

Paris, April 5th, 2011

Russia: new major investment

press release



Contacts:

Corporate Communications

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
Annie Fournier
+33 (0) 1 40 62 57 18

Communications Air Liquide Russia

Ekaterina Kebal
+7 (495) 641 28 98 ext 112

Air Liquide in Russia

Air Liquide Russia has been based in Moscow since 1989 and was primarily concerned with the sale of industrial gas production equipment in Russia and Ukraine. In 2005, OOO Air Liquide, the Russian subsidiary for production and sale of industrial gases was founded and since that time several long term contracts for industrial gases supply have been signed with large Russian and foreign companies.

The **Russian industrial gases market** has been growing **annually by 5%** and is still in development. Air Liquide operates several production units in Russia and has already committed to **invest €300 million** in this market over the last years.

Metallurgy is one of the **main industrial sectors of Russia** making a strong contribution to the country's economy. This sector is expected to continue growing significantly and to pursue its modernization effort.

The **Air Liquide Group**, the world leader in gases for industry, health and the environment announces the **signature of a new long-term agreement with Severstal**, Russia's leading steel producer. Air Liquide will supply **oxygen, nitrogen and argon** to Severstal's **new steel plant in Balakovo**, located in the region of Saratov (Volga Federal District).

Air Liquide will invest, build and operate in Balakovo a new state-of-the-art Air Separation Unit (ASU) with a capacity of **more than 300 tonnes per day of oxygen**, which is scheduled to **start up at year-end 2012**. The Air Liquide plant will also produce **liquid oxygen, liquid nitrogen and liquid argon** to serve the needs of other industrial customers in the regions of Saratov and Samara.

The Air Liquide investment amounts to a total of €40 million for the production facilities and supply chain altogether.

Pavel Ipatov, Governor of the Saratov region, stated: *"We are delighted to welcome Air Liquide to our region, a company with long-term strategic development plans in Russia. I am convinced that the new plant in the Saratov region will be a reliable partner for local industrial enterprises. Moreover, I would like to highlight that this plant is being built in accordance with strict safety, energy efficiency and environmental requirements."*

Alexander Grubman, CEO of Severstal Russian Steel Division, comments: *"The construction of this Air Separation Unit is the second mutual project of Severstal and Air Liquide. The signature of this new contract with Air Liquide is an important step in the development of our partnership based on the respect of both sides' interests"*.

Guy Salzgeber, member of the Air Liquide Group Executive Committee, Vice-President North and Central Europe, declared: *"We are pleased to see this new expansion of our partnership with Severstal after the success of our joint-venture in Cherepovets. Furthermore, this new ASU will enable Air Liquide to complete its geographical coverage of the Volga district for the supply of liquid gases to industrial customers, after investments already announced in Elabuga (Tatarstan) and Kstovo (Nizhny Novgorod). This new contract is*

The Large Industries business line of Air Liquide Group

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. 2010 revenues were **€4,019 million**.

symbolic of our continuous development in this high growth region. Developing economies are one of the growth drivers of the Air Liquide Group.”



***Air Liquide is the world leader in gases for industry, health and the environment, and is present in 80 countries with 43,600 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 2010, the Group's revenues amounted to **€13,5 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.*