



Creative Oxygen

MINUTES

COMBINED SHAREHOLDERS' MEETING OF MAY 7, 2014
SHARING MORE THAN JUST SECURITIES

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Thank you for your participation!

The Combined Shareholders' Meeting, chaired by Benoît Potier, Chairman and Chief Executive Officer, in the presence of the members of the Board of Directors, was attended by **3,952 people**, on May 7, 2014, at the Palais des Congrès in Paris.

Shareholders, representing **50.45%** of voting rights, i.e., **138,219 shareholders present or represented**, adopted all the proposed resolutions. A total of 156,862,536 votes were cast out of the 310,920,147 shares entitled to a voting right, one share being entitled to one vote.

More than **20,000 shareholders** voted or requested an admission card by Internet before the Meeting.

The duties of scrutineers were carried out by Amundi, represented by Ms Véronique Bresson, and BNP Paribas Investment Partners, represented by Mr Michaël Herskovich, the two members present at the Meeting having the largest number of votes and agreeing to act in this capacity.

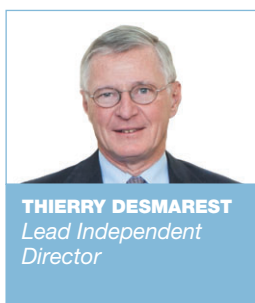
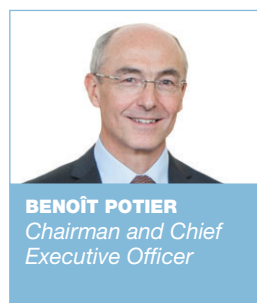
For a replay of the meeting broadcast, go to our Internet website www.airliquide.com.

"Thanks to a strong balance sheet and sound fundamentals, our motivated and inventive employees, the trust of our customers, and the loyal support of our shareholders, we are confident in Air Liquide's ability to successfully pursue its development over the long term."

Benoît Potier, Chairman and Chief Executive Officer

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

BOARD OF DIRECTORS FOLLOWING THE SHAREHOLDERS' MEETING



NB: Independent Director within the meaning of the Board of Directors' internal regulations. For a definition of the independence criteria, please refer to the 2013 Reference Document – page 124.

STATUTORY AUDITORS

ERNST & YOUNG et Autres
Represented by Jean-Yves Jégourel

MAZARS
Represented by Lionel Gotlib

CENTRAL WORKS COUNCIL DELEGATES

Laurence Dezier
Marc Tisseront

EXECUTIVE MANAGEMENT AND EXECUTIVE COMMITTEE

Benoît Potier
Chairman and Chief Executive Officer

Pierre Dufour
Senior Executive Vice-President

Jean-Pierre Duprieu
Executive Vice-President

François Darchis
Senior Vice-President, Research & Development, Innovation & Technologies, Engineering & Construction, Industrial Merchant business line

Jean-Marc de Royere
Senior Vice-President, International, Corporate Social Responsibility

Michael J. Graff
Senior Vice-President, Americas, Electronics business line, Safety and Industrial Systems

Fabienne Lecorvaisier
Group Vice-President, Finance and Operations Control, Diving activity

Guy Salzgeber
Vice-President, Western Europe

Augustin de Roubin
Vice-President, South America

Kwong Weng Mok
Deputy Head of Asia

François Abrial
Vice-President, Human Resources

Pascal Vinet
Vice-President, Healthcare Global Operations

François Jackow
Vice-President, Corporate Strategy, Large Industries business line

François Venet
Vice-President, Asia-Pacific

VOTING RESULTS PER RESOLUTION

All the resolutions were approved.

	% in favor	% abstention	% against
ORDINARY SHAREHOLDERS' MEETING			
1 Approval of the Company financial statements for the year ended December 31, 2013	98.53%	0.80%	0.67%
2 Approval of the consolidated financial statements for the year ended December 31, 2013	98.82%	0.52%	0.66%
3 Appropriation of 2013 earnings and setting of the dividend	99.11%	0.52%	0.37%
4 Authorization granted to the Board of Directors for a period of 18 months to allow the Company to trade in its own shares	98.21%	0.53%	1.26%
5 Renewal of the term of office of Mr Benoît Potier as Director	80.47%	0.50%	19.03%
6 Renewal of the term of office of Mr Paul Skinner as Director	98.43%	0.59%	0.98%
7 Renewal of the term of office of Mr Jean-Paul Agon as Director	98.67%	0.54%	0.79%
8 Appointment of Ms Sin-Leng Low as Director	98.75%	0.60%	0.65%
9 Appointment of Ms Annette Winkler as Director	98.81%	0.57%	0.62%
10 Approval of the agreements referred to in articles L. 225-38 et seq. of the French Commercial Code and the Statutory Auditors' Special Report, relating to Mr Benoît Potier	72.10%	0.62%	27.28%
11 Approval of the agreements referred to in articles L. 225-38 et seq. of the French Commercial Code and the Statutory Auditors' Special Report, relating to Mr Pierre Dufour	68.00%	0.64%	31.36%
12 Opinion on elements of remuneration due or allocated to Mr Benoît Potier for the year ended December 31, 2013	95.87%	0.64%	3.49%
13 Opinion on elements of remuneration due or allocated to Mr Pierre Dufour for the year ended December 31, 2013	95.25%	0.65%	4.10%
14 Setting the amount of the Directors' fees	96.44%	0.64%	2.92%
EXTRAORDINARY SHAREHOLDERS' MEETING			
15 Authorization granted to the Board of Directors for a period of 24 months to reduce the share capital by cancellation of treasury shares	98.49%	0.60%	0.91%
16 Delegation of authority granted to the Board of Directors for a period of 26 months in order to increase the share capital through capitalization of additional paid-in capital, reserves, profits or any other amount that may be capitalized, in view of attributing free shares to shareholders and/or increasing the par value of existing shares, for a maximum amount of 250 million euros	98.96%	0.63%	0.41%
17 Amendment to the articles of association regarding Employee Directors	98.81%	0.70%	0.49%
18 Amendment to the articles of association regarding a Lead Director	98.88%	0.67%	0.45%
19 Amendment to article 21 of the Company's articles of association	97.86%	0.68%	1.46%
ORDINARY SHAREHOLDERS' MEETING			
20 Powers for formalities	98.97%	0.64%	0.39%

“In a continually contrasting environment, the Group is improving its competitiveness while pursuing its targeted investment policy in growth markets.”

