

MESSER GRIESHEIM 1983





Electronics and microprocessors control work flow and operating sequences. Today, automatic welding and cutting systems based on robots and computer-controlled machines relieve operating personnel of tasks that are physically strenuous and mentally monotonous. In this way, operators are free to perform more satisfying and demanding duties associated with programming, control and service.

This annual report is also available in German and French.

MESSER GRIESHEIM INTERNATIONAL¹⁾

DM million	1983	1982	1981	1980	1979
Sales ²⁾	1632	1602	1568	1388	1208
thereof Foreign	681	680	685	547	426
Capital expenditure on:					
Tangible fixed assets	92	101	152	234	126
Investments in subsidiaries	63	16	36	46	35
Depreciation ³⁾	149	178	123	110	96
Personnel expenses	470	455	449	397	350
Number of employees	7636	8059	8427	8426	7680

MESSER GRIESHEIM GMBH

DM million	1983	1982	1981	1980	1979
Sales ²⁾	1104	1076	1044	988	902
Gross cash flow	235	222	193	196	184
Capital stock	198	180	165	150	141
Stockholders' equity	265	246	222	198	187
Research and development	51	51	50	45	41
Personnel expenses	340	320	315	296	268
Number of employees	5253	5430	5619	5689	5332

¹⁾ Messer Griesheim International includes Messer Griesheim GmbH and the domestic and foreign affiliated companies in which it has a direct or indirect interest of 50 % or more.

²⁾ Based on invoiced value.

³⁾ Including depreciation on investments.



Elec
trol v
Toda
syst
pute
oper
phys
mon
free
dem
prog

This
Gern

Mess

Contents

	Page
Foreword	3
Stockholders, Supervisory Board, Board of Executive Directors, Executives	4
Activities	7
Messer Griesheim International	10
Messer Griesheim GmbH Employees	12
Messer Griesheim GmbH Financial Statement	15
Subsidiaries and associated companies	19
Messer Griesheim GmbH Financial Statements	37
Addresses	48

Business with industrial gases in the Federal Republic of Germany saw another year of growth in 1983. However, varying patterns of development were recorded in the 30 works of the Industrial Gases Division. For instance, sales of rare and high-purity gases, liquid nitrogen and other products for new process applications increased. In contrast, sales of technical gases to the steel industry and metal fabricators were stagnant and, in some areas, declined.

The performance of the Welding and Cutting Products Division was affected by the declining demand in the steel producing, shipbuilding and plant construction industries. Plans to streamline the operational basis of this Division (by combining the activities of 8 works into 5 centres in future) were implemented as scheduled.

Initial steps were also taken to amalgamate on a regional basis the sales and service organisations for industrial gases, welding and cutting products with the aim of improving the efficiency of our customer support.

Outside Germany, too, the Company's activities are being restructured in the light of market trends and future demand in terms of Messer Griesheim products and regional developments abroad. In this respect, the products and processes offered by Messer Griesheim are designed to meet the needs of the future, including better utilisation of raw materials and energy, efficient manufacturing and processing methods, effective pollution control, health and communications.

In 1983, the capital stock of Messer Griesheim GmbH was increased to DM 198 million, that of Messer Griesheim Industries, Inc. in the USA to \$ 60 million.

Messer Griesheim is set to continue its successful course into the second half of the decade on a sound financial basis. We thank our employees for their commitment in a year that brought new challenges. Similarly, we extend our thanks to our business friends and associates for placing their confidence in us.

Hans Messer
Chairman of the Board of
Executive Directors

Stockholders

Hoechst Aktiengesellschaft
Messer Industrie GmbH

Thea Messer
Honorary Chairwoman of the Company

January 1984

Supervisory Board

Hans Schlachter, Chairman
Theo Geuss, Vice-Chairman
Oswald Bommel
Horst Burgard
Jürg G. Engi*
Hermann Güntel*
Dietrich Hoffmann
Karl-Georg Ista
Franz Küchler
Karl Lips*
Helmut Maucher
Günter Metz
Hermann Niedlich*
Elisabeth Nitsche*
Peter Ploch
Hans Reintges
Ralf Tänzer

* Until 25. 3. 1983
Elected by the employees

Board of Executive Directors

Hans Messer, Chairman
Gerd Grabhorn
Hans H. Kämpny
Joseph H. Van Riet

Executives

Klaus Baumgärtner
Dietrich Böhme
Paul-Otto Gehlhoff
Hans Hermann Grube
Wolfgang Hromadka
Hubert Ludwig
Hans Schaeuffelen
Paul Willheim

Board of Executive Directors

Hans Messer
Chairman
Law, PR, Personnel and
Welfare Services



Hans H. Kämpny
Industrial Gases Division

Gerd Grabhorn
Finance, Accountancy,
Data Processing and Organisation,
Purchasing and Stock control



Joseph H. Van Riet
Welding and Cutting Products Division

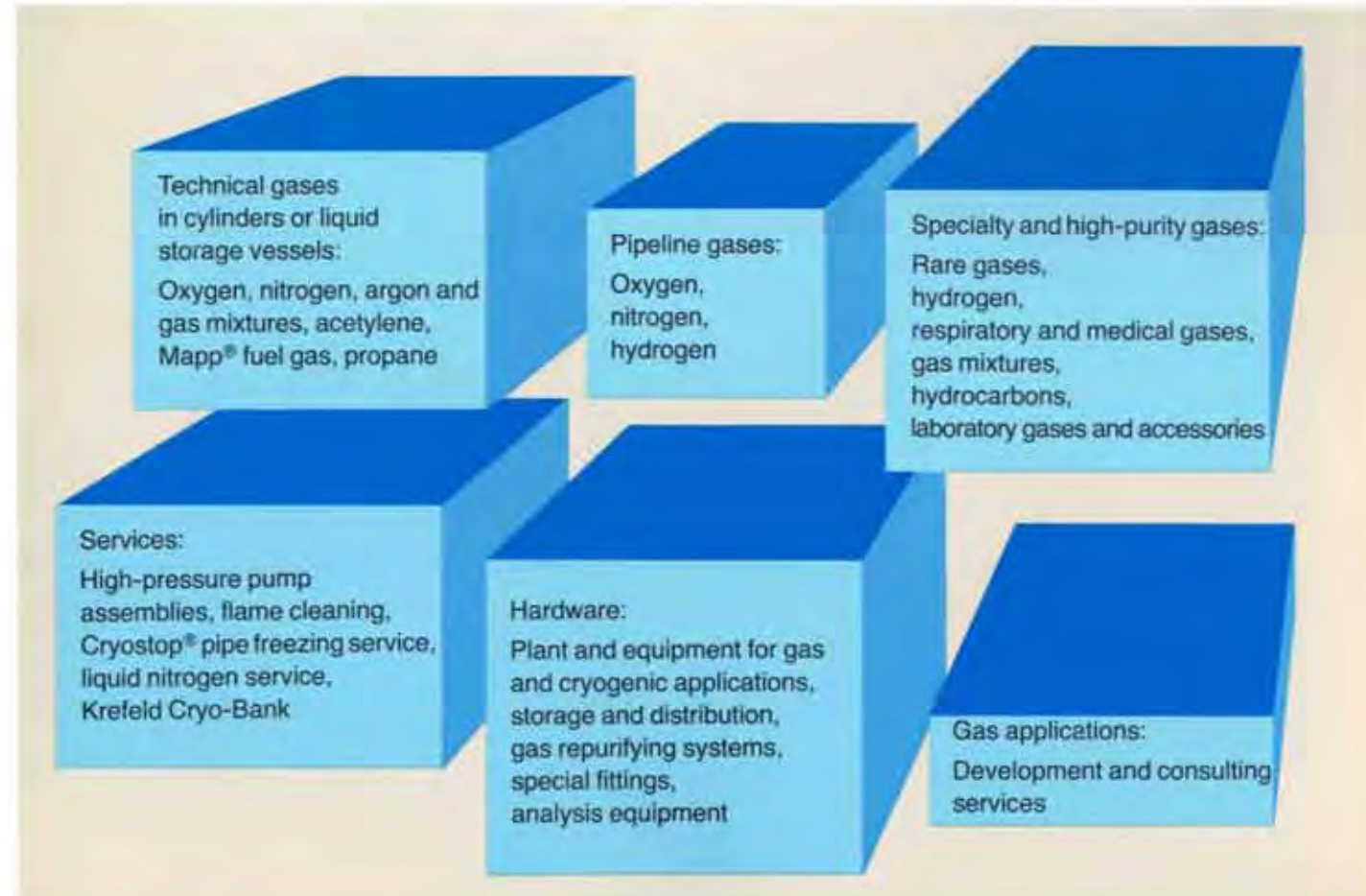




Air gas station

This is the air separation plant at Hürth, one of a network of production centres from which industrial gases are swiftly supplied to consumers everywhere.

