

# MINUTES

COMBINED SHAREHOLDERS' MEETING, MAY 7, 2009

SHARING  
AN ESSENTIAL  
MOMENT WITH YOU

■	Board of Directors and Executive Management	03
■	Results of the votes per resolution	04
■	2008 Activities	05
	- 2008 financial results	05
	- 2008: Performance in line with objectives	06
■	Strategy and perspectives	07
	- The challenges of 2009	07
	- Innovating for sustainable growth	08
	- Maintaining course on the medium-term	09
■	Report from the Chairman of the Board of Directors	10
■	Debate with the shareholders	11

➔ Thank you for your record participation: +16% compared to 2008!

The Combined Shareholders' Meeting chaired by Benoît Potier, Chairman and CEO, in presence of the Board of Directors brought together **5,218 people** on May 7, 2009 at Le Palais des Congrès in Paris.

Shareholders representing **49.3%** of the voting rights, that is to say **147,439 shareholders present or represented**, adopted all the resolutions proposed.

Out of the 260,356,737 shares entitled to a voting right, 128,245,132 votes were expressed, one share amounting to one voting right.

The scrutineers' functions were fulfilled by Caroline Godlewski representing Crédit Agricole Asset Management and Michaël Herskovich representing BNP Paribas Asset Management, the two members present at the Meeting with the greatest number of votes and who accepted these functions.

A recording of the Meeting is available on our website **[www.airliquide.com](http://www.airliquide.com)**

**We're counting on seeing even more of you next year get involved in the Group's life and express your opinion on the resolutions.**

"The exceptional shareholder participation is proof of their renewed interest and confidence in Air Liquide."

**Benoît Potier**, Chairman and CEO

# Board of Directors and Executive Management

## BOARD OF DIRECTORS AT THE END OF THE SHAREHOLDERS' MEETING



**Benoît Potier**  
Chairman  
and Chief Executive Officer



**Jean-Claude Buono**  
Director



**Thierry Desmarest**  
Director



**Alain Joly**  
Director



**Karen Katen**  
Director



**Professor Rolf Krebs**  
Director



**Gérard de La Martinière**  
Director



**Cornelis van Lede**  
Director



**Béatrice Majnoni d'Intignano**  
Director



**Thierry Peugeot**  
Director



**Paul Skinner**  
Director

## AUDITORS

Ernst & Young Audit  
Represented by Olivier Breillot

Mazars  
Represented by Frédéric Allilaire

## MEMBERS OF THE WORKS COUNCIL

Gilles Boudin  
Marie-Annick Masfrand  
Philippe Bastien  
Christian Granday

## EXECUTIVE MANAGEMENT AND EXECUTIVE COMMITTEE

**Benoît Potier**  
Chairman and Chief Executive  
Officer

**Klaus Schmieder**  
Senior Executive Vice-President

**Pierre Dufour**  
Senior Executive Vice-President

**Jean-Pierre Duprieu**  
Senior Vice-President,  
Asia-Pacific and Electronics

**Jean-Marc de Royere**  
Senior Vice-President, Healthcare

**François Darchis**  
Senior Vice-President, Industrial  
Merchant, Engineering and  
Construction, R&D, Technologies

**Guy Salzgeber**  
Vice-President, Director European  
Industrial Business

**Ron LaBarre**  
Vice-President, Large Industries  
World Business

**Fabienne Lecorvaisier**  
Vice-President, Finance and  
Administration

**Augustin de Roubin**  
Vice-President, Human Resources

**Michael J. Graff**  
Vice-President North America  
and Caribbean Industrial Business,  
Industrial Risk Management

**Mok Kwong Weng**  
Vice-President Northeast Asia

# → Results of the votes per resolution

All the resolutions were approved.

		% FOR	% AGAINST	% ABSTENTION
<b>Ordinary Shareholders' Meeting</b>				
1	Approval of the financial statements for the year ended December 31, 2008	97.3%	1.8%	0.9%
2	Approval of the consolidated financial statements for the year ended December 31, 2008	97.5%	1.7%	0.8%
3	Appropriation of earnings and setting of dividends at 2.25 euros	99.1%	0.1%	0.8%
4	Authorization granted to the Board of Directors to allow the Company to trade in its own shares	98.6%	0.5%	0.9%
5	Renewal of the term of office of Mr Thierry Desmarest as a director	82.3%	16.9%	0.8%
6	Renewal of the term of office of Mr Alain Joly as a director	97.0%	2.1%	0.9%
7	Renewal of the term of office of Mr Thierry Peugeot as a director	98.1%	1.0%	0.9%
8	Approval of the agreement referred to in Article L. 225-38 of the French Commercial Code and of the Statutory Auditors' Special Report relating to BNP Paribas	98.5%	0.4%	1.1%
9	Approval of the agreement referred to in Articles L. 225-38 and L. 225-42-1 of the French Commercial Code and of the Statutory Auditors' Special Report relating to Mr Benoît Potier	77.0%	20.7%	2.3%
10	Approval of the agreement referred to in Articles L. 225-38 and L. 225-42-1 of the French Commercial Code and of the Statutory Auditors' Special Report relating to Mr Klaus Schmieder	77.0%	20.5%	2.5%
11	Approval of the agreement referred to in Articles L. 225-38 and L. 225-42-1 of the French Commercial Code and of the Statutory Auditors' Special Report relating to Mr Pierre Dufour	77.2%	20.3%	2.5%
<b>Extraordinary Shareholders' Meeting</b>				
12	Cancellation of shares purchased by the Company via a reduction in capital	98.6%	0.5%	0.9%
13	Delegation of powers to the Board in order to issue free share subscription warrants if a public offer is launched on the Company	63.0%	36.0%	1.0%
14	Delegation of authority for a 26 month period in order to increase share capital via the issuance of 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 350 million euros	97.8%	1.3%	0.9%
15	Authorization to increase in the event of oversubscription the issuance amount of shares or marketable securities	97.5%	1.5%	1.0%
16	Delegation of authority for a 26 month period to perform capital increases reserved for members of Company or Group savings plans	96.7%	2.3%	1.0%
17	Delegation of authority for an 18 month period to perform share capital increases reserved for a category of beneficiaries	95.8%	3.1%	1.1%
<b>Ordinary Shareholders' Meeting</b>				
18	Powers for formalities	98.5%	0.5%	1.0%

# → 2008 Activities

## 2008 financial results

"Air Liquide's 2008 financial results are in line with the objectives despite the economic slowdown observed at the end of the year."

**Klaus Schmieder**, Senior Executive Vice-President

- ◆ **Revenue:** 13.1 billion euros, up +11.0%
- ◆ **Net profit (Group share):** 1.2 billion euros, up +8.6%
- ◆ **Net earnings per share:** 4.70 euros, up +10.3%
- ◆ **Return on capital employed:** 12.1%

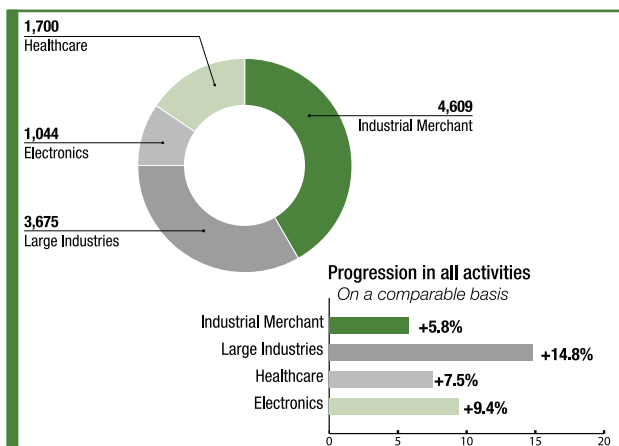
### ➤ REVENUE

#### Gas and Services

**Gas and Services** represents 11 billion euros in revenue: 84% of the Group's sales. For 2008, the comparable growth, excluding the effects of exchange rates and the impact of natural gas costs, was 9.1%, a synonym of strong growth. In the fourth quarter of 2008, despite the worldwide economic slowdown, Air Liquide's growth was close to 8%.

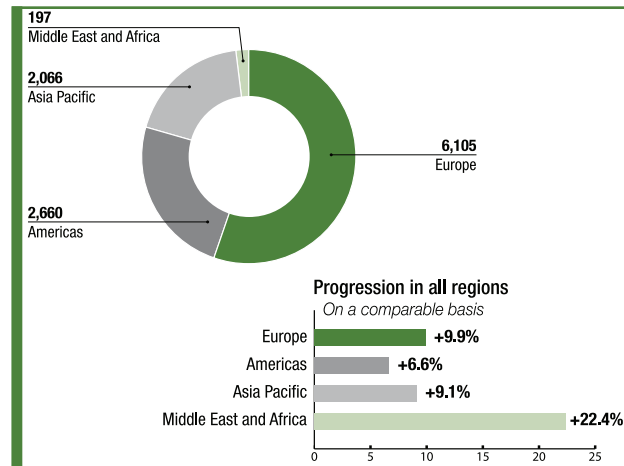
#### GAS AND SERVICES REVENUE BY ACTIVITY

In millions of euros



#### GAS AND SERVICES REVENUE BY GEOGRAPHICAL AREA

In millions of euros



#### Engineering and Construction

**Engineering and Construction** had sales of 1.1 billion euros, an increase of 30% due to Lurgi's contribution. Commissions reached 1.4 billion euros in 2008. The commission portfolio is well balanced: half of it is for air separation units.

