

# Company presentation

Leading.



THE LINDE GROUP

March 2017

# Disclaimer



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## Additional Information and Where to Find It

Should Praxair, Inc. (“Praxair”) and Linde AG (“Linde”) proceed with the proposed business combination transaction, Praxair and Linde expect that a newly formed holding company (“New Holdco”) will file a Registration Statement on Form S-4 or Form F-4 with the U.S. Securities and Exchange Commission (“SEC”) that will include (1) a proxy statement of Praxair that will also constitute a prospectus for New Holdco and (2) an offering prospectus of New Holdco to be used in connection with New Holdco’s offer to acquire Linde shares held by U.S. holders. When available, Praxair will mail the proxy statement/prospectus to its stockholders in connection with the vote to approve the merger of Praxair and a wholly-owned subsidiary of New Holdco, and New Holdco will distribute the offering prospectus to Linde shareholders in the United States in connection with New Holdco’s offer to acquire all of the outstanding shares of Linde. Should Praxair and Linde proceed with the proposed business combination transaction, Praxair and Linde also expect that New Holdco will file an offer document with the German Federal Financial Supervisory Authority (*Bundesanstalt fuer Finanzdienstleistungsaufsicht*) (“BaFin”). There can be no assurance that a binding definitive agreement will be reached between Praxair and Linde, and the consummation of any binding transaction will be subject to regulatory approvals and other customary closing conditions.

INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS AND THE OFFER DOCUMENT REGARDING THE PROPOSED BUSINESS COMBINATION TRANSACTION AND PROPOSED OFFER IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. You may obtain a free copy of the proxy statement/prospectus (if and when it becomes available) and other related documents filed by Praxair, Linde and New Holdco with the SEC on the SEC’s Web site at [www.sec.gov](http://www.sec.gov). The proxy statement/prospectus (if and when it becomes available) and other documents relating thereto may also be obtained for free by accessing Praxair’s Web site at [www.praxair.com](http://www.praxair.com). Following approval by the BaFin, the offer document will be made available at BaFin’s Web site at [www.bafin.de](http://www.bafin.de). The offer document (if and when it becomes available) and other documents relating thereto may also be obtained for free by accessing Linde’s Web site at [www.linde.com](http://www.linde.com).

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

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

## Participants in Solicitation

Praxair, Linde, New Holdco and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from Praxair’s stockholders in respect of the proposed business combination. Information regarding the persons who are, under the rules of the SEC, participants in the solicitation of the stockholders of Praxair in connection with the proposed transaction, including a description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the proxy statement/prospectus if and when it is filed with the SEC. Information regarding the directors and executive officers of Praxair is contained in Praxair’s Annual Report on Form 10-K for the year ended December 31, 2015 and its Proxy Statement on Schedule 14A, dated March 18, 2016, which are filed with the SEC and can be obtained free of charge from the sources indicated above.

## Forward-looking Statements

This communication includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on our beliefs and assumptions on the basis of factors currently known to us. These forward-looking statements are identified by terms and phrases such as: anticipate, believe, intend, estimate, expect, continue, should, could, may, plan, project, predict, will, potential, forecast, and similar expressions. These forward-looking statements include, but are not limited to, statements regarding benefits of the proposed business combination, integration plans and expected synergies, and anticipated future growth, financial and operating performance and results. Forward-looking statements involve risks and uncertainties that may cause actual results to be materially different from the results predicted or expected. No assurance can be given that these forward-looking statements will prove accurate and correct, or that projected or anticipated future results will be achieved. Factors that could cause actual results to differ materially from those indicated in any forward-looking statement include, but are not limited to: the expected timing and likelihood of the entry into, or 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 not to enter into, or to abandon the transaction; the occurrence of any event, change or other circumstances that could give rise to the termination of the proposed business combination agreement; the ability to successfully complete the proposed business combination and the exchange offer; regulatory or other limitations imposed as a result of the proposed business combination; the success of the business following the proposed business combination; the ability to successfully integrate the Praxair and Linde businesses; the possibility that Praxair stockholders may not approve the proposed business combination agreement or that the requisite number of Linde shares may not be tendered in the public offer; the risk that the parties may not be able to satisfy the conditions to closing of the proposed business combination in a timely manner or at all; risks related to disruption of management time from ongoing business operations due to the proposed business combination; the risk that the announcement or consummation of the proposed business combination could have adverse effects on the market price of Linde’s or Praxair’s common stock or the ability of Linde and Praxair to retain customers, retain or hire key personnel, maintain relationships with their respective suppliers and customers, and on their operating results and businesses generally; the risk that New Holdco may be unable to achieve expected synergies or that it may take longer or be more costly than expected to achieve those synergies; state, provincial, federal and foreign legislative and regulatory initiatives that affect cost and investment recovery, have an effect on rate structure, and affect the speed at and degree to which competition enters the industrial gas, engineering and healthcare industries; outcomes of litigation and regulatory investigations, proceedings or inquiries; the timing and extent of changes in commodity prices, interest rates and foreign currency exchange rates; general economic conditions, including the risk of a prolonged economic slowdown or decline, or the risk of delay in a recovery, which can affect the long-term demand for industrial gas, engineering and healthcare and related services; potential effects arising from terrorist attacks and any consequential or other hostilities; changes in environmental, safety and other laws and regulations; the development of alternative energy resources; results and costs of financing efforts, including the ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings and general market and economic conditions; increases in the cost of goods and services required to complete capital projects; the effects of accounting pronouncements issued periodically by accounting standard-setting bodies; conditions of the debt and capital markets; market acceptance of and continued demand for Linde’s and Praxair’s products and services; changes in tax laws, regulations or interpretations that could increase Praxair’s, Linde’s or New Holdco’s consolidated tax liabilities; and such other factors as are set forth in Linde’s annual and interim financial reports made publicly available and Praxair’s and New Holdco’s public filings made with the SEC from time to time, including but not limited to those described under the headings “Risk Factors” and “Forward-Looking Statements” in Praxair’s Form 10-K for the fiscal year ended December 31, 2015, which are available via the SEC’s website at [www.sec.gov](http://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, will be more fully discussed in the proxy statement/prospectus and the offering prospectus that will be included in the Registration Statement on Form S-4 or Form F-4 that will be filed with the SEC and in an offering document and/or any prospectuses or supplements to be filed with BaFin in connection with the contemplated business combination. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than Linde, Praxair or New Holdco has described. All such factors are difficult to predict and beyond our control. All forward-looking statements included in this document are based upon information available to Linde, Praxair and New Holdco on the date hereof, and each of Linde, Praxair and New Holdco disclaims and does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

## 1. Operational performance FY 2016

## 2. Strategic plan

- Performance focus
- Quality growth
- Value creation

## 3. Outlook

# Performance FY 2016 Highlights

[EUR]		FY 2015	FY 2016	yoy [%]	yoy [%] adj.for FX
Revenue	[m]	17,345	16,948	-2.3	+0.2
Operating profit	[m]	4,087	4,098	+0.3	+2.7
Operating margin	[%]	23.6	24.2	+60bp	
Operating cash flow	[m]	3,583	3,400	-5.1	
EPS reported (undiluted)		6.10	6.50	+6.6	

- Revenue development impacted by currency headwinds and expected lower contribution from Engineering
- Margin supported by improvement in the Gases Division; stable margin in Engineering
- Continued strong operating cash flow despite currency headwinds
- Gist revenue of EUR 602m now reported as discontinued operations
- Special items of EUR 126m related to restructuring and planned merger

All figures from continuing operations  
Please see definitions of key financial figures in the appendix

# Group | Revenue and operating profit by division

Group margin development of +60bp

## Revenue

[EUR m]



■ Gases ■ Engineering ■ Cons.

## Operating profit

[EUR m]



■ Gases ■ Engineering ■ Cons.

### Gases

Revenue negatively impacted by FX and pass-through effects

### Engineering

Revenue development in line with expectations

### Gases

Margin improvement of 90bp to 28.3 percent

### Engineering

Margin in line with guidance of around 8 percent

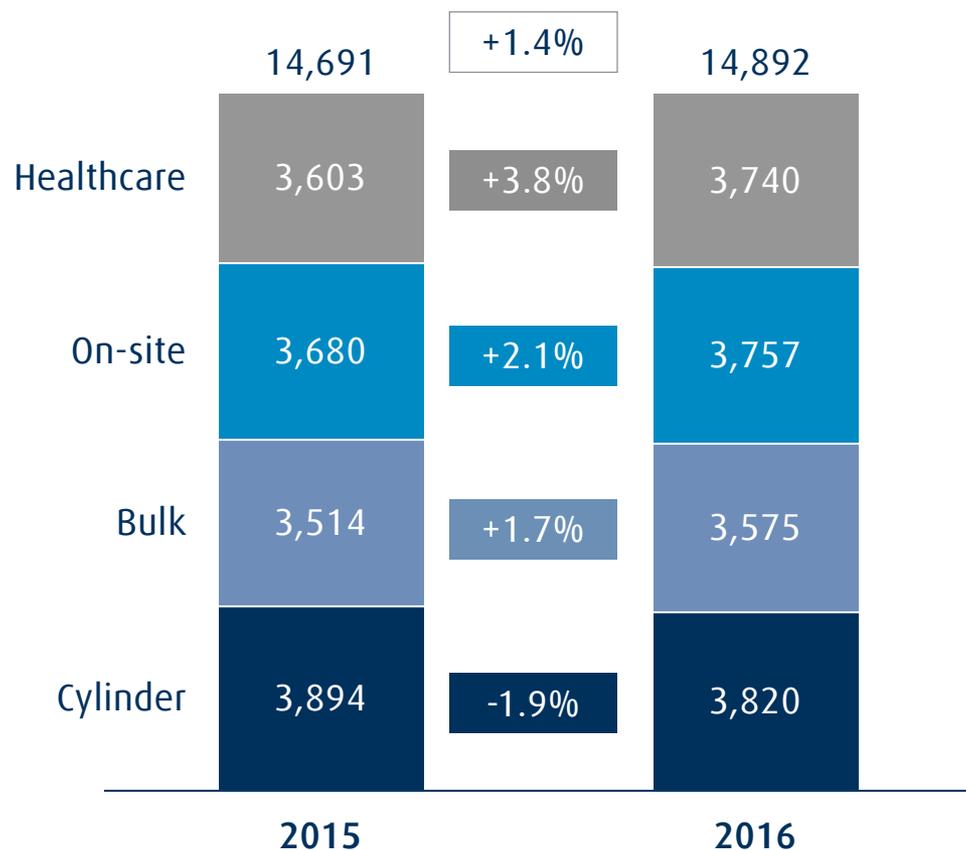
All figures from continuing operations

Operating profit margin

# Gases Division | Revenue by product area

## Positive growth development

### Comparable growth\* [EUR m]



\*Excludes currency and natural gas price effects

### Comments / Additional effects



**Healthcare**  
Growth supported by American HomePatient and positive underlying volume development but restrained by divestment of Specialty Pharma and Competitive Bidding



**On-site**  
Solid growth from start-ups despite end of a contract in Australia in 2015 and the insolvency of a customer in UK in 2015, +3.4% excluding these effects



**Bulk**  
Highest growth contribution from Asia



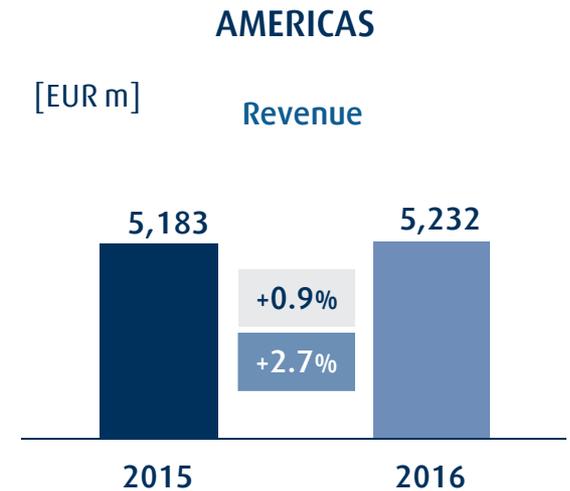
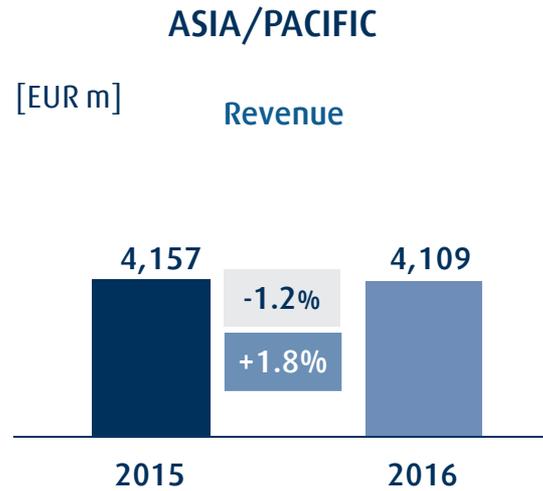
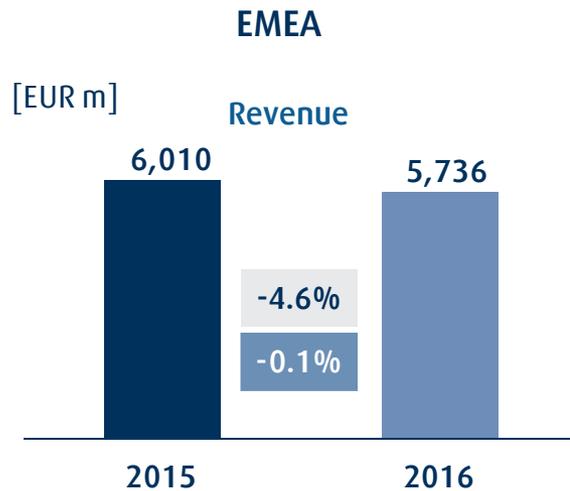
**Cylinder**  
Significant headwinds from weak macro-economic conditions in the South Pacific and Specialty Gases

# Gases Division | Revenue by operating segment

## Comparable growth of 1.4 percent



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- Highest growth contributions from Middle East, Eastern Europe and Scandinavia
- Headwinds from weakness in the UK steel sector and challenging macro-environment in South Africa
- Strongest growth in Healthcare

- Solid comparable growth in Asia of 5.8 percent
- Macro-economic situation in South Pacific remains weak
- Growth driven by On-site and Bulk

