

Linde Interim Report.
January to March 2011.

Q1

Linde financial highlights

in € million	January to March		Change
	2011	2010	
Share			
Closing price	€ 111.45	88.34	26.2 %
Year high	€ 112.95	88.68	27.4 %
Year low	€ 102.35	76.70	33.4 %
Market capitalisation (at closing price on 31 March)	18,980	14,921	27.2 %
Adjusted earnings per share ¹	€ 1.88	1.41	33.3 %
Earnings per share – undiluted	€ 1.67	1.17	42.7 %
Number of shares outstanding (in 000s)	170,297	168,907	0.8 %
Sales			
	3,325	2,894	14.9 %
Operating profit²			
	761	641	18.7 %
Operating margin	22.9 %	22.1 %	+ 80 bp ⁴
EBIT before amortisation of fair value adjustments			
	507	410	23.7 %
Earnings after taxes on income			
	303	213	42.3 %
Number of employees³			
	48,694	48,430	0.5 %
Gases Division			
Sales	2,662	2,340	13.8 %
Operating profit	727	625	16.3 %
Operating margin	27.3 %	26.7 %	+ 60 bp ⁴
Engineering Division			
Sales	591	517	14.3 %
Operating profit	62	51	21.6 %
Operating margin	10.5 %	9.9 %	+ 60 bp ⁴

¹ Adjusted for the effects of the purchase price allocation.

² EBITDA including share of income from associates and joint ventures.

³ At 31 March 2011/31 December 2010.

⁴ Basis points.

Linde Interim Report. January to March 2011.

January to March 2011: Profitable growth continues for Linde

- Group sales grow 14.9 percent to EUR 3.325 bn
- Group operating profit¹ increases at a faster rate than sales, by 18.7 percent to EUR 761 m
- Group operating margin up 80 basis points to 22.9 percent
- Increase in earnings per share from EUR 1.17 to EUR 1.67
- Holistic concept for sustainable process optimisation and efficiency gains (HPO) is proving effective
- Group outlook for 2011 confirmed: growth in sales and earnings expected

¹ Operating profit: EBITDA including share of net income from associates and joint ventures.

Group Interim Management Report

General economic environment

The global economic recovery continued in the first quarter of 2011. Following a 4.1 percent increase in global gross domestic product (GDP) in 2010 according to data from the international forecasting institute Global Insight, experts are currently expecting worldwide growth of 3.5 percent for the full year 2011. This is slightly lower than the figure forecast at 31 December 2010 of 3.7 percent. Global Insight is expecting global industrial production (IP) to grow by 5.1 percent in the course of 2011. IP growth is not expected to accelerate in 2011, given that it rose 8.0 percent in 2010.

During the reporting period, the highest growth rates were once again to be seen in Asia. The Chinese economy, in particular, maintained its dynamic upward trend. The economic environment continued to stabilise in the more mature markets of Europe and the United States. Here, the impetus from government recovery packages started to give way to demand fuelled by a rise in private spending.

Nevertheless, uncertainty remains as to the extent, sustainability and intensity of global economic growth. In the more mature economies, fiscal consolidation measures and restrictive monetary policies are having a dampening effect. In the newly industrialised nations, strong economic performance entails risks of inflation and instability, which governments might need to address with restrictive measures. The stability of financial markets has not yet been restored and unemployment levels remain high in many industrialised countries. The political conflicts in parts of the Arab world and a significant increase in the price of oil and raw materials might also have an adverse effect on general economic trends. Therefore, the structural potential of emerging economies will remain the major driver of global economic growth for the foreseeable future.

Once again in 2011, economists are forecasting different rates of growth across the various regions. Global Insight is expecting GDP in the EMEA region (Europe, Middle East, Africa) to rise 2.3 percent. In the euro-zone, the institute is continuing to predict growth of 1.7 percent. Economists are now forecasting an increase in economic output in Germany of 3.0 percent (31 December 2010: 2.5 percent). An upturn of 3.8 percent (31 December 2010: 3.6 percent) is now expected in Eastern Europe. In the Middle East, the economy is expected to expand by 5.4 percent in 2011. Economic growth in Africa should reach 4.9 percent. The experts are forecasting an increase in the Americas region of 3.4 percent. Global Insight has confirmed its previous forecast for the United States. In 2011, the institute expects GDP to rise there by 3.2 percent. At 4.9 percent, the economic forecast for South America also remains unchanged. In the Asia/Pacific region, a high growth rate is again expected. The forecast here for 2011 is 6.9 percent. Most of this growth will again be fuelled by China, where it is predicted that economic output will rise by 9.5 percent (31 December 2010: 9.2 percent). Global Insight is also again forecasting strong growth in India, where GDP is expected to increase by 8.3 percent. GDP in Australia is expected to rise by 2.5 percent.

Group

Building on positive trends from 2010 across all divisions, the technology company The Linde Group reports a good start to the new financial year.

In the first three months of the 2011 financial year, the Group achieved significant increases in both Group sales and Group operating profit. In comparison with the first quarter of 2010, Group sales rose by 14.9 percent to EUR 3.325 bn (2010: EUR 2.894 bn). After adjusting for exchange rate effects, the increase in sales was 10.6 percent. In the first quarter of 2011, the share of sales from its interests in joint ventures (not disclosed in Group sales in accordance with accounting rules) was EUR 92 m (2010: EUR 84 m).

Linde continued to improve its profitability, achieving an 18.7 percent increase in Group operating profit in the reporting period to EUR 761 m (2010: EUR 641 m). Once more operating profit rose at a faster rate than sales. Contributing to this increase was income of EUR 16 m arising from the amendment made to UK pension plans. This one-off income was included in operating profit as part of Corporate activities. The Group operating margin was 22.9 percent, 80 basis points above the figure for the prior-year quarter of 22.1 percent.

The significant improvement in profitability underlines Linde's progress in the determined implementation of its HPO (High Performance Organisation) programme, a holistic concept for sustainable process optimisation and productivity gains.

The net financial expense in the first quarter improved from EUR 68 m in 2010 to EUR 49 m in 2011. This figure includes income of EUR 30 m arising from the early repayment of a loan relating to the 2007 sale of BOC Edwards.

Earnings before taxes on income reached EUR 397 m, significantly exceeding the figure for the comparable prior-year period of EUR 283 m by 40.3 percent. Earnings after tax rose by 42.3 percent to EUR 303 m (2010: EUR 213 m). After adjusting for minority interests, earnings attributable to Linde AG shareholders were EUR 284 m (2010: EUR 198 m). Earnings per share increased as a result by 42.7 percent to EUR 1.67 (2010: EUR 1.17). On an adjusted basis, i.e. after adjusting for the effects of the purchase price allocation from the BOC acquisition, earnings per share stood at EUR 1.88 (2010: EUR 1.41).