Industrial Gases Division Activities





Hard facts

Customer: Bongiovanni in Fossano, Italy.

Duty: Welding of wear-resistant hard-facings on cylinders for extrusion filters.

Power source: Pulsomat 450-2.

Welding wire: Gridur S 600.

Gas mixture: Argon/CO₂.

Pressure regulator: Constant.

Welding and Cutting Products Division Activities



Messer Griesheim International

Messer Griesheim is one of the world's leading companies in the fields of industrial gases, welding and cutting technology. In the most important industrial markets of the world, Messer Griesheim is represented by 26 company-owned manufacturing and trading organisations as well as 3 licensees. In the rest of the world, sales of Messer Griesheim products are handled by the sales organisation of the Hoechst Group and by specialist agencies.

In 1983, world sales increased by 1.9% to DM 1632 million. Foreign sales accounted for 42% of this figure, while 70% of foreign sales were achieved with products manufactured outside Germany.

The number of employees fell by 423 to 7636. In the year under review, DM 92 million were invested in tangible fixed assets and a further DM 65 million in financial investments.

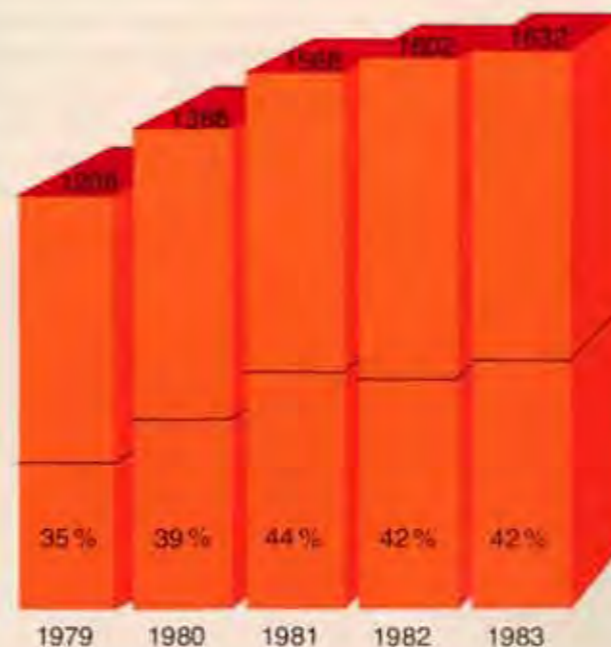


In control

The advances in microelectronics have brought about further progress in welding and cutting technology. Here in the Hanauer Landstrasse works, electronic modules for flame cutting machines, control systems and peripherals are manufactured, tested and assembled.

Messer Griesheim world sales in DM million

Percentage figure denotes share of foreign sales



Development of personnel Messer Griesheim International
Top: Messer Griesheim GmbH and domestic subsidiaries
Bottom: Foreign subsidiaries



Messer Griesheim GmbH Employees

Compared with the previous year, the number of employees fell by 177 to 5253. Work was started on merging the company's engineering activities in Frankfurt and the manufacture of gas shielded welding equipment in Völklingen.

The rules of the works pension scheme were changed to bring workers' rights into line with those of staff, thereby implementing a resolution of the employees' representative body.

In the year under review, 40% more apprenticeships were offered than in the previous year, catering for 19 trades and professions. The number of apprentices has risen to 215. Of this total, 76 young men and women are training for a commercial or technical profession, while the remaining 139 trainees are engaged in craft apprenticeships. The training and instruction programme in electronic engineering has been expanded. Tuition is also provided on computer-controlled machines.



Opportunities for further education were enjoyed by many employees. The further education programme offered in 1983 comprised 3000 days of tuition, of which 1085 employees made use.

The works medical service is staffed by one full-time and five part-time works doctors. In the Frankfurt works, a team of three nurses is responsible for attending to minor injuries. Ten percent of workers and six percent of staff have been trained in First Aid. Following increased efforts, there was a pleasing fall in the number of accidents at work.

In accordance with the Comanagement Law of 1976, voting took place on the 1st March for the second time to elect six employee representatives onto the Supervisory Board of Messer Griesheim GmbH. The interests of the employees are represented by the Works Councils and by the Senior Staff Committee. The various Works Councils have 198 members, 24 of whom are elected to serve on the Central Works Council. The Senior Staff Committee has nine members.

Circuit training

The electronics specialists of the future learn their trade in small groups, using teaching aids they have developed themselves.

Developing interest

Messer Griesheim has 215 apprentices on its books. For instance, Barbara Tintschl. She is training as a photographic laboratory assistant. The company offers vocational training in 18 other technical and commercial professions.



Seat of learning

Apprentices at Messer Griesheim receive practical training. For the young generation of today, working with the computer is as natural as reading a slide-rule.





Setting new standards

Concrete generates heat as it sets. With large structures, this can lead to stress cracks. Therefore, liquid nitrogen is used to conduct the heat away under carefully controlled conditions – as in the construction of the Farø Bridge in Denmark.

