

Press release

January to June 2017: Linde continues to increase revenue and earnings

- Group revenue increases to EUR 8.653 bn (up 4.7 percent; up 2.8 percent after adjusting for exchange rate effects)
- Group operating profit¹ rises to EUR 2.123 bn (up 4.3 percent; up 2.4 percent after adjusting for exchange rate effects)
- Group outlook for 2017 confirmed

Munich, 28 July 2017 – The technology company The Linde Group achieved increases in both Group revenue and Group operating profit in the period from January to June 2017. "We are pleased with our performance and will meet our forecast for the full year," said Professor Dr Aldo Belloni, Chief Executive Officer of Linde AG.

The Linde Group: Positive contributions from EMEA and Asia/Pacific have an impact on revenue and earnings trends

Group revenue from continuing operations rose in the first half of 2017 by 4.7 percent to EUR 8.653 bn, compared with the figure for the first half of 2016 of EUR 8.264 bn. The main factors contributing to this increase were ongoing stable trends in the EMEA and Asia/Pacific segments and higher revenue in the Engineering Division. Group operating profit from continuing operations rose by 4.3 percent to EUR 2.123 bn (2016: EUR 2.036 bn). After adjusting for exchange rate effects, Group revenue was 2.8 percent higher than in the prior-year period. Group operating profit after adjusting for exchange rate effects rose by 2.4 percent. At 24.5 percent, the Group operating margin was similar to the figure in the first half of 2016 of 24.6 percent.

During the financial year, Linde is continuing to implement long-term efficiency improvement measures across the Group through its Focus and LIFT programmes. By the end of 2017, the LIFT programme is expected to have incurred total costs of around EUR 400 m, which will be

¹ EBIT (before special items) adjusted for amortisation of intangible assets and depreciation of tangible assets .

classified as special items. Of this total, EUR 116 m was recognised for the whole of the 2016 financial year and a further amount of EUR 134 m has been recognised in the first half of 2017. Also disclosed as special items are costs of around EUR 27 m which relate to the planned merger with Praxair. The total figure for special items in the first half of 2017 was therefore EUR 161 m (2016: EUR 39 m).

In the first six months of 2017, Linde's earnings per share from continuing operations before special items was EUR 3.81 (2016: EUR 3.53). Earnings per share from continuing operations was EUR 3.17 (2016: EUR 3.37). Due to the planned sale of Gist in 2017, the contribution to revenue and earnings from this division has been disclosed as discontinued operations. Operating cash flow was EUR 1.317 bn, which was 17.9 percent below the figure for the first half of 2016 of EUR 1.604 bn. This was mainly as a result of the lower figure for advance payments received from plant construction customers and a higher figure for income taxes paid than in the prior-year period.

Gases Division: Revenue continues to increase on a comparable basis

In the Gases Division, Linde generated revenue in the first half of 2017 of EUR 7.572 bn, an increase of 3.3 percent when compared with the figure for the prior-year period of EUR 7.327 bn. After adjusting for exchange rate effects and changes in the natural gas price, the growth in revenue was 0.3 percent. Operating profit was EUR 2.166 bn, which was 3.5 percent higher than the figure for the first half of 2016 of EUR 2.093 bn. After adjusting for exchange rate effects, operating profit increased by 1.8 percent. At 28.6 percent, the operating margin was the same as in the prior-year period.

In the **EMEA segment** (Europe, Middle East, Africa), the Group generated revenue of EUR 2.947 bn in the first six months of 2017, which was 3.0 percent higher than the figure achieved in the first half of 2016 of EUR 2.861 bn. On a comparable basis, revenue rose by 2.9 percent. Operating profit was EUR 924 m, which was similar to the figure for the first half of 2016 of EUR 928 m. The operating margin fell to 31.4 percent (2016: 32.4 percent). However, the 2016 figures included income from changes to pension plans and profits on disposal of non-current assets totalling EUR 39 m.

