

(BN) Air Liquide CEO Builds Europe Business as Linde Expands in U.S.

+-----+

Air Liquide CEO Builds Europe Business as Linde Expands in U.S.

2012-07-30 14:04:50.557 GMT

By Francois de Beaupuy

July 30 (Bloomberg) -- Air Liquide SA Chief Executive Officer Benoit Potier said the company will develop its European home health-care business, as German competitor Linde AG pursues a \$3.8 billion purchase of Lincare Holdings Inc. in the U.S.

"We're quite comfortable in developing our European home-care business," Potier said today at a press conference in Paris. "There will be other opportunities across the world."

Potier declined to say whether Air Liquide might counterbid for Lincare as the Paris-based company "never comments on ongoing market operations." There are risks in the U.S. home-care market, he said.

Linde, based in Munich, may leapfrog Air Liquide as the world's biggest maker of industrial gases when it completes the purchase of Lincare announced this month. Air Liquide had expressed interest in Clearwater, Florida-based Lincare, a person familiar with the sale process said in June. Air Liquide has exited the U.S. home-care market twice, Potier said.

"The next three to four years will be years of great changes for the U.S. market," Potier said. "I don't know how the home health-care market will stabilise." U.S. federal authorities and private insurers have stringent requirements for companies managing customer files, and those falling short "may end up with the costs and not with the sales," Potier said.

The market for home care "is mainly located in the U.S., Europe and Japan, though the emerging middle class in new economies is also asking for home care," which is typically cheaper than hospital care, Potier said.

#### Shares Decline

In January, Linde agreed to buy Air Products & Chemicals Inc.'s European home-care business.

In the past two months, Air Liquide agreed to buy LVL Medical Groupe SA's French operations for 316 million euros (\$387 million) and Spain's Gasmedi for 330 million euros to expand services for aging populations in mature economies.

Air Liquide's second-quarter sales rose 5.1 percent to 3.75 billion euros, the company said today in a statement. That compared with the 3.81 billion-euro average estimate of analysts in a Bloomberg survey.

Air Liquide fell 1.2 percent to 90.62 euros at 3:56 p.m. in Paris trading.

Sales of gas and services rose 0.9 percent to 3.39 billion euros, excluding the effects of natural-gas prices, currency shifts and acquisitions or disposals. That's the smallest increase in 10 quarters as European steel and automakers reeled from the sovereign debt crisis, and Japanese electronics makers reduced investment.

For Related News and Information:

Air Liquide's sales and earnings table:

AI FP <Equity> FA16 <GO>

Air Liquide regional sales graph:

AI FP <Equity> FA GEO CHART <GO>

Air Liquide earnings graph: AI FP <Equity> FA ISBAR <GO>

--Editors: Robert Valpuesta, Benedikt Kammel.

To contact the reporter on this story:

Francois de Beaupuy in Paris at +33-1-5365-5051 or [fdebeaupuy@bloomberg.net](mailto:fdebeaupuy@bloomberg.net).

To contact the editor responsible for this story:

Benedikt Kammel at +49-30-70010-6230 or

[bkammel@bloomberg.net](mailto:bkammel@bloomberg.net)