

Company Profile



Corporate profile.

The Linde Group

The Linde Group is a world-leading gases and engineering company with approximately 48,500 employees working in more than 100 countries worldwide. In the 2010 financial year it achieved sales of EUR 12.868 bn. The strategy of The Linde Group is geared towards long-term profitable growth and focuses on the expansion of its international business with forward-looking products and services. Linde acts responsibly towards its shareholders, business partners, employees, society and the environment – in every one of its business areas, regions and locations across the globe. The company is committed to technologies and products that unite the goals of customer value and sustainable development.

Organisation

The Group comprises three divisions: Gases and Engineering (the two core divisions) and Gist (logistics services). The largest division, Gases, has four operating segments: Western Europe, the Americas, Asia & Eastern Europe, and South Pacific & Africa, which are subdivided into nine Regional Business Units (RBUs). The Gases Division also includes the two Global Business Units (GBUs) Healthcare (medical gases) and Tonnage (on-site) as well as the two Business Areas (BAs) Merchant & Packaged Gases (liquefied and cylinder gases) and Electronics (electronic gases).

Gases Division

The Linde Group is a world leader in the international gases market. The company offers a wide range of compressed and liquefied gases as well as chemicals and is the partner of choice across a huge variety of industries. Linde gases are used, for example, in the energy sector, steel production, chemical processing, environmental protection and welding, as well as in food processing, glass production and electronics. The company is also investing in the expansion of its fast-growing Healthcare business, i.e. medical gases, and is a leading global player in the development of environmentally friendly hydrogen technologies.

Engineering Division

Linde Engineering is successful throughout the world, with its focus on promising market segments such as olefin plants, natural gas plants and air separation plants, as well as hydrogen and synthesis gas plants (see glossary). In contrast to virtually all competitors, the company can rely on its own extensive process engineering know-how in the planning, project development and construction of turnkey industrial plants. Linde plants are used in a wide variety of fields: in the petrochemical and chemical industries, in refineries and fertiliser plants, to recover air gases, to produce hydrogen and synthesis gases, to treat natural gas and in the pharmaceutical industry.



Linde financial highlights.

in € million	January to December 2010	January to December 2009	Change
Share			
Closing price	€ 113.55	84.16	34.9 %
Year high	€ 115.30	87.95	31.1 %
Year low	€ 76.70	49.66	54.5 %
Market capitalisation (at year-end closing price)	19,337	14,215	36.0 %
Adjusted earnings per share ¹	€ 6.89	4.58	50.4 %
Earnings per share - undiluted	€ 5.94	3.51	69.2 %
Number of shares outstanding (in 000s)	170,297	168,907	0.8 %
Sales	12,868	11,211	14.8 %
Operating profit ²	2,925	2,385	22.6 %
Operating margin	22.7 %	21.3 %	+140 pb ³
EBIT before amortisation of fair value adjustments and non-recurring items	1,933	1,460	32.4 %
Earnings after taxes on income	1,064	653	62.9 %
Number of employees	48,430	47,731	1.5 %
Gases Division			
Sales	10,228	8,932	14.5 %
Operating profit	2,776	2,378	16.3 %
Operating margin	27.0 %	26.6 %	+40 pb ³
Engineering Division			
Sales	2,461	2,311	-23.4 %
Operating profit	271	210	-21.3 %
Operating margin	11.0 %	9.1 %	+190 pb ³

¹ Adjusted for the effects of the purchase price allocation.

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

³ Basis points.

Engineering Division.

The international large-scale engineering business is a late-cycle sector. Here, the market climate stabilised in the course of 2010. Linde saw a marked rise in investment activity in smaller and medium-size projects across all four main lines of business (olefin plants, natural gas plants, air separation plants, and hydrogen and synthesis gas plants).

The Engineering Division reported sales of EUR 2.461 bn in 2010, thus exceeding the prior-year figure (2009: EUR 2.311 bn) by 6.5 percent.

The successful execution of a number of individual projects meant that operating profit grew faster than sales, rising 29.0 percent to EUR 271 m (2009: EUR 210 m). At 11.0 percent (2009: 9.1 percent), the operating margin again significantly exceeded the target figure of 8 percent.

