



Roadshow Geneva/Zurich.

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THE LINDE GROUP

14 December 2010
Georg Denoke
Member of the Executive Board & CFO

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Operational performance

- Positive business performance continues over 9M 2010
- HPO (High Performance Organisation)
- 2010 outlook

Set-up for sustainable profitable growth

- Emerging market footprint
- Business synergies Gases and Engineering
- Energy and Environmental mega-trend
- Healthcare mega-trend

Appendix

Positive business performance continues over 9M 2010 - on track to record earnings

Ongoing recovery momentum drives group sales up 13.1% to €9.405 bn

Group operating profit grows over-proportionately by 23.2% to €2.145 bn

Strong EPS increase with reported EPS up 67.2% to €4.13 and adjusted EPS of €4.88 (+44.4%)

Operating Cash Flow increases by 7.7% to €1.533 bn

Double-digit earnings growth driven by widespread recovery and our HPO initiatives

Emerging markets keep their strong momentum, led by Greater China

Mature regions in Western Europe and the US also show further improvements

HPO savings drive 9M group operating margin up a further 190 bp to 22.8%

Stable growth set-up

Solid financial structure with long-term oriented maturity profile

Well positioned for the mega-trends Healthcare, Energy/ Environment and Emerging Markets

Leverage of technology and customer synergies between our Gases and Engineering set-up

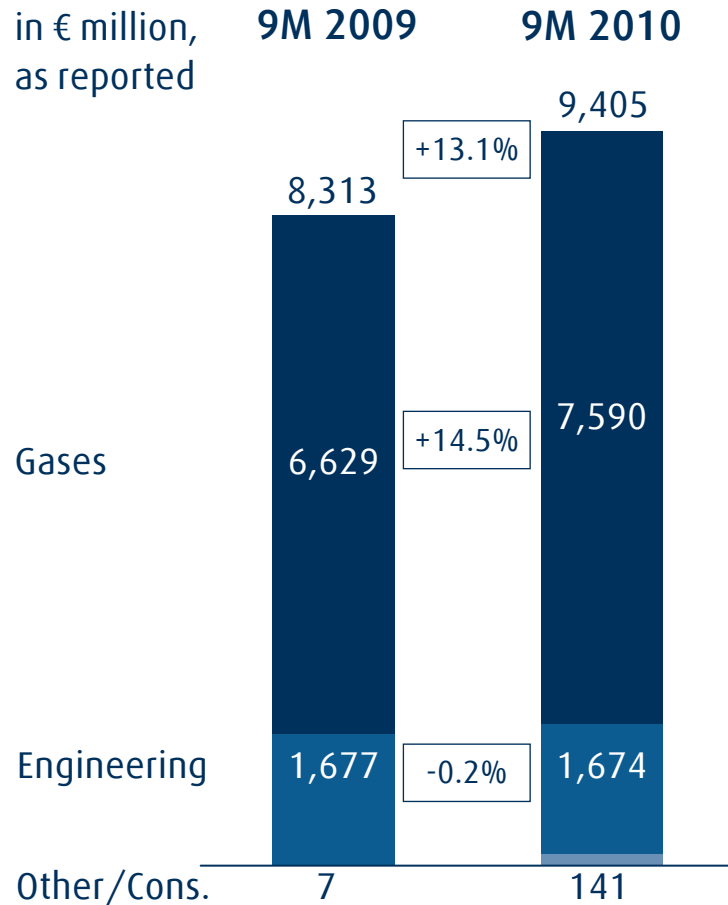
Group, sales by Divisions

Unchanged recovery momentum drives group sales up 13.1%



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in € million,
as reported



Gases Division

- Growth momentum intact: comparable* sales increase of 5.7%
- Demand recovery remains visible in all product areas: tonnage and bulk still leading, cylinder accelerating
- Ongoing currency support from weaker Euro: major translational effects on AUD and ZAR

Engineering Division

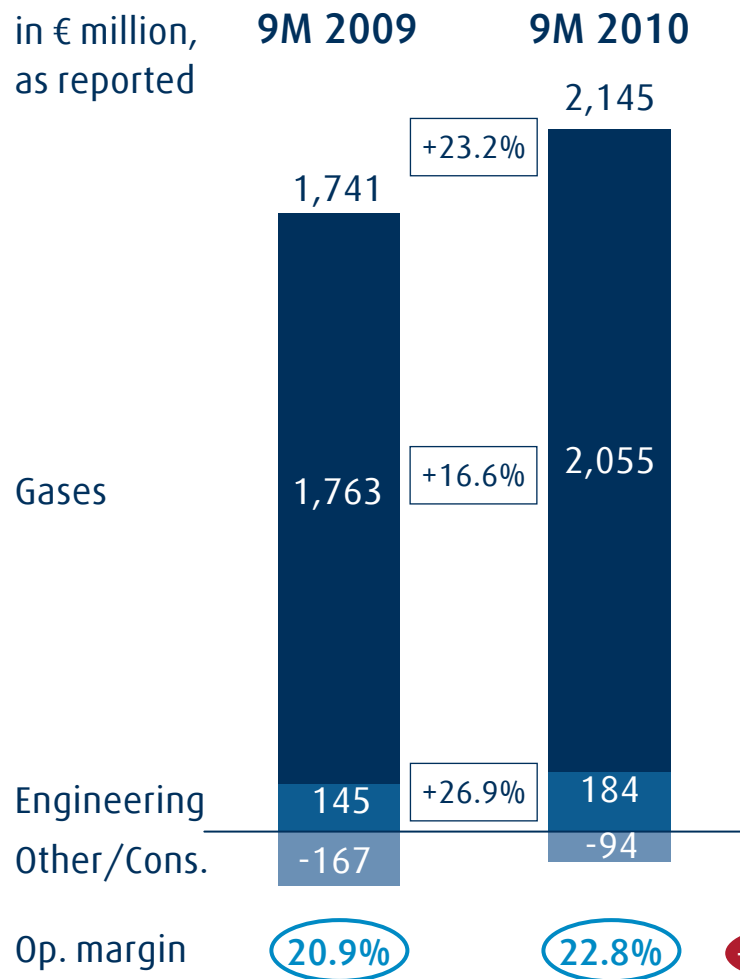
- Sales on last year's level
- Execution of order backlog remains fully on track

*excluding currency, natural gas price and consolidation effect

Group, operating profit by Divisions

190 bp margin increase supported by our HPO initiatives

in € million,
as reported



Gases Division

- Operating profit* remains on double-digit growth track
- Operating margin up 50 bp yoy to 27.1%
- Continuous focus on HPO: initiatives across all activities leading us to the right set-up for long-term profitable growth

Engineering Division

- Margin of 11.0%, ahead of our 8% target
- Strong margin performance driven by successful project execution

+190 bp on reported basis

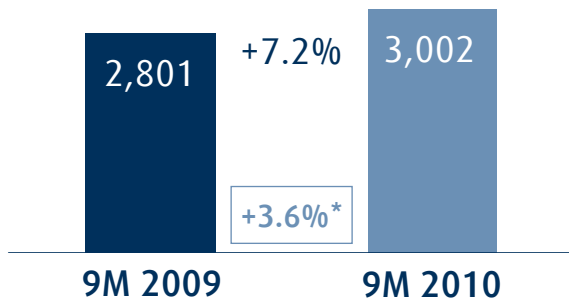
+90 bp, adjusted for €80 m restructuring charges in 9M 2009

Gases Division, sales by operating segment

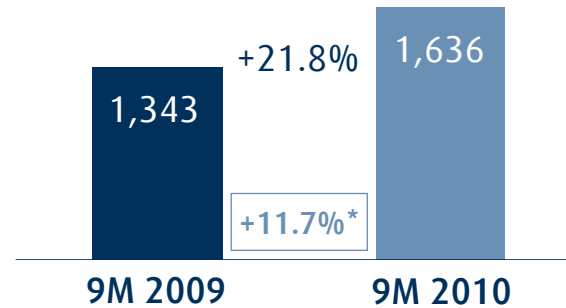
Growth momentum continues in all regions

in € million

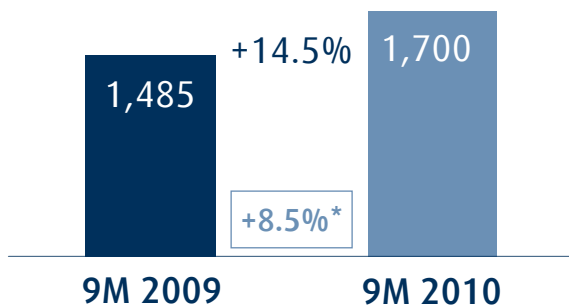
Western Europe



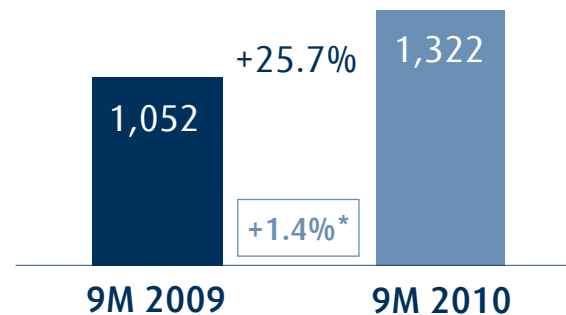
Asia & Eastern Europe



Americas



South Pacific & Africa



- Ongoing double-digit growth in Emerging Markets
- Growth further stabilising in Eastern Europe
- Comparable growth in Western Europe held back by pass-through of lower energy prices in the UK
- Improving momentum in Americas driven by both sub-regions
- South Pacific and Africa continue to show major currency benefits

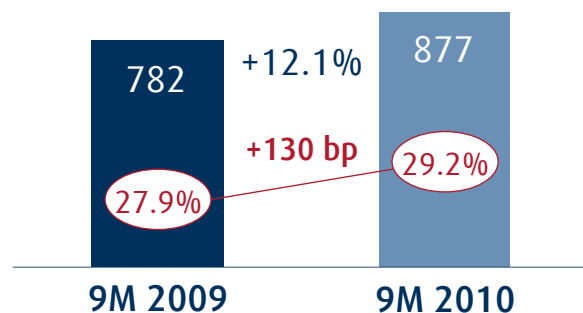
*excluding currency, natural gas price and consolidation effect