Fabienne Lecorvaisier, Group Vice-President, Finance and Operations Control

2013 GROUP KEY FIGURES

- **Revenue:** 15,225 million euros, up +3.1% adjusted for currency impacts
- **Operating income:** 2,581 million euros, up +1.1%
- **Net profit:** 1,640 million euros, up +3.1% as published and up +5.5% adjusted for currency impacts
- **Return On Capital Employed:** 11.1%
- **Net earnings per share:** 5.28 euros, up +3.3%

KEY PERFORMANCE POINTS

- A steady level of activity in an environment which remains contrasted
- Major productivity gains and an improved operating margin
- New net profit growth
- A high investment level
- Significant operating cash flow
- An extremely solid balance sheet

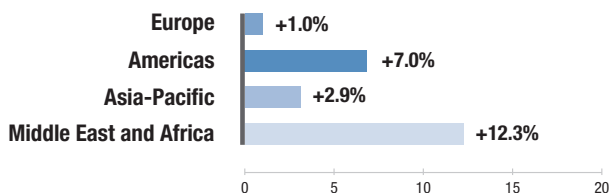
REVENUE

Gas & Services

The Gas & Services activity again delivered an above-market performance, posting **+4.0%** ^(a) growth.

Analysis by geographical area

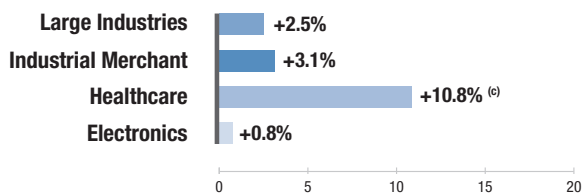
Comparable growth ^(b) of Gas & Services revenue



- **Europe:** growth in oxygen volumes and stability in hydrogen demand; steady growth in Healthcare activity.
- **Americas:** significant hydrogen demand in the North for refining and solid Industrial Merchant price elasticity.
- **Asia-Pacific:** contrasting performance between Japan and developing Asia; with solid demand in China in all business lines.
- **Middle East and Africa:** increase in Large Industries activity and steady growth in Industrial Merchant activity.

Analysis by activity

Comparable growth ^(b) of Gas & Services revenue



(a) Adjusted for currency and natural gas impacts.

(b) Adjusted for currency, natural gas and significant scope impacts.

(c) Including acquisitions.

- **Large Industries:** high demand for hydrogen volumes in North America and start-ups of new plants, particularly in China.
- **Industrial Merchant:** sharp growth in developing economies, and stabilization of demand in Western Europe.
- **Healthcare:** steady growth in activity, particularly due to Home Healthcare and the acquisitions conducted in Europe in 2012.
- **Electronics:** recovery in the fourth quarter of 2013. Large sales of equipment and installations in the United States and China.

Engineering and Technology

The Engineering and Technology activity continued to grow, once again recording a very high order intake of **1.9 billion euros**.

OPERATIONAL PERFORMANCE AND BALANCE SHEET

Productivity gains totaled **303 million euros**, largely exceeding the annual target of 250 million euros. They were attributable to the efficiency plans developed under the ALMA program and the realignment programs of the Group's entities to the momentum of the various markets. These efforts resulted in an **operating margin** up, at **16.9%**.

Debt remained stable, at **6.1 billion euros** at the end of 2013, despite sustained industrial investments. This management, combined with the Group's operating performance, led to a further strengthening of the **balance sheet**. The rating agency Standard & Poor's also recognized the quality of Air Liquide's balance sheet by issuing an **A+ rating** in December 2013.

In a slightly more favorable economic environment in the **first quarter of 2014**, Gas & Services sales rose by +5.7% in terms of comparable growth to 3,416 million euros, driven by growth in developing economies and Healthcare activities.

“Industrial Merchant is equipped for an endless range of applications and holds countless sources of growth for the Group.”

Pierre Dufour, Senior Executive Vice-President

Industrial Merchant provides a wide variety of clients with an extensive range of gases, equipment and services in virtually all our everyday

markets. It provides expertise and service with a high innovation content, for which the applications are essential.

HELIUM: A REMARKABLE GAS



Of all the gases in the Industrial Merchant portfolio, helium is the most intriguing. Odorless, colorless and non-toxic, helium is rare. It is primarily found in small quantities with natural gas or carbon dioxide. It has the second smallest atom after hydrogen and the lowest liquefaction temperature of -269°C , virtually “absolute zero.”

QATAR: START-UP OF THE WORLD'S LARGEST HELIUM LIQUEFACTION PLANT

This new high-tech installation has become the Group's leading source of helium. Half of the quantities produced by RasGas are sold worldwide by Air Liquide for various applications.

It has varied uses based on its exceptional characteristics. Its lightness makes it ideal for balloons that are used, for example, to explore the outer layers of the atmosphere. Its small size makes it an important therapeutic gas for premature babies. Its extremely low liquefaction temperature makes it useful for cooling magnetic parts, particularly in medical imaging devices. Other applications such as diving or the manufacture of fiber optics for smartphones illustrate the multiple and remarkable potential uses of this gas.



AROUND THE WORLD

Middle East and Africa

Industrial Merchant activity posted steady growth in the Middle East and Africa.

In **Saudi Arabia**, Air Liquide has entered the cryogenics market of the food industry after signing a contract with the subcontractor of a major airline, enabling it to refrigerate 58,000 ready-made meals per day.

In **Ghana**, Air Liquide inaugurated a new liquid oxygen and nitrogen production plant, thus strengthening its leading position in a booming “agro-food and beverages” market.

In **Senegal**, the Air Liquide Foundation has backed a project for the installation of biodigesters designed to recover excrement from cattle, sheep and poultry and to use the methane emissions to produce energy for domestic needs.

OTHER BUSINESS LINES

In **Saudi Arabia**, the construction of the major hydrogen plant in Yanbu has been completed.

In **South Africa**, the Group has started up a new airgas plant.

Asia-Pacific

In **the Philippines**, Air Liquide has doubled its liquid gas production capacity, satisfying the growth of steelmaking, electronic engineering, chemical and medical clients.

