



January – June 2007
Conference Call

Leading.


THE LINDE GROUP

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Disclaimer



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Operating performance on solid growth trend

- Group sales rise 12.7% to € 5,888 bn in the first half year, Q2 sales up 16.1% to € 3,028 bn
- H1 operating profit up by 14.7% to € 1,158 bn, 19.5% increase in Q2 to € 589 mn
- Half-year reported EPS increases to € 3.66 (2006: € 2.25), on adjusted basis € 2.18
- Q2 reported EPS of € 0.90 (2006: € 1.13) , adjusted figure € 1.11
- Operating Cash Flow in the first half year up to € 745 mn
- Overall Free Cash Flow generated in the first six months of € 3,525 bn

Integration process on track

- Communicated disposal program completed
- Synergy program fully on track

Outlook confirmed: increase in sales and operating profit on comparable basis

Group: Segment overview

Sales and operating profit by segment



Sales 2007, in € million	Q2	Δ yoy	H1	Δ yoy
Division Gases	2,304	9.9%	4,553	8.1%
Division Engineering	636	43.6%	1,134	43.2%
Division Corporate / Cons.	88	-17.8%	201	-8.2%
Group	3,028	16.1%	5,888	12.7%

Operating profit 2007, in € million*	Q2	Δ yoy	H1	Δ yoy
Division Gases	569	14.9%	1,125	10.6%
Division Engineering	54	42.1%	98	44.1%
Division Corporate / Cons.	-34	15.0%	-65	13.3%
Group	589	19.5%	1,158	14.7%

* EBITDA before special items and incl. share of net income from associates and joint ventures

Gases Division Key Figures



- Sales increase of 7.9% on comparable basis for the first half year
- Operating profit over the first six months 2007 improves by 10.6% to € 1,125 bn
- Embedded Financial Lease impact on operating profit of € -69 mn in H1
- Operating margin for the half year up by 60bp to 24.7%

In € million	Q2 07	Δ yoy	H1 07	Δ yoy	H1 Δ yoy comparable*
Sales	2,304	11.9%	4,553	8.1%	7.9%
Europe	1,171	7.0%	2,310	8.1%	6.5%
America/Africa	726	7.1%	1,522	3.5%	11.3%
Asia/Pacific	416	35.1%	740	18.4%	9.5%
Consolidation	-9		-19		
Operating profit**	569	14.9%	1,125	10.6%	-
Margin	24.7%	+70bp	24.7%	+60bp	

* Comparable: Excluding currency, consolidation and natural gas price effects

** EBITDA before special items and incl. share of net income from associates and joint ventures

Solid growth momentum in all regions



Europe

Sales: € 2,310 mn
(+8.1%/+6.5% comp.)

- Steady growth in Continental & Northern Europe
- Strong growth all over Eastern Europe / Middle East
- Recently approved acquisition in Turkey and Algeria strengthen our market position in attractive growth regions

America/Africa

Sales: € 1,522 mn
(+3.5%/+11.3% comp.)

- **North America: € 1,057 billion (+2.8%/+7.3% comparable)**
 - Strong HyCO business following start-ups of major tonnage contracts
 - High volumes and good pricing for Bulk products
- **South America: € 243 million (+14.1%/+17.9% comparable)**
Various tonnage start-ups
- **Africa: € 252 million (- /+17.3% comparable)**
Strong economy drives LPG prices and hardware volumes

Asia/Pacific

Sales: € 740 mn
(+18.4%/+9.5% comp.)

- Strategic portfolio alignment all across Asia emphasizes presence in both the region and the electronic business
- Strong growth in China driven by project start ups and capacity increases

