



January – June 2008
Conference Call

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THE LINDE GROUP

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August 1, 2008

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Growth acceleration despite economic challenges

- H1 Group sales increase 12.9% excl. currency to €6.256 bn
- H1 Group operating profit* improves by 15.4 % excl. currency to €1.258 bn
- Q2 Group sales up 18.1% excl. currency to €3.339 bn
- Q2 Group operating profit* plus 19.9% excl. currency to €656 m
- H1 Adjusted EPS grows 24.8% to €2.72 (2007: €2.18)
- Operating cash flow of €816 m leads to a free cash flow of €392 m after six months

Positive outlook confirmed

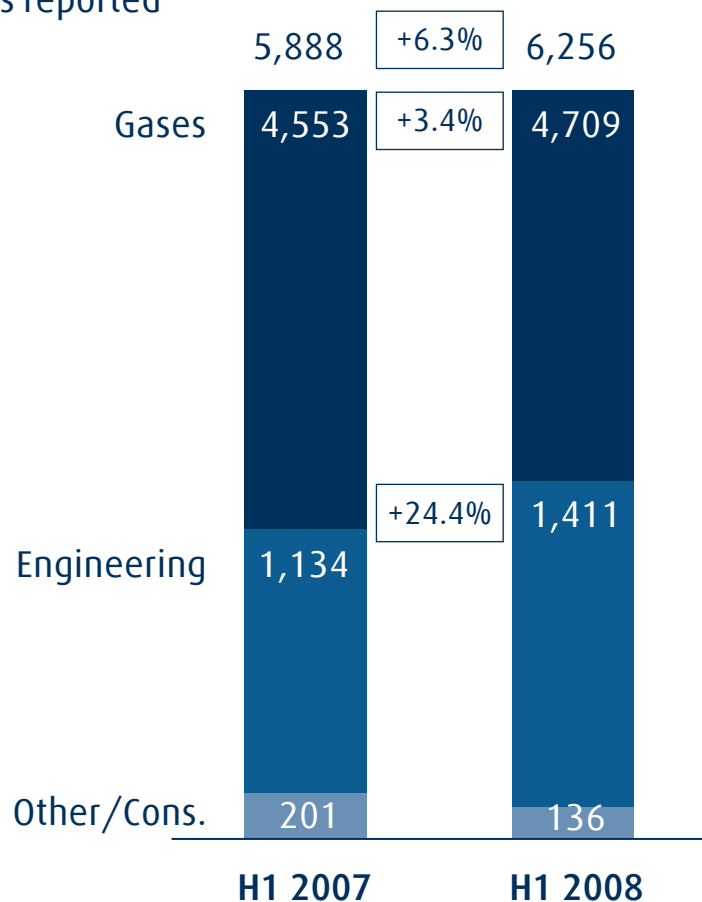
- 2008: Sales increase with overproportionate growth in operating profit
- 2010: Operating profit above €3 bn with ROCE of at least 13%

*EBITDA before non-recurring items, including share of net income from associates and joint ventures

Group, sales by Divisions

12.9% growth in group sales excluding currency effects

in € m,
as reported



Gases Division

- Comparable* growth of +8.5%
- 12.8% comparable growth incl. bolt-on acquisitions
- Driven by positive price and volume effects in all operating segments

