

2009 Results

Net profit up

Return on capital maintained

Gradual return to growth



February 15, 2010

*Air Liquide, the world leader in gases
for industry, health and the environment*

2009: solid business model

■ 2007-2008: sustained growth driven by 

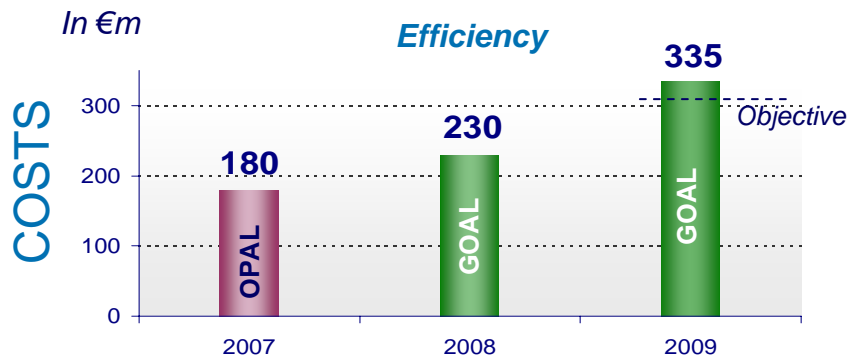
■ 2009: economic downturn

- ✓ *Net profit up*
- ✓ *Sales close to 2008, growing sequentially*
- ✓ *Return on capital employed preserved*

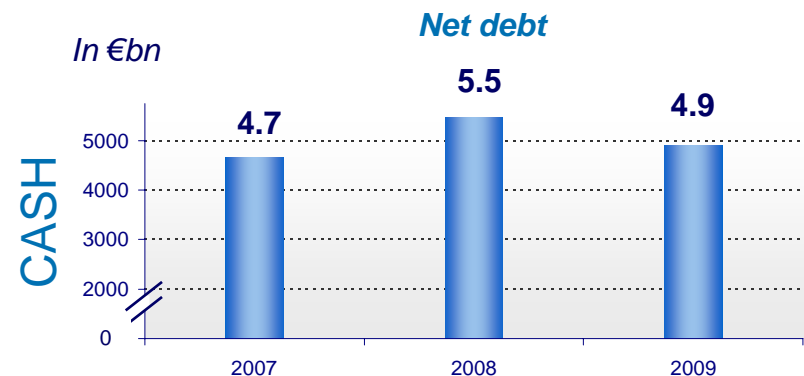


2009

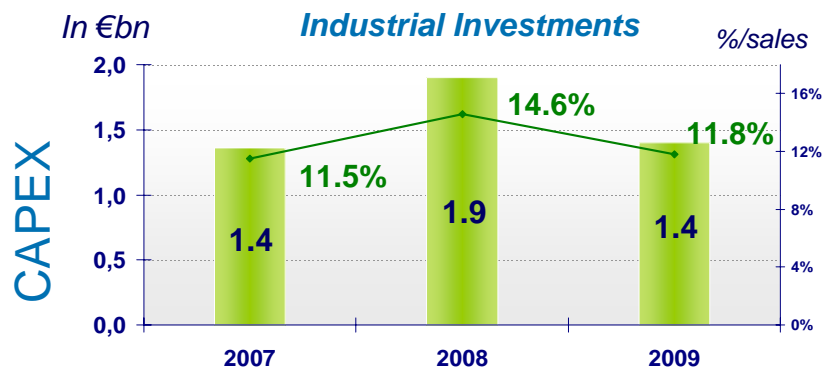
objectives achieved



Record margin level



Significant debt reduction



Growth investments pursued

- 2009 activity and results

Fabienne Lecorvaisier

- Performance and context analysis,
2010 outlook

Benoît Potier

2009 Activity and Results



*Fabienne Lecorvaisier,
Chief Financial Officer*

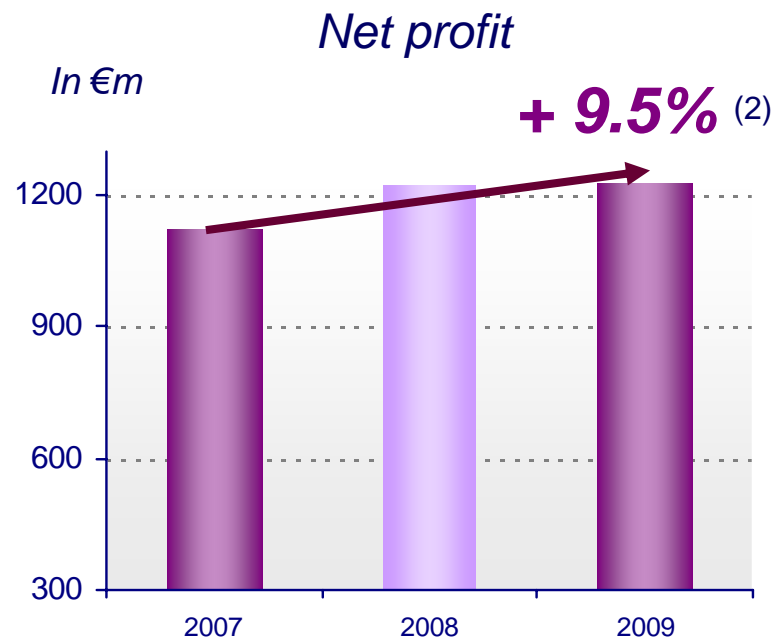
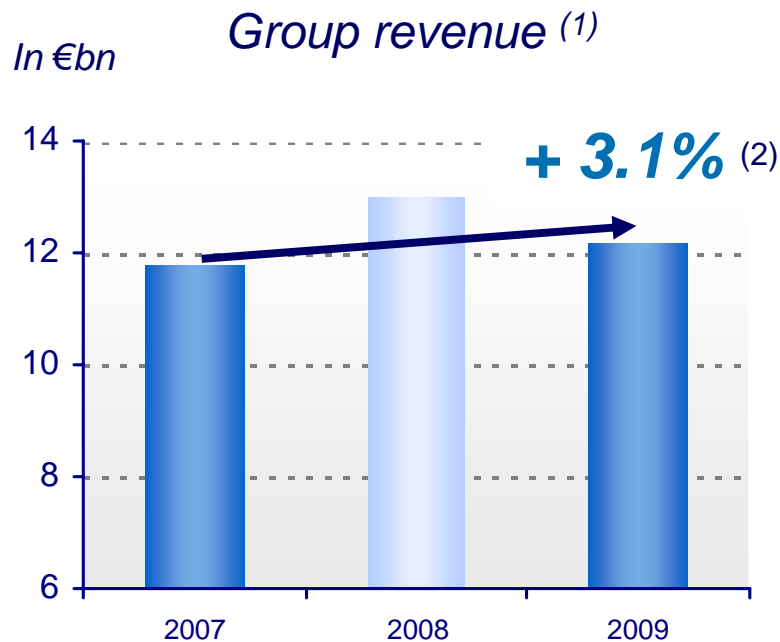
Positive impact of management measures

<i>In €m</i>	2009	09/08	09/08 comparable*
Group revenue	11,976	-8.6%	-6.2%
Gas & Services revenue	10,192	-7.6%	- 4.8%
Net profit (Group share)	1,230	+0.8%	
Net dividend per share	2.25**	=	
Net cash from operating activities	2,451	+6.9%	
Net debt	4,891	-593	

* Excl. forex and natural gas.

** To be proposed at the Annual General Shareholders Meeting on May 5, 2010.

Proven resilience of business model



Worldwide Industrial production ⁽³⁾ 2009 vs 2007: -6.6%

(1) At 2007 constant natural gas and forex.

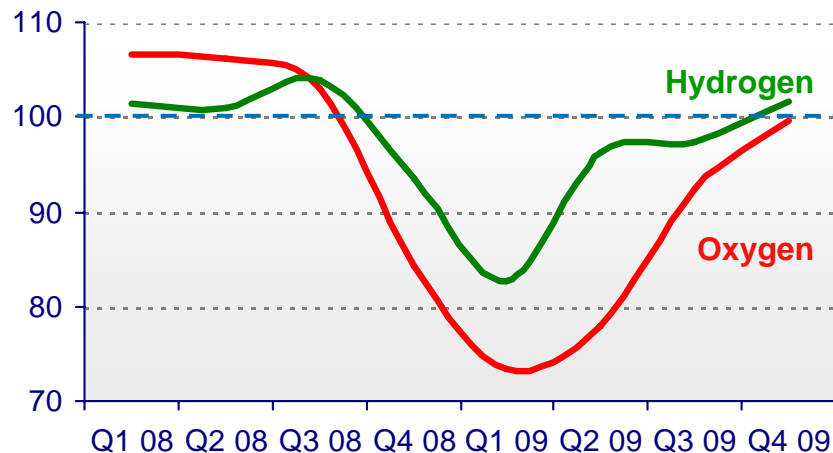
(2) 2009 vs 2007 growth.

(3) Source: Coe-Rexecode December 2009 (average monthly worldwide industrial production indices)

