H1

LINDE HALF-YEAR FINANCIAL REPORT
JANUARY TO JUNE 2017

Leading.

THE LINDE GROUP

LINDE FINANCIAL HIGHLIGHTS

[H1 – JANUARY TO JUNE 2017]

Linde financial highlights		*January to June 2016*	*January to June 2017*	*Change*
Share				
Closing price	*€*	125.35	165.80	32.3 %
Year high	*€*	136.45	179.30	31.4 %
Year low	*€*	115.85	146.60	26.5 %
Market capitalisation (at closing price on 30 June)	*€ million*	23,270	30,779	32.3 %
Earnings per share from continuing operations – undiluted	*€*	3.37	3.17	–5.9 %
Earnings per share from continuing operations – undiluted (before special items)	*€*	3.53	3.81	7.9 %
Number of shares outstanding at the end of the reporting period	*000s*	185,638	185,638	–
Group (continuing operations)				
Revenue	*€ million*	8,264	8,653	4.7 %
Operating profit[1]	*€ million*	2,036	2,123	4.3 %
Operating margin	*%*	24.6	24.5	–10 bp[3]
EBIT (earnings before interest and tax)	*€ million*	1,085	1,007	–7.2 %
EBIT (before special items)	*€ million*	1,124	1,168	3.9 %
Profit for the period	*€ million*	680	656	–3.5 %
Number of employees[2]		59,715	58,649	–1.8 %
Gases Division				
Revenue	*€ million*	7,327	7,572	3.3 %
Operating profit[1]	*€ million*	2,093	2,166	3.5 %
Operating margin	*%*	28.6	28.6	–
Engineering Division				
Revenue	*€ million*	1,085	1,212	11.7 %
Operating profit[1]	*€ million*	89	97	9.0 %
Operating margin	*%*	8.2	8.0	–20 bp[3]

1 EBIT (before special items) adjusted for amortisation of intangible assets and depreciation of tangible assets. For an explanation of the financial performance indicators given in this interim report SEE PAGE 43 OF THE 2016 FINANCIAL REPORT.
2 At 31 December 2016/30 June 2017.
3 Basis points.

LINDE HALF-YEAR FINANCIAL REPORT

[H1 – JANUARY TO JUNE 2017]

JANUARY TO JUNE 2017: LINDE CONTINUES TO INCREASE REVENUE AND EARNINGS

- Group revenue increases to EUR 8.653 bn (up 4.7 percent, up 2.8 percent after adjusting for exchange rate effects)
- Group operating profit[1] rises to EUR 2.123 bn (up 4.3 percent, up 2.4 percent after adjusting for exchange rate effects)
- Group outlook for 2017 confirmed

[1] EBIT (before special items) adjusted for the amortisation of intangible assets and the depreciation of tangible assets.

GROUP INTERIM MANAGEMENT REPORT

General economic environment

Economists are continuing to expect the global economy to grow at a faster rate in 2017 than in 2016. The data from the first few months of the year which has been published so far confirms this view. Sentiment indicators in particular are pointing to a positive perception of companies. Uncertainty remains a key theme: for example, the negotiations on the UK's exit from the European Union began in June as announced. Some factors are indicating greater stability. Populists failed to make inroads in elections in Europe. In contrast to widespread fears in the first quarter, the new US government's trade agenda has not yet had a negative impact on international trade. On the contrary, there has been an upward trend in global trade for some months. What did have a negative impact were the delays in the implementation of previously announced investment measures in the United States. Economic trends in China remain stable, mainly as a result of growth in world trade. It is expected that improved economic trends will continue in Russia, generating a little momentum. In Brazil, however, the more positive outlook has deteriorated slightly as a result of domestic political turmoil.

Against this background, economic research institute Oxford Economics[1] is expecting 2.8 percent growth in global real gross domestic product (GDP) in the 2017 calendar year, following a rise of 2.3 percent in 2016. Oxford Economics is forecasting an increase in global industrial production (IP) of 3.5 percent, which is significantly higher than the growth in IP of 1.8 percent seen in 2016.[2]

In the EMEA region (Europe, Middle East, Africa), economists are projecting an increase in economic output of 2.1 percent (2016: 1.7 percent). Industrial production is forecast to rise by 2.0 percent (2016: 1.3 percent). Different trends are expected in different regions. The forecasts for Germany and the eurozone are higher than in 2016. GDP in the eurozone is expected to grow by 2.2 percent (2016: 1.7 percent). In Germany, GDP growth is expected to be as much as 2.3 percent (2016: 1.8 percent). The forecast for GDP growth in 2017 in the UK is 1.7 percent, which is slightly below the prior-year figure of 1.8 percent. In the Middle East, GDP is even expected to fall by 0.3 percent, compared with growth of 2.2 percent in 2016. In Eastern Europe, the projected increase in GDP is 2.7 percent (2016: 1.5 percent). The forecasts for Russia are much better than in 2016. Economic experts are expecting the Russian economy to grow by 1.4 percent, compared with a fall of 0.2 percent in 2016. In South Africa, Linde's most important market in Africa, growth in economic output is once again expected to be moderate at 0.5 percent (2016: 0.3 percent).

As in previous years, the strongest growth rates in 2017 are again expected to be seen in the Asia/Pacific region. Oxford Economics is forecasting GDP growth in this region for the 2017 calendar year of 5.6 percent (2016: 5.7 percent). The Chinese economy is projected to grow in the current year by 6.6 percent (2016: 6.7 percent). The forecast for growth in industrial production in 2017 is 6.1 percent (2016: 6.1 percent). Alongside China, India is one of the main growth drivers in this region. GDP in India is forecast to rise by 6.9 percent (2016: 7.9 percent). Economic experts are expecting industrial production to increase by 4.6 percent, which is lower than the growth rate for 2016 of 5.8 percent. In Australia, the economic research institute is forecasting growth of 2.5 percent (2016: 2.5 percent).

In the Americas region, Oxford Economics is projecting an increase in economic output in 2017 of 2.0 percent (2016: 0.9 percent). The main driver here is the United States, with growth of 2.2 percent (2016: 1.6 percent). Industrial production in the US is expected to start to rise again, following two years of decline as a result of weak energy-related sectors due to oil price movements. The current forecast is for IP growth of 2.0 percent compared with a fall in IP of 1.2 percent in 2016. Economists are expecting GDP in South America to increase by 1.0 percent, compared with a fall in GDP in 2016 of 2.0 percent.

[1] © 2017 Oxford Economics. All rights reserved. As at 13 July 2017.
[2] The growth values given here for individual regions are based on average figures weighted by economic output for those countries in which Linde operates ("Linde regions").

Business review of The Linde Group

The revenue of The Linde Group from continuing operations rose in the first half of 2017 by 4.7 percent to EUR 8.653 bn, when compared with the figure for the first half of 2016 of EUR 8.264 bn. The main factors contributing to this increase were ongoing stable trends in the EMEA and Asia/Pacific segments and higher revenue in the Engineering Division. Group operating profit from continuing operations rose by 4.3 percent to EUR 2.123 bn (2016: EUR 2.036 bn). After adjusting for exchange rate effects arising solely on the translation of local currencies into the euro, Group revenue was 2.8 percent higher than in the prior-year period. After adjusting for exchange rate effects, Group operating profit rose by 2.4 percent.[1]

At 24.5 percent, the Group operating margin was similar to the figure for the first half of 2016 of 24.6 percent.

During the reporting year, the Group will continue to implement efficiency improvement measures as part of its Focus programme and LIFT programme. By the end of 2017, the LIFT programme is expected to have incurred total costs of around EUR 400 m, which will be classified as special items. Of this total, EUR 116 m was recognised for the whole of the 2016 financial year and a further amount of EUR 134 m has been recognised in the first half of 2017. Also disclosed as special items are costs of around EUR 27 m arising from the planned merger with Praxair. The total figure for special items in the reporting period was therefore EUR 161 m (2016: EUR 39 m).

Cost of sales in the first half of 2017 increased by EUR 476 m to EUR 5.705 bn (2016: EUR 5.229 bn). Gross profit was EUR 2.948 bn, which was below the figure for the first half of 2016 of EUR 3.035 bn. The gross margin fell to 34.1 percent (2016: 36.7 percent). This was due in part to the higher contribution made to revenue by the Engineering Division in the six months to 30 June 2017 compared to the prior-year period and to the impact of higher natural gas prices in the reporting period.

EBIT from continuing operations in the first half of 2017 was EUR 1.007 bn, below the figure for the first half of 2016 of EUR 1.085 bn. This was due mainly to the increase in special items recognised of EUR 122 m. The net financial expense improved by EUR 39 m, from EUR 183 m in the first six months of 2016 to EUR 144 m in the first six months of 2017, as a result of lower financing costs. Linde therefore generated a profit before tax from continuing operations of EUR 863 m (2016: EUR 902 m).

The income tax expense was EUR 207 m (2016: EUR 222 m). This gives an income tax rate of 24.0 percent (2016: 24.6 percent). In the first six months of 2017, Linde's profit for the period from continuing operations (after deducting the income tax expense) was EUR 656 m (2016: EUR 680 m).

After adjusting for non-controlling interests, profit for the period from continuing operations attributable to Linde AG shareholders was EUR 589 m (2016: EUR 625 m). This gives earnings per share from continuing operations of EUR 3.17 (2016: EUR 3.37). Earnings per share from continuing operations before special items at 30 June 2017 was EUR 3.81 (2016: EUR 3.53). The profit for the period from discontinued operations in the first half of 2017 was EUR 13 m (2016: EUR 7 m).

