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interactions

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March
2010

WEBZINE

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www.interactions.airliquide.com



IN BRIEF

Air Liquide highlights from recent weeks

- China: €75 m invested for two steel producers
- France: acquisition of DinnoSanté specialized in homecare market
- France: pain management outside the hospital with the analgesic medication KALINOX™

- India: investments to develop production capacities and to meet customers' rising demand
- France: launch of a second generation biofuel project
- China: signature of 13 photovoltaic contracts representing an over €10 million investment



See all press releases at www.airliquide.com

EDITORIAL

Benoît Potier, Chairman and CEO

Ladies and Gentlemen, Dear Shareholder,

2009 was an unusual year for the world, struck by an unprecedented economic slowdown. It was also a year of transformation for Air Liquide during which the Group once again showed the resilience of the businesses and its ability to deliver a regular performance. The Group reached the targets that it had set for 2009, with revenues close to their 2008 level, and a growth in net profit to €1,230 million.

This performance was realized as a result of the realignment of our priorities in 2009 within the ALMA strategic program: cash management, cost containment and selectiveness in investments. The Group thus exploited all possible leverage opportunities and was able to limit the impact of the crisis without jeopardizing its growth momentum.

2009 also saw the start-up of large production units, both in emerging economies such as China and South Korea, as well as in the United States and Portugal. We pursued our expansion in growth markets in the energy and healthcare sectors, by securing our position as leader in gas supply for the photovoltaic industry and capturing greater market share in homecare.

At the start of 2010, the recovery of the business is apparent, but expected to remain gradual depending on regions and markets. The 12-month portfolio of opportunities remains comparable to that of 2008, before the start of the crisis. In such a 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 Group remains confident in its ability to generate solid and sustainable medium-term growth.

The robust performance of 2009 could not have been achieved without the involvement and dedication of the teams, and I sincerely thank them.

I am also grateful to our shareholders for their trust, which testifies to our solidity and the pursuit of the long-term strategy specific to our business.

Therefore, we are committed to continue remunerating this trust by proposing at the next Annual General Meeting of Shareholders a dividend pay out of €2.25 per share, as well as one free share for 15 existing shares, despite an economic environment that remains uncertain.

Ladies and Gentlemen, Dear Shareholder, 2010 will most likely be a new year of transition, characterized by a reshuffled deck on the global scale and an intensification of social and environmental issues.

We will thus have to reassess our markets to take into account these factors and identify new opportunities in sectors and regions.

Bolstered by its position and structural soundness, the Group will succeed in taking advantage of this new global environment. The potential of its five growth drivers - Energy, the Environment, Emerging Economies, Health and High-Tech - remains as strong. Buoyed by the long-term trends of our society, they are exploited as part of a strategy based on development and innovation, and underpinned by Air Liquide's women and men, as well as its competitive edge. We are confident in the Group's ability to identify and seize new opportunities that arise.



A CLOSER LOOK

Air Liquide Foundation: working towards local sustainable development



Created in 2008 with international ambitions, the mission of the Air Liquide Foundation is to promote and foster philanthropic projects in three areas: Healthcare and Environment by funding research programs, as well as Micro-initiatives to advance local development. Spotlight on these Micro-initiatives created and conducted in the field...

The Air Liquide Foundation is devoted to playing a key role in the development of the regions where the Group is present, by supporting actions that contribute added value to local communities. Currently, the Foundation provides aid to 24 Micro-initiatives in areas such as training, health, environment, micro-entrepreneurship and disability.

Air Liquide employees: the critical bond

The distinctive feature of the Micro-initiatives is that each project is assigned to a sponsor, an employee of the Group, who provides support and guidance. As volunteers, sponsors make a commitment that exceeds their job requirements, seizing the opportunity to partake in local civic initiatives that are important to them. Sponsors act as the critical bond linking the Foundation with the association whom they meet in person at the project site. They ensure that the project fully meets the Foundation's selection criteria, and once the project has been approved by the Foundation, follow its progress step-by-step.

Bees to save the Caatinga in Brazil

In early February 2010, the Air Liquide Foundation decided to endow funds to an apicultural development project in the State of Rio Grande do Norte in Brazil. The State's low economic activity and desertification, which deteriorates and threatens the *Caatinga*, poses a dual challenge of protecting both the social fabric and the local ecosystem.



