

Unique synergetic set up

Creating value

Customer focus

Learning organisation

Profitable growth

Healthcare

Integrated business model

Leading technologies

Innovative supply concepts

Growth markets

Full year results 2014

Building on Strengths.

Leading.



THE LINDE GROUP

Analysts' Conference Call
16 March 2015

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.

Part 1

Dr Wolfgang Buechele

1. Performance Highlights 2014
2. Strategic Focus
 - Organisational Adjustment
 - Continuous Efficiency Improvement
 - Portfolio Optimisation
 - Invest for Profitable Growth
3. Outlook

Part 2

Georg Denoke

1. Operational Performance
2. Financial Performance

Appendix

Performance 2014 Highlights

[EUR]		2013	2014	yoy [%]	yoy [%] fx adj.
Revenue	[m]	16,655	17,047	+ 2.4%	+ 4.5%
Operating Profit	[m]	3,966	3,920	- 1.2%	+ 1.0%
Operating Margin	[%]	23.8	23.0	- 80 bp	
Operating Cash Flow*	[m]	3,144	3,301	+5.0%	
EPS before non-recurring items		7.10	7.13	+0.4%	
EPS reported		7.10	5.94	-16.3%	

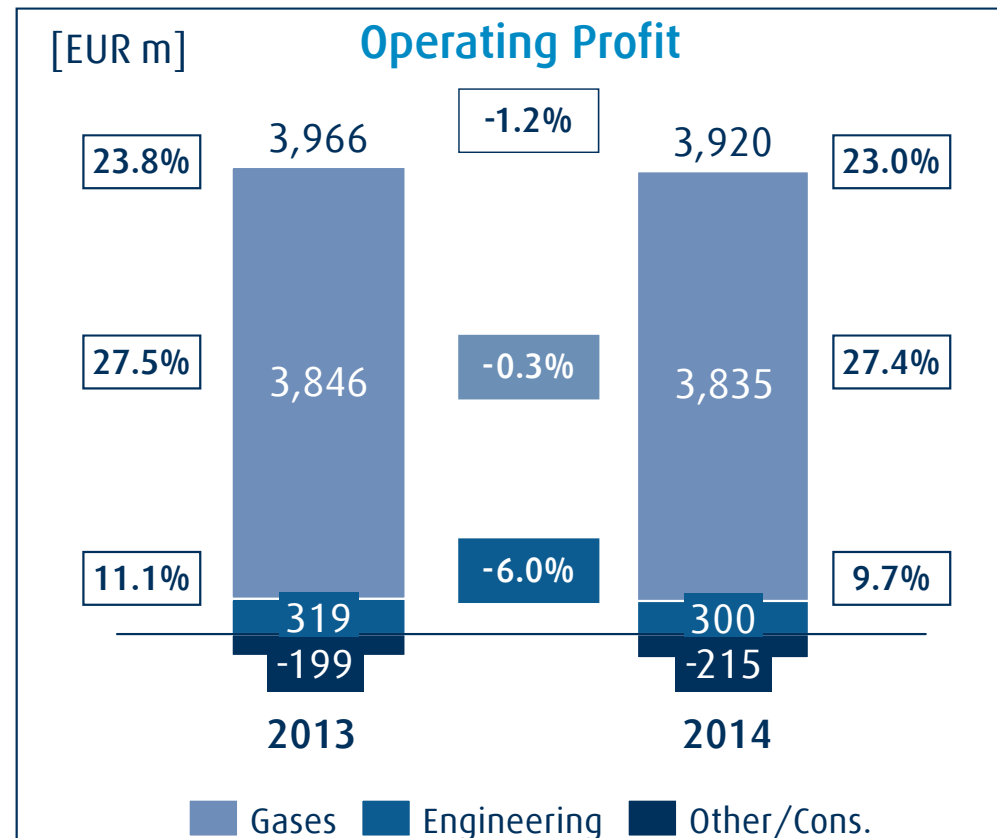
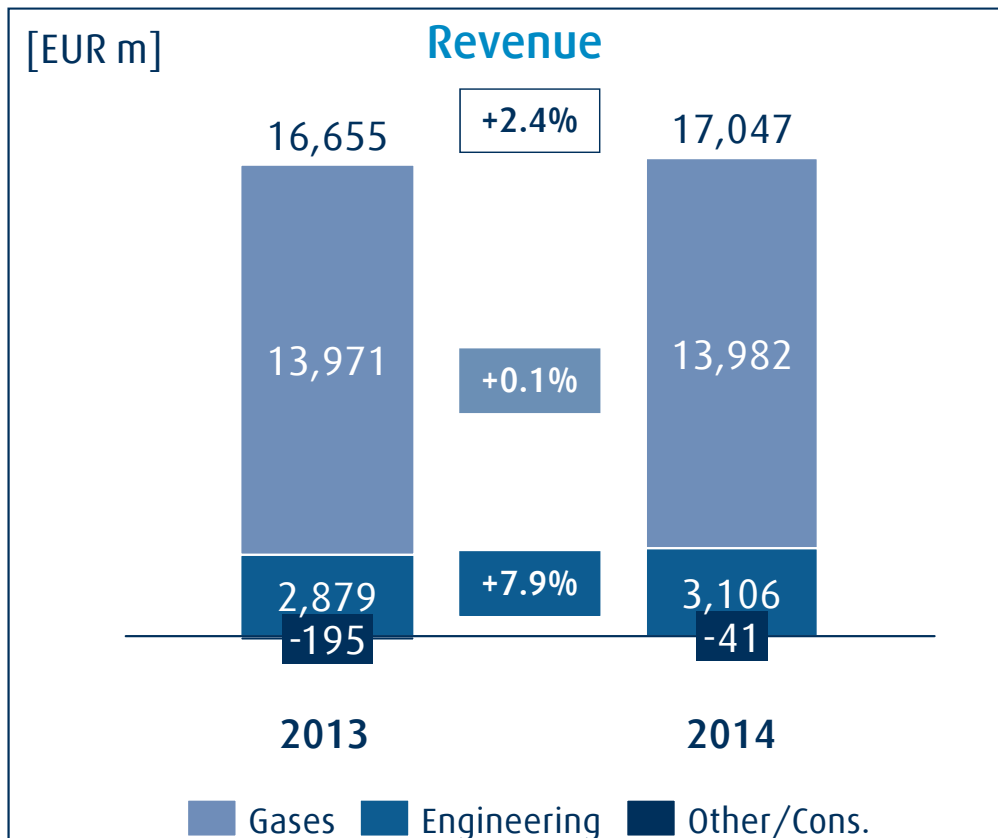
- Positive revenue development despite challenging macro-economic environment
- Strong operating cash flow even exceeding last year's high level
- Reported EPS impacted by impairment losses on plants in Q3 and restructuring expenses in Q4

Please see definitions of key financial figures on page 42

*Before pension funding of 300 million Euros

Group | Revenue and operating profit by division

Revenue and profit growth affected by currency headwinds



Gases

2.7 percent comparable growth;
Currency headwind of 2.6 percent in 2014 but positive contribution in Q4

Engineering

Strong revenue growth delivered

Gases

Margin remained at a high level

Engineering

Above industry margin due to favourable project mix

Strategy | Creating Value.

Efficient resource allocation & value generation



EBITDA ROCE Shareholder Return

value generation

Invest for Profitable Growth

mid- to long-term

Portfolio Optimisation

mid-term

Continuous Efficiency Improvement

on-going

Organisational Refinement

on-going

Strategy | Organisational Refinement

Refined operating model for profitable growth

Previous operating model

Regional Business Units

P&L responsibility

Regional Standards & Best Practices

Business Opportunities & Investment Projects



Global Business Units / Business Areas

Strong influence on P&L

Global Standards & Best Practices

Business Opportunities & Investment Projects

Corporate & Support Functions

Business Support

Refined operating model with clearly defined roles & responsibilities

Regional Business Units

P&L Responsibility

Global Governance Centers

Standards & Best Practices

Corporate & Support Functions

Business Support

Opportunity & Project Development

Business Opportunities & Investment Projects

Strategy | Organisational Refinement

Restructuring measures in Southern Hemisphere

Refined Operating Model

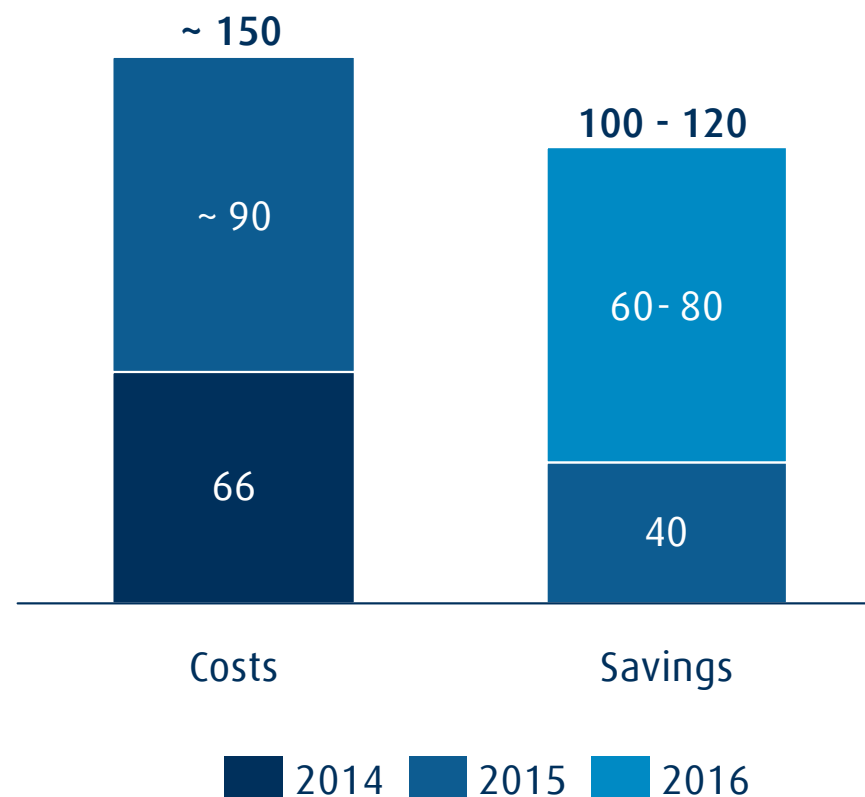
- Advanced and lighter matrix structure empowering the operational business units
- Global Governance Centres established to define business standards
- Implementation of an enhanced Opportunity & Project Development process and organisation for investment decisions

Restructuring in the Southern Hemisphere

- Australia to adjust to deindustrialisation trend in the country - restructuring
Status: in implementation
- South Africa and Brazil to adapt to the slower growth economic environment
Status: first measures initiated; detailed scenarios under development

Expected associated costs and savings

[EUR m]



