



PRAXAIR NEWS RELEASE

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PRAXAIR REPORTS FIRST-QUARTER 2014 RESULTS

- Sales of \$3.0 billion, 5% above prior-year quarter
- EPS of \$1.51, up 9% versus prior year*
- Strong operating margin of 22.3% and EBITDA* margin of 32.0%
- Completed U.S. packaged gas acquisitions in Texas, Oklahoma and Michigan. Acquired full ownership of mid-Atlantic joint venture.
- Density and efficiency improvements with acquisition of industrial gas business in Italy and divestiture in France
- EPS guidance: 2014 full-year \$6.30 to \$6.50, up 6% to 10% year-over-year,* and 2Q14 \$1.55 to \$1.60

DANBURY, Conn., April 23, 2014 -- Praxair, Inc. (NYSE: PX) reported first-quarter net income and diluted earnings per share of \$448 million and \$1.51, 8% and 9% above the prior-year quarter, respectively.*

Sales in the first quarter were \$3,026 million, 5% above the prior-year quarter, and up 9%, excluding foreign currency. Organic sales grew 6% driven by higher on-site volumes from new project start-ups primarily in North America and Asia. By end-market, sales growth was strongest for energy, chemicals, and food and beverage customers, as compared to the prior-year quarter. Acquisitions contributed 2% growth in the quarter.

Operating profit in the first quarter was \$675 million, 8% above the prior-year quarter. Excluding negative currency translation impacts, operating profit rose 12% driven by higher volumes, higher pricing, acquisitions and productivity gains. Operating profit as a percentage of sales was a strong 22.3% and the EBITDA margin grew to 32.0%.*

First-quarter cash flow from operations was \$536 million and capital expenditures were \$393 million, primarily for new production plants under long-term contracts with customers. Acquisition expenditures were \$124 million, related primarily to Italian industrial gas and U.S. packaged gas businesses. The company paid dividends of \$191 million and repurchased \$237 million of stock, net of issuances. During the quarter, the company issued €600 million of 6-year notes with a 1.5% coupon. The after-tax return-on-capital and return on equity for the quarter were 12.6% and 28.7%, respectively.*

Commenting on the financial results and business outlook, Chairman and Chief Executive Officer Steve Angel said, "Praxair delivered solid results in the first quarter with sales growth of 9% and operating profit growth of 12%, excluding the impact of currency headwinds. Organic growth of 6% reflected contributions from new projects in North America and Asia, as well as modest volume growth in our South America, Europe and Surface Technologies operating segments. Praxair's relentless focus on achieving productivity benefits and higher price to offset cost inflation produced strong operating leverage and an operating margin of 22.3%.

We expect base volumes for the remainder of 2014 to continue to reflect modest growth in-line with the current macro-economic environment. Through continued operational excellence, project execution and financial discipline, we expect to continue to deliver increasing cash flow and earnings per share. We expect contribution from new projects and acquisitions to increase return on capital in the second half of the year."

For the second quarter of 2014, Praxair expects diluted earnings per share in the range of \$1.55 to \$1.60.

For the full year of 2014, Praxair expects sales in the range of \$12.4 billion to \$12.8 billion. The company expects diluted earnings per share to be in the range of \$6.30 to \$6.50, 6% to 10% above the prior year.* Full-year capital expenditures are expected to be about \$1.8 billion, and the effective tax rate is forecasted to remain at about 28%.

Following is additional detail on first-quarter 2014 results by segment.

In North America, first-quarter sales were \$1,580 million, 8% above the prior-year quarter, and up 10% excluding negative currency translation impacts. Organic sales growth was 5%, driven primarily by higher sales to the energy end-market as on-site volumes increased from new project start-ups for hydrogen supply to refinery customers and higher pricing. Acquisitions contributed 3% growth. Operating profit was \$378 million, 6% above prior-year.

