

MORE

2017 SHAREHOLDER'S GUIDE



AIR LIQUIDE,
AN INDUSTRIAL ADVENTURE
FEATURING YOU AS ONE OF THE HEROES

 **Air Liquide**
creative oxygen

Caroline and her daughter Constance, Air Liquide shareholders



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Free copy.

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L'Air Liquide SA - Company established for the study and application of processes developed by Georges Claude with issued capital of €2,138,941,915.00
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Profile

The world leader in gases, technologies and services for Industry and Health, Air Liquide is present in 80 countries with approximately 67,000 employees and serves more than 3 million customers and patients. Oxygen, nitrogen and hydrogen are essential small molecules for life, matter and energy. They embody Air Liquide's scientific territory and have been at the core of the company's activities since its creation in 1902.

Air Liquide's ambition is to lead its industry, deliver long-term performance and contribute to sustainability. The company's customer-centric transformation strategy aims at profitable growth over the long term. It relies on operational excellence, selective investments, open innovation and a network organization implemented by the Group worldwide. Through the commitment and inventiveness of its people, Air Liquide leverages energy and environment transition, changes in healthcare and digitization, and delivers greater value to all its stakeholders.

Air Liquide's revenue amounted to €18.1 billion in 2016 and its solutions that protect life and the environment represented more than 40% of sales. Air Liquide is listed on the Euronext Paris stock exchange (compartment A) and belongs to the CAC 40, Euro Stoxx 50 and FTSE4Good indexes.

AS AT
DECEMBER 31,
2016



≈ **67,000**

Employees



80

Countries



€M **18,135**

Group revenue



>40%

of revenue related to protecting life and the environment



€M **1,844**

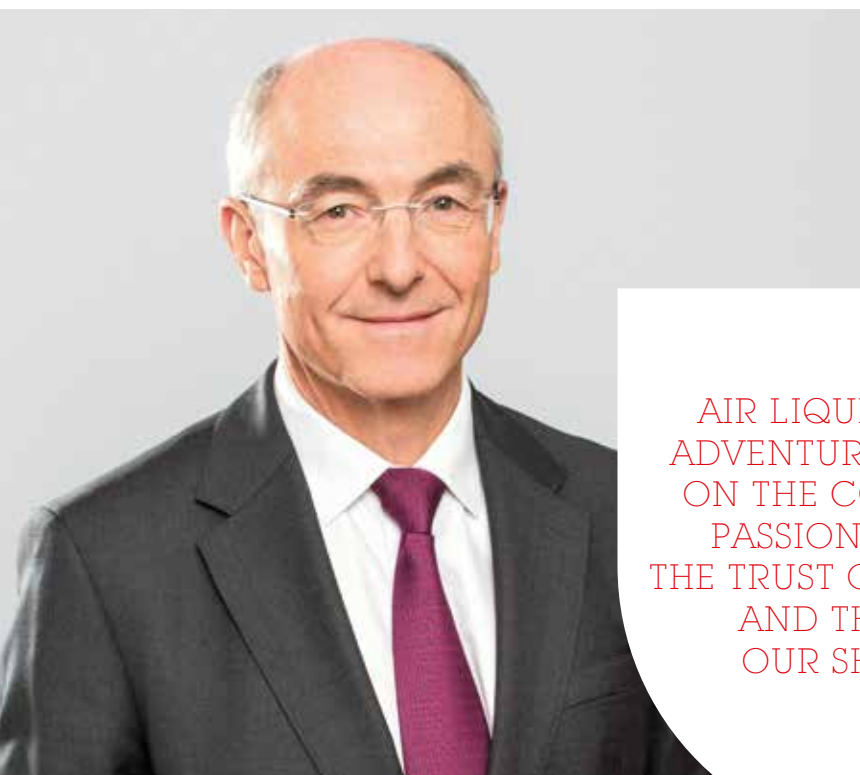
Net profit
(Group share)



€Bn **41.08**

Stock market capitalization

Benoît Potier, Chairman and CEO



“
AIR LIQUIDE'S INDUSTRIAL
ADVENTURE HAS BEEN BASED
ON THE COMMITMENT AND
PASSION OF OUR TEAMS,
THE TRUST OF OUR CUSTOMERS
AND THE LOYALTY OF
OUR SHAREHOLDERS.
”

Dear shareholders,

A major step in Air Liquide's history

The major event of the year is, without a doubt, the acquisition and integration of Airgas in the United States, the world's largest industrial gas market. It is a major step in the geographical development of the Group and the

expansion of its markets. In 2016, your Group also launched its Company Program for the 2016-2020 period. Air Liquide is now focusing on its customer-centric transformation, which combines selective industrial investments, digital transformation and innovations to drive growth in the coming years.

At present, your Group is perfectly positioned to benefit from major long-term trends, which are true sources of growth, such as the energy and environment transition, changes in Healthcare, and digitization. The *Connect* project in France is launching a large-scale roll-out of the plant of the future and is the perfect illustration

of the transformation in progress within the Group. Based on digital technologies, this project will further improve our anticipation of our industrial customers' needs and strengthen the reliability of our production units.

At the beginning of 2017, the Group adopted a new visual identity which embodies its transformation and marks a new milestone in its history: that of a leading, expert and innovative group that is close to its stakeholders and open to the world.

A solid performance in 2016 following the integration of Airgas

The 2016 performance, which includes Airgas for part of the year, was solid, with an increase in revenue, net profit and net earnings per share, despite unfavorable currency and energy impact. Consolidated revenue for 2016 was thus 18,135 million euros, up +14.6% on a reported basis^(a), as compared with 2015, including the consolidation of Airgas as of May 23, 2016. Net profit rose to 1,844 million euros, an increase of +5.0%.

In a context of moderate global growth, activity was buoyed by higher volumes in Large Industries, the strength of the Healthcare sector and the promising markets served by the new Global Markets & Technologies entity, created last year. All geographies are growing on a comparable basis, benefiting from stronger growth in developing economies.

The Group, which has continued to improve its competitiveness, generated recurrent efficiency gains of 315 million euros in 2016, a high level which is in line with the target set out in our new Company program. In addition, the first Airgas synergies reached 45 million US dollars in 2016.

The Group's balance sheet is strong, reinforced by the solid growth in cash flow and the success of the capital increase, which have allowed us to contain debt. This strong financial



position means that in 2017, we will be able to propose the payment of a dividend of 2.60 euros per share^(b) and the attribution of one free share for 10 shares held.

Your Group's priorities in 2017 include the continuing integration of Airgas, the achievement of efficiency and synergies, and the Group's continuing transformation as part of its Corporate Program for the 2016-2020 period.

An adventure featuring shareholders as "heroes"

From the outset, Air Liquide's industrial adventure has been based on the commitment and passion of our teams, the trust of our customers and the loyalty of our shareholders. Today, you are one of the 410,000 individual shareholders who support Air Liquide's development. You share our long-term industrial vision and are keen to help write a new chapter in the Group's history, as can be seen in the shareholder portraits attached to this Guide.

Your high level of participation in the capital increase is proof of your unwavering support and highlights the important role played by shareholders in financing the economy. This is why

we wanted to get back to Shareholding key principals in this new edition of the Shareholder's Guide.

Thank you for your support and trust, both on a daily basis and during the major milestones of Air Liquide's history.

Our industrial adventure is also your adventure,

Benoît Potier

(a) Excluding Welding and Diving activities, restated as discontinued operations.

(b) Amount proposed for 2016 fiscal year to the Annual General Meeting on May 3, 2017.

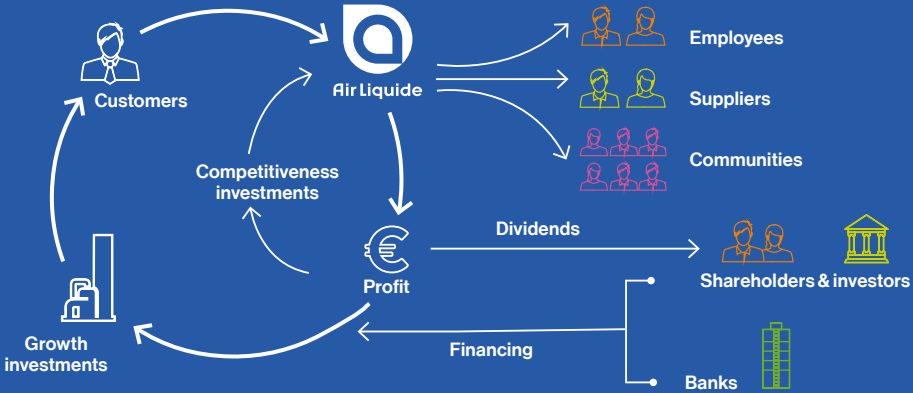



airliquide.com/2016results

You are one of the 410,000 shareholders sharing our industrial adventure

410,000 individual shareholders holding 33% of Air Liquide's capital.

The virtuous circle of value creation at Air Liquide





Success for an industrial business – which is also a human adventure – depends on the commitment of a diverse community. Employees, customers, partners and shareholders are all taking part in this long-term adventure with the opportunities and challenges that it brings in terms of technological and societal developments.

Within this community, you – as a shareholder – play a unique role. You take your savings and invest them in a company that you believe in, thereby helping to finance the real economy and support employment. This personal decision is based on criteria such as the company's business, its vision, strategy, governance and contribution to major societal issues. You accept the risks that your investment entails. In return for this risk, you receive a share of the company's profits and – through your vote – take part in major decisions. Your investment is an asset which you can pass on to your loved ones, along with your strong shareholder culture.

You – as an Air Liquide shareholder – are one of the heroes of a great industrial adventure, and the Group's achievements in 2016 illustrate this perfectly.

AN INDUSTRIAL ADVENTURE

featuring
you as one
of the heroes



Founded in

1902

>3 million

customers
and patients

Nearly

300

patents filed
each year





An adventure driven by an industrial vision

Air Liquide was born of an encounter between a scientist and a visionary entrepreneur. To this day, an entrepreneurial spirit, innovation, and responsible management remain at the heart of the Group's approach. Its activities are developed on a strong industrial logic, a guarantee of resilience and value creation.

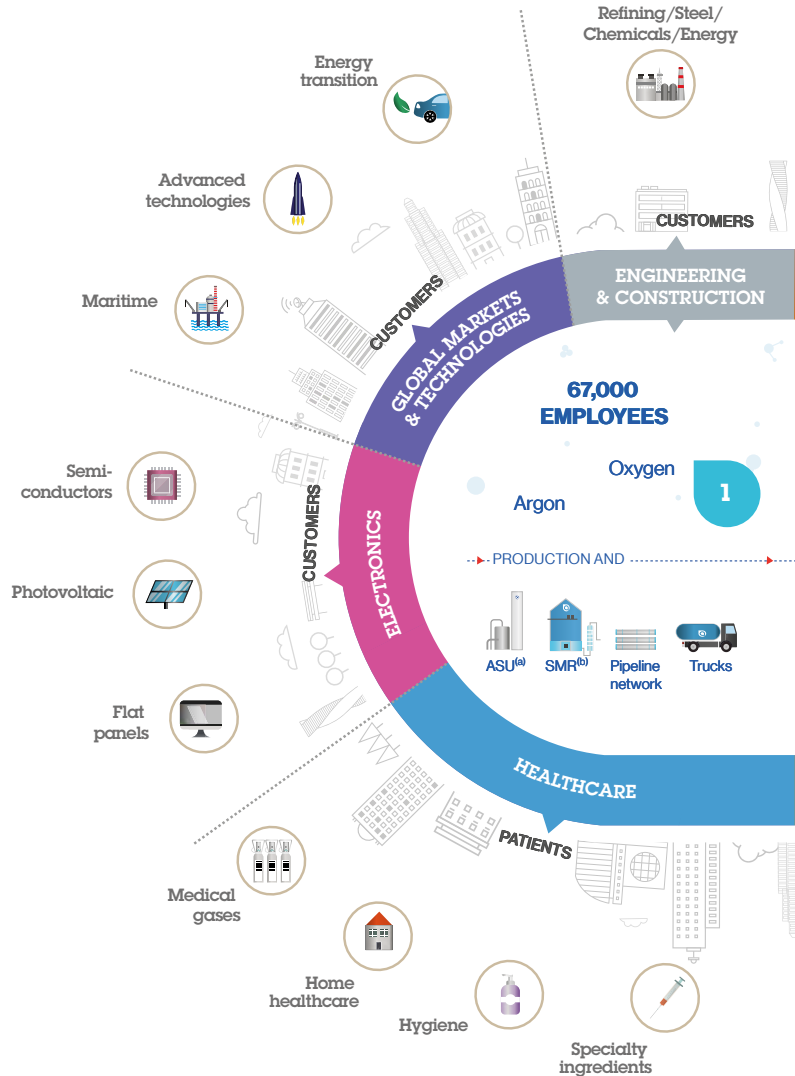
ONE BUSINESS...

