

Paris, June 16, 2011

China: further development in the Hefei Industrial Basin

press release

Contacts:

Corporate Communications

Corinne Estrade-Bordry
+33 (0)1 40 62 51 31
Alexandra Mallen
+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

Air Liquide China

Jessica Li
+86 (21) 6090 3605

Air Liquide in China

operates today more than **40 plants** and employs about **3,500 people**, with a presence in the key coastal industrial areas, while 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 gas operations in 1990.

Air Liquide announces that it has signed a long-term agreement with IRICO Electronics, a subsidiary of the IRICO Group, to supply **oxygen** to its new glass plant located in the Hefei Xinzhan Comprehensive Experiment Zone (Anhui province, China) where many high-tech industries (semiconductors, thin-Film Transistor Crystal Display industry, plasma display panels, etc) are setting up bases. IRICO Electronics' plant will produce glass for the photovoltaic market.

Under the terms of the agreement, **Air Liquide will invest in an Air Separation Unit (ASU) with a capacity of 770 tonnes of oxygen per day in the same industrial zone.** The ASU, which will be commissioned at the **end of 2012**, will also produce gaseous nitrogen, and **liquid oxygen, nitrogen and argon** for the dynamic local industrial market.

Air Liquide has also recently commissioned a large **high-purity nitrogen plant** in this zone to supply carrier gases through pipelines to the flat display panel plant of **BOE** (Beijing Oriental Electronics Technology Group). **BOE** is China's largest domestic TFT-LCD (thin film transistor liquid crystal display) manufacturer.

Air Liquide's total investment in the industrial basin of Hefei will come to around **€50 million**.

Established in 1978, as the first color picture tubes (CPTs) producer in China, **IRICO** also manufactures related CPT components, glass related products and glasses for photovoltaic cells. **IRICO Group is one of many large scale state-owned enterprises** under the SASAC (the State-owned Assets Supervision and Administration Commission) in China.

The photovoltaic project, a major investment for **IRICO Electronics** in Hefei, boasts three full oxygen burning glass melting furnaces, with a melting capacity of 500 tons per day each. Full oxygen technology brings energy efficiencies as well as reducing nitrous oxides (NOx) emissions. In addition, new glass production lines will be built as **IRICO** aims to build in Hefei **a large solar photovoltaic glass factory**.

A spokesperson for IRICO said: "After fruitful discussion, we have decided to choose Air Liquide to be the partner of IRICO Electronics. Thanks to Air Liquide's integrated industrial gases solutions with pipelines systems in the Zone, we can better focus on our core business. We look forward to a close partnership with Air Liquide and hope to benefit from its worldwide capabilities."

Jean-Marc de Royere, Senior Vice-President Air Liquide Group in charge of Asia Pacific and a member of the Executive Committee, said: **"These contracts illustrate Air Liquide's strategy of supporting industrial basins and high tech industries in**

China. I want to thank IRICO Electronics and BOE for their confidence in our ability to supply added-value gases and turnkey solutions. Developing economies, the Environment and High-tech are growth drivers for Air Liquide Group. ”



Anhui Province in China

Hefei is the capital of Central China's Anhui province (marked in red). Hefei's High-Technology Industrial Development Zone was founded in 1990 and approved by China's State Council. Today Hefei has attracted several hundreds of companies to its industrial basin.

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 more than 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.