

Analysts' Conference
Full Year Results 2003
24th March, 2004

Dr. Wolfgang Reitzle, CEO

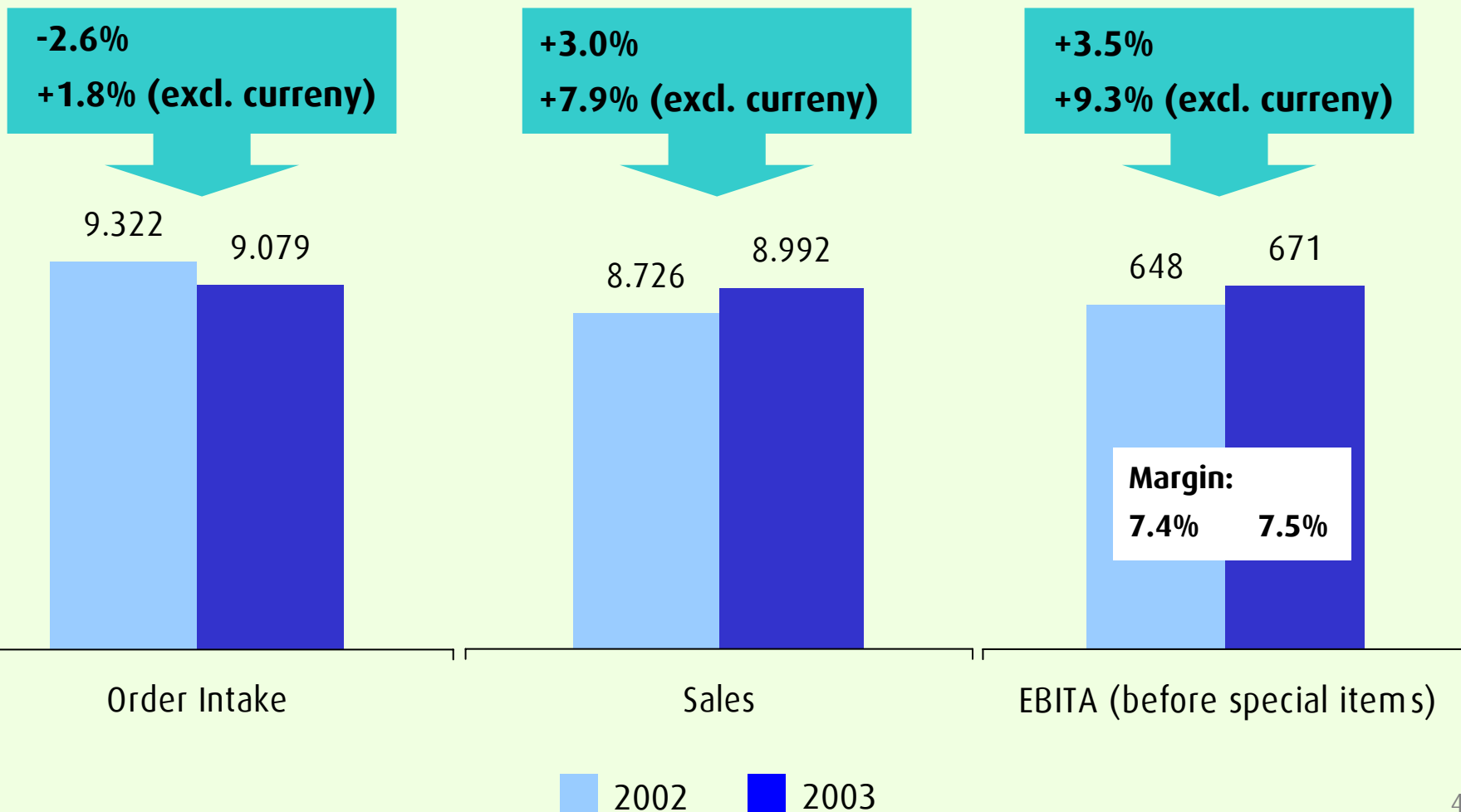
Highlights FY 2003

- Economic headwind, especially in Material Handling
- Sales and EBITA before special items have met our forecast
- Currency development negatively impacts performance of Linde Gas
- Restructuring programs are fully on track
- Financial result improved by €48 million
- Higher tax rate and special items of €127 million burden net result
- Net profit €108m (2002: €240m), EPS €0,91 (2002: €2,01)
- Group ROCE increased to 7.7% (2002: 7.0%)
- Increased cash flow of €1,281 million (+ 11.9% vs 2002: €1,145 million)
- Net debt reduction of €510 million (incl. pensions)
- Unchanged dividend

Linde Group

Growth in sales and earnings despite weak economy and unfavorable currency development.

Key Financials FY 2003 (in € million)



Special Items – €140 million in FY 2003

Provisions taken in

in € million	Cost savings	FY 02	Q3/03	Q4/03
Linde Gas	150	54	10	
Refrigeration	25	21		
TRIM.100	150	62	40	
Headquarter			20	
Material Handling Australia				20
Transaction & Disposal costs				50
TOTAL	325	137	70	70