- Comparable growth supported by American HomePatient acquisition and On-site
- Growth in South America supported by pricing
- Revenue impacted by divestment of Specialty Pharma, Specialty Gases and Competitive Bidding

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

# Gases Division | Operating profit by operating segment

## Positive operating profit margin development in all regions

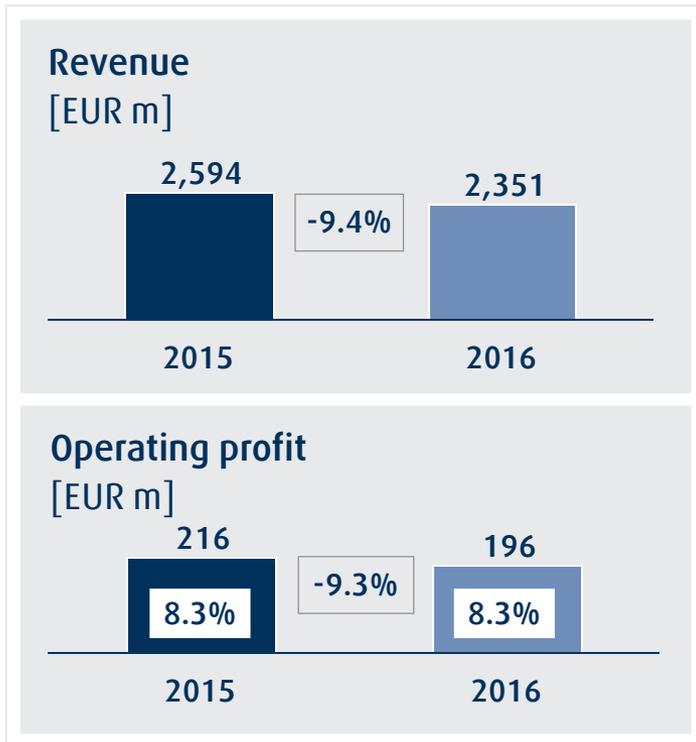


- Margin improvement in EMEA (+170bp) and APAC (+80bp) advanced by restructuring and lower natural gas prices
- Stable margin in Americas (+20bp) supported by start-ups but impacted by headwinds from Competitive Bidding

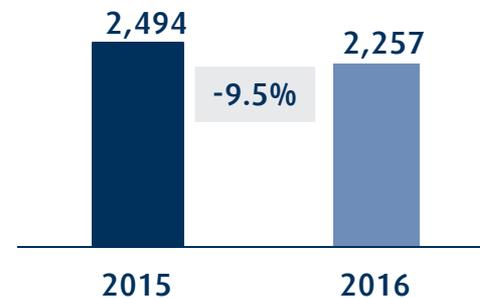
■ Reported growth □ Operating profit margin

# Engineering Division | Key figures

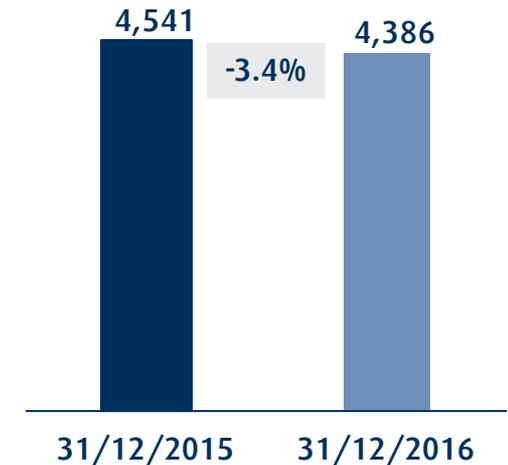
## Stable margin in a challenging environment



Order intake  
[EUR m]



Order backlog  
[EUR m]



■ Reported growth    □ Operating profit margin

- Revenue development in line with progress of projects
- Margin remains above industry average
- Order backlog remains on a solid level

## 1. Operational performance FY 2016

## 2. Strategic plan

- Performance focus
- Quality growth
- Value creation

## 3. Outlook

## Appendix

# Strategic plan

Focus on LIFTing margins, returns and shareholder value



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## Performance focus

**Cost management**

**Portfolio optimisation**

## Quality growth

**Leverage strengths**

**Sound financial position**

## Value creation

**Further increase  
in dividend**

**LIFT operating profit margin  
LIFT return on capital employed**

**LIFT shareholder value**

# Strategic plan | Performance focus

## Restructuring programmes under way to deliver savings targets



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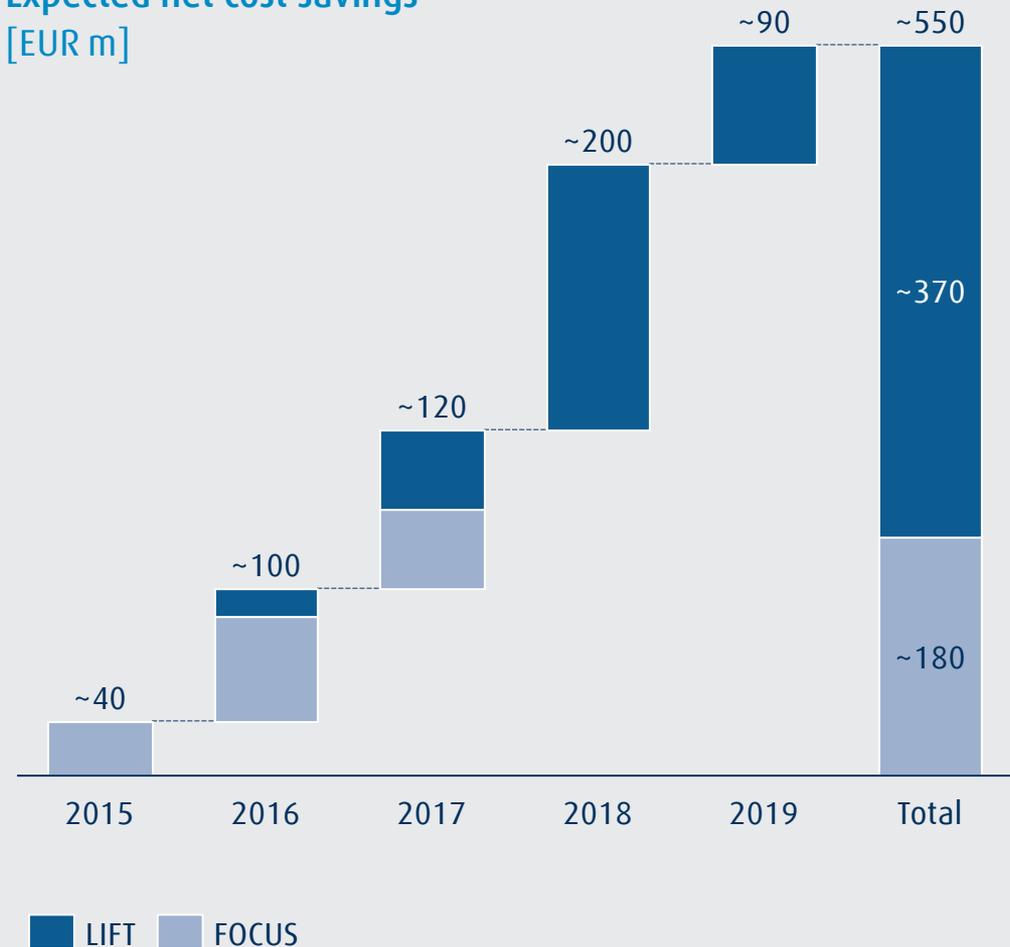
### LIFT (2016 – 2019)

- Successful completion of restructuring programmes in UK and Scandinavia
- Restructuring programmes in EMEA, Asia/Pacific, Americas, Engineering and corporate functions under way
- Discussions with European and German employee representatives are at an advanced stage; associated measures have been launched
- Restructuring costs of EUR ~400m to be accounted for as special items by the end of 2017

### FOCUS (2015 – 2017)

- Implementation completed to deliver net cost savings of EUR ~180m by end of 2017

### Expected net cost savings [EUR m]



# Strategic plan | Performance focus

## Continuous efficiency improvement

### Gross cost savings



### Procurement

#### Examples of supplier base consolidation

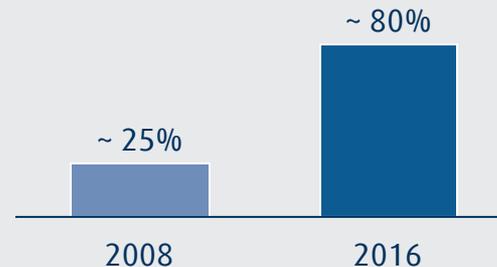
- Global freight combined into fewer shipments involving fewer providers
- Linde-wide benchmarking to select best suppliers for purchases

#### Example of supplier productivity enhancement

- Support dissemination of best technology and practices across supplier base

### Production

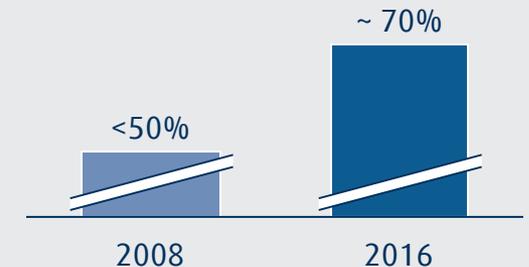
#### Global share of ASUs linked to Remote Operating Centres (ROC)



- Industry leading level of digitalisation in plant operations
- Continued improvements in safety, reliability and efficiency

### Distribution

#### Global share of scheduled customers



- Better route optimisation to lower distribution costs and increase asset utilisation
- Higher customer satisfaction

# Strategic plan | Performance focus

Margins strengthened through portfolio optimisation



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## Segments

## Measures taken in 2016

## Achievements

Gases  
Division



Progress made with global portfolio optimisation and selective M&A to enhance density



Supported Gases margin +90bp

Engineering  
Division



Realised capacity adjustments and efficiency gains



Engineering margin of 8.3 percent sustained

Other  
activities



Gist classified as discontinued operations

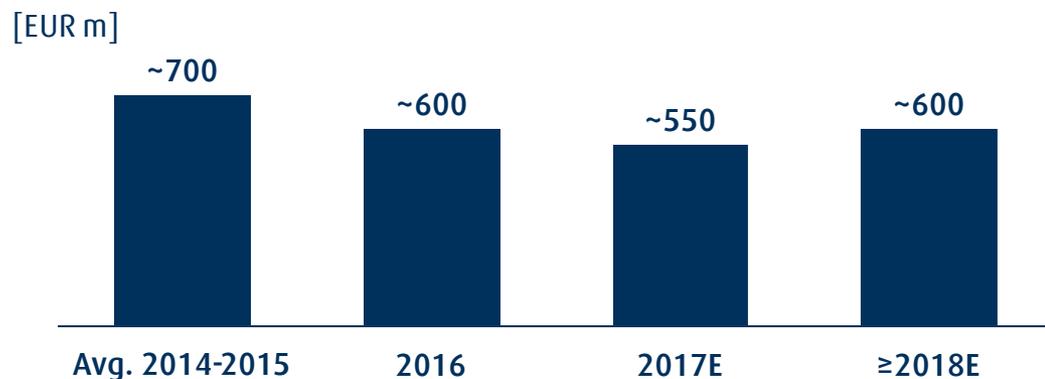


Group margin enhanced

# Strategic plan | Quality growth

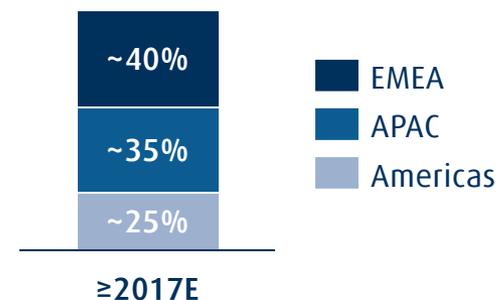
## Solid project backlog balanced across geographies

### Total investments for committed projects by on-stream date



Projects > 10m Euros

### Committed projects by region



#### Major on-streams in 2016

- 2 ASUs supplying Tata Steel in Kalinganagar, India
- 2 ASUs supplying SIBUR in Dzerzhinsk, Russia
- Hydrogen plant supplying Neste Oil's refinery in Porvoo, Finland
- Multiple ASUs for Electronics customers in China & Taiwan

#### Major additions in 2016

- JV for new air gas production facilities at Malaysia's largest integrated petroleum complex
- Second contract with Evonik to supply world-scale methionine complex in Singapore
- Capacity additions in Delaware & Georgia (USA) and Germany

#### Expected major on-streams in 2017

- ASU for ArcelorMittal steelworks in Eisenhüttenstadt, Germany
- JV to supply JSC KuibyshevAzot's chemicals production in Samara, Russia
- SynGas plant to supply SLIC JV and Shanghai Chemical Industry Park (SCIP) in Caojing, China

