



Conference Call 9M 2013 Results

LeadIng.


THE LINDE GROUP

Georg Denoke
CFO and Member of the Executive Board
29 October 2013

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Performance – 9M 2013

Solid performance despite severe currency headwinds



		9M 2012	9M 2013	yoy
Revenue	[€m]	11,469	12,468	+8.7%
Operating Profit*	[€m]	2,680	2,996	+11.8%
Operating Margin	[€m]	23.4%	24.0%	+60bp
Operating Cash Flow	[€m]	1,590	2,158	+35.7%
EPS reported	[€]	5.09	5.38	+5.7%

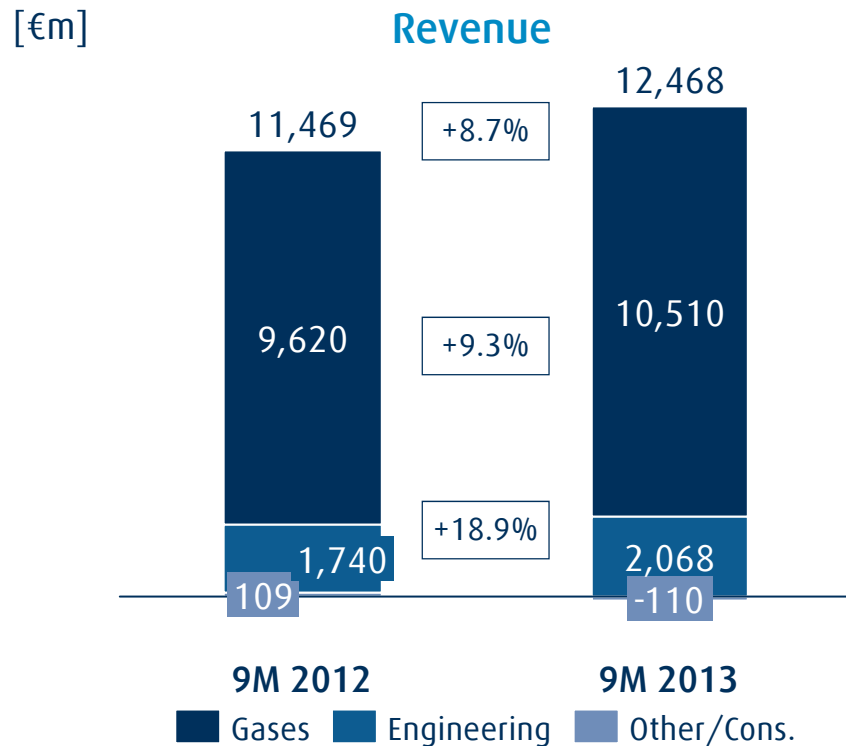
- Solid growth in a still unfavourable macro-economic environment and despite significantly increased currency headwinds in Q3
- Growth supported by Healthcare acquisitions and Engineering
- Further improved strong operating cash flow and deleveraging

*please see definitions on page 21

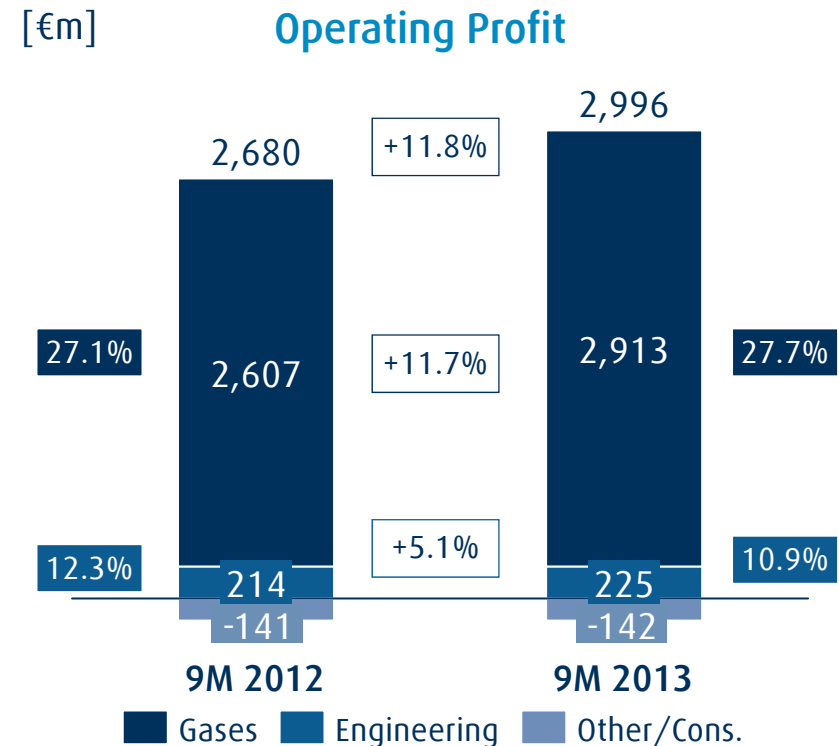
Data in this presentation for 2012 is adjusted for the effects of the first-time retrospective application of IFRS 10, IFRS 11 and IAS 19 (revised 2011)

