

January - March 2005 Conference Call

May 4, 2005

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Disclaimer

This investor presentation has been prepared independently by Linde AG (“Linde”). The presentation contains statements which address such key issues as Linde’s growth strategy, future financial results, market positions, and product development. Such statements should be carefully considered, and it should be understood that many factors could cause forecast and actual results to differ from these statements. These factors include, but are not limited to price fluctuations, currency fluctuations, developments in raw material and personnel costs, physical and environmental risks, legal and legislative issues, fiscal, and other regulatory measures. Stated competitive positions are based on management estimates supported by information provided by specialised external agencies.

The business trends described below are based on adjusted prior year figures which exclude Refrigeration and the amortization of goodwill

Comparatives excluding Refrigeration and the amortization of goodwill

In € million

January – March 2004

	Group income statement	Refrigeration	Amortization of goodwill (other business segments)	Group income statement, comparable figures
EBITA	117	29		146
Amortization of goodwill	-30	1	29	0
Financial result	-38	-	-	-38
EBT	49	30	29	108
Taxes on income	-29	-1		-30
Net income	20	29	29	78

Key Facts

- Significant increase in sales and EBITA
- EPS of €0.71 (2004: €0.65)
- Outlook for FY 2005 unchanged: Growth in sales and EBITA
- Programs „GAP“ and „GO“ ensure sustainable & profitable growth in Linde Gas and Material Handling

Income Statement

- Sales up 6.9% to €2,124 million, EBITA up 13.0% to €165 million
- Financial result improved

In € million	Q1 04	Q1 05	Δ
Sales	1,986	2,124	6.9%
EBITDA	332	357	7.5%
EBITA	146	165	13.0%
Financial result	-38	-30	21.0%
EBT	108	135	25.0%
Net income	78	85	9.0%

Key Financials (Q1 2004 not adjusted)

In € million	Q1 04	Q1 05
Operating cash flow	201	140
Capex (excl. financial assets)	160	198
Net interest	-38	-30
EBITDA / Net interest	8.7	11.9
Net debt*	2,380	2,005
Gearing **	60.3	47.5

* Financial debt – cash & cash equivalents and securities

** Net debt / equity

Gas & Engineering

Linde Gas & Engineering

- Sales up 9.0% to €1,339 million
- EBITA increase of 11.8% to €170 million

In € million	Q1 04	Q1 05	Δ
Sales	1,228	1,339	9.0%
EBITDA	258	276	7.0%
<i>Margin</i>	21.0%	20.6%	
EBITA	152	170	11.8%
<i>Margin</i>	12.4%	12.7%	
EBTA	134	149	11.2%
EBT	108	149	38.0%

Linde Gas

- Sales up 7.8% to €1,038 million
- EBITA increases 10.1% to €164 million

In € million	Q1 04	Q1 05	Δ
Sales	963	1,038	7.8%
EBITDA	250	268	7.2%
<i>Margin</i>	<i>26.0%</i>	<i>25.8%</i>	
EBITA	149	164	10.1%
<i>Margin</i>	<i>15.5%</i>	<i>15.8%</i>	
EBTA	127	143	12.6%
EBT	103	143	38.8%

Linde Gas - Sales bridge Q1 2004 /



Linde Gas – Regional Sales (Q1 2005)

- Stable growth continues in Europe, driven by Eastern Europe
- North America sales still affected by currency situation

In € million	Q1 04	Q1 05	Δ	Δ excl. currency
Germany	217	223	2.8%	2.8%
Europe excl. Germany	469	506	7.9%	5.4%
North America	195	203	4.1%	9.1%
South America	64	70	9.4%	7.8%
Asia Pacific	18	36	-	-

