

INTERIM BALANCE SHEET  
AT 31 AUGUST 2018

# Linde AG

Leading.

  
THE LINDE GROUP

# Interim Balance Sheet

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# INTERIM BALANCE SHEET OF LINDE AG

## INTERIM BALANCE SHEET OF LINDE AG – ASSETS

1

<i>in € million</i>	Note	31.12.2017	31.08.2018
Intangible assets		63	53
Tangible assets		492	485
Financial assets		17,587	17,704
<b>NON-CURRENT ASSETS</b>	<b>[1]</b>	<b>18,142</b>	<b>18,242</b>
Inventories		2,963	3,519
Less advance payments received from customers		-2,963	-3,519
Receivables and other assets	[2]	1,810	1,732
Securities		606	-
Liquid assets		285	20
<b>CURRENT ASSETS</b>		<b>2,701</b>	<b>1,752</b>
<b>PREPAID EXPENSES AND DEFERRED CHARGES</b>	<b>[3]</b>	<b>138</b>	<b>129</b>
<b>TOTAL ASSETS</b>		<b>20,981</b>	<b>20,123</b>

## INTERIM BALANCE SHEET OF LINDE AG – EQUITY AND LIABILITIES

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<i>in € million</i>	Note	31.12.2017	31.08.2018
Capital subscribed		475	475
Conditionally authorised capital of €57 million (2017: €57 million)			
Nominal value of own shares		-	-
<b>ISSUED SHARE CAPITAL</b>		<b>475</b>	<b>475</b>
Capital reserve		6,563	6,563
Revenue reserves		1,332	1,332
Unappropriated profit/Net income for the period <sup>1</sup>		1,299	18
<b>EQUITY</b>	<b>[4]</b>	<b>9,669</b>	<b>8,388</b>
Provisions for pensions and similar obligations	[5]	226	271
Other provisions	[6]	792	746
<b>PROVISIONS</b>		<b>1,018</b>	<b>1,017</b>
<b>LIABILITIES</b>	<b>[7]</b>	<b>10,290</b>	<b>10,714</b>
<b>DEFERRED INCOME</b>	<b>[3]</b>	<b>4</b>	<b>4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20,981</b>	<b>20,123</b>

<sup>1</sup> Period: 01.01.2018–31.08.2018.

INFORMATION  
ABOUT THE  
INTERIM BALANCE  
SHEET OF LINDE AG

NOTES TO THE  
INTERIM BALANCE  
SHEET

GENERAL  
INFORMATION

Linde AG, which has its registered office in Munich, is registered at the local court in Munich under the reference number HRB 169850.

The interim balance sheet of Linde AG has been prepared in accordance with the provisions of the German Commercial Code (HGB).

[1] Non-current assets

In 2018, impairment losses of EUR 16 m were recognised in respect of investments in affiliated companies (2017: EUR 42 m) and impairment losses of EUR 5 m were recognised in respect of investments in related companies (2017: EUR 0 m).

In the reporting period and in 2017, no impairment losses were recognised relating to tangible assets as a result of a permanent diminution in value of those assets. No impairment losses were reversed in the reporting period or in 2017 restoring the asset to its net book value.

## [2] Receivables and other assets

### RECEIVABLES AND OTHER ASSETS

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<i>in € million</i>	<i>Of which due within one year</i>	<i>Of which due in more than one year</i>	<i>Total 31.12.2017</i>	<i>Total 31.08.2018</i>
Trade receivables	130	1	162	131
Amounts due from affiliated companies	613	877	1,519	1,490
of which relating to trade receivables	193	-	229	193
Amounts due from related companies	2	-	12	2
of which relating to trade receivables	2	-	11	2
Other assets	94	15	117	109
	<b>839</b>	<b>893</b>	<b>1,810</b>	<b>1,732</b>

Included in Receivables and other assets are financial receivables of EUR 1.173 bn (2017: EUR 1.272 bn). In addition, Linde AG began to conclude Credit Support Annexes (CSAs) with banks in the 2009 financial year. Under these agreements, the positive and negative fair values of derivatives held by Linde AG are collateralised with cash on a regular basis. The corresponding amounts due from banks have been disclosed in Other assets since the agreements came into force in 2010. The amount currently included in Other assets which relates to these agreements is EUR 11 m (2017: EUR 31 m).