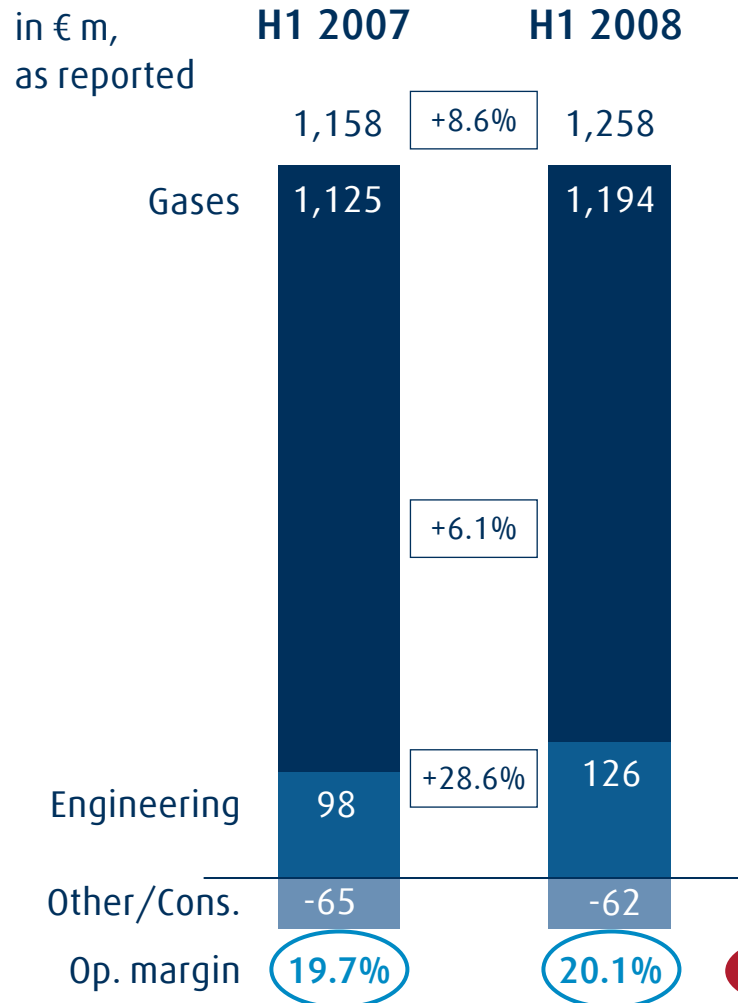
Engineering Division

- Strong sales growth in Q2
- Ongoing demand supports targeted 8-10% mid-term sales growth

*excluding currency, natural gas price and consolidation effect

Group, operating profit by Divisions

15.4% increase in operating profit excluding currency effects



Gases Division

- 12.7% operating profit growth excl. currency
- Operating margin up by 70 bps to 25.4%
- Margin dilution from natural gas of 50 bps yoy

