

*Free translation from the French language “comptes annuels au 31 décembre 2015” of Air Liquide Finance. In the event of any inconsistencies between the statements contained herein and the corresponding statement in the French version, the French version shall prevail.*

## **AIR LIQUIDE FINANCE**

*Société Anonyme with a capital of 72,000,000 euros*

*Headquarters: 6, rue Cognac-Jay - PARIS VII*

**FINANCIAL STATEMENTS FOR THE YEAR  
ENDED DECEMBER 31, 2015**

In euros

| ASSETS  |                  | As of December 31, 2015 |   |                       | As of December 31,<br>2014 |
|---|------------------|-------------------------|---|-----------------------|----------------------------|
|   |                  | Gross                   | Depreciation,<br>amortization and<br>impairment | Net                   | Net                        |
| Capital subscribed but not called                   | <b>TOTAL I</b>   |                         |   |                       |                            |
| <b>INTANGIBLE ASSETS</b>                            |                  | 3,048,980               |   | 3,048,980             | 3,048,980                  |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                |                  |                         |   |                       |                            |
| 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 |                  |                         |   |                       |                            |
| <b>LONG-TERM FINANCIAL ASSETS</b>                   |                  |                         |   |                       |                            |
| Equity investments                                  |                  | 979                     |   | 979                   | 979                        |
| Loans to equity affiliates                          |                  |                         |   |                       |                            |
| Other long-term investment securities               |                  |                         |   |                       |                            |
| Loans   |                  | 9,044,288,690           |   | 9,044,288,690         | 6,977,617,863              |
| Other long-term investments                         |                  |                         |   |                       |                            |
|   | <b>TOTAL II</b>  | <b>9,047,338,649</b>    |   | <b>9,047,338,649</b>  | <b>6,980,667,823</b>       |
| <b>INVENTORIES AND WORK-IN-PROGRESS</b>             |                  |                         |   |                       |                            |
| Raw materials and other supplies                    |                  |                         |   |                       |                            |
| Work-in-progress                                    |                  |                         |   |                       |                            |
| Semi-finished and finished goods                    |                  |                         |   |                       |                            |
| Bought-in goods                                     |                  |                         |   |                       |                            |
| Payments on account from suppliers                  |                  |                         |   |                       |                            |
| <b>RECEIVABLES</b>                                  |                  |                         |   |                       |                            |
| Trade receivables and related accounts              |                  |                         |   |                       |                            |
| Group company and other receivables                 |                  | 926,525,663             |   | 926,525,663           | 964,011,496                |
| <b>MISCELLANEOUS</b>                                |                  |                         |   |                       |                            |
| Short-term financial investments                    |                  | 187,937,783             |   | 187,937,783           | 168,121,001                |
| Cash at bank and in hand                            |                  | 277,251,557             |   | 277,251,557           | 218,466,220                |
| <b>PREPAYMENTS AND ACCRUED INCOME</b>               |                  |                         |   |                       |                            |
| Prepaid expenses                                    |                  | 112,817                 |   | 112,817               | 2,702                      |
|   | <b>TOTAL III</b> | <b>1,391,827,819</b>    |   | <b>1,391,827,819</b>  | <b>1,350,601,419</b>       |
| Loan issue costs to be amortized                    | <b>TOTAL IV</b>  | 39,879,995              |   | 39,879,995            | 29,633,049                 |
| Bond redemption premiums                            | <b>TOTAL V</b>   | 28,540,777              |   | 28,540,777            | 32,320,514                 |
| Unrealized foreign exchange losses                  | <b>TOTAL VI</b>  | -                       |   | -                     | -                          |
| <b>TOTAL ASSETS (I to VI)</b>                       |                  | <b>10,507,587,240</b>   | <b>0</b>  | <b>10,507,587,240</b> | <b>8,393,222,804</b>       |

