

Analyst Conference

March 27, 2002



Group Summary

- Good performance in a very challenging market environment
- Earnings oriented policy across all business segments
- Technological leadership and focused approach leave Linde well positioned for further growth



- Sustained growth in sales
- Operating profit of the three Business Segments plus 10.6 percent
- Higher centrally allocated corporate cost
- Results in line with forecast

Amount in million €	2001	2000	Change %
Sales	9,076	8,450	7.4 %
EBITDA	1,375	1,345	2.2 %
Depreciation	- 580	- 570	1.8 %
EBITA	795	775	2.6 %
Amortization of Goodwill	-108	-107	0.9 %
EBIT	687	668	2.8 %
Net Interest	-182	-187	- 2.7 %
EBT	505	481	5.0 %
Taxes	- 216	- 207	4.3 %
Net Income	289	274	5.5 %

Key numbers

Amount in million €	2001	2000	Change %
ROCE	9.0 %	9.8 %	
EPS before Goodwill	2.39	2.29	4.4 %
EPS after Goodwill	3.30	3.18	3.8 %
Cash flow*	981	903	8.6 %
Cash flow per share	8.23	7.57	8.7 %
Capex	717	979	- 26.8 %
Change in working capital	58	-198	
Capital employed (average)	8,198	7,564	8.4 %

* Adjusted for 2000



Gas and Engineering



- Combination of strength within one business segment
- Focus on synergies between the two divisions
- Strong growth in sales and profits

Amount in million €	2001	2000	Change %
Sales	4,996	4,527	10.4 %
EBITA	626	558	12.2 %
ROCE	19.1 %	15.8 %	
Cash flow	853	797	7.0 %
Capex	475	794	- 40.2 %
Capital employed (average)	3,273	3,537	- 7.5 %

Summary 2001

- Good performance in 2001
 - Sales and profit increase in Europe
 - Stable development in South America despite economical turbulences
 - Improved market position in North America
- Ongoing successful AGA integration
 - Target of 50 million € cost savings achieved
- Strongest growth in On-site (+ 9 %) and Healthcare (+ 10.5 %) sales



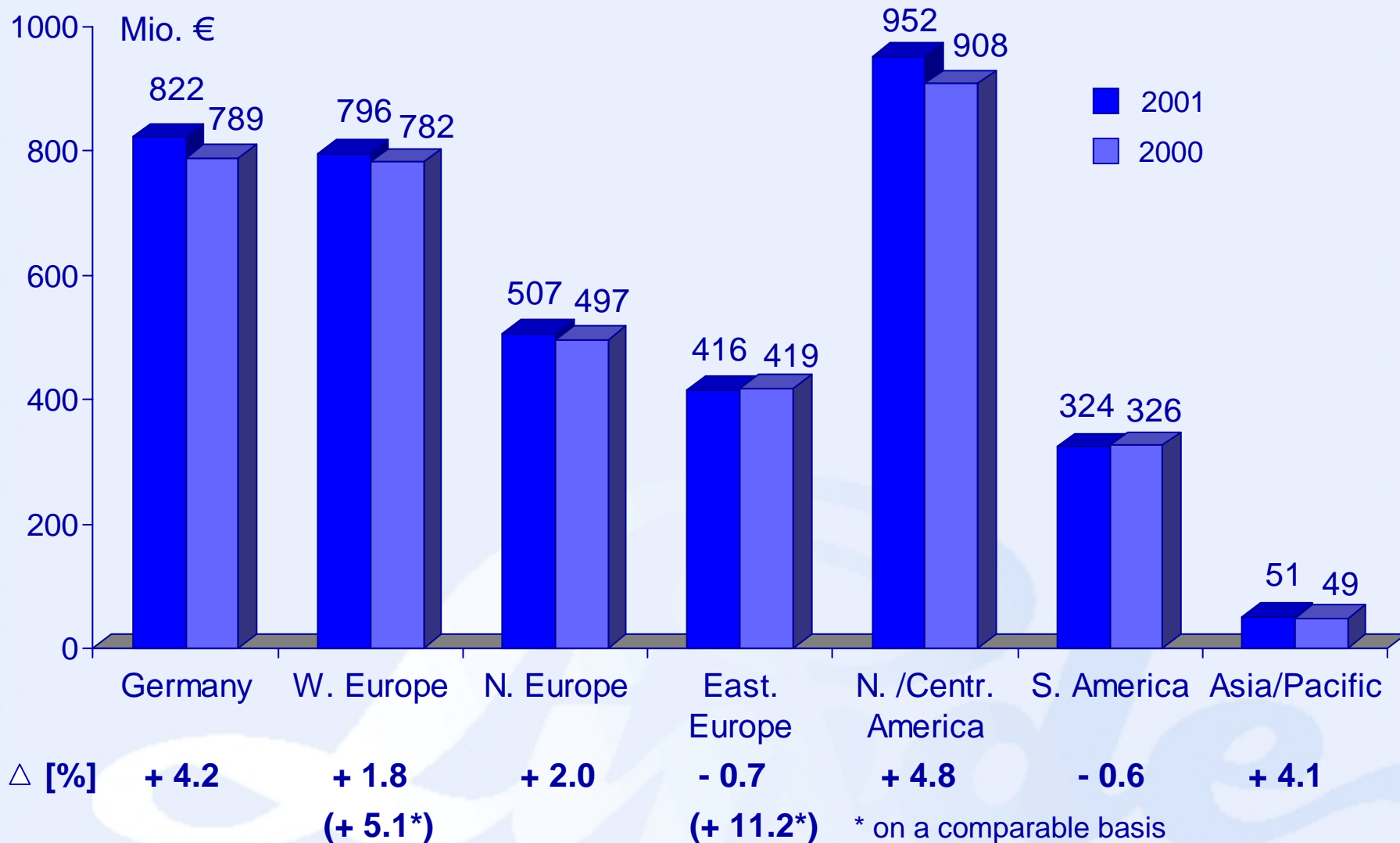
- Significant increase in profitability
- Capex-ratio already in line with mid-term target
- Major ROCE improvement in line with stabilisation of capital employed

