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March
2012

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www.interactions.airliquide.com



IN BRIEF

Air Liquide highlights from recent weeks

- Electronics: launch of a new offer for cleaning gases in the High-Tech sector.
- Russia: acquisition of a gas company in the Moscow area.

- South Africa: Air Liquide has just signed a major long-term contract with the second-largest steel producer in the country.



See all press releases
at www.airliquide.com

EDITORIAL

Benoît Potier, Chairman and CEO

Ladies and Gentlemen, dear Shareholders,

2011 will be remembered for major international events, such as the political upheaval in several Arab countries, the earthquake and tsunami in Japan, massive flooding in Asia, and the sovereign debt and euro zone crises. Despite these events, Air Liquide recorded a solid performance: revenue grew by 7.2% to reach €14.5 billion and net profit increased 9.4% to hit €1.5 billion. These positive results, which are average of the last 30 years, demonstrate the Group's ability to adapt to a volatile environment and pursue growth while controlling costs.

The Group's growth drivers are continuing to prove effective. We also continued our investment and growth in Developing Economies, which now represent 21% of Gas and Services revenue. Of the 16 units launched in 2011, 60% were located in these countries. In the Energy and Environment field, Air Liquide took another step forward by signing a long-term contract for syngas purification in China. The year also saw developments in hydrogen energy, notably in the United States and in Europe.

In Healthcare, the Group has continued its acquisition strategy and has progressively expanded its chronic disease treatments in particular by treating Parkinson's disease. Air Liquide confirms its position as a leader in Europe and continues its development in the world.

These investments, new contracts and continuous innovation to expand our businesses have helped us strengthen our presence in growing markets and renew our confidence in the medium-term growth prospects outlined in the ALMA 2015 program. Air Liquide is therefore aiming for net profit growth in 2012.

This solid performance has enabled us to continue our policy of providing total shareholder returns. At this year's Annual General Meeting on May 9, 2012, a dividend of €2.50 per share will be proposed—an increase of 6.4% over last year— along with the distribution of one bonus share for every 10 shares held. Over the past 20 years, our market capitalization and net profit have increased fivefold. Moreover, profit per shareholder over the last 10 years has been 10 times greater than average for the CAC 40.

Ladies and Gentlemen, dear Shareholders, we thank you for your continued loyalty, which has enabled us to uphold a long-term vision for many years and maintains our confidence in the future to build a strong future.



Identified in 2008 and reaffirmed during the new version of the ALMA company program for 2011-2015, the five growth drivers—Energy, the Environment, Health, Developing Economies and High-Tech—are now more relevant than ever. With support from the company's deep-rooted and long-term trends, their importance and potential have not lost strength in the post-crisis era.

Hydrogen: an energy for the future

With major growth in global energy demand and an increasing sense of environmental responsibility, the energy sector is undergoing a profound transformation. Air Liquide is deeply committed to developing technologies to address the major challenges facing our world. Hydrogen energy is one such solution that is rapidly advancing. The Group covers the entire hydrogen industrial chain: production, storage, distribution and applications.

How does it work?

Used in a fuel cell (an electro-chemical device that produces electricity through a core reaction using hydrogen and oxygen from air), hydrogen is an alternative source of clean energy. It is "clean" because hydrogen and fuel cells generate electricity while only emitting water. It is "alternative" in that hydrogen can be produced from many different sources, notably from renewable energies. In addition to their completely silent operation, another main advantage of fuel cells is that they emit no CO₂. This means that hydrogen energy can reduce carbon footprints by producing clean electricity.



Read the webzine to learn more about how a fuel cell works

Air Liquide and hydrogen energy

The Group has created a subsidiary dedicated to developing fuel cells. For storing hydrogen energy along the supply chain, Air Liquide is partnering with Composites d'Aquitaine on the H2E (Horizon: Hydrogen Energy) program to develop innovative composite cylinders able to withstand pressures of up to 700 bar. For some of its customers, the Group has also designed filling stations able to refuel vehicle tanks with gaseous hydrogen in less than five minutes.

