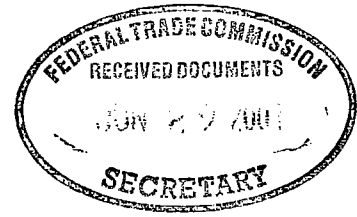


UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Timothy J. Muris, Chairman
Mozelle W. Thompson
Orson Swindle
Thomas B. Leary
Pamela Jones Harbour



In the Matter of)
)
)

American Air Liquide, Inc.,)
a corporation)
)
)
)
)

Docket No. C-4109
File No. 041-0020

**PETITION OF AMERICAN AIR LIQUIDE FOR APPROVAL OF
THE PROPOSED DIVESTITURE OF THE ATMOSPHERIC GASES DIVESTITURE
ASSETS AND BUSINESSES TO MATHESON TRI-GAS**

Pursuant to Section 2.41(f) of the Federal Trade Commission
("Commission") Rules of Practice and Procedure, 16 C.F.R. § 2.41(f) (2004), and
Paragraph II.A. of the Decision and Order contained in the Agreement Containing Consent
Orders accepted for public comment in this matter ("Decision and Order"), American Air
Liquide, Inc. ("Air Liquide") hereby petitions the Commission to approve the divestiture of
the Atmospheric Gases Divestiture Assets and Businesses¹ to Matheson Tri-Gas, Inc.
("Matheson Tri-Gas"), a Delaware corporation² and wholly owned subsidiary of Nippon

¹ All capitalized terms not defined herein have the meanings given to them in the Decision and Order, accepted by the Federal Trade Commission for public comment on April 29, 2004.

² Matheson Tri-Gas's principal corporate offices are located at 959 Route 46 East, P.O. Box 624, Parsippany, New Jersey 07054. A list of Matheson Tri-Gas's officers and directors is attached at Exhibit 1. Further general information about Matheson Tri-Gas can be found at <http://www.matheson-trigas.com> and <http://www.trigas.com>.

Sanso Corporation of Japan (“Nippon Sanso”),³ or one or more, direct or indirect, wholly-owned subsidiaries of Matheson Tri-Gas.

Background

On April 15, 2004, Air Liquide and the Commission executed an Agreement Containing Consent Orders that included the Decision and Order and an Order to Hold Separate and Maintain Assets (collectively, the “Consent Agreement”) to settle the Commission’s charges related to the proposed acquisition of Messer Griesheim GmbH (the “Acquisition”). On April 29, 2004, the Commission accepted the Consent Agreement for public comment, and the acquisition was consummated.⁴

Air Liquide desires to complete the proposed divestiture of the Atmospheric Gases Divestiture Assets and Businesses to Matheson Tri-Gas as soon as possible, following Commission approval. Prompt consummation will further the purposes of the Decision and Order and is in the interests of the Commission, the public, Matheson Tri-Gas, and Air Liquide because it will allow Matheson Tri-Gas to move forward with its business plans for the competitive operation of the Atmospheric Gases Divestiture Assets and Businesses. It will also allow Air Liquide to fulfill its obligations under the Consent Agreement. Air Liquide accordingly requests that the Commission promptly commence the period of public comment pursuant to Section 2.41(f)(2) of the Commission’s Rules of Practice and Procedure, 16 C.F.R. § 2.41(f)(2) (2004), limit the public comment period to the customary 30-day period, and grant this petition by approving the divestiture of the

³ General information about Nippon Sanso can be found at <http://www.sanso.co.jp/jp/index.html>.

⁴ L’Air Liquide, Société Anonyme à Directoire et Conseil de Surveillance pour L’Etude et L’Exploitation des Procédés Georges Claude consummated the acquisition of Messer Griesheim GmbH, including the assets comprising Messer Griesheim Industries, Inc. on May 6, 2004. Following consummation, Messer Griesheim Industries, Inc. was transferred to Air Liquide. [REDACTED]

Atmospheric Gases Divestiture Assets and Businesses to Matheson Tri-Gas pursuant to the proposed agreements as soon as practicable after the close of the public comment period.

