



AIR LIQUIDE FINANCE

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Société Anonyme with a share capital of 72,000,000 euros
Headquarters: 6, rue Cognacq-Jay, 75007 Paris

BALANCE SHEET AIR LIQUIDE FINANCE

(In thousands of euros)

ASSETS	As of December 31, 2017			As of December 31, 2016
	Gross carrying amount	Depreciation, amortization and provision	Net	Net
Capital subscribed but not called	TOTAL I			
INTANGIBLE ASSETS	3,049		3,049	3,049
PROPERTY, PLANT AND EQUIPMENT				
Land				
Buildings				
Plant, machinery and equipment				
Recyclable sales packaging				
Other property, plant and equipment				
Property, plant and equipment under construction				
Payments on account – property, plant and equipment				
LONG-TERM FINANCIAL ASSETS				
Equity investments	1		1	1
Loans to equity affiliates				
Other long-term investment securities				
Loans	14,962,721		14,962,721	16,053,908
Other long-term investments				
TOTAL II	14,965,771		14,965,771	16,056,958
INVENTORIES AND WORK-IN-PROGRESS				
Raw materials and other supplies				
Work-in-progress				
Semi-finished and finished goods				
Bought-in goods				
Payments on account from suppliers				
RECEIVABLES				
Trade receivables and related accounts				
Group company and other receivables	817,723		817,723	688,814
MISCELLANEOUS				
Short-term financial investments	29,521		29,521	259,960
Financial instruments	138,992		138,992	
Cash at bank and in hand	987,851		987,851	695,291
PREPAYMENTS AND ACCRUED INCOME				
Prepaid expenses	983		983	1,293
TOTAL III	1,975,070		1,975,070	1,645,358
Loan issue costs to be amortized	TOTAL IV	28,803	28,803	110,525
Bond redemption premiums	TOTAL V	43,420	43,420	46,357
Unrealized foreign exchange losses	TOTAL VI	566	566	
TOTAL ASSETS (I to VI)	17,013,630		17,013,630	17,859,198

BALANCE SHEET AIR LIQUIDE FINANCE

(In thousands of euros)

LIABILITIES AND SHAREHOLDERS' EQUITY	As of December 31, 2017	As of December 31, 2016
	Before approval of the financial statements	Before approval of the financial statements
SHAREHOLDERS' EQUITY		
Share capital	72,000	72,000
Additional paid-in capital	884	884
Reserves:		
- Legal reserve	7,200	7,200
- Tax-driven reserves		
- General reserve		
- Contingency reserve		
- Depreciation or amortization fund		
- Translation reserve		
Retained earnings	26	26
Net income (loss) for the year	91,058	97,080
Investment subsidies		
Other tax-driven provisions		
TOTAL I	171,168	177,190
EQUITY EQUIVALENTS		
Proceeds from issues of participating securities		
Subordinated loans		
TOTAL II		
PROVISION		
Provisions	7,334	9,629
TOTAL III	7,334	9,629
LIABILITIES		
Convertible bonds		
Other bonds	11,664,020	12,037,752
Bank borrowings	176,548	268,896
Other borrowings	2,158,683	2,151,635
Payments on account from customers		
Trade payables and related accounts		
Tax and employee-related liabilities	716	29,629
Accounts payable in respect of fixed assets and related accounts		
Amounts payable to Group and other companies	2,830,118	3,182,089
Dividends		
Financial instruments	4,378	
ACCRUALS AND DEFERRED INCOME		
Deferred income	664	2,378
TOTAL IV	16,835,127	17,672,379
Unrealized foreign exchange gains	TOTAL V	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (I to V)	17,013,630	17,859,198

INCOME STATEMENT AIR LIQUIDE FINANCE

(In thousands of euros)

