PRAXAIR
Making our planet more productive℠

Investor Teleconference Presentation
Fourth Quarter 2015



Praxair, Inc.
January 29, 2016

Forward Looking Statement

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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.

Medium-Term Profit Drivers

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2015 → 2018+

Optimize Base Business
- Price management
- Leaner organization
- Productivity and cash flow

Enhance Geographic Density
- Synergistic acquisitions
- More resilient end-markets

Increasing Benefits from Project Contribution
- 45% of backlog in North America
- Larger contribution in 2017+

Eventual Macro Recovery
- Emerging markets and upstream energy
- Strengthening foreign exchange rates
- Highly accretive earnings growth

Grow earnings independent of macro economic environment

Full-Year Results

($ MM)	Adj. 2015[1]	Adj. 2014[1]	Δ%
Sales	$10,776	$12,273	- 12%
Operating Profit	$2,493	$2,746	- 9%
Operating Margin	23.1%	22.4%	+70bp
EBITDA[1]	$3,642	$3,958	- 8%
EBITDA Margin[1]	33.8%	32.2%	+160bp
Net Income[2]	$1,677	$1,852	- 9%
Diluted EPS[2]	$5.80	$6.27	- 7%
Operating Cash Flow	$2,682	$2,868	- 6%
After–Tax ROC [1]	12.6%	12.7%	- 10bp
ROE [1]	34.6%	28.7%	+590bp

(1) Non-GAAP measures, other than sales. See Appendix.

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

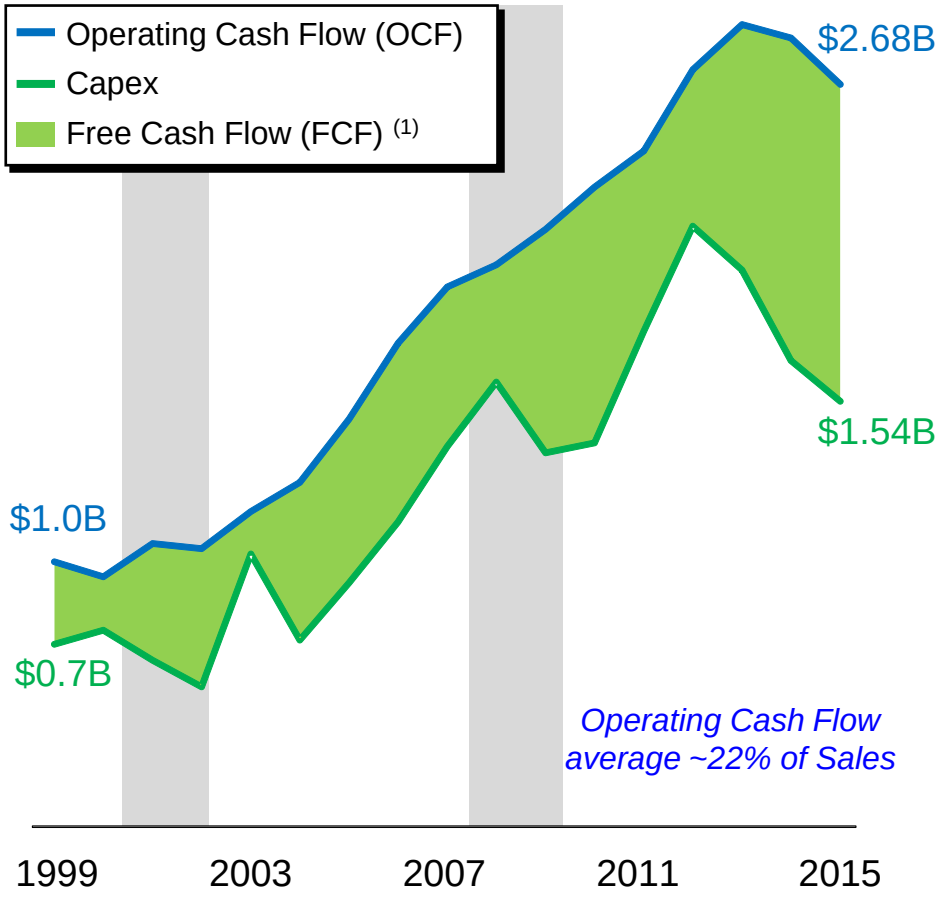
	YOY
Sales Growth	**- 12%**
Volume	**- 2%**
Price	**+ 1%**
Cost pass-thru	**- 2%**
Currency	**- 10%**
Acq/Div	**+ 1%**

- **OP +1% EPS +3%, ex-FX**
- **Record OP and EBITDA margins**
- **Project start-ups in Asia, Europe & North America**
- **Volumes weaker in the Americas: upstream energy, metals & manufacturing**
- **Backlog $1.5B; signed 6 new projects including U.S. Gulf Coast expansion**
- **Operating cash flow $2.7B, 25% of sales; free cash flow $1.1B**
- **$1.5B returned to shareholders**

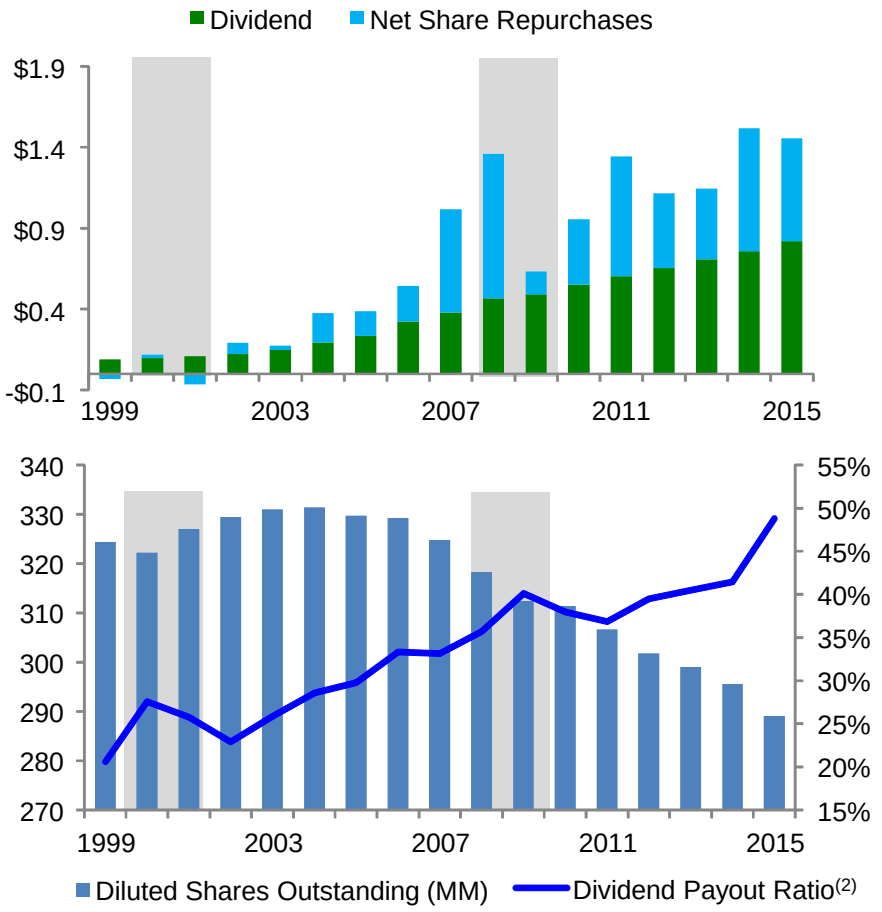
Strong Operating Cash Flow Generation

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Free Cash Flow $1.1B



Returned to Shareholders $1.5B



…drives consistently strong cash return to shareholders

(1) Non-GAAP measure. Free cash flow equals operating cash flow minus capital expenditures.
(2) Dividend Payout Ratio calculated as dividend per share / non-GAAP EPS.