Gases Division

Linde's revenue in the Gases Division in the first six months of 2017 was EUR 7.572 bn, an increase of 3.3 percent when compared with the figure for the prior-year period of EUR 7.327 bn. After adjusting for exchange rate effects, revenue in the Gases Division increased by 1.3 percent. On a comparable basis (after also adjusting for changes in the price of natural gas), the growth in revenue was 0.3 percent.

Operating profit was EUR 2.166 bn, which was 3.5 percent higher than the figure for the first half of 2016 of EUR 2.093 bn. After adjusting for exchange rate effects, operating profit increased by 1.8 percent. At 28.6 percent, the operating margin was the same as in the prior-year period.

EMEA (Europe, Middle East, Africa)

In EMEA, Linde's largest sales market, the Group generated revenue of EUR 2.947 bn in the first half of 2017, which was 3.0 percent higher than the figure achieved in the first half of 2016 of EUR 2.861 bn. On a comparable basis, revenue rose by 2.9 percent. Operating profit was EUR 924 m, which was similar to the figure for the first half of 2016 of EUR 928 m. The operating margin fell to 31.4 percent (2016: 32.4 percent). It should be noted here that the 2016 figures included income from changes to pension plans and profits on disposal of non-current assets totalling EUR 39 m.

Positive trends were to be seen in the EMEA segment in almost all product areas. In the on-site business, where the Group supplies gases on site to major customers, Linde was able to achieve revenue growth in Northern Europe and Middle East & Eastern Europe as a result of plant start-ups. In the liquefied gases and cylinder gas product areas, revenue increased in virtually all regions.

During the reporting period, Linde brought on stream an ammonia plant in Russia as part of a joint venture with JSC KuibyshevAzot. The plant, which has a production capacity of 1,340 tonnes of ammonia per day, will supply the chemical company in Togliatti, Russia, on a long-term basis. The plant was constructed by the Engineering Division and the total investment in the plant was around EUR 275 m. Linde

[1] To calculate growth in revenue and earnings after adjusting for exchange rate effects and changes in the price of natural gas, prior-year figures have been revised.

and JSC KuibyshevAzot each hold 50 percent of the shares in the joint venture company formed for this purpose, OOO Linde Azot Togliatti.

Another plant to come on stream in the first half of 2017 was an air separation plant in Eisenhüttenstadt, Germany. This plant supplies steel company ArcelorMittal in Eisenhüttenstadt with oxygen and nitrogen on a long-term basis. Investment in the plant, which was built by Linde's Engineering Division, was around EUR 85 m. The plant also supplies the regional market with liquefied products.

The Linde Group's most advanced filling plant also came on stream in the reporting period. This is sited in the Dorsten/Marl Industrial Park in Germany. At this plant, cylinders and bundles are filled with industrial gases and carbon dioxide mixtures. The Rhine-Ruhr filling plant has a pioneering role within the Group. The innovative concept is expected to be used at other company sites in various countries.

Asia/Pacific

Linde generated revenue in the Asia/Pacific segment in the six months to 30 June 2017 of EUR 2.172 bn, which was 9.9 percent above the figure for the first six months of 2016 of EUR 1.976 bn. On a comparable basis, revenue increased by 5.3 percent. At EUR 615 m, operating profit was 19.9 percent above the figure for the prior-year period of EUR 513 m. The operating margin improved to 28.3 percent (2016: 26.0 percent). It should be noted here that there was a one-off effect from the sale of assets of EUR 70 m, which had a positive impact on the operating margin.

In the Asia/Pacific segment, positive trends were to be seen in all product areas. Solid volume and revenue increases were achieved in particular in the liquefied gases and on-site product areas.

During the reporting period, Linde signed an agreement with SINOPEC Zhenhai Refining & Chemical Company (ZRCC) to form another joint venture, which will strengthen provision of air gases in the Ningbo industrial cluster. Investment in the joint venture will be around EUR 145 m. ZRCC and Linde will each hold 50 percent of the shares in the newly-formed company, Ningbo Linde-ZRCC Gases Company Ltd. (Linde-ZRCC). Under the agreement, Linde-ZRCC will acquire two existing air separation plants from ZRCC and will construct a third. The new plant will be designed and built by the Engineering Division. These three additional air separation plants will double Linde's production capacity of air gases in the Ningbo cluster and will be connected to Linde's pipeline supply network across Ningbo. This is the sixth such joint venture with SINOPEC in China.

The electronic gases company in China, Linde LienHwa, is also significantly expanding its activities in China, investing in excess of EUR 110 m here. In this context, Linde will build new production plants for the on-site supply of gases to select key customers in major manufacturing clusters for semiconductors and flat screens in the eastern and central provinces of China. The investment goes hand in hand with numerous long-term contracts to supply electronic gases which have been concluded by Linde with new and existing customers. Linde LienHwa will work together with the Group's Engineering Division to build the new on-site plants. The new orders cover the construction of several plants with a cumulative production capacity in excess of 110,000 normal cubic metres of gaseous nitrogen per hour and other supply systems for liquefied gases. The plan is for these plants to come on stream over the course of 2017 and 2018.

Americas

In the Americas segment, revenue decreased by 1.3 percent in the first half of 2017 to EUR 2.545 bn (2016: EUR 2.578 bn). On a comparable basis, revenue fell by 6.2 percent. When compared with the prior-year period, operating profit dropped by 3.8 percent to EUR 627 m (2016: EUR 652 m). The operating margin was 24.6 percent (2016: EUR 25.3 percent). The lower margin in 2017 was also due to higher natural gas prices.

Revenue and earnings trends in this segment were affected by a number of factors working in different directions. Positive trends were once again to be seen in the on-site business and the liquefied gases business in North America. In the Healthcare business in North America, on the other hand, the impact of the price reductions in 2016 as a result of government tenders continues to be keenly felt. As expected, the Group's sale of two Lincare subsidiaries in the third quarter of 2016 has had an adverse impact on revenue.

Conditions in the individual countries in South America, especially in Brazil and Venezuela, have not improved in the first half of 2017. The economic situation in the region continues to be characterised by high inflation and low growth rates. Although the trends in the product areas in South America were positive, the growth achieved is from a relatively low base in the prior-year period.

Product areas

In the on-site product area, revenue rose on a comparable basis by 6.9 percent to EUR 2.036 bn (2016: EUR 1.904 bn).

Positive business trends also continued to be seen in the liquefied gases product area. On a comparable basis, revenue here increased by 6.6 percent to EUR 1.869 bn (2016: EUR 1.753 bn). In the cylinder gas business, revenue on a comparable basis was EUR 1.948 bn, which was slightly above the figure for the first half of 2016 of EUR 1.943 bn.

Due to ongoing price reductions as a result of government tenders, revenue in the Healthcare business in the first half of 2017 fell by 11.8 percent on a comparable basis to EUR 1.719 bn (2016: EUR 1.949 bn). After adjusting for the contribution to revenue made by American HomePatient and the sale of the Lincare subsidiaries, the decline in revenue was 7.7 percent.

GASES DIVISION: REVENUE AND OPERATING PROFIT BY SEGMENT 1

in € million	January to June 2016			January to June 2017		
	Revenue	Operating profit	Operating margin in percent	Revenue	Operating profit	Operating margin in percent
EMEA	2,861	928	32.4	2,947	924	31.4
Asia/Pacific	1,976	513	26.0	2,172	615	28.3
Americas	2,578	652	25.3	2,545	627	24.6
Consolidation	−88	–	–	−92	–	–
GASES DIVISION	**7,327**	**2,093**	**28.6**	**7,572**	**2,166**	**28.6**

GASES DIVISION: REVENUE AND OPERATING PROFIT BY SEGMENT 2

in € million	2nd Quarter 2016			2nd Quarter 2017		
	Revenue	Operating profit	Operating margin in percent	Revenue	Operating profit	Operating margin in percent
EMEA	1,451	498	34.3	1,469	462	31.4
Asia/Pacific	1,007	259	25.7	1,099	347	31.6
Americas	1,294	330	25.5	1,248	304	24.4
Consolidation	−46	–	–	−43	–	–
GASES DIVISION	**3,706**	**1,087**	**29.3**	**3,773**	**1,113**	**29.5**

REVENUE ON A COMPARABLE BASIS BY SEGMENT 3

in € million	30.06.2016	30.06.2017	Exchange rate effect	Currency-adjusted revenue trend in percent	Effect of natural gas prices	Revenue trend on a comparable basis in percent
Gases Division	7,327	7,572	147	1.3	75	0.3
EMEA	2,861	2,947	−8	3.3	12	2.9
Asia/Pacific	1,976	2,172	67	6.3	19	5.3
Americas	2,578	2,545	90	−4.6	44	−6.2

Engineering Division

Revenue in the Engineering Division rose in the first half of 2017 by 11.7 percent to EUR 1.212 bn (2016: EUR 1.085 bn). Operating profit also increased, from EUR 89 m in the first six months of 2016 to EUR 97 m in the first six months of 2017. The operating margin was 8.0 percent (2016: 8.2 percent). This matched the target of around 8 percent Linde has set itself for the current financial year. The order backlog in the Engineering Division remained solid at EUR 4.223 bn (31 December 2016: EUR 4.386 bn).