Strategy | Continuous Efficiency Improvement

From HPO to a learning organisation

Learning Organisation

Gross Cost Savings

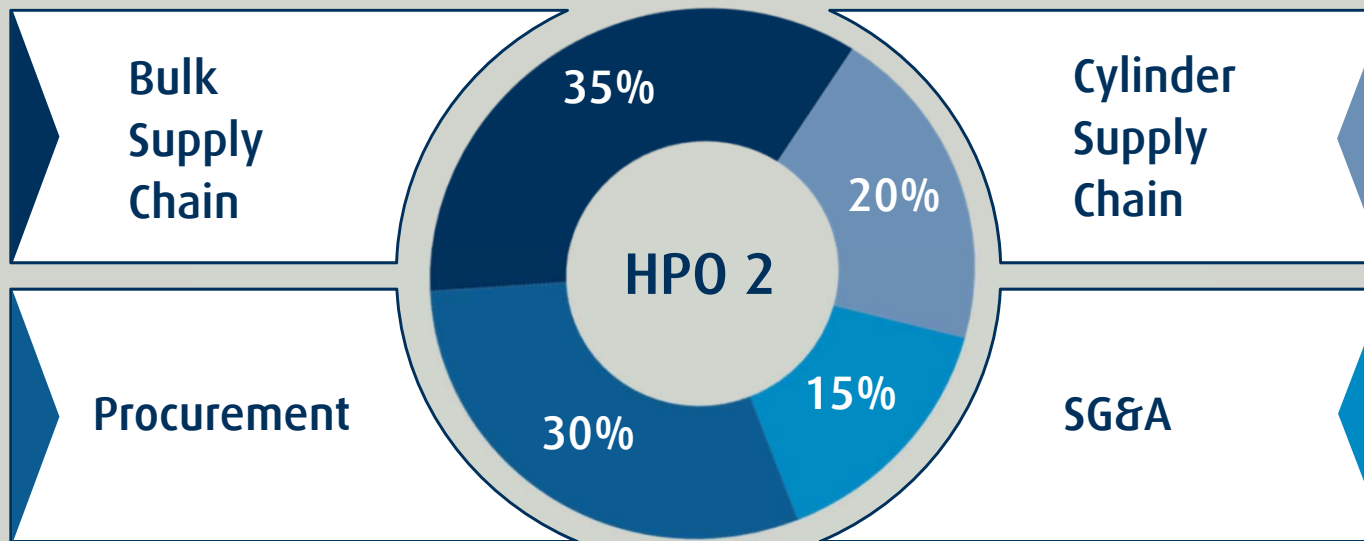
HPO 1 | 2009-2012

HPO 2 | 2013-2016
EUR 750-900 m



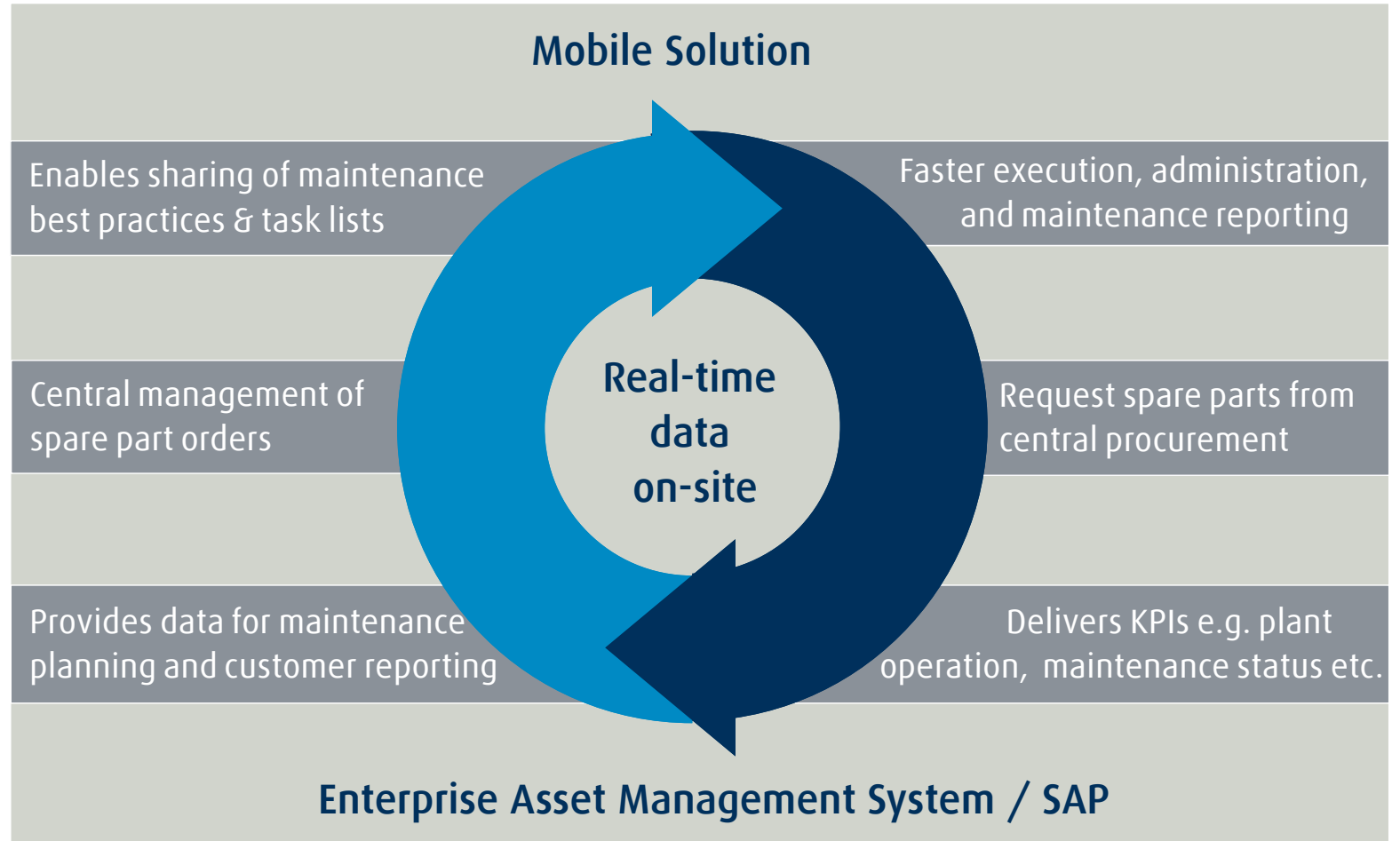
2014 ▲

Continuous
efficiency
improvement



Strategy | Continuous Efficiency Improvement

Example: Mobile solution for maintenance processes



- Reduces maintenance spending, including third party costs
- Reduces costs of downtime
- Central management of spare part orders leads to optimised procurement & inventory mgmt.
- Expected savings of EUR ~10 m in North America; further potential across Group

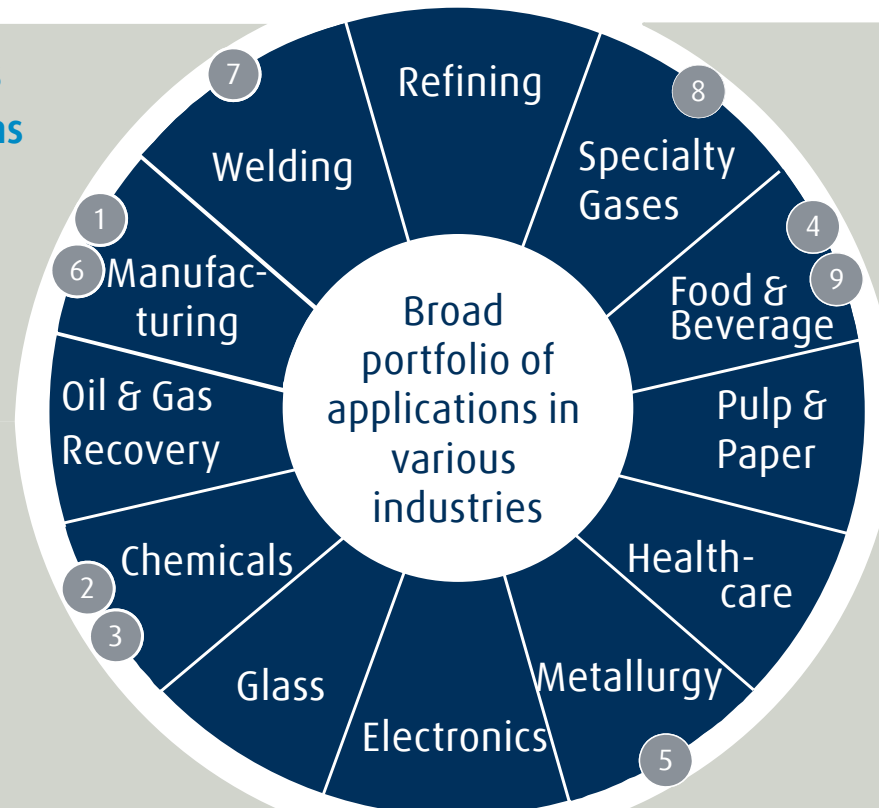
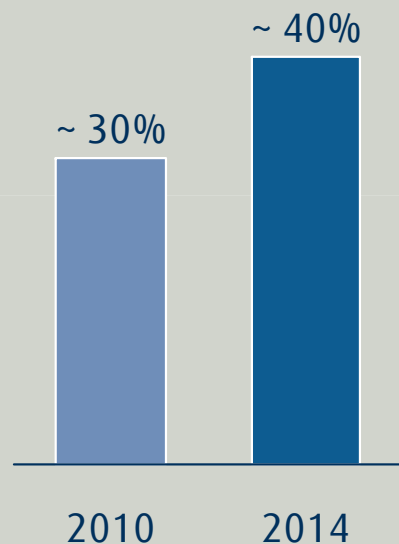
Strategy | Portfolio Optimisation

Example: Customer Focus - Applications as growth driver

Advantages of application and solutions approach

- Providing customer solutions creates higher value than pure molecule supply
- Even higher customer loyalty
- Transferability of solutions and know-how across industries and geographies

Share of Merchant revenues driven by tailored applications and solutions



Examples in Bulk

- 1 CRYOCLEAN™
- 2 LoTOx™
- 3 OXYMIX™
- 4 SOLVOX™ OxyStream
- 5 REBOX™

Examples in Cylinder

- 6 LINDOFLAMM®
- 7 VARIGON
- 8 ECOCYL™
- 9 MAPAX™

LINDOFLAMM®

Tailored solutions to improve productivity for all metal heating applications



Increased value creation

- Solution sales including burners, automation & safety equipment
- Drive sales of highest value acetylene instead of LPG or natural gas
- Higher volume consumption of acetylene

Higher customer loyalty

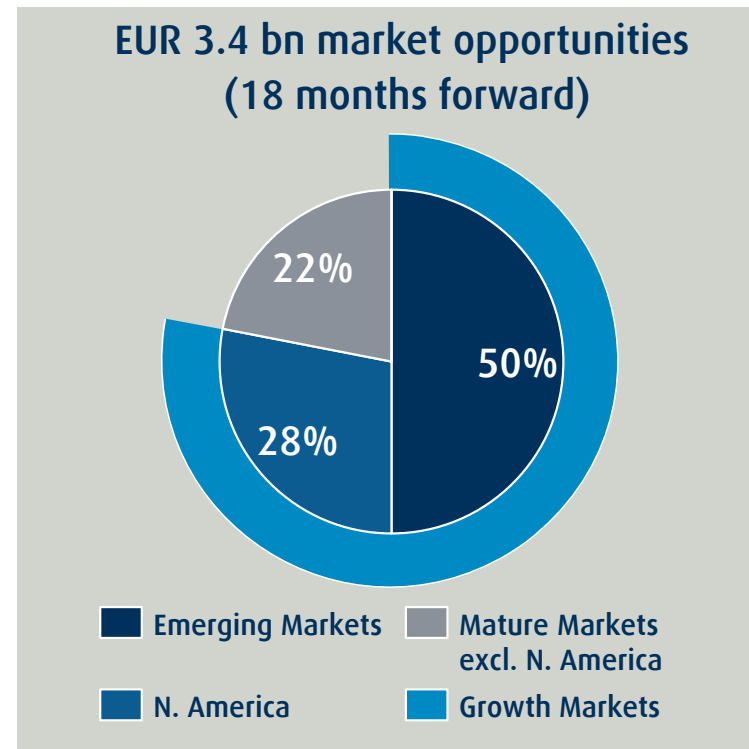
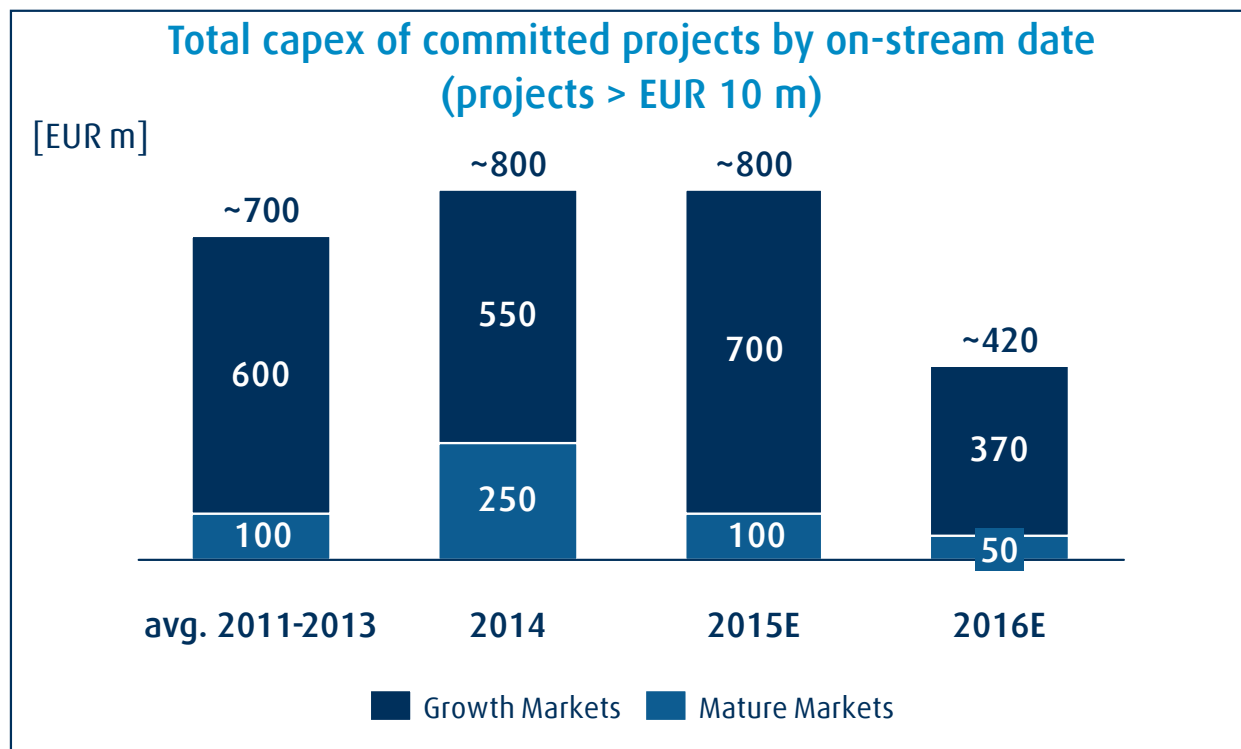
- Multi-year supply contracts for acetylene cylinders, bundles, trailers
- Ongoing interaction with customer to maintain / expand burner base
- Additional supply contracts for other gases and equipment

Leverage Linde's global footprint

- Worldwide customer base already established (Europe, Asia, Africa)
- Technology also applicable for other metal fabrication applications including brazing and hardening (for both manual and automated installations)