Key Financials FY 2003

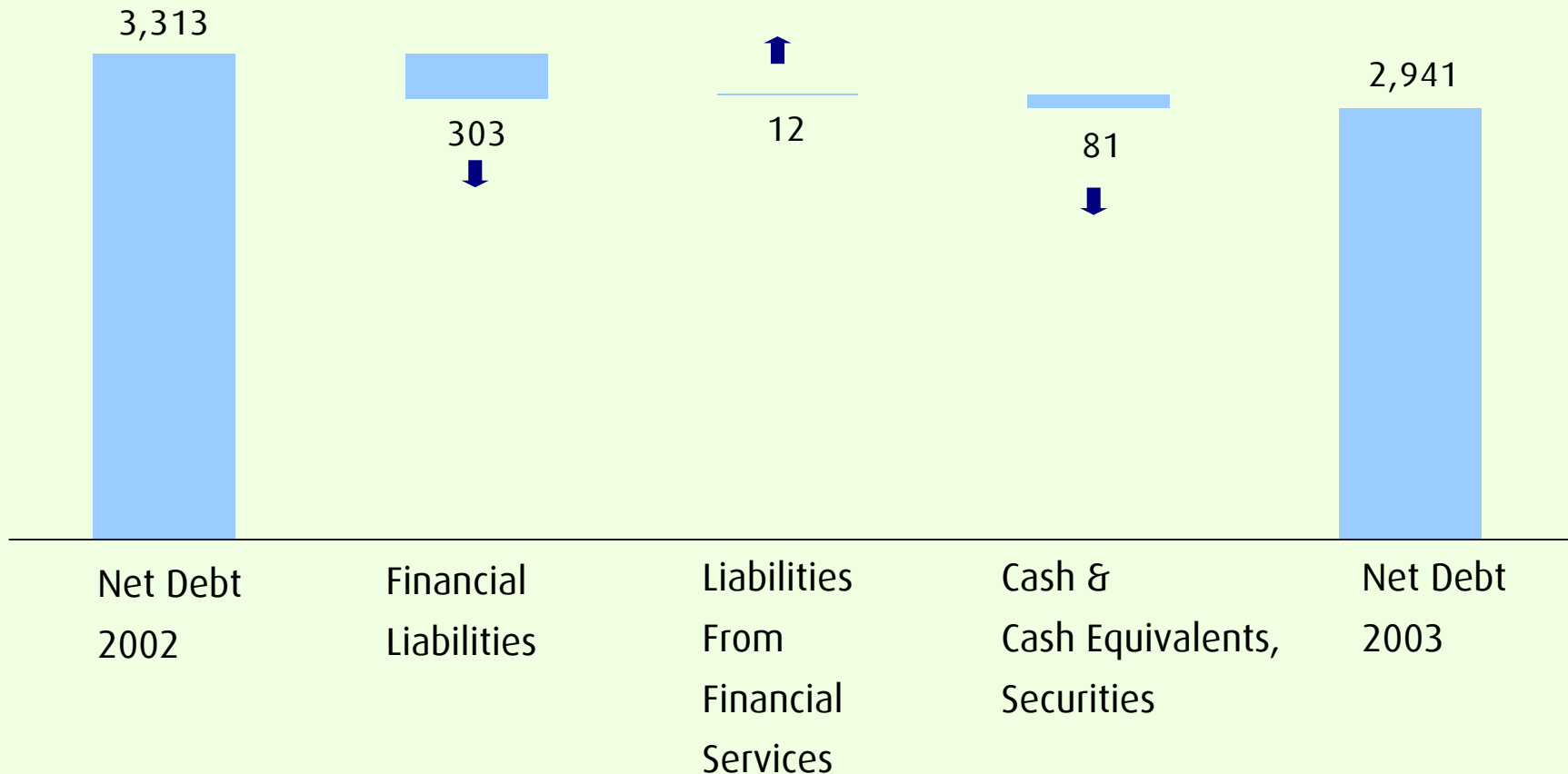
Depreciation + Amortization by segment			Capital Expenditure* by segment (incl. leasing)			Free Cash Flow** by segment		
in € million	2002	2003	in € million	2002	2003	in € million	2002	2003
Linde Gas	530	517	Linde Gas	401	397	Linde Gas	364	329
Linde Engineering	27	24	Linde Engineering	29	24	Linde Engineering	155	212
Material Handling	299	366	Material Handling	398	411	Material Handling	213	94
Refrigeration	26	34	Refrigeration	32	29	Refrigeration	10	10
Corporate	31	5	Corporate	7	-5	Corporate	145	-19
Group	913	946	Group	867	856	Group	887	626

* excl. Financial Assets

** incl. Financial Assets

Net debt reduced by €372 million (incl. Pensions, total reduction of €510 million)

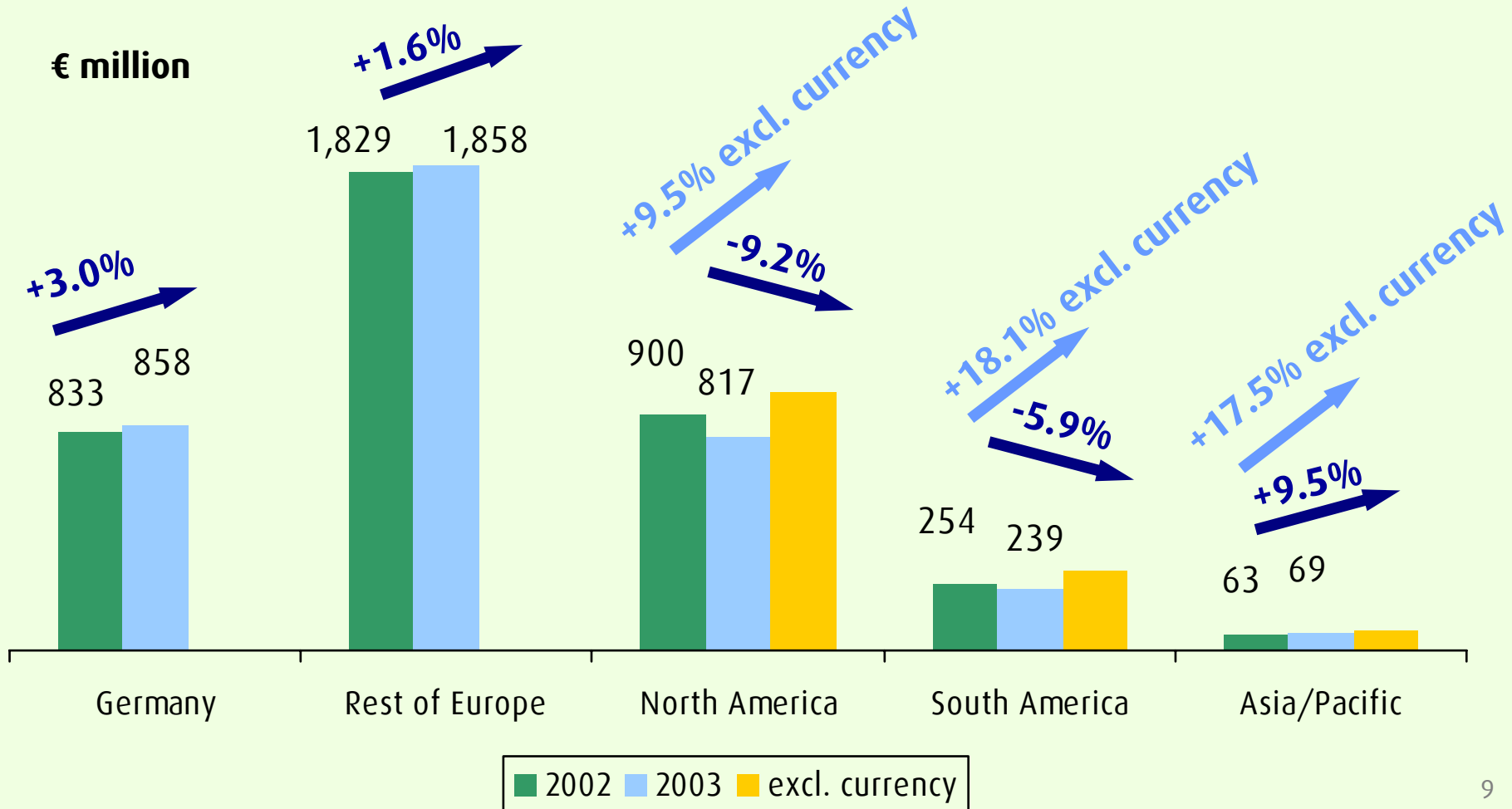
Net debt incl. pensions reduced by €1,367 million over the last 3 years