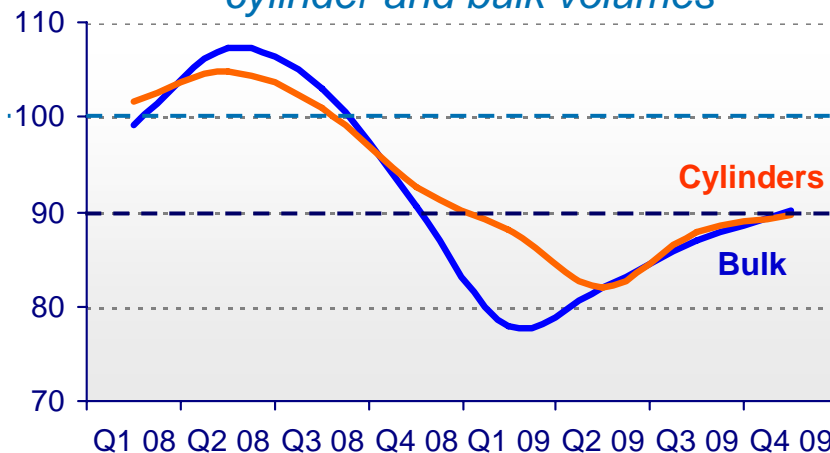
Progressive volume recovery

Base 100, average 2008

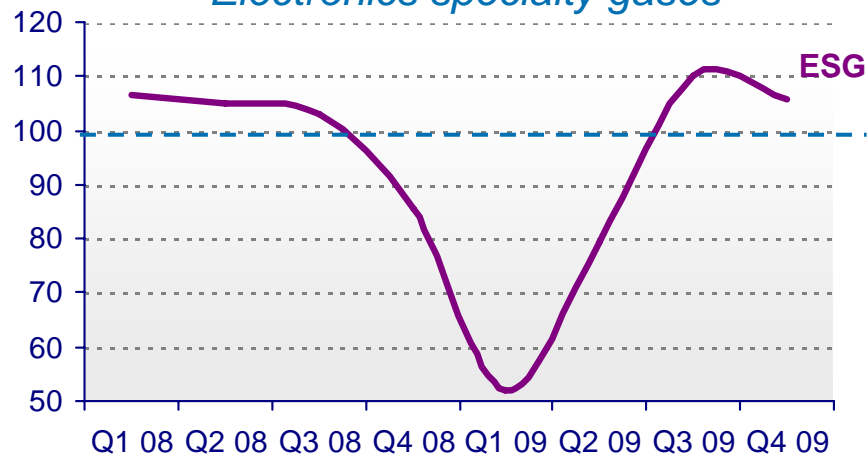
Large Industries gas volumes



Industrial Merchant cylinder and bulk volumes



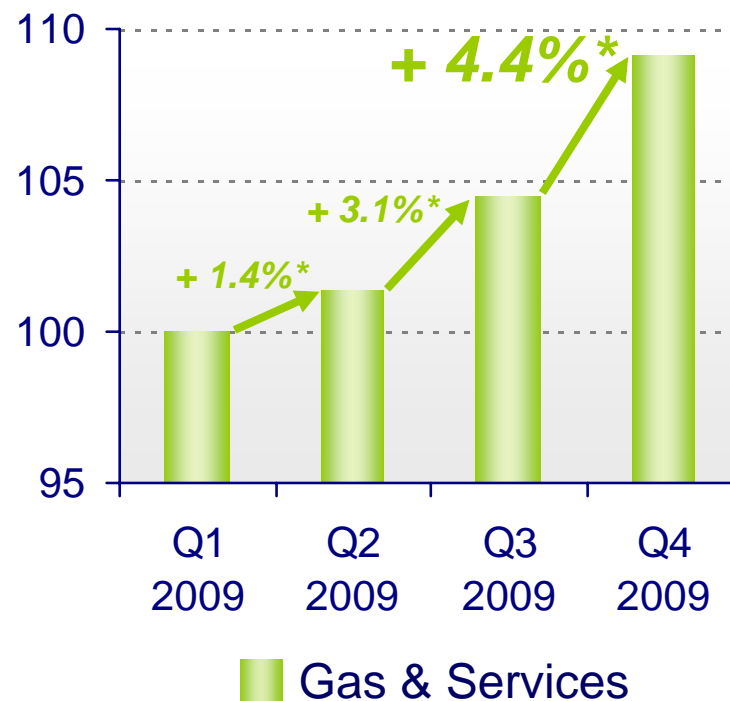
Electronics specialty gases



Sequential improvement

2009 quarterly revenue, at constant natural gas and forex

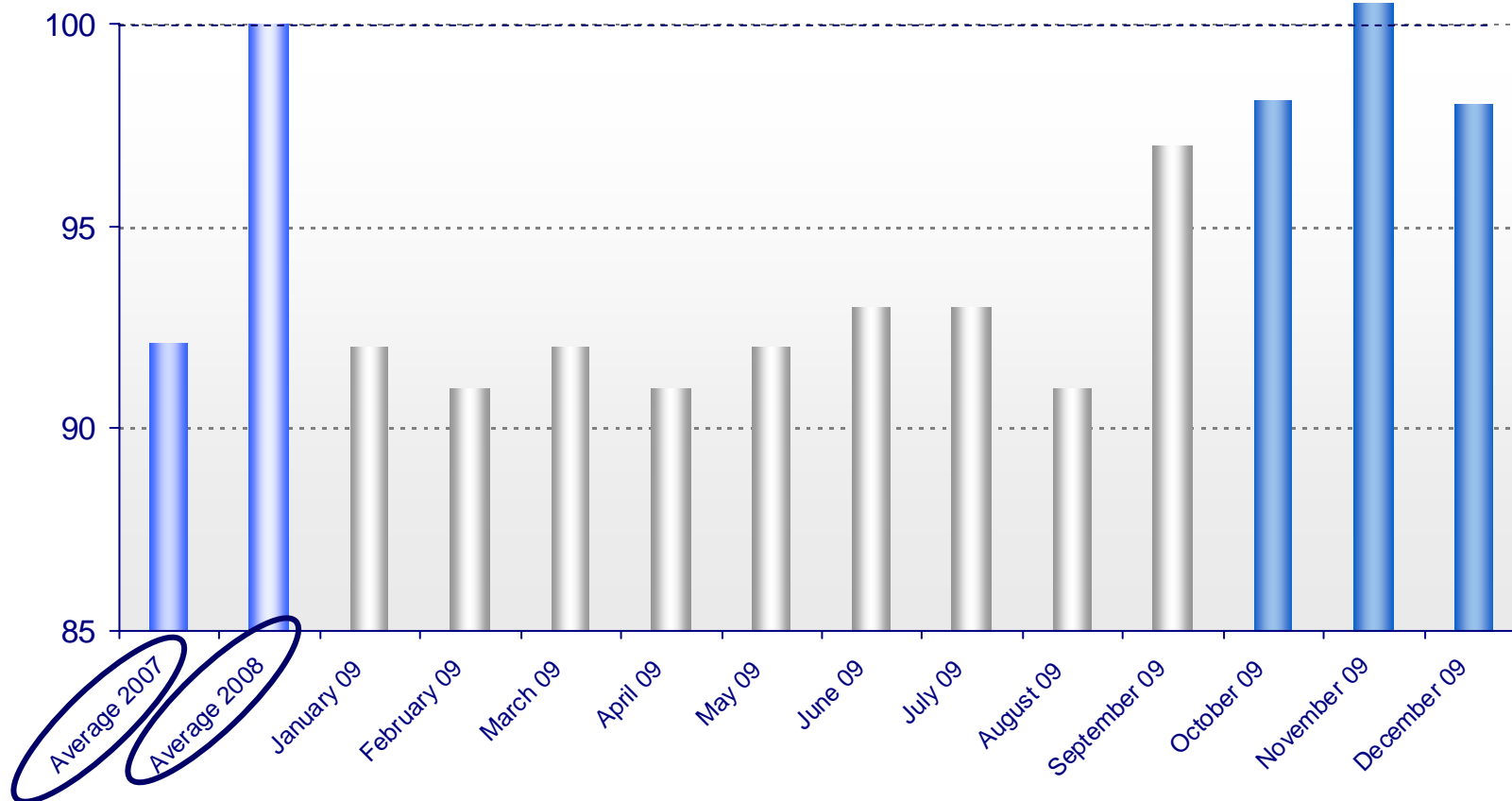
Base 100



* Sequential growth

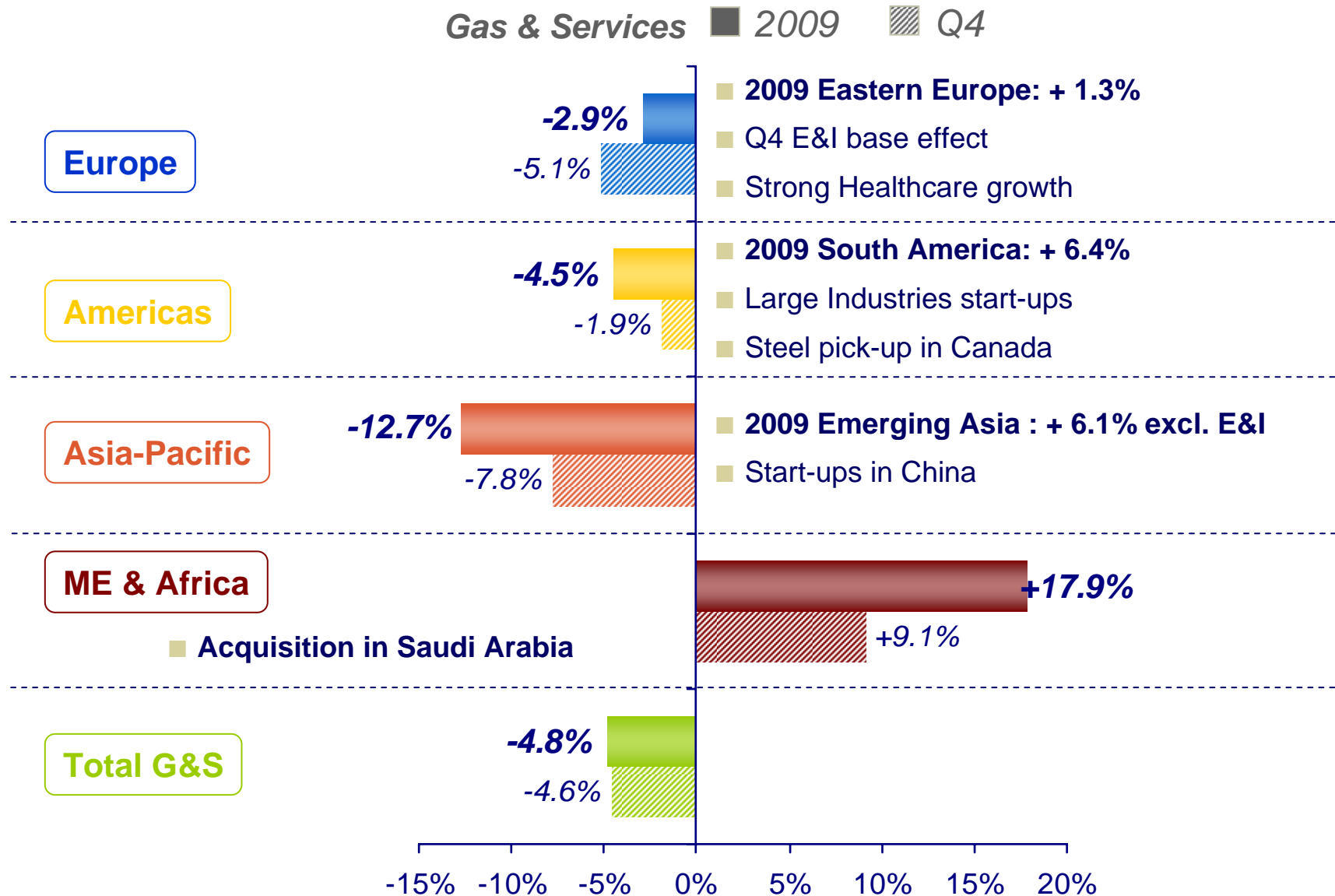
Gas & Services Q4 activity close to 2008 average

Monthly activity index, 2008 average base 100*



* Comparable revenue, adjusted for the number of days per month

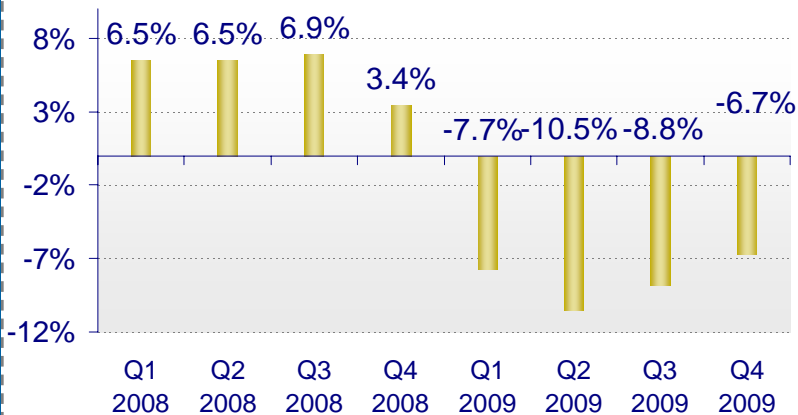
Growth in emerging economies



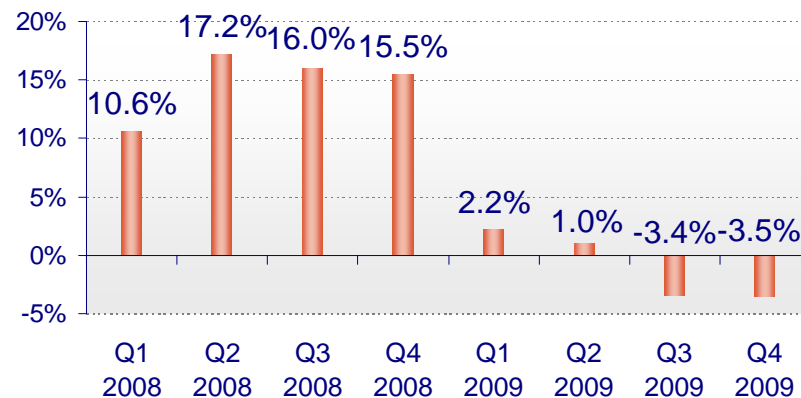
2009/2008 comparable growth: excl. forex and natural gas

Growth in Healthcare, stability in Large Industries

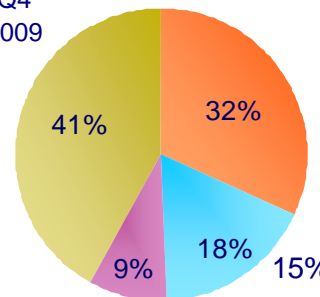
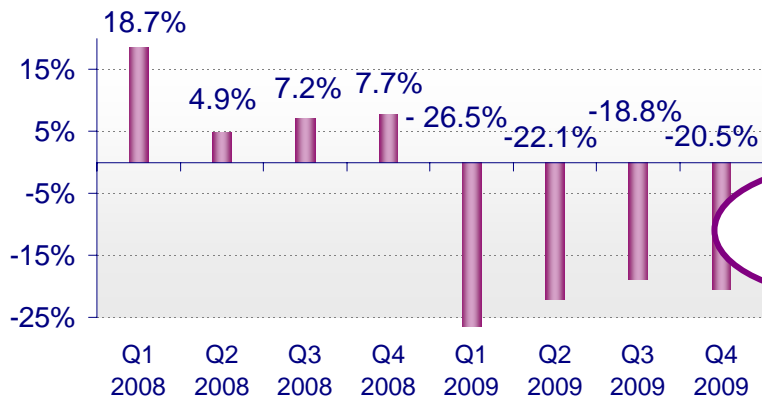
Industrial Merchant : - 8.4 %



Large Industries: - 1.0 %



Electronics: - 21.8 %



Q4: - 2.5%
excl. E&I

Healthcare: + 7.4 %



Annual and quarterly comparable growth, excluding forex and natural gas effects, relative to the same period in preceding year

Significant increase in margins

In €m

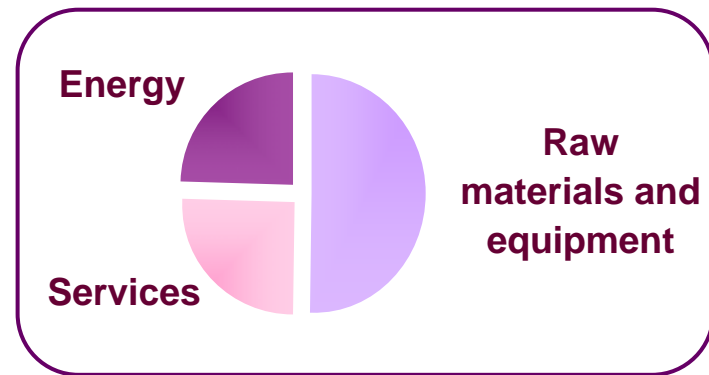
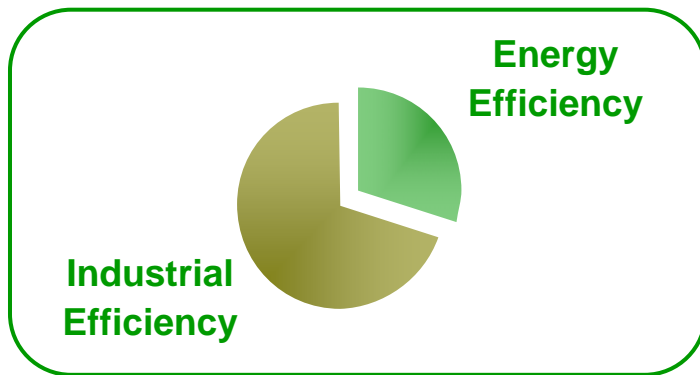
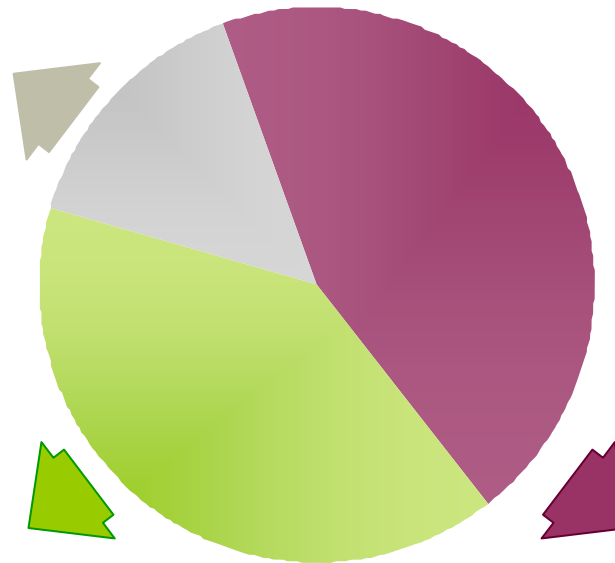
	2008	2009	Variation
Revenue	13,103	11,976	- 8.6%
Purchases	5,547	4,563	- 17.7%
Personnel expenses	2,177	2,237	+ 2.7%
Other income and expenses	2,437	2,207	- 9.4%
Operating Income Recurring before amortization	2,942	2,969	+ 0.9%
Amortization	993	1,020	+ 2.7%
Operating Income Recurring	1,949	1,949	=
Operating margin	14.9%	16.3%	+140 bps
Operating margin excl. Natural gas effect		15.7%	+ 80 bps

Goal: €335m of efficiencies achieved in 2009

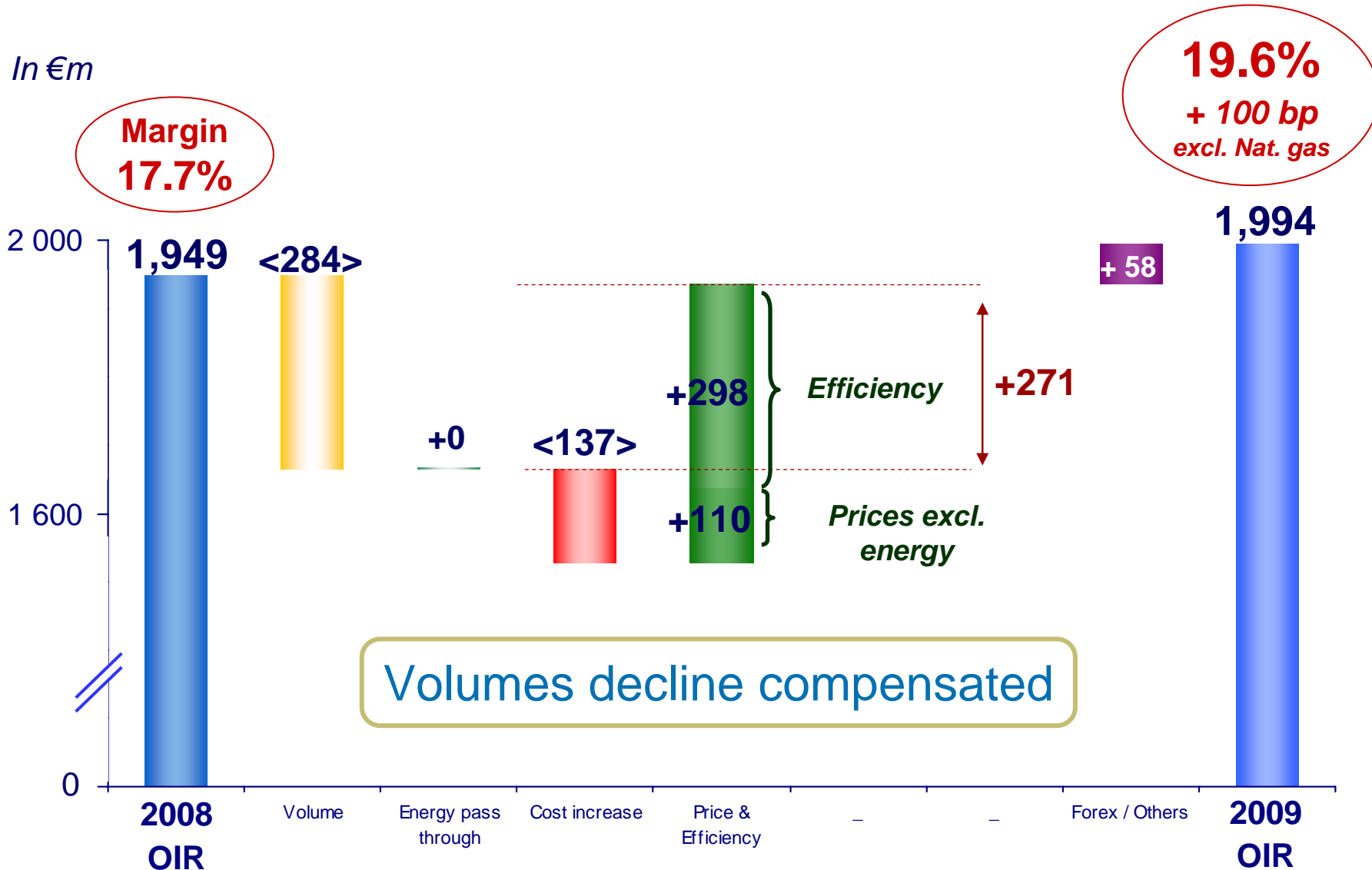
15%
Reorganizations
and general expenses

40%
Industrial
& Supply Chain
Efficiency

45%
Procurement
globalization



Gas & Services operating margin up +190 bps

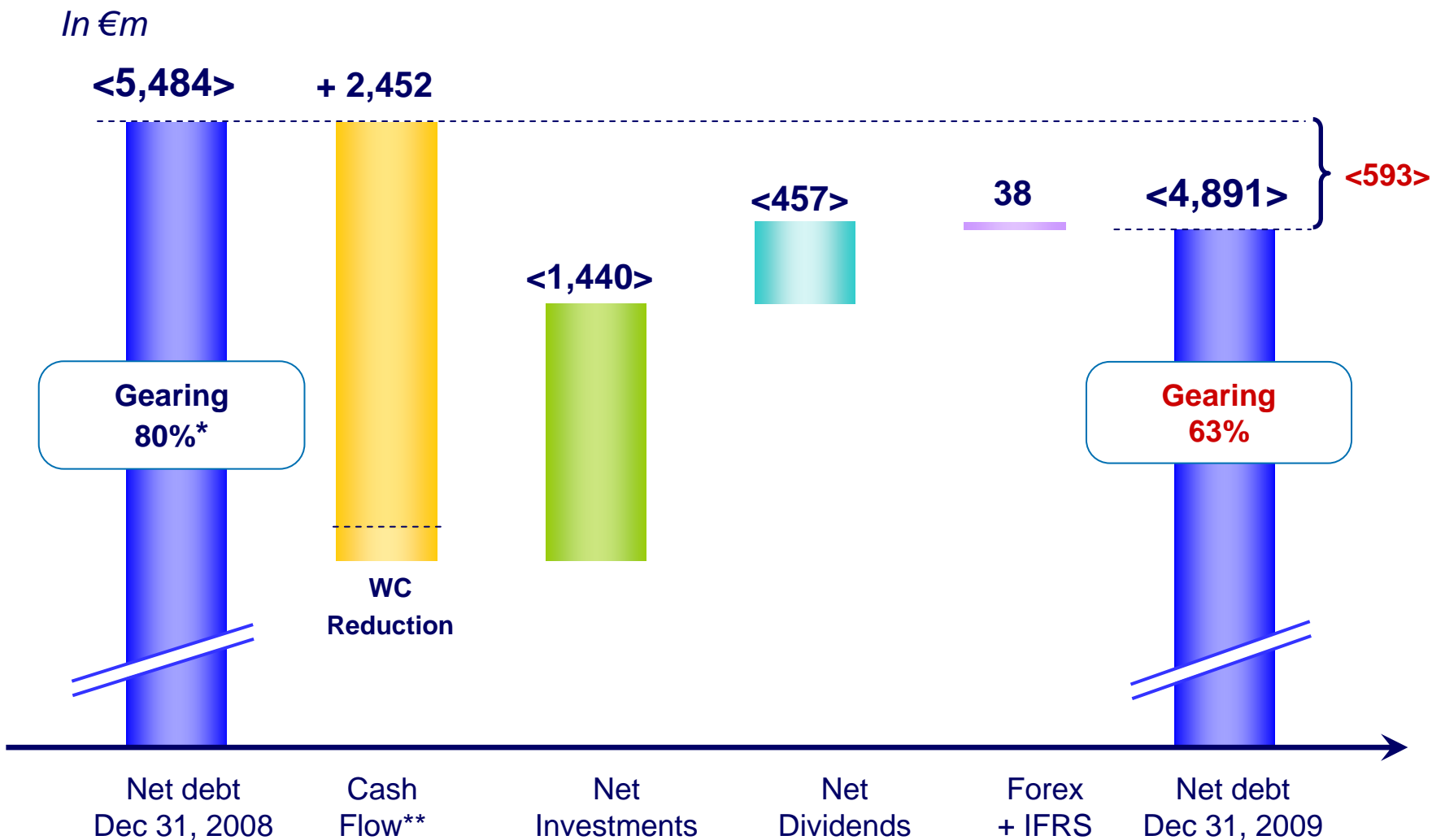


OIR = Operating income Recurring

Net profit up

<i>In €m</i>	2008	2009	Variation
Revenue	13,103	11,976	- 8.6 %
Operating Income Recurring	1,949	1,949	=
Other non-recurring operating income & expenses	(30)	10	
Operating Income	1,919	1,959	+ 2.1 %
Net financial costs and other net financial expenses	(270)	(275)	
Income taxes	(402)	(419)	
<i>Tax rate</i>	<i>24.4%</i>	<i>24.9%</i>	
Share of profit of associates	25	20	
Minority interests	52	55	
Net Profit (Group share)	1,220	1,230	+ 0.8 %
Earnings per share	4.70	4.70	=
Diluted earnings per share	4.67	4.70	+ 0.6 %

