

Innovative Drive

Regional Growth
Markets
Energy & Environment
Process
Optimisation
Healthcare
Regional Growth
Markets
Process
Optimisation
Healthcare
Regional Growth
Markets
Leading Technologies

Leading Technologies
Energy & Environment
Healthcare
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Optimisation
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Healthcare
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Leading Technologies

Capital Markets Days 2014

Workshop Financials

LeadIng.


THE LINDE GROUP

Georg Denoke - CFO
31 October 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.

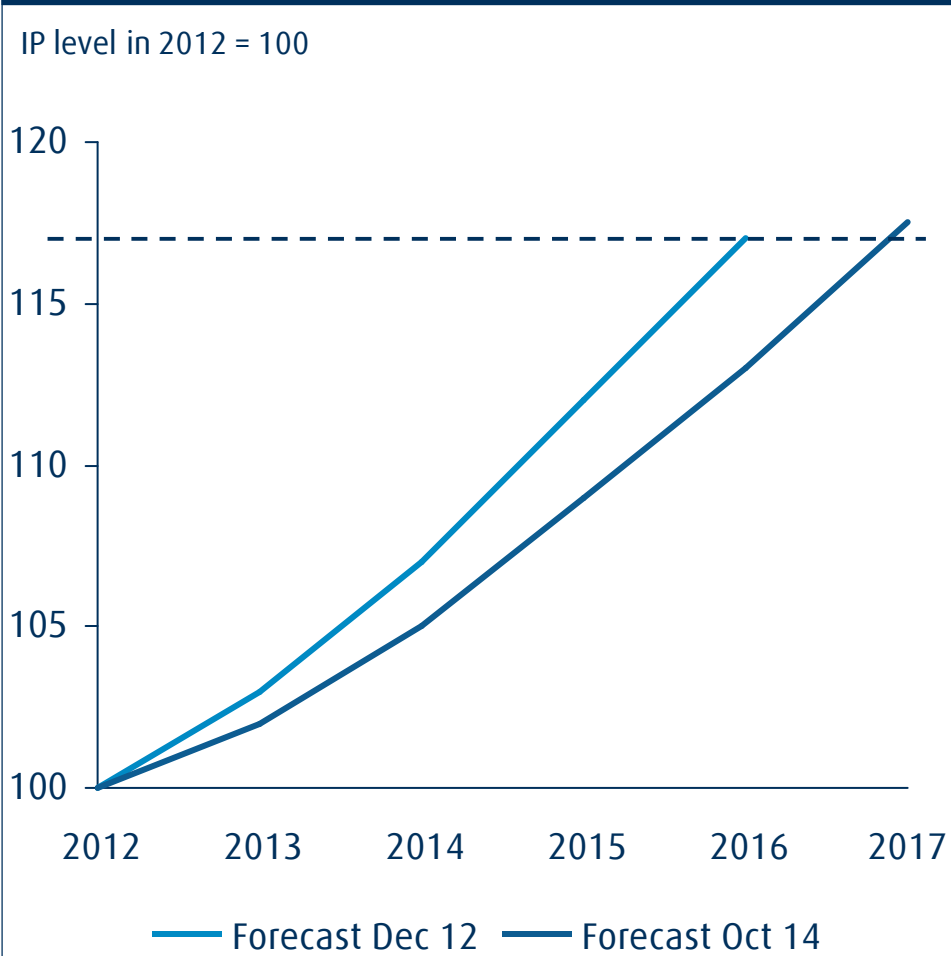
While Linde believes that the assumptions made and the expectations reflected on this presentation are reasonable, no assurance can be given that such assumptions or expectations will prove to have been correct and no guarantee of whatsoever nature is assumed in this respect. The uncertainties include, 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.