Request for Confidential Treatment

Because this petition and its attachments contain confidential and competitively sensitive business information relating to the divestiture of the Atmospheric Gases Divestiture Assets and Businesses, Air Liquide has redacted such confidential information from the public version of this petition and its attachments. The disclosure of this information would prejudice Air Liquide and Matheson Tri-Gas, cause harm to the ongoing competitiveness of the Atmospheric Gases Divestiture Assets and Businesses, and impair Air Liquide's ability to comply with its obligations under the Consent Agreement. Pursuant to Sections 2.41(f)(4) and 4.9(c) of the Commission's Rules of Practice and Procedure, 16 C.F.R. § 2.41(f)(4) & 4.9(c) (2004), Air Liquide requests, on its own behalf and on behalf of Matheson Tri-Gas, that the confidential version of this petition and its attachments and the information contained herein be accorded confidential treatment. The confidential version of this petition should be accorded such confidential treatment under 5 U.S.C. § 552 and Section 4.10(a)(2) of the Commission's Rules of Practice and Procedure, 16 C.F.R. § 4.10(a)(2) (2004). The confidential version of this petition is also exempt from disclosure under Exemptions 4, 7(A), 7(B), and 7(C) of the Freedom of Information Act, 5 U.S.C. §§ 552(b)(4), 552(b)(7)(A), 552(b)(7)(B), & 552(b)(7)(C), and the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, 15 U.S.C. § 18a(h).

I. Matheson Tri-Gas Will be a Strong and Effective Competitor

The Bureau of Competition's 1999 "Study of the Commission's Divestiture Process" (the "Divestiture Study") and the 2003 "Statement of the Federal Trade Commission's

Bureau of Competition on Negotiating Merger Remedies” (the “Merger Remedies Statement”) discuss a number of factors that help to identify a promising divestiture buyer. All of these factors demonstrate that Matheson Tri-Gas will be an excellent buyer, well suited for approval by the Commission.

A. Matheson Tri-Gas is a well-established and experienced competitor in the production, refinement, distribution, marketing and sale of Atmospheric Gases.

The Divestiture Study cited the buyer’s experience in the relevant industry and knowledge of the assets to be purchased as key to a successful divestiture. *“The most successful buyers appear to be the ones that know the most about what they are buying.”*⁵ The Merger Remedies Statement requires that the buyer have *“the competitive ability to maintain or restore competition in the market.”*⁶

Matheson Tri-Gas was formed when Nippon Sanso merged its U.S. industrial and specialty gas subsidiaries Matheson Gas Products, Inc. and Tri-Gas, Inc. in 1999. Matheson Gas Products, Inc., a wholly-owned subsidiary of Nippon Sanso since 1989, has been active in the specialty gas sector in the United States since 1927 and was originally a supplier of specialty gases to the semiconductor industry. Tri-Gas, Inc. has been a manufacturer of industrial gases, packaged gases and gas equipment since 1987 when it acquired, following the Commission’s approval as a suitable buyer, certain air separation plants and divestiture assets under the Commission’s consent order relating to Air Liquide’s acquisition of Big Three Industries.⁷ In 1992, Tri-Gas, Inc. was acquired by Nippon Sanso. Matheson Tri-Gas is Nippon Sanso’s largest

⁵ Divestiture Study, p.34.

⁶ Merger Remedies Statement, p.6.

⁷ Consent Order in the matter of L’Air Liquide SA respecting the latter’s acquisition of Big Three Industries (July 15, 1987, Docket No. C-3216). Tri-Gas, Inc. acquired the air separation plants located in Odessa, Stafford, West Palm Beach, and Albuquerque, as well as bulk transports and other rolling stock, cylinder fill plants and packaged gas assets. Since then, Tri-Gas, Inc. has operated these plants and assets (in addition to its Irving plant).

subsidiary by revenue, currently accounting for more than [REDACTED] of Nippon Sanso's overall revenues.