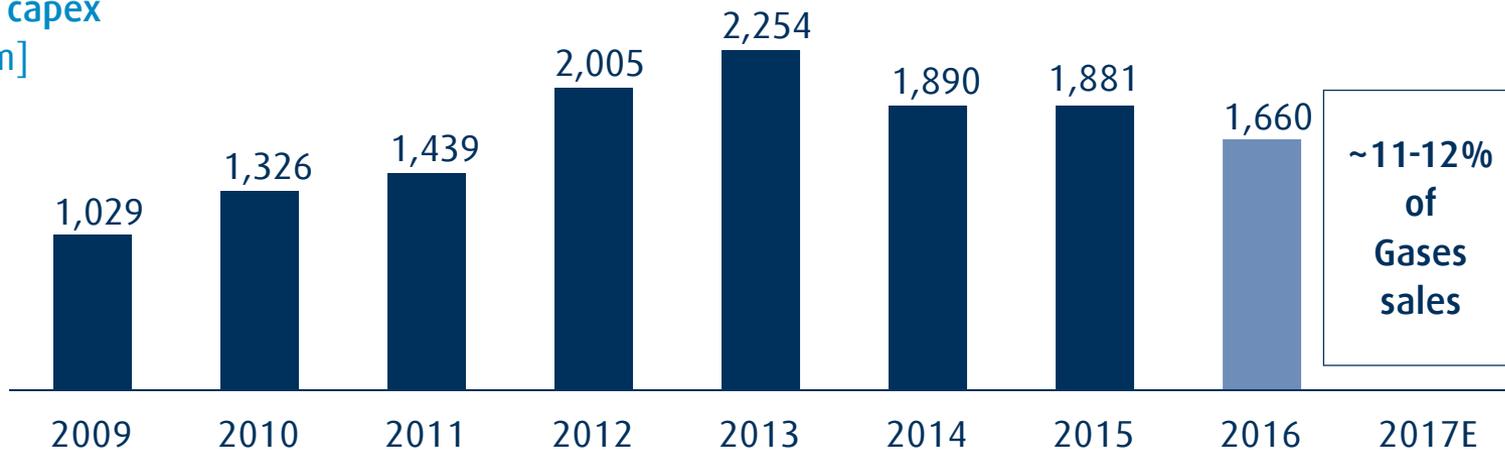
# Strategic plan | Quality growth

## Gases capex / sales ratio reduced

### Gases capex/sales ratio



### Gases capex [EUR m]



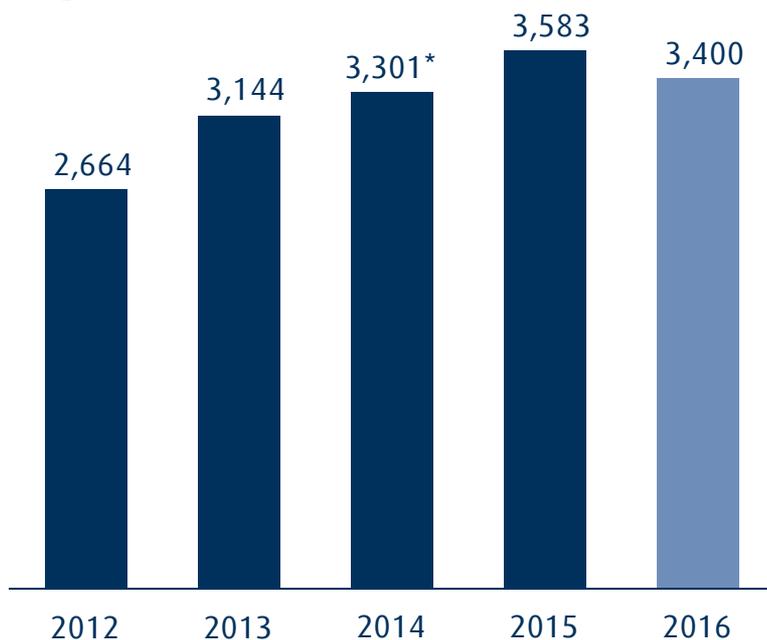
# Strategic plan | Quality growth

## Financial flexibility from strong cash flow and balance sheet

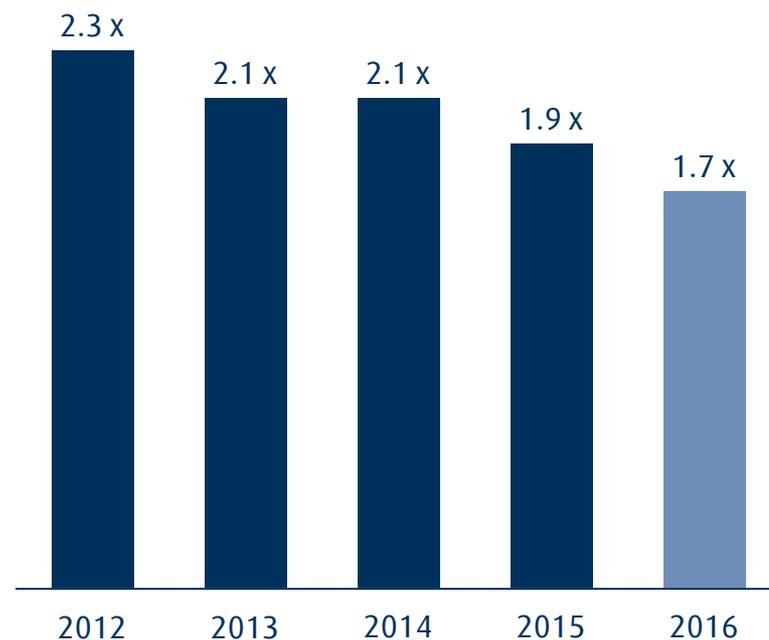


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### Operating cash flow [EUR m]



### Net debt / operating profit



- Strong operating cash flow development in spite of recent currency headwinds
- Commitment to maintain strong investment grade rating as cornerstone of conservative financial policy
- Moody's (A2/P-1), S&P (A+/A-1) and Scope (A+/S-1) unchanged and with stable outlook

2015 and 2016 figures from continuing operations

\*Before pension funding of EUR 300m

# Strategic plan | Value creation

## Further dividend increase proposed for 2016

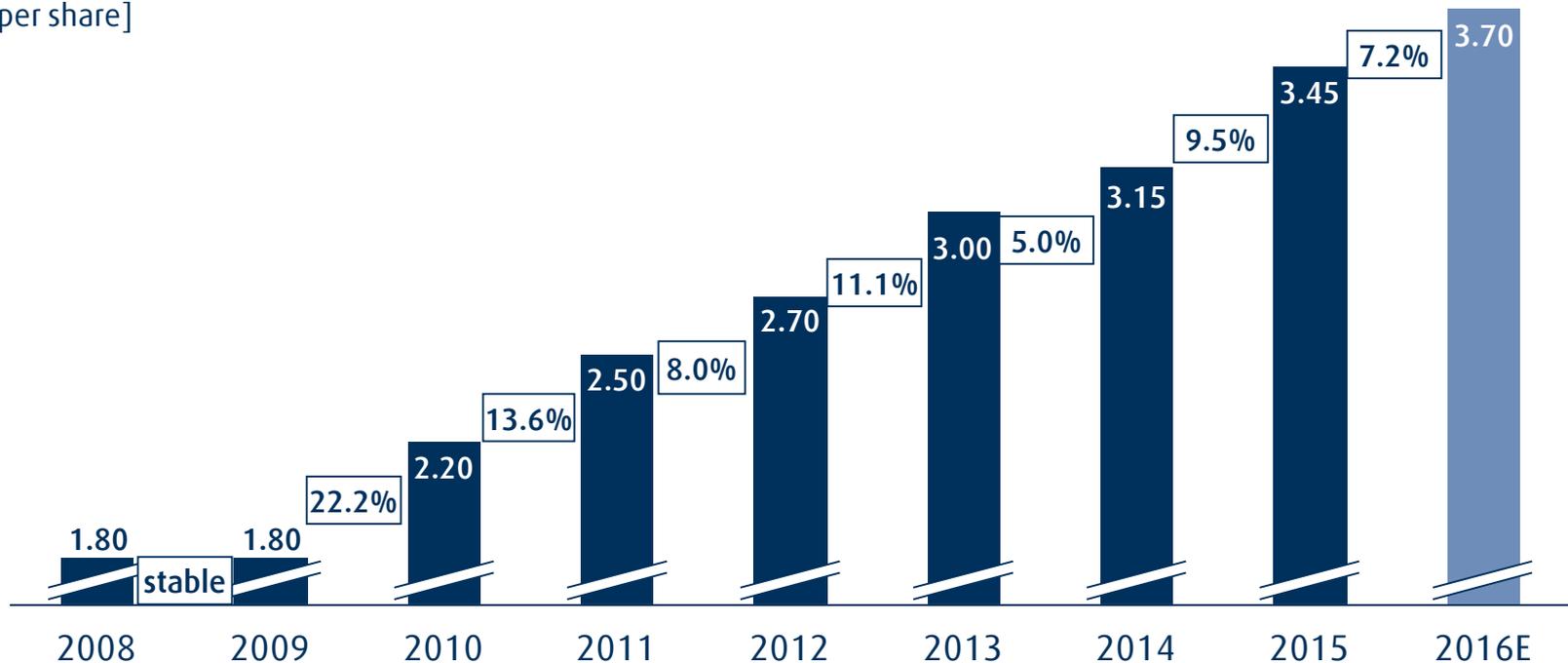


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Proposed dividend increase for 2016 reflects expectation of continued solid operating profit as well as strong operating cash flow and lower investment levels

### Dividend development

[EUR per share]



Payout ratio\*

42%

51%

37%

37%

41%

42%

44%

51%

53%

2015 and 2016 figures from continuing operations

\*Based on EPS before special items

## 1. Operational performance FY 2016

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## 3. Outlook

# Outlook 2017

## Guidance confirmed

2017	
<b>Group</b>	
Revenue	-3 to +3% versus 2016 adjusted for FX
Operating profit	±0 to +7% versus 2016 adjusted for FX / EUR 4.2 to 4.5 billion
ROCE	9 to 10 percent
<b>Gases Division</b>	
Revenue	-2 to +3% versus 2016 adjusted for FX
Operating profit	±0 to +6% versus 2016 adjusted for FX
<b>Engineering Division</b>	
Revenue	EUR 2.0 to 2.4 billion
Operating margin	Around 8 percent

Please see definitions of key financial figures in the appendix, all figures from continuing operations 2016 adjusted for FX based on spot rates as of 31 December 2016 and current natural gas prices

## 1. Operational performance FY 2016

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## 3. Outlook

# Strategic plan

Focus on LIFTing margins, returns and shareholder value



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## Performance focus

### Cost management

- Restructuring programmes well under way to deliver savings targets

### Portfolio optimisation

- Gases: Global portfolio optimisation and selective M&A
- Engineering: Realised capacity adjustments and efficiency gains
- Gist classified as discontinued operation

## Quality growth

### Leverage strengths

- Added attractive project opportunities to pipeline
- Solid backlog balanced across geographies
- Captured quality growth with lower capex volume than in the past

### Sound financial position

- Gases capex in line with mid-term range
- Financial flexibility from strong cash flow and balance sheet

## Value creation

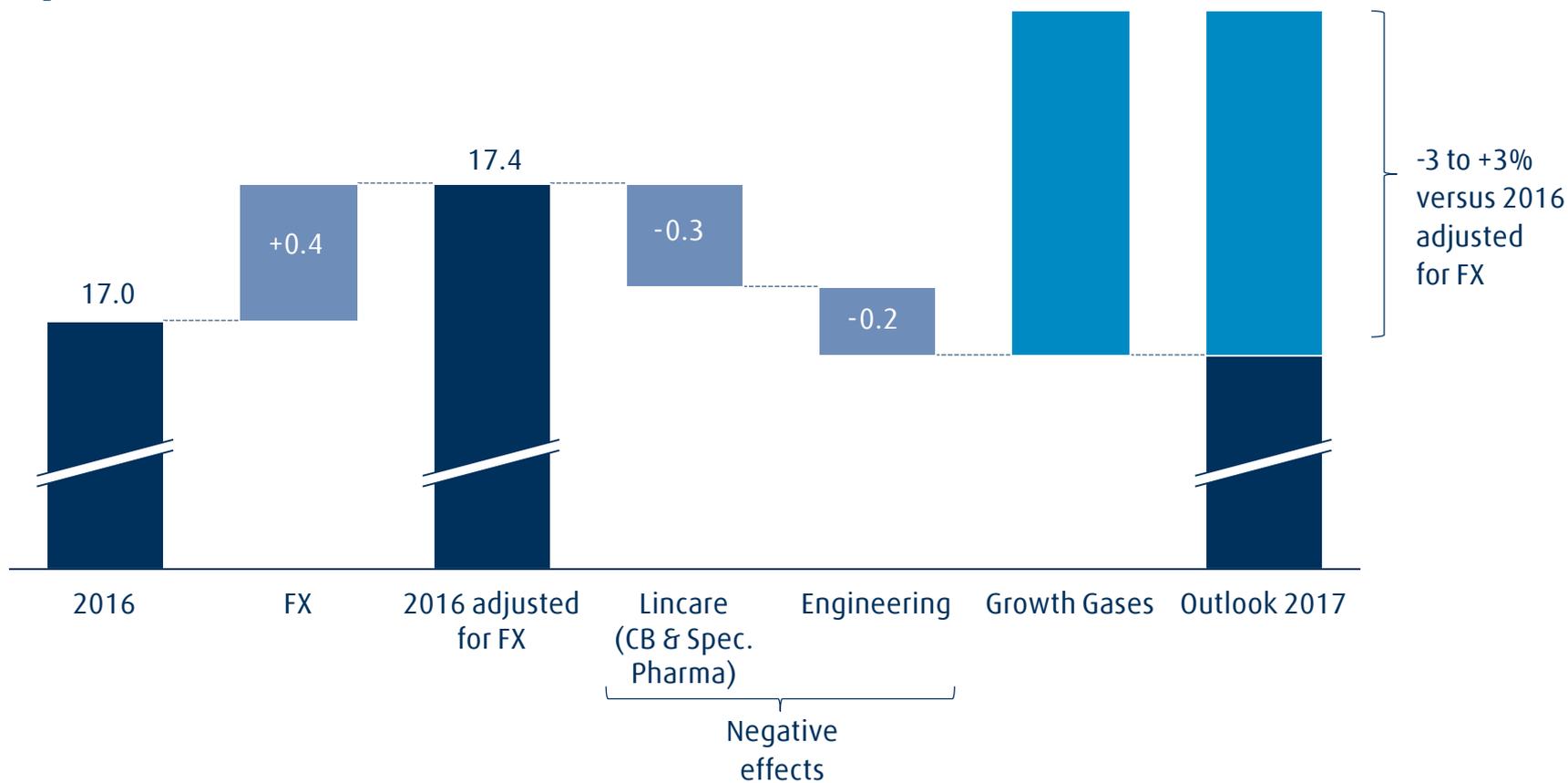
### Further increase in dividend

- Reflects expectation of continued solid operating profit as well as operating cash flow and lower investment levels