Amount in million €	2001	2000	Change %
Sales	3,877	3,784	2.5 %
EBITDA	1,036	965	7.4 %
margin	26.7 %	25.5 %	
EBITA	575	519	10.8 %
ROCE	18.7 %	15.5 %	
Cash flow	800	746	7.2 %
Capex	440	773	- 43.1 %
Capital employed (average)	3,083	3,357	- 8.2 %

Linde Gas - Sales by Regions

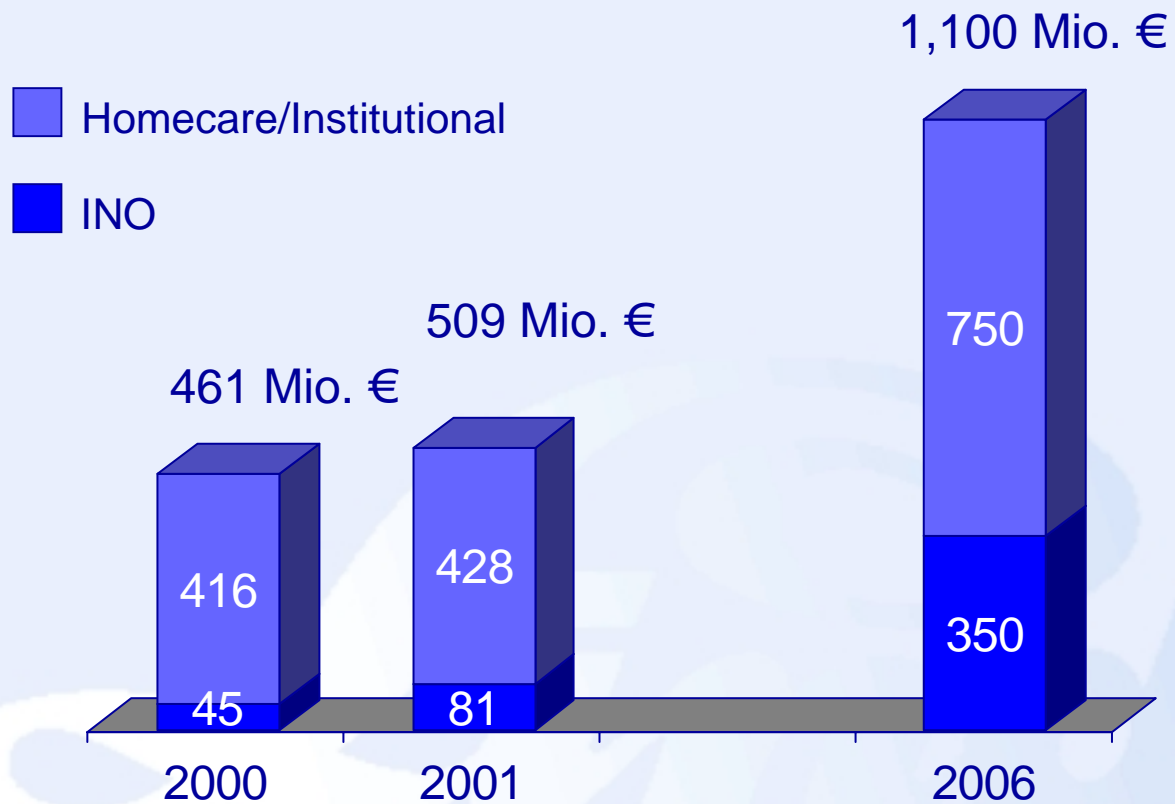


2001: 3,877 Mio. € [+ 2.5 % (+ 4.4 %*)] / 2000: 3,784 Mio. € (Currency effect: - 0.3 %)



Growth driver Healthcare

- Focus on Homecare and INO
- 2002: Overall annual growth of 15-20 percent



Regions

Europe West

- Strengthen leadership positions by stronger presence in large countries
- Continue to focus on large tonnage clusters

Europe East

- Further expansion in emerging markets
- Gradually shifting to On-site business

America North

- Improve market positions in regions East and South East
- Strengthen Bulk business and focus on On-site projects (HyCo)

America South

- Sustain and improve profitable positions
- Cautious investments in selected growth markets

