

Innovative Drive

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

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

Presentation 9M 2014 Results

LeadIng.



THE LINDE GROUP

30 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.

Performance 9M 2014 Highlights

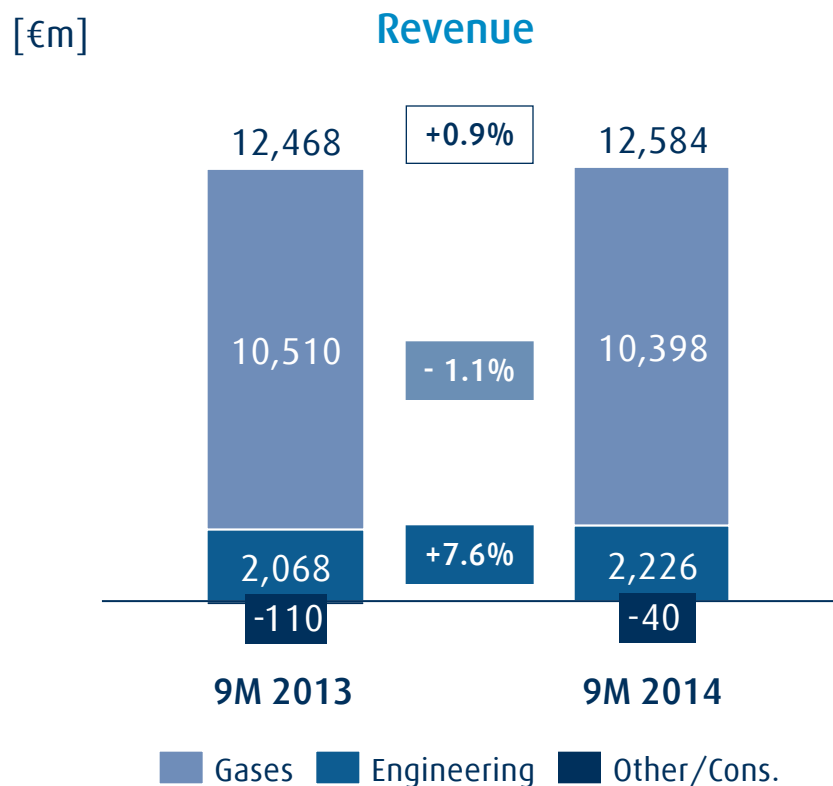
[€]		9M 2013	9M 2014	yoy [%]	yoy [%] fx adj.
Revenue	[m]	12,468	12,584	+ 0.9%	+ 4.8%
Operating Profit	[m]	2,996	2,898	- 3.3%	+ 0.4%
Operating Margin	[%]	24.0	23.0	- 100 bp	
Operating Cash Flow*	[m]	2,158	2,188	+1.4%	
EPS before non-recurring items		5.38	5.31	-1.3%	
EPS reported		5.38	4.41	-18.0%	

- Acceleration of underlying growth in Gases in Q3
- Strong rebound of operating cash flow in Q3
- EPS before non-recurring items up in Q3 2014 by 7.1% versus Q3 2013
- Reported EPS impacted by impairment losses on plants and customer relationships

