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Further expansion in China: a major new contract

press release

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Air Liquide in China

today operates more than **30 large and medium size plants** and employs more than **3,000 people**. It is present in the **key coastal industrial areas**, and is expanding into the west and the northeast.

Air Liquide has also strong **Engineering capabilities** through Air Liquide Hangzhou and Lurgi.

Air Liquide returned to China in the 1970s to supply air separation units and restarted its gas operations in 1990.

The Large Industries business line of Air Liquide

offers **gas and energy solutions** that improve process efficiency and help achieve greater respect for the environment, mainly to the **refining and natural gas, chemicals, metals and energy** markets. 2009 revenues were **€ 3,219 million**.

China's economy is very dynamic and Air Liquide is developing its activities in the country at a quick pace serving numerous customers as illustrated by the many major contracts it has signed this year, in the steel and photovoltaic sectors amongst others.

Air Liquide has just signed a long-term contract with **Tongmei Guangfa Chemical Industry Co., Limited**, whose major shareholder is **Datong Coal Mine Group Company**.

Under the terms of the agreement, Air Liquide will invest around **€60 million** in a large Air Separation Unit (ASU) with production capacity of **2,000 tonnes of oxygen per day** to supply oxygen and nitrogen to the customer's methanol production project in **Datong, Shanxi province**. Industrial production is scheduled to begin in July 2012. During phase 1 of the project, **600,000 tonnes of methanol will be produced per year**.

Datong Coal Mine Group is the third biggest coal production company in China, with coal production of 113 million tonnes and sales revenue of 60 billion yuans in 2009.

This new contract illustrates Air Liquide's significant expansion in China. By the end of June 2010, **Air Liquide had commissioned in China new oxygen capacities of more than 12,000 tonnes per day in just one year, with 8 new ASUs** based in Zhanjiagang (Jiangsu), Cangzhou (Hebei), Tianjin and Dongying (Shandong).

JIANG Yu, Chairman of Tongmei Guangfa Chemical Industry Co., Limited, said: ***"We are delighted to enter into a long-term partnership with Air Liquide. Thanks to its worldwide experience and technologies, we will benefit from a safe, reliable and energy efficient supply of industrial gases."***

Jean-Marc de Royere, Senior Vice-President Asia-Pacific, a member of the Air Liquide's Executive Committee, said: ***"It is a great achievement for Air Liquide to successfully develop another partnership with this new customer in China. We want to thank Datong Coal Mine Group and Guangzhou Development Industry for their trust. This new major contract is symbolic of the numerous and big recent developments of Air Liquide in China. Developing economies are a growth driver of Air Liquide."***

Air Liquide is the world leader in gases for industry, health and the environment, and is present in over **75 countries** with **42,300 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.

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... Air Liquide combines many products and technologies to develop valuable applications and services not only for its customers but also for society.

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 2009, the Group's revenues amounted to **€12 billion**, of which almost 80% were generated 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.