Balloons symbolize joy for children and grown-ups alike. Non-toxic and non-combustible balloon gas from Messer Griesheim ensures that such joy does not turn into tears.

This annual report is also available in German and French.

Messer Griesheim GmbH
Industrial gases
Welding and cutting products

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Messer Griesheim International

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<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1767</td>
<td>1630</td>
<td>1599</td>
<td>1585</td>
<td>1385</td>
</tr>
<tr>
<td>Change in %</td>
<td>8</td>
<td>2</td>
<td>2</td>
<td>13</td>
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<td>42</td>
<td>42</td>
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<td>101</td>
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<td>Depreciation (***)</td>
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<td>200</td>
<td>145</td>
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<tr>
<td>Personnel expenses</td>
<td>492</td>
<td>470</td>
<td>455</td>
<td>449</td>
<td>397</td>
</tr>
<tr>
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<td>7636</td>
<td>8059</td>
<td>8427</td>
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</tbody>
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Messer Griesheim GmbH

<table>
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</tr>
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<tbody>
<tr>
<td>Sales</td>
<td>1160</td>
<td>1102</td>
<td>1073</td>
<td>1041</td>
<td>985</td>
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<tr>
<td>Net cash flow</td>
<td>191</td>
<td>176</td>
<td>169</td>
<td>148</td>
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<tr>
<td>Capital stock</td>
<td>216</td>
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<td>Stockholders' equity</td>
<td>289</td>
<td>265</td>
<td>246</td>
<td>222</td>
<td>198</td>
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<tr>
<td>as % of the balance sheet total</td>
<td>35</td>
<td>33</td>
<td>31</td>
<td>27</td>
<td>26</td>
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<tr>
<td>Net income for the year</td>
<td>55</td>
<td>40</td>
<td>40</td>
<td>34</td>
<td>42</td>
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<tr>
<td>Research and development</td>
<td>52</td>
<td>51</td>
<td>51</td>
<td>50</td>
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<tr>
<td>Personnel expenses</td>
<td>343</td>
<td>340</td>
<td>320</td>
<td>315</td>
<td>296</td>
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<tr>
<td>Number of employees</td>
<td>5037</td>
<td>5253</td>
<td>5430</td>
<td>5619</td>
<td>5689</td>
</tr>
</tbody>
</table>

*) Messer Griesheim International comprises Messer Griesheim GmbH and the domestic and foreign affiliated companies in which it has a direct or indirect interest of 50% or more.

**) On tangible fixed assets.

***) On tangible fixed assets and investments.
This annual report for 1984 bears witness to the most successful year of business for Messer Griesheim in the 20 years since the merger of the two constituent companies. World sales reached DM 1,767 million. Messer Griesheim GmbH recorded sales of DM 1,160 million and a net income for the year of DM 55 million. The economic recovery on the world market and the improved competitiveness of the Company contributed to this pleasing performance.

Business with industrial gases continued to grow. In contrast, sales of welding and cutting products were depressed, as in the previous year, by the declining demand in the steel producing, shipbuilding and plant construction industries. Foreign business was expanded on a product-related and regional basis, the success of this development being reflected in the Company's overall performance.

In 1984, the capital stock of Messer Griesheim GmbH was increased to DM 216 million. Thanks to its sound financial basis, the Company remains capable of meeting the challenges of the markets flexibly and effectively.

In the year under review, capital expenditure and investments totalled DM 178 million worldwide, including DM 89 million invested in the Federal Republic of Germany.

We thank our business partners for the confidence they have placed in us. Similarly, we thank our employees for their good work. We shall continue to encourage their personal initiative as well as to provide employment in which job satisfaction is foremost.

Hans Messer
Chairman of the Board of Executive Directors
Stockholders

Hoechst AG 66\% 
Messer Industrie GmbH 33\% 

Hans Schlachten, Chairman
Theo Geuss*, Vice-Chairman
Oswald Bommel
Horst Burgard
Dietrich Hoffmann
Karl-Georg Istas
Franz Küchler
Helmut Maucher
Günter Metz
Peter Plocht*
Hans Reintges
Ralf Tänzer*

* Elected by the employees

Supervisory Board

Board of Executive Directors

Hans Messer, Chairman
Gerd Grabhorn
Hans H. Kampny
Joseph H. Van Riel
Paul Wilhelmi

From 4 April 1985

Executives

Klaus Baumgärtnar
Dietrich Böhme
Paul-Otto Gehlhoff
Hans Herrmann Grube
Wolfgang Hromadka
Hubert Ludwig
Hans Schaeuffelen
Klaus Steinbrücher
Paul Wilhelmi

From 1 March 1985

Invisible

Microchip circuits are getting smaller and smaller, almost invisible. However, the etching and doping gases used in their production are even less visible.

(Courtesy of Siemens AG)
1st quarter:
Amalgamation of the marketing organisations of the two Divisions in Germany: 18 distribution centres and 19 sales branches with customer support services.

Supplies of the refrigerants liquid helium and liquid nitrogen delivered for the first time in connection with tomographic applications, a new radiographic technique used in medical diagnostics.

Streamlining of the production facilities of the Welding and Cutting Products Division: Manufacture of flame cutting machines, arc welding equipment and automatic welding systems concentrated in Frankfurt and Völklingen.

In Norway, responsibility for Messer Griesheim sales and service is assumed by Norsk Hydro Industriegass – a division of Norsk Hydro, Norway’s largest company.

2nd quarter:
Capital stock of Messer Griesheim GmbH increased by DM 18 million to DM 216 million.

Opening of the new industrial gas works in Ludwigshafen.

The Volkswagenwerk AG orders four electron beam welder machines for manufacturing automatic transmissions.

Orders won for flame cleaning motorway bridges (Fulda Bridge and Kaiserlei Bridge).

The “Equipment and Fittings” and “Welding Filler Materials” works are affected by the metalworkers’ strike.

MG Industries restructures its six sales branches in the Los Angeles area. The gas depot and self-service facilities for welding products and accessories bring customers additional benefits.

Work commences on the construction of the Head Office building of L’Oxydrique in Machelen (Belgium).
3rd quarter:

Work commences on construction of the industrial gas works and distribution centre in Oberhausen.

A system comprising three oxygen/natural gas burners is commissioned on an 85 tonne electric arc furnace at the Edelstahlwerke Budenus steelworks.

Fedgas starts up an air separation plant in Atrode, near Johannesburg (South Africa).

Work commences on construction of the sales and service branch of Messer Griesheim Ltd in Cramlington, near Newcastle in the UK.

The first international welding show to be held in the People’s Republic of China, “Weldexpo China 1984”, takes place in Hangchow; significant orders for flame cutting machines are placed with Messer Griesheim.

Investment

The construction of the industrial gas works and distribution centre in Oberhausen gets under way. DM 15 million are being invested here.

4th quarter:

Start of working relationship on manufacturing of welding and cutting robots with Reis GmbH & Co., an engineering company based in Obernburg.

The Gesellschaft für Umwelt- und Strahlenforschung (Environmental and Radiation Research Institute) in Neuherberg places further orders for measuring stations complete with gas supply systems for conducting research into forest ecology.

