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Financial Results - Q2 2016

Linde India Limited

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Highlights

Safety : Safety continues to remain a key focus area across all the businesses.

New Site : Both the air separation units at Kalinganagar for Tata Steel commissioned in Q1 of 2016.

Interest : Cost of short term borrowings lower by 158 bps as compared to June, 2015.

Cash flow: Overall cash position improved, working capital loan has been brought down by 290 MINR from June 2015.

Merchant Revenue : Bulk and packaged gases revenue showed healthy growth.

New projects: Project Engineering Division secured new projects of 1,325 MINR during the 1st half of 2016.

Lowlights

Sluggish demand and global uncertainties: Subdued global demand and uncertainties in the form of surplus capacities and slowing growth of China remain key concerns.

Depreciation and interest burden : Full impact of depreciation and interest for new air separation plant coupled with lower capacity utilisation impacts PBT adversely.

Performance - Q2 2016

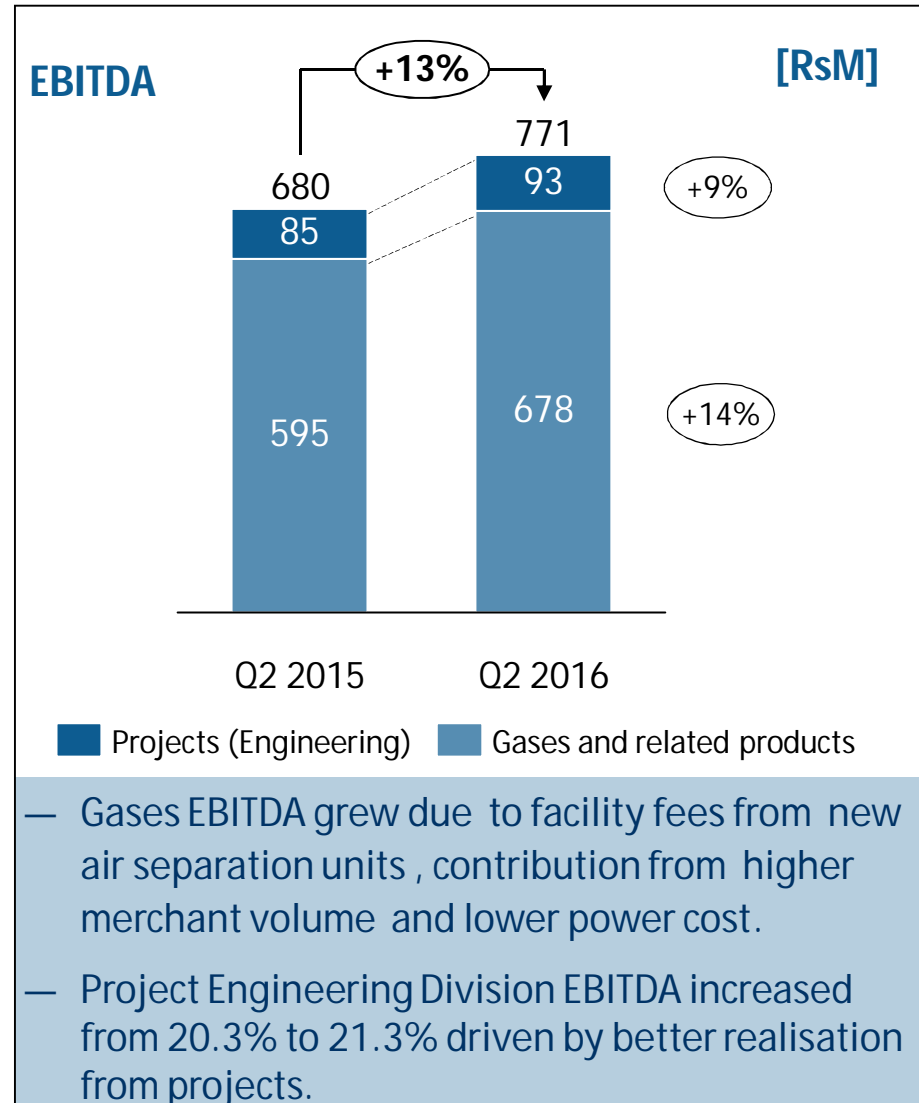
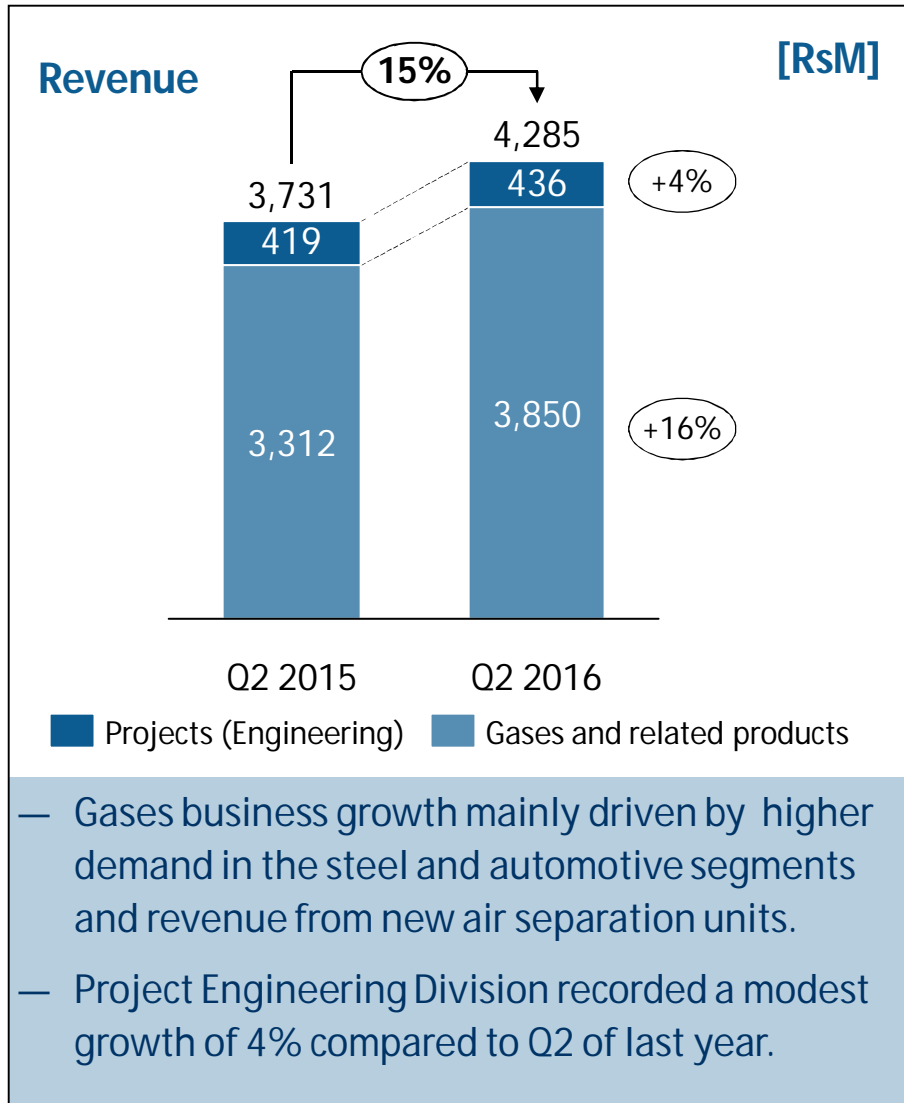
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		Q2 2015	Q2 2016	Var.
Net Revenue	[RsM]	3,731	4,285	+15%
EBITDA	[RsM]	680	771	+13%
Return on sales (ROS)	[%]	18.2%	18.0%	-20 bps
EBIT	[RsM]	283	274	-3%
PBT	[RsM]	62	-33	-155%
PAT	[RsM]	39	-25	-163%
EPS reported	[Rs]	0.46	-0.29	-163%