Income statement	2017	2016
OPERATING INCOME		
Sales of goods and services		
Change in inventories and WIP		
Capitalized production		
Total operating income (I)		
OPERATING EXPENSES		
Purchases of raw materials and other supplies		
Change in inventories of raw materials and supplies		
External charges	6,254	8,496
Duties and taxes other than corporate income tax	818	685
Wages, salaries and provisions for paid vacation		
Social security contributions and similar charges		
Depreciation, amortization and impairment losses		
Total operating expenses (II)	7,072	9,181
NET OPERATING INCOME/(LOSS) (I - II)	(7,072)	(9,181)
FINANCIAL INCOME		
Financial income from equity affiliates		
Revenues from other marketable securities and long-term loans		
Other interest and similar income	456,566	456,043
Reversals of impairment and provisions, expense reclassifications		
Foreign exchange gains	2,761	
Total financial income (III)	459,327	456,043
FINANCIAL EXPENSES		
Amortization, impairment and provisions	9,489	6,807
Interest and similar charges	317,127	274,284
Foreign exchange losses		28,100
Total financial expenses (IV)	326,616	309,191
NET FINANCIAL INCOME/(LOSS) (III - IV)	132,711	146,852
NET INCOME/(LOSS) FROM ORDINARY ACTIVITIES BEFORE TAX (I - II + III)	125,639	137,671
EXCEPTIONAL INCOME (V)		
EXCEPTIONAL EXPENSES (VI)		
Exceptional charges on non-capital operations		
NET EXCEPTIONAL ITEMS (V - VI)		
CORPORATE INCOME TAX	34,582	40,592
NET INCOME FOR THE YEAR	91,058	97,080

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AIR LIQUIDE FINANCE

A - ACCOUNTING POLICIES

1. GENERAL PRINCIPLES

The financial statements of Air Liquide Finance S.A. have been prepared in accordance with general accounting principles applicable in France and in particular those of the French General Chart of Accounts (Plan Comptable Général) and the French Commercial Code.

Application of a new accounting standard

Since January 1, 2017, Air Liquide Finance apply accounting standard n° 2015-05 issued by ANC (Autorité des Normes Comptables) on July 2nd, 2015

As of December 31, 2016, in application of the former accounting standard, the company was applying hedge accounting to existing hedging relationships described in paragraph 8 and loans and borrowings denominated in foreign currency were recognized at historical rate (e-g hedging rate) and not revaluated at closing rate. Unrealized impacts linked to derivatives were considered as off-balance sheet commitments.

Also, the cash settlements linked to pre-hedge derivatives as described in paragraph 8 were recognized in the balance sheet as “Loan issue costs to be amortized” and “Deferred income”, and swap points from foreign exchange derivatives were recognized in the balance sheet as deferred income or expense.

As the company applied hedge accounting as of December 31, 2016, the application of the new accounting standard as of 31 December 2016 would have consisted in a change in the balance sheet presentation and would not have materially impacted the 2016 net result and the opening equity as of January 1, 2017.

In terms of balance sheet positions, the application of the new accounting standard as of December 31, 2016 would have led to reclassifying realized pre-hedge derivatives for 78 million euros from ‘Loan issue costs to be amortized’ to “Financial instruments”, and reevaluating loans and borrowings denominated in foreign currency at closing rate with a counterpart in “Unrealized foreign exchange gains/losses” (net impact of 2 million euros as of December 31, 2016, of which 280 million euros of unrealized gain on loans and borrowings and 278 million euros of unrealized loss on derivatives).

The accounting policies described in paragraphs 4 and 8 are applicable as of January 1, 2017.

2. INTANGIBLE ASSETS

Intangible assets are stated at purchase price.

An impairment test is carried out at each period-end. Impairment losses are recorded for purchased goodwill where its gross value exceeds its closing value.

3. LONG-TERM FINANCIAL ASSETS

Equity investments and other long-term investment securities are recorded at historical value on the balance sheet.

An impairment provision is recorded where the carrying amount of long-term investments exceeds their closing value.

4. LOANS AND BORROWINGS

Loans and borrowings are recorded at nominal value on the balance sheet.