Net debt reduction: €593m

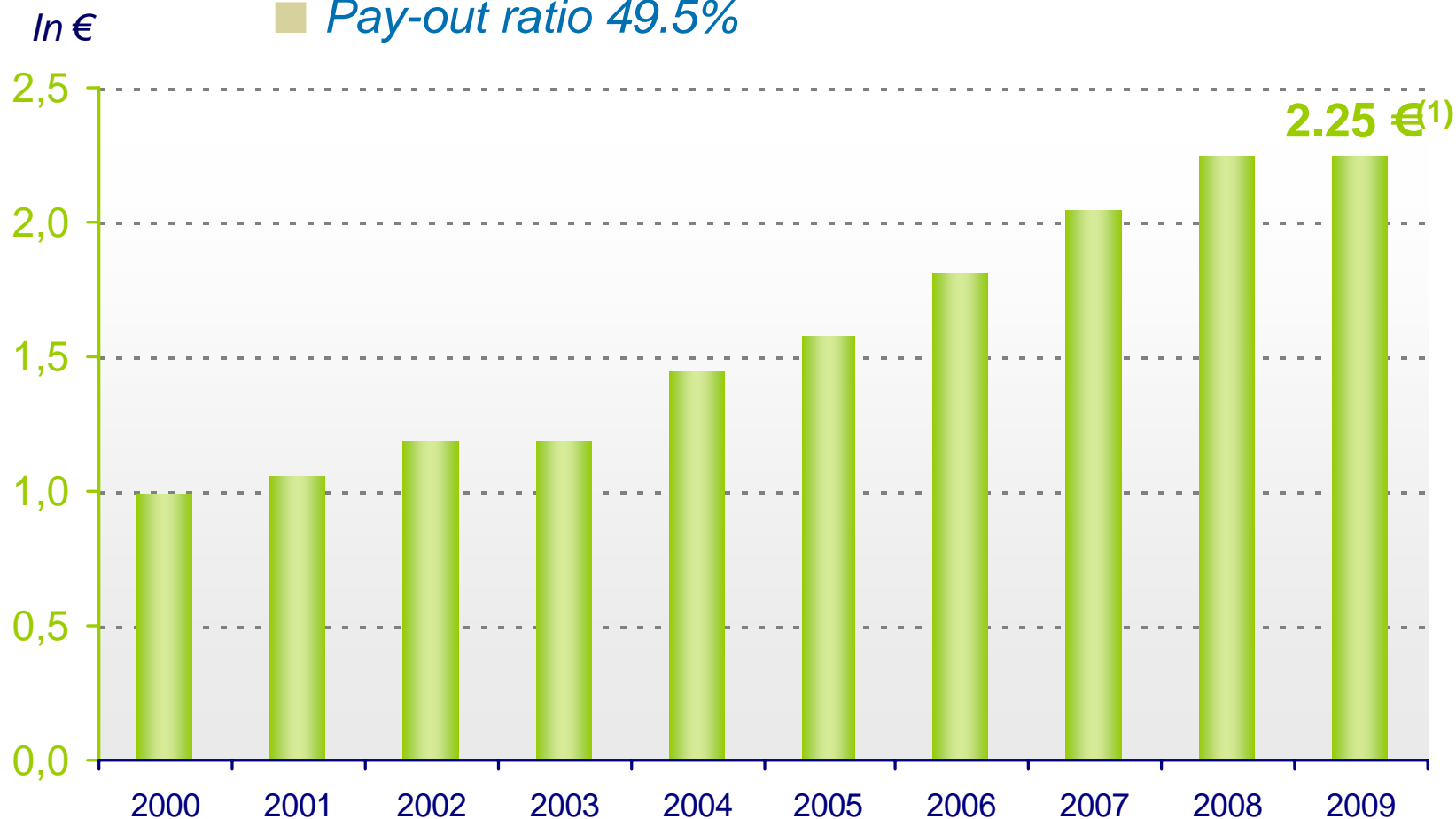


* After change in accounting method for pension provisions on 01/01/09

** Net cash from operating activities

Dividend maintained

- Average annual growth over 10 years⁽²⁾: + 11.2%
- Pay-out ratio 49.5%

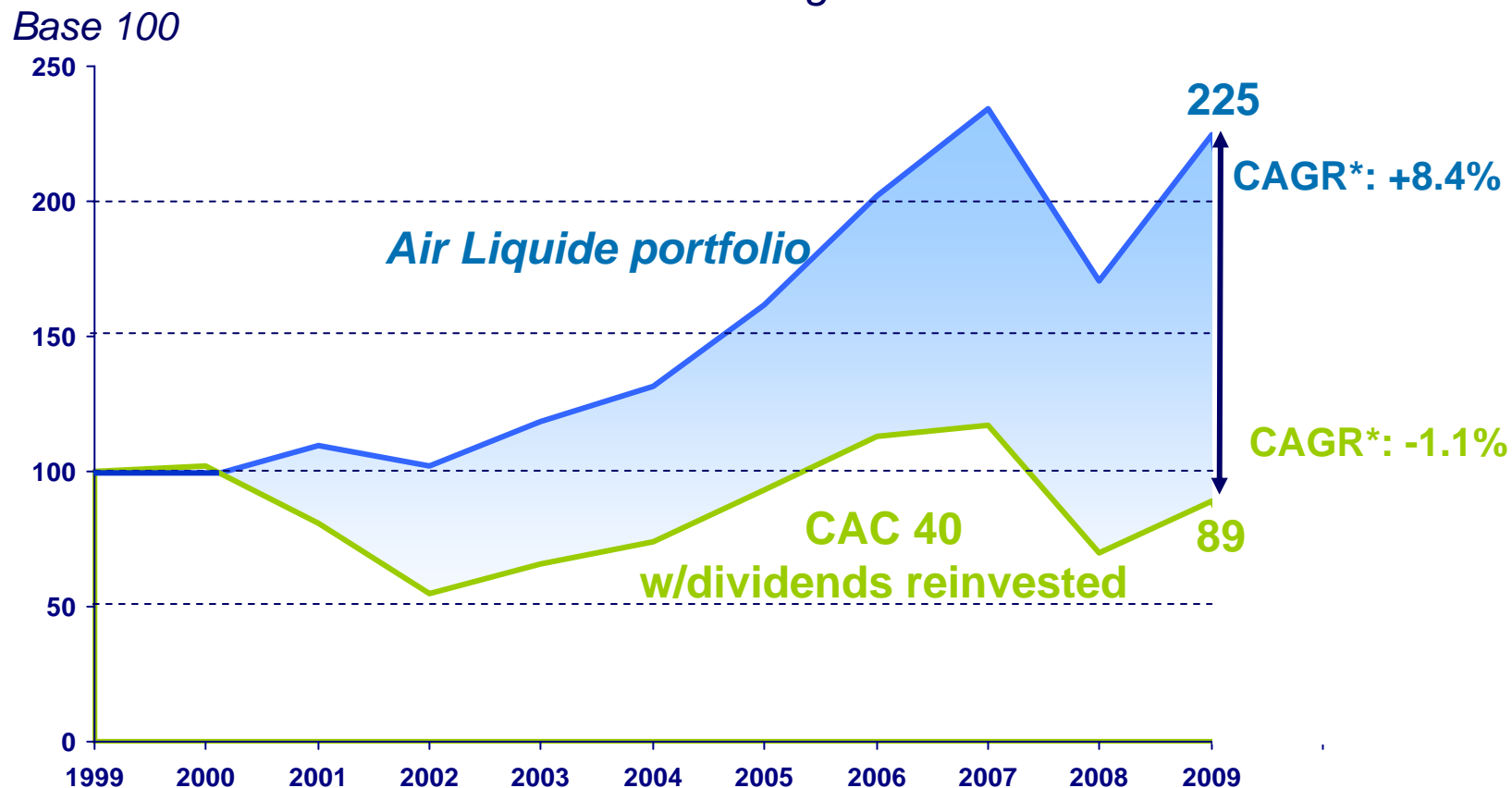


(1) Subject to approval at the General Shareholder meeting to be held on May 5, 2010, detached on May 10 and paid on May 17, 2010

(2) Adjusted for free share issues

Record return against market

Evolution of Air Liquide portfolio compared to CAC 40 including dividends



The valuation of the portfolio corresponds to the average of a bearer and registered portfolio, taking into account the share price performance, reinvested dividends and loyalty bonuses.

* 10-year CAGR

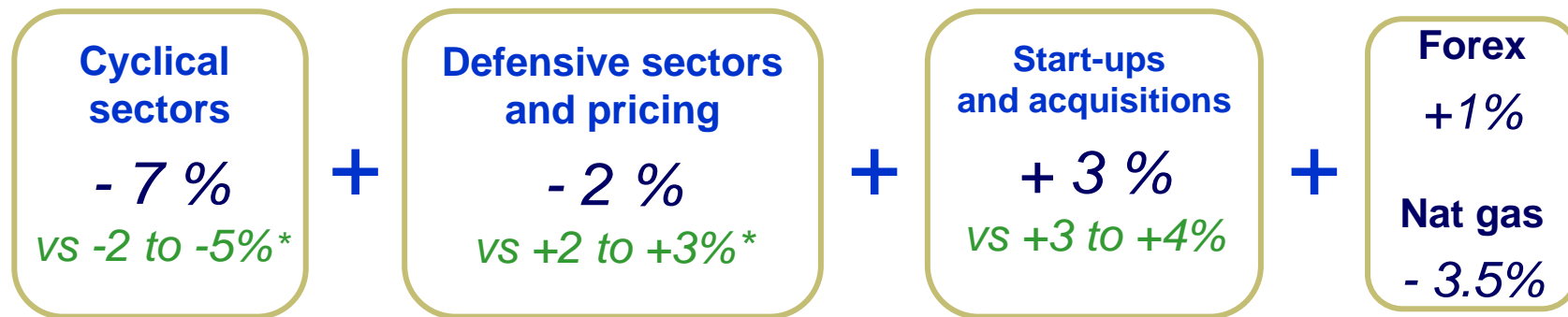
*Performance and trends analysis,
Outlook*

A decorative background featuring several translucent blue spheres of varying sizes, some with smaller spheres inside them, set against a light blue gradient. The spheres are arranged in a way that suggests depth and movement.

Benoît Potier, Chairman and CEO

Lessons of 2009

■ Group growth in 2009:



■ 2009 GDP:


- ✓ *Mature economies : - 3.3 %** vs - 1 %* estimated in Feb. 2009*
- ✓ *Emerging economies: + 2.5 %** vs + 3 %* estimated in Feb. 2009*

* Air Liquide February 2009 estimates, based on Coe-Rexecode December 2008

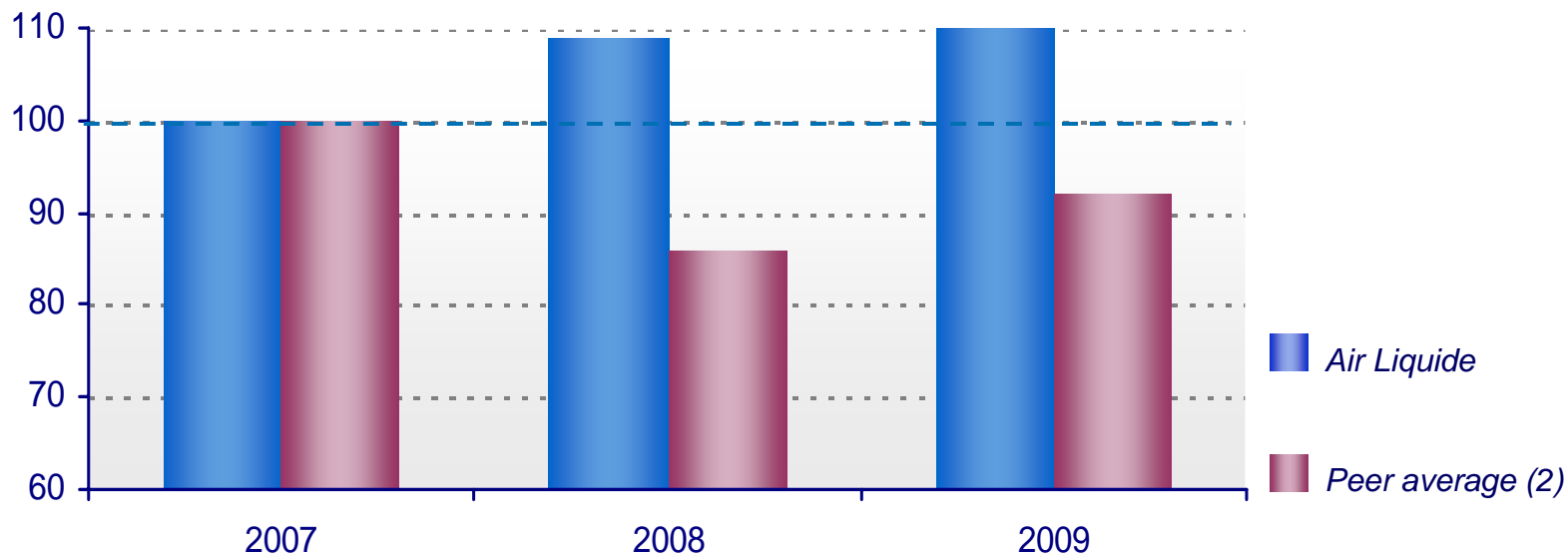
** Source Coe-Rexecode December 2009

Robustness of performance

2009 Gas and Services sales: comparable growth⁽¹⁾

		Peer average ⁽²⁾
vs 2008	- 4.8 %	- 8.6 %
vs 2007	+ 3.9 %	- 1.9 %

Published net income: base 100 in 2007

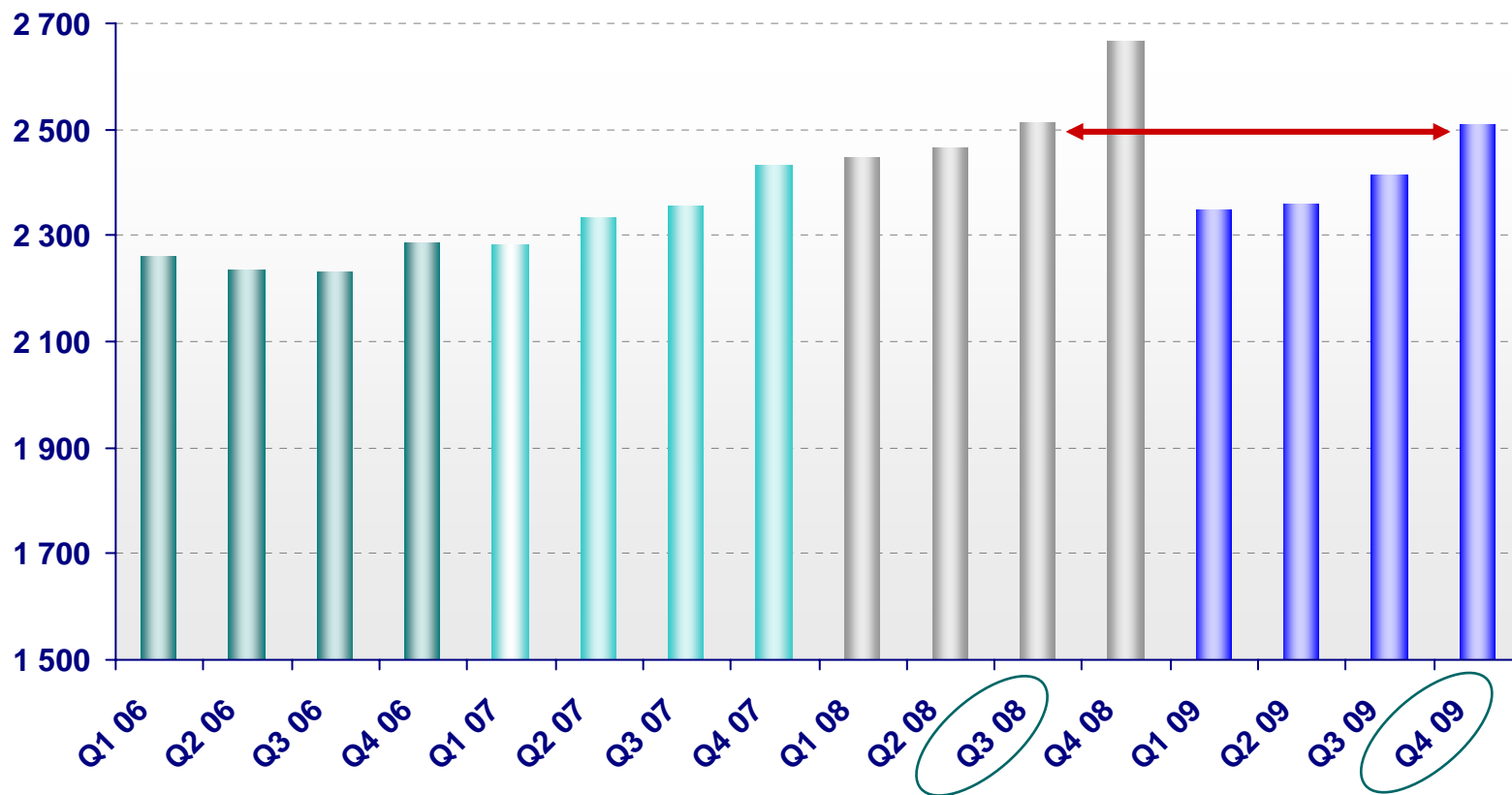


(1) Excl. Forex and natural gas (2) Year end 2009 figures for peers who have published before 15 February 2010

