

Investor Teleconference Presentation Fourth Quarter 2014



Praxair, Inc.
January 28, 2015

Forward Looking Statement

This document contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management’s reasonable expectations and assumptions as of the date the statements are made but involve risks and uncertainties. These risks and uncertainties include, without limitation: the performance of stock markets generally; developments in worldwide and national economies and other international events and circumstances; changes in foreign currencies and in interest rates; the cost and availability of electric power, natural gas and other raw materials; the ability to achieve price increases to offset cost increases; catastrophic events including natural disasters, epidemics and acts of war and terrorism; the ability to attract, hire, and retain qualified personnel; the impact of changes in financial accounting standards; the impact of changes in pension plan liabilities; the impact of tax, environmental, healthcare and other legislation and government regulation in jurisdictions in which the company operates; the cost and outcomes of investigations, litigation and regulatory proceedings; continued timely development and market acceptance of new products and applications; the impact of competitive products and pricing; future financial and operating performance of major customers and industries served; the impact of information technology system failures, network disruptions and breaches in data security; and the effectiveness and speed of integrating new acquisitions into the business. These risks and uncertainties may cause actual future results or circumstances to differ materially from the projections or estimates contained in the forward-looking statements. Additionally, financial projections or estimates exclude the impact of special items which the company believes are not indicative of ongoing business performance. The company assumes no obligation to update or provide revisions to any forward-looking statement in response to changing circumstances.

The above listed risks and uncertainties are further described in Item 1A (Risk Factors) in the company’s Form 10-K and 10-Q reports filed with the SEC which should be reviewed carefully. Please consider the company’s forward-looking statements in light of those risks.

Full Year Results

(\$ MM)	Adj 2014 ⁽¹⁾	Adj. 2013 ⁽¹⁾	Δ%
Sales	\$12,273	\$11,925	3%
Operating Profit	\$2,746	\$2,657	3%
Operating Margin	22.4%	22.3%	+ 10bp
EBITDA⁽¹⁾	\$3,958	\$3,804	4%
EBITDA Margin⁽¹⁾	32.2%	31.9%	+ 30bp
Net Income⁽²⁾	\$1,852	\$1,772	5%
Diluted EPS⁽²⁾	\$6.27	\$5.93	6%
Operating Cash Flow	\$2,868	\$2,917	
After-Tax ROC⁽¹⁾	12.7%	12.8%	
ROE⁽¹⁾	28.7%	28.6%	

(1) Non-GAAP measures, other than sales and operating cash flow. See Appendix.

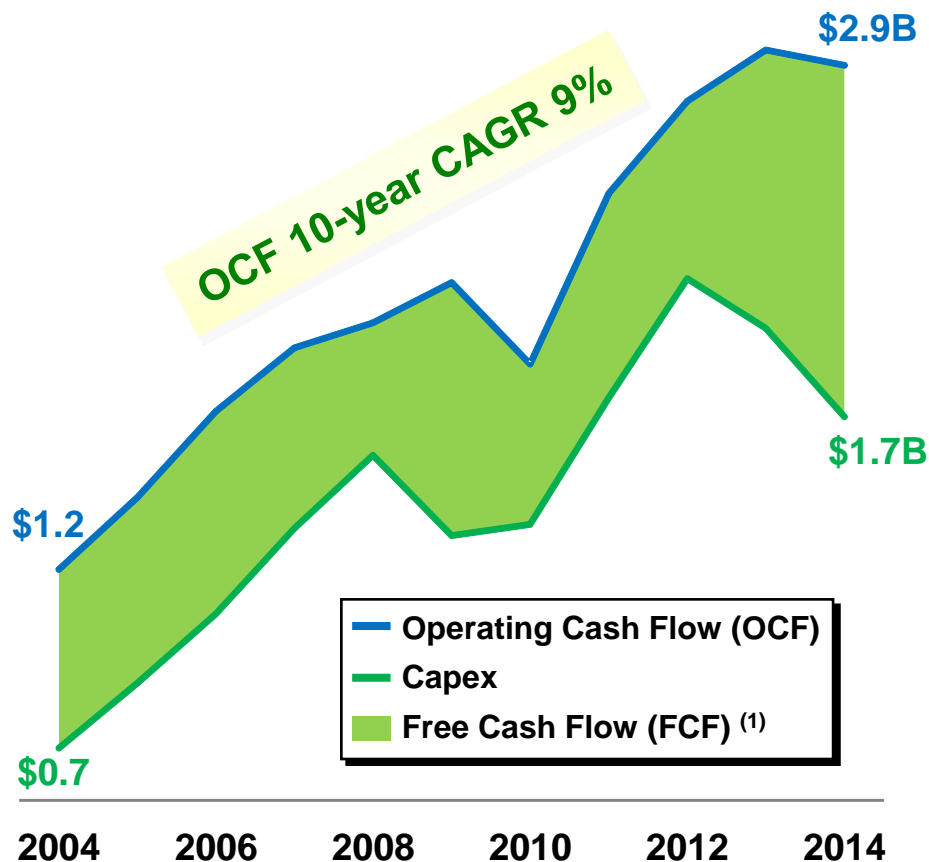
(2) Net Income and Diluted EPS attributable to Praxair, Inc. shareholders.

	<u>YOY</u>
Sales Growth	+ 3%
Volume	+ 3%
Price	+ 2%
Cost pass-thru	--
Currency	- 3%
Acq/Div	+ 1%

- Sales and OP +6%, EPS +9%, ex-FX
- Volume growth in the Americas & Asia
- Price attainment in all segments
- Record operating and EBITDA margins
- Prudent acquisitions for growth and density improvement
- Operating cash flow 23% of sales
- Record free cash flow ⁽¹⁾

Strong Operating Cash Flow in 2014

Record Free Cash Flow \$1.2B



Uses of Cash

Growth \$1.8B

- Capex \$1.7B
- Acquisitions \$0.1B, net

Returned to Shareholders \$1.5B

- Dividends \$0.75B
 - Dividend +10% 1Q15
 - 22nd consecutive annual increase
- Net share repurchases \$0.75B
 - Share count reduced more than 1% for 5th consecutive year

(1) Non-GAAP measure. See Appendix.

Fourth Quarter Results

(\$ MM)	Adj Fourth Quarter 2014 ⁽¹⁾	Third Quarter 2014	Adj Fourth Quarter 2013 ⁽¹⁾
Sales	\$2,990	\$3,144	\$3,010
Operating Profit	\$663	\$711	\$690
Operating Margin	22.2%	22.6%	22.9%
EBITDA⁽¹⁾	\$966	\$1,023	\$986
EBITDA Margin⁽¹⁾	32.3%	32.5%	32.8%
Net Income⁽²⁾	\$460	\$477	\$462
Diluted EPS⁽²⁾	\$1.57	\$1.62	\$1.55
After-Tax ROC⁽¹⁾	12.7%	12.6%	12.8%
ROE⁽¹⁾	28.7%	28.2%	28.6%

(1) Non-GAAP measures, other than sales. 4Q14 adjusted amounts exclude a charge of \$0.54 per diluted share related to charges for Venezuela currency devaluation, bond redemption and pension settlement. See Appendix.

(2) Net Income and Diluted EPS attributable to Praxair, Inc. shareholders.

