
SHAREHOLDERS'

PARIS | THURSDAY MAY 12, 2016

MEETING

2016 Shareholder's Meeting

Air Liquide

May 12, 2016



SHAREHOLDERS'

PARIS | THURSDAY MAY 12, 2016

MEETING

Official Opening

Benoît POTIER
Chairman & CEO

OFFICIAL **OPENING**

Agenda

ORDINARY SHAREHOLDERS' MEETING

Board of Directors' reports

Statutory Auditors' reports

Approval of the Company financial statements for the year ended December 31, 2015

Approval of the consolidated financial statements for the year ended December 31, 2015

Appropriation of 2015 earnings and setting of the dividend

Authorization granted to the Board of Directors for a period of 18 months to allow the Company to trade in its own shares

Renewal of the term of office of two members of the Board of Directors

Appointment of a member to the Board of Directors

OFFICIAL OPENING

Agenda

ORDINARY SHAREHOLDERS' MEETING

Statutory Auditors' Special Report on agreements covered by articles L. 225-38 et seq.
of the French Commercial Code

–
Renewal of the term office of a Principal and a Deputy Statutory Auditors

–
Appointment of a Principal and a Deputy Statutory Auditors

–
Authorization granted to the Board of Directors, for a period of five years to issue,
bonds within a total aggregate maximum limit of 20 billion euros

–
Opinion on elements of remuneration due or allocated to Mr. Benoît Potier and to Mr. Pierre
Dufour for the year ended December 31, 2015

OFFICIAL **OPENING**

Agenda

EXTRAORDINARY SHAREHOLDERS' MEETING

- Authorization granted to the Board of Directors for a period of 24 months to reduce the share capital by cancellation of treasury shares
- Delegation of authority granted to the Board of Directors for a period of 26 months in order to increase the share capital through capitalization of additional paid-in-capital, reserves, profits or any other amount that may be capitalized, for a maximum nominal amount of 250 million euros
- Authorization granted to the Board of Directors for a period of 38 months to grant to employees and executive officers of the Group, or some of such employees and executive officers, share subscription options or share purchase options resulting in the waiver by shareholders of their preferential subscription rights to shares to be issued upon exercise of the subscription options
- Authorization granted to the Board of Directors for a period of 38 months to grant existing or new shares to employees and Executive Officers of the Group, or some of such employees or Executive Officers, resulting in the waiver by shareholders of their preferential subscription rights to the shares to be issued

OFFICIAL OPENING

Agenda

EXTRAORDINARY SHAREHOLDERS' MEETING

Amendments to Articles 12 (Organization and Management of the Board of Directors) and 13 (General Management) of the Company's articles of association relating to the age limit for the performance of the duties of Chairman of the Board of Directors and Chief Executive Officer

Delegation of authority granted to the Board of Directors for a period of 26 months to perform share capital increases, without preferential subscription rights, reserved for members of a company or Group savings plan

Delegation of authority granted to the Board of Directors for a period of 18 months to perform share capital increases, without preferential subscription rights, reserved for a category of beneficiaries

Delegation of authority granted to the Board of Directors for a period of 26 months to issue, by way of a public offering, equity securities giving access to other equity securities or giving the right to the allotment of debt securities, and/or marketable securities giving access to equity securities to be **issued, without shareholder's preferential subscription rights with the option of a priority right** for a maximal nominal amount of 100 million euros

OFFICIAL **OPENING**

Agenda

EXTRAORDINARY SHAREHOLDERS' MEETING

Delegation of authority to be granted to the Board of Directors for a period of 26 months to issue, by way of private placement for qualified investors or a restricted group of investors, equity securities giving access to other equity securities or giving the right to the allotment of debt securities, and/or marketable securities giving **access to equity securities to be issued, without shareholders' preferential subscription rights,** for a maximum nominal amount of 100 million euros

Authorization granted to the Board of Directors for a period of 26 months to increase the issuance amount of equity securities or marketable securities without preferential subscription rights in the event of over-subscription

ORDINARY SHAREHOLDERS' MEETING

Powers for formalities

OFFICIAL OPENING

Agenda

Financial Results

–
2015 Highlights

–
Outlook

–
Statutory Auditors' reports

–
Governance & Corporate Social Responsibility

–
Questions & Answers

–
Vote on Resolutions

SHAREHOLDERS'

PARIS | THURSDAY MAY 12, 2016

MEETING

2015 RESULTS:

Once again
an increase in revenue and net profit

Fabienne LECORVAISIER

Group Chief Financial Officer

2015 RESULTS

Competitiveness

Operating margin

17.1%  17.6%

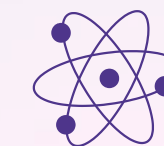
Investments

€ 2.4 bn

investment decisions

Major initiatives

Global Markets &
Technologies



–
Merger agreement
for the acquisition
of **Airgas**.

2015 Solid performance

2015 RESULTS

Strong growth,
favorable exchange rates

Group revenue



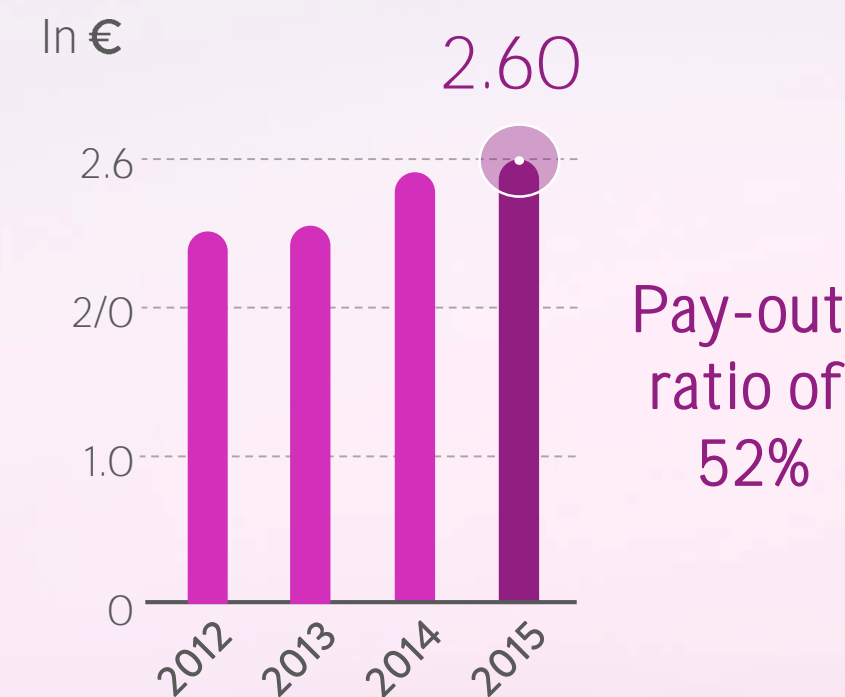
Margin improvement

Group operating margin



An average growth of +6%
over 5 years

Proposed dividend per share



2015 RESULTS

Growth drivers

2015 Sales growth*

Large Industries



+5%

Healthcare



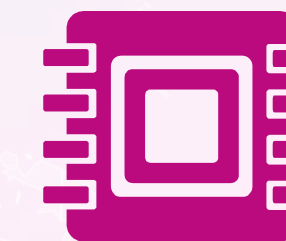
+8%

Developing economies



+10%

Electronics



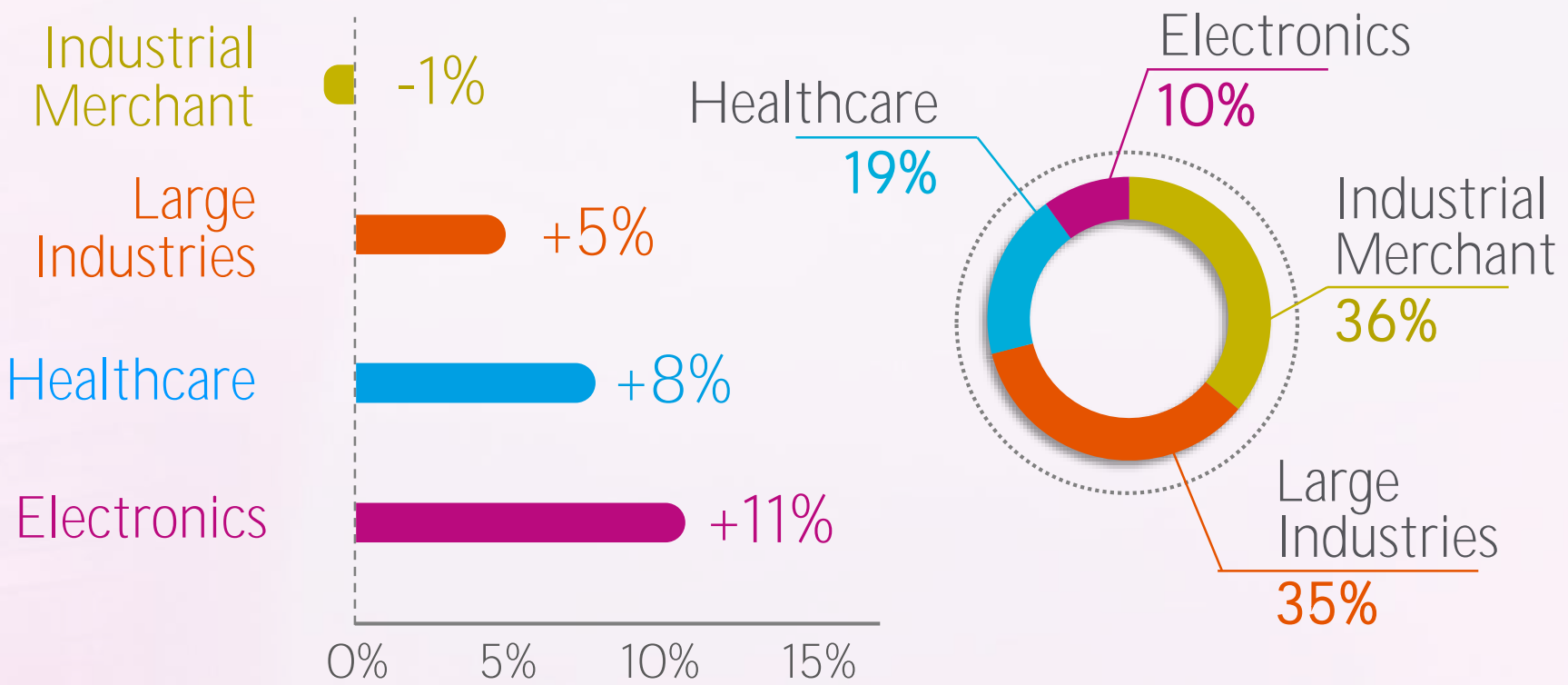
+11%

* Gas & Services comparable growth, excluding currency, energy and significant scope impacts

2015 RESULTS

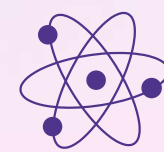
Satisfactory business growth

Gas & Services sales⁽¹⁾



Engineering & Technology

-1%
Order intake
€ 936 m



Global Markets & Technologies

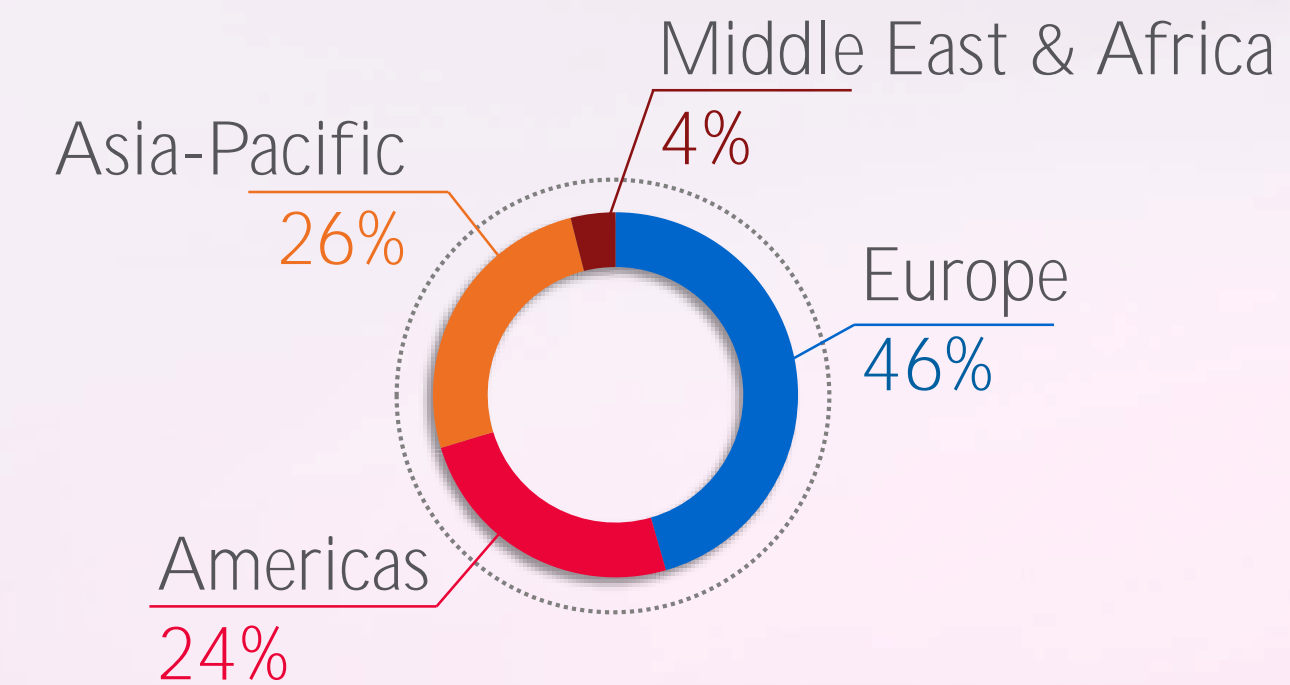
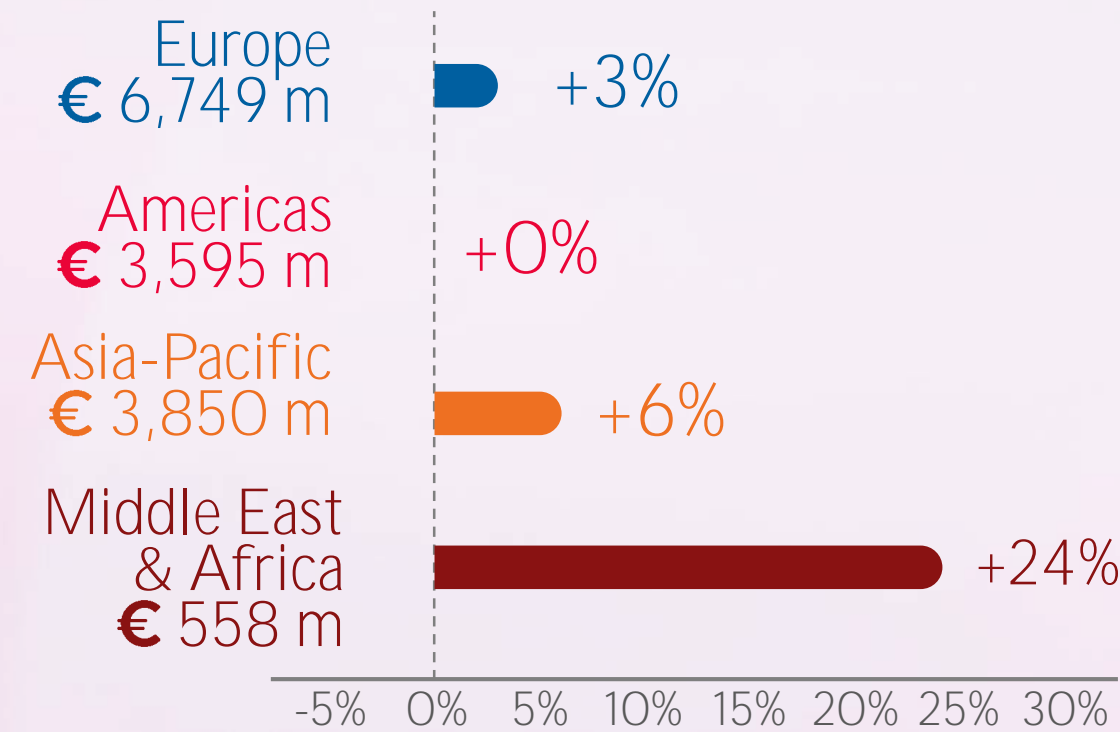
+11%
Order intake
€ 280 m

(1) Gas & Services comparable growth, excluding currency, energy and significant scope impacts

2015 RESULTS

Resilience in Europe and Asia

Gas & Services sales⁽¹⁾



(1) Gas & Services comparable growth, excluding currency, energy and significant scope impacts

2015 RESULTS

Net profit growth of +5.5%

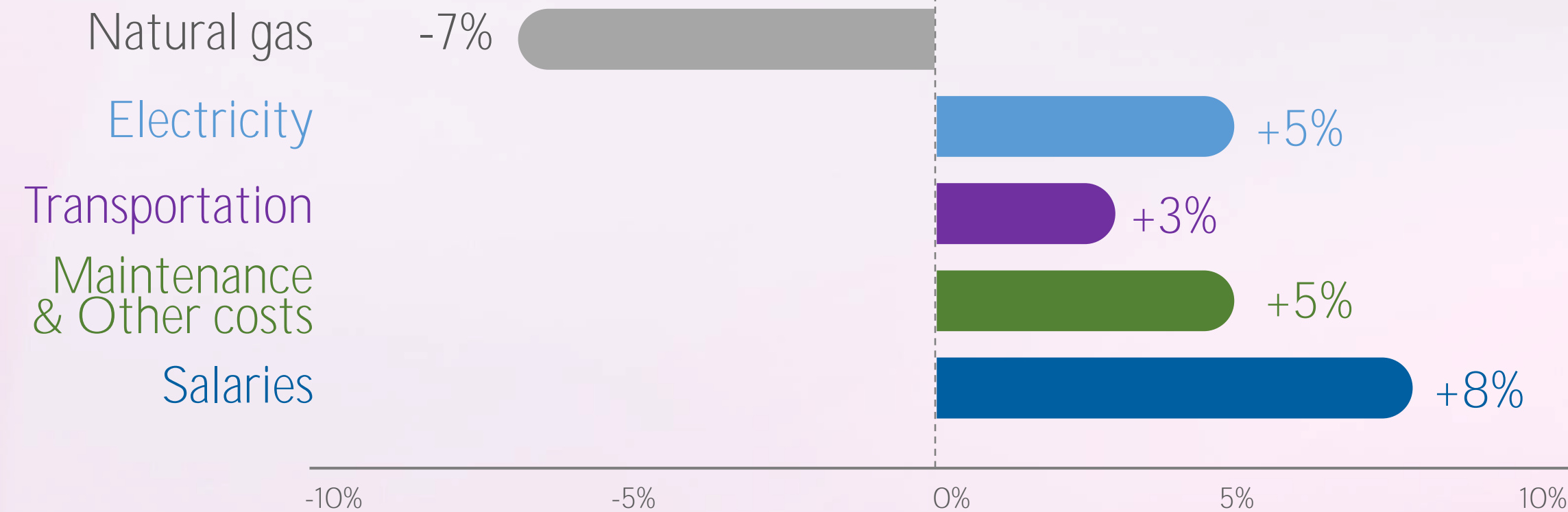
In €m	2014	2015	2015/2014	2015/2014 Comparable ⁽¹⁾
Revenue	15,358	16,380	+6.7%	+ 3.3%
Operating income recurring	2,634	2,890	+9.8%	+3.9%
Other non-recurring operating income and expenses	16	(132)		
Operating income	2,650	2,758	+4.1%	
Net finance costs and other financial income and expenses	(251)	(268)		
Income taxes	(678)	(666)		
	<i>Tax rate</i>		28.3%	26.8%
Share of profit of associates	4	14		
Minority interests	(60)	(82)		
Net profit (Group share)	1,665	1,756	+5.5%	
Net earnings per share (in €)	4.85	5.12	+5.6%	

(1) Comparable growth, excluding currency, energy and significant scope impacts

2015 RESULTS

Cost control

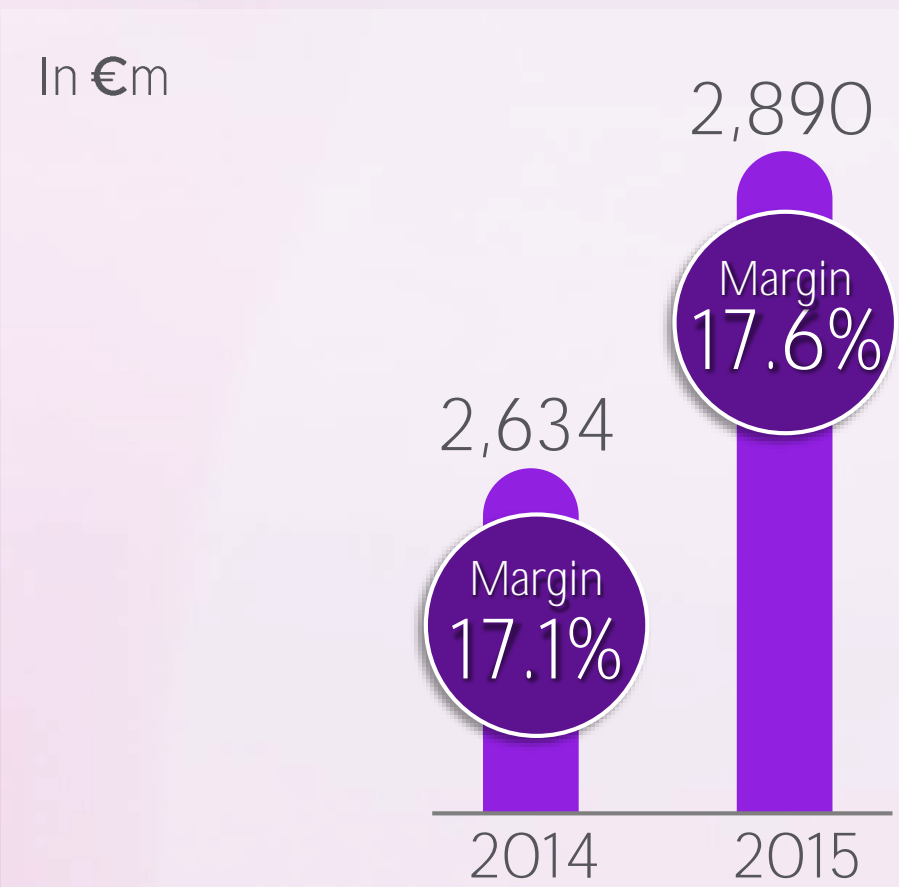
Change in costs at the Group level: < 6%