*before pension funding

Group | Revenue and operating profit by division

Higher Engineering share in the mix affected Group margin

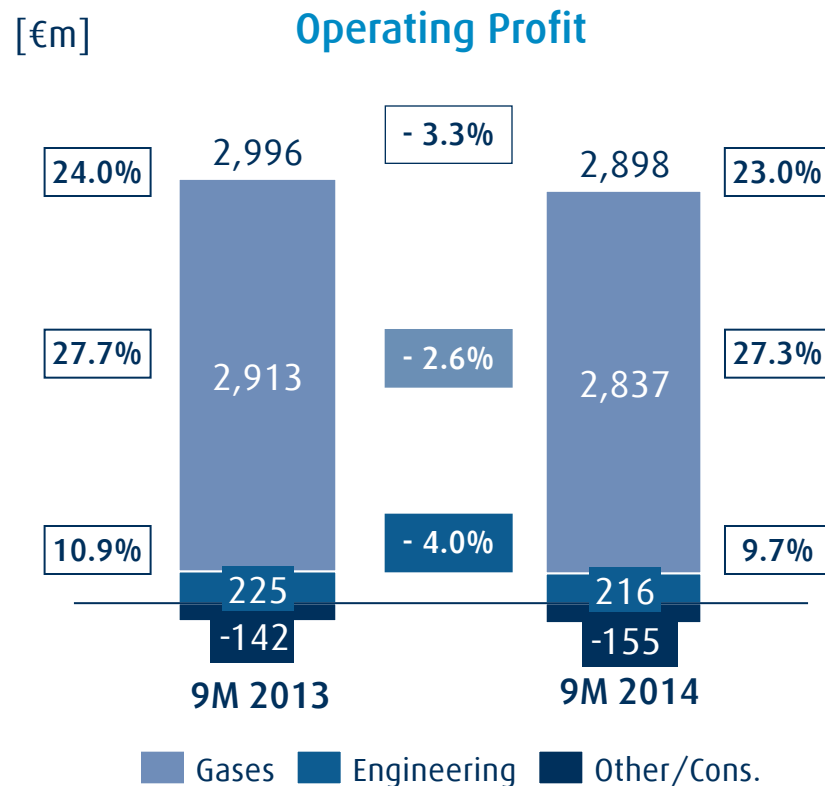


Gases

Currency headwinds still negative but started to recede in Q3

Engineering

Solid revenue growth continued



Gases

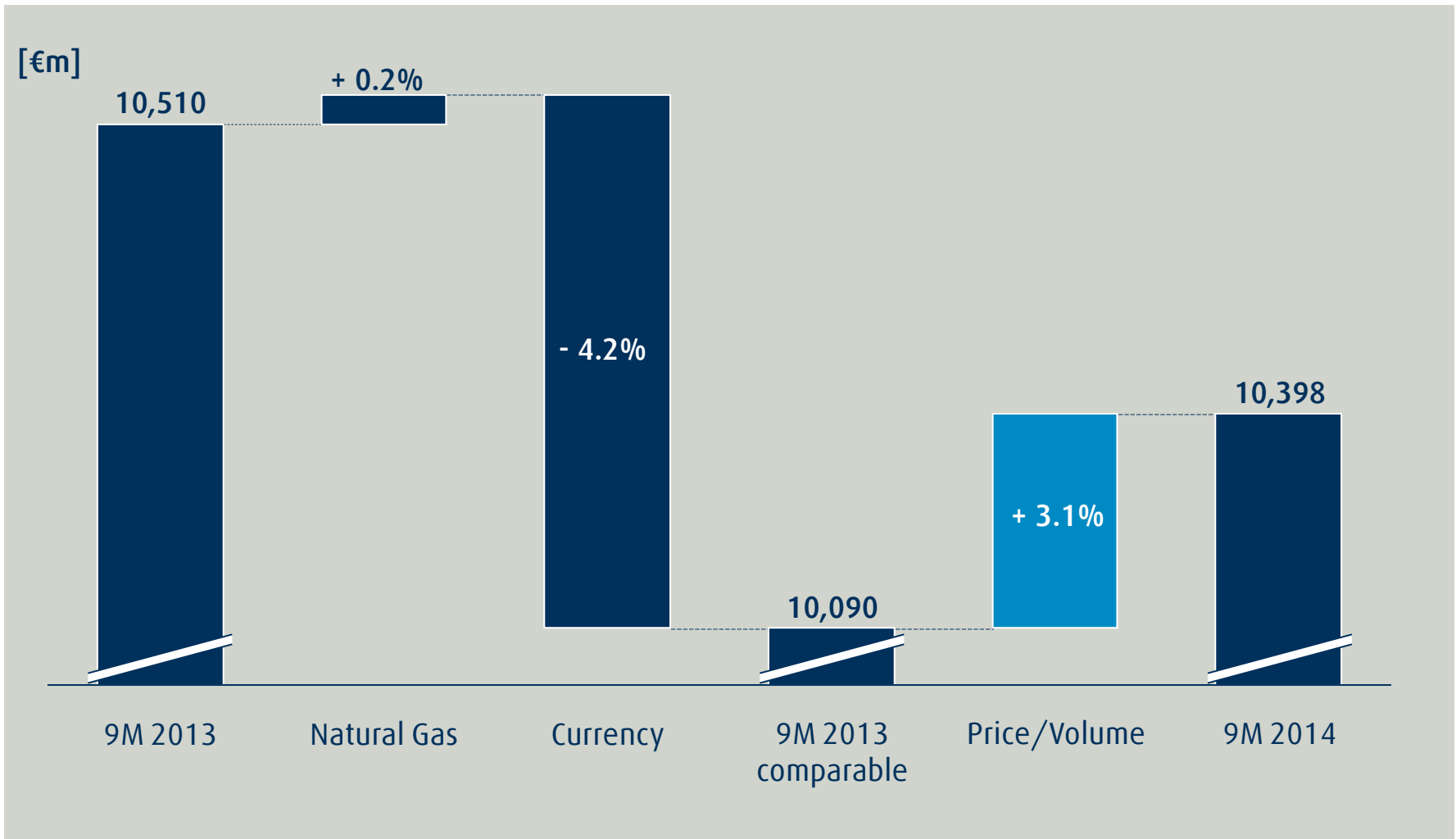
Margin remained on a high level

Engineering

Margin above industry level

Gases Division | 9M Revenue bridge

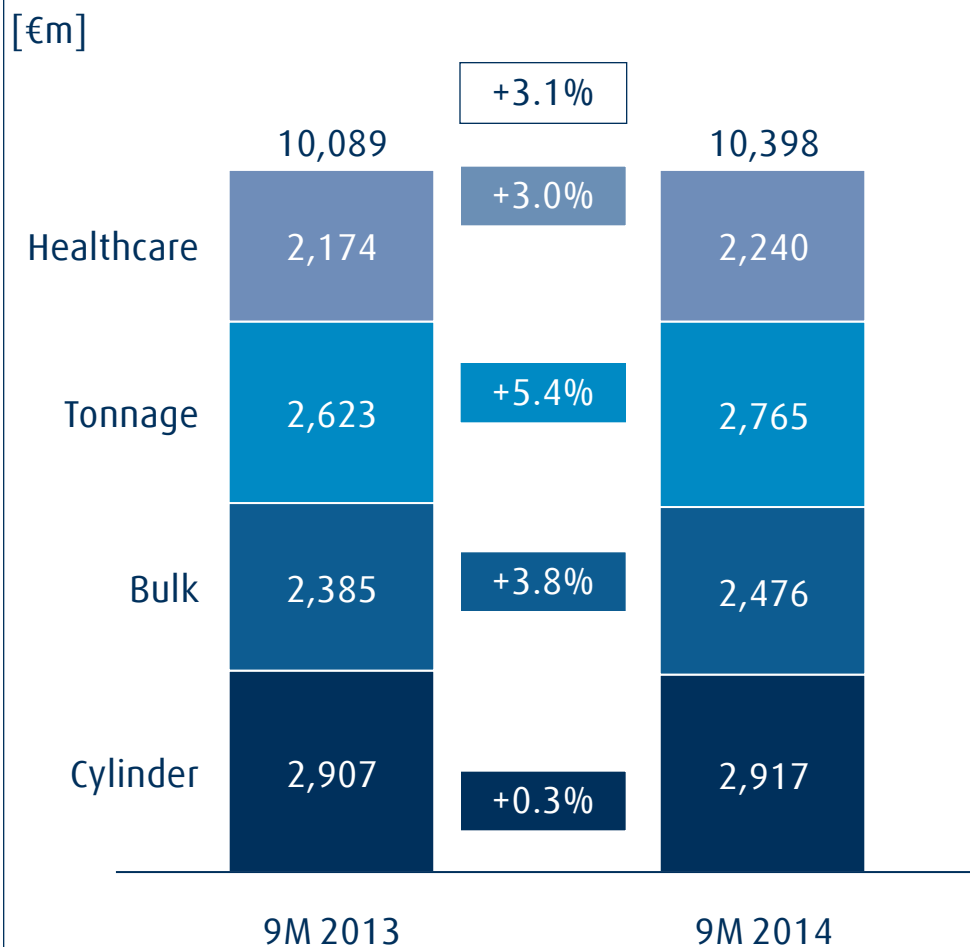
Price/volume increase of 3.1% after 9M and 3.7% in Q3