Matheson Tri-Gas's parent, Nippon Sanso, is one of the world's leading suppliers of industrial gases and gas handling equipment.⁸ In addition to its activities in industrial gas production, Nippon Sanso operates in various other fields closely related to the industrial gas sector, such as plant construction. It also owns a complete range of cryogenic and non-cryogenic technologies. It recently announced its intentions to substantially grow its industrial gas presence in the United States and elsewhere. On various occasions, Nippon Sanso has emphasized the crucial role of Matheson Tri-Gas in this endeavor explaining that Matheson Tri-Gas would be Nippon Sanso's "*most important subsidiary company*."⁹ In support of these efforts, Nippon Sanso announced that Matheson Tri-Gas's President and CEO has been nominated to be appointed as director of Nippon Sanso's Board of Directors.¹⁰ Following Nippon Sanso's recently announced merger with Taiyo Toyo Sanso, an established industrial gas producer in Japan,¹¹ Matheson Tri-Gas's President and CEO will also become a Director of the newly formed entity, to be known as Nippon Taiyo Sanso Corporation. In addition to the merger with Taiyo Toyo Sanso, Matheson Tri-Gas's acquisition of the Atmospheric Gases Divestiture Assets and Businesses is crucial for Nippon Sanso's strategy to further strengthen its position as one of the premiere global industrial gas suppliers, underlining its ambitions in the United States and global industrial gas marketplaces.

⁸ Nippon Sanso's presence in the industrial gas marketplace dates back to 1910.

⁹ See "William J. Kroll of Matheson Tri-Gas, Inc., To Be Appointed to Nippon Sanso Corporation Board of Directors," May 18, 2004, attached at Exhibit 2. The appointment is scheduled for Nippon Sanso's June 29, 2004 shareholders meeting.

¹⁰ Ibid.

¹¹ Taiyo Toyo Sanso, established in 1946 in Japan, acquired Mitsubishi Chemical Corporation's liquid nitrogen, liquid oxygen, and liquid argon business in 2002.

Matheson Tri-Gas's industrial gas business is concentrated in the Southern United States, where it currently operates five air separation units in Florida, New Mexico, and Texas.¹² It has several offices and a network of distributors in this area to provide its customers with various industrial gases and customer support services. Currently, Matheson Tri-Gas has divided its service area in seven sales regions where it maintains a fully established sales force. These regions are Southern Florida, Northern Florida, Northern Texas, Central Texas, Houston (Texas), Southeastern Texas, and the Western Region (comprising Arizona, New Mexico, and Colorado). Matheson Tri-Gas offers a wide range of products and services, such as bulk industrial gases as well as gases for welding, food, medical and specialty applications. In addition, it has a particular strength in the semiconductor and analytical fields.

Matheson Tri-Gas's bulk products line includes primarily liquid nitrogen ("LIN"), liquid oxygen ("LOX"), and liquid argon ("LAR") which are delivered by trucks to storage stations and customer sites throughout the Southern United States. Matheson Tri-Gas is also active in other liquid (*i.e.*, carbon dioxide and medical grade oxygen) and gaseous (*i.e.*, helium, hydrogen, oxygen, nitrogen, and argon) products. Matheson Tri-Gas has an established on-site business and supplies larger customers via pipelines with gaseous product at its Albuquerque, New Mexico, Irving, Texas, Odessa, Texas, and West Palm Beach, Florida plants. Finally, Matheson Tri-Gas offers on-site generators for both LIN and LOX production as well as non-cryogenic membrane systems for nitrogen production.

In addition to its bulk and on-site offerings, Matheson Tri-Gas supplies a range of gases, technical as well as product support for standard and special welding applications.¹³

Through its Food Technology Group, Matheson Tri-Gas has a complete line of liquid nitrogen

¹² The five plants are located at West Palm Beach, FL; Stafford, TX; Irving, TX; Odessa, TX, and Albuquerque, NM.

¹³ Matheson Tri-Gas's product line of welding gases includes acetylene, argon, carbon dioxide, helium, Weldmix Welding Mixtures, hydrogen, nitrogen, oxygen, propane, and propylene.

freezing, chilling, and cooling systems for food applications. Providing hospitals and home care institutions with medical gases, Matheson Tri-Gas's Tri-Care medical gas management program includes bulk and cylinder gases, cylinder management, quality assurance, gas distribution systems and safety assurance. In the area of specialty gases, Matheson Tri-Gas offers a full range of analytical as well as process gases, such as pure gases, instrumentation gases, mixtures, corrosives, toxic, and electronic gases.¹⁴ Finally, Matheson Tri-Gas's Electronic and Specialty Gas Equipment Team specializes in new applications technology and addresses the varied and specialized needs of customers requiring high purity gas delivery systems in the semiconductor, pharmaceutical, petrochemical, aerospace, biotech, power and energy, environmental and university markets.¹⁵

Matheson Tri-Gas's current network of plants produces a total of approximately [REDACTED] short tons per day ("tpd") of LIN/LOX and approximately [REDACTED] tpd of LAR. [REDACTED] In sum, Matheson Tri-Gas has a total of [REDACTED] of LIN/LOX and [REDACTED] tpd of LAR available. The following table summarizes the total LIN/LOX and LAR product available to Matheson Tri-Gas.