### ➤ BALANCE SHEET AND CASH FLOW

The Group's operating income recurring, nearly 2 billion euros, grew by 8.6%, with an operating margin at nearly 15%.

Cash flow increased by 9% to 2.3 billion euros.

Dividends amounted to about 600 million euros, a rise of 10.9%.

Industrial investments, the pillars of future growth, showed a strong increase, rising to 1.9 billion euros. The net debt reached 5.6 billion euros as at December 31, 2008.

New bond issues in 2008 contribute to securing Air Liquide's financing; the debt is mostly comprised of fixed rates, with due dates spread out over time.

The Air Liquide Group has a **solid balance sheet** and its financing is secured.

## 2008: Performance in line with objectives

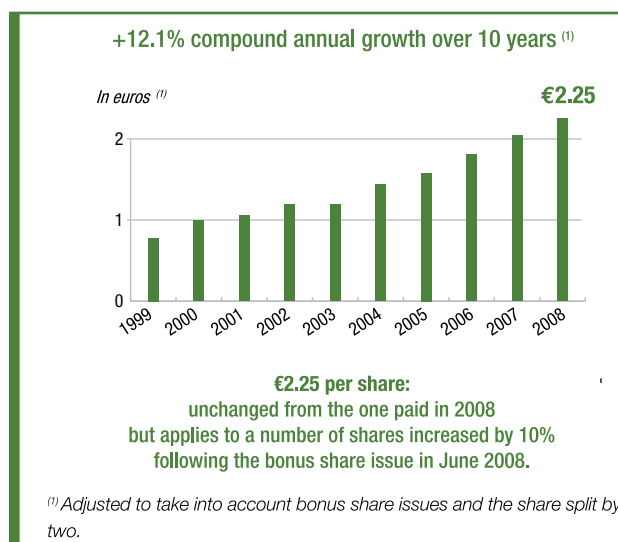
"Performance in 2008 illustrates the growth dynamic initiated by the Group over the last few years and shows its resilience capacity."

**Benoît Potier**, Chairman and CEO

### ALMA CORPORATE PROGRAM: 3 KEY MEASUREMENT INDICATORS

- ◆ **Annual revenue growth:**
  - ◆ objective: from 8 to 10% on average per year over 5 years;
  - ◆ 2008 performance: up +11%.
- ◆ **Cost reduction:**
  - ◆ objective: 600 million euros in savings over 2008-2010;
  - ◆ 2008 performance: nearly 230 million euros saved.
- ◆ **Return on capital employed (ROCE) after tax:**
  - ◆ objective: between 11 and 12%;
  - ◆ 2008 performance: 12.1%.

### DIVIDEND: STEADY GROWTH



### HIGHLIGHTS OF THE YEAR 2008

In 2008, investment decisions remained on a sustained level of 2.2 billion euros, with priority given to promising sectors: Energy and the Environment, Health, High-Tech and Emerging economies.

#### Energy and the Environment

- ◆ Continued development of hydrogen with the start-up of a large hydrogen unit in Antwerp (Belgium). Hydrogen now brings in an annual revenue of nearly **1.2 billion** euros.
- ◆ Also concerning hydrogen, Air Liquide is the leader of the program **H2E, Horizon Hydrogène Énergie**, whose aim is to develop a sustainable and competitive hydrogen energy activity in Europe.
- ◆ In the **photovoltaic** industry, Air Liquide strengthened its position on this rapidly expanding market.

#### Health

- ◆ Launch of LENOXe™, first xenon-based anesthetic.
- ◆ Positioning on the health market in India with the acquisition of a respiratory treatment equipment company.

#### High-Tech

- ◆ Opening of a third specialty gases filling center in Japan.
- ◆ Reinforcement in the sector of ultra-high purity gases.

#### Emerging economies

- ◆ Continued development, especially in the Middle East, with the completion of five projects and the acquisition of **Pure Helium**, a major distributor in the region as well as in India.

## The challenges of 2009

"The ALMA project's priorities were redefined in 2009 to favor cash flow, costs and investments."

**Benoît Potier**, Chairman and CEO

### ➤ INTRINSIC RESILIENCE IN A NEW ENVIRONMENT

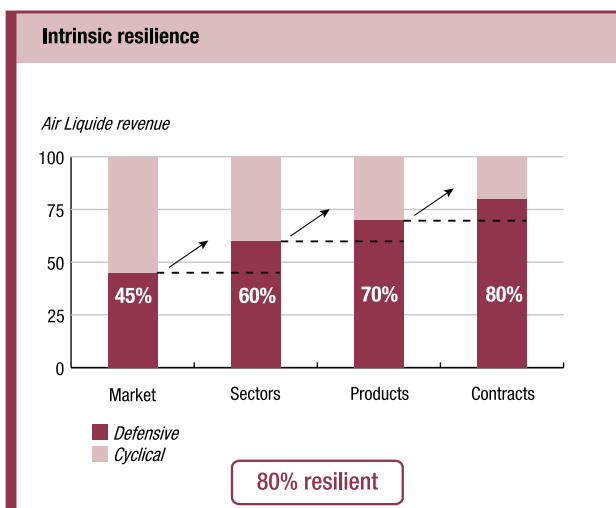
The level of economic activity remained sustained for three quarters but experienced, during the fourth quarter, an unprecedented upheaval, the result of the financial and banking crisis that shook up the world with an extraordinary intensity.

- ♦ Strong drop in the volume of activity, of about 30%, on the steel, chemicals, electronics, automobile and welding markets.
- ♦ Better resilience in the sectors of health, pharmaceuticals, food and the environment.

After analyzing the potential impact of this situation on the Group, the portion of Air Liquide's revenue that relatively better resists the current slowdown is estimated at 80%, thanks to four advantages:

- ♦ **diversity of its markets:** half the Group's markets are in defensive sectors;
- ♦ **sector and geographic positioning** making it possible to offset the slowdown of certain markets or geographies;
- ♦ **specificity of its products:** some of them are used in all circumstances like nitrogen or hydrogen for the environment;
- ♦ **contractual structures:** they contain a fixed part linked to the investments made to serve the customers.

First-quarter 2009 revenue demonstrates Air Liquide's resilience capacity in the current environment, as 50% of the Gas and Services activity has continued to show growth.



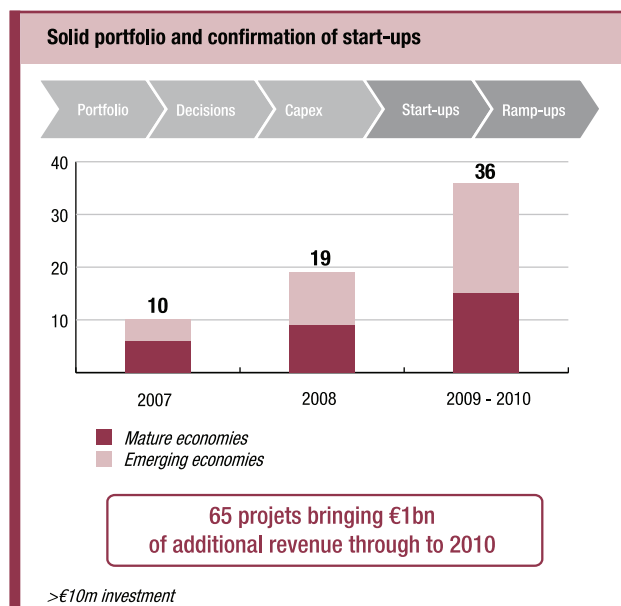
### ➤ THE CHALLENGES AND PRIORITIES FOR 2009

At the end of 2008, Air Liquide identified the priority actions to be taken to deal with the 2009 economic context.

The ALMA project's priorities were redefined in 2009 to favor cash flow, costs and investments.

- ♦ **Cash flow:** by acting on both **receipts** and **disbursements**. The objective is to contain the debt at a level equal to or lower than that of December 31, 2008.
- ♦ **Costs:** by strengthening the savings program to reach 300 million euros in 2009 through strict management of running expenses and purchases.
- ♦ **Investments:** by limiting decisions and payments to 1.6 billion euros allowing developments to be self-financed without sacrificing the medium term. They will be selected on the basis of the Group's permanent profitability and risk management criteria.

**The five growth drivers the Group identified (Energy, the Environment, Health, High-Tech and Emerging economies) remain promising** and will permit us to continue along the road of sustained growth, once the economic environment recovers.



The opportunities portfolio remains solid and the number of start-ups of new units in 2009-2010 is confirmed.

## Innovating for sustainable growth

"The world in which we live is in constant transformation. Since its founding, Air Liquide has known how to anticipate and benefit from these changes, especially because of its innovation capacity."

Pierre Dufour, Senior Executive Vice-President

### ➤ THREE TRENDS

The molecules Air Liquide produces haven't changed in 107 years. It is **innovation** that makes all the difference and that permits **their new applications** to be imagined.

Today, more than a third of the Group's revenue comes from applications that didn't exist as little as ten years ago.