Gases Division

The improvement in the economic situation in the first quarter of 2011 also fuelled demand for gases worldwide. Linde was able to benefit from this positive trend in all product areas, due to the Group's global footprint and its strong position especially in emerging economies.

Sales in the Gases Division in the first three months of 2011 grew 13.8 percent to EUR 2.662 bn, compared with the figure of EUR 2.340 bn for the prior-year quarter. On a comparable basis, i.e. after adjusting for exchange rate effects, changes in the price of natural gas and changes to Group structure, the increase in sales was 8.3 percent. The Group's share of sales from its interests in joint ventures (not included in the sales of the division in accordance with accounting rules) was EUR 89 m in the reporting period, compared with EUR 82 m in the first quarter of 2010.

Operating profit of the Gases Division again grew faster than sales, up 16.3 percent to EUR 727 m (2010: EUR 625 m). The operating margin improved by 60 basis points to 27.3 percent (2010: 26.7 percent). This latest increase in profitability was partly due to the positive impact of the efficiency improvement and process optimisation measures within the framework of HPO. Also in evidence here was a higher level of capacity utilisation in production plants in the first quarter of 2011 than in the first quarter of 2010.

The share of net income from associates and joint ventures in the Gases Division in the reporting period included in operating profit was EUR 17 m (2010: EUR 16 m).

Looking at business trends in the individual operating segments in the Gases Division, it is clear that the pace of economic recovery still varies from region to region. In the first three months of 2011, the highest growth rates were once again to be seen in the emerging economies of Asia, especially China, and in South America. At the same time, the economic recovery continued in mature markets such as the US and Western Europe.

During the reporting period, Linde changed the segment structure of the Gases Division and reallocated regional responsibilities. The Group established a specific regional responsibility for the Asia/Pacific segment within the Executive Board to capitalise on the huge potential offered by growth markets in Asia. Until the end of the 2010 financial year, the Group's reporting in the Gases Division was based on four operating segments: Western Europe, the Americas, Asia & Eastern Europe and South Pacific & Africa. From the beginning of the first quarter of 2011, Linde's reporting in the Gases Division will be based on the following three operating segments: EMEA (Europe, Middle East and Africa), Asia/Pacific and the Americas. The comparative figures for the first quarter of 2010 have been adjusted to take account of the new structure.

EMEA

In the EMEA operating segment, Linde achieved sales growth of 10.2 percent in the first three months of 2011 to EUR 1.393 bn (2010: EUR 1.264 bn). On a comparable basis, the growth in sales was 6.0 percent. Operating profit again increased at a faster rate than sales, rising 12.5 percent to EUR 395 m (2010: EUR 351 m). This resulted in an operating margin of 28.4 percent, 60 basis points above the figure for the prior-year quarter of 27.8 percent. Here too, the rigorous implementation of the various productivity improvement and process standardisation initiatives under the HPO programme made a positive contribution. In the course of setting up the EMEA operating segment, Linde merged the existing Regional Business Units (RBUs) Africa and UK & Ireland to form the RBU Africa & UK. This will enable Linde to take better advantage of the synergies between the two RBUs.

The economic recovery in the EMEA region continued to strengthen in the first quarter of 2011. Linde was able to achieve volume increases in all product areas, especially in liquefied and cylinder gases. There was also an improvement in the capacity utilisation of existing plants in the on-site business. In addition, the Group benefited here from new plants coming on stream to supply the steel industry. Examples of these are the air separation plants in Bremen in Germany and in Scunthorpe in the UK, which will supply Linde's major customers ArcelorMittal and Tata Steel with industrial gases. In the first quarter of 2010, these plants had not yet commenced operations.

In Sweden, the country's first terminal for liquefied natural gas (LNG) started production at the end of 2010 and became fully operational in the first quarter of 2011. Linde is the owner and operator of the terminal and sells the LNG to customers in industry, transport and shipping. With this new terminal, Linde has gained entry into a promising growth market.

Asia/Pacific

Linde achieved a high rate of growth in the Asia/Pacific operating segment, boosted by continued economic dynamism in Asia and bolstered by its leading position in these markets. In the first quarter of 2011, sales in this region grew 22.5 percent to EUR 707 m (2010: EUR 577 m). On a comparable basis, the increase in sales was 11.0 percent. Operating profit rose by 21.0 percent to EUR 196 m (2010: EUR 162 m). At 27.7 percent (2010: 28.1 percent), the operating margin again reached a very high level. To sustain this level of profitability, Linde is continuing here too with the rigorous implementation of its HPO concept.

Strong economic growth in the Greater China region and in the markets of South and East Asia persisted in the first quarter of 2011. Against this background, Linde achieved double-digit growth rates in China in all product areas. With its integrated business model, the Group benefited from ever-rising demand in the market for liquefied and cylinder gases in the industrial zones. In the on-site segment, the development of the business was driven in part by the start-up of several new plants. Two air separation plants came on stream in Eastern China in the Ningbo/Daxie industrial cluster. Here, Linde is supplying oxygen to Ningbo Steel's steelworks and oxygen and nitrogen to the chemical company Wanhua.

In a joint enterprise with Chongqing Chemical & Pharmaceutical Holding Company (CCPHC), Linde is to build and operate a large hydrogen and synthesis gas plant in Western China, in the Chongqing Chemical Park. The contract for this joint enterprise, which has an investment value of around EUR 200 m, was signed on 11 April 2011, after the balance sheet date of the quarterly report. The new plant, which will be supplied by Linde's Engineering Division, is expected to come on stream in the third quarter of 2014.

During the reporting period, Linde brought a new air separation plant officially on stream at the Pasir Gudang site in Malaysia. The EUR 47 m plant is Linde's biggest single investment in Malaysia and demonstrates that the Group is gearing its business in the region towards long-term growth. The plant started production in the second half of 2010.

In addition, Linde officially inaugurated in the first quarter of 2011 Australia's first micro-LNG plant. The joint venture project has an investment volume of AUD 150 m and includes the supply of six filling stations for the transport company LNG Refuellers Pty Ltd in Tasmania.

Americas

In the Americas operating segment, sales in the first three months of 2011 grew 12.8 percent to EUR 580 m (2010: EUR 514 m). On a comparable basis, the increase in sales was 11.1 percent.

Operating profit rose 21.4 percent compared with the prior-year quarter to EUR 136 m (2010: EUR 112 m). The operating margin was 23.4 percent, an increase of 160 basis points (2010: 21.8 percent). The substantial increase in the margin was partly attributable to one-off effects, but also to the progress achieved by Linde in the implementation of HPO.