* Unconsolidated

** Comparable: Excluding currency, consolidation and natural gas price effects

Gases Division Product Segment Sales



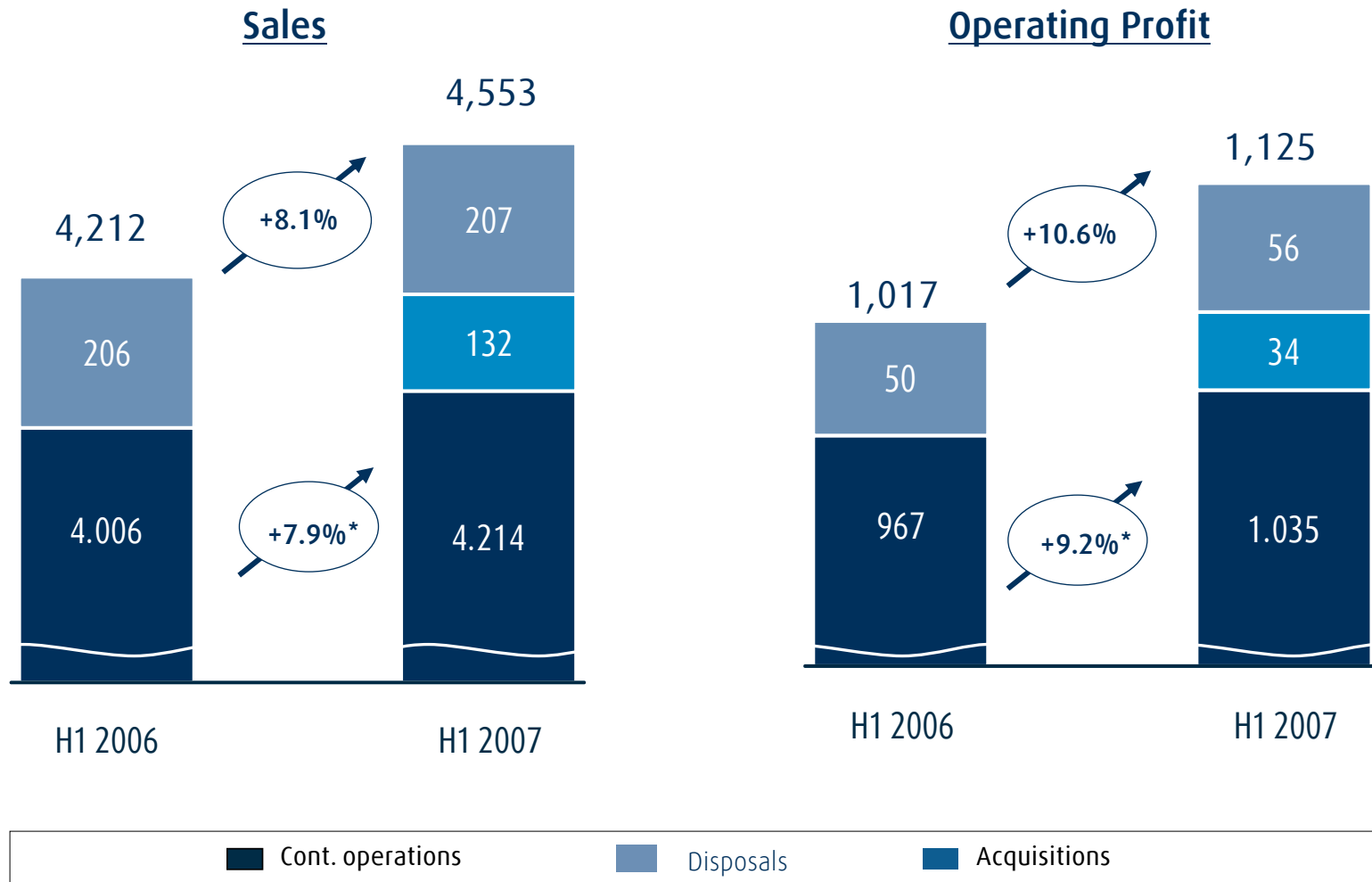
- Strongest growth momentum in tonnage driven by production ramp-ups
- Ongoing strong development on a broad base in the cylinder, bulk and healthcare segments

In € million*	H1 07	H1 06	Δ yoy
Bulk	1,357	1,271	6.8%
Cylinder	1,837	1,700	8.1%
Tonnage	1,025	938	9.3%
Healthcare	494	454	8.8%

* Unconsolidated, comparable (excluding currency, consolidation and natural gas price effects)

Gases Division

Impact of disposals and acquisitions (in € million)