Linde Gas – Product Segment Sales

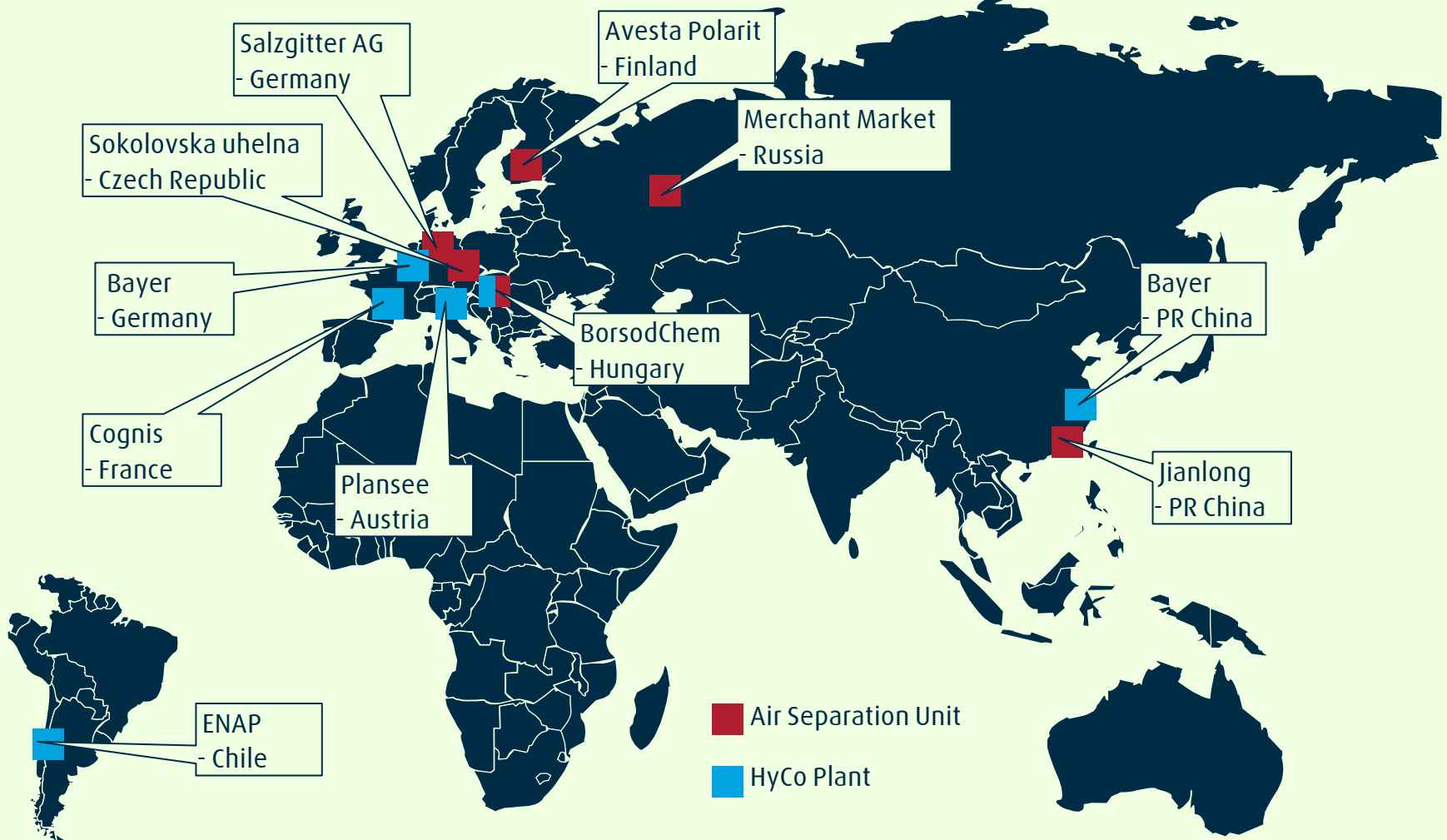
- Highest growth rates in On-site business
- Double-digit growth rates continue in Healthcare
- Cylinder business stable

In € million	Q1 04	Q1 05	Δ^*	Δ^* excl. currency
Bulk	263	279	6.3%	5.7%
Cylinder	386	391	1.2%	0.5%
On-site**	195	231	18.1%	18.6%
Healthcare	153	170	11.1%	11.8%

