

Bad Soden, Germany, 20 January 2004

Growth forecast in Europe and China

Messer family set to continue industrial gas operations

The family-owned Messer Industrie GmbH is set to continue its industrial gas operations following the planned exit of investors Goldman Sachs and Allianz Capital Partners from their involvement in the Messer Group. To finance this transaction, the businesses in Great Britain, the USA and Germany are to be sold to the French Air Liquide Group. The newly constituted Messer Group will continue expanding its operations in eastern and western Europe as well as in China. The transactions are inter alia still subject to antitrust approval and should be completed in the second quarter.

The Messer family will continue operating businesses in 26 countries across eastern and western Europe, as well as in China and Peru. With over 3600 employees, these operations accounted for approx. € 470 million in turnover in 2003. The Group's international activities will retain the right to the renowned Messer name, and are to be directed from the area of Frankfurt am Main. The technical core functions of production, engineering and logistics, as well as the applications technology division, will continue to be settled in Krefeld.

Securing and expanding market leadership positions in Europe

"With good market positions in central and southeastern Europe, as well as in specific market segments in western Europe, we have a very favorable basis for further profitable growth," emphasizes Stefan Messer, designated CEO of the newly established Messer Group.

The capacity of ten air separation units in central and southeastern Europe is to be increased, while on-site gas generation at customer sites is to be promoted in order to consolidate the current strong position in this market. In Gumpoldskirchen, near Vienna, a new applications technology center for research and development into the fields of metallurgy and industry is being set up. From here, applications technologies for the eastern European markets are to be managed and developed.

Messer also has strong positions in specific market segments in western Europe: in the Spanish town of Tarragona, the Messer Group has been operating a pipeline network to supply major customers in the chemical and petrochemical industry with industrial gases since the 1970s. This pioneering role has given the Spanish Messer subsidiary market leadership in this sector. In France and Italy, Messer is one of the leading suppliers of CO₂. In Mitry-Mory, located north of Paris, Messer operates a technology center where it works with its customers to develop trend-setting processes for the food industry, as well as for the chemical and pharmaceutical sectors.

Targeted investment in the growth market of China

"We intend to continue our successful investments in the world's fastest growing economic region in order to participate in the area's successful industrial development," says Harald Pinger, designated CFO of the new Messer Group and responsible for its Chinese operations.

Messer has been active in China since 1995. With 14 companies, the Messer Group has a presence in all of China's industrial growth regions, retaining a 5% market share in the Middle Kingdom. In the next four years, Messer is planning a total of ten individual projects amounting to a total investment of € 50 million.

Optimizing the supply of customers with industrial and specialty gases

The European customers will be supplied with high purity gases, specialty gas mixtures, laboratory gases and medical gases from production centers in Mitry-Mory, Gumpoldskirchen, Machelen (Belgium) and Lenzburg (Switzerland). The four specialty gas plants produce gases in the purity levels required by the customers and are able to assist with their expertise in the application of high purity

gases and gas mixtures in numerous industries.

The central divisions operating from Krefeld have long contributed to the profitable growth of the Messer Group. The centrally controlled European logistics operation helps to ensure that customers are reliably supplied with industrial gases throughout Europe. The engineering and production areas will continue to support the Group’s growth with new production sites and by increasing the efficiency of existing facilities. In addition, the company will continue to expand upon its wide range of patented application technologies currently in use by its customers.

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