



Allianz Group



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Press Information

Messer Griesheim to Divest Operations in Germany, United Kingdom and the United States to Air Liquide for EUR 2.7bn

Messer family plans to continue industrial gas business and to take full control of the company

Messer Griesheim, a leading producer of industrial and specialty gases, announced today that it entered into an agreement with L'Air Liquide SA ("Air Liquide") regarding the sale of its operations in Germany, the United Kingdom, and the United States for a total consideration of approx. EUR 2.7bn, including assumed debt.

The transaction is part of a contemplated change in the ownership structure of Messer Griesheim. The shareholders of Messer Griesheim (Messer family through their holding company Messer Industrie GmbH ("MIG"), Allianz Capital Partners ("ACP") and private equity funds managed by Goldman Sachs ("Goldman Sachs Funds")) have reached a principle agreement whereby MIG will acquire the stakes from ACP and the Goldman Sachs Funds.

Following the divestment of the operations in Germany, UK and US, the newly formed Messer group will operate in 26 countries in Western and Eastern Europe, as well as in China and Peru. Headquartered in Frankfurt am Main, Germany, it generated estimated pro-forma sales of approx. EUR 470 million in 2003 and employs more than 3,600 people. "With its strong market positions in Central and South-Eastern Europe, as well as stable niche positions in Western Europe and China, the new Messer group will have a solid basis to continue its profitable growth", said Stefan Messer, member of the management board of Messer Griesheim, CEO of MIG and grandson of one of Messer Griesheim's founders.

Messer Griesheim's activities in Germany, the United Kingdom, and the United States are complementary to Air Liquide's own operations and will strengthen Air Liquide's global network. "The management team of Messer Griesheim is proud of having developed the business to the point where this transaction was made possible. We are looking forward to becoming part of the largest company in our industry", said Dr. Klaus-Jürgen Schmieder, CEO of Messer Griesheim. Messer currently estimates that the businesses to be divested to Air Liquide generated revenues of approx. EUR 1,040 million and EBITDA of approx. EUR 265 million in 2003; these estimates are preliminary and are subject to, among other things, audit and potential year-end adjustments.

In April 2001, ACP and the Goldman Sachs Funds acquired 67% of Messer Griesheim from Hoechst AG (Aventis) in the largest European leveraged buy-out at that time. Since then, management in close cooperation with the shareholders strengthened the operating business and focused the company on its core markets in Europe and the United States by divesting activities in Latin America, Africa and Asia. „The separation from Hoechst and the support of

the financial investors enabled the group to focus on its core business. With ACP and Goldman Sachs we had two highly qualified investors that backed the necessary restructuring from the beginning and provided valuable strategic guidance. This made it possible for us to achieve our objectives”, stated Mr. Messer.

The proposed transactions are subject to various conditions, including approvals by the relevant antitrust authorities, MIG's full acquisition of the remaining Messer Griesheim group and the completion of a tender offer and consent solicitation in respect of Messer Griesheim's EUR 550 million 10.375% Senior Notes due 2011 to permit the transactions. In connection with this last condition, the sale agreement contemplates that Messer Griesheim will offer to repurchase all of the outstanding Senior Notes. The tender offer is expected to be financed with the proceeds of the sale to Air Liquide and will be subject to, among other conditions, the other transactions taking place. All transactions are expected to be completed around mid-year 2004, although no assurances can be given in this regard. In the event that the transaction with Air Liquide is not completed due to the antitrust condition not being satisfied, Air Liquide would be required to pay to Messer Griesheim a cumulative break up fee of approximately 8% of the value of the transaction.

Goldman Sachs acted as exclusive financial advisor to MIG in the restructuring of Messer Griesheim's ownership structure and to Messer Griesheim in the sale of the divested businesses.

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Notes to Editors

Messer Industrie GmbH (MIG), is the holding company of the Messer family's interest in Messer Griesheim. The predecessor of Messer Griesheim, Adolf Messer GmbH, whose origins go back as far as 1898, was a Frankfurt am Main based family business operating in the fields of welding & cutting, industrial gases and cryogenic air separation. In 1965, Adolf Messer GmbH was merged with parts of Knapsack Griesheim AG, a 100% subsidiary of chemical company Hoechst AG, to form Messer Griesheim GmbH, a leading company in the field of industrial and specialty gases. Since this merger, MIG owns 33.3% of Messer Griesheim. Besides this participation, MIG also owns a 34% interest in MEC Holding GmbH, a company operating in the fields of cutting & welding and also being a successor-company of Adolf Messer GmbH.

Allianz Capital Partners GmbH (ACP) was founded in 1998. It is responsible within the Allianz Group for direct investments in the area of private equity and has invested about EUR 1.4bn to date. Notable transactions include – apart from Messer Griesheim – amongst others Tank&Rast and Schmalbach Lubeca as well as a significant share of the mezzanine tranches in a number of private equity transactions. As a financial investor, ACP focuses on providing financing solutions for a wide range of situations including growth finance, buy-outs or public to privates. ACP delivers tailor-made financial tools from mezzanine finance to equity capital.

Goldman Sachs is a leading global investment banking, securities and investment management firm that provides a wide range of services worldwide to a substantial and diversified client base that includes corporations, financial institutions, governments and high net worth individuals. Founded in 1869, it is one of the oldest and largest investment banking firms. The firm is headquartered in New York and maintains offices in London, Frankfurt, Tokyo, Hong Kong and other major financial centers around the world. **GS Capital Partners 2000, L.P.** is an investment partnership affiliated with Goldman Sachs with committed capital of \$5.25 billion. GS Capital Partners 2000 is the current primary vehicle of Goldman Sachs for long term investments in equity and equity related securities in privately negotiated transactions, leveraged buyouts and acquisitions. Having raised over \$17 billion in capital in 10 funds since 1986, Goldman Sachs is one of the largest private equity investors in the world. Directly and indirectly through its GS Capital Partners investment partnerships, it has invested in over 500 companies since 1986, and manages a diversified global portfolio. Notable investments include Polo Ralph Lauren, Orion Power and Kookmin Bank. Biggest investments in Germany have been in Kabel Deutschland, Cognis, Messer Griesheim, Wincor Nixdorf, Fresenius Medical Care and Tarkett Sommer.