



**L'AIR LIQUIDE S.A.
AIR LIQUIDE FINANCE**

€ 4,000,000,000

**Euro Medium Term Note Programme
unconditionally and irrevocably guaranteed by L'AIR LIQUIDE S.A.**

Under the Euro Medium Term Note Programme (the "**Programme**") described in this document (the "**Debt Issuance Programme Prospectus**"), L'Air Liquide, société anonyme pour l'Etude et l'Exploitation des Procédés Georges Claude ("**L'Air Liquide**"), the "**Guarantor**" or, in its capacity as Issuer, an "**Issuer**") and Air Liquide Finance ("**Air Liquide Finance**" or an "**Issuer**" (together with L'Air Liquide, the "**Issuers**")), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "**Notes**"). Notes issued by Air Liquide Finance will be unconditionally and irrevocably guaranteed by L'Air Liquide. The aggregate nominal amount of Notes outstanding will not at any time exceed € 4,000,000,000 (or the equivalent in other currencies) and may be denominated in any currency.

This Debt Issuance Programme Prospectus supersedes and replaces the Debt Issuance Programme Prospectus dated 21 July 2006.

This Debt Issuance Programme Prospectus shall, for the purposes of Notes listed and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, or offered to the public in Luxembourg, be updated annually.

Application has been made to the Commission de surveillance du secteur financier in Luxembourg for approval of this Debt Issuance Programme Prospectus and, at the same time for the notification of a certificate of approval released to the French competent authority, both of approval and notification being made in its capacity as competent authority under the "loi relative aux prospectus pour valeurs mobilières" dated 10 July 2005 which implements the Directive 2003/71/EC of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (the "**Prospectus Directive**").

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme during the period of 12 months from the date of this Debt Issuance Programme Prospectus to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange or to be offered to the public in Luxembourg. Application may also be made to the competent authority in France or to any other competent authority of any other Member State of the European Economic Area for Notes issued under the Programme to be listed and admitted to trading on Euronext Paris or on any other Regulated Market or offered to the public in France or in such Member State. Any Regulated Market is governed by the Directive 2004/39/EC on markets in financial instruments (referred to in this Debt Issuance Programme Prospectus as a "**Regulated Market**" under the definition of the Directive 2004/39/EC on markets in financial instruments).

Notes which are not admitted to trading on a Regulated Market, or which are not offered to the public in a Member State of the European Economic Area, may be issued under the Programme and may also be listed on an alternative stock exchange or may not be listed at all.

The relevant final terms (the "**Final Terms**") (forms of which are contained herein) in respect of the issue of any Notes will specify whether or not such Notes will be listed, admitted to trading and/or offered to the public and will be published, if relevant, on the website of the Regulated Market where the admission to trading is sought or on the website of the relevant Issuer, as the case may be.

Notes may be issued either in dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**"), as more fully described herein.

Dematerialised Notes may, at the option of the relevant Issuer, be (a) in bearer dematerialised form (au porteur) inscribed as from the issue date in the books of Euroclear France ("**Euroclear France**") (acting as central depository) which shall credit the accounts of Euroclear France Account Holders (as defined in "Terms and Conditions of the Notes-Form, Denomination, Title and Redenomination") including Euroclear Bank S.A./N.V. ("**Euroclear**") and the depository bank for Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or (b) in registered dematerialised form (au nominatif) and, in such latter case, at the option of the relevant Noteholder (as defined in Condition I(c)(iv)), in either fully registered form (au nominatif pur), in which case they will be inscribed either with the Issuer or with the registration agent (designated in the relevant Final Terms) for the Issuer, or in administered registered form (au nominatif administré) in which case they will be inscribed in the accounts of the Euroclear France Account Holders designated by the relevant Noteholders.

Dematerialised Notes will at all times be in book entry form in compliance with Article L.211-4 of the French Code monétaire et financier. No physical documents of title will be issued in respect of the Dematerialised Notes.

Materialised Notes will be in bearer form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a "**Temporary Global Certificate**") will initially be issued in connection with Materialised Notes. Such Temporary Global Certificate will be exchanged for definitive Materialised Notes in bearer form with, where applicable, coupons for interest attached on or after a date expected to be on or about the 40th day after the issue date of the Notes (subject to postponement as described in "Temporary Global Certificates Issued in respect of Materialised Bearer Notes") upon certification as to non-U.S. beneficial ownership as more fully described herein.

Temporary Global Certificates will (a) in the case of a Tranche (as defined below) intended to be cleared through Euroclear and/or Clearstream Luxembourg, be deposited on the issue date with a common depository on behalf of Euroclear and/or Clearstream, Luxembourg and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream, Luxembourg or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer (as defined below).

The final terms of the relevant Notes will be determined at the time of the offering of each Tranche based on the then prevailing market conditions and will be set out in the relevant Final Terms.

Arranger

BNP PARIBAS

Dealers

ABN AMRO

BNP PARIBAS

CALYON CREDIT AGRICOLE CIB

CITI

DEUTSCHE BANK

HSBC

JPMORGAN

NATIXIS

SOCIETE GENERALE CORPORATE & INVESTMENT BANKING

*This document constitutes two base prospectuses for the purposes of Article 5.4 of the Directive 2003/71/EC (the “**Prospectus Directive**”): (i) the base prospectus for L’Air Liquide, société anonyme pour l’Etude et l’Exploitation des Procédés Georges Claude (“**L’Air Liquide**”, the “**Guarantor**” or, in its capacity as Issuer, an “**Issuer**”) in respect of non-equity securities within the meaning of Article 22 no. 6(4) of the Commission Regulation (EC) No. 809/2004 of 29 April 2004 (hereinafter, the “**Notes**”) to be issued by L’Air Liquide under this Euro Medium Term Note Programme (the “**Programme**”) and (ii) the base prospectus for Air Liquide Finance (“**Air Liquide Finance**” or an “**Issuer**” (together with L’Air Liquide, the “**Issuers**”)) in respect of Notes to be issued by Air Liquide Finance under this Programme. In relation to each Tranche of Notes, this Debt Issuance Programme Prospectus must be read in conjunction with the applicable Final Terms.*

This Debt Issuance Programme Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see “Documents Incorporated by Reference” below).

No person has been authorised to give any information or to make any representation other than those contained in this Debt Issuance Programme Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by L’Air Liquide or Air Liquide Finance, or any of the Dealers or the Arranger (each as defined in “Summary of the Programme”). Neither the delivery of this Debt Issuance Programme Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of L’Air Liquide or Air Liquide Finance, as the case may be, or those of the Air Liquide Group (i.e. L’Air Liquide and its subsidiaries) since the date hereof or the date upon which this Debt Issuance Programme Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of either of L’Air Liquide or Air Liquide Finance, as the case may be, or that of the Air Liquide Group since the date hereof or the date upon which this Debt Issuance Programme Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Debt Issuance Programme Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. No action has been taken by L’Air Liquide, Air Liquide Finance or the Dealers which would permit a public offering of any Notes or distribution of this Debt Issuance Programme Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Debt Issuance Programme Prospectus nor any Final Terms or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Debt Issuance Programme Prospectus comes are required by L’Air Liquide, Air Liquide Finance, the Dealers and the Arranger to inform themselves about and to observe any such restriction. In particular, there are restrictions on the distribution of this Debt Issuance Programme Prospectus and the offer or sale of Notes in the United States, the United Kingdom, Japan, France and Germany.

*The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and include Materialised Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”) or in the case of Materialised Notes in bearer form, the U.S Internal Revenue Code of 1986, as amended (the “**U.S. Internal Revenue Code**”)).*

This Debt Issuance Programme Prospectus does not constitute an offer of, or an invitation by or on behalf of L’Air Liquide, Air Liquide Finance, the Dealers or the Arranger to subscribe for, or purchase, any Notes.

The Arranger and the Dealers have not separately verified the information contained in this Debt Issuance Programme Prospectus. None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Debt Issuance Programme Prospectus. Neither this Debt Issuance Programme Prospectus nor any other information incorporated by reference in this Debt Issuance Programme Prospectus is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of L’Air Liquide, Air Liquide Finance, the Arranger or the Dealers that any recipient of this Debt Issuance Programme Prospectus or any other information incorporated by reference should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Debt Issuance Programme Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of L’Air Liquide, Air Liquide Finance or the Air Liquide Group during the life of the arrangements contemplated by this Debt Issuance Programme Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

In connection with the issue of any Tranche (as defined in “Summary of the Programme”), the Dealer or Dealers (if any) named as the stabilising manager(s) (the “Stabilising Manager(s)”) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with applicable laws and regulations.

In this Debt Issuance Programme Prospectus, unless otherwise specified or the context otherwise requires, references to “€”, “Euro”, “EUR” or “euro” are to the single currency of the participating member states of the European Union, references to “£”, “pounds sterling”, “GBP” and “Sterling” are to the lawful currency of the United Kingdom, references to “\$”, “USD” and “US Dollars” are to the lawful currency of the United States of America, references to “¥”, “JPY”, “Japanese yen” and “Yen” are to the lawful currency of Japan and references to “CHF” and “Swiss francs” are to the lawful currency of Switzerland.

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SUMMARY OF THE PROGRAMME

*This summary must be read as an introduction to this Debt Issuance Programme Prospectus and any decision to invest in the Notes should be based on a consideration of the Debt Issuance Programme Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of Directive 2003/71/EC (the “**Prospectus Directive**”) as supplemented by the European Commission Regulation N° 809/2004 dated 29 April 2004 (the “**Prospectus EU Regulation**”) in each Member State of the European Economic Area no civil liability will attach to the Persons Responsible for the Information given in the Debt Issuance Programme Prospectus in any such Member State solely on the basis of the summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Debt Issuance Programme Prospectus. Where a claim relating to the information contained in this Debt Issuance Programme Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Debt Issuance Programme Prospectus before the legal proceedings are initiated.*

Key information about Notes to be issued under the Programme

I. Notes to be issued under the Programme

Issuers:	L’Air Liquide Air Liquide Finance
Guarantor:	L’Air Liquide in respect of Notes issued by Air Liquide Finance.
Arranger:	BNP PARIBAS
Dealers:	ABN AMRO Bank N.V. BNP PARIBAS CALYON Citigroup Global Markets Limited Deutsche Bank AG, London Branch HSBC France J.P. Morgan Securities Ltd. NATIXIS Société Générale
Programme Limit:	Up to €4,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Fiscal Agent and Principal Paying Agent:	BNP Paribas Securities Services
Paying Agents:	BNP Paribas Securities Services (as Paris Paying Agent) and BNP Paribas Securities Services, Luxembourg Branch (as Luxembourg Paying Agent)
Luxemburg Listing Agent:	BNP Paribas Securities Services, Luxembourg Branch
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis.
Maturities:	Subject to compliance with all relevant laws, regulations and directives, any maturity from seven days from the date of original issue.
Currencies:	Euro, U.S. Dollar, Japanese yen, Swiss franc, Sterling and any other currency specified in the relevant Final Terms.
Commercial terms of the Notes (price, amount, interest rate, etc.):	The financial terms and conditions of the Notes of each Series of Notes will be set out in the applicable Final Terms.
Denomination(s):	Minimum denomination of each Note issued by L’Air Liquide: €1,000 (or the equivalent amount in any other currency at the issue date).

Minimum denomination of each Note issued by Air Liquide Finance: €50,000 (or the equivalent amount in any other currency at the issue date).

Dematerialised Notes will be issued in one denomination only.

Status of Notes: Unsubordinated or Subordinated Notes.

Form of Notes: Dematerialised Notes or Materialised Notes.

Dematerialised Notes may be issued in bearer dematerialised form (*au porteur*) or in registered dematerialised form (*au nominatif*).

Materialised Notes will be in bearer form only.

Negative Pledge: There will be a negative pledge in respect of Unsubordinated Notes.

**Event of Default:
(including cross default)** There will be events of default and a cross-default in respect of Unsubordinated Notes.

Redemption: The Final Terms will specify the conditions under which the Notes may be redeemed prior to maturity at the option of the Noteholder or the relevant Issuer.

Taxation Redemption: The Notes will be subject to redemption at the option of the relevant Issuer for taxation reasons.

Taxation: Except as otherwise stated in the Final Terms, payments in respect of the Notes issued by L'Air Liquide and Air Liquide Finance will be made without withholding or deduction for, or on account of, taxes imposed by or on behalf of the Republic of France.

Central Depositary: Euroclear France in respect of Dematerialised Notes.

Clearing Systems: Euroclear France, Clearstream, Luxembourg and Euroclear.

Listing and Admission to Trading: The Luxembourg Stock Exchange or as otherwise specified in the relevant Final Terms. As specified in the relevant Final Terms, a Series of Notes may or may not be listed and admitted to trading.

Offer to the public: Notes issued by L'Air Liquide may or may not be offered to the public in Luxembourg and/or in any Member State of the European Economic Area, provided that such offer to the public is made in accordance with the European Economic Area selling restrictions. Any offer to the public of Notes issued by L'Air Liquide shall be specified in the relevant Final Terms.

Notes issued by Air Liquide Finance shall be neither offered to the public in Luxembourg nor in any Member State of the European Economic Area.

Method of Publication of the Final Terms: This Debt Issuance Programme Prospectus and the Final Terms related to Notes admitted to trading will be published, if relevant, on the website of the Luxembourg Stock Exchange (www.bourse.lu) and/or on the website of the relevant Issuer, as the case may be, and copies may be obtained from the Fiscal Agent and each of the Paying Agents, or through any other means in accordance with the terms of Article 14 of the Prospectus Directive. The Final Terms will indicate where the Debt Issuance Programme Prospectus may be obtained.

Rating: Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the

same as the ratings assigned to the Programme.

Selling Restrictions:

The offer and sale of Notes will be subject to selling restrictions in various jurisdictions, in particular, those of the United States of America, those of the European Economic Area including France and the United Kingdom. Further restrictions that may apply to a Series of Notes will be specified in the applicable Final Terms.

Governing Law:

French law

KEY INFORMATION ABOUT L'AIR LIQUIDE AND AIR LIQUIDE FINANCE

Key information about L'Air Liquide

Founded in 1902, L'Air Liquide is the mother company of an international group focusing on industrial and medical gases and related services. From its first presence abroad in 1906, the Air Liquide Group (the “**Group**”) now operates in more than 70 countries through more than 130 subsidiaries and employs approximately 36,000 people.

L'Air Liquide supplies oxygen, nitrogen, hydrogen and many other gases to most industries (steel, oil refining, chemicals, glass, electronics, healthcare, food processing, metallurgy, paper and aerospace). Gas and Services activities are organised around four segments :

- Industrial Merchant (45% of Gas and Services sales in 2006 and 44% during first quarter 2007)
- Large Industries (30% of Gas and Services sales in 2006 and 31% during first quarter 2007)
- Healthcare (16% of Gas and Services sales in 2006 and 16% during first quarter 2007)
- Electronics (9% of Gas and Services sales in 2006 and 9% during first quarter 2007)

L'Air Liquide also develops a wide variety of services that range from managing all gas-related operations at customer sites and finding new energy solutions for manufacturers, to providing healthcare services for treating patients at home. By combining new technologies and services, L'Air Liquide develops solutions that increase the industrial performance of its customers, improve healthcare and help to protect the environment.

L'Air Liquide has developed competencies in many fields that complement its core gas business: Welding/cutting equipment and products, Engineering and Construction, Space and aeronautics, Specialty Chemicals and Diving.

2006 was a year of solid growth. The Group took advantage of powerful economic drivers – in Asia and North America – while demonstrating its capacity to pursue growth in Europe through innovation, hydrogen and services in Healthcare.

2006 consolidated sales reached EUR 10,949 million, an increase of +5,7% on a comparable basis over 2005. Europe contributed for 57% of 2006 sales, Americas for 25%, Asia-Pacific for 17% and Africa and Middle East for 2%. Operating income recurring was EUR 1,659.2 million, an increase of 9,3%. At 31, December 2006, net indebtedness was 3,446 million euros, representing a decrease of more than 293 million of euros from 31 December, 2005.

First quarter 2007 consolidated reached EUR 2,791 million, an increase of +0,6% over first quarter 2006.

The innovative product offer, combined with the efficiency of L'Air Liquide's technology, has enabled over the last two years, to achieve numerous commercial successes in Large Industries, to increase performance in Healthcare and Electronics and to anticipate the new needs of Industrial Merchant. L'Air Liquide has thus continued developing industrial and medical gases markets worldwide.

During 2006, the Group fully benefited from the robust economies in the Americas. Gas and services sales continued their strong growth. Furthermore, Industrial Merchant saw sustained growth, especially in the Americas and Asia, with a continuing recovery in Europe. Healthcare saw a strong performance, due to expanding homecare & hygiene and markets, and a good level of activity in Electronics, led by carrier gases.

In Europe, Gas and Services revenue was 5,171 million euros, an increase of +5,6%, with strong progress in all activities.

Industrial Merchant growth was +2,3%, driven mainly by Southern and Eastern Europe. Large Industries continues to progress at the same pace as in 2005, at +8,2%. The Group customers' markets have been buoyant. Hydrogen volumes have progressed strongly with the continued ramp-up of units, notably in Belgium (Antwerp) and in Spain. Healthcare revenue progressed by +6.9%, lifted by homecare and hygiene.

In America, Gas and Services revenue was 2,568 million euros, a rise of +4.8%, mainly driven by Industrial Merchant. It benefited from the development of manufacturing and mining industries, a favorable pricing environment in North America and sustained growth in South America. Total revenue in Electronics dropped slightly by -1.5%, due to weaker equipment and installation sales. However, excluding equipment and installation revenue, activity remains strong, driven by carrier gases contracts.

L'Air Liquide's Gas and Services activities in Asia-Pacific performed well. With revenues of 1,715 million euros, they have increased by **+9.1%**, and have accelerated when compared to 2005. This improved performance was due to a strong presence in the developed economies such as Japan, which is growing at a rate +6.7%, combined with sustained growth of +15.8% in emerging countries, due notably to China, South Korea, and South East Asia. All

activities have contributed to growth. Of note is the announcement of the purchase of the minority share in Japan Air Gases.

New gas production technologies, innovative applications, high value-added services are the constant goals for L'Air Liquide's research and engineering teams and for the Group as a whole. L'Air Liquide has over 850 researchers based at eight research centres (located in France, Germany, the US, and Japan). In 2006, innovation costs including research and development expenses amounted to nearly EUR 170 million. L'Air Liquide's global portfolio includes 2,668 patented inventions. The Group applied for 267 patents in 2006.

Statutory auditors of L'Air Liquide are Ernst & Young Audit and Mazars & Guérard.

Statutory auditors of L'Air Liquide are Ernst & Young Audit and Mazars & Guérard firms.

As of December 31, 2006, the authorized capital was 1,332,641,079 euros, divided into 121,149,189 shares with a par value of 11 euros, all of the same class. As of June 13, 2007, the authorized capital was 1,328,815,653 euros, divided into 241,602,846 shares with a par value of 5,50 euros, all of the same class. The par value of Air Liquide stock has been divided by two in order to renew and enlarge the individual shareholding. By bringing the share value to a level comparable with other CAC 40 values, this split aims at improving share accessibility and thereby increasing the number of individual shareholders. The split should also have a favourable effect on stock market liquidity.

As of December 31, 2006, the share ownership of Air Liquide was the following:

- individual shareholders for 38.4%
- institutional investors for 60,9%
- treasury shares for 0.7%.

Key information about Air Liquide Finance

Air Liquide Finance was incorporated on 23rd December, 1999, under the laws of France in the form of a *société anonyme* for a term of 99 years. It is a wholly owned subsidiary of L'Air Liquide.

The registered office of Air Liquide Finance is 6, rue Cognacq-Jay, 75007 Paris. It is registered with the *Registre du Commerce et des Sociétés* of Paris under number 428 711 949. Its issued share capital amounts to EUR 33,600,000 represented by 2,800,000 ordinary shares of EUR 12 nominal value each.

Air Liquide Finance has been created to carry on certain financial activities in connection with the funding of the Air Liquide Group. Air Liquide Finance's role is to raise funds in the capital markets or in the bank market and to lend the proceeds to Air Liquide Group subsidiaries. Air Liquide Finance can issue notes under a French Commercial Paper Programme of EUR 3 billion guaranteed by L'Air Liquide and has also a wholly owned subsidiary, Air Liquide US LLC, a Delaware limited company which is the issuer under a US Commercial Paper programme of USD 1.5 billion guaranteed by L'Air Liquide.

Since 2001, Air Liquide Finance assumes the function of financing, treasury and management of interest rate risk for the Group.

The statutory auditors of Air Liquide Finance are Ernst & Young Audit.

RISK FACTORS

Risk factors relating to the Issuers

Investment considerations in connection with L'Air Liquide

Mitigating risk is a priority for the Group. As for financial risk management, L'Air Liquide has set up a Finance Committee that includes the Chairman and Chief Executive Officer, the Senior Executive Vice-Presidents, the Finance Director, and representatives from the Finance Department. The Committee's role is to define and implement financial policy and financial risk management principles. L'Air Liquide has a defined financial policy that is the subject of regular reviews. This policy, which is widely distributed to the Group entities, states the principles and procedures for the management of financial risk to which the activity is exposed.

For exchange and interest rate risks, L'Air Liquide has defined methods, managed on a centralized basis for the hedging of interest rates related to debt that is carried in major currencies (principally, Euro, USD, JPY). For other foreign currency debts, rules have been defined in order to ensure that the decentralized transactions being initiated to cover exchange risks are coherent with the Group objectives.

L’Air Liquide’s interest rate risk management on its main currencies - euro, US dollar and yen - is centralized. These currencies represent approximately 92% of total gross debt. For other currencies, the Finance Department advises the subsidiaries on hedging their foreign currency exposure in accordance with the local financial market regulations.

L’Air Liquide has defined rules aimed at ensuring an appropriate level of commitment and diversification (cash and maturities) for all sources of financing at Group level.

Internal control procedures form part of the Group policies defined by the Company and are included in the “Principles of Action” issued in 2006. In conducting their activities, the various Group entities rely on the charters, guidelines or reference frameworks issued by the major functional departments of L’Air Liquide, notably:

- various contractual guides, with Large Industries Guide, Electronics Guide, and in 2007 the Borrower’s Guide to Loan Agreements,
- powers, Limitations and Delegation Guide for use by Group entities,
- insurance Guide for all Group entities,
- instructions on compliance with competition laws (primarily in Europe and in the United States)

The Group has a worldwide presence. Its subsidiaries operating industrial and medical gases production units are obliged to comply with rules and regulations in force locally, particularly in the technical field. Furthermore, in Healthcare, certain products may be subject to drug regulatory control. As at the date of this Debt Issuance Programme Prospectus, the Group has no knowledge of any exceptional facts or litigation, that could significantly affect its property, financial situation, activities or results, over the past twelve months.

The Group has adequate insurance coverage, underwritten by first-grade insurers, for civil liability, property damage and business interruption. Since January 1, 2003, it has had in place a captive insurance company that retains part of the property damage and business interruption risk.

Investment considerations in connection with Air Liquide Finance

To separate industrial activities from financing activities, L’Air Liquide set up Air Liquide Finance, a fully-owned French subsidiary. This subsidiary centralizes the Group’s funding activities in countries whose risk has been validated by the Group and ensures the Group’s interest rate risk management. Investment considerations in connection with Air Liquide Finance with respect to its financial risks and liquidity risks are detailed above.

Risk factors relating to the Notes

In addition, there are certain factors that are specific to the Notes to be issued by the Issuers under the Programme.

An investment in the Notes involves certain risks which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. While all of these risk factors are contingencies which may or may not occur, potential investors should be aware that the risks involved with investing in the Notes may lead to a volatility and/or decrease in the market value of the relevant Tranche of Notes whereby the market value falls short of the expectations (financial or otherwise) of an investor upon making an investment in such Notes.

However, each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and conditions, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

The risk factors relating to the Issuers and to the Notes issued by the Issuers are more detailed in the section “Risk factors” of this Debt Issuance Programme Prospectus.

RISK FACTORS

RISK FACTORS RELATING TO THE ISSUERS

Investment considerations in connection with L’Air Liquide

1. Financial risks

Mitigating risk is a priority for the Group. The Group’s financial policy and financial risk management principles are defined and their implementation monitored by the Finance Committee. This Committee comprises the Chairman and Chief Executive Officer, the Senior Executive Vice-Presidents, the Finance Director and representatives from the Finance Department. The Group’s financial policy is primarily based on the following principles:

- diversification of funding sources and a spreading of debt maturities in order to minimize refinancing risk,
- backing up of issued commercial paper with confirmed lines of credit,
- hedging interest rate risk to ensure that funding costs are in line with long-term investment decisions,
- fund investments in the currency of the operating cash flows generated, in order to create a natural foreign exchange hedge,
- centralization of funding, via Air Liquide Finance, except in regions where the Group has decided to limit its risk or if such centralization is not suitable due to market conditions.

The Finance Department manages the main financial risks centrally, based on the decisions of the Finance Committee, to which it reports. The Finance Department also performs the analysis of country and customer risks and provides input on these risks at Investment and Operation Committee meetings.

L’Air Liquide has defined a financial policy that is subject to regular review. This policy, which is widely distributed to the Group entities, states the principles and procedures for the management of financial risk to which the activity is exposed, notably in relation to:

- liquidity risks: L’Air Liquide has defined rules aimed at ensuring an appropriate level of commitment and diversification (cash and maturities) for all sources of financing at Group level,
- counterparty risk: L’Air Liquide has defined rules aimed at ensuring that there is sufficient diversification and financial solidity of counterparties at Group level (commitment limits/minimum rating),
- exchange and interest rate risks: L’Air Liquide has defined methods, managed on a centralized basis for the hedging of interest rates related to debt that is carried in major currencies (principally, Euro, USD, JPY) with:
 - a selection of authorized tools,
 - the steps involved in the hedging decision process,
 - the methods for the execution of transactions.

1.1 Foreign exchange risk and interest rate risk

L’Air Liquide has defined methods, managed on a centralized basis for the hedging of interest rates related to debt that is carried in major currencies (principally, Euro, USD, JPY) with:

- a selection of authorized tools,
- the steps involved in the hedging decision process,
- the methods for the execution of transactions.

For other foreign currency debts, rules have been defined in order to ensure that the decentralized transactions initiated to cover exchange risks are consistent with Group objectives. L’Air Liquide has also defined methods for exchange risk hedging in terms of the choice of tools, the decision process and the execution of transactions. These measures are completed by treasury management rules that are aimed at ensuring secure transactions, adapted to local circumstances and compliant with the regulations in force. The application of this financial policy is controlled by the Finance and Accounting Department. To this end, certain transactions are executed on a centralized basis (management of debt and interest rates), which is completed by consolidated reports provided by various Group entities on a monthly or quarterly basis, depending on their debt level.

The Finance and Accounting Department answers to the Finance Committee regarding the effective execution of the policy and submits future transactions to the Committee for approval. The Finance Committee regularly reviews the rules governing the financial policy applicable within the Group.

1.1.1 Foreign exchange risk

Since industrial and medical gases are rarely exported, most products are manufactured in the country where they are sold. Thus, the risk of currency fluctuations affecting the Group's activities is limited. Furthermore, the Group provides a natural hedge and reduces its exposure to exchange rate fluctuations by raising debt in the currency of the cash flows generated to repay debt. In countries outside the euro, US dollar and yen zones, financing is raised in local currency or when contracts are indexed in euros or US dollars, in foreign currency (EUR or USD).

The residual foreign exchange risk to which the Group is exposed concerns mainly the translation of local currency financial statements into euros (foreign exchange translation risk) and foreign currency financial and commercial flows (foreign exchange transaction risk).

Financial instruments are only used to hedge transaction-based foreign exchange risk. This risk concerns certain patent royalty, technical support and dividend flows as well as foreign currency commercial flows of operating units, representing approximately 4% of consolidated revenues on a yearly basis.

