

Interim Report. January to September 2006.

LeadIng.


THE LINDE GROUP

Q3

Linde Financial Highlights

	January to September		
in € million	2006	2005 ¹	Change
Share			
Closing price ²	€ 74.29	61.42	21.0 %
Period high ²	€ 74.78	63.48	17.8 %
Period low ²	€ 55.30	47.73	15.9 %
Market capitalization	11,693	7,358	58.9 %
Earnings per share			
Group	€ 3.38	2.74	23.4 %
Continuing operations	€ 2.45	1.99	23.1 %
Discontinued operations	€ 0.93	0.75	24.0 %
Number of shares (in 000s)	157,399	119,804	31.4 %
Sales			
Group	€ 7,943	6,893	15.2 %
Continuing operations	€ 4,976	4,348	14.4 %
Discontinued operations	€ 2,967	2,545	16.6 %
Operating profit (EBIT)			
Group	€ 778	593	31.2 %
Continuing operations	€ 595	462	28.8 %
Discontinued operations	€ 183	131	39.7 %
Earnings after taxes			
Group	€ 451	333	35.4 %
Continuing operations	€ 329	243	35.4 %
Discontinued operations	€ 122	90	35.6 %
Number of employees (at the end of the period)			
Group	75,038	42,440	76.8 %
Continuing operations	50,457	23,036	119.0 %
Discontinued operations	24,581	19,404	26.7 %

¹ Restated for amendments to accounting standards

² XETRA prices

Interim Report January to September 2006

First nine months of 2006: Linde achieves double-digit growth in sales and earnings

- Sales up 15.2 percent to €7.943 billion (+8.5 percent excluding BOC)
- 31.2 percent increase in operating profit to €778 million
(+19.9 percent excluding BOC)
- Earnings after taxes rise 35.4 percent to €451 million
- Outlook for 2006 confirmed: improvements in sales and operating profit based on comparable prior year figures

General economic environment

The global economy remains in very good shape. For the past three years, it has been expanding at rates of well over 4 percent and in the current year growth of around 5 percent is expected. The US economy, which until now has generated the most growth in the world economy, did lose some momentum in the middle of the year. The main reasons for this were the tightening of monetary policy and the slowdown in the property boom. Acting as counterbalances to the deceleration in growth in the United States, however, were the continuing high rate of expansion in China and in the newly industrialised countries of Asia, and the relatively early stages of an economic recovery in the eurozone and in Japan. The upturn in the eurozone has spread and gathered pace this year. The main impetus is coming not only from rising exports, but also from investment, which is being boosted by companies' good results. Private consumption also gained momentum, mainly as a result of increasing levels of employment.

After the significant rise in real terms in gross domestic product in the first six months of the year, the German economy also started the third quarter well and is on course for solid growth. It is currently benefiting from the fact that export trade continues to prosper. Meanwhile, more buoyant domestic investment activity will also ensure that the recovery remains stable.

The global economy is continuing to expand and is expected to lose only a little momentum in 2007. German companies are well-placed with their products and services to take advantage of these opportunities for growth. Although it is anticipated that the pace of economic growth in Germany will be a little slower next year, this should create only a slight blip in the upward trend, mainly as a result of the increase in the rate of VAT. Otherwise, the combined forces of export demand and the revival in capital investment should be strong enough to continue to support the recovery. The propensity to invest will be encouraged by the positive marketing conditions prevailing abroad, a relatively high level of capacity utilisation and the continuing availability of favourable financing terms.

Group

On 5 September 2006, Linde AG completed its acquisition of the English gases company, The BOC Group plc, and under a Scheme of Arrangement, Linde acquired all BOC's outstanding shares at a price of £16 per share. As a result, the operations of BOC have been consolidated into this quarterly report from the date of acquisition.

At the same time as creating the business combination with BOC, Linde AG made its Material Handling business segment legally independent, bundling the three brands, Linde, STILL and OM, into a new umbrella company entitled KION Group. Consequently, the Material Handling business segment is now disclosed as a discontinued operation.

Sales in the Linde Group, including KION and the consolidation of BOC for the first time, increased in the nine months to 30 September by 15.2 percent to € 7.943 billion (2005: € 6.893 billion). After adjusting for the effect of the acquisition, sales in the first nine months of the year rose 8.5 percent. Sales in Germany improved by 7.6 percent to € 1.498 billion (2005: € 1.392 billion). Sales outside Germany increased by 17.2 percent (or by 8.8 percent based on comparable prior year figures) to € 6.445 billion (2005: € 5.501 billion).

Boosted by good market conditions in all three divisions, operating profit (EBIT) of € 778 million exceeded the prior year figure of € 593 million by 31.2 percent. After adjusting for the effect of including BOC in the consolidation, the figure for operating profit would have been € 711 million, representing an improvement of 19.9 percent. Due to the good financial result, earnings before taxes on income for the first nine months of the year showed a disproportionate increase of 41.5 percent to € 730 million (2005: € 516 million). Earnings after tax rose by 35.4 percent to € 451 million (2005: € 333 million). Earnings per share at the end of September 2006 showed a 23.4 percent improvement to € 3.38 (2005: € 2.74).

Around € 50 million of the disproportionate improvement in the financial result in the third quarter related to exchange gains arising from the bridging finance raised in connection with the BOC acquisition. As from the fourth quarter, the loans will be used to hedge the net investment in BOC and the exchange rate movements arising will be recognised directly in equity in accordance with IFRS. This means that in future a large portion of the volatility in earnings due to exchange rate movements relating to the financing of the BOC acquisition will be avoided as a result of effective hedging relationships.

Outlook

In view of the good prevailing market conditions in all our business operations, we confirm our positive forecast for the 2006 financial year. On a like-for-like basis, we anticipate that sales and operating profit will exceed the levels achieved in the previous year.

Group sales

in € million	January to September		
	2006	2005 ¹	Change
Sales	7,943	6,893	15.2 %
Germany	1,498	1,392	7.6 %
Other Europe	3,982	3,610	10.3 %
America	1,464	1,210	21.0 %
Asia	717	469	52.9 %
Africa/Australia	282	212	33.0 %
Foreign total	6,445	5,501	17.2 %

¹ Restated

BOC acquisition completed on schedule

On 6 March 2006, Linde AG submitted a recommended cash offer for The BOC Group plc (BOC) for 1,600 pence per share. Following the satisfaction of competition authority pre-conditions in the US and Europe and the receipt of the approval of the BOC shareholders, the offer was accepted on 5 September 2006.

The consolidation of BOC operations from the acquisition date contributed € 461 million to the sales of the Linde Group as at the end of September. The operating profit (EBIT) in the third quarter included € 67 million arising from the consolidation of BOC for the first time.