Despite continuing high levels of competition and slack demand in plant construction, there was an increase in order intake in the six months to 30 June 2017 to EUR 1.170 bn (2016: EUR 718 m).

Most of the order intake related to air separation plants and natural gas plants (around 29 percent each) and olefin plants (around 28 percent).

The Engineering Division has been awarded a major contract by PJSC Nizhnekamskneftekhim (NKNK) to supply an olefin plant in Nizhnekamsk, located in the Republic of Tatarstan in the Russian Federation. An agreement covering strategic cooperation between Linde and the TAIF Group has also been concluded. Under this major contract, Linde is responsible for licensing, design, material procurement and technical engineering consultancy for the plant. In the first expansion stage, NKNK's new olefin complex will have the capacity to produce 600,000 tonnes of ethylene and over 600,000 tonnes of other chemical products per year. The order intake in the second quarter of 2017 only includes the initial engineering operations, just around EUR 1 m. The new olefin plant is scheduled to go on stream in 2022.

Again in the olefin sector, the Engineering Division has been commissioned by its customer Braskem America to build a new plant for the production of polypropylene in La Porte, Texas, USA. Linde will be providing comprehensive project development services for industrial polyolefin plants, ranging from front end engineering design (FEED) to complete EPC execution, including procurement and construction. Linde is an approved contractor for UNIPOL™ Polypropylene Process Technology used here. The order intake in the second quarter was around EUR 171 m. The plant will have an annual production capacity of 450 kilotonnes. Building is due to commence in the middle of the summer in 2017, with extensive completion scheduled for the first quarter of 2020.

The Engineering Division has been commissioned by its customer Sauerstoffwerke Friedrichshafen GmbH to build an air separation plant in Bielefeld, Germany. The plant will produce very high purity liquefied oxygen and liquefied nitrogen. Linde is responsible for the engineering, procurement, assembly and installation supervision. The order is worth around EUR 42 m. Completion is expected to be in the fourth quarter of 2019.

As part of its role as licensor for the construction of a mid-scale natural gas liquefaction (LNG) plant in Portovaya on the Russian Baltic coast for Gazprom and its general contractor SRDI Peton Oil & Gas, the Engineering Division received new orders in the second quarter of 2017 worth around EUR 185 m for the second engineering and procurement phase.

ENGINEERING DIVISION (4)

	2nd Quarter		*January to June*	
in € million	*2016*	*2017*	*2016*	*2017*
Revenue	517	564	1,085	1,212
Order intake	408	713	718	1,170
Order backlog at 31.12./30.06.	–	–	4,386	4,223
Operating profit	43	44	89	97
Operating margin	8.3%	7.8%	8.2%	8.0%

ENGINEERING DIVISION: REVENUE AND ORDER INTAKE BY PLANT TYPE (5)

	January to June			
	Revenue		*Order intake*	
in € million	*2016*	*2017*	*2016*	*2017*
Olefin plants	353	458	247	330
Natural gas plants	239	295	81	337
Air separation plants	147	250	199	344
Hydrogen and synthesis gas plants	258	117	108	63
Other	88	92	83	96
ENGINEERING DIVISION	**1,085**	**1,212**	**718**	**1,170**

ENGINEERING DIVISION: REVENUE AND ORDER INTAKE BY PLANT TYPE (6)

	2nd Quarter			
	Revenue		*Order intake*	
in € million	*2016*	*2017*	*2016*	*2017*
Olefin plants	160	212	209	269
Natural gas plants	125	132	55	205
Air separation plants	69	125	48	159
Hydrogen and synthesis gas plants	117	51	51	30
Other	46	44	45	50
ENGINEERING DIVISION	**517**	**564**	**408**	**713**

Finance

Cash flow from operating activities from continuing operations during the reporting period was EUR 1.317 bn, which was lower than the figure for the first half of 2016 of EUR 1.604 bn. The change in working capital was EUR –137 m (2016: EUR –33 m), which was mainly as a result of the lower figure in 2017 for advance payments received from plant construction customers. In addition, the cash outflow from the change in provisions was primarily due to the utilisation of personnel provisions. Morover, income taxes paid increased by EUR 77 m, from EUR 191 m in the first half of 2016 to EUR 268 m in the first half of 2017. It should be noted that the figure for income taxes paid in the prior-year period was reduced as a result of tax repayments.

Linde spent a total of EUR 845 m in the first half of 2017 on investments in tangible assets, intangible assets and financial assets, which was slightly higher than the figure for the first half of 2016 of EUR 810 m. Payments made for investments in consolidated companies fell to EUR 33 m (2016: EUR 181 m). Payments to purchase securities for the purpose of short-term investment (net of proceeds from securities sold) amounted to EUR 194 m in the first six months of 2017 (2016: EUR 1.035 bn). The net cash outflow from investing activities from continuing operations decreased by EUR 1.068 bn, from EUR 1.924 bn in the first half of 2016 to EUR 856 m in the first half of 2017.

Within cash flow from financing activities, the amount by which loan proceeds exceeded loan redemptions decreased from EUR 1.226 bn to EUR 539 m. In April, the funds raised from a EUR 1 bn bond issued in January were used to redeem a EUR 1 bn bond which had matured. The net cash outflow from financing activities from continuing operations in the six months to 30 June 2017 was EUR 398 m (2016: net cash inflow of EUR 330 m).

Total assets fell by EUR 1.116 bn, from EUR 35.189 bn at 31 December 2016 to EUR 34.073 bn at 30 June 2017. Almost all the balance sheet items felt the impact of negative exchange rate effects.

At 30 June 2017, goodwill stood at EUR 10.972 bn, which was EUR 433 m below the figure at 31 December 2016 of EUR 11.405 bn. The decrease in goodwill was mainly due to two opposing factors. Adverse exchange rate effects of EUR 450 m reduced goodwill, while additions as a result of acquisitions led to an increase in goodwill of EUR 27 m.

Other intangible assets, comprising customer relationships, brand names and sundry intangible assets, decreased by EUR 233 m, from EUR 2.440 bn at 31 December 2016 to EUR 2.207 bn at 30 June 2017, mainly as a result of adverse exchange rate effects of EUR 90 m and amortisation of EUR 135 m.

Tangible assets were stated at a carrying amount of EUR 12.079 bn (31 December 2016: EUR 12.756 bn). Here too, the decrease (EUR 677 m) was mainly due to adverse exchange rate effects (EUR 519 m).

Securities increased from EUR 131 m at 31 December 2016 to EUR 323 m at 30 June 2017, primarily as a result of purchases.

Equity at 30 June 2017 was EUR 14.578 bn (31 December 2016: EUR 15.480 bn). The profit for the period increased equity by EUR 669 m. Factors with a negative impact on equity were exchange rate effects of EUR 1.141 bn and the payment of the dividend for 2016 to Linde AG shareholders of EUR 687 m. The equity ratio at 30 June 2017 was 42.8 percent (31 December 2016: 44.0 percent).

Provisions for pensions and similar obligations fell by EUR 70 m to EUR 1.494 bn at 30 June 2017 (31 December 2016: EUR 1.564 bn). This reduction was mainly due to the change in actuarial assumptions. Asset cover for the defined benefit obligation of The Linde Group is 80.5 percent (31 December 2016: 80.3 percent).

Net financial debt comprises gross financial debt less short-term securities and cash and cash equivalents. At 30 June 2017, net financial debt was EUR 7.118 bn (31 December 2016: EUR 6.934 bn). The increase was due to a variety of effects working in different directions. Net financial debt increased a a result of the dividend payment, while on the other hand exchange rate effects, valuation effects and the cash flow from operating activities had a positive impact on net financial debt.

Gross financial debt at 30 June 2017 was EUR 8.926 bn (31 December 2016: EUR 8.528 bn). Of the gross financial debt at 30 June 2017, EUR 1.939 bn is disclosed as current financial debt (31 December 2016: EUR 1.854 bn). The remaining financial debt of EUR 6.987 bn (31 December 2016: EUR 6.674 bn) – by far the largest proportion – is due in more than one year and is therefore disclosed as non-current financial debt.

Available liquidity for Linde comprises short-term securities of EUR 323 m, cash and cash equivalents of EUR 1.485 bn and its EUR 2.5 bn syndicated credit facility less current financial debt of EUR 1.939 bn. The liqudity available to Linde at 30 June 2017 was therefore EUR 2.369 bn (31 December 2016: EUR 2.240 bn).

The dynamic indebtedness factor (net financial debt to operating profit for the last twelve months) was 1.7 at 30 June 2017, the same as at 31 December 2016. The Group's gearing (the ratio of net debt to equity) increased in the first half of 2017 to 48.8 percent (31 December 2016: 44.8 percent).

Outlook

Group

The forecast of global economic trends and the outlook for the industry sector have not changed significantly since the disclosures in the 2016 Financial Report. ▶ SEE OUTLOOK ON PAGES 96 TO 99. The forecasting institute Oxford Economics continues to expect stronger growth in the global economy in 2017 than was achieved in 2016.

Linde confirms its outlook for the current year. In the 2017 financial year, the expected range for Group revenue after adjusting for exchange rate effects is between 3 percent below and 3 percent above the revenue generated in 2016. After adjusting for exchange rate effects, Group operating profit in 2017 should be on a par with or up to 7 percent higher than the figure achieved in 2016.