Back to Q3 2008 levels

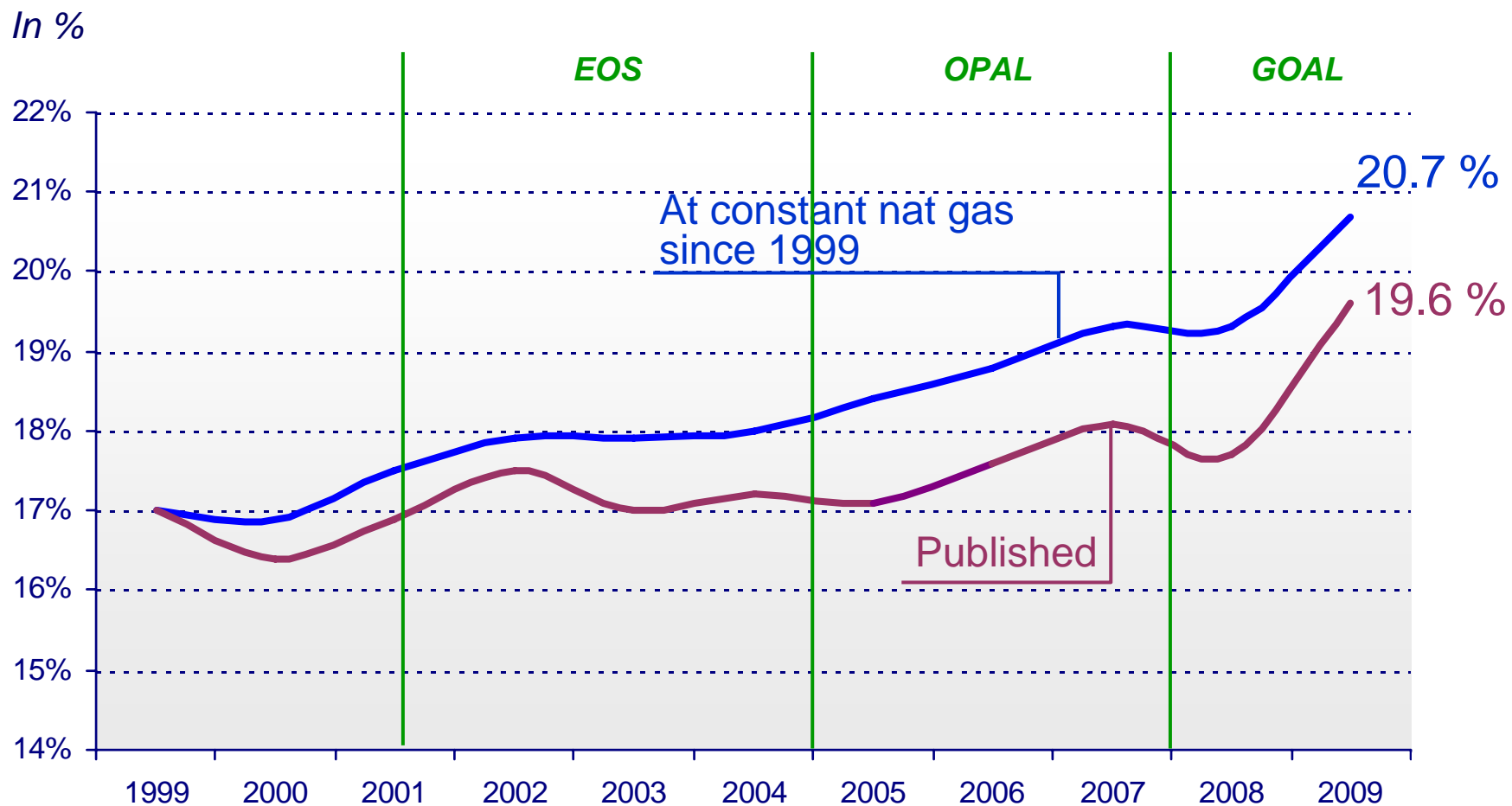
Gas and Services sales at constant natural gas

In €



Ability to improve operating margins

Gas & Services operating margin*

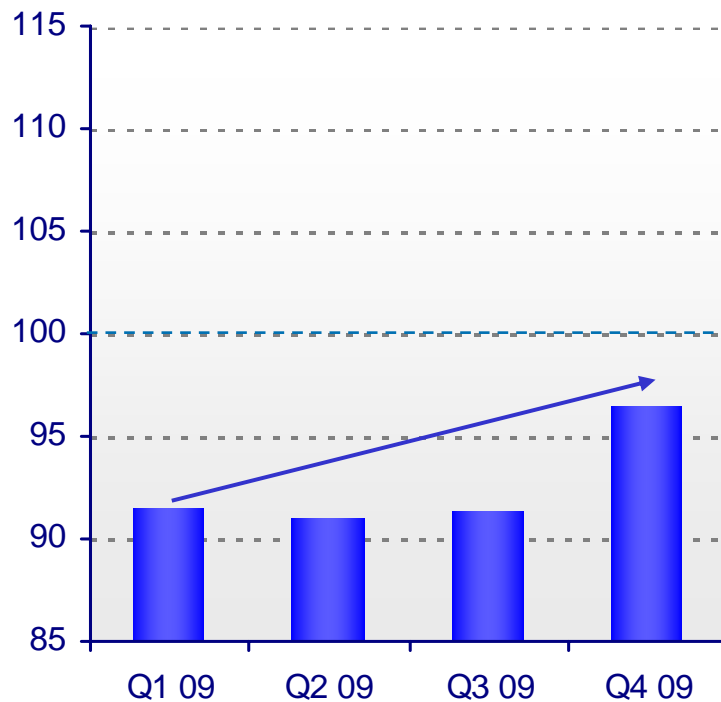


* Operating income recurring (after amortization) on revenues

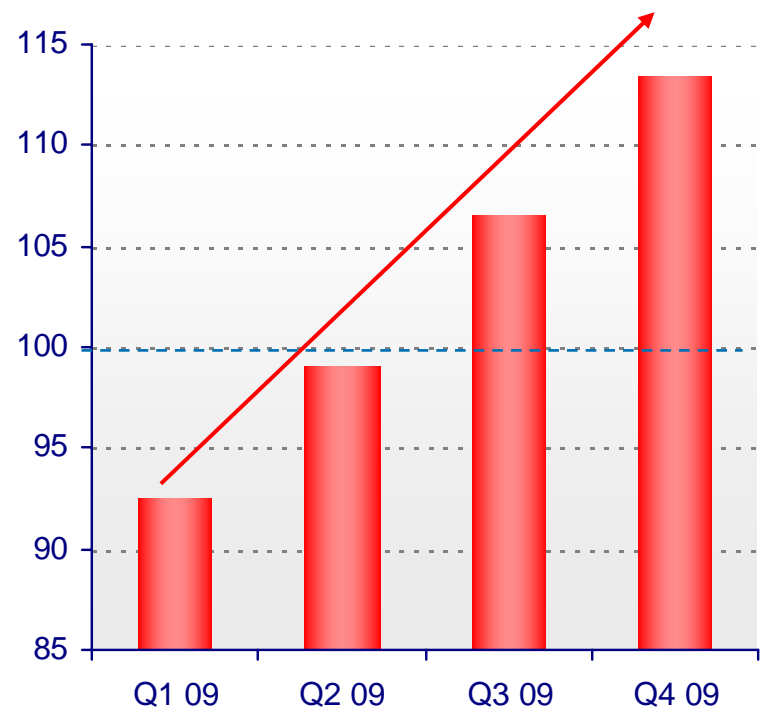
Recovery profiles contrasted between mature and emerging economies

*quarterly activity index, 2008 average base 100**

Mature economies



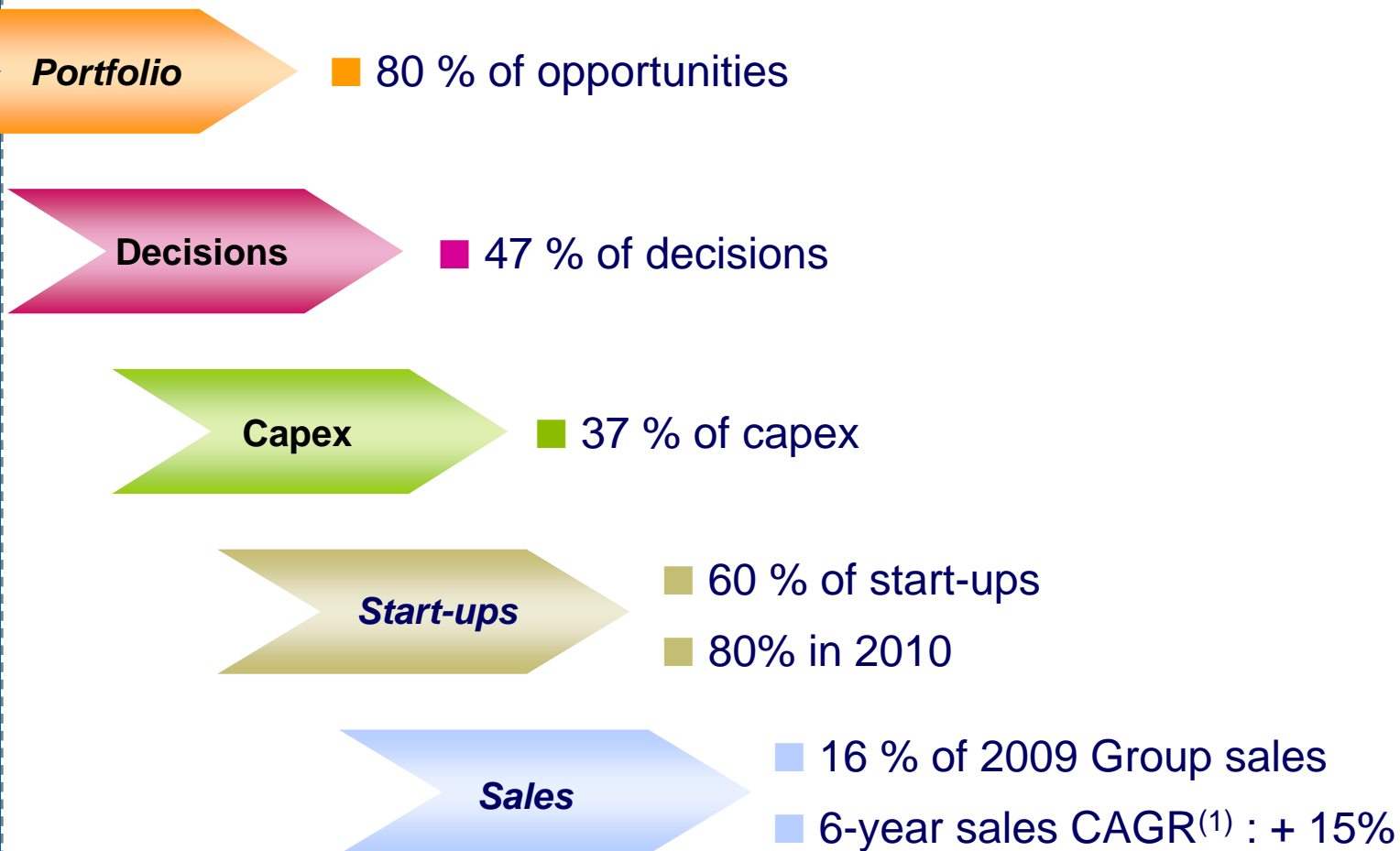
Emerging economies



* Comparable revenue adjusted for number of days per month

Accelerating momentum in emerging economies

In 2009, emerging economies represented:

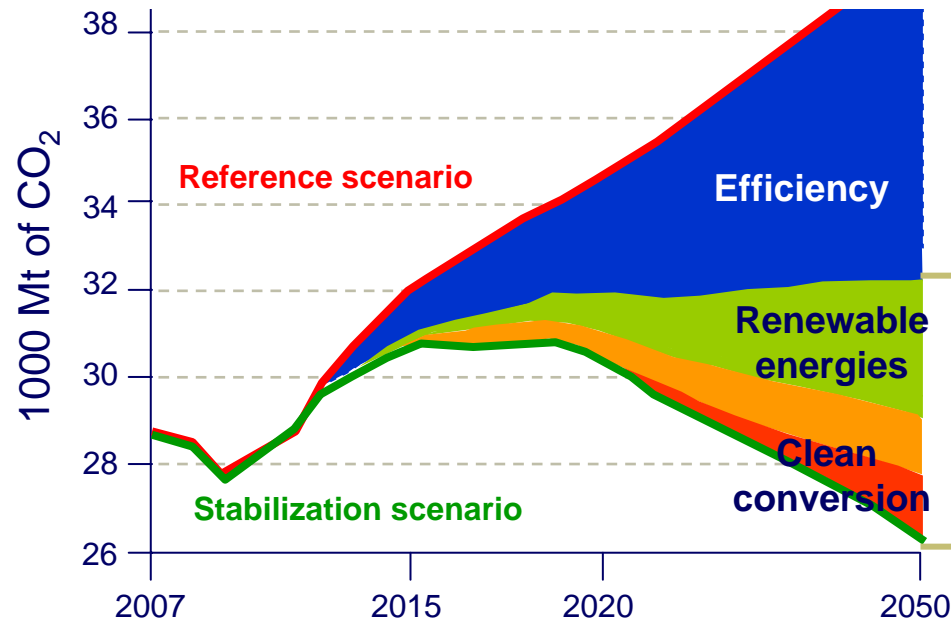


(1) FY 2003-2009 CAGR, excl. Nat gas and forex

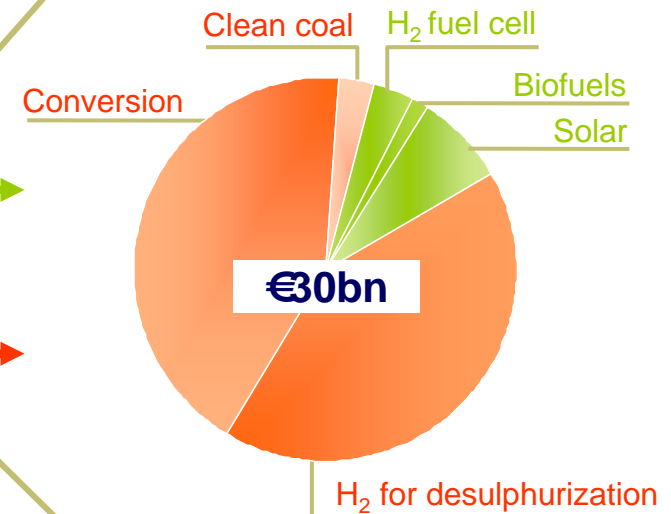
Energy – Environment potential

CO₂ energy emissions

Potential market 2020 horizon



Source: IEA WEO 2009, IPCC 2005

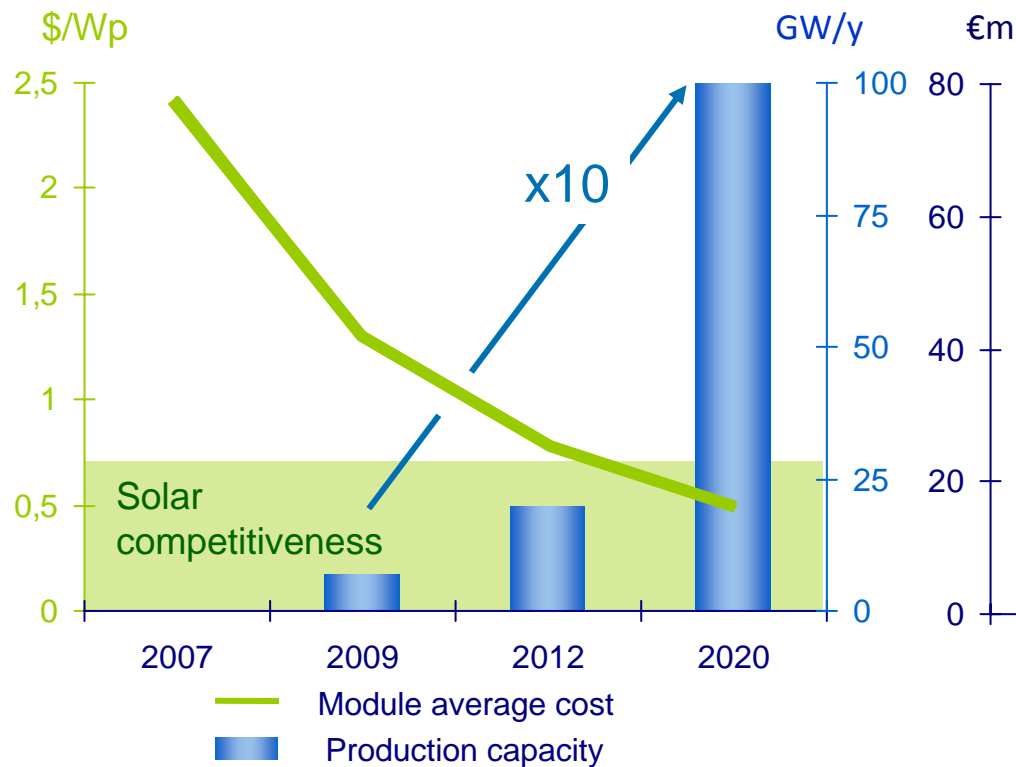


Source: Air Liquide estimates

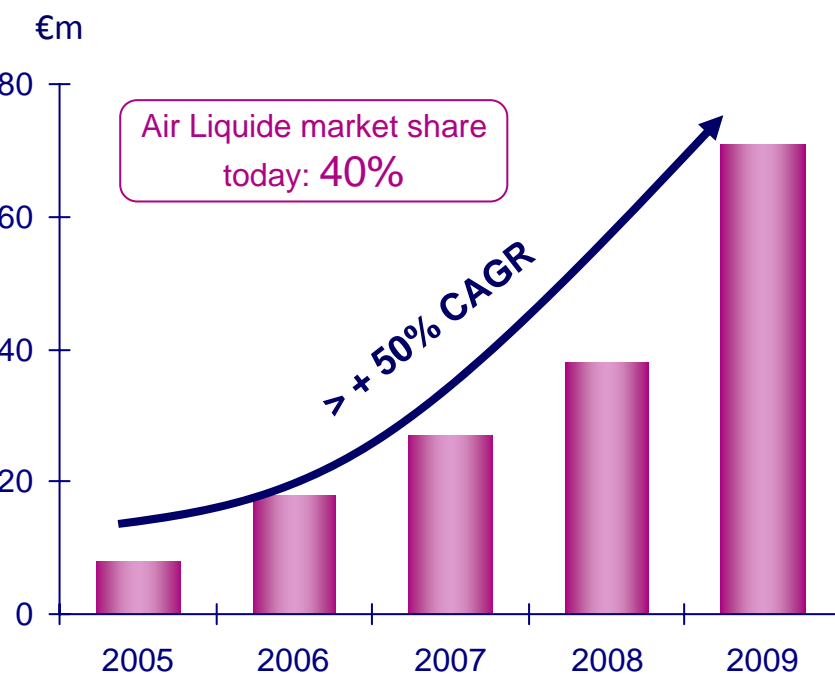
Reduction of CO₂ emissions ➔ Opportunities for Air Liquide

Solar energy development

Solar module cost and production capacity



Air Liquide Solar revenues



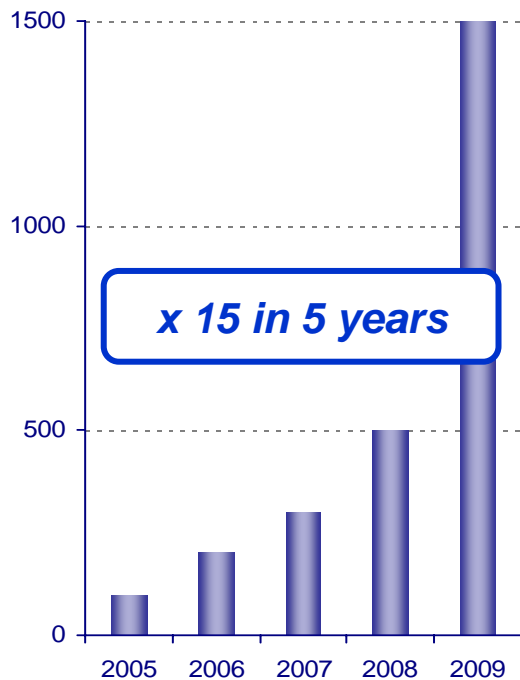
Solar technology improvements ➔ Opportunities for Air Liquide

Sources: Air Liquide estimates

Sustained Healthcare growth

Therapeutic Gases

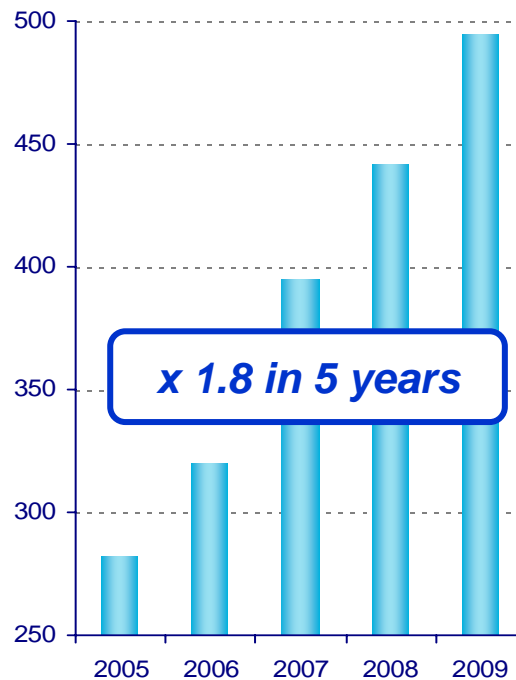
Procedures with
Lenox_e



Homecare

Patients

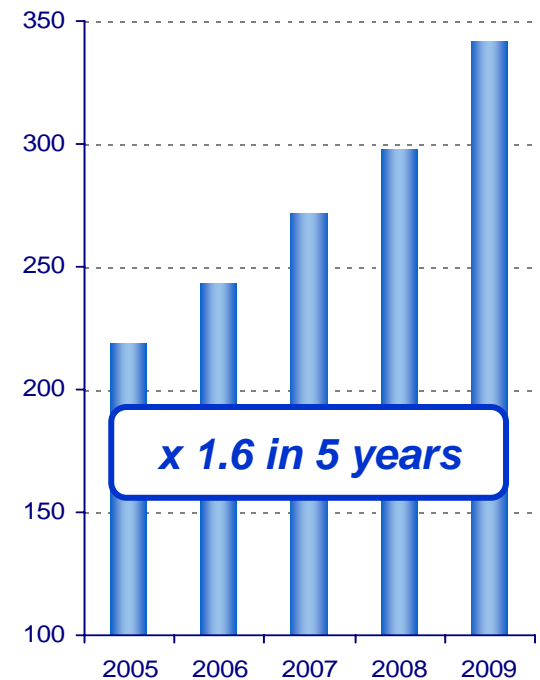
In thousands



Hygiene

Sales

In €m



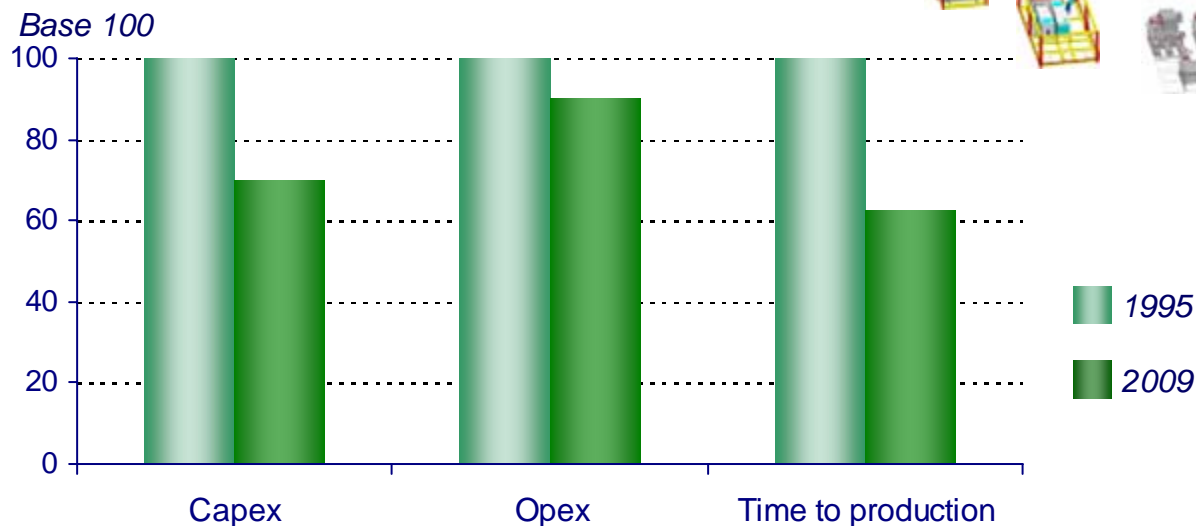
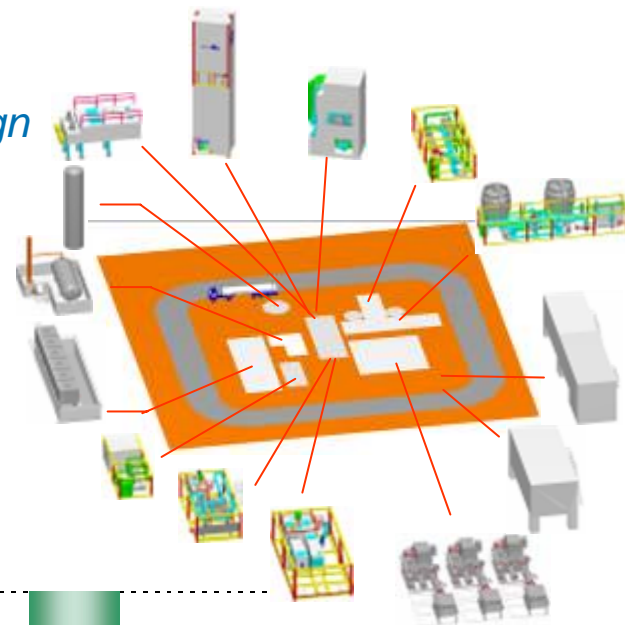
Fundamental Health trends ➔ Opportunities for Air Liquide

Innovation: air gases production

*Europe 1995
Customized design
On site construction*



*China 2009,
Standard design
Modular construction*



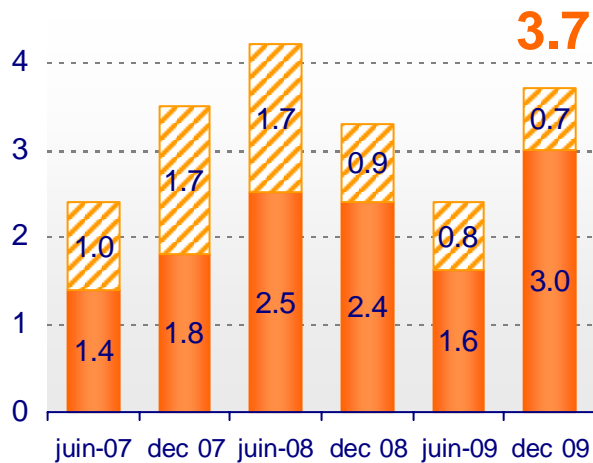
Engineering ➔ Air Liquide enhanced competitiveness

Strengthened portfolio and pick-up in signatures in Q4



12-month Portfolio :

In €bn

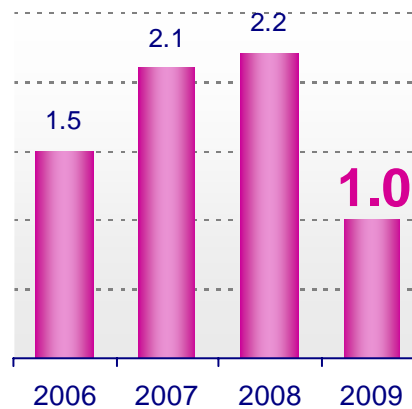


Emerging Mature

13 site takeovers

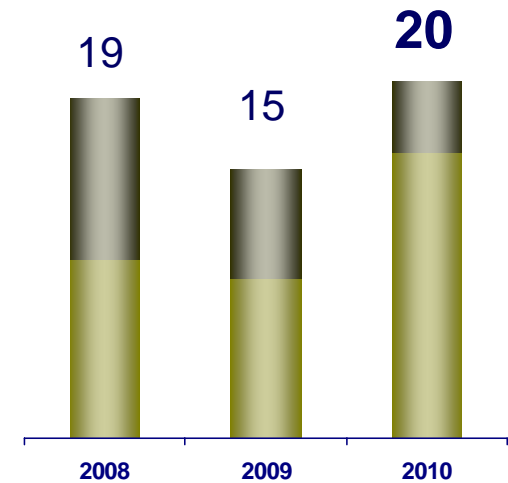
Industrial investment decisions:

In €bn



Recovery in signatures in Q4

Major start-ups:



Emerging Mature

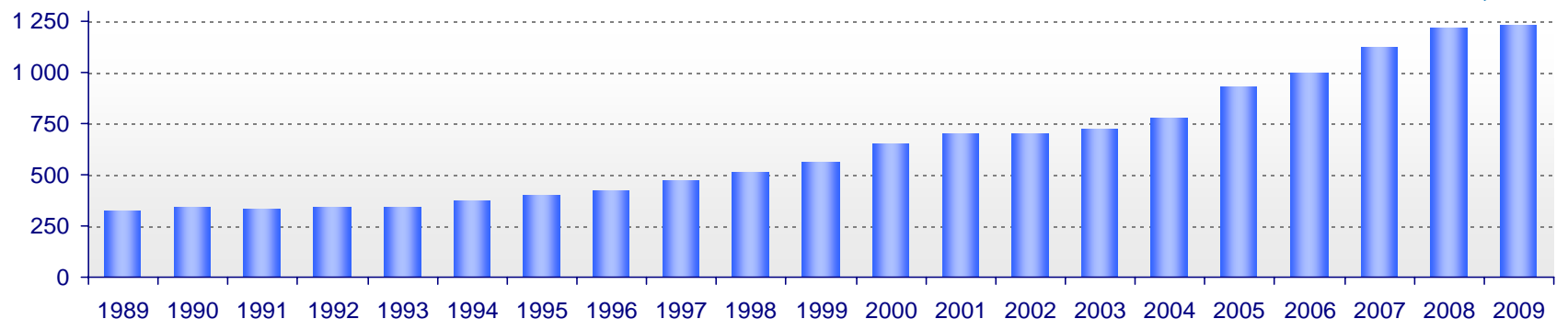
Record 20 expected in 2010

Confirmed growth potential

In €m

Net profit

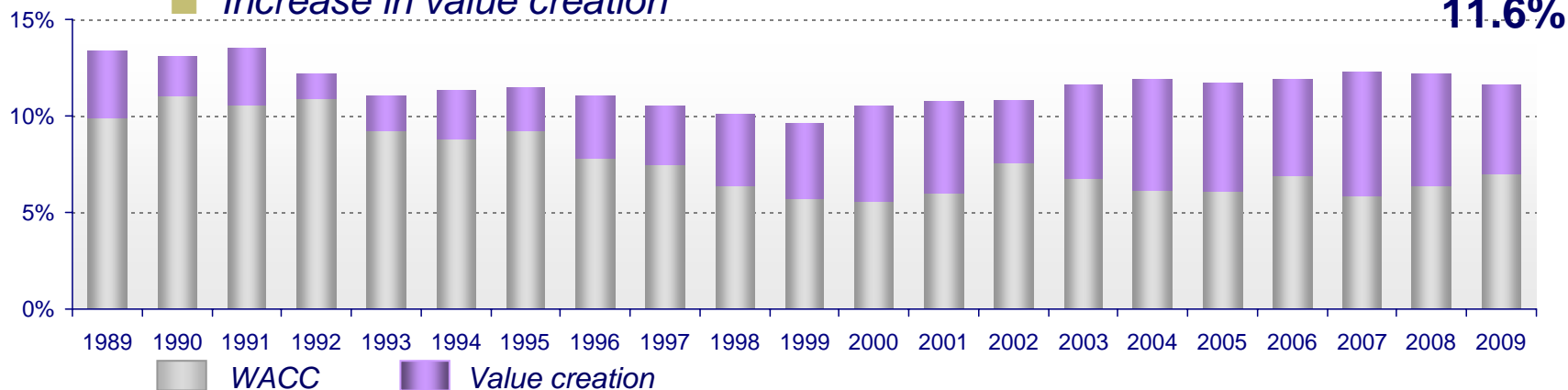
- Continuous growth
- Net profit 20-year CAGR: + 8.0%



ROCE

In %

- Performance in line with the objective of 11 to 12%
- Increase in value creation



ALMA

2010

- Growth in emerging economies and progressive recovery in emerging economies
- Start-ups and ramp-ups
- Further efficiencies > €200m
- Barring a major economic upset, **continuous growth in net profit in line with long term performance**