In North America, the improvement in the general economic situation also resulted in higher demand for industrial gases. Linde was able to achieve significant rates of growth in all product areas. In the on-site segment, average utilisation of existing production capacity was higher than in the prior year. Linde also benefited here from the start-up of new plants. When comparing the figures for the first quarters of 2011 and 2010, it should be noted that, for example, the hydrogen plant used in the desulphurisation of fuels in Lemont, Illinois, did not start production until the second quarter of 2010.

In the South America region, the economy continued to grow in the first three months of the year. Against this background, Linde achieved double-digit growth rates here in the quarter ended 31 March 2011. All the product areas saw positive trends, with the on-site and Healthcare segments performing particularly strongly.

Product areas

The performance of the individual product areas reflects the overall positive trends in the Gases Division.

The highest rate of sales growth was in the on-site business, where Linde supplies gases on site to major customers. Boosted by the start-up of numerous new production plants and better capacity utilisation of existing plants, sales rose here on a comparable basis by 12.1 percent to EUR 659 m (2010: EUR 588 m). The cylinder gas business continued its steady upward trend, achieving growth of 7.5 percent to EUR 1.075 bn (2010: EUR 1.000 bn). Sales in the liquefied gases business in the first quarter increased by 7.3 percent to EUR 636 m (2010: EUR 593 m). The Healthcare product area again saw steady growth, achieving sales of EUR 292 m, an increase of 5.8 percent over the figure for the prior-year quarter of EUR 276 m.

Gases Division

in € million	January to March					
	2011			2010		
	Sales	Operating profit	Margin in percent	Sales	Operating profit	Margin in percent
EMEA	1,393	395	28.4	1,264	351	27.8
Asia/Pacific	707	196	27.7	577	162	28.1
Americas	580	136	23.4	514	112	21.8
Consolidation	-18	-	-	-15	-	-
Gases Division	2,662	727	27.3	2,340	625	26.7

Engineering Division

The international large-scale engineering market continued to stabilise in the first quarter of 2011. In its four main product segments (olefin plants, natural gas plants, air separation plants, hydrogen and synthesis gas plants), Linde saw a revival in investment activity.

Sales in the Engineering Division in the first quarter of 2011 increased by 14.3 percent to EUR 591 m (2010: EUR 517 m). The successful execution of a number of individual projects meant that operating profit grew at a faster rate than sales, rising 21.6 percent to EUR 62 m (2010: EUR 51 m). The operating margin was 10.5 percent (2010: 9.9 percent), again significantly exceeding the target figure of 8 percent.

Order intake was EUR 444 m in the quarter ended 31 March 2011 (2010: EUR 502 m). In the engineering project business, a comparison between the situation at the end of the current quarter and the prior-year quarter is only of limited use. Projects do not arise at regular intervals, as is demonstrated by the fact that the Engineering Division was awarded a major contract to supply a hydrogen and synthesis gas plant in Western China after the end of the first quarter. As in previous quarters, order intake in the first quarter of 2011 was characterised by a number of small and medium-sized new orders. Over 90 percent of incoming orders were evenly spread over the following regions: Asia/Pacific, North America and Europe. This shows a revival in investment confidence even in the mature economies.

More than half the order intake related to the product areas for natural gas and air separation plants, while the remainder was evenly distributed across the other plant types.

Linde's order backlog remains high. At 31 March 2011, it stood at EUR 3.714 bn (31 December 2010: EUR 3.965 bn).

Engineering Division

in € million	January to March	
	2011	2010
Sales	591	517
Order intake	444	502
Order backlog at 31.03./31.12.	3,714	3,965
Operating profit	62	51
Margin in %	10.5	9.9

Engineering Division – Order intake by region

in € million	January to March			
	2011	in percent	2010	in percent
Asia/Pacific	144	32.4	152	30.3
North America	135	30.4	22	4.4
Europe	118	26.6	115	22.9
Middle East	21	4.8	66	13.1
South America	17	3.8	4	0.8
Africa	9	2.0	143	28.5
Total	444	100.0	502	100.0

Engineering Division – Order intake by plant type

in € million	January to March			
	2011	in percent	2010	in percent
Natural gas plants	141	31.8	96	19.1
Air separation plants	121	27.3	109	21.7
Olefin plants	68	15.3	167	33.3
Hydrogen and synthesis gas plants	62	14.0	83	16.5
Other	52	11.6	47	9.4
Total	444	100.0	502	100.0

Finance

Net cash inflow (free cash flow before financing activities) increased during the reporting period by 13.1 percent to EUR 233 m (2010: EUR 206 m). Cash flow from operating activities was EUR 440 m, 10.8 percent above the figure for the first quarter of 2010 of EUR 397 m. This increase was partly the result of the significant rise in earnings before taxes on income and partly the result of the cash inflow of EUR 59 m from the early repayment of the loan relating to the 2007 sale of BOC Edwards. Net cash outflow from investment activities in the first three months of 2011 was EUR 207 m (2010: EUR 191 m). Cash outflows in the reporting period for investments in tangible and intangible assets, including plants held under leases in accordance with IFRIC 4, were EUR 237 m, 6.3 percent above the figure for the first quarter of 2010 of EUR 223 m.

Total assets have decreased since the balance sheet date, 31 December 2010, by 2.0 percent or EUR 530 m to EUR 26.358 bn. Non-current assets, which comprise 81 percent of total assets, fell by EUR 869 m, mainly as a result of exchange rate movements. Net financial debt (financial debt less cash and cash equivalents and securities) was reduced by EUR 275 m from EUR 5.497 bn at 31 December 2010 to EUR 5.222 bn at 31 March 2011. It should be noted here that exchange rate effects had a positive impact on the reduction in net financial debt. The changes arising from the remeasurement of fair value hedges also had a positive impact here. The Linde Group is financed on a long-term basis, as can be seen from the maturity profile of the financial debt. Of the financial debt of EUR 6.642 bn at 31 March 2011 (31 December 2010: EUR 6.673 bn), EUR 491 m (31 December 2010: EUR 459 m) is disclosed as current and EUR 6.151 bn (31 December 2010: EUR 6.214 bn) as non-current financial debt. Over 70 percent of the financial debt has a due date later than 2012. Financial debt repayable within one year is matched by cash and cash equivalents of EUR 1.404 bn (31 December 2010: EUR 1.159 bn) and a EUR 2.5 bn syndicated credit facility available until 2015. The Group's gearing (the ratio of net debt to equity) improved as a result of the reduction in net financial debt at the end of the first quarter of 2011 to 47 percent (31 December 2010: 48 percent). The dynamic indebtedness factor (net financial debt to operating profit for the past twelve months) fell from 1.9 at 31 December 2010 to 1.7 at 31 March 2011.

