

# Half Year Results 2003 Conference Call

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## Key Facts

- Sales rose by 1.2%, ex currency plus 6.6%
- EBITA (before special items) of €253 million, 9.6% below last year  
- 2nd quarter near last year's level
- EBT (before special items) plus 4.5%, due to improved financial result
- Material Handling: Further cost saving potential identified
- FY 2003 guidance: slight improvement of EBITA

## Income Statement

- EBITA still well below last year, due to weak first quarter
- Improved financial result leads to higher EBT

In € million	Per 06/02	Per 06/03	Δ
Sales	4,118	4,167	+1.2 %
Sales ex currencies			+ 6.6 %
EBITDA	673	631	- 6.2 %
EBITA (before special items)	280	253	- 9.6 %
EBIT (before special items)	222	189	- 14.9 %
Financial result	- 112	- 74	
EBT (before special items)	110	115	+ 4.5 %
EBT	275	115	- 58.2 %
Net income before minority interests	215	51	
Net income	214	52	

# Gas and Engineering

- Minus 1.9 % in sales, plus 5.1% ex currency & natural gas price effect
- Operating profit still lower than last year - currency effects and one-off costs in Brazil
- 2nd quarter better than last year, EBITA plus 4.5 % in Q2 2003

In € million	Per 06/02	Per 06/03	Δ
Sales	1,965	1,919	- 1.9 %
Sales (ex currencies & natural gas)			+ 5.1 %
EBITDA	510	494	- 3.1 %
Margin	26.0 %	25.7 %	
EBITA	290	284	- 2.1 %
margin	14.8 %	14.8 %	
EBTA	200	218	+ 9.0 %

## Regional Sales

- Ex currency: all regions showed positive sales development
- Best performer: Asia/Pacific region

in € million	Per 06/02	Per 06/03	Δ
Germany	415	431	+ 3.7 %
Europe ex. Germany	908	925	+ 1.9 %
North America	456	419	- 8.1 %
ex currency, ex natural gas price effect			+ 5.7 %
South America	148	112	-24.5 %
ex currency			+ 12.0 %
Asia / Pacific	29	33	+ 11.2 %
ex currency			+ 25.1 %

## Linde Gas – Sales

- Strong increase in On-site sales
- Declining share of cylinder business
- Healthcare business exhibited double-digit growth, ex currency

in € million	Per 06/02		Per 06/03		Δ / Δ ex currency
Bulk	514	26%	517	26%	+ 0.6 % / + 8.1 %
Cylinder	855	43%	777	39%	- 9.1 % / - 1.5 %
On-Site	356	18%	392	20%	+ 10.1 % / + 16.9 %
Healthcare	285	14%	286	15%	- / + 12.2 %

## Highlights

- On-site segment:
  - Five new Air Separation contracts won, investment vol. approx. € 180 m
  - LOI signed for two new hydrogen plants
- Ongoing negative earnings impact of currency, higher energy costs and declining share of cylinder business



Linde Gas



## Outlook

- Flat sales
- Earnings below last year's level

## Linde Engineering

- Strong increase in sales (+30.1%)
- Operating profit declined due to weak 1st quarter - 2nd quarter flat
- €10 million write-down impacts operating profit

in € million	Per 06/02	Per 06/03	Δ
Sales	412	536	+ 30.1 %
Order intake	893	727	- 18.6 %
EBITDA	31	26	- 16.1 %
Margin	7.5 %	4.9 %	
EBITA	22	16	- 27.3 %
Margin	5.3 %	3.0 %	
EBTA	19	14	- 26.3 %

## Outlook Full Year 2003

- Noticeable increase in sales
- Profit below last year

# Material Handling

## Material Handling

- Sales declined by 2.6%, ex currency plus 0.6%
- Operating profit close to last year's level

In € million	Per 06/02	Per 06/03	Δ
Sales	1,442	1,405	- 2.6 %
Order intake	1,534	1,490	- 2.9 %
EBITDA	206	197	- 4.4 %
Margin	14.3 %	14.0 %	
EBITA	58	52	- 10.3 %
Margin	4.0 %	3.7 %	
EBTA	37	39	+ 5.4 %

## Highlights

- 2nd quarter did not confirm the European market recovery in Q1
- Share of Service business grew to approx. 39%
- Linde 39x and STILL RX50 gain market share in their segment
- TRIM. 100 on track – cost savings of €30 million by year end
- Further cost savings potential identified

Material Handling

## Outlook Full Year 2003

- Slight increase in sales
- Increase in profit

# Refrigeration



## Refrigeration

- Ongoing difficult market situation
- Operating profit at last year's level, despite sales decrease

In € million	Per 06/02	Per 06/03	Δ
Sales	338	328	- 3.0 %
Order intake	458	442	- 3.5 %
EBITDA	- 14	-12	- 14.3 %
Margin			
EBITA	- 24	- 23	- 4.2 %
Margin			
EBTA	- 27	- 24	+ 11.1 %

Refrigeration

## Outlook Full Year 2003

- Flat sales and earnings



Contact us



## Investor Relations

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