Business Areas

Cylinder

- Strengthen business with high profitability

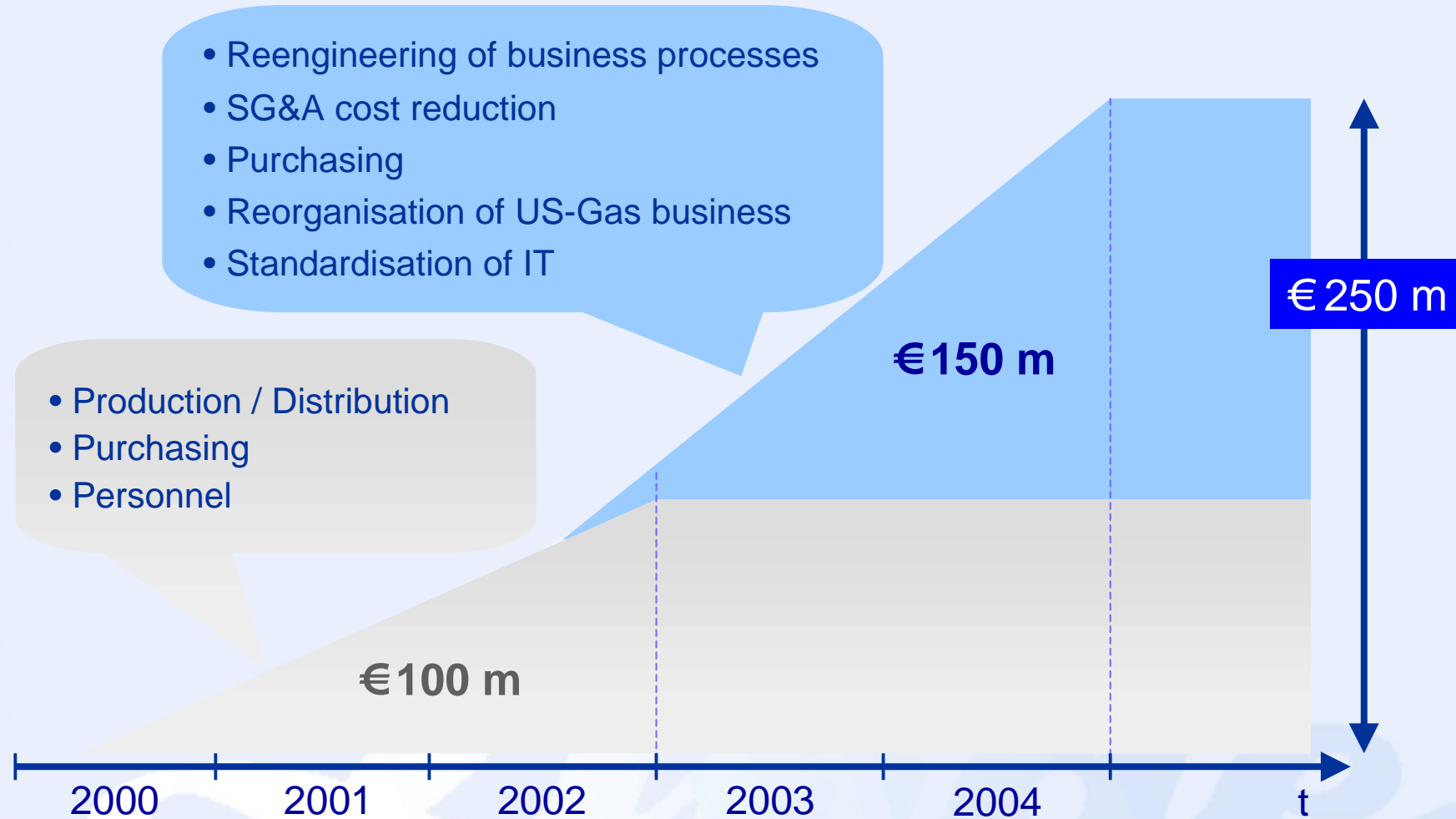
Bulk

- Grow business with new applications and customer oriented services

On-site

- Further development of business with priority on synergy projects (multiclient facilities)
- Set priority on Hydrogen, Syngas
- Focus on global key accounts in Europe, USA and selected regions in Asia

Restructuring programs with large cost saving potential



Medium Term Targets

- Strengthen leadership in Europe
- Improve position in North-/South America
- Expand into new growing segments (Hydrogen, Syngas, Healthcare)
- Become the most profitable gas company in the world

Financials

- Sales growth 2 x GDP
- EBITDA-Margin > 30 %
- ROCE* 20 %

*before Goodwill

Outlook 2002

- Sales growth and improvement of EBITDA-margin and ROCE
- Completion of first restructuring program / start of second program
- Start of INO sales in Europe
- Capex-ratio below 12 percent



Summary 2001

- Major contracts awarded
- Extended position in new growth markets
- Strengthened global competence as plant constructor and provider
- Successfully positioned as a technology partner in one of the fastest growing markets in the energy sector (natural gas processing)