By combining our molecules with the innovative applications we develop, **we provide our customers with a real benefit** by improving the efficiency of their processes and advancing their technologies.

Three major trends will shape the world of tomorrow.

#### Energy

Energy needs are constantly increasing whereas coal, oil and natural gas supplies are limited.

Air Liquide innovates by helping develop cleaner alternative energies like solar, second-generation biofuels and hydrogen used with the fuel cell.



In 2008, the second phase of the BIOLIQ project, on second-generation biofuels, was launched in Germany.

The Group also continued development on its offering for the photovoltaic industry with the objective of lowering the cost of the energy produced.

#### The Environment

Industrial emissions weaken the environment and can have a harmful effect on climate and human health.

Air Liquide innovates to limit these emissions, for example by capturing CO<sub>2</sub> to trap it, contributing to the ambitious goal of reducing greenhouse gases proposed by the European Union, and in the near future, by the United States.

In 2008, two large-scale CO<sub>2</sub> capture and storage projects were launched in the United States and Australia.

The Group's teams also developed and installed a pilot facility in Sweden to reduce CO<sub>2</sub> emissions in steel mills.

#### Healthcare

We are living for a longer and longer time. This increased longevity requires knowing how to treat a greater number of chronic illnesses.

Air Liquide innovates in the treatment of these illnesses and continues to develop homecare. In this way, the Group contributes to patients' quality of life while taking the required management of health expenses into account.



### ➤ DIVERSITY

This innovation culture relies to a great degree on **diversity, one of the fundamental characteristics** that have been part of the Group's genes for a long time.

#### Diversity of customers

The businesses of the Group's customers range from the steel to the food industry, from electronics to pharmaceuticals. They are present everywhere, in mature economies as well as emerging economies. This aspect of Air Liquide's diversity of course enables the effects of the current economic reversal to be cushioned, but it is above all an excellent opportunity for getting involved in all the world economy's sectors and therefore contributing to solutions that can meet the challenges of tomorrow's society.

#### Diversity of employees

Air Liquide's talented men and women also have extremely diverse cultures and training: 42 nationalities are represented among employees with high potential, the Group's future senior managers.

The research team that develops new medical applications for gases combines the competencies of lung specialists, anesthesiologists, biologists and clinical study experts with those of engineers specialized in modeling, fluid mechanics and gas administration equipment design.

This mix of cultures and talents means a constant exchange of complementary viewpoints and creates conditions favorable to innovation. **The Group now has a portfolio of over 2,600 inventions, protected by nearly 10,000 patents.**

Innovating, for Air Liquide, means exploring the fabulous potential of gas applications in nearly every field.

By putting innovation at the heart of its strategy, Air Liquide continues to develop new opportunities for its molecules.

## Maintaining course on the medium-term

"Our ambition is to be the recognized leader in gases for industry, health and the environment and we will keep our course, that of development over the long run."

**Benoît Potier**, *Chairman and CEO*

### ➤ A DYNAMIC LAUNCHED FOR THE LONG RUN

After having established world business lines in 2007 to strengthen geographic organization, a new dynamic has been initiated in 2008 through the launch of the ALMA strategic program, an integrated competitive growth project.

#### Maintaining course: an approach over the long run



**... 2006** In-depth study of our markets over the next 10 years

**2007** Creation of World Business Lines

**2008** Launch of the **ALMA** Company program

**2009...** Strengthened management preserving long term

- ◆ +9.4% compound annual growth
- ◆ 4.9 billion euros of investments
- ◆ 410 million euros of efficiency gains
- ◆ 12% return on capital employed (ROCE)
- ◆ 4 transformation projects

This dynamic bore its fruits in 2008 and the objective is now to maintain this rhythm. To do so, Air Liquide must:

- ◆ efficiently manage expenditures as well as assets;
- ◆ continue to invest where opportunities are the most promising;
- ◆ capitalize on identified growth drivers;
- ◆ mobilize teams.

Even if the current economic period has forced the Group to rearrange its priorities in 2009 and ALMA's initial implementation schedule, if changes in the countries' industrial structure are inevitable, and even if the models evolve or if the growth rates stabilize at different levels in the future, Air Liquide will keep on its development course over the long-term and reasserts its ambition to be the recognized leader in gases for industry, health and the environment.

Air Liquide can rely on its solid values and fundamentals:

- ◆ skills and unique know-how in the business of gases for industry, health and the environment;

- ◆ investments backed by medium or long-term contracts;
- ◆ competent and motivated teams;
- ◆ stable, sound and transparent governance;
- ◆ long-term outlooks encouraged by shareholder support.

### ➤ CONTINUITY IN THE COMPANY'S STRATEGY

The Group's strategy is based on four priority themes:

- ◆ **building leadership positions** by pushing back geographic borders and opening the doors of new markets before the competitors;
- ◆ **driving innovation** to broaden the offering and increase the competitiveness of technologies and their applications;
- ◆ **increasing efficiency** by lowering cost thresholds;
- ◆ **developing our talents** because performance relies on the Group's men and women.

Lastly, with an objective of being almost entirely financially autonomous in 2009 and contained indebtedness so that the Group can be independent and foster growth at a competitive cost, the financial strategy remains in line with the major principles of moderation and common sense that have always prevailed in the Group. A solid contract, an investment, revenue and cash flow in the same currency guarantee in most cases healthy and natural risk management.

Such are the fundamentals of Air Liquide's financial policy on which trends and excessive leverage effects have little influence.

Apart from its financial performances, the Group is involved in developing the communities in which it operates:

- ◆ the **Sustainable Development** approach with priority given to Safety, including on the subcontractors' premises, but also with the development of new indicators such as the carbon content of the main products supplied;
- ◆ the **Air Liquide Foundation** created in June 2008 has already reviewed 280 projects and signed partnerships with for example the Pasteur Institute of Shanghai and supports micro-initiatives (small cacao growers in Ghana...);
- ◆ the **Air Liquide University** will provide employees with access to a high level of training everywhere in the Group and will integrate new employees. Its launch is planned for this autumn.

In line with the ambition of being a recognized leader over the long-term, our choices will continue to **preserve the long-term interest of the Group and its shareholders.**



# Report from the Chairman of the Board of Directors

"Your Board's composition reflects a diversity and complementarity of experience, nationalities and cultures and therefore takes the interest of all the shareholders into account."

**Benoît Potier**, Chairman and CEO

## ➤ COMPOSITION OF THE BOARD



Sir Lindsay Owen-Jones, Vice-Chairman of the Board of Directors, has decided not to seek a renewal of his term of office.

Having been extremely loyal to the Group, he has significantly contributed to the works of the Board and its Committees over the last fifteen years with the benefit of all his expertise as an executive manager of a major international company.

The terms of office of Thierry Desmarest, Alain Joly and Thierry Peugeot as directors have been renewed for a duration of four years.

Following the adoption of all the resolutions at the General Shareholders' Meeting, your Board is now composed of 11 members of five different nationalities, eight of whom are independent.

## ➤ GOVERNANCE

In line with former practices, the AFEP/MEDEF corporate governance code, published in December 2008, is the Company's code of reference, with three key measures:

### 1. The remuneration policy applicable to Executive Management:

- ♦ **moderate, constant and transparent**, it is determined by the Board of Directors, on the recommendations of the Remuneration Committee,
- ♦ the amounts of fixed remunerations have remained unchanged for the last three years for the Chairman. The variable remunerations of the corporate officers depend on two quantitative criteria – **growth of net earnings per share** and **return on capital employed** – and qualitative objectives such as management of the crisis and maintaining the dynamic of the ALMA program;

### 2. The implementation of good governance practices:

- ♦ termination of the Chief Executive Officer's employment contract no later than 2010, with maintenance of the corporate office term only,
- ♦ stock options subject to performance conditions for executive officers; balanced distribution, favoring regularity,
- ♦ termination indemnities of executive officers may not exceed 24 months of fixed and variable remuneration and are applicable to forced departures only;

### 3. The determination to involve the employees with the Company's results:

- ♦ profit-sharing and incentive agreements,
- ♦ stock option and conditional grant of shares to employees,
- ♦ increases in capital reserved for employees.

These schemes are a long-term motivation factor for employees aligned with the shareholders' interest.

## ➤ CONTINUITY OF THE BOARD'S WORK

### 2008

- ♦ **7** meetings, **96%** attendance rate;
- ♦ **3** committees, each with an independent chairman:
  - ♦ Audit and Accounts,
  - ♦ Appointments,
  - ♦ Remuneration;
- ♦ Subjects examined:
  - ♦ **development strategy**, notably in Asia-Pacific,
  - ♦ **shareholder strategy**,
  - ♦ **financial and operational management** in times of crisis.

In order to continue the actions undertaken, the Board asked in 2009 for the Shareholders' authorization, in particular on the following two subjects:

- ♦ Renewal of the authorization to issue under certain conditions free share subscription warrants if a public offer was launched on the Company.

*Purpose of the resolution:* to give the Board of Directors the means to best negotiate the conditions of a possible public offer in order to increase the Group's value and preserve its shareholders' investment;

- ♦ Authorization to increase, by approximately 25% as a maximum, share capital by issuing shares or marketable securities giving entitlement to the Company's share capital with retention of shareholders' preferential share subscription rights.