Gases Division, operating profit by operating segment

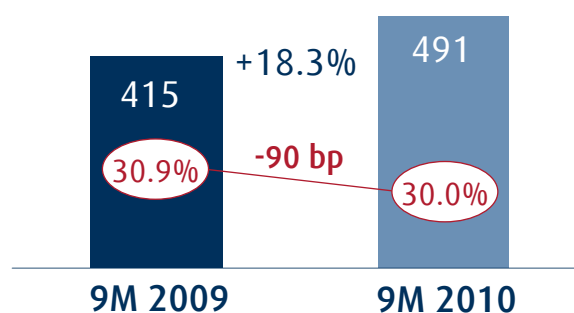
Operating margin increased to 27.1%

in € million

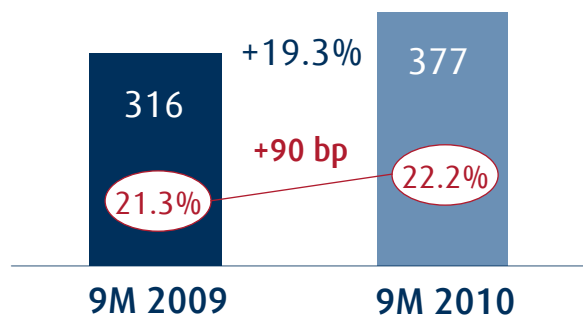
Western Europe



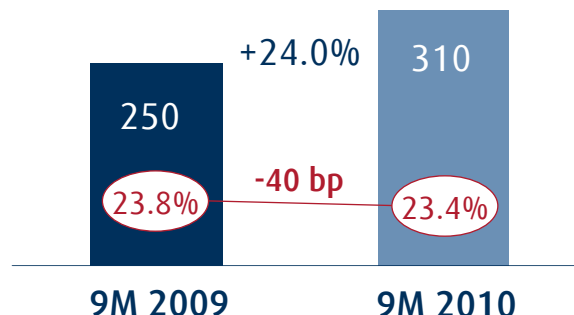
Asia & Eastern Europe



Americas



South Pacific & Africa

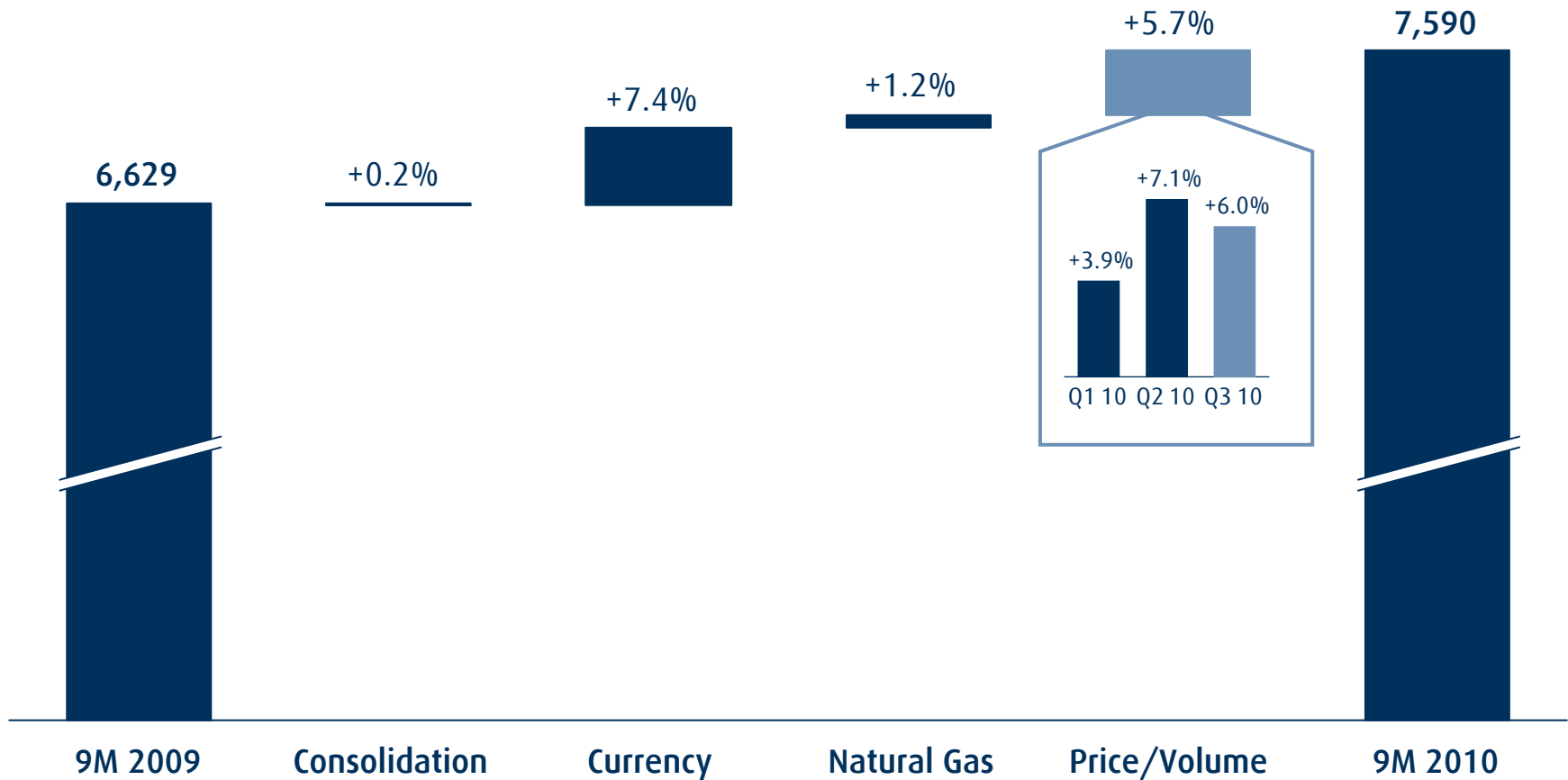


- Continuous implementation of HPO initiatives supports margin development in all regions
- Western Europe and Americas drive the margin improvement in the Gases Division
- Margin dilution from higher natural gas prices visible in Western Europe, North America and South- and East Asia

Division Gases, sales bridge

9M sales increase of 5.7% on comparable basis

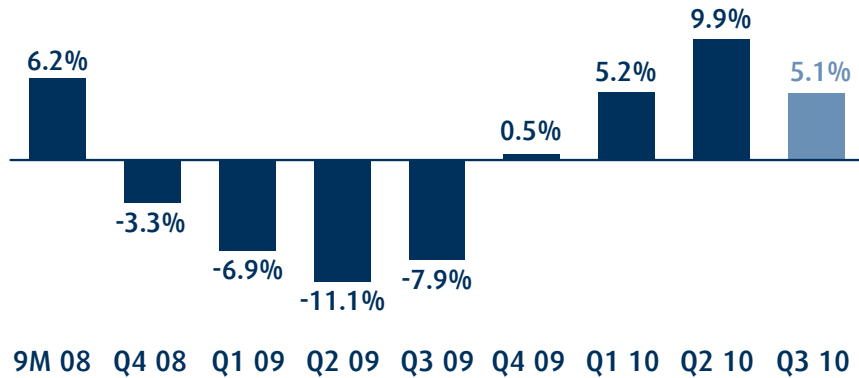
in € million



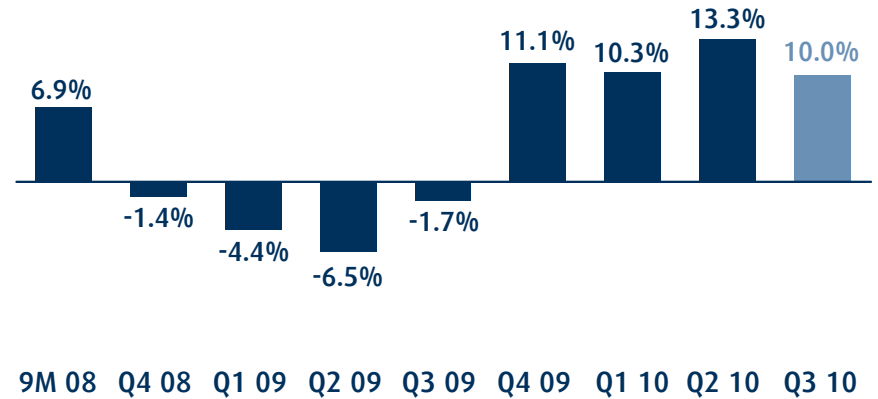
Gases Division, product areas (comparable yoy growth)

Cylinder business recovering further

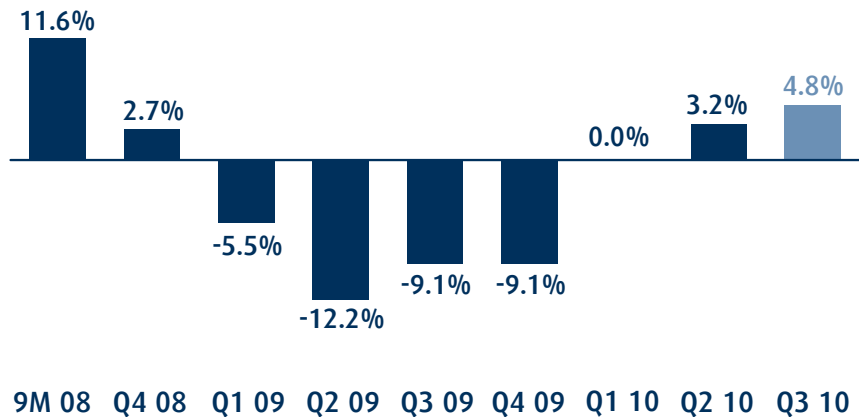
Bulk



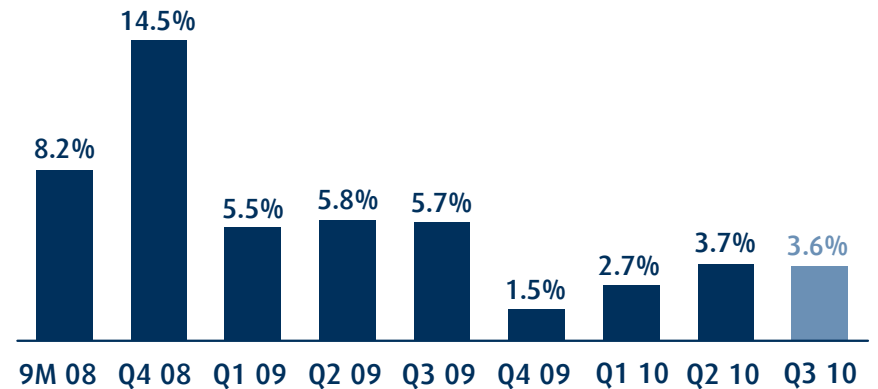
Tonnage



Cylinder



Healthcare



Engineering Division, key figures

Market recovery drives increase of order intake



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- Ongoing recovery of small- and mid-sized contracts drives order intake above last year's level
- YoY comparison still impacted by mega olefin project (Ruwais, Abu Dhabi) signed in Q2 09
- Order backlog stays strong at €4.141 bn (year-end 2009: €4.215 bn)

in € million	9M 09	9M 10	Δ YoY
Order intake	1,514	1,538	+1.6%
Sales	1,677	1,674	-0.2%
Operating profit*	145	184	+26.9%
Margin	8.6%	11.0%	+240 bp

*EBITDA before non-recurring items and incl. share of net income from associates and joint ventures

Group, Cash Flow Statement

9M Operating Cash Flow up 8% to €1.533 billion



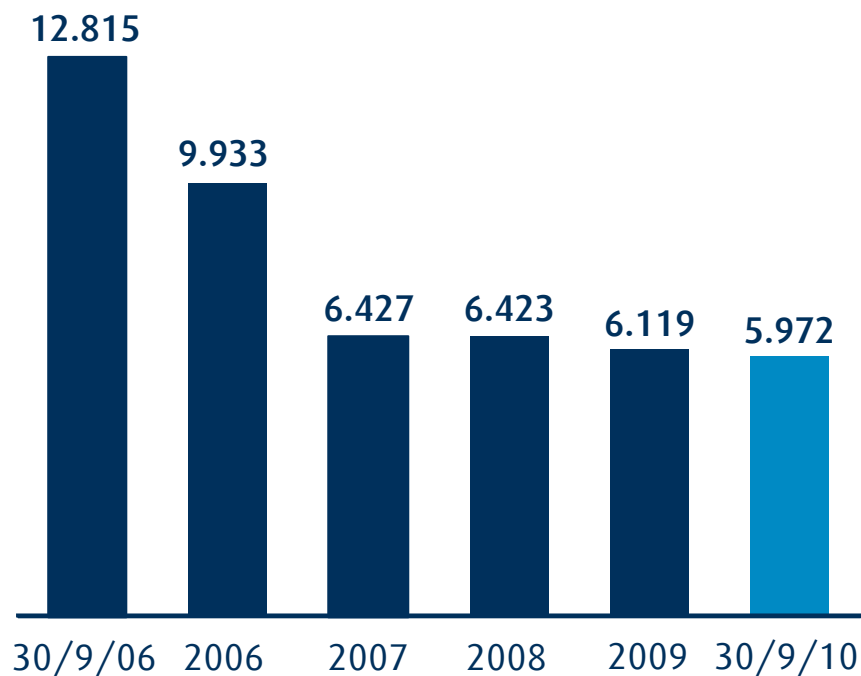
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in € million	Q1 10	Q2 10	Q3 10	9M 10	9M 09
Operating profit	641	755	749	2,145	1,741
Change in Working Capital	-98	-3	-25	-126	25
Other changes	-146	-247	-93	-486	-292
Operating Cash Flow	397	505	631	1,533	1,424
Investments in tangibles/intangibles	-223	-280	-261	-764	-766
Acquisitions/Financial investments	-6	-9	-20	-35	-81
Other	38	44	54	136	132
Investment Cash Flow	-191	-245	-227	-663	-715
Free Cash Flow before Financing	206	260	404	870	709
Interests and swaps	-22	-120	-98	-240	-230
Dividends and other changes	-1	-303	-4	-308	-334
Net debt decrease (-)/ increase (+)	-183	163	-302	-322	-145