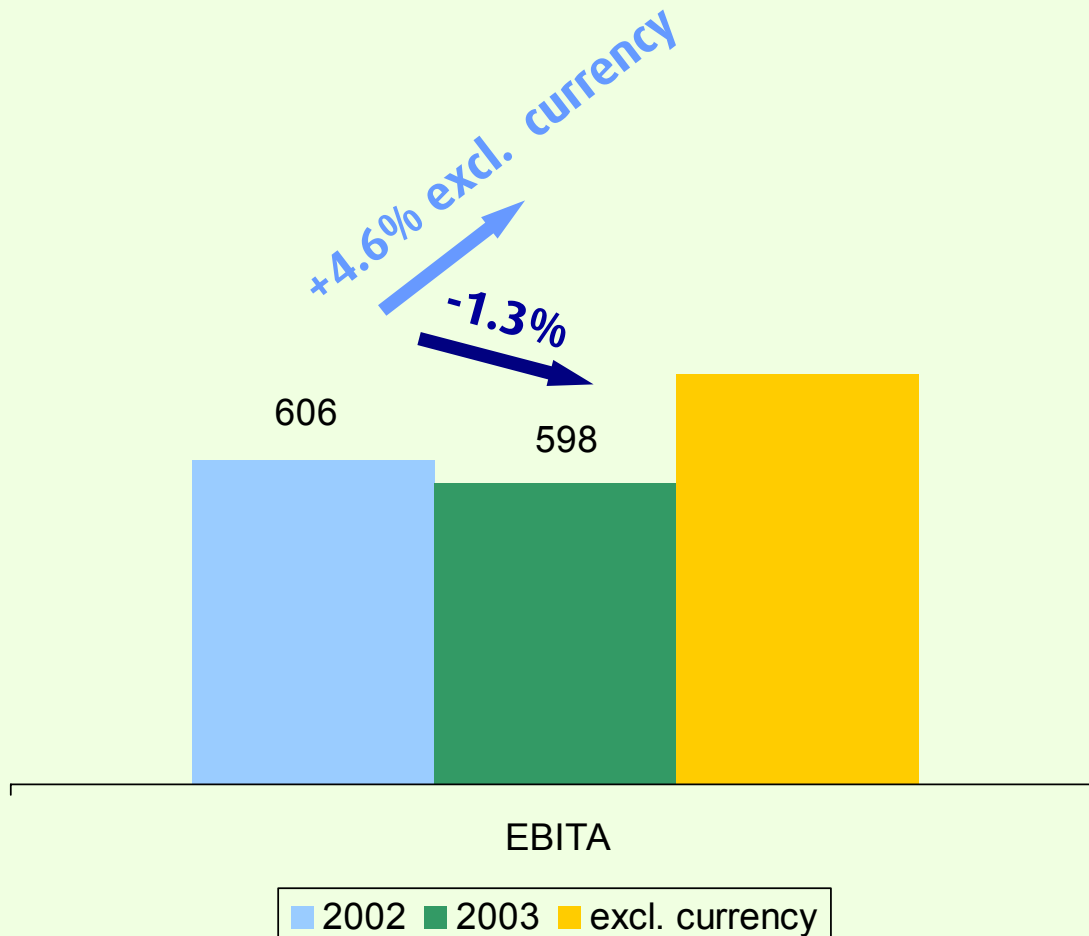
Linde Gas

Good growth in sales and earnings excluding currency impact and special items.