Gases Division | Revenue by product areas

Acceleration of growth in Q3 despite weaker August

Comparable growth*



Healthcare

6.1% comparable growth in Q3 reflects strong volume development particularly in US homecare business

Tonnage

Acceleration due to start-ups and ramp-ups and strong base volume growth in Europe

Bulk

Growth driven by North America, Greater China and Eastern Europe

Cylinder

Development continuously impacted by soft economic conditions in Australia and South Africa

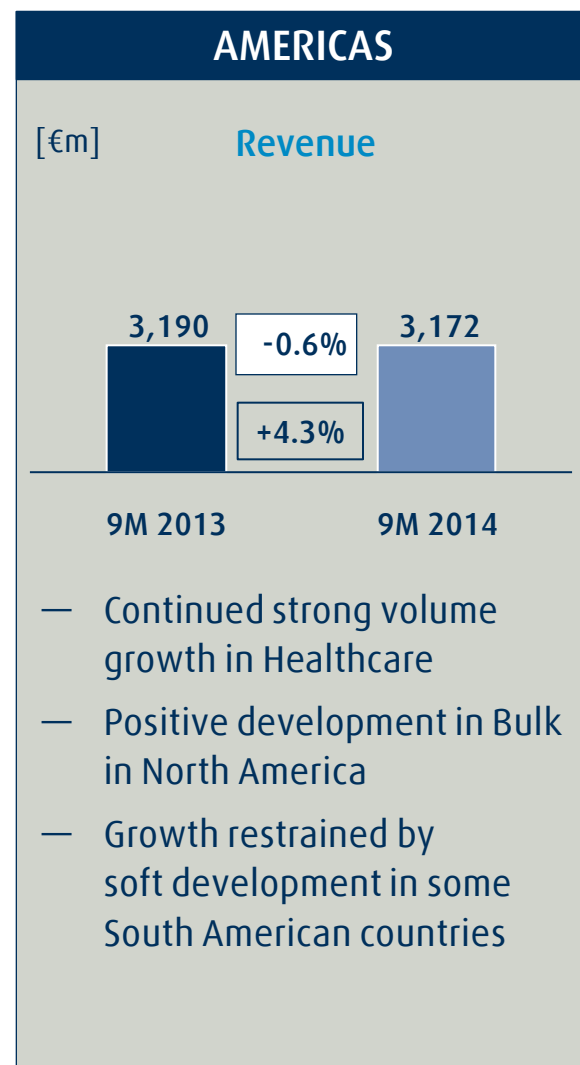
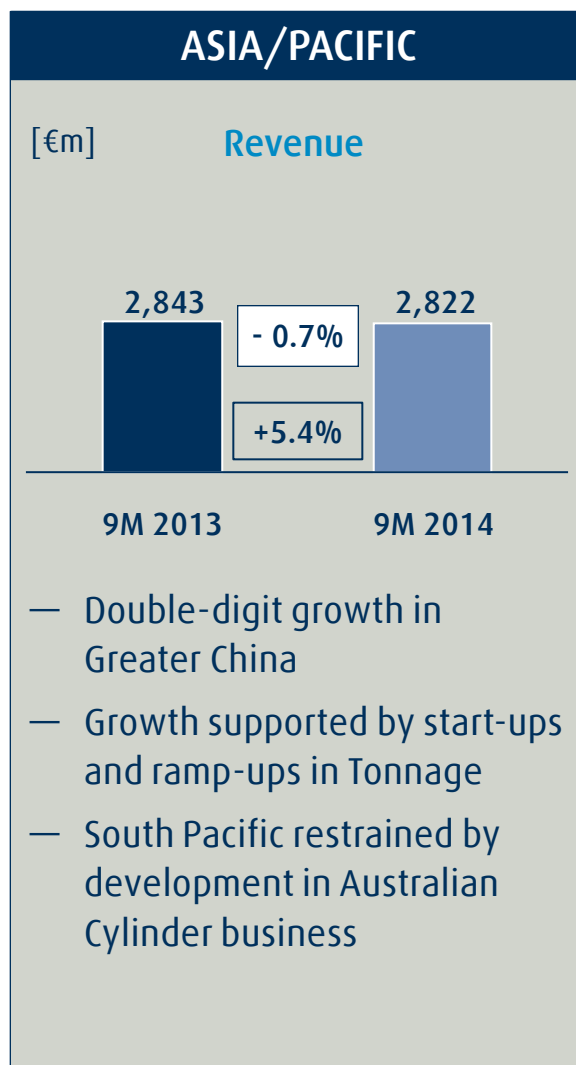
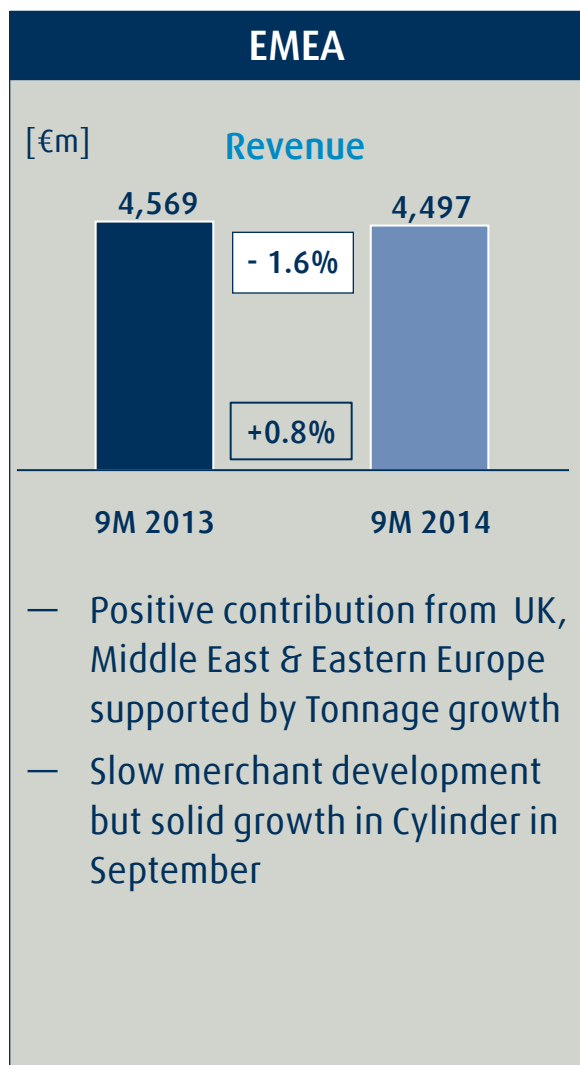
*excluding currency and natural gas price effect