Linde's competitive position in the international gases business will be significantly improved by its merger with BOC. The two companies complement each other, both in terms of their geographical orientation and in terms of their main product focus. This business combination has the potential to create substantial synergies, both on the cost side and on the revenue and investment side.

It is expected that Linde's market position in Asia, in particular, will improve greatly as a result of the business combination with BOC. Significant competitive advantages will be gained from BOC's market leadership in a number of regional markets, from the customer contacts it has built up over many years and from its structures adapted to local markets.

In the United States, the newly-positioned company will markedly improve its market share and significantly increase its attractiveness to major customers as a result of a more wide-ranging regional presence.

At product level, the business operations of the two companies are also extremely complementary. BOC, for example, has a leading market position in the field of electronic gases, while Linde has developed a high level of technical competence and a good reputation in the Healthcare segment.

A start has already been made on the integration of the two companies. By appointing its senior management and establishing 29 integration teams, Linde has laid the foundations for a swift yet careful integration process.

Gas and Engineering

The Gas and Engineering business segment achieved a 6.6 percent increase in sales in the nine months to September (excluding BOC) to €4.585 billion (2005: €4.300 billion). Operating profit (EBIT) improved by 18.5 percent to €653 million (2005: €551 million).

Gas and Engineering

in € million	3rd Quarter			January to September		
	2006	2005 ¹	Change	2006	2005 ¹	Change
Sales	1,524	1,494	2.0 %	4,585	4,300	6.6 %
EBIT	225	197	14.2 %	653	551	18.5 %
EBIT margin	14.8 %	13.2 %	-	14.2 %	12.8 %	-

¹ Restated

Linde Gas

To simplify the comparability of the quarterly figures, the comments below relate to the Linde Gas division as it was prior to the BOC acquisition.

Bolstered by the continuing dynamism in market trends, Linde Gas increased sales in the nine months to September by 7.0 percent to €3.571 billion (2005: €3.338 billion).

Operating profit (EBIT) showed a 13.9 percent increase to €581 million (2005: €510 million). In comparison with the prior year period, the EBIT margin improved to 16.3 percent (2005: 15.3 percent).

All the product segments continued to grow. Once again, the fastest rate of growth was achieved by the on-site segment, with a 10.5 percent increase in sales. Very positive trends also continued to be seen in the bulk business and Healthcare segments, with growth rates of 9.1 percent and 7.8 percent respectively. The cylinder business remained robust, with sales 6.2 percent higher than in the corresponding period in 2005.

Global growth in the Linde Gas division was once again the result of positive trends in all the geographical regions.

Sales in Europe increased by 6.2 percent in the first nine months of the year to €2.441 billion (2005: €2.299 billion). The greatest impetus came from the countries of Eastern Europe, where the bulk business and cylinder segments again achieved double-digit growth rates.

In the German market too, the positive trend of the first six months of the year continued, with an above-average increase in sales. Linde was able to benefit from the rise in demand, winning major orders. In the third quarter, Linde secured the contract from the companies OMV and Wacker Chemie to build a second hydrogen plant on the Burghausen site. This project is significant in two respects. On the one hand, it reinforces Linde's position in the growth market for hydrogen, while on the other, it strengthens Linde's partnership with two major European customers.

With the coming on stream of a new specialty gases plant near Munich, Linde Gas is also continuing to strengthen its position in this fast-growing product segment. In future, this site will supply electronic gases to European customers in the semi-conductor industry.

Sales in North America rose 5.0 percent over the previous year to €687 million (2005: €654 million). After adjusting for the effects of exchange rate movements, the increase was 3.6 percent. Underpinned by continuing double-digit rates of growth in INO (Inhaled Nitric Oxide), the trends in the Healthcare segment were particularly positive.

In South America, Linde achieved a 10.1 percent increase in sales to €283 million (2005: €257 million). Adjusted for exchange rate movements, the rise in sales was 3.6 percent. All the countries contributed to this growth. At the product level, the bulk business and Healthcare segments achieved the highest rates of growth. Linde was awarded the contract to build an on-site plant by the Brazilian steel company, Gerdau Steel. It also entered into a trans-regional bulk business supply contract with BASF. These are two major foundation-stones for the further expansion of Linde in South America.

With an increase in sales of 24.6 percent, the Asia/Pacific region continued to show the strongest growth rates in the world. Sales rose to €157 million, compared with €126 million in the comparable prior year period. The growth rates in the on-site and bulk business segments were particularly good.

Against a background of stable growth in the first nine months of the year, we confirm our whole-year forecast for the Linde Gas division. Based on comparable prior year figures, we expect an increase in sales and operating profit compared to the previous year.

Linde Gas

in € million	3rd Quarter			January to September		
	2006	2005 ¹	Change ²	2006	2005 ¹	Change ³
Sales	1,183	1,144	3.4 %	3,571	3,338	7.0 %
EBIT	196	178	10.1 %	581	510	13.9 %
EBIT margin	16.6 %	15.6 %	-	16.3 %	15.3 %	-

¹ Restated

² Sales growth on comparable basis +6.4 % (excluding currency effects, natural gas price change and new consolidation)

³ Sales growth on comparable basis +6.8 % (excluding currency effects, natural gas price change and new consolidation)

Linde Engineering

In the first nine months of the year, the Linde Engineering division continued on its profitable growth course. Although sales by the end of the quarter, based on billings, were lower than the comparable figure of € 1.136 billion from the year 2005 at € 1.098 billion, operating profit (EBIT) improved in the course of the year by 20.0 percent to € 66 million (2005: € 55 million).

The significant 20.8 percent increase in incoming orders to € 2.419 billion (2005: € 2.002 billion) is evidence of continuing high demand in the four main segments, while at the same time emphasising Linde Engineering's high level of technological competence, recognised throughout the world. By the end of the third quarter, orders on hand had passed the four billion euro mark, rising to a new record high of € 4.519 billion (31 December 2005: € 3.305 billion).

In the third quarter, Linde was awarded the biggest ever contract in the world for air separation plants. Linde will build eight large air separation plants for Qatar Shell GTL Ltd and Qatar Petroleum, to supply oxygen to the Pearl Gas-to-Liquids (GTL) plant in Qatar, the biggest integrated complex of its type in the world. As a result of this contract, the proportion of incoming orders relating to the Middle East as at the end of September had risen to around 43 percent. The rest of the orders are well-spread across the world, with 23 percent relating to Europe, 21 percent to Asia and a further 9 percent to America.

The Qatar contract has also had an effect on the analysis of incoming orders by product segment. In the first nine months of the year, 51 percent of incoming orders related to air separation plants. Linde Engineering was also awarded a number of new contracts in the other technology segments.

Petrochemical plants comprised 17 percent of incoming orders in the first nine months of 2006, while 15 percent of incoming orders related to hydrogen and synthesis gas plants and 11 percent to natural gas processing plants.

