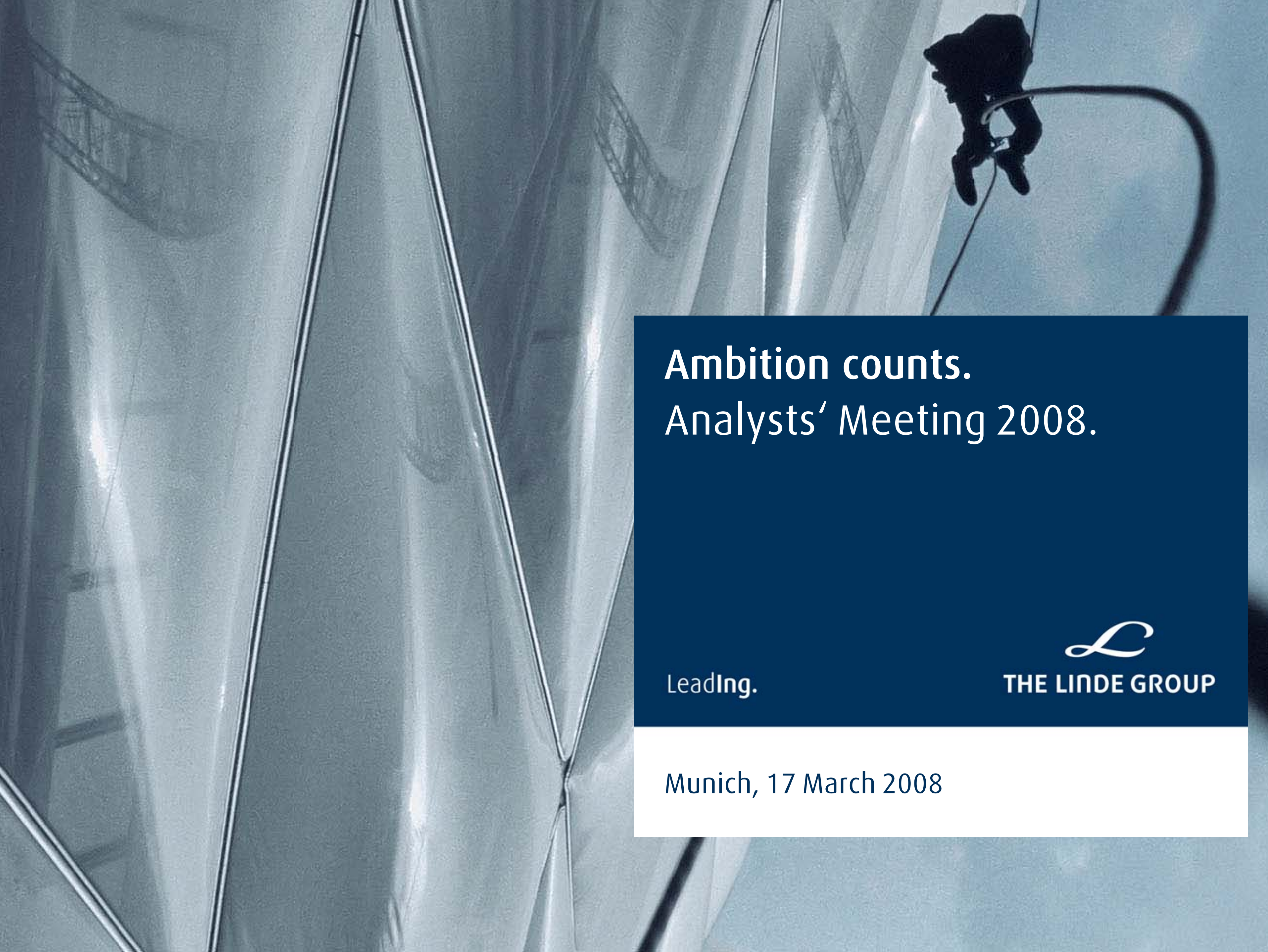


Ambition counts.
Analysts‘ Meeting 2008.

LeadIng.

THE LINDE GROUP

Munich, 17 March 2008

Disclaimer

THE LINDE GROUP

This presentation contains forward-looking statements about Linde AG (“Linde”) and their respective subsidiaries and businesses. These include, without limitation, those concerning the strategy of an integrated group, future growth potential of markets and products, profitability in specific areas, synergies resulting from a merger between Linde and The BOC Group plc (“BOC”), post-merger integration, the future product portfolio, anti-trust risks, development of and competition in economies and markets of the combined group.

These forward looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside of Linde’s control, are difficult to predict and may cause actual results to differ significantly from any future results expressed or implied in the forward-looking statements in this presentation.

While Linde believes that the assumptions made and the expectations reflected in this presentation are reasonable, no assurance can be given that such assumptions or expectations will prove to have been correct and no guarantee of whatsoever nature is assumed in this respect. The uncertainties include, inter alia, the risk that the business of BOC will not be integrated timely and successfully, synergies will not materialize or of a change in general economic conditions and government and regulatory actions. These known, unknown and uncertain factors are not exhaustive, and other factors, whether known, unknown or unpredictable, could cause the combined group’s actual results or ratings to differ materially from those assumed hereinafter. Linde undertakes no obligation to update or revise the forward-looking statements in this presentation whether as a result of new information, future events or otherwise.

To ensure comparability of our business trends, we have adjusted the prior year figures for sales and operating profit (EBITDA*) to reflect the new Group structure. The prior year figures therefore include BOC's operations for the full 12-month period, while KION, the forklift truck division sold in 2006, the BOC Edwards components business and the other companies and other assets sold as a result of the BOC transaction have been excluded from the figures.

*before non-recurring items, including share of net income from associates and joint ventures

Agenda

THE LINDE GROUP

Part 1 Prof Dr Wolfgang Reitzle

1. Highlights
2. Financial targets
3. Defensive growth

Part 2 Georg Denoke

1. Operational performance
2. Balance sheet
3. Financial metrics

Appendix

Highlights 2007

THE LINDE GROUP

Strong operational performance in the first year of the new set-up

Group sales increased by 13.9% to €12.306 bn

Group operating profit improved by 18.1% to € 2.424 bn,
achieving double-digit growth in Gases & Engineering

Targets for ROCE and EPS already achieved one year ahead of plan

Successful execution on disposal and integration process

Net debt of € 6.427 bn substantially down from acquisition peak, even ahead of internal schedule

Synergy program progressing on plan

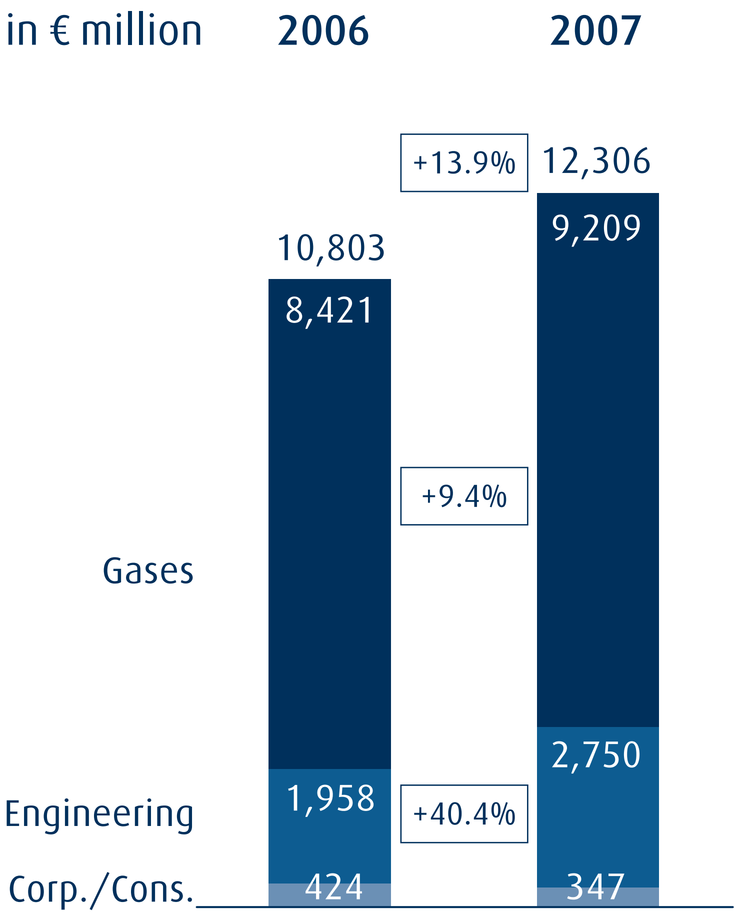
Well on track towards our mid-term financial targets

2010: Operating profit above € 3 billion with ROCE of at least 13%

Stable business model with attractive growth opportunities

Defensive growth profile supplemented by structural mega-trends

Group
Sales by segment, in € million



13.9% sales growth in the first full year of The Linde Group

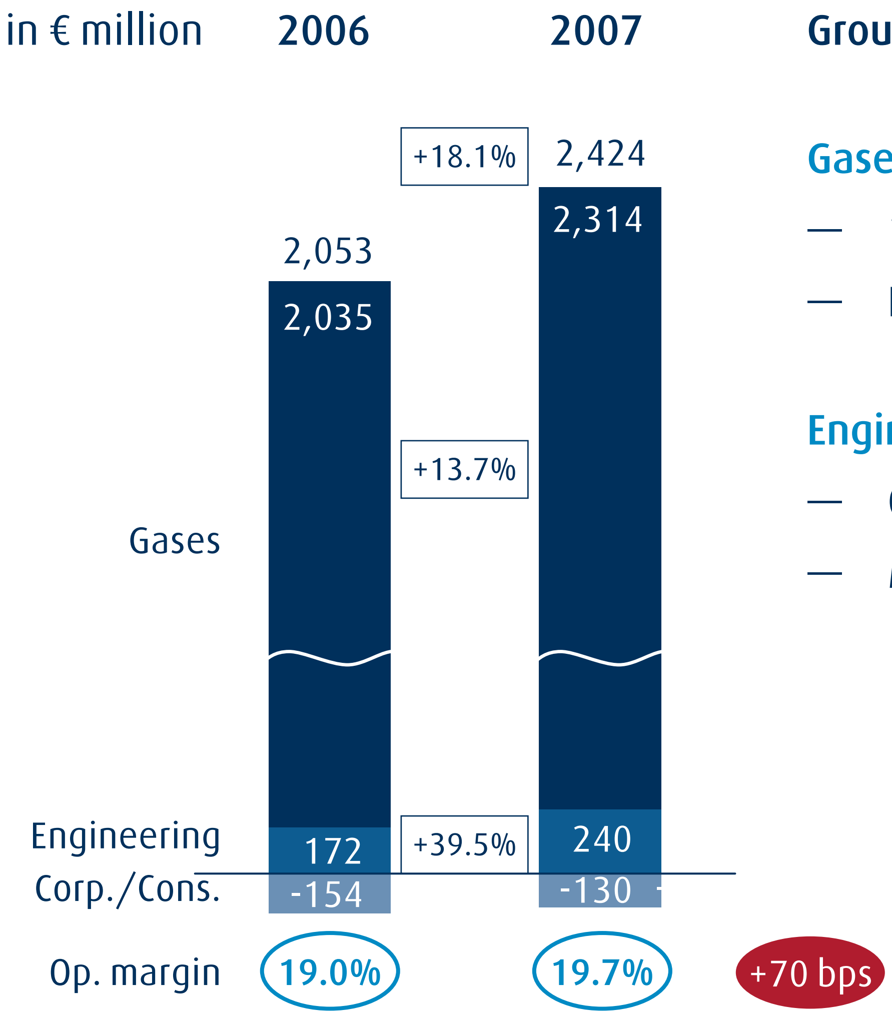
Gases Division

- Close to 10% growth despite currency effects
- Clean comparable growth of 7.2%, up 11.9% including acquisitions
- Positive price and volume trends
- Lead by Emerging Market activities

