

Press Release

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Linde to make a public offer for AGA

Linde AG, Germany, has announced its intention to make a cash offer for AGA AB, Sweden, of SEK 141 for each AGA Series-A and Series-B share. The offer values AGA at SEK 30.9 billion (approximately DM 6.9 billion, Euro 3.5 billion). Linde plans to preserve and develop the strong business and trademark of AGA.

As of today, Linde owns shares representing 12.83 percent of AGA's capital and 6.96 percent of the votes and has entered into purchase agreements with Gas Vision AG, AB Industrivärden and funds connected with Svenska Handelsbanken Group, which, together with the AGA holdings of Linde, total 62.5 percent of the capital and 62.8 percent of the votes in AGA.

The offer does not require approval by Linde's shareholders. Linde will debt finance the cash offer through a bridge loan provided by Deutsche Bank AG.

A formal tender offer will be made to the A-Shareholders and B-Shareholders of AGA. The appropriate documentation will be posted to AGA's shareholders beforehand.

Following completion, the aim of Linde and AGA is to complete a merger of the Technical gas businesses of Linde with AGA as soon as possible. Until the merger is complete, both companies will operate and trade as presently. It is expected that both the Linde and AGA names will continue to be used following the merger.

A stronger player in the technical and medical gases market

The global technical gases market is valued at approximately DM 55 billion (EUR 28 billion). The industry has historically shown good volume growth and ability to develop new applications. Important products include atmospheric gases, such as oxygen and nitrogen; as well as medical gases, acetylene and process gases, such as hydrogen, carbon dioxide and monoxide.

Based on increasingly intense competition in the technical gases market which has already resulted in an extensive consolidation process in the industry, Linde wish to establish a stronger European-based, world-class supplier to the technical gases market. Together with AGA, net sales will initially be of the order of DM 14 billion (EUR 7.2 billion), of which the technical gases sector generates more than DM 6 billion (EUR 3 billion). The combined technical gases group will employ around 18,700 people, and will be active in more than 45 countries world-wide.

A combination of AGA and Linde will create the second largest technical gases group in Europe and the fourth largest world-wide.

Apart from the traditionally strong position in the Scandinavian countries, AGA has built up a considerable market presence in North and South America. Linde, branching out from its solid position in the German speaking countries, has established good market positions in Eastern Europe and a growing presence in the market for on-site gases supply, in particular hydrogen.

A combination of Linde's technical gases business and AGA will generate considerable synergy effects and strengthened competitiveness through optimised distribution, enhanced product development capability and ability to realise cost savings. As a result of the successful implementation of AGA's restructuring programme over recent years, Linde does not expect significant new restructuring costs in the coming years.

The positive effects of Linde's and AGA's combined product range are expected to enable a strengthening of the two companies' position in markets where they are currently underrepresented, and creates the best possible conditions to secure future with growth and enhanced profitability.

"The combination of Linde's and AGA's skills, resources and technologies opens up an interesting future for both companies – for our customers and our personnel," said Mr. Lennart Selander, President and CEO of AGA.

"Combining the two businesses constitutes a great opportunity for Linde," said Mr Gerhard Full, CEO of Linde. "It will significantly enhance Linde's ability to grow the combined technical gases businesses. The combination will also enable us to create additional value through realising synergies and entering new markets."

Value of the offer

The public cash offer of SEK 141 per each Series-A and Series-B share represents a premium of 25 percent based on the average stock price for AGA's Series-A and Series-B shares through the past three months and of more than 30 percent over the average stock price through the last twelve months.

Conditions of the offer

The only condition of the public offer is the approval by the relevant competition authorities.

Financing

Linde has received a commitment from Deutsche Bank to provide sufficient revolving credit facilities to finance the cash tender offer. Linde intends to refinance this revolving credit facility with long-term debt and through a capital increase and the issue of other financial instruments.

Deutsche Bank has acted as Linde's advisors.

Preliminary Timetable

A prospectus containing the terms for the offer is expected to be distributed shortly before commencement of the tender offer period. The tender offer period is intended to start by second half of September and to run for approximately one month. Payment in cash for tendered shares is expected to be made within two weeks from the end of the tender offer period.

Wiesbaden, August 16, 1999

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<p>This press release may not be distributed or released publicly in the U.S., Canada, Australia and Japan. The public offer for AGA shares will not be made in these countries. Nor is the offer being made to any such persons whose participation would require further prospectus, registration or other measures other than those that are required by Swedish law.</p>

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Invitation to Press Conference today at 13:00 hours

Referring to today's press release regarding our offer for all outstanding shares in AGA AB, a press conference will be held today, Monday August 16, 1999 at 13:00 hours at Scandic Park Hotel, Karlavägen 43, Stockholm in conference room Aspen.

Mr. Gerhard Full, President & CEO of Linde AG and Mr. Lennart Selander, President & CEO of AGA AB will participate in the press conference.