	<u>YOY</u>	<u>Q4 vs. Q3</u>
Sales Growth	- 1%	- 5%
Volume	+ 2%	- 2%
Price	+ 1%	--
Cost pass-thru	--	--
Currency	- 4%	- 3%
Acq/Div	--	--

- **Sales +3% and EPS +5% ex-FX**
- **Volume and price growth YoY in the Americas & Asia**
- **Additional cost actions – results include \$15mm severance across all segments**
- **Strong operating & EBITDA margins**
- **Operating cash flow 26% of sales**
- **Backlog of \$1.9B**

(\$ MM)	Fourth Quarter 2014	Third Quarter 2014	Fourth Quarter 2013
Sales	\$1,589	\$1,639	\$1,567
Segment OP	\$388	\$416	\$393
Operating Margin	24.4%	25.4%	25.1%

	<u>YOY</u>	<u>Q4 vs. Q3</u>
Sales Growth	+ 1%	- 3%
Volume	+ 1%	- 2%
Price	+ 1%	+ 1%
Cost pass-thru	--	- 1%
Currency	- 2%	- 1%
Acq/Div	+ 1%	--

- U.S. merchant volumes +4% YoY
- Customer outages impacted onsite volumes YoY and Seq
- North America packaged gas volumes +2% YoY
- End-market growth in manufacturing, food & beverage and metals

2015 Outlook

- Price attainment
- Low-to-mid-single digit volume growth driven by all three geographies and distribution modes
- Currency headwinds in Mexico & Canada
- Onsite proposal activity in U.S. Gulf Coast region and smaller plants for manufacturing

(\$ MM)	Fourth Quarter 2014	Third Quarter 2014	Fourth Quarter 2013
Sales	\$356	\$385	\$404
Segment OP	\$63	\$71	\$75
Operating Margin	17.7%	18.4%	18.6%

	<u>YOY</u>	<u>Q4 vs. Q3</u>
Sales Growth	- 12%	- 8%
Volume	- 1%	- 4%
Price	--	+ 1%
Cost pass-thru	- 1%	+ 1%
Currency	- 9%	- 6%
Acq/Div	- 1%	--

- Spain volume growth
- Weaker volumes Northern Europe
- Price attainment in most countries sequentially

2015 Outlook

- Price attainment and cost control
- Steady to low-single digit volume growth, including Russia project start-up
- Currency headwinds
- New project bidding activity in small onsite plants for manufacturing

(\$ MM)	Fourth Quarter 2014	Third Quarter 2014	Fourth Quarter 2013
Sales	\$473	\$523	\$481
Segment OP	\$105	\$118	\$115
Operating Margin	22.2%	22.6%	23.9%

	<u>YOY</u>	<u>Q4 vs. Q3</u>
Sales Growth	- 2%	- 10%
Volume	+ 4%	- 1%
Price	+ 4%	--
Cost pass-thru	--	--
Currency	- 10%	- 9%

- Volume outperformance again vs Brazil -5% industrial production
- End-market growth in food & beverage and healthcare
- Robust operating margin due to strong price and cost actions
- Brazilian Real devaluation ~9% since October

2015 Outlook

- Steady to low single digit volume growth outperforming Brazil IP
- Currency headwinds Brazil and Venezuela
- Continued operational excellence and management of controllable; well-positioned for recovery

(\$ MM)	Fourth Quarter 2014	Third Quarter 2014	Fourth Quarter 2013
Sales	\$407	\$426	\$394
Segment OP	\$77	\$75	\$80
Operating Margin	18.9%	17.6%	20.3%

	<u>YOY</u>	<u>Q4 vs. Q3</u>
Sales Growth	+ 3%	- 5%
Volume/Equipment	+ 5%	- 2%
Price	+ 1%	--
Cost pass-thru	- 2%	- 1%
Currency	- 1%	- 2%

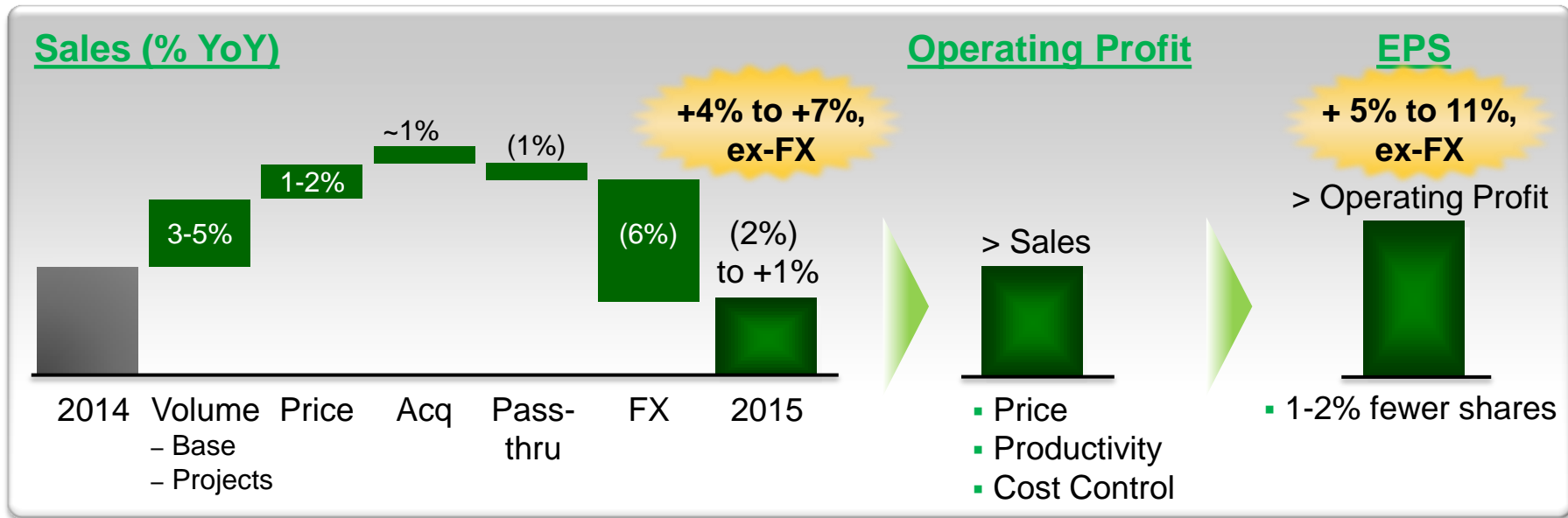
- India volume growth up 14% YoY, includes project start-ups for energy and metals
- China base business growth modest
- Korea organic sales growth +12% YoY, including project start-ups
- Price contribution Helium
- Cost control actions

2015 Outlook

- Mid to high single digit organic growth, including project start-ups in India and China
- Continued cost control and productivity
- Positive price environment India, Korea & Thailand

(\$ MM)	Fourth Quarter 2014	Third Quarter 2014	Fourth Quarter 2013
Sales	\$165	\$171	\$164
Segment OP	\$30	\$31	\$27
Operating Margin	18.2%	18.1%	16.5%

- Organic sales growth up 1% YoY, primarily due to pricing, volumes comparable with prior year
- Aviation coatings growth