During 1984, Messer Griesheim promoted its products and services at 25 trade fairs and exhibitions. For instance, the welding and cutting products range was featured at “Blech ’84”, the 8th International Sheet Metal-working Fair in Essen.

Respiratory gas mixtures are supplied to GKSS in Geesthacht for the first diving operation performed by the GUSI simulator to a depth of 450 metres.

Start-up of the MG Industries filling works in Fairless Hills, Pennsylvania, USA, and opening of five sales depots.

High pressure

Cylinders are filled under high pressure at the new MG Industries filling works in Fairless Hills, Pennsylvania, USA.
Teamwork

Pressure vessel welding using the TIG process calls for close cooperation. Working simultaneously, two operators—one inside, one outside the vessel—join the thick plates together.

Messer Griesheim 1984

Economic improvement maintained

In 1984, the development of the world economy and world trade surpassed expectations. The improved economic climate was maintained in most industrialised countries. The United States of America recorded a GNP (gross national product) growth rate of 6%. The growth rates were more modest in both Japan (+ 4.5%) and in Western Europe (on average + 2%). The governments in these countries were more concerned with consolidating their respective budgetary situation. The high dollar exchange rate served to improve export opportunities for German industry.

Messer Griesheim International

In 1984, Messer Griesheim increased world sales by 8.4% to DM 1,767 million and is therefore one of the largest operators in the fields of industrial gases and welding technology. Foreign business accounted for 43% of world sales. A further breakdown of the world sales figure shows that industrial gases accounted for 70%, welding and cutting products 30%.

Messer Griesheim GmbH

In the Federal Republic of Germany, the GNP achieved growth of 2.5%, while the inflation rate fell to 2%. The economic upturn was particularly marked in the chemical industry, communications technology and in the consumer goods field. The business climate in other sectors of the economy, such as the construction industry, the steel producing industry and the shipbuilding industry, continued to be hampered by structural problems. In both engineering and plant construction there was still no sign of any eagerness with regard to capital investment.

The pattern of development within the Company varied according to the field of activity. For example, business with industrial gases, which has a wide customer base, increased, while certain areas within the welding and cutting products range failed to show any improvement on the previous year’s performance. Altogether, the sales of Messer Griesheim GmbH increased by 5.3% to DM 1,160 million.

Foreign business shows positive trend

Foreign business is looked after by the Company’s own production and trading organisations abroad with the additional support of the sales and distribution organisation of the Hoechst Group. Specialist agencies and licensees complete the worldwide marketing framework. In 1984, foreign sales—comprising exports from the Federal Republic of Germany and products supplied directly by the foreign subsidiaries—increased by 10.4% to DM 752 million. As in previous years, the emphasis of Messer Griesheim business lay in Western Europe, although results varied somewhat from one country to another. Within this area, the subsidiaries increased the level of locally manufactured supplies by 7.5%. Exports to Eastern Europe did not match up to the 1983 figure.

Further afield, overseas business showed a positive trend. In the United States, Messer Griesheim Industries Inc. increased sales by 13.1%. In Mexico and Venezuela, too, the subsidiaries achieved good results with welding and cutting products. Here, the leading product lines are welding filler materials manufactured in-house. In the Latin American countries, imports from Germany are hindered by shortage of foreign exchange.
The new air separation plant at Fedgas (Pty.) Ltd. in Atrobe, near Johannesburg, went on stream as scheduled.

In Asia, sales increased by 10.7%. The Japanese subsidiary Nippon Messer Griesheim Ltd. benefited from the economic upturn in that country. India, South Korea and the People's Republic of China represent important export markets for us in Asia. Welding filler materials are manufactured under licence in India and Indonesia.

Investments on a high level

In the year under review, DM 164 million were invested in tangible fixed assets and a further DM 14 million in financial investments. Of the capital expenditure, DM 87 million were invested in Germany and DM 77 million abroad. The bulk of the domestic expenditure went towards the expansion of the distribution facilities of the Industrial Gases Division.

Outlook

Messer Griesheim looks with confidence into 1985. The general economic recovery in the industrialised countries looks set to continue. Technical progress will play a part in solving the structural problems of certain important sectors of the economy, and will encourage the demand for capital goods.

Innovative technology in the fields of industrial gases and welding and cutting products coupled with improved efficiency on the production side will sharpen the Company's competitive edge. Business will expand at a faster rate abroad than in Germany.

Booster injection

Oil/oxygen burners increase output in the rotary drum furnace. Short heat-up times save energy, too.
Buoyant: Industrial Gases Division

Recovery of the world market

The worldwide economic upturn has had a positive impact on the markets for gases. In this field, both the Industrial Gases Division in the Federal Republic of Germany and the subsidiaries abroad bear testimony to the favourable development of business.

Activities

Pipeline gases

Oxygen and nitrogen are the mainstay of business with gases which are supplied to consumers via pipelines. In the major industrial centres of the Rhine, Ruhr, Saar and Sieg, Messer Griesheim operates pipeline networks which cover a total distance of 500 km.

In the Ruhr and Saar regions, this business has been affected by the structural changes in the steel industry. In Germany, the market share of oxygen-refined steel is approximately 80%. The pipeline network in the Cologne area supplies oxygen and nitrogen to consumers in the chemical industry.

Technical gases

The products and services supplied under this heading are geared to the needs of both small and large-scale industrial users. This mainly involves the air gases oxygen, nitrogen and argon which are supplied in both gaseous and cryogenic liquid form.

The product range also includes fuel gases, such as acetylene, MAP® and propane, together with the corresponding customer support services. New markets are being opened up for technical gases through applications-oriented process development.

Argon, which constitutes 0.81% of the earth's atmosphere, is one of the growth products. The most important consumers are the steel producing and metalworking industries. For instance, argon is required in the production of alloyed steels. Applications in gas-shielded welding using argon-based gas mixtures are also becoming increasingly widespread.

Gas consumption in oxy-fuel applications declined during 1984. Sales of compressed oxygen in steel cylinders failed to keep pace with the progress made by other products. This was due to generally sluggish demand, attributable on the one hand to the structural changes which were affecting some of our customers and, on the other, to the metalworkers’ strike in West Germany in the second quarter of 1984.

Carbon dioxide is marketed by our subsidiary Buse Gase GmbH, the main consumers being the beverage and food processing industries.

Services:

High-pressure pump assemblies, flame cleaning, Cryostop® pipe freezing service, liquid nitrogen service, Krefeld Cryo-Bank

Hardware:

Plant and equipment for gas and cryogenic applications, as well as storage and distribution, gas repurifying systems, special fittings, analysis equipment

Gas applications:

Development and consulting services

Technical gases in cylinders or liquid storage vessels:

Oxygen, nitrogen, argon and gas mixtures, acetylene, MAP® fuel gas, propane

Specialty and high-purity gases:

Rare gases, hydrogen, respiratory and medical gases, gas mixtures, hydrocarbons, laboratory gases and accessories
High up

Helium balloons climb to heights of 40 km. Scientists from the Nuclear Research Institute in Jülich obtain specimens from the stratosphere in this way. Such specimens form the basis of investigations into the chemical composition of the atmosphere.

