

IN THIS ISSUE

A closer look

Air Liquide
Foundation

Seen and heard

Cryogenics
at the service of an
urban transportation

The shareholder's page

Important information
about Air Liquide shares



AIR LIQUIDE

interactions

Air Liquide's letter to shareholders

June
2012

WEBZINE

For more information, browse on **interactions** online, our interactive webzine: videos, testimonials, animations and more

www.interactions.airliquide.com



IN BRIEF

Air Liquide highlights from recent weeks

- Planned acquisition of LVL Médical, leading French player in home healthcare. This transaction, once finalized, would enable Air Liquide to gain control of LVL Médical's French activities, for an enterprise value* of €316 million.

* Enterprise value after the divestiture of LVL Médical German activities.

- New investment of €100 million in Germany.
- Start-up of a new unit in Tatarstan, Russia.



See all press releases
at www.airliquide.com

EDITORIAL

Benoît Potier, Chairman and CEO

Dear Shareholder,

Nearly 140,000 shareholders were present or represented at Air Liquide's Annual General Meeting of Shareholders on May 9. As always, it was one of the best events of the year for your Group. I would like to thank you all for the enthusiasm you have displayed year after year, as well as the interest and the long-term confidence you continue to show in the Air Liquide Group.

The favorable vote of all the resolutions proposed, has enabled to pay a dividend of €2.50 per share—a 6.4% increase over last year—and the allocation of one free share for every 10 existing shares.

The General Meeting also provided a chance to review the 2011 financial results. The past year once again showed the trend of steady growth that has characterized Air Liquide over recent years. The year's results also demonstrate our resilience in an economic context.

Air Liquide is well prepared to meet new challenges in 2012. After a slowdown observed in the 2011 fourth quarter, 2012 1st quarter shows progressive improvement in activity, leading to quarterly revenue growth of nearly +7%. The continuing strength of our customers' investment projects also increases our confidence in the medium term.

All of the initiatives taken within the ALMA 2015 program contribute to the constant improvement of our performance indicators, and enable us to achieve growth while controlling expenses.

In this context, and barring a major economic downturn, Air Liquide continues to aim for growth in net profit in 2012.

Rigorous management and entrepreneurial spirit are the two pillars upon which we have always built and will continue to build your company. As a result, while developing the long-term commitment of our employees, strengthening the know-how of the company for the benefit of the customer, and maintaining a stable capital base, the Air Liquide Group can look forward to maintaining its steady growth.

I would like to thank you and all our shareholders for your confidence throughout these uncertain economic periods. I am confident that we share the same values of commitment, transparency, and long-term vision. With your support, we will continue developing your Group for the long term, as we have always done.



A CLOSER LOOK

The Air Liquide Foundation: solidly committed to scientific research for improving respiration in premature infants



AIR LIQUIDE FONDATION
D'ENTREPRISE

Benoît Potier, Chairman of the Air Liquide Foundation, announced that funding would be renewed for the PremUp Foundation's research work intended to protect the lungs of premature infants. The partnership first began three years ago.



Every year, 4,000 extremely premature infants suffer from broncho-pulmonary dysplasia, a chronic respiratory illness. Anti-inflammatory medications currently used for this ailment in neonatology departments have some serious side effects, especially on the nervous system.

Aiming to protect the lungs of premature infants, the PremUp Foundation has developed a program to identify the mechanisms that cause this illness.

Professor Pierre-Henri Jarreau, head of the neonatology department at the Cochin-Port Royal Hospital in Paris, is leading the project; it will once again benefit from the financial support of the Air Liquide Foundation, which will donate a total of €120,000 for 2012 and 2013. Lasting two years, the fundamental and clinical research project should result in a better understanding of the physiological mechanisms of broncho-pulmonary dysplasia and lead to the development of new, more effective therapies.