Gases Division | Revenue by reporting segment

Comparable growth in all regions



THE LINDE GROUP



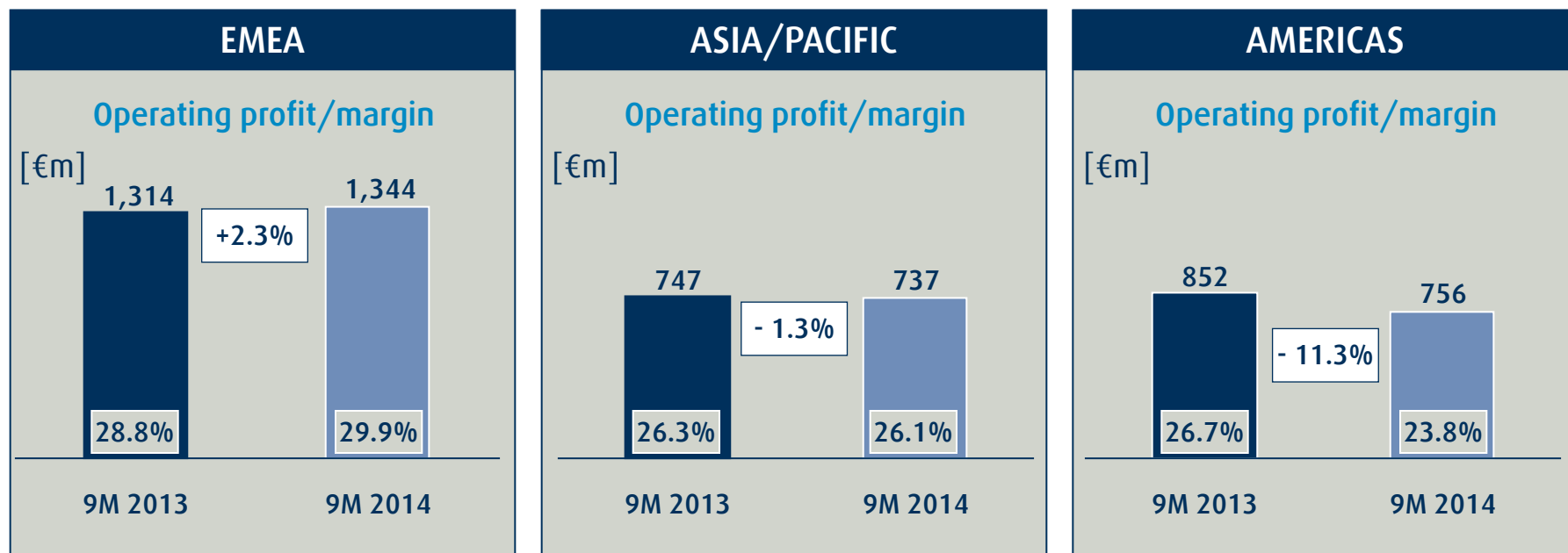
□ Reported growth □ Comparable growth: excluding currency and natural gas price effect

