

INVITATION TO SHAREHOLDERS' MEETING



COMBINED SHAREHOLDERS' MEETING
MAY 4, 2011 AT 3:00 PM

AT LE PALAIS DES CONGRÈS
2, PLACE DE LA PORTE MAILLOT – 75017 PARIS – FRANCE



BEING A SHAREHOLDER MEANS SHARING **MORE** THAN JUST SECURITIES

YOUR VOTE COUNTS!

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➤ Air Liquide in 2010

- A presence in **80 countries**
- **43,600 Group employees**
- **390,000 individual shareholders** holding **36%** of the capital
- **Revenue: 13.5 billion euros**
- **Net profit: 1,404 million euros**
- Proposed **dividend: 2.35 euros** per share

For further information about the Group,
please consult our website www.airliquide.com

➤ 2010 strong increase in net profit

In February 2011, commenting on the 2010 results of the Group, Benoît Potier, Chairman and CEO stated:

“2010 highlights include the return to more sustained growth in all of our businesses and geographies, and stronger overall performance. The Group has expanded its positions in Developing economies, which represent 19% of Gas & Services sales for the year. This performance, together with our ongoing efficiency programs, led to further improvement in operating results and a strengthened balance sheet.”



Please join us on May 4, 2011

Thanks to your vote, we will build
Air Liquide's future together.

Dear Shareholders,

Air Liquide's Combined Shareholders' Meeting will be held on **Wednesday May 4, 2011**, at 3:00 p.m. at Le Palais des Congrès in Paris, France.

The Annual Shareholders' Meeting is a **special occasion to learn more about your Company and exchange with us**. It is also an opportunity for you to **play an active role**, through your vote, in making major decisions for your Group, regardless of the number of shares you own.

I sincerely hope you will be able to participate in this Meeting, either **by attending**, or **by using the proxy form** which allows you to vote directly or be represented by the Chairman, or any other person of your choice.

In this document, you will find **instructions on how to participate** in this Meeting, its **agenda** and the **text of the resolutions** to be submitted for your approval.

I would like to thank you in advance for taking the time to consider the resolutions proposed.

Yours sincerely,



Benoît Potier
Chairman and CEO

How to exercise your voting right?

Whatever the number of shares you hold, your vote counts!

Two deadlines to remember in order to participate in the General Meeting ^(a):

◆ Friday April 29, 2011, at 00:00, that is Thursday April 28, 2011 at midnight

Shareholders holding shares in bearer or registered form at this date may cast a vote in the Shareholder's Meeting.

AND

◆ Saturday April 30, 2011 at midnight

The Company must receive shareholders' voting documents by midnight on Saturday April 30, 2011 at the latest.

If you hold bearer shares and have not received your admission card by 00:00, on Friday, April 29, 2011, you may request an individual certificate of attendance from your bank in order to attend the Meeting.

STEP 1: HOW DO YOU WANT TO VOTE?

You wish to attend the Meeting

Tick this box, date and sign at the bottom of the form.

Do not wait until the last days before the Meeting!

Send your request as soon as possible to receive your admission card on time.

OR You wish to vote by post

Tick the "I vote by post" box and then follow the instructions. Date and sign at the bottom of the form.

OR You wish to authorize the Chairman of the Meeting to vote on your behalf

Tick the "I hereby give my proxy to the Chairman of the Meeting" box, then date and sign at the bottom of the form.

OR You wish to appoint another shareholder, your spouse or any other person as proxy

Tick the "I hereby appoint" box, fill in the name and address of your proxy at the Meeting, then date and sign at the bottom of the form.

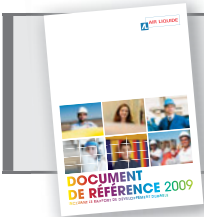
Your spouse, another Air Liquide shareholder or any person of your choice may act as your proxy ^(b).

You may also appoint or revoke a proxy electronically under the conditions described in the Preliminary Meeting Notice published in the legal gazette (BALO – *Bulletin des Annonces Légales Obligatoires*) and available on www.airliquide.com, in the Shareholders section.

STEP 2: DATE AND SIGN THE FORM whatever your choice

(a) In accordance with Articles R.225-77 and R.225-85 of the French Commercial Code.

(b) Shareholders, acting as proxy for other shareholders and holding forms confirming their duties, must send these forms to Air Liquide by midnight on Saturday April 30, 2011 at the latest, in order to be taken into account.



For further information, please complete and return the attached application form.

A € 10 attendance fee per person will be paid to all shareholders who attend the Meeting, regardless of the number of admission cards presented or the number of shareholders represented.

STEP 3: CHECK YOUR NAME AND ADDRESS and correct them if needed

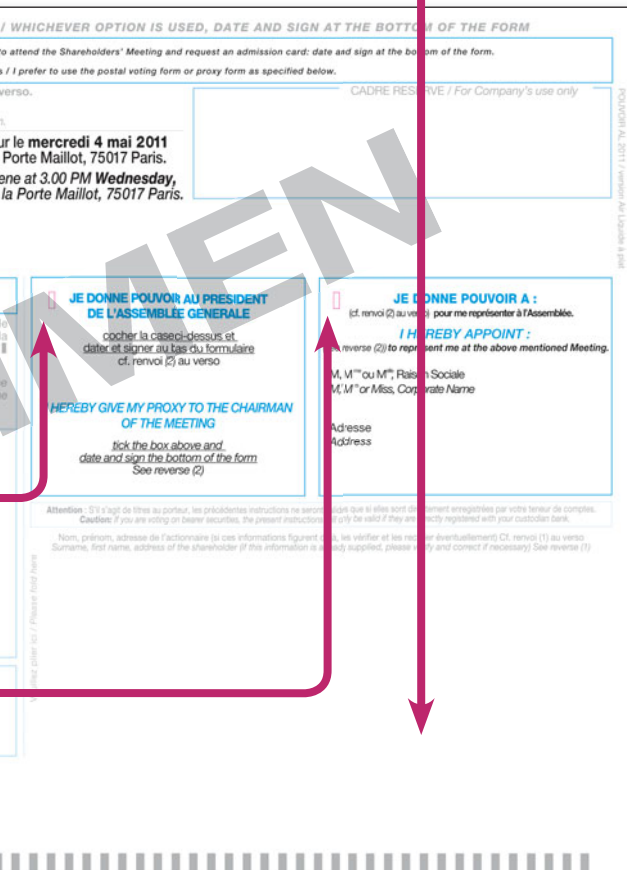
STEP 4: RETURN YOUR FORM in the prepaid envelope

- ◆ If you hold **registered shares**, please return the form directly to Air Liquide;
- ◆ If you hold **shares in bearer form**, please return the form to your financial intermediary, who will then send it to Air Liquide.

In all cases, Air Liquide must receive the form by midnight on Saturday April 30, 2011 at the latest ^(b). Forms received after the deadline will not be considered in the voting of the Shareholders' Meeting.

You may still sell all or part of your shares even if you have cast a vote or requested an admission card. In this case, the institution responsible for managing your share account should inform Air Liquide so that the number of shares you hold on Friday April 29, 2011 at 00:00 may be known.

NB : Financial service providers, eligible to act as intermediaries on behalf of shareholders who are not resident in France and benefiting from a general authorization to manage shares, may transfer or issue shareholders' votes under their own name. They implicitly undertake to reveal the identity of the final shareholder to the issuer in accordance with Article L.228-3-2 of the French Commercial Code.



You wish to submit a written question

Questions must be sent by registered mail with acknowledgment of receipt to the Chairman at the Air Liquide head office or by email at shareholders@airliquide.com. If you hold shares in bearer form, you must enclose proof of their ownership with your question.

Questions must be sent to Air Liquide by Thursday April 28, 2011.

Responses to written questions may be published directly on www.airliquide.com, in the Shareholders section.

Note that a shareholder who has already filed a proxy form or requested an admission card or an attendance certificate to physically vote at the Shareholders' Meeting may not choose an alternative means of voting.

For detailed information, you may refer to the Preliminary Meeting Notice published in the legal gazette (BALO – *Bulletin des Annonces Légales Obligatoires*) on February 18, 2011 and available on www.airliquide.com, in the Shareholders section.

Resolutions submitted for your approval

To vote is to participate in the decision making

Agenda

➤ ORDINARY SHAREHOLDERS' MEETING

- ◆ Board of Directors' reports.
- ◆ Statutory Auditors' reports.
- ◆ Approval of the Company financial statements for the year ended December 31, 2010.
- ◆ Approval of the consolidated financial statements for the year ended December 31, 2010.
- ◆ Appropriation of 2010 earnings and setting of the dividend.
- ◆ Authorization granted to the Board of Directors for a period of 18 months to allow the Company to trade in its own shares.
- ◆ Renewal of the term of office of two members of the Board of Directors.
- ◆ Appointment of a Director.
- ◆ Approval of the agreement referred to in Articles L.225-38 *et seq.* of the French Commercial Code and the Statutory Auditors' Special Report relating to Air Liquide International.
- ◆ Setting of Directors' fees.

➤ EXTRAORDINARY SHAREHOLDERS' MEETING

- ◆ Authorization granted to the Board of Directors for a period of 24 months to reduce the share capital by cancellation of treasury shares.
- ◆ Approval of a partial asset contribution plan governed by the legal regime for spin-offs granted by the Company to its subsidiary Air Liquide France Industrie of its business for supplying and marketing industrial gases.
- ◆ Approval of a partial asset contribution plan governed by the legal regime for spin-offs granted by the Company to its subsidiary Air Liquide Advanced Technologies of its business for the design and production of equipment in the aerospace, aeronautics and cryogenics fields.

- ◆ Approval of a partial asset contribution plan governed by the legal regime for spin-offs granted by the Company to its subsidiary Cryopal of its business for producing and marketing cryogenic receptacles.
- ◆ Approval of a partial asset contribution plan governed by the legal regime for spin-offs granted by the Company to its subsidiary Air Liquide Engineering of its business for technological expertise conducted at the Blanc-Mesnil site.
- ◆ Approval of a partial asset contribution plan governed by the legal regime for spin-offs granted by the Company to its subsidiary Air Liquide Services of its business for the development, installation and operation of industrial information systems.
- ◆ Delegation of authority granted to the Board of Directors for a period of 18 months in order to issue free share subscription warrants in the event of a takeover bid for the Company.
- ◆ Delegation of authority granted to the Board of Directors for a period of 26 months in order to increase the share capital via the issuance of ordinary shares or marketable securities conferring entitlement, immediately and/or in the future, to the Company's share capital, with retention of shareholders preferential share subscription rights.
- ◆ Authorization granted to the Board of Directors for a period of 26 months to increase the amount of shares or marketable securities in the event of oversubscription.
- ◆ Delegation of authority granted to the Board of Directors for a period of 26 months to perform share capital increases reserved for members of a company or group savings plan.
- ◆ Delegation of authority granted to the Board of Directors for a period of 18 months to perform share capital increases reserved for a category of beneficiaries.

➤ ORDINARY SHAREHOLDERS' MEETING

- ◆ Powers for formalities.

Proposed resolutions and purpose

➤ ORDINARY SHAREHOLDERS' MEETING

Approval of the financial statements for the year (Resolutions 1 and 2)

PURPOSE

Having reviewed the Reports of the Board of Directors and the Statutory Auditors, shareholders are asked in the 1st and 2nd resolutions to approve the Company financial statements and consolidated financial statements of Air Liquide for the year ended December 31, 2010.

FIRST RESOLUTION

(Approval of the Company financial statements for the year ended December 31, 2010)

The shareholders, deliberating according to the quorum and majority required for Ordinary Shareholders' Meetings, after having reviewed:

- ◆ the Reports of the Board of Directors and the Statutory Auditors;

- ◆ the Company's financial statements, income statement, balance sheet and notes thereto;
- approve the Company's financial statements for the year ended December 31, 2010 as presented, and approve the transactions reflected in these financial statements or mentioned in these reports.

The shareholders set the amount of net earnings for the year at 822,246,186 euros.

SECOND RESOLUTION

(Approval of the consolidated financial statements for the year ended December 31, 2010)

The shareholders, deliberating according to the quorum and majority required for Ordinary Shareholders' Meetings, after having reviewed:

- ♦ the Reports of the Board of Directors and the Statutory Auditors;

- ♦ the Group's consolidated financial statements; approve the consolidated financial statements for the year ended December 31, 2010 as presented.

Appropriation of earnings and setting of the dividend (Resolution 3)

PURPOSE

In the 3rd resolution, shareholders are asked to take due note of the distributable earnings for the year and approve the appropriation of earnings and the distribution of a dividend of 2.35 euros per share, with a payment date set for May 16, 2011.

This amount corresponds to an increase of +11.4% compared to the 2009 dividend paid in 2010, adjusted to account for the free share attribution of May 2010.

A loyalty dividend of 10%, i.e. 0.23 euros per share, shall be granted to shares which have been held in registered form since December 31, 2008, and which shall remain held in this form continuously until May 16, 2011, the dividend payment date. As of December 31, 2010, 25% of the shares making up the share capital are likely to benefit from this loyalty dividend.

With a pay-out ratio of 48.7% of the Group's net income, the dividend proposed to shareholders is an integral part of Air Liquide's policy to reward and grow shareholder portfolios in the long term.

THIRD RESOLUTION

(Appropriation of 2010 earnings and setting of the dividend)

The shareholders, deliberating according to the quorum and majority required for Ordinary Shareholders' Meetings, after having noted that, considering the fiscal year 2010 earnings of 822,246,186 euros, the allocation of 10,912,406 euros to the legal reserve, and the retained earnings of 587,732,122 euros as of December 31, 2010, distributable earnings for the year total 1,399,065,902 euros, approve the proposals of the Board of Directors regarding the appropriation of earnings. The shareholders hereby decide to appropriate distributable earnings as follows:

Retained earnings	714,896,124 euros
Dividend (including the loyalty dividend)	684,169,778 euros

Hence, a dividend of 2.35 euros shall be paid on each of the shares conferring entitlement to a dividend, it being specified that in the event of a change in the number of shares conferring entitlement to a dividend compared to the 284,095,093 shares making up the share capital as of December 31, 2010, the overall dividend amount would be adjusted accordingly and the amount appropriated to the "Retained earnings" account would be determined on the basis of the dividend effectively paid.