| LIABILITIES AND SHAREHOLDERS' EQUITY                             | As of December 31, 2015                     | As of December 31, 2014                     |
|--|---|---|
|  | Before approval of the financial statements | Before approval of the financial statements |
| <b>SHAREHOLDERS' EQUITY</b>                                      |   |   |
| Share capital  | 72,000,000                                  | 72,000,000                                  |
| Additional paid-in capital                                       | 883,617                                     | 883,617                                     |
| Reserves:  |   |   |
| - Legal reserve  | 7,200,000                                   | 7,200,000                                   |
| - Tax-driven reserves  |   |   |
| - General reserve  |   |   |
| - Contingency reserve  |   |   |
| - Depreciation or amortization fund                              |   |   |
| - Translation reserve  |   |   |
| Retained earnings  | 12,132                                      | 35,395                                      |
| <b>Net income (loss) for the year</b>                            | <b>22,933,823</b>                           | <b>53,916,737</b>                           |
| Investment subsidies   |   |   |
| Other tax-driven provisions                                      |   |   |
| <b>TOTAL I</b>   | <b>103,029,572</b>                          | <b>134,035,749</b>                          |
| <b>EQUITY EQUIVALENTS</b>  |   |   |
| Proceeds from issues of participating securities                 |   |   |
| Subordinated loans   |   |   |
| <b>TOTAL II</b>  | <b>0</b>                                    | <b>0</b>                                    |
| <b>PROVISION</b>   |   |   |
| Provisions   | 12,020,797                                  | 14,464,728                                  |
| <b>TOTAL III</b>   | <b>12,020,797</b>                           | <b>14,464,728</b>                           |
| <b>LIABILITIES</b>   |   |   |
| Convertible bonds  |   |   |
| Other bonds  | 5,232,713,302                               | 4,487,108,469                               |
| Bank borrowings  | 503,981,913                                 | 33,320,962                                  |
| Other borrowings   | 1,000,600,092                               |   |
| Payments on account from customers                               |   |   |
| Trade payables and related accounts                              |   |   |
| Tax and employee-related liabilities                             | 290,080                                     | 20,514,953                                  |
| Accounts payable in respect of fixed assets and related accounts |   |   |
| Amounts payable to Group and other companies                     | 3,653,741,049                               | 3,702,294,801                               |
| Dividends  |   |   |
| <b>ACCRUALS AND DEFERRED INCOME</b>                              |   |   |
| Deferred income  | 1,210,437                                   | 1,483,141                                   |
| <b>TOTAL IV</b>  | <b>10,392,536,872</b>                       | <b>8,244,722,327</b>                        |
| Unrealized foreign exchange gains                                |   |   |
| <b>TOTAL V</b>   | <b>0</b>                                    | <b>0</b>                                    |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (I to V)</b>       | <b>10,507,587,241</b>                       | <b>8,393,222,803</b>                        |

**In euros**

| Income statement   | 2015               | 2014               |
|--|--------------------|--------------------|
| <b>OPERATING INCOME</b>  |                    |                    |
| Sales of goods and services  |                    |                    |
| Change in inventories and WIP  |                    |                    |
| Capitalized production   |                    |                    |
| <b>Total operating income (I)</b>  | <b>0</b>           | <b>0</b>           |
| <b>OPERATING EXPENSES</b>  |                    |                    |
| Purchases of raw materials and other supplies                                    |                    |                    |
| Change in inventories of raw materials and supplies                              |                    |                    |
| External charges   | 5,732,299          | 3,863,117          |
| Duties and taxes other than corporate income tax                                 | 393,383            | 478,887            |
| Wages, salaries and provisions for paid vacation                                 |                    |                    |
| Social security contributions and similar charges                                |                    |                    |
| Depreciation, amortization and impairment losses                                 |                    |                    |
| <b>Total operating expenses (II)</b>   | <b>6,125,682</b>   | <b>4,342,004</b>   |
| <b>NET OPERATING INCOME/(LOSS) (I - II)</b>                                      | <b>(6,125,682)</b> | <b>(4,342,004)</b> |
| <b>FINANCIAL INCOME</b>  |                    |                    |
| Financial income from equity affiliates  |                    |                    |
| Revenues from other marketable securities and long-term loans                    |                    |                    |
| Other interest and similar income  | 218,818,191        | 238,205,088        |
| Reversals of impairment and provisions, expense reclassifications                | 0                  |                    |
| Foreign exchange gains   |                    | 609,026            |
| <b>Total financial income (III)</b>  | <b>218,818,191</b> | <b>238,814,114</b> |
| <b>FINANCIAL EXPENSES</b>  |                    |                    |
| Amortization, impairment and provisions  | 5,459,736          | 5,055,190          |
| Interest and similar charges   | 180,136,122        | 154,394,471        |
| Foreign exchange losses  | 376,488            | 0                  |
| <b>Total financial expenses (IV)</b>   | <b>185,972,347</b> | <b>159,449,661</b> |
| <b>NET FINANCIAL INCOME/(LOSS) (III - IV)</b>                                    | <b>32,845,845</b>  | <b>79,364,453</b>  |
| <b>NET INCOME/(LOSS) FROM ORDINARY ACTIVITIES BEFORE TAX (I - II + III - IV)</b> | <b>26,720,163</b>  | <b>75,022,449</b>  |
| <b>EXCEPTIONAL INCOME (V)</b>  | <b>0</b>           | <b>0</b>           |
| <b>EXCEPTIONAL EXPENSES (VI)</b>   |                    |                    |
| Exceptional charges on non-capital operations                                    | 0                  | 0                  |
| <b>NET EXCEPTIONAL ITEMS (V - VI)</b>  | <b>0</b>           | <b>0</b>           |
| <b>CORPORATE INCOME TAX</b>  | <b>3,786,340</b>   | <b>21,105,711</b>  |
| <b>NET INCOME FOR THE YEAR</b>   | <b>22,933,823</b>  | <b>53,916,737</b>  |

