



Conference Call FY 2016 Results

Leading.


THE LINDE GROUP

09 March 2017

Disclaimer



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. 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. Following approval by the BaFin, the offer document will be made available at BaFin’s Web site at 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.

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. 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.

Agenda



Part 1 – Strategic plan

Aldo Belloni

- Performance focus
- Quality growth
- Value creation

Part 2 – FY 2016 Results

Sven Schneider

Part 3 – Outlook 2017

Aldo Belloni

Appendix

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

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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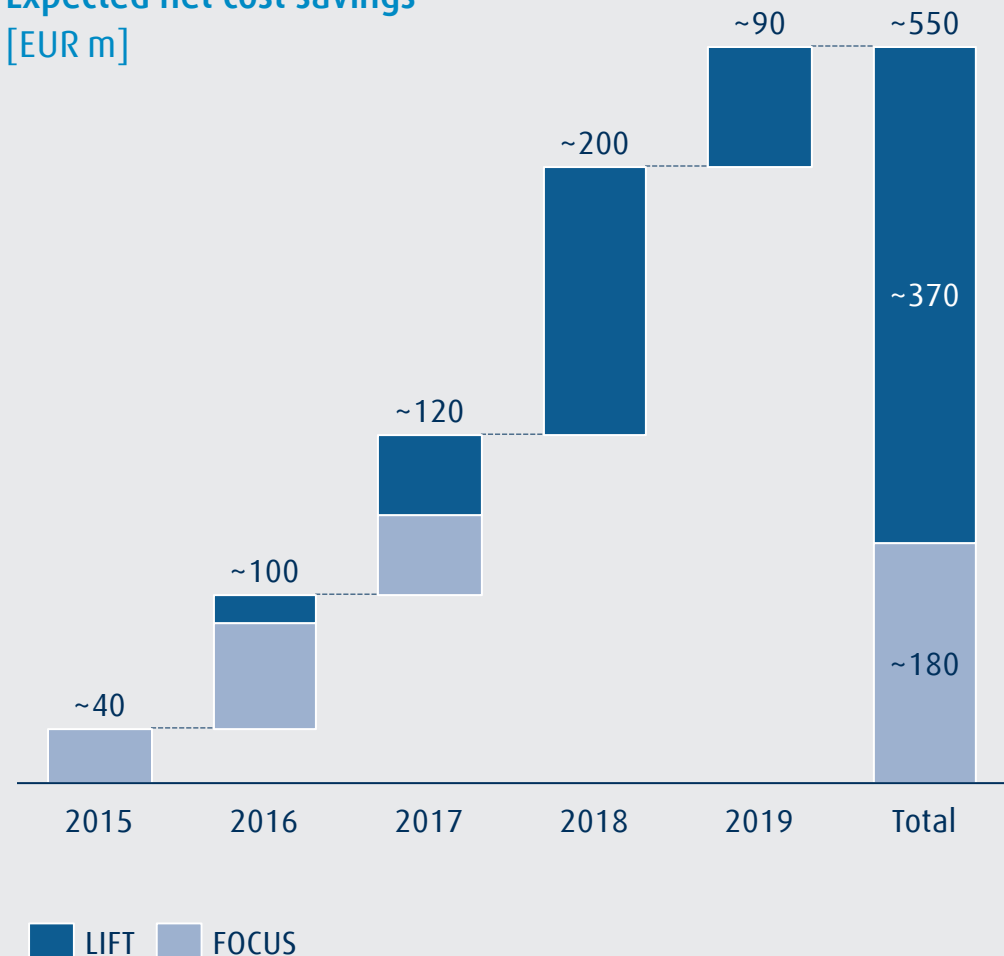
LIFT (2016 – 2019)

- 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

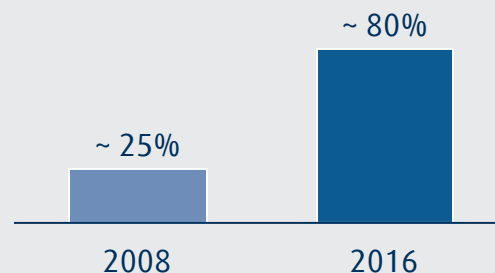
- Global freight combined into fewer shipments involving fewer providers
- Linde-wide benchmarking to select best suppliers for purchases

Example of supplier productivity enhancement

- Support dissemination of best technology and practices across supplier base

Production

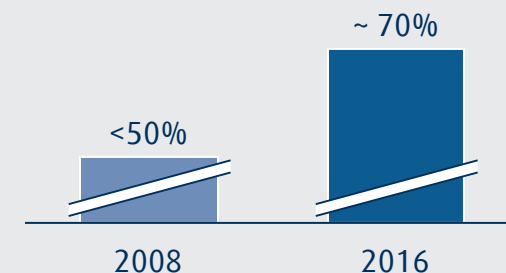
Global share of ASUs linked to Remote Operating Centres (ROC)



- 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

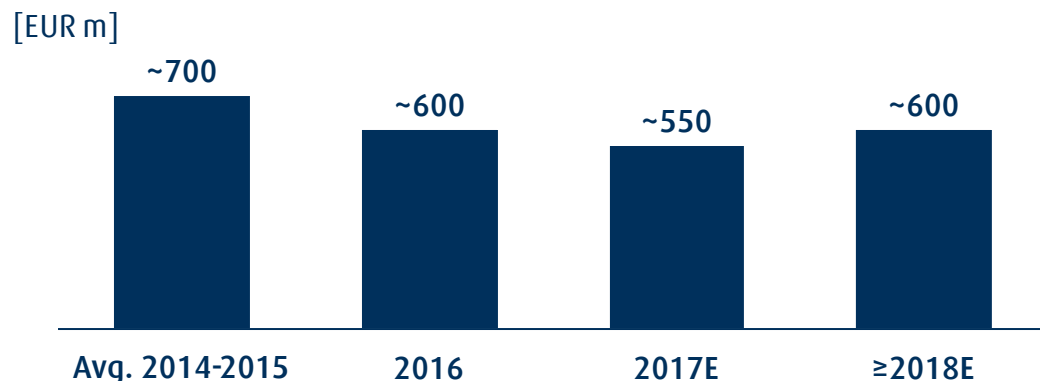


Group margin
enhanced

Strategic plan | Quality growth

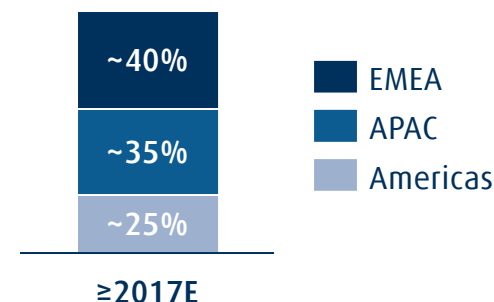
Solid project backlog balanced across geographies