Messer Griesheim GmbH Financial Statement

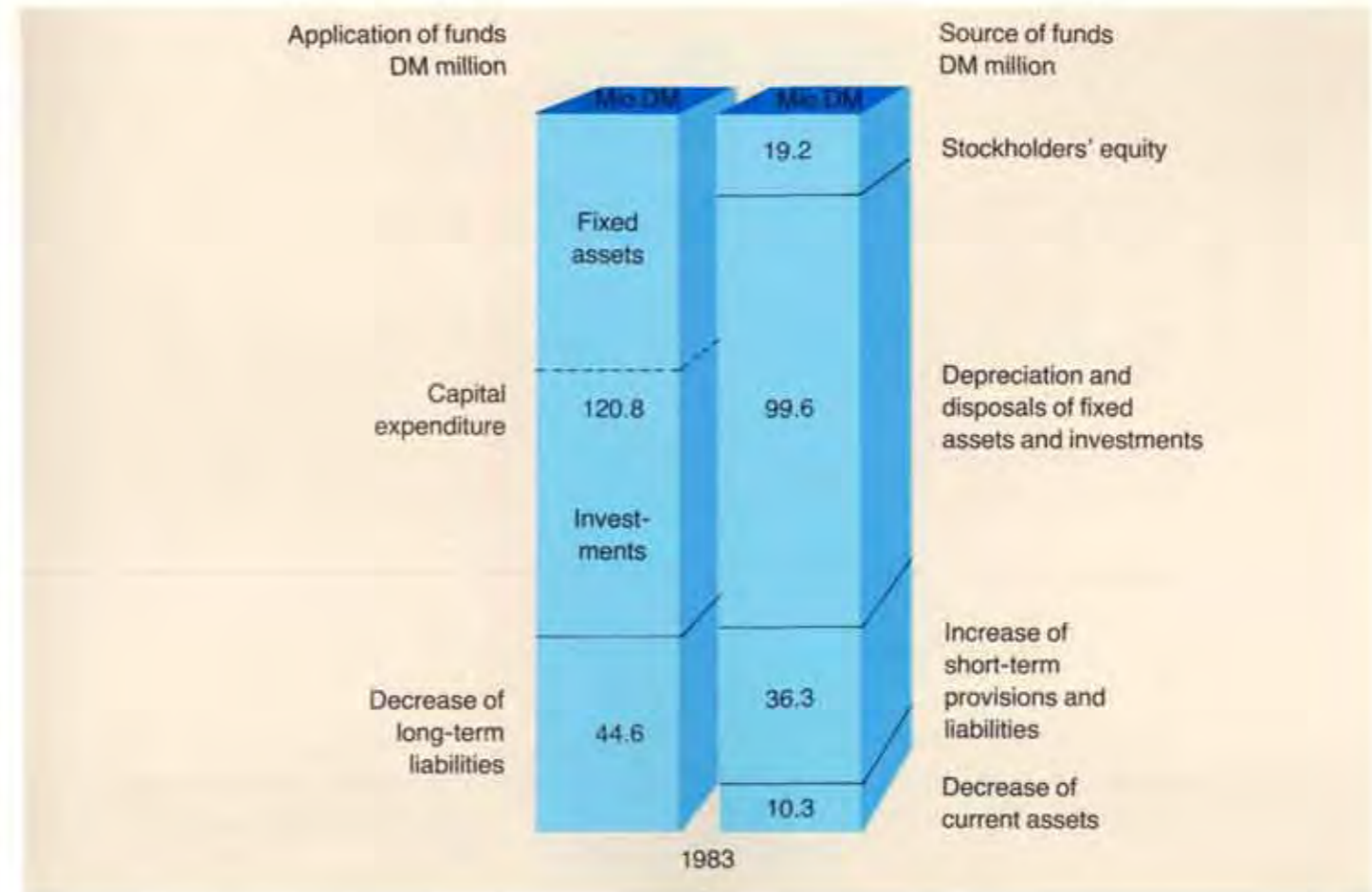
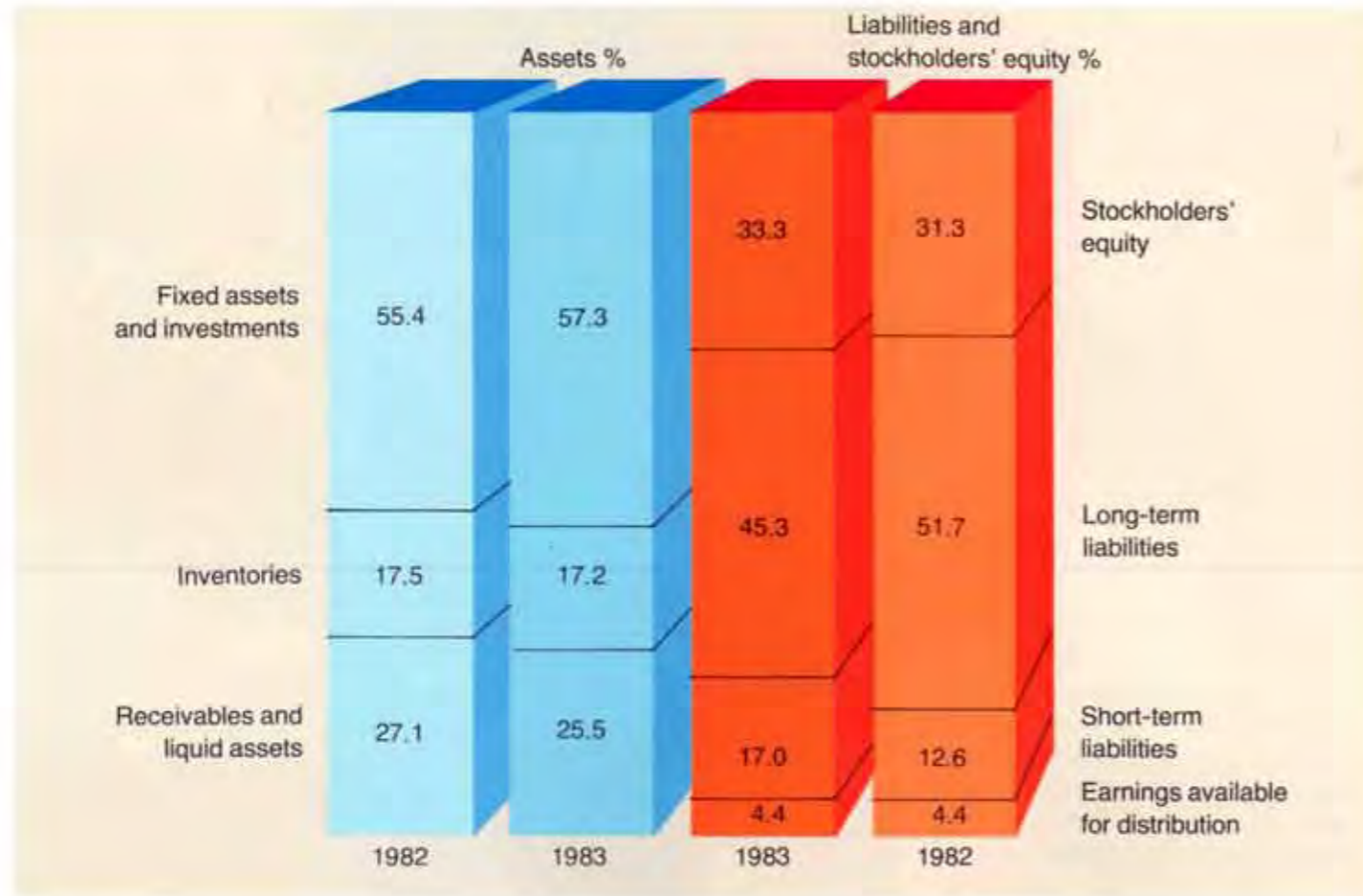
The stockholders' equity, to which half of the special reserve items subject to future taxation are added, was increased to DM 265.3 million following the capital payment of DM 18.0 million and an allocation of DM 5.0 million to the free reserve from the net income for the year. The total equity therefore corresponds to 33.3% of the balance sheet total (1982: 31.3%). In 1983, the value of special reserve items subject to future taxation fell by DM 7.6 million.

The stockholders' equity and long-term liabilities account for 78.6% of the balance sheet total and more than cover the fixed assets, investments and inventories.

Investments totalled DM 120.8 million, of which DM 56.2 million (46.5%) were for investments in tangible fixed assets and DM 64.6 million (53.5%) for financial investments, set against depreciation and disposals of DM 99.6 million.

Inventories fell by DM 1.3 million compared with the previous year. The trade accounts receivable increased by DM 12.6 million; the receivables and liquid assets exceeded the short-term liabilities.

The gross cash flow improved from DM 222.0 million to DM 235.0 million.



Messer Griesheim GmbH Structure of expenses

Expenditure on research, development, design and applications technology totalled DM 50.6 million or 4.6% of the total operating performance. Licensing activities continued to yield a positive result.

Personnel expenses, including the increased provisions for pensions, increased by 6.3% to DM 339.6 million, corresponding to 30.6% of the total operating performance.

The net income for the year was DM 40.0 million, of which DM 5.0 million were appropriated to the free reserve.

