

**CONDENSED INTERIM FINANCIAL INFORMATION
(UNAUDITED)**

**SECOND QUARTER & HALF YEAR ENDED
30 JUNE 2014**



Linde Pakistan Limited



Our Vision.

Linde Pakistan Limited (LPL) will be the leading industrial gases and hospital care Company, admired for its people, who provide innovative solutions that make a difference to the community.

Our Mission.

To engage effectively, responsibly and profitably in the industrial gases, healthcare and welding markets.

LPL consistently seeks a high standard of performance, and aims to maintain a long-term leadership position in its competitive environment. This will be achieved through operating efficiency, continued dedication to serving our customers, cost effectiveness and behavioral conformance to our values.

The Company will be recognized by the communities it operates in, as a safe and environmentally responsible organization.

Our people will be acknowledged for their integrity and talent. The corporation acknowledges that commercial success and sustained profitable growth depends on the recruitment, development and retention of competent human resources and it will continue to invest in building this organizational capacity and capability.

For shareholders, it protects their investment and provides an acceptable return. This is achieved through continued commercial success in winning new business and retaining existing customers. This is underpinned by the development and provision of new products and services to its customers, offering real value in price, quality, safety & environmental impact.

Company information.

Board of Directors

| | |
|------------------------|-------------------------------------|
| Munnawar Hamid – OBE | Non-Executive Chairman |
| Muhammad Ashraf Bawany | Chief Executive & Managing Director |
| Manzoor Ahmed | Non-Executive Director |
| Bernd Hugo Eulitz | Non-Executive Director |
| Siew Yap Wong | Non-Executive Director |
| Atif Riaz Bokhari | Non-Executive Director |
| Desiree Co Bacher | Non-Executive Director |
| Humayun Bashir | Independent Director |
| Shahid Hafiz Kardar | Independent Director |

Chief Financial Officer

Muhammad Samiullah Siddiqui

Company Secretary

Jamal A Qureshi

Board Audit Committee

| | | |
|---------------------|-----------|-----------------------------------|
| Humayun Bashir | Chairman | Independent Director |
| Bernd Hugo Eulitz | Member | Non-Executive Director |
| Siew Yap Wong | Member | Non-Executive Director |
| Atif Riaz Bokhari | Member | Non-Executive Director |
| Shahid Hafiz Kardar | Member | Independent Director |
| Jamal A Qureshi | Secretary | Company Secretary & Legal Counsel |

Board Human Resource & Remuneration Committee

| | | |
|------------------------|-----------|-------------------------------------|
| Munnawar Hamid - OBE | Chairman | Non-Executive Chairman |
| Muhammad Ashraf Bawany | Member | Chief Executive & Managing Director |
| Bernd Hugo Eulitz | Member | Non-Executive Director |
| Siew Yap Wong | Member | Non-Executive Director |
| Manzoor Ahmed | Member | Non-Executive Director |
| Muhammad Salim Sheikh | Secretary | Head of HR |

Share Transfer Committee

| | | |
|------------------------|-----------|-------------------------------------|
| Manzoor Ahmed | Chairman | Non-Executive Director |
| Muhammad Ashraf Bawany | Member | Chief Executive & Managing Director |
| Wakil Ahmed Khan | Secretary | Manager - Corporate Services |

Bankers

Standard Chartered Bank (Pakistan) Limited
Deutsche Bank AG
Citibank N.A.
HSBC Bank Middle East Limited
Barclays Bank Plc
MCB Bank Limited
National Bank of Pakistan Limited
Meezan Bank Limited

Auditors

KPMG Taseer Hadi & Co.

Legal Advisor

Ayesha Hamid
of Hamid Law Associates

Registered Office

West Wharf, Dockyard Road
Karachi-74000

Share Registrar

Central Depository Company of Pakistan Limited

Website

www.linde.pk &
www.linde.com

Directors' Review

I am pleased to present the Directors' Review together with the condensed interim financial information of your Company for the half year ended 30 June 2014. The accompanying financial statements were subject to a limited scope review by the statutory auditors as required under the code of corporate governance.

With the start of FY15, economic conditions of the country have started to depict signs of improvement compared to the prior year. According to the statistics released in July 2014, real GDP grew by 4.1% in FY14 against a target of 4.4%, and a target of 3.7% in the preceding year, despite a challenging security situation in the country coupled with energy shortages. This growth has been achievable through a recovery in the industrial sector – improved performance of Large Scale Manufacturing (LSM) sector and a turnaround in construction activity besides some other initiatives. The average CPI inflation for FY14 has remained in single digits for the second consecutive year and kept hovering around 8.5% at the close of this fiscal year.