Prior to the payment of the dividend, equity had decreased by EUR 195 m to EUR 11.167 bn. This reduction in equity was due primarily to exchange rate effects. Earnings after tax of EUR 303 m and the remeasurement of derivative financial instruments at fair value had a positive impact on equity. At 42 percent, the equity ratio at 31 March 2011 was the same as at 31 December 2010.

Employees

The number of employees in The Linde Group worldwide at 31 March 2011 was 48,694 (31 December 2010: 48,430). Of this number, 37,850 were employed in the Gases Division and 5,876 in the Engineering Division. The majority of the 4,968 staff in the Corporate/Other Activities segment are employed by Gist, Linde's logistics service provider.

Group – Employees by division

	31.03.2011	31.12.2010
Gases Division	37,850	37,603
Engineering Division	5,876	5,811
Corporate/Other Activities	4,968	5,016
Group	48,694	48,430

Gases Division – Employees by operating segment

	31.03.2011	31.12.2010
EMEA	20,696	20,575
Asia/Pacific	10,141	10,051
Americas	7,013	6,977
Total	37,850	37,603

Outlook

Outlook – Group

The leading economic research institutes are forecasting increases for the current year 2011 both in global gross domestic product and worldwide industrial production. However, uncertainty remains as to the sustainability and intensity of the recovery. Factors which could dampen steady global growth include high public debt levels across the world, monetary instability, continuing relatively high levels of unemployment in the US and in some European countries, uncertain political developments in some countries in the Arab world and the continuing effects of the earthquake disaster in Japan.

Given current economic predictions and on the basis of its business performance in the first quarter of 2011, Linde confirms its forecast. The Group continues to assume that it will be able to achieve a higher level of Group sales and Group operating profit in the 2011 financial year than in 2010.

The Group will continue to optimise its business processes over the coming years and systematically roll out its holistic concept for lasting productivity gains (HPO or High Performance Organisation). Under HPO, Linde still expects to achieve reductions in gross costs in the four-year period from 2009 to 2012 of between EUR 650 m and EUR 800 m.

As described in the 2010 Annual Report, Linde has set itself a medium-term target for the 2014 financial year of achieving Group operating profit of at least EUR 4 bn. For that same year, the Group has defined a minimum target of 14 percent for return on capital employed (ROCE), one of the Group's key performance indicators.

Linde expects these positive business trends to be supported by the megatrends energy, environment and health and by dynamic trends in the emerging economies.

Outlook – Gases Division

Recent economic forecasts suggest that the market environment in the global gases industry will continue to improve. Demand is expected to rise in the major end customer segments. Linde remains committed to its original target in the gases business of growing at a faster pace than the market and continuing to increase productivity.

In the on-site business, Linde has a full project pipeline which will make a significant contribution to sales and earnings in the 2011 financial year. The liquefied gases and cylinder gas business is set to benefit from the ongoing general economic recovery. Linde expects positive business trends in the Healthcare product area to continue, with a higher rate of sales growth than in 2010.

Based on the assumptions and targets outlined above, Linde anticipates that sales generated by the Gases Division in the 2011 financial year will exceed sales achieved in 2010 and that operating profit will grow at a faster pace than sales.

Outlook – Engineering Division

Investment activity in the international large-scale plant construction business has continued to stabilise in recent months.

At EUR 3.714 bn, the order backlog in Linde's Engineering Division remains at a very high level, creating a good basis for a solid business performance over the next two years. The Group expects to achieve the same level of sales in its engineering business in the 2011 financial year as in 2010. The minimum target for the operating margin is 8 percent.

Linde continues to be well-positioned in the international market for olefin plants, natural gas plants, air separation plants and hydrogen and synthesis gas plants and will derive lasting benefit in particular from investment in two structural growth areas: energy and the environment.

Risk report

Uncertainty about future global economic trends continues. In addition to the risk of a drop in sales volumes if there is another economic slowdown, the Group is also exposed to the risk of the loss of new business and an increase in the risk of bad debts in its operating business due to the increase in the inability of customers to make payments (counterparty risk). The high level of volatility in the financial markets continues to make it difficult to arrive at an accurate assessment of the future net assets, financial position and results of operations of The Linde Group.

The risk situation for The Linde Group has not changed since the 2010 Annual Report.

Significant events after the balance sheet date

Linde signed a contract on 11 April 2011 to build and operate a large hydrogen and synthesis gas plant in the Chongqing Chemical Park in Western China in a joint enterprise with Chongqing Chemical & Pharmaceutical Holding Company (CCPHC). The project has an investment value of around EUR 200 m. Linde holds 60 percent of the shares in the joint enterprise with CCPHC.

In future, the new on-site plant will provide the production facilities of BASF and CCHPC based in the park with carbon monoxide, hydrogen and synthesis gas. The new plant, which will be supplied by Linde's Engineering Division, is expected to come on stream in the third quarter of 2014.

As a result of this project, Linde will strengthen its position both in Western China and as the leading gases and engineering company in the country.

Group income statement

in € million	January to March	
	2011	2010
Sales	3,325	2,894
Cost of sales	2,129	1,881
Gross profit on sales	1,196	1,013
Marketing and selling expenses	485	418
Research and development costs	24	20
Administration expenses	284	252
Other operating income	73	55
Other operating expenses	45	39
Income from associates and joint ventures (at equity)	15	12
Financial income	112	90
Financial expenses	161	158
Earnings before taxes on income	397	283
Taxes on income	94	70
Earnings after taxes on income	303	213
Attributable to non-controlling interests	19	15
Attributable to Linde AG shareholders	284	198
Earnings per share in € – undiluted	1.67	1.17
Earnings per share in € – diluted	1.65	1.16

Statement of recognised income and expense

in € million	January to March	
	2011	2010
Unrealised gains/losses on available-for-sale financial assets	-	1
Unrealised gains/losses on derivative financial instruments	143	-113
Currency translation differences	-626	713
Actuarial gains/losses on pension provisions	-24	13
Change in effect of the limit on a defined benefit asset (asset ceiling under IAS 19.58)	2	-
Gains and losses recognised directly in equity	-505	614
Earnings after taxes on income	303	213
Total gains and losses recognised	-202	827
Of which attributable to		
Linde AG shareholders	-187	788
Non-controlling interests	-15	39