Total operating performance:
1983: DM 1109.6 million
1982: DM 1066.9 million

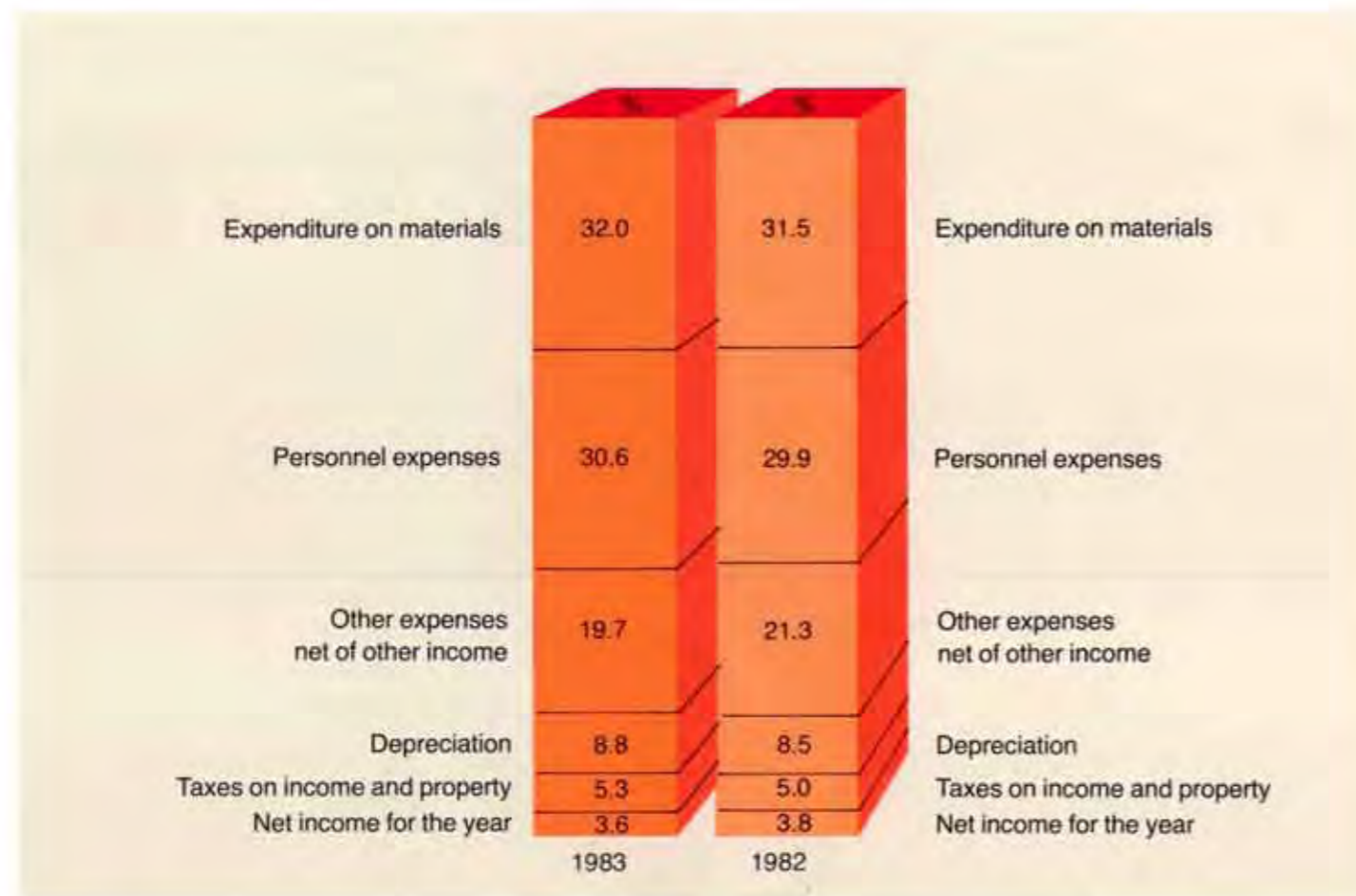
Subsidiaries and associated companies

The subsidiaries and associated companies of Messer Griesheim (shown in the Tables on pages 20 and 21) 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.

Capital expenditure on fixed assets was aimed in particular at improving sales and distribution facilities.

In South Africa, work was started on the construction of an air separation plant. Special efforts were directed towards improving delivery services.

The production activities of Messer Griesheim do Brasil were terminated. Spare parts and service support continue to be provided on an agency basis.



Summary of subsidiaries
as at 31. 12. 1983

Messer Griesheim GmbH,
Capital stock:
DM 198,000,000

Domestic

Buse Gase GmbH, Bad Hönningen C: DM 1,000,000	■
Cryotec Tief- und Tiefsttemperatur- Technik GmbH, Pullach C: DM 100,000	■
Fülldraht GmbH, Frankfurt C: DM 100,000	■
Oxysaar Hüttensauerstoff GmbH, Saarbrücken C: DM 2,000,000	■
Oxytechnik Gesellschaft für System- technik mbH, Eschborn/Taunus C: DM 50,000	■
Sauerstoff- und Stickstoffrohrleitungs- gesellschaft mbH, Düsseldorf C: DM 1,000,000	■
Sauerstoff Union GmbH, Frankfurt C: DM 50,000	■
SIG Sauerstoffwerk Frankfurt GmbH, Frankfurt C: DM 1,000,000	■

C = Capital stock

*) Holdings less than 50 %

***) Not included in the figures for
Messer Griesheim International
Subsidiaries of

Likos AG, Lucerne/Switzerland

■ Industrial Gases

■ Welding and cutting products

Europe

Airgaz Nederland B.V.**)***), Den Haag/Netherlands C: G 16,000,000	■	Messer Griesheim International AG, Chur/Switzerland C: SF 1,600,000	■
Airgaz S.A.R.L.***), Paris/France C: F 77,000,000	■	Leonarc Ges.m.b.H.**)***), Leonstein/Austria C: S 600,000	■
Carbuos Messer Griesheim Gases Industriales S.A.)*), Barcelona/Spain C: Pts 420,000,000	■	Sauerstoffwerk Lenzburg AG, Lenzburg/Switzerland**)***), C: SF 1,000,000	■
Likos AG, Lucerne/Switzerland C: SF 82,200,000		Messer Griesheim Italiana S.p.A., Milan/Italy C: L 1,500,000,000	■
L'Oxydrique Internationale S.A.**)***), Brussels/Belgium C: BF 114,000,000	■	Messer Griesheim Ltd., Seaton Delaval/UK C: £ 400,000	■
Messer Griesheim Austria Ges.m.b.H., Gumpoldskirchen/Austria C: S 35,000,000	■	Messer Griesheim Nederland B.V., Amsterdam/Netherlands C: G 1,000,000	■
Messer Griesheim Belgium S.A., Nossegem/Belgium C: BF 15,000,000	■	Messer Griesheim Norsk Teknisk Bureau A/S, Oslo/Norway C: Kr 2,000,000	■
Messer Griesheim France S.A., Evry/France C: F 4,950,000	■	Polysoude S.A., Nantes/France C: F 12,000,000	■
		Schweisstechnik AG, Dällikon/Switzerland C: SF 1,000,000	■

Overseas

Fedgas (Pty.) Ltd.**)***), Alrode, Transvaal/South Africa C: R 15,000,000	■
Messer Griesheim Industries, Inc., Wilmington, Delaware/USA C: \$ 60,000,000	■
Messer Griesheim de Mexico S.A. de C.V., Mexico D.F./Mexico C: Mex \$ 510,000,000	■
Messer Griesheim de Venezuela S.A., Caracas/Venezuela C: Bs 7,150,000	■
Nippon Messer Griesheim Ltd., Tokyo/Japan C: Y 1,000,000,000	■

German affiliates

Buse Gase GmbH,
Bad Hönningen
Capital stock: DM 1 million
Holdings: 50% (50% Kohlen-
säurewerke Rud. Buse
GmbH & Co.)

The company produces and markets technical gases, carbon dioxide being the mainstay of sales. Sales were up on the previous year's figures.

Oxysaar Hüttensauerstoff GmbH,
Saarbrücken
Capital stock: DM 2 million
Holdings: 75% (25% Saarberg-
werke AG)

Oxysaar leases its production facilities, which supply oxygen and nitrogen to consumers in the Saarland steel industry, to Messer Griesheim GmbH.

Oxytechnik Gesellschaft für System-
technik mbH, Eschborn
Capital stock: DM 50,000
Holdings: 100%

Oxytechnik plans and supplies production plants and custom-built machinery for welding duties in many branches of industry. Foreign orders accounted almost exclusively for the 1983 sales figure. Following the change in the GmbH-Law, the capital stock was increased to DM 50,000.

Sauerstoff- und Stickstoffrohrleitungs-
gesellschaft mbH, Düsseldorf
Capital stock: DM 1 million
Holdings: 50% (50% Bayer AG)

The company operates a pipeline network for oxygen and nitrogen serving the chemical industry in the Cologne area.

SIG Sauerstoffwerk Frankfurt GmbH,
Frankfurt
Capital stock: DM 1 million
Holdings: 50% (50% Lonza-
Werke GmbH)

The company's product range comprises technical gases which are marketed in the Rhine-Main area. Sales and profits were up on the previous year. The increase in sales was primarily attributable to the rise in demand for nitrogen and rare gases.