Summary to the Air Liquide Finance company financial statements

- A - ACCOUNTING POLICIES**..... 6
  - 1. INTANGIBLE ASSETS..... 6
  - 2. LONG-TERM FINANCIAL ASSETS..... 6
  - 3. RECEIVABLES AND PAYABLES ..... 6
  - 4. DEFERRED CHARGES ..... 7
  - 5. PROVISIONS..... 7
  - 6. FINANCIAL INSTRUMENTS..... 7
- B - NOTES TO THE ANNUAL FINANCIAL STATEMENTS** ..... 8
  - 1. INTANGIBLE ASSETS..... 8
  - 2. LONG-TERM FINANCIAL ASSETS..... 8
  - 3. SHORT-TERM FINANCIAL INVESTMENTS ..... 9
  - 4. SHAREHOLDERS' EQUITY ..... 9
  - 5. PROVISIONS..... 9
  - 6. DEBT MATURITY ANALYSIS ..... 10
  - 7. BREAKDOWN OF ACCRUED EXPENSES ..... 11
  - 8. BREAKDOWN OF ACCRUED INCOME ..... 11
  - 9. LOAN ISSUE COSTS TO BE AMORTIZED..... 11
  - 10. BOND REDEMPTION PREMIUM ..... 11
  - 11. DEFERRED INCOME..... 12
  - 12. ITEMS CONCERNING RELATED UNDERTAKINGS ..... 12
  - 13. TAX CONSOLIDATION ..... 13
  - 14. INCOME TAX ..... 13
  - 15. OFF-BALANCE SHEET COMMITMENTS ..... 14
  - 16. CONSOLIDATED FINANCIAL STATEMENTS ..... 15

The balance sheet and income statement of Air Liquide Finance S.A. were prepared in accordance with the French General Chart of Accounts and the French Commercial Code.

## **A - ACCOUNTING POLICIES**

The annual financial statements were prepared in accordance with accounting rules and principles prevailing in France.

### **1. 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.

### **2. LONG-TERM FINANCIAL ASSETS**

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

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

### **3. RECEIVABLES AND PAYABLES**

Receivables and payables are stated at nominal value.

At year-end, the difference arising from the translation of receivables and payables, not subject to a forward hedge and denominated in a foreign currency, are recognized in suspense accounts in assets and liabilities (“Unrealized foreign currency gains or losses”).

Foreign currency denominated loans and borrowings are not revalued at the closing rate of exchange since they are fully hedged by foreign currency derivative instruments or loans and borrowings (same currency, term and amount).

When the forecasted date for settlement of hedged transactions is brought forward or deferred, changes in fair value of the hedging instruments (difference between the initial forward price and the adjustment forward price) are recognized in suspense accounts in the balance sheet (“differences offset by foreign exchange hedges”) until the hedges are fully settled.

A contingency provision is recorded for unrealized foreign exchange losses.

#### **4. DEFERRED CHARGES**

Loan issue costs are recorded in deferred charges and amortized on a straight-line basis over the term of the loan.

#### **5. PROVISIONS**

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

#### **6. FINANCIAL INSTRUMENTS**

The income or loss arising from financial instruments used in hedging transactions is determined and recorded symmetrically to the recognition of income and expenses on the hedged items. Gains or losses relating to financial instruments used in hedging transactions are determined and recognized in line with the recording of income and expenses on the hedged items.