Strategy | Invest for profitable growth

Project pipeline oriented towards Growth Markets



- Around 80 percent of project investments are allocated to growth markets (including North America)
- Capex/Sales ratio in Gases will be lower compared to the previous years
- Due to larger project sizes the average project execution time has increased up to 36 months

Portfolio of market opportunities decreased sequentially to EUR 3.4 bn due to challenging investment climate e.g. from oil price development

Strategy | Invest for profitable growth

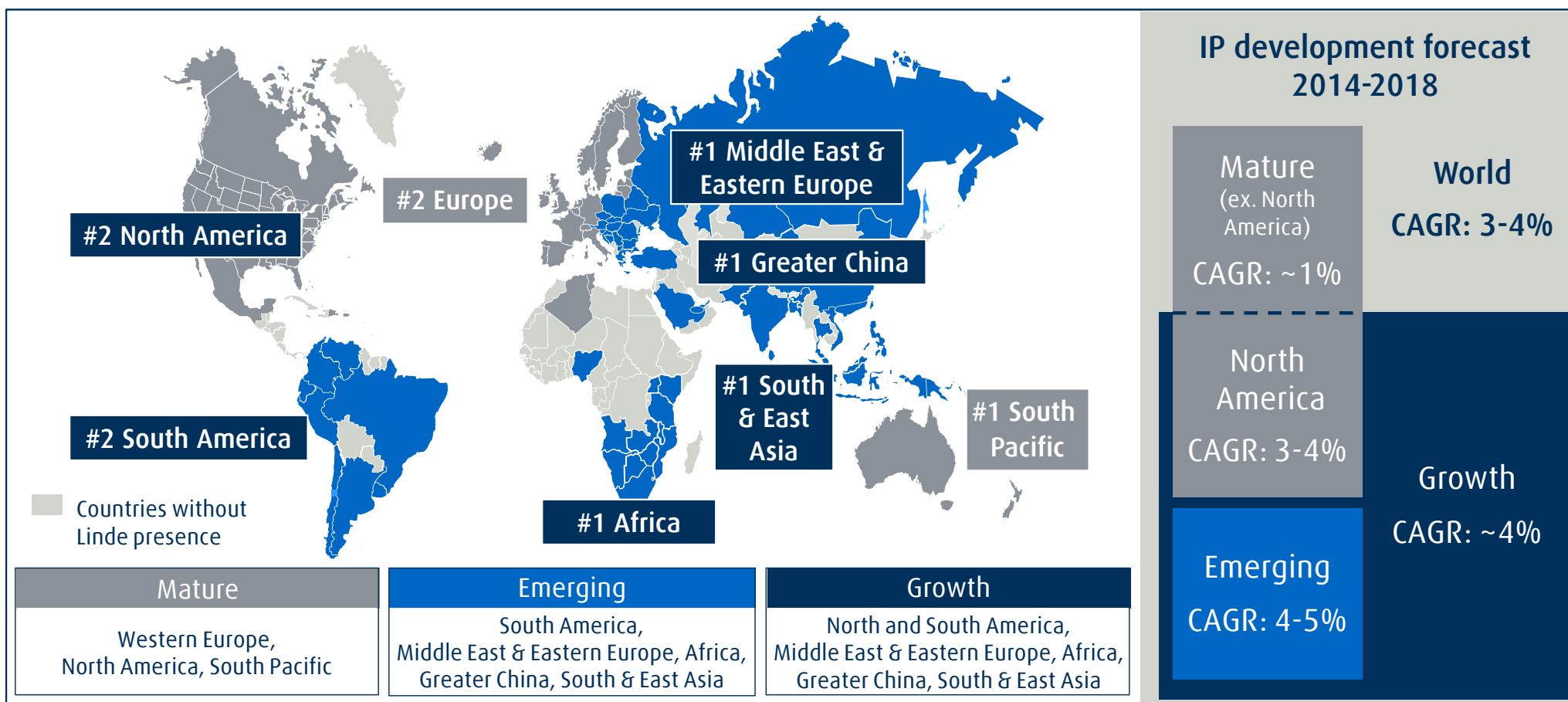
Established leader in high growth regions



Market leader in 51 countries and in 4 out of 6 Growth Markets

Number 2 in 21 countries

90 percent of Gases revenues are generated in 30 countries



Source: Linde data, figures for industrial gases and respiratory healthcare (excl. Japan and equipment)

Source: EIU, February 2015, Linde sales weighted

Strategy | Invest for profitable growth

Healthcare | Resilient growth profile

Linde's business profile

- ▶ Global presence (60 countries)
- ▶ Serving 1.5 million homecare patients
- ▶ Supplying ~20,000 hospitals
- ▶ Lincare's US market share further increased to 32 percent
- ▶ Cost leadership through economies of scale, e.g. purchasing power
- ▶ Know-how transfer between markets (e.g. distribution network, best practices)

Growing patient base

Example COPD

[%] = annual growth

COPD
Global population [+2-3%]

Diagnosed patients [+4-5%]

Stage III + IV patients [+4-5%]

On oxygen [+5-7%]

Linde's current market share

Innovation



Smart Cylinder
Best-in-class cylinder package with new technology supporting clinical staff in hospitals and securing medical compliance



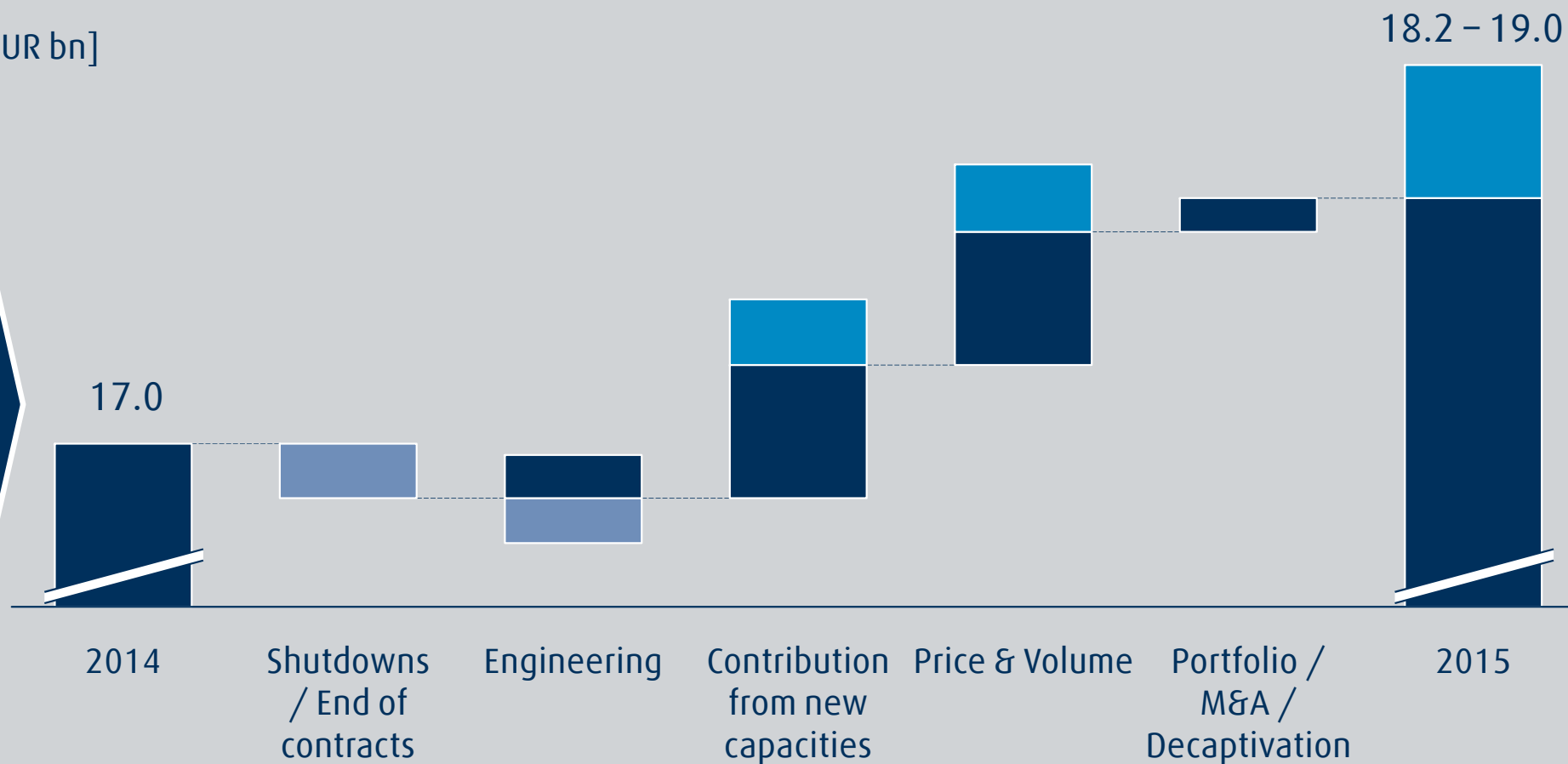
LIVOPAN®
Medically-approved pain relief mixture suitable for children and during childbirth

Outlook | Revenues

18.2 to 19.0 bn EUR

Revenues

[EUR bn]



■ Dependent on economic development and exchange rate development
 ■ Negative effects

Outlook

Building on Strengths.

Short-term outlook*		2015
Group	Revenue	18.2 to 19.0 billion Euros
	Operating Profit	4.1 to 4.3 billion Euros
	ROCE	9 to 10 percent
Gases Division	Revenue	14.9 to 15.4 billion Euros
	Operating Profit	4.05 to 4.25 billion Euros
Engineering Division	Revenue	3.0 to 3.3 billion Euros
	Operating Margin	Around 8 percent
Medium-term outlook**		2017
Group	Operating Profit	4.5 to 4.7 billion Euros
	ROCE	11 to 12 percent
	Efficiency	750 to 900 million Euros

Please see definitions of key financial figures on page 42

* Dependent on economic development and exchange rate development

**As communicated at 9M 2014 reporting and based on exchange rates prevailing at that point in time

Building
on
Strengths.

Well
positioned.

- Unique Integrated Gases & Engineering setup
- Leading position in mature and growth regions
- Established clusters with high density

Stormproof.

- Consistent revenue growth and solid margin
- Broad customer mix
- Balanced and broad range of end markets

Profitable
growth.

- Growth supported by demand drivers, investment pipeline and Healthcare
- Creating customer value via applications

Continuously
improving.

- HPO on track to deliver targeted savings
- Continuous efficiency improvement and transformation towards a learning organisation

Staying
on track.

- Sound cash generation ability
- Solid financial position
- Consistently increasing dividend

Value
generation.

Part 1

Dr Wolfgang Buechele

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Part 2

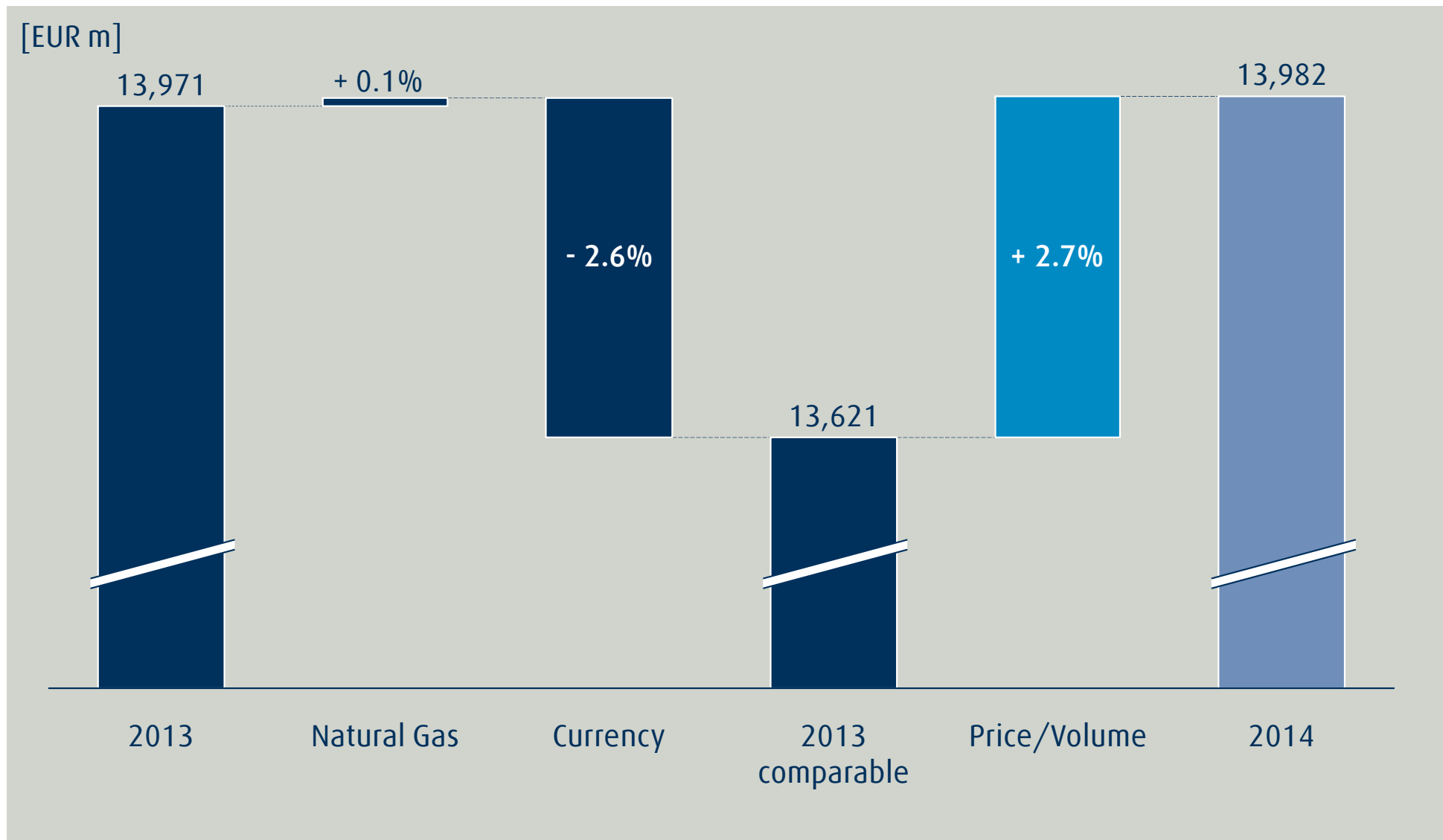
Georg Denoke

1. Operational Performance
 - Gases Division
 - Engineering Division
2. Financial Performance
 - Financial KPIs
 - Capex
 - Dividend