In the 2017 financial year, Linde will continue to seek to achieve a return on capital employed (ROCE) of between 9 percent and 10 percent.

Outlook – Gases Division

Contingent on the circumstances described in the 2016 Financial Report and on future economic trends ▶ SEE OUTLOOK ON PAGES 96 TO 99, Linde is seeking to achieve the following targets in the Gases Division in the 2017 financial year. It is aiming to generate revenue after adjusting for exchange rate effecs which is between 2 percent below and 3 percent above the 2016 figure. After adjusting for exchange rate effects, operating profit is expected to be on a par with or up to 6 percent higher than in 2016.

The margins in the EMEA and Asia/Pacific segments in 2017 should approximately equate to those achieved in 2016. In the Americas, the margin is expected to dip slightly as a result of prevailing conditions, a description of which can be found in the 2016 Financial Report.

Outlook – Engineering Division

Linde continues to assume that it will generate revenue in the Engineering Division in the 2017 financial year of between EUR 2.0 bn and EUR 2.4 bn. It is seeking to achieve an operating margin here of around 8 percent.

Opportunity and risk report

As a group with a global footprint, Linde operates in a dynamic environment in which new market opportunities are constantly emerging. These business opportunities, which were described in detail in the 2016 Financial Report ▶ SEE OPPORTUNITY REPORT ON PAGES 82 TO 84, have not changed significantly in the six months to 30 June 2017.

The risk situation for Linde as described in the 2016 Financial Report ▶ SEE RISK REPORT ON PAGES 84 TO 95 has also not changed significantly in the first six months of 2017. No risks were identified which might, individually or in total, have an adverse impact on the viability of The Linde Group as a going concern.

Uncertainty about future global economic trends continues, making it difficult to arrive at an accurate assessment of the future net assets, financial position and results of operations of The Linde Group. If there were to be a significant change in circumstances, risks which are currently unknown or deemed to be immaterial might gain in importance and might possibly have an adverse impact on business operations.

GROUP STATEMENT OF PROFIT OR LOSS (7)

	2nd Quarter		January to June	
in € million	*2016*	*2017*	*2016*	*2017*
Revenue	4,149	4,268	8,264	8,653
Cost of sales	2,611	2,805	5,229	5,705
GROSS PROFIT	**1,538**	**1,463**	**3,035**	**2,948**
Marketing and selling expenses	595	653	1,158	1,239
Research and development costs	29	28	59	53
Administration expenses	430	445	835	826
Other operating income	133	193	240	281
Other operating expenses	68	64	146	112
Share of profit or loss from associates and joint ventures (at equity)	5	6	8	8
EBIT from continuing operations	554	472	1,085	1,007
Financial income	4	8	12	23
Financial expenses	98	78	195	167
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	**460**	**402**	**902**	**863**
Taxes on income	113	90	222	207
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	**347**	**312**	**680**	**656**
PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS	**7**	**7**	**7**	**13**
PROFIT FOR THE PERIOD	**354**	**319**	**687**	**669**
attributable to Linde AG shareholders	326	285	632	602
attributable to non-controlling interests	28	34	55	67
EARNINGS PER SHARE – CONTINUING OPERATIONS				
Earnings per share in € – undiluted	1.72	1.49	3.37	3.17
Earnings per share in € – diluted	1.71	1.50	3.36	3.17
EARNINGS PER SHARE – DISCONTINUED OPERATIONS				
Earnings per share in € – undiluted	0.03	0.04	0.03	0.07
Earnings per share in € – diluted	0.04	0.04	0.04	0.07

GROUP STATEMENT OF COMPREHENSIVE INCOME

8

	2nd Quarter		January to June	
in € million	2016	2017	2016	2017
PROFIT FOR THE PERIOD	354	319	687	669
OTHER COMPREHENSIVE INCOME (NET OF TAX)	-130	-824	-1,099	-839
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	-32	-949	-631	-931
Unrealised gains/losses on available-for-sale financial assets	1	–	1	1
Unrealised gains/losses on hedging instruments	-48	158	124	209
Currency translation differences	15	-1,107	-756	-1,141
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS	-98	125	-468	92
Remeasurement of defined benefit plans	-98	125	-468	92
TOTAL COMPREHENSIVE INCOME	224	-505	-412	-170
attributable to Linde AG shareholders	189	-486	-444	-196
attributable to non-controlling interests	35	-19	32	26

GROUP STATEMENT OF FINANCIAL POSITION 9

in € million	*31.12.2016*	*30.06.2017*
Assets		
Goodwill	11,405	10,972
Other intangible assets	2,440	2,207
Tangible assets	12,756	12,079
Investments in associates and joint ventures (at equity)	239	231
Other financial assets	71	69
Receivables from finance leases	165	137
Trade receivables	2	2
Other receivables and other assets	378	359
Income tax receivables	7	6
Deferred tax assets	500	425
NON-CURRENT ASSETS	**27,963**	**26,487**
Inventories	1,231	1,205
Receivables from finance leases	49	46
Trade receivables	2,755	2,888
Other receivables and other assets	788	752
Income tax receivables	199	245
Securities	131	323
Cash and cash equivalents	1,463	1,485
Non-current assets classified as held for sale and disposal groups	610	642
CURRENT ASSETS	**7,226**	**7,586**
TOTAL ASSETS	**35,189**	**34,073**

GROUP STATEMENT OF FINANCIAL POSITION

10

in € million	31.12.2016	30.06.2017
Equity and liabilities		
Capital subscribed	475	475
Capital reserve	6,745	6,730
Revenue reserves	7,244	7,250
Cumulative changes in equity not recognised through profit or loss	113	–777
TOTAL EQUITY ATTRIBUTABLE TO LINDE AG SHAREHOLDERS	**14,577**	**13,678**
Non-controlling interests	903	900
TOTAL EQUITY	**15,480**	**14,578**
Provisions for pensions and similar obligations	1,564	1,494
Other non-current provisions	526	487
Deferred tax liabilities	1,683	1,542
Financial debt	6,674	6,987
Liabilities from finance leases	53	45
Trade payables	1	1
Other non-current liabilities	725	612
NON-CURRENT LIABILITIES	**11,226**	**11,168**
Current provisions	1,140	994
Financial debt	1,854	1,939
Liabilities from finance leases	21	16
Trade payables	3,570	3,432
Other current liabilities	1,208	1,265
Liabilities from income taxes	549	524
Liabilities related to non-current assets classified as held for sale and disposal groups	141	157
CURRENT LIABILITIES	**8,483**	**8,327**
TOTAL EQUITY AND LIABILITIES	**35,189**	**34,073**

GROUP STATEMENT OF CASH FLOWS 11

in € million	*January to June* 2016	2017
Profit before tax from continuing operations	902	863
Adjustments to profit before tax to calculate cash flow from operating activities – continuing operations		
Amortisation of intangible assets and depreciation of tangible assets	912	955
Impairments of financial assets	3	1
Profit/loss on disposal of non-current assets	–27	–19
Net interest	167	133
Finance income arising from embedded finance leases in accordance with IFRIC 4/IAS 17	8	6
Share of profit or loss from associates and joint ventures (at equity)	–8	–8
Distributions/dividends received from associates and joint ventures	10	8
Income taxes paid	–191	–268
Changes in assets and liabilities		
Change in inventories	–24	–20
Change in trade receivables	–103	–119
Change in provisions	–32	–125
Change in trade payables	94	2
Change in other assets and liabilities	–107	–92
CASH FLOW FROM OPERATING ACTIVITIES – CONTINUING OPERATIONS	**1,604**	**1,317**
CASH FLOW FROM OPERATING ACTIVITIES – DISCONTINUED OPERATIONS	**30**	**8**
CASH FLOW FROM OPERATING ACTIVITIES – CONTINUING AND DISCONTINUED OPERATIONS	**1,634**	**1,325**
Payments for tangible and intangible assets and plants held under finance leases in accordance with IFRIC 4/IAS 17	–782	–813
Payments for investments in consolidated companies	–181	–33
Payments for investments in financial assets	–28	–32
Payments for investments in securities	–1,238	–1,155
Proceeds on disposal of securities	203	961
Proceeds on disposal of tangible and intangible assets and amortisation of receivables from finance leases in accordance with IFRIC 4/IAS 17	78	62
Proceeds on disposal of consolidated companies and from purchase price repayment claims	7	122
Proceeds on disposal of financial assets	17	32
CASH FLOW FROM INVESTING ACTIVITIES – CONTINUING OPERATIONS	**–1,924**	**–856**
CASH FLOW FROM INVESTING ACTIVITIES – DISCONTINUED OPERATIONS	**–12**	**–11**
CASH FLOW FROM INVESTING ACTIVITIES – CONTINUING AND DISCONTINUED OPERATIONS	**–1,936**	**–867**