Delivering the goods

Backed up by a fleet of modern road tankers, the Industrial Gases Division supplies its customers around the clock. The operations centres use computers to minimise empty journeys and detours, saving costs and energy.

Satisfied customer

Guy Moreau has good reason to smile: In September, his firm (Phenix in Liège, Belgium) replaced its old strip welding plant with a Kontinumat system from Oxytechnik. By October, the galvanizing line achieved the biggest tonnage in its history.



The annual financial statements of Messer Griesheim GmbH and its subsidiaries Oxysaar Hüttensauerstoff GmbH and Oxytechnik Gesellschaft für Systemtechnik mbH are incorporated in the consolidated annual statement of Hoechst AG.

Relationships with 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 Tieftemperatur-Technik GmbH
 Fülldraht GmbH
 Oxysaar Hüttensauerstoff GmbH
 Oxytechnik Gesellschaft für Systemtechnik mbH
 Sauerstoff- und Stickstoffrohrleitungsgesellschaft mbH
 Sauerstoff Union GmbH



(Photograph by courtesy of Empacher)

Taking the strain

Converting the force exerted by the oarsman into movement calls for sturdily constructed outriggers. For their manufacture, Messer Griesheim supplies the shielding gases, TIG welding equipment and filler materials.



(Photograph by courtesy of Söhnlein-Rheingold)

Good taste

Sparkling and still wines must be allowed to mature in the right, carefully



controlled conditions. Nitrogen, the universal shielding gas, prevents oxidation and therefore precludes discoloration and changes in taste.

Not-so-hot dogs

After cooling or flash freezing with liquid nitrogen and packaging under shielding gases, foodstuffs stay fresh for longer. Here at Schlütter's, manufacturers of Nuremberg grilled sausages, the product is refrigerated in a Cryogen® tunnel freezer and then packed under a shielding gas mixture of nitrogen and carbon dioxide. In this way, the otherwise easily perishable sausages remain fresh for four months.



Affiliates abroad

Likos AG,
Lucerne/Switzerland
Capital: SF 82.2 million
Holdings: 50% (50% Linde AG)

Likos AG has holdings in industrial gas companies in Belgium, France, the Netherlands and South Africa. The capital was increased by SF 2.8 million.



Film star

Photographs of distant galaxies require exposure times of several hours. Highly sensitive films suitable for shooting cosmic subjects of low luminosity, such as the Andromeda Nebula, are sensitized in forming gas in order to achieve shorter exposure times.

Airgas Nederland B.V.,
Den Haag/Netherlands
Capital: G 16 million
Holdings: 75% Likos AG
(25% W. A. Hoek's
Machine- en Zuurstoff-
fabriek, Schiedam)

The company supplies steel producers with oxygen and nitrogen via pipelines. W. A. Hoek's Machine- en Zuurstoff-fabriek in Schiedam distributes the liquid gas side of the Airgas production range.

Airgaz S.A.R.L.,
Paris/France
Capital: F 77 million
Holdings: 100% Likos AG

The company produces and markets industrial gases. The sales territory was expanded, and sales showed a pleasing increase.

Safekeeping

The low-temperature storage system Biosafe® needs no mains power supply and is therefore particularly reliable when it comes to storing biological specimens.

L'Oxyhydrique Internationale S.A.,
Brussels/Belgium
Capital: BF 114 million
Holdings: 98.4% Likos AG
(remainder by investing
public)

In addition to producing and distributing industrial gases, the company also markets welding and cutting products. There was a significant upturn in sales and profits.

The storage vessel Chronos is topped up with the -196° cold nitrogen by an automatic refilling device. The system has sufficient reserves of refrigerant for an operating period of three weeks.



Carburos Messer Griesheim Gases Industriales S.A., Barcelona/Spain
Capital: Pts 420 million
Holdings: 33 $\frac{1}{3}$ % (33 $\frac{1}{3}$ % Hoechst Ibérica S.A., 33 $\frac{1}{3}$ % Sociedad Española de Carburos Metalicos S.A.)

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

Messer Griesheim Austria Ges.m.b.H., Gumpoldskirchen/Austria
Capital: S 35 million
Holdings: 100%

The company, whose sales organisation serves Austria and the Danube countries, markets self-generated industrial gases as well as the welding and cutting products of the parent company. Sales and profits increased despite the sluggish economy in Austria and the neighbouring state-trading countries.



Turning on the heat

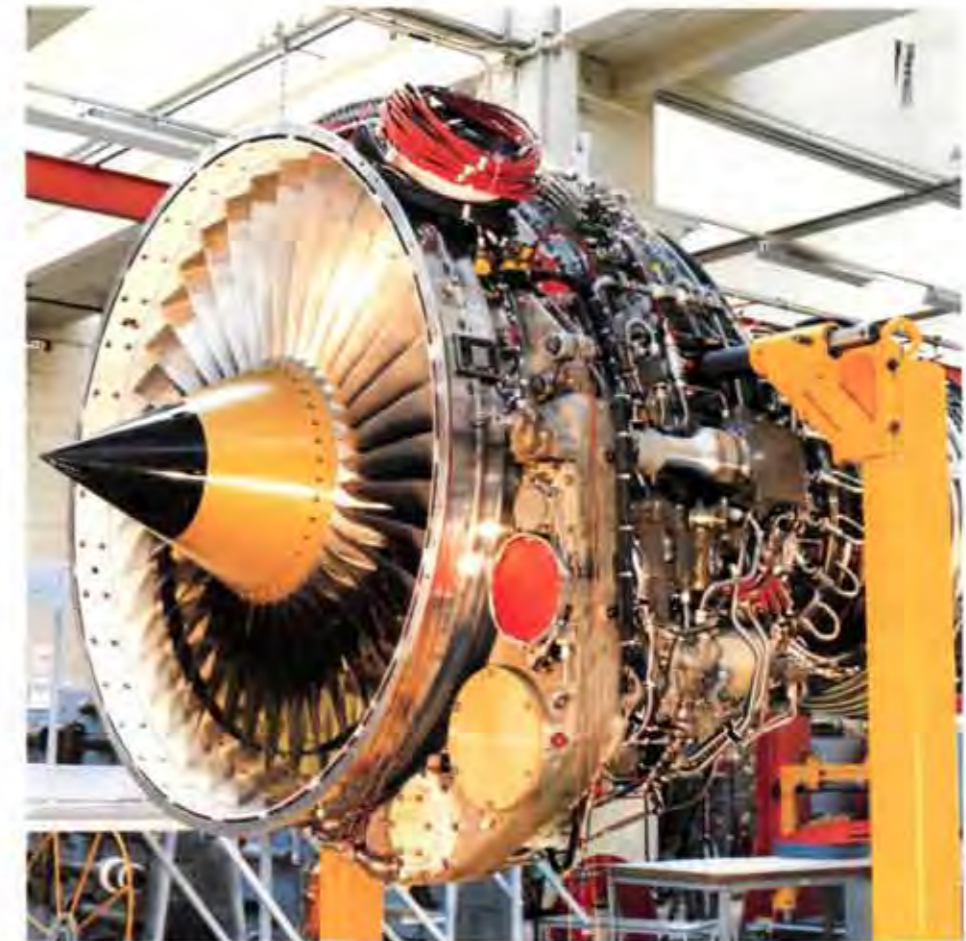
A high-performance melting process for alloy steels: The oxy-fuel lance Oxipyr® (on the left of the arc furnace) shortens the melting time and saves energy. The injection of oxygen into the combustion air is suitable for steel scrap, grey iron and non-ferrous metals.

Messer Griesheim Belgium S.A., Nossegem/Belgium
Capital: BF 15 million
Holdings: 100%

Sales and profits were unsatisfactory on account of the effect of the recession on branches of industry in which the company has major customers.

Messer Griesheim France S.A., Evry/France
Capital: F 4.95 million
Holdings: 100%

In a sluggish market for welding and cutting products, Messer Griesheim France S.A. succeeded in improving its share of the market. However, profits were not satisfactory.