1 The Air Liquide industrial adventure is founded on technical and scientific expertise in essential small molecules for life, matter and energy, as well as on recognized operational know-how. Today, around 67,000 employees are working toward the shared goal of the Group's sustainable development, driven by a true entrepreneurial spirit and the unrelenting desire for innovation that better serves our customers.

2 Air Liquide's value creation model works by integrating and sharing our industrial assets. It usually starts by signing a long-term gas supply contract with a Large Industries customer. The Group's Engineering & Construction teams then work to design and build a production plant that can meet the customer's needs. The Group may then develop its other activities locally by leveraging this production capacity and pooling its distribution assets, such as pipelines, filling centers, storage, and cylinders.

3 This efficient industrial system brings Air Liquide closer to its customers so that it can anticipate their needs and offer them innovative solutions. The Group currently serves more than 3 million customers and patients from a wide range of sectors.

Human resources, industrial assets, innovation, and technologies – these strengths combine to enable Air Liquide's growth and long-term value creation for all its stakeholders.



... SEVERAL ACTIVITIES

The **Engineering & Construction** business designs and builds high-end production units for the Group, as well as for third-party customers who prefer not to outsource their gas production. These state-of-the-art solutions allow customers to optimize their use of natural resources and the activity contributes to Air Liquide's technological independence, resulting in a more competitive commercial offering.

The **Large Industries** business line supplies industrial gases in large volumes to steel, chemical, and refining customers

as well as to the Group's other business lines, with supply coming from a dedicated plant or from Air Liquide's pipeline network. The activity is driven by major investments through long-term contracts, providing high visibility on future revenue.

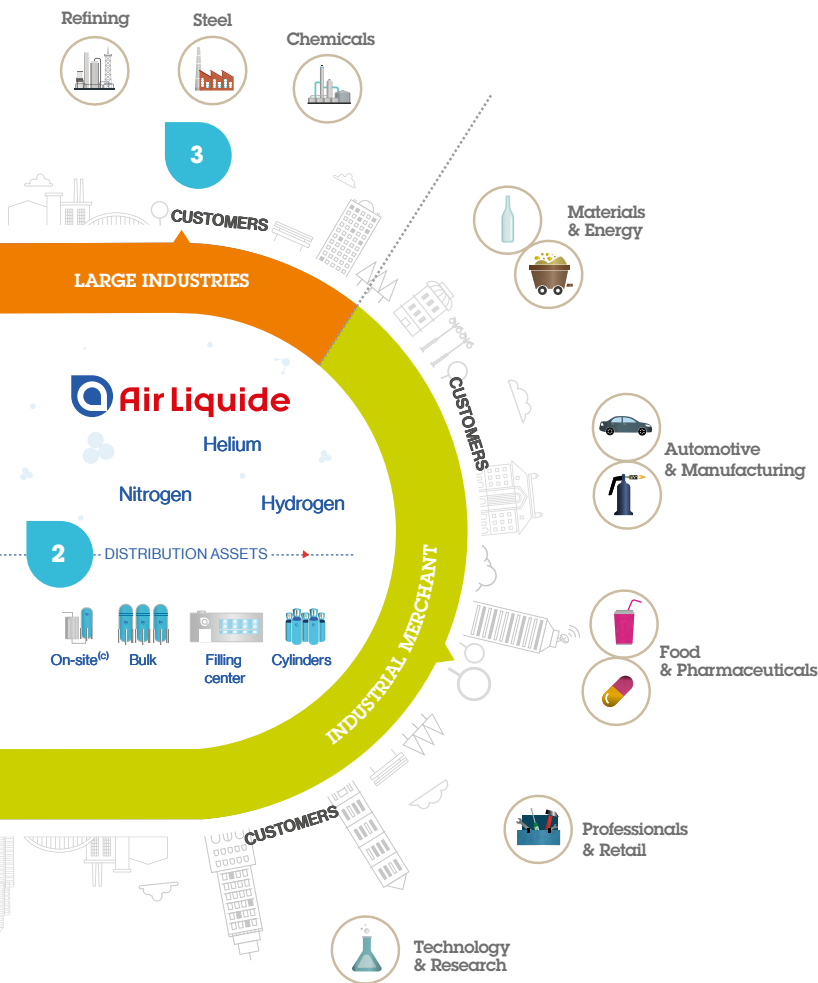
The wide coverage of **Industrial Merchant's** geographic network enables it to provide its customers with solutions that are tailor-made to their specific production processes. Gases are either produced directly at the customer's site or delivered by cryogenic

trailers or cylinders, depending on the volumes required. Following the Airgas acquisition, the business can now offer its expertise in multi-channel sales and a wider portfolio of products, including equipment.

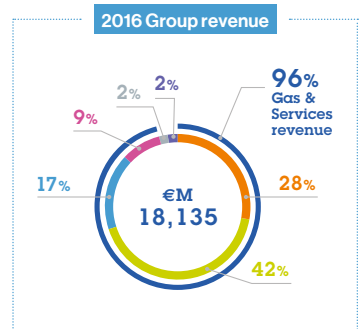
All along the continuum of care, the **Healthcare** business line provides medical staff and patients, from hospital to home, with adapted and efficient medical products and services, as well as optimal support. The Group is a recognized leader in medical gases, home healthcare, hygiene products, and healthcare specialty ingredients.

In **Electronics**, Air Liquide works with major semi-conductor, flat panel, and solar cell manufacturers. Its groundbreaking electronic materials respond to ever more challenging customer demands for improved mobility, connectivity, computing power, and energy consumption. Thanks to a strong R&D, the Electronics business line develops high-end, high value-added molecules. Its diversified business mix mitigates the cyclical nature of the sector.

The new **Global Markets & Technologies** business line focuses on new markets requiring a global approach, such as markets related to energy transition, markets with high technology content, and those in the maritime sector. It is driven by Air Liquide's science, technology and know-how, as well as business models and usages related to digital transformation.



(a) ASU: Air Separation Unit.
 (b) SMR: Hydrogen and carbon monoxide production unit (Steam Methane Reformer).
 (c) On-site: Small local production unit.



Serving a wide range of customers and patients

Air Liquide's core business of industrial gases serves a wide range of different customers and patients. The Group strives for a detailed understanding of their needs so that it can provide them with the very best customer experience and set itself apart from its competitors.



THE GROUP'S MAIN CUSTOMERS

ENGINEERING & CONSTRUCTION

Air Liquide's Large Industries, industrial groups from the refining, chemical, steel and electronics sectors.

Example

PETROCHEMICALS PRODUCER

Needs

Design and construction of production units

Contract

Sales spread over the project period

Prerequisites

Cutting-edge technology, energy efficiency, competitiveness, reliability, safety

PLUS, WITH AIR LIQUIDE

Proprietary technologies, ability to develop tailored solutions, related services

LARGE INDUSTRIES

Industrial groups from the refining, chemical, and steel sectors.

Example

STEEL PRODUCER

Needs

Gaseous oxygen in large volumes via a pipeline to supply blast furnaces

Contract

Long-term contracts (minimum of 15 to 20 years), minimum volumes guaranteed by take-or-pay clauses and the indexation of energy costs

Prerequisites

A reliable supply, safety, energy efficiency

PLUS, WITH AIR LIQUIDE

Tailored solutions, ability to provide a technical response, customer relations

INDUSTRIAL MERCHANT

Professionals (plumbers, mechanics, heating specialists, construction contractors, catering professionals, etc.) and industrial customers (automotive, food, manufacturing industry, high tech, etc.).

Example

CONSTRUCTION CONTRACTOR

Needs

Nitrogen and gas mixtures in cylinders for welding, safety equipment, consumables

Contract

3 years

Prerequisites

Safety, rapid purchasing process, product availability, ease of use, customer relations

PLUS, WITH AIR LIQUIDE

Density of geographic network, reliability and cylinder ergonomics, multi-channel sales, new applications

OUR CUSTOMERS AT THE HEART OF OUR COMPANY

Air Liquide's Customer Development Group works across all business lines and is dedicated to ensuring that our customers and patients are satisfied with our products and services. It acts as the control center for customer experience improvement programs, management of strategic customers,

and commercial excellence and – as part of its work – shares best practices across the Group's regions and activities. This structure, overseen by a member of the Executive Committee, plays an increasingly key role in Air Liquide's customer-centric transformation strategy.



HEALTHCARE

Hospitals, healthcare facilities, specialists at hospitals and in private practice (lung specialists, diabetologists, dentists, etc.), general physicians, patients at home, public and private insurers.

Example

PATIENT SUFFERING FROM A CHRONIC DISEASE, TREATED AT HOME



Needs

Medical oxygen and/or medical device to administer treatment, support programs, training for patients and their families

Contract

Covered by social security or financed by the patient (depending on pathologies and countries)

Prerequisites

Therapeutic efficiency, treatment compliance support, expertise and professionalism

PLUS, WITH AIR LIQUIDE

Listening and involvement, knowledge of pathologies and medical devices

ELECTRONICS

Major players in the semi-conductor sector (micro-processor, memory manufacturers, etc.), flat panel and solar panel producers.

Example

SEMI-CONDUCTOR PRODUCER



Needs

Ultra-pure carrier gases (such as nitrogen) to guarantee the ultra-clean conditions required for manufacturing; advanced materials to improve the performance of integrated circuits

Contract

15 years for carrier gases, multi-year for specialty gases and advanced materials

Prerequisites

High-purity products, total reliability, energy efficiency (carrier gases), technological innovation (advanced materials)

PLUS, WITH AIR LIQUIDE

Proximity to customers, unique ability to develop customized molecules

GLOBAL MARKETS & TECHNOLOGIES

Customers in new markets and markets with high technology content such as aeronautics, aerospace, extreme cryogenics, energy and environment transition, maritime.

Example

DRIVER OF A HYDROGEN-POWERED TAXI



Needs

Hydrogen energy in gaseous form, through a hydrogen charging station network

Contract

Contract to supply hydrogen and related services

Prerequisites

Clean mobility to reduce pollution in towns and cities, recharge speed, availability, safety

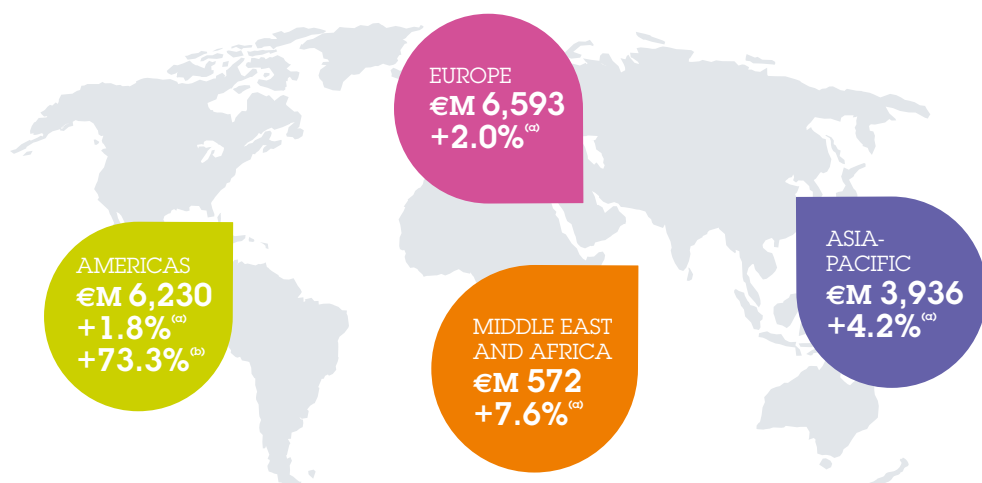
PLUS, WITH AIR LIQUIDE

Expertise in the production and distribution chain, decarbonized hydrogen (Blue Hydrogen)

A global adventure

True to its pioneering spirit, Air Liquide has always been well-positioned to capture future growth, wherever that may be. As the production of industrial gases is a local activity, the Group rapidly established itself in all regions across the globe. Present in 80 countries, Air Liquide enjoys great cultural diversity and demonstrates strong resilience.