Outlook | Headwinds since target setting in 2012

Challenged by sluggish IP growth and negative FX effects

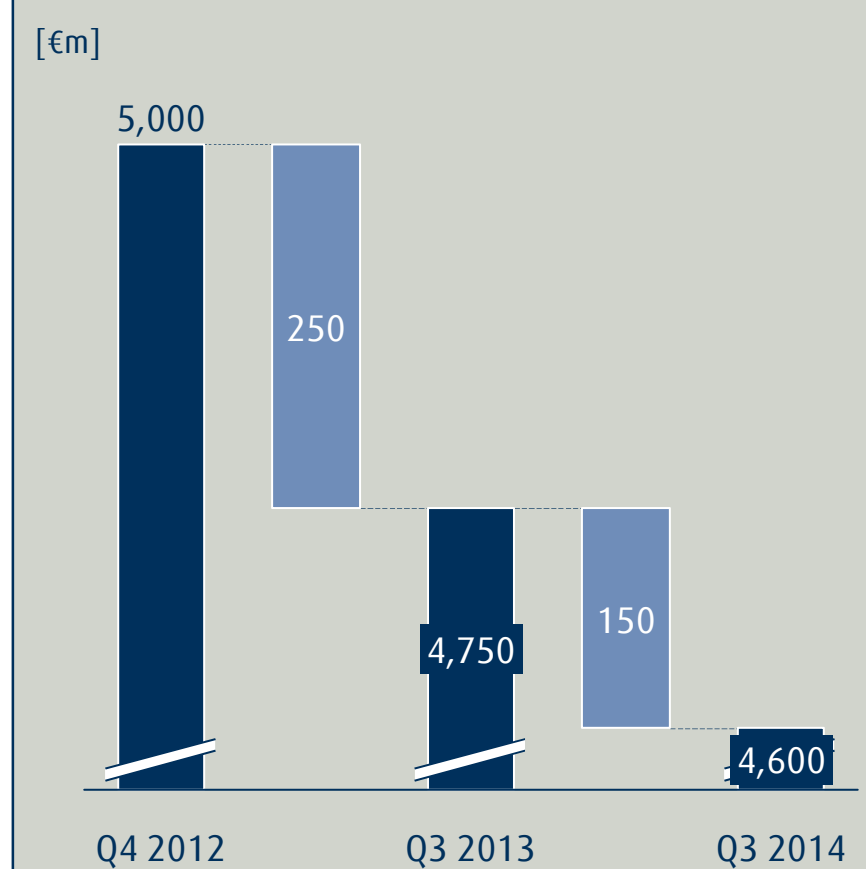


