

# Linde Finance B.V.

---

FINANCIAL STATEMENTS  
FOR THE 2013 FINANCIAL YEAR

# Financial Statements

3 >	DIRECTOR'S REPORT
5 >	FINANCIAL HIGHLIGHTS
6 >	BOARD OF SUPERVISORY DIRECTOR'S REPORT
8 >	BALANCE SHEET ASSETS
9 >	BALANCE SHEET EQUITY AND LIABILITIES
10 >	PROFIT AND LOSS ACCOUNTS
11 >	CASH FLOW STATEMENT
12 >	GENERAL ACCOUNTING PRINCIPLES
14 >	NOTES TO THE ANNUAL ACCOUNTS
20 >	SUPPLEMENTARY INFORMATION ON THE NOTES

# DIRECTOR'S REPORT

**DIRECTOR'S REPORT 3**  
FINANCIAL HIGHLIGHTS>5

The Board of Managing Directors of Linde Finance B.V. hereby presents the financial statements for the book year ended 31 December 2013. These statements are prepared according to generally accepted accounting principles in the Netherlands and in conformity with the provisions of Part 9, Book 2 of the Netherlands Civil Code.

## General

Linde Finance B.V. is registered in Amsterdam, Buitenveldertselaan 106, the Netherlands and has been incorporated on 12 May 1999 under Dutch law. Linde Finance B.V. acts as a finance company for the benefit of The Linde Group companies. Linde Finance B.V. ultimate parent is Linde AG, Munich, which is listed on the German stock exchange.

## Objectives

Linde Finance B.V. objectives, in accordance with article 2 of the Articles of Association, are to incorporate, to participate, to manage and finance other group companies. Furthermore to borrow and lend moneys, to place public and private debt and in general to engage in financial and commercial activities which may be conducive to the foregoing.

## Tasks and responsibilities

The Board of Directors is in charge of the management of the Linde Finance B.V.. This means that the Board of Directors responsibilities include the policy and business progress within Linde Finance B.V. and with this the achievement of the goals, strategy, profit development and the social aspects of doing business that are relevant for the Linde Finance B.V.. The Board of Managing Directors is also responsible for the compliance with legislation and regulations, the management of the risks coupled with the Linde Finance B.V. activities and the financing of the Linde Finance B.V..

The Board of Managing Directors discusses the internal risk management and control systems with the Supervisory Board. These controls were set up in corporation with Linde AG, Munich to identify and manage, foreign exchange-, interest-, liquidity-, counterparty- and credit risks. As to foreign exchange risks, Linde Finance B.V. has a conservative approach. Currency risks are avoided in line with the hedging policies. Interest rate exposures beyond the duration of one year are being hedged if no back to back funding is in place.

The liquidity risk is actively managed and currently covered by a five year syndicated revolving credit facility with two options to extend the facility, in each case by one year, subject to lenders consent, which was signed in July 2013.

Intercompany credit exposure has been insured with Linde AG, Munich through a Credit Assurance Agreement. For further information we refer to [NOTE \[30\] PAGE 22](#).

In discharging its duties the Board of Managing Directors is led by the interests of the Linde Finance B.V. and its affiliated enterprise. The Board of Managing Directors is accountable to the Supervisory Board and the General Meeting of Shareholders for its policy.

## Appointment

The members of the Board of Managing Directors are appointed by the Supervisory Board for an indefinite period. The basis for noncompliance with the recommendation of the Dutch Corporate Governance Code (appointment for a maximum term of four years Principle II.1.1 of the Code) rests in the principles of Linde Finance B.V. being oriented towards the long term. The Supervisory Board notifies the General Meeting of Shareholders of an intended appointment and does not dismiss members of the Board of Managing Directors not until after the General Meeting of Shareholders has expressed its opinion.

## Responsibility statement

The Board of Managing Directors of Linde Finance B.V. wish to state:

- that the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit and loss of Linde Finance B.V.;
- that the annual report gives a true and fair view of the position as per balance sheet date, the development during the financial period of Linde Finance B.V. in the financial statement, together with a description of principal risks it faces.

## Corporate Governance Statement

The Board of Managing Directors of Linde Finance B.V. is responsible for the maintenance and development of an accurate framework for risk management and control and also, the active management of the strategic, technological, operational, financial and compliance risks that Linde Finance B.V. faces.

We declare that the substantial risks with which Linde Finance B.V. is confronted are described in this financial statement. This financial statement provides insight into the extent to which risks are prevented and controlled. Linde Finance B.V. takes due consideration of the findings of the external auditor, KPMG Accountants N.V., which audits the financial statements. Based on the reports, our own observations and experiences from the past, the Board of Managing Directors declares, with reference to best practice provision II.1.5 of the Dutch Corporate Governance Code, that the framework for risk management and control, as described above and in the Corporate Governance section of this report, provides a reasonable assurance that the financial reporting does not contain any errors of material importance and that this framework worked properly in the 2013 reporting year. The true effectiveness of the Dutch Corporate Governance code can only be evaluated based on the results over a longer period and/or based on specific checks of the design, the existence and the function of the internal management controls.

AMSTERDAM, 25 MARCH 2014

THE BOARD OF MANAGING DIRECTORS  
MICHA GLASER

# FINANCIAL HIGHLIGHTS

DIRECTOR'S REPORT <3  
**FINANCIAL HIGHLIGHTS 5**  
 BOARD OF SUPERVISORY >6  
 DIRECTOR'S REPORT

Linde Finance B.V. has a 2.0 bn multi-currency Commercial Paper (CP) Programme which is unconditionally guaranteed by Linde AG, Munich. As per 31 December 2013, Linde Finance B.V. has no CP outstanding (31.12.2012: EUR 275.0 m).

This CP Programme is supplementary to the EUR 10.0 bn Debt Issuance Programme (DIP), also guaranteed by Linde AG, Munich.

At the end of December 2013 the nominal debt outstanding under this program is EUR 6.9 bn (31.12.2012: EUR 6.2 bn). Thereof EUR 4.7 bn (31.12.2012: EUR 5.0 bn) is issued by Linde Finance B.V..

During 2013 Linde Finance B.V. issued a six year USD 150.0 m medium term note and a six year AUD 100.0 m medium term note. Four medium term notes have been

repaid; a three year EUR 75.0 m, a four year EUR 52.0 m, a four year EUR 25.0 m and a five year EUR 216.0 m.

Furthermore an undated subordinated EUR 400.0 m bond was called and redeemed in July 2013.

