
**UNDERTAKING TO THE AUSTRALIAN COMPETITION AND
CONSUMER COMMISSION
GIVEN PURSUANT TO SECTION 87B OF THE
TRADE PRACTICES ACT 1974**

given by

AIR PRODUCTS AND CHEMICALS, INC

Background

A specifically formed company (the *Offeror*) jointly owned by Air Products and Chemicals, Inc, a corporation organised under the laws of Delaware of 7201 Hamilton Blvd, Allentown PA USA (*Air Products*) and L'Air Liquide SA, a société anonyme incorporated in France of 75 Quai D'Orsay, 75321 Paris, Cedex 07, France (*Air Liquide*) proposes to acquire, as a global acquisition, all the issued shares of the BOC Group Plc (*BOC Group*) after which the businesses currently operated by BOC Group will be restructured into separate operations to be conducted either by Air Products or Air Liquide in accordance with an agreement between the parties dated 2 July 1999 as modified by the amendment dated 7 July 1999 and the agreement dated 10 January 2000 (the *Agreement*). As part of that proposed transaction and solely as a result of the initial acquisition and its ownership interest in the Offeror, Air Liquide will temporarily become a joint indirect owner with Air Products of BOC Group's wholly owned subsidiary, BOC Gases Australia Limited (ACN 000 029 729) (*BOC Australia*). However, as soon as practicable after Air Liquide becomes a joint indirect owner with Air Products of BOC Australia, the joint holding of Air Products and Air Liquide in BOC Australia will be restructured and placed under Air Products' ownership. To ensure continuing competition between Air Liquide Australia Limited (ACN 004 385 782) and BOC Australia, Air Products and Air Liquide have agreed to "quarantine" the business of BOC Australia during the interim period.

Air Products and Air Liquide have sought the approval of the Australian Competition and Consumer Commission (the *Commission*) to the proposed transaction and have provided a submission to the Commission for that purpose. In support of that submission, Air Products undertakes as follows:

Undertaking

1. Air Products does not have any contract, arrangement or understanding with Air Liquide in relation to the conduct of the businesses of BOC Australia following the transfer of the shares in or assets of BOC Australia to Air Products.
2. It is Air Products' present intention, based on the information available to Air Products at the time of this undertaking, to conduct the industrial gases businesses of BOC Australia (including medical and welding) from the time that the shares in or assets of BOC Australia are transferred to Air Products in the same manner as they are presently operated. In operating these businesses, it is Air Products' intention to be an active and vigorous competitor of Air Liquide and the other firms competing for sales of these products in the relevant markets in Australia.

Acknowledgments

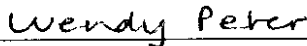
Air Products acknowledges that the Commission will make this undertaking available for public inspection and that the Commission may, from time to time, publicly refer to the undertaking.

In witness of these undertakings:

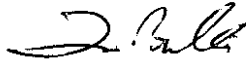
Signed for and on behalf of **AIR
PRODUCTS AND CHEMICALS
INCORPORATED** on **3** February 2000
by its attorney, who states that she has
no notice of the revocation of her power
of attorney, in the presence of:




Attorney's signature



Print Name

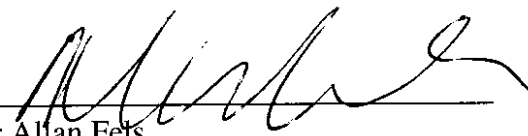


Witness signature



Print Name

ACCEPTED by the **AUSTRALIAN COMPETITION & CONSUMER COMMISSION**



Professor Allan Fels
Chairperson
8 February 2000

LAWYERS



3 February 2000

Mr Bob Alexander
Deputy Government Solicitor
Australian Government Solicitor
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Dickson ACT 2602

BY COURIER

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Victoria Australia
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Melbourne Stock Exchange
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Dear Bob

Proposed Acquisition of BOC Gases Australia Limited

As discussed, I attach an undertaking executed by me as attorney for Air Products and a copy of the joint undertaking, again executed by me as attorney for Air Products.

Please contact me if you wish to discuss this matter further.

Regards

Wendy Peter
Partner
wendy.peter@arh.com.au
(03) 9613 8953

Attach

Our Ref NLA: WWP

Your Ref

A.C.C.C. NOT TO INTERVENE IN BOC AUSTRALIA ACQUISITION

The Australian Competition and Consumer Commission will not intervene in the acquisition of BOC Australia by a specifically formed acquisition vehicle owned jointly by Air Products and Air Liquide.

Air Products and Chemicals is an American multinational firm primarily selling industrial and related gases (for welding and medical uses). Air Liquide is a French multinational firm which also sells industrial and related gases. BOC Australia is the Australian subsidiary of BOC Group, a British multinational firm selling industrial gases and welding equipment.

In July 1999, Air Products and Air Liquide announced they would form a joint acquisition vehicle to bid for the BOC Group as a global acquisition. Air Products and Air Liquide have agreed to restructure the individual businesses of the BOC Group and for Air Products and Air Liquide to conduct the restructured businesses independently once control is gained.

In Australia, the entire BOC business will ultimately pass to Air Products. Air Products currently has no Australian presence in these businesses. Air Liquide already has a significant presence in the local industrial and related gases businesses through its subsidiary, Air Liquide Australia.

"The ACCC believes the acquisition of BOC Group's Australian operations by the joint acquisition company, and ultimately by Air Products, will not substantially affect competition, provided that certain guarantees are provided by the parties to the ACCC", ACCC Chairman, Professor Allan Fels, said today.

"Those guarantees took the form of court-enforceable undertakings. The undertakings provide that:

- the BOC Australia business will pass to Air Products on or before the end of three months after the joint acquisition vehicle has acquired 100% of the issued share capital in BOC Group;
- during the transition period, the BOC Australia business will be conducted separately from Air Liquide's Australian operations and the passing of information between the parties will be prohibited, subject to certain information required for reporting, restructuring and safety purposes; and

- Air Products intends to run the BOC Australia businesses in the same manner as they are presently operated, based on present information, and to be an active and vigorous competitor to Air Liquide and other firms in the relevant Australian markets."

"These undertakings will help ensure that the competitive dynamic Between BOC Australia and Air Liquide Australia is preserved and that BOC's Australian operations are 'quarantined' during the period when both Air Products and Air Liquide will, in effect, be the joint indirect owners of BOC Australia," Professor Fels said.

So far, competition authorities in Canada, New Zealand and Europe have cleared the global transaction.

Further information

Professor Allan Fels, Chairman, (03) 9290 1812 or pager (016) 373 536

Ms Lin Enright, Director, Public Relations, (02) 6243 1108 or (0414) 613 520

MR ##/00

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