2016 GAS & SERVICES REVENUE



(a) Comparable change between 2015 and 2016.

(b) Change between 2015 and 2016, including the Airgas contribution.

LONG-TERM GROWTH DRIVERS

Americas

The United States is the leading global market in industrial gases and the Airgas acquisition has taken Air Liquide's Industrial Merchant activity to a new level. In North America, sales growth is mainly driven by the chemicals sector, which enjoys low energy costs, and the food and pharmaceuticals sectors. In South America, Air Liquide supports the development of infrastructures. Demand is high in the healthcare sector, in particular in Brazil and Argentina.

Europe

The large industrial basins of Northern Europe, as well as Eastern Europe, are major sources of growth for Large Industries. In Industrial Merchant, food, pharmaceutical, research and technology are the fastest growing sectors across the continent. Healthcare, which is now the Group's leading business in Europe, offers bright prospects with the development of home healthcare and hygiene. Environmental solutions, such as clean transportation (biogas), are also major growth drivers.

Middle East and Africa

The Group's products and services support infrastructure development in both Africa and the Middle East, especially in the energy and petrochemical sectors. Industrial Merchant benefits from the momentum in the food sector and from industrial development. In South Africa, the Healthcare activity offers good prospects for growth.

Asia-Pacific

China and South East Asia are changing rapidly; there is a growing need for infrastructure and energy, with a particular focus on energy efficiency. The vast majority of the Electronics business is located in Asia-Pacific – a region thriving as a result of the dynamic semi-conductors sector, especially in China. The Healthcare activity is developing throughout the region and is strong in Australia, while China is a promising market.

Note: The geographic analysis of 2016 performance can be found in the management report published on February 15, 2017 and included in the 2016 Reference Document.

2016 NEWS

**DEVELOPING THE HEALTHCARE ACTIVITY
IN SOUTH AFRICA**

In South Africa, Air Liquide is committed to improving access to insulin pump treatment for diabetic patients. Its VitalAire subsidiary has joined forces with the leading private medical insurer to design care provision based on the French model: this includes insulin pump rental – more accessible than purchasing the device – and related support services. VitalAire nurses care for patients in their own homes and provide them with technical training and monitoring, adapting the pump treatment to their lifestyle.

Air Liquide works in partnership with all those involved in the country's healthcare system to continue to diversify its offering and significantly improve quality of life for patients on insulin therapy.



NEW BIOGAS PURIFICATION UNITS IN EUROPE



In 2016, Air Liquide commissioned 12 new biogas purification units in France, the United Kingdom, Hungary, and Denmark, tripling its biogas purification capacity in Europe. Biogas is produced during the treatment of waste coming from farming, household waste and industrial activities. The biogas purification technology developed by Air Liquide separates the components of biogas to produce biomethane, or bio natural gas, an alternative to fossil-based natural gas. Used to power vehicles, it is called Bio-NGV (Natural Gas for

Vehicles). Air Liquide has developed the technologies and expertise that span the entire biomethane value chain: purification of biogas into biomethane, injection into the natural gas network, liquefaction to enable transport, and distribution through a station network supplying clean transportation fleets. This activity provides a solution to the energy and environment transition challenges, as it helps reduce greenhouse gas emissions and could contribute to solutions for the zero emission transportation of tomorrow.

50
biogas purification units designed and commissioned by Air Liquide worldwide

A new chapter in Air Liquide's history

The acquisition of Airgas has resulted in Air Liquide strengthening its presence in the United States, the leading global market for industrial gases which is also at the cutting edge of innovation and digital technologies. The individual shareholders have played an important role in this new stage of the Group's life, by participating in the share capital increase.

KEY
POINTS

AIRGAS BRINGS:



+1 M
customers



+30%
of Gas & Services
revenue



+17,000
employees



>M\$300
of synergies



+12 M
cylinders

AIRGAS, AN EXEMPLARY TRACK RECORD

Airgas was founded in the United States in 1982 by Peter McCausland, an entrepreneur who spotted the potential of a small regional industrial gas distributor.

Following more than 400 acquisitions over three decades, Airgas has become one of the leading producers and distributors of industrial gases in the United States. Its sales reached 5.3 billion dollars for the 2015-2016 fiscal year. With more than 900 sales outlets and retail stores, the company covers the whole U.S. territory. It also owns gas production units, cylinder filling centers, specialty gases laboratories, business support centers, and distribution centers. Airgas' strong customer-centric approach distinguishes it from the competition.

The company has developed a unique multi-channel distribution platform which includes online sales and telesales, as well as a network of stores.



November 17, 2015

Signing of the merger
agreement with Airgas

February 23, 2016

Approval by
Airgas shareholders

May 13, 2016

U.S. Federal Trade Commission
(FTC) clearance

May 23, 2016

Completion
of the acquisition

STRONG INDUSTRIAL AND MARKET LOGIC

The acquisition of Airgas has enabled Air Liquide to strengthen its presence in the United States and extend its customer base by more than one million. Air Liquide can now capitalize on Airgas' unmatched national presence in the U.S. and its innovative and multi-channel distribution network. Moreover, the company's strong customer-centric approach and digital expertise, coupled with Air Liquide's operational excellence

and capacity for innovation, should help generate further growth in both the United States and other geographies of the world. Initially, the transaction should also lead to major cost synergies (both industrial and administrative), which should be effective by end-2018. In total, more than 300 million dollars of cost and sales synergies have been identified and translated into action plans. All the synergies should be completed by the end of 2019.

This major acquisition has significant value potential for all Air Liquide stakeholders.



A LARGE-SCALE OPERATION

Ten short months was all it took between the moment the proposed Airgas acquisition was announced in November 2015 and completion of its refinancing. The bridge loan signed in December 2015 was successfully and rapidly refinanced by two bond issues – one in euros and the other in US dollars – and a share capital increase. For the share capital increase, the Group wanted first and foremost to prioritize the inclusion of its shareholders. It did so through a share capital increase with preferential

subscription rights. A communication campaign was launched to inform eligible individual shareholders^(a) and guide them through the process. The high subscription rate for these transactions is testimony of Air Liquide's attractiveness to institutional and individual investors. Their continued confidence in the Group's future ensures the independence of Air Liquide, perpetuating its recipe for success.

(a) Transaction open to the public in France only.



June 6, 2016



3 billion euro
bond issue

September 22, 2016



4.5 billion US\$
bond issue

September 28, 2016



Closing date for subscription
to the 3.3 billion euro
share capital increase

December 30, 2016



Completion of divestiture
requested by the FTC

Additional sources of growth

Scientific and technological progress, changes in people's aspirations, and the appearance of new usages lead to new challenges and create new opportunities. Among all the transformations underway, Air Liquide has identified three major trends which represent additional sources of growth.

KEY POINTS

THREE MAJOR TRENDS

1

THE ENERGY AND ENVIRONMENT TRANSITION

Global warming and natural and energy resources constraints are forcing us to find new ways of living, travel and production. The Group is responding to these challenges by providing its customers with efficient solutions to reduce their greenhouse gas emissions and their energy consumption, such as hydrogen for clean transportation.

2

CHANGES IN HEALTHCARE

Healthcare and well-being are growing global challenges with issues ranging from an aging population to an increase in chronic diseases, as well as a greater demand for medical treatment – in particular in developing economies. Air Liquide is therefore developing new products and services for healthcare professionals and patients, such as medical gases, home healthcare, hygiene products, and specialty ingredients. New digital technologies, such as remote monitoring, will be able to play a significant role in home healthcare.

3

DIGITIZATION

Technologies are changing rapidly and – with the combination of miniaturization and greater power – new needs are arising in Electronics. Digitization also leads to new usages, to which Air Liquide has responded; examples include the connected cylinder and the remote system to monitor patients' compliance with medical treatment. New technologies also play a key role at the Group's production sites. Air Liquide's plant of the future project will help the Group optimize its production to better meet its customers' needs and improve energy efficiency as well as the reliability of its plants.

FOCUS ON DIGITAL TRANSFORMATION

DIGITAL SOLUTIONS TO **SUPPORT PATIENTS**



Air Liquide is developing new technologies to support healthcare professionals, and patients and their families by leveraging state-of-the-art digital mechanisms and services. Digital solutions cannot replace human relations, but they can help improve comfort and the compliance to treatments, and thus patients' quality of life. For example, Air Liquide's Nowapi™ telemonitoring system is a connected solution that helps improve treatment of sleep apnea. This system can be added to existing medical equipment to send data to Air Liquide's teams, who in turn pass it on to the family doctor, when necessary. With the help of Air Liquide's technician, the doctor may then suggest adapting treatment according to the data collected so that the patient's needs are better met.

1 to 6%

of the global population is affected by sleep apnea

Source: World Health Organization

DIGITAL SOLUTIONS ACCELERATING THE TRANSFORMATION IN THE **INDUSTRIAL MERCHANT ACTIVITY**

Digital solutions (e-commerce platforms, applications for smartphones and tablets, information systems, but also the Internet of Things, robotization, big data, artificial intelligence, etc.) have an impact on three main Industrial Merchant areas: customer experience, the production and logistics chain, as well as operating performance.



The two million customers of this business line will eventually be able to buy their Air Liquide gas and equipment in the way that suits them best, whether online, in store, via sales staff or telemarketing centers.

Digital technologies also help optimize production and monitor logistics in real time. Currently, data for some product levels in storage at industrial customers' sites is transmitted to the logistics teams who can then anticipate restocking to avoid running out of stock. In the future, the majority of storage and cylinders will be connected and Air Liquide's information systems will communicate directly with customers' own systems. This will lead to the perfect synchronization of production and delivery forecasts, as well as cost improvements and a better customer service.

With onboard electronics, delivery rounds will be automatically adjusted using GPS technology and customers provided with a precise delivery time. All Group drivers will soon be equipped with tablets, with full digital documentation enabling them to better advise customers.

NEOS: the roadmap for 2020

Air Liquide aims to lead its industry, deliver long-term performance and contribute to sustainability. Its NEOS Company Program guides the Group's 67,000 employees to achieve these ambitions and reach its 2016-2020 objectives.

The Airgas acquisition has brought the Group a new dimension and Air Liquide is now concentrating on its customer-centric transformation strategy aiming at profitable growth over the long term. In an environment undergoing profound transformation, marked by three major trends (see page 16), Air Liquide is changing and adapting to the shift in its customers' aspirations and needs as well as to a value chain that is increasingly focused on the end user. The Group's transformation strategy involves innovation and leverages digital solutions. It relies on four pillars: operational excellence, quality of investments, open innovation, and a network organization. The NEOS Company Program provides the Group with a roadmap to achieve the financial and non-financial objectives that it has set (see opposite) and contribute to a more sustainable world.



The precision of the sign to echo expertise and innovation.



The elimination of the frame to suggest the openness to the world.

The roundness and the lower case typeface to convey the Group's proximity to its stakeholders.

AIR LIQUIDE IS TRANSFORMING, AND IT SHOWS!

In January 2017, Air Liquide adopted a new visual identity with a new logo, the fifth since the company was founded 115 years ago. This new visual branding embodies Air Liquide's transformation and is that of a leading expert and innovative Group that is close to its stakeholders and open to the world. The new logo will be rolled out over a period of three years, pragmatically and with prioritization criteria applied.