As per 31 December 2013, Linde Finance B.V. has nominal EUR 700.0 m (31.12.2012: EUR 1.1 bn) and GBP 250.0 m (31.12.2012: GBP 250.0 m) subordinated bonds outstanding. Linde Finance B.V. also has debt outstanding for nominal GBP 200.0 m (31.12.2012: GBP 200.0 m) which originally has been issued by the former BOC GROUP PLC and for which Linde Finance B.V. has been substituted as issuer in December 2007. These three bonds are not issued under the DIP.

In July 2013 Linde AG, Munich and Linde Finance B.V. agreed a new five-year EUR 2.5 bn syndicated revolving credit facility with two options to extend the facility, in each case by one year subject to lenders consent.

During 2013 the interest income amounted to EUR 627.0 m (31.12.2012: EUR 746.4 m). The interest expense amounted to EUR 611.8 m (31.12.2012: EUR 700.0 m).

The profit after taxation was EUR 9.4 m (31.12.2012: EUR 24.2 m). Linde Finance B.V. operates under an Advance Pricing Agreement (APA) with the Dutch fiscal authorities. This APA ruling defines the minimum returns for intercompany loans.

## T1 ISSUED MEDIUM TERM NOTES

in € million

Type	Currency	Principal	Coupon (percent)	Issue date	Maturity date
Medium term note	USD	150	variable	15.05.2013	23.05.2019
Medium term note	AUD	100	4,250	19.06.2013	20.06.2019

Standard and Poor's upgraded Linde Finance B.V.'s credit rating in December 2013 by one notch to "A+ / A-1" (long- and short-term) (aligned with the ratings of the ultimate parent Linde AG, Munich). The credit rating of the subordinated bonds was also upgraded by one notch to A-. Moody's credit rating is "A3 / P-2" (long- and short-term). The credit rating of the subordinated bonds is Baa2. The outlook for all ratings is stable.

AMSTERDAM, 25 MARCH 2014

THE BOARD OF MANAGING DIRECTORS  
 MICHA GLASER

# BOARD OF SUPERVISORY DIRECTOR'S REPORT

FINANCIAL HIGHLIGHTS <5  
BOARD OF SUPERVISORY 6  
DIRECTOR'S REPORT  
BALANCE SHEET ASSETS >8

The Board of Supervisory Directors hereby submits the report for the year 2013. The financial statements have been audited by KPMG Accountants N.V. and were provided with an unqualified audit opinion on 25 March 2014. The independent auditors report can be found on [PAGE 25](#) of the financial statements.

## Corporate Governance

### *Corporate governance rules for the Supervisory Board*

The Supervisory Board supervises the policy of the Board of Managing Directors and the general business progress of Linde Finance B.V., and advises the Board of Managing Directors. The Supervisory Board monitors and supervises the Board of Managing Directors with respect to the results of the strategy, the main risks related to the Linde Finance B.V. operations as well as the functioning of the organisation. Furthermore any significant changes to the risk management and control systems will be discussed and monitored.

The Supervisory Board of Linde Finance B.V., also has the authority to approve certain decisions of the Board of Managing Directors as stipulated in the Articles of Association. The Supervisory Board consists of three members.

In the performance of its duties the members of the Supervisory Board, are led by the interests of the Linde Finance B.V. and take into account the interests of all the Linde Finance B.V. stakeholders and all the aspects of social responsibility relevant to the Linde Finance B.V..

The Supervisory Board also has the authorities and powers specified in the provisions of Book 2 of the Dutch Civil Code. These powers include, in particular, the appointment of the Board of Managing Directors members, the determination of the number of members of the Board of Managing Directors and the approval of a number of other decisions of the Board of Directors as specified in legislation.

The Board of Supervisory Directors met two times in 2013. Besides these meetings there are on-going contacts between the Board of Supervisory Directors and the Board of Management Directors.

Based on the number of Supervisory Board members, the Supervisory Board of Linde Finance B.V. can operate without separate committees. This means that the Board of Supervisory Directors as a whole acts as Audit Committee as well.

In connection with the listing of Bonds at the Luxembourg Stock Exchange Linde Finance B.V. is regarded as an "Organisation of Public Interest" (Organisatie van Openbaar Belang).

The current composition of the Board of Supervisory Directors is:

- Georg Denoke (1965, German nationality), member of the Board of Supervisory Directors since 12 September 2006.
- Dr Sven Schneider (1966, German nationality), member of the Board of Supervisory Directors since 22 April 2011.
- Björn Schneider (1971, German nationality), member of the Board of Supervisory Directors since 24 August 2004.

AMSTERDAM, 25 MARCH 2014

ON BEHALF OF THE BOARD  
OF SUPERVISORY DIRECTORS,

GEORG DENOKE  
CHAIRMAN

### *Corporate governance general*

The Dutch corporate governance principles followed by Linde Finance B.V. are laid down in various Regulations of Linde Finance B.V. .

Although the Code is not applicable to the Linde Finance B.V. because, by law, it only governs stock exchange listed companies, the Linde Finance B.V. applies the principles and best practice provisions of the Code that are compatible with its control structure and the nature of the Linde Finance B.V.. The provisions that are not applied and the reasons why are listed in the below overview.

There were the following significant changes in the governance structure during 2013:

- The Regulations of the Board of Managing Directors have been brought into line with existing governance practices.
- A proposal to appoint a company secretary will put on the agenda of the next Board of Supervisory Directors meeting.

### *Corporate governance conflict of interests*

Linde Finance B.V. as part of the Linde Group strictly rules to prevent every form and appearance of a conflict of interest between the Linde Finance B.V. on the one hand and the members of the Board of Managing Directors and the members of the Supervisory Board on the other hand. Decisions to enter into transactions involving conflicting interests of Board of Managing Directors or Supervisory Board members of a material significance for the Linde Finance B.V. and/or for the relevant individual must, in accordance with these rules, be approved by the Supervisory Board. During the year under review no conflicts of interests were reported.

### *Corporate governance, the General Meeting of Shareholders*

The Linde Finance B.V. General Meeting of Shareholders has the authority to approve certain Board of Managing Directors decisions. These decisions, which are stipulated in the Articles of Association, are major decisions relating to the operations, legal structure and financial structure of the Linde Finance B.V. (and the companies in which it holds shares) as well as decisions related to major investments.

The most important other authorities of the General Meeting of Shareholders are:

- adoption of the Linde Finance B.V. financial statements and profit appropriation;
- discharging the members of the Board of Managing Directors for their management and the members of the Supervisory Board for their supervision of the Board of Managing Directors;
- adoption of the dividend;
- appointment and dismissal of the external auditor;
- amendments to the Articles of Association; and

- issuing of shares, exclusion of the application right, authorisation to repurchase the Linde Finance B.V. own shares, reduction of the paid-up capital, dissolution, application for bankruptcy.