Engineering Division

- 40% leap in sales compared to 2006
- Working down our record order backlog

Group
Operating profit by segment, in € million



Group margin increase of 70 bps

Gases Division

- 13.7% growth in operating profit
- Full year margin up by 90 bps

Engineering Division

- Operating profit climbed close to 40%
- Margin kept above 8% at 8.7%

Group
Financial key indicators

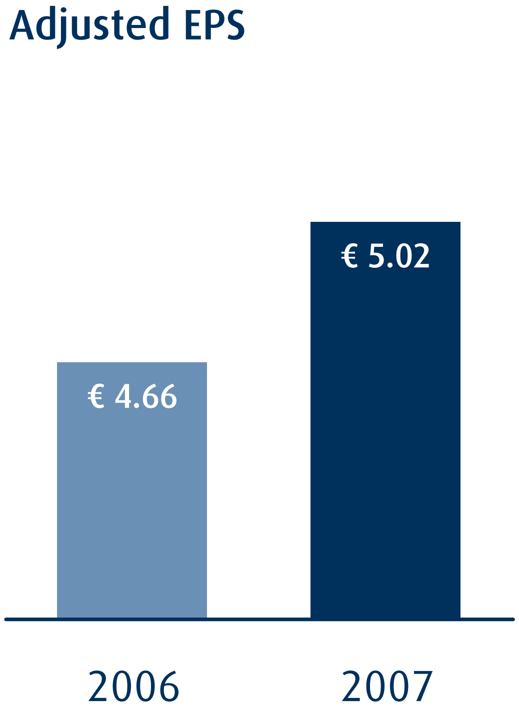
THE LINDE GROUP

Ahead of targets:

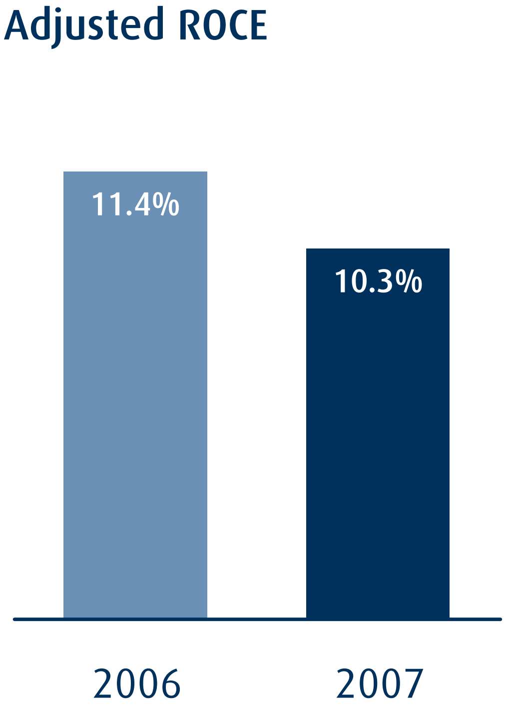
Adjusted EPS already accretive in 2007

Double-digit ROCE achieved one year ahead of plan

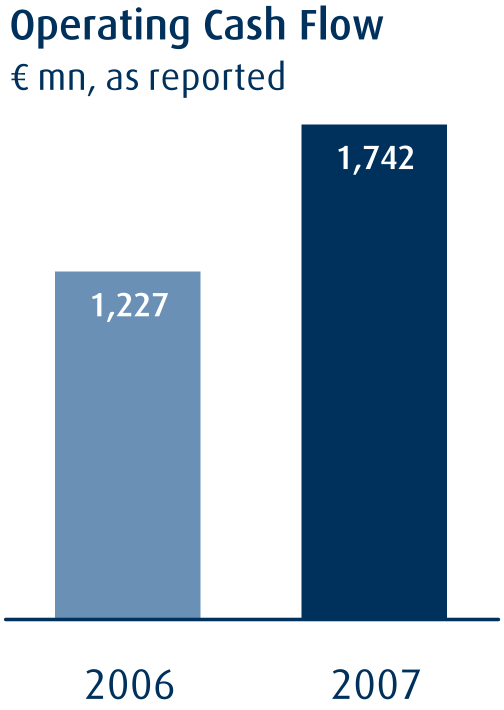
Improved cash generation in the new set-up



Adjusted EPS



Adjusted ROCE



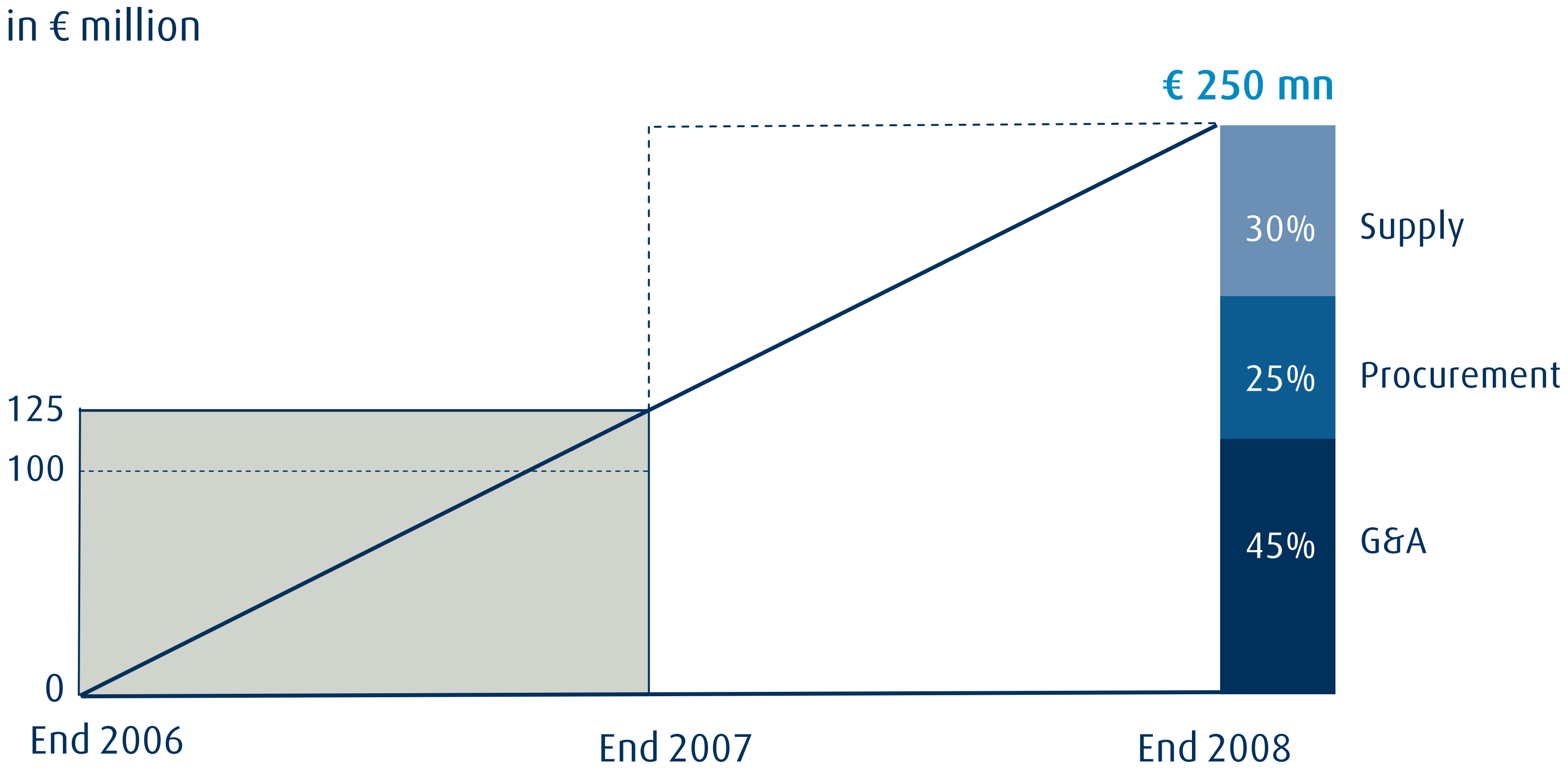
Operating Cash Flow

€ mn, as reported

Integration process progressing on plan

Synergy program on track towards our bottom-line target

Bottom-line effect of € 75 mn in 2007
Phasing ahead of time, strong confidence in our target of € 250 mn in 2009



Integration Process

Synergy program

2007 Synergy Achievements (Examples)

■	Consolidation of Corporate Headquarters (BOC and Linde)
■	Restructuring of central functions
■	Restructuring of regional overheads largely completed
■	Consolidation of Property and Liability policies
▨	Bulk distribution network optimization in various countries
🟦	Leverage of purchasing volume

2008 Planned Activities (Examples)

■	Continued reduction on selective regional overheads
▨	Selected consolidation of operational sites
▨	ASU optimization through more sophisticated control and remote operation
▨	Increase in cylinder filling productivity through Best Practice knowledge transfer across the Globe
▨	Realization of distribution network optimization projects in selected Regions
🟦	Focus on the acceleration of Procurement leverage globally

■ G&A
▨ Supply
🟦 Procurement

Outlook
Strong confidence in our mid-term financial targets

Group

2008

- Increase in sales and overproportionate growth of operating profit

2010

- Operating profit above € 3 bn
- Adjusted ROCE of at least 13%

Gases Division

- Sales increase above market growth
- Overproportionate increase of operating profit
- 13% average capex/sales ratio

