UPDATE *to the 2015* REFERENCE DOCUMENT

including the First half 2016 Financial Report

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World leader in gases, technologies and services for Industry and Health, Air Liquide is present in **80 countries** with approximately **68,000 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 revenues amounted to **16.4 billion euros** in 2015, and its solutions that protect life and the environment represented more than 40% of sales. On 23 May 2016, Air Liquide completed its acquisition of Airgas, which had revenues amounting to 5.3 billion US dollars (around 4.8 billion euros**) for the fiscal year ending 31 March 2016.

Air Liquide is listed on the Paris Euronext stock exchange (compartment A) and belongs to the CAC 40 and Dow Jones Euro Stoxx 50 indexes.

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The original French version of this Update to the Reference Document was filed with the French financial markets authority (AMF), on August 2, 2016, in accordance with article 212-13 of its General regulations. It may be used in support of any financial transaction if it is supplemented by a prospectus approved by the AMF. This document contains all information required for the **First Half 2016 Financial Report.** It was prepared by the issuer and its signatories assume responsibility.

This document is a non-binding "free" translation from French into English and has no legal value other than an informative one. Should there be any difference between the French and the English version, only the text in French language shall be deemed authentic and considered as expressing the exact information published by Air Liquide.

* *Following the acquisition of Airgas on 23 May 2016.*
** *Based on an average rate in 2015 of 1US$ = 0.90€.*

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ACTIVITY REPORT

At the time of this Update to the 2015 Reference Document, the Group classifies its activities as follows: Gas & Services, Engineering & Construction, Global Markets & Technologies, and Other activities.

Information regarding this section is contained in the 2015 Reference Document. This information remains, as of the date of this Update to the Reference Document, correct, subject to the updates below.

AIRGAS ACQUISITION BY AIR LIQUIDE

AIRGAS, LEADER IN PACKAGED GAS IN THE U.S.

Airgas is one of the leading suppliers in the United States of industrial, medical and specialty gases, and hardgoods, such as welding equipment and related products. Airgas revenues amounted to 5.3 billion US dollars (around 4.8 billion euros*) for the fiscal year ending March 31, 2016.

Several factors have been key to the success of Airgas:

As a leader in the U.S. packaged gas market, Airgas is also a major supplier of hardgoods, complementing the gas business. As a result, the company has the broadest offering in these markets in the U.S. With gases representing 65% of sales, Airgas offers a full range of gases and various delivery modes, both in packaged gas and bulk. Hardgoods, mainly related to welding, as well as safety equipment and consumables, represent 35% of sales. Airgas offers a resilient profile with a diverse customer base of 1 million clients, principally in Manufacturing and Metal Fabrication, Non-Residential Construction as well as Healthcare and Food.

Customers are served by a team of 17,000 professionals and industry specialists, all sharing an entrepreneurship spirit of the company. Airgas has a customer-facing organization in the industrial gas market with a sales force of over 2,000 employees. Furthermore, Airgas has developed a unique multi-channel distribution network. With significant emphasis on the customer-facing organization, Airgas has developed its distribution network characterized by its vast geographic coverage and the highest density in terms of selling points.

Airgas is present across the entire U.S. with 1,100 locations and over 900 branches and retail stores.

This extensive geographic network is an integral part of the packaged gas business model in North America. The concept of a “one-stop shop” to serve small businesses and individual entrepreneurs allows both the sale of gas and services for the cylinder activity as well as the related safety and welding hardgoods. Notably, the hardgoods segment also drives e-commerce conversion. Airgas is a very advanced industrial gas company in terms of e-commerce. It has a unique and robust telesales and e-commerce platform.

This strong customer proximity and focus on service is one of the major key strengths of the Airgas success story.

Based on these key strengths and coupled with operational excellence, Airgas has been able to deliver a solid track record of value creation since 1982. The company has delivered +8% CAGR sales over the last ten years in spite of the 2008-2009 crisis, including +5% from external growth from acquisitions and +3% of organic growth. In addition, Airgas delivered +15% CAGR published Earnings Per Share over the same period.

STRATEGIC RATIONALE

Combining Air Liquide and Airgas brings together two highly complementary businesses to deliver greater value, service and innovation to customers in North America and around the world.

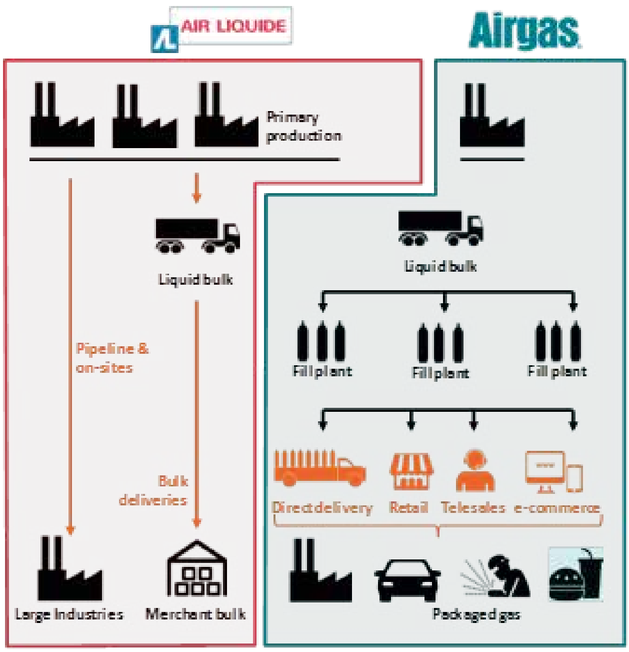
In the U.S., Air Liquide’s presence is primarily upstream with production both in Large Industries (over 23,000 tpd of oxygen production capacity, over 2,200 miles/3,500 kilometers of pipelines, principally along the Gulf Coast), in Industrial Merchant in bulk, as well as coverage in Electronics and in Healthcare (medical gas to hospitals only, no Home Healthcare) business lines. Although Air Liquide’s sales focus on direct supply and services to large and medium-size customers, Airgas is primarily focused on downstream distribution with 300 filling stations, and direct delivery of packaged gas and hardgoods through 900 branches/retail stores, telesales, e-commerce, or next-day direct deliveries from national warehouses.

Combining the upstream and downstream coverage, Air Liquide and Airgas together offer a complete market coverage and offering to customers.

This integration of the full supply chain thus allows the generation of synergies and improve customer service overall. The combined company sales will be around 8 billion US dollars in the U.S.

* *Based on an average rate in 2015 of 1US$ = 0.90€.*

The combination builds on Air Liquide's longstanding track record of successfully operating in the U.S. and will benefit from Airgas' large national presence and its more than 1 million customers in the U.S., as well as from its leading customer-facing platform including e-commerce and telesales capabilities. The combined entity is able to better serve customers with the most advanced multi-channel distribution networks in the U.S. and more competitive product offerings with an integrated upstream-downstream model as shown in the illustration below.



The Group will continue to implement an innovation strategy which combines scientific expertise, industry leading technology and customer insight to bring new products and services to market. This strategy will also permit the improvement of the existing offerings and open new markets, in particular by leveraging digital technologies.

By combining the innovation capabilities of both Air Liquide and Airgas, the integrated distribution channels and the leading global customer base, the resulting company allows for a unique platform to deliver significant mid-term growth.

BRINGING ADDITIONAL VALUE

Air Liquide's acquisition of Airgas represents significant value for shareholders.

Air Liquide has a proven track record of executing and integrating large acquisitions with a long history of successful acquisitions: for instance, Big Three in the U.S., Messer and Lurgi in Germany.

The transaction is expected to be accretive from 2016.

Air Liquide plans to realize more than 300 million US dollars of pre-tax cost, efficiency and volume synergies, the majority within two to three years.

The efficiency and cost synergies, coming from sourcing optimization, better loading of Air Liquide and Airgas' sources, distribution efficiencies and reorganizations, will represent above 70% of the total amount. The volume growth synergies are found in cross–selling offers between the two different customer bases and the different gas and services offers, allowing extension of the overall customer reach. These volume growth synergies are also found in the roll-out of Air Liquide's current innovative offers through the various Airgas distribution channels. The full amount should be realized over the next four years, representing approximately 30% of the total amount of synergies.

Air Liquide believes that the combined company will create additional value over time with the use of the Airgas distribution platform and the deployment of the advanced technologies of Air Liquide, including connected cylinders as well as hydrogen energy, and through the replication of the Airgas offering in other countries. These additional strategic synergies are not included in the announced 300 million US dollars.

FINANCING

The company's objective is to keep its "A" range long-term minimum rating from agencies Standard & Poor's and Moody's. Following the acquisition of Airgas, the long-term rating of Air Liquide was downgraded of 2 notches from "A+" to "A-" by Standard & Poor's. Air Liquide put a bridge loan in place for the transaction, equal to the full cash amount of the equity value and Airgas debt at the time of the closing. This brige loan has been fully drawn for 11.6 billion US dollars at closing. It is partially refinanced by Euro Bonds (3 billion) in June 2016. The refinancing will continue with an equity increase of L'Air Liquide S.A., in an amount between 3.0 and 3.5 billion euros, and with a US dollar bond issue (4 to 5 billion US dollars) in September or October 2016 subject to market conditions.

GLOBAL LEADERSHIP

The acquisition of Airgas will reinforce Air Liquide's global leadership position, increasing Gas & Services sales by approximately +30%. With this acquisition, the combined company reinforces its leadership position in North America, complementing number one positions in Europe, Asia-Pacific and Africa/Middle East. Air Liquide is also number one in Large Industries, Industrial Merchant and Electronics business lines worldwide.

IDEALLY POSITIONED FOR THE FUTURE

This operation is a game-changing acquisition. It gives Air Liquide a greater presence in the U.S. market and will ideally position Air Liquide for future growth. In addition, there is potential for further growth using Airgas' footprint to accelerate the deployment of Air Liquide's technologies in the U.S. market.

The U.S. is an attractive gas market as it is the largest industrial gas market worldwide and has been the fastest growing market among advanced economies. It is expected to deliver 20 to 25% of global worldwide market mid-term growth. These key factors are supported by the structural strengths of the U.S. economy over the long-term with competitive natural gas feedstock and energy prices driving investment and manufacturing. The rising environmental awareness, strong societal drivers such as healthcare and the aging population, in addition to the importance of high-tech and innovative environment, the U.S. market is a key market of overall global growth and innovation.

Approximately half of the U.S. packaged gas market is composed of independent producers. This current fragmentation of the U.S. market provides further opportunities to continue to boost growth as both Airgas and Air Liquide have significant experience in integrating small companies.

The acquisition allows deployment of Air Liquide's Industrial Merchant innovation in the U.S. and replication of the successful Airgas products and business model outside the U.S.

The combined strengths of the two companies offer potential for the development of innovative and digital offers bringing value and new services to packaged gas customers worldwide.

As a conclusion, Air Liquide strongly believes that this transaction allows the creation of a unique business combination in North America, significantly strengthening its ability to grow in this region and beyond. The combined company confirms Air Liquide world leadership in gases, technologies and services for the industry and health.

STRATEGY & OUTLOOK 2016-2020

The previous strategic program of Air Liquide named ALMA™ finished end of 2015. On the occasion of its Capital Markets Day on 6 July 2016, Air Liquide has presented its vision of the evolution of its markets, its strategy, its growth prospects, and its new company program NEOS for the period 2016-2020, which marks a new step in the development of the Group.

The Group has acquired a new dimension following the acquisition of Airgas and thus enters a new phase of its development. Air Liquide's strategy for profitable growth over the long term is that of a customer-centric transformation. It will be based on operational excellence and the quality of its investments, on open innovation and the network organization already implemented by the Group worldwide. Air Liquide's ambition is to lead its industry, deliver long-term performance and contribute to sustainability.

With strong fundamentals and a disciplined model of development and management, the Group is well positioned to perform in various economic environments and leverage the underlying trends, i.e., the energy and environment transition, changes in the world of healthcare, and digitization.

Thus, Air Liquide is confident in its ability and its 68,000 employees to implement NEOS, the Group's new company program for the period 2016-2020, and to collectively create, notably through digitization, additional value for all its stakeholders.

The environment is characterized by moderate global growth and major changes related to scientific and technological advances, and new usages and consumption patterns that impact the needs of the Group's customers.

Air Liquide has identified three major trends, which are sources of growth for all of its businesses. These trends are energy and environment transition, changes in healthcare, and digitization. The latter touches new ways of working, the managing of assets, and the transactional sphere. To address these key challenges and this new market potential, Air Liquide can rely on its leading positions in the major industrial basins worldwide, its proprietary technologies, its capacity for innovation, its solutions and services, its operational excellence, and its network organization.

In this context, the preponderant path to growth will involve innovation, supported by the major trends identified, in addition to external growth. This innovation at the service of customers, within an open ecosystem, is centered on usages and supported by technologies.

With the acquisition of Airgas in the United States, completed in May 2016, the Group has changed in size with sales of Gas & Services increased by +30%. The Group has strengthened its global leadership by rebalancing its European and American positions. The acquisition of Airgas positions Air Liquide optimally in the United States, the world's largest and most advanced in innovation and digitization industrial gas market. Through its multi-channel distribution network in the United States, Airgas has a close relationship with its customers and proposes the most complete and innovating e-commerce offer.

In light of these factors, Air Liquide, as part of its NEOS Program, is aiming for revenue compound annual growth rate (CAGR), over the 2016-2020 period, of +6% to +8%, including Airgas scope effect in 2017, contributing +2% to the CAGR. The Group intends to generate substantial recurrent efficiency gains of more than 300 million euros on average per year from 2017, in addition to synergies related to Airgas for a total amount above 300 million US dollars. The Group is targeting a Return On Capital Employed (ROCE) in excess of 10% after five to six years. Lastly, maintaining its long-term "A" range rating thanks to the strength of its balance sheet remains a priority.

As for responsibility, which lies at the heart of its ambition alongside performance, the Group will reinforce its actions aimed at improving the air quality for better environment and health. Air Liquide will pursue an active dialogue with its stakeholders to contribute to a more sustainable world.

From a Group organization point of view, the executive leadership team working from the Base (Paris) and the hubs (Houston, Frankfurt, Shanghai and Dubai), and the cluster managers (groups of countries or entities) based in the different regions, will be working collaboratively within a network to roll out NEOS and achieve the objectives that have been set for the 2016-2020 period.

With NEOS, the Group will be able to deliver a long-term performance and will be more connected to its stakeholders as well as more innovative.

INNOVATION

Innovation is and remains one of the pillars of the Group's strategy. The preponderant path to growth will involve innovation, supported by the major trends identified, in addition to external growth.

"Innovating" is thus one of the three guiding lines of Group-led initiatives which are part of the NEOS company program. Air Liquide means innovating further in its core business as well as in new frontiers. This notably includes:

- continuing to improve the customer experience, increasing competitiveness and creating offerings to protect life and the environment;
- transforming ideas into new products, new offerings, technologies, business models that are customer-centric;
- exploiting the full potential of digital.

Air Liquide's innovation approach is adapting to better take into account societal trends and changes (energy and environmental transition, changes in healthcare and digitization) leading to the emergence of new usages.

The Group's innovation approach leverages:

- science, with a focus on the knowledge of Essential Small Molecules (oxygen, hydrogen, nitrogen, CO_2, etc.) which embeds the Group's scientific territory – this is the role of R&D in particular;
- technologies, which is a Group's strength and allows science to be brought to the market, thanks to the R&D teams, Engineering & Construction, and the centers of expertise;
- customer experience, developed by the teams of the World Business Lines, Digital Transformation and i-Lab, with the aim of becoming the Leader in customer experience;
- the incubation of new activities, in the field of energy transition and the maritime sector, thanks to Global Markets & Technologies, to accelerate the development of the Group's offerings in these new markets.

The R&D, Intellectual property, Engineering & Construction Technological Development, centers of expertise, Digital Transformation and Global Markets & Technologies teams work together within the Innovation Digital Science & Technologies hub. This transverse hub is run according to the same governance rules as the Group's other hubs.

The acquisition of Airgas enables the Group to accelerate innovation within the customer experience, with offers becoming increasingly adapted to customer and patient usages thanks to the multi-distribution channels. In terms of innovation, both companies are complementary: Air Liquide, historically focused on scientific and technological excellence, has the investment capacity required to incubate new activities; whereas Airgas, and its strong entrepreneurial spirit, is focused on the implementation of the customer experience. As part of the Innovation approach, Airgas will drive the improvement of the customer experience and will be a vector of activity incubation thanks to its unique customer base and the density of its network in the United States.

The Group thus relies on Airgas' Innovation teams in the United States, and in particular on:

- the applied development center in Cheshire, Connecticut, designs, develops and rolls out automated systems for production plants and laboratories as well as devices for monitoring processes and assets;
- the center in Cleveland, Ohio: these specialists in industrial applications and processes meet specific customer needs in gas applications and design and manufacture solutions to improve industrial processes and optimize the management of their resources;
- the e-business team in Conshohocken, Pennsylvania, which develops and permanently adapts Airgas' e-commerce portal and online gas and related equipment offerings.

Open innovation, which relies on Air Liquide's ability to interact with innovation ecosystems (Paris-Saclay, Shanghai, Philadelphia, etc.), has become a key factor in the Group's innovation strategy. These new innovation models (open innovation and network innovation) and the digitization leads the Group to complement its patent portfolio with additional rights: third-party technology licenses, copyright, designs, etc. Moreover, Airgas has a portfolio of technology licenses that provides access to third-party technologies.

Thanks to the development of a large number of collaborations between its Operations and Innovation entities and customers, scientific partners and technology institutes, SMEs, suppliers, and start-ups, this open innovation has enabled Air Liquide to explore new growth opportunities and accelerate the launch of offerings and technologies.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

Information regarding this section is contained in the 2015 Reference Document. This information remains, as of the date of this Update to the Reference Document, correct, subject to the updates below.

As a prerequisite to the company's Corporate Social Responsibility strategy, safety remains the first responsibility of Air Liquide, with a zero accident objective on every site. The Group is also committed to respecting Human Rights and business ethics.

As part of its Corporate Social Responsibility strategy, which is monitored and validated by the Board of Directors, Air Liquide acts as a citizen to protect the environment and public health, aiming to improve air quality and quality of life and to fight global warming. This "Because the air we breathe is essential" strategy was announced by Benoît Potier in the 2015 Corporate Social Responsibility and Sustainable Development Report.

Within NEOS, the new company program, responsibility remains at the center of the Group's aims, together with performance. Air Liquide is strengthening its action in order to improve the environment and healthcare through air quality and will continue its active dialog with all its stakeholders to contribute to a more sustainable world.

Air Liquide will integrate Airgas progressively into its CSR strategy, beginning with safety and transport, the latter having a significant impact in Airgas' activity in the United States. In addition, Airgas has developed an ethics policy, as well as a corporate university.

RISK FACTORS

The risk factors are described in the 2015 Reference Document. This information remains, as of the date of this Reference Document Update, correct, subject to the additional risk factors below. Besides, the financial risks (foreign exchange risk, interest rate risk, financial counterparty and liquidity risk) have been updated to take into account the impact of the acquisition of Airgas and are described in the note 17 to the condensed consolidated financial statements.

The list of these risks is, however, not exhaustive and other risks, unknown at the date of this document, could occur and have a negative effect on the Group's business.

Risks relating to the acquisition of Airgas

RISKS RELATED TO THE FINANCING

Air Liquide financed the acquisition with a bridge loan facility of 12.0 billion US dollars that is scheduled to mature in December 2016 (and which may be extended, subject to certain customary conditions, to December 2017). This bridge loan facility (which had been drawn for an amount of 11.6 billion US dollars by Air Liquide Finance as borrower) has been partly refinanced through a 3 billion euros debt securities offering achieved early June within Air Liquide's Euro Medium Term Notes program (EMTN), allowing to reduce the bridge loan drawing amount from 11.6 to 8.35 billion US dollars. Air Liquide intends to further refinance this bridge loan facility notably through the combination of newly-issued US dollars debt securities and of a capital increase with preferential subscription rights.

The financing arrangements in connection with the acquisition may have significant consequences. Air Liquide's ability to refinance its bridge loan facility will depend upon market conditions. Unfavorable market conditions may increase Air Liquide's financing costs beyond what is currently anticipated. Failure to obtain refinancing on satisfactory terms or at all, or increased costs of financing, could have a material adverse effect on Air Liquide's results of operations, cash flows, liquidity, financial condition and credit rating. In particular, if Air Liquide is unable to raise the expected equity financing, it may be obliged to seek additional debt financing to refinance the bridge loan facility, increasing its total debt and its debt to equity ratio.

Following the acquisition, the consolidated liabilities of Air Liquide also include outstanding Airgas indebtedness that was not refinanced in the amount of 1.88 billion US dollars in long-term and short-term indebtedness as of 23 May 2016 (including long-term senior notes outstanding in an aggregate amount of 1.55 billion US dollars). L'Air Liquide S.A. has provided a guarantee in respect of the outstanding senior notes of Airgas.

The increased level of debt following the acquisition may require the Air Liquide Group to dedicate a larger portion of its cash flow from operations to servicing its debt, which could have adverse consequences for Air Liquide.

RISK RELATED TO CREDIT RATINGS

Air Liquide's borrowing costs and access to the debt capital markets depend to some extent on the credit ratings assigned by the rating agencies. As was anticipated, L'Air Liquide S.A.'s long-term debt credit rating was downgraded by two notches, from "A+" to "A-", by S&P upon the completion of the acquisition. In addition, L'Air Liquide S.A.'s long-term debt was granted a first time long-term rating by Moody's of "A3" and the rating of Airgas's outstanding senior notes was upgraded from "BBB" to "A-" by S&P and from "Baa2" to "A3" by Moody's upon the issuance of a guarantee by L'Air Liquide S.A. Despite the stable outlook on each such ratings, the rating agencies may further downgrade Air Liquide's credit ratings below their current levels, which may consequently result in a downgrade of Airgas's senior notes ratings, should the integration of Airgas not generate the anticipated synergies, should the equity component of the acquisition financing be less than expected, should Air Liquide's debt increase more than anticipated, or for other credit-related concerns. Any credit rating downgrade could adversely affect the ability of Air Liquide to finance its ongoing operations and to refinance its indebtedness, increase Air Liquide's financing expenses and adversely affect its financial condition.

RISKS RELATED TO THE HUMAN RESOURCES FOLLOWING THE ACQUISITION

Beyond the expected evolution of Airgas's Human Resources, including planned departures that were anticipated independently of the acquisition (such as moves or retirements), Air Liquide may face difficulties in retaining some of its own or Airgas's key employees due to uncertainties about or dissatisfaction with their new roles in the integrated organization following the acquisition. As part of the integration process, Air Liquide will have to address issues inherent to the management and integration of a greater number of employees with distinct backgrounds, profiles, compensation structures and cultures, which could lead to disruption in its ability to run its operations as intended. The Air Liquide Group plans to deploy retention programs for identified key employees.

RISKS RELATED TO THE SYNERGIES AND OTHER EXPECTED BENEFITS

Air Liquide and Airgas are two companies of significant size that used to function independently, with geographically dispersed operations and different business cultures and customer bases; both companies have solid experiences in acquiring other entities and achieving projected benefits of acquisitions, thanks to efficient integration processes.

The integration process relating to Airgas involves inherent costs and uncertainties. The synergies and other benefits that the acquisition is expected to yield (including growth opportunities, cost savings, increased revenues and profits) may not develop as contemplated if Air Liquide is unable to successfully introduce Air Liquide products to Airgas's existing customer base, and vice versa, or to successfully complete the integration of the IT systems and business processes or as a result of legal or regulatory restrictions or as a result of negative reaction of customers or suppliers to the acquisition.

Completion of the acquisition has required, and the successful integration of Airgas will continue to require, a significant amount of management time and, thus, may impair management's ability to run the business effectively during the integration period, although dedicated teams have been appointed to manage this process.

Although the estimated synergies and other benefits contemplated by the acquisition are significant, any failures, material delays or unexpected costs of the integration process could have an adverse effect on the business and financial condition of Air Liquide.

RISKS RELATED TO THE DUE DILIGENCE

Air Liquide conducted due diligence on Airgas in order to identify facts that it considered relevant to evaluate the acquisition, including the determination of the price Air Liquide agreed to pay, and to formulate a business strategy. However, the information provided to Air Liquide and its advisors during the due diligence may nonetheless have been incomplete, inadequate or inaccurate. If the due diligence investigations failed to correctly identify material issues and liabilities that may be present in Airgas, or if Air Liquide did not correctly evaluate the materiality of some of the risks, Air Liquide may be subject to significant, previously undisclosed liabilities of the acquired business and/or subsequently incur impairment charges or other losses. If this were to occur, it could contribute to lower operational performance than what was originally expected or result in additional difficulties with respect to the integration plan.

RISKS RELATED TO THE CHANGE OF CONTROL CLAUSES

Airgas is a party to joint ventures, distribution agreements, supply contracts and debt and other instruments that may contain change of control clauses or similar provisions. Although under certain agreements the relevant counterparties of Airgas have consented to the change of control prior to the completion of the acquisition, the completion of the acquisition may trigger or allegedly trigger other such clauses, which may provide for or permit the early termination of the relevant agreement(s), or result in other consequences that could have a material adverse effect on the business and financial condition of Air Liquide.

RISKS RELATED TO THE TRANSACTION COSTS

Air Liquide and Airgas have incurred and will continue to incur significant transaction fees and other costs associated with the acquisition. These fees and costs include financing, financial advisory, legal and accounting fees and expenses. Additional unanticipated costs may be incurred in the context of the acquisition.

FOREIGN EXCHANGE RISKS RELATED TO THE ACQUISITION

Air Liquide presents its financial statements in euro. Although Air Liquide already had a significant portion of assets and revenues denominated in non-euro currencies prior to the acquisition, the exposure to foreign currencies will increase following the acquisition, particularly in respect of the US dollar, as a result of the significant assets and revenues of Airgas in the United States. In addition, Air Liquide faces increased foreign exchange exposure to the US dollar as a result of Airgas's existing debt and the US dollar-denominated debt that was raised under the bridge loan facility (which will be partly refinanced with a US dollar bonds issuance) in order to finance the acquisition. The acquisition will also increase Air Liquide's general exposure to foreign currency translation risk as reflected in the Air Liquide Group's consolidated financial statements to the extent that a higher proportion of the Air Liquide Group's sales, costs, assets and liabilities will be denominated in US dollars, and thus material fluctuations in the value of the euro relative to the US dollar will have a greater effect on the Air Liquide Group's reported results than prior to the acquisition.

RISKS RELATED TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

This document contains unaudited pro forma consolidated financial information to reflect the acquisition of Airgas and the related financing transactions as if they had occured on January 1, 2015. The unaudited pro forma consolidated financial information is based on preliminary estimates and assumptions which Air Liquide believes to be reasonable and is being furnished solely for illustrative purposes. The historical results of operations and other financial information of Airgas were reported in U.S. dollars in accordance with the accounting principles prevailing in the USA (U.S. GAAP) and are not necessarily indicative of the contribution of Airgas's operations to Air Liquide, which reports in euro and in accordance with IFRS. The estimates and assumptions used in the calculation of the unaudited pro forma consolidated financial information in this document may be materially different from the Group's actual or future results. Accordingly, the unaudited pro forma consolidated financial information included in this document does not purport to indicate the results that would have actually been achieved had the transactions been completed on the assumed date or for the periods presented, or which may be realized in the future, nor does the unaudited pro forma consolidated financial information give effect to any events other than those discussed in the unaudited pro forma consolidated financial information and related notes. As a result, you should not place undue reliance on the unaudited pro forma consolidated financial information presented in this document. See "*Unaudited pro forma consolidated financial information*".

H1 2016 PERFORMANCE

This half-year was marked by the finalization of the Airgas acquisition and the beginning of its contribution to the Group's performance. Group revenue as of H1 2016 was 8,295 million euros, including 511 million euros of Airgas sales consolidated from May 23, 2016 (acquisition closure date). Revenue was up +2.2% on a reported basis and +8% excluding currency and energy impacts year-on-year; on a comparable basis, growth was +1.7%. Gas & Services revenue was 7,618 million euros, up +4.3% on a reported basis and +10.6% excluding currency and energy impacts; on a comparable basis growth was +3.6%. Sales were robust this half-year notably in Electronics, with dynamic growth, Large Industries and Healthcare. All regions progressed on a comparable basis in a context of moderate global growth and with slight improvement in demand in industry since the start of the year.