Initiated by the association Agronomists and Veterinarians Without Borders, in cooperation with local partners, the project supported by the Air Liquide Foundation teaches 200 Brazilian farmers the know-how necessary to become beekeepers. Funds provided by the Foundation have made it possible to set up training sessions, as well as purchase and rent apicultural equipment. Beekeeping is a rapidly profitable activity that optimizes the local natural resources -the *Caatinga*- and protects biodiversity, notably due to bee pollination.

Through this project, Agronomists and Veterinarians Without Borders is endeavoring to develop agroecological practices among Brazilian farmers. Emmanuel Bayle, assigned by this association to implement and support this project in Brazil, explains that thanks to agroecology, farmers gain greater autonomy due to practices that are environmentally-friendly and adapted to their financial resources. Low in chemical inputs, it facilitates sustainable agriculture and increases crop production using natural processes, while at the same time promoting traditional know-how.



A quick look at the Caatinga...

The *Caatinga* is a specific type of vegetation found in the Northeast of Brazil. Its name is derived from the Tupi language and means "white forest" or "white vegetation" (from *caa*, "forest", "vegetation", and *tinga*, "white"). The *Caatinga* is a scrub forest that primarily consists of small, thorny seasonal trees.

**Air Liquide Foundation:
key figures**

- **29** projects financed in total, including **5** research programs and **24** Micro-initiatives
- **30** project submissions under review
- Projects in **27** countries (see locations on the webzine)
- **28** employees involved in projects

To learn more about the Foundation:
www.fondationairliquide.com

To submit a project:
<http://www.fondationairliquide.com/en/fonctionnement-us/project-selection-process.html>



Agronomists and Veterinarians Without Borders is an association promoting international solidarity that has been active for more than 30 years in Central and South America, in Asia and in Africa, to enable all people to sustainably live off the Earth. Present in 18 countries, the association offers its expertise to small farmers and conducts 77 development programs to durably protect and manage natural resources (water, land, forests, etc.).

To learn more about the association: www.avsf.org

Viewpoint



Patricia Sakamiti,
Communications Department
Air Liquide Brazil

You're the sponsor of the apicultural development project in the Grande do Norte State of Brazil. What led you to get involved?

First and foremost, I liked that the project corresponded perfectly with the mission of the Air Liquide Foundation. It combines micro-entrepreneurship, training, and environmental conservation, and most of all, helps to develop an extremely poor State in Brazil.

What is your role as sponsor?

It was a great privilege for me to take part in the project as its sponsor, here in Brazil. I went on the Agronomists and Veterinarians Without Borders project site to better understand its mission and become more familiar with the people involved. It's important to be personally present: it really makes a difference for the follow up. On site, I met beekeepers who are benefiting from the project and visited a honey warehouse. By observing how the project is conducted on a daily basis, I was able to see that the Foundation makes a real contribution.

What does this commitment mean to you?

This is a commitment that is both professional and personal, insofar as sustainable development, and particularly social actions, are important issues for many companies, such as Air Liquide. It's very motivating to be a part of this and it inspires me to get involved in other similar projects. I hope that the Foundation will continue to receive other projects of this kind, in Brazil or elsewhere.