Positive trends were to be seen in the EMEA segment in almost all product areas. In the on-site business, where the Group supplies gases on site to major customers, Linde was able to achieve revenue growth in Northern Europe and Middle East & Eastern Europe as a result of plant start-ups. In the liquefied gases and cylinder gas product areas, revenue increased in virtually all regions.

Linde generated revenue in the **Asia/Pacific segment** in the six months to 30 June 2017 of EUR 2.172 bn, which was 9.9 percent above the figure for the first six months of 2016 of EUR 1.976 bn. On a comparable basis, revenue increased by 5.3 percent. At EUR 615 m, operating profit was 19.9 percent above the figure for the prior-year period of EUR 513 m, giving an operating margin of 28.3 percent (2016: 26.0 percent). It should be noted that there was a one-off effect from the sale of assets of EUR 70 m, which had a positive impact on the operating margin.

In the Asia/Pacific segment, positive trends were to be seen in all product areas. Solid volume and revenue increases were achieved in particular in the liquefied gases and on-site product areas.

In the **Americas segment**, revenue decreased by 1.3 percent in the first half of 2017 to EUR 2.545 bn (2016: EUR 2.578 bn). After adjusting for exchange rate effects and changes in the natural gas price, revenue fell by 6.2 percent. When compared with the prior-year period, operating profit dropped by 3.8 percent to EUR 627 m (2016: EUR 652 m). The operating margin was 24.6 percent (2016: 25.3 percent). The lower margin in 2017 was also due to higher natural gas prices.

Revenue and earnings trends in this segment were affected by a number of factors working in different directions. Positive trends were once again to be seen in the on-site business and the liquefied gases business in North America. In the Healthcare business in North America, on the other hand, the impact of the price reductions in 2016 as a result of government tenders continues to be keenly felt. As expected, the Group's sale of two Lincare subsidiaries in the third quarter of 2016 also had an adverse impact on revenue.

Conditions in the individual countries in South America, especially in Brazil and Venezuela, did not improve in the first half of 2017. The economic situation in the region is characterised by high inflation and low growth rates. Trends in the product areas in South America were positive. However, the growth achieved is from a relatively low base in the prior-year period.

Engineering Division: Margin in line with expectations

Revenue in the Engineering Division rose in the first half of 2017 by 11.7 percent to EUR 1.212 bn (2016: EUR 1.085 bn). Operating profit also increased, from EUR 89 m in the first six months of 2016 to EUR 97 m in the first six months of 2017. The operating margin was 8.0 percent (2016: 8.2 percent). This matched the target Linde has set itself for the current financial year.

Despite continuing high levels of competition and the persistently low price of oil and the resulting slack demand in plant construction, there was an increase in order intake in the six months to 30 June 2017 to EUR 1.170 bn (2016: EUR 718 m). The order backlog in the Engineering Division at 30 June 2017 remained solid at EUR 4.223 bn (31 December 2016: EUR 4.386 bn).

Outlook

The Group is expecting to achieve an increase in revenue after adjusting for exchange rate effects in the 2017 financial year of 3 percent, although the challenging market environment could result in a decrease of up to 3 percent. After adjusting for exchange rate effects, operating profit in 2017 should be on a par with or up to 7 percent higher than the figure achieved in 2016. In the Gases Division, Linde is aiming to generate currency-adjusted revenue in the 2017 financial year which is up to 3 percent higher than in 2016, although the challenging market environment could result in a decrease of up to 2 percent. After adjusting for exchange rate effects, operating profit is expected to be on a par with or up to 6 percent higher than in 2016. In the Engineering Division, Linde expects to generate revenue in the 2017 financial year of between EUR 2.0 bn and EUR 2.4 bn and an operating margin of around 8 percent.