Gases Division | Operating profit by reporting segment

Impacted by currency headwinds



THE LINDE GROUP

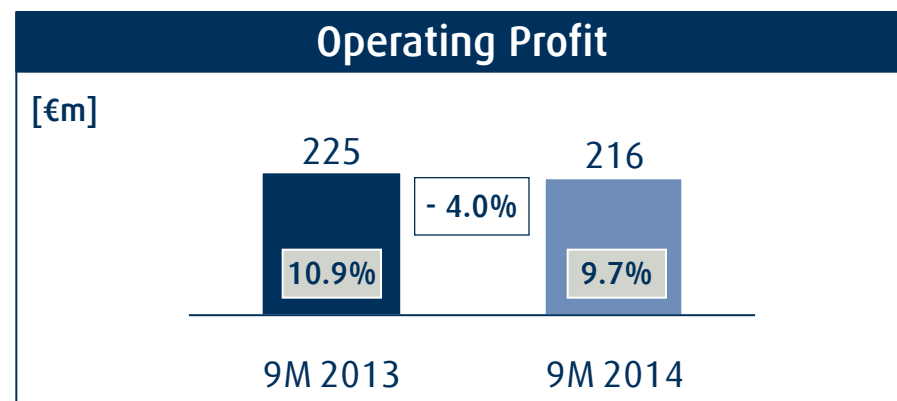
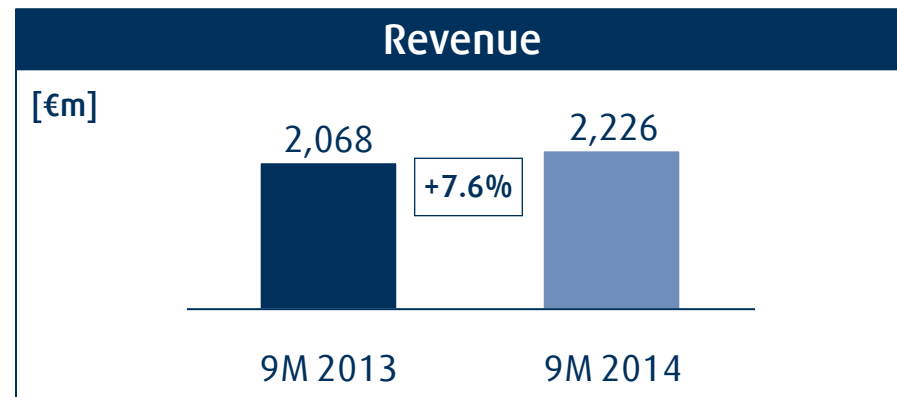
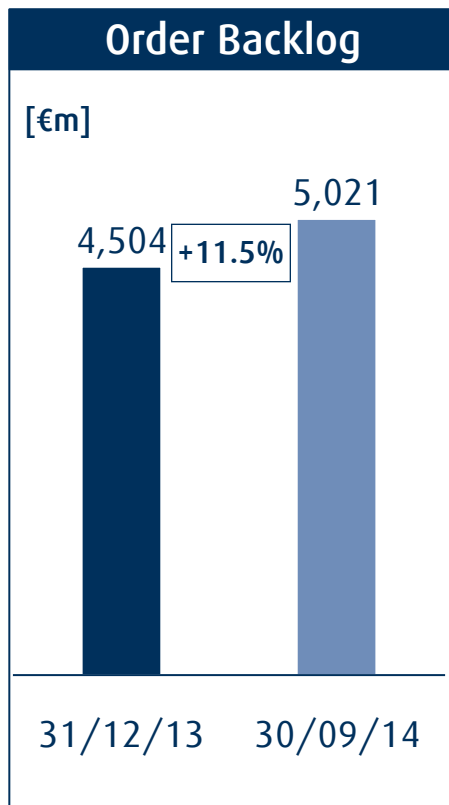
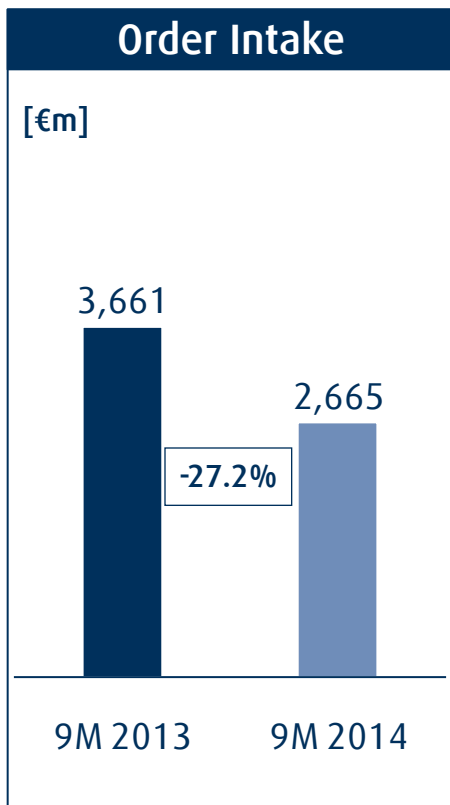


Margin development

- Margin development in EMEA supported by higher contributions from UK and Middle East
- Relatively stable margin in Asia/Pacific despite weaker South Pacific
- Americas margin dilution by higher natural gas prices and weaker development in South America

Engineering Division | Key figures

High order backlog further increased



- Strong order intake in Q3 of € 1.6bn
- Revenue development and margin in line with outlook
- More than 85% of order intake from Europe and North America with around 50 % of order intake for petrochemical plants

Group | Cash flow statement 9M

Strong rebound of operating cash-flow in Q3



THE LINDE GROUP

[€m]	Q3 2013	Q3 2014	9M 2013	9M 2014
Operating profit	1,030	1,002	2,996	2,898
Change in working capital	119	234	-168	-110
Other changes	-183	-70	-670	-600
Operating cash flow before pension funding	966	1,166	2,158	2,188
Investments in tangibles/intangibles	-525	-469	-1,525	-1,402
Acquisitions / Other (incl. financial investments)	-4	116	-44	196
Investment cash flow*	-529	-353	-1,569	-1,206
Free cash flow before financing*	437	813	589	982
Pension funding	-	-	-	-300
Interests and swaps, dividends	-133	-128	-860	-894
Other changes	2	-4	39	-16
Net debt increase (-)/decrease (+)	306	681	-232	-228

*Excluding investments in/disposals of securities; Q3 2013: € 269m; Q3 2014: € -398m; 2014: € -551m ; 2013: € +500m

Financial Performance | Solid financial position

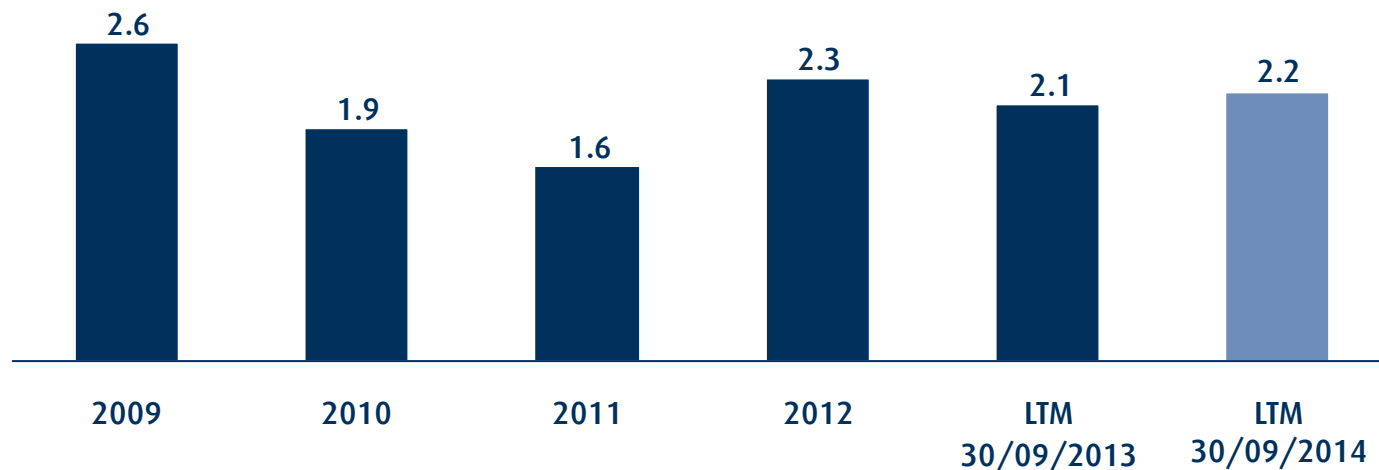
Net debt reduced by € 515m in Q3 to € 8.7 bn