*Purpose of the resolution:* to enable the Company to raise the necessary funds to finance its growth by having access to more diversified financial instruments.

The complete Report from the Chairman of the Board of Directors and all the 2008 Financial statements are available in the Reference Document on [www.airliquide.com](http://www.airliquide.com)



# Debate with the shareholders

## Questions by theme

THEMES	QUESTION No.
Board of Directors and governance	7, 20
Bonus share allocation	25, 33
Dividend (in cash)	23, 24
Dividend in shares	15, 20
Employee training/Safety	30
Energy costs	32
Engineering	14
Financing	1, 2, 3, 17
High-Tech	31
Internal control	26, 27
Investments	6, 16, 19
Management of the crisis	4, 5, 28
Registered shares	12, 18, 24, 30
Remuneration of corporate officers	8, 9
Research and innovation	13, 21, 34
Share buybacks	11, 27
Share subscription warrants	17
Shareholders' Meeting welcome	22, 29
Stock options	10, 11

## WRITTEN QUESTIONS

### QUESTION NO. 1

#### CASH FLOW AND INDEBTEDNESS

**1.1.** *Couldn't part of the Group's cash flow reduce the debt?*

**1.2.** *Is the excess indebtedness intended for buying companies or investments? Which ones?*

#### Benoît Potier:

The crisis brought about a total lack of availability of liquidity in October 2008. To be cautious, we covered, by anticipation, our needs for the next 12-18 months. A window of opportunity opened in November and December and allowed us to raise 800 million euros through new bond issues. The net debt does not enter this excess in the accounts since it has been deducted from the gross debt.

### QUESTION NO. 2

#### NEW BOND ISSUES (EMTN PROGRAM: EURO MEDIUM TERM NOTE)

*"Why can't we have access to acquiring bonds through the Company?"*

#### Benoît Potier:

Air Liquide has set up an EMTN program that makes it possible to issue on the bond market only with banks and qualified investors, with favorable market conditions, with low costs for the Company, and with short time lines. An initial public offering induces much heavier administrative costs and much longer time lines, and therefore reduced reactivity to market rate opportunities. We are however studying the opportunities offered to us. If we technically manage to develop them, we'll get back to you to offer you something.

### QUESTION NO. 3

#### FISCAL PARADISE

*"Does the Air Liquide Group have one or more subsidiaries in a fiscal paradise?"*

#### Benoît Potier:

Air Liquide's presence in countries with reduced taxation only results from carrying out operating activities. It is solely motivated by the production and distribution of the Group's products in order to conquer or maintain market shares.

### QUESTION NO. 4

#### MANAGEMENT OF THE CRISIS

*"Could Air Liquide have better seen the crisis coming? What do you plan to do if the crisis lasts until the end of 2010?"*

#### Benoît Potier:

The impact of the crisis was treated in the general presentation. Thanks to the mix of customers, sectors, products and geographies, as well as contracts, we have an economic model that has remained very solid. We haven't had to cancel major projects, even if a few projects have been postponed. We're accelerating the cost reduction programs and we are more selective in our investments.

### QUESTION NO. 5

#### MANAGEMENT OF THE CRISIS

*"In the framework of long-term contracts with take-or-pay clauses, what happens if a major customer closes a site or a company goes bankrupt? Does Air Liquide have to depreciate the facilities if they are dedicated? Does Air Liquide have to protect itself by buying CDSs, those credit derivative instruments?"*

#### Benoît Potier:

The customer contracts in Large Industries are on average for 15 years with a fixed share and minimum collection volumes. If a customer closes its unit for a few months or definitively, it must contractually continue to pay the fixed share until the end of the contract. In any case, we negotiate with the customer on the basis of this principle. We are obviously very vigilant about the quality of industrial sites and the guarantees the customer gives us about its commitment over the long term. In this crisis period, the Group put an exceptional provision on risk of bankruptcy of major customers of about 20 million euros into the 2008 accounts. As of this date, these provisions remain sufficient.

### QUESTION NO. 6

#### INVESTMENT IN SINGAPORE

*"Air Liquide just invested a large amount of capital in Singapore. What will the return on this capital become?"*

#### Benoît Potier:

We have bought 33% of the minority interest in the joint-venture we had with BOC and that holds our pipeline network. This investment is in line with the Group's development in the Singapore industrial basin, and like all our investments, they fulfill the profitability conditions that permit us to ensure, on the whole, the Group's 12% return on capital.

### QUESTION NO. 7

#### SELECTION CRITERIA FOR DIRECTORS AND DIRECTORS' FEE

**7.1.** *What are the selection criteria for directors?*

**7.2.** *Are you thinking of putting an end to the fact that the same people sit on Air Liquide's Boards and Remuneration Committees and on those of certain other CAC 40 companies? Why were there two additional members in 2008 at Air Liquide and why did the cost of the directors' fee increase by 20% compared to 2007?"*

#### Benoît Potier:

Each year, I bring up the fact that the selection criteria for directors are always the same. They are mentioned at each election or renewal. They primarily concern the competencies, experience and integrity of the directors, their independence of spirit and their capacity and determination to take the interests of all the shareholders into account.

The number of administrators went from 11 to 12 in 2008. The amount of the directors' fees, which had been stable for five years, was increased to take into consideration both the increase in the number of directors but also the number of your Board's meetings during the year.

#### QUESTION NO. 8

##### REMUNERATION OF CORPORATE OFFICERS AND RETIREMENT

**8.1.** *Can someone claim today to be worth 50 times more than his neighbor?*

**8.2.** *How can all these salaries be justified when you are postponing salary negotiations by several months? Don't you think that you are organizing a revolution with this two-tier system?*

**8.3.** *Shouldn't the freezing of salaries and retirements be applied at the highest level of the hierarchy by freezing exceptional remunerations? Why not postpone the distribution of dividends?"*

##### **Benoît Potier:**

The Board of Directors has made every effort to define a remuneration policy that is moderate, constant and transparent, that takes the level of responsibility, experience and performances of the corporate officers in the Company into account and that also relies on market benchmarks for international corporate officers. In today's context, the first measures that we took concerned the corporate officers as the Board decided to not modify their fixed remuneration in 2009. This has been the case for several years.

Air Liquide's remuneration policy for its employees takes into account the same principles – level of responsibility, experience, market benchmarks and performances. The postponement of salary negotiations until mid-May is in keeping with a worldwide economic and financial environment that we are all familiar with. We took a certain number of measures in the months of November and December as a precaution, having seen the environment change so suddenly.

Lastly, the Group's dividend policy has always been to pay a regular dividend, based on the trust between the Company and its shareholders and in line with the performance of net earnings.

#### QUESTION NO. 9

##### PENSION BENEFIT PAYMENT OF MR DE ROYERE

*"Does the Air Liquide Company plan to ask Mr de Royere to give up his retirement, even if it was approved by the Remuneration Committee?"*

##### **Benoît Potier:**

This commitment was made by the Board of Directors when Mr de Royere retired in 1995, after over 29 years spent serving the Group, including 10 years as Chief Executive Officer, the succession being therefore ensured. This was in compliance with the Air Liquide Group's retirement practices at the period.

Some time ago, Edouard de Royere informed me of his decision, considering the efforts that are asked for in the Group, to devote a part of the amount of his retirement to supporting a medical research organization that works on the respiratory function, a field in which the Air Liquide Group is also very active.

#### QUESTION NO. 10

##### STOCK OPTION EXERCISE

*"Could you confirm that the number of 773,842 stock option exercises in 2008 is a record number?"*

##### **Benoît Potier:**

No, this number isn't a record. We had 1,636,982 options exercised in 2007. In general, the number of stock option exercised in a year changes with the due dates of the plans. This year, three plans are arriving at their due date, including the plan that was set up for the 100 years of Air Liquide which was a stock option distribution plan for all the Group's employees, 36,000 of them at the time.

#### QUESTION NO. 11

##### SHARE BUYBACKS/STOCK OPTION ALLOCATION TO CORPORATE OFFICERS AND SENIOR MANAGERS

**11.1.** *Can you explain the interest in carrying out share buybacks? In the absence of sufficiently interesting projects, wouldn't it be more logical and sounder to carry out exceptional dividend distributions?*

**11.2.** *Among the criteria that are used for stock option allocation and other advantages reserved for corporate officers and senior managers, would you please explain if the market price and the evolution of the earnings per share are taken into consideration? What are the other quantitative criteria?"*

##### **Benoît Potier:**

I've already spoken about criteria. Share buybacks compensate on average for allocations to employees to avoid dilutions. As was brought up in the presentation on governance, the majority of the variable share of the corporate officers' remuneration is established on the progression of net earnings per share and return on capital employed after taxes. These performance criteria are also defined for stock options allocated starting in 2009 and will be made public when the allocation decision is published.

#### QUESTION NO. 12

##### LOYALTY BONUS

*"Could one or more rewards given to particularly loyal and stable shareholders who have not given in to panic be envisaged in any form at all?"*

##### **Benoît Potier:**

I know that you haven't given in to panic. In 1994, for registered shares held more than two calendar years, Air Liquide instituted a loyalty bonus that increases the amount of the dividend and the number of free shares allocated by 10%. Unfortunately, this is the maximum stipulated by the law. So we can't go any further.