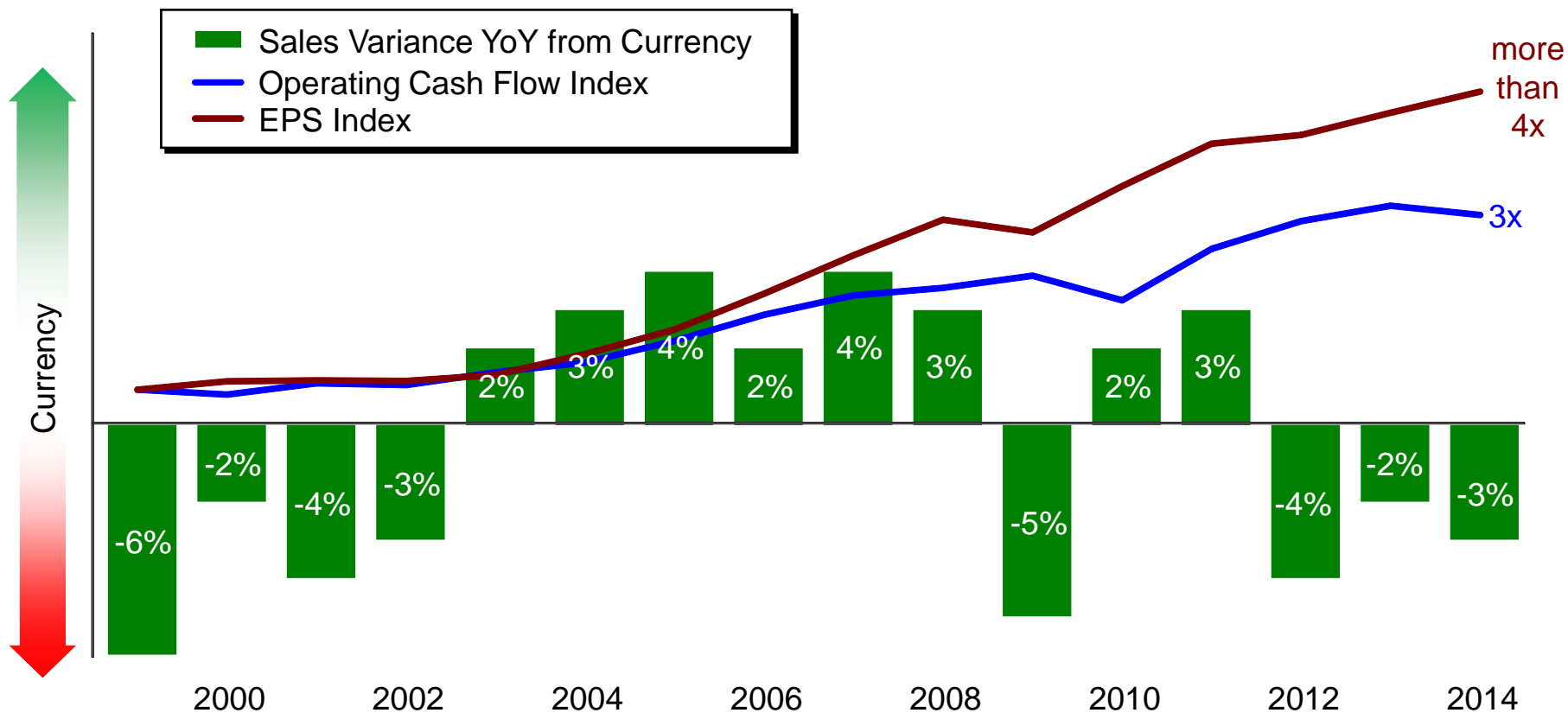
First Quarter 2015

- **EPS in the range of \$1.39 to \$1.47**
 - Currency headwinds: YoY (7%) & Seq (4%)
 - Seasonal: Lunar New Year & Carnival

Full Year 2015

- **Sales in the range of \$12 to \$12.4B**
- **EPS in the range of \$6.15 to \$6.50**
 - Headwinds: Currency (7%) & Pension (1%)
 - Ex-currency +5% to +11%
- **Tax rate of about 28%**
- **Strong Operating Cash Flow**
 - CAPEX about \$1.7B
 - Increasing dividend and reducing share count

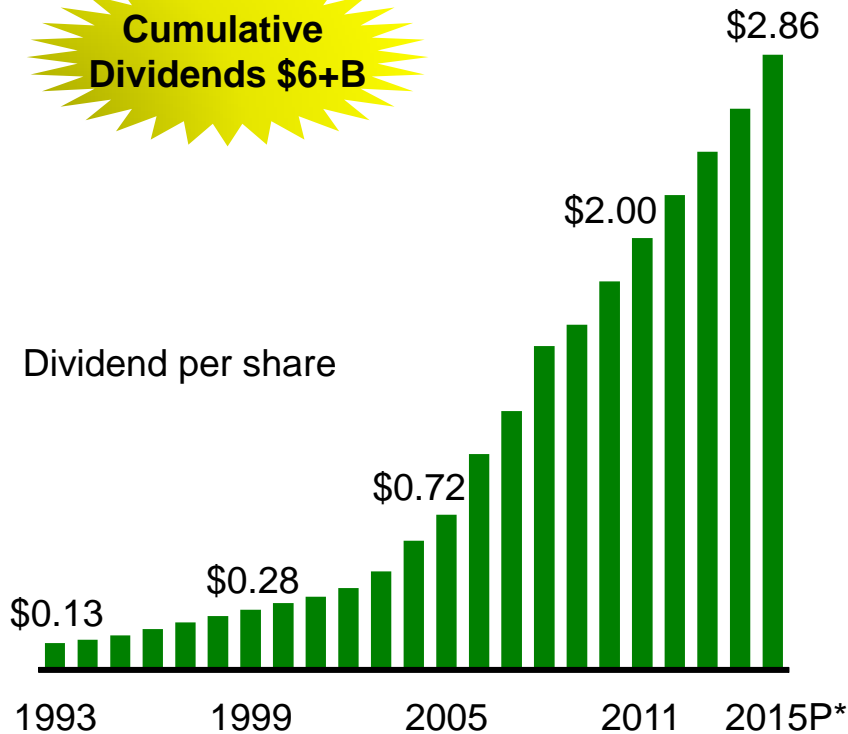
Solid Praxair Results Regardless of FX Cycle



Growing EPS and Operating Cash Flow

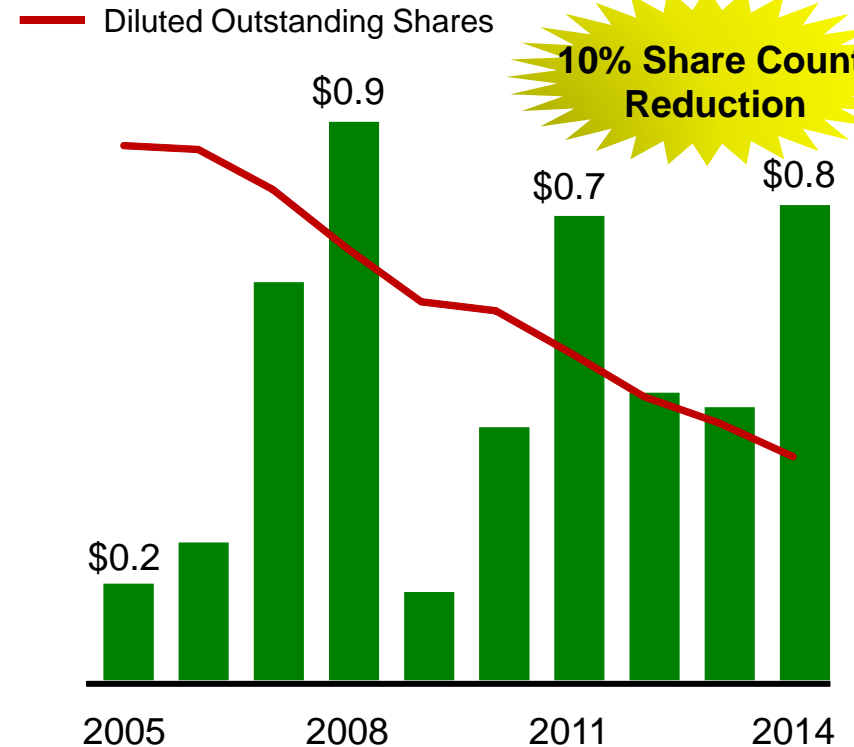
22-year Consecutive Dividend Increase

Cumulative Dividends \$6+B



Net Share Repurchases (\$B)