The dividend payment date will be set for May 16, 2011:

- ♦ for directly registered shares: directly by the Company, based on the means of payment indicated by the holders;
- ♦ for indirectly registered shares, as well as for bearer shares which are registered in shareholder accounts: by the authorized intermediaries to whom the management of these shares has been entrusted.

The dividend distributions made with respect to the last three fiscal years are as follows:

	Total amount distributed ^(a) (in euros)	Number of shares concerned ^(b)	Dividend distributed in its entirety eligible for the 40% allowance referred to in Article 158.3.2° of the French Tax Code (in euros)
2007			
Ordinary dividend	537,400,597	238,844,710	2.25
Loyalty dividend	13,549,177	61,587,166	0.22
2008			
Ordinary dividend	587,075,283	260,922,348	2.25
Loyalty dividend	14,953,289	67,969,494	0.22
2009			
Ordinary dividend	594,572,297	264,254,354	2.25
Loyalty dividend	14,579,274	66,269,428	0.22

(a) Theoretical values calculated based on the number of shares as of December 31 for each fiscal year.

(b) Number of shares expressed historically as of December 31 for each fiscal year.

The amounts paid after adjustment were as follows:

- fiscal year 2007: 543,902,599 euros for 235,958,155 shares,
- fiscal year 2008: 602,950,665 euros for 261,657,353 shares,
- fiscal year 2009: 606,804,564 euros for 263,543,383 shares.

The adjustment arises from the existence of treasury shares, from the final determination of the loyalty dividend taking into account shares sold between January 1 and the dividend ex-date, and from the exercise of options and (in 2009) the share capital increase reserved for employees, carried out over this same period.

RESOLUTIONS SUBMITTED FOR YOUR APPROVAL

Pursuant to the provisions of the articles of association, a loyalty dividend of 10%, *i.e.* 0.23 euros per share with a par value of 5.50 euros, shall be granted to shares which have been held in registered form since December 31, 2008, and which shall remain held in this form continuously until May 16, 2011, the dividend payment date.

In accordance with the provisions of Article 243 bis of the French Tax Code, it is specified that the ordinary and loyalty dividends are also in their entirety eligible for the 40% allowance referred to in section 2° of paragraph 3 of Article 158 of the aforementioned code.

The amount of the loyalty dividend, for the 71,940,478 shares which have been held in registered form since December 31, 2008, and which remained held in this form continuously until December 31, 2010, totaled 16,546,310 euros.

The total loyalty dividend corresponding to those shares out of the aforementioned 71,940,478 shares that will have been sold between January 1, 2011 and May 16, 2011, the dividend payment date, shall be deducted from such amount.

Buyback by the Company of its own shares (Resolution 4)

PURPOSE

The 4th resolution renews the authorization granted to the Board to allow the Company to buy back its own shares.

The maximum purchase price is set at 165 euros per share and the maximum number of shares that can be bought back is limited to 10% of the total number of shares making up the share capital as of December 31, 2010, *i.e.* 28,409,509 shares for a maximum total amount of 4,687,568,985 euros.

In line with the objectives described in the text of the resolution, the shares purchased may, among others, be cancelled in order to offset the long term dilutive impact for shareholders of the implementation of stock option plans or conditional share grants to employees, employee share ownership transactions or share grants to employees and/or executive corporate officers of the Company or Group companies.

In 2010, no shares were bought back outside of the liquidity contract. As of December 31, 2010, the Company held 1.15 million shares (outside of the liquidity contract) for the purpose of exchange or payment in the context of external growth transactions and the implementation of conditional share grants to employees. **These shares represent 0.40% of the Company's share capital.** They do not have any voting rights and their related dividends are allocated to retained earnings.

FOURTH RESOLUTION

(Authorization granted to the Board of Directors for a period of 18 months to allow the Company to trade in its own shares)

The shareholders, deliberating according to the quorum and majority required for Ordinary Shareholders' Meetings, after having reviewed the Report of the Board of Directors, in accordance with Articles L.225-209 *et seq.* of the French Commercial Code and the directly applicable provisions of European Commission regulation no. 2273/2003 of December 22, 2003, authorize the Board of Directors to allow the Company to repurchase its own shares in order to:

- ♦ cancel them, subject to the adoption of the tenth resolution;
- ♦ retain them for the purpose of tendering them within the scope of an exchange offer or for payment in external growth transactions, in accordance with recognized market practice and applicable regulations;
- ♦ tender them following the exercise of rights attached to marketable securities conferring entitlement to Company shares by redemption, conversion, exchange, presentation of a warrant or any other means;
- ♦ implement (i) share purchase option plans or (ii) plans for free grants of shares, or (iii) employee share ownership transactions reserved for members of a company savings plan, performed under the terms and conditions set forth in Articles L.3331-1 *et seq.* of the French Labor Code through the transfer of shares bought back previously by the Company under this resolution, or providing for a free grant of shares in respect of a contribution in shares by the Company and/or to replace the discount;

or (iv) allocation of shares to employees and/or executive corporate officers of the Company and affiliated companies, in accordance with the laws and regulations in force;

- ♦ maintain an active market in the Company's shares pursuant to a market liquidity contract in accordance with an ethics charter recognized by the French Financial Markets Authority (*Autorité des marchés financiers*).

The shareholders set the maximum purchase price at 165 euros (excluding acquisition costs) per share with a par value of 5.50 euros and the maximum number of shares that can be bought back at 10% of the total number of shares comprising the share capital at December 31, 2010, *i.e.* 28,409,509 shares with a par value of 5.50 euros, for a maximum total amount of 4,687,568,985 euros, subject to the legal limits.

These shares may be purchased at any time, excluding the periods for takeover bids on the Company's share capital, and by all available means, either on any stock market or off a stock exchange, in private transactions, including the purchase of blocks of shares, or through the use of option mechanisms, and, if applicable, by all third parties acting on behalf of the Company, under the terms and conditions stipulated in the last paragraph of Article L.225-206 of the French Commercial Code.

Shares bought back may be commuted, assigned or transferred in any manner on any stock market or off a stock exchange or through private transactions, including the sale of blocks of shares, in accordance with the applicable regulations. Dividends on own shares held by the Company shall be allocated to retained earnings.

This authorization is granted for a period of eighteen months starting from the date of the Shareholders' Meeting. It supersedes the authorization granted by the fourth resolution of the Ordinary Shareholders' Meeting of May 5, 2010 with respect to the non-utilized portion of such authorization.

The shareholders give full powers to the Board of Directors, with the possibility of delegating such powers, to implement this

authorization, place orders for trades, enter into all agreements, perform all formalities and make all declarations with regard to all authorities and, generally, do all that is necessary for the execution of any of the Board's decisions made in connection with this authorization.

The Board of Directors shall inform the shareholders of any transactions performed in accordance with applicable regulations.

Appointment or renewal of terms of office of Directors (Resolutions 5, 6 and 7)

PURPOSE

The 5th and 6th resolutions concern the renewal of the terms of office of certain Company Directors. The Board of Directors currently comprises 12 members, 9 of whom are independent as defined by the Board's Internal Regulations.

The purpose of the resolutions submitted to your vote is the renewal, for a period of four years, of the term of office of:

- Mr. Gérard de La Martinière, a former Management Board member and Chief Financial, Control and Strategic Officer of AXA, an Air Liquide Board member since May 2003. Mr. Gérard de La Martinière will continue to provide his extensive financial expertise as well as his in-depth knowledge of stock market operations and regulations.

- Mr. Cornelis van Lede, former Management Board Chairman and then member of the Akzo Nobel N.V. Supervisory Board, an Air Liquide Board member since May 2003. Mr. Cornelis van Lede will continue to provide his extensive expertise in managing industrial matters in an international context.

Assuming that their term of office as Director will be renewed, the Board has also planned to retain Mr. Gérard de La Martinière in his role as Chairman of the Audit and Accounts Committee, and Mr. Cornelis van Lede in his role as Chairman of the Remuneration Committee and member of the Appointments and Governance Committee.

Upon the recommendation of the Appointments and Governance Committee, shareholders are asked by virtue of the 7th resolution to appoint as Director, for a term of four years, Mrs. Siân Herbert-Jones, of British nationality. Chief Financial Officer of the Sodexo group since 2001, Mrs. Siân Herbert-Jones is a trained chartered accountant and will bring her financial expertise to the Board and her knowledge of the Service sector acquired in an international listed company.

Following these renewals and the appointment, the Board of Directors will comprise 13 members, 10 of whom will be independent as defined by the internal regulations. The Board will notably be composed of three women and five non-French members.

FIFTH RESOLUTION

(Renewal of the term of office of Mr. Gérard de La Martinière)

The shareholders, deliberating according to the quorum and majority required for Ordinary Shareholders' Meetings, after having reviewed the Report of the Board of Directors, decide to renew the term of office of Mr. Gérard de La Martinière as a Director for a term of four years, which will expire at the end of the Ordinary Shareholders' Meeting for 2015, called to approve the financial statements for the fiscal year ending December 31, 2014.

SIXTH RESOLUTION

(Renewal of the term of office of Mr. Cornelis van Lede)

The shareholders, deliberating according to the quorum and majority required for Ordinary Shareholders' Meetings, after having reviewed the Report of the Board of Directors, decide to renew

the term of office of Mr. Cornelis van Lede as a Director for a term of four years, which will expire at the end of the Ordinary Shareholders' Meeting for 2015, called to approve the financial statements for the fiscal year ending December 31, 2014.

SEVENTH RESOLUTION

(Appointment of Mrs. Siân Herbert-Jones as Director)

The shareholders, deliberating according to the quorum and majority required for Ordinary Shareholders' Meetings, after having reviewed the Report of the Board of Directors, decide to appoint Mrs. Siân Herbert-Jones as Director for a term of four years, which will expire at the end of the Ordinary Shareholders' Meeting for 2015, called to approve the financial statements for the fiscal year ending December 31, 2014.

Approval of a related party agreement (Resolution 8)

PURPOSE

Within the framework of a reorganization of the French operations and technology departments as described in the 11th to 15th resolutions and leading to an evolution of the internal organization of the Group's portfolio of subsidiaries, you are asked, in the 8th resolution, to approve a contribution of shares by L'Air Liquide S.A. to Air Liquide International, a wholly-owned subsidiary and with which it has common corporate officers. Such agreement is to be viewed as an extension of the transactions subject to your approval within the 11th, 12th, 13th, 14th and 15th resolutions hereinafter and is described in detail in the Statutory Auditors' Special Report on related party agreements and commitments.

RESOLUTIONS SUBMITTED FOR YOUR APPROVAL

EIGHTH RESOLUTION

(Approval of the agreement referred to in articles L.225-38 et seq. of the French Commercial Code and the Statutory Auditors' Special Report relating to Air Liquide International)

The shareholders, deliberating according to the quorum and majority required for Ordinary Shareholders' Meetings, duly note that the Special Report provided for by the laws and regulations currently

in force on the agreement referred to in Articles L.225-38 *et seq.* of the French Commercial Code entered into with its subsidiary Air Liquide International, has been submitted to them.

The shareholders approve the agreement and the report prepared with regard to such agreement pursuant to Articles L.225-38 *et seq.* of the French Commercial Code.

Setting of Directors' fees (Resolution 9)

PURPOSE

The 9th resolution shall set the annual amount of Directors' fees, in order to account for changes in the composition of the Board, and the increase in the Board's workload and that of its committees. The amount, set at 650,000 euros since 2008, shall increase to an annual amount of 800,000 euros due to the increasing number of meetings and of the number of subjects to be addressed by the Board.

Directors' fees comprise a fixed and a variable portion, based on fixed amounts per meeting, which take into account the effective participation of each Director in the Board's work and that of its committees.

NINTH RESOLUTION

(Setting of Directors' fees)

The shareholders, deliberating according to the quorum and majority required for Ordinary Shareholders' Meetings, after

having reviewed the report of the Board of Directors, decide, in accordance with Article 16 of the articles of association, to set the overall amount of Directors' fees to be granted annually at 800,000 euros, as of fiscal year 2011.

➤ EXTRAORDINARY SHAREHOLDERS' MEETING

Cancellation of shares purchased by the Company *via* a reduction in capital (Resolution 10)

PURPOSE

As it is the case each year, we ask you, in the 10th resolution, to authorize the Board of Directors to cancel any or all of the shares purchased in the share buyback program and reduce share capital under certain conditions, to totally compensate any potential dilution resulting from diverse capital increases.

The difference between the book value of the cancelled shares and their par value will be allocated to any reserve or additional paid-in capital accounts. This authorization granted to the Board of Directors will be for a period of 24 months.

TENTH RESOLUTION

(Authorization granted to the Board of Directors for a period of 24 months to reduce the share capital by cancellation of treasury shares)

The shareholders, deliberating according to the quorum and majority required for Extraordinary Shareholders' Meetings, after having reviewed the report of the Board of Directors and the Statutory Auditors' Special Report, authorize the Board of Directors to cancel, *via* its decisions alone, on one or more occasions, and within the limit of 10% of the Company's share capital per twenty-four month period, any or all of the shares bought back by the Company within the scope of the authorization adopted by this Ordinary Shareholders' Meeting in its fourth resolution and of those shares bought back within the scope of the authorizations adopted by the Ordinary Shareholders' Meetings of May 5, 2010, May 7, 2008 and May 9, 2007 and to reduce the share capital by this amount.

The difference between the book value of the cancelled shares and their par value will be allocated to any reserve or additional paid-in capital accounts.

This authorization is granted for a period of twenty-four months starting from the date of this Shareholders' Meeting. It supersedes the authorization granted by the Extraordinary Shareholders' Meeting of May 5, 2010 in its fifteenth resolution.

Full powers are granted to the Board of Directors to implement this authorization, deduct the difference between the book value of the shares cancelled and their par value amount from all reserve and additional paid-in capital accounts, and with the possibility of sub-delegation, to carry out the necessary formalities to implement the reduction in capital which shall be decided in accordance with this resolution, and amend the articles of association.

Operational governance in France (Resolutions 11, 12, 13, 14 and 15)

PURPOSE

In the Group's main operating regions, including in France, a governance system for operations is being implemented via large subsidiaries by type of business. The aim is to facilitate, in particular, the achievement of strategic orientations, implement action plans, manage risks and be geographically close to the business.