New orders were concentrated in Europe and the Asia/Pacific region, both accounting for around 27 percent respectively of contract wins. Some 20 percent of new business was attributable to the Middle East.

Almost 60 percent of all contracts awarded during the period under review were for olefin and air separation plants. The remaining 40 percent were evenly divided across the other lines of business.

Linde continues to report a high order backlog. At 31 December 2010, this figure was EUR 3.965 bn (2009: 4.215 bn).

Engineering Division

in € million	2010	2009
Sales	2,461	2,311
Order Intake	2,159	2,458
Order backlog	3,965	4,215
Operating profit	271	210
Capital expenditure (excluding financial investments)	23	32
Number of employees (at the balance sheet date)	5,811	5,716

Order intake was EUR 2.159 bn at the end of the year (2009: EUR 2.458 bn). When comparing these figures, it should be noted that order intake in 2009 was largely shaped by several major projects. One major contract for an olefin plant in Abu Dhabi (United Arab Emirates), for example, was alone worth USD 1.075 bn. During the year under review, however, new orders were spread over a broader basis with numerous contracts for smaller and medium-size plants.

By region

in € million	Sales		Order intake	
	2010	2009	2010	2009
Europe	678	678	589	784
North America	166	248	286	70
South America	77	103	50	160
Asia/Pacific	562	558	587	361
Middle East	891	682	446	916
Africa	87	42	201	167

By plant type

in € million	Sales		Order intake	
	2010	2009	2010	2009
Olefin plants	783	465	616	1,457
Natural gas plants	172	272	360	163
Hydrogen and synthesis gas plants	284	429	350	261
Air separation plants	999	949	611	359
Other	223	196	222	218

Olefin plants

The petrochemical industry recovered swiftly from the 2008/2009 global economic downturn. Last year's growth rates were almost back to pre-crisis levels. However, the market still has excess capacity due to the large number of major projects undertaken before the economic and financial crisis hit.

In the 2010 financial year, Linde started constructing a large polypropylene plant for plastics manufacturer Tobolsk-Polymer in Western Siberia. Worth around EUR 450 m, this project is currently one of the key investments in Russia's petrochemical industry.

In 2010, Linde also successfully put an ethane cracker (see glossary) on stream in Ruwais, Abu Dhabi (United Arab Emirates). With a record-breaking capacity of 1,490 kilotonnes of ethylene per year, it is the world's largest plant of this type. The plant is operated by Borouge, a joint venture between Abu Dhabi National Oil Company (ADNOC) and Borealis. This is the second project of this kind that Linde has completed for Borouge. Work is already underway on Borouge 3, a further ethane cracker at the Ruwais site.

Sasol Chemical Industries Ltd. awarded Linde Engineering an engineering, procurement and construction (EPC) contract for the installation of an ethylene recovery unit to be integrated into the Sasolburg petrochemical complex (South Africa). The project is worth EUR 135 m and handover is scheduled for April 2013.

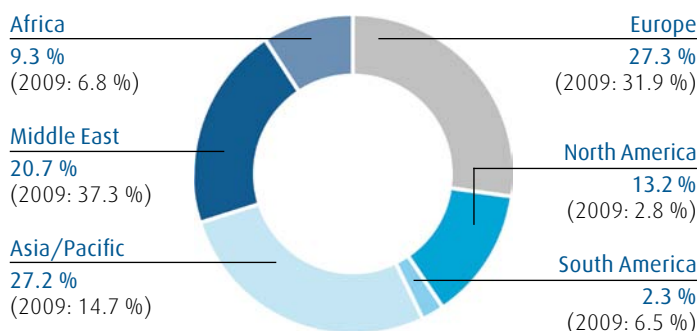
Linde and Samsung Engineering Co. (South Korea) have won a contract from Tasnee Sahara Olefins Co. (TSOC) and Dow Chemical to plan, procure and construct the first part of a large acrylic acid complex to be built at Al Jubail in Saudi Arabia. The complex is scheduled to go on stream in the second quarter of 2013. Linde and Samsung already have a proven track record of collaboration in Saudi Arabia. The companies successfully teamed up to work on an earlier ethylene project for the same client.