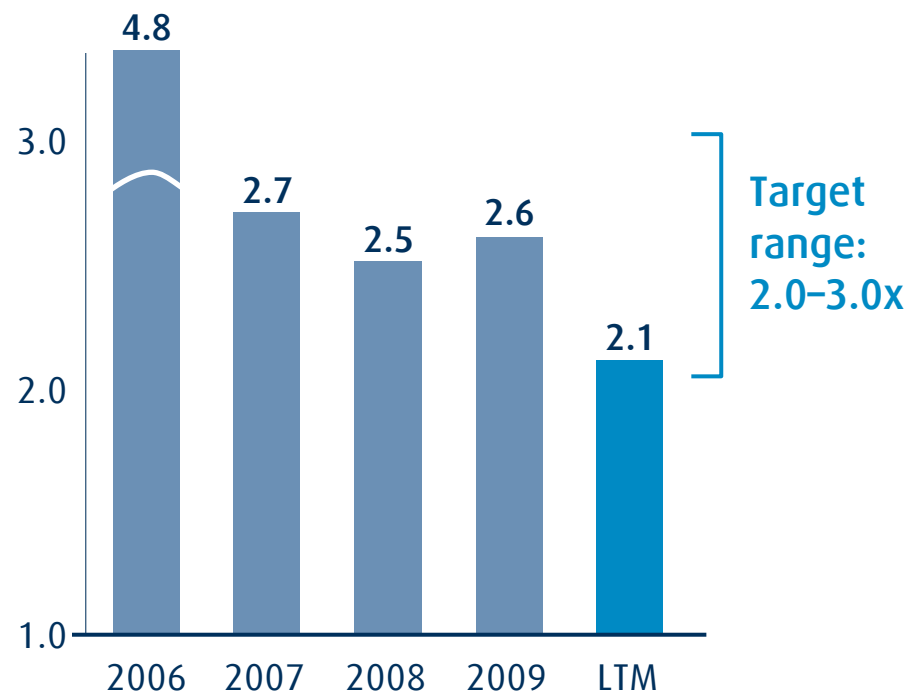
Group, solid financial position

Net debt/EBITDA ratio well within our target range of 2-3x

Net debt in € bn



Net debt/EBITDA



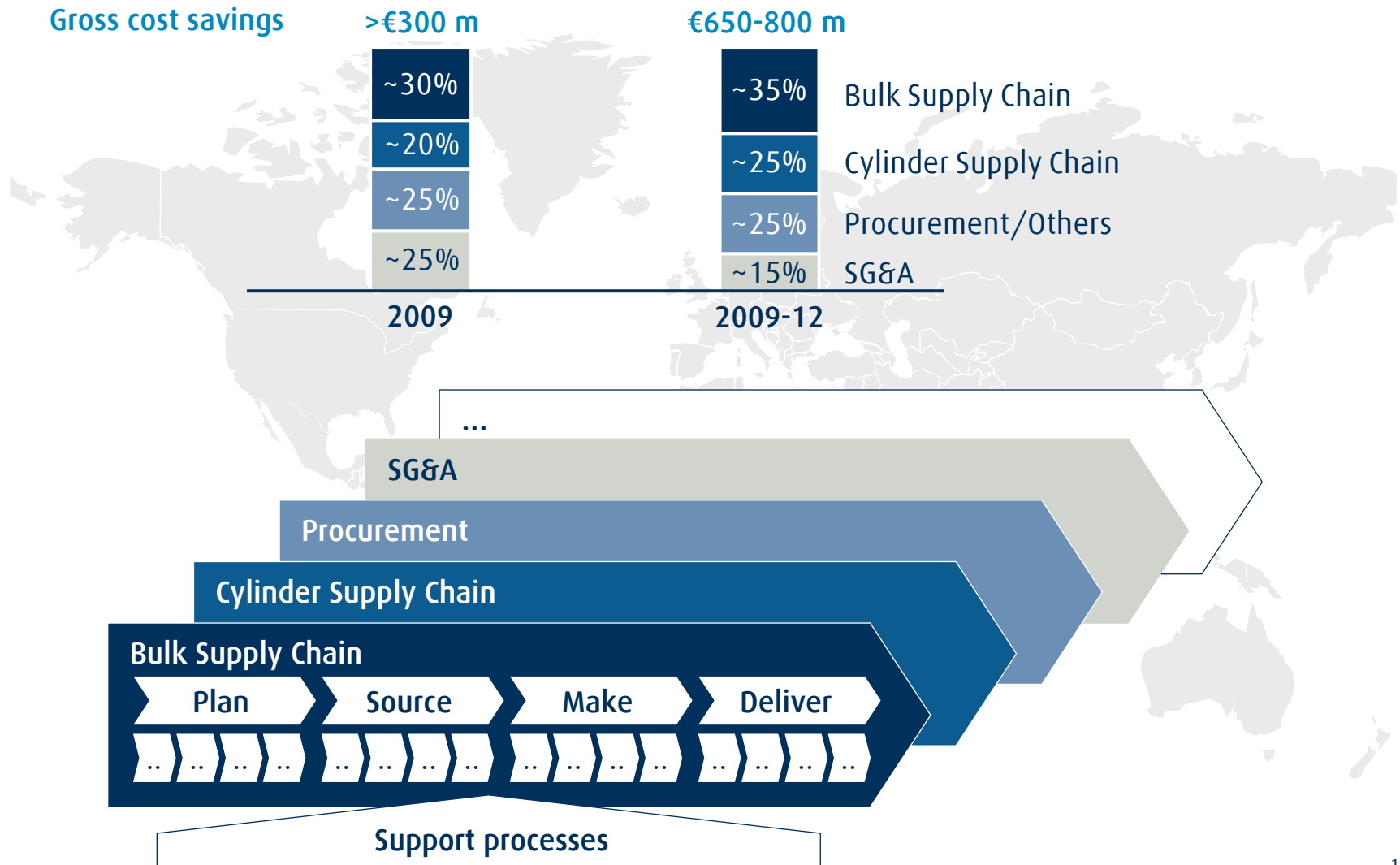
Rating upgrade by S&P and Moody's towards A- and A3 respectively, both with stable outlook

HPO (High Performance Organisation)

A holistic approach covering the full value chain in all regions



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Based on current consensus expectations for a moderate economic recovery

Group: Growth in sales and over-proportionate operating profit increase vs 2009, operating profit above record year 2008

- Capital expenditure above 2009 level
 - Confirmation of HPO programme: €650-800 m of gross cost savings in 2009-2012
-

Gases: Increase in sales and operating profit vs 2009, exceeding the record levels of 2008

- Strong project pipeline in the tonnage product area
 - Volume improvement in the bulk & cylinder product areas
 - Ongoing structural growth in healthcare
-

Engineering: Sales at least on 2009 level, operating margin of at least 10% well above our 8% target

- Order backlog provides visibility for up to two years
- Further indications of improving investment climate for our key plant types

Operational performance

- Positive business performance continues over 9M 2010
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Set-up for sustainable profitable growth

- Emerging market footprint
- Business synergies Gases and Engineering
- Energy and Environmental mega-trend
- Healthcare mega-trend

Appendix

Growth opportunities

Product portfolio serving mega-trends

Emerging Markets



Energy/Environment



Healthcare



Leveraging Gases & Engineering business synergies

Mega-trend Emerging Markets

Lower gases consumption implies structural growth potential



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Source: Spiritus Consulting market data 2007/Ifö

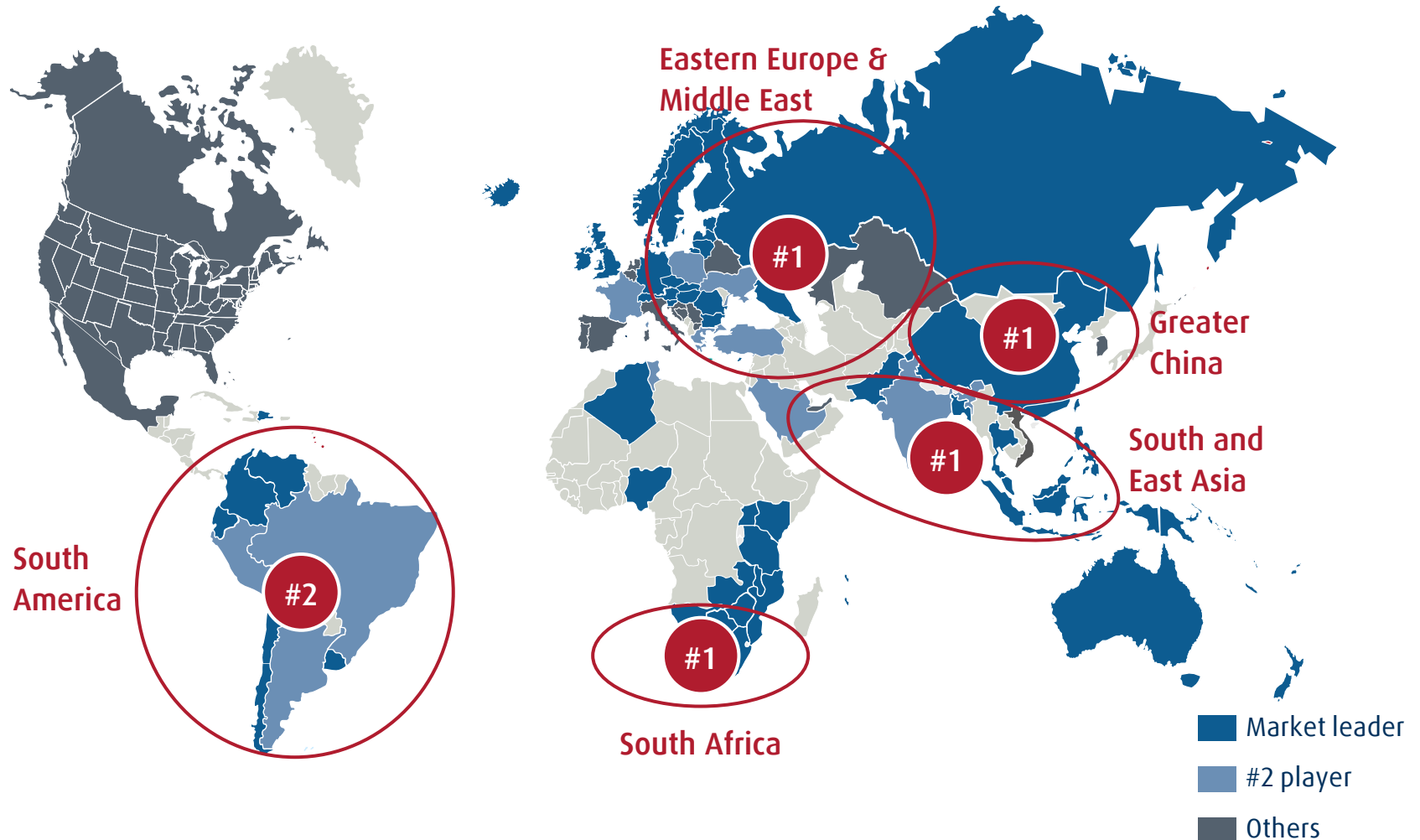
Emerging markets mega-trend driven by:

- Above-average GDP growth
- Increasing depth of gases applications
- Continuous trend towards outsourcing

Mega-trend Emerging Markets

Leading Gases set-up in local growth markets

Market leader in 4 out of 5 emerging market regions



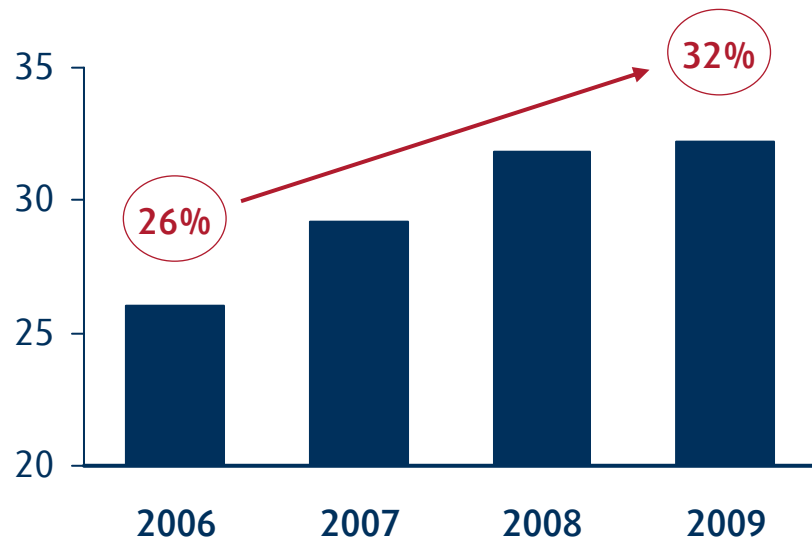
Mega-trend Emerging Markets

Growth trend leveraged by strong investment decisions

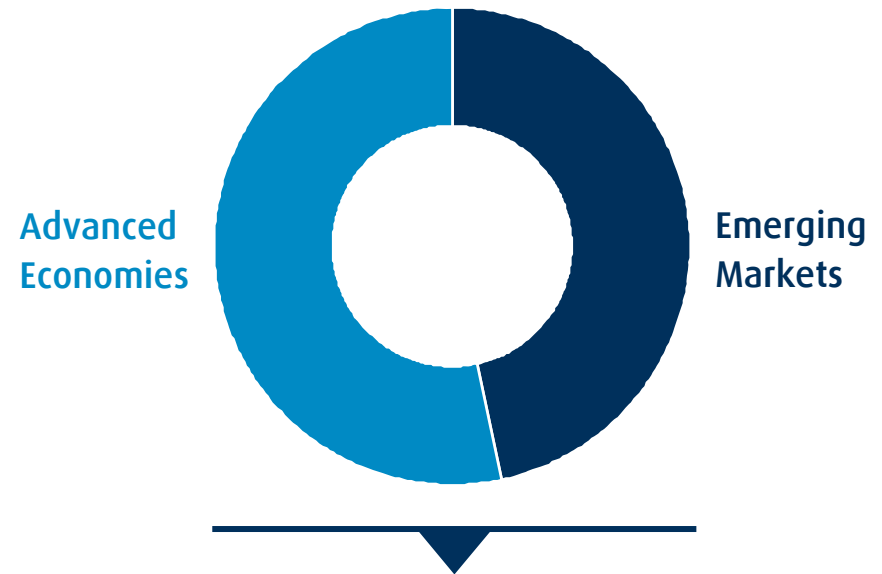


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Emerging market sales, excl. JVs (% of total Gases sales)



Gases Capex (2007-09): €3.5 bn



Strong emerging market exposure based on:

- Perfect fit between the historic strengths of BOC and Linde footprints
- Further leverage of these leading market positions through our capital allocation