Appendix

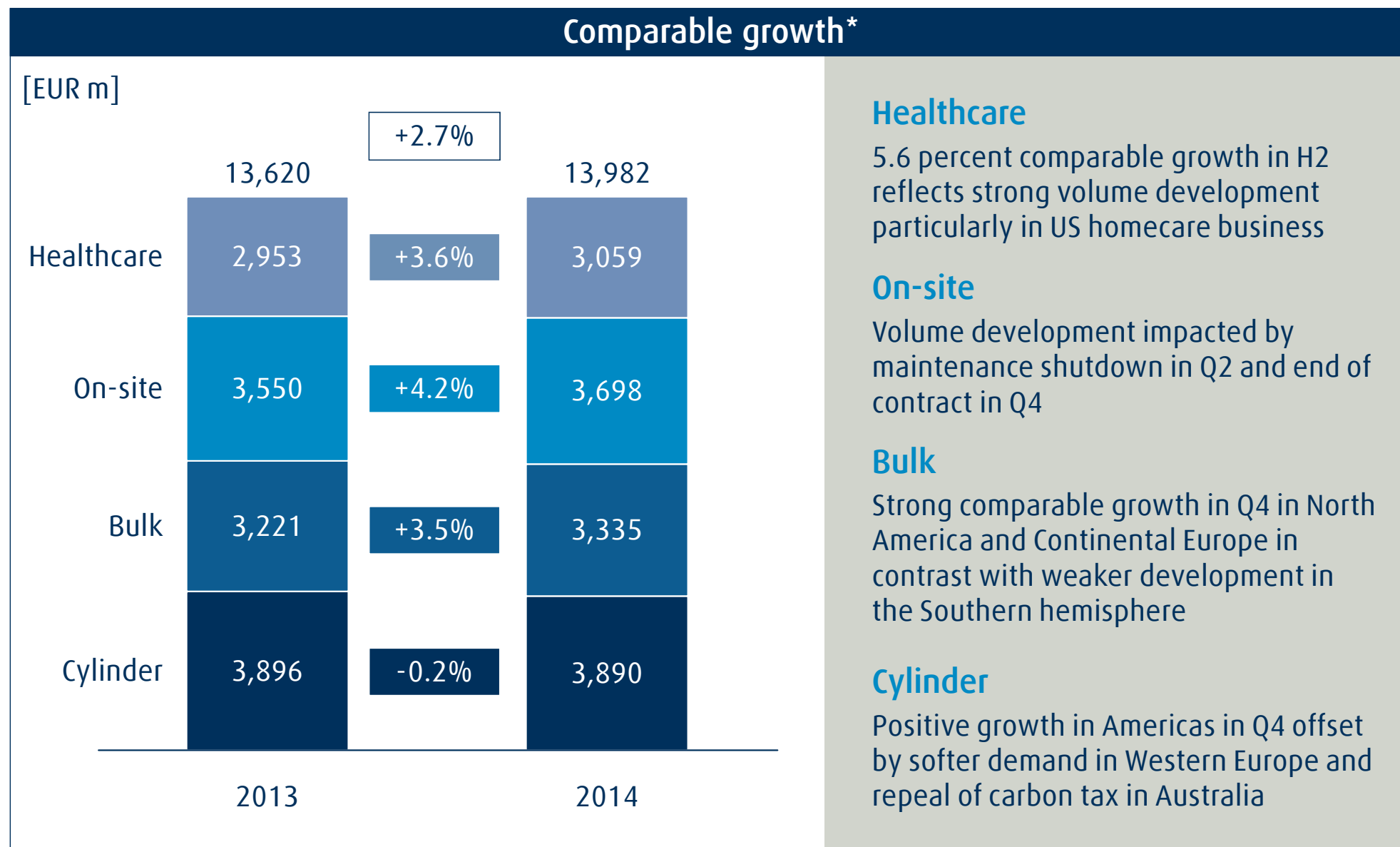
Gases Division | Revenue bridge

Price/volume increase of 2.7 percent in 2014



Gases Division | Revenue by product areas

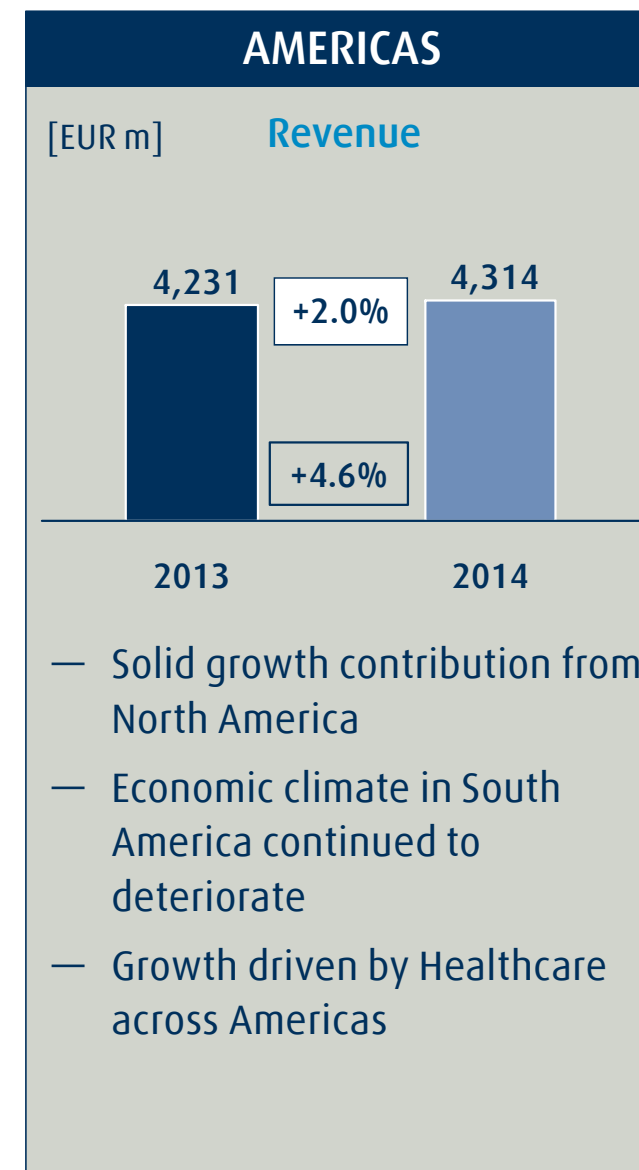
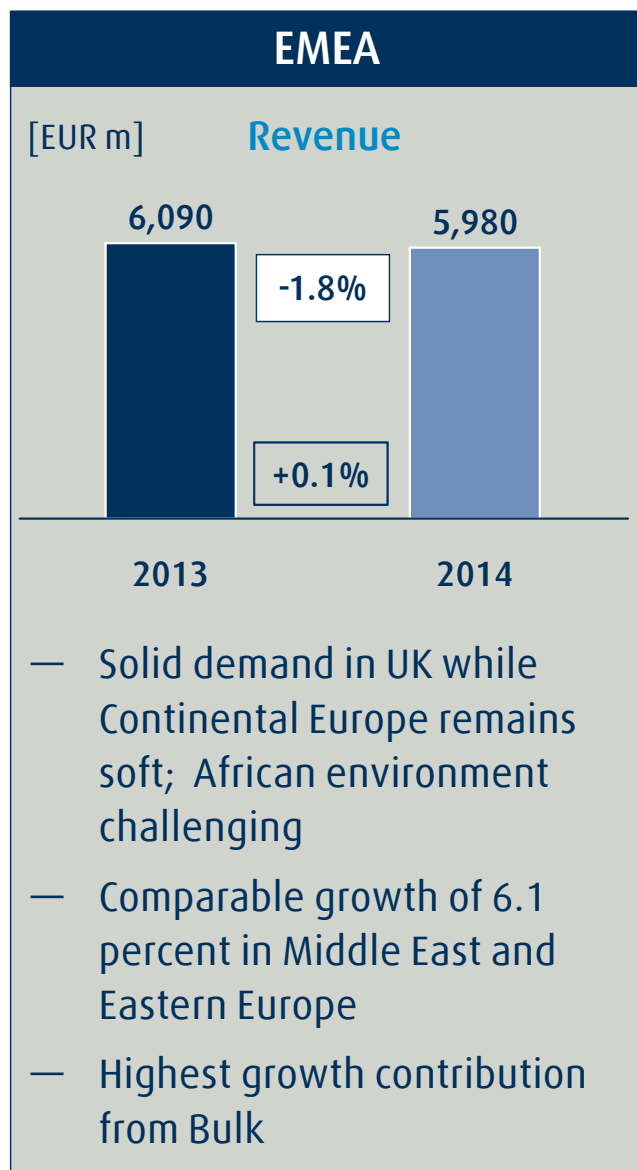
Positive growth development in 2014