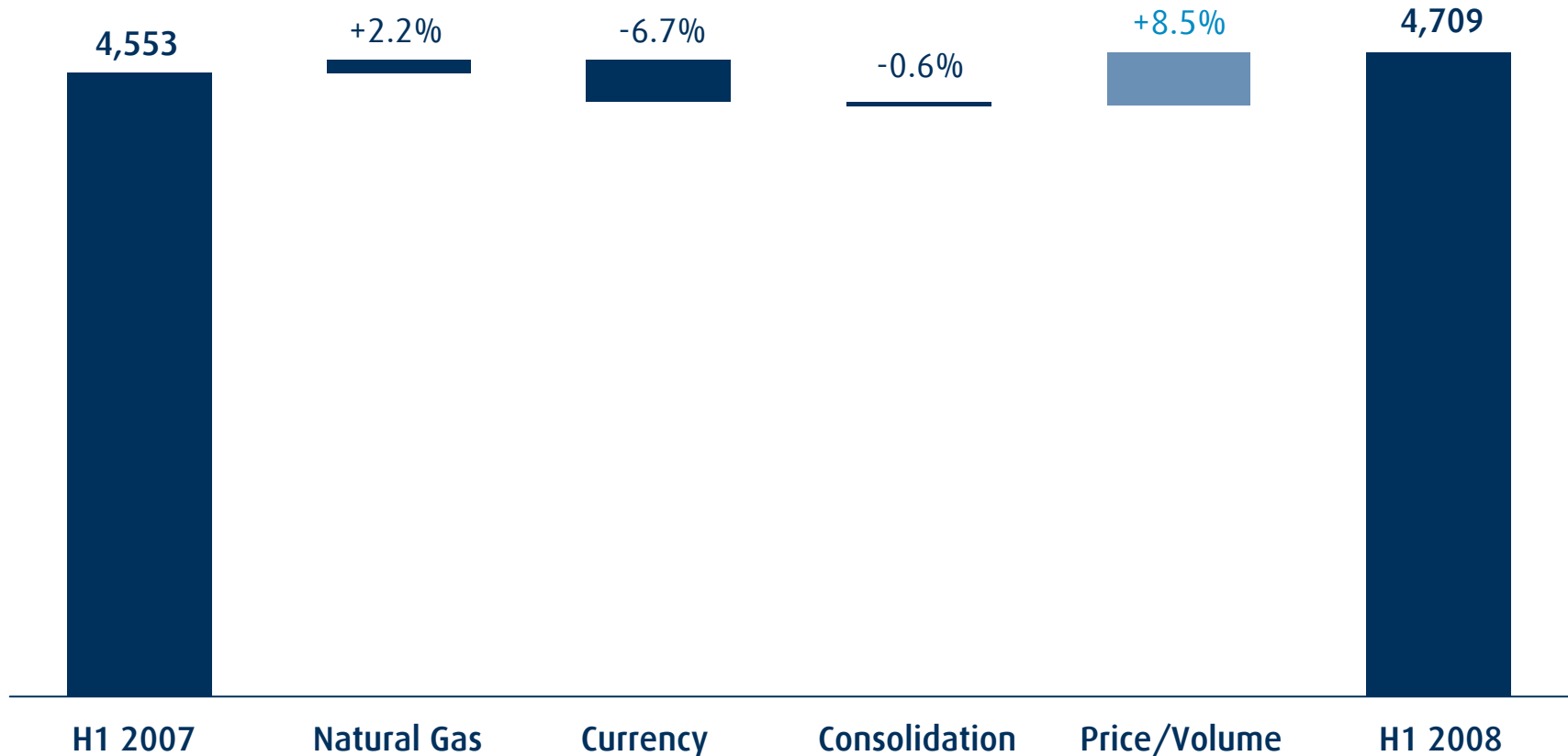
Engineering Division

- Strong project execution in tight markets
- Margin of 8.9% stays above 8% target

Gases Division, sales bridge

8.5% comparable growth

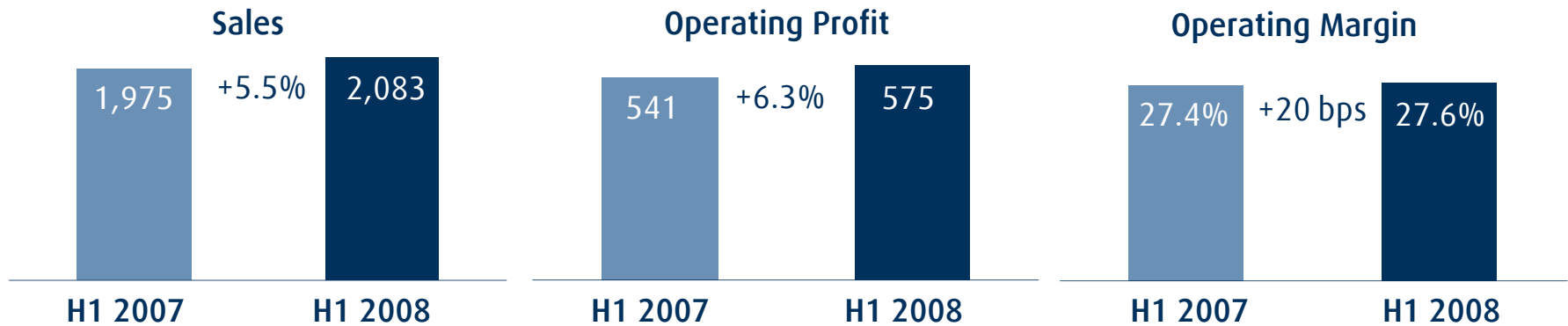
12.8% growth including acquisitions
In € m