Listen to the full interview on the webzine

SEEN AND HEARD

Growth in 2009 net profit

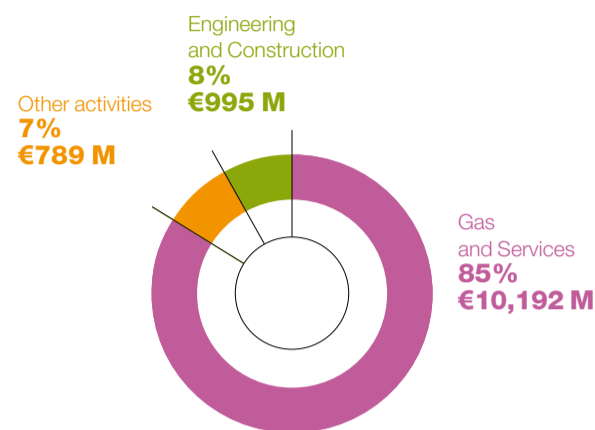
Group revenue of
€11,976 million

Net profit of
€1,230 million

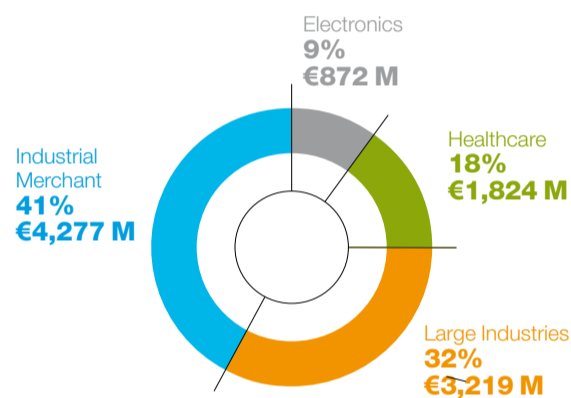
2009 highlights

- 2009 financial targets reached, notably due to efficiency programs
- 15 production unit start-ups in China, South Korea, Malaysia, the United States, Portugal...
- Continuation of growth, especially in solar power and healthcare
- Technological advances: innovation in carbon capture and storage, commissioning of next generation standard plants, demonstration projects in renewable energies (hydrogen, second-generation biofuels...)

Group revenue by activity



Gas and Services revenue



€2.25

At the next Annual General Meeting of Shareholders, the Board of Directors will propose the payment of a dividend of €2.25 per share, the same as last fiscal year. The dividend will be paid on May 17, 2010. Furthermore, in the current challenging economic environment,

the Board of Directors has decided to award one bonus share per fifteen existing shares as at May 28, 2010, subject to the necessary approval by the next Annual General Meeting of Shareholders.

Watch the interview of Benoît Potier, Chairman and CEO, on the webzine

AS AN ASIDE

All about dividends

What are dividends?

Dividends are the portion of the Group's net profit that is distributed to shareholders.

How do I collect dividends?

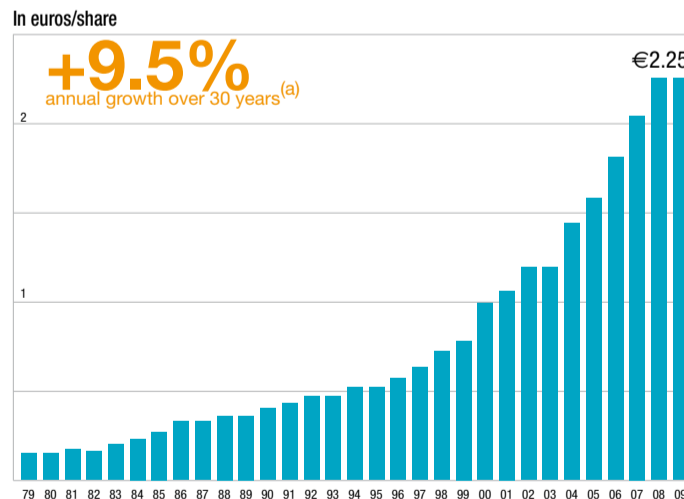
No action is required on your part. If you hold direct registered shares, dividends are deposited, by Air Liquide, directly into your account. For intermediary registered or bearer shares, Air Liquide transfers dividends to your bank, which in turn credits your account.

What about the loyalty bonus?

For registered shares held longer than two full calendar years (i.e. purchased in 2007 or earlier) and still held on the dividend payment date, you will receive a 10% dividend bonus equal to €0.22 per share.

Steady dividend growth over time

The dividend is set at the Annual General Meeting after approval of the year's financial statements and profit allocation.



(a) Dividend adjusted to account for the allocation of bonus shares and stock split. Data is calculated over a period of 30 years, according to the accounting standards in force at the time.

Important dates for 2010



The shareholder's page

SHAREHOLDERS TAKE THE FLOOR



"I vote!"

The Annual General Meeting is an important event for all shareholders. It's a unique occasion to learn more about the Group's life and also to express your opinion on the resolutions proposed during the Meeting.