[TABLE REDACTED]

Matheson Tri-Gas's industrial gas business also owns and operates trucks, storage facilities and distribution centers at approximately 75 locations in the Southern United States.

Finally, through its parent, Matheson Tri-Gas has the necessary engineering expertise at its disposal to upgrade and expand existing plants or build new state-of-the-art air

¹⁴ Matheson Tri-Gas's product line of specialty gases includes high purity nitrogen, high purity helium, high purity argon, hydrocarbon blends, liquid helium, halocarbons, sulfur mixes, primary and certified standard gas blends, EPA protocols, carbon monoxide, hydrogen, neon, krypton, xenon, sulfur hexafluoride, ethylene, and hydrogen chloride.

¹⁵ Matheson Tri-Gas's applications technology capabilities are further supported by the Matheson Equipment Technology Center in Montgomeryville, Pennsylvania, an 85,000 square foot, ISO-9001 certified facility with comprehensive design, engineering and manufacturing capabilities, complete with both Class 1 and Class 10 cleanroom facilities and a fully equipped electronics laboratory.

separation plants. In fact, in the last three years alone, Nippon Sanso has assisted Matheson Tri-Gas in substantially upgrading Matheson Tri-Gas's Stafford, Texas facility and building a new state-of-the-art facility in Irving, Texas.

Further, through the divestiture due diligence and negotiations, Matheson Tri-Gas has become familiar with the Atmospheric Gases Divestiture Assets and Businesses and has the information necessary to assess their business potential and to develop a realistic business plan. In addition, Matheson Tri-Gas's parent, Nippon Sanso has extensive integration experience gained, *e.g.*, through the acquisitions in the late 1980s and early 1990s that established its presence in the U.S. industrial gas marketplace.

Even before Matheson Tri-Gas was formally invited to participate in the auction for the Atmospheric Gases Divestiture Assets and Businesses, it endeavored to obtain and assess information about the Atmospheric Gases Divestiture Assets and Businesses and their relationship to Matheson Tri-Gas's strategic plans to strengthen its presence and expand its already existing network in the United States. During the auction process, Air Liquide granted Matheson Tri-Gas access to all of the necessary information about the Atmospheric Gases Divestiture Assets and Businesses. [REDACTED]

B. The acquisition of the Atmospheric Gases Divestiture Assets and Businesses fits perfectly with Matheson Tri-Gas's strategy to develop from a regional supplier into a player with national scope.

The Merger Remedies Statement suggests that the proposed buyer should have an *"economic incentive to maintain or restore competition in the relevant market."*¹⁶

Matheson Tri-Gas's purchase of the Atmospheric Gases Divestiture Assets and Businesses is part of its strategic plan to strengthen its presence and expand its already existing network in the United States. Matheson Tri-Gas's parent company, Nippon Sanso, desires to

¹⁶ Merger Remedies Statement, p. 6.

substantially grow its presence in the United States industrial gases market and has, on various occasions, emphasized the crucial role of Matheson Tri-Gas in this endeavor. For example, as described above, for the first time in its history, Matheson Tri-Gas's current President and CEO has been nominated to serve on Nippon Sanso's Board of Directors, acknowledging Matheson Tri-Gas's critical importance for this plan. The appointment also recognizes that Matheson Tri-Gas is Nippon Sanso's largest subsidiary by revenue, significantly contributing to the financial health of its parent and currently accounting for more than [REDACTED] of Nippon Sanso's revenues.

The following explains how the acquisition of the Atmospheric Gases Divestiture Assets and Businesses fits perfectly with Matheson Tri-Gas's strategic plan to emerge from a regional supplier and develop into a player with national scope.