- Revenue growth driven by gases business due to an increase in demand in the steel and automotive segments.
- Full depreciation charge (497 MINR) and financing cost (307 MINR) recorded during the quarter on commissioning of the new air separation units in Kalinganagar, resulted in a loss of 33 MINR before tax.
- EBIT and EBITDA of Q2 of 2015 included one off gains from land sale and ECB restructuring.

Revenue & Operating Profit by Divisions - Q2 2016



Outlook

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- Indian economy is expected to be the fastest growing economy as per the projection from World Bank ; Structural reforms in the form of Goods and Service Tax (GST), Land acquisition and Labour laws are expected to be positive for the economy. However, the global uncertainties, surplus capacities in the Gases business in India, economic slowdown in China, strained corporate balance sheets in customer industries and non-performing assets of banks remain as concerns.
- Linde is setting up 107 tpd air separation plant for ITC Bhadrachalam with a total capex of nearly 400 MINR to cater the oxygen demand. The plant is expected to be operational by mid of next year.
- Linde is setting up a Food Lab and Learning Centre in the Andhra Pradesh for live cryogenic freezing demonstration and conducting batch trials for food processing organizations in Vijaywada, Andhra Pradesh with a total investment of 74 MINR.
- Project Engineering Division has won new orders and has a healthy order backlog of more than 5,200 MINR with an order intake of 1,325 MINR in 1st half of 2016.