Natural gas plants

Following the sharp downturn in 2009, demand for crude oil and natural gas increased slightly during the period under review. Supply, however, still exceeded demand in international markets. As a result, the oil and gas industry was cautious when it came to investing in new projects and expanding existing developments. China and Australia were notable exceptions here, with investment in liquefied natural gas (LNG) plants strong in both regions.

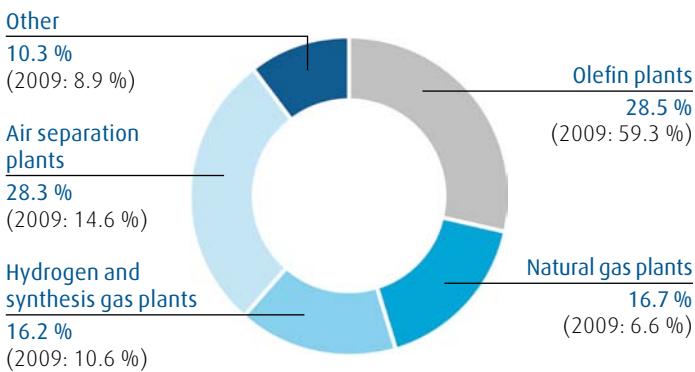
At the start of the 2010 financial year, Linde received a contract from Chinese gas supplier Guanghui to build a mid-size LNG plant. The scope of services includes the liquefaction process licence, basic engineering for the entire plant, delivery of a coilwound heat exchanger plus procurement of the plant's compressors and drives. A pioneer in the move to build an LNG supply chain in China, Guanghui is teaming up with Linde for the second time. The LNG produced at the plant will be used as an environmentally friendly fuel for trucks.

Order intake by region



Linde's technological expertise in the field of natural gas liquefaction is also in demand in Australia. Here, the Group is supplying key components for two LNG plants as part of the Queensland Curtis LNG project. The supply contract was signed mid-2010. Queensland Curtis LNG is a showcase project of QGC, a subsidiary of British Gas. The project aims to develop coal-bed gas reserves in the Australian state of Queensland for the international market. It is one of the largest infrastructure projects in Australia.

Order intake by plant type



During Q3 2010, Linde started operations at an LNG plant in the Norwegian region of Stavanger for its customer Skangass AS. At the heart of the plant is a coil-wound heat exchanger made for the first time entirely from stainless steel. This technical highlight also positions Linde strongly for the promising market emerging for floating LNG plants. Here, the high levels of mechanical stress make stainless steel heat exchangers the preferred choice.

Air separation plants

Business in the air separation plant sector picked up in 2010 following a sharp drop in investment in 2009 due to the economic and financial crisis. Linde's Engineering Division also benefited from new on-site projects channelled through the Group's Gases Division.

The Engineering Division has been awarded various major international projects by the Gases Division, including plants for ThyssenKrupp in Germany, ArcelorMittal in Kazakhstan and TISCO in China (see Gases Division section).

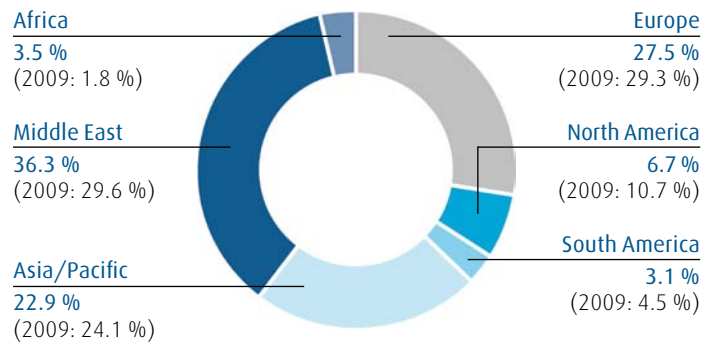
In 2010, the Group also started work on an air separation plant in Vorsino near Moscow in Russia. This plant will secure a long-term supply of industrial gases for the steel corporation KNPEMZ from 2011 onwards.

Linde also secured a contract to supply the Yankuang Coal Company with two air separation plants at its Erdos site (Inner Mongolia). The Group is also constructing an air separation plant for Baosteel Metal Co. Ltd in Wujing.