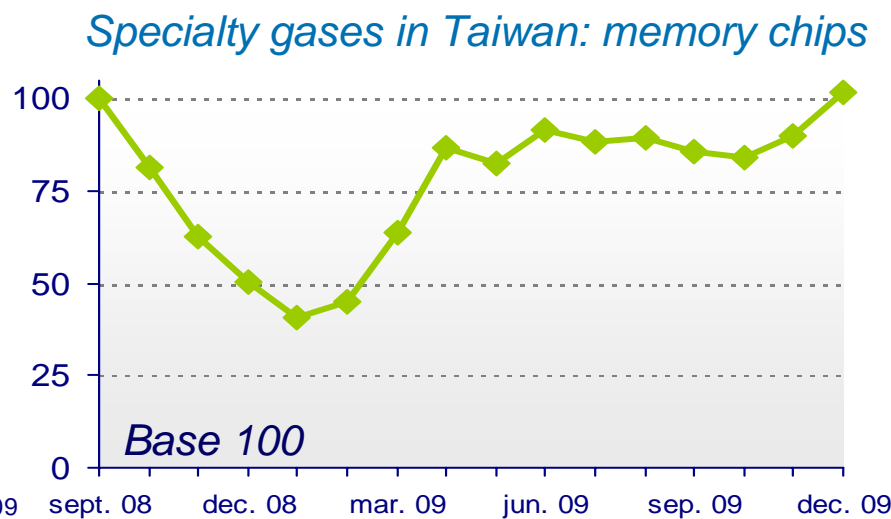
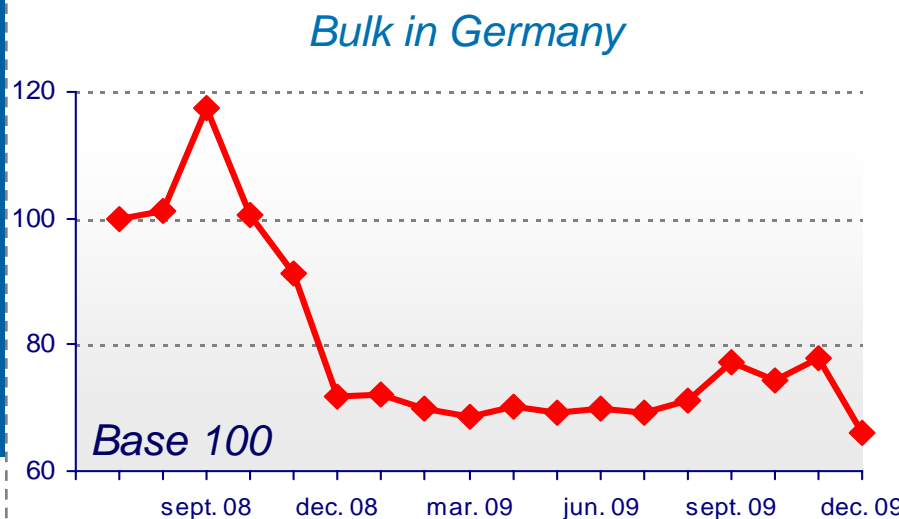
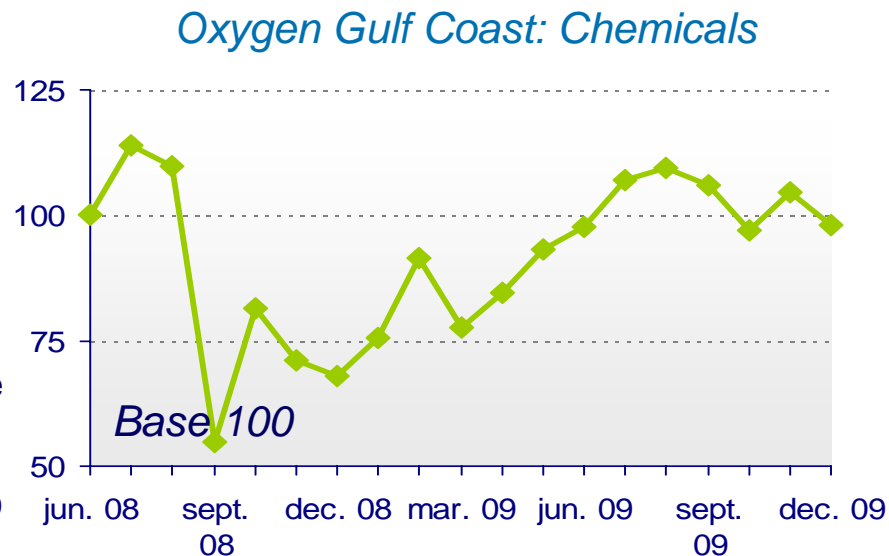
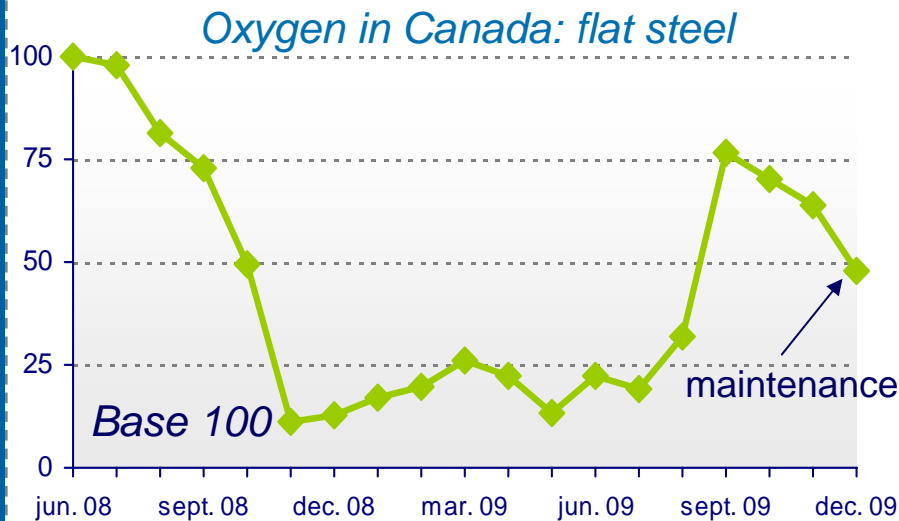
2010-2015

- Development potential intact and fundamentals strengthened
 - ✓ Back to solid growth in a new environment
 - ✓ Strong margin thanks to structural improvements
 - ✓ ROCE between 11% and 12%
- Update of medium term targets
- Transformation projects pursued

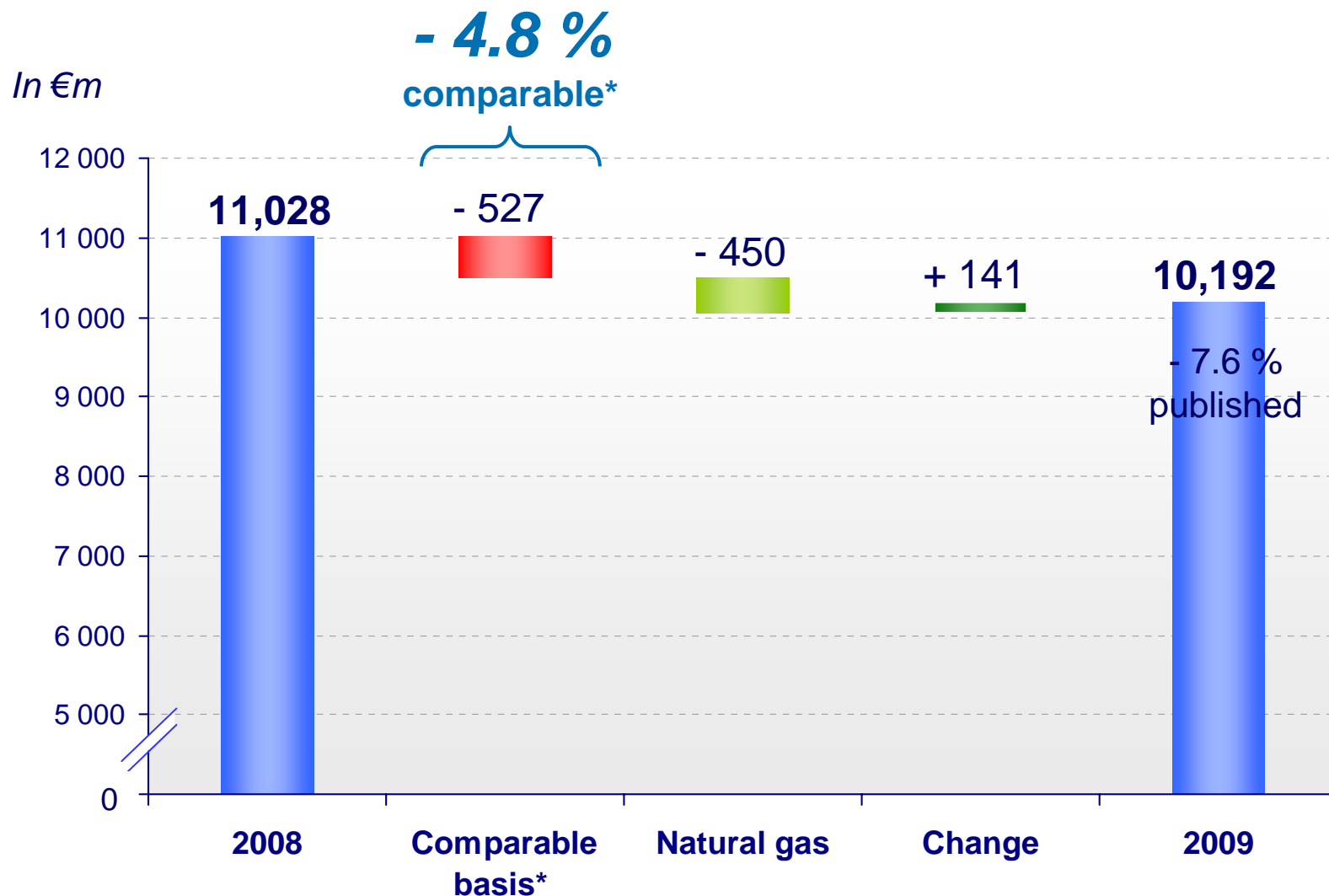
Appendix



Volume evolution



Resilience of G&S sales

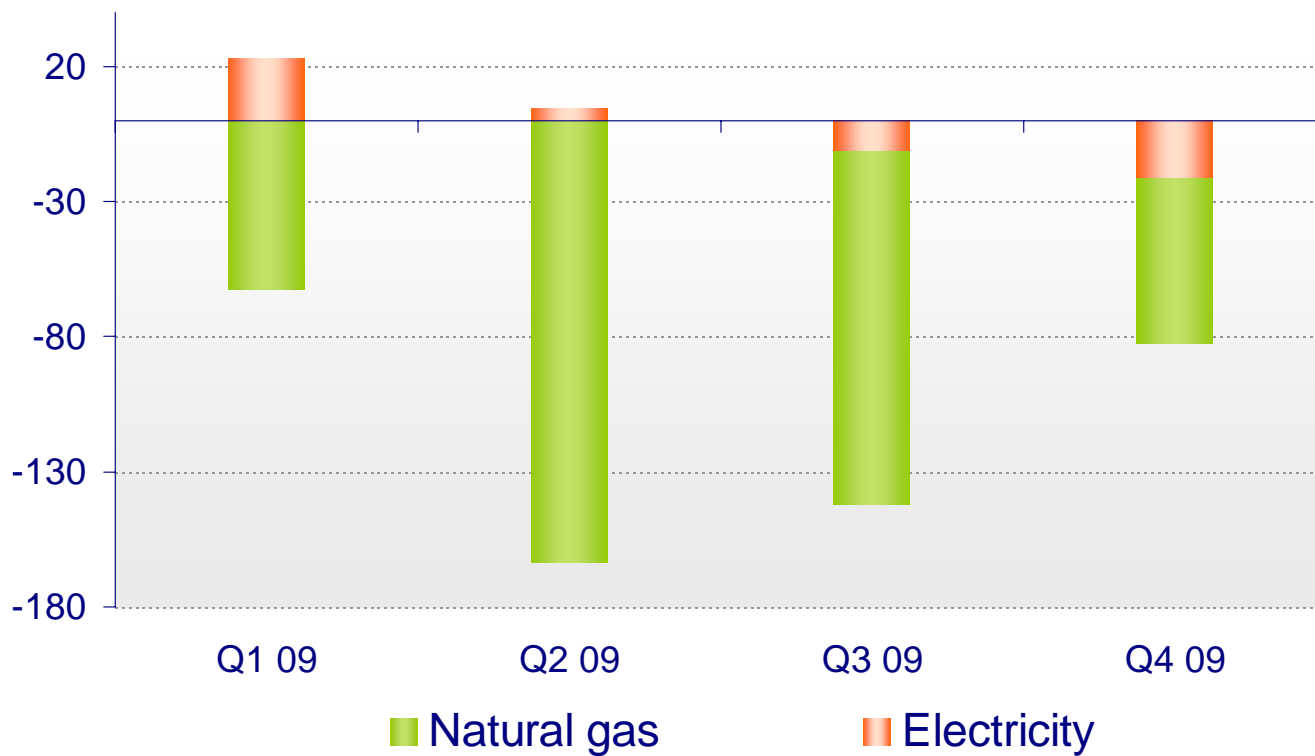


*excl. Forex and natural gas

Energy impacts

Impact on 2009 Group revenue

In €m



Impact of currency and natural gas on Gas & Services sales

<i>In €m</i>	2008	Q1 09	Q2 09	Q3 09	Q4 09	2009
€/USD	(126)	+54	+54	+18	(46)	+81
€/CAD	(33)	(9)	(1)	0	+2	(8)
€/JP¥	71	+58	+42	+41	(8)	+133
Others	(98)	(30)	(9)	(15)	(10)	(64)
Total currency impact	(186)	+73	+86	+44	(62)	+142
Natural gas impact	+301	(62)	(163)	(142)	(83)	(450)

Average exchange rates

	2008	Q1 09	Q2 09	Q3 09	Q4 09	2009
€/USD	1.46	1.30	1.36	1.43	1.48	1.39
€/CAD	1.56	1.62	1.59	1.57	1.56	1.58
€/JP¥	150.50	121.80	132.50	133.80	132.70	130.00

Quarterly analysis of sales (1)

<i>Revenue in €m</i>	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09	Q4 09/08 as published	Q4 09/08 comparable
Europe	1,628	1,470	1,402	1,404	1,496	- 8.1 %	-5.1 %
Americas	667	579	566	552	577	- 13.5 %	-1.9 %
Asia-Pacific	575	448	449	490	522	- 9.2 %	-7.8 %
Middle East & Africa	54	51	57	68	60	+ 11.7 %	+ 9.1 %
Gas & Services	2,924	2,548	2,474	2,514	2,655	- 9.2 %	- 4.6 %
Engineering & Construction	323	247	258	282	207	- 35.8 %	- 33.6%
Other Activities	239	202	208	184	196	-18.2%	-16.9%
Total Group	3,486	2,997	2,940	2,980	3,058	- 12.3 %	- 8.1 %

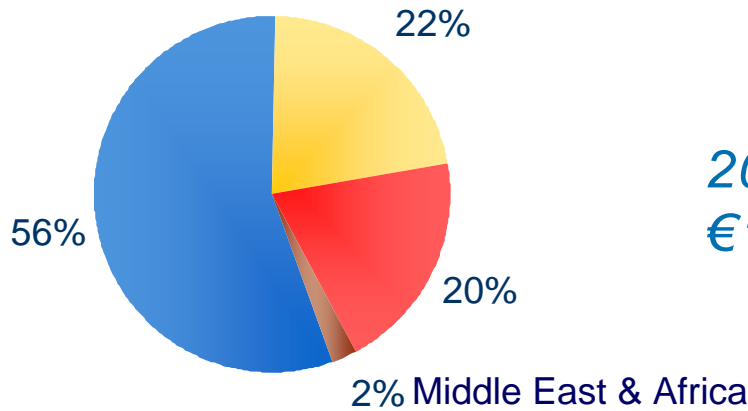
Quarterly analysis of sales (2)

<i>Revenue in €m</i>	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09	Q4 09/08 as published	Q4 09/08 Comparable
Industrial Merchant	1,185	1,071	1,048	1,069	1,088	- 8.2 %	- 6.7 %
Large Industries	986	836	771	764	848	- 14.0 %	- 3.5 %
Electronics	305	206	207	227	232	- 23.8 %	- 20.5 %
Healthcare	448	435	448	454	487	+ 8.7 %	+ 9.3 %
Gas & Services	2,924	2,548	2,474	2,514	2,655	- 9.2 %	- 4.6 %
Engineering & Construction	323	247	258	282	207	- 35.8 %	- 33.6%
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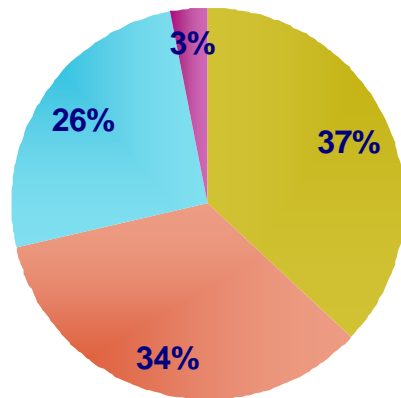
Sales breakdown

<i>In €m</i>	H1 09	H2 09	2009
Gas & Services	5,022	5,170	10,192
Engineering & Construction	505	490	995
Other activities	410	379	789
Total Group	5,937	6,039	11,976