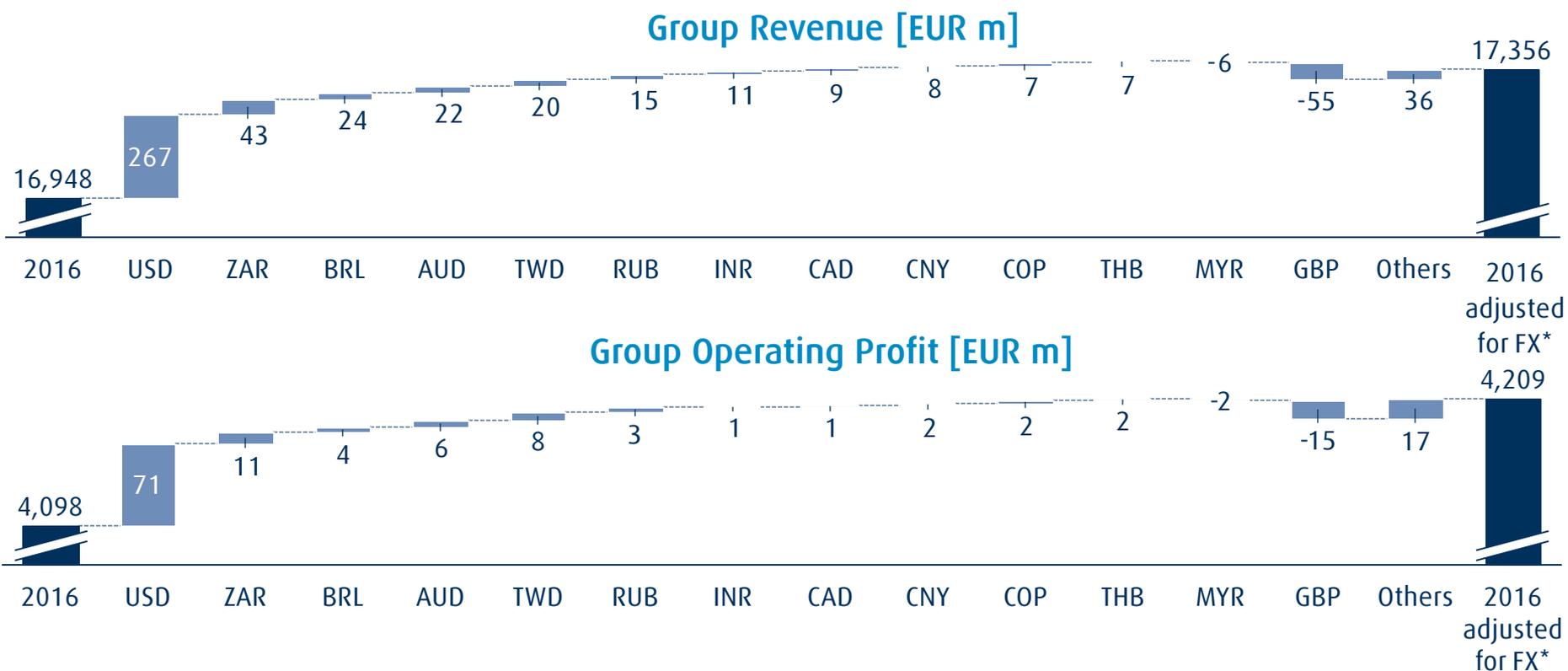
LIFT operating profit margin  
LIFT return on capital employed

LIFT shareholder value

## Revenue [EUR bn]



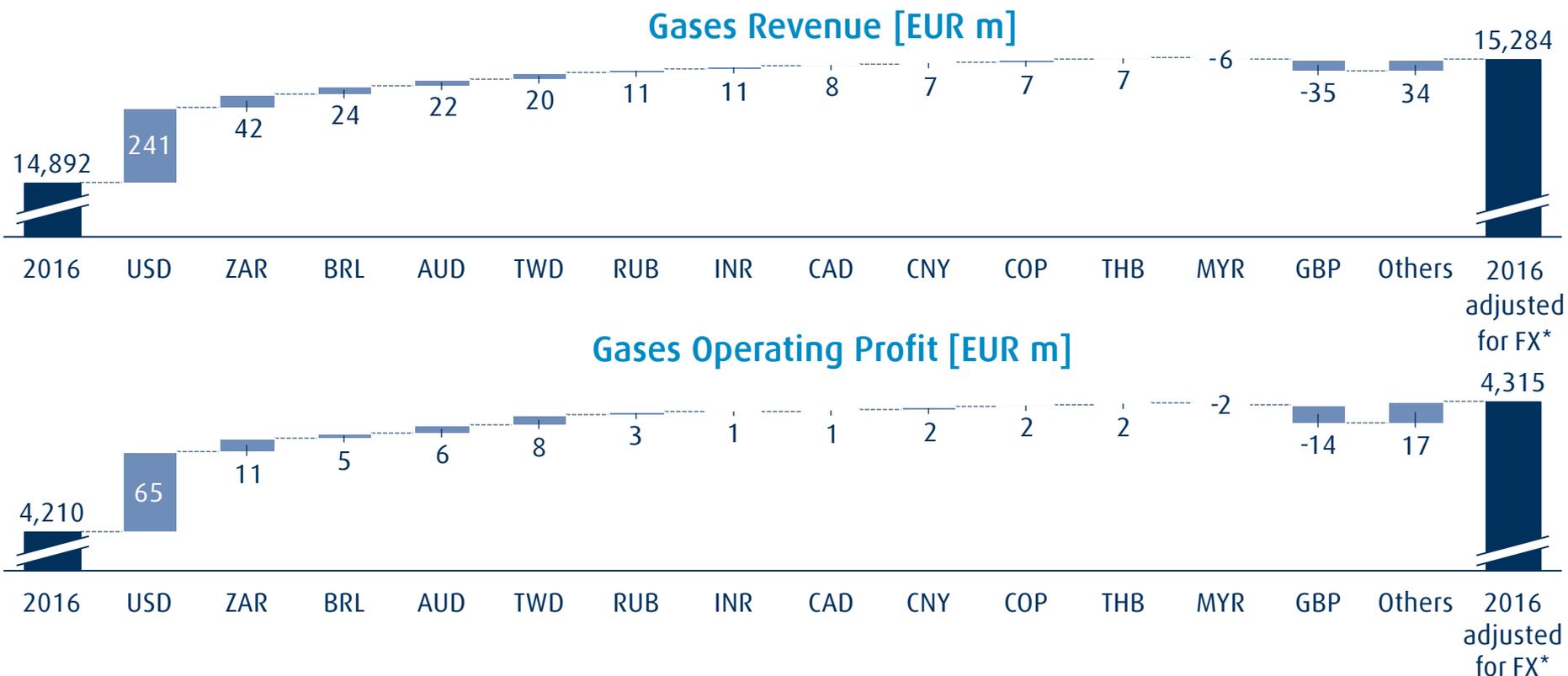
# Group | Potential currency impact on 2017 outlook



	USD	ZAR	BRL	AUD	TWD	RUB	INR	CAD	CNY	COP	THB	MYR	GBP
Average rate in 2016	1.107	16.27	3.855	1.489	35.69	74.14	74.37	1.466	7.353	3378	39.05	4.583	0.820
2016 adjusted for FX*	1.052	14.15	3.423	1.457	34.13	64.43	71.46	1.413	7.303	3157	37.70	4.717	0.852

All figures from continuing operations  
 \*Based on spot rates as of 31 December 2016

# Gases Division | Potential currency impact on 2017 outlook



	USD	ZAR	BRL	AUD	TWD	RUB	INR	CAD	CNY	COP	THB	MYR	GBP
Average rate in 2016	1.107	16.27	3.855	1.489	35.69	74.14	74.37	1.466	7.353	3378	39.05	4.583	0.820
2016 adjusted for FX*	1.052	14.15	3.423	1.457	34.13	64.43	71.46	1.413	7.303	3157	37.70	4.717	0.852

\*Based on spot rates as of 31 December 2016

# Group | Currency impact

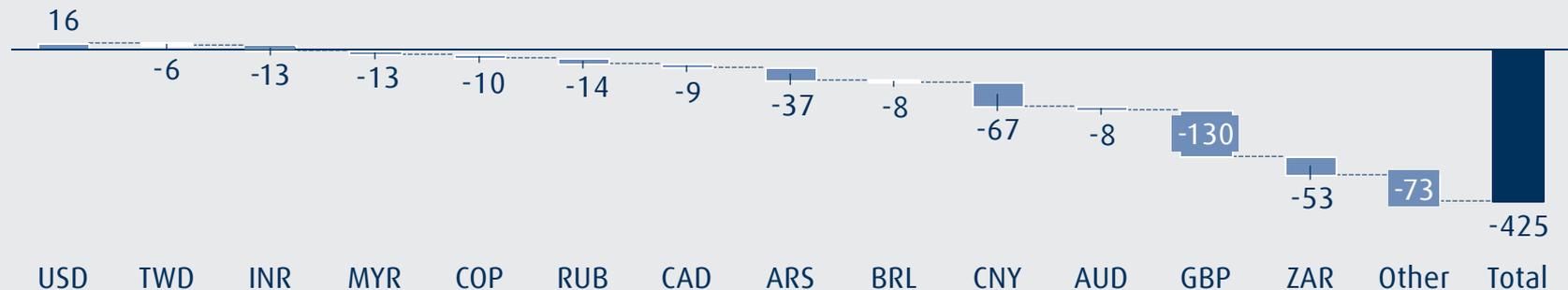
## Impact on revenue and operating profit in 2016



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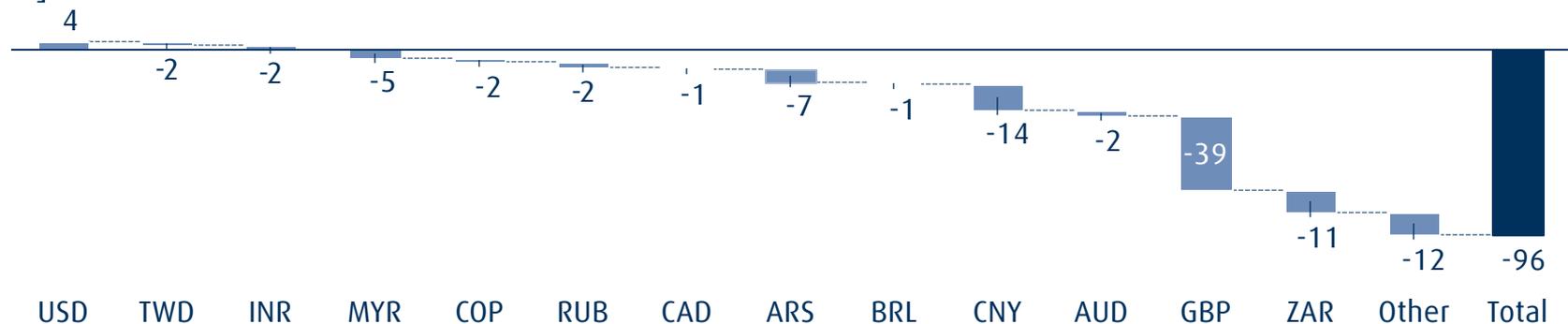
### Impact on Group revenue in 2016

[EUR m]



### Impact on Group operating profit in 2016

[EUR m]



# Group | FY 2016

## Key P&L items



[EUR m]	2015	2016	Δ in %
<b>Revenue</b>	<b>17,345</b>	<b>16,948</b>	<b>-2.3</b>
<b>Operating profit</b>	<b>4,087</b>	<b>4,098</b>	<b>+0.3</b>
Operating margin	23.6	24.2	+60bp
PPA depreciation for BOC	-218	-178	+18.3
Depreciation & amortisation (excl. PPA BOC)	-1,648	-1,719	-4.3
Special items	-192	-126	+34.4
<b>EBIT</b>	<b>2,029</b>	<b>2,075</b>	<b>+2.3</b>
Financial result	-397	-324	+18.4
Taxes	-396	-424	-7.1
Profit for the period – attributable to Linde AG shareholders	1,133	1,206	+6.4
<b>EPS – undiluted – reported [EUR]</b>	<b>6.10</b>	<b>6.50</b>	<b>+6.6</b>
<b>EPS – undiluted – before special items [EUR]</b>	<b>6.82</b>	<b>7.00</b>	<b>+2.6</b>

All figures from continuing operations

# Group | Q4 2016

## Key P&L items

[EUR m]	Q4 2015	Q4 2016	Δ in %
<b>Revenue</b>	4,234	4,418	+4.3
<b>Operating profit</b>	981	1,063	+8.4
Operating margin	23.2	24.1	+90bp
PPA depreciation for BOC	-51	-45	+11.8
Depreciation & amortisation (excl. PPA BOC)	-426	-474	-11.3
Special items	0	-76	-
<b>EBIT</b>	504	468	-7.1
Financial result	-96	-72	+25.0
Taxes	-101	-91	+9.9
Profit for the period – attributable to Linde AG shareholders	282	275	-2.5
<b>EPS – undiluted – reported [EUR]</b>	1.52	1.48	-2.6
<b>EPS – undiluted – before special items [EUR]</b>	1.52	1.77	+16.4

All figures from continuing operations

# Group | FY 2016

## Cash flow statement



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[EUR m]	2015	2016
Operating profit	4,087	4,098
Change in working capital	59	279
Income taxes paid	-532	-446
Other changes	-31	-531
<b>Operating cash flow from continuing operations</b>	<b>3,583</b>	<b>3,400</b>
Investments in tangibles/intangibles	-1,876	-1,761
Payments for acquisitions	-113	-250
Other (incl. financial investments)	110	248
<b>Investing cash flow* from continuing operations</b>	<b>-1,879</b>	<b>-1,763</b>
<b>Free cash flow before financing from continuing operations</b>	<b>1,704</b>	<b>1,637</b>
<b>Free cash flow before financing from discontinued operations</b>	<b>-5</b>	<b>21</b>
<b>Free cash flow before financing</b>	<b>1,699</b>	<b>1,658</b>
Interest and swaps, dividends and other changes	-1,089	-1,133
<b>Change in cash and financial debt</b>	<b>610</b>	<b>525</b>

\*Excluding investments in / disposals of securities; 2015: EUR +99m; 2016: EUR +291m