Group, revenue and operating profit by divisions

Stable margin development



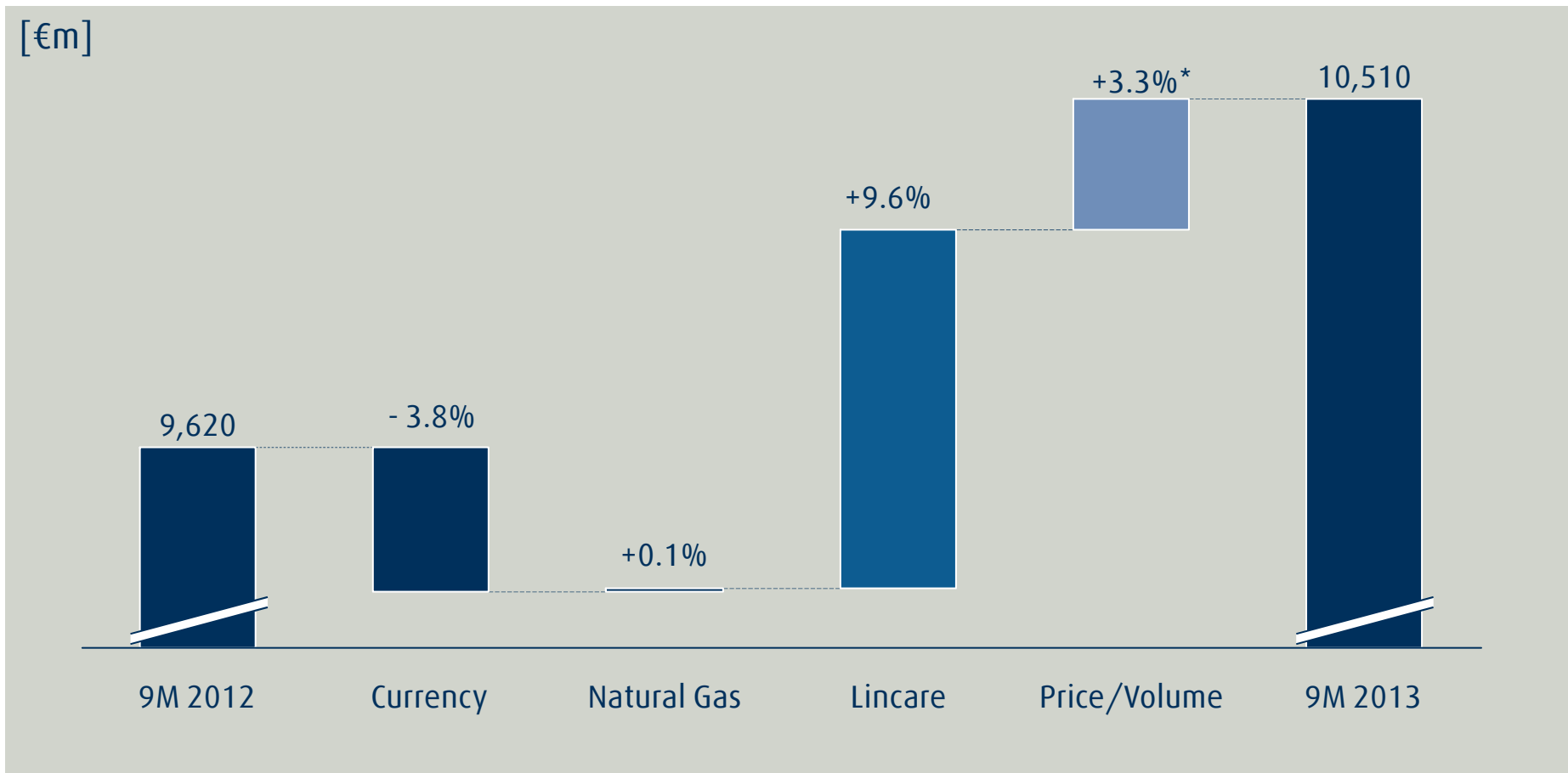
- Gases sales supported by Lincare acquisition and ramp up of Tonnage plants
- Strong Engineering sales



- Underlying Gases margin slightly improved to 27.2% and additionally supported by a dividend payment (€ 57m)
- Engineering operating margin remained on a high level

Gases Division, sales bridge

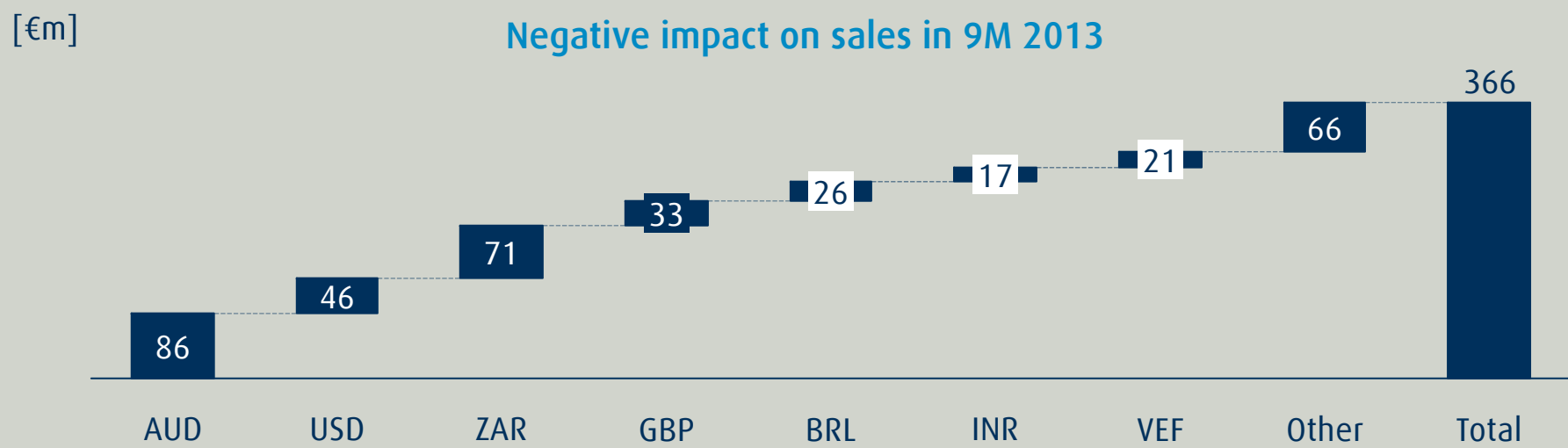
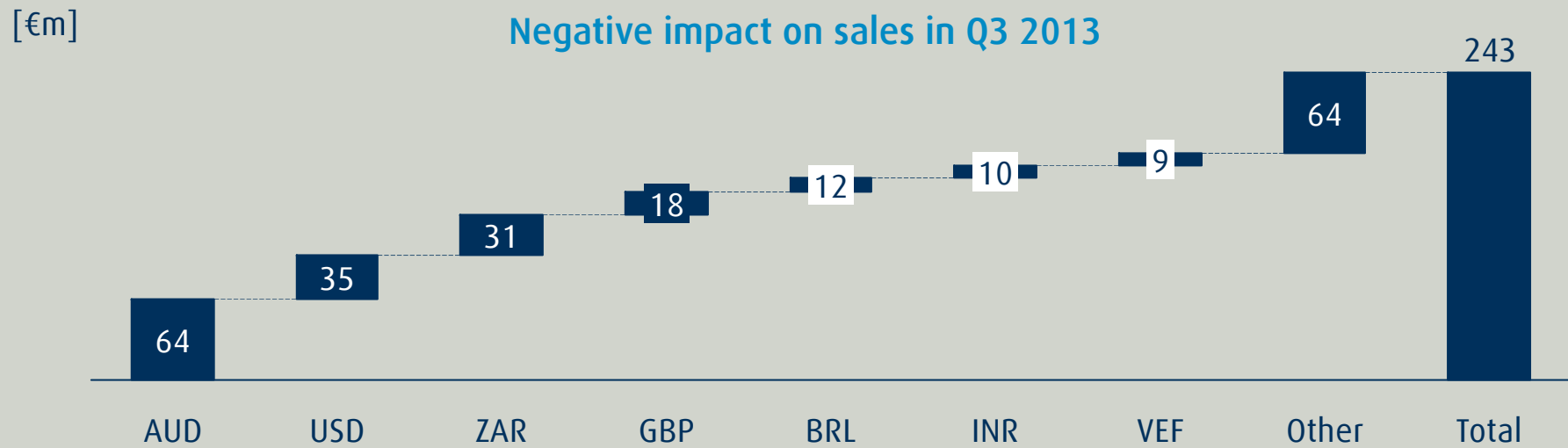
Price/volume increase of 3.3%*



