9M

LINDE INTERIM REPORT
JANUARY TO SEPTEMBER 2017

Leading.

THE LINDE GROUP

LINDE FINANCIAL HIGHLIGHTS

[9M – JANUARY TO SEPTEMBER 2017]

Linde financial highlights		*January to September 2016*	*January to September 2017*	*Change*
Share				
Closing price	*€*	151.30	176.45	16.6%
Year high	*€*	156.30	179.30	14.7%
Year low	*€*	115.85	146.60	26.5%
Market capitalisation (at closing price on 30 September)	*€ million*	28,087	32,756	16.6%
Earnings per share from continuing operations – undiluted	*€*	5.02	4.63	–7.8%
Earnings per share from continuing operations – undiluted (before special items)	*€*	5.23	5.71	9.2%
Number of shares outstanding at the end of the reporting period	*000s*	185,638	185,638	–
Group (continuing operations)				
Revenue	*€ million*	12,530	12,864	2.7%
Operating profit[1]	*€ million*	3,035	3,151	3.8%
Operating margin	*%*	24.2	24.5	+30 bp[3]
EBIT (earnings before interest and tax)	*€ million*	1,607	1,462	–9.0%
EBIT (before special items)	*€ million*	1,657	1,739	4.9%
Profit for the period	*€ million*	1,020	958	–6.1%
Number of employees[2]		59,715	57,970	–2.9%
Gases Division				
Revenue	*€ million*	11,016	11,244	2.1%
Operating profit[1]	*€ million*	3,098	3,207	3.5%
Operating margin	*%*	28.1	28.5	+40 bp[3]
Engineering Division				
Revenue	*€ million*	1,739	1,809	4.0%
Operating profit[1]	*€ million*	146	152	4.1%
Operating margin	*%*	8.4	8.4	–

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 September 2017.

3 Basis points.

LINDE INTERIM REPORT

[9M – JANUARY TO SEPTEMBER 2017]

JANUARY TO SEPTEMBER 2017: LINDE CONTINUES TO GROW REVENUE AND EARNINGS

¬ Group revenue increases to EUR 12.864 bn
(up 2.7 percent; up 2.4 percent after adjusting for exchange rate effects)

¬ Group operating profit[1] rises to EUR 3.151 bn
(up 3.8 percent; up 3.7 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

Economic experts at the international economic research and forecasting institute Oxford Economics[1] are expecting the global economy to perform better in 2017 than in 2016. Given more positive impetus in the economy recently, the Institute is expecting 2.9 percent growth in global gross domestic product (GDP) for the full year 2017, following a rise of 2.4 percent in 2016. Oxford Economics is forecasting an increase in global industrial production of 3.7 percent, which is significantly higher than the growth in IP of 1.8 percent seen in 2016.

Once again, the main factors influencing the global economy are economic trends in the emerging nations, especially China but also Russia and Brazil. Growth in the United States remains consumer-driven, while there has also been a substantial increase in industrial production compared with 2016. This is partly due to the relatively stable situation in the oil and commodity markets since mid-2016. The result of the British referendum on leaving the European Union (EU) is continuing to have little impact on the global economy.

In the EMEA region[2] (Europe, Middle East, Africa), economists are projecting an increase of 2.2 percent in economic output, compared with 1.7 percent growth in 2016. Industrial production is forecast to rise by 2.4 percent (2016: 1.4 percent). Different trends are expected in different regions. The forecasts for Germany and the eurozone for the current year have improved. GDP in the eurozone is expected to rise by 2.2 percent (2016: 1.8 percent). The forecast for GDP growth in Germany is 2.1 percent (2016: 1.9 percent). The forthcoming exit of the United Kingdom from the EU (Brexit) has had only a minimal impact on British GDP in the current year. In 2017, economists are expecting 1.5 percent growth in GDP in the UK (2016: 1.8 percent). Nevertheless, the forecasts for the coming years are surrounded by a great degree of uncertainty, as they depend largely on the progress, prospects and outcome of the exit negotiations between the UK and the EU. In the Middle East, GDP is projected to fall slightly by 0.2 percent in 2017, a delayed consequence of the low level of investment in the area in prior years due to falling oil prices. This compares with GDP growth of 2.2 percent here in 2016. In Eastern Europe, a significant increase in GDP of 3.2 percent is expected (2016: 1.5 percent). The forecasts for Russia have brightened recently. Positive momentum was generated in 2017 by the recovery in the oil price. Economists are therefore expecting growth in Russian economic output of 1.8 percent in 2017, compared with a fall of 0.2 percent in 2016. Industrial production in Russia is projected to grow by 2.0 percent in the current year (2016: 1.0 percent). In South Africa, Linde's most important market in Africa, economic output is projected to rise by 0.7 percent (2016: 0.3 percent).

As in previous years, the strongest growth rates in 2017 are again expected to be in the Asia/Pacific region. Based on country forecasts prepared by Oxford Economics, GDP growth in this region for the full year 2017 is projected to be 5.6 percent (2016: 5.7 percent). The Chinese economy is expected to grow in the current year by 6.8 percent (2016: 6.7 percent). In China, expansionary monetary and fiscal policy and the construction sector are continuing to contribute to growth. However, it remains to be seen whether this trend continues over the next few years. Industrial production is forecast to rise by 6.2 percent in 2017, compared with IP growth of 6.1 percent in 2016. Alongside China, India is one of the main growth drivers in this region. GDP in India is projected to increase by 6.5 percent (2016: 7.9 percent). The economic experts are expecting industrial production in India to rise by 3.0 percent, which is significantly lower than the figure for IP growth in 2016 of 5.2 percent. In Australia, the forecasting institute is projecting GDP growth of 2.2 percent (2016: 2.5 percent).

In the Americas region, Oxford Economics is forecasting an increase in economic output in 2017 of 2.0 percent (2016: 0.8 percent). The main driver of this trend is the United States, where GDP growth is projected to be 2.1 percent (2016: 1.5 percent). Reasons given for this growth by the economic experts are an increase in net household income and a stable labour market. A significant improvement is also expected in industrial production in the United States, with IP growth of 1.9 percent in 2017. In 2016, industrial production fell in the US by 1.2 percent. The recent recovery occurred because energy-related industries such as mining are benefiting from higher commodity prices. In South America, economists are expecting gross domestic product to rise again, by 1.3 percent, which will start to compensate for the negative trend in 2016, when GDP here fell by 2.0 percent. The main driver is Brazil, seen as an economic anchor country in the subcontinent, which has left the recession behind and is expected to grow by 0.8 percent in 2017, compared with a fall in GDP in 2016 of 3.6 percent.