THE LINDE GROUP

Net debt/EBITDA

[x]



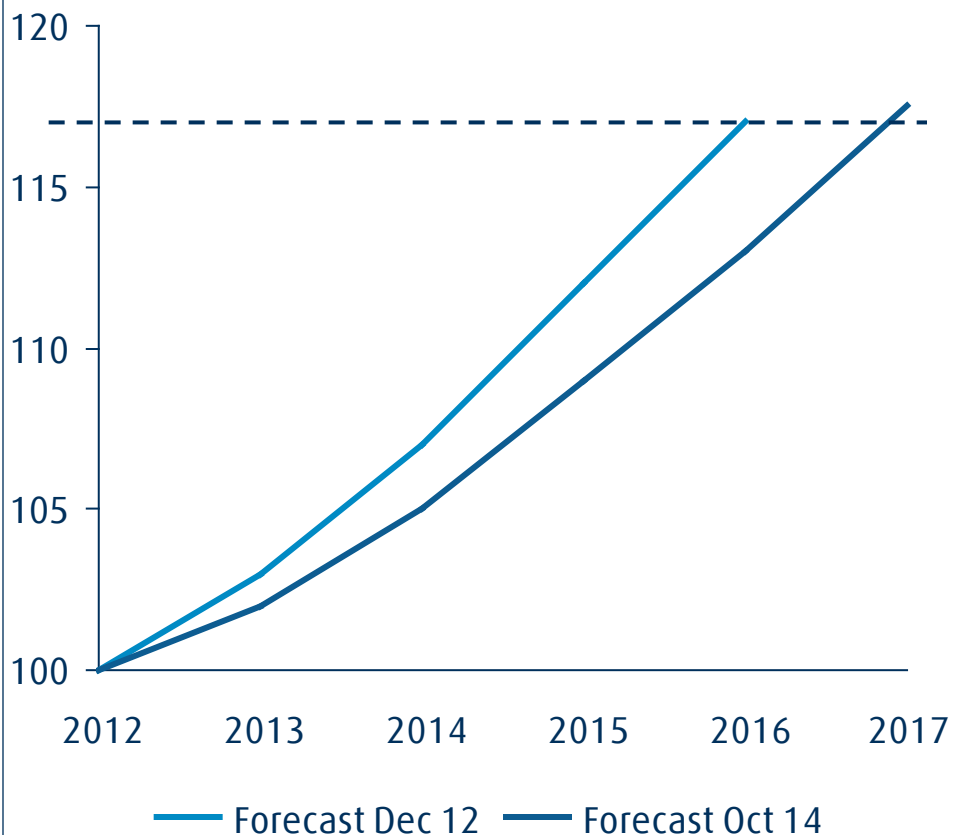
- Positive cash flow development supported net debt reduction
- Private placements of bonds in Q3 (total USD 400m) with international investors will be used to refinance an upcoming bond maturity
- Conservative financial debt's maturity profile:
approx. 50% of non-current debt has a maturity longer than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

Outlook | Headwinds since target setting in 2012

Challenged by sluggish IP growth and negative FX effects

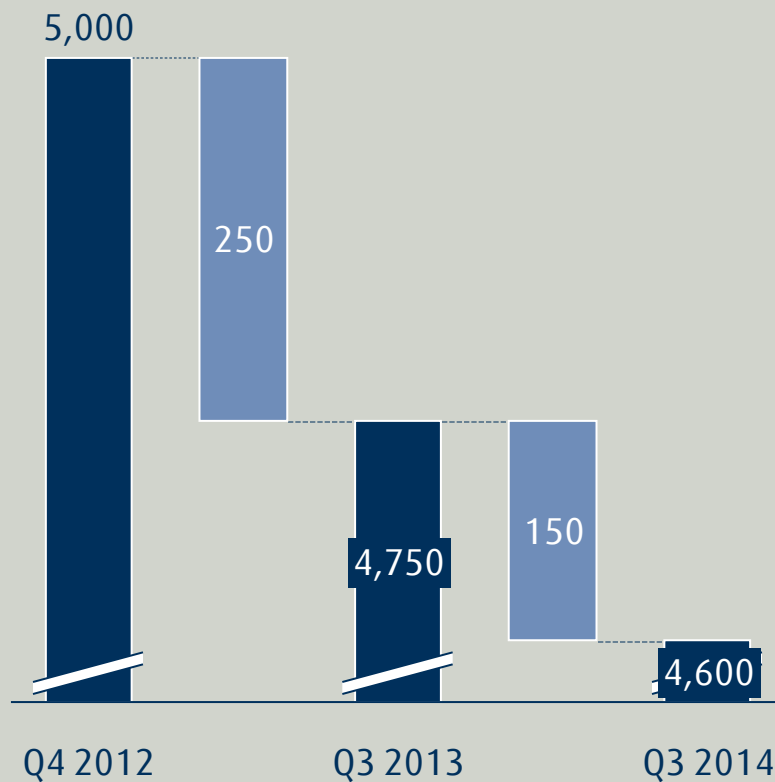
Forecast for IP growth

IP level in 2012 = 100



Negative FX impact 2016 Group EBITDA target

[€m]