- ***Substantial increase in capacity.*** The acquisition of the Atmospheric Gases Divestiture Assets and Businesses, representing a total capacity of approximately [REDACTED] tpd of LIN/LOX and approximately [REDACTED] tpd of LAR, would [REDACTED]. More importantly, the acquisition would reduce Matheson Tri-Gas's dependency on liquid product supplies from third parties. [REDACTED] Accordingly, the Atmospheric Gases and Divestiture Assets and Businesses would provide Matheson Tri-Gas with the "critical mass" of capacity that is necessary to develop from a regional player into an industrial gases supplier with national scope.
- ***Seamless "coast-to-coast" network.*** The Atmospheric Gases Divestiture Assets and Businesses would complement Matheson Tri-Gas's existing network, providing it with a seamless network of "coast-to-coast" plants stretching across the south of the United States from Florida to California. Of

all incumbent industrial gas suppliers that could have acquired the Atmospheric Gases Divestiture Assets and Businesses, Matheson Tri-Gas is the only one with plants that already extend from Florida to New Mexico. The acquisition would complement Matheson Tri-Gas's network by reducing the distance between individual plants of the network, filling voids in the network's coverage through the addition of Louisiana and Mississippi, and extending the network to the Western United States, i.e., California. This would offer significant interlinking opportunities within an extended network and further contribute to the reliability of Matheson Tri-Gas's industrial gas production capabilities. It would also reduce the dependency on back-up arrangements with third party suppliers.

- ***Strategic entry into California.*** Matheson Tri-Gas is fully committed to continue to supply all markets currently served by the Atmospheric Gases Divestiture Assets and Businesses. [REDACTED]
- ***New opportunities.*** The acquisition of the Atmospheric Gases Divestiture Assets and Businesses would allow Matheson Tri-Gas to supply customers in California, Southern Oregon, Louisiana, and Mississippi with the full range of industrial gases, related products and services. [REDACTED] In addition to expanding the geographic coverage of its bulk capabilities, Matheson Tri-Gas would be able to complement its product offerings to existing customers with a strengthened presence in bulk gases, thus providing a "one-stop-shop" in these regions comprising bulk gases, specialty gases, electronic gases, application technology and related service offerings. [REDACTED]

- *Unique opportunities [REDACTED]*. [REDACTED] Of all incumbent industrial gas suppliers that could have acquired the Atmospheric Gases Divestiture Assets and Businesses, Matheson Tri-Gas is the only supplier with an established presence in industrial gases for the semiconductor industry. [REDACTED] This would provide these customers with a new supply alternative and enable Matheson Tri-Gas to compete more effectively with the major competitors in these areas. In particular, [REDACTED].

In furtherance of its strategic plan in the United States, Matheson Tri-Gas has made substantial capital expenditures exceeding [REDACTED] million in connection with its industrial gas business [REDACTED]. Starting with the merger of Matheson Gas Products, Inc. and Tri-Gas, Inc. in 1999, Matheson Tri-Gas endeavored to further strengthen its presence by committing [REDACTED] million for [REDACTED] and an additional [REDACTED] million to [REDACTED]. For example, after an investment of [REDACTED] million, Matheson Tri-Gas opened a new state-of-the-art automated air separation plant in Irving, Texas, which was engineered by Nippon Sanso, in 2002. The Irving plant produces electronic grade oxygen, liquid nitrogen, and liquid argon and supplies nitrogen to one of Matheson Tri-Gas's major nitrogen customers via pipeline.

In 2003, Matheson Tri-Gas completed the expansion of its Stafford, Texas facility, for approximately [REDACTED] million. The expansion project, again engineered by Nippon Sanso, included an increase in capacity from [REDACTED] tpd to [REDACTED] tpd of liquid product and the modernization of the computer control system allowing more efficient operation of the plant. The Stafford, Texas plant produces high purity grade (i.e., electronic grade) liquid oxygen, liquid nitrogen and liquid argon.

As further evidence of Matheson Tri-Gas's determination to provide a single-source solution to its customers, Matheson Tri-Gas has also expanded or intends to expand its [REDACTED]. For example, Matheson Tri-Gas completed the expansion of a new ultra-high purity ammonia facility in LaPorte, Texas in 2003 to increase capacity and improve process yield. In 2003, Matheson Tri-Gas announced the future capacity expansion of its state-of-the-art hydride plant in New Johnsonville, Tennessee.