[1] © 2017 Oxford Economics. All rights reserved. As at 11 October 2017.
[2] The growth rates 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 nine months of 2017 by 2.7 percent to EUR 12.864 bn, when compared with the figure for the first nine months of 2016 of EUR 12.530 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 3.8 percent to EUR 3.151 bn (2016: EUR 3.035 bn). After adjusting for exchange rate effects arising solely on the translation of local currencies into the euro, Group revenue was 2.4 percent higher than in the prior-year period. After adjusting for exchange rate effects, Group operating profit increased by 3.7 percent.[1]

At 24.5 percent, the Group operating margin was higher than the prior-year figure of 24.2 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 227 m has been recognised in the first nine months of 2017. Also disclosed as special items are costs of around EUR 50 m arising from the planned merger with Praxair. The total figure for special items in the reporting period was therefore EUR 277 m (2016: EUR 50 m).

Cost of sales in the nine months to 30 September 2017 increased by EUR 460 m to EUR 8.491 bn (2016: EUR 8.031 bn). Gross profit was EUR 4.373 bn, which was below the figure for the first nine months of 2016 of EUR 4.499 bn. The gross margin fell to 34.0 percent (2016: 35.9 percent). This was due in part to the higher contribution made to revenue by the Engineering Division in the nine months to 30 September 2017 compared with the prior-year period and to the impact of higher natural gas prices in the reporting period.

EBIT from continuing operations in the first nine months of 2017 was EUR 1.462 bn, below the figure for the first nine months of 2016 of EUR 1.607 bn. This was due mainly to the recognition of special items, which were EUR 227 m higher than in the prior-year period. The net financial expense improved by EUR 51 m, from EUR 252 m in the first nine months of 2016 to EUR 201 m in the first nine months of 2017, as a result of lower financing costs. Linde therefore generated a profit before tax from continuing operations of EUR 1.261 bn (2016: EUR 1.355 bn).

The income tax expense was EUR 303 m (2016: EUR 335 m). This gives an income tax rate of 24.0 percent (2016: 24.7 percent). In the first nine months of 2017, Linde's profit for the period from continuing operations (after deducting the income tax expense) was EUR 958 m (2016: EUR 1.020 bn).

After adjusting for non-controlling interests, profit for the period from continuing operations attributable to Linde AG shareholders was EUR 879 m (2016: EUR 945 m). This gives earnings per share from continuing operations of EUR 4.63 (2016: EUR 5.02). Earnings per share from continuing operations before special items at 30 September 2017 was EUR 5.71 (2016: EUR 5.23). The profit for the period from discontinued operations in the first nine months of 2017 was EUR 19 m (2016: EUR 14 m).

Gases Division

Linde's revenue in the Gases Division in the first nine months of 2017 was EUR 11.244 bn, an increase of 2.1 percent when compared with the figure for the prior-year period of EUR 11.016 bn. After adjusting for exchange rate effects, revenue in the Gases Division increased by 1.8 percent. On a comparable basis (after also adjusting for changes in the price of natural gas), the growth in revenue was 1.0 percent.

Operating profit was EUR 3.207 bn, which was 3.5 percent higher than the figure for the first nine months of 2016 of EUR 3.098 bn. After adjusting for exchange rate effects, the increase in operating profit was still 3.5 percent. Despite higher natural gas prices, the operating margin rose to 28.5 percent (2016: 28.1 percent).

EMEA (Europe, Middle East, Africa)

In EMEA, Linde's largest sales market, the Group generated revenue of EUR 4.386 bn, which was 2.7 percent higher than the figure achieved in the first nine months of 2016 of EUR 4.272 bn. On a comparable basis, revenue rose by 2.9 percent. Operating profit increased to EUR 1.383 bn (2016: EUR 1.358 bn). The operating margin was 31.5 percent (2016: 31.8 percent). It should be noted here that the 2016 figures were positively impacted by one-off effects such as 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

[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.

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 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 nine months 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.

Linde Gas Germany and Total Raffinerie Mitteldeutschland based in Leuna have extended their existing partnership by a further 15 years under an agreement signed during the reporting period. The total value of the contract is around EUR 1 bn. The agreement will take effect on 1 January 2018. The deal moves the two-decade partnership between the companies towards a long-term future. Since the Total refinery in Leuna commenced operations in 1997, Linde has been supplying it with industrial gases (hydrogen, oxygen and nitrogen) from its local facilities. With annual consumption of over 560 million standard cubic metres of oxygen, over 180 million standard cubic metres of hydrogen and 120 million standard cubic metres of nitrogen, Total's central German location is Linde's largest single customer in Germany. The agreement also covers the operation of a gas separation plant on the refinery site, which recovers carbon dioxide (CO_2) from the refinery's flue gases for resale to Linde customers.

Linde also signed an agreement during the reporting period to form a joint venture with Turkish steel producer Erdemir Group to construct an air separation plant in Iskenderun in southern Turkey. From the beginning of 2018, the new plant, which will be the largest air separation plant operated by a gases producer in Turkey, will supply a steelworks run by Erdemir subsidiary Isdemir with up to 1,700 tonnes of oxygen and nitrogen per day.

Linde is to build another air separation plant for ArcelorMittal, the world's largest steel company, at the Temirtau site in Kazakhstan. The on-site plant will have a capacity of 840 tonnes of oxygen per day. The plant is scheduled to come on stream at the end of 2019. This is the second air separation plant Linde will have built and operated for ArcelorMittal in Kazakhstan. The total investment in the new plant is around EUR 70 m.

Asia/Pacific

Linde generated revenue in the Asia/Pacific segment in the nine months to 30 September 2017 of EUR 3.273 bn, which was 8.1 percent above the figure for the first nine months of 2016 of EUR 3.027 bn. On a comparable basis, revenue increased by 6.3 percent. At EUR 914 m, operating profit was 15.3 percent above the figure for the prior-year period of EUR 793 m. The operating margin improved, from 26.2 percent in 2016 to 27.9 percent in 2017. 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.

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. Investment in the joint venture will be around EUR 145 m. This will enable Linde to supply more air gases in future in the Ningbo industrial cluster in China. 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 operations in China, investing in excess of EUR 110 m. 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 standard 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.