*excluding currency and natural gas price effect

Gases Division | Revenue by operating segment

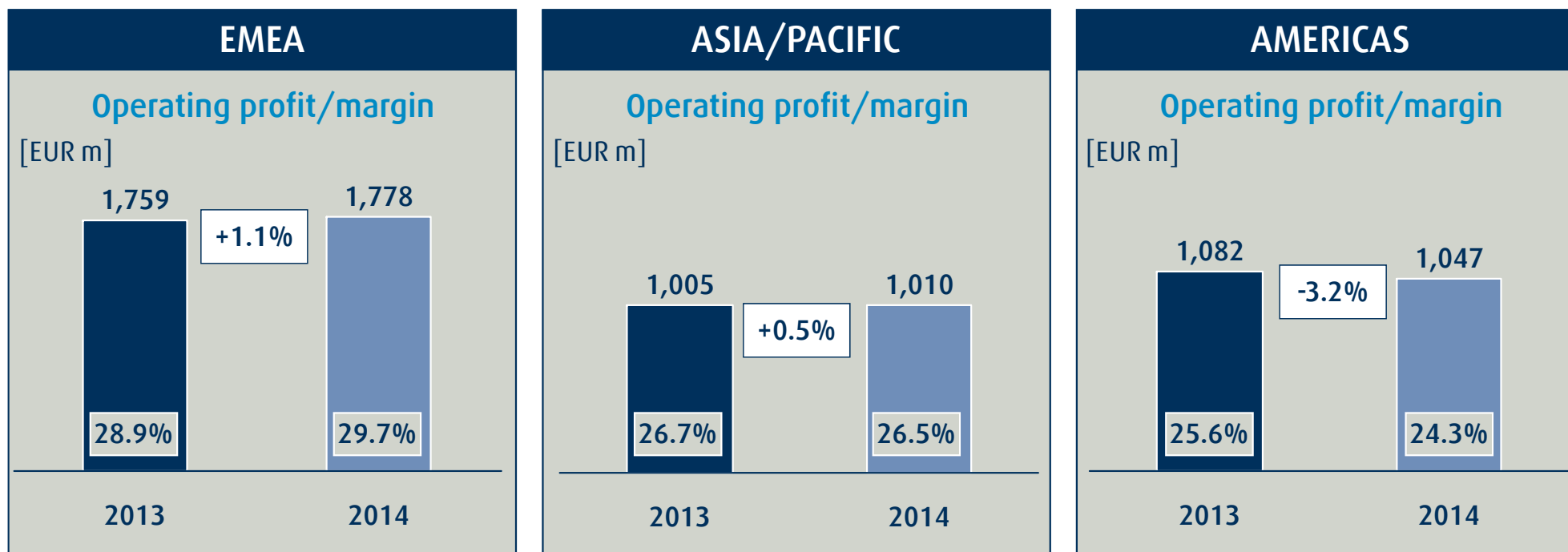
Underlying growth in all segments



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

Gases Division | Operating profit by operating segment

Gases margin of 27.4 percent



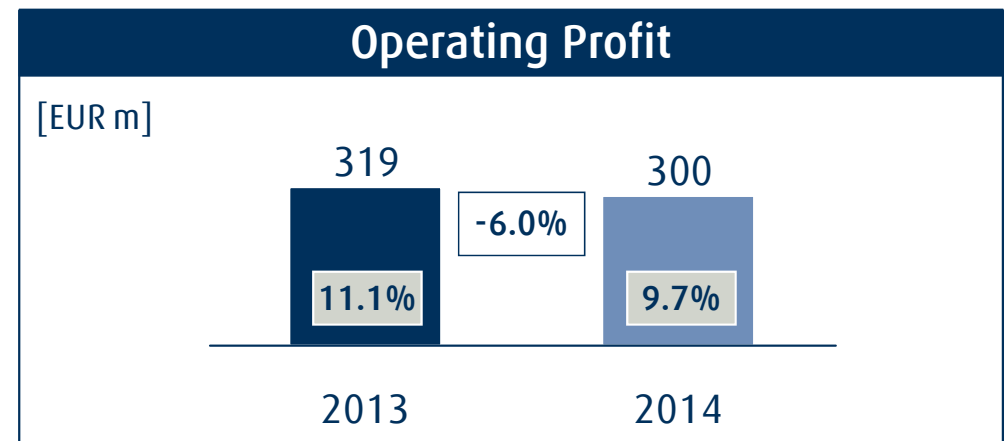
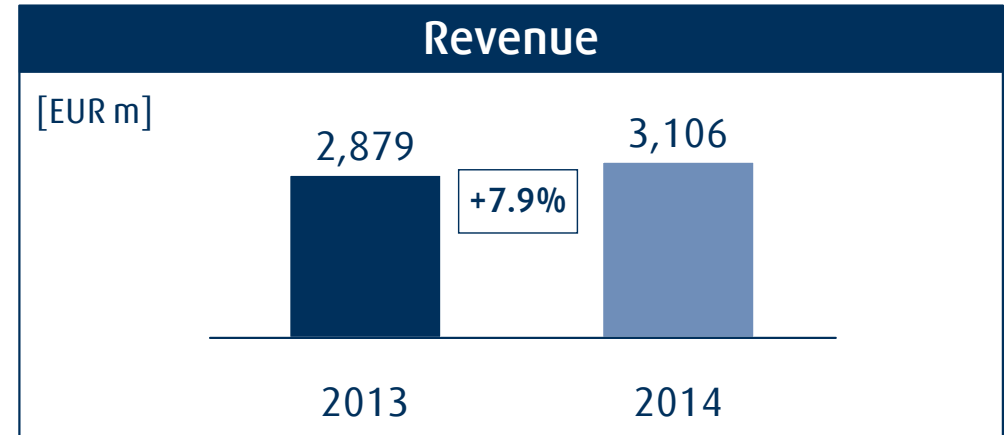
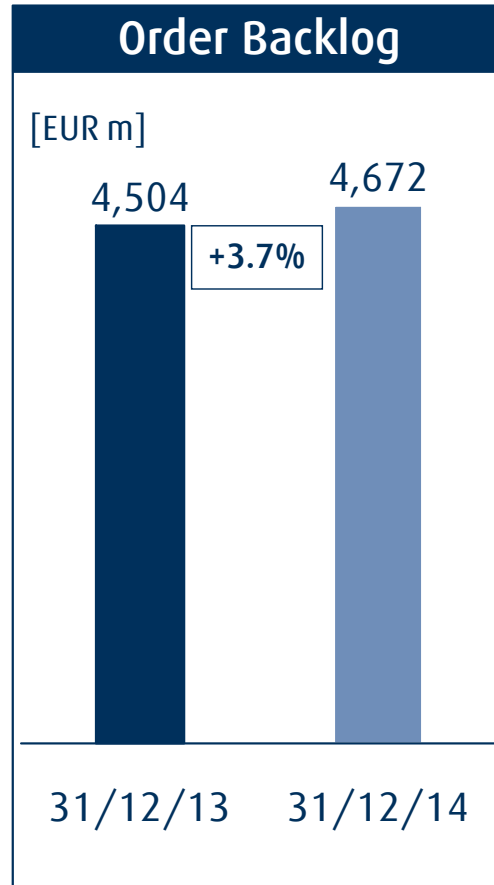
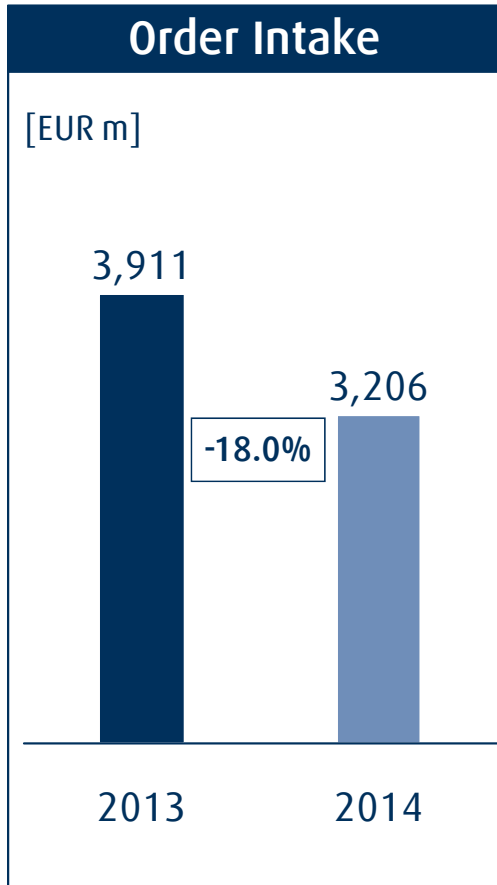
Operating profit/margin development

- Margin development in EMEA supported by higher contributions from UK and Middle East
- Stable margin in Asia/Pacific despite weak economy in South Pacific
- Margin in Americas diluted by natural gas prices in North America and weakness in South America

Reported growth
 Operating profit margin

Engineering Division | Key figures

Record revenues and order backlog



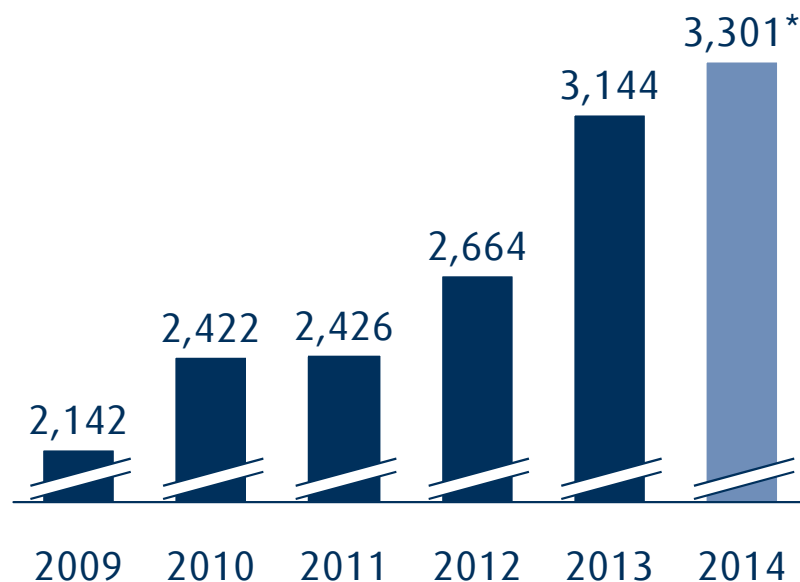
- Revenue development and margin on target
- Margin remains above mid-term guidance of 8 percent
- High order backlog provides a good position in challenging investment climate

Financial Performance | Key indicators

Strong operating cash flow development

Cash flow from operating activities

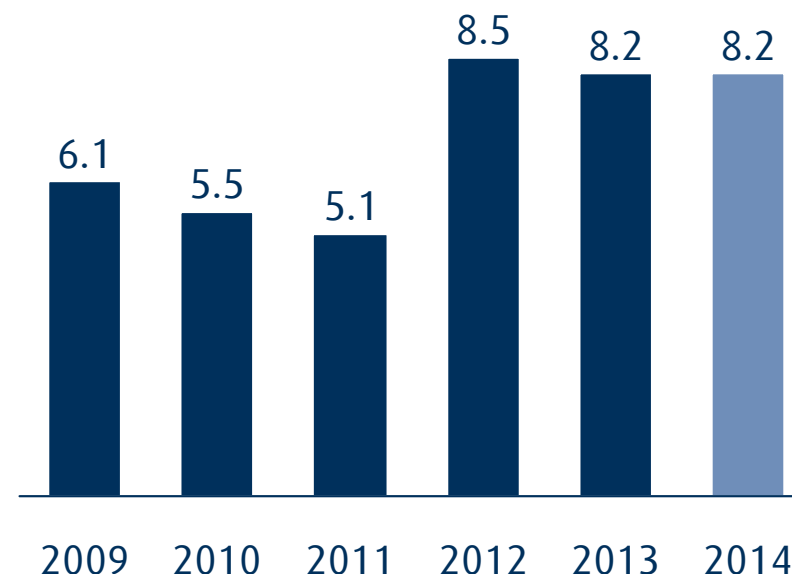
[EUR m]



- Very high level of operating cash flow
- Increase in cash flow from operating activities of 5.0 percent despite decline in operating profit
- Development supported by advanced payments received by Engineering Division but restrained by higher income taxes paid

Net debt

[EUR bn]

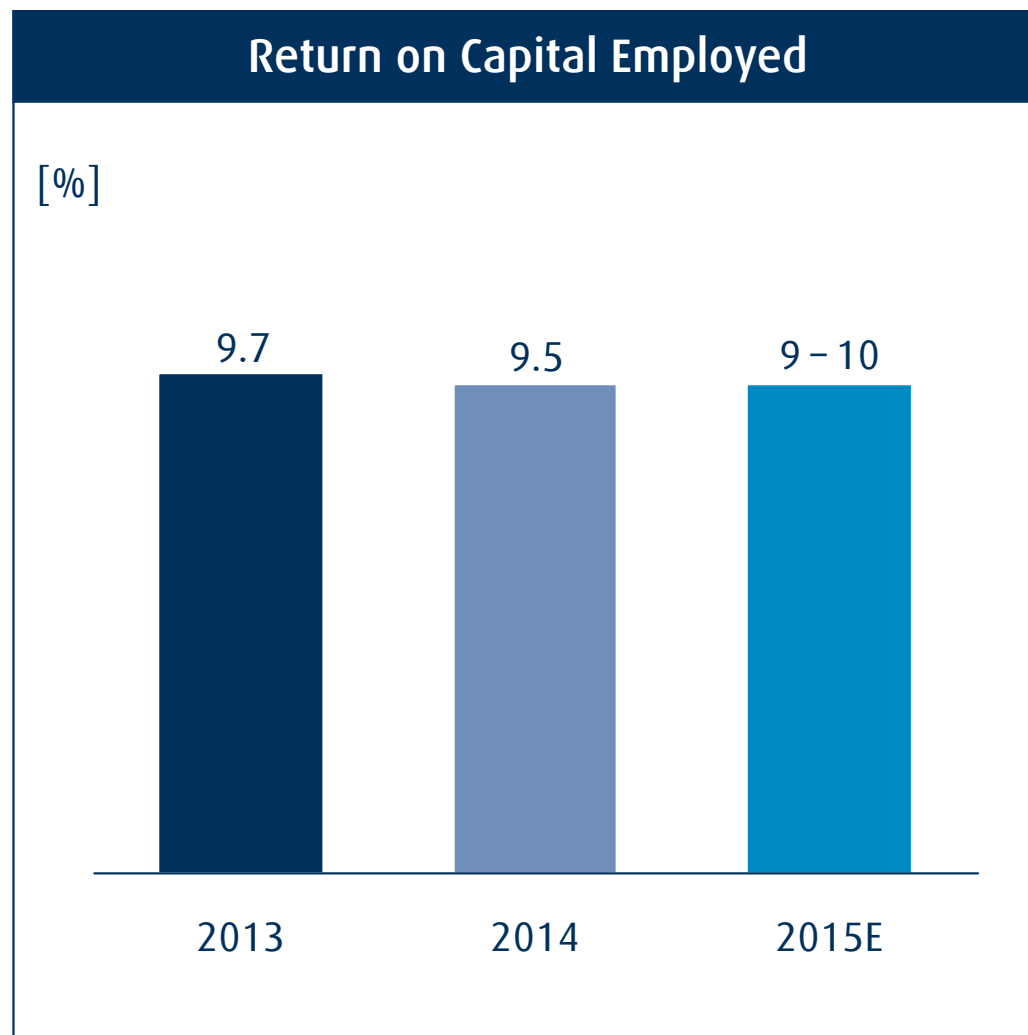


- Net debt/EBITDA ratio stable at 2.1x
- S&P: Rating unchanged A+/A-1 (stable outlook)
- Moody's: Rating upgrade to A2/P-1 with stable outlook (16 June 2014)

* Before pension funding

Financial Performance | Return on Capital Employed

Development impacted by FX movements



Please see definitions of key financial figures on page 42

- Capital employed calculated with FX spot rates at year end
- Average capital employed up by around 500 million Euros mainly due to
 - exchange rate effects
 - increased assets under construction