In all four product segments, we expect continued market growth of between 6 and 8 percent.

The high demand for air separation plants is due not only to new applications such as Gas-to-Liquids (GTL), but also to good economic conditions in the traditional customer segments, and in particular to the economic situation in the newly industrialised countries, especially China.

With new contracts in the hydrogen segment, Linde Engineering will rely in future principally on the energy sector, with the growth currently being seen in the United States increasingly spreading to Europe and Asia.

Demand for higher production capacity in the petrochemical industry continues to be particularly strong in the oil-producing countries of the Middle East, and in Russia and Asia.

In the natural gas processing segment, there are projects to build new plants throughout the world. Linde has benefited from the boom in this segment and was awarded two additional contracts in the current quarter.

The construction of a new Liquefied Natural Gas plant for Wesfarmers in Australia for around € 40 million demonstrates that the liquefaction of natural gas has established itself worldwide as an economically attractive alternative to the conventional method of transporting natural gas by pipeline. The technology developed by Linde also provides a cost-effective solution for projects on a smaller scale.

Linde Engineering is also going to build an LPG (Liquefied Petroleum Gas) recovery plant with a value of over € 70 million for the Romanian company, Petrom S.A., the largest oil and gases producer in south-eastern Europe.

In view of the extremely positive developments in orders in hand, Linde continues to anticipate a successful financial year for its Engineering division and confirms its forecast for the whole year, with improvements in sales and operating profit.

Linde Engineering

in € million	3rd Quarter			January to September		
	2006	2005 ¹	Change	2006	2005 ¹	Change
Sales	377	411	-8.3 %	1,098	1,136	-3.3 %
Incoming orders	1,266	1,100	15.1 %	2,419	2,002	20.8 %
EBIT	24	22	9.1 %	66	55	20.0 %
EBIT margin	6.4 %	5.4 %	-	6.0 %	4.8 %	-

¹ Restated

KION Group

With a double-digit increase in sales and incoming orders, the KION Group has taken best advantage of the positive market environment. Sales in the first nine months of the year rose 14.0 percent to € 2.902 billion (2005: € 2.545 billion). Incoming orders of € 3.038 billion exceeded the prior year figure of € 2.724 billion by 11.5 percent. Operating profit (EBIT) improved at a faster rate than sales, rising 31.3 percent to € 172 million (2005: € 131 million).

In the third quarter, as in the first six months of the year, the market for industrial trucks continued to grow. The rate of growth in the world market in the first nine months of 2006 was 14 percent and all the geographical regions saw an increase in demand compared with the previous year.

The Western European market grew by 10 percent, with much of the impetus again coming from Germany, where the rate of market growth was 16 percent. The greatest impetus of all continued to come from Eastern Europe, with a growth rate of 47 percent, as well as from Asia, especially China, with growth rates of 18 percent and 36 percent respectively. The American market continued to make steady progress, with an increase of 9 percent.

We continue to anticipate robust growth in the industrial truck industry in the fourth quarter. Investment in logistics and transport should continue to grow, due to the increase in international trade flows as a result of globalisation. The market for industrial trucks will benefit from this environment, particularly as additional infrastructure is created in the newly industrialised countries of Asia, Eastern Europe and South America.

The KION Group will take advantage of the positive market environment and will continue to develop its sales and service structures in the growth markets in the next few months. Alongside these developments, KION's product range will be expanded by new products - electric trucks and engine-powered forklifts - to be launched onto the market at the end of the year. These new products will improve the competitive position of KION in the international markets.

In view of the favourable market conditions, KION confirms its whole-year forecast for 2006. The business segment anticipates that sales will continue to improve and that there will be a significant increase in operating profit for the whole year.

KION Group – Discontinued operations

in € million	3rd Quarter			January to September		
	2006	2005 ¹	Change	2006	2005 ¹	Change
Sales	969	877	10.5 %	2,902	2,545	14.0 %
Incoming orders	1,043	895	16.5 %	3,038	2,724	11.5 %
EBIT	56	53	5.7 %	172	131	31.3 %
EBIT margin	5.8 %	6.0 %	-	5.9 %	5.1 %	-

¹ Restated

Employees

As a result of the acquisition of BOC with 31,625 employees, the number of employees in Linde AG has increased significantly since 31 December 2005. The number of employees in the Linde Group at 30 September 2006 was 75,038. Of these, 15,037 were employed in Germany and 60,001 outside Germany.

The core Gas and Engineering business, including BOC, employed 54,410 at the end of September. In the KION Group, 20,136 people were employed at the end of the quarter.

Personnel costs include the costs of the BOC employees from the date of the acquisition of BOC. The personnel costs for the nine months to September therefore increased to € 1.814 billion (2005: € 1.608 billion).

Number of employees

	Sep. 30, 2006	Sep. 30, 2005	Dec. 31, 2005
Group	75,038	42,440	42,229
Domestic	15,037	14,839	14,593
Foreign	60,001	27,601	27,636
Linde Gas	18,040	17,871	17,783
Linde Engineering	4,745	4,409	4,408
BOC	31,625	-	-
KION Group	20,136	19,404	19,323
Corporate	492	756	715

Finance

The cash flow from operating activities at 30 September 2006 was € 895 million, compared with € 824 million in the same period in the previous year. This represents an increase of 8.6 percent. The cash outflow from investing activities was €11.964 billion as a result of the acquisition of BOC in the reporting period.

Payments for tangible and intangible fixed assets amounted to € 599 million, as against € 610 million in the prior year. The proceeds from disposal of fixed assets, from disposal of consolidated companies and from the repayment of financial debts amounted to € 339 million.

Total assets have increased since the balance sheet date, 31 December 2005, by € 16.934 billion and stand at € 29.551 billion. This growth in total assets is due almost entirely to the consolidation of BOC for the first time as at 5 September 2006. There was also a reclassification of € 4.266 billion from non-current assets and current assets to the heading "Non-current assets held for sale and disposal groups". This is mainly due to the proposed sale of the KION Group business segment and the BOC Edwards equipment business as a result of the BOC acquisition, and the sales required under antitrust law of the air separation plants in the US, and of the companies, BOC Gazy Poland, Linde Gas Australia and Linde Gas England. The equity figure increased by € 2.317 billion to € 6.789 billion, mostly due to the increase in share capital and the exercise of options relating to the convertible bond. Despite the positive impact of the capital increase, the equity ratio fell to 23 percent as a result of the higher level of total assets, compared with 35 percent at the balance sheet date, 31 December 2005.