Within this context, it is proposed to regroup the French operations and technology departments currently held by L'Air Liquide S.A., by type of business activity (essentially, Industrial Gases; Advanced Technologies / Engineering and Construction) within specialized French subsidiaries wholly-owned by the Group.

This reorganization would take place through contributions of complete business activities by L'Air Liquide S.A., to its subsidiaries, subject to your approval in the 11th, 12th, 13th, 14th and 15th resolutions.

Each contribution shall be made at the net book value of the assets contributed, based on L'Air Liquide S.A.'s financial statements as of December 31, 2010. All the beneficiaries' shares issued as consideration for the contribution shall belong to L'Air Liquide S.A. There will be no impact on jobs or the number of people.

The 11th resolution involves the contribution to Air Liquide France Industrie of the industrial gases business; the 12th resolution involves the contribution to Air Liquide Advanced Technologies of the design and production of equipment for the aerospace, aeronautics and cryogenics fields; the 13th resolution involves the contribution to Cryopal of the production and marketing of cryogenics reservoirs; the 14th resolution involves the contribution to Air Liquide Engineering of the technical assessment activities conducted at the Blanc-Mesnil site and the 15th resolution involves the contribution to Air Liquide Services of the development, installation and operations of industrial information systems.

ELEVENTH RESOLUTION

(Approval of a partial asset contribution plan governed by the legal regime for spin-offs granted by the Company to its subsidiary Air Liquide France Industrie of its business for supplying and marketing industrial gases)

The General Meeting, resolving on the quorum and majority conditions required for Extraordinary General Meetings, after having read:

- ♦ the opinion of the central works council, dated January 6, 2011,
 - ♦ the report of the Board of Directors,
 - ♦ the reports prepared by the contribution auditor by order (*ordonnance*) of the President of the Paris Commercial Court dated September 27, 2010,
 - ♦ the partial asset contribution agreement dated February 15, 2011 between the Company and its subsidiary Air Liquide France Industrie, French limited liability company (*société anonyme*), with capital of 22,650,180 euros, whose registered office is located at 6, rue Cognacq-Jay, 75007 Paris, registered with the Paris Trade and Companies Register, under number 314 119 504 (the "Beneficiary"), and
 - ♦ the respective financial statements and management reports of the Company and of the Beneficiary, made available to the shareholders pursuant to applicable regulations,
1. Approves:
 - ♦ the partial asset contribution agreement pursuant to which the Company contributes to the Beneficiary, under the legal regime for spin-offs, all the assets, rights and obligations and the liabilities, related to the complete and autonomous business for supplying and marketing industrial gases, subject to the approval by the Beneficiary's General Shareholders' Meeting, of such contribution, its valuation, its consideration and the Beneficiary's related capital increase;
 - ♦ its valuation based on the net book values of the assets contributed equal to 599,528,765 euros and the liabilities assumed equal to 429,549,724 euros, meaning net assets contributed equal to 169,979,041 euros, based on L'Air Liquide S.A.'s financial statements as of December 31, 2010;
 2. Gives, as a result of the foregoing, all powers to the Board of Directors, with the option to sub-delegate on the legal and regulatory terms applicable, for the purpose of:
 - ♦ acknowledging the fulfilment of the aforementioned condition precedent;
 - ♦ acknowledging as a result the completion of the partial asset contribution and its consideration; and
 - ♦ if need be, to formalize the terms of such contribution before a notary, execute all instruments finalizing such partial asset contribution agreement, undertake all reports, conclusions, disclosures and formalities, *inter alia* the declaration of compliance required by the applicable legal provisions, which may be necessary for the purpose of completing the contribution granted by the Company to the Beneficiary.

RESOLUTIONS SUBMITTED FOR YOUR APPROVAL

TWELFTH RESOLUTION

(Approval of a partial asset contribution plan governed by the legal regime for spin-offs granted by the Company to its subsidiary Air Liquide Advanced Technologies of its business for the design and production of equipment in the aerospace, aeronautics and cryogenics fields)

The General Meeting, resolving on the quorum and majority conditions required for Extraordinary General Meetings, after having read:

- ♦ the opinion of the central works council dated January 6, 2011,
- ♦ the report of the Board of Directors,
- ♦ the reports prepared by the contribution auditor by order (*ordonnance*) of the President of the Paris Commercial Court dated September 27, 2010,
- ♦ the partial asset contribution agreement dated February 15, 2011 between the Company and its subsidiary Air Liquide Advanced Technologies, French limited liability company (*société anonyme*), with capital of 4,778,655 euros, whose registered office is located at 75 quai d'Orsay, 75007 Paris, registered with the Paris Trade and Companies Register, under number 712 009 661 (the "Beneficiary"), and
- ♦ the respective financial statements and management reports of the Company and of the Beneficiary, made available to the shareholders pursuant to applicable regulations,

1. Approves:

- ♦ the partial asset contribution agreement pursuant to which the Company contributes to the Beneficiary, under the legal regime for spin-offs, all the assets, rights and obligations and the liabilities, related to the complete and autonomous business for the design and production of equipment in the aerospace, aeronautics and cryogenics fields, subject to the approval by the Beneficiary's General Shareholders' Meeting, of such contribution, its valuation, its consideration and the Beneficiary's related capital increase;
- ♦ its valuation based on the net book values of the assets contributed equal to 49,369,034 euros and the liabilities assumed equal to 42,974,047 euros, meaning net assets contributed equal to 6,394,987 euros, based on L'Air Liquide S.A.'s financial statements as of December 31, 2010;
- ♦ the allocation to the Company, as consideration for the contribution made, of 777,979 new shares of the Beneficiary, with a par value of 5 euros each, to be created by the Beneficiary by increasing its capital. The difference between the net value of the assets and rights contributed by the Company, *i.e.*, 6,394,987 euros and the par value of the shares which shall be created by the aforementioned capital increase, *i.e.*, 3,889,895 euros, shall constitute a contribution premium of 2,505,092 euros which shall be posted as liabilities in the Beneficiary's balance sheet and to which the former and new shareholders' rights shall be applicable;
- ♦ the establishment of the date for performing the contribution-spin-off for the lifting of the aforementioned condition precedent and no later than September 30, 2011, unless the Company and Beneficiary decide to extend such date;
- ♦ the establishment of the effective date from an accounting and tax perspective of such contribution retroactively to January 1, 2011, such that all income from all the transactions performed by the Company between January 1 and the date of completion of such contribution shall be deemed realized to the Beneficiary's profit or loss, depending which applies, and shall be deemed completed by the Beneficiary since January 1, 2011.

2. Gives, as a result of the foregoing, all powers to the Board of Directors, with the option to sub-delegate on the legal and regulatory terms applicable, for the purpose of:

- ♦ acknowledging the fulfilment of the aforementioned condition precedent;
- ♦ acknowledging as a result the completion of the partial asset contribution and its consideration; and
- ♦ if need be, to formalize the terms of such contribution before a notary, execute all instruments finalizing such partial asset contribution agreement, undertake all reports, conclusions, disclosures and formalities, *inter alia* the declaration of compliance required by the applicable legal provisions, which may be necessary for the purpose of completing the contribution granted by the Company to the Beneficiary.

THIRTEENTH RESOLUTION

(Approval of a partial asset contribution plan governed by the legal regime for spin-offs granted by the Company to its subsidiary Cryopal of its business for producing and marketing cryogenic receptacles)

The General Meeting, resolving on the quorum and majority conditions required for Extraordinary General Meetings, after having read:

- ♦ the opinion of the central works council dated January 6, 2011,
- ♦ the report of the Board of Directors,
- ♦ the reports prepared by the contribution auditor by order (*ordonnance*) of the President of the Paris Commercial Court dated September 27, 2010,
- ♦ the partial asset contribution agreement dated February 15, 2011 between the Company and its subsidiary Cryopal, French limited liability company (*société anonyme*), with capital of 1,209,234 euros, whose registered office is located at 8, avenue Gutenberg – Parc Gustave Eiffel, 77607 Bussy Saint-Georges, registered with the Meaux Trade and Companies Register, under number 420 499 477 (the "Beneficiary"), and
- ♦ the respective financial statements and management reports of the Company and of the Beneficiary, made available to the shareholders pursuant to applicable regulations,

1. Approves:

- ♦ the partial asset contribution agreement pursuant to which the Company contributes to the Beneficiary, under the legal regime for spin-offs, all the assets, rights and obligations and the liabilities, related to the complete and autonomous business for the production and marketing of cryogenic receptacles, subject to the approval by the Beneficiary's General Shareholders' Meeting, of such contribution, its valuation, its consideration and the Beneficiary's related capital increase;
- ♦ its valuation based on the net book values of the assets contributed equal to 12,894,082 euros, the liabilities assumed equal to 7,635,045 euros, meaning net assets contributed equal to 5,259,037 euros, based on L'Air Liquide S.A.'s financial statements as of December 31, 2010, on January 1, 2011 (effective date of the contribution from an accounting perspective), it being agreed that, in addition, a provision for losses incurred during the intervening period due to retroactivity (*provision pour perte intercalaire*) in an amount of 300,000 euros shall be taken into account for the purposes of assessing the amount of fully paid-up capital on the completion date of the contribution;

- ♦ the allocation to the Company, as consideration for the contribution made, of 170,063 new shares of the Beneficiary, with a par value of 6 euros each, to be issued by the Beneficiary by increasing its capital. The difference between the net value of the assets and rights contributed by the Company, *i.e.*, 5,259,037 euros and the par value of the shares which shall be issued by the aforementioned capital increase, *i.e.*, 1,020,378 euros, shall constitute a contribution premium of 4,238,659 euros, of which 300,000 euros correspond to the amount of the provision for losses incurred during the intervening period due to retroactivity which shall be recorded in a sub-account of the contribution premium account. The amount of such provision for losses incurred during the intervening period due to retroactivity not used at the time of approval of the accounts for the financial year in which the completion of the contribution takes place will be reintegrated in the contribution premium, on which the former and new shareholders' rights shall be applicable;
 - ♦ the establishment of the date for performing the contribution-spin-off for the lifting of the aforementioned condition precedent and no later than September 30, 2011, unless the Company and Beneficiary decide to extend such date;
 - ♦ the establishment of the effective date from an accounting and tax perspective of such contribution retroactively to January 1, 2011, such that all income from all the transactions performed by the Company between January 1 and the date of completion of such contribution shall be deemed realized to the Beneficiary's profit or loss, depending which applies, and shall be deemed completed by the Beneficiary since January 1, 2011.
2. Gives, as a result of the foregoing, all powers to the Board of Directors, with the option to sub-delegate on the legal and regulatory terms applicable, for the purpose of:
- ♦ acknowledging the fulfilment of the aforementioned condition precedent;
 - ♦ acknowledging as a result the completion of the partial asset contribution and its consideration; and
 - ♦ if need be, to formalize the terms of such contribution before a notary, execute all instruments finalizing such partial asset contribution agreement, undertake all reports, conclusions, disclosures and formalities, *inter alia* the declaration of compliance required by the applicable legal provisions, which may be necessary for the purpose of completing the contribution granted by the Company to the Beneficiary.

FOURTEENTH RESOLUTION

(Approval of a partial asset contribution plan governed by the legal regime for spin-offs granted by the Company to its subsidiary Air Liquide Engineering of its business for technological expertise conducted at the Blanc-Mesnil site)

The General Meeting, resolving on the quorum and majority conditions required for Extraordinary General Meetings, after having read:

- ♦ the opinion of the central works council dated January 6, 2011,
 - ♦ the report of the Board of Directors,
 - ♦ the reports prepared by the contribution auditor by order (*ordonnance*) of the President of the Paris Commercial Court dated September 27, 2010,
 - ♦ the partial asset contribution agreement dated February 15, 2011 between the Company and its subsidiary Air Liquide Engineering, French limited liability company (*société anonyme*), with capital of 12,000,000 euros, whose registered office is located at 6, rue Cognacq-Jay, 75007 Paris, registered with the Paris Trade and Companies Register, under number 420 499 311 (the "Beneficiary"), and
 - ♦ the respective financial statements and management reports of the Company and of the Beneficiary, made available to the shareholders pursuant to applicable regulations,
1. Approves:
- ♦ the partial asset contribution agreement pursuant to which the Company contributes to the Beneficiary, under the legal regime for spin-offs, all the assets, rights and obligations and the liabilities, related to the complete and autonomous business for technological expertise conducted at the Blanc-Mesnil site, subject to the approval by the Beneficiary's General Shareholders' Meeting, of such contribution, its valuation, its consideration and the Beneficiary's related capital increase;
 - ♦ its valuation based on the net book values of the assets contributed equal to 1,898,654 euros, the liabilities assumed equal to 80,498 euros, meaning net assets contributed equal to 1,818,156 euros, based on L'Air Liquide S.A.'s financial statements as of December 31, 2010, on January 1, 2011 (effective date of the contribution from an accounting perspective), it being agreed that, in addition, a provision for losses incurred during the intervening period due to retroactivity (*provision pour perte intercalaire*) in an amount of 200,000 euros shall be taken into account for the purposes of assessing the amount of fully paid-up capital on the completion date of the contribution;
 - ♦ the allocation to the Company, as consideration for the contribution made, of 4,994 new shares of the Beneficiary, with a par value of 16 euros each, to be issued by the Beneficiary by increasing its capital. The difference between the net value of the assets and rights contributed by the Company, *i.e.*, 1,818,156 euros and the par value of the shares which shall be issued by the aforementioned capital increase, *i.e.*, 79,904 euros, shall constitute a contribution premium of 1,738,252 euros, of which 200,000 euros correspond to the amount of the provision for losses incurred during the intervening period due to retroactivity which shall be recorded in a sub-account of the contribution premium account. The amount of such provision for losses incurred during the intervening period due to retroactivity not used at the time of approval of the accounts for the financial year in which the completion of the contribution takes place will be reintegrated in the contribution premium, on which the former and new shareholders' rights shall be applicable;
 - ♦ the establishment of the date for performing the contribution-spin-off for the lifting of the aforementioned condition precedent and no later than September 30, 2011, unless the Company and Beneficiary decide to extend such date;
 - ♦ the establishment of the effective date from an accounting and tax perspective of such contribution retroactively to January 1, 2011, such that all income from all the transactions performed by the Company between January 1 and the date of completion of such contribution shall be deemed realized to the Beneficiary's profit or loss, depending which applies, and shall be deemed completed by the Beneficiary since January 1, 2011.
2. Gives, as a result of the foregoing, all powers to the Board of Directors, with the option to sub-delegate on the legal and regulatory terms applicable, for the purpose of:
- ♦ acknowledging the fulfilment of the aforementioned condition precedent;
 - ♦ acknowledging as a result the completion of the partial asset contribution and its consideration; and
 - ♦ if need be, to formalize the terms of such contribution before a notary, execute all instruments finalizing such partial asset contribution agreement, undertake all reports, conclusions, disclosures and formalities, *inter alia* the declaration of compliance required by the applicable legal provisions, which may be necessary for the purpose of completing the contribution granted by the Company to the Beneficiary.