In Europe, first-quarter sales were \$397 million, up 7% versus the first quarter of 2013. Acquisitions, primarily Dominion Technology Gases, contributed 5% growth. Organic sales growth of 2% came from higher pricing and higher volumes. Operating profit was \$79 million, an increase of 27% versus the prior-year quarter, including positive currency translation and acquisitions. Underlying operating profit growth was driven by higher volumes, higher price and lower costs.

In South America, first-quarter sales were \$488 million. Sales grew 7% from the prior-year quarter, excluding a 15% negative currency impact, primarily due to volume growth and higher overall pricing. Operating profit was \$113 million, up 16% excluding negative currency translation, due to higher volumes and higher pricing partially offset by cost inflation.

Sales in Asia were \$392 million in the quarter, up 7% from the prior year driven by volume growth in India, China, and Korea and higher pricing for helium and rare gases. Sales growth came primarily from metals, energy and electronics customers. Operating profit was \$75 million, an increase of 19% versus the prior-year period due primarily to volume growth and higher pricing.

Praxair Surface Technologies had first-quarter sales of \$169 million, 4% above prior year. Organic sales increased 3% from higher volumes of aviation coatings and higher price. Operating profit was \$30 million as compared to \$26 million in the prior year, due primarily to higher volumes, price and productivity gains.

*See the attachments for calculations of non-GAAP measures. Non-GAAP adjustments in 2013 relate to the first-quarter Venezuela currency devaluation charge, a third-quarter pension settlement charge and fourth-quarter income tax benefit and bond redemption charge.

Attachments: Statements of Income, Balance Sheets, Statements of Cash Flows, Segment Information, Quarterly Financial Summary, Non-GAAP Reconciliations, and Appendix: Non-GAAP Measures.

>> About Praxair

Praxair, Inc., a Fortune 250 company with 2013 sales of \$12 billion, is the largest industrial gases company in North and South America and one of the largest [worldwide](#). The company produces, sells and distributes atmospheric, process and specialty [gases](#), and high-performance surface coatings. Praxair products, [services](#) and technologies are making our planet more productive by bringing efficiency and environmental benefits to a wide variety of industries, including [aerospace](#), [chemicals](#), [food and beverage](#), [electronics](#), [energy](#), [healthcare](#), manufacturing, metals and many others. More information about Praxair, Inc. is available at www.praxair.com.

A teleconference on Praxair's first-quarter results is being held this morning, April 23, at 11:00 am Eastern Daylight Time. The number is (617) 399-3482 -- Passcode: 91636623. The call also is available as a webcast live and on demand at www.praxair.com/investors. Materials to be used in the teleconference are also available on the website.

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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.

PRAXAIR, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Millions of dollars, except per share data)
(UNAUDITED)

	Quarter Ended March 31,	
	2014	2013
SALES	\$ 3,026	\$ 2,888
Cost of sales	1,726	1,638
Selling, general and administrative	326	337
Depreciation and amortization	285	266
Research and development	23	24
Venezuela currency devaluation	-	23
Other income (expense) - net	9	-
OPERATING PROFIT	675	600
Interest expense - net	46	40
INCOME BEFORE INCOME TAXES AND EQUITY INVESTMENTS	629	560
Income taxes	176	164
INCOME BEFORE EQUITY INVESTMENTS	453	396
Income from equity investments	9	10
NET INCOME (INCLUDING NONCONTROLLING INTERESTS)	462	406
Less: noncontrolling interests	(14)	(15)
NET INCOME - PRAXAIR, INC.	\$ 448	\$ 391
 PER SHARE DATA - PRAXAIR, INC. SHAREHOLDERS		
Basic earnings per share	\$ 1.52	\$ 1.32
Diluted earnings per share	\$ 1.51	\$ 1.30
Cash dividends	\$ 0.65	\$ 0.60
 WEIGHTED AVERAGE SHARES OUTSTANDING		
Basic shares outstanding (000's)	294,195	296,604
Diluted shares outstanding (000's)	297,253	299,700

Note: See page 9 for a reconciliation to 2013 adjusted amounts which are non-GAAP.