Foreign exchange risk on patent royalty, technical support and dividend flows is hedged annually by the Central Treasury Department using currency forwards with a maximum term of 18 months.

Foreign currency commercial flows of operating units are hedged by the subsidiaries as part of the annual budget process.

Approximately 20 subsidiaries are exposed to foreign exchange risk. These subsidiaries mainly contract currency forwards. The majority of these contracts have short maturities (3 to 6 months). On an exceptional basis, and when the hedge concerns a specific project, the contract can have a term of up to ten years. When preparing their budget at the year end, the subsidiaries report their foreign exchange risk exposure for the following year to the Central Treasury Department. This Department monitors the adequacy of the hedges contracted compared with identified risks and receives a comprehensive list of all hedges in force each quarter.

1.1.2 Interest rate risk

L'Air Liquide's interest rate risk management on its main currencies - euro, U.S. dollar, and Canadian dollar is centralized. These currencies represent approximately 92% of total gross debt. For other currencies, the Finance Department advises the subsidiaries on hedging their foreign currency exposure in accordance with local financial market regulations.

The Finance Committee determines the fixed rate/floating rate ratio for each currency and approves the hedging instruments used. Group policy is to maintain at least 50% of total debt at fixed-rates and to protect the residual balance (floating-rate debt) using optional hedges. This approach enables the Group to limit the impact of interest rate fluctuations on financial expenses, while benefiting, for a portion of the debt, from short-term interest rates which are generally lower than long-term interest rates.

At the end of 2006, 68% of total debt was at fixed rates and 21% of the residual balance was subject to interest rate caps. The fixed-rate/floating-rate breakdown of the debt is reviewed regularly by the Finance Committee, taking into account changes in interest rates and the level of Group debt.

Group net indebtedness exposed to interest rate fluctuations amounted to 1,136 million euros as of December 31, 2006 (32% of gross debt adjusted for short-term securities), compared with 1,720 million euros at year-end 2005 (43% of debt). The decrease in the portion of debt exposed to interest-rate fluctuations in relation to total debt is due to the 150 million euros in additional fixed rate hedges set up in 2006, and the automatic impact of the reduction in net debt in 2006.

An increase or decrease in interest rates of 100 basis points (+ or -1%) on all yield curves would have an impact of approximately + or - 11.4 million euros on the Group's annual financial charges before tax, assuming outstanding debt remains constant. However, the Group contracted optional interest rate hedges (caps), triggered when interest rates increase significantly (above 4.1% for EUR). When those hedges are triggered, assuming constant outstanding debt, consolidated net indebtedness exposed to interest rate fluctuations would drop to 386 million euros.

Sensitivity of financial charges would then be reduced to 3,8 million euros. All hedging instruments used to manage interest rate or foreign exchange risk relate to identified risks.

The Group's objective is to reduce the impact of interest rate fluctuations on its interest expenses and, by a prudent policy, to finance long-term assets with shareholders' equity and fixed-rate long-term debt. Since

most of L’Air Liquide’s activities are based on long-term contracts (10 to 15 years), a policy promoting interest rate hedging (fixed rates and options) ensures financing cost when deciding long-term investments.

1.2 Liquidity risk

L’Air Liquide has defined rules aimed at ensuring an appropriate level of commitment and diversification (cash and maturities) for all sources of financing at Group level.

L’Air Liquide diversifies its funding sources by accessing various debt markets: bonds, banks and commercial paper markets. L’Air Liquide relies on short-term commercial paper in France through two French Commercial Paper programs up to a maximum of 3 billion euros, and in the United States through a US Commercial Paper program (USCP) up to a maximum of 1.5 billion US dollars. To cover liquidity risk relating to the refinancing of commercial paper maturities and in accordance with the Group’s internal policy, outstanding commercial papers are backed up with confirmed lines of credit.

As of December 31, 2006, amounts available on confirmed credit lines totalled 2,434 million euros (2,014 million euros at the end of 2005). These back-up lines are confirmed by banks and do not contain any default clauses linked to financial ratios or ratings or a Material Adverse Change (MAC) clause. French and U.S. commercial paper outstanding as of December 31, 2006 totalled 774,1 million euros (775 million euros at the end of 2005). Group policy requires that commercial paper programs must be backed by confirmed long-term credit lines. This requirement was met throughout 2006 and until March 31, 2007, when confirmed credit lines exceeded commercial paper outstanding at all times.

In addition, L’Air Liquide and Air Liquide Finance can issue long-term bonds through their Euro Medium Term Note (EMTN) program up to a maximum of 4 billion euros. Outstanding notes under the EMTN program amounted to 1.8 billion euros (nominal amount) at the end of 2006, of which 1 billion euros were issued in 2004 to finance the acquisition of the Messer activities. Outstanding notes under the EMTN program amounted to 1.6 billion euros (nominal amount) at the end of May 2007.

The Group also raises bank debt (loans and lines of credit) and private placements. The average maturity of debt is 4,7 years. Investments are funded in the currency of the cash flows generated, thus creating a natural foreign exchange hedge. At the Group level, L’Air Liquide’s debt is mainly in euros and US dollars, which reflects the weight of the euro and the US dollar in the Group’s cash flow. The breakdown of total debt by currency is unchanged compared to 2005.

2. Legal risks

Internal control procedures form part of the Group policies defined by the Company and are included in the “Principles of Action” issued in 2006. In conducting their activities, the various Group entities rely on the charters, guidelines or reference frameworks issued by the major support departments of L’Air Liquide, notably for the legal area:

- various contractual guides, with Large Industries Guide, Electronics Guide, and in 2007 the Borrower’s Guide to Loan Agreements,
- powers, Limitations and Delegation Guide for use by Group entities,
- insurance Guide for all Group entities,
- instructions on compliance with competition laws (primarily in Europe and in the United States),

The Group has a worldwide presence. Its companies operating industrial and medical gases production units are obliged to comply with rules and regulations in force locally, particularly in the technical field. Furthermore, in Healthcare, certain products may be subject to drug regulatory control.

At this time, the Group has no knowledge of any exceptional facts or litigation, including in the very recent past, that could significantly affect its assets, financial situation, activities or results.

3. Risk insurance coverage

The Group has adequate insurance coverage, underwritten by first-rate insurers, for third party liability, property damage and business interruption.

Property damage and business interruption

Group property and business interruption are covered by property and casualty insurance policies underwritten in each country in which the Group operates. Almost all of these policies are integrated into an international program.

These policies, which are generally of the "All Risks" form, cover fire, lightning, water damage, explosions, vandalism, impact, machinery breakdown, theft and, depending on the country and in limited amounts, natural disasters.

Business interruption is insured for most production sites under these same policies. The coverage period for business interruption is 12 to 18 months. Property damage deductibles are 15,000 euros per loss for small sites and 400,000 euros per loss for large production units, except in the United States, where the deductible is 1,500,000 dollars per loss. Business interruption is covered with a deductible period of 15 days for most operations, except in the United States, where the deductible is 60 days. Since January 1, 2003, the Group has retained a portion of property damage and business interruption risk through a captive reinsurance company in Luxembourg. This captive reinsurance company covers losses of up to 5 million euros per loss over and above the deductibles to a maximum of 10 million euros per year. Beyond these amounts, risks are transferred to insurers. The captive reinsurance company is run by a captive manager approved by the Luxembourg Insurance Commission. This reinsurance company is fully consolidated. Its balance sheet as of December 31, 2006 totalled 20,7 million euros, mainly represented by cash in assets and technical provisions in liabilities. Insurers conduct regular visits at the main industrial sites for risk prevention purposes.

Third party liability

In terms of civil liability, the Group maintains two separate coverages, one for the North American zone and another for the rest of the world. The North American zone is covered by insurance underwritten in the United States. For the other zones, the Group has taken out an umbrella policy, underwritten in France, which covers both L'Air Liquide and its subsidiaries outside of the United States and Canada, beyond any local coverage. These two policies cover liability of the Group companies for any damage they might cause to a third party in the course of doing business (operational risk) or arising from their products (product risk). Furthermore, with certain limitations, these policies cover pollution risk and the costs of recalling products. The amount of coverage is above 500 million euros. Both of these policies include several overlapping lines of insurance. Each line has been underwritten for a given amount with several insurers sharing the risk. Beyond the first line, the upper lines pick up the excess risk from the lower lines. The policy underwritten by L'Air Liquide in France serves as an umbrella for subsidiaries outside of North America. Under this umbrella, each foreign subsidiary has its own policy covering damages to third parties incurred through its activities or products. The amount insured for each subsidiary in its policy depends on the amount of its revenues. Beyond the amount insured locally, subsidiaries are insured under the French umbrella policy. For the rest of the world, the deductible is 2,000,000 dollars per loss for insurance underwritten in the United States for North America. The deductible of the umbrella policy underwritten in France is 15,250 euros per loss, but with higher amounts for pure financial damage, pollution, recall costs and Electronics customers. The main exclusions are deliberate acts, war, nuclear incidents and repair of defective products.

Investment considerations in connection with Air Liquide Finance

To benefit from economies of scale and facilitate capital markets funding (bonds and commercial paper), the Group uses a special-purpose subsidiary, Air Liquide Finance. This subsidiary centralizes the Group's funding activities, essentially in Euro zone countries and North America.

As of December 31, 2005, Air Liquide Finance granted, directly or indirectly, 2,746 million euros in loans and received 2,039 million euros in cash surpluses at deposit. These transactions were denominated in 9 currencies and extended to approximately 160 subsidiaries. Due to the offsetting positions by currency adopted by Air Liquide Finance, these intra-group funding operations do not generate any foreign exchange risk for the Group.

In addition, in geographical locations where the Group has decided to limit its risk, and with market conditions permitting, the subsidiaries fund themselves independently.

For those reasons, investment considerations in connection with Air Liquide Finance relate to Financial risks and Liquidity risks detailed above in points 1.1 and 1.2.

RISK FACTORS RELATING TO THE NOTES

The following paragraphs describe some risk factors that are material to the Notes to be offered and/or listed and admitted to trading in order to assess the market risk associated with these Notes. They do not describe all the risks of an investment in the Notes. Prospective investors should consult their own financial and legal advisers about risks associated with investment in a particular Series of Notes and the suitability of investing in the Notes in light of their particular circumstances. These risk factors may be completed in the Final Terms of the relevant Notes for a particular issue of Notes.

1. General Risks Relating to the Notes

1.1 Independent Review and Advice

Each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

A prospective investor may not rely on the Issuers or the Dealer(s) or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

1.2 Modification, waivers and substitution

The conditions of the Notes contain provisions for calling General Meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant General Meeting and Noteholders who voted in a manner contrary to the majority.

1.3 No active Secondary/Trading Market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there may be no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single Series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the relevant Issuer. Although in relation to Notes to be listed and admitted to trading on the Luxembourg Stock Exchange and/or any other Regulated Market in the European Economic Area, the Final Terms of the Notes will be filed with the *Commission de surveillance du secteur financier* in Luxembourg and/or with the competent authority of the Regulated Market of the European Economic Area where the Notes will be listed and admitted to trading, there is no assurance that such filings will be accepted, that any particular Tranche of Notes will be so listed and admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

1.4 Provision of Information

None of the Issuers, the Dealer(s) or any of their respective affiliates makes any representation as to an index. Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to an index that is or may be material in the context of index-linked Notes. The issue of index-linked Notes will not create any obligation on the part of any such persons to disclose to the Noteholders or any other party such information (whether or not confidential).

1.5 Potential Conflicts of Interest

Each of the Issuers, the Dealer(s) or their respective affiliates may deal with and engage generally in any kind of commercial or investment banking or other business with any issuer of the securities taken up in an index, their respective affiliates or any guarantor or any other person or entities having obligations relating to any issuer of the securities taken up in an index or their respective affiliates or any guarantor in the same manner as if any index-linked Notes issued under the Programme did not exist, regardless of whether any such action might have an adverse effect on an issuer of the securities taken up in the index, any of their respective affiliates or any guarantor.

Each of the Issuers may from time to time be engaged in transactions involving an index or related derivatives which may affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

Potential conflicts of interest may arise between the calculation agent, if any, for a Tranche of Notes and the Noteholders, including with respect to certain discretionary determinations and judgements that such calculation agent may make pursuant to the Terms and Conditions that may influence the amount receivable upon redemption of the Notes.

1.6 Exchange Rates

Prospective investors of the Notes should be aware that an investment in the Notes may involve exchange rate risks. The reference assets or the Notes may be denominated in a currency other than the currency of the purchaser's home jurisdiction; and/or the reference assets or the Notes may be denominated in a currency other than the currency in which a purchaser wishes to receive funds. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Notes or the reference assets.

1.7 Legality of Purchase

Neither the Issuers, the Dealer(s) nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

1.8 Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

1.9 Taxation

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial Notes such as the Notes. Potential investors are advised not to rely upon the tax summary contained in this Debt Issuance Programme Prospectus and/or in the Final Terms but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Debt Issuance Programme Prospectus and the additional tax sections, if any, contained in the relevant Final Terms.

1.10 EU Savings Directive

On 3 June 2003, the European Council of Economic and Finance Ministers adopted a directive 2003/48/EC regarding the taxation of savings income in the form of interest payments (the "**Directive**"). The Directive requires Member States, subject to a number of conditions being met, to provide to the tax authorities of other Member States details of payments of interest and other similar income made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident in that other Member State, except that, for a transitional period, Belgium, Luxembourg and Austria will instead withhold an amount on interest payments unless the relevant beneficial owner of such payment elects otherwise (*see "Taxation-EU Taxation"*).

If, following implementation of the Directive, a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to

any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on payments made by a Paying Agent following implementation of the Directive, the relevant Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

1.11 Market Value of the Notes

The market value of the Notes will be affected by the creditworthiness of the relevant Issuer and a number of additional factors, including the value of the reference assets or an index, including, but not limited to, the volatility of the reference assets or an index, or the dividend on the securities taken up in the index, market interest and yield rates and the time remaining to the maturity date.

The value of the Notes, the reference assets or the index depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes, the reference assets, the securities taken up in the index, or the index are traded. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser. The historical market prices of the reference assets or an index should not be taken as an indication of the reference assets' or an index's future performance during the term of any Note.

1.11 Change of Law

The Terms and Conditions of the Notes are based on French law in effect as at the date of this Debt Issuance Programme Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in French law or the official application or interpretation of French law after the date of this Debt Issuance Programme Prospectus.

2. Risks related to the structure of a particular issue of Notes

The Programme allows for different types of Notes to be issued. Accordingly, each Tranche of Notes may carry varying risks for potential investors depending on the specific features of such Notes such as, *inter alia*, the provisions for computation of periodic interest payments, if any, redemption and issue price.

2.1 Notes subject to optional redemption by the Issuer

Unless in the case of any particular Tranche of Notes the relevant Final Terms specify otherwise, in the event that the relevant Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the country of domicile (or residence for tax purposes) by the relevant Issuer, or on behalf of France, or any political subdivision thereof or any authority therein or thereof having power to tax, the relevant Issuer may redeem all outstanding Notes in accordance with the Terms and Conditions.

In addition, if in the case of any particular Tranche of Notes the relevant Final Terms specify that the Notes are redeemable at the Issuer's option in certain other circumstances the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. During a period when the Issuer may elect, or has elected, to redeem Notes, such Notes may feature a market value not substantially above the price at which they can be redeemed. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

2.2 Fixed Rate Notes

Investment in Notes which bear interest at a fixed rate involves the risk that subsequent changes in market interest rates may adversely affect the value of the relevant Tranche of Notes.

2.3 Floating Rate Notes

Investment in Notes which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the relevant Final Terms) of the reference rate (e.g., every three months or six months) which itself will change in accordance with general market conditions. Accordingly, the market value of floating rate Notes may be volatile if changes, particularly short term changes, to market interest

rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate.

2.4 Inverse Floating Rate Notes

Investment in Notes which bear interest at an inverse floating rate comprise (i) a fixed base rate minus (ii) a reference rate. The market value of such Notes typically is more volatile than the market value of floating rate Notes based on the same reference rate (and with otherwise comparable terms). Inverse floating rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

2.5 Fixed to Floating Rate Notes

Fixed to floating rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The relevant Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the fixed to floating Rate Notes may be less favourable than then prevailing spreads on comparable floating rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

2.6 Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

2.7 Index-Linked Notes

Index-linked Notes are debt securities which do not provide for predetermined redemption amounts and/or interest payments but amounts due in respect of principal and/or interest will be dependent upon the performance of an index, which itself may contain substantial credit, interest rate or other risks. The amount of principal and/or interest, if any, payable by the Issuer might be substantially less than the issue price or, as the case may be, the purchase price invested by the Noteholder and may even be zero in which case the Noteholder may lose his entire investment.

Index-linked Notes are not in any way sponsored, endorsed, sold or promoted by the index sponsor or the respective licensor of the index and such index sponsor or licensor makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the index and/or the figure at which the index stands at any particular time. Each index is determined, composed and calculated by its respective index sponsor or licensor, without regard to the relevant Issuer or the Notes. None of the index sponsors or licensors is responsible for or has participated in the determination of the timing of, prices at, or quantities of the Notes to be issued or in determination or calculation of the equation by which the Notes settle into cash. None of the index sponsors or licensors has any obligation or liability in connection with the administration, marketing or trading of the Notes. The index sponsor or licensor of an index has no responsibility for any calculation agency adjustment made for the index.

2.8 Partly-Paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

2.9 Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features, their market values may be even more volatile than those for securities that do not include those features.

2.10 Structured Notes:

An investment in Notes, the premium and/or the interest on or principal of which is determined by reference to one or more values of currencies, commodities, interest rates or other indices or formulae, either directly or inversely, may entail significant risks not associated with similar investments in a conventional debt security, including the risks that the resulting interest rate will be less than that payable on a conventional debt security at the same time and/or that an investor may lose the value of its entire investment or part of it, as the case may be. Neither the current nor the historical value of the relevant currencies, commodities, interest rates or other indices or formulae should be taken as an indication of future performance of such currencies, commodities, interest rates or other indices or formulae during the term of any Note.

2.11 Subordinated Notes:

In the event of any insolvency or liquidation of the relevant Issuer, holders of Subordinated Notes would receive payments on any outstanding Subordinated Notes only after senior Noteholders and other senior creditors have been repaid in full, if and to the extent that there is still cash available for those payments. Thus, holders of Subordinated Notes generally face a higher performance risk than holders of senior Notes.

GENERAL DESCRIPTION ON THE PROGRAMME

The following overview is qualified in its entirety by the remainder of this Debt Issuance Programme Prospectus.

Issuers: L'Air Liquide, *société anonyme pour l'Etude et l'Exploitation des Procédés Georges Claude*
Air Liquide Finance

Guarantor: L'Air Liquide in respect of Notes issued by Air Liquide Finance.

Description: Euro Medium Term Note Programme for the continuous offer of Notes (the “**Programme**”).

Arranger: BNP PARIBAS

Dealers: ABN AMRO Bank N.V.
BNP PARIBAS
CALYON
Citigroup Global Markets Limited
Deutsche Bank AG, London Branch
HSBC France
J.P. Morgan Securities Ltd.
NATIXIS
Société Générale

The Issuers may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Debt Issuance Programme Prospectus to “**Permanent Dealers**” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “**Dealers**” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.

At the date of this Debt Issuance Programme Prospectus, only credit institutions and investment firms incorporated in a member state of the European Union (“EU”) and which are authorised by the relevant authority of such member state to lead-manage bond issues in such member state may, in the case of Notes to be listed on a Regulated Market, act (a) as Dealers with respect to non-syndicated issues of Notes denominated in euro and (b) as lead manager of issues of Notes denominated in euro issued on a syndicated basis.

Programme Limit: Up to € 4,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.

The maximum aggregate principal amount of Notes which may be outstanding under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Amended and Restated Dealer Agreement.

Fiscal Agent and Principal Paying Agent: BNP Paribas Securities Services

Paying Agents: BNP Paribas Securities Services (as Paris Paying Agent) and BNP Paribas Securities Services, Luxembourg Branch (as Luxembourg Paying Agent)

Method of Issue: The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “**Series**”) having one or more issue dates and on terms otherwise identical (or identical other

than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “**Tranche**”) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in a final terms to this Debt Issuance Programme Prospectus (the “**Final Terms**”).

Maturities: Subject to compliance with all relevant laws, regulations and directives, any maturity from seven days from the date of original issue.

Currencies: Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Euro, US Dollars, Japanese yen, Swiss francs, Sterling and in any other currency agreed between the relevant Issuer, the Guarantor and the relevant Dealers.

Denomination(s): The Notes will be issued in such denomination(s) as may be agreed between the relevant Issuer and the relevant Dealer save that the minimum denomination of each Note listed and admitted to trading on a Regulated Market in a Member State of the European Economic Area in circumstances which require the publication of a Debt Issuance Programme Prospectus under the Prospectus Directive (given that any exemption regime, as set out in the Prospectus Directive, could apply in contemplation of the relevant issue) will be at least €1,000 with respect to Notes issued by L’Air Liquide (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the issue date) and €50,000 with respect to Notes issued by Air Liquide Finance (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the issue date) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

Notes having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent.

Dematerialised Notes will be issued in one denomination only.

Status of the Unsubordinated Notes: Unsubordinated Notes (“**Unsubordinated Notes**”) will constitute unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the relevant Issuer and rank and will rank *pari passu* without preference or priority among themselves and (save for certain obligations required to be preferred by law) equally and rateably with all other present or future unsecured and unsubordinated indebtedness and monetary obligations of the relevant Issuer.

Status of the Subordinated Notes: The Issuer may issue Subordinated Notes (“**Subordinated Notes**”) which constitute Ordinary Subordinated Notes, Deeply Subordinated Notes, Dated Subordinated Notes or Undated Subordinated Notes, all as set out and defined in Condition 4(A)(b). See “Terms and Conditions of the Notes – Condition 4 - Status”.

If so specified in the relevant Final Terms, the payment of interest in

respect of Subordinated Notes will be deferred in accordance with the provisions of Condition 6(h). See “Terms and Conditions of the Notes –Interest and Other Calculations”.

Guarantee:	The Guarantor will unconditionally and irrevocably guarantee the due payment of all sums expressed to be due and payable by Air Liquide Finance under the Notes and in accordance with their terms and conditions. The obligations of the Guarantor in this respect arise pursuant to a Guarantee (the “ Guarantee ”) executed by the Guarantor and dated 21 July 2006.
Status of the Guarantee:	The Guarantee constitutes unconditional, unsubordinated and (subject to the provisions of Condition 5) unsecured obligations of the Guarantor and ranks and will rank (save for certain obligations required to be preferred by law) equally and rateably with all other present or future unsecured and unsubordinated indebtedness and monetary obligations of the Guarantor.
Negative Pledge:	There will be a negative pledge in respect of Unsubordinated Notes as set out in Condition 5. See “Terms and Conditions of the Notes - Negative Pledge”.
Events of Default: (including cross default)	There will be events of default and a cross-default in respect of the Notes as set out in Condition 10. See “Terms and Conditions of the Notes - Events of Default”.
Redemption:	The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in sterling) having a maturity of less than one year from the date of issue and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the Financial Services and Markets Act 2000 must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
Optional Redemption:	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the relevant Issuer (either in whole or in part) and/or the Noteholders and, if so, the terms applicable to such redemption.
Redemption by Instalments:	The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Early Redemption:	Except as provided in “Optional Redemption” above, Notes will be redeemable at the option of the relevant Issuer prior to maturity only for tax reasons as set out in Condition 7. See “Terms and Conditions of the Notes - Redemption, Purchase and Options”.
Taxation in respect of the Notes issued by the Issuers:	Payments of interest and other revenues with respect to the Notes constituting <i>obligations</i> under French law issued by L’Air Liquide or Air Liquide Finance will be made without withholding or deduction for, or on account of, the withholding tax set out under Article 125 A III of the French <i>Code Général des Impôts</i> , as provided for in Article 131 <i>quater</i> of the French <i>Code Général des Impôts</i> , to the extent that the Notes are issued (or deemed to be issued) outside the Republic of France.

Notes constituting *obligations* under French law will be issued (or deemed to be issued) outside France by L’Air Liquide or Air Liquide Finance (i) in the case of syndicated or non-syndicated issues of Notes, if such Notes are denominated in euro, (ii) in the

case of Notes denominated in currencies other than euro, if, *inter alia*, the relevant Issuer and the relevant Dealers agree not to offer the Notes to the public in the Republic of France and such Notes are offered in the Republic of France through an international syndicate only to qualified investors (*investisseurs qualifiés*) as described in Article L. 411-2 of the French *Code monétaire et financier* or (iii) in the case of issues of Notes denominated in currencies other than euro that are not offered and sold through an international syndicate, if each of the subscribers of the Notes is domiciled or resident for tax purposes outside the Republic of France and does not act through a permanent establishment or fixed base therein, in each case as more fully set out in the Circular 5 I-11-98 of the *Direction Générale des Impôts* dated 30 September 1998.

However, if so provided in the relevant Final Terms, Notes constituting *obligations* under French law denominated in currencies other than euro may be offered without an international syndicate and may be placed with subscribers not all of whom are resident outside the Republic of France. In such cases, the Notes will not benefit from the exemption from deduction at source provided for in Article 131 *quater* of the French *Code Général des Impôts* and interest payments under such Notes made to a non-French resident will be exempt from withholding or deduction at source only if the beneficiary of the payment provides certification that he is not resident in the Republic of France, all in accordance with the provisions of Article 125 A III of the French *Code Général des Impôts*, as more fully described in “Terms and Conditions of the Notes - Taxation”.

The tax regime applicable to Notes which do not constitute *obligations* under French law will be set out in the relevant Final Terms.

Interest Periods and Interest Rates:

The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.

Fixed Rate Notes:

Fixed interest will be payable in arrears on the date or dates in each year specified in the relevant Final Terms.

Floating Rate Notes:

Floating Rate Notes will bear interest determined separately for each Series as follows:

(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2000 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. or

(ii) by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Final Terms), in each case as adjusted for any applicable margin. Interest periods will be specified in the relevant Final Terms.

Zero Coupon Notes:

Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.

Dual Currency Notes:

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as may be specified in the relevant Final Terms.

Index Linked Notes:	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula as may be specified in the relevant Final Terms. Each issue of Index Linked Notes to be listed on Euronext Paris must be made in compliance with the <i>Principes Généraux</i> published from time to time by the AMF (<i>Autorité des marchés financiers</i>).
Other Notes:	Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, Partly-Paid Notes and any other type of Notes that the relevant Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms.
Redenomination:	Notes issued in the currency of any Member State of the EU which will participate in the single currency of the EMU may be redenominated into Euro, all as more fully provided in “Terms and Conditions of the Notes - Form, Denomination, Title and Redenomination” below.
Consolidation:	Notes of one Series may be consolidated with Notes of another Series as more fully provided in “Terms and Conditions of the Notes - Further Issues and Consolidation”.
Form of Notes:	<p>Notes may be issued in either dematerialised form (“Dematerialised Notes”) or in materialised form (“Materialised Notes”). Dematerialised Notes may, at the option of the relevant Issuer be issued in bearer dematerialised form (<i>au porteur</i>) or in registered dematerialised form (<i>au nominatif</i>) and, in such latter case, at the option of the relevant Noteholder, in either <i>au nominatif pur</i> or <i>au nominatif administré</i> form. No physical documents of title will be issued in respect of Dematerialised Notes. See “Notes – Form, Denomination, Title and Redenomination”.</p> <p>Dematerialised Notes may, at the option of the relevant Issuer, be issued in bearer dematerialised form (<i>au porteur</i>) only or in registered dematerialised form (<i>au nominatif</i>) only and, in such case in either <i>au nominatif pur</i> or <i>au nominatif administré</i> form or in both bearer and registered dematerialised form (and in such case in either <i>au nominatif pur</i> or <i>au nominatif administré</i>).</p> <p>In the case of Dematerialised Notes issued in both bearer and registered form the Noteholders will have the option to convert from bearer to registered (in such latter case in both <i>nominatif pur</i> and <i>nominatif administré</i> form) and <i>vice versa</i>. No physical documents of title will be issued in respect of Dematerialised Notes.</p> <p>The relevant Final Terms will specify whether Dematerialised Notes are to be issued in bearer form only, in registered (including both <i>nominatif pur</i> and <i>nominatif administré</i>) form only or in both bearer and registered form.</p> <p>Materialised Notes will be in bearer form (“Materialised Bearer Notes”) only. A Temporary Global Certificate will be issued initially in respect of each Tranche of Materialised Bearer Notes. Materialised Notes may only be issued outside France.</p>
Governing Law:	French law.
Clearing Systems:	Euroclear France as central depositary in relation to Dematerialised Notes, and Clearstream, Luxembourg, Euroclear or any other clearing system (provided proper clearing and settlement procedures

have previously been put in place) that may be agreed between the Issuers, the Fiscal Agent and the relevant Dealer in relation to Materialised Notes.

