

INTERACTIONS

Air Liquide's letter to shareholders - April 2014

KEY FIGURE

€2.55

THAT'S THE DIVIDEND PER SHARE PROPOSED TO THE ANNUAL GENERAL MEETING OF MAY 7, 2014.

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READ THE LETTER on your PC, smartphone or tablet at www.interactions.airliquide.com



BENOÎT POTIER,
Chairman and CEO



EDITORIAL

OUR IDEAS CREATE VALUE OVER THE LONG TERM

The Group's performance in 2013 was solid, as attested to by growth in all Gas & Services business lines and across all geographic zones. This performance reflects the return to a more supportive economic climate during the year and an increase in the pace of growth in the United States and China, the subject of one of the articles in this issue of *interactions*. Last year, the Group also delivered another improvement in operating income and net profit growth. Above all, this performance makes it possible for the Group to pursue a policy to which it is fully committed, that of offering shareholders regular returns on their investment. Accordingly, the Board of Directors will ask the shareholders to approve the payment of a €2.55-per-share dividend as well as the allotment of one free share for every 10 shares held at the Annual General Meeting on May 7, 2014.

Air Liquide's world leadership in its market is proven not only by its consistent and solid performance but also by its ability **to continually introduce new ideas and innovate**. With *interactions*, our goal is to show you our latest products, such as the TAKEO™ medical oxygen cylinder. The year 2013 was also one of rapid technological advances, including the inauguration of the world's largest helium refining facility in Qatar and the acceleration of our innovation processes thanks to the creation of dedicated structures. Members of the Shareholders' Communication Committee were also invited to discover the i-Lab, our laboratory for new ideas, as well as our facility in Sassenage, near the city of Grenoble, dedicated to new markets such as hydrogen for clean mobility.

Our commitment to innovation is also embodied in our new tagline, "Creative Oxygen", which conveys the boundless resourcefulness and creativity of our teams, whose ideas create value over the long term. It also embodies the company's history, whose point of departure – oxygen itself – a vital resource for industry and health continues to inspire us every single day.

ENJOY YOUR READING!



**WATCH THE VIDEO INTERVIEW
WITH BENOÎT POTIER ABOUT
THE 2013 RESULTS**
at [www.interactions.
airliquide.com](http://www.interactions.airliquide.com)

INTERACTIONS

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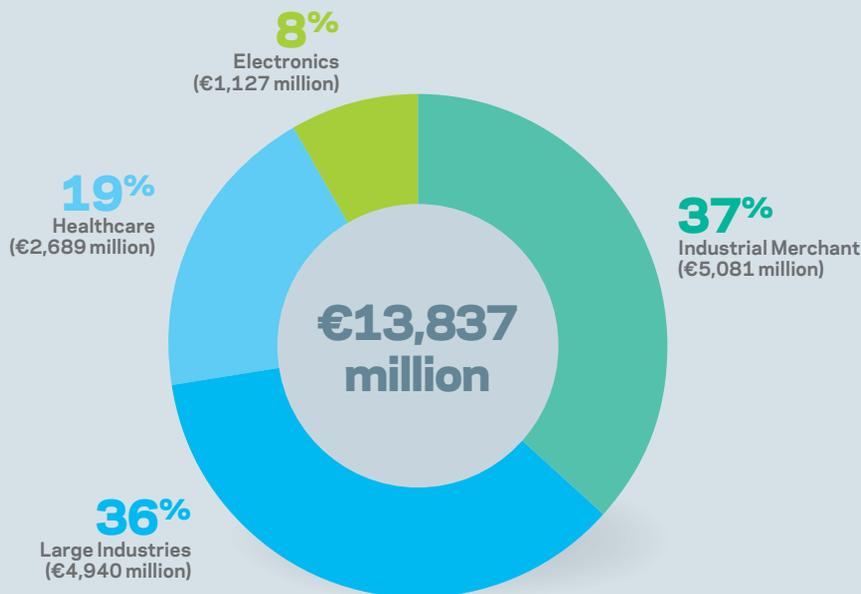


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KEY FIGURES

2013 RESULTS

GAS AND SERVICES REVENUE BY BUSINESS LINE



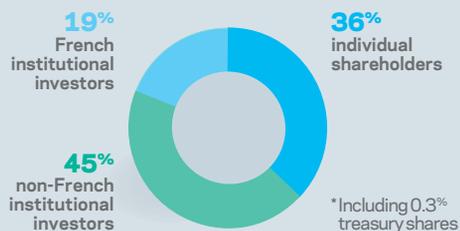
NET PROFIT (Group share)