Air Liquide: fueling industry development programs

Air Liquide intends to facilitate access to this clean and renewable energy. The Group is therefore pursuing a two-pronged strategy: Hydrogen research and innovation to improve existing technology and develop new, better performing technology. Participation in major international projects. Today, Air Liquide is involved in a number of programs both as direct developer (as with the H2E program, supported by OSEO the French agency for innovation support) and as partner (as with the H2 Mobility program in Germany and Great Britain).

Hydrogen energy: the future is now

Air Liquide already offers solutions both for decentralized power production and hydrogen distribution equipments. Solutions for:

- **Stationary, silent, carbon-free power generation** at the point of use for off grid equipments (or awaiting connection) especially for mobile phone antenna relay stations;
- **Portable power generation** for emergency units or during events (film shooting, etc.)
- **The deployment of fleets with their refill equipment** (hydrogen filling station) in order to increase productivity while cutting emissions at the point of use. Main applications focus on warehouse forklifts fleets and luggage transportation vehicles fleets in airports.
- **The supply of 350 and 700 bar hydrogen filling stations for Hydrogen Electric Vehicles.**

In cooperation with international automotive companies, Air Liquide, organized the first exclusive tests in France of around 10 Fuel Cell Electric Vehicles. on the Marcoussis motor racing circuit, near Paris. The tests took place in October 2011 on the Marcoussis motor racing circuit, near Paris. The event aimed to raise public opinion and public institutions awareness about hydrogen as clean new energy carrier in order to enable the development of this field for sustainable mobility in France.



Read the webzine, and relive the Marcoussis test in pictures

A promising ecological report

A global well-to-wheel analysis^(a) revealed further advances in transportation. For equal distance travelled, Fuel Cell Electric Vehicles offer a 20% drop in greenhouse gas emissions compared with internal combustion vehicles.

Hydrogen energy: huge potential

By 2015, hydrogen energy precursor markets will represent a potential of €1 billion. In 2050, 70 million Fuel Cell Electric Vehicles could be fueled by hydrogen in Europe, requiring approximately 10 million metric tons of hydrogen per year—more than 10 times the hydrogen production of Air Liquide in 2010.



(a) Amount of CO₂ emitted when producing fuel (hydrogen or gasoline) and using it in a vehicle.



For more information on hydrogen:
www.airliquide.com
www.planete-hydrogene.fr
mobilite.planete-hydrogene.com

Follow us on
 Twitter: @AirLiquidenergy

Viewpoint



Peter Froeschle
 Senior Manager Strategic
 Energy Projects & Market
 Development,
 Daimler

When did German auto-maker Daimler begin research and development of hydrogen-powered vehicles?

Daimler draws on its extensive experience as a pioneer in fuel-cell technology. Having begun research activities in the 1980s, the company introduced its first electric vehicle with fuel cell in 1994: the NECAR 1. Daimler has maintained a focus on this technology ever since, viewing it as a resource-saving alternative to the combustion engine. The new Mercedes-Benz F 125! research vehicle, which was presented at the International Auto Show 2011 in Frankfurt (Germany), offers a visionary insight into how entirely emission-free individual mobility can be made possible in the luxury segment in the future.

How has Daimler solved the issue of hydrogen storage in its vehicles?

In recent years, significant steps have been made toward achieving marketable systems and products. The current storage technology of the Mercedes-Benz B-Class F-CELL is based on the use of compressed, gaseous hydrogen, stored in hydrogen cylinders of aluminum and carbon fiber at a pressure of up to 700 bar. The high compression ratio allows the vehicle to cover ranges that are comparable to those of gasoline-fueled vehicles. The hydrogen tanks are designed to withstand 2.25 times the maximum envisioned operating pressure of 875 bar.

When will Daimler begin selling fuel-cell vehicles?