While there are indications of improving economic scenario, continuing energy shortages and pressures of a delicate law & order and political situation still pose a challenge. These constraints notwithstanding during the period under review, your Company continued to achieve growth. Gross sales turnover of the Company stood at Rs 2,323 million for the half year ended 30 June 2014 witnessing an increase of Rs 55 million (2%). Factoring in the significant product portfolio rationalization, long-term growth has been around 13%, indicating that the rationalization has strengthened the desired focus on a promising business future. Healthcare turnover went up by a robust 27% while volumes in the remaining gases business also increased by 9% over last year. Welding business has also been reviewed to further strengthen its performance and long-term sustainability. However, the industrial gases sector continued to face a difficult and highly competitive market and as a result prices remained under pressure. Demand from the ship-breaking sector also remained significantly low during the period.

In addition to the pressure on pricing, the challenges of energy shortages and rising input costs including a significant increase in tariffs of power and gas this year continued to impact operational efficiencies and costs. Resultantly, the gross margin remained stressed at Rs 424 million. However, with effective cost containment measures overheads were controlled to well below current inflation, which, supported by a higher 'other income', resulted in a 6% growth in operating profit. Consequently, even after accounting for higher financial costs, profit after tax and EPS for the six months was Rs 97 million and Rs 3.88 respectively compared to a Rs 92 million profit after tax and an EPS of Rs 3.69 over the same period last year.

Your Directors are pleased to report that in order to improve efficiencies and take advantage of expansion opportunities, the Company intends to invest over a billion rupees over the next couple of years. Your Directors are also confident that the Company is well placed to continue to focus on productivity and consequent sustainable growth for the remaining part of the year.

On behalf of the Board

Karachi:
20 August 2014



Munnawar Hamid OBE
Chairman



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
Beaumont Road
Karachi, 75530 Pakistan

Telephone + 92 (21) 3568 5847
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Internet www.kpmg.com.pk

Independent Auditors' Report to the Members on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Linde Pakistan Limited** ("the Company") as at 30 June 2014 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six months period then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures for the quarters ended 30 June 2014 and 30 June 2013 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Date: 20 August 2014

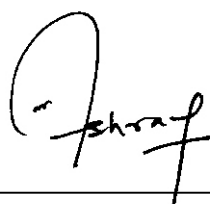
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Moneeza Usman Butt

Linde Pakistan Limited
 Condensed Interim Profit and Loss Account (Unaudited)

| Rupees in '000 | Note | For the half year ended | | For the second quarter ended | |
|---|------|-------------------------|----------------|------------------------------|----------------|
| | | 30 Jun. 2014 | 30 Jun. 2013 | 30 Jun. 2014 | 30 Jun. 2013 |
| Gross sales | | 2,323,146 | 2,268,056 | 1,176,771 | 1,208,174 |
| Trade discount and sales tax | | (277,414) | (260,855) | (139,198) | (143,364) |
| Net sales | 5 | 2,045,732 | 2,007,201 | 1,037,573 | 1,064,810 |
| Cost of sales | 5 | (1,621,545) | (1,573,475) | (853,048) | (861,154) |
| Gross profit | | 424,187 | 433,726 | 184,525 | 203,656 |
| Distribution and marketing expenses | 5 | (112,137) | (104,009) | (54,960) | (49,007) |
| Administrative expenses | 5 | (118,354) | (114,476) | (54,351) | (58,964) |
| Other operating expenses | 6 | (16,992) | (32,238) | (9,661) | (23,221) |
| Other income | 7 | 25,186 | 6,860 | 21,029 | 2,349 |
| | | (222,297) | (243,863) | (97,943) | (128,843) |
| Operating profit | | 201,890 | 189,863 | 86,582 | 74,813 |
| Finance costs | | (58,878) | (44,299) | (29,050) | (22,038) |
| Profit before taxation | | 143,012 | 145,564 | 57,532 | 52,775 |
| Taxation - deferred | 8 | (45,984) | (53,295) | (14,070) | (11,302) |
| Profit for the period | | 97,028 | 92,269 | 43,462 | 41,473 |
| Earnings per share - basic and diluted in Rupees | | 3.88 | 3.69 | 1.74 | 1.66 |

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.



Muhammad Ashraf Bawany
 Chief Executive



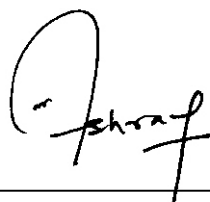
Munnawar Hamid OBE
 Chairman

Linde Pakistan Limited

Condensed Interim Statement of Comprehensive Income (*Unaudited*)

| Rupees in '000 | For the half year ended | | For the second quarter ended | |
|---|----------------------------|---------------|---------------------------------|---------------|
| | 30 Jun. 2014 | 30 Jun. 2013 | 30 Jun. 2014 | 30 Jun. 2013 |
| Profit for the period | 97,028 | 92,269 | 43,462 | 41,473 |
| Other comprehensive income | | | | |
| <i>Items that will never be reclassified to profit and loss account:</i> | | | | |
| Actuarial gains on defined benefit plans | 4,736 | 5,923 | 6,248 | 5,406 |
| Tax thereon | (1,563) | (2,014) | (2,077) | (1,833) |
| | 3,173 | 3,909 | 4,171 | 3,573 |
| <i>Items that will be reclassified subsequently to profit and loss account:</i> | | | | |
| Loss on derivative financial instruments | (6,401) | (1,113) | - | (1,113) |
| Tax thereon | 2,176 | 378 | - | 378 |
| | (4,225) | (735) | - | (735) |
| Total comprehensive income for the period | 95,976 | 95,443 | 47,633 | 44,311 |

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.