The Group has also assisted its **Singapore** dockyard clients with their new installations in the Riau Archipelago (Indonesia) by reproducing the infrastructure and the service quality for which Air Liquide is renowned.

In **Japan**, dedicated teams are developing promising markets for biogas, advanced precursors and the infrastructure required for hydrogen energy.

OTHER BUSINESS LINES

In **China**, Air Liquide will supply industrial gases to a new site for the production of caprolactam, an intermediate product in the manufacture of nylon.

In Electronics, Air Liquide has won five major ultra-pure carrier gas contracts in **China** and **Singapore**.

In **Australia**, Air Liquide has acquired a majority position in Healthy Sleep Solutions, which provides homecare to over 10,000 patients with sleep disorders.

Americas

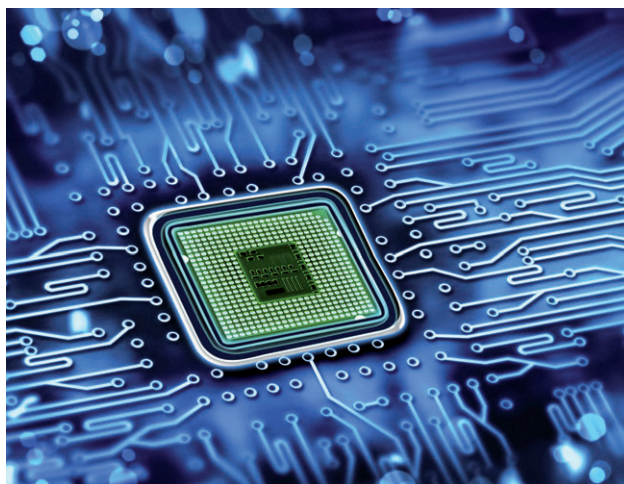
Industrial Merchant activity was driven by robust industrial demand both in the North and South of the region.

In **Brazil**, Air Liquide is proud to be associated with the major paper pulp complex in the heart of the Amazonian rainforest, started up by its client Suzano Papel e Celulose. The wood used is derived from certified forestation techniques, incorporating the best labor and environmental practices.

OTHER BUSINESS LINES

In Large Industries, Air Liquide has strengthened its 30-year relationship with LyondellBasell in **Texas** and renewed a long-term contract for the supply of airgas, steam, electricity and water, thus helping to reduce greenhouse gases through cogeneration.

In Electronics, the acquisition of Voltaix, a leader in advanced precursor production, has enabled the Group to boost its technological expertise and enhance its **ALOHA™** offering.



Europe

Industrial Merchant activity has seen the development of **ALbee™**: an innovative range of small cylinders that are easy to transport and use. At the end of 2013, more than 50,000 had already been sold in 12 countries.

In **Scandinavia**, the Group supplies one of Finland's main ready-made meal producers with liquid CO₂ and provides a paper pulp plant in Sweden with oxygen for white spirit oxidation.

Through the launch of a new non-cryogenic oxygen generator designed to reduce energy consumption, Air Liquide contributes to the competitiveness of European industry, particularly in the steel and glassmaking sectors.

In **Scotland**, in the historic offshore drilling basin, Air Liquide has set up a specialized platform for the drilling sector, which in particular requires helium for professional hyperbaric diving.

OTHER BUSINESS LINES

Air Liquide supplies all the gases required for the Ariane rocket launch base in Kourou, **French Guiana**: liquid oxygen and hydrogen for propulsion, and helium to purge hydrogen circuits.

The Group is also heavily involved in the **ITER international project**, which aims to demonstrate the feasibility of nuclear fusion as a new source of energy. The state-of-the-art equipment supplied by Air Liquide is essential for the cooling of the magnetic superconductors used in this project.

In **the Netherlands**, Large Industries won two contracts in Europe's largest industrial basins for chemicals and petrochemicals.

The acquisition of NordicInfu Care (home infusion therapy for patients with diseases such as Parkinson's and diabetes) has enabled the Group to develop its Home Healthcare activities in **Scandinavia**, caring for 4,600 new patients.

Air Liquide also strengthened its presence in **Poland** through the acquisition of HELP! and Ventamed, specializing in the home treatment of respiratory insufficiency.



2013 was once again a year full of opportunities for the Group, both in **industry**, in **enhancement of resources and the environment**, and in services relating to demographics, primarily in **healthcare**. Air Liquide has continued to take initiatives to test future technologies, particularly in the use of **hydrogen** as a clean energy source.

“Competitiveness, investments and innovation are the three pillars of the strategy of sustained profitable growth of Air Liquide. The Group is adapting to the present while preparing for the future.”

Benoît Potier, Chairman and Chief Executive Officer

STRATEGIC ASSESSMENT

Two major forces: industrial production and healthcare

The growth in developing economies has resulted from an increase in demand, which has led to a need for **new industrial production capacities**. In China, Air Liquide has built 45 new production units in 20 years, of which around 20 in the last five years.

The demand for **healthcare** products and services is driven by longer life expectancy and development of chronic diseases relating to lifestyles.

These two forces generated **steady growth** for the Group between 2003 and 2008, and remain the principal source of development for the future.

Impact of the crisis

2013 heralded the end of a five-year cycle which had followed the 2008 financial and economic crisis. The crisis has modified the location of industrial production and the ability of states to finance rising healthcare budgets in western countries.

By measuring **oxygen** consumption in heavy industry – Air Liquide sells the industry 25 billion m³ of oxygen per year around the world –, it becomes clear that a portion of industrial production has shifted from Europe to developing countries.

In these countries, the increasing use of **argon** illustrates a rapid move upmarket, in the same way as the use of **hydrogen** illustrates an increasing reliance on outsourcing.

Oil, natural gas, coal, ores and rare earths coupled with technological expertise are part of this same approach, and are undeniable advantages for the 21st century economy.

In **Healthcare**, growth can be measured by the rise in the number of patients treated at home for sleep apnea, respiratory insufficiency or diabetes. However, as the number of patients has risen, the pressure on reimbursement rates has increased in all major countries, even though community medicine or home healthcare services help to reduce overall healthcare expenses.

The crisis also significantly modified **global trade**, as the Doha Development Round was replaced by a series of bilateral agreements such as the Transatlantic Trade and Investment Partnership. These agreements, if signed, will have a **positive impact** on customs

rates and hence on trade flows, as well as standards and intellectual property within free trade zones.