Recession

Fourth Quarter Results

($ MM)	Fourth Quarter 2015	Adj. Third Quarter 2015(1)	Adj. Fourth Quarter 2014(1)
Sales	$2,595	$2,686	$2,990
Operating Profit	$624	$620	$663
Operating Margin	24.0%	23.1%	22.2%
EBITDA(1)	$911	$906	$966
EBITDA Margin(1)	35.1%	33.7%	32.3%
Net Income(2)	$422	$419	$460
Diluted EPS(2)	$1.47	$1.46	$1.57
After–Tax ROC(1)	12.6%	12.5%	12.7%
ROE(1)	34.6%	32.5%	28.7%

	YOY	Q4 vs. Q3
Sales Growth	- 13%	- 3%
Volume	- 3%	- 2%
Price	+ 1%	+ 1%
Cost pass-thru	- 2%	- 1%
Currency	- 10%	- 1%
Acq/Div	+ 1%	--

- Sales -1% EPS +5%, ex-FX & pass-thru
- Cost action savings
- OP includes gain on asset sale
- Seq volume weakness in Americas
- Operating cash flow $0.8B
- Backlog projects signed in Europe and North America; start-ups in Asia

(1) Non-GAAP measures, other than sales. See Appendix.

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

2016 Guidance

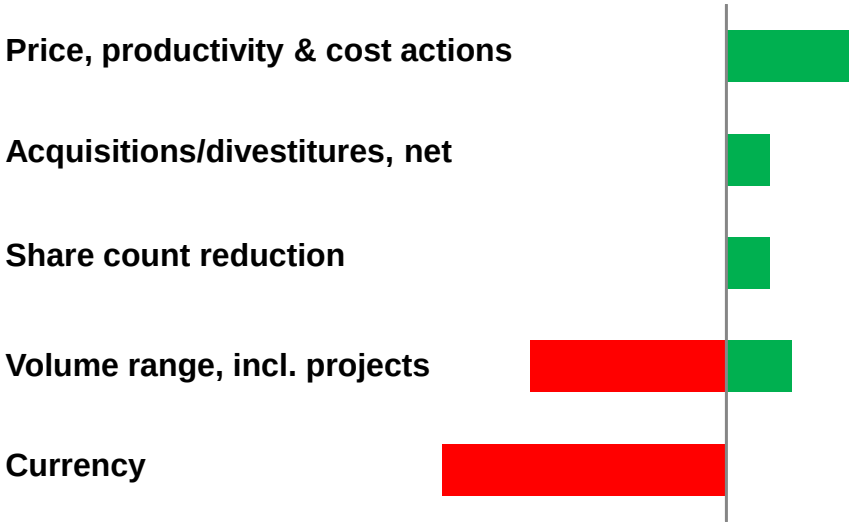
Full Year 2016

- **EPS in the range of $5.30 to $5.70**
  - -2% to +5%, ex-FX*
  - Includes (7%) currency headwinds
- **CAPEX approximately $1.5B**

First Quarter 2016

- **EPS in the range of $1.20 to $1.28**
  - Currency headwinds: YoY (9%) & Seq (3%)
  - Seasonal slowdowns
  - Continuation of 2H15 volume trends

2016 EPS Range Drivers



Currency	% of Sales	2015 Avg. P&L Rate
EUR	12%	1.11
BRL	11%	3.28
CAD	7%	1.28
CNY	6%	6.28
MXN	5%	15.83

*Non-GAAP measure. See Appendix for reconciliation.

Appendix

North America

($ MM)	Fourth Quarter 2015	Third Quarter 2015	Fourth Quarter 2014
Sales	$1,421	$1,463	$1,589
Segment OP	$406	$385	$388
Operating Margin	28.6%	26.3%	24.4%

	YOY	Q4 vs. Q3
Sales Growth	- 11%	- 3%
Volume	- 4%	- 2%
Price	+ 1%	+ 1%
Cost pass-thru	- 4%	- 1%
Currency	- 4%	- 1%
Acq/Div	--	--

- YoY organic sales
  - \+ Food & beverage, healthcare and refining
  - – Manufacturing, metals and upstream energy
- Margin benefits
  - \+ Lower natural gas pass-thru
  - \+ Gain on asset sale
  - \+ Year-end contract payments
  - \+ Price, productivity and cost control
- Currency headwinds in Canada & Mexico
- U.S. packaged gas:
  - Merged 2 Southeast joint ventures
  - 3 acquisitions ~$20mm annual sales
- On-site project signed: Southeast U.S. carbon fiber customer, 2017 start-up

Europe

($ MM)	Fourth Quarter 2015	Third Quarter 2015	Fourth Quarter 2014
Sales	$325	$338	$356
Segment OP	$62	$63	$63
Operating Margin	19.1%	18.6%	17.7%

	YOY	Q4 vs. Q3
Sales Growth	- 9%	- 4%
Volume	+ 3%	- 2%
Price	+ 1%	+ 1%
Cost pass-thru	--	- 1%
Currency	- 13%	- 2%

- Volume growth primarily Southern Europe and from project start-up in Russia
- YoY end-market growth in food and beverage, metals, chemicals and manufacturing partially offset by weaker energy
- Seq weakness in energy
- Euro devaluation
- On-site project signed: Port of Antwerp pipeline extensions, 2H2016 start-up
- Yara acquisitions expected to close 1Q16