Forecast for IP growth



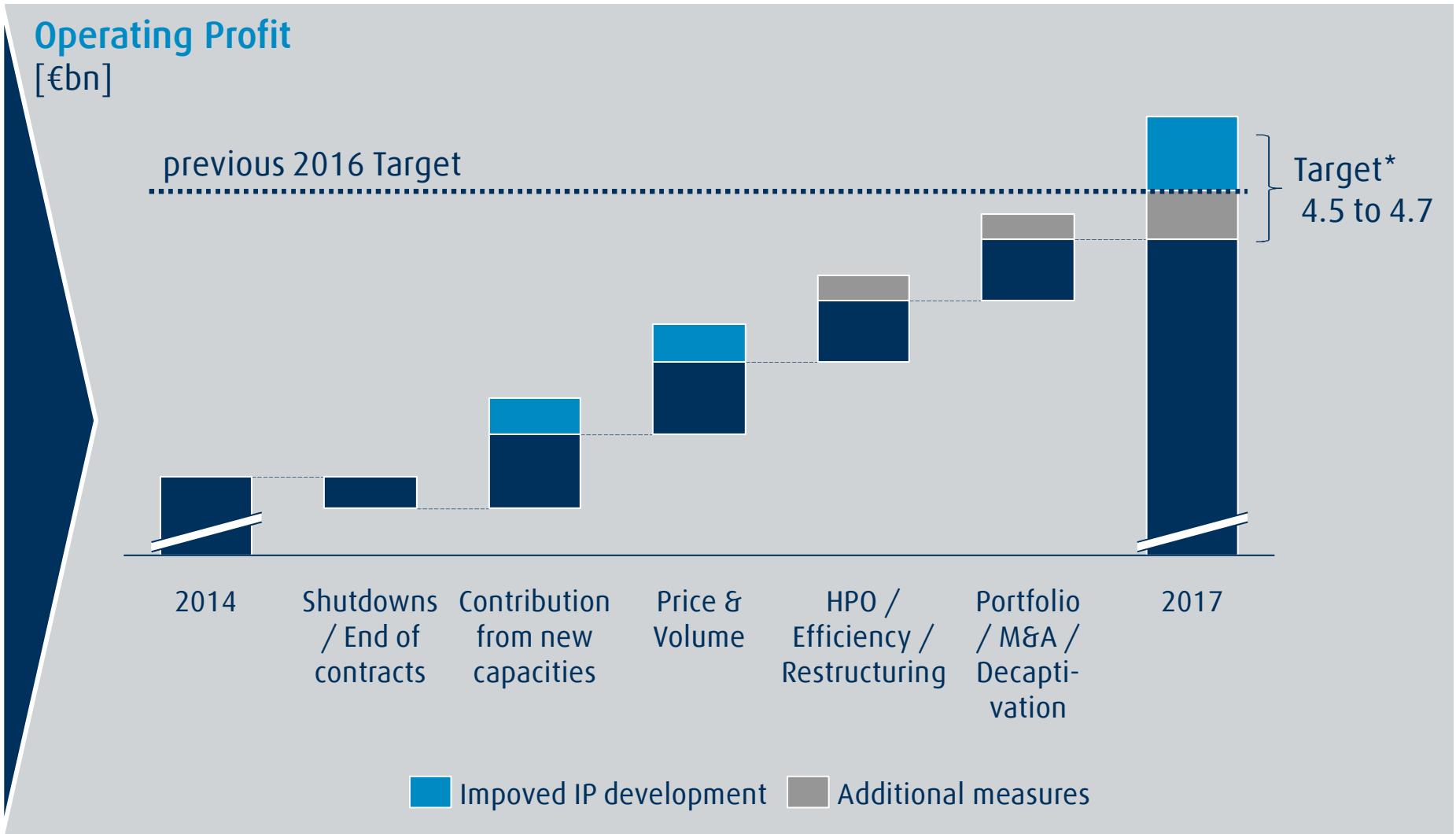
Source: Economist Intelligence Unit, Dec 2012 and Oct 2014, weighted by Linde sales