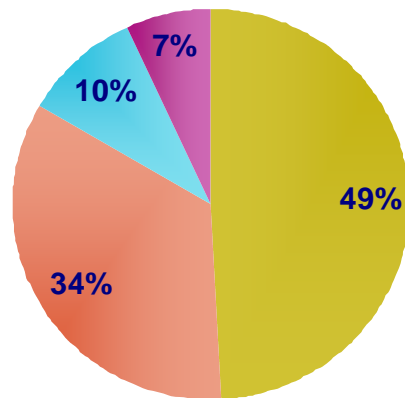
Revenue breakdown by region



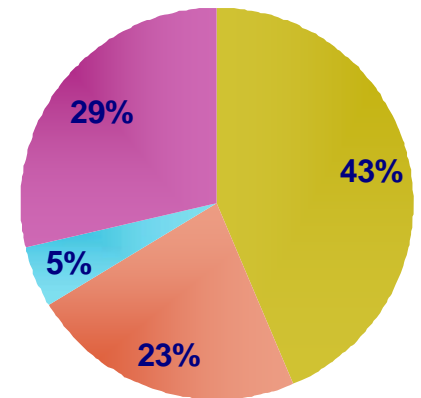
Europe:
€5.8bn



Americas:
€2.3bn



Asia:
€1.9bn



Industrial Merchant
 Large Industries
 Healthcare
 Electronics

Europe sustained by Healthcare in Q4

■ Industrial Merchant

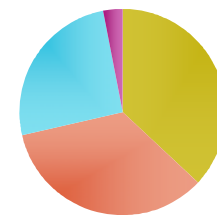
- ✓ Slow recovery in volumes in western Europe, more significant in bulk
- ✓ Noticeable growth in Eastern Europe

■ Large Industries

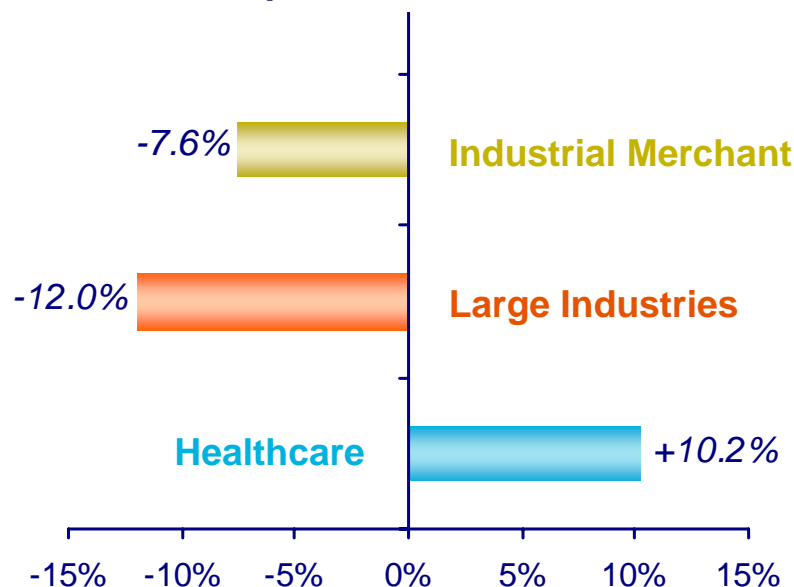
- ✓ Volume growth in air gases as steel plants re-start
- ✓ High 2008 base: start-ups and sale of equipment
- ✓ Impact of decline in electricity prices

■ Healthcare

- ✓ Sustained growth in homecare at +7.9%
- ✓ Strong momentum in hygiene (sales of Hydro-alcoholic gels)



Gas & Services revenue: €1,496m
 Q4 09/08 comparable: - 5.1% *



* Excl. Forex and natural gas

Americas: Contribution from start-ups in Q4

■ Industrial Merchant

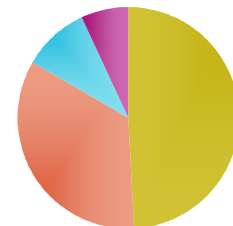
- ✓ Progressive recovery in North America
- ✓ Strong momentum in South America (Brazil)

■ Large Industries

- ✓ Recovery in O₂ volumes (chemicals USA and steel Canada)
- ✓ Start-ups USA and Brazil
- ✓ Impact of significant decline in electricity prices

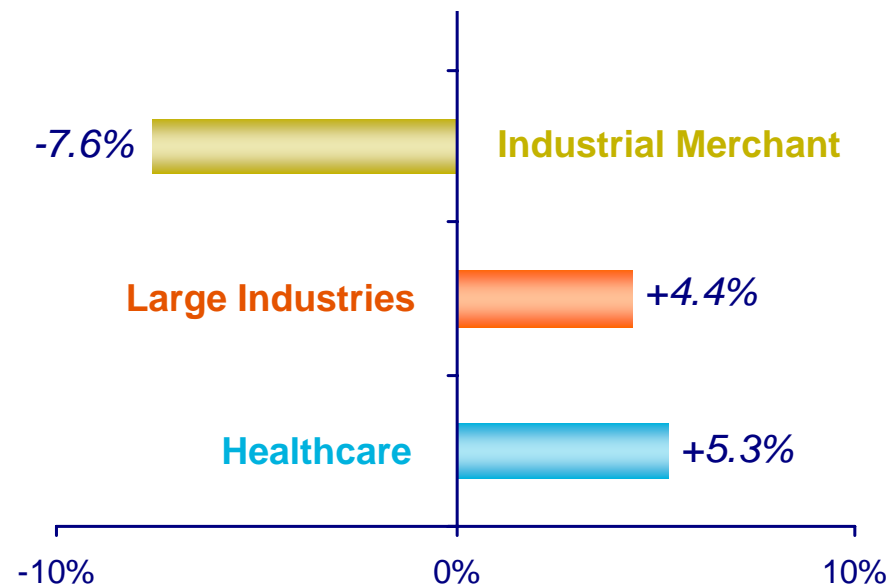
■ Healthcare

- ✓ Sustained medical gas volumes but decline in equipment sales
- ✓ Homecare: strong growth in Latin America



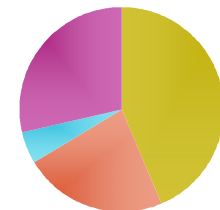
Gas & Services revenue: €577m

Q4 09/08 comparable: - 1.9% *



* Excl. Forex and natural gas

Asia-Pacific: strong contrast between emerging and mature in Q4



■ Industrial Merchant

- ✓ Strong growth in China
- ✓ Recovery in all countries in the region
- ✓ Volumes remain low in Japan

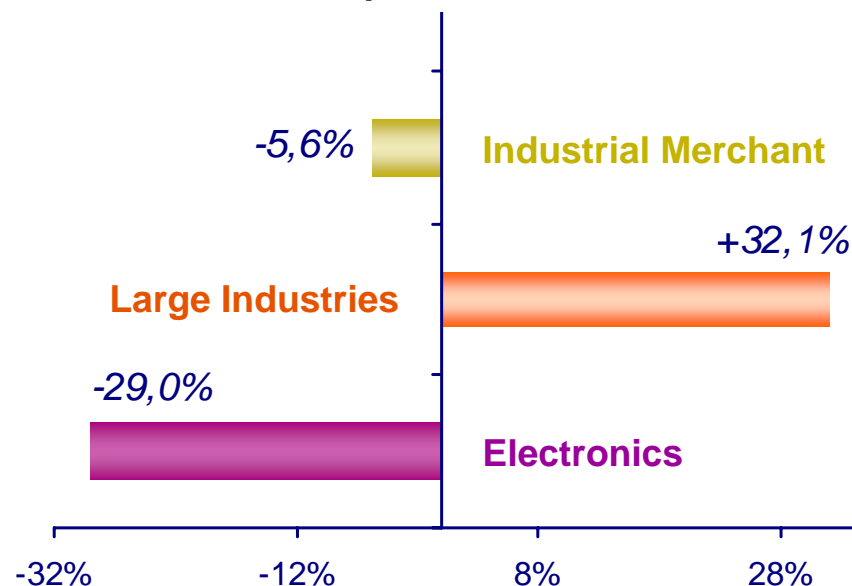
■ Large Industries

- ✓ Impact of start-ups in China and Singapore
- ✓ Volume growth excluding Japan

■ Electronics

- ✓ Dynamic recovery in emerging economies
- ✓ Sequential growth in Japanese ESGs
- ✓ Excluding E&I, activity down -2.5%

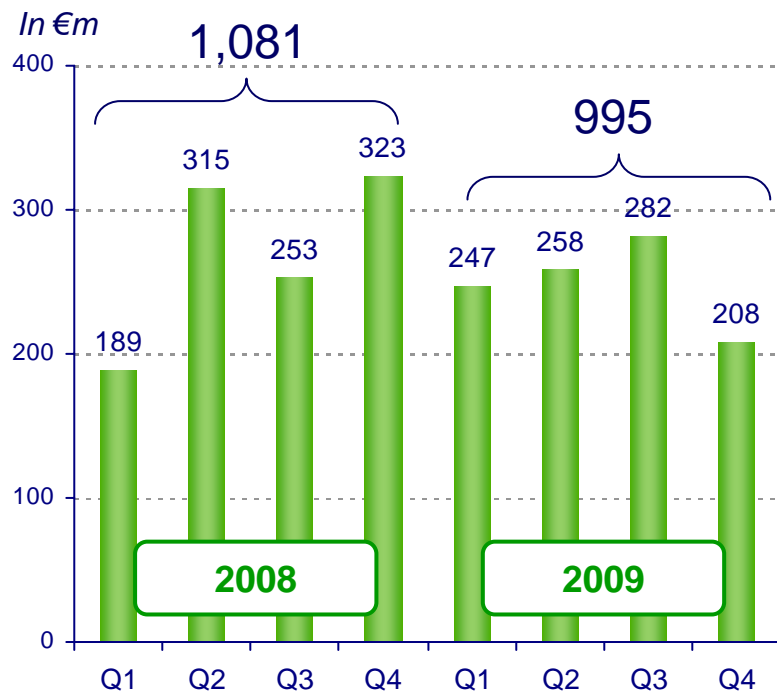
Gas & Services revenue: €522m
*Q4 09/08 comparable: - 7.8% **



** Excl. Forex and natural gas*

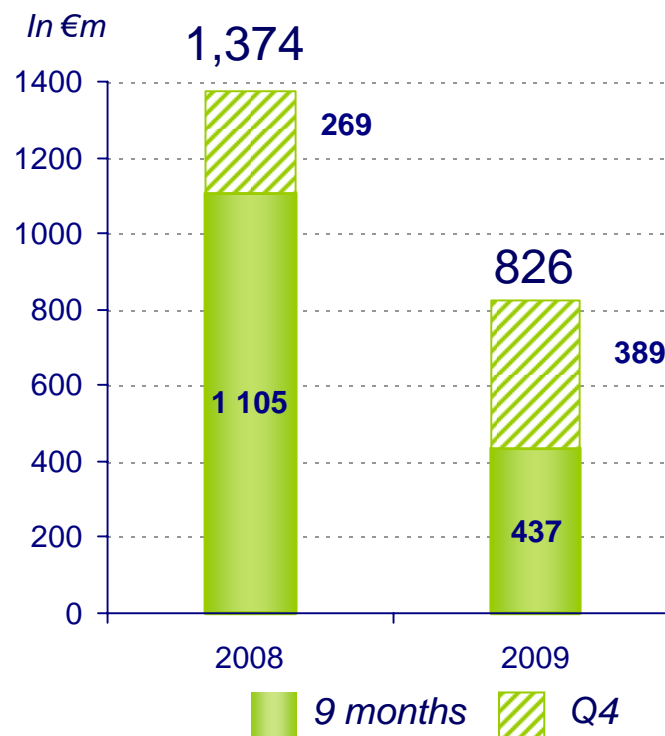
Engineering & Construction in line with expectations

Third-party E&C sales



- Limited decline in sales in 2009 at -7.9% excluding forex
- Project completions on track

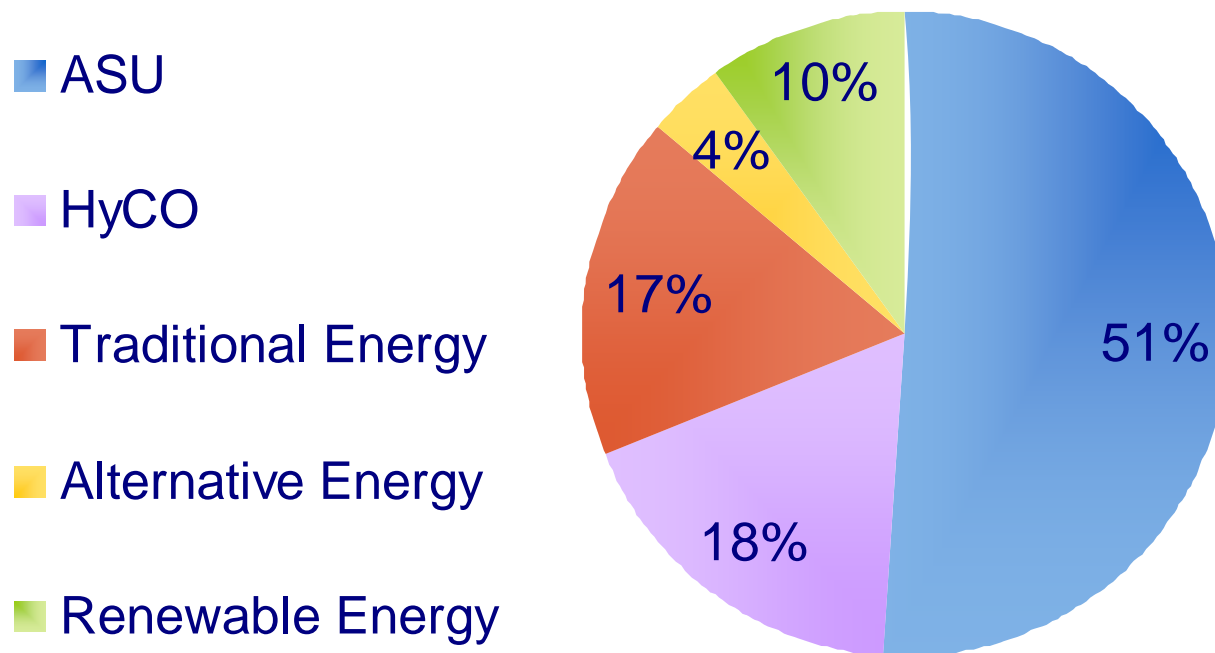
E&C order intake



- Pick-up of orders in Q4 2009

Engineering & Construction orders in hand

Total orders in hand: at €4.4bn at end 2009*



** Cf. glossary, next slide*

Engineering Glossary

- **Orders in Hand** represent the sum of the initial contract value of all Group and Third Party contracts managed by the Engineering & Construction entities, excluding contracts under warranty
- **Order Intake** represents the sum of the initial contract value of all Group and Third Party contracts which entered into force during the period
- **ASU: Air Separation Unit**
- **HyCO: SMR units, CO Cold Boxes, Hydrogen PSA for purification**
- **Alternative Energy:** plants based on Natural Gas or Coal (such as Methanol and Methanol To Propylene plants, gasification projects) as well as gas cleaning units (Rectisol)
- **Renewable Energy:** biodiesel, bioethanol plants as well as oleochemical units
- **Traditional Energy:** plants built in the Refining and Basic Petrochemical area
- **Fracking (or fracing) :** As the oil or gas wells start to run dry, an injection of nitrogen or carbon dioxide at high pressure enables the deep rock to be fissured so that additional volumes of hydrocarbons are recovered.

