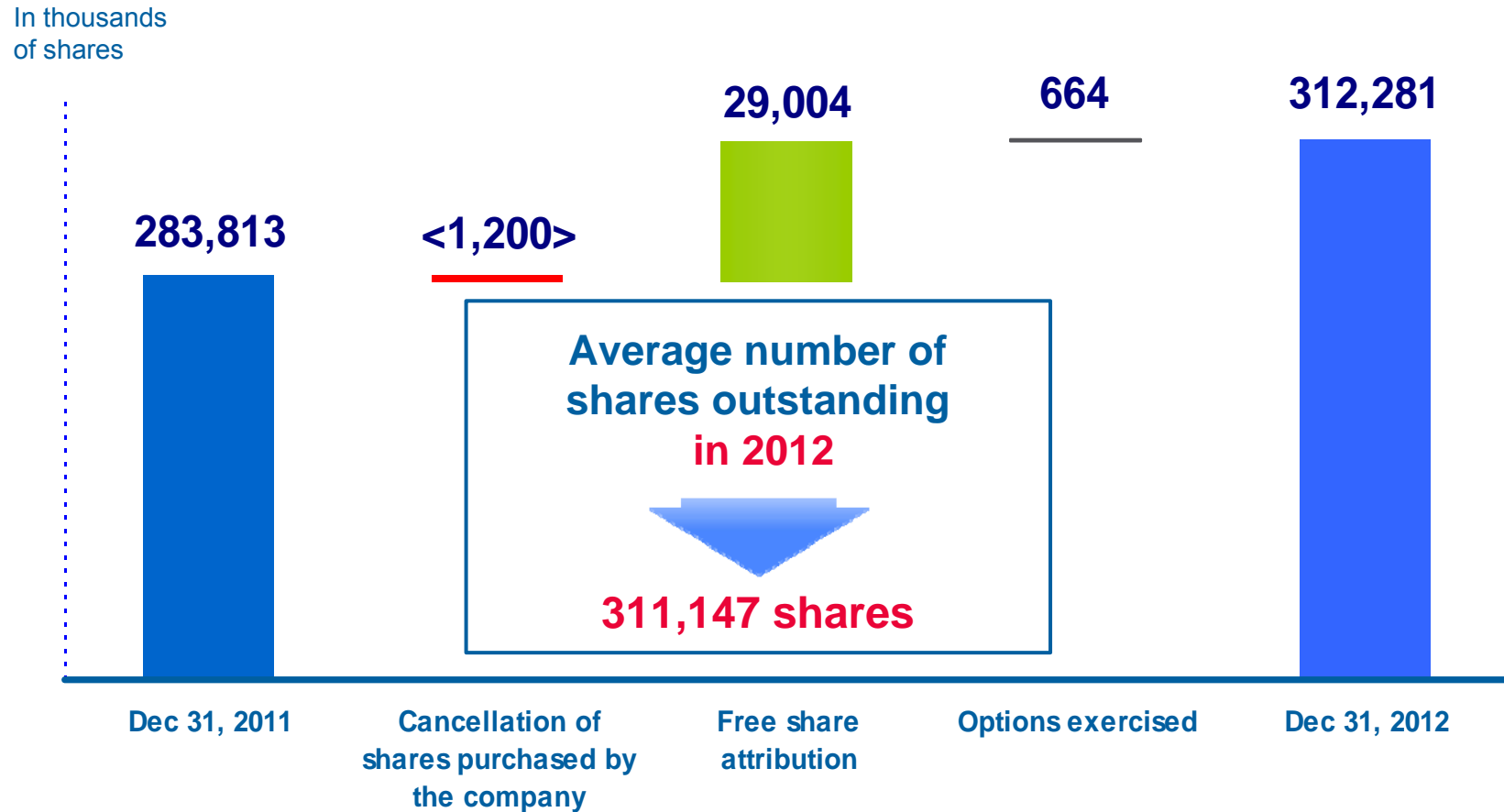


## → Fixed/variable rates

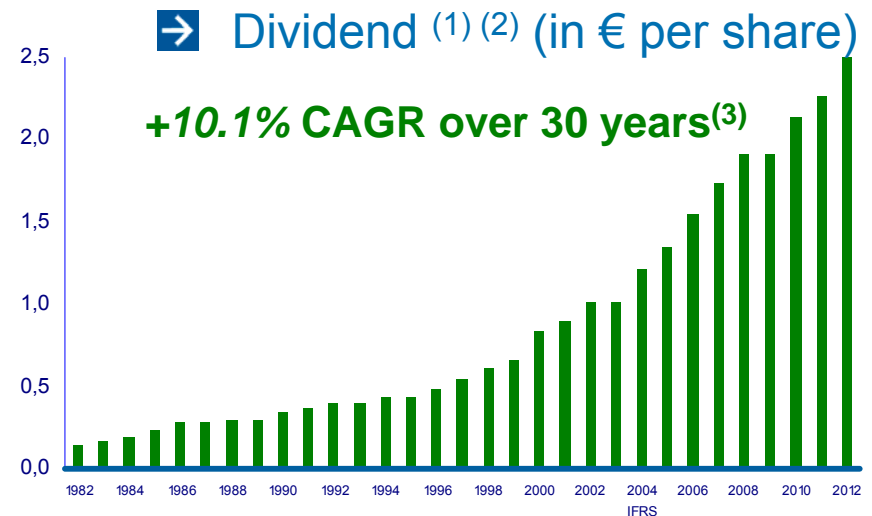
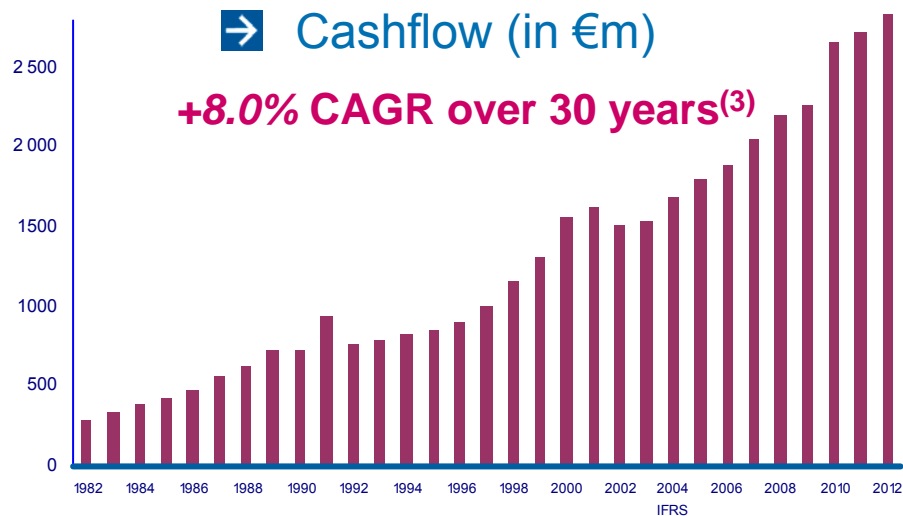
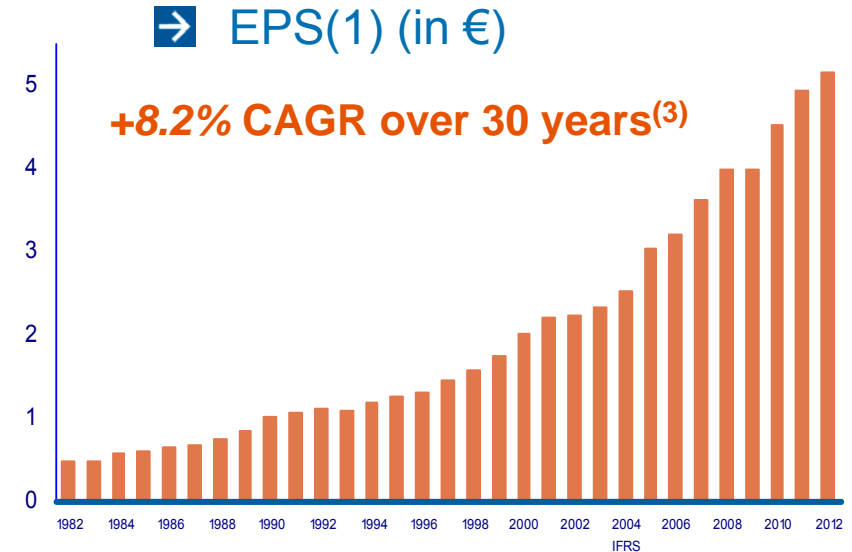


(1) The maturity date for commercial paper coincides with that of confirmed credit lines.

# Evolution of number of shares



# Regular and sustained performance



(1) Adjusted for the 2-for-1 share split in 2007 and free share attributions. (2) To be approved by the AGM on May 7 2013. (3) Calculated according to prevailing accounting rules over 30 years.

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