

Innovative Drive

Regional Growth
Markets
Energy & Environment
Process
Optimisation
Healthcare
Regional Growth
Markets
Process
Optimisation
Healthcare
Regional Growth
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Conference Call H1 2014 Results

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THE LINDE GROUP

Analysts' Conference Call
29 July 2014

This presentation contains forward-looking statements about Linde AG (“Linde”) and their respective subsidiaries and businesses. These include, without limitation, those concerning the strategy of an integrated group, future growth potential of markets and products, profitability in specific areas, the future product portfolio, development of and competition in economies and markets of the Group.

These forward looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside of Linde’s control, are difficult to predict and may cause actual results to differ significantly from any future results expressed or implied in the forward-looking statements on this presentation.

While Linde believes that the assumptions made and the expectations reflected on this presentation are reasonable, no assurance can be given that such assumptions or expectations will prove to have been correct and no guarantee of whatsoever nature is assumed in this respect. The uncertainties include, inter alia, the risk of a change in general economic conditions and government and regulatory actions. These known, unknown and uncertain factors are not exhaustive, and other factors, whether known, unknown or unpredictable, could cause the Group’s actual results or ratings to differ materially from those assumed hereinafter. Linde undertakes no obligation to update or revise the forward-looking statements on this presentation whether as a result of new information, future events or otherwise.

Performance H1 2014

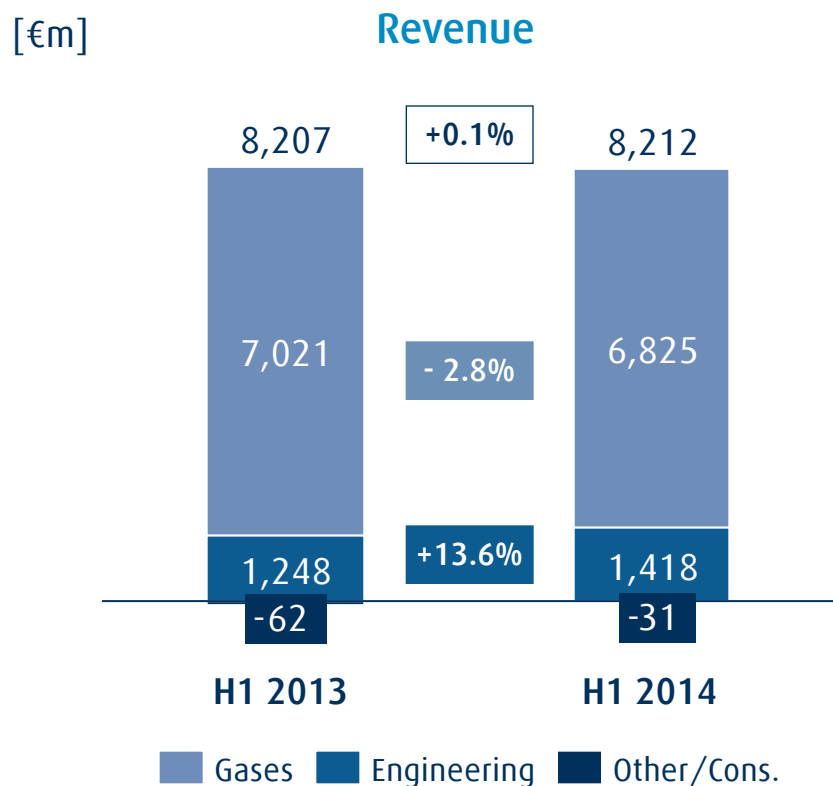
Highlights

| [€] | | H1 2013 | H1 2014 | yoy [%] | yoy [%] fx adj. |
|-------------------|-----|---------|---------|---------|-----------------|
| Revenue | [m] | 8,207 | 8,212 | + 0.1% | + 5.6% |
| Operating Profit* | [m] | 1,966 | 1,896 | - 3.6% | + 1.7% |
| Operating Margin | [%] | 24.0 | 23.1 | - 90bp | |
| EPS reported | | 3.56 | 3.36 | - 5.6% | |

- Positive revenue development of 5.6% on a currency adjusted basis
- Strong sales growth in Engineering has a dilutive effect on Group margin
- Tax rate of 23.9% is above the level of H1 2013, which affects the EPS-development