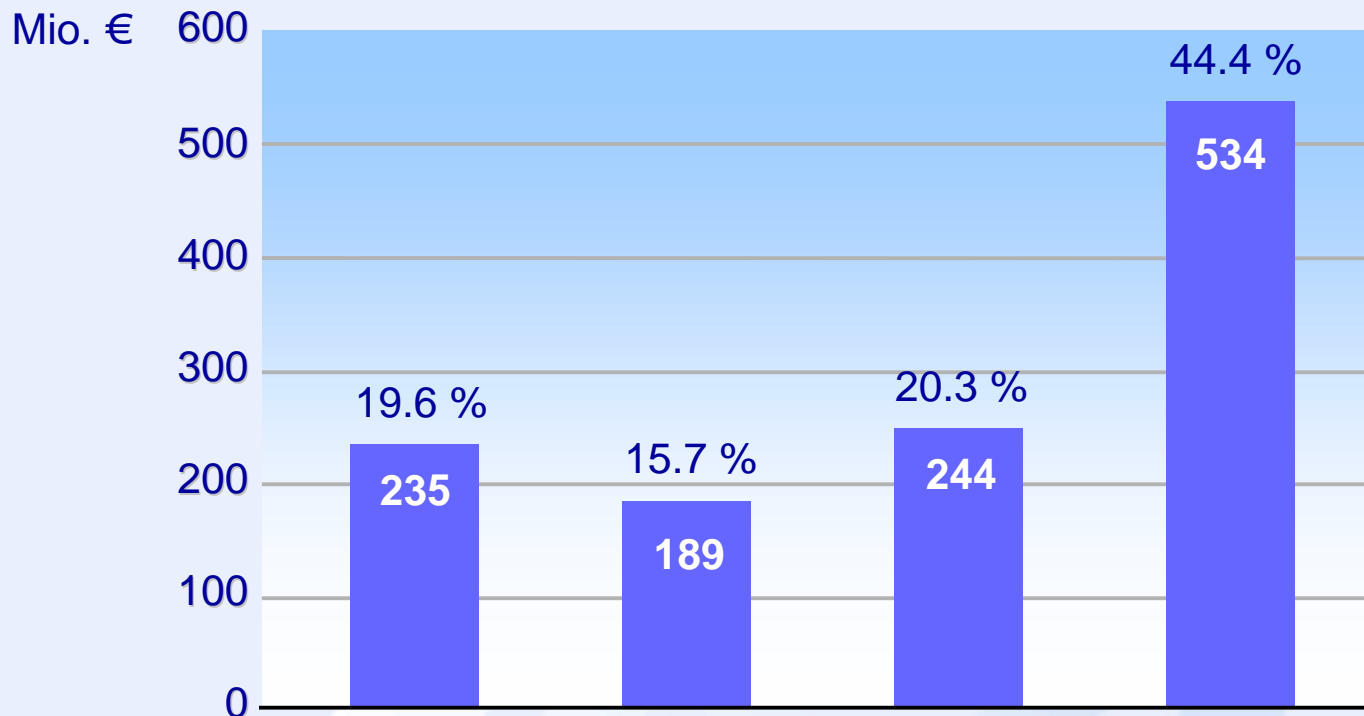
Linde Engineering



- Sales and profit growth of more than 30 per cent
- Stable operating margin
- Good order backlog (2,257 million € per 12/2001)

Amount in million €	2001	2000	Change %
Sales	1,218	909	34.0 %
EBITDA	68	59	15.3 %
EBITA	51	39	30.8 %
margin	4.2 %	4.3 %	
ROCE	26.6 %	22.0 %	
Cash flow	53	51	3.9 %
Capex	35	21	66.7 %
Capital employed (average)	190	178	6.7 %

Order intake in 2001 (1,202 Mio. €) - by project size -



Order value in Mio. €	0-3	3-10	10-25	> 25
Number of orders	1897	35	12	7

Order intake in 2001 vs 2000

- by regions -

	2001		2000	
Europe	589	49 %	560	41 %
America	176	15 %	206	15 %
Asia	411	34 %	575	42 %
Others	26	2 %	17	2 %
Total (in Mio. €)	1.202	100 %	1.358	100 %

Medium-term targets

- Focus on growth drivers (LNG, HyCo, Olefins / ASU)
- Intensify global cooperations with key business partners
- Extension of technology leadership

Financials

- Sales 1,3 - 1,5 bn €
- EBITA-margin 4 - 5 %
- ROCE > 25 %

Outlook 2002

- Promising project situation
- Start of the cooperation with BOC
- Increase of sales
- Change to POC





Material Handling



Summary 2001

- Improved global position despite difficult market conditions
 - World market share (order intake) increased from 18.5 to > 20 percent
- Modernization and reorganisation of factories in Germany, France and Italy
- Cooperation with Komatsu led to growth and profitability improvement
- Launch of new products (Linde, FIAT)
- Chinese factory in Xiamen close to break-even

Material Handling



- Significant sales increase
- Cash flow generator
- Under-proportionate EBITA-growth due to restructuring program

Amount in million €	2001	2000	Change %
Sales	3,158	2,951	7.0 %
EBITDA	378	363	4.1 %
EBITA	255	244	4.5 %
margin	8.1 %	8.3 %	
ROCE	19.1 %	19.5 %	
Cash flow	288	276	4.4 %
Capex	215	172	25.0 %
Capital employed (average)	1,334	1,251	6.6 %