Gases Division, operating segments

Western Europe

in € m, as reported



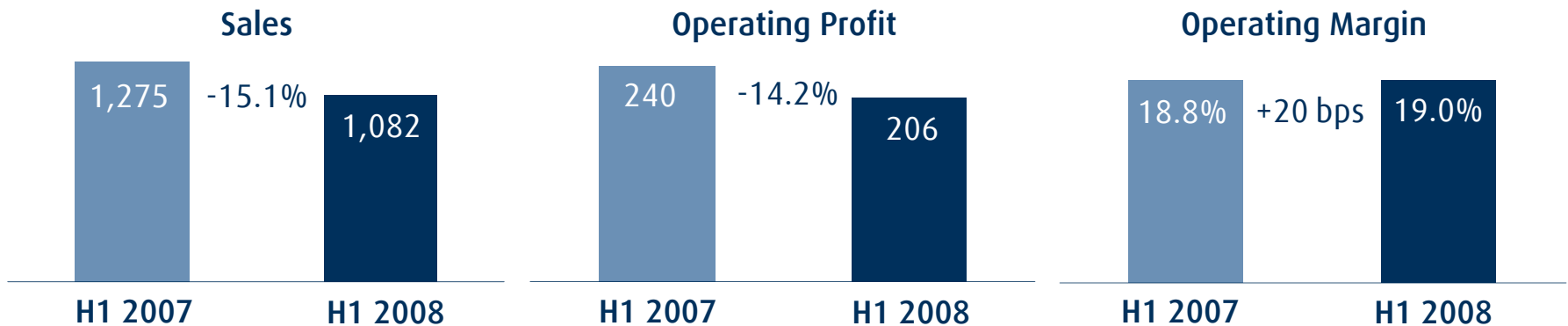
H1 highlights

- Comparable growth of 6.4%
- Good performance in all major countries
- Ongoing synergy collection and efficiency measures

Gases Division, operating segments

Americas

in € m, as reported



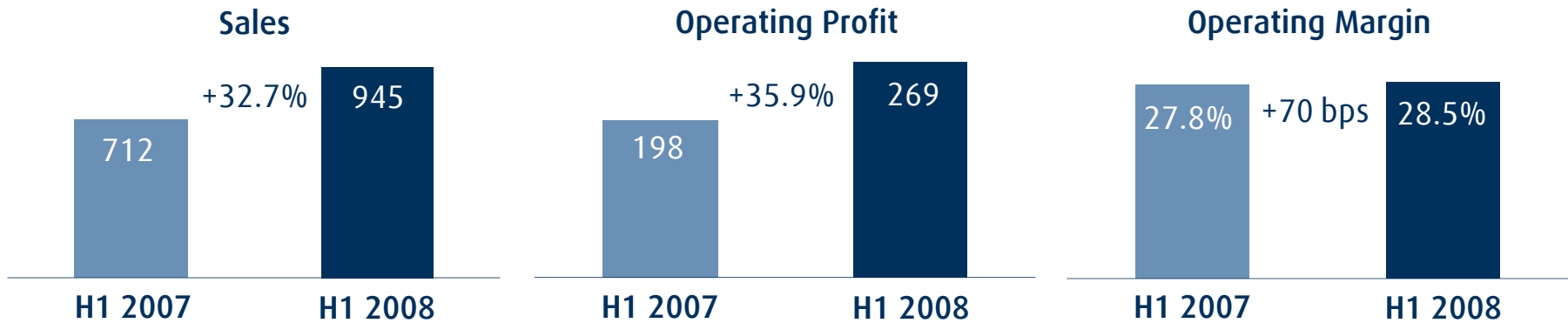
H1 highlights

- Comparable growth of 9.2%
- Reported figures impacted by previous year's disposals and currency effects
- Ongoing pricing strength
- Reported margins diluted due to pass-through of natural gas price increases to hydrogen customers