€1,640 million
up +5.5% (excluding currency impact)

€303 million
in efficiency gains for 2013

SHAREHOLDERS

BREAKDOWN OF AIR LIQUIDE CAPITAL* (as at December 31, 2013)



400,000
individual shareholders
at December 31, 2013

INNOVATION

6,200
employees contribute
to innovation

€265 million
invested in innovation in 2013

Nearly
2/3
of the innovation
expenditure are invested
in France

321
new patents filed
in 2013



READ THE FULL RESULTS
at www.airliquide.com



THE USA GAINS NEW IMPETUS

The USA are experiencing an industrial renaissance, and will be the world's leading producer of natural gas by 2015.

With 30 years of experience, 5,000 employees and 200 sites on American soil, Air Liquide continues to grow throughout the country.

A new energy paradigm
With the benefits of abundant and competitively priced energy generation, the USA are attracting significant investments from the petrochemical and oil industries.

To satisfy the growing needs of its major customers, Air Liquide has begun the construction of several oxygen production and hydrogen production units, with particular focus on Freeport, Texas. In 2013, the Group acquired the liquid nitrogen, cryogenics storage and distribution supplier Progressive Resources Inc. Air Liquide also signed a new long-term

contract with LyondellBasell, one of the world's leading players in the plastics, chemicals and petrochemicals industry.

Expanding into new markets
Air Liquide is rolling out many initiatives to expand its market in the USA, especially in the promising sectors of biogas and hydrogen energy. In 2013, Air Liquide also acquired Voltaix, an innovative US specialist in new high-tech electronics molecules. Lastly, the Group continues to grow in the healthcare market mainly by supplying medical gases and services.

“The next two years will be decisive: they will influence the majority of the investments we will make alongside our US customers.”

John Buckley,
CEO Air Liquide US

USA IN PICTURES



Air Liquide's hub in Houston

The industrial zone of Texas is the regional focus for key petrochemical and refining operations.



Production sites

Air Liquide now has 200 sites in the USA.



Investment

Well on its way to becoming the world's leading natural gas producer, the USA are a key investment target for Air Liquide.



Expanding businesses

Air Liquide subsidiaries in the USA supply the customers of Large Industries, Industrial Merchant, Electronics and Healthcare businesses.



WATCH THE FULL REPORT
at www.interactions.airliquide.com

BUSINESSES

HYDROGEN PUTS AIR LIQUIDE AT THE CUTTING EDGE OF CLEAN ENERGY

With more than 40 years of expertise at every stage in the hydrogen production chain, Air Liquide is actively involved in promoting and developing this clean and renewable source of energy. Pierre-Étienne Franc, Vice President advanced Business & Technologies, Air Liquide, sheds light on this high-potential molecule.

What are the growth challenges in the hydrogen market?

Hydrogen is one of those solutions that successfully address the challenge of sustainable mobility, which is a prime environmental concern today. The implications are very significant: if 1% of the world's vehicles were to be fuel cell-powered, the potential hydrogen market would be valued at €15 billion.

What is the Air Liquide strategy in this market?

Air Liquide masters the entire industrial chain, from production to storage, distribution and uses for the end user. Currently, two-thirds of our hydrogen production is used to make sulfur-free fuels. But several markets are emerging. On the high-potential market for fuel cell-powered forklift trucks, the Group is developing a competitive offer in Europe via Hypulsion, the joint venture created with Plug Power (the global leader in fuel cells for forklift trucks). Air Liquide has also succeeded in anticipating the emergence of this technology in the transportation sector by supporting the rollout of distribution infrastructures in Europe, North America and Asia.

HYDROGEN A VECTOR FOR CLEAN ENERGY



The oldest (at least 1.3 billion years), the smallest, lightest and most abundant molecule in the universe.

3 times more energy is contained in **1kg of hydrogen** than in **1kg of gasoline**.

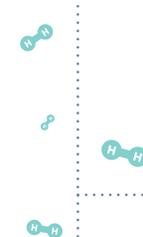
AIR LIQUIDE, A COMPREHENSIVE INDUSTRIAL CHAIN...



PRODUCTION

200 hydrogen production points of different sizes.

12.5 billion cubic meters produced by Air Liquide in 2013.



STORAGE

as a gas at high pressure.
in liquid form at very low temperature.



INNOVATION

International demonstration projects. Initial commercial installations.



DISTRIBUTION

2,000 km of Air Liquide hydrogen pipelines worldwide.