GROUP STATEMENT OF CASH FLOWS

12

in € million	January to June 2016	January to June 2017
Dividend payments to Linde AG shareholders and non-controlling interests	−684	−733
Cash inflows/outflows due to changes in non-controlling interests	–	3
Cash inflows from interest rate derivatives	86	60
Interest payments relating to financial debt and cash outflows for interest rate derivatives	−288	−257
Proceeds of loans and capital market debt	3,209	3,083
Cash outflows for the repayment of loans and capital market debt	−1,983	−2,544
Cash outflows for the repayment of liabilities from finance leases	−10	−10
CASH FLOW FROM FINANCING ACTIVITIES – CONTINUING OPERATIONS	**330**	**−398**
CASH FLOW FROM FINANCING ACTIVITIES – DISCONTINUED OPERATIONS	**−17**	**3**
CASH FLOW FROM FINANCING ACTIVITIES – CONTINUING AND DISCONTINUED OPERATIONS	**313**	**−395**
CHANGE IN CASH AND CASH EQUIVALENTS	**11**	**63**
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	**1,417**	**1,463**
Effects of currency translation	−16	−38
Cash disclosed as non-current assets classified as held for sale and disposal groups	−1	−3
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	1,411	1,485

STATEMENT OF CHANGES IN GROUP EQUITY

in € million	*Capital subscribed*	*Capital reserve*
AT 01.01.2016	**475**	**6,736**
Profit for the period	–	–
Other comprehensive income (net of tax)	–	–
TOTAL COMPREHENSIVE INCOME	**–**	**–**
Dividend payments	–	–
Changes as a result of share option schemes	–	4
TOTAL CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS OF THE COMPANY	–	4
Acquisition/disposal of a subsidiary with non-controlling interests	–	–
CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES	–	–
OTHER CHANGES	–	–
AT 30.06.2016	**475**	**6,740**
AT 01.01.2017	**475**	**6,745**
Profit for the period	–	–
Other comprehensive income (net of tax)	–	–
TOTAL COMPREHENSIVE INCOME	**–**	**–**
Dividend payments	–	–
Changes as a result of share option schemes	–	–15
Capital increases/decreases	–	–
TOTAL CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS OF THE COMPANY	–	–15
Acquisition/disposal of non-controlling interests without a change of control	–	–
Acquisition/disposal of a subsidiary with non-controlling interests	–	–
CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES	–	–
AT 30.06.2017	**475**	**6,730**

13

	Revenue reserves		Cumulative changes in equity not recognised through the statement of profit or loss					
	Remeasurement of defined benefit plans	*Retained earnings*	*Currency translation differences*	*Available-for-sale financial assets*	*Hedging instruments*	*Total equity attributable to Linde AG shareholders*	*Non-controlling interests*	*Total equity*
	−966	**8,112**	**1,127**	**−1**	**−905**	**14,578**	**871**	**15,449**
	–	632	–	–	–	632	55	687
	−467	–	−734	1	124	−1,076	−23	−1,099
	−467	**632**	**−734**	**1**	**124**	**−444**	**32**	**−412**
	–	−640	–	–	–	−640	−44	−684
	–	–	–	–	–	4	–	4
	–	**−640**	**–**	**–**	**–**	**−636**	**−44**	**−680**
	–	–	–	–	–	–	23	23
	–	**–**	**–**	**–**	**–**	**–**	**23**	**23**
	–	**2**	**–**	**–**	**–**	**2**	**−2**	**–**
	−1,433	**8,106**	**393**	**–**	**−781**	**13,500**	**880**	**14,380**
	−1,383	**8,627**	**979**	**−1**	**−865**	**14,577**	**903**	**15,480**
	–	602	–	–	–	602	67	669
	92	–	−1,100	2	208	−798	−41	−839
	92	**602**	**−1,100**	**2**	**208**	**−196**	**26**	**−170**
	–	−687	–	–	–	−687	−46	−733
	–	–	–	–	–	−15	–	−15
	–	–	–	–	–	–	3	3
	–	**−687**	**–**	**–**	**–**	**−702**	**−43**	**−745**
	–	−1	–	–	–	−1	1	–
	–	–	–	–	–	–	13	13
	–	**−1**	**–**	**–**	**–**	**−1**	**14**	**13**
	−1,291	**8,541**	**−121**	**1**	**−657**	**13,678**	**900**	**14,578**

SEGMENT INFORMATION

	Segments	
	Gases Division	
	2nd Quarter	
in € million, ▷ SEE NOTE [7]	2016	2017
Revenue from third parties	3,704	3,771
Revenue from other segments	2	2
TOTAL REVENUE FROM THE REPORTABLE SEGMENTS	**3,706**	**3,773**
OPERATING PROFIT	**1,087**	**1,113**
Restructuring and merger costs (special items)	39	101
Amortisation of intangible assets and depreciation of tangible assets	460	472
EBIT	**588**	**540**
Capital expenditure (excluding financial assets)	391	363

in € million, ▷ SEE NOTE [7]
Revenue from third parties
Revenue from other segments
TOTAL REVENUE FROM THE REPORTABLE SEGMENTS
OPERATING PROFIT
Restructuring and merger costs (special items)
Amortisation of intangible assets and depreciation of tangible assets
EBIT
Capital expenditure (excluding financial assets)

	Segments								
	Engineering Division		Other Activities (discontinued operations)		Reconciliation		Group	
	2nd Quarter		2nd Quarter		2nd Quarter		2nd Quarter	
	2016	2017	2016	2017	2016	2017	2016	2017
	445	497	149	143	–	–	4,298	4,411
	72	67	3	6	–77	–75	–	–
	517	**564**	**152**	**149**	**–77**	**–75**	**4,298**	**4,411**
	43	**44**	**14**	**7**	**–79**	**–75**	**1,065**	**1,089**
	–	13	–	–	–	25	39	139
	9	9	6	–	–11	–10	464	471
	34	**22**	**8**	**7**	**–68**	**–90**	**562**	**479**
	5	4	2	–	–3	–13	395	354

	Segments							
	Gases Division							
	EMEA		Asia/Pacific		Americas		Total Gases Division	
	2nd Quarter		2nd Quarter		2nd Quarter		2nd Quarter	
	2016	2017	2016	2017	2016	2017	2016	2017
	1,448	1,466	1,000	1,093	1,256	1,212	3,704	3,771
	3	3	7	6	38	36	2	2
	1,451	**1,469**	**1,007**	**1,099**	**1,294**	**1,248**	**3,706**	**3,773**
	498	**462**	**259**	**347**	**330**	**304**	**1,087**	**1,113**
	39	93	–	–	–	8	39	101
	172	179	136	136	152	157	460	472
	287	**190**	**123**	**211**	**178**	**139**	**588**	**540**
	185	181	77	84	129	98	391	363

SEGMENT INFORMATION

	Segments	
	Gases Division	
	January to June	
in € million, ▷ SEE NOTE [7]	2016	2017
Revenue from third parties	7,323	7,567
Revenue from other segments	4	5
TOTAL REVENUE FROM THE REPORTABLE SEGMENTS	**7,327**	**7,572**
OPERATING PROFIT	**2,093**	**2,166**
Restructuring and merger costs (special items)	39	117
Amortisation of intangible assets and depreciation of tangible assets	914	958
EBIT	**1,140**	**1,091**
Capital expenditure (excluding financial assets)	690	725

in € million, ▷ SEE NOTE [7]
Revenue from third parties
Revenue from other segments
TOTAL REVENUE FROM THE REPORTABLE SEGMENTS
OPERATING PROFIT
Restructuring and merger costs (special items)
Amortisation of intangible assets and depreciation of tangible assets
EBIT
Capital expenditure (excluding financial assets)

	Segments								
	Engineering Division		Other Activities (discontinued operations)		Reconciliation		Group	
	January to June		January to June		January to June		January to June	
	2016	2017	2016	2017	2016	2017	2016	2017
	941	1,086	296	282	–	–	8,560	8,935
	144	126	6	12	-154	-143	–	–
	1,085	**1,212**	**302**	**294**	**-154**	**-143**	**8,560**	**8,935**
	89	**97**	**20**	**13**	**-146**	**-140**	**2,056**	**2,136**
	–	17	–	–	–	27	39	161
	18	17	13	–	-20	-20	925	955
	71	**63**	**7**	**13**	**-126**	**-147**	**1,092**	**1,020**
	10	7	5	–	-26	-46	679	686

	Segments							
	Gases Division							
	EMEA		Asia/Pacific		Americas		Total Gases Division	
	January to June		January to June		January to June		January to June	
	2016	2017	2016	2017	2016	2017	2016	2017
	2,853	2,939	1,964	2,159	2,506	2,469	7,323	7,567
	8	8	12	13	72	76	4	5
	2,861	**2,947**	**1,976**	**2,172**	**2,578**	**2,545**	**7,327**	**7,572**
	928	**924**	**513**	**615**	**652**	**627**	**2,093**	**2,166**
	39	104	–	–	–	13	39	117
	340	358	272	281	302	319	914	958
	549	**462**	**241**	**334**	**350**	**295**	**1,140**	**1,091**
	299	311	158	178	233	236	690	725

ADDITIONAL COMMENTS

[1] General accounting policies

The condensed Group interim financial statements of Linde AG at 30 June 2017 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) applicable to interim financial reporting, as adopted by the European Union pursuant to EU Regulation No. 1606/2002 of the European Parliament and the Council on the application of International Accounting Standards.

The reporting currency is the euro. All amounts are shown in millions of euro (EUR m), unless stated otherwise.

A review of the condensed Group interim financial statements has been performed by KPMG AG Wirtschaftsprüfungsgesellschaft.