Nearly half of Capex allocated to Emerging Markets already in 2007-09

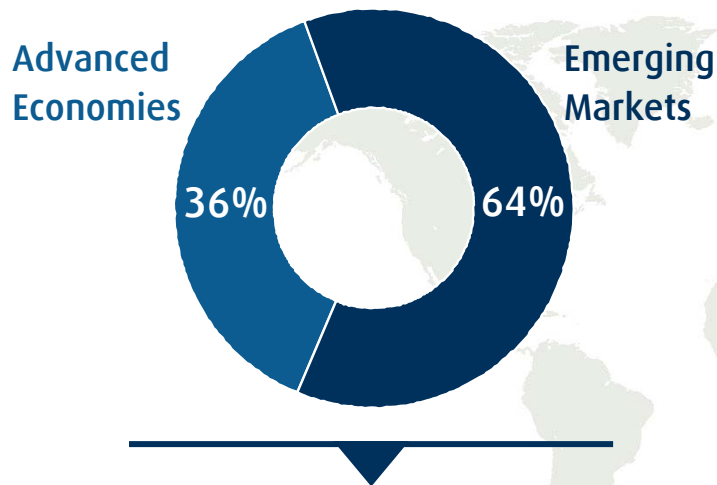
Gases Division, project pipeline

Pipeline further strengthened

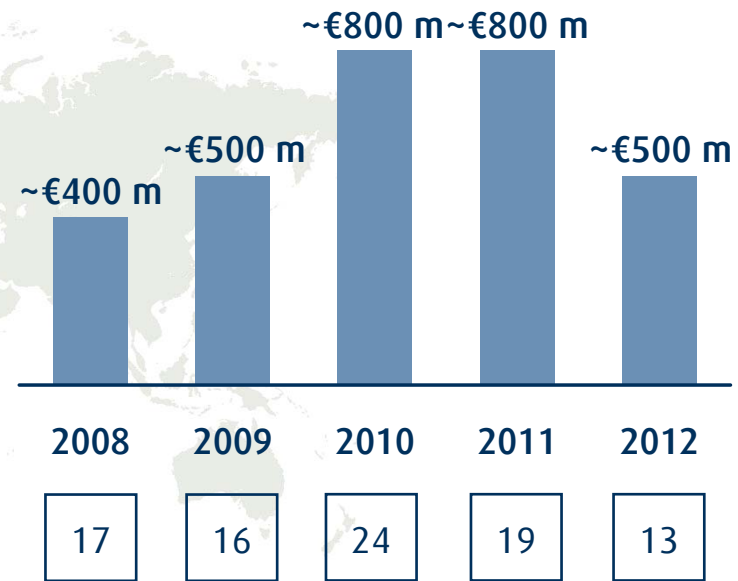
- €3 bn investments between 2008-2012 (thereof ~€0.6 bn in JVs @ share)
- Close to 70% of total project Capex allocated to emerging markets
- Additional project amount of around €100 m decided for 2011/12

21 large projects for ~€550 m decided ytd

Project amount by on-stream date (incl. JVs)



Thereof around €300 m of investments allocated to Greater China and South & East Asia ytd



(All projects > €10 m investment)

Engineering Division

Global set-up with leading market position in all segments



Air Separation Plants



Top1

Hydrogen/ Synthesis Gas Plants



Top2

Olefin Plants



Top2

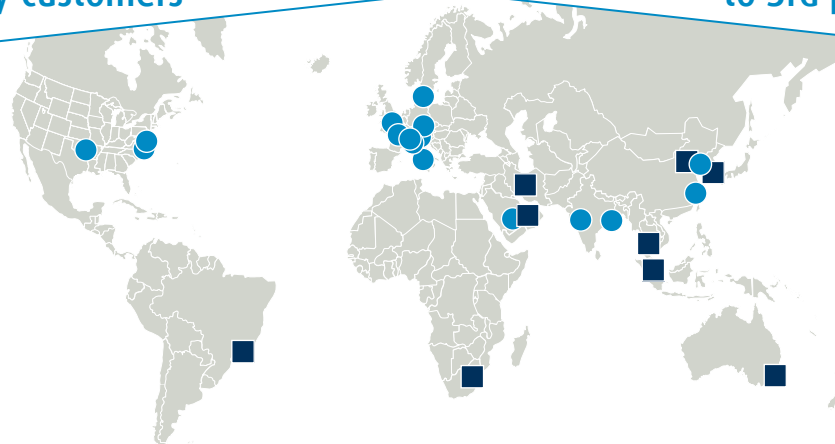
Natural Gas Plants



Top3

Providing plants for the gases business
and 3rd party customers

Providing chemistry and energy related solutions
to 3rd party customers



- Engineering base
- Sales office

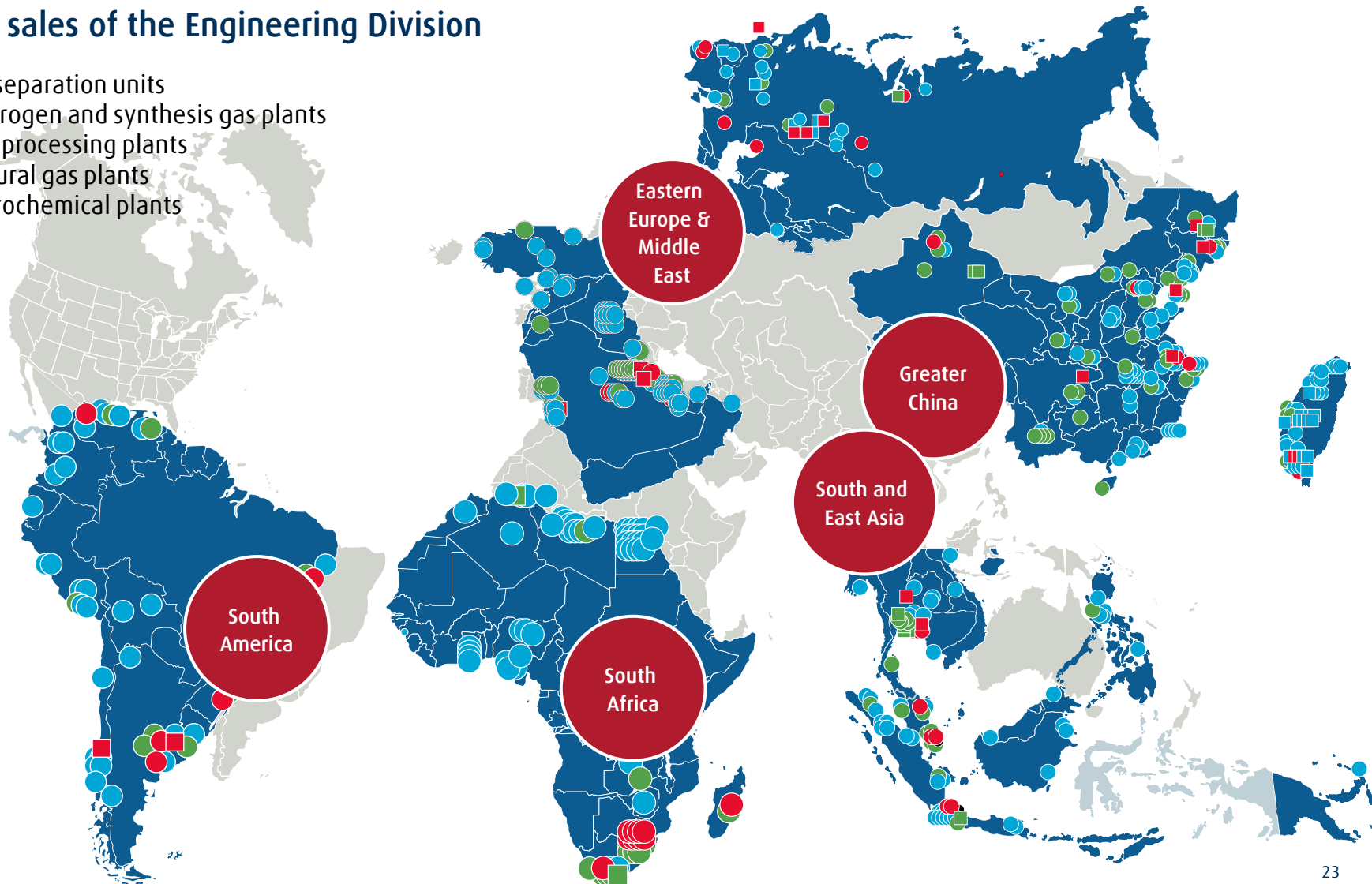
Supporting the energy/environmental mega-trend and leveraging customer relations for gas projects

Mega-trend Emerging Markets

Strong customer relationships in Engineering

Plant sales of the Engineering Division

- Air separation units
- Hydrogen and synthesis gas plants
- Gas processing plants
- Natural gas plants
- Petrochemical plants



Mega-trend Energy/Environment

Current and future growth markets for Gases & Engineering

Better use of fossil resources: Existing growth markets

Liquified Natural Gas (LNG)	Statoil plant, Hammerfest, Norway
Gas-To-Liquid (GTL)	Pearl GTL project, Qatar Shell GTL LTD
CO ₂ scrubbing	RECTISOL® CO ₂ wash, used a.o. at Hammerfest LNG plant
Clean Coal	ASUs and Rectisol for coal gasifications in China
Coal liquefaction	Tonnage contract with Bayer/SCCC ¹ in China
Enhanced Oil& Gas Recovery	Pemex Cantarell project, Mexico Adnoc Joint Venture, Abu Dhabi
Refinery Hydrogen	Tonnage contracts with Shell, EMAP, Chevron, CITGO,...

Renewable energy: Developing growth markets

Photo-voltaic	Signed Gases contracts for 6 GWp of nominal capacity
Bio to Liquids	Waste Management JV plant started up in 2009
Biomass-Conversion	Choren/Sun Fuel Pilot Project, Germany
Geothermal	Turbines for geothermal project in France
Automotive Hydrogen	H2 Mobility Initiative launched with key industrial partners

Clean energy: Future growth markets

OxyFuel	Vattenfall Pilot Project, Schwarze Pumpe, Germany
Post-comb. CO ₂ capture	RWE/BASF Pilot Project, Niederaussem, Germany
CO ₂ handling	Recycling CO ₂ (OCAP, Nld) CO ₂ SINK, Ketzin, Germany Statoil LNG plant, Norway

Higher efficiency in energy use: Sustained growth in traditional end markets

REBOX® oxy-fuel (steel), WASTOX® (aluminium), Oxygen burner (glass), Water Treatment, ...

¹ Shanghai Cooking & Chemical Corporation

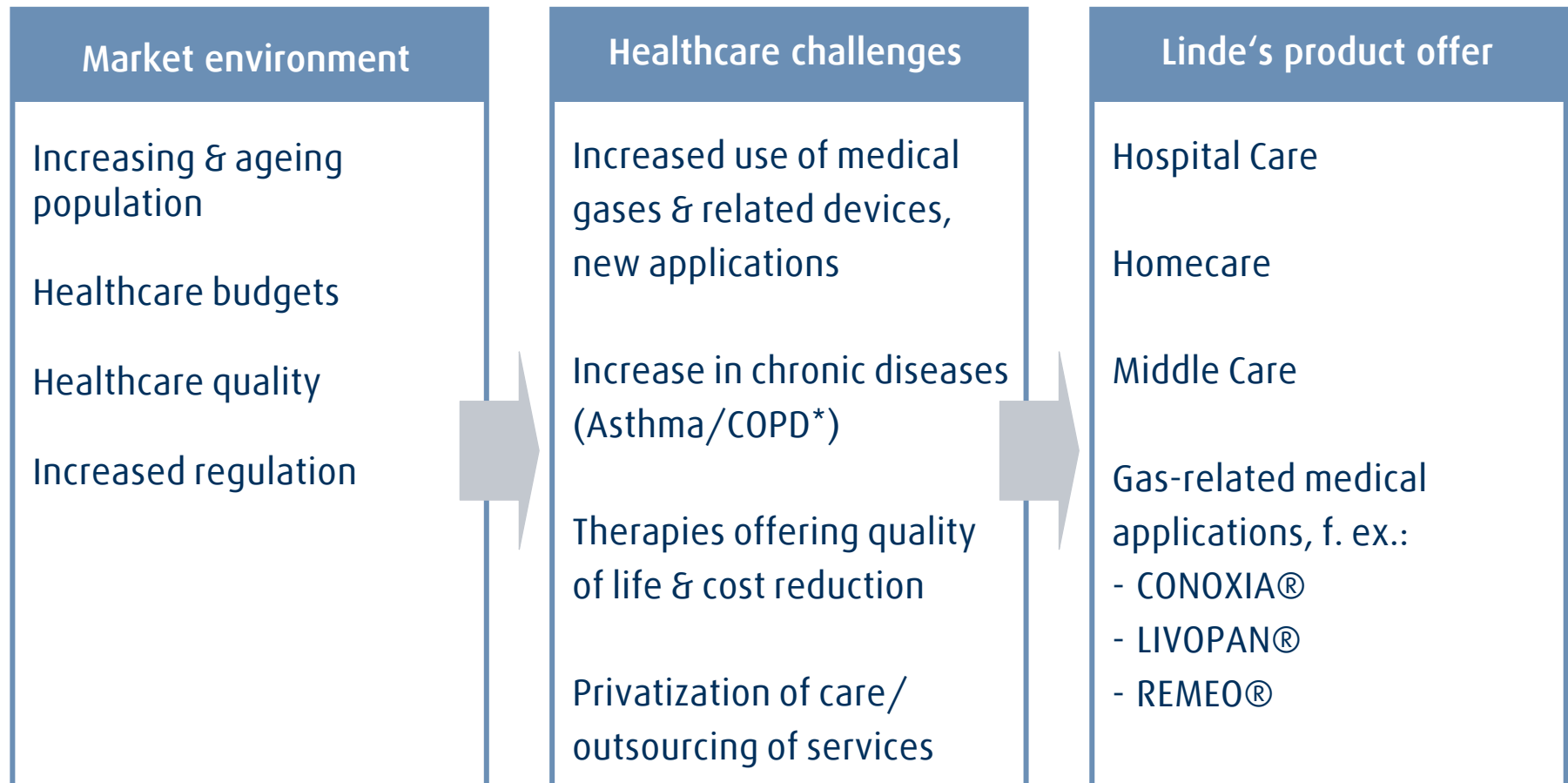
Mega-trend Healthcare

Long-term potential for medical gases & related services



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Global healthcare systems face interrelated & structural trends