Group income statement

in € million	January to September 2006			January to September 2005 ¹		
	Continuing operations	Discontinued operations	Group	Continuing operations	Discontinued operations	Group
Sales	4,976	2,967	7,943	4,348	2,545	6,893
Cost of sales	3,232	2,227	5,459	2,804	1,912	4,716
Gross profit on sales	1,744	740	2,484	1,544	633	2,177
Marketing and selling expenses	720	341	1,061	669	309	978
Research and development costs	63	79	142	60	77	137
Administration expenses	446	162	608	373	147	520
Other operating income	113	53	166	87	39	126
Other operating expenses	33	28	61	67	8	75
Operating profit (EBIT)	595	183	778	462	131	593
Interest income	50	28	78	43	16	59
Interest charges	101	35	136	96	39	135
Net interest	-51	-7	-58	-53	-23	-76
Income from associates	5	1	6	-2	-	-2
Other investment income	4	-	4	1	-	1
Financial result	-42	-6	-48	-54	-23	-77
Earnings before taxes	553	177	730	408	108	516
Taxes on income	224	55	279	165	18	183
Earnings after taxes	329	122	451	243	90	333
Minority interests	7	-	7	5	1	6
Earnings after taxes and minority interests	322	122	444	238	89	327
Earnings per share in €	2.45	0.93	3.38	1.99	0.75	2.74
Earnings per share in € - fully diluted	2.33	0.86	3.19	1.91	0.69	2.60

¹ Restated

Group income statement

in € million	3rd Quarter 2006			3rd Quarter 2005 ¹		
	Continuing operations	Discontinued operations	Group	Continuing operations	Discontinued operations	Group
Sales	1,918	1,034	2,952	1,508	877	2,385
Cost of sales	1,264	782	2,046	978	657	1,635
Gross profit on sales	654	252	906	530	220	750
Marketing and selling expenses	268	119	387	234	104	338
Research and development costs	24	28	52	16	25	41
Administration expenses	177	58	235	121	52	173
Other operating income	55	30	85	42	13	55
Other operating expenses	10	10	20	33	-	33
Operating profit (EBIT)	230	67	297	168	52	220
Interest income	27	14	41	25	5	30
Interest charges	29	11	40	38	13	51
Net interest	-2	3	1	-13	-8	-21
Income from associates	9	1	10	-2	-1	-3
Other investment income	-	-1	-1	-1	-	-1
Financial result	7	3	10	-16	-9	-25
Earnings before taxes	237	70	307	152	43	195
Taxes on income	103	26	129	62	8	70
Earnings after taxes	134	44	178	90	35	125
Minority interests	5	-1	4	2	-	2
Earnings after taxes and minority interests	129	45	174	88	35	123
Earnings per share in €	0.84	0.29	1.13	0.74	0.29	1.03
Earnings per share in € - fully diluted	0.80	0.26	1.06	0.70	0.27	0.97

¹ Restated

Group balance sheet

in € million	Sep. 30, 2006	Dec. 31, 2005 ¹
Assets		
Goodwill	12,153	2,823
Other intangible assets	192	313
Tangible assets	6,714	3,738
Investments in associates	947	159
Other financial assets	53	84
Leased assets	12	625
Receivables from financial services	331	500
Trade receivables	0	8
Other receivables and other assets	48	74
Deferred tax assets	156	245
Non-current assets	20,606	8,569
Inventories	1,007	1,082
Receivables from financial services	65	110
Trade receivables	1,545	1,564
Other receivables	548	325
Securities	36	5
Cash and cash equivalents	1,449	906
Prepaid expenses and deferred charges	29	33
Non-current assets held for sale and disposal groups	4,266	23
Current assets	8,945	4,048
Total assets	29,551	12,617

¹ Restated

Group balance sheet

in € million	Sep. 30, 2006	Dec. 31, 2005 ¹
Equity and liabilities		
Capital subscribed	403	307
Capital reserve	4,477	2,704
Retained earnings	1,932	1,679
Cumulative changes in equity not recognized through the income statement	-247	-267
Total equity excluding minority interests	6,565	4,423
Minority interests	224	49
Total equity	6,789	4,472
Provisions for pensions and similar obligations	933	1,122
Other non-current provisions	432	168
Deferred tax liabilities	564	372
Financial debt	12,921	1,997
Liabilities from financial services	29	338
Trade payables	3	4
Other non-current liabilities	31	92
Deferred income	1	69
Non-current liabilities	14,914	4,162
Other current provisions	1,140	1,308
Financial debt	1,379	419
Liabilities from financial services	21	173
Trade payables	1,857	1,467
Other non-current liabilities	936	481
Deferred income	43	124
Liabilities directly related to non-current assets held for sale	2,472	11
Current liabilities	7,848	3,983
Total equity and liabilities	29,551	12,617

¹ Restated

Statement of recognized income and expense

in € million	January to September	
	2006	2005 ¹
Gain/loss on remeasurement of securities	-	-
Gain/loss on remeasurement at fair value of derivative financial instruments	2	1
Currency translation differences	-71	142
Change in actuarial gains/losses on pension provisions and effect of limitation on a defined benefit asset (IAS 19.58)	89	-75
Other gains and losses recognized in equity	-3	-2
Gains and losses recognized directly in equity	17	66
Net income	451	333
Total gains and losses recognized	468	399
of which due to:		
Linde AG shareholders	461	393
Other shareholders	7	6
Effects of changes in accounting policies:		
Linde AG shareholders	59	-91
Other shareholders	-	-

¹ Restated

Group cash flow statement

in € million	January to September	
	2006	2005 ¹
Earnings after taxes	451	333
Amortization and depreciation of fixed assets	611	559
Changes in assets and liabilities, adjusted for the effects of changes in Group structure	-44	68
Change in leased assets	-116	-142
Other items	-7	6
Cash flow from operating activities	895	824
Payments for tangible and intangible assets and technical equipment held under lease agreements in accordance with IFRIC 4	-599	-610
Payments for financial assets and investments in consolidated companies	-11,704	-39
Proceeds on disposal of fixed assets and consolidated companies and repayment of receivables from financial services in accordance with IFRIC 4	339	58
Cash flow from investing activities	-11,964	-591
Dividend payments and changes in minority interests	-168	-149
Capital increase	1,835	0
Other equity measures	13	0
Proceeds from subordinated bond and other bank loans	10,415	0
Repayment of financial liabilities	-363	-130
Cash flow from financing activities	11,732	-279
Net cash inflow/outflow	663	-46
Opening balance of cash and cash equivalents	906	564
Changes in cash and cash equivalents due to effects of currency translation and changes in Group structure	-13	16
Cash and cash equivalents accounted for as non-current assets held for sale and disposal groups	-107	0
Closing balance of cash and cash equivalents	1,449	534