# Group | Financial position

## Solid liquidity position

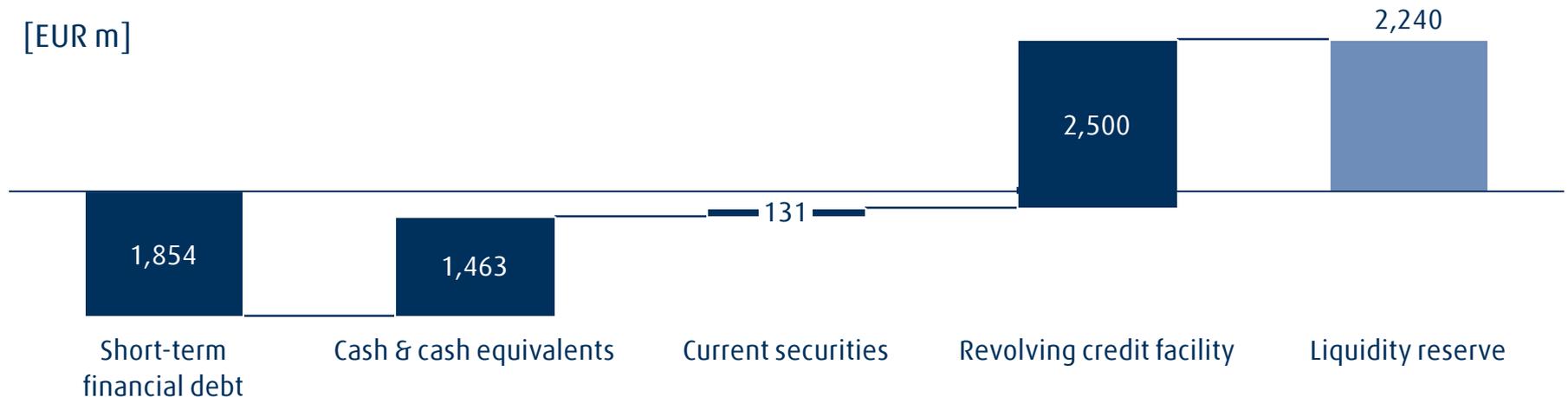
### EUR 2.5bn committed revolving credit facility

- Arranged with diversified group of 33 domestic and international banks
- Maturity in 2020
- No financial covenants
- Fully undrawn

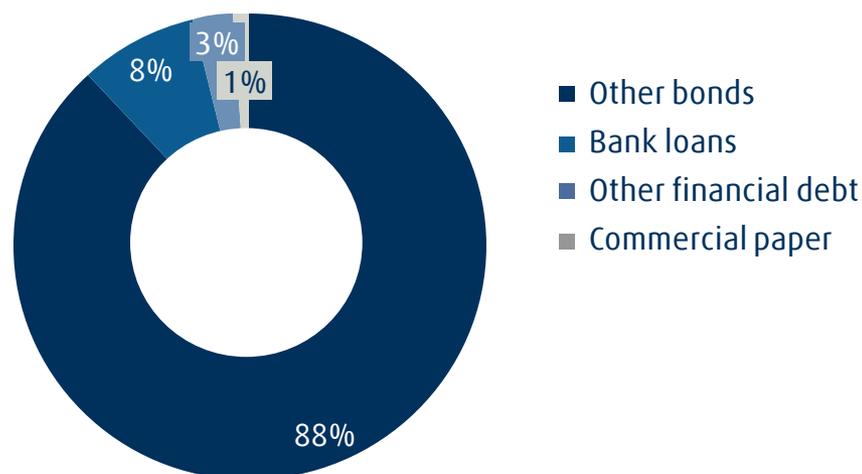
### Central liquidity position

- Financial policy aimed at ensuring solvency at all times
- Supported by strong liquidity profile and continuous efforts to centralise cash positions
- Conservative investment guidelines

[EUR m]

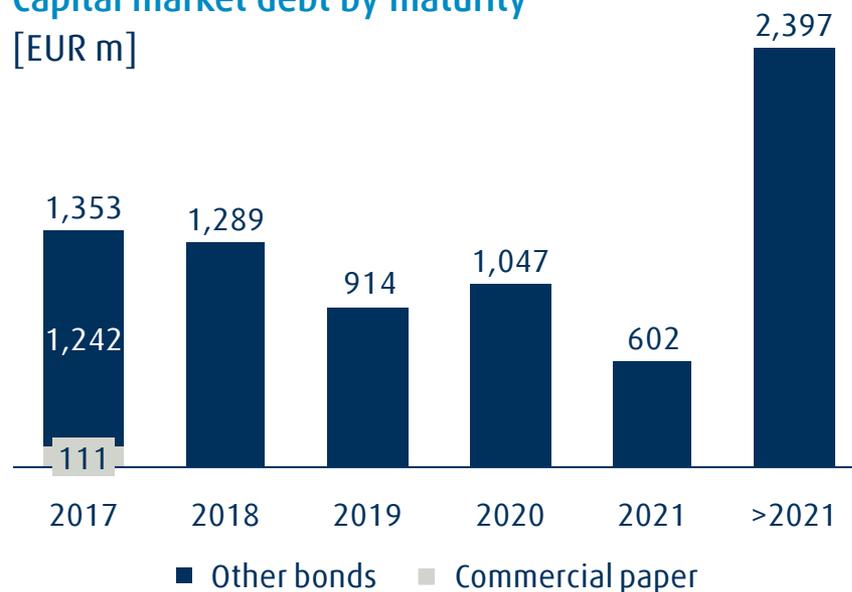


### Gross financial debt by instrument



Status: 31/12/2016

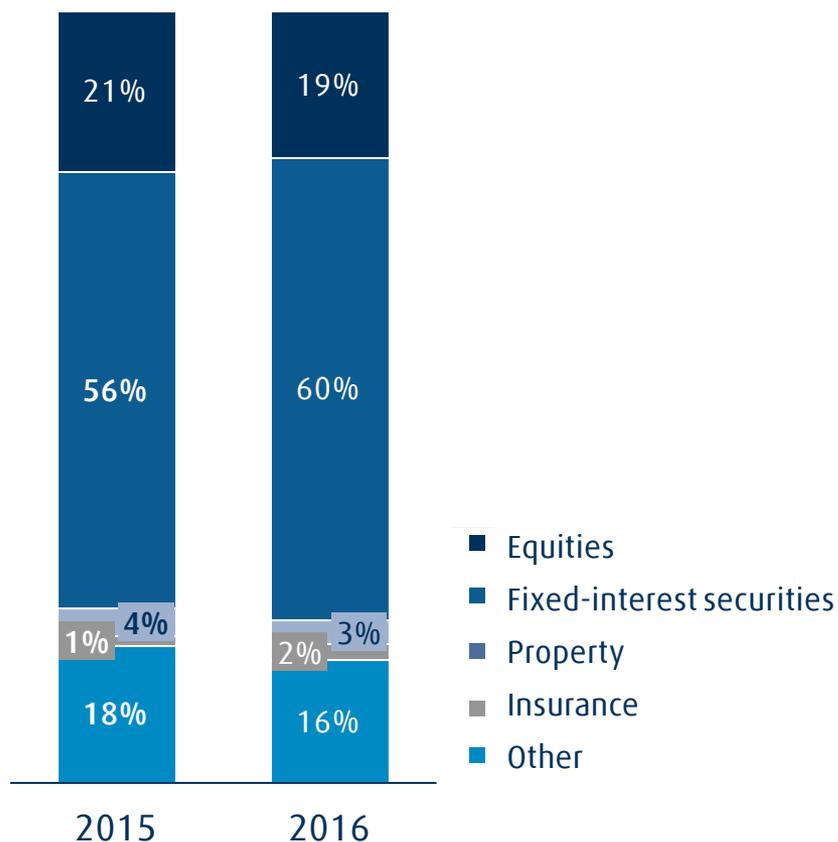
### Capital market debt by maturity [EUR m]



### Strong capital markets presence and long-dated maturity profile

- Approx. 80% of total financial debt due beyond 2017 and approx. 30% of total financial debt with maturity longer than 5 years
- Excellent access to capital markets: intermediate and long-term financings at record low levels
- 2016: Issuance of EUR 750m 12 year senior bonds with coupon of 1.00% and early redemption of EUR 700m and GBP 250m subordinated bonds
- January 2017: 5 year EUR 1bn senior bond issue with coupon of 0.25%

### Pension plan assets portfolio structure



Status: 31/12/2015 and 31/12/2016

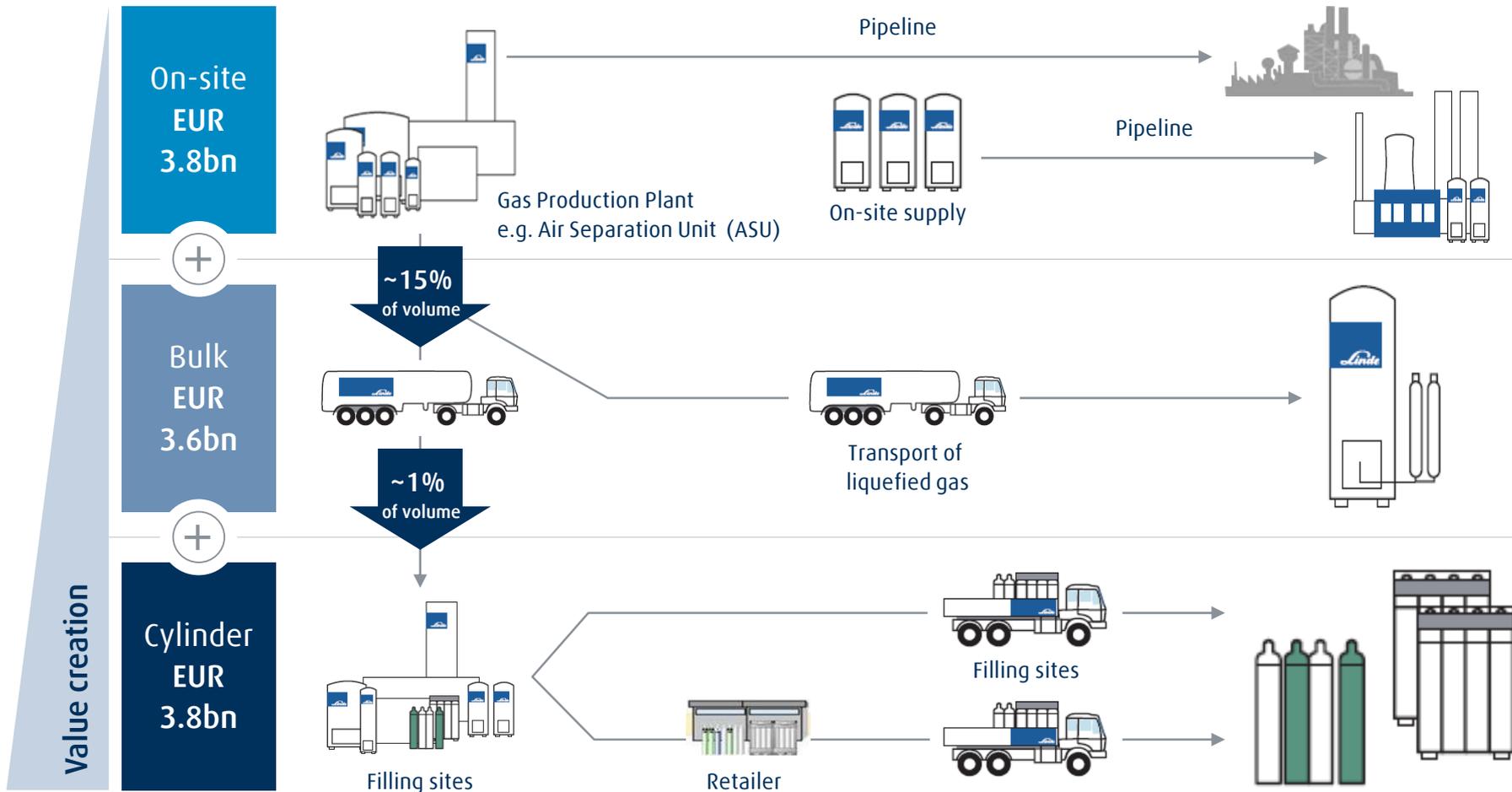
### Net obligation [EUR m]

	DBO	Plan assets	Net obligations
01/01/2016	6,878	5,940	938*
Service costs	48	-	48
Net financing	216	193	23
Actuarial losses/gains	1,063	473	590
Contributions/payments	- 296	- 157	- 139
Other	-619	-596	-23
31/12/2016	7,290	5,853	1,437*

\* Figure does not include provisions for similar obligations. 2016 figures do not include discontinued operations

# Gases Division | Integrated Gases Model

## Highest value/molecule ratio in Cylinder



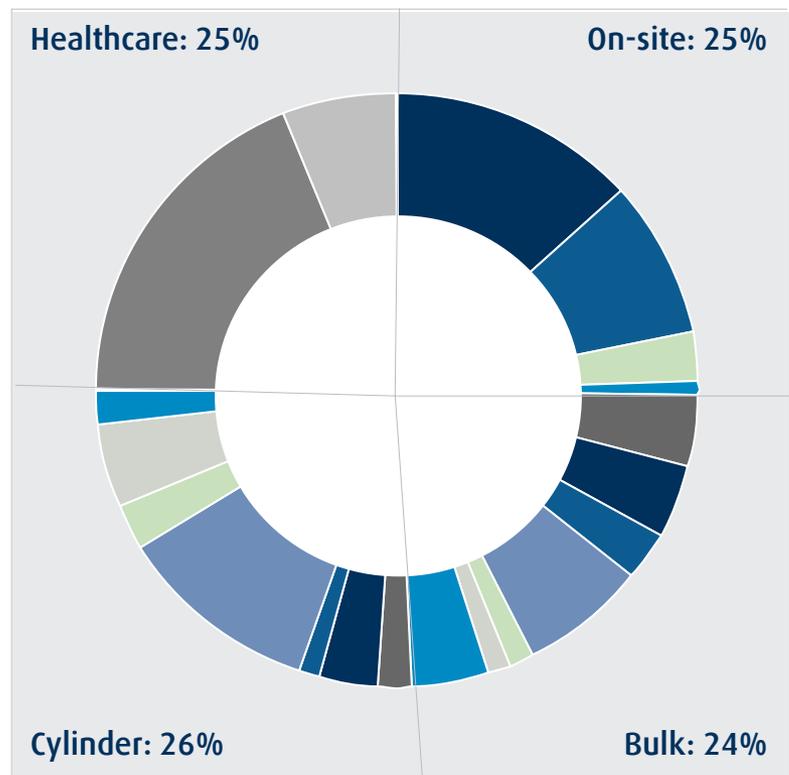
Based on FY 2016 revenues

# Gases Division | Revenue split

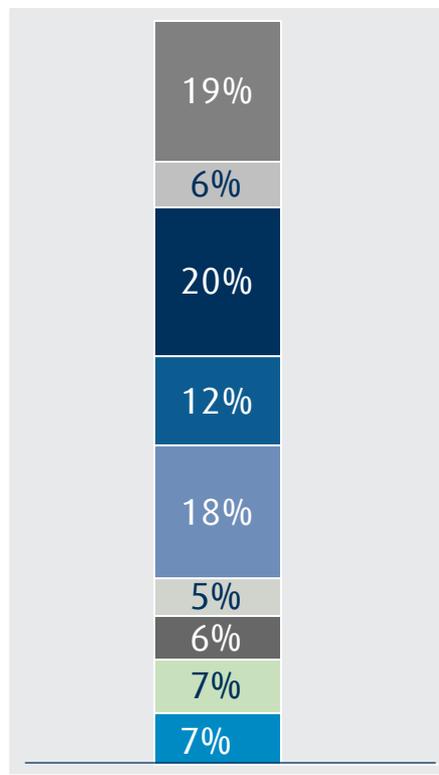
Highly diversified customer base with contracted business