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

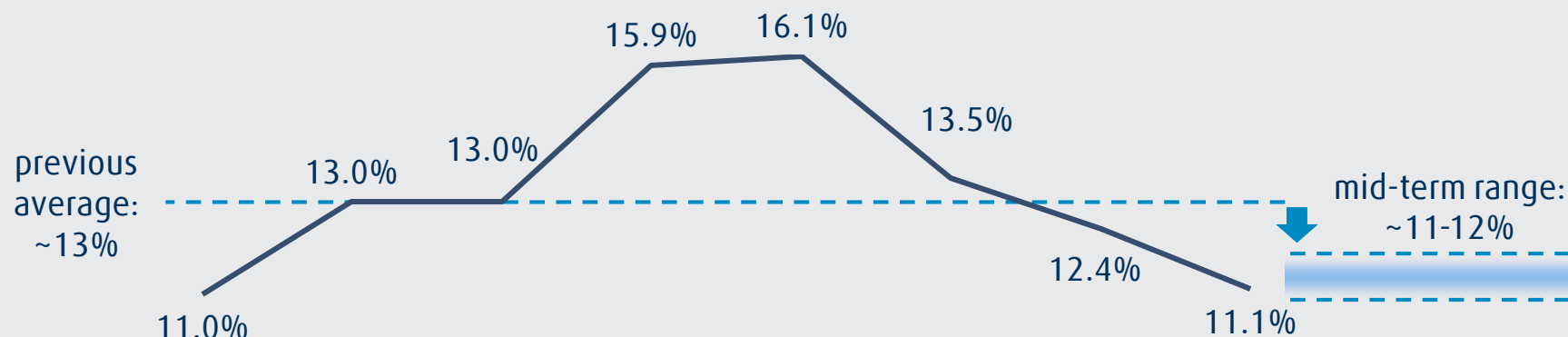
Expected major on-streams in 2017

- 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

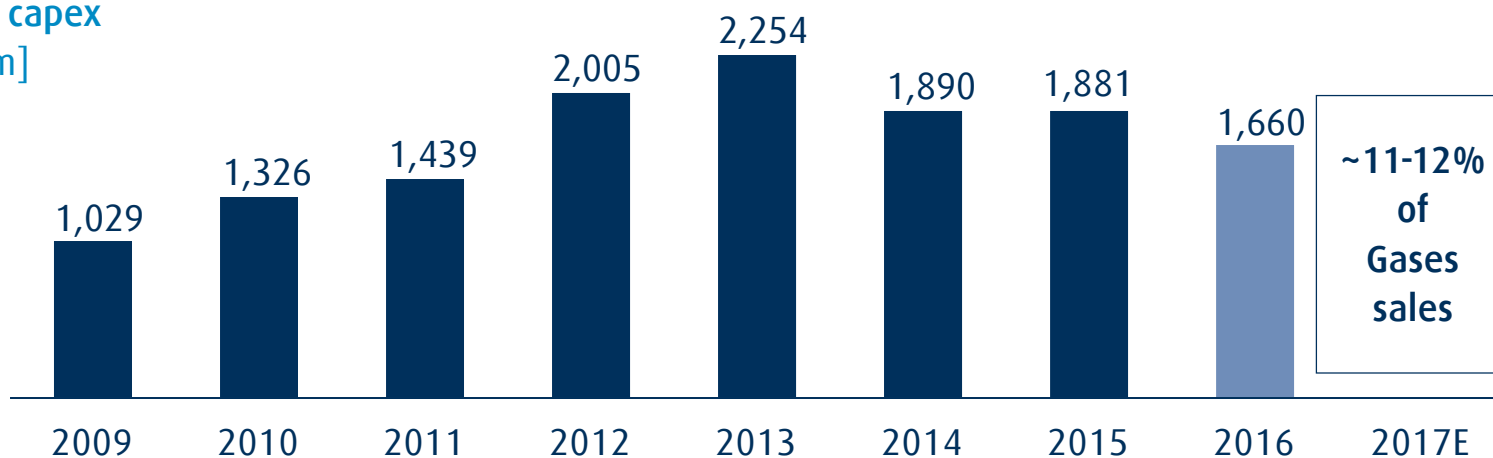
Strategic plan | Quality growth

Gases capex / sales ratio reduced

Gases capex/sales ratio



Gases capex [EUR m]



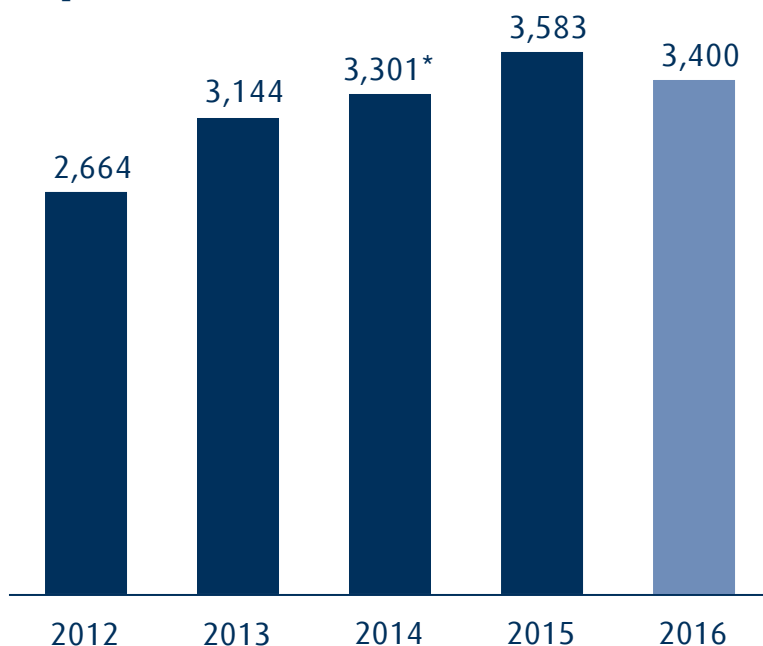
Strategic plan | Quality growth

Financial flexibility from strong cash flow and balance sheet

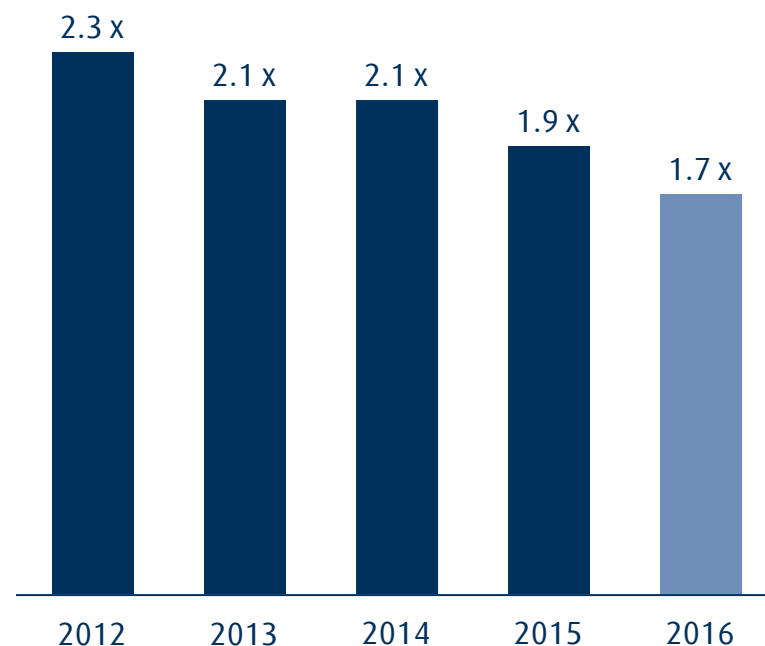


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Operating cash flow
[EUR m]