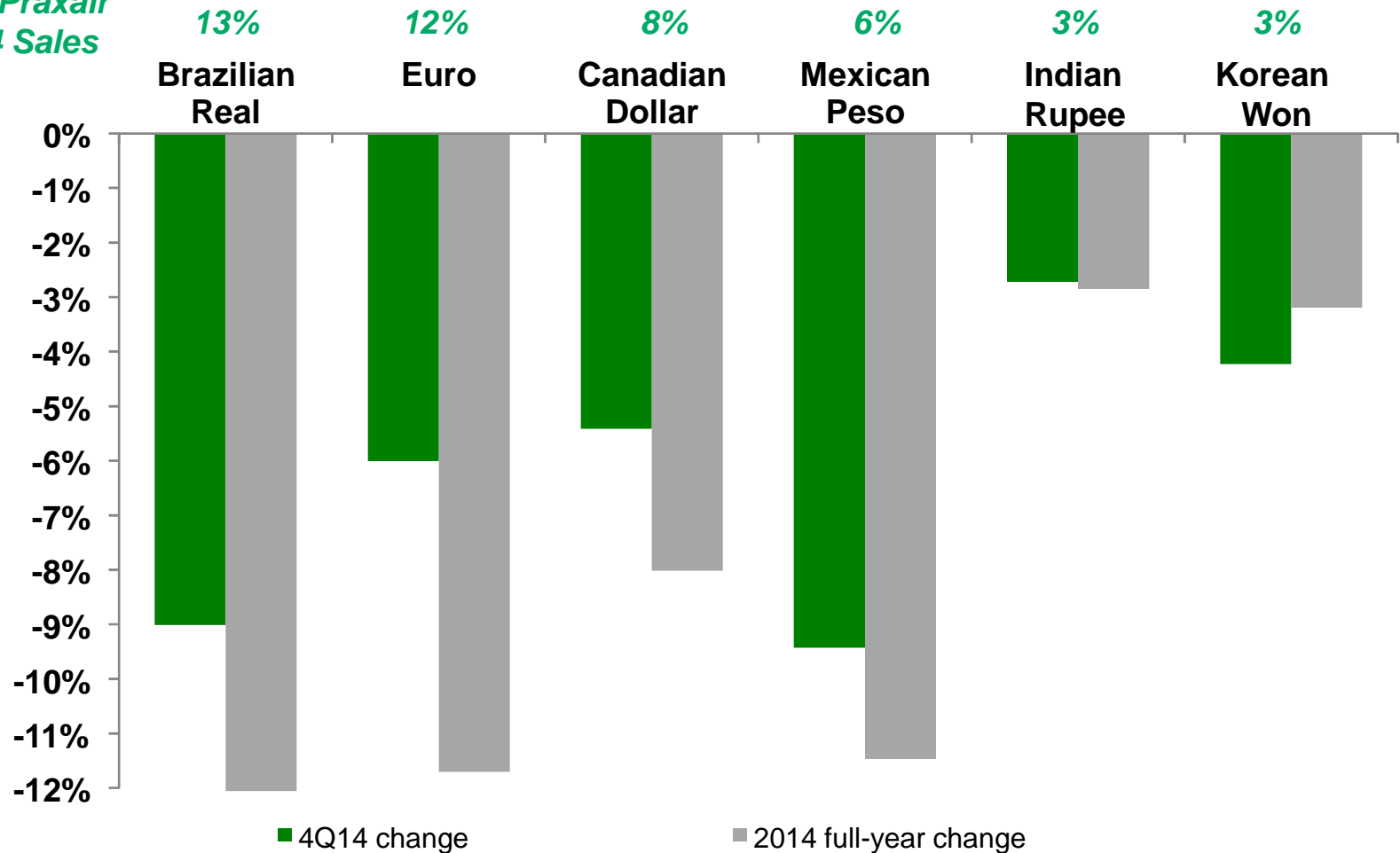
10% Share Count Reduction



Consistently growing dividends and reducing share count

Currency Rate Changes

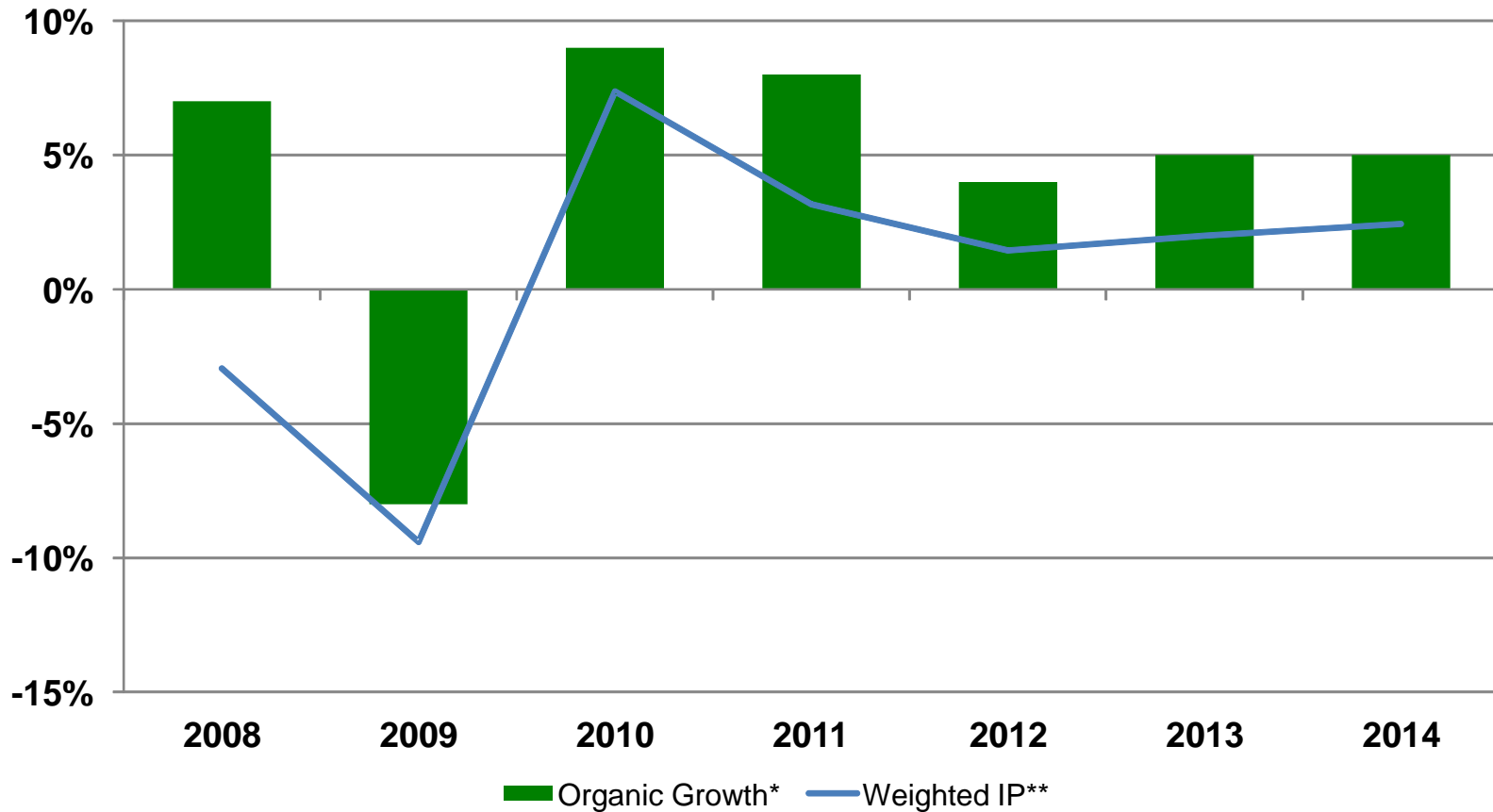
% of Praxair
2014 Sales