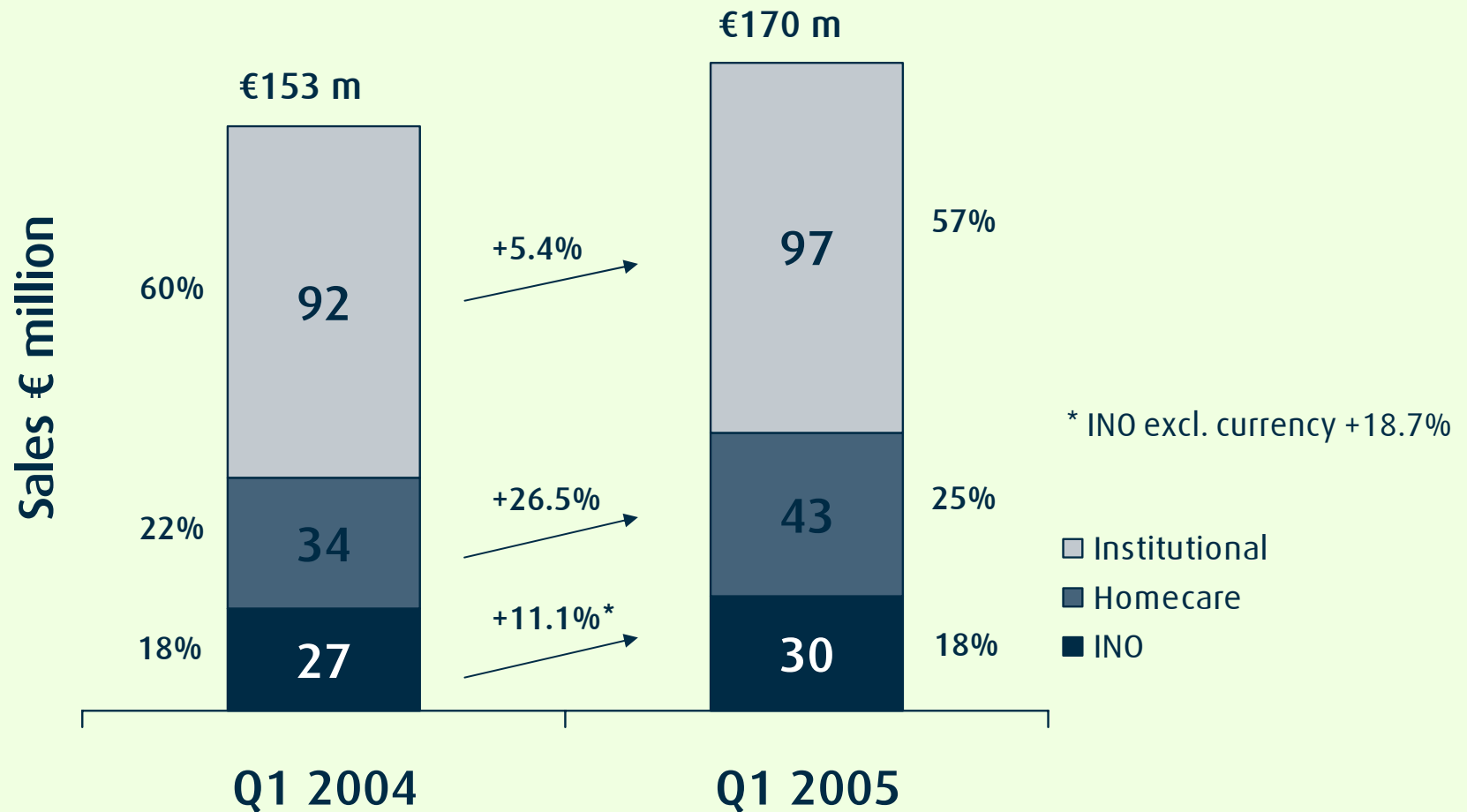
* $\Delta\%$ based on €k

** +12.3% excl. new consolidation

Linde Gas – On-site projects (start-ups 05/06, €350m Capex)



Linde Gas - Healthcare Sales (+7.2% excl. new consolidations in Homecare)



Linde Gas – Efficiency improvement & Growth initiatives

- „Fit-For-Future“ program will be completed this year and lead to total improvements of €150 million