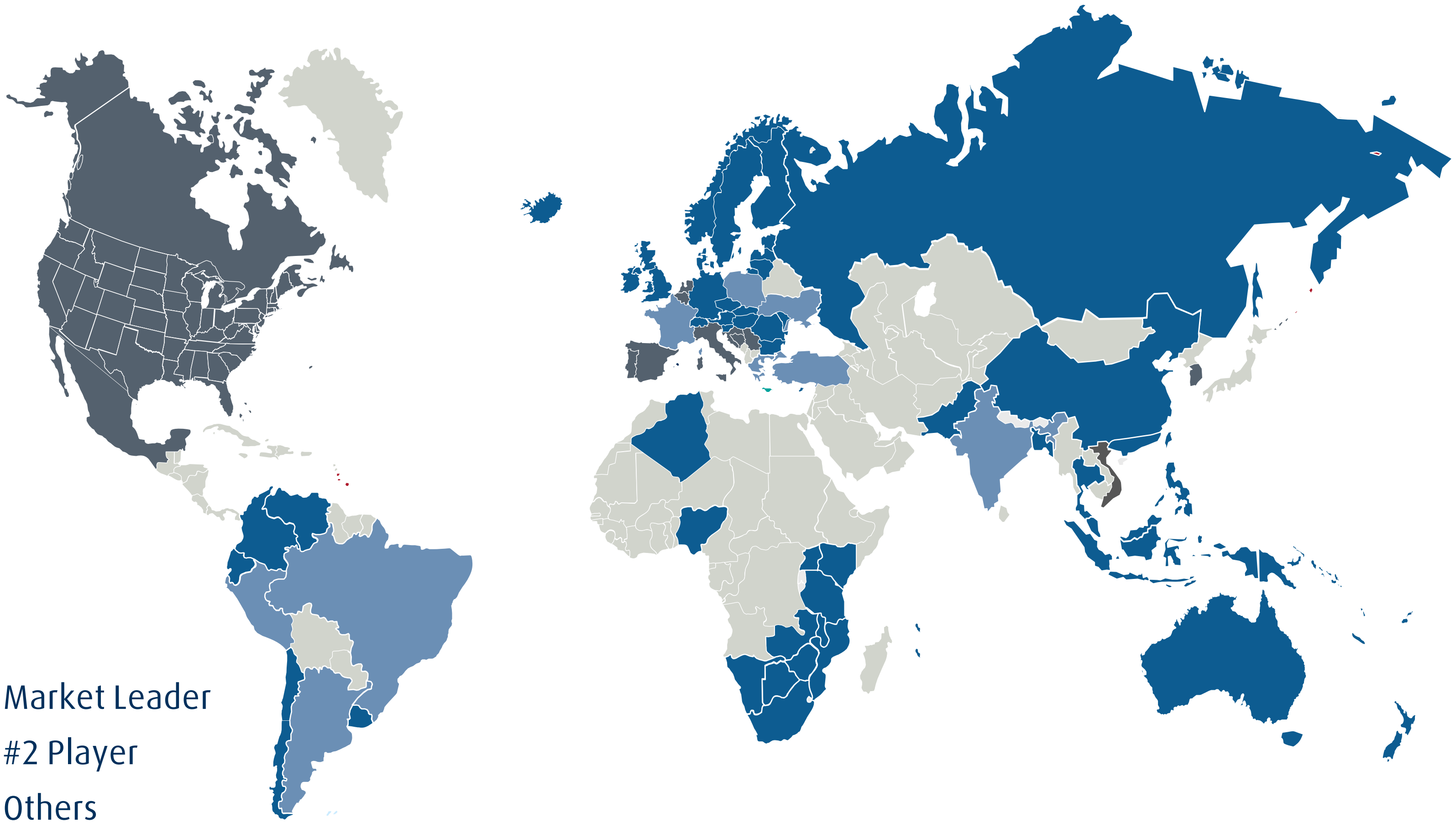
Engineering Division

- Mid-term sales growth of 8-10% based on positive market environment and strong order backlog

Gases Division – Global balance with strong market shares
Solid basis for a stable business development

THE LINDE GROUP

Present in around 100 countries, representing >90% of global GDP
Market leader in 46 of the 70 major countries, #2 Player in another 10



- ■ Market Leader
- ■ #2 Player
- ■ Others

Well balanced business mix

Growth opportunities and cash generation

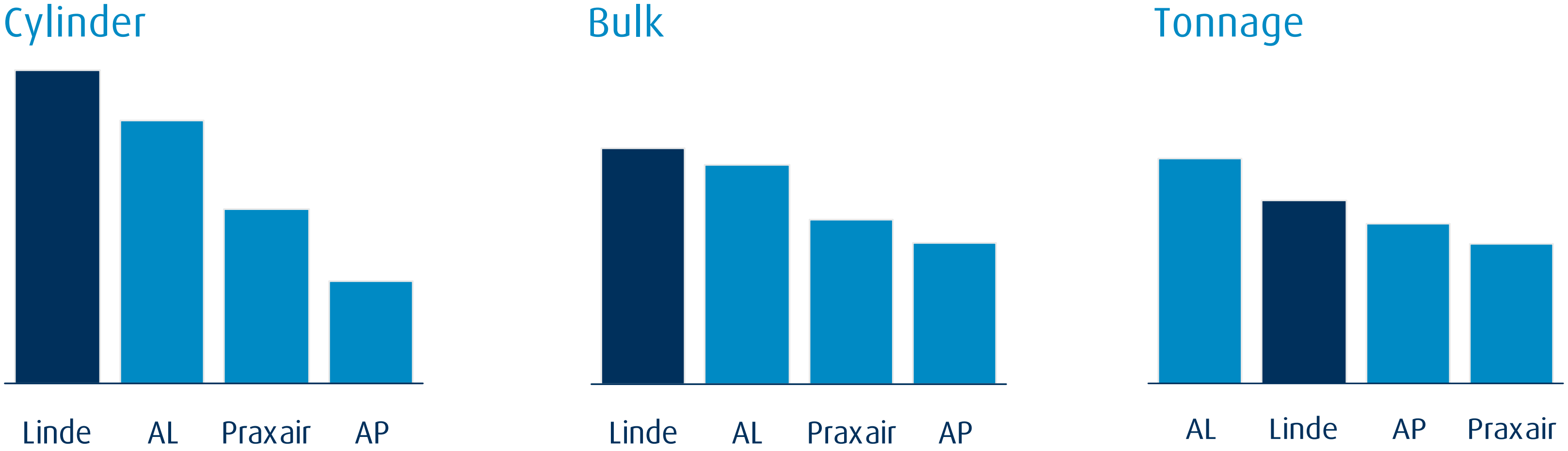
Merchant Market

- Global #1 in bulk and cylinder
- Dominant market position in core markets
- Broad and diversified customer base, increasing exposure to non-cyclical end markets (food, healthcare, maintenance)
- Enlarged applications portfolio and strengthened R&D capabilities
- High and sustainable cash flow

Tonnage

- Global #2
- Significant share of tonnage business (JVs and EFL) not top-line visible
- Strong increase of capacities (business development and execution teams)
- Strong set-up in growth markets
- Business synergy with Engineering Division

Global Sales

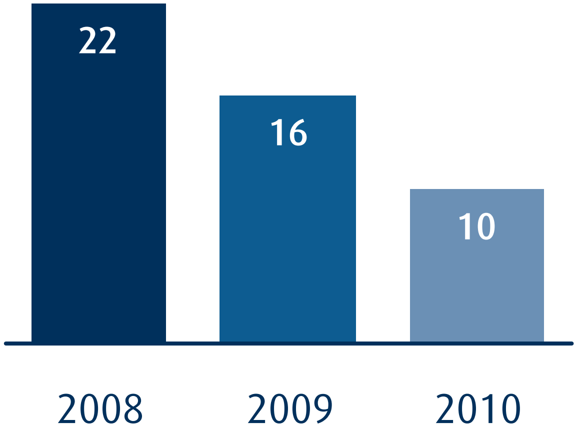


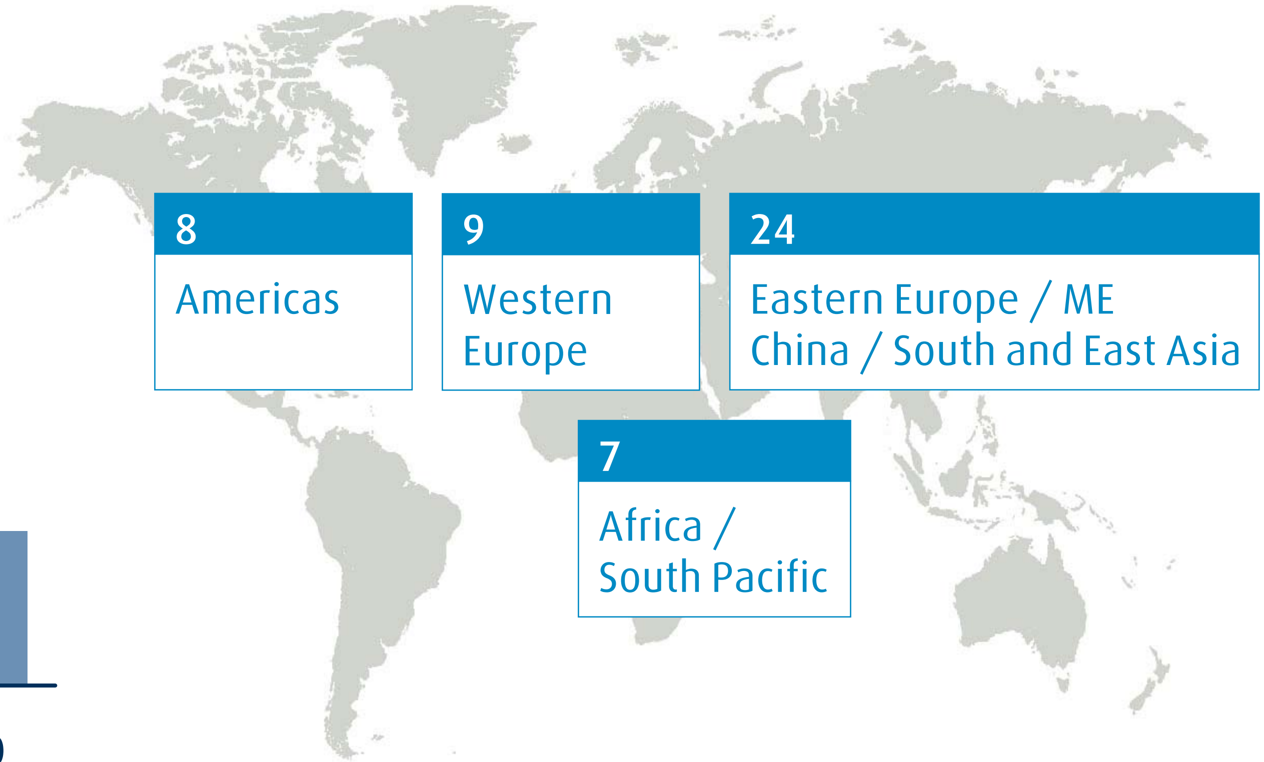
Source: Annual Reports, Broker Reports, Spiritus Consulting, Linde Group Analysis

Gases Division

Busy pipeline of plant start-ups

More than half of the new projects located in emerging markets





Gases Division

Tonnage contract with ADNOC

Leveraging our Engineering customer relationships

- First plant for ABU Dhabi National Oil Company (ADNOC) built in 1999

First tonnage contract in the Ruwais cluster

- World´s largest ethylene plant is built by Linde Engineering
- Customer Borouge is a Joint Venture lead by ADNOC
- Nitrogen need is to be supplied on-site by the new Linde/ADNOC JV
- Liquifier allows Gases Division to develop the local merchant market
- JV structure is set up to jointly serve follow-up contracts

Promising region for a new petrochemical cluster

- Good quality and availability of local feedstock
- Cash resources and political will for downstream expansion
- ADNOC will be the leading force of this development
- Industrial gases needs are to be served through the Linde JV

Plants in operation:
2 Ethylene plants with Nitrogen supply, built in 1999/2003 by Linde Engineering

Ethylene plant, under construction by Linde Engineering for Borouge

ASU and liquifier, under construction for Linde-Adnoc JV (Elixier)

● Air separation plants
▲ Petrochemical plants

Group
Limited currency risks

Gases Division

Local business model: natural currency hedge and limited transactional risk

- Limited currency risk from mismatch between cost base and sales currency
- Very limited transactional risk as currency movements do not generate shipments from foreign competition

Regional balance limits translational risks

- Balanced global footprint implies limited impact of each individual currency

Engineering Division

Full currency hedge

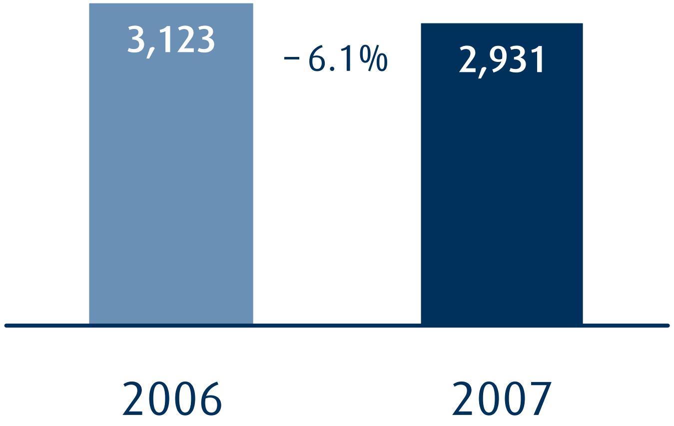
- Currency exposure of all projects is immediately fully hedged after the contract signing