The technology has reached a very high level of maturity and is definitely ready for a new era of individual mobility. Since 2009, the Mercedes-Benz B-Class F-CELL has been produced under series-production conditions. The first of total of 200 vehicles have been in customers' hands in Germany and the United States via rental agreements since 2010. While the refueling infrastructure still remains a limiting factor, Daimler, together with a German hydrogen supplier, has decided to build 20 hydrogen filling stations in Germany starting in 2012. Mercedes-Benz is dedicated to introducing fuel-cell electric vehicles onto the mass market in the next two to three years.



Listen to the full
 interview on
 the webzine

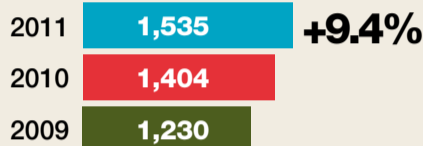
SEEN AND HEARD

2011 Performance: strong growth in sales and profit – Robustness of the development model

Group revenue (in millions of euros)



Net profit (in millions of euros)



Dividend^(a)

€2.50
per share

Up +6.4%

(a) To be proposed at the Annual General Meeting on May 9, 2012.

“ In 2011, Air Liquide continued its growth and the implementation of its business model, notably in Developing economies where sales have increased more than +20% over the previous year.

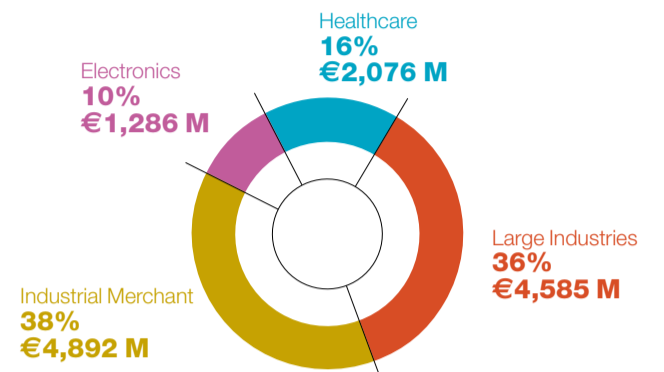
This momentum, together with our on-going efficiency programs on a global scale, helped to further improve operating results, demonstrating the Group's ability to adapt to diverse environments and to generate growth while controlling expenses.

In 2011, investment decisions reached €2 billion, over 60% of which in Developing economies. In addition, the signature of new contracts and permanent innovation broaden our businesses and provide the Group with the capacity to strengthen its position in growth markets. Therefore the Group is confident in its medium-term development within the framework of the ALMA 2015 program.

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

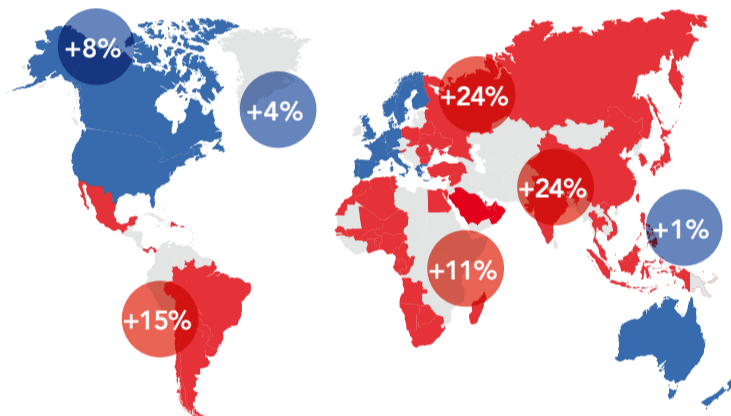
Benoît Potier, Chairman and CEO

Gas and Services revenue



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

Comparable G&S sales growth^(b) (2011/2010)



+5%
Advanced economies

+20%
Developing economies

(b) Comparable growth: excluding exchange rate, natural gas and significant perimeter impacts.