### Revenue split of product areas by industry



### Revenue split by industry



#### Healthcare

- Hospital care, intermediate care, homecare
- Structural growth from growing and ageing population



#### On-site

- 15-year take-or-pay contracts with base facility fees
- Indexation and pass-through of energy and feedstock costs
- Strong customer portfolio



#### Bulk

- Multi-year contracts
- Tank rentals
- Driven by application know-how



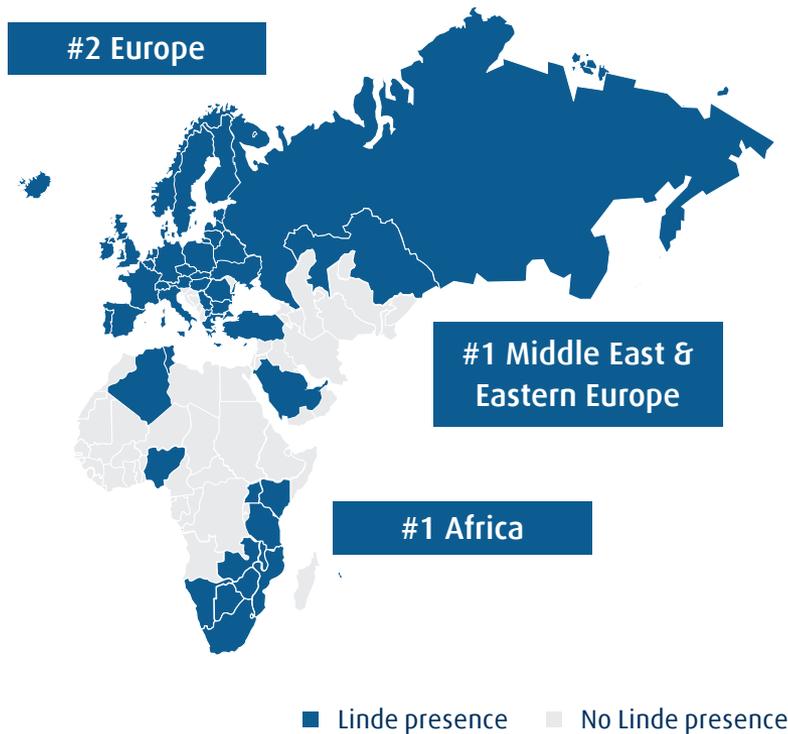
#### Cylinder

- Includes Specialty Gases
- Cylinder rentals
- Driven by application know-how

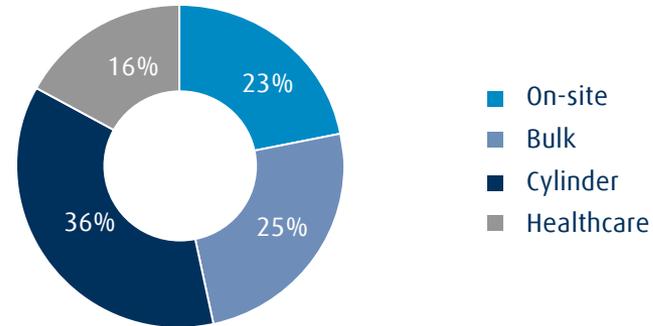
Based on FY 2016 revenues

# Gases Division | Operating segments

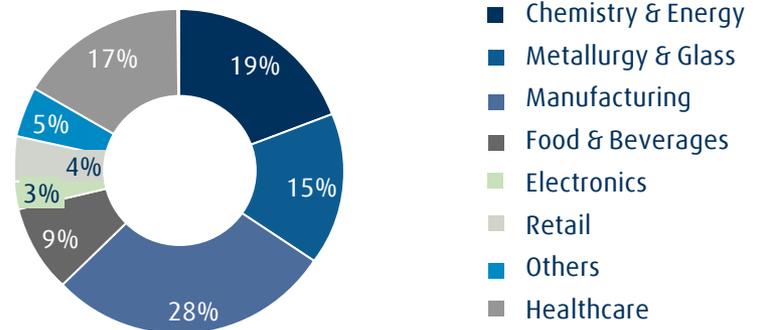
## Linde in EMEA



### Revenue split by product area



### Revenue split by industry



- Established clusters in Northern Europe, Continental Europe and the UK
- Growing presence in Middle East & Eastern Europe and longstanding leading position in Africa

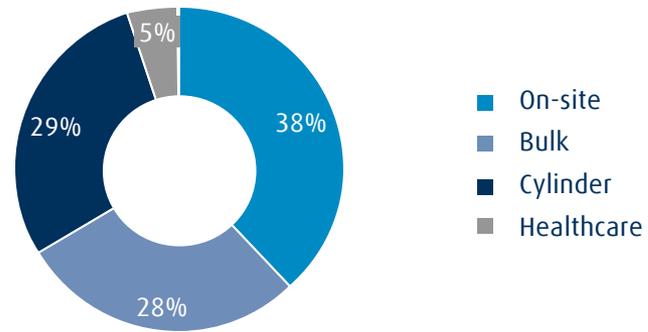
Source: Linde data for the year 2016, market ranking for industrial gases and respiratory healthcare (excl. equipment)

# Gases Division | Operating segments

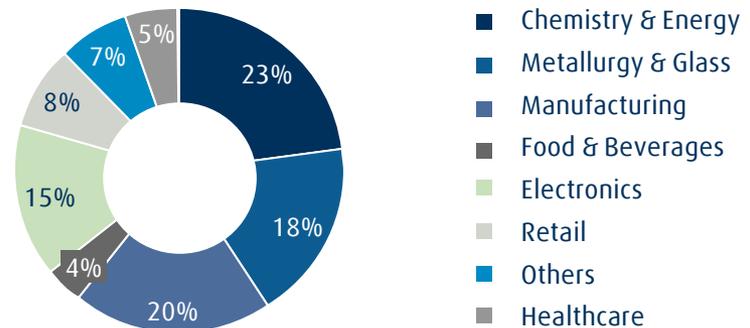
## Linde in Asia/Pacific



Revenue split by product area



Revenue split by industry



- Strong position in major industrial clusters in Asia/Pacific
- Solid track record of revenue growth built on a diverse portfolio of leading customers

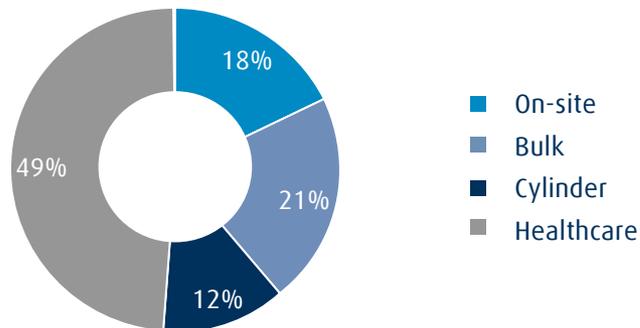
Source: Linde data for the year 2016, market ranking for industrial gases and respiratory healthcare (excl. equipment)

# Gases Division | Operating segments

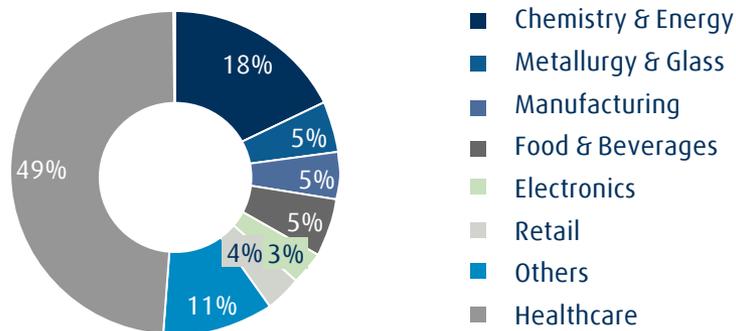
## Linde in the Americas



### Revenue split by product area



### Revenue split by industry



- Established footprint in major industrial clusters in North and South America
- Leader in US respiratory Homecare market

Source: Linde data for the year 2016, market ranking for industrial gases and respiratory healthcare (excl. equipment)

\*#4 in North America excl. Homecare

# Gases Division | Quality growth

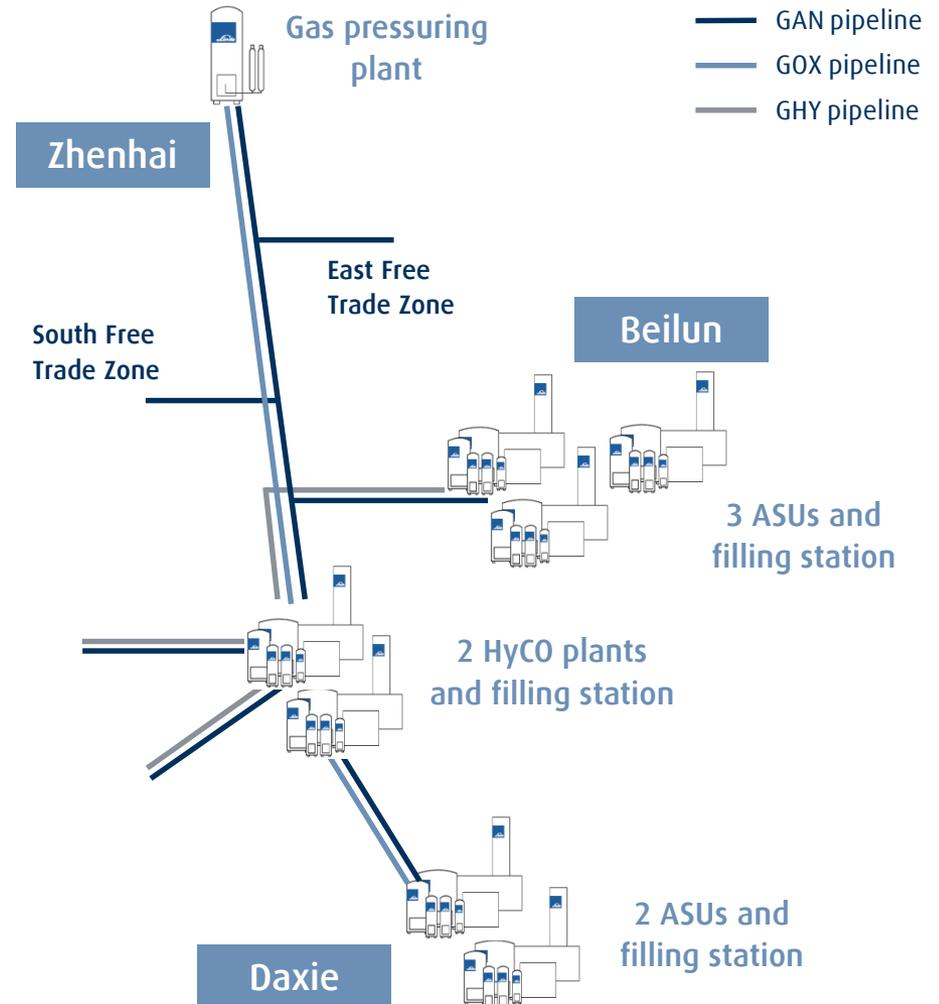
## Integrated offering – example Ningbo

China



### Fully integrated cluster

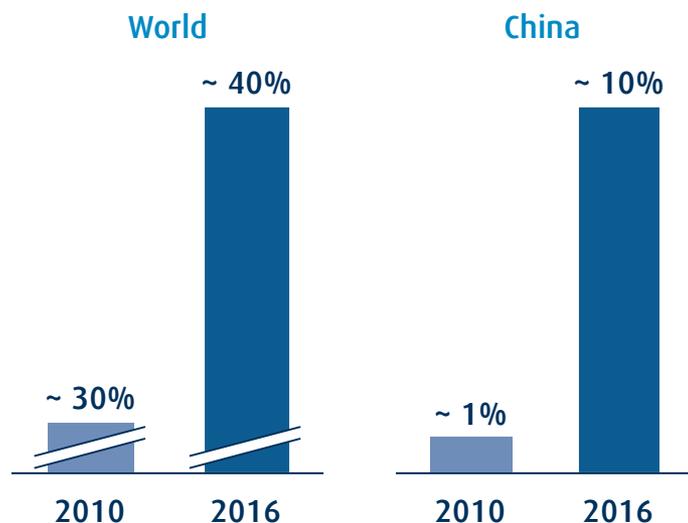
- 5 ASUs and 2 HyCo plants linked by ~140 km pipeline network
- Production of GOX, GAN, GHY, LOX, LIN and LAR
- Total ASU capacity: 141,000 Nm<sup>3</sup>/h
- HyCo capacity: 3,200 Nm<sup>3</sup>/h
- Several filling stations within the cluster
- On-site, Bulk and Cylinder customers
- Supplying different industries within the cluster, e.g. steel, chemicals, electronics