The accounting policies used in the condensed Group interim financial statements are the same as those used to prepare the Group financial statements for the year ended 31 December 2016. During the reporting period, EUR 15 m was reclassified from the capital reserve to liabilities. The reclassification relates to the LTIP (Linde Long Term Incentive Plan 2012), which has historically been settled by issuing equity instruments and has changed during the second quarter to cash settlement. In the first half of 2017, there were no changes in the discretionary decisions and estimates compared with the information disclosed in the 2016 Financial Report.

In addition, IAS 34 Interim Financial Reporting has been applied. Since 1 January 2017, no new standards issued by the IASB have become effective in the EU.

The following standards were issued by the IASB but have not yet been applied in the condensed Group interim financial statements of The Linde Group for the six months ended 30 June 2017:

- IFRS 15 Revenue from Contracts with Customers including Amendments to IFRS 15 (first-time application according to IASB in financial years beginning on or after 1 January 2018)
- Clarifications relating to IFRS 15 Revenue from Contracts with Customers (first-time application according to IASB in financial years beginning on or after 1 January 2018)
- IFRS 9 Financial Instruments (first-time application according to IASB in financial years beginning on or after 1 January 2018)
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (first-time application postponed indefinitely by IASB)
- IFRS 16 Leases (first-time application according to IASB in financial years beginning on or after 1 January 2019)
- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses (first-time application according to IASB in financial years beginning on or after 1 January 2017)
- Amendments to IAS 7: Disclosure Initiative (first-time application according to IASB in financial years beginning on or after 1 January 2017)
- Amendments to IFRS 2 Share-based Payment (first-time application according to IASB in financial years beginning on or after 1 January 2018)
- Annual Improvements to the IFRSs (2014–2016) (first-time application according to IASB in financial years beginning on or after 1 January 2017 / 1 January 2018)
- IFRIC 22 Foreign Currency Transactions and Advance Consideration (first-time application according to IASB in financial years beginning on or after 1 January 2018)
- IFRIC 23 Uncertainty over Income Tax Treatments (first-time application according to IASB in financial years beginning on or after 1 January 2019)

[2] Changes in Group structure

The types of companies included in the consolidated interim financial statements of The Linde Group and changes in the structure of the Group are disclosed below:

STRUCTURE OF COMPANIES INCLUDED IN THE FINANCIAL STATEMENTS 16

	As at 31.12.2016	Additions	Disposals	As at 30.06.2017
CONSOLIDATED SUBSIDIARIES	**556**	**12**	**16**	**552**
of which within Germany	20	–	–	20
of which outside Germany	536	12	16	532
COMPANIES ACCOUNTED FOR USING THE LINE-BY-LINE METHOD	**5**	**1**	**–**	**6**
of which within Germany	–	–	–	–
of which outside Germany	5	1	–	6
COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD	**36**	**–**	**1**	**35**
of which within Germany	2	–	–	2
of which outside Germany	34	–	1	33
NON-CONSOLIDATED SUBSIDIARIES	**53**	**3**	**12**	**44**
of which within Germany	4	–	–	4
of which outside Germany	49	3	12	40

Disposals during the reporting period include the sale of the subsidiary Shenzhen South China Industrial Gases Co. Ltd. and of the Australian subsidiary Flexihire Pty. Ltd. At Group level, the sales resulted in a net gain on deconsolidation of EUR 70 m, which is included in other operating income (EUR 76 m) and other operating expenses (EUR 6 m) respectively.

Other significant disposals are described in ▹ *NOTE [5]*. Additions during the reporting period are described in ▹ *NOTE [3]* below.

[3] Acquisitions

Linde did not make any significant acquisitions during the reporting period. Information about the acquisitions which did take place in the first half of 2017 is therefore provided below in aggregate rather than by individual company.

In the first six months of 2017, Linde made acquisitions to expand its industrial gases and Healthcare businesses in the EMEA, Americas and Asia/Pacific segments. The total purchase price for these acquisitions (including the remeasurement of existing shares) was EUR 45 m, of which EUR 35 m was settled in cash. The total purchase price includes contingent consideration of EUR 0 m and deferred purchase price payments of EUR 1 m. In the course of a step acquisition, existing shares in the relevant company were restated at a fair value of EUR 9 m and the resulting gain of EUR 1 m was recognised in operating profit. In the course of these purchases, Linde acquired non-current assets, inventories, liquid assets and other current assets. Total goodwill arising was EUR 27 m. Synergies are the main components of the goodwill. Of the goodwill, EUR 16 m is tax-deductible. Non-controlling interests were allocated their share of the restated net assets. In the course of these purchases, Linde acquired receivables of EUR 10 m. The figure for gross receivables was EUR 10 m. Due to the proximity of the acquisition dates to the reporting date, the results should be viewed as provisional.

Since the dates of their acquisition, the companies acquired have generated revenue of EUR 8 m and contributed a post-tax loss of EUR 1 m to the Group's profit for the period. If the business acquired had been consolidated into The Linde Group from 1 January 2017, the contribution to revenue would have been EUR 14 m and the contribution to profit for the period would have been EUR 0 m.

IMPACT OF ACQUISITIONS ON THE NET ASSETS OF THE LINDE GROUP 17

Opening balance upon initial consolidation	*Fair value*
in € million	
Non-current assets	37
Inventories	1
Other current assets	10
Cash and cash equivalents	4
Equity (attributable to Linde AG)	18
Non-controlling interests	13
Liabilities	21

[4] Foreign currency translation

Exchange rates for the major currencies used by Linde were as follows:

PRINCIPAL EXCHANGE RATES 18

		Spot rate on reporting date		Average rate January to June	
Exchange rate €1 =	*ISO code*	*31.12.2016*	*30.06.2017*	*2016*	*2017*
Australia	AUD	1.45732	1.48393	1.52222	1.43681
China	CNY	7.30336	7.73169	7.30173	7.44919
South Africa	ZAR	14.44751	14.89166	17.19953	14.31014
UK	GBP	0.85229	0.87870	0.77908	0.86026
USA	USD	1.05160	1.14025	1.11691	1.08363

[5] Non-current assets classified as held for sale and disposal groups

At 30 June 2017, assets of EUR 642 m and liabilities of EUR 157 m were disclosed as non-current assets classified as held for sale and disposal groups.

These relate mainly to logistics services company Gist. Since December 2016, Gist's business, which is included in the Other Activities segment, has been classified as held for sale and disclosed as a discontinued operation. Assets with a carrying amount of EUR 572 m and liabilities with a carrying amount of EUR 122 m have therefore been reclassified within the Group statement of financial position. The principal items involved are goodwill (EUR 217 m), tangible assets (EUR 116 m) and trade receivables (EUR 101 m). In addition, assets of EUR 63 m and liabilities of EUR 35 m have been disclosed as non-current disposal groups held for sale. These relate to the gases business in Pakistan. The sales contract was signed in the second quarter of 2017. It is expected that the business will be transferred in the second half of the year. A further EUR 7 m relates to the proposed sale of vehicles in the Asia/Pacific segment. The vehicles were acquired in 2016 and are due for sale in 2017 in accordance with an operating sale and leaseback agreement.

In July 2017, management decided to sell part of a production facility within the EMEA segment. Efforts to sell have commenced, and the sale is expected to be made within a year.

In the second quarter, non-current assets held for sale of around EUR 20 m and liabilities of EUR 4 m, which related to the gases business in Slovenia, Bosnia and Croatia, were sold as planned. A deconsolidation loss of less than EUR 1 m was recognised.

Included in cumulative changes in equity not recognised through the statement of profit or loss at the reporting date is an expense of EUR 113 m arising from the measurement in foreign currency of assets and liabilities classified as held for sale.

[6] Financial instruments

FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE 19

	Level 1		Level 2		Level 3	
in € million	31.12.2016	30.06.2017	31.12.2016	30.06.2017	31.12.2016	30.06.2017
Investments and securities	121	317	–	–	–	–
Derivatives with positive fair values	–	–	214	145	–	–
Derivatives with negative fair values	–	–	642	520	–	–

For individual categories of financial assets and financial liabilities in The Linde Group, the carrying amount of the item is generally a reasonable approximation of the fair value of the item. This does not apply to receivables from finance leases or to financial debt. In the case of receivables from finance leases, the fair value is EUR 210 m, while the carrying amount is EUR 183 m. The fair value of the financial debt is EUR 9.320 bn, compared with its carrying amount of EUR 8.926 bn. The fair value of financial instruments is generally determined using quoted market prices. If no quoted market prices are available, the fair value is determined using measurement methods customary in the market, based on market parameters specific to the instrument. The investments and securities category also includes financial assets (available-for-sale financial assets) of EUR 17 m (31 December 2016: EUR 17 m) for which a fair value cannot be reliably determined. For these assets, there are neither observable market prices nor sufficient information for a reliable valuation using other valuation methods. There is currently no intention to sell these assets.

For derivative financial instruments, the fair value is determined as follows. Options are measured using Black-Scholes pricing models. Futures are measured with recourse to the quoted market price in the relevant market.

All other derivative financial instruments are measured by discounting future cash flows using the present value method. The starting parameters for these models should, as far as possible, be the relevant observable market prices and interest rates at the reporting date.

At the reporting date, no assets or liabilities had been recognised for which the values had been determined by valuation techniques with principal inputs not derived from observable market data (Level 3). During the reporting period, there were no transfers between Levels 1, 2 and 3 of the fair value hierarchy.

More information on Linde's financial debt is given on ▸ PAGE 6 OF THE GROUP INTERIM MANAGEMENT REPORT.

