



# January – March 2007 Conference Call

LeadIng.



THE LINDE GROUP

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May 4, 2007



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## **Strong first quarter as pure Gas & Engineering company:**

- Group sales increased 9.4% to € 2,860 million, Gases up 7.8% on comparable basis
- 10.1% rise in operating profit to € 569 million
- EPS increased to € 2.76 (2006: € 1.12), on adjusted basis € 1.07

## **Strong Free Cash Flow and Deleveraging:**

- Free Cash Flow of € 1,948 million supported by cash proceeds from disposals of € 1,783 million
- Net debt of € 8.1 bn (gearing: 93%) down from € 9.9 bn at year-end (gearing: 121%)

## **Synergy ramp-up on track**

## **Outlook confirmed: increase in sales and operating profit on comparable basis**

- Group sales of € 2,860 million up by 9.4%
- Operating profit increased 10.1% to € 569 million
- PPA amortisation of € 107 million and book gain on disposals of € 510 million

In € million	Q1 07	Q1 06	Δ
Sales	2,860	2,614	9.4%
Operating profit*	569	517	10.1%
EBIT before PPA and exceptionals	358	185	-
Financial result	-114	-15	-
EBT	647	170	-
Net income	458	135	-
EPS reported	2.76	1.12	-
EPS adjusted**	1.07	1.12	-4.5%

\* EBITDA before special items and incl. share of net income from associates and joint ventures

\*\* adjusted for depreciation/amortisation from PPA and special items

# Gases Division

## Key Figures

- Sales improved on comparable basis by 7.8% to € 2,249 million
- Increase in operating profit to € 556 million
- Embedded Financial Lease impact on operating profit of € -35 million
- Operating margin improved by 0.5% to 24.7%

In € million	Q1 07	Q1 06	Δ	Δ comparable**
Sales	2,249	2,153	4.5%	7.8%
Europe	1,139	1,043	9.2%	7.0%
America/Africa	796	792	0.5%	10.2%
Asia/Pacific	323	318	1.6%	7.2%
Operating profit*	556	522	6.5%	
Margin	24.7%	24.2%		

\* EBITDA before special items and incl. share of net income from associates and joint ventures

\*\* Excluding currency, consolidation and natural gas price effects

# Solid growth momentum in all regions

## Europe

Sales: €1,139 m  
(+9.2%/+7.0 comp.)

- Solid growth in Western Europe
- Continued strong growth in Eastern Europe
- Acquisition of BOS in Turkey will further strengthen leadership in Eastern Europe and Middle East

## America/Africa

Sales: € 796 m  
(+0.5%/+10.2% comp.)

- **North America: € 577 million (+1.4%/+9.9% comparable)**
  - Strong Hyco business following start-ups of major tonnage contracts
  - High volumes and good pricing for LOX and LAR
- **South America: € 118 million (+8.3%/+16.3% comparable)**  
Good tonnage business supported by diverse start-ups
- **Africa: € 120 million (-0.8%/+15.9% comparable)**  
GDP growth drives cylinder business

## Asia/Pacific

Sales: € 323 m  
(+1.6%/+7.2% comp.)