### *Best practice provisions of the Code not applied by Linde Finance B.V.*

The Linde Finance B.V. endorses the Code by applying the principles and best practice provisions or by explaining why the Linde Finance B.V. deviates from the Code. The principles listed below are not applied for the reason indicated in the foregoing text or below:

#### **Principle II.1.1: Appointment**

The members of the Board of Managing Directors are appointed by the Supervisory Board for an indefinite period. The basis for noncompliance with the recommendation of the Code (appointment for a maximum term of four years) rests in the fact that the Linde Finance B.V. is oriented towards the long term. The Supervisory Board notifies the General Meeting of Shareholders of an intended appointment and does not dismiss members of the Board of Managing Directors, or not until after the General Meeting of Shareholders has expressed its opinion.

#### **Principle II.2.1 -15: Remuneration**

Publishing remuneration report, most important components of employment conditions or severance payment of Board of Managing Directors member: the Linde Finance B.V. utilizes the statutory exception as understood in Art. 2:383b of the Dutch Civil Code for so-called "private public liability companies".

#### **Principle III.2.1: Independence**

All Supervisory Board members, with the exception of one, are independent. The reason for this is that this Supervisory Board member is also a director of the shareholder of Linde Finance B.V. Here we are not compliant with the code. As stated before there has not been any conflict of interest during the year under review.

#### **Principle III.5.10-14: Composition and role of three key committees of the supervisory board**

As the board of Supervisory Directors consists of three members this principle is not applied. In respect to the audit committee we refer to the Report of the Supervisory Directors.

#### **Principle III.7.1-3: Remuneration**

The Board of Supervisory Directors are not paid any remuneration.

#### **Principle III.8.1-4: One Tier Management Structure**

This is not applied as there is no one tier management structure.

# BALANCE SHEET ASSETS

BOARD OF SUPERVISORY <6  
DIRECTOR'S REPORT  
**BALANCE SHEET ASSETS 8**  
BALANCE SHEET >9  
EQUITY AND LIABILITIES

## T2 BALANCE SHEET OF LINDE FINANCE B.V. – ASSETS

<i>in € thousand</i>	<i>Note</i>	<i>31.12.2013</i>	<i>31.12.2012</i>
Other operating fixed assets		25	28
<b>Tangible fixed assets</b>		<b>25</b>	<b>28</b>
Loans to group companies	[1]	8,222,485	8,336,306
Deferred derivatives results	[2]	5,868	7,478
Prepaid expenses	[3]	4,074	2,198
<b>Financial fixed assets</b>		<b>8,232,427</b>	<b>8,345,982</b>
<b>FIXED ASSETS</b>		<b>8,232,452</b>	<b>8,346,010</b>
Loans to group companies	[4]	2,859,441	3,207,394
Interest receivable from group companies	[5]	154,791	181,032
Other receivables from group companies		11	–
Interest receivables from third parties	[6]	26,325	37,221
Deferred derivatives results	[2]	42,895	51,936
Forward exchange contracts	[7]	103,389	118,216
Derivatives at fair value	[8]	44,345	38,207*
Prepaid expenses	[3]	–	1,649
Tax receivable	[9]	9,041	4,456
<b>Receivables</b>		<b>3,240,238</b>	<b>3,640,111</b>
Collateral deposits	[10]	–	5,900
Liquid assets	[11]	4,840	36,819
<b>Cash and cash equivalents</b>		<b>4,840</b>	<b>42,719</b>
<b>CURRENT ASSETS</b>		<b>3,245,078</b>	<b>3,682,830</b>
<b>ASSETS</b>		<b>11,477,530</b>	<b>12,028,840</b>

\* The 2012 figures have been reclassified for comparison purposes



# BALANCE SHEET EQUITY AND LIABILITIES

BALANCE SHEET ASSETS < 8  
BALANCE SHEET 9  
EQUITY AND LIABILITIES  
PROFIT AND LOSS ACCOUNT > 10

## T3 BALANCE SHEET OF LINDE FINANCIAL B.V. – EQUITY AND LIABILITIES

<i>in € thousand</i>	<i>Note</i>	<i>31.12.2013</i>	<i>31.12.2012</i>
Share capital		5,000	5,000
Share premium		150,000	150,000
Retained earnings		109,955	85,764
Unappropriated profits		9,402	24,191
<b>EQUITY</b>	[12]	<b>274,357</b>	<b>264,955</b>
Bonds notes payable	[13]	4,467,644	4,758,292
Subordinated bonds	[14]	1,018,367	1,434,918
Deferred derivatives results		119	138
Loans from group companies	[15]	293,068	220,884
<b>LONG TERM LIABILITIES</b>		<b>5,779,198</b>	<b>6,414,232</b>
Bonds notes payable	[13]	415,705	370,019
Collateral borrowing	[16]	116,802	107,600
Commercial Paper	[17]	–	275,000
Loans from group companies	[15]	4,574,873	4,198,607
Interest payable to third parties	[18]	129,457	152,038
Interest payable to group companies	[19]	37,089	55,017
Forward exchange contracts	[7]	85,864	139,926
Derivatives at fair value	[8]	44,345	38,207*
Other payables to third parties	[20]	6,049	98
Deferred derivatives results		–	3,959
Other payables to group companies		2,490	47
Tax payable		11,250	8,100
Accounts payable		51	1,035
<b>SHORT TERM LIABILITIES</b>		<b>5,423,975</b>	<b>5,349,653</b>
<b>EQUITY AND LIABILITIES</b>		<b>11,477,530</b>	<b>12,028,840</b>

\* The 2012 figures have been reclassified for comparison purposes

# PROFIT AND LOSS ACCOUNT

BALANCE SHEET <	9
EQUITY AND LIABILITIES	
<b>PROFIT AND LOSS ACCOUNT</b>	<b>10</b>
CASH FLOW STATEMENT >	11

## T4 PROFIT AND LOSS

<i>in € thousand</i>	<i>Note</i>	<i>2013</i>	<i>2012</i>
Group company loans		456.164	562.752 *
Other interest income		170.838	183.610 *
<b>INTEREST INCOME</b>	[21]	<b>627.002</b>	<b>746.362</b>
Group company loans		194.447	246.916
Other interest expense		417.369	453.062 *
<b>INTEREST EXPENSES</b>	[22]	<b>611.816</b>	<b>699.978</b>
<b>NET INTEREST RESULT</b>		<b>15.186</b>	<b>46.384</b>
Foreign exchange result		-1.835	-13.128
<b>FINANCIAL RESULT</b>		<b>13.351</b>	<b>33.256</b>
General and administrative expenses	[23]	923	1.128
Other income		124	231
<b>PROFIT BEFORE TAXATION</b>		<b>12.552</b>	<b>32.359</b>
Taxation	[24]	3.150	8.168
<b>NET PROFIT AFTER TAXATION</b>		<b>9.402</b>	<b>24.191</b>