Sales of €3,843 million (-1.0%), excl. currency +6.2%



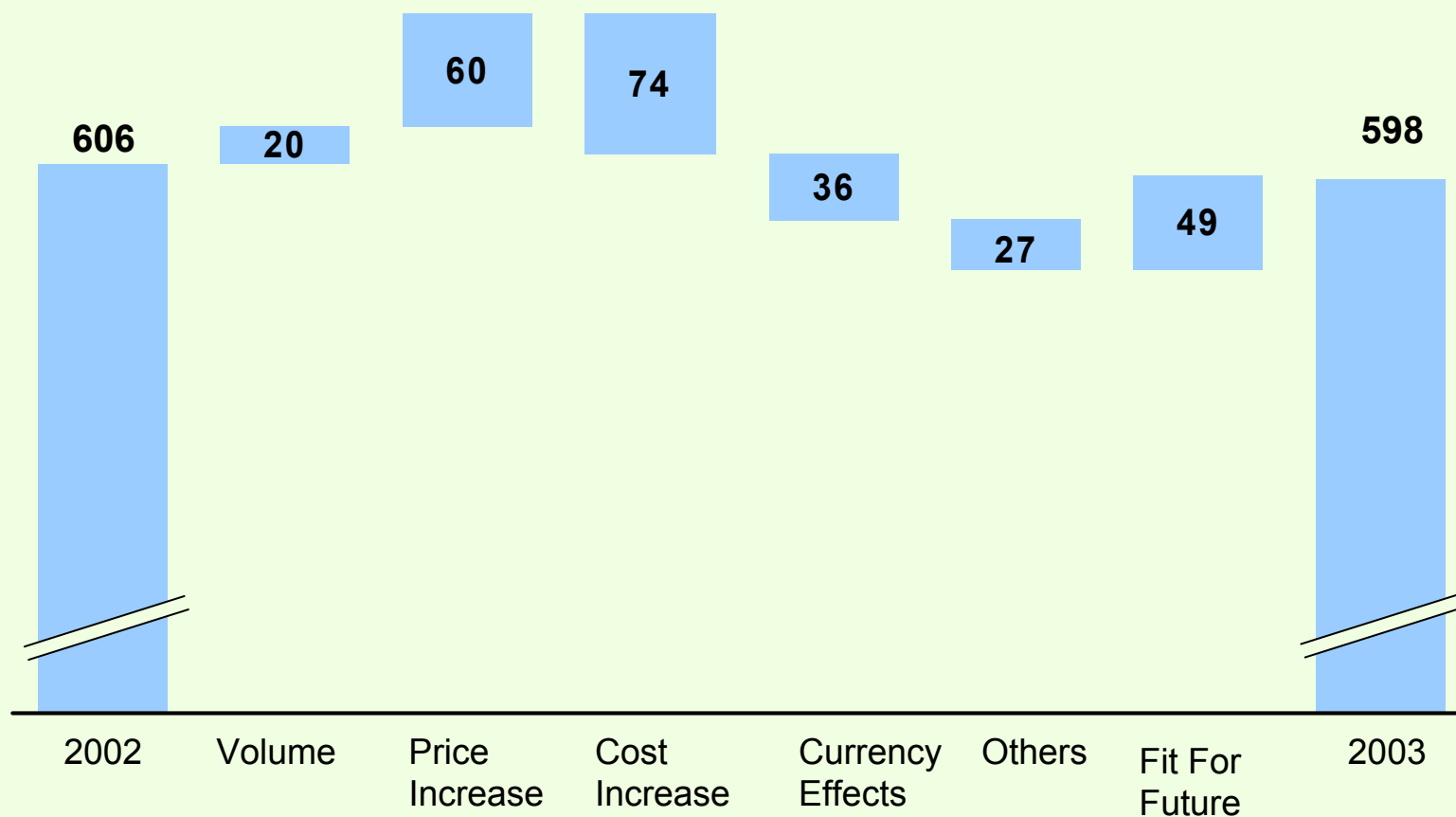
EBITA: €598m before special items (-1.3%), excl. currency +4.6%
- Stable margin -



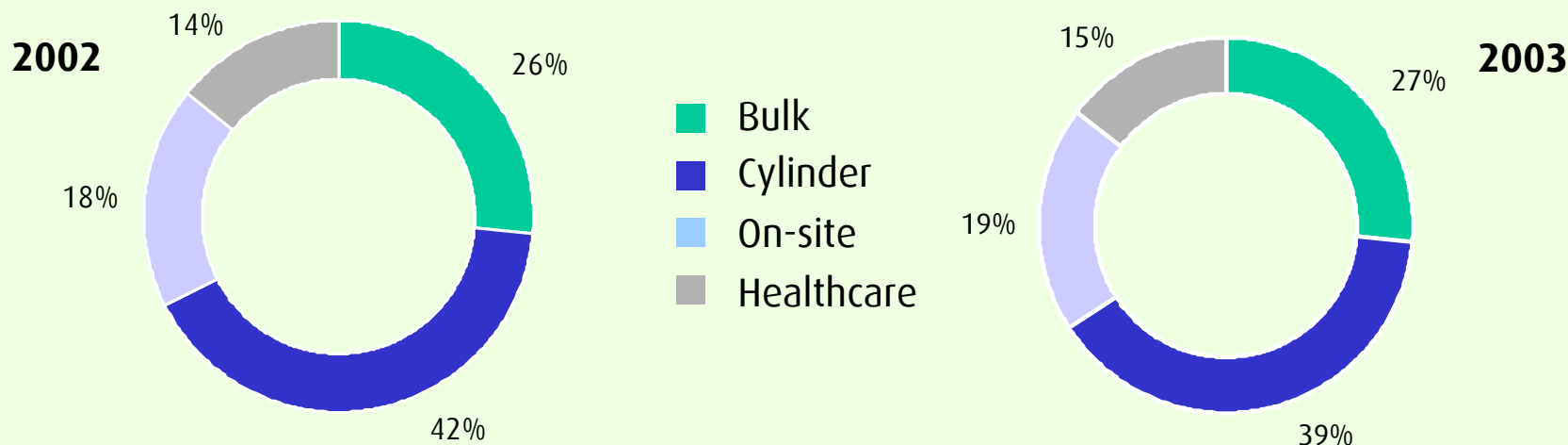
Margin:

<u>2002</u>	<u>2003</u>
15.6%	15.6%

EBITA: Bridge from actual 2002 to actual 2003 result in € million



Highest growth for On-site & Healthcare, declining Cylinder Business



in € million	2002	2003	Δ / Δ excl. currency
Bulk	1,052	1,047	-0.5% / +5.5%
Cylinder	1,651	1,555	-5.8% / +0.9%
On-Site	725	772	+6.5% / +12.2%
Healthcare	570	575	+0.9 % / +10.6%

Healthcare: Good prospects despite lower targets

- Total sales €575 million (+0.9%), +10.6% excl. currency
- INO sales €104 million (+2.0%), +18.6% excl. currency
- Homecare acquisition adds €10 million sales in 2004