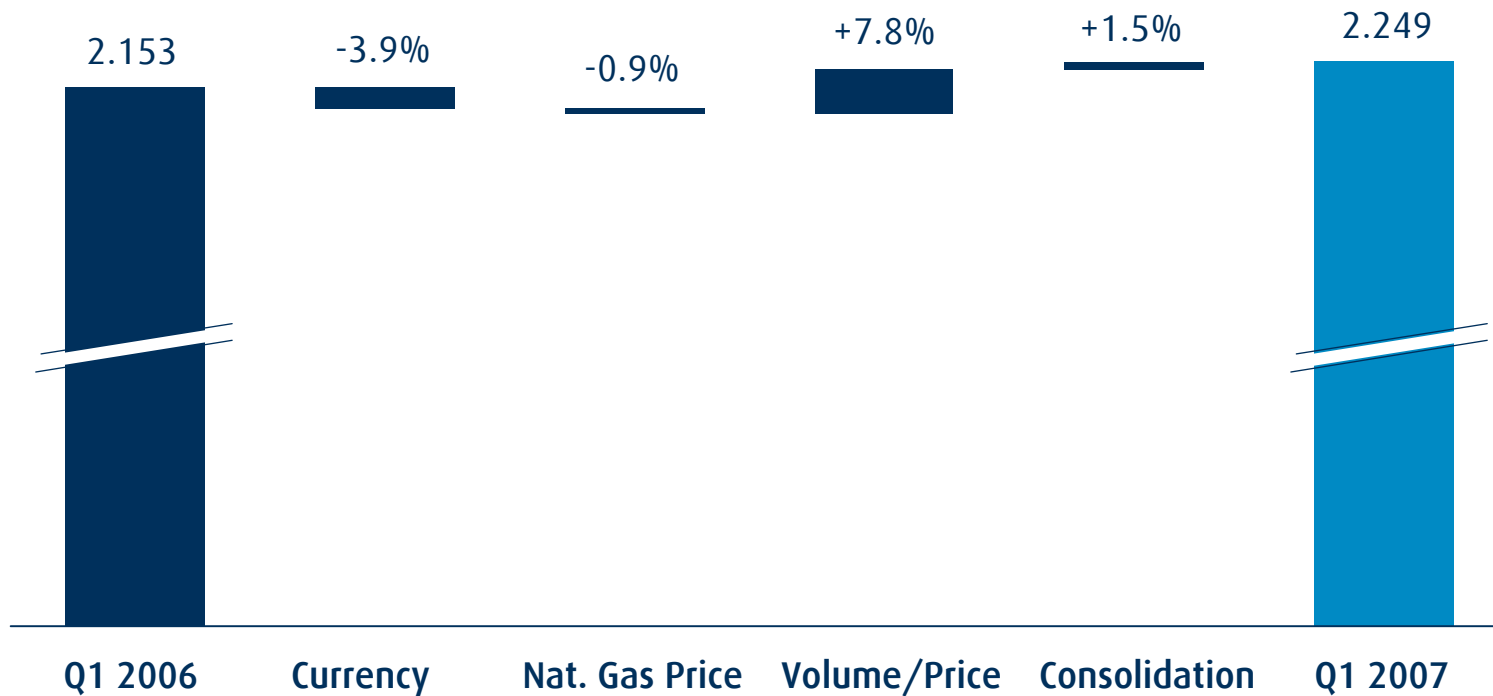
- Underlying double-digit growth in South East Asia following several start-ups
- Strong tonnage growth in Greater China (mostly in JVs)

\* Comparable: Excluding currency, consolidation and natural gas price effects

# Gases Division

## Sales bridge Q1/07: underlying growth of 7.8%

In € million



# Gases Division

## Product Segment Sales

- Strong growth across all segments
- Tonnage sales show once again highest growth rate
- Double-digit underlying increase in healthcare revenues (incl. INO)
- Good market environment in cylinder and bulk segments

In € million	Q1 07	Q1 06	Δ
Bulk	664	632	5.1%
Cylinder	896	835	7.3%
Tonnage	496	443	12.0%
Healthcare	257	232	10.5%

Figures are calculated excluding currency, consolidation and natural gas price effects



# Engineering Division

## Key Figures

- Sales leap 42.7% to € 498 million
- Operating profit up 46.7% to € 44 million, margins keep historically high levels
- Q1 order intake increased by 83% to € 968 million, marked by major olefin order in Abu Dhabi
- Order backlog has reached new record level of € 4,945 million (+9.2% since year-end 2006)
- Cryostar integration on track

In € million	Q1 07	Q1 06	Δ
Order intake	968	529	83.0%
Sales	498	349	42.7%
Operating profit*	44	30	46.7%
Margin	8.8%	8.6%	-

\* EBITDA before special items and incl. share of net income from associates and joint ventures