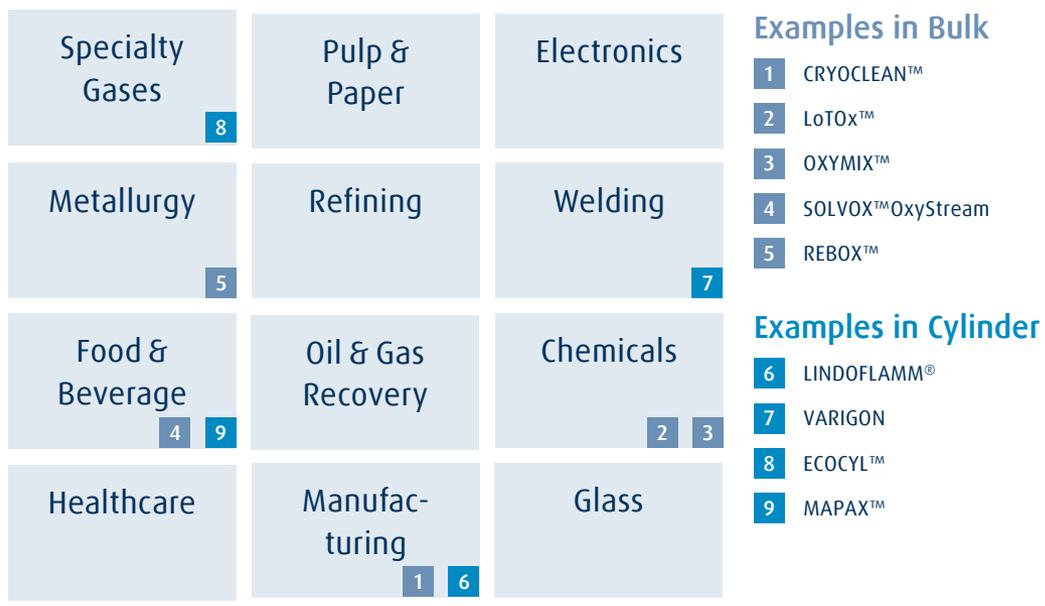
# Gases Division | Quality growth

Applications play an increasing role in Merchant business

## Share of Merchant revenue driven by tailored applications and solutions



## Broad portfolio of applications in various industries



## Advantages of application and solutions approach

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

- |                          |  |                      |                   |                             |
|--------------------------|--|----------------------|-------------------|-----------------------------|
| 1 Surface Cleaning       | 3 Efficiency improvement in chemistry & refining | 5 Reheating of steel | 6 Thermal heating | 8 Specialty gases packaging |
| 2 NOx emission reduction | 4 Low-energy oxygenation (aquaculture)           |                      | 7 Arc welding     | 9 Leak detection            |

# Gases Division | Healthcare

Healthcare benefiting from global profile and innovations



## Growth drivers

- Growing & ageing population
- Increasing number of patients with chronic respiratory diseases
- Increasing wealth in emerging markets
  - Trend towards digitalisation esp. focusing on efficiency and patient safety

## Innovative services in Hospital care



- Digital packaging (LIV-IQ) supports higher efficiency, automation and real-time availability of patient information
- Pilots for centralised cylinder management (e.g. automatic replenishment) links customers to Linde supply chain



## Strong global business footprint in Homecare



- Broad offering for respiratory homecare
- Shift from hospital to intermediate & homecare
- Increasing density through consolidation

Oxygen therapy

Specialty services

Sleep apnea

Infusion/enteral

## Linde's market position

- Global presence in 60 countries: Serving more than 1.7 million homecare patients and supplying ~20,000 hospitals
- Cost leadership through economies of scale (e.g. purchasing power)
- Know-how transfer between markets (e.g. distribution network, best practices)

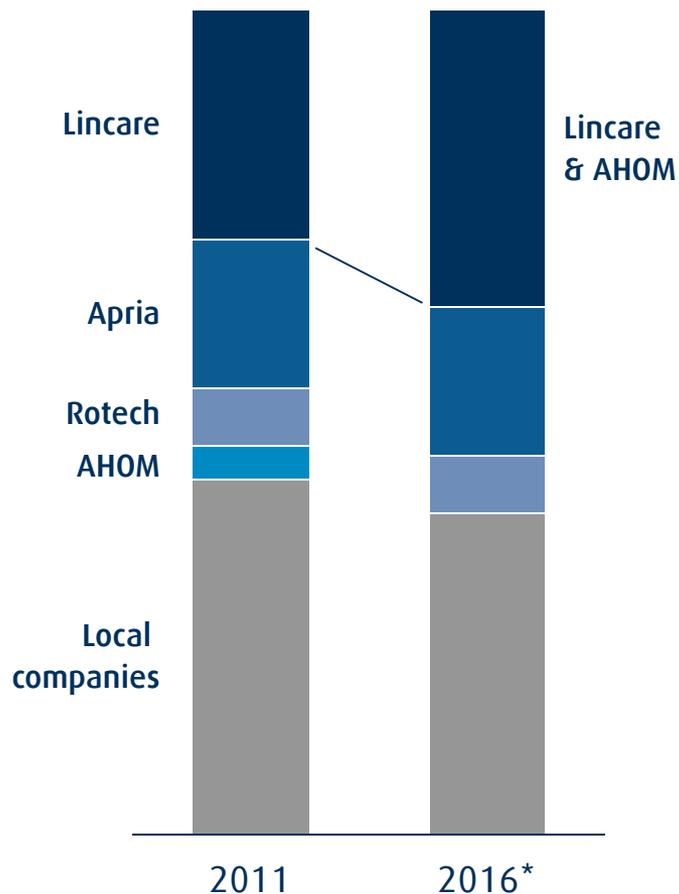


# Gases Division | Lincare

## Industry leader with balanced business & payor mix



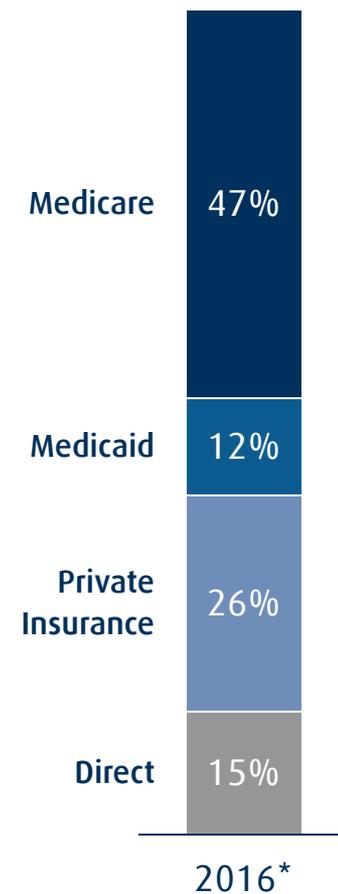
### Leading Industry Position



### Business Mix



### Payor Mix

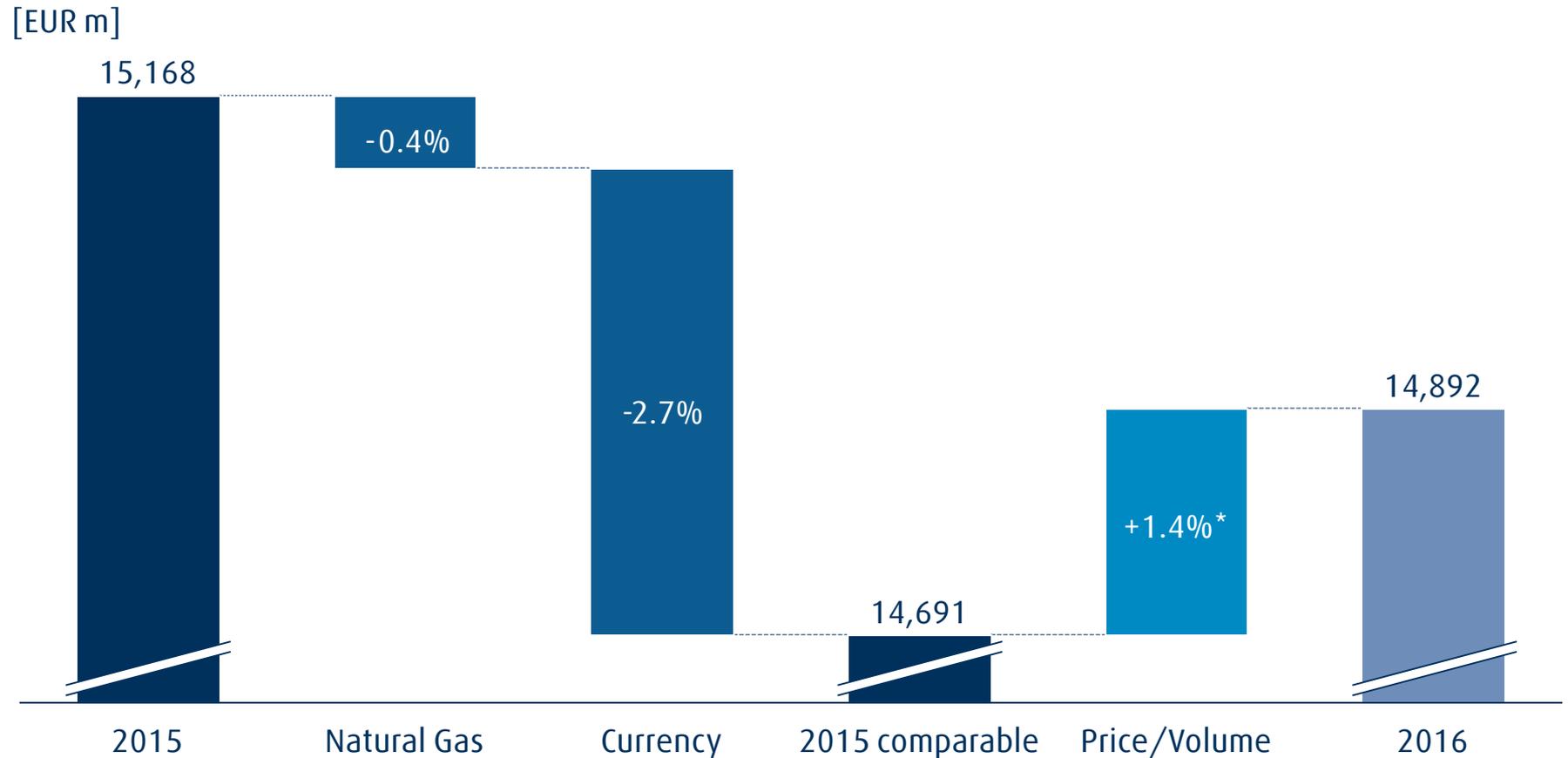


Source: Linde data

\* Pro forma | Lincare's acquisition of American HomePatient successfully closed on 1 February 2016

# Gases Division | Revenue bridge

Price/Volume increase of 2.9 percent in Q4



\*Including EUR 180m due to changes in consolidation in Healthcare in Americas from American HomePatient acquisition and divestment of Specialty Pharma

# Gases Division | Quarterly data

## Reporting segments



THE LINDE GROUP

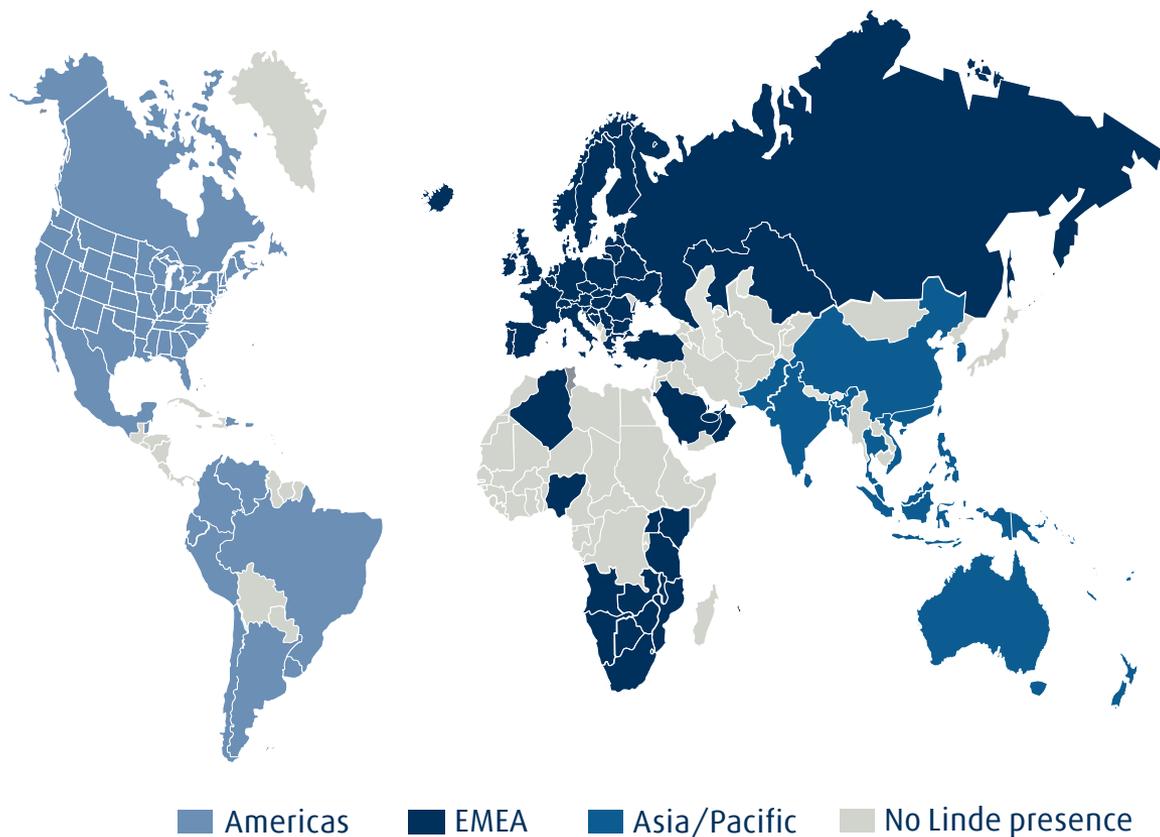
EMEA [EUR m]	Q1 2015	Q1 2016	Q2 2015	Q2 2016	Q3 2015	Q3 2016	Q4 2015	Q4 2016
Revenue	1,472	1,410	1,533	1,451	1,510	1,411	1,495	1,464
Operating profit	441	430	474	498*	435	430	440	449
Operating margin	30.0%	30.5%	30.9%	31.6%*	28.8%	30.5%	29.4%	30.7%
Asia/Pacific [EUR m]	Q1 2015	Q1 2016	Q2 2015	Q2 2016	Q3 2015	Q3 2016	Q4 2015	Q4 2016
Revenue	994	969	1,092	1,007	1,047	1,051	1,024	1,082
Operating profit	252	254	286	259	266	280	259	291
Operating margin	25.4%	26.2%	26.2%	25.7%	25.4%	26.6%	25.3%	26.9%
Americas [EUR m]	Q1 2015	Q1 2016	Q2 2015	Q2 2016	Q3 2015	Q3 2016	Q4 2015	Q4 2016
Revenue	1,252	1,252	1,300	1,294	1,326	1,269	1,305	1,385
Operating profit	315	322	323	330	339	295	321	372
Operating margin	25.2%	25.1%	24.8%	25.5%	25.6%	23.2%	24.6%	26.9%

\*Restructuring costs of EUR 39m were recognised in the half-year financial report, but were not classified as a special item. To ensure that the figures are comparable, the relevant quarterly figures have been disclosed after adjustment for special items.