\* The 2012 figures have been reclassified for comparison purposes

# CASH FLOW STATEMENT

PROFIT AND LOSS ACCOUNT<10  
CASH FLOW STATEMENT 11  
GENERAL ACCOUNTING PRINCIPLES>12

## T5 CASH FLOW STATEMENT

<i>in € thousand</i>	<i>2013</i>	<i>2012</i>
<b>NET PROFIT</b>	<b>9,402</b>	<b>24,191</b>
In-/decrease financial fixed assets	113,558	765,770
In-/decrease current assets	405,773	368,931
In-/decrease long term liabilities	-821,901	-927,176
In-/decrease current liabilities	842,349	60,934
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>539,779</b>	<b>268,459</b>
Proceeds from issuance of debt securities	186,867	514,700
Repayment of debt securities	-768,027	-773,000
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-581,160</b>	<b>-258,300</b>
In-/decrease cash at banks	-31,979	34,350
Liquid assets 1 January	36,819	2,469
<b>LIQUID ASSETS 31 DECEMBER</b>	<b>4,840</b>	<b>36,819</b>
<b>INCLUDED IN THE CASH FLOW FOR THE YEAR ARE THE FOLLOWING AMOUNTS</b>		
Interest Income received	667,332	821,678
Interest expenses paid	496,284	727,792
Income taxes paid	2,242	2,081

# GENERAL ACCOUNTING PRINCIPLES

CASH FLOW STATEMENT <11  
GENERAL ACCOUNTING PRINCIPLES 12  
NOTES TO THE ANNUAL ACCOUNTS >14

## Basis of presentation

The accompanying accounts have been prepared under the historical cost convention in accordance with generally accepted accounting principles in the Netherlands and in conformity with the provisions of Part 9, Book 2 of the Netherlands Civil Code. All financial information is presented in Euro and has been rounded to the nearest thousand, unless otherwise stated. The financial statements are prepared on a going concern basis.

## Accounting policies

The initial measurement of all assets and liabilities is fair value. The subsequent measurement of all assets and liabilities is amortised cost unless a different valuation principle is indicated in the accompanying notes. Assets are shown net of provisions where necessary. Income and expenses are attributed to the financial year to which they relate. The presentation for derivatives at fair value have been changed in the balance sheet compared to 2012 as explained in [NOTE \[8\] PAGE 15](#) on fair value accounting. The comparative figures on interest income has been changed with approximately eur 55 million to better reflect the distinction between group and third party income. A few other line items in the balance sheet and income statement have been changed for the comparative figures to improve accuracy but with no material amounts.

## Announced changed policies for financial instruments

As per the first of January 2014, the following accounting principle "RJ290" (main change is the ineffectiveness testing of derivatives when cost price hedge accounting is applied) has been changed.

Linde Finance B.V. will not apply this change, as recommended by the "Raad voor de jaarverslaggeving" per the first of January 2013, but per the first of January 2014. Linde Finance B.V. does not expect a significant impact on the financial statements based on the changed accounting principle.

## Cost price hedge accounting

Linde Finance B.V. applies the cost price hedging model to hedge interest rate risk and foreign currency risk. Cost price hedging means that derivative financial instruments follow the valuation principle of the hedged item (i.e. cost price). Linde Finance B.V. documents the hedge relationships in hedge documentation and periodically assesses the effectiveness of the hedge relationships by verifying that no over hedges exists based on the critical terms check.

## Fair Value Accounting

We have made the following changes to valuation principles. For forward starting swaps contracted with third parties that have been subject to cost price hedge accounting, the valuation method has been changed to fair value. For these instruments hedge accounting is not applied anymore.

Consequently, the valuation method for forward starting swaps with group companies that formerly have been subject to the "lower cost or market principle" is changed to fair value as well. The fair value of these derivatives have been presented separately in the balance sheet with comparative figures amended. This change did not have an impact on the profit and loss statement for the periods presented.

## Cash flow statement

The cash flow is based on the indirect method, for the operation cash flow and based on the direct method, for the cash flow from financing activities. The figures relating to the operational cash flows are derived from the delta in the balance sheet position.

In order to better reflect the activities of the company the cash flows relating to debt securities have been presented as cash flows from financing activities. In previous years these cash flows were part of the cash flows from operating activities. For comparison purposes the 2012 figures relating to this have been reclassified

## Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into Euro at rates of exchange at the balance sheet date.

## Financial fixed assets

Financial fixed assets include the nominal amounts of loans, of a long-term nature, issued to group companies, as well as prepaid expenses.

## Net result

The net result has been calculated on the basis of the accrual and matching principles.

## Taxation

Taxation is calculated on the basis of commercial income adjusted for available fiscal facilities

# NOTES TO THE ANNUAL ACCOUNTS AS PER 31 DECEMBER 2013

GENERAL ACCOUNTING PRINCIPLES<12  
NOTES TO THE ANNUAL ACCOUNTS 14  
SUPPLEMENTARY INFORMATION>20  
ON THE NOTES

## Assets

### [1] Loans to group companies

Loans to group companies represent loans, of a long-term nature, issued to group companies. The movements in long-term loans to group companies during the year were as follows:

#### T6 MOVEMENT IN LONG TERM LOANS TO GROUP COMPANIES

<i>in € thousand</i>	<i>2013</i>	<i>2012</i>
<b>At 1 January</b>	<b>8,336,306</b>	<b>9,099,606</b>
New loans	4,650,883	2,354,054
Reclassified to short term loans	-1,575,784	-768,476
Translation adjustment	1,847,993	349,916
Loans redeemed	-5,036,913	-2,698,794
<b>At 31 December</b>	<b>8,222,485</b>	<b>8,336,306</b>

An amount of EUR 1.4 bn (31.12.2012: EUR 2.2 bn) of the principal portions outstanding have a final maturity over more than five years.

Long-term loans to group companies for a total amount of EUR 1.5 bn (31.12.2012: EUR 1.9 bn) are denominated in a currency other than Euro. If no natural hedge is in place Linde Finance B.V. has entered into various foreign exchange contracts to hedge foreign currency risks. The valuation of the loans and foreign exchange contracts is based on the prevailing rate of exchange of the respective reporting dates. The average interest rate on long term non Euro denominated loans to group companies on 31 December 2013 was 4.3 percent (31.12.2012: 5.2 percent).