Negative FX impact 2016 Group EBITDA target



Outlook | Operating Profit

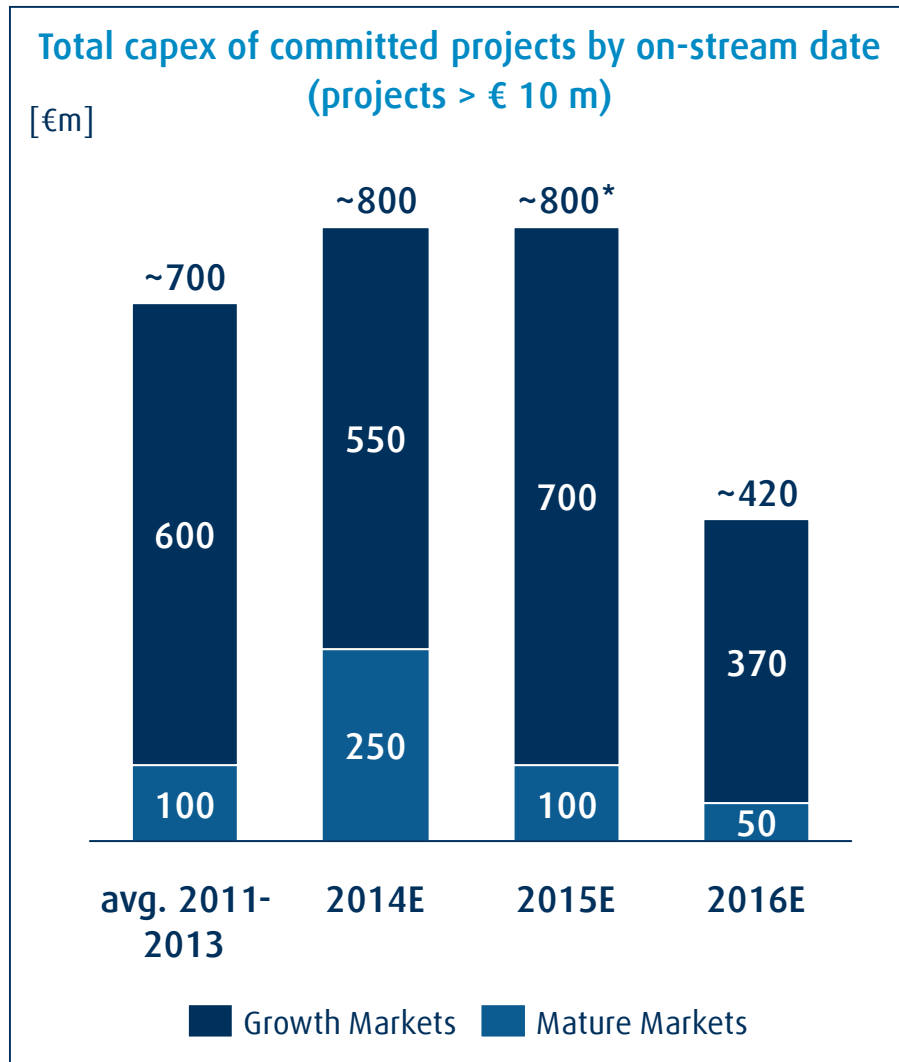
Target 2017 | € 4.5 to 4.7 bn



* Based on current economic forecasts and exchange rates

Outlook | Contributions from Investments

Project pipeline



* Adjusted for impact of Chongqing

Investments 2011-2014

- Merchant ramp slower than expected due to lackluster IP development
- Merchant portion in the project pipeline from 2011-2016 around 30%, whereas during 2011-2014, the merchant portion was above the average
- Delays in start- and ramp-ups of tonnage plants

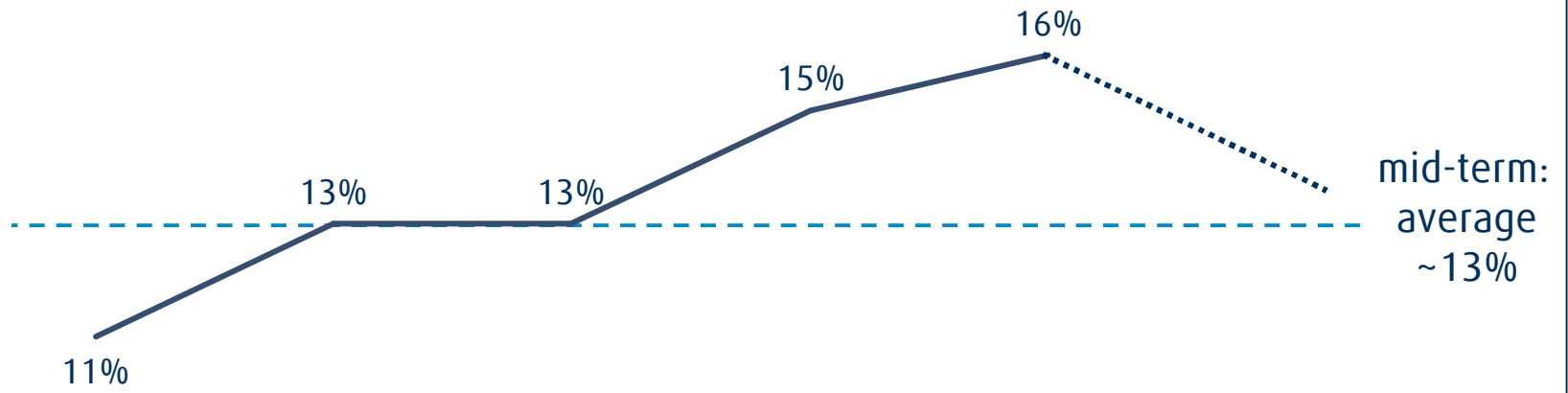
Investments 2014 onwards

- Around 80% of project investments are allocated to Growth Markets (including North America)
- Capex/Sales ratio in Gases will be lower for 2014E-2016E compared to the previous years
- Increasing contributions from ramp-up of new Tonnage plants in the coming years