Engineering Division
Ongoing momentum in order intake / strong order backlog

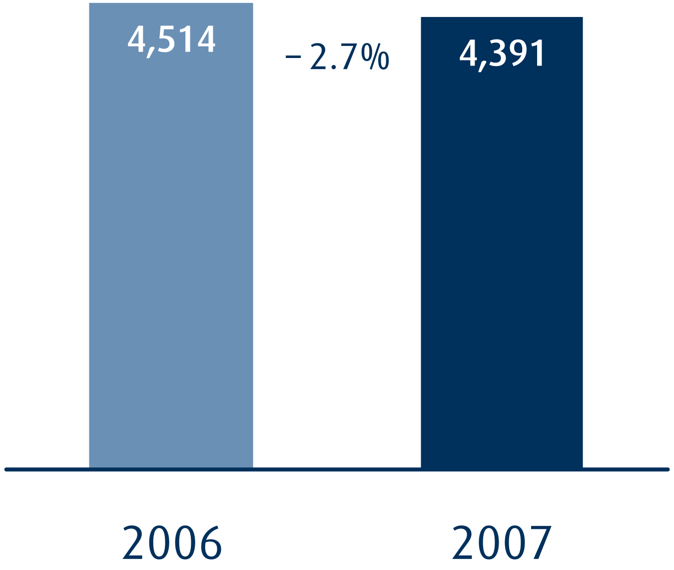
Ongoing strong environment in all four end markets drives order intake again close to € 3 bn

Order backlog stable at € 4.4 bn despite strong uplift in recognised sales

Order intake
€ 2,931 million

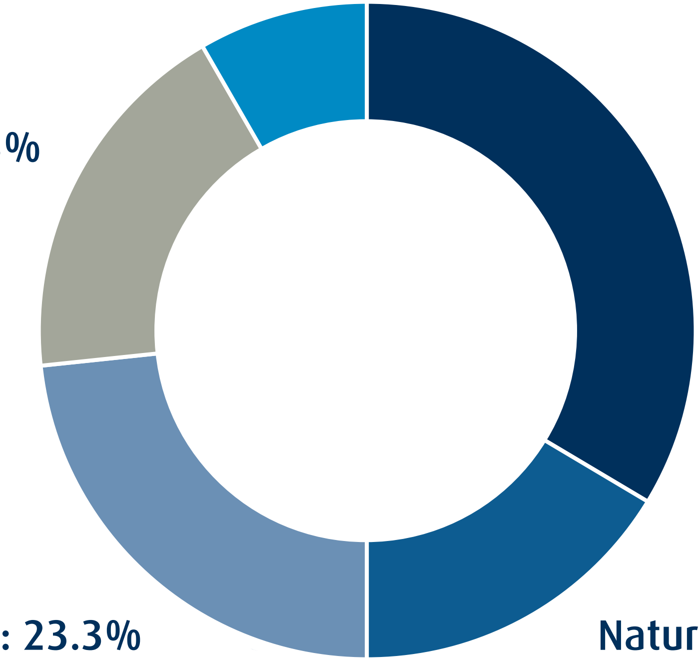


Order backlog
€ 4,391 million



Engineering Division

Solid end market trends drive momentum in order intake



Others: 8.4%
(2006: 8.4%)

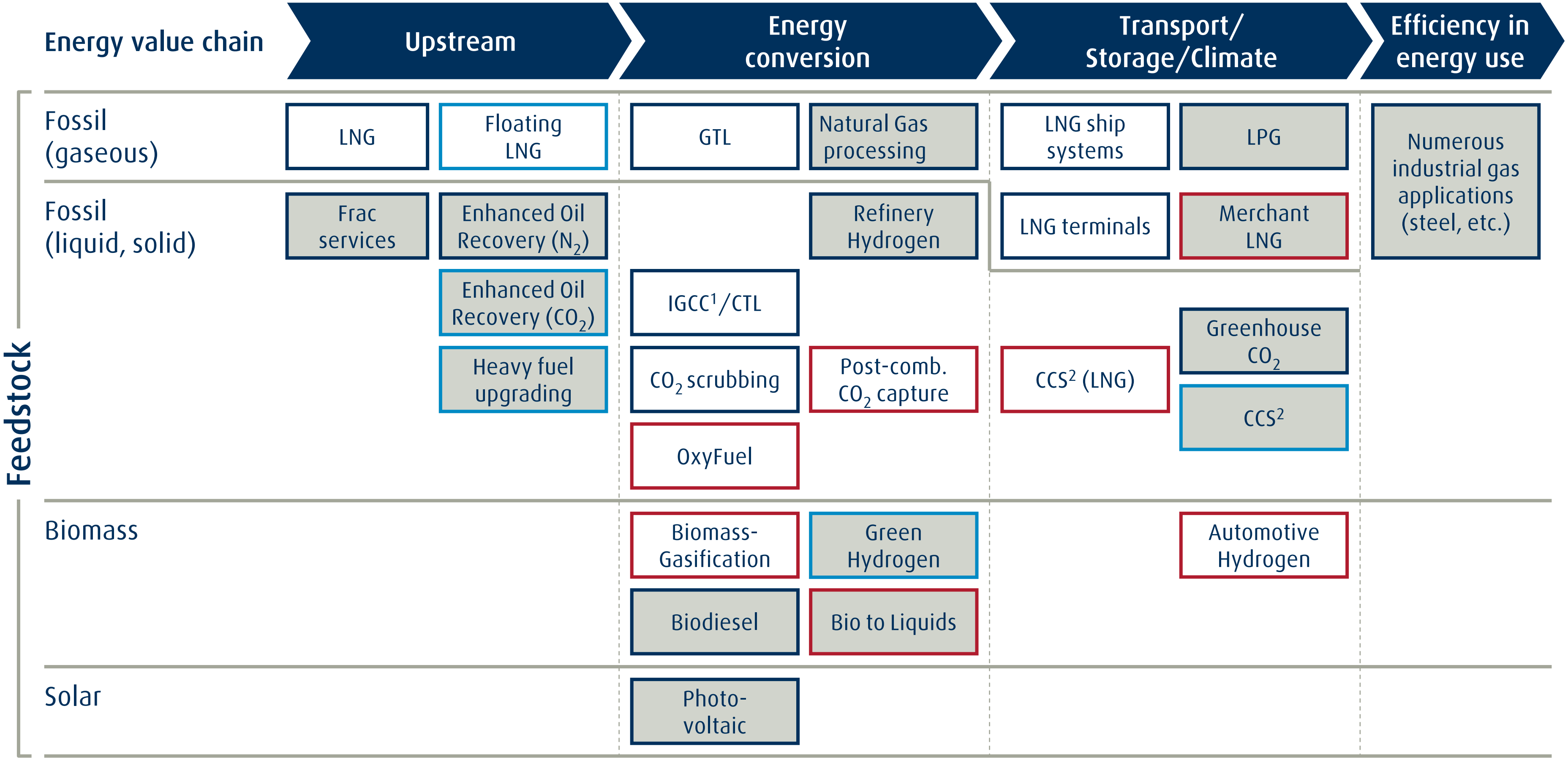
Synthesis Gas Plants: 18.3%
(2006: 14.1%)

Olefin Plants: 33.7%
(2006: 16.0%)

Air Separation Plants: 23.3%
(2006: 47.4%)

Natural Gas Plants: 16.2%
(2006: 14.2%)

Energy mega-trends
Linde has extensive technology expertise



Energy value chain	Upstream	Energy conversion	Transport/ Storage/Climate	Efficiency in energy use
Fossil (gaseous)	LNG Floating LNG	GTL Natural Gas processing	LNG ship systems LPG LNG terminals Merchant LNG	Numerous industrial gas applications (steel, etc.)
Fossil (liquid, solid)	Frac services Enhanced Oil Recovery (N_2) Enhanced Oil Recovery (CO_2) Heavy fuel upgrading	Refinery Hydrogen IGCC[1]/CTL CO_2 scrubbing Post-comb. CO_2 capture OxyFuel	Greenhouse CO_2 CCS[2] (LNG) CCS[2]	
Biomass		Biomass-Gasification Green Hydrogen Biodiesel Bio to Liquids	Automotive Hydrogen	
Solar		Photo-voltaic		

Business model Linde ☐ Engineering ▨ Gas Supply

Maturity of business — Existing business — Pilot on-going — Pot. growth opportunity

[1] Integrated Gasification Combined Cycle, [2] Carbon Capture & Storage

The Linde Group is a global industry leader

2007 achievements build a strong and stable platform

THE LINDE GROUP

Strong operational performance alongside smooth transformation into a pure play

- Profitable growth in all divisions
- Improved cash flow generation potential
- Significant debt reduction and solid maturity profile
- New organisation working successfully

Stable business model

- Attractive industry: limited currency risk, diversified customer base, long term contracts
- Solid set-up: worldwide presence, strong local market positions, balanced segment mix

Leading ambition

- Deliver profitable growth in line with mid-term targets
- Develop performance culture based on synergy and efficiency programs
- Leverage technology and market position for the upcoming growth opportunities