Continued efforts on costs resulted in 143 million euros of efficiencies, in line with objectives. The first benefits from Airgas synergies will be added to these recurrent efficiency gains in the second half of 2016. The Gas & Services operating margin, excluding integration of Airgas, was 19.6% compared to 19.4% year-on-year, in particular sustained by low energy prices. Group share of net profit was 811 million euros. It included 92 million euros of exceptional pre-tax costs linked to the Airgas acquisition. Once the proposed divestments under review by the FTC are finalized, which is expected to occur in the second half of 2016, the corresponding capital gains will offset the total exceptional costs of the year related to the Airgas acquisition. Group share of net profit showed comparable growth of +1.1%, in line with the outlook announced at the beginning of the year.

Cash flow from operating activities before changes in working capital requirements was 1,575 million euros, a historic high. Net cash flow after change in working capital requirements (and other) was particularly robust and grew by +23.6% year-on-year.

The 12-month investment opportunities portfolio stood at 2.2 billion euros at the end of June 2016. Investment decisions stood at 1.0 billion euros. The investment backlog was 2.1 billion euros and should provide a future contribution to annual sales of around 0.9 billion euros, after full ramp-up.

H1 2016 Key figures

(In million of euros)	H1 2015	H1 2016	2016/2015 published change	2016/2015 change with Airgas, excluding currency and energy	2016/2015 comparable change [(a)]
Total revenue	**8,115**	**8,295**	**+2.2%**	**+8.0%**	**+1.7%**
Of which Gas & Services	*7,302*	*7,618*	*+4.3%*	*+10.6%*	*+3.6%*
Operating income recurring	1,409	1,382	-1.9%	+0.4%	-4.2%
Operating income recurring *(as % of revenue)*	17.4%	16.7%	-70 bps		-
Other non-recurring operating income and expenses	(6.4)	(89.3)			
Net profit (Group share)	849	811	-4.6%	-2.5%	+1.1%
Earnings per share *(in euros)*	**2.48**	**2.36**	**-4.8%**		
Net cash flows from operating activities [(b)]	965	1,193	+23.6%		-
Net capital expenditure [(c)]	1,188	13,105	-		-
Net debt	7,927	19,860	-		-
Debt-to-equity ratio [(d)]	59%	151%	-		-
Return On Capital Employed – ROCE after tax	10.8%	8.3% [(e)]	-		-

(a) Excluding natural gas, electricity, currency and excluding Airgas.
(b) Cash flow from operating activities after change in working capital and other elements.
(c) Including transactions with minority shareholders.
(d) Adjusted to spread the dividend payment in H1 out over the full year.
(e) Return On Capital Employed after tax: ((net profit after tax before deduction of minority interests - net cost of debt after taxes) for the periods H2 2015 and H1 2016)/average of (shareholders' equity + minority interests + net indebtedness) between June 2015, December 2015 and June 2016.

H1 2016 Highlights

A MAJOR ACQUISITION

On May 23, 2016, Air Liquide announced that it had **completed the acquisition of the American company Airgas.** The combined businesses worldwide will generate annual sales of more than 20 billion euros.

- The **integration plan** of the two organizations is progressing: the business lines Large Industries and Electronics in the United States will be supervised from the site in Houston, Texas and the business lines Industrial Merchant and Healthcare from the site in Radnor, Pennsylvania.
- The **synergies,** which amount to **more than 300 million US dollars,** are confirmed. For approximately 70%, the amounts identified result from optimization in production and logistics and the alignment of administrative processes. For approximately 30%, sales synergies correspond to the deployment of Air Liquide offering through the Airgas network and of Airgas offers in Canada and Mexico. They also include the increase in sales of air gases and helium based on the production capacity of Air Liquide.
- Air Liquide obtained a bridge loan for the transaction, and the refinancing plan of the acquisition includes a capital increase of 3 to 3.5 billion euros, as well as a long-term bond mix in US dollar and euros.

  The first step in refinancing the Airgas acquisition was successfully completed. On June 6th, 2016, Air Liquide announced the placement of **a 3 billion euros bond issue with a weighted average rate of 0.65%.** This transaction involves the issuances of several bond tranches ranging from 2 to 12 years, with a weighted average maturity of 7.3 years. It enabled the Group to refinance a portion of the bridge loan of 12 billion US dollars, and to continue to sustainably finance the Group's long-term growth.

  Air Liquide expects **to undertake a capital raise with preferential subscription rights in September/ October 2016,** depending on market conditions. A **bond issue in US dollar** will take place after the rights issue.
- In accordance with the **divestiture process** described in the FTC (U.S. Federal Trade Commission) press release from May 13th, 2016, an agreement has been concluded with **Matheson Tri-Gas, Inc.** ("Matheson"), a subsidiary of Taiyo Nippon Sanso Corporation (Tokyo, Japan), concerning the sale of a part of the assets in the United States.

  Furthermore, Air Liquide has also signed a sale agreement of two of its facilities in Iowa that produce both liquid carbon dioxide and dry ice, which are the remaining assets ordered by the FTC to be divested in connection with Air Liquide's acquisition of Airgas.

  The divestitures planned are in line with what Air Liquide had intended before the deal. They will reduce the annual revenues of the whole consolidated of **approximately 270 million US dollars.** The transaction with Matheson and the sale of facilities based in Iowa remain subject to the FTC's final approval and should be concluded in the third quarter 2016.

THE LAUNCH OF THE NEW CORPORATE PROGRAM 2016-2020: NEOS

The Group has acquired a new dimension following the acquisition of Airgas and thus enters a new phase of its development. Air Liquide's strategy for profitable growth over the long term is that of a **customer-centric transformation.** It will be based on operational excellence and the quality of its investments, on open innovation and the network organization already implemented by the Group worldwide. Air Liquide's ambition is to lead its industry, deliver long-term performance and contribute to sustainability.

Air Liquide has identified three major trends, which are sources of growth for all of its businesses. These trends are energy and environment transition, changes in healthcare, and digitization.

Air Liquide, as part of its NEOS Program, is aiming for revenue compound annual growth rate (CAGR), over the 2016-2020 period, of +6% to +8%, including Airgas scope effect in 2017, corresponding to a +2% CAGR. The Group intends to generate substantial recurrent efficiency gains of more than 300 million euros on average per year from 2017, in addition to synergies related to Airgas for a total amount above 300 million US dollars. The Group is targeting a Return On Capital Employed (ROCE) in excess of 10% after 5 to 6 years. Lastly, maintaining a long term minimum "A" range rating (from Standard & Poor's and Moody's rating agencies) thanks to the strength of its balance sheet remains a priority.

As for responsibility, which lies at the heart of its ambition alongside performance, the Group will reinforce its actions aimed at improving the air quality for better environment and health. Air Liquide will pursue an active dialogue with its stakeholders to contribute to a more sustainable world.

DEVELOPMENT OF INDUSTRIAL ACTIVITY

In **Large Industries:**

- In **China,** Air Liquide signed a new long-term contract with Xinneng Energy Company, a subsidiary of **ENN** Ecological Holdings Company (ENN). Under the terms of the new agreement, Air Liquide will invest more than **60 million euros** in an ASU (Air Separation Unit), with a total capacity of 2,700 tonnes of oxygen per day. This new unit is expected to start operations in the second quarter of 2018.
- Air Liquide also signed a new long-term contract with Maoming Petrochemical Co. **(MPCC),** a subsidiary of China Petroleum & Chemical Corp. (Sinopec Corp.), one of the largest integrated energy and chemical companies in **China.** Under the terms of the new agreement, Air Liquide will invest around **40 million euros** in a new state-of-the-art ASU, with a total capacity of 850 tonnes of oxygen per day. Expected to start operations in the second quarter of 2017, the new ASU will supply industrial gases including oxygen and nitrogen to the customer's new ethylene oxide plant as well as to its existing one. MPCC's decision to outsource their needs for industrial gases on this new project demonstrates their confidence in Air Liquide's capability to provide innovative solutions and deliver safe operations.

In **Industrial Merchant:**

- Air Liquide has signed two multi-year contracts recently, a total worth of 20 million euros, for the supply of **high purity xenon** in the **all-electric propulsion satellite** market: one with Airbus Defence and Space, the world leader in high power electric satellites and one with Thales Alenia Space, leader in High Throughput Satellites.
- CRYO International, an Air Liquide Group subsidiary specializing in temperature-controlled logistics solutions, has acquired **PDP Couriers,** a major player in the **customized transport of high value-added products for the pharmaceutical and biotechnology industries.** The company generated revenues of approximately 21 million euros in 2015. PDP Couriers has grown significantly in Eastern Europe, Latin America and Asia over the past few years.
- Air Liquide's partnership with US start-up Solidia Technologies® (Solidia), provides **new equipment for carbon dioxide (CO_2) injection for the production of Solidia Concrete™, which is made with a new sustainable cement.** Thanks to Solidia's patented processes that cure concrete with CO_2 instead of water, this next generation cement will allow the entire industrial chain to reduce the environmental footprint of pre-cast concrete of up to 70%. The breakthrough technology results in reduced concrete curing times of less than 24 hours and lower water consumption. In addition to capturing large amounts of CO_2, the concrete has higher quality performance.

DEVELOPMENT IN HEALTHCARE

Air Liquide pursued its external growth strategy in Healthcare. The Group announced the acquisition by its subsidiary Schülke, a specialist in hygiene and hospital disinfection, of **Vic Pharma,** the second largest independent player in the **Brazilian hygiene market.** It offers a broad range of hygiene products for disinfecting surfaces, instruments and medical devices, as well as antiseptic solutions for pre- or post-operative care. Present mainly in the hospital and medical settings, the company generated revenue of approximately 8 million euros in 2015.

NEW PROJECTS IN INNOVATION AND TECHNOLOGIES

Air Liquide has inaugurated its new **Shanghai Research & Technologies Center** (SRTC). This new center will ultimately host 250 employees, including researchers, experts in customer applications and business development teams. It will become a major center for the Group's innovation in the Asia-Pacific region. This opening follows the celebration of the twentieth anniversary of the Group's Engineering & Construction facilities in Hangzhou, a city of Zhejiang province in Eastern China, illustrating the long-term commitment of the Group in China.

A first in the industrial gases sector, Air Liquide's was certified as a "technological showcase" in France by the Industry of the Future Alliance. Air Liquide will invest, in **Large Industries,** 20 million euros by 2017, in the project called "Connect". The Group will create a **remote operations and optimization center** in France which is unique in the industrial gases industry, able to control and optimize the production, energy, efficiency and reliability of the Large Industries sites, or carry out predictive maintenance actions.

Air Liquide commissioned 12 biogas purification units in the last 12 months in Europe and **triples its biogas purification capacity** on the European continent. The Group has developed technologies and expertise that span the entire biomethane value chain: purification of biogas into biomethane, injection into the natural gas network, liquefaction, and distribution for clean transportation fleets. The purification and biogas valorization is a very promising example of a circular economy, which helps reduce greenhouse gas emissions and which could contribute to solutions for the zero emission transportation of tomorrow.

ALIAD, the venture capital arm of the Air Liquide Group, strengthened its position in future industries with **four new equity investments in technology start-ups: Carmat, Inpria, Poly-Shape, and Solidia Technologies.** ALIAD has made 25 investments since its creation in 2013 for a total commitment of over 60 million euros. The investment strategy of ALIAD, coherent with the Group's strategy, targets sectors linked to the energy transition, healthcare, and high tech.

H1 2016 Income Statement

CURRENCY, ENERGY AND SIGNIFICANT SCOPE IMPACTS (PLEASE REFER TO P.36 OF 2015 REFERENCE DOCUMENT)

In addition to the comparison of published figures, financial information is given excluding currency, energy impact (natural gas and electricity price fluctuations), and significant scope impact. As of H1 2016, the consolidation of Airgas financial information from May 23 represents a significant scope impact.

Since gases for industry and health are rarely exported, the impact of currency fluctuations on activity levels and results is limited to euro translation impacts with respect to the financial statements of subsidiaries located outside the Euro zone.

Fluctuations in natural gas and electricity prices are generally passed on to customers through price indexation clauses. Natural gas is an essential raw material for the production of hydrogen and the operation of cogeneration units. Electricity consumption is important for air separation units. For example, when natural gas price varies, the price of hydrogen or steam for the customer is automatically adjusted proportionally, according to the price indexation clauses.

(In million of euros)	Group	Gas & Services
H1 2016 revenue	**8,295**	**7,618**
2016/2015 published change *(in %)*	+2.2%	+4.3%
Currency impact	(199)	(190)
Natural gas impact	(202)	(202)
Electricity impact	(69)	(69)
2016/2015 change excluding currency and energy *(in %)*	**+8.0%**	**+10.6%**
Significant scope impact: Airgas consolidated since May 23, 2016	+6.3%	+7.0%
2016/2015 change excluding Airgas, currency and energy *(in %)*	**+1.7%**	**+3.6%**

REVENUE

Revenue *(In million of euros)*	H1 2015	H1 2016	2016/2015 published change	2016/2015 change with Airgas, excluding currency and energy	2016/2015 comparable change
Gas & Services	7,302	7,618	+4.3%	+10.6%	+3.6%
Engineering & Construction	383	254	-33.5%	-31.6%	-31.6%
Global Markets & Technologies	132	146	+10.4%	+10.7%	+10.7%
Other activities	298	277	-7.0%	-6.6%	-6.6%
TOTAL REVENUE	**8,115**	**8,295**	**+2.2%**	**+8.0%**	**+1,7%**

Group

Group revenue for H1 2016 stood at **8,295 million euros,** up +2.2% on a reported basis year-on-year, sustained by the recognition of Airgas sales since May 23, 2016 but affected by a negative currency impact of -2.5% and by the unfavorable energy impact (-3.3%). Excluding currency and energy, it was **+8.0%.**

Growth was **+1.7%** excluding Airgas, currency and energy. It benefited from solid progress in Gas & Services sales but hit by weak activity in Engineering & Construction.

Revenue by quarter *(In million of euros)*	**Q1 2016**	**Q2 2016**
Gas & Services	3,548	4,070
Engineering & Construction	124	130
Global Markets & Technologies	65	81
Other activities	135	142
TOTAL REVENUE	**3,872**	**4,423**
2016/2015 published change	**-3.1%**	**+7.3%**
2016/2015 change with Airgas, excluding currency and energy	**+2.4%**	**+13.4%**
2016/2015 change excluding Airgas, currency and energy	**+2.4%**	**+1.0%**

Gas & Services

Unless otherwise stated, all the changes in revenue outlined below are on a comparable basis: excluding currency, energy (natural gas and electricity) and the Airgas consolidation impacts.

Gas & Services revenue was **7,618 million euros,** up +4.3% on a reported basis year-on-year. Revenue was positively impacted by the recognition of Airgas sales since May 23, 2016 but affected by a negative currency impact of -2.6% and by an unfavorable energy impact (-3.7%). Growth with Airgas, excluding currency and energy was **+10.6%.**

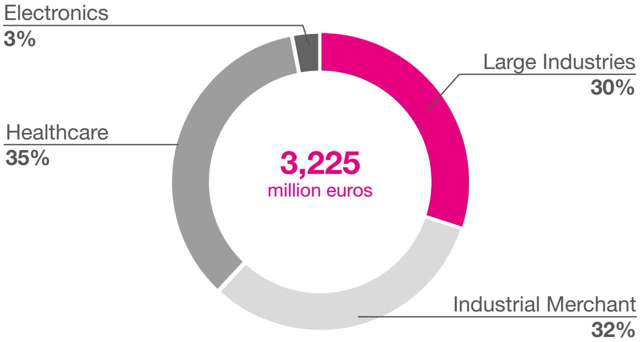
Excluding the Airgas contribution, currency and energy impact, growth was **+3.6%,** supported by solid growth in sales in Large Industries, Electronics and Healthcare.

Revenue *(In million of euros)*	**H1 2015**	**H1 2016**	**2016/2015 published change**	**2016/2015 change with Airgas, excluding currency and energy**	**2016/2015 comparable change**
Europe	3,366	3,225	-4.2%	+1.6%	+1.6%
Americas	1,799	2,185	+21.4%	+30.5%	+2.1%
Asia-Pacific	1,892	1,920	+1.5%	+6.4%	+6.4%
Middle East and Africa	245	288	+17.7%	+21.1%	+21.1%
GAS & SERVICES	**7,302**	**7,618**	**+4.3%**	**+10.6%**	**+3.6%**
Large Industries	2,565	2,388	-6.9%	+6.2%	+6.2%
Industrial Merchant	2,622	2,964	+13.0%	+16.2%	-1.6%
Healthcare	1,382	1,451	+5.0%	+7.9%	+4.8%
Electronics	733	815	+11.2%	+11.2%	+11.2%

Europe

Revenue in Europe totaled **3,225 million euros,** up **+1.6%** and confirming a very progressive recovery. Large Industries business was affected in Q2 by several temporary maintenance stoppages of customer units in France and Benelux. Sales in Industrial Merchant grew over the half-year period with a highly contrasted evolution by country. Developing economies continued their progression with double-digit growth.

Europe Gas & Services H1 2016 Revenue

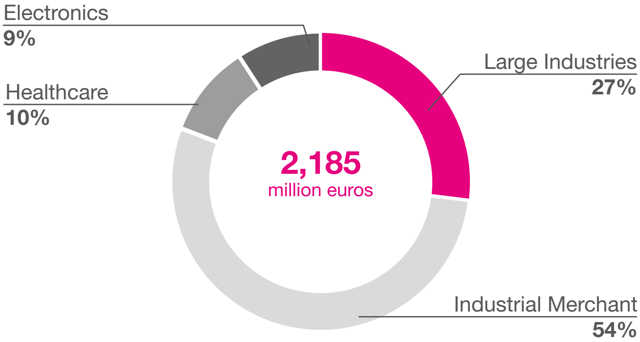


- **Large Industries** sales grew +1.4% over the half-year. Air gas volumes fell in France and in the Benelux during Q2 due to the temporary maintenance stoppages for several customers; however, sales showed a staunch growth in Germany for steel customers. Revenue in Eastern Europe increased sharply, particularly in Turkey, Poland, and Russia.
- Revenue for the **Industrial Merchant** activity showed slight positive growth of **+0.7%** over the half-year, with an increase of +2.7% in Q2. The liquid oxygen and nitrogen volumes were up +5.1% for Q2. However, cylinder volumes fell within a tough temporary environment for Construction. Sales increased for Food & Pharmaceuticals as well as Craftsmen and Distribution, remained stable for Automotive & Fabrication, but down for Materials & Energy as well as Technology & Research. In developing economies, sales continued their sustained growth, especially in Russia and Poland. In Europe, the price impact was negative over the half-year at -0.7% against a context of weak inflation and a decrease in prices for customers whose contracts were indexed to energy costs.
- **Healthcare** continued to develop with **+3.4%** sales growth, inferior to that for 2015 due to a lower incremental contribution from acquisitions. The Home Healthcare activity grew with the increase in patient numbers and the expansion of the portfolio of therapies treated. The Hygiene activity continued to progress at +19.0%, sustained by acquisitions made in 2015 and 2016.

Americas

Gas & Services revenue for the Americas region was **2,185 million euros,** up **+30.5%** excluding currency and energy; excluding the Airgas contribution it was **+2.1%.** Large Industries volumes and sales saw strong growth. Industrial Merchant business was down in an environment marked by weak manufacturing activity, particularly in North America. In South America, sales continued to grow, particularly in Large Industries and Healthcare.

Americas Gas & Services H1 2016 Revenue



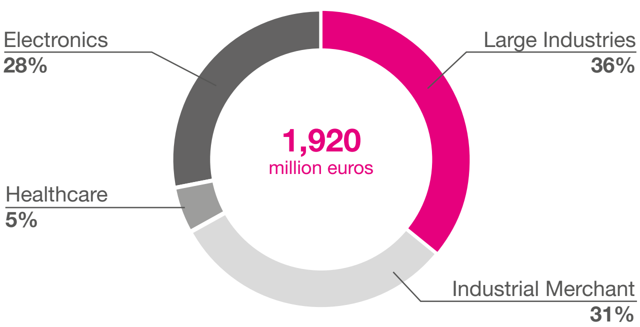
- **Large Industries** posted a sharp increase in sales up **+8.2%** on the half-year with a favorable comparable base to H1 2015, which was marked by customers' temporary maintenance stoppages. In North America, the air gas and hydrogen volumes increased. Start-up of a new air separation unit in the United States contributed to this growth. In South America, the activity continued to develop with Brazil and Argentina posting double-digit growth.
- The **Industrial Merchant** activity was up **+52.7%** excluding currency; it decreased by **-5.4%** excluding Airgas. Sales were still affected by the slowdown in North American manufacturing activity which continued to adapt to a lower oil price and a strong dollar which limited exports. Sales in the market segments of Materials & Energy as well as Automotive and Fabrication have been the most strongly impacted. With regards to the ex-perimeter Airgas, the performance was solid in Food, Beverages & Services but was more than offset by weakness in Energy & Chemical, Manufacturing & Metal Fabrication and Non-Residential Construction. However gases sales show a slight increase in the semester. Brazil was also evolving in a difficult economic environment. However pricing in the Americas region remained positive at +2.8%.

- **Healthcare** revenue continued its dynamic momentum with growth of **+36.1%** excluding currency and **+12.9%** excluding the Airgas impact; the strong development in Home Healthcare, particularly in South America and Canada, had a positive effect on sales. Sales of medical gases to hospitals have been sustained by the volumes and prices in South America (Argentina, Brazil).
- The **Electronics** activity grew by **+3.2%.** This included particularly high equipment sales. The Specialty Materials and Advanced Materials continued to show strong growth.

Asia-Pacific

Revenue in the Asia-Pacific region increased by **+6.4%** in H1 to **1,920 million euros.** The Electronics activity continued its dynamic momentum with the rise in sales of +17.7%. The ramp-up of new units contributed +6% to growth in Large Industries. A contrast in development between countries remained: Japan posted revenue growth of more than +2% on the half-year, sustained by Electronics, while sales in China showed solid growth, superior to +9%.

Asia-Pacific Gas & Services H1 2016 Revenue



- **Large Industries** sales rose **+5.7%** as a result of the ramp-up of new units, particularly in China. The air gas and hydrogen volumes are growing within the region.
- **Industrial Merchant** was down by **-1.1%** over the half-year with contrasting situations from country to country. Supported by strong liquid gas volumes, revenue made strong progress in China and Singapore, while Australia has returned to growth. Sales are down in Japan where the environment remains difficult. There was greater price pressure in Q2, particularly in Japan, and it stood at -1.0% for H1.
- Momentum continued in the **Electronics** activity with **+17.7%** sales growth resulting from double-digit growth in China, Japan, Korea, and Singapore. All these activity segments are contributing to growth, in particular Advanced Materials, with sales up by nearly +50%, and Equipment & Installation.

Middle East and Africa

Middle East and Africa revenue totaled **288 million euros,** up **+21.1%.** Sales benefited again from the ramp-up of two large-scale hydrogen production units in Yanbu in Saudi Arabia, which started up as of Q2 2015. South Africa continued to see sustained growth in Healthcare and benefited from a growing Industrial Merchant activity. Activity in Egypt is dynamic, particularly in Industrial Merchant with sales growth reaching double-digit, driven by strong demand in liquid gases.

Engineering & Construction

Engineering & Construction revenue stood at **254 million euros,** down **-31.6%** year-on-year, impacted by the slowdown in major projects related to energy and by the low number of new projects in a more difficult global environment.

As of H1 2016, total order intake was **126** million euros, down year-on-year from 521 million euros. The main projects involved air separation units.

At 3.8 billion euros, the orders in hand are down -6.7% compared to those at the end of December 2015 and -19,0% to those at the end of June 2015.

Global Markets & Technologies

At the end of June, the Global Markets & Technologies activity revenue was up **+10.7%** at **146 million euros.** Sales were significant in the aerospace and maritime sectors in Q1 and in the biogas activity in Q2, particularly with the ramp-up of units in the United States.

The order intake was 189 million euros as of H1.

Other activities

Revenue *(In million of euros)*	H1 2015	H1 2016	2016/2015 reported change	2016/2015 change excluding currency
Welding	190	174	-7.9%	-7.4%
Diving	108	103	-5.4%	-5.2%
TOTAL	**298**	**277**	**-7.0%**	**-6.6%**

Other activities revenue was down **-6.6%** and stood at **277 million euros** as of H1 2016.

- **Welding** revenue was down -**7.4%,** export sales in the oil sector were particularly impacted.
- The **Diving** activity (Aqua Lung™) showed a decrease in sales of **-5.2%** based on comparable data. Sales in the United States were penalized by the difficulties experienced by a significant distributor and the geopolitical context in certain regions which were not favorable for increasing Diving activity.

OPERATING INCOME RECURRING

The operating income recurring before depreciation and amortization amounted to **2,106 million euros,** stable year-on-year. This amount includes a 104 million euros contribution from Airgas. The operating income recurring before depreciation and amortization and excluding the integration of Airgas fell by -4.8% and by -2.4% excluding the currency impact.

Depreciation and amortization reached **725 million euros,** up **+4.5%** and including 40 million euros depreciation and amortization from Airgas. Excluding the Airgas integration, depreciation and amortization fell by -1.4% and was up +1.1% excluding currency impact.

The Group operating income recurring (OIR) was **1,382 million euros** as of H1 2016, down -1.9% year-on-year. This includes a 64 million euros contribution from Airgas. Excluding the Airgas integration, operating income recurring fell by -6.5% and by -4.2% excluding currency impact. The operating margin (OIR to revenue) was down -70 basis points to **16.7%,** in particular due to the low margin in Engineering & Construction (of 4.2%) and to the Airgas integration, which had an average margin below the Group's margin.

Efficiencies amounted to **143 million euros** during the first six months of the year, in line with the annual target of over 250 million euros. These efficiencies represent a cost saving of 2.4% over the cost base, relative to 2.1% of the cost base in H1 2015. Half of these involve industrial projects (optimization of production plants, logistics, and maintenance), one-third involve procurement gains, with the remainder being mainly due to administrative efficiencies. Industrial Merchant is the business line which generates the most efficiencies and represents 36% of the total.

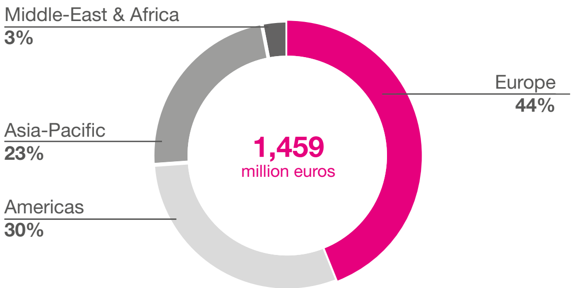
Gas & Services

The operating income recurring for the Gas & Services activity was **1,459 million euros,** up **+3.0%,** and includes a 64 million euros contribution from Airgas. Excluding Airgas and currency impact, it grew by +1.3%. The published OIR to revenue ratio was 19.2% and stood at **19.6%** excluding the Airgas integration, compared to 19.4% year-on-year. Excluding the energy impact, the ratio was 18.5% and 18.9% excluding the Airgas impact.

Within the context of low global inflation, prices rose by +0.2% mainly due to Industrial Merchant (+0.4%). Prices were almost stable in Electronics (-0.2%) while pricing pressure in Healthcare continues in some countries.

Furthermore, efficiencies totaled 130 million euros.

Gas & Services H1 2016 Operating income recurring



Gas & Services Operating margin [(a)]	H1 2015	H1 2016 published	H1 2016 excluding Airgas
Europe	19.5%	19.8%	19.8%
Americas	21.2%	19.7%	22.0%
Asia-Pacific	17.8%	18.0%	18.0%
Middle East and Africa	17.0%	15.5%	15.5%
TOTAL	**19.4%**	**19.2%**	**19.6%**

(a) Operating income recurring/revenue.

Operating income recurring for **Europe** amounted to **638 million euros,** down **-2.8%.** The operating margin (operating income recurring as a percentage of revenue) was 19.8%, **up +30 basis points.** Excluding energy impact, it was down -70 basis points, affected by an unfavorable mix in Industrial Merchant which was partially offset by slight progress in Healthcare and in Electronics.

Operating income recurring in the **Americas** amounted to **431 million euros,** up **+13.1%.** The operating margin was 19.7%, a fall of -150 basis points as a result of the Airgas integration which had an average margin lower than the Group's margin. **Excluding the impact of Airgas and the energy impact,** the operating margin was **stable.**

Operating income recurring in the **Asia-Pacific** region was **345 million euros,** up **+2.4%.** The operating margin was 18.0%, up **+20 basis points**. Excluding energy impacts, it fell by **-30 basis points,** mainly due to the temporary stoppage of a major Large Industries customer in Singapore. The Industrial Merchant margin remained stable as a result of efficiencies which offset price decreases in China and in Japan.

