PRAXAIR
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Investor Teleconference Presentation
Fourth Quarter 2017



Praxair, Inc.
January 25, 2018

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 expected timing and likelihood of the completion of the contemplated business combination with Linde AG, including the timing, receipt and terms and conditions of any required governmental and regulatory approvals that could reduce anticipated benefits or cause the parties to abandon the transaction; the occurrence of any event, change or other circumstances that could give rise to the termination of the business combination agreement; the ability to successfully complete the proposed business combination and the exchange offer, regulatory or other limitations imposed as a result of the proposed business combination; the success of the business following the proposed business combination; the ability to successfully integrate the Praxair and Linde businesses; the risk that the combined company may be unable to achieve expected synergies or that it may take longer or be more costly than expected to achieve those synergies; 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, including the impact of the U.S. Tax Cuts and Jobs Act of 2017; the cost and outcomes of investigations, litigation and regulatory proceedings; the impact of potential unusual or non-recurring items; 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 GAAP or adjusted projections or estimates contained in the forward-looking statements.

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 latest Annual Report on Form 10-K filed with the SEC and in the proxy statement/prospectus included in the Registration Statement on Form S-4 (which Registration Statement was declared effective on August 14, 2017) filed by Linde plc with the SEC which should be reviewed carefully. Please consider the company's forward-looking statements in light of those risks.

Praxair, Inc.

Stephen F. Angel
Chairman and Chief Executive Officer

Executing our Strategy

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Optimize Base Business

- $3.0B operating cash flow (+10% YoY); $1.7B free cash flow (+32% YoY)
- Price attainment in all segments
- Increased productivity, sales up 9% on flat headcount

Grow Resilient End-Markets

- Strong double-digit growth YoY (+10%)
- Increased exposure to 28% of sales from 25% in 2015

Capitalize on Acquisitions / JVs

- Yara CO_2 acquisition delivering per expectations
- GE JV (aircraft engine coatings) performing as planned

Execute Backlog & Win Projects in the USGC

- Signed 8 new long-term supply agreements; started up 8
- ~$1.1B in project backlog in the U.S. Gulf Coast (70% of backlog)
- ~3% per year expected EPS growth from 2017 onwards

Leverage Cyclical Recovery

- Experiencing industrial recovery in Asia, U.S. & Europe
- Positioned well for rebound

Linde and Praxair Proposed Merger Update

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Key Milestones

- Complete all regulatory filings
  - All 9 BCA countries continuing as planned
    - United States: continued progress, on track
    - European Commission: Form CO filed on January 12, 2018
    - All seven other BCA countries filed. Russia first to approve.
  - Other jurisdictions, progressing as planned
- Divestiture process
- Receive final regulatory approval of divested assets & approved buyer
- Perform detailed integration planning
- Close prior to long-stop date (October 24, 2018)

4Q17 Global Trends

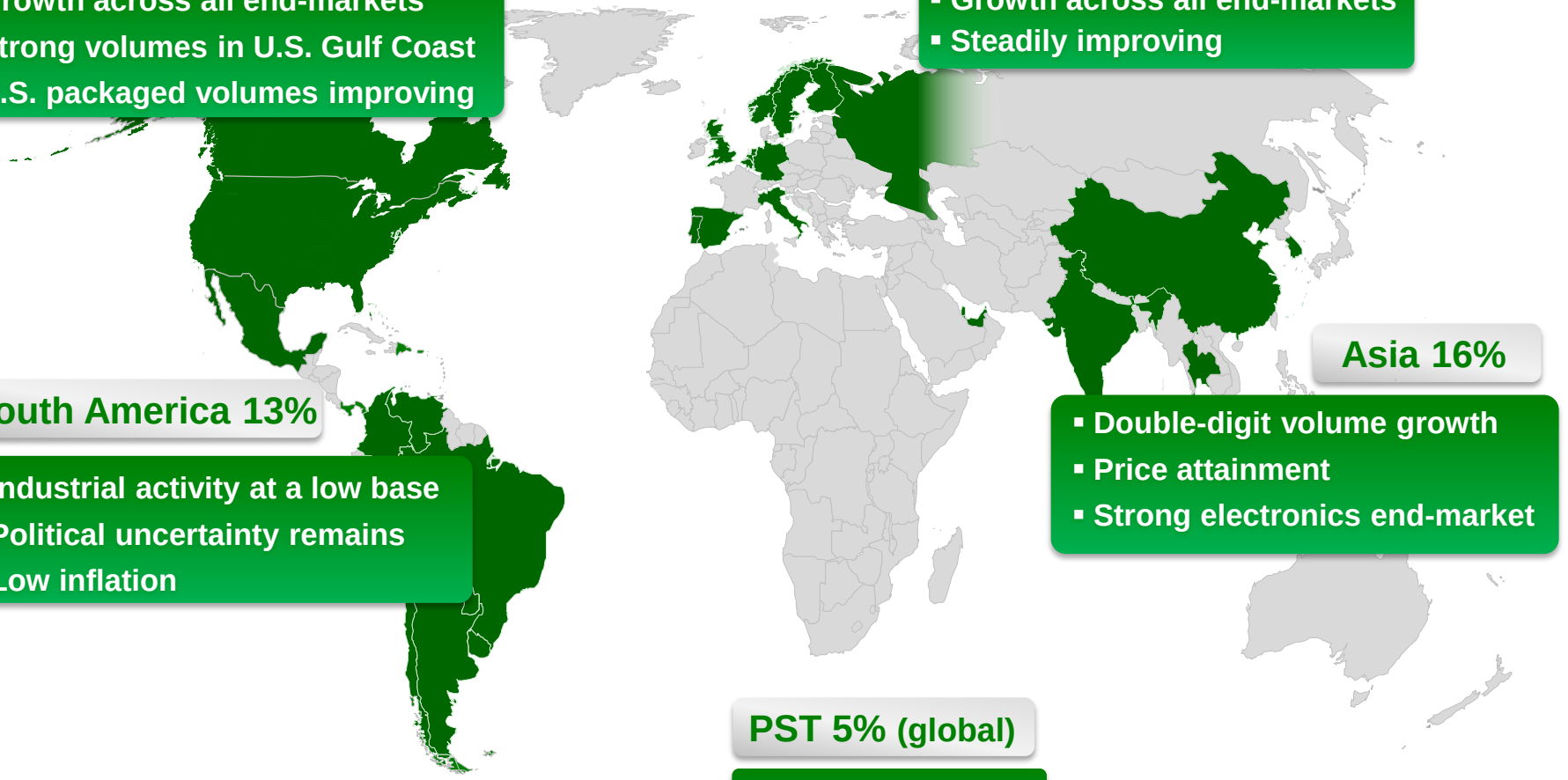
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North America 52%