Finally, it is clear that the crisis has accelerated the introduction of **new technologies**, the use of digital applications and the development of Internet-connected objects.



New opportunities

Crises are also periods of opportunity. In the gas, technologies and services for industry and healthcare sector, there have been major changes over the past five years due to worldwide growth redistribution:

- **new markets** have opened up in Asia, Africa/Middle-East and America, particularly in the energy sector;
- **new players** in developing countries have emerged in China and Russia;
- the geographical **presence** and **business lines** of Air Liquide's main competitors have changed.

For Air Liquide, the breakdown of revenue by country therefore shifted during this period: the United States moved closer to France, and China surpassed Japan. These changes have been fully considered in the Group's organization, with a base in France and three hubs (Houston, Frankfurt, and Shanghai).

Global leadership

During the period, a German competitor of Air Liquide equaled the Group's Gas & Services revenue based on its recent healthcare acquisitions, and, after taking into account its Engineering & Construction revenue, surpassed the Group in terms of size.

But leadership is not merely a matter of size. Air Liquide has thus always promoted a **profitable growth** strategy, measured by revenue growth, a steady high margin and a satisfactory return on capital. In doing so, the Group has also ensured the **responsible conduct** of all its employees and the Company vis-a-vis stakeholders. Air Liquide is currently the **number one** in its sector in terms of operating income, net profit and especially market capitalization, an objective assessment of its leadership.

THREE LESSONS LEARNT FROM THE CRISIS

- Growth **momentum** in industry has shifted to **developing markets** and towards countries with abundant natural or energy resources.
- The **healthcare** markets, which remain very appealing, now associate the major challenges of **efficiency** with those of **growth**.
- Air Liquide's **leading position** has remained very solid overall, enabling it to seize the best opportunities in forthcoming years.

CURRENT ENVIRONMENT

Air Liquide's overall growth is today tied to the world's economic environment for base business development, its ability to win new contracts, and finally external growth opportunities.

Base business growth corresponds to the consumption of clients under contract in the 80 countries where the Group is present. Growth is also fueled by sales relating to recent **investments**, involving either start-ups or boosts in client consumption. Finally, Air Liquide's **external growth** remains a promising means of expansion as there is no shortage of opportunities.

Over the past two years, base business growth has suffered the most, since the Group has continued to record commercial wins and commission a substantial number of plants.

Other **macro-economic parameters** must also be taken into account to understand the development of Air Liquide's markets:

- the gradual turnaround in growth of world GDPs;
- low inflation;
- state budget deficits;
- short-term impact of currency impacts;
- country instability risks.

Hence, this context still weighs heavily on the growth of the world's economy, even if there are brighter days ahead as demonstrated by the level of activity in the last four quarters due to a more favorable environment.

Long-term outlook

The Group's strategy for the next two or three years is firstly to continue adapting its structures and organizations to the current market growth in order to gain in **competitiveness**. Each business must have a critical mass and be competitive on a worldwide scale. Structures will continue to be streamlined if necessary and better distributed. The **safety** of employees and sites, Air Liquide's image, the quality of its products and services, its costs and client **satisfaction** remain priority concerns.

Air Liquide's strategy also consists in pursuing its **investments** in the most buoyant markets, while ensuring that **priorities** are strictly managed by maintaining a solid **return** on capital. In the 2010-2015 period, a total of **12 billion euros** will have been invested in industry and healthcare, and financed with a very robust balance sheet and operating cash flow.

Adapting to the **present** while preparing for the **future** is essential in the Air Liquide business lines, which require considerable anticipation and significant capacity for innovation. The Group has therefore considerably strengthened its **innovation potential** with, in particular, the creation of a network of entities dedicated to new markets (advanced Business & Technologies – aB&T) and a laboratory of ideas (i-Lab) installed in Paris, as well as the Group's venture capital vehicle (ALIAD), and with the announcement in March 2014 that nearly 100 million euros will be invested in Research and Development in France.

ABOVE-MARKET SALES GROWTH

At the Investors' Day held on December 11, 2013 in Paris, Air Liquide presented revenue growth projections for 2015 for each business line. Hence, between 2010 and 2015, so long as the current economic climate stabilizes:

- **Large Industries**, with growth of **+8% to +9%** per year, should be present in 40% of developing economies and thereby have an improved geographical balance;
- **Industrial Merchant** should return to annual growth of **+3% to +5%** and the weight in Europe should decline significantly;
- **Electronics**, with growth of **+4% to +6%** per year, should be split evenly between Carrier Gases, Specialty Gases and Equipment & Services, with the increasing dominance of Asia, exceeding 60% of sales;
- **Healthcare**, up **+7% to +8%** per year, should pursue its development in advanced economies, the weight of Home Healthcare becoming largely predominant at more than 60%.

Overall, Group sales should rise by **+5% to +7%** on average per year, for a market growing by **+4% to +5%** per year.



In personalized **e-health**, the patient adopts a more active role in improving his or her health, due to the connectivity of medical devices, which provides for the exchange of better quality information with the physician and more effective cost management. Air Liquide has already introduced some of these devices on the market.

Finally, **digital technologies** associated with **mobility** can provide consumers, anytime and anywhere, with the necessary information and data to carry out business transactions and exchange with service providers. Some of the Group's products will soon integrate these technologies.

This **outlook** is based on a new five-year investment cycle of around **10 billion euros**, including acquisitions, and increased competitiveness, to ensure a Return On Capital Employed of between **11% and 13%**.

This ambition requires professional, skilled, evolving and highly motivated teams. The Group possesses such teams and their huge commitment and results are highly commendable. This ambition also requires the **exemplary conduct** of each and every one based on the Company's core values, respect and ethics in all circumstances. These values are conveyed by the Group's men and women.

Our ambition is simply to be the **leader in our industry**, delivering long-term performance and acting responsibly.

Beyond 2015, Air Liquide has clearly identified its future market trends:



By 2020, these three major trends are likely to generate additional growth drivers for the Group: **energy transition, e-health and mobility associated with the digital world.**

Already involved in **energy transition**, Air Liquide stands out through its development programs dedicated to the use of **hydrogen** as an energy source for clean vehicles or stationary generators, the purification of **biogas** into biomethane, the transformation of **coal** into syngas and **CO₂ capture**.