(Courtesy of KFA Jülich)

Specialty gases and hydrogen

In addition to hydrogen, this product group includes rare gases, high purity gases, gas mixtures, and inorganic gases. Altogether, the range comprises 150 different base products and a virtually unlimited number of mixture variants which can be produced to customer specifications. Development work in this field is aimed in particular at methods of production, repurification and analysis as well as at systems for measuring, proportioning and storing these gases.

There is a particular demand for specialty gases in research applications, lighting technology, electronics, measuring technology and medicine. Important applications exist for hydrogen in the metallurgical industry (heat treatment), in the food processing industry (hydrogenation of fatty acids) and in the manufacture of high-quality glass products. Business with liquid helium, which is indispensable for example as a refrigerant for superconducting magnetic coils, is also flourishing. Other specialty gases from Messer Griesheim play a vital role in the manufacture of semiconductors and glass fibres as well as in the plasma etching of semiconductor circuits.

Hydrogen in the tank

As a motor vehicle fuel, hydrogen could have a beneficial impact on both energy and pollution problems. Messer Griesheim is playing a part in this development. The tank in this BMW was fabricated in the Siegler-Cryotherm works.

Hydrogen on tap

Demand for hydrogen at the Hanau RBU works is high. The new storage vessel with a capacity of 95,000 litres solves the problem of logistics.
Cryogenic equipment

Cryogenic equipment from Messer Griesheim embraces a wide range of apparatus and systems concerned with the transportation, storage, purification, measurement, filling and application of gases and cryogenic liquids.

Here, the leading product lines are storage vessels for cryogenic liquid gases which are manufactured with capacities of up to 10,000 litres. The product range also features relatively small, super-insulated vessels (dewars) for laboratory use. Other product groups include jet deflashing machines, tunnel freezers, oxygen lances for metallurgical applications, and gas supply systems, all of which are designed and manufactured to suit the individual needs of the customer.

Investments

Work commenced on the construction of the new filling works in Oberhausen—a DM 15 million project. In this plant will be filled oxygen and nitrogen for use in industrial and medical applications as well as argon and argon gas mixtures for welding technology. With estimated annual sales of more than DM 100 million and with a staff of 150 employees, it will be the largest Messer Griesheim plant of its type. The tanker fleet serving the West Ruhr will be controlled from Oberhausen. Here, electronic data processing methods will be used to plan all haulage schedules. Vehicles will be deployed by computer with the aim of maximizing customer service, while minimizing haulage costs, travelling times and distances. The gases will be produced 6 km away in the Oberhausen-Holten production works, which is being expanded with an investment of DM 25 million. At several locations, additional accommodation has been made available to facilitate marketing of the products of both Divisions on a joint basis.

Cold comfort

A new therapeutic treatment for rheumatoid arthritis is based on the use of a stream of dry, cold air which is produced with liquid nitrogen (−196°C). It means the patient is able to undergo physiotherapy without discomfort and pain.

34 gas works in Germany

Including the new filling works in Oberhausen, the German operations of the Industrial Gases Division encompass 34 gas works incorporating three research centres (see map on page 25).

The 10 production works are located in Bremen, Dillingen, Dortmund, Duisburg, Harth, Kelsterbach, Kornwestheim, Oberhausen, Siegen and Wöllingen.

The 24 filling works are in Bochum, Cologne, Dortmund, Essen/Oberhausen, Euteneue, Frankfurt, Hagen, Heilbronn, Herborn, Hürth, Karlsruhe, Kassel, Kiel, Knaupauck, Krefeld, Ludwigs hafen, Lübeck, Reutlingen, Rheinfelden, Saarbrücken, Singen, Trier and Wiesbaden.

The three research centres are in Dormagen, Duisburg and Krefeld.

At Krefeld, there is also a Cryo-Bank.
In a phase of structural change: Welding and Cutting Products Division

Signs of improvement

Following the recession of recent years, world production in welding technology showed a slight upturn in 1984. Although the manufacture of standard products such as oxy-fuel equipment, welding filler materials and arc welding equipment was still in decline in Germany, resistance welding technology and automated welding systems managed to re-establish an upward trend. Messer Griesheim streamlines production and distribution

In 1984, Messer Griesheim restructured the activities of the Division in Germany. Production is now spread over 6 instead of 8 locations. The marketing organisations of the Company’s two Divisions have been amalgamated. New product series are being developed.

Activities

The Division is organised on the basis of five profit centres. They are:

“Equipment and Fittings” with works in Frankfurt and Völklingen (oxy-fuel equipment, arc welding and cutting systems, medical technology)

“Machinery and Electronics” in Frankfurt (flame cutting machines, steel mill equipment, automated welding and cutting systems, pressure vessel construction)

“Welding Filler Materials” in Frankfurt

“Peco Resistance Welding” in Munich (resistance welding machines, micro-welding equipment, thyristor weld timers, measuring and monitoring equipment)

“Steigerwald Strahltechnik” in Puchheim, near Munich (electron beam and laser technology for welding, perforating and surface treatment duties).

The manufacturing programme includes equipment for all the main welding and cutting processes, and extends from miniature oxy-fuel welding torches to CO₂ laser welding systems, from portable flame cutting machines to jumbo-sized CNC controlled plants.

Useful resistance

The quality of Peco resistance welding machines is appreciated worldwide.
Ignited

Machine cutting torches can be supplied with electrical ignition and flame monitoring capabilities.

Concentrated

CO₂ gas lasers with output powers of 1 to 4 kW use concentrated light to perform welding and cutting operations. EUROLAS® is a modular series of laser units.

Compact

This coordinate drive flame cutting machine – the compact CORTE® KSP with CNC control – has aroused great interest among users in small to medium-sized cutting shops.
Experience
At many outdoor events, customers of Messer Griesheim can gain an insight into the diverse product range in the specially equipped exhibition tent. The lift-off of the hot air balloon is a rare experience.

Distribution and logistics in the Federal Republic of Germany

Close at hand
The marketing organisation for industrial gases, welding and cutting products comprises 18 distribution centres, 19 sales branches (see map) and more than 400 appointed distributors (dealers and stockholders). Together, they look after some 150,000 customers.

- Production
- Distribution centre
- Sales branch
- Research centre
Tailor-made supplies

The industrial gas business is run on the lines of a public utility company. Fast, dependable and economic supplies “around the clock” are essential for customers such as steelworks and hospitals who must rely on the constant availability of the gases they require. The large chemical plants and steelworks located along the Rhine, Ruhr, Saar and Sieg receive supplies of oxygen and nitrogen via pipelines running directly from the air separation plants in which they are produced. Every hour, some 300,000 cubic metres of oxygen are fed into the Messer Griesheim pipeline networks at a pressure of 30 to 40 bar.

In liquid form, gases occupy only a fraction of their gaseous volume. The transportation and storage of cryogenic liquefied gases is therefore most economic. Liquefied gases are delivered to the consumers by a 160-strong fleet of tankers which, in the course of one year, cover a combined haulage distance of 10 million km.