¹ Restated

Activities

in € million	3rd Quarter			January to September		
	2006	2005 ¹	Change	2006	2005 ¹	Change
Gas and Engineering						
Sales	1,524	1,494	2.0 %	4,585	4,300	6.6 %
EBITDA	324	295	9.8 %	959	848	13.1 %
EBIT	225	197	14.2 %	653	551	18.5 %
EBT	207	185	11.9 %	606	506	19.8 %
Linde Gas						
Sales	1,183	1,144	3.4 %	3,571	3,338	7.0 %
EBITDA	293	275	6.5 %	881	801	10.0 %
EBIT	196	178	10.1 %	581	510	13.9 %
EBT	175	165	6.1 %	530	461	15.0 %
Linde Engineering						
Incoming orders	1,266	1,100	15.1 %	2,419	2,002	20.8 %
Sales	377	411	-8.3 %	1,098	1,136	-3.3 %
EBITDA	28	25	12.0 %	78	66	18.2 %
EBIT	24	22	9.1 %	66	55	20.0 %
EBT	27	24	12.5 %	73	60	21.7 %
BOC²						
Sales	461	-	-	461	-	-
EBITDA	105	-	-	105	-	-
EBIT	67	-	-	67	-	-
EBT	72	-	-	72	-	-
KION Group – Discontinued operations						
Incoming orders	1,043	895	16.5 %	3,038	2,724	11.5 %
Sales	969	877	10.5 %	2,902	2,545	14.0 %
EBITDA	144	133	8.3 %	422	373	13.1 %
EBIT	56	53	5.7 %	172	131	31.3 %
EBT	63	48	31.3 %	166	108	53.7 %
Group						
Sales	2,952	2,385	23.8 %	7,943	6,893	15.2 %
EBITDA	527	403	30.8 %	1,390	1,150	20.9 %
EBIT	297	220	35.0 %	778	593	31.2 %
EBT	307	195	57.4 %	730	516	41.5 %

¹ Restated² Including discontinued operations from BOC Edwards

Additional comments

[1] General accounting policies

The unaudited interim report of Linde AG at 30 September 2006 has been drawn up in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), London, where these became effective on or before 30 September 2006. The term IFRS also includes International Accounting Standards (IAS) where these are still effective and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) – formerly the Standing Interpretations Committee (SIC). In accordance with the EU Regulation dated 19 July 2002 (EC No. 1606/2002), only those IFRS standards which have already been adopted by the European Commission have been applied in the quarterly report.

We have used the same recognition and measurement policies to draw up the interim report as those used to prepare the Group financial statements for the year ended 31 December 2005, with the exception of the following changes, and have also applied IAS 34 “Interim Financial Statements”.

With effect from 1 January 2006, Linde AG has applied IFRIC 4 “Determining Whether an Arrangement contains a Lease”. The application of this Standard will result in certain technical equipment in the Linde Gas division being recognised as finance leases. As a result, there was a transfer from tangible assets to receivables from financial services and the reclassification of part of the corresponding revenue in the financial result. The change in accounting policy required by IFRIC 4 results in a restatement of prior year figures (“restated”). Further details about the effect of the change in accounting policy are given in the note on “Embedded leases”.

Furthermore, as of 31 December 2005, IAS 19 was amended in respect of the recognition of actuarial gains and losses relating to the measurement of pension provisions. At 31 December 2005, Linde AG made use of the newly available option of immediately recognising actuarial gains and losses in equity. As a result of this change in accounting policy at 31 December 2005, the comparatives in these quarterly financial statements have been restated (“restated”).

In addition to the Standard referred to above, the following new or amended Standards and Interpretations issued by IASB and IFRIC came into effect on 1 January 2006. However, either these did not have a significant effect on the net assets, financial position and results of operations of the Group or they were not relevant for the Group financial statements.

- Amendment to IAS 39 and IFRS 4 “Financial Guarantee Contracts”
- Amendment to IFRS 4 “Revised Guidance on Implementing IFRS 4”
- IFRIC 8 “Scope of IFRS 2”
- IFRIC 9 “Reassessment of Embedded Derivatives”

[2] Changes in Group structure

The Group financial statements comprise Linde AG and all significant companies in which Linde AG has a direct or indirect majority holding or the majority of the voting rights and in which it has the power to govern the financial and operating policies, based on the control concept.

The Linde Group comprises the following companies:

	As at Dec. 31, 2005	Additions BOC Group	Other Additions	Disposals	As at Sep. 30, 2006
Consolidated subsidiaries	274	423	34	17	714
Domestic	35	4	13	1	51
Foreign	239	419	21	16	663
Subsidiaries reported at acquisition cost	55	-	15	17	53
Domestic	10	-	-	3	7
Foreign	45	-	15	14	46
Companies accounted for using the equity method	33	162	9	8	196
Domestic	8	-	-	3	5
Foreign	25	162	9	5	191

[3] Foreign currency translation

The financial statements of companies outside the European Currency Union are translated in accordance with the functional currency concept. We apply the closing rate method to all our companies.

The following exchange rates have been used:

Exchange rate €1 =	ISO code	Mid-rate at balance sheet date		Average rate	
				January to September	
		Sep. 30, 2006	Sep. 30, 2005	2006	2005
Great Britain	GBP	0.677300	0.682400	0.684760	0.685104
Sweden	SEK	9.294500	9.324000	9.293315	9.218501
Switzerland	CHF	1.585900	1.555300	1.566623	1.548562
Czech Republic	CZK	28.295000	29.510000	28.434633	29.924404
USA	USD	1.268100	1.204900	1.245461	1.262828

[4] Acquisitions and sales

The BOC Group plc, Windlesham, UK

On 6 March 2006, Linde AG submitted a recommended cash offer for The BOC Group plc, Windlesham, UK, (BOC) for GBP 16 per share in cash. Following the satisfaction of competition authority pre-conditions in the United States and in the European Union, the acquisition was also approved by the BOC shareholders and by the English courts.

The Scheme of Arrangement came into effect on 5 September 2006, thus completing the acquisition of BOC by Linde.

As a result of the acquisition of BOC, Linde has become one of the leading industrial gases and engineering companies in the world. The regional presence of the two companies was complementary, and the combination of BOC and Linde has created a strong global network.

The acquisition was carried out under a Scheme of Arrangement, and all the outstanding shares of BOC, as well as the existing stock option schemes, were purchased for cash.

When BOC was consolidated into Linde for the first time from 5 September 2006 (after all the main conditions had been fulfilled), 423 fully-consolidated companies and 162 joint ventures or associates were included in the consolidation.

The purchase price allocation in accordance with IFRS 3 is currently being determined. Due to the size of the acquisition, Linde does not yet have any provisional figures for the purchase price allocation. The provisional figure for the difference between the cost of acquisition and the fair values of the net assets acquired amounted to €9.3 billion at 30 September and has been disclosed under the heading of goodwill. In order to determine the final purchase price allocation, based on the fair values of the assets, liabilities and contingent liabilities of BOC, the value of BOC's intangible assets, such as customer relationships and brands, will need to be determined in addition to the figure for goodwill.