The Air Liquide Foundation

Created in 2008, the Air Liquide Foundation pursues the Group's commitment as a socially responsible company. Granted a budget of €3 million over five years, the Air Liquide Foundation supports projects in three areas:

- Scientific research for environmental protection
- Scientific research for improving respiration
- Support for micro-initiatives favoring the local development of countries where the Group is present

2011 Key figures

- **110** projects funded since 2008
- **40** projects under consideration
- **130** employees involved on site
- Presence in **34** countries



To learn more about the foundation or submit a project: www.fondationairliquide.com

PremUp's research will be led by Doctor Elodie Zana-Taïeb, the former head of the neonatal medicine and reanimation department of the Cochin-Port Royal Hospital. She will be able to devote two years of work to this research project under the guidance of Professor Jarreau.

The project builds on an initial research program supported in 2009 by the Air Liquide Foundation with €50,000 of funding. A particularly important goal of the study was to understand some of the inflammatory mechanisms that lead to broncho-pulmonary dysplasia in extremely premature infants, and to find new therapies by testing a new class of anti-inflammatory agents.

Funding this kind of research meets one of the three aims of the Foundation's sponsorship: scientific research to improve respiration.

In pictures

On the occasion of renewal of the partnership with PremUp Foundation, Benoît Potier, Chairman of the Air Liquide Foundation and Chairman and CEO of Air Liquide, visited, the new neonatology department at the Cochin-Port Royal Hospital with professor Pierre Carli, Director of the Anesthesia-Intensive Care Department at the Necker-Enfants Malades Hospital and Medical Director of the Paris SAMU (medical emergency service).



From left to right: **Professor Pierre Carli**, Administrator of the Air Liquide Foundation and Medical Director of the Paris SAMU (medical emergency service); **Benoît Potier**, Chairman of the Air Liquide Foundation and Chairman and CEO of Air Liquide; **Dr Danièle Evain-Brion**, Director of the PremUp Foundation



The only French research and care institute specifically devoted to neonatology, the PremUp Foundation promotes research and development in the diagnosis and treatment of diseases associated with pregnancy and preterm delivery. Created in 2007 and supported by the French Ministries of Research and Health, PremUp is classed as a French scientific cooperation foundation and recognized in its role serving the public good. The founding members of PremUp are Inserm (the French institute for health and medical research) the AP-HP (a public assistance organization grouping Paris hospitals) and six major universities from the Paris urban area. www.premup.org

Viewpoint



Professor Pierre Carli
Director of the Paris SAMU
and Administrator of
Air Liquide Foundation

How does PremUp respond to the Foundation's Healthcare mission?

The PremUp project fits perfectly within the Foundation's healthcare objectives, as it focuses on pulmonary development in premature infants. Analyzing the relationship between intrauterine growth restriction and bronchopulmonary dysplasia* is absolutely vital if we are to prevent and limit this particularly serious chronic illness. In France alone, this disease affects more than 4,000 newborns each year: that's how important this research is. The partnership between the Air Liquide Foundation and the PremUp Foundation has already netted positive results, a sign of success for this new project.

What makes you so enthusiastic about this project?

First, it holds great scientific merit, and the two Foundations are a natural fit for each other. But more than that, I'm really excited by the Cochin-Port Royal Hospital team's quality and effort demonstrated thus far on the project. Not only is Professor Pierre Henri Jarreau's team at the forefront of perinatal medicine, but it's shown extreme devotion to the successful completion of its work. Such energy, effort and skill in the study of pulmonary development in premature infants are really inspiring.

* Bronchopulmonary dysplasia is a chronic respiratory illness that affects very premature infants. It results from the incomplete development of the bronchi and lungs due to a very preterm birth.



Listen to the full interview
on the webzine

SEEN AND HEARD

Cryogenics at the service of a clean and silent urban transportation

Air Liquide is innovating with an integrated cryogenic solution that uses liquid nitrogen to produce cold in the truck's container box: **blueeze™**. The **blueeze™** solution uses liquid nitrogen to produce the cold temperatures needed to transport fresh and frozen merchandise.