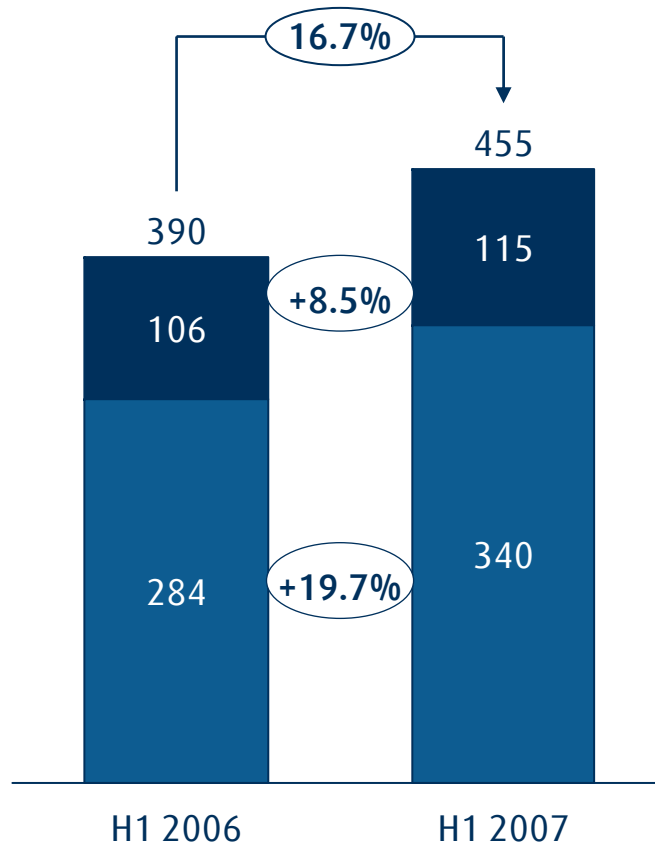
* Underlying growth

Gases Division

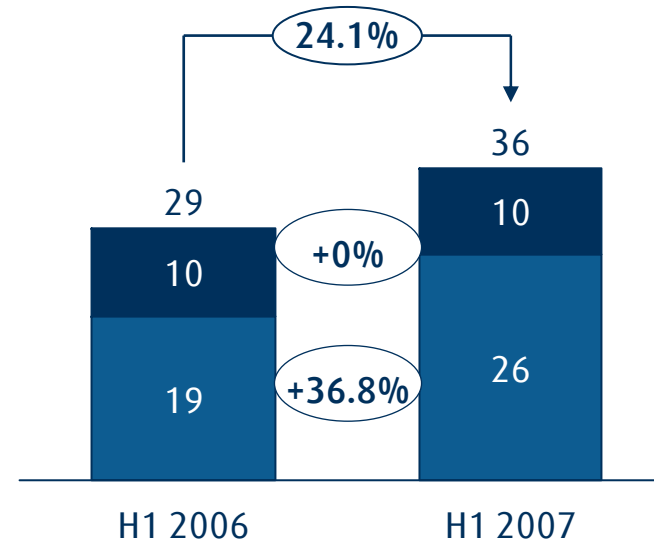
Proportionate contribution of JVs



Sales



Net Income



■ JV's sold In € million ■ JV's

Engineering Division Key Figures



- Order intake for the first half up 22.0% on last year's high level
- Half-year sales rise by 43.2% to € 1,134 bn
- Increase in operating profit of 44.1% to € 98 mn
- Order backlog of € 4,700 bn as of end of June