Group balance sheet		
in € million	31.03.2011	31.12.2010
Assets		
Goodwill	7,603	7,799
Other intangible assets	3,291	3,506
Tangible assets	8,410	8,723
Investments in associates and joint ventures (at equity)	662	678
Other financial assets	308	338
Receivables from finance leases	318	344
Other receivables and other assets	498	566
Deferred tax assets	301	306
Non-current assets	21,391	22,260
Inventories	981	956
Receivables from finance leases	46	48
Trade receivables	1,884	1,855
Other receivables and other assets	552	483
Income tax receivables	82	105
Securities	16	17
Cash and cash equivalents	1,404	1,159
Non-current assets classified as held for sale and disposal groups	2	5
Current assets	4,967	4,628
Total assets	26,358	26,888

Group balance sheet

in € million	31.03.2011	31.12.2010
Equity and liabilities		
Capital subscribed	436	436
Capital reserve	5,210	5,205
Revenue reserves	5,371	5,108
Cumulative changes in equity not recognised through the income statement	-351	99
Total equity attributable to Linde AG shareholders	10,666	10,848
Non-controlling interests	501	514
Total equity	11,167	11,362
Provisions for pensions and similar obligations	843	884
Other non-current provisions	464	487
Deferred tax liabilities	1,949	1,990
Financial debt	6,151	6,214
Liabilities from finance leases	38	39
Trade payables	3	5
Other non-current liabilities	157	187
Liabilities from income taxes	86	88
Non-current liabilities	9,691	9,894
Other current provisions	1,494	1,515
Financial debt	491	459
Liabilities from finance leases	9	10
Trade payables	2,422	2,564
Other current liabilities	993	950
Liabilities from income taxes	91	134
Current liabilities	5,500	5,632
Total equity and liabilities	26,358	26,888

Group cash flow statement

in € million	January to March	
	2011	2010
Earnings before taxes on income	397	283
Adjustments to earnings before tax to calculate cash flow from operating activities		
Amortisation of intangible assets/depreciation of tangible assets	315	290
Profit/loss on disposal of non-current assets	-6	-1
Net interest	71	59
Finance income arising from finance leases in accordance with IFRIC 4/IAS 17	6	10
Income from associates and joint ventures (at equity)	-15	-12
Distributions/dividends received from associates and joint ventures	4	8
Income taxes paid	-68	-64
Changes in assets and liabilities		
Change in inventories	-57	34
Change in trade receivables	-93	-56
Change in provisions	-52	-78
Change in trade payables	-30	-76
Change in other assets and liabilities	-32	-
Cash flow from operating activities	440	397
Payments for tangible and intangible assets and plants held under leases in accordance with IFRIC 4/IAS 17	-237	-223
Payments for investments in consolidated companies	-5	-
Payments for investments in financial assets	-8	-6
Payments for investments in current financial assets	-	-1
Proceeds on disposal of tangible and intangible assets and amortisation of receivables from finance leases in accordance with IFRIC 4/IAS 17	21	31
Proceeds on disposal of non-current assets held for sale and disposal groups	11	-
Proceeds on disposal of financial assets	8	7
Proceeds on disposal of current financial assets	3	1
Cash flow from investing activities	-207	-191

Group cash flow statement

in € million	January to March	
	2011	2010
Interest received	35	51
Interest paid	-80	-73
Proceeds of loans and capital market debt	235	71
Cash outflows for the repayment of loans and capital market debt	-144	-283
Change in liabilities from finance leases	-2	-1
Cash flow from financing activities	44	-235
Net cash inflow/outflow	277	-29
Opening balance of cash and cash equivalents	1,159	831
Effects of currency translation	-32	24
Closing balance of cash and cash equivalents	1,404	826

Statement of changes in Group equity

	Capital subscribed	Capital reserve	Revenue reserves	
			Actuarial gains/losses	Retained earnings
in € million				
At 1 Jan. 2010	432	5,103	-357	4,616
Total gains and losses recognised	-	-	12	198
Dividend payments	-	-	-	-
Changes as a result of share option scheme	-	4	-	-
Other changes	-	-	-	-
At 31 March 2010	432	5,107	-345	4,814
At 31 Dec. 2010/1 Jan. 2011	436	5,205	-200	5,308
Total gains and losses recognised	-	-	-21	284
Dividend payments	-	-	-	-
Changes as a result of share option scheme	-	5	-	-
Other changes	-	-	-	-
At 31 March 2011	436	5,210	-221	5,592

Cumulative changes in equity not recognised through the income statement						
Currency translation differences	Available-for-sale financial assets	Derivative financial instruments	Total equity attributable to Linde AG shareholders	Non-controlling interests	Total equity	
-1,206	4	144	8,736	451	9,187	
680	1	-103	788	39	827	
-	-	-	-	-	-	
-	-	-	4	-	4	
-	-	-	-	-5	-5	
-526	5	41	9,528	485	10,013	
121	-1	-21	10,848	514	11,362	
-592	-	142	-187	-15	-202	
-	-	-	-	-	-	
-	-	-	5	-	5	
-	-	-	-	2	2	
-471	-1	121	10,666	501	11,167	

Segment information

in € million see Note [8]	Reportable segments			
	Total Gases Division		Engineering Division	
	January to March		January to March	
	2011	2010	2011	2010
Sales to third parties	2,660	2,338	526	435
Sales to other segments	2	2	65	82
Segment sales	2,662	2,340	591	517
Operating profit	727	625	62	51
Of which share of profit/loss from associates/joint ventures (at equity)	17	16	-	-
Amortisation of intangible assets and depreciation of tangible assets	301	274	9	9
Of which amortisation of fair value adjustments identified in the course of purchase price allocation	56	54	2	2
EBIT (Earnings before interest and tax)	426	351	53	42

in € million see Note [8]	Reportable segments			
	Gases Division			
	EMEA		Asia/Pacific	
	January to March		January to March	
2011	2010	2011	2010	
Sales to third parties	1,390	1,259	705	577
Sales to other segments	3	5	2	-
Segment sales	1,393	1,264	707	577
Operating profit	395	351	196	162
Of which share of profit/loss from associates/joint ventures (at equity)	1	1	11	12
Amortisation of intangible assets and depreciation of tangible assets	139	128	95	83
Of which amortisation of fair value adjustments identified in the course of purchase price allocation	16	15	26	23
EBIT (Earnings before interest and tax)	256	223	101	79

Reportable segments		Reconciliation		Total Group	
Other Activities					
January to March		January to March		January to March	
2011	2010	2011	2010	2011	2010
139	121	-	-	3,325	2,894
-	-	-67	-84	-	-
139	121	-67	-84	3,325	2,894
12	11	-40	-46	761	641
-	-	-2	-4	15	12
5	7	-	-	315	290
3	3	-	-	61	59
7	4	-40	-46	446	351

Reportable segments		Total Gases Division	
Gases Division			
Americas		January to March	
2011	2010	2011	2010
565	502	2,660	2,338
15	12	2	2
580	514	2,662	2,340
136	112	727	625
5	3	17	16
67	63	301	274
14	16	56	54
69	49	426	351

Additional Comments

[1] Accounting policies

The condensed Group interim financial statements of Linde AG for the three months ended 31 March 2011 have been drawn up in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) applicable to interim financial reporting, as adopted by the European Union pursuant to EU Regulation 1606/2002 of the European Parliament and the Council concerning the use of International Accounting Standards.