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

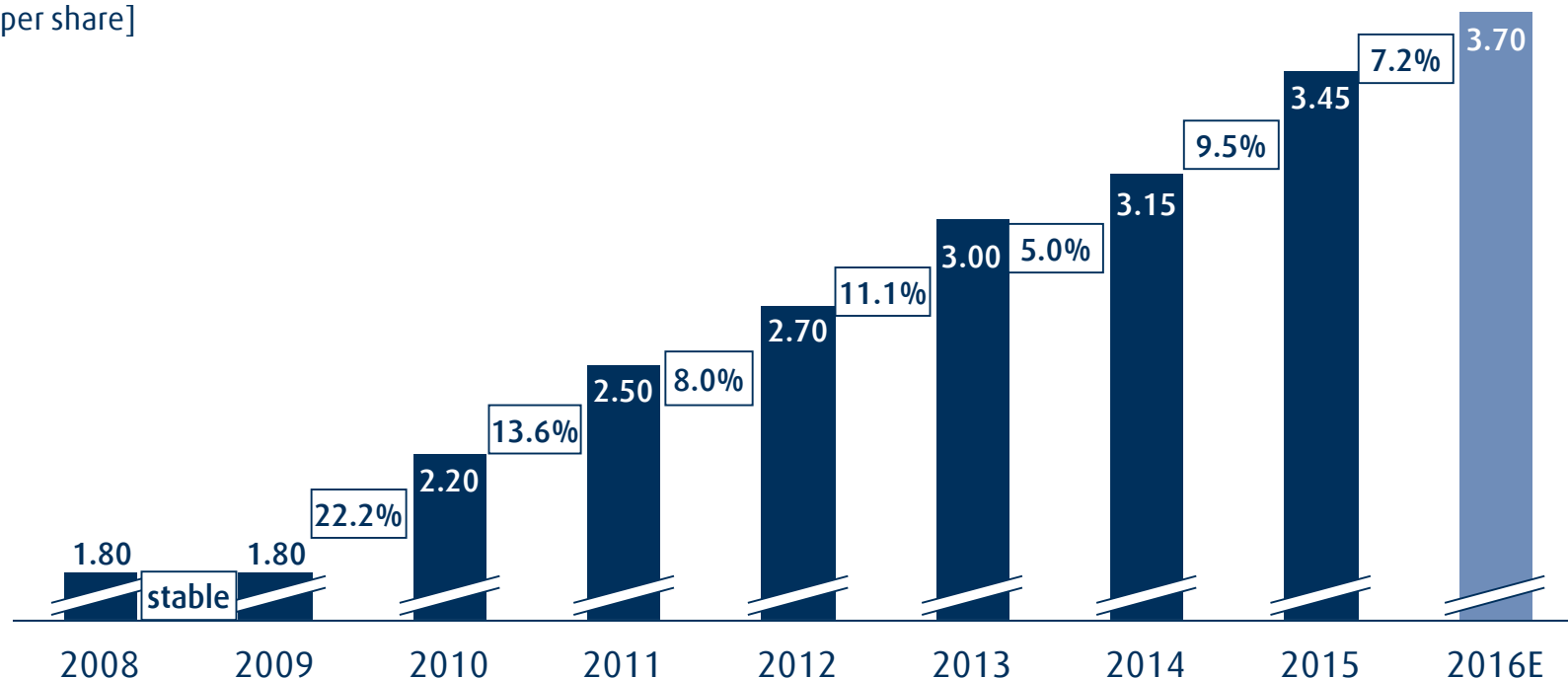
Strategic plan | Value creation

Further dividend increase proposed for 2016

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*

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016E
Payout ratio*	42%	51%	37%	37%	41%	42%	44%	51%	53%

2015 and 2016 figures from continuing operations

*Based on EPS before special items

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Part 2 – FY 2016 Results

Sven Schneider

Part 3 – Outlook 2017

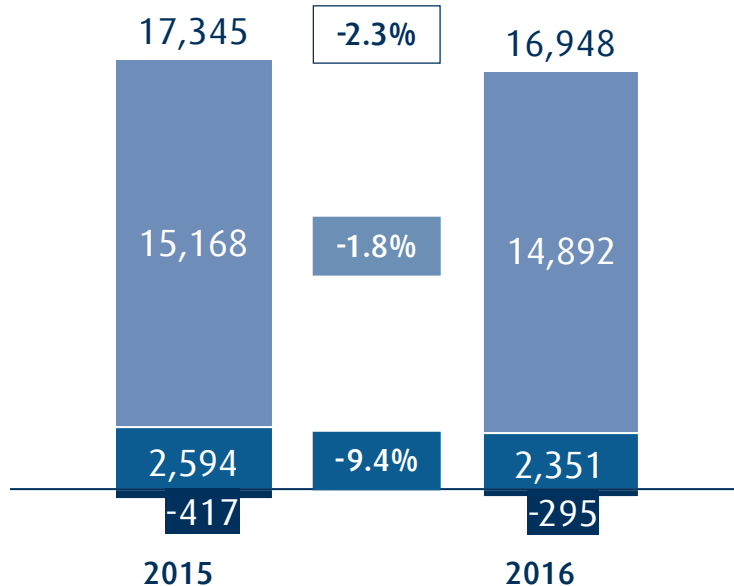
Aldo Belloni

Appendix

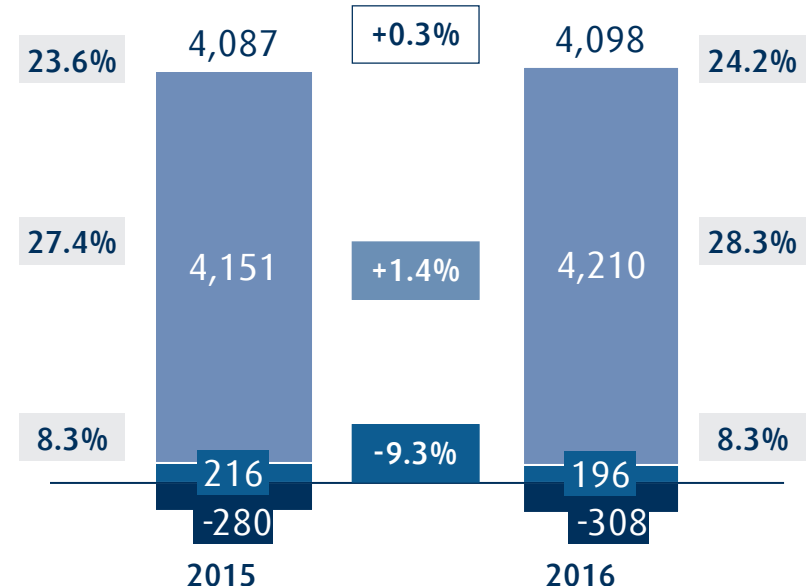
Group | Revenue and operating profit by division