*Chronic Obstructive Pulmonary Disease

On track towards new record earnings in 2010

Double-digit increase in group sales and operating profit per end of September
Strong margin improvement of 190 bp supported by HPO savings
Group operating profit set to exceed the 2008 record level

Competitive set-up for sustainable profitable growth

Strong market position in emerging markets
Leveraging business synergies of Gases & Engineering
Focus on mega-trends Energy/Environment and Healthcare
Based on sustainable cash flow generation and solid long-term financing

HPO is more than a pure cost cutting program

Process standardisation mirrored with an integrated IT platform strategy
Performance culture targeting continuous improvement throughout our organisation
Business set-up and company culture for sustainable, profitable growth

Operational performance

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Set-up for sustainable profitable growth

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Group Financial Highlights

9M 2010



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in € million	9M 09	9M 10	in %
Sales	8,313	9,405	+13.1
Operating profit	1,741	2,145	+23.2
Margin	20.9	22.8	+190 bp
EBIT before PPA depreciation	1,079	1,424	+32.0
PPA depreciation	221	191	-
EBIT	858	1,233	+43.7
Financial Result	-247	-230	-
Taxes	155	255	-
Net income	456	748	+64.0
Net income – Part of shareholders Linde AG	417	698	+67.4
EPS in €	2.47	4.13	+67.2
Adjusted EPS in €	3.38	4.88	+44.4

Group Financial Highlights

Q3 2010

in € million	Q3 09	Q3 10	in %
Sales	2,837	3,301	+16.4
Operating profit	637	749	+17.6
Margin	22.5	22.7	+20 bp
EBIT before PPA depreciation	410	502	+22.4
PPA depreciation	75	66	-
EBIT	335	436	+30.1
Financial Result	-89	-79	-
Taxes	64	92	-
Net income	182	265	+45.6
Net income – Part of shareholders Linde AG	169	253	+49.7
EPS in €	1.00	1.50	+50.0
Adjusted EPS in €	1.32	1.73	+31.1

Gases Division, product areas

Various distribution mix served from one product source



- 15-year take-or-pay contracts (incl. base facility fees)
- Add. growth in JVs & Embedded Finance Lease projects

Tonnage
Global #2

Healthcare
Global #2



- Hospital care & Homecare
- Bulk & cylinder gases
- Structural growth



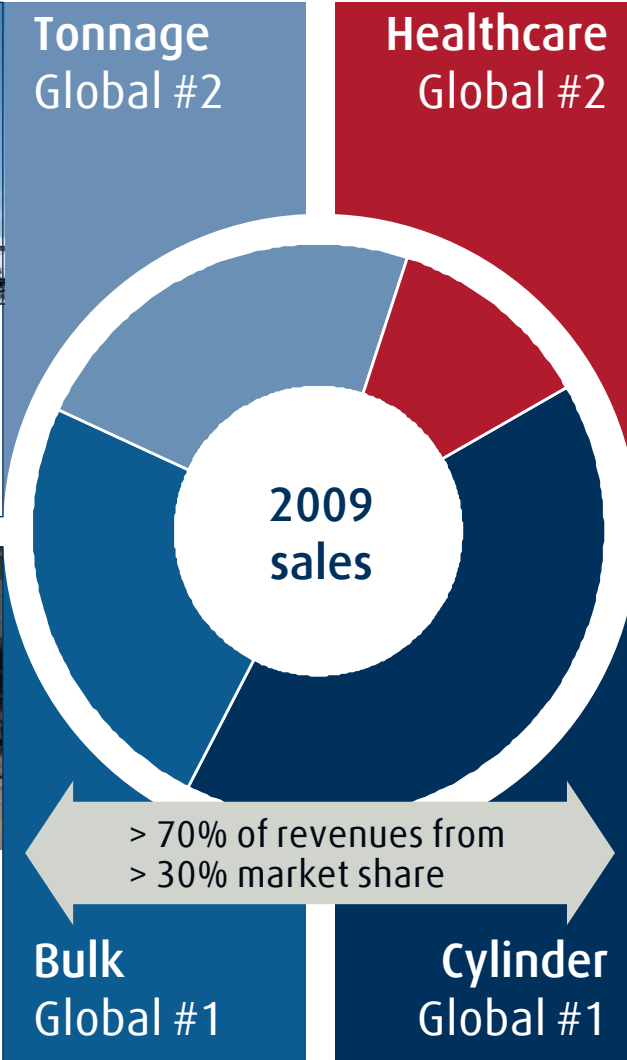
- Multi-year contracts
- Application-driven

Bulk
Global #1

Cylinder
Global #1



- High customer loyalty
- Includes specialty gases
- Cylinder rentals



2009 sales

> 70% of revenues from
> 30% market share

Gases Division, local business model

70% of revenues come from a leading market position

In bulk & cylinder: >70% of revenues from >30% market share positions

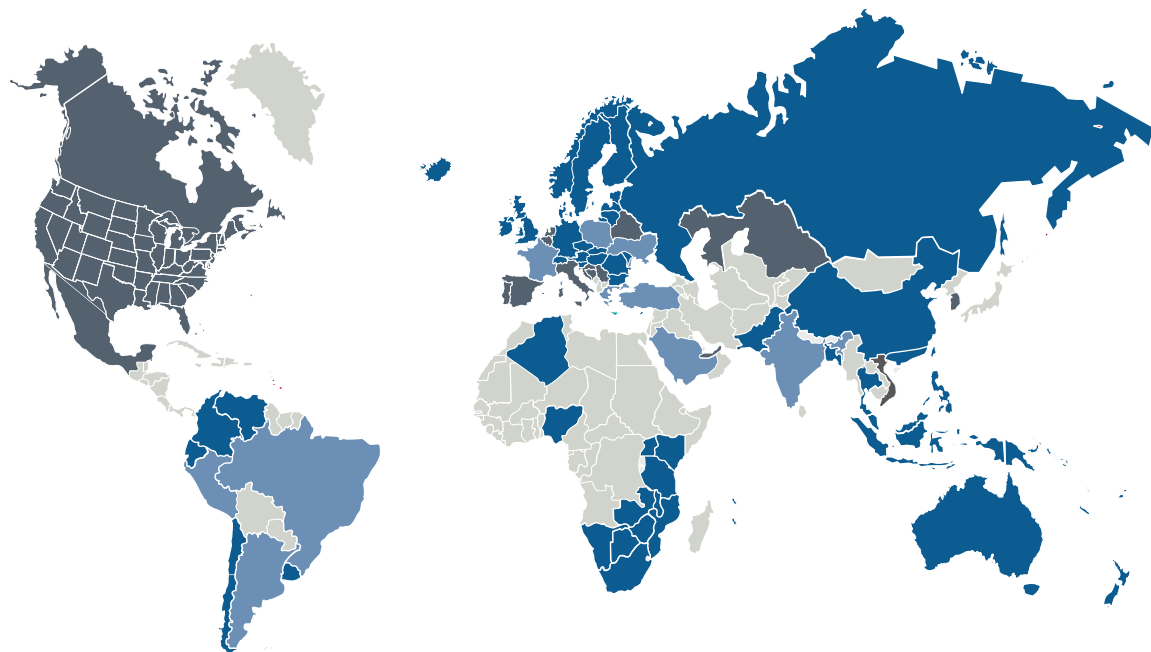
Sales split by market shares

Market leader in 46 of the 70 major countries,
#2 Player in another 10

€8.9 bn*



70%



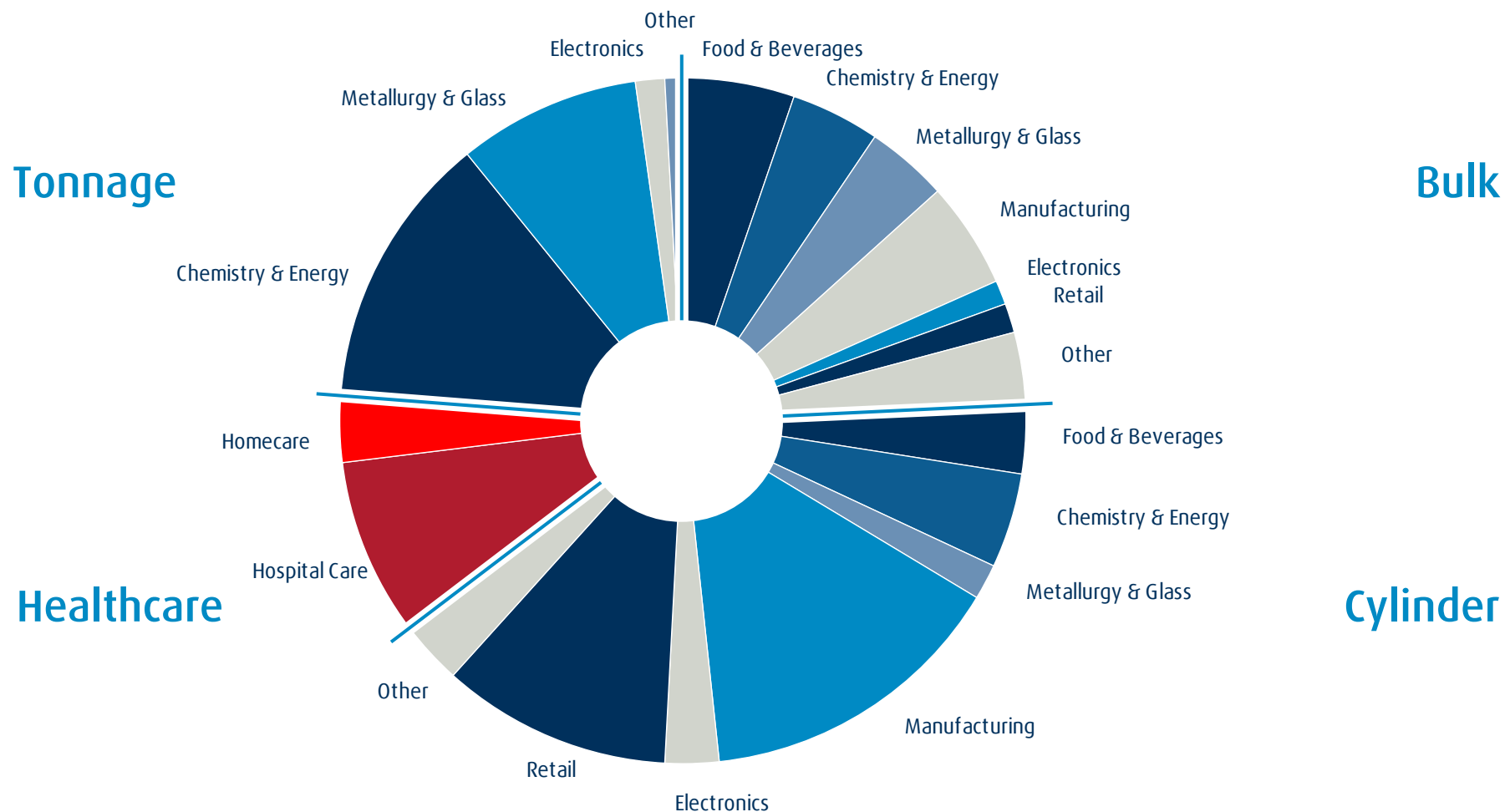
- Market Leader
- #2 Player
- Others

*FY 2009

Gases Division

Stability driven by a broad customer base

2009: Split of product areas by major end-customer groups



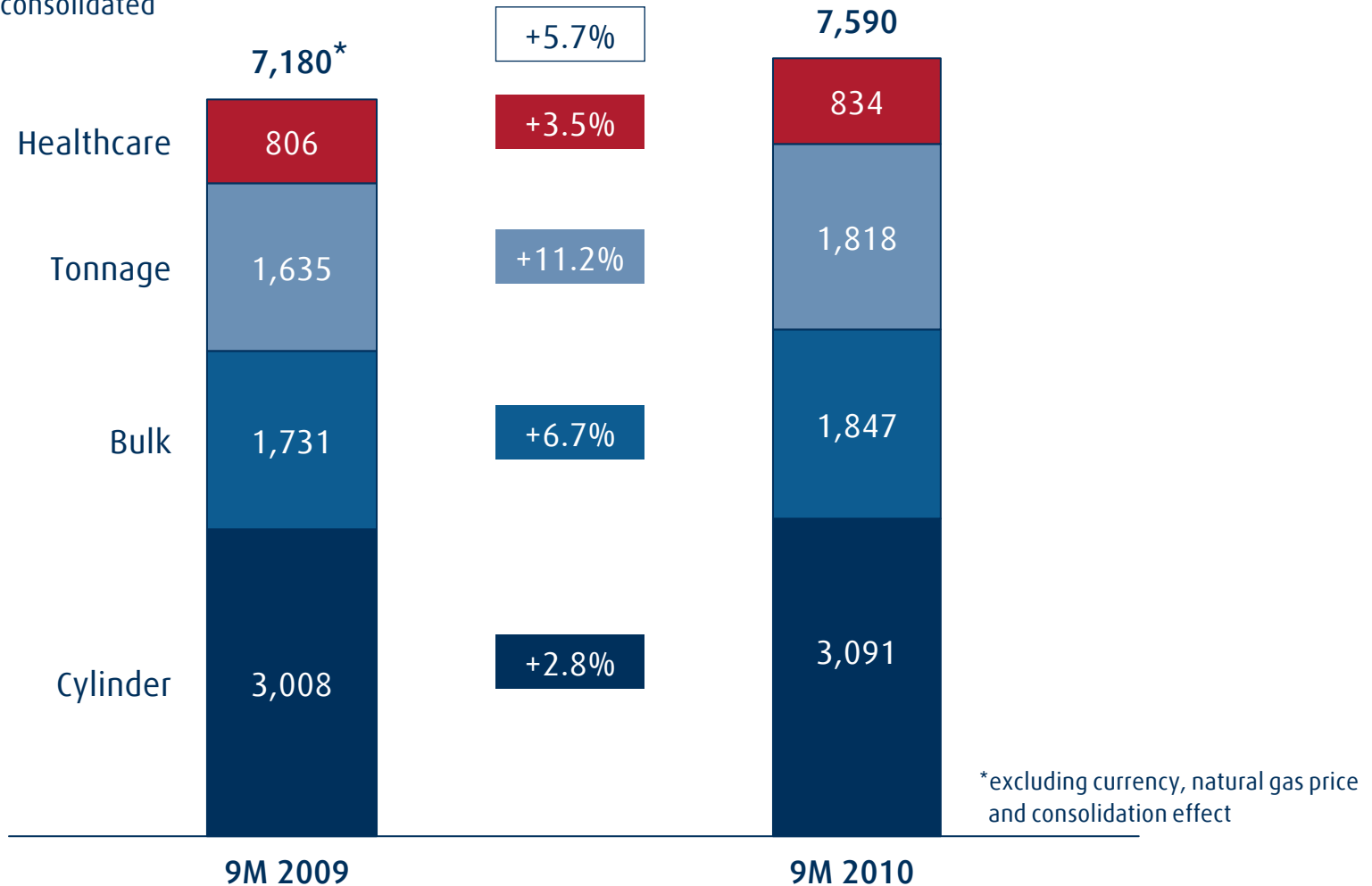
Gases Division, sales by product areas

Business environment further improving in all product areas



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in € million,
comparable*, consolidated