Significant movement

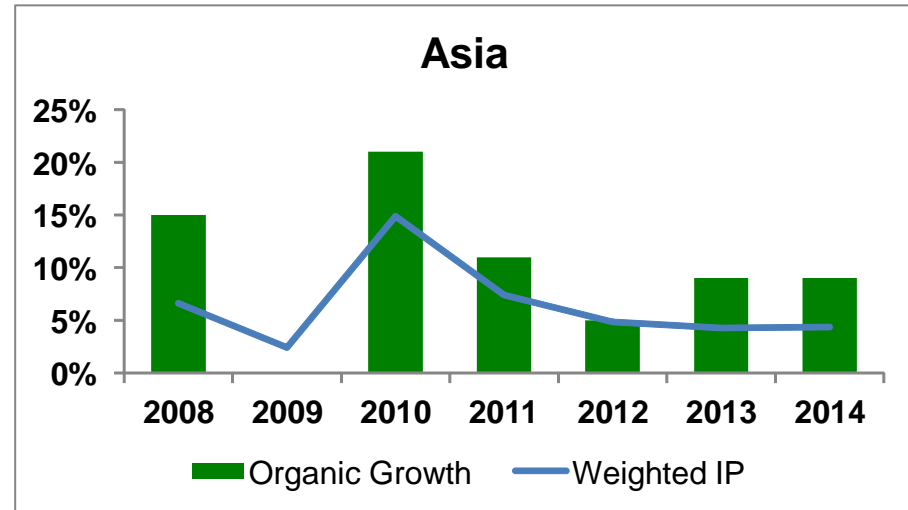
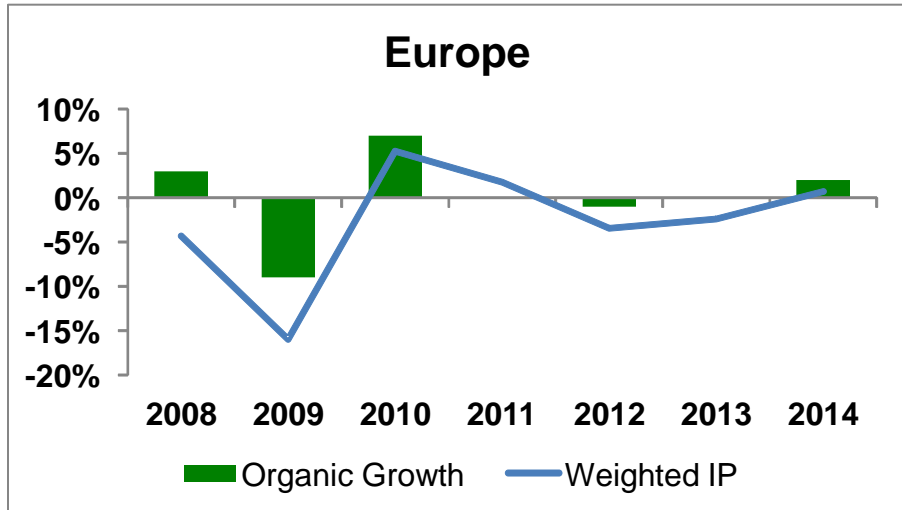
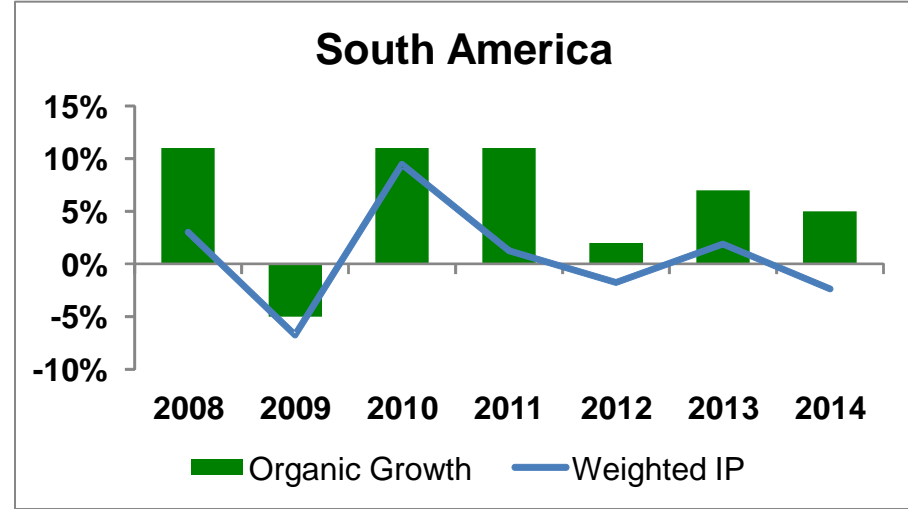
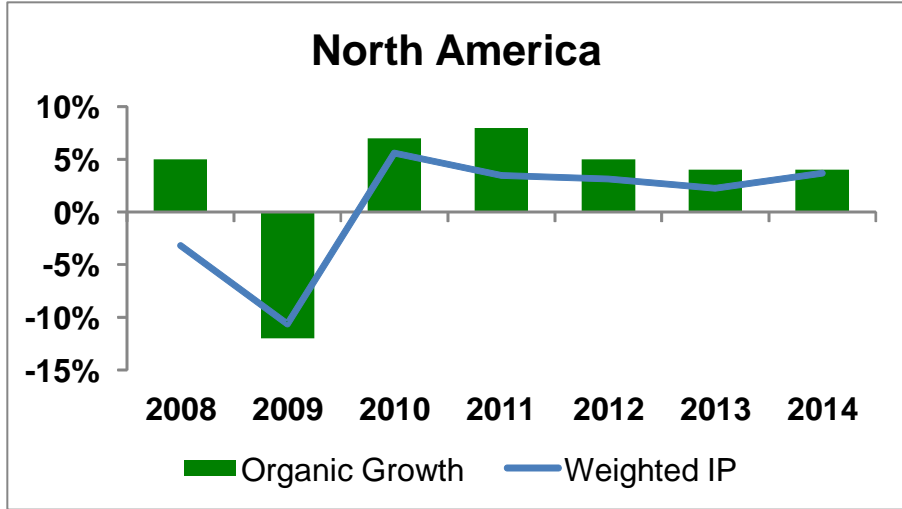
Organic Growth Trends