RESOLUTIONS SUBMITTED FOR YOUR APPROVAL

FIFTEENTH RESOLUTION

(Approval of a partial asset contribution plan governed by the legal regime for spin-offs granted by the Company to its subsidiary Air Liquide Services of its business for the development, installation and operation of industrial information systems)

The General Meeting, resolving on the quorum and majority conditions required for Extraordinary General Meetings, after having read:

- ♦ the opinion of the central works council dated January 6, 2011,
- ♦ the report of the Board of Directors,
- ♦ the reports prepared by the contribution auditor by order (*ordonnance*) of the President of the Paris Commercial Court dated September 27, 2010;
- ♦ the partial asset contribution agreement dated February 15, 2011 between the Company and its subsidiary Air Liquide Services, French limited liability company (*société anonyme*), with capital of 1,951,132 euros, whose registered office is located at 6, rue Cognacq-Jay, 75007 Paris, registered with the Paris Trade and Companies Register, under number 430 036 897 (the "Beneficiary"), and
- ♦ the respective financial statements and management reports of the Company and of the Beneficiary, made available to the shareholders pursuant to applicable regulations,

1. Approves:

- ♦ the partial asset contribution agreement pursuant to which the Company contributes to the Beneficiary, under the legal regime for spin-offs, all the assets, rights and obligations and the liabilities, related to the complete and autonomous business for the development, installation and operation of industrial information systems, subject to the approval by the Beneficiary's General Shareholders' Meeting, of such contribution, its valuation, its consideration and the Beneficiary's related capital increase;
- ♦ its valuation based on the net book values of the assets contributed equal to 10,254,331 euros and the liabilities assumed equal to 8,214,964 euros, meaning net assets contributed equal to 2,039,367 euros, based on L'Air Liquide S.A.'s financial statements as of December 31, 2010;

- ♦ the allocation to the Company, as consideration for the contribution made, of 380,479 new shares of the Beneficiary, with a par value of 4 euros each, to be created by the Beneficiary by increasing its capital. The difference between the net value of the assets and rights contributed by the Company, *i.e.*, 2,039,367 euros and the par value of the shares which shall be created by the aforementioned capital increase, *i.e.*, 1,521,916 euros, shall constitute a contribution premium of 517,451 euros which shall be posted as liabilities in the Beneficiary's balance sheet and to which the former and new shareholders' rights shall be applicable;
 - ♦ the establishment of the date for performing the contribution-spin-off for the lifting of the aforementioned condition precedent and no later than September 30, 2011, unless the Company and Beneficiary decide to extend such date;
 - ♦ the establishment of the effective date from an accounting and tax perspective of such contribution retroactively to January 1, 2011, such that all income from all the transactions performed by the Company between January 1 and the date of completion of such contribution shall be deemed realized to the Beneficiary's profit or loss, depending which applies, and shall be deemed completed by the Beneficiary since January 1, 2011.
2. Gives, as a result of the foregoing, all powers to the Board of Directors, with the option to sub-delegate on the legal and regulatory terms applicable, for the purpose of:
- ♦ acknowledging the fulfilment of the aforementioned condition precedent;
 - ♦ acknowledging as a result the completion of the partial asset contribution and its consideration; and
 - ♦ if need be, to formalize the terms of such contribution before a notary, execute all instruments finalizing such partial asset contribution agreement, undertake all reports, conclusions, disclosures and formalities, *inter alia* the declaration of compliance required by the applicable legal provisions, which may be necessary for the purpose of completing the contribution granted by the Company to the Beneficiary.

Authorization to issue free share subscription warrants in the event of a takeover bid for the Company (Resolution 16)

PURPOSE

As with the resolution voted last year, shareholders are asked to authorize the Board of Directors, if need be, to issue free share subscription warrants to shareholders at preferential conditions in the event of an unsolicited takeover bid from an entity not subject to the same restrictions in its actions as those applicable to Air Liquide (lack of reciprocity exception).

Air Liquide's business model is based on long-term performance and value creation, and the primary mission of the Board of Directors is to preserve the interests of the Company and its shareholders.

Accordingly, the Board of Directors considers that the power to issue such warrants in the event of a takeover bid for the Company would fully comply with the interests of the Company and its shareholders as well as the Company's values. This mechanism ensures full valuation of the Company in the context of a takeover bid by inciting the bidder to raise the price of its bid should the initial price be deemed too low. This mechanism is strictly defined by law and the French Financial Market Authority (*Autorité des marchés financiers*) General Regulations.

Should the Board of Directors have to resort to such an option without a previously approved resolution, it would have to convene a Shareholders' Meeting. Given the significant number of individual shareholders and their regular attendance at the Shareholder Meetings, the time required for the convening of a Shareholders' Meeting during a takeover bid would not be consistent with the practical aspects of collecting votes from all shareholders wishing to vote.

This delegation would be used only if the Board of Directors deemed that a takeover bid would be contrary to the interests of the Company and its shareholders. The Board of Directors could consult any outside expert of its choosing to assist in making this determination and to assess whether or not the "lack of reciprocity exception" applied to the bid.

Should this delegation be used, the Board of Directors, based on a report prepared by an advisory bank, should report to shareholders, at the time of the issuance of the warrants, on the circumstances and reasons supporting the Board's assessment that the takeover bid would not be in the interests of the Company and its shareholders, as well as the criteria and methods used to set the terms and conditions for determining the warrant exercise price.

These warrants would lapse automatically as soon as the takeover bid or any potential competitive bid failed, lapsed or withdrawn.

The par value of the capital increase that would result from the exercise of the warrants would be capped at 515.4 million euros, or 33% of the share capital, down considerably from the 50% dilution rate previously approved. The other characteristics of the warrants and the conditions of their exercise would be set by the Board of Directors. The Board of Directors would be able to use this authorization for any takeover bid filed within 18 months after the vote of this resolution. In practice, an annual consultation of the shareholders would be necessary for the renewal of this authorization.

SIXTEENTH RESOLUTION

(Delegation of authority granted to the Board of Directors for a period of 18 months in order to issue free share subscription warrants in the event of a takeover bid for the Company)

The Extraordinary General Meeting, deliberating under the conditions of quorum and majority required for Ordinary Shareholders' Meetings, after having reviewed the Report of the Board of Directors and the Statutory Auditors' Special Report and deliberating in accordance with Articles L.233-32 II and L.233-33 of the French Commercial Code:

1. delegates to the Board the authority to decide, in the event of a takeover bid for the Company:
 - ♦ the issuance, on one or several occasions, in the amount and on the dates it will determine, of warrants allowing for the subscription, on preferential terms, to one or several shares of the Company, with the option of postponement or cancellation,
 - ♦ their free allocation to any person who is a shareholder of the Company before the bidding period ends,
 - ♦ and the terms and conditions of the exercise of such warrants and their characteristics, such as the subscription price and more generally the terms of any issuance based on this resolution;
2. decides that the total par value amount of the share capital increase that would result from the exercise of the warrants shall not exceed 515.4 million euros, this maximum limit being set independently of any other maximum limit related to the issuances of equity securities or marketable securities conferring entitlement to share capital authorized by this Shareholders' Meeting or any previous Shareholders' Meeting; this limit will be increased by the amount corresponding to the par value of the securities necessary for the realization of the adjustments likely to be made in accordance with applicable legislative and regulatory provisions (particularly in case of a change in the par value of the shares, a capital increase by capitalization of reserves, issuance of new equity securities with a preferential subscription right reserved for shareholders) and if need

be, in accordance with the contractual provisions providing for other cases of adjustment, to preserve the rights of the aforementioned warrant holders;

3. decides that the maximum number of warrants that could be issued shall not exceed the number of shares comprising the share capital at the time of the issuance of the warrants;
4. decides that this delegation will be used only in the event of a takeover bid for the Company;
5. decides that should this delegation be implemented, the Board of Directors, based on a report prepared by an advisory bank, shall report to the shareholders, at the time warrants are issued, on:
 - ♦ the circumstances and reasons supporting the Board's assessment that the takeover bid is not in the interests of the Company and its shareholders and justifying the issue of such warrants,
 - ♦ as well as the criteria and methods used to set the terms and conditions for determining the warrant exercise price,
6. decides that the Board, with the power to sub-delegate within the limits set by the articles of association or by law, shall have all the powers to implement this delegation, under the conditions provided by law.

These warrants will lapse automatically as soon as the takeover bid or any potential competitive bid fails, lapses or is withdrawn; the warrants which would lapse in accordance with the law shall not be taken into account for the calculation of the maximum number of warrants which may be issued, as mentioned under point 3. above.

This delegation is granted to the Board of Directors for a period which shall expire at the end of the bidding period of any takeover bid for the Company within eighteen months from the date of this Shareholders' Meeting. It supersedes the delegation of authority granted to the Board of Directors with respect to the eighteenth resolution of the Extraordinary Shareholders' Meeting of May 5, 2010.

Increase of share capital *via* the issuance of ordinary shares or marketable securities conferring entitlement to the share capital, with retention of shareholders preferential share subscription rights (Resolutions 17 and 18)

PURPOSE

The Combined Shareholders' Meeting of May 7, 2009 had delegated to the Board of Directors the authority to decide to increase the share capital for a maximum par value amount of 350 million euros corresponding to around 25% of the share capital as of December 31, 2008, by issuing, on one or more occasions, shares or marketable securities conferring entitlement, immediately or in the future, to the Company's shares, with retention of shareholders preferential subscription rights. This authorization, granted for 26 months, has not been used.

Shareholders are asked in the 17th resolution to renew this delegation by setting the maximum par value amount of capital increases that may be carried out by the Board of Directors under this delegation to 390 million euros, or around 25% of the share capital as of December 31, 2010. This delegation of authority would be valid for a period of 26 months.

The total amount of capital increases reserved for employees that might be carried out pursuant to the 19th and 20th resolutions shall also be deducted from this maximum amount of 390 million euros.

The 18th resolution allows, in the event of oversubscription, for the amount of shares issued to be increased, within the above mentioned and legal limits. Shareholders shall have, in proportion to the amount of shares they own, a preferential subscription right to the shares or marketable securities issued.

RESOLUTIONS SUBMITTED FOR YOUR APPROVAL

SEVENTEENTH RESOLUTION

(Delegation of authority granted to the Board of Directors for a period of 26 months in order to increase the share capital via the issuance of ordinary shares or marketable securities conferring entitlement, immediately and/or in the future, to the Company's share capital, with retention of shareholders preferential share subscription rights for a maximum par value amount of 390 million euros)

The shareholders, deliberating according to the quorum and majority required for Extraordinary Shareholders' Meetings, after having reviewed the Board of Directors' report and the Statutory Auditors' Special Report and in accordance with Articles L.225-129 to L.225-129-6 and L.228-91 to L.228-93 of the French Commercial Code:

1. delegate to the Board of Directors, with the option of subdelegation, in accordance with the legal provisions, the authority to decide, in the amount and on the dates it will determine, with retention of preferential share subscription rights, one or more capital increases *via* the issue, in France, in euros, foreign currencies or units of account determined according to several currencies, of ordinary shares or marketable securities conferring entitlement, immediately and/or in the future, to the Company's shares, the subscription of which may be completed in cash or by offsetting against liquid and payable debts;

The delegation thereby granted to the Board of Directors is valid for a period of twenty-six months starting from the date of this Shareholders' Meeting;

2. decide that the total amount of share capital increases likely to be performed thereby immediately and/or in the future may not exceed 390 million euros in par value, from which shall be deducted (i) the issuance amount of shares or marketable securities in the event of oversubscription, pursuant to the eighteenth resolution and (ii) the total amount of share capital increases likely to be performed in accordance with the nineteenth and twentieth resolutions, this limit being increased by the number of shares necessary for adjustments likely to be made in accordance with applicable legislative and regulatory provisions and, as the case may be, in accordance with the contractual provisions providing for other cases of adjustment, to preserve the rights of holders of marketable securities conferring entitlement to the Company's shares; the maximum par value (or its countervalue in euros on the issue decision date in the event of an issue in foreign currencies or units of account determined by reference to several currencies) of the marketable debt securities conferring entitlement to the Company's share capital issued by virtue of this delegation may not exceed a limit of 2 billion euros from which shall be deducted, as the case may be, the issuance amount, in the event of oversubscription, pursuant to the eighteenth resolution;
3. decide that the shareholders have, proportional to the amount of their shares, a preferential share subscription right to the shares or marketable securities conferring entitlement, immediately and/or in the future, to the Company's shares issued pursuant to this resolution;
4. decide that if the subscriptions made by the shareholders *pro rata* to their existing shareholding and, as the case may be, over and above their existing shareholding if allowed by the Board of Directors, have not resulted in the purchase of all of the shares or marketable securities defined above, the Board of Directors may use, in the order it shall deem appropriate, each of the options set forth in Article L.225-134 of the French Commercial Code;

5. acknowledge and decide, as necessary, that this delegation shall automatically waive, in favor of the holders of marketable securities conferring entitlement to Company shares likely to be issued under this resolution, the shareholder preferential subscription rights to the new shares to which such securities entitle;
6. take due note that this delegation supersedes the delegation granted by the Extraordinary Shareholders' Meeting of May 7, 2009 in its fourteenth resolution;
7. grant full powers to the Board of Directors, with the option of sub-delegation under the conditions set by law, to implement this delegation and specifically determine the price, the terms and conditions and dates of issues, and the form and characteristics of the marketable securities to be created, set the amounts to be issued, suspend, where necessary, the exercise of Company share allotment rights attached to marketable securities to be issued within a period not exceeding three months, determine the terms and conditions ensuring, as the case may be, the preservation of rights of holders of marketable securities conferring future entitlement to Company shares, in accordance with legal, regulatory and, as the case may be, contractual provisions, proceed, where necessary, with any deductions from any issue premiums and specifically deductions of costs arising from issues, and generally make all necessary arrangements and enter into any agreements in order to successfully conclude the issues contemplated, duly record the share capital increases arising from any issue carried out via this delegation and amend the articles of association accordingly.