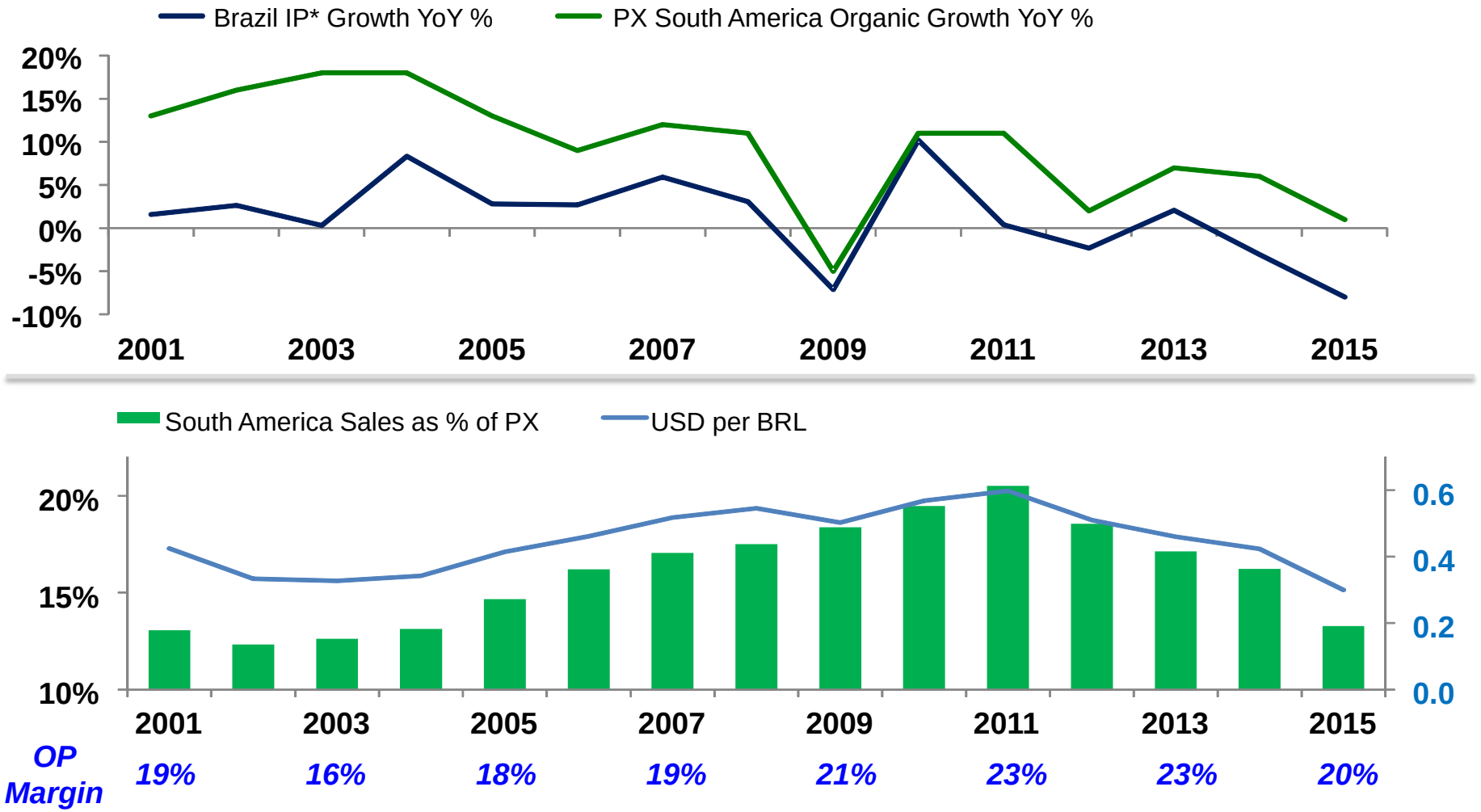
South America

($ MM)	Fourth Quarter 2015	Third Quarter 2015	Fourth Quarter 2014
Sales	$299	$343	$473
Segment OP	$55	$70	$105
Operating Margin	18.4%	20.4%	22.2%

	YOY	Q4 vs. Q3
Sales Growth	- 37%	- 13%
Volume	- 6%	- 6%
Price	+ 4%	--
Cost pass-thru	--	--
Currency	- 36%	- 7%
Acq/Div	+ 1%	--

- Continued organic outperformance vs. Brazil -12% industrial production
- Growth in healthcare offset by weaker manufacturing and metals volumes
- 2015 cost reduction program on track
- Margin impacts expected to continue into 1Q16:
  - CO2 source outages
  - Extended seasonal customer shut-downs
- Currency headwinds

South America Historical Trends



Continued outperformance and high-quality business in any environment

*Source: Instituto Brasileiro de Geografia e Estatistica (IBGE)

Asia

($ MM)	Fourth Quarter 2015	Third Quarter 2015	Fourth Quarter 2014
Sales	$398	$395	$407
Segment OP	$74	$77	$77
Operating Margin	18.6%	19.5%	18.9%

	YOY	Q4 vs. Q3
Sales Growth	- 2%	+ 1%
Volume	+ 4%	+ 1%
Price	--	--
Cost pass-thru	- 1%	--
Currency	- 4%	- 1%
Acq/Div	+ 2%	+ 1%
Equipment sale	- 3%	--

- Project start-ups in China and India for chemicals and metals customers
- Prior-year sale of equipment to China joint venture
- 2015 cost reduction program on track
- Started up Yankuang project in China

Surface Technologies

($ MM)	Fourth Quarter 2015	Third Quarter 2015	Fourth Quarter 2014
Sales	$152	$147	$165
Segment OP	$27	$25	$30
Operating Margin	17.8%	17.0%	18.2%

	YOY	Q4 vs. Q3
Sales Growth	- 8%	+ 3%
Volume/Price	- 2%	+ 4%
Cost pass-thru	- 1%	--
Currency	- 5%	- 1%

- YoY growth in aerospace more than offset by weaker energy and industrial coatings
- Seq growth in aerospace
- Price attainment and cost control
- Announced GE Aviation joint venture
  - Specialized coatings for current and future engines
  - PX consolidate joint venture
  - Expect operations start mid-2016
  - Enhances future growth