Gases Division, operating segments

Asia & Eastern Europe

in € m, as reported



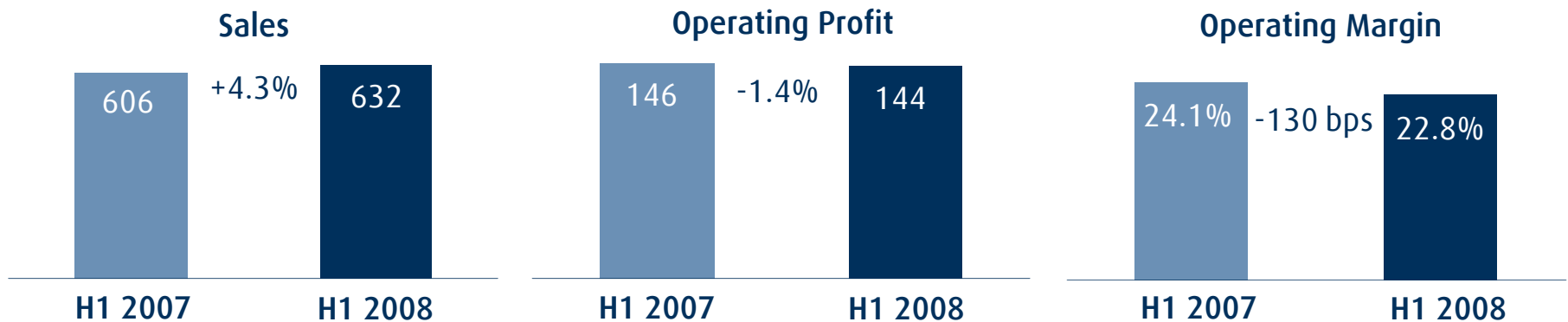
H1 highlights

- Comparable growth of 10.4%
- Reported figures boosted by new consolidations
- Ongoing strong activity across all countries
- Important strategic milestones achieved in Q2

