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Planned acquisition of LVL Médical, leading French player in home healthcare

press release

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Air Liquide is pursuing the **development of its activities in the home healthcare sector** and announces the **beginning of exclusive negotiations with a view to acquiring 70.49% of LVL Médical** Groupe SA's (LVL Médical) share capital from the controlling shareholders at a price of **€30.89 per share**. **This transaction, once finalized, would enable Air Liquide to gain control of LVL Médical's French activities, for an enterprise value* of €316 million.**

This acquisition of a controlling stake in LVL Médical will be followed by a **simplified public tender offer** (and, possibly, by a compulsory squeeze-out) on the remaining LVL Médical share and subscription warrants**, in accordance with applicable rules. Prior to the acquisition by Air Liquide, LVL Médical's German activities will be acquired by the Lavorel Family, the majority shareholder.

LVL Médical is an historical **player in the home healthcare sector**, with **50,000 patients** served at home in France. The company employs **750 people** in France and its 2011 sales in France amounted to **€104 million**.

Air Liquide intends to pursue LVL Médical's development by favouring the **continuity of the company's management**, led by Mr Jean-Claude Lavorel, and by relying upon **the expertise and commitment of its teams**.

Pascal Vinet, Vice President, Healthcare Global Operations and member of the Group Executive Committee, declared: **"LVL Médical is one of the key players in home healthcare in France, recognized for its expertise, the professionalism of its teams and its service quality. Our know-how combined with that of LVL Médical, and our capacity for innovation, will enable LVL Médical to pursue its development. This acquisition is in line with Air Liquide's external growth strategy in healthcare. Health is one of the growth drivers of the Group."**

Air Liquide and LVL Médical will launch an information and consultation process with their respective relevant employee representatives. The acquisition of the control of LVL Médical by Air Liquide is subject to approval by the French competition authority. The transaction should be completed during Q4 2012.

* Enterprise value after the divestiture of LVL Médical German activities

** Subscription warrants or BSAAR: redeemable warrants to subscribe or purchase shares

Air Liquide's Healthcare Business line

Air Liquide's Healthcare World Business Line serves over **6,000 hospitals** and **700,000 patients** at home throughout the world. It provides **medical gases, home healthcare services, hygiene products and medical equipment**.

With **9,300 employees**, the Group's Healthcare business line published **€2,076 million** in revenues in 2011. In 2012, SEPPIC (specialty ingredients) integrated the Healthcare activity.

*****Transaction details*****

Home Healthcare

Air Liquide, **European leader and 3rd worldwide in home healthcare**, provides home healthcare services in compliance with medical prescription for patients suffering from **chronic illnesses** such as COPD (Chronic Obstructive Pulmonary Disease), sleep apnea and diabetes. These home healthcare services are being developed in addition to hospital care, enabling **patients to enjoy better quality of life and local authorities to reduce costs**.

Home Healthcare represents **45% of Air Liquide's total 2011 Healthcare revenue**.

- *Air Liquide, the Lavorel Family, and in particular Mr Lavorel, Chairman and CEO, and other concerted parties which together control LVL Médical, have entered into exclusive negotiations for the sale to Air Liquide of their controlling block, representing 70.49% of LVL Médical's share capital.*
- *At the same time as this sale, the Lavorel Family would acquire LVL Médical German activities from LVL Médical, for an enterprise value of €80m.*
- *The acquisition of the controlling stake by Air Liquide would be followed by the launch of a simplified public tender offer for the remaining LVL Médical shares and BSAARs**.*
- *Air Liquide offered the sellers a price in cash of €30.89 per share. This offer translates into an equity value for LVL Médical of €307m, on the basis of a net debt of approximately €89m as of March 31, 2012, ie a global enterprise value of €396m of which €316m for the French activities kept by Air Liquide, and €80m for the German activities acquired by the Lavorel Family. The offered price of €30.89 per share implies a premium of 90% compared to the closing share price of LVL Médical as of June 7, 2012.*
- *Bellot Mullenbach et Associés has been appointed as an independent expert by the Board of Directors of LVL Médical in order to provide a fairness opinion on the offered price in the context of the simplified public tender offer, including a potential compulsory squeeze-out, as well as on the sale of the LVL Médical German activities to the Lavorel Family.*
The acquisition by Air Liquide will be conditional on LVL Médical obtaining this fairness opinion and on its offer being recommended by the LVL Médical Board of Directors.
- *The acquisition is not subject to any other condition precedent.*
- *The acquisitions could be completed during Q3 2012. The simplified public tender offer on the remaining LVL Médical shares and BSAARs (possibly followed by a compulsory squeeze-out) at the same price of €30.89 per share and a price per BSAAR based on the offered price, ie €13.2 per BSAAR (subject to the declaration of conformity by the AMF), could be completed during Q4 2012.*

Air Liquide is the world leader in gases for industry, health and the environment, and is present in **80 countries with 46,200 employees**. Oxygen, nitrogen, hydrogen and rare gases have been at the core of Air Liquide's activities since its creation in 1902. Using these molecules, Air Liquide continuously reinvents its business, anticipating the needs of current and future markets. The Group innovates to enable progress, to achieve dynamic growth and a consistent performance.

Innovative technologies that curb polluting emissions, lower industry's energy use, recover and reuse natural resources or develop the energies of tomorrow, such as hydrogen, biofuels or photovoltaic energy... Oxygen for hospitals, home healthcare, fighting nosocomial infections... Air Liquide combines many products and technologies to develop valuable applications and services not only for its customers but also for society.

A partner for the long term, Air Liquide relies on employee commitment, customer trust and shareholder support to pursue its vision of sustainable, competitive growth. The **diversity** of Air Liquide's teams, businesses, markets and geographic presence provides a solid and sustainable base for its development and strengthens its ability to push back its own limits, conquer new territories and build its future.

Air Liquide explores the best that air can offer to preserve life, staying true to its Corporate Social Responsibility and sustainable development approach. In 2011, the Group's revenues amounted to **€14.5 billion**, of which more than 80% were generated outside France. Air Liquide is listed on the Paris Euronext stock exchange (compartment A) and is a member of the CAC 40 and Dow Jones Euro Stoxx 50 indexes.