- Start of the „GAP“ program (Growth and Performance) in 2005
 - 2/3 of initiatives focused on profitable growth
 - 1/3 of initiatives lead to efficiency improvement in core processes
 - production, supply, SG&A and procurement
 - „GAP“ will support Linde Gas to increase ROCE to 13% in 2008

Linde Gas

Outlook for FY 2005 unchanged:

- Increase in sales and EBITA

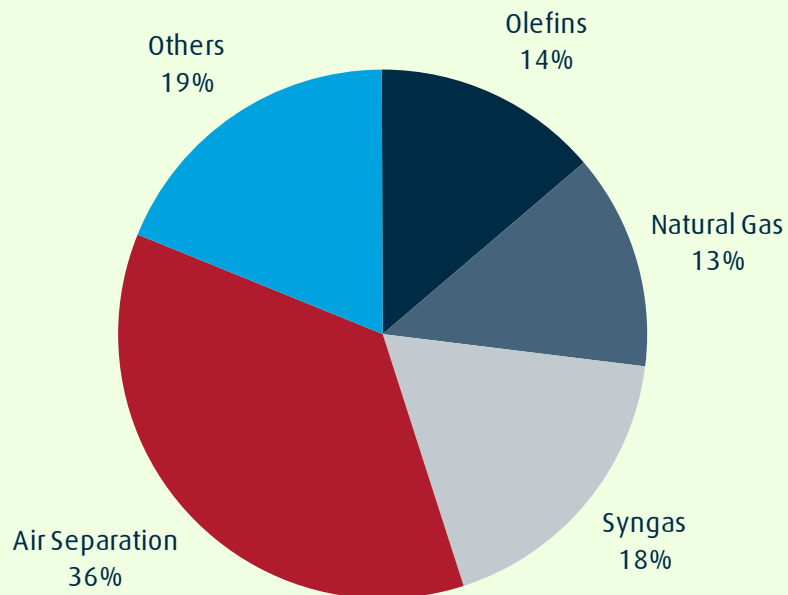
Linde Engineering

- Strong increase in sales to €357m, up 23.1%
- EBITA improved to €16m (2004: €5m)

In € million	Q1 04	Q1 05	Δ
Sales	290	357	23.1%
EBITDA	9	20	-
<i>Margin</i>	3.1%	5.6%	
EBITA	5	16	-
<i>Margin</i>	1.7%	4.5%	
EBTA	7	17	-
EBT	6	17	-

Linde Engineering – Orders received up 12.3% to €465m

Orders received Q1 2005:



Main orders:

Client	Location	Plant Type
Praxair	Texas, USA	HyCo
BOC	Maanshan, China	ASU
BOC	Jindal, India	ASU
Shenhua Coal	Shenhua, China	ASU
Baosteel	Baoshan, China	ASU

Linde Engineering

Promising outlook for all segments:

- Air Separation: Middle east, China
- Olefins: Middle east
- Syngas: USA, China, Russia
- Natural Gas: Middle east

Outlook for FY 2005 unchanged:

- Sales and EBITA at least on last year's high level

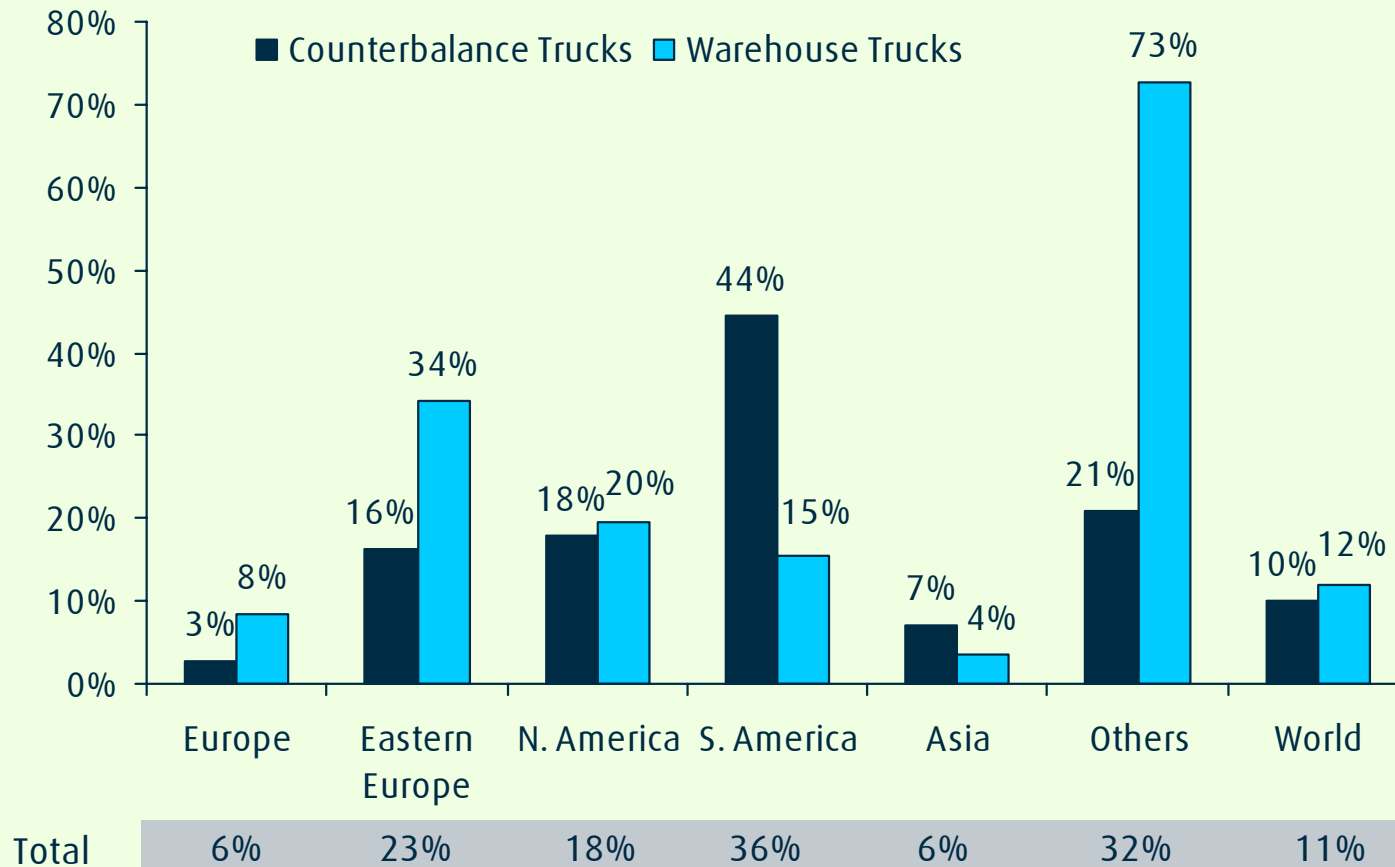
Material Handling

Material Handling

- Sales increase 3.6% to €771 million
- EBITA up 8.7% to €25 million

In € million	Q1 04	Q1 05	Δ
Sales	744	771	3.6%
EBITDA	99	105	6.1%
<i>Margin</i>	<i>13.3%</i>	<i>13.6%</i>	
EBITA	23	25	8.7%
<i>Margin</i>	<i>3.1%</i>	<i>3.2%</i>	
EBTA	15	17	13.3%
EBT	14	17	21.4%

Material Handling – Q1 2005 market growth (order intake) vs Q1 2004



Material Handling: Efficiency improvement & Growth initiatives

- „TRIM“ program will be completed this year and lead to improvements of €150m

- Start of the „GO“ program (Growth and Operational excellence) in 2005
 - Focus on sustainable efficiency improvement in core processes
 - R & D, production, logistics and procurement
 - Emphasis on profitable growth, especially in Asia and After-Sales business
 - „Go“ will support Material Handling to increase ROCE to 16% in 2007

Material Handling

Expected slower market growth

- Growth drivers remain USA and Asia
- Slower growth in Western Europe in 2005
- Above average increase in Eastern Europe

Outlook for FY 2005 unchanged:

- Increase in sales and significant improvement of EBITA

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