- Growth across all end-markets
- Strong volumes in U.S. Gulf Coast
- U.S. packaged volumes improving

Europe 14%

- Growth across all end-markets
- Steadily improving



South America 13%

- Industrial activity at a low base
- Political uncertainty remains
- Low inflation

Asia 16%

- Double-digit volume growth
- Price attainment
- Strong electronics end-market

PST 5% (global)

- Aerospace growth

Praxair, Inc.

Matthew J. White
Senior Vice President and Chief Financial Officer

Fourth Quarter Results

($ MM)	Adj. Fourth Quarter 2017(1)	Adj. Third Quarter 2017(1)	Fourth Quarter 2016
Sales	$2,953	$2,922	$2,644
Operating Profit	$653	$642	$599
Operating Margin	22.1%	22.0%	22.7%
EBITDA(1)	$972	$952	$894
EBITDA Margin(1)	32.9%	32.6%	33.8%
Diluted EPS(2)	$1.52	$1.50	$1.41
Op. Cash flow	$836	$794	$726
Base Capex(1)	(243)	(250)	(269)
Available OCF(1)	593	544	457
After–Tax ROC(1)	12.5%	12.3%	12.0%

	YOY	4Q vs. 3Q
Sales Growth	**+ 12%**	**+ 1%**
Volume	**+ 7%**	**+ 1%**
Price / Mix	**+ 1%**	**+ 1%**
Cost pass-thru	**+ 1%**	**--**
Currency	**+ 3%**	**- 1%**
Acq/Div	**--**	**--**

- **YoY volume growth across all end-markets**
- **Project contribution in N. America and Asia**
- **Broad based price attainment**
- **YoY OP +9%, EPS +8%**
- **Strong OCF +15% YoY, record free cash flow**
- **Project backlog $1.5B, includes new wins in the U.S. and Asia**
- **ROC +50 bps YoY**

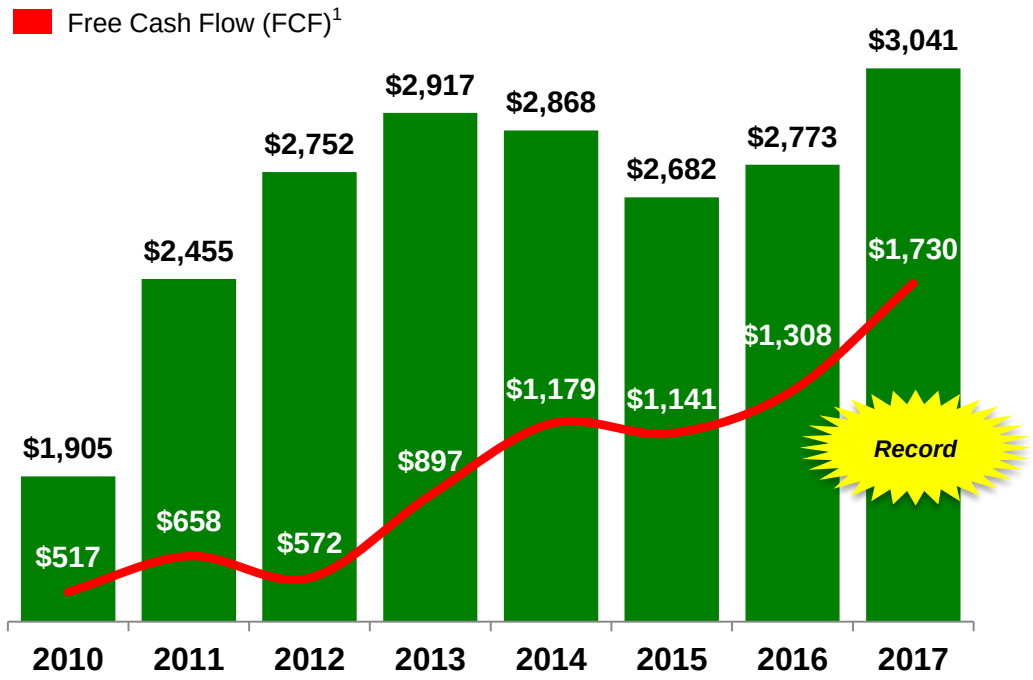
(1) Non-GAAP measures, other than sales and operating cash flow. See Appendix.