Agenda

THE LINDE GROUP

Part 1 Prof Dr Wolfgang Reitzle

1. Highlights
2. Financial targets
3. Defensive growth

Part 2 Georg Denoke

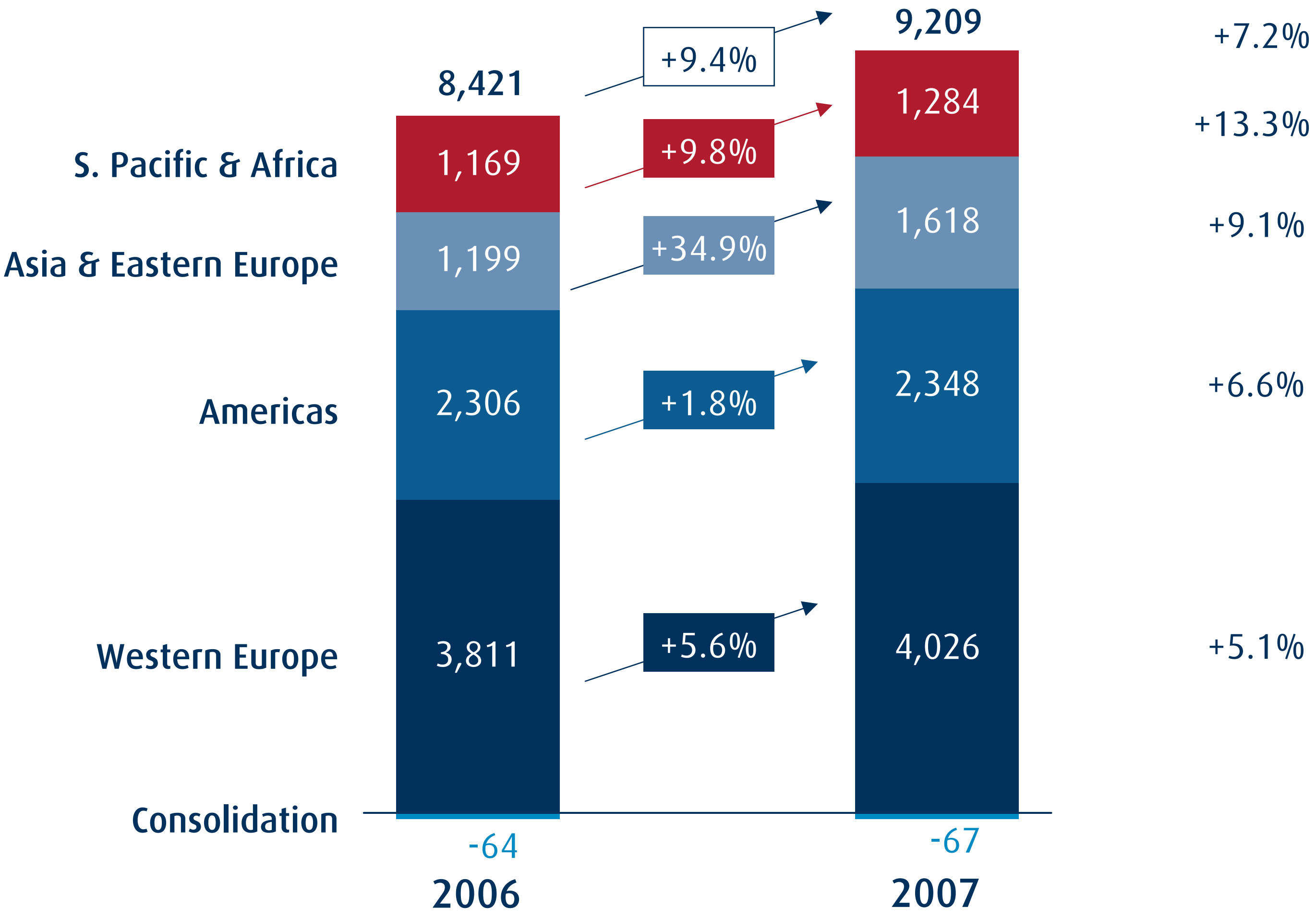
1. Operational performance
2. Balance sheet
3. Financial metrics

Appendix

Gases Division, sales by operating segment

Growth momentum across all geographies

in € million



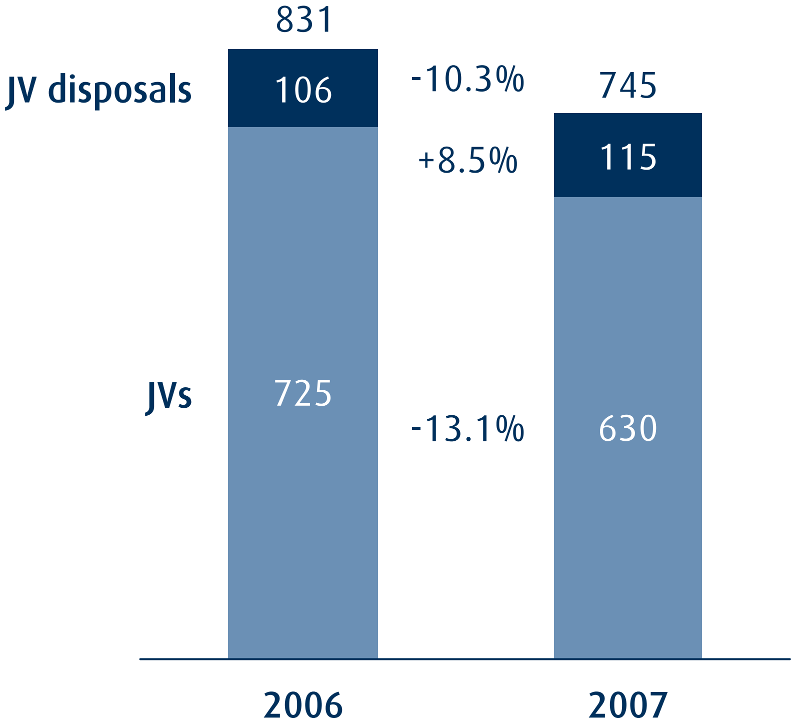
*excluding currency, natural gas price and consolidation effect

Gases Division, joint ventures

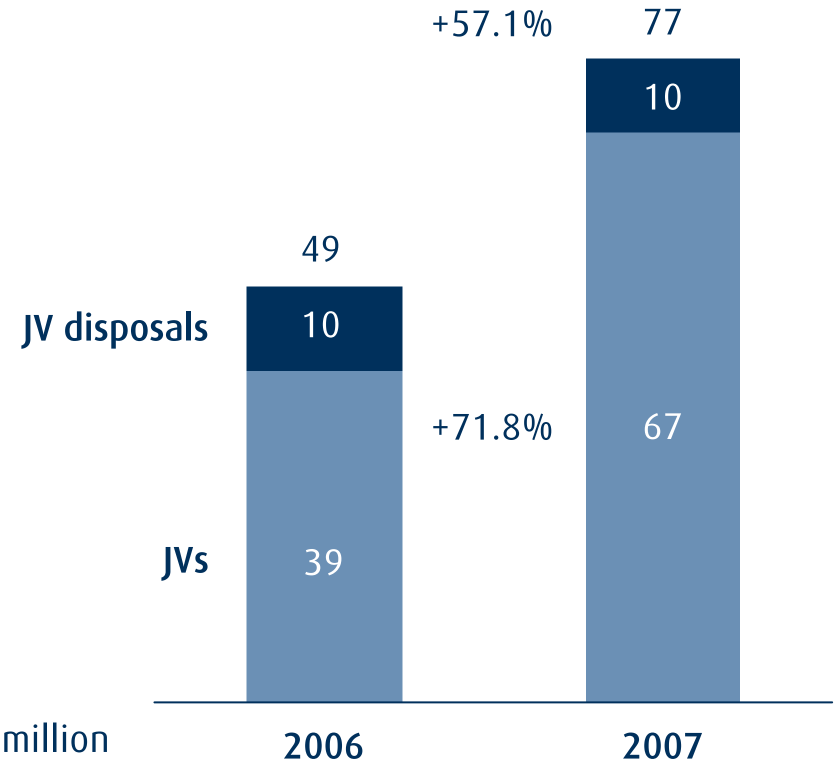
Proportionate contribution of JVs

THE LINDE GROUP

Sales (like-for-like)



Net Income (like-for-like)



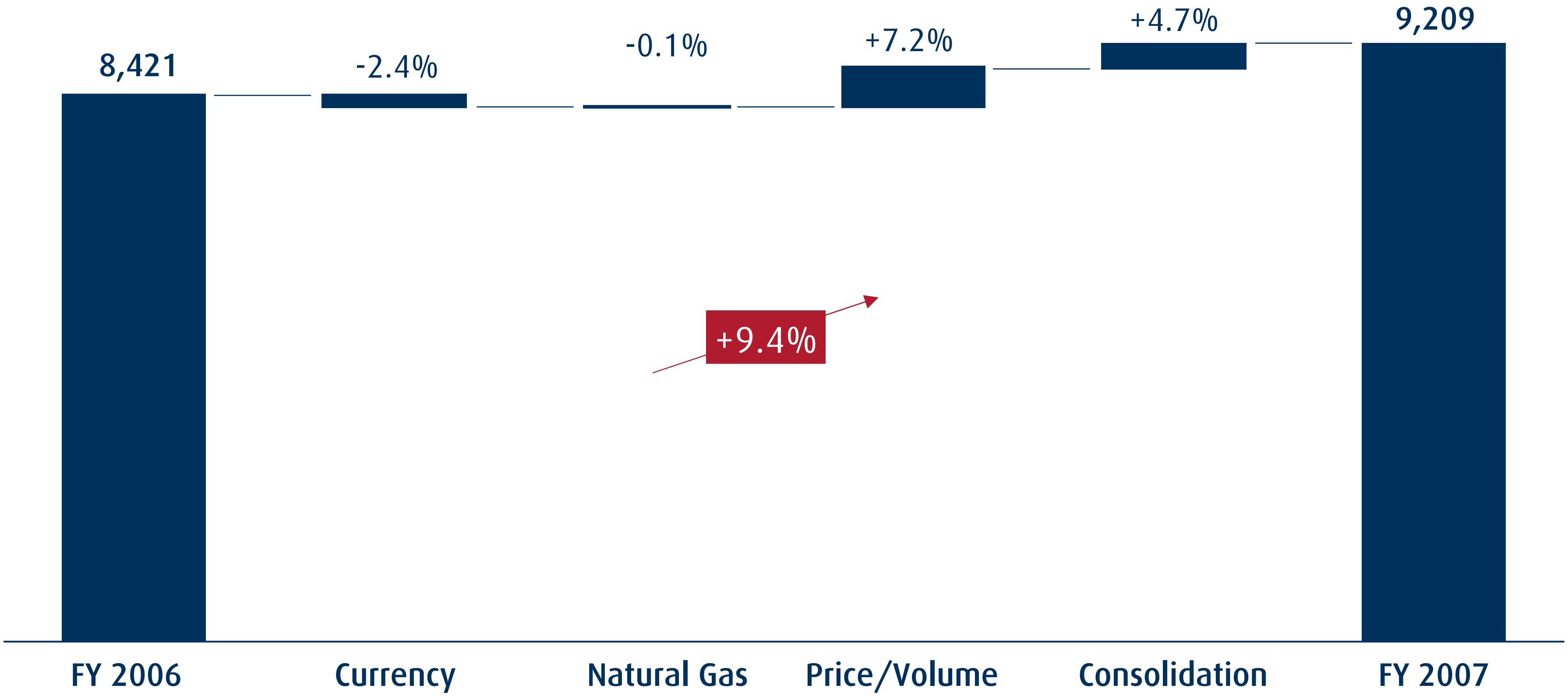
in € million

Gases Division, sales bridge

Comparable growth of 7.2% in 2007

7.2% pure volume & price growth cleaned of all acquisitions
11.9% growth including acquisitions