PRAXAIR, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Millions of dollars)
(UNAUDITED)

	March 31, 2014	December 31, 2013
ASSETS		
Cash and cash equivalents	\$ 144	\$ 138
Accounts receivable - net	2,027	1,892
Inventories	520	506
Prepaid and other current assets	358	380
TOTAL CURRENT ASSETS	<u>3,049</u>	<u>2,916</u>
Property, plant and equipment - net	12,326	12,278
Goodwill	3,243	3,194
Other intangibles - net	612	596
Other long-term assets	1,308	1,271
TOTAL ASSETS	<u>\$ 20,538</u>	<u>\$ 20,255</u>
LIABILITIES AND EQUITY		
Accounts payable	\$ 879	\$ 921
Short-term debt	701	782
Current portion of long-term debt	5	3
Other current liabilities	849	958
TOTAL CURRENT LIABILITIES	<u>2,434</u>	<u>2,664</u>
Long-term debt	8,564	8,026
Other long-term liabilities	2,347	2,255
TOTAL LIABILITIES	<u>13,345</u>	<u>12,945</u>
REDEEMABLE NONCONTROLLING INTERESTS	195	307
EQUITY		
Praxair, Inc. shareholders' equity	6,600	6,609
Noncontrolling interests	398	394
TOTAL EQUITY	<u>6,998</u>	<u>7,003</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 20,538</u>	<u>\$ 20,255</u>

PRAXAIR, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Millions of dollars)
(UNAUDITED)

	Quarter Ended March 31,	
	2014	2013
OPERATIONS		
Net income - Praxair, Inc.	\$ 448	\$ 391
Noncontrolling interests	14	15
Net income (including noncontrolling interests)	<u>462</u>	<u>406</u>
Adjustments to reconcile net income to net cash provided by operating activities:		
Venezuela currency devaluation	-	23
Depreciation and amortization	285	266
Accounts receivable	(136)	(161)
Inventory	(16)	(16)
Payables and accruals	(116)	-
Pension contributions	(9)	(5)
Deferred income taxes and other	66	(41)
Net cash provided by operating activities	<u>536</u>	<u>472</u>
INVESTING		
Capital expenditures	(393)	(466)
Acquisitions, net of cash acquired	(124)	(1,098)
Divestitures and asset sales	66	31
Net cash used for investing activities	<u>(451)</u>	<u>(1,533)</u>
FINANCING		
Debt increase (decrease) - net	464	1,316
Issuances of common stock	49	33
Purchases of common stock	(286)	(150)
Cash dividends - Praxair, Inc. shareholders	(191)	(178)
Excess tax benefit on stock option exercises	20	14
Noncontrolling interest transactions and other	(140)	(5)
Net cash provided by (used for) financing activities	<u>(84)</u>	<u>1,030</u>
Effect of exchange rate changes on cash and cash equivalents	<u>5</u>	<u>(13)</u>
Change in cash and cash equivalents	6	(44)
Cash and cash equivalents, beginning-of-period	<u>138</u>	<u>157</u>
Cash and cash equivalents, end-of-period	<u>\$ 144</u>	<u>\$ 113</u>

PRAXAIR, INC. AND SUBSIDIARIES
SEGMENT INFORMATION
(Millions of dollars)
(UNAUDITED)

	Quarter Ended	
	March 31,	
	2014	2013
SALES		
North America	\$ 1,580	\$ 1,457
Europe	397	370
South America	488	531
Asia	392	367
Surface Technologies	169	163
Total sales	<u>\$ 3,026</u>	<u>\$ 2,888</u>
OPERATING PROFIT		
North America	\$ 378	\$ 358
Europe	79	62
South America	113	114
Asia	75	63
Surface Technologies	30	26
Segment operating profit	<u>675</u>	<u>623</u>
Venezuela currency devaluation	-	(23)
Total operating profit	<u>\$ 675</u>	<u>\$ 600</u>