In the nine months to 30 September 2017, Linde concluded an agreement with its longstanding customer

Wanhua Chemical Group in China to build two more air separation plants to meet the rising demand for industrial gases from Wanhua Chemical in Yantai in Shandong province. Linde will invest around EUR 100 m in this project. The plants are expected to come on stream in 2019.

In Malaysia, Linde will invest around EUR 30 m in the construction of an air separation plant. The plant will be connected to the existing pipeline network in the Hicom industrial complex so that it can supply liquefied gases to customers located there.

Americas

In the Americas segment, revenue decreased by 3.3 percent in the first nine months of 2017 to EUR 3.719 bn (2016: EUR 3.847 bn). On a comparable basis, revenue fell by 5.0 percent. When compared with the prior-year period, operating profit dropped by 3.9 percent to EUR 910 m (2016: EUR 947 m). At 24.5 percent, the operating margin was similar to the figure for the prior-year period of 24.6 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 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 nine months 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 5.6 percent to EUR 2.988 bn (2016: EUR 2.829 bn).

Positive business trends also continued to be seen in the liquefied gases product area. On a comparable basis, revenue rose here by 6.5 percent to EUR 2.812 bn (2016: EUR 2.640 bn). In the cylinder gas business, revenue on a comparable basis was EUR 2.916 bn, which was also higher than the figure for the prior-year period (2016: EUR 2.875 bn).

Due to ongoing price reductions as a result of government tenders, revenue in the Healthcare business in the first nine months of 2017 fell by 9.2 percent on a comparable basis to EUR 2.528 bn (2016: EUR 2.785 bn). After adjusting for the contribution to revenue made by American HomePatient and the sale of the Lincare subsidiaries, the decline in revenue was 5.5 percent.

GASES DIVISION: REVENUE AND OPERATING PROFIT BY SEGMENT 1

	January to September 2016			*January to September 2017*		
in € million	*Revenue*	*Operating profit*	*Operating margin in percent*	*Revenue*	*Operating profit*	*Operating margin in percent*
EMEA	4,272	1,358	31.8	4,386	1,383	31.5
Asia/Pacific	3,027	793	26.2	3,273	914	27.9
Americas	3,847	947	24.6	3,719	910	24.5
Consolidation	–130	–	–	–134	–	–
GASES DIVISION	**11,016**	**3,098**	**28.1**	**11,244**	**3,207**	**28.5**

GASES DIVISION: REVENUE AND OPERATING PROFIT BY SEGMENT 2

	3rd Quarter 2016			*3rd Quarter 2017*		
in € million	*Revenue*	*Operating profit*	*Operating margin in percent*	*Revenue*	*Operating profit*	*Operating margin in percent*
EMEA	1,411	430	30.5	1,439	459	31.9
Asia/Pacific	1,051	280	26.6	1,101	299	27.2
Americas	1,269	295	23.2	1,174	283	24.1
Consolidation	–42	–	–	–42	–	–
GASES DIVISION	**3,689**	**1,005**	**27.2**	**3,672**	**1,041**	**28.3**

REVENUE ON A COMPARABLE BASIS BY SEGMENT 3

in € million	*30.09.2016*	*30.09.2017*	*Exchange rate effect*	*Currency-adjusted revenue trend in percent*	*Effect of natural gas prices*	*Revenue trend on a comparable basis in percent*
Gases Division	11,016	11,244	24	1.8	89	1.0
EMEA	4,272	4,386	–22	3.2	14	2.9
Asia/Pacific	3,027	3,273	30	7.1	23	6.3
Americas	3,847	3,719	17	–3.8	52	–5.0

Engineering Division

Revenue in the Engineering Division rose in the first nine months of 2017 by 4.0 percent to EUR 1.809 bn (2016: EUR 1.739 bn). Operating profit increased, from EUR 146 m in the first nine months of 2016 to EUR 152 m in the first nine months of 2017. As in 2016, the operating margin was 8.4 percent. This met the target of around 8 percent Linde Engineering has set itself for the current financial year. The order backlog in the Engineering Division remained solid at EUR 4.378 bn (31 December 2016: EUR 4.386 bn).

Despite continuing high levels of competition, there was an increase in order intake in the nine months to 30 September 2017 to EUR 1.969 bn (2016: EUR 1.587 bn). Most of the order intake related to natural gas plants (around 37 percent), air separation plants (around 26 percent) and olefin plants (around 21 percent). Included in the order intake for natural gas plants is an amount of around EUR 356 m which relates to the third phase of the Amur GPP project for which Linde was selected as the licensor of the natural gas processing technology at the end of 2015. The plant is being constructed in five phases in the period leading up to 2024.

The Engineering Division has been commissioned to build an air separation plant for its customer Hengli Petrochemical Refinery Co., Ltd. in China. This comprises a plant with six trains, each with a capacity of 80,000 standard cubic metres of high-pressure oxygen per hour. Linde is responsible for the engineering and procurement. In total, the contract is worth around EUR 140 m. Construction will take place in two phases, with the first phase due to be completed in the fourth quarter of 2019 and the second phase in the first quarter of 2020.

In addition, the Engineering Division was engaged by its customer Braskem America to build a new olefin plant for the production of polypropylene in La Porte, Texas, USA. Linde will be providing comprehensive project development services for industrial polyolefin plants, from front end engineering design (FEED) to execution, procurement and construction (EPC). Linde is an approved contractor for UNIPOL™ Polypropylene Process Technology used here. The order intake here in the nine months to 30 September 2017 was around EUR 200 m. The plant will have an annual production capacity of 450 kilotonnes of polypropylene. Extensive completion of the plant is scheduled for the first quarter of 2020.

Sauerstoffwerke Friedrichshafen GmbH commissioned the Engineering Division 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. The plant is expected to come on stream in the fourth quarter of 2019.

As part of its role as key supplier for the construction of a mid-scale natural gas liquefaction (LNG) plant in Portovaya on the Russian Baltic coast for its customer Gazprom and Gazprom's general contractor SRDI Peton Oil & Gas, the Engineering Division won new orders during the reporting period worth around EUR 290 m for the second engineering and procurement phase. These included new orders for the assembly of an LNG tank, the supply of vacuum insulated pipeline material and the procurement of additional plant components.