*including € 97m changes in consolidation from bolt-on acquisitions (European Healthcare acquisitions and others) and not adjusting the reversal of the purchase of ASUs

Gases Division, currency impact

Impact on sales

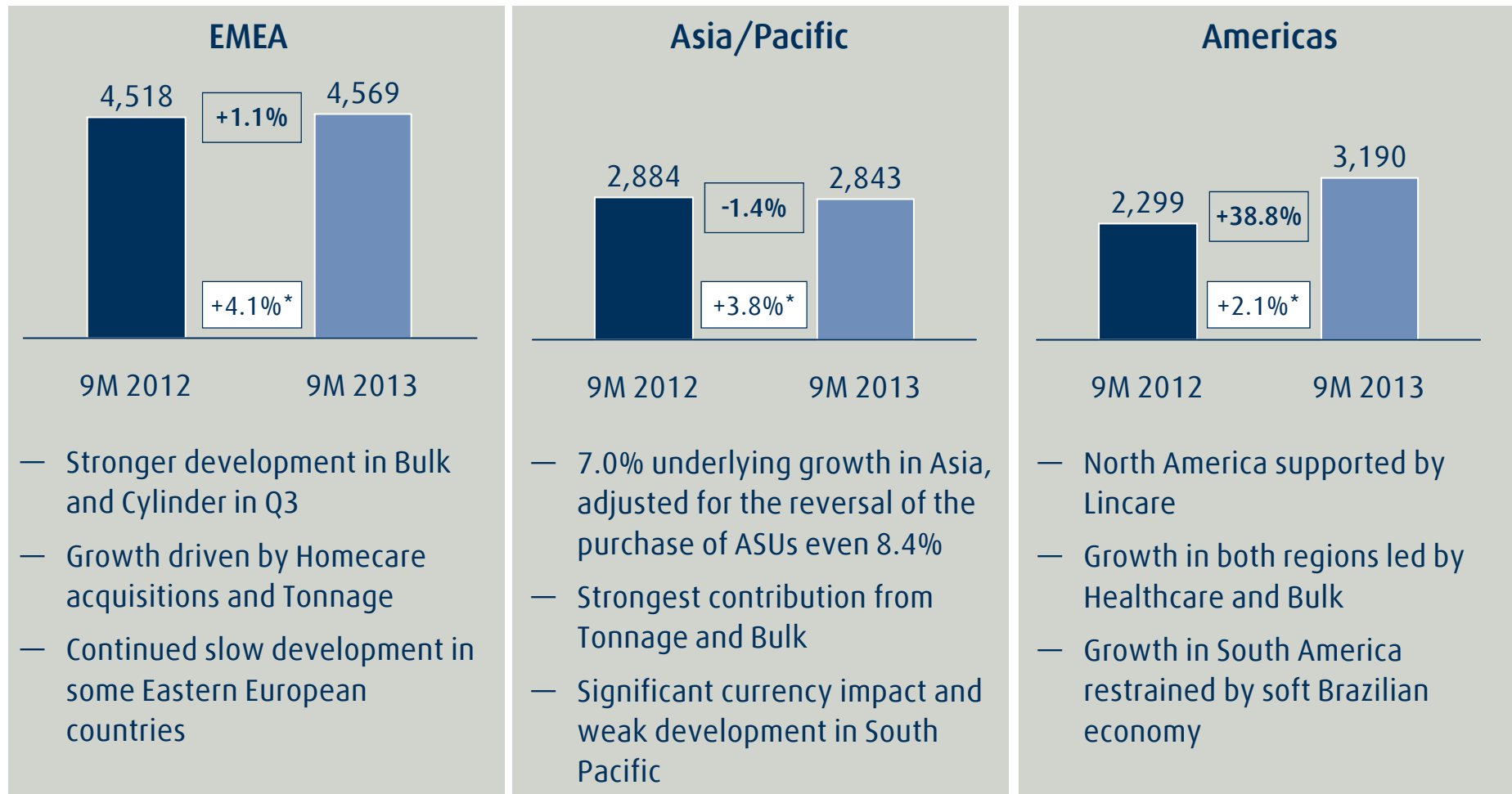


Gases Division, revenue by operating segment

Underlying growth in all segments



[€m]