The reporting currency is the euro. All amounts are shown in millions of euro (EUR m), unless stated otherwise.

A review of the financial statements included in the condensed Group interim financial statements has been performed by KPMG AG Wirtschaftsprüfungsgesellschaft.

We have used the same accounting policies in the condensed Group interim financial statements as those used to prepare the Group financial statements for the year ended 31 December 2010 and have also applied IAS 34 *Interim Financial Reporting*. Since 1 January 2011, the following standards have either become effective or have been early adopted in the condensed Group interim financial statements of The Linde Group for the quarter ended 31 March 2011:

- Revised IAS 24 *Related Party Disclosures*,
- Improvements to International Financial Reporting Standards (2010),
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*,
- Amendment to IFRIC 14 *Prepayments of a Minimum Funding Requirement*.

These standards do not have a material impact on the net assets, financial position and results of operations of The Linde Group.

In addition to the changes mentioned above, the following new or revised standards and interpretations have been issued by the IASB and the IFRS Interpretations Committee. These have not been applied in the condensed Group interim financial statements for the three months ended 31 March 2011, as they are either not yet mandatory or have not yet been adopted by the European Commission:

- IFRS 9 *Financial Instruments*,
- Amendment to IFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets*,
- Amendments to IAS 12 *Deferred Tax: Recovery of Underlying Assets*.

With the exception of IFRS 9, the impact of these standards on the Group financial statements will not be significant. IFRS 9 is expected to become effective from the 2013 financial year onwards and may lead to changes in the classification and measurement of financial assets in the Group financial statements.

[2] Changes in Group structure

The condensed Group interim financial statements comprise Linde AG and all the companies over which Linde AG exercises direct or indirect control by virtue of its power to govern their financial and operating policies.

The companies included in the condensed Group interim financial statements of The Linde Group comprise the following:

Changes in the base of consolidation

	As at 31.12.2010	Additions	Disposals	As at 31.03.2011
Consolidated subsidiaries	496	1	5	492
Of which within Germany	23	-	1	22
Of which outside Germany	473	1	4	470
Companies accounted for using the equity method	49	3	-	52
Of which within Germany	-	-	-	-
Of which outside Germany	49	3	-	52

Most of the disposals of companies included in the consolidation are the result of the Reduction of Legal Entities project, which forms part of the HPO programme designed to achieve sustainable process optimisation and increased efficiency. The aim of this project is to simplify the legal structure of the consolidated companies and to reduce the number of entities through liquidations and mergers.

On 31 January 2011, The Linde Group acquired 22 percent of Uraltech Gas, Russia, for a purchase price of EUR 5 m paid in cash. This acquisition increased Linde's shareholding in Uraltech Gas to 72 percent. The company was consolidated in the EMEA operating segment as of this date. The provisional difference before purchase price allocation amounted to EUR 5 m. After fair value adjustments, mainly for tangible assets, provisional goodwill of EUR 2 m was recognised. The Group did not opt to disclose goodwill in respect of non-controlling interests. The goodwill that has been recognised in the balance sheet is not tax-deductible.

[3] Foreign currency translation

The financial statements of companies outside the European Monetary Union are translated in accordance with the functional currency concept. For all companies, items in the balance sheet are translated using the spot rate and items in the income statement using the average rate. Since 1 January 2010, Venezuela has been classified as a hyperinflationary economy in accordance with IAS 29 *Financial Reporting in Hyperinflationary Economies*. As a result, the activities of The Linde Group in that country are no longer accounted for on a historic cost basis but after adjustment for the effects of inflation. The local inflation index INPC (Indice Nacional de Precios al Consumidor) is used for this purpose.

The principal exchange rates used are as follows:

Exchange rate € 1 =	ISO code	Mid-rate on balance sheet date		Average rate January to March	
		31.03.2011	31.12.2010	2011	2010
Argentina	ARS	5.74400	5.31130	5.48871	5.31115
Australia	AUD	1.37330	1.30750	1.36083	1.53159
Brazil	BRL	2.31080	2.22030	2.28140	2.49394
Canada	CAD	1.37800	1.33450	1.34899	1.44065
China	CNY	9.29060	8.81730	9.00229	9.45275
Czech Republic	CZK	24.55100	25.04200	24.37932	25.87708
Hungary	HUF	266.38000	278.39000	272.48833	268.66339
Malaysia	MYR	4.29410	4.12520	4.17039	4.66761
Norway	NOK	7.85170	7.79200	7.83201	8.11075
Poland	PLN	4.01460	3.96650	3.94584	3.99013
South Africa	ZAR	9.63080	8.85590	9.57636	10.39615
South Korea	KRW	1,555.21000	1,500.06000	1,531.63467	1,583.90467
Sweden	SEK	8.92760	8.98340	8.87233	9.95106
Switzerland	CHF	1.29880	1.24950	1.28666	1.46269
Turkey	TRY	2.19130	2.06280	2.15908	2.08910
UK	GBP	0.87950	0.85750	0.85428	0.88737
USA	USD	1.41870	1.33790	1.36823	1.38450

[4] Pension obligations

The actuarial valuation of the pension obligations is based on the projected unit credit method set out in IAS 19 *Employee Benefits*. This method takes into account not only vested future benefits and known pensions at the balance sheet date, but also expected future increases in salaries and pensions. The calculation of the provision is determined using actuarial reports. Actuarial gains and losses are recognised immediately in equity.

In the quarterly financial reports, a competent estimate of the pension obligation is made, based on trends in actuarial assumptions and taking into account any exceptional effects in the current quarter.