EIGHTEENTH RESOLUTION

(Authorization granted to the Board of Directors for a period of 26 months to increase the issuance amount of shares or marketable securities in the event of oversubscription)

The shareholders, deliberating according to the quorum and majority required for Extraordinary Shareholders' Meetings, after having reviewed the Board of Directors' report and the Statutory Auditors' Special Report, and pursuant to the provisions of Article L.225-135-1 of the French Commercial Code, in the event of an issue of shares or marketable securities with retention of preferential subscription rights as provided by the seventeenth resolution:

- ♦ authorize the Board of Directors, with the option of subdelegation, to increase, under the conditions set by the law, the number of shares or marketable securities to be issued with shareholders preferential subscription rights, at the same price as set for the initial issue, for a thirty-day period from the end of the subscription and up to 15% of the initial issue;
- ♦ decide that the par value amount of the increase in the issue determined in accordance with this resolution shall be deducted from the initial limit and, in the event of an issue of debt securities, from the limit stipulated in the second limit stated in the seventeenth resolution;
- ♦ decide that the authorization thereby granted to the Board of Directors is valid for a period of twenty-six months starting from the date of this Shareholders' Meeting.

Share capital increases reserved for employees (Resolutions 19 and 20)

PURPOSE

At the end of 2010, the share capital held by employees and former employees of the Group is estimated at 2.1%, of which 1.6% (according to Article L.255-102 of the French Commercial Code) corresponds to shares subscribed by employees during reserved capital increases for employees or held through dedicated mutual funds. This figure takes into account the share capital increase reserved for employees of December 2010. The Group wishes to continue increasing the involvement of employees in its development. These operations contribute significantly to increasing employee motivation and sense of belonging to the Group.

In accordance with the law, you are again asked to approve the share capital increases reserved for members of a Company or Group savings plan, authorized during the Shareholders' Meeting of May 5, 2010, in addition to a second resolution described below. The total amount of share capital increases likely to be performed under these resolutions remains unchanged at 30.25 million euros, corresponding to the issue of a maximum of 5.5 million shares, or 1.94% of share capital as of December 31, 2010. This amount shall be deducted from the maximum par value amount of 390 million euros, or approximately 25% of the share capital, as stipulated in the 17th resolution submitted for the approval of this Extraordinary Shareholders' Meeting, relating to the overall limit for share capital increases likely to be performed with delegation to the Board of Directors.

The 19th resolution specifies the terms and conditions of the share capital increases reserved for members of a Company or Group savings plan.

The 20th resolution will allow the employees and corporate officers of Group companies abroad who could not subscribe to the share capital increases stipulated in the 19th resolution, to benefit from a comparable system.

The subscription price of the shares to be issued pursuant to the two proposed resolutions shall be defined in accordance with the French Labor Code and may hence be subject to a maximum discount of 20%.

The delegations granted in the 19th and 20th resolutions will be valid for periods of 26 and 18 months, respectively. They shall result in the waiver by shareholders of their preferential subscription rights in favor of the beneficiaries.

NINETEENTH RESOLUTION

(Delegation of authority granted to the Board of Directors for a period of 26 months to perform share capital increases reserved for members of a Company or Group savings plan)

The shareholders, deliberating according to the quorum and majority required for Extraordinary Shareholders' Meetings, after having reviewed the Report of the Board of Directors and the Statutory Auditors' Special Report, deliberating pursuant to Articles L.225-129-6 and L.225-138-1 of the French Commercial Code and Articles L.3331-1 *et seq.* of the French Labor Code:

1. delegate to the Board of Directors the authority to decide to increase share capital, on one or more occasions, at the time or times and in the proportions that it deems appropriate, via the issuance of ordinary shares of the Company as well as any other marketable securities granting access, immediately or in the future, to the Company's share capital, reserved for employees who contribute to a Company or Group savings plan.
The delegation thereby granted is valid for a period of twenty-six months starting from the date of this Shareholders' Meeting;
2. decide that the total amount of share capital increases likely to be performed under this resolution may not exceed a maximum par value amount of 30.25 million euros, corresponding to the issue of a maximum of 5.5 million shares, it being specified that this amount does not include additional shares to be issued, in accordance with applicable legal and regulatory provisions, and when relevant, contractual stipulations providing for other adjustments, to preserve the rights of holders of marketable securities or other rights conferring access to share capital and that the total amount of share capital increases likely to be performed under this resolution and the twentieth resolution may not exceed the aforementioned par value amount of 30.25 million euros;

3. decide that the maximum par value amount of share capital increases likely to be performed on the basis of this delegation shall be deducted from the overall limit stipulated in paragraph 2° of the seventeenth resolution voted by this Extraordinary Shareholders' Meeting;
4. decide that the beneficiaries of these capital increases will be, directly or through a Company mutual fund or all other structures or entities permitted by applicable legal or regulatory provisions, the members, within the Company and the French or foreign companies which are affiliated to it within the meaning of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labor Code, of a Company or Group savings plan;
5. decide to cancel the preferential subscription rights of shareholders to the new shares or other marketable securities granting access to capital and to the marketable securities to which the latter would confer entitlement, which shall be issued in favor of the members of a Company or Group savings plan in accordance with this resolution;
6. decide that the subscription price may not exceed the average, determined in accordance with Article L.3332-19 of the French Labor Code, of the opening trading prices for the Company's share during the twenty trading days preceding the date of the decision setting the opening date for the subscription period, or be more than 20% lower than such average, bearing in mind that the shareholders officially authorize the Board of Directors, if deemed appropriate, to reduce or cancel the aforementioned discount, within the legal and regulatory limits;

RESOLUTIONS SUBMITTED FOR YOUR APPROVAL

7. decide, in accordance with Article L.3332-21 of the French Labor Code, that the Board of Directors may provide for the allotment for no consideration, to the aforementioned beneficiaries, of shares to be issued or already issued or other securities granting access to the Company's capital to be issued or already issued, in respect of (i) the contribution that could be paid in accordance with the regulations governing Company or Group saving plans, and/or (ii) where appropriate, the discount;
8. also decide that, should the beneficiaries not subscribe to the entire capital increase within the allotted deadlines, the capital increase would only be performed for the amount of the shares subscribed, and that the non-subscribed shares may be offered again to the beneficiaries concerned within the scope of a subsequent capital increase;
9. grant full powers to the Board of Directors with the option of sub-delegation under the conditions set by law, to determine, within the limits described above, the various terms and conditions of the transaction and particularly:
 - ♦ define the criteria which the companies must meet in order for their employees to be entitled to benefit from the capital increases,
 - ♦ determine a list of these companies,
 - ♦ set the terms and conditions of the share issue, the characteristics of the shares, and, where appropriate, the other marketable securities, determine the subscription price calculated based on the method defined above, set the terms and conditions and deadline for fully paying up the subscribed shares, deduct from the "Additional paid-in capital" account all costs relating to these capital increases and, if deemed appropriate, all sums necessary to bring the legal reserve up to one tenth of the new share capital after each share issue, and generally complete, directly or through an authorized representative, all the transactions and formalities relating to the share capital increases performed under this resolution and, specifically, perform all the necessary formalities, and where appropriate, take any measures with a view to listing the shares issued pursuant to this resolution for trading on the Euronext Paris exchange,
 - ♦ set the opening and closing dates for the subscription period, record the completion of the corresponding capital increase and amend the Articles of Association accordingly;
10. decide that this delegation of authority strips of all legal effect the delegation granted to the Board of Directors pursuant to the twentieth resolution of the Extraordinary Shareholders' Meeting of May 5, 2010, for the amount of the non-utilized portion of such authorization.

TWENTIETH RESOLUTION

(Delegation of authority granted to the Board of Directors for a period of 18 months to perform share capital increases reserved for a category of beneficiaries)

The shareholders, deliberating according to the quorum and majority required for Extraordinary Shareholders' Meetings, after having reviewed the Report of the Board of Directors and the Statutory Auditors' Special Report, pursuant to Articles L.225-129 to L.225-129-2 and Article L.225-138 of the French Commercial Code:

1. delegate to the Board of Directors, the authority to decide to increase share capital, on one or more occasions, at the time or times and in the proportions it shall deem fit, via the issuance of ordinary shares of the Company as well as any other marketable securities conferring entitlement, immediately or in the future, to the Company's share capital, reserved for the category of beneficiaries defined hereafter;

2. decide that the total amount of share capital increases likely to be performed under this resolution may not exceed a maximum par value amount of 30.25 million euros, corresponding to the issue of a maximum of 5.5 million shares, it being specified that this amount does not include additional shares to be issued, in accordance with applicable legal and regulatory provisions, and when relevant, contractual stipulations providing for other adjustments, to preserve the rights of holders of marketable securities or other rights conferring access to share capital and that the total amount of share capital increases likely to be performed under this resolution and the nineteenth resolution may not exceed the aforementioned par value amount of 30.25 million euros;
3. decide that the maximum par value amount of share capital increases likely to be performed on the basis of this delegation shall be deducted from the overall limit stipulated in paragraph 2° of the seventeenth resolution voted by this Extraordinary Shareholders' Meeting;
4. decide to cancel the preferential subscription rights of shareholders to the shares or marketable securities and to the marketable securities to which the latter would confer entitlement, which shall be issued pursuant to this resolution and to reserve the right to subscribe them to the category of beneficiaries meeting the following characteristics: any financial institution or subsidiary of such an institution mandated by the Company and which would subscribe to shares, or other marketable securities issued by the Company pursuant to this resolution, with the sole intent to enable employees and corporate officers of foreign companies, affiliated to the Company within the meaning of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labor Code, to benefit from a plan with an economic profile comparable to an employee share ownership scheme that would be set up in connection with a share capital increase performed in accordance with the nineteenth resolution submitted to the vote of this Shareholders' Meeting, assuming the implementation of an identical employee share ownership scheme for the benefit of the employees and corporate officers of the aforementioned foreign companies would conflict with local legal, regulatory or tax constraints;
5. decide that the unit price for the issue of the shares to be issued pursuant to this resolution shall be determined by the Board of Directors based on the Company's share price; this issue price shall be equal to the average of the opening trading prices for the share during the twenty trading days preceding the date of the Board of Directors' decision setting the opening date for the period of subscription to a share capital increase performed on the basis of the nineteenth resolution, with the possibility of reducing this average by a maximum discount of 20%; the amount of this discount shall be determined by the Board of Directors in view of the legal, regulatory and tax constraints under the applicable foreign law, where applicable;
6. decide that the Board of Directors shall have full powers, under the terms and conditions set forth by law and within the limits defined above, with the option of sub-delegation, so as to implement this delegation and particularly in order to:
 - ♦ set the date and price for the issue of shares to be issued in accordance with this resolution as well as the other terms and conditions governing the issue,
 - ♦ determine the beneficiary (or list of beneficiaries) for the cancellation of the preferential subscription right within the above-defined category, as well as the number of shares to be subscribed by such beneficiary (or each beneficiary),

- ◆ where appropriate, determine the characteristics of the other marketable securities granting access to the Company's share capital under the applicable legal and regulatory conditions,
- ◆ record the completion of the share capital increase, complete, directly or through an authorized representative, all the transactions and formalities involving the share capital increases and on its sole decision and if it deems appropriate, deduct the share capital increase costs from the amount of additional paid-in capital relating to such increases, amend the articles of association accordingly and perform all the necessary formalities, and where appropriate, take any measures with a view to listing the shares issued pursuant to this resolution for trading on the Euronext Paris exchange;
- 7. decide that the delegation granted to the Board of Directors is valid for a period of eighteen months starting from the date of this Shareholders' Meeting and strips of all legal effect the delegation granted to the Board of Directors pursuant to the twenty-first resolution of the Extraordinary Shareholders' Meeting of May 5, 2010, for the amount of the non-utilized portion of such authorization.

➤ ORDINARY SHAREHOLDERS' MEETING

Powers (Resolution 21)

PURPOSE

The 21st resolution is a standard resolution required for the completion of publications and legal formalities.

TWENTY-FIRST RESOLUTION

(Powers for formalities)

Full powers are granted to a holder of a copy or extract of the minutes of this Shareholders' Meeting to perform all official publications and other formalities required by law and regulations.

Presentation of the members of your Board of Directors

➤ PROPOSED NEW MEMBER OF THE BOARD



Siân Herbert-Jones

Studies and career

Holder of a Master of Art degree in History from Oxford University and a graduate from the Institute of Chartered Accountants in England and Wales, Siân Herbert-Jones first practiced for 13 years with the firm of PricewaterhouseCoopers, in the London office from 1983-1993 in particular in the capacity of Corporate Finance Manager, then in the Paris office from 1993 to 1995 in the capacity of Mergers & Acquisitions Manager. She then joined the Sodexo group in 1995 in which she was successively

in charge of international development from 1995 to 1998 and the Group's treasury department from 1998 to 2000 then Deputy Chief Financial Officer in 2000. Since 2001, she has been the Sodexo Group's Chief Financial Officer and is a member of the Executive Committee.

Positions and activities

Positions or activities outside the Air Liquide Group

- Chief Financial Officer and member of the Executive Committee: Sodexo Group.

- ◆ Born in 1960
- ◆ Nationality: British

➤ RENEWAL OF MEMBERS OF THE BOARD



Gérard de La Martinière *Independent Director*

Studies and career

A graduate of *École Polytechnique* and *École Nationale d'Administration*, Gérard de La Martinière held several positions with the French Ministry of Finance from 1969 to 1984. He was then General Secretary of the COB (formerly the French securities and exchange regulatory body) from 1984 to 1986, Chairman of the Paris Financial Instruments Clearing House from 1986 to 1988, and Chief Executive Officer of the Paris Stock Exchange (SBF) from 1988 to 1989.