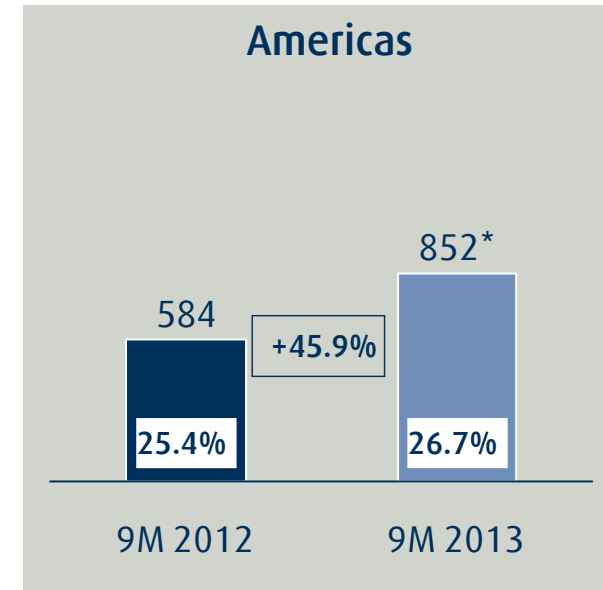
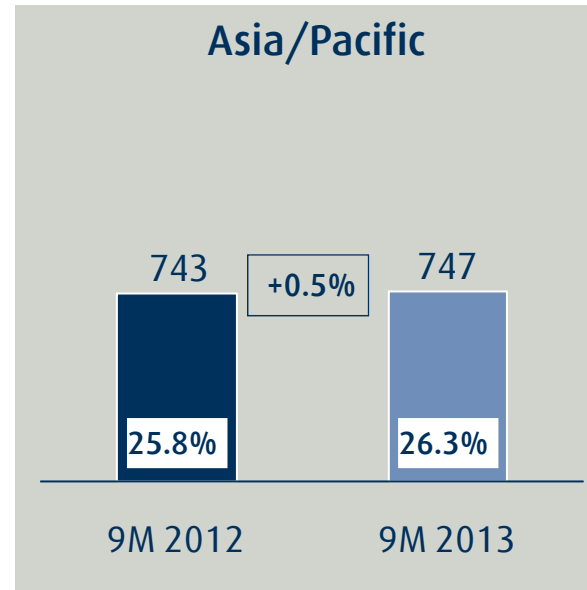
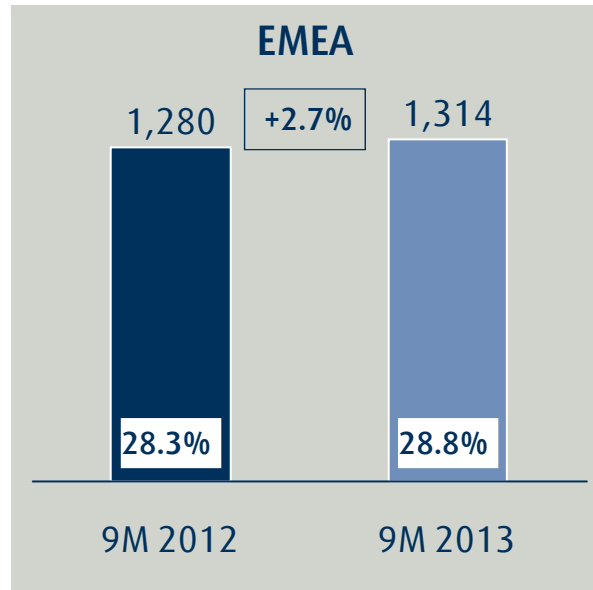
*excluding currency, natural gas price effect and the consolidation effect of Lincare

Gases Division, operating profit by operating segment

Resilient margin development



[€m]



Margin Development

- EMEA margin further improved
- Asia/Pacific positive margin development despite weak South Pacific
- Positive development in Americas restrained by Brazil