Group | Revenue and operating profit by division

Strong contribution from Engineering affects Group margin

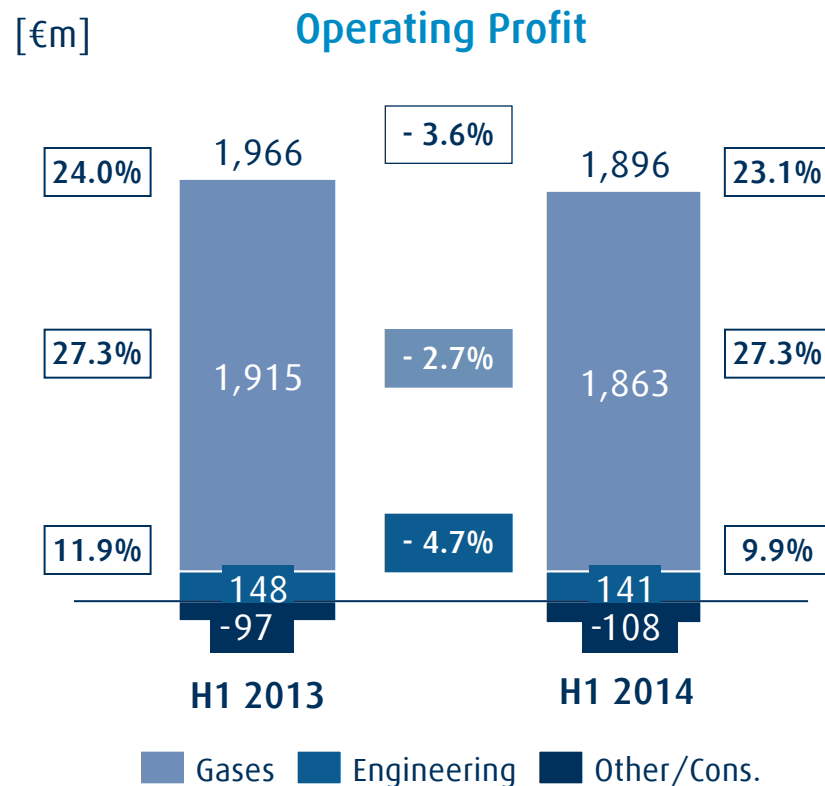


Gases

Development impacted by currency headwinds

Engineering

Continuous project progress triggered strong growth



Gases

Margin remained stable on a high level

Engineering