Gérard de La Martinière joined the Axa Group in 1989 as Chairman and Chief Executive Officer of the Meeschaert-Rouselle brokerage unit. In 1991, he was named Executive Vice-President in charge of the Group's investments and financial services operations. In 1993, he took responsibility for the Group's Holding Companies and Corporate Affairs. He was a member of the Management Board between 1997 and 2003, and Vice-President of Finance, Audit and Strategy between 2000 and 2003.

Gérard de La Martinière was Chairman of the French Federation of Insurance Companies (*Fédération Française des Sociétés d'Assurances*), from May 2003 to September 2008. He was also Chairman of the European Insurance and Reinsurance Federation (CEA) from 2004 to 2008 and then Vice-Chairman until November 2009.

Positions and activities

Functions within the Air Liquide Group

Director: L'Air Liquide S.A. (Chairman of the Audit and Accounts Committee).

Positions or activities outside the Air Liquide Group

- Member of the Supervisory Board and Chairman of the Audit Committee: Schneider Electric S.A.
- Chairman: French Donations Charter Committee (*Comité de la Charte du Don en confiance*).
- Director: Allo-Finances.
- Member of the Supervisory Board: EFRAG.

- ◆ Born in 1943
- ◆ Nationality: French
- ◆ Date of first appointment: 2003
- ◆ End of current term: 2011 ^(a)
- ◆ 3,561 shares ^(b)



Cornelis van Lede *Independent Director*

Studies and career

With a law degree from the University of Leiden and an MBA from INSEAD, Cornelis van Lede successively worked for Shell from 1967 to 1969 and McKinsey from 1969 to 1976 before joining Koninklijke Nederhorst Bouw B.V. as Chairman and Chief Executive Officer from 1977 to 1982. He was then member of the Management Committee of Hollandse Beton Groep from 1982 to 1984.

From 1984 to 1991, he was Chairman of the Federation of Netherlands Industries, then Vice-President of the Union of Industrial and Employer's Confederations of Europe (UNICE) from 1991 to 1994.

In 1991, Cornelis van Lede joined Akzo N.V. as a member of the Management Board. Then, he became Vice-Chairman of the

Management Board in 1992 and was Chairman of the Management Board of Akzo Nobel N.V. from 1994 to 2003. He was a member of the Supervisory Board of Akzo Nobel N.V. from 2003 to 2007.

Positions and activities

Functions within the Air Liquide Group

Director: L'Air Liquide S.A. (member of the Appointments and Governance Committee, Chairman of the Remuneration Committee).

Positions or activities outside the Air Liquide Group

- Director: Air France-KLM, Sara Lee Corporation.
- Member of the Supervisory Board: Royal Philips Electronics N.V.
- Chairman of the Supervisory Board: Heineken N.V.

(a) Renewal of term proposed to the Shareholders' Meeting of May 4, 2011.

(b) Number of shares owned as at December 31, 2010.

NB: Independent Director as defined by the internal regulations of the Board of Directors. With regard to the criteria of independency, please refer to the 2010 Reference Document.

MEMBERS OF THE BOARD AS OF DECEMBER 31, 2010



Benoît Potier *Chairman and Chief Executive Officer*

- ◆ Born in 1957
- ◆ Nationality: French
- ◆ Date of first appointment: 2000
- ◆ End of current term: 2014
- ◆ 50,126 shares ^(b)

Studies and career

A graduate of *École Centrale de Paris*, Benoît Potier joined Air Liquide in 1981 as a Research and Development engineer. After serving as a Project Manager in the Engineering and Construction Division, he was made Vice-President of Energy Development in the Large Industries business line. In 1993, he became Director of Strategy & Organization and, in 1994, was put in charge of the Chemicals, Iron & Steel, Oil and Energy Markets. He was made an Executive Vice-President of Air Liquide in 1995 with additional responsibilities over the Engineering & Construction Division and the Large Industries operations in Europe.

Benoît Potier was appointed Chief Executive Officer in 1997. He was appointed to the Board of Directors in 2000 and became Chairman of the Management Board in November 2001.

In 2006, he was appointed Chairman and Chief Executive Officer of L'Air Liquide S.A.

Positions and activities

Functions within the Air Liquide Group

Chairman and Chief Executive Officer: L'Air Liquide S.A., Air Liquide International, Air Liquide International Corporation (ALIC).

Director: American Air Liquide Holdings, Inc.

Chairman of the Air Liquide Foundation.

Positions or activities outside the Air Liquide Group

- Director: Danone ^(a).

- Member of the Supervisory Board and member of the Audit Committee: Michelin ^(a).

- Vice-Chairman: ERT.

- Director: *École Centrale*, *Association Nationale des Sociétés par Actions* (ANSA), *Cercle de l'Industrie*.

- Member of the French Board: INSEAD.

- Member of the Board: *Association Française des Entreprises Privées* (AFEP).



Jean-Paul Agon *Independent Director*

- ◆ Born in 1956
- ◆ Nationality: French
- ◆ Date of first appointment: 2010
- ◆ End of current term: 2014
- ◆ 1,066 shares ^(b)

Studies and career

A graduate of HEC Business School, Jean-Paul Agon began his career with the L'Oréal Group in 1978. From 1981 to 1997, he held various senior management positions first as General Manager of L'Oréal Greece and General Manager of L'Oréal Paris, then International Managing Director for Biotherm International, Managing Director for L'Oréal Germany and finally Managing Director for L'Oréal Asia Zone. From 2001 to 2005, he was Chairman and Chief Executive Officer of L'Oréal USA as well as several subsidiaries of the L'Oréal Group in the USA. In 2005, he was appointed Deputy Chief Executive Officer of the L'Oréal Group, and became Chairman and Chief Executive Officer of the Group in 2006.

He is Chairman and Chief Executive Officer of L'Oréal since March 2011.

Positions and activities

Functions within the Air Liquide Group

Director: L'Air Liquide S.A.

Positions or activities outside the Air Liquide Group

- Chairman and Chief Executive Officer: L'Oréal.

- Director: L'Oréal USA Inc. (United States).

- Chairman of the Board of Directors and Director: Galderma Pharma S.A. (Switzerland) – L'Oréal Group.

- Vice-Chairman and Director: The Body Shop International plc (United Kingdom) – L'Oréal Group.

- Director: *Fondation d'Entreprise L'Oréal*.



Jean-Claude Buono *Director*

- ◆ Born in 1943
- ◆ Nationality: French
- ◆ Date of first appointment: 2008
- ◆ End of current term: 2012
- ◆ 68,549 shares ^(b)

Studies and career

An Economic Sciences graduate from ESCP and with a degree from the *Centre de Perfectionnement aux Affaires*, Jean-Claude Buono began his career in the Bull Group, where he was in charge of the Finance Department.

After 20 years with the Bull Group, Jean-Claude Buono joined Air Liquide in 1989, as Finance and Administration Director. He was appointed General Secretary and Secretary to the Board of Directors in 1997, Vice-President in 1999 and Executive Vice-President in July 2000. In November 2001, he was appointed Member of the Management Board, and then Senior Executive Vice-President in May 2006. During this time and until the end of his term of office on November 8, 2007, Jean-Claude Buono was responsible for the Group's major operations in Europe and Asia in addition to the Financial and Legal Departments.

Positions and activities

Functions within the Air Liquide Group

Director: L'Air Liquide S.A., Air Liquide Welding (ALW), Aqua Lung International, Air Liquide International.

Vice-Chairman and Director: Air Liquide International Corporation.

Positions or activities outside the Air Liquide Group

- Director: Velecta Paramount, SNPE.

(a) Listed company.

(b) Number of shares owned as at December 31, 2010.

NB: Independent Director as defined by the internal regulations of the Board of Directors. With regard to the criteria of independency, please refer to the 2010 Reference Document.

BOARD OF DIRECTORS

Thierry Desmarest *Independent Director*



- ◆ Born in 1945
- ◆ Nationality: French
- ◆ Date of first appointment: 1999
- ◆ End of current term: 2013
- ◆ 6,104 shares ^(b)

Studies and career

A graduate of *École Polytechnique* and *École des Mines*, Thierry Desmarest spent 4 years with the New Caledonia Department of Mines, before serving as a Technical Advisor at the Ministry of Industry in 1975, and then at the Ministry of Economic Affairs in 1978.

He joined Total in 1981 as Managing Director of Total Algeria. He held various executive positions within Total Exploration Production, ultimately becoming its Chief Executive Officer in 1989 and a member of the Group's Executive Committee that same year. He became Chairman and Chief Executive Officer of Total in 1995, of Totalfina in 1999, and then of Elf Aquitaine and TotalFinaElf in 2000.

Thierry Desmarest was Chairman and Chief Executive Officer of Total from 2003 to February 2007, when he became Chairman of the Total S.A. Board of Directors. Appointed Honorary Chairman of Total S.A. in May 2010, he remains a Director and Chairman of the Total Foundation.

Positions and activities

Functions within the Air Liquide Group

Director: L'Air Liquide S.A. (Chairman of the Appointments and Governance Committee and member of the Remuneration Committee).

Positions or activities outside the Air Liquide Group

- Honorary Chairman and Director: Total S.A. (Chairman of the Appointments and Governance Committee, member of the Remuneration Committee).

- Director: Sanofi-Aventis (member of the Remuneration Committee, member of the Appointments and Governance Committee, member of the Strategic Committee), Renault S.A. (member of the Remuneration Committee, Chairman of the International Strategy Committee, member of the Industrial Strategy Committee), Renault S.A.S. and Bombardier Inc. (member of the Appointments and Governance Committee, member of the Human Resources and Remuneration Committee).

- Director: *École Polytechnique*, *Musée du Louvre*.

- Chairman: Total Foundation, *École Polytechnique* Foundation

Alain Joly *Director*



- ◆ Born in 1938
- ◆ Nationality: French
- ◆ Date of first appointment: 1982
- ◆ End of current term: 2013
- ◆ 102,074 shares ^(b)

Studies and career

A graduate of *École Polytechnique*, Alain Joly joined Air Liquide's Engineering Division in 1962. From 1967 to 1973, he held various responsibilities at Air Liquide Canada and then in the Americas Division. From 1973 to 1985, he served successively as Vice-President of Corporate Strategy and Management, Regional Manager of the French Gases Division, Company Secretary and Secretary of the Board of Directors.

He became Director of Air Liquide in 1982, then Chief Executive Officer in 1985 and Chairman and Chief Executive Officer in 1995. Alain Joly was Chairman of the Supervisory Board of L'Air Liquide S.A. from November 2001 until May 10, 2006, and has been a Director of L'Air Liquide S.A. since this date.

Positions and activities

Functions within the Air Liquide Group

Director: L'Air Liquide S.A. (member of the Appointments and Governance Committee, member of the Remuneration Committee).

Positions or activities outside the Air Liquide Group

- Member of the Supervisory Board: Bac Partenaires Gestion.

Karen Katen *Independent Director*



- ◆ Born in 1949
- ◆ Nationality: American
- ◆ Date of first appointment: 2008
- ◆ End of current term: 2012
- ◆ 1,600 shares ^(b)

Studies and career

Karen Katen, a US citizen, is a graduate of the University of Chicago (BA in Political Sciences and MBA).

In 1974, she joined Pfizer and carried out various management and executive positions during more than 30 years. In her last position with Pfizer, she was Vice-Chairman of Pfizer Inc. and President of Pfizer Human Health, the group's main operating department. Karen Katen played a major role in the introduction of new medicines for the treatment of cardiovascular and mental diseases as well as diabetes and cancer. She also successfully oversaw the integration of Warner Lambert (acquired in 2000) and Pharmacia (acquired in 2003) in the Pfizer group. Having retired from Pfizer in March 2007, she was recently Chairman of the Pfizer Foundation. Currently, she is a Senior Advisor at Essex Woodlands Health Ventures, a healthcare venture and growth equity firm, based in their New York Office.

Positions and activities

Functions within the Air Liquide Group

Director: L'Air Liquide S.A.

Positions or activities outside the Air Liquide Group

- Director: Harris Corporation, Home Depot, Catalyst, Arngo Pharmaceuticals.

- Director: The Rand Corporation's Health Board of Advisors, The Economic Club of New York Board of Trustees, Peterson Institute for International Studies, Takeda Global Advisory Board.

- Council Chairman: Corporate Advisory Council of the National Alliance for Hispanic Health.

- Senior Advisor: Essex Woodlands Health Ventures.

- Trustee: University of Chicago.

- Trustee: University of Chicago Graduate School of Business.

(b) Number of shares owned as at December 31, 2010.

NB: Independent Director as defined by the internal regulations of the Board of Directors. With regard to the criteria of independency, please refer to the 2010 Reference Document.



Professor Rolf Krebs *Independent Director*

Studies and career

Rolf Krebs studied medicine and obtained a MD from the University of Mainz. After having lectured there for several years, he joined Bayer AG in 1976 where he held various positions including Head of Pharmaceutical Research and Development, from 1984 to 1986, then Executive Vice-President of Bayer Italia from 1986 to 1989.

He joined Boehringer Ingelheim in 1989 as a member of the Management Board, and, from 2001 until the end of 2003, he was Chairman of the Management Board.

Rolf Krebs served as President of the European Federation of Pharmaceutical Industries from 1996 to 1998, then as President of the International Federation of Pharmaceutical Industries from 2000 to 2001.

Positions and activities

Functions within the Air Liquide Group

Director: L'Air Liquide S.A. (member of the Audit and Accounts Committee).

Positions or activities outside the Air Liquide Group

- Chairman of the Supervisory Board: Epigenomics AG, Ganymed Pharmaceuticals AG, E. Merck GmbH & KGaA.
- Member of the Supervisory Board: Merz Pharmaceuticals GmbH & Co. KGaA, Senator GmbH & Co. KGaA.
- Member of the "Partners Board": E. Merck OHG.