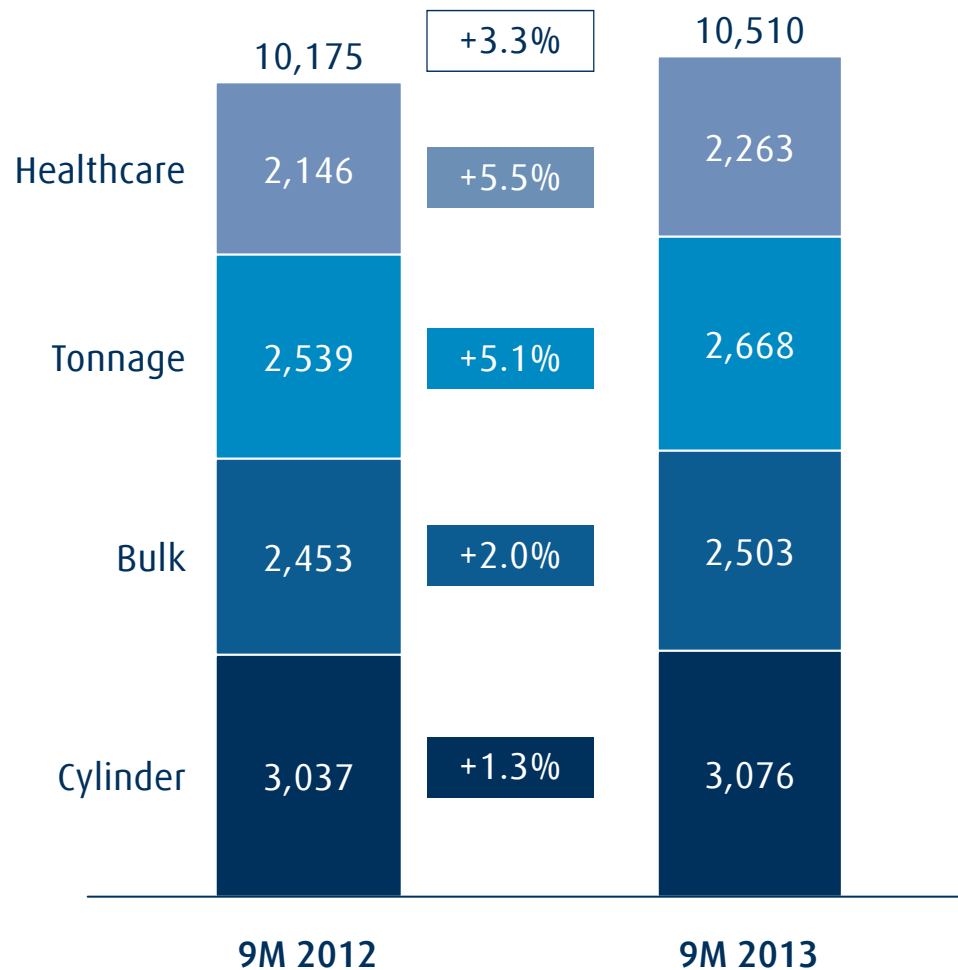
*including € 57m income resulting from a dividend payment

Gases Division, revenue by product areas

Stable growth in a more challenging macro-environment



[€m], comparable* (consolidated)



*excluding currency, natural gas price effect and the consolidation effect of Lincare

Healthcare

- Main growth contributions from EMEA and Americas
- Q3 impacted by CB2 but positive volume development

Tonnage

- 5.9% comparable growth excl. the reversal of the purchase of ASUs
- Positive development supported by start ups in Asia/Pacific and EMEA

Bulk

- Growth driven by Americas and South and East Asia
- Supported by application engineering

Cylinder

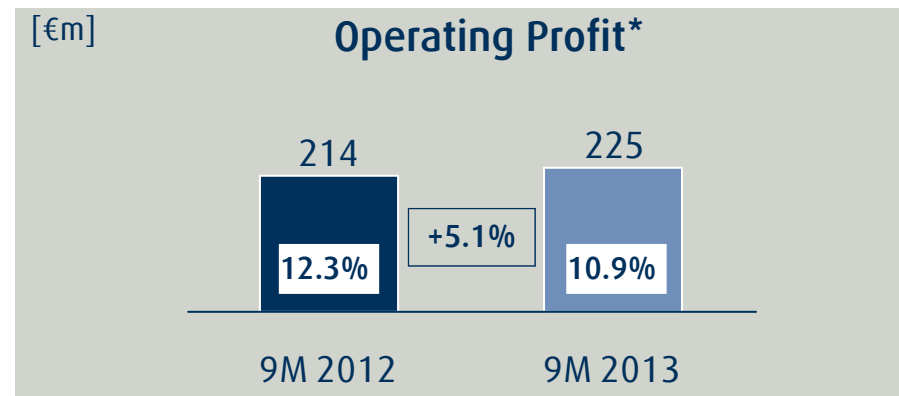
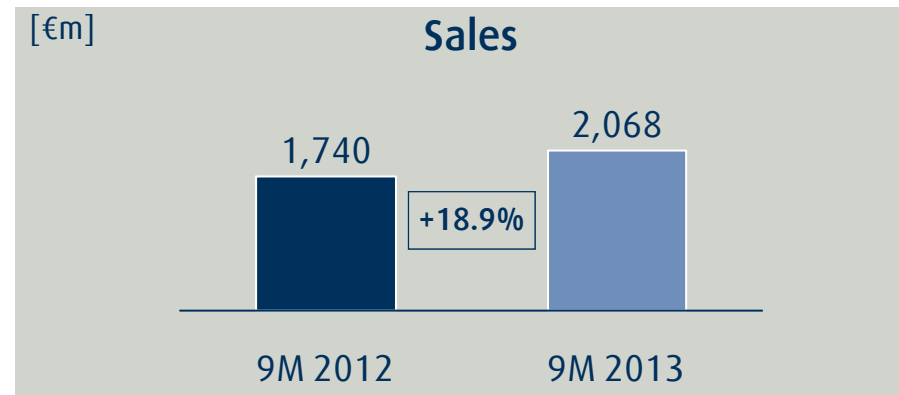
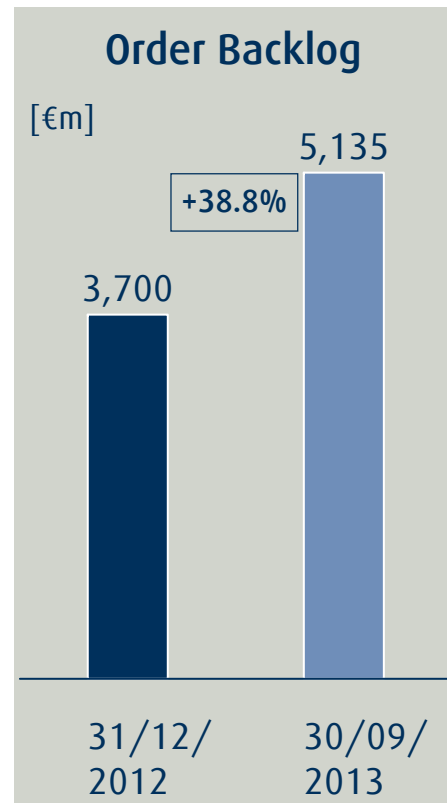
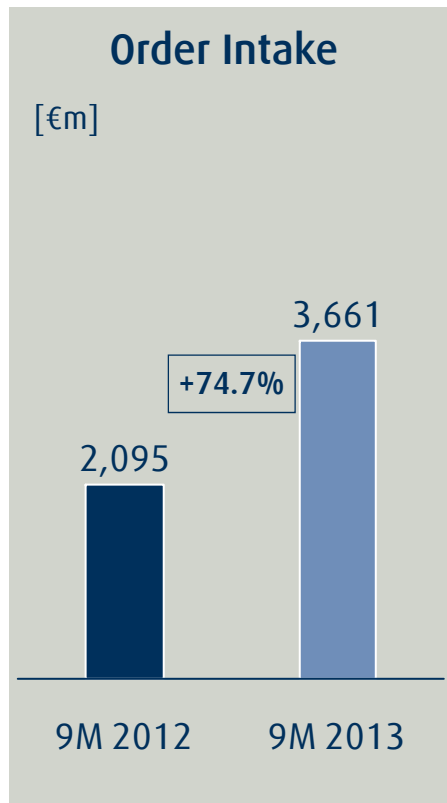
- Stronger growth in Q3 driven by Asia and EMEA but restrained by Australia

