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IN BRIEF

Air Liquide highlights from recent weeks

- China: extended contract to Dongbei Special Steel in Dalian
- Poland: Industrial Merchant market acquisition
- Canada: worldwide partnership with Sixtron for crystalline-Si solar cells
- Qatar: dual success in helium market

- Combined Shareholders' Meeting (May 5, 2010): participation of 147,022 shareholders and approval of all the proposed resolutions
- Shanghai 2010: the Air Liquide Group supports the Shanghai World Expo with hydrogen and healthcare expertise
- High-Tech success in Japan: Air Liquide will provide two helium liquefiers and a hydrogen filling station



See all press releases at www.airliquide.com

EDITORIAL

Benoît Potier, Chairman and CEO

Ladies and Gentlemen, dear Shareholders,

Once again, many of you attended your Group's Annual General Meeting of Shareholders on May 5 this year. More than 147,000 shareholders took part and adopted all the proposed resolutions. This event remains a privileged time for communication, especially important in a period when the global environment is profoundly changing. Your presence and your reactions to subjects which are important to you are a testimony of the interest and trust that you place in the Air Liquide Group, and I thank you for that.

2009 was an unprecedented year across the world. Your Group managed to minimize the effects of the crisis: the strength of its fundamentals and the momentum built up over the past few years thanks to the ALMA strategic program have enabled the Group to achieve a high quality performance. This confirms the resilience of the economic model and the Group's ability to rapidly adapt and thus to remain on course over the long term. These results have made it possible to pay a dividend of €2.25 per share and to allocate one bonus share for every 15 held to each shareholder.

The crisis has given rise to underlying trends, leading your Group to adjust its strategy, business models and management methods in order to ensure sustainability and growth and to strengthen its world number 1 position in an economic environment that will undoubtedly be more volatile in the future. New medium-term objectives will be drawn up this year for the 2010-2015 period.

Your Group already stands on a solid financial position in 2010 and has enhanced structural competitiveness, which leaves opportunities to invest in the markets of the future. Business in the first quarter of 2010 has shown a return to growth in all Group geographical zones and businesses, with a marked contrast nevertheless between mature and emerging economies. The ALMA program continues and our teams remain committed, both to performance and to conquering new markets. Finally, the five growth drivers – Health, Energy, Environment, High-Tech and Emerging Economies – set within the ALMA program before the crisis, keep their full potential.

Air Liquide has a unique entrepreneurial capital, which is not only human, but technological and also financial, fueled by a strong corporate spirit and based on the remarkable loyalty of its employees and shareholders. It is with this capital and with your support, Ladies and Gentlemen, dear Shareholders, that the Group continues to grow and build its future.



A CLOSER LOOK

Energy

Environment

Emerging Economies

Healthcare

High-Tech

In order to achieve its ambition, Air Liquide launched its ALMA strategic program in early 2008. Long-term Group development is based on five growth drivers: Energy, the Environment, Health, High-Tech and Emerging Economies.

Middle East: a fast-growing region

Air Liquide is currently developing in most of the growth basins and markets in the Middle East: a strategic position which generates growth of about 50% per year.

Historically, Air Liquide first set up in this geographical area in 1926, in Lebanon. However, the recent Middle East adventure began in Egypt in 2002 with the purchase of the Messer businesses.

Today, with 600 employees in the whole zone, the Group is also present in Kuwait, the Sultanate of Oman, Qatar, Saudi Arabia, Syria and the United Arab Emirates, where its Middle East headquarters are located.

Air Liquide invested around 500 million US dollars in eight different countries over the 2002-2009 period, and is planning to invest an additional one billion US dollars in the Arabian Gulf region over the next five years.

Today, it is the world's leading Group on the industrial gases market in this growth area.

A motor: the Large Industries business

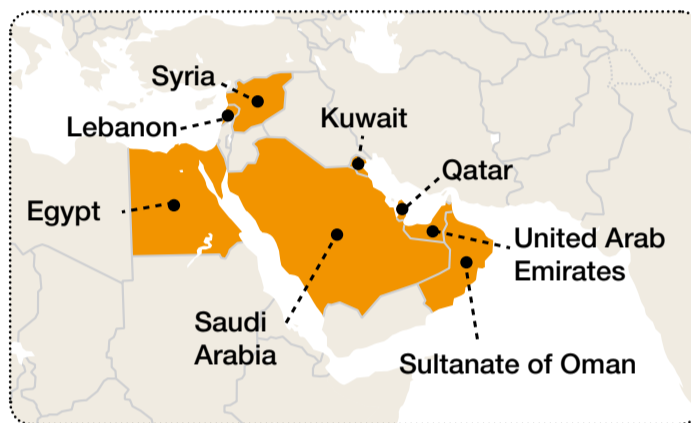
The Group's rapid development in the Middle East is partly based on numerous contracts secured within the framework of the Large Industries World business line. Among these contracts feature:

- in Shuaiba in Kuwait, the supply of oxygen (1,500 tonnes/day), nitrogen and compressed air for the Equate petrochemical site (joint-venture with DOW);
- in Qatar, in the Mesaieed and Ras Laffan basins, three units will be supplying, among others, oxygen to steel manufacturer Qatar Steel and to Oryx GTL, a producer of clean diesel (joint-venture with SASOL);
- in the Sultanate of Oman, in the port of Sohar, a nitrogen production unit to supply five petrochemical customers;
- in Egypt, on Alexandria and Soukhna sites, with supplies to the steel manufacturer EZZ and the flat glass manufacturer Saint-Gobain, respectively.

Furthermore, in Saudi Arabia, the largest carbon monoxide production unit in the world was commissioned at the end of 2009. Designed and developed by the Air Liquide Lurgi Engineering and Construction teams, this unit will have a production capacity of 335,000 tonnes per year.

The Group has also invested in distribution and packaging resources for special gases and has strengthened its distribution network, acquiring the local companies Al Khafrah Industrial Gases in Saudi Arabia and Pure Helium in the United Arab Emirates.

The Industrial Merchant World business line is thus the second pillar of Air Liquide's development in the Middle East.



Air Liquide, world's leading helium supplier

In the second quarter of 2010, the Group was chosen by the Qatari gas producer RasGas to deliver a huge turnkey pure helium extraction, purification and liquefaction unit. Installed on the Ras Laffan site in Qatar, this production unit will be the largest in the world with a production capacity of 38 million m³ per year. It will be equipped with the largest helium liquefier in the world, based on cutting edge technology patented by Air Liquide.

Also, as part of a long-term agreement with Rasgas and Qatargas, Air Liquide will be entitled to purchase 50% of the helium volumes produced by this new unit, enabling the Group to meet the needs of its customers.

Due to the development of technologies in some specific sectors (medical, electronics, optical fibers, etc.), the helium market shows 4% annual growth on average. Once the unit supplied by Air Liquide is commissioned, Qatar will provide 25% of worldwide production of this rare gas. The Group is therefore one of the leading players in the global market for helium.

Emerging Economies have experienced more dynamic growth since the second semester of 2009 and investments in these countries are higher than before the crisis. The development of their industries goes with a rise in the demand for industrial gases used in a variety of applications.

Of course, Air Liquide's expansion is continuing in these countries which today represent 17% of its revenue. At the end of 2009, 80% of the opportunities studied by the Group were located in Emerging Economies, as were 47% of its investment decisions. A record number of 16 unit start-ups is planned for these economies in 2010.

In addition to the Middle East, Air Liquide has a strong presence in Asia. In China, the Group has more than 2,500 employees. In India, after its first steps in 1992, over 1,000 Air Liquide employees work today in industrial gases, engineering and construction, and also in the health sector.

Air Liquide is continuing to develop in Russia and South America too.

Viewpoint



Jacques de Thézy
General Manager
Air Liquide Middle East

Air Liquide is developing in the Middle East by relying on its historical business model. What are its advantages?

The Group's business model is first of all characterized by the deployment of production sites close to its customers, in promising industrial basins. Investments in production plants are thus followed by the development of distribution means and the setting up of a network.

The Group then relies on the technological reliability of its solutions and its customer service capacity, affording it a leading position.

Today, what are the main sectors in this geographical zone?

In the Middle East, major development opportunities are arising in the oil and gas industries. Similarly, our major customers in the Chemical sector are setting up local units to benefit from the advantageous costs of raw materials, and we are supporting them in this approach.

Finally, the Middle East region, a considerable steel importer, is getting equipped with its own means of production. This is generating considerable demands for oxygen, notably for steel manufacturers such as EZZ (Egypt), Qatar Steel (Qatar) or Medsteel (Syria).

For its future growth, which markets will Air Liquide be targeting?

Among the most promising markets in terms of growth potential, we can mention photovoltaics, oxygen for the gasification of fossil resources used to produce synthesis gases, or hydrogen for fuel desulfurization.

Finally, some sectors are still to be conquered in this geographical area, health being one of them in particular.



Listen to the full interview on the webzine

SEEN AND HEARD

Air Liquide supports Shanghai 2010

Air Liquide supports the Shanghai World Expo with its hydrogen and healthcare expertise, notably acting as partner to the Franco-Chinese Symposium on Emergency Medicine.

Inaugurated on last May 1, this exhibition will welcome visitors until October 31, 2010, on the theme "Better City, Better Life".

Air Liquide provides delivery service and backup hydrogen supply for the hydrogen refilling stations serving the World Expo. The Group also provides all logistical means, including trailers and tractors for the transportation of hydrogen. About 200 fuel cell vehicles will transport visitors and guests during the event.