Gases Division, operating segments

South Pacific & Africa

in € m, as reported



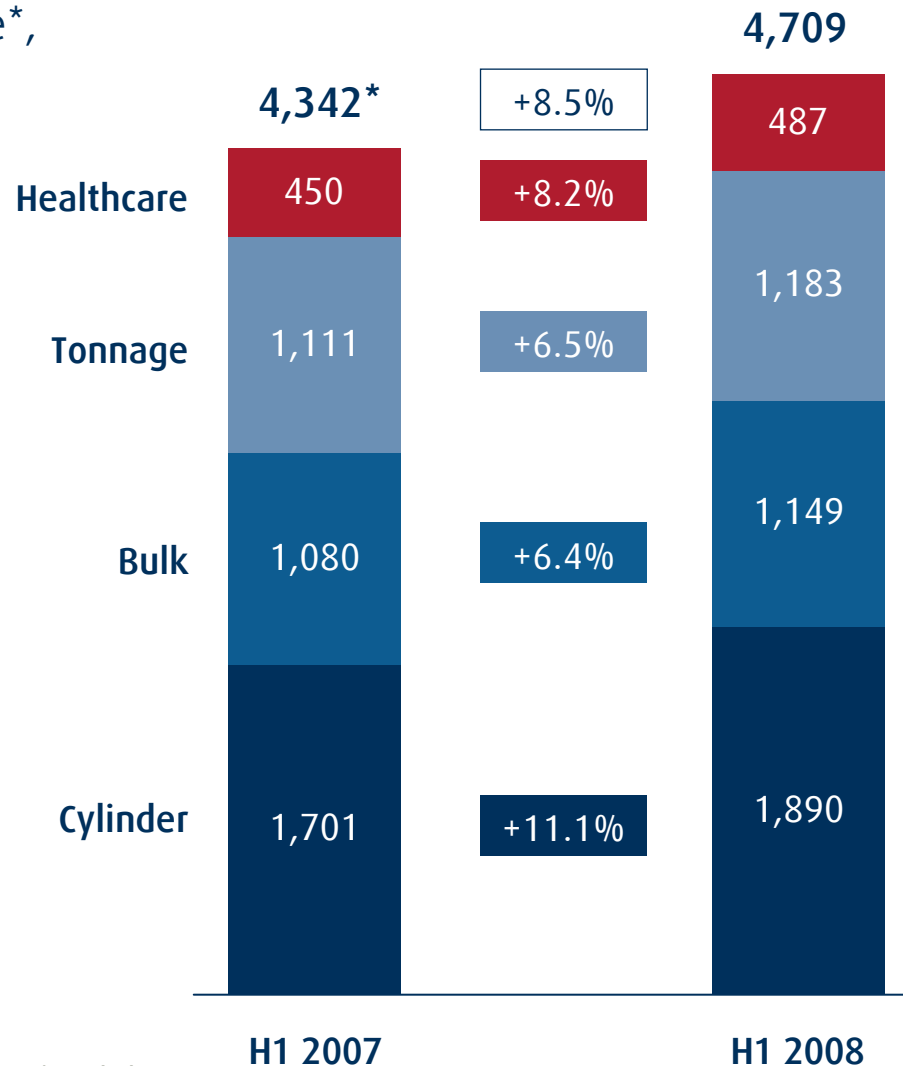
H1 highlights

- Comparable growth of 14.5%, significant impact of the South African Rand
- Growth mainly driven by the cylinder business
- Operating margin impacted by African business

Gases Division, sales by products areas (consolidated)

Merchant Markets momentum remains strong

in € m, comparable*,
consolidated

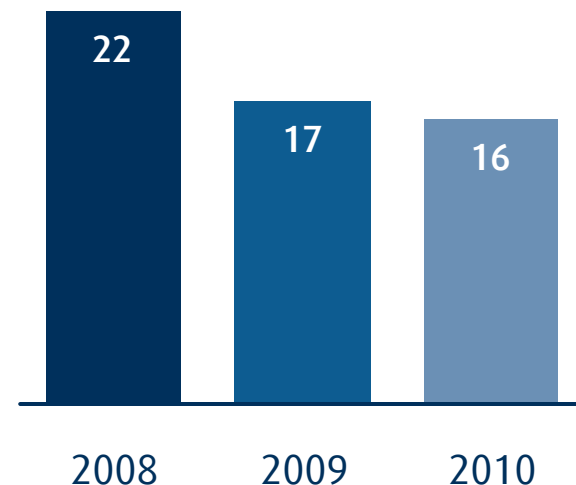
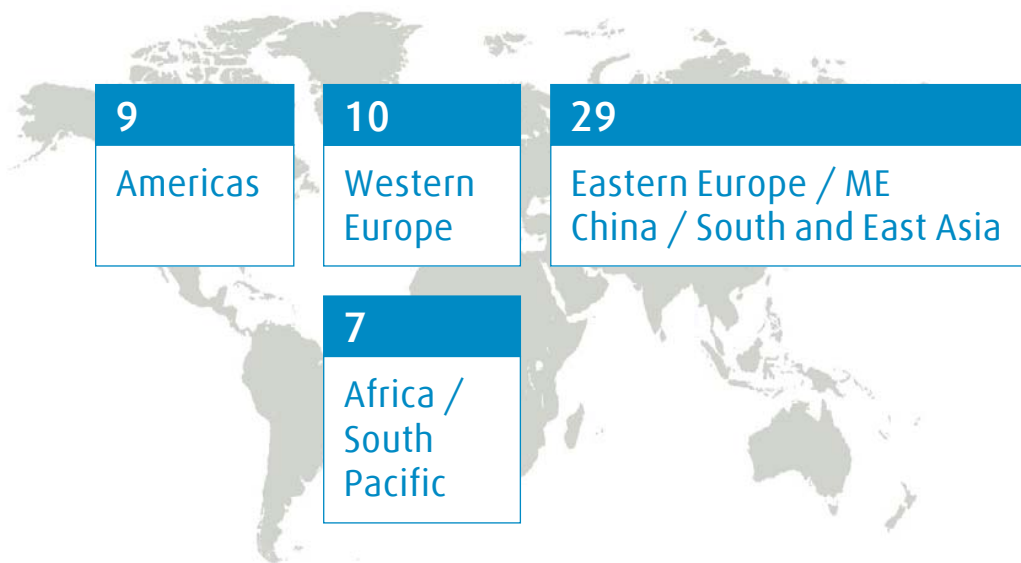