In addition, 1.3 million steel cylinders are in daily circulation for supplying small-scale consumers.

Messer-Griesheim offers a string of support services:
- Shielding gas advisory service (welding)
- Fuel gas service
- Gas analysis service
- Waste gas disposal
- Concrete cutting
- Flame cleaning service
- Pipe freezing and cryogenic service
- Mobile high-pressure pumps
- Krefeld Cryo-Bank
- Emergency refrigeration for cold stores
- Irrigation of fires in underground mines
- Irrigation of fires in silos
- Emergency HQ

The product range for gases and cryogenic media embraces everything from standard industrial gases to rare, high purity and specialty gases.
Employees

Messer Griesheim owes its success to the qualifications, commitment and achievements of its employees. In return, the Company offers interesting employment in which job satisfaction is high. After all, monetary reward is not the only consideration: every job needs to be personally rewarding, too. Our employees have shown themselves willing to adapt to changing demands, and make full use of the training programmes on offer within the Company.

The number of employees worldwide fell by 86 in the year under review to 7,550. Although the number of employees outside Germany increased, this was more than offset by the manpower reduction of 216 in Messer Griesheim GmbH to 5,057. At the end of 1984, a total of 367 foreign employees were employed in Germany, representing 7.3% of the Company’s workforce.

In 1984, 90 apprenticeship places were offered in 19 different trades and professions: Machine fitter, works fitter, clerical assistant, lathe operator, technician, electronic engineer, photographic laboratory assistant, commercial trainee, information electronics engineer, boilermaker, cook, machine fitter, mechanic, communications engineer, draughtsman, jig setter, universal miller, process mechanic, toolmaker. The number of apprentices has increased in total by 9.3% to 235.

In the course of the year, the Company’s suggestion scheme attracted a record response, the initiators of many ideas and proposals receiving awards for their contribution.

Trained

In-house training and further education programmes keep the standards set by our employees at the highest level.

From 1st January 1984 membership of the works pension scheme, which had been previously limited to salaried staff, was made available to wage-earners. 88% of manual workers have taken advantage of the change in the rules of eligibility which was made in response to a request put forward by the Works Councils.

On 14th March the Works Council elections took place at Messer Griesheim GmbH with a poll of 87%. During the year under review, cooperation between the management, the 194 Works Council members and the Senior Staff Committee proved most constructive.
The stockholders' equity, in which half of the special reserve items subject to future taxation are included, was increased to DM 288.9 million following the capital payment of DM 18.0 million and an allocation of DM 10.0 million to the free reserve from the net income for the year. The total equity therefore corresponds to 35.0 % of the balance sheet total (1983: 33.3 %). In 1984, the special reserve items subject to future taxation decreased by DM 8.6 million.

The stockholders' equity and long-term liabilities account for 73.4 % of the balance sheet total, and more than cover the fixed assets, investments and inventories.

Investments totalled DM 100.2 million, of which DM 86.7 million were for investments in tangible fixed assets and DM 13.5 million for financial investments, set against depreciation and disposals of DM 99.6 million.

Inventories increased by DM 7.9 million, trade accounts receivable by DM 8.8 million; the receivables and liquid assets exceeded the short-term liabilities.

The high level of internally generated financing led to an increase in the liquid assets, and permitted a further reduction of the long-term liabilities.

The net cash flow improved from DM 176 million to DM 191 million.
Summary of source and application of funds

Application of funds (DM million):
- Capital expenditure
  - Fixed assets: 100.2
  - Investments: 28.8
- Increase of current assets: 26.6
- Decrease of long-term liabilities: 43.9

Source of funds (DM million):
- Stockholders' equity: 23.6
- Depreciation and disposals of fixed assets and investments: 99.6

1984

Structure of expenses

Expenditure on research, development, design and applications technology totalled DM 52.0 million or 4.4% of the total operating performance. Licensing activities continued to yield a positive result.

Personnel expenses, including the increased provisions for pensions, increased by 0.9% to DM 342.6 million, corresponding to 29.3% of the total operating performance.

The net income for the year was DM 55.0 million, of which DM 10.0 million were appropriated to the free reserve.

Total operating performance:
- 1984: DM 1170.4 million
- 1983: DM 1109.6 million

Bar graphs showing:
- In % of total operating performance:
  - Expenditure on materials: 32.5% (1984), 32.0% (1983)
  - Personnel expenses: 29.3% (1984), 30.6% (1983)
  - Other expenses net of other income: 17.8% (1984), 19.7% (1983)
  - Depreciation: 8.4% (1984), 8.8% (1983)
  - Taxes on income and property net income for the year: 4.7% (1984), 3.6% (1983)
Subsidiaries and associated companies as at 31. 12. 1984

The subsidiaries and associated companies of Messer Griesheim are engaged in the same range of activities as the parent company.

The performance of these companies in the year under review varied according to the economic climate in their respective markets.

<table>
<thead>
<tr>
<th>Domestic</th>
</tr>
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<tbody>
<tr>
<td><strong>Messer Griesheim GmbH</strong></td>
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<tr>
<td><strong>Capital stock:</strong></td>
</tr>
<tr>
<td>DM 216,000,000</td>
</tr>
</tbody>
</table>

- **Buse Gase GmbH; Bad Höningen**
  - C: DM 1,000,000
- **Cryotec Tief- und Tiefsttemperature-Technik GmbH, Pullach**
  - C: DM 100,000
- **Fürthest GmbH,**
  - Frankfurt: DM 100,000
- **Oxyssaer Hüttensauerstoff GmbH, Saarbrücken**
  - C: DM 2,000,000
- **Oxytechnik Gesellschaft für System-technik mbH, Eschborn/Taunus**
  - C: DM 50,000
- **Sauerstoff- und Stickstoffbeleuchtungs-gesellschaft mbH, Düsseldorf**
  - C: DM 1,000,000
- **Sauerstoff Union GmbH,**
  - Frankfurt: DM 50,000
- **SIG Sauerstoffwerk Frankfurt GmbH, Frankfurt**
  - C: DM 1,000,000

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| **Airgas Nederland B.V.**
  - Den Haag/Netherlands:
  - C: G 16,000,000
- **Airgas S.A.R.L.**
  - Paris/France:
  - C: F 77,000,000
- **Carburos Messer Griesheim**
  - Gases Industriales S.A.:
  - Barcelona/Spain:
  - C: Pes 420,000,000
- **Likos AG, Lucerne/Switzerland**
  - C: SF 85,200,000
- **L'Oxydique Internationale S.A.**
  - Brussels/Belgium:
  - C: BF 114,000,000
- **Messer Griesheim Austria Ges.m.b.H., Gumpoldskirchen/Austria**
  - C: S 35,000,000
- **Messer Griesheim Belgium S.A., Nossièges/Belgium**
  - C: BF 15,000,000
- **Messer Griesheim France S.A., Evry/France**
  - C: F 4,950,000