Group margin development of +60bp

Revenue [EUR m]



Operating profit [EUR m]



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

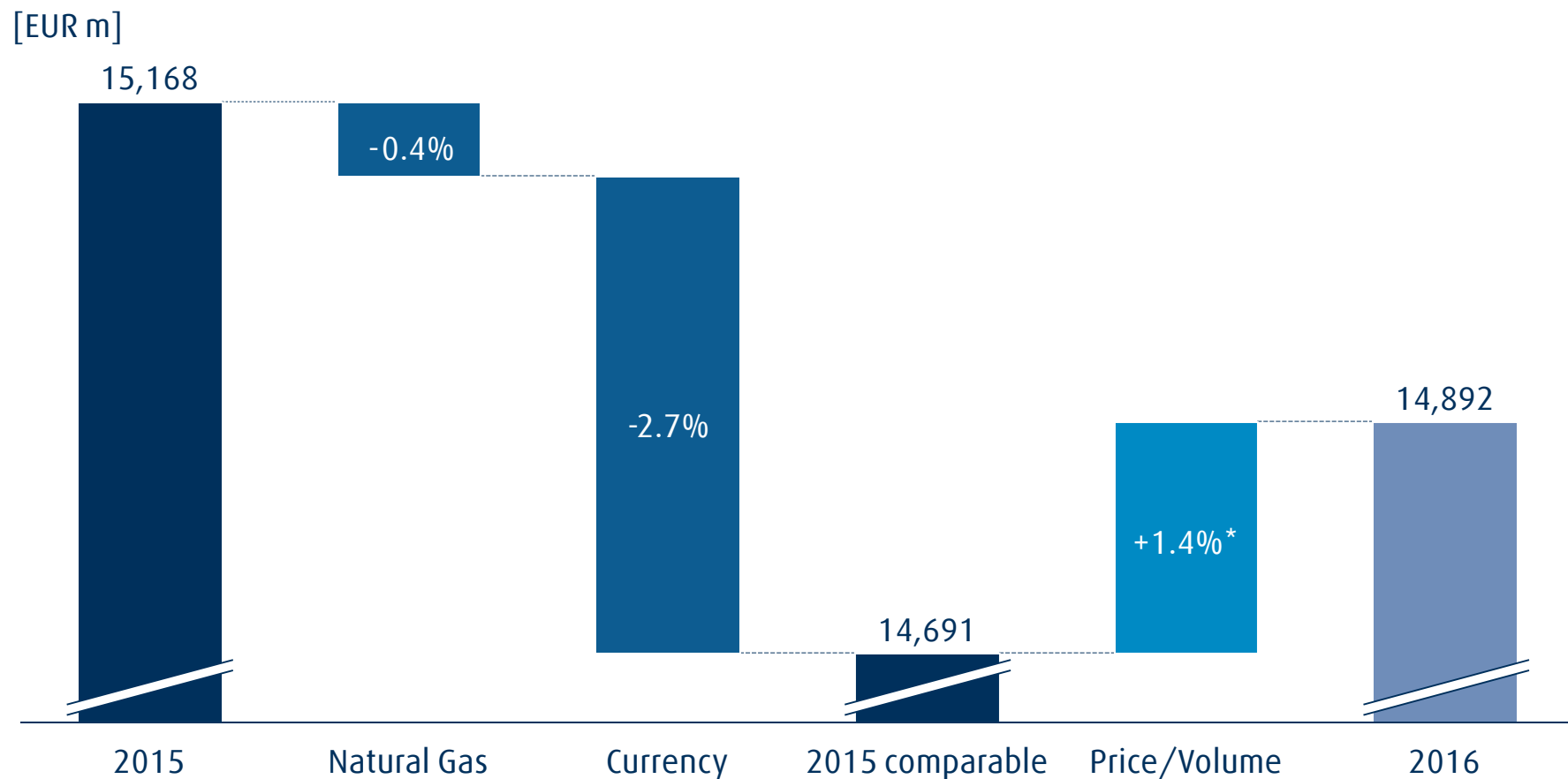
Margin in line with guidance of around 8 percent

All figures from continuing operations

Operating profit margin

Gases Division | Revenue bridge

Price/Volume increase of 2.9 percent in Q4

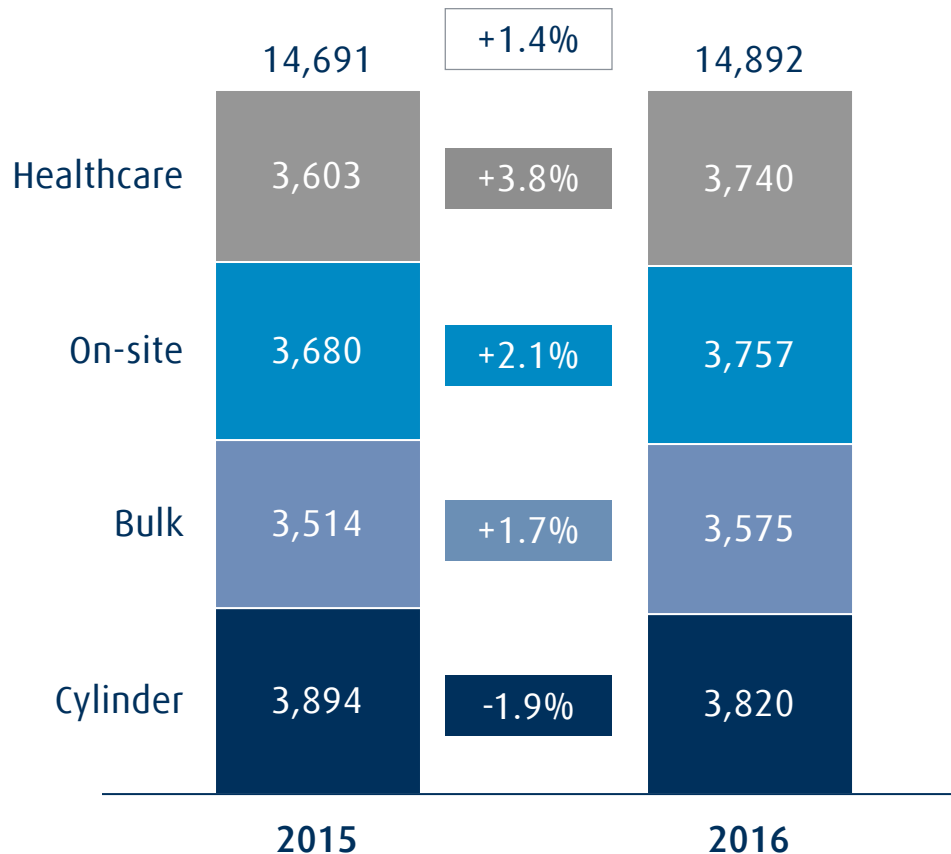


*Including EUR 180m due to changes in consolidation in Healthcare in Americas from American HomePatient acquisition and divestment of Specialty Pharma