### [2] Deferred derivatives results

Deferred derivatives results are to be amortised proceeds of unwound derivatives which were previously in a hedge relationship with group companies, of EUR 42.9 m (31.12.2012: EUR 51.9 m). The unwinding of derivatives has been executed on a risk neutral basis.

In 2013 there were EUR 5.9 m (31.12.2012: EUR 7.5 m) in relation to settlement of payments relating from the unwind of interest rate swaps. These amounts will be amortised over the remaining tenor of the settled swaps.

### [3] Prepaid expenses

In July 2013 Linde AG Munich and Linde Finance B.V. agreed a new five-year EUR 2.5 bn syndicated revolving credit facility, with two options to extend the facility, in each case by one year subject to lenders consent. The credit line replaces the EUR 2.5 bn syndicated revolving facility from 2010 which had not been drawn down.

Linde Finance B.V. paid an upfront premium of EUR 4.5 m. The outstanding value per 31 December 2013 of EUR 4.1 m (31.12.2012: EUR 3.8 m) will be amortised over the remaining tenor of the facility.

### [4] Loans to group companies

Linde Finance B.V. holds short-term loans to group companies for EUR 2.9 bn (31.12.2012: EUR 3.2 bn) of which the principal portions are due and payable within one year. Interest rates are determined based on the at arm's length principle. The average interest rate on these loans as at 31 December 2013 is 1.52 percent (31.12.2012: 2.77 percent).

Short-term loans to group companies for a total amount of EUR 830.1 m (31.12.2012: EUR 515.8 m) are denominated in a currency other than Euro. If no natural hedge is in place Linde Finance B.V. has entered into foreign exchange contracts to hedge foreign currency risks. The valuation of the loans and foreign exchange contracts is based on the prevailing rate of exchange on the respective reporting dates.

### [5] Interest receivable from group companies

Interest receivables from group companies include accrued interest on loans of EUR 146.0 m (31.12.2012: EUR 169.9 m), EUR 3.1 m (31.12.2012: EUR 2.3 m) accrued interest on derivatives with group companies and EUR 5.7 m (31.12.2012: EUR 8.8 m) of upfront premium on derivatives with group companies, which will be amortised over the remaining tenor.

### [6] Interest receivables from third parties

Other receivables from third parties include accrued interest of EUR 26.3 m (31.12.2012: EUR 37.2 m) from interest rate swaps and cross currency swaps.

### [7] Forward exchange contracts

All forward exchange contracts are in a hedging relationship for which Linde Finance B.V. applies cost price hedge accounting.

Cost price hedging means that both the forward exchange contract as hedging instrument and the hedged item are recognised at cost. If the hedged item is a foreign currency monetary item recognized in the balance sheet, the forward exchange contract is measured at the difference between the spot rate of the balance sheet date and the contract rate of the forward exchange contract. The position also includes the interest accrual on interest rate differentials of forward exchange contracts (forward points).

### [8] Derivatives at fair value

Besides the deferred derivatives results a number of derivatives are measured at fair value. This relates to forward starting interest rate swaps amounting to EUR 44.3 m (31.12.2012: 38.2 m). Those transactions are executed on a risk neutral basis for which hedge accounting is not applied.

### [9] Tax receivable

As per 31 December 2013 Linde Finance B.V. has a tax receivable of EUR 9.0 m (31.12.2012: EUR 4.5 m) related to corporate income tax and withholding tax.

### [10] Collateral deposits

Since 2010 Linde Finance B.V. has Credit Support Annex (CSA) agreements in place with its major financial market participants to mitigate the counterparty risk. There is no (31.12.2012: EUR 5.9 m) outstanding value of the cash collateral deposited by Linde Finance B.V. at banks per 31 December 2013.

### [11] Liquid assets

Liquid assets comprise only cash at banks which are at the disposal of Linde Finance B.V..

## Equity and liabilities

### [12] Equity

Authorized share capital consists of 15,000 shares of EUR 1,000 each. As per 31 December 2013, the total number of shares outstanding which are fully paid in, are 5,000 (31.12.2012: 5,000). All shares of Linde Finance B.V. are held by Linde Holdings Netherlands B.V., Schiedam. Linde Finance B.V. ultimate parent is Linde AG, Munich, which is listed on the German stock exchange.

#### T7 EQUITY

<i>in € thousand</i>	<i>Share capital</i>	<i>Share premium</i>	<i>Retained earnings</i>	<i>Unappropriated profit</i>	<i>Total equity</i>
<b>At 1 January 2012</b>	<b>5,000</b>	<b>150,000</b>	<b>85,764</b>	<b>-</b>	<b>240,764</b>
unappropriated profits	-	-	-	24,191	24,191
<b>At 31 December 2012 / At 1 January 2013</b>	<b>5,000</b>	<b>150,000</b>	<b>85,764</b>	<b>24,191</b>	<b>264,955</b>
Transfer to retained earnings	-	-	24,191	-24,191	-
unappropriated profits	-	-	-	9,402	9,402
<b>At 31 December 2013</b>	<b>5,000</b>	<b>150,000</b>	<b>109,955</b>	<b>9,402</b>	<b>274,357</b>

### [13] Bonds notes payable

The bonds notes payable comprise loans from credit institutions as well as from institutional investors.

The contractual maturity of the bonds and notes payable can be shown as follows:

#### T8 BONDS NOTES PAYABLE

<i>in € thousand</i>	<i>31.12.2013</i>	<i>31.12.2012</i>
< 1 year	415,705	370,019
1-5 years	2,838,149	2,500,133
> 5 years	1,629,495	2,258,159
	<b>4,883,349</b>	<b>5,128,311</b>

The Linde Finance B.V. bonds notes payable bear an average interest of 4.9 percent (31.12.2012: 5.3 percent). An amount of EUR 4.7 bn (31.12.2012: EUR 5.0 bn) of bonds notes payable has been issued by Linde Finance B.V. under the terms of the Debt Issuance Programme. With respect to this programme Linde AG, Munich has issued an unconditional and irrevocable guarantee in favour of Linde Finance B.V..

Bonds notes payable under the terms of the Debt Issuance Programme for an amount of EUR 1.0 bn (31.12.2012: EUR 1.2 bn) are denominated in a currency other than Euro. If no natural hedge is in place Linde Finance B.V. has entered into foreign exchange contracts or cross currency swaps to hedge foreign currency risks.