Loans granted with a maturity of one year or more are classified in long-term financial assets. Loans granted with a maturity of less than one year and current cash accounts set up with the group companies are classified in receivables.

Loans and Borrowings in foreign currency are accounted for their counter-value in euros applicable at the inception date.

At closing date:

- Loans and Borrowings are revaluated at closing rate
- Differences between counter-value in euros at inception and closing date are accounted for in the balance sheet in unrealized foreign exchange gains/losses
- Unrealized foreign exchange losses which are not compensated are specifically analyzed. A contingency provision is recognized in totality when operations are not hedged. As for hedged operations, no contingency provision is recognized except when a risk linked to a partial inefficiency of the hedging relationship is identified

5. RECEIVABLES AND PAYABLES

Receivables and payables are stated at nominal value.

At the year-end, differences arising from the translation of receivables and payables denominated in a foreign currency are recognized in suspense accounts in assets and liabilities ("Unrealized foreign currency gains or losses").

A contingency provision is recorded for unrealized foreign exchange losses.

6. DEFERRED CHARGES

Loan issue costs and premiums are recorded in deferred charges and amortized on a straight-line basis over the term of the loan. In the income statement, amortization is recorded in external charges for issue costs, and in amortization, impairment and provisions under financial expenses for issue premiums.

7. PROVISIONS

The deferred tax method is applied for the preparation of the financial statements. Deferred tax liabilities are recorded under provisions for taxes.

8. FINANCIAL INSTRUMENTS

The company provides short-term and long-term financing to the Group subsidiaries through loans and cash-pool denominated in foreign currency.

The operational subsidiaries of the Group contract purchases and selling of forward currency transactions with Air Liquide Finance. Air Liquide Finance contracts symmetrically purchases and selling of forward currency transactions with external counterparts.

- **Currency hedging**

The exposure resulting from these operations are hedged through bonds issuances and / or borrowings contracted directly in foreign currency, and various financial instruments, mostly foreign exchange forwards and cross-currency swaps.

Regarding foreign exchange forward derivatives, the company recognizes swap points in the balance sheet (on line "financial instruments") and amortize them on a linear basis throughout the life of the hedging instruments.

Regarding cross-currency swaps, interests on each leg (borrowing and lending) are accounted for in the P&L ("other interest and similar income") at the time they are incurred, with a counterpart in the balance sheet in the line "financial instruments".

The realized result due to hedging instruments is presented symmetrically at the same time and in the same financial statement line as the realized result generated by the underlying hedged operation. Likewise, unrealized results linked to the foreign exchange part of hedging instruments are presented in the same financial statement line in the balance sheet as unrealized foreign exchange gains / losses recognized for the underlying hedged operations.

When hedging instruments are realized before the underlying hedged operations, the realized gains / losses are accounted for in the balance sheet in the line "financial instruments". These gains / losses are recognized in the P&L only when the symmetrical gains / losses linked to the underlying hedged operations are realized and impact the P&L.

When derivative instruments do not qualify for hedge accounting, they are considered as isolated open-positions:

- Realized gains / losses are recognized in the P&L
- At the closing date, unrealized gains / losses are accounted for in the balance sheet on line "financial instruments". Only unrealized losses impact the P&L, through the recognition of a contingency provision.

- **Hedging of interest rates**

In order to mitigate the risk of a rise in interest rates, the company may contract interest rate hedges that cover interest rate fluctuations between the inception date of the hedge and the inception date of the hedged bond emission. This materializes by a cash settlement (paid or received) at the hedged bond emission date. This cash settlement is initially accounted for on line "financial instrument" and is amortized during the life of the hedged bond emission.

9. CASH AND SHORT-TERM FINANCIAL INVESTMENTS

Bank liquidities are valued at their nominal value. Foreign currency liquidities are converted to and recorded in euros at the year-end closing exchange rate.

Short-term financial investments are valued at cost. Unrealized capital losses are estimated on the basis of the closing fair value of investments and are impaired where necessary.

B - NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. SIGNIFICANT EVENTS

There was no significant event during the year 2017.

2. INTANGIBLE ASSETS

To separate its industrial activities from its financing activity, L'Air Liquide S.A. created Air Liquide

Finance, a wholly-owned French subsidiary.

In 2001, L'Air Liquide S.A. transferred the financing and interest rate and cash flow risk management of the Group and its subsidiaries to Air Liquide Finance.

Purchased goodwill in the amount of 3,049 thousand euros was recorded at the time of the transfer. This purchased goodwill was not impaired as of December 31, 2017.

3. LONG-TERM FINANCIAL ASSETS

Changes in the gross value of long-term investments break down as follows:

<i>(In thousands of euros)</i>	Gross value as of January 1, 2017	Increase	Decrease	Gross value as of December 31, 2017
Equity investments	1			1
Loans	16,053,908	201,333	(1,292,520)	14,962,721
Other long-term investments				
Total	16,053,909	201,333	(1,292,520)	14,962,722

Air Liquide Finance holds 100% of Air Liquide US LLC, in order to borrow on the US market.

The increase in long-term investments excluding equity investments was attributable to repayments and to new loans granted to Air Liquide Group subsidiaries during the year.

4. SHORT-TERM FINANCIAL INVESTMENTS

The item breaks down as follows:

<i>(In thousands of euros)</i>	December 31, 2017
Certificate of deposit	0
Term deposit	21,142
Mutual fund	8,338
Prepaid interest	41
Total	29,521

5. SHAREHOLDERS' EQUITY

As of December 31, 2017, share capital comprised 6,000,000 ordinary shares each with a par value of 12 euros.

<i>In thousand euros</i>	As of December 31, 2016 (before appropriation of earnings)	Appropriation of 2016 net income (following AGM decision of 05.22.2017)	Other changes	As of December 31, 2017 (before appropriation of earnings)
Share capital	72,000			72,000
Additional paid-in capital	884			884
Revaluation reserve				
Legal reserve	7,200			7,200
Long-term capital gains reserve				
General reserve				
Retained earnings	26			26
Net profit for the year	97,080	(97,080)	91,058	91,058
Total	177,190	(97,080)	91,058	171,168

6. PROVISIONS

The change in deferred tax liabilities is primarily due to the amortization of loan issue costs and premiums, which had been immediately deducted for tax purposes in prior years.

Considering these depreciation and amortization charges, deferred taxes totaled 7,334 thousand euros as of December 31, 2017, compared to 9,629 thousand euros as of December 31, 2016.

7. DEBT MATURITY ANALYSIS

In thousand euros

ASSETS	Gross amount as of December 31, 2016	Gross amount as of December 31, 2017	≤ 1 year	> 1 year
Loans to equity affiliates				
Other long-term investment securities				
Loans	16,053,908	14,962,721	1,286,629	13,676,092
Trade receivables and related accounts				
Group company and other receivables	688,814	817,723	817,723	
Total	16,742,722	15,780,444	2,104,352	13,676,092

In thousand euros

LIABILITIES	Gross amount as of December 31, 2016	Gross amount as of December 31, 2017	≤ 1 year	> 1 to ≤ 5 years	> 5 years
Other bonds ⁽¹⁾	12,037,752	11,664,020	860,320	5,424,811	5,378,888
Other borrowings ⁽¹⁾	2,151,635	2,158,683	1,001,683		1,157,000
Bank borrowings ⁽²⁾	268,896	176,548	176,548		
Trade payables and related accounts					
Tax and employee-related liabilities	29,629	716	716		
Amounts payable to Group and other companies	3,182,089	2,830,118	2,830,118		
Total	17,670,001	16,830,085	4,869,386	5,424,811	6,535,888

(1) The increase in debt is attributable to:

- a public bond issue for 600 million euros on March 8, 2017 at a fixed rate of 1.00%, maturing on March 8, 2027;
- the repayment on June 26, 2017 of a 250 million euros bond issued in June 2015
- the repayment on July 18, 2017 of a 500 million euros bond issued in July 2007
- the impact of the new accounting standard relating to forward financial instruments and hedging instruments for -211.5 million euros

(2) Of which current bank loans 2017 for 42,049 thousand euros and commercial paper for 100,000 thousand euros.