## [3] Prepaid expenses and deferred charges and deferred income

Prepaid expenses and deferred charges comprises mainly discounts of EUR 8 m (2017: EUR 9 m) on financial debt. In addition, in July 2013 Linde agreed a EUR 2.5 bn syndicated credit facility. The prepaid fees for this credit facility are also included under this heading. Moreover, prepaid expenses and deferred charges includes payments made for interest rate hedging instruments of EUR 68 m (2017: EUR 81 m). These payments have been made to hedge against Linde AG's exposure to the interest rate risk arising from borrowings. Included in deferred income are payments for interest rate hedging instruments of EUR 4 m (2017: EUR 4 m) which have been received to hedge against exposure to the interest rate risk arising from borrowings.

## [4] Equity

### *Capital subscribed, authorised and conditionally authorised capital, subscription rights*

The company's subscribed capital at the reporting date was EUR 475,476,940.80 and is fully paid up. It is divided into 185,733,180 shares at a notional par value of EUR 2.56 per share. The shares are bearer shares. Each share confers a voting right and is entitled to dividend. In accordance with § 71b of the German Stock Corporation Law (AktG), the company is not entitled to dividends or voting rights in respect of the 95,109 own shares it holds at 31 August 2018.

The number of shares outstanding at 31 August 2018 was therefore 185,638,071, equivalent to EUR 475,233,461.76.

#### STATEMENT OF CHANGES IN EQUITY IN LINDE AG

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<i>in € million</i>	<i>Capital subscribed</i>	<i>Capital reserve</i>	<i>Other retained earnings</i>	<i>Un-appropriated profit</i>	<i>Total equity</i>
<b>AT 01.01.2017</b>	<b>475</b>	<b>6,563</b>	<b>2,419</b>	<b>687</b>	<b>10,144</b>
Dividend payments	-	-	-	-687	-687
Transfer to other retained earnings	-	-	-	-	-
Transfer from other retained earnings	-	-	-1,087	1,087	-
Changes as a result of share option schemes	-	-	-	-	-
Own shares	-	-	-	-	-
Net income	-	-	-	212	212
Change as a result of merger/demerger	-	-	-	-	-
<b>AT 31.12.2017/AT 01.01.2018</b>	<b>475</b>	<b>6,563</b>	<b>1,332</b>	<b>1,299</b>	<b>9,669</b>
Dividend payments	-	-	-	-1,299	-1,299
Transfer to other retained earnings	-	-	-	-	-
Transfer from other retained earnings	-	-	-	-	-
Changes as a result of share option schemes	-	-	-	-	-
Own shares	-	-	-	-	-
Net income for the period <sup>1</sup>	-	-	-	18	18
Change as a result of merger/demerger	-	-	-	-	-
<b>AT 31.08.2018</b>	<b>475</b>	<b>6,563</b>	<b>1,332</b>	<b>18</b>	<b>8,388</b>

<sup>1</sup> Period: 01.01.2018–31.08.2018.

The amount transferred to Other retained earnings in accordance with § 58(2) of the German Stock Corporation Law (AktG) in 2018 was EUR 0 m (2017: EUR 0 m).

In 2018, an amount of EUR 0 bn was transferred from Other retained earnings (2017: EUR 1.087 bn).

## [5] Provisions for pensions and similar obligations

At 31 August 2018, the difference arising from the change in discount rate applied to pension provisions in accordance with § 253(6), sentence 3 of the German Commercial Code (HGB) was EUR 160 m (2017: EUR 141 m).

## [6] Other provisions

### OTHER PROVISIONS

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<i>in € million</i>	31.12.2017	31.08.2018
Tax provisions	193	98
Sundry provisions	599	648
	<b>792</b>	<b>746</b>

Sundry provisions include amounts set aside for:

- outstanding invoices and invoices for goods and services which have not yet been received,
- personnel expenses,
- warranty obligations and risks relating to transactions in the course of completion,
- other obligations and risks from current transactions.