In € million

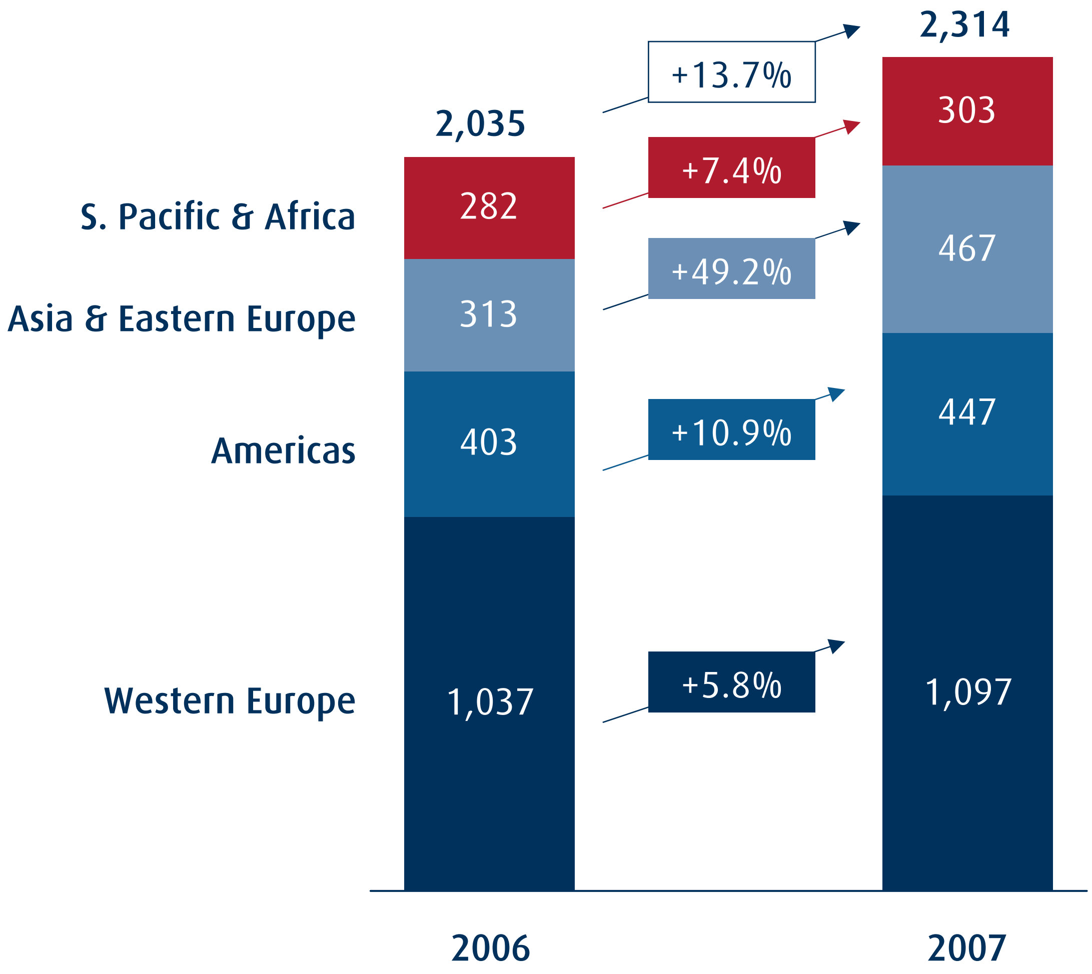


Gases Division, operating profit by operating segment

Strong performance driven by emerging markets

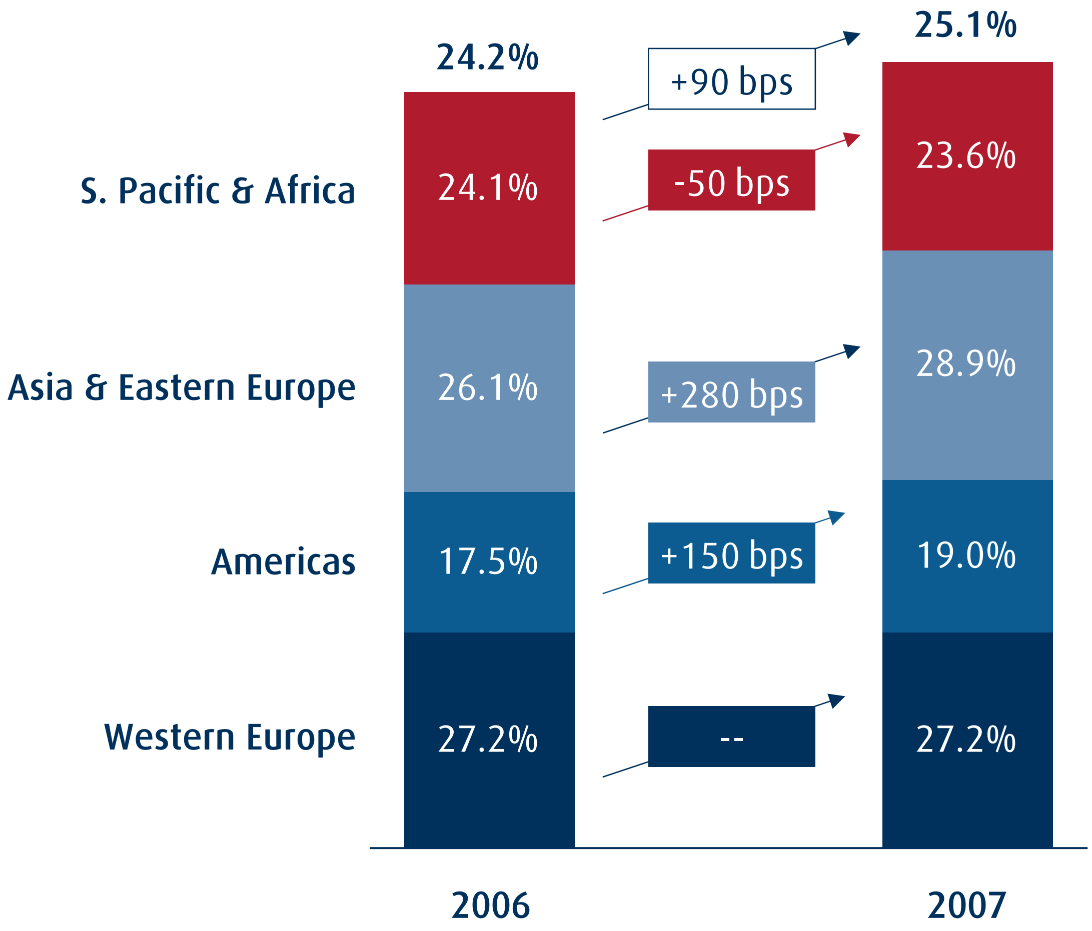
THE LINDE GROUP

in € million



Gases Division, operating margin by operating segment

Solid profitability in all geographies

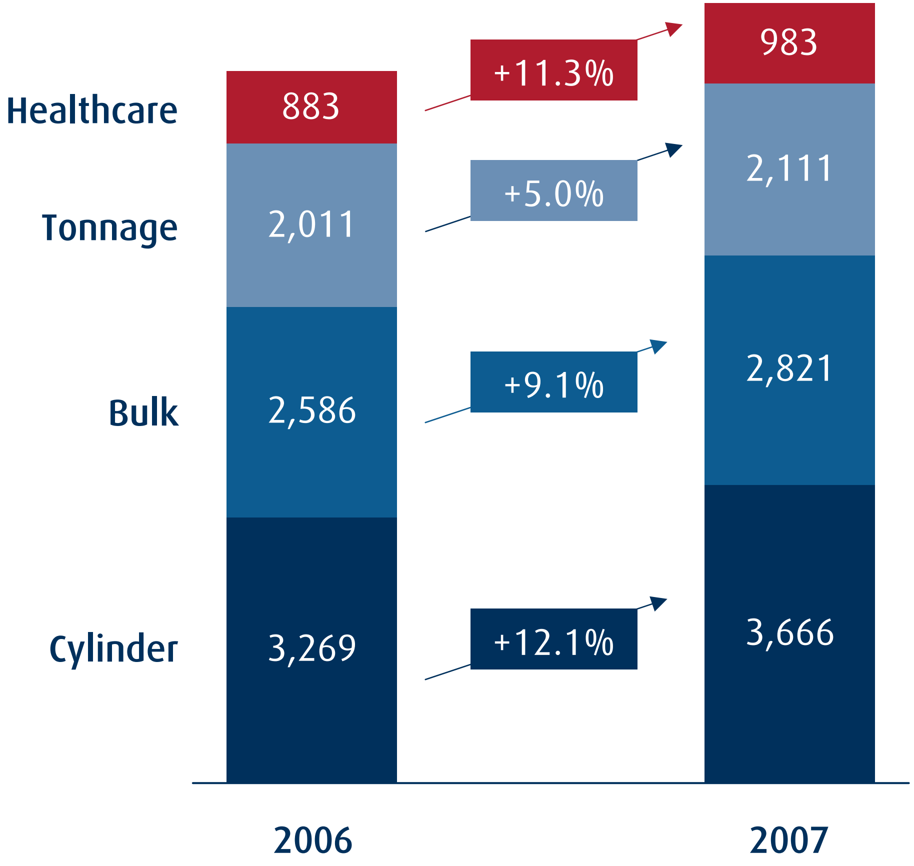


Gases Division, sales by segment

Balanced business mix drives stable growth

THE LINDE GROUP

in € million, unconsolidated



Comparable*

9.4%

7.9%**

6.2%

8.6%

* excluding currency, natural gas price and consolidation effect

** and excluding sales-type-lease for new projects treated as EFL (IFRIC 4)

Operating profit margin improvement

THE LINDE GROUP

	2006	2007	Δ
Group	**19.0%**	**19.7%**	**+70bps**
Gases	24.2%	25.1%	+ 90bps
Gases & Corporate			
Revenue Gases	8,421	9,209	
OP Gases	2,035	2,314	
OP Corporate	-173	-151	
Operating Profit	1,862	2,163	
OP Margin	**22.1%**	**23.5%**	**+140bps**
JV impact	49*	77	
Operating Profit	**1,811**	**2,086**	
OP Margin	**21.5%**	**22.7%**	**+120bps**

*adjusted: full year impact

Group – Cash Flow Statement, key elements

Strong cash flow generation in the new set-up

THE LINDE GROUP

in million €	**2006**	**2007**
Operating profit*	2,216	2,424
Change in Working Capital	175	-139
Funds from operations	**2,391**	**2,285**
Paid taxes	-573	-336
Other changes	-591	-207
Cashflow from operating activities	**1,227**	**1,742**
Disposal proceeds	2,670	3,557
Net investing activities (incl. acquisitions)	-12,948	-1,471
Free Cashflow	**-9,051**	**3,828**

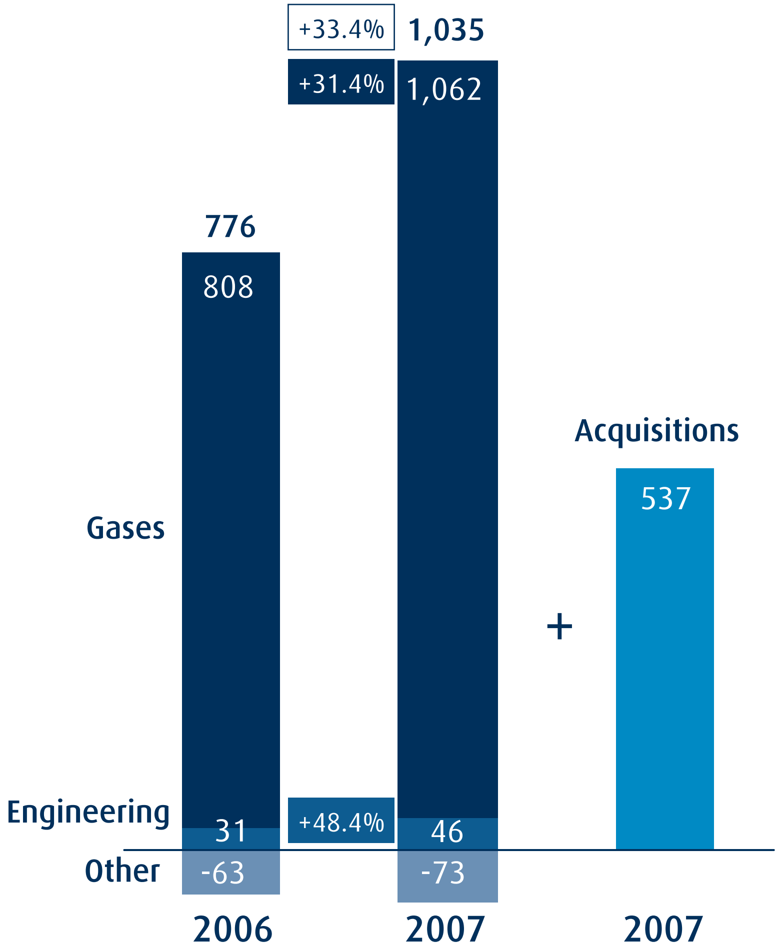
*not comparable

Investments (capex + acquisitions)