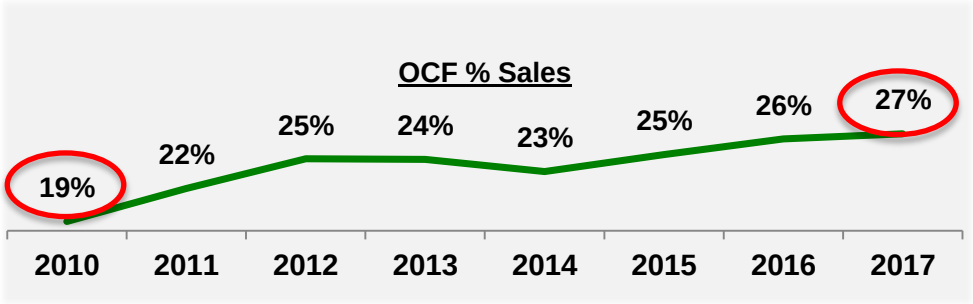
(2) Diluted EPS attributable to Praxair, Inc. shareholders.

Base capex includes maintenance, small growth, safety, cost reduction and other non backlog project capex
Available OCF = operating cash flow minus base capex

Cash Flow Generation

Operating Cash Flow (OCF) Trend ($MM)





2017 Op. Cash Flow Use $3.0B	
Investments in the Business (CAPEX)	**$1.3 B**
Shareholder Returns	**$0.9 B**
Net Debt Reduction	**$0.8 B**

- **Paused stock buybacks during proposed merger**
- **Anticipate further debt reduction**

(1) Non-GAAP measure. Free cash flow equals operating cash flow minus total capital expenditures

Tax and Guidance Update

Tax

- **4Q 2017 provisional charge of $394MM related to US Tax Reform**
  - **Adjustments to charge will be made as new information becomes available**
- **1Q 2018 Effective Tax Rate: 23% to 25%**

First Quarter 2018

- **EPS of $1.53 to $1.58*, up 12% to 15% YoY**
- **Guidance includes:**
  - **Seasonal Lunar New Year and Carnival**
  - **Significant customer turnarounds in U.S. Gulf Coast**
  - **~ $0.05 tailwind from US Tax Reform**

*1Q 2018 guidance does not include transaction costs related to potential Linde merger.

Appendix

North America

($ MM)	Fourth Quarter 2017	Third Quarter 2017	Fourth Quarter 2016
Sales	$1,542	$1,518	$1,397
Segment OP	$396	$386	$359
Operating Margin	25.7%	25.4%	25.7%

	YOY	4Q vs. 3Q
Sales Growth	**+ 10%**	**+ 2%**
Volume	**+ 8%**	**+ 2%**
Price / Mix	**+ 1%**	**+ 1%**
Cost pass-thru	**--**	**--**
Currency	**+ 1%**	**- 1%**
Acq/Div	**--**	**--**

- **Sales and OP, +10% YoY**
- **YoY volume growth driven by downstream energy, manufacturing, chemicals and electronics**
- **Continued price attainment in merchant and packaged gases**
- **Slow recovery in Puerto Rico**
- **Extended and expanded contract with largest refinery in North America**

Europe

($ MM)	Fourth Quarter 2017	Third Quarter 2017	Fourth Quarter 2016
Sales	$412	$407	$351
Segment OP	$80	$78	$71
Operating Margin	19.4%	19.2%	20.2%

	YOY	4Q vs. 3Q
Sales Growth	+ 17%	+ 1%
Volume	+ 5%	--
Price / Mix	--	--
Cost pass-thru	+ 3%	+ 1%
Currency	+ 9%	--
Acq/Div	--	--

- YoY volume growth driven by metals, manufacturing and chemicals
- Strong volume in Spain, Germany and Italy
- Margins negatively impacted by higher cost pass-thru
- Currency tailwind from Euro appreciation

South America

($ MM)	Fourth Quarter 2017	Third Quarter 2017	Fourth Quarter 2016
Sales	$370	$389	$352
Segment OP	$60	$63	$64
Operating Margin	16.2%	16.2%	18.2%

	YOY	4Q vs. 3Q
Sales Growth	+ 5%	- 5%
Volume	+ 3%	- 3%
Price / Mix	+ 1%	--
Cost pass-thru	--	--
Currency	+ 1%	- 2%
Acq/Div	--	--

- YoY volume growth driven by metals, chemicals and food & beverage
- Sequential lower volumes due to seasonality
- Operating margin challenges:
  - Weak manufacturing environment
  - Declining inflation
  - Unfavorable mix with continued weakness in merchant and packaged volumes

Asia

($ MM)	Fourth Quarter 2017	Third Quarter 2017	Fourth Quarter 2016
Sales	$470	$451	$395
Segment OP	$90	$88	$78
Operating Margin	19.1%	19.5%	19.7%