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

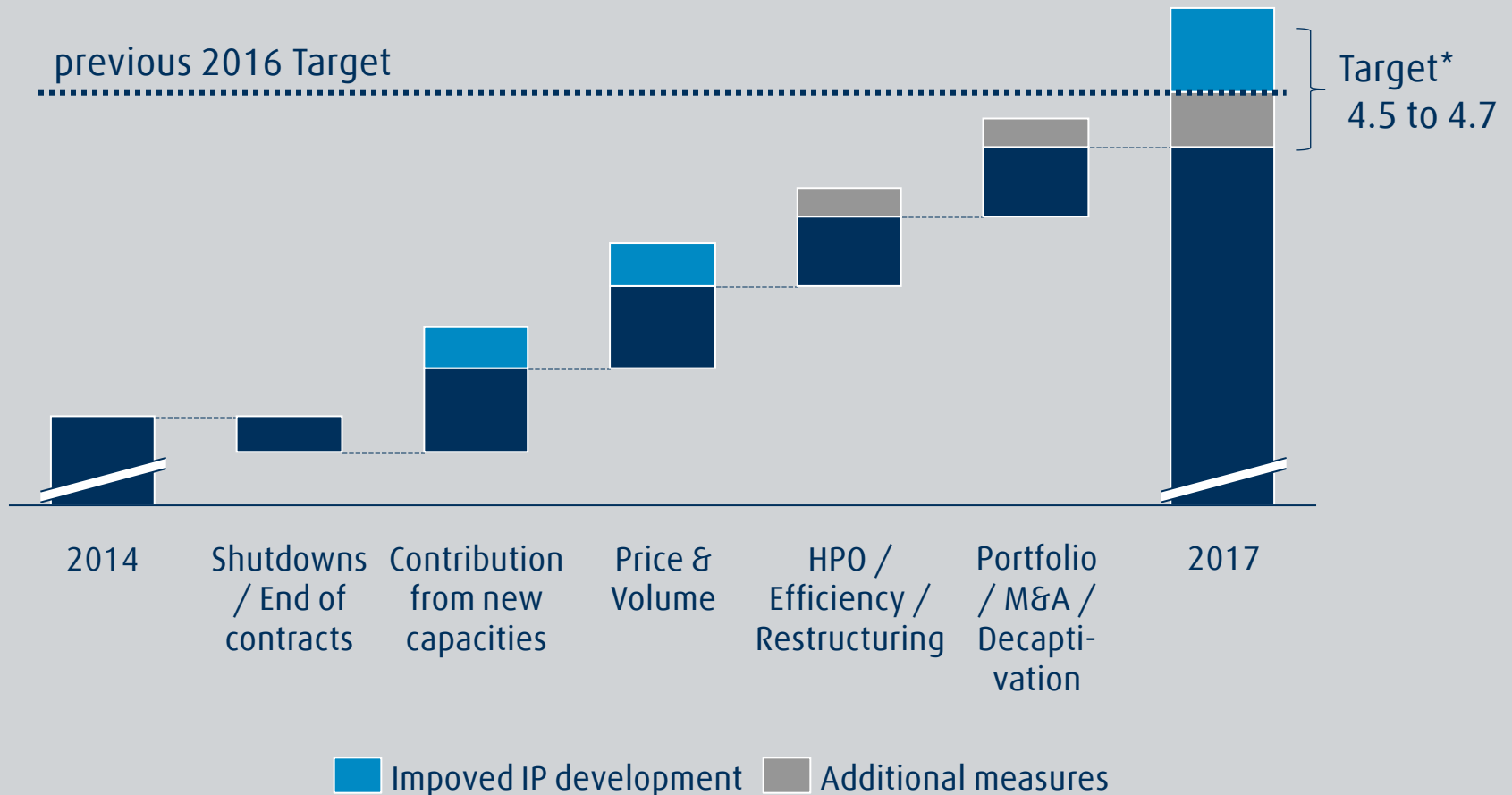
Short-term outlook		2014
Group*	Revenue	Solid increase vs. 2013
	Operating Profit	At a similar level as 2013 adjusted for non-recurring items
Gases*	Revenue	Moderate increase vs. 2013
	Operating Profit	Slight increase vs. 2013 adjusted for non-recurring items
Engineering Division	Revenue	Solid increase vs. 2013
	Operating Margin	Operating margin of around 10%

* Based on current economic forecasts and after adjusting for exchange rate effects

Outlook | Operating Profit

Target 2017 | € 4.5 to 4.7 bn

Operating Profit [€bn]



* Based on current economic forecasts and exchange rates

Medium-term outlook*

2017

Group

Operating Profit

4.5 to 4.7 billion Euro

ROCE reported

11% to 12%

Efficiency

HPO 2013-2016 | 750-900 million Euro gross cost savings

* Based on current economic forecasts and after adjusting for exchange rate effects

9M 2014

- Ongoing slow growth environment
- Comparable Linde Gases revenues growth accelerating to 3.7% in Q3
- Strong rebound of operating cash flow in Q3

The way forward

- Strong focus on sustainable profitable growth
- Efficiency improvement, portfolio optimisation and organisational adjustment

Innovative Drive

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

Appendix.

Leading.