PX Sales Variance YOY



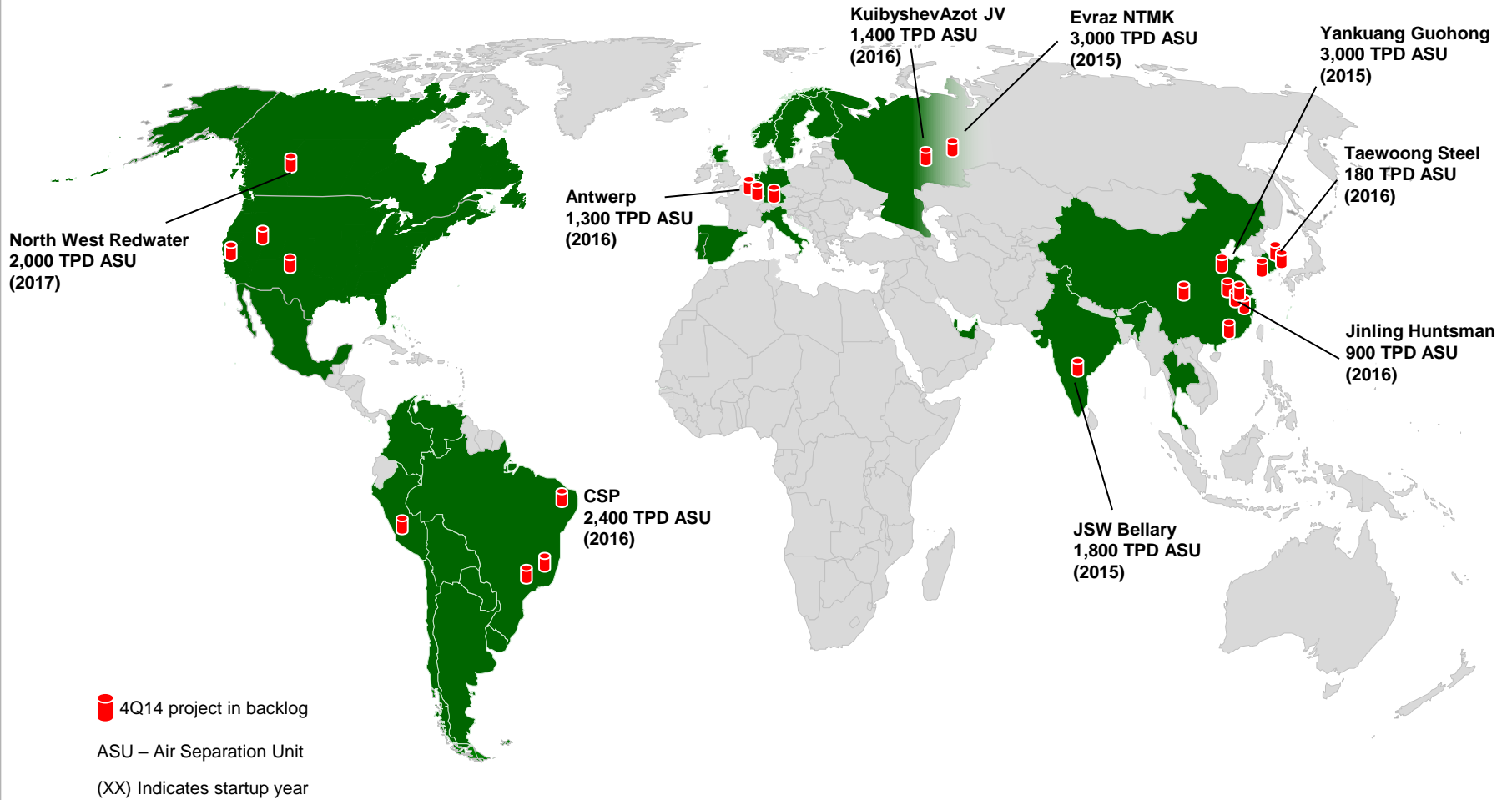
Organic growth consistently outperforms industrial production

Organic Growth by Segment










Organic growth outperforming industrial production

Backlog - \$ 1.9B Capital



Global End-Market Trends

		<u>4Q14 Sales Growth*</u>		
<u>% of Sales</u>		<u>YOY</u>	<u>Vs. 3Q14</u>	
	Manufacturing (24%)	+ 3%	- 3%	YoY growth in Americas; Seq South America
	Metals (17%)	+ 4%	+ 1%	YoY growth in North America and start-ups in Asia
	Energy (14%)	- 1%	+ 1%	YoY North America customer outages
	Chemicals (10%)	- 1%	- 1%	Europe and North America customer outages
	Healthcare (8%)	+ 4%	- 1%	YoY South America growth
	Food & Bev (8%)	+ 8%	- 2%	YoY growth in the Americas; Seq seasonal weakness in North America
	Electronics (7%)	+ 1%	- 2%	Seq North America

* Excludes impact of currency, natural gas/precious metals cost pass-through and acquisitions/divestitures.

Non-GAAP Measures (\$MM)

The following non-GAAP measures are intended to supplement investors' understanding of the company's financial information by providing measures which investors, financial analysts and management use to help evaluate the company's financial leverage, return on capital and operating performance. Items which the company does not believe to be indicative of on-going business trends are excluded from these calculations so that investors can better evaluate and analyze historical and future business trends on a consistent basis. Definitions of these non-GAAP measures may not be comparable to similar definitions used by other companies and are not a substitute for similar GAAP measures. Adjusted amounts exclude the impacts of the 2014 fourth quarter pension settlement, bond redemption and loss on Venezuela currency devaluation, 2013 fourth quarter bond redemption and the income tax benefit related to the realignment of Praxair's Italian legal structure, the 2013 third quarter pension settlement, the 2013 first quarter loss on Venezuela currency devaluation, and the 2012 third quarter cost reduction program, pension settlement charge, and an income tax benefit.