Matheson Tri-Gas intends to invest approximately [REDACTED] million within the next five years to [REDACTED]. In addition, Matheson Tri-Gas is considering [REDACTED] if it can identify appropriate customers.

Matheson Tri-Gas's current industrial gas business and its anticipated, future expanded production capabilities provide an incentive for Matheson Tri-Gas to efficiently and effectively operate the Atmospheric Gases Divestiture Assets and Businesses. In particular, the acquisition of the Atmospheric Gases Divestiture Assets and Businesses will fit neatly into the strategy of its parent Nippon Sanso to further increase its existing presence in the United States industrial gas market.

C. Matheson Tri-Gas has expended substantial capital in recent years to enhance its industrial gas business.

The Divestiture Study also emphasizes the importance of the buyer's commitment (i.e., substantial investment in continuing in the relevant business), citing favorably examples of buyers that invested substantially in the construction of new facilities.¹⁷

Matheson Tri-Gas is spending approximately [REDACTED] million for the Atmospheric Gases Divestiture Assets and Businesses (subject to adjustment), representing a substantial commitment also endorsed by its parent. Moreover, Matheson Tri-Gas plans to make

¹⁷ Divestiture Study, p. 34-35.

certain capital expenditures to [REDACTED]. Matheson Tri-Gas will provide further, specific information about its capital expenditure plans under separate cover as part of its business plan.

Such capital expenditures going forward are consistent with Matheson Tri-Gas's history. Matheson Tri-Gas has shown a commitment to its industrial gas business by investing in its future through capital spending. For example, Matheson Tri-Gas invested approximately [REDACTED] million to design and build the new air separation plant in Irving, Texas. The upgrade of the Stafford plant cost approximately [REDACTED] million.

As with its recent and planned capital expenditures, Matheson Tri-Gas has historically invested in its assets in order to make them competitive over the long term. In total, over the last five years, Matheson Tri-Gas spent over [REDACTED] million on capital projects.

D. The acquisition of the Atmospheric Gases Divestiture Assets and Businesses does not raise competitive issues

Matheson Tri-Gas's acquisition of the Atmospheric Gases Divestiture Assets and Businesses will not raise any competitive issues. As described above, the acquisition of the Atmospheric Gases Divestiture Assets and Businesses would be largely complementary and enable Matheson Tri-Gas to enter new markets, develop from a regional supplier into a player with national scope, and compete more effectively with the major industrial gas suppliers. Five of the six plants comprising the Atmospheric Gases Divestiture Assets and Businesses, *i.e.*, De Lisle, Mississippi, Irwindale and Vacaville, California, San Antonio, Texas, and Westlake, Louisiana, are located in regions where Matheson Tri-Gas currently does not have production facilities. The Waxahachie, Texas, plant is located in the Dallas region and could be seen, to a certain extent, as serving parts of a region that is also currently served by Matheson Tri-Gas's Irving, Texas plant. However, for the following reasons, the acquisition would not raise competitive issues. In its Complaint, the Commission did not identify competitive concerns in

LIN or LOX caused by Air Liquide's acquisition of the Waxahachie, Texas plant. Rather, [REDACTED].

Matheson Tri-Gas's capacity in the Dallas area is [REDACTED]. Furthermore, the Dallas market place is characterized by very aggressive competition among all major industrial gas suppliers. Every major industrial gas producer is present in the region, with one or more plants, including Matheson Tri-Gas, Air Liquide, Air Products, Airgas, BOC, and Praxair.

E. [REDACTED]

[REDACTED]¹⁸

F. Matheson Tri-Gas has the financial capability to successfully complete the transaction and invest in the Atmospheric Gases Divestiture Assets and Businesses going forward.

