

Linde Group



First Nine Months 2004 Conference Call

November 11, 2004

Dr. Peter Diesch, CFO

Key Facts

- Significant increase in sales and EBITA
- EPS of €1.28 (2003: €0.63), excl. Goodwill €2.11 (2003: €1.40)
- Outlook for FY 2004 unchanged: Slight growth in sales and EBITA before special items, excl. Refrigeration
- Sale of Refrigeration completed October 1, 2004

Group Income Statement

- Sales up 8.8% to €6,903 million, excl. currency +10.5% (2003: €6,345 million)
- EBITA before special items up 14.7% to €493 million, excl. currency +17.0% (2003: €430 m)

In € million	Q3 04	Δ	9M 04	Δ
Sales	2,465	13.2%	6,903	8.8%
Sales (excl. currency)		14.2%		10.5%
EBITDA	402	10.7%	1,059	6.5%
EBITA before special items	216	22%	493	14.7%
EBITA	216	102%	493	36.9%
EBIT	181	129%	394	47%
Financial result	-35	84%	-96	3.2%
EBT	146	143%	298	70.3%
Net income before minority interests	79	243%	153	107%
Net income	79	243%	153	104%

Group Key Financials

- Higher Capex
- Increased interest coverage ratio
- Significantly improved gearing

In € million	9M 03	9M 04
Operating cash flow	956	737
Capex (excl. financial assets)	566	793
Net interest	-97	-97
EBITDA / Net interest	10.2	10.9%
Net debt*	2,912	2,875
Gearing **	74.1%	59.4%

* incl. leasing, excl. pension liabilities

** excl. leasing and pension liabilities

Linde Group



Gas & Engineering

- Sales up 6.8% to €3,876 million, excl. currency plus 9.6% (2003: €3,629 m)
- EBITA before special items increased by 8.7% to €511 million (2003: €470 m)

In € million	Q3 04	Δ	9M 04	Δ
Sales	1,377	13.9%	3,876	6.8%
Sales (excl. currency)		16.2%		9.6%
EBITDA	290	3.9%	826	3.4%
Margin	21.1%		21.3%	
EBITA before special items	187	10%	511	8.7%
EBITA	187	20.6%	511	12.3%
Margin	13.6%		13.2%	
EBTA	165	23.1%	443	21%

- Sales up 2.4% to €2,958 million, excl. currency plus 5.4% (2003: €2,888 m)
- EBITA before special items +4.7% to €466 million, excl. currency +7.1% (2003: €445 m)

In € million	Q3 04	Δ	9M 04	Δ
Sales	1,014	4.6%	2,958	2.4%
Sales (excl. currency)		6.7%		5.4%
EBITDA	267	0.8%	770	1.4%
Margin	26.3%		26%	
EBITA before special items	167	3.7%	466	4.7%
EBITA	167	14.4%	466	8.4%
Margin	16.5%		15.8%	
EBTA	145	16%	399	16.3%

Regional Sales (9M/2004)

- Stable growth in Europe, driven by Eastern Europe
- Still double-digit currency impact on North American sales
- Highest growth rates in South America and Asia Pacific

In € million	9M 03	9M 04	Δ^*	Δ^* excl. currency
Germany	649	654	0.8%	0.8%
Europe excl. Germany	1,390	1,443	3.8%	4.9%
North America	622	593	-4.6%	5.5%
South America	176	203	15.3%	21.1%
Asia Pacific	51	65	27.5%	27.7%

* $\Delta\%$ based on €k

Product Segment Sales (9M/2004)

- Highest growth rates in the bulk business
- Stable trend in the cylinder business
- Healthcare again achieves double-digit growth rate, excl. currency

In € million	9M 03		9M 04		Δ^*	Δ^* excl. currency
Bulk	783	26%	827	27%	5.6%	8.0%
Cylinder	1,169	40%	1,172	38%	0.3%	3.3%
On-site*	581	20%	591	20%	1.7%	4.4%
Healthcare	428	14%	468	15%	9.4%	13.7%

* excl. natural gas

Highlights

- Large on-site contract (Capex: \$70 m) awarded in Chile further strengthens good market position in South America
- Latest acquisitions (Singapore, Thailand, Malaysia) create solid basis for sustainable growth in Asia
- Restructuring program Fit-for-Future is still on track

Outlook – Full Year 2004

- Increase in sales and EBITA (excl. currency)

- Sales increased by 30.5% to €1,035 million (2003: €793 million)
- EBITA improved by 80% to €45 million (2003: €25 million)

In € million	Q3 04	Δ	9M 04	Δ
Sales	408	58.8%	1,035	30.5%
EBITDA	23	64.3%	56	40%
<i>Margin</i>	56.4%		54.1%	
EBITA	20	122.2%	45	80%
<i>Margin</i>	4.9%		4.3%	
EBTA	20	122.2%	44	91.3%

Highlights

- Order intake of €1.230 billion on last year's high level (2003: €1.215 billion)
- Order backlog remains higher than €2 billion
- Good project situation ahead in all product segments

Outlook – Full Year 2004

- Increase in sales and EBITA

Material Handling

- Sales increased by 12.6% to €2,413 million (2003: €2,143 million)
- EBITA before special items up 23.6% to €110 million (2003: €89 million)

In € million	Q3 04	Δ	9M 04	Δ
Sales	822	11.4%	2,413	12.6%
EBITDA	119	11.2%	336	10.5%
Margin	14.5%		13.9%	
EBITA before special items	44	18.9%	110	23.6%
EBITA	44	(-13)*	110	(39)*
Margin	5.4%		4.6%	
EBTA	38	(-20)*	88	(19)*

*The figure in brackets denotes the Q3 03 figure

Highlights

- Strong growing world market, leaders are America and Asia
- Double-digit growth in Europe, thereby overproportionate growth in Eastern Europe
- Slow down in market growth anticipated in Q4
- Strong competition & rising raw material costs continue to burden profit

Outlook – Full Year 2004

- Improved sales and EBITA

Refrigeration

- Sales up by 4.9% to €578 million (2003: €551 million)
- EBITA of minus €4 million (2003: minus €8 million)

In € million	Q3 04	Δ	9M 04	Δ
Sales	246	10.3%	578	4.9%
EBITDA	29	38.1%	12	33.3%
EBITA	24	60%	-4	50%
EBTA	24	60%	-5	44.4%

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