The table below shows the calculation of the provisional figure of the difference between the cost of acquisition and the fair values of the net assets acquired in the financial statements for the nine months ended 30 September 2006:

Preliminary difference arising on the acquisition of The BOC Group

in € million	Sep. 5, 2006
Acquisition costs for of shares issued	12,085
Acquisition costs for outstanding stock options	185
Ancillary acquisition costs	70
Acquisition costs for BOC	12,340
Book value of equity BOC	3,007
Preliminary difference between purchase price and acquired equity before purchase price allocation	9,333

The acquisition of BOC had the following effect on the net assets, financial position and results of operations of the Linde Group:

Effects of the acquisition of The BOC Group on the net assets, financial position and results of operations

Group balance sheet

in € million	Sep. 5, 2006
Non-current assets	4,611
Inventories	335
Cash and cash equivalents	732
Non-current assets held for sale	1,032
Current assets (excluding cash and cash equivalents)	810
Equity	3,007
Minority interests	166
Provisions for pensions and similar obligations	508
Other non-current liabilities	1,157
Current liabilities	2,411
Liabilities directly related to non-current assets held for sale	271

Group income statement

in € million	Sep. 5, to Sep. 30, 2006
Sales	461
Cost of sales	311
Gross profit on sales	150
Other operating income and expenses	-83
Operating profit (EBIT)	67
Financial profit	5
Earnings before taxes (EBT)	72
Taxes on income	14
Earnings after taxes	58
of which: other shareholders	3
of which: Linde AG shareholders	55

Group cash flow statement

in € million	Sep. 5, to Sep. 30, 2006
Cash flow from operating activities	-48
Cash flow from investing activities	65
Cash flow from financing activities	302

In the course of the BOC acquisition, certain conditions were imposed by the competition authorities in the United States and in the European Union. For this reason, the investments in BOC gazy Poland and part of the helium business are already in the opening balance disclosed as non-current assets held for sale (the latter having been divested on 30 September 2006 already). Also included under this heading are the equipment business of BOC Edwards and the minority shareholding in AFROX Hospitals, which was disposed of in September.

Karbogaz Karbondioksit ve Kurubuz Sanayi A.S., Istanbul, Turkey

With effect from 31 July 2006, Linde acquired 100 percent of the shares in Karbogaz Karbondioksit ve Kurubuz Sanayi A.S., Istanbul, Turkey (Karbogaz). The company operates in the Turkish market and is principally involved in the sale and production of industrial gases, carbon dioxide and dry ice. The cash purchase price for the company was €63.6 million, including ancillary acquisition costs.

On the date of acquisition, the purchase price allocation of the combination in accordance with IFRS 3 was conducted, but is still provisional at the balance sheet date. The following opening balance sheet at fair value has been included in the Group financial statements at 30 September 2006.

When determining the purchase price allocation, the figures recognised in the opening balance sheet included customer relationships of €12.6 million, favorable contracts of €2.4 million and production rights of €3.2 million. The tangible assets were remeasured at their fair values, resulting in a total increase in value of €7.2 million. Goodwill arising on the acquisition was €10.9 million.

Spectra Gases Inc., USA

On 20 September 2006, following the approval for the acquisition from the competition authorities, Linde acquired 100 percent of the shares in Spectra Gases Inc. (Spectra). The main focus of the company is the sale and production of specialty gases. The cash purchase price of the company, including ancillary acquisition costs, was €85.2 million.

On the date of acquisition, the purchase price allocation of the combination in accordance with IFRS 3 was conducted, but is still provisional at the balance sheet date. The following opening balance at fair values has been included in the Group financial statements at 30 September 2006.

When determining the purchase price allocation, the figures recognised in the opening balance sheet included customer relationships of €21.5 million, brand names of €0.7 million, patents of €0.2 million and internally generated software of €0.7 million. The opening balance sheet also included property, plant and equipment with fair values totalling €16.7 million as well as inventories with fair value of €16.1 million. After taking deferred tax into account, the goodwill arising from acquisition was €29.3 million.

Preliminary opening balance sheet of Karbogaz and Spectra

in € million	Karbogaz	Spectra
Non-current assets	52	41
Inventories	1	16
Cash and cash equivalents	1	-
Current assets (excluding cash and cash equivalents)	7	10
Equity	53	56
Provisions for pensions and similar obligations	-	-
Other non-current liabilities	5	-
Current liabilities	3	10

Other disposals

The holding in Komatsu Forklift Co. Ltd, Tokyo, Japan was reacquired by the joint venture partner on 27 July 2006.

[5] Non-current assets held for sale and discontinued operations

Following the approval of the EU and US competition authorities granted on 6 June 2006 and 18 July 2006 respectively, Linde was able to proceed with the acquisition of BOC, subject to certain conditions. As a result of this, in order to comply with conditions imposed by the US antitrust authority, on 30 June 2006 a total of eight air separation units in the United States were reclassified as non-current assets held for sale.

Other conditions imposed by the competition authorities related to the gases business in the UK and in Australia (Linde Gas UK Ltd, West Bromwich, England and Linde Gas Pty. Ltd, Yennora NSW, Australia), as well as in Poland (BOC gazy Sp. z.o.o, Poland). These companies have been disclosed as assets held for sale.

KION Group

The Material Handling business segment, renamed KION Group, was classified as a discontinued operation from 15 September 2006, once all the requirements of IFRS 5 had been met. It is anticipated that the KION Group will be sold or a public offering achieved within the next twelve months.

All the assets and liabilities of the KION Group have been reclassified in the balance sheet at 30 September 2006 and have been disclosed under the headings "Non-current assets held for sale and disposal groups" and "Liabilities directly related to non-current assets held for sale". In the income statement, there is separate disclosure of the continuing Gas and Engineering operations and the discontinued Material Handling operations.

BOC Edwards (Equipment business)

In the acquisition of BOC, the equipment business of BOC Edwards was already in the opening balance sheet on 5 September classified as a discontinued operation of Linde. This division is expected to be sold within the next twelve months. The electronic gases business of BOC Edwards will remain in the Group.

All the assets and liabilities relating to the equipment business of BOC Edwards have been reclassified in the balance sheet at 30 September 2006 and have been disclosed under the headings "Non-current assets held for sale and disposal groups" and "Liabilities directly related to non-current assets held for sale". From the date of acquisition on 5 September, there has been separate disclosure in the income statement of the continuing Gas and Engineering operations and the discontinued operations relating to the BOC Edwards equipment business.