Global End-Market Trends

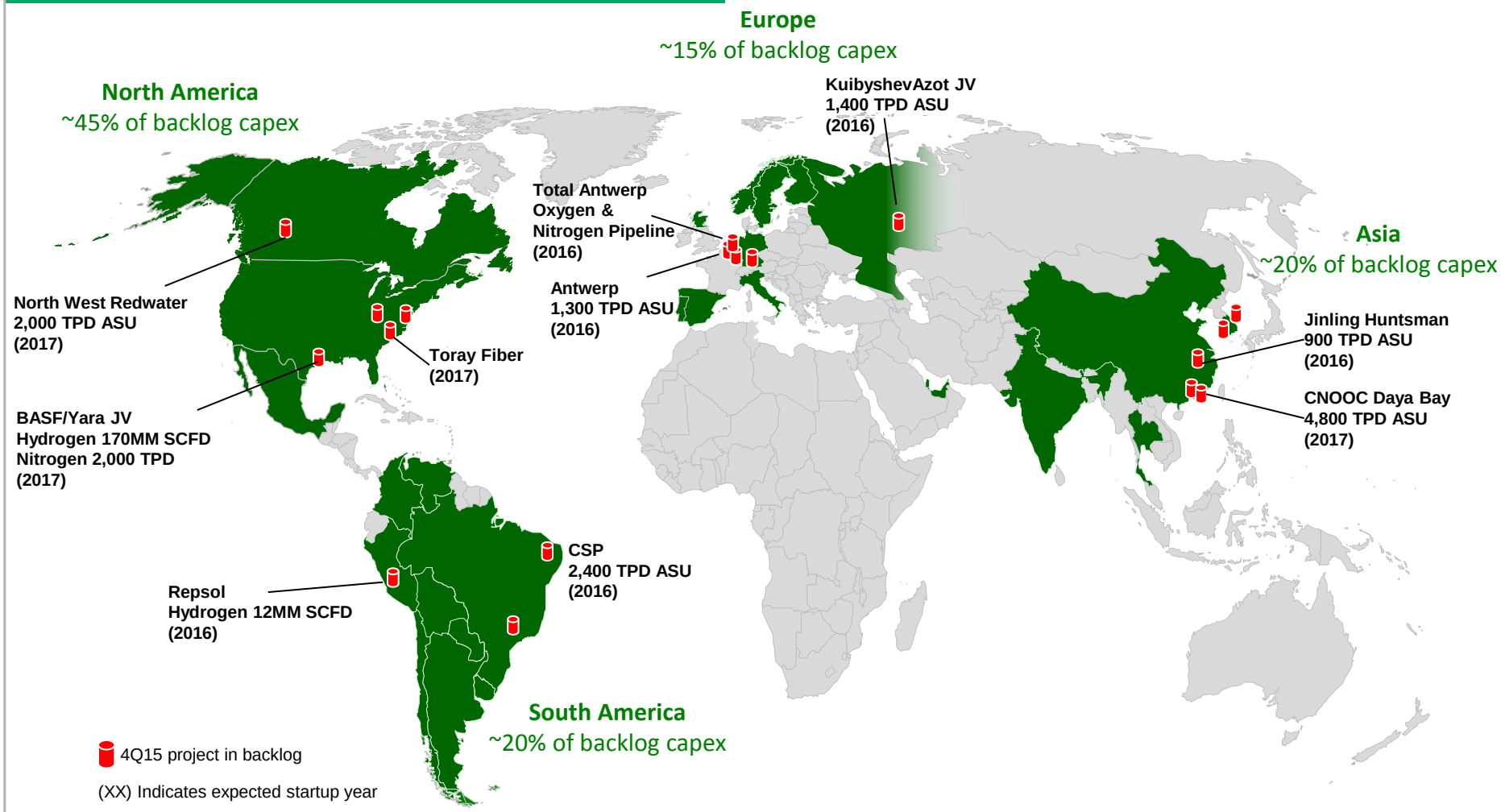
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	2015 % of Sales	4Q15 Sales Growth* YOY	4Q15 Sales Growth* Vs. 3Q15	
	Manufacturing (24%)	- 6%	- 3%	Weaker Americas
	Metals (17%)	- 4%	- 4%	North America volumes
	Energy (13%)	- 4%	+ 4%	Weaker upstream YoY; Seq downstream growth
	Chemicals (10%)	+ 1%	+ 3%	Growth in Asia and Europe
	Food & Bev (9%)	+ 7%	- 4%	YoY growth in the Americas and Europe; Seq seasonal impact
	Healthcare (8%)	+ 5%	+ 1%	Growth in the Americas
	Electronics (8%)	+ 9%	+ 5%	Growth in North America and Asia

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

Backlog - $1.5B Capital Expenditures

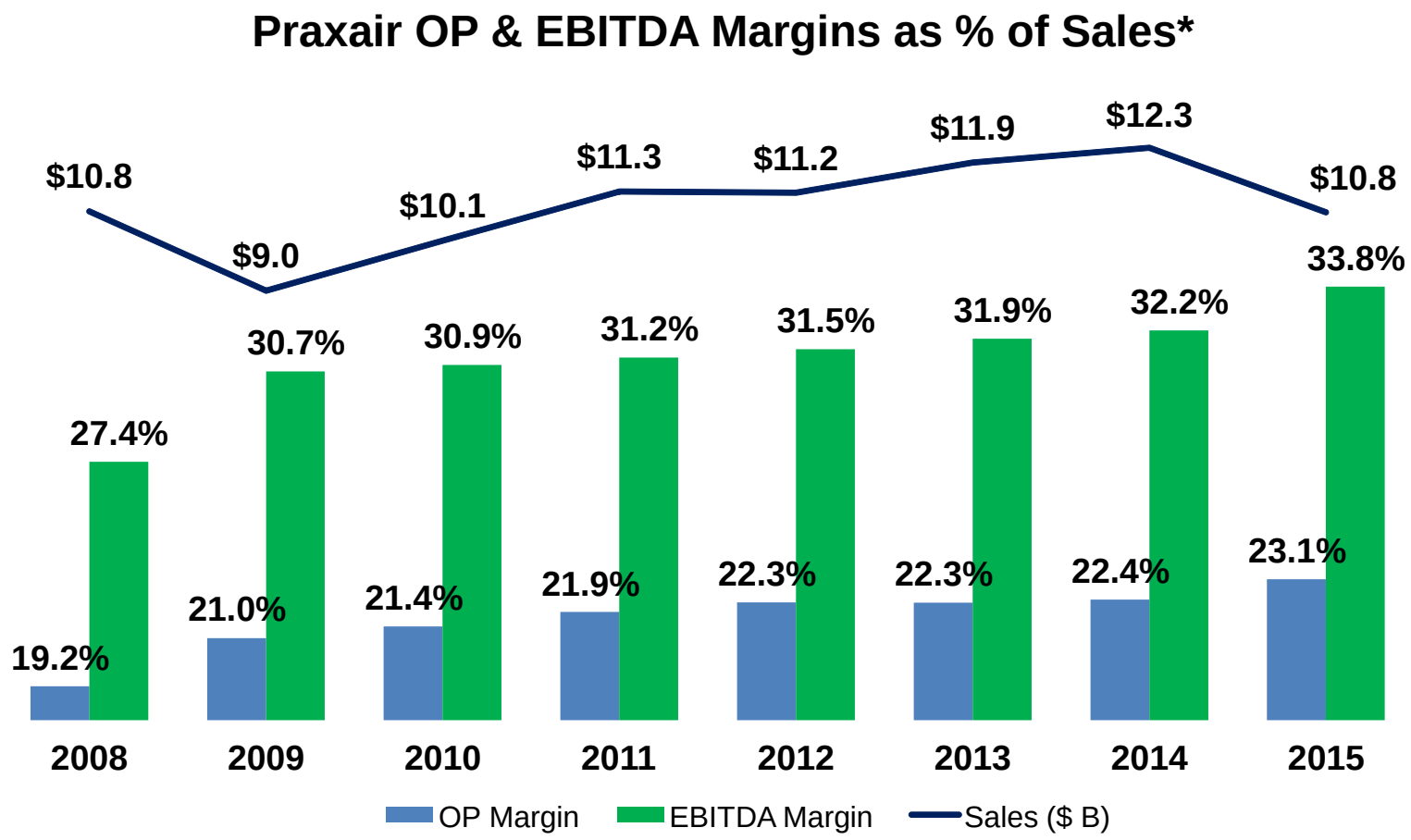
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ASU – Air separation unit
TPD – Tons per day
SCFD – Standard cubic feet per day