*excluding currency, natural gas price and consolidation effect

Gases Division

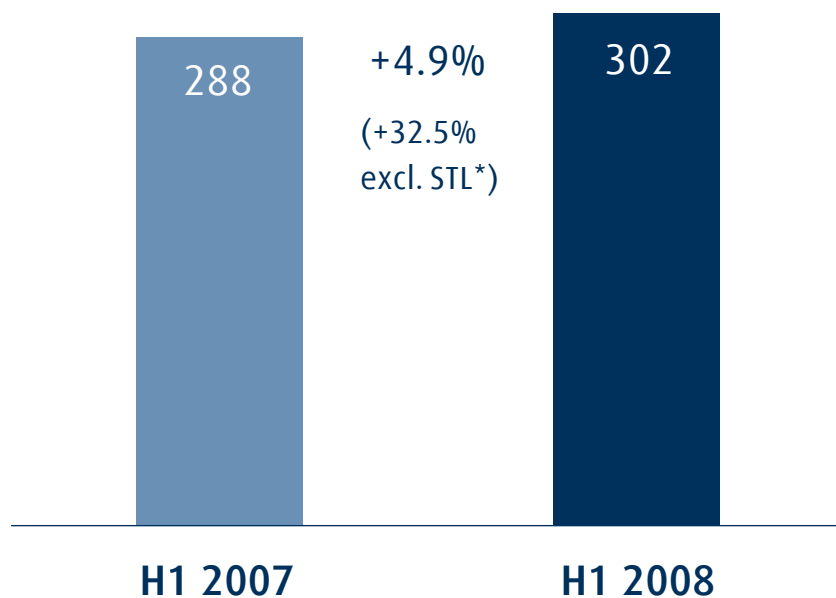
Project pipeline further increased

- Main market drivers for Tonnage are new applications in the energy sector and Emerging Markets
- Strong market position due to business synergies between Engineering and Gases and market leadership in Emerging Markets
- 7 major signings since March 2008: 55 start-ups until 2010, more than half of it in Emerging Markets

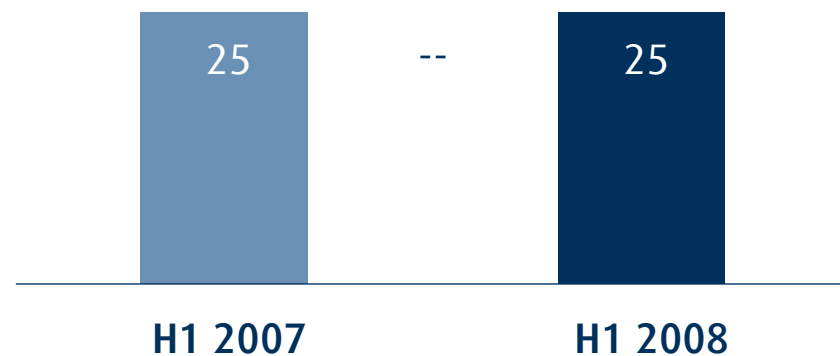


in € m, comparable

Proportionate Sales (not incl. in the Group top-line)



Share of Net Income (contribution to operating profit)



Sales-type-lease for new projects treated as EFL (IFRIC)

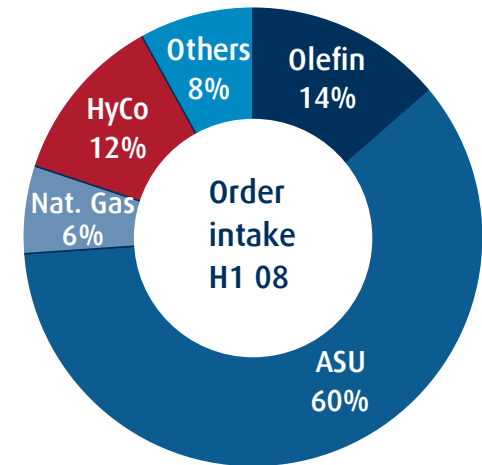
Engineering Division

Market environment remains supportive



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- Further growth at strong margin
- USD 800 m order for the “Enhanced Gas Recovery” project with ADNOC
- Order backlog of €4,347 bn (year-end 2007: €4,391 bn)
- Unchanged outlook: 8-10% sales growth at ≥8% margin