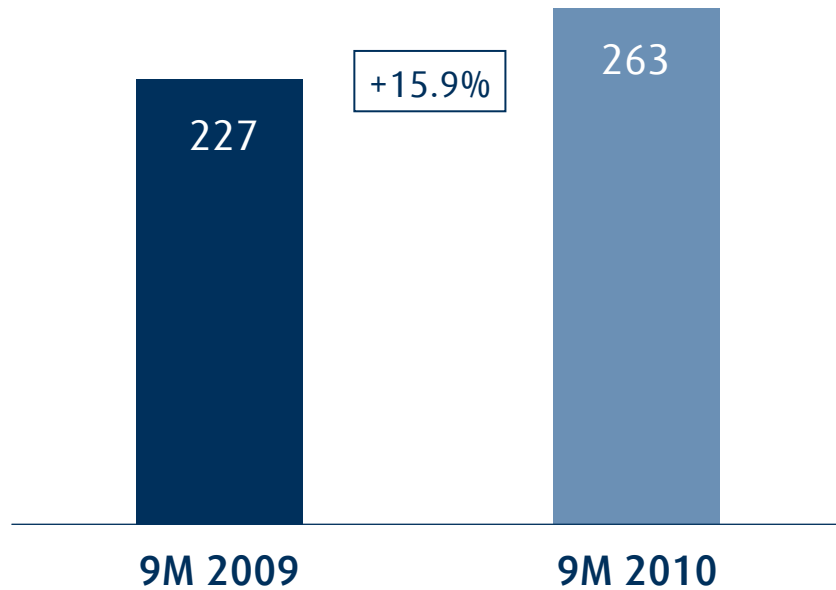


Gases Division, Joint Ventures

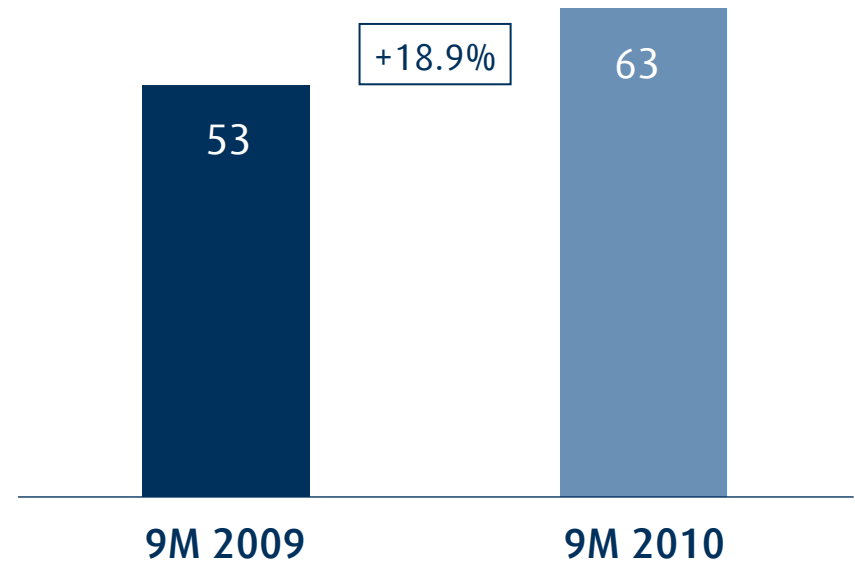
Asian projects drive growth of our JV sales

in € million

Proportionate Sales (not incl. in the Group top-line)



Share of Net Income (contribution to operating profit)



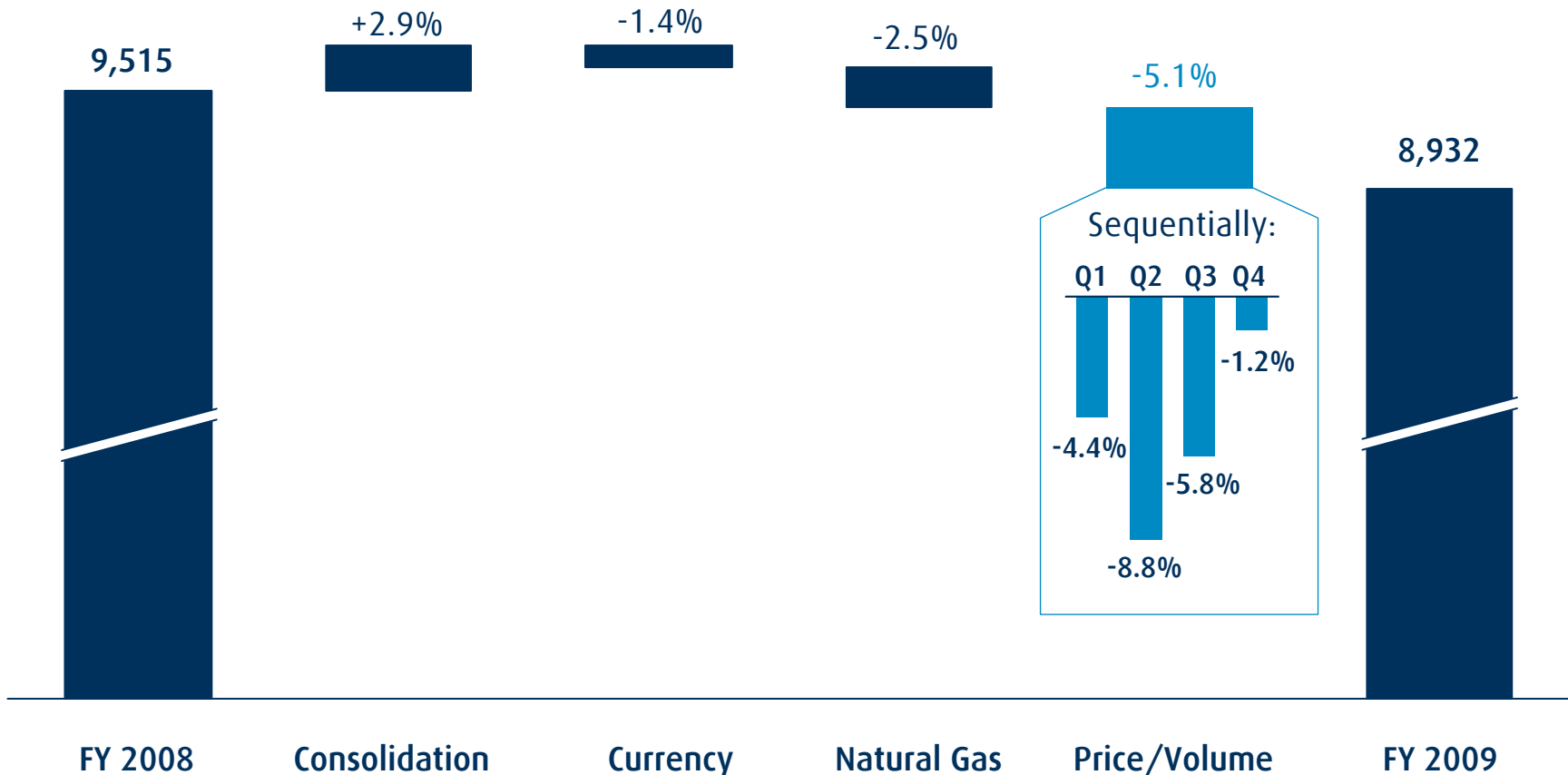
Gases Division, 2009 sales bridge

Limited sales decline of 5.1% on comparable basis



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in € million



Engineering Division, financial track record

Leading market position in all segments

Air Separation Plants



Top 1

- Products:
- Oxygen
 - Nitrogen
 - Rare gases

Main competitors:
Air Liquide, Air Products, Praxair

Hydrogen and Synthesis Gas Plants



Top 2

- Products:
- H₂/CO/Syngas
 - Ammonia
 - Gas removal
 - Gas purification

Main competitors:
Technip, Haldor Topsoe, Lurgi, Uhde

Olefin Plants



Top 2

- Products:
- Ethylene
 - Propylene
 - Butadiene
 - Aromatics
 - Polymers

Main competitors:
Technip, ABB Lummus, Stone & Webster, KBR, Toyo

Natural Gas Plants

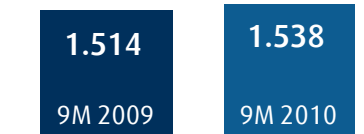


Top 3

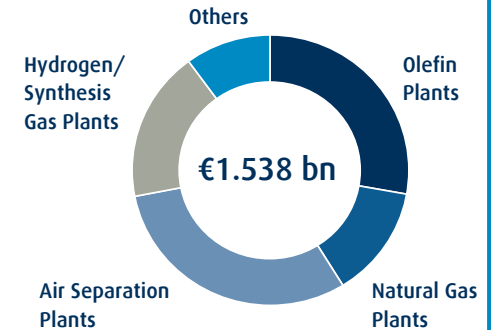
- Products:
- LNG
 - NGL
 - LPG
 - Helium

Main competitors:
Chiyoda, Bechtel, JGC, KBR, Technip, Snam, Air Products

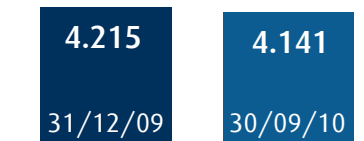
Order intake, € bn



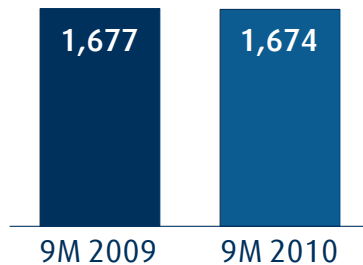
9M 2010 order intake by segment



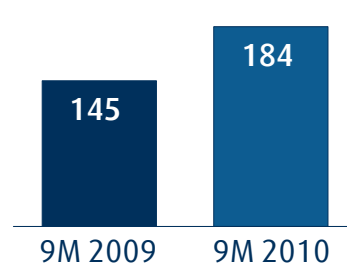
Order backlog, € bn



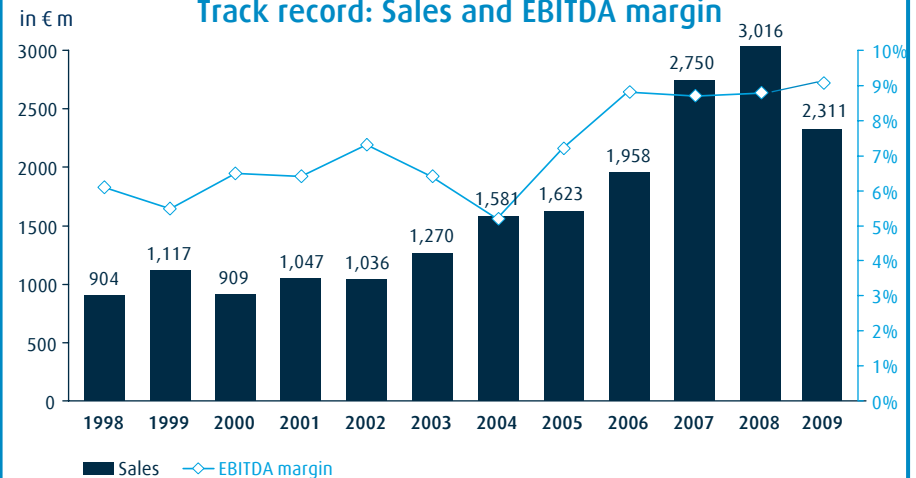
Sales, € m



Operating Profit, € m



Track record: Sales and EBITDA margin



From 2009 Quick-start initiatives (Examples) ...