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Appendix

Linde India - 2016

Key balance sheet items

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[RsM]	31December 2015	30 June 2016	Δ
Shareholders' Funds	13,926	14,004	+0.6%
Non-current liabilities	17,957	17,374	+3.2%
Long-term borrowings	13,383	12,645	+5.5%
Current Liabilities	4,759	5,873	-23.4%
Total Equities and Liabilities	36,642	37,250	-1.7%
Non-current assets	30,904	31,356	+1.5%
Fixed assets	21,576	27,008	+25.2%
Current assets	5,738	5,895	+2.7%
Cash and cash equivalents	210	503	+138.9%
Total assets	36,642	37,250	+1.7%

Linde India - 2016

Key P&L items

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[RsM]	Q1 2016	Q2 2016	Δ
Revenue	4,058	4,285	+5.6%
Other Income	217	25	-88.5%
Total expenses	-3,665	-4,036	-10.1%
EBIT	283	274	-3.2%
EBIT margin [%]	7.6%	6.4%	-120bps
EBT	62	-33	-153.7%
Exceptional Item	0	0	0%
Tax expense	-23	9	+138.3%
Net income	39	-25	-162.6%
EPS	0.46	-0.29	-162.6%

Performance - Year to date 2016

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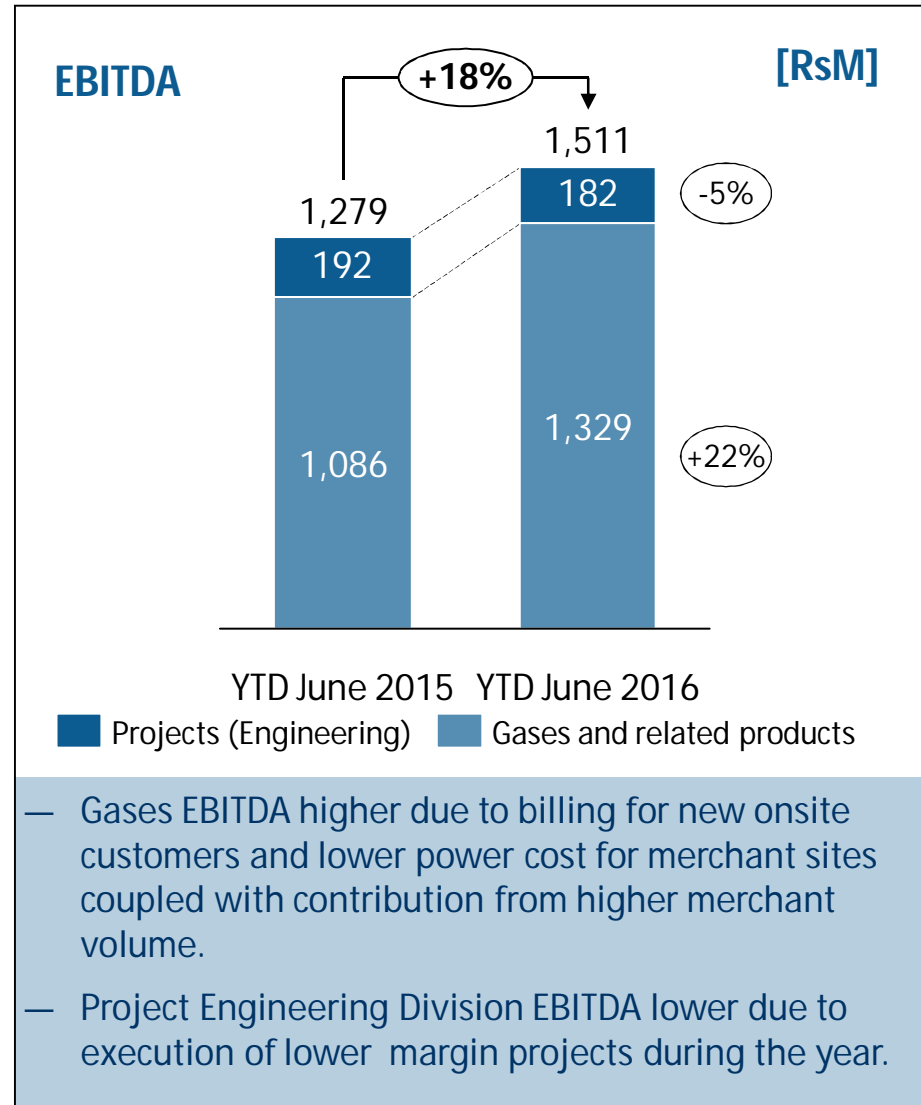
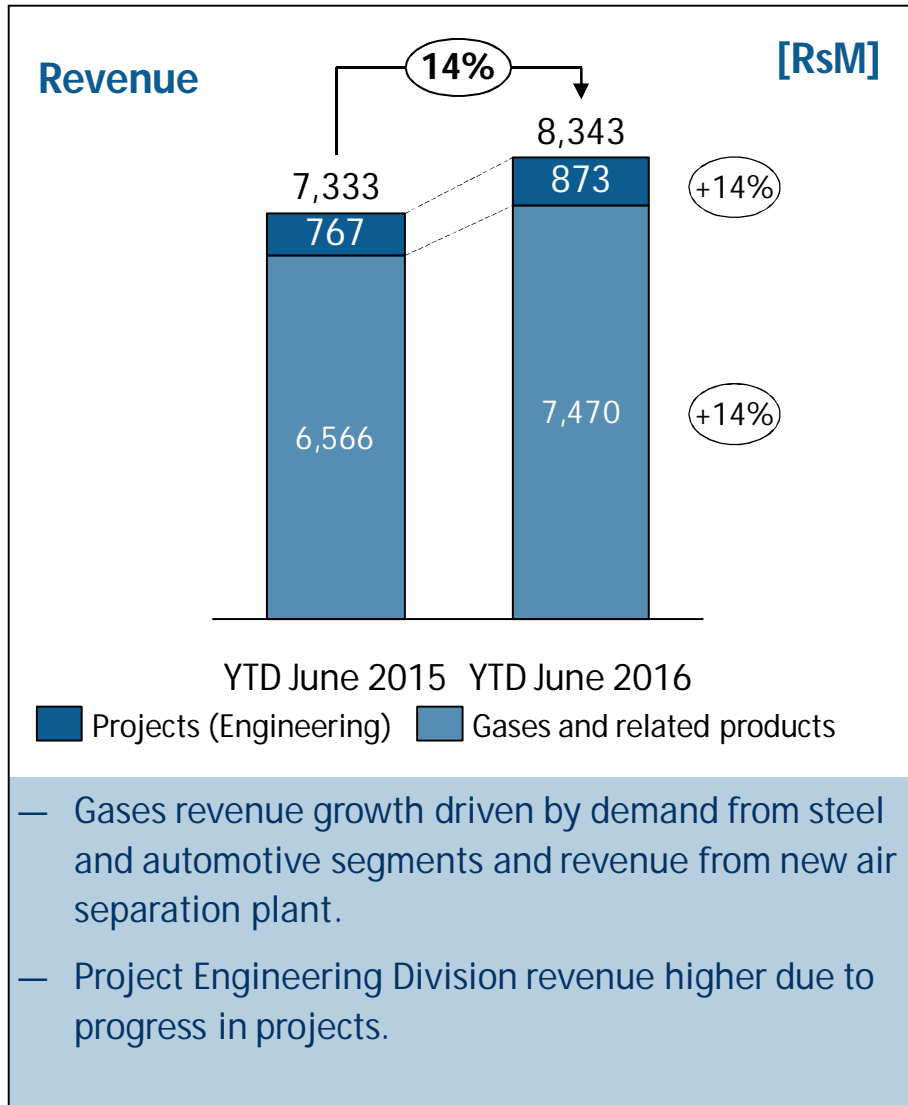