[7] Segment reporting

The same principles apply to segment reporting in the interim report as those described in the Group financial statements for the year ended 31 December 2016.

To arrive at the figure for the Gases Division as a whole from the figures for the segments within the Gases Division for the first six months 2017, consolidation adjustments of EUR 92 m (2016: EUR 88 m) were deducted from revenue. For the second quarter 2017, consolidation adjustments of EUR 43 m (2016: EUR 46 m) were deducted from revenue. Therefore, it is not possible to arrive at the figure for the Gases Division as a whole by merely adding together the segments in the Gases Division.

The reconciliation of segment revenue to Group revenue and of the operating profit of the segments to Group profit before tax is shown in the table below.

RECONCILIATION OF SEGMENT REVENUE AND OF THE SEGMENT RESULT 20

	2nd Quarter		*January to June*	
in € million	*2016*	*2017*	*2016*	*2017*
Revenue				
Total segment revenue	4,375	4,486	8,714	9,078
Revenue from discontinued operations	–149	–143	–296	–282
Consolidation	–77	–75	–154	–143
GROUP REVENUE FROM CONTINUING OPERATIONS	**4,149**	**4,268**	**8,264**	**8,653**
Operating profit				
Operating profit from segments	1,144	1,164	2,202	2,276
OPERATING PROFIT FROM CORPORATE ACTIVITIES	**–70**	**–78**	**–158**	**–140**
OPERATING PROFIT FROM DISCONTINUED OPERATIONS	**–14**	**–7**	**–20**	**–13**
Consolidation	–9	3	12	–
Restructuring and merger costs (special items)	39	139	39	161
Amortisation and depreciation	458	471	912	955
Financial income	4	8	12	23
Financial expenses	98	78	195	167
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	**460**	**402**	**902**	**863**

[8] Reconciliation of key financial figures

The key financial figures relating to The Linde Group have been adjusted in the table below for special items. Special items are items which, due to their nature, frequency and/or extent, are likely to have an adverse impact on how accurately the key financial figures reflect the sustainability of the earnings capacity of The Linde Group in the capital market.

KEY FINANCIAL FIGURES ADJUSTED FOR SPECIAL ITEMS (21)

	January to June					
	2016			2017		
in € million	*As reported*	*Special items*	*Key financial figures before special items*	*As reported*	*Special items*	*Key financial figures before special items*
Revenue	8,264	–	8,264	8,653	–	8,653
Cost of sales	−5,229	–	−5,229	−5,705	26	−5,679
GROSS PROFIT	**3,035**	**–**	**3,035**	**2,948**	**26**	**2,974**
Research and development costs, marketing, selling and administration expenses	−2,052	39	−2,013	−2,118	135	−1,983
Other operating income and expenses	94	–	94	169	–	169
Share of profit or loss from associates and joint ventures (at equity)	8	–	8	8	–	8
EBIT FROM CONTINUING OPERATIONS	**1,085**	**39**	**1,124**	**1,007**	**161**	**1,168**
Financial result	−183	–	−183	−144	–	−144
Taxes on income	−222	−8	−230	−207	−42	−249
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	**680**	**31**	**711**	**656**	**119**	**775**
PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS	**7**	**–**	**7**	**13**	**–**	**13**
PROFIT FOR THE PERIOD	**687**	**31**	**718**	**669**	**119**	**788**
attributable to Linde AG shareholders	632	31	663	602	119	721
attributable to non-controlling interests	55	–	55	67	–	67
EBIT FROM CONTINUING OPERATIONS	**1,085**	**39**	**1,124**	**1,007**	**161**	**1,168**
Amortisation of intangible assets and depreciation of tangible assets	−912	–	−912	−955	–	−955
OPERATING PROFIT FROM CONTINUING OPERATIONS	**1,997**	**39**	**2,036**	**1,962**	**161**	**2,123**
EARNINGS PER SHARE FROM CONTINUING OPERATIONS *in €* **– UNDILUTED**	**3.37**	**0.16**	**3.53**	**3.17**	**0.64**	**3.81**
EARNINGS PER SHARE FROM CONTINUING OPERATIONS *in €* **– DILUTED**	**3.36**	**0.16**	**3.52**	**3.17**	**0.64**	**3.81**

[9] Proposed Business Combination with Praxair, Inc.

On June 1, 2017, Linde AG and Praxair, Inc. entered into a definitive business combination agreement (the "Business Combination Agreement"), pursuant to which, among other things, Linde AG and Praxair, Inc. agreed to combine their respective businesses under a new holding company incorporated in Ireland, Linde plc (the "Business Combination").

Under the terms of the Business Combination Agreement, Linde AG will become an indirect subsidiary of Linde plc after effecting a public exchange offer. In this exchange offer, Linde plc will make an offer to exchange each outstanding share of Linde AG for 1.540 ordinary shares of Linde plc (the "Exchange Offer"). Furthermore, the Business Combination Agreement foresees, that each share of Praxair, Inc. will be converted into the right to receive one Linde plc ordinary share. Upon completion of the Business Combination, and assuming that all of the outstanding Linde shares are exchanged in the Exchange Offer, former Linde shareholders and former Praxair shareholders will each own approximately 50 percent of the outstanding Linde plc shares. Linde plc will apply to list its ordinary shares on the New York Stock Exchange and the Frankfurt Stock Exchange, and will seek inclusion in the S&P 500 and DAX 30 indices.

The parties currently expect the Business Combination to be completed in the second half of 2018. Completion of the Business Combination is subject to the satisfaction or waiver of conditions, including (a) approval of the merger of Praxair, Inc. with Zamalight Subco, Inc., a wholly-owned indirect subsidiary of Linde plc, by holders of a majority of the outstanding shares of Praxair, Inc. common stock, (b) the tender in the Exchange Offer of at least 75 percent of the outstanding Linde shares, (c) approval by requisite governmental regulators and authorities, (d) absence of any law, regulation or injunction or order by any governmental entity in Ireland, the United Kingdom, Germany or the United States that prohibits or makes illegal the completion of the Business Combination and (e) that there has been no material adverse effect on and no material compliance violation by either Linde AG or Praxair, Inc., as determined by a third-party independent expert.

The Business Combination may be terminated for, or may terminate as a result of, certain reasons, including, among others, (a) the mutual consent of Praxair, Inc. and Linde AG to termination, (b) a change in recommendation regarding the Business Combination from the Praxair board of directors, the Linde AG executive board or the Linde AG supervisory board (provided that, with respect to the Linde AG supervisory board, such change involves recommending that Linde AG shareholders not accept the Exchange Offer), (c) the occurrence of an "adverse tax event" (as defined in the Business Combination Agreement), (d) a permanent injunction or order by any governmental entity in Ireland, the United Kingdom, Germany or the United States that prohibits or makes illegal the completion of the Business Combination, (e) the occurrence of a change, event, occurrence or effect that has had or is reasonably expected to have a "material adverse change" (as defined in the Business Combination Agreement) on Linde AG or Praxair, Inc. or (f) the failure to satisfy any of the conditions described in the preceding paragraph. The Business Combination Agreement further provides that, upon termination of the Business Combination under certain specified circumstances, Praxair, Inc. will be required to pay Linde AG a termination fee of EUR 250 m or Linde AG will be required to pay Praxair, Inc. such termination fee, as applicable.

[10] Events after the balance sheet date

On 26 July 2017, the Executive Board of Linde AG authorised the condensed Group interim financial statements for issue.

MUNICH, 26 JULY 2017

PROFESSOR DR ALDO BELLONI
[CHIEF EXECUTIVE OFFICER]

BERND EULITZ
[MEMBER OF THE EXECUTIVE BOARD]

DR CHRISTIAN BRUCH
[MEMBER OF THE EXECUTIVE BOARD]

SANJIV LAMBA
[MEMBER OF THE EXECUTIVE BOARD]

DR SVEN SCHNEIDER
[MEMBER OF THE EXECUTIVE BOARD]

REVIEW REPORT

To Linde Aktiengesellschaft, Munich

We have reviewed the condensed interim consolidated financial statements – comprising the Group - Statement of profit or loss, the Group - Statement of comprehensive income, the Group - Statement of financial position, the Group - Statement of cash flows, the Statement of changes in Group equity and selected explanatory notes – together with the Group interim management report of the Linde Aktiengesellschaft, Munich, for the period from 1 January to 30 June 2017 that are part of the semi annual financial report according to § 37w German Securities Trading Act (WpHG). The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and of the Group interim management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the Group interim management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the Group interim management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) and in supplementary compliance with the International Standard on Review Engagements 2410 (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the Group interim management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the Group interim management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

MUNICH, 26 JULY 2017

KPMG AG
[WIRTSCHAFTSPRÜFUNGS-
GESELLSCHAFT]

BECKER
[WIRTSCHAFTS-
PRÜFER]

V. HEYNITZ
[WIRTSCHAFTS-
PRÜFER]

RESPONSIBILITY REPORT

To the best of our knowledge and belief, and in accordance with the applicable accounting principles for interim reporting, the interim consolidated financial statements give a true and fair view of the net assets, financial position and profit or loss of the Group, and the Group interim management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remaining part of the financial year.