During the reporting period, the Engineering Division was also engaged by SNC Lavalin International Inc. to supply key components for the construction of an ammonia plant. The order is worth around EUR 40 m and involves, among other things, the supply and construction of an air separation and adsorption plant. Completion is expected in the second quarter of 2020. SNC Lavalin is the general contractor of the ammonia plant in Salalah, Oman, which is being built for the end customer Salalah Methanol Company, and will have a capacity of 1,000 tonnes of ammonia per day. The ammonia plant is based on the Linde Ammonia Concept (LAC), which was developed by Linde Engineering back in 2014 as part of the front end engineering and design.

The Engineering Division received an order from the Gases Division to build a CO_2 liquefaction plant in Keyes, south of Modesto, in California, USA. The construction will involve replacing an existing plant with another one in the same position. The plant will have a capacity of around 360 tonnes of liquefied carbon dioxide per day. Linde is responsible for the engineering, procurement and construction of the plant. The order is worth around EUR 22 m. The plant is scheduled for completion in the fourth quarter of 2018.

ENGINEERING DIVISION (4)

in € million	3rd Quarter 2016	3rd Quarter 2017	January to September 2016	January to September 2017
Revenue	654	597	1,739	1,809
Order intake	869	799	1,587	1,969
Order backlog at 31.12./30.09.	–	–	4,386	4,378
Operating profit	57	55	146	152
Operating margin	8.7%	9.2%	8.4%	8.4%

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

	January to September			
	Revenue		Order intake	
in € million	2016	2017	2016	2017
Olefin plants	606	699	309	412
Natural gas plants	335	456	604	723
Air separation plants	275	365	402	515
Hydrogen and synthesis gas plants	388	158	154	181
Other	135	131	118	138
ENGINEERING DIVISION	**1,739**	**1,809**	**1,587**	**1,969**

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

	3rd Quarter			
	Revenue		Order intake	
in € million	2016	2017	2016	2017
Olefin plants	253	241	62	82
Natural gas plants	96	161	523	386
Air separation plants	128	115	203	171
Hydrogen and synthesis gas plants	130	41	46	118
Other	47	39	35	42
ENGINEERING DIVISION	**654**	**597**	**869**	**799**

Finance

Cash flow from operating activities from continuing operations in the nine months to 30 September 2017 fell by EUR 183 m to EUR 2.289 bn (2016: EUR 2.472 bn). Restructuring costs and costs relating to the planned merger with Praxair resulted in a cash outflow. The change in working capital was EUR –24 m (2016: EUR 23 m), which was partly as a result of the lower figure in 2017 for advance payments received from plant construction customers. Income taxes paid increased by EUR 48 m, from EUR 329 m in the first nine months of 2016 to EUR 377 m in the first nine months 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 1.220 bn in the first nine months of 2017 on investments in tangible assets, intangible assets and financial assets, which was slightly below the figure for the first nine months of 2016 of EUR 1.258 bn. Payments made for investments in consolidated companies fell to EUR 38 m (2016: EUR 190 m). The net cash outflow for investing activities from continuing operations decreased by EUR 195 m, from EUR 1.201 bn in the first nine months of 2016 to EUR 1.006 bn in the first nine months of 2017.

Within cash flow from financing activities, loan proceeds exceeded loan redemptions by EUR 26 m in the nine months to 30 September 2016, while in the first nine months of 2017, loan redemptions exceeded loan proceeds by EUR 235 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. In addition, a NOK 2 bn bond which matured in September was redeemed on schedule. The net cash outflow from financing activities from continuing operations in the nine months to 30 September 2017 was EUR 1.255 bn (2016: EUR 990 m).

Total assets fell by EUR 2.069 bn, from EUR 35.189 bn at 31 December 2016 to EUR 33.120 bn at 30 September 2017. Almost all the balance sheet items felt the impact of negative exchange rate effects.

At 30 September 2017, goodwill stood at EUR 10.765 bn, which was EUR 640 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 655 m reduced goodwill, while additions as a result of acquisitions led to an increase in goodwill of EUR 32 m.

Other intangible assets, comprising customer relationships, brand names and sundry intangible assets, decreased by EUR 331 m, from EUR 2.440 bn at 31 December 2016 to EUR 2.109 bn at 30 September 2017, mainly as a result of adverse exchange rate effects of EUR 139 m and amortisation of EUR 199 m.

Tangible assets were stated at a carrying amount of EUR 11.639 bn (31 December 2016: EUR 12.756 bn). Here too, the decrease (EUR 1.117 bn) was mainly due to adverse exchange rate effects (EUR 760 m).

Equity at 30 September 2017 was EUR 14.399 bn (31 December 2016: EUR 15.480 bn). The profit for the period increased equity by EUR 977 m. Factors with a negative impact on equity were exchange rate effects of EUR 1.653 bn and the payment of the dividend for 2016 to Linde AG shareholders of EUR 687 m. The equity ratio at 30 September 2017 was 43.5 percent (31 December 2016: 44.0 percent).

Provisions for pensions and similar obligations were EUR 1.558 bn at 30 September 2017, around the same level as at the year-end (31 December 2016: EUR 1.564 bn). Asset cover for the defined benefit obligation of The Linde Group was 79.6 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 September 2017, net financial debt was EUR 6.740 bn (31 December 2016: EUR 6.934 bn). The decrease was due to a variety of effects working in different directions. Net financial debt increased as a result of the dividend payment, while on the other hand exchange rate effects and valuation effects had a positive impact on net financial debt.

Gross financial debt at 30 September 2017 was EUR 8.279 bn (31 December 2016: EUR 8.528 bn). Of the gross financial debt, EUR 1.437 bn is disclosed as current financial debt (31 December 2016: EUR 1.854 bn). The remaining financial debt of EUR 6.842 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 124 m, cash and cash equivalents of EUR 1.415 bn and its EUR 2.5 bn syndicated credit facility less current financial debt of EUR 1.437 bn. The liquidity available to Linde at 30 September 2017 was therefore EUR 2.602 bn (31 December 2016: EUR 2.240 bn).