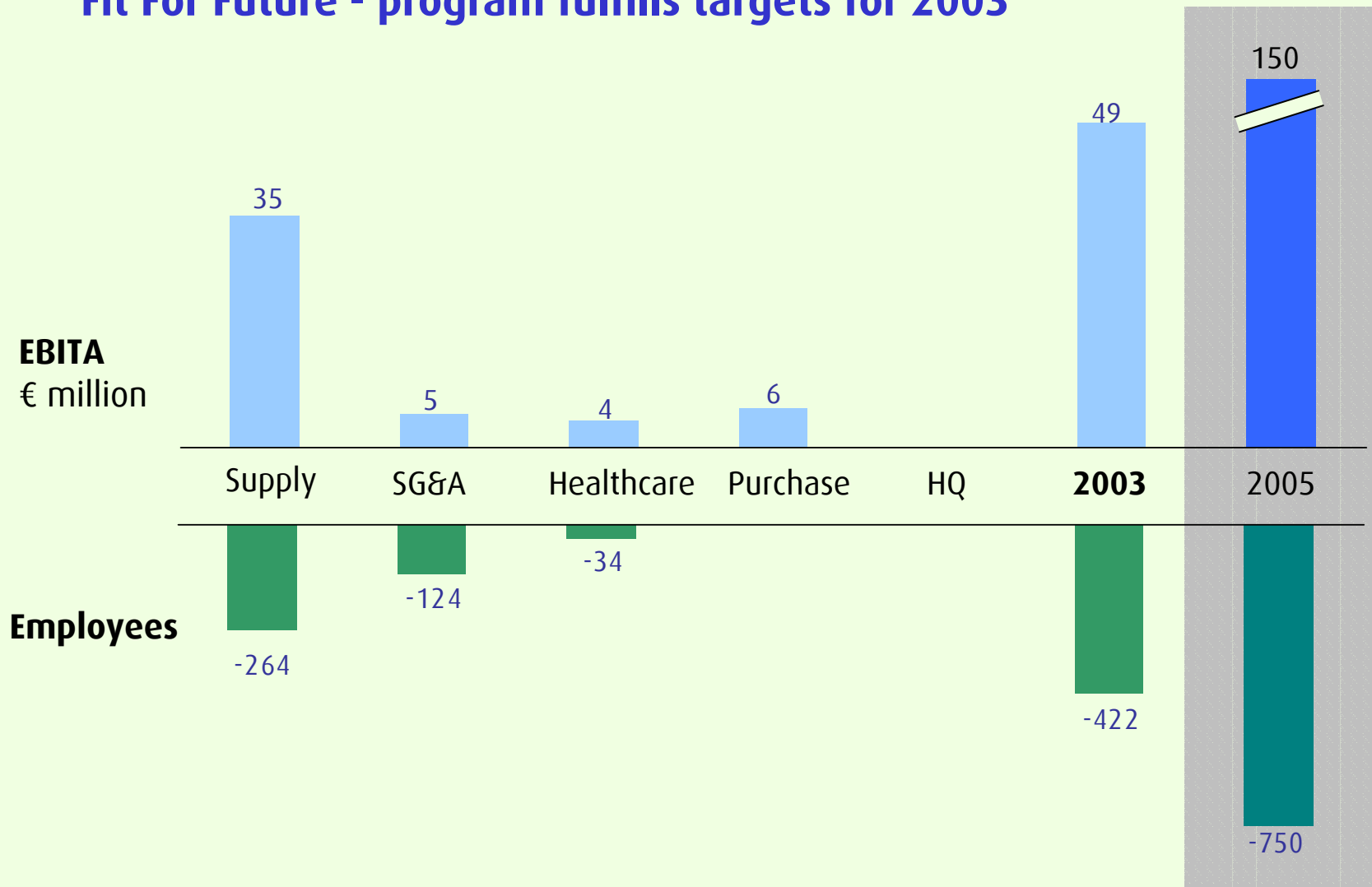
- Reduced 2006 guidance due to currency and delay in INO approvals
 - 2006e sales €850 million (Previous: €950 million)
 - INO/GEMI 2006 e sales €200 million (Previous: €240 million)
 - Approval of additional INO applications expected in 2006 (Previous: 2005)

2003: A good year for the On-site Business

- Major projects with order volume of €350 million
- Additional 28 small projects with Capex of approx. €50 million
- Good order situation in Eastern Europe (Capex of approx. €150 million)

<u>Client</u>	<u>Location</u>	<u>Type</u>	<u>Start</u>
Avesta Polarit Stainless	Tornio, FIN	ASU	2005
Xianglu Petrochemicals	Xiamen, China	ASU	2004
Salzgitter Flachstahl	Salzgitter, GER	ASU	2005
Bayer	Dormagen, GER	HYCO	2005
Cognis	Toulouse, F	HYCO	2005
Oltchim	Ramnicu Valcea, ROM	ASU	2004
Sokolovska Uhelna	Sokolov, CZ	ASU	2005
SCP	Ruzomberok, SK	ASU	2004
BorsodChem	Kacinzbarcika, H	ASU + HYCO	2005