2010 was a successful year for smaller, standardised plants from Linde. Orders were particularly strong from the US, Taiwan and China.

At the end of 2010, Linde completed assembly of the world's largest complex of air separation plants (Pearl GTL) in Qatar (Persian Gulf). The facility is set to go on stream in 2011. The contract, which Linde secured in 2006, covered the delivery of eight large, identical air separation plants.

Sales by region

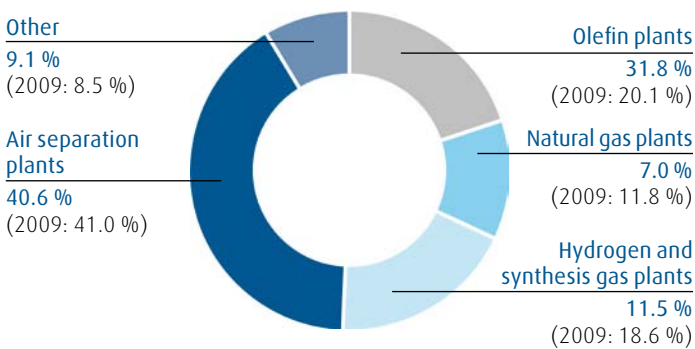


In Abu Dhabi, Linde is currently constructing the United Arab Emirate's largest air separation cluster through a joint venture with the Abu Dhabi National Oil Company (ADNOC). The new plants will be handed over at the start of 2012, producing large amounts of nitrogen to optimise the extraction of natural gas.

Hydrogen and synthesis gas plants

The market for hydrogen and synthesis gas plants progressed at a moderate pace in the 2010 financial year. Investors proved more cautious than before the financial and economic crisis, especially with regard to larger projects. However, demand for smaller hydrogen plants with capacities of around 300 normal cubic metres per hour was up. Linde developed a standardised offer (HYDROPRIME™) for this growing segment during the period under review and will be launching it in the first quarter of 2011.

Sales by plant type



To strengthen further its competitive position in the hydrogen sector, Linde launched a dedicated optimisation programme under the umbrella of its HPO framework. The measures here focus primarily on reducing plant investment and operating costs. Linde is currently rolling out this programme across the Group.

The production of synthetic natural gas (SNG) is becoming increasingly important, particularly in coal-rich regions. In autumn 2010, Linde secured an important contract here from South Korea. Together with the Danish company Haldor Topsoe, Linde will be supplying the technology for syngas treatment and the methanation unit for an SNG plant in Gwangyang. The plant will produce synthetic natural gas from coal and/or petroleum coke and was awarded by POSCO, one of the world's leading steelmakers.

Other types of plant

The market for biotechnology plants reveals significant growth potential. During the period under review, Linde strengthened its foothold in this market by starting work on the Chemical Biotechnological Process (CBP) Centre in Leuna, Germany. The Group was contracted to plan, supply and construct the entire technical complex from the Fraunhofer-Gesellschaft in December 2009. This innovation hub will focus on transferring industrial biotechnology processes from the research to the pilot phase, from where they can move to industrial-scale commercialisation.

In the pharmaceutical biotechnology sector, Linde received pre-feed and feed contracts for plants dedicated to the production of active pharmaceutical ingredients and the manufacture of ready-to-use pharmaceutical products. The Group also received follow-up engineering contracts from the United Arab Emirates and Switzerland for projects that are already underway.

Designing processes – constructing plants.

Linde's Engineering Division continuously develops extensive process engineering know-how in the planning, project management and construction of turnkey industrial plants.

The range of products comprises:

- Petrochemical plants
- LNG and natural gas processing plants
- Synthesis gas plants
- Hydrogen plants
- Gas processing plants
- Adsorption plants
- Air separation plants
- Cryogenic plants
- Biotechnological plants
- Furnaces for petrochemical plants and refineries

Linde and its subsidiaries manufacture:

- Packaged units, cold boxes
- Coil-wound heat exchangers
- Plate-fin heat exchangers
- Cryogenic standard tanks
- Air heated vaporizers
- Spiral-welded aluminium pipes

More than 3,800 plants worldwide document the leading position of the Engineering Division in international plant construction.