MUNICH, 26 JULY 2017

LINDE AKTIENGESELLSCHAFT
THE EXECUTIVE BOARD

PROFESSOR DR ALDO BELLONI
[CHIEF EXECUTIVE OFFICER]

BERND EULITZ
[MEMBER OF THE EXECUTIVE BOARD]

DR CHRISTIAN BRUCH
[MEMBER OF THE EXECUTIVE BOARD]

SANJIV LAMBA
[MEMBER OF THE EXECUTIVE BOARD]

DR SVEN SCHNEIDER
[MEMBER OF THE EXECUTIVE BOARD]

FINANCIAL CALENDAR

[1]
INTERIM REPORT
JANUARY TO JUNE 2017
28 July 2017

[2]
INTERIM REPORT
JANUARY TO SEPTEMBER 2017
27 October 2017

[3]
ANNUAL GENERAL MEETING
2018
3 May 2018
International Congress Centre,
Munich, Germany

Additional Information and Where to Find It

In connection with the proposed business combination between Praxair, Inc. ("Praxair") and Linde AG ("Linde"), Linde plc ("New Holdco") has filed a Registration Statement on Form S-4 (which Registration Statement has not yet been declared effective) with the U.S. Securities and Exchange Commission ("SEC") that includes (1) a proxy statement of Praxair that also constitutes a prospectus for New Holdco and (2) an offering prospectus of New Holdco to be used in connection with New Holdco's offer to acquire Linde shares held by U.S. holders. Once the Registration Statement is declared effective by the SEC, Praxair will mail the proxy statement/prospectus to its stockholders in connection with the vote to approve the merger of Praxair and an indirect wholly-owned subsidiary of New Holdco, and New Holdco will distribute the offering prospectus to Linde shareholders in the United States in connection with New Holdco's offer to acquire all of the outstanding shares of Linde. New Holdco will also file an offer document with the German Federal Financial Supervisory Authority (Bundesanstalt fuer Finanzdienstleistungsaufsicht) ("BaFin"). The consummation of the proposed business combination is subject to regulatory approvals and other customary closing conditions.

Investors and security holders are urged to read the proxy statement/prospectus and the offer document regarding the proposed business combination transaction and proposed offer because they contain important information.

You may obtain a free copy of the proxy statement/prospectus and other related documents filed by Praxair, Linde and New Holdco with the SEC on the SEC's Web site at ▹ WWW.SEC.GOV. The proxy statement/prospectus and other documents relating thereto may also be obtained for free by accessing Praxair's Web site at ▹ WWW.PRAXAIR.COM. Following approval of its publication by the BaFin, the offer document will be made available for free at New Holdco's website at ▹ WWW.LINDEPRAXAIRMERGER.COM. Furthermore, the offer document is expected to be made available at BaFin's website for free at ▹ WWW.BAFIN.DE.

This document is neither an offer to purchase nor a solicitation of an offer to sell shares of New Holdco, Praxair or Linde. The final terms and further provisions regarding the public offer will be disclosed in the offer document after the publication has been approved by the BaFin and in documents that will be filed with the SEC. No money, securities or other consideration is being solicited, and, if sent in response to the information contained herein, will not be accepted. The information contained herein should not be considered as a recommendation that any person should subscribe for or purchase any securities.

No offering of securities shall be made except by means of a prospectus meeting the requirements of the U.S. Securities Act of 1933, as amended, and applicable European and German regulations. The distribution of this document may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. No offering of securities will be made directly or indirectly, in or into any jurisdiction where to do so would be inconsistent with the laws of such jurisdiction.

Participants in Solicitation

Praxair, Linde, New Holdco and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from Praxair's stockholders in respect of the proposed business combination. Information regarding the persons who are, under the rules of the SEC, participants in the solicitation of the stockholders of Praxair in connection with the proposed transaction, including a description of their direct or indirect interests, by security holdings or otherwise, are set forth in the proxy statement/prospectus filed with the SEC. Information regarding the directors and executive officers of Praxair is contained in Praxair's Annual Report on Form 10-K for the year ended December 31, 2016 and its Proxy Statement on Schedule 14A, dated March 15, 2017, which are filed with the SEC and can be obtained free of charge from the sources indicated above.

Forward-looking Statements

This communication includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on our beliefs and assumptions on the basis of factors currently known to us. These forward-looking statements are identified by terms and phrases such as: anticipate, believe, intend, estimate, expect, continue, should, could, may, plan, project, predict, will, potential, forecast, and similar expressions. These forward-looking statements include, but are not limited to, statements regarding benefits of the proposed business combination, integration plans and expected synergies, and anticipated future growth, financial and operating performance and results. Forward-looking statements involve risks and uncertainties that may cause actual results to be materially different from the results predicted or expected. No assurance can be given that these forward-looking statements will prove accurate and correct, or that projected or anticipated future results will be achieved. Factors that could cause actual results to differ materially from those indicated in any forward-looking statement include, but are not limited to: the expected timing and likelihood of the completion of the contemplated business combination, including the timing, receipt and terms and conditions of any required governmental and regulatory approvals of the contemplated business combination that could reduce anticipated benefits or cause the parties to abandon the transaction; the occurrence of any event, change or other circumstances that could give rise to the termination of the business combination agreement; the ability to successfully complete the proposed business combination and the exchange offer; regulatory or other limitations imposed as a result of the proposed business combination; the success of the business following the proposed business combination; the ability to successfully integrate the Praxair and Linde businesses; the possibility that Praxair stockholders may not approve the business combination agreement or that the requisite number of Linde shares may not be tendered in the public offer; the risk that the parties may not be able to satisfy the conditions to closing of the proposed business combination in a timely manner or at all; risks related to disruption of management time from ongoing business operations due to the proposed business combination; the risk that the announcement or consummation of the proposed business combination could have adverse effects on the market price of Linde's or Praxair's common stock or the ability of Linde and Praxair to retain customers, retain or hire key personnel, maintain relationships with their respective suppliers and customers, and on their operating results and businesses generally; the risk that New Holdco may be unable to achieve expected synergies or that it may take longer or be more costly than expected to achieve those synergies; state, provincial, federal and foreign legislative and regulatory initiatives that affect cost and investment recovery, have an effect on rate structure, and affect the speed at and degree to which competition enters the industrial gas, engineering and healthcare industries; outcomes of litigation and regulatory investigations, proceedings or inquiries; the timing and extent of changes in commodity prices, interest rates and foreign currency exchange rates; general economic conditions, including the risk of a prolonged economic slowdown or decline, or the risk of delay in a recovery, which can affect the long-term demand for industrial gas, engineering and healthcare and related services; potential effects arising from terrorist attacks and any consequential or other hostilities; changes in environmental, safety and other laws and regulations; the development of alternative energy resources; results and costs of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings and general market and economic conditions; increases in the cost of goods and services required to complete capital projects; the effects of accounting pronouncements issued periodically by accounting standard-setting bodies; conditions of the debt and capital markets; market acceptance of and continued demand for Linde's and Praxair's products and services; changes in tax laws, regulations or interpretations that could increase Praxair's, Linde's or New Holdco's consolidated tax liabilities; and such other factors as are set forth in Linde's annual and interim financial reports made publicly available and Praxair's and New Holdco's public filings made with the SEC from time to time, including but not limited to those described under the headings "Risk Factors" and "Forward-Looking Statements" in Praxair's Form 10-K for the fiscal year ended December 31, 2016, which are available via the SEC's website at ▶ WWW.SEC.GOV. The foregoing list of risk factors is not exhaustive. These risks, as well as other risks associated with the contemplated business combination, are more fully discussed in the proxy statement/prospectus and the offering prospectus included in the Registration Statement on Form S-4 filed with the SEC and in the offering document and/or any prospectuses or supplements to be filed with BaFin in connection with the contemplated business combination. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than Linde, Praxair or New Holdco has described. All such factors are difficult to predict and beyond our control. All forward-looking statements included in this document are based upon information available to Linde, Praxair and New Holdco on the date hereof, and each of Linde, Praxair and New Holdco disclaims and does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

IMPRINT

[PUBLISHED BY]

LINDE AG
KLOSTERHOFSTRASSE 1
80331 MUNICH
GERMANY

[CONCEPT, DESIGN, PRODUCTION]

HW.DESIGN, MUNICH
GERMANY

[TEXT]

LINDE AG

[PRINTED BY]

G. PESCHKE DRUCKEREI GMBH
85599 PARSDORF/MUNICH
GERMANY

METAPAPER
SMOOTH WHITE [PAPER]

MIX
Paper from responsible sources
FSC® C002390
FSC
www.fsc.org

[CONTACT]

LINDE AG
KLOSTERHOFSTRASSE 1
80331 MUNICH
GERMANY

PHONE: +49.89.35757-01
FAX: +49.89.35757-1075

WWW.LINDE.COM

[COMMUNICATIONS]

PHONE: +49.89.35757-1321
FAX: +49.89.35757-1398

MEDIA@LINDE.COM

[INVESTOR RELATIONS]

PHONE: +49.89.35757-1321
FAX: +49.89.35757-1398

INVESTORRELATIONS@LINDE.COM

This report is available in both German and English and can be downloaded from our website at ▸ *WWW.LINDE.COM*. Further information about Linde can be obtained from us on request.

[DATE OF PUBLICATION]

28 JULY 2017

Published by

Linde Aktiengesellschaft
Klosterhofstrasse 1
80331 Munich
Germany
Phone +49.89.35757-01
Fax +49.89.35757-1075
www.linde.com