#AirLiquideistransforming



airliquide.com/transforming

A STRATEGY TO ACHIEVE OUR AMBITIONS

OUR AMBITION

LEAD OUR INDUSTRY
DELIVER LONG-TERM PERFORMANCE
CONTRIBUTE TO SUSTAINABILITY

A CUSTOMER-CENTRIC TRANSFORMATION STRATEGY AIMING AT PROFITABLE GROWTH OVER THE LONG TERM

4 pillars

Operational
excellence

Selective
investments

Open
innovation

A network
organization

THE 2016-2020 COMPANY PROGRAM

neos

5 financial objectives

+6% to +8% revenue growth^(a)

Efficiency gains
>300 million euros
average per year^(b)

Airgas synergies
>300 million
US dollars

ROCE >10% after 5 to 6 years

Maintain "A" range rating

2 non-financial objectives

Improve air quality for better
environment and health

Be engaged in active dialogue
with all stakeholders

(a) Annualized average, including Airgas scope effect in 2017, corresponding to a +2% CAGR.

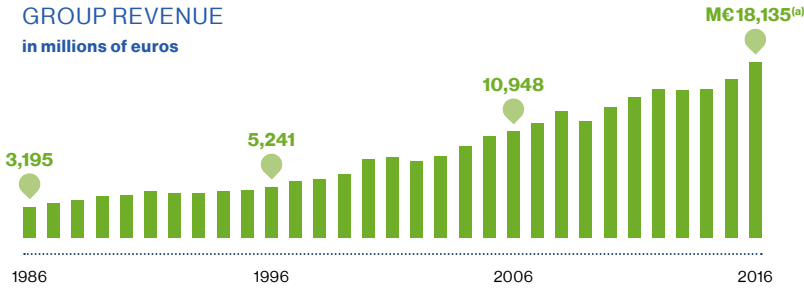
(b) Over the 2017-2020 period.

Responsible steering for a sustainable performance

For Air Liquide, performance lies at the heart of its long-term ambition and is inseparable from responsibility. In 2016, the Group's performance was boosted by the integration of Airgas, which marked a new phase in its development and generated a +14.6%^(a) increase in revenue, a +5.0% increase in net profit and a +2.4% increase in net earnings per share.

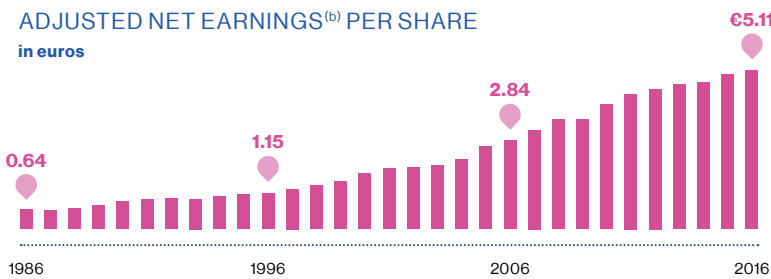
FINANCIAL PERFORMANCE

GROUP REVENUE
in millions of euros



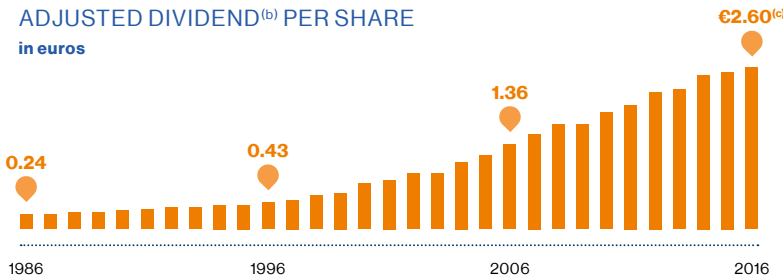
+6.0%
average annual
growth over
30 years

ADJUSTED NET EARNINGS^(b) PER SHARE
in euros



+7.2%
average annual
growth over
30 years

ADJUSTED DIVIDEND^(b) PER SHARE
in euros



+8.2%
average annual
growth over
30 years

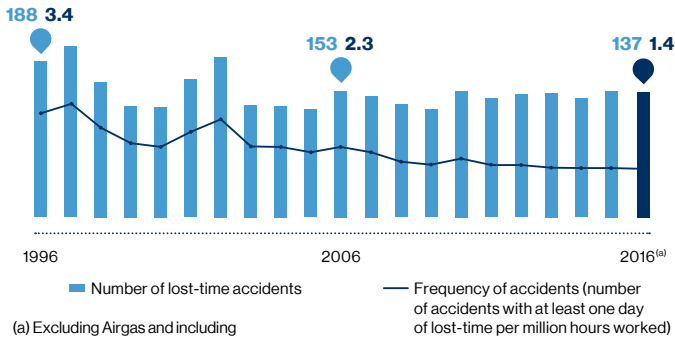
(a) Excluding Welding and Diving activities, restated as discontinued operations.

(b) Adjusted to take into account the 2007 stock split, the attribution of free shares and the capital increase linked to the acquisition of Airgas.

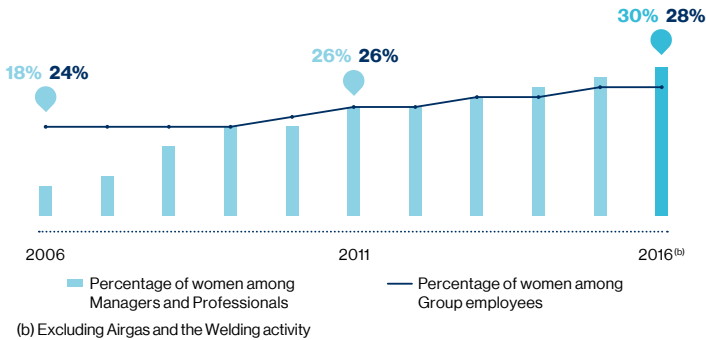
(c) Proposed for the 2016 fiscal year at the Annual General Meeting on May 3, 2017.

NON-FINANCIAL PERFORMANCE

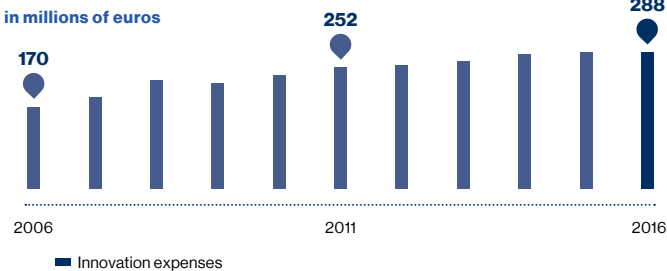
NUMBER AND FREQUENCY OF LOST-TIME ACCIDENTS OF GROUP EMPLOYEES



PERCENTAGE OF WOMEN AMONG GROUP EMPLOYEES



INNOVATION EXPENSES



COMMITTED TO AIR QUALITY

Air quality has become an environmental challenge and a major public health issue. Megacities in Asia, Latin America and Europe are particularly affected by environmental pollution. Improving air quality is one of the priorities of Air Liquide's Company Program. For example, the Group is working on solutions to limit polluting emissions such as particles, and to support patients with breathing difficulties.

2016

60%
of innovation expenses allocated to efforts to protect life and the environment

30%
of innovation expenses allocated to reducing CO₂ emissions

3.1 days
of training per employee

67%
of electricity consumption is fully carbon-free or from natural gas

254
projects supported by the Air Liquide Foundation since its creation



A rewarding long-term commitment

Air Liquide has always striven to involve its shareholders in its success. The company's share price has been growing steadily and has outperformed the CAC 40 over a 10-year period. Moreover, the dividend, the attribution of free shares and the payment of loyalty bonuses also contribute to the share's return over the long term.

RISE IN VALUE OF THE MARKET CAPITALIZATION

A company's market capitalization corresponds to its share price multiplied by the number of shares.

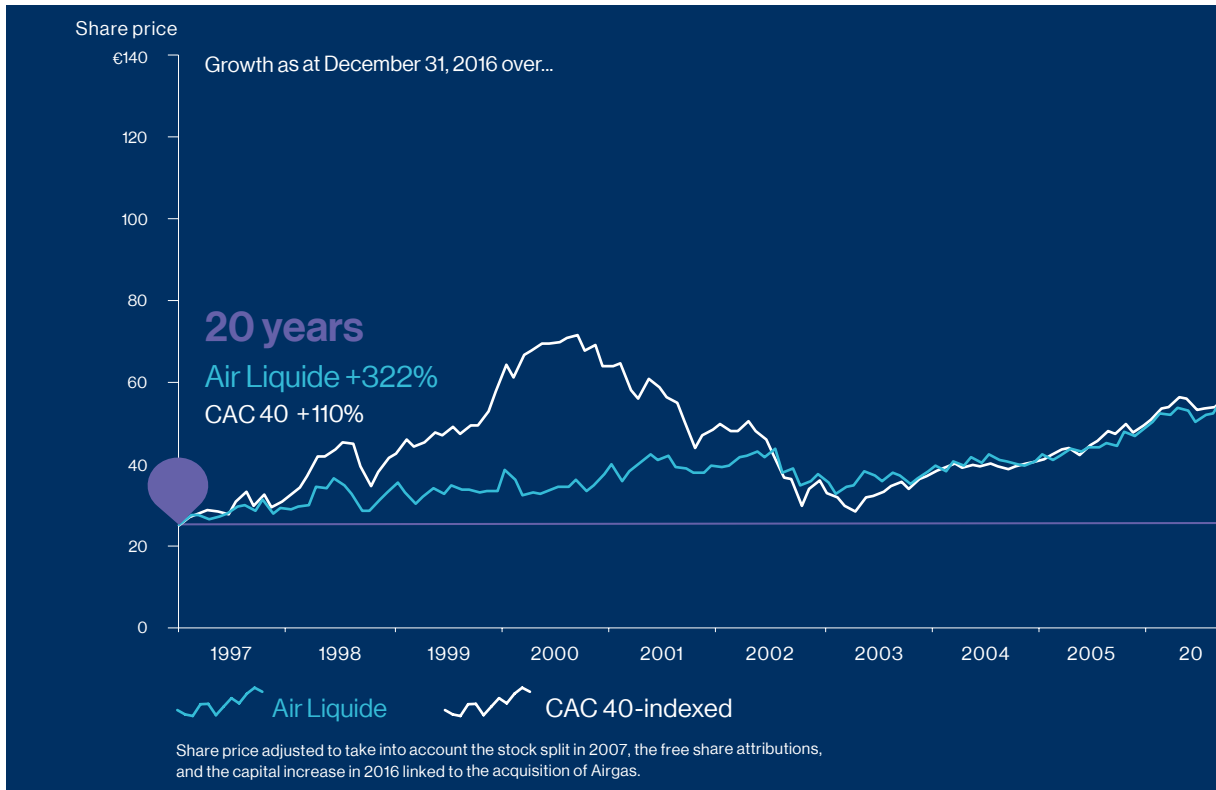
Air Liquide's market capitalization has climbed markedly in the past five years. It reflects the valuation of an Air Liquide share portfolio, excluding

remuneration, as it includes the change in share price and takes into account the regular attribution of free shares from which you, as shareholders, benefit. Air Liquide's strong increase in 2016 is also due to the share capital increase relating to the Airgas acquisition.