Air Liquide, via its subsidiary Air Liquide Medical Systems, was the main sponsor to the Franco-Chinese Symposium on Emergency Medicine which took place as part of the World Expo. This symposium highlighted the special features and the excellence of French emergency medicine and enabled an exchange between Chinese and French emergency practitioners concerning organizational and therapeutic matters.



Comprehensive solutions for emergency medicine

A major actor in the field of healthcare, Air Liquide develops innovative solutions to meet the needs and constraints of the hospital and extra-hospital environments. The Group supports hospitals and health professionals in improving patient treatment and care and in facilitating their implementation.

Air Liquide is also present in the emergency medical sector and has developed products and equipment adapted to these specific requirements.

For example, KALINOX™ is a medicinal gas recognized for its analgesic properties. It enables rapid action and elimination. Packaged in ready-to-use cylinders, it is administered by inhalation. Air Liquide designed the cylinder PRÉSENCE which offers ergonomic and compact packaging. Its ease of use, combined with innovative safety solutions, makes this cylinder a medicinal gas packaging solution highly appreciated by health professionals, in particular by emergency practitioners. Finally, Air Liquide developed the Osiris emergency respiratory equipment used to treat patients outside the hospital. The new Monnal T75 respiratory equipment is designed to treat the most serious pathologies for intra-hospital emergencies thanks, notably, to its ventilatory capacities.

Viewpoint



Professor Pierre Carli
Medical Director of the Paris SAMU

What qualifies the SAMU, the French pre-hospital emergency?

The French system is really quite special as in the SAMU we have doctors who answer the phones and doctors who work in the field with the reanimation teams. The service is very much orientated towards the needs of the person who calls us. We treat these emergencies in the first few minutes.

What is special about the French system?

The French system is in fact a European system, where doctors intervene. This is rather different to what happens on other continents. In North America, notably, there are specialist rescue workers who are trained to intervene and treat traumas, and priority is given to the fastest admission to the hospital.

Hence, the medical teams have to adapt to specific constraints...

Working outside the hospital means working under specific requirements. Most of all, we need to have the right equipment, i.e. compact, light but also effective.



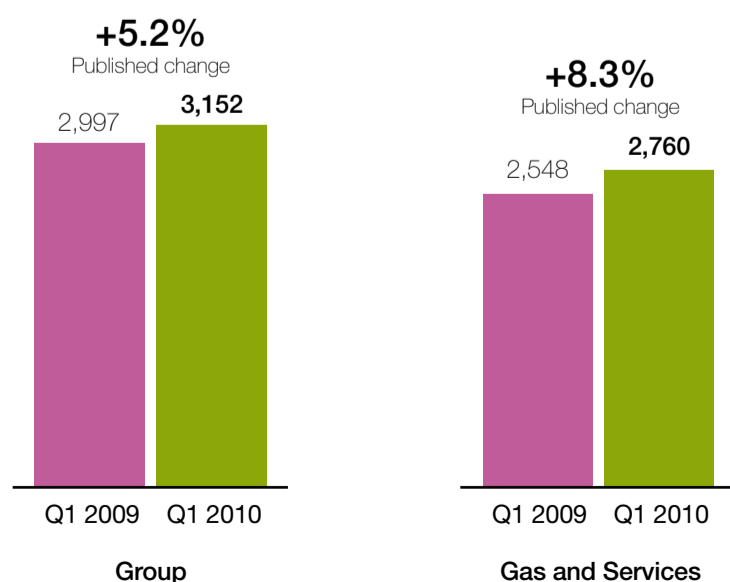
Watch the interview
on the webzine

AS AN ASIDE

Air Liquide revenue in the 1st quarter 2010

Return to growth - Solid operating performance

1st quarter revenue (in €M)



In the first quarter of 2010, all Group **businesses and geographies** are up, notably thanks to **sustained growth in Healthcare**, the contribution from **Large Industries start-ups** and **strong demand in Emerging Economies**. Gas and Services sales, **up by 8.3%**, reflect the increase in volumes consumed by customers. However, the recovery of volumes remains moderate in mature economies, particularly in Industrial Merchant.

Benoît Potier, Chairman and CEO of Air Liquide, stated:

"In a context that remains contrasted, this first quarter of 2010 marks the return to growth, especially in Gas and Services, which is up compared both to 2009 and the high levels of 2008. It also shows a solid operating performance.

The expected number of start-ups, the recovery of investment projects and the confirmation of the Group's efficiency potential allow us to maintain our objective for the year.

In this context, and barring a major economic upset, Air Liquide expects continuous growth in net profit in 2010, in line with its long-term performance."