Resilient Profitability Trends

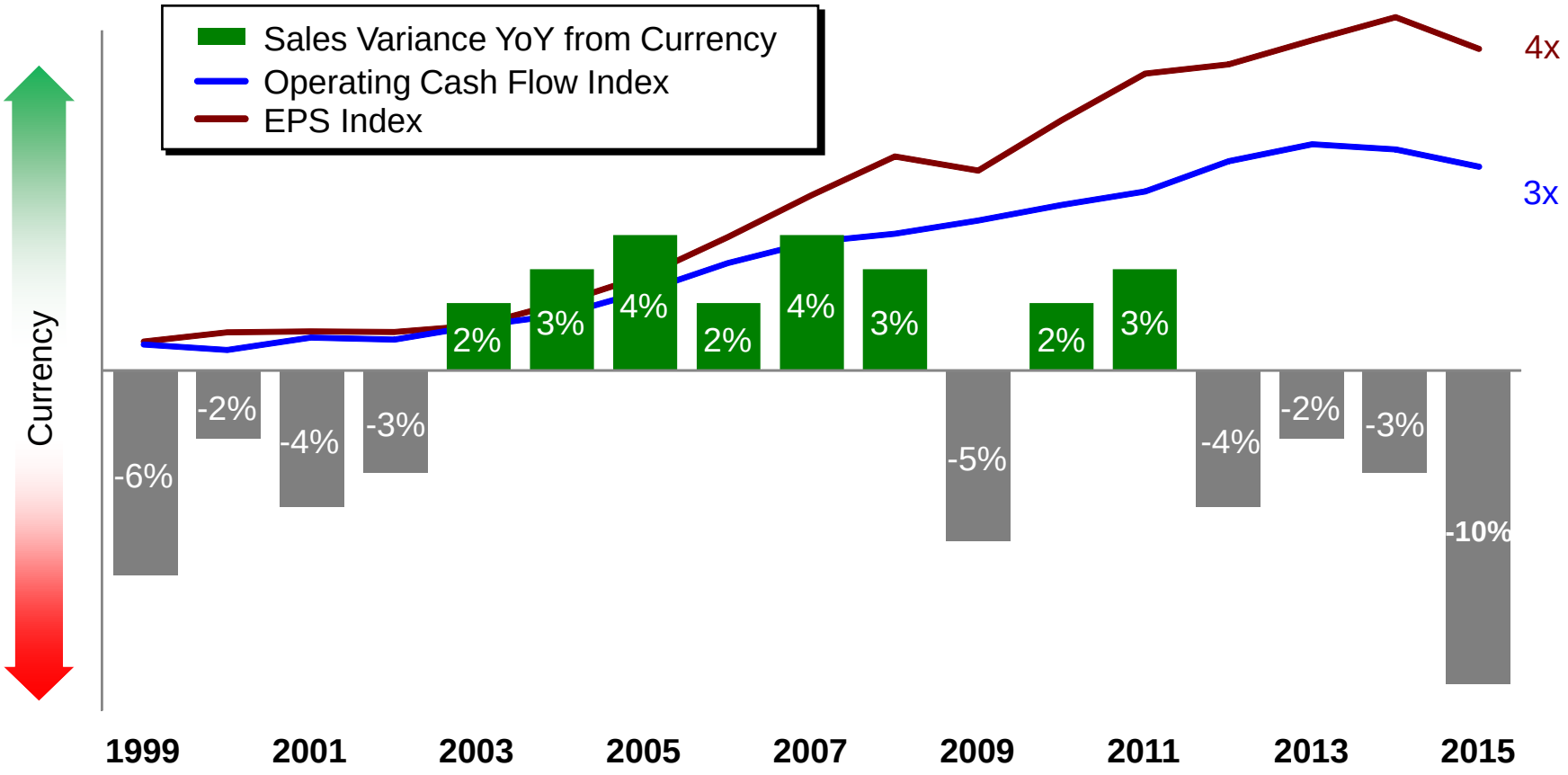
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Consistent margin growth driven by capital discipline, price and productivity

* Non-GAAP measures. See Appendix and Form 10-Ks.

Solid Praxair Results Regardless of FX Cycle



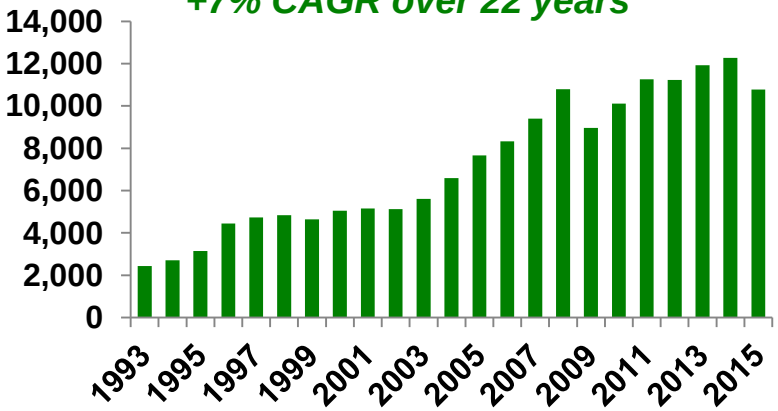
Growing EPS and Operating Cash Flow

Historical Performance

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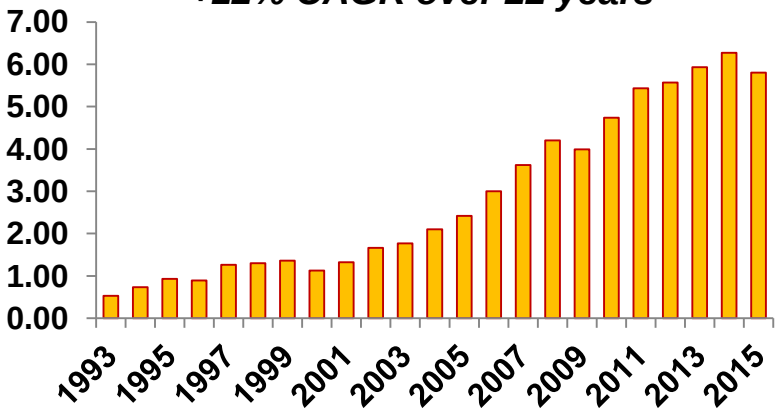
Revenues ($ MM)

+7% CAGR over 22 years



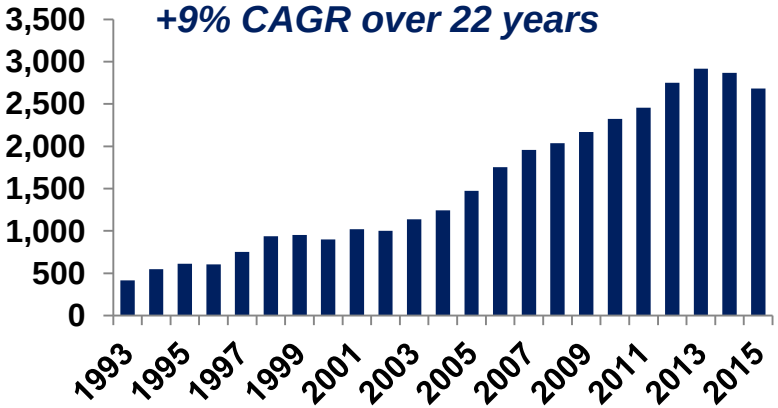
EPS ($)