#### QUESTION NO. 13

##### COSTS OF CO<sub>2</sub> CAPTURE AND STORAGE

**13.1.** *Do you think that the industries that consume hydrogen will be able to absorb the extra costs of possibly implementing CO<sub>2</sub> capture and storage technologies?*

**13.2.** *What is Air Liquide's current position on the potential of carbon and biofuel sequestering and capture? What do you think of "Air Capture"? Is Air Liquide involved in it?*

**13.3.** *Last, it seems that the whole world is turning toward the electric car, the hydrogen-powered car seeming to have been abandoned. Where exactly is it?"*

##### **Benoît Potier:**

Capturing and storing carbon consists in concentrating the CO<sub>2</sub> from industrial emissions and trapping it in the subsoil. We are participating with other companies in several pilot projects in order to demonstrate the large-scale technical feasibility of CCS. CCS is one of the ways that should make it possible to limit greenhouse gas emissions. Like all new technologies, these techniques have a cost and undoubtedly require the financial support of public authorities. There is a great deal of attention focused on these subjects today.

We are also working on second-generation biofuels, those that are being developed from inedible plant residues whose ecological footprint is smaller than that of the first generation.

Last, we are working on hydrogen as an energy carrier to power vehicles in partnership with car manufacturers, but I wouldn't set hydrogen against electricity; they are complementary. We've signed, for example, two contracts in Canada. We are going to produce utility vehicles for the Montreal airport and for shuttle buses between the city of Vancouver and the winter Olympics in 2010.



#### QUESTION NO. 14

##### ENGINEERING

*“Is the entering of engineering results in the accounts done as they go along or all at once? What is this activity’s situation, with new projects being halted and excellent capacity contexts? What is going to happen?”*

##### **Benoît Potier:**

The products of construction contracts and their related costs are respectively entered in the accounts as products and charges depending on the activity’s progress. On the closing date of the period presented, when the margin is made on progress, it is only entered in the accounts when it can be reliably measured. When the construction contracts are signed for a subsidiary in common with third parties, the margin is entered in the accounts according to the consolidation method of this subsidiary in the Group.

Lastly, from the activity viewpoint, in Engineering, we have of course noted a slowdown in new projects, including internal projects, since the beginning of 2009. However, certain geographic zones have remained active, such as China and the Middle East.

#### ORAL QUESTIONS

##### QUESTION NO. 15

##### DIVIDEND IN SHARES

*“You pamper your private investors and that’s very good, they’re the most loyal, I believe, but you should give us the possibility of being allocated dividends in shares. It’s a simple and discreet source of financing for the Company. That would allow us to increase the value of our investments whereas reinvesting the dividends on the market is expensive. Don’t listen to the international institutional investors that are only interested in the dividend’s money. In any case, they can continue to be paid in cash and if dilution causes a problem, you can cancel the corresponding shares. What do you think about this?”*

##### **Benoît Potier:**

Thank you, Sir, for this question. It has been discussed a great deal at General Meetings. This year, because of the environment, a certain number of companies proposed distributing dividends in the form of shares. We had a discussion on this in the Board. We considered that the dividend in shares, arithmetically, increases the weighted average cost of capital. That’s why, whereas it existed at Air Liquide a few years ago, we finally stopped it. For us, the confidence message was stronger in giving a dividend in cash rather than in shares. We didn’t want the change in policy to be interpreted as hesitation or a lack of confidence. We have confidence in the future and that’s why we’ve held onto this policy.

We are aware that for those of you who want to reinvest in shares, the costs are higher. But what guides the policy we support is the good balance between the cost of equity and the cost of debt and at the moment we are still in a period in which the cost of debt is remarkably low. So it encourages us to favor debt to a greater extent while being totally cautious about indebtedness.

So those are the reasons, Sir, that pushed us to opt for the dividend in cash option this year. It’s a question that comes up periodically. I’m not closing the door.

##### QUESTION NO. 16

##### INNOVATION AND INVESTMENTS

*“I have to say that it isn’t necessary to do a promotion here, the room is full. That shows to what point you respect individual shareholders, and the work that is done by your Shareholder Services at Air Liquide also shows this. So thank you for this wonderful Meeting.*

*I have three questions. The first is about the Management of the Open Innovation prize that you got for Nitrojet. It’s a company that can provide an environmental response to the problem of cleanly dismantling nuclear power plants. I wanted to know what you expected from it in terms of economic impact and in what time frame.*

*Next, quite obviously, you have a watch department on innovative small and medium-size companies. I would like you to give us a few details on this watch department. Is it currently efficient and have you found any precious nuggets for the relatively near future?*

*Last, a question that concerns the Lulea site in Sweden and the ULCOS European project. Is it part of the partnership that Air Liquide wants to develop?”*

##### **Benoît Potier:**

Thank you, Sir, for these questions. The Innovation prize, first. It concerns a small company that uses liquid nitrogen at very high pressure for cutting. You mentioned the dismantling of nuclear power plants. It’s a totally clean technology and has the big advantage of confining dust in very limited atmospheres, which means that we can envisage the use of this technology every time that we have a fairly serious environmental problem.

Is there a great future? There is certainly a future for this type of technology. It's a good illustration of what we're continuously trying to do, that is, find good ideas. In this particular case, it's a win-win partnership with a small company. Either we develop it because we find companies like this one to take these innovations to the market, probably even better than Air Liquide could do itself because these are people who are really in contact with the markets. Or, in other cases, we do what is called spin offs, that is, we turn over the project to a team that we completely outsource – we create small companies – to put these new technologies that come out of research on the market.

It's in a certain way connected to your second question, the small and medium-size companies watch. We've signed pacts, notably in France the small and medium-size company pact, so that we can ally ourselves in partnership with these companies. I think that in the years to come, large/small company-type partnerships can be very fruitful. It is probably an industrial dynamism track for France. So we'll continue, in France and elsewhere, to try to find this type of partnership. In any case, we are heavily called on and we are studying them with a lot of attention.

Lastly, the Lulea site in Sweden is a partnership. The ULCOS project is a very interesting one concerning the elimination of CO<sub>2</sub> that comes out of blast furnaces. It is in fact an initiative of the European steel industry to develop an industrial pilot to recover the fumes from blast furnaces, treat them, capture the CO<sub>2</sub> and starting from there considerably decreasing CO<sub>2</sub> emissions from steel production in the blast furnace.

Air Liquide is a partner in this project. We designed a Pressure Swing Adsorption CO<sub>2</sub> technology and therefore the industrial development of the system. It is efficient, though it is on a pilot scale for the moment. We are not drivers because we are not steel-makers, but we are very closely associated with them. We have other ideas to go to the next level and make this technology a real CO<sub>2</sub> recovery technology. You can see that this is a very good illustration of what we were saying about carbon sequestering.

#### QUESTION NO. 17

##### INDEBTEDNESS/SHARE SUBSCRIPTION WARRANTS

*"Mr Chairman, I'd like to come back to the constraint of the debt and to the 13th resolution. I was wondering if the economic crisis we are going through, and whose end isn't in sight, is not going to weigh on this Group's growth. I observed that the amount of your investments in 2008 was covered by cash flow before dividend distribution. In 2009, you have an objective that is to decrease your investments – 1.6 billion, it is nevertheless a good level – but by basing this investment on your cash flow estimate after dividend distribution. If we follow a trend like this, we can wonder if you'll manage to invest, over five years, the 10 billion that you have projected, knowing that you are at 4.9 billion of it.*

*On the 13th resolution, I carefully read the reasons behind this resolution and you mention, to use it, a situation you call absence of reciprocity. A situation like that does not have many legal bases. I would like you to explain to us what you mean by that. Moreover, in this resolution, I would have preferred rather than waiting for the opinion of the Board of Directors on the issue price of these new shares in the event of an adverse offer, that you set a limit to the discount. Because it's a double-edged weapon. Of course, the capital increase will make it possible to fight an adverse offer, but it's a dilution. With the amounts you propose, it's a dilution that can be as much as 33%. Furthermore, if you apply a too large discount, we'll arrive at a demonetization of the share after the battle."*

#### Benoît Potier:

Over this year 2009, 1.6 billion in investments is practically financial autonomy as, the cash flow being about 2.2 billion, 600 million in dividend distribution brings us to 1.6 billion, by making the necessary efforts on good management of working capital requirements. That is exactly the reasoning that we used for the year 2009.

It is an intentional reasoning, an exception for this year. We think that in both the investment decisions and in the investment payments – which, in general, are 24 months apart because the decisions are only paid for during the two years that follow, and it is a bit of a coincidence this year that the two figures are the same – it is the volume of investments that we can reasonably decide this year.

Our intention isn't, for the upcoming years, that is, 2010 and after, to limit ourselves to this amount. Our intention is to take up the growth rhythm again as quickly as we can, that is, when the volumes of the markets' customers will be present and the customers' requirements will materialize. We have observed a slowdown in projects – no cancellation of very large projects, a few cancellations of small projects – but we will follow the customer portfolio with a great deal of attention.

We have garnered about half of the 10 billion euro investments you refer to over two years, even if the difference isn't a major one. If this year, we decide on 1.6 billion, we'll be at practically two thirds of this 10 billion. We don't have any intrinsic growth limitation. We shall seize the opportunities that will turn up and which fulfill the Group's profitability criteria, but we think that this is the way things must be managed this year.