Operating income recurring for **Middle East and Africa** amounted to **45 million euros,** an increase of **+7.0%.** The operating margin fell by **-80 basis points** excluding energy impacts mainly due to the drop in volumes in Industrial Merchant in countries where the economy is strongly linked to oil.

Engineering & Construction

Operating income recurring for Engineering & Construction amounted to **11 million euros.** The operating margin was 4.2%, affected by low volumes of activity in a difficult environment.

Global Markets & Technologies

Operating income recurring for Global Markets & Technologies amounted to **16 million euros** and the operating margin was 10.8%. Part of the activities is currently launched.

Other activities

The Group's Other activities reported operating income recurring of **15 million euros,** down -34.1%. The operating margin was 5.4%, down -220 basis points year-on-year.

Research and Development and corporate costs

Research and Development and corporate costs included consolidation adjustments and amounted to **119 million euros.**

NET PROFIT

Other operating income and expenses posted a **net expense of -89 million euros.** This amount essentially included the costs of acquisition and integration of Airgas as well as the expenses linked to the alignment plans underway, particularly in Engineering & Construction.

The **financial expenses of -175 million euros** was up +11.0% year-on-year because it included the financial costs linked to the Airgas acquisition. The **net finance costs** were up +26.4% due to financing for the Airgas acquisition. The average cost of the net debt is 3.5%, **decreased in comparison to 3.7% in 2015.** It reflects the mix between the financing of the Airgas acquisition at a lower interest rate, the financing in hard currency for which the interest rates have decreased and the currency in developing economies where the interest rates remain high. The fall in financial income and expenses is largely linked to retirement plan adjustments.

Thus, first half 2016 was impacted by exceptional costs linked to Airgas acquisition of 92 million euros. Once the proposed divestments under review by the FTC are finalized, which is expected to occur in the second half of 2016, the corresponding capital gains will offset the total exceptional costs of the year related to the Airgas acquisition.

Taxes totaled 268 million euros, down -26.1%. The **effective tax rate** was **24.0%,** clearly weaker than the 29.2% rate in 1st half 2015. It benefited from tax income following a decision from the European Union Court of Justice as well as favorable evolution of several tax audits. The effective tax rate for H2 2016 should be significantly higher due to the non-renewal of these exceptional items and to the Airgas integration, for whichthe average effective tax rate over the last five years was 36.7%.

The Group's **share of profit of associates** was **3.6 million euros** compared to 6.5 million euros year-on-year. The **share of minority interests** was up **+8.1%** reaching 42 million euros, the net profit of subsidiaries with minority shareholders having made progress, particularly in Saudi Arabia.

The **net profit Group share** was **811 million euros** as at H1 2016, a decrease of -4.6% and **-2.5% excluding currency** impact. Excluding the impact of Airgas integration and excluding currency effects, the net profit Group share was **up +1.1%** year-on-year, in line with the outlook announced at the beginning of the year.

Net earnings per share were **2.36 euros,** down -4.8% and -2.8% excluding currency impact year-on-year. **Excluding Airgas and excluding currency impact, it was up +0.8%,** slightly less than net profit due to the capital increase reserved for employees. The average number of outstanding shares used for the calculation of net earnings per share as of June 30, 2016 was 343,406,891.

Change in the number of shares

	H1 2015	H1 2016
Average number of outstanding shares [a]	342,824,901	343,406,891

(a) Used to calculate net earnings per share.

H1 2016 Cash Flow and Balance Sheet

NET CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities before changes in working capital requirements remained stable on a reported basis at **1,575 million euros**. It stood at **20% of sales excluding Airgas,** a **historic high.**

Net cash flow after changes in working capital requirements (and other elements) was **1,193 million euros,** an increase of **+23.6%** year-on-year and of **+23.0% excluding the Airgas integration.**

CHANGES IN WORKING CAPITAL REQUIREMENT

The increase in working capital requirements (WCR) was limited to **335 million euros** compared to 578 million year-on-year. More than half of the WCR increase is due to the project cycle for the Engineering & Construction activity. The working capital requirements ratio to sales excluding taxes improved from 10.6% in the first half 2015 to **7.9%** excluding Airgas as of end of June 2016. For the Gas & Services activity, it also improves from 10.2% in the first half 2015 to **9.8%** excluding Airgas as of end of June 2016.

Industrial gross capital expenditure was **1,055 million euros,** up **+4.9%.** Acquisitions of financial assets stood at 12,100 million euros and included 12,024 million euros linked to the Airgas acquisition on May 23, 2016. Including transactions with minority shareholders and proceeds from the sale of assets, the total net capital expenditure was 13,105 million euros.

CAPITAL EXPENDITURE

As at H1 2016, gross capital expenditure including the Airgas acquisition, was 13,155 million euros.

Asset disposals amounted to 50 million euros.

Group net capital expenditure thus totaled 13,105 million euros.

NET INDEBTEDNESS

Net indebtedness at June 30, 2016 was **19,860 million euros,** up more than 12.6 billion euros compared to end 2015. This change is mainly due to financing for the Airgas acquisition (value of securities for 10.7 billion US dollars), the refinancing part of the Airgas debt (for 0.9 billion US dollars) and the consolidation of the non-refinanced Airgas debt (1.8 billion US dollars). Following the acquisition, the **net debt to equity ratio,** adjusted for seasonal impact of the dividend, increased significantly to **151%** as at the end of June 2016 (against 57% at the end of 2015). The ratio should fall to around 100% at the end of 2016.

ROCE

The **Return On Capital Employed after tax and integration of Airgas** was **8.3%.**

INVESTMENT CYCLE AND FINANCING STRATEGY

The Group's steady long-term growth is largely based on its ability to invest each year in new projects. Investment projects in the industrial gas business are spread throughout the world, highly capital intensive and supported by long-term contracts, particularly for Large Industries.

Investments

INVESTMENT OPPORTUNITIES

The 12 month portfolio of opportunities was **2.2 billion euros** at the end of June 2016, down 100 million euros compared to March 2016. The new projects coming into the portfolio largely offset those signed by the Group, won by the competition, or delayed. In the context of continuous low energy prices, certain customers have postponed decisions. The global portfolio, made up of projects which may be signed before or after 12 months, remains solid, between 4.5 and 5 billion euros.

A little more than half of the investment opportunities at 12 months remain located in developing economies. China still represents the leading location for opportunities, followed by North America and Europe at comparable levels.

Half the investment opportunities in the portfolio correspond to projects of less than 50 million euros of investment; only a few projects are greater than 100 million euros.

INVESTMENT DECISIONS AND INVESTMENT BACKLOG

The industrial and financial investment decisions were **1.0 billion euros** as of H1 2016. The industrial decisions represented more than 90% of this amount. They particularly involved projects in Large Industries in China, in the Chemicals sector and in Electronics.

Furthermore, on May 23, 2016, Air Liquide announced the finalization of the **Airgas acquisition.**

The investment backlog represents the total amount of **2.1 billion euros,** slightly down as compared to the end of March 2016 (2.2 billion euros). This difference is mainly due to the start-up of several units, particularly in Brazil and the United States. The investment backlog after full ramp-ups should lead to a future contribution to annual sales of approximately 0.9 billion euros.

START-UPS

Eight new facilities were started-up during H1 2016, four air separation units in the Americas region, two for Electronics in China and in Japan, two for Industrial Merchant in Asia.

Over the half-year, the contribution to sales from ramp-ups and start-ups stood at approximately 160 million euros and is in line with the Group's expectations for 2016.

Financing strategy

The financing strategy is regularly reviewed to provide the best possible support to the Group's development and take into account changes in financial market conditions, while respecting a credit profile in line with the rating agencies Standard & Poor's and Moody's long term-minimum "A" rating. This credit profile depends on key ratios such as net debt to equity and cash flow from operating activities before changes in working capital to net debt.

Following the acquisition of Airgas, and as it was anticipated, Air Liquide's long-term rating was downgraded two notches, from "A+" to "A-", by Standard & Poor's on May 24, 2016. At the time of this acquisition and its funding, the decision was taken to add the credit rating of a second rating agency, Moody's. Moody's long-term rating for Air Liquide is "A3", the equivalent of Standard & Poor's "A-". Both agencies have removed their negative credit watch and upgraded their outlook to stable.

FINANCING SOURCES

Air Liquide has a Euro Medium Term Note (EMTN) program to issue long-term bonds up to an outstanding maximum amount of 12 billion euros. At the end of June 2016, outstanding bonds issued under this program amounted to 8.2 billion euros (nominal amount). The Group's EMTN program allows, in particular, for bonds to be issued in the main currencies (euro, US dollar, Japanese yen) as well as in other currencies (Chinese renminbi, Swiss franc, pound sterling and ruble).

In 2016, under the EMTN program, the Group conducted two bond issues in public form for a total amount of 300 million euros in April and 3 billion euros in June. These two bonds allowed to provide the Group's financial needs, and regarding June, also, to refund a portion of the bridge loan, taken out for the acquisition of Airgas.

At June 30, 2016, funding through capital markets included a total amount of bonds outstanding of 10.6 billion euros, whether it is within the Euro Medium Term Note (EMTN) or not, and 1.5 billion euros of commercial paper. The total amount of bonds includes Airgas' five bonds outstanding of 1.55 billion US dollars (equivalent to 1.4 billion euro), guaranteed by L'Air Liquide S.A.

The bridge loan, signed on December 17, 2015, to finance the acquisition of Airgas which took place on May 23, 2016, 11.6 billion US dollars of which has been drawn down, was partially reimbursed in June 2016, for a total of 3.25 billion US dollars, following the 3 billion euro bond issue. The maturity of the bridge loan is December 17, 2016, with the possibility of exercising two extension options of six months each.

Additional refinancing is planned, in particular, through a capital increase of between 3 and 3.5 billion euros, with retention of preferential subscription rights, and a long-term bond issue in US dollars, for an amount of between 4 and 5 billion US dollars, in September or October 2016.

Net indebtedness by currency

	Year 2015	1st half 2016
Euro	24%	25%
US dollar	44%	62%
Japanese yen	9%	3%
Chinese renminbi	12%	4%
Other	11%	6%
TOTAL	**100%**	**100%**

Investments are generally funded in the currency in which the cash flows are generated, creating a natural currency hedge. At June 30, 2016, the Airgas acquisition, which is currently financed in euro (3 billion) and in US dollar (8 billion), modifies the weighting of the currencies in the Group's indebtedness. Air Liquide's indebtedness is now mostly denominated in euro and US dollar. Indebtedness denominated in Chinese renminbi is stable in its original currency, while indebtedness denominated in Japanese yen decreased, following the reimbursement of a local loan, not replaced.

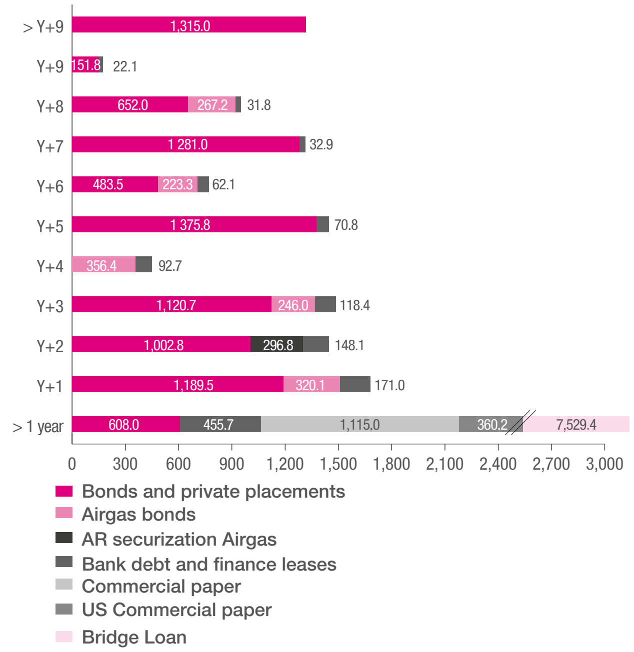
Following the capital increase in euro, the weighting of the euro would increase (almost a third part of the net indebtedness) and the US dollar would weigh a little more than the half of the net indebtedness.

DEBT MATURITY AND SCHEDULE

Related to the issue of the bridge loan, the average of the Group's total debt maturity decreased to 3.7 years at June 30, 2016, compared to December 31, 2015 (5.0 years). This would significantly increase following the bond issue in US dollar. Indeed, taking into account the five Airgas issues, the June 2016 bond issue in euro and the bond planned in September or October 2016, the average maturity of bond issues should reach seven years.

The following chart represents the Group's debt maturity schedule. At June 30, 2016, the single largest annual maturity is up to one year, due to the weighting of the bridge loan, which remains to be refinanced, and represents approximately 48% of total debt. This percentage would be near 20% following the bond issue in US dollar and the capital increase, i.e. a comparable percentage to December 31, 2015 (23%).

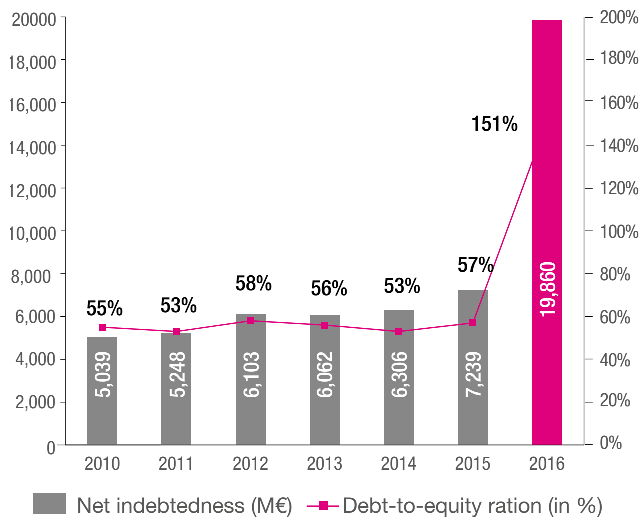
Debt maturity schedule *(in millions of euros)*



CHANGE IN NET INDEBTEDNESS

Net indebtedness at June 30, 2016 reached 19.9 billion euros, up 12.6 billion euros compared with the end of 2015. The difference compared with 2015 is mainly due to the financing of the acquisition of Airgas (11.6 billion US dollars, equivalent to 10.4 billion euros), the addition of the acquired company's debts (bond issues of 1.55 billion US dollars and securitization program of 330 million US dollars, amounting 1.7 billion euros equivalent) and the dividends' payment.

Net indebtedness as of June 30, 2016



The net debt to equity ratio equal to 57 % as of December 31, 2015 increases markedly to 151% at the end of June 2016 compared with 59% as of June 30, 2015, adjusted for the impact of the seasonality of the dividend. This change is due to the financing of the Airgas acquisition. This ratio should decrease around 100% at the end of 2016. The equivalent ratio calculated using the US method of net indebtedness/(net indebtedness + shareholder's equity) reached 62% at the end of June 2016, compared with 36% at the end of 2015. The financial expenses coverage ratio (operating income + share of profit of associates)/(net finance costs) stood at 8.4 at June 30, 2016 compared with 12.2 in 2015.

The average cost of gross indebtedness decreased at June 30, 2016. In fact, the financing of the Airgas' acquisition, through a bridge loan, in US dollar, and a bond, in euro, is carried out at a lower rate than the existing bonds, and favorably impacts the cost of the indebtedness in spite of the fees, paid at the issue of the bridge loan and the addition of the indebtedness of Airgas.

The average cost of net indebtedness was 3.5% at June 30, 2016, also down compared to 2015 (3.7%). The cost of net indebtedness is calculated by dividing net finance costs for the fiscal year (153.8 million euros at June 30, 2016, excluding capitalized interest) by the year's average outstanding net indebtedness.

The net indebtedness is detailed on page 35 to the Condensed consolidated financial statements. Besides, Note 17 to the Condensed consolidated financial statements, on page 51, provides information relating to the debt exposure to the interest rate risk.

BANK GUARANTEES

The subsidiaries of the Group sometimes grant bank guarantees mainly to customers from Engineering & Construction and Healthcare activities, during the tender period (bid bond), and after contract award, during contract execution until the end of the warranty period (advance payment bond, retention bond, performance bond, and warranty bond).

The most common bank guarantees extended to customers to secure the contractual performance are advance payment guarantees and performance guarantees.

In connection with Group's current activity, some of its subsidiaries are required to provide payment financial guarantees aiming at securing leasing or insurance commitments.

The projects, for which these guarantees are granted, are regularly reviewed by management and, accordingly, when guarantee payment calls become probable, the necessary provisions are recorded in the consolidated financial statements.

2016 OUTLOOK

This first half has been characterized by the completion of the Airgas acquisition, which will be accretive in 2016, and its first contribution to the Group's performance. In a context of moderate global growth, Gas & Services sales posted robust growth. Growth is the result of dynamic Electronics sales, higher volumes in Large Industries, and rising Healthcare business. This first half is also characterized by a negative currency impact and lower energy prices.

All geographies are progressing on a comparable basis, benefiting notably from the slight improvement in demand in industry since the beginning of the year. This increase was more pronounced in Asia Pacific and the developing economies.

The Group continues to generate recurring efficiency gains, to which will be added the first benefits of synergies with Airgas in the second half of the year. The operational performance of Gas & Services is solid, as evidenced by the margin increase and strong cash flow growth.

The investment backlog, amounting to 2.1 billion euros, and recently signed new contracts, will contribute to growth in the coming years.

Following the completion of the acquisition of Airgas, Air Liquide is confident in its ability to generate growth in 2016, both in net profit and in net earnings per share, including the effect of the capital increase planned for September/October.

APPENDIX

2nd quarter 2016 revenue

By geography

Revenue *(In million of euros)*	Q2 2015	Q2 2016	Published Change	Change with Airgas, excluding currency and energy	Comparable change (a)
Europe	1,682	1,611	-4.3%	+1.7%	+1.7%
Americas	911	1,361	+49.4%	+59.1%	+3.0%
Asia-Pacific	956	954	-0.2%	+5.7%	+5.7%
Middle East and Africa	139	144	+3.3%	+3.2%	+3.2%
GAS & SERVICES REVENUE	**3,688**	**4,070**	**+10.3%**	**+17.0%**	**+3.1%**
Engineering & Construction	205	130	-36.3%	-34.4%	-34.4%
Global Markets & Technologies	73	81	+9.8%	+10.3%	+10.3%
Other activities	154	142	-7.4%	-6.6%	-6.6%
GROUP REVENUE	**4,121**	**4,423**	**+7.3%**	**+13.4%**	**+1.0%**

By World Business Line

Revenue *(In million of euros)*	Q2 2015	Q2 2016	Published Change	Change with Airgas, excluding currency and energy	Comparable change (a)
Large Industries	1,301	1,181	-9.2%	+4.0%	+4.0%
Industrial Merchant	1,313	1,726	+31.3%	+35.0%	-0.6%
Electronics	377	407	+8.1%	+9.0%	+9.0%
Healthcare	697	756	+8.5%	+11.5%	+5.4%
GAS & SERVICES REVENUE	**3,688**	**4,070**	**+10.3%**	**+17.0%**	**+3.1%**

(a) Excluding currency, energy and significant scope impacts.

Currency, energy and significant scope impacts

In addition to the comparison of published figures, financial information for second quarter 2016 is provided before currency, energy price fluctuations and significant scope impacts. As of January 1st, 2015, the energy impact includes impacts of natural gas and electricity. In the future, it may also include other energy Large Industries feedstocks.

Since gases for industry and health are rarely exported, the impact of currency fluctuations on activity levels and results is limited to euro translation impacts with respect to the financial statements of subsidiaries located outside the Euro zone. Fluctuations in natural gas and electricity prices are passed on to customers through price indexation clauses.

Consolidated 2016 second quarter revenue includes the following impact:

(In million of euros)	Revenue Q2 2016	Q2 2016/2015 change	Currency	Natural gas	Electricity	Significant scope (Airgas)	Q2 2016/2015 comparable change [(a)]
Group	4,423	+7.3%	(124)	(94)	(32)	511	+1.0%
Gas & Services	4,070	+10.3%	(119)	(94)	(32)	511	+3.1%

(a) Excluding currency, energy (natural gas and electricity) and significant scope impacts.

For the Group,

- The currency impact was -3.0%.
- The impact of natural gas price fluctuations was -2.3%.
- The impact of electricity price fluctuations was -0.8%.
- The significant scope impact was +12.4%.

For Gas & Services,

- The currency impact was -3.2%.
- The impact of natural gas price fluctuations was -2.6%.
- The impact of electricity price fluctuations was -0.9%.
- The significant scope impact was +13.9%.

Segment information

(In million of euros and %)	H1 2015 Revenue	H1 2015 Operating income recurring	H1 2015 OIR margin	H1 2016 Revenue	H1 2016 Operating income recurring	H1 2016 OIR margin
Europe	3,366.5	657.0	19.5%	3,224.4	638.4	19.8%
Americas	1,799.4	381.2	21.2%	2,185.3	431.2	19.7%
Asia-Pacific	1,891.6	336.4	17.8%	1,919.7	344.8	18.0%
Middle East and Africa	244.8	41.6	17.0%	288.1	44.5	15.5%
Gas & Services	**7,302.3**	**1,416.2**	**19.4%**	**7,617.5**	**1,458.9**	**19.2%**
Engineering & Construction	382.5	45.7	11.9%	254.3	10.8	4.2%
Global Markets & Technologies	131.9	17.1	12.9%	145.7	15.8	10.8%
Other activities	297.9	22.6	7.6%	277.1	14.9	5.4%
Reconciliation	-	(92.9)	-	-	(118.8)	-
TOTAL GROUP	**8,114.6**	**1,408.7**	**17.4%**	**8,294.6**	**1,381.6**	**16.7%**

2

FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

(In millions of euros)	Notes	1st half 2015	1st half 2016
Revenue	**(3)**	**8,114.6**	**8,294.6**
Other income		78.8	62.2
Purchases		(3,040.9)	(3,056.6)
Personnel expenses		(1,521.0)	(1,655.9)
Other expenses		(1,529.2)	(1,538.2)
Operating income recurring before depreciation and amortization		**2,102.3**	**2,106.1**
Depreciation and amortization expense	(4)	(693.6)	(724.5)
Operating income recurring		**1,408.7**	**1,381.6**
Other non-recurring operating income	(5)	(2.1)	12.3
Other non-recurring operating expenses	(5)	(4.3)	(101.6)
Operating income		**1,402.3**	**1,292.3**
Net finance costs	(6)	(121.7)	(153.8)
Other financial income		5.0	11.2
Other financial expenses		(40.7)	(32.1)
Income taxes	(7)	(362.8)	(268.2)
Share of profit of associates	(11)	6.5	3.6
PROFIT FOR THE PERIOD		**888.6**	**853.0**
■ Minority interests		39.2	42.4
■ Net profit (Group share)		849.4	810.6

Basic earnings per share *(in euros)*	**(9)**	**2.48**	**2.36**
Diluted earnings per share *(in euros)*	**(9)**	**2.47**	**2.35**

Statement of net income and gains and losses recognized directly in equity

(In millions of euros)	1st half 2015	1st half 2016
Profit for the period	**888.6**	**853.0**
Items recognized in equity		
Change in fair value of financial instruments	14.9	(142.0)
Change in foreign currency translation reserve	430.8	(86.4)
Items that may be subsequently reclassified to profit	**445.7**	**(228.4)**
Actuarial gains/(losses)	65.7	(180.4)
Items that may not be subsequently reclassified to profit	**65.7**	**(180.4)**
Items recognized in equity, net of taxes	**511.4**	**(408.8)**
Net income and gains and losses recognized directly in equity	**1,400.0**	**444.2**
■ Attributable to minority interests	57.5	43.7
■ Attributable to equity holders of the parent	1,342.5	400.5

Consolidated balance sheet

ASSETS *(In millions of euros)*	**Notes**	**December 31, 2015**	**June 30, 2016**
Goodwill	(10)	5,730.2	13,546.9
Other intangible assets		849.1	1,877.2
Property, plant and equipment		15,706.3	19,543.4
Non-current assets		**22,285.6**	**34,967.5**
Non-current financial assets		485.1	513.3
Investments in associates	(11)	115.9	127.1
Deferred tax assets	(12)	235.2	318.3
Fair value of non-current derivatives (assets)		100.1	58.2
Other non-current assets		**936.3**	**1,016.9**
TOTAL NON-CURRENT ASSETS		**23,221.9**	**35,984.4**
Inventories and work-in-progress		980.6	1,434.5
Trade receivables		2,981.1	3,421.9
Other current assets		596.6	744.5
Current tax assets		132.9	295.6
Fair value of current derivatives (assets)		62.8	50.3
Cash and cash equivalents	(16)	965.5	1,315.8
TOTAL CURRENT ASSETS		**5,719.5**	**7,262.6**
Assets held for sale	(1)		211.8
TOTAL ASSETS		**28,941.4**	**43,458.8**

EQUITY AND LIABILITIES *(In millions of euros)*	**Notes**	**December 31, 2015**	**June 30, 2016**
Share capital		1,892.9	1,900.7
Additional paid-in capital		15.6	110.0
Retained earnings		8,861.8	9,269.0
Treasury shares		(121.0)	(121.0)
Net profit (Group share)		1,756.4	810.6
Shareholders' equity		**12,405.7**	**11,969.3**
Minority interests		**365.1**	**360.4**
TOTAL EQUITY [(a)]	**(14)**	**12,770.8**	**12,329.7**
Provisions, pensions and other employee benefits	(15)	2,113.2	2,605.7
Deferred tax liabilities	(12)	1,321.8	2,335.2
Non-current borrowings	(16)	6,290.7	11,101.8
Other non-current liabilities		243.8	257.3
Fair value of non-current derivatives (liabilities)		231.3	265.6
TOTAL NON-CURRENT LIABILITIES		**10,200.8**	**16,565.6**
Provisions, pensions and other employee benefits	(15)	271.2	236.4
Trade payables		2,269.3	2,345.6
Other current liabilities		1,302.4	1,326.2
Current tax payables		156.8	176.2
Current borrowings	(16)	1,912.7	10,073.8
Fair value of current derivatives (liabilities)		57.4	361.8
TOTAL CURRENT LIABILITIES		**5,969.8**	**14,520.0**
Liabilities held for sale	(1)		43.5
TOTAL EQUITY AND LIABILITIES		**28,941.4**	**43,458.8**

(a) A breakdown of changes in shareholders' equity and minority interests is presented on pages 36 and 37.

Consolidated cash flow statement

(In millions of euros)	Notes	1st half 2015	1st half 2016
Operating activities			
Net profit (Group share)		**849.4**	**810.6**
Minority interests		**39.2**	**42.4**
Adjustments:			
■ Depreciation and amortization	(4)	693.6	724.5
■ Changes in deferred taxes (a)		43.2	42.7
■ Increase (decrease) in provisions		(41.7)	(29.6)
■ Share of profit of associates (less dividends received)	(11)	1.4	
■ Profit/loss on disposal of assets		(9.9)	(16.1)
Cash flows from operating activities before changes in working capital		**1,575.2**	**1,574.5**
Changes in working capital	(13)	(578.3)	(335.0)
Others		(31.9)	(46.8)
Net cash flows from operating activities		**965.0**	**1,192.7**
Investing activities			
Purchase of property, plant and equipment and intangible assets		(1,005.6)	(1,054.9)
Acquisition of subsidiaries and financial assets (c)		(197.8)	(12,099.7)
Proceeds from sale of property, plant and equipment and intangible assets		27.2	49.4
Proceeds from sale of financial assets		0.3	0.3
Net cash flows used in investing activities		**(1,175.9)**	**(13,104.9)**
Financing activities			
Dividends paid (b)			
■ L'Air Liquide S.A.	(19)	(924.1)	(946.7)
■ Minority interests		(19.9)	(48.5)
Proceeds from issues of share capital (b)		74.4	102.7
Purchase of treasury shares (b)		(177.8)	(0.1)
Increase (decrease) in borrowings (c)		1,077.6	13,072.4
Transactions with minority shareholders		(11.6)	(0.5)
Net cash flows from (used in) financing activities		**18.6**	**12,179.3**
Effect of exchange rate changes and change in scope of consolidation		(67.7)	60.5
Net increase (decrease) in net cash and cash equivalents		**(260.0)**	**327.6**
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**854.9**	**875.4**
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**594.9**	**1,203.0**

(a) Changes in deferred taxes shown in the consolidated cash flow statement do not include changes in deferred taxes relating to disposals of assets.
(b) A breakdown of dividends paid, share capital increases and treasury share purchases is provided on pages 36 and 37.
(c) The net cash flows related to Airgas acquisition are presented in note 1.