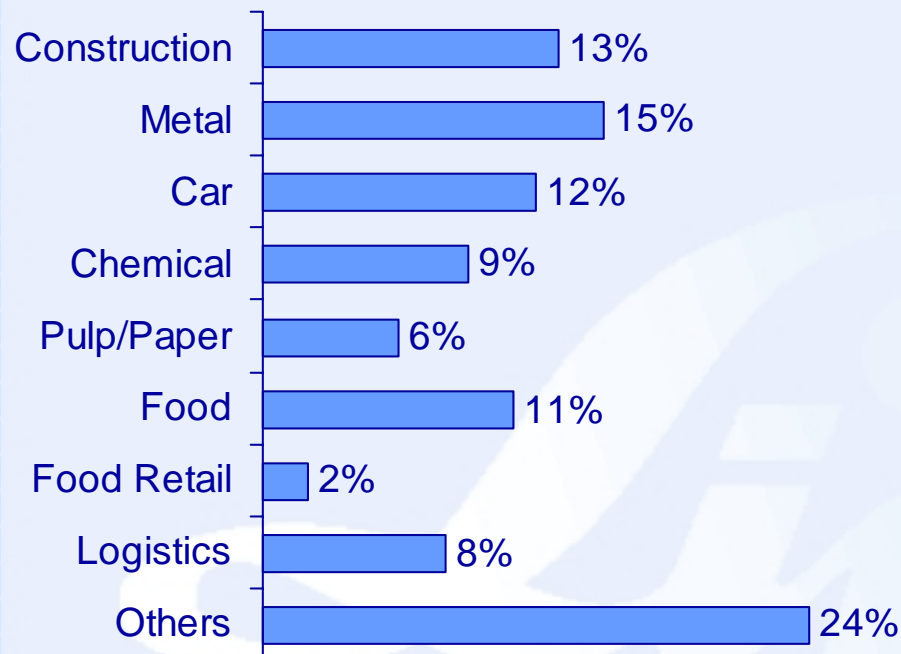
Good growth in spite of weak market conditions

Well diversified customer portfolio

Sales of CB trucks

In units (2001): 58,965 + 7.6 %

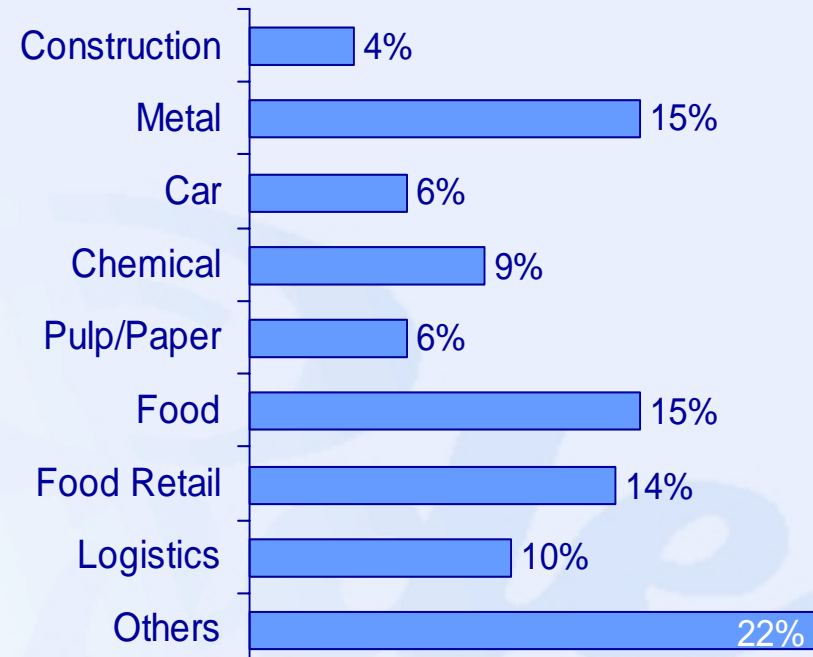
By industries: (Germany, sales: 14,552)




Sales of warehouse trucks

In units (2001): 54,257 + 8.3 %

By industries: (Germany, sales: 13,138)



39X Innovative truck generation offering customers and Linde a variety of benefits