My answer is therefore clear: it will be 1.6 billion this year, but this won't necessarily be the amount next year. I agree with you on the fact that we place great importance on this medium-term view. Investment at Air Liquide means growth. Without investment, there can't be any growth.

As to your question on resolution no. 13, what does the absence of reciprocity mean? We undertook a certain number of legal consultations before positioning ourselves vis-à-vis this resolution and the share subscription warrants. A company that would attempt to take control of Air Liquide and that would itself be protected by a certain number of mechanisms that would not permit Air Liquide to do the inverse, that is, to acquire it, because it could issue shares in the event of offers or because it would have its own somewhat specific clauses – and there are a certain number of them, we have analyzed them, especially in the United States at our competitors – would be in a situation of non-reciprocity. That means that it could launch an operation on Air Liquide whereas we couldn't launch an operation on it.

The legal experts are fairly clear on the presence or absence of reciprocity. Our position was confirmed by the legal consultations we had in hand.

Do we have to set a limit on the discount? Your question is totally relevant. We asked ourselves this question. We did all the calculations with the Board. We spent 18 months examining this question. As I said last year, the Board was led to evolve on these subjects following the in-depth work that was done on the question. In fact, setting a limit means giving a weapon to the party facing you. We are very aware of where we would go as we did the calculations in advance. What we want is to keep the dissuasion weapon. This dissuasion weapon is such that today, you have to be able to use it with maximum flexibility.

We have also – this was the end of your question – gauged the consequences of dilution and therefore, it's in any case a resolution that, if it were applied by the Air Liquide Board, would be done with the utmost caution, I can guarantee you. This was completely clear when it was discussed with the Board, and I can reaffirm it this year, before this resolution is voted on. It is an important resolution that the Board takes very seriously.

**QUESTION NO. 18****STOCK MARKET ORDERS**

*"When a stock market order is placed through your Shareholder Services, two prices are obtained: a purchase price and a selling price. In other words, the financial intermediary that you use does not work with the closing price at a given time but works with all-day trading. It's a method that lacks transparency. Isn't there a way to obtain a single price for the two operations?"*

**Benoît Potier:**

I suggest that you meet the director of Air Liquide's Shareholder Services and discuss your question with him in more detail. If we can do something, we'll do it. If this isn't possible for technical reasons or negotiation conditions, we'll explain it to you. In any case, I'll take your question and ask Shareholder Services to give me the answer that you were given. Thank you.

**QUESTION NO. 19****BITUMINOUS SHALE IN CANADA**

*"During the previous Meetings, and notably last year, you talked to us about Research and Development of bituminous shale in Alberta in Canada. Where are we? What future is there for it today?"*

**Benoît Potier:**

Those of you who were here last year remember it. It therefore concerns those bitumens, that very heavy oil that is mixed with sand and that is present in large quantities in northern Canada. A certain number of projects have emerged and are being developed today. There are several technologies available to recover this oil. In every case, Air Liquide is interested because whether it is a question of supplying large quantities of energy and steam, or using hydrogen to lighten these heavy bitumens, or, once the bitumens have been extracted and made a little more fluid, treating them with large quantities of hydrogen. This is why we had taken an interest in this bituminous shale.

Two things happened. First, the price of oil dropped considerably, from 160 to 40 or 50 dollars a barrel today. This is a rather significant drop. The second thing is that the financial crisis affected this sector and financing these large projects has become extremely difficult.

What we've observed is that certain projects have been put on hold, others are going forward, and the general schedule for these projects has been pushed back. But if I can judge by the interest of large oil companies involved in these subjects, there is still a great development potential of these resources in Canada. These projects will materialize. We've used time to our advantage to be able to study the technical solutions between the factories in the different basins. Treatment in the major existing basins, notably that of Edmonton in Canada, can be done directly on site. The two places are 400 to 500 kilometers apart. In fact, we are studying the possibilities offered to us for investments in factories or pipelines, we are working with a certain number of potential customers to be ready when these projects materialize. They will materialize, with a certain delay, but they will materialize, that is my conviction today.

**QUESTION NO. 20****TERMINATION OF THE CHIEF EXECUTIVE OFFICER'S EMPLOYMENT CONTRACT/DIVIDEND IN SHARES**

*"I'd first like to thank you for the good running of our Company and the clarity of your answers and the transparency. I have two questions. The first is about the termination of the employment contract. Can you explain to us why, in 2009, you made this decision?"*

*My second question is on the nonpayment of dividends in shares. You explained that there were questions of confidence, but also a question of costs. You had an increase in bonds in November 2008. What was its rate compared to the remuneration of the dividend, which is today, whereas the share is rather low, 3.5%?"*

**Benoît Potier:**

The reason why we finally opted for the application of the AFEP/MEDEF code as to the termination of the employment contract is a question of the coherence of the whole. Everyone has followed the discussions in France on this subject, the attempts to master this discussion. The two associations, the AFEP and the MEDEF, published this governance report. We studied it and we decided to generally comply while limiting the number of exceptions vis-à-vis this report. We therefore decided on the Board level to put an end to the employment contract.

I will recall, for those of you who are not familiar with these ideas, that until today, a senior manager who was appointed Chief Executive Officer of a group like yours had, when he came from inside the company, an employment contract, that this employment contract was suspended in an indeterminate way and that the Chief Executive Officer had a corporate office during his term of office. Why do this? Simply through continuity in everything that concerns the employment conditions of managers. Our goal was to make the employment conditions of a Chief Executive Officer who came from inside the company and other company managers consistent on practically every dimension.

The AFEP/MEDEF code has now forced us to terminate this contract. We decided to comply with it by simply giving ourselves time – that is why we will do it later on, in 2010, at the next General Meeting – in such a way as to be able to gauge the consequences of this termination and find good solutions. There are consequences, which are a little technical, not easy to solve, and for which neither the AFEP/MEDEF code or even the experts' community has found answers today. So we have to work on this and be able to propose solutions next year that will be acceptable for the Company and for the people concerned.

You asked the question of the dividend in shares and the cost. What is called the WACC, the weighted average capital cost, means that the proportion of equity and debt, the weighted average cost is what must be paid on one hand to the shareholders in remuneration on equity, and on the other to the bankers in interest rate to ensure the remuneration of the two sources of financing. What counts for the shareholders is not the 3% dividend you mentioned. What counts is the return on equity, which today is a return of about 18%.

You're familiar with that figure of 15%, to which we referred and which is a good benchmark. We consider that equity should return at least 15% and debt, today, can be found for the very short term at very competitive rates and for the long term at 5%, 6%. We consider that between 15% on one hand and 5-6% for the long term or 2-3% for the very short term, there is a sufficiently large difference to justify us continuing to favor debt in the proportions that I pointed out earlier. You know that the Group's indebtedness rate today is on the order of 75-80% and that we believe to be a maximum rate. We are not planning to go very much above this rate in the future, in any case in a stable form.

**QUESTION NO. 21****AIR LIQUIDE AND RESEARCH**

*"I wanted to talk to you about research. In fact, what's not clear in my mind is the importance of research in our Company, knowing how many researchers belong to Air Liquide. Does Air Liquide have contracts with major universities or institutes of higher education? Does Air Liquide subsidize the studies of certain students?"*

**Benoît Potier:**

About the importance of research, you've understood that innovation is an extremely important point. Without innovation, Air Liquide wouldn't be what it is today. It is less through the products that have existed for thousands of years than through ongoing innovation that we have succeeded in developing our Company throughout the world.

Is it important in terms of volume? The figures show that we are at about 2% of revenue, but that is misleading because as we invest on average 15% of our revenue in assets, in new contracts, we were led to organize Air Liquide's innovation between research and its industrial applications partly through the real, physical investments we make.

So, to ensure the Group's growth, we have established a balance between new assets and rather specific research, but when I put the two together, it is 17% of revenue that we invest each year for the Group's growth. This is the principal element in understanding the figures.

Today, research represents about 200-250 million euros. There are 450 to 500 Air Liquide researchers, spread throughout the world. Two years ago, I told you that we had opened a research center in the United States. In fact, we moved this new center from Chicago to Delaware. There are now 90 researchers there. It's a wonderful success for the Group because it constitutes an access to universities and partnerships in North America, that moreover are functioning very well.

We also have a research center in Germany. Through the acquisition of Lurgi, we repositioned certain research activities in Germany to leverage this acquisition. We obviously have researchers in France; France represents about two thirds of the Group's research. Research is also being conducted in Japan in the electronics field.

Air Liquide's research is internal but it is also conducted through partnerships. We have an increasing number of signed partnerships, whether they are with institutes of higher education, both French and international, or with large organizations – I'm thinking of the CNRS (French National Center of Scientific Research) and the CEA (French Atomic Energy Commission). Air Liquide is less looking for subsidiaries than for real partnerships. On the other hand, we are increasingly led to collect funds from outside the Company.