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

(In millions of euros)	Notes	December 31, 2015	June 30, 2015	June 30, 2016
Cash and cash equivalents	(16)	965.5	693.5	1,315.8
Bank overdrafts (included in current borrowings)		(90.1)	(98.6)	(112.8)
NET CASH AND CASH EQUIVALENTS		**875.4**	**594.9**	**1,203.0**

NET INDEBTEDNESS CALCULATION

(In millions of euros)	Notes	December 31, 2015	June 30, 2015	June 30, 2016
Non-current borrowings (long-term debt)	(16)	(6,290.7)	(6,716.0)	(11,101.8)
Current borrowings (short-term debt)	(16)	(1,912.7)	(1,904.1)	(10,073.8)
TOTAL GROSS INDEBTEDNESS		**(8,203.4)**	**(8,620.1)**	**(21,175.6)**
Cash and cash equivalents	**(16)**	**965.5**	**693.5**	**1,315.8**
Derivative instruments (assets) – fair value hedge of borrowings	(16)	(0.8)		
TOTAL NET INDEBTEDNESS AT THE END OF THE PERIOD		**(7,238.7)**	**(7,926.6)**	**(19,859.8)**

STATEMENT OF CHANGES IN NET INDEBTEDNESS

(In millions of euros)	Notes	Year 2015	1st half 2015	1st half 2016
Net indebtedness at the beginning of the period		**(6,306.3)**	**(6,306.3)**	**(7,238.7)**
Net cash flows from operating activities		2,832.4	965.0	1,192.7
Net cash flows used in investing activities		(2,281.1)	(1,175.9)	(13,104.9)
Net cash flows used in financing activities excluding increase (decrease) in borrowings		(1,078.7)	(1,059.0)	(893.1)
Total net cash flows		**(527.4)**	**(1,269.9)**	**(12,805.3)**
Effect of exchange rate changes, opening net indebtedness of newly acquired companies and others		(405.0)	(350.4)	184.2
Change in net indebtedness		**(932.4)**	**(1,620.3)**	**(12,621.1)**
NET INDEBTEDNESS AT THE END OF THE PERIOD	**(16)**	**(7,238.7)**	**(7,926.6)**	**(19,859.8)**

Consolidated statement of changes in equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM JANUARY 1, 2016 TO JUNE 30, 2016

					Net income recognized directly in equity					
(In millions of euros)	Notes	Share capital	Additional paid-in capital	Retained earnings (including net profit)	Fair value of financial instruments	Translation reserves	Treasury shares	Shareholders' equity	Minority interests	Total equity
Equity and minority interests as of January 1, 2016		**1,892.9**	**15.6**	**10,720.1**	**60.4**	**(162.3)**	**(121.0)**	**12,405.7**	**365.1**	**12,770.8**
Profit for the period				**810.6**				**810.6**	**42.4**	**853.0**
Items recognized in equity				(180.4)	(142.0)	(87.7)		(410.1)	1.3	(408.8)
Net income and gains and losses recognized directly in equity [(a)]				**630.2**	**(142.0)**	**(87.7)**		**400.5**	**43.7**	**444.2**
Increase (decrease) in share capital		7.8	94.4					102.2		102.2
Distribution	(19)			(947.9)				(947.9)	(48.5)	(996.4)
Share-based payments	(14)			18.8				18.8		18.8
Transactions with minority shareholders recognized directly in equity				(10.1)				(10.1)	(1.3)	(11.4)
Others				0.1 [(e)]				0.1	1.4	1.5
EQUITY AND MINORITY INTERESTS AS OF JUNE 30, 2016		**1,900.7** [(b)]	**110.0** [(c)]	**10,411.2**	**(81.6)**	**(250.0)**	**(121.0)** [(d)]	**11,969.3**	**360.4**	**12,329.7**

(a) The statement of net income and gains and losses recognized directly in equity is presented on page 32.

(b) Share capital as of June 30, 2016 amounted to 345,576,374 shares at a par value of 5.50 euros. In the 1st half of 2016, movements affecting share capital were as follows:

- *creation of 414,230 shares in cash at a par value of 5.50 euros resulting from the exercise of options;*
- *creation of 999,143 shares in cash resulting from a capital increase reserved to employees;*

(c) "Additional paid-in capital" was increased by the amount of share premiums relating to the capital increases in the amount of 94.4 million euros.

(d) The number of treasury shares as of June 30, 2016 totaled 1,217,751 (including 1,117,620 held by L'Air Liquide S.A.). In the 1st half of 2016, movements affecting treasury shares were as follows:

- *acquisitions, net of disposals, of 875 shares;*
- *allocation of 287 shares as part of performance shares.*

(e) Changes in "Retained earnings" primarily result from the impact of the cancellation of gains or losses arising from disposals of treasury shares and from the tax impacts related to the items recognized directly in equity.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM JANUARY 1, 2015 TO JUNE 30, 2015

(In millions of euros)	Share capital	Additional paid-in capital	Retained earnings (including net profit)	Net income recognized directly in equity: Fair value of financial instruments	Net income recognized directly in equity: Translation reserves	Treasury shares	Shareholders' equity	Minority interests	Total equity
Equity and minority interests as of January 1, 2015	**1,896.8**	**25.7**	**10,009.6**	**30.5**	**(325.4)**	**(100.7)**	**11,536.5**	**290.4**	**11,826.9**
Profit for the period			**849.4**				**849.4**	**39.2**	**888.6**
Items recognized in equity			65.6	14.9	412.6		493.1	18.3	511.4
Net income and gains and losses recognized directly in equity [(a)]			**915.0**	**14.9**	**412.6**		**1,342.5**	**57.5**	**1,400.0**
Increase (decrease) in share capital	3.6	37.5					41.1	33.3	74.4
Distribution			(924.7)				(924.7)	(19.9)	(944.6)
Cancellation of treasury shares	(8.3)	(56.0)	(88.7)			153.0			
Purchase of treasury shares						(177.6)	(177.6)		(177.6)
Share-based payments			10.9				10.9		10.9
Transactions with minority shareholders recognized directly in equity			(34.9)				(34.9)	(3.4)	(38.3)
Others			(0.6)				(0.6)	(0.3)	(0.9)
EQUITY AND MINORITY INTERESTS AS OF JUNE 30, 2015	**1,892.1**	**7.2**	**9,886.6**	**45.4**	**87.2**	**(125.3)**	**11,793.2**	**357.6**	**12,150.8**

(a) The statement of net income and gains and losses recognized directly in equity is presented on page 32.

Accounting principles

The condensed interim consolidated financial statements for the half-year ended June 30, 2016 include the Company and its subsidiaries (together referred to as the "Group") as well as the Group's share of associates or joint ventures. The Group's consolidated financial statements for the fiscal year ended December 31, 2015 are available upon request at the Company's registered office at 75, quai d'Orsay, 75007 Paris, France or www.airliquide.com.

BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

The condensed interim consolidated financial statements have been prepared in accordance with IAS34 "Interim Financial Reporting", a standard within the IFRS (International Financial Reporting Standards), as adopted by the European Union. They do not include all the information required for complete annual financial statements and should be read in conjunction with the Group's financial statements for the fiscal year ended December 31, 2015.

Except for the application of standards, interpretations and amendments being mandatory as of January 1, 2016, the accounting principles used for the preparation of the condensed interim consolidated financial statements are identical to those used for the preparation of the consolidated financial statements for the fiscal year ended December 31, 2015. They were drawn up in accordance with IFRS, as adopted by the European Union as of June 30, 2016, without the carve-out option as published by the IASB (International Accounting Standards Board).

The IFRS standards and interpretations as endorsed by the European Union are available at the following website:

http://ec.europa.eu/finance/company-reporting/standards-interpretations/index_en.htm

The Group has not anticipated any standards, amendments or interpretations published by the IASB whose application is optional or not yet effective in the European Union as of June 30, 2016.

The financial statements are presented in million euros. They were reviewed by the Board of Directors on July 29, 2016.

NEW IFRS AND INTERPRETATIONS

1. New standards, interpretations and amendments whose application is mandatory as of January 1, 2016

The following texts do not have an impact on the Group interim financial statements:

- amendments to IAS19 "Defined Benefit Plans: Employee Contributions", issued on November 21, 2013;
- annual improvements to IFRSs 2010-2012 Cycle, issued on December 12, 2013;
- amendments to IFRS11 "Accounting for Acquisitions of Interests in Joint Operations", issued on May 6, 2014;
- amendments to IAS16 and IAS38 "Clarification of Acceptable Methods of Depreciation and Amortization", issued on May 12, 2014;
- annual improvements to IFRSs 2012-2014 Cycle, issued on September 25, 2014;
- amendments to IAS1 "Disclosure Initiative", issued on December 18, 2014.

In addition, the following texts are not applicable for the Group:

- amendments to IAS16 and IAS41 "Bearer Plants", issued on June 30, 2014;
- amendments to IAS27 "Equity Method in Separate Financial Statements", issued on August 12, 2014.

2. Standards, interpretations and amendments not yet endorsed by the European Union

The impacts on the financial statements of the texts published by the IASB as of June 30, 2016 and not yet endorsed by the European Union are being analyzed. These texts are as follows:

- IFRS15 "Revenue from Contracts with Customers", issued on May 28, 2014, including amendments to IFRS15 "Effective Date of IFRS15", issued on September 11, 2015;
- IFRS9 "Financial Instruments", issued on July 24, 2014;
- amendments to IFRS10 and IAS28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture", issued on September 11, 2014;
- IFRS16 "Leases", issued on January 13, 2016;
- amendments to IAS12 "Recognition of Deferred Tax Assets for Unrealized Losses", issued on January 19, 2016;
- amendments to IAS7 "Disclosure Initiative", issued on January 29, 2016;
- clarifications to IFRS15, issued on April 12, 2016.

In addition, the following texts are not applicable for the Group:

- IFRS14 "Regulatory Deferral Accounts", issued on January 30, 2014;
- amendments to IFRS10, IFRS12 and IAS28 "Investment Entities – Applying the Consolidation Exception", issued on December 18, 2014.

USE OF ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires Group or subsidiary management to make estimates and use certain assumptions which could have a significant impact on the consolidated carrying amounts of assets and liabilities recorded in the consolidated balance sheet, the notes related to these assets and liabilities, the revenue and expense items in the consolidated income statement and the commitments relating to the period-end. Subsequent results may differ.

The significant judgments exercised by the Group and subsidiary management in applying the Group accounting policies used in preparing the half-year condensed consolidated financial statements, and the main sources of uncertainty in making the requisite estimates, are identical to those described in the consolidated financial statements for the fiscal year ended December 31, 2015.

BASIS FOR PRESENTATION AND MEASUREMENT OF FIRST HALF-YEAR INFORMATION

The segment information corresponds to the information required by IAS34 "Interim Financial Reporting".

The Group's activities may be affected by significant changes in the economic situation. Therefore, its interim results are not necessarily indicative of those to be expected for the fiscal year as a whole.

The income tax expense for the period is calculated by applying the estimated effective income tax rate for the fiscal year (based on the information available as of the interim reporting date) to the different categories of profit.

Notes to the condensed consolidated financial statements for the half-year ended June 30, 2016

Note 1 – Acquisition of Airgas

On November 17, 2015, the Group announced the agreement to acquire Airgas, Inc., a US company.

Airgas is one of the leading suppliers in the United States of industrial, medical and specialty gases, and hardgoods, such as welding equipment and related products.

With gases activities, Airgas offers a full range of gases and various delivery modes, both in packaged gas and bulk.

Airgas offers a resilient profile with a diverse customer base of 1 million clients, principally in Manufacturing and Metal Fabrication, Non-Residential Construction as well as Healthcare and Food.

Airgas is present across the entire U.S. with 1,100 locations and over 900 branches and retail stores.

Airgas shareholders, during a Special Shareholder Meeting held on February 23, 2016, approved the acquisition of Airgas by Air Liquide.

On May 13, 2016, the U.S. Federal Trade Commission (the "FTC") cleared the acquisition of Airgas by Air Liquide, the final regulatory condition to the closing of the pending acquisition. The acquisition, subject to the satisfaction of the remaining customary closing conditions, has been finalized on May 23, 2016. The Airgas shareholders received a cash offering of 143 dollars per share for all Airgas shares issued or to be issued, representing a total enterprise value of 13.2 billion dollars. The Group acquired 100% shares of Airgas.

Combining Air Liquide and Airgas brings together two highly complementary businesses to deliver greater value, service and innovation to customers in North America and around the world.

The Group is financing this acquisition through a bridge loan of 11.6 billion dollars that was contracted from its main banks. In June 2016, Air Liquide placed a 3 billion euros bond issue constituting the first step in refinancing the acquisition of Airgas. The information related to the financing of the acquisition is presented in note 16.

Acquisition costs related to the transaction are presented in note 5.

1.1. GOODWILL AS OF THE ACQUISITION DATE

Airgas acquisition was recognized as a business combination in accordance with IFRS3.

Air Liquide appointed an independent business valuation expert to perform the valuation of the main assets and liabilities, as follows:

(In millions of euros)	**As of May 23, 2016**
Intangible assets, net	1,038.4
Property, plant & equipment, net	3,633.1
Other non-current assets	32.5
Inventories and work-in-progress	403.5
Trade receivables	603.8
Prepaid expenses and other current assets	201.9
Assets held for sale	102.1
Total assets measured at fair value on the acquisition date	**6,015.3**
Provisions and contingencies	338.6
Deferred income tax liability	1,052.4
Non-current borrowings	1,743.1
Other non-current liabilities	14.2
Accounts payable	212.4
Accrued expenses and other current liabilities	191.4
Short-term debt	517.9
Liabilities held for sale	15.6
Total liabilities measured at fair value on the acquisition date	**4,085.6**
Net assets of Airgas measured at fair value on the acquisition date	1,929.7
Equity in net assets of Airgas acquired (100%)	100%
Cash consideration for the 100% acquired	9,526.1
Preliminary goodwill [(a)]	**7,596.4**

(a) In accordance with IFRS3 Revised, the final measurement of preliminary goodwill shall be finalized in the twelve months following the acquisition.

The preliminary residual goodwill is mainly attributable to the valuation of the assembled workforce, expected synergies and a distribution network. The goodwill is not deductible for tax purposes.

1.2. MAIN IMPACTS ON THE INCOME STATEMENT OF THE 1ST HALF 2016 (a)

(In millions of euros)	1st half 2016 (a)
Revenue	**511.2**
Operating income recurring before depreciation and amortization	**104.1**
Depreciation and amortization expense	(40.3)
Operation income recurring	**63.8**
Other non-recurring operating expenses (b)	(73.2)
Operating income	**(9.4)**
Net finance costs (c)	(38.5)
Income taxes	17.1
Profit for the period	**(30.6)**
Net profit (Group share)	(30.6)

(a) Period from May 23, 2016 to June 30, 2016.
(b) Including costs related to the operation presented in note 5 and recorded by the Group during the 1st half 2016.
(c) Including net finance costs related to the bridge loan and to the 3 billion euros bond issue described in note 16.

1.3. ASSETS HELD FOR SALE

On June 24, 2016, Air Liquide announced that it has entered into an agreement to sell certain assets in the United States to Matheson Tri-Gas, Inc. ("Matheson"), a subsidiary of Taiyo Nippon Sanso Corporation of Tokyo, Japan. Upon closing, these divestitures to Matheson will mark a significant milestone toward satisfying the conditions required by the Federal Trade Commission ("FTC") in connection with Air Liquide's closed acquisition of Airgas.

Under the terms of the purchase agreements, Matheson will acquire the following assets from Air Liquide:

- eighteen air separation units in sixteen locations;
- two nitrous oxide production facilities;
- four liquid carbon dioxide production facilities in four states, including two dry ice production facilities;
- three Airgas retail packaged welding gas stores in Alaska.

Furthermore, Air Liquide has also signed a sale agreement of two of its facilities in Iowa that produce both liquid carbon dioxide and dry ice, which are remaining assets ordered by the FTC to be divested in connection with Air Liquide's acquisition of Airgas.

The Matheson operation and the Iowa plants transaction remain subject to FTC approval and are expected to close in the third quarter of 2016.

Production facilities, equipment, inventory, distribution assets, and customer contracts, recognized as part of the business combination are presented in Assets held for sale. Deferred tax liabilities have been reclassified in Liabilities held for sale. No impairment on assets held for sale has been recorded as of June 30, 2016.

Note 2 – Segment information

2.1. INCOME STATEMENT FOR THE HALF-YEAR ENDED JUNE 30, 2016

(In millions of euros)	Gas & Services					Engineering & Construction	Global Markets & Technologies	Other activities	Reconciliation	Total
	Europe	Americas	Asia-Pacific	Middle East and Africa	Sub-total					
Revenue	3,224.4	2,185.3	1,919.7	288.1	7,617.5	254.3	145.7	277.1		8,294.6
Inter-segment revenue						*212.4*	*160.8*		*(373.2)*	
Operating income recurring	**638.4**	**431.2**	**344.8**	**44.5**	**1,458.9**	**10.8**	**15.8**	**14.9**	**(118.8)**	**1,381.6**
incl. depreciation and amortization	*(295.2)*	*(186.6)*	*(175.8)*	*(26.2)*	*(683.8)*	*(9.4)*	*(13.4)*	*(6.5)*	*(11.4)*	*(724.5)*
Other non-recurring operating income										12.3
Other non-recurring operating expenses										(101.6)
Net finance costs										(153.8)
Other financial income										11.2
Other financial expenses										(32.1)
Income taxes										(268.2)
Share of profit of associates										3.6
Profit for the period										**853.0**

2.2. RESTATED INCOME STATEMENT FOR THE HALF-YEAR ENDED JUNE 30, 2015

The restated information takes into account changes in the segment information described in the paragraph 1 Basis for presentation of financial information in the consolidated financial statements as of December 31, 2015.

(In millions of euros)	Gas & Services					Engineering & Construction	Global Markets & Technologies	Other activities	Reconciliation	Total
	Europe	Americas	Asia-Pacific	Middle East and Africa	Sub-total					
Revenue	3,366.5	1,799.4	1,891.6	244.8	7,302.3	382.5	131.9	297.9		8,114.6
Inter-segment revenue						*262.4*	*150.5*		*(412.9)*	
Operating income recurring	**657.0**	**381.2**	**336.4**	**41.6**	**1,416.2**	**45.7**	**17.1**	**22.6**	**(92.9)**	**1,408.7**
incl. depreciation and amortization	*(287.7)*	*(167.8)*	*(175.6)*	*(25.3)*	*(656.4)*	*(11.9)*	*(10.3)*	*(6.5)*	*(8.5)*	*(693.6)*
Other non-recurring operating income										(2.1)
Other non-recurring operating expenses										(4.3)
Net finance costs										(121.7)
Other financial income										5.0
Other financial expenses										(40.7)
Income taxes										(362.8)
Share of profit of associates										6.5
Profit for the period										**888.6**

2.3. PUBLISHED INCOME STATEMENT FOR THE HALF-YEAR ENDED JUNE 30, 2015

	Gas & Services								
(In millions of euros)	Europe	Americas	Asia-Pacific	Middle East and Africa	Sub-total	Engineering and Technology	Other activities	Reconciliation	Total
Revenue	**3,390.4**	**1,813.2**	**1,913.7**	**222.8**	**7,340.1**	**476.6**	**297.9**		**8,114.6**
Inter-segment revenue						*304.3*		*(304.3)*	
Operating income recurring	**669.4**	**384.8**	**334.6**	**43.4**	**1,432.2**	**33.5**	**22.6**	**(79.6)**	**1,408.7**
incl. depreciation and amortization	*(293.3)*	*(168.1)*	*(177.7)*	*(23.2)*	*(662.3)*	*(16.3)*	*(6.5)*	*(8.5)*	*(693.6)*
Other non-recurring operating income									(2.1)
Other non-recurring operating expenses									(4.3)
Net finance costs									(121.7)
Other financial income									5.0
Other financial expenses									(40.7)
Income taxes									(362.8)
Share of profit of associates									6.5
Profit for the period									**888.6**

Note 3 – Revenue

Consolidated revenue for the 1st half of 2016 amounted to 8,294.6 million euros, up +2.2% compared to the 1st half of 2015 (8,114.6 million euros).

After adjusting for the cumulative impact of foreign exchange fluctuations, revenue is up +4.7%.

Note 4 – Depreciation and amortization expense

(In millions of euros)	1st half 2015	1st half 2016
Intangible assets	(50.7)	(60.5)
Property, plant and equipment (PP&E) [(a)]	(642.9)	(664.0)
TOTAL	**(693.6)**	**(724.5)**

(a) Including the depreciation expense after deduction of investment grants released to profit.

Note 5 – Other non-recurring operating income and expenses

(In millions of euros)	1st half 2015	1st half 2016
Expenses		
Reorganization, restructuring and realignment programs costs	(12.9)	(21.4)
Acquisition, disposal and restructuring costs related to acquisition of Airgas		(73.2)
Other acquisition costs	(3.5)	(2.9)
Others	12.1	(4.1)
TOTAL OTHER NON-RECURRING OPERATING EXPENSES	**(4.3)**	**(101.6)**
Income		
Gains or losses on the disposal of activities	(2.1)	6.8
Others		5.5
TOTAL OTHER NON-RECURRING OPERATING INCOME	**(2.1)**	**12.3**
TOTAL	**(6.4)**	**(89.3)**

In the 1st half of 2016, the Group incurred:

- gains and losses on disposals, calculated in accordance with IFRS10 §25 for a total amount of 6.8 million euros;
- -21.4 million euros in realignment programs, primarily in advanced economies.

In the 1st half of 2015, the Group incurred:

- -12.9 million euros in realignment programs, primarily in advanced economies.

Note 6 – Net finance costs

The average cost of debt stood at 3.5% in the 1st half of 2016 (3.9% for the 1st half of 2015).

Note 7 – Income taxes

	1st half 2015	1st half 2016
Average effective tax rate (in %)	29.2%	24.0%

The average effective tax rate stood at 24% in the 1st half 2016, following tax savings related to a decision of the Court of Justice of the European Union and favorable tax audits.

Note 8 – Employee benefits

The expense recognized for pension and other employee benefits totaled 39 million euros in the 1st half of 2016 and can be broken down as follows:

(In millions of euros)	1st half 2015	1st half 2016
Service cost	22.3	20.6
Interest cost on the net defined benefit liability	17.4	13.3
Others [a]	(10.3)	(27.0)
Defined benefit plans	**29.4**	**6.9**
Defined contribution plans	**27.8**	**32.1**
TOTAL	**57.2**	**39.0**

(a) Impact of plan amendments in the United States in 2016, as well as in the United States, in Switzerland and in Canada in 2015.

Note 9 – Net earnings per share

9.1. BASIC EARNINGS PER SHARE

	1st half 2015	1st half 2016
Net profit (Group share) attributable to ordinary shareholders of the parent company *(in millions of euros)*	849.4	810.6
Weighted average number of ordinary shares outstanding	342,824,901	343,406,891
Basic earnings per share *(in euros)*	**2.48**	**2.36**

9.2. DILUTED EARNINGS PER SHARE

	1st half 2015	1st half 2016
Net profit used to calculate diluted earnings per share *(in millions of euros)*	**849.4**	**810.6**
Weighted average number of ordinary shares outstanding	342,824,901	343,406,891
Adjustment for dilutive impact of share subscription options	1,328,339	577,786
Adjustment for dilutive impact of conditional grant of shares	244,371	477,228
Adjusted weighted average number of shares outstanding used to calculate diluted earnings per share	**344,397,611**	**344,461,905**
Diluted earnings per share *(in euros)*	**2.47**	**2.35**

All instruments that could dilute net profit attributable to ordinary shareholders of the parent company are included in the calculation of diluted earnings per share.

The Group has not issued any other financial instruments that may result in further dilution of net earnings per share.

Note 10 – Goodwill

(In millions of euros)	As of December 31, 2015	Goodwill recognized during the period	Foreign exchange differences	As of June 30, 2016
Goodwill	5,730.2	7,672.8	143.9	13,546.9

During the 1st half of 2016, goodwill recognized in the period include in particular goodwill following the acquisition of Airgas as described in note 1. In accordance with IFRS3 Revised, the final measurement of preliminary goodwill shall be finalized in the twelve months following the acquisition.

The Group performed a review of goodwill as of June 30, 2016 and did not identify any indications of impairment loss.

Note 11 – Investments in associates

(In millions of euros)	As of December 31, 2015	Share of profit for the period	Dividend distribution	Foreign exchange differences	Other movements	As of June 30, 2016
Investments in associates	115.9	3.6	(3.6)	0.2	11.0	127.1

Note 12 – Deferred taxes

(In millions of euros)	As of December 31, 2015	Income (charge) to the income statement	Items recognized in equity (a)	Foreign exchange differences	Acquisitions related to business combinations	Others	As of June 30, 2016
Deferred tax assets	235.2	(52.3)	131.8	(0.5)	4.1		318.3
Deferred tax liabilities	(1,321.8)	7.8	10.1	13.6	(1,051.2)	33.5	(2,335.2)
Deferred tax (net)	**(1,086.6)**	**(44.5)**	**141.9**	**14.1**	**(1,047.1)**	**33.5**	**(2,016.9)**

(a) Relate to deferred taxes recognized in other items in the statement of net income and gains and losses recognized directly in equity: 58.2 million euros for the change in the fair value of derivatives and 83.7 million euros for actuarial gains and losses.

Note 13 – Changes in working capital

The increase in the working capital requirement for 335 million euros presented in the consolidated cash flow statement mainly comes from the Engineering & Construction activity for 173.4 million euros. Gas & Services, Global Market & Technologies and Other activities contribute to the variation for 111.8 million euros.

Note 14 – Shareholders' equity

14.1. SHARES

	2016
NUMBER OF SHARES OUTSTANDING AS OF JANUARY 1	**344,163,001**
Capital increase reserved for employees	999,143
Options exercised during the period	414,230
NUMBER OF SHARES AS OF JUNE 30	**345,576,374**

14.2. SHARES-BASED PAYMENT

The expense relating to share subscription options and to performance shares granted by the Group amounted to 13.1 million euros in the 1st half of 2016 (compared to 10.9 million euros in the 1st half of 2015).

14.3. GROUP SAVINGS PLAN

On July 29, 2015 and on October 23, 2015, confirmed on February 15, 2016, the Board of Directors decided to proceed with a capital increase reserved for employees of Group companies belonging to the France Group savings plan or the Air Liquide Group international savings plan.

Under the authority conferred to him by the Board of Directors at its meetings held on July 29, 2015 and October 23, 2015, the share capital increase was acknowledged by the Chief Executive Officer on May 10, 2016.

The purchase price was 77.18 euros for all employees, with the exception of employees of the Group's subsidiaries located in the US, for which the purchase price was 82.00 euros.

A total of 999,143 Air Liquide shares were purchased, for an amount raised of 77.4 million euros, including a premium on shares issued of 71.9 million euros.

The Group savings plans are recorded in profit or loss and measured in accordance with IFRS2 "Share-based Payment" based on the following assumptions:

- a two-week subscription period;
- a five-year lock-in period from the end of the subscription period in accordance with the French legislation.

The expense recorded takes into account the five-year lock-in period. The discount was measured taking into account the employee's borrowing rate.

The expense recorded in 2016 pursuant to IFRS2 "Share-based Payment" amounts to 5.7 million euros (after discount) with respect to the Group's savings plan 1.7 million euros came from the contribution granted by certain Group subsidiaries.

This expense is recorded in "Other operating expenses".

Note 15 – Provisions, pensions and other employee benefits

(In millions of euros)	As of December 31, 2015	Increase	Utilized	Other reversals	Discounting	Foreign exchange differences	Acquisitions related to business combinations	Other movements	As of June 30, 2016
Pensions and other employee benefits	1,749.9	(4.9)	(54.1)		262.4 [b]	2.9	16.8	6.8	1,979.8
Restructuring plans/realignment programs	31.1	7.6	(9.6)	(0.9)				(4.9)	23.3
Guarantees and other provisions related to engineering contracts	94.1	35.3	(46.4)	(10.2)		(0.6)		1.5	73.7
Dismantling	221.9	2.9	(0.6)	(1.9)	3.8	3.7	20.5	(22.5)	227.8
Other provisions [a]	287.4	17.6	(34.9)	(31.3)		4.0	300.8	(6.1)	537.5
TOTAL PROVISIONS	**2,384.4**	**58.5**	**(145.6)**	**(44.3)**	**266.2**	**10.0**	**338.1**	**(25.2)**	**2,842.1**

(a) This heading includes provisions for industrial and tax litigations.
(b) This amount mainly includes actuarial (gains)/losses recognized during the period.

In the 1st half of 2016, no new litigation is likely to have a material impact on the Group's financial position or profitability.