AS AN ASIDE

Air Liquide reveals its talents

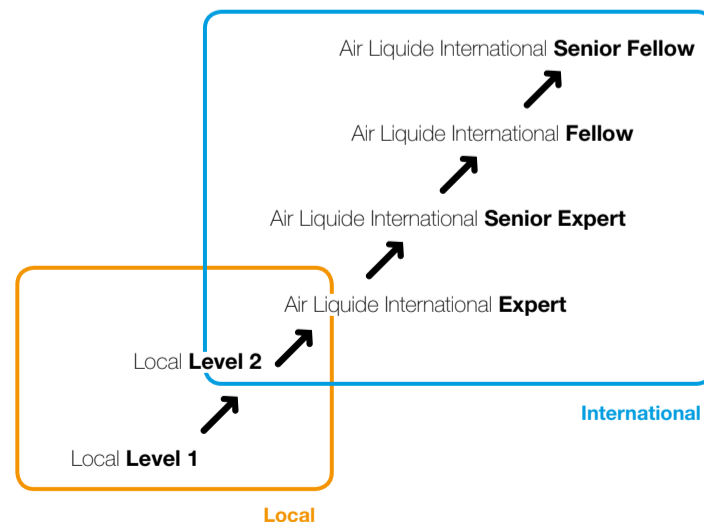
Alongside its human resources, Air Liquide places innovation and technical expertise at the heart of its strategy. That is why the Group set up the Technical Career Ladder (TCL), a career path for technical experts.

The TCL is a program that recognizes and promotes the technical expertise of Group employees. Launched in 2002 by the Air Liquide Executive Committee, the initiative was officially implemented in 2003. Based on the best practices observed in the workplace, it gives all employees interested in the technical side of their work the chance to pursue rewarding career prospects and fulfill their full potential as experts. With TCL, talented technical experts now have access to a flexible, structured career path identical to the one offered to Group managers. Career changes, raises, learning and improvement are all possible with the TCL.

The system currently includes six levels of expertise: two local levels and four international levels (Expert, Senior Expert, Fellow and Senior Fellow). This classification helps TCL members gain recognition within Air Liquide and ensures that their skills are shared across the Group. Every year, new experts are named and asked to give 20% of their time to developing talent and innovation in the Group.

Since the TCL's creation, nearly 1,600 employees have been recognized for their role in sharing expertise, skills and technical excellence. In 2011, Air Liquide received the "Skill Sharing" prize for its TCL program at the *Trophée du Capital Humain*, a French HR fair. This distinction honors companies for their concrete initiatives that promote employee talent.

Forthcoming the objectives for the TCL include the integration of 2,000 local and international experts to the program by 2015, and a pilot mentoring scheme to organize the transfer of knowledge held by senior experts and international specialists to local experts in the various branches of the Group.



2011 key figures

- 1,000 local Experts
- 600 international experts

Viewpoint



Jean-Marc Girard
Electronics World Business
Line Technology Director,
Air Liquide

Jean-Marc Girard speaks about his career within the Air Liquide Group. He also tells his experience as an International Fellow and explains how he shares his expertise with other Group employees.

Listen to the full interview on the webzine

The shareholder's page

FROM YOU TO US

Taxes: what's new in 2012 (For French fiscal residents only)

1. Taxes on dividends

- Increase in the *prélèvement forfaitaire libératoire*, the flat-rate withholding tax, from 19% to 21%. This new rate applies to dividends paid in 2012.
- Increase in the social contributions rate, that rose from 12.3% to 13.5% since the last 2011 quarter and that will be 15.5% from July 1, 2012.