In France, refrigerated transportation services are provided by 66,000 refrigerated trucks, including 34,000 semi-trucks⁽¹⁾. Every day, this nationwide fleet delivers thousands of tons of fresh and frozen products across France— including a non-negligible portion to downtown and built-up urban areas.

This is where traders and authorities start to rack their brains: how to deliver supplies to stores without disrupting traffic and protect the local environment for their inhabitants?

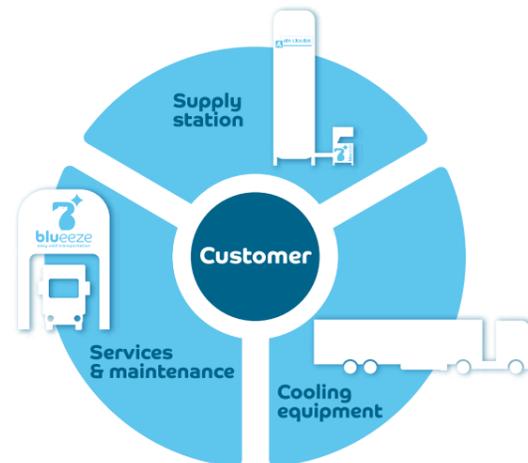
Current refrigerated trucks produce cold through a mechanical cooling unit that consumes fuel, generates noise and emits carbon dioxide which contributes to the greenhouse effect.

blueeze™ solution cools the refrigeration unit of the truck with nitrogen (-196°C) which passes through a totally hermetic exchanger.

In principle, this technology is not new. The first experiments in this area were carried out in the 1960s. What makes **blueeze™** innovative is not its underlying principle, but rather the development of a full solution that is safe and simple, adapted to the needs of controlled-temperature transportation professionals.

Launched in March 2012 at the ECO Transport & Logistics Fair in Paris, **blueeze™** is easy to install and use. The solution includes a liquid nitrogen filling station, an onboard cryogenic cooling unit, and associated services.

(1) Source: UNTF



A clean and silent solution...

- **blueeze™** is a clean solution that does not consume fuel, does not release CO₂ into the air, nor does it release particles.
- Motorless, **blueeze™** produces noise that is less than 60 decibels at a distance of 7 meters, which is the equivalent of a conversation between two people.
- Moreover, the global cost of using the **blueeze™** solution is comparable to that of using a mechanical cooling unit, thanks to the low cost of maintenance for refrigeration equipment. With the likely rise in the price of oil-based products, the **blueeze™** solution is expected to become even more competitive as time passes.
- The **blueeze™** solution is part of a broader social effort to safeguard the environment and the quality of life while also ensuring competitive transportation conditions.

... for major challenges

Clean, quiet, efficient... **blueeze™** brings a technological dimension to the business of controlled-temperature transportation, which should contribute positively to the image of transporters in the eyes of city dwellers, wholesalers and retailers, the public at large and also industry professionals themselves.

Did you know?

In the food industry, Nitrogen is used as a protective atmosphere. Liquid Nitrogen (-196°C) is used to freeze food that can be cooled dramatically, a process that durably preserves their taste and texture.

Viewpoint



Thierry Duboudin
Project manager,
Industrial Merchant
Business Line
Air Liquide

What growth opportunities does **blueeze™** offer Air Liquide?

For Air Liquide, transport is a promising new market. Temperature-controlled transport is essential to the daily lives of many, as more than one million trucks of this kind are currently used around the world. Even if only a portion of this fleet converts to cryogenics, this would translate to several tens of millions of euros in additional revenue. To give an idea of the scale of this market, remember that 100 trucks using **blueeze™** represent a daily consumption of 15 metric tons of liquid nitrogen.

Do you plan to introduce this innovative solution outside of France?