## [7] Liabilities

### LIABILITIES

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<i>in € million</i>	Due within one year 31.12.2017	Due in one to five years 31.12.2017	Due in more than five years 31.12.2017	Total 31.12.2017	Due within one year 31.08.2018	Due in one to five years 31.08.2018	Due in more than five years 31.08.2018	Total 31.08.2018
Bonds	388	1,005	658	2,051	-	1,672	-	1,672
Commercial papers (CPs)	-	-	-	-	400	-	-	400
Bank loans and overdrafts	37	-	-	37	34	-	-	34
Advance payments received from customers	-	1,608	110	1,718	1,226	521	4	1,751
Trade payables	196	-	-	196	194	2	-	196
Amounts due to affiliated companies	3,462	2,249	519	6,230	5,701	373	519	6,593
of which relating to goods and services	82	-	-	82	70	-	-	70
Amounts due to related companies	2	-	-	2	2	-	-	2
of which relating to goods and services	2	-	-	2	2	-	-	2
Other liabilities	54	2	-	56	65	1	-	66
including taxes of	26	-	-	26	42	-	-	42
including social security of	-	-	-	-	-	-	-	-
<b>LIABILITIES</b>	<b>4,139</b>	<b>4,864</b>	<b>1,287</b>	<b>10,290</b>	<b>7,622</b>	<b>2,569</b>	<b>523</b>	<b>10,714</b>

Liabilities include financial liabilities of EUR 8.587 bn (2017: EUR 8.199 bn). Of these, EUR 5.427 bn (2017: EUR 5.160 bn) relates to the subsidiary Linde Finance B.V.

The bonds comprise the EUR 1 bn bond issued in September 2012 and the EUR 650 m bond issued in April 2013. The bonds are non-convertible. During the reporting period, the USD 500 m bond (equivalent to EUR 383 m) was redeemed on schedule. In addition, short-term securities were issued as part of the Euro Commercial Paper Programme. At the reporting date 31 August 2018, EUR 400 m of these commercial papers remained outstanding (2017: EUR 0 m).

Moreover, Linde AG began to conclude Credit Support Annexes (CSAs) with banks in the 2009 financial year. Under these agreements, the positive and negative fair values of derivatives held by Linde AG are collateralised with cash on a regular basis. The corresponding amounts due to banks have been disclosed in bank loans and overdrafts since the agreements came into force in 2010. The amount currently disclosed in liabilities which relates to these agreements is EUR 26 m (2017: EUR 37 m).

MUNICH, 5 OCTOBER 2018

PROFESSOR DR ALDO BELLONI  
[CHIEF EXECUTIVE OFFICER]

SANJIV LAMBA  
[MEMBER OF THE EXECUTIVE  
BOARD]

DR CHRISTIAN BRUCH  
[MEMBER OF THE EXECUTIVE  
BOARD]

DR SVEN SCHNEIDER  
[MEMBER OF THE EXECUTIVE  
BOARD]

BERND EULITZ  
[MEMBER OF THE EXECUTIVE  
BOARD]



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[ TEXT ]

LINDE AG

[ CONTACT ]

LINDE AG  
KLOSTERHOFSTRASSE 1  
80331 MUNICH  
GERMANY  
PHONE: +49.89.35757-01  
FAX: +49.89.35757-1075

[WWW.LINDE.COM](http://WWW.LINDE.COM)

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G. PESCHKE DRUCKEREI GMBH  
85599 PARSDORF/MUNICH  
GERMANY  
METAPAPER  
SMOOTH WHITE

[ COMMUNICATIONS ]

PHONE: +49.89.35757-1321  
FAX: +49.89.35757-1398

[MEDIA@LINDE.COM](mailto:MEDIA@LINDE.COM)

[ INVESTOR RELATIONS ]

PHONE: +49.89.35757-1321  
FAX: +49.89.35757-1398

[INVESTORRELATIONS@LINDE.COM](mailto:INVESTORRELATIONS@LINDE.COM)

[ CONTACT DETAILS FOR  
NOTIFICATION OF VOTING RIGHTS ]

FAX: +49.89.35757-1007





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Linde Aktiengesellschaft

Klosterhofstrasse 1

80331 Munich

Germany

Phone +49.89.35757-01

Fax +49.89.35757-1075

[www.linde.com](http://www.linde.com)