Additional plants rolled into existing Remote Operating Centres (ROCs)

Harmonisation and capability enhancements of existing logistic systems

Pilots to explore and validate best-practice optimisation levers for cylinder filling

Further roll-out of category management resulting in, e.g., increased sourcing from low-cost countries

Further automation and standardisation of management reporting

... to Leading processes by 2012 (Examples)

All plants controlled via Regional and Global ROCs using advanced control systems

One common platform for scheduling and routing in all geographies

Most filling plants employing best-practice processes, optimised plant layout, and uniform performance measurement and management

Harmonised processes, tools & standards across the Group to fully realise the benefits of Linde's buying power

Highly efficient transactional processes in Sales and Administration functions

Better leverage synergies between our Gases and Engineering Divisions

- Higher standardisation of ASUs: focus on a limited number of plant types
- Lower lead times: reduced delivery times to less than 24 months
- Lower costs: cut of total installed costs by more than 20%
- Thus making offerings of the Gases Division more attractive to its customers

Support productivity gains by further process excellence in the organisation

- Shared best practices in contract management
- Further improved pricing performance by leveraging best practices

Invest in our employees

- People excellence: make every individual a High Performer in his activity field

Group, FY 2009

Cash flow statement

in € million	Q1 09	Q2 09	Q3 09	Q4 09	2009	2008
Operating Profit	538	566	637	644	2,385	2,555
Change in Working Capital	-37	47	15	135	160	-197
Other changes	-89	-184	-69	-61	-97	-253
Operating Cash flow	412	429	583	718	2,142	1,876
Investments in tangibles / intangibles	-267	-276	-223	-338	-1,104	-1,404
Acquisitions / Financial investments	-60	-9	-12	-5	-86	-213
Other	45	31	56	68	200	345
Investment Cash flow	-282	-254	-179	-275	-990	-1,272
Free Cashflow before financing	130	175	404	443	1,152	604
Financing activities	-41	-416	-107	-66	-630	-712
Net debt increase (+) / reduction (-)	-89	241	-297	-377	-522	108

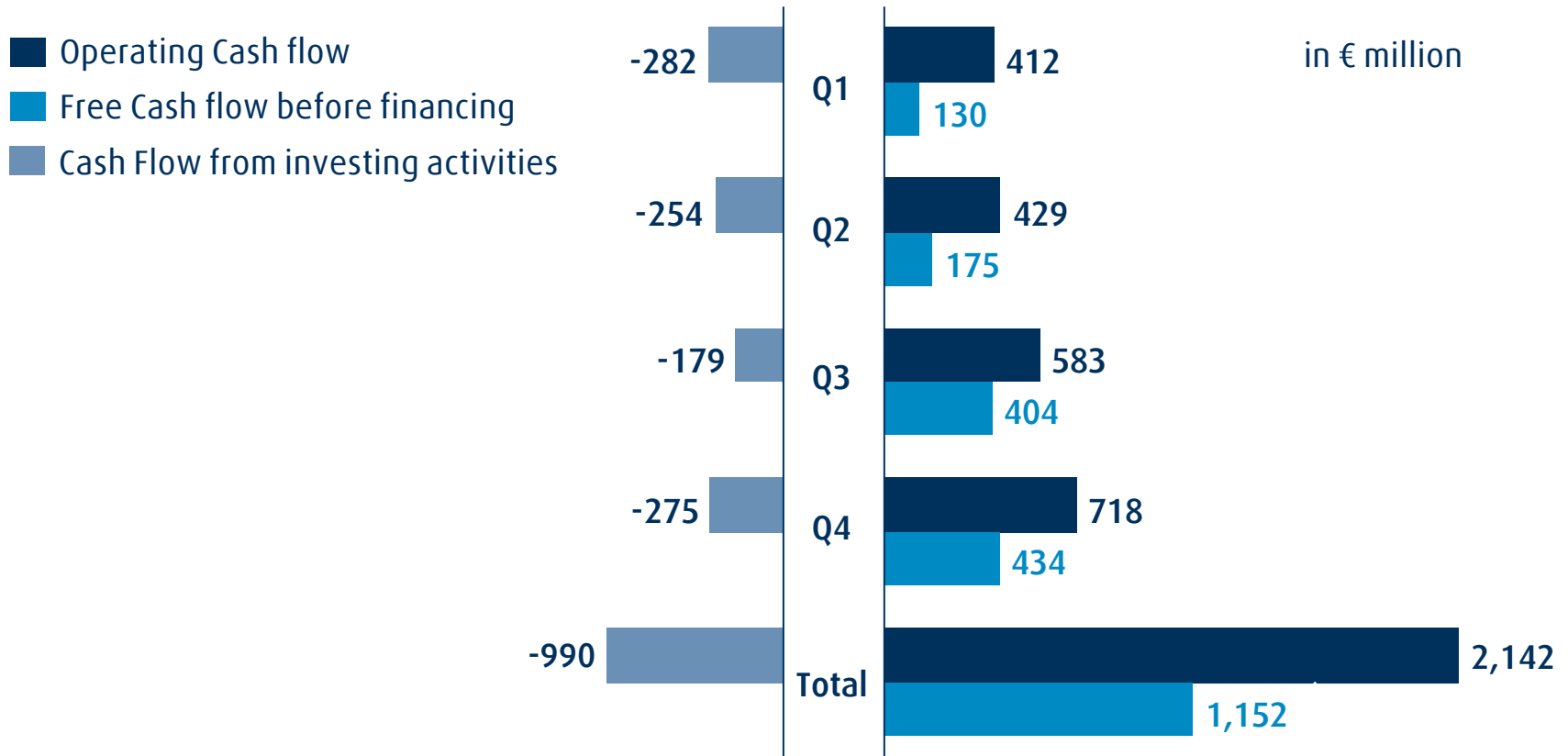
Group, 2009 Cash Flow

Strong free cash flow generation in the crisis



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Tight discretionary capex management leaves more than €1 bn free cash flow before financing



Group, 2009 Cash Flow

Balanced use between growth, deleveraging and dividends

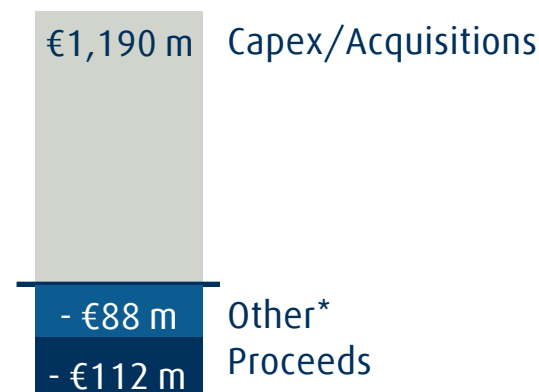
Invest for sustainable profitable growth

- Strong capex discipline on Merchant investments
- Commitment to contracted tonnage projects
- Bolt-on acquisitions in attractive growth markets

Capex/Sales	Group	Gases
2008	11.6%	15.2%
2009	10.1%	11.5%

→ In line with our mid-term 13% target ratio

Investing Cash Flow: €990 m



Balanced use of Free Cash Flow after Capex

- Maintained stable reflecting the resilient operating performance through the crisis
- Market environment allowed significantly lower interest costs on variable-rate debt
- Cash redemption not fully visible in the net debt development due to adverse currency effects

Free Cash Flow before financing: €1,152 m

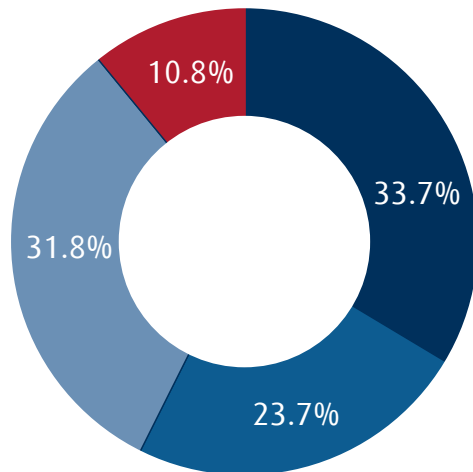


* Includes payments for investments in current financial assets; and reconciliation of posted capex and the cash out for capex

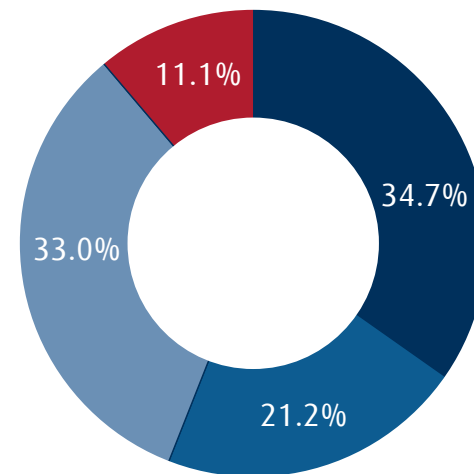
Gases Division, 2009 Capex

Capex split by operating segments (excl. financial assets)

2009: €1.029 bn



2007-09: €3.542 bn



■ Western Europe ■ Americas ■ Asia & Eastern Europe ■ South Pacific & Africa

Group, solid financial position

Stable long-term financing

Well-spread maturity profile

Regular issues have continuously lengthened our refinancing schedule

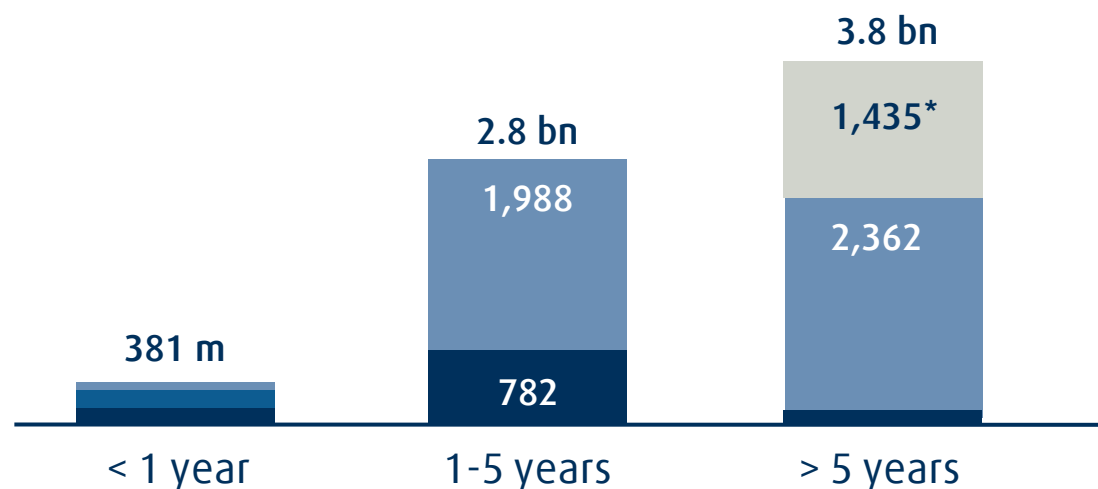
95% of total financial debt is due beyond 2010

55% of total financial debt has a longer maturity than 5 years

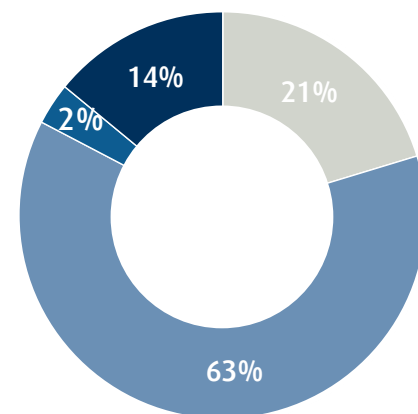
Balanced mix of various financing instruments

Long-term capital market financing: bonds cover > 80% of financial debt

Financial debt, by maturity (in € m, Σ bn), as of 31/12/09



Financial debt, by instrument



- Senior Bonds
- Subordinated Bonds
(*callable in 2013/2016)
- Commercial Paper
- Bank Loans