Engineering Division, key figures

Record order intake and high order backlog



- Strong project wins in external sales in the area of air separation plants as well as in hydrogen and synthesis gas plants
- More than 70% of order intake from Asia/Pacific and Americas



*please see definitions on page 21

Group, realising opportunities Utilising the synergetic setup



Gases projects

JSC KuibyshevAzot | Russia | ~ € 275 m

- New JV of Linde and KuibyshevAzot
- Large ammonia on-site plant with 1,340 tons of ammonia per day
- Exceptionally energy efficient

Sadara | Saudi Arabia | ~ USD 380 m

- Customer is a joint company of Saudi Aramco & Dow Chemical
- On-site supply of carbon monoxide, hydrogen & ammonia
- Cluster opportunity in the future world's largest chemical complex

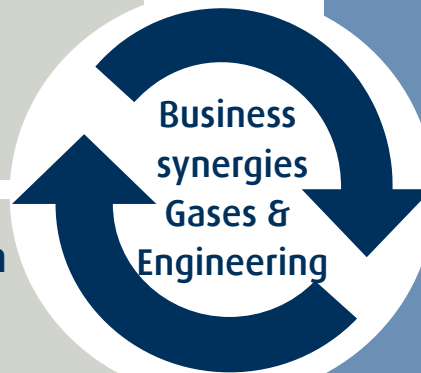
Engineering projects

Shenhua Group | China | ~ € 200 m

- Supply of six large-scale air separation units for one of the largest coal-to-liquid processes in the world
- Plants have a joint capacity of 600,000 (Nm³/h)

Reliance | India | > € 700 m

- For a petroleum coke and coal gasification process supply of 6 large ASUs for oxygen production, 2 synthesis gas purification plants, 4 sulphur recovery plants and a pressure swing adsorption plant



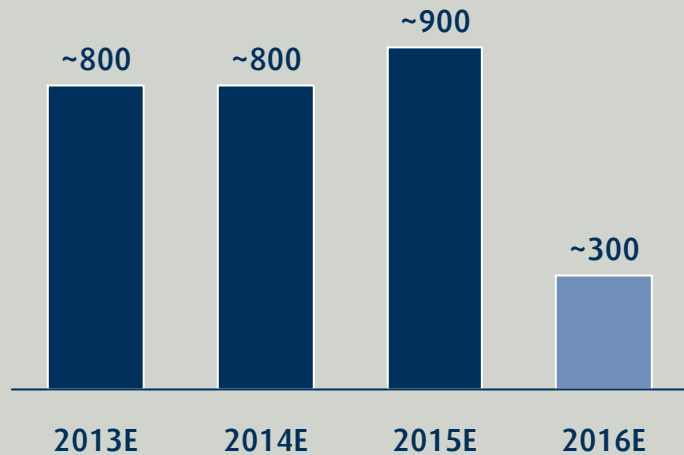
Gases project pipeline & joint market opportunities

Strong project pipeline – Focus on execution



Amount of committed Gases projects by on-stream date

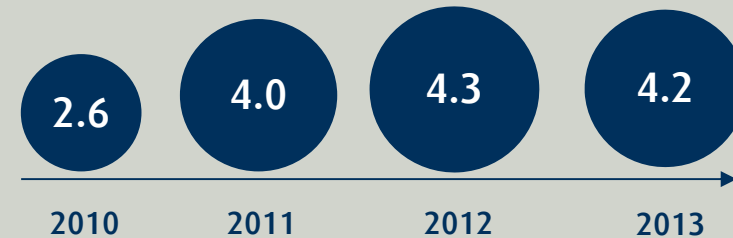
[€m]



- Around € 2.8 bn of investments are scheduled to come on-stream in 2013-2016
- Around 70% of 2013-2016 project amounts are allocated to Growth Markets
- 2016 already on a solid level

Development of market opportunities (12 months forward)