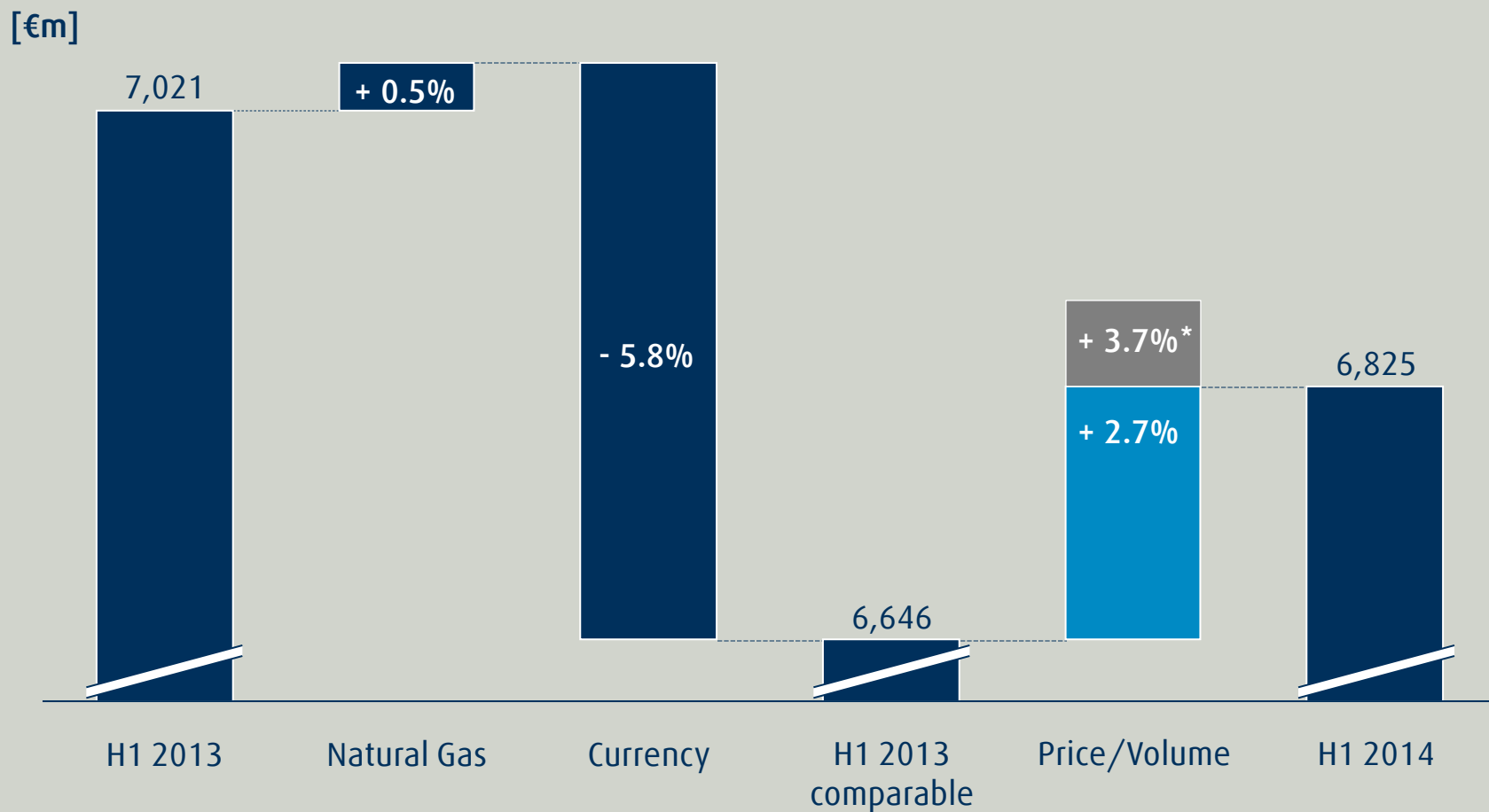
Margin above industry level

Gases Division | Revenue bridge

Price/volume increase of 2.7%



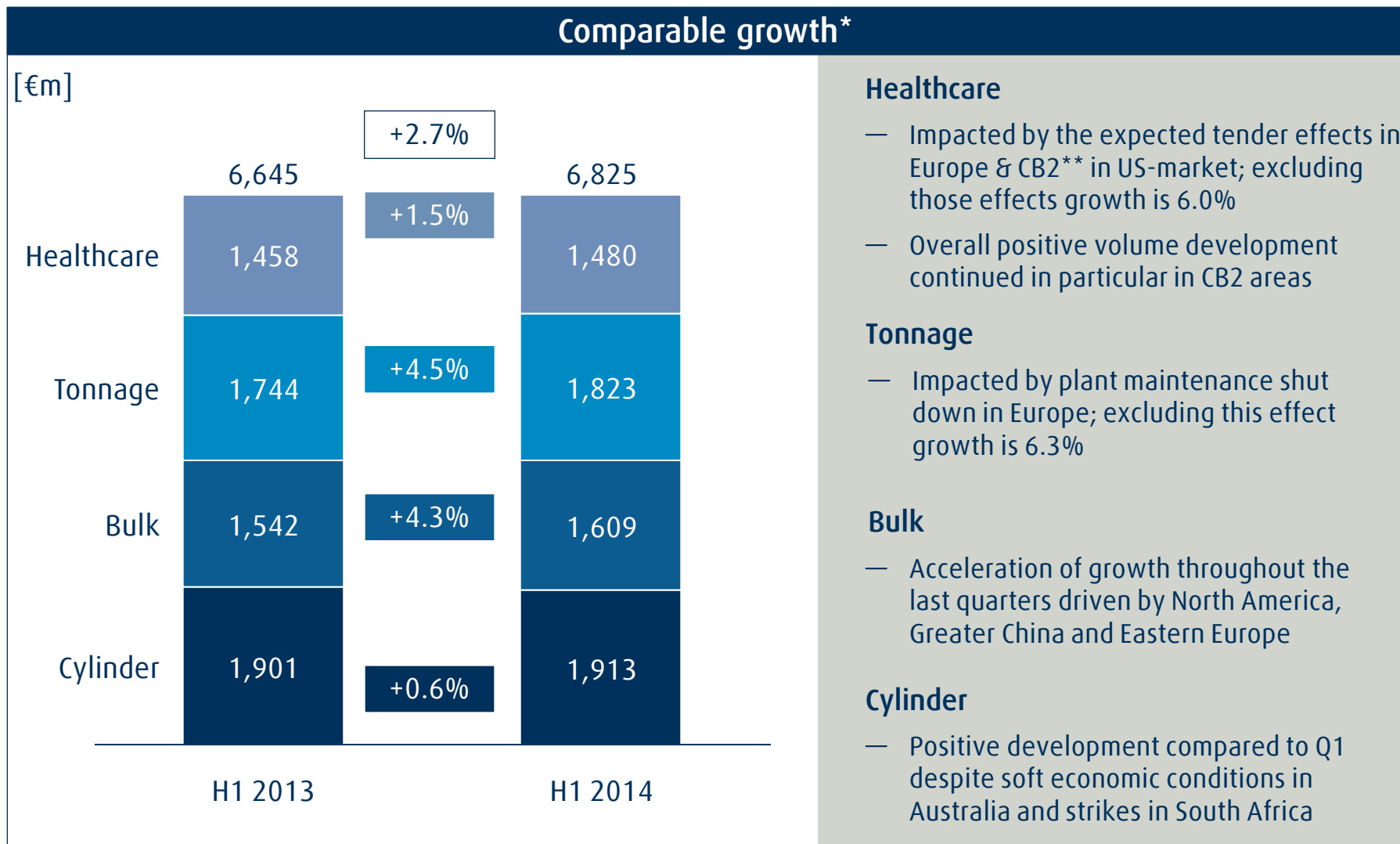
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*adjusted for the expected loss of Healthcare tenders the comparable growth would be 3.7%