<table>
<thead>
<tr>
<th>Overseas</th>
</tr>
</thead>
</table>
| **Messer Griesheim International AG, Chur/Switzerland**
  - C: SF 1,600,000
- **Leonard Ges.m.b.H.**
  - Leomstein/Austria:
  - C: S 600,000
- **Sauerstoffwerk Lensburg AG, Lensburg/Switzerland**
  - C: SF 1,000,000
- **Messer Griesheim Italiana S.p.A., Milan/Italy**
  - C: L 1,500,000
- **Messer Griesheim Ltd., Scalon Delavall/UK**
  - C: £ 400,000
- **Messer Griesheim Nederland B.V., Amsterdam/Netherlands**
  - C: G 1,000,000
- **Polyoxide S.A., Nantes/France**
  - C: F 12,000,000
- **Schweisstechnik AG, Dällikon/Switzerland**
  - C: SF 1,000,000

C = Capital stock
*) Holdings less than 50%
**) Not included in the figures for Messer Griesheim International
*** Subsidiary of Likos AG, Lucerne/Switzerland

- Industrial Gases
- Welding and cutting products
- Foreign exchanges

34

35
Oxysoar Hütteneuesterreich GmbH, Saarbrücken
Capital stock: DM 2 million
Holdings: 75% (25% Saarbergwerke AG)
Activities: Leasing of air separation plants to Messer Griesheim GmbH

Oxytechnik Gesellschaft für Systemtechnik mbH, Eschborn
Capital stock: DM 50,000
Holdings: 100%
Activities: Planning and supply of production plants and custom-built machinery for welding duties

As in 1983, foreign orders accounted for the bulk of the company’s business.

Successful
Significant progress has been achieved in the field of high pressure extraction through the combined expertise of Messer Griesheim and Boe on the gases side in conjunction with the engineering know-how of Uhde GmbH, Dortmund – a fellow member of the Hoechst Group.

Once again, sales and profits were up on the previous year.
The annual financial statements of Messer Griesheim GmbH and its subsidiaries Oxysaar Hüttensaauerstoff GmbH and Oxytechnik Gesellschaft für Systemtechnik mbH are incorporated in the consolidated annual statement of Hoechst AG.

Relationships to other companies associated with Hoechst are limited to the provision of goods and services on a normal commercial basis.

Messer Griesheim GmbH has profit and loss transfer agreements with the following companies:

- Cryotec Tief- und Tiefsttemperatur-Technik GmbH
- Füldraht GmbH
- Oxysaar Hüttensaauerstoff GmbH
- Oxytechnik Gesellschaft für Systemtechnik mbH
- Sauerstoff- und Stickstoffrohrleitungsgesellschaft mbH
- Sauerstoff Union GmbH

Upwards

The food processing sector is currently enjoying an upward trend. Many operations in this field are exploiting the refrigerative advantages of liquid nitrogen, including bakeries, confectioners and frozen food producers. At the packaging stage, special gases are available for enhancing the shelf life of the product.
Foreign affiliates

Likos AG, Lucerne/Switzerland
Capital: SF 85.2 million
Holdings: 50 % (50 % Linda AG)
Activities: Holding company with interests in industrial gas operations in Belgium, France, the Netherlands and South Africa

The capital was increased by SF 3.0 million.

Airgas Nederland B.V., Den Haag/ Netherlands
Capital: G 16 million
Holdings: 75 % Likos AG (25 % W.A. Hoek’s Machine- en Zuurstoffabriek, Schiedam)
Activities: Production and marketing of technical gases

The company supplies steel producers with oxygen and nitrogen via pipelines. Liquid gases are distributed by W.A. Hoek’s Machine- en Zuurstoffabriek in Schiedam.

Airgas S.A.R.L., Paris/FRance
Capital: F 77 million
Holdings: 100 % Likos AG
Activities: Production and marketing of industrial gases, high-purity gases and gas mixtures

Airgas improved its performance in terms of sales and profits. Production capacities were fully utilised. Sales of liquid gases and cylinder gases were increased.

High spot

The cryogenic storage vessel Chronos 80 renders valuable service under extreme conditions: The duty: Storage of blood cells for the purposes of mountain sickness research. The place: The signal relay station 4,554 metres above sea level in the Monte Rosa mountain range near Capanna Margherita on the Italian-Swiss frontier.

Precise

This flame cutting machine is used for precision profile cuts in structural steelwork.
L'Oxyhydrique Internationale S.A., Brussels/Belgium

Capital: BF 114 million
Holdings: 96.61 % Likos AG (remainder by investing public)
Activities: Production and marketing of industrial gases, marketing of welding and cutting products

The company has an extensive distribution network and a sound market position. Sales and profits showed continued improvement despite the poor economic climate.

Carburos Messer Griesheim Gases Industriales S.A., Barcelona/Spain

Capital: Pes 420 million
Holdings: 33 1/3 % (33 1/3 % Hochedt Iberica S.A., 33 1/3 % Sociedad Española de Carburos Metálicos S.A.)
Activities: Production and marketing of technical gases

The company provides the chemical industry in the Tarragona area with pipeline supplies of oxygen and nitrogen. Production capacities were only partly utilised. Trading results were satisfactory.

Messer Griesheim Austria Gas.m.b.H., Gumpoldskirchen/Austria

Capital: S 35 million
Holdings: 100 %
Activities: Production and marketing of industrial gases, marketing of welding and cutting products

Messer Griesheim Austria operates in Austria, Hungary, Czechoslovakia, Yugoslavia, Rumania and Bulgaria. Sales were increased through the expansion of the sales program and the development of new processes involving industrial gases. These include pollution control systems for monitoring air and water, as well as high-quality welding systems. The volume of business achieved with neighbouring state trading countries was maintained despite the difficult situation with regard to foreign exchange.

Messer Griesheim Austria S.A., Nossegem/Belgium

Capital: BF 15 million
Holdings: 100 %
Activities: Marketing of welding and cutting products

The company has moved to modern premises. Pleasing sales and profits were achieved with the same product range.

New

L’Oxyhydrique Internationale S.A. starts construction work on the new administrative HQ in Machelen/Belgium.

Complete

Messer Griesheim Austria offers an allround service for MIG/MAG welding: The EUROTANS® gas-shielded welding set — and the shielding gas, Krysal, to go with it.
Despite increased sales in a contracting market for welding products profits were not satisfactory.

The economic climate provided little encouragement. Despite a slight increase in sales, trading results remained unsatisfactory.

Good name

In the UK, too, Messer Griesheim enjoys an excellent reputation. Here, we have made a name for ourselves with flame cutting machines in particular.
Messer Griesheim Nederland B.V.,
Amsterdam/Netherlands
Capital: G 1 million
Holdings: 100 %
Activities: Marketing of specialty gases and welding/cutting products

The re-organisation of the company was successfully implemented and brought about an improvement in sales and profits.

Polysoude S.A., Nantes/France
Capital: F 12 million
Holdings: 100 %
Activities: Production and marketing of orbital welding systems; marketing of other welding and cutting products

The orbital welding systems (i.e. circumferential tube welding machines) manufactured by Polysoude are aimed primarily at applications in the boiler-making and power plant construction fields. Sales were sluggish and failed to fulfil expectations.