60+ hydrogen distribution stations designed and provided by Air Liquide.

... THAT BENEFITS

FUEL CELLS



280+ fuel cells deployed by Air Liquide.



12,000+ continuous operating hours for a hydrogen fuel cell.

What are the future prospects for hydrogen as an energy carrier?

Air Liquide is a major player in this sector. The Group operates a permanent program of research and development projects focused on improving existing technologies, and is a contributor to many international demonstration projects. At the same time, the Blue Hydrogen initiative reflects the Air Liquide commitment to gradually reducing the carbon content of its hydrogen production dedicated to energy applications by using an increasing proportion of energy from renewable sources. As a clean, storable and extremely mobile source of energy, hydrogen offers very promising outlooks to Air Liquide and to other industries as well.

CSR

RESPONSIBILITY: AT THE HEART OF OUR AMBITION



On December 11, 2013 at the Investor Day held to celebrate the 100th anniversary of the Group's listing on the Paris stock market, Air Liquide restated its ambition:

"To be the leader of its industry, delivering long-term performance and acting responsibly." Responsibility is indeed at the heart of our ambition. "Acting Responsibly" captures how we:

- Serve our **customers** and **patients**, and contribute to society at large. The Air Liquide Healthcare offering is an excellent illustration of this commitment in practice;
- Develop our **people** and run our operations. The Blue Hydrogen initiative (see also opposite) reflects the engagement of our teams;
- Build relationships with our **shareholders** and all other stakeholders. Over 20 years, if a registered shareholder has purchased Air Liquide shares every year with his

or her dividends, earned the loyalty bonus, and collected free shares, his or her portfolio has seen average annual growth of 10.8%.

"Acting Responsibly" therefore contributes to the performance of the company through its quest to identify better solutions for everyone. So ever since its origins in 1902, Air Liquide has succeeded in building a long-term relationship of trust with its shareholders.

THE ENVIRONMENT

HYDROCARBON DESULFURIZATION



960,000 fewer metric tons of sulfur dioxide are released into the atmosphere as a result of the total amount of hydrogen provided to refineries worldwide by Air Liquide in 2013.

HYDROGEN-POWERED ELECTRIC VEHICLES



20% lower greenhouse gas emissions than combustion-powered vehicles covering the same distance.



READ THE 2013
SUSTAINABLE DEVELOPMENT
REPORT ONLINE
at www.airliquide.com

TAKEO™, A NEW STEP FOR OXYGEN THERAPY

THE CONCEPT

To make the work for hospital staff - especially those working in emergency rooms and ambulance attendants - easier, Air Liquide launched the TAKEO™ medical oxygen cylinder in 2013. The heads of these cylinders are fitted with electronic information systems. This new generation of smart oxygen cylinders gives medical staff simple and immediate access to essential oxygen therapy data, such as the remaining time of consumption.

THE BENEFITS

On TAKEO™ cylinders, the traditional needle pressure gauge has been replaced by a digital display.

The remaining autonomy of oxygen is known in real time, and an alarm warns the user when he needs to replace the equipment. The accuracy of the provided data ensures optimum continuity of treatment and limits wastage of medical oxygen. TAKEO™ has also been designed for greater practicality and safety: it is lighter, the head of the cylinder is more user-friendly

and its very legible label allows the instant identification of its contents.

THE APPLICATIONS

Oxygen therapy offers a large number of clinical applications that must meet high levels both in terms of quality of care and safety. The indication of the remaining consumption time of available gas and its ergonomic design allow TAKEO™ to respond effectively to the specific needs of healthcare professionals who use medical oxygen. One year after its launch, the new cylinder is already marketed in 12 countries around the world.



VIEW THE FULL AIR LIQUIDE
HEALTHCARE OFFER
at www.airliquidesante.fr



“Registered shareholdings do not slow down sharetrading.”

THE QUESTION

Can institutional investors be registered shareholders?

It's possible and even recommended for those who take a long-term view of their investment. These institutional investors (pension funds, UCITS, mutuals, insurers, etc.) traditionally prefer bearer status, because they see it as being simpler than registered shareholdings.

But the fact is that they can sell their shares at any time with no delay even as registered shareholders when their Air Liquide shares are administered by their usual intermediary. They also receive the same loyalty bonus* benefits as individual shareholders:

- a 10% increase in dividend payments
- 10% more free shares up to the legal limit of 0.5% of the capital of the company.

*For shares held for two full calendar years and subject to the conditions defined by Air Liquide's articles of association.