Muhammad Ashraf Bawany
Chief Executive

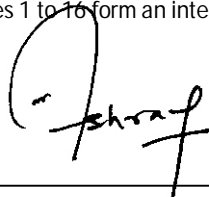


Munnawar Hamid OBE
Chairman

Linde Pakistan Limited
Condensed Interim Balance Sheet

| Rupees in '000 | Note | As at 30 Jun. 2014 (Unaudited) | As at 31 Dec. 2013 (Audited) |
|---|------|--------------------------------------|------------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 9 | 3,017,182 | 3,021,241 |
| Intangible assets | | 27,590 | 29,026 |
| Investment in subsidiary | | 10 | 10 |
| Long term loans | | - | 55 |
| Long term deposits | | 26,588 | 26,663 |
| | | 3,071,370 | 3,076,995 |
| Current assets | | | |
| Stores and spares | | 123,284 | 113,146 |
| Stock-in-trade | 10 | 227,822 | 226,226 |
| Trade debts | | 349,285 | 248,320 |
| Loans and advances | | 21,560 | 11,291 |
| Deposits and prepayments | | 41,617 | 33,105 |
| Other receivables | | 99,494 | 68,547 |
| Taxation - net | | 192,499 | 121,570 |
| Cash and bank balances | | 140,110 | 290,199 |
| | | 1,195,671 | 1,112,404 |
| Total assets | | 4,267,041 | 4,189,399 |
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | | |
| Authorised: 40,000,000 (2013: 40,000,000) Ordinary shares of Rs. 10 each | | 400,000 | 400,000 |
| Issued, subscribed and paid-up: 25,038,720 (2013: 25,038,720) Ordinary shares of Rs. 10 each | | 250,387 | 250,387 |
| Reserves | | 1,348,427 | 1,307,541 |
| Unappropriated profit | | 100,201 | 145,266 |
| | | 1,448,628 | 1,452,807 |
| | | 1,699,015 | 1,703,194 |
| Non-current liabilities | | | |
| Long term financing | | 945,000 | 995,000 |
| Long term deposits | | 128,058 | 154,358 |
| Deferred liabilities | 11 | 337,085 | 291,789 |
| | | 1,410,143 | 1,441,147 |
| Current liabilities | | | |
| Trade and other payables | | 1,057,883 | 945,058 |
| Current maturity of long term financing | | 100,000 | 100,000 |
| | | 1,157,883 | 1,045,058 |
| Total equity and liabilities | | 4,267,041 | 4,189,399 |
| Contingencies and commitments | 12 | | |

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.



Muhammad Ashraf Bawany
Chief Executive

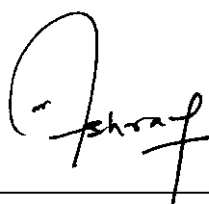


Munnawar Hamid OBE
Chairman

Linde Pakistan Limited
Condensed Interim Cash Flow Statement (*Unaudited*)

| Rupees in '000 | <i>Note</i> | For the half year ended 30 Jun. 2014 | For the half year ended 30 Jun. 2013 |
|--|-------------|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operations | 13 | 250,824 | 242,805 |
| Finance costs paid | | (49,806) | (45,894) |
| Income tax paid | | (70,929) | (37,579) |
| Post retirement medical benefits paid | | (93) | (475) |
| Long term loans and deposits | | 130 | 52 |
| Long term deposits (cylinders and others) | | (5,744) | 5,714 |
| Net cash from operating activities | | <u>124,382</u> | <u>164,623</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment | | (126,076) | (434,775) |
| Purchase of intangible assets | | (665) | (9,457) |
| Proceeds from disposal of operating assets | | - | 2,598 |
| Interest received on balances with banks | | 1,126 | 5,110 |
| Net cash (used in) investing activities | | <u>(125,615)</u> | <u>(436,524)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| (Repayment of) / proceeds from long term financing | | (50,000) | 200,000 |
| Dividends paid | | (98,856) | (122,261) |
| Net cash (used in) / generated from financing activities | | <u>(148,856)</u> | <u>77,739</u> |
| Net decrease in cash and cash equivalents | | <u>(150,089)</u> | <u>(194,162)</u> |
| Cash and cash equivalents at beginning of the period | | 290,199 | 353,549 |
| Cash and cash equivalents at end of the period | | <u>140,110</u> | <u>159,387</u> |

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.