For more than a century, Air Liquide has shared its destiny with its shareholders, whose loyalty is an extremely precious asset for a long-term outlook. Over the past three years, the **Air Liquide share** has risen **+14%**, compared with a CAC 40 at +9.5%. The Group is eager to continually satisfy the legitimate expectations of its shareholders and provide them with a **steady performance** to enhance their portfolio. A dividend of 2.55 euros per share has therefore been proposed, as well as a new 1 for 10 free share attribution on June 2, 2014. The role of its senior executives also consists in making sure that **shareholders' interests** are sustained over the long term, as was the case last year in the discussions relating to the share savings plan. This outlook is shared by Benoît Potier, who, backed by Shareholder Services, is committed to promoting individual share ownership in France and Europe.

“The Group is reaffirming its ambition to be leader in its industry, delivering long-term performance and acting responsibly.”

Benoît Potier, Chairman and CEO

BOARD COMPOSITION



SIN-LENG LOW

The Shareholders' Meeting renewed the terms of office of **Benoît Potier**, **Paul Skinner** and **Jean-Paul Agon** as Directors and appointed **Sin-Leng Low** and **Annette Winkler** as Directors for four years. Of Singaporean nationality, Sin-Leng Low managed, as Executive Chairman, the subsidiary of the industrial engineering group Sembcorp in charge of Industrial Parks. Of German nationality, Annette Winkler is Vice-Chairman of Daimler AG and has headed Smart since 2010. The Board of Directors duly noted the expiry of the term of office of **Béatrice Majnoni d'Intignano** and warmly thanked her for her contribution.



ANNETTE WINKLER

The Board of Directors comprises **12 members**, including **4 women**, and **7 nationalities**. **Ten** of its members are **independent**. Following the Shareholders' Meeting, the Board will soon welcome a Director representing employees, appointed by the France Group Committee.

At the end of the Shareholders' Meeting, the Board renewed **Benoît Potier** as Chairman and Chief Executive Officer for his term of office as Director, as well as **Pierre Dufour** as Senior Executive Vice-President for a term of three years.

It also appointed Thierry Desmarest as **Lead Director**, a measure that is part of Air Liquide's strategy to set up best international governance practices in the framework of maintaining the combined roles of Chairman and Chief Executive Officer.

THE WORK OF THE BOARD AND THE COMMITTEES

The Board of Directors, which met five times in 2013 with an attendance rate of 95%, focused on the research and innovation policy, the industrial development and acquisitions strategy, and the update of the ALMA program. Governance issues were subject to in-depth analysis on the recommendation of the Committees. The three Committees are exclusively comprised of independent members. All external Directors are members of at least one Committee.

- **The Audit and Accounts Committee**, comprising five members, met four times in 2013 under the chairmanship of Gérard de la Martinière. In 2013, the Committee analyzed in particular the organization of the research and patent

management policy, the Group's tax structure and external communications management.

- **The Appointments and Governance Committee**, comprising three members, met five times in 2013 under the chairmanship of Thierry Desmarest. On this Committee's recommendation, the appointment of a Lead Director and the definition of his powers and duties were approved.
- **The Remuneration Committee**, comprising three members, met three times in 2013 under the chairmanship of Cornelis van Lede. The Committee analyzed the executive officer remuneration policy as well as the employee loyalty and motivation policy.

REMUNERATION

Remuneration policy of executive officers

After a presentation by the Remuneration Committee Chairman, the Shareholders' Meeting issued a favorable opinion on the 2013 remuneration of corporate executive officers which mainly comprises:

- total **annual remuneration** (fixed and variable) down by -5% to -4% in 2013 compared to 2012;
- allotment of a greater **number of options** for the first time in six years for Benoît Potier and in four years for Pierre Dufour;

- identification of the criteria on which the amount of **compensation** in the event of **forced departure** is contingent; this compensation remains limited to 24 months of remuneration;
- adaptation of the defined benefit pension plan, the capping of **pension benefits** at 45% of the reference remuneration, covering all pension plans being maintained;
- continuation of commitments regarding collective **life insurance** and **death and disability benefit** plans.

Remuneration policy of employees and shareholders

The profit and capital sharing policy for the Group's 50,250 employees is being pursued through several measures:

- **share subscription option plans and conditional grant of shares to employees**, representing a factor of motivation and loyalty for a growing number of employees. In 2013, 1,453 employees benefitted from these programs, bringing to approximately 2,700 the total number of beneficiaries over the last five years;
- **incentive and profit-sharing agreements for employees working in France**, covering more than 95% of employees. In 2013, L'Air Liquide S.A. employees received an average

of 6,484 euros under these agreements, including additional employer contributions, plus a supplement of 300 euros with respect to the profit-sharing bonus;

- **a share capital increase reserved for employees** was carried out in 2013. Nearly 17,000 employees in 73 countries participated in this transaction, with the demand for shares exceeding the supply. Shareholder employees represent more than 55% of the workforce worldwide.

Air Liquide conducts an active shareholder policy based on **long-term investment growth**, with the regular payment of dividends, loyalty bonuses and free share attributions. In 2014, the decision was made to pay out a dividend of 2.55 euros per share, up +2.0%, and to allocate one free share for every 10 existing shares.

RESPONSIBILITY

The Group's Corporate Social Responsibility and Sustainable Development approach is rolled out in several areas:

- serving **customers and patients** and contributing to society at large.



Satisfaction surveys carried out in entities across the world covered 76% of sales in 2013, compared to 39% in 2011, the target being set at 85% in 2015;

- building relationships with Air Liquide's **shareholders, suppliers and communities**.



At the end of 2013, the Total Shareholder Return was 10.8% per year for the last 20 years.

Since its creation in 2008, the **Air Liquide Foundation** has backed 159 projects in 40 countries: 21 scientific research projects in the environmental and healthcare sectors and 138 micro-initiatives promoting local development;

- developing **its people** and running its operations while respecting the **environment**.



The frequency rate of lost-time accidents was 1.6 ^(a) in 2013, an improvement compared to 2012, demonstrating the ability of teams to focus on safety.

The **energy efficiency** of the Group's hydrogen units and product deliveries again improved in 2013, reaching the highest level ever achieved by the Group.