Operating margin

<i>Group, in €m</i>	2008	2009
Revenue	13,103	11,976
Natural gas effect	301	- 462
Operating income recurring	1,949	1,949
Operating margin	14.9 %	16.3 %
Operating margin excl. natural gas		15.7 %
<i>Gas & services, in €m</i>	2008	2009
Revenue	11,028	10,192
Natural gas effect	301	- 462
Operating income recurring	1,949	1,994
Operating margin	17.7 %	19.6 %
Operating margin excl. natural gas		18.7 %

Operating margin by business line

In €m

Industrial Merchant

	2002	2006	2009
Revenue	3,154	4,364	4,277
Operating margin	14%	16%	16%

Large Industries

	2002	2006	2009
Revenue	1,821	2,922	3,219
Operating margin	27%	22% ⁽¹⁾	27%

Healthcare

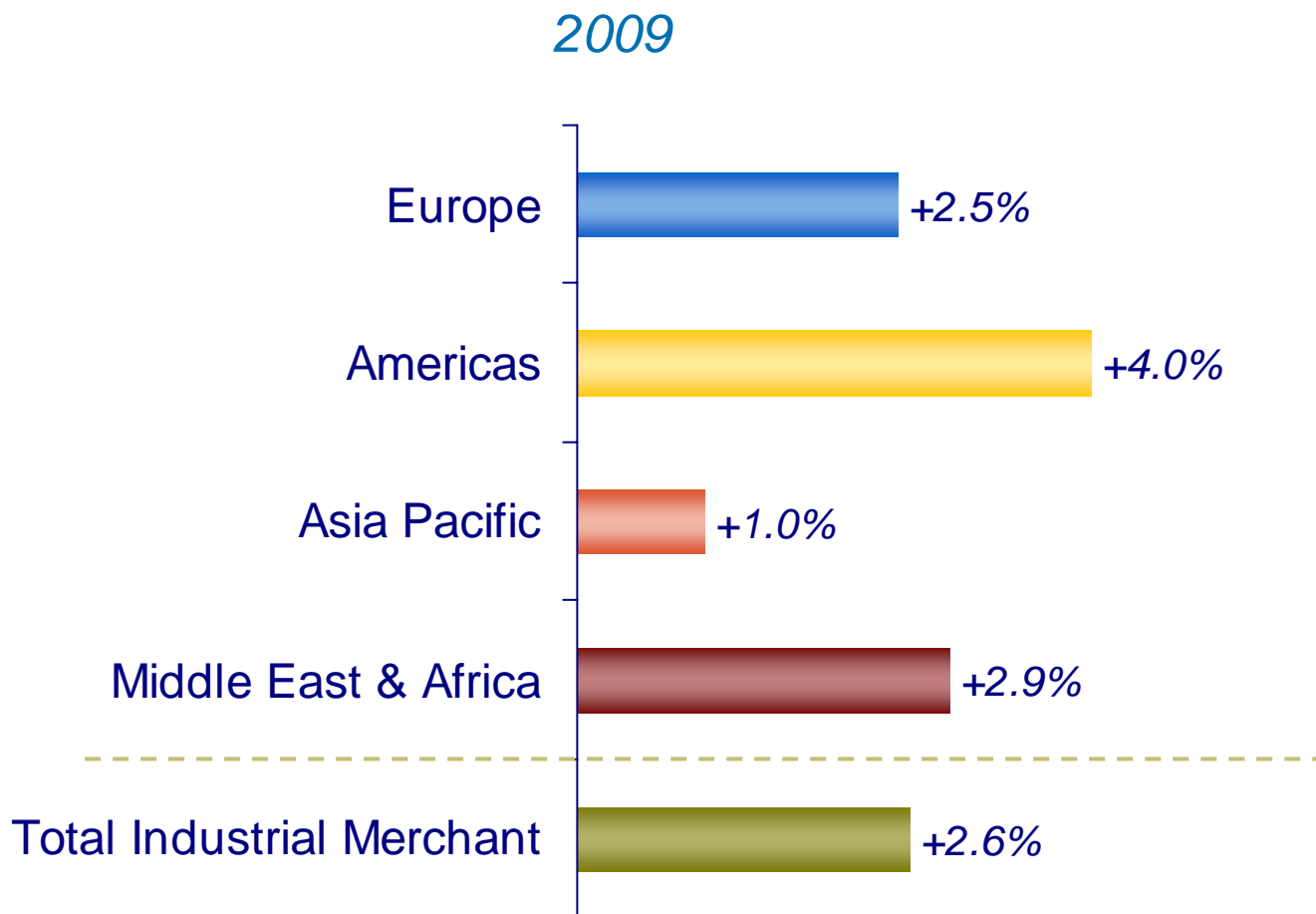
	2002	2006	2009
Revenue	1,178	1,479	1,824
Operating margin	16%	17%	18%

Electronics

	2002	2006	2009
Revenue	734	864	872
Operating margin	10%	12%	12%

(1) HyCO mix effect and natural gas price increase

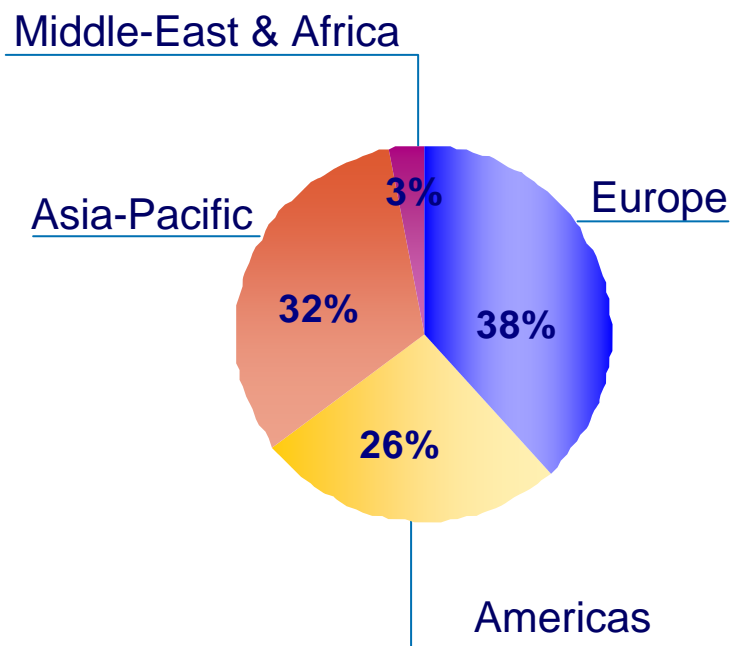
Industrial Merchant pricing



Gas & Services industrial capex by geography

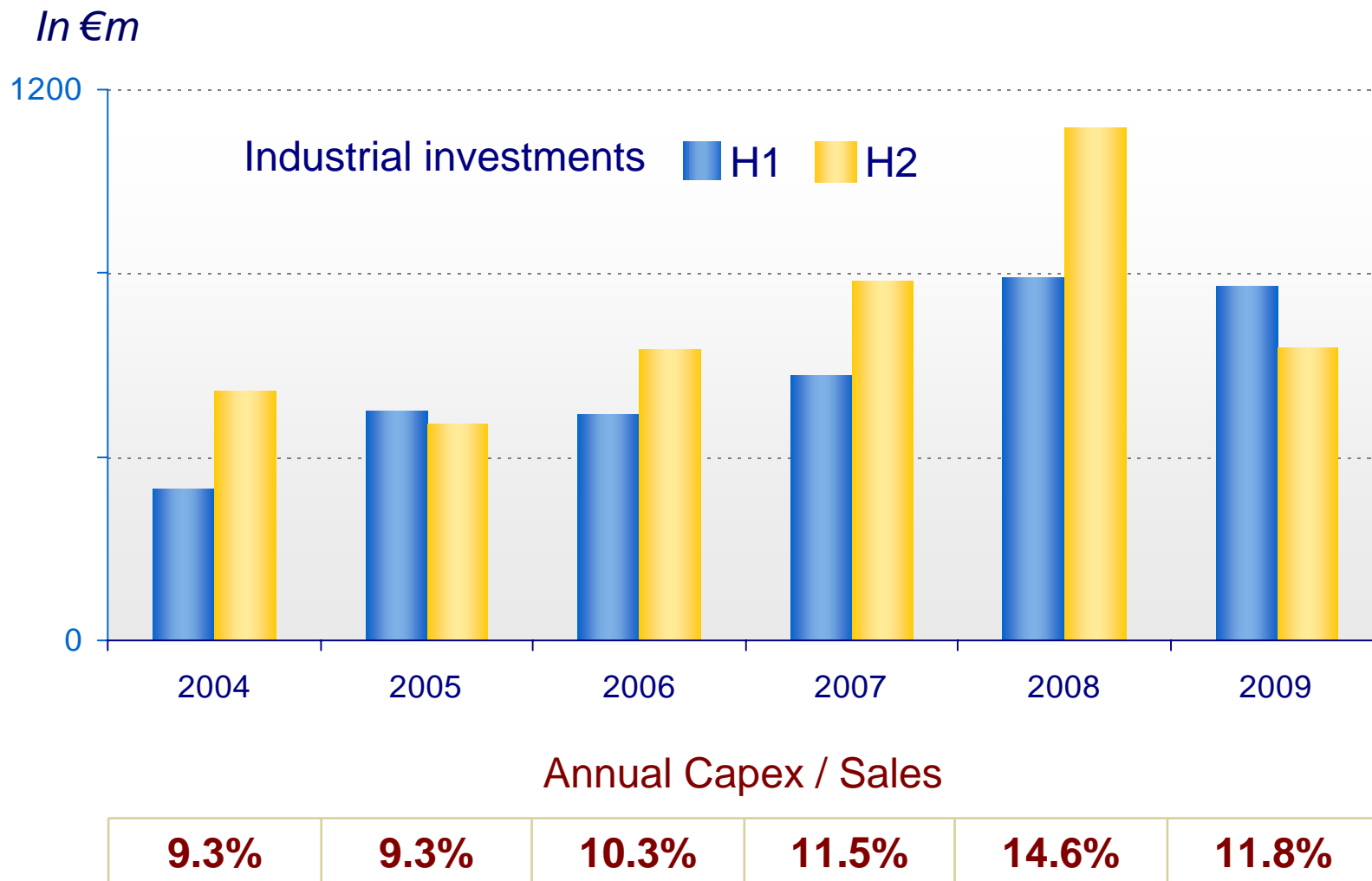
Breakdown by geography

*Gas & Services
Investments / sales*



	2008	2009
Europe	12.3 %	9.3 %
Americas	15.6 %	15.8 %
Asia-Pacific	29.9 %	23.6 %
Middle-East & Africa	40.0 %	19.2 %
Total	16.9 %	13.7 %

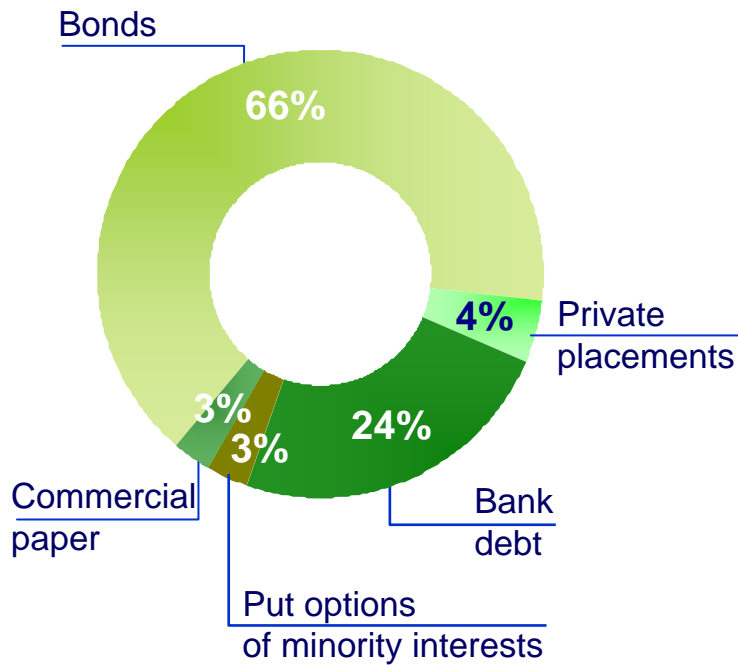
Group industrial capex



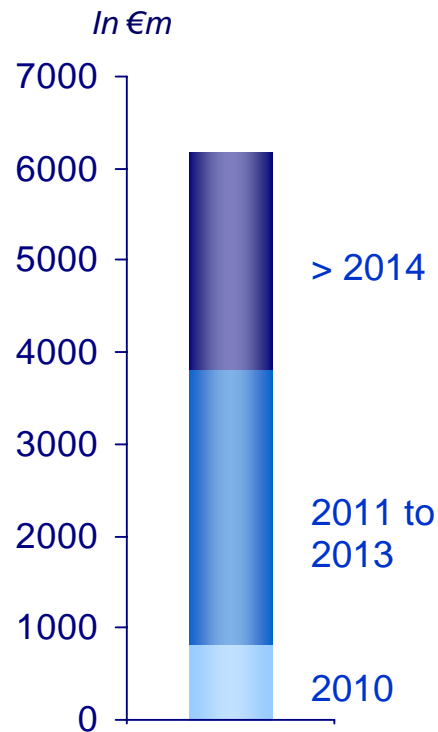
Financing secured

As of December 31, 2009

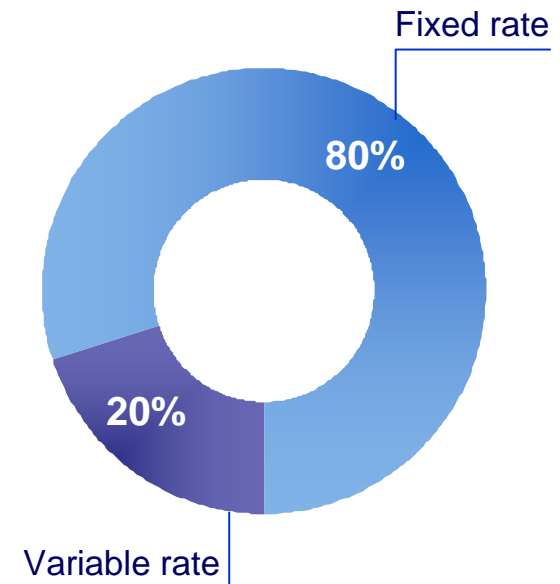
Borrowing by instrument



Maturity



Fixed / Variable



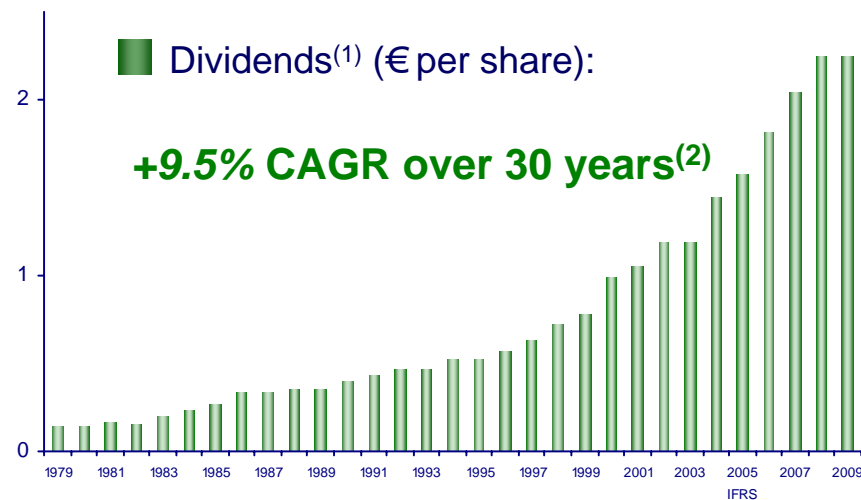
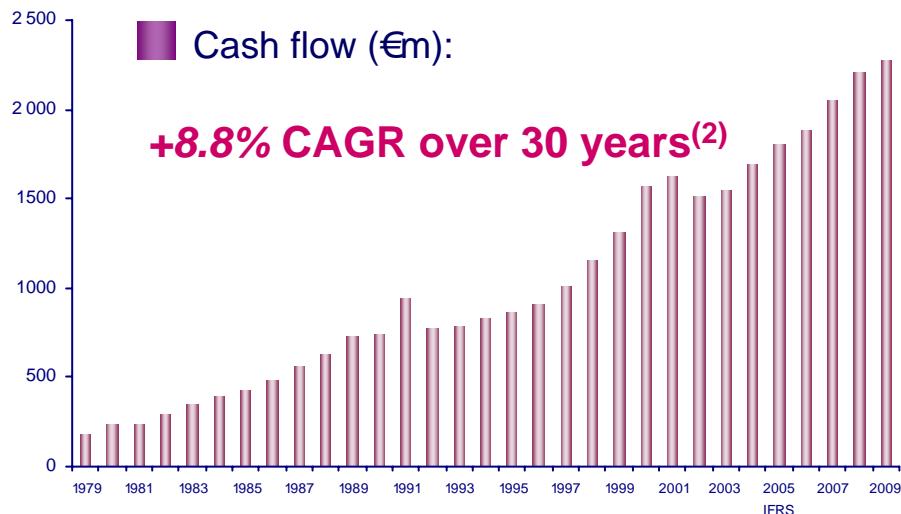
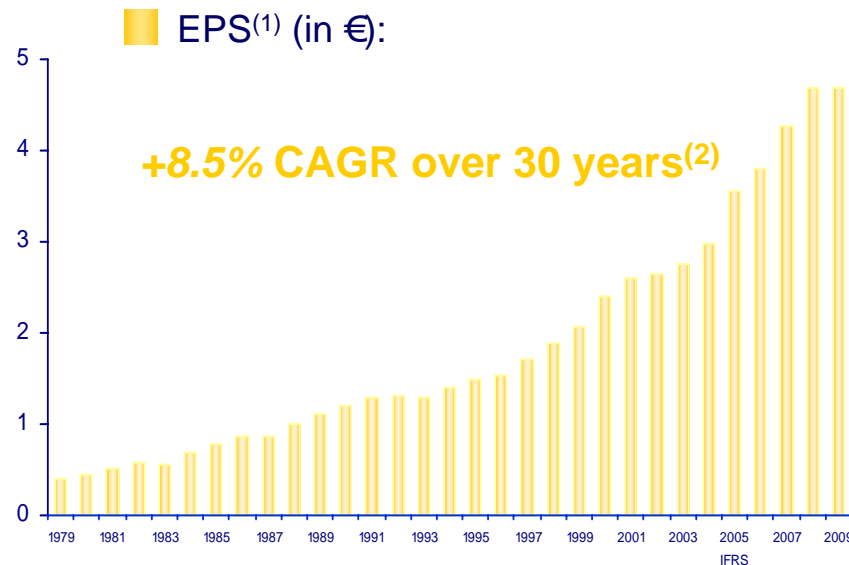
Evolution of the number of shares

Number of shares 31/12/2008	260,922,348
Employee capital increase	999,229
Options exercised during the year	2,332,777
Number of shares 31/12/2009	264,254,354

	2008	2009
Average number of shares outstanding⁽¹⁾	259,634,357	261,495,542

(1) Used for EPS calculation

Sustained and regular performance



(1) Adjusted for splits and bonus shares

(2) Data calculated over 30 years according to applicable accounting standards.



2009 Results

For further information, please contact:

Investor Relations

Virginia Jeanson ☎ + 33 (0)1 40 62 57 37

Annie Fournier ☎ + 33 (0)1 40 62 57 18

Corporate Communications

Anne Lechevranton ☎ + 33 (0)1 40 62 50 93

Corinne Estrade-Bordry ☎ + 33 (0)1 40 62 51 31

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*L'Air Liquide S.A.
Corporation for the study and application of processes developed by
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*Corporate headquarters :
75, Quai d'Orsay
75321 Paris Cedex 07
Tel : +33 (0)1 40 62 55 55
RCS Paris 552 096 281*

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