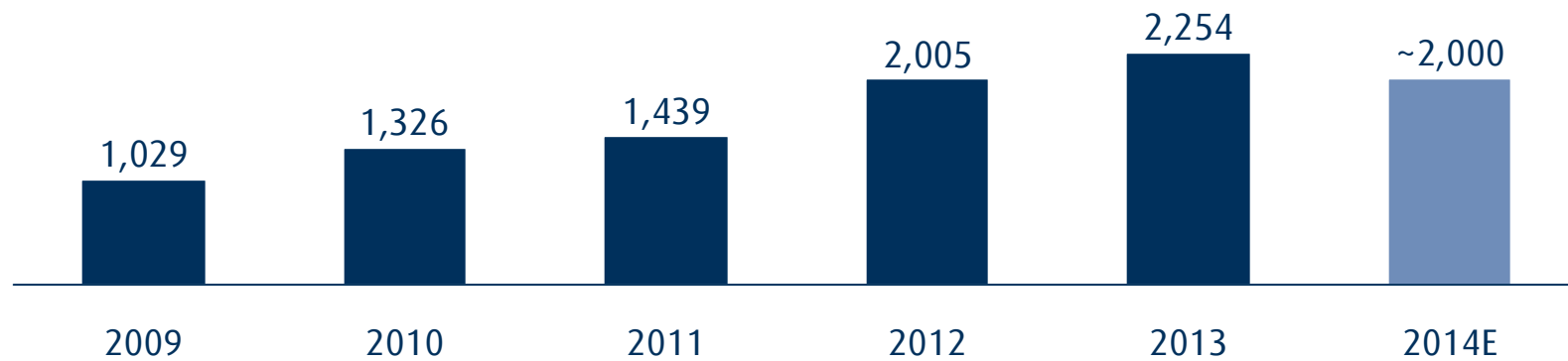
Outlook | Capex Gases Division



Capex/sales ratio



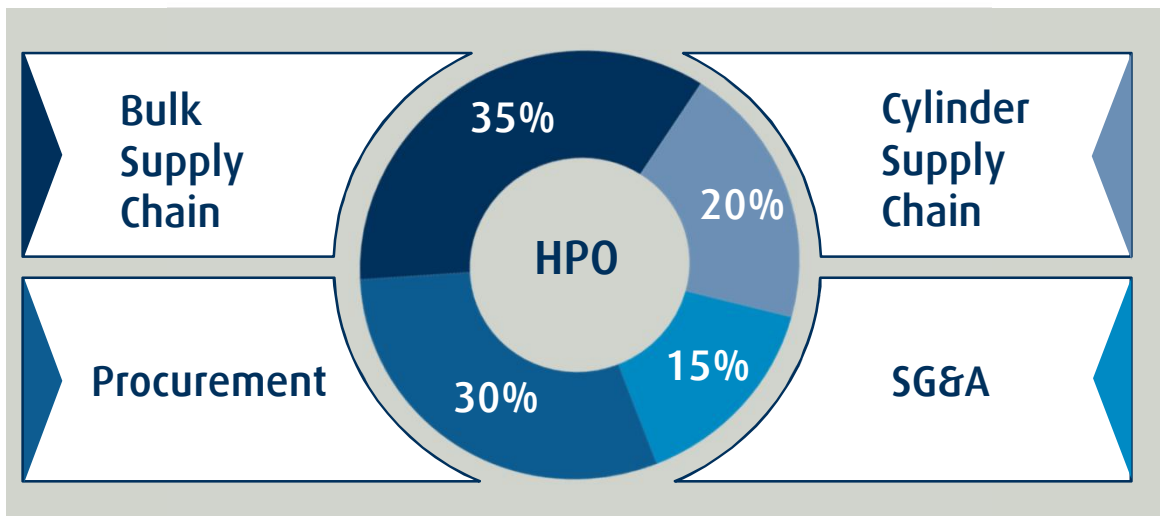
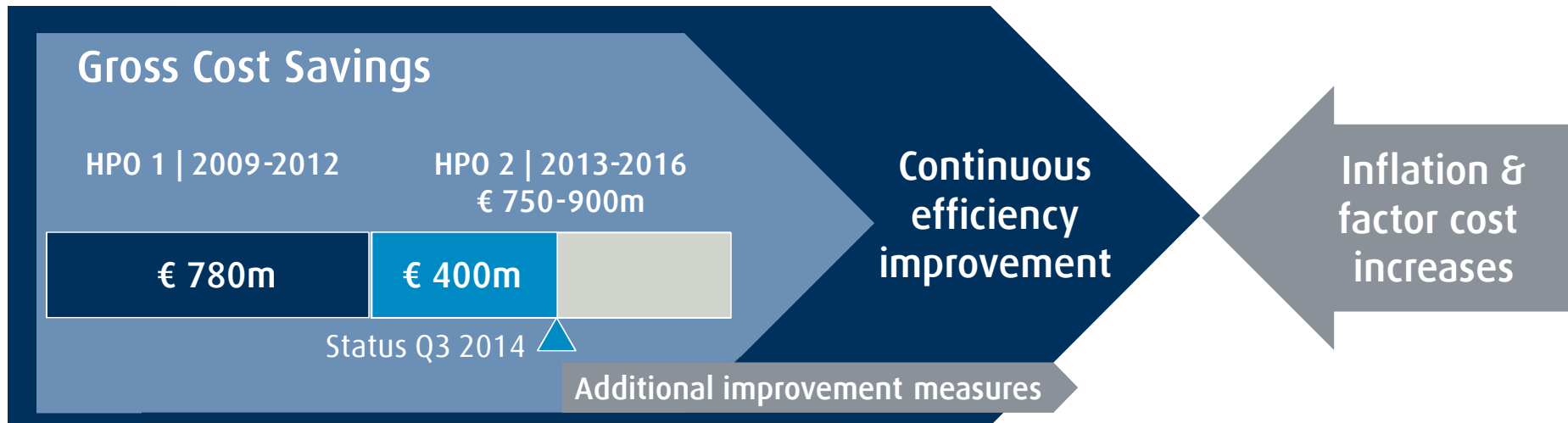
Capex [€m]