The Group's Corporate Social Responsibility and Sustainable Development approach is widely recognized, particularly by investors and non-financial rating agencies.

(a) Number of lost-time accidents per million of hours worked by Group employees.

DEBATE WITH SHAREHOLDERS

Theme	Question no.
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Takeover risk	1-1
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Economic reforms in France	8-1, 8-2



PRE-SUBMITTED WRITTEN QUESTIONS

The Board of Directors' answers to questions proposed prior to the Shareholders' Meeting were published before the debate with shareholders on the Company's website, www.airliquide.com, in the "Shareholders" section, under "Events," and "The Combined Shareholders' Meeting."

This option provided by law allows more time to be devoted to discussion with shareholders present at the Meeting.

A summary of the questions asked and the Board's replies was provided by Benoît Potier at the start of the debate:

- 4 questions on share capital and share ownership;
- 2 questions on the strategy of Air Liquide;
- 2 questions on the Shareholders' Meeting.

All of these questions and answers are available on the Internet site.

QUESTIONS AT THE MEETING

QUESTION NO. 1

TAKEOVER RISK / EMPLOYEES

1-1 Could Air Liquide be the subject of a takeover bid?

Benoît Potier :

The best protection for a listed company is consistent performance. There are very few companies that can demonstrate as solid and consistent a performance over the long term as Air Liquide.

The stock market valuation of Air Liquide, as measured by the ratio between the share price and the net earnings per share – i.e. approximately 18 to 20 – reflects the high quality of its performance, and is well above the average of listed companies in Paris.

By pursuing its long-term profitable growth strategy and by positioning itself in the most promising markets, Air Liquide will be able to create value for all its shareholders on a regular basis, while preserving its independence.

1-2 What are your hiring criteria? How do you justify seven job interviews without a definitive answer?

Benoît Potier :

Such a high number of interviews is very unusual for Air Liquide job applicants and does not reflect the Group HR policy. I am very sorry this happened. We recruit some 4,500 persons throughout the world and offer numerous internships every year. This is a commitment shared by the entire Air Liquide management team.

QUESTION NO. 2

ROCE / EFFICIENCY GAINS / INVESTMENTS

2-1 You compensated the decline in base business revenue with investments that weighed on capital employed. In 2013, the ROCE lost 50 basis points, standing at 11.1%. Should we expect a ROCE that is lower than 11% beyond 2014?

Benoît Potier :

Base business growth is linked to the global economy, and with respect to Air Liquide, the consumption of clients based on their production levels. Our base business growth has effectively turned around in the first quarter of 2014, following a decline in 2013. Investors reacted positively to this announcement during the 2014 first quarter revenue presentation.

You will have noted that, pursuant to our strategy, the growth generated by our investments remained high, at approximately 3%, in the midst of an economic crisis. Our future growth is represented by extensive investment opportunities, standing at over 3 billion euros.

The ROCE trend is also linked to the investment cycle and in the recent period, where investments were significant in our industry, Air Liquide showed greater resilience than its peers. We have renewed the objective of maintaining our ROCE at between 11% and 13%.

2-2 Following 303 million euros in efficiency gains in 2013 (exceeding the objective of 250 million euros), do you still have efficiency reserves?

Benoît Potier :

We still have efficiency reserves likely to boost our margins. As the Group grows in size and increases its volumes, we are able to make improvements to realize efficiency gains. Our intention is to continue these efforts and to generate minimum annual efficiencies of 250 million euros to 2015.

2-3 56% of investments are earmarked for the Americas and Asia-Pacific zones. What is the situation with your Healthcare investments? You explained that you lost the top revenue spot to your German competitor who purchased healthcare assets. Do you have plans to acquire structuring activities in developing countries?

Benoît Potier :

Our priority is to invest in growth markets. We attempt to seize opportunities in these markets, while preserving the medium-term profitability of our investments at between 11% and 13%. We've

had to give up on certain structuring acquisitions for profitability reasons. If you compare the profitability of Air Liquide with that of its main competitors, only one of our US competitors has posted better figures. Our German competitor posted lower profitability, at around 8%.

QUESTION NO. 3

SHARE OWNERSHIP / LEAD DIRECTOR / GROWTH MARKETS / RESEARCH & INNOVATION

3-1 In 2013, foreign institutional investors held 45% of the share capital, compared to 29% in 2000. The stake of individual shareholders decreased from 45% to 36%, stabilizing at a high level despite the sharp decline in individual shareholders in France over the last five years. Can you give us a trend for 2014?

Benoît Potier :

Two trends have influenced the change in structure of our share capital. First, individual share ownership, which we believe is very important, has stabilized over the last five years at around 36% to 37%. Maintaining a significant individual shareholder base is one of the objectives of the share ownership policy. With Shareholder Services, we have launched marketing initiatives in order to build shareholder loyalty and convince new generations of shareholders to join us. Air Liquide is one of the few CAC 40 companies to do so.

Our objective is to maintain the individual share ownership rate as near as possible to 40%, if not between 40% and 50%. This represents a major challenge, and we are fully committed in the long term to maintaining this significant individual shareholder base.

With respect to institutional shareholders, we have observed, like all CAC 40 companies, a substantial decrease in French institutional shareholders, from 30% in 2007 to 19% today. The decrease stems from the very strict management standards imposed on French institutional investors in connection with Basel III for banks and Solvency II for insurance companies. As a result, some of these institutional investors have withdrawn their stakes in corporate equity. This is regrettable, and we have not lost sight of the objective to further develop our French institutional share ownership in the future.

3-2 Can you justify the appointment of a Lead Director?

Benoît Potier :

The appointment of a Lead Director arises from a dialogue with institutional investors about the Group's governance. In fact, each company can choose between combining or separating the functions of Chairman of the Board of Directors and Chief Executive Officer. There are different points of view: England tends to favor separation, the United States and France remain neutral, while Germany has a different system that divides roles between the Supervisory Board and the Executive Board. At Air Liquide, we defend the idea – with a certain number of other CAC 40 companies – of giving free rein to companies based on their history, challenges, and strategy.



However, major US institutional investors do not necessarily agree, and specifically the ISS proxy agency, which systematically advocates the separation of roles. After extensive discussion with stakeholders, we concluded that the best solution consists in appointing a Lead Director chosen among the members of the Appointments and Governance Committee.