8. BREAKDOWN OF ACCRUED EXPENSES

<i>(In thousands of euros)</i>	December 31, 2017
Accrued interest on bonds	81,407
Accrued interest on swaps (1)	32,997
Accrued interest on other borrowings	1,092
Accrued interest on Group company borrowings	302
Other accrued interest (1)	53
Accrued financial expenses	115,851
Other payables	818

(1) Accrued interest on swaps are recorded in Bank borrowings.

9. BREAKDOWN OF ACCRUED INCOME

<i>(In thousands of euros)</i>	December 31, 2017
Accrued interest on loans	130,691
Accrued interest on receivables from Group companies	249
Accrued income	130,981

10. LOAN ISSUE COSTS TO BE AMORTIZED

<i>In thousand euros</i>	December 31, 2016	Increase	Decrease	Transfer ⁽¹⁾	December 31, 2017
Issue costs	32,572	1,514	(5,519)		28,568
Cash settlements	77,952			(77,952)	0
Total	110,525	1,514	(5,519)	(77,952)	28,568

(1) Balance sheet reclassification into line "Financial instruments", in application of the new accounting standard relating to forward financial instruments and hedging instruments.

11. BOND REDEMPTION PREMIUMS

In thousand euros	December 31, 2016	Increase	Decrease	December 31, 2017
Before 2016 issue premiums	46,357		(8,956)	37,401
2017 issue premiums		6,552	(533)	6,019
Total	46,357	6,552	(9,489)	43,420

12. DEFERRED INCOME

In thousand euros	December 31, 2016	2017 change	Transfer ⁽¹⁾	December 31, 2017
Income to be deferred on financial instruments	2,378	(273)	(1,441)	665

⁽¹⁾ Balance sheet reclassification into line "Financial instruments", in application of the new standard relating to forward financial instruments and hedging instruments.

13. TAX CONSOLIDATION

L'Air Liquide S.A., together with the French subsidiaries in which it has a direct or indirect interest of at least 95%, forms a tax consolidation group as defined by Article 223 A of the French General Tax Code.

Air Liquide Finance calculates its tax provision as if it was taxed separately and pays its tax to L'Air Liquide S.A., the group parent company.

14. INCOME TAX

Income tax totaled 34,582 thousand euros compared to 40,592 thousand euros on December 31, 2016. The December 31, 2017 income tax expense breaks down as follows:

	As of 12/31/2017
- Current tax ⁽¹⁾	36,876
- Deferred tax ⁽²⁾	-2,294
- 2017 Income tax	<u><u>34,582</u></u>

⁽¹⁾ Taxable income was obtained after allocation of any related add-backs, deductions, and tax credits. In fiscal year 2017, Air Liquide Finance posted a taxable income of 143,158 thousand euros. The corporate income tax rate was 33, ^{1/3} % and the additional contribution totaled 3.3%. Tax credits for allocation totaled 11,732 thousand euros and derive from withholding taxes on interest billed to the subsidiaries of certain countries.

⁽²⁾ The deferred tax impact in 2017 amounting to -2,294 thousand euros is primarily due to the amortization of loan issue costs and premiums, which had been immediately deducted for tax purposes in prior years.

15. OFF-BALANCE SHEET COMMITMENTS

- Commitments received:

Insofar as Air Liquide Finance's sole activity is to finance the Group, L'Air Liquide S.A. is required to guarantee any issues carried out by the company. Air Liquide Finance also conducts foreign exchange and interest rate risk hedging transactions for the Group's subsidiaries. L'Air Liquide S.A. is required to guarantee these transactions.