+188%
since January 1,
2000
vs
+15%
for the CAC 40

8th
largest CAC 40
market cap as
at December 31,
2016

LONG-TERM OUTPERFORMANCE



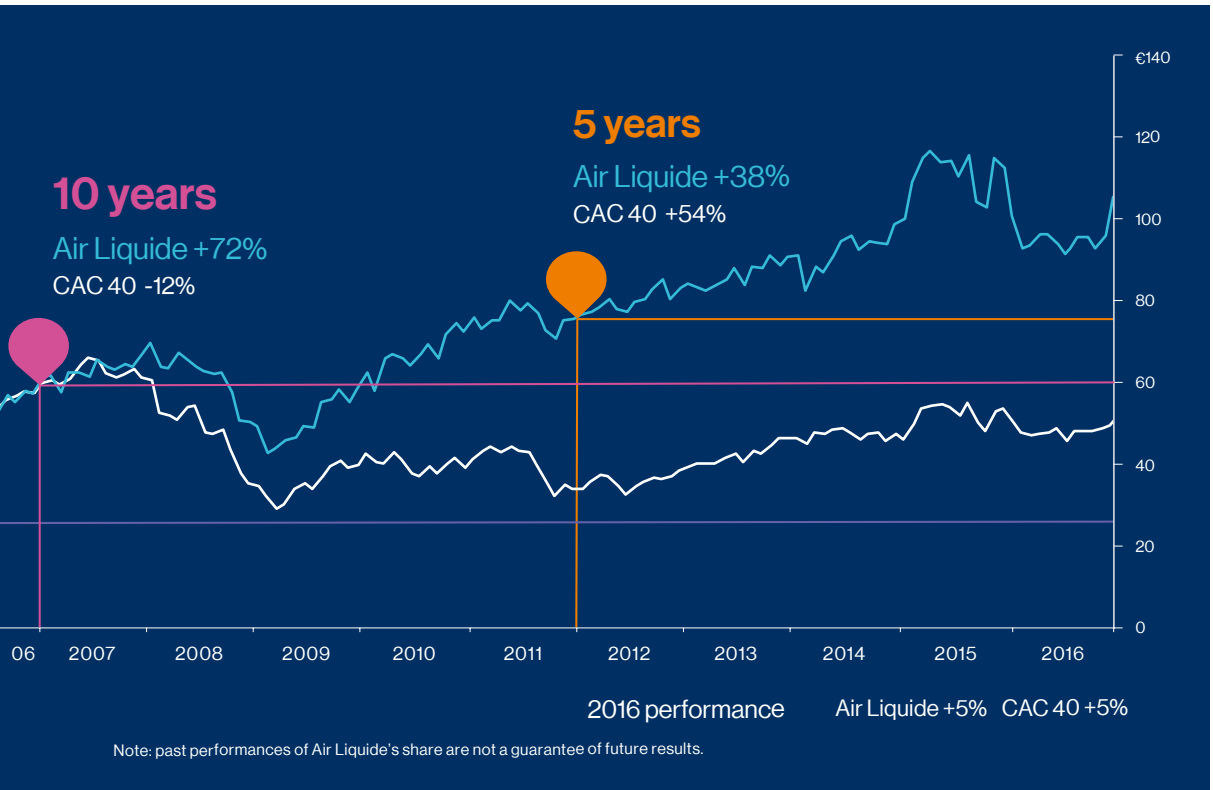
A STEADILY EXPANDING PORTFOLIO

A shareholder who invested 100 euros in Air Liquide shares in registered form in 1996, reinvested his dividends in shares and benefited from the free share attributions, both eligible for the loyalty bonus, would own a portfolio amounting to 792.81 euros at December 31, 2016.



Value of portfolio at December 31, 2016 and average annual growth, before taxes.

Note: the Preferential Subscription Rights relating to the capital increase undertaken in September 2016 are recognized as having been sold, then reinvested in shares.



Note: past performances of Air Liquide's share are not a guarantee of future results.

An industrial
adventure

FEATURING SHAREHOLDERS AS HEROES



410,000

individual shareholders
of which

144,000

intermediary registered shareholders

92,000

direct registered shareholders

33%

of the capital held
by individual shareholders

20%

of the capital held
by French institutional shareholders

47%

of the capital held
by non-French institutional shareholders



Air Liquide is committed to all its shareholders

Air Liquide's development is a direct result of individual shareholders' loyal support of the Group's industrial adventure. Together, they own 33% of its share capital. The Group fervently believes that shareholders play a vital role in the development of companies, and frequently promotes this type of long-term shareholding.



7
student
meetings
in 2016



Air Liquide regularly meets with young people to raise awareness of a shareholder's role in business development.

The Air Liquide adventure began in 1902 thanks to the support of 24 individuals who financed the young company for five years before receiving their first dividends! From this starting point, long-term shareholding, in particular individual shareholding, has been part of the Group's DNA. It should come as no surprise, therefore, that the Group takes part in joint initiatives to link companies, local authorities, and financial institutions with individual shareholding in France.

The Group supports the initiatives of the Association Nationale des Sociétés par Actions (National Association of Listed Companies – ANSA), for which Air Liquide's Chairman & CEO, Benoît Potier, is a Director. For example, the Group helped prepare the ANSA's symposium in June 2016 on the subject "Individual shareholders in France: act now for growth", which was followed by the publication of a white paper proposing 12 measures to revive growth through equity investments.

These initiatives are passed on through local authorities and opinion leaders. Air Liquide also participates in the work of the Observatoire des Actionnaires d'Avenir (Observatory for Shareholders of the Future - OAA). The Group believes that companies should contribute to educating future generations on economic issues and therefore visits high schools, *grandes écoles* and universities to raise awareness among students on the role of the shareholder in corporate financing.

INTERVIEW WITH

Christian Schricke
Managing Director,
ANSA (Association of
Listed Companies)

What is the current situation for individual shareholders in France?

Only 8% of the share capital of companies in the CAC 40 is directly owned by individual shareholders. This figure reflects the lack of interest among the French population in financing the real economy, which leads to shares being owned by institutional shareholders, in particular short-term investors, such as hedge funds^(a). This category of investor is driven by immediate yields and has often no interest in the long-term future of the company. Yet, it is in the best interest of companies to have long-term institutional or individual shareholders on their side, supporting them with their projects.

Why are individual shareholders key to corporate financing?

The soundness of a company can be judged first and foremost by its shareholders' equity, which is a major solvency criteria for lenders. Individual investors generally provide funds over a long-term investment horizon. This represents a major factor of stability for a company in a fast changing world.

What are the main barriers to individual shareholding in France?

Work carried out by the ANSA shows that taxes and social contributions, which are particularly onerous, volatile and complex, contribute to the reluctance among French people to invest in the stock market. Moreover, French economic and financial culture is weaker than in other developed economies. Our fellow



“
INDIVIDUAL
SHAREHOLDERS
REPRESENT
A MAJOR FACTOR
OF STABILITY
FOR A COMPANY.”

citizens are ill prepared to understand and therefore to accept the risks relating to equity investment. Finally, banking networks, which play an important role in guiding individuals in their savings-related decisions, tend to favor collective investments.

What measures must be taken, in your view, to restore momentum?

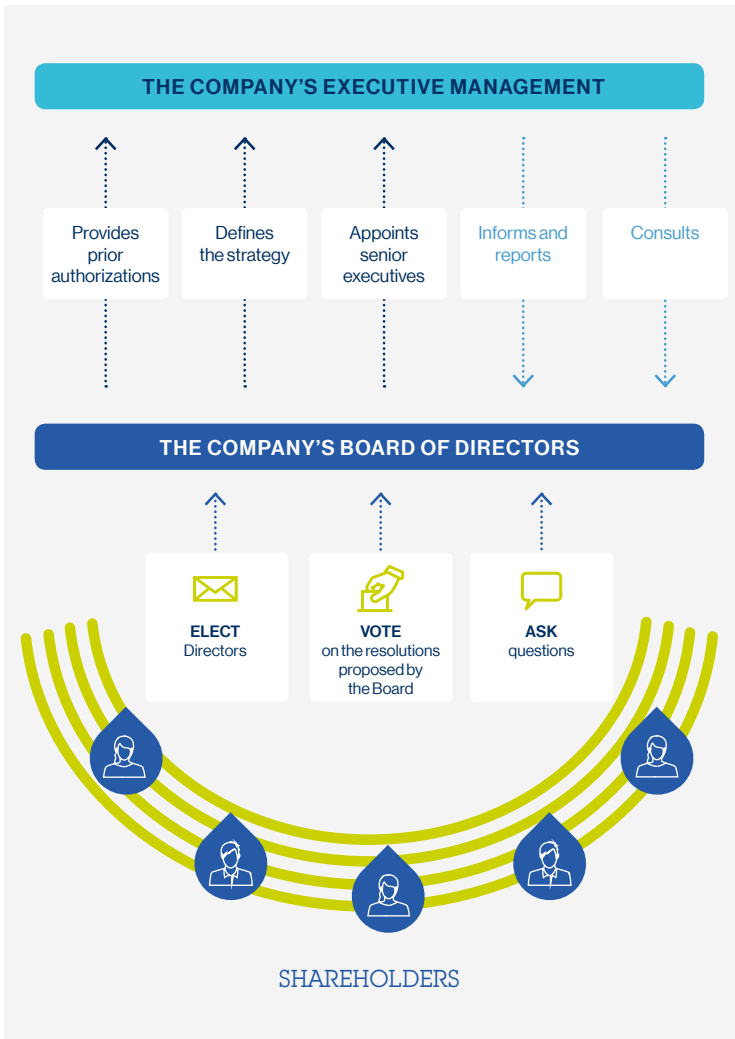
ANSA has identified a certain number of levers, in particular in terms of economic and financial education and taxation. But listed companies can also play their part. It is essential that they are aware of the importance of a strong individual shareholder base to implement a strategy that meets this challenge. In this regard, Air Liquide is a flagship company in France and its shareholder policy is a true benchmark.

(a) Non-listed investment funds of a speculative nature.

The Annual General Meeting, a cornerstone of shareholder democracy

A share portfolio is much more than a simple investment. Shareholders have the right to information and a vote, and may also express their views at the Annual General Meeting. Thus, all shareholders have a certain degree of influence over the life of the company.

SHAREHOLDERS' RIGHTS



The Annual General Meeting is an important moment where shareholders, members of the Board of Directors, and Air Liquide's management team can get together each year.

During this event, shareholders are called upon to appoint Directors, who represent their interests on the Board, and who in turn appoint the company's senior executives. The shareholders approve the financial statements and vote on the various resolutions proposed that are necessary for the company to function. The Board reports to them on the management of the company. The role of the Annual General Meeting, the company's sovereign body, is therefore essential.

Air Liquide's history highlights the trust-based relationship established between the Board of Directors and all shareholders: in over 100 years of being listed on the stock market, the Group has only been managed by five Chairmen. The longevity of their periods of office is mainly due to the unfailing attention paid to the transparency of information, the clarity of their strategy and the quality of dialog - all key elements in shareholder democracy.

BEING WELL INFORMED TO MAKE THE RIGHT DECISIONS

Air Liquide has developed a comprehensive process to allow shareholders to cast their votes under optimal conditions, regardless of where they are: informative documents relating to the Annual General Meeting provide full disclosure and facilitate the formalities of shareholders, who are also encouraged to participate in the event.

The Annual General Meeting is a key moment in the company-shareholder relationship. All members of the Board of Directors are present around Benoît Potier, the Group Chairman & Chief Executive Officer. Each year, the financial statements, highlights, strategic orientations, sustainable development approach, the activities of the Board and

the remuneration policy are presented to shareholders and open to debate. The subjects which are the most discussed are the Group's activities, its sources of innovation and growth prospects, as well as its sustainable development measures. The session ends with a vote on the resolutions.



Air Liquide's Annual General Meeting is the largest in the CAC 40. On May 12, 2016, it brought together almost 4,000 shareholders.

“ THE ANNUAL GENERAL MEETING IS A KEY MOMENT IN THE COMPANY-SHAREHOLDER RELATIONSHIP ”

THE BOARD OF DIRECTORS, REPRESENTING SHAREHOLDERS

As at December 31, 2016, Air Liquide's Board of Directors was composed of 12 members, all appointed by the Annual General Meeting, except for the Director representing the employees, who is appointed by the France Group Committee; 9 of the 11 elected members are considered independent. The Board boasts a wide range of expertise (chemicals, cosmetics, automotive, energy) and nationalities; 5 of its members are women. Members of the Board are regularly invited on field visits where they meet customers and employees during strategic meetings dedicated to major strategic orientations. In 2016, the Industrial

Merchant and Engineering & Construction activities were the focus of the meeting held in Frankfurt, Germany.