- Important advantages for our customers
 - Increased turnover of merchandise
 - Lower energy consumption
 - Significant noise reduction
 - Innovative design with improved ergonomics
 - Reduced production cost
 - Shorter lead time
 - Additional growth potential through penetration of new product segments
- 

Medium-term targets

- Extend European market dominance
- Enhance synergies with Komatsu
- Intensify global expansion (focus on USA and Asia)
- Enlarge service business (rental, leasing & fleet management activities)

Financials

- Sales growth > GDP
- EBITA-margin > 9 %
- ROCE > 20 %

Outlook 2002

- Roll-out of new truck generations (Linde, FIAT)
- More complete product range leads to increased market coverage
- Improvement of productivity / reduction of production cost in all factories
- Market development for 2002 is difficult to predict
- Best estimate: Sales and profit in line with high level of 2001

▶ Refrigeration



Summary 2001

- Restructuring program leads to increased profitability and productivity
 - Major measures:
 - Further concentration / reorganisation of factories and relocation of production to the Czech Republic
 - Improved organisational structure of sales networks on important European markets
 - 40 percent of targeted 60 million € cost savings realised
- Improved market position in Europe and worldwide
- Extended relationship to global key accounts

Refrigeration



- Well positioned in difficult market environment
- Restructuring program leads to rise in profitability
- Reduction of capital employed supports major ROCE upturn

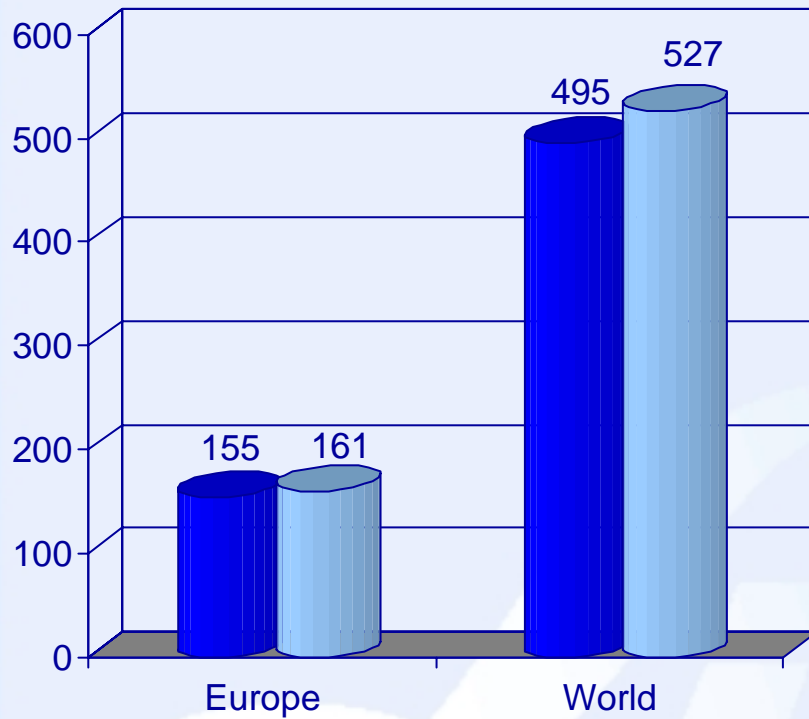
Amount in million €	2001	2000	Change %
Sales	887	935	- 5.1 %
EBITDA	39	34	14.7 %
EBITA	19	12	58.3 %
margin	2.1 %	1.3 %	
ROCE	7.5 %	4.1 %	
Cash flow	34	32	6.3 %
Capex	28	30	- 6.7 %
Capital employed (average)	251	293	- 14.3 %