2. Taxes on capital gains

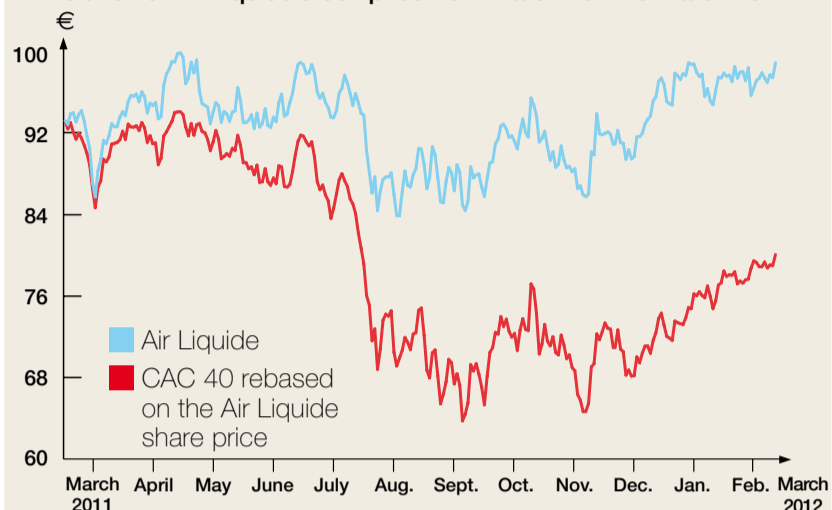
- Exemption from capital gains tax is no longer available for shares held for 8 years (from 2006 onwards). It is replaced by a tax deferral mechanism accompanied by conditions that do not apply generally to individual shareholders.
- From January 1, 2012, the social contributions rate on capital gains realized in 2012 is 15.5%.

For more information:
www.airliquide.com, Shareholders section

REPORT

Air Liquide on the stock market

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



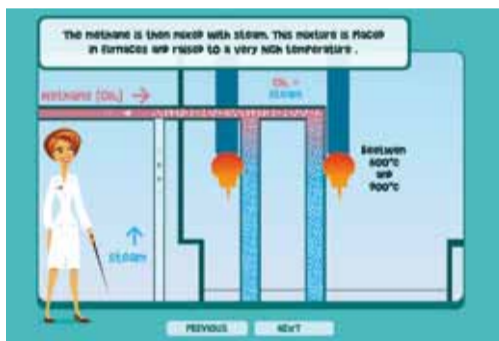
Air Liquide +6% CAC 40 -14%

(Re)discover our businesses and products!

Air Liquide is an innovative Group that develops technological solutions for the major challenges facing society in the fields of Energy, Environment, Healthcare and High-Tech.

To contextualize the Group's fundamentals and present Air Liquide's stake in these fields, a new section called "Our businesses, our products" is now available on www.airliquide.com. Intended for the general public, the section takes an educational look at the Group's businesses and products.

So head to www.airliquide.com and explore the best that air can offer to preserve life!



In figures

MAKE THE SWITCH TO REGISTERED SHARES!

410,000 individual shareholders (+20,000 in 2011) including 192,000 registered shareholders!

+ 10 %
on the dividend value received and on the number of free shares allocated

Direct contact with Air Liquide

Converting to registered shares is easy:

- 1 Fill out in just a few lines the form available in the Shareholders' section of www.airliquide.com and sign it.
- 2 Send it to your bank or financial institution before **December 31, 2012**. The institution will then convert your shares^(a).

Please note: do not send the form to Air Liquide Shareholder Services.

(a) Fees (conversion and handling) and processing times depend on your bank. Contact your financial advisor for more information.

FOCUS ON

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NEW! Download the free Air Liquide shareholder app available on the Apple Store (in French only).



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SHAREHOLDERS TAKE THE FLOOR



2012 Annual General Meeting: several possibilities for voting

I'm an Air Liquide shareholder and I want to vote at the Annual General Meeting. What are my options?

Every shareholder who holds bearer or registered Air Liquide shares at midnight on May 3, 2012 can vote at the Annual General Meeting.

Through the voting form enclosed with your Invitation, you can request an admission card to attend the Annual Meeting and vote in person.

You can also:

- vote by correspondence,
- authorize the Chairman of the Meeting to vote on your behalf, or
- appoint any person of your choice as proxy.

Simply complete the voting form accordingly and return it with the prepaid envelope so that **Air Liquide receives it before May 5, 2012**.

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

Agenda

May 9, 2012
Combined Shareholders' Meeting

May 31, 2012
 Benoît Potier meets with shareholders in Biarritz

June 6, 2012
 Shareholder meeting in Tours with the FFCI

June 12, 2012
 Benoît Potier meets with shareholders in Lille

June 28, 2012
 Shareholder meeting in Nice with *Mieux Vivre Votre Argent*

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

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

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