The total amount of commitments as of December 31, 2017 was 12.017 billion euros.

- Information on interest rate derivative instruments (excluding foreign exchange and interest rate risk hedging instruments contracted for the Group subsidiaries):

<i>In thousand euros</i>	December 31, 2017	
	Nominal Value	Fair value
Type of instrument		
Rate risk	2,982,228	120,965
Interest rate swap	266,763	2,943
Cross Currency Swap	2,715,465	118,022
TOTAL	2,982,228	120,965

The fair value of interest rate derivative instruments is based on the value of the contract on the market at the closing date.

Insofar as all these instruments are allocated to hedging transactions, changes in fair value did not impact the financial statements as of December 31, 2017.

- Credit lines

Air Liquide Finance has a variety of financing sources to fund the needs of L'Air Liquide S.A. and those of the main Group subsidiaries, whether it be long term (bank credit lines, bond issues (in France or abroad) reserved for qualified investors) or short term (in France, in the form of short-term negotiable securities under a program for a maximum amount of 3 billion euros and, in the United States, via its US subsidiary, Air Liquide US, L.L.C., in the form of US Commercial Paper (USCP) under a program for a maximum amount of 2 billion US dollars).

As of December 31, 2017, the amount of confirmed credit lines was 3.1 billion euros, with no increase since December 31, 2016. During the year 2017, a bilateral credit line was renewed for a similar amount, keeping the total amount of bilateral credit lines at 1.8 billion euros. Moreover, the syndicated credit line amounts to 1.3 billion euros.

16. CONSOLIDATED FINANCIAL STATEMENTS

The company is fully consolidated in the Air Liquide Group financial statements.

Pursuant to Article L 223-16 of the French Commercial Code, Air Liquide Finance should prepare consolidated financial statements, as it exclusively controls the subsidiary Air Liquide US LLC that issues marketable securities admitted for trading on a regulated market (USCP).

However, the consolidated group formed by Air Liquide Finance and its subsidiary is of minimal importance insofar as:

- The shareholders' equity of Air Liquide US LLC amounts to 106 thousand US dollars before a net income of 7 thousand US dollars,

- As of December 31, 2017, Air Liquide Finance borrowed a total of 103 million US dollars from Air Liquide US LLC, which issued USCP for the same amount.

AIR LIQUIDE FINANCE SA
STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

For the year ended December 31, 2017

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders of Air Liquide Finance SA

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of AIR LIQUIDE FINANCE SA for the year ended December 31, 2017.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2017 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Board of Directors carrying out the functions of the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (code de déontologie) for statutory auditors.

Emphasis of Matter

We draw attention to Note 1 "General principles" to the financial statements relating to the change in accounting method relating to the first application as from January 1, 2017 of rule 2015-05 of the French "Autorité des normes comptables" about the accounting of financial instruments and hedging operations. Our opinion is not modified in respect of this matter.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to

risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

We concluded that no key audit matters were to be mentioned in our report.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Verification of the Management Report and of the Other Documents Provided to the Shareholders

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information given in the management report and in the other documents provided to the Shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to the Shareholders with respect to the financial position and the financial statements.

Report on corporate governance

In accordance with French law, we report to you that the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour are not disclosed in the report on corporate governance. As a consequence, we cannot attest the existence of the required information in this report, nor their accuracy and sincerity.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditor

We were appointed as statutory auditor of AIR LIQUIDE FINANCE SA by the annual general meeting held on December 16, 2016.

As at December 31, 2017, PricewaterhouseCoopers Audit was in the 2nd year year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Board of Directors carrying out the functions of the Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditor's Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Board of Directors carrying out the functions of the Audit Committee

We submit a report to the Board of Directors carrying out the functions of the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Board of Directors carrying out the functions of the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Board of Directors carrying out the functions of the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (*code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Board of Directors carrying out the functions of the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine, May 9, 2018

PricewaterhouseCoopers Audit

Séverine Scheer – Partner