- ◆ Born in 1940
- ◆ Nationality: German
- ◆ Date of first appointment: 2004
- ◆ End of current term: 2012
- ◆ 1,440 shares^(b)



Béatrice Majnoni d'Intignano *Independent Director*

Studies and career

Having graduated with a high-level teaching degree in economics in 1975, Béatrice Majnoni d'Intignano has been *Professeur agrégé* (tenured senior university professor) at the Paris-XII Créteil University since 1980 (currency, international relations, macroeconomics, economics of healthcare).

Béatrice Majnoni d'Intignano was *Conseiller Économique à l'Assistance Publique* (business consultant) for Paris Hospitals, from 1980 to 1987, and has been a temporary consultant with the World Health Organization from 1980 to 2001.

She is a member of the Editorial Committee of the magazine *Commentaire*. She was also a member of the Economic

Analysis Council of the French Prime Minister from 1997 to 2008 and a member of *Société d'Économie Politique* until 2009.

Béatrice Majnoni d'Intignano is the author of a large number of books and articles about economics, employment, Europe, the economics of healthcare and women's role in society.

Positions and activities

Functions within the Air Liquide Group

Director: L'Air Liquide S.A. (member of the Audit and Accounts Committee).

Positions or activities outside the Air Liquide Group

- Tenured Professor at the University of Paris XII – Créteil.

- ◆ Born in 1942
- ◆ Nationality: French
- ◆ Date of first appointment: 2002
- ◆ End of current term: 2014
- ◆ 1,671 shares^(b)



Thierry Peugeot *Independent Director*

Studies and career

A graduate of ESSEC, Thierry Peugeot began his career with the Marrel Group in 1982 as Export Manager for the Middle East and English-speaking Africa for Air Marrel, and then Director of Air Marrel America. He joined Automobiles Peugeot in 1988 as Regional Manager of the South-East Asia zone, then Chief Executive Officer of Peugeot do Brasil in 1991 and Chief Executive Officer of Slica in 1997. In 2000, he became International Key Accounts Director of Automobiles Citroën and then, in 2002, Vice-President of Services and Spare Parts before being appointed to the PSA Peugeot Citroën Vice Presidents Committee. Thierry Peugeot has been Chairman of the Supervisory Board of Peugeot S.A. since 2002. He is also Member of the Board of Faurecia.

Positions and activities

Functions within the Air Liquide Group

Director: L'Air Liquide S.A.

Positions or activities outside the Air Liquide Group

- Chairman of the Supervisory Board: Peugeot S.A.
- Vice-Chairman: Établissements Peugeot Frères.
- Director: *Société Foncière, Financière et de Participations*, Faurecia, *Compagnie Industrielle de Delle*.
- Permanent representative of the *Compagnie Industrielle de Delle* on the LISI Board of Directors.

- ◆ Born in 1957
- ◆ Nationality: French
- ◆ Date of first appointment: 2005
- ◆ End of current term: 2013
- ◆ 1,310 shares^(b)



Paul Skinner *Independent Director*

Studies and career

Paul Skinner has a law degree from the University of Cambridge and is a graduate of the Manchester Business School. He started his career in 1966 with the Royal Dutch/Shell group. After having been responsible for managing several subsidiaries in Greece, Nigeria, New Zealand and Norway, Paul Skinner was President of the Shell International Trading and Shipping Company from 1991 to 1995. He was later appointed Chief Executive Officer of Royal Dutch/Shell's global Oil Products business and then Group Managing Director of the Royal Dutch/Shell group from 2000 to 2003.

After his retirement from Shell, he was Chairman of Rio Tinto plc, the global mining company, over the period 2003-2009. He is currently Chairman of Infrastructure UK, a division of

HM Treasury, a non-Executive Director of Standard Chartered plc and Tetra Laval Group, and a member of the Public Interest Body of PricewaterhouseCoopers LLP.

Positions and activities

Functions within the Air Liquide Group

Director: L'Air Liquide S.A. (member of the Audit and Accounts Committee).

Positions or activities outside the Air Liquide Group

- Non-Executive Director: Standard Chartered plc, Tetra Laval Group.
- Member of the Board of Directors: INSEAD.
- Chairman: Infrastructure UK (a division of HM Treasury).
- Member: Public Interest Body of PricewaterhouseCoopers LLP.

- ◆ Born in 1944
- ◆ Nationality: British
- ◆ Date of first appointment: 2006
- ◆ End of current term: 2014
- ◆ 1,298 shares^(b)

^(b) Number of shares owned as at December 31, 2010.

NB: Independent Director as defined by the internal regulations of the Board of Directors. With regard to the criteria of independency, please refer to the 2010 Reference Document.

2010 highlights

For Air Liquide, 2010 was marked by a **return to more sustained growth**, a further **improvement in operating results** and a **step-up in capital expenditure**.

Against a backdrop of gradual economic recovery, the Group was able to manage the end of the crisis and seize the increasing number of opportunities, thus confirming the strength of its **five growth drivers**.

2010 was also marked by a sharp contrast between the gradual recovery of advanced economies and the accelerated growth of developing economies.

The year's investment decisions reflect this same contrast, with numerous decisions in developing economies stemming from the increase in customer demand and the development of outsourcing, and a more limited number of decisions in advanced economies, focused on site takeovers and environmental trends.

In developing economies, 29% sales growth was underpinned by numerous start-ups, particularly in China, India, Singapore and Brazil. In addition, investment momentum accelerated in these regions.

The Group signed a significant number of Large Industries contracts in developing economies. In particular, in **Saudi Arabia**, **the Group won the largest contract in its history**, totaling 450 million dollars, for the supply of hydrogen to the future refinery of Saudi Aramco in the Yanbu industrial basin. This project is significant for the Group as it is the first ever hydrogen outsourcing contract in this region and confirms the strategic advantage of Engineering and Construction expertise for the development of gas sales.

The Group actively pursued its investment policy in **China**. In Large Industries, in 2010, Air Liquide signed supply contracts with steel producers Bohai Steel in Tangshan, Jianbang in Linfen, Xilin Steel in Yichun, Dongbei Special Steel in Dalian and the chemical producer Tongmei Guangfa Chemical Industry in Datong. Equipment sales for oxygen production units were recorded for chemical producers Yulin Energy and Chemical in the Yulin region and Shandong Hualu Hengsheng located in Dezhou.

In Electronics, the Group recently signed a long-term contract with Nanjing CEC Panda LCD Technology Corporation for its new flat panel manufacturing plant located in the new Crystal Valley in Nanjing.

The Engineering teams sold four large air separation units to chemical producers for the transformation of coal into chemicals. In **India**, Air Liquide signed an oxygen supply contract with steel producer Rashtriya Ispat Nigam Limited. In **Russia**, the Group strengthened its business relations with the steel producer Severstal and entered into a contract with RusVinyl which is outsourcing its gas supply for the first time. During the year, other projects started in Egypt, Qatar and Syria.

In addition to these substantial industrial investments, the Group invested in new liquid facilities and acquired several gas distribution companies in China, India, Poland, Panama and Turkey in order to develop its Industrial Merchant business.

In the advanced economies, the Group concluded several **site takeovers**^(a) in basins where it was already present. It acquired the Oxea syngas production plant in **Germany**, the utilities production units of Lion Copolymer in **Louisiana** as well as a hydrogen and carbon monoxide production unit in the Yeosu basin in **South Korea**. In all three cases, these new production units were connected to existing networks, therefore offering customers more reliable and flexible supply.

In the **Energy and Environment** fields, Air Liquide was chosen by the US Department of Energy to take part in a pilot project study, **FutureGen 2.0**, involving the conversion of a major electrical power plant from coal to oxy-combustion, thus facilitating the **capture and storage of CO₂**.

In India, Air Liquide signed a research partnership with Tatva Renewable Energy in order to run telephone relays on **fuel cells** in regions with no access to an electricity network.

In Canada, again in the hydrogen energy sector, Air Liquide won a contract to supply the hydrogen, filling station and infrastructure to power Walmart's new fleet of fuel cell forklift trucks at its new «green» distribution centre.

(a) The economic context encourages certain Large Industries customers to outsource gas supplies. The customer sells its gas production assets to an industrial gas producer, enabling the customer to concentrate its resources on its core business, and in return, signs a long-term supply contract for industrial gases. Each site takeover project is unique and differs according to the state of the installations purchased (recent or obsolete, perfectly operational or incurring some technical difficulties, designed and sold by Air Liquide engineering or by a competitor). However, one thing they have in common is that they enable a reduction in the Large Industries investment cycle.

In **Health**, the Group pursued its **acquisition strategy** focused on the homecare sector. At the start of the year, it acquired DinnoSanté, a French company specializing in medico-technical services for the treatment of diabetes, and Global Med, a modest player in the treatment of sleep apnea in Brazil, Snore Australia which offers sleep apnea analysis services and Medions Homecare, the South Korean leader in home ventilation. In France, the Group obtained the extension to market the analgesic Kalinox™ for better pain treatment outside of the hospital.

Finally, by signing new contracts in China, Malaysia, Taiwan, Japan and Italy, Air Liquide strengthened its position as leader in the supply of gas and precursors to **photovoltaic solar panel** manufacturers and confirmed its growth strategy based on **High technologies**. The Group now supplies more than 120 photovoltaic solar cell

producers worldwide, representing around 50% of the world's production capacity. In Japan, the Group supplied helium liquifiers to two local universities.

In terms of financing, Air Liquide successfully carried out two **bond exchange offers** in June and October 2010 in order to refinance, under particularly favorable conditions, bonds amounting to 957 million euros with a 2012-2015 maturity that has now been extended to 2018-2020.

In 2010, the Air Liquide Foundation also continued its deployment with 33 additional projects financed during the year.

At the year-end, the Group announced its new ambition, its 2015 objectives and the launch of the **2015 ALMA program**.

2010 financial elements of the Air Liquide Group

➤ KEY FIGURES

<i>In millions of euros</i>	2009	2010	2010/2009 published change	2010/2009 comparable change ^(a)
Total revenue	11,976	13,488	+12.6%	+7.0%
<i>of which Gas and Services</i>	10,192	11,886	+16.6%	+10.3%
Operating income recurring	1,949	2,252	+15.6%	
Operating income recurring as % of revenue	16.3%	16.7%	+40 bp	+50 bp ^(b)
Net profit (Group share)	1,230	1,404	+14.1%	
Net profit per share <i>(in euros)</i>	4.40 ^(c)	4.99	+13.4%	
Adjusted dividend per share <i>(in euros)</i>	2.11 ^(c)	2.35 ^(d)	+11.4%	
Cash flow from operating activities (before changes in working capital)	2,275	2,661	+17.0%	
Net capital expenditure ^(e)	1,440	1,738	+20.7%	
Net debt	4,891	5,039	+3.0%	- 3.7% ^(f)
Net debt to equity ratio	63%	55%		
Return On Capital Employed – ROCE after tax ^(g)	11.6%	12.1%		

(a) Excluding natural gas and exchange rate impacts.

(b) Excluding the natural gas impact.

(c) Adjusted for the free share attribution performed in May 2010.

(d) Subject to approval at the Shareholders' Meeting on May 4, 2011.

(e) Including transactions with minority shareholders.

(f) Excluding exchange rate impact.

(g) Return On Capital Employed after tax: (net profit after tax before minority interests – financial income (expense) after taxes)/weighted average for the year of (shareholders' equity + minority interests + net indebtedness).

2010 PERFORMANCE

➤ REVENUE

Unless otherwise stated, all of the changes in revenue outlined below are on a comparable basis (excluding the currency and natural gas impacts).

Group revenue totaled **13,488 million euros**, up +12.6% as published relative to 2009.

On a comparable basis, it increased by **+7.0%**, year on year, excluding a positive exchange rate impact of +4.7%, or +566 million euros, and natural gas impact of +0.9%, or +110 million euros.

Gas and Services revenue totaled **11,886 million euros**, up +16.6%. Positive exchange rate and natural gas impacts amounted to +5.2% and +1.1%, respectively. On a comparable basis, the increase amounted to +10.3% compared to 2009, and +5.0% compared to 2008. The turnaround in activity was gradually confirmed during the year, on a quarterly basis, with the second quarter of 2010 already exceeding the 2008 average. This activity accounts for 88% of the Group's sales.

This performance was attributable to:

- a +29% increase in sales in developing economies due to solid growth in demand and a significant number of plant start-ups;
- a +7% increase in sales in advanced economies where recovery was gradual.

➤ OPERATING INCOME RECURRING

Group operating income recurring (OIR) totaled **2,252 million euros** in 2010, up **+15.6%** compared to 2009, demonstrating once again positive leverage on revenue. The **operating margin (OIR as a percentage of revenue)** surpassed the 2009 record level by +40 basis points, amounting to 16.7%, *i.e.* **+50 basis points** excluding the negative impact of the rise in natural gas prices.

This performance was attributable to the positive impact arising from the growth of volumes, cost control and a further significant **improvement in efficiencies totaling 280 million euros**, which largely exceeded the year's target of 200 million euros. The combination of these three items helped to offset cost inflation and the virtual stability of prices at the Group level.

In 2010, efficiencies represented savings of 3.1% on the cost base. More than 50% of these savings was attributable to the reduction in energy consumption, the streamlining of logistics and numerous industrial optimization projects. A third is coming from procurement roll-out.

Operating income recurring before depreciation and amortization totaled 3,374 million euros, up **+13.7%**. Depreciation and amortization amounted to 1,122 million euros, up +10.0% reflecting the start-up of new entities.

The contribution of start-ups, ramp-ups, site takeovers and minor acquisitions amounts to +4% of the Group sales during the year.

Engineering and Construction revenue totaled **751 million euros**. The **-27.0%** decline in sales results from the 2009 order intake that mainly comprised engineering studies. In 2010, orders increased sharply to reach 1.2 billion euros, thus regaining the pre-crisis level and reflecting the turnaround in the investment cycle.

Welding-Cutting revenue gradually stabilized over the year and regained growth as from the third quarter.

The **Specialty Chemicals** activity (Seppic) recovered as from the first quarter of 2010, resulting in a +18.4% increase in sales for the year.

Diving activities (Aqualung) reported sustained +5.3% growth for 2010, due to the development of highly innovative products.

Gas and Services operating income recurring totaled **2,281 million euros**, up **+14.4%**. The operating margin amounted to **19.2%**, down by -40 basis points, and **-20 basis points** excluding the natural gas impact, relative to a record level in 2009. The stability of this high Gas and Services margin, despite the product mix effect in Large Industries, reflects a solid performance.

