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Saudi Arabia: acquisition of 75% of Al Khafrah Industrial Gases

press release

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Kingdom of Saudi Arabia

With a population of 28.6 million people and a GDP of US\$481 billion in 2008, the Kingdom of Saudi Arabia is the world's top oil exporter.

Industrial Merchant activities of Air Liquide

The Industrial Merchant business line ensures the management of the production and distribution of **gases in bulk and cylinders**, and provides customers with the applications and services required for their implementation.

Its customers, who range from tradesmen to major businesses, use **industrial gases** in 5 key sectors:

- food and pharmaceuticals
- automobile and manufacturing
- crafts and distribution
- materials and energy
- technology and research.

2008 revenue of Industrial Merchant business line amounted to **€4.609 billion**.

The industrial and medical gas market in the **Kingdom of Saudi Arabia, the largest economy in the Middle East**, presents an attractive growth potential for Air Liquide, with double-digit growth in 2008, driven by the expansion of the petrochemical industry and the development of infrastructure projects.

Air Liquide has just completed the acquisition of Al Khafrah Industrial Gases, a company headquartered in Riyadh with operations in both Riyadh and Dammam (East coast of the Kingdom). **Sheikh Mubarak Al Khafrah**, one of the founders and former chairman of the company, will contribute to the expansion of the newly incorporated company, which will be named **Air Liquide Al Khafrah Industrial Gases**.

With more than **US\$20 million of sales in 2008** and around **100 employees**, the company's main business activities include the manufacturing, the sale of packaged gases (oxygen, nitrogen, argon, acetylene, etc) and bulk air gases.

This acquisition complements the Saudi activity of Pure Helium, which was acquired last year. It provides Air Liquide **a solid basis for the continuing development** of its Industrial Merchant activity in the Kingdom of Saudi Arabia and in the Middle East zone in general, where the Group currently employs more than **450 people**.

Sheikh Mubarak Al Khafrah said: *"I am particularly delighted to be the partner of Air Liquide in this acquisition. I am also confident that a leader like Air Liquide will bring its gas application know-how to accelerate the growth of the company"*.

Pierre Dufour, Senior Executive Vice-President of the Air Liquide Group, responsible for the Middle East zone, said: *"This acquisition will strengthen our position in the Middle East and allows us to get swift access to one of the most dynamic industrial gas markets in the region. This acquisition is aligned with the Group's program of targeted investments, notably in the Emerging Economies."*

www.airliquide.com

Air Liquide in the Middle East

Air Liquide is present in **Egypt, Lebanon, Kuwait, Oman, Qatar, Saudi Arabia, Syria and the United Arab Emirates** where the Group has established its headquarters for Middle East region.

Air Liquide is the number one global company in the industrial gases market in the Middle East.

With **450 employees** in the Middle East, Air Liquide has invested US\$300 million over the 2002-2007 period and **has an investment program of a further US\$1 billion in the Persian Gulf region in the next five years.**



Sites of Al Khafrah Industrial Gases

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.*