Initial Delivery of Dematerialised Notes:	One Paris business day before the issue date of each Tranche of Dematerialised Notes, the <i>Lettre Comptable</i> relating to such Tranche shall be deposited with Euroclear France as central depository.
Initial Delivery of Materialised Notes:	On or before the issue date for each Tranche of Materialised Bearer Notes, the Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depository for Euroclear and Clearstream, Luxembourg or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the relevant Issuer, the Fiscal Agent and the relevant Dealer.
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly-Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
Admission to Trading and Listing:	The Luxembourg Stock Exchange or as otherwise specified in the relevant Final Terms. A Series of Notes may or may not be listed and admitted to trading.
Offer to the public:	<p>Notes issued by L’Air Liquide may or may not be offered to the public in Luxembourg and/or in any Member State of the European Economic Area, provided that such offer to the public is made in accordance with the European Economic Area selling restrictions. Any offer to the public of Notes issued by L’Air Liquide shall be specified in the relevant Final Terms.</p> <p>Notes issued by Air Liquide Finance shall be neither offered to the public in Luxembourg nor in any Member State of the European Economic Area.</p>
Method of Publication of the Final Terms:	This Debt Issuance Programme Prospectus and the Final Terms related to Notes admitted to trading will be published, if relevant, on the website of the Luxembourg Stock Exchange (www.bourse.lu) and/or on the website of the relevant Issuer, as the case may be, and copies may be obtained from the Fiscal Agent and each of the Paying Agents, or through any other means in accordance with the terms of Article 14 of the Prospectus Directive. The Final Terms will indicate where the Debt Issuance Programme Prospectus may be obtained.
Rating:	<p>Air Liquide Finance’s short-term Unsubordinated Notes issued under the Programme have been rated A-1 by Standard & Poor’s and Air Liquide Finance’s long-term Unsubordinated Notes issued under the Programme have been rated A by Standard & Poor’s.</p> <p>L’Air Liquide’s long-term Unsubordinated Notes have been rated A and its short-term Unsubordinated Notes have been rated A-1 by Standard & Poor’s.</p> <p>Subordinated Notes have been rated A- by Standard & Poor’s.</p> <p>Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the ratings assigned to the Programme.</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or</p>

withdrawal at any time by the assigning rating agency.

Selling Restrictions:

There are restrictions on the sale of Notes and the distribution of offering material in various jurisdictions. See “Subscription and Sale”. In connection with the offering and sale of a particular Tranche, additional selling restrictions may be imposed which will be set out in the relevant Final Terms.

The Notes to be issued by each Issuer qualify under Category 2 for the purposes of Regulation S under the Securities Act.

Materialised Notes will be issued in compliance with US Treas. Reg. §1.163-5(c)(2)(i)(D) (the “**D Rules**”) unless the relevant Final Terms states that such Materialised Notes are issued in compliance with US Treas. Reg. §1.163-5(c)(2)(i)(C) (the “**C Rules**”), or (ii) such Materialised Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstance will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

The TEFRA rules do not apply to any Dematerialised Notes.

DOCUMENTS INCORPORATED BY REFERENCE

This Debt Issuance Programme Prospectus should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with the Debt Issuance Programme Prospectus and that have been filed with the *Commission de surveillance du secteur financier* in Luxembourg and shall be incorporated in, and form part of, this Debt Issuance Programme Prospectus:

- (a) the audited consolidated annual financial statements and related audit reports for the financial year ended 31 December 2005 of each of the Issuers; and
- (b) the audited consolidated annual financial statements and related audit reports for the financial year ended 31 December 2006 of each of the Issuers;

save that any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Debt Issuance Programme Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

The audited consolidated annual financial statements for the financial years ended 2005 and 2006 of L'Air Liquide are included in the annual reports of L'Air Liquide for 2005 and 2006 (respectively, the "**Annual Report 2005**" and the "**Annual Report 2006**"), which are available in French and English language. The English version of the Annual Report 2005 and of the Annual Report 2006 of L'Air Liquide are incorporated by reference in this Debt Issuance Programme Prospectus except for the following sections: "Certification of person responsible for the Reference Document" (from page 202 of the 2006 annual report and page 265 of the 2005 annual report) and "Reference Document cross-reference table" and the visa granted by the *Autorité des marchés financiers* (from pages 203 and 204 of the 2006 annual report and 266 and 267 of the 2005 annual report). Any reference in the Debt Issuance Programme Prospectus to the Annual Report 2005 or Annual Report 2006 shall be deemed to exclude the sections referred to above. The annual financial statements of Air Liquide Finance are available in French language only. The Annual Report 2006 of L'Air Liquide consists of, and is divided into, two separate documents, respectively entitled "Annual and sustainable development report 2006" and "Management Report, Financial statements, Resolutions, Additional information" which together constitute the Annual Report 2006.

Air Liquide Finance does not publish interim financial statements.

All documents incorporated by reference in this Debt Issuance Programme Prospectus may be obtained, free of charge, at the offices of each Paying Agent set out at the end of this Debt Issuance Programme Prospectus during normal business hours so long as any of the Notes are outstanding.

The documents incorporated by reference will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Cross-reference list in respect of the financial information for the years ended 31 December 2005 and 2006 in respect of L'Air Liquide and Air Liquide Finance:

L'Air Liquide		Annual Report 2006	Annual Report 2005
Financial information concerning the issuer's assets and liabilities, financial position and profits and losses	Audited historical financial information for the latest two or three financial years	Pages 75 to 141 of the Financial statements section of the Annual Report 2006	Page 93 to 162
	Income statement	Pages 75 and 98 to 101 of the Financial statements section of the Annual Report 2006	Pages 93 and 114 to 116
	Balance Sheet	Pages 76, 77, and 102 to 132 of the Financial statements section of the Annual Report 2006	Pages 94, 95 and 117 to 136
	Statement of Cash Flows	Pages 78 and 79 of the Financial statements section of the Annual Report 2006	Pages 96 and 97
	The amount of issued capital, the number and classes of the shares of which it is composed with details of their principal characteristics, the part of the issued capital still to be paid up, with an indication of the number, or total nominal value, and the type of the shares not yet fully paid up, broken down where applicable according to the extent to which they have been paid up	Pages 80 and 81 of the Financial statements section of the Annual Report 2006	Pages 98 and 99
	Accounting policies	Pages 82 to 89 of the Financial statements section of the Annual Report 2006	Pages 100 to 107 and 145
	Explanatory notes: segment information, income statement, balance sheet, others	Pages 90 to 137 of the Financial statements section of the Annual Report 2006	Pages 108 to 140
	Organisational structure	Pages 138 to 141 of the Financial statements section of the Annual Report 2006	Pages 141 to 143
	Audit report for the latest financial year	Page 142 of the Financial statements section of the Annual Report 2006	Page 163
	Operation of management and administrative bodies	Pages 8 to 11 of the Annual and sustainable development report 2006	Pages 6 to 9

L'Air Liquide		Audit Report 2006	Audit Report 2005
Signed version of the audit report (in French)		Pages 1 and 2	Pages 1 to 3

Air Liquide Finance		Financial statements 2006	Financial statements 2005
Financial information concerning the issuer's assets and liabilities, financial position and profits and losses	Audited historical financial information for the latest two financial years	Pages 3 to 13	Pages 7 to 15
	Balance sheet	Pages 3 and 4	Pages 7 and 8
	Income statement	Pages 5 and 6	Pages 9 and 10
	Accounting policies	Page 7	Page 11
	Explanatory notes	Pages 8 to 14	Pages 12 to 15
	Equity variations during the year	Page 9	Page 12

Air Liquide Finance	Audit Report 2006	Financial statements 2005
Signed version of the audit report (in French)	Pages 1 to 3	Pages 25 to 30

Any information not listed in the cross-reference list but included in the documents incorporated by reference is given for information purposes only.

SUPPLEMENT TO THE DEBT ISSUANCE PROGRAMME PROSPECTUS

If at any time L'Air Liquide or Air Liquide Finance shall be required to prepare a supplement to the Debt Issuance Programme Prospectus pursuant to the provisions of the *loi relative aux prospectus pour valeurs mobilières* in Luxembourg implementing Article 16 of the Prospectus Directive 2003/71/EC, because of the occurrence or disclosure at any time during the duration of the Programme of a significant new factor, material mistake or inaccuracy relating to the information included in this Debt Issuance Programme Prospectus, L'Air Liquide and/or Air Liquide Finance undertake, *inter alia*, to the Dealers, and to the Luxembourg Stock Exchange to prepare and make available an appropriate supplement to this Debt Issuance Programme Prospectus or a restated Debt Issuance Programme Prospectus, which in respect of any subsequent issue of Notes to be listed and admitted to trading on the Luxembourg Stock Exchange or on a Regulated Market of a Member State of the European Economic Area or to be offered to the public in Luxembourg or in any Member State of the European Economic Area, shall constitute a supplement to the Debt Issuance Programme Prospectus for the purpose of the relevant provisions of the *loi relative aux prospectus pour valeurs mobilières*.

L'Air Liquide and Air Liquide Finance shall submit such supplement or restated Debt Issuance Programme Prospectus to the *Commission de surveillance du secteur financier* in Luxembourg for approval and supply each Dealer and the Luxembourg Stock Exchange with such number of copies of such supplement as may reasonably be requested. All documents prepared in connection with the Programme will be available at the specified office of the Paying Agent in Luxembourg.

**PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN
THE DEBT ISSUANCE PROGRAMME PROSPECTUS**

To the best knowledge of L'Air Liquide and Air Liquide Finance (having taken all reasonable care to ensure that such is the case), the information contained in this Debt Issuance Programme Prospectus is in accordance with the facts and contains no omission likely to affect its import and the Issuers accept responsibility accordingly.

L'Air Liquide
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75007 Paris
France

Duly represented by:

Klaus Schmieder
Senior Executive Vice-President

Air Liquide Finance
6, rue Cognacq-Jay
75007 Paris
France

Duly represented by:

John Glen
President and Chief Executive Officer

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion and as supplemented or varied in accordance with the provisions of the relevant Final Terms, shall be applicable to the Notes. Provisions in square brackets shall apply to Notes issued by Air Liquide Finance, which will have the benefit of a guarantee by the Guarantor. Such provisions will not apply to Notes issued by the Guarantor. In the case of Dematerialised Notes, the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed, amended or varied by the relevant Final Terms. In the case of Materialised Notes, either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on Definitive Materialised Bearer Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are issued by Air Liquide Finance (“**Air Liquide Finance**”, or an “**Issuer**”) and L’Air Liquide S.A. (“**L’Air Liquide**”, in its capacity as guarantor of Notes issued by Air Liquide Finance, the “**Guarantor**” or, in its capacity as issuer, an “**Issuer**”) (together with Air Liquide Finance, the “**Issuers**”) with the benefit of an amended and restated agency agreement dated 19 July 2007 (the “**Amended and Restated Agency Agreement**”) between the Issuers, the Guarantor, BNP Paribas Securities Services as fiscal agent and the other agents named in it, and with the benefit of a guarantee dated 21 July 2006 (as amended or supplemented from time to time, the “**Guarantee**” executed by the Guarantor in relation to the Notes). The fiscal agent, the paying agents, the redenomination agent, the consolidation agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent), the “**Redenomination Agent**”, the “**Consolidation Agent**” and the “**Calculation Agent(s)**”. The holders of Dematerialised Notes and Materialised Notes, the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Materialised Notes and, where applicable in the case of such Notes, talons (the “**Talons**”) for further Coupons (the “**Couponholders**”) and the holders of the receipts (the “**Receipts**”) for the payment of instalments of principal (the “**Receiptholders**”) relating to Materialised Notes of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Amended and Restated Agency Agreement applicable to them. Terms between square brackets shall apply to Notes issued by Air Liquide Finance and guaranteed by L’Air Liquide.

References below to “**Conditions**” are, unless the context requires otherwise, to the numbered paragraphs below.

Copies of the Amended and Restated Agency Agreement and the Guarantee are available for inspection at the specified offices of each of the Paying Agents.

1 Form, Denomination(s), Title and Redenomination

- (a) **Form:** Notes may be issued either in dematerialised form (“**Dematerialised Notes**”) or in materialised form (“**Materialised Notes**”).
 - (i) Title to Dematerialised Notes will be evidenced in accordance with Article L.211-4 of the French *Code monétaire et financier* (the “**Code**”) by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the Code) will be issued in respect of the Dematerialised Notes.

Dematerialised Notes are issued, at the option of the relevant Issuer and as specified in the relevant Final Terms (the “**Final Terms**”), in either bearer dematerialised form (*au porteur*) only and are, in which case they are inscribed in the books of Euroclear France S.A. (acting as central depository) (“**Euroclear France**”) which shall credit the accounts of Euroclear France Account Holders, or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder in either administered registered form (*au nominatif administré*) inscribed in the books of a Euroclear France Account Holder or in fully registered form (*au nominatif pur*) inscribed in an account in the books of Euroclear France maintained by the Issuer or the Registration Agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the “**Registration Agent**”).

For the purpose of these Conditions, “**Euroclear France Account Holder**” means any authorised financial intermediary institution entitled directly or indirectly to hold accounts on behalf of its customers with Euroclear France, and includes the depository bank for Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”) and Euroclear Bank S.A. / N.V. (“**Euroclear**”).

- (ii) Materialised Notes are issued in bearer form (“**Materialised Bearer Notes**”). Materialised Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

In accordance with Article L.211-4 of the Code, securities (such as Notes) which are governed by French law and are in materialised form must be issued outside the French territory.

(b) **Denomination(s):**

- (i) Notes issued by L’Air Liquide shall be issued in the specified denomination(s) as set out in the relevant Final Terms (the “**Specified Denomination(s)**”) save that the minimum denomination of each Note listed and admitted to trading on a Regulated Market, or offered to the public, in a Member State of the European Economic Area (“**EEA**”) in circumstances which require the publication of a Debt Issuance Programme Prospectus under the Prospectus Directive will be at least €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the issue date) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. Dematerialised Notes shall be issued in one Specified Denomination only.
- (ii) Notes issued by Air Liquide Finance shall be issued in the specified denomination(s) as set out in the relevant Final Terms (the “**Specified Denomination(s)**”) save that the minimum denomination of each Note listed and admitted to trading on a Regulated Market, or offered to the public, in a Member State of the European Economic Area (“**EEA**”) in circumstances which require the publication of a Debt Issuance Programme Prospectus under the Prospectus Directive will be at least €50,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the issue date) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. Dematerialised Notes shall be issued in one Specified Denomination only.

(c) **Title:**

- (i) Title to Dematerialised Notes in bearer dematerialised form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of Euroclear France Account Holders. Title to Dematerialised Notes in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Issuer or of the Registration Agent.
- (ii) Title to Materialised Bearer Notes in definitive form having, where appropriate, Coupons, Receipt(s) and/or a Talon attached thereto on issue (“**Definitive Materialised Bearer Notes**”), shall pass by delivery.
- (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.
- (iv) In these Conditions, “**holder of Notes**”, “**holder of any Note**” or “**Noteholder**” means (i) in the case of Dematerialised Notes, the person whose name appears in the account of the relevant Euroclear France Account Holder or the relevant Issuer or the Registration Agent (as the case may be) as being entitled to such Notes and (ii) in the case of Materialised Notes, the bearer of any Definitive Materialised Bearer Note and the Receipts, Coupons, or Talon relating to it, and capitalised terms have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

(d) **Redenomination:**

The relevant Issuer may (if so specified in the relevant Final Terms), without the consent of any of the holders of any Note, Receipt, Coupon or Talon, by giving at least 30 days’ notice in accordance with Condition 16, redenominate on any Interest Payment Date all, but not some only, of the Notes of any Series on or after the date on which the Member State of the European Union in whose national currency such Notes are denominated has become a participant member in the third stage of the European economic and monetary union (“**EMU**”), all as more fully set out in the relevant Final Terms.

2 Conversion and Exchanges of Notes

(a) Dematerialised Notes:

- (i) Dematerialised Notes being issued in bearer dematerialised form (*au porteur*) may not be converted into Dematerialised Notes in registered dematerialised form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).
- (ii) Dematerialised Notes issued in registered dematerialised form (*au nominatif*) may not be converted into Dematerialised Notes in bearer dematerialised form (*au porteur*).
- (iii) Dematerialised Notes issued in fully registered form (*au nominatif pur*) may, at the option of the Noteholder, be converted into Notes in administered registered form (*au nominatif administré*), and *vice versa*. The exercise of any such option by such Noteholder shall be made in accordance with Article R.211-4 of the Code. Any such conversion shall be effected at the cost of such Noteholder.

(b) Materialised Notes:

Materialised Bearer Notes of one Specified Denomination may not be exchanged for Materialised Bearer Notes of another Specified Denomination.

3 Guarantee

The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be due and payable by Air Liquide Finance under the Notes, Receipts and Coupons and in accordance with their terms and conditions. The obligations of the Guarantor in this respect arise pursuant to a Guarantee Agreement (the “**Guarantee**”) executed by the Guarantor and dated 21 July 2006.

4 Status

(A) Status of the Notes:

The obligations of each Issuer under the Notes may be either unsubordinated (“**Unsubordinated Notes**”) or subordinated (“**Subordinated Notes**”).

(a) Status of Unsubordinated Notes:

The principal and interest on Unsubordinated Notes constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 5) unsecured obligations of the relevant Issuer and rank and will at all times rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) at least equally and rateably with all other present or future unsecured and unsubordinated indebtedness and monetary obligations of the relevant Issuer, from time to time outstanding.

(b) Status of Subordinated Notes:

(i) General

Subordinated Notes (“**Subordinated Notes**”) comprise Ordinary Subordinated Notes, Deeply Subordinated Notes, Dated Subordinated Notes and Undated Subordinated Notes (all as defined below).

(ii) Ordinary Subordinated Notes

The principal and (if the applicable Final Terms so specify) interest on ordinary subordinated notes (“**Ordinary Subordinated Notes**”) constitute direct, unconditional, unsecured and subordinated obligations of the relevant Issuer and rank and will at all times rank *pari passu* and without any preference among themselves and *pari passu* with all other present and future Ordinary Subordinated Notes, but in priority to the *prêts participatifs* granted to the relevant Issuer and Deeply Subordinated Notes.

(iii) Deeply Subordinated Notes

The principal and (if the applicable Final Terms so specify) interest on deeply subordinated notes (“**Deeply Subordinated Notes**”) constitute direct, unconditional, unsecured and subordinated obligations of the relevant Issuer and rank and will at all times rank *pari passu* and without any

preference among themselves and *pari passu* with all other present and future Deeply Subordinated Notes, but subordinate to the *prêts participatifs* granted to the relevant Issuer and Ordinary Subordinated Notes.

(iv) Dated Subordinated Notes

Subordinated Notes (which terms, for the avoidance of doubt, include both Ordinary Subordinated Notes and Deeply Subordinated Notes) may have a specified maturity date (“**Dated Subordinated Notes**”).

(v) Undated Subordinated Notes

Subordinated Notes (which terms, for the avoidance of doubt, include both Ordinary Subordinated Notes and Deeply Subordinated Notes) may not have a specified maturity date (“**Undated Subordinated Notes**”).

(vi) Interest relating to Subordinated Notes

Unless otherwise specified in the relevant Final Terms, payments of interest relating to Subordinated Notes constitute obligations which rank equally with the obligations of the relevant Issuer in respect of Unsubordinated Notes issued by the relevant Issuer in accordance with Condition 4(A)(a).

If so specified in the relevant Final Terms, payments of interest relating to Subordinated Notes will be deferred in accordance with the provisions of Condition 6(h).

(vii) Payment of Subordinated Notes in the event of the liquidation of the Issuer

If any judgement is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the relevant Issuer or if the relevant Issuer is liquidated for any other reason, the payments of the creditors of the relevant Issuer shall be made in the following order of priority (in each case subject to the payment in full of priority creditors):

- (a) unsubordinated creditors of the Issuer (including holders of Unsubordinated Notes);
- (b) holders of Ordinary Subordinated Notes;
- (c) lenders in relation to *prêts participatifs* granted to the Issuer; and
- (d) holders of Deeply Subordinated Notes.

In the event of incomplete payment of unsubordinated creditors the obligations of the relevant Issuer in connection with Ordinary Subordinated Notes shall be terminated (then subsequently the lenders in relation to *prêts participatifs* and holders of Deeply Subordinated Notes). The holders of Subordinated Notes shall take all steps necessary for the orderly accomplishment of any collective proceedings or voluntary liquidation.

The above order of priority which relates to the principal of Subordinated Notes will apply *mutatis mutandis* to interest payments depending on whether they are unsubordinated or subordinated and in the latter case whether they are ordinary subordinated or deeply subordinated.

(B) Status of the Guarantee:

The obligations of the Guarantor under the Guarantee, if any, constitute direct, unconditional and (unless the relevant Final Terms provides otherwise) unsubordinated and (subject to the provisions of Condition 5) unsecured obligations of the Guarantor and shall at all times rank (save for certain obligations required to be preferred by law) equally and rateably with all other present or future unsecured and unsubordinated indebtedness and monetary obligations of the Guarantor.

5 Negative Pledge

So long as any of the Unsubordinated Notes or, if applicable, any Receipts or Coupons relating to them, remain outstanding (as defined in the Amended and Restated Agency Agreement), the relevant Issuer or, as the case may be, the Guarantor, will not create any mortgage, charge, pledge or other security interest (*sûreté réelle*) upon any of their respective assets or revenues, present or future, to secure any Relevant Indebtedness (as defined below) or any guarantee in respect of any Relevant Indebtedness (whether before or after the issue of Unsubordinated

Notes) unless such Issuer's obligations under the Unsubordinated Notes, Receipts and Coupons are equally and rateably secured therewith.

For the purposes of this Condition:

"Relevant Indebtedness" means any indebtedness for borrowed money represented by bonds or notes (*obligations*) which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange or any other regulated securities market.

This Condition 5 shall not apply to Subordinated Notes.

6 Interest and other Calculations

(a) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"Business Day" means:

- (i) in the case of euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer system or any successor thereto (the **"TARGET System"**) is operating (a **"TARGET Business Day"**) and/or
- (ii) in the case of a specified currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or
- (iii) in the case of a currency and/or one or more Business Centres specified in the relevant Final Terms (the **"Business Centre(s)"**), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres so specified

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the **"Calculation Period"**):

- i. if **"Actual/365"** or **"Actual/Actual-ISDA"** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- ii. if **"Actual/Actual-ICMA"** is specified in the relevant Final Terms:
 - (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - (B) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where: **"Determination Period"** means the period from and including a Determination Date in any year to but excluding the next Determination Date

- iii. if **"Actual/365 (Fixed)"** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365
- iv. if **"Actual/360"** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360

- v. if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)) and
- vi. if “**30E/360**” or “**Eurobond Basis**” is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)

“**Effective Date**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the relevant Final Terms or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date

“**Interest Amount**” means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified in the relevant Final Terms

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro or (ii) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the day falling two Business Days in the city specified in the Final Terms for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro

“**Interest Payment Date**” means the date(s) specified in the relevant Final Terms

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date

“**Interest Period Date**” means each Interest Payment Date unless otherwise specified in the relevant Final Terms

“**ISDA Definitions**” means the 2000 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Final Terms

“**Page**” means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000 (“**Reuters**”)) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate

“**Rate of Interest**” means the rate of interest payable from time to time in respect of the Notes and that is either specified or calculated in accordance with the provisions in the relevant Final Terms

“**Reference Banks**” means, the institutions specified as such in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the Euro-zone)

“**Relevant Financial Centre**” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro-zone) or, if none is so connected, Paris

“**Relevant Rate**” means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date

“**Relevant Time**” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre or, if no such customary local time exists, 11.00 hours in the Relevant Financial Centre and for the purpose of this definition “**local time**” means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, Central European Time

“**Representative Amount**” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such in the relevant Final Terms or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time

“**Specified Currency**” means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Notes are denominated and

“**Specified Duration**” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified in the relevant Final Terms or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 6(c)(ii).

- (b) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date except as otherwise provided in the relevant Final Terms.

If a Fixed Coupon Amount or a Broken Amount is specified in the relevant Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Final Terms.

- (c) **Interest on Floating Rate Notes and Index Linked Interest Notes:**

- (i) *Interest Payment Dates:* Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear (except as otherwise provided in the relevant Final Terms) on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

- (iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms.

(A) *ISDA Determination for Floating Rate Notes:*

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the Floating Rate Option is as specified in the relevant Final Terms;
- (b) the designated Maturity is a period specified in the relevant Final Terms; and
- (c) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(B) *Screen Rate Determination for Floating Rate Notes:*

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (a) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
 - (i) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity) or
 - (ii) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,in each case appearing on such Page at the Relevant Time on the Interest Determination Date
- (b) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (a)(i) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or, if sub-paragraph (a)(ii) applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent; and
- (c) if paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro, in the euro-zone as selected by the Calculation Agent (the “**Principal Financial Centre**”) are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre;

except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

- (iv) *Rate of Interest for Index Linked Interest Notes:* The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and interest will accrue by reference to an Index or Formula as specified in the relevant Final Terms.
- (d) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 7(e)(i)).
- (e) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating, a Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.
- (f) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly-Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the relevant Final Terms.
- (g) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless (i) in the case of Dematerialised Notes, on such due date or (ii) in the case of Materialised Notes, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgement) at the Rate of Interest in the manner provided in this Condition 6 to the Relevant Date.
- (h) **Deferral of interest:** In the case of Subordinated Notes interest shall be payable on each Compulsory Interest Payment Date (as defined below) in respect of the interest accrued in the Interest Period ending on the day immediately preceding such date. On any Optional Interest Payment Date (as defined below) there may be paid (if the relevant Issuer so elects) the interest accrued in the Interest Period ending on the day immediately preceding such date but the relevant Issuer shall not have any obligation to make such payment and any such failure to pay shall not constitute a default under the Notes or for any other purpose. Notice of any Optional Interest Payment Date shall (for so long as the rules of any Stock Exchange so require) be given to the Noteholders in accordance with Condition 16 and to the relevant Stock Exchange. Such notice shall be given at least seven days prior to the relevant Optional Interest Payment Date(s). Any interest not paid on an Optional Interest Payment Date shall, so long as the same remains unpaid, constitute “**Arrears of Interest**” which term shall include interest on such unpaid interest as referred to below. Arrears of Interest may, at the option of the relevant Issuer, be paid in whole or in part at any time upon the expiration of not less than seven days’ notice to such effect given to the Noteholders in accordance with Condition 16 but all Arrears of Interest on all Subordinated Notes outstanding shall become due in full on whichever is the earliest of:
- (i) the Interest Payment Date immediately following the date upon which the *Assemblée Générale* passed a resolution to pay a dividend on the ordinary share capital of the Issuer and
- (ii) the commencement of a liquidation or dissolution of the relevant Issuer.