3-3 Among the Group's growth markets, which will generate the most revenue and added value in the next five years?

Benoît Potier :

We have identified new sources of growth for the Group and are convinced of their potential. However, a timeframe would be difficult to determine.

In the energy sector, a revolution is taking place, and I have mentioned the energy transition, which represents significant opportunities for the future, hydrogen energy being a great example. Elsewhere, we are supplying solutions to oil companies for the significant reduction of water and solvent quantities used for shale gas extraction in the United States. This demonstrates a transition that is already in place.

E-health is another very interesting area where we are well positioned. The difficulty is not so much a technological concern as it is patient acceptance of new technologies and, specifically, the real-time monitoring of their personal data and transmission to the physician.

We are closely monitoring the advances being made in these areas so as to accelerate one or another item, based on the opportunities presented for the Group's development.

3-4 You have announced the launch of three investments in France to help accelerate innovation and explore new markets, for an amount approaching 100 million euros. How would you assess your ALIAD investment fund? Do you plan to associate yourself with other companies to obtain more funds, or promote new so-called ground-breaking solutions, as proposed by Schneider Electric?

Benoît Potier :

These three investments in France all relate to research and innovation. We are reinforcing our research division at the Paris-Saclay site. This is a major decision involving a substantial investment. It is vital that Air Liquide be able to maintain this center under such optimum conditions, for as long as the research tax credit is in place in France. We often stress the importance of maintaining the scheme with public authorities.

ALIAD is our venture capital vehicle. This involves a small team in the heart of Paris working with our ideas lab, known as i-Lab. ALIAD has invested in start-ups that are active in various areas. I have mentioned the storage of hydrogen in solid form, but there is also the processing of solid biomass waste to generate biogas.

We do not intend to associate with other funds.

We have an excellent deal flow (current contracts and projects), and our teams work on 200 to 300 projects annually, to achieve about ten investments.

The principle behind the ideas lab consists in developing ideas that could generate ground-breaking innovations, by connecting Air Liquide engineers with specialists from other disciplines (designers, software professionals, etc.).

I would like to mention this year's "Plant of the Future" contest that was organized with 18 European architecture schools. The jury, presided by Jean Nouvel and François Darchis, member of the Executive Committee, singled out the best student projects. The students were asked to invent the plant of the future, taking into account not only the obvious technical criteria, but also the plant's harmony within its environment, energy efficiency and attractiveness.

This example illustrates the efficiency, speed and power of an "open system" organization that seeks out expertise within the world's major innovation centers and in universities, particularly when it comes to cutting-edge innovations.

QUESTION NO. 4

SHARE TAXATION / HELIUM PLANT IN QATAR

4-1 The fact that dividends are now subject to income tax is a matter of concern for shareholders and it dissuades the purchase of listed company shares. What do you think?

Benoît Potier :

We are very much aware of this state of affairs. In close cooperation with the chairmen of several listed companies, we have worked within the Observatory to Promote Individual Shareholding to make members of government and representatives aware of the situation of individual shareholders, and we will continue to do so.

Last year, we fought to preserve the historical withholding tax rates for share savings plans, and our victory demonstrates that we can change the rules. Some policy-makers are unaware of the impact of certain decisions on the incentives that guide shareholders, and particularly shareholders who hold smaller portfolios.

4-2 Can you tell us more regarding the new helium plant in Qatar?

Benoît Potier :

This is the largest helium liquefaction plant in the world. Air Liquide was selected for its technological expertise. The plant provides access to a major source of helium. You have seen, thanks to the previous presentations, that helium is a gas of remarkable properties.

QUESTION NO. 5

RESEARCH

Where is your research at on rare gases?

Benoît Potier :

Helium is a rare gas and we are conducting several research projects for new applications. For other rare gases, we are exploring other ideas related to the area of healthcare, for example the use of xenon,

krypton or argon. This represents an innovation, as these gases can interact with the body's cells. This interaction is the subject of intense scientific research, as it could lead to some very interesting medical gases.

QUESTION NO. 6

ENVIRONMENT

What is the environmental impact of Air Liquide's activity in those countries where the Group is present?

Benoît Potier :

From the moment we establish a new plant, we look at making it more efficient, by being vigilant over electricity consumption, for example, and integrating the plant within its environment to the best of our ability.

The process for producing hydrogen based on methane involves the production of CO₂, but a significant portion of the hydrogen thus manufactured is aimed at reducing the sulfur in fuels, which limits sulfur oxide emissions. Hydrogen applications are thus beneficial for the environment.

QUESTION NO. 7

HYDROGEN ENERGY

7-1 What is the McPhy technology?

Benoît Potier :

This is a company that has developed a hydrogen storage technology in which we took a small stake.

7-2 Is an agreement planned with Bolloré involving a hydrogen vehicle?

Benoît Potier :

The Bolloré group has designed and marketed vehicles powered by electrical batteries. Batteries and fuel cells are based on different principles. Since the Bolloré group is not positioned in fuel cell technology, a cooperative agreement is not planned in this field.

7-3 Which manufacturers are interested in hydrogen vehicles?

Benoît Potier :

The major German, Japanese, Korean and American manufacturers are interested in hydrogen vehicles, and cooperation programs have been set up with a large number of carmakers. In 2013, Air Liquide registered the first two hydrogen vehicles in France, a pioneering and highly symbolic effort that paves the way for the development of these technologies.



7-4 When will hydrogen stations be set up?

Benoît Potier :

There are now several roll-out programs for hydrogen filling stations, particularly in Germany and Japan. Along with other companies and the German government, Air Liquide is part of a consortium that will invest in a program to build 400 hydrogen stations nationwide. Air Liquide has also joined a consortium in Japan. Initially, Japan plans to supply the country with 100 filling stations, to be followed by 1,000 stations, and subsequently 5,000. Japan is thus the most advanced country in terms of the planned construction of filling stations. When the Japanese Prime Minister visited Paris, I was able to ask him about Japan's hydrogen commitment and he was very positive. Lastly, California remains the only area in the world where a significant number of stations have been set up. The state government has subsidized a program for the large-scale installation of hydrogen filling stations.

7-5 Is a test drive possible?