The Board of Directors played a central role in the Airgas acquisition, with extraordinary meetings entirely dedicated to the subject. A special purpose committee, in charge of assessing the project and monitoring its progress, was also set up and the Audit Committee held an extraordinary meeting to analyze the risks relating to the project. This preliminary work enabled the Board to confirm its unanimous agreement with regard to the whole transaction.

6 meetings of the Board of Directors held in 2016

Being a shareholder... Mathilde's story

Mathilde's story is that of a 28-year-old woman living and working in Lille, France... and an Air Liquide shareholder for the past five years. Her journey with Air Liquide shows all the tools that the Group provides to manage a close relationship with its shareholders.



MEETING TOMORROW'S SHAREHOLDERS

Mathilde discovered Air Liquide during a meeting organized by the Group in her business school in April 2011, when she was still a student. This initial contact with the company and the stock market made her want to purchase Air Liquide shares, which she placed in a specially opened share savings plan at her bank. That is how she became a first-time shareholder! Following a discussion with an expert at Air Liquide's Shareholder Services, she opted for the intermediary registered shareholder option. She receives a loyalty bonus each year as she has owned her shares for more than two years.

CONNECTED TO THE GROUP, ALWAYS AND EVERYWHERE

Mathilde returned to live in her home town of Lille, where she works at a consulting firm. She regularly follows changes in her Air Liquide share portfolio and receives a copy of the "PLUS" Shareholder's Guide at home and the "Interactions" newsletter by email. She particularly likes the Group's Twitter feed which helps her to better understand Air Liquide's activities and keeps her up to date with its news. Mathilde believes it is important to take part in the Annual General Meeting and votes online after having read the resolutions presented in the Invitation. She watches the video webcast after the event on the Group's website.

 Follow Air Liquide on Twitter @airliquidegroup



THE EXPERTISE OF SHAREHOLDER SERVICES, A MARK OF CONFIDENCE

When she has any questions, Mathilde calls the toll free number 0 800 166 179^(a) to take advantage of the expertise of the Shareholder Services team. She contacted them before subscribing to the September 2016 share capital increase and also to find out more regarding the exemption from the 21% advance withholding on dividends, to which, she, as the French taxpayer, is entitled on her earnings. Shareholder Services, the same team that had organized the meeting at her school, answered her questions... bringing things full circle!

“
Digital tools
mean that
I am always
connected to
“my” company
”

(a) +33 (0)157 05 02 26 from outside France.



PATRICK RENARD
Director of Air Liquide
Shareholder Services

SHAREHOLDER DEMOCRACY AT THE HEART OF OUR INITIATIVES

We are particularly committed to the principle of shareholder democracy, which is why we invite each individual shareholder to our Annual General Meeting, even those who own just one share. We do all we can to ensure that they vote with full background knowledge, thanks to an invitation system which includes a clear explanation of the resolutions and a video presentation of all new Directors. In the same way as for the Annual General Meeting, we strive to provide our shareholders with transparent and pedagogic information throughout the year.

Our online shareholder relation system plays an important role as it allows us to address a wider audience. Shareholder democracy is a reality at Air Liquide: each shareholder has a right to vote and is strongly encouraged to exercise this right.

Being a shareholder... Jacques' story

Jacques' story is that of a 71-year-old retiree who lives in Asnières-sur-Seine, just outside Paris, France and has been an individual Air Liquide shareholder for more than 30 years. A seasoned shareholder, he tells us about the tools and expertise that the Group provides to its shareholders in all circumstances.



A TEAM OF EXPERTS READY TO LISTEN

.....

If he has a question about the management of his Air Liquide share portfolio, for example when completing his tax return, Jacques visits the Group's head office at 75, quai d'Orsay in Paris. There, regardless of whether or not he has made an appointment, he is welcomed by one of the 28 experts from the Shareholder Services team, who is fully qualified to answer his questions and also takes on board Jacques' suggestions. Jacques' opinion is highly valued. It helps the Group progress and offer even greater proximity to its individual shareholders.



INVESTING WITH TOTAL AUTONOMY

.....

Despite the attraction of these personalized meetings, Jacques does not always need to go to the head office. He regularly consults his personal online account, which is secure and easy to use, to follow changes in his portfolio, find answers to his questions or manage his shares. As a direct registered shareholder, he can place his buy and sell orders 24/7 and view his dividend history, all in just a few simple steps online. Not wanting to be overloaded with paperwork, he chose to receive all of his account documentation electronically.

“

We opened a share account for our grandchildren because we wanted to give them a gift that will grow with them

”



PREPARING FOR THE FUTURE WITH AIR LIQUIDE

Jacques has carefully prepared so that his assets will be passed on to his three children. He has already watched the web conferences on the subject available on the Air Liquide website. In addition, experts at Shareholder Services have explained to him, at his request, the comparative advantages of shared-gifts and of customary gifts. In the meantime, thanks to this sound advice, he has opened a direct registered share account for each of his grandchildren.



airliquide.com/shareholders

>>

PASSING ON MORE THAN JUST A SHARE

Being a long-term shareholder is a type of civic responsibility. It means being part of a company adventure by supporting it in its growth, and contributing to financing the economy and to employment.

In return, we believe that the company has a duty to support its shareholders at each step of their shareholder journey. For example, for questions relating to passing on shares and inheritance, we provide them with top-class legal and tax expertise. Our dedicated experts are here to explain the various possible options in terms of passing on shares and emphasize the importance of forward planning. In our opinion, passing on your stock market legacy means passing on your attachment to the company, a stock market culture, and the human values of daring and commitment. This belief drives us to help our shareholders take up the role of ambassador, in particular with their children and grandchildren. Share ownership at Air Liquide is also a family story.

“

PASSING ON YOUR STOCK MARKET LEGACY MEANS PASSING ON YOUR ATTACHMENT TO THE COMPANY, A STOCK MARKET CULTURE, AND THE HUMAN VALUES OF DARING AND COMMITMENT

”

Shareholder **FACTSHEETS**



€2.60

dividend per share^(a)

3,928

shareholders attended
the 2016 Annual General Meeting

10%

loyalty bonus ^(b)
for registered shareholders

(a) Dividend proposed at the Annual General Meeting on May 3, 2017.

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





1

YOUR PERSONAL ONLINE ACCOUNT

Your personal online account can be accessed from the Shareholders section of the airliquide.com website and has been designed to help you manage your Air Liquide share portfolio easily and securely.

2



HOW IT WORKS

A tool to manage your shares on a daily basis



REGISTERED SHAREHOLDERS,
you can access your account to:

- ▶ Check your share portfolio and your eligibility for the loyalty bonus^(a).
- ▶ Access your personal information directly.
- ▶ Ask to receive your Invitation to the Annual General Meeting by email.
- ▶ Vote online on the Annual General Meeting resolutions.



DIRECT REGISTERED SHAREHOLDERS,
you can also:

- ▶ Place buy or sell orders 24/7^(b).
- ▶ Check your account documents (account status, tax reporting form...) in your document library.
- ▶ View your dividend amount and your transaction history in real time.
- ▶ For French taxpayers, validate your request for exemption from the 21% advance withholding on dividends online (see the "Dividends" factsheet on page 42).

3

4

5



An increasingly innovative service

Direct registered shareholders have the option of going paperless and receiving all their documents electronically. Log on to your personal online account now to take advantage of this service.

6



FOCUS ON

Services accessible in just a click

To access your account, visit the Shareholders section at the airliquide.com website.

To connect to your personal account, click on "First connection" then enter:

- ▶ your login that you have received by mail;
- ▶ your shareholder ID, which can be found on all of your account documents sent by Shareholder Services.

If you have mislaid one of these two codes, you can ask for them to be resent by logging in to your personal online account (click on "Connect to my account" then click "You can't log in?").



7

8

9

(a) This information is sent to you by your financial institution if you hold intermediary registered shares and by Air Liquide if you hold direct registered shares.
(b) Subject to having signed an account agreement with Air Liquide.

STOCK ORDERS

The stock market is a regulated market that brings together companies with funding requirements and investors, including individual investors. Shares are bought or sold through a stock order.



FOCUS ON

Understanding the stock market



HOW IT WORKS

Choosing the right stock order

To trade on the stock exchange, you can place an order with your regular financial intermediary or directly with Air Liquide if you are a direct registered shareholder. The most frequently used stock orders are as follows:

> "LIMIT PRICE" ORDER

You set a maximum buy or minimum sell order (limit). The buy order is executed only when the market price is lower than or equal to this limit and the sell order when the market price is higher than or equal to this limit. The order may be partially executed if the quantity of negotiable shares on the market is not available at the set limit price.

> "BEST PRICE" ORDER

You didn't specify an exact price. The order will be executed at the best price available when it reaches the market, for both buy and sell orders. The order may be partially executed if the quantity of negotiable shares on the market is not available at this best price.

> "MARKET PRICE" ORDER

There is no price limit on this order. This order is given priority over all other types of orders. It is fully executed.

Share ID sheet

AIR LIQUIDE SHARE
AS AT DECEMBER 31, 2016

CONTINUOUS TRADING
ON Euronext Paris
(COMPARTMENT A)

Value Code:
ISIN FR0000120073

Par value:
€5.50

Number of shares:
388,875,761 shares

Closing price:
€105.65

Market capitalization:
€41.08 billion

Weighting in the CAC 40
index: 3.86%

Weighting in the
Euro Stoxx 50 index:
1.85%

1

REGISTERED SHARES

236,000 Air Liquide shareholders have already opted for registered shares and are enjoying their many benefits, including the loyalty bonus. How about you?

2



HOW IT WORKS

3

Your options as a shareholder

► Your **bearer shares** are held in a share account or a share savings plan opened at your financial institution.

► Your **intermediary registered shares** are held in a share account

or a share savings plan opened at your financial institution and **recorded in your name in Air Liquide's register.**










► Your **direct registered shares** are held in a **share account opened**

at Air Liquide, recorded in your name in Air Liquide's register and managed by the latter. Shareholder Services is your point of contact.

4

Different shareholding options

To switch to registered shares, see page 40

	BEARER SHARES	INTERMEDIARY REGISTERED SHARES	DIRECT REGISTERED SHARES
 My shares are held <ul style="list-style-type: none"> • in a share account opened at Air Liquide • in a share account or a share savings plan opened at my financial institution 			+
 My handling fees My management fees	Varies by financial institution		Free Free
 <ul style="list-style-type: none"> • I place my stock orders directly with Air Liquide. Broker fees amount to 0.18% excluding tax (or 0.10% excluding tax when orders are placed online^(a) for purchases paid in full by SEPA automatic debit^(b) or by bank card^(c) as well as for sales) of the gross transaction amount, with no minimum • I place my stock orders with my financial institution. Broker fees vary according to my financial institution 			+
 I am eligible for free shares when free shares are attributed	+	+	+
 I qualify for the loyalty bonus ^(d)		+	+
 I am kept up-to-date on the Group's news and results as well as developments concerning shares		+	+
 I am invited to the Annual General Meeting directly by Air Liquide		+	+
 My point of contact is: <ul style="list-style-type: none"> • Shareholder Services, which I can contact via the toll-free number or meet with directly at the Shareholder Lounge at Air Liquide's head office • my usual financial advisor 	+	+	+
 My tax reporting form is sent: <ul style="list-style-type: none"> • by Air Liquide • by my financial institution 			+

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(a) Subject to having signed an account agreement. Only applicable to accounts with full ownership. (b) Only if the account is domiciled in the SEPA zone. (c) For purchases below 3,000 euros. (d) For shares held for two full calendar years and subject to the conditions defined by Air Liquide's articles of association.



Benefit from a reduced broker fee of 0.10% before tax instead of 0.18% before tax

From February 1, 2017, you are able to benefit from a **reduced broker fee of 0.10% before tax** instead of 0.18% before tax by placing your orders via your personal online account^(a) for purchases paid in full by SEPA automatic debit^(b) or by bank card^(c), as well as for sales. You will still be able to place stock orders by telephone, mail, or e-mail, at the unchanged broker fee of 0.18% before tax.