	YOY	4Q vs. 3Q
Sales Growth	+ 19%	+ 4%
Volume	+ 11%	+ 3%
Price / Mix	+ 3%	--
Cost pass-thru	+ 1%	--
Currency	+ 4%	+ 1%
Acq/Div	--	--

- YoY volumes:
  - + Electronics, metals and chemicals
  - + Manufacturing and project start-ups
- Sequential volumes:
  - + Metals and chemicals
- Continued price attainment
- New long-term project win in electronics

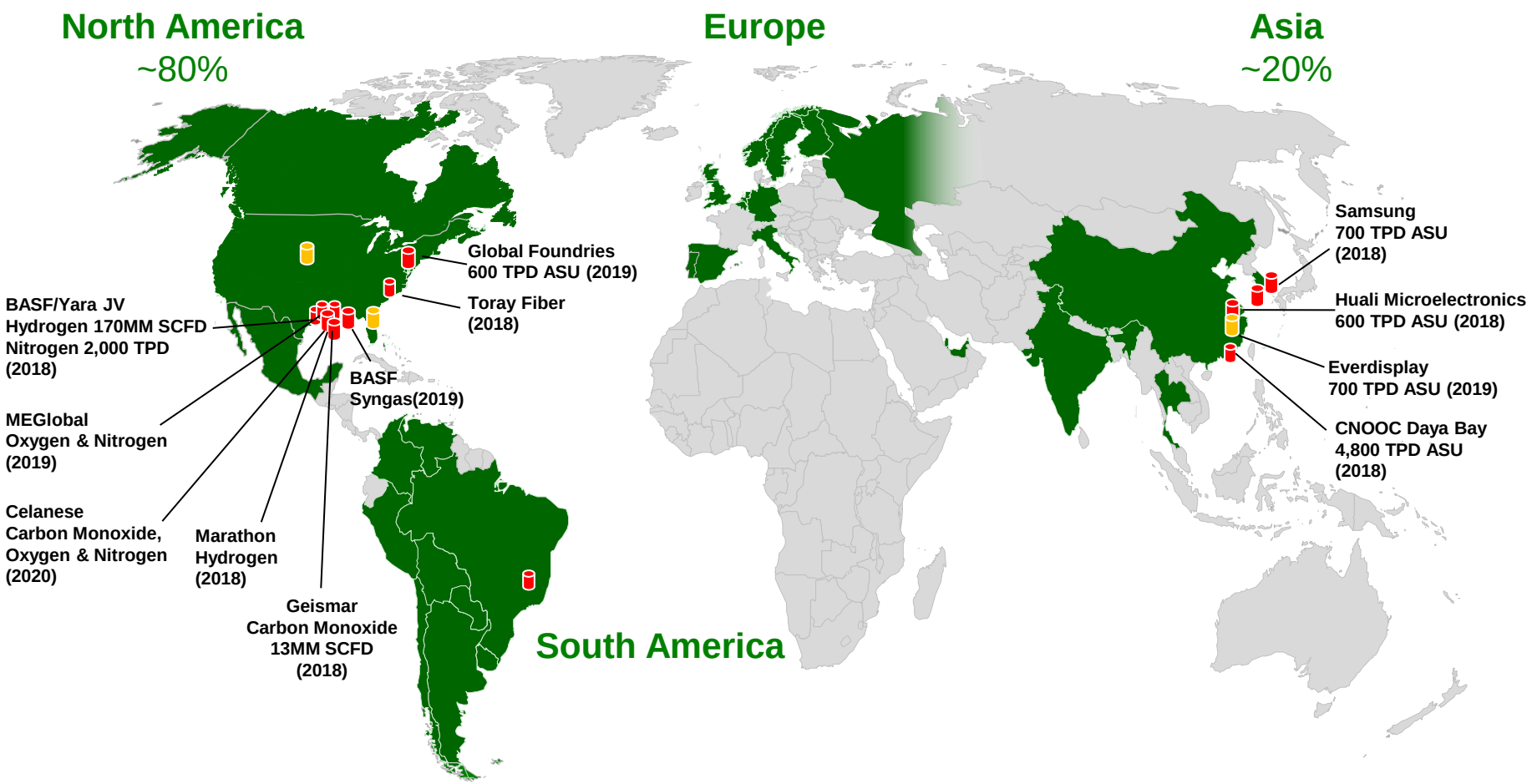
Surface Technologies

($ MM)	Fourth Quarter 2017	Third Quarter 2017	Fourth Quarter 2016
Sales	$159	$157	$149
Segment OP	$27	$27	$27
Operating Margin	17.0%	17.2%	18.1%

- **Continued growth in aerospace end-market**
- **Industrial gas turbines remain weak**

4Q17 Backlog - $1.5B Capital Expenditures

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4Q17 project added to backlog

(XXXX) Indicates expected startup year

% of backlog capex

ASU – Air separation unit(s)
VPSA – Vacuum pressure swing adsorption
TPD – Tons per day
SCFD – Standard cubic feet per day