Gases Division | Revenue by product areas

3.7% growth excl. Healthcare tender effects



*excluding currency and natural gas price effect

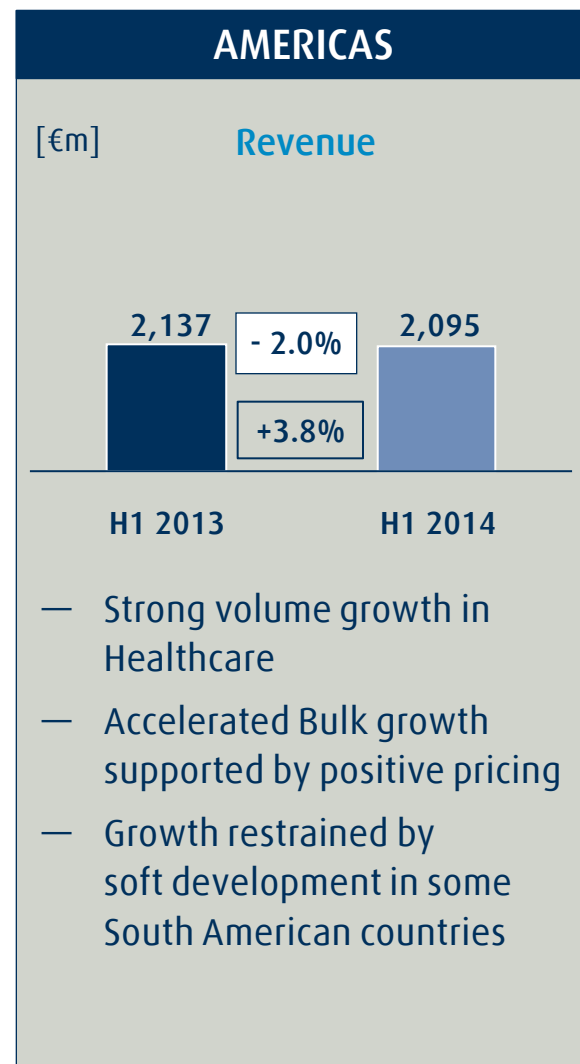
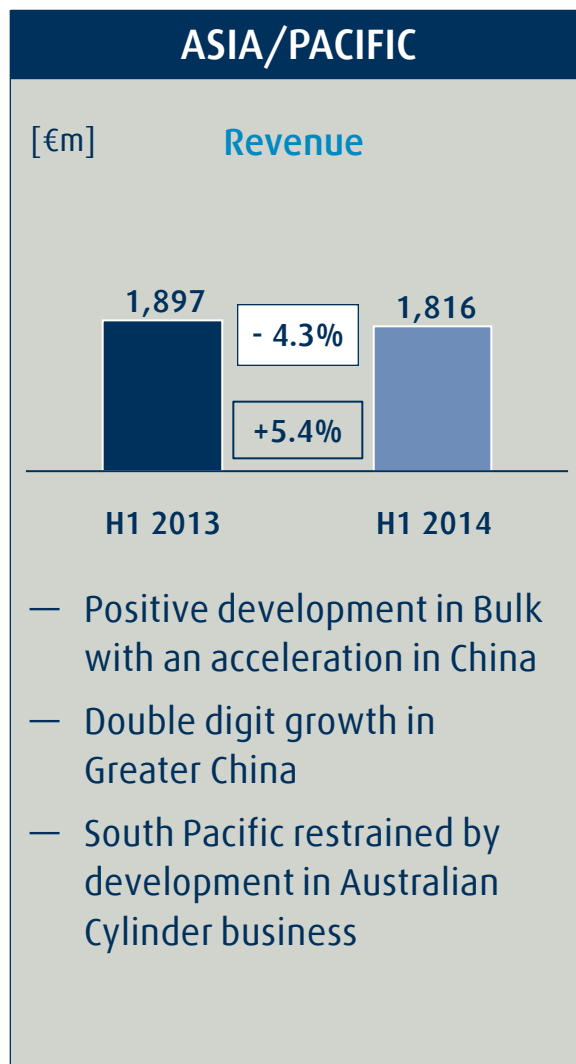
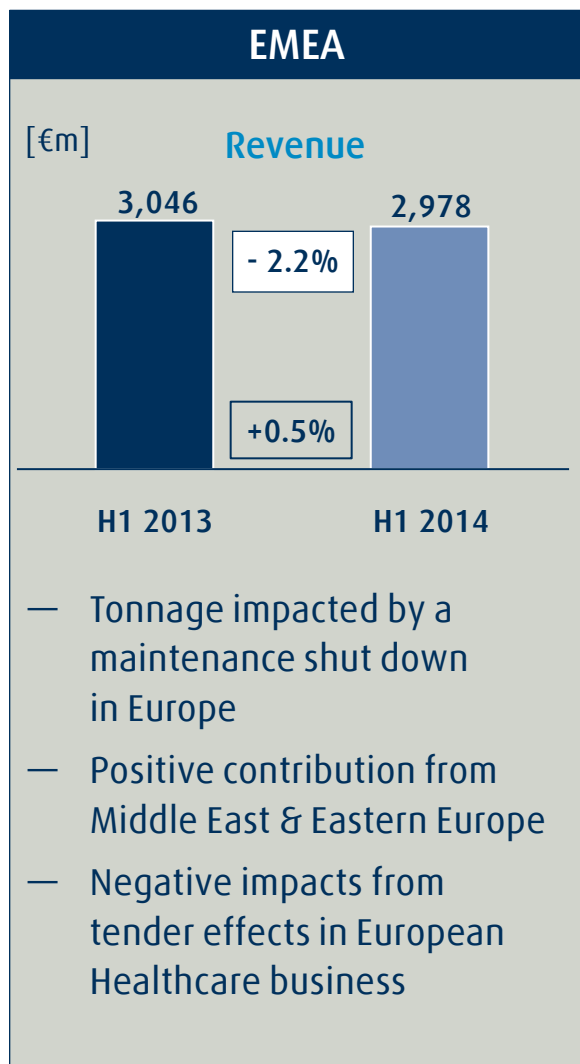
** Competitive Bidding 2 in the US is effective since 1 July 2013