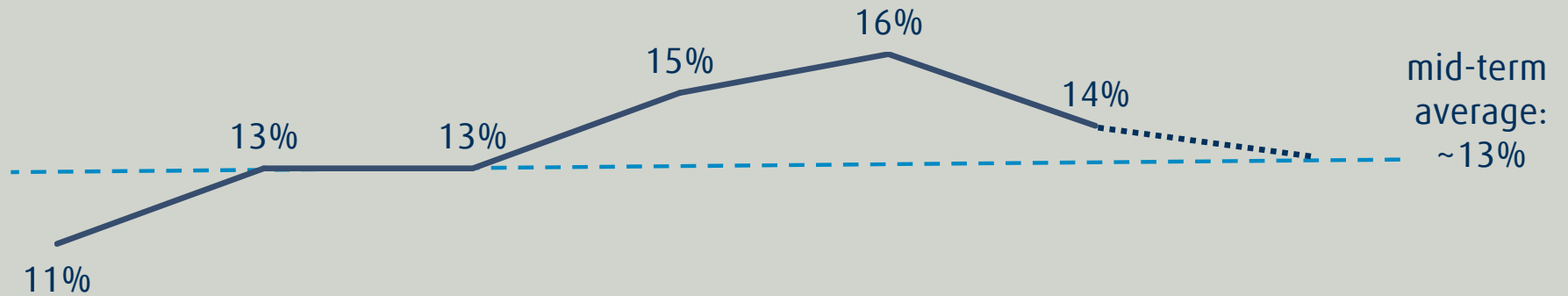
▶ Negative technical impact on return on capital employed

Financial Performance | Capex Gases Division

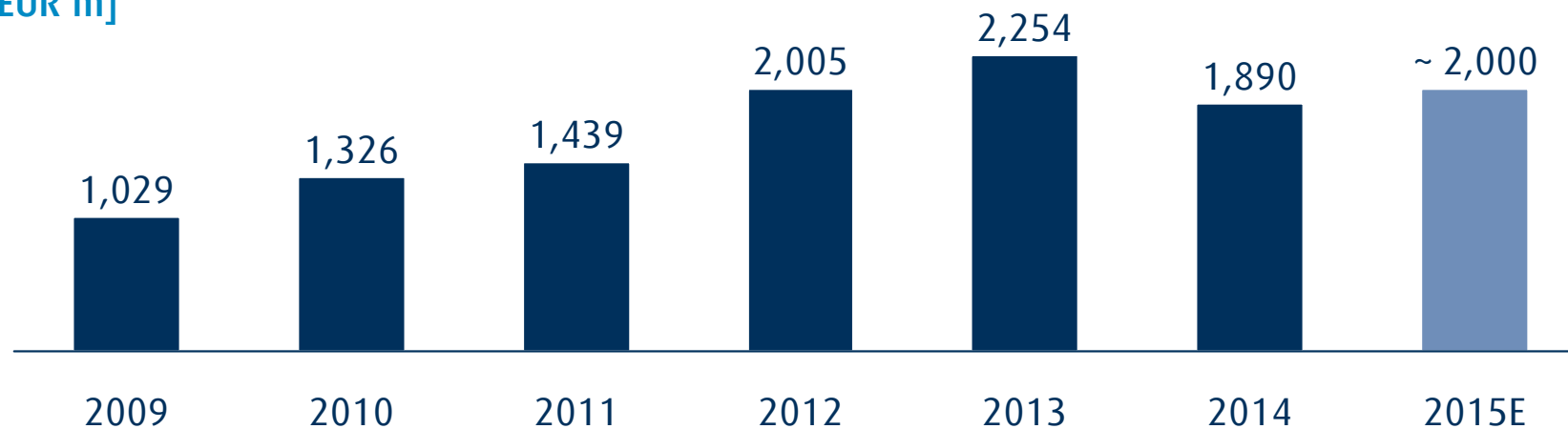
Capex guidance higher due to FX effects



Capex/sales ratio



Capex [EUR m]



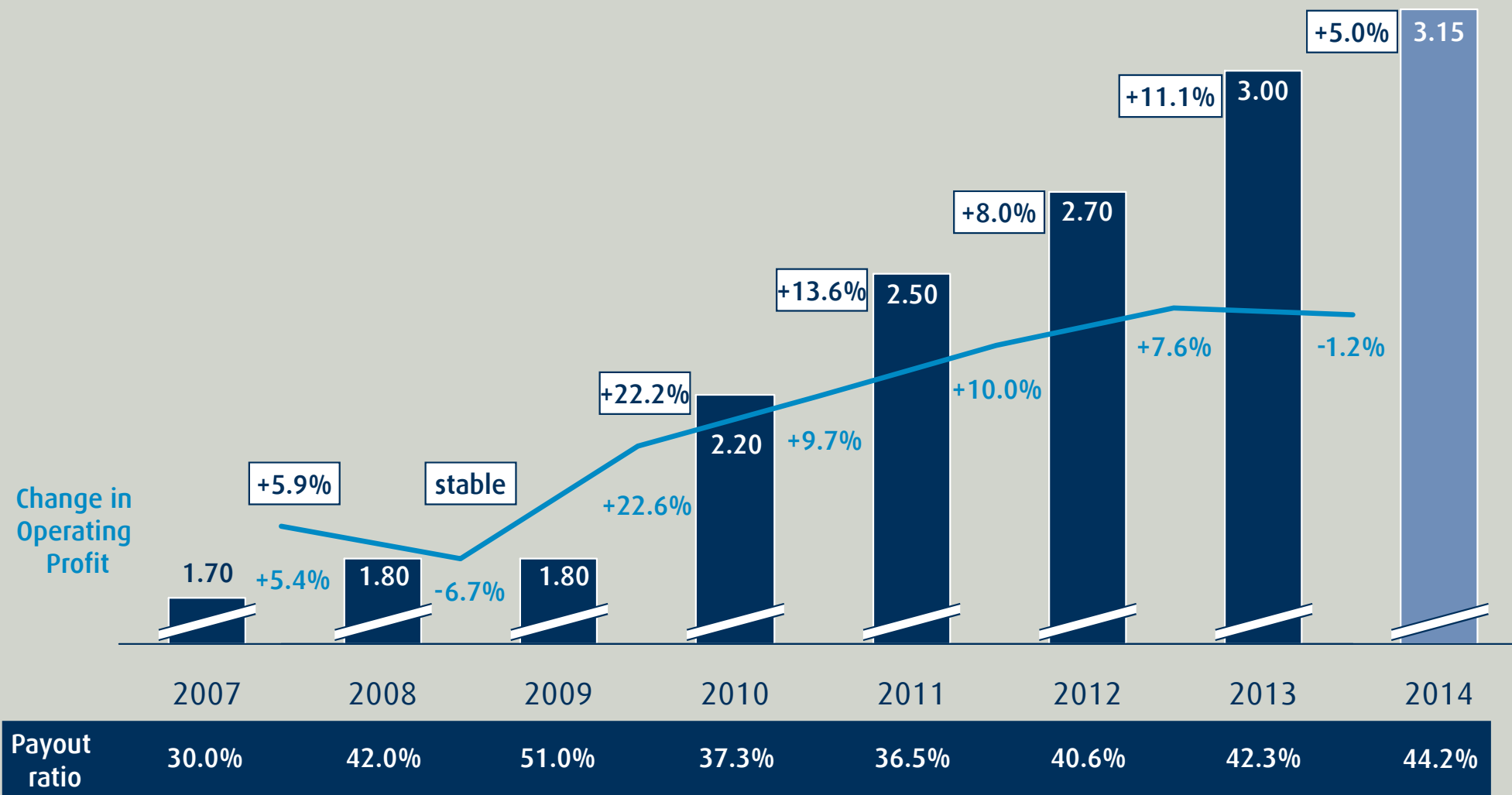
Financial Performance | Dividend

Proposed dividend increase of 5 percent to EUR 3.15



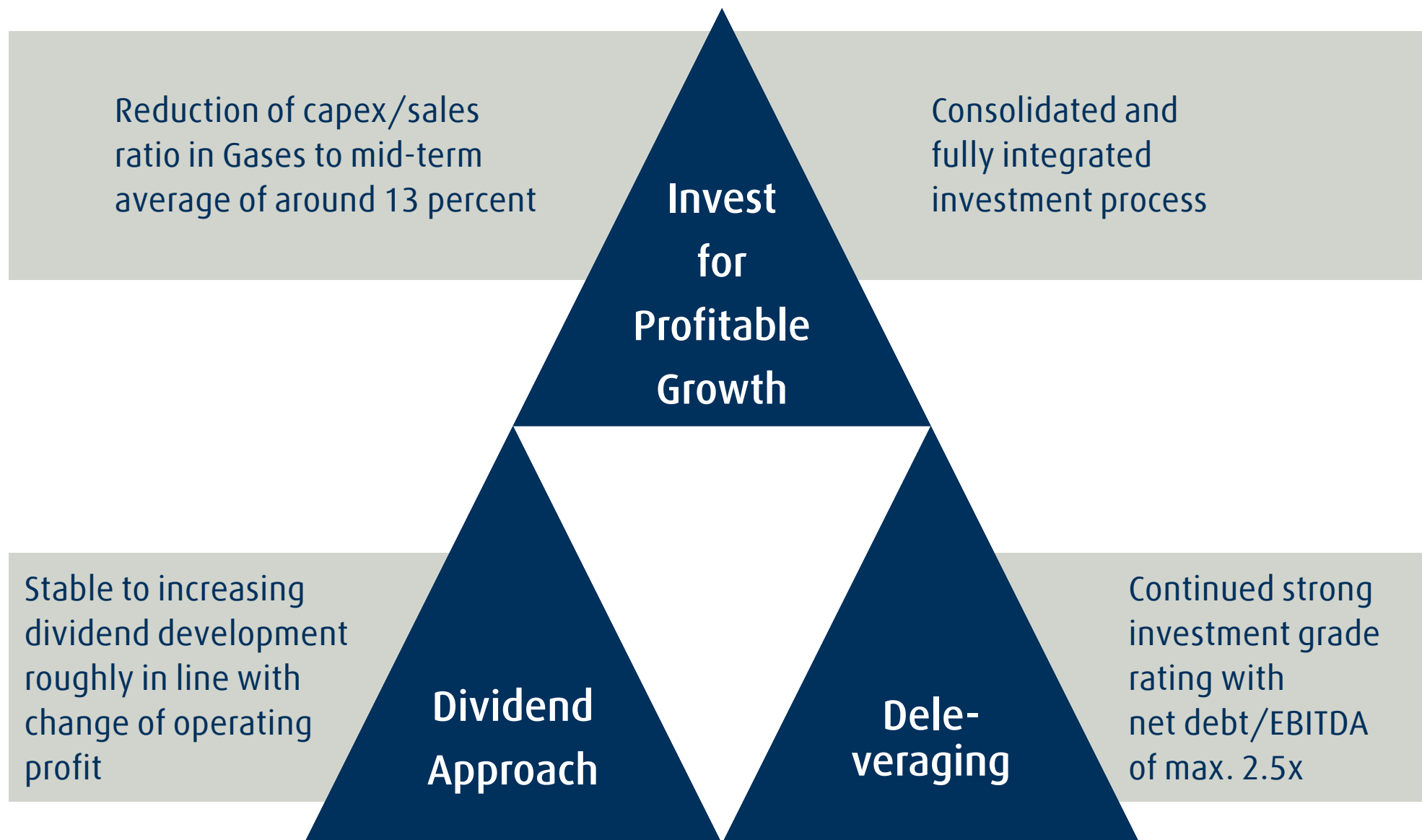
[EUR per share]

Dividend CAGR 9.2%



Group | Use of Cash Flow

Balancing returns & future growth based on a solid financial position



Part 1

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Georg Denoke

1. Operational Performance
2. Financial Performance

Group | Financial position

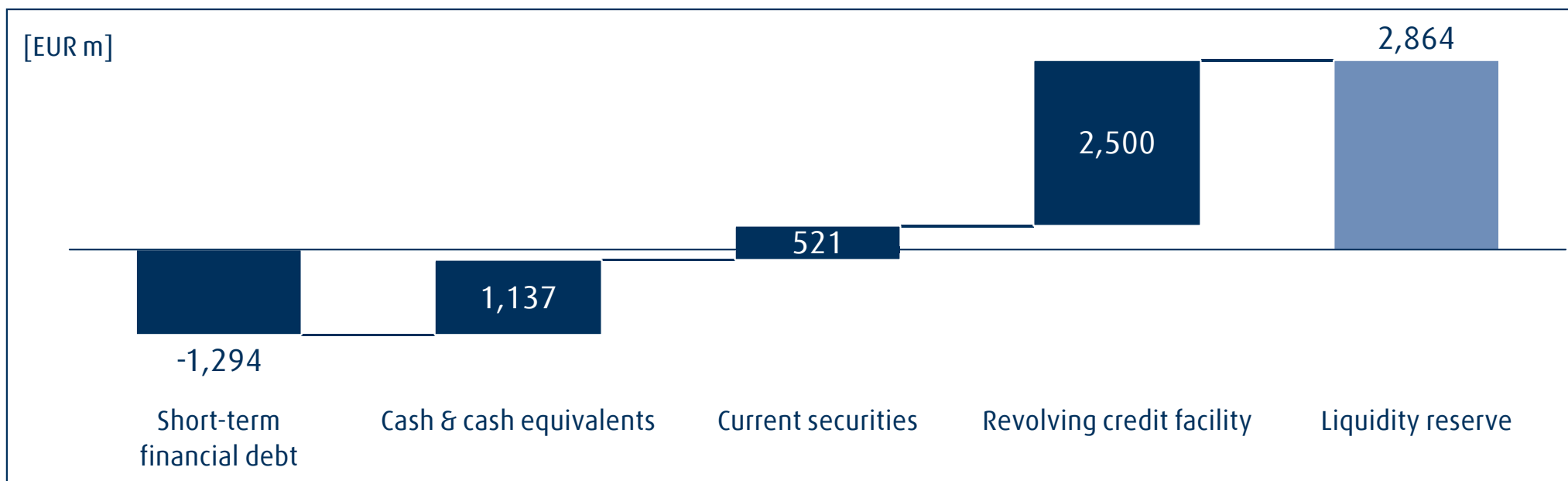
Liquidity position remains strong

EUR 2.5 bn committed revolving credit facility

- 2013: Early refinancing with 33 domestic and international banks
- 2014: Exercise of one year extension option
- Maturing in 2019, extendable by 1 more year
- No financial covenants
- Fully undrawn