Global End-Market Trends

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		4Q17 Sales Growth*		
	4Q17 % of Sales	YOY	Vs. 3Q17	
	Manufacturing (22%)	+ 8%	+ 1%	YoY growth in all geographic segments
	Metals (17%)	+ 9%	+ 1%	YoY growth in all geographic segments
	Energy (12%)	+ 10%	+ 9%	North America; Seq volume recovery from impact of hurricanes
	Chemicals (10%)	+ 11%	+ 5%	YoY growth primarily N. America and Asia
	Food & Bev (9%)	+ 4%	- 4%	YoY North and South America; Seq seasonality
	Healthcare (8%)	+ 5%	+ 3%	YoY North and South America, Europe
	Electronics (9%)	+ 17%	+ 1%	YoY North America and Asia

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

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	
	2017	2016	2017	2016	2017	2016	2017	2016
Quarter Ended December 31								
Reported GAAP Amounts	$ 2,953	$ 2,644	$ 636	$ 599	$ 33	$ 406	$ 0.11	$ 1.41
Transaction costs (a)	—	—	17	—	14	—	0.05	—
Tax reform (b)	—	—	—	—	394	—	1.36	—
Pension settlement charges (c)	—	—	—	—	—	—	—	—
Cost reduction program and other charges (d)	—	—	—	—	—	—	—	—
Bond redemption (e)	—	—	—	—	—	—	—	—
Total adjustments	—	—	17	—	408	—	1.41	—
Adjusted amounts	$ 2,953	$ 2,644	$ 653	$ 599	$ 441	$ 406	$ 1.52	$ 1.41
Year To Date December 31								
Reported GAAP Amounts	$ 11,437	$ 10,534	$ 2,448	$ 2,238	$ 1,247	$ 1,500	$ 4.32	$ 5.21
Transaction costs (a)	—	—	52	—	48	—	0.17	—
Tax reform (b)	—	—	—	—	394	—	1.36	—
Pension settlement charges (c)	—	—	2	4	1	3	—	0.01
Cost reduction program and other charges (d)	—	—	—	96	—	63	—	0.22
Bond redemption (e)	—	—	—	—	—	10	—	0.04
Total adjustments	—	—	54	100	443	76	1.53	0.27
Adjusted amounts	$ 11,437	$ 10,534	$ 2,502	$ 2,338	$ 1,690	$ 1,576	$ 5.85	$ 5.48

(a) Charges in 2017 for transaction costs primarily related to the potential Linde merger.

(b) On December 22, 2017 the U.S. government enacted the Tax Cuts and Jobs Act (Tax Reform). This comprehensive tax legislation significantly revises the U.S. corporate income tax by, among other things, lowering corporate income tax rates, implementing a territorial tax system and imposing a repatriation tax on deemed repatriated earnings of foreign subsidiaries. As a result, Praxair's fourth-quarter net income includes a net income tax charge of $394 million comprised of the following: $467 million charge for deemed repatriation of accumulated foreign earnings, $260 million charge for foreign withholding taxes related to anticipated repatriation of foreign earnings and $333 million benefit for the revaluation of deferred tax liabilities from 35 percent to the 21 percent tax rate. This represents the Company's current best estimate of the tax reform. As new information becomes available, the Company may update this estimate.

(c) Pension settlement charges were recorded in the third quarter of 2017 related to lump sum benefit payments made from an international pension plan and in the third quarter of 2016 related to lump sum benefit payments made from the U.S. supplemental pension plan.

(d) Charges in the 2016 third quarter related to the cost reduction program and other charges.

(e) Charge to interest expense in the 2016 first quarter related to a bond redemption.

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 2017 transaction costs, 2017 third quarter pension settlement, 2017 fourth quarter U.S. tax reform, 2016 third quarter cost reduction program and pension settlement, 2016 first quarter bond redemption, 2015 third quarter cost reduction program and pension settlement, and 2015 second quarter cost reduction program and other charges.