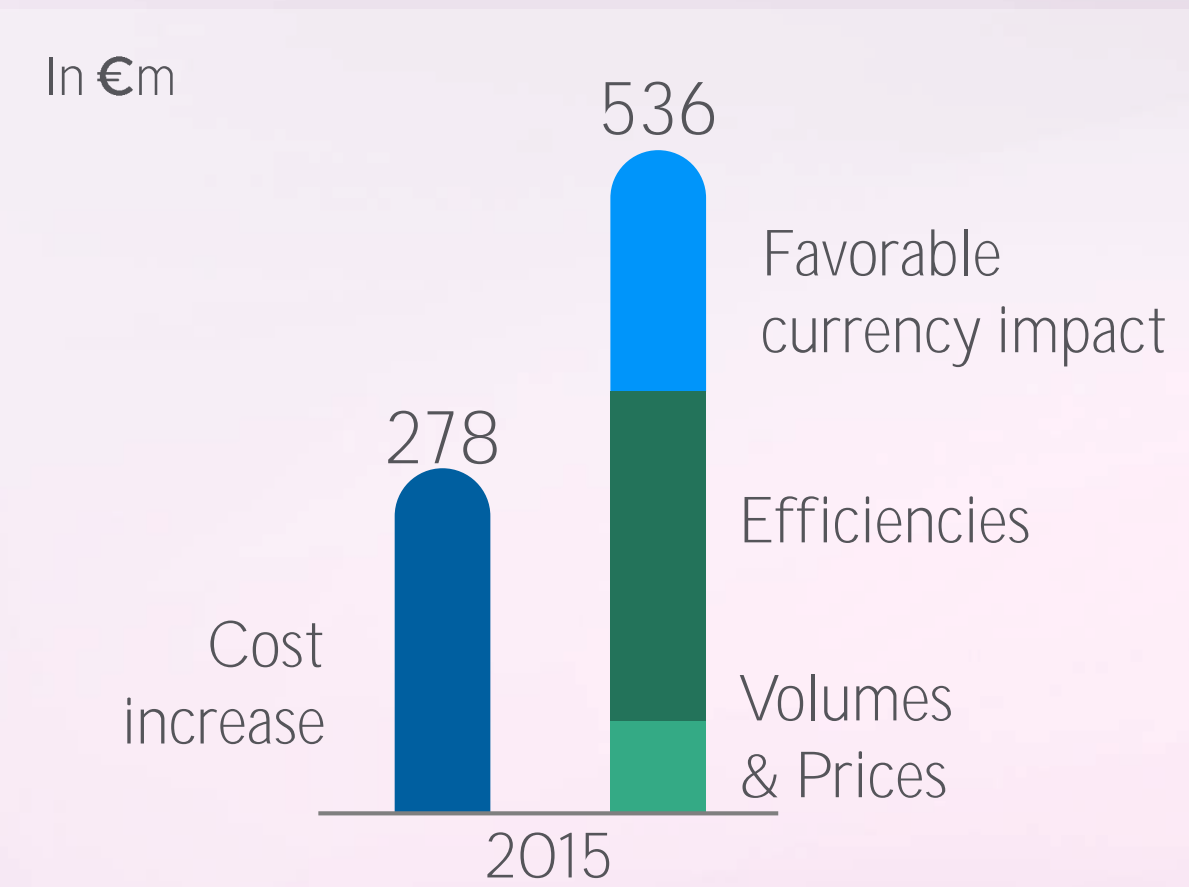
2015 RESULTS

Record operating margin

Operating income recurring



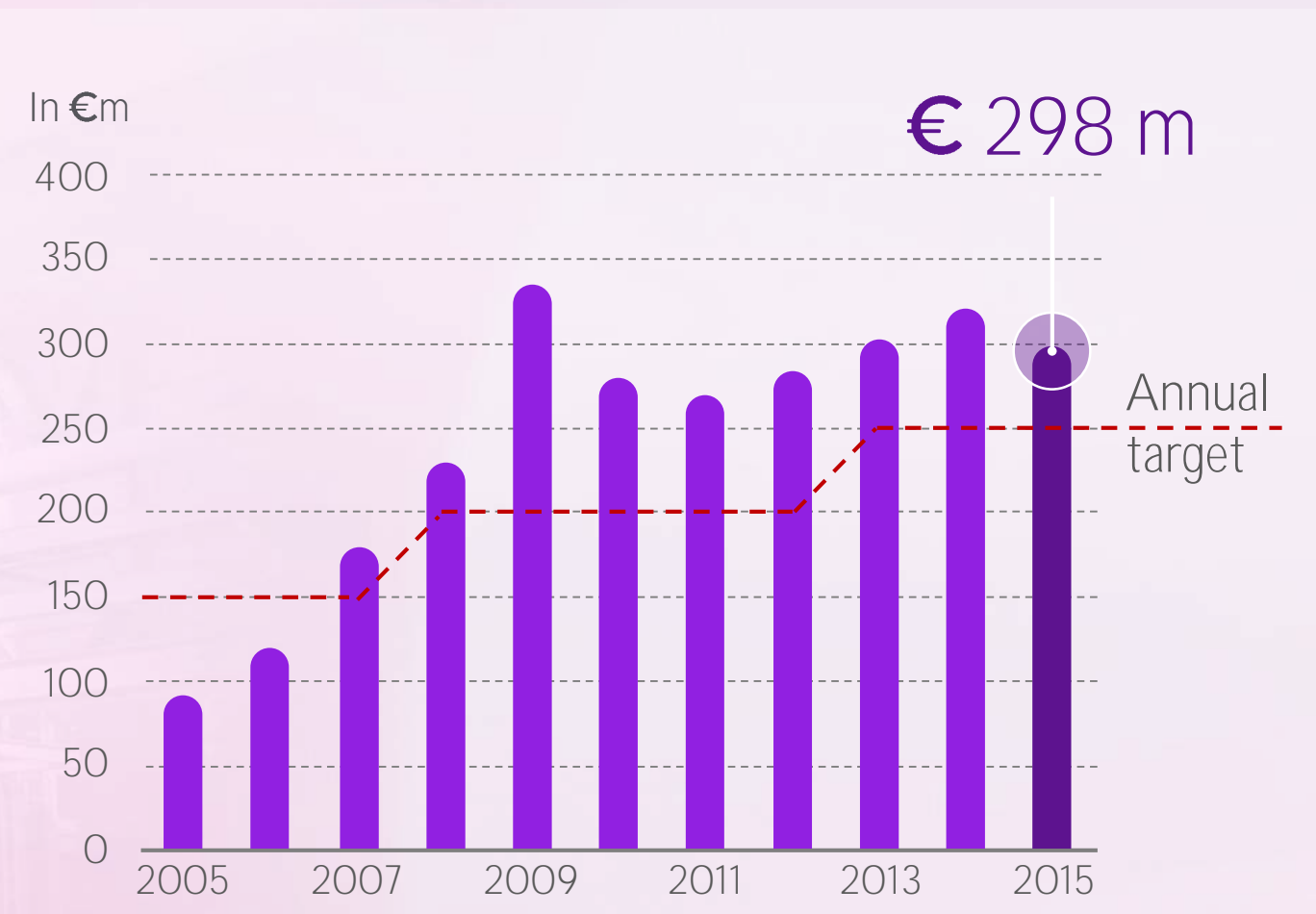
Moderate cost increase



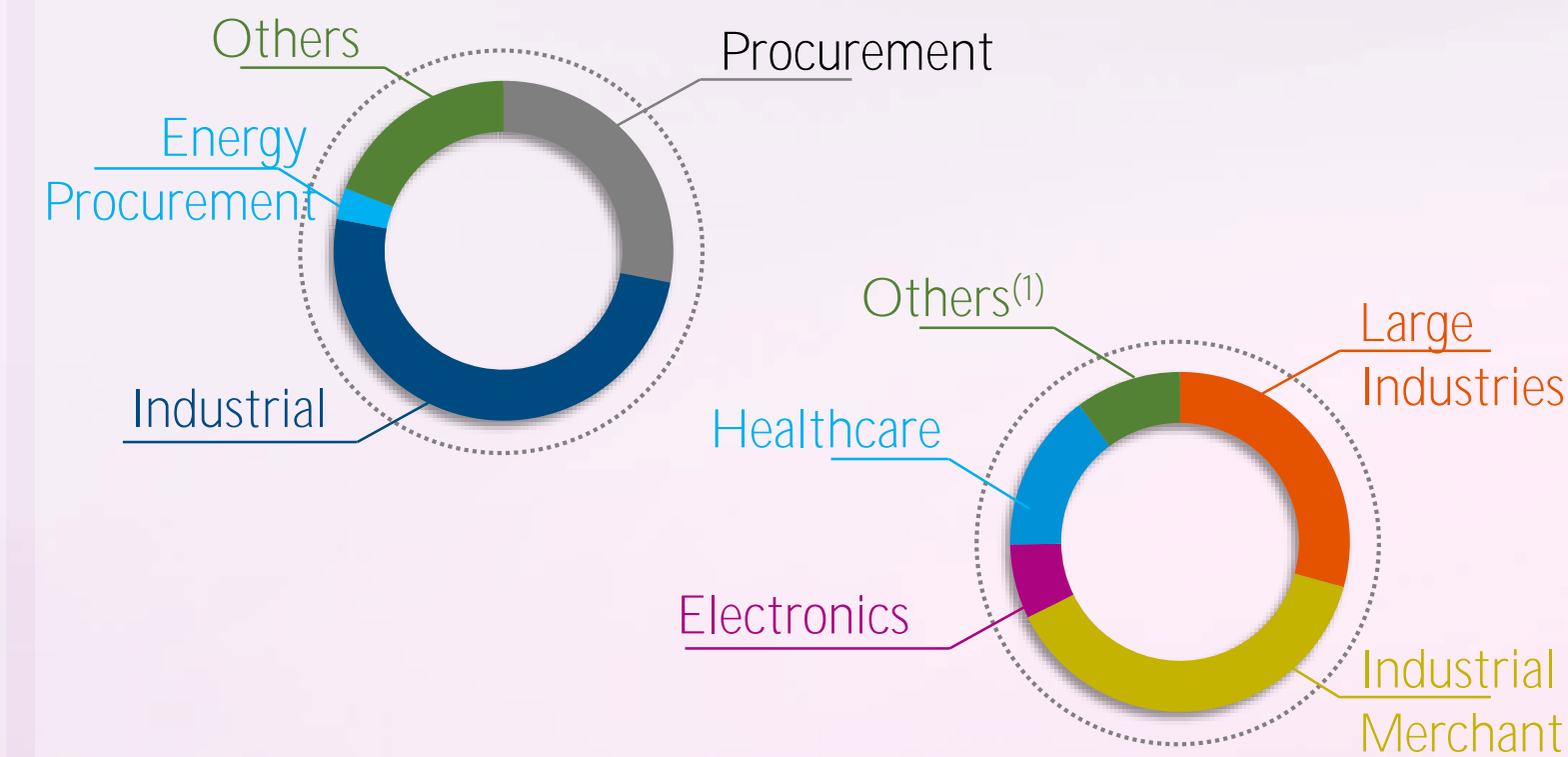
2015 RESULTS

High efficiencies in all businesses

Efficiency gains



Efficiency gains breakdown

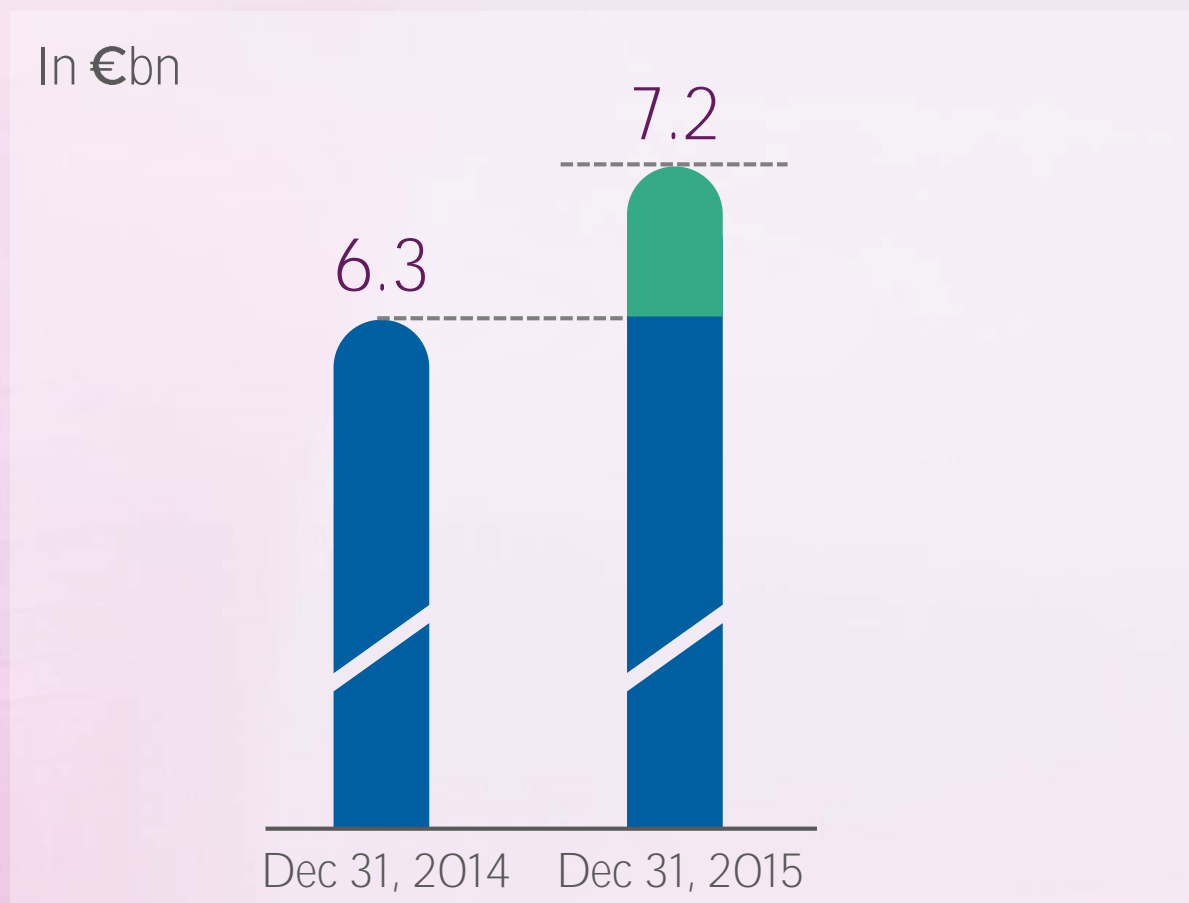


(1) Others: Engineering & Construction, Welding, Aqua Lung™, Corporate

2015 RESULTS

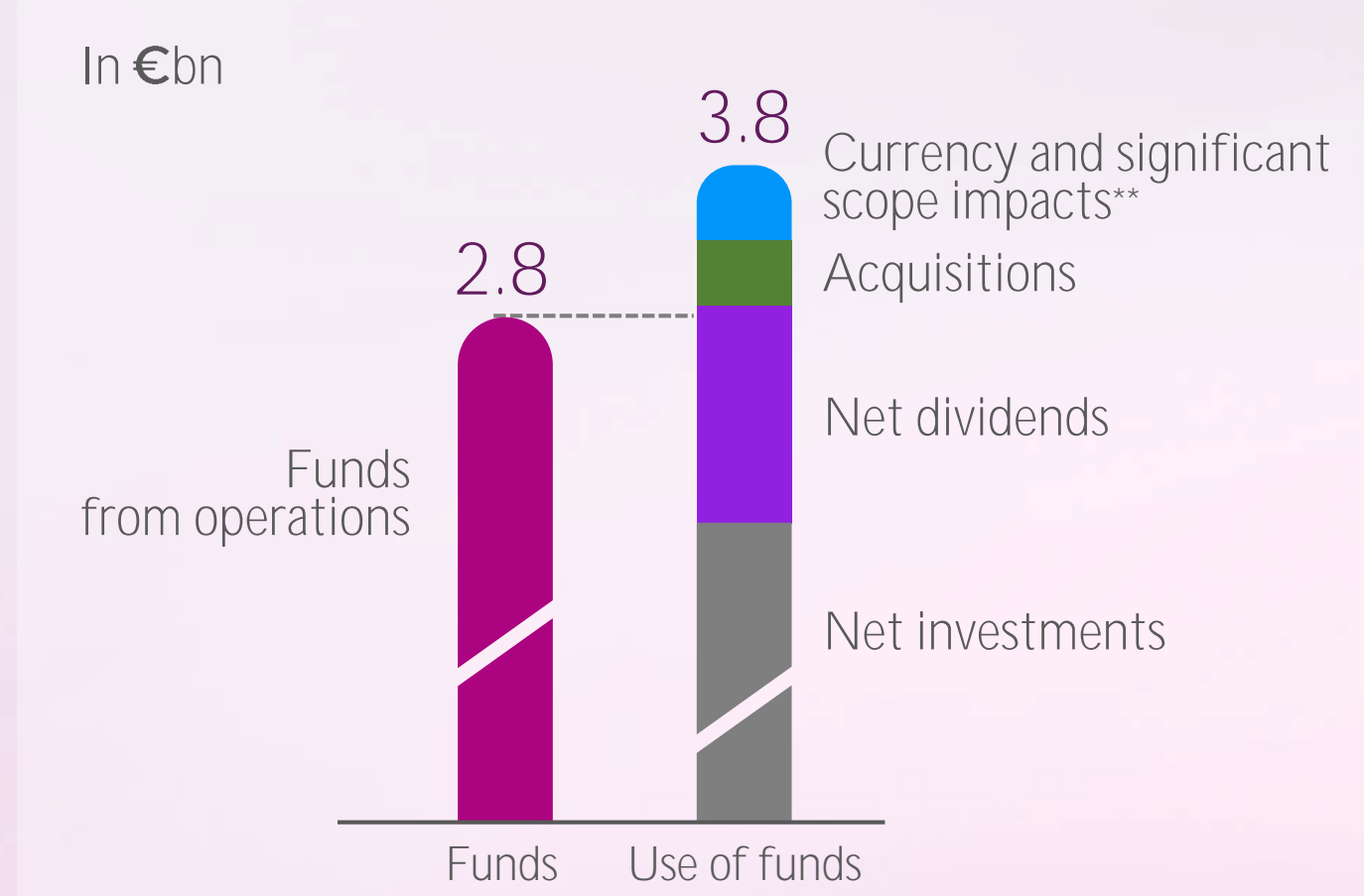
Solid cash flow model

Net Debt*



*Including transactions with minority shareholders

Funds and Use of funds

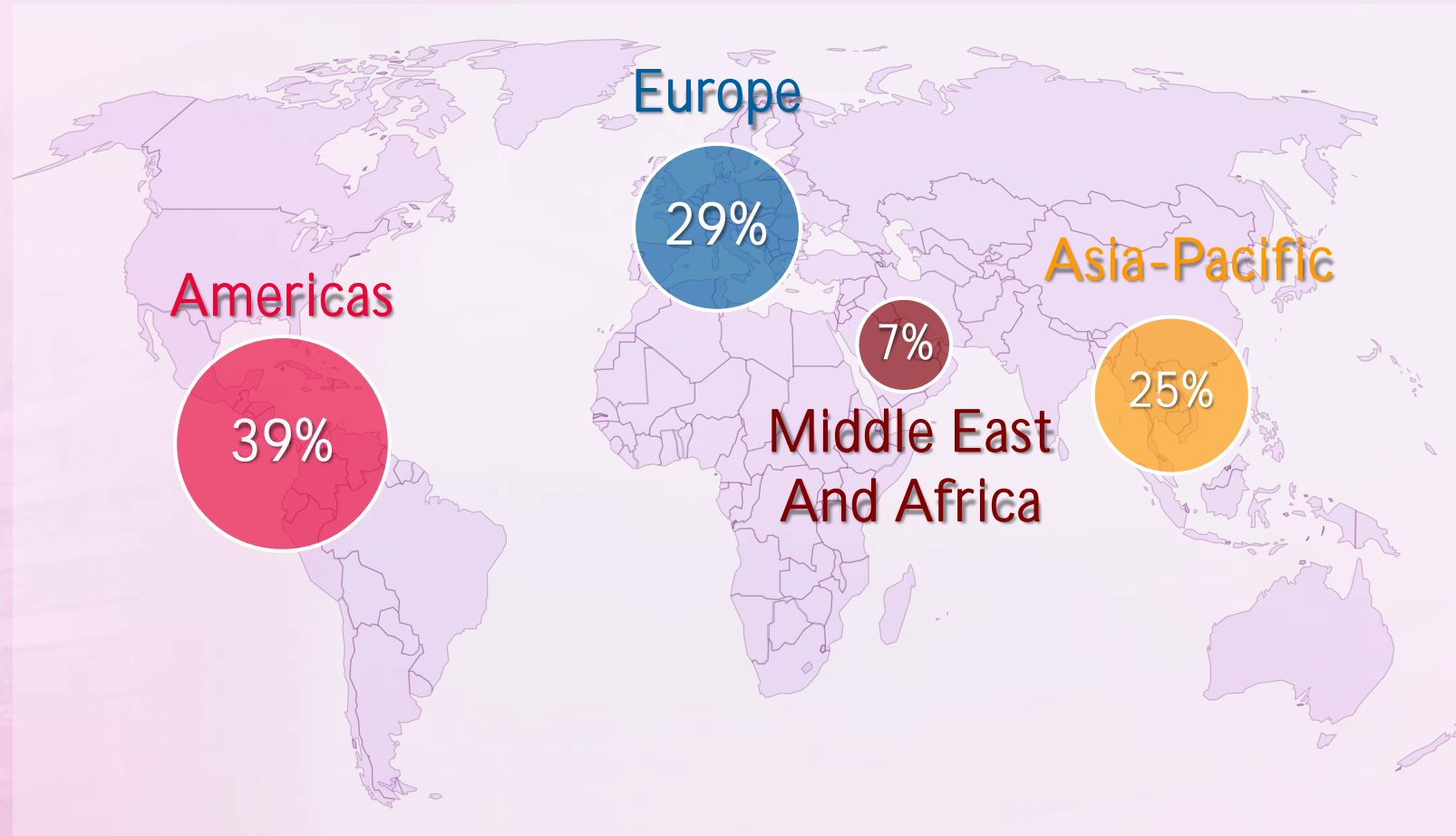


**Currency impact: € 305 m

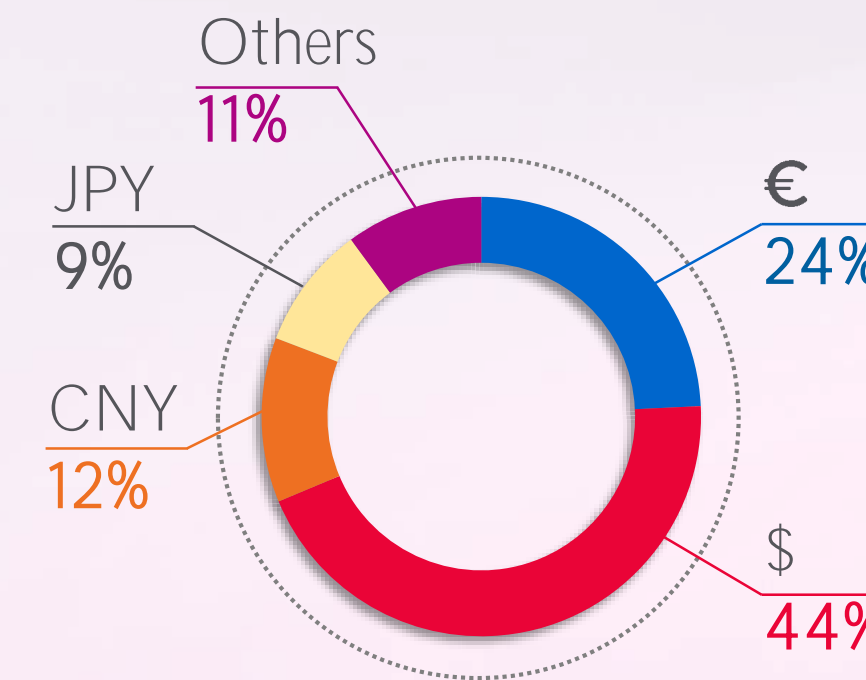
2015
RESULTS

Targeted investments and tailored financing

Gas & Services investments by region



Debt by currency



2015 RESULTS

Consolidated balance sheet

In €m

ASSETS	31/12/2014	31/12/2015
Goodwill	5,259	5,730
Fixed assets	15,318	16,556
Other non-current assets ⁽¹⁾	862	936
Total non-current assets	21,439	23,221
Inventories and work-in-progress	876	981
Trade receivables and other current assets	3,441	3,711
Cash and cash equivalents ⁽¹⁾	969	1,028
Total current assets	5,286	5,720
Total assets	26,725	28,941

EQUITY & LIABILITIES	31/12/2014	31/12/2015
Shareholders' equity	11,537	12,406
Minority interests	290	365
Total equity	11,827	12,771
Provisions & deferred tax liabilities	3,357	3,435
Non-current borrowings	5,884	6,291
Other non-current liabilities ⁽¹⁾	305	475
Total equity and non-current liabilities	21,373	22,972
Provisions	294	271
Trade payables & other current liabilities	3,628	3,728
Current borrowings (short-term debt) ⁽¹⁾	1,430	1,970
Total equity and liabilities	26,725	28,941
Net indebtedness	6,306	7,239
Debt-to-equity ratio	53.3%	56.7%

(1) Including fair value of derivatives

2015
RESULTS

2015 Performance

Performance

Solid performance

–

High efficiencies in all businesses
and margin improvement

–

Net profit growth

Balance sheet and Financing

Solid cash flow model

–

Continued investments

–

Sound balance sheet

2015 RESULTS AND 2016 1ST QUARTER

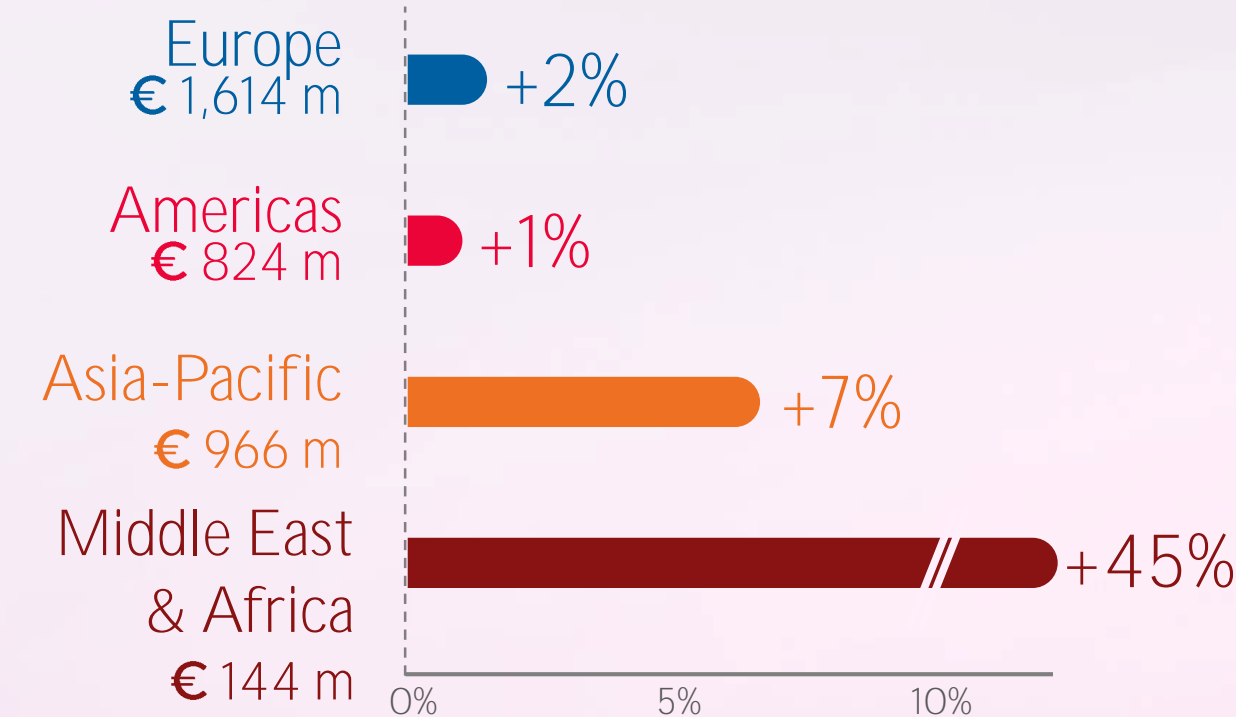
2016 First quarter

Group sales

€ 3.9 bn +2.4%*

Lower exchange rates and energy prices
—
Developing economies +14%
—
Large industries and Electronics momentum

Gas & Services by geography*



*Change Q1 2016/Q1 2015 on a comparable basis: excluding currency, energy and significant scope impacts

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PARIS | THURSDAY MAY 12, 2016

MEETING