Gases Division | Revenue by reporting segment

Comparable growth in all regions



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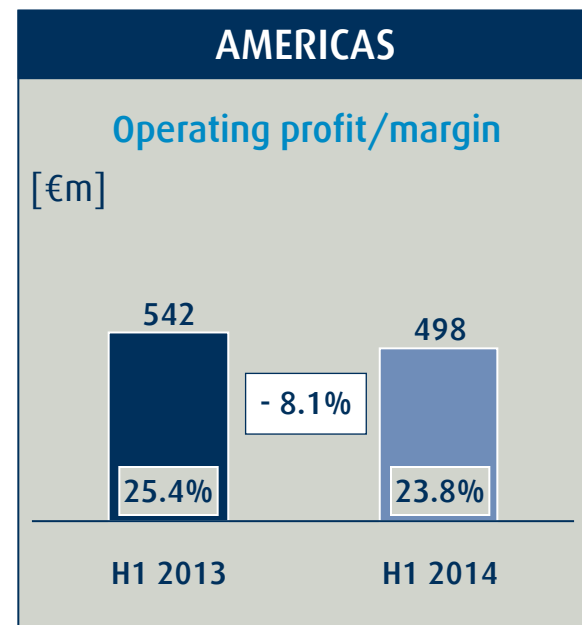
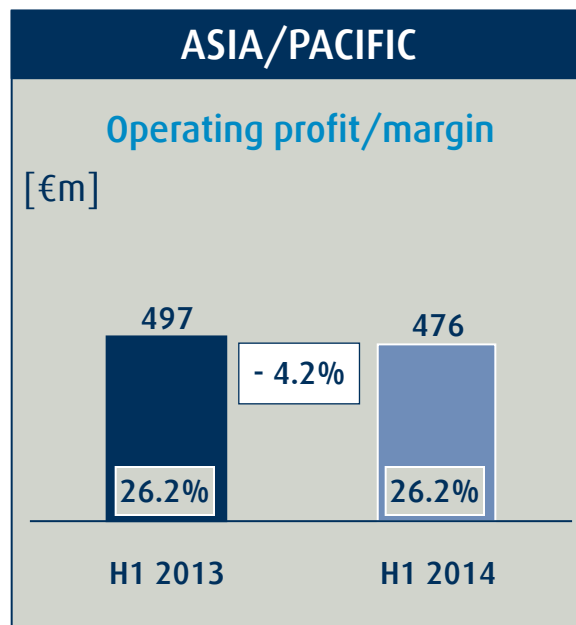
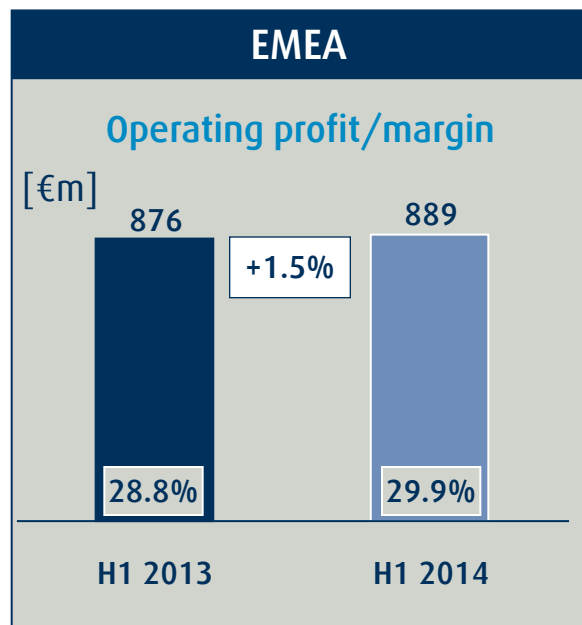
□ Reported growth □ Comparable growth: excluding currency and natural gas price effect