# Disposals – strategic transformation accomplished

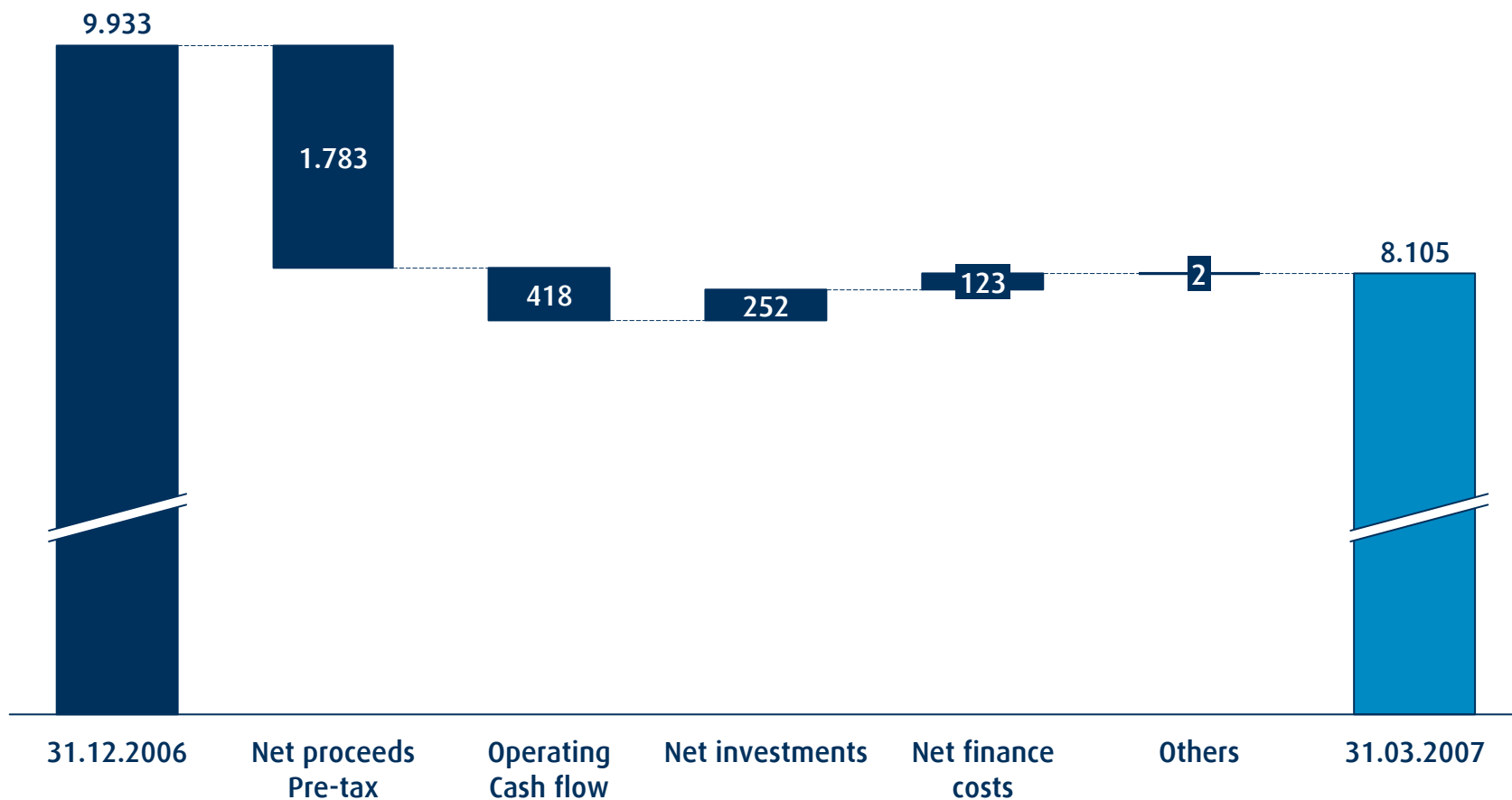
		Proceeds (Enterprise Value, €m)	Closing
Q1/07	Stake in Indura	150	31/01/07 ✓
	Linde Australia	300	01/02/07 ✓
	Stake in JAG	695	01/03/07 ✓
	8 Linde US ASUs	386	09/03/07 ✓
	INO Therapeutics	380 *	27/03/07 ✓
Q2/07	Asian Jvs with AL	275	27/04/07 ✓
	BOC Poland	370	30/04/07 ✓
	Linde UK	105	Q2/07
	BOC Edwards (Hardware business)	750 **	Q2/07
	US Retail Packaged Gases	231	Q2/ Q3/07
<b>Total</b>		<b>appr. 3,600</b>	