1



HOW IT WORKS

Where do I buy shares?

You hold direct registered shares



You buy your shares directly through your personal online account or by contacting Shareholder Services.



Your Air Liquide shares are placed in a share account and managed by Air Liquide Shareholder Services.

You hold bearer or intermediary registered shares.



You buy your shares from your financial institution.



Your Air Liquide shares are placed in a share account or a share savings plan and managed by your financial institution.

In order to be recorded in 2017, the last date to place sell orders is December 27, 2017, and buy orders is December 29, 2017, 5.35pm (Paris time).

2

3

4



IN BRIEF

ISIN codes

Your Air Liquide shares are divided into four "value codes" (ISIN codes^(d)) which you can use to check your eligibility for a bonus. If you hold **direct registered shares**, these codes can be found on your account documents and in your personal online account.

PERMANENT VALUE CODES

FR0000120073

Shares acquired during the current year and which will entitle you to a loyalty bonus if held as registered shares for more than two full calendar years.

FR0000053951

Registered shares that already qualify for the loyalty bonus.



INTERMEDIATE VALUE CODES

FR0013215472

Registered shares in 2016 that will qualify for the loyalty bonus in 2019.

FR0013018769

Registered shares in 2015 that will qualify for the loyalty bonus in 2018.



5

6

7



Loyalty bonus calendar

2017

I ask my financial institution to convert my shares to registered form before December 31.



2018-2019

I hold on to my registered shares for two full calendar years.



2020-2021-2022

I receive the first bonus on my registered shares in 2020 and will continue to receive this every year as long as I hold my shares in registered form.

8

(a) Subject to having signed an account agreement. Only applicable to accounts with full ownership. (b) Only if the account is domiciled in the SEPA zone. (c) For purchases below 3,000 euros. (d) ISIN (International Securities Identification Number) is a standard dating back to 2001 that identifies shares worldwide.

9

1

CONVERTING YOUR SHARES TO REGISTERED FORM

How can I benefit from the loyalty bonus? It's easy!
Convert your shares to registered form.

2



HOW IT WORKS

3

Converting your Air Liquide shares to intermediary registered shares

It is up to you to ask your financial institution to convert your Air Liquide shares to intermediary registered shares.



YOU HOLD
BEARER SHARES

1

Complete a form to convert your shares to intermediary registered shares. This document can be downloaded from the Air Liquide website or obtained from Shareholder Services.

2

Send your form to your financial institution^(a) which will forward your request to Air Liquide. Your intermediary registered shares will continue to be managed by your financial institution and can remain in your share savings plan.

4

5

To benefit from the loyalty bonus as soon as possible, don't forget to convert your newly acquired shares to registered shares before the end of the year. Please make your request before the start of December to ensure it is processed within the deadline.

+ Download the form on airliquide.com from the Shareholders section / Manage your shares / Shareholding options / Converting your shares to registered form

6

PLUS

Bonus and share savings plan for French residents

With intermediary registered shares, you can continue to take advantage of the tax breaks offered by a share savings plan and receive the loyalty bonus^(b).

7

Converting your Air Liquide shares to direct registered shares

It is up to you to ask your financial institution to convert your Air Liquide shares to direct registered shares.



YOU HOLD
BEARER SHARES
or
INTERMEDIARY
REGISTERED
SHARES

1

Complete the form to convert your shares to intermediary registered shares. This document can be downloaded from the Air Liquide website or obtained from Shareholder Services.

2

Send your form to your financial institution^(a). It will perform the procedure and inform Air Liquide Shareholder Services, which will send you the account agreement. You must return this to Shareholder Services to finalize the process of opening your account.

8

+ Download the form on airliquide.com from the Shareholders section / Manage your shares / Shareholding options / Converting your shares to registered form

9

(a) Conversion fees and processing times vary by financial institution. Contact your usual financial advisor for more information.
(b) For shares held for two full calendar years and subject to the conditions defined by Air Liquide's articles of association.

FREE SHARES

Air Liquide regularly issues free shares to all of its shareholders: free shares have already been distributed 28 times by the Group. The Board of Directors, which met on February 14, 2017, decided the attribution in the second half of 2017 of 1 free share for every 10 shares held.



HOW IT WORKS

Expand your portfolio

For all shareholders, free share attributions enable you to expand your portfolio over time. In addition to passing on approximately 50% of profits to shareholders by paying dividends, Air Liquide distributes a portion of its retained earnings^(a) in the form of free shares. These are free shares attributed in proportion to the number of shares you already hold.

Benefit from an additional 10% of free shares

If you hold your registered shares for more than two full calendar years, the loyalty bonus gives you a 10% increase in the number of free shares you will receive^(b). For example, in the attribution in 2014, one free share was given for every 10 shares held, **each shareholder who owned 100 shares received 10 new shares. Shareholders eligible for the loyalty bonus received 1 additional free share.**

Free shares: you keep the same benefits

Free shares have the same characteristics as the shares they are derived from:

- loyalty bonus
- seniority
- voting rights
- dividend rights

PLUS



FOCUS ON

Calculating fractional rights

If the number of shares you hold is not a multiple of the attribution transaction, you will receive a cash payment for the portion of the free share that cannot be distributed. This is known as a "fractional right".

An example based on the 2014 transaction multiple:

*I have 307 shares in my portfolio.
I therefore receive 30 free shares
(1 free share for 10 shares owned)*

and 7 "ordinary" fractional rights as a cash payment.

Of these 307 shares, 205 are eligible for the loyalty bonus. I therefore receive an additional 2 free shares (1 free share for 100 shares owned) and 5 "loyalty" fractional rights from the loyalty bonus as a cash payment.

Neither of these kinds of fractional rights is fungible.

Fractional rights must be included in your total sales when paying your capital gains tax. The amounts received are taxable from the first euro. They are included on your tax reporting form (IFU). They are not subject to a tax deduction relating to their holding period (see Capital Gains and their Taxation on page 44). Don't forget to include them on your tax return.

(a) Past undistributed net profits.

(b) In accordance with Air Liquide's articles of association.

1

DIVIDENDS

The dividend is the portion of the Group's net profit that is distributed to shareholders. At Air Liquide, this portion represents more than 50%, a sign of the Group's commitment to sharing the fruits of its growth with you.

2



HOW IT WORKS

3

Dividend payment

The dividend will be paid out on May 17, 2017. Your bank account will be credited in the following days, depending on the processing time needed by your financial institution.

! You don't have to do anything

- ▶ **If you hold direct registered shares**, the dividend, net of withholding taxes, is distributed by Air Liquide directly into your bank account.
- ▶ **If you hold intermediary registered shares or bearer shares**, Air Liquide distributes the gross dividend to your financial institution, which will then credit your account with the net dividend.

4

5



Taxation of dividends applicable to French residents for tax purposes

The dividend is taxed in two stages:

1 WHEN YOUR DIVIDEND IS PAID IN MAY 2017

Two amounts are withheld at source based on your gross dividend amount:

- 15.5% for social contributions;
- 21% for the advance payment on your income tax, unless you are exempt (see below).

6

2 WHEN YOU PAY YOUR 2017 INCOME TAX IN 2018

An unlimited **annual deduction of 40%** is applied to your gross dividend. Your income tax base is therefore equal to 60% of the gross dividend, less any handling fees. This taxable base is then subject to **income tax calculated using a progressive scale**. The advance payment of 21% withheld at the time dividends are paid is automatically deducted from your tax obligation.

7

+ See diagrams of the tax conditions applicable to dividends at airliquide.com / Shareholders / Manage your shares / Dividend

8

Conditions for exemption from the 21% advanced withholding on dividends to be received in 2018^(a)

The reference taxable income cited in the tax notice you receive in 2017 must be less than €50,000 if you are single or €75,000 for a couple taxed jointly. In that case, you can send a **sworn statement** to your financial institution, if you

hold intermediary registered or bearer shares, or to Air Liquide Shareholder Services if you hold direct registered shares, **before November 30, 2017**. After that time, **21% of the gross dividend amount** will automatically

be withheld upon payment. In accordance with the law, this sworn statement must be renewed every year. Direct registered shareholders can validate their choice from their personal online account.

9

(a) Subject to there being no amendments to French Finance Law.



HOW IT WORKS



2017 dividend calendar

May 12

Last execution day for buy orders for shares acquired in this way to be eligible for the 2016 dividend.



May 15

Ex-dividend date. The opening price on this day is reduced by the amount of the dividend.



May 17

Dividend payment date.



FOCUS ON

Taxation of dividends in France for those residing outside France for tax purposes

A statutory rate equal to at least 30% is withheld upon dividend payment by your account manager (Shareholder Services for direct registered Air Liquide shares, your financial institution for intermediary registered or bearer Air Liquide shares).

However, in most cases, a tax agreement^(b) is signed between

France and your country of residence. The main aim of this agreement is to set a flat tax rate which is withheld from your dividends.

To benefit from this rate, **you must send** form 5000^(c) (corresponding to the request to apply the rate adopted in the agreement), completed and signed by the

tax authorities of your place of residence, to your account manager **by mid-April**. This Cerfa form can be downloaded from impots.gouv.fr. It must be resent to your account manager each year, otherwise the statutory rate will be applied upon payment of the dividend.



PLUS

An additional 10% in dividends

If you hold your registered shares for more than two full calendar years, the loyalty bonus gives you the right to a 10% increase in the dividend^(d).

Dividend paid in 2017

€2.60 per share^(e), representing 56% of net profit (Group share)



REMEMBER

In France, you need to declare the dividends received by all members of your tax household if they are not already included in your pre-completed 2042 filing. To do so, please refer to the tax reporting forms received by the members of your tax household.

(b) Tax agreement: a treaty between two countries aimed at avoiding the double-taxation of non-residents.

(c) The Cerfa 5000 is also known as Cerfa n°12816*01-02.

(d) In accordance with Air Liquide's articles of association.

(e) Amount proposed for the 2016 fiscal year at the Annual General Meeting on May 3, 2017.

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CAPITAL GAINS AND THEIR TAXATION

The gain on the sale of shares is called a "capital gain". It is the difference between their sale amount and their purchase amount.

2

The elements of taxation described in this factsheet are applicable to French residents for tax purposes.

3



HOW IT WORKS (French tax)

4



5

This information is included in your sale transaction statement.

6

This information is included:

- for purchases, in your purchase transaction statement,
- for gifts, on your 2735 gift form or notarial deed,
- for an inheritance, on the 2705 and 2706 inheritance declarations forms.

Capital gains on sales realized in 2016 are subject to income tax based on a progressive scale.

They may be reduced by capital losses on your portfolio incurred during the same year or capital losses that have not been deducted but were realized in the previous 10 years. The social contributions rate is 15.5%. It is applied to the capital gain before deduction.

7

Tax deductions

Capital gains are subject to a tax deduction based on how long the shares have been held since their acquisition date:

▶ **50% for a share holding period from 2 to 8 years;**

▶ **65% for a share holding period of 8 years or more.**

8

Capital increase: taxation of PSRs

The sale of preferential subscription rights (PSRs) made as part of a share capital increase in September 2016 was taxed as a capital gain on sale without allowance.

The gain must be included in your total sales when paying your capital gains tax. The amounts received are taxable from the first euro. It is included on your tax reporting form (IFU).

It is not eligible for the holding period allowance for the shares of which the PSRs have been separated. Don't forget to include them on your tax return.

9

(a) Unit purchased price adjusted where required for the attribution of free shares during the share holding period.



FOCUS ON

1

Two scenarios that provide exemption from capital gains tax

- ▶ **Having a share savings plan**, and keeping your shares for a period of five years from the account opening date. The capital gains realized after this period are only subject to social security contributions. Important: shares from another account cannot be transferred to a share savings plan. Only transfers from the share savings plan's cash account can be used to invest in shares. The cash investment limit is €150,000 per plan.
- ▶ **Making a gift** is still fully exempt from rights, taxes and social contributions up to maximum amounts set by French law. Unrealized capital gains on shares are then tax exempt, as long as the transaction is reported to the tax authorities (see pages 46-47 on passing on shares and taxation). **Plan to make your end-of-year gifts from September.**

2

† The "Shares and taxation" web conference, presented by our experts, can be found on airliquide.com / Shareholders

3



Make your calculations!