The shareholder's page

SHAREHOLDERS TAKE THE FLOOR

“As a long-standing shareholder in Air Liquide, I am very attached to regular bonus share allocations.”

Bonus share allocation is an operation on the share capital through which the company creates new shares by capitalizing profits, reserves, additional paid-in capital or other amounts and then issues these shares at no cost to shareholders in proportion to the number of shares already held.

An allocation right corresponds to each share. The rights of loyal shareholders benefiting from the loyalty bonus are increased by 10%.

Over the past 30 years, Air Liquide has allocated bonus shares 18 times.

This year, in a context of end-of-crisis and gradual recovery of businesses, the Group wished to remain faithful to its shareholder policy by maintaining the operation. The allocation ratio has been adopted to preserve the Group's financial balances: for every 15 shares held, one bonus share is distributed.

Ratio proposed for the 2010 bonus share allocation

Each share held as at May 27 gave you the right to 1/15th of a new share. If the number of shares is not a multiple of 15, fractional rights are paid out in cash.

Example for a shareholder benefiting from the loyalty bonus

A shareholder who, up to the date of allocation, held a portfolio of 200 Air Liquide shares, of which 150 in registered form since 2007, benefited on May 28, 2010:

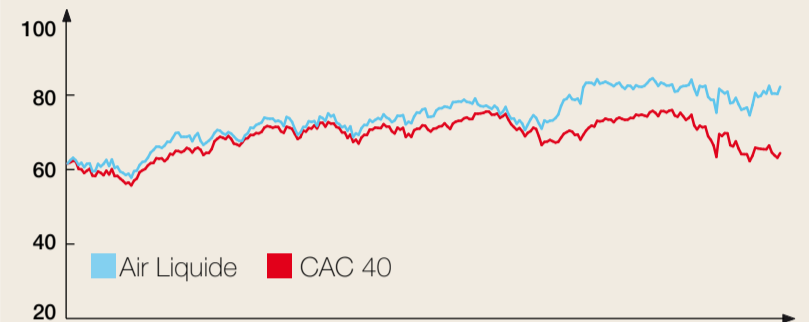
- from 13 bonus shares and a cash payment of 5 fractional rights corresponding to the rights of the 5 remaining shares (5 units worth 1/15th of the sale price),
- from an allocation increased by 10% linked to the loyalty bonus: 1 share for every 150 shares held for more than two full calendar years.

Following the allocation, his portfolio includes 214 shares.

REPORT

Air Liquide on the stock market

Evolution of share prices from June 9, 2009 to June 9, 2010 (share prices adjusted to account for the May 28, 2010 bonus share allocation)



Air Liquide **+33.5%** CAC 40 **+4.6%**

In figures

Annual General Meeting of Shareholders 2010: record attendance



Almost **5,500 people** attended the Air Liquide Annual General Meeting of Shareholders on May 5, 2010.

Shareholders represented **47.2% of voting rights**, or almost **150,000 shareholders** present or represented. The **22 proposed resolutions** were approved.

2010 Calendar

August 2
First half 2010 results

September 23
Information meeting in partnership with *Le Revenu* magazine (Lyon, France)

November 19 and 20
Actionaria Fair (Paris, France)

Erratum

An error appeared on page 52 of the printed version of *MORE*, the 2010 Shareholder's Guide. The tax credit for a single person residing in France paying income tax is €115, and not €155.

Help reduce paper mailings: subscribe to the electronic version of *interactions* at <http://contact.actionnaires.airliquide.com> or with our advisors.

Would you like to send us feedback on one of the subjects in this issue? Do you have any questions? Your opinion matters to us. Contact: <http://contact.actionnaires.airliquide.com>

FROM US TO YOU

Shareholder services answers your questions



I would like to join your Shareholders' Committee. How can I do so?

The Shareholders' Communication Committee (CCA) is comprised of 12 members whose backgrounds reflect the diversity of Air Liquide's individual shareholders.

The CCA works on communication tools and subjects of interest relating to individual shareholding. This year, for example, it participated in workshops on the Annual Report and the Shareholder's Guide *MORE*. Prior to the Annual General Meeting of Shareholders, it worked on the subject of vote participation and on the Invitation.

A third of the CCA's 12 members is renewed every year. If you wish to apply, download the application form on the webzine or in the Shareholders section of our website www.airliquide.com and return it to us completed by **July 31, 2010**.

How is the cost of a portfolio of shares calculated?

The average cost of a portfolio of shares corresponds to the average purchase price of these shares, including broker fees. Direct registered shareholders at Air Liquide benefit from broker fees of 0.3% (pre-tax) on the gross amount of the transaction.

The cost is used in particular in the calculation of capital gains taxes on selling the shares.



See a detailed calculation example of the average cost of a portfolio on **the webzine**

WEBZINE

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Air Liquide's letter to shareholders /// June 2010

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