Muhammad Ashraf Bawany
Chief Executive



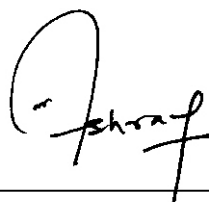
Munnawar Hamid OBE
Chairman

Linde Pakistan Limited
 Condensed Interim Statement of Changes in Equity (Unaudited)

For the half year ended 30 June 2014

| | Share capital | Reserves | | Unappropriated profit | Total |
|--|--|-----------------|-----------------|-----------------------|-----------|
| | Issued, subscribed and paid-up capital | Hedging reserve | General reserve | | |
| Rupees in '000 | | | | | |
| Balance as at 31 December 2012 (audited) | 250,387 | - | 1,207,623 | 220,887 | 1,678,897 |
| <i>Total comprehensive income for the period</i> | | | | | |
| Profit for the period | - | - | - | 92,269 | 92,269 |
| Other comprehensive income for the period | - | (735) | - | 3,909 | 3,174 |
| | - | (735) | - | 96,178 | 95,443 |
| <i>Transaction with owners of the Company</i> | | | | | |
| Final dividend for the year ended 31 December 2012 - Rs. 5 per share | - | - | - | (125,194) | (125,194) |
| Transfer to general reserve | - | - | 95,693 | (95,693) | - |
| Balance as at 30 June 2013 (unaudited) | 250,387 | (735) | 1,303,316 | 96,178 | 1,649,146 |
| Balance as at 31 December 2013 (audited) | 250,387 | 4,225 | 1,303,316 | 145,266 | 1,703,194 |
| <i>Total comprehensive income for the period</i> | | | | | |
| Profit for the period | - | - | - | 97,028 | 97,028 |
| Other comprehensive income for the period | - | (4,225) | - | 3,173 | (1,052) |
| | - | (4,225) | - | 100,201 | 95,976 |
| <i>Transaction with owners of the Company</i> | | | | | |
| Final dividend for the year ended 31 December 2013 - Rs. 5 per share | - | - | - | (100,155) | (100,155) |
| Transfer to general reserve | - | - | 45,111 | (45,111) | - |
| Balance as at 30 June 2014 (unaudited) | 250,387 | - | 1,348,427 | 100,201 | 1,699,015 |

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.



Muhammad Ashraf Bawany
 Chief Executive



Munnawar Hamid OBE
 Chairman

Linde Pakistan Limited

Notes to the Condensed Interim Financial information (Unaudited)

For the half year ended 30 June 2014

1. LEGAL STATUS AND OPERATIONS

Linde Pakistan Limited ("the Company") was incorporated in Pakistan under the Companies Act, 1913 (now Companies Ordinance, 1984), as a private limited company in 1949 and converted into a public limited company in 1958. Its shares are quoted on all the Stock Exchanges of Pakistan. The address of its registered office is West Wharf, Dockyard Road, Karachi, Pakistan.

The Company is principally engaged in the manufacture of industrial and medical gases, welding electrodes and marketing of medical equipment.

The Company is a subsidiary of The BOC Group Limited whereas its ultimate parent company is Linde AG, Germany.

The Company has a wholly owned subsidiary, BOC Pakistan (Private) Limited ("BOCPL"), which has not carried out any business activities during the period. Accordingly, exemption has been granted by the Securities and Exchange Commission of Pakistan ("SECP") from the application of sub-section (1) to (7) of section 237 of the Companies Ordinance, 1984 requiring consolidation of subsidiary in the preparation of financial statements for the current year.

2. BASIS OF PREPARATION

This condensed interim financial information of the Company for the half year ended 30 June 2014 has been prepared in accordance with the requirements of the International Accounting Standards 34 Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information of the Company does not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements of the Company as at and for the year ended 31 December 2013.

This condensed interim financial information is presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the audited annual financial statements of the Company for the year ended 31 December 2013.

3.2 Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Company's operations and did not have any impact on the accounting policies of the Company except where changes affected presentation and disclosures in this condensed interim financial information.

4. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

Estimates and judgements made by management in the preparation of this condensed interim financial information are the same as those that were applied to the audited annual financial statements of the Company as at and for the year ended 31 December 2013.

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements of the Company as at and for the year ended 31 December 2013.