PRAXAIR, INC. AND SUBSIDIARIES
QUARTERLY FINANCIAL SUMMARY
(Millions of dollars, except per share data)
(UNAUDITED)

	2014	2013			
	Q1	Q4 (b)	Q3 (b)	Q2	Q1 (b)
FROM THE INCOME STATEMENT					
Sales	\$ 3,026	\$ 3,010	\$ 3,013	\$ 3,014	\$ 2,888
Cost of sales	1,726	1,699	1,697	1,710	1,638
Selling, general and administrative	326	332	336	344	337
Depreciation and amortization	285	287	281	275	266
Research and development	23	26	24	24	24
Venezuela currency devaluation and other charges	-	-	9	-	23
Other income (expenses) - net	9	24	4	4	-
Operating profit	675	690	670	665	600
Interest expense - net	46	56	41	41	40
Income taxes	176	136	175	174	164
Income from equity investments	9	9	8	11	10
Net income (including noncontrolling interests)	462	507	462	461	406
Less: noncontrolling interests	(14)	(33)	(17)	(16)	(15)
Net income - Praxair, Inc.	<u>\$ 448</u>	<u>\$ 474</u>	<u>\$ 445</u>	<u>\$ 445</u>	<u>\$ 391</u>
PER SHARE DATA - PRAXAIR, INC. SHAREHOLDERS					
Diluted earnings per share	\$ 1.51	\$ 1.59	\$ 1.49	\$ 1.49	\$ 1.30
Cash dividends per share	\$ 0.65	\$ 0.60	\$ 0.60	\$ 0.60	\$ 0.60
Diluted weighted average shares outstanding (000's)	297,253	298,225	298,357	298,654	299,700
FROM THE BALANCE SHEET					
Net debt (a)	\$ 9,126	\$ 8,673	\$ 8,892	\$ 9,004	\$ 8,563
Capital (a)	\$ 16,319	\$ 15,983	\$ 15,757	\$ 15,548	\$ 15,344
Debt-to-capital ratio (a)	55.9%	54.3%	56.4%	57.9%	55.8%
FROM THE STATEMENT OF CASH FLOWS					
Cash flow from operations	\$ 536	\$ 964	\$ 904	\$ 577	\$ 472
Capital expenditures	393	516	516	522	466
Acquisitions	124	12	42	171	1,098
Cash dividends	191	177	176	177	178
OTHER INFORMATION					
After-tax return on capital (ROC) (a)	12.6%	12.8%	12.8%	13.0%	13.3%
Return on Praxair, Inc. shareholders' equity (ROE) (a)	28.7%	28.6%	28.4%	28.4%	28.1%
Adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) (a)	\$ 969	\$ 986	\$ 968	\$ 951	\$ 899
Debt-to-adjusted EBITDA ratio (a)	2.3	2.2	2.2	2.1	2.1
Number of employees	27,578	27,560	27,794	28,878	27,380
SEGMENT DATA					
SALES					
North America	\$ 1,580	\$ 1,567	\$ 1,588	\$ 1,552	\$ 1,457
Europe	397	404	386	382	370
South America	488	481	494	536	531
Asia	392	394	385	379	367
Surface Technologies	169	164	160	165	163
Total sales	<u>\$ 3,026</u>	<u>\$ 3,010</u>	<u>\$ 3,013</u>	<u>\$ 3,014</u>	<u>\$ 2,888</u>
OPERATING PROFIT					
North America	\$ 378	\$ 393	\$ 406	\$ 381	\$ 358
Europe	79	75	64	69	62
South America	113	115	115	123	114
Asia	75	80	67	61	63
Surface Technologies	30	27	27	31	26
Segment operating profit	675	690	679	665	623
Venezuela currency devaluation and other charges	-	-	(9)	-	(23)
Total operating profit	<u>\$ 675</u>	<u>\$ 690</u>	<u>\$ 670</u>	<u>\$ 665</u>	<u>\$ 600</u>

(a) Non-GAAP measure, see Appendix.

