

December 21, 2000

Paribas Affaires Industrielles and Elf Antargaz

Paribas Affaires Industrielles (PAI) has just received approval from the European Commission for the acquisition of Elf Antargaz's French activities, alongside its partners UGI and Medit.

Elf Antargaz has a turnover of approximately FRF 3 billion and is ranked second in the propane and butane (liquid petroleum gas or LPG) sector on the French market, with a market share of around 23%.

The sale of Elf Antargaz by TotalFinaElf is part of the European Commission's decision by which the merger between TotalFina and Elf Aquitaine was authorized.

PAI (Paribas Affaires Industrielles) is one of Europe's leading private equity operators, realising, over recent years, some of the biggest LBO (Leverage Buy Out) transactions in Europe through its investment fund PAI LBO Fund. PAI will be involved in Elf Antargaz through its following investment fund, PAI Europe III.

According to the business project introduced by the three partners - PAI, UGI and Medit - and subject to the conclusion of the agreement plans scheduled with TotalFinaElf, PAI Europe III will take up 70% of the capital of Elf Antargaz alongside the American group UGI, one of the leading distributors of LPG in the United States through its subsidiary Amerigas, taking up 20%, and the Italian group Medit, specialist in the transport and procurement of LPG, taking up 10%.

PAI, UGI and Medit intend to transform Elf Antargaz into an independent operator which, based on the Antargaz brand name, will rapidly develop an autonomous policy of procurement and will implement an aggressive marketing and commercial strategy. Antargaz' management will be involved in the company's takeover.

PAI will invest in Antargaz with a medium/long term horizon, and with the intention of contributing strongly towards the creation of value by the introduction of an operator, which will be independent for supplies, commercially aggressive, efficiently managed and ambitious in terms of its development.

In addition to PAI's accumulated experience with regard to taking over and developing companies in the long term, Antargaz will also benefit from the competences of its two industrial partners, UGI and Medit.