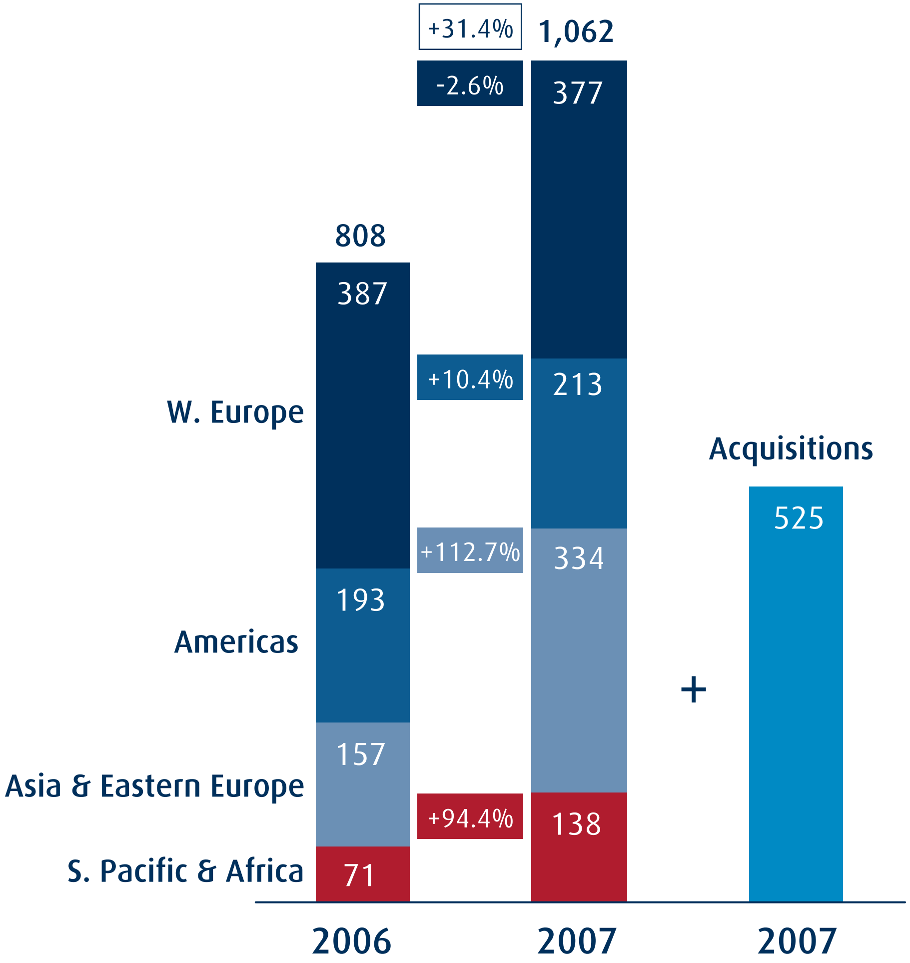
Investing in our growth path

THE LINDE GROUP

Group (∑ = € 1,572 mn)



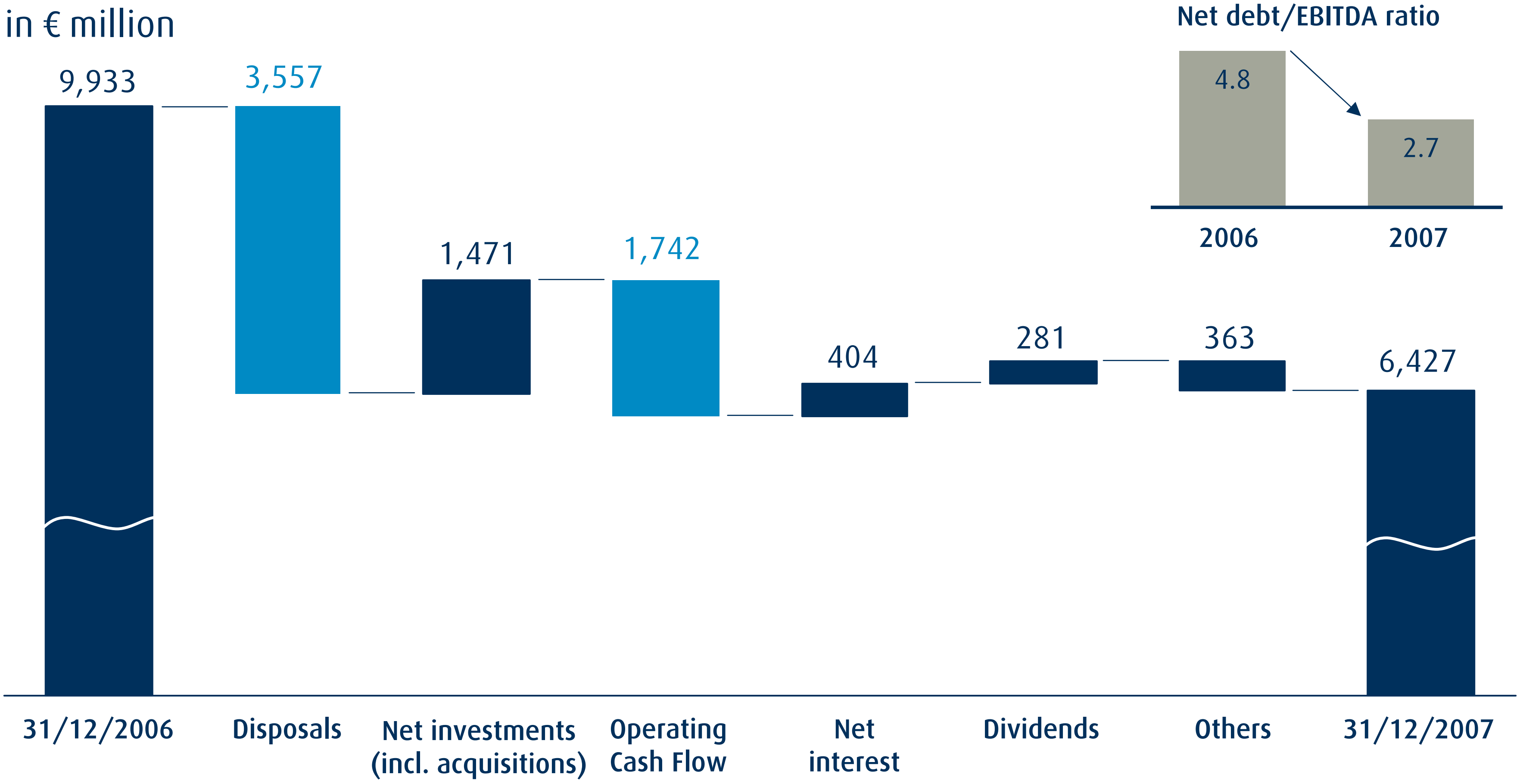
Gases Division (∑ = € 1,587 mn)



Net debt

Execution on deleveraging ahead of plan and expectations

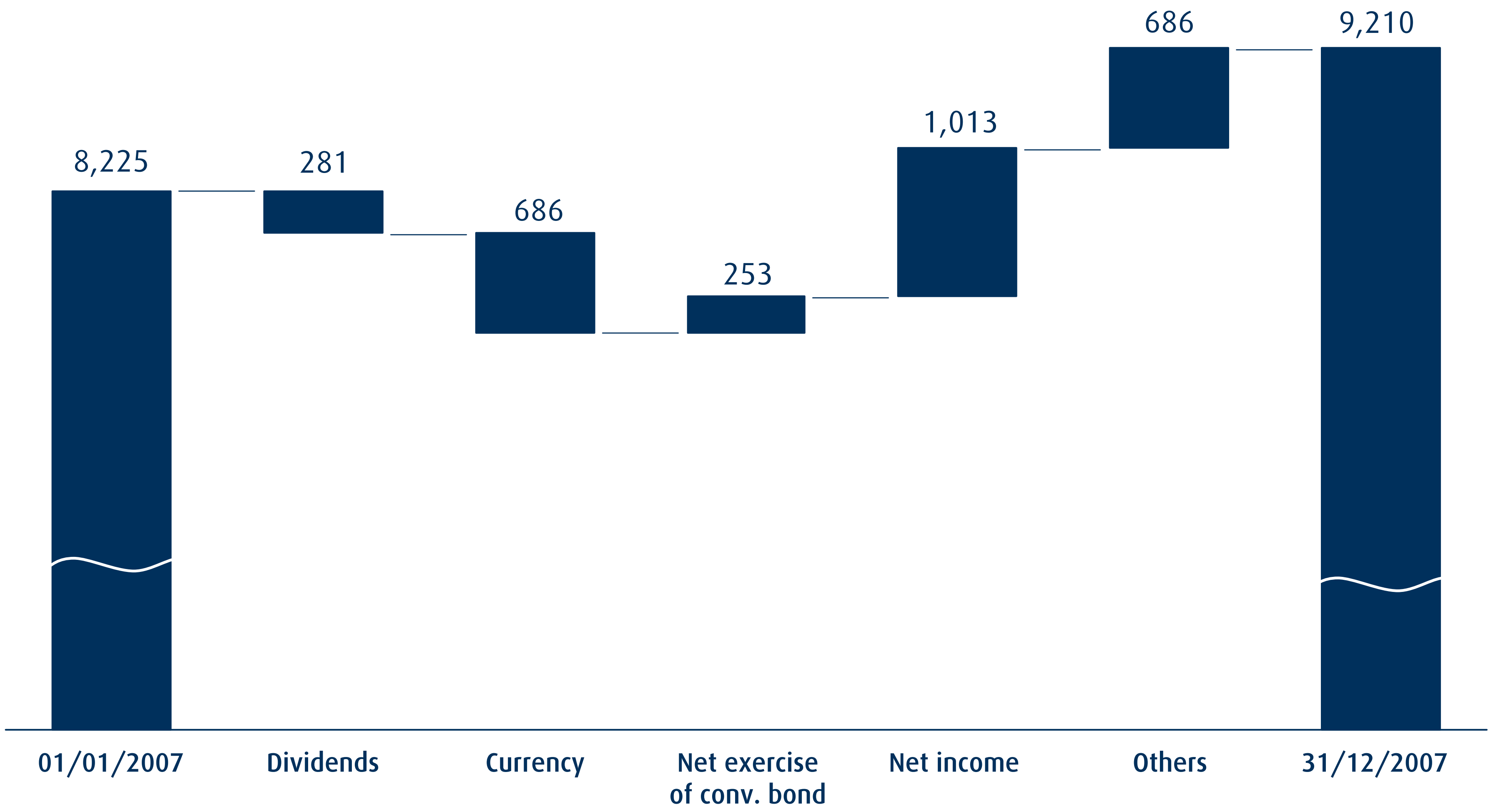
Significant reduction of net debt driven by disposal proceeds and strong cash generation



Development of group equity

Gearing down to 69.8%

in € million



Pension financing, key elements

Net pension obligation down to € 403 mn

in € million	Defined benefit obligations	Plan-assets	Net-obligation 2007	Net-obligation 2006
UK	2,860	2,900	-40	416
Germany	803	283	520	610
US+Canada	395	581	-186	-166
Other activities	1,094	1,049	45	91
Net obligation	**5,152**	**4,813**	**339**	**951**
Accumulated effect from asset ceiling			37	39
Other pensionlike obligations			27	24
Balance sheet amount as of 31.12.			**403**	**1,014**
Thereof provisions			*747*	*1,284*
Thereof assets			*-344*	*-270*