2015 Highlights

Pierre DUFOUR

Senior Executive Vice-President

2015 HIGHLIGHTS



2015
HIGHLIGHTS

Climate change

Contribution
to public health

Commitment to
local communities



2015
HIGHLIGHTS

Asia-Pacific



2015
HIGHLIGHTS



Philippe SAUQUET
President, Refining & Chemicals,
Member of the Executive Committee of TOTAL

2015
HIGHLIGHTS

Signing of new contracts

Oxygen



Australia



China

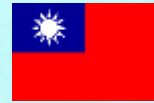
Carrier gases



Japan



Singapore



Taiwan

2015 HIGHLIGHTS

New hydrogen
charging station



 Japan

CO₂ Capture



 Australia



Human resources prize

 China

2015
HIGHLIGHTS

Middle-East & Africa



2015
HIGHLIGHTS

Joy LANGE
Director
Ste-Anne's Home

2015
HIGHLIGHTS

Two great records

Hydrogen unit start-up in Yanbu

Oxygen Contract



2015
HIGHLIGHTS

Americas



2015 HIGHLIGHTS



Craig SCOTT
Advanced technologies Director
Toyota - USA

Agreement to acquire Airgas

2015 HIGHLIGHTS **Airgas**



2015
HIGHLIGHTS

*Pipeline construction
in the Hamilton basin*



*Pulmonary hypertension
treatment*



2015
HIGHLIGHTS

Europe



2015
HIGHLIGHTS



Grégory OLOCCO
I-Lab Air Liquide

2015
HIGHLIGHTS

Acquisitions in Healthcare



Germany



Ireland



*Bochemie's
Hygiene division*



Czech Republic



2015 HIGHLIGHTS

Pain treatment
campaign

Actes médicaux en cabinet
MÊME PAS PEUR,
MÊME PAS MAL

1 Français sur 3 garde en mémoire un acte
médical pour lequel il a ressenti une anxiété et/ou
une douleur induite pendant l'intervention.



Website dedicated
to sleep apnea

All about Sleep Apnea

UNDERSTAND ASSESS YOURSELF ACT LIVE WITH SLEEP APNEA ASK AN EXPERT NEWS OUR LOCATIONS OUR APPROACH

ASSESS YOURSELF
SCREEN YOURSELF
READ THIS ARTICLE

LATEST NEWS
03.29.2016
A CPAP HUMIDIFIER MIGHT BE VERY USEFUL...
BROWSE MORE

NEWS
IN-DEPTH STUDIES
12.18.2015
HOW DOES POLLUTION AFFECT SLEEP APNEA: NATURAL POLLUTION AND SLEEP APNEA
BROWSE MORE

TESTIMONIES
01.14.2016
MY HUSBAND SUFFERS FROM SLEEP APNEA (1/2)
BROWSE MORE

FOCUS ON SLEEP APNEA



Creative Oxygen

2015 HIGHLIGHTS

Hydrogen



Germany



Belgium



Netherlands



Turkey

Carbon monoxide



Acquisition of Messer's
activities in Turkey



2015 HIGHLIGHTS

Hydrogen mobility



CO₂ : Cryocap



France



Germany



Belgium



France

2015
HIGHLIGHTS

Innovation ecosystem



ALIAD
Venture Capital



A new era for Air Liquide

2015 HIGHLIGHTS

Group revenue

€20 bn

€15 bn

€10 bn

€5 bn

2011

2012

2013

2014

2015

2015

12 months

Airgas

2015 HIGHLIGHTS

Digital transformation



Reprise cam

SHAREHOLDERS'

