

## Press release

### Linde half-year earnings in line with expectations

- Group revenue of EUR 8.560 bn affected by exchange rate effects
- Group operating profit<sup>1</sup>: EUR 2.017 bn; after adjusting for exchange rate effects similar to figure for first half of 2015
- Operating margin improves further to 23.6 percent
- Group outlook for 2016 confirmed

Munich, 28 July 2016 – The technology company The Linde Group generated earnings in line with expectations in the first six months of 2016 in a market environment which remains challenging. Group revenue was EUR 8.560 bn, a decrease of 5.3 percent when compared with the figure for the first half of 2015 of EUR 9.036 bn. After adjusting for exchange rate effects arising solely on currency translation, the fall in revenue was 1.6 percent. Linde achieved a Group operating profit of EUR 2.017 bn, down 4.1 percent from EUR 2.104 bn in the first half of 2015. After adjusting for exchange rate effects, Group operating profit was a similar figure to that seen in the first six months of 2015, down by 0.5 percent. The Group operating margin rose from 23.3 percent to 23.6 percent. Contributing to this improvement were the efficiency measures introduced in 2015. There was a positive trend in operating cash flow in the first half of 2016. At EUR 1.634 bn, this was 3.2 percent above the high figure achieved in the prior-year period.

"We have a solid first half-year behind us, completely in line with our forecast. However, the economic environment is continuing to present us with challenges. To meet those, we are actively driving efficiency measures," said Dr Wolfgang Büchele, Chief Executive Officer of Linde AG.

The group is expecting to achieve an increase in revenue and earnings in the 2016 financial year of 4 percent after adjusting for exchange rate effects, although the challenging market environment could result in a decrease of up to 3 percent.

---

<sup>1</sup> EBITDA including share of profit or loss from associates and joint ventures.

**Gases Division: Revenue continues to increase on a comparable basis**

Revenue in the Gases Division for the first half of 2016 was EUR 7.327 bn, which was 3.0 percent below the figure for the first half of 2015 of EUR 7.554 bn. On a comparable basis (after adjusting for exchange rate effects and changes in the price of natural gas), revenue increased by 2.1 percent. At EUR 2.054 bn, operating profit was fairly similar to the figure for the prior-year period of EUR 2.091 bn. The operating margin rose from 27.7 percent to 28.0 percent, due partly to lower prices for natural gas.

In the **EMEA segment** (Europe, Middle East, Africa), the Group generated revenue of EUR 2.861 bn in the first six months of 2016, which was 4.8 percent below the figure for the first half of 2015 of EUR 3.005 bn. On a comparable basis, revenue was at a similar level to that achieved in the prior-year period. Operating profit was EUR 889 m, a decrease of 2.8 percent when compared with the figure for the first half of 2015 of EUR 915 m. The operating margin rose to 31.1 percent (2015: 30.4 percent). It should be noted that further costs were incurred for efficiency measures in the first half of 2016. These costs were offset by income from changes to pension plans and profits on the disposal of non-current assets.

In the **Asia/Pacific segment**, Linde generated revenue in the six months to 30 June 2016 of EUR 1.976 bn, which was 5.3 percent below the figure for the first six months of 2015 of EUR 2.086 bn. On a comparable basis, revenue increased by 1.5 percent. Operating profit was EUR 513 m, 4.6 percent below the figure for the prior-year period of EUR 538 m. This gives an operating margin of 26.0 percent (2015: 25.8 percent). There were positive revenue growth trends in Asia. In the South Pacific region, on the other hand, the prevailing weak economic environment in manufacturing and declining investment in the mining industry had an adverse impact on growth. Linde has already begun implementing appropriate structural and organisational measures to reduce costs.

In the **Americas segment**, revenue increased in the first half of 2016 by 1.0 percent to EUR 2.578 bn (2015: EUR 2.552 bn). After adjusting for exchange rate effects and changes in the price of natural gas, revenue growth was 5.3 percent, supported by the acquisition of American HomePatient. This company, which specialises in the respiratory therapies, has been

consolidated in the Americas segment since 1 February 2016. The increase in the number of patients being cared for by Linde as a result of this acquisition will help the Group counter the negative impact of price reductions in the US healthcare system. When compared with the prior-year period, operating profit in the Americas segment rose by 2.2 percent to EUR 652 m (2015: EUR 638 m). The operating margin was 25.3 percent (2015: 25.0 percent).

### **Engineering Division: Order intake virtually constant**

At EUR 718m, the order intake in the first half of 2016 was virtually the same as the order intake for the first half of 2015 of EUR 724 m. The order backlog at 30 June 2016 was EUR 4.095 bn, a decrease of 9.8 percent compared with the order backlog at 31 December 2015 of EUR 4.541 bn. Due to the persistently low price of oil, slack demand continues to be evident in the plant construction sector.

Revenue in the Engineering Division fell as expected in the first six months of 2016. It dropped by 19.7 percent to EUR 1.085 bn (2015: EUR 1.351 bn). Operating profit was EUR 89 m, which was lower than the figure for the first half of 2015 of EUR 114 m. The operating margin was 8.2 percent (2015: 8.4 percent). This continues to be above the industry average.

To coincide with the publication of the interim report, a webcast for analysts will take place today at 2pm German time in English. Journalists will have the opportunity to watch the webcast by following this link: <https://event.mescdn.com/linde/results-conference-call-h1-2016>

In the 2015 financial year, The Linde Group generated revenue of EUR 17.944 bn, making it one of the leading gases and engineering companies in the world, with approximately 65,000 employees working in more than 100 countries worldwide. The strategy of The Linde Group is geared towards long-term profitable growth and focuses on the expansion of its international business with forward-looking products and services. Linde acts responsibly towards its shareholders, business partners, employees, society and the environment in every one of its business areas, regions and locations across the globe. The company is committed to technologies and products that unite the goals of customer value and sustainable development.

For more information, see The Linde Group online at [www.linde.com](http://www.linde.com)

### **Further information:**

Media Relations  
Dr Frank Herkenhoff  
Phone +49.89.35757-1320

Investor Relations  
Dr Dominik Heger  
Phone +49.89.35757-1334

Matthias Dachwald  
Phone +49.89.35757-1333

Bernard Wang  
Phone +49.89.35757-1328