

# First Nine Months 2003 Conference Call

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## Key Facts

- Sales rose by 1.4%, excl. currency plus 6.5%
- EBITA (before special items) €430 million – close to last year
- 3rd quarter EBITA plus 14.9 percent
- Additional Restructuring charges:
  - Material Handling €50 million for phase 2 TRIM.100
  - Linde Gas €15 million
  - Headquarter €5 million
- FY 2003 guidance: Slight improvement of Sales and EBITA (before special items)

## Income Statement

- EBITA plus 14.9% in the 3rd quarter
- Financial result greatly improved
- Lower net income after special items

In € million	3rd quarter 03	Δ	Per 09/03	Δ
Sales	2,178	+1.8 %	6,345	+1.4 %
Sales ex currencies		+ 6.2 %		+ 6.5 %
EBITDA (before special items)	363	+ 6.8 %	994	- 1.9 %
EBITA (before special items)	177	+ 14.9 %	430	- 0.9 %
EBIT (before special items)	149	+ 17.3 %	338	- 3.2 %
Financial result	- 19	(2002: - 34)	- 93	(2002: - 146)
EBT (before special items)	130	+ 39.8 %	245	+ 20.7 %
EBT	60	- 35.5 %	175	- 52.4 %
Net income before minority interests	23	- 54.0 %	74	- 72.1 %
Net income	23	- 54.9 %	75	- 71.7 %

## Key Financials

- Net debt reduction > €200 million
- Improved interest coverage ratio

<b>in € million</b>	<b>Per 09/03</b>	<b>Per 09/02</b>	<b>2002</b>
Operating Cash Flow	956	776	1,274
Capex (excl. financial assets)	566	586	867
Net Interest	-97	-152	-170
EBITDA* / Net interest	10.2	6.7	8.4
Net Debt**	2,912	3,474	3,135
Gearing	74.1%	83.9%	76.1%

\* before special items

\*\* excl. pension liabilities

# Gas and Engineering

- Minus 0.6% in sales, plus 6.8% ex currency
- EBITA only 1.1% below last year – despite currency burden of €29 million
- 3rd quarter with good sales development and slightly improved operating profit

In € million	3rd quarter 03	Δ	Per 09/03	Δ
Sales	969	+ 2.1 %	2,888	- 0.6 %
Sales (excl. currencies & natural gas)		+ 7.3 %		+ 5.8 %
EBITDA (before special items)	265	0.4 %	759	- 1.9 %
Margin	27.3 %		26.3 %	
EBITA (before special items)	161	+ 0.6 %	445	- 1.1 %
margin	16.6 %		15.4 %	
EBTA	125	- 6.7 %	343	+ 2.7 %

## Regional Sales

- Negative currency impact outside of Europe
- Upward sales trend on a comparable basis

in € million	Per 09/03	Per 09/02	Δ
Germany	660.7	641.0	+4.4%
Europe excl. Germany	1,390	1,359	+2.3%
North America	622	679	-8.4%
Excl. currency, ex natural gas price effect			+6.0%
South America	176	202	-12.6%
Excl. currency			+16.8%
Asia / Pacific	50.5	44.9	+12.4%
Excl. currency			22.7%

## Linde Gas – Sales

- Strong growth (excl. currency) in On-site, Bulk and Healthcare
- Declining share of cylinder business

<b>in € million</b>	<b>Per 09/03</b>	<b>Per 09/02</b>	<b>Δ / Δ excl. currency</b>
Bulk	788	784	+0.5% / +6.6%
Cylinder	1,166	1,249	-6.7% / +0.3%
On-Site	581	534	+8.9% / +14.9%
Healthcare	428	423	+1.0 % / +11.5%



## Highlights

- € 15 million charged in order to ensure success of €150 million optimization program
- Excellent project situation 2003:
  - 8 Air Separation contracts, investment vol. approx. €210 m
  - 3 Hydrogen contracts, capex approx. €50 million
- 1 merchant market Air Separation plant, capex approx. €15 million

Linde Gas



## Outlook Full Year 2003

- Flat sales
- Earnings below last year's level

## Linde Engineering

- Increase in sales of 18.5%
- Nine month operating profit flat due to € 10 million charge in 1st half
- 3rd quarter EBITA well above last year

<b>in € million</b>	<b>3rd quarter 03</b>	<b>Δ</b>	<b>Per 09/03</b>	<b>Δ</b>
Sales	257	0%	793	+18.5%
Order intake	488	+34.4%	1,215	-3.3%
EBITDA	14	+55.6%	40	0%
Margin	5.4%		5.0%	
EBITA	9	(2002:€ 3m)	25	0%
Margin	3.5%		3.1%	
EBTA	9	(2002:€ 3m)	23	+4.5%

## Outlook Full Year 2003

- Noticeable increase in sales (> €1.2 bn)
- Operating profit above last year's level

# Material Handling

## Material Handling

- Sales on last year's level, excl. currency plus 2.3%
- EBITA minus 5.3%, 3rd quarter showed progress

<b>in € million</b>	<b>3rd quarter 03</b>	<b>Δ</b>	<b>Per 09/03</b>	<b>Δ</b>
Sales	738	4.4%	2,143	-0.3%
Order intake	761	0.4%	2,251	-1.8%
EBITDA (before special items)	107	3.9%	304	-1.6%
Margin	14.5%		14.2%	
EBITA (before special items)	37	2.8%	89	-5.3%
Margin	5%		4.2%	
EBTA	-20	(2002:€ 23m)	19	-68.3%

## Highlights

- Restructuring charge of € 50 million for TRIM.100 Phase 2 – € 50 million additional cost savings expected by end of 2005
- Komatsu Forklift stake has been increased from 13.3 to 35%
- Flat European industrial truck market - good growth in overseas markets
- Competitive Market Environment

## Outlook Full Year 2003

- Slight increase in sales
- Increase in operating profit before special items



# Refrigeration

## Refrigeration

- Difficult market environment with intense price competition
- EBITA improvement in 3rd quarter

<b>in € million</b>	<b>3rd quarter 03</b>	<b>Δ</b>	<b>Per 09/03</b>	<b>Δ</b>
Sales	223	-4.3%	551	-3.5%
Order intake	261	+9.7%	703	+1.0%
EBITDA	21	+40.0%	9	(2002:€ 1m)
Margin	9.4%			
EBITA	15	+87.5%	-8	(2002:€ -16m)
Margin	6.7%			
EBTA	15	(2002:€ -5m)	-9	(2002:€ -22m)

Refrigeration



## Outlook Full Year 2003

- Slight decrease in sales
- Flat EBITA due to upcoming one- off items in 4th quarter



Contact us



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