Direct registered shareholders: our experts are available to explain how shares are taxed and how to calculate your capital gains. Estimate the net acquisition price of your shares, your capital gains and taxes owed, as well as the amount to be added to your assets to calculate your French wealth tax using the tax simulators available at airliquide.com / Shareholders

4

Deduction of losses

The losses are attributable without a tax deduction on the capital gains. To determine the taxable amount, the balance obtained in this way benefits from the tax deduction linked to the holding period for sold

shares that resulted in a capital gain. The taxpayer is responsible for calculating and declaring in the 2042 form the net amount of the tax deduction for the holding period applicable to the capital

gains (page 3, box 3SG) and the net amount after the tax deduction (page 3, box 3VG if taxable capital gain or box 3VH if loss). The 2074 form can be used to itemize your calculations.

† See the sample figures available on airliquide.com / Shareholders / Manage your shares / Capital Gains

† The "Shares and taxation" web conference, presented by our experts, can be found on airliquide.com / Shareholders

5



REMEMBER

6

Wealth tax: choose the right calculation method

The value of your share portfolio is included in your taxable assets for the "Impôt de Solidarité sur la Fortune (ISF)", or "wealth tax". **The tax authorities allow two ways of valuing your assets:** either the

closing price on December 31, 2016: €105.65 for the Air Liquide share; or the average closing price for the last 30 trading days in 2016: €100.52 for the Air Liquide share. The tax administration allows taxpayers

to choose the most advantageous valuation for each share in their portfolio. This information appears on your recent account statement or can be consulted in your personal online account.

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New: tax on financial transactions

From January 1, 2017, the tax rate on share acquisitions changed from 0.2% to 0.3%. Please note that this tax applies only to share purchases. The 2017 Finance Tax states that this increase applies to transactions negotiated on December 29 and 30, 2016 and completed from 2017.

9

1

PASSING ON SHARES AND TAXATION

2

Passing on your shares in advance allows you to benefit from an advantageous tax framework, encourages your loved ones to save and educates them about the stock market. You thereby also share your commitment to the Air Liquide group.

The elements of taxation in this factsheet apply to French residents for tax purposes.

3



HOW IT WORKS

4 ways of passing on shares

4



HAND-TO-HAND GIFTS

Principle

Facilitated transmission of your shares to your loved ones

Overview

- ▶ Tax advantages
- ▶ Written agreement from both parties. In order to value the shares passed on, the grantee's local tax authority must be notified of the gift within one month, using French tax form 2735
- ▶ Hand-to-hand gifts have to be added to the grantor's estate and included in the allocation of the grantor's assets
- ▶ Acquisition price valued at the average share price on the day of the tax declaration or, if this is higher, at the average price on the day of the gift
- ▶ Loyalty bonus maintained if the gift is made to a spouse or relative entitled to inherit

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SHARED-GIFTS

Principle

Anticipated total or partial allocation of your shares to your children

Overview

- ▶ Donation only to children
- ▶ Tax advantages
- ▶ Lower inheritance taxes
- ▶ Notarial deed and declaration of the gift carried out by the notary
- ▶ Not added to the grantor's estate
- ▶ Acquisition price valued at the average share price on the day of the gift or at the closing price of the previous trading day
- ▶ Loyalty bonus maintained



SIMPLE GIFTS

Principle

Anticipated allocation of your shares to the beneficiary of your choice

Overview

- ▶ Tax advantages
- ▶ Notarial deed and declaration of the gift carried out by a notary
- ▶ May be added to the grantor's estate
- ▶ Acquisition price valued at the average share price on the day of the gift or at the closing price of the previous trading day
- ▶ Loyalty bonus maintained if the gift is made to a spouse or relative entitled to inherit



CUSTOMARY GIFTS

Principle

A present given on a special occasion (wedding, birthday, Christmas, etc.)

Overview

- ▶ Must represent a relatively small share of the grantor's assets
- ▶ Does not need to be declared to the fiscal authorities
- ▶ Not added to the grantor's estate
- ▶ Acquisition price of zero: when these shares are sold, the capital gain realized will be equal to the total net sale amount
- ▶ Loyalty bonus maintained if the gift is made to a spouse or relative entitled to inherit



IN BRIEF

Inheritance: the choice is yours!

You can decide how your assets, including your share portfolio, will be distributed among your heirs. Upon your death, a declaration signed by your notary stating your marital status, the names of all beneficiaries and the number of shares attributed to each beneficiary is sufficient to distribute

a portfolio. Air Liquide Shareholder Services for direct registered shareholders, or your financial establishment for intermediary registered shareholders and bearer shareholders, will execute all instructions given by your notary or the person managing your estate.

LOYALTY BONUS

In the case of passing on shares or gifts to a spouse or a relative entitled to inherit, any loyalty bonus attached to Air Liquide shares is retained.



REMEMBER

Your notary can advise you on personalized solutions for passing on marketable shares as part of a gift or inheritance and will write the deeds.

Some examples:

- 1 Inter-vivos distribution donations allow you to pass on your shares while continuing to receive the dividends, i.e. retain the usufruct. The usufruct can be full or partial. Donation rights are reduced as they are based on the bare ownership value of the donation. French solidarity tax on wealth (IFS) is imposed on the beneficial owner. On the death of the grantor, the bare owners recover the usufruct and therefore full ownership of the shares. Dividends from free shares attributed after the donation are also paid to the beneficial owner.
- 2 The ban on giving up your shares prevents the sale of the shares or their donation for a set period.
- 3 The right of return allows the grantor to take possession of the shares again if the grantee dies first.

PLUS

A lasting gift

Parents, grandparents, give shares to your children and grandchildren! Shareholder Services sends a gift envelope directly to your loved ones as part of your gift of shares when you make a donation



FOCUS ON

Tax exemption for donations

Every 15 years you are able to make a tax exempt donation for up to:

€100,000
for each child
and from each parent

€80,724
for a spouse
or civil partner

€31,865
for each
grandchild

€15,932
for each brother
and sister

€7,967
for each nephew
or niece

€5,310
for each great-
grandchild

1

THE ANNUAL GENERAL MEETING

Air Liquide strives every year to make sure its Annual General Meeting is a special event, a unique venue for interaction and information about the Group. Air Liquide places great importance on shareholder participation and voting regardless of the number of shares held. More than 126,000 shareholders voted in 2016.

2



HOW IT WORKS

3

An Ordinary Annual General Meeting is held once a year within six months of the end of the fiscal year. Its purpose is to inform shareholders about the Group's activity and results, approve the financial statements, approve the dividend amount, appoint or reappoint members of the Board of Directors and the Statutory Auditors and, lastly, authorize any of the company's day-to-day management operations. Resolutions

presented at an Ordinary Annual General Meeting are adopted by a simple majority of shareholders present or represented.

An Extraordinary Annual General Meeting is convened when the company wishes to submit for shareholder approval a change in the articles of association or a transaction affecting the capital (increase, decrease, merger, etc.). The resolutions can only be adopted

by a majority of two-thirds of the capital present or represented. The Group generally convenes a **Combined Annual General Meeting** (an Ordinary and an Extraordinary Annual General Meeting convened on the same date by a single notice). Whether the quorum and majority conditions of the Ordinary Annual General Meeting or Extraordinary Annual General Meeting apply depends on the resolution.

4

Invitation to and voting at the Annual General Meeting

As soon as you own one share, you will receive your invitation to the Annual General Meeting by Internet, if you have chosen the electronic invitation, by paper otherwise. It presents the resolutions to guide you in your voting decision.



Opt for the electronic invitation, it's easier, faster and more secure. Nearly 31,000 shareholders have already signed up for electronic invitations and, in 2016, 21,400 of you voted online.

5

6

Voting conditions

Voting enables you to play a part in decisions that are important to the Group. There are three ways to cast your vote.

Before the Annual General Meeting

1 Online

The vote by Internet is a simple and secure solution for registered and bearer shareholders in France and overseas alike. You can:

- ▶ Access online all the documentation relating to your vote (Invitation to the Annual General Meeting, Reference Document, etc.).

- ▶ Vote on the resolutions.
- ▶ Appoint the Chairman or a third party as your proxy.
- ▶ Apply for an admission card to the Annual General Meeting.

• **Holders of registered shares:** access online voting through your personal online account which you can find at airliquide.com, Shareholders section, and use your regular codes.

• **Holders of bearer shares:** log on to your financial institution's website.

You will be given the option of voting if your financial institution has signed up for the electronic voting system.

Once you have voted, you can print out a statement proving that your vote has been registered.

2 **By mail**, by completing and sending in your voting form received along with the invitation to the Annual General Meeting.

At the Annual General Meeting

3 Vote during the meeting using your electronic voting device provided on arrival.

7

8

Meetings that everyone can access

The event is webcast live on airliquide.com, in both French and English, then made available as a podcast. Following every Annual General Meeting, Benoît Potier travels to two cities in France to present the Group's results and outlook. In 2017, he will be meeting shareholders in Lille (on May 11) and Marseille (on May 23). The Marseille meeting will be webcast live (in French only) on airliquide.com and you will be able to ask Benoît Potier and other participants questions through the online forum. Join us on May 23 at 6.00 p.m (GMT+1).

PLUS

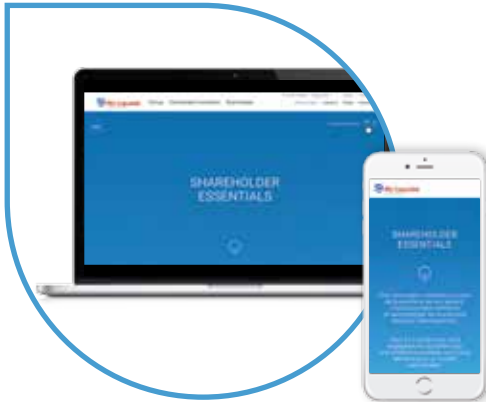
9



FIND ESSENTIAL SHAREHOLDER INFORMATION IN:



airliquide.com/shareholder-essentials



Annual Report



The Letter to shareholders
Interactions



In brief



Reference Document



Invitation to the Annual General Meeting



Minutes of the Annual General Meeting

CONTACT DETAILS



CALL US

+ 33 (0)1 57 05 02 26

from outside France

or **0800 166 179**

calls are free from a French landline



COME AND MEET US

Shareholder Lounge

Open Monday-Friday

from 9am to 6pm (GMT +1)

75, quai d'Orsay - 75007 Paris - France



WRITE TO US

Directly through the website

contact.shareholders.airliquide.com

or by post at:

Shareholder Services

75, quai d'Orsay - 75321 Paris Cedex 07 - France



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AirLiquideCorp

2017 EVENTS



APRIL 24

Taxation web conference

APRIL 26

First quarter revenue

MAY 3

Combined Annual General Meeting

MAY 11

Benoît Potier meets with shareholders in Lille

MAY 23

Benoît Potier meets with shareholders in Marseille

MAY 29

Shareholders' meeting in Nantes

JUNE 27

Shareholders' meeting in Dijon

JULY 28

First half results

SEPTEMBER 19

Shareholders' meeting in Lyon

OCTOBER 5

Shareholders' meeting in Metz

OCTOBER 12

Shareholders' meeting in Amiens

OCTOBER 25

Third quarter revenue

NOVEMBER 23-24

Actionaria Fair in Paris

NOVEMBER 29

Passing on shares web conference

●

Be your children's and grandchildren's **hero!**



Ref.: LIVRET2017EN

Parents, grandparents, offer shares to your children and grandchildren!

Gifting shares is a good way of sharing your values as a shareholder with your loved ones: the meaning of saving, commitment to companies, attachment to your Group.

For more information, contact Shareholder Services on 0800 166 179 or +33 (0)157 05 02 26