+12% CAGR over 22 years



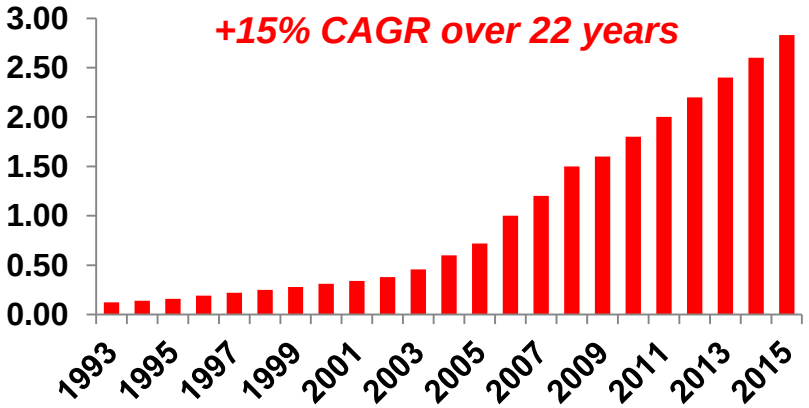
Operating Cash Flow ($ MM)

+9% CAGR over 22 years



Dividend ($ per share)

+15% CAGR over 22 years



Consistent and Resilient Long-term Results

Source: Praxair annual reports

Select Cash Flow Items

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$ MM	2015	2014	2013	2012	2011	2010
EBITDA Cash Flow						
EBITDA [1]	$3,642	$3,958	$3,804	$3,537	$3,512	$3,130
Interest paid [2]	($174)	($174)	($166)	($153)	($157)	($123)
Income taxes paid [3]	($420)	($606)	($532)	($277)	($515)	($757)
	$3,048	$3,178	$3,106	$3,107	$2,840	$2,250
Cash Returned to Shareholders						
Dividends	$819	$759	$708	$655	$602	$551
Share Repurchases, net of issuances	$637	$759	$436	$459	$742	$404
	$1,456	$1,518	$1,144	$1,114	$1,344	$955
Capital Expenditures[4]	$1,541	$1,689	$2,020	$2,180	$1,797	$1,388
# of Shares – diluted (MM)	289	296	299	302	307	311

Consistently strong cash return to shareholders

(1) Non-GAAP measure, see Appendix.
(2) Interest paid, net of interest capitalized and excluding bond redemption
(3) From Form 10-K's.
(4) Capital Expenditures includes all types: growth, maintenance, storage, etc.

Non-GAAP Measures

The following adjusted amounts 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. See the Non-GAAP reconciliations starting on the next page for additional details relating to the Non-GAAP adjustments.

(Millions of dollars, except per share amounts)

	Sales		Operating Profit		Net Income - Praxair, Inc.		Diluted EPS	
	2015	2014	2015	2014	2015	2014	2015	2014
Quarter Ended December 31								
Reported GAAP Amounts	$ 2,595	$ 2,990	$ 624	$ 525	$ 422	$ 302	$ 1.47	$ 1.03
Pension settlement charges (a)	-	-	-	7	-	5	-	0.02
Cost reduction program and other charges (b)	-	-	-	-	-	-	-	-
Bond redemption (c)	-	-	-	-	-	22	-	0.07
Venezuela currency devaluation (d)	-	-	-	131	-	131	-	0.45
Total adjustments	-	-	-	138	-	158	-	0.54
Adjusted amounts	$ 2,595	$ 2,990	$ 624	$ 663	$ 422	$ 460	$ 1.47	$ 1.57
Year To Date December 31								
Reported GAAP Amounts	$ 10,776	$ 12,273	$ 2,321	$ 2,608	$ 1,547	$ 1,694	$ 5.35	$ 5.73
Pension settlement charges (a)	-	-	7	7	5	5	0.02	0.02
Cost reduction program and other charges(b)	-	-	165	-	125	-	0.43	-
Bond redemption (c)	-	-	-	-	-	22	-	0.07
Venezuela currency devaluation (d)	-	-	-	131	-	131	-	0.45
Total adjustments	-	-	172	138	130	158	0.45	0.54
Adjusted amounts	$ 10,776	$ 12,273	$ 2,493	$ 2,746	$ 1,677	$ 1,852	$ 5.80	$ 6.27

(a) Pension settlement charges were recorded in the 2015 third quarter and 2014 fourth quarter related to lump sum benefit payments made to a number of former
(b) Cost reduction program and other charges were recorded in the 2015 second and third quarters.
(c) Charge in the 2014 fourth quarter related to the redemption of the $400 million 5.375% notes due in 2016.
(d) Charge in the 2014 fourth quarter related to the Venezuela currency devaluation.

Non-GAAP Measures, continued

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 2015 third quarter cost reduction program and pension settlement, 2015 second quarter cost reduction program and other charges, 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, 2013 third quarter pension settlement, and the 2013 first quarter loss on Venezuela currency devaluation.

