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Immediate

UGI To Increase Ownership of French Propane Distribution Company

VALLEY FORGE, Pa., January 19 - UGI Corporation (NYSE: UGI) today announced that a subsidiary of UGI has communicated its offer to purchase the remaining outstanding 81.5% ownership interests of AGZ Holding, the parent company of Antargaz, for approximately €250 million. The offer is based on an enterprise value (the value of total equity plus total indebtedness) of Antargaz of approximately €650 million. Antargaz is one of the four largest retail liquefied petroleum gas (LPG) distributors in France, delivering approximately 330 million gallons of propane and butane to over 220,000 customers nationwide. The prospective sellers are PAI Partners, a leading Private Equity Fund Manager and the majority owner, Medit Mediterranea GPL, a privately-held Italian company, and members of Antargaz management. The proposed transaction will be presented shortly to the Works Council of Antargaz, the labor representative body for Antargaz, as required by French law. The parties intend to consummate the proposed transaction effective April 1, 2004.

Lon R. Greenberg, UGI chairman and chief executive officer, said, "We have had the opportunity to participate in the oversight of the operations of Antargaz since March of 2001 when we purchased our initial interest in Antargaz. Its performance since that time has been outstanding and we have been impressed by the quality of Antargaz's management and employees. We look forward to the contribution Antargaz will make to our propane distribution businesses."

UGI expects to file a registration statement with the U. S. Securities and Exchange Commission for the sale of common stock to raise a portion of the purchase price for the contemplated acquisition. The balance of approximately \$100 million of the purchase price will be funded from existing cash at UGI. Under normal operating conditions, the transaction is expected to be accretive to earnings per share in fiscal year 2005.

"The proposed acquisition of the remaining interests in Antargaz meets all of our well-established tenets for international investments in propane: Antargaz is in an attractive market, with excellent cash flow characteristics; it allows us to leverage our propane distribution operating expertise; and Antargaz has strong local management in place," explained Greenberg. "Antargaz would enlarge our platform for growth in Europe as well," concluded Greenberg. Antargaz operates from five primary and 26 secondary storage facilities throughout France serving residential, commercial, industrial, agricultural, motor fuel and cylinder exchange customers, claiming a total market share of 24%. Through FLAGA GmbH, UGI is one of the largest propane distributors in Austria, the Czech Republic and Slovakia, selling approximately 34 million retail gallons of LPG annually.

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About UGI

UGI Corporation (NYSE:UGI) is a distributor and marketer of energy products and services. Through our 48% ownership of AmeriGas Partners, L. P. (NYSE:APU), we are the largest retail marketer of propane in the United States, delivering nearly 1.3 billion gallons to approximately 1.3 million customers from over 700 local market distribution locations in 46 states. Through UGI Enterprises, Inc., we are a retail marketer of propane in Austria, the Czech Republic, Slovakia and China. Wholly-owned UGI Utilities, Inc. is a local, regulated distributor of natural gas and electricity to nearly 345,000 customers in eastern Pennsylvania, USA. UGI, through subsidiaries, also markets natural gas, electricity and heating and cooling products and services to approximately 5,000 residential, commercial and industrial customers in the eastern region of the United States, and owns electric generation assets in Pennsylvania.

About Antargaz

Antargaz is a leading independent LPG distributor in France. With nearly a quarter of the market, Antargaz supplies all customer segments with butane and propane: cylinders for cooking and heating with millions of end-users supplied through 28,000 points of sale in France; bulk propane in small tanks for heating, water heating and cooking to thousands of households; bulk propane in medium and large tanks for industrial, agricultural and other end-users. Present in France for almost 70 years, we believe Antargaz masters the entire LPG chain: supply, storage, logistics, distribution and customer relationships. In its fiscal 2003, Antargaz sold over 680,000 tonnes (350 million gallons) of LPG, employed over 1,200 persons and had revenue of approximately €680 million.

UGI will host a conference call on Tuesday, January 20 at 11:30 AM EST. A live audio web cast of the conference call can be heard on the Internet at <http://www.shareholder.com/ugi/medialist.cfm>. A telephonic replay of the call can be accessed at 3:30 PM EST by dialing 888/203-1112 (U. S. & Canada) or 719/457-0820 (International), pass code #630605. The web replay and telephonic replay will be available through midnight Saturday, January 24, 2004.

This press release contains certain forward-looking statements which management believes to be reasonable as of today's date only. Actual results may differ significantly because of risks and uncertainties that are difficult to predict and many of which are beyond management's control. Among them are adverse weather conditions, price volatility and availability of all energy products, including propane, natural gas, electricity and fuel oil, domestic and international economic and political conditions, currency exchange rates and the timing of the completion of our proposed acquisition of the remaining interests in Antargaz. UGI undertakes no obligation to release revisions to its forward-looking statements to reflect events or circumstances occurring after today. You should read UGI's Annual Report for a more extensive list of factors that could affect results.

Comprehensive information about UGI Corporation is available on the Internet at <http://www.ugicorp.com>.