

Media Release

31st July 2007

BOC India announces Q1 results

Kolkata, 31th July 2007: BOC India limited, now a member of The Linde Group has announced its unaudited financial results for the the first quarter of financial year 2007-08, ended on 30 June 2007, which were approved at its board meeting held today. In view of the organisational changes following the creation of The Linde Group on Linde AG's acquisition of The BOC Group plc, the lines of business reorganisation earlier adopted by BOC India ceased to exist from 1 April 2007, with the Company redefining its new business segments as 'Gases and Related Products' and 'Project Engineering'.

The Company clocked in a turnover of Rs. 106.83 crores compared to Rs.118.84 crores in the year ago period. The decline in the turnover vis a vis that of the same quarter in the previous year is mainly attributable to lower third party billings of the Project Engineering segment. Although the gases business was adversely impacted due to a 23 days planned shutdown taken at the 1290 tpd plant at Jamshedpur, the turnover of the Gases and related products segment managed to reach the turnover of the year ago period. This was possible to a large extent by incremental turnover from the liquid products made available from the 855 tpd JV plant at Bellary and the Company's 65 tpd merchant ASU at Medak. Besides, the turnover from sale of liquid nitrogen, argon based products and new product ranges like refrigerants, fire suppressants and welding and safety products also helped the underlying business during the quarter.

The company recorded a net profit after tax of Rs.3.13 crores as compared to Rs.28.50 crores in the year ago period, which however, included extraordinary income of Rs.24.29 crores from sale of a property in the year ago period. Interest cost in the quarter was also high compared to the year ago period owing to hardening of interest rates and higher short term borrowings availed by the Company to plug cash flow mismatches.

As reported earlier, the 1290 tpd plant at Jamshedpur had developed technical problems in Dec. 2006, leading to a shutdown of the plant for 20 days in the quarter ended Dec. 2006. Although, the plant had commenced production thereafter, the Company had been continuously monitoring its performance pending the outcome of a root cause analysis undertaken by the Global team of experts. On the basis of the findings of the global team of experts, the Company took a planned shutdown of the 1290 tpd plant in Jamshedpur aligning the same with the shutdown of the blast furnace of the onsite customer, Tata Steel. The Company has since carried out its major overhaul intended to improve efficiency and the working life of the plant. The plant recommenced operations and has since been operating satisfactorily.

The first quarter witnessed some good wins for the Company in the ECOVAR onsite business. Notable among them are a long term supply contract with GKN Sinter Metals for supply of 420 cum of nitrogen per hour to their works at Pune and another long term gas supply agreement with Electrosteel Castings Ltd. for the supply of 35 tons per day of oxygen to their works at Khardah, Kolkata.

Besides the ECOVAR onsite business, the Company continues to aggressively bid for the new emerging tonnage opportunities in the country. It is also looking at making forays into emerging sectors like Electronics and Hydrogen, which are already strong business segments in The Linde Group, globally.

The Packages Gases & Products (PG&P) business of the Company also continues to make investments in new state-of-the-art plants to ensure superior products and service levels to customers. During the quarter a new plant was commissioned at Bhiwadi, Haryana, where the operations of the erstwhile Faridabad liquid compression facility has also been shifted. This follows the recently commissioned plants at Pune and Trichy.

BOC India limited, had completed the financial year ended 31st March 2007 with turnover at Rs. 4965.8 million and net profit after tax at Rs. 446 million. The Board of Directors at its meeting on 18 May 2007 had recommended a dividend of 25% for the year ended 31st March 2006.

About The Linde Group: The Linde Group is a world leading industrial gases and engineering company with more than 53,000 employees working in around 70 countries worldwide. Following the acquisition of The BOC Group the company has gases and engineering sales of approximately €12 billion. The strategy of The Linde Group is geared towards earnings-based growth and focuses on the expansion of its international business with forward-looking products and services.

About BOC Gases: BOC Gases is a member of The Linde Group. A global industrial gases provider, the company employs about 20,000 people and supplies compressed and bulk gases, chemicals and equipment. In fiscal 2005, BOC Gases achieved sales of approximately €5 billion. For more than a century the company's gases and expertise have contributed to advances in many industries and aspects of everyday life, including steel-making, refining, chemical processing, environmental protection, wastewater treatment, welding and cutting, food processing and distribution, glass production, electronics and health care.

About BOC India Limited: BOC India Limited (BOCI) is the leader in gas business in India since 1935. BOC India provides a one-stop solution to every sphere of gas and gas related business. BOC India has excelled through successfully blending of local innovation and adaptation with international expertise from The Group. Be it for food processing, medical, domestic or industrial use, BOC India provides tailor made solutions for its customers. While providing the best solutions to its customers, BOC India has always conformed to the strictest international standards of production and safety.