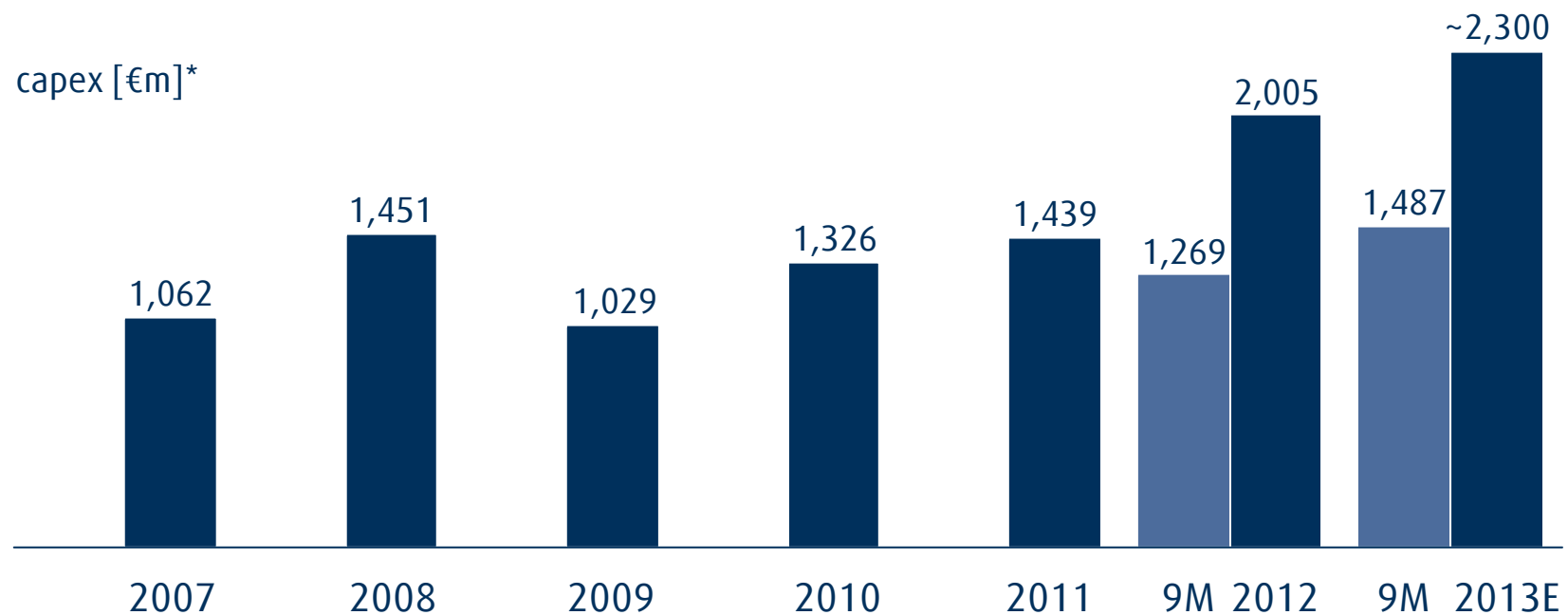
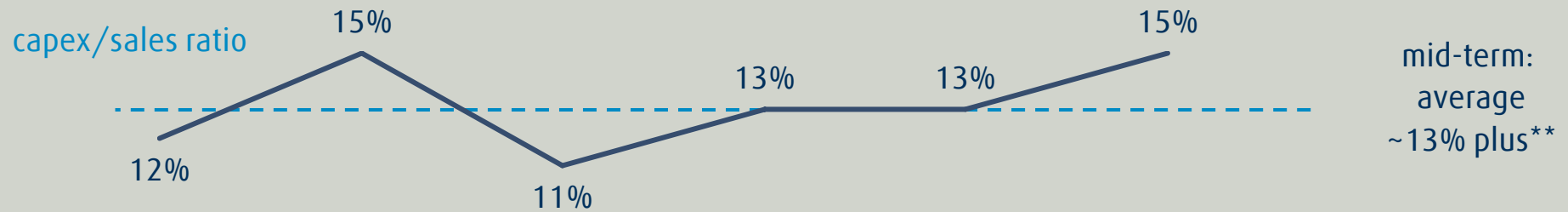
[€bn]



- Level of market opportunities stabilising on a high level
- High share of opportunities in Growth Markets
- Increasing activity in the area Energy/Environment with some of the coal-to-X projects turning into Engineering sales

Gases Division, capex

Investment in future growth



* figures before 2012 not adjusted for IFRS 10, IFRS 11 and IAS 19 | Data 2007-2012 @ actual average fx rates at the end of the respective year

** plus: additional potential for mega-projects

Group, positive cash flow development

Operating cash flow increased by 35.7%



[€m]	Q1 2013	Q2 2013	Q3 2013	9M 2013	9M 2012
Operating profit	953	1,013	1,030	2,996	2,680
Change in Working Capital	-259	-28	119	-168	-488
Other changes	-172	-315	-183	-670	-602
Operating Cash Flow	522	670	966	2,158	1,590
Investments in tangibles/intangibles	-493	-507	-525	-1,525	-1,236
Acquisitions/Financial investments	-73	-29	-69	-171	-3,004
Other	28	34	65	127	98
Investment Cash Flow*	-538	-502	-529	-1,569	-4,142
Free Cash Flow before financing	-16	168	437	589	-2,552
Interests and swaps, dividends	-79	-648	-133	-860	-795
Capital Increase					1,391
Other changes	-5	42	2	39	-454
Net debt increase (+)/decrease (-)	+100	+438	-306	+232	+2,410