5. SEGMENT RESULTS

| | For the half year ended | | | | | | For the second quarter ended | | | | | |
|-------------------------------------|------------------------------------|--------------------|------------------|------------------------------------|--------------------|------------------|------------------------------------|--------------------|------------------|------------------------------------|--------------------|------------------|
| | 30 June 2014 | | | 30 June 2013 | | | 30 June 2014 | | | 30 June 2013 | | |
| | Industrial medical and other gases | Welding and others | Total | Industrial medical and other gases | Welding and others | Total | Industrial medical and other gases | Welding and others | Total | Industrial medical and other gases | Welding and others | Total |
| Rupees in '000 | | | | | | | | | | | | |
| Gross sales | 1,890,770 | 432,376 | 2,323,146 | 1,669,400 | 598,656 | 2,268,056 | 962,374 | 214,397 | 1,176,771 | 898,155 | 310,019 | 1,208,174 |
| Less: | | | | | | | | | | | | |
| Trade discount | 5,070 | - | 5,070 | 6,429 | - | 6,429 | 646 | - | 646 | 5,040 | - | 5,040 |
| Sales tax | 210,481 | 61,863 | 272,344 | 172,409 | 82,017 | 254,426 | 107,698 | 30,854 | 138,552 | 95,575 | 42,749 | 138,324 |
| | 215,551 | 61,863 | 277,414 | 178,838 | 82,017 | 260,855 | 108,344 | 30,854 | 139,198 | 100,615 | 42,749 | 143,364 |
| Net sales | 1,675,219 | 370,513 | 2,045,732 | 1,490,562 | 516,639 | 2,007,201 | 854,030 | 183,543 | 1,037,573 | 797,540 | 267,270 | 1,064,810 |
| Less: | | | | | | | | | | | | |
| Cost of sales | 1,321,545 | 300,000 | 1,621,545 | 1,120,975 | 452,500 | 1,573,475 | 709,919 | 143,129 | 853,048 | 629,712 | 231,442 | 861,154 |
| Distribution and marketing expenses | 93,496 | 18,641 | 112,137 | 88,103 | 15,906 | 104,009 | 43,500 | 11,460 | 54,960 | 39,869 | 9,138 | 49,007 |
| Administrative expenses | 98,680 | 19,674 | 118,354 | 96,970 | 17,506 | 114,476 | 42,716 | 11,635 | 54,351 | 48,289 | 10,675 | 58,964 |
| | 1,513,721 | 338,315 | 1,852,036 | 1,306,048 | 485,912 | 1,791,960 | 796,135 | 166,224 | 962,359 | 717,870 | 251,255 | 969,125 |
| Segment result | 161,498 | 32,198 | 193,696 | 184,514 | 30,727 | 215,241 | 57,895 | 17,319 | 75,214 | 79,670 | 16,015 | 95,685 |
| Unallocated corporate expenses: | | | | | | | | | | | | |
| Other operating expenses | 6 | | (16,992) | | | (32,238) | | | (9,661) | | | (23,221) |
| Other income | 7 | | 25,186 | | | 6,860 | | | 21,029 | | | 2,349 |
| Operating profit | | | 201,890 | | | 189,863 | | | 86,582 | | | 74,813 |
| Finance costs | | | (58,878) | | | (44,299) | | | (29,050) | | | (22,038) |
| Taxation - deferred | 8 | | (45,984) | | | (53,295) | | | (14,070) | | | (11,302) |
| Profit for the period | | | 97,028 | | | 92,269 | | | 43,462 | | | 41,473 |

6. OTHER OPERATING EXPENSES

| Rupees in '000 | For the half year ended | | For the second quarter ended | |
|---|------------------------------------|---------------|------------------------------|---------------|
| | 30 Jun. 2014 | 30 Jun. 2013 | 30 Jun. 2014 | 30 Jun. 2013 |
| | Workers' Profit Participation Fund | 7,681 | 7,818 | 3,090 |
| Workers' Welfare Fund | 2,919 | 2,971 | 1,175 | 1,078 |
| Legal and professional charges | 6,392 | 4,733 | 4,302 | 1,886 |
| Net investment in finance lease written off | - | 14,260 | - | 14,260 |
| Exchange loss - net | - | 1,668 | 1,094 | 2,372 |
| Others | - | 788 | - | 788 |
| | 16,992 | 32,238 | 9,661 | 23,221 |

7. OTHER INCOME

| Rupees in '000 | For the half year ended | | For the second quarter ended | |
|---------------------------------------|--|--------------|------------------------------|--------------|
| | 30 Jun. 2014 | 30 Jun. 2013 | 30 Jun. 2014 | 30 Jun. 2013 |
| | Income on saving and deposits accounts | 1,091 | 4,709 | 131 |
| Income on investment in finance lease | - | - | - | (52) |
| Exchange gain - net | 2,403 | - | - | - |
| Gain on disposal of operating assets | - | 1,927 | - | 871 |
| Liabilities written back | 20,556 | - | 20,556 | - |
| Others | 1,136 | 224 | 342 | 158 |
| | 25,186 | 6,860 | 21,029 | 2,349 |

8. TAXATION - DEFERRED

During the period, the minimum tax under section 113 of the Income Tax Ordinance, 2001 has been applied as no tax is payable in respect of the current period owing to tax losses brought forward from previous year. The applicable minimum tax charge has been adjusted against the tax credits available to the Company under section 65B of the Income Tax Ordinance, 2001.

