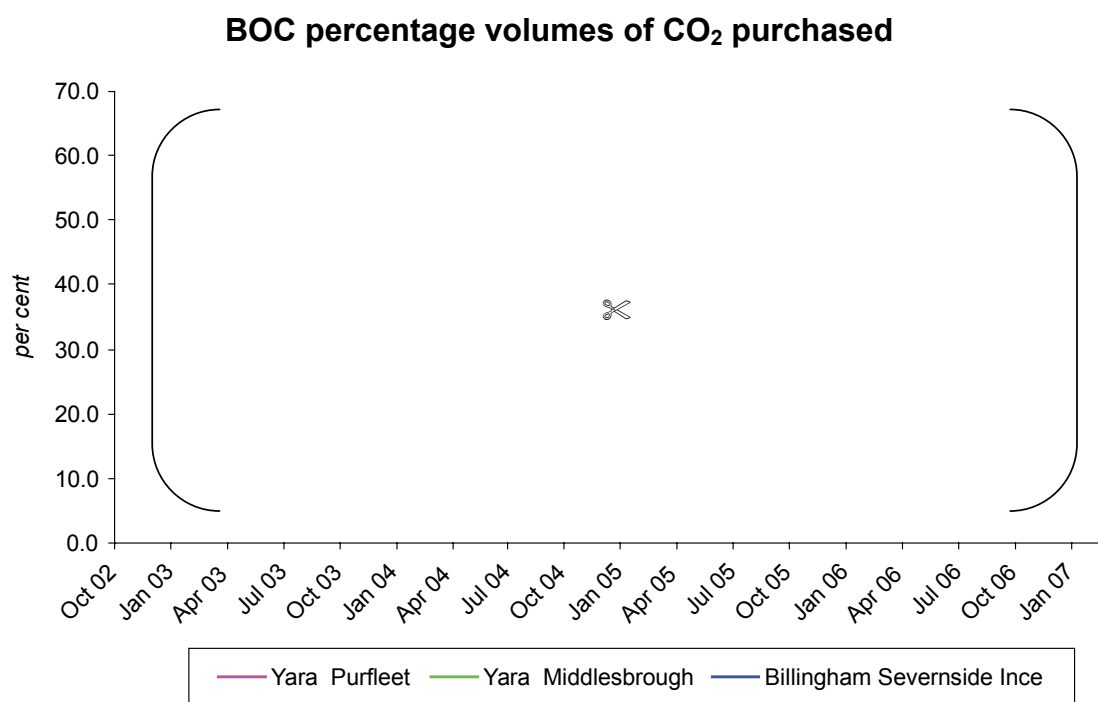


### Analysis of CO<sub>2</sub> production shutdowns, winter 2005/06

1. When assessing the relevant product and geographic markets it is often useful to look at how the market has behaved in the past. In this case the shutdown of UK production over the winter of 2005/06 provides a useful natural experiment, and may be informative regarding any future restriction in supply.
2. BOC provided its purchasing data over the period from October 2002 to January 2007. Figure 1 shows BOC's purchasing pattern over the period.

FIGURE 1

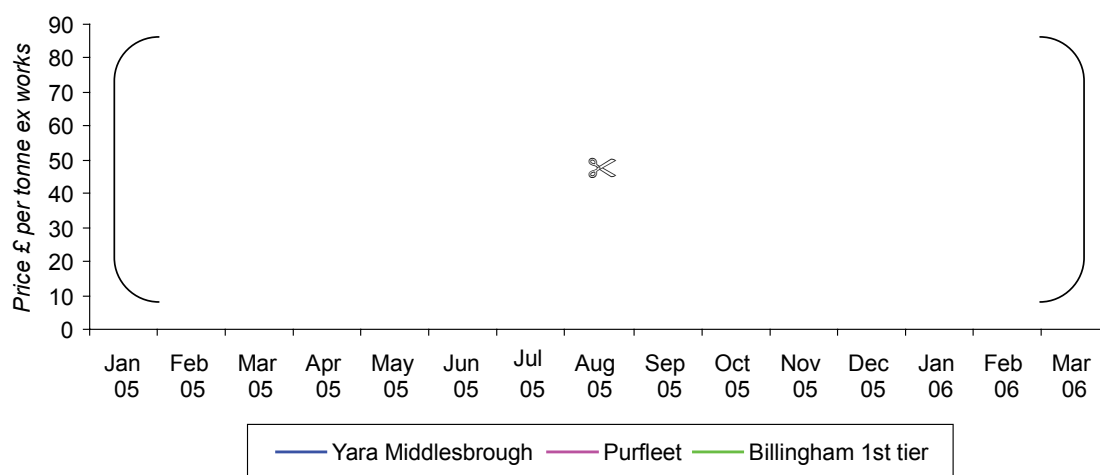


Source: BOC.

3. As Figure 1 shows, [✂].

FIGURE 2

**BOC purchase prices from Yara and Terra**



Source: BOC.

4. Figure 2 shows that the cost of [✂].<sup>1,2</sup>
5. Air Liquide provided [✂].
6. Yara told us that [✂].<sup>3</sup>
7. It therefore appears that switching to imports would not be sufficient to render a SSNIP by a hypothetical monopolist within the UK unprofitable.<sup>4</sup> In addition, the fact that Yara increased its prices at Purfleet in response to production shutdowns at the parties' plants in northern England would seem to indicate that there is some competitive interaction between plants within the UK.

<sup>1</sup>[✂]

<sup>2</sup>Source: note of hearing with [✂] on CO<sub>2</sub>, 26 March 2007.

<sup>3</sup>[✂]

<sup>4</sup>[✂]