Linde Group

Reconciliation of EPS

THE LINDE GROUP

	31.12.2006	31.12.2007			
€ million	Key Financial Figures	As reported	Non-GAAP adjustment	Key Financial Figures	Effects
EBIT before special item	**989**	**1,145**	**446**	**1,591**	**PPA**
Special items	-	607	-607	-	Disposal of businesses
Taxes on income	-294	-379	23	-356	deferred taxes on PPA, disposals
Earnings after taxes and minority interest	**644**	**952**	**-138**	**814**	
EPS (in €)	**4.66**	**5.87**		**5.02**	
Weighted average no. of shares (in million)	138,1	162,3		162,3	

Linde Group

Reconciliation of Capital Employed

THE LINDE GROUP

€ million	31.12.2006 Key Financial Figures	31.12.2007 As reported	Non-GAAP adjustment	Key Financial Figures	Effects
Equity incl. minority interest	**7,031**	**9,210**	**-1,332**	**7,878**	**PPA and disposal effects from 2006 and 2007**
Plus: net debt	9,933	6,427		6,427	
Plus: liabilities from financial services	49	36		36	
Less: receivables from financial services	930	860		860	
Balance of financial debt	**9,052**	**5,603**		**5,603**	
Net pension obligations	1,014	403		403	
Capital employed	**17,097**	**15,216**	-1,332	**13,884**	
Average Capital employed	**12,077**	**16,754**		**15,491**	
Return on Capital Employed (ROCE)	**11.4 %**[1]	**10.4 %**		**10.3 %**	

---

[1] ROCE has not been adjusted, despite the adjustments to capital employed and the revised presentation of the income statement, to ensure comparability

Tax rate and dividend development

Effective Tax Rate (ETR):

Total Tax: € 379 mn (ETR: 27.6%)

Comprising: € 484 mn current tax expense
€ 105 mn deferred tax income

Outlook:

Expected tax rate for 2008 is around 30%

Main Impacts on Effective Tax Rate in 2007:

- Relatively strong performance of the Group in countries with lower tax rates (i.e. Eastern Europe and Asia)
- Positive impact of tax rate changes
- Tax reimbursements for prior years during the 4th Quarter

Dividends:

- Proposed dividend increase for 2007 by 13% from € 1.50 to € 1.70 per share
- Dividend policy will adequately reflect profit growth

The Linde Group expands on a strong and stable platform

Good set-up for future growth

THE LINDE GROUP

Business on a solid growth track

- Strong underlying growth
- Growth momentum carried by all regions and product segments
- Balanced profitability profile

Very strong balance sheet

- Significant improvement in net debt, equity and pension obligations
- Lengthening of capital market debt maturity profile
- Continued readiness to invest in growth opportunities

Ability to deliver on our financial ambitions

- Reconfirmation of targets for operating profit and synergies
- Specification of ROCE target
- Continued focus on cash flow delivery, ROCE and EPS growth

Agenda

Part 1

Prof Dr Wolfgang Reitzle

1. Highlights
2. Financial targets
3. Defensive growth

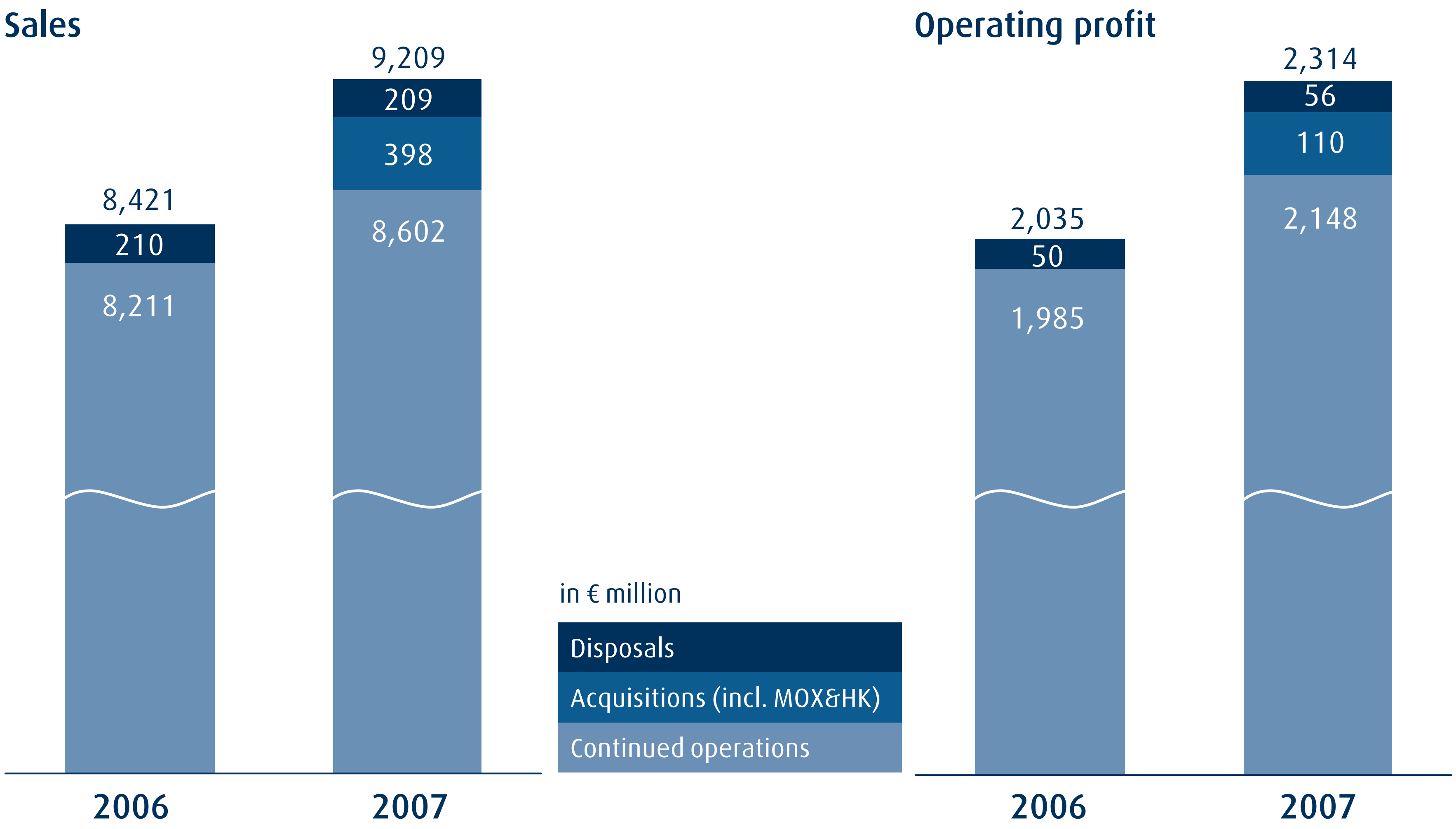
Part 2

Georg Denoke

1. Operational performance
2. Balance sheet
3. Financial metrics

Appendix

Gases Division, sales and operating profit



Purchase Price Allocation

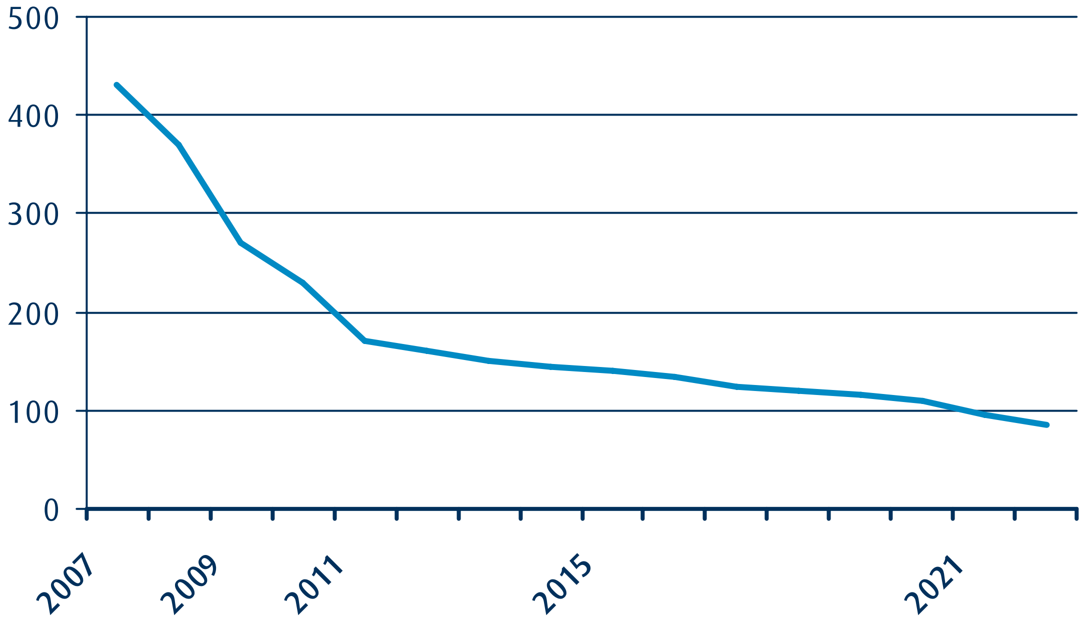
Confirmation of expected Depreciation & Amortisation

THE LINDE GROUP

Development of depreciation and amortisation (in € million)

Impact in 2007: € 446 million

Expected range	
2008	> 375 – 425
2009	> 300 – 350
2010	> 200 – 250
2011	> 200
…	
2022	< 100



Mandatory adoption of IFRIC 4

Expected impact on sales and EBITDA

The Linde Group shows a significant amount of plants as embedded finance leases due to the adoption of IFRIC 4

Sales and EBITDA from IFRIC 4 plants not recognized through reported sales and EBITDA in 2007: **€ 134 million**

Receivables from Financial Services (= PV of minimum lease payments): 31/12/2007 **€ 860 million**
31/12/2006 € 930 million

Important considerations:

- EBITDA multiple comparison with peers needs to be adjusted for IFRIC 4
- Reported operating profit margin for Gases Division in 2007 is 110 bps lower due to EFL
- Reported tonnage sales do not include sales from plants treated under IFRIC4

Very minor impact on EPS, no impact on Free Cash Flow

€ million	**Gross investment**	**PV of minimum lease payments**
Due within 2008	137	95
Due within one to five years	476	319
Due in more than five years	566	446
Total	**1,179**	**860**

↑ Future reduction in Sales and EBITDA

↑ Amortization of lease receivable

Definition of financial key figures

Operating Profit	**Return**	EBITDA (incl. IFRIC 4 adjustment) excl. finance costs for pensions excl. special items incl. share of net income from associates and joint ventures
adjusted ROCE	**Return**	Operating profit - depreciation / amortisation excl. depreciation/amortization from purchase price allocation
	Average Capital Employed	equity (incl. minorities) + financial debt + liabilities from financial services + net pension obligations - cash and cash equivalents - receivables from financial services
adjusted EPS	**Return**	earnings after tax and minority interests + depreciation/amortization from purchase price allocation +/- special items
	Shares	average outstanding shares

Investor Relations Contacts

THE LINDE GROUP

Thomas Eisenlohr, Head of Investor Relations

Phone +49 89 357 57 1330
thomas.eisenlohr@linde.com

Robert Schneider

Phone +44 20 7647 9614
robert.schneider@linde.com