Schweisstechnik AG, Dallikon, near Zürich/Switzerland
Capital: SF 1 million
Holdings: 100 %
Activities: Marketing of industrial gases and welding/cutting products

With the economy generally at a low ebb, the company made satisfactory progress. Industrial gases accounted for an increased share of total sales. The market for welding products remained stagnant. However, sales of automatic welding systems increased in response to higher demand. Messer Griesheim GmbH acquired the remaining shares in the company.

Fedgas (Pty.) Ltd., Atrode, Transvaal, South Africa
Capital: R 20 million
Holdings: 94.5 % Likos AG (5.5 % Sasol Ltd.)
Activities: Production and marketing of technical gases and welding/cutting products

Despite the continuing recession in South Africa, the company made satisfactory progress in both its fields of activity thanks to successful applications technology. The new 220 TPD air separation plant went on stream in the end of August.

In connection with the construction of this plant, Likos AG increased its share of the capital by R 5 million. The capacity of the electrode factory was expanded in line with increased demand.

High grade steel tubes are welded in a milkprocessing plant with "MU" pipewelding pliers.

Prompt

Customers in South Africa receive prompt deliveries, too.
On the industrial gases side, the largest increases were obtained with argon and nitrogen thanks to new applications technology. The gas mixture Argonox® was launched successfully on the US market. Sales of flame cutting machinery and welding filler materials surpassed the previous year’s figures by more than 10%.

The company’s performance benefited from the improved economic situation. Welding filler materials were the leading product line, accounting for 70% of sales. Exports to Central America were increased. Overall, sales and profits were very satisfactory.

The economic recovery in Japan combined with the expansion of the company’s product range served to increase sales and secure a positive trading result. In addition to plasma systems and welding filler materials, the product range includes CNC guiding machines, laser/robot combinations as well as equipment for plasma/powder hardfacing duties.

Durable

The ploughshares on this giant plough in Australia are made considerably more durable by hard-facing with electrodes.

Parade

Thanksgiving in the USA. MG Industries supplied the gas for inflating some of the amusing characters which took part in the parade.
Messer Griesheim GmbH: Financial Statements 1984

Notes to the Balance Sheet

Assets

Tangible and intangible fixed assets increased, as compared to the previous year, by DM 14.9 million to DM 250.1 million.

The details are as follows (in DM million):

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at 1. 1. 1984</td>
<td>235.2</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>+ 86.7</td>
</tr>
<tr>
<td>Disposals</td>
<td>0.8</td>
</tr>
<tr>
<td>Depreciation</td>
<td>- 71.0</td>
</tr>
</tbody>
</table>

Balance as at 31. 12. 1984 250.1

Tangible fixed assets are valued in accordance with the regulations, Articles 153 and 154 AktG. Capitalized company-generated assets include an appropriate portion of expenses as allowed under Article 153 (2) AktG.

The value of items subject to wear and tear is reduced by regular depreciation calculated on the basis of their expected useful life at the maximum depreciation rates allowed for tax purposes. Extraordinary depreciation was applied to obsolete plant and equipment.

Insofar as the declining-balance method of depreciation was used, the straight-line method was adopted wherever appropriate in accordance with Article 7 (3) EStG.

The full annual rate is charged for movable fixed assets added in the first half-year, while additions added in the second half-year are charged at half the annual rate.

In accordance with Article 6 (6) EStG, assets of initial cost of less than DM 800 are written off in full in the year of addition. Intangible assets are carried at reminder values.

Details of the depreciation on the additions in the year under review are shown in the movements of fixed assets and investments.
The value of investments decreased, as compared to the previous year, by DM 14.3 million to DM 207.2 million.

The details are as follows (in DM million):

<table>
<thead>
<tr>
<th>Balance as at 1. 1. 1984</th>
<th>221.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additions/Appreciations</td>
<td>+ 13.5</td>
</tr>
<tr>
<td>Disposals</td>
<td>1.1</td>
</tr>
<tr>
<td>Write-offs</td>
<td>-26.7</td>
</tr>
</tbody>
</table>

Balance as at 31. 12. 1984 207.2

The additions to investments were largely for increases of the capital stock of foreign subsidiaries. Foreign risks were offset by corresponding write-offs.

All long term lendings bearing no or less than 5.5% interest were discounted.

Inventories developed as follows (in DM million):

<table>
<thead>
<tr>
<th>Raw materials and supplies</th>
<th>Finished goods and merchandise</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at 1. 1. 1984</td>
<td>32.9</td>
<td>103.7</td>
</tr>
<tr>
<td>Additions</td>
<td>3.3</td>
<td>4.6</td>
</tr>
<tr>
<td>Balance as at 31. 12. 1984</td>
<td>36.2</td>
<td>108.3</td>
</tr>
</tbody>
</table>

The inventories are valued, in accordance with the regulations of Article 155 AktG, at cost or market or a lower value attributable on the balance sheet date. The value of obsolete and defective items was adjusted to net realizable value. Straightline depreciation on plant and proportionate overheads were taken into account to an appropriate extent in determining the manufacturing costs.

Trade accounts receivable show an increase of DM 8.8 million to DM 179.4 million. Domestic receivables account for DM 136.1 million, foreign receivables for DM 43.3 million. Receivables in respect of domestic and foreign subsidiaries and associated companies amount to DM 21.3 million. Adequate allowances have been made to cover the risk of losses.

The other assets mainly concern claims arising from loans, dividends, insurances and turnover tax.

Liabilities and Stockholders’ Equity

The capital stock was increased by DM 18.0 million to DM 216.0 million through cash payment by the stockholders. DM 10.0 million were allocated to the free reserve from the net income for the year; the free reserve now totals DM 66.0 million.

The special reserve items subject to future taxation decreased overall by DM 8.8 million. This amount is the balance of releases primarily in connection with the write-offs of investments and allocations permitted in accordance with Article 74 ESIDV.

The provisions for pensions totalling DM 89.4 million have been calculated on the basis of the individual asset value in accordance with Article 6a ESrG. Apart from the necessary annual adjustments, the increase in the provisions is also due to higher interim pensions and similar expenses.

The other provisions of DM 94.0 million cover all risks and liabilities of uncertain amount which must be included in the balance sheet unless already disclosed under other headings. These relate primarily to taxes not yet assessed, product warranties, risks connected with transactions in course of settlement and personnel expenses. The increase in the provisions is due in the main to higher taxes and the provisions for jubilee expenses which, under the terms of new legislation, can now be shown as a liability.

The long-term liabilities decreased by DM 54.7 million through repayments.

Of the other liabilities, trade accounts payable increased by DM 2.6 million and the miscellaneous (short-term) liabilities by DM 5.0 million. Among other items, the miscellaneous short-term liabilities include (in DM million):

<table>
<thead>
<tr>
<th>Previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll liabilities</td>
</tr>
<tr>
<td>Interest on loans not yet due</td>
</tr>
</tbody>
</table>
Notes to the Statement of Income

The total operating performance amounted to DM 1,170.4 million, representing an increase of 5.5% over the previous year. Net sales increased by 5.3%.

The income from subsidiaries and associated companies was generated by the distribution of dividends by domestic and foreign companies.

The income from adjustment of special reserve items subject to future taxation totalling DM 9.7 million derives mainly from adjustments in connection with write-offs of foreign investments.

Expenditure on wages, salaries and compulsory social security contributions decreased slightly, as compared to the previous year, on account of the fall in the number of employees.

The expenses related to pensions and benefits include, in addition to current payments to pensioners and welfare schemes, an inpayment of DM 15.2 million to the provisions for pensions.

The main items listed under other expenses were as follows (in DM million):

1. Outside marketing and distribution services 55.2 53.1
2. Rents and leases to:
   Leasing companies 27.6 30.6
   Subsidiaries and associated companies 3.6 4.0
   Others 15.4 15.1
3. Repairs, labour and other services
   provided by outside contractors 79.1 74.1

The net income for the year was DM 55.0 million, of which DM 10.0 million were appropriated to the free reserve. Earnings available for distribution therefore amount to DM 45.0 million.

Frankfurt am Main, 7th March 1985

The Board of
Executive Directors
Messer Grabhorn
Kämpf Van Riet
## Balance Sheet at 31st December 1984

### Assets

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tangible and intangible fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and equivalent rights with office, factory and other buildings</td>
<td>106,760,053</td>
<td>106,733,882</td>
</tr>
<tr>
<td>Land with residential buildings</td>
<td>187,774</td>
<td>221,756</td>
</tr>
<tr>
<td>Land not built upon</td>
<td>1,718,503</td>
<td>1,485,515</td>
</tr>
<tr>
<td>Buildings on leasehold land</td>
<td>9,481,963</td>
<td>8,555,770</td>
</tr>
<tr>
<td>Plant and machinery</td>
<td>99,356,707</td>
<td>88,869,732</td>
</tr>
<tr>
<td>Factory and office equipment</td>
<td>22,978,077</td>
<td>22,278,148</td>
</tr>
<tr>
<td>Construction in progress and advance payments for tangible fixed assets</td>
<td>18,938,304</td>
<td>10,256,719</td>
</tr>
<tr>
<td>Patents, trademarks, licences and similar rights</td>
<td>250,108,432</td>
<td>235,207,523</td>
</tr>
<tr>
<td><strong>Investments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidiaries and associated companies</td>
<td>205,317,139</td>
<td>214,833,370</td>
</tr>
<tr>
<td>Long-term loans (with an initial term of at least four years)</td>
<td>6,683,938</td>
<td>6,674,189</td>
</tr>
<tr>
<td>of which: secured by liens on real estate under Article 86, AktG</td>
<td>4,947,663</td>
<td>(4,895,457)</td>
</tr>
<tr>
<td>of fixed assets and investments</td>
<td>202,000,974</td>
<td>221,497,559</td>
</tr>
<tr>
<td>Inventories</td>
<td>457,309,406</td>
<td>456,704,882</td>
</tr>
<tr>
<td>Raw materials and supplies</td>
<td>36,242,674</td>
<td>32,905,658</td>
</tr>
<tr>
<td>Finished goods and merchandise</td>
<td>108,313,434</td>
<td>103,716,731</td>
</tr>
<tr>
<td><strong>Receivables</strong></td>
<td>144,556,108</td>
<td>136,622,389</td>
</tr>
<tr>
<td>Advance payments</td>
<td>1,841,695</td>
<td>1,590,699</td>
</tr>
<tr>
<td>Accounts receivable, trade</td>
<td>173,357,278</td>
<td>170,580,869</td>
</tr>
<tr>
<td>of which: receivables due after one year</td>
<td>896,597</td>
<td>(812,589)</td>
</tr>
<tr>
<td>receivables from subsidiaries and associated companies</td>
<td>21,149,869</td>
<td>(17,256,656)</td>
</tr>
<tr>
<td>Other receivables from subsidiaries and associated companies</td>
<td>1,255,021</td>
<td>3,712,643</td>
</tr>
<tr>
<td>Other assets</td>
<td>5,847,801</td>
<td>4,033,296</td>
</tr>
<tr>
<td><strong>Liquid assets</strong></td>
<td>186,301,795</td>
<td>186,497,627</td>
</tr>
<tr>
<td>Marketable securities</td>
<td>1,955,691</td>
<td>1,958,691</td>
</tr>
<tr>
<td>Cheques</td>
<td>1,737,735</td>
<td>8,975,531</td>
</tr>
<tr>
<td>Cash in hand, in the Deutsche Bundesbank and in postal checking accounts</td>
<td>1,040,557</td>
<td>931,626</td>
</tr>
<tr>
<td>Cash in banks</td>
<td>31,205,894</td>
<td>10,880,439</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>35,912,917</td>
<td>22,745,687</td>
</tr>
<tr>
<td><strong>Prepaid expenses</strong></td>
<td>396,770,820</td>
<td>339,865,103</td>
</tr>
<tr>
<td><strong>total assets</strong></td>
<td>626,080,226</td>
<td>796,857,172</td>
</tr>
</tbody>
</table>

### Liabilities and Stockholders' Equity

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital stock</strong></td>
<td>216,000,000</td>
<td>186,000,000</td>
</tr>
<tr>
<td>Free reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 1st Jan.</td>
<td>58,000,000</td>
<td></td>
</tr>
<tr>
<td>Allocation from the net income for the year</td>
<td>10,000,000</td>
<td></td>
</tr>
<tr>
<td><strong>Special reserve</strong></td>
<td>55,000,000</td>
<td>58,000,000</td>
</tr>
<tr>
<td>Special reserve under Article 1, ErElHG and ErElStG</td>
<td>55,000,000</td>
<td>58,000,000</td>
</tr>
<tr>
<td><strong>Provisions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions for pensions</td>
<td>9,876,391</td>
<td>7,232,203</td>
</tr>
<tr>
<td>Provisions for maintenance and repairs</td>
<td>2,000,000</td>
<td>2,000,000</td>
</tr>
<tr>
<td><strong>Long-term liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(with an initial term of at least four years)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unallocated loan notes</td>
<td>12,000,000</td>
<td>20,000,000</td>
</tr>
<tr>
<td>Long-term liabilities due to banks</td>
<td>183,259,000</td>
<td>225,726,000</td>
</tr>
<tr>
<td>Long-term liabilities due to pension funds</td>
<td>27,500,000</td>
<td>27,500,000</td>
</tr>
<tr>
<td>Other long-term liabilities</td>
<td>295,000</td>
<td>1,450,762</td>
</tr>
<tr>
<td>Part of long-term liabilities due within four years</td>
<td>(150,000)</td>
<td>(130,000)</td>
</tr>
<tr>
<td>Other liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable, trade</td>
<td>38,552,941</td>
<td>38,045,306</td>
</tr>
<tr>
<td>Advance payments received</td>
<td>3,299,419</td>
<td>4,291,133</td>
</tr>
<tr>
<td>Liabilities due to subsidiaries and associated companies</td>
<td>8,263,775</td>
<td>1,062,608</td>
</tr>
<tr>
<td>Miscellaneous liabilities</td>
<td>38,659,175</td>
<td>23,631,881</td>
</tr>
<tr>
<td><strong>Unappropriated retained earnings</strong></td>
<td>8,080,000</td>
<td>7,965,172</td>
</tr>
</tbody>
</table>