Benoît Potier :

We could think about organizing one or two days at the head office so that certain shareholders could drive this car. You will notice that this car is "normal", that it drives like an electric car and that it can be recharged in less than five minutes for a driving range of 600 kilometers.

7-6 What are the risks associated with this technology?

Benoît Potier :

There are standard industrial risks. The pressure risk has been covered with the carmakers from the onset, by designing carbon fiber reservoirs that cannot explode. Tests revealed that they tear

at over 2,000 bars, a pressure that is quite exceptional. The other risks are currently under control for all companies working on these technologies.

7-7 Are we interested in the technology that produces hydrogen on board vehicles?

Benoît Potier :

I don't think this technology is very interesting insofar as the vehicle emits CO₂, which is precisely what we want to avoid. Also, the treatment of CO₂ emissions should be concentrated upstream, so that it remains totally clean in cars and cities.

7-8 Will Air Liquide meet the 2015 target date for a hydrogen vehicle?

Benoît Potier :

It is a matter of the carmakers getting together with the oil and gas partners. You should address your question to the carmakers.

QUESTION NO. 8

ECONOMIC REFORMS IN FRANCE / EMPLOYEES

8-1 What is the Company's position regarding the government's Responsibility Pact?

Benoît Potier :

It is a breath of fresh air from an economic point of view, when you consider that the government will save 50 billion euros and there is the prospect of a reduction in employer costs. Naturally, we are in favor. The devil lies in the detail and the plan's application. We are waiting for its implementation.



8-2 Why hasn't Air Liquide spoken about the competitiveness and employment tax credit?

Benoît Potier :

This tax credit has little impact. If you compare the tax increase in France with the benefits obtained, it is largely unfavorable for major companies including Air Liquide. This credit represents only very slight compensation for the increase in other taxes.

8-3 What is the absenteeism rate for Air Liquide employees?

Benoît Potier :

The rate is very low. The conduct of Air Liquide employees, in France and the rest of the world, is excellent. I am delighted – it demonstrates employee motivation and commitment.

QUESTION NO. 9

SHARE TAXATION

Mr Chairman, you are a founding member of the Observatory to Promote Individual Shareholding. As such, could you intervene to re-establish a low pre-tax capital gains threshold?

Benoît Potier :

I will continue to defend the point of view of shareholders. Working with Shareholder Services and the Observatory, we are trying to raise the awareness of the public authorities regarding the consequences of tax measures that penalize share savings plans.

To achieve this, companies must combine their efforts. The existence of the Observatory seems to be having a positive effect. We have

made our point on numerous occasions and will continue to do so. Unfortunately, I cannot promise you that we will be heard, but we are fully committed to defending the point of view of individual shareholders.

QUESTION NO. 10

ROCE / IMPACT OF THE STRONG EURO

10-1 Why do you privilege Return On Capital Employed over return on equity?

Benoît Potier :

Focusing entirely on the return on equity is dangerous, since it would mean ignoring the weight of the debt and provoke a leverage impact by multiplying debt-financed projects. It is therefore preferable to monitor profitability on all the capital employed, including debt.

10-2 Does the higher euro have an impact? Isn't this strictly a French problem?

Benoît Potier :

I think it is a European problem. All companies that export from Europe to the rest of the world have this difficulty: costs are in euros.

It is less of a problem for Air Liquide, as it is simply a translation impact. In fact, when non-European projects are involved, we finance, manufacture and bill in the currency of the country in question. In a way, we have a natural currency hedge. The translation impact only subsists when we consolidate in our results the revenue generated in a currency other than the euro.

The reasoning is different for other producers because it can involve higher costs when they export goods. These companies can no longer be competitive when the euro is too strong.

QUESTION NO. 11

TAX OPTIMIZATION

Are after-tax objectives pushing you towards tax optimization, and particularly tax havens?

Benoît Potier :

This is not the case for Air Liquide. Our tax management is rigorous and sound. We try to reach a tax rate of between 25% and 30%. We do our utmost each year to optimize it but in very reasonable proportions.

QUESTION NO. 12

SLEEP APNEA

What is the impact of the recent decision of the Conseil d'État (the French Council of State) regarding control over the treatment of sleep apnea?

Benoît Potier :

The appeal ruling of the Conseil d'État on February 14 temporarily suspended the use of remote monitoring data. However, remote monitoring is still possible provided the patient's explicit consent is obtained.

This in no way alters the primary mandate of all the French Homecare subsidiaries of Air Liquide Healthcare, which is to correctly implement home monitoring and treatment for patients suffering from sleep apnea.

We have of course abided by the Conseil d'État's decision and we await the developments surrounding it. Fundamentally, we are not particularly concerned over the long term.

QUESTION NO. 13

ACQUISITIONS

In a major group such as Air Liquide, how do you ensure that small entities are properly integrated without weakening their vitality?

Benoît Potier :

This issue is relevant to our healthcare acquisitions. We are committed to managing these acquisitions as best as possible to preserve the energy of small teams, while introducing the rigor of Air Liquide's management policy, and generating the synergies that exist with these new companies.

QUESTION NO. 14

ENERGY SAVING CERTIFICATES / BOARD OF DIRECTORS

14-1 Why doesn't the Reference Document contain any information on Energy Saving Certificates, as is the case with other CAC 40 groups?

Benoît Potier :

I have asked the teams that draft the Sustainable Development Report to provide a comparison with the CAC 40 companies and the companies developing in our sector, so as to meet best practices in terms of reporting on carbon credits and, more generally, the environment. I think that next year you will be satisfied and that your questions will be answered in the Reference Document.

If you have any questions, I invite you to contact our Shareholder Services or visit our Shareholders Lounge. We would be pleased to welcome you. The Lounge is open throughout the year and we receive over 1,000 visits annually.

14-2 Last year, I asked you a question regarding the opportunity to renew Mr Peugeot's term of office. This year, the two new Directors proposed, together with their international profile, seem very positive.

Benoît Potier :

Thank you for this observation, Sir. Each one has management experience in geographical zones and sectors that are vital for the Group. We are very pleased to propose them as candidates to the Board of Directors.

L'AIR LIQUIDE S.A. – COMPANY ESTABLISHED FOR THE STUDY AND APPLICATION OF PROCESSES DEVELOPED BY GEORGES CLAUDE WITH ISSUED CAPITAL OF 1,894,414,951.00 euros

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