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MEETING

The long view

Benoît POTIER
Chairman & CEO

The long view

OUTLOOK



Decoding the Environment

OUTLOOK



Decoding the environment

OUTLOOK

Areas of instability



Humanitarian crisis



Decoding the environment

OUTLOOK

Use of digital technology



Collaborative working



Decoding the environment

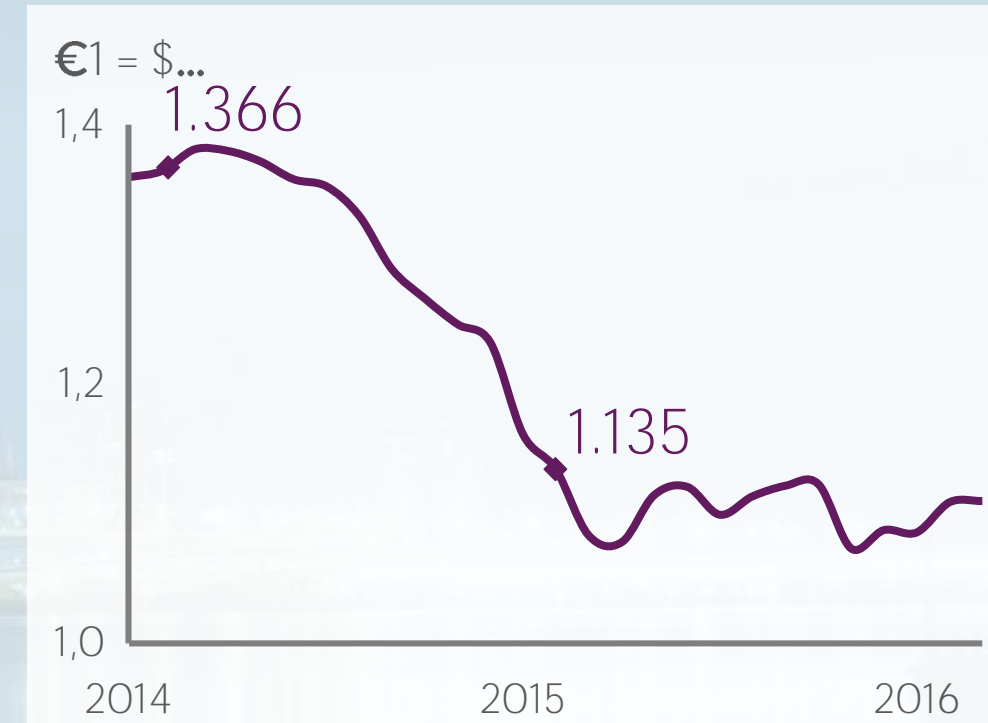
OUTLOOK

Change in oil price



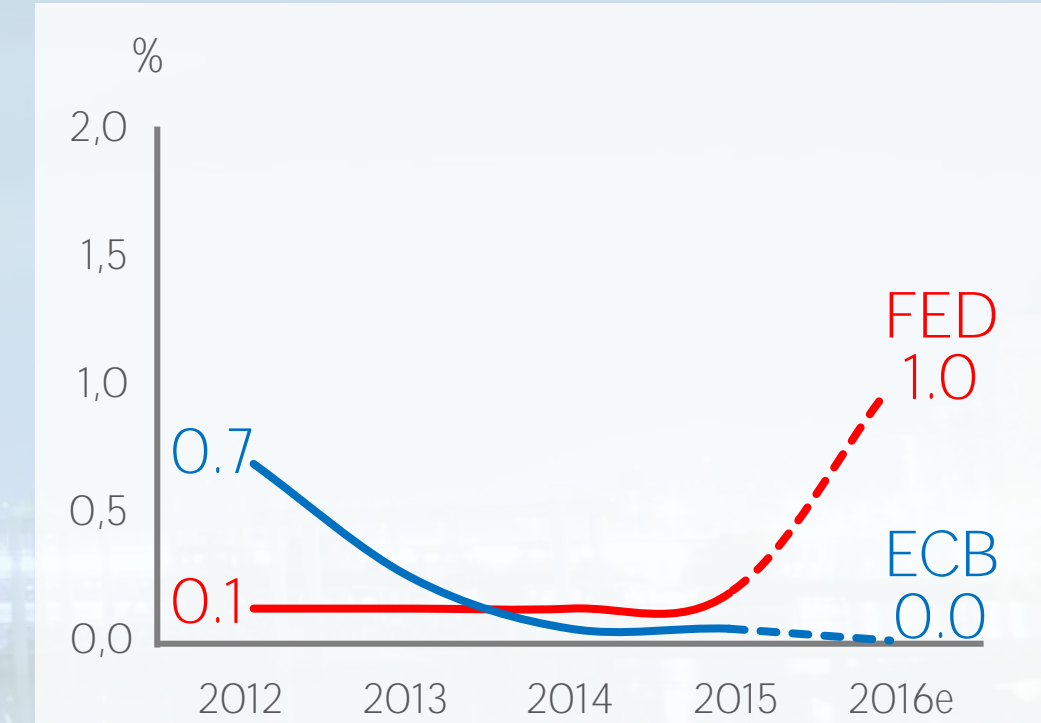
Source: Thomson Reuters

Euro/US dollar exchange rate



Source: Bloomberg

Leading interest rates



Source: COE REXECODE March 2016

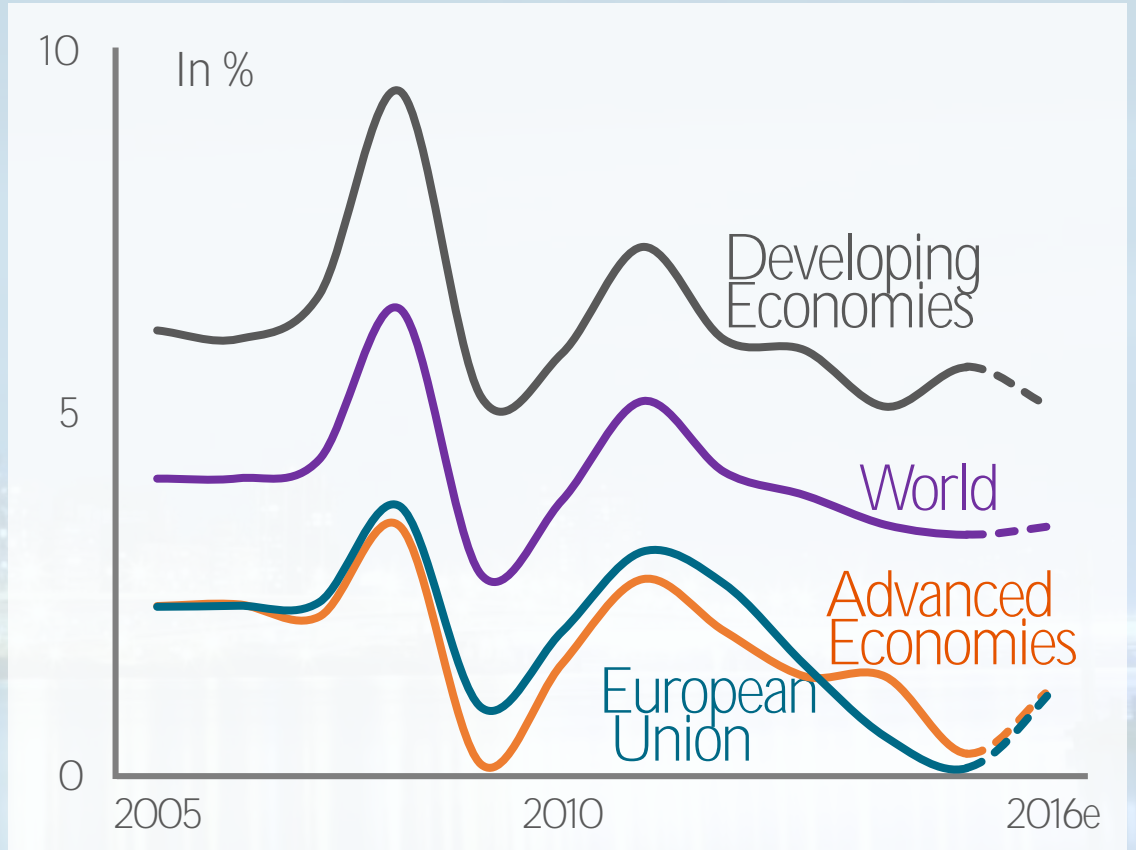
Decoding the environment

OUTLOOK

 Stock markets

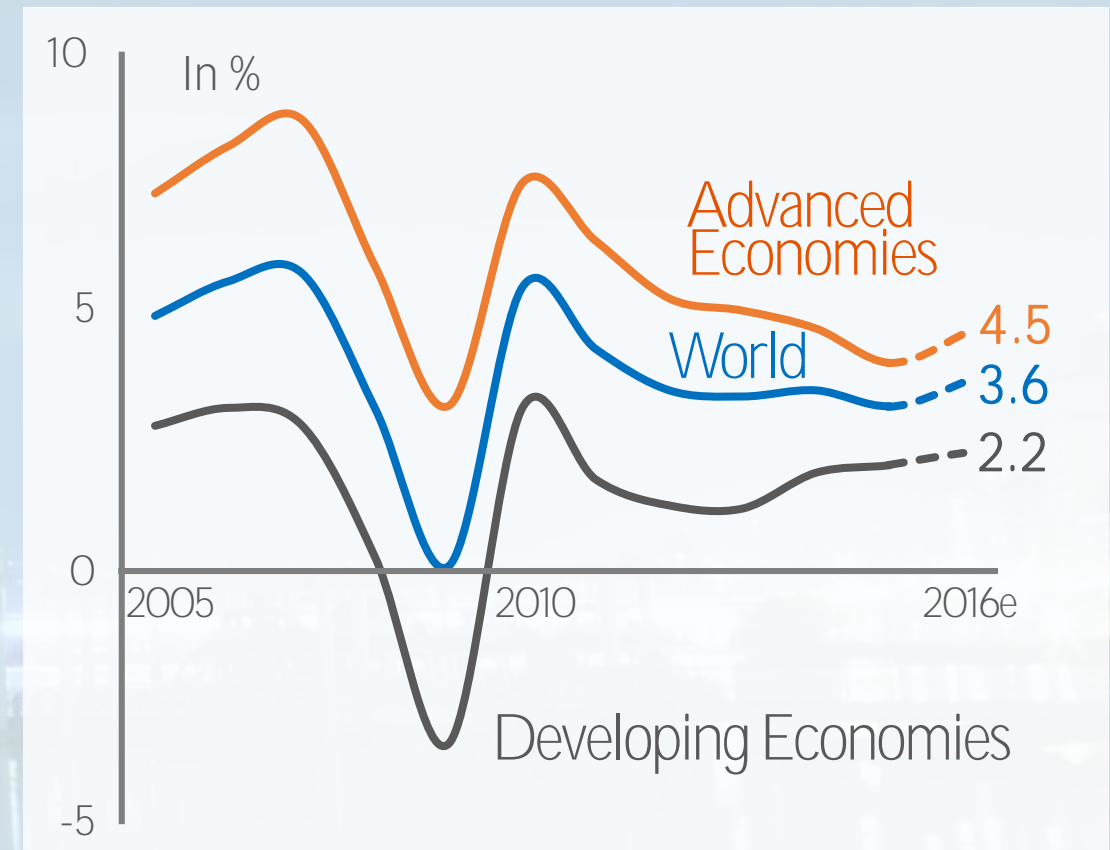


Global inflation



Source: IMF

Changes in GDP

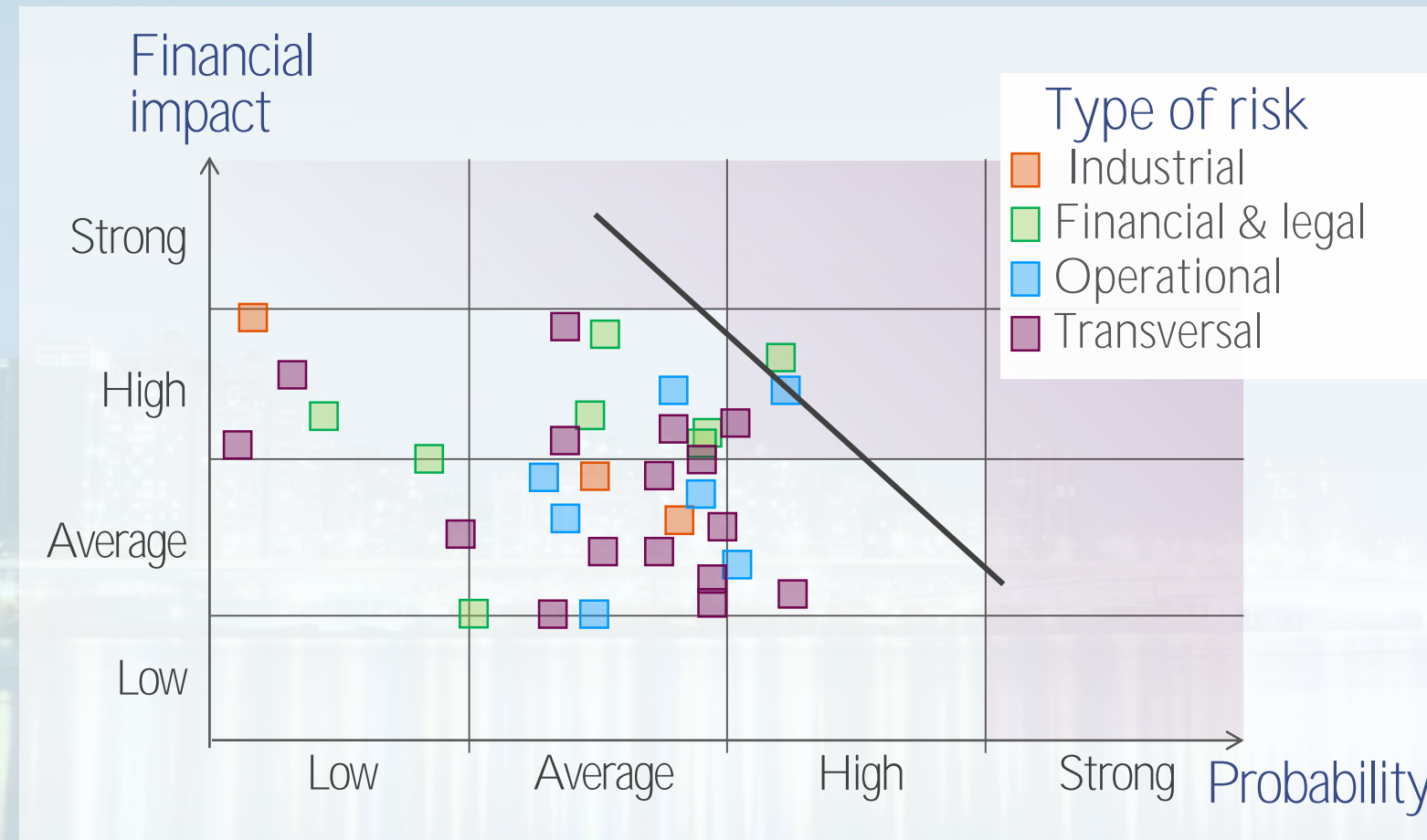


Source: IMF

Risk management

OUTLOOK

2015 risk map



Examples of studied subjects

- Personal safety
-
- Delivery reliability
-
- Internal control
-
- Engineering project execution
-
- Digital security

2015 Overview

OUTLOOK



The right balance

OUTLOOK

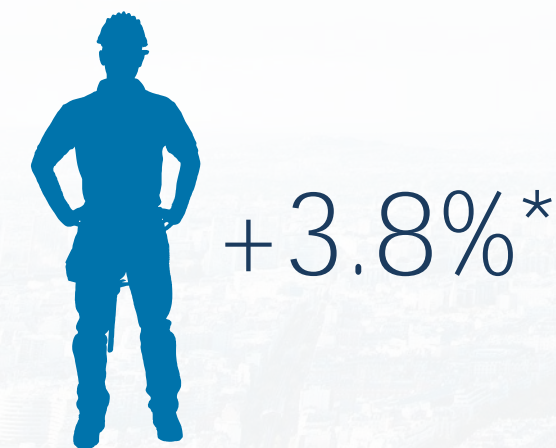
Growth

Investment

Profitability

OUTLOOK

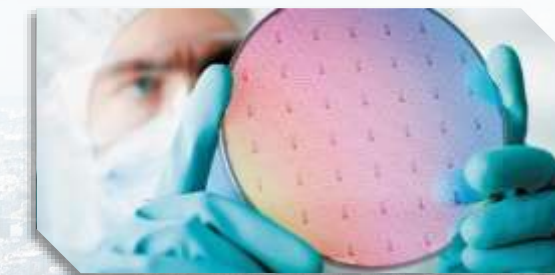
Gas & Services Sales



€14,752 m



Health
 +8%



Electronics
 +11%



Large industries
 +5%



Europe
 +3%



Developing economies
 +10%

Growing activities

* Comparable growth, excluding currency, energy and significant scope impacts

Profitable growth

OUTLOOK

Efficiency gains



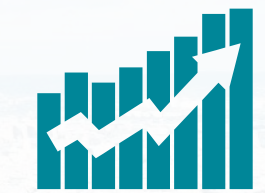
€298 m

Group operating margin



+50 bp

Net income



+5.5%

€1,756 m

Investments

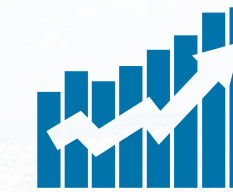
OUTLOOK

Investment
decisions



€2.4 bn
in 2015

Solid Cash Flow*



+7%
in 2015

Management
of net debt

Debt-to-equity
ratio

57%

*Before WCR variation

Robust balance sheet

OUTLOOK

Management of
capital employed



€20 bn

Unchanged
adjusted ROCE*



10.8%

Value creation



+500 bp

*Excluding the one-off impact of an
Engineering & Construction project

Innovation advances

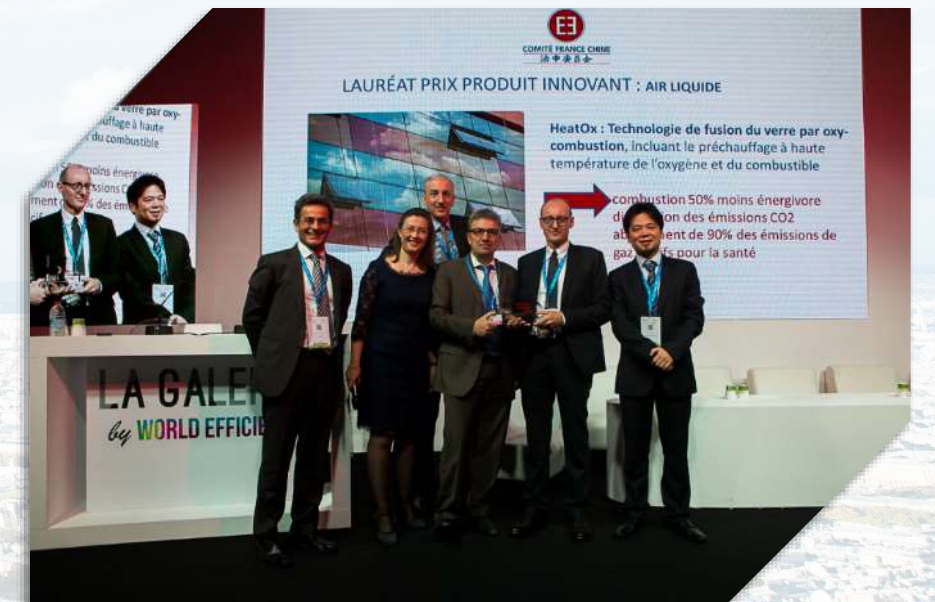
OUTLOOK



H₂ energy



ITER



“Heat Ox”

Innovation advances

OUTLOOK



m-Lab



Vital'City



Center of
Research & Technology
in China

Innovation advances

OUTLOOK



ALIAD



Kite

Innovation advances

OUTLOOK

Global markets & Technologies

1,400 Employees

€292 m
2015 revenue



Major initiative in 2015

OUTLOOK

Major initiative in 2015

OUTLOOK



Airgas™

\$5.3 bn revenue

400 acquisitions in 30 years

+17,000 employees

+1 m customers

1,100 retail stores



Air Liquide's Industrial Merchant

OUTLOOK



AIR LIQUIDE

Creative Oxygen



Industrial Merchant

+20,000 employees

€5.2 bn revenue

36%

of revenue in Gas & Services

+1 m customers



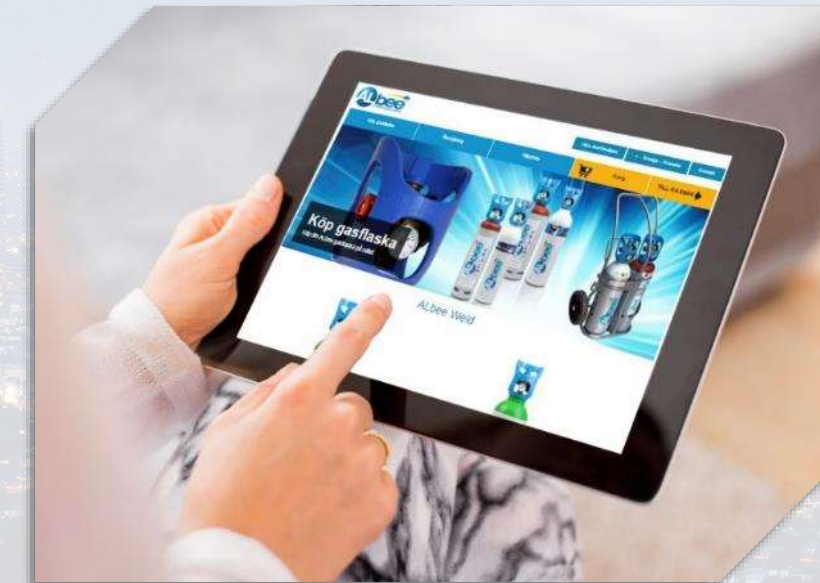
AIR LIQUIDE

Creative Oxygen

Transformation of the Industrial Merchant business

OUTLOOK

Air Liquide webshop



3D printing



Biogas

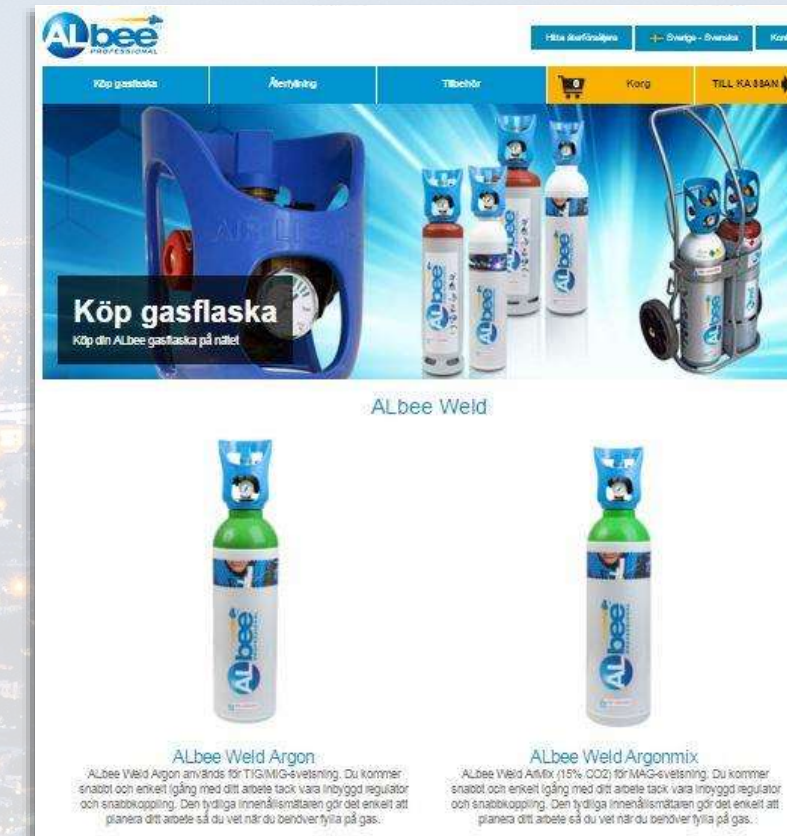


OUTLOOK

Roll out



Online sales



Kiosk



Industrial and market rationale

OUTLOOK

National presence in the United States

4 Divisions **Airgas** covering the entire country



Strong complementarity in the United States



Production



Distribution



Sales



Customers



A unique multi-channel distribution network

OUTLOOK

Airgas[™]



 **AIR LIQUIDE**[™]

Creative Oxygen

Important synergies

OUTLOOK

Cost



Production

Distribution

Administration



Volume

New offers

Innovation



Strengthening leadership

OUTLOOK



Revenue
+30%



N° 1

North America



Europe

Asia-Pacific



Middle-East
& Africa

Industrial Merchant



Large Industries



Electronics



A unanimous decision

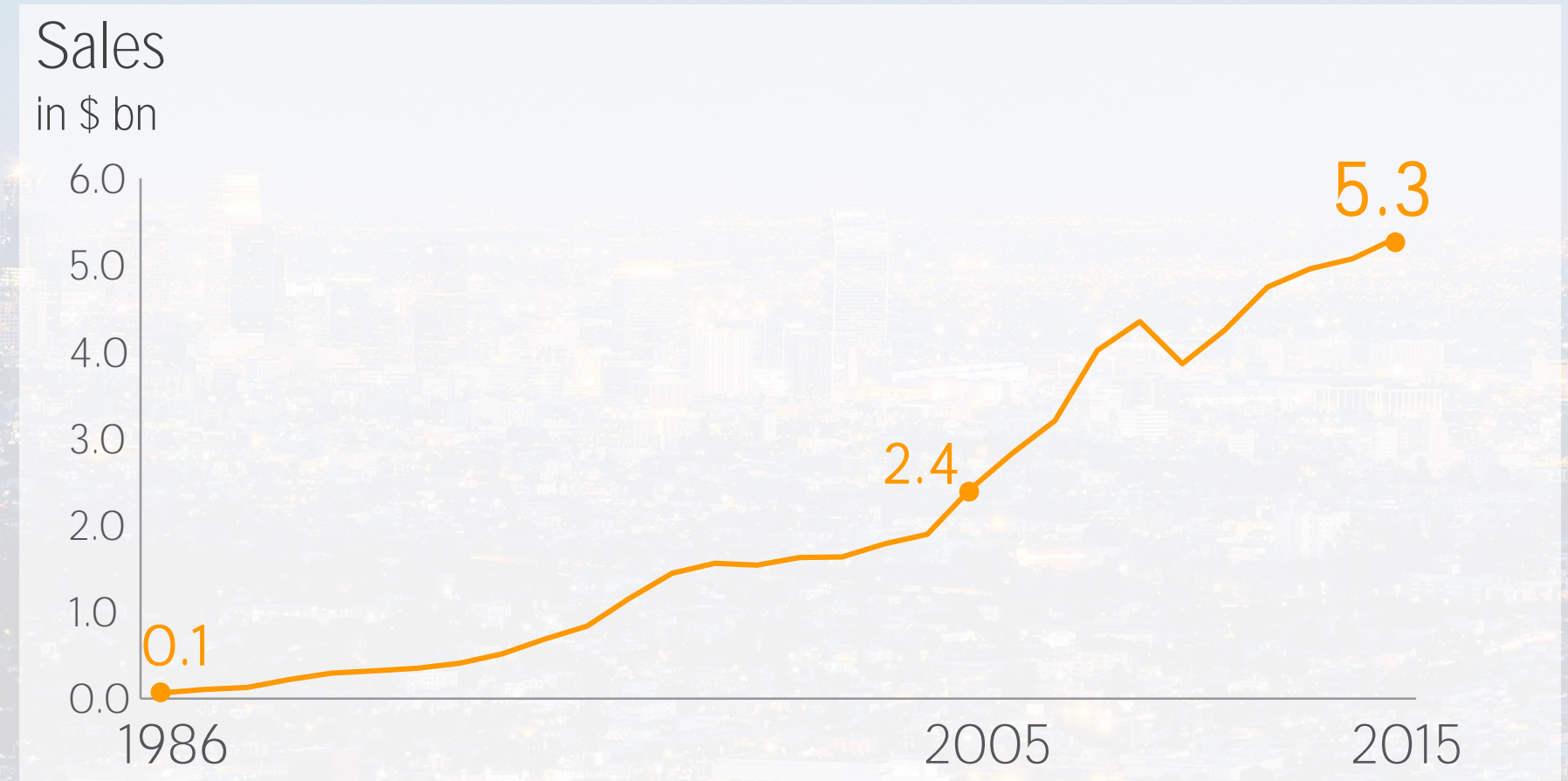
OUTLOOK



Benefits for shareholders

OUTLOOK

Airgas: a solid long-term growth



Average annual growth of sales 2005 - 2015
+ 8%

Acquisition on track

OUTLOOK

The long view

OUTLOOK



3 major trends

OUTLOOK

Energy transition



Changes in healthcare



Digital transformation



2016 priorities

OUTLOOK

Airgas[™]

Performance

Innovation



AIR LIQUIDE[™]