Efficiency gains, totaling 250 million euros for Gas and Services, offset the inflation in costs and the slight decline in prices.

Engineering and Construction Operating income recurring totaled 68 million euros. The operating margin reached 9.0%, an increase compared to 2009 due to the solid work-load, and is in the upper half of the targeted range.

The Group's **Other activities** reported an operating income recurring of 81 million euros, up +88%, mainly due to a sharp improvement in the profitability of the Welding-Cutting activity, and a return to growth in the Specialty Chemicals and Diving activities.

Research and Development and corporate costs totaled 177 million euros, up slightly by +4.1%, as a result of an increase in research expenses, in order to maintain the growth momentum, and in corporate costs.

➤ NET PROFIT

Due to the high level of operating performance, **net profit (Group share)** rose by **+14.1%**, illustrating **strong positive leverage on sales**.

Other operating income and expenses amounted to **2 million euros** including the favorable outcome of litigation in 2010 and provisions for risks.

Net finance costs increased slightly. The nominal increase results from exchange rate impacts. The average financing rate amounted to 4.9%, very close to that of the previous year. In 2009, other financial income and expenses were impacted by the recognition of interest on arrears related to the equalization charge receivable.

The **effective tax rate** amounted to **26.4%**. In 2009, the tax rate was at 24.9% due to the non-taxable character of the exceptional receivable.

Profit of associates totaled **27.8 million euros**, up 8 million euros compared to 2009 due to strong growth in profits of certain associate companies in Asia. **Minority interests** amounted to 54.5 million euros, down slightly due to the buy-out of minority interests during the year and the decline in Hygiene sales in France.

Overall, **net profit (Group share)** totaled **1,404 million euros** in 2010, up **+14.1%**, up +10.5% excluding the exchange rate impact.

Net profit per share amounted to 4.99 euros, up **+13.4%** compared to 2009, adjusted for the free share attribution in May 2010. The average number of outstanding shares used for the net profit per share calculation as of December 31, 2010 was 281,491,673.

➤ CASH FLOW AND BALANCE SHEET

Cash flow from operating activities before changes in working capital totaled 2,661 million euros, up +17% (+13% excluding currency impact). This improvement was directly attributable to the increase in results and proves the quality of the performance.

In a context of confirmed recovery, the **working capital requirement** increased by 155 million euros in 2010 and represents 6.5% of sales. This increase was partly due to the activity cycle of Engineering and Construction. Regarding Gas and Services, the pre-tax working capital requirement rose at a more moderate pace in absolute terms, and the increase in productivity as a percentage of sales was substantial.

Signaling a return close to the pre-crisis level, **2010 total capital expenditure**, including transactions with minority shareholders, totaled 1.8 billion euros, up considerably compared to a deliberately restrained level in 2009, linked to tight cash management. The 2010 investment momentum was based on the relaunch of projects that had been put on standby in 2009, the realization of new projects, three site takeovers and a greater number of acquisitions in Healthcare and Industrial Merchant.

- ♦ **Industrial** investment totaled 1.4 billion euros in 2010, with the resumption of certain projects delayed in 2009, as well as major investment projects particularly in China.
- ♦ **Financial** investment totaled 332 million euros, including the buy-out of minority interests for 93 million euros. They include site takeovers in Large Industries as well as acquisitions in Healthcare and Industrial Merchant, which accelerated significantly at the year-end. The Group also bought out the minority interests of its Gas and Services subsidiary in Switzerland.
- ♦ Disposals represented 44 million euros.

Net indebtedness as of December 31, 2010 totaled 5,039 million euros, up slightly compared to 2009. Excluding exchange rate impacts of 331 million euros, net debt would have decreased by 183 million euros. The debt to equity ratio amounted to 55% compared to 63% at year end 2009. This net improvement in the Group's financial structure, obtained in the context of a recovery in investments, was due to the high level of cash from operating activities, tight control over working capital requirements and improved asset management in the balance sheet.

The **return on capital employed (ROCE) after tax** rose by +50 basis points to reach **12.1%**, marginally above the initial objective of between 11% and 12%.

The net profit of the Parent Company, L'Air Liquide S.A., totaled 822 million euros, compared to 816 million euros in 2009.

At the Shareholders' Meeting of May 4, 2011, **the payment of a dividend totaling 2.35 euros per share will be proposed to shareholders in respect of fiscal year 2010, up +11.4%, taking into account the May 2010 free share attribution (2009 adjusted dividend : 2.11 euros). This corresponds to a distribution rate of 48.7%.**

The ex-date has been set for May 11, 2011 and the payment date for May 16, 2011.

Air Liquide's strategy is described in detail in the 2010 Reference Document.

CONSOLIDATED INCOME STATEMENT

For the year ended December 31

<i>In million of euros</i>	2009	2010	2010 / 2009 Change
Revenue	11,976.1	13,488.0	+12.6%
Purchase	(4,563.3)	(5,240.0)	
Personnel expenses	(2,236.5)	(2,378.3)	
Other income and expenses	(2,207.3)	(2,495.4)	
Operating income recurring before depreciation and amortization	2,969.0	3,374.3	+13.7%
Depreciation and amortization expense	(1,020.0)	(1,122.1)	
Operating income recurring	1,949.0	2,252.2	+15.6%
Other non-recurring operating expenses	10.1	2.0	
Operating income	1,959.1	2,254.2	+15.1%
Net finance costs	(221.7)	(228.9)	
Other net financial expenses	(52.9)	(82.3)	
Income taxes	(419.1)	(512.7)	
Share of profit of associates	19.8	27.8	
Profit for the period	1,285.2	1,458.1	+13.5%
Minority interests	55.2	54.5	
Net profit (Group share)	1,230.0	1,403.6	+14.1%
Basic earnings per share (in euros)	4.40	4.99	+13.4%
Diluted earnings per share (in euros)	4.40	4.97	+13.0%

CONSOLIDATED BALANCE SHEET (SUMMARY)

For the year ended December 31

<i>In millions of euros</i>	December 31, 2009	December 31, 2010
ASSETS		
Goodwill	4,002.9	4,390.8
Intangible assets and property, plant and equipment	10,596.8	11,706.8
Other non-current assets ^(a)	940.1	973.0
TOTAL NON-CURRENT ASSETS	15,539.8	17,070.6
Inventories and work-in-progress	709.7	741.7
Trade receivables and other current assets	2,931.5	3,150.4
Cash and cash equivalents including fair value of derivatives (assets) ^(a)	1,444.6	1,574.9
TOTAL CURRENT ASSETS	5,085.8	5,467.0
TOTAL ASSETS	20,625.6	22,537.6

<i>In millions of euros</i>	December 31, 2009	December 31, 2010
EQUITY AND LIABILITIES		
Shareholders' equity	7,583.7	8,903.5
Minority interests	168.2	209.0
TOTAL EQUITY	7,751.9	9,112.5
Provisions, pensions and other employee benefits & deferred tax liabilities	2,777.5	2,930.0
Non-current borrowings	5,528.9	5,680.8
Other non-current liabilities ^(a)	280.8	336.1
TOTAL NON-CURRENT LIABILITIES	8,587.2	8,946.9
Provisions, pensions and other employee benefits	222.4	216.4
Trade payables & other current liabilities	3,197.1	3,298.2
Current borrowings (liabilities) ^(a)	867.0	963.6
TOTAL CURRENT LIABILITIES	4,286.5	4,478.2
TOTAL EQUITY AND LIABILITIES	20,625.6	22,537.6

(a) Including derivatives.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31

<i>In million of euros</i>	2009	2010
Operating activities		
Net profit (Group share)	1,230.0	1,403.6
Minority interests	55.2	54.5
Adjustments:		
- Depreciation and amortization	1,020.0	1,122.1
- Changes in deferred taxes	69.2	130.2
- Increase (decrease) in provisions	25.0	(34.2)
- Share of profit of associates (less dividends received)	(3.5)	(10.6)
- Profit/loss on disposal of assets	(30.1)	(4.7)
- Equalization charge receivable	(91.3)	
Cash flow from operating activities before changes in working capital	2,274.5	2,660.9
Changes in working capital	165.5	(154.9)
Other	11.8	(86.1)
Net cash flows from operating activities	2,451.8	2,419.9
Investing activities		
Purchase of property, plant and equipment and intangible assets	(1,411.0)	(1,449.8)
Acquisition of subsidiaries and financial assets	(109.2)	(239.9)
Proceeds from sale of property, plant and equipment and intangible assets	78.5	43.0
Proceeds from sale of financial assets	1.9	0.8
Net cash flows used in investing activities	(1,439.8)	(1,645.9)
Financing activities		
Dividends paid		
- L'Air Liquide S.A.	(601.9)	(609.0)
- Minority interests	(28.8)	(37.8)
Proceeds from issues of share capital	175.1	110.3
Purchase of treasury shares	(1.1)	2.8
Increase (decrease) of borrowings	(416.6)	99.3
Transactions with minority shareholders		(92.5)
Net cash flows from (used in) financing activities	(873.3)	(526.9)
Effect of exchange rate changes and change in scope in consolidation	45.7	(90.8)
Increase (decrease) in cash and cash equivalents	184.4	156.3
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,141.5	1,325.9
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,325.9	1,482.2

The analysis of net cash and cash equivalents at the end of the period is as follows:

<i>In million of euros</i>	2009	2010
Cash and cash equivalents	1,385.3	1,523.1
Bank overdrafts (included in current borrowings)	(59.4)	(40.9)
NET CASH AND CASH EQUIVALENTS	1,325.9	1,482.2

Net indebtedness calculation

<i>In million of euros</i>	2009	2010
Non-current borrowings (long-term debt)	(5,528.9)	(5,680.8)
Current borrowings (short-term debt)	(826.4)	(921.2)
TOTAL GROSS INDEBTEDNESS	(6,355.3)	(6,602.0)
Total cash and cash equivalents	1,385.3	1,523.1
Derivative instruments (net assets) – fair value hedge of borrowings	79.2	39.6
TOTAL NET INDEBTEDNESS AT THE END OF THE PERIOD	(4,890.8)	(5,039.3)

Statement of changes in net indebtedness

<i>In million of euros</i>	2009	2010
NET INDEBTEDNESS AT THE BEGINNING OF THE PERIOD	(5,484.4)	(4,890.8)
Net cash flows from operating activities	2,451.8	2,419.9
Net cash flows used in investing activities	(1,439.8)	(1,645.9)
Net cash flows used in financing activities excluding increase (decrease) of borrowings	(456.7)	(626.2)
Total net cash-flow	555.3	147.8
Effect of exchange rate changes, change in scope of consolidation and others	38.3	(296.3)
Change in net indebtedness	593.6	(148.5)
NET INDEBTEDNESS AT THE END OF THE PERIOD	(4,890.8)	(5,039.3)

➤ OUTLOOK

The recovery of the long-term investment cycle, as demonstrated by the signing of new contracts in all of the Group's businesses, has led to the doubling of the amount of investment decisions compared to 2009, reaching 2.2 billion euros.

The new momentum is already established, spurred by the ALMA 2015 program, and supported by the Group's five growth drivers (Energy, Environment, Developing economies, Health,

High technologies). This momentum will allow the Group to seize many growth opportunities and accelerate its long-term development.

In this context and assuming normal economic conditions, Air Liquide is confident in its ability to continue to generate steady growth of net profit in 2011.

Five-year summary of Company's results (statutory accounts)

(Articles R.225-83 and R.225-102 of the French Commercial Code)

	2006	2007	2008	2009	2010
I - Share capital at the end of the year					
a) Share capital (in euros)	1,332,641,079	1,313,645,905	1,435,072,914	1,453,398,947	1,562,523,012
b) Number of outstanding ordinary shares	121,149,189	238,844,710	260,922,348	264,254,354	284,095,093
c) Number of shares with loyalty dividend entitlement	31,126,097	61,587,166	67,969,494	66,269,428	71,940,478
d) Convertible bonds					
II - Operations and results of the year (in millions of euros)					
a) Net revenue	1,549.7	1,585.0	1,697.5	1,559.8	1,606.3
b) Net profit before tax, employee profit-sharing, depreciation, amortization and provisions	634.9	657.3	819.7	889.5	909.8
c) Corporate income tax	7.8	8.3	8.9	9.4	14.6
d) Employee profit-sharing for the year	2.6	2.7	3.3	3.1	3.2
e) Net profit after tax, employee profit-sharing and depreciation, amortization and provisions	547.6	574.1	695.1	816.2	822.2
f) Distributed profit	497.0	551.0	602.0	609.2	684.2
III - Per share data (in euros)					
a) Net profit after tax, employee profit-sharing, but before depreciation, amortization and provisions					
- over the number of ordinary shares outstanding	5.16	2.71	3.10	3.32	3.14
- over the adjusted number of shares ⁽¹⁾	2.21	2.29	2.91	3.14	3.17
b) Net profit after tax, employee profit-sharing and depreciation, amortization and provisions					
- over the number of ordinary shares outstanding	4.52	2.40	2.66	3.09	2.89
- over the adjusted number of shares ⁽¹⁾	1.94	2.04	2.51	2.92	2.92
c) Dividend allocated to each share					
- over the number of ordinary shares outstanding	4.00	2.25	2.25	2.25	2.35
- over the adjusted number of shares ⁽²⁾	1.70	1.91	2.11	2.11	2.35
d) Loyalty dividend					
- over the number of beneficiary shares	0.40	0.22	0.22	0.22	0.23
- over the adjusted number of shares ⁽²⁾	0.17	0.19	0.21	0.21	0.23
IV - Employees working in France					
a) Average number of salaried employees during the year	4,991	4,969	5,124	5,103	4,888
b) Total payroll for the year (in millions of euros)	235.3	244.1	260.4	266.3	259.8
c) Amounts paid with respect to employee benefits during the year (social security, staff benefits, etc) (in millions of euros)	187.8	197.7	211.8	214.1	221.1

(1) Adjusted to take into account, in the weighted average, the capital increases performed via capitalization of reserves or additional paid-in capital, cash subscriptions and treasury shares.

(2) Adjusted to take into account the capital increases performed via capitalization of reserves or additional paid-in capital and the share split.



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