		Year To date 2015	Year to date 2016	Var.
Net Revenue	[RsM]	7,333	8,343	+14%
EBITDA	[RsM]	1,279	1,511	+18%
Return on sales (ROS)	[%]	17%	18%	+100 bps
EBIT	[RsM]	491	571	+16%
PBT *	[RsM]	33	42	+27%
PAT *	[RsM]	278	57	-79%
EPS reported	[Rs]	2.15	0.67	-69%

- EBITDA for the year 2016 improved by the start of new air separation units in Kalinganagar and higher merchant volume.
- Depreciation and interest cost is higher due to capitalization of air separation units in Kalinganagar.
- PAT for 2015 higher due to investment allowance benefit under section 32 AC of Income Tax Act for the Kalinganagar project.

*Pre exceptional items (Exceptional Item reflects VRS payment of 95 MINR)

Revenue & EBITDA by divisions - Year to date 2016



Linde India - Year to date 2016

Key P&L items

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[RsM]	Year to date 2015	Year to date 2016	Δ
Revenue	7,333	8,343	+13.8%
Other Income	390	139	-64.5%
Total expenses	-7,233	-7,911	-9.4%
EBIT	491	571	-16.4%
EBIT margin [%]	6.7%	6.8%	+10bps
EBT	33	42	+28.3%
Exceptional Item	-95	0	+100%
Tax expense	245	15	-93.9%
Net income	183	57	-68.7%
EPS	2.15	0.67	-68.7%



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