Creative Oxygen

OUTLOOK



AIR LIQUIDE

™

neos

Creative Oxygen



AIR LIQUIDE

™

Creative Oxygen

Key figures - Capital structure

OUTLOOK

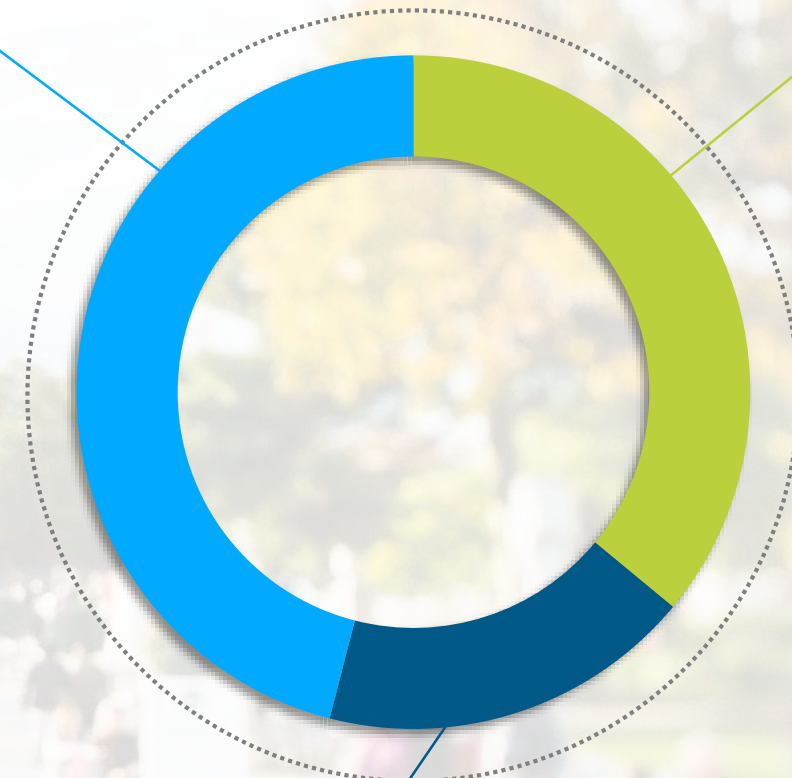


Non-French
Institutional investors

46%

Individual shareholders

36%



400,000

Individual shareholders



French
Institutional investors

18%

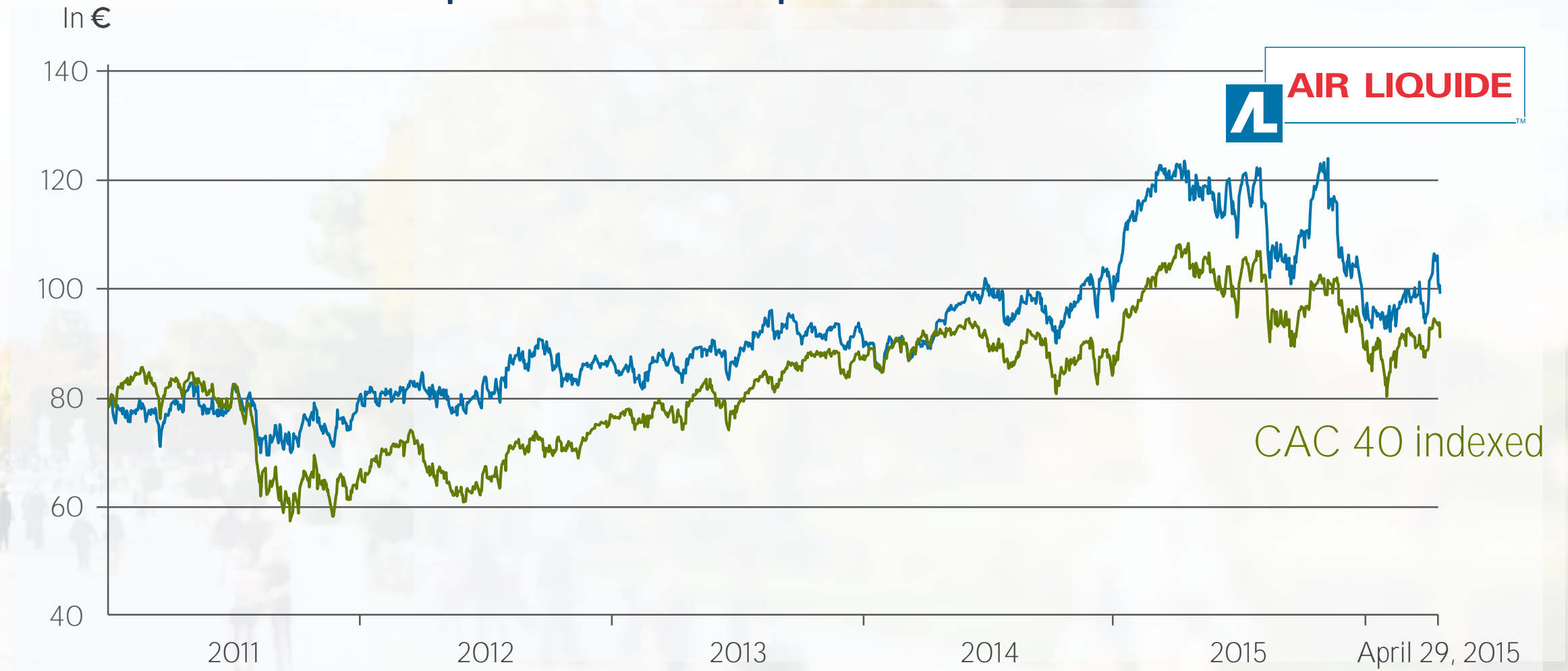


Creative Oxygen

Regular share performance

OUTLOOK

Comparison Air Liquide vs. CAC 40



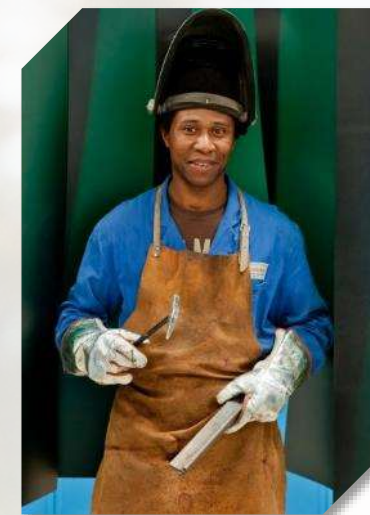
Air Liquide and its shareholders

OUTLOOK



The Air Liquide teams

OUTLOOK



A long term relationship

OUTLOOK



OUTLOOK

“May the future be no longer what will happen, but what we will do with it.”

Henri Bergson

SHAREHOLDERS'

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MEETING



Statutory Auditors' Reports

Jean-Yves JEGOUREL

Ernst & Young et Autres

STATUTORY *AUDITORS' REPORTS*

Statutory Auditors' Reports

Ordinary Shareholders' Meeting

- Report on the annual financial statements
-
- Report on the consolidated financial statements
-
- Report on the report from the Chairman of the Board of Directors
-
- Special report on related party agreements and commitments

Extraordinary Shareholders' Meeting

6 reports on the share capital movement

STATUTORY AUDITORS' REPORTS

Reports on the annual and consolidated financial statements

Resolution 1: Annual Financial Statements of L'Air Liquide S.A.

Pages 292-293 of the Reference Document

In our opinion, the annual financial statements present fairly, in all material respects, the financial position, of the Company at December 31, 2015 , and the result of its operations for the year then ended, in accordance with the accounting rules and principles applicable in France

Resolution 2: Consolidated Financial Statements of the Air Liquide Group

Pages 272-273 of the Reference Document

In our opinion, the consolidated financial statements present a true and fair view of the assets and liabilities, the financial position of the Group as of December 31, 2015 and of the results of its operations for the year then ended, in accordance with IFRS, as adopted by the European Union

STATUTORY *AUDITORS' REPORTS*

Reports on the annual and consolidated financial statements

Resolution 8: Agreements and commitments

From page 327 of the Reference Document

We have not been advised of any agreements or commitments authorized in the course of the year to be submitted to the General Meeting of Shareholders for approval

—
The other agreements and commitments, already approved during prior fiscal years, which continued during the fiscal year 2015, are also described in our special report

STATUTORY *AUDITORS' REPORTS*

Other reports

Delegation of authority granted to the Board of Directors

Resolution 16	<i>Page 331</i>	Reduction of the share capital by cancellation of treasury shares
Resolution 18	<i>Page 332</i>	Authorization to grant share subscription or purchase options
Resolution 19	<i>Page 333</i>	Authorization to grant existing or new free shares
Resolution 21	<i>Page 334</i>	Issue of ordinary shares and other equity securities conferring entitlement to the share capital, reserved for employee members of the company or group savings plan
Resolution 22	<i>Page 335</i>	Issue of ordinary shares and other equity securities conferring entitlement to the share capital reserved for a category of beneficiaries
Resolutions 23 and 24	<i>Pages 336-337</i>	Issue of various equity securities without PSR

We have no matters to report on these transactions which comply with the conditions set out in the French Commercial Code.
We will issue, when applicable, supplementary reports whenever your Board of Directors exercises this authorization..

SHAREHOLDERS'

PARIS | THURSDAY MAY 12, 2016

MEETING

Governance & Corporate Social Responsibility (CSR)

Benoît POTIER

Chairman & CEO



Creative Oxygen

GOVERNANCE & CORPORATE SOCIAL RESPONSIBILITY

Current composition of the Board of Directors



Independent

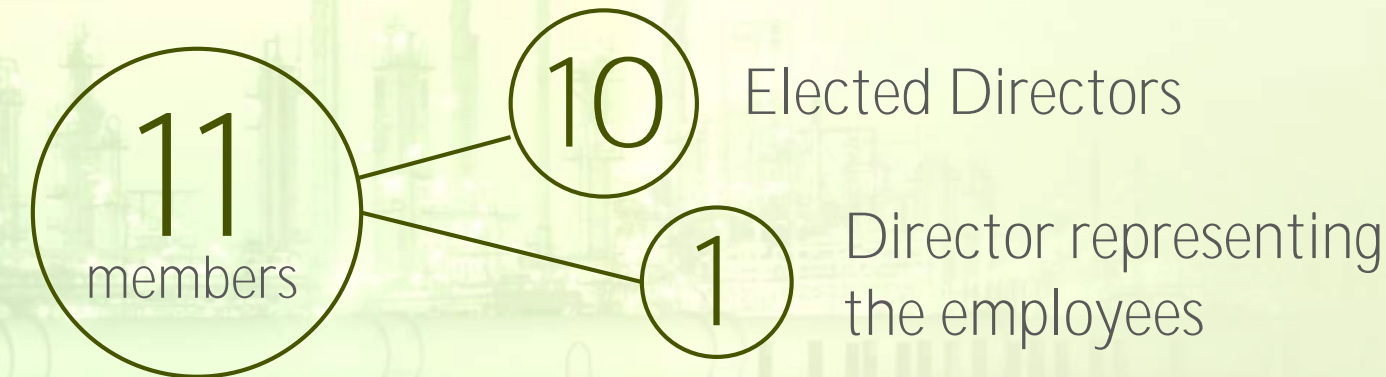
8 Directors elected and independent

Diverse

6 nationalities 5 women

Skilled

Various profiles and sectors:
chemicals, cosmetics, automotive, energy



**GOVERNANCE &
CORPORATE SOCIAL
RESPONSIBILITY**

Change in the Board of Directors

Resolutions 5 & 6: Renewals of term of office

Resolution 7: Appointment



Karen KATEN
Expertise in Healthcare



Pierre DUFOUR
Senior Executive
Vice-President

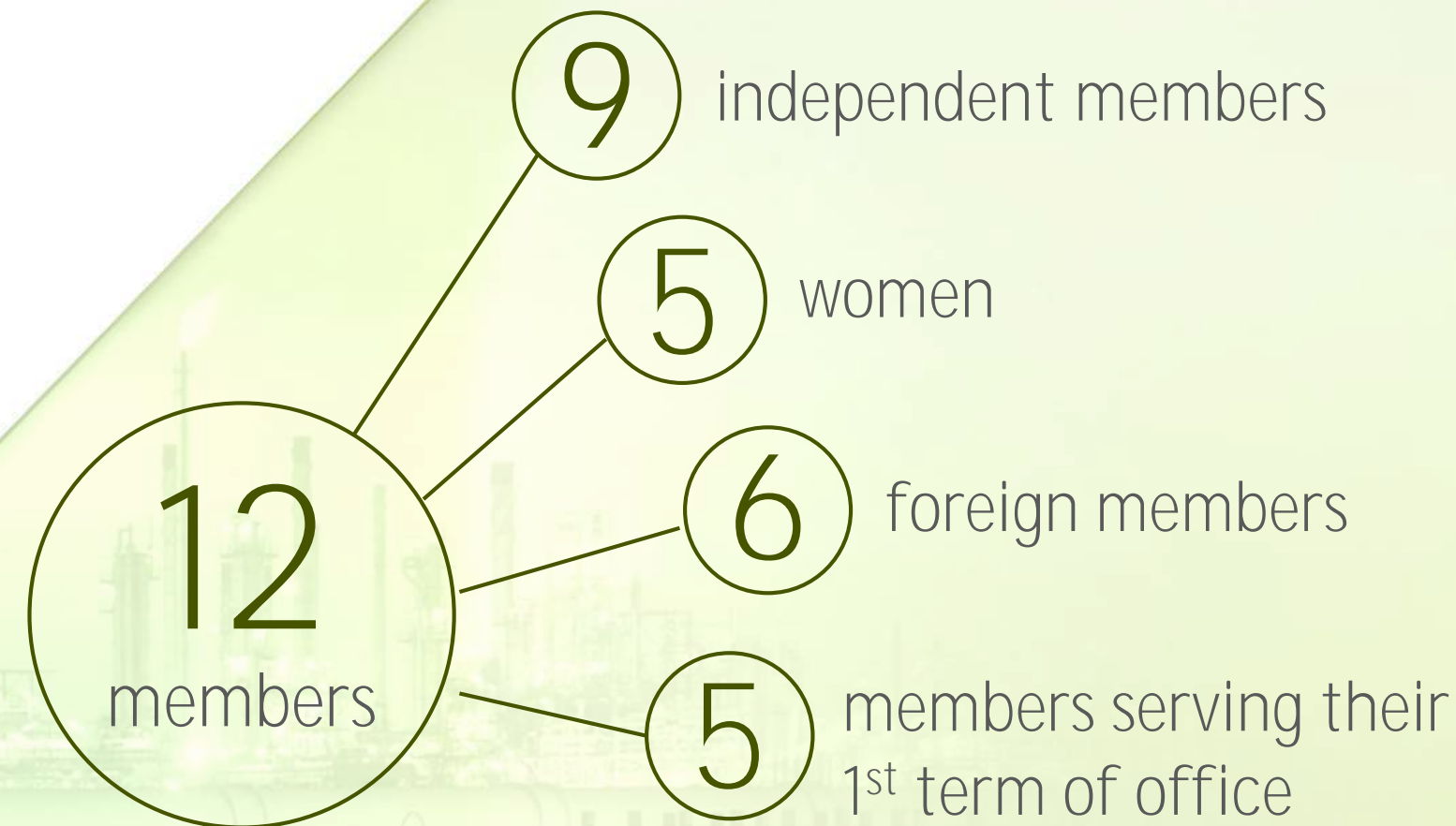


Brian GILVARY
Expertise in Finance – Oil and gas sector
International vision

**GOVERNANCE &
CORPORATE SOCIAL
RESPONSIBILITY**

**GOVERNANCE &
CORPORATE SOCIAL
RESPONSIBILITY**

Board of Directors following this Shareholders' Meeting



Directors seniority

1 st term of office	2 nd term of office	3 rd term of office (and more)
Sin LENG-LOW	Jean-Paul AGON	Benoît POTIER
—	—	—
Annette WINKLER	Sïan HERBERT-JONES	Thierry DESMAREST
—	—	—
Geneviève BERGER	Pierre DUFOUR	Karen KATEN
—	—	—
Philippe DUBRULLE	—	Thierry PEUGEOT
—	—	—
Brian GILVARY	—	—

GOVERNANCE & CORPORATE SOCIAL RESPONSIBILITY

Accomplishment of the Board of Directors in 2015

98%
attendance
rate

7
meetings

Strategic meeting
in Aix-en-Provence



**GOVERNANCE &
CORPORATE SOCIAL
RESPONSIBILITY**

Accomplishment of the Board of Directors in 2015

Acquisition of **Airgas**[™]

Special Board meetings

Creation of a ad hoc committee with **4** independent Directors

Audit Committee: - Assessment of valuation by an independent body
- Analysis of risks and financing

Unanimous
decision
by the
Board

**GOVERNANCE &
CORPORATE SOCIAL
RESPONSIBILITY**

Accomplishment of the Board of Directors in 2015

Acquisition of **Airgas**™ : Financing

Resolution 13

Increase in outstanding
bond issues
from 12 to 20 billion euros

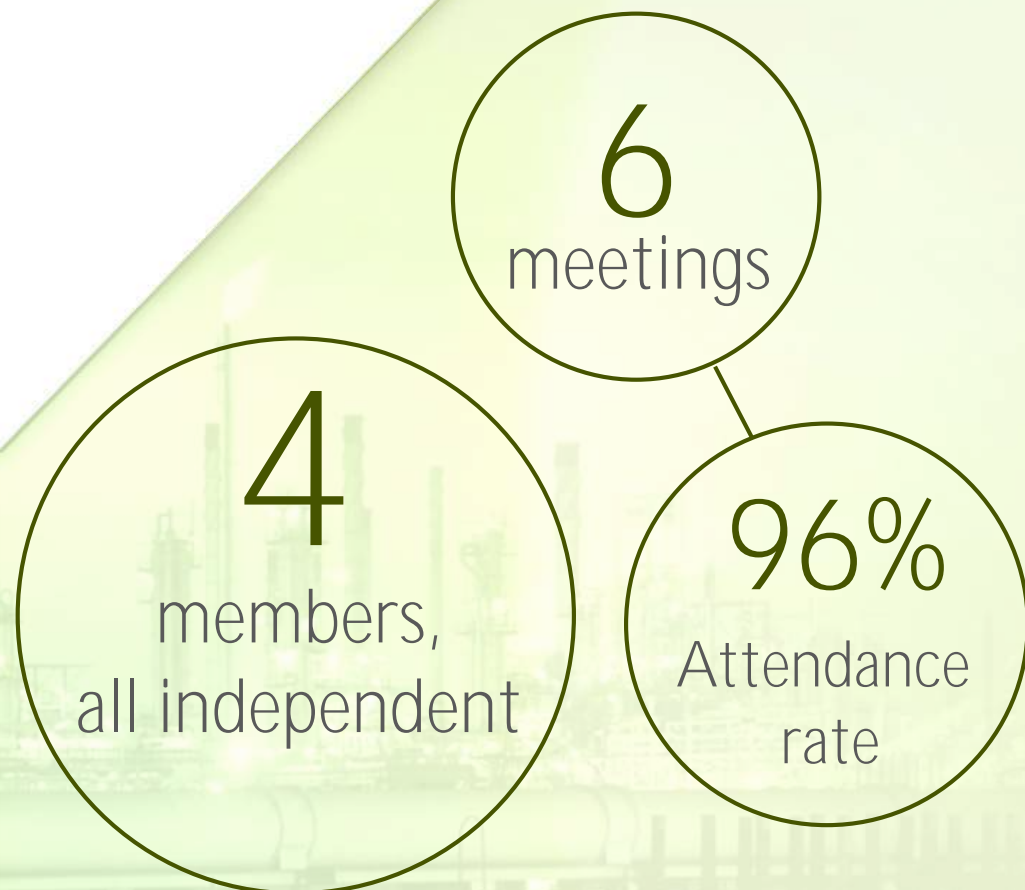
Resolutions 23 to 25

Issue of compound marketable
securities without preferential
rights issue for a maximum of 5%
of share capital, if necessary

Share capital increase

With preferential rights for a
total of 3 to 3.5 billion euros

GOVERNANCE & CORPORATE SOCIAL RESPONSIBILITY



Accomplishment of the Audit and Accounts Committee in 2015

Major themes discussed

- Financial Statements and Financing
- Group Control
- Ethics Plan
- Risk Management
- Selection of Statutory Auditors



Siân
HERBERT-JONES



Sin-Leng LOW



Thierry PEUGEOT



Paul SKINNER

**GOVERNANCE &
CORPORATE SOCIAL
RESPONSIBILITY**

Accomplishment of the Audit
and Accounts Committee in 2015

Selection of Statutory Auditors for next 6 fiscal years



Jeanne BOILLET
Emmanuelle MOSSE



Olivier LOTZ
Séverine SCHEER

Resolution 9

Renewal of Ernst & Young et Autres
as Principal Statutory Auditors

Resolution 10

Renewal of Auditex
as Deputy Statutory Auditors

Resolution 11

Appointment of
PricewaterhouseCoopers Audit
as Principal Statutory Auditors

Resolution 12

Appointment of
Mr. Jean-Christophe Georghiou
as Deputy Statutory Auditor

GOVERNANCE & CORPORATE SOCIAL RESPONSIBILITY



Accomplishment of the Appointments and Governance Committee in 2015

Major themes discussed

Composition of the Board and Committees

—

Recruitment of new Directors

—

Resolution 20: Articles of association relating to the age limit

—

Composition of the management team and career opportunities



Thierry DESMAREST
Lead Director



Karen KATEN



Jean-Paul AGON

GOVERNANCE & CORPORATE SOCIAL RESPONSIBILITY



Thierry
DESMAREST

Lead Director since May 2014

Role of the Lead Director

Responsibilities

Conducting governance missions

- Examining the general management of the Company
- Evolution in governance rules
- Instrument of dialog with independent Directors

Chairs the joint annual meeting outside the presence of executives

Prevention of conflicts of interest

Powers

May request that a Board meeting be held

May propose matters to be included on the agenda of a Board meeting

**GOVERNANCE &
CORPORATE SOCIAL
RESPONSIBILITY**

Accomplishment of **the Remuneration Committee's**
work in 2015



Major themes discussed

Policy and elements of remuneration
relative to executive officers



Jean-Paul AGON



Thierry DESMAREST



Annette WINKLER

SHAREHOLDERS'

PARIS | THURSDAY MAY 12, 2016

MEETING

Policy of Remuneration for Executive Officers

Jean-Paul AGON

Chairman of the Remuneration Committee



Creative Oxygen

Remuneration of the Executive Officers

Policy

- Incentive-based
-
- Reflecting the Group strategy aimed at profitable growth
-
- Consistent with the Group's regular performance over the long-term**