## T9 ISSUED BONDS LINDE FINANCE B.V.

	Currency	Principal in million	Coupon (percent)	Maturity date	Call date	Exchange
1	EUR	100	3,625	13.08.2014		Bourse de Luxembourg
2	EUR	25	3,750	14.08.2014		Bourse de Luxembourg
3	USD	400	3,625	13.11.2014		Bourse de Luxembourg
4	AUD	150	variable	19.08.2015		Bourse de Luxembourg
5	EUR	600	6,750	08.12.2015		Bourse de Luxembourg
6	GBP	200	6,500	29.01.2016		London Stock Exchange *
7	USD	50	variable	02.03.2016		not listed
8	USD	50	variable	11.07.2016		not listed
9	USD	20	variable	19.07.2016		not listed
10	USD	20	variable	20.04.2017		not listed
11	EUR	1.000	4,750	24.04.2017		Bourse de Luxembourg
12	EUR	50	variable	23.05.2018		not listed
13	EUR	750	3,125	12.12.2018		Bourse de Luxembourg
14	USD	150	1,750	23.05.2019		not listed
15	EUR	500	1,750	11.06.2019		Bourse de Luxembourg
16	AUD	100	4,250	20.06.2019		Bourse de Luxembourg
17	EUR	600	3,875	01.06.2021		Bourse de Luxembourg
18	GBP	300	5,875	24.04.2023		Bourse de Luxembourg

\* Not issued under DIP

## [14] Subordinated bonds

In 2006 Linde Finance B.V. issued subordinated bonds, as listed in the table below.

## T10 SUBORDINATED BONDS

	Currency	Principal in million	Coupon (percent)	Effective yield to first call (percent)	First call date	Maturity date	Coupon when first call is not exercised (percent)	Exchange
19	EUR	700	7,375	7,557	14.07.2016	14.07.2066	3 month Euribor+4,125	Irish Stock Exchange *
20	GBP	250	8,125	8,125	14.07.2016	14.07.2066	3 month GBP Libor+4,125	Irish Stock Exchange *

\* Not issued under DIP

Linde Finance B.V. has the right to call the bonds from the dates mentioned under "First call date".

If the right to call the loan is not exercised on this date the coupon will attract interest at a variable rate. The right to call the loan will then be available every quarter on the due date for interest payment.

For the bonds with the final maturity date in 2066 the coupon payment may be suspended on any due date for interest payment. Coupon payments not made will be made up if the Linde Group, meaning the issuer, The Guarantor or any Group entity, makes payments for securities pari passu, subordinated securities or Linde AG, Munich makes dividend payments on shares. The bonds are unconditionally, irrevocably guaranteed by Linde AG, Munich.

## [15] Loans from group companies

Linde Finance B.V. holds loans from group companies for a total amount of EUR 4.9 bn (31.12.2012: EUR 4.4 bn). An amount of EUR 293.1 m (31.12.2012: EUR 220.9 m) of the principal portion has a maturity longer than one year. The remaining principal portions are due and payable within one year. Interest rates are determined based on the at arm's length principle. As at 31 December 2013 the average interest rate on these loans was 1.1 percent (31.12.2012: 0.7 percent).

Short-term loans from group companies for an amount of EUR 2.7 bn (31.12.2012: EUR 2.4 bn) are denominated in a currency other than Euro for which Linde Finance B.V. has entered into foreign exchange contracts to hedge foreign currency risks. The valuation of the loans and foreign exchange contracts is based on the prevailing rate of exchange on the respective reporting dates.

## [16] Collateral borrowing

Since 2010 Linde Finance B.V. has Credit Support Annex agreements with its major financial market participants to mitigate the counterpart risk. The outstanding value of the cash collateral deposited at Linde Finance B.V. by various banks, as per 31 December 2013 is EUR 116.8 m (31.12.2012: EUR 107.6 m).

## [17] Commercial Paper

As per 31 December 2013 Linde Finance B.V. has no CP outstanding (31.12.2012: EUR 275.0 m). Generally all CP's are issued under the terms of the EUR 2.0 bn CP Programme. With respect to this programme Linde AG, Munich has issued an unconditional and irrevocable guarantee in favour of Linde Finance B.V.. The average interest rate on the outstanding CP in 2013 was 0.1 percent (31.12.2012: 0.1 percent).

## [18] Interest payable to third parties

### T11 INTEREST PAYABLE TO THIRD PARTIES

<i>in € thousand</i>	<i>31.12.2013</i>	<i>31.12.2012</i>
Accrued interest bonds notes payable	89,596	95,626
Accrued interest subordinated bonds	35,574	47,551
Accrued interest derivatives	-	3,234
Accrued interest commercial paper	-	-14
Upfront premiums received on derivatives	4,287	5,641
	<b>129,457</b>	<b>152,038</b>

Interest payables include upfront premiums received on derivatives with third parties, which will be amortised over the remaining tenor.

## [19] Interest payable to group companies

Interest payable to group companies include accrued interest on loans from group companies of EUR 3.9 m (31.12.2012: EUR 17.3 m) and accrued interest on derivatives with group companies of EUR 32.0 m (31.12.2012: EUR 36.0 m).

This also includes upfront premiums received on derivatives with group parties for an amount of EUR 1.2 m (31.12.2012: EUR 1.7 m), which will be amortised over the remaining tenor.

## [20] Other payables to third parties

Other payables include EUR 6.1 m (31.12.2012: EUR 0.1m) of early payment of foreign currency settlement with a value date in 2014 but book date 2013.

## Profit and loss

### [21] Interest income

The interest income includes EUR 456.2 m (31.12.2012: EUR 562.8 m) of interest income on loans given to group companies. The other interest income EUR 170.8 m (31.12.2012: EUR 183.6 m) is income generated from external derivatives and the amortisation of discounts.

### [22] Interest expense

The interest expense includes EUR 194.5 m (31.12.2012: EUR 246.9 m) of interest from loans from group companies. The other interest expense of EUR 417.4 m (31.12.2012: EUR 453.1 m) comprises mainly of interest expenses for external bonds, external derivatives and the amortisation of discounts. The interest expense includes EUR 6.1 m (31.12.2012: EUR 4.9 m) internal fee related to the guarantee issued by Linde AG, Munich.

### [23] General and administrative expenses

The general and administrative expenses for the period can be analysed as stated in the below table. Whereby the other G&A costs, mainly consists of fees for advisory, VAT cost which cannot be claimed back due to the nature of the business of Linde Finance B.V., bank charges, office expenses and IT costs.