Engineering Division

Schalchen Plant
Tacherting, Germany
Phone +49.8621.85-0
Fax +49.8621.85-6620
plantcomponents@linde-le.com

Linde-KCA-Dresden GmbH

Dresden, Germany
Phone +49.351.250-30
Fax +49.351.250-4800
lkca.dresden@linde-kca.com

Selas-Linde GmbH

Pullach, Germany
Phone +49.89.7447-470
Fax +49.89.7447-4717
selas-linde@linde-le.com

Cryostar SAS

Hésingue, France
Phone +33.389.70-2727
Fax +33.389.70-2777
info@cryostar.com

Linde CryoPlants Ltd.

Aldershot, Great Britain
Phone +44.1.252.3313-51
Fax +44.1.252.3430-62
info@linde-lcl.com

Linde Impianti Italia S.p.A.

Rome, Italy
Phone +39.066.5613-1
Fax +39.066.5613-200
r.tikovsky@lindeimpianti.it

Linde Kryotechnik AG

Pfungen, Switzerland
Phone +41.52.3040-555
Fax +41.52.3040-550
info@linde-kryotechnik.ch

CRYO AB

Gothenburg, Sweden
Phone +46.3164-6800
Fax +46.3164-2220
gunnar.lenneras@cryo.aga.com

Linde Process Plants, Inc.

Tulsa, OK, U.S.A.
Phone +1.918.4771-200
Fax +1.918.4771-100
sales@lppusa.com

Selas Fluid Processing Corp.

Blue Bell, PA, U.S.A.
Phone +1.610.834-0300
Fax +1.610.834-0473
sales@selasfluid.com

Linde Engenharia do Brasil Ltda.

Rio de Janeiro, Brazil
Phone +55.21.3545-2255
Fax +55.21.3545-2257
jaime.basurto@linde.com

Linde Process Plants (Pty.) Ltd.

Johannesburg, South Africa
Phone +27.11.490-0513
Fax +27.11.490-0412
lindepp@global.co.za

Linde-KCA Russia Branch

Moscow, Russia
Phone +7.495.987-1223
Fax +7.795.987-1224
lkca.moskau@linde-kca.com

Linde Arabian Contracting Co. Ltd.

Riyadh, Kingdom of Saudi Arabia
Phone +966.1.419-1193
Fax +966.1.419-1384
linde-ksa@linde-le.com

Linde Arabian Contracting Co. Ltd.

Alkhobar, Kingdom of Saudi Arabia
Phone +966.3.887-0133
Fax +966.3.887-1191
ahmed.al.ghamdi@linde-le.com

Linde Engineering Middle East LLC

Abu Dhabi, United Arab Emirates
Phone +971.2.6981-400
Fax +971.2.6981-499
leme@linde.com

Linde Engineering India Pvt. Ltd.

Vadodara, Gujarat, India
Phone +91.265.3056-789
Fax +91.265.2335-213
sales@linde-le.com

Linde Engineering Far East, Ltd.

Seoul, South Korea
Phone +82.2789-6697
Fax +82.2789-6698
hanyong.lee@linde.com

Linde Engineering Division

Bangkok, Thailand
Phone +66.2751-9200
Fax +66.2751-9201
anuwat.krongkrachang@linde.com

Linde Engineering Co. Ltd.

Dalian, P.R. of China
Phone +86.411.3953-8819
Fax +86.411.3953-8899
dalian.led@lindeled.com

Linde Engineering Co. Ltd.

Hangzhou, P.R. of China
Phone +86.571.87858-222
Fax +86.571.87858-200
hangzhou.leh@lindeleh.com

Linde Engineering Division

Beijing Representative Office
Beijing, P.R. of China
Phone +86.10.6437-7014
Fax +86.10.6437-6718
lindechina@vip.163.com

Linde Engineering Taiwan Ltd.

Taipei, Taiwan
Phone +886.2.2786-3131
Fax +886.2.2652-5871
bernhard.puerzer@linde-le.com

Linde AG

Engineering Division, Head office, Dr.-Carl-von-Linde-Str. 6-14, 82049 Pullach, Germany
Phone +49.89.7445-0, Fax +49.89.7445-4908, E-Mail: info@linde-le.com, www.linde.com