The Merger Remedies Statement requires that the proposed buyer have "*the financial capability and incentives to acquire and operate the package of assets...*"¹⁹

Matheson Tri-Gas's parent company, Nippon Sanso, is a publicly traded company with its common shares listed on the Tokyo and Osaka Stock Exchanges. For the fiscal year ended March 31, 2003, Nippon Sanso had revenues of approximately \$1,983 million. Matheson Tri-Gas's revenues for the fiscal year ended December 31, 2003 amounted to [REDACTED], accounting for approximately [REDACTED] of Nippon Sanso's overall revenues.²⁰

Matheson Tri-Gas plans to finance the purchase of the Atmospheric Gases Divestiture Assets and Businesses by means of [REDACTED]. Matheson Tri-Gas plans to fund any future capital projects that are not paid for by the operating cash flow of the assets with

¹⁸ FOOTNOTE REDACTED.

¹⁹ Merger Remedies Statement, p. 6.

²⁰ Matheson Tri-Gas's revenues will account for more than [REDACTED] of the overall revenues of the merged entity comprising Nippon Sanso and Taiyo Toyo Sanso Corporation.

internally generated cash flow from Matheson Tri-Gas's other operations and, if required, additional debt.

II. The Divestiture Agreement Satisfies the Requirements of the Decision and Order to Divest the Atmospheric Gases Divestiture Assets and Businesses

Paragraph II. of the Decision and Order requires Air Liquide to divest the Atmospheric Gases Divestiture Assets and Businesses Assets. Pursuant to this requirement, Air Liquide has diligently sought a buyer that would be acceptable to the Commission and has entered into all appropriate agreements more than [•] [6] months before the deadline for completing the required divestitures.

[REDACTED], Air Liquide entered into an Asset Purchase Agreement (the "APA") with Matheson Tri-Gas, which requires Air Liquide to sell the Atmospheric Gases Divestiture Assets and Businesses to Matheson Tri-Gas.²¹ [REDACTED].²²

1. Divestiture of the Atmospheric Gases Divestiture Assets and Businesses.

Paragraph II.A. of the Decision and Order requires that Air Liquide divest the Atmospheric Gases Divestiture Assets and Businesses absolutely and in good faith to an acquirer within six months after the Commission's Decision and Order becomes final. Pursuant to the APA, Matheson Tri-Gas will acquire all of the Atmospheric Gases Divestiture Assets and Businesses. [REDACTED]

2. [REDACTED]

[REDACTED]

3. [REDACTED]

While not required by the Decision and Order, [REDACTED].

²¹ The APA is attached as Exhibit 3. Documents discussing the divestiture are attached at Exhibit 4 [REDACTED].

²² FOOTNOTE REDACTED.

4. Purpose of the Decision and Order. Paragraph II.D. of the Decision and Order provides that the purpose of the Decision and Order's provisions concerning the divestiture of the Atmospheric Gases Divestiture Assets and Businesses is to ensure the continued operation of the Atmospheric Gases Divestiture Assets and Businesses as a viable, ongoing business by an Acquirer that has the ability and incentive to invest and compete in the production, distribution, marketing and sale of Atmospheric Gases sold in liquid form, and to remedy the lessening of competition resulting from the Acquisition as alleged in the Commission's Complaint. As discussed in greater detail above, Matheson Tri-Gas is an experienced and well-established supplier of industrial gases in the United States that currently operates a significant network of air separation units and is active in the production, distribution, marketing and sale of liquid oxygen, liquid nitrogen, and liquid argon. Matheson Tri-Gas is a strategic buyer because of its complementary industrial gas business and, in particular, its network of air separation units in the Southern United States. Moreover, the acquisition of the Atmospheric Gases Divestiture Assets and Businesses does not raise competitive issues. Accordingly, the proposed divestiture of the Atmospheric Gases Divestiture Assets and Businesses to Matheson Tri-Gas will accomplish the Commission's goals.

* * *

Air Liquide and Matheson Tri-Gas have entered into agreements relating to the divestiture of the Atmospheric Gases Divestiture Assets and Businesses that fully comply with the Commission's Decision and Order. Further, there is every reason to believe that Matheson Tri-Gas will be a viable and competitive owner of the Atmospheric Gases Divestiture Assets and Businesses. Accordingly, Air Liquide hereby seeks expeditious Commission approval of the proposed divestiture pursuant to Paragraph II.A. of the Decision and Order.

Conclusion

For the foregoing reasons, Air Liquide respectfully requests that the Commission expeditiously approve the proposed divestiture of the Atmospheric Gases Divestiture Assets and Businesses to Matheson Tri-Gas, in the manner provided in the Agreements, as soon as practicable after expiration of the public comment period.