The dynamic indebtedness factor (net financial debt to operating profit for the last twelve months) was 1.6 at 30 September 2017, slightly below the figure of 1.7 at 31 December 2016. The Group's gearing (the ratio of net debt to equity) increased in the reporting period to 46.8 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 effects 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 should approximately equate to those achieved in 2016. In the Americas segment, the margin is expected to dip slightly as a result of prevailing conditions, a description of which can be found in the 2016 Annual 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 nine months to 30 September 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 nine 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

in € million	3rd Quarter 2016	3rd Quarter 2017	January to September 2016	January to September 2017
Revenue	4,266	4,211	12,530	12,864
Cost of sales	2,802	2,786	8,031	8,491
GROSS PROFIT	**1,464**	**1,425**	**4,499**	**4,373**
Marketing and selling expenses	579	567	1,737	1,806
Research and development costs	29	28	88	81
Administration expenses	400	403	1,235	1,229
Other operating income	126	68	366	349
Other operating expenses	64	45	210	157
Share of profit or loss from associates and joint ventures (at equity)	4	5	12	13
EBIT from continuing operations	522	455	1,607	1,462
Financial income	11	6	23	29
Financial expenses	80	63	275	230
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	**453**	**398**	**1,355**	**1,261**
Taxes on income	113	96	335	303
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	**340**	**302**	**1,020**	**958**
PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS	**7**	**6**	**14**	**19**
PROFIT FOR THE PERIOD	**347**	**308**	**1,034**	**977**
attributable to Linde AG shareholders	313	277	945	879
attributable to non-controlling interests	34	31	89	98
EARNINGS PER SHARE – CONTINUING OPERATIONS				
Earnings per share in € – undiluted	1.65	1.46	5.02	4.63
Earnings per share in € – diluted	1.64	1.46	5.00	4.63
EARNINGS PER SHARE – DISCONTINUED OPERATIONS				
Earnings per share in € – undiluted	0.04	0.03	0.07	0.10
Earnings per share in € – diluted	0.03	0.03	0.07	0.10

GROUP STATEMENT OF COMPREHENSIVE INCOME 8

in € million	3rd Quarter 2016	3rd Quarter 2017	January to September 2016	January to September 2017
PROFIT FOR THE PERIOD	347	308	1,034	977
OTHER COMPREHENSIVE INCOME (NET OF TAX)	−469	−456	−1,568	−1,295
ITEMS THAT MAY BE RECLASSIFED SUBSEQUENTLY TO PROFIT OR LOSS	−162	−409	−793	−1,340
Unrealised gains/losses on available-for-sale financial assets	−1	–	–	1
Unrealised gains/losses on hedging instruments	47	103	171	312
Currency translation differences	−208	−512	−964	−1,653
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS	−307	−47	−775	45
Remeasurement of defined benefit plans	−307	−47	−775	45
TOTAL COMPREHENSIVE INCOME	−122	−148	−534	−318
attributable to Linde AG shareholders	−160	−147	−604	−343
attributable to non-controlling interests	38	−1	70	25

GROUP STATEMENT OF FINANCIAL POSITION 9

in € million	*31.12.2016*	*30.09.2017*
Assets		
Goodwill	11,405	10,765
Other intangible assets	2,440	2,109
Tangible assets	12,756	11,639
Investments in associates and joint ventures (at equity)	239	228
Other financial assets	71	71
Receivables from finance leases	165	76
Trade receivables	2	5
Other receivables and other assets	378	372
Income tax receivables	7	6
Deferred tax assets	500	415
NON-CURRENT ASSETS	**27,963**	**25,686**
Inventories	1,231	1,220
Receivables from finance leases	49	35
Trade receivables	2,755	2,759
Other receivables and other assets	788	783
Income tax receivables	199	231
Securities	131	124
Cash and cash equivalents	1,463	1,415
Non-current assets classified as held for sale and disposal groups	610	867
CURRENT ASSETS	**7,226**	**7,434**
TOTAL ASSETS	**35,189**	**33,120**

GROUP STATEMENT OF FINANCIAL POSITION

10

in € million	31.12.2016	30.09.2017
Equity and liabilities		
Capital subscribed	475	475
Capital reserve	6,745	6,724
Revenue reserves	7,244	7,479
Cumulative changes in equity not recognised through profit or loss	113	−1,154
TOTAL EQUITY ATTRIBUTABLE TO LINDE AG SHAREHOLDERS	**14,577**	**13,524**
Non-controlling interests	903	875
TOTAL EQUITY	**15,480**	**14,399**
Provisions for pensions and similar obligations	1,564	1,558
Other non-current provisions	526	479
Deferred tax liabilities	1,683	1,468
Financial debt	6,674	6,842
Liabilities from finance leases	53	42
Trade payables	1	1
Other non-current liabilities	725	570
NON-CURRENT LIABILITIES	**11,226**	**10,960**
Current provisions	1,140	1,095
Financial debt	1,854	1,437
Liabilities from finance leases	21	14
Trade payables	3,570	3,485
Other current liabilities	1,208	1,065
Liabilities from income taxes	549	505
Liabilities related to non-current assets classified as held for sale and disposal groups	141	160
CURRENT LIABILITIES	**8,483**	**7,761**
TOTAL EQUITY AND LIABILITIES	**35,189**	**33,120**

GROUP STATEMENT OF CASH FLOWS 11

in € million	*January to September* 2016	2017
Profit before tax from continuing operations	1,355	1,261
Adjustments to profit before tax to calculate cash flow from operating activities – continuing operations		
Amortisation of intangible assets and depreciation of tangible assets	1,378	1,412
Impairments of financial assets	4	1
Profit/loss on disposal of non-current assets	–30	–27
Net interest	231	193
Finance income arising from embedded finance leases in accordance with IFRIC 4/IAS 17	11	8
Share of profit or loss from associates and joint ventures (at equity)	–12	–13
Distributions/dividends received from associates and joint ventures	15	13
Income taxes paid	–329	–377
Changes in assets and liabilities		
Change in inventories	–41	–63
Change in trade receivables	–45	–46
Change in provisions	–3	–1
Change in trade payables	109	85
Change in other assets and liabilities	–171	–157
CASH FLOW FROM OPERATING ACTIVITIES – CONTINUING OPERATIONS	**2,472**	**2,289**
CASH FLOW FROM OPERATING ACTIVITIES – DISCONTINUED OPERATIONS	**31**	**24**
CASH FLOW FROM OPERATING ACTIVITIES – CONTINUING AND DISCONTINUED OPERATIONS	**2,503**	**2,313**
Payments for tangible and intangible assets and plants held under finance leases in accordance with IFRIC 4/IAS 17	–1,212	–1,180
Payments for investments in consolidated companies	–190	–38
Payments for investments in financial assets	–46	–40
Payments for investments in securities	–1,238	–1,156
Proceeds on disposal of securities	1,229	1,162
Proceeds on disposal of tangible and intangible assets and amortisation of receivables from finance leases in accordance with IFRIC 4/IAS 17	137	85
Proceeds on disposal of consolidated companies and from purchase price repayment claims	87	123
Proceeds on disposal of financial assets	32	38
CASH FLOW FROM INVESTING ACTIVITIES – CONTINUING OPERATIONS	**–1,201**	**–1,006**
CASH FLOW FROM INVESTING ACTIVITIES – DISCONTINUED OPERATIONS	**–16**	**–23**
CASH FLOW FROM INVESTING ACTIVITIES – CONTINUING AND DISCONTINUED OPERATIONS	**–1,217**	**–1,029**