Data 2009-2013 @ actual average fx rates at the end of the respective year

HPO | Continuous Efficiency Improvement

Gross cost saving | status Q3 2014 on track



Additional improvement measures

- More efficient organisational structure
- Governance based on defined rule books to be complied with
- Stringent global standards, with local implementation
- Individual KPIs / incentives aligned to global value drivers

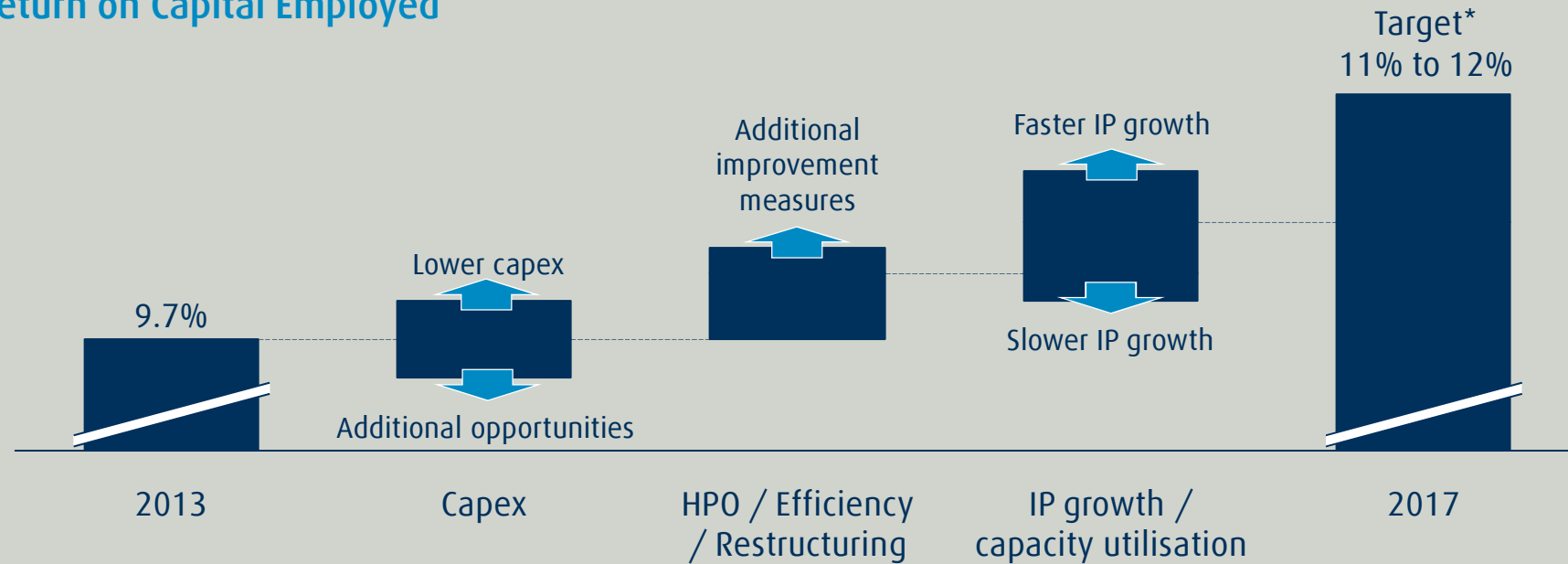
Financial Performance | ROCE

Focus on improving asset turnover and reducing costs



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Return on Capital Employed



Improvement in RoCE due to:

- Lower capex/sales ratio going forward
- HPO, additional efficiency improvement measures
- Industrial Production growth improves capacity utilisation of existing assets
- Contribution from new capacities currently under construction

*Based on current economic forecasts and exchange rates.

Financial Performance | Operating cash flow

Continuously strong cash flow development



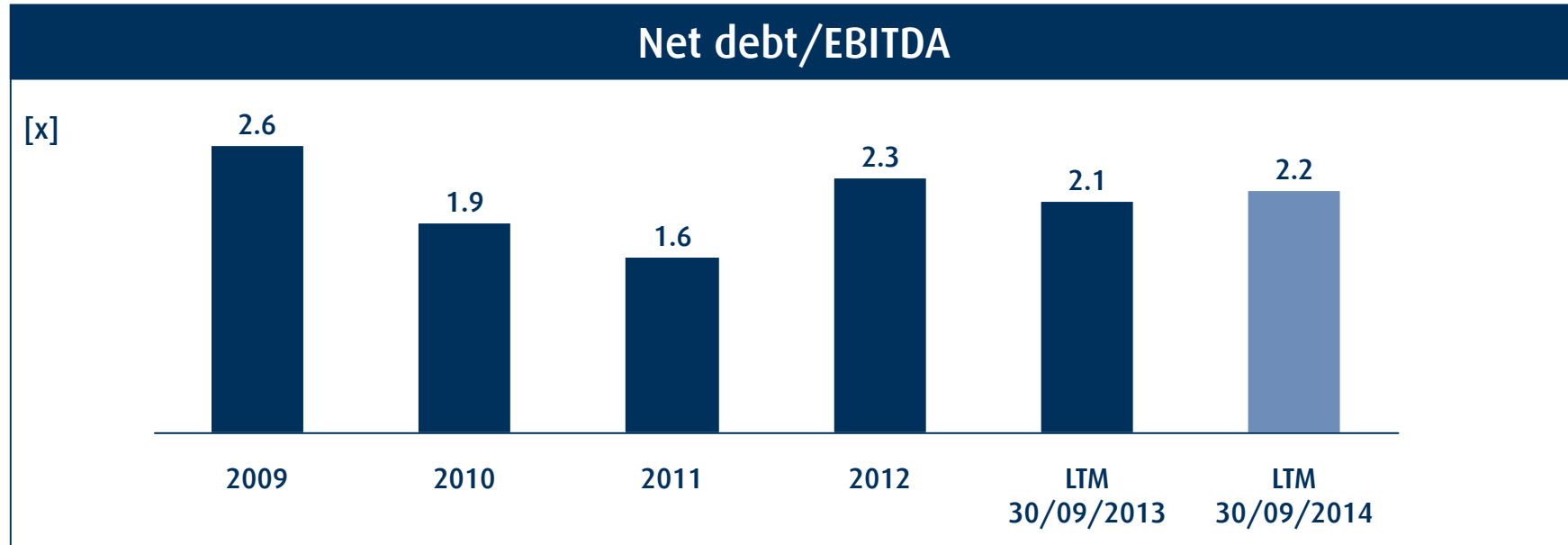
Operating cash flow [€m]