If notice is given by the relevant Issuer of its intention to pay the whole or part of Arrears of Interest, the relevant Issuer shall be obliged to do so upon the expiration of such notice. When Arrears of Interest are paid in part, each such payment shall be applied in or towards satisfaction of the full amount of the Arrears of Interest accrued in respect of the earliest Interest Period in respect of which Arrears of Interest have accrued and have not been paid in full. Arrears of Interest shall (to the extent permitted by law) bear interest accruing (but only, in accordance with Article 1154 of the French *Code civil*, after such interest has accrued for a period of one year) and compounding on the basis of the exact number of days which have elapsed at the prevailing rate of interest on the Undated Subordinated Notes in respect of each relevant Interest Period. For these purposes the following expressions have the following meanings:

“**Compulsory Interest Payment Date**” means any Interest Payment Date unless at the *Assemblée Générale* of the shareholders of the relevant Issuer immediately preceding such date which was required to approve the annual accounts of the Issuer for the fiscal year ended prior to such

Assemblée Générale, no resolution was passed to pay a dividend on the ordinary share capital of the Issuer in respect of such previous fiscal year.

“**Optional Interest Payment Date**” means any Interest Payment Date, as the case may be, other than a Compulsory Interest Payment Date.

- (i) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding:**
- (i) If any Margin or Rate Multiplier is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (c) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph
 - (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be
 - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “**unit**” means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.
- (j) **Calculations:** The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.
- (k) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Optional Redemption Amounts, Early Redemption Amounts and Instalment Amounts:** As soon as practicable after the relevant time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the relevant Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed and admitted to trading on a Regulated Market and the rules of such Regulated Market so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 6(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.
- (l) **Calculation Agent and Reference Banks:** The relevant Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial

Centre and one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined in the Amended and Restated Agency Agreement). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the relevant Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the relevant Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Luxembourg office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

7 Redemption, Purchase and Options

- (a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any option provided by the relevant Final Terms including any Issuer's option in accordance with Condition 7(c) or any Noteholders' option in accordance with Condition 7(d), each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within Condition 7(b) below, its final Instalment Amount.
- (b) **Redemption by Instalments:** Unless previously redeemed, purchased and cancelled as provided in this Condition 7 or the relevant Instalment Date (being one of the dates so specified in the relevant Final Terms) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 7(c) or 7(d), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the relevant Final Terms. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused (i) in the case of Dematerialised Notes, on the due date for such payment or (ii) in the case of Materialised Notes, on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (c) **Redemption at the Option of the Issuer, Exercise of Issuer's Options and Partial Redemption:** If a Call Option is specified in the relevant Final Terms, the relevant Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice in accordance with Condition 16 to the Noteholders (or such other notice period as may be specified in the relevant Final Terms) redeem, or exercise any Issuer's option (as may be described) in relation to, all or, if so provided, some, of the Notes on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption (including, where applicable, any Arrears of Interest), if any. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed specified in the relevant Final Terms and no greater than the maximum nominal amount to be redeemed specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's option in respect of Materialised Notes, the notice to holders of such Materialised Notes shall also contain the number of the Definitive Materialised Bearer Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange requirements.

In the case of a partial redemption of or a partial exercise of an Issuer's option in respect of Dematerialised Notes of any Series, the redemption may be effected, at the option of the relevant Issuer, either (i) by reducing the nominal amount of all such Dematerialised Notes in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full some only of such Dematerialised Notes and, in such latter case, the choice between those Dematerialised Notes that will be fully redeemed and those Dematerialised Notes that will not be redeemed shall be made in accordance with Article R.213-16 of the Code and the

provisions of the relevant Final Terms, subject to compliance with any other applicable laws and stock exchange requirements.

So long as the Notes are listed and admitted to trading on any Regulated Market and the rules of such Regulated Market so require, the relevant Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in a leading newspaper with general circulation in the city where the Regulated Market is located or, so long as the Notes are listed and admitted to trading on the Luxembourg Stock Exchange and so long as the rules of the Luxembourg Stock Exchange so permit, on the website of the *Commission de surveillance du secteur financier* in Luxembourg, a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes, a list of any Definitive Materialised Bearer Notes drawn for redemption but not surrendered.

- (d) **Redemption at the Option of Noteholders and Exercise of Noteholders' Options:** If a Put Option is specified in the relevant Final Terms, the relevant Issuer shall, at the option of the Noteholder, upon the Noteholder giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption including, where applicable, any Arrears of Interest.

To exercise such option or any other Noteholders' option that may be set out in the relevant Final Terms (which must be exercised on an Option Exercise Date) the Noteholder must deposit with a Paying Agent at its specified office a duly completed option exercise notice (the "**Exercise Notice**") in the form obtained from any Paying Agent, within the notice period. In the case of Materialised Bearer Notes, the Exercise Notice shall have attached to it the relevant Notes (together with all unmatured Receipts and Coupons and unexchanged Talons). In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Fiscal Agent or the Paying Agent with a specified office in Paris as specified in the Exercise Notice. No option so exercised and, where applicable, no Note so deposited or transferred, may be withdrawn without the prior consent of the Issuer.

- (e) **Early Redemption:**

(i) *Zero Coupon Notes:*

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 7(f) or Condition 7(j) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Nominal Amount (calculated as provided below) of such Note unless otherwise specified in the relevant Final Terms.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Nominal Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Final Terms, shall be such rate as would produce an Amortised Nominal Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 7(f) or Condition 7(j) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Nominal Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Amortised Nominal Amount becomes due and payable were the Relevant Date. The calculation of the Amortised Nominal Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgement) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 6(d).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the relevant Final Terms.

- (ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 7(f) or Condition 7(g), or upon it becoming due and payable as provided in Condition 10 shall be the Final Redemption Amount together with interest accrued to the date fixed for redemption (including, where applicable, any Arrears of Interest) unless otherwise specified in the relevant Final Terms.

(f) **Redemption for Taxation Reasons:**

- (i) If, by reason of any change in, or any change in the official application or interpretation of, French law, becoming effective after the Issue Date, the relevant Issuer or, as the case may be, the Guarantor (in respect of the Guarantee), would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 9 below, the relevant Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 16, redeem all, but not some only, of the Notes at their Early Redemption Amount together with, unless otherwise specified in the Final Terms, any interest accrued to the date set for redemption (including, where applicable, any Arrears of Interest) provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the relevant Issuer or the Guarantor, as the case may be, could make payment of principal and interest without withholding for such French taxes.
- (ii) If the relevant Issuer or, as the case may be, the Guarantor (in respect of the Guarantee), would, on the next payment of principal or interest in respect of the Notes, be prevented by French law from making payment to the Noteholders or, if applicable, Couponholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 9 below, then the relevant Issuer, shall forthwith give notice of such fact to the Fiscal Agent and the relevant Issuer shall upon giving not less than seven days' prior notice to the Noteholders in accordance with Condition 16, redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount (as described in Condition 7(e) above) together with, unless otherwise specified in the Final Terms, any interest accrued to the date set for redemption (including, where applicable, any Arrears of Interest) on the latest practicable Interest Payment Date on which the relevant Issuer or the Guarantor, as the case may be, could make payment of the full amount then due and payable in respect of the Notes or, if applicable, Receipts or Coupons, or, if that date is passed, as soon as practicable thereafter.
- (g) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified in the relevant Final Terms.
- (h) **Purchases:** The relevant Issuer shall have the right at all times to purchase Notes (provided that, in the case of Materialised Notes, all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.
- (i) **Cancellation:** All Notes purchased by or on behalf of the relevant Issuer must be cancelled, in the case of Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Bearer Notes, by surrendering the Materialised Bearer Notes in question together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in each case, if so transferred or surrendered, shall, together with all Notes redeemed by the relevant Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights relating to payment of interest and other amounts relating to such Dematerialised Notes and, in the case of Materialised Notes, all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be reissued or resold and the obligations of the relevant Issuer and the Guarantor in respect of any such Notes shall be discharged.
- (j) **Illegality:** If, by reason of any change in French law or any change in the official application of such law, becoming effective after the Issue Date, it will become unlawful (i) for the relevant Issuer to perform or comply with one or more of its obligations under the Notes, [or (ii) for the Guarantor to perform or comply with one or more of its obligations under the Guarantee] the relevant Issuer [which in the case of (ii) above, shall be the issuer of the Notes guaranteed by the Guarantor] will, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 16, redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption.

8 Payments and Talons

- (a) **Dematerialised Notes:** Payments of principal and interest (including, for the avoidance of doubt, any Arrears of Interest, where applicable) in respect of Dematerialised Notes shall be made (i) (in the case of Dematerialised Notes in bearer dematerialised form or administered registered dematerialised form) by transfer to the account denominated in the relevant currency of the relevant Euroclear France Account Holders for the benefit of the relevant Noteholder and (ii), (in the case of Dematerialised Notes in fully registered form, to an account denominated in the relevant currency with a Bank designated by the

relevant Noteholder). All payments validly made to such Euroclear France Account Holders will constitute an effective discharge of the relevant Issuer in respect of such payments.

- (b) **Materialised Bearer Notes:** Payments of principal and interest (including, for the avoidance of doubt, any Arrears of Interest, where applicable) in respect of Materialised Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Materialised Bearer Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 8(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 8(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the Noteholder, by transfer to an account denominated in such currency with, a Bank. “Bank” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Materialised Bearer Notes are denominated in US Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the relevant Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the relevant Issuer, any adverse tax consequence to the relevant Issuer or the Guarantor, if payment is being made under the Guarantee.
- (d) **Payments Subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment but without prejudice to the provisions of Condition 9. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Calculation Agent, the Redenomination Agent and the Consolidation Agent initially appointed under the Amended and Restated Agency Agreement and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Redenomination Agent, the Registration Agent and the Consolidation Agent act solely as agents of each Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each case such, do not assume any obligation or relationship of agency for any Noteholder or Couponholder. The Issuers reserve the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Redenomination Agent, the Registration Agent and the Consolidation Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, provided that the Issuers shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require, (iv) Paying Agents having specified offices in at least two major European cities (including Luxembourg so long as the Notes are listed and admitted to trading on the Luxembourg Stock Exchange), (v) such other agents as may be required by any other stock exchange on which the Notes may be listed and admitted to trading and (vi) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments or any other EU Directive implementing the conclusions of the ECOFIN Council Meeting of 26th-27th November 2000 on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such European Council Directive 2003/48/EC of 3 June 2003 and (vii) such other agents as may be required by the rules of any other stock exchange on which the Notes may be listed and admitted to trading.

In addition, the Issuers (or the Guarantor, if payment is being made under the Guarantee) shall forthwith appoint a Paying Agent in New York City in respect of any Materialised Bearer Notes denominated in US Dollars in the circumstances described in paragraph (c) above.

On a redenomination of the Notes of any Series pursuant to Condition 1(d) with a view to consolidating such Notes with one or more other Series of Notes, in accordance with Condition 15, the Issuer shall ensure that the same entity shall be appointed as both Redenomination Agent and Consolidation Agent in respect of both such Notes and such other Series of Notes to be so consolidated with such Notes.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 16.

- (f) **Unmatured Coupons and Receipts and unexchanged Talons:**
- (i) Unless Materialised Bearer Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Materialised Bearer Notes should be surrendered for payment together with all unmaturing Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmaturing Coupon (together, where applicable, with the amount of any Arrears of Interest corresponding to such Coupon) (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing Coupon (together, where applicable, with the amount of any Arrears of Interest corresponding to such Coupon) that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Amortised Nominal Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 11) provided that, if any Materialised Bearer Note should be issued with a maturity date and an Interest Rate or Rates such that, on the presentation for payment of any such Note without any unmaturing Coupons attached thereto or surrendered therewith, the amount required to be deducted in respect of such unmaturing Coupons would be greater than the relevant Redemption Amount otherwise due for payment, then, upon the due date for redemption of any such Note, such unmaturing Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the foregoing provisions in respect of such Coupons as have not so become void, the amount required by this paragraph to be deducted would not be greater than the relevant Redemption Amount otherwise due for payment. Where the application of the foregoing provisions requires some but not all of the unmaturing Coupons relating to a Materialised Bearer Note to become void and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.
 - (ii) If Materialised Bearer Notes so provide, upon the due date for redemption of any such Materialised Bearer Note, unmaturing Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
 - (iii) Upon the due date for redemption of any Materialised Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
 - (iv) Upon the due date for redemption of any Materialised Bearer Note that is redeemable in instalments, all Receipts relating to such Materialised Bearer Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
 - (v) Where any Materialised Bearer Note that provides that the relative unmaturing Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmaturing Coupons, and where any such Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer and the Guarantor, as the case may be, may require.
 - (vi) If the due date for redemption of any Materialised Bearer Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, (including, for the avoidance of doubt, any Arrears of Interest if applicable) shall only be payable against presentation (and surrender if appropriate) of the relevant Definitive Materialised Bearer Note. Interest accrued on a Materialised Bearer Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Materialised Bearer Notes.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 11) provided that, in respect of Notes listed and admitted to trading on the Luxembourg Stock Exchange, such exchange shall always take place at the specified office of the Fiscal Agent or of the Paying Agent, as a case may be, in Luxembourg.
- (h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the Noteholder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised Notes, on which Euroclear

France is open for business or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, (B) on which banks and foreign exchange markets are open for business in such jurisdictions as shall be specified as “**Financial Centres**” in the relevant Final Terms and (C) (i) in the case of a payment in a currency other than euro, where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) in the case of a payment in euro, which is a TARGET Business Day.

9 Taxation

- (a) **Tax exemption for Notes issued or deemed to be issued outside France:** Interest and other revenues with respect to Notes issued by L’Air Liquide or Air Liquide Finance which constitute *obligations* under French law and which, as may be specified in the relevant Final Terms, are being issued or are deemed to be issued outside the Republic of France, benefit from the exemption, provided for in Article 131 *quater* of the French *Code Général des Impôts*, from deduction of the withholding tax set out under Article 125 A III of the French *Code Général des Impôts*. Accordingly such payments do not give the right to any tax credit from any French source.

The tax regime applicable to Notes which do not constitute *obligations* under French law will be set out in the relevant Final Terms.

As to the meaning of the expression “issued or deemed to be issued outside the Republic of France” see “Summary of the Programme - Taxation in respect of the Notes issued by the Issuers” above.

- (b) **Additional amounts:** If French law should require that payments of principal or interest in respect of any Note, Receipt or Coupon [or payments under the Guarantee] be subject to deduction or withholding in respect of any taxes or duties whatsoever, the relevant Issuer will [or, as the case may be, the Guarantor in the case of payments under the Guarantee], to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, the Receiptholders and the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon, as the case may be:
- (i) **Other connection:** to, or to a third party on behalf of, a Noteholder or, if applicable, a Receiptholder or Couponholder, as the case may be, who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the Republic of France other than the mere holding of the Note, Receipt or Coupon; or
 - (ii) **Presentation more than 30 days after the Relevant Date:** in the case of Materialised Notes, more than 30 days after the Relevant Date except to the extent that the Noteholder or, if applicable, the Receiptholder or Couponholder, as the case may be, would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or
 - (iii) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such Directive; or
 - (iv) **Payment by another Paying Agent:** in respect of Definitive Materialised Bearer Notes, presented for payment by or on behalf of a holder of any Note, Receipt or Coupon, as the case may be, who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the EU; or
 - (v) **Notes not issued or deemed to be issued outside France:** where the applicable Final Terms specify that Condition 9(c) applies to the Notes and the Noteholder does not satisfy the requirements conditioning the exemption of withholding tax provided for in Article 125 A III of the French *Code Général des Impôts* (see Condition 9(c) and 9(d) below).

As used in these Conditions, “**Relevant Date**” in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due (and, for the avoidance of doubt, in the case of Arrears of Interest, references to “becomes due” shall be interpreted in accordance with the provisions of Condition 6(h)) or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or, in the case of Materialised Notes (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note, Receipt or Coupon being made in accordance with the Conditions, such payment

will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Nominal Amounts and all other amounts in the nature of principal payable pursuant to Condition 7 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts (including, for the avoidance of doubt, all arrears of interest) payable pursuant to Condition 6 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition.

- (c) **Tax exemption for Notes not issued or deemed to be issued outside France:** Interest and other revenues with respect to Notes which constitute *obligations* under French law and which, if so specified in the relevant Final Terms, are not being issued or deemed to be issued outside the Republic of France will not be entitled to the provisions of Article 131 *quater* of the French *Code Général des Impôts* but will only benefit from the exemption from deduction of tax at source provided for in, and subject to the provisions of, Article 125 A III of the French *Code Général des Impôts*, which requires, *inter alia*, certification of non-French residency.
- (d) **Certification of Non-Residency in France:** Each Noteholder shall be responsible for supplying certification of non-French residency (a form of which shall be available at the specified offices of any of the Paying Agents or in such other form as may be required by the French tax authorities from time to time) in accordance with the provisions of Article 125 A III of the French *Code Général des Impôts*.
- (e) **Supply of information:** Each Noteholder shall be responsible for supplying, in a timely manner, any information as may be required in order to comply with the identification and reporting obligations imposed on it by the European Council Directive 2003/48/EC or any other European Directive implementing the conclusions of the ECOFIN Council Meeting dated 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive.

10 Events of Default

The Representative (as defined under Condition 12(b)), upon request of any Noteholder, may, upon written notice to the relevant Issuer and the Fiscal Agent given before all defaults shall have been cured, cause the principal amount of all the Notes held by such Noteholder to become due and payable, together with accrued interest thereon, as of the date on which such notice for payment is received by the Fiscal Agent:

- (a) **Unsubordinated Notes:** In the case of Unsubordinated Notes:
 - (i) if the relevant Issuer defaults in any payment when due of principal or interest on any Note [or the Guarantor defaults in any payment when due under the Guarantee] (including the payment of any additional amounts pursuant to the provisions set forth under “Taxation” above) if such default shall not have been cured within 15 days; or
 - (ii) if there is a default by the relevant Issuer [or the Guarantor] in the due performance of any other provision of the Notes [or the Guarantee, as the case may be,] and such default shall not have been cured within 30 days after receipt by the Fiscal Agent of written notice of default given by the Representative upon request of the Noteholder; or
 - (iii) if any other present or future indebtedness of the relevant Issuer or the Guarantor for or in respect of monies borrowed in excess of Euro 50,000,000 (or its equivalent in any other currency), whether individually or collectively, becomes due and payable prior to its stated maturity as a result of a default thereunder, or any such indebtedness shall not be paid when due and payable or, as the case may be, within any originally applicable grace period therefor or any guarantee or indemnity in excess of such aforesaid amount given by the relevant Issuer or the Guarantor for, or in respect of, any such indebtedness of others shall not be honoured when due and called upon, or, as the case may be, within 15 days of any originally applicable grace period; or
 - (iv) if L’Air Liquide or Air Liquide Finance makes any proposal for a general moratorium in relation to its debt or applies for the appointment of a conciliator (*conciliateur*) or enters into an amicable procedure (*procédure de conciliation*) with its creditors or a judgement is issued for the judicial liquidation (*liquidation judiciaire*) or for a judicial transfer of the whole of the business (*cession totale de l’entreprise*) of L’Air Liquide or, to the extent permitted by applicable law, if L’Air Liquide or Air Liquide Finance is subject to any other insolvency or bankruptcy proceedings or if L’Air Liquide or Air Liquide Finance makes any conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition (*accord amiable*) with its creditors or if L’Air Liquide is wound up or dissolved; or
 - (v) [the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect.]

- (b) **Subordinated Notes:** In the case of Subordinated Notes and in accordance with Condition 4(A)(b), if any judgement shall be issued for the judicial liquidation (*liquidation judiciaire*) of the relevant Issuer or if the relevant Issuer is liquidated for any other reason then the Subordinated Notes shall become immediately due and payable, in accordance with Condition 4(A)(b), at their principal amount together with any accrued interest to the date of payment.

11 Prescription

Claims against the relevant Issuer for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

12 Representation of Noteholders

Except as otherwise provided by the relevant Final Terms, Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *masse* (in each case, the "**Masse**"). The *Masse* will be governed by the provisions of the French *Code de commerce* with the exception of Articles L228-48, L228-59, R.228-63, R.228-67 and R.228-69 subject to the following provisions:

- (a) **Legal Personality:** The *Masse* will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through a general meeting of the Noteholders (the "**General Meeting**").

The *Masse* alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

- (b) **Representative:** The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representatives:

- (i) the relevant Issuer, the members of its Board of Directors (*Conseil d'administration*), its general managers (*directeurs généraux*), its statutory auditors, or its employees as well as their ascendants, descendants and spouses; or
- (ii) companies guaranteeing all or part of the obligations of the relevant Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors, their statutory auditors, or employees as well as their ascendants, descendants and spouses; or
- (iii) companies holding 10 per cent. or more of the share capital of the relevant Issuer or companies having 10 per cent. or more of their share capital held by the relevant Issuer; or
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The names and addresses of the initial Representative of the *Masse* and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single *Masse* of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the initial Representative and the alternate Representative at the head office of the relevant Issuer and the specified offices of any of the Paying Agents.

- (c) **Powers of the Representative:** The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not interfere in the management of the affairs of the Issuer.

- (d) **General Meeting:** A General Meeting may be held at any time, on convocation either by the relevant Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the relevant Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within

two months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, time, place and agenda of any General Meeting will be published as provided under Condition 16 not less than 15 days prior to the date of such General Meeting.

Each Noteholder has the right to participate in a General Meeting in person, by proxy, correspondence, or, if the *statuts* of the Issuer so specify¹, videoconference or any other means of telecommunications allowing the identification of the participating Noteholders. Each Note carries the right to one vote or, in the case of Notes issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

- (e) **Powers of the General Meetings:** The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase amounts payable to Noteholders, nor establish any unequal treatment between the Noteholders, nor to decide to convert Notes into shares.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least a fifth of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by Noteholders attending such General Meetings or represented thereat.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 16.

- (f) **Information to Noteholders:** Each Noteholder or Representative thereof will have the right, during the 15-day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the relevant Issuer, at the specified offices of any of the Paying Agents and at any other place specified in the notice of the General Meeting.
- (g) **Expenses:** The relevant Issuer will pay only all expenses relating to the operation of the *Masse*, including expenses relating to the calling and holding of General Meetings and, more generally, all administrative expenses resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.
- (h) **Single Masse:** The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first mentioned Series in accordance with Condition 15, shall, for the defence of their respective common interests, be grouped in a single *Masse*. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single *Masse* of all such Series.

13 Modifications

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.

The Amended and Restated Agency Agreement will be capable of amendment or waiver by the parties thereto, without the consent of Noteholders, Receiptholders or Couponholders, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the parties to the Amended and Restated Agency Agreement mutually deem necessary or desirable and which does not, in the reasonable opinion of such parties, adversely affect the interests of the Noteholders, Receiptholders or Couponholders.

14 Replacement of definitive Notes, Receipts, Coupons and Talons

If, in the case of any Materialised Bearer Notes, a Definitive Materialised Bearer Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from

¹ At the date of this Base Prospectus, the *statuts* of the Issuer do not contemplate the right for a Noteholder to participate in a General Meeting by videoconference or any other means of telecommunication allowing the identification of the participating Noteholders.

time to time be designated by the relevant Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Definitive Materialised Bearer Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the relevant Issuer in respect of such Definitive Materialised Bearer Notes, Receipts, Coupons or further Coupons) and otherwise as the relevant Issuer may require. Mutilated or defaced Materialised Bearer Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

15 Further Issues and Consolidation

- (a) **Further Issues:** Unless otherwise specified in the relevant Final Terms, the relevant Issuer may, without the consent of the Noteholders, Receiptholders or Couponholders create and issue further Notes to be assimilated (*assimilées*) with the Notes provided such Notes and the further Notes carry rights identical in all respects (or in all respects save for the principal amount thereof and the first payment of interest specified in the relevant Final Terms) and that the terms of such Notes provide for such assimilation and references in these Conditions to “Notes” shall be construed accordingly.
- (b) **Consolidation:** The relevant Issuer, with the prior approval of the Consolidation Agent, may from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than 30 days’ prior notice to the Noteholders in accordance with Condition 16, without the consent of the Noteholders, Receiptholders or Couponholders, consolidate the Notes of one Series with the Notes of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in euro, provided such other Notes have been redenominated in euro (if not originally denominated in euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

16 Notices

- (a) Notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing, or, (ii) they are published (a) so long as such Notes are listed and admitted to trading on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so permit, on the website of the Luxembourg Stock Exchange (www.bourse.lu) or, (b) at the option of the relevant Issuer, in a leading daily newspaper with general circulation in Europe (which is expected to be the *Financial Times*) and so long as such Notes are listed and admitted to trading on any stock exchange and the rules of such stock exchange(s) so require, in a leading daily newspaper with general circulation in the city/ies where the stock exchange(s) on which such Notes are listed and admitted to trading is located, which in the case of the Luxembourg Stock Exchange is expected to be the *d’Wort*.
- (b) Notices to the holders of Materialised Bearer Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if published (i) so long as such Notes are listed and admitted to trading on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so permit, on the website of the Luxembourg Stock Exchange (www.bourse.lu), or (ii) at the option of the relevant Issuer, shall be valid if published in a daily leading newspaper with general circulation in Europe (which is expected to be the *Financial Times*) and so long as such Notes are listed and admitted to trading on any stock exchange, in a leading daily newspaper with general circulation in the city/ies where the stock exchange(s) on which such Notes are listed and admitted to trading is located, which, in the case of the Luxembourg Stock Exchange, is expected to be the *d’Wort*.
- (c) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Bearer Notes in accordance with this Condition.
- (d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication of a notice required by Conditions 16 (a) and (b) above; except that (i) (a) so long as such Notes are listed and admitted to trading on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so permit, notices shall also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu), or (b) so long as the Notes are listed and admitted to trading on any Regulated Market(s) and the rules of such Regulated Market(s) so require, notices shall be published in a leading daily newspaper of general circulation in the city/ies where the

stock exchange(s) on which such Notes are listed and admitted to trading is located, which, in the case of the Luxembourg Stock Exchange, is expected to be the *d'Wort*, or, and (ii) notices relating to the convocation and decision(s) of the General Meetings pursuant to Condition 12 shall also be published (a) so long as such Notes are listed and admitted to trading on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so permit, on the website of the Luxembourg Stock Exchange (www.bourse.lu), or (b) in a leading daily newspaper of general circulation in Europe.

17 Method of Publication of the Final Terms

Without prejudice to any provisions of the Prospectus Directive, at the choice of the relevant Issuer, and upon each relevant issue, the Final Terms related to Notes admitted to trading will be published, if relevant, on the website of the Luxembourg Stock Exchange (www.bourse.lu) and/or on the website of the relevant Issuer, as the case may be, and copies may be obtained from the Fiscal Agent and each of the Paying Agents, or through any other means in accordance with the terms of Article 14 of the Prospectus Directive. The Final Terms will indicate where the Debt Issuance Programme Prospectus may be obtained.

In addition, should the Notes be admitted to trading on a Regulated Market other than the Luxembourg Stock Exchange, the Final Terms related to those Notes will provide whether this Debt Issuance Programme Prospectus and the relevant Final Terms will be published on the website of (x) such Regulated Market or (y) the competent authority of the Member State in the EEA where such Regulated Market is situated, or (z) otherwise.

18 Governing Law and Jurisdiction

- (a) **Governing Law:** The Notes (and, where applicable, the Receipts, the Coupons and the Talons), the Guarantee and the Amended and Restated Agency Agreement are governed by, and shall be construed in accordance with, French law.
- (b) **Jurisdiction:** Any claim against the relevant Issuer in connection with any Notes, Receipts, Coupons or Talons or the Guarantee and the Amended and Restated Agency Agreement may be brought before any competent court located in Paris.

TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALIZED BEARER NOTES

Temporary Global Certificate

A Temporary Global Certificate, without interest Coupons, will initially be issued in connection with Materialised Bearer Notes. Upon the initial deposit of such Temporary Global Certificate with a common depository for Euroclear and Clearstream, Luxembourg (the “**Common Depository**”), Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depository may also (if indicated in the relevant Final Terms) credit the accounts of subscribers with other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems with a nominal amount of Notes. Conversely, a nominal amount of Notes that is initially deposited with any clearing system other than Euroclear or Clearstream, Luxembourg may similarly be credited to the accounts of subscribers with Euroclear or Clearstream, Luxembourg.

Exchange

Each Temporary Global Certificate issued in respect of Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (i) if the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “Summary of the Programme - Selling Restrictions”), in whole, but not in part, for Definitive Materialised Bearer Notes; and
- (ii) otherwise, in whole but not in part, for Definitive Materialised Bearer Notes upon certification in the form set out in the Amended and Restated Agency Agreement as to non-US beneficial ownership.

A Noteholder must exchange its share of the Temporary Global Certificate for Materialised Bearer Notes before interest or any amount payable in respect of the Notes will be paid.

Delivery of Definitive Materialised Bearer Notes

On or after its Exchange Date, the holder of the Temporary Global Certificate must surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for the Temporary Global Certificate so surrendered, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Bearer Notes.

In this Debt Issuance Programme Prospectus, “**Definitive Materialised Bearer Notes**” means, in relation to any Temporary Global Certificate, the Definitive Materialised Bearer Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Bearer Notes will be security printed in accordance with any applicable legal and stock exchange requirements in, or substantially in, the form set out in Schedule 2 Part A to the Amended and Restated Agency Agreement.

Exchange Date

“**Exchange Date**” means, in relation to a Temporary Global Certificate, the day next succeeding the day that is 40 days after its issue date, provided that, in the event any further Materialised Notes are issued prior to such day pursuant to Condition 15, the Exchange Date for such Temporary Global Certificate shall be postponed to the day falling after the expiry of 40 days after the issue of such further Materialised Notes.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used for L'Air Liquide's general corporate purposes unless otherwise specified in the relevant Final Terms, and, in the case of the issue of Notes by Air Liquide Finance, the net proceeds will be used for the financing of the Air Liquide Group.

DESCRIPTION OF L’AIR LIQUIDE

Introduction

L’Air Liquide - société anonyme pour l’Etude et l’Exploitation des Procédés Georges Claude (the “**Issuer**” or “**L’Air Liquide**”) is a French *société anonyme* and is registered with the *Registre du Commerce et des Sociétés* of Paris under number 552 096 281. Its registered office is at 75, quai d’Orsay, 75007 Paris, France and its phone number is + 33 1 40 62 55 55.

L’Air Liquide was incorporated in France on 27th November, 1902, and has a term expiring on 18th February, 2028. It is governed by Articles L.210-1 and following of the French *Code de commerce* and decree no.67-236 of 23rd March, 1967.

Legal Name : L’Air Liquide - société anonyme pour l’Etude et l’Exploitation des Procédés Georges Claude

Commercial Name : L’Air Liquide société anonyme.

L’Air Liquide’s position within the Air Liquide Group is described on page 141 of the Financial Statement Section of the 2006 Annual Report.

L’Air Liquide corporate purposes comprises :

1°/ The study, exploitation, sale of the patents or inventions of Messrs. Georges & Eugène Claude, pertaining to the liquefaction of gases, the industrial production of refrigeration, liquid air and oxygen, and the applications or utilizations thereof;

2°/ The industrial production of refrigeration, of liquid air, the applications or uses thereof, the production and liquefaction of gases, and in particular oxygen, nitrogen, helium and hydrogen, the applications and uses thereof in all forms, pure, in blends and combinations, without any distinction as to state or origin, in all domains of the applications of their physical, thermodynamic, chemical, thermochemical and biological applications, and in particular in the domains of propulsion, the sea, health, agri-business and pollution;

3°/ The purchase, manufacturing, sale, use of all products pertaining directly or indirectly to the foregoing corporate purpose, as well as all sub-products resulting from their manufacturing or their use, of all machines or devices used for the utilization or application thereof and, more specifically, the purchase, manufacturing, sale, use of all products, metals or alloys, derived or resulting from a use of oxygen, nitrogen and hydrogen pure, blended or combined, in particular of all oxygenated or nitrogenous products;

4°/ The study, acquisition, direct or indirect exploitation or sale of all patents, inventions or methods pertaining to the same corporate purposes;

5°/ The direct exploitation or the exploitation by creating of companies, of everything which is connected, directly or indirectly, with the company's purpose or is apt to contribute to the development of its industry;

6°/ The supply of all services, or the supply of all products apt to develop its clientele in the domain of industry or health.

The company may request or acquire all franchises, make all constructions, acquire or take out on a rental basis all quarries, mines and all real property, and take over all operations connected with its corporate purpose, sell these franchises, assert them, merge or create partnerships with other companies by acquiring shares or company rights, through advances or in any appropriate manner.

It may undertake these operations either alone or jointly; lastly, and more generally, it may carry out all industrial, commercial, real, personal, financial operations pertaining directly or indirectly to the corporate purposes specified above.

A description of the Air Liquide’s objects and purposes can be found in Article 2 of the articles of association of L’Air Liquide.

BUSINESS OF L'AIR LIQUIDE

Business

Overview

L'Air Liquide is an international group focusing on industrial and medical gases and related services. From its first presence abroad in 1906, the Air Liquide Group (the “**Group**”) now operates in more than 70 countries through more than 130 subsidiaries and employs nearly 37,000 people. L'Air Liquide supplies oxygen, nitrogen, hydrogen and many other gases to most industries (steel, oil refining, chemicals, glass, electronics, healthcare, food processing, metallurgy, paper and aerospace). L'Air Liquide also develops a wide variety of services that range from managing all gas-related operations at customer sites and finding new energy solutions for manufacturers, to providing healthcare services for treating patients at home. By combining new technologies and services, L'Air Liquide develops solutions that increase the industrial performance of its customers, improve healthcare and help to protect the environment.

The Group had worldwide consolidated revenues of EUR 10,949 million in 2006, with Europe contributing for 57% of revenues (France contributes to 21% of revenues), Americas for 25%, Asia-Pacific for 17% and Africa and Middle East for 2%. This broad and well-balanced geographic business mix combined with a diverse customer base allows the Group to diversify its risks and to seize opportunities for development in high potential areas.

Main Activities

Gases and Services for Industry and Healthcare

Industrial and healthcare gases and services accounted for 88% of total Group sales in 2006 and in first quarter 2007, it accounted also for 94% of operating income recurring (excluding research centers and corporate overhead) in 2006.

L'Air Liquide's Gas and Services activities are organised around four segments:

- **Industrial Merchant (45.3% of 2006 and 44.5% of 1st quarter 2007 Gas and Services sales)**

Industrial Merchant use gases in small or medium quantities and operate in very diverse sectors. L'Air Liquide's Industrial Merchant represent an extremely rich and diverse sector. The Group proposes a dedicated and tailored offer to meet the needs of each market.

These customers use industrial gases in small or medium quantities, which are delivered by cryogenic trucks, gas cylinders or through small production units on customers' sites.

The Group provides solutions and products for a large number of processes such as metal working, preservation of fresh and deep-frozen foods, analyses, metrics and laboratory work, production of pharmaceuticals and fine chemistry, electronic component assembly, glass and enamel manufacturing, and paper-pulp bleaching.

- **Large Industries (30.3% of 2006 Gas and Services sales and 31.1% of 1st quarter 2007 Gas and Services Sales)**

Large Industries covers users of large volumes of industrial gases and energy solutions (chemicals, refining, metals). L'Air Liquide is a privileged partner of large companies in the refining, chemical and iron and steel sectors. It supplies them with gases and solutions with two main objectives: improving their productivity and making their processes more environmentally friendly. In addition to these four segments, Air Liquide also does business in related activities.

- **Healthcare (15.4% of 2006 Gas and Services sales and 15.7% of 1st quarter 2007 Gas and Services Sales)**

The Healthcare division supplies medical & therapeutic gases, services and equipments to hospitals and patients in their homes, principally for respiratory pathologies.

- **Electronics (9.0% of 2006 Gas and Services sales and 8.7% of 1st quarter 2007 Gas and Services sales)**

L'Air Liquide supplies semiconductor manufacturers with carrier and specialty gases, liquid chemicals, and related equipment and installations. Customers can rely on an exceptional level of service. L'Air Liquide works closely with its Electronics customers throughout the world providing high added value state-of-the-art technologies and services..

Other businesses

L'Air Liquide has developed complementary activities based on the gas business. From tanks for the Ariane rocket to sophisticated cryogenic systems including engineering, welding and diving, the Group's technological skills are at work.

- **Welding/cutting equipment and products**

L'Air Liquide supplies a complete range of materials (welding units, metal cutting machines) and consumables, in addition to automated solutions.

- **Engineering and Construction**

L'Air Liquide Engineering has over 1,500 employees at its six locations around the world (France, North America, Japan, China, Singapore and India). These teams design and build gas production units for the Group and third-party customers. They constantly improve gas production technologies to increase the units' efficiency and capacity. The acquisition of Lurgi, subject to approval by the competition authorities, should add 1,300 employees to the sector.

- **Space and aeronautics**

L'Air Liquide has been involved in the European space adventure since its beginnings. Several of the Group's units take an active part in it: in French Guiana, a team is dedicated to the Ariane 5 rocket launch pad; the Cryospace subsidiary builds the hydrogen and oxygen tanks for the rocket's main stage; the Advanced Technologies Division (DTA) is involved in several aspects of the Ariane program. In the aeronautics sector, L'Air Liquide has developed onboard oxygen (OBOGS) and nitrogen (OBIGGS) production systems for planes and helicopters.

- **Specialty Chemicals**

The Air Liquide subsidiary SEPPIC produces specialty chemicals that are experiencing very strong growth: surfactants and polymers to formulate active ingredients and excipients. These products are used in cosmetics and pharmaceuticals and for specific industrial purposes.

Investment policy

Research and Innovation

New gas production technologies, innovative applications, high value-added services are the constant goals for L'Air Liquide's research and engineering teams and for the Group as a whole. L'Air Liquide has 850 researchers based at eight research centres (located in France, Germany, the US, and Japan). In 2006, innovation costs including research and development expenses amounted to nearly EUR 170 million. Air Liquide's global portfolio includes 2,668 patented inventions. The Group applied for 267 patents in 2006.

New contracts

The Group signed a number of new long-term contracts in 2006.

Asia

In South-Korea, Air Liquide has developed a global long term partnership with Hynix. The company, worldwide leader of semi conductor, has entered a 10-year agreement with L'Air Liquide, for the supply of ultra pure nitrogen.

In China, Air Liquide has signed a 15 year carrier gas agreement contract with the Hynix - STMicroelectronics joint-venture, at its new manufacturing facility at Wuxi New District, Jiangsu Province, 100 kilometers from Shanghai. This year in China, Hynix-STMicroelectronics started up its first twin fabs manufacturing DRAM and NAND Flash memories on 200 mm and 300 mm wafers.

SCIPIG (Shanghai Chemical Industrial Park Industrial Gases Company, Ltd), a joint venture held 50% by Air Liquide and 50% by Praxair, established on the site since 2001, has just signed a new 15-year "air gas" contract with Bayer Polyurethane (Shanghai) Co Ltd. Within the framework of this contract, SCIPIG will supply all the oxygen and nitrogen requirements of Bayer's new global production facility in Caojing, the biggest in China. With this new contract, SCIPIG is reinforcing its leadership and speeding up its development within this industrial park.

In China, Air Liquide has announced the signature of a Joint Venture contract with Tianjin Soda Plant, a subsidiary of the Tianjin Bohai Chemical Industry Group, on July 26, 2006. Under the terms of the JV contract, Air Liquide and Tianjin Soda will create a joint venture company in Tianjin, in which Air Liquide will hold 55% and Tianjin Soda 45%. The joint venture company will install two large air separation units (ASUs) with oxygen capacity of 2,000 tons per day each, due for commissioning by the end of 2008, to supply Tianjin Soda and other customers in the Lingang Industry Park. L'Air Liquide will market the liquid oxygen, nitrogen and argon produced by the new ASUs.

America

L'Air Liquide has also achieved another commercial success with the renewal for a period of 15 years, and the extension of its agreements with the Argentine steel manufacturer Siderar for its San Nicolás site, 200 km north of Buenos Aires. L'Air Liquide has undertaken to deliver 1,900 tonnes of oxygen a day and also to supply nitrogen, argon and compressed air. To do this, L'Air Liquide will install a new air separation unit (ASU) with a capacity of 350 tonnes a day at the customer's site

Europe

In Bulgaria, L'Air Liquide has signed a new 15 year contract with its customer Cumerio Med JSC, to supply oxygen to its copper smelting facility at Pirdop, 80km east of Sofia. L'Air Liquide will install and operate a new ASU for the production of oxygen. This extension, together with the the existing separation unit, will increase the total installed capacity at the site to over 1,200 tonnes per day of oxygen, making one of the largest in this country. L'Air Liquide has also signed a new contract with Stomania, the Bulgarian subsidiary of the Greek Sidenor Group with whom L'Air Liquide has developed a long-term relationship.

L'Air Liquide has decided to invest 80 million euros in the construction of a second hydrogen production facility on the BASF site at the port of Antwerp in Belgium. This major project is a further and significant stage in the relationship between BASF and L'Air Liquide, and enables L'Air Liquide to double its hydrogen production capacity in Antwerp. The new Air Liquide facility will also meet the hydrogen needs of industrial enterprises located in the Antwerp and Rotterdam basin, through its connection to L'Air Liquide's 900 km long pipeline network.

Capital Expenditures

In 2006, L'Air Liquide invested EUR 1,200 million, of which EUR 1,128 million were industrial investments and EUR 72 million were financial investments. Industrial capital expenditures were divided among Europe (54%), Americas (23%), Asia (21%) and Africa and Middle-East (2%).

Share capital

As of December 31, 2006 the authorized capital was 1,332,641,079 euros, divided into 121,149,189 shares with a par value of 11 euros. Between December 31, 2005 and December 31, 2006, movements on capital stock have been as follows:

- creation of 980,608 shares resulting in increase in capital of 10,8 m€ via the allocation of stock options.
- creation of 11,180,106 shares resulting in increase in capital of 123 m€ via the allocation of bonus shares and incorporation of reserves.
- cancellation of 550,000 treasury shares resulting in a capital decrease of 6 m€.

Since December 31, 2006, movements on capital stock have been as follows:

- creation of 441,234 shares resulting in increase in capital of 4,9 m€ via the allocation of stock options.
- cancellation of 789,000 treasury shares resulting in a capital decrease of 8,7 m€.
- Effective June 13th, 2007, the par value of the Air Liquide Stock was divided by two, doubling the number of shares from 120,801,423 to 241,602,846 with a par value divided by two to 5,50 euros.

Effective June 13th, 2007, the authorized capital was 1,328,815,653 euros, divided into 241,602,846 shares with a par value of 5,50 euros.

The Combined General Shareholders' Meeting of May 9, 2007 authorized the Board of Directors to cause the Company, at any time and by all available means, to repurchase its own shares, within the limit of 10% of the total number of shares comprising the share capital at December 31, 2006. This authorization has been granted for a period of eighteen months starting from the meeting date.

The Combined General Shareholders' Meeting of May 9, 2007, authorized the Board of Directors to cancel, at its discretion, on one or several occasions, within the limit of 10% of L'Air Liquide's authorized capital, and per 24-month period, shares purchased under the authorization voted by the Combined General Shareholders' Meeting of May 9, 2007, and those purchased under the authorization voted by the Combined General Shareholders' Meetings of May 10, 2006, and to reduce the capital accordingly. This authorization is granted for a period of 24 months from the meeting date. No shares have been cancelled within the context of this authorization.

Under the authorization given for a period of 38 months to the Board of Directors by the Combined General Meeting of May 9, 2007 for the purpose of granting to employees and/or corporate officers options granting entitlement to subscribe for new shares of L'Air Liquide, 431,150 options were allocated by the Board of Directors on May 9, 2007.

The Combined Shareholders' Meeting of May 9, 2007 authorized the Board of Directors, for a period of 38 months, and within the limit of 10% of L'Air Liquide's authorized capital, to make free grants of shares (FGS) in respect of either existing shares or of shares to be issued to employees or corporate officers of the Group (excluding corporate officers of L'Air Liquide) or some of such employees or corporate officers. No grant of shares has been made within the context of this authorization.

The Combined General Shareholders' Meeting of May 9, 2007 has delegated to the Board of Directors the authority for a period of 26 months to perform capital increases reserved for members of L'Air Liquide or Group savings plans. No capital increases have been made within the context of this authorization.

Shareholders

To L'Air Liquide's knowledge, there are no shareholder agreements or agreements to act jointly, and no shareholder holds 5% or more of share capital or voting rights.

Recent Developments since January 1st 2007

General

L'Air Liquide, which owned 55% of Japan Air Gases (JAG) and has operational management, has purchased the remaining 45% currently held by the Linde Group, based on an enterprise value which represents 9.5x EBITDA. Japan Air Gases has become a significant player in the Japanese market, employing more than 2,000 people. L'Air Liquide has been present in Japan since 1907, and today, Japan is a strategic market for L'Air Liquide.

L'Air Liquide has moved into a new phase in the high growth zones of South-East Asia by acquiring from Linde its shares in four joint-venture companies. L'Air Liquide now owns 100% of the activities of Soxal (subsidiary in Singapore), Eastern Industrial Gases (subsidiary in Thailand), Vietnam Industrial Gases (subsidiary in Vietnam) and 50% of Brunox (subsidiary in Brunei with a local partner). At the same time, L'Air Liquide sold to Linde its share in Malaysia Oxygen (Malaysia) and in Hong Kong Oxygen (present in Hong Kong and in the Canton region). On this basis, Linde received the sum of 275 million euros.

L'Air Liquide has announced the acquisition of Linde Gas UK in March 2007. The transaction is based on an enterprise value of 105 million euros. This acquisition will have an immediate and positive impact on the Group's results and allow L'Air Liquide to almost double the size of its UK operation. This new business is very complementary with L'Air Liquide activities, and enables L'Air Liquide to enter the healthcare market. The acquisition of Linde Gas UK has been completed on May 31, 2007.

Air Liquide announced the acquisition of the engineering firm Lurgi, which is owned by Global Engineering Alliance (GEA Group AG), based on an equity value of approximately 550 million euros, which is equivalent to an enterprise value of 200 million euros after including the assumption of Lurgi's cash position as well as its pension and other liabilities. This acquisition, which is still subject to approval by the competition authorities, is an important step to achieve the new objectives recently announced by the Group. Notably, it will enable the acceleration of growth in the Large Industries World Business Line, strengthening our strengthening the Group's resources in hydrogen markets and giving it access to the Coal to Liquid (CTL) and Coal to Chemicals (CTC) sectors.

New contracts

Europe

In Portugal, L'Air Liquide has achieved another commercial success with the renewal and expansion of its agreements with The Dow Chemical Company (Dow) and CUF in Estarreja, 50 km south of Porto, for a period of 15 years. All three industrial partners will invest a total of 230 million euros to expand their operations in Estarreja.

America

L'Air Liquide is pleased to announce a major commercial success in the growing Brazilian steel market. An international partnership consisting of Air Liquide Brazil; White Martins, a wholly owned subsidiary of Praxair Inc; and ThyssenKrupp MinEnergy, a wholly owned subsidiary of the ThyssenKrupp group, has signed a twenty-year agreement

to supply industrial gases to ThyssenKrupp CSA Companhia Siderúgica, which is a joint venture between the German ThyssenKrupp Steel AG and Companhia Vale do Rio Doce of Brazil.

Asia

L’Air Liquide has signed its largest long term contract in China with Shagang, which has decided to outsource its increasing industrial gases needs. Under the terms of this agreement, L’Air Liquide will invest about 90 million euros to install two large air separation units (ASU) of 2000 tonnes per day of gaseous oxygen each, to supply oxygen, nitrogen and argon to Shagang steel mills in Zhangjiagang, Jiangsu Province.

L’Air Liquide, present in Qingdao since 1995, has also entered into a new long-term agreement with Qingdao Refining & Chemical Co., Ltd, a subsidiary of Sinopec (China Petroleum & Chemical Corporation) in Qingdao, Shandong Province. Under the terms of this agreement, L’Air Liquide will supply nitrogen necessary for the new Qingdao refinery by pipeline. This new contract demonstrates the desire of the Group to expand its pipeline networks in the industrial basins, and is a further example of the decision by industrial groups in China to outsource their gas requirements.

In India, L’Air Liquide has made a partnership with the first fab in the country. HSMC (Hindustan Semiconductor Manufacturing Co.), an Indian company recently created, officially announced a massive investment in the first 200 mm fab in India, and L’Air Liquide and HSMC have signed an agreement for the supply of all gases, gas and chemical distribution systems and related services, in the high tech park where the investment will take place.

In Singapore, Singapore Oxygen Air Liquide Pte Ltd (SOXAL) has also signed a new contract to supply oxygen and nitrogen to Shell’s new cracker and mono-ethylene glycol (MEG) plant in Singapore. In order to meet Shell’s new gas requirements, SOXAL will invest in a new 1,200 tonnes per day air separation unit (ASU) to be integrated with its existing five ASUs and pipeline network in Jurong Island. This new unit is expected to be on stream by 3rd quarter 2009. A separate on-site nitrogen generator will also be installed at Pulau Bukom, where Shell’s refinery is located, to meet nitrogen requirement to the new Shell cracker.

Africa

Air Liquide Southern Africa has achieved several successes in the first months of 2007, which will translate in investments in excess of 20 million euros . A new liquefier and a Carbon Dioxide recovery and purification unit will be built. L’Air Liquide will also have to supply of over 600 tonnes per day of oxygen for Tati Nickel, a joint venture between the group LionOre and the government of Botswana.

Trend information

Several significant events in 2006 and 2007 particularly demonstrate the Group’s growth strategy:

- acquisition of minority interests from BOC/Linde : Japan Air Gases, Asian South East Joint Ventures, Linde Gas UK,
- development of the Large Industries sector, in particular hydrogen,
- L’Air Liquide’s increased presence in new territories, (China, Middle East, Eastern Europe)
- the performance of the Healthcare business line,
- the development of technology and innovation enabling L’Air Liquide to enlarge current markets and prepare those of tomorrow.

On this basis, the Group is well positioned in 2007 to continue its growth dynamic established over the last 2 years.

Outlook

Commenting the 2006 Consolidated Revenues, Benoît Potier, Chairman and Chief Executive Officer of Air Liquide, stated:

“2006 was another year of solid growth for Air Liquide, very well balanced across all our activities and geographies. Our revenues in Asia were very strong with a continuing recovery in Japan, where we will strengthen our positions in 2007 by taking full ownership of Japan Air Gases. Growth was also sustained in the Americas, and increased progressively during the year in Europe. Our activities in hydrogen, homecare and new contract signatures in China, in particular, contributed to this dynamism. On this basis, we confirm our target for the year of growth in comparable net earnings, close to that achieved in 2005.”

For 2007 and the years to come, our position in higher growth markets, the start-up of new capacities and our commercial successes driving higher levels of investment give us confidence in the future. These factors allow us to anticipate an acceleration of our development.”

Significant changes in the commercial or financial situation

No other significant commercial or financial change has occurred since December 31st 2006, the close of the last published accounts.

Rating

The long term credit rating of L’Air Liquide is A with a stable outlook.

Extract from the latest Standard & Poor’s analysis on L’Air Liquide published on July 2, 2007:

“On July 2, 2007, Standard & Poor’s Ratings Services lowered its long-term corporate credit rating on France-based L’Air Liquide S.A. to ‘A’ from ‘A+’, following the company’s announced significant increase in capital expenditures exceeding €10 billion over the next five years and increased shareholder distributions. The ‘A-1’ short-term corporate credit rating on Air Liquide was affirmed. The outlook is stable.”

Air Liquide press release dated July 2, 2007:

“Air Liquide finances its new strategy for growth and value creation

To finance its growth ambitions announced in February 2007, Air Liquide will, in the near future, access the bond market under its current Euro Medium Term Note (EMTN) program. Complementary financing in euros and yen will be put in place in due course.

These funds will partly finance the recently finalized acquisitions of the minority BOC stake in Japan Air Gases, the joint venture shares of BOC in Singapore, Thailand, Vietnam and Brunei, and also the acquisition of Linde UK. These acquisitions, which total approximately €1 billion, have enabled Air Liquide to acquire full ownership of these activities.

Over the next five year period (2007-2011) the Group expects to invest over €10 billion focusing on emerging markets, hydrogen, energy conversion and healthcare, in order to deliver accelerated revenue growth of 8-10% p.a. on average over the period. The Group productivity and efficiency programs should also contribute to further increase its cash flow and net profit.

This accelerated business development combined with the strong distribution policy will deliver sustainable long term shareholder value. This value creation will be further enhanced by regular share repurchases equivalent to 2-2.5% of the share capital per year (approximately €500-550 million p.a.) subject to levels of investment, acquisition opportunities and market conditions.

The Group’s objective is to maintain an “A level rating” in line with the long term nature of its customer relationships while benefiting from favorable financing conditions. During this growth phase, the net debt to equity ratio could increase to approximately 80%. Taking into account its capacity to generate strong cash flow and the new growth perspectives, Air Liquide is confident in its ability to deliver sustained value creation for all its shareholders.”

ADMINISTRATIVE, MANAGERIAL AND SUPERVISORY BODIES OF L'AIR LIQUIDE

The Annual General Meeting of Shareholders was held in Paris on 9 May, 2007.

- Benoît Potier is Chairman of the Board of Directors and Chief Executive Officer of L'Air Liquide, and Jean-Claude Bueno and Klaus Schmieder are Senior Executive Vice-Presidents.
- The shareholders re-appointed Gérard de La Martinière and Cornelis van Lede for a further term.
- The Board of Directors has 11 members of which 8 are independent, and comprises members with complementary experience and skills.

Members of the Board of Directors

Benoît Potier

Chairman of the Board of Directors

Chief Executive Officer of L'Air Liquide

Born in 1957 – French nationality

Professional address: 75 quai d'Orsay – 75007 PARIS, France

Number of shares held at June 20, 2007: 21,568 shares

With L'Air Liquide for 25 years, Benoît Potier has been Chairman of the Management Board since November, 2001 until May 10, 2006.

He is also:

- Chairman and Chief Executive Officer: Air Liquide International, American Air Liquide Inc. and Air Liquide International Corporation
- Chairman: American Air Liquide Holdings Inc.
- Director: Air Liquide Italia Srl., AL Air Liquide España, Air Liquide Canada Inc.