I will take, for example, the large-scale European project H2E (Horizon Hydrogène Énergie), a project that Air Liquide built and presented to the Agency for Industrial Innovation two or three years ago. The A2I accepted it and it is now led in France by OSEO. It is a research project with a total budget of 200 million euros over seven years. Air Liquide is responsible for over half this amount. We have a subsidy from the public authorities in order to carry out this research program. It is a complete hydrogen energy chain, from the source, storage, production, distribution and the fact of bringing it to future vehicles that will, I hope, tomorrow, be hydrogen users.

So this is the way we conceive research. It is internal research open to the outside, 500 people, over 200 million euros, and research connected to new investments, which means that the real percentage of development and innovation is much greater for the Group.

**QUESTION NO. 22****SHAREHOLDERS' ATTENDANCE FEES**

*"CAC 40 shareholders are poorly regarded, give the 10 euros to soup kitchens."*

**Benoît Potier:**

You know that you yourselves can give the 10 euros you receive to the soup kitchens. You are totally free to do whatever you want with them. It's not an attendance fee, it's traditional, it's to partially compensate for transportation expenses. Obviously, those of you who come from far away can't really pay for their ticket with this. So it's a modest contribution from the Group.

This being the case, I'll come back to the heart of the matter. You have clearly understood that Air Liquide launched its Foundation. I couldn't go into too much detail on this subject in my speech, but be aware all the same that the corporate initiative of bringing together the Group's employees as sponsors in micro-initiative projects seems to me to be a very good one because we have the capacity to roll out what we are going to do in every area. The micro-initiative areas can focus on soup kitchens, training programs, construction, childcare centers, hospitals. What seems important is to benefit from the fact that, as the Air Liquide Group is present everywhere, as the Group's employees are volunteers for accompanying these projects, the chances of success for these projects and the proper use of the money dedicated to them seem much more guaranteed if we have the support from the Group's men and women.

**QUESTION NO. 23****DIVIDEND**

*"23.1. Reducing the dividend to a third of the net profit to ensure investments."*

**Benoît Potier:**

I don't know if the person is referring to the discussions on the distribution of added value. We have done these calculations. I believe that today, the Group has a distribution of the added value that is very considerable. Investments represent a very important share of the use made of funds for the Air Liquide Group.

We had a discussion earlier on 1.6 billion euros. It is a very large sum. Dividends represent 600 million euros. Salaries and charges represent about 2.2 billion euros. Taxes and financial expenses about 700 million euros.

So you see that in the distribution between state organizations, banks, shareholders, employees and investments, we devote a large share to investments. This is important for your Group. If we didn't do it, in a few years we would be a group without growth, and this is obviously not what we are trying to do.

*"23.2. First payment on the dividend."*

**Benoît Potier:**

Traditionally, we have a dividend once a year. This is a question that we are going to study. The proper management of the Company's cash flow must be ensured. This is a question we will keep in mind.

**QUESTION NO. 24****INCREASED DIVIDEND**

*"Is the rule about rounding off to the lower centime in the Articles of Association normal?"*

**Benoît Potier:**

I don't know if it's normal, but I think when you are on the level of the lower centime, except if it is applied to a million shares, this has to represent modest sums. I'll take it up, however, with Shareholder Services, to see what this might mean for some of you.

**QUESTION NO. 25****BONUS SHARE ALLOCATION**

*"When will there be a one for eight allocation?"*

**Benoît Potier:**

That's an excellent question!

**QUESTION NO. 26****INTERNAL CONTROL**

*"Impact of the misappropriation of 13 million euros at Cryospace on the dividend?"*

**Benoît Potier:**

This gives me the opportunity to comment on the Group's internal control and on this very unfortunate incident. In a subsidiary that we have in common with another large group, we were in fact the victim of a relatively sizable fraud, which was possible, I think, because it was carried out at a very low level for many years. It was a little under the radar. This fraud was perpetuated by someone who had access to the system, who wasn't honest and who profited from it until the day when, because of its amount, it showed up on the radar and we detected it. We did everything we could to put an end to it. We filed a complaint and we attempted to recover the maximum amount of money. We obviously aren't very hopeful, all of it was written off in the accounts of the year 2008. So we can't expect anything out of it for the year 2009.

We have obviously taken all the necessary steps to review internal control, to analyze the reasons of this drifting and to put an end to this sort of thing once and for all. Most of the time, it is a question of problems of access to the information system and the segregation of tasks within the company. It is a complicated subject that companies everywhere in the world are familiar with and that is rather difficult to solve insofar as to ensure the dynamism of the company, you have to know how to react quickly; but knowing how to react quickly often means opening the doors. So you have to know how to close them and simultaneously react quickly.

**QUESTION NO. 27****SHARE BUYBACK/INSURANCES**

*"27.1. Share buyback strategy."*

**Benoît Potier:**

You know that we aren't supporters of a massive share buyback strategy. In the 2006-2007 two-year period, we had a cash flow that permitted us to do it as well as a ramping up of investments decisions, but not of payment because the investments are only paid as time goes on. So we could give back a little value to the market through this strategy. We also analyzed that our competitors, principally American, had considerably strengthened their programs. So to put us on an equal footing and without having any disadvantage on the market price, we decided during these two years to do it in a fairly modest way. At the end of last year, we decided to put an end to it.

The financial crisis obviously has encouraged us to remain in this position today and to not carry out any new share buyback operations.

*"27.2. Insurance audit."*

**Benoît Potier:**

Yes, that's a good point. We did one recently at the very beginning of the crisis to find out if we had good insurance and also to optimize its costs. That is part of the purchase policy that the Group has set up.

**QUESTION NO. 28****CUSTOMER DEFAULTS**

*"28.1. Effects of incidents within the Group or on customer sites."*

**Benoît Potier:**

We set up a dedicated team for all priority subjects in 2009, that is, cash flow, costs and investments. We have a weekly customer follow-up and a centralized reporting concerning all our customers which is followed by the Group's Financial division.

As of this date, we have had very few incidents, there was one in the United States, the company Lyondell-Basel, but provisions were cautiously made over the year 2008. We have not had any other incident, except for perhaps one or two minor.

*"28.2. Swap payment in the crisis."*

**Benoît Potier:**

We haven't reached that point yet. I hope that it won't come down to that. This isn't a question devoid of interest. It's true that a number of customers have tried to do this. When we had customers that had trouble paying us, but in return supplied us with certain products – it's the case with natural gas for example – we in fact were led to arrange purchase and sale conditions that would permit matching to be done, between a customer and ourselves as customer. This simplified our relationships and eased up payment relations. But we still haven't reached the swap stage. I hope that the system will continue to function.

**QUESTION NO. 29****GENERAL MEETING WELCOME**

*"29.1. Lack of water fountains."*

**Benoît Potier:**

That's a good observation. I'm going to use this observation to give our marketing teams a small challenge, on one hand to install water fountains and, on the other, to give you sparkling water fountains. After all, we have the technologies that make this possible. I am making a commitment – I hope it isn't an unreasoned commitment for next year – to give you fountains with still water and sparkling water.

*"29.2. Would it be possible to go back to the way the welcome was organized 20 years ago?"*

**Benoît Potier:**

Well, Sir, you have a memory and experience of past General Meetings that commands respect. We have done everything to provide an efficient welcome with a very large number of windows and signs. We are always interested in receiving your suggestions. If you had any trouble, please inform Shareholder Services. We'll implement your ideas starting next year.

*"29.3. Reference Document unavailable."*

**Benoît Potier:**

The shareholder who asked this question must be aware that we have them at his/her disposal. He should present himself and we will give him/her the Reference Document.

**QUESTION NO. 30****DIRECT REGISTERED SHARES/EMPLOYEE TRAINING/SAFETY****“30.1. Direct registered shares**

*I would first like to point out that for someone who wanted dividends in shares that for its cost, it's very interesting to hold direct registered shares. The costs are 0.3%, there aren't any, handling or management fees.”*

**Benoît Potier:**

Thank you, Sir, for both the question and the answer. That simplifies my task and I'm very grateful. Yes, it's true, we have very competitive costs for direct registered shares. We try to negotiate lower fees whenever we can, but I think you all know that this service is efficient.

I would also like to praise, in passing, all the work done by Shareholder Services. You should be aware that because the Shareholders Lounge was opened last year, the number of calls, visits and requests made to Shareholder Services has significantly increased, up +20 to 30%.

I know that some of you are occasionally frustrated because you don't have the answer at the right moment, instantly. Please excuse us. We are in the process of taking care of that. It's also a question of costs. But our goal is to provide you with a top-quality service. I'm happy to see that since it opened, we've had a steady flow of shareholders in the Shareholders Lounge, and not just Parisians. People from the provinces also came to see us and that is heartwarming because this Shareholders Lounge is open to everyone.

**“30.2. Employee training/work accident**

*The number of plants that you started up last year is impressive, and clearly lets us glimpse a wonderful future for the Company. The increase in the number of employees was 2,700 in 2007 and 2008 and the rise in training increased to three days per person. Which has a relative effect, notably on the accident frequency rate, which is a very important aspect, and for the first time in 20 years is less than two. In fact, it is 1.8. We can congratulate all your personnel for this attention since it is perhaps the result of training, but also the involvement of your managers and supervisors.”*

**Benoît Potier:**

Thank you, Sir.