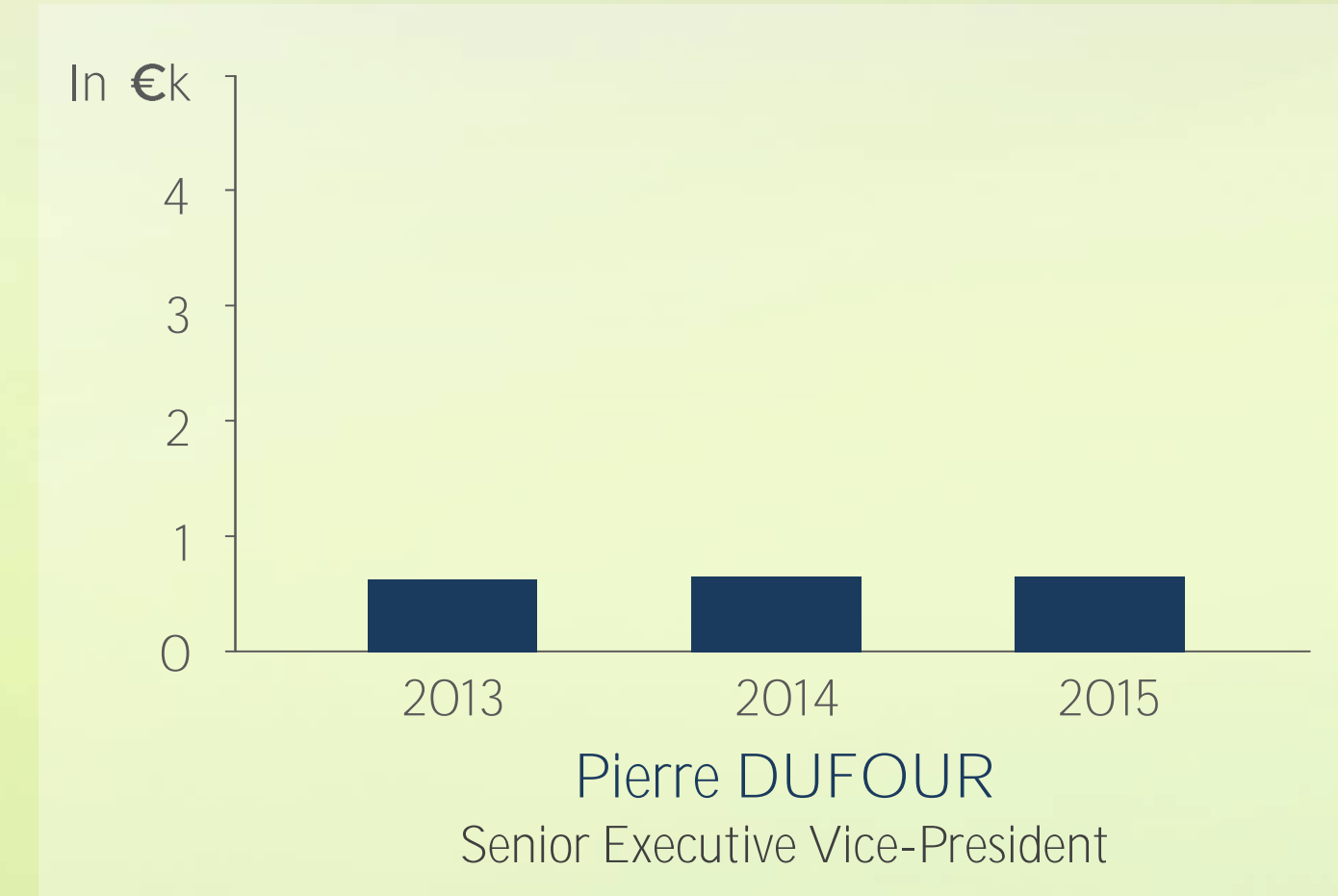
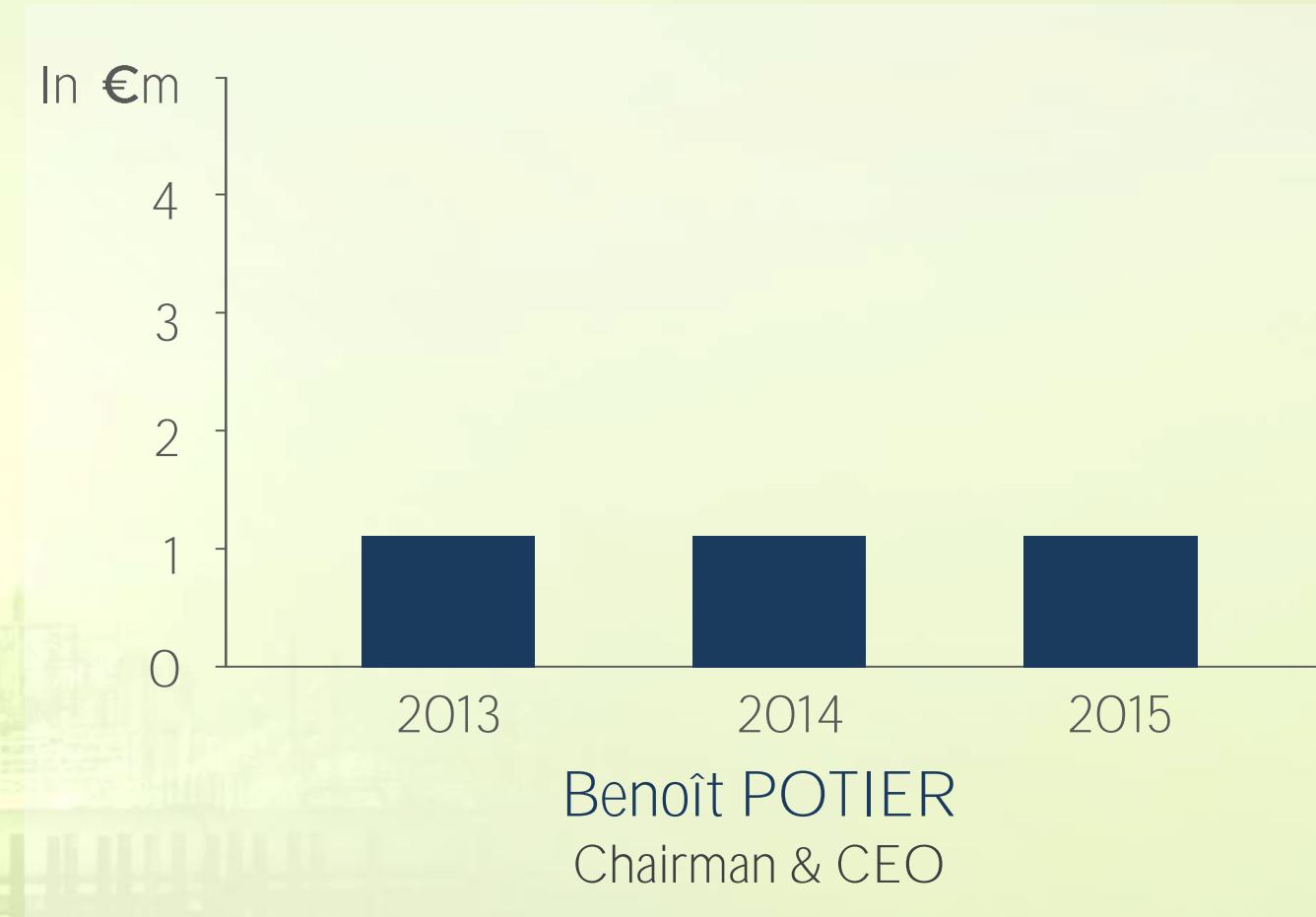
Principles

- Responsibilities
-
- Historical Remuneration
-
- Market practices based on surveys from independent firms
-
- Directors' fees**
-
- In compliance with the AFEP/MEDEF code

GOVERNANCE & CORPORATE SOCIAL RESPONSIBILITY

Short-Term Remuneration – Fixed Portion 2015

Stable over the last 3 years



GOVERNANCE & CORPORATE SOCIAL RESPONSIBILITY

Short-Term Remuneration – Variable Portion 2015

Objectives

Quantitative criteria

- Recurring net earnings per share growth (EPS)
- Return on capital employed after tax (ROCE)

92% achieved (average of the past 10 fiscal years)

Qualitative criteria

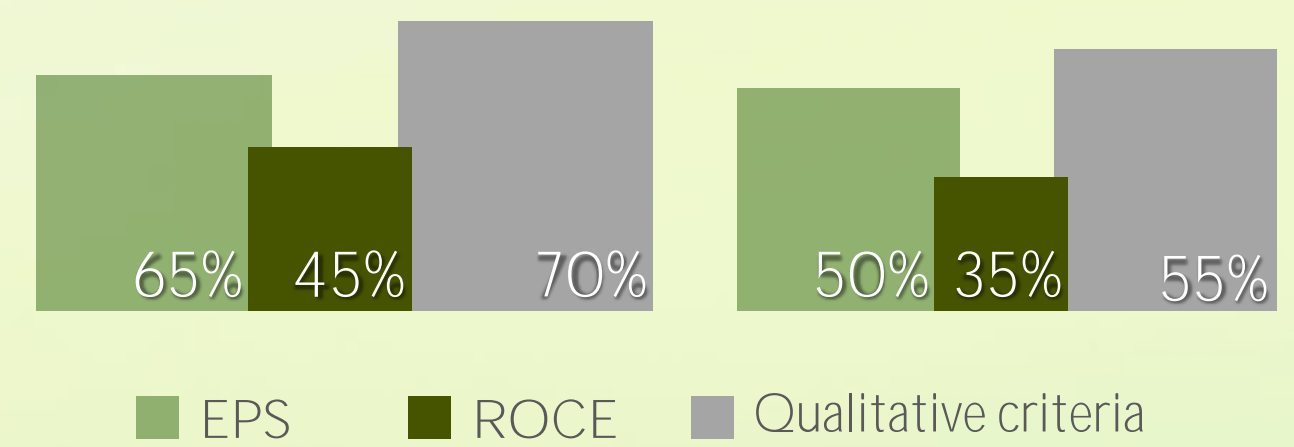
- Management objectives: organization and strategy (preparation of the 2016-2020 plan), preserving financial balance, progress in the **development of the Group's talent**
- CSR objectives: Safety, reliability, monitoring of the risk management process and the CO₂ assessment
- Individual performance

2/3 :

1/3 :

Basis of calculation (as % of fixed portion)

Benoît POTIER Maximum 180% of fixed portion
 Pierre DUFOUR Maximum 140% of fixed portion

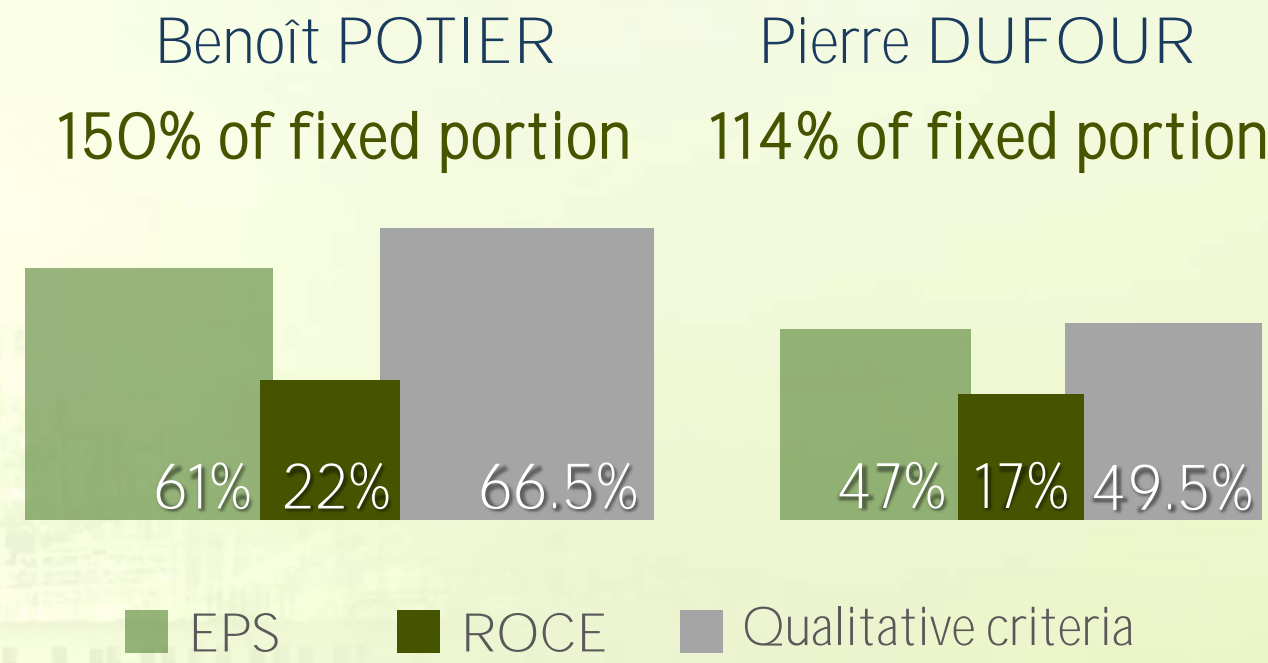


GOVERNANCE & CORPORATE SOCIAL RESPONSIBILITY

Short-Term Remuneration – Variable Portion

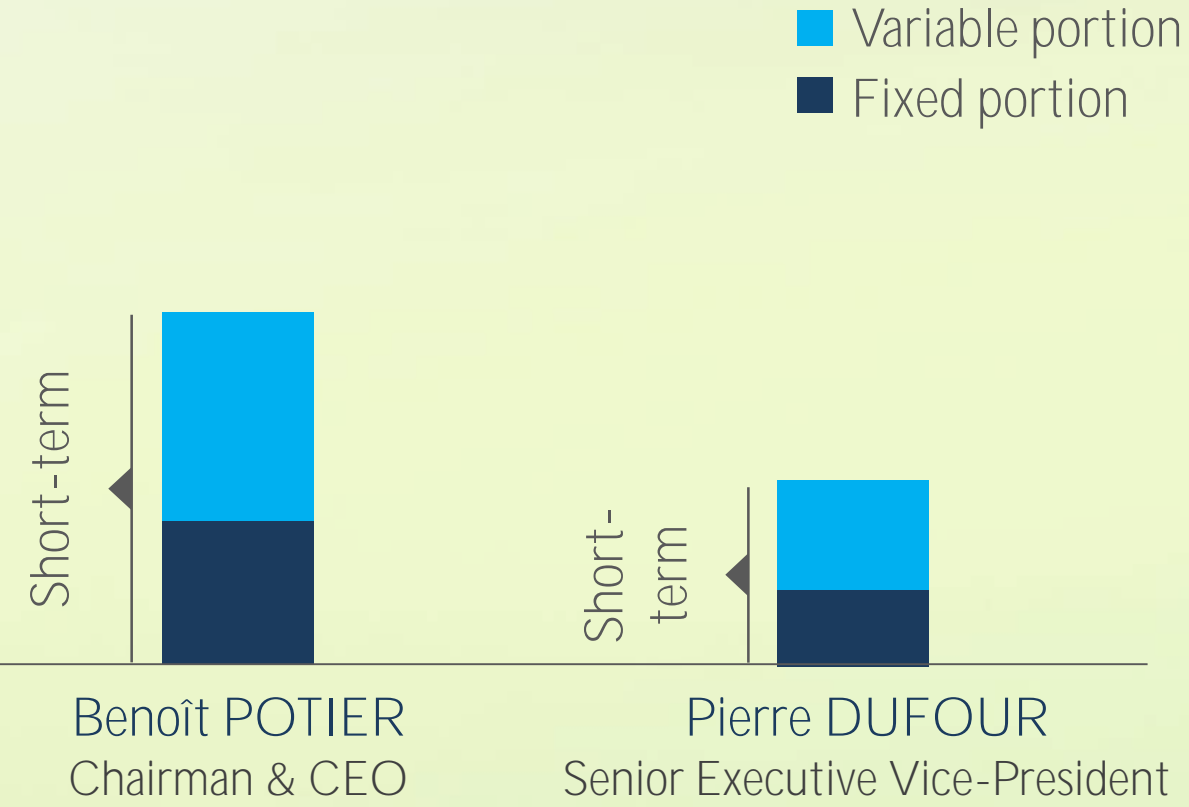
2015 achievement

In % of fixed portion



2015 short-term remuneration

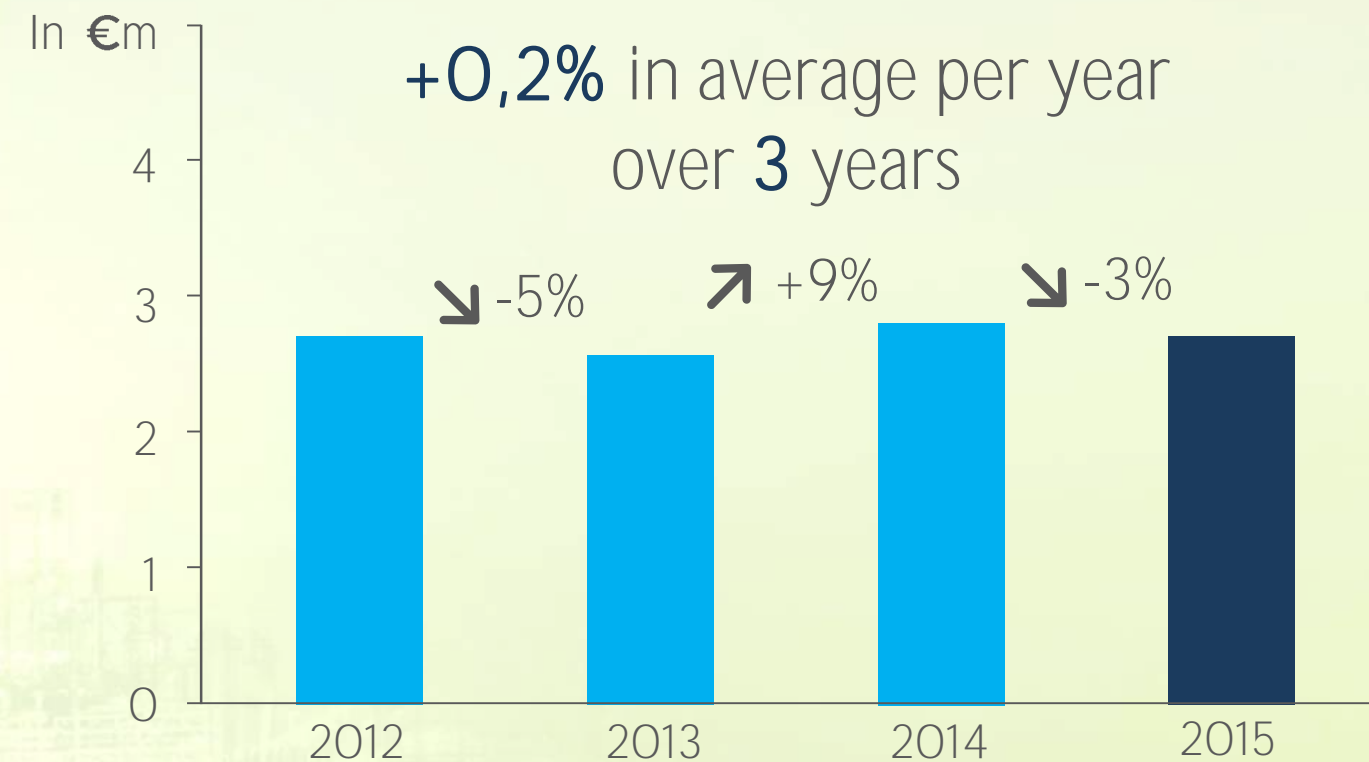
In €m



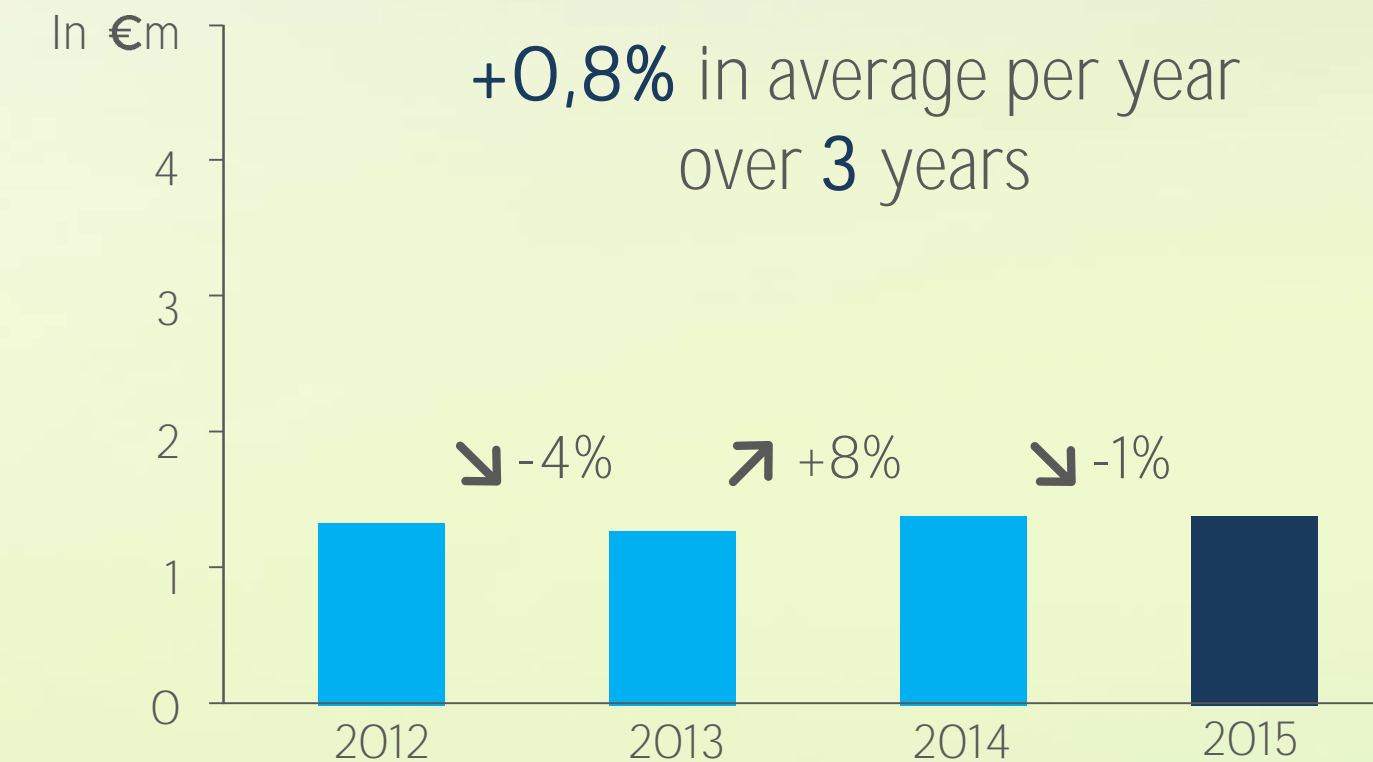
GOVERNANCE & CORPORATE SOCIAL RESPONSIBILITY