Euro power

Here, the turbine assembly of a jet engine intended for the European Airbus and Douglas DC 8 is being welded by SNECMA in Evry, Paris using the manipulator Eurobot 10 and the high-precision TIG welding power source Euromatig 35.

Messer Griesheim International AG,
Chur/Switzerland
Capital: SF 1.6 million
Holdings: 100%

The company has holdings in Swiss and Austrian firms whose activities involve industrial gases and welding technology.

Messer Griesheim Italiana S.p.A.,
Milan/Italy
Capital: L 1500 million
Holdings: 87.5% (12.5% Hoechst Italia S.p.A.)

Sales were depressed and profits unsatisfactory. The stockholders' equity was increased by L 750 million.

Messer Griesheim Ltd.,
Seaton Delaval/UK
Capital: £ 400,000
Holdings: 100%

Messer Griesheim Ltd. markets the welding and cutting products of the parent company in the UK. Flame cutting machinery accounts for the bulk of the company's business. Sales and profits were satisfactory.

Messer Griesheim Nederland B.V.,
Amsterdam/Netherlands
Capital: G 1 million
Holdings: 100%

The company markets welding and cutting products as well as specialty gases. As in Belgium, the most important customers in the Netherlands were adversely affected by the recession in the metalworking industry. Initial steps were taken to streamline the sales organisation for the Netherlands and Belgium.

Messer Griesheim Norsk Teknisk
Bureau A/S, Oslo/Norway
Capital: Kr 2 million
Holdings: 100%

The company's business relied largely on sales of flame cutting machines and arc welding equipment. Preparatory moves were made to transfer the business to Norsk Hydro A/S, Industriegass, as future agents for Messer Griesheim in Norway.



On the right track

In the fabrication of railroad car roofs, thin sheets are joined permanently together by the resistance welding process – without the need for secondary machining operations.

At the right angle

This Multisec KS machine is equipped with a rectangle cutting system. It is seen here in the works of Creusot Loire in Nantes, France.



Spot on

Precise welds are carried out by this fully automatic EB machining centre supplied by Steigerwald-Strahltechnik to McDonnell Douglas Astronautics Corp.

Ring of confidence

Stator rings made from extremely heat-resistant chromium molybdenum steel for use in jet engines are welded fully automatically and without distortion by the electron beam.



Polysoude S.A.,
Nantes/France
Capital: F 12 million
Holdings: 100%

The Polysoude production range comprises orbital welding machines and special-purpose power sources, particularly for applications in boiler-making and power plant construction. These products are marketed through-

out the world by the Messer Griesheim sales organisation. Exports accounted for 70% of business. In addition, the company operates a regional trading business with welding and cutting products. The profit situation is not yet satisfactory. The details stated regarding capital and holdings take account of the recent reorganisation of the company.

Look, no hands

Mechanised welding methods bring consistency and reliability to pipework fabrication. The welding process is efficient and reproducible.



Schweisstechnik AG,
Dällikon near Zürich/Switzerland
Capital: SF 1 million
Holdings: 55% (remainder in private ownership)

Schweisstechnik AG is a trading company engaged in the fields of welding and cutting technology. The product range is rounded off by specialty gases, shielding gases and hardware for gas applications, including cryogenics. In view of the economic climate, sales and profits were regarded as satisfactory.

Fedgas (Pty.) Ltd.,
Alrode, Transvaal/South Africa
Capital: R 15 million
Holdings: 92.67% Likos AG
(7.33% Sasol Ltd.)

The company's activities are focused on industrial gases, welding and cutting technology. Sales were dampened by the continuing recession in South Africa. In connection with the air separation plant which is now under construction, the capital was increased by Likos AG by R 5 million.

Profitable partnership

Robot and laser make a great combination: The laser cuts 1.0 mm thick steel exhaust pipes for motor vehicles. The robot positions and manipulates the parts. Messer Griesheim supplies the laser gas, too.



Messer Griesheim Industries, Inc.,
Wilmington, Delaware/USA
Capital: \$ 60 million
Holdings: 100 %

The company is responsible for the combined activities of Messer Griesheim in the USA. As a result of improved efficiency and streamlining of the product range, the company's performance improved as planned despite a shortfall of orders in terms of large-scale welding and cutting machines. The capital was increased by \$ 15.5 million.

Messer Griesheim de Mexico S.A.,
de C.V., Mexico D.F./Mexico
Capital: Mex. \$ 510 million
Holdings: 100 %

The company manufactures and markets welding and cutting products. Despite the continuing recession in Mexico, Messer Griesheim de Mexico secured an improvement in both sales and profits. The capital was increased by Mex. \$ 480 million. At the same time, the parent company increased its holdings to 100 %.

New look

The amalgamation of MG Burdett and C-R-O into MG Industries was accompanied by the promotion of a new corporate image, as projected by the company's fleet of road tankers.

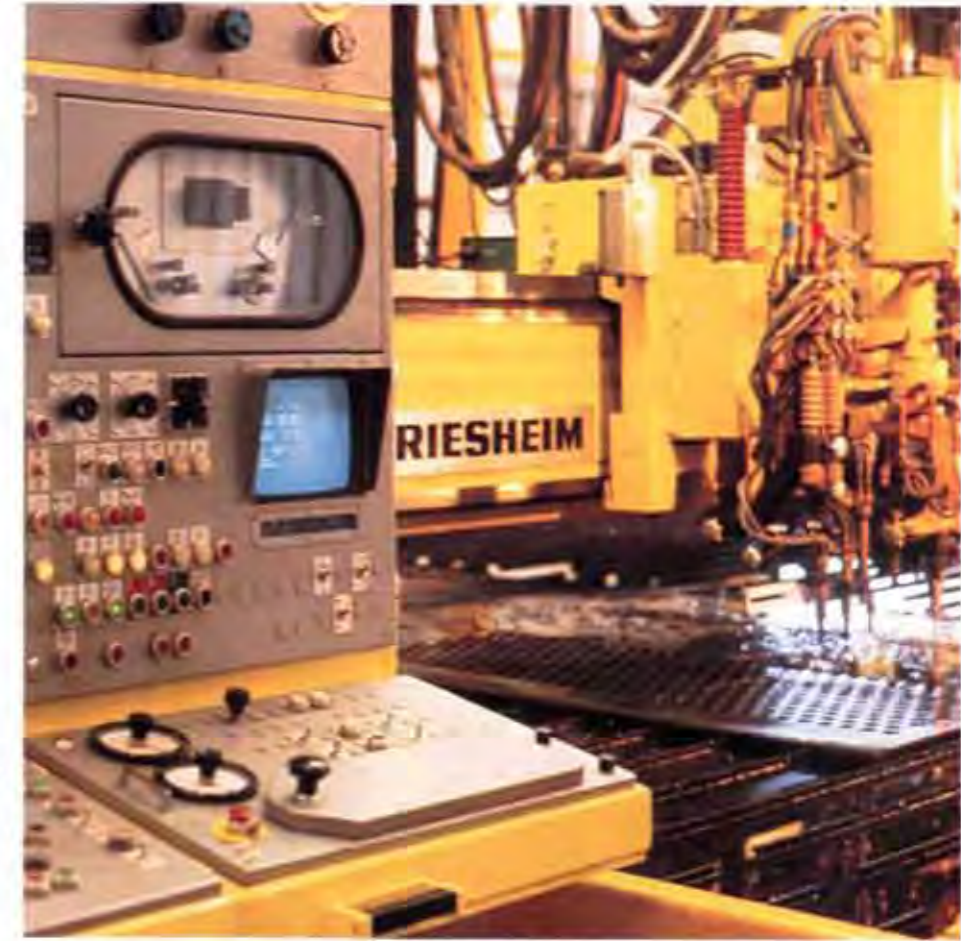


Messer Griesheim de Venezuela S.A.,
Caracas/Venezuela
Capital: Bs 7.15 million
Holdings: 50 % (50 % Hoechst
Remedia S.A.)

Seen against the background of the economic situation in Venezuela, the performance of Messer Griesheim de Venezuela was satisfactory. The capital was increased by Bs 1.15 million.