# Gases Division | Revenue split by region

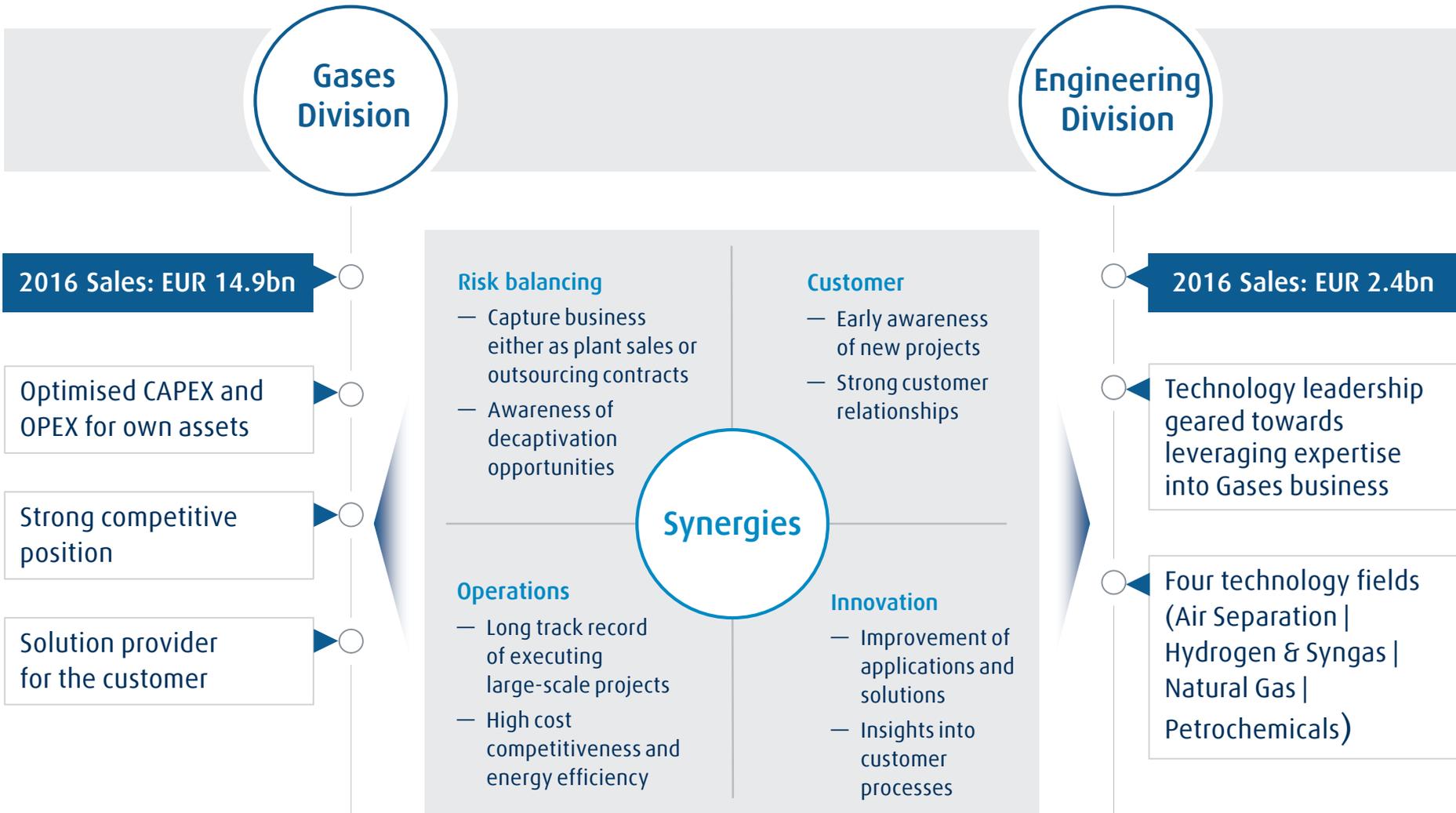
## Balanced business mix across geographies

<b>EMEA [EUR m]</b>	<b>5,736</b>
Central Europe	1,679
Northern Europe	806
Southern Europe	889
Africa & UK	1,416
Middle East & Eastern Europe	1,007
<b>Asia/Pacific [EUR m]</b>	<b>4,109</b>
East Asia	1,874
South Asia & ASEAN	1,006
South Pacific	1,233
<b>Americas [EUR m]</b>	<b>5,232</b>



# Integrated Gases & Engineering model

## Synergies built on strong Engineering foundation



# Engineering Division | Revenue split by plant type

135 years of experience | A broad range of technologies

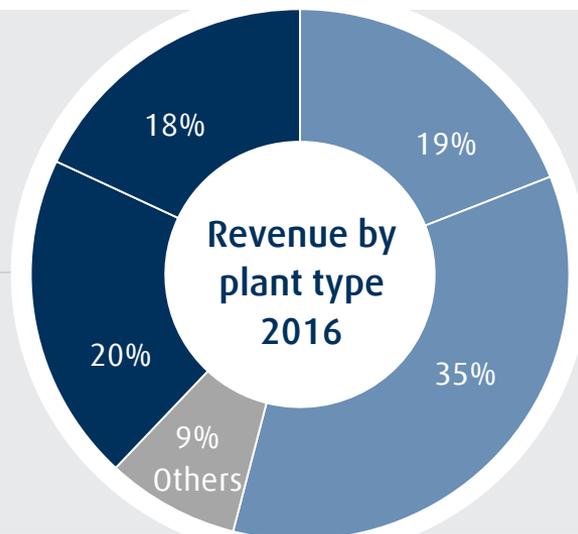
## Internal use & sales to external parties

### Air separation plants

for production of oxygen, nitrogen, argon & rare gases

### Hydrogen & synthesis gas plants

for production of hydrogen, carbon monoxide, ammonia & methanol



## Sales to external parties

### Natural gas plants

for purification, fractionation & conditioning of gas mixtures, recovery, liquefaction & storage of natural gas

### Petrochemical plants

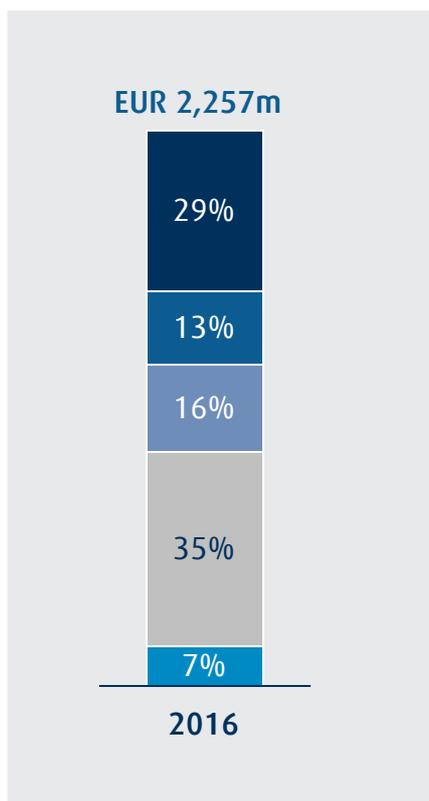
for production & recovery of olefins, acetylene, butadiene, aromatics, poly- & alpha-olefins, polyethylene & polypropylene

- More than 6,400 employees
- Provides in-depth application know-how
- Leveraging existing customer relationships
- Provides cost & energy efficient plants
- 1,000 process engineering patents
- 4,000 completed plant projects
- 6 Linde Engineering hubs globally

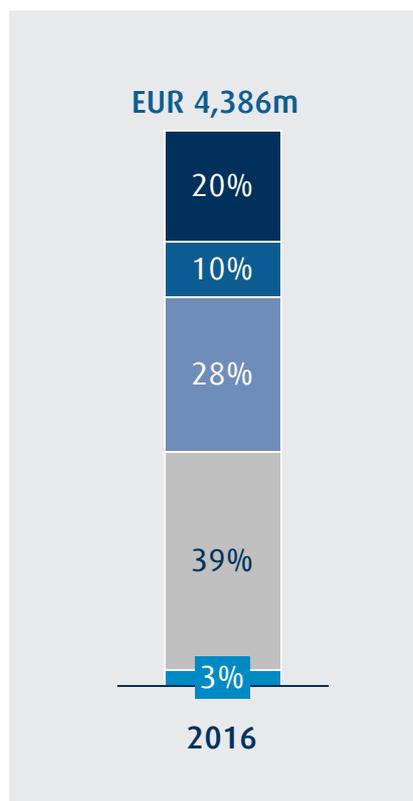
# Engineering Division | Order intake & backlog

## Largest share of order intake from EMEA

Order intake by plant type

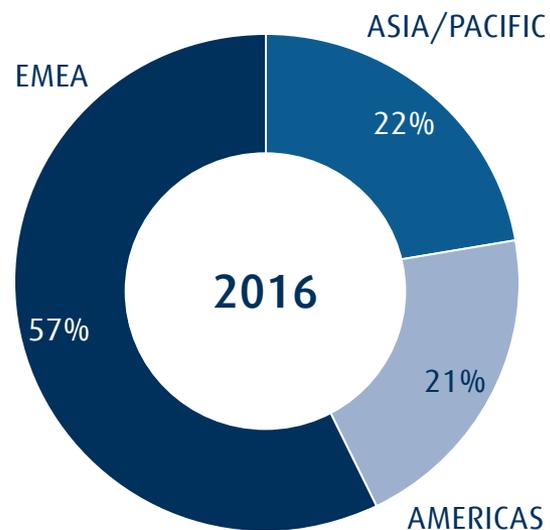


Order backlog by plant type



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

Order intake by region



# Group | BOC PPA

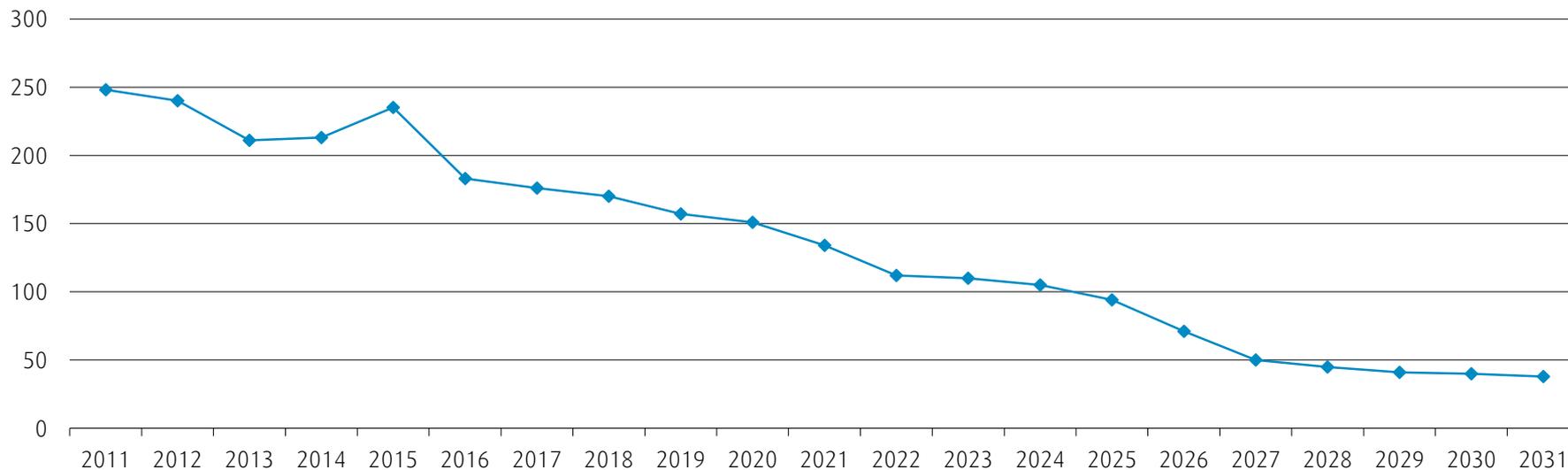
## Expected depreciation & amortisation

- Development of depreciation and amortisation
- Impact in 2016: EUR 178m
- Expected range adjusted due to exchange rate effects

### Expected range [EUR m]

2017	170 - 190
2018	155 - 180
...	
2022	< 120

### BOC PPA Depreciation Planning [EUR m]



## Financial calendar



### Contact

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**Email:**

[investorrelations@linde.com](mailto:investorrelations@linde.com)

**Internet:**

[www.linde.com](http://www.linde.com)

### Linde share information

**Type of share:**

Bearer shares

**Stock exchanges:**

All German stock exchanges

**Security reference number:**

ISIN DE0006483001

CUSIP 648300

### Linde ADR information

**Ticker Symbol:**

LNEGY

**DR ISIN:**

US5352230204

**Depository Bank:**

Deutsche Bank

**Structure:**

ADR Level I, Sponsored



The Linde IR app is  
now available at:



Operating Profit	Earnings per Share (EPS) before special items	Earnings per Share (EPS) (reported)	Return on Capital Employed (ROCE)
Return	Return	Return	Return
EBIT before special items adjusted for amortisation of intangible assets and depreciation of tangible assets	Profit for the period before special items attributable to Linde AG shareholders	Profit for the period attributable to Linde AG shareholders	EBIT before special items
	Shares	Shares	Average Capital Employed
	Number of weighted average outstanding shares	Number of weighted average outstanding shares	Equity (incl. non-controlling interests) + financial debt + liabilities from finance leases + net pension obligations - cash, cash equivalents and securities - receivables from finance leases

## Dow Jones Sustainability Index

Linde listed among leading companies (top 10%) in chemicals industry

## Ethibel EXCELLENCE

Linde has been reconfirmed as a constituent of the Ethibel Sustainability Index (ESI) Excellence Europe

## FTSE4Good

Linde is a component of the FTSE4Good Index series

## STOXX Global ESG Leaders Indices

Linde represented in the EURO STOXX Sustainability Top 40 and the STOXX Global ESG Leaders indices

## CDP

Linde admitted to the regional Carbon Disclosure Leadership Index for Germany, Austria and Switzerland

MEMBER OF  
**Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM

