

Our Reference: SEC/D.7/145

01 October 2015

Managing Director
Karachi Stock Exchange Limited
KARACHI

Managing Director
Lahore Stock Exchange Limited
LAHORE

Managing Director
Islamabad Stock Exchange Limited
ISLAMABAD

Dear Sir/s

We are pleased to inform you that JCR-VIS Credit Rating Company Limited (JCR-VIS) has assigned entity ratings of 'A/A-2' (Single A/A-Two) to Linde Pakistan Limited. Outlook on the assigned rating is 'Stable'.

A Press Release issued by JCR-VIS Credit Rating Company Limited is attached herewith for your information and dissemination.

Thanking you

Yours truly


Muhammad Samiullah Siddiqui
Director & CFO

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Press Release

JCR-VIS Assigns Entity Ratings to Linde Pakistan Limited

Karachi, September 8, 2015: JCR-VIS Credit Rating Company Ltd. (JCR-VIS) has assigned entity ratings of 'A/A-2' (Single A/A-Two) to Linde Pakistan Limited (Linde). Outlook on the assigned rating is 'Stable'.

The ratings assigned to Linde derive strength from the sponsor profile of The BOC Group Limited (BOC), a wholly owned subsidiary of Linde Group AG, Germany (Linde AG rated A+/A-1 by Standard & Poor's and A2/P-1 by Moody's). Linde AG is one of the largest gas producing and engineering companies in the world. The group is present in more than 100 countries and operates through 600 affiliates.

Senior management team comprises seasoned professionals carrying years of relevant experience. The functioning of the company reflects strong integration at the group level with audit and IT functions overseen directly by group level resources. Policy framework at Linde is also aligned with the group. Linde has implemented a strong IT infrastructure with a centralized database providing real time access to each production facility. This allows structured information for management decision making and reduces turnaround time.

Linde is the leading industrial gases solution provider in Pakistan, supporting the needs of industries and hospitals through its vast portfolio of atmospheric, specialty & medical gases along with hard tools for cutting and welding. Customer profile of the industry varies from oil and gas, petrochemicals, chemicals, power, mining, medicine, pharmaceuticals, food, fertilizer companies etc. In recent years, market prices have remained under pressure on account of excess supply and increased competition, slightly declining gross margins. Sales also remained marginalized despite increasing volumetric turnover and plant utilization / loadings. In order to improve its margins, Linde has invested in production facilities to improve efficiencies, revamped its customer profile and rationalized its product line.

Debt profile of Linde comprises a mix of short and long-term debt, with the former acquired on a need basis for working capital financing. Leverage indicators remained within manageable limits. At current debt levels, debt servicing coverage remains comfortable with the company projecting further improvement in the same. Moreover, management envisages meeting its future funding requirements through internal capital generation.

For further information on this rating announcement, please contact Mr. Javed Callea (Ext: 501) at 021-35311861-71 or Mr. Maimoon Rasheed at 042-35723411-13 or fax to 021-35311872-3.

Jamal Abbas Zaidi
Deputy CEO

Applicable Criteria: Industrial Corporates (October 2003)
<http://www.jcrvis.com.pk/images/IndustrialCorp.pdf>

Methodology Governing Linkages Between Parent And Subsidiary Companies (January 2015)
http://www.jcrvis.com.pk/Images/criteria_parent.pdf

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