Nippon Messer Griesheim Ltd.,
Tokyo/Japan
Capital: Yen 1 billion
Holdings: 75 % (25 % Hoechst
Japan Ltd.)

The company manufactures plasma welding and cutting plants and markets laser equipment, gas shielded welding sets and consumables.



The buck stops here

This versatile machining centre has been in operation since the beginning of the year in Adelaide, Australia. In addition to flame cutting duties, drilling, milling, marking and positioning operations can be carried out immediately at the same workstation with the same machine, saving intermediate storage, transportation and setting-up time.



It's a gas!

In both cases, the surprises are sprung by helium. Top: Helium-filled hoses raise the cellist to the heights of inspiration. Bottom: At the International Garden Show in Munich, invisible helium hoses put the set into silent motion, turning the opera 'Icarus' into a visual experience.



Notes to the Balance Sheet

Assets

Tangible and intangible fixed assets decreased, as compared to the previous year, by DM 10.5 million to DM 235.2 million.

The details are as follows (in DM million):

Balance as at 1. 1. 1983		245.7
Capital expenditure		+ 56.2
Disposals	0.7	
Depreciation	66.0	- 66.7
Balance as at 31. 12. 1983		235.2

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.

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 in the second half-year are charged at half the annual rate.

In accordance with Article 6 (2) EStG, assets of minor value 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** increased, as compared to the previous year, by DM 31.7 million to DM 221.5 million.

The details are as follows (in DM million):

Balance as at 1. 1. 1983		189.8
Additions/Appreciations		+ 64.6
Disposals	1.0	
Write-offs	31.9	- 32.9
<hr/>		
Balance as at 31. 12. 1983		221.5

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

Interest-free lendings or those bearing less than 5.5 % interest, incorporated in long-term loans, were discounted.

Inventories developed as follows (in DM million):

	Raw materials and supplies	Finished goods and merchandise	Total
Balance as at 1. 1. 1983	35.5	102.4	137.9
Deductions/Additions	- 2.6	+ 1.3	- 1.3
<hr/>			
Balance as at 31. 12. 1983	32.9	103.7	136.6

The inventories are valued, in accordance with the regulations of Article 155 AktG, at cost or market, on the balance sheet date. The value of obsolete and defective items was adjusted to net realizable value. Straight-line 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 12.6 million. This 8 % rise is due to the disproportionately high increase in sales in the last quarter as compared with the same period in the previous year. Domestic receivables account for DM 127.1 million, foreign receivables DM 43.5 million. Receivables in respect of domestic and foreign subsidiaries and associated companies amount to DM 17.3 million. Adequate allowances have been made to cover the risk of losses.

The **other assets** mainly concern claims arising from loans and dividends.

Liabilities and Stockholders' Equity

The **capital stock** was increased by DM 18.0 million to DM 198.0 million through cash payment by the stockholders. DM 5.0 million were allocated to the **free reserve** from the net income for the year; the free reserve now totals DM 58.0 million.

The **special reserve items subject to future taxation** decreased overall by DM 7.6 million. This amount is the balance of releases primarily in connection with the write-offs of investments and allocations permitted in accordance with Article 3 Auslandsinvestitions-gesetz.

The **provisions for pensions** totalling DM 74.2 million have been calculated on the basis of the individual asset value as permitted by the tax authorities, taking into account the new guide tables for pension funds. The inpayment of DM 11.2 million also encompasses the reorganisation of the works retirement pensions scheme in the year under review, in particular the opening of the Hoechst AG pension fund to non-clerical employees.

The **other provisions** of DM 67.1 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, including expenses incurred in connection with the recently initiated merger of the activities of the Welding and Cutting Products Division.

The **long-term liabilities** decreased by DM 52.0 million through repayments.

Of the **other liabilities**, trade accounts payable increased by DM 2.6 million and the miscellaneous (short-term) liabilities by DM 0.8 million. Among other items, the miscellaneous short-term liabilities include (in DM million):

		Previous year
Payroll liabilities	12.8	8.5
Taxes	1.7	2.9
Interest on loans not yet due	7.5	9.2

Contingent liabilities not disclosed in the balance sheet are as follows:

Properties with a book value of DM 645,255 are encumbered with lease rights and land charges.

Receivables of DM 601,000 have been assigned to secure export credits.

Payment commitments totalling DM 3,766,002 exist in respect of shares not yet fully paid.

There are commitments of DM 532,500 in accordance with Article 24, GmbH-Gesetz.

Notes to the Statement of Income

The **total operating performance** amounted to DM 1,109.6 million, representing an increase of 4.0% over the previous year. Net sales increased by 2.6%.

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 17.4 million derives mainly from adjustments in connection with write-offs of foreign investments.

Expenditure on wages, salaries and compulsory social security contributions increased by DM 17.3 million.

The **expenses related to pensions and benefits** include, in addition to current payments to pensioners and welfare schemes, an inpayment of DM 11.2 million to the provisions for pensions.

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

		Previous year
1. Outside marketing and distribution services	53.1	50.7
2. Rents and leases to:		
Leasing companies	30.6	31.9
Subsidiaries and associated companies	4.0	3.7
Others	15.1	15.0
3. Repairs, labour and other services provided by outside contractors	74.1	69.8

The **net income for the year** was DM 40.0 million, of which DM 5.0 million were appropriated to the free reserve. Earnings available for distribution therefore amount to DM 35.0 million.

Frankfurt am Main, 7th March 1984

The Board of
Executive Directors
Messer Grabhorn
Kämpny Van Riet

Balance Sheet at 31st December 1983

Assets		DM	31. 12. 1983	31. 12. 1982	
			DM	DM	
Tangible and intangible fixed assets	Land and equivalent rights with office, factory and other buildings		106 733 882	102 651 006	
	Land with residential buildings		221 756	233 409	
	Land not built upon		1 485 515	3 074 050	
	Buildings on leasehold land		8 350 570	8 594 404	
	Plant and machinery		85 880 732	94 350 364	
	Factory and office equipment		22 278 148	27 560 330	
	Construction in progress and advance payments for tangible fixed assets		10 256 719	9 221 553	
	Patents, trademarks, licences and similar rights		1	1	
			<u>235 207 323</u>	<u>245 685 117</u>	
	Investments	Subsidiaries and associated companies		214 823 370	183 819 750
		Long-term loans (with an initial term of at least four years) of which: secured by liens on real estate under Article 89, AktG	4 895 497 416 630	6 674 189	5 931 319 (4 140 482) (517 681)
			<u>221 497 559</u>	<u>189 751 069</u>	
Fixed assets and investments			<u>456 704 882</u>	<u>435 436 186</u>	
Inventories	Raw materials and supplies		32 905 658	35 477 999	
	Finished goods and merchandise		103 716 731	102 384 366	
			<u>136 622 389</u>	<u>137 862 365</u>	
Receivables and other assets	Advance payments		1 590 699	1 657 698	
	Accounts receivable, trade of which: receivables due after one year receivables from subsidiaries and associated companies	812 289 17 256 056	170 560 989	157 953 099 (2 625 449)	
	Other receivables from subsidiaries and associated companies		3 712 043	3 103 727	
	Receivables under Article 89, AktG		—	9 608	
	Receivables under Article 115, AktG		—	10 074	
	Other assets		4 633 296	5 722 642	
			<u>180 497 027</u>	<u>168 456 848</u>	
Liquid assets	Marketable securities		1 958 691	1 958 691	
	Bills receivable of which: discountable at Deutsche Bundesbank	—	—	652 314 (652 314)	
	Cheques		8 975 531	4 728 354	
	Cash in hand, in the Deutsche Bundesbank and in postal checking accounts		931 026	885 755	
	Cash in banks		10 880 439	35 661 386	
			<u>22 745 687</u>	<u>43 886 500</u>	
	Current assets		<u>339 865 103</u>	<u>350 205 713</u>	
Prepaid expenses	Other prepaid expenses		87 187	166 940	
			<u>796 657 172</u>	<u>785 808 839</u>	