	2014				2013				2012			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Free Cash Flow (FCF) - Free cash flow is a measure used by investors, financial analysts and management to evaluate the ability of a company to pursue opportunities that enhance shareholder value. FCF represents the cash that a company is able to generate after laying out the money required to maintain or expand its asset base.												
Operating cash flow	\$ 772	\$ 713	\$ 847	\$ 536	\$ 964	\$ 904	\$ 577	\$ 472	\$ 879	\$ 746	\$ 725	\$ 402
Less: capital expenditures	(482)	(430)	(384)	(393)	(516)	(516)	(522)	(466)	(586)	(547)	(564)	(483)
Free Cash Flow	\$ 290	\$ 283	\$ 463	\$ 143	\$ 448	\$ 388	\$ 55	\$ 6	\$ 293	\$ 199	\$ 161	\$ (81)
Debt-to-Capital Ratio - The debt-to-capital ratio is a measure used by investors, financial analysts and management to provide a measure of financial leverage and insights into how the company is financing its operations.												
Debt	\$ 9,258	\$ 9,121	\$ 9,165	\$ 9,270	\$ 8,811	\$ 9,026	\$ 9,106	\$ 8,676	\$ 7,362	\$ 7,136	\$ 6,995	\$ 6,856
Less: cash and cash equivalents	(126)	(168)	(173)	(144)	(138)	(134)	(102)	(113)	(157)	(108)	(104)	(107)
Net debt	9,132	8,953	8,992	9,126	8,673	8,892	9,004	8,563	7,205	7,028	6,891	6,749
Equity and redeemable noncontrolling interests:												
Redeemable noncontrolling interests	176	190	194	195	307	290	259	255	252	243	232	232
Praxair, Inc. shareholders' equity	5,623	6,552	6,911	6,600	6,609	6,210	5,928	6,169	6,064	6,015	5,615	5,940
Noncontrolling interests	387	388	395	398	394	365	357	357	357	331	279	327
Total equity and redeemable noncontrolling interests	6,186	7,130	7,500	7,193	7,310	6,865	6,544	6,781	6,673	6,589	6,126	6,499
Capital	\$ 15,318	\$ 16,083	\$ 16,492	\$ 16,319	\$ 15,983	\$ 15,757	\$ 15,548	\$ 15,344	\$ 13,878	\$ 13,617	\$ 13,017	\$ 13,248
Debt-to-capital	59.6%	55.7%	54.5%	55.9%	54.3%	56.4%	57.9%	55.8%	51.9%	51.6%	52.9%	50.9%
After-tax Return on Capital (ROC) - After-tax return on capital is a measure used by investors, financial analysts and management to evaluate the return on net assets employed in the business. ROC measures the after-tax operating profit that the company was able to generate with the investments made by all parties in the business (debt, noncontrolling interests and Praxair, Inc. shareholders' equity).												
Adjusted operating profit (a)	\$ 663	\$ 711	\$ 697	\$ 675	\$ 690	\$ 679	\$ 665	\$ 623	\$ 616	\$ 623	\$ 636	\$ 627
Less: adjusted income taxes (a)	(161)	(187)	(183)	(176)	(182)	(178)	(174)	(164)	(162)	(164)	(169)	(165)
Less: tax benefit on adjusted interest expense (a)	(12)	(13)	(12)	(13)	(11)	(11)	(11)	(11)	(10)	(10)	(9)	(10)
Add: income from equity investments	12	11	10	9	9	8	11	10	9	8	10	7
Adjusted net operating profit after-tax (NOPAT)	\$ 502	\$ 522	\$ 512	\$ 495	\$ 506	\$ 498	\$ 491	\$ 458	\$ 453	\$ 457	\$ 468	\$ 459
4-quarter trailing adjusted NOPAT	\$ 2,031	\$ 2,035	\$ 2,011	\$ 1,990	\$ 1,953	\$ 1,900	\$ 1,859	\$ 1,836				
Ending capital (see above)	\$ 15,318	\$ 16,083	\$ 16,492	\$ 16,319	\$ 15,983	\$ 15,757	\$ 15,548	\$ 15,344	\$ 13,878	\$ 13,617	\$ 13,017	\$ 13,248
5-quarter average ending capital	\$ 16,039	\$ 16,127	\$ 16,020	\$ 15,790	\$ 15,302	\$ 14,829	\$ 14,281	\$ 13,821				
After-tax ROC (4-quarter trailing NOPAT / 5-quarter average capital)	12.7%	12.6%	12.6%	12.6%	12.8%	12.8%	13.0%	13.3%				

Non-GAAP Measures, continued

	2014				2013				2012			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1

Return on Praxair, Inc. Shareholders' Equity (ROE) - Return on Praxair, Inc. shareholders' equity is a measure used by investors, financial analysts and management to evaluate operating performance from a Praxair shareholder perspective. ROE measures the net income attributable to Praxair, Inc. that the company was able to generate with the money shareholders have invested.

Adjusted net income - Praxair, Inc. (a)	\$ 460	\$ 477	\$ 467	\$ 448	\$ 462	\$ 451	\$ 445	\$ 414	\$ 414	\$ 419	\$ 429	\$ 419
4-quarter trailing adjusted net income - Praxair, Inc.	\$ 1,852	\$ 1,854	\$ 1,828	\$ 1,806	\$ 1,772	\$ 1,724	\$ 1,692	\$ 1,676				
Ending Praxair, Inc. shareholders' equity	\$ 5,623	\$ 6,552	\$ 6,911	\$ 6,600	\$ 6,609	\$ 6,210	\$ 5,928	\$ 6,169	\$ 6,064	\$ 6,015	\$ 5,615	\$ 5,940
5-quarter average Praxair shareholders' equity	\$ 6,459	\$ 6,576	\$ 6,452	\$ 6,303	\$ 6,196	\$ 6,077	\$ 5,958	\$ 5,961				
ROE (4-quarter trailing adjusted net income - Praxair, Inc. / 5-quarter average Praxair shareholders' equity)	28.7%	28.2%	28.3%	28.7%	28.6%	28.4%	28.4%	28.1%	28.9%	29.2%	29.0%	28.4%

Adjusted EBITDA, Adjusted EBITDA Margin and Debt-to-Adjusted EBITDA Ratio - These measures are used by investors, financial analysts and management to assess a company's ability to meet its financial obligations.

Adjusted net income - Praxair, Inc. (a)	\$ 460	\$ 477	\$ 467	\$ 448	\$ 462	\$ 451	\$ 445	\$ 414	\$ 414	\$ 419	\$ 429	\$ 419
Add: adjusted noncontrolling interests (a)	11	13	14	14	17	17	16	15	14	12	15	13
Add: adjusted interest expense - net (a)	43	45	43	46	38	41	41	40	35	36	33	37
Add: adjusted income taxes (a)	161	187	183	176	182	178	174	164	162	164	169	165
Add: depreciation and amortization	291	301	293	285	287	281	275	266	254	248	247	252
Adjusted EBITDA	\$ 966	\$ 1,023	\$ 1,000	\$ 969	\$ 986	\$ 968	\$ 951	\$ 899	\$ 879	\$ 879	\$ 893	\$ 886
Reported sales	2,990	3,144	3,113	3,026	3,010	3,013	3,014	2,888	2,799	2,774	2,811	2,840
Adjusted EBITDA margin	32.3%	32.5%	32.1%	32.0%	32.8%	32.1%	31.6%	31.1%	31.4%	31.7%	31.8%	31.2%
Full Year:												
Reported sales	12,273				11,925							
Adjusted EBITDA (below)	3,958				3,804							
Adjusted EBITDA margin	32.2%				31.9%							
Ending net debt (see above)	\$ 9,132	\$ 8,953	\$ 8,992	\$ 9,126	\$ 8,673	\$ 8,892	\$ 9,004	\$ 8,563	\$ 7,205	\$ 7,028	\$ 6,891	\$ 6,749
5-quarter average net debt	\$ 8,975	\$ 8,927	\$ 8,937	\$ 8,852	\$ 8,467	\$ 8,138	\$ 7,738	\$ 7,287				
4-quarter trailing adjusted EBITDA	\$ 3,958	\$ 3,978	\$ 3,923	\$ 3,874	\$ 3,804	\$ 3,697	\$ 3,608	\$ 3,550				
Debt-to-adjusted EBITDA ratio (5-quarter average net debt / 4-quarter trailing adjusted EBITDA)	2.3	2.2	2.3	2.3	2.2	2.2	2.1	2.1				

Non-GAAP Measures, continued

The following table presents adjusted amounts for Operating Profit and Operating Profit Margin, Interest Expense - net, Income Taxes, Effective Tax Rate, Noncontrolling Interests, Net income - Praxair, Inc., and Diluted EPS for the periods presented. Additionally, this table presents the percentage change in Diluted EPS Guidance for the full year 2014 as compared to 2013 Adjusted Diluted EPS.