56

57
## Movements of Fixed Assets and Investments in 1984

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DM</td>
<td>DM</td>
<td>Current year</td>
</tr>
<tr>
<td><strong>Tangible and intangible fixed assets</strong></td>
<td></td>
<td></td>
<td>DM</td>
</tr>
<tr>
<td>Land and equivalent rights with office, factory and other buildings</td>
<td>106,733,882</td>
<td>6,701,009</td>
<td>—</td>
</tr>
<tr>
<td>Land not built upon</td>
<td>1,485,015</td>
<td>257,458</td>
<td>27,057</td>
</tr>
<tr>
<td>Buildings on leasehold land</td>
<td>8,350,370</td>
<td>2,634,444</td>
<td>1,066,978</td>
</tr>
<tr>
<td>Plant and machinery</td>
<td>95,880,732</td>
<td>37,415,568</td>
<td>456,036</td>
</tr>
<tr>
<td>Factory and office equipment</td>
<td>22,278,148</td>
<td>31,648,305</td>
<td>3,528,544</td>
</tr>
<tr>
<td>Construction in progress and advance payments for tangible fixed assets</td>
<td>10,256,719</td>
<td>8,681,583(1)</td>
<td>—</td>
</tr>
<tr>
<td>Patents, trademarks, licences and similar rights</td>
<td>—</td>
<td>1</td>
<td>—</td>
</tr>
<tr>
<td><strong>Subsidiaries and associated companies</strong></td>
<td>214,823,370</td>
<td>11,925,183</td>
<td>26,432,414</td>
</tr>
<tr>
<td>Long-term loans (with an initial term of at least four years)</td>
<td>6,674,189</td>
<td>1,412,188</td>
<td>1,089,963</td>
</tr>
<tr>
<td><strong>Total fixed assets and investments</strong></td>
<td>221,497,559</td>
<td>13,338,371</td>
<td>115,902</td>
</tr>
</tbody>
</table>

1) Balance from additions of DM 17,895,363 and transfers to operating fixed assets of DM 9,213,778
2) Compounded interest
3) Deduction of unclaimed interest

### Balance Sheet Notes

| Contingent liabilities resulting from issue and transfer of bills | 22,949,214 | 24,936,276 |
| Guarantees | 181,567,230 | 147,471,851 |
### Statement of Income for 1984

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>1 519 787 757</td>
<td>1 011 730 806</td>
</tr>
<tr>
<td>Increase in inventories of finished goods</td>
<td>4 668 678</td>
<td>1 418 969</td>
</tr>
<tr>
<td>Other capitalized company-generated assets</td>
<td>5 982 241</td>
<td>10 630 919</td>
</tr>
<tr>
<td></td>
<td>10 417 376</td>
<td>7 835 447</td>
</tr>
<tr>
<td><strong>Total operating performance</strong></td>
<td>1 170 418 678</td>
<td>1 108 565 253</td>
</tr>
<tr>
<td>Cost of materials, supplies and merchandise</td>
<td>360 862 156</td>
<td>354 872 439</td>
</tr>
<tr>
<td><strong>Gross result from operation</strong></td>
<td>799 516 523</td>
<td>754 693 814</td>
</tr>
<tr>
<td>Income from profit and loss transfer agreements</td>
<td>1 065 542</td>
<td>445 251</td>
</tr>
<tr>
<td>Income from subsidiaries and associated companies</td>
<td>5 138 762</td>
<td>5 684 913</td>
</tr>
<tr>
<td>Income from other investments</td>
<td>394 130</td>
<td>309 614</td>
</tr>
<tr>
<td>Other interest and similar income</td>
<td>5 745 836</td>
<td>3 985 182</td>
</tr>
<tr>
<td>Income from disposal of fixed assets and investments</td>
<td>1 429 571</td>
<td>863 804</td>
</tr>
<tr>
<td>Income from reduction of fictitious allowance for doubtful accounts</td>
<td>—</td>
<td>7 000</td>
</tr>
<tr>
<td>Income from adjustment of special reserve items subject to future taxation</td>
<td>9 665 413</td>
<td>17 381 250</td>
</tr>
<tr>
<td>Other income</td>
<td>3 212 137</td>
<td>3 622 699</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>816 428 911</td>
<td>786 994 586</td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>272 994 053</td>
<td>276 280 579</td>
</tr>
<tr>
<td>Compulsory social security contributions</td>
<td>42 675 462</td>
<td>41 853 384</td>
</tr>
<tr>
<td>Expenses related to pensions and benefits</td>
<td>26 990 516</td>
<td>22 258 644</td>
</tr>
<tr>
<td>Depreciation on tangible fixed assets</td>
<td>71 049 449</td>
<td>65 579 759</td>
</tr>
<tr>
<td>Write-offs of investments</td>
<td>26 661 878</td>
<td>31 852 379</td>
</tr>
<tr>
<td>Losses on receivables</td>
<td>2 021 513</td>
<td>2 712 096</td>
</tr>
<tr>
<td>Losses from disposal of fixed assets</td>
<td>430 132</td>
<td>480 091</td>
</tr>
<tr>
<td>Interest and similar expenses</td>
<td>23 975 697</td>
<td>28 645 894</td>
</tr>
<tr>
<td>Taxes on income and property</td>
<td>89 936 879</td>
<td>58 515 294</td>
</tr>
<tr>
<td>Other taxes</td>
<td>1 379 937</td>
<td>1 391 170</td>
</tr>
<tr>
<td>Transfer to special reserve items subject to future taxation</td>
<td>9 325 000</td>
<td></td>
</tr>
<tr>
<td>Other expenses</td>
<td>205 619 398</td>
<td>781 428 911</td>
</tr>
<tr>
<td><strong>Net income for the year</strong></td>
<td>55 000 000</td>
<td>40 000 000</td>
</tr>
<tr>
<td>Allocation to the free reserve</td>
<td>10 000 000</td>
<td>5 000 000</td>
</tr>
<tr>
<td><strong>Unappropriated retained earnings</strong></td>
<td>45 000 000</td>
<td>35 000 000</td>
</tr>
</tbody>
</table>

Pension fund contributions (including payments to legally independent benefit funds) | 11 783 879 | 10 956 042 |

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### Auditors' Report

The accounting, the annual financial statements and the management report, which we have audited in accordance with professional standards, comply with German Law and the company's statutes.

Frankfurt am Main, 7th March 1985

Treuhand-Vereinigung Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft und Steuerberatungsgesellschaft

Dr. Uhrig
Wirtschaftsprüfer

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Winner

In the photography competition
"Messer Griesheim through the eyes
and lenses of employees", Willi Westkamp
took first place with this picture.
It's entitled "Apprentices in training".