On May 26, 2011, Air Liquide Japan Ltd. and three other competitors received a fine payment order from the Japanese Fair Trade Commission (JFTC) regarding alleged unfair practices in sales of liquid oxygen, liquid nitrogen and liquid argon (excluding medical use) in Japan between April 2008 and January 2010.

The JFTC requested Air Liquide Japan Ltd. to take corrective actions and a fine amounting to 4.8 billion Japanese Yen (equivalent to 36.6 million euros as of December 31, 2015) was paid on August 29, 2011. Air Liquide Japan Ltd. initiated an appeal process through the JFTC administrative proceedings following the JFTC's decision. An expense was booked representing the best estimate of the risk related to this dispute.

In 2015, Air Liquide Japan appealed the decision of the administrative proceeding to the Tokyo High Court. The appeal was rejected by decision of May 25, 2016. Air Liquide Japan has decided not to contest it.

Furthermore, the assets covering defined benefit plan obligations were measured at the fair value. The discount rates used to determine the present value of the Group's obligations were also reviewed. The discount rates revision explains the increase in pension provisions (except plan assets) for 299 million euros.

Note 16 – Borrowings

	December 31, 2015			June 30, 2016		
	Carrying amount			Carrying amount		
(In millions of euros)	**Non-current**	**Current**	**Total**	**Non-current**	**Current**	**Total**
Bonds and Private placements	5,534.5	553.0	6,087.5	9,994.3	608.0	10,602.3
Commercial paper programs		877.8	877.8		1,475.2	1,475.2
Bank debt and other financial debt	682.1	465.8	1,147.9	1,024.1	7,977.6	9,001.7
Finance leases	16.6	10.6	27.2	13.4	7.5	20.9
Put options granted to minority shareholders	57.5	5.5	63.0	70.0	5.5	75.5
TOTAL BORROWINGS (A)	**6,290.7**	**1,912.7**	**8,203.4**	**11,101.8**	**10,073.8**	**21,175.6**
TOTAL CASH AND CASH EQUIVALENTS (B)		**965.5**	**965.5**		**1,315.8**	**1,315.8**
Fair value of derivatives (assets)		0.8	0.8			
TOTAL DERIVATIVES INSTRUMENTS RELATING TO BORROWINGS (C)		**0.8**	**0.8**			
NET INDEBTEDNESS (A) - (B) + (C)	**6,290.7**	**948.0**	**7,238.7**	**11,101.8**	**8,758.0**	**19,859.8**

Total borrowings increased by 13.0 billion euros between December 31, 2015 and June 30, 2016.

Bond issues during the 1st half of 2016 were as follows:

- a public bond issue, for 300 million euros, maturing on April 18, 2022, at a fixed rate of 0.375%;
- a public bond issue, for 3 billion euros, in five series:
  - 500 million euros, maturing on June 13, 2018, at a 3-month Euribor floating rate +0.20% (minimum coupon of 0%);
  - 500 million euros, maturing on June 13, 2020, at a fixed rate of 0.125%;
  - 500 million euros, maturing on June 13, 2022, at a fixed rate of 0.50%;
  - 500 million euros, maturing on June 13, 2024, at a fixed rate of 0.75%;
  - 1,000 million euros, maturing on June 13, 2028, at a fixed rate of 1.25%.

These bond issues were performed by Air Liquide Finance S.A. under the EMTN program and guaranteed by L'Air Liquide S.A.

In June 2016, the bond issue for 3 billion euros was used to refinance the tranche of 3.25 billion US dollars from the bridge loan out of 11.6 billion US dollars, contracted on May 23, 2016, for the acquisition of Airgas.

As of June 30, 2016, Airgas debt is consolidated, composed of fixed rate bonds, with an average maturity of 4.6 years and for a total amount of 1.55 billion US dollars (equivalent to 1.4 billion euros) and a 330 million US dollars securitization program (equivalent to 300 million euros), maturing in December 2018.

Short-term borrowings (maturing in less than 12 months) increased by 8.2 billion euros compared to December 31, 2015, comprising:

- the balance of the bridge loan, contracted for the acquisition of Airgas, for 8.35 billion US dollars (equivalent to 7.5 billion euros), maturing on December 17, 2016, with the possibility of exercising two extension options of six months each;
- the increased use of the commercial paper program, which amounted to 1.5 billion euros as of June 30, 2016, versus 878 million euros as of December 31, 2015;
- the reclassification to current borrowings of a long-term bond issue maturing in June, 2017 and amounting to 250 million euros.

Offset by:

- the repayment of bond issuance for 200 million euros, maturing on June 17,2016.

The refinancing in euro of the bridge loan in US dollar has been hedged during the months of March and April 2016, by currency hedges euro/US dollar (contingent at the acquisition). Furthermore, the interest rate risk on the coming issue bond in US dollar has been partially hedged, during the second quarter.

Furthermore, non-recourse assignments of trade receivables represent 207.5 million euros as of June 30, 2016 compared to 146.1 million euros as of December 31, 2015.

As of June 30, 2016, this balance includes the derecognized amount, as part of the European agreement regarding non-recourse assignments of receivables finalized in December 2015, for 147.9 million euros (79.9 million euros as of December 31, 2015). The financial package of the program, which initially covered 150 million euros, has been increased to 250 million euros.

Note 17 – Financial risk management

The principles set by Air Liquide, and stated in the 2015 Reference Document, in the note 25.1 of the consolidated financial statements, remain effective as of June 30, 2016, except for the updates listed below, as a result of Airgas acquisition.

a) Foreign exchange risk

Airgas is mainly present in the American market and its foreign subsidiaries account for a non-significant part of its revenue.

The impact of Airgas on the foreign exchange risk of the Group consists, on the one hand, of a translation exchange risk of the Airgas financial statements in euro, and on the other hand, of a transactional exchange risk related to loans and borrowings denominated in US dollar.

Sensitivity of income statement and balance sheet items to foreign currency fluctuations

The table below sets out the effect of a 1% increase in the foreign exchange rate on the following items:

(In millions of euros)	Revenue	% Total Group	Operating income recurring	% Total Group	Net profit	% Total Group	Equity	% Total Group
USD	14.2	0.17%	2.9	0.21%	1.1	0.14%	78.7	0.66%
CNY	7.5	0.09%	1.5	0.11%	0.6	0.08%	15.2	0.13%
JPY	5.1	0.06%	0.8	0.06%	0.3	0.04%	5.7	0.05%
CAD	2.8	0.03%	0.5	0.04%	0.2	0.03%	2.4	0.02%

The foreign currency risk sensitivity analysis shows that a 1% increase in the four major currencies as of June 30, 2016 would result in changes to revenue, operating income recurring, net profit and equity as indicated above.

Compared to December 31, 2015, the main variation is related to equity denominated in US dollar, due to the increase in capital of subsidiaries, which have functional currency denominated in US dollar, following the acquisition of Airgas.

A 1% decrease in the above currencies as of June 30, 2016 would have the equivalent but opposite effects as those presented above assuming that all other variables remained constant.

Sensitivity of derivatives and their underlying hedged items to foreign currency fluctuations

The table below shows the effect of a 1% fluctuation in hedging currency exchange rates on the recognition of the foreign exchange derivatives portfolio in the Group's net profit and equity as of June 30, 2016:

	Foreign exchange risk			
	+1%		-1%	
(In millions of euros)	P&L impact	Equity impact	P&L impact	Equity impact
Foreign exchange derivatives and their hedged underlying items		1.7		(1.7)

The impact on equity of the foreign exchange derivatives portfolio as of June 30, 2016, is not significant.

Indeed, the impact of the currency hedges euro/dollar, amounting 3.25 billion US dollars as of June 30, 2016 taken to cover the financing of the Airgas acquisition, are offset by the revaluation of the related debt.

b) Interest rate risk

At the end of June, due to the financing of Airgas acquisition in US dollar and the integration of its debt, the Group main currencies are the euro and the US dollar, representing 87% of the overall net debt.

As of June 30, 2016, 48% of the overall gross debt was fixed-rate debt. The decrease in the fixed-rate debt portion is due to the floating-rate bridge loan used for Airgas acquisition, the carrying amount of which being equal to 8.35 billion US dollars (equivalent to 7.5 billion euros) as of June 30, 2016.

Sensitivity of floating-rate debt to interest rate fluctuations

The floating-rate net indebtedness amounts to around 9.7 billion euros as of June 30, 2016 (gross debt adjusted for interest rate hedging instruments and short-term securities), compared to 1.2 billion euros as of December 31, 2015. This increase is mainly due to the floating-rate bridge loan (based on US Libor rates).

An increase or a decrease in interest rates by 100 basis points (+ or -1%) across all yield curves would have an effect of approximately 33 million euros on the Group's annual financial expenses before tax.

Indeed, excluding the bridge loan of which draw-downs have fixed the Libor rates until their maturities and taking in consideration the future exposure to US interest rates on the unhedged portion of the 4 to 5 billion US dollars bond issue planned for September or October 2016, the exposure to interest rates fluctuation is around 3.3 billion euros.

Sensitivity to interest rate fluctuations on derivatives and their underlying hedged items

The table below shows the effect of a 0.5% fluctuation in interest rates across all foreign currencies on the interest rate derivatives portfolio in the Group's net profit and equity, as of June 30, 2016.

	Interest rate risk			
	+0.5%		-0.5%	
(In millions of euros)	P&L impact	Equity impact	P&L impact	Equity impact
Interest rate derivatives and their hedged underlying items		239.8		(258.2)

The impact on equity of the foreign exchange derivatives portfolio as of June 30, 2016, is more significant than in December 31, 2015, as a result of hedging the interest rate risk related to the coming issue of US dollars bond, for the partial refinancing of the bridge loan drawn down for the Airgas acquisition. This effective hedging on American interest rates ("Treasuries") amounts to 3.25 billion US dollars for maturities going from 5 to 30 years.

Moreover, to protect the Group against a potential increase in euro rates until the refinancing of a bond issue (500 million euros), maturing in July 2017, a firm hedge was set up for the same amount.

c) Counterparty risk

Counterparty risks for Air Liquide potentially include customers and bank counterparties.

Through its activity being exclusively Industrial Merchant, Airgas has a dilutive effect on the weighting of the Group's main customers. In fact, Airgas' customer base is diversified and its main customer represents less than 1% of its revenue.

In compliance with the financial policy of the Group, Airgas' main banks are rated with a minimum long-term Standard & Poor's "A" rating or a Moody's "A2" rating.

d) Liquidity risk

The carrying amount of short-term financing in the form of commercial paper amounted to 1.5 billion euros as of June 30, 2016, an increase of 597 million euros compared to December 31, 2015. The average amount of commercial paper amounted to 1.1 billion euros as of June 30, 2016 compared to 1.2 billion euros in 2015.

The Group policy requires that commercial paper in issue be backed by confirmed long-term credit lines. As of June 30, 2016, this requirement was met, the amount of confirmed credit lines of 2.6 billion euros (excluding the bridge loan), being much higher than outstanding commercial papers.

The table below presents the maturities of bilateral and syndicated credit lines, including the carrying amount of the bridge loan used to finance Airgas acquisition.

(In millions of euros)	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**Total**
Bilateral lines		50.0	540.0	380.0	100.0	200.0	1,270.0
Syndicated credit lines [(a)]	7,521.2				1,300.0		8,821.2

(a) Of which draw down of the bridge loan of 8.35 billion US dollars (equivalent to 7.5 billion euros).

The bilateral credit line, maturing in 2016, was renewed on January 8, 2016, for the same amount and a period of five years.

Note 18 – Commitments

Excluding the acquisition of Airgas, there was no significant change in commitments compared to December 31, 2015.

Airgas commitments as follows:

(In millions of euros)	**As of June 30, 2016**
Firm purchase orders for fixed assets	34.5
Lease commitments which cannot be terminated	364.7
Commitments relating to operating activities	**399.2**
TOTAL	**399.2**

Note 19 – Dividend per share

The 2015 dividends on ordinary shares declared and paid on May 25, 2016 was 947.9 million euros (including the additional premium and tax on dividends), and amounted to 2.60 euros per share excluding tax.

The Amended Finance Act enacted in August 2012 introduced an additional 3% contribution on cash dividends. L'Air Liquide S.A. is subject to this tax for dividends paid in May 2016, which amounted to 27.6 million euros. The Group considers it as a cost associated with the dividend distribution and has therefore decided to recognize this contribution cost as a deduction from shareholders' equity.

Note 20 – Related party information

Due to the activities and the legal organization of the Group, only transactions with executives, associates and joint ventures are considered to be related party transactions. Transactions performed between the above-mentioned individuals or companies and Group subsidiaries did not change significantly.

Note 21 – Contingent liabilities

To the best of the Group's knowledge, there is no exceptional event or litigation which has affected in the recent past or which is likely to materially affect its financial situation or profitability.

Note 22 – Post-balance sheet events

There were no significant post-balance sheet events.

STATUTORY AUDITORS' REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION

This is a free translation into English of the Statutory Auditors' Review Report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

This report also includes information relating to the specific verification of information given in the Group's Interim Management Report.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of L'Air Liquide S.A., for the period from January 1, 2016 to June 30, 2016;
- the verification of the information contained in the Interim Management Report.

These condensed interim consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would not become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with standard IAS34 of the IFRS as adopted by the European Union applicable to interim financial information.

Without qualifying our conclusion, we draw your attention to note 1 "Airgas acquisition" to the condensed interim consolidated financial statements which sets out the impacts of the Airgas acquisition.

2. Specific verification

We have also verified the information presented in the Interim Management Report on the condensed interim consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed interim consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, August 1, 2016

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit		ERNST & YOUNG et Autres	
Olivier Lotz	Séverine Scheer	Jeanne Boillet	Emmanuelle Mossé

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

Basis of presentation

The following unaudited pro forma consolidated financial information contains unaudited pro forma consolidated income statements and unaudited purchase of property, plant and equipment and intangible assets for the year ended December 31, 2015 and the half-year ended June 30, 2016. The unaudited pro forma consolidated financial information has been established using assumptions described below and has also been derived from and should be read in conjunction with the following documents:

- the audited consolidated financial statements of Air Liquide as of and for the year ended December 31, 2015, prepared in accordance with IFRS;
- the unaudited consolidated interim financial statements of Air Liquide for the half-year ended June 30, 2016, prepared in accordance with IFRS, which have been reviewed by the auditors;
- the audited consolidated financial statements of Airgas as of and for the year ended March 31, 2015, prepared in accordance with U.S. GAAP;
- the unaudited consolidated interim financial statements of Airgas as of and for the nine-month period ended December 31, 2014, prepared in accordance with U.S. GAAP; and
- the unaudited consolidated interim financial statements of Airgas as of and for the nine-month period ended December 31, 2015, prepared in accordance with U.S. GAAP

The unaudited pro forma consolidated financial information has been prepared in millions of euros and reflects the acquisition and the financing of Airgas as if it had occurred on January 1, 2015 whereas the effective acquisition date is May 23, 2016. All pro forma adjustments are directly attributable to the business combination and only adjustments that are factually supportable and that can be estimated reliably are taken into account. The pro forma financial information does not reflect any future restructuring expenses or integration costs that may be incurred in connection with the business combination nor does it reflect any cost savings potentially realizable from the elimination of certain expenses or from synergies. In addition, the pro forma financial information does not include the capital gain on divestitures that shall be realized per the United States of America Federal Trade Commission ("FTC") Consent Order as a condition to the closing of the business combination. Material non-recurring items related to the acquisition are maintained in the "consolidated pro forma column" and adjusted in "non recurring items" to present the "consolidated pro forma recurring column". For the purpose of preparing the unaudited pro forma financial information, Airgas historical financial information has been adjusted for all differences between US GAAP and IFRS. In addition, certain items have been reclassified (see Note 1 below).

The unaudited pro forma financial information is presented for illustrative purposes only and is not indicative of the income (loss) of the consolidated company that would have been achieved if the business combination had been completed on January 1, 2015, nor is the pro forma financial information indicative of the future results of the consolidated company. The pro forma adjustments, which are detailed below, are based on available information to date and certain assumptions and estimates that Air Liquide considers as reasonable. Those adjustments are directly attributable to the business combination and are factually supportable:

A. Preliminary purchase accounting: The impacts of the preliminary purchase accounting on the income statement have been reflected on a basis consistent with the preliminary purchase accounting of Airgas reported by Air Liquide in its June 30, 2016 interim consolidated financial statements. See page 41.

B. Divestitures: Elimination of the estimated contribution of the assets to be divested per FTC Consent Order as a condition to the closing of the business combination.

C. Acquisition and disposal-related costs: Air Liquide acquisition and disposal-related costs incurred in the year ended December 31, 2015 and in the half-year ended June 30, 2016 in connection with the business combination are included in the "Consolidated pro forma" for the year ended December 31, 2015. On the other hand, Air Liquide acquisition and disposal-related costs incurred in the half-year ended June 30, 2016 have been eliminated in the "Consolidated pro forma". Transaction costs incurred by Airgas in the year ended December 31, 2015 have been eliminated as they are reflected, as well as those incurred in the half-year ended June 30, 2016, in the preliminary purchase accounting as a reduction of the net assets of Airgas acquired by Air Liquide.

D. Acquisition financing costs: Net finance costs have been adjusted to reflect in the unaudited pro forma financial information the impact of the financing structure in place on June 30, 2016 (i.e. the 11.6 billion US dollars bridge financing after deduction of the 3.0 billion euros notes issued on June 13, 2016 under the EMTN Program of Air Liquide) as if it had been in place as of January 1, 2015.

Taking into account the above adjustments, the "Consolidated pro forma" financial information is presented in accordance with the European Commission Regulation EC N° 809/2004, using the acquisition method in compliance with IFRS. The "Consolidated pro forma recurring" columns further reflect the unaudited pro forma financial information after eliminating the non-recurring impact of acquisition costs.

1. UNAUDITED PRO FORMA FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2015 UNDER IFRS

(In millions of euros)	Published Air Liquide	Historical Airgas (a) (b)	Pro forma adjustments (a) (e)	Consolidated pro forma	Non-recurring items (c)	Consolidated pro forma recurring
Revenue	**16,379.8**	**4,798.0**	**(222.5)**	**20,955.3**		**20,955.3**
Other income	193.5	5.2		198.7		198.7
Purchases	(6,164.0)	(2,092.3)	94.6	(8,161.7)		(8,161.7)
Personnel expenses	(3,069.4)	(1,156.6)	7.4	(4,218.6)		(4,218.6)
Other expenses	(3,077.7)	(680.0)	87.9	(3,669.8)		(3,669.8)
Operating income recurring before depreciation and amortization	**4,262.2**	**874.3**	**(32.6)**	**5,103.9**		**5,103.9**
Depreciation and amortization expense	(1,371.6)	(311.3)	(48.8)	(1,731.7)		(1,731.7)
Operating income recurring	**2,890.6**	**563.0**	**(81.4)**	**3,372.2**		**3,372.2**
Other non-recurring operating income	38.4			38.4		38.4
Other non-recurring operating expenses	(170.6)	(21.7)	(32.1)	(224.4)	63.9	(160.5)
Operating income	**2,758.4**	**541.3**	**(113.5)**	**3,186.2**	**63.9**	**3,250.1**
Net finance costs	(227.1)	(53.6)	(163.4)	(444.1)		(444.1)
Other financial income	14.7	3.9		18.6		18.6
Other financial expenses	(55.6)	(3.1)	0.8	(57.9)		(57.9)
Income taxes	(666.4)	(178.7)	102.8	(742.3)	(22.6)	(764.9)
Share of profit of associates	14.7	2.6		17.3		17.3
PROFIT FOR THE PERIOD	**1,838.7**	**312.4**	**(173.3)**	**1,977.8**	**41.3**	**2,019.1**
■ Minority interests	82.3			82.3		82.3
■ Net profit (Group share)	1,756.4	312.4	(173.3)	1,895.5	41.3	1,936.8
Purchase of property, plant and equipment and intangible assets (d)	**(2,027.7)**	**(447.8)**		**(2,475.5)**		**(2,475.5)**

(a) All data related to Airgas's financial information for the year ended December 31, 2015 and the pro forma adjustments to the income statement for the year ended December 31, 2015 are translated into euros using the following average exchange rate: USD 1 = EUR 0.9016, identical to the exchange rate used by Air Liquide to consolidate its operations in US dollars.

(b) See Note 1.B on page 60 for Airgas historical figures in US dollars.

(c) See "Basis for presentation" on page 56.

(d) Purchase of property, plant and equipment and intangible assets as presented in the consolidated cash flow statement in the 2015 Air Liquide Reference document. See note 1.A. and 1.B. on pages 59 and 60 for the calculation of Airgas purchase of property, plant and equipment and intangible assets.

(e) See Note 2 for details.

2. UNAUDITED PRO FORMA FINANCIAL INFORMATION FOR THE HALF-YEAR ENDED JUNE 30, 2016 UNDER IFRS

(In millions of euros)	Published Air Liquide H1 2016	Neutralization of Airgas included in Air Liquide from May 23 to June 30 (-)	Air Liquide H1 2016 Excluding Airgas	Airgas from January 1 to June 30 (excl. PPA) [(a)]	Pro forma adjustments [(a) (c)]	Consolidated pro forma
Revenue	**8,294.6**	**(511.2)**	**7,783.4**	**2,334.1**	**(106.0)**	**10,011.5**
Other income	62.2		62.2	2.1		64.3
Purchases	(3,056.6)	215.8	(2,840.8)	(980.9)	42.9	(3,778.8)
Personnel expenses	(1,655.9)	126.7	(1,529.2)	(588.5)	3.7	(2,114.0)
Other expenses	(1,538.2)	64.6	(1,473.6)	(331.4)	43.7	(1,761.3)
Operating income recurring before depreciation and amortization	**2,106.1**	**(104.1)**	**2,002.0**	**435.4**	**(15.7)**	**2,421.7**
Depreciation and amortization expense	(724.5)	40.3	(684.2)	(164.6)	(15.1)	(863.9)
Operating income recurring	**1,381.6**	**(63.8)**	**1,317.8**	**270.8**	**(30.8)**	**1,557.8**
Other non-recurring operating income	12.3		12.3			12.3
Other non-recurring operating expenses	(101.6)	73.2	(28.4)	(0.3)		(28.7)
Operating income	**1,292.3**	**9.4**	**1,301.7**	**270.5**	**(30.8)**	**1,541.4**
Net finance costs	(153.8)	35.0	(118.8)	(27.9)	(71.5)	(218.2)
Other financial income	11.2	(0.2)	11.0	1.0		12.0
Other financial expenses	(32.1)	3.7	(28.4)	0.8	0.4	(27.2)
Income taxes	(268.2)	(17.1)	(285.3)	(94.7)	35.9	(344.1)
Share of profit of associates	3.6	(0.2)	3.4	1.1		4.5
PROFIT FOR THE PERIOD	**853.0**	**30.6**	**883.6**	**150.8**	**(66.0)**	**968.4**
■ Minority interests	42.4		42.4			42.4
■ Net profit (Group share)	810.6	30.6	841.2	150.8	(66.0)	926.0
Purchase of property, plant and equipment and intangible assets [(b)]	**(1,054.9)**	**42.1**	**(1,012.8)**	**(183.8)**		**(1,196.6)**

(a) All data related to Airgas's financial information for the six-month ended June 30, 2016 and the pro forma adjustments to the income statement for the year ended June 30, 2016 are translated into euros using the following average exchange rate: USD 1 = EUR 0.8966, identical to the exchange rate used by Air Liquide to consolidate its operations in US dollars.

(b) Purchase of property, plant and equipment and intangible assets as presented in the consolidated cash flow statement in the 2016 Air Liquide half-year report.

(c) See Note 2 for details.

Notes to the unaudited pro forma consolidated financial information

Note 1 – Adjustments to the historical information of Airgas

The unaudited pro forma financial information includes adjustments to Airgas's historical financial statements for the following differences between US GAAP and IFRS. Such adjustments correspond to those that were identified at the time Airgas's financial statements were consolidated with those of Air Liquide on the date of acquisition effective May 23, 2016.

1.A. AIRGAS FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2015 UNDER U.S. GAAP (AIRGAS PRESENTATION)

	April 1st, 2014 – December 31st, 2014 3rd Quarter FY2015 (9 months)	April 1st, 2014 – March 31st, 2015 4th Quarter FY2015 (12 months)	January 1st, 2015 – March 31st, 2015 4th Quarter FY2015 (3 months)	April 1st, 2015 – December 31st, 2015 3rd Quarter FY2016 (9 months)	January 1st, 2015 – December 31st, 2015 FY2015 (12 months)
(In millions of dollars)	A	B	B - A = C	D	C + D
Net sales	**4,003.2**	**5,304.9**	**1,301.7**	**4,019.7**	**5,321.4**
Costs and expenses:					
Cost of products sold (excluding depreciation)	1,772.9	2,355.9	583.0	1,751.9	2,334.9
Selling, distribution and administrative expenses	1,491.5	1,978.7	487.2	1,535.3	2,022.5
Merger costs	-	-		21.4	21.4
Depreciation	221.4	297.7	76.3	237.3	313.6
Amortization	23.7	31.3	7.6	25.5	33.1
Total costs and expenses	**3,509.5**	**4,663.6**	**1,154.1**	**3,571.4**	**4,725.5**
OPERATING INCOME	**493.7**	**641.3**	**147.6**	**448.3**	**595.9**
Interest expense, net	(48.4)	(62.2)	(13.8)	(44.5)	(58.3)
Other income, net	1.7	5.1	3.4	5.8	9.2
Earnings before income taxes	**447.0**	**584.2**	**137.2**	**409.6**	**546.8**
Income taxes	(166.7)	(216.0)	(49.3)	(149.6)	(198.9)
NET EARNINGS	**280.3**	**368.2**	**87.9**	**260.0**	**347.9**
Capital expenditures	**338.9**	**468.8**	**129.9**	**366.7**	**496.6**

1.B. AIRGAS FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2015 ADJUSTED FROM U.S. GAAP TO IFRS AND RECLASSIFIED UNDER AIR LIQUIDE PRESENTATION

(In millions of dollars)	Airgas format [(a)]	Adjustments [(b) (d)]	Air Liquide format [(d)]
Revenue	**5,321.4**	**0.0**	**5,321.4**
Operating expenses [(c)]	(4,378.8)	28.6	(4,350.2)
Operating income recurring before depreciation and amortization	**942.6**	**28.6**	**971.2**
Depreciation and amortization expense [(c)]	(346.7)	1.5	(345.2)
Operating income recurring	**595.9**	**30.1**	**626.0**
Other non-recurring operating income and expenses [(c)]		(24.0)	(24.0)
Operating income	**595.9**	**6.1**	**602.0**
Financial result [(c)]	(49.1)	(6.6)	(55.7)
Income taxes	(198.9)	0.2	(198.7)
PROFIT FOR THE PERIOD	**347.9**	**(0.3)**	**347.6**
■ Minority interests	0.0	0.0	0.0
■ Net profit (Group share)	347.9	(0.3)	347.6
Purchase of property, plant and equipment and intangible assets	**496.6**		**496.6**

(a) See Note 1.A..
(b) See Note 1 – Adjustments to the historical information of Airgas on page 59.
(c) See Note 1.C..
(d) See Note 1.D..

1.C. RECLASSIFICATIONS OF SPECIFIC LINE-ITEMS IN THE FINANCIAL INFORMATION OF AIRGAS UNDER IFRS

Reclassifications in the IFRS pro forma financial information for the year ended December 31, 2015 and the half-year ended June 30, 2016 are related to:

- Airgas's accretion expenses of Assets Retirement Obligations (ARO) that have been reclassified from "Depreciation expenses" to "Financial result" for -1.5 million US dollars;
- transaction costs included in "operating expenses" in the historical Airgas income statement for -21.4 million US dollars reclassified to "Other non-recurring operating income and expenses" in accordance with Air Liquide accounting policies.

1.D. REVALUATION OF DEFERRED COMPENSATION PLAN ASSETS

Airgas has a deferred compensation plan that is a non-qualified plan. The deferred compensation plan allows eligible employees and non-employee Directors, who elect to participate in the plan, to defer the receipt of taxable compensation. Participants may set aside up to a maximum of 75% of their base salary and up to a maximum of 100% of their bonus compensation or Directors' fees in tax-deferred investments. Airgas's deferred compensation plan liabilities are funded through an irrevocable rabbi trust. The assets of the trust funds cannot be reached by Airgas or its creditors except in the event of Airgas's insolvency or bankruptcy. In consequence, under IFRS, the deferred compensation plan assets cannot be considered as plan assets and it must be recognized in accordance with IAS39 as available-for-sale financial assets. As such, gains and losses on the deferred compensation plan assets must be recognized in other comprehensive income rather than through profit or loss. Pro forma adjustments were made accordingly to Airgas consolidated income statements for the year ended December 31, 2015 and the half-year ended June 30, 2016. The effect on the net profit is -0.3 million euros in the 2015 pro forma financial information and -0.4 million euros in the 2016 pro forma financial information.