THE LINDE GROUP

Group | Currency impact

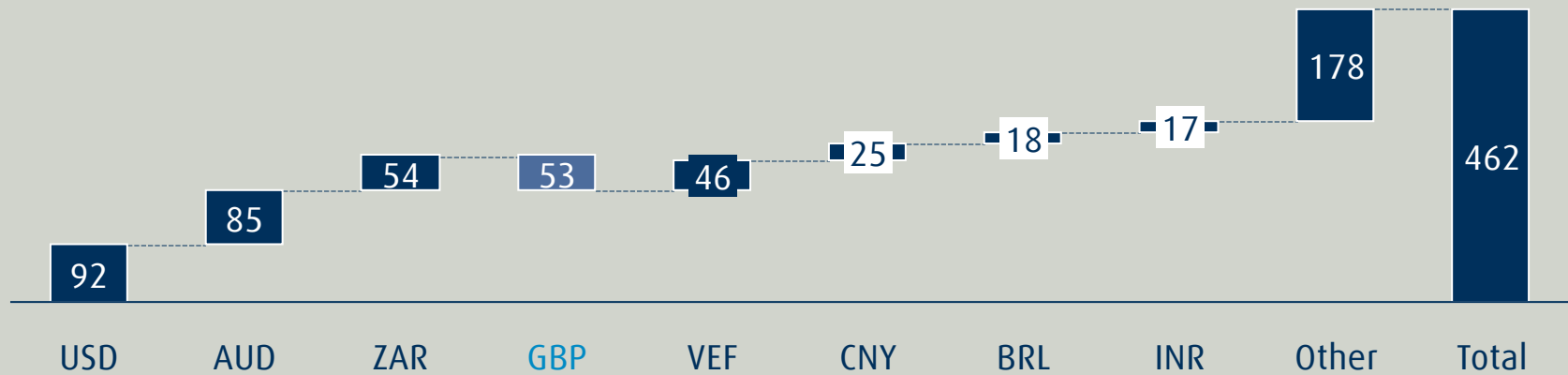
Impact on revenue and operating profit in 9M 2014



THE LINDE GROUP

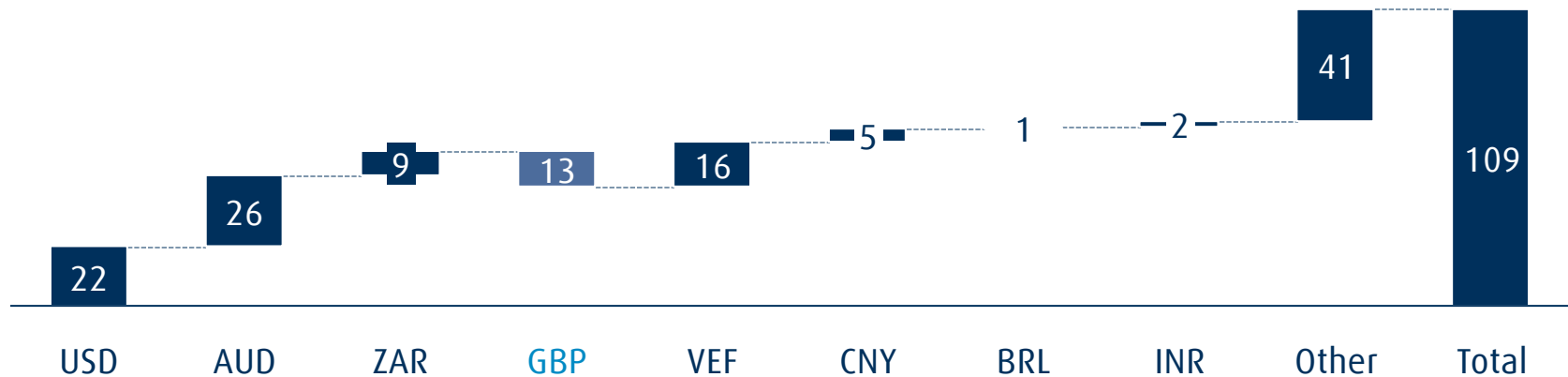
Negative impact on Group revenue in 9M 2014

[€m]



Negative impact on Group operating profit in 9M 2014

[€m]



Group | 9M 2014

Key P&L items



THE LINDE GROUP

[€m]	9M 2013	9M 2014	Δ in %
Revenue	12,468	12,584	0.9
Operating profit ¹	2,996	2,898	-3.3
Operating margin	24.0	23.0	-100 bp
PPA depreciation for BOC	-170	-167	+1.8
Depreciation & amortisation (excl. PPA BOC)	-1,182	-1,331	-12.6
Non-recurring items ²	-	229	-
EBIT	1,644	1,400	-14.8
EBIT (adjusted for non-recurring items) ²	1,644	1,629	-0.9
Financial result	-288	-262	+9.0
Taxes	-278	-275	-1.1
Profit for the year – attributable to Linde AG shareholders	997	818	-18.0
EPS reported [€]	5,38	4.41	-18.0
EPS reported (adjusted for non-recurring items) ²	5.38	5.31	-1.3

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

² Non-recurring items during the reporting period comprise of impairment losses on tangible and intangible assets of EUR 229m.

Gases Division | Quarterly data

Reporting segments



THE LINDE GROUP

EMEA [€m]	Q1 2013	Q1 2014	Q2 2013	Q2 2014	Q3 2013	Q3 2014	Q4 2013
Revenue	1,497	1,467	1,549	1,511	1,523	1,519	1,521
Operating profit	430	429	446	460	438	455	445
Operating margin	28.7%	29.2%	28.8%	30.4%	28.8%	30.0	29.3%

Asia / Pacific [€m]	Q1 2013	Q1 2014	Q2 2013	Q2 2014	Q3 2013	Q3 2014	Q4 2013
Revenue	926	870	971	946	946	1,006	924
Operating profit	240	224	257	252	250	261	258
Operating margin	25.9%	25.7%	26.5%	26.6%	26.4%	25.9	27.9%

Americas [€m]	Q1 2013	Q1 2014	Q2 2013	Q2 2014	Q3 2013	Q3 2014	Q4 2013
Revenue	1,054	1,060	1,083	1,035	1,053	1,077	1,041
Operating profit	272	260	270	238	310	258	230
Operating margin	25.8%	24.5%	24.9%	23.0%	29.4%	24.0	22.1%

Operating Profit

Return

EBIT before non-recurring items
adjusted for amortisation of intangible
assets and depreciation of tangible assets

Return on Capital Employed (ROCE)

Return

EBIT
before non-recurring items

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

Earnings per Share (EPS) before non-recurring items

Return

Profit for the period
before non-recurring items
attributable to Linde AG
shareholders

Shares

Number of
weighted average
outstanding shares

Earnings per Share (EPS)

Return

Profit for the period
attributable to Linde AG
shareholders

Shares

Number of
weighted average
outstanding shares

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

Contact

Phone:	+49 89 357 57 1321
Email:	investorrelations@linde.com
Internet:	www.linde.com