	2015				2014				2013			
	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 equals cash flow from operations less capital expenditures.												
Operating cash flow	$ 791	$ 676	$ 707	$ 508	$ 772	$ 713	$ 847	$ 536	$ 964	$ 904	$ 577	$ 472
Less: capital expenditures	(387)	(405)	(352)	(397)	(482)	(430)	(384)	(393)	(516)	(516)	(522)	(466)
Free Cash Flow	**$ 404**	**$ 271**	**$ 355**	**$ 111**	**$ 290**	**$ 283**	**$ 463**	**$ 143**	**$ 448**	**$ 388**	**$ 55**	**$ 6**
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 (a)	$ 9,231	$ 9,480	$ 9,313	$ 9,360	$ 9,225	$ 9,090	$ 9,132	$ 9,236	$ 8,779	$ 8,994	$ 9,072	$ 8,644
Less: cash and cash equivalents	(147)	(136)	(136)	(117)	(126)	(168)	(173)	(144)	(138)	(134)	(102)	(113)
Net debt	9,084	9,344	9,177	9,243	9,099	8,922	8,959	9,092	8,641	8,860	8,970	8,531
Equity and redeemable noncontrolling interests:												
Redeemable noncontrolling interests	113	169	175	170	176	190	194	195	307	290	259	255
Praxair, Inc. shareholders' equity	4,389	4,264	4,964	5,018	5,623	6,552	6,911	6,600	6,609	6,210	5,928	6,169
Noncontrolling interests	404	380	380	375	387	388	395	398	394	365	357	357
Total equity and redeemable noncontrolling interests	4,906	4,813	5,519	5,563	6,186	7,130	7,500	7,193	7,310	6,865	6,544	6,781
Capital	$ 13,990	$ 14,157	$ 14,696	$ 14,806	$ 15,285	$ 16,052	$ 16,459	$ 16,285	$ 15,951	$ 15,725	$ 15,514	$ 15,312
Debt-to-capital	**64.9%**	**66.0%**	**62.4%**	**62.4%**	**59.5%**	**55.6%**	**54.4%**	**55.8%**	**54.2%**	**56.3%**	**57.8%**	**55.7%**
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 (b)	$ 624	$ 620	$ 626	$ 623	$ 663	$ 711	$ 697	$ 675	$ 690	$ 679	$ 665	$ 623
Less: adjusted income taxes (b)	(163)	(164)	(164)	(162)	(161)	(187)	(183)	(176)	(182)	(178)	(174)	(164)
Less: tax benefit on adjusted interest expense (b)	(12)	(10)	(11)	(12)	(12)	(13)	(12)	(13)	(11)	(11)	(11)	(11)
Add: income from equity investments	12	10	10	11	12	11	10	9	9	8	11	10
Adjusted net operating profit after-tax (NOPAT)	$ 461	$ 456	$ 461	$ 460	$ 502	$ 522	$ 512	$ 495	$ 506	$ 498	$ 491	$ 458
4-quarter trailing adjusted NOPAT	$ 1,838	$ 1,879	$ 1,945	$ 1,996	$ 2,031	$ 2,035	$ 2,011	$ 1,990	$ 1,953	$ 1,900	$ 1,859	$ 1,836
Ending capital (see above)	$ 13,990	$ 14,157	$ 14,696	$ 14,806	$ 15,285	$ 16,052	$ 16,459	$ 16,285	$ 15,951	$ 15,725	$ 15,514	$ 15,312
5-quarter average ending capital	$ 14,587	$ 14,999	$ 15,460	$ 15,777	$ 16,007	$ 16,094	$ 15,987	$ 15,757	$ 15,270	$ 14,798	$ 14,252	$ 13,794
After-tax ROC (4-quarter trailing NOPAT / 5-quarter average capital)	**12.6%**	**12.5%**	**12.6%**	**12.7%**	**12.7%**	**12.6%**	**12.6%**	**12.6%**	**12.8%**	**12.8%**	**13.0%**	**13.3%**

Non-GAAP Measures, continued

	2015				2014				2013			
	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. (b)	$ 422	$ 419	$ 420	$ 416	$ 460	$ 477	$ 467	$ 448	$ 462	$ 451	$ 445	$ 414
4-quarter trailing adjusted net income - Praxair, Inc.	$ 1,677	$ 1,715	$ 1,773	$ 1,820	$ 1,852	$ 1,854	$ 1,828	$ 1,806	$ 1,772	$ 1,724	$ 1,692	$ 1,676
Ending Praxair, Inc. shareholders' equity	$ 4,389	$ 4,264	$ 4,964	$ 5,018	$ 5,623	$ 6,552	$ 6,911	$ 6,600	$ 6,609	$ 6,210	$ 5,928	$ 6,169
5-quarter average Praxair shareholders' equity	$ 4,852	$ 5,284	$ 5,814	$ 6,141	$ 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)	**34.6%**	**32.5%**	**30.5%**	**29.6%**	**28.7%**	**28.2%**	**28.3%**	**28.7%**	**28.6%**	**28.4%**	**28.4%**	**28.1%**
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. (b)	$ 422	$ 419	$ 420	$ 416	$ 460	$ 477	$ 467	$ 448	$ 462	$ 451	$ 445	$ 414
Add: adjusted noncontrolling interests (b)	9	12	12	12	11	13	14	14	17	17	16	15
Add: adjusted interest expense - net (b)	42	35	40	44	43	45	43	46	38	41	41	40
Add: adjusted income taxes (b)	163	164	164	162	161	187	183	176	182	178	174	164
Add: depreciation and amortization	275	276	278	277	291	301	293	285	287	281	275	266
Adjusted EBITDA	**$ 911**	**$ 906**	**$ 914**	**$ 911**	**$ 966**	**$ 1,023**	**$ 1,000**	**$ 969**	**$ 986**	**$ 968**	**$ 951**	**$ 899**
Reported sales	$ 2,595	$ 2,686	$ 2,738	$ 2,757	$ 2,990	$ 3,144	$ 3,113	$ 3,026	$ 3,010	$ 3,013	$ 3,014	$ 2,888
Adjusted EBITDA margin	**35.1%**	**33.7%**	**33.4%**	**33.0%**	**32.3%**	**32.5%**	**32.1%**	**32.0%**	**32.8%**	**32.1%**	**31.6%**	**31.1%**
Full Year:												
Reported sales	$ 10,776				$ 12,273							
Adjusted EBITDA (below)	$ 3,642				$ 3,958							
Adjusted EBITDA margin	**33.8%**				**32.2%**							
Ending net debt (see above)	$ 9,084	$ 9,344	$ 9,177	$ 9,243	$ 9,099	$ 8,922	$ 8,959	$ 9,092	$ 8,641	$ 8,860	$ 8,970	$ 8,531
5-quarter average net debt	$ 9,189	$ 9,157	$ 9,080	$ 9,063	$ 8,943	$ 8,895	$ 8,904	$ 8,819	$ 8,436	$ 8,108	$ 7,710	$ 7,261
4-quarter trailing adjusted EBITDA	$ 3,642	$ 3,697	$ 3,814	$ 3,900	$ 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)	**2.5**	**2.5**	**2.4**	**2.3**	**2.3**	**2.2**	**2.3**	**2.3**	**2.2**	**2.2**	**2.1**	**2.0**

(a) Prior period amounts have been restated to reflect the adoption, in the fourth quarter 2015, of Accounting Standard Update ("ASU") 2015-03 relating to the presentation of debt issuance costs.

Non-GAAP Measures, continued

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(b) 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 cash income taxes and cash interest, net of interest capitalized and excluding the bond redemption costs for 2015, 2014 and 2013; and presents the percentage changes in Diluted EPS Guidance for the first quarter and full year 2016 as compared to 2015 Diluted EPS on both a GAAP and adjusted basis. The adjusted percentages are based on Adjusted diluted EPS amounts, excluding estimated currency impacts.

