

Paris and Monterrey, 9 July 2012

Mexico: new investment in the North for steel manufacturers

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

Air Liquide Americas Communications

Michael Rosen
+ 1 713-624-8594

Air Liquide in Mexico

In 2011, Air Liquide entered Mexico and decided to invest more than €70 million (\$100 million) to construct and operate a world-scale ASU in Monclova, Coahuila, approximately 200 kilometers northwest of Monterrey, Nuevo León.

Air Liquide in the Americas

Air Liquide is present in North, Central and South America as well as in the Caribbean, serving customers in a variety of industries from chemicals, refining and electronics to manufacturing and healthcare.

Air Liquide announces a **new investment in northern Mexico** to build a new Air Separation Unit (ASU) and a Steam Methane Reformer (SMR) in **Pesquería, Nuevo León**. Mexico presents continuing strong growth prospects due to its anticipated commercial growth and its proximity to the U.S. To seize this growth the Group **entered Mexico in February 2011**.

The announcement comes as Air Liquide enters into a **long term contract** to supply **nitrogen and hydrogen** to **steel manufacturers Ternium and Tenigal**. Under the agreement, **Air Liquide will build and operate the new ASU and SMR on the grounds of Ternium's new facility in Pesquería**, which will include a cold-rolling mill and a galvanizing plant. The galvanizing plant is being developed by Tenigal, a joint venture owned 51% by Ternium and 49% by Nippon Steel.

The ASU will produce approximately **350 metric tonnes per day of oxygen and nitrogen in both gaseous and liquid form**, while the SMR will produce approximately **275 Nm³/hr of gaseous hydrogen**. Both units are slated to start up around **mid-2013** when the Ternium and Tenigal facilities are scheduled to begin commercial production. The standardized and modular design of the units provides many benefits, such as **cost efficiency**, compact layout and simpler operations and maintenance.

The overall investment will be **around €28 million (\$35 million)**. The Pesquería ASU will nearly **triple Air Liquide's liquid production capacity** in northern Mexico, further positioning **Air Liquide as a major player in the country's growing industrial gas market**.

Air Liquide will also significantly strengthen its supply chain infrastructure and sell liquid products to customers in various industries, such as steel, glass and automotive throughout the region.

Michael Graff, President and CEO, American Air Liquide Holdings, Inc. and a member of the Air Liquide Executive Committee, commented: ***"We are very pleased to be expanding our business in Mexico alongside companies like Ternium and Tenigal, as it reflects upon Air Liquide's growing presence in northern Mexico. This country is the 15th largest economy in the world, and growth in its industrial gas market is expected to continue well into the future due to robust industrial and manufacturing activity in the northern states. Developing Economies are a growth driver for the Air Liquide Group."***

www.airliquide.com

Follow us on Twitter @AirLiquideGroup

The Large Industries Business Line of Air Liquide

proposes **gas and energy solutions** that improve process efficiency and help achieve greater respect for the environment, mainly to the **refining, natural gas, chemical, metal and energy markets**. In 2011, sales totaled **€4,585 million**.

Maximo Vedoya, Chief Executive Officer of Ternium Mexico, said: **“We are pleased to achieve this agreement with Air Liquide Mexico. The installation of these ASU and SMR facilities shows confidence towards our joint project with Nippon Steel in Pesquería, Mexico. The project is strengthened considerably through this kind of partnership, which helps to stimulate economic growth in the region and the country.”**



Air Liquide is the world leader in gases for industry, health and the environment, and is present in **80 countries** with **46,200 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, home healthcare, 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 Corporate Social Responsibility and sustainable development approach. In 2011, the Group's revenues amounted to **€ 14.5 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.