Gases Division | Operating profit by reporting segment

Strong impact by currency headwinds continued



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Margin development

- Margin development in EMEA supported by higher contributions from UK, Central and Eastern Europe
- Stable margin in Asia/Pacific despite weaker South Pacific
- Americas margin dilution by higher natural gas prices, the impact of Competitive Bidding 2 and weaker development in South America

Engineering Division | Key figures

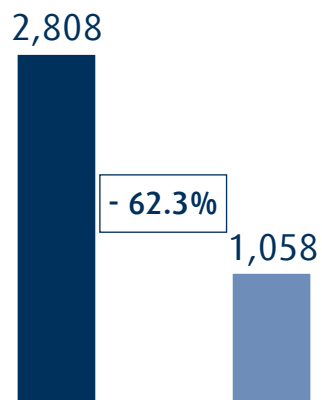
Strong revenue increase



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Order Intake

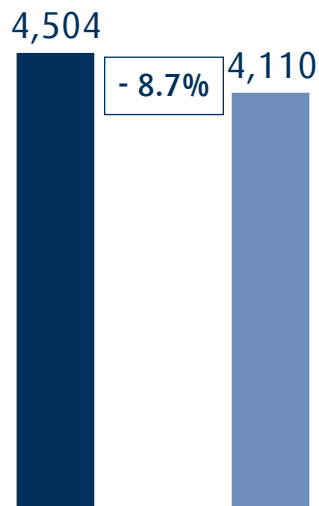
[€m]



H1 2013 H1 2014

Order Backlog

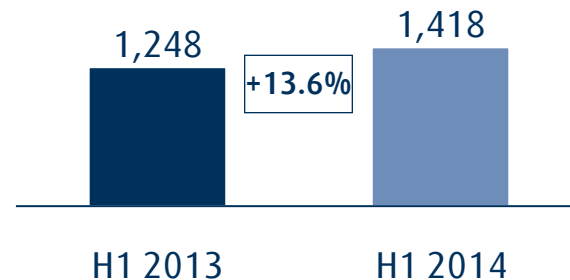
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31/12/13 30/06/14

Revenue

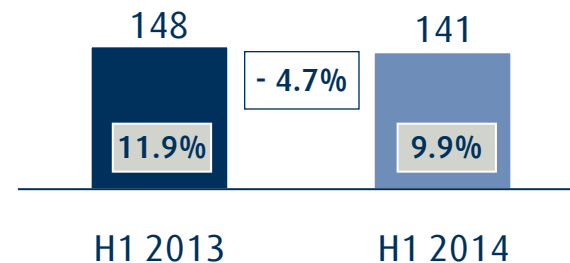
[€m]



H1 2013 H1 2014

Operating Profit

[€m]



H1 2013 H1 2014

- Revenue development and margin in line with outlook
- Around 75% of order intake from North America and Europe and around 70% of order intake for natural gas plants and hydrogen/syngas plants
- 10 years enterprise framework agreement signed with Shell for ethane cracker units

Financial Performance | Solid financial position

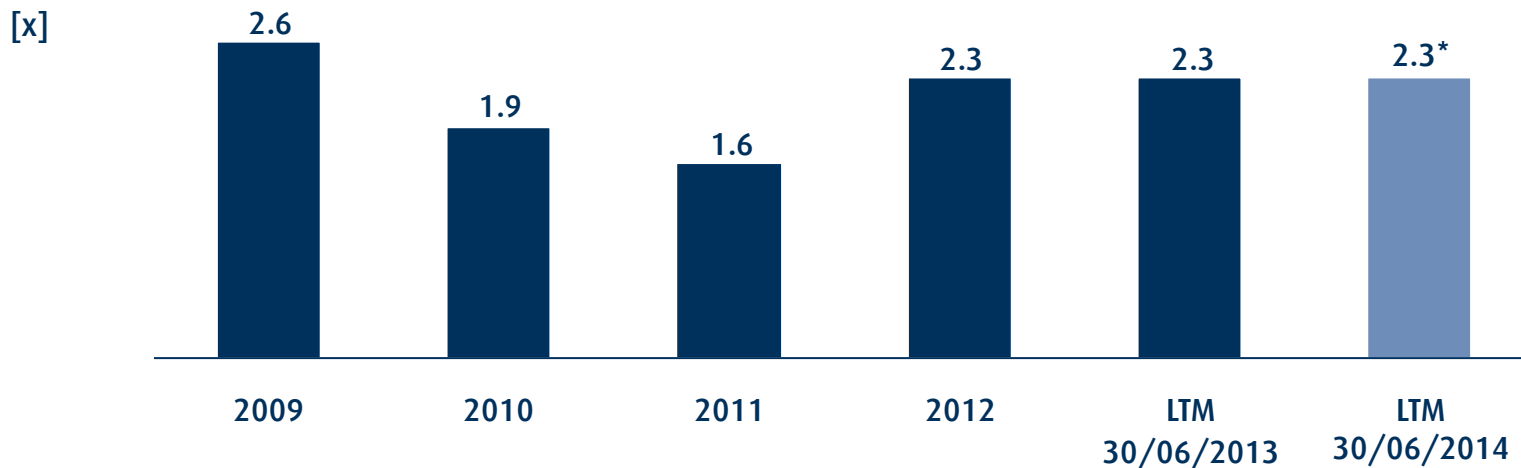
Moody's rating upgrade to A2



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- S&P: Rating unchanged | A+/A-1 with stable outlook (12 Dec 2013)
- Moody's: Rating upgrade | A2/P-1 with stable outlook (16 June 2014)