“Capital gains benefit from a tax reduction based on the time the shares have been held.”

THE QUESTION

What is the tax position on taxable capital gains realized since 2013, for French fiscal residents only?

In accordance with the 2014 French Finance Law, capital gains made on share sales after January 1, 2013 are subject to income tax based on a progressive scale. A tax reduction is applied depending on the time the shares concerned have been held: 50% for holdings of between two and less than eight years, and 65% for those beyond eight years. The rate of social contributions applied to capital gains prior to any reduction remains unchanged at 15.5%. You may be exempt from capital gains tax if you have a PEA (share savings plan) and have held your shares for at least five years since the beginning of the plan (social contributions still applies), or if you are making a hand-to-hand gift or donation up to the legal limit of amounts.



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QUESTIONS YOU'D LIKE
OUR EXPERTS TO ANSWER
IN THE NEXT ISSUE

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MORE SERVICES FOR YOU

ANNUAL GENERAL MEETING OF MAY 7, 2014: CONNECTED WITH YOU



Electronic invitation: a complete digital kit

Around 450,000 invitations are sent out every year to Air Liquide shareholders. In 2014, for the first time, registered shareholders had the opportunity to receive their invitation to the Annual General Meeting of May 7, 2014 by e-mail as a kit containing the invitation to the Shareholders' Meeting, a digital version of the Shareholder's Guide and a link to the voting website.

Vote by Internet

More than 12,000 shareholders voted by Internet prior to the Annual General Meeting last year. You now have the option of logging in to the voting website.

If you are a registered shareholder (direct or intermediary registered), go to the Shareholders section of www.airliquide.com.

If you hold bearer shares, contact your financial intermediary. Full instructions to vote by Internet are contained in your invitation to the Shareholders' Meeting.

MORE, THE DIGITAL VERSION

Discover all the enriched functions offered by **MORE**, the digital version of the Shareholder's Guide.



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www.airliquide.com



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France



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Paris 7^e - France



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FOCUS ON



THE SHAREHOLDERS' COMMUNICATION COMMITTEE VISITS THE I-LAB

Air Liquide has invited the Shareholders' Communication Committee (SCC) to find out more about the i-Lab. Part Think-Tank and part Corporate Garage, this laboratory of new ideas was launched by the Group in December 2013 to accelerate innovation and explore new markets. Located in Paris, the i-Lab works with the Group's R&D sites in Europe, the USA and Asia.



SHAREHOLDER APP: MORE FUNCTIONS AVAILABLE ON IPAD

Following on from the success of the Smartphone version, the Air Liquide Shareholder App is available for iPad in French and - now - in English. If you are a direct registered shareholder, a series of extended functions allows you to log in securely at any time to your share account, for managing it, and use the personalized tax simulators (for French fiscal residents only). This app also offers key information about Air Liquide in eight interactive sections: Stock market price, Services, My Space, News, Agenda, Become a Shareholder, Simulators and Media Library.



SHARE PRICE

Evolution of the Air Liquide stock price from March 7, 2013 to March 7, 2014



FOLLOW THE AIR LIQUIDE SHARE PRICE LIVE at www.interactions.airliquide.com

DIARY



19

March 19, 2014
**MORE ON PC, TABLETS
AND SMARTPHONES**

MORE, the digital version of the Shareholder's Guide available free on all your devices.

April 2014
PUBLICATIONS

Publication of the MORE Shareholder's Guide and Annual Report

24

April 24, 2014
REVENUE

Publication of first quarter revenue

3

May 3, 2014
**ANNUAL GENERAL
MEETING VOTE**

The final date for sending us your completed printed voting form (on May 3) and for voting by Internet (on May 6 at 3.00 pm)

7

May 7, 2014
**ANNUAL GENERAL
MEETING**

at the Palais des Congrès in Paris



14

May 14 and 20, 2014
MEETINGS

Benoît Potier travels in France to Aix-en-Provence on May 14, and Nantes on May 20 to meet with shareholders.

15

May 15, 2014
DIVIDEND

Last execution day for buy orders on shares eligible for the dividend

16

May 16, 2014
DIVIDEND
Ex-dividend date

21

May 21, 2014
DIVIDEND
Payment date

?

June 2, 2014
FREE SHARES

Allocation of free shares.
One free share for every 10 shares held

30

June 30, 2014
SHAREHOLDER MEETING

Air Liquide Shareholder Services meet with shareholders in Montpellier, France

31

July 31, 2014
RESULTS

Publication of first half results



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