

NEWS RELEASE



Contacts:

Kelcey Hoyt, Investors (203) 837-2118 - kelcey_hoyt@praxair.com
Sue Neumann, Media (203) 837-2609 - sue_neumann@praxair.com

Praxair, Inc.
39 Old Ridgebury Road
Danbury, CT 06810, U.S.A
www.praxair.com

PRAXAIR REPORTS FIRST-QUARTER 2012 RESULTS

- Sales of \$2.8 billion, 5% above prior-year quarter
- Net income of \$419 million and diluted EPS of \$1.38, up 7% versus prior year
- Strong growth in North America
- Project development activity remains robust
- Diluted EPS guidance: 2012 full-year \$5.75 to \$5.90 and 2Q12 \$1.40 - \$1.45

DANBURY, Conn., April 25, 2012 -- Praxair, Inc. (NYSE: PX) reported first-quarter net income and diluted earnings per share of \$419 million and \$1.38, 5% and 7% above the prior-year quarter, respectively.

Sales in the first quarter were \$2,840 million, an increase of 5% compared to \$2,702 million in the previous year. Sales grew 8% from the prior-year quarter, excluding negative foreign currency and cost pass-through effects. Sales growth was strongest in North America and Asia in the manufacturing, metals and energy markets. Growth was slower in Europe and South America due to weaker economic conditions in those geographies.

Operating profit in the first quarter was \$627 million, up 6% from \$591 million in the prior-year quarter. The improvement was driven by higher volumes and prices, partially offset by weaker currencies and cost inflation.

First-quarter cash flow from operations was \$