Gases Division | 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

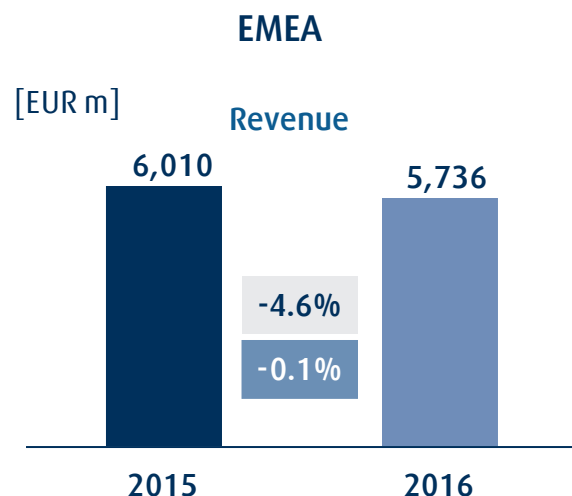


Cylinder

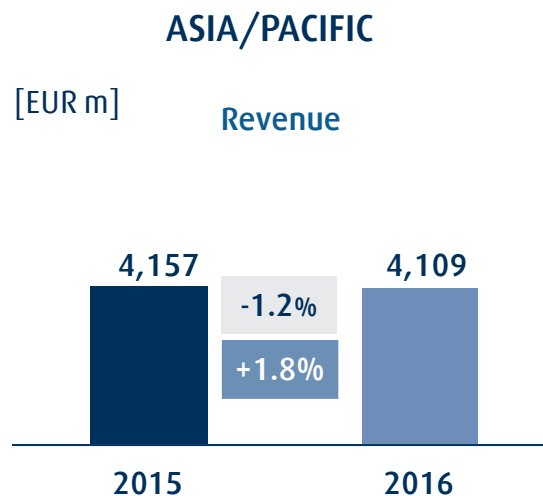
Significant headwinds from weak macro-economic conditions in the South Pacific and Specialty Gases

Gases Division | Revenue by operating segment

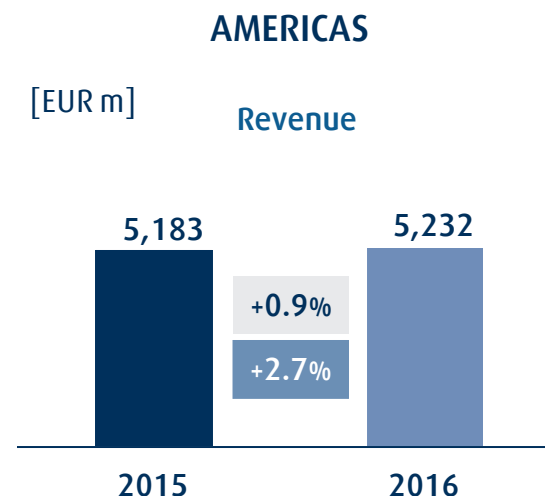
Comparable growth of 1.4 percent



- 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



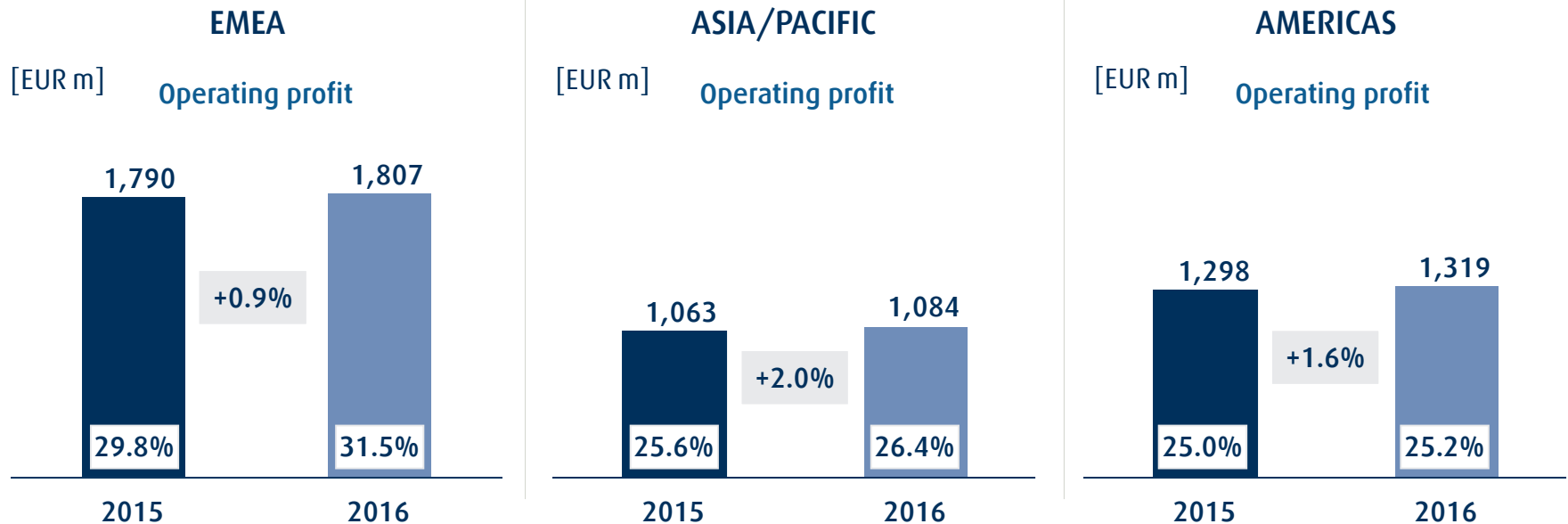
- Solid comparable growth in Asia of 5.8 percent
- Macro-economic situation in South Pacific remains weak
- Growth driven by On-site and Bulk



- 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

Gases Division | Operating profit by operating segment

Positive operating profit margin development in all regions

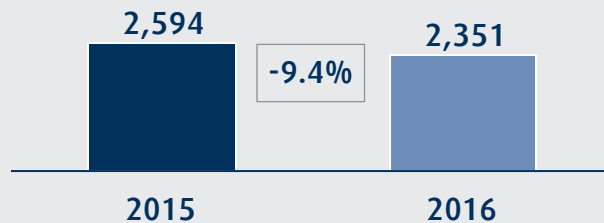


- Margin improvement in EMEA (+170bp) and APAC (+80bp) advanced by restructuring and lower natural gas prices
- Stable margin in Americas (+20bp) supported by start-ups but impacted by headwinds from Competitive Bidding

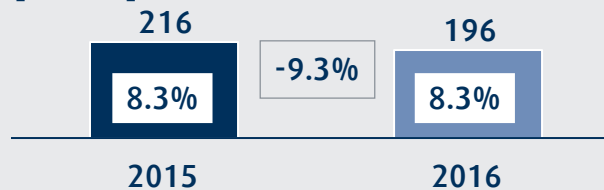
Engineering Division | Key figures

Stable margin in a challenging environment

Revenue
[EUR m]