	Year 2015	Third Quarter 2015	Second Quarter 2015	Year 2014	Fourth Quarter 2014	Year 2013	Fourth Quarter 2013	Third Quarter 2013	First Quarter 2013
Adjusted Operating Profit and Operating Profit Margin									
Reported operating profit	$ 2,321	$ 594	$ 480	$ 2,608	$ 525	$ 2,625	$ 690	$ 670	$ 600
Add: Cost reduction program and other charges	165	19	146	-	-	-	-	-	-
Add: Pension settlement charge	7	7	-	7	7	9	-	9	-
Add: Venezuela currency devaluation	-	-	-	131	131	23	-	-	23
Total adjustments	172	26	146	138	138	32	-	9	23
Adjusted operating profit	$ 2,493	$ 620	$ 626	$ 2,746	$ 663	$ 2,657	$ 690	$ 679	$ 623
Reported percentage change	-11%								
Adjusted percentage change	-9%								
Reported sales	$ 10,776	$ 2,686	$ 2,738	$ 12,273	$ 2,990	$ 11,925	$ 3,010	$ 3,013	$ 2,888
Adjusted operating profit margin	23.1%	23.1%	22.9%	22.4%	22.2%	22.3%	22.9%	22.5%	21.6%
Adjusted Interest Expense - net									
Reported interest expense - net	$ 161	$ 35	$ 40	$ 213	$ 79	$ 178	$ 56	$ 41	$ 40
Less: Bond redemption	-	-	-	(36)	(36)	(18)	(18)	-	-
Adjusted interest expense - net	$ 161	$ 35	$ 40	$ 177	$ 43	$ 160	$ 38	$ 41	$ 40
Adjusted Income Taxes									
Reported income taxes	$ 612	$ 156	$ 131	$ 691	$ 145	$ 649	$ 136	$ 175	$ 164
Add: Cost reduction program and other charges	39	6	33	-	-	-	-	-	-
Add: Bond redemption	-	-	-	14	14	6	6	-	-
Add: Income tax benefit	-	-	-	-	-	40	40	-	-
Add: Pension settlement charge	2	2	-	2	2	3	-	3	-
Total adjustments	41	8	33	16	16	49	46	3	-
Adjusted income taxes	$ 653	$ 164	$ 164	$ 707	$ 161	$ 698	$ 182	$ 178	$ 164
Adjusted Effective Tax Rate									
Reported income before income taxes and equity investments	$ 2,160	$ 559	$ 440	$ 2,395	$ 446	$ 2,447	$ 634	$ 629	$ 560
Add: Cost reduction program and other charges	165	19	146	-	-	-	-	-	-
Add: Bond redemption	-	-	-	36	36	18	18	-	-
Add: Pension settlement charge	7	7	-	7	7	9	-	9	-
Add: Venezuela currency devaluation	-	-	-	131	131	23	-	-	23
Total adjustments	172	26	146	174	174	50	18	9	23
Adjusted income before income taxes and equity investments	$ 2,332	$ 585	$ 586	$ 2,569	$ 620	$ 2,497	$ 652	$ 638	$ 583
Adjusted income taxes (above)	$ 653	$ 164	$ 164	$ 707	$ 161	$ 698	$ 182	$ 178	$ 164
Adjusted effective tax rate	28%	28%	28%	28%	26%	28%	28%	28%	28%

Non-GAAP Measures, continued

	Year 2015	Third Quarter 2015	Second Quarter 2015	Year 2014	Fourth Quarter 2014	Year 2013	Fourth Quarter 2013	Third Quarter 2013	First Quarter 2013
Adjusted Noncontrolling Interests									
Reported noncontrolling interests	$ 44	$ 12	$ 11	$ 52	$ 11	$ 81	$ 33	$ 17	$ 15
Add: Cost reduction program and other charges	1	-	1	-	-	-	-	-	-
Less: Income tax benefit	-	-	-	-	-	(16)	(16)	-	-
Total adjustments	1	-	1	-	-	(16)	(16)	-	-
Adjusted noncontrolling interests	$ 45	$ 12	$ 12	$ 52	$ 11	$ 65	$ 17	$ 17	$ 15
Adjusted Net Income - Praxair, Inc.									
Reported net income - Praxair, Inc.	$ 1,547	$ 401	$ 308	$ 1,694	$ 302	$ 1,755	$ 474	$ 445	$ 391
Add: Cost reduction program and other charges	125	13	112	-	-	-	-	-	-
Add: Bond redemption	-	-	-	22	22	12	12	-	-
Less: Income tax benefit	-	-	-	-	-	(24)	(24)	-	-
Add: Pension settlement charge	5	5	-	5	5	6	-	6	-
Add: Venezuela currency devaluation	-	-	-	131	131	23	-	-	23
Total adjustments	130	18	112	158	158	17	(12)	6	23
Adjusted net income - Praxair, Inc.	$ 1,677	$ 419	$ 420	$ 1,852	$ 460	$ 1,772	$ 462	$ 451	$ 414
Reported percentage change	-9%								
Adjusted percentage change	-9%								
Adjusted Diluted EPS									
Reported diluted EPS	$ 5.35	$ 1.40	$ 1.06	$ 5.73	$ 1.03	$ 5.87	$ 1.59	$ 1.49	$ 1.30
Add: Cost reduction program and other charges	0.43	0.04	0.39	-	-	-	-	-	-
Add: Bond redemption	-	-	-	0.07	0.07	0.04	0.04	-	-
Less: Income tax benefit	-	-	-	-	-	(0.08)	(0.08)	-	-
Add: Pension settlement charge	0.02	0.02	-	0.02	0.02	0.02	-	0.02	-
Add: Venezuela currency devaluation	-	-	-	0.45	0.45	0.08	-	-	0.08
Total adjustments	0.45	0.06	0.39	0.54	0.54	0.06	(0.04)	0.02	0.08
Adjusted diluted EPS	$ 5.80	$ 1.46	$ 1.45	$ 6.27	$ 1.57	$ 5.93	$ 1.55	$ 1.51	$ 1.38
Cash Income Taxes and Interest									
Income taxes paid	$ 420			$ 606		$ 532			
Interest paid, net of interest capitalized and excluding bond redemption	$ 174			$ 174		$ 166			

First Quarter and Full-Year 2016 Diluted EPS Guidance*

	First Quarter 2016 Low End	First Quarter 2016 High End	Full Year 2016 Low End	Full Year 2016 High End
2016 adjusted diluted EPS guidance	$ 1.20	$ 1.28	$ 5.30	$ 5.70
2015 adjusted diluted EPS (see above for full year amounts)	$ 1.43	$ 1.43	$ 5.80	$ 5.80
Adjusted percentage change	-16%	-11%	-9%	-2%
Adjusted percentage changes, excluding estimated currency impact	-7%	-2%	-2%	5%

* Excludes cost reduction charges recorded in the second and third quarter and the pension settlement charge recorded in the third quarter.

Sustainability Highlights

PRAXAIR
Making our planet more productive™



BEST-IN-CLASS SAFETY PERFORMANCE:

11x better than US OSHA industrial average lost workday case rate

300+ SITES & 12,500+ EMPLOYEES PARTICIPATED IN Praxair's Zero Waste Program

$60+MM ENERGY SAVINGS PER YEAR

ECO-PORTFOLIO 32% of revenue

GHG 2x net GHG benefit through PX applications

346,919 BENEFICIARIES GLOBALLY from Community Engagement

90% of LEADERSHIP in emerging economies is local



125MM people served by water applications

RECOGNITION

13 consecutive years named to the Dow Jones Sustainability Indices In Collaboration with RobecoSAM

8 consecutive years

CDP™ CLIMATE DISCLOSURE LEADER 2015

2015 FORBES' America's Best Employers List

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