9. PROPERTY, PLANT AND EQUIPMENT

| Rupees in '000 | <i>Note</i> | 30 June 2014 <i>(Unaudited)</i> | 31 December 2013 <i>(Audited)</i> |
|--------------------------|-------------|---|---|
| Operating assets | 9.1 | 2,708,940 | 2,720,118 |
| Capital work-in-progress | 9.2 | 308,242 | 301,123 |
| | | <u>3,017,182</u> | <u>3,021,241</u> |

9.1 Operating assets

| | | | |
|---|--|-------------------------|------------------|
| Net book value as at 1 January 2014 / 2013 | | 2,720,118 | 2,369,734 |
| Additions during the period / year: | | | |
| - Land and building | | - | 149,945 |
| - Plant and machinery | | 123,330 | 416,333 |
| - Vehicles | | 6,479 | 24,144 |
| - Furniture, fittings and office equipments | | - | 1,754 |
| - Computer equipments | | - | 5,598 |
| | | 129,809 | 597,774 |
| Less: | | | |
| - Disposals during period / year - net book value | | - | (5,115) |
| - Depreciation charge during the period / year | | (140,987) | (242,275) |
| | | (140,987) | (247,390) |
| | | <u>2,708,940</u> | <u>2,720,118</u> |

9.2 As at 30 June 2014, capital work in progress for plant and machinery includes an amount of Rs. 207,603 thousand (31 December 2013: Rs. 142,285 thousand) against purchase of plant from an associated company.

9.3 Additions to capital work in progress during the period relate to industrial, medical and other gases segment.

10. STOCK-IN-TRADE

| Rupees in '000 | <i>Note</i> | 30 June 2014 <i>(Unaudited)</i> | 31 December 2013 <i>(Audited)</i> |
|---------------------------|-------------|---|---|
| Raw and packing materials | | | |
| - in hand | 10.1 | 68,570 | 58,774 |
| - in transit | | 8,133 | 22,150 |
| | | 76,703 | 80,924 |
| Finished goods | | | |
| - in hand | 10.1 | 134,812 | 142,584 |
| - in transit | | 16,307 | 2,718 |
| | | 151,119 | 145,302 |
| | | <u>227,822</u> | <u>226,226</u> |

10.1 Raw and packing materials and finished goods include inventories with a value of Rs. 24,463 thousand (31 December 2013: Rs. 21,186 thousand) which were held by third parties.

10.2 The cost of raw and packaging materials and finished goods has been adjusted net of provision for slow moving and obsolete stock by Rs. 21,576 thousand (31 December 2013: Rs. 18,315 thousand).

11. DEFERRED LIABILITIES

| Rupees in '000 | 30 June | 31 December |
|----------------------------------|----------------|----------------|
| | 2014 | 2013 |
| | (Unaudited) | (Audited) |
| Deferred taxation - net | 332,233 | 286,863 |
| Post retirement medical benefits | 4,852 | 4,926 |
| | <u>337,085</u> | <u>291,789</u> |

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

12.1.1 The Company has disputed the unilateral increase in rentals of one of its leased premises being exorbitant, unreasonable and unjustified. Therefore, a civil suit has been filed against the Lessor. The Court has directed parties to maintain status quo. The amount not acknowledged as debt in this regard as at 30 June 2014 amounted to Rs. 37,411 thousand (31 December 2013: Rs. 36,363 thousand).

12.1.2 There has been no change in contingency as at 30 June 2014 with respect to Gas Infrastructure Development Cess (GIDC) as disclosed in the annual audited financial statements of the Company for the year ended 31 December 2013.

12.2 Commitments

Capital commitments outstanding as at 30 June 2014 amounted to Rs. 64,246 thousand (31 December 2013: Rs. 91,722 thousand).

13. CASH GENERATED FROM OPERATIONS

| Rupees in '000 | Note | For the | For the |
|---|------|-----------------|-----------------|
| | | half year ended | half year ended |
| | | 30 Jun. 2014 | 30 Jun. 2013 |
| Profit before taxation | | 143,012 | 145,564 |
| <i>Adjustments for :</i> | | | |
| Depreciation | | 140,987 | 137,294 |
| Amortisation | | 2,101 | 1,181 |
| Liabilities written back | | (20,556) | - |
| Gain on disposal of operating assets | | - | (1,927) |
| Income from savings and deposit accounts | | (1,091) | (4,709) |
| Net investment in finance lease written off | | - | 14,260 |
| Finance costs | | 58,878 | 44,299 |
| Post retirement medical benefits | | 302 | 283 |
| Working capital changes | 13.1 | (72,809) | (93,440) |
| | | <u>250,824</u> | <u>242,805</u> |