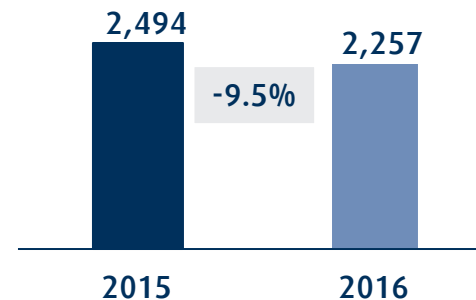


Operating profit
[EUR m]

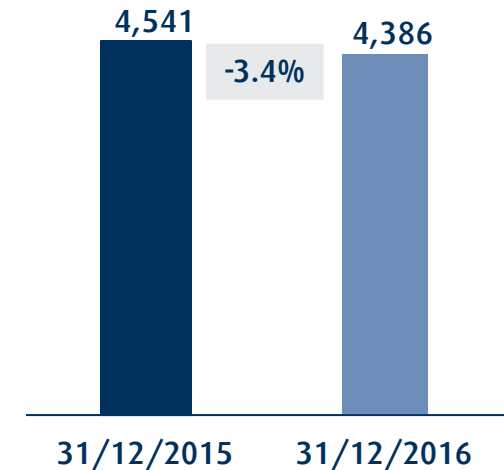


■ Reported growth □ Operating profit margin

Order intake
[EUR m]



Order backlog
[EUR m]



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

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Outlook 2017

Guidance confirmed

2017	
Group	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
Gases Division	Revenue -2 to +3% versus 2016 adjusted for FX
	Operating profit ±0 to +6% versus 2016 adjusted for FX
Engineering Division	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

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

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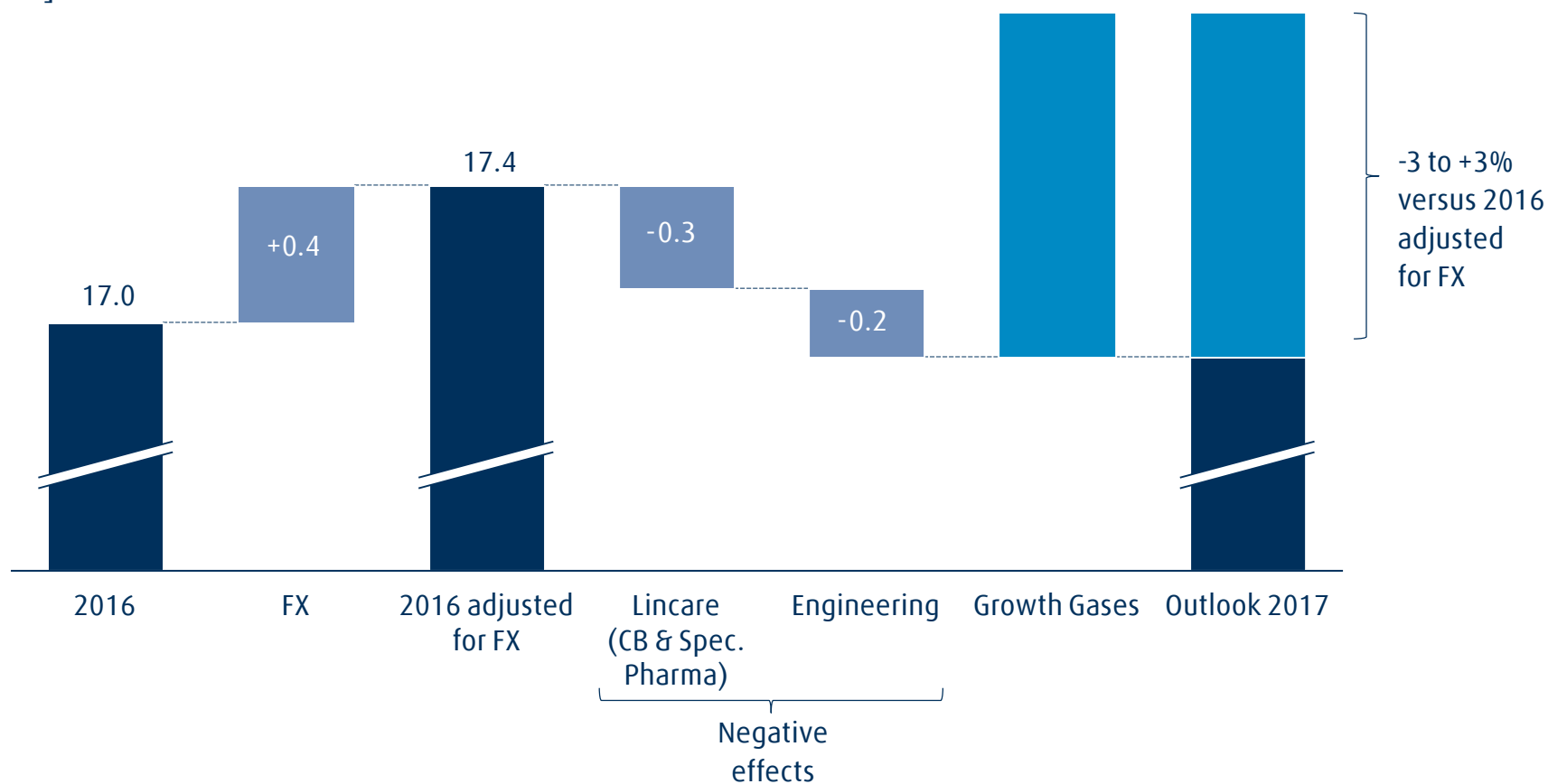
Sven Schneider