#### T12 GENERAL AND ADMINISTRATIVE EXPENSES

<i>in € thousand</i>	<i>31.12.2013</i>	<i>31.12.2012</i>
Wages and salaries	565	631
Other general and administrative expenses	358	497
	<b>923</b>	<b>1.128</b>

### [24] Taxation

Linde Finance B.V. operates under the Advance Pricing Agreement (APA) with the Dutch fiscal authorities. This APA ruling defines the minimum returns for inter-company loans.

Taxes on income for the period can be analysed as follows:

#### T13 TAXATION

<i>in € thousand</i>	<i>31.12.2013</i>	<i>31.12.2012</i>
Profit before taxation	12,552	32,359
Income tax rate (percent)	25.00	25.00
Income tax expenses	3,150	8,168
Effective tax rate (percent)	<b>25.10</b>	<b>25.24</b>

# SUPPLEMENTARY INFORMATION ON THE NOTES

NOTES TO THE ANNUAL ACCOUNTS <14  
SUPPLEMENTARY INFORMATION 20  
ON THE NOTES

20  
SUPPLEMENTARY INFORMATION ON THE NOTES

## [25] Auditors' fees and services

The auditor's remuneration has been included in the consolidated accounts of The Linde Group, Munich.

## [26] Directors

Linde Finance B.V. has one Managing Director (31.12.2012: one) and three Supervisory Board Members (31.12.2012: three). The members of the Supervisory Board did not receive remuneration during 2013. Furthermore Linde Finance B.V. avails itself to the stipulations laid down in article 2:383, section 1, of the Dutch Civil Code with regard to the remuneration of the Managing Director.

## [27] Employees

During 2013 Linde Finance B.V. had an average of 3.1 full time equivalents (31.12.2012: 4.1).

The wages and salaries refer to [NOTE \[23\] PAGE 19](#) includes social security charges and pension premium costs of EUR 50.1 k (31.12.2012: 44.7 k). The employees participate in the "Stichting Pensioenfonds N.V. Linde Gas Benelux" pension fund.

The pension scheme of this fund is based on a defined benefit plan.

The contribution to the pension fund is fixed annually by the pension board as a percentage of the total sum of participants' salary costs, less the provisional franchise.

The employer will settle the member's contribution each time wages are being disbursed.

In case of a financial deterioration of the pension fund Linde Finance B.V. may voluntary contribute to the pension recovery plan. There is no mandatory obligation to do so.

## [28] Off balance sheet commitments

Linde Finance B.V. has entered into a number of interest rate swap agreements, with a principal amount of EUR 10.4 bn (31.12.2012: EUR 9.6 bn) and a number of cross currency swap agreements, with a principal amount of EUR 408.0 m (31.12.2012: EUR 289.5 m). Due to the application of cost price hedging these derivative financial instruments are following the valuation principle of the hedged items (i.e. cost price). The principal amount includes forward starting interest rate swaps recognised at fair value of EUR 3.7 bn.

Linde Finance B.V. has limited rental, back office and IT commitments with third parties. Total expenses are approximately EUR 50.0 k per annum. The rental agreement for the offices has been signed in September 2012 for a period of five years.

In July 2013 Linde AG, Munich and Linde Finance B.V. agreed a new five-year EUR 2.5 bn syndicated revolving credit facility with two options to extend the facility, in each case by one year subject to lenders consent. The credit line replaces the EUR 2.5 bn facility from 2010 which had not been drawn down and also serves as backup for the EUR 2.0 bn Commercial Paper Programme.

The fair value of financial instruments is determined using measurement methods customary in the market, based on market parameters specific to the instrument.

The fair value of derivative financial instruments is measured by discounting expected future cash flows using the net present value method. The entry parameters used in these models are relevant observable market prices and interest rates on the balance sheet date, obtained from recognised external sources.

The table below shows the fair value of financial assets and liabilities.

## T14 FAIR VALUES FINANCIAL ASSETS AND LIABILITIES

<i>in € million</i>	<i>31.12.2013</i>	<i>31.12.2012</i>
<b>Assets</b>		
Loans to group companies (non current)	9,134.5	9,541.4
Loans to group companies (current)	2,840.8	3,256.2
Interest rate swaps/cross currency swaps external	141.0	172.8
FX swaps	33.8	25.0
Interest rate swaps/cross currency swaps internal	59.0	94.2
<b>Liabilities</b>		
Bonds/notes payable	5,303.1	6,435.8
Subordinated bonds	1,137.2	1,592.1
Loans from group companies (non current)	285.8	-
Loans from group companies (current)	4,546.2	4,401.8
Interest rate swaps/cross currency swaps external	37.2	75.0
FX swaps	15.5	28.1
Interest rate swaps/cross currency swaps internal	131.8	167.7

## [29] Related parties

All transactions are conducted on an arm's length basis. Further information on related party transactions is also disclosed in relevant notes to the annual accounts.

## T15 MAJOR OUTSTANDING LOAN EXPOSURE

<i>in € million</i>				<i>in percent</i>
Linde AG	Munich	DEU	4.598,1	41,5
Linde UK Holdings Limited	Guilford	GBR	3.190,9	28,8
Linde Gas Holding Sweden AB	Lidingo	SWE	863,0	7,8
Linde Holdings Netherlands B.V.	Schiedam	NLD	589,5	5,3
BOC Holdings	Guilford	GBR	361,3	3,3
Abello Linde SA	Barcelona	ESP	287,9	2,6
Linde Österreich Holding GmbH	Stadl - Paura	AUT	265,0	2,4
The BOC Group Limited	Guilford	GBR	240,9	2,2
Linde Canada Limited	Mississauga	CAN	153,0	1,4
other			532,3	4,7
			<b>11.081,9</b>	<b>100,0</b>

**T16 MAJOR OUTSTANDING DEPOSIT EXPOSURE**

<i>in € million</i>			<i>in percent</i>	
Linde UK Holdings Limited	Guilford	GBR	1.556,1	32,0
The BOC Group Limited	Guilford	GBR	1.213,2	24,9
BOC Helex	Guilford	GBR	350,7	7,2
Linde Canada Holdings Limited	Guilford	GBR	273,0	5,6
Linde Holdings, LLC	Tulsa	USA	251,5	5,2
Linde North America Inc	Murray Hill	USA	215,0	4,4
Oy AGA AB	Espoo	FIN	138,6	2,8
AGA AB	Lidngo	SWE	88,9	1,8
BOC Limited	Sydney	AUS	66,3	1,4
other			714,6	14,7
			<b>4.867,9</b>	<b>100,0</b>

**[30] Risk management***Foreign currency risk*

It is the objective of Linde Finance B.V. to eliminate foreign currency risks. With the exception of margins generated by foreign currency denominated back to back loans, Linde Finance B.V. enters into currency contracts and cross currency swaps in order to hedge Linde Finance B.V.'s currency exposure. The underlying assets and liabilities are translated into Euro at the balance sheet date. The derivatives used to hedge the currency risk exposure are included in the balance sheet in accor-

dance with the cost price hedging model. The positions are regularly checked as part of the risk management procedures.