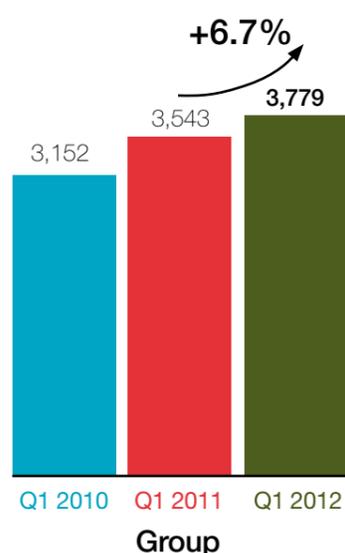
Of course. The technology was jointly developed through several subsidiary pilot projects with the support of our R&D teams. **blueeze™** will be progressively offered in other countries. For example, we recently supplied a customer in California (United States) with its first truck and filling station.

AS AN ASIDE

2012 1st quarter revenue

Progressive improvement in activity

1st quarter revenue in millions of €



Group revenue for the 1st quarter 2012 reached 3,779 million euros, up +6.7% as published. After a fourth quarter 2011 characterized by a slow-down in growth related to the global economic situation, first quarter 2012 reflects **progressive growth in the volumes** consumed by clients of the Group.

Gas & Services sales reached 3,443 million euros, up +4.0% on a comparable basis. Growth is steady in Developing Economies (+11%), particularly in China, South America, Eastern Europe and the Middle East, and moderate in the Advanced Economies (+2%). The lower level of equipment sales in Electronics, weighing on growth in the Asia zone, is compensated by the strength of the activity in North America.

Large Industries is benefitting from an increase in oxygen and hydrogen volumes, relative to the previous quarter. **Industrial Merchant** activity is improving, particularly helped by pricing. **Healthcare** remains solid, driven by hygiene growth. Excluding Equipment and Installation sales, **Electronics** is stable.

The new efficiency gains amount to 59 M€ and are in line with the objectives of the ALMA 2015 program. Net debt remains stable.



Download the presentation of 2012 1st quarter revenue

The shareholder's page

FROM YOU TO US

The Versailles Fountains Night Show draw online: a royal partnership.



at www.airliquide.com Shareholder's section before **July 22, 2012 at midnight**.

For the fifth consecutive year, Air Liquide is helping to organize the Fountains Night Show at the Château de Versailles by supplying the fluids and expertise needed to prepare the event.

Within this partnership, Air Liquide is offering all shareholders an opportunity to take part in the show through a draw online. **This year, 100 additional double invitations to be won!** You can participate in the draw to win the VIP box or one of the 600 double invitations offered by Air Liquide by signing up online

This summer, discover our e-learning module and explore the world of the Stock market!

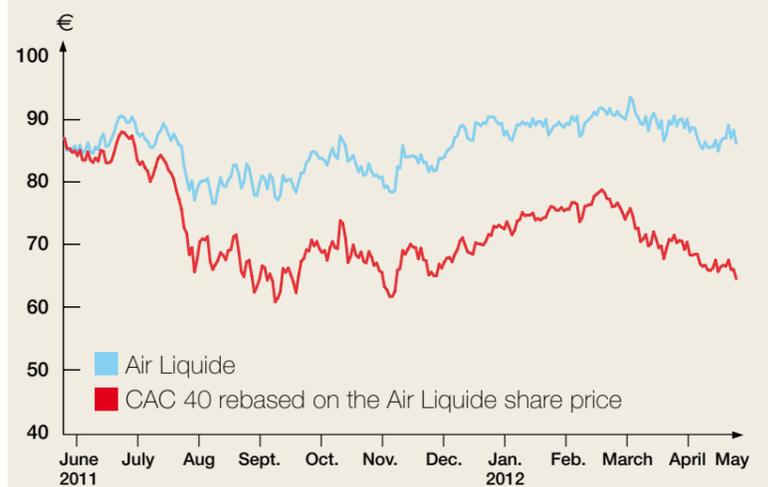
Shareholder Services is pleased to offer you an e-learning module that is now available on www.airliquide.com, Shareholders section. With five lessons and a final quiz, "Today's Stock market" is an educational and enjoyable way of learning more about the history and the functioning of the Stock market.