Short-Term Remuneration - Fixed + Variable

2015 short-term remuneration



Benoît POTIER
Chairman & CEO



Pierre DUFOUR
Senior Executive Vice-President

GOVERNANCE & CORPORATE SOCIAL RESPONSIBILITY

Long-Term Remuneration

Performance Shares and Stock Options

- In compliance with AFEP/MEDEF code
- Performance conditions over 3 years
 - 65%: Recurring net earnings per share growth (EPS)
 - 35%: Growth of total shareholder return (TSR) both in absolute and relative terms compared with the CAC 40 and industry peers (median target)

New in 2015

Granting of performance shares as a substitute for stock-options

GOVERNANCE & CORPORATE SOCIAL RESPONSIBILITY

Long-Term Remuneration

Constant volume mix:

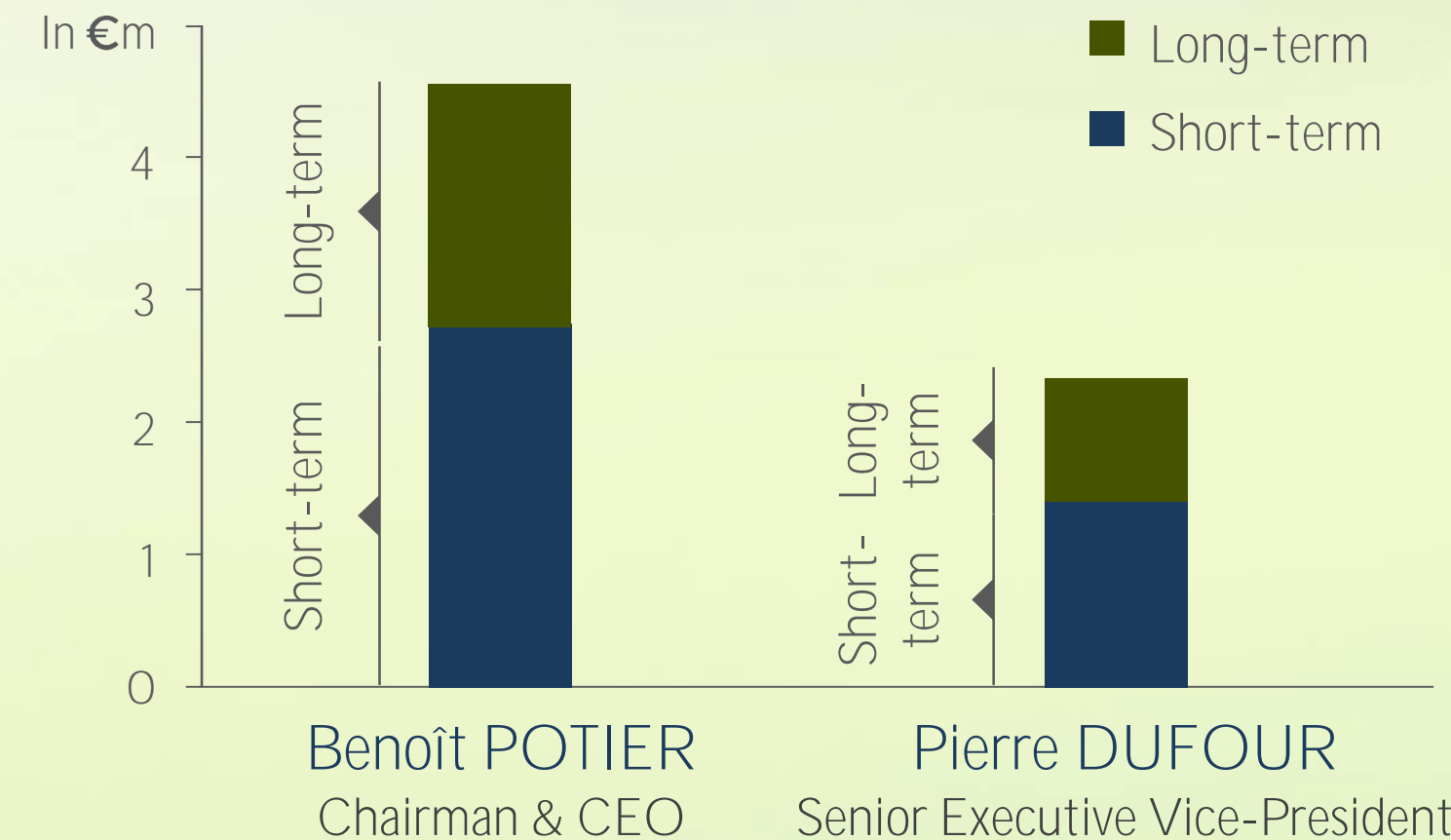
- 70% of stock options
- 30% of performance shares

Total valuation of these grants amounts

- +13% in comparison with 2014
- 7% in comparison with 2013

(IFRS)

2015 Remuneration



GOVERNANCE & CORPORATE SOCIAL RESPONSIBILITY

Deferred Remuneration

Resolution 8: Benoît POTIER and Pierre DUFOUR

No new regulated agreements. Elements of deferred remuneration are unchanged

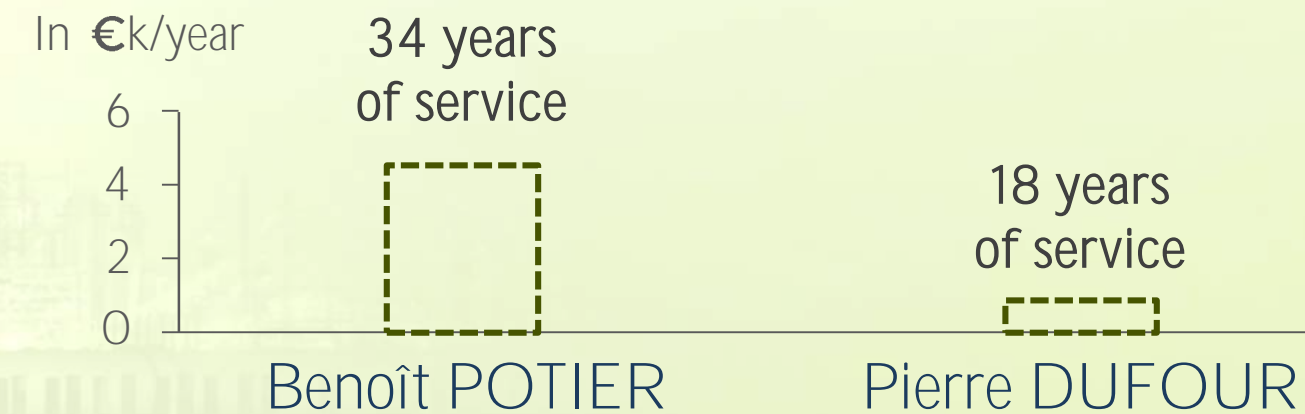
- Defined benefit pension plan

- Unified death and disability benefits plan covering all employees

- Collective life insurance plan

- Termination indemnities

Estimation in 2015



**GOVERNANCE &
CORPORATE SOCIAL
RESPONSIBILITY**

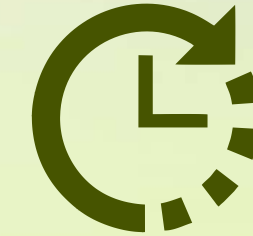
The Remuneration Policy in 2015



Balanced



Competitive



Consistent



Performance

Resolutions 14 and 15

Opinion on elements of remuneration due or allocated to Mr. Benoît POTIER and Mr. **Pierre DUFOR** for 2015: “Say on Pay”

SHAREHOLDERS'

PARIS | THURSDAY MAY 12, 2016

MEETING

Remuneration Policy for other Stakeholders

**GOVERNANCE &
CORPORATE SOCIAL
RESPONSIBILITY**

Employees – Loyalty Policy

Principle: priority to performance shares

- **Resolution 18** Allotment of stock subscription and purchase options
 - **Resolution 19** Allotment of performance shares
- } Beneficiaries
1,744 in 2015
3,300 in the past 5 years

- Profit-sharing and incentive schemes (France) more than **95%** of employees in France

- **Resolutions 21 and 22** Share capital increase reserved for employees

17,000 employees in **70** countries
oversubscribed the **1M** shares available

GOVERNANCE & CORPORATE SOCIAL RESPONSIBILITY

Shareholders - Remuneration

Increased value in the long-term

- Regular dividend distribution
- Loyalty bonus
- Principle of **free share attributions** maintained

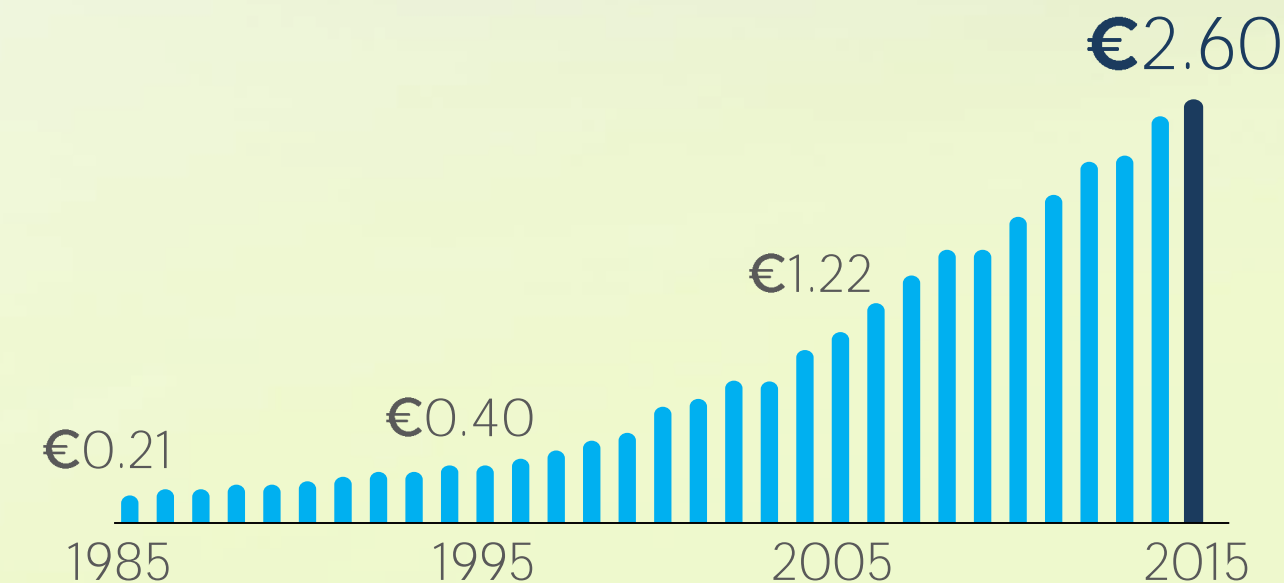
Resolution 3

- Dividend: **€2.60** per share, an increase of **+2%**
- Pay-out ratio: **52.4%**

Resolution 17

- Share capital increase through capitalization of additional paid-in-capital, reserves, profits or any other amount that may be capitalized

Adjusted dividend per share⁽¹⁾



+9% in average per year over the last 30 years

(1) Historical data adjusted for free share attributions

SHAREHOLDERS'

PARIS | THURSDAY MAY 12, 2016

MEETING

Corporate Social Responsibility

**GOVERNANCE &
CORPORATE SOCIAL
RESPONSIBILITY**

Mapping of CSR stakes

2015 formal consultation
of **Air Liquide's stakeholders**

Key CSR stakes

- Customers
-
- Patient associations
-
- Employees
-
- Shareholders
-
- NGO
-
- Suppliers
-
- Journalists



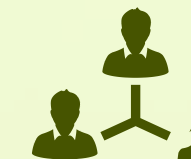
Safety



Environment



Healthcare



Communities

GOVERNANCE & CORPORATE SOCIAL RESPONSIBILITY

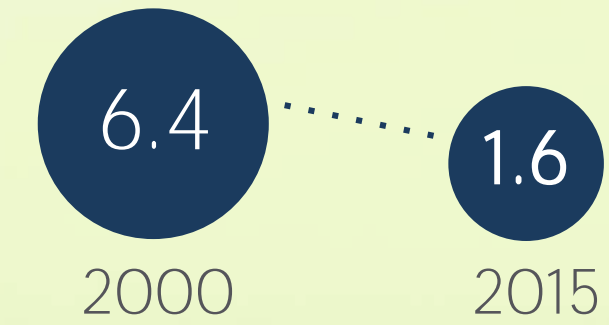
Keeping people and property safe

Employees



Accident frequency rate

Number of accidents
per million hours worked



GOVERNANCE & CORPORATE SOCIAL RESPONSIBILITY

Contributing to public health



Protecting vulnerable lives

13,500

Employees serving

7,500

Hospitals
and clinics

1.3
million

Home
Healthcare
patients

Patient-focused

Presence along the continuum of care

Listening to patient associations



**GOVERNANCE &
CORPORATE SOCIAL
RESPONSIBILITY**

The climate and ecological transition



Protecting life and the environment

60% of innovation expenses

Energy efficiency

–
Hydrogen, as a clean energy source

–
CO₂ capture and valorization

–
New applications of medical gases

44% of sales

Oxygen in hospitals and at home

Hydrogen to desulfurize hydrocarbons

Oxygen to improve combustion efficiency

40% of carbon-free electricity



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GOVERNANCE & CORPORATE SOCIAL RESPONSIBILITY



The climate and ecological transition



Clean mobility



Hydrogen-charging station in Paris, in partnership with an electric taxi company

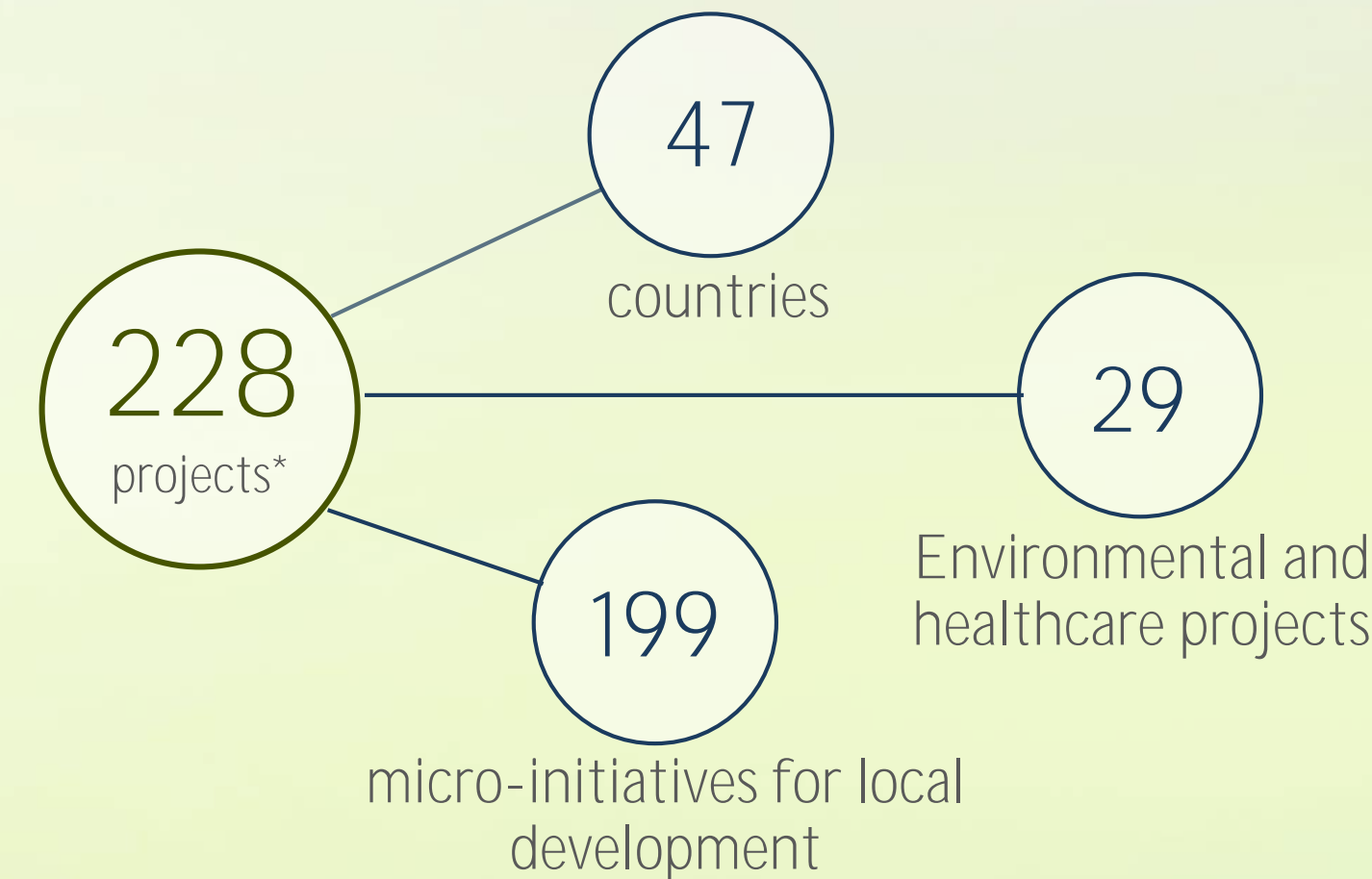
CO₂ capture and valorization



Air Liquide's production unit in Normandy (Cryocap™ process)

GOVERNANCE & CORPORATE SOCIAL RESPONSIBILITY

Committed to local communities



* Since 2008, date of Air Liquide **Foundation's** creation

GOVERNANCE & CORPORATE SOCIAL RESPONSIBILITY

Air Liquide Foundation and the forests



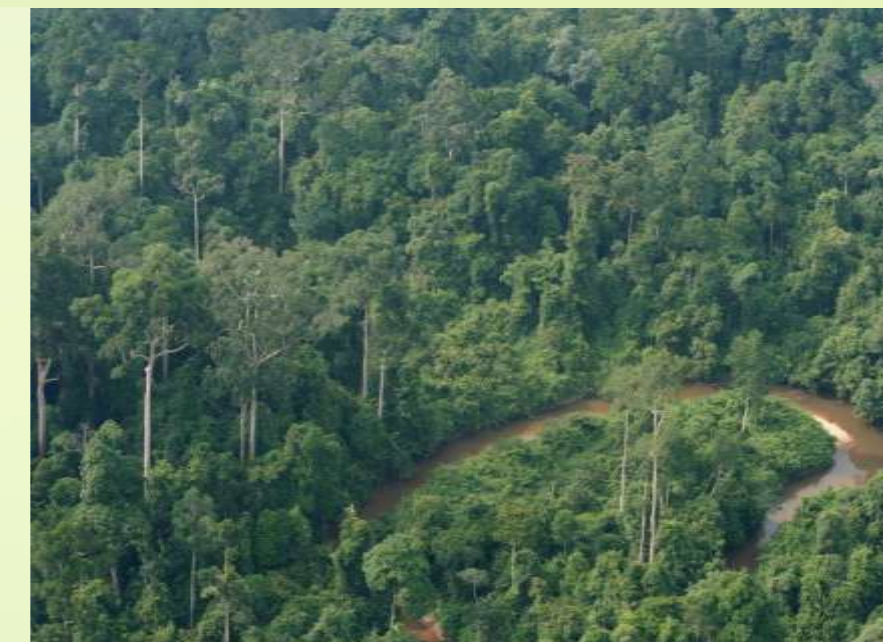
The Air Liquide Foundation supports the study of CO₂ capture by mangroves and forests

IRD*

Mangroves in New Zealand,
Vietnam and New Caledonia

WWF

Forests in Indonesia and Gabon



Air Liquide Foundation supports WWF in Sumatra

*Institut de Recherche pour le Développement, Research Institute for Development (IRD)



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PARIS | THURSDAY MAY 12, 2016

MEETING

External point of view on CSR

Bénédicte FAIVRE-TAVIGNOT

Member of Air Liquide Foundation's Board

Professor at HEC Paris Business School

Co-founder of the "Social Business" chair at HEC Paris



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**GOVERNANCE &
CORPORATE SOCIAL
RESPONSIBILITY**

What world do we want to leave to our children?