To coincide with the publication of the interim report, a webcast for analysts will take place today at 2 p.m. German time in English with Dr Sven Schneider, CFO of Linde AG. Journalists will have the opportunity to watch the webcast by following this link:

<http://event.mescdn.com/linde/results-conference-call-h1-2017>



In the 2016 financial year, The Linde Group generated revenue of EUR 16.948 bn, making it one of the leading gases and engineering companies in the world, with approximately 60,000 employees working in more than 100 countries worldwide. The strategy of The Linde Group is geared towards long-term profitable growth and focuses on the expansion of its international business, with forward-looking products and services. Linde acts responsibly towards its shareholders, business partners, employees, society and the environment in every one of its business areas, regions and locations across the globe. The company is committed to technologies and products that unite the goals of customer value and sustainable development.

For more information, see The Linde Group online at www.linde.com

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Additional Information and Where to Find It

In connection with the proposed business combination between Praxair, Inc. ("Praxair") and Linde AG ("Linde"), Linde plc ("New Holdco") has filed a Registration Statement on Form S-4 (which Registration Statement has not yet been declared effective) with the U.S. Securities and Exchange Commission ("SEC") that includes (1) a proxy statement of Praxair that also constitutes a prospectus for New Holdco and (2) an offering prospectus of New Holdco to be used in connection with New Holdco's offer to acquire Linde shares held by U.S. holders. Once the Registration Statement is declared effective by the SEC, Praxair will mail the proxy statement/prospectus to its stockholders in connection with the vote to approve the merger of Praxair and an indirect wholly-owned subsidiary of New Holdco, and New Holdco will distribute the offering prospectus to Linde shareholders in the United States in connection with New Holdco's offer to acquire all of the outstanding shares of Linde. New Holdco has also filed an offer document with the German Federal Financial Supervisory Authority (Bundesanstalt fuer Finanzdienstleistungsaufsicht) ("BaFin") which has not yet been approved for publication by BaFin. The consummation of the proposed business combination is subject to regulatory approvals and other customary closing conditions.

INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS AND THE OFFER DOCUMENT REGARDING THE PROPOSED BUSINESS COMBINATION TRANSACTION AND PROPOSED OFFER BECAUSE THEY CONTAIN IMPORTANT INFORMATION. You may obtain a free copy of the proxy statement/prospectus and other related documents filed by Praxair, Linde and New Holdco with the SEC on the SEC's Web site at www.sec.gov. The proxy statement/prospectus and other documents relating thereto may also be obtained for free by accessing Praxair's Web site at www.praxair.com. Following approval of its publication by the BaFin, the offer document will be made available for free at New Holdco's Web site at www.lindepraxairmerger.com. Furthermore, the offer document is expected to be made available at BaFin's Web site for free at www.bafin.de.



This document is neither an offer to purchase nor a solicitation of an offer to sell shares of New Holdco, Praxair or Linde. The final terms and further provisions regarding the public offer will be disclosed in the offer document after the publication has been approved by the BaFin and in documents that will be filed with the SEC. No money, securities or other consideration is being solicited, and, if sent in response to the information contained herein, will not be accepted. The information contained herein should not be considered as a recommendation that any person should subscribe for or purchase any securities.

No offering of securities shall be made except by means of a prospectus meeting the requirements of the U.S. Securities Act of 1933, as amended, and applicable European and German regulations. The distribution of this document may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Subject to the exceptions described in the offer document and to any exceptions potentially granted by the respective regulatory authorities, no offering of securities will be made directly or indirectly in any jurisdiction where to do so would be a violation of the respective national laws.

Participants in Solicitation

Praxair, Linde, New Holdco and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from Praxair's stockholders in respect of the proposed business combination. Information regarding the persons who are, under the rules of the SEC, participants in the solicitation of the stockholders of Praxair in connection with the proposed transaction, including a description of their direct or indirect interests, by security holdings or otherwise, are set forth in the proxy statement/prospectus filed with the SEC. Information regarding the directors and executive officers of Praxair is contained in Praxair's Annual Report on Form 10-K for the year ended December 31, 2016 and its Proxy Statement on Schedule 14A, dated March 15, 2017, which are filed with the SEC and can be obtained free of charge from the sources indicated above.