Adjusted Amounts

	Year 2017	Fourth Quarter 2017	Third Quarter 2017	Second Quarter 2017	First Quarter 2017	Year 2016	Third Quarter 2016	First Quarter 2016	Year 2015	Third Quarter 2015	Second Quarter 2015
Adjusted Operating Profit and Operating Profit Margin											
Reported operating profit	$ 2,448	$ 636	$ 626	$ 604	$ 582	$ 2,238	$ 497	$ 554	$ 2,321	$ 594	$ 480
Add: Cost reduction program and other charges	—	—	—	—	—	96	96	—	165	19	146
Add: Pension settlement charge	2	—	2	—	—	4	4	—	7	7	—
Add: Transaction costs	52	17	14	15	6	—	—	—	—	—	—
Total adjustments	54	17	16	15	6	100	100	—	172	26	146
Adjusted operating profit	$ 2,502	$ 653	$ 642	$ 619	$ 588	$ 2,338	$ 597	$ 554	$ 2,493	$ 620	$ 626
Reported percentage change	9 %	6 %									
Adjusted percentage change	7 %	9 %									
Reported sales	$ 11,437	$ 2,953	$ 2,922	$ 2,834	$ 2,728	$ 10,534	$ 2,716	$ 2,509	$ 10,776	$ 2,686	$ 2,738
Adjusted operating profit margin	21.9 %	22.1 %	22.0 %	21.8 %	21.6 %	22.2 %	22.0 %	22.1 %	23.1 %	23.1 %	22.9 %
Adjusted Interest Expense - net											
Reported interest expense - net	$ 161	$ 41	$ 41	$ 38	$ 41	$ 190	$ 43	$ 65	$ 161	$ 35	$ 40
Less: Bond redemption	—	—	—	—	—	(16)	—	(16)	—	—	—
Adjusted interest expense - net	$ 161	$ 41	$ 41	$ 38	$ 41	$ 174	$ 43	$ 49	$ 161	$ 35	$ 40
Adjusted Income Taxes											
Reported income taxes	$ 1,026	$ 558	$ 162	$ 157	$ 149	$ 551	$ 120	$ 133	$ 612	$ 156	$ 131
Add: Cost reduction program and other charges	—	—	—	—	—	28	28	—	39	6	33
Add: Bond redemption	—	—	—	—	—	6	—	6	—	—	—
Add: Pension settlement charge	1	—	1	—	—	1	1	—	2	2	—
Add: Tax reform	(394)	(394)	—	—	—	—	—	—	—	—	—
Add: Transaction costs	4	3	1	—	—	—	—	—	—	—	—
Total adjustments	(389)	(391)	2	—	—	35	29	6	41	8	33
Adjusted income taxes	$ 637	$ 167	$ 164	$ 157	$ 149	$ 586	$ 149	$ 139	$ 653	$ 164	$ 164
Adjusted Effective Tax Rate											
Reported income before income taxes and equity investments	$ 2,287	$ 595	$ 585	$ 566	$ 541	$ 2,048	$ 454	$ 489	$ 2,160	$ 559	$ 440
Add: Cost reduction program and other charges	—	—	—	—	—	96	96	—	165	19	146
Add: Bond redemption	—	—	—	—	—	16	—	16	—	—	—
Add: Pension settlement charge	2	—	2	—	—	4	4	—	7	7	—
Add: Transaction costs	52	17	14	15	6	—	—	—	—	—	—
Total adjustments	54	17	16	15	6	116	100	16	172	26	146
Adjusted income before income taxes and equity investments	$ 2,341	$ 612	$ 601	$ 581	$ 547	$ 2,164	$ 554	$ 505	$ 2,332	$ 585	$ 586
Reported effective tax rate	44.9 %	93.8 %	27.7 %	27.7 %	27.5 %	26.9 %	26.4 %	27.2 %	28.3 %	27.9 %	29.8 %
Adjusted effective tax rate	27.2 %	27.3 %	27.3 %	27.0 %	27.2 %	27.1 %	26.9 %	27.5 %	28.0 %	28.0 %	28.0 %

Non-GAAP Measures, continued

	Year 2017	Fourth Quarter 2017	Third Quarter 2017	Second Quarter 2017	First Quarter 2017	Year 2016	Third Quarter 2016	First Quarter 2016	Year 2015	Third Quarter 2015	Second Quarter 2015
Adjusted Operating Profit and Operating Profit Margin											
Adjusted Noncontrolling Interests											
Reported noncontrolling interests	$ 61	$ 16	$ 16	$ 14	$ 15	$ 38	$ 5	$ 10	$ 44	$ 12	$ 11
Add: Cost reduction program and other charges	—	—	—	—	—	5	5	—	1	—	1
Total adjustments	—	—	—	—	—	5	5	—	1	—	1
Adjusted noncontrolling interests	$ 61	$ 16	$ 16	$ 14	$ 15	$ 43	$ 10	$ 10	$ 45	$ 12	$ 12
Adjusted Net Income - Praxair, Inc.											
Reported net income - Praxair, Inc.	$ 1,247	$ 33	$ 419	$ 406	$ 389	$ 1,500	$ 339	$ 356	$ 1,547	$ 401	$ 308
Add: Cost reduction program and other charges	—	—	—	—	—	63	63	—	125	13	112
Add: Bond redemption	—	—	—	—	—	10	—	10	—	—	—
Add: Pension settlement charge	1	—	1	—	—	3	3	—	5	5	—
Add: Tax reform	394	394	—	—	—	—	—	—	—	—	—
Add: Transaction costs	48	14	13	15	6	—	—	—	—	—	—
Total adjustments	443	408	14	15	6	76	66	10	130	18	112
Adjusted net income - Praxair, Inc.	$ 1,690	$ 441	$ 433	$ 421	$ 395	$ 1,576	$ 405	$ 366	$ 1,677	$ 419	$ 420
Reported percentage change	(17)%	(92)%									
Adjusted percentage change	7 %	9 %									
Adjusted Diluted EPS											
Reported diluted EPS	$ 4.32	$ 0.11	$ 1.45	$ 1.41	$ 1.35	$ 5.21	$ 1.18	$ 1.24	$ 5.35	$ 1.40	$ 1.06
Add: Cost reduction program and other charges	—	—	—	—	—	0.22	0.22	—	0.43	0.04	0.39
Add: Bond redemption	—	—	—	—	—	0.04	—	0.04	—	—	—
Add: Pension settlement charge	—	—	—	—	—	0.01	0.01	—	0.02	0.02	—
Add: Tax reform	1.36	1.36	—	—	—	—	—	—	—	—	—
Add: Transaction costs	0.17	0.05	0.05	0.05	0.02	—	—	—	—	—	—
Total adjustments	1.53	1.41	0.05	0.05	0.02	0.27	0.23	0.04	0.45	0.06	0.39
Adjusted diluted EPS	$ 5.85	$ 1.52	$ 1.50	$ 1.46	$ 1.37	$ 5.48	$ 1.41	$ 1.28	$ 5.80	$ 1.46	$ 1.45
Reported percentage change	(17)%	(92)%									
Adjusted percentage change	7 %	8 %									