(b) 2013 includes: (i) a charge of \$18 million (\$12 million after-tax, or \$0.04 per diluted share) related to a bond redemption and an income tax benefit of \$40 million (\$24 million after non-controlling interests, or \$0.08 per diluted share) related to the realignment of Praxair's Italian legal structure, both recorded during the fourth quarter; (ii) a charge of \$9 million (\$6 million after-tax, or \$0.02 per diluted share) related to pension settlement in the third quarter; and (iii) a charge of \$23 million (\$23 million after-tax, or \$0.08 per diluted share), related to the Venezuela currency devaluation in the first quarter.

PRAXAIR, INC. AND SUBSIDIARIES
NON-GAAP RECONCILIATIONS
(UNAUDITED)

The following adjusted amounts in 2013 are non-GAAP measures and are intended to supplement investors' understanding of the company's financial statements by providing measures which investors, financial analysts and management use to help evaluate the company's 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.

(Millions of dollars, except per share amounts)

	<u>Operating Profit</u>		<u>Income Taxes</u>		<u>Net Income - Praxair, Inc.</u>		<u>Diluted EPS</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<u>Quarter Ended March 31,</u>								
Reported GAAP amounts	\$ 675	\$ 600	\$ 176	\$ 164	\$ 448	\$ 391	\$ 1.51	\$ 1.30
Non-GAAP adjustment:								
Venezuela currency devaluation (a)	-	23	-	-	-	23	-	0.08
Adjusted amounts	<u>\$ 675</u>	<u>\$ 623</u>	<u>\$ 176</u>	<u>\$ 164</u>	<u>\$ 448</u>	<u>\$ 414</u>	<u>\$ 1.51</u>	<u>\$ 1.38</u>

(a) Charge in the first quarter of 2013 related to the Venezuela currency devaluation.

PRAXAIR, INC. AND SUBSIDIARIES
APPENDIX
NON-GAAP MEASURES
(Millions of dollars, except per share data)

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 impact of the 2013 fourth quarter bond redemption and the income tax benefit related to the realignment of Praxair's Italian legal structure, third quarter pension settlement, and the 2013 first quarter loss on Venezuela currency devaluation; the 2012 third quarter cost reduction program, pension settlement charge, and an income tax benefit.

	2014	2013				2012			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
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	\$ 9,270	\$ 8,811	\$ 9,026	\$ 9,106	\$ 8,676	\$ 7,362	\$ 7,136	\$ 6,995	\$ 6,856
Less: cash and cash equivalents	(144)	(138)	(134)	(102)	(113)	(157)	(108)	(104)	(107)
Net debt	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	195	307	290	259	255	252	243	232	232
Praxair, Inc. shareholders' equity	6,600	6,609	6,210	5,928	6,169	6,064	6,015	5,615	5,940
Noncontrolling interests	398	394	365	357	357	357	331	279	327
Total equity and redeemable noncontrolling interests	7,193	7,310	6,865	6,544	6,781	6,673	6,589	6,126	6,499
Capital	\$ 16,319	\$ 15,983	\$ 15,757	\$ 15,548	\$ 15,344	\$ 13,878	\$ 13,617	\$ 13,017	\$ 13,248
Debt-to-capital	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)	\$ 675	\$ 690	\$ 679	\$ 665	\$ 623	\$ 616	\$ 623	\$ 636	\$ 627
Less: adjusted income taxes (a)	(176)	(182)	(178)	(174)	(164)	(162)	(164)	(169)	(165)
Less: tax benefit on adjusted interest expense (a)	(13)	(11)	(11)	(11)	(11)	(10)	(10)	(9)	(10)
Add: income from equity investments	9	9	8	11	10	9	8	10	7
Adjusted net operating profit after-tax (NOPAT)	\$ 495	\$ 506	\$ 498	\$ 491	\$ 458	\$ 453	\$ 457	\$ 468	\$ 459
4-quarter trailing adjusted NOPAT	\$ 1,990	\$ 1,953	\$ 1,900	\$ 1,859	\$ 1,836				
Ending capital (see above)	\$ 16,319	\$ 15,983	\$ 15,757	\$ 15,548	\$ 15,344	\$ 13,878	\$ 13,617	\$ 13,017	\$ 13,248
5-quarter average ending capital	\$ 15,790	\$ 15,302	\$ 14,829	\$ 14,281	\$ 13,821				
After-tax ROC (4-quarter trailing NOPAT / 5-quarter average capital)	12.6%	12.8%	12.8%	13.0%	13.3%				