**“30.3. Work accidents**

*I see an accident frequency rate of 1.8 means the company is healthy and as a consequence, the personnel is healthy, which also means the shareholders are healthy.*

*I'd also like to say how much I appreciated the Reference Document that, even though it's 260 pages, I read from start to finish. I didn't want to refer to all the figures, but just those.*

*Thank you, Mr Chairman. I ask the shareholders to congratulate you for all these results that aren't as bad as all that for 2008, which is putting it mildly.”*

**Benoît Potier:**

Thank you very much, Sir. What you've said will make all the Group's teams very happy. I have noted, apart from the financial performances, what you said about safety. It isn't an easy subject, but it's a subject that we have taken very seriously for a long time. Thank you for having highlighted this 1.8 frequency rate. It's true that it's the first time in the Group's history that we're lower than 2. It's a wonderful accomplishment. It's fieldwork, the work of management and it's a work that we're going to continue.

And then, Sir, congratulations for having read the Reference Document. I don't know if many shareholders can say as much, but I share your opinion, it's a good document.

**QUESTION NO. 31****HIGH-TECH****“31.1. Space industry**

*I'm speaking on behalf of the ANAF, the National Association of French Shareholders, and also on a personal basis. I have two questions. At this time, what is the revenue share of the oxygen/hydrogen mixture that you supply, for example, to Kourou for the Ariane V rocket? It seems that there is currently a study on Ariane VI, which will succeed Ariane V, and that recommends replacing this mixture with solid mixtures. What is your attitude on this? Will you be able to meet this demand or will you turn to others? Do you also supply other rocket launchers?*

**“31.2. Hydrogen electric generators**

*Why aren't you trying to develop more small electric generators with medium or low power, supplied with hydrogen cells? This would make it possible, when climate disasters, for example, occur, for individuals and industries to continue to operate when under certain circumstances, they haven't had any electricity for several days.”*

**Benoît Potier:**

I am very happy to see that you are opening the discussion way beyond the financial dimension. I am totally delighted to be able to answer you on broader subjects.

The first is space. You are referring, I believe, to supplying liquid oxygen and hydrogen for the Ariane rocket. There are two tanks that we design in France, that are then shipped to Kourou and assembled to form the rocket's tanks. And then we have the hydrogen and oxygen “service station” in Kourou, which produces this liquid oxygen and hydrogen for all the rocket launches. Revenue is about 20 million euros.

Do we see a risk that these liquid fuels will be replaced by solid fuels? There are several stages in this. Yes, one part is now being studied, but not for the upper stages. To my knowledge, the upper stages will remain cryogenic, that is, it's liquid oxygen and hydrogen that will remain the combusive and the fuels of the future for the upper part, the one that launches the satellites. In a rocket the important part with the four boosters is responsible for propulsion at take-off, then the stages separate and, at the end, what propels is the last stage where liquid oxygen and hydrogen are found. As far as I know today, the upper stages will remain cryogenic stages.

Do we supply other launchers? Yes, but we are more or less the major supplier of Europe. We also supply NASA, but more with other gases. We have a nitrogen production unit near the Florida launch site, at Cape Canaveral. We also have technological agreements with other countries for more or less equivalent launchers, but these are more technology sales and not gas sales.

Regarding your other question about hydrogen electric generators, one of our subsidiaries, AXANE, does exactly what you mentioned. It designs small hydrogen-based generators that produce electricity autonomously. That is what we have done for certain telephone relay stations. We sell them to a number of customers like firefighters, first aid teams, so that they can work in fields out in the countryside where there isn't any electricity. It is a market that we are developing in the framework of Air Liquide projects, notably the Horizon Hydrogène Énergie project, which will be the relay for today's market to shift to the mobility market.

**QUESTION NO. 32****ENERGY COSTS**

*"If energy is becoming very expensive, is it conceivable and interesting to anticipate industrial processes that will stop or slow down at peak times?"*

**Benoît Potier:**

Most certainly, Sir. If energy becomes expensive – what does that mean? 60 dollars? 80 dollars a barrel? I don't know – all the industrial processes will try to be as optimized as possible and especially to function not only according to energy demands, for example, on the networks, but also according to market demand. We will have – and this is part of Air Liquide's research programs – to develop processes, both for ourselves and our customers, that will make it possible to remain efficient whatever the factory load, even to stop and restart factories when energy isn't expensive or when needs are great.

So everything that has to do with the flexibility of factory operation is an important development track in what is called process control and we are working on it fairly actively in France and the United States. It is an important track and it will have another advantage, that of having a beneficial effect on the environment. We'll take this effect on the environment into account and we can reduce harmful emissions. So it is an important and interesting working track for Air Liquide.

**QUESTION NO. 33****BONUS SHARE ALLOCATION**

*"As for the bonus share allocation, I would like you to remind us how many of them you distribute per share held. Second question, why don't the administrators on your Board do the same thing as you in their own company?"*

**Benoît Potier:**

That's the General Meeting's embarrassing question!

First question, how many bonus shares? You know the story, some people say that in even years we are rather generous in this matter, and in odd years, a little less so. Although these allocations are not systematic we wish them to be regular.

Bonus shares are very important for you. We know it and it's a policy that has always existed and that we will continue to implement. That leads me to the second part of the question: why don't others do it? First, each company decides what it wants to do, and has its own shareholding policy.

Last year, in the framework of the Board's reflections, we carried out a small study to try to understand a little better why Air Liquide shareholders were attached to this bonus share. When we do it, it isn't an enrichment, that's for sure. We take the same capital and we divide it into a greater number of shares. It must be recognized that on this day, you aren't richer, you just have a little more change.

This being the case, having made this change, you have a fiscal optimization capacity that is important for you. You may possibly give these shares as a gift. A certain number of you are aware of this. In fact, you have the capacity to better manage your portfolio. If by chance you forget that you are an Air Liquide shareholder, you'll notice that from

year to year, the dividend reinforces this policy as we very much want to maintain a certain dynamic in its distribution. This year is a good example: we are maintaining the dividend. The number of shares increased by 10% last year. Those of you who kept your shares have an additional 10% in dividends. Our loyal shareholders know it and it is this set of parameters that, as I see it, is responsible for the shareholders being attached to it.

Other CAC 40 companies have different viewpoints. Regularly, our policy encourages the shareholders to ask questions at the General Meetings. However, I am very attached to this policy. We will therefore keep on doing what we have been doing for years.

**QUESTION NO. 34****INNOVATIVE SMALL AND MEDIUM-SIZE COMPANY WATCH/CO<sub>2</sub> CAPTURE**

*"I have two questions that could be called operational. One is about the small and medium-size company watch. A few years ago, Air Liquide created a fund that was called "Air Liquide Venture", I think. In the framework of this watch, are you thinking of going back to investments, either on a corporate fund or on investments in funds?"*

*The second question concerns CO<sub>2</sub> capture. Air Liquide is more of a gas treatment company. I was wondering rather than capture gas, if you had any tracks on treating CO<sub>2</sub> and making biofuel."*

**Benoît Potier:**

Going back to investments of the Air Liquide Venture type is probably too early. This approach was initiated at the Internet "moment". A lot of companies were connected to information technologies. We gradually liquidated our investments in them. Either these companies developed or they put an end to their activities. As of this date, the market hasn't come back, it isn't ripe. We wouldn't see any interest in the very short term in going back to them.

I remember all the same from this period that the collaboration between small dynamic companies and large ones like ours can be really interesting and fruitful. In the future, perhaps not necessarily on information technologies but on others, the environment, energy, solar and other forms, associating with small companies will be a good way to go further, to take advantage of the market's dynamism. It's a plan that we could possibly put back in place in the future, but there aren't any projects in the short term.

On CO<sub>2</sub> capture, we put oxygen upstream to reduce CO<sub>2</sub> dilution so that it can be better recovered. Treating CO<sub>2</sub> completely to make biofuels out of it is not exactly what we can do. We can partially recycle it. It's a track inside the process and we are studying it. There are other tracks, but we are less advanced and in a general way, science is less advanced. It's a question of that famous Air Capture that is, making CO<sub>2</sub> solid, in the form of carbonates or other substances. A certain amount of research is underway, in the United States and Europe, and we will have to wait a few years before seeing these processes emerge. We are looking at them and studying them.

A COMPANY  
THAT MOBILIZES OVER  
147,000 SHAREHOLDERS  
FOR ITS GENERAL  
MEETING...

...MAKES YOU WANT  
TO KNOW

MORE

Holding direct registered shares means you  
benefit from direct and regular information...  
as well as the loyalty bonus!  
For more information, contact us.



Contact us directly on our website:  
<http://contact.shareholders.airliquide.com>  
or in the Shareholder section on  
[www.airliquide.com](http://www.airliquide.com)



Shareholder Services  
75, quai d'Orsay  
75321 Paris Cedex 07  
France



### Shareholders Reception Lounge

Open Monday-Friday  
from 9:00 am to 6:00 pm (GMT+1)  
75, quai d'Orsay  
75007 Paris - France

Getting there:

- RER C to Pont de l'Alma or Invalides
- Metro lines 8, 9, and 13 to Invalides or Alma-Marceau
- Bus nos. 42, 63, 80, 92, Bosquet-Rapp stop
- Pay parking La Tour-Maubourg



+33 (0)1 57 05 02 26

or from France:

 **N° Vert 0 800 166 179**