Part 3 – Outlook 2017

Aldo Belloni

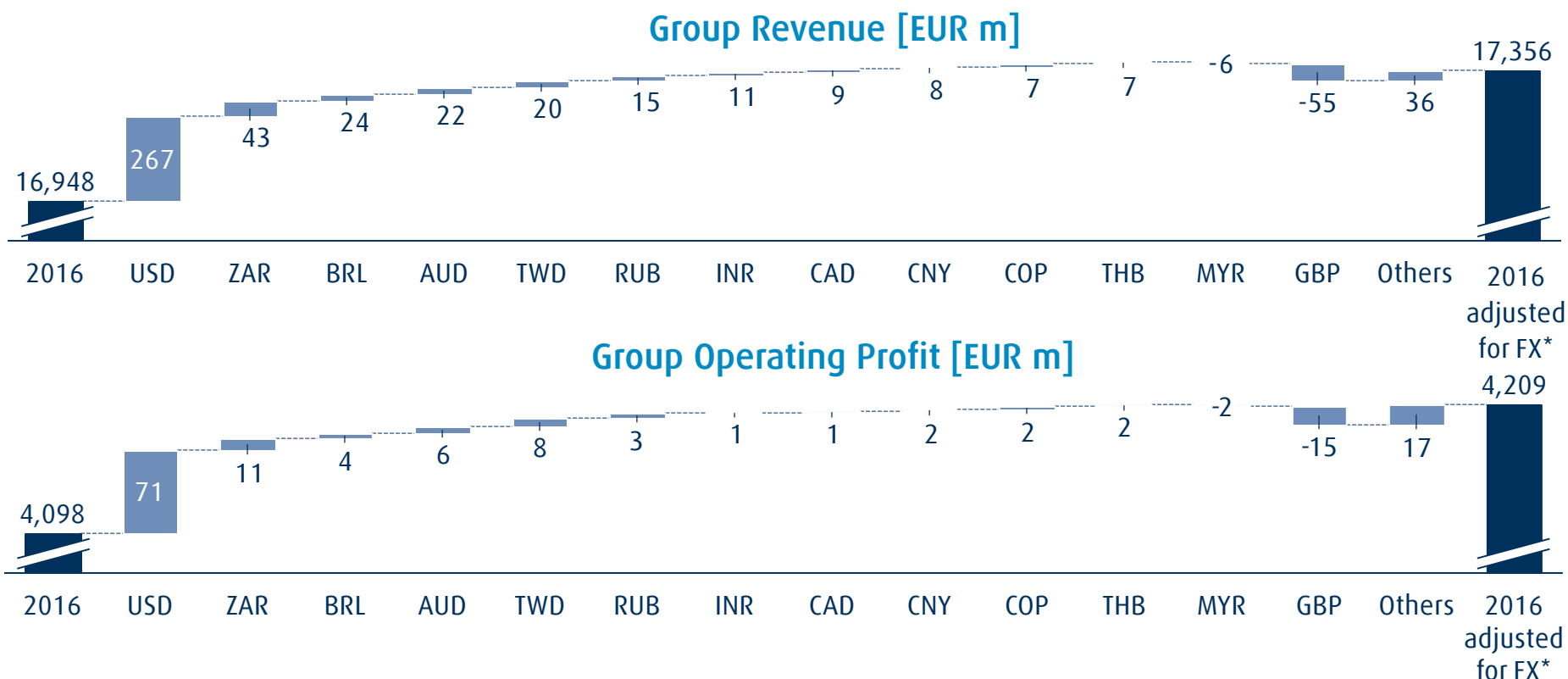
Appendix

Revenue [EUR bn]



■ Dependent on economic development

Group | Potential currency impact on 2017 outlook

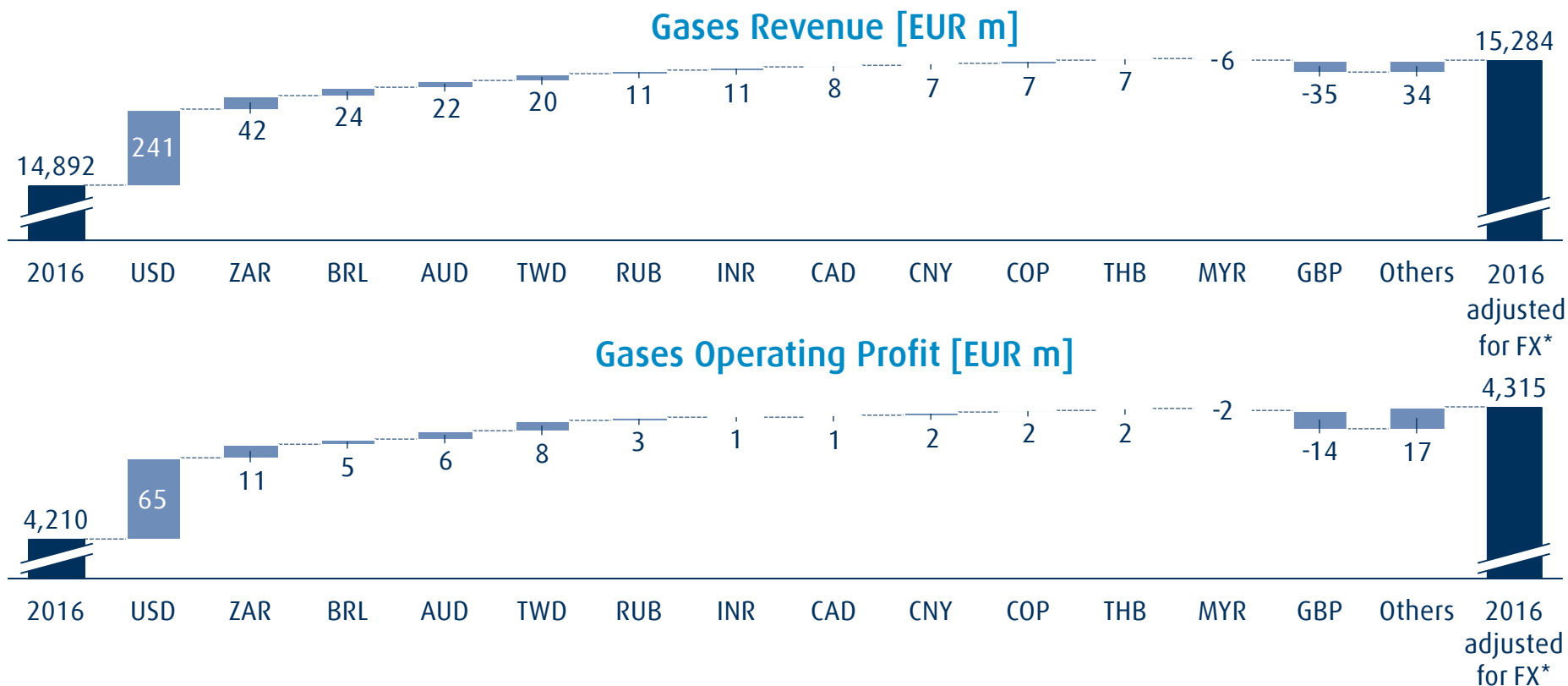


	USD	ZAR	BRL	AUD	TWD	RUB	INR	CAD	CNY	COP	THB	MYR	GBP
Average rate in 2016	1.107	16.27	3.855	1.489	35.69	74.14	74.37	1.466	7.353	3378	39.05	4.583	0.820
2016 adjusted for FX*	1.052	14.15	3.423	1.457	34.13	64.43	71.46	1.413	7.303	3157	37.70	4.717	0.852

All figures from continuing operations

*Based on spot rates as of 31 December 2016

Gases Division | Potential currency impact on 2017 outlook



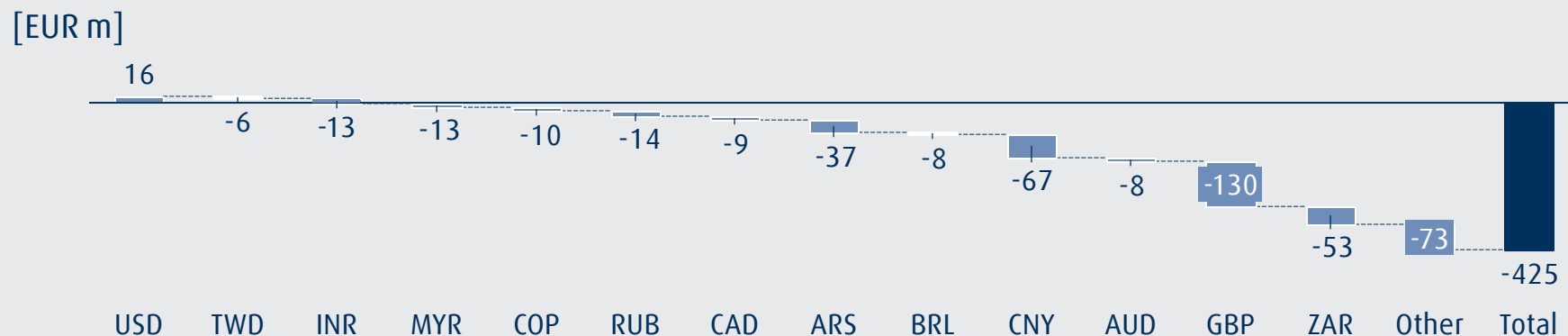
	USD	ZAR	BRL	AUD	TWD	RUB	INR	CAD	CNY	COP	THB	MYR	GBP
Average rate in 2016	1.107	16.27	3.855	1.489	35.69	74.14	74.37	1.466	7.353	3378	39.05	4.583	0.820
2016 adjusted for FX*	1.052	14.15	3.423	1.457	34.13	64.43	71.46	1.413	7.303	3157	37.70	4.717	0.852