	Year	Fourth Quarter	Year	Fourth Quarter	Third Quarter	First Quarter	Third Quarter
	2014	2014	2013	2013	2013	2013	2012
<u>Adjusted Operating Profit and Operating Profit Margin</u>							
Reported operating profit	\$ 2,608	\$ 525	\$ 2,625	\$ 690	\$ 670	\$ 600	\$ 558
Add: Pension settlement charge	7	7	9	-	9	-	9
Add: Venezuela currency devaluation	131	131	23	-	-	23	-
Add: Cost reduction program	-	-	-	-	-	-	56
Total adjustments	138	138	32	-	9	23	65
Adjusted operating profit	<u>\$ 2,746</u>	<u>\$ 663</u>	<u>\$ 2,657</u>	<u>\$ 690</u>	<u>\$ 679</u>	<u>\$ 623</u>	<u>\$ 623</u>
Reported percentage change	-1%	-24%					
Adjusted percentage change	3%	-4%					
Reported sales	\$ 12,273	\$ 2,990	\$ 11,925	\$ 3,010	\$ 3,013	\$ 2,888	\$ 2,774
Adjusted operating profit margin	22.4%	22.2%	22.3%	22.9%	22.5%	21.6%	22.5%
<u>Adjusted Interest Expense - net</u>							
Reported interest expense - net	\$ 213	\$ 79	\$ 178	\$ 56	\$ 41	\$ 40	\$ 36
Less: Bond redemption	(36)	(36)	(18)	(18)	-	-	-
Adjusted interest expense - net	<u>\$ 177</u>	<u>\$ 43</u>	<u>\$ 160</u>	<u>\$ 38</u>	<u>\$ 41</u>	<u>\$ 40</u>	<u>\$ 36</u>
<u>Adjusted Income Taxes</u>							
Reported income taxes	\$ 691	\$ 145	\$ 649	\$ 136	\$ 175	\$ 164	\$ 90
Add: Bond redemption	14	14	6	6	-	-	-
Add: Income tax benefit	-	-	40	40	-	-	55
Add: Pension settlement charge	2	2	3	-	3	-	3
Add: Cost reduction program	-	-	-	-	-	-	16
Total adjustments	16	16	49	46	3	-	74
Adjusted income taxes	<u>\$ 707</u>	<u>\$ 161</u>	<u>\$ 698</u>	<u>\$ 182</u>	<u>\$ 178</u>	<u>\$ 164</u>	<u>\$ 164</u>
<u>Adjusted Effective Tax Rate</u>							
Reported income before income taxes and equity investments	\$ 2,395	\$ 446	\$ 2,447	\$ 634	\$ 629	\$ 560	\$ 522
Add: Bond redemption	36	36	18	18	-	-	-
Add: Pension settlement charge	7	7	9	-	9	-	9
Add: Venezuela currency devaluation	131	131	23	-	-	23	-
Add: Cost reduction program	-	-	-	-	-	-	56
Total adjustments	174	174	50	18	9	23	65
Adjusted income before income taxes and equity investments	<u>\$ 2,569</u>	<u>\$ 620</u>	<u>\$ 2,497</u>	<u>\$ 652</u>	<u>\$ 638</u>	<u>\$ 583</u>	<u>\$ 587</u>
Adjusted income taxes (above)	\$ 707	\$ 161	\$ 698	\$ 182	\$ 178	\$ 164	\$ 164
Adjusted effective tax rate	28%	26%	28%	28%	28%	28%	28%

Non-GAAP Measures, continued

	Year	Fourth Quarter	Year	Fourth Quarter	Third Quarter	First Quarter	Third Quarter
	2014	2014	2013	2013	2013	2013	2012
<u>Adjusted Noncontrolling interests</u>							
Reported noncontrolling interests	\$ (52)	\$ (11)	\$ 81	\$ 33	\$ 17	\$ 15	\$ 10
Less: Income tax benefit	-	-	(16)	(16)	-	-	-
Add: Cost reduction program	-	-	-	-	-	-	2
Total adjustments	-	-	(16)	(16)	-	-	2
Adjusted noncontrolling interests	\$ (52)	\$ (11)	\$ 65	\$ 17	\$ 17	\$ 15	\$ 12
<u>Adjusted Net Income - Praxair, Inc.</u>							
Reported net income - Praxair, Inc.	\$ 1,694	\$ 302	\$ 1,755	\$ 474	\$ 445	\$ 391	\$ 430
Add: Bond redemption	22	22	12	12	-	-	-
Less: Income tax benefit	-	-	(24)	(24)	-	-	(55)
Add: Pension settlement charge	5	5	6	-	6	-	6
Add: Venezuela currency devaluation	131	131	23	-	-	23	-
Add: Cost reduction program	-	-	-	-	-	-	38
Total adjustments	158	158	17	(12)	6	23	(11)
Adjusted net income - Praxair, Inc.	\$ 1,852	\$ 460	\$ 1,772	\$ 462	\$ 451	\$ 414	\$ 419
Reported percentage change	-3%	-36%					
Adjusted percentage change	5%	0%					
<u>Adjusted Diluted EPS</u>							
Reported diluted EPS	\$ 5.73	\$ 1.03	\$ 5.87	\$ 1.59	\$ 1.49	\$ 1.30	\$ 1.43
Add: Bond redemption	0.07	0.07	0.04	0.04	-	-	-
Less: Income tax benefit	-	-	(0.08)	(0.08)	-	-	(0.18)
Add: Pension settlement charge	0.02	0.02	0.02	-	0.02	-	0.02
Add: Venezuela currency devaluation	0.45	0.45	0.08	-	-	0.08	-
Add: Cost reduction program	-	-	-	-	-	-	0.12
Total adjustments	0.54	0.54	0.06	(0.04)	0.02	0.08	(0.04)
Adjusted diluted EPS	\$ 6.27	\$ 1.57	\$ 5.93	\$ 1.55	\$ 1.51	\$ 1.38	\$ 1.39
Reported percentage change	-2%	-35%					
Adjusted percentage change	6%	1%					
<u>Full-Year 2015 Diluted EPS Guidance</u>							
	Full Year 2015						
	Low End	High End					
2015 diluted EPS guidance	\$ 6.15	\$ 6.50					
Add: estimated negative currency impact	0.44	0.44					
2015 diluted EPS guidance, excluding negative currency impact	\$ 6.59	\$ 6.94					
2014 adjusted diluted EPS (see above)	\$ 6.27	\$ 6.27					
Percentage change from 2014	-2%	4%					
Percentage change from 2014, excluding currency impact	5%	11%					

Sustainable Development Aligned with Business Strategy

Business Drivers

ENERGY

Economic



Environmental

2X GHG benefit
vs. total GHG emissions

Social

Safety Record 5X
better than
U.S. industry average

ENVIRONMENT

\$3 Billion
revenue from
Eco-Portfolio



EMERGING ECONOMIES



>50 million
people served with
safe drinking water

EXECUTION

Sustainable Productivity
more than 20% of total
productivity savings



>1 Million beneficiaries
from community engagement
(cumulative, 2009-2013)

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM



Praxair has been a member of the Dow Jones Sustainability Indices for 12 consecutive years.

Praxair has been a member of CDP for 7 consecutive years.

For further information, please contact:

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2015 Reporting Calendar

First Quarter

April 29, 2015

Second Quarter

July 29, 2015

Third Quarter

October 28, 2015