Principal activities undertaken outside L'Air Liquide:

- Director and Chairman of the Audit Committee of the Danone Group
- Member of the Supervisory Board Michelin

Lindsay Owen-Jones

Vice-Chairman of the Board of Directors

Chairman of the Remuneration Committee and of the Appointment Committee

Professional address: L'Oréal, 41 rue Martre 92117 Clichy Cedex - France

Born in 1946

Number of shares held at June 15, 2007: 9,954 shares

Principal activities undertaken outside L'Air Liquide:

- Chairman of the Board of Directors, L'Oréal
- Chairman of the Strategy and Implementation Committee of L'Oréal
- Chairman of the Board of Directors and Director of L'Oréal USA Inc and of L'Oréal UK Ltd.
- Director, Ferrari SpA
- Director and member of the Compensation, Appointments and Governance Committee of Sanofi-Aventis
- President of Alba Plus SASU

Alain Joly

Member of the Board of Directors

Member of the Remuneration Committee and of the Appointment Committee

Professional address : 75 Quai d'Orsay - 75321 Paris Cedex 07 - France

Born in 1938

Number of shares held at June 27, 2007: 108,532 shares

Principal activities undertaken outside L'Air Liquide:

- Director, Lafarge

- Director, BNP PARIBAS

Edouard de Royere

Honorary Chairman

Member of the Board of Directors

Member of the Audit and Accounts Committee

Professional address: 75 Quai d'Orsay, 75321 Paris Cedex 07 - France

Born in 1932

Number of shares held at June 22, 2007: 59,456 shares

Principal activities undertaken outside L'Air Liquide:

- Member of the Supervisory Board, Michelin
- Auditor, Fimalac
- Honorary Chairman, Association Nationale des Sociétés par Actions (ANSA)

Thierry Desmarest

Member of the Board of Directors

Member of the Remuneration Committee and of the Appointment Committee

Professional address: TOTAL, Tour Coupole, 2 place de la Coupole, 92078 Paris La Défense - France

Born in 1945

Number of shares held at June 25, 2007: 5,152 shares

Principal activities undertaken outside L'Air Liquide:

- Chairman of the Board of Directors: Total SA
- Chairman of the Total Foundation
- Director, Sanofi-Aventis
- Member of the Supervisory Board, Areva

Professor Rolf Krebs

Member of the Board of Directors

Member of the Audit and Accounts Committee

Professional address: Bankhaus Metzler, grosse Gallusstrasse 18, 60311 Frankfurt am Main, Germany

Born in 1940

Number of shares held at June 22, 2007: 1,210 shares

Principal activities undertaken outside L'Air Liquide:

- Chairman of the Supervisory Board, Epigenomics AG
- Member of the Supervisory Board, Ganymed Pharmaceuticals AG,
- Member of the Supervisory Board, Merz Pharmaceuticals GmbH (since May 2006)
- Member of the Supervisory Board, E. Merck KgaA
- Member of Advisory Boards of Apax Partners, Kaneas Capital GmbH, Lehman Brothers Limited and E. Merck OHG.

Gérard de La Martinière

Member of the Board of Directors

Chairman of the Audit and Accounts Committee

Professional address: FFSA (Fédération Française des Sociétés d'Assurances), 26 boulevard Haussmann, 75009 Paris, France

Born in 1943

Number of shares held at June 26, 2007: 3,000 shares

Principal activities undertaken outside L'Air Liquide:

- Chairman, French Federation of Insurance Companies
- Chairman, European Federation of National Insurance Associations
- Member of the Supervisory Board and Chairman of the Audit Committee, Schneider Electric S.A.

- Director, Banque d'Orsay

Cornelis van Lede

Member of the Board of Directors

Member of the Remuneration Committee and of the Appointment Committee

Professional address: Akzo Nobel N.V., Velperweg 76, PO Box 9300, 6824 BM Arnhem, The Netherlands

Born in 1942

Number of shares held at July 9, 2007: 1,220 shares

Principal activities undertaken outside L'Air Liquide:

- Member, Supervisory Board, Royal Philips Electronics N.V., Heineken N.V.
- Director, Air France-KLM and Sara Lee Corporation
- Chairman INSEAD

Béatrice Majnoni d'Intignano

Member of the Board of Directors

Member of the Audit and Accounts Committee

Born in 1942

Number of shares held at June 22, 2007: 1,404 shares

Principal activities undertaken outside L'Air Liquide:

- Professor of Economics, University of Paris XII, Créteil
- Member, Economic Analysis Council
- Director and Member of the Remuneration Committee, AGF

Thierry Peugeot

Member of the Board of Directors

Professional Address: PSA Peugeot Citroën, 75 avenue de la Grande Armée, 75116 Paris Cedex 16, France

Born in 1957

Number of shares held at July 3, 2007: 1,100 shares

Principal activities undertaken outside L'Air Liquide:

- Chairman of Supervisory Board, Peugeot S.A.
- Vice Chairman of Établissements Peugeot Frères
- Director, Société Foncière, Financière et de Participations, Française de Participations Financières, Société Anonyme de Participations, Immeubles et Participations de l'Est, Faurecia and the Compagnie Industrielle Delle
- Permanent representative of the Compagnie Industrielle Delle on the Board of Directors of LISI.

Paul Skinner

Member of the Board of Directors

Professional Address: 6 St James's Square, London SW1Y 4LD, United Kingdom

Born in 1944

Number of shares held at June 21, 2006: 550 shares

Principal activities undertaken outside L'Air Liquide:

- Chairman of Rio Tinto
- Director, Standard Chartered PLC and Tetra Laval Group
- Member of the Board of directors INSEAD
- Member of the Board of the British Ministry of Defence.

Composition of the Committees as of May 10, 2006:

Audit and Accounts Committee

Mr. G. de La Martinière - Chairman

Mr. E. de Royere

Ms. B. Majnoni d'Intignano

Mr. R. Krebs

Remuneration Committee

Mr. L. Owen-Jones- Chairman

Mr. T. Desmarest

Mr. A. Joly

Mr. C. Van Lede

Appointment Committee

Mr. L. Owen-Jones- Chairman

Mr. T. Desmarest

Mr. A. Joly

Mr. C. Van Lede

General Management

Benoît Potier

Chairman of the Board of Directors

Chief Executive Officer of L'Air Liquide

See details on previous page.

Jean-Claude Buono

Senior Executive Vice-President

Born in 1943 – French nationality

Professional address: 75 quai d'Orsay – 75007 PARIS, France

Number of shares held at June 22, 2007: 23,780 shares

Jean-Claude Buono joined Air Liquide in 1989. He has been a member of the Management Board since November 2001 and until May 10, 2006.

He is also :

- Chairman and Chief Executive Officer: Air Liquide Welding• Director and Senior Executive Vice President: Air Liquide International
- Director: Air Liquide Santé International, Aqualung International, American Air Liquide Inc., Air Liquide International Inc., Air Liquide Far Eastern Ltd., Air Liquide Tunisie

Principal activities undertaken outside L'Air Liquide:

- Director, Velecta Paramount
- Director, SNPE

Klaus Schmieder

Senior Executive Vice-President

Born in 1948 – German nationality

Professional address: 75 quai d'Orsay – 75007 PARIS, France

Number of shares held at June 29, 2007: 2,954 shares

Klaus Schmieder has been a member of the Management Board since May 12, 2004. Former Chairman of the Management Board of Messer.

He is also :

- Director : Air Liquide Deutschland GmbH, Air Liquide Italia Srl., Air Liquide Santé International and AL Air Liquide España
- Member, Beirat of Schülke & Mayr, GmbH.

Principal activities undertaken outside L'Air Liquide:

- Member of Supervisory Board, Altana AG

Members of the Board of Directors or of the General Management Team have no family link with any member of the Board of Directors or of the General Management Team and have not been condemned for fraud during at least the last 5 years.

No incrimination and/or official public sanction has been pronounced against them by statutory or regulatory authorities (including professional organizations) and they have not been prevented by a court from acting in their capacity as a member of an administration, management or supervisory body or interfering in the management or carrying out of business of an issuer during at least the last 5 years. They have no potential conflicts of interest with L'Air Liquide, except, in the case of Klaus Schmieder, as regards the duties he may have had in his former position as corporate officer of the Messer Group.

No arrangements or agreements have been made with the significant shareholders, customers, suppliers or others, pursuant to which the persons mentioned above have been chosen as members of the Board of Directors or of the General Management Team.

There exist no restrictions accepted by these persons as to the transfer, within a certain lapse of time, of their interest in the capital of L'Air Liquide S.A. except for the rules on preventing insider trading and the obligation set forth in the Articles of Association requiring the members of the Board of Directors to own at least 500 registered shares of the Company during the term of their office and the obligation imposed on Executive Directors and officers to hold shares acquired following the exercise of stock options. The members of the Board of Directors have not been associated with any bankruptcy, any receivership or liquidation during the last 5 years.

The operation of management and administrative bodies is described on pages 8 to 11 of the 2006 Reference Document.

Members of the Executive Committee

<i>Name</i>	<i>Principal occupation</i>
Benoît Potier	Chairman of the Board of Directors and Chief Executive Officer of L'Air Liquide
Jean-Claude Buono	Senior Executive Vice-President
Klaus Schmieder	Senior Executive Vice-President
Pierre Dufour	Executive Vice-President, Large Industries, North and South-America, Africa, Middle East zones
Jean- Pierre Duprieu	Senior Vice-President, Electronics, North-East and South-East Asia, Japan zones
Jean-Marc de Royere	Senior Vice-President Healthcare & Specialities
John Glen	Vice-President Finance and Administration
François Darchis	Senior Vice-President, Industrial Merchant, R&D, Technologies, Engineering & Construction
Ron LaBarre	Vice-President Large Industries: strategy, markets, trainees, project development
Dominique Maire	Vice-President Communications

Corporate Governance

L'Air Liquide complies with all material aspects of the recommendations set forth in the AFEP/MEDEF(*) report on corporate governance principles of listed companies. Corporate governance principles are described in the annual report (pages 8 to 11) and in the Report of the President of the Board of Directors (page 34 to 41 of the Management Report Section of the annual report).

(*) *Association Française des Entreprises Privées/ Mouvement des Entreprises de France*

STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF L'AIR LIQUIDE FOR THE YEAR ENDED 31st DECEMBER 2006

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the consolidated financial statements. This information includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting matters. These assessments were made for the purpose of issuing an opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. The report also includes information relating to the specific verification of information in the Group Management Report.

This report, together with the statutory auditors' report addressing financial and accounting information in the Chairman's report on internal control, should be read in conjunction with, and is construed in accordance with French law and professional auditing standards applicable in France.

In compliance with the assignment entrusted to us by your Shareholders' Meeting, we have audited the accompanying consolidated financial statements of L'Air Liquide S.A. for the year ended December 31, 2006.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with the professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group at December 31, 2006 and the results of its operations for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

II. Justification of assessments

In accordance with the requirements of article L. 823-9 of the French Company Law (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- Intangible assets and goodwill were subject to impairment tests performed in accordance with the principles set out in note 4.5.f. of the consolidated financial statements relating to accounting policies. We have reviewed the soundness of the chosen approach and the assumptions used for these impairment tests.
- We have reviewed the methodology used to recognize reserves for risks and charges. In particular, we assessed the process set out by the Management to identify and evaluate risks. We ensured that such provisions were recognized in accordance with the accounting principles described in the notes 4.11.a. and 4.11.b. of the consolidated financial statements.

These assessments were thus made in the context of the performance of our audit of the consolidated financial statements taken as a whole and therefore contributed to the formation of our audit opinion expressed in the first part of this report.

III. Specific verification

In accordance with professional standards applicable in France, we have also verified the information given in the Group Management Report. We have no matters to report regarding its fair presentation and conformity with the consolidated financial statements.

Courbevoie and Paris-La Défense, March 19, 2007

The statutory auditors

MAZARS & GUERARD
Frédéric Allilaire

ERNST & YOUNG Audit
Olivier Breillot

**SUMMARY CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF L'AIR
LIQUIDE FOR THE YEAR ENDED
31st DECEMBER 2006**

**CONSOLIDATED STATEMENT OF EARNINGS OF L'AIR LIQUIDE FOR THE YEAR
ENDED 31st DECEMBER 2006**

In million of euros	2005	2006
Revenue	10 434,8	10 948,7
Purchase	(3 945,5)	(4 240,6)
Personnel expenses	(1 856,4)	(1 939,5)
Other income and expenses	(2 218,0)	(2 201,2)
Operating income recurring before depreciation and amortization	2 414,9	2 567,4
Depreciation and amortization expense	(897,3)	(908,2)
Operating income recurring	1 517,6	1 659,2
Other non-recurring operating expenses	(44,8)	2,6
Operating income	1 472,8	1 661,8
Net finance costs	(163,1)	(155,4)
Other net financial expenses	(49,1)	(42,2)
Income taxes	(370,7)	(419,8)
Share of profit of associates	36,5	27,7
Profit before minority interests and discontinued operations	926,4	1 072,1
Net profit from discontinued operations	80,6	
Profit for the period	1 007,0	1 072,1
Minority interests	73,6	69,8
Net profit (Group share)	933,4	1 002,3

**CONSOLIDATED BALANCE SHEET OF L'AIR LIQUIDE FOR THE YEAR ENDED
31st DECEMBER 2006**

<i>In millions of euros</i>	For the year ended 2005	For yhe year ended 2006
Assets		
Non-current assets		
Goodwill	2 646,1	2 614,7
Other intangible assets	386,0	367,2
Property, plant and equipment	8 168,5	7 991,7
	11 200,6	10 973,6
Other non-current assets		
Non-current financial assets	294,1	240,6
Investments in associates	166,1	171,4
Deferred tax assets	411,9	402,2
	872,1	814,2
Total non- current assets	12 072,7	11 787,8
Current assets		
Inventories and work-in- progress	653,8	694,3
Trade receivables	2 429,7	2 490,7
Other current assets	429,6	358,4
Current tax assets	38,3	34,1
Fair value of derivatives (assets)	66,1	32,5
Cash and cash equivalents	598,2	897,5
Total current assets	4 215,7	4 507,5
Total assets	16 288,4	16 295,3

**CONSOLIDATED BALANCE SHEET OF L'AIR LIQUIDE FOR THE YEAR ENDED
31st DECEMBER 2006**

<i>In millions of euros</i>	For the year ended 2005	For the year ended 2006
Equity and liabilities		
Shareholders' equity		
Share capital	1 204,9	1 332,6
Additional paid-in capital	147,6	75,3
Retained earnings	3 719,0	4 004,1
Treasury shares	(74,4)	(128,5)
Net profit (Group share)	933,4	1 002,3
	5 930,5	6 285,8
Minority interests	278,2	281,0
Total equity	6 208,7	6 566,8
 Non-current liabilities		
Provisions and employee benefit commitments	1 648,8	1 505,1
Deferred tax liabilities	1 149,4	1 130,5
Non-current borrowings	3 978,4	3 674,9
Other non-current liabilities	167,3	160,0
Total non-current liabilities	6 943,9	6 470,5
 Current liabilities		
Provisions and employee benefit commitments	155,4	122,9
Trade payables	1 280,7	1 330,8
Other current liabilities	1 011,1	965,8
Current tax payables	192,0	142,2
Current borrowings	417,7	668,6
Fair value of derivatives (liabilities)	78,9	27,7
Total current liabilities	3 135,8	3 258,0
 Total equity and liabilities	16 288,4	16 295,3

**CONSOLIDATED STATEMENT OF CASH FLOWS OF L'AIR LIQUIDE
FOR THE YEAR ENDED 31st DECEMBER 2006**

In millions of euros

	2005	2006
Operating activities		
Net profit (Group share)	933,4	1 002,3
Minority interests	73,6	69,8
Adjustments:		
Depreciation and amortization	897,3	908,2
Changes in deferred taxes	47,9	44,3
Increase (decrease) in provisions	(15,3)	(94,0)
Share of profit of associates (less dividends received)	(17,2)	(2,7)
Profit / loss on disposal of assets	(114,9)	(38,6)
Cash flow from operating activities before changes in working capital	1 804,8	1 889,3
Changes in working capital	5,2	(108,8)
Other	(89,9)	(13,8)
Net cash from operating activities	1 720,1	1 766,7
Investing activities		
Purchase of property, plant and equipment and intangible assets	(975,2)	(1 128,2)
Acquisition of subsidiaries and financial assets	(76,2)	(72,3)
Proceeds from sale of property, plant and equipment and intangible assets	91,3	102,7
Proceeds from sale of financial assets	26,7	2,1
Proceeds from sale of divested activities	162,8	0,0
Net cash used in investing activities	(770,6)	(1 095,7)
Financing activities		
Dividends paid		
L'Air Liquide S.A.	(391,1)	(432,0)
Minority interests	(84,8)	(47,1)
Proceeds from issues of share capital	78,4	108,1
Purchase of treasury shares	(59,8)	(131,1)
Increase (decrease) of borrowings	(635,0)	64,2
Net cash used in financing activities	(1 092,3)	(437,9)
Effect of exchange rate changes and change in scope of consolidation	1,8	28,5
Net increase (decrease) in cash and cash equivalents	0,0	(141,0)
Cash and cash equivalents at beginning of period	0,0	700,4 (a)
Cash and cash equivalents at end of period	(a)	559,4

The impact of IAS 32/39 implementation on cash and cash equivalents at the beginning of the period is (13) million euros.

The analysis of net cash and cash equivalents at the end of the period is as follows:

<i>In millions of euros</i>	2005	2006
Cash and cash equivalents	598,2	897,5
Bank overdrafts (included in current borrowings)	(38,8)	(76,5)
Net cash and cash equivalents	559,4	821,0

**NET INDEBTEDNESS CALCULATION AND STATEMENT OF CHANGES IN NET INDEBTEDNESS OF
L'AIR LIQUIDE AS AT 31st DECEMBER 2006**

Net indebtedness calculation

<i>In millions of euros</i>	2005	2006
Non-current borrowings (long-term debt)	(3 978,4)	(3 674,9)
Current borrowings (short-term debt)	(417,7)	(668,6)
Total gross indebtedness	(4 396,1)	(4 343,5)
Total cash and cash equivalents	598,2	897,5
Derivative instruments (assets) - fair value hedge of borrowings	58,1	
Derivative instruments (liabilities) - fair value hedge of borrowings		(0,6)
Total net indebtedness at the end of the period	(3 739,8)	(3 446,6)

Statement of changes in net indebtedness

<i>In millions of euros</i>		
Net indebtedness at the beginning of the period	(4 012,5)	(3 739,8)
Net cash from operating activities	1 720,1	1 766,7
Net cash used in investing activities	(770,6)	(1 095,7)
Net cash used in financing activities excluding increase (decrease) of borrowings	(457,3)	(502,1)
Effect of exchange rate changes and change in scope of consolidation	(219,5)	124,3
Change in net indebtedness	272,7	293,2
Net indebtedness at the end of the period	(3 739,8)	(3 446,6)

DESCRIPTION OF AIR LIQUIDE FINANCE

Air Liquide Finance was incorporated on 23rd December, 1999, under the laws of France in the form of a *société anonyme* for a term of 99 years. It is a wholly owned subsidiary of L'Air Liquide.

The registered office of Air Liquide Finance is 6, rue Cognacq-Jay, 75007 Paris and its phone number is + 33 1 40 62 55 55. It is registered with the *Registre du Commerce et des Sociétés* of Paris under number 428 711 949. Its issued share capital amounts to EUR 33,600,000 represented by 2,800,000 ordinary shares of EUR 12 nominal value each.

Legal name : Air Liquide Finance

Commercial name : Air Liquide Finance

Air Liquide Finance's corporate purpose comprises: ⁽¹⁾

- the performance of treasury operations with companies of the Air Liquide Group, in accordance with the provisions of the Article L 511-7(3) of the Monetary and Financial Code (*Code Monétaire et Financier*) or of any other applicable legal provisions, by having recourse to the financial markets and within the framework of a centralized management of financing and treasury; these operations could be carried out in particular by the means of loans (either as lender or borrower), hedging of foreign exchange rate and by the issuance of securities or sureties,

- the direct or indirect participation in all businesses and industrial, financial or commercial companies, by way of setting-up new companies, contributions, subscription or purchase of titles or social rights, mergers, unregistered partnership or others, and all operations of alienation, exchange or others, relating to the aforementioned titles, social rights and participations,

- the deposit, exploitation, purchase, sale of all patents, models, marks and of all industrial property rights being attached directly or indirectly to the activity of Air Liquide Finance; the concession or the acquisition of all user licenses and all rights of this nature,

and generally, all financial, commercial, movable and real estate transactions being attached directly or indirectly to the corporate purpose referred to above.

(1) Free translation of the French language original

BUSINESS OF AIR LIQUIDE FINANCE

Air Liquide Finance has been created to carry on certain financial activities in connection with the funding of the Air Liquide Group. Air Liquide Finance's role is to raise funds in the capital markets or in the bank market and to lend the proceeds to Air Liquide Group subsidiaries. Air Liquide Finance can issue notes under a French Commercial Paper Programme of EUR 3 billion guaranteed by L'Air Liquide and has also a wholly owned subsidiary, Air Liquide U.S. LLC, a Delaware limited company which is the issuer under a US Commercial Paper programme of USD 1.5 billion guaranteed by L'Air Liquide S.A.

Since 2001, Air Liquide Finance has assumed the function of financing, treasury and management of interest rate risk for the Group and its subsidiaries.

Air Liquide Finance corporate purposes are described in article 2 of the articles of association.

Significant changes in the financial situation

No significant change has occurred in the financial situation of Air Liquide Finance since December 31, 2006 (date of the latest audited accounts).

MANAGEMENT

As of the date hereof, the following are the members of the Board of Directors of Air Liquide Finance:

John Glen

Director, President and Chief executive officer

Professional address: 75 quai d'Orsay, 75007 Paris, France

Function within L'Air Liquide: Member of Executive Committee
Vice-President Finance and Administration

Principal activities undertaken outside L'Air Liquide:

Director : Air Liquide International, Lamers, Air Liquide Japan
Member of Supervisory Board of Seppic

Jacques Ethevenin

Director

Professional address: 75 quai d'Orsay, 75007 Paris, France

Function within L'Air Liquide

Deputy Finance Director

Principal activities undertaken outside L'Air Liquide:

Director: Air Liquide Europe Centrale et Orientale, ALTAL, Cryolor, TAEMA, Orsay-Re, Assur-Orsay, Carbagas, and Air Liquide Middle East.
President and Chief executive officer: Air Liquide Participations

Robert Shaw

Director

Professional address: 75 quai d'Orsay, 75007 Paris, France

Function within L'Air Liquide

Director Corporate Finance and Treasury

Principal activities undertaken outside L'Air Liquide:

None

Isabelle Guibert

Director

Professional address: 75 quai d'Orsay, 75007 Paris, France

Function within L'Air Liquide

Group Treasurer

Principal activities undertaken outside L'Air Liquide:

None.

The members of the Board of Directors:

- have no family-based links with all other members of the Board of Directors
- have no potential conflicts of interest with regard to Air Liquide Finance.

There are no arrangements or agreements concluded with the main shareholders, customers, suppliers or others, pursuant to which the persons mentioned above have been selected as members of the Board of Directors.

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF AIR LIQUIDE FINANCE FOR THE YEAR ENDED 31st DECEMBER 2006 (1)

In compliance with the assignment entrusted to us by your Shareholders meeting, we hereby report to you, for the year ended December 31, 2006, on:

- the audit of the accompanying financial statements of Air Liquide Finance;
- the justification of our assessments;
- the specific verifications and information required by law.

These annual financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1. Opinion on the financial statements

We conducted our audit in accordance with the professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 December, 2006, and the results of its operation for the year then ended, in accordance with the accounting rules and principles applicable in France.

2. Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Company Law (*Code de commerce*) relating to the justification of our assessments, we bring to your attention on the following matter:

Note 5 of the financial statements describes accounting principles for financial instruments used for hedging purposes. Within the context of our assessment of accounting rules and principles applied by Air Liquide Finance, we verified that these accounting principles, their application and the information indicated in the notes to the financial statements were appropriate.

These assessments were thus made in the context of the performance of our audit of the financial statements of the company, taken as a whole and therefore contributed to the formation of our audit opinion expressed in the first part of this report.

3. Specific verifications and Information

We have also performed the specific verifications required by law in accordance with professional standards applicable in France;

We have no matters to report regarding the fair presentation and the conformity with the financial statements of the information given in the Management' report, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Paris, La Défense – April 23, 2007

The Statutory Auditor

ERNST & YOUNG AUDIT
Olivier BREILLOT

((1) Free translation of the French language original)

**SUMMARY AUDITED FINANCIAL STATEMENTS OF AIR LIQUIDE FINANCE FOR
THE YEAR ENDED 31st DECEMBER 2006**

**BALANCE SHEET OF AIR LIQUIDE FINANCE FOR THE
YEAR ENDED 31st DECEMBER 2006**

<i>In thousands of euros</i>	<u>Period ended 2005</u>	<u>Period ended 2006</u>
Assets		
Intangible assets	3 049,0	3 049,0
Financial assets	19 001,0	73 879,3
Total non current assets	<u>22 050,0</u>	<u>76 928,3</u>
Current assets		
Inventories	0,0	0,0
Trade receivables	0,0	0,0
Prepaid expenses and other assets	10 116,4	7 256,7
Loans with Group companies	2 366 925,1	2 736 154,0
Marketable securities	129 000,0	315 000,0
Cash	732,7	23 378,5
Total assets	<u>2 528 824,1</u>	<u>3 158 717,5</u>
Liabilities and Shareholder's Equity		
Capital Stock	33 600,0	33 600,0
Additional paid-in capital	883,6	883,6
Reserves	722,1	1 265,3
Retained earnings	10 106,9	20 427,9
Net earnings for the year	10 864,2	2 821,3
Shareholder's Equity	<u>56 176,8</u>	<u>58 998,1</u>
Provisions	<u>0,0</u>	<u>0,0</u>
Bonds debentures	813 320,0	813 320,0
Bank debt	179 075,4	200 654,1
Fiscal and social debt	3 027,9	184,8
Debt with Group companies	1 453 841,1	2 069 028,2
Other Liabilities	23 382,8	16 532,2
Total	<u>2 472 647,3</u>	<u>3 099 719,3</u>
Total liabilities and shareholder's equity	<u>2 528 824,1</u>	<u>3 158 717,5</u>

**STATEMENT OF EARNINGS OF AIR LIQUIDE FINANCE
FOR THE YEAR ENDED 31st DECEMBER 2006**

<i>In thousands of euros</i>	Period ended 2005	Period ended 2006
Net sales	0,0	0,0
External charges and tax	1 237,5	1 430,0
Depreciation and amortization	0,0	0,0
Operating Income	-1 237,5	-1 430,0
Financial income (expense), net	17 730,0	6 477,6
Other income (expense), net	0,2	0,0
Earnings before income taxes	16 492,8	5 047,6
Current income taxes	5 628,6	2 226,2
Net earnings	10 864,2	2 821,4

DESCRIPTION OF THE GUARANTEE

1. Nature of the Guarantee

1.1 Main Provisions

L'Air Liquide (the “**Guarantor**”) granted through the execution of a Guarantee Agreement dated 21 July 2006 an irrevocable and unconditional guarantee (the “**Guarantee**”) up to a maximum principal amount of € 4,000,000,000 plus any amount of interest due under the Notes issued by Air Liquide Finance. As at the date of this Debt Issuance Programme Prospectus, the Guarantee remains in full force and effect.

The Guarantor shall be liable under this Guarantee as if it was the sole principal issuer under the terms and conditions of the Notes issued by Air Liquide Finance. The Guarantor waives under the Guarantee any requirement that the Noteholder, in the event of any default in payment by the Issuer first makes demand upon or seeks to enforce remedies against the Issuer before seeking to enforce this Guarantee. Furthermore, for so long as any amount remains payable in respect of the Notes, the Guarantor will not exercise any right of subrogation against the Issuer pursuant to this Guarantee or take any other action that would result in asserting claims of the Guarantor at the same time as claims of the Noteholder.

1.2 Additional Provisions

The Guarantor will not be discharged under the Guarantee by the merger, dissolution or transfer of the assets of the Issuer. Moreover, if at any time when any amount remains payable in respect of the Notes, or if applicable, the receipts or coupons relating thereto, the Guarantor shall grant any mortgage (*hypothèque*), pledge or other security interest (*sûreté réelle*) upon any of its assets or revenues, present or future to secure any Relevant Indebtedness (as defined in the terms and conditions of the Notes), incurred or guaranteed by it, the Guarantee shall be secured by the same ranking security.

2. Scope of the Guarantee

The Guarantee shall secure the payment of interest and principal due under the Notes, when and as the same becomes due and payable (including any additional amounts required to be paid pursuant to the terms of the Notes), by Air Liquide Finance, whether at maturity, upon redemption (voluntary or mandatory) by acceleration of maturity. The Guarantor undertakes to pay any sum due under the Notes and unpaid by the Issuer in accordance with the terms and conditions of the Notes.

3. Information to be disclosed about the Guarantor

All material information about the Guarantor has been provided in this Debt Issuance Programme Prospectus.