When the financial instruments used do not constitute hedging transactions, the losses resulting from their year-end fair value measurement are recognized in the income statement. Pursuant to the prudence principle, unrealized gains are not recognized in the income statement.

## **B - NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

*(In thousands of euros)*

### **1. 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, 2015.

### **2. LONG-TERM FINANCIAL ASSETS**

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

|                             | Gross value as of<br>January 1, 2015 | Increase  | Decrease  | Gross value as of<br>December 31, 2015 |
|-----------------------------|--------------------------------------|-----------|-----------|--|
| Equity investments          | 1                                    |           |           | 1                                      |
| Loans                       | 6,977,618                            | 2,222,529 | (155,858) | 9,044,289                              |
| Other long-term investments | -                                    | -         | -         | -                                      |
| Total                       | 6,977,619                            | 2,222,529 | (155,858) | 9,044,290                              |

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

Air Liquide US LLC's equity investments were recorded at initial value.

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.



### 3. SHORT-TERM FINANCIAL INVESTMENTS

The item breaks down breaks down as follows:

|                        | December 31, 2015 |
|------------------------|-------------------|
| Certificate of deposit | 55,000            |
| Term deposit           | 110,000           |
| Mutual fund            | 22,938            |
| Prepaid interest       | -                 |
| Total                  | 187,938           |

### 4. SHAREHOLDERS' EQUITY

As of December 31, 2015, share capital comprised 6,000,000 ordinary shares each with a par value of 12 euros.

|                                 | As of December 31, 2014 (before appropriation of earnings) | Appropriation of 2014 net income (following AGM decision of 05.18.2015) | Other changes | As of December 31, 2015 (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               | 35   | (23)  |               | 12   |
| Net profit for the year         | 53,917   | (53,917)  | 22,934        | 22,934   |
| Total                           | <b>134,036</b>   | <b>(53,940)</b>   | <b>22,934</b> | <b>103,030</b>   |

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

### 5. PROVISIONS

The change in 2015 deferred tax liabilities was due to the depreciation and amortization charges recorded during the year.

Considering these depreciation and amortization charges, deferred taxes totaled 12,021 thousand of euros as of December 31, 2015, compared to 14,465 thousand of euros as of December 31, 2014.

## 6. DEBT MATURITY ANALYSIS

| ASSETS AS OF DECEMBER 31               | Gross amount 2014 | Gross amount 2015 | ≤ 1 year         | > 1 year         |
|--|-------------------|-------------------|------------------|------------------|
| Loans to equity affiliates             |                   |                   |                  |                  |
| Other long-term investment securities  |                   |                   |                  |                  |
| Loans                                  | 6,977,618         | 9,044,289         | 1,079,947        | 7,964,342        |
| Trade receivables and related accounts |                   |                   |                  |                  |
| Group company and other receivables    | 964,011           | 926,526           | 926,526          |                  |
| <b>Total</b>                           | <b>7,941,629</b>  | <b>9,970,815</b>  | <b>2,006,473</b> | <b>7,964,342</b> |

| DEBTS AS OF DECEMBER 31                      | Gross amount 2014 | Gross amount 2015 | ≤ 1 year         | > 1 to ≤ 5 years | > 5 years        |
|--|-------------------|-------------------|------------------|------------------|------------------|
| Other bonds (1)                              | 4,487,108         | 5,232,713         | 599,268          | 2,072,721        | 2,560,724        |
| Other borrowings (1)                         |                   | 1,000,600         | 9                | 1,000,591        | -                |
| Bank borrowings (2)                          | 33,321            | 503,982           | 503,982          |                  |                  |
| Trade payables and related accounts          |                   |                   |                  |                  |                  |
| Tax and employee-related liabilities         | 20,515            | 290               | 290              |                  |                  |
| Amounts payable to Group and other companies | 3,702,295         | 3,653,741         | 3,653,741        |                  |                  |
| <b>Total</b>                                 | <b>8,243,239</b>  | <b>10,391,326</b> | <b>4,757,290</b> | <b>3,073,312</b> | <b>2,560,724</b> |

(1) The increase in debts is attributable to:

- a. a public bond issue, on the Taiwanese market, for 500 million renminbis (equivalent to 71 million euros), maturing on January 23, 2022, at a fixed rate of 3.97%;
- b. a public bond issue for 500 million euros, maturing on June 3, 2025, at a fixed rate of 1.25%, for which the interest rate had been hedged in 2014;
- c. a private placement bond issue, for 250 million euros, maturing on June 26, 2017, at a Euribor 3 months +0.21% floating rate;
- d. a private placement bond issue, for 170 million euros, maturing on June 30, 2018, at a Euribor 3 months +0.30% floating rate;
- e. the first serie of 250 million euros of the 700 million euros bond of Air Liquide Finance S.A., issued on June 17, 2013 at a Euribor 3 months +0.15% floating rate was repaid on June 17, 2015
- f. the set-up of a credit line maturing in December 2018 for Air Liquide S.A. in the amount of 1,300 million euros, of which a total of 1,000.6 was drawn down as of December 31, 2015

(2) Of which current bank loans: 41,464 thousand of euros and commercial paper: 443,000 thousand of euros.

## 7. BREAKDOWN OF ACCRUED EXPENSES

|                                      | December 31, 2015 |
|--------------------------------------|-------------------|
| Interest on bonds                    | 58,068            |
| Interest on bank borrowings (1)      | 19,490            |
| Interest on Group company borrowings | 13,631            |
| <b>Accrued expenses</b>              | <b>91,189</b>     |
| <b>Other payables</b>                | <b>325</b>        |

(1) This mainly concerns swaps and financial expenses on option premiums.

## 8. BREAKDOWN OF ACCRUED INCOME

|                                      | December 31, 2015 |
|--------------------------------------|-------------------|
| Interest on loans to Group companies | 72,783            |
| Other accrued interest receivable    | 27                |
| <b>Accrued income</b>                | <b>72,810</b>     |

## 9. LOAN ISSUE COSTS TO BE AMORTIZED

|                              | December 31,<br>2014 | Increase      | Decrease       | December 31,<br>2015 |
|------------------------------|----------------------|---------------|----------------|----------------------|
| Pre-2015 issue costs         | 7,025                |               | (1,302)        | 5,723                |
| Post-2015 issue costs        |                      | 1,546         | (213)          | 1,333                |
| Credit line commission costs | 4,152                | -             | (706)          | 3,446                |
| Swaption                     | 18,456               | 13,665        | (2,743)        | 29,378               |
| <b>Total</b>                 | <b>29,633</b>        | <b>15,211</b> | <b>(4,964)</b> | <b>39,880</b>        |

## 10. BOND REDEMPTION PREMIUMS

|                    | December 31,<br>2014 | Increase     | Decrease       | December 31,<br>2015 |
|--------------------|----------------------|--------------|----------------|----------------------|
| 2007 issue premium | 203                  |              | (80)           | 123                  |
| 2008 issue premium | 193                  |              | (36)           | 157                  |
| 2010 issue premium | 21,198               |              | (3,898)        | 17,300               |
| 2012 issue premium | 2,531                |              | (373)          | 2,158                |
| 2013 issue premium | 763                  |              | (188)          | 575                  |
| 2014 issue premium | 7,432                |              | (788)          | 6,644                |
| 2015 issue premium |                      | 1,681        | (97)           | 1,584                |
| <b>Total</b>       | <b>32,320</b>        | <b>1,681</b> | <b>(5,460)</b> | <b>28,541</b>        |

## 11. DEFERRED INCOME

|  | December 31,<br>2014 | 2015 change | December 31,<br>2015 |
|--|----------------------|-------------|----------------------|
| Income to be deferred on financial instruments | 1,483                | (273)       | 1,210                |

## 12. ITEMS CONCERNING RELATED UNDERTAKINGS

|  | December 31, 2014 |                                      | December 31, 2015 |                                      |
|--|-------------------|--------------------------------------|-------------------|--------------------------------------|
|  | Gross             | Including<br>related<br>undertakings | Gross             | Including<br>related<br>undertakings |
| <b>BALANCE SHEET</b>                                 |                   |                                      |                   |                                      |
| Loans  | 6,977,618         | 6,977,618                            | 9,044,289         | 9,044,289                            |
| Sundry receivables                                   | 964,011           | 938,442                              | 926,526           | 910,833                              |
| Other borrowings                                     |                   |                                      | 1,000,600         | 1,000,600                            |
| Other payables, prepaid expenses and deferred income | 3,702,295         | 3,702,254                            | 3,653,741         | 3,653,706                            |
| <b>INCOME STATEMENT</b>                              |                   |                                      |                   |                                      |
| Financial expenses                                   | 159,450           | 10,504                               | 185,972           | 7,481                                |
| Financial income                                     | 238,814           | 236,675                              | 218,818           | 217,395                              |