13.1 Working capital changes

(Increase) / decrease in current assets:

| | | |
|-------------------------|------------------|------------------|
| Stores and spares | (10,138) | 6,681 |
| Stock-in-trade | (1,596) | (101,132) |
| Trade debts | (100,965) | (67,731) |
| Loans and advances | (10,269) | 4,283 |
| Deposit and prepayments | (8,512) | (13,740) |
| Other receivables | (30,982) | 22,434 |
| | <u>(162,462)</u> | <u>(149,205)</u> |

Increase in current liabilities:

| | | |
|--------------------------|-----------------|-----------------|
| Trade and other payables | 89,653 | 55,765 |
| | <u>(72,809)</u> | <u>(93,440)</u> |

14. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of group companies, entities with common directors, major shareholders, key management employees and retirement benefit funds. Transactions and balances with related parties and associated undertakings other than those which have been disclosed elsewhere in these financial statements, are given below.

14.1 Transactions with related parties are summarised as follows:

| | | 30 June 2014 | 30 June 2013 |
|--|---|-----------------|-----------------|
| Rupees in '000 | | | |
| Nature of relationship | Nature of transactions | | |
| The BOC Group Limited (Parent) | Technical assistance fee | <u>20,459</u> | <u>20,756</u> |
| | Dividend | <u>60,093</u> | <u>75,116</u> |
| Linde AG (Ultimate parent) | Information systems support / maintenance and development | <u>16,782</u> | <u>23,137</u> |
| Associated Companies | Purchase of goods and receipt of services | <u>26,339</u> | <u>31,440</u> |
| | Reimbursement of staff related cost incurred by the Company on behalf of associated companies | <u>12,211</u> | <u>2,451</u> |
| Related entities by virtue of common directorship | Sale of goods | <u>10,946</u> | <u>14,752</u> |
| Key management personnel | Remuneration for the period | <u>119,255</u> | <u>109,770</u> |
| Staff Retirement Benefits | Contribution to Staff Retirement Funds | <u>17,346</u> | <u>16,935</u> |
| | Contribution to Staff Retirement Fund | <u>(1,177)</u> | <u>(840)</u> |
| Meeting fee to Directors and remuneration to Non-Executive Directors | | <u>2,807</u> | <u>2,266</u> |
| Actuarial gain / (loss) recognised during the period in the Statement of Comprehensive Income on account of: | | | |
| - Management Staff Pension Fund | | <u>1,690</u> | <u>2,315</u> |
| - Pakistan Employees' Gratuity Fund | | <u>2,763</u> | <u>3,486</u> |

14.2 Balances with related parties are summarised as follows:

| | | 30 June 2014 <i>(Unaudited)</i> | 31 December 2013 <i>(Audited)</i> |
|---|--|---------------------------------------|---|
| Rupees in '000 | | | |
| Receivable from associates in respect of trade debts | | <u>230</u> | <u>1,726</u> |
| Payable to holding company / associate in respect of trade and other payables | | <u>(143,089)</u> | <u>(131,549)</u> |
| Receivable from Staff Retirement Fund | | <u>21,336</u> | <u>22,889</u> |
| Payable to Staff Retirement Funds | | <u>(16,257)</u> | <u>(17,995)</u> |

14.3 Sales, purchases and other transactions with related parties are carried out on commercial terms and conditions. The cost of technical assistance fee has been determined on the basis of agreement, duly acknowledged by the State Bank of Pakistan, between the Company and the BOC Group Limited based on an agreed methodology consistently applied.

15. CORRESPONDING FIGURES

The condensed interim balance sheet has been compared with the preceding balance sheet as at 31 December 2013, whereas the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity have been compared with the corresponding period of the previous year. Corresponding figures have been rearranged and reclassified, wherever necessary, for the purposes of comparison and has no material effect.

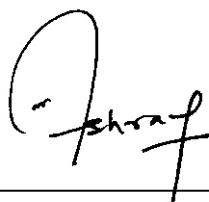
16. GENERAL

16.1 Date of authorisation

This condensed interim financial information was authorised for issue on 20 August 2014 by the Board of Directors of the Company.

16.2 Non adjusting events after balance sheet date

The Board of Directors has declared an interim cash dividend of Rs. 1.25 per share for the year ending 31 December 2014 amounting to Rs. 31,298 thousand in their meeting held on 20 August 2014 (2013: interim cash dividend of Rs. 1.5 per share for the year ended 31 December 2013 amounting to Rs. 37,558 thousand). This condensed interim financial information does not include the effect of interim cash dividend announced on 20 August 2014, which will be accounted for in the financial statements for the year ending 31 December 2014.