The effect of the classification of the KION Group and the BOC Edwards equipment business as discontinued operations is shown in the table below:

Non-current assets held for sale and discontinued operations

Non-current assets held for sale and directly related liabilities as at Sep. 30, 2006

in € million	Air separation units USA	KION Group	BOC Edwards	Other	Total
Intangible assets	34	232	122	-	388
Other non-current assets	121	1,388	108	274	1,891
Inventories	2	684	96	-	782
Cash and cash equivalents	-	29	78	-	107
Current assets (excluding cash and cash equivalents)	16	872	210	-	1,098
Total non-current assets held for sale	173	3,205	614	274	4,266
Provisions for pensions and similar obligations	-	353	-	-	353
Other non-current provisions	8	71	23	-	102
Non-current liabilities	-	426	206	-	632
Current liabilities	4	1,157	224	-	1,385
Liabilities directly related to non-current assets held for sale	12	2,007	453	-	2,472

Discontinued operations

in € million	January to September 2006		January to September 2005	
	KION Group	BOC Edwards	KION Group	BOC Edwards
Sales	2,902	65	2,545	-
Cost of sales	2,184	43	1,912	-
Gross profit on sales	718	22	633	-
Other operating income and expenses	-546	-11	-502	-
Operating profit (EBIT)	172	11	131	-
Financial profit	-6	0	-23	-
Earnings before taxes (EBT)	166	11	108	-
Taxes on income	52	3	18	-
Earnings after taxes	114	8	90	-
of which: other shareholders	-	-	1	-
of which: Linde AG shareholders	114	8	89	-
Cash flow from operating activities	235	15	92	-
Cash flow from investing activities	-146	-4	-134	-

[6] First-time application of IFRIC 4 (Embedded leases)

Linde AG applied IFRIC 4 "Determining Whether an Arrangement Contains a Lease" for the first time from 1 January 2006. The application of IFRIC 4 was mandatory from that date. As a result of the change in accounting policy required by IFRIC 4, the comparatives have been restated ("restated").

In accordance with the criteria set out in IFRIC 4, certain technical equipment in the Linde Gas division – in particular certain on-site plants and ECOVAR plants – must be classified as "embedded finance leases". As a result, the first-time application of the accounting treatment involves the implied sale of tangible assets and the recognition of the future minimum lease payments due from the customer, equivalent to the net investment in the lease, under receivables from financial services. Intra-Group profits and losses on plants built by Linde Engineering eliminated in prior years have been eliminated through the income statement.

In the future, a one-off amount will be recognised in sales on the completion and bringing on stream of the plant, whereas prior to the application of the new rule the sale was recognised over the estimated useful life of the plant or over the term of the on-site contract.

Restatement of previous year figures

Group balance sheet

in € million	Dec. 31, 2005
Equity at Dec. 31, 2005 – as reported	4,413
Adjustments as a result of the change in accounting treatment of certain technical equipment in the Linde Gas division recognized as finance leases under IFRIC 4	
Change in tangible assets	-372
Change in inventories	58
Change in receivables from financial services	405
Deferred tax	-32
Equity at Dec. 31, 2005 – restated	4,472

Group income statement

in € million	January to September 2005
Earnings after taxes – as reported	317
Previously unrecognized actuarial gains/losses relating to the measurement of pension provisions (IAS 19)	6
Adjustment to earnings as a result of the change in accounting treatment of certain technical equipment in the Linde Gas division recognized as finance leases under IFRIC 4	
Change in sales	60
Change in cost of sales	-62
Change in finance income from lease agreements	17
Deferred tax expense	-5
Earnings after taxes – restated	333

[7] Pension obligations

The actuarial valuation of provisions for pensions is based on the projected unit credit method set out in IAS 19 "Employee Benefits" for defined benefit obligations. This method takes into account not only vested future benefits and known pensions at the balance sheet date, but also expected future increases in salaries and pensions. The calculation of the provisions is determined using actuarial reports based on biometric accounting principles. Actuarial gains and losses are directly recognised in equity.

The expense arising from additions to the provisions, including the relevant interest portion, is allocated to the functions in the income statement.

In the quarterly reports, a competent estimate of the pension obligation is made, based on trends in the actuarial parameters (discount rate, expected return on plan assets, growth in future benefits, growth in pensions), and taking into account any exceptional effects in the current quarter.

At 30 September 2006, a change was recognised in the actuarial parameters on which the pension obligations are based which amounted to € 89 million (after taking into account deferred tax), leading to an increase in equity.

[8] Equity

In the course of financing the offer made to the BOC shareholders, part of Authorised Capital I and all of Authorised Capital II were utilised.

At the Shareholders' Meeting on 8 June 2005, the Executive Board was authorised, with the approval of the Supervisory Board, to increase subscribed capital by up to € 80,000,000 until 7 June 2010 against cash contributions (Authorised Capital I). A portion of this authorised capital, amounting to € 54,893,465.60, has been utilised.

Equally, at the Shareholders' Meeting on 8 June 2005, the Executive Board was authorised, with the approval of the Supervisory Board, to increase subscribed capital by up to € 40,000,000 until 7 June 2010 against cash or non-cash contributions (Authorised Capital II). All this authorised capital has been utilised.

On 5 July 2006, the increase in share capital of € 94,893,465.60 from € 306,851,957.76 to € 401,745,423.36 was recorded in the Commercial Register. The share capital was increased against cash contributions by the issue of 37,067,760 new bearer shares. The share capital entered in the Commercial Register of € 401,745,423.36 is divided into 156,931,806 shares. The Authorised Capital of the company has been reduced to € 25,106,534.40.

Outside the Commercial Register, there was at 30 September 2006 a further increase in subscribed capital since January 1, 2006 of a total amount of € 1,209,656.32 to € 402,955,079.68, firstly as a result of the issue of 157,572 new shares arising from the exercise of the 2004 convertible bond issued by Linde Finance B. V. under a conditionally authorised capital increase of up to € 50,000,000 agreed at the Shareholders' Meeting on 17 May 2000, and, secondly, as a result of the issue of 314,950 new shares out of 2002 conditionally authorised capital to service the share option scheme for management (2002 conditionally authorised capital). Equity has increased in total by € 1,845 billion as a result of the capital increase and the exercise of the convertible bond issued by Linde Finance B.V. The equity figure is net of total issue expenses from the increase in share capital of € 20 million.