The below table provides the net foreign exchange cash flow positions per 31 December 2013. The totals are all unhedged margins on loans and corresponding deposits. As stipulated in the foreign currency risk management approach these margins are not hedged.

**T17 NET FOREIGN CURRENCY CASH FLOW POSITION PER CURRENCY**

<i>in thousand Currency</i>	<i>Largest positions of Net FX cash flow positions per currency</i>	<i>In € per 31.12.2013</i>	<i>Latest Maturity</i>
GBP	6,901	8,274	24.04.23
CAD	2,257	1,538	17.12.18
USD	2,502	1,815	23.05.19
Other currencies		204	
<b>Total position</b>		<b>11,831</b>	

The total Value at Risk (VaR) for the largest positions is per 31 December 2013 EUR 1.5 m (31.12.2012: 1.6 m). The VaR calculation is based on a 97.5% VaR for Linde

Finance foreign currency positions (Multivariate normality assumed, i.e., Markowitz approach).

**T18 FOREIGN CURRENCY RISK LINDE FINANCE B.V. AS AT 31.12.2013**

<i>in thousand</i>	<i>Exposure FX</i>	<i>Exposure €</i>	<i>VaR €</i>
AUD	318	206	26
CAD	2,257	1,545	138
GBP	6,901	8,312	1,355
RUB	704	16	-
TRY	-16	-5	-
USD	2,502	1,820	184
<b>Total</b>			<b>1,703</b>
<b>Total Risk (diversified)</b>			<b>1,519</b>

**Interest risk**

It is Linde Finance B.V. policy that interest exposures with duration longer than one year are being hedged, by entering into interest rate swaps and/or cross currency swaps.

The table below shows the “un-matched” open nominal positions according to their maturity, for durations of one year and above for all currencies in EUR equivalents. A positive sign is a net long position.

**T19 INTEREST RISK**

<i>in € thousand</i> <i>Time bucket</i>	<i>Bucket end date</i>	<i>Yearly mismatch</i>	<i>Cummulated mismatch</i>
less than 5 years	31.12.2018	-	-
less than 4 years	31.12.2017	-	-
less than 3 years	31.12.2016	-	-
less than 2 years	31.12.2015	-	-
less than 1 year	31.12.2014	-6.230	-6.230

**Credit risk / Counterparty risk**

Linde Finance B.V. solely provides loans within The Linde Group. Intercompany credit exposure has been insured with Linde AG, Munich through a Credit Assurance Agreement. The associated expenses are charged on to the companies through an additional risk premium on top of the base rate.

Linde AG, Munich, which has issued an unconditional and irrevocable guarantee in relation to the debt issuance and Commercial Paper Programme, presently has a A+ / A-1 rating by Standard & Poor's and A3 / P-2 rating by Moody's. Both credit ratings have a stable outlook.

Cash and financial derivatives are only deposited and/or entered into with banks.

Linde Finance B.V. has Credit Support Annex agreements in place with all of its major financial counterparts in order to mitigate the counterpart risk associated with derivative transactions.

#### *Liquidity risk*

Linde Finance B.V. access to liquidity is secured by a currently undrawn five year EUR 2.5 bn syndicated credit facility signed in July 2013. The facility's documentation contains two options to extend its legal maturity, in each case by one year, subject to lenders consent. The credit line replaces the EUR 2.5 bn facility from 2010 which had not been drawn down.

## [31] Other information

### *Appropriation of Results*

In accordance with Article 27 of Linde Finance B.V. Articles of Association, profits, of any, are at the disposal of the General Meeting of shareholder. The Directors propose to add the net profits to the retained earnings.

## [32] Subsequent events

No subsequent event occurred.

AMSTERDAM, 25 MARCH 2014

THE BOARD OF MANAGING  
DIRECTORS

MICHA GLASER

THE BOARD OF SUPERVISORY  
DIRECTORS

GEORG DENOKE, CHAIRMAN

DR SVEN SCHNEIDER

BJÖRN SCHNEIDER



## Independent auditor's Report

To: the General Meeting of Shareholders of Linde Finance B.V..

### *Report on the financial statements*

We have audited the accompanying financial statements 2013 of Linde Finance B.V., Amsterdam, which comprise the balance sheet as at 31 December 2013, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

### *Management's responsibility*

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the director's report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Linde Finance B. V. preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Linde Finance B.V. internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of Linde Finance B.V. as at 31 December 2013 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

### *Report on other legal and regulatory requirements*

Pursuant to the legal requirements under Section 2:393 sub 5 at e and f of the Netherlands Civil Code, we have no deficiencies to report as a result of our examination whether the director's report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b - h has been annexed. Further, we report that the director's report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Netherlands Civil Code.

AMSTELVEEN, 25 MARCH 2014

KPMG ACCOUNTANTS N.V.  
F.M. VAN DEN WILDENBERG RA

# TABLES

Issued medium term notes		
T1 _ SEITE 5		
Balance sheet of Linde Finance B.V. – Assets	Equity T7 _ SEITE 16	Fair values financial assets and liabilities T14 _ SEITE 21
T2 _ SEITE 8	Bonds notes payable T8 _ SEITE 16	Major outstanding loan exposure T15 _ SEITE 21
Balance sheet of Linde Financial B.V. – Equity and liabilities	Issued bonds Linde Finance B.V. T9 _ SEITE 17	Major outstanding deposit exposure T16 _ SEITE 22
T3 _ SEITE 9	Subordinated bonds T10 _ SEITE 17	Net foreign currency cash flow position per currency T17 _ SEITE 22
Profit and loss T4 _ SEITE 10	Interest payable to third parties T11 _ SEITE 18	Foreign currency risk Linde Finance B.V. as at 31.12.2013 T18 _ SEITE 23
Cash flow statement T5 _ SEITE 11	General and administrative expenses T12 _ SEITE 19	Interest risk T19 _ SEITE 23
Movement in long term loans to group companies T6 _ SEITE 14	Taxation T13 _ SEITE 19	

Published by

Linde Finance B.V.  
Buitenveldertselaan 106  
1081 AB Amsterdam  
Netherlands  
Phone +31.20.301.3803  
Fax +31.20.301.3809  
[www.linde-finance.com](http://www.linde-finance.com)