GROUP STATEMENT OF CASH FLOWS (12)

in € million	*January to September* 2016	2017
Dividend payments to Linde AG shareholders and non-controlling interests	−709	−765
Cash inflows/outflows due to changes in non-controlling interests	–	11
Cash inflows from interest rate derivatives	137	70
Interest payments relating to financial debt and cash outflows for interest rate derivatives	−429	−322
Proceeds of loans and capital market debt	4,169	3,991
Cash outflows for the repayment of loans and capital market debt	−4,143	−4,226
Cash outflows for the repayment of liabilities from finance leases	−15	−14
CASH FLOW FROM FINANCING ACTIVITIES – CONTINUING OPERATIONS	**−990**	**−1,255**
CASH FLOW FROM FINANCING ACTIVITIES – DISCONTINUED OPERATIONS	**−14**	**−1**
CASH FLOW FROM FINANCING ACTIVITIES – CONTINUING AND DISCONTINUED OPERATIONS	**−1,004**	**−1,256**
CHANGE IN CASH AND CASH EQUIVALENTS	**282**	**28**
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	**1,417**	**1,463**
Effects of currency translation	−18	−72
Cash disclosed as non-current assets classified as held for sale and disposal groups	–	−4
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	1,681	1,415

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	–	8
TOTAL CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS OF THE COMPANY	–	8
Acquisition/disposal of a subsidiary with non-controlling interests	–	–
CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES	–	–
OTHER CHANGES	–	–
AT 30.09.2016	**475**	**6,744**
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	–	–21
Capital increases/decreases	–	–
TOTAL CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS OF THE COMPANY	–	–21
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	–	–
OTHER CHANGES	–	–
AT 30.09.2017	**475**	**6,724**

	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**
	–	945	–	–	–	945	89	1,034
	−775	–	−945	–	171	−1,549	−19	−1,568
	−775	**945**	**−945**	**–**	**171**	**−604**	**70**	**−534**
	–	−640	–	–	–	−640	−69	−709
	–	–	–	–	–	8	–	8
	–	**−640**	**–**	**–**	**–**	**−632**	**−69**	**−701**
	–	–	–	–	–	–	23	23
	–	**–**	**–**	**–**	**–**	**–**	**23**	**23**
	–	**2**	**–**	**–**	**–**	**2**	**−3**	**−1**
	−1,741	**8,419**	**182**	**−1**	**−734**	**13,344**	**892**	**14,236**
	−1,383	**8,627**	**979**	**−1**	**−865**	**14,577**	**903**	**15,480**
	–	879	–	–	–	879	98	977
	45	–	−1,580	2	311	−1,222	−73	−1,295
	45	**879**	**−1,580**	**2**	**311**	**−343**	**25**	**−318**
	–	−687	–	–	–	−687	−78	−765
	–	–	–	–	–	−21	–	−21
	–	–	–	–	–	–	6	6
	–	**−687**	**–**	**–**	**–**	**−708**	**−72**	**−780**
	–	–	–	–	–	–	6	6
	–	–	–	–	–	–	13	13
	–	**–**	**–**	**–**	**–**	**–**	**19**	**19**
	–	**−2**	**–**	**–**	**–**	**−2**	**–**	**−2**
	−1,338	**8,817**	**−601**	**1**	**−554**	**13,524**	**875**	**14,399**

SEGMENT INFORMATION

	Segments	
	Gases Division	
	January to September	
in € million, *SEE NOTE [7]*	*2016*	*2017*
Revenue from third parties	11,009	11,237
Revenue from other segments	7	7
TOTAL REVENUE FROM THE REPORTABLE SEGMENTS	**11,016**	**11,244**
OPERATING PROFIT	**3,098**	**3,207**
Restructuring and merger costs (special items)	43	169
Amortisation of intangible assets and depreciation of tangible assets	1,381	1,416
EBIT	**1,674**	**1,622**
Capital expenditure (excluding financial assets)	1,098	1,127

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 September		January to September		January to September		January to September	
	2016	2017	2016	2017	2016	2017	2016	2017
	1,521	1,627	437	417	–	–	12,967	13,281
	218	182	10	17	–235	–206	–	–
	1,739	**1,809**	**447**	**434**	**–235**	**–206**	**12,967**	**13,281**
	146	**152**	**31**	**19**	**–209**	**–208**	**3,066**	**3,170**
	7	55	–	–	–	53	50	277
	27	27	19	–	–30	–31	1,397	1,412
	112	**70**	**12**	**19**	**–179**	**–230**	**1,619**	**1,481**
	17	12	8	–	10	–73	1,133	1,066

	Segments							
	Gases Division							
	EMEA		Asia/Pacific		Americas		Total Gases Division	
	January to September		January to September		January to September		January to September	
	2016	2017	2016	2017	2016	2017	2016	2017
	4,262	4,376	3,009	3,255	3,738	3,606	11,009	11,237
	10	10	18	18	109	113	7	7
	4,272	**4,386**	**3,027**	**3,273**	**3,847**	**3,719**	**11,016**	**11,244**
	1,358	**1,383**	**793**	**914**	**947**	**910**	**3,098**	**3,207**
	43	130	–	11	–	28	43	169
	513	528	412	422	456	466	1,381	1,416
	802	**725**	**381**	**481**	**491**	**416**	**1,674**	**1,622**
	492	459	235	299	371	369	1,098	1,127

SEGMENT INFORMATION

	Segments	
	Gases Division	
	3rd Quarter	
in € million, ▶ SEE NOTE [7]	2016	2017
Revenue from third parties	3,686	3,670
Revenue from other segments	3	2
TOTAL REVENUE FROM THE REPORTABLE SEGMENTS	**3,689**	**3,672**
OPERATING PROFIT	**1,005**	**1,041**
Restructuring and merger costs (special items)	4	52
Amortisation of intangible assets and depreciation of tangible assets	467	458
EBIT	**534**	**531**
Capital expenditure (excluding financial assets)	408	402