Liabilities and Stockholders' Equity

		DM	31. 12. 1983	31. 12. 1982
			DM	DM
Capital stock			198 000 000	180 000 000
Free reserve	As at 1st. Jan.		53 000 000	(48 000 000)
	Allocation from the net income for the year		5 000 000	(5 000 000)
			<u>58 000 000</u>	<u>53 000 000</u>
Special reserve items subject to future taxation	Special reserve under Article 1, EntwHStG and EntwLStG		760 938	4 605 987
	Special reserve under Article 74, EStDV		4 345 000	4 238 586
	Special reserve under Article 3, AuslInvG		11 160 000	14 850 000
	Special reserve under Article 52, Sect. 5 EStG		2 276 140	2 503 755
			<u>18 542 078</u>	<u>26 198 328</u>
Provisions	Provisions for pensions		74 232 203	62 986 402
	Provisions for maintenance and repairs		2 000 000	—
	Other provisions		67 120 009	34 409 666
			<u>143 352 212</u>	<u>97 396 068</u>
Long-term liabilities (with an initial term of at least four years)	Unlisted loan notes of which: secured by charges on land	20 000 000	20 000 000	28 000 000 (28 000 000)
	Long-term liabilities due to banks		228 726 000	272 201 000
	Long-term liabilities due to pension funds of which: to subsidiaries and associated companies	27 500 000	27 500 000	27 500 000 (27 500 000)
	Other long-term liabilities of which: to subsidiaries and associated companies	150 000	1 460 702	1 980 766 (120 000)
	Part of long-term liabilities due within four years	130 186 702	—	— (136 086 766)
				<u>277 686 702</u>
Other liabilities	Accounts payable, trade		36 045 306	33 471 401
	Advance payments received		4 796 133	4 327 621
	Liabilities due to subsidiaries and associated companies		1 602 880	3 938 968
	Miscellaneous liabilities		23 631 861	22 794 687
			<u>66 076 180</u>	<u>64 532 677</u>
Unappropriated retained earnings			35 000 000	35 000 000
			<u>796 657 172</u>	<u>785 808 839</u>

Movements of Fixed Assets and Investments in 1983

	1. 1. 1983	Additions	Appreciation	Disposals	Depreciation of additions		Total	Book transfers	31. 12. 1983
	DM	DM	DM	DM	Current	Previous years	DM	DM	DM
Tangible and intangible fixed assets:									
Land and equivalent rights with office, factory and other buildings	102 651 006	8 021 575	—	—	395 572	5 579 535	5 975 107	2 036 408	106 733 882
Land with residential buildings	233 409	—	—	—	—	11 653	11 653	—	221 756
Land not built upon	3 074 050	455 493	—	7 620	—	—	—	- 2 036 408	1 485 515
Buildings on leasehold land	8 594 404	453 617	—	2 607	76 342	618 502	694 844	—	8 350 570
Plant and machinery	94 350 364	22 007 407	—	512 690	5 005 009	24 962 449	29 967 458	3 109	85 880 732
Factory and office equipment	27 560 330	24 230 499	—	178 875	18 178 467	11 152 230	29 330 697	- 3 109	22 278 148
Construction in progress and advance payments for tangible fixed assets	9 221 553	1 035 166 ¹⁾	—	—	—	—	—	—	10 256 719
Patents, trademarks, licences and similar rights	1	—	—	—	—	—	—	—	1
	245 685 117	56 203 757	—	701 792	23 655 390	42 324 369	65 979 759	—	235 207 323
Investments									
Subsidiaries and associated companies	183 819 750	62 588 344	—	—	6 629 083	24 955 641	31 584 724	—	214 823 370
Long-term loans (with an initial term of at least four years)	5 931 319	1 968 034	92 369 ²⁾	1 049 928	267 605	—	267 605 ³⁾	—	6 674 189
	189 751 069	64 556 378	92 369	1 049 928	6 896 688	24 955 641	31 852 329	—	221 497 559
Total fixed assets and investments	435 436 186	120 760 135	92 369	1 751 720	30 552 078	67 280 010	97 832 088	—	456 704 882

¹⁾ Balance from additions of DM 9 978 720 and transfers to operating fixed assets of DM 8 943 554

²⁾ Including compounded interest

³⁾ Including deduction of unaccrued interest

Balance Sheet Notes

	31. 12. 1983	31. 12. 1982
	DM	DM
Contingent liabilities resulting from issue and transfer of bills	24 036 276	21 881 432
Guarantees	147 471 851	171 121 458

Statement of Income for 1983

	1. 1. - 31. 12. 1983		1. 1. - 31. 12. 1982	
	DM	DM	DM	DM
Net sales		1 101 730 806		1 073 473 341
Increase/decrease in inventories of finished goods and work in progress	1 418 069		- 11 558 141	
Other capitalised company-generated assets	6 417 378	7 835 447	4 955 033	- 6 603 108
Total operating performance		1 109 566 253		1 066 870 233
Cost of materials, supplies and merchandise		354 870 439		335 722 940
Gross result from operation		754 695 814		731 147 293
Income from profit and loss transfer agreements	445 251		463 269	
Income from subsidiaries and associated companies	5 684 913		6 645 953	
Income from other investments	308 614		231 006	
Other interest and similar income	3 985 182		3 888 664	
Income from disposal of fixed assets and investments	863 904		1 164 149	
Income from reduction of flat allowance for doubtful accounts	7 000		298 000	
Income from adjustment of provisions	—		7 568 370	
Income from adjustment of special reserve items subject to future taxation	17 381 250		982 188	
Other income	3 622 658		2 684 117	
of which: extraordinary income	DM 1 259 390		(451 403)	
		32 298 772		23 925 716
Total income		786 994 586		755 073 009
Wages and salaries	276 280 578		260 637 599	
Compulsory social security contributions	41 053 284		39 437 458	
Expenses related to pensions and benefits	22 258 644		19 429 439	
Depreciation on tangible fixed assets	65 979 759		63 635 633	
Write-offs of investments	31 852 329		27 097 105	
Losses on receivables	2 713 096		4 906 888	
Losses from disposal of fixed assets	488 091		983 412	
Interest and similar expenses	28 645 884		34 237 764	
Taxes on income and property	58 815 294		53 644 543	
Other taxes	1 391 170		1 409 037	
Transfer to special reserve items subject to future taxation	9 725 000		9 608 185	
Other expenses	207 791 457	746 994 586	200 045 946	715 073 009
Net income for the year		40 000 000		40 000 000
Allocation to the free reserve		5 000 000		5 000 000
Unappropriated retained earnings		35 000 000		35 000 000
Pension fund contributions (including payments to legally independent benefit funds)		10 956 042		10 837 150

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, 1984

Treuhand-Vereinigung Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft und Steuerberatungsgesellschaft

Dr. Uhlig
Wirtschaftsprüfer

Lust
Wirtschaftsprüfer

Addresses

Messer Griesheim GmbH
Board of Executive Directors
Head Office
Hanauer Landstrasse 330
Postfach (POB) 3746
D-6000 Frankfurt 1
Tel. (0611) 4019-1
Fax. (0611) 4019-388
Telex 417138 mgfh d
Cables mg zentral frankfurt

Messer Griesheim GmbH
Industrial Gases
Homburger Strasse 12
Postfach (POB) 4709
D-4000 Düsseldorf 1
Tel. (0211) 4303-1
Fax. (0211) 4303-436
Telex 8584878 mgd d
Cables sauerstoff duesseldorf

Messer Griesheim GmbH
Welding and Cutting Products
Hanauer Landstrasse 300
Postfach (POB) 3746
D-6000 Frankfurt 1
Tel. (0611) 4019-1
Fax. (0611) 4019-389
Telex 417138 mgfh d
Cables mg zentral frankfurt



Joint effort High mechanical stress calls for high-precision welds to give motor-cycle racing ace, Manfred Fischer, a machine he can depend on – at over 150 mph. The aluminium frame was fabricated with a TIG welding set, an argon gas mixture and filler materials from Messer Griesheim. Compared with the conventional steel frame, the welded aluminium frame is 5.5 kg lighter with better stability and handling characteristics.

Publication 000 1023e

Offset from Kalle plates
by druckerei drach, Pfungstadt

Edition 4/84/X
Printed in the Federal Republic of Germany