Refrigeration

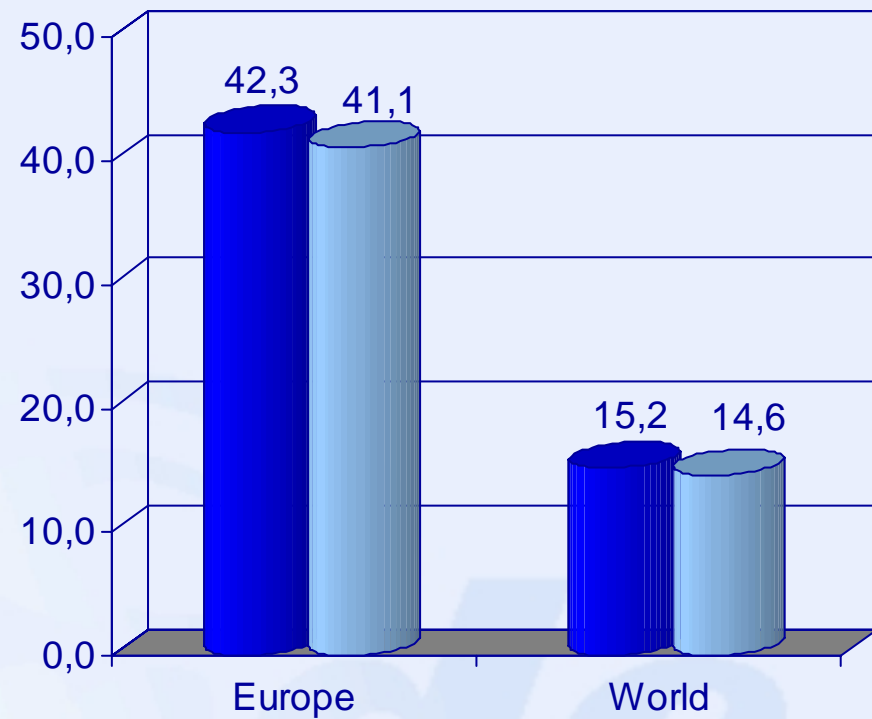


Linde strengthened market position in difficult environment

Market volume in `000 units
(Modular line)



Linde`s market share in %
(Modular Line)



■ 2001 □ 2000

Evolution 5 program ... offers advantages both to customers and Linde

- Improved efficiency for our customers (volume, energy consumption)
 - Innovative design as additional growth driver
 - New program is based on a modular system that leads to ..
 - Shorter lead time
 - Higher flexibility
 - Reduced complexity
 - Integration of global key retailers in the R&D process deepens customer relationship on a long-term basis
- 

Medium-term targets

- Accomplish cost-leadership
- Further improvement of global Key-Account Management
- Cautious entry into the US market

Financials

- Sales growth > GDP
- EBITA-margin > 6 %
- ROCE > 20 %

Outlook 2002

- Completion of the restructuring program
 - Further consolidation of factories (closure of one more factory)
 - Realisation of more than 30 million € cost savings
- Global market introduction of Evolution 5 program
- Improvement of operating profit in spite of flat sales



Sales

Amount in million €	02/02	02/01	Change %
Linde Group			
Domestic	272	300	- 9.3 %
Foreign	938	889	5.5 %
Total	1,210	1,189	1.8 %
(excl. Engineering)	(1,184)	(1,155)	(2.5 %)
Gas and Engineering	679	670	1.3 %
Linde Gas	652	636	2.5 %
Linde Engineering	44	44	0.0 %
Material Handling	462	441	4.8 %
Refrigeration	67	74	- 9.5 %

Order intake

Amount in million €	02/02	02/01	Change %
Linde Group			
Domestic	314	324	- 3.1 %
Foreign	1,047	1,014	3.3 %
Total	1,361	1,338	1.7 %
(excl. Engineering)	(1,276)	(1,268)	(0.6 %)
Gas and Engineering	736	707	4.1 %
Linde Gas	651	636	2.4 %
Linde Engineering	90	76	18.4 %
Material Handling	486	502	- 3.2 %
Refrigeration	135	123	9.8 %

Stock options program



- Capital market oriented management incentive program
- Motivation for management to increase shareholder value
- Focus on long-term effects

Details

- Creation of 15.36 million € contingent capital (corresponds to 5.03 per cent of share capital)
- Issue of 6 million option rights
- Program will run 5 years with yearly issuance
- No earnings impact
- Exercise price is 120 percent of the striking price
(Performance mark-up of 20 percent constitutes an economic exercise hurdle)

Outlook 2002

- Growth in sales and earnings
- Debt reduction 300 million €
- Capex of about 700 million €



Thank you for your attention!



Contact us



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