4. Documents on Display

The Guarantee shall be available in accordance with section “General Information”.

TAXATION

EU TAXATION

On 3 June 2003, the European Council of Economic and Finance Ministers adopted the Directive 2003/48/EC on the taxation of savings income (the “**Directive**”). Pursuant to the Directive and subject to a number of conditions being met, Member States are required, since 1 July 2005, to provide to the tax authorities of another Member State, *inter alia*, details of payments of interest within the meaning of the Directive (interest, products, premiums or other debt income) made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident in that other Member State (the “**Disclosure of Information Method**”).

For these purposes, the term “paying agent” is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Directive, for the immediate benefit of individuals.

However, throughout a transitional period, certain Member States (the Grand-Duchy of Luxembourg, Belgium and Austria), instead of using the Disclosure of Information Method used by other Member States, unless the relevant beneficial owner of such payment elects for the Disclosure of Information Method, withhold an amount on interest payments. The rate of such withholding tax equals 15 per cent. during the first three years, 20 per cent. during the subsequent three years and 35 per cent. until the end of the transitional period.

Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra, providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the “**OECD Model Agreement**”) with respect to interest payments within the meaning of the Directive, in addition to the simultaneous application by those same countries of a withholding tax on such payments at the rate applicable for the corresponding periods mentioned above and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Directive.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1 July 2005.

LUXEMBOURG – TAXATION

Luxembourg non-residents individuals

Under Luxembourg laws dated 21 June 2005 implementing the European Council Directive 2003/48/EC on the taxation of savings income (the “**Savings Directive**”) and several agreements concluded between Luxembourg and certain dependant territories of the European Union, a Luxembourg based paying agent (within the meaning of the Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State, unless the beneficiary of the interest payments elects for an exchange of information. The same regime applies to payments to individuals resident in certain dependent territories.

The withholding tax rate is initially 15 per cent., increasing steadily to 20 per cent. and to 35 per cent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain other countries.

Luxembourg residents individuals

A 10 per cent. withholding tax has been introduced, as from 1 January 2006 on interest payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to Luxembourg individual residents. Only interest accrued after 1 July 2005 falls within the scope of this withholding tax. This withholding tax represents the final tax liability for the Luxembourg individual resident taxpayers.

FRANCE – TAXATION

The Directive was implemented into French law under Article 242 *ter* of the French *Code Général des Impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

Payments of interest and other revenues with respect to Notes which constitute *obligations* under French law and are issued or deemed to be issued by the Issuers outside the Republic of France benefit from the exemption from deduction of the withholding tax set out under Article 125 A III of the French *Code Général des Impôts*, as provided for in Article 131 *quater* of the French *Code Général des Impôts*. Accordingly, such payments do not give the right to any tax credit from any French source.

Notes constituting *obligations* under French law will be issued (or deemed to be issued) outside France by the Issuers (i) in the case of syndicated or non-syndicated issues of Notes, if such Notes are denominated in euro, (ii) in the case of syndicated issues of Notes denominated in currencies other than euro, if, *inter alia*, the relevant Issuer and the relevant Dealers agree not to offer the Notes to the public in the Republic of France and such Notes are offered in the Republic of France through an international syndicate only to qualified investors (*investisseurs qualifiés*) as described in Article L. 411-2 of the French *Code monétaire et financier* or (iii) in the case of issues of Notes denominated in currencies other than euro that are not offered and sold through an international syndicate, if each of the subscribers of the Notes is domiciled or resident for tax purposes outside the Republic of France and does not act through a permanent establishment or fixed base therein, in each case as more fully set out in the Circular 5 I-11-98 of the *Direction Générale des Impôts* dated 30 September 1998.

However, if so provided in the relevant Final Terms, Notes constituting *obligations* under French law and denominated in currencies other than euro may be issued on a non-syndicated basis and placed with subscribers not all of whom are resident outside the Republic of France. In such cases, the Notes will not benefit from the exemption from deduction of tax at source provided for in Article 131 *quater* of the French *Code Général des Impôts* and interest payments under such Notes made to a non-French resident will be exempt from withholding or deduction of tax at source only if the beneficiary of the payment provides certification that he is not resident in the Republic of France, all in accordance with the provisions of Article 125 A III of the French *Code Général des Impôts*, as more fully described in Condition 9.

See “*Terms and Conditions of the Notes – Taxation*”.

The tax regime applicable to Notes which do not constitute *obligations* under French law will be set out in the relevant Final Terms.

SUBSCRIPTION AND SALE

Summary of Amended and Restated Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 19 July 2007 (the “**Amended and Restated Dealer Agreement**”) between L’Air Liquide, Air Liquide Finance, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis to the Permanent Dealers. Each Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the relevant Issuer through the Dealers, acting as agents of such Issuer. The Amended and Restated Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

L’Air Liquide and Air Liquide Finance will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it unless otherwise agreed. L’Air Liquide and Air Liquide Finance have agreed to reimburse the Arranger for certain of its expenses incurred in connection with the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

L’Air Liquide and Air Liquide Finance have agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Amended and Restated Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the relevant Issuer.

Selling Restrictions

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Directive 2003/71/EC (the “**Prospectus Directive**”) (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”), it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (i) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;
- (ii) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; or
- (iii) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (iv) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive,

provided that no such offer of Notes referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

France

(a) Non-syndicated issue of Notes not constituting *obligations* denominated in currencies other than euro:

In respect of Notes not constituting *obligations* under French law and issued in any currency on a non-syndicated basis, each of the Dealers has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Notes in France and has not distributed or caused to be distributed and will not distribute or cause to be distributed in France, the Debt Issuance Programme Prospectus or any other offering material relating to the Notes.²

(b) Notes constituting *obligations* denominated in euro:

In respect of Notes constituting *obligations* under French law and issued in euro whether on a syndicated or non-syndicated basis, each of the Dealers has represented and agreed that¹:

(i) Offer to the public in France:

it has only made and will only make an offer of Notes to the public in France in the period beginning (i) when a prospectus in relation to those Notes has² been approved by the *Autorité des marchés financiers* (“AMF”), on the date of its publication or (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, on the date of notification of such approval to the AMF, all in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF, and ending at the latest on the date which is 12 months after the date of the approval of the Debt Issuance Programme Prospectus; or

(ii) Private placement in France:

(i) it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France and offers and sales of Notes will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*), to the exclusion of any individual, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier* and (ii) it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Debt Issuance Programme Prospectus, the relevant Final Terms or any other offering material relating to the Notes other than to investors to whom offers and sales of Notes in France may be made as described above; or

(c) Syndicated issues of Notes constituting *obligations* denominated in currencies other than euro²

In respect of Notes constituting *obligations* under French law and issued in currencies other than euro on a syndicated basis, each of the Dealers has represented and agreed that, it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Debt Issuance Programme Prospectus, the relevant Final Terms or any other offering material relating to the Notes and that such offers, sales and distributions have been and shall only be made in France through an international syndicate to qualified investors (*investisseurs qualifiés*), to the exclusion of any individual, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

¹ Prior to any offer of Notes to the public in France or any admission to trading on Euronext Paris S.A., a notice has to be published in the French legal gazette called *Bulletin des Annonces légales obligatoires* (“BALO”).

² Prior to any offer of Notes to the public in France or any admission to trading on Euronext Paris S.A., a notice has to be published in the French legal gazette called *Bulletin des Annonces légales obligatoires* (“BALO”).

(d) Non-syndicated issues of Notes constituting obligations denominated in currencies other than euro:

In respect of Notes constituting *obligations* under French law and issued in currencies other than euro on a non-syndicated basis, each of the Dealers has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Notes in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed in France, the Debt Issuance Programme Prospectus, the relevant Final Terms or any other offering material relating to the Notes, and each subscriber will be domiciled or resident for tax purposes outside France.

United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Materialised Bearer Notes having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Amended and Restated Dealer Agreement, it will not offer, sell or deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the relevant Issuer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Each Dealer has agreed that:

- (i) in relation to any Notes which have a maturity of less than one year from the date of issue, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “**FSMA**”) by the relevant Issuer or the Guarantor;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the “**Securities and Exchange Law**”). Accordingly, each of the Dealers represents and agrees that it has not, directly or indirectly, offered or sold and shall not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Securities and Exchange Law and other relevant laws and regulations of Japan.

General

These selling restrictions may be modified by the agreement of L’Air Liquide, Air Liquide Finance and the Dealers following a change in a relevant law, regulation or directive. Any such modification or supplement will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Debt Issuance Programme Prospectus.

Unless otherwise specified in the Final Terms, no action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Debt Issuance Programme Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Debt Issuance Programme Prospectus, any other offering material or any Final Terms and obtain any consent, approval or permission required for the purchase, offer or sale of Notes under the laws and regulations in force in any jurisdiction in which it makes such purchase, offer or sale and none of L’Air Liquide, Air Liquide Finance or any other Dealer shall have responsibility therefore.

FORM OF FINAL TERMS – L’AIR LIQUIDE

FORM OF FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF NOTES WITH A DENOMINATION OF LESS THAN €50,000 TO BE ADMITTED TO TRADING ON A REGULATED MARKET OR REGULATED MARKETS AND/OR OFFERED TO THE PUBLIC IN THE EUROPEAN ECONOMIC AREA

Final Terms dated [•]

[LOGO, if document is printed]

**L’Air Liquide
Air Liquide Finance**

Euro 4,000,000,000
Euro Medium Term Note Programme
for the issue of Notes

Due from one month from the date of original issue

**SERIES NO: [•]
TRANCHE NO: [•]
[Brief description and Amount of Notes]
Issued by: L’Air Liquide (the “Issuer”)**

[Name(s) of Dealer(s)]

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Debt Issuance Programme Prospectus dated [•] [and the supplement[s] to the Debt Issuance Programme Prospectus dated [•] which [together] constitute[s] a Debt Issuance Programme Prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Debt Issuance Programme Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Debt Issuance Programme Prospectus. The Debt Issuance Programme Prospectus [and the supplement[s] to the Debt Issuance Programme Prospectus] [is] [are] available for viewing at the office of the Fiscal Agent or each of the Paying Agents and on the websites of (a) the Luxembourg Stock Exchange (www.bourse.lu) and (b) the Issuer (www.airliquide.com) and copies may be obtained from L’Air Liquide, 75, quai d’Orsay, 75007 Paris, France.

The following alternative language applies if the first tranche of an issue which is being increased was issued under [a Debt Issuance Programme Prospectus, a Prospectus or an Offering Circular] with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the [Debt Issuance Programme Prospectus/Prospectus or the Offering Circular, in case of transitional phase] dated [original date] [and the supplement to the Debt Issuance Programme Prospectus] dated [•]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Debt Issuance Programme Prospectus dated [current date] [and the supplement to the Debt Issuance Programme Prospectus dated [•], which [together] constitute[s] a Debt Issuance Programme Prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the [Debt Issuance Programme Prospectus/Prospectus or the Offering Circular] dated [original date] [and the supplement to the Debt Issuance Programme Prospectus] dated [•] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the [Debt Issuance Programme Prospectus/Prospectus or the Offering Circular] dated [original date] and the Debt Issuance Programme Prospectus dated [current date] [and the supplement to the Debt Issuance Programme Prospectus dated [•]]. The Debt Issuance Programme Prospectus/Prospectus or Offering Circular [and the supplement to the Debt Issuance Programme Prospectus are available for viewing at the office of the Fiscal Agent or each of the Paying Agents and on the websites of (a) the Luxembourg Stock Exchange (www.bourse.lu) and (b) the Issuer ([www.airliquide.com]) and copies may be obtained from L’Air Liquide, 75, quai d’Orsay, 75007 Paris, France].

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information at, for example, items 9, 10, 15, 16, 17 or 33 of Part A or in relation to disclosure relating to the interests of natural and legal persons involved in the issue/offer in Part B consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive, the publication of which would in turn trigger the investors’ right to withdraw their acceptances within a 48 hour time period.]

1	(i) Issuer:	L’Air Liquide
	(ii) Guarantor:	Not applicable
2	(i) Series Number:	[•]
	(ii) [Tranche Number:	[•]
	<i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)</i>	
3	Specified Currency or Currencies:	[•]
4	Aggregate Nominal Amount:	
	(i) Series:	[•]
	(ii) Tranche:	[•]
5	Issue Price:	[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
6	Specified Denomination(s) ¹ :	[•] (one denomination only for Dematerialised Notes)
7	(i) Issue Date:	[•]
	(ii) [Interest Commencement Date:	[•]]
8	Maturity Date:	<i>[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant</i>

¹ Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year must (a) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to “professional investors” (or another application exemption from section 19 of the FSMA must be available) and (b) provide that no part of any such Notes may be transferred unless the redemption value of that part is not less than £100,000 (or its equivalent in other currencies).

** If the Final Redemption Amount is not 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

		<i>month and year</i>]
9	Interest Basis:	[[•] per cent. Fixed Rate] [[<i>specify reference rate</i>] +/- [•] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Other (<i>specify</i>)] [(further particulars specified below)]
10	Redemption/Payment Basis: **	[Redemption at par] [Index Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other (<i>specify</i>)]
11	Change of Interest or Redemption/Payment Basis:	[<i>Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis</i>]
12	Put/Call Options:	[Issuer Call] [Investor Put] [(further particulars specified below)]
13	(i) Status of the Notes: (ii) Status of the Guarantee: (iii) Dates of the corporate authorisations for issuance of the Notes:	[Subordinated/Unsubordinated Notes] [Not Applicable/Unsubordinated] [decision of the Board of Directors of L'Air Liquide dated [•] [and of [•] [function] dated [•]] ³
14	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15	Fixed Rate Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Rate [(s)] of Interest:	[•] per cent. per annum [payable [annually/semi-annually/quarterly/ monthly] in arrear
	(ii) Interest Payment Date(s):	[•] in each year [adjusted in accordance with [<i>specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"</i>]/not adjusted.]
	(iii) Fixed Coupon Amount [(s)]:	[•] per [•] in nominal amount
	(iv) Broken Amounts:	[<i>Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount [(s)] and the Interest Payment Date(s)</i>]

** If the Final Redemption Amount is not 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

³ Relevant for issues of Notes constituting *obligations* under French law.

⁴ Only relevant for issues of Notes not constituting *obligations* under French law.

		<i>to which they relate]</i>
	(v) Day Count Fraction (Condition 6(a)):	[•] <i>[Day Count Fraction should be Actual/Actual-ICMA for all fixed rate issues other than those denominated in USD]</i>
	(vi) Determination Date(s) (Condition 6(a)):	[•] in each year. <i>[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]</i> ¹
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/give details]
16	Floating Rate Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph.)</i>
	(i) Interest Period(s):	[•]
	(ii) Specified Interest Payment Dates:	[•]
	(iii) Business Day Convention:	[Floating Rate Business Day Convention /Following Business Day Convention /Modified Following Business Day Convention/Preceding Business Day Convention/other <i>(give details)</i>]
	(iv) Business Centre(s) (Condition 6(a)):	[•]
	(v) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other <i>(give details)</i>]
	(vi) Party responsible for calculating the Rates(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[•]
	(vii) Screen Rate Determination (Condition 6(c)(iii)(B)):	
	- Reference Rate:	[•]
	- Interest Determination Date:	[[•] [TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]]
	- Relevant Screen Page:	[The financial centre most closely connected to the Benchmark - specify if not [London]] [Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount] [Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]
	(viii) ISDA Determination (Condition 6(c)(iii)(A)):	
	- Floating Rate Option:	[•] <i>(specify Benchmark and months e.g. EURIBOR 3 months)</i>
	- Designated Maturity:	[•]
	- Reset Date:	[•]
	(ix) Margin(s):	[+/-] [•] per cent. per annum
	(x) Minimum Rate of Interest:	[•] per cent. per annum

¹ Only to be completed for an issue denominated in euro where Day Count Fraction is Actual/Actual-ICMA.

	(xi) Maximum Rate of Interest:	[•] per cent. per annum
	(xii) Day Count Fraction (Condition 6(a)):	[•]
	(xiii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[•]
17	Zero Coupon Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i>
	(i) [Amortisation/Accrual] Yield (Condition 7(e)(i)):	[•] per cent. per annum
	(ii) Day Count Fraction (Condition 6(a)):	[•]
	(iii) Any other formula/basis of determining amount payable:	[•]
18	Index Linked Interest Note Provisions/other variable-linked interest Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i>
	(i) Index/Formula/ [other variable]:	[Give or annex details]
	(ii) Calculation Agent responsible for calculating the interest due:	[•]
	(iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula [and/or other variable]:	[•]
	(iv) Determination Date(s):	[•]
	(v) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[•] <i>(Need to include a description of market disruption or settlement disruption events and adjustment provisions)</i>
	(vi) Interest [or Calculation] Period(s):	[•]
	(vii) Specified Interest Payment Dates:	[•]
	(viii) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other <i>(give details)</i>]
	(ix) Business Centre(s) (Condition 6(a)):	[•]
	(x) Minimum Rate [/Amount] of Interest:	[•] per cent. per annum
	(xi) Maximum Rate [/Amount] of Interest:	[•] per cent. per annum
	(xii) Day Count Fraction (Condition 6(a)):	[•]
19	Dual Currency Note Provisions **	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i>
	(i) Rate of Exchange/Method of calculating Rate of Exchange:	[Give details]
	(ii) Calculation Agent, if any, responsible for calculating the principal and/or interest	[•]

** If the Final Redemption Amount is not 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus EU Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

calculating the principal and/or interest due:

- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable or otherwise disrupted: [•]
- (iv) Person at whose option Specified Currency(-ies) is/are payable: [•]

PROVISIONS RELATING TO REDEMPTION

20	Call Option	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i>
	(i) Optional Redemption Date(s):	[•]
	(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[•] per Note of [•] Specified Denomination
	(iii) If redeemable in part:	
	(a) Minimum nominal amount to be redeemed:	[•]
	(b) Maximum nominal amount to be redeemed:	[•]
	(iv) Notice period ¹ :	[•]
21	Put Option	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i>
	(i) Optional Redemption Date(s):	[•]
	(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[•] per Note of [•] Specified Denomination
	(v) Notice period ² :	[•]
22	Final Redemption Amount of each Note	[[•] per Note of [•] Specified Denomination/Other/See Appendix]
23	Early Redemption Amount	
	(i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 7(f)), for illegality (Condition 7(j)) or an event of default (Condition 10 and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[•]
	(ii) Redemption for taxation reasons permitted on days others than Interest Payment Dates (Condition 7(f)):	[Yes/No]
	(iii) Unmatured Coupons to become void upon early redemption (Materialised Bearer Notes only) (Condition 8(f)):	[Yes/No/Not Applicable]

¹ If setting notice periods which are different to those provided in the terms and conditions, issuers are advised to consider the practicalities of distribution of information through intermediaries, for example clearing systems, as well as any other notice requirements which may apply, for example as between the issuer and its fiscal agent.

² If setting notice periods which are different to those provided in the terms and conditions, issuers are advised to consider the practicalities of distribution of information through intermediaries, for example clearing systems, as well as any other notice requirements which may apply, for example as between the issuer and its fiscal agent.

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24	Form of Notes:	[Dematerialised Notes/ Materialised Notes] <i>(Materialised Notes are only in bearer form)</i> <i>[Delete as appropriate]</i>
	(i) Form of Dematerialised Notes:	[Not Applicable/Bearer dematerialised form <i>(au porteur)</i> only / Registered dematerialised form <i>(au nominatif)</i>]
	(ii) Registration Agent :	[Not Applicable/ <i>if Applicable give name and details</i>] <i>(Note that a Registration Agent must be appointed in relation to Registered Dematerialised Notes only)</i>
	(iii) Temporary Global Certificate:	Temporary Global Certificate exchangeable for Definitive Materialised Bearer Notes on [•] (the “ Exchange Date ”), being 40 days after the Issue Date subject to postponement as provided in the Temporary Global Certificate
	(iv) Applicable TEFRA exemption:	[C Rules/D Rules/Not Applicable] <i>(Only applicable to Materialised Notes)</i>
25	Financial Centre(s) (Condition 8(h)) or other special provisions relating to payment dates:	[Not Applicable/ <i>Give details (Note that this item relates to the date and place of payment, and not interest period end dates, to which items 17(ii), 18(iv) and 20(vii) relate)</i>]
26	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No/Not Applicable. <i>If yes, give details</i>] <i>(Only applicable to Materialised Notes)</i>
27	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay:	[Not Applicable/ <i>give details</i>]
28	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	[Not Applicable/ <i>give details</i>]
29	Redenomination, renominatisation and reconventioning provisions:	[Not Applicable/The provisions [in Condition 1(d)] [annexed to these Final Terms] apply]
30	Consolidation provisions:	[Not Applicable/The provisions in Condition 15(b) apply] [annexed to these Final Terms] apply]
31	<i>Masse</i> (Condition 12):	[Applicable/Not Applicable/Condition 12 replaced by the full provisions of French <i>Code de commerce</i> relating to the <i>Masse</i>](<i>Note that: (i) in respect of any Tranche of Notes issued outside France, Condition 12 may be waived, amended or supplemented, and (ii) in respect of any Tranche of Notes issued inside France, Condition 12 must be waived in its entirety and replaced by the provisions of French Code de commerce relating to the Masse. If Condition 12 (as it may be amended or supplemented) applies or if the full provisions of French Code de commerce apply, insert details of Representative and Alternative Representative and remuneration, if any).</i>)
32	Other terms or special conditions:	Not Applicable/ <i>give details</i>] <i>(When adding any other final terms consideration should be given as to whether such terms constitute a "significant new factor" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)</i>

DISTRIBUTION

- 33 (i) If syndicated, names of Managers: Not Applicable/*give names, addresses and underwriting commitments*
(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)
- (ii) Date of subscription agreement (if any): [•]
- (iii) Stabilising Manager(s) (if any): [Not Applicable/*give name*]
- (iv) Dealer's Commission: [•]
- 34 If non-syndicated, name of Dealer: [Not Applicable/*give name*]
- 35 Total commission and concession: [•] per cent. of the Aggregate Nominal Amount per cent. of the Aggregate Nominal Amount
- 36 Additional selling restrictions: [Not Applicable/*give details*]

GENERAL

- 37 The aggregate principal amount of Notes issued has been translated into Euro at the rate of [•] producing a sum of: [Not Applicable/Euro[•]]
(Only applicable for Notes not denominated in Euro)

[LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Euro 4,000,000,000 Euro Medium Term Note Programme of L'Air Liquide and Air Liquide Finance.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[•] has been extracted from [•]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced inaccurate or misleading.]

Signed on behalf of the Issuer:

By: _____

PART B – OTHER INFORMATION

1. RISK FACTORS

[[Insert any risk factors that are material to the Notes being offered and/or admitted to trading in order to assess the market risk associated with these Notes and that may affect the Issuer's ability to fulfil its obligations under the Notes which are not covered under "Risk Factors" in the Debt Issuance Programme Prospectus. If any such additional risk factors need to be included consideration should be given as to whether they constitute significant new factors" and consequently trigger the need for a supplement to the Debt Issuance Programme Prospectus under Article 16 of the Prospectus Directive.] |Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]]*

2. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Luxembourg/other (*specify*)/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [•]with effect from [•].] [Not Applicable.]
- (iii) Estimate of total expenses related to admission to trading: [•]

3. PUBLIC OFFER(S)

- (i) Public Offer(s): [Yes/Not Applicable]
- (ii) Member State(s): [The Notes will be offered to the public in [•] (*insert any Member State of the European Economic Area where the Notes will be offered to the public*/Not Applicable]
- (iii) Time period, including any possible amendments, during which the offer will be open and description of the applicable process [[•]/Not Applicable]
- (iv) Description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants [[•]/Not Applicable]
- (v) Details of the minimum and/or maximum amount of application, (whether in number of securities or aggregate amount to invest) [[•]/Not Applicable]
- (vi) Method and time limits for paying up the securities and for delivery of the securities [[•]/Not Applicable]

* Required for derivative securities to which Annex 12 to the Prospectus Directive Regulation applies. See footnote ** below.

** If the Final Redemption Amount is not 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

(vii) Full description of the manner and date in which results of the offer are to be made public [[•]/Not Applicable]

(viii) Procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised [[•]/Not Applicable]

(ix) Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made [[•]/Not Applicable]

4. PLAN OF DISTRIBUTION AND ALLOTMENT

(i) The various categories of potential investors to which the securities are offered. If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche. [none/specify details]

(ii) Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made [none/specify details]

5. RATINGS

Ratings:

The Notes to be issued have been rated:

[S & P: [•]]

[Moody's: [•]]

[[Other]: [•]]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

6. [NOTIFICATION]

The *Commission de surveillance du secteur financier* in Luxembourg [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Debt Issuance Programme Prospectus has been drawn up in accordance with the Prospectus Directive.]

7. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

["So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."]/[•]

8. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer: [•]
(See "Use of Proceeds" wording in Debt Issuance Programme Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

[(ii) Estimated net proceeds: [•]
(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)]

[(iii) Estimated total expenses: [•] [Include breakdown of expenses.]
(If the Notes are derivative securities to which Annex 12 of the Prospectus EU Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)]

9. [Fixed Rate Notes only – YIELD]

Indication of yield: [•]
Calculated as [include details of method of calculation in summary form] on the Issue Date.
As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

10. [Floating Rate Notes only - HISTORIC INTEREST RATES]

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

11. [Index-Linked or other variable-linked Notes only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

*Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.] *]*

12. [Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

13. [Derivatives only – EXPLANATION OF EFFECT ON VALUE OF INVESTMENT, RETURN ON DERIVATIVES SECURITIES AND INFORMATION CONCERNING THE UNDERLYING*

EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.

RETURN ON DERIVATIVES SECURITIES

Return on derivative securities: *[Description of how any return on derivative securities takes place]*

Payment or delivery date: [•]

Method of calculation: [•]

INFORMATION CONCERNING THE UNDERLYING

- the exercise price or the final reference price of the underlying: [•]

- a statement setting out the type of the underlying and details of where information on the underlying can be obtained: [•]

- an indication where information about the past and the further performance of the underlying and its volatility can be obtained: [•]

- where the underlying is a security: [Applicable/Not Applicable]

• the name of the issuer of the security [•]

• the ISIN (International Security Identification Number) or other such security identification

* Required for derivative securities to which Annex 12 to the Prospectus Directive Regulation applies. See footnote ** below.

** If the Final Redemption Amount is not 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

- code: [•]
- where the underlying is an index: [Applicable/Not Applicable]
- the name of the index and a description of the index if it is composed by the issuer. If the index is not composed by the issuer, where information about the index can be obtained: [•]
- where the underlying is an interest rate: [Applicable/Not Applicable]
- a description of the interest rate: [•]
- others: [Applicable/Not Applicable]
- where the underlying does not fall within the categories specified above the securities note shall contain equivalent information: [•]
- where the underlying is a basket of underlyings: [Applicable/Not Applicable]
- disclosure of the relevant weightings of each underlying in the basket: [•]
- A description of any market disruption or settlement disruption events that affect the underlying: [•]
- [Adjustment rules with relation to events concerning the underlying:] * [•]
- the Issuer does not intend to provide any post-issuance information in relation to the underlying unless otherwise require by applicable laws or regulations:

14. OPERATIONAL INFORMATION

ISIN Code: [•]

Common Code: [•]

Depositories:

(i) Euroclear France to act as Central Depository [Yes/No]

(ii) Common Depository for Euroclear and Clearstream Luxembourg [Yes/No]

Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [•]

* Required for derivative securities to which Annex 12 to the Prospectus Directive Regulation applies. See footnote ** below.