### 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 3,786 thousand euros compared to 21,106 thousand euros in 2014. The 2015 income tax expense breaks down as follows:

|                               | As of 12/31/2015 |
|-------------------------------|------------------|
| - Current tax <sup>(1)</sup>  | 6,230            |
| - Deferred tax <sup>(2)</sup> | -2,444           |
| - <b>2015 income tax</b>      | <b>3,786</b>     |

(1) Taxable income was obtained after allocation of any related add-backs, deductions, and tax credits. In fiscal year 2015, Air Liquide Finance posted a taxable income of 42,522 thousand of euros. The corporate income tax rate was 33<sup>1/3</sup>% and the additional contribution totaled 3.3%. Tax credits for allocation totaled 8,489 thousand of euros.

(2) The 2015 deferred taxes totaled 2,444 thousand of euros and break down as follows:

|                          | Amount as of<br>12/31/2014 | 2015 change    | Amount as of<br>12/31/2015 | Deferred tax rate: 34.43%    |                                 |                              |
|--------------------------|----------------------------|----------------|----------------------------|------------------------------|---------------------------------|------------------------------|
|                          |                            |                |                            | 2014 deferred<br>tax balance | Deferred tax on<br>2015 changes | 2015 deferred<br>tax balance |
| Deferred charges         | 11,177                     | (2,008)        | 9,169                      | 3,848                        | (692)                           | 3,156                        |
| Bond redemption premiums | 32,320                     | (5,363)        | 26,957                     | 11,128                       | (1,846)                         | 9,282                        |
| Deferred income          | (1,483)                    | 273            | (1,210)                    | (511)                        | 94                              | (417)                        |
| <b>Total</b>             | <b>42,014</b>              | <b>(7,098)</b> | <b>34,916</b>              | <b>14,465</b>                | <b>(2,444)</b>                  | <b>12,021</b>                |

## 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, 2015 was 6,376,698 thousand of euros.

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

| Type of instrument                           | Nominal Value    | Fair Value       |
|--|------------------|------------------|
| <b>Foreign exchange risk</b>                 | <b>1,526,156</b> | <b>9,255</b>     |
| Currency forwards and foreign currency swaps | 1,526,156        | 9,255            |
| Call   | 659,022          | 5,765            |
| Put  | 867,134          | 3,490            |
| Foreign currency options                     | 0                | 0                |
| <b>Interest rate risk</b>                    | <b>2,873,659</b> | <b>(162,121)</b> |
| Interest rate swaps                          | 150,000          | 363              |
| Cross Currency Swap (1)                      | 2,563,441        | (161,034)        |
| Interest rate options (cap / floor)          | 160,218          | (1,450)          |
| Interest rate options (swaption)             | 0                | 0                |
| <b>TOTAL</b>                                 | <b>4,399,815</b> | <b>(152,866)</b> |

(1) Including the fair value resulting from foreign exchange risk hedging.

The change in fair value represents the difference between the valuation of the derivative instrument and the value of the contract calculated at the closing market rate.

Insofar as all these instruments are allocated to hedging transactions, changes in fair value did not impact the financial statements for the year ended December 31, 2015.

## **16. CONSOLIDATED 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 93 thousand US dollars before a net income of 7 thousand US dollars,
- As of December 31, 2015, Air Liquide Finance borrowed a total of 475 million US dollars from Air Liquide US LLC, which issued USCP in the same amount.

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

*The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.*

*This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.*

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

## **Air Liquide Finance**

Year ended 2015

### **Statutory auditors' report on the financial statements**

Ernst & Young & Autres



# Air Liquide Finance

Year ended 2015

## **Statutory auditors' report on the financial statements**

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual Shareholders' Meeting, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the accompanying financial statements of Air Liquide Finance;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

### **I. Opinion on the financial statements**

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, by audit sampling and other selective methods, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall financial statements presentation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

### **II. Justification of our assessments**

In accordance with the provisions of article L. 832-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you that the assessments we performed concerned the appropriateness of the accounting principles applied.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

### **III. Specific verifications and information**

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

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 documents addressed to shareholders with respect to the financial position and the financial statements.

Paris-La Défense, April 28, 2016

The statutory auditor  
Ernst & Young et Autres  
*French original signed by*

Jean-Yves Jégourel