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## New investments in Germany and Italy for major steel customers

*press release*



### **Contacts :**

#### **Corporate Communication**

Corinne Estrade-Bordry

+ 33 (0)1 40 62 51 31

Garance Bertrand

+ 33 (0)1 40 62 59 62

#### **Investor Relations**

Virginia Jeanson

+33 (0)1 40 62 57 37

Aude Rodriguez

+33 (0)1 40 62 57 18

### **The Large Industries business line**

proposes **gas and energy solutions** to the world's industrial companies to improve the efficiency of their processes and to help them better respect the environment. Its main markets are:

- **refining and natural gas:** hydrogen to desulphurise fuels and to "break up" hydrocarbons, and oxygen to gasify oil residues...

- **chemicals:** air-gases, hydrogen and carbon monoxide used for manufacturing, PVC for example,

- **metals:** oxygen to improve energy performance and to reduce emissions, and argon to manufacture stainless steel...

- **energy:** oxygen to transform coal and natural gas into fuel or liquid chemical products...

Revenue in 2007 was **€3 billion**.

### **Air Liquide in Germany**

Air Liquide Germany has around **4,000 employees** and serves ~ **300,000 customers**. Revenue in 2007 amounts approx. **€ 2 billion**.

### **Air Liquide in Italy**

Air Liquide Italy has around **1,600 employees** and serves about **150,000 customers**. Revenue in 2007 amounts approx. **€ 670 million**.

The worldwide boom of the iron and steel industry continues despite the price increase of raw materials. In Europe, steel consumption grew more than 5% in 2007, driven mainly by the construction and automotive industry. The European steel industry is also showing overall high utilization rates and solid perspectives.

Industrial gases play a significant role in the steel making process and serve to reduce production costs; i.e. they are used to reduce the consumption of raw materials, like the injection of oxygen in the blast furnace which allows the steel companies to consume less coking coal.

In this context, **Air Liquide has decided to invest over €120 million to increase its production capacity in Germany and Italy to meet the increasing demand of its customers.**

A world scale new Air Separation Unit (ASU) of 2,300 tonnes of oxygen per day will be built at **Oberhausen (Germany)** and will be commissioned in 2010. It will be connected to **Air Liquide's 500 km pipeline network in Germany** which forms the backbone for the supply of oxygen and nitrogen to numerous large customers in the iron and steel, chemical and petrochemical industries in the Rhine-Ruhr area. This unit will in particular be supplying the increasing needs of **Hüttenwerke Krupp Mannesmann GmbH** and **DK Recycling und Roheisen GmbH** with whom Air Liquide has signed new long term contracts. Air Liquide will also build a new ASU on its **650 km pipeline network in the north of Italy** in order to supply the new installation of **Arvedi Group in Cremona** with whom Air Liquide has entered into a new long term agreement. The new unit is scheduled to be commissioned by end of 2009.

**Guy Salzgeber**, member of Air Liquide's Executive Committee, Vice-President for European Operations, declared: **"With these new investments, Air Liquide is increasing its global production capacity of oxygen in Europe which represents a unique capability for customers especially in the steel industry. These two new projects are a further illustration of the Group's acceleration of its growth."**

*With more than 40,000 employees in 75 countries, Air Liquide is the world leader in industrial and medical gases and related services. The Group offers innovative solutions based on constantly enhanced technologies and produces air gases (oxygen, nitrogen, argon, rare gases...) and many other gases including hydrogen. The Group contributes to the manufacturing of many everyday products: bubbles in sparkling beverages, protective atmosphere for packed foods, oxygen for hospitals and homecare patients, ultra-pure gases for the semiconductor industry, hydrogen to desulfurize fuels...*

*Air Liquide is committed to sustainable development and helps to protect life. Founded in 1902, Air Liquide has successfully developed a long-term relationship with its shareholders built on trust and transparency and guided by the principles of corporate governance. Since the publication of its first consolidated financial statements in 1971, Air Liquide has posted strong and steady earnings growth. Sales in 2007 totaled 11,801 million euros, with sales outside France accounting for almost 80%. Air Liquide is listed on the Paris stock exchange and is a component of the CAC 40 and Eurostoxx 50 indices (ISIN code FR 0000120073).*

[www.airliquide.com](http://www.airliquide.com)