Note 2 – Pro forma adjustments

2.A. PRELIMINARY PURCHASE ACCOUNTING ADJUSTMENTS

The preliminary purchase price allocation is presented in Note 1 of the unaudited consolidated interim financial statements of Air Liquide for the half-year ended June 30, 2016 (page 41 of this Reference Document update). The Acquisition has been accounted for as a business combination in accordance with IFRS3 Business Combinations which requires that identifiable assets acquired and liabilities assumed be measured at their fair values as of the acquisition date. Air Liquide has appointed an independent appraiser expert to perform the valuation of some of Airgas assets and liabilities. The excess of the consideration transferred, over the fair value of the identifiable assets acquired and the liabilities assumed has been recognized as goodwill. At this stage, this purchase accounting is preliminary. In accordance with IFRS3, the measurement period shall not exceed one year from the acquisition date. The Group's management estimates, based on its review of the information available to it as of the date hereof, that the final purchase price allocation will not materially differ from the preliminary assessment, although no assurance can be provided that this will be the case.

2.A.1. Amortization of Intangible Assets (Trademarks, Customers' Relationships)

The fair value of Airgas's trademarks and customers' relationships recognized as part of the preliminary purchase accounting is based upon the report of the external appraisal expert. The valuation is based on different valuation techniques, such as respectively the Royalty Saving Method and the Multi-period Excess Earnings Method.

An adjustment has been made to record the amortization expense related to trademarks and customers' relationships and was accounted for in "Depreciation and amortization expense" for -19.8 million euros and -11.7 million euros for the year ended December 31, 2015 and the half-year ended June 30, 2016 respectively.

2.A.2. Depreciation of Property, Plant and Equipment

The fair value of Airgas's Property, Plant and Equipment is based upon the final report of the external appraisal expert. The valuation is based on different valuation techniques, such as the Depreciated Replacement Cost New ("DRCN"), the income and the market approaches.

An adjustment has been made to record the depreciation expense related to property, plant and equipment and was accounted for in "Depreciation and amortization expense" for -49.7 million euros and -13.7 million euros for the year ended December 31, 2015 and the half-year ended June 30, 2016 respectively.

2.A.3. Unfavorable suppliers contracts

Unfavorable contracts related to the supply of certain liquid gases from various suppliers resulted in a liability to be recognized in the opening balance sheet. This liability is to be reversed in the income statement based on the respective maturity of each contract and was reflected in "other expenses" for +25.6 million euros and +12.7 million euros for the year ended December 31, 2015 and the half-year ended June 30, 2016 respectively.

2.A.4. Fair value of financial indebtedness

The fair value adjustment of Airgas financial indebtedness was included in the Effective Interest Rate (EIR) of Airgas' senior notes and resulted in a decrease in net finance costs for +2.8 million euros and +1.4 million euros for the year ended December 31, 2015 and the half-year ended June 30, 2016 respectively.

2.A.5. Deferred Taxes

Deferred taxes were computed on the above adjustments using the statutory applicable tax rate for +15.9 million euros and +4.4 million euros for the year ended December 31, 2015 and the half-year ended June 30, 2016 respectively.

2.B. DIVESTITURES

The FTC cleared the acquisition of Airgas by Air Liquide subject to certain conditions, including the sale of certain assets. Air Liquide announced on June 24th, 2016 that it had entered into an agreement to sell certain assets in the United States to Matheson Tri-Gas, Inc. ("Matheson"), a subsidiary of Taiyo Nippon Sanso Corporation of Tokyo, Japan. Upon closing, Matheson will acquire the following assets from Air Liquide:

- eighteen air separation units in sixteen locations;
- two nitrous oxide production facilities;

- four liquid carbon dioxide production facilities in four states, including two dry ice production facilities;
- three Airgas retail packaged welding gas stores in Alaska.

Under the terms of the purchase agreement, Matheson would acquire production facilities, equipment, inventory, distribution assets, and customer contracts.

Furthermore, Air Liquide has also signed a sale agreement of two facilities in Iowa which produce both liquid carbon dioxide and dry ice, the remaining assets to be divested as ordered by the FTC in connection with Air Liquide's acquisition of Airgas.

The divestiture process is not yet finalized. The Matheson transaction and the sale transaction for the Iowa plants remain subject to FTC approval and are expected to close in the third quarter of 2016.

The estimated contribution to the income statement of the assets to be divested was neutralized in the pro forma financial information for the year ended December 31, 2015 and the half-year ended June 30, 2016 and resulted in a decrease in sales respectively for -222.5 million euros and -106.0 million euros and a decrease in operating income recurring before depreciation and amortization respectively for -58.1 million euros and -28.4 million euros.

The capital gain on the to-be divested assets is not included in the pro forma financial information as the FTC approval is still under process. The capital gain on the disposal would have been accounted for under "Other non-recurring operating income" as a material non-recurring transaction. It would offset in particular in 2016, the non-recurring acquisition, integration and financing costs related to the transaction.

2.C. ACQUISITION AND DISPOSAL-RELATED COSTS INCURRED BY AIR LIQUIDE AND AIRGAS BEFORE OR AT THE COMPLETION OF THE BUSINESS COMBINATION

The estimated costs related to the acquisition of Airgas, including costs related to the divestitures requested by the FTC mainly include banking, legal, and consulting fees.

The acquisition-related costs incurred by Airgas before or at completion of the business combination have already been excluded of the H1 2016 Airgas pro forma financial information for an amount of +99.7 million euros before tax.

The estimated costs related to the acquisition of Airgas, including costs related to the divestitures requested by the FTC incurred by Air Liquide during the half-year ended June 30, 2016 are included in the "Consolidated pro forma" column of the pro forma financial information for the year ended December 31, 2015 for an amount of -51.4 million euros before tax. Acquisition costs incurred in 2015 are already included in the historical financial statements of Air Liquide and amount to -12.5 million euros before tax.

Acquisition and disposal costs are recognized as Other non-recurring expense. By their nature, they are not expected to have a recurring impact on the Group performance going forward and as such are eliminated in the "Consolidated pro forma recurring".

2.D. RECORDING OF THE INTEREST COSTS RELATED TO THE ESTIMATED FINANCING OF THE ACQUISITION

An adjustment has been made to record the finance costs related to the financing of the acquisition for an amount of approximately -171 million euros for the year ended December 31, 2015 and -77 million for the half-year ended June 30, 2016, before tax. These finance costs were computed based on the current financing structure. i.e. euro-denominated bonds for 3 billion euros which were issued on June 13, 2016 and a bridge loan financing for the balance.

The interest rate assumed for purposes of computing the finance cost to be included in the unaudited pro forma financial information related to the bridge loan financing varies from 1.55% to 1.75%. These rates comprise the 12-month LIBOR rate of 1.30% as of May 20, 2016, plus certain margins specified in the bridge facility agreement depending on maturities.

A 1/8% increase or decrease in interest rates would result in a change in net finance costs of approximately -9.4 million euros dollars for the year ended December 31, 2015 and -4.7 million euros for the half-year ended June 30, 2016, before tax.

Air Liquide intends to refinance the bridge financing through a capital increase in the range of 3 billion to 3.5 billion euros and U.S. dollar long-term bonds for the balance, i.e. in the range of 4 to 5 billion US dollars.

The effect of the future financing structure of the deal is not reflected in the unaudited pro forma financial information. Based on current market conditions, the future financing structure would result in an increase in net profit compared to what has been reported in the pro forma financial information respectively in the range of 10 to 35 million euros for the year ended December 31, 2015 and between 0 and 15 million euros for the half-year ended June 30, 2016, before tax. The future net cost of debt that will result from the issue of U.S. dollar long-term bonds will be subject to movements in interest rates between the date of publication of the half-year report and the completion date of the operation. A sensitivity analysis is provided in the table below.

Sensitivity to interest rate fluctuations on US bonds

	Cost of debt sensitivity analysis		
(In millions of euros)	**-10bp**	**2,769% [a]**	**+10bp**
$4 billion	(100,6)	(104.2)	(107.8)
$4.5 billion	(108.3)	(112.3)	(116.4)
$5 billion	(116.0)	(120.5)	(125.0)

(a) Blended interest rate calculated based on:

- *maturities of 3 years (17%), 5 years (22%), 7 years (17%), 10 years (27%) and 30 years (17%);*
- *interest rates were hedged for ca. 72% of the nominal amount to be issued;*
- *variable interest rates depending on maturities for the remaining unhedged amounts.*

STATUTORY AUDITORS REPORT ON THE PRO FORMA FINANCIAL INFORMATION

This is a free translation into English of the auditors' report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, French law and professional standards applicable in France.

To the President Director General

In our capacity as Statutory Auditors of your Company and in accordance with Commission Regulation (EC) no.809/2004, we hereby report to you on the pro forma financial information of the company L'Air Liquide relative to the periods from January 1st, 2015 to December 31st, 2015 and from January 1st, 2016 to June 30th, 2016, set out in section 2 of the update of registration document.

The pro forma financial information has been prepared for the sole purpose of illustrating the impact that the acquisition of the company Airgas might have had on the consolidated income statement of the company L'Air Liquide relative to the periods from January 1st, 2015 to December 31st, 2015 and from January 1st, 2016 to June 30th, 2016 had it taken place with effect from January 1st, 2015. By its very nature, this information is based on a hypothetical situation and does not represent the financial position or performance that would have been reported, had the operation taken place at an earlier date than the actual or contemplated date.

It is your responsibility to prepare the pro forma financial information in accordance with the provisions of Commission Regulation (EC) n°809/2004 and ESMA's recommendations on pro forma financial information.

It is our responsibility to express an opinion, based on our work, in accordance with Annex II, item 7 of Commission Regulation (EC) n°809/2004, as to the proper compilation of the pro forma financial information.

We performed those procedures that we deemed necessary in accordance with the professional auditing standards applicable in France to such engagements. These procedures, which did not include audit or a review of the financial information used as a basis to prepare the pro forma financial information, mainly consisted in ensuring that the information used to prepare the pro forma information was consistent with the underlying financial information, as described in the notes to the pro forma financial information, reviewing the evidence supporting the pro forma adjustments and conducting interviews with the management of the company L'Air Liquide to obtain the information and explanations that we deemed necessary.

In our opinion:

- the pro forma financial information has been properly compiled on the basis stated; and
- that basis is consistent with the accounting policies of the issuer.

This report has been issued solely for the purposes of registering the update of registration document with the AMF and cannot be used for any other purpose.

Neuilly-sur-Seine and Paris-La-Défense, on August 1, 2016

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit		ERNST & YOUNG et Autres	
Olivier Lotz	Séverine Scheer	Jeanne Boillet	Emmanuelle Mossé

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CORPORATE GOVERNANCE AND ADDITIONAL INFORMATION

Information regarding this section is contained in the 2015 Reference Document. This information is updated as of the date of this Update to the Reference Document with the data below.

MANAGEMENT AND CONTROL

Board of Directors since the Annual Shareholders' Meeting of May 12, 2016

	Changes in 2016	
Members of the Board	**Appointment**	**Renewal**
Benoît POTIER Chairman and Chief Executive Officer		
Thierry DESMAREST* Lead Director		
Pierre DUFOUR Senior Executive Vice-President		May 12, 2016
Jean-Paul AGON*		
Geneviève BERGER*		
Philippe DUBRULLE Director representing the employees		
Siân HERBERT-JONES*		
Karen KATEN*		May 12, 2016
Sin Leng LOW*		
Thierry PEUGEOT*		
Annette WINKLER*		
Brian GILVARY*	May 12, 2016	

* *Independent Director within the meaning of the Board of Directors' internal regulations.*

CENTRAL WORKS COUNCIL DELEGATES

Joël PIERRET	Central Works council delegate
Patrick RECOURT	Central Works council delegate

Executive Management and Executive Committee

Mr Jean-Pierre Duprieu will cease to be Executive Vice-President on August 31, 2016 and Mr Augustin de Roubin left his position as Vice-President South America on May 31, 2016, to exercise their right to retirement.

As of September 1st, 2016, the composition of the Executive Management and of the Executive Committee will be the following:

Benoît Potier **Chairman and Chief Executive Officer*** Born in 1957 – French	**Fabienne Lecorvaisier** Vice-President, Chief Financial Officer Finance, Operations Control, Diving, Welding Born in 1962 – French
Pierre Dufour **Senior Executive Vice-President*** Chairman of the Board of Airgas (since May 2016), Integration Airgas, Engineering & Construction, Chief Executive Officer of ALGMS, Large Industries World Business Line Born in 1955 – Canadian	**Mok Kwong Weng** Vice-President, Deputy Head of Asia Born in 1953 – Singaporean
François Darchis Senior Vice-President Strategy, IDST (Innovation, Digital, Science, Technologies), Information Technologies, Industrial Merchant World Business Line Born in 1956 – French	**François Abrial** Vice-President Group Human Resources Born in 1962 – French
Jean-Marc de Royere Senior Vice-President International, Governance, Corporate Social Responsibility Born in 1965 – French	**Pascal Vinet** Vice-President Chief Executive Officer of Airgas (since July 2016) Born in 1962 – French
Michael J. Graff Senior Vice-President Houston hub Executive Vice-President, Vice-Chairman of the Board of Airgas (since May 2016), supervising Electronic World Business Line, Safety and Industrial systems Born in 1955 – American	**François Jackow** Vice-President Supervising the Dubaï hub, Healthcare, Healthcare World Business Line, Customers Born in 1969 – French
Guy Salzgeber Senior Vice-President Europe Industries Frankfurt hub Executive Vice-President, Group Procurement Born in 1958 – French	**François Venet** Vice-President Shanghai hub Executive Vice-President Born in 1962 – French

* *Within the meaning of the French Commercial Code.*

INFORMATION CONCERNING MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

Information regarding this section is contained in the 2015 Reference Document. This information is updated as of the date of this Update to the Reference Document with the data below.

Listed companies are indicated by an asterisk (*).

BRIAN GILVARY

Independent Director

Nationality: British

Born in 1962
Date of first appointment: 2016
Start of current term: 2016
End of current term: 2020
Number of shares: 500
Business address
1 St James's Square – London SW1Y 4PD – United-Kingdom

CAREER

A British citizen, holder of a PhD in mathematics from the University of Manchester (UK), Brian Gilvary joined BP group in 1986 where he has spent his entire career. Following a variety of roles in the upstream, downstream and trading of the oil and gas business in Europe and the United States, he became the Downstream's Chief Financial Officer and Commercial Director from 2002 to 2005. From 2005 until 2009 he was Chief Executive of the integrated supply and trading function. In 2010 he was appointed Deputy Group Chief Financial Officer with responsibility for the finance function.

Brian Gilvary was appointed Chief Financial Officer of BP on January 1, 2012. Having worked in both upstream and downstream, he has a strong experience of BP oil and gas business and a significant expertise of finance and trading.

POSITIONS AND ACTIVITIES

Functions within the Air Liquide Group

- **Director**: L'Air Liquide S.A.*

Positions or activities outside the Air Liquide Group

- **Chief Financial Officer and Director**: BP *
- **Director**: BP Capital Markets p.l.c., BP Car Fleet Limited, BP Corporate Holdings Limited, BP Finance p.l.c., BP Global Investments Limited, BP Holdings North America Limited, BP International Limited, BP P.L.C. (Member of "Results Committee"), The BP Share Plans Trustees Limited
- **External advisor**: HM Treasury Financial Management Review Board (UK)

NB: Independent Director within the meaning of the Board of Directors' internal regulations. For information regarding independence criteria, please refer to the Reference Document 2015 – p. 126.

PERFORMANCE SHARE PLANS

"Airgas" performance share plans

At its meeting on July 29, 2016, the Board of Directors of L'Air Liquide decided on a specific grant of performance shares, separate from the future general annual plans for 2016 and intended to show the Company's recognition for the work carried out by all of the teams that contributed to the Airgas acquisition.

VOLUME OF GRANTS

Executive Officers

	Volume of performance shares	IFRS value *(in euros)*	% of share capital
Benoît Potier	20,000	1,554,000	0.006
Pierre Dufour	10,000	777,000	0.003

Other beneficiaries

The Board of Directors also decided to grant 45,230 performance shares to 87 beneficiaries.

In total, it awarded 75,230 performance shares representing 0.022 % of the share capital in terms of the number of shares to 89 beneficiaries.

"AIRGAS" PLAN REGULATIONS

- Except with regard to the performance conditions set out below, the "Airgas France" and "Airgas World" plan regulations are identical to those of the 2015 plans and, in particular, the vesting and holding periods ("Airgas France" plan: three years and then another two years; "Airgas World" Plan: 4-year vesting period without any holding period).

PERFORMANCE CONDITIONS

- **All the shares awarded within the scope of the "Airgas" plans are subject to performance conditions.**
- Such performance conditions are identical to those for the future general annual plans for 2016. These performance conditions, adopted by the Board of Directors on February 15, 2016 and modified as specified on March 24, 2016 in order to take into account the remarks of certain shareholders, are as follows:

		35%	
Weighting	**65%**	**Of which 50%**	**Of which 50%**
Performance conditions	Average of annual growth rates in recurring earnings per share excluding foreign exchange impact and exceptional items for the period 2016/2017/2018	Total Shareholder Return, defined as the average annual growth rate of an investment in Air Liquide shares over the 3 financial years	Total Shareholder Return vs. two benchmarks as follows: ½ CAC 40 – ½ peers over the three financial years
Objective	Level of growth set within a range of +6% to +10% per annum (the precise level will be communicated ex post)	Total Shareholder Return of 8%, as already published	■ 0% if the Air Liquide rate of return is lower than the average of the two indexes ■ 50% if the Air Liquide rate of return is equal to the average of the two indexes ■ 100% if the Air Liquide rate of return is more than 3% higher than the average of the two indexes ■ Change on a straight-line basis
Achievement of performance conditions	This information will be published in 2019.		

Recurring EPS

Concerning the recurring EPS criterion, in order to take into account the impact of the Airgas acquisition and its financing, the principle was adopted:

- of calculating the index on the basis of pro forma financial statements, which make it possible to take into account comparable data for the period concerned (2016, 2017, 2018);
- of increasing the objective in terms of average annual growth over this period. This objective, which was previously set at +5% per annum, has thus been set at a level of growth within a range of +6% to +10% per annum. The precise level will be communicated ex post.

Total Shareholder Return (TSR)

- The absolute TSR objective remains unchanged as compared to the previous plans, i.e. +8% as already published.
- The objective with regard to the relative part of TSR is based on a performance equal to the average of the two indexes. The rate of achievement of the performance conditions will be 0% if Air Liquide TSR is lower than the average of the two indexes, 50% if it is equal to the average of the two indexes and 100% if it is more than 3% higher than the average of the two indexes, on the basis of a straight-line change. Any grant of shares for a performance lower than the average of the two indexes has therefore become impossible. The rate of achievement of the performance conditions will be recorded by the Board at the time of the adoption of the financial statements for the 2018 financial year. The objectives set for each performance condition will be made public ex post, at the end of the Board meeting determining the rate of achievement of the performance conditions. The result achieved and the percentage of performance shares acquired will also be communicated.

SPECIFICITIES RELATING TO THE EXECUTIVE OFFICERS

1) Within the scope of the sub-limits authorized by the Annual Shareholders' Meeting for 38 months, the Board of Directors sets annual limits for grants to the Executive Officers, expressed (i) as a percentage of the capital and (ii) as a multiple of their remuneration.

   The Board of Directors has decided to set the following limits for all plans combined for 2016:

   - for all the Executive Officers: the limit relating to the total number of performance shares granted in 2016 (for all performance share plans combined) to the two Executive Officers is set at 0.017% of the capital (i.e. an amount significantly lower than the average sub-limit on grants set at 0.15% of the capital for 38 months by the Annual Shareholders' Meeting of May 12, 2016);
   - for each Executive Officer individually: the limit relating to the total cumulative IFRS value of the stock options and performance shares granted in 2016 (for all stock option and performance share plans combined) to each Executive Officer is set at approximately 1.5 times the amount of his maximum gross annual remuneration.

2) In addition, Benoît Potier and Pierre Dufour have made a commitment, for the duration of their terms of office, not to carry out transactions to hedge their risk with regard to the performance shares granted.

3) Furthermore, the shareholding obligations set out below apply to this specific grant, like they do to the other grants:

   - holding, in registered form, until the termination of their duties, a minimum quantity of shares corresponding to 50% of the capital gain on acquisition net of social charges and taxes calculated on the date of the definitive award of the performance shares. This percentage will be lowered to 5% as soon as the quantity of shares held represents, for all LTI plans combined, an amount at least equal to three times the Executive Officer's fixed gross annual remuneration;
   - furthermore, the internal rule defined by the Board of Directors since 2008, pursuant to which the Executive Officers must hold, in a registered account, a number of shares equivalent to twice the fixed gross annual remuneration for the Chairman and Chief Executive Officer and the amount of fixed gross annual remuneration for the Senior Executive Vice-President remains in effect. This obligation will remain in force until it is exceeded by the effect of the above-mentioned rules resulting from the French Commercial Code. The Board of Directors recorded that this shareholding obligation is complied with by each of the Executive Officers at July 1, 2016.

EMPLOYEE SAVINGS AND SHARE OWNERSHIP

Information concerning this section are described in the 2015 Reference Document. This information remains, as of the date of this Update to the Reference Document, correct, subject to the updates below.

Profit-sharing

Profit-sharing and incentive schemes have been organized for many years in Group companies in France and paid almost 41.9 million euros in 2016 for 2015 performance. These schemes cover over 95% of employees in France.

In 2016, L'Air Liquide S.A. paid 6.13 million euros (excluding employer contribution) to 1,246 beneficiaries in respect of profit-sharing and incentives. Company contributions to the Company Savings Plan are negotiated every year and amounted to nearly 0.68 million euros in 2016. These payments correspond to an average amount of 5,699 euros per employee excluding employer contribution.

In 2016, L'Air Liquide S.A. employees invested 88% of their profit-sharing and incentives in savings plans, respectively in bond-weighted assets (62%) and equity-weighted assets (38%).

A total of 16% of employee savings was invested in corporate mutual fund holding only Air Liquide shares.

Employee share ownership

Since 1986, the Company has regularly performed share capital increases reserved for Group employees, for which subscription is offered at a preferential rate. The most recent capital increase, conducted in March 2016, resulted in the subscription of 999,143 shares by 16,984 Group employees, representing 32.2% of the eligible employees in 74 countries (for details of this operation, see the Board of Directors' Supplementary Report hereafter, and the Statutory Auditors' Supplementary Report on page 76). For four shares subscribed, L'Air Liquide S.A. and its French subsidiaries supplemented the employee's subscription with one free share. The total supplement was limited to three free shares, representing 15 shares acquired for 12 subscribed. In 2016, the demand for shares exceeded supply, and the operation was more than 6% oversubscribed.

In France, the shares subscribed in these capital increases are also eligible for the preferential tax regime applicable provided that they are blocked over a period of five years, while those held abroad are governed by the legal regulations prevailing in each relevant country.

Increase in capital reserved for the employees (2016) – Additional Report

Dear Shareholder,

We are presenting to you this Additional Report pursuant to article R. 225-116 of the French Commercial Code, on the use we have made of the delegation of authority that you granted to the Board of Directors at the Company's Combined Shareholders' Meeting on May 6, 2015, in the sixteenth resolution, for a maximum period of 26 months, to increase the share capital, in accordance with the provisions of article L. 225-138-1 of the French Commercial Code and articles L. 3331-1 et seq. of the French Labor Code, on one or more occasions, within the limit of 5.5 million shares with a par value of 5.50 euros each, the subscription of such shares being reserved for employees of the Company and French or foreign companies which are affiliated to it within the meaning of article L. 225-180 of the French Commercial Code and article L. 3344-1 of the French Labor Code, who are members of a company or group savings plan.

AUTHORISATIONS AND DECISIONS

We wish to remind you that pursuant to this delegation of authority by the Shareholders' Meeting:

- by decisions made on July 29, 2015 and October 23, 2015, and confirmed on February 15, 2016, the Board of Directors decided on the principle of an increase in capital limited to 1,000,000 shares in favour of Group employees who are members of a company or group savings plan in accordance with the provisions of articles L. 3331-1 et seq. of the French Labor Code and article L. 225-138-1 of the French Commercial Code;
- for this purpose, at its above-mentioned meetings, the Board of Directors delegated to the Chairman and Chief Executive Officer all the powers required to decide to carry out this increase in capital and to implement this transaction, and in particular:
  - to adopt the list of companies eligible for the transaction,
  - to set the subscription price (including, where applicable, the subscription prices applicable locally),
  - to set the terms and conditions and time period for paying up the shares subscribed,
  - to decide on the opening and closing dates of the subscription period,
  - to record the creation of the new shares and the completion of the corresponding increase in capital,
  - where applicable, to charge the expenses, dues and fees incurred due to the issue against the amount of the corresponding share premium,
  - to amend the articles of association accordingly, and
  - to do everything useful and necessary for the implementation of the transaction.

Accordingly, making use of the delegation of authority granted by the Board of Directors, the Chairman and Chief Executive Officer, on March 16, 2016, decided to carry out this transaction, set the opening and closing dates of the subscription period and determined the subscription price for the new Air Liquide shares within the framework of the increase in capital reserved for the employees, the principle of which was decided pursuant to decisions by the Board of Directors on July 29, 2015 and October 23, 2015 and confirmed on February 15, 2016.

MAIN FEATURES OF THE TRANSACTION

The increase in capital reserved for the employees fell within the framework, provided for by the applicable provisions of the laws and regulations, of the France share purchase plan (FSPP) and the International group share purchase plan (IGSPP) in force.

Subscription to this increase in capital was open to the employees of the Group's French and foreign subsidiaries of which over 50% of the capital or voting rights are owned by L'Air Liquide S.A. and that are members of the France share purchase plan or the International group share purchase plan, on condition that these employees had at least three months' length of service at the end of the subscription period (stricter conditions with regard to length of service are set by some countries pursuant to the local regulations).

It is specified that, by decisions made by the Chairman and Chief Executive Officer on March 30, 2009, November 2, 2010 and October 29, 2013, certain companies, of which L'Air Liquide S.A. directly or indirectly holds 40% to 50%, were allowed to become members of the FSSP or the IGSPP.

Pursuant to a decision made by the Chairman and Chief Executive Officer on March 16, 2016, this possibility was also granted to Group companies in Oman and Singapore whose employees were admitted within the scope of the 2016 transaction.

On the other hand, for reasons related to the local context, employees of the Group's foreign subsidiaries in the following countries: Algeria, Brunei, Egypt, Macao, Syria, Ukraine and Vietnam were not able to participate in the transaction.

The subscription price was set at 77.18 euros (82 euros for the United States) per share, the amount corresponding to the average of the opening trading prices of the Air Liquide share during the twenty trading days prior to the decision by the Chairman and Chief Executive Officer setting the dates of the subscription period, i.e. 96.46 euros per share ("the Reference Share Price"), with this average being reduced by 20% (15% for the United States) and rounded up to the nearest Euro cent.

The maximum amount of the subscription per eligible employee was limited to 25% of the gross annual remuneration of each subscriber in accordance with the regulations on employee savings plans (with this limit including, in France, all other voluntary payments made into employees saving plans or a corporate retirement savings plan (Perco) over the course of 2016). An additional employer contribution in the form of shares was proposed by L'Air Liquide S.A. and the French subsidiaries that have adhered to the Group France share purchase plan and adopted the 2016 amendment agreement on this point, on the basis of one free share for every four shares subscribed up to a maximum of three free shares per employee.

The subscription period for the shares was open from March 21, 2016 to March 31, 2016 inclusive.

As the total requests for subscriptions made by the employees were greater than the total number of shares proposed within the scope of this increase in capital, the requests for subscription were reduced by a decrease in the amount of the largest subscription requests.

Pursuant to the powers that had been granted to him by the Board of Directors at its meetings on July 29, 2015 and October 23, 2015, the increase in capital was recorded by the Chairman and Chief Executive Officer on May 10, 2016.

The total number of new shares issued is 999,143 with a par value of 5.50 euros each, for a total number of 16,984 subscribers.