*excluding changes within securities

Group, solid financial position

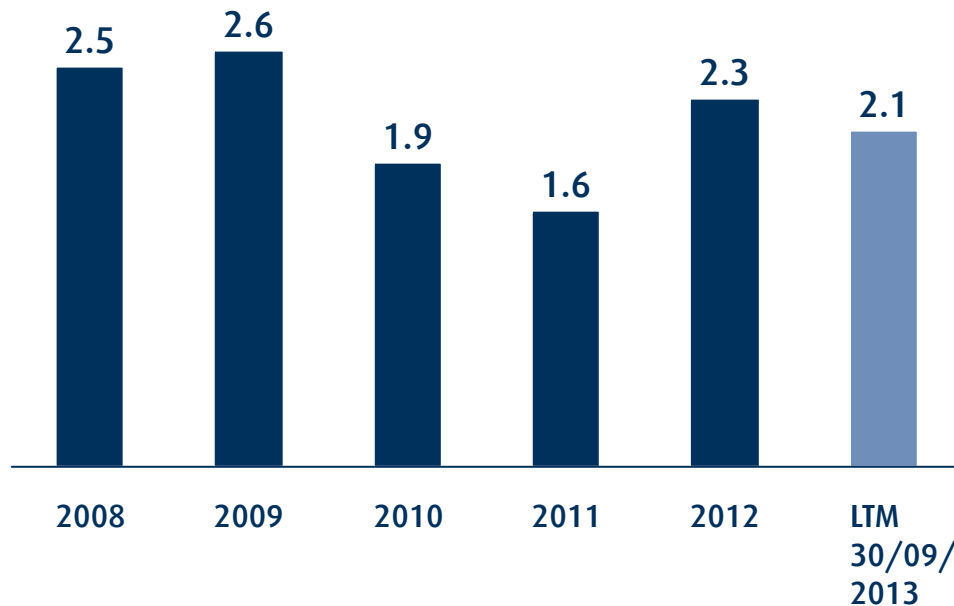
Debt reduction due to positive cash flow development



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Net debt/EBITDA*

[x]



*figures before 2012 not adjusted for IFRS 10, IFRS 11 and IAS 19

- Net debt/EBITDA ratio improved to 2.1
- Lincare acquisition credit facility entirely refinanced with capital market debt
- € 400m of subordinated bonds redeemed in July

Credit ratings:

- Moody's: A3 / P -2 with stable outlook (17 May 2013)
- S&P: A / A -1 with stable outlook (22 July 2013)

Outlook



Short-term outlook	2013	YTD negative currency impact**
Revenue	Further increase vs. 2012	€ 407 m
Operating Profit***	Around 4 billion Euro	€ 88 m
Gases Division	Revenue and operating profit increase vs. 2012	€ 366 m
Engineering Division	Revenue at 2012 level & operating margin of at least 10%	€ 25 m

Medium-term outlook	2016*	potential currency impact**
Operating Profit***	At least 5 billion Euro	Around - € 250 m
ROCE adjusted***	Around 14%	Potentially impacted
ROCE reported***	Around 13%	Potentially impacted
HPO 4yrs programme	750-900 million Euro	

*please see assumptions and indications on page 10 of the Linde 9M financial report 2013

** based on current exchange rates

***please see definitions on page 21



Appendix

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Group, 9M 2013

Key P&L items



[€m]	FY 2012	9M 2012	9M 2013	Δ in %
Revenue	15,833	11,469	12,468	8.7
Operating profit	3,686	2,680	2,996	11.8
Operating margin	23.3%	23.4%	24.0%	60 bp
PPA depreciation for BOC	-260	-197	-170	13.7
Depreciation & amortisation (excl. PPA BOC)	1,372	-968	-1,182	-22.1
EBIT	2,055	1,515	1,644	8.5
Financial result	-321	-251	-288	-14.7
Taxes	-393	-293	-278	5.1
Profit for the period – attributable to Linde AG shareholders	1,232	893	997	11.6
Profit for the period adjusted – attributable to Linde AG shareholders	1,400	1,016	1,094	7.7
EPS reported [€]	6.93	5.09	5.38	5.7
EPS adjusted [€]	7.87	5.79	5.90	1.9

Gases Division, operating segments

Quarterly data



EMEA [€m]	Q1 2012	Q1 2013	Q2 2012	Q2 2013	Q3 2012	Q3 2013
Revenue	1,460	1,497	1,514	1,549	1,544	1,523
Operating profit*	419	430	425	446	436	438
Operating margin	28.7%	28.7%	28.1%	28.8%	28.2%	28.8%
Asia/Pacific [€m]	Q1 2012	Q1 2013	Q2 2012	Q2 2013	Q3 2012	Q3 2013
Revenue	896	926	959	971	1,029	946
Operating profit*	234	240	250	257	259	250
Operating margin	26.1%	25.9%	26.1%	26.5%	25.2%	26.4%
Americas [€m]	Q1 2012	Q1 2013	Q2 2012	Q2 2013	Q3 2012	Q3 2013
Revenue	672	1,054	680	1,083	947	1,053
Operating profit*	170	272	181	270	233	310
Operating margin	25.3%	25.8%	26.6%	24.9%	24.6%	29.4%

*please see definitions on page 21

Group

EPS adjustment 9M 2013



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[€m]	9M 2013 as reported	PPA BOC adjustment	adjusted figures	PPA Homecare adjustment	PPA Homecare adjusted figures	9M 2012 adjusted	yoy
EBIT	1,644	170	1,814	90	1,904	1,712	+11.2%
Profit for the period	1,076	97	1,175	56	1,231	1,094	+12.5%
Profit for the period after non-controlling interests	997	97	1,094	56	1,150	1,016	+13.2%
Earnings per share [€]	5.38	-	5.90	-	6.20	5.79	+7.1%

Group, definition of financial key figures



Operating Profit	Return	EBIT adjusted for amortisation of intangible assets and depreciation of tangible assets
	adjusted ROCE	EBIT Adjusted for the depreciation/amortization from purchase price allocation*
adjusted EPS	Average Capital Employed	Equity (incl. minorities) + financial debt + liabilities from finance leases + net pension obligations - cash, cash equivalents and securities - receivables from finance leases
	Return	Profit for the period(attributable to Linde AG shareholders) Adjusted for the depreciation/amortization from purchase price allocation*
	Shares	Weighted average outstanding shares

*adjustment for the effects of the purchase price allocation on the acquisition of BOC only

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Financial calendar

- FY report 2013: 17 March 2014
- 3M report 2014: 06 May 2014
- AGM 2014: 20 May 2014
- 6M report 2014: 01 August 2014
- 9M report 2014: 30 October 2014