Muhammad Ashraf Bawany
Chief Executive



Munnawar Hamid OBE
Chairman

Our products and services

In Pakistan our business and reputation is built around our customers. Whatever the industry or interest, we continue to respond to its needs as quickly and effectively as possible. The ever-changing requirements of customers are the driving force behind the development of all our products, technologies and support services. Linde Pakistan provides gas products, facilities and turnkey services and solutions which are customized to meet the unique needs of our customers and add value to their businesses. Our competitive advantage is our extensive process engineering, project development and comprehensive product portfolio. We have the widest range of bulk and compressed gases product lines as well as welding consumables, equipments and safety gear. At Linde, our highly qualified and experienced engineers, product managers, technologists and marketers excel at providing dedicated support. A Linde customer receives for each gas application, the complete solution – gas, know-how, tailor-made hardware and customized services.

Industrial gases

Bulk gases

Liquid oxygen
Liquid nitrogen
Liquid argon
Pipeline & Trailer hydrogen
Liquid carbon dioxide
Industrial pipelines

PGP gases

Compressed oxygen
Aviation oxygen
Compressed nitrogen
Compressed argon
Compressed air
Compressed hydrogen
Compressed carbon dioxide
Dissolved acetylene

Speciality Gases

High purity gases
Research grade gases
Gaseous chemicals
Calibration mixtures
Argon mixtures
Welding gas mixtures
Sterilization gases
Propane
Helium (liquid & compressed)
Refrigerants

Healthcare

Medical gases

Liquid medical oxygen
Compressed medical oxygen
Nitrous oxide
ENTONOX®
Specialty Medical Gases & Mixtures e.g. Helium, Carbon dioxide, Heliox etc.

Medical equipment

High precision flowmeters
Suction injector units and oxygen therapy products
ENTONOX® delivery systems complete with apparatus, regulators and cylinders.

Medical engineering services

Consultation, design, installation and servicing of medical gas pipeline systems – (O₂, N₂O, Air, Suction etc)
Safety, quality, risk analysis & training on medical gas pipeline systems

Welding & others

Welding consumables

Low hydrogen welding electrodes - Fortrex E7018
Mild Steel welding electrodes - Zodian Universal E6013
Mild Steel welding electrodes - Matador47 E6013
Mild Steel welding electrode Weldmaster E6013
Stainless steel electrodes
Special Electrodes
MIG welding wires

Welding machines

Automatic
Semi-automatic
Manual

Welding accessories

Regulators
Cutting torches
Welding torches
Cutting machines
Gas control equipment
Safety equipment

PGP – others

Dry Ice



Business locations.

| | | | |
|---|------------------------|--|---|
| Registered Office/ head office | Karachi | P.O.Box 4845, West Wharf Phones +92.21.32313361 (9 lines) Fax 92.21 32312968 | |
| North-western region | Lahore | P.O.Box 205 Shalamar Link Road, Mughalpura Phones +92.42.36824091 (4 lines) Fax + 92.42.36817573 | Nitrous oxide plant Gases compression facility |
| | | Plot No. 705, Sundar Industrial Estate Phones +92.42.35297244-47 (4 lines) | ASU plant |
| | Multan | Adjacent to PFL Khanewal Road Phones + 92.61.6562201 & +92.61.6001360 (2 lines) 061-6001360 Fax + 92.61.6778401 | Carbon dioxide plant |
| | Mehmood Kot | Adjacent to PARCO Mid Country Refinery, Mehmood Kot Qasba Gujrat, Muzaffargarh Phones +92.66.2290751 & 2290484-85 Fax +92.66.2290752 | Nitrogen plant |
| | Faisalabad | Altaf Ganj Chowk Near Usman Flour Mills Jhang Road Phones +92.41.2653463 & 2650564 | Sales depot Gas compression facility |
| | Wah Cantonment | Kabul Road Phone +92.51.4545359 | Acetylene plant |
| | Taxila | Adjacent to HMC No.2 Phones +92.51.4560701(5 lines) & 4560600 Fax +92.51.4560700 | Gases compression facility |
| | Rawalpindi | 2 nd Floor, Jahangir Multiplex Golra Mor, Peshawar Road Phones +92.51.2315501 (3 lines) Fax +92.51.2315050 | Sales office |
| | Hasanabdal | Adjacent to Air Weapon Complex Abbotabad Road Phones +92.572.520017 (Ext. 104) & 522428 (Ext. 104) | Hydrogen plant |
| | Southern region | Karachi | P.O.Box 4845, West Wharf Phones +92.21.32313361 (9 lines) Fax +92.21.32312968 |
| Port Qasim | | Plot EZ/1/P-5(SP-1), Eastern Zone Phones +92.21.34740058 & 34740060 Fax +92.21.34740059 | ASU plant Hydrogen plant Carbon dioxide plant Dry Ice plant |
| Sukkur | | A-15, Airport Road Near Bhatti Hospital Phone +92.71.5630871 | Sales depot |