The new shares issued are ordinary shares of Air Liquide of the same class and immediately identical to the Air Liquide shares that have already been admitted for trading on the Euronext Paris market (Compartment A). They will be admitted for trading on the Euronext Paris market under the same ISIN code (FR0000120073) as the existing Air Liquide shares and will grant entitlement to any distribution of dividends that may be decided by the Shareholders' Meeting after the date of the decision by the Chairman and Chief Executive Officer recording the increase in capital. The new shares will be subject to all the provisions of the articles of association.

IMPACT OF THE ISSUE OF 999,143 SHARES ON THE SITUATION OF THE SHAREHOLDER AND HIS/HER SHARE OF THE SHAREHOLDERS' EQUITY AND THEORETICAL IMPACT ON THE STOCK MARKET VALUE OF THE SHARE

Impact on the stake held by the shareholder in the Company's share capital

Based on the share capital of L'Air Liquide S.A. as at May 10, 2016 prior to the increase in capital reserved for the employees, i.e. 344,426,943 shares, the impact of the share issue on the stake in the capital of a shareholder holding 1% of the share capital of L'Air Liquide S.A. prior to the share issue who did not subscribe to such capital increase is as follows:

	% stake held by the shareholder	
	Non-diluted basis	**Diluted basis** [(a)]
Prior to the issue of the new shares resulting from this capital increase	1%	0.988%
After the issue of the new shares resulting from this capital increase	0.997%	0.985%

(a) *The calculations are made on the assumptions of the exercise of all the Company's dilutive instruments existing as of May 10, 2016 that may be exercised taking into account an average price for the share over the last 20 trading days of 100.52 euros.*

Impact of the share issue on the share of consolidated shareholders' equity

Based on the shareholders' equity as shown by the consolidated financial statements at December 31, 2015, the impact of the share issue on the share of shareholders' equity for the holder of one Air Liquide share prior to the share issue who did not subscribe to such capital increase is as follows:

	Share of shareholders' equity (in euros)	
	Non-diluted basis	**Diluted basis** [(a)]
Prior to the issue of the new shares resulting from this capital increase	29.76	30.27
After the issue of the new shares resulting from this capital increase	29.90	30.40

(a) *The calculations are made on the assumptions of the exercise of all the Company's dilutive instruments existing as of May 10, 2016 that may be exercised taking into account an average price for the share over the last 20 trading days of 100.52 euros.*

Theoretical impact on the stock market value of the Air Liquide share

The theoretical impact of the issue of 999,143 shares at the issue price on the stock market value of the share can be calculated as follows:

Theoretical price of the share prior to the transaction = average of the last 20 opening trading prices for the Air Liquide share prior to the decision by the Chairman and Chief Executive Officer setting the dates of the subscription period (calculated as the average of the opening trading prices for the share between February 17, 2016 and March 15, 2016). This theoretical share price amounts to 96.46 euros.

Price of the share after the transaction = ((average of the last 20 opening trading prices of the share prior to the transaction x number of shares prior to the transaction) + (issue price x number of new shares))/(number of shares prior to the transaction + number of new shares).

The issue price for the reserved capital increase is set at 77.50 euros.

On the basis of these assumptions, the theoretical stock market value of the share after the transaction would amount to 96.41 euros for a theoretical value of the price of the share prior to the transaction of 96.46 euros.

It is specified that this theoretical approach is given for information purposes only and does not in any way prejudge future changes in the share price.

Paris, May 12, 2016

The Board of Directors of L'Air Liquide S.A.

Statutory Auditors' Supplementary Report on the increase in capital reserved for employees who are members of a company or group savings scheme

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in compliance with article R. 225-116 of the French Commercial Code *(Code de commerce)* and further to the special report dated 4 March 2015 by ERNST & YOUNG et Autres and MAZARS, we hereby report on the issue of shares with cancelation of preferential subscription rights, reserved for employees of your Company and of French and foreign companies who are affiliated with it within the meaning of articles L. 225-180 of the French Commercial Code *(Code de commerce)* and L. 3344-1 of the French Labor Code *(Code du travail)* who are members of a company or group savings scheme, authorized by your Shareholders on 6 May 2015.

This increase in capital had been submitted for your approval in accordance with articles L. 225-129-6 of the French Commercial Code *(Code de commerce)* and L. 3332-18 et seq. of the French Labor Code *(Code du travail)*.

The Shareholders authorized your Board of Directors to decide on whether to proceed with such an operation for a period of twenty-six months and a maximum amount of 30,250,000 euros (i.e., 5.5 million shares at a par value of 5.50 euros), the limit set out in both the sixteenth and seventeenth resolutions brought before the Extraordinary General Meeting of Shareholders of 6 May 2015.

Exercising this authorization through decisions taken on 29 July 2015 and 23 October 2015, and confirmed on 15 February 2016, your Board of Directors decided to proceed with an increase in capital reserved for employees who are members of a company or group savings scheme by issuing up to a maximum of 1,000,000 ordinary shares and gave the Chief Executive Officer all powers needed to decide on the performance of this capital increase.

Exercising this authorization, on 16 March 2016, your Chief Executive Officer decided to proceed with this operation.

Subscription to this capital increase was open to employees of the French and foreign companies of the Group in which L'Air Liquide holds over 50% of the capital or voting rights and members of the France Employees Savings Plan *(PEG – Plan d'Épargne France)* or the International Group Savings Plan *(PEGI – Plan d'Épargne de Groupe International)* on condition that these employees have at least three months' seniority at the closing date of the subscription period (stricter seniority conditions were fixed by certain countries in accordance with local regulations).

It is hereby recalled that by decisions of the Chief Executive Officer of 30 March 2009, 2 November 2010 and 29 October 2013, certain companies, in which L'Air Liquide directly or indirectly holds 40% to 50%, were allowed to join the PEG or the PEGI.

By decision of the Chief Executive Officer of 16 March 2016, this ability was granted to companies of the Group located in Oman and Singapore, whose employees were allowed to enter the scope of the 2016 operation.

On 10 May 2016, your Chief Executive Officer recorded the subscription of 999,143 shares with a par value of 5.50 euros at the unit price of 77.18 euros (82 euros for the United States).

It is the responsibility of the Board of Directors to prepare a report in accordance with articles R. 225-115 and R. 225-116 of the French Commercial Code *(Code de commerce)*. Our role is to report on the fairness of the financial information taken from the accounts, on the proposed cancelation of preferential subscription rights and on other information relating to the share issue contained in this report.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body *(Compagnie nationale des commissaires aux comptes)* for this type of engagement. These procedures consisted in verifying:

- the fairness of the financial information taken from the annual accounts, approved by the Board of Directors. ERNST & YOUNG et Autres and MAZARS performed an audit of these accounts in accordance with professional standards applicable in France;
- the compliance with the terms of the operation as authorized by the Shareholders;
- the information provided in the Board of Director's Supplementary Report on the choice of constituent elements used to determine the issue price and on its final amount.

We have no matters to report as to:

- the fairness of the financial information taken from the accounts and included in the Board of Directors' Supplementary Report;
- the compliance with the terms of the operation as authorized by the Shareholders on 6 May 2015 and the information provided to them;
- the choice of constituent elements used to determine the issue price and its final amount;
- the presentation of the effect on the financial position of the share and capital security holders as expressed in relation to Shareholders' equity and on the market value of the shares;
- the proposed cancelation of the preferential subscription rights, upon which you have voted.

Neuilly-sur-Seine and Paris-La Défense, 26 May 2016

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit

Olivier Lotz   Séverine Scheer

ERNST & YOUNG et Autres

Jeanne Boillet   Emmanuelle Mossé

SHARE CAPITAL

Trends in share capital since January 1, 2016

Issue date	Type of transaction	Number of shares issued	Aggregate number of shares	Share capital increase	Issue premiums and reserves	Share capital
(in euros, except for shares)						
February 16, 2016	Exercise of share subscription options	327,988	344,222,603	1,803,934.00	19,187,472.00	1,893,224,316.50
May 10, 2016	Share capital increase reserved for employees	999,143	345,221,746	5,495,286.50	71,942,681.50	1,898,719,603.00

Note: Between February 16 and June 30, 2016, 354,628 options were exercised, giving rise to an outstanding capital as at June 30, 2016 of 1,900, 670,057.00 euros, divided up into 345,576,374 shares.

Share capital ownership on June 30, 2016

	June 30, 2016
Individual shareholders	36%
French institutional investors	18%
Foreign institutional investors	46%
Own shares held by the Company (directly and indirectly)	>0%

THRESHOLD NOTIFICATIONS SINCE JANUARY 1, 2016

- On January 5, 2016, BlackRock declared that it had breached on the downside the threshold of 5% of the capital as fixed under the Company's articles of association and as of that date held 4.97% of the capital of the Company.
- On January 6, 2016, BlackRock declared that it had breached the threshold of 5% of the capital as fixed under the Company's articles of association and as of that date held 5.10% of the capital of the Company.
- On February 11, 2016, BlackRock declared that it had breached on the downside the threshold of 5% of the capital as fixed under the Company's articles of association and as of that date held 4.90% of the capital of the Company.
- On February 12, 2016, BlackRock declared that it had breached the threshold of 5% of the capital as fixed under the Company's articles of association and as of that date held 5.02% of the capital of the Company.
- On February 22, 2016, BlackRock declared that it had breached on the downside the threshold of 5% of the capital as fixed under the Company's articles of association and as of that date held 4.89% of the capital of the Company.
- On March 18, 2016, BlackRock declared that it had breached the threshold of 5% of the capital as fixed under the Company's articles of association and as of that date held 5.06% of the capital of the Company.
- On March 22, 2016, BlackRock declared that it had breached on the downside the threshold of 5% of the capital as fixed under the Company's articles of association and as of that date held 4.93% of the capital of the Company.
- On April 6, 2016, BlackRock declared that it had breached the threshold of 5% of the capital as fixed under the Company's articles of association and as of that date held 5.0% of the capital of the Company.
- On April 7, 2016, BlackRock declared that it had breached on the downside the threshold of 5% of the capital as fixed under the Company's articles of association and as of that date held 4.65% of the capital of the Company.

To the Company's knowledge, there is no other shareholder that holds either directly or indirectly, alone or jointly, more than 5% of the capital or voting rights.

Amount of share capital held by employees

At the end of June, 2016, the share of capital held by employees and former employees of the Group is estimated at 2.5%, of which 1.7%, that is 6,026,522 shares, (within the meaning of article L. 225-102 of the French Commercial Code) corresponds to shares subscribed by employees during employee reserved capital increase operations or held through mutual funds.

Delegations of authority granted at the Shareholders' Meeting

Type of authorization	Purpose of the authorization	Validity of the delegation	Maximum amount	Utilization in 2016
Share buyback	Purchase own shares for the purpose of: ■ canceling them; ■ retaining them for the purpose of a share exchange or payment as part of an external growth strategy, in accordance with applicable regulations; ■ tendering them following the exercise of rights attached to marketable securities conferring entitlement to Company shares by redemption, conversion, exchange, presentation of a warrant or any other means; ■ implementing (i) share purchase option plans, or (ii) plans for free grants of shares, or (iii) any employee share ownership transactions in favor of its employees or those of its subsidiaries, or (iv) allocations of shares to employees and/or corporate officers of the Company and affiliated companies, in accordance with the laws and regulations in force; ■ maintaining an active market in the Company's shares pursuant to a market liquidity contract in accordance with an Ethics Charter recognized by the French financial markets authority (Autorité des marchés financiers).	Granted by: AGM of May 6, 2015 For a period of: 18 months Maximum price: 165 euros (Balo (a) of February 20, 2015) Granted by: AGM of May 12, 2016 For a period of: 18 months Maximum price: 165 euros (Balo of February 19, 2016)	10% of share capital, representing 34,487,288 shares, for a maximum par value amount of 5,690,402,520 euros 10% of share capital, representing 34,416,300 shares, for a maximum par value amount of 5,678,689,500 euros	**Treasury shares:** 198 Company treasury shares were tendered in connection with the adjustment of 2011 Performance Share Plan ("World" Plan) and 89 Company treasury shares were tendered in connection with the 2013 Performance Share Plan ("World" Plan) following decease. No purchase was made during 2016 under the delegation granted by the AGM of May 6, 2015. As a result of these operations, as of June 30, 2016, the Company directly owned 1,117,620 shares at an average purchase price of 89.28 euros, i.e. a balance sheet value of 99,784,106 euros. **Liquidity contract changes:** 614,003 shares purchased at an average price of 95.94 euros; and 613,128 shares sold at an average price of 96.14 euros. At June 30, 2016, under the liquidity contract, 4,250 shares are recorded in the balance sheet for a net value of 381,259 euros).
Cancelation of shares purchased by the Company	Reduce the number of outstanding shares and improve basic earnings per share.	Granted by: AGM of May 6, 2015 For a period of: 24 months (Balo of February 20, 2015) Granted by: AGM of May 12, 2016 For a period of: 24 months (Balo of February 19, 2016)	10% of share capital	These authorizations were not used during the first half 2016.

(a) Balo: Bulletin des annonces légales obligatoires.

Type of authorization	Purpose of the authorization	Validity of the delegation	Maximum amount	Utilization in 2016
Share capital increase	Increase share capital by the issuance of shares or marketable securities conferring entitlement, immediately or in the future, to the Company's capital, with retention of the shareholders' preferential share subscription rights.	Granted by: AGM of May 6, 2015 For a period of: 26 months (Balo of February 20, 2015)	Share capital increase: for a maximum par value amount of 470 million euros (overall limit) Maximum nominal amount of marketable debt securities: 3 billion euros	This authorization was not used during the first half 2016.
Share capital increase	To be able to increase the amount of shares or marketable securities issued with retention of the shareholders' preferential share subscription rights in the event of oversubscription.	Granted by: AGM of May 6, 2015 For a period of: 26 months (Balo of February 20, 2015)	To be deducted from the aforementioned overall limit of 470 million euros (share capital increase) and 3 billion euros (maximum nominal amount of marketable debt securities)	This authorization was not used during the first half 2016.
Share capital increase	Increase share capital by capitalization of additional paid-in capital, reserves, profits, or other items in view of the attribution of free shares and/or an increase in the par value of existing shares.	Granted by: AGM of May 7, 2014 For a period of: 26 months (Balo of March 19, 2014) Granted by: AGM of May 12, 2016 For a period of: 26 months (Balo of February 19, 2016)	For a maximum par value amount of 250 million euros	These authorizations were not used during 2016.
Share capital increase	Increase share capital by the issuance of shares intended for subscription by employees of the Company and affiliated companies, members of a Company or Group savings plan, by canceling the shareholders' preferential share subscription rights to the issued shares. Increase share capital by the issuance of shares for subscription by employees and corporate officers of Group companies abroad, by canceling the shareholders' preferential share subscription rights to the issued shares.	Granted by: AGM of May 6, 2015 For a period of: 26 months (Balo of February 20, 2015) Granted by: AGM of May 6, 2015 For a period of: 18 months (Balo of February 20, 2015) Granted by: AGM of May 12, 2016 For a period of: 26 months (Balo of February 19, 2016) Granted by: AGM of May 12, 2016 For a period of: 18 months (Balo of February 19, 2016)	30.25 million euros in par value and 5.5 million shares. To be deducted from the aforementioned overall limit of 470 million euros	The board of Directors' Meeting of July 23, 2015, October 23, 2015, confirmed by February 15, 2016 decided to propose a share capital increase reserved for employees of Group companies which are members of a company or group savings plan in France or abroad;. A total of 999,143 new shares were subscribed, each with a par value of 5.50 euros. This authorization was not used during the first half 2016.
Bond issuance	Issue one or more bonds.	Granted by: AGM of May 7, 2013 For a period of: five years (Balo of March 18, 2013) Granted by: AGM of May 12, 2016 For a period of: five years (Balo of February 19, 2016)	20 billion euros	At June 30, 2016, outstanding bond issues amounted to 772.1 million euros for L'Air Liquide S.A. and 10.6 billion euros for the Air Liquide Group.

Type of authorization	Purpose of the authorization	Validity of the delegation	Maximum amount	Utilization in 2016
Allotment of share subscription options	Grant to employees and Executive Officers of the Company or of French and foreign subsidiaries, or some of them, options conferring entitlement to subscribe to new shares of the Company to be issued to increase the share capital or options conferring entitlement to purchase the Air Liquide existing shares bought back by the Company.	Granted by: AGM of May 7, 2013 For a period of: 38 months (Balo of March 18, 2013 Granted by: AGM of May 12, 2016 For a period of: 38 months (Balo of February 19, 2016)	2% of the Company's capital on the day the options were granted 0.3% of the Company's capital on the date the options were granted to the executive corporate officers	These authorizations were not used during the first half 2016.
Performance share attribution	Proceed to free attribution of existing or new shares to employees and Executive Officers of the Group or some of them.	Granted by: AGM of May 6, 2015 For a period of: 38 months (Balo of February 20, 2015) Granted by: AGM of May 12, 2016 For a period of: 38 months (Balo of February 19, 2016)	0.5% of the Company's capital on the day the shares were granted 0.15% of the Company's capital on the day the shares were granted for Executive Officers	These authorizations were not used during the first half 2016.
Share capital increase	Issue compound marketable securities usually destined to institutional investors by way of public offering in addition to the capital increase without preferential subscription rights and bond issues contemplated ,	Granted by: AGM of May 12, 2016 For a period of: 26 months (Balo of February 19, 2016)		This authorization was not used during the first half 2016.
Share capital increase	Issue compound marketable securities by way of private placements for qualified investors or a restricted group of investors in addition to the capital increase without preferential subscription rights and bond issues contemplated	Granted by: AGM of May 12, 2016 For a period of: 26 months (Balo of February 19, 2016)		This authorization was not used during the first half 2016.
Share capital increase	To be able to increase the amount of shares or marketable securities issued without preferential subscription rights in the event of oversubscription	Granted by: AGM of May 12, 2016 For a period of: 26 months (Balo of February 19, 2016)		This authorization was not used during the first half 2016.

GENERAL INFORMATION

General information

Law applicable to L'Air Liquide S.A.

French law.

Incorporation and expiration dates

The Company was incorporated on November 8, 1902, for a set term expiring on February 17, 2028.

Business and Company register

552 096 281 RCS Paris
APE Code: 7112B

Consulting legal documents

The articles of association, Minutes of Shareholders' Meetings and other Company documents may be consulted at Company headquarters.

Fiscal year

The Company's fiscal year starts on January 1, and ends on December 31, of the same year.

Address and phone number of the head office

75, quai d'Orsay, 75007 Paris
+33 (0)1 40 62 55 55

Articles of association*

SECTION I

NAME—PURPOSE—HEAD OFFICE—TERM

Article 1: Form and name

The Company is a joint stock company, with a Board of Directors. This Company will be governed by the laws and regulations in force and these articles of association.

The Company's name is "L'Air Liquide, société anonyme pour l'Étude et l'Exploitation des procédés Georges Claude".

Article 2: Purpose

The Company's corporate purpose includes:

- the study, exploitation, sale of the patents or inventions of Messrs. Georges and Eugène Claude pertaining to the liquefaction of gases, the industrial production of refrigeration, liquid air and oxygen, and the applications or utilizations thereof;
- the industrial production of refrigeration, of liquid air, the applications or uses thereof, the production and liquefaction of gases, and in particular oxygen, nitrogen, helium and hydrogen, the applications and uses thereof in all forms, pure, in blends and combinations, without any distinction as to state or origin, in all areas of application of their physical, thermodynamic, chemical, thermochemical and biological properties, and, in particular, in the domains of propulsion, the sea, health, agri-business and pollution;
- the purchase, manufacturing, sale, use of all products pertaining directly or indirectly to the aforementioned corporate purpose, as well as all sub-products resulting from their manufacturing or their use, of all machines or devices used for the utilization or application thereof and, more specifically, the purchase, manufacturing, sale, use of all products, metals or alloys, derived or resulting from a use of oxygen, nitrogen and hydrogen, pure, blended or combined, in particular of all oxygenated or nitrogenous products;
- the study, acquisition, direct or indirect exploitation or sale of all patents, inventions or methods pertaining to the same corporate purposes;
- the exploitation, directly or through the incorporation of companies, of all elements connected, directly or indirectly, with the Company's purpose or likely to contribute to the development of its industry;
- the supply of all services, or the supply of all products likely to develop its clientele in the industry or health sectors.

* *Updated after the Annual General Meeting of May 12, 2016 and available on the website www.airliquide.com.*

The Company may request or acquire all franchises, perform all constructions, acquire or lease all quarries, mines and all real property, and take over all operations connected with its corporate purpose, sell or lease these franchises, merge or create partnerships with other companies by acquiring Company shares or rights, through advances or in any appropriate manner. It may undertake these operations either alone or jointly.

Lastly, and more generally, it may carry out all industrial, commercial, real estate, personal or financial operations pertaining directly or indirectly to the corporate purposes specified above.

Article 3: Head office

The Company's head office is located at 75, quai d'Orsay, Paris.

It may be transferred upon a Board of Directors' decision to any other location in Paris or a neighboring department, subject to the ratification of such decision by the next Ordinary General Shareholders' Meeting, and anywhere else by virtue of a decision by an Extraordinary Shareholders' Meeting.

Article 4: Term

The Company's term has been fixed at 99 years beginning on February 18, 1929, except in the event of early dissolution or extension.

SECTION II

SHARE CAPITAL—SHARES—IDENTIFICATION OF SHAREHOLDERS

Article 5: Share capital

The share capital has been set at 1,898,719,603 euros divided into 345,221,746 fully paid-up shares of a par value of 5.50 euros each.

Share capital is increased under the conditions stipulated by law either by issuing ordinary or preferred shares, or by raising the par value of existing shares. It may also be increased by exercising the rights attached to marketable securities granting access to share capital, under the conditions stipulated by law.

In accordance with prevailing legal provisions, unless otherwise decided by the Shareholders' Meeting, the shareholders have, in proportion to the amount of shares they own, a preferential subscription right to the shares issued in cash in order to increase share capital.

The share capital may also be reduced under the conditions stipulated by law, in particular, by reducing the par value of the shares, or by reimbursing or redeeming shares on the stock exchange and by canceling shares, or by exchanging existing shares for new shares, in an equivalent or lesser number, with or without the same par value, and with or without a cash balance to be paid or received. The Shareholders' Meeting may always compel the shareholders to sell or purchase existing shares to permit the exchange of existing shares for new shares, with or without a cash balance to be paid or received, even if such reduction is not a result of losses.

Article 6: Shares

If the new shares are not fully paid up upon issuance, calls for payment shall be performed, on dates set by the Board of Directors, by means of announcements posted one month in advance in one of the Paris official legal publications chosen for the legal publication of the Company's deeds.

Shares not fully paid up shall be held as registered shares until they are fully paid up.

Each payment on any subscribed shares will be registered in an account opened in the name of the subscriber.

All late payments shall automatically bear interest, for the benefit of the Company, as of the due date, without any formal notice or legal action, at the legal interest rate, subject to any personal action that the Company may take against any defaulting shareholder and the compulsory execution measures provided by law.

Article 7: Type of shares

Paid-up shares are registered as registered shares or bearer shares depending on the choice of the shareholder.

The provisions of the aforementioned paragraph also apply to other securities of any nature issued by the Company.

Article 8: Rights and obligations governing shares

Shareholders shall not be liable above the amount of their subscription.

Share ownership automatically binds shareholders to the articles of association and the decisions of the Shareholders' Meetings.

Subject to legal and regulatory restrictions, voting rights attached to the shares are proportionate to the capital quota they represent and each share confers the right to one vote. In accordance with the option provided for in paragraph 3 of article L. 225-123 of the French Commercial Code, double voting rights will not be conferred to paid-up shares and for which a nominative registration for at least two years in the name of the same shareholder can be proved.

Any share grants entitlement, during the Company's term, as in the event of liquidation, to the payment of an identical net amount for any distribution or redemption.

Shares are freely transferable under the conditions provided by law.

Article 9: Identification of shareholders

The Company may avail itself at any time of the legal and statutory provisions in force permitting the identification of the owners of shares conferring immediately or in the future the right to vote in Shareholders' Meetings, as well as the number of shares they own.

In addition to the legal obligations to notify the Company, any person, acting alone or jointly, coming in direct or indirect possession of a fraction of the Company's capital or voting rights equal to or greater than 2%, or a multiple of 2% of capital or voting rights (including above the 5% threshold), is required to inform the Company within fifteen days as of the date on which the threshold is exceeded and, as the case may be, independently of the effective transfer date of share ownership. The person shall state the number of shares and marketable securities granting entitlement to capital that he or she owns on the date of notification. Any decrease below the 2% threshold or a multiple of 2% of capital or voting rights shall be notified in the same manner.

In the event of a failure to meet this additional notification obligation, one or several shareholders, owning a fraction of the Company's capital or voting rights amounting to at least 2%, may, at a Shareholders' Meeting, request that the shares exceeding the fraction which should have been reported, be stripped of their voting rights for any Shareholders' Meeting held until the end of a two-year period following the date on which the notice is rectified. The request is recorded in the Minutes of the Shareholders' Meeting.

Article 10: Co-ownership and usufruct

As all shares are indivisible from the point of view of the Company, all joint owners of shares are required to be represented vis-à-vis the Company by a single owner selected from among them or proxy under the conditions provided by law.

The voting right attached to the share is exercised by the beneficial owner at both Ordinary and Extraordinary Shareholders' Meetings. However, the bare-owner shall be entitled to attend all Shareholders' Meetings. He or she may also represent the beneficial owner at Shareholders' Meetings.

The heirs, creditors, trustees or successors of a shareholder may not, on any grounds whatsoever, call for the affixing of seals on the Company's assets and securities, request the distribution thereof, or interfere in any manner whatsoever in its administration.

In order to exercise their rights, they must consult the Company's records and decisions of the Shareholders' Meetings.

SECTION III

MANAGEMENT OF THE COMPANY

Article 11: Composition of the Board of Directors

The Company is managed by a Board of Directors, comprising a minimum of three members and a maximum of fourteen members (unless temporarily waived in the event of a merger), physical persons or legal entities.

The members of the Board of Directors are appointed by the Ordinary Shareholders' Meeting for a term of four years expiring at the close of the Shareholders' Meeting held to approve the financial statements for the previous year and which is held in the year during which the mandate expires. As an exception to this rule, the members of the first Board of Directors who exercised functions as members of the Supervisory Board in the Company under its former mode of administration shall be appointed for a period equal to the remaining term of their mandate as members of the Supervisory Board.

The members of the Board of Directors may be re-elected.

Each Director must own at least 500 registered shares in the Company during the term of his functions. If, on the date of his appointment, a Director does not own the required number of shares or if, during his term, he ceases to own them, he is deemed to have resigned with immediate effect if he has not rectified the situation within a period of three months.

In the event of a vacancy of one or more seats due to death or resignation, the Board of Directors may, between two Shareholders' Meetings, make temporary appointments. Provisional appointments made by the Board of Directors are subject to the approval of the next Ordinary Shareholders' Meeting. If the number of Directors falls below the legal minimum, the remaining Directors must immediately convene an Ordinary Shareholders' Meeting in order to make up the numbers of the Board.

No individual over the age of 70 shall be appointed as a member of the Board of Directors if his appointment increases the number of the members of the Board of Directors who have passed this age to over one third. If during their term, the number of the members of the Board of Directors who have passed 70 years of age exceeds one third of the Board's members, the oldest member of the Board of Directors who has not carried out management functions in the Company is deemed to have resigned at the end of the Annual Shareholders' Meeting held following the occurrence of this event.

During the Company's term, Directors are appointed and their mandates renewed under the conditions provided by law.

They may be dismissed by the Ordinary Shareholders' Meeting at any time.

Director(s) representing employees

In accordance with statutory requirements, if the number of members of the Board of Directors, calculated in accordance with article L. 225-27-1-II of the French Commercial Code, is less than or equal to 12, the Group Committee in France shall proceed to appoint a Director representing employees.

If the number of members of the Board of Directors, calculated in accordance with article L. 225-27-1-II of the French Commercial Code, is more than 12, and provided this criterion is still fulfilled on the date of the appointment, a second Director representing employees shall be appointed by the European Works Council.

If the number of members of the Board of Directors, calculated in accordance with article L. 225-27-1-II of the French Commercial Code, was originally more than 12 members but becomes less than or equal to 12 members, the Director appointed by the European Works Council shall remain in office until his term of office expires.

As an exception to the foregoing, the Director representing employees appointed by virtue of this clause is not required to hold at least 500 registered shares during his term of office.

The Director representing employees shall be appointed for a four-year term expiring at the close of the Shareholders' Meeting called to approve the financial statements for the previous year and which is held in the year in which his term of office expires. The tenure of the Director representing employees may be renewed.