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	
3rd Quarter		3rd Quarter		3rd Quarter		3rd Quarter	
2016	2017	2016	2017	2016	2017	2016	2017
580	541	141	135	–	–	4,407	4,346
74	56	4	5	-81	-63	–	–
654	**597**	**145**	**140**	**-81**	**-63**	**4,407**	**4,346**
57	**55**	**11**	**6**	**-63**	**-68**	**1,010**	**1,034**
7	38	–	–	–	26	11	116
9	10	6	–	-10	-11	472	457
41	**7**	**5**	**6**	**-53**	**-83**	**527**	**461**
7	5	3	–	36	-27	454	380

Segments							
Gases Division							
EMEA		Asia/Pacific		Americas		Total Gases Division	
3rd Quarter		3rd Quarter		3rd Quarter		3rd Quarter	
2016	2017	2016	2017	2016	2017	2016	2017
1,409	1,437	1,045	1,096	1,232	1,137	3,686	3,670
2	2	6	5	37	37	3	2
1,411	**1,439**	**1,051**	**1,101**	**1,269**	**1,174**	**3,689**	**3,672**
430	**459**	**280**	**299**	**295**	**283**	**1,005**	**1,041**
4	26	–	11	–	15	4	52
173	170	140	141	154	147	467	458
253	**263**	**140**	**147**	**141**	**121**	**534**	**531**
193	148	77	121	138	133	408	402

ADDITIONAL COMMENTS

[1] General accounting policies

The condensed Group interim financial statements of Linde AG at 30 September 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 (Long Term Incentive Plan 2012), which has historically been settled by issuing equity instruments and changed in the second quarter of 2017 to cash settlement. In the first nine months 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 nine months ended 30 September 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 30.09.2017
CONSOLIDATED SUBSIDIARIES	**556**	**13**	**16**	**553**
of which within Germany	20	–	–	20
of which outside Germany	536	13	16	533
COMPANIES ACCOUNTED FOR USING THE LINE-BY-LINE METHOD	**5**	**2**	**–**	**7**
of which within Germany	–	–	–	–
of which outside Germany	5	2	–	7
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**	**14**	**42**
of which within Germany	4	–	2	2
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 nine months of 2017 is therefore provided below in aggregate rather than by individual company.

In the nine months to 30 September 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 50 m, of which EUR 39 m was settled in cash. The total purchase price includes contingent consideration of EUR 0 m and deferred purchase price payments of EUR 2 m. In the course of a step acquisition, existing shares in the relevant company were restated at a fair value of EUR 8 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 32 m. Synergies are the main components of the goodwill. Of the goodwill, EUR 20 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 9 m. The figure for gross receivables was EUR 9 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 15 m and contributed a post-tax profit of EUR 0 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 23 m and the contribution to profit for the period would have been EUR 1 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 September	
Exchange rate €1 =	*ISO code*	*31.12.2016*	*30.09.2017*	*2016*	*2017*
Australia	AUD	1.45732	1.50657	1.50519	1.45438
China	CNY	7.30336	7.86067	7.34875	7.58080
South Africa	ZAR	14.44751	15.95700	16.68786	14.71287
UK	GBP	0.85229	0.88279	0.80329	0.87306
USA	USD	1.05160	1.18130	1.11660	1.11465

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

At 30 September 2017, assets of EUR 867 m and liabilities of EUR 160 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 574 m and liabilities with a carrying amount of EUR 128 m have therefore been reclassified within the Group statement of financial position. The principal items involved are goodwill (EUR 215 m), tangible assets (EUR 124 m) and trade receivables (EUR 96 m).

In addition, assets of EUR 63 m and liabilities of EUR 32 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.

In July 2017, management decided to sell part of a production facility within the EMEA segment. Assets of EUR 223 m were therefore reclassified as assets held for sale and disposal groups. Efforts to sell have commenced and the sale is expected to be made within a 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.

During the reporting period, the gases business in Slovenia, Bosnia and Croatia (comprising assets of around EUR 20 m and liabilities of EUR 4 m) was also sold as planned. The gain on disposal was EUR 0 m.

Included in cumulative changes in equity not recognised through the statement of profit or loss at the reporting date is an expense of EUR 118 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	30.09.2017	31.12.2016	30.09.2017	31.12.2016	30.09.2017
Investments and securities	121	119	–	–	–	–
Derivatives with positive fair values	–	–	214	200	–	–
Derivatives with negative fair values	–	–	642	308	–	–

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 132 m, while the carrying amount is EUR 111 m. The fair value of the financial debt is EUR 8.690 bn, compared with its carrying amount of EUR 8.279 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 7 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 nine months of 2017, consolidation adjustments of EUR 134 m (2016: EUR 130 m) were deducted from revenue. For the third quarter of 2017, consolidation adjustments of EUR 42 m (2016: EUR 42 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 from continuing operations is shown in the table below:

RECONCILIATION OF SEGMENT REVENUE AND OF THE SEGMENT RESULT (20)

	3rd Quarter		January to September	
in € million	*2016*	*2017*	*2016*	*2017*
Revenue				
Total segment revenue	4,488	4,409	13,202	13,487
Revenue from discontinued operations	–141	–135	–437	–417
Consolidation	–81	–63	–235	–206
GROUP REVENUE FROM CONTINUING OPERATIONS	**4,266**	**4,211**	**12,530**	**12,864**
Operating profit				
Operating profit from segments	1,073	1,102	3,275	3,378
OPERATING PROFIT FROM CORPORATE ACTIVITIES	–66	–66	–224	–206
OPERATING PROFIT FROM DISCONTINUED OPERATIONS	–11	–6	–31	–19
Consolidation	3	–2	15	–2
Restructuring and merger costs (special items)	11	116	50	277
Amortisation and depreciation	466	457	1,378	1,412
Financial income	11	6	23	29
Financial expenses	80	63	275	230
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	**453**	**398**	**1,355**	**1,261**

[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.

Return on capital employed (ROCE) is calculated by dividing EBIT by capital employed. Capital employed is calculated on the basis of the average of the figures as at 31 December of the current year and 31 December of the prior year and is therefore not disclosed in the interim reports.