Net debt/EBITDA



- Not adjusted for € 300m external funding of German pension plans the ratio net debt/EBITDA is 2.4x
- Funds obtained by issuing a bond of € 300m with a 10-year maturity and a coupon of 1.875%
- Conservative financial debt's maturity profile:
approx. 50% of non-current debt has a longer maturity than 5 years

*adjusted for the external funding of German pension plans

Outlook*

Well positioned.



| Short-term outlook | 2014 |
|----------------------|---|
| Revenue | Solid increase vs. 2013 adjusted for currency effects |
| Operating Profit | Moderate increase vs. 2013 adjusted for currency effects |
| Gases Division | Moderate revenue and operating profit increase vs. 2013 adjusted for currency effects |
| Engineering Division | Solid revenue increase vs. 2013 & operating margin of around 10% |

| Medium-term outlook | 2016 | Potential currency impact** |
|---------------------|-------------------------|-----------------------------|
| Operating Profit | At least 5 billion Euro | Around - € 400 m |
| ROCE reported | Around 13% | Potentially impacted |
| HPO 4yrs programme | 750-900 million Euro | |

*please see assumptions and indications on page 45 and 104f of the financial report 2013

**against exchange rates at the target setting date (2012)

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Appendix.

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Group | H1 2014

Cash flow statement



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| [€m] | H1 2013 | H1 2014 |
|--|-----------------|---------------|
| Operating profit | 1,966 | 1,896 |
| Change in working capital | - 287 | - 344 |
| Other changes | - 487 | - 530 |
| Operating cash flow before pension funding | 1,192 | 1,022 |
| <i>Operating cash flow including pension funding</i> | <i>1,192</i> | <i>722</i> |
| Investments in tangibles/intangibles | - 1,000 | - 933 |
| Acquisitions / Other (incl. financial investments) | - 40 | 80 |
| Investment cash flow | - 1,040* | - 853* |
| Free cash flow before financing | 152 | 169 |
| Pension funding | | - 300 |
| Interests and swaps, dividends | - 727 | - 766 |
| Other changes | 37 | - 12 |
| Net debt increase (+)/decrease (-) | 538 | 909 |

*Excluding investments in/disposals of securities; 2014: € -153m ; 2013: € +231m

Group | H1 2014

Key P&L items



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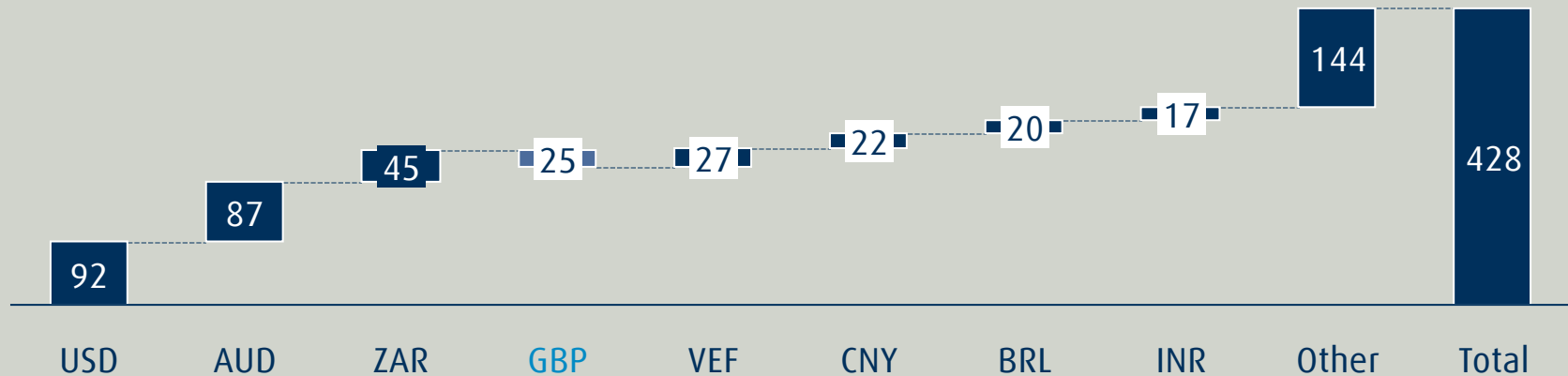
| [€m] | H1 2013 | H1 2014 | Δ in % |
|--|---------|---------|--------|
| Revenue | 8,207 | 8,212 | 0.1 |
| Operating profit | 1,966 | 1,896 | - 3.6 |
| Operating margin | 24.0% | 23.1% | - 90bp |
| PPA depreciation for BOC | - 115 | - 103 | 10.4 |
| Depreciation & amortisation (excl. PPA BOC) | - 754 | - 720 | 4.5 |
| EBIT | 1,097 | 1,073 | - 2.2 |
| Financial result | - 186 | - 179 | 3.8 |
| Taxes | - 196 | - 214 | - 9.2 |
| Profit for the year – attributable to Linde AG shareholders | 660 | 624 | - 5.5 |
| EPS reported [€] | 3.56 | 3.36 | - 5.6 |