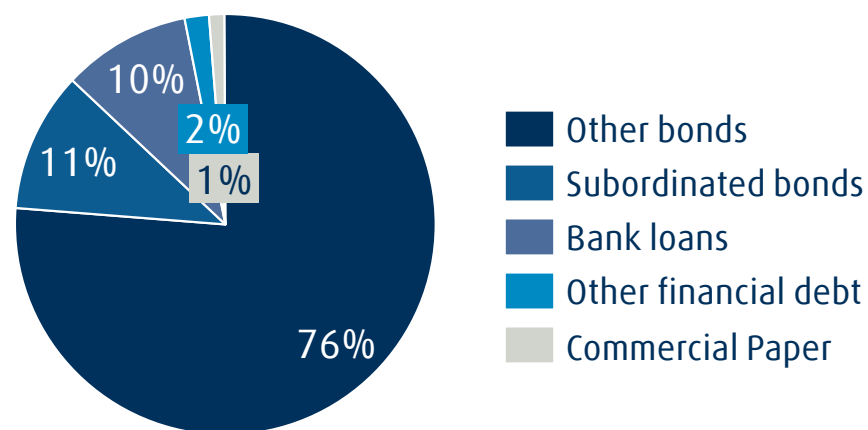
Central liquidity position

- Strong liquidity profile remains centerpiece in financial strategy
- Supported by continuous efforts to upstream cash
- Very conservative investment guidelines



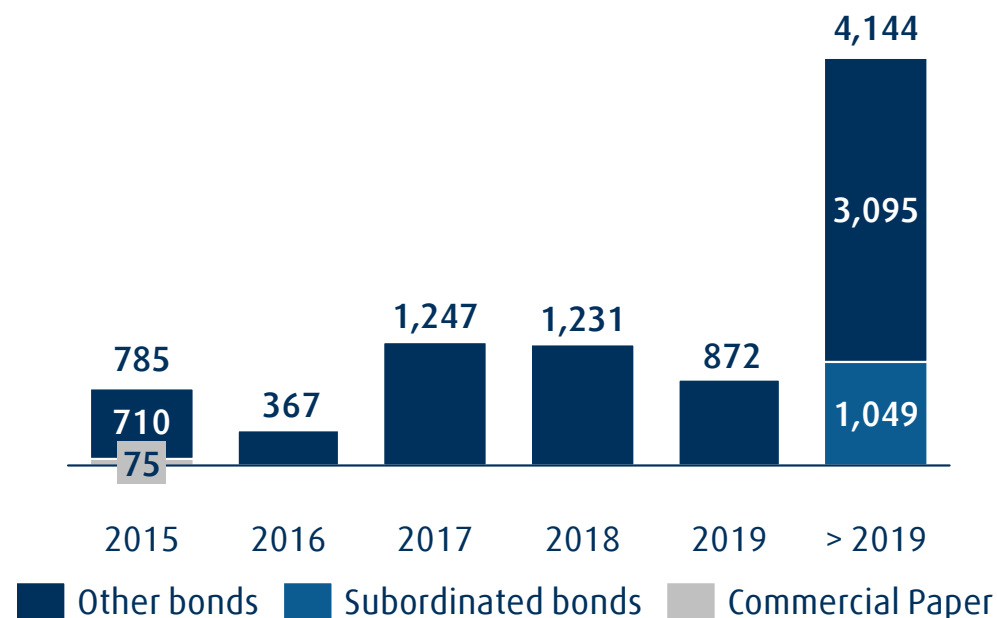
Gross financial debt by instrument

[EUR m]



Capital market debt by maturity

[EUR m]



Maturity profile remains very long-dated

- Approx. 90 percent of total financial debt is due beyond 2015
- Approx. 45 percent of total financial debt has a longer maturity than 5 years
- Excellent access to capital markets: long-term financing across markets and currencies

Group | Pensions

Key figures 2014

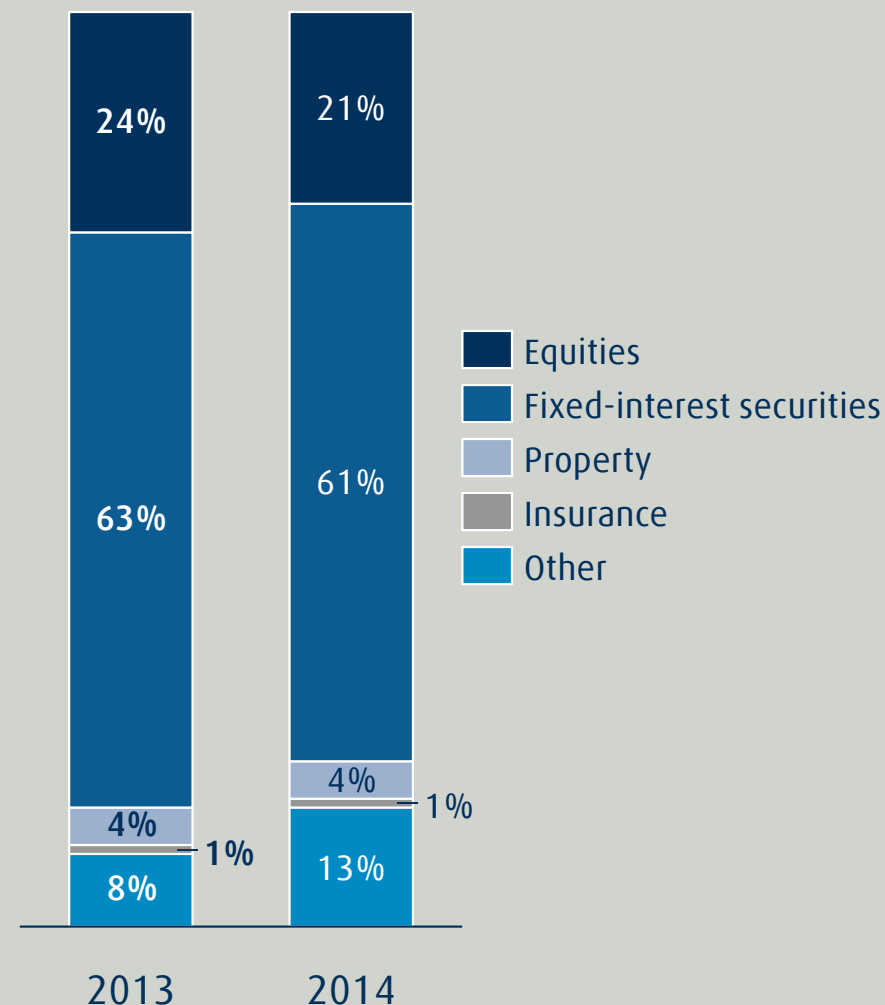
Net obligation

[EUR m]

	DBO	Plan asset	Net obligation
01/01/2014	5,841	5,073	768
Service costs	107		107
Net financing	254	237	17
Actuarial losses/gains	865	224	641
Contributions/payments	-236	217	-453
Other	313	317	-4
31/12/2014	7,144	6,068	1,076*

* Figure does not include effects from asset ceiling and provisions for similar obligations

Pension plan assets portfolio structure



Group | 2014

Key P&L items

[EUR m]	2013	2014	Δ in %
Revenue	16,655	17,047	2.4
Operating profit	3,966	3,920	-1.2
Operating margin	23.8%	23.0%	-80bp
PPA depreciation for BOC	-225	-227	-0.9
Depreciation & amortisation (excl. PPA BOC)	-1,570	-1,742	-11.0
thereof non-recurring items (impairment losses on tangible & intangible assets)	—	-229	—
Other non-recurring items (expenses for restructuring)	—	-66	—
EBIT	2,171	1,885	-13.2
Financial result	-377	-365	3.2
Taxes	-364	-358	1.6
Profit for the year – attributable to Linde AG shareholders	1,317	1,102	-16.3
EPS reported [EUR]	7.10	5.94	-16.3

Group | Q4 2014

Key P&L items



[EUR m]	Q4 2013	Q4 2014	Δ in %
Revenue	4,187	4,463	6.6
Operating profit	970	1,022	5.4
Operating margin	23.2%	22.9%	-30bp
PPA depreciation for BOC	-55	-60	-9.1
Depreciation & amortisation (excl. PPA BOC)	-388	-411	-5.9
Non-recurring items (expenses for restructuring)	—	-66	—
EBIT	527	485	-8.0
Financial result	-89	-103	-15.7
Taxes	-86	-83	3.5
Profit for the year – attributable to Linde AG shareholders	320	284	-11.3
EPS reported [EUR]	1.72	1.53	-11.0

Gases Division | Quarterly data

Reporting segments

EMEA [EUR m]	Q1 2013	Q1 2014	Q2 2013	Q2 2014	Q3 2013	Q3 2014	Q4 2013	Q4 2014
Revenue	1,497	1,467	1,549	1,511	1,523	1,519	1,521	1,483
Operating profit	430	429	446	460	438	455	445	434
Operating margin	28.7%	29.2%	28.8%	30.4%	28.8%	30.0%	29.3%	29.3%

Asia/Pacific [EUR m]	Q1 2013	Q1 2014	Q2 2013	Q2 2014	Q3 2013	Q3 2014	Q4 2013	Q4 2014
Revenue	926	870	971	946	946	1,006	924	990
Operating profit	240	224	257	252	250	261	258	273
Operating margin	25.9%	25.7%	26.5%	26.6%	26.4%	25.9%	27.9%	27.6%

Americas [EUR m]	Q1 2013	Q1 2014	Q2 2013	Q2 2014	Q3 2013	Q3 2014	Q4 2013	Q4 2014
Revenue	1,054	1,060	1,083	1,035	1,053	1,077	1,041	1,142
Operating profit	272	260	270	238	310	258	230	291
Operating margin	25.8%	24.5%	24.9%	23.0%	29.4%	24.0%	22.1%	25.5%

Group | 2014

Cash flow statement

[EUR m]	Q1 14	Q2 14	Q3 14	Q4 14	2014	2013
Operating profit	927	969	1,002	1,022	3,920	3,966
Change in working capital	-174	-170	234	172	62	24
Taxes paid	-105	-237	-127	-83	-599	-552
Other changes	-54	-134	57	49	-82	-294
Operating cash flow before pension funding	594	428	1,166	1,160	3,301	3,144
Investments in tangibles/intangibles	-484	-449	-469	-555	-1,957	-2,162
Acquisitions / Other (incl. financial investments)	65	15	116	48	244	-13
Investment cash flow*	-419	-434	-353	-507	-1,713	-2,175
Free cash flow before financing*	175	-6	813	606	1,588	969
Pension funding		-300			-300	
Interests and swaps, dividends	-41	-725	-128	-109	-1,003	-942
Other changes	-7	-5	-4	-10	-26	27
Net debt increase (+)/decrease (-)	-127	1,036	-681	-487	-259	-54

*Excluding investments in/disposals of securities; 2014: EUR -350m (Q1: EUR -148m / Q2: EUR -5m, Q3 : EUR -398m, Q4 : EUR 201m); 2013: EUR 651m