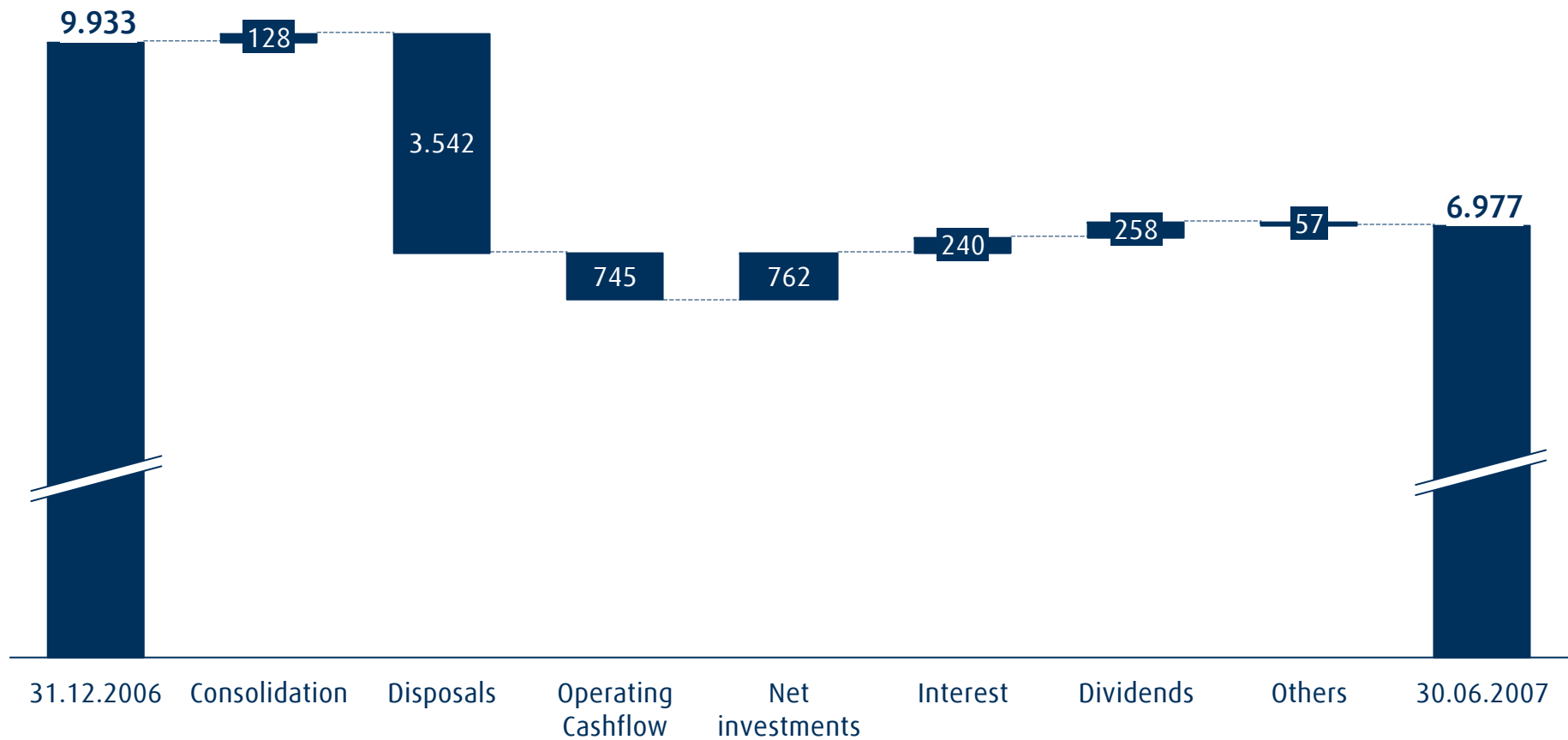
In € million	Q2 07	Δ yoy	H1 07	Δ yoy
Order intake	531	-24.1%	1,499	22.0%
Sales	636	43.6%	1,134	43.2%
Operating profit*	54	42.1%	98	44.1%
Margin	8.5%		8.6%	

* EBITDA before special items and incl. share of net income from associates and joint ventures