Fit For Future - program fulfills targets for 2003



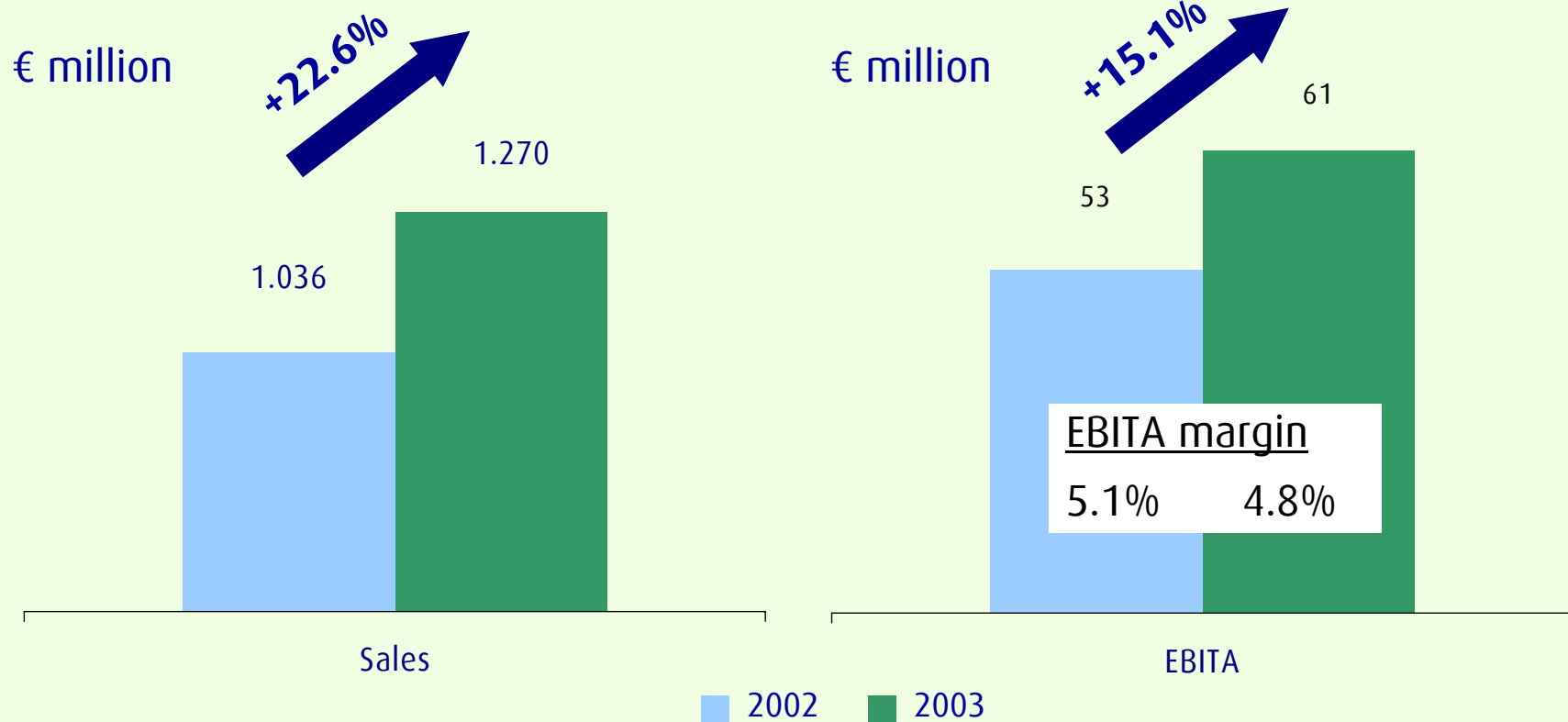
Linde Engineering

Significant improvement in sales and profit,
order backlog higher than €2 billion.



Linde Engineering

FY 2003: Another strong year for Linde Engineering



Excellent project situation

- Order intake 2003: €1,474 million -

€ million	2002		2003	
Olefins	361	24%	157	11%
Natural Gas	539	36%	410	28%
Syngas	167	11%	198	13%
Air Separation	217	15%	476	32%
Others	209	14%	233	16%
Total	1,493	100 %	1,474	100 %

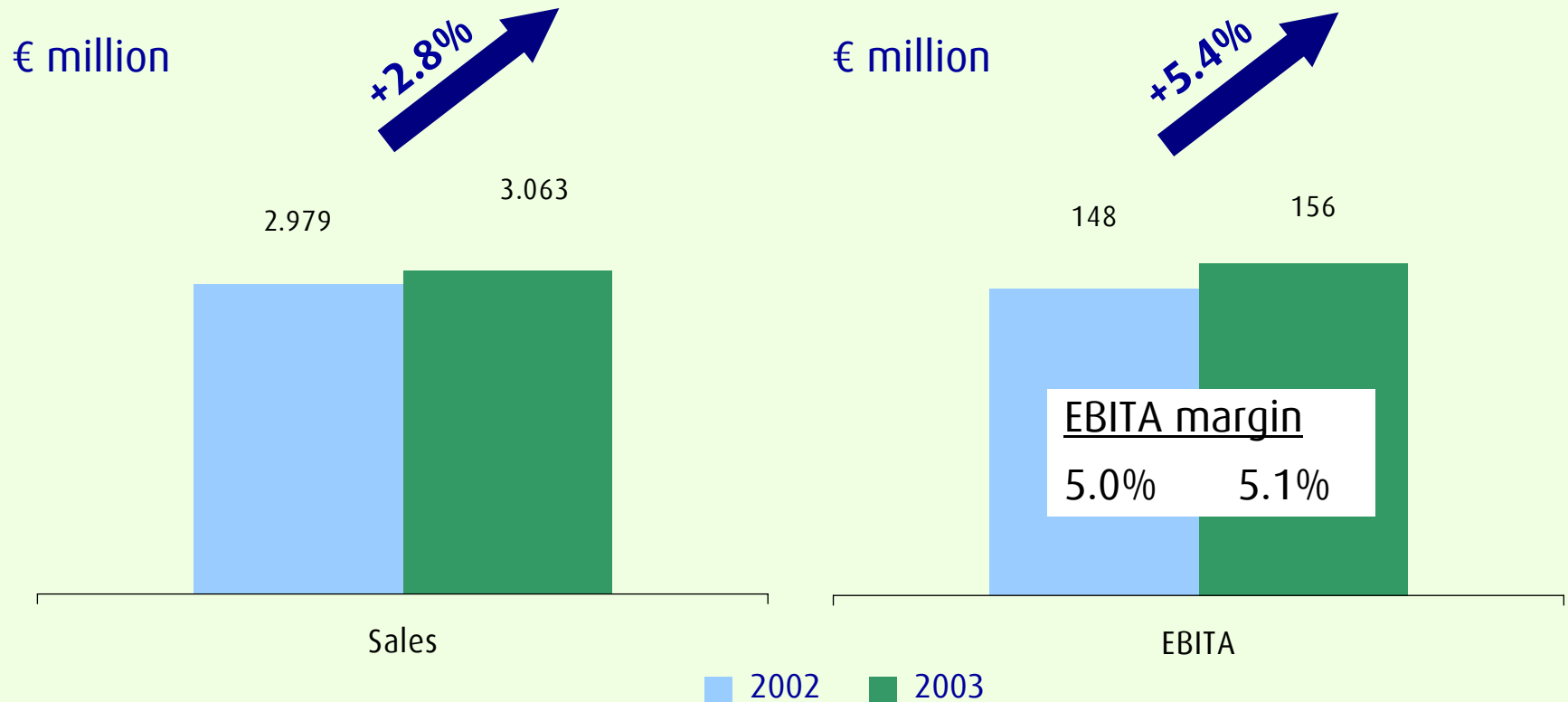
Material Handling

Improved profitability.

Weak markets in Europe (especially Germany) and special items burden overall performance.