At 31 March 2011, there were changes in the assumptions on which the pension obligations were based and in the measurement at fair value of the plan assets, which led to a decrease in equity of EUR 22 m (after deferred tax). During the reporting period, some changes were also made to the conditions which apply to the pension plan in the UK. These changes comprise mainly an increase in members' contributions, as well as some restrictions to pensionable earnings and to cap the increases on pensions in payment. As a result of these amendments, income of EUR 16 m relating to negative past service cost in pension plans was recognised in operating profit in the first quarter under Corporate activities. Moreover, from the second quarter of 2011 onwards, the current service cost for this pension plan will be lower than in previous quarters. These measures are intended to ensure the long-term financial viability of the pension plan.

[5] Net financial debt

in € million	Current		Non-current		Total	
	31.03.2011	31.12.2010	31.03.2011	31.12.2010	31.03.2011	31.12.2010
Financial debt	491	459	6,151	6,214	6,642	6,673
Less: Securities	16	17	-	-	16	17
Less: Cash and cash equivalents	1,404	1,159	-	-	1,404	1,159
Net financial debt	-929	-717	6,151	6,214	5,222	5,497

Of the financial debt at 31 March 2011, EUR 1.979 bn is in a fair value hedging relationship (31 December 2010: EUR 2.284 bn). If there had been no adjustment to the carrying amount as a result of fair value hedging relationships which had been agreed and were outstanding at the end of the reporting period, the financial debt of EUR 6.642 bn (31 December 2010: EUR 6.673 bn) would have been EUR 143 m (31 December 2010: EUR 188 m) lower.

In the 2009 financial year, The Linde Group began to conclude Credit Support Annexes (CSAs) with banks. Under these agreements, the positive and negative fair values of derivatives held by Linde AG and Linde Finance B.V. are collateralised with cash on a regular basis. An amount of EUR 138 m (31 December 2010: EUR 156 m) in respect of these agreements has been disclosed in banks loans and overdrafts as part of financial debt and an amount of EUR 40 m (31 December 2010: EUR 53 m) has been disclosed in cash equivalents.

[6] Financial income and expenses

Financial income includes income of EUR 30 m arising from a redemption penalty in respect of the early repayment of a loan relating to the sale of BOC Edwards in the 2007 financial year. Income of EUR 29 m arising from the reversal of an impairment loss on this loan was recognised in the fourth quarter of 2010.

[7] Earnings per share

in € million	January to March	
	2011	2010
Earnings after taxes on income attributable to Linde AG shareholders	284	198
Shares in thousands		
Weighted average number of shares outstanding	170,297	168,907
Dilution as a result of share option schemes	1,447	1,370
Weighted average number of shares outstanding – diluted	171,744	170,277
Earnings per share in € – undiluted	1.67	1.17
Earnings per share in € – diluted	1.65	1.16

Included in the figure for diluted earnings per share is the issue of shares relating to the employee share option schemes, to the extent that these have not already been exercised. Options exercised are also included in the calculation of the weighted average number of shares outstanding (fully diluted), on a weighted basis until the date they are exercised.

[8] Segment reporting

The same accounting policies apply to the operating segments as those described in the Group financial statements for the year ended 31 December 2010.

Change in segment structure

IFRS 8 *Operating Segments* requires segments to be defined on the basis of internal management within the organisation. The previous organisational structure in the Gases Division derived from operational management at regional level in nine Regional Business Units (or RBUs): North America, South America, Continental & Northern Europe, UK & Ireland, Eastern Europe & Middle East, South & East Asia, Greater China, South Pacific and Africa. These RBUs within the Gases Division were combined to form the four operating segments: Western Europe, the Americas, Asia & Eastern Europe and South Pacific & Africa.

To meet future operational challenges, the Executive Board has reassigned the Group's regional responsibilities by creating a specific Executive Board portfolio for the Asia/Pacific segment.

Since the beginning of the first quarter of 2011, Linde's Gases Division has reported on the basis of the following three operating segments:

- EMEA (Europe, Middle East and Africa)
- Asia/Pacific
- Americas

In the course of the change in internal organisational structure for the EMEA operating segment, the existing RBUs Africa and UK & Ireland were merged to form the RBU Africa & UK, to take better advantage in future of synergies between the two RBUs.

During the reporting period, the segment structure of the Gases Division was adjusted retrospectively to match the change in internal organisational structure.

No changes were made to the reporting structure of the other operating segments (the Engineering Division, Other Activities), nor to the Reconciliation column.

To arrive at the figure for the Gases Division as a whole from the figures for the operating segments in the Gases Division, consolidation adjustments of EUR 18 m (2010: EUR 15 m) were deducted from sales. Therefore, it is not possible to arrive at the figures for the Gases Division as a whole by merely adding together the operating segments in the Gases Division.

The reconciliation of segment sales to Group sales and of segment operating profit to Group earnings before taxes on income is shown in the table below:

Reconciliation of segment sales and of the segment result

in € million	January to March	
	2011	2010
Segment sales		
Sales in the reportable segments	3,392	2,978
Consolidation	-67	-84
Group sales	3,325	2,894
Operating profit		
Operating profit from the reportable segments	801	687
Operating result from Corporate activities	-24	-28
Amortisation and depreciation	315	290
Of which fair value adjustments identified in the course of the purchase price allocation	61	59
Financial income	112	90
Financial expenses	161	158
Consolidation	-16	-18
Earnings before taxes on income	397	283

[9] Reconciliation of key financial figures

To provide better comparability, the key financial figures relating to The Linde Group have been adjusted below for the effects of the purchase price allocation in accordance with IFRS 3 on the acquisition of BOC and on acquisitions directly related to the BOC transaction.

Adjusted financial figures

in € million	January to March 2011			January to March 2010		
	As reported	Non-GAAP adjustments	Key financial figures	As reported	Non-GAAP adjustments	Key financial figures
Sales	3,325	-	3,325	2,894	-	2,894
Cost of sales	-2,129	13	-2,116	-1,881	20	-1,861
Gross profit on sales	1,196	13	1,209	1,013	20	1,033
Research and development costs, marketing, selling and administration expenses	-793	48	-745	-690	39	-651
Other operating income and expenses	28	-	28	16	-	16
Income from associates and joint ventures (at equity)	15	-	15	12	-	12
EBIT	446	61	507	351	59	410
Financial result	-49	-	-49	-68	-	-68
Taxes on income	-94	-25	-119	-70	-18	-88
Earnings after taxes on income	303	36	339	213	41	254
Attributable to non-controlling interests	19	-	19	15	-	15
Attributable to Linde AG shareholders	284	36	320	198	41	239
Earnings per share in € – undiluted	1.67	-	1.88	1.17	-	1.41
Earnings per share in € – diluted	1.65	-	1.86	1.16	-	1.40

During the reporting period, the non-GAAP adjustments for research and development costs, marketing and selling expenses and administration expenses increased from EUR 39m to EUR 48m. The brand names acquired in the course of the BOC acquisition and other acquisitions have been accounted for to date as intangible assets with indefinite useful lives and therefore have not been amortised. During the reporting period, it was decided that The Linde Group would adopt a uniform brand identity in the medium term and therefore these brand names, which are included in intangible assets, were redefined as intangible assets with finite useful lives. As a result of this decision, there was an increase in amortisation during the reporting period.