Net debt of € 6,977 billion
 Year-end net debt target remains € 7,2-7,5 billion



In € million



Group – Cash Flow Statement

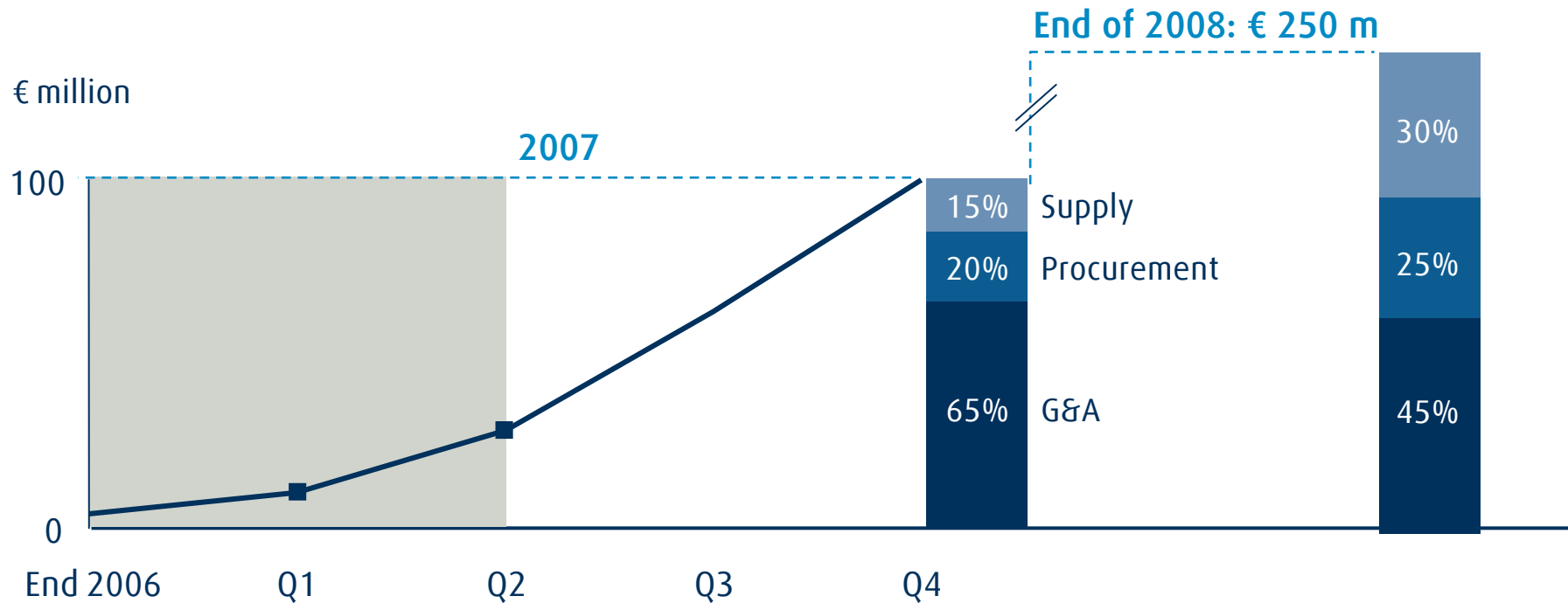
Key elements



(in € million)

	Q1/2007	Q2/2007	H1 2007	H1 2006
Operating profit before unusual items	569	589	1,158	863
Change in Working Capital	-79	70	-9	12
Funds from operations	490	659	1,149	875
P&L Taxes as reported	-201	-94	-295	-150
Accrued taxes on disposals	160		160	
Payed taxes on disposals		-176	-176	
Other changes	-36	-57	-93	-168
Cashflow from operating activities	413	332	745	557
Disposal proceeds	1,810	1,732	3,542	
Net investing activities	-280	-482	-762	-280
Free Cashflow	1,943	1,582	3,525	277

Synergy ramp-up / run-rate



- Synergy impact in Q1/Q2 partly offset by one-time expenses
- G&A initiatives largely contribute to the impact in 2007, mainly driven by FTE reduction; Wiesbaden headquarters closed end Q2, good progress on restructuring central functions and regional overheads
- Procurement and supply synergies to be realized on an on-going basis contributing in both 2007 and beyond; insurance coverage completely re-negotiated, effective July 1st
- Synergy initiative progress being continuously implemented, tracked and followed up by central Programme Management

Gases Division

- Sales increase above market growth
- Overproportionate increase of operating profit

Engineering Division

- Further significant increase of sales and operating profit based on high order backlog and positive market environment
- 2007: Sales expected to reach at least € 2,4 billion

Appendix

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Income Statement



- Sales rise by 12.7% to € 5,888 bn
- Overproportional increase in operating profit to € 1,158 bn (+14.7%)
- PPA impact of € 201 mn, book gain on disposals of € 574 mn

In € million	Q2 07	Δ yoy	H1 07	Δ yoy
Sales	3,028	16.1%	5,888	12.7%
Operating profit*	589	19.5%	1158	14.7%
EBIT before PPA and exceptionals	369	-	727	-
Financial result	-90	-	-201	-
EBT	249	-	896	-
Net income	156	-	614	-
EPS reported	0.90	-	3.66	-
EPS adjusted**	1.11	-1.8%	2.18	-3.1%

* EBITDA before special items and incl. share of net income from associates and joint ventures