In € m	H1 07	H1 08	Δ yoy
Order intake	1,499	1,557	3.9%
Sales	1,134	1,411	24.4%
Operating profit*	98	126	28.6%
Margin	8.6%	8.9%	+30bps

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

Group – Cash Flow Statement

Key elements

in € m	Q1/2008	Q2/2008	H1/2008	H1/2007
Operating profit before unusual items	602	656	1.258	1.158
Change in Working Capital	-199	17	-182	-4
Other changes	-66	-194	-260	-409
Cashflow from operating activities	337	479	816	745
EFL amortisation	18	20	38	42
Disposal proceeds	38	93	131	3.542
Acquisitions	0	-54	-54	-378
Net investing activities	-279	-260	-539	-426
Free Cashflow	114	278	392	3.525

Outlook

Strong confidence in our mid-term financial targets



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Group

- Increase in sales and overproportionate growth of operating profit in 2008
- Operating profit above €3 bn in 2010
- Adjusted ROCE of at least 13% in 2010
- €250 m cost savings (fully effective in 2009)
- Tax rate of around 30% in 2008
- Dividend policy will adequately reflect profit growth

Gases Division

- Sales increase above market growth
- Overproportionate increase of operating profit
- Average capex/sales ratio of 13%

Engineering Division

- Mid-term sales growth of 8-10% based on positive market environment and strong order backlog
- 2008 target margin of 8% is above engineering industry average

Appendix

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Group Financial Highlights



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in € m	H1 2007	H1 2008	Δ in %
Sales	5,888	6,256	6.3
Operating profit	1,158	1,258	8.6
Margin	19.7	20.1	+40bps
EBIT before special items and PPA depreciation	727	842	15.8
Special items	574	59	-
PPA depreciation	-201	-185	-
EBIT	1,100	716	-
Financial Result	-204	-172	15.7
Taxes	295	142	-
Net income – Part of shareholders Linde AG	589	375	-
Net income adjusted	351	455	29.6
EPS in €	3,66	2,24	-
EPS in € adjusted	2,18	2,72	20.6

Purchase Price Allocation (PPA)

Impact in H1 2008: €185 m (H1 07: €201 m)
Expected impact FY 2008: €375-425 m

Background:

- The difference between the purchase cost of BOC and related acquisitions in Asia and their net asset value has been allocated to assets on the Linde balance sheet (for BOC, see Linde 2007 annual report, p. 99).
- The revaluation of these assets leads to additional depreciation and amortisation charges according to the useful life of the assets.
- Goodwill is not amortised but subject to a yearly impairment test.
- Depreciation & Amortisation from PPA is excluded from the calculation of Adjusted EPS.

IFRIC 4: Embedded Finance Lease (EFL)

Impact* in H1 2008: € -64 million (H1 07: €-72 m)
Expected impact* FY 2008: €-128 m * (on Sales and EBITDA)

Background:

- Tonnage contracts dedicated to one single customer (> 95% of sales), who covers all major market risks, have to be treated under IFRS like an embedded finance lease.
- The related cash flow streams are therefore no more booked as sales and operating profit but recognised as amortisation of financial receivables in the balance sheet and financial income in the P&L.
- EBITDA multiple comparison with peers needs to be adjusted for IFRIC 4
- Very minor impact on EPS, no impact on Free Cash Flow

Definition of financial key figures



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Operating Profit	Return	EBITDA (incl. IFRIC 4 adjustment) excl. finance costs for pensions excl. special items incl. share of net income from associates and joint ventures
	adjusted ROCE	Operating profit - depreciation / amortisation excl. depreciation/amortization from purchase price allocation
	Average Capital Employed	equity (incl. minorities) + financial debt + liabilities from financial services + net pension obligations - cash and cash equivalents - receivables from financial services
adjusted EPS	Return	earnings after tax and minority interests + depreciation/amortization from purchase price allocation +/- special items
	Shares	average outstanding shares

Thank you for your attention

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