Return on Praxair, Inc. Shareholder's 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)	\$ 448	\$ 462	\$ 451	\$ 445	\$ 414	\$ 414	\$ 419	\$ 429	\$ 419
4-quarter trailing adjusted net income - Praxair, Inc.	\$ 1,806	\$ 1,772	\$ 1,724	\$ 1,692	\$ 1,676				
Ending Praxair, Inc. shareholders' equity	\$ 6,600	\$ 6,609	\$ 6,210	\$ 5,928	\$ 6,169	\$ 6,064	\$ 6,015	\$ 5,615	\$ 5,940
5-quarter average Praxair shareholders' equity	\$ 6,303	\$ 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%	28.6%	28.4%	28.4%	28.1%	28.9%	29.2%	29.0%	28.4%

Adjusted EBITDA 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)	\$ 448	\$ 462	\$ 451	\$ 445	\$ 414	\$ 414	\$ 419	\$ 429	\$ 419
Add: adjusted noncontrolling interests (a)	14	17	17	16	15	14	12	15	13
Add: adjusted interest expense - net (a)	46	38	41	41	40	35	36	33	37
Add: adjusted income taxes (a)	176	182	178	174	164	162	164	169	165
Add: depreciation and amortization	285	287	281	275	266	254	248	247	252
Adjusted EBITDA	\$ 969	\$ 986	\$ 968	\$ 951	\$ 899	\$ 879	\$ 879	\$ 893	\$ 886
4-quarter trailing adjusted EBITDA	\$ 3,874	\$ 3,804	\$ 3,697	\$ 3,608	\$ 3,550				
Ending net debt (see above)	\$ 9,126	\$ 8,673	\$ 8,892	\$ 9,004	\$ 8,563	\$ 7,205	\$ 7,028	\$ 6,891	\$ 6,749
5-quarter average net debt	\$ 8,852	\$ 8,467	\$ 8,138	\$ 7,738	\$ 7,287				
Debt-to-adjusted EBITDA ratio (5-quarter average net debt / 4-quarter trailing adjusted EBITDA)	2.3	2.2	2.2	2.1	2.1				

(a) 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.