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MEETING

Questions & Answers

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MEETING



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—

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MEETING

—

Vote on Resolutions

VOTE
ON RESOLUTIONS

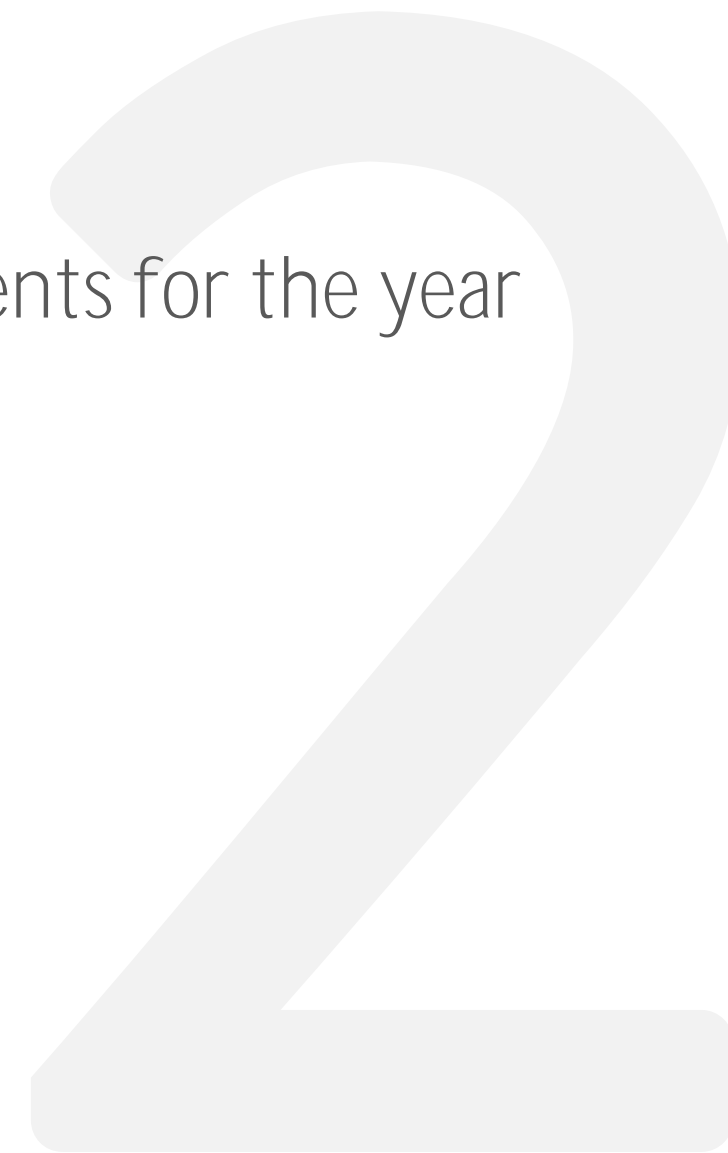
First Resolution

Approval of the Company financial statements for the year ended December 31, 2015

VOTE
ON RESOLUTIONS

Second Resolution

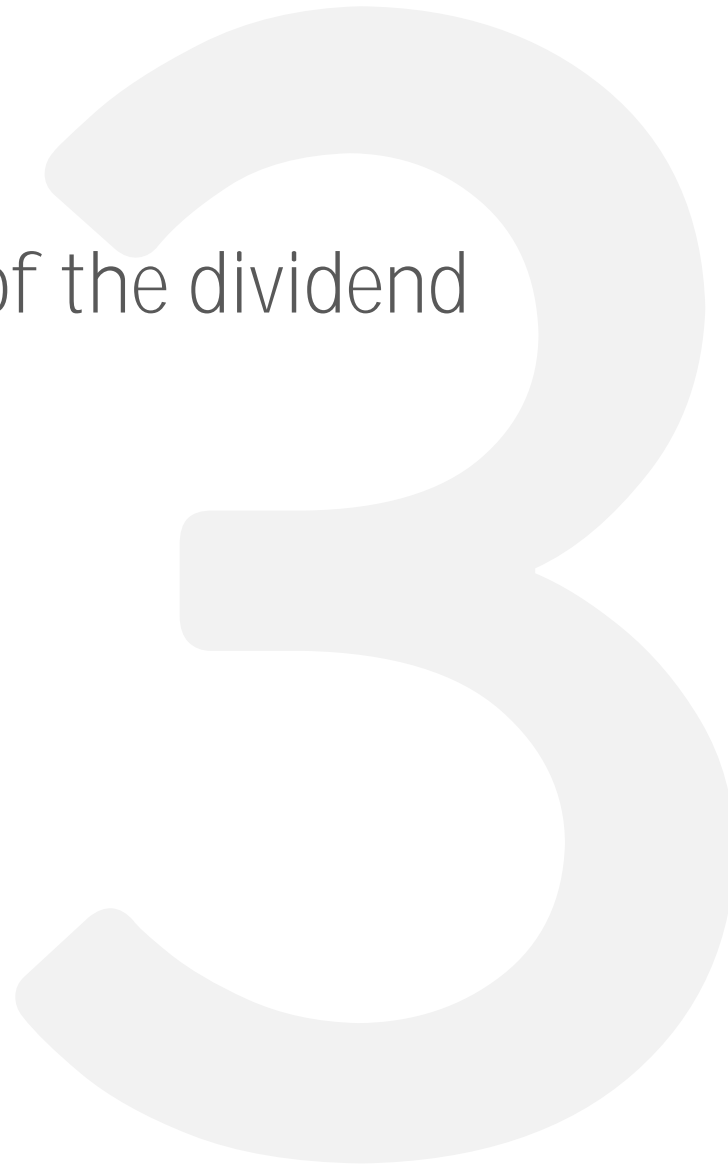
Approval of the consolidated financial statements for the year ended December 31, 2015



VOTE
ON RESOLUTIONS

Third Resolution

Appropriation of 2015 earnings and setting of the dividend



VOTE
ON RESOLUTIONS

Fourth Resolution

Authorization granted to the Board of Directors for a period of 18 months to allow the Company to trade in its own shares



VOTE
ON RESOLUTIONS

Fifth Resolution

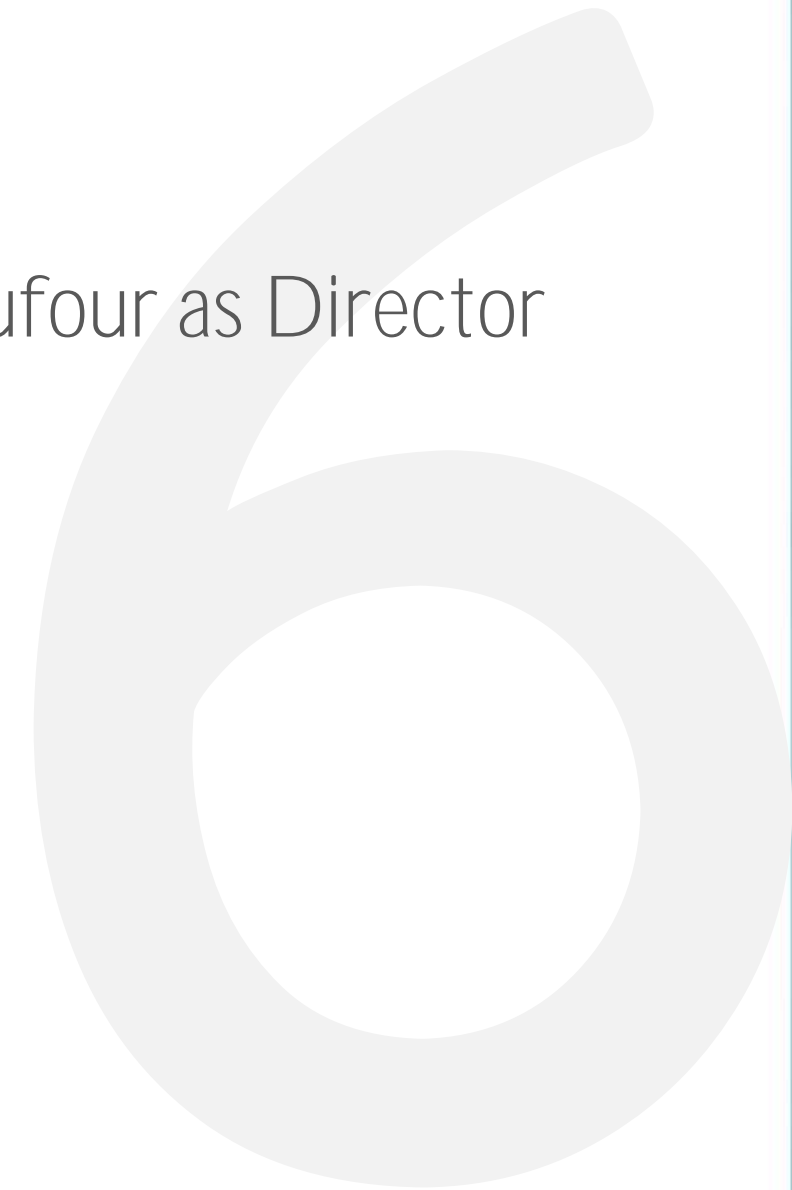
—
Renewal of the term of office of Ms Karen Katen as Director

5

VOTE
ON RESOLUTIONS

Sixth Resolution

Renewal of the term of office of Mr Pierre Dufour as Director



VOTE
ON RESOLUTIONS

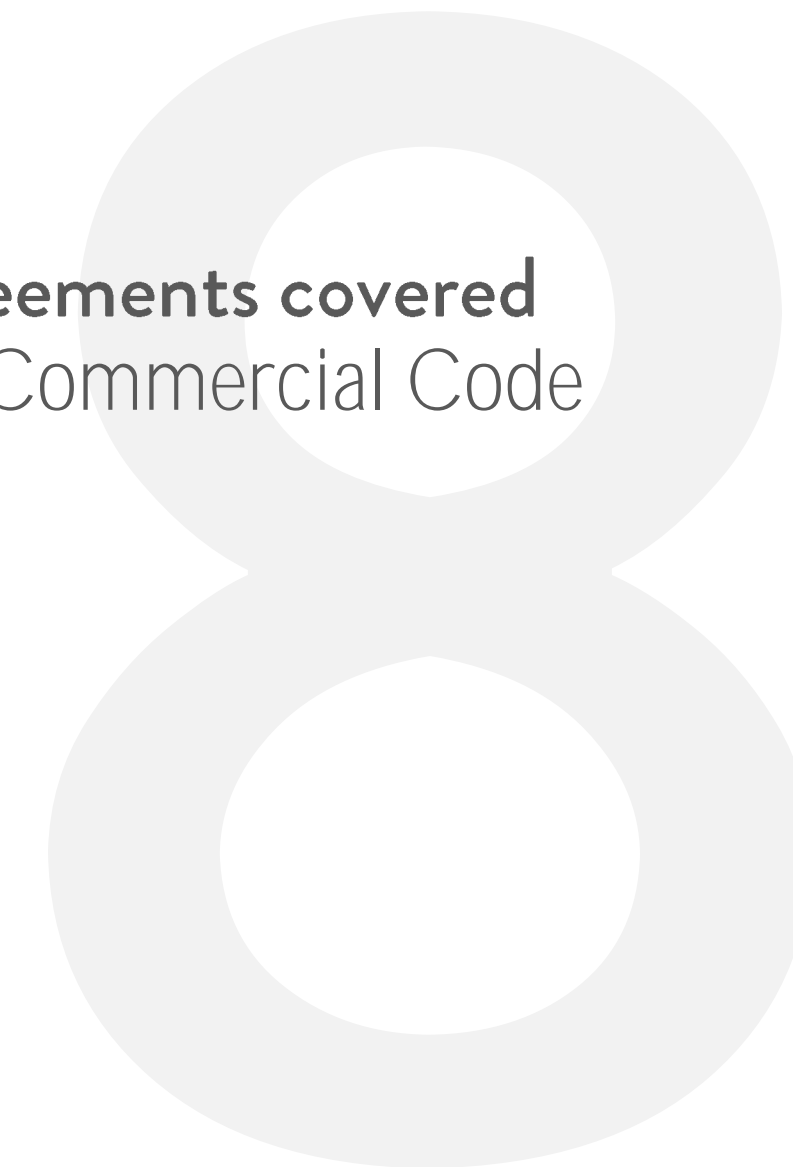
Seventh Resolution

—
Appointment of Mr Brian Gilvary as Director

VOTE
ON RESOLUTIONS

Eighth Resolution

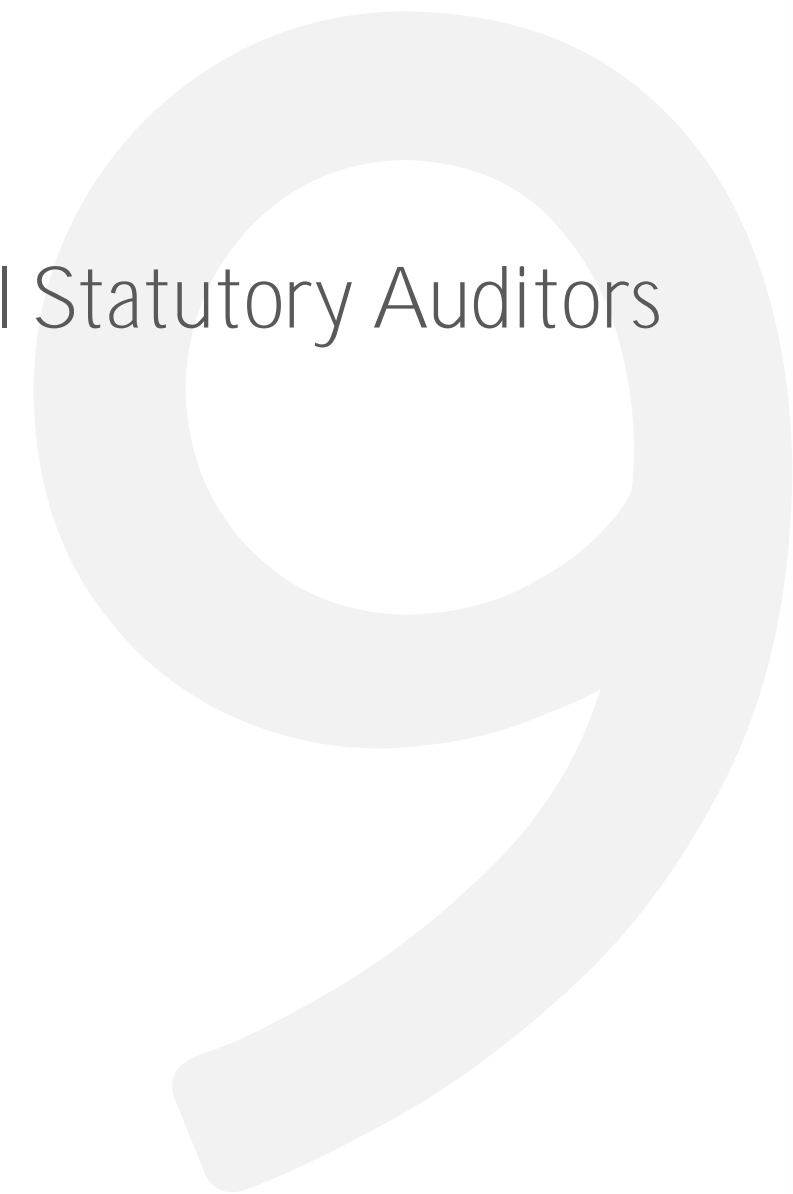
Statutory Auditors' Special Report on agreements covered
by articles L. 225-38 et seq. of the French Commercial Code



VOTE
ON RESOLUTIONS

Ninth Resolution

—
Renewal of Ernst & Young et Autres as Principal Statutory Auditors



VOTE
ON RESOLUTIONS

Tenth Resolution

Renewal of Auditex as Deputy Statutory Auditors

VOTE
ON RESOLUTIONS

Eleventh Resolution

—
Appointment of PricewaterhouseCoopers Audit
as Principal Statutory Auditors

VOTE
ON RESOLUTIONS

Twelfth Resolution

—
Appointment of Mr Jean-Christophe Georghiou
as Deputy Statutory Auditor

VOTE
ON RESOLUTIONS

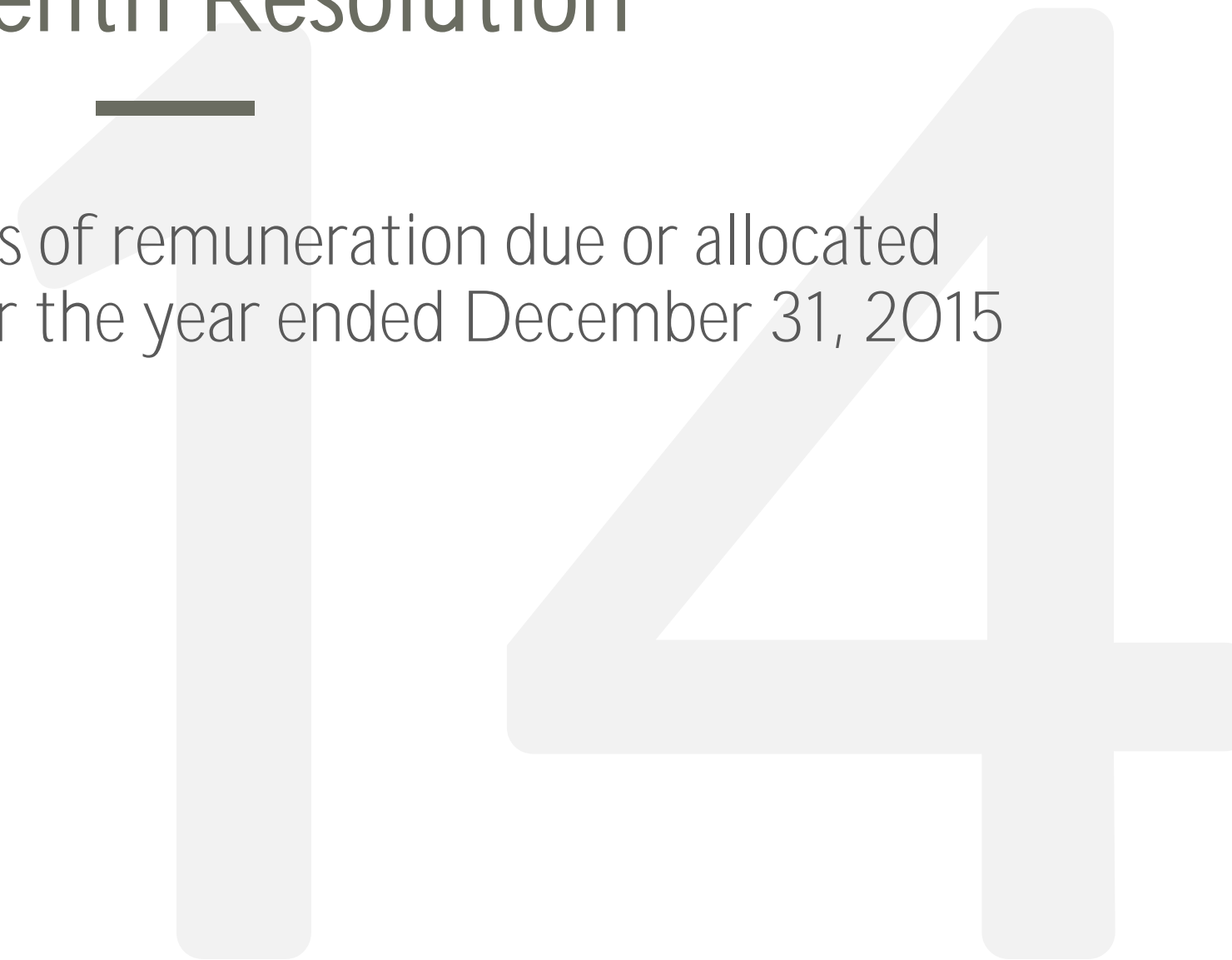
Thirteenth Resolution

Authorization granted to the Board of Directors for a period of five years to issue, on one or more occasions, bonds within a total aggregate maximum limit (including previous issues not yet redeemed) of 20 billion euros

VOTE
ON RESOLUTIONS

Fourteenth Resolution

Opinion on elements of remuneration due or allocated to Mr Benoît Potier for the year ended December 31, 2015



VOTE
ON RESOLUTIONS

Fifteenth Resolution

Opinion on elements of remuneration due or allocated to Mr Pierre Dufour for the year ended December 31, 2015

15

VOTE
ON RESOLUTIONS

Sixteenth Resolution

Authorization granted to the Board of Directors for a period of 24 months to reduce the share capital by cancellation of treasury shares

VOTE ON RESOLUTIONS

Seventeenth Resolution

Delegation of authority granted to the Board of Directors for a period of 26 months in order to increase the share capital through capitalization of additional paid-in-capital, reserves, profits or any other amount that may be capitalized, for a maximum amount of 250 million euros

VOTE
ON RESOLUTIONS

Eighteenth Resolution

Authorization granted to the Board of Directors for a period of 38 months to grant to employees and Executive Officers of the Group, or some of such employees and Executive Officers, share subscription options or share purchase options resulting in the waiver by shareholders of their preferential subscription rights to shares to be issued upon exercise of the subscription options

VOTE
ON RESOLUTIONS

Nineteenth Resolution

Authorization granted to the Board of Directors for a period of 38 months to grant existing or new shares to employees and Executive Officers of the Group, or some of such employees or Executive Officers, resulting in the waiver by shareholders of their preferential subscription rights to the shares to be issued

VOTE
ON RESOLUTIONS

Twentieth Resolution

Amendments to articles 12 (Organization and Management of the **Board of Directors**) and 13 (**General Management**) of the **Company's** articles of association relating to the age limit for the performance of the duties of Chairman of the Board of Directors and Chief Executive Officer

VOTE
ON RESOLUTIONS

Twenty-first Resolution

Delegation of authority granted to the Board of Directors for a period of 26 months to perform share capital increases, without preferential subscription rights, reserved for members of a Company or Group savings plan

VOTE
ON RESOLUTIONS

Twenty-second Resolution

Delegation of authority granted to the Board of Directors for a period of 18 months to perform share capital increases, without preferential subscription rights, reserved for a category of beneficiaries

VOTE ON RESOLUTIONS

Twenty-third Resolution

Delegation of authority granted to the Board of Directors for a period of 26 months to issue, by way of a public offering, equity securities giving access to other equity securities or giving the right to the allotment of debt securities, and/or marketable securities giving access to equity securities to be **issued, without shareholders' preferential subscription rights** with the option of a priority right for a maximum nominal amount of 100 million euros

VOTE ON RESOLUTIONS

Twenty-fourth Resolution

Delegation of authority granted to the Board of Directors for a period of 26 months to issue, by way of private placement for qualified investors or a restricted group of investors, equity securities giving access to other equity securities or giving the right to the allotment of debt securities, and/or marketable securities giving access to equity securities to be **issued, without shareholders' preferential subscription rights,** for a maximum nominal amount of 100 million euros

VOTE
ON RESOLUTIONS

Twenty-fifth Resolution

Authorization granted to the Board of Directors for a period of 26 months to increase the issuance amount of equity securities or marketable securities without preferential subscription rights in the event of over-subscription

VOTE
ON RESOLUTIONS

Twenty-sixth Resolution

26
Powers for formalities