*Based on spot rates as of 31 December 2016

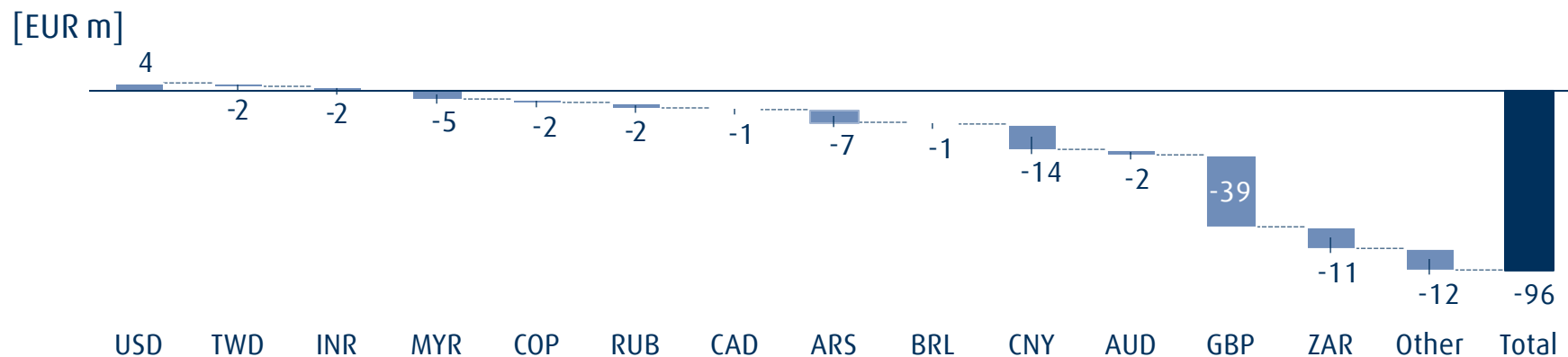
Group | Currency impact

Impact on revenue and operating profit in 2016

Impact on Group revenue in 2016



Impact on Group operating profit in 2016



Group | FY 2016

Key P&L items



[EUR m]	2015	2016	Δ in %
Revenue	17,345	16,948	-2.3
Operating profit	4,087	4,098	+0.3
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
EBIT	2,029	2,075	+2.3
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
EPS – undiluted – reported [EUR]	6.10	6.50	+6.6
EPS – undiluted – before special items [EUR]	6.82	7.00	+2.6

All figures from continuing operations

Group | Q4 2016

Key P&L items



[EUR m]	Q4 2015	Q4 2016	Δ in %
Revenue	4,234	4,418	+4.3
Operating profit	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	-
EBIT	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
EPS – undiluted – reported [EUR]	1.52	1.48	-2.6
EPS – undiluted – before special items [EUR]	1.52	1.77	+16.4

All figures from continuing operations

Group | FY 2016

Cash flow statement



[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
Operating cash flow from continuing operations	3,583	3,400
Investments in tangibles/intangibles	-1,876	-1,761
Payments for acquisitions	-113	-250
Other (incl. financial investments)	110	248
Investing cash flow* from continuing operations	-1,879	-1,763
Free cash flow before financing from continuing operations	1,704	1,637
Free cash flow before financing from discontinued operations	-5	21
Free cash flow before financing	1,699	1,658
Interest and swaps, dividends and other changes	-1,089	-1,133
Change in cash and financial debt	610	525

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

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]

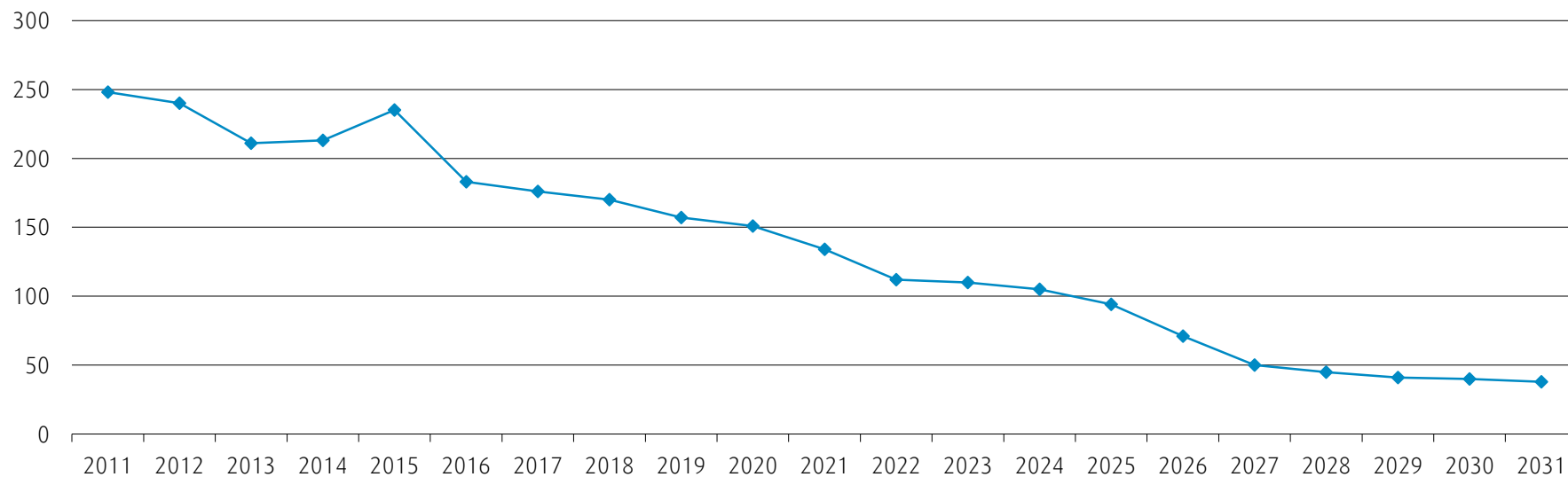
2017 170 - 190

2018 155 - 180

...

2022 < 120

BOC PPA Depreciation Planning [EUR m]



Financial calendar



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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:

LNEG

DR ISIN:

US5352230204

Depository Bank:

Deutsche Bank

Structure:

ADR Level I, Sponsored



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