\* € 380 million cash proceeds plus 17% equity stake

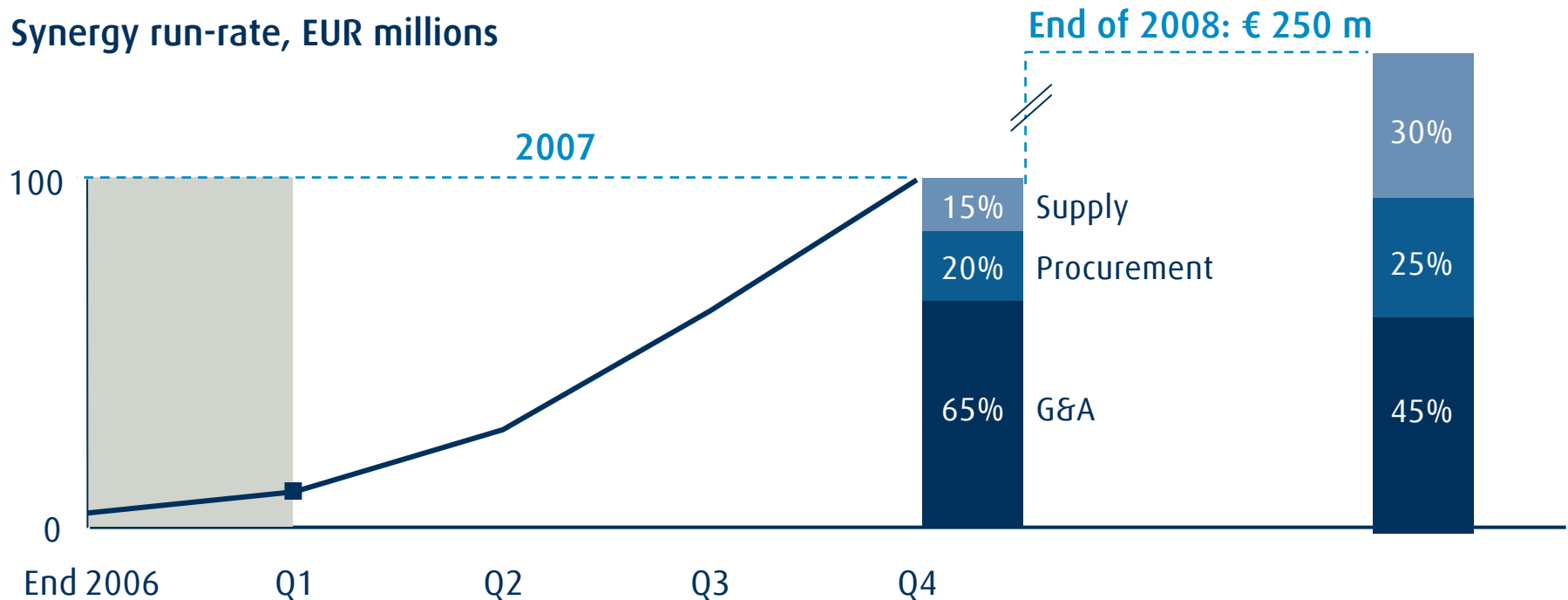
\*\* thereof € 685 million up-front and € 65 million at exit

# Significant reduction of net debt

In € million



## Synergy run-rate, EUR millions



- Synergy impact in Q1/Q2 partly offset by one-time expenses.
- G&A initiatives largely contribute to the impact in 2007, mainly driven by FTE reduction.
- Procurement and supply synergies to be realized on an on-going basis contributing in both 2007 and beyond.
- Synergy initiative progress being continuously implemented, tracked and followed up by central Programme Management

## Gases Division

- Sales increase above market growth
- Overproportionate increase of operating profit

## Engineering Division

- Further significant increase of sales and operating profit based on high order backlog and positive market environment

Thank you for your attention.

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