[10] Discretionary decisions and estimates

The preparation of the interim report in accordance with IFRS requires discretionary decisions and estimates for some items, which might have an effect on their recognition and measurement in the balance sheet and income statement. The actual amounts realised may differ from these estimates. Estimates are required in particular for:

- the assessment of the need to recognise and the measurement of impairment losses relating to intangible assets, tangible assets and inventories,
- the recognition and measurement of pension obligations,
- the recognition and measurement of Other provisions,
- the assessment of the stage of completion of long-term construction contracts,
- the assessment of lease transactions.

Any changes in the key factors which are applied in impairment reviews of goodwill, other intangible assets, tangible assets or inventories may possibly result in higher or lower impairment losses or no impairment losses at all being recognised.

The obligation arising from defined benefit commitments is determined on the basis of actuarial assumptions. Any change in the assumptions would have no effect on earnings, as actuarial gains and losses are recognised directly in equity.

The recognition and measurement of Other provisions are based on the assessment of the probability of an outflow of resources to settle the obligation, and on past experience and circumstances known at the balance sheet date. The actual amount utilised may therefore differ from the figure set aside in the balance sheet under Other provisions.

The assessment of the stage of completion of long-term construction contracts is based on the percentage of completion method, subject to certain conditions being met. The stage of completion of the contract is determined on the basis of the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. For major projects, the calculation and analysis of the stage of completion of the project takes into account in particular contract costs incurred by subcontractors. External experts are sometimes used to assist with the calculation of these costs.

Discretionary decisions are required to be made, for example, in assessing whether all the substantial risks and rewards incidental to the ownership of an asset have in fact been transferred to the lessee. To establish whether an embedded finance lease exists in respect of Linde's on-site plants, assumptions need to be made about the allocation of the consideration received from the customer. If the measurement was made on a different basis, this could lead to a different classification of the plants.

[11] Significant events after the balance sheet date

Linde signed a contract on 11 April 2011 to build and operate a large hydrogen and synthesis gas plant in the Chongqing Chemical Park in Western China in a joint enterprise with Chongqing Chemical & Pharmaceutical Holding Company (CCPHC). The project has an investment value of around EUR 200m. Linde holds 60 percent of the shares in the joint enterprise with CCPHC, which will be fully consolidated.

In future, the new on-site plant will provide the production facilities of BASF and CCHPC based in the park with carbon monoxide, hydrogen and synthesis gas. The new plant, which will be supplied by Linde's Engineering Division, is expected to come on stream in the third quarter of 2014.

Apart from the event referred to above, there have been no significant events for The Linde Group between the end of the reporting period on 31 March 2011 and the publication deadline for these condensed Group interim financial statements.

Munich, 3 May 2011

Professor Dr Wolfgang Reitzle
Chief Executive Officer
of Linde AG

Georg Denoke
Member of the Executive Board
of Linde AG

Dr Aldo Belloni
Member of the Executive Board
of Linde AG

Sanjiv Lamba
Member of the Executive Board
of Linde AG

J. Kent Masters
Member of the Executive Board
of Linde AG

Review Report

To Linde AG, Munich

We have reviewed the condensed interim consolidated financial statements of Linde AG, Munich – comprising the income statement, statement of recognised income and expense, balance sheet, cash flow statement, statement of changes in Group equity and selected explanatory notes – together with the interim Group management report of Linde AG, Munich, for the period from 1 January to 31 March 2011 that are part of the quarterly financial report according to § 37x (3) of the German Securities Trading Act (WpHG). The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the European Union, and of the interim Group management report, in accordance with the requirements of the WpHG applicable to interim Group management reports, is the responsibility of the company's management. Our responsibility is to issue a report on these condensed interim consolidated financial statements and on the interim Group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and the interim Group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer e. V. (IDW) and in supplementary compliance with the International Standard on Review Engagements 2410 (ISRE 2410). Those standards require that we plan and conduct the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material aspects, in accordance with the IFRS applicable to interim financial reporting as adopted by the European Union, and that the interim Group management report has not been prepared, in material aspects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditors' report.

Based on our review, no matters have come to our attention that cause us to believe that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial accounting, as adopted by the European Union, or that the interim Group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim Group management reports.

Munich, 3 May 2011

KPMG AG
Wirtschaftsprüfungsgesellschaft

Harald v. Heynitz
Wirtschaftsprüfer
(German Public Auditor)

Günter Nunnenkamp
Wirtschaftsprüfer
(German Public Auditor)

Responsibility Statement

To the best of our knowledge and belief, and in accordance with the applicable accounting principles for interim reporting, the condensed interim consolidated financial statements give a true and fair view of the net assets, financial position and profit or loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remaining part of the financial year.

Munich, 3 May 2011

Professor Dr Wolfgang Reitzle
Chief Executive Officer
of Linde AG

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Member of the Executive Board
of Linde AG

Dr Aldo Belloni
Member of the Executive Board
of Linde AG

Sanjiv Lamba
Member of the Executive Board
of Linde AG

J. Kent Masters
Member of the Executive Board
of Linde AG

Contact Details

Linde AG

Klosterhofstrasse 1
80331 Munich
Germany

Phone +49.89.35757-01
Fax +49.89.35757-1075
www.linde.com

Communications

Phone +49.89.35757-1321
Fax +49.89.35757-1398
E-mail media@linde.com

Investor Relations

Phone +49.89.35757-1321
Fax +49.89.35757-1398
E-mail investorrelations@linde.com

This report is available in both German and English and can be downloaded from our website at www.linde.com.

Additional copies of the report and further information about Linde can be obtained from us free of charge.

Financial Calendar

Interim Report

January to March 2011
4 May 2011

Annual General Meeting 2011

12 May 2011, 10 a.m.
International Congress Centre Munich

Dividend Payment

13 May 2011

Interim Report

January to June 2011
29 July 2011

Autumn Press Conference

28 October 2011
Carl von Linde Haus, Munich

Interim Report

January to September 2011
28 October 2011

Annual General Meeting 2012

4 May 2012, 10 a.m.
International Congress Centre Munich

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Linde AG

Klosterhofstrasse 1

80331 Munich

Germany

Phone +49.89.35757-01

Fax +49.89.35757-1075

www.linde.com