

First quarter results 2004 Conference Call

May 13th, 2004
Wiesbaden

Hero Brahms, CFO

An encouraging start to the year

- Group sales increased 8.4%, excl. currency plus 11.8%
- Operating profit increased 11.5% on last year
- Net income is up from €11m to €22m
- Optimization programs on track
- Portfolio streamlined: Refrigeration business to be sold for €325m
- FY2004 outlook unchanged: Sales increase and higher EBITA, excl. refrigeration

Income Statement

- Good growth across two core business segments
- EBITA increased by 11.5%, excl. currency plus 16.3%
- Net income of €22m, up €11 m

€ million	Q1 03	Q1 04	Δ
Sales	1,947	2,111	+8.4%
Sales (excl. currency)			+11.8%
EBITDA	298	305	+2.3%
EBITA	104	116	+11.5%
EBIT	72	86	+19.4%
Financial result	- 38	- 35	+7.9%
EBT	34	51	+50.0%
Net income before minority interests	11	22	
Net income	11	22	

Key Financials

- Net debt reduced by €36 million in Q1
- Improved Gearing of 60.3%

in € million	2003	Q1 04
Operating Cash Flow	1,281	201
Capex (excl. financial assets)	856	160
Net Interest	- 130	- 35
EBITDA / Net interest	11.1	8.8
Net Debt*	2,941	2,905
Gearing**	62.5%	60.3%

* incl. leasing, excl. pension liabilities

** excl. leasing and pension liabilities

Gas and Engineering

- Slight increase in sales to €963m, excl. currency +5.2%
- EBITA +2.8%, excl. currency +6.9%

€ million	Q1 03	Q1 04	Δ
Sales	960	963	+0.3%
Sales (excl. currency)			+5.2%
EBITDA	253	250	-1.5%
Margin	26.4%	26.0%	
EBITA	145	149	+2.8%
Margin	15.1%	15.5%	
EBTA	112	128	+14.3%

Regional Sales

- Strong growth in South America (+22%) and Asia (+12.5%)
- Good growth in Europe (ex Germany), +5.5% excl. currency - despite poor economy

€ million	Q1 03	Q1 04	Δ	Δ excl. currency
Germany	216	217	+0.6%	
Europe excl. Germany	457	469	+2.8%	+5.5%
North America	220	195	-11.2%	+4.2%
South America	52	64	+22.0%	+25.5%
Asia / Pacific	16	18	+ 12.5 %	+10.5 %

Product Segment Sales

- Bulk and Healthcare show positive growth, both incl. and excl. currency
- Cylinder business stabilized in the first quarter

€ million	Q1 03	Q1 04	Δ / Δ excl. currency
Bulk	250 (25%)	263 (26%)	+4.8% / +8.2%
Cylinder	390 (39%)	386 (39%)	-0.9% / +4.0%
On-Site [*]	203 (21%)	195 (20%)	-3.9% / +2.0%
Healthcare	145 (15%)	153 (15%)	+5.3% / +11.8%

* ex natural gas

Highlights

- On-site market position in China is strengthening
- Successful acquisition of Italian homecare company (€10m annual sales)
- INO: French administrative court declares medical approval of competitor's KINOX as invalid

Outlook – Full Year 2004

- Increase in sales and EBITA (excl. currency)

- Strong growth in sales (+38.1%) and order intake
- EBITA €8m (last year: €3m)

€ million	Q1 03	Q1 04	Δ
Sales	210	290	+38.1%
Order intake	367	414	+12.8%
EBITDA	8	12	+50.0%
Margin	3.8%	4.1%	
EBITA	3	8	
Margin	1.4%	2.8%	
EBTA	2	7	

Highlights

- Very good order situation for Air Separation plants
- Order intake for the other segments at last year's high level
- New contracts from BOC for ASU in China and HyCo plant in USA with a total volume of €80m

Outlook - Full Year 2004

- Increase in sales and EBITA

Material Handling

- Strong growth in sales due to improved market situation (+12.2%)
- EBITA of €23m (plus 27.8%)

€ million	Q1 03	Q1 04	Δ
Sales	663	744	+12.2%
Order intake	744	810	+8.9%
EBITDA	90	99	+10.0%
Margin	13.6%	13.3%	
EBITA	18	23	+27.8%
Margin	2.7%	3.1%	
EBTA	12	16	+33.3%

Highlights

- Ongoing pricing pressure, especially in Western Europe
- Eastern Europe with strong growth, Poland and Russia > 50%
- Asia and North America continue last years favorable market development

Outlook – Full Year 2004

- Improved sales and EBITA

Refrigeration

- Sales increased 7.3%, but market situation remains difficult
- Operating profit down by 3.7%

€ million	Q1 03	Q1 04	Δ
Sales	123	132	+7.3%
Order intake	203	192	-5.4%
EBITDA	-22	-24	-9.1%
EBITA	-27	-29	-3.7%
EBTA	-28	-29	-3.6%

Comments

- Awaiting approval of anti-trust authorities for the sale of refrigeration
- The business segment will then be deconsolidated

Thomas Eisenlohr
Head of Investor Relations
Tel.: +49 611 770 610
Fax: +49 611 770 690
thomas.eisenlohr@linde.de

Marc Weisener
Tel.: +49 611 770 468
Fax: +49 611 770 690
marc.weisener@linde.de

Jo Raja
Tel.: +49 611 770 128
Fax: +49 611 770 690
jo.raja@linde.de