KEY FINANCIAL FIGURES ADJUSTED FOR SPECIAL ITEMS (21)

	January to September					
	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	12,530	–	12,530	12,864	–	12,864
Cost of sales	−8,031	7	−8,024	−8,491	75	−8,416
GROSS PROFIT	**4,499**	**7**	**4,506**	**4,373**	**75**	**4,448**
Research and development costs, marketing, selling and administration expenses	−3,060	43	−3,017	−3,116	202	−2,914
Other operating income and expenses	156	–	156	192	–	192
Share of profit or loss from associates and joint ventures (at equity)	12	–	12	13	–	13
EBIT FROM CONTINUING OPERATIONS	**1,607**	**50**	**1,657**	**1,462**	**277**	**1,739**
Financial result	−252	–	−252	−201	–	−201
Taxes on income	−335	−11	−346	−303	−77	−380
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	**1,020**	**39**	**1,059**	**958**	**200**	**1,158**
PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS	**14**	**–**	**14**	**19**	**–**	**19**
PROFIT FOR THE PERIOD	**1,034**	**39**	**1,073**	**977**	**200**	**1,177**
attributable to Linde AG shareholders	945	39	984	879	200	1,079
attributable to non-controlling interests	89	–	89	98	–	98
EBIT FROM CONTINUING OPERATIONS	**1,607**	**50**	**1,657**	**1,462**	**277**	**1,739**
Amortisation of intangible assets and depreciation of tangible assets	−1,378	–	−1,378	−1,412	–	−1,412
OPERATING PROFIT FROM CONTINUING OPERATIONS	**2,985**	**50**	**3,035**	**2,874**	**277**	**3,151**
EARNINGS PER SHARE FROM CONTINUING OPERATIONS *in €* **– UNDILUTED**	**5.02**	**0.21**	**5.23**	**4.63**	**1.08**	**5.71**
EARNINGS PER SHARE FROM CONTINUING OPERATIONS *in €* **– DILUTED**	**5.00**	**0.21**	**5.21**	**4.63**	**1.08**	**5.71**

[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. For that purpose, on August 15, 2017, Linde PLC launched 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 still subject to the satisfaction or waiver of conditions, including (a) the tender in the Exchange Offer of at least 60 percent of the outstanding Linde shares, (b) approval by requisite governmental regulators and authorities, (c) 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 (d) 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 additional closing condition that the merger of Praxair, Inc. with Zamalight Subco, Inc., a wholly-owned indirect subsidiary of Linde plc, is approved by holders of a majority of the outstanding shares of Praxair, Inc. common stock, has already been satisfied.

The Business Combination and/or certain specific covenants which concern the efforts required with respect to achieving the completion of 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", including an acceptance of the Exchange Offer for less than 74 percent of the outstanding Linde AG shares or an adverse change in United States tax law (as defined in more detail in the Business Combination Agreement, respectively), (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

No significant events have occurred for The Linde Group since the end of the reporting period on 30 September 2017.

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

MUNICH, 26 OCTOBER 2017

PROFESSOR DR ALDO BELLONI
[CHIEF EXECUTIVE OFFICER]

SANJIV LAMBA
[MEMBER OF THE EXECUTIVE BOARD]

DR CHRISTIAN BRUCH
[MEMBER OF THE EXECUTIVE BOARD]

DR SVEN SCHNEIDER
[MEMBER OF THE EXECUTIVE BOARD]

BERND EULITZ
[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 September 2017 that are part of the quarterly 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 OCTOBER 2017

KPMG AG
[WIRTSCHAFTSPRÜFUNGS-
GESELLSCHAFT]

BECKER
[WIRTSCHAFTS-
PRÜFER]

V. HEYNITZ
[WIRTSCHAFTS-
PRÜFER]

FINANCIAL CALENDAR

[1]
INTERIM REPORT
JANUARY TO SEPTEMBER 2017
27 October 2017

[2]
AUTUMN PRESS CONFERENCE
2017
27 October 2017
Carl von Linde Haus,
Munich, Germany

[3]
PRESS CONFERENCE ON
THE ANNUAL RESULTS
2018
8 March 2018
Carl von Linde Haus,
Munich, Germany

[4]
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 has filed a Registration Statement on Form S-4 (which Registration Statement was declared effective on August 14, 2017) with the U.S. Securities and Exchange Commission ("SEC") that includes (1) a proxy statement of Praxair that also constitutes a prospectus for Linde plc and (2) an offering prospectus of Linde plc to be used in connection with Linde plc's offer to acquire Linde shares held by U.S. holders. Praxair has mailed 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 Linde plc, and Linde plc has distributed the offering prospectus to Linde shareholders in the United States in connection with Linde plc's offer to acquire all of the outstanding shares of Linde. Linde plc has also filed an offer document with the German Federal Financial Supervisory Authority (Bundesanstalt fuer Finanzdienstleistungsaufsicht) ("BaFin") which was approved for publication by BaFin on August 14, 2017, published by Linde plc on August 15, 2017, and amended by Linde plc on October 23, 2017 (the "offer document"). Praxair's stockholders approved the merger at Praxair's special meeting held on September 27, 2017. The consummation of the proposed business combination remains subject to regulatory approvals and other customary closing conditions.

INVESTORS AND SECURITY HOLDERS OF LINDE ARE URGED TO READ THE OFFER DOCUMENT REGARDING THE PROPOSED BUSINESS COMBINATION TRANSACTION AND OFFER BECAUSE IT CONTAINS IMPORTANT INFORMATION.

You may obtain a free copy of documents filed by Praxair, Linde and Linde plc with the SEC on the SEC's Web site at ▶ *WWW.SEC.GOV*. The offer document is available for free at Linde plc's Web site at ▶ *WWW.LINDEPRAXAIRMERGER.COM*. Furthermore, the offer document is available at BaFin's Web site for free at ▶ *WWW.BAFIN.DE*. You may also obtain a copy of the offer document from Deutsche Bank Aktiengesellschaft, Taunusanlage 12, 60325 Frankfurt am Main, Germany for distribution free of charge (also available from Deutsche Bank Aktiengesellschaft via e-mail to ▶ *DCT.TENDER-OFFERS@DB.COM* or by telefax to +49 69 910 38794).

This document is neither an offer to purchase nor a solicitation of an offer to sell shares of Linde plc, Praxair or Linde. The final terms and further provisions regarding the public offer are disclosed in the offer document and in documents 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. Subject to the exceptions described in the offer document and to any exceptions potentially granted by the respective regulatory authorities, no offering of securities will be made directly or indirectly in any jurisdiction where to do so would be a violation of the respective national laws.

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 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 Linde plc 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 Linde plc'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 Linde plc'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 Web site 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 Linde plc 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 Linde plc on the date hereof, and each of Linde, Praxair and Linde plc 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.

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LINDE AG

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[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.

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