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Start-up of two very large air separation units in China

press release

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Air Liquide in China

Air Liquide began operating in China in the early 20th century, and returned in the 1970s to supply air separation plants. In 1990, Air Liquide began to set up gas operations and invest in production facilities in China.

Currently, Air Liquide employs **more than 2,500 people** and has **more than 30 entities in China**.

Air Liquide operations are located in **many of China's key industrial areas** including Beijing / Tianjin / Liaoning / Shandong in the north, Shanghai / Jiangsu / Zhejiang in the east, and expanding to Sichuan/Hubei and Guangdong in the west and south.

Air Liquide announces the **start-up of two very large Air Separation Units (ASU)**, producing together **4,000 tonnes of gaseous oxygen per day**, to supply **oxygen, nitrogen and argon** to Shagang steel mills in **Zhanjiangang, located in China's Jiangsu Province**.

As announced on March 13, 2007, Air Liquide invested around €90 million to meet the needs of its customer, who decided to outsource its growing need for industrial gases. This long-term contract with Jiangsu Shagang is the **largest "Over the Fence" contract in China (industrial gases supplied by pipeline)**.

These two units will also supply other local industrial customers with gaseous and liquid products. In particular, it will have a capacity of **600 tonnes per day of liquid nitrogen and oxygen** to meet the demands of a fast-growing market. Designed and manufactured by Air Liquide Hangzhou, the Air Liquide Engineering centre in China, these units benefit from the **latest technologies** and offer both a high degree of reliability and energy efficiency.

The **Jiangsu Shagang Group** is located in Zhanjiangang, about 100 km west of Shanghai. It ranks **number one among private steel companies in China**, and number four in terms of steel production. From **23 million tonnes in 2008**, it continues to **increase its steel production**. Its main site, in the Zhanjiangang Yangzte Metallurgical Industrial Park (YMIP), has a capacity of 14 million tonnes.

Air Liquide has made a real contribution to the **steady growth of the Jiangsu market**, which is one of the **largest and fastest growing regions in China**, with GDP growth of **12.5% in 2008**.

Jean-Pierre Duprieu, Senior Vice-President Asia-Pacific and a member of Air Liquide's Executive Committee, said: **"We are very proud of the commissioning of these big new units. In addition, the decision of a leading company such as Shagang to outsource its industrial gas needs to Air Liquide means very much to us. This start-up also symbolizes the rapid and significant development of our activities in China, especially in Jiangsu Province. We would like to thank our customer for its trust, as well as the Zhanjiangang authorities for their continuous support.**

Air Liquide in the Jiangsu Province

In the last 3 years, Air Liquide commissioned four plants in Jiangsu Province: one in Wuxi to service Hynix-ST, a leading semiconductor manufacturer, with high purity gases, one in Changshu to supply metal fabricating customers with nitrogen and hydrogen, one in the same Zhanjiagang industrial park where Shagang is located, to supply Zhanjiagang Posco Stainless Steel with oxygen, nitrogen and argon and one Electronics Material Center in Zhanjiagang chemical park. The total investment of Air Liquide in Jiangsu Province is more than €200 million.

This commissioning is one of the start-ups confirmed for 2009-2010 worldwide, and attests to the robustness of the Air Liquide business model.”

Shen WenRong, Chairman of Shagang, added: *“Following our decision in 2007 to outsource our supply of industrial gases, we are happy to see the start-up of these units. We are looking forward to continue to develop our win-win partnership with Air Liquide.”*



Jiangsu Province

Air Liquide is the world leader in gases for industry, health and the environment, and is present in over 75 countries with 43,000 employees. Oxygen, nitrogen, hydrogen and rare gases have been at the core of Air Liquide's activities since its creation in 1902. Using these molecules, Air Liquide continuously reinvents its business, anticipating the needs of current and future markets. The Group innovates to enable progress, to achieve dynamic growth and a consistent performance.

Air Liquide combines many products and technologies to develop valuable applications and services not only for its customers but also for society. Innovative technologies that curb polluting emissions, lower industry's energy use, recover and reuse natural resources or develop the energies of tomorrow, such as hydrogen, biofuels or photovoltaic energy... Oxygen for hospitals, homecare, fighting nosocomial infections...

A partner for the long term, Air Liquide relies on employee commitment, customer trust and shareholder support to pursue its vision of sustainable, competitive growth. The diversity of Air Liquide's teams, businesses, markets and geographic presence provides a solid and sustainable base for its development and strengthens its ability to push back its own limits, conquer new territories and build its future.

Air Liquide explores the best that air can offer to preserve life, staying true to its sustainable development approach. In 2008, the Group's revenues amounted to €13.1 billion, of which almost 80% were earned outside France. Air Liquide is listed on the Paris Euronext stock exchange (compartment A) and is a member of the CAC 40 and Dow Jones Euro Stoxx 50 indexes.