Material Handling

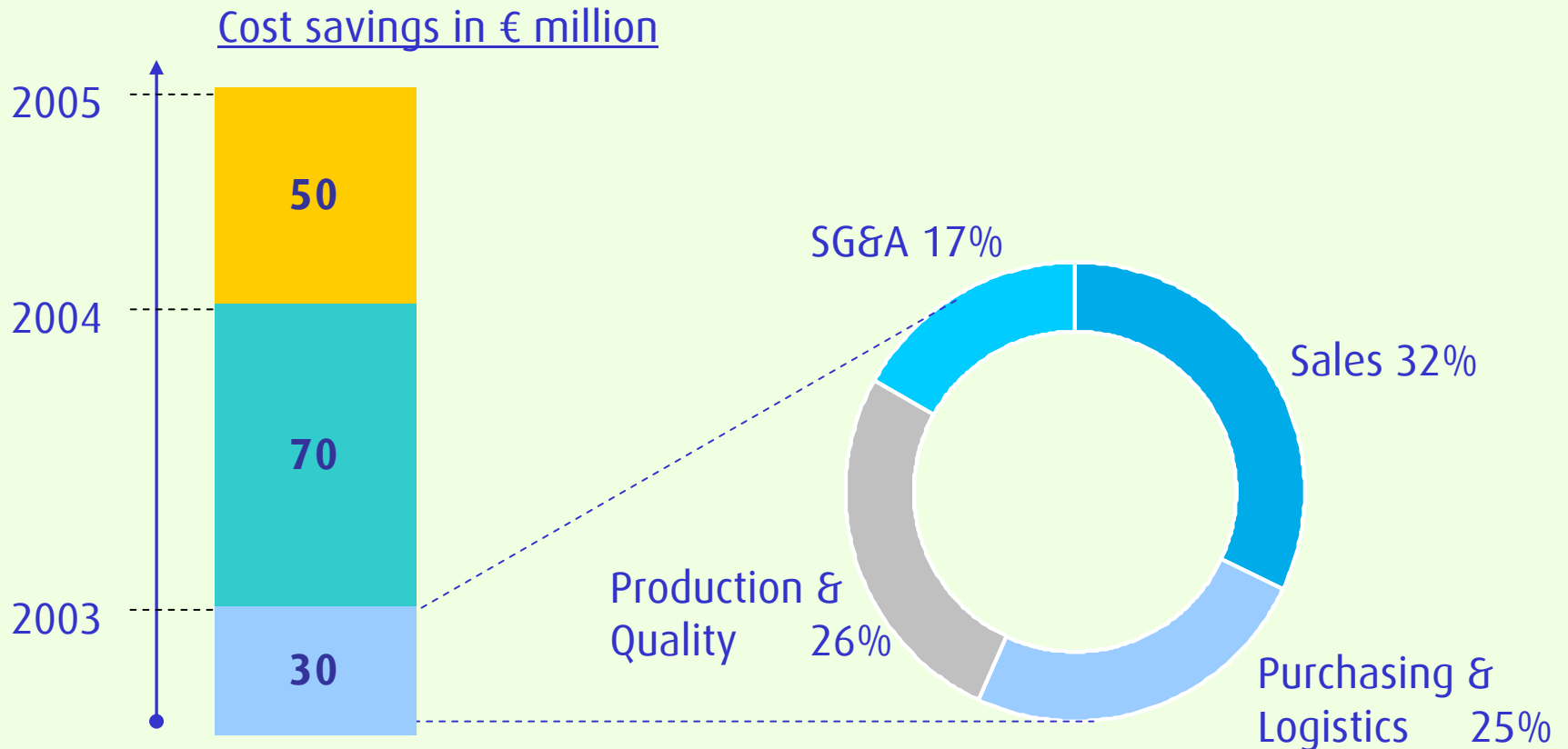
Sales up 2.8%, despite difficult market situation
EBITA €156 million (+5.4 %), before special items



Material Handling

TRIM.100 program

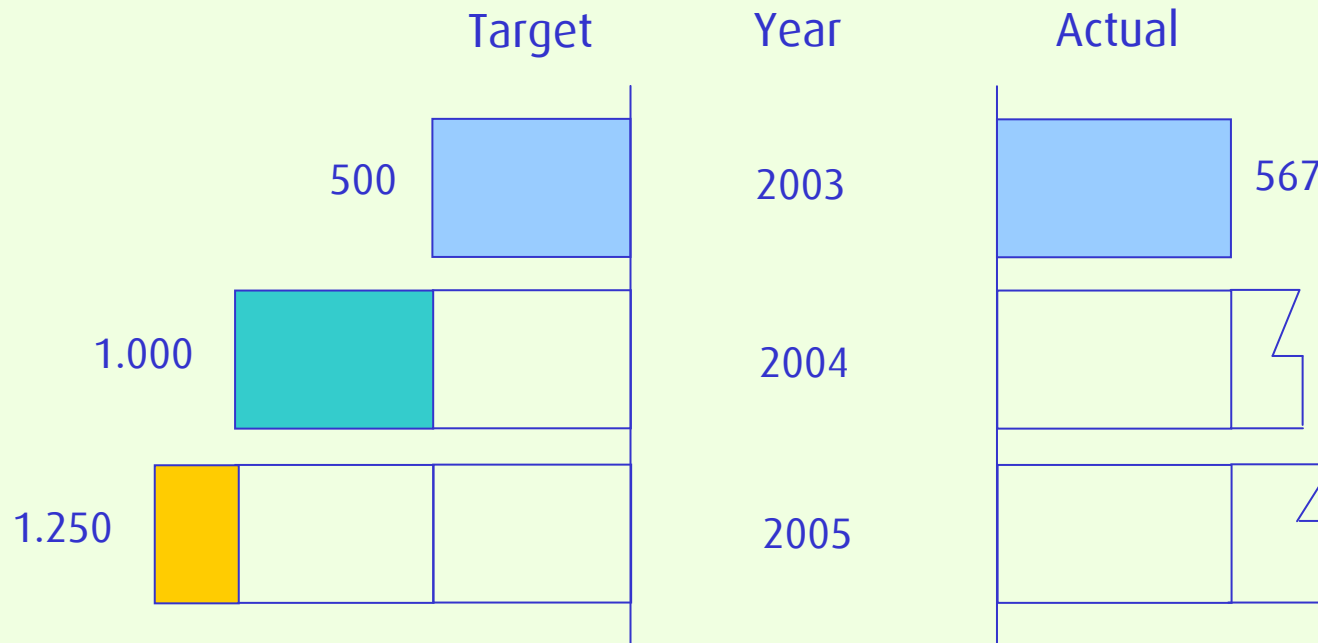
- €30 million cost reduction achieved in 2003 -



Material Handling

TRIM.100 program

- Expected workforce reduction for 2003 exceeded by 13% -



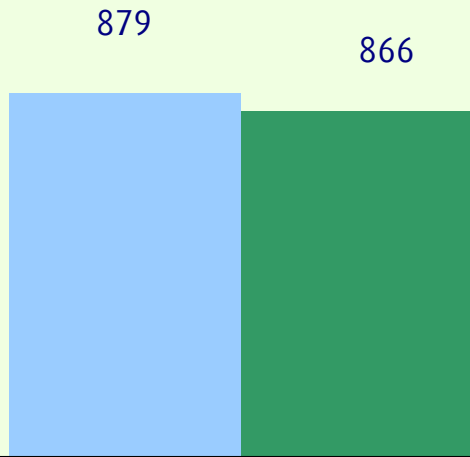
Refrigeration

Improved earnings in difficult market.