Group | Currency impact

Impact on revenue and operating profit in H1 2014

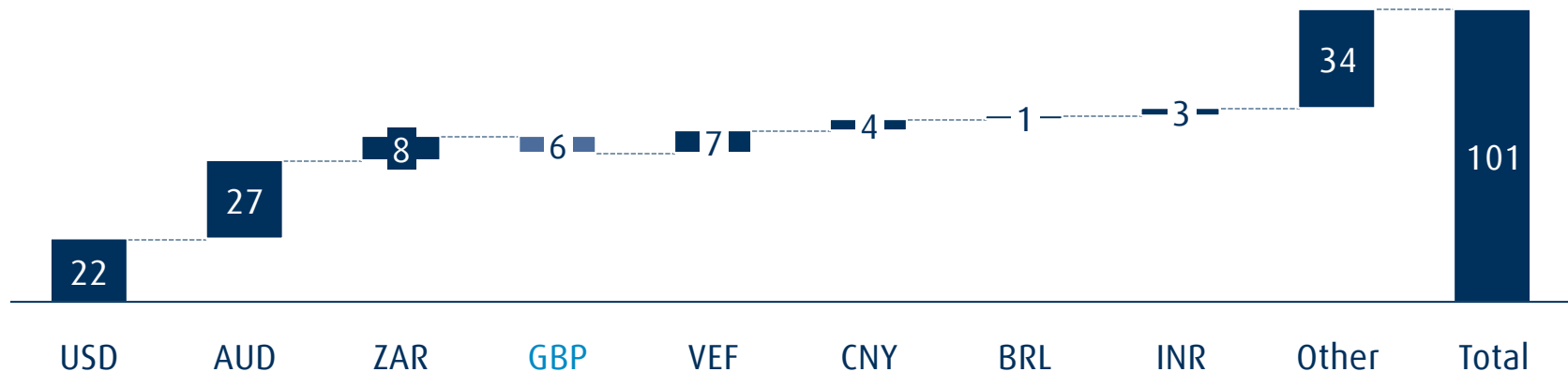
Negative impact on Group revenue in H1 2014

[€m]



Negative impact on Group operating profit in H1 2014

[€m]



Gases Division | Quarterly data

Reporting segments



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| EMEA [€m] | Q1 2013 | Q1 2014 | Q2 2013 | Q2 2014 | Q3 2013 | Q4 2013 |
|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue | 1,497 | 1,467 | 1,549 | 1,511 | 1,523 | 1,521 |
| Operating profit | 430 | 429 | 446 | 460 | 438 | 445 |
| Operating margin | 28.7% | 29.2% | 28.8% | 30.4% | 28.8% | 29.3% |
| Asia / Pacific [€m] | Q1 2013 | Q1 2014 | Q2 2013 | Q2 2014 | Q3 2013 | Q4 2013 |
| Revenue | 926 | 870 | 971 | 946 | 946 | 924 |
| Operating profit | 240 | 224 | 257 | 252 | 250 | 258 |
| Operating margin | 25.9% | 25.7% | 26.5% | 26.6% | 26.4% | 27.9% |
| Americas [€m] | Q1 2013 | Q1 2014 | Q2 2013 | Q2 2014 | Q3 2013 | Q4 2013 |
| Revenue | 1,054 | 1,060 | 1,083 | 1,035 | 1,053 | 1,041 |
| Operating profit | 272 | 260 | 270 | 238 | 310 | 230 |
| Operating margin | 25.8% | 24.5% | 24.9% | 23.0% | 29.4% | 22.1% |

Operating Profit

Return

EBIT

adjusted for amortisation of intangible
assets and depreciation of tangible assets

Return on Capital Employed (ROCE)

Return

EBIT

Earnings per Share (EPS)

Return

Profit for the period
attributable to Linde AG shareholders

Average Capital Employed

Equity (incl. non-controlling interests)
+ financial debt
+ liabilities from finance leases
+ net pension obligations
- cash, cash equivalents and securities
- receivables from finance leases

Shares

Number of
weighted average outstanding shares

Financial calendar

9M report 2014: 30 October 2014

Linde share information

Type of share: Bearer shares
Stock exchanges: All German stock exchanges
Security reference number: ISIN DE0006483001
CUSIP 648300

Linde ADR information

Ticker Symbol: LNEGY
DR ISIN: US5352230204
Depositary Bank: Deutsche Bank
Structure: ADR Level I, Sponsored

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