*before pension funding

Financial Performance | Solid financial position

Net debt reduced by € 515m in Q3 to € 8.7 bn



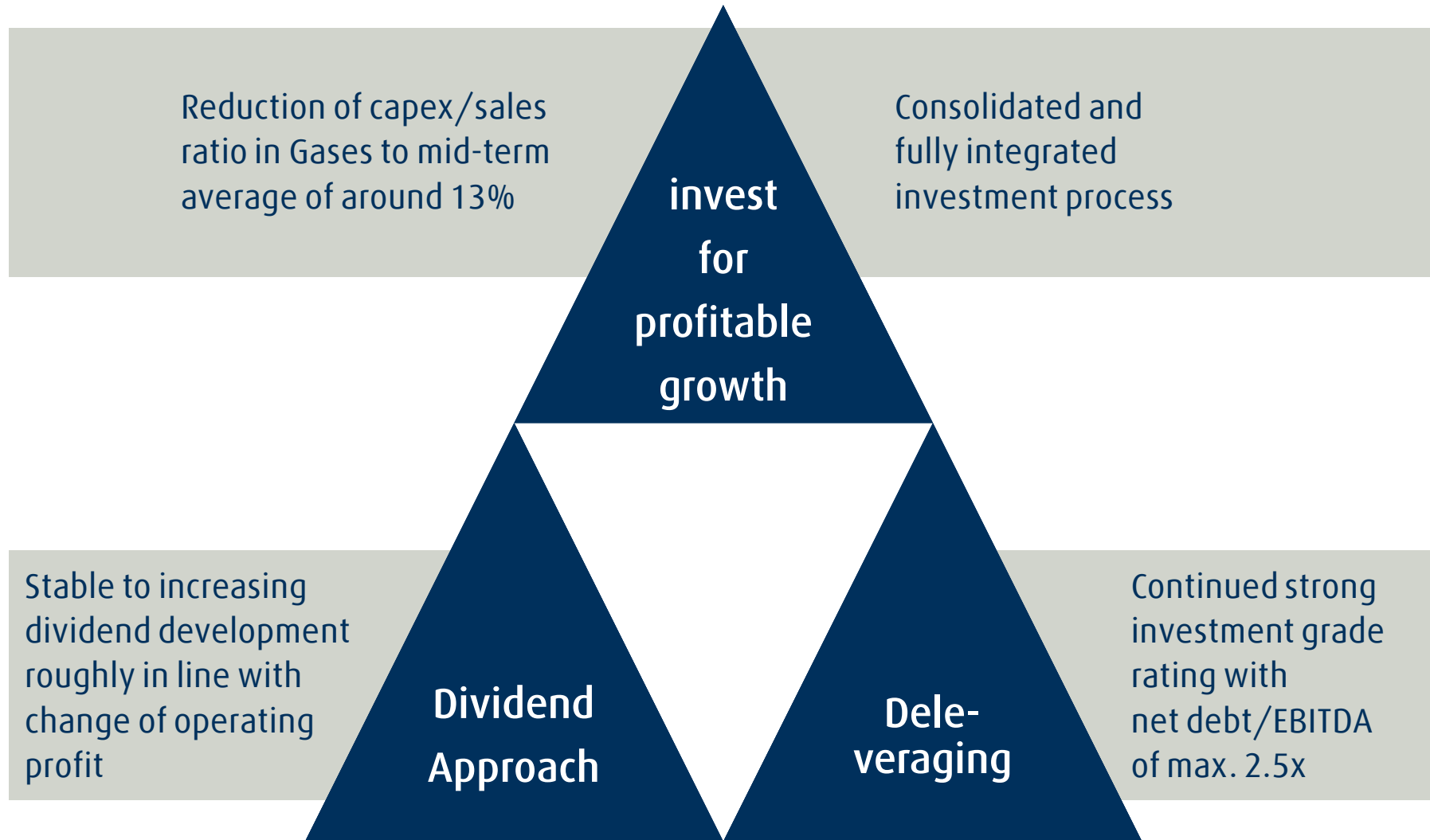
- Positive cash flow development supported net debt reduction
- Two bond private placements in Q3 (total USD 400m) with international investors will be used to refinance an upcoming bond maturity
- Conservative financial debt's maturity profile:
approx. 50% of non-current debt has a maturity longer than 5 years
- Rating:
 - 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)

Use of Cash-Flow

Balancing returns & future growth based on a solid financial position



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Investor Relations



Financial calendar

Full year report 2014:	13 March 2015
Report Q1 2015:	30 April 2015
AGM 2015:	12 May 2015
Dividend payment:	13 May 2015

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
Depository Bank:	Deutsche Bank
Structure:	ADR Level I, Sponsored

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