Non-GAAP Measures, continued

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	2017				2016				2015			
	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	$ 836	$ 794	$ 701	$ 710	$ 726	$ 788	$ 706	$ 553	$ 791	$ 676	$ 710	$ 518
Less: capital expenditures	(339)	(320)	(325)	(327)	(409)	(376)	(357)	(323)	(387)	(405)	(352)	(397)
Free Cash Flow	**$ 497**	**$ 474**	**$ 376**	**$ 383**	**$ 317**	**$ 412**	**$ 349**	**$ 230**	**$ 404**	**$ 271**	**$ 358**	**$ 121**

Available Operating Cash Flow (AOCF) and Base Capex - Available operating 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. AOCF measures operating cash flows available after capital expenditures to maintain or replace existing assets (base capex). AOCF equals cash flow from operations less base capex.

Capex	$ 339	$ 320	$ 325	$ 327	$ 409	$ 376	$ 357	$ 323	$ 387	$ 405	$ 352	$ 397
Less: backlog capex (a)	(96)	(70)	(108)	(94)	(140)	(147)	(126)	(115)	(147)	(152)	(119)	(101)
Base Capex	**$ 243**	**$ 250**	**$ 217**	**$ 233**	**$ 269**	**$ 229**	**$ 231**	**$ 208**	**$ 240**	**$ 253**	**$ 233**	**$ 296**
Operating cash flow	$ 836	$ 794	$ 701	$ 710	$ 726	$ 788	$ 706	$ 553	$ 791	$ 676	$ 710	$ 518
Less: base capex	(243)	(250)	(217)	(233)	(269)	(229)	(231)	(208)	(240)	(253)	(233)	(296)
Available Operating Cash Flow	**$ 593**	**$ 544**	**$ 484**	**$ 477**	**$ 457**	**$ 559**	**$ 475**	**$ 345**	**$ 551**	**$ 423**	**$ 477**	**$ 222**

(a) Backlog capex is defined as capital expenditures for projects greater than $5 million with a customer supply contract

Net Debt, Capital and 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	$ 9,000	$ 9,237	$ 9,367	$ 9,368	$ 9,515	$ 9,842	$ 9,956	$ 9,404	$ 9,231	$ 9,480	$ 9,313	$ 9,360
Less: cash and cash equivalents	(617)	(607)	(535)	(519)	(524)	(627)	(567)	(221)	(147)	(136)	(136)	(117)
Net debt	8,383	8,630	8,832	8,849	8,991	9,215	9,389	9,183	9,084	9,344	9,177	9,243
Equity and redeemable noncontrolling interests:												
Redeemable noncontrolling interests	11	11	10	10	11	11	12	119	113	169	175	170
Praxair, Inc. shareholders' equity	6,018	6,256	5,807	5,529	5,021	5,245	5,140	4,888	4,389	4,264	4,964	5,018
Noncontrolling interests	493	475	453	436	420	393	407	417	404	380	380	375
Total equity and redeemable noncontrolling interests	6,522	6,742	6,270	5,975	5,452	5,649	5,559	5,424	4,906	4,813	5,519	5,563
Capital	$ 14,905	$ 15,372	$ 15,102	$ 14,824	$ 14,443	$ 14,864	$ 14,948	$ 14,607	$ 13,990	$ 14,157	$ 14,696	$ 14,806
Debt-to-capital	**56.2 %**	**56.1 %**	**58.5 %**	**59.7 %**	**62.3 %**	**62.0 %**	**62.8 %**	**62.9 %**	**64.9 %**	**66.0 %**	**62.4 %**	**62.4 %**

Non-GAAP Measures, continued

After-tax Return on Capital and Adjusted 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).