	First Quarter 2014	Year 2013	Fourth Quarter 2013	Third Quarter 2013	First Quarter 2013	Third Quarter 2012
Adjusted Operating Profit and Operating Profit Margin						
Reported operating profit	675	2,625	\$ 690	\$ 670	\$ 600	\$ 558
Add: Pension settlement charge	-	9	-	9	-	9
Add: Venezuela currency devaluation	-	23	-	-	23	-
Add: Cost reduction program	-	-	-	-	-	56
Total adjustments	-	32	-	9	23	65
Adjusted operating profit	\$ 675	\$ 2,657	\$ 690	\$ 679	\$ 623	\$ 623
Reported sales	\$ 3,026	\$ 11,925	\$ 3,010	\$ 3,013	\$ 2,888	\$ 2,774
Adjusted operating profit margin	22.3%	22.3%	22.9%	22.5%	21.6%	22.5%
Adjusted Interest Expense - net						
Reported interest expense - net	\$ 46	\$ 178	\$ 56	\$ 41	\$ 40	\$ 36
Less: Bond redemption	-	(18)	(18)	-	-	-
Adjusted interest expense - net	\$ 46	\$ 160	\$ 38	\$ 41	\$ 40	\$ 36
Adjusted Income Taxes						
Reported income taxes	\$ 176	\$ 649	\$ 136	\$ 175	\$ 164	\$ 90
Add: Bond redemption	-	6	6	-	-	-
Add: Income tax benefit	-	40	40	-	-	55
Add: Pension settlement charge	-	3	-	3	-	3
Add: Cost reduction program	-	-	-	-	-	16
Total adjustments	-	49	46	3	-	74
Adjusted income taxes	\$ 176	\$ 698	\$ 182	\$ 178	\$ 164	\$ 164
Adjusted Effective Tax Rate						
Reported income before income taxes and equity investments	\$ 629	\$ 2,447	\$ 634	\$ 629	\$ 560	\$ 522
Add: Bond redemption	-	18	18	-	-	-
Add: Pension settlement charge	-	9	-	9	-	9
Add: Venezuela currency devaluation	-	23	-	-	23	-
Add: Cost reduction program	-	-	-	-	-	56
Total adjustments	-	50	18	9	23	65
Adjusted income before income taxes and equity investments	\$ 629	\$ 2,497	\$ 652	\$ 638	\$ 583	\$ 587
Adjusted income taxes (above)	\$ 176	\$ 698	\$ 182	\$ 178	\$ 164	\$ 164
Adjusted effective tax rate	28%	28%	28%	28%	28%	28%
Adjusted Noncontrolling interests						
Reported noncontrolling interests	\$ 14	\$ 81	\$ 33	\$ 17	\$ 15	\$ 10
Less: Income tax benefit	-	(16)	(16)	-	-	-
Add: Cost reduction program	-	-	-	-	-	2
Total adjustments	-	(16)	(16)	-	-	2
Adjusted noncontrolling interests	\$ 14	\$ 65	\$ 17	\$ 17	\$ 15	\$ 12
Adjusted Net Income - Praxair, Inc.						
Reported net income - Praxair, Inc.	\$ 448	\$ 1,755	\$ 474	\$ 445	\$ 391	\$ 430
Add: Bond redemption	-	12	12	-	-	-
Less: Income tax benefit	-	(24)	(24)	-	-	(55)
Add: Pension settlement charge	-	6	-	6	-	6
Add: Venezuela currency devaluation	-	23	-	-	23	-
Add: Cost reduction program	-	-	-	-	-	38
Total adjustments	-	17	(12)	6	23	(11)
Adjusted net income - Praxair, Inc.	\$ 448	\$ 1,772	\$ 462	\$ 451	\$ 414	\$ 419
Adjusted Diluted EPS						
Reported diluted EPS	\$ 1.51	\$ 5.87	\$ 1.59	\$ 1.49	\$ 1.30	\$ 1.43
Add: Bond redemption	-	0.04	0.04	-	-	-
Less: Income tax benefit	-	(0.08)	(0.08)	-	-	(0.18)
Add: Pension settlement charge	-	0.02	-	0.02	-	0.02
Add: Venezuela currency devaluation	-	0.08	-	-	0.08	-
Add: Cost reduction program	-	-	-	-	-	0.12
Total adjustments	-	0.06	(0.04)	0.02	0.08	(0.04)
Adjusted diluted EPS	\$ 1.51	\$ 5.93	\$ 1.55	\$ 1.51	\$ 1.38	\$ 1.39
Full-Year 2014 Diluted EPS Guidance						
	Full Year 2014					
	Low End	High End				
Diluted EPS guidance	\$ 6.30	\$ 6.50				
2013 adjusted diluted EPS (see above)	\$ 5.93	\$ 5.93				
Percentage change	6%	10%				