The tenure of the Director representing employees shall be terminated in accordance with statutory requirements and the provisions contained in this clause, particularly in the event of termination of said Director's employment contract; if the criteria for the application of article L. 225-27-1 of the Commercial Code are no longer met, the tenure of the Director(s) representing employees shall expire at the end of the meeting during which the Board of Directors observes that the Company has been released from this obligation.

In the event that the seat of a Director representing employees is vacant for any reason whatsoever, the vacant seat shall be filled under the conditions set forth in article L. 225-34 of the French Commercial Code.

In addition to the provisions of the second paragraph of article L. 225-29 of the French Commercial Code, it is stipulated, if need be, that any failure to appoint a Director representing employees by the body designated herein, in accordance with the law and with this clause, shall not invalidate the resolutions of the Board of Directors.

Article 12: Organization and management of the Board of Directors

The Board of Directors elects from among its members who are individuals, a Chairman. It determines his remuneration and sets his term of office which may not exceed his term of office as Director. The Chairman may be re-elected.

The Chairman of the Board of Directors performs the duties entrusted to him by law. He chairs the Board of Directors, organizes and manages its work and reports on such work to the Shareholders' Meeting. He ensures that the Company's bodies operate properly and, in particular, that the Directors are able to fulfill their assignments.

The Board may also appoint from among its members one or more Vice-Chairmen, whose term of office shall be determined within the limit of their term as Director and whose role it is, subject to the legal provisions applicable in the event of the temporary impediment or death of the Chairman, to convene and chair Board meetings or chair Shareholders' Meetings in accordance with these articles of association when the Chairman is impeded.

No Director who does not also assume the role of Chief Executive Officer may be appointed as Chairman of the Board of Directors after the age of 70 (or 72 if the Board decides at its discretion to derogate from this limit in exceptional circumstances). If, during the term of office, this age limit is reached, the Chairman's mandate shall terminate at the close of the Shareholders' Meeting held to approve the financial statements for the year during which he has reached the age limit.

If the Chairman of the Board of Directors also assumes the role of Chief Executive Officer, the applicable age limit is that applicable to the Chief Executive Officer.

The Chairman and each Vice-Chairman may be dismissed by the Board of Directors at any time. They may also be re-elected.

The Board may appoint a secretary who need not be a shareholder or one of its members.

Article 13: General Management

Management organization

In accordance with the law, the Company's General Management is assumed either by the Chairman of the Board of Directors or by any other physical person, Director or not, appointed by the Board of Directors and who assumes the role of Chief Executive Officer.

The choice between either of the two General Management organizations described above is made by the Board of Directors. The Board of Directors makes its decision relating to the choice of General Management organization under the quorum and majority conditions stipulated in article 14 of these articles of association. The shareholders and third parties are informed of the Board of Directors' decision under the conditions stipulated by the regulations in force.

When the Company's General Management is assumed by the Chairman of the Board of Directors, the Board of Directors must appoint, among its members considered as independent by the Board of Directors, a Lead Director. The conditions of appointment, the tasks and powers of the Lead Director (in particular, if applicable, the power to ask to convene a meeting of the Board of Directors), are set out in the Board of Directors' internal regulations.

The choice made by the Board of Directors remains valid until it decides otherwise.

The Board of Directors will review, as necessary, the choice made each time the mandate of the Chairman of the Board of Directors or the Chief Executive Officer comes up for renewal.

Chief Executive Officer

If the Company's Chief Executive Officer is assumed by the Chairman of the Board of Directors, the following provisions relating to the Chief Executive Officer are applicable.

The Board of Directors sets the term of office and determines the remuneration of the Chief Executive Officer.

No individual over the age limit set by law may be appointed as Chief Executive Officer. If, during the term of office, this age limit is reached, the Chief Executive Officer's mandate shall terminate at the close of the Shareholders' Meeting held to approve the financial statements for the year during which he has reached the age limit set by law.

The Chief Executive Officer may be dismissed at any time by the Board of Directors. The discharge of a Chief Executive Officer who does not assume the role of Chairman may give rise to damages if decided without reasonable cause.

The Chief Executive Officer may always be re-elected.

Powers of the Chief Executive Officer

The Chief Executive Officer is vested with the broadest powers to act in all circumstances on behalf of the Company within the limit of the Company's corporate purpose, the articles of association, and subject to the powers expressly granted by law to Shareholders' Meetings and the Board of Directors.

The Board of Directors is responsible for defining the decisions of the Chief Executive Officer that require its prior approval. The Board of Directors' prior approval should be sought particularly for external acquisitions or sales of interests or assets, and for investment commitments, in each case under the conditions and exceeding the amounts corresponding to an efficient operation of the Company as set by the Board of Directors. It should also be sought for financing operations of any amount likely to substantially alter the Company's financial structure and for any decision likely to substantially alter the Company's strategic orientations determined by the Board of Directors.

Senior Executive Vice-Presidents

On the Chief Executive Officer's proposal, whether he be Chairman of the Board of Directors or any other person, the Board of Directors may appoint one or more physical persons as Senior Executive Vice-Presidents to assist the Chief Executive Officer.

The maximum number of Senior Executive Vice-Presidents is set at three.

In accordance with the Chief Executive Officer, the Board of Directors determines the scope and term of the powers granted to the Senior Executive Vice-Presidents and sets their remuneration.

The Senior Executive Vice-Presidents have the same powers as the Chief Executive Officer vis-à-vis third parties.

In the event of impediment of the Chief Executive Officer or the cessation of his functions, the Senior Executive Vice-Presidents shall maintain, unless decided otherwise by the Board of Directors, their functions and powers until a new Chief Executive Officer is appointed.

The Senior Executive Vice-Presidents may be dismissed at any time by the Board of Directors, at the Chief Executive Officer's proposal. They are subject to the age limit provided by law.

Senior Executive Vice-Presidents may be re-elected.

Article 14: Board of Directors' Meetings and deliberations

The Board of Directors meets as often as the interest of the Company so requires, by notice from its Chairman or in the case of impediment, from the oldest Vice-Chairman, if one or more Vice-Chairmen have been appointed, at the head office or in any other location indicated in the Notice of Meeting.

The agenda is set by the Chairman and may only be finalized at the time of the Meeting.

Directors representing at least one third of members of the Board of Directors may, while specifying the meeting's agenda, ask the Chairman to summon the Board if it has not met for more than two months.

Likewise, the Chief Executive Officer, if he does not chair the Board of Directors, may ask the Chairman to summon the Board of Directors on any specified agenda.

The Chairman is bound to the requests made to him.

In the event that the Chairman is impeded or fails in performing the aforementioned tasks, the oldest Vice-Chairman, if one or more Vice-Chairmen have been appointed, shall have the authority to call the Board and set the meeting's agenda at the request of at least one third of members of the Board of Directors or the Chief Executive Officer, as the case may be. In the absence of a Vice-Chairman, the minimum of one third of members of the Board of Directors or the Chief Executive Officer, depending on the case, shall have the authority to call the Board and set the meeting's agenda.

Notices may be made by all means, including verbally.

The presence of one half of the members of the Board of Directors is required for the validity of the Board's decisions.

Decisions are made by a simple majority of the votes of the members present or represented. In the event of a tie, the Chairman shall have the casting vote.

The Board of Directors will set its internal rules that it may amend by simple resolution.

The Board of Directors may stipulate in its internal rules that the members of the Board of Directors who take part in the Board's meeting by videoconference or telecommunications in accordance with the conditions provided by the regulations in force shall be considered as present for calculating the quorum and voting majority of the members, for all decisions in which the law does not exclude such possibility.

Article 15: Powers of the Board of Directors

The Board of Directors determines the orientations of the Company's activities and ensures their implementation.

Subject to the powers expressly attributed to Shareholders' Meetings by law and these articles of association and in accordance with the corporate purpose, the Board deals with any issues concerning the smooth running of the Company and manages corporate business pursuant to its decisions.

The Board of Directors may conduct controls and verifications as it deems appropriate.

The Board is authorized to issue bonds pursuant to a delegation granted by the Ordinary Shareholders' Meeting.

It may also decide to create Committees of its members responsible for analyzing issues which it itself or its Chairman submits thereto for review. The Board determines the composition and powers of the Committees which conduct their activities under its responsibility.

Issues related to the performance, remuneration and, where appropriate, the renewal of the term of office of the Chairman and Chief Executive Officer, or the Chief Executive Officer, shall be decided by the Board of Directors as and when required, and at least once a year, after analysis by the Committee(s) of the Board of Directors that deal with appointment and remuneration issues.

Article 16: Remuneration

The Ordinary Shareholders' Meeting may allocate to the members of the Board of Directors, as remuneration for their activity, a fixed annual amount in Directors' fees. The Board of Directors is free to distribute the overall sum thus allocated among its members. It may also allocate a greater amount to the Directors who are members of Committees set up within the Board than that allocated to the other Directors.

The Board may allocate exceptional sums to remunerate assignments or mandates entrusted to the members of the Board.

SECTION IV

STATUTORY AUDITORS

Article 17: Audit of the Company

At the Ordinary Shareholders' Meeting, the shareholders appoint, under the conditions and with the assignments set by law, the principal and deputy Statutory Auditors.

SECTION V

SHAREHOLDERS' MEETINGS

Article 18: Shareholders' Meetings

The Shareholders' Meeting is comprised of all the shareholders, regardless of the number of shares they own, provided that all shares are fully paid up and that they are not stripped of voting rights.

The right to attend Shareholders' Meetings of the Company shall be justified by the recording of the shares, in the book-entry form, in the name of the shareholder or of the intermediary registered on behalf of the shareholder within the time frames and under the conditions provided for by French law.

The owners of registered shares or bearer shares must furthermore have filed a proxy or absentee ballot form, or a single document presented in lieu thereof, or if the Board of Directors has so decided, a request for an admission card, at least three days prior to the meeting. The Board of Directors may however reduce this time period if it deems appropriate. It may also authorize the submission to the Company of the proxy or absentee ballot forms by teletransmission (including electronically) in accordance with prevailing regulatory and legal provisions.

The electronic signature can, when used, take the form of a process that satisfies the conditions defined in the first sentence of section 2 of article 1316-4 of the French Civil Code.

The Shareholders' Meeting, duly constituted, represents all of the shareholders.

Ordinary and Extraordinary Shareholders' Meetings, and where necessary, Special Shareholders' Meetings are convened, meet and deliberate under the conditions provided by law and these articles of association.

Meetings take place at the head office or at any other place designated by the author of the notice, even outside of the head office or the head office's department.

Shareholders' Meetings are chaired by the Chairman of the Board of Directors or, in his absence, by the Vice-Chairman or the oldest Vice-Chairman of the Board, if one or more Vice-Chairmen have been appointed, or otherwise by a Director specifically appointed for this purpose by the Board. In the event of impediment of the Vice-Chairman or Vice-Chairmen when Vice-Chairmen have been appointed or if the Board has not appointed a Director, the shareholders shall themselves appoint the Chairman.

The two members of the Shareholders' Meeting with the highest number of votes and having accepted the position act as ballot inspectors for the Shareholders' Meeting. The officers of the meeting appoint a secretary who need not be a shareholder.

In the event that the meeting is convened by a Statutory Auditor or by a judicial representative, the Shareholders' Meeting is chaired by the author of the notice.

Upon the decision of the Board of Directors published in the Notice of Meeting or notice of convocation to rely on means of telecommunication, the shareholders who take part in the Shareholders' Meeting by videoconference or using telecommunications means permitting their identification in accordance with the conditions provided by prevailing law, shall be considered as present for calculating the quorum and voting majority.

Article 19: Powers of Shareholders' Meetings

Ordinary and Extraordinary Shareholders' Meetings, and where necessary, Special Shareholders' Meetings allow shareholders to exercise the powers defined by law and these articles of association.

During the Ordinary Shareholders' Meeting, shareholders decide or authorize the issue of bonds secured, where necessary, by specific collateral in accordance with prevailing laws and regulations and authorize the Chairman to grant such collateral. They may delegate to the Board of Directors the competence and powers necessary to issue such bonds, in one or more installments, within a period set by them, and to determine the terms and conditions of the issuance of such bonds. The guarantees set up subsequent to the issue of the bonds are granted by the Chairman of the Board of Directors upon the Board's authorization.

SECTION VI

INVENTORY—RESERVES—DISTRIBUTION OF PROFITS

Article 20: Fiscal year

The fiscal year begins on January 1 and ends on December 31.

Article 21: Inventory, distribution of profits

The Company's net proceeds, established in the annual inventory, after deducting overheads and other costs, including all amortization, depreciation and provisions, constitute the net profits.

From these profits, less, as the case may be, previous losses, a deduction of at least 5% is first of all made to create the reserve required by law. This deduction ceases to be mandatory when the reserve amounts to 10% of the share capital. It is resumed if this reserve is ever used.

The distributable profits are made up of the annual net profits, less previous losses, as well as the sums to be placed on reserve pursuant to law, plus the profit carried forward.

From these profits, a deduction is made of the amount necessary to pay the shareholders, as a first dividend, 5% of the sums paid-up on their shares, and not amortized, and 5% of the sums from premiums on shares issued in cash, and appearing in a "share premium" account, without it being possible, if the profits of a given year do not permit this payment, for the shareholders to claim such amounts from the profits of subsequent years.

The Shareholders' Meeting may decide to earmark any portion of the available surplus of said profits it wishes for the creation of general or special providence or reserve funds, under any name whatsoever or even simply as an amount carried forward.

The balance constitutes a surplus fund which is intended for the distribution of the second dividend as well as the amount provisionally assessed as necessary to pay a 10% increase to the registered shares satisfying the following conditions.

Starting on January 1, 1996, the shares registered at December 31 of each year in registered form for at least two years, and which remain registered until the date of the payment of the dividend, will entitle their owners to collect a dividend per share which is 10% higher, rounded down if necessary to the lower centime, than the dividend per share distributed in respect of other shares, provided that the amount of the dividend per share prior to any increase is at least equal to the amount of the dividend per share prior to any increase distributed in the preceding year, adjusted to take into account the change in the number of shares from one year to the next resulting in a capital increase by capitalizing premiums, reserves or profits or a share split.

In the event that, starting on January 1, 1996, the Board of Directors, with the approval of the shareholders decides to increase the capital by capitalizing reserves, profits or premiums, the registered shares held on December 31 prior to the attribution for at least two years and that remain held until the day before the share attribution date will entitle their owners to an attribution of shares which is 10% higher than the attribution made in favor of other shares, and according to the same procedure.

The new shares created in this manner will be comparable in all respects to the existing shares from which they are issued, for calculating the entitlement to the higher dividends and the higher attributions.

The increases defined in each of the two preceding paragraphs may be modified or eliminated by simple decision during the Extraordinary Shareholders' Meeting, according to the procedures it determines.

Pursuant to law, the number of shares eligible for these increases shall not for any given shareholder exceed 0.5% of the Company's share capital.

The Shareholders' Meeting held to approve the financial statements for the year shall have the possibility of granting to each shareholder, for all or part of the dividend or interim dividends, an option for payment of the dividend or interim dividends in either cash or shares.

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SECTION VII

LIQUIDATION

Article 22: Liquidation

At the expiration of the Company's term, or in the event of early dissolution, the shareholders determine the method of liquidation, in accordance with the conditions stipulated by law. They appoint and determine the powers of one or more liquidators.

The liquidators may, pursuant to a decision of the shareholders, transfer to another company or sell to a company or to any other entity or person, all or part of the assets, rights and obligations of the dissolved Company.

The duly constituted Shareholders' Meeting retains the same prerogatives during the liquidation as during the Company's term. In particular, it has the power to approve the accounts of the liquidation and to grant a discharge thereof.

After the Company's commitments have been settled, the net proceeds from the liquidation are used first to fully redeem the shares, and the surplus is then distributed equally among them.

SECTION VIII

DISPUTES

Article 23: Disputes

All disputes which may arise during the Company's term or liquidation, either between the shareholders and the Company or among the shareholders themselves, regarding Company affairs, are settled in accordance with law and submitted to the jurisdiction of the competent Paris courts.

For this purpose, in the event of disputes, all shareholders shall elect domicile in Paris, and all summonses and notices are duly served at this domicile.

Failing election of domicile, summonses and notices are validly served at the Office of Public Prosecution of the French Republic at the High Court of Paris.

Dividends

Year	Paid	Ordinary dividend (a) Loyalty dividend (b)	Number of shares	Distribution *(in euros)*
2013 (c)	May 21, 2014	2.55 (a)	311,137,288	793,400,084
		0.25 (b)	86,153,707	21,538,427
				814,938,511
2014 (c)	May 20, 2015	2.55 (a)	342,796,607	874,131,348
		0.25 (b)	95,636,122	23,909,031
				898,040,379
2015 (c)	May 25, 2016	2.60 (a)	344,337,019	895,276,249
		0.26 (b)	97,352,920	25,311,759
				920,588,008

(a) Ordinary dividend paid on all shares.
(b) Loyalty dividend paid only on registered shares held continuously for two full calendar years.
(c) Amounts actually paid.

FACTORS THAT MAY HAVE AN IMPACT IN THE EVENT OF A TAKEOVER BID

Pursuant to article L. 225-100-3 of the French Commercial Code, the factors that may have an impact in the event of a takeover bid are set forth below.

Board of Directors' powers

The share buyback authorization currently granted to the Company excludes any buybacks during a period of bidding on the Company's shares.

Furthermore, the following delegations of authority granted to the Board of Directors are suspended during periods of takeover bids:

- the delegation of authority granted to the Board of Directors by the Shareholders' Meeting of May 6, 2015 (12th resolution) to increase the share capital via the issuance of ordinary shares or marketable securities;
- the delegation of authority granted to the Board of Directors by the Shareholders' Meeting of May 12, 2016 to increase the share capital through capitalization of additional paid-in capital, reserves, profits or any other amounts;
- the delegation of authority granted to the Board of Directors by the Shareholders' Meeting of May 12, 2016 to issue compound marketable securities, without preferential subscription rights, by way of a public offering;
- the delegation of authority granted to the Board of Directors by the Shareholders' Meeting of May 12, 2016 to issue compound marketable securities, without preferential subscription rights, by way of private placement.

Some provisions relating to the regulations of the stock options plans are also applicable in the event of a takeover bid launched on the Company's shares – see page 177 of the 2015 Reference Document.

Agreements that may be modified or terminated in the event of a change of control of the Company

Several bond issues under the Group's EMTN program include a clause providing that, under certain circumstances, the early repayment of such bonds may be requested in the event of a change of control of the Company:

- bond issued in July 2007 maturing in July 2017 (500 million euros);
- private placement issued in January 2008 maturing in January 2038 (15 billion yen, or 131.5 million euros equivalent [a]);
- bond issued in June 2010 maturing in June 2020 (500 million euros);
- bond issued in October 2010 maturing in October 2018 (456.75 million euros);
- private placement issued in December 2011 maturing in December 2019 (15.5 billion yen, or 135.9 million euros equivalent [a]);
- private placement issued in January 2012 maturing in March 2019 (200 million US dollars, or 180.1 million euros equivalent [a]);
- private placement issued in August 2012 maturing in August 2016 (13.5 billion yen, or 118.4 million euros equivalent [a]);
- bond issued in October 2012 maturing in October 2021 (500 million euros);
- bond issued in March 2013 maturing in September 2023 (300 million euros);
- bond issued in June 2013 maturing in June 2019 (250 million euros);

(a) Converted at closing rate as of June 30, 2016, with 1 EUR = 114.05 JPY, 1 EUR = 1.1102 USD, 1 EUR = 7.3755 CNY and 1 EUR = 1.0867 CHF.

- private placement issued in January 2014 maturing in January 2026 (150 million euros);
- private placement issued in March 2014 maturing in March 2029 (100 million euros);
- bond issued in June 2014 maturing in June 2024 (500 million euros);
- private placement issued in September 2014 maturing in September 2022 (130 million swiss francs, or 119.6 million euros equivalent [a]);
- bond issued in January 2015 maturing in January 2022 (500 million renminbis, or 67.8 million euros equivalent [a]);
- bond issued in June 2015 maturing in June 2025 (500 million euros);
- bond issued in June 2015 maturing in June 2017 (250 million euros);
- bond issued in April 2016 maturing in April 2022 (300 million euros);
- bonds issued in June 2016 maturing in June 2018 (500 million euros), maturing in June 2020 (500 million euros), maturing in June 2022 (500 million euros), maturing in June 2024 (500 million euros), maturing in June 2028 (1,000 million euros).

Three bonds (or private placements) issued outside of the Group's EMTN program include a clause providing that, under certain circumstances, the early repayment of such bonds may be requested in the event of a change of control of the Company:

- bond issued in September 2011 maturing in September 2016 (1,750 million renminbis, or 237.3 million euros equivalent [a]);
- bond issued in September 2011 maturing in September 2018 (850 million renminbis, or 115.2 million euros equivalent [a]);
- US Private Placements issued in September 2012, maturing in September 2022 (400 million US dollars, or 360.3 million euros equivalent [a]), September 2024 (200 million US dollars, or 180.1 million euros equivalent [a]) and September 2027 (100 million US dollars, or 90.1 million euros equivalent [a]).

Five bonds issued by Airgas, Inc include a clause providing that, under certain circumstances, the early repayment of such bonds may be requested in the event of a change of control of Airgas, Inc:

- bond issued in February 2013 maturing in February 2018 (325 million dollars, or 292.7 million euros equivalent [a]);
- bond issued in February 2013 maturing in February 2020 (275 million dollars, or 247.7 million euros equivalent [a]);
- bond issued in August 2015 maturing in August 2020 (400 million dollars, or 360.3 million euros equivalent [a]);
- bond issued in November 2012 maturing in November 2022 (250 million dollars, or 225.2 million euros equivalent [a]);
- bond issued in July 2014 maturing in July 2024 (300 million dollars, or 270.2 million euros equivalent [a]).

Some credit agreements of the Group include a clause providing that, under certain circumstances, the early repayment of the advances made under those credit agreements may be requested in the event of a change of control of the Company.

(a) Converted at closing rate as of June 30, 2016, with 1 EUR = 114.05 JPY, 1 EUR = 1.1102 USD, 1 EUR = 7.3755 CNY and 1 EUR = 1.0867 CHF.

STATUTORY AUDITORS’ OFFICES

Statutory Auditors’ offices

Ernst & Young et Autres

Principal Statutory Auditor

Ernst & Young et Autres is represented by Jeanne Boillet and Emmanuelle Mossé

Tour First – TS 14444 – 1, place des Saisons

92037 Paris-La Défense Cedex (Courbevoie)

Deputy Statutory Auditor

Auditex

Tour First – TS 14444 – 1, place des Saisons

92037 Paris-La Défense Cedex (Courbevoie)

PricewaterhouseCoopers Audit

Principal Statutory Auditor

PricewaterhouseCoorpers Audit is represented by Olivier Lotz and Séverine Scheer

63, rue de Villiers

92200 Neuilly-sur-Seine

Deputy Statutory Auditor

Jean-Christophe Georghiou with PricewaterhouseCoorpers Audit

63, rue de Villiers

92200 Neuilly-sur-Seine

All the Statutory Auditors, principal and deputy, were appointed or renewed on May 12, 2016. Their terms of office will expire at the end of the Shareholders’ Meeting held to approve the financial statements for the fiscal year ending December 31, 2021.

The 2015 financial statements were certified by Ernst & Young et Autres et Mazars S.A.

PERSON RESPONSIBLE FOR THE UPDATE TO THE REFERENCE DOCUMENT

This is a free translation into English of the certification by the person responsible for the Update to the Reference Document and is provided solely for the convenience of English speaking readers.

Person responsible for the Update to the Reference Document

Benoît POTIER, Chairman and CEO of L'Air Liquide S.A.

Certification by the person responsible for the Update to the Reference Document

I hereby attest, after having taken all reasonable measures for such purpose, that the information contained in this Update to the Reference Document reflects, to the best of my knowledge, the current situation and does not omit any information that could alter its scope.

I hereby declare that, to the best of my knowledge, the condensed financial statements for the half-year ended June 30, 2016 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and the profit of the Company and the entities included in the scope of consolidation of the Group and that the First Half Management Report, enclosed in Chapter 1, includes a faithful representation of the major events which occurred during the first six months of the fiscal year, their impact on the financial statements, and the main related-party transactions, as well as a description of the major risks and uncertainties for the remaining six months of the fiscal year.

I have obtained a work completion letter from the Statutory Auditors indicating that they have, in accordance with French professional standards, verified the information on the financial position and the financial statements and have reviewed all of the information presented in the Update to the Reference Document.

The interim consolidated financial statements for the period ended 30 June 2016, and the pro forma financial information for the period ended 31 December 2015 and the half-year ended 30 June 2016, included in this Update to the Reference Document, have been subject of review reports by the Statutory Auditors, appearing in chapter 2 of this Update to the Reference Document, respectively on pages 55 and 64. The review report by the Statutory Auditors on the interim consolidated financial statements for the period ended 30 June 2016 contains an observation.

Paris, August 1, 2016

Benoît Potier

Chairman and CEO

CROSS-REFERENCE TABLE FOR THE REFERENCE DOCUMENT

The cross-reference table identifies the main information required by Regulation no. 809/2004 of the European Commission dated April 29, 2004 (the "Regulation"). The table indicates the pages of this Update to the Reference Document and, if applicable, of the Reference Document where is presented the information related to each item.

N°	Items of the Annex I of the Regulation	Reference Document – Pages	Update to the Reference Document – Pages
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1.2	Declaration by persons responsible	359	94
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2.2	Indication of the removal or resignation of auditors	N/A	N/A
3.	**Selected financial information**		
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3.2	Financial information for interim periods	N/A	13 to 23, 24 to 26, 27 to 28
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5.1.3	The date of incorporation and the length of life of the issuer	346 and 347	82 and 83
5.1.4	The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office	346 and 347	82 and 83
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13.2	Report prepared by independent accountants or auditors	N/A	N/A
13.3	Preparation of the forecast or estimate	N/A	N/A
13.4	Statement on the correctness of a forecast included in the prospectus	N/A	N/A

N°	Items of the Annex I of the Regulation	Reference Document – Pages	Update to the Reference Document – Pages
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Cross-reference table for the reference document

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20.4.3	Source of the data when financial data in the registration document is not extracted from the issuer's audited financial statements	N/A	N/A
20.5	Date of latest financial information	December 31, 2015	June 30, 2016
20.6	Interim and other financial information	N/A	
20.6.1	Quarterly or half-yearly financial information	N/A	13 to 23, 24 to 26, 27 to 28, 31 to 54
20.6.2	Interim financial information	N/A	N/A
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21.1.4	Convertible securities, exchangeable securities or securities with warrants	N/A	N/A
21.1.5	Information about and terms of any acquisition rights and/ or obligations over authorized but unissued capital or an undertaking to increase the capital	303 to 306, 314 to 318, 320 to 326, 343 to 345, 347 to 348	79 to 81, 83 to 84
21.1.6	Information about any capital of any member of the Group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate	152 to 159, 176 to 184, 238 to 240, 265	69 to 71
21.1.7	History of share capital	206 to 207, 340, 342, 372 to 373 202 to 203, 328, 329, 360 to 361 of DDR 2014 198 to 200, 322, 323, 350 to 351 of DDR 2013	36 to 37, 78
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N°	Items of the Annex I of the Regulation	Reference Document – Pages	Update to the Reference Document – Pages
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23.1	Statement or report attributed to a person acting as an expert	N/A	N/A
23.2	Information sourced from third parties	N/A	N/A
24.	**Documents on display**	**355**	**N/A**
25.	**Information on holdings**	**268 to 270, 290 to 291**	**N/A**

Cautionary note regarding forward-looking statements

This Update to the Reference Document contains information on the Group's prospects, objectives and trends for growth (notably relating to the recent acquisition of Airgas and the implementation of NEOS, the Group's new company program for the period 2016-2020). These forward-looking statements can be identified by the use of the future tense, conditional or of forward-looking terms such as "consider", "intend", "anticipate", "believe", "estimate", "plan", "expect", "think", "aim", or, as the case may be, the negative of these words, or any other terms with a similar meaning. This information is not based on historical data and should not be considered as a guarantee that the prospects and objectives described will be achieved. These statements are based on data, assumptions and estimates considered reasonable by the Group as of the date of this Update to the Reference document. They may be affected by known or unknown risks, uncertainties and other factors which might impact future results, performances and achievements of the Group in a way that is substantially different from the objectives described. This information might therefore change due to uncertainties relating notably to the economic, financial, competitive and regulatory environment or due to the occurrence of certain risks described in Chapter 1 of this Update to the Reference document and Chapter 1 of the Reference document. This information is given solely as of the date of this Update to the Reference document. All forward-looking statements contained in this Update to the Reference document are qualified in their entirety by this cautionary note.

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