It only takes one share!

Air Liquide places great emphasis on the voting participation of its individual shareholders, who represent 38% of the capital. Their votes matter and shareholders are therefore urged to express themselves. It only takes one share to be invited to the Meeting!

To encourage the greatest number of shareholders to exercise their voting rights, the Group takes great care in preparing its Meeting each year by:

- consulting the Shareholders' Communication Committee,
- taking an educational approach to its resolutions in the Invitation to the Meeting,
- extending the voting period over several weeks.

By setting the bar high on standards, the 2009 Meeting saw a record 49.3% in voting participation – an increase of 16% from 2008.

Vote? Nothing could be easier!

Voting is fast and easy, so don't miss this opportunity to express your opinion! If you can't vote in person, you can return your proxy form by mail:

- directly to Air Liquide, if you hold registered shares,
- to your financial intermediary who will forward it to Air Liquide, if you hold bearer shares.

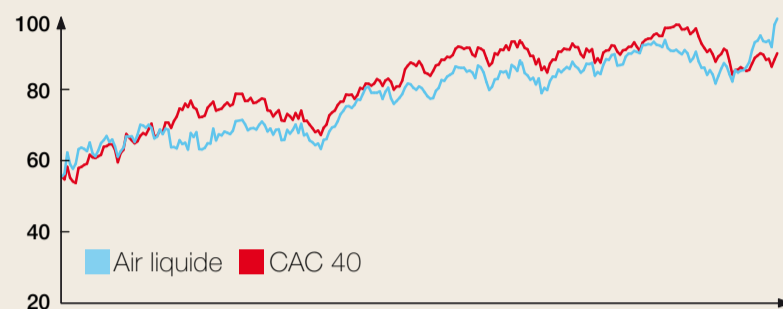


For a visual explanation of the different voting methods, see **the webzine** or contact the Air Liquide advisors

REPORT

Air Liquide on the stock market

Evolution of share price (from March 2, 2009 to March 1, 2010)



Air Liquide **+58.9%** CAC 40 **+46.0%**



Laurent Dublanquet

Director of Shareholder Services

"2009: Air Liquide stock continues to outperform the CAC 40".



Listen to his interview on the webzine

In figures

2009 Actionaria Fair

58% of visitors questioned expressed interest in investing in Air Liquide shares.*

A study conducted during the 2009 Actionaria Fair (Paris) involving approximately 2,000 participants revealed a very high satisfaction rating among visitors to the Air Liquide booth, which received a 7.7/10 score (6.8 average). 92% of visitors found the information they were looking for from Air Liquide advisors whose expertise was acknowledged.

Thanks to the accessibility of Shareholder Services on a daily basis as well as the personalized guidance they offer, the number of shareholders with registered shares increased by more than 12% for 2009.

* Source: Opinion Way

Welcome

to the new members of the Shareholders' Communication Committee (SCC): Patrick Longuet, Alain Pepin, Françoise Peter, Dominique de Préville.



Read the names of the entire SCC team in the webzine

Agenda

April 26

First quarter 2010 revenue

May 5

Annual General Meeting of Shareholders (Paris)

May 18 and 20

Benoît Potier meets shareholders (Nantes and Lyon, France)

June 10

Shareholders' meeting with FFCI in Clermont-Ferrand (France)

FROM US TO YOU

Shareholder Services answers your questions



What are the new tax measures that shareholders need to know in 2010?

New rules concerning capital gains tax on divestments have been in effect since January 1, 2010:

- The 18% tax applies to capital gains realized on divestments where proceeds exceed €25,830 per year (€25,730 in 2009).
- French social contributions (CSG, CRDS, RSA) of 12.1% are levied on the entire amount of the proceeds derived from divestments.

The tax treatment of dividends remains the same.

I would like to make donations in 2010. What are the tax exemption limits?

Every six years, you can make tax-exempt donations up to the following amounts:

- €156,974 for each child, and by each parent,
- €79,533 for the spouse or registered partner,
- €31,395 for each grandchild,
- €15,697 for each sibling,
- €7,849 for each nephew or niece,
- €5,232 for each great-grandchild.

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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>

WEBZINE

www.interactions.airliquide.com

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

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