2003: Sales flat, EBITA increased to €14 million

€ million

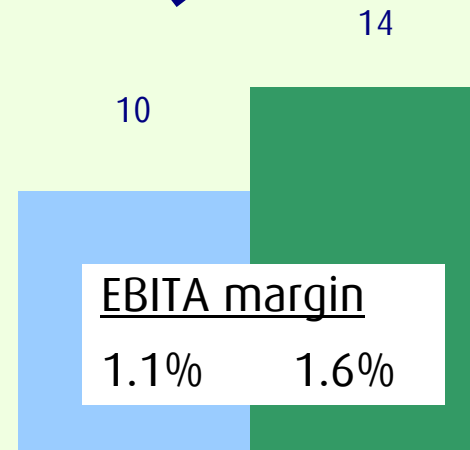
- 1.5%



Sales

€ million

+40.0%



EBITA

■ 2002 ■ 2003

Details of the transaction

Time Frame:

Deal signed: March, 15, 2004

Deal completion: End of Q2/Q3, 2004
(depends on decision of antitrust authorities)

Price:

€325 million

€255 million cash and debt

€70 million pensions and related obligations

Risks:

€50 million provisions to cover transaction
and disposal costs

Transaction Rationale for Linde

- Long term market structure in Refrigeration unfavorable
- Long term survival for Linde Refrigeration is secured
- Margins far below rest of the group
- Focus on high-growth and high-earnings business segments

First 2 months 2004

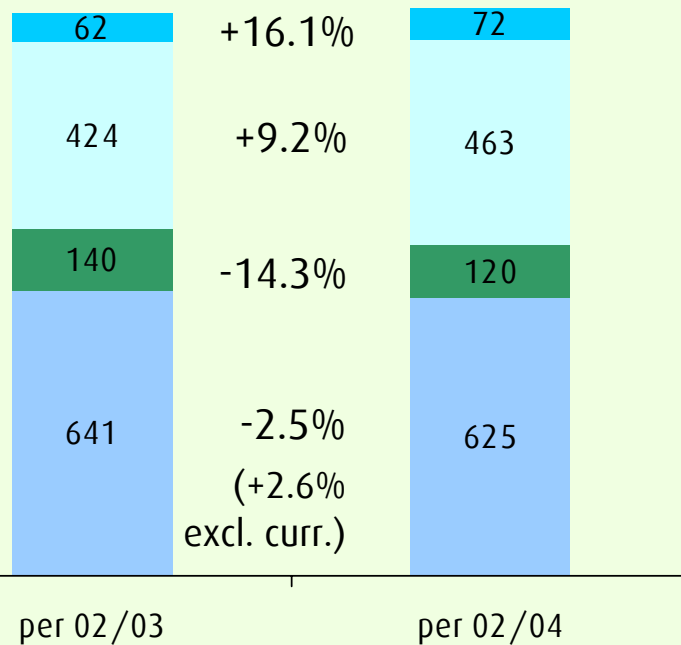
Encouraging start to the year.

10 20 30 40 50 60 70 80 90 100
 First 2 months 2004

Increased sales and order intake

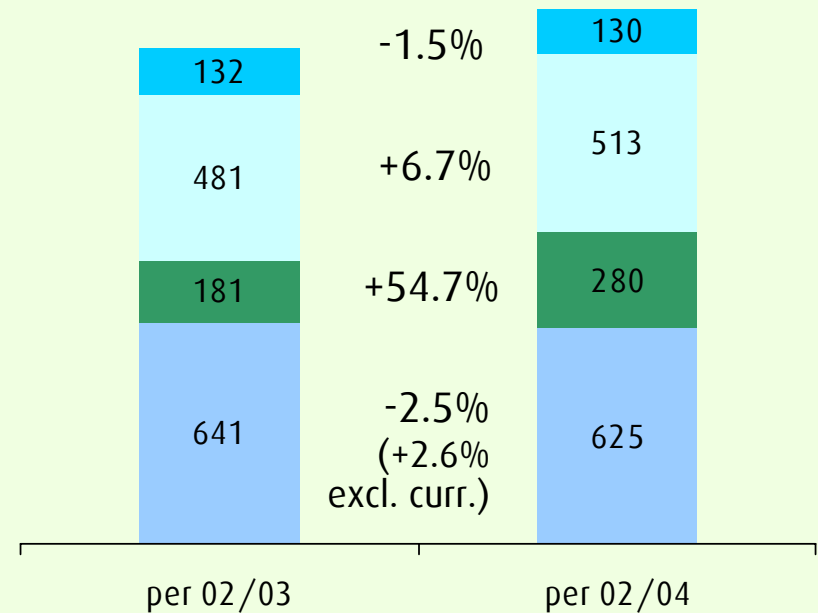
Sales: €1,269 mill.

+0.6% (+4.0% excl. currency)



Order Intake: €1,522 mill.

+7.2% (+11.4% excl. currency)



Gas Engineering Material Handling Refrigeration

Linde Group Strategy & Outlook

Group: Focus on high-growth & high-earnings business segments

Gas

- Secure high market share in home markets
- Grasp attractive opportunities in China and US
- Build a balanced on-site portfolio with long-term profitability
- Take advantage of opportunities in Healthcare segment
- Focus on successful completion of €150m cost cutting program

Eng.

- Specialization on high margin business
- Profit from trend towards energy sources derived from natural gas

Material
Handling

- Focus on successful completion of TRIM.100 optimization program
- Set the stage for sustainable growth in China and US
- Extend service business

Despite difficult economic environment we expect increased sales and operating profit for the Group

- **Group:** Sales increase, EBITA higher than 2003
- **Group:** Capex (excl. financial assets) approx. €950 million (2003: €856m)
.....
- **Linde Gas:** Increase in sales and EBITA (exl. currency)
- **Linde Engineering:** Increase in sales and EBITA
- **Material Handling:** Improved sales and EBITA

Beyond 2004

- Ongoing debt reduction, mid-term gearing goal: 50%
- Total cost reduction target of €300 million by end 2005

ROCE	2003	2005
Group	7.7 %	10 %
Linde Gas	10.1 %	11 %
Linde Engineering	14.8 %	16 %
Material Handling	9.7 %	16 %
Refrigeration	6.1 %	

Thank you for your attention.