REPORT

Air Liquide on the stock market

Evolution of Air Liquide stock price from June 2011 to June 2012



Air Liquide **-1.2%** CAC 40 **-25.6%**

In figures

BENOÎT POTIER MEETS WITH SHAREHOLDERS

The **139,830** shareholders present or represented at the Annual General Meeting accounted for **53.15%** of voting rights.

About **5,000** people were present at the Annual General Meeting held on May 9, 2012 at the Palais des Congrès in Paris.

Following the Annual General Meeting, Benoît Potier met with around **1,000** shareholders at the conferences that were organized in Biarritz and Lille on the theme of Air Liquide technologies for the environment and energy.

SHAREHOLDERS TAKE THE FLOOR



I received free shares on May 31, 2012, following the vote at the Annual General Meeting. What are their characteristics?

At the Annual General Meeting on May 9, 2012, a free shares attribution was voted on by shareholders. The attribution is one free share for every ten shares held by May 30, 2012. Free shares receive the same voting rights, dividends, and loyalty bonus as the original shares. For example, if you hold 30 shares that qualify for the loyalty bonus, the 3 free shares you receive will be registered within the value code FR0000053951 and will qualify for the loyalty bonus. If you received free shares from intermediary registered shares, we advise you to verify with your bank or financial institution that these new shares have been duly registered as intermediary registered shares.

intermediary registered shares, we advise you to verify with your bank or financial institution that these new shares have been duly registered as intermediary registered shares.

I am an Air Liquide shareholder, and I would like to submit my application for the Shareholders' Communications Committee. If I am selected, what are my responsibilities?

In 1987, Air Liquide became the first company to create this kind of committee. The Shareholders' Communications Committee includes 12 members; a third is replaced every three years. The application form is available in the Shareholders section of www.airliquide.com. The Shareholders' Communications Committee plays an active role in the communications sent to Group's shareholders. It takes part in plenary committees chaired by Benoît Potier, working groups and projects led by Shareholders Services.

FOCUS ON

Converting to registered shares: do not wait any longer !

If you hold bearer shares, from now on you can ask your bank to convert your shares to registered shares*.

Fill out the converting form available on www.airliquide.com, Shareholders section and sign it. Send it before December 31, 2012 to your bank or financial institution which will proceed to your shares conversion. Please note : do not send the form to Air Liquide Shareholders Services.



* Conversion fees, handling fees, and processing times can vary according to your bank. Contact your financial advisor for more information.

Agenda

July 30, 2012
1st half results

September 18, 2012
Shareholder meeting in Rouen with the FFCI

October 3, 2012
Shareholder meeting in Lyon with *Mieux Vivre Votre Argent*

October 6, 2012
Shareholder meeting in Antwerp with VFB (Flemish Investment Club)

October 9, 2012
Shareholder meeting in Copenhagen with the Danish Shareholders Association

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

Would you like to send us feedback on one of the subjects in this issue? Do you have any questions? Your opinion matters to us.

Contact: <http://contact.shareholders.airliquide.com>

WEBZINE

www.interactions.airliquide.com



Air Liquide has chosen to print this document on PEFC-certified paper.

For more information, contact us:

Air Liquide – Shareholder Services
75, quai d'Orsay – 75321 Paris Cedex 07

+33 (0)1 57 05 02 26 (from outside France)

N°Vert 0 800 166 179

(free from a French landline)
www.airliquide.com

Follow us on [twitter](https://twitter.com/AirLiquideGroup) @AirLiquideGroup

Air Liquide's letter to shareholders /// June 2012

– **Design and production:**
Air Liquide – Communications Department
TERRE DE SIENNE Paris | www.terredesienne.com

– **Writing:** Air Liquide

– **Photos credits:** Air Liquide (p.2), Frédéric Gras (p.3), Thierry Nava Groupe F. (p.4)