** If the Final Redemption Amount is not 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

FORM OF FINAL TERMS – L’AIR LIQUIDE / AIR LIQUIDE FINANCE

FORM OF FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF SECURITIES WITH A DENOMINATION OF AT LEAST €50,000 TO BE ADMITTED TO TRADING ON A REGULATED MARKET

Final Terms dated [•]

[LOGO, if document is printed]

**L’Air Liquide
Air Liquide Finance**

Euro 4,000,000,000
Euro Medium Term Note Programme
for the issue of Notes

Due from one month from the date of original issue

SERIES NO: [•]

TRANCHE NO: [•]

[Brief description and Amount of Notes]

Issued by: [L’Air Liquide/ Air Liquide Finance (the “Issuer”)]

[Guaranteed by: L’Air Liquide (the “Guarantor”)]

[Name(s) of Dealer(s)]

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Debt Issuance Programme Prospectus dated [•] [and the supplement[s] to the Debt Issuance Programme Prospectus dated [•] which [together] constitute[s] a Debt Issuance Programme Prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Debt Issuance Programme Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Debt Issuance Programme Prospectus. The Debt Issuance Programme Prospectus [and the supplement[s] to the Debt Issuance Programme Prospectus] [is] [are] available for viewing at the office of the Fiscal Agent or each of the Paying Agents and on the websites of (a) the Luxembourg Stock Exchange (www.bourse.lu) and (b) the Issuer ([\[www.airliquide.com\]](http://www.airliquide.com)) and copies may be obtained from [L’Air Liquide, 75, quai d’Orsay, 75007 Paris, France] [Air Liquide Finance, 6, rue Cognacq-Jay, 75007 Paris, France].

The following alternative language applies if the first tranche of an issue which is being increased was issued under [a Debt Issuance Programme Prospectus, a Prospectus or an Offering Circular] with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) forth in the [Debt Issuance Programme Prospectus/Prospectus or the Offering Circular, in case of transitional phase] dated [original date] [and the supplement[s] to the Base Prospectus] dated [•]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Debt Issuance Programme Prospectus dated [current date] [and the supplement[s] to the Debt Issuance Programme Prospectus dated [•], which [together] constitute[s] a Debt Issuance Programme Prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the [Debt Issuance Programme Prospectus/Prospectus or the Offering Circular] dated [original date] [and the supplement to the Debt Issuance Programme Prospectus] dated [•] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the [Debt Issuance Programme Prospectus/Prospectus or the Offering Circular] dated [original date] and the Debt Issuance Programme Prospectus dated [current date] [and the supplement[s] to the Debt Issuance Programme Prospectus dated [•]]. The [Debt Issuance Programme Prospectus/Prospectus or the Offering Circular] [and the supplement[s] to the Debt Issuance Programme Prospectus] are available for viewing at the office of the Fiscal Agent or each of the Paying Agents and on the websites of (a) the Luxembourg Stock Exchange (www.bourse.lu) and (b) the ([www.airliquide.com]) and copies may be obtained from [L’Air Liquide, 75, quai d’Orsay, 75007 Paris, France] [Air Liquide Finance, 6, rue Cognacq-Jay, 75007 Paris, France].

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information at, for example, items 9, 10, 15, 16, 17 or 33 of Part A or in relation to disclosure relating to the interests of natural and legal persons involved in the issue/offer in Part B consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive, the publication of which would in turn trigger the investors' right to withdraw their acceptances within a 48 hour time period.]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]

- | | | |
|---|--|---|
| 1 | (i) Issuer: | [L’Air Liquide / Air Liquide Finance] |
| | (ii) Guarantor: | [Not applicable / L’Air Liquide] |
| 2 | (i) Series Number: | [•] |
| | (ii) [Tranche Number: | [•] |
| | <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)</i> | |
| 3 | Specified Currency or Currencies: | [•] |
| 4 | Aggregate Nominal Amount: | |
| | (i) Series: | [•] |
| | (ii) Tranche: | [•] |
| 5 | Issue Price: | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)] |

6	Specified Denomination(s) ¹ :	[•] (<i>one denomination only for Dematerialised Notes</i>)
7	(i) Issue Date:	[•]
	(ii) Interest Commencement Date:	[•]
8	Maturity Date:	<i>[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]</i>
9	Interest Basis:	[[•] per cent. Fixed Rate] [[<i>specify reference rate</i>] +/- [•] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Other (<i>specify</i>)] [(further particulars specified below)]
10	Redemption/Payment Basis: **	[Redemption at par] [Index Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other (<i>specify</i>)]
11	Change of Interest or Redemption/Payment Basis:	<i>[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]</i>
12	Put/Call Options:	[Issuer Call] [Investor Put] [(further particulars specified below)]
13	(i) Status of the Notes:	[Subordinated/Unsubordinated Notes]
	(ii) Status of the Guarantee:	[Not Applicable/Unsubordinated]
	(iii) Dates of the corporate authorisations for issuance of the Notes:	[decision of the Board of Directors of L'Air Liquide dated [•] [and of [•] [function] dated [•]] ³ /[decision of the <i>Conseil d'administration</i> of Air Liquide Finance dated [•] [and [•] [function] dated [•]] ³ /[decision of [•] [function] dated [•]] ⁴
14	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

¹ Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year must (a) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" (or another application exemption from section 19 of the FSMA must be available) and (b) provide that no part of any such Notes may be transferred unless the redemption value of that part is not less than £100,000 (or its equivalent in other currencies).

** If the Final Redemption Amount is not 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

** If the Final Redemption Amount is not 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

³ Relevant for issues of Notes constituting *obligations* under French law.

⁴ Only relevant for issues of Notes not constituting *obligations* under French law.

15	Fixed Rate Note Provisions	<p>[Applicable/Not Applicable]</p> <p><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i></p> <p>(i) Rate [(s)] of Interest: [•] per cent. per annum [payable [annually/semi-annually/quarterly/ monthly] in arrear</p> <p>(ii) Interest Payment Date(s): [•] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of “Business Day”]/not adjusted.]</p> <p>(iii) Fixed Coupon Amount [(s)]: [•] per [•] in nominal amount</p> <p>(iv) Broken Amounts: <i>[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount [(s)] and the Interest Payment Date(s) to which they relate]</i></p> <p>(v) Day Count Fraction (Condition 6(a)): [•]</p> <p><i>[Day Count Fraction should be Actual/Actual-ICMA for all fixed rate issues other than those denominated in USD]</i></p> <p>(vi) Determination Date(s) (Condition 6(a)): [•] in each year. <i>[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]</i></p> <p>(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]</p>
16	Floating Rate Provisions	<p>[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph.)</i></p> <p>(i) Interest Period(s): [•]</p> <p>(ii) Specified Interest Payment Dates: [•]</p> <p>(iii) Business Day Convention: [Floating Rate Business Day Convention /Following Business Day Convention /Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]</p> <p>(iv) Business Centre(s) (Condition 6(a)): [•]</p> <p>(v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ ISDA Determination/other (give details)]</p> <p>(vi) Party responsible for calculating the Rates(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [•]</p> <p>(vii) Screen Rate Determination (Condition 6(c)(iii)(B)):</p> <p>- Reference Rate: [•]</p> <p>- Interest Determination Date: [[•] [TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]]</p> <p>- Relevant Screen Page <i>[The financial centre most closely connected to the Benchmark - specify if not [London]]</i></p> <p><i>[Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount]</i></p> <p><i>[Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]</i></p>

	(viii) ISDA Determination (Condition 6(c)(iii)(A)):	
	- Floating Rate Option:	[•] (<i>specify Benchmark and months e.g. EURIBOR 3 months</i>)
	- Designated Maturity:	[•]
	- Reset Date:	[•]
	(ix) Margin(s):	[+/-] [•] per cent. per annum
	(x) Minimum Rate of Interest:	[•] per cent. per annum
	(xi) Maximum Rate of Interest:	[•] per cent. per annum
	(xii) Day Count Fraction (Condition 6(a)):	[•]
	(xiii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[•]
17	Zero Coupon Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i>
	(i) [Amortisation/Accrual] Yield (Condition 7(e)(i)):	[•] per cent. per annum
	(ii) Day Count Fraction (Condition 6(a)):	[•]
	(iii) Any other formula/basis of determining amount payable:	[•]
18	Index Linked Interest Note Provisions/other variable-linked interest Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i>
	(i) Index/Formula/ [other variable]:	[Give or annex details]
	(ii) Calculation Agent responsible for calculating the interest due:	[•]
	(iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula [and/or other variable]:	[•]
	(iv) Determination Date(s):	[•]
	(v) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[•] <i>(Need to include a description of market disruption or settlement disruption events and adjustment provisions)</i>
	(vi) Interest [or Calculation] Period(s):	[•]
	(vii) Specified Interest Payment Dates:	
	(viii) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (<i>give details</i>)]
	(ix) Business Centre(s) (Condition 6(a)):	[•]
	(x) Minimum Rate [/Amount] of Interest:	[•] per cent. per annum
	(xi) Maximum Rate [/Amount] of Interest:	[•] per cent. per annum
	(xii) Day Count Fraction (Condition 6(a)):	[•]

19	Dual Currency Note Provisions **	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i>
	(i) Rate of Exchange/Method of calculating Rate of Exchange:	[Give details]
	(ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due:	[•]
	(iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable or otherwise disrupted:	[•]
	(iv) Person at whose option Specified Currency(-ies) is/are payable:	[•]

PROVISIONS RELATING TO REDEMPTION

20	Call Option	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i>
	(i) Optional Redemption Date(s):	[•]
	(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[•] per Note of [•] Specified Denomination
	(iii) If redeemable in part:	
	(a) Minimum nominal amount to be redeemed:	[•]
	(b) Maximum nominal amount to be redeemed:	[•]
	(iv) Notice period ¹ :	[•]
21	Put Option	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub paragraphs of this paragraph)</i>
	(i) Optional Redemption Date(s):	[•]
	(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[•] per Note of [•] Specified Denomination
	(v) Notice period ² :	[•]
22	Final Redemption Amount of each Note	[[•] per Note of [•] Specified Denomination/Other/See Appendix]
23	Early Redemption Amount	
	(i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 7(f)), for illegality (Condition 7(j)) or an event of default (Condition 10 and/or the method of calculating the same (if required or if	[•]

** If the Final Redemption Amount is not 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus EU Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

¹ If setting notice periods which are different to those provided in the terms and conditions, issuers are advised to consider the practicalities of distribution of information through intermediaries, for example clearing systems, as well as any other notice requirements which may apply, for example as between the issuer and its fiscal agent.

² If setting notice periods which are different to those provided in the terms and conditions, issuers are advised to consider the practicalities of distribution of information through intermediaries, for example clearing systems, as well as any other notice requirements which may apply, for example as between the issuer and its fiscal agent.

different from that set out in the Conditions):

- (ii) Redemption for taxation reasons permitted on days others than Interest Payment Dates (Condition 7(f)): [Yes/No]
- (iii) Unmatured Coupons to become void upon early redemption (Materialised Bearer Notes only) (Condition 8(f)): [Yes/No/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 24 Form of Notes: [Dematerialised Notes/ Materialised Notes] *(Materialised Notes are only in bearer form)*
[Delete as appropriate]
- (i) Form of Dematerialised Notes: [Not Applicable/Bearer dematerialised form *(au porteur)* only / Registered dematerialised form *(au nominatif)*]
- (ii) Registration Agent: [Not Applicable/if Applicable give name and details] *(Note that a Registration Agent must be appointed in relation to Registered Dematerialised Notes only)*
- (iii) Temporary Global Certificate: Temporary Global Certificate exchangeable for Definitive Materialised Bearer Notes on [•] (the “Exchange Date”), being 40 days after the Issue Date subject to postponement as provided in the Temporary Global Certificate
- (iv) Applicable TEFRA exemption: [C Rules/D Rules/Not Applicable] *(Only applicable to Materialised Notes)*
- 25 Financial Centre(s) (Condition 8(h)) or other special provisions relating to payment dates: [Not Applicable/Give details *(Note that this item relates to the date and place of payment, and not interest period end dates, to which items 17(ii), 18(iv) and 20(vii) relate)*]
- 26 Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No/Not Applicable. *If yes, give details*] *(Only applicable to Materialised Notes)*
- 27 Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay: [Not Applicable/give details]
- 28 Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
- 29 Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition 1(d)] [annexed to these Final Terms] apply]
- 30 Consolidation provisions: [Not Applicable/The provisions in Condition 15(b) apply] [annexed to these Final Terms] apply]
- 31 *Masse* (Condition 12): [Applicable/Not Applicable/Condition 12 replaced by the full provisions of French *Code de commerce* relating to the *Masse*] *(Note that: (i) in respect of any Tranche of Notes issued outside France, Condition 12 may be waived, amended or supplemented, and (ii) in respect of any Tranche of Notes issued inside France, Condition 12 must be waived in its entirety and replaced by the provisions of French Code de commerce relating to the Masse. If Condition 12 (as it may be amended or supplemented) applies or if the full provisions of French Code de commerce apply, insert details of Representative and Alternative*

32 Other terms or special conditions: *Representative and remuneration, if any).*
Not Applicable/give details]
(When adding any other final terms consideration should be given as to whether such terms constitute a "significant new factor" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)

DISTRIBUTION

33 (i) If syndicated, names of Managers: Not Applicable/give names, addresses and underwriting commitments]
(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)

(ii) Date of subscription agreement (if any): [•]

(iii) Stabilising Manager (if any): [Not Applicable/give name]

(iv) Dealer's Commission: [•]

34 If non-syndicated, name of Dealer: [Not Applicable/give name]

35 Total commission and concession: [•] per cent. of the Aggregate Nominal Amount per cent. of the Aggregate Nominal Amount

36 Additional selling restrictions: [Not Applicable/give details]

GENERAL

37 The aggregate principal amount of Notes issued has been translated into Euro at the rate of [•] producing a sum of: [Not Applicable/Euro[•]]
(Only applicable for Notes not denominated in Euro)

[LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Euro 4,000,000,000 Euro Medium Term Note Programme of L'Air Liquide and Air Liquide Finance.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[•] has been extracted from [•]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced inaccurate or misleading.]

Signed on behalf of the Issuer:

By: _____

Duly authorised

[Signed on behalf of the Guarantor:

By: _____

Duly authorised]

PART B – OTHER INFORMATION

1. RISK FACTORS

[[Insert any risk factors that are material to the Notes being offered and/or admitted to trading in order to assess the market risk associated with these Notes and that may affect the Issuer's ability to fulfil its obligations under the Notes which are not covered under "Risk Factors" in the Debt Issuance Programme Prospectus. If any such additional risk factors need to be included consideration should be given as to whether they constitute "significant new factors" and consequently trigger the need for a supplement to the Debt Issuance Programme Prospectus under Article 16 of the Prospectus Directive.] [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]]*

2. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Luxembourg/other (*specify*)/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [•]with effect from [•].] [Not Applicable.]
- (iii) Estimate of total expenses related to admission to trading: [•]

3. PLAN OF DISTRIBUTION AND ALLOTMENT

- (i) The various categories of potential investors to which the securities are offered. If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche. [none/specify details]
- (ii) Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made [none/specify details]

4. RATINGS

Ratings: The Notes to be issued have been rated:

* Required for derivative securities to which Annex 12 to the Prospectus Directive Regulation applies. See footnote ** below.

** If the Final Redemption Amount is not 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

[S & P: [•]]
[Moody's: [•]]
[[Other]: [•]]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

5. [NOTIFICATION]

The *Commission de surveillance du secteur financier* in Luxembourg [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Debt Issuance Programme Prospectus has been drawn up in accordance with the Prospectus Directive.]

6. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."/[•]

7. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES*

[(i) Reasons for the offer: [•]
(See "Use of Proceeds" wording in Debt Issuance Programme Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

[(ii) Estimated net proceeds: [•]
(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii) Estimated total expenses: [•] *[Include breakdown of expenses.]*
(Only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

8. [Fixed Rate Notes only – YIELD]

Indication of yield: [•]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

* Required for derivative securities to which Annex 12 to the Prospectus Directive Regulation applies. See footnote ** below.

** If the Final Redemption Amount is not 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

9. [Index-Linked or other variable-linked Notes only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

*Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained. [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]**

10. [Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE

*Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained.]**

11. [Derivatives only – EXPLANATION OF EFFECT ON VALUE OF INVESTMENT, RETURN ON DERIVATIVES SECURITIES AND INFORMATION CONCERNING THE UNDERLYING*

EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.

RETURN ON DERIVATIVES SECURITIES

Return on derivative securities: *[Description of how any return on derivative securities takes place]*

Payment or delivery date: [•]

Method of calculation: [•]

INFORMATION CONCERNING THE UNDERLYING

- the exercise price or the final reference price of the underlying: [•]

- an indication where information about the past and the further performance of the underlying and its volatility can be obtained: [•]

- where the underlying is a security: [Applicable/Not Applicable]

• the name of the issuer of the security [•]

• the ISIN (International Security Identification Number) or other such security identification code: [•]

- where the underlying is an index: [Applicable/Not Applicable]

* Required for derivative securities to which Annex 12 to the Prospectus Directive Regulation applies. See footnote ** below.

** If the Final Redemption Amount is not 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

- the name of the index and a description of the index if it is composed by the issuer. If the index is not composed by the issuer, where information about the index can be obtained: [•]
 - where the underlying is an interest rate: [Applicable/Not Applicable]
 - a description of the interest rate: [•]
 - others: [Applicable/Not Applicable]
 - where the underlying does not fall within the categories specified above the securities note shall contain equivalent information: [•]
 - where the underlying is a basket of underlyings: [Applicable/Not Applicable]
 - disclosure of the relevant weightings of each underlying in the basket: [•]
- A description of any market disruption or settlement disruption events that affect the underlying: [•]
- [Adjustment rules with relation to events concerning the underlying:] * [•]
- the Issuer does not intend to provide any post-issuance information in relation to the underlying unless otherwise required by applicable laws or regulations.

12. OPERATIONAL INFORMATION

ISIN Code: [•]

Common Code: [•]

Depositories:

(i) Euroclear France to act as Central Depository: [Yes/No]

(ii) Common Depository for Euroclear and Clearstream Luxembourg: [Yes/No]

Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [•]

* Required for derivative securities to which Annex 12 to the Prospectus Directive Regulation applies. See footnote ** below.

** If the Final Redemption Amount is not 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

GENERAL INFORMATION

- (1) Application has been made to list the Notes on the official list and to trade on the Regulated Market of the Luxembourg Stock Exchange and/or on any other Regulated Market in a Member State of the European Economic Area, as the case may be or to be offered to the public in Luxembourg and/or in any Member State of the European Economic Area, as the case may be.

In compliance with Article 18 of the Prospectus Directive, application may also be made for the notification of certificate of approval to any competent authority of any Member State of the EEA.

- (2) Each of L'Air Liquide and Air Liquide Finance has obtained all necessary corporate and other consents, approvals and authorisations in the Republic of France in connection with the establishment of the Programme. Any drawdown of Notes under the Programme, to the extent that such Notes constitute *obligations*, requires the prior authorisation of (i) the *Conseil d'administration* of L'Air Liquide or the *Conseil d'administration* of Air Liquide Finance or (ii) the Ordinary General Meeting of the relevant Issuer's shareholders if (a) the *statuts* of the relevant Issuer so require (at the date hereof the *statuts* of L'Air Liquide require a resolution of the Ordinary General Meeting, but the *statuts* of Air Liquide Finance, as modified by its shareholders on 22nd May 2006, do not) or (b) the shareholders at an Ordinary General Meeting decide to authorise an issue of *Obligations*, all pursuant to Article L.228-40 of the French *Code de commerce*. Any drawdown of Notes, to the extent that such Notes do not constitute *obligations*, falls within the general powers of the *Président Directeur Général* of L'Air Liquide and of the *Président Directeur Général* of Air Liquide Finance.

- (a) The establishment of the Programme was initially authorised by a decision of the *Conseil d'Administration* of L'Air Liquide on 14th November 2000 and of Air Liquide Finance on 6th February 2001.
- (b) Any issue of Notes constituting *obligations* by L'Air Liquide must be authorised by resolution of its shareholders; pursuant to this authorisation, the shareholders of L'Air Liquide may delegate their powers to the *Conseil d'administration* of the Issuer, which may in turn sub-delegate its powers to the *Président Directeur Général* or any *Directeur général délégué*. For this purpose the shareholders of L'Air Liquide have on 12th May 2004 authorised the *Directoire* to issue up to €4 billion (such authority to expire on 12th May 2009). Following the change decided in the management structure of the Issuer, the shareholders of L'Air Liquide have on 10th May 2006 acknowledged that such authorisation now benefited to the *Conseil d'administration* and was, to the extent necessary, renewed to its profit for its remaining duration. To the extent that Notes do not constitute *obligations*, their issue will fall within the general authority of the *Président Directeur Général* of the Issuer or any authorised officer of the Issuer acting by delegation.
- (c) On 10th May 2006, the *Conseil d'administration* of L'Air Liquide has given its consent to issue *obligations* up to a maximum amount of €4 billion and delegated to its *Président-Directeur Général*, Benoît Potier, and to one or several *Directeur Généraux Délégués* all powers to issue Notes up to a maximum aggregate amount of €4 billion and to determine their terms and conditions. Such powers have been reiterated by the *Conseil d'administration* of L'Air Liquide on 18 June 2007.
- (d) Pursuant to Article L. 225-35 of the French *Code de commerce*, any guarantee given by L'Air Liquide must be authorised by resolution of its *Conseil d'administration*. For this purpose the *Conseil d'administration* of L'Air Liquide has on 10th May 2006 authorised the *Président Directeur Général*, Benoît Potier (with the power to sub-delegate) for and on behalf of L'Air Liquide to issue all forms of guarantee for the term of Notes issued by Air Liquide Finance up to a maximum principal amount of €4 billion. Such authorisation has been reiterated by the *Conseil d'administration* of L'Air Liquide on 18 June 2007.
- (e) Any issue of Notes constituting *obligations* by Air Liquide Finance must be authorised by a resolution of its *Conseil d'administration*. On 24th May 2007, the *Conseil d'Administration* of Air Liquide Finance has given its consent to issue *obligations* up to a maximum amount of €4 billion and, pursuant to Article L. 228-40 *alinéa 2* of the French *Code de commerce*, the *Conseil d'Administration* of Air Liquide Finance delegated to its *Président Directeur Général* John Glen and to Robert Shaw, a member of the *Conseil d'Administration*, all power to issue Notes up to a maximum amount of €4 billion and to determine their terms and conditions (such authority to expire on 24 May 2008). To the extent that the Notes do not constitute *obligations*, their issue will fall within the general authority of the *Président Directeur Général* of the Issuer or any authorised officer of the Issuer acting by delegation.

- (3) Except as disclosed in this Debt Issuance Programme Prospectus, there has been no significant change in the financial or trading position of the Air Liquide Group since 31st December, 2006 and no material adverse change in the prospects of L'Air Liquide or Air Liquide Finance or of the Air Liquide Group since 31st December 2006.

(4) Except as disclosed in this Debt Issuance Programme Prospectus neither L'Air Liquide nor Air Liquide Finance is or has been involved in any litigation or arbitration proceedings (including any such proceeding which are pending or threatened of which L'Air Liquide or Air Liquide Finance is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of either L'Air Liquide or Air Liquide Finance or Air Liquide Group.

(5) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems which are entities in charge of keeping the records. The Common Code, the International Securities Identification Number (ISIN) or the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream, Luxembourg is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

(6) Dematerialised Notes will be inscribed in the books of Euroclear France (acting as central depository). Dematerialised Notes which are in registered form (*au nominatif*) are also inscribed either with the Issuer or with the registration agent.

The address of Euroclear France is 115 rue Réaumur, 75081 Paris Cedex 02, France.

(7) For so long as Notes may be issued pursuant to this Debt Issuance Programme Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the office of the Fiscal Agent, on the websites of the Issuers (www.airliquide.com), or otherwise, using any kinds of communication means, permitted by law, at the choice of the relevant Issuer:

(i) the *statuts* of the Issuers;

(ii) the published annual report of each of the Issuers, the audited non-consolidated and consolidated accounts of the Guarantor for the three financial years ended 31st December 2004, 2005 and 2006 and the audited non-consolidated accounts of Air Liquide Finance for each of the two years ended 31st December 2005 and 2006;

(iii) each Final Terms for Notes that are admitted to trading on the Luxembourg Stock Exchange or any other Regulated Market in the European Economic Area;

(iv) all reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the relevant Issuer's request any part of which is included or referred to in this Debt Issuance Programme Prospectus.

(8) Air Liquide Finance does not publish interim financial statements.

(9) For so long as Notes may be issued pursuant to this Debt Issuance Programme Prospectus, the following documents will be available, on the website of the Luxembourg Stock Exchange (www.bourse.lu):

(i) the Final Terms for Notes that are listed and admitted to trading on the Luxembourg Stock Exchange; and

(ii) the documents incorporated by reference in this Debt Issuance Programme Prospectus.

(10) For so long as Notes may be issued by Air Liquide Finance pursuant to this Debt Issuance Programme Prospectus, the Guarantee will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the office of L'Air Liquide (75 quai d'Orsay - 75007 Paris).

(11) Copies of the latest annual report and non-consolidated and consolidated accounts of L'Air Liquide (including any published semi-annual consolidated accounts) (in English and French) (in each case as soon as they are published) and copies of the latest accounts of Air Liquide Finance (in French) may be obtained, and copies of the Amended and Restated Agency Agreement will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding. Air Liquide Finance does not publish interim accounts.

(12) In respect of derivatives securities as defined in Article 15.2 of Commission Regulation No. 809/2004, the Final Terms will indicate whether or not the relevant Issuer intends to provide post-issuance information concerning the underlying. If the relevant Issuer intends to report such information, the Final Terms will specify what information will be reported and where such information can be obtained.

(13) Ernst & Young Audit and Mazars & Guérard have audited, and rendered unqualified audit reports on, the accounts of the Guarantor for each of the two years ended 31st December 2005 and 31st December 2006. Ernst & Young Audit have audited, and rendered an unqualified audit report on, the accounts of Air Liquide Finance for each of the two years ended 31st December 2005 and 31st December 2006.

- (14) Ernst & Young Audit at 4, rue Auber, 75009 Paris, France and Mazars & Guérard at 61, rue Henri Regnault, 92075 Paris La Défense cedex, France, respectively, (both entities regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorised as *Commissaires aux comptes*) have audited and rendered audit reports on the consolidated financial statements of Air Liquide Group for the years ended 31st December 2005 and 2006.
- (15) L'Air Liquide's statutory auditors audit the semi-annual and annual accounts but they do not audit the quarterly accounts. L'Air Liquide's first quarter 2007 consolidated sales, which are mentioned in this Debt Issuance Programme Prospectus, were not audited by its statutory auditors.

Issuer and Guarantor

L’AIR LIQUIDE

75, quai d’Orsay
75007 Paris
France

Issuer

AIR LIQUIDE FINANCE

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75007 Paris
France

Arranger

BNP PARIBAS

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United Kingdom

Dealers

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United Kingdom

BNP PARIBAS

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HSBC France

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J.P. Morgan Securities Ltd.

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United Kingdom

NATIXIS

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Société Générale

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France

**Fiscal Agent, Paying Agent, Redenomination Agent
and Consolidation Agent**
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Immeuble Tolbiac
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75013 Paris
France

Luxembourg Paying Agent
BNP Paribas Securities Services, Luxembourg Branch
33, rue de Gasperich, Howald - Hesperange
L-2085 Luxembourg
Grand-Duchy of Luxembourg

Luxembourg Listing Agent
BNP Paribas Securities Services, Luxembourg Branch
33, rue de Gasperich, Howald - Hesperange
L-2085 Luxembourg
Grand-Duchy of Luxembourg

Auditors to the Issuers

Ernst & Young Audit
4, rue Auber
75009 Paris
France

Mazars & Guérard
61, rue Henri Regnault
92075 Paris La Défense cedex
France

Legal Advisers

To the Issuers
As to French law

Latham & Watkins
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75007 Paris
France

To the Dealers
As to French law

Linklaters LLP
25, rue de Marignan
75008 Paris
France