Respectfully submitted,

 MJB

George S. Cary
Brian Byrne
Christoph T. Feddersen
Cleary, Gottlieb, Steen & Hamilton
2000 Pennsylvania Ave., N.W.
Washington, D.C. 20006
(202) 974-1500

Counsel for Air Liquide

Dated: June 29, 2004

MATHESON TRI-GAS DIRECTORS AND OFFICERS

| Matheson Tri-Gas Directors and Officers |
|--|
| Taguchi, Hiroshi |
| Matsueda, Hirosuke |
| Hara, Fumio |
| Kobayashi, Kunihiro |
| Kroll, William |
| Samples, James |
| Hamada, Toshihiko |
| Masui, Yoshiyuki |
| Kowey, Rick |
| Nemoto, Roy |
| Kubo, Koichiro |
| Andrew, David |
| Gann, Gary T. |
| Bellitto, Joseph |
| Goto, Mitsuaki |

William J. Kroll of Matheson Tri-Gas, Inc., To Be Appointed to Nippon Sanso Corporation Board of Directors

Parsippany, NJ – May 18, 2004 – William J. Kroll, Chairman, President & CEO of Matheson Tri-Gas, Inc. will be appointed to the Board of Directors of Matheson Tri-Gas' parent company, Nippon Sanso Corporation, one of the world's leading industrial gas companies, as of their June 29, 2004 shareholders' meeting. Mr. Hiroshi Taguchi, President and CEO of Nippon Sanso Corporation, said the following about Mr. Kroll's expanding role, "The merger of Nippon Sanso and Taiyo Toyo will have a significant impact on the global industrial gas business, and Matheson Tri-Gas, Inc., will be our most important subsidiary company. I have recently elevated Bill Kroll to Chairman of Matheson Tri-Gas, and would now like him to represent Matheson Tri-Gas on the Nippon Sanso Board of Directors. Bill is well-known and respected in the global gas industry, with vast and proven experience. His understanding of gas technology and his vast network of industry professionals will prove essential to our growth strategies."

Kroll's experience spans 30 years and includes executive management in almost every area of business, including eleven years of service to Matheson Tri-Gas, Inc. Since March, Kroll has been Chairman, President & CEO of Matheson Tri-Gas, before which he served as President & CEO for two years, and before that, as Executive Vice President of Business Development for about 1 year. He also held Senior Vice President and Vice President positions from 1986 to 1994. During his hiatus from Matheson Tri-Gas, Kroll served as Executive Vice President of Business Development at EMCORE, where he was instrumental in taking that company public. He became a much sought after spokesperson for the technical community and was key in forming joint ventures, acquisitions and international distribution agreements. His more notable accomplishments were the formation of GELcore, the joint venture in solid-state lighting with General Electric Lighting; the joint venture with Uniroyal Technology Corp. in the formation of Uniroyal Optoelectronics, the maker of light emitting diode chips; and the joint venture with Union Miniere in the use of Germanium substrates for III-V devices. In April of 2004, Kroll was inducted into the New Jersey High Tech Hall of Fame.

Kroll completed his undergraduate and graduate work at Northwestern University. He is an established author having penned more than 50 papers in the areas of physical and chemical vapor deposition for semiconductor technology and is a member of IEEE, SEMI, SPIE, SAE, The Electrochemical Society and MRS. He has served on the Boards of the AeA, CGA, Princeton Photonics, Optoelectronics Materials Center and Matheson Tri-Gas, Inc.

Matheson Tri-Gas, Inc., is a single source provider of specialty gases, bulk gases, gas handling equipment, and high performance purification systems. The Company also provides support services, engineering services, and systems management services to analytical laboratories and semiconductor manufacturers worldwide. As a member of the Nippon Sanso Corporation Group, Matheson Tri-Gas, Inc., is part of a worldwide industrial gas organization focusing on being the single source provider for global customer requirements.

CONTACTS:

Beth Sullivan
Marketing Communication Specialist
Matheson Tri-Gas, Inc.
bsullivan@matheson-trigas.com
(215) 648-4026

Christine K. Scully
Marketing Communication Manager
Matheson Tri-Gas, Inc.
christine.scully@verizon.net
(201) 825-1331

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