Forward-looking Statements

This communication includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on our beliefs and assumptions on the basis of factors currently known to us. These forward-looking statements are identified by terms and phrases such as: anticipate, believe, intend, estimate, expect, continue, should, could, may, plan, project, predict, will, potential, forecast, and similar expressions. These forward-looking statements include, but are not limited to, statements regarding benefits of the proposed business combination, integration plans and expected synergies, and anticipated future growth, financial and operating performance and results. Forward-looking statements involve risks and uncertainties that may cause actual results to be materially different from the results predicted or expected. No assurance can be given that these forward-looking statements will prove accurate and correct, or that projected or anticipated future results will be achieved. Factors that could cause actual results to differ materially from those indicated in any forward-looking statement include, but are not limited to: the expected timing and likelihood of the completion of the contemplated business combination, including the timing, receipt and terms and conditions of any required governmental and regulatory approvals of the contemplated business combination that could reduce anticipated benefits or cause the parties to abandon the transaction; the occurrence of any event, change or other circumstances that could give rise to the termination of the business combination agreement; the ability to successfully complete the proposed business combination and the exchange offer; regulatory or other limitations imposed as a result of the proposed business combination; the



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success of the business following the proposed business combination; the ability to successfully integrate the Praxair and Linde businesses; the possibility that Praxair stockholders may not approve the business combination agreement or that the requisite number of Linde shares may not be tendered in the public offer; the risk that the parties may not be able to satisfy the conditions to closing of the proposed business combination in a timely manner or at all; risks related to disruption of management time from ongoing business operations due to the proposed business combination; the risk that the announcement or consummation of the proposed business combination could have adverse effects on the market price of Linde's or Praxair's common stock or the ability of Linde and Praxair to retain customers, retain or hire key personnel, maintain relationships with their respective suppliers and customers, and on their operating results and businesses generally; the risk that New Holdco may be unable to achieve expected synergies or that it may take longer or be more costly than expected to achieve those synergies; state, provincial, federal and foreign legislative and regulatory initiatives that affect cost and investment recovery, have an effect on rate structure, and affect the speed at and degree to which competition enters the industrial gas, engineering and healthcare industries; outcomes of litigation and regulatory investigations, proceedings or inquiries; the timing and extent of changes in commodity prices, interest rates and foreign currency exchange rates; general economic conditions, including the risk of a prolonged economic slowdown or decline, or the risk of delay in a recovery, which can affect the long-term demand for industrial gas, engineering and healthcare and related services; potential effects arising from terrorist attacks and any consequential or other hostilities; changes in environmental, safety and other laws and regulations; the development of alternative energy resources; results and costs of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings and general market and economic conditions; increases in the cost of goods and services required to complete capital projects; the effects of accounting pronouncements issued periodically by accounting standard-setting bodies; conditions of the debt and capital markets; market acceptance of and continued demand for Linde's and Praxair's products and services; changes in tax laws, regulations or interpretations that could increase Praxair's, Linde's or New Holdco's consolidated tax liabilities; and such other factors as are set forth in Linde's annual and interim financial reports made publicly available and Praxair's and New Holdco's public filings made with the SEC from time to time, including but not limited to those described under the headings "Risk Factors" and "Forward-Looking Statements" in Praxair's Form 10-K for the fiscal year ended December 31, 2016, which are available via the SEC's Web site at www.sec.gov. The foregoing list of risk factors is not exhaustive. These risks, as well as other risks associated with the contemplated business combination, are more fully discussed in the proxy statement/prospectus and the offering prospectus included in the Registration Statement on Form S-4 filed with the SEC and in the offering document and/or any prospectuses or supplements to be filed with BaFin in connection with the contemplated business combination. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than Linde, Praxair or New Holdco has described. All such factors are difficult to predict and beyond our control. All forward-looking statements included in this document are based upon information available to Linde, Praxair and New Holdco on the date hereof, and each of Linde, Praxair and New Holdco disclaims and does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.