	2017				2016				2015			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Reported net income - Praxair, Inc.	$ 33	$ 419	$ 406	$ 389	$ 406	$ 339	$ 399	$ 356	$ 422	$ 401	$ 308	$ 416
Add: noncontrolling interests	16	16	14	15	13	5	10	10	9	12	11	12
Add: interest expense - net	41	41	38	41	38	43	44	65	42	35	40	44
Less: tax benefit on interest expense - net *	(11)	(11)	(11)	(12)	(10)	(12)	(12)	(20)	(12)	(10)	(11)	(12)
Net operating profit after-tax (NOPAT)	**$ 79**	**$ 465**	**$ 447**	**$ 433**	**$ 447**	**$ 375**	**$ 441**	**$ 411**	**$ 461**	**$ 438**	**$ 348**	**$ 460**
Pre-tax Adjustments:												
Add: Cost reduction program and other charges	—	—	—	—	—	96	—	—	—	19	146	—
Add: Pension settlement charge	—	2	—	—	—	4	—	—	—	7	—	—
Add: Transaction costs	17	14	15	6	—	—	—	—	—	—	—	—
Less: income taxes on pre-tax adjustments	(3)	—	—	—	—	(29)	—	—	—	(8)	(33)	—
Add: Tax reform net income tax charge	394	—	—	—	—	—	—	—	—	—	—	—
Adjusted NOPAT	**$ 487**	**$ 481**	**$ 462**	**$ 439**	**$ 447**	**$ 446**	**$ 441**	**$ 411**	**$ 461**	**$ 456**	**$ 461**	**$ 460**
4-quarter trailing NOPAT	$ 1,424	$ 1,792	$ 1,702	$ 1,696	$ 1,674	$ 1,688	$ 1,751	$ 1,658	$ 1,707	$ 1,616	$ 1,700	$ 1,864
4-quarter trailing adjusted NOPAT	$ 1,869	$ 1,829	$ 1,794	$ 1,773	$ 1,745	$ 1,759	$ 1,769	$ 1,789	$ 1,838	$ 1,879	$ 1,945	$ 1,996
Ending capital (see above)	$ 14,905	$ 15,372	$ 15,102	$ 14,824	$ 14,443	$ 14,864	$ 14,948	$ 14,607	$ 13,990	$ 14,157	$ 14,696	$ 14,806
5-quarter average ending capital	$ 14,929	$ 14,921	$ 14,836	$ 14,737	$ 14,570	$ 14,513	$ 14,480	$ 14,451	$ 14,587	$ 14,999	$ 15,460	$ 15,777
After-tax ROC (4-quarter trailing NOPAT / 5-quarter average capital)	**9.5 %**	**12.0 %**	**11.5 %**	**11.5 %**	**11.5 %**	**11.6 %**	**12.1 %**	**11.5 %**	**11.7 %**	**10.8 %**	**11.0 %**	**11.8 %**
Adjusted after-tax ROC (4-quarter trailing adjusted NOPAT / 5-quarter average capital)	**12.5 %**	**12.3 %**	**12.1 %**	**12.0 %**	**12.0 %**	**12.1 %**	**12.2 %**	**12.4 %**	**12.6 %**	**12.5 %**	**12.6 %**	**12.7 %**

* Tax benefit on interest expense - net is generally presented using the reported effective rate.

EBITDA, Adjusted EBITDA, EBITDA Margin and Adjusted EBITDA Margin - These measures are used by investors, financial analysts and management to assess a company's profitability.

Reported net income - Praxair, Inc.	$ 33	$ 419	$ 406	$ 389	$ 406	$ 339	$ 399	$ 356	$ 422	$ 401	$ 308	$ 416
Add: noncontrolling interests	16	16	14	15	13	5	10	10	9	12	11	12
Add: interest expense - net	41	41	38	41	38	43	44	65	42	35	40	44
Add: income taxes	558	162	157	149	152	120	146	133	163	156	131	162
Add: depreciation and amortization	307	298	292	287	285	284	281	272	275	276	278	277
EBITDA	**$ 955**	**$ 936**	**$ 907**	**$ 881**	**$ 894**	**$ 791**	**$ 880**	**$ 836**	**$ 911**	**$ 880**	**$ 768**	**$ 911**
Adjustments:												
Add: Cost reduction program and other charges	—	—	—	—	—	96	—	—	—	19	146	—
Add: Pension settlement charge	—	2	—	—	—	4	—	—	—	7	—	—
Add: Transaction costs	17	14	15	6	—	—	—	—	—	—	—	—
Adjusted EBITDA	**$ 972**	**$ 952**	**$ 922**	**$ 887**	**$ 894**	**$ 891**	**$ 880**	**$ 836**	**$ 911**	**$ 906**	**$ 914**	**$ 911**
Reported sales	2,953	2,922	2,834	2,728	2,644	2,716	2,665	2,509	2,595	2,686	2,738	2,757
EBITDA margin	**32.3 %**	**32.0 %**	**32.0 %**	**32.3 %**	**33.8 %**	**29.1 %**	**33.0 %**	**33.3 %**	**35.1 %**	**32.8 %**	**28.0 %**	**33.0 %**
Adjusted EBITDA margin	**32.9 %**	**32.6 %**	**32.5 %**	**32.5 %**	**33.8 %**	**32.8 %**	**33.0 %**	**33.3 %**	**35.1 %**	**33.7 %**	**33.4 %**	**33.0 %**

Sustainable Development Highlights

PRAXAIR
Making our planet more productive

BEST-IN-CLASS SAFETY PERFORMANCE

SAFETY FIRST

20x **BETTER** than US OSHA Industrial Average Lost Workday Case Rate

Praxair applications enabled

2X more GHG emissions to be avoided

than were emitted from all its operations

355,000

global beneficiaries from Praxair's Community Engagement Program

130 Million

people globally served by water applications



400+ sites

PARTICIPATED IN PRAXAIR'S **Zero Waste Program**

RECOGNITION

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

AMERICA'S MOST JUST COMPANIES
Forbes 2017

2018 = Bloomberg Gender-Equality Index

DiversityInc 2017 TOP 50 COMPANIES FOR DIVERSITY NOTEWORTHY

2017 WORLD'S MOST ETHICAL COMPANIES®
WWW.ETHISPHERE.COM

Forbes | 2017 AMERICA'S BEST LARGE EMPLOYERS
POWERED BY STATISTA

Praxair's Global Giving Program supported 1,000 organizations in 31 countries around the world

PRAXAIR
Making our planet more productive

For further information, please contact:

INVESTOR RELATIONS
Phone: (203) 837-2213
Juan_Pelaez@praxair.com

www.praxair.com/investors