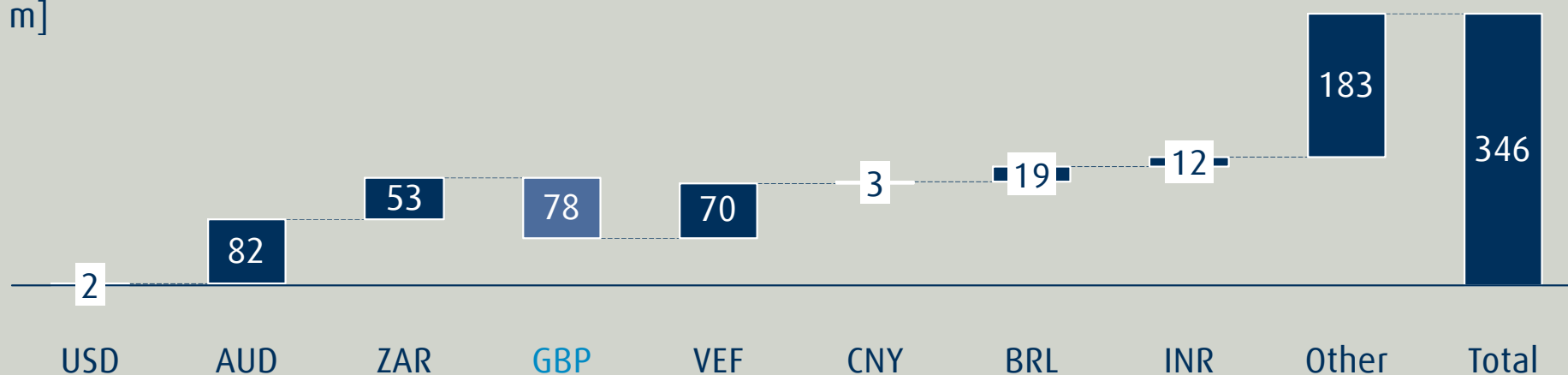
Group | Currency impact

Impact on revenue and operating profit in 2014



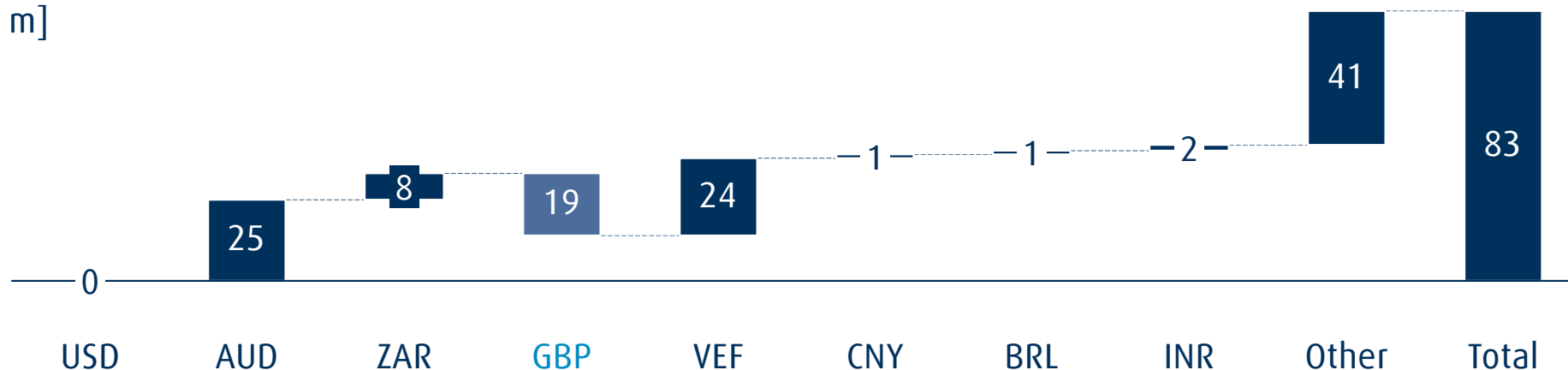
Negative impact on Group revenue in 2014

[EUR m]



Negative impact on Group operating profit in 2014

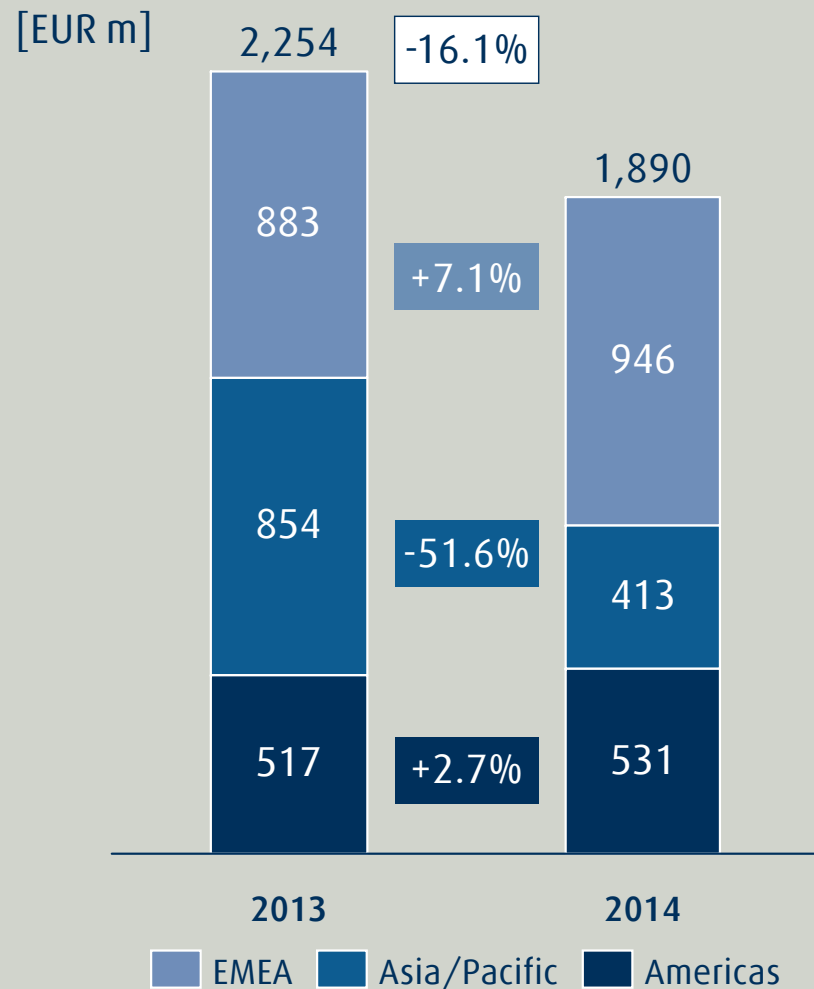
[EUR m]



Gases Division | Capex split

Capex/sales ratio in 2014 of 14 percent

Capex split by operating segments



- Increase in investment activities in EMEA driven by Middle East and Eastern Europe
- Significant capex decrease in Asia/Pacific as new On-site plants came on-stream in China and South & East Asia
- Higher capex in North America balanced by lower capex in South America



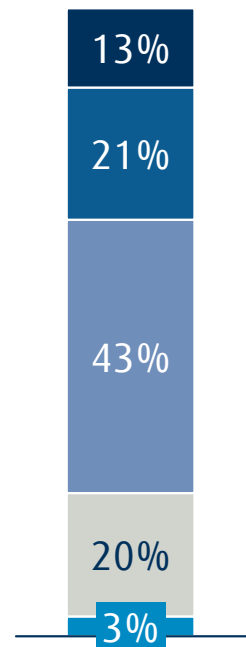
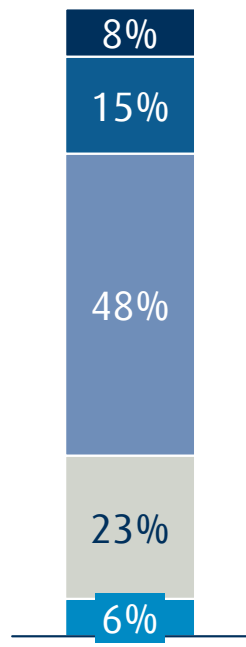
Engineering Division | Order intake & backlog

Largest share of order intake from EMEA

By plant type

Order Intake
EUR 3,206m

Order Backlog
EUR 4,672m



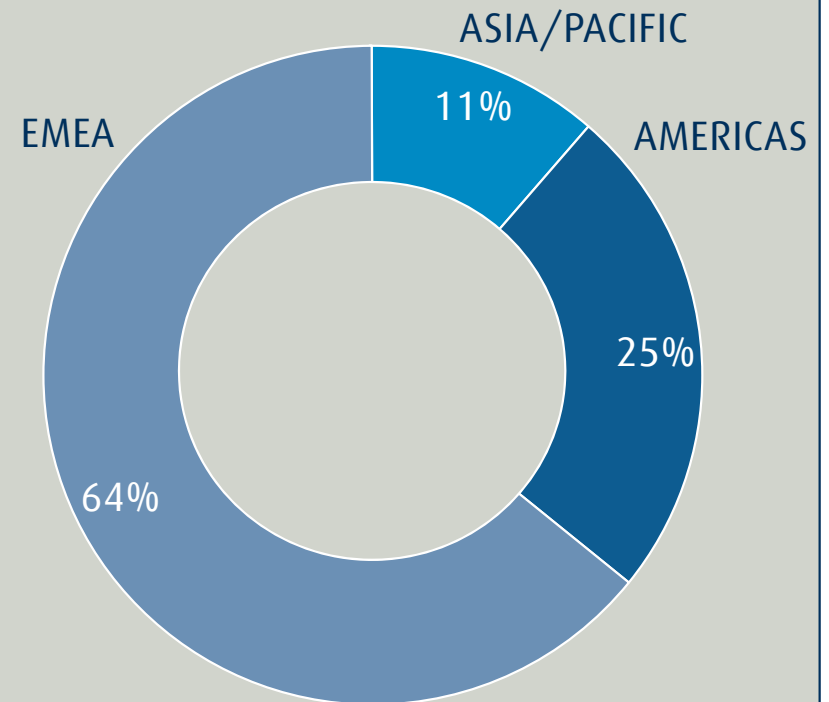
2014

2014

- Air Separation Plants
- Hydrogen/Synthesis Gas Plants
- Olefin Plants
- Natural Gas Plants
- Others

By region

Order Intake



Group | BOC PPA

Expected depreciation & amortisation

- Development of depreciation and amortisation
- Impact in 2014: EUR 227 million
- Expected range adjusted due to exchange rate effects

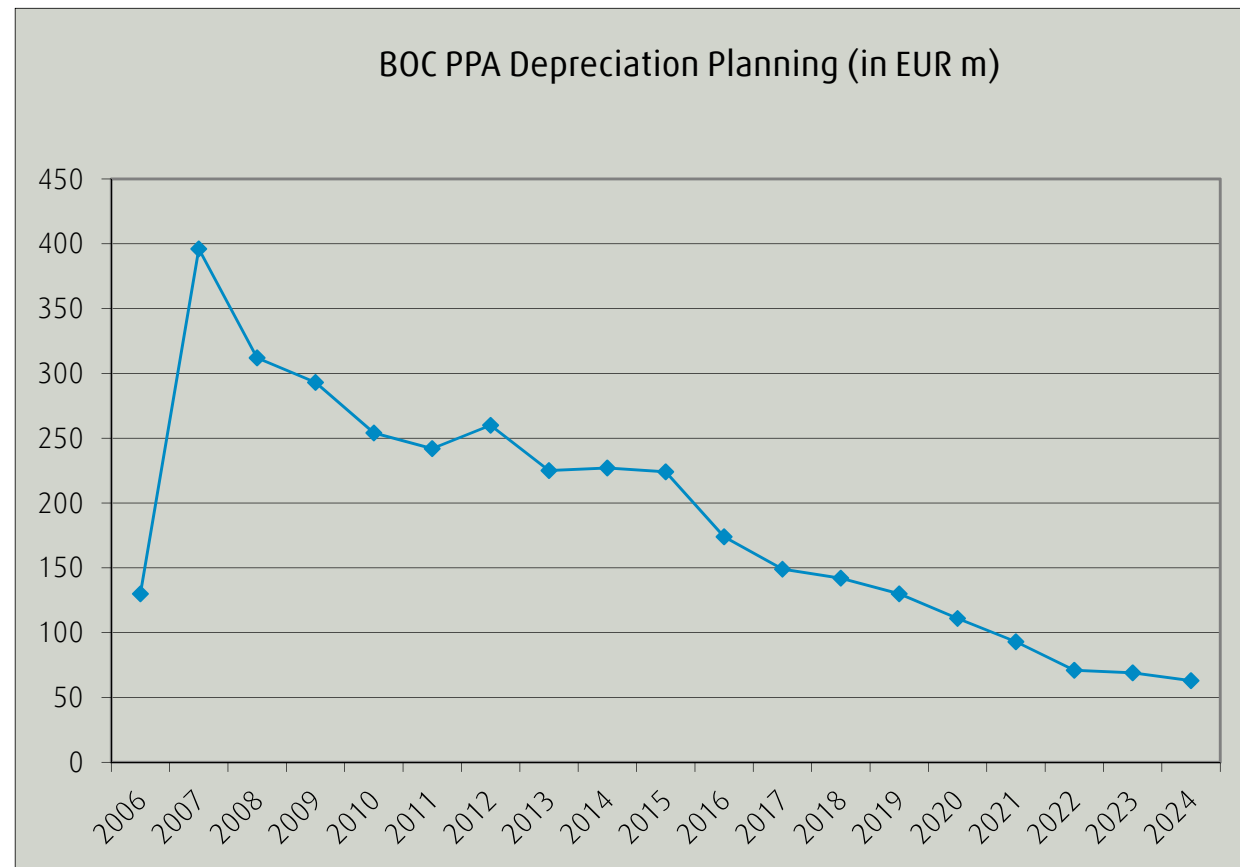
Expected range [EUR m]

2015	210 - 230
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2016	180 - 200
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...

2022	< 125
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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

Report Q1 2015:	30 April 2015
AGM 2015:	12 May 2015
Dividend payment:	13 May 2015
Report H1 2015:	29 July 2015
Report 9M 2015:	28 October 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

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