Statement of changes in Group equity

	Capital sub-scribed	Capital reserve	Re-tained earnings	Cumulative changes in equity not recognized through the income statement				Total equity excluding minority interests	Minority interests	Total equity
				Currency translation differences	Re-measurement of securities at fair value	Derivative financial instruments	Actuarial gains/losses			
in € million										
As at Jan. 1, 2005 – as reported	305	2,680	1,266	-205	-	-3	-	4,043	38	4,081
Adjustments:										
Change in accounting policy IAS 19	-	-	4	-	-	-	-139	-135	-	-135
Change in accounting policy IFRIC 4	-	-	44	-	-	-	-	44	-	44
As at Jan. 1, 2005 – restated	305	2,680	1,314	-205	-	-3	-139	3,952	38	3,990
Dividend payments	-	-	-149	-	-	-	-	-149	-3	-152
Change in currency translation differences	-	-	-	142	-	-	-	142	1	143
Financial instruments	-	-	-	-	-	1	-	1	-	1
Earnings after taxes – restated	-	-	327	-	-	-	-	327	6	333
Changes as a result of the share option scheme	2	22	-	-	-	-	-	24		24
Other changes	-	-	-2	-	-	-	-75	-77	6	-71
As at Sep. 30, 2005 – restated	307	2,702	1,490	-63	-	-2	-214	4,220	48	4,268
As at Dec. 31, 2005 – as reported	307	2,704	1,622	-48	-	-9	-212	4,364	49	4,413
Adjustments:										
Change in accounting policy IFRIC 4	-	-	57	2	-	-	-	59	-	59
As at Jan. 1, 2006 – restated	307	2,704	1,679	-46	-	-9	-212	4,423	49	4,472
Dividend payments	-	-	-168	-	-	-	-	-168	-2	-170
Change in currency translation differences	-	-	-	-71	-	-	-	-71	-1	-72
Financial instruments	-	-	-	-	-	2	-	2	-	2
Earnings after taxes	-	-	444	-	-	-	-	444	7	451
Changes as a result of share option scheme	1	23	-	-	-	-	-	24	-	24
Capital increase	95	1,741	-20	-	-	-	-	1,816	-	1,816
Convertible bond	-	9	-	-	-	-	-	9	-	9
Other changes	-	-	-3	-	-	-	89	86	171	257
As at Sep. 30, 2006	403	4,477	1,932	-117	-	-7	-123	6,565	224	6,789

[9] Financial debt

Financial debt

in € million	Non-current				Current		Total	
	Due in 1 to 5 years		Due in more than 5 years		Due within 1 year		Sep. 30, 2006	Dec. 31, 2005
	Sep. 30, 2006	Dec. 31, 2005	Sep. 30, 2006	Dec. 31, 2005	Sep. 30, 2006	Dec. 31, 2005		
Subordinated bond	-	-	1,453	396	-	-	1,453	396
Convertible bond	502	500	-	-	-	-	502	500
Other bonds	1,294	1,035	-	-	887	209	2,181	1,244
Bank loans and overdraft	9,671	64	1	2	492	210	10,164	276
	11,467	1,599	1,454	398	1,379	419	13,132	2,416

In July 2006, Linde issued subordinated bonds of € 700 million and £ 250 million with a final maturity date of 14 July 2066. There is a right to call the loan from 14 July 2016. If the right to call the loan is not exercised on this date, the increased coupon will attract interest at a variable rate (3 month Euribor + 4.125 percent for the euro bond and 3 month Libor + 4.125 percent for the sterling bond). The right to call the loan will then be available every quarter on the due date for interest payment.

The coupon payment may be suspended on any of the due dates for interest payment. Coupon payments not made are made up as soon as Linde makes payments on securities ranking pari passu, subordinated securities or shares.

If the outstanding 2004/2009 convertible bond is converted into shares, there is a special right to call the loan at a particular discounted market price, the make-whole price, although this only applies to the euro bond.

The issue expenses of the hybrid bond of € 12 million are amortised over the term of the bond in accordance with IAS 39.

Furthermore, as a result of some of the options relating to the convertible bond issued by Linde Finance B.V. being exercised, financial debt has been reduced by € 8.9 million.

[10] Earnings per share

Earnings per share

in € million/shares in thousands	January to September 2006			January to September 2005 ¹		
	Continuing operations	Discontinued operations	Group	Continuing operations	Discontinued operations	Group
Earnings after taxes and minority interests	322	122	444	238	89	327
Plus: increase in profit due to dilutive effect of convertible bond	10	-	10	10	-	10
Profit after adjusting for dilutive effects	332	122	454	248	89	337
Weighted average number of shares outstanding	131,285	131,285	131,285	119,445	119,445	119,445
Dilutive effect of Linde Management Incentive Programme	467	467	467	217	217	217
Effect of dilutive convertible bond	10,537	10,537	10,537	9,738	9,738	9,738
Weighted average number of shares outstanding – fully diluted	142,289	142,289	142,289	129,400	129,400	129,400
Earnings per share in €	2.45	0.93	3.38	1.99	0.75	2.74
Earnings per share in € – fully diluted	2.33	0.86	3.19	1.91	0.69	2.60

¹ Restated

[11] Significant events

Appointment of new members of the Executive Board

At its meeting on 12 September 2006, the Supervisory Board of Linde AG, Wiesbaden, appointed Kent Masters (45), Trevor Burt (48) and Georg Denoke (41) as new members of the Executive Board of Linde AG.

Masters, who until now has been in charge of the ISP (Industrial & Special Products) line of business on the Board of The BOC Group plc, Windlesham, UK, will be responsible in future for the regions of America and Africa, as well as for the on-site global business unit and bulk business area. Burt, who headed the North American region in BOC, will be responsible for the Asia/Pacific region and for the cylinder and electronic gases business areas. Denoke, until now responsible for Finance in the Linde Gas division, will now assume responsibility for Finance, together with the following functions: Controlling, Accounts, Treasury, Tax, Mergers & Acquisitions and Procurement. Denoke succeeds Dr Peter Diesch (51), who will leave the Group of his own accord at the end of the year.

Other

Apart from the events mentioned above, there have been no significant events for the Linde Group between the end of the reporting period on 30 September 2006 and the publication deadline for these quarterly financial statements.

Imprint

Published by

Linde AG
Abraham-Lincoln-Strasse 21
65189 Wiesbaden
Germany

Design

Peter Schmidt Group, Hamburg

Text

Linde AG

Production and typesetting

Brand Implementation GmbH, Hamburg

Printed by

Offsetdruck Raff, Riederich

Financial Calendar

Shareholders' Meeting 2007

June 5, 2007, 10:00 a.m.
International Congress Center, Munich

Shareholders' Meeting 2008

June 3, 2008, 10:00 a.m.
International Congress Center, Munich

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This report is available in both German and English and can be downloaded from our website at www.linde.com.

Additional copies of the report and further information about Linde can be obtained from us free of charge.

Investor Relations Calendar

WestLB Deutschland Conference

November 15, 2006, Frankfurt

Paris Roadshow

November 17, 2006

London Roadshow

November 23–24, 2006

Dresdner Kleinwort

German Corporate Conference

January 8–10, 2007, New York

Cheuvreux

German Corporate Conference

January 17, 2007, Frankfurt

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