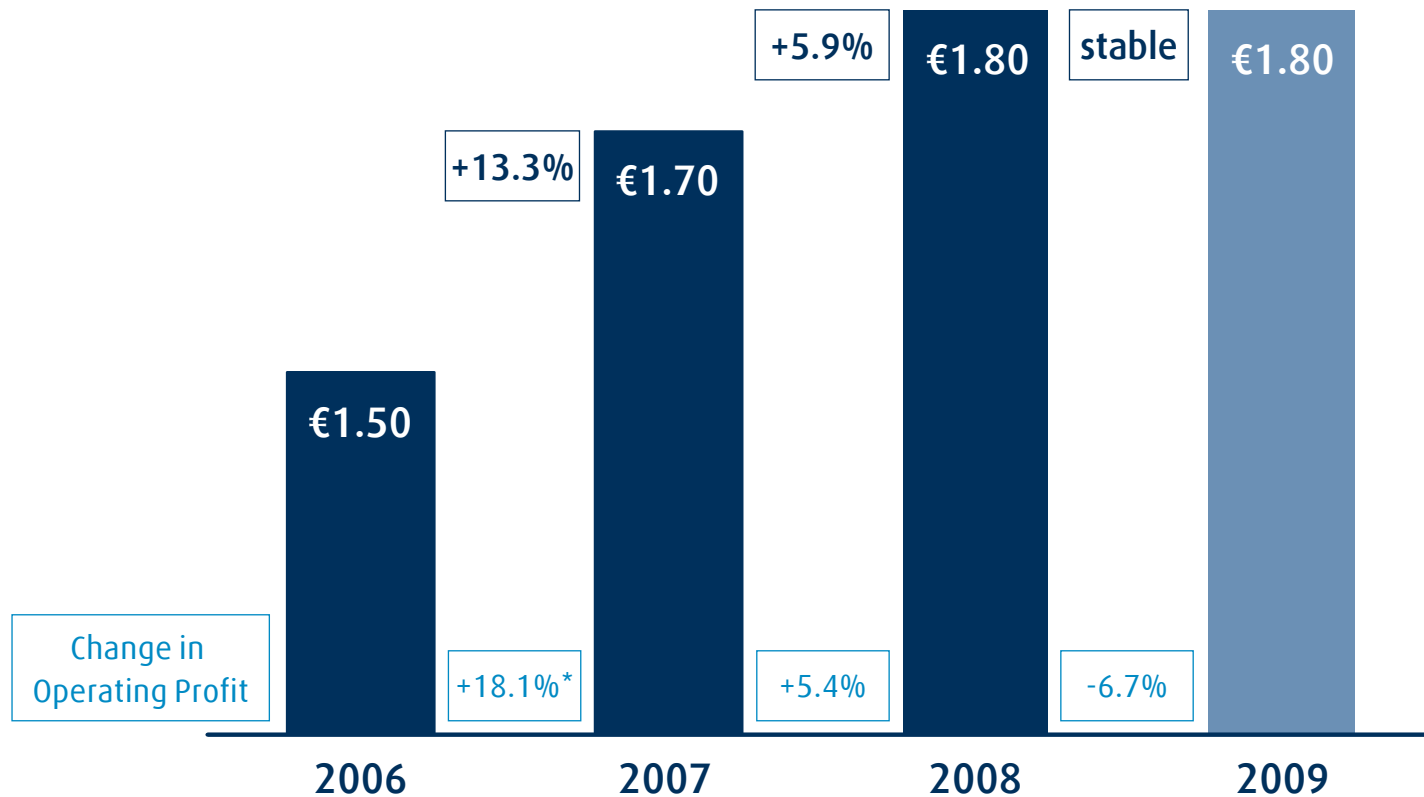
Group, Dividends

Dividend unchanged of €1.80



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Consistent dividend policy

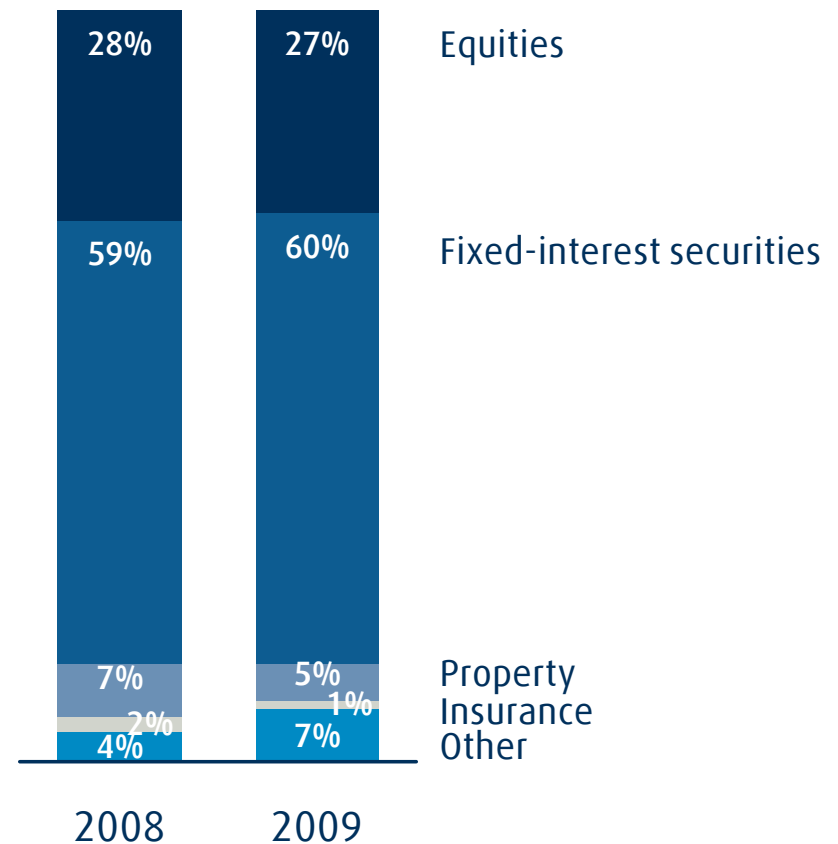


* Comparable change: prior year figures including twelve months of BOC

Net obligation

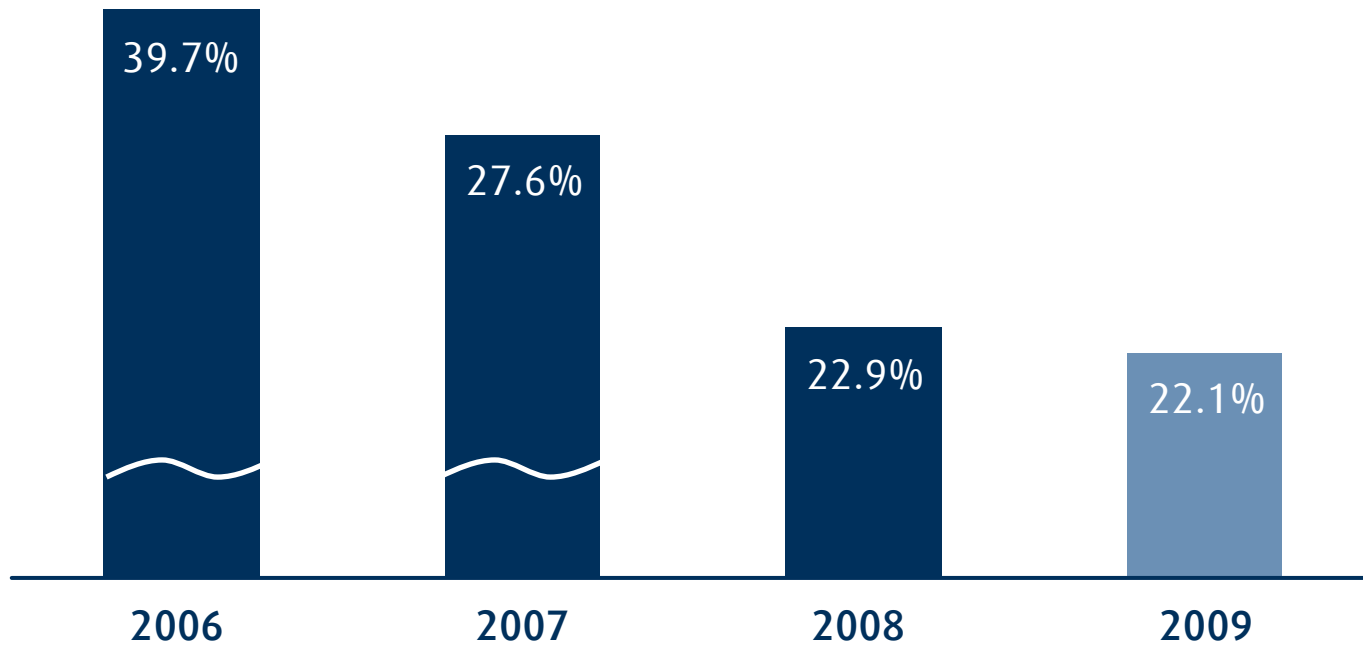
in € million	DBO	Plan asset	Net obligation
01.01.2009	4,097	3,453	644
Service costs	77		77
Net financing	238	195	43
Actuarial gains/losses	514	253	261
Contributions/payments	-227	-45	-182
FX	235	228	7
Other	-190	-188	-2
31.12.2009	4,744	3,896	848

Pension plan assets portfolio structure



Group, Tax

Development of tax rate



Target range for 2010: 24-26%

Group

Reconciliation of Capital Employed



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in € million	31.12.2008	31.12.2009			
	Key Financial Figures	As reported	Non-GAAP adjustment	Key Financial Figures	Effects
Equity incl. minority interest	7,116	9,187	-952	8,235	PPA and disposal effects
Plus: net debt	6,423	6,119		6,119	
Plus: liabilities from financial services	34	28		28	
Less: receivables from financial services	746	645		645	
Balance of financial debt	5,711	5,502		5,502	
Net pension obligations	681	887		887	
Capital employed	13,508	15,576	-952	14,624	
Average Capital employed	13,696	15,109		14,066	
Return on Capital Employed (ROCE)	12.4 %	7.7 %		10.4 %	

Group

Reconciliation of EPS

in € million	31.12.2008	31.12.2009			
	Key Financial Figures	As reported	Non-GAAP adjustment	Key Financial Figures	Effects
EBIT before special items	1,703	1,167	293	1,460	PPA
Taxes on income	-342	-185	-112	-297	deferred taxes on PPA
Earnings after taxes and minority interest	917	591	181	772	
EPS (in €)	5.46	3.51		4.58	
Weighted average no. of shares (in million)	167,8	168,6		168,6	

Group, Purchase Price Allocation

Confirmation of expected Depreciation & Amortisation

Development of depreciation and amortisation (in € million)

Impact in 2009: €293 million

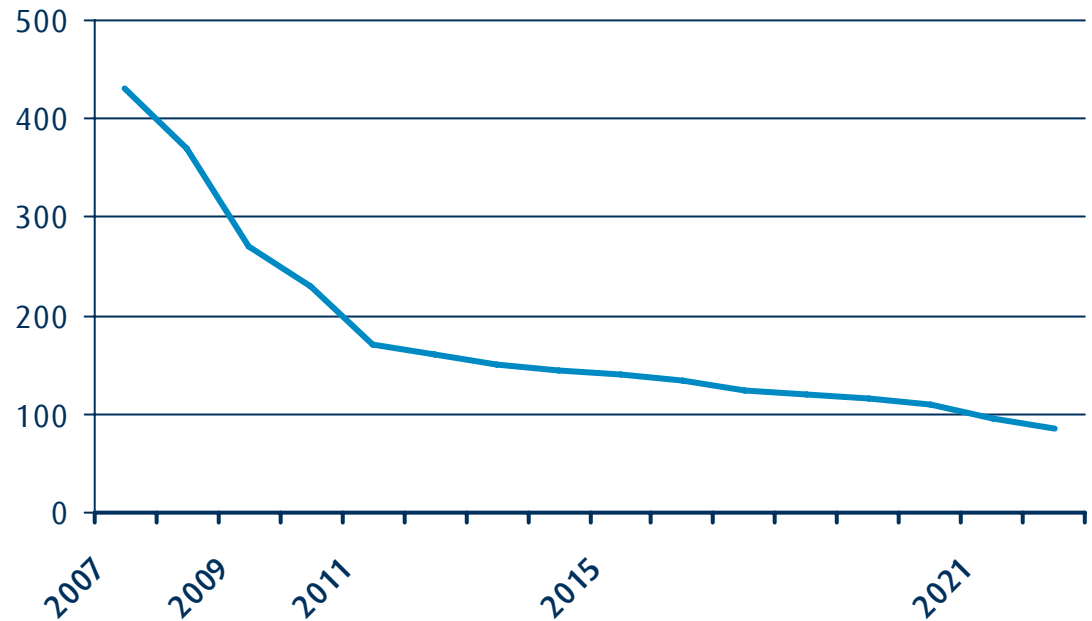
Expected range

2010	> 200 - 250
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2011	> 175 - 225
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...

2022	< 100
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Group, 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 2009: **€-120 million**

Receivables from Financial Services (= PV of minimum lease payments):

31/12/2009	€645 million
31/12/2008	€746 million

Important considerations:

- EBITDA multiple comparison with peers needs to be adjusted for IFRIC 4
- Reported operating profit margin for Gases Division in 2009 is 100 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

in € million	Gross investment	PV of minimum lease payments
Due within 2010	112	75
Due within one to five years	395	279
Due in more than five years	346	291
Total	853	645

↑
↑
 Future reduction in Sales and EBITDA Amortization of lease receivable

Purchase Price Allocation (PPA)

Impact in 9M 2010: €191 m (9M 2009: €221 m)

Expected impact FY 2010: €200-250 m

Background:

- The difference between the purchase cost of BOC and related acquisitions in Asia and their net asset value has been allocated to assets on the Linde balance sheet (for BOC, see Linde 2007 annual report, p. 99).
- The revaluation of these assets leads to additional depreciation and amortisation charges according to the useful life of the assets.
- Goodwill is not amortised but subject to a yearly impairment test.
- Depreciation & Amortisation from PPA is excluded from the calculation of Adjusted EPS.

IFRIC 4: Embedded Finance Lease (EFL)

Impact* in 9M 2010 : €-89 m (9M 2009 : €-94 m)

Expected impact* FY 2010: €-123 m *(on Sales and EBITDA)

Background:

- Tonnage contracts dedicated to one single customer (> 95% of sales), who covers all major market risks, have to be treated under IFRS like an embedded finance lease.
- The related cash flow streams are therefore no more booked as sales and operating profit but recognised as amortisation of financial receivables in the balance sheet and financial income in the P&L.
- EBITDA multiple comparison with peers needs to be adjusted for IFRIC 4
- Very minor impact on EPS, no impact on Free Cash Flow

Definition of financial key figures



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Operating Profit	Return	EBITDA (incl. IFRIC 4 adjustment) excl. finance costs for pensions excl. non-recurring items incl. share of net income from associates and joint ventures
	adjusted ROCE	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 +/- non-recurring items
	Shares	average outstanding shares

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