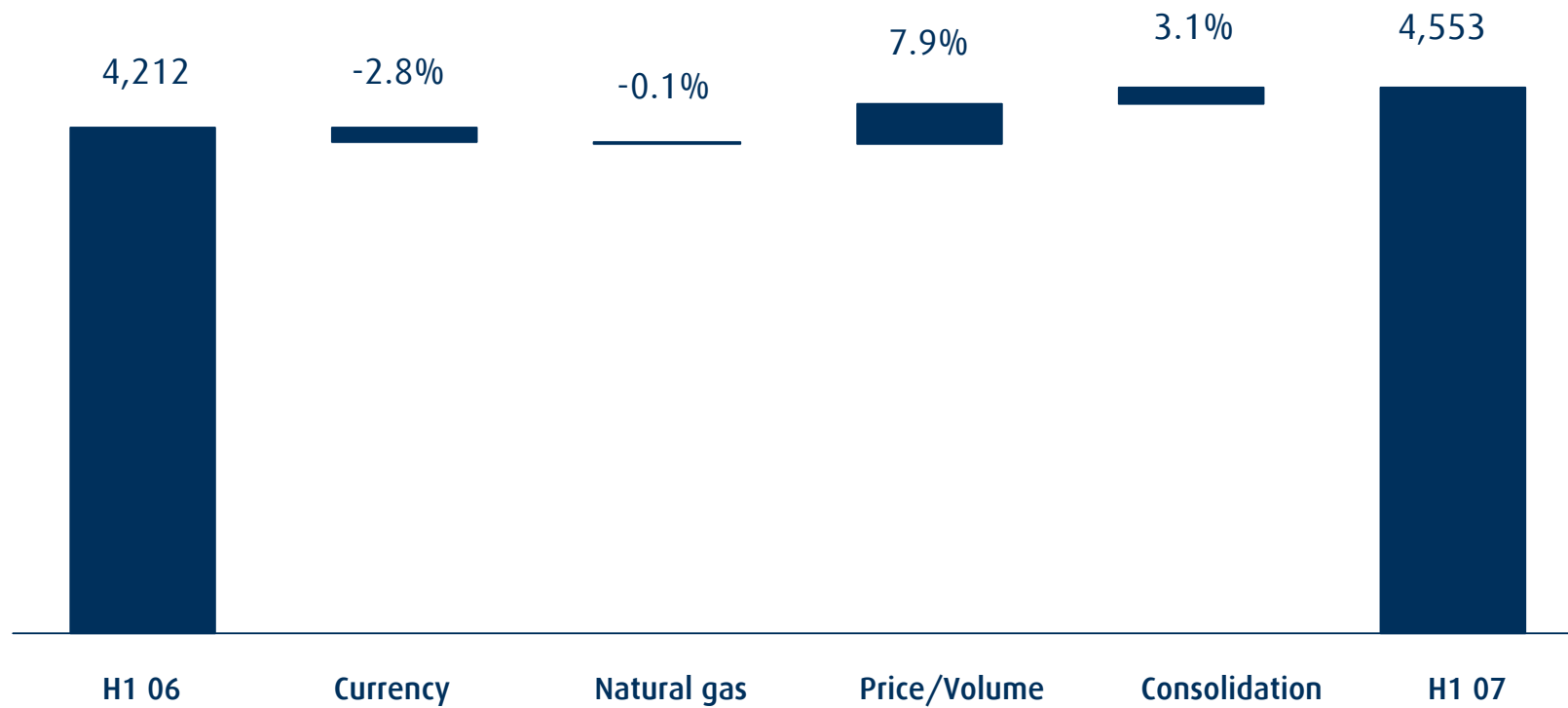
** adjusted for depreciation/amortisation from PPA and special items

Gases Division

Sales bridge H1/07: underlying growth of 7.9%



In € million



Disposals – strategic transformation accomplished



		Proceeds (Enterprise Value, €m)	Closing
Q1/07	Stake in Indura	150	31/01/07 ✓
	Linde Australia	300	01/02/07 ✓
	Stake in JAG	695	01/03/07 ✓
	8 Linde US ASUs	386	09/03/07 ✓
	INO Therapeutics	380 *	27/03/07 ✓
Q2/07	Asian Jvs with AL	275	27/04/07 ✓
	BOC Poland	370	30/04/07 ✓
	Linde UK	105	31/05/07 ✓
	BOC Edwards (Hardware business)	750 **	31/05/07 ✓
	US Retail Packaged Gases	231	30/06/07 ✓
Total		appr. 3,600	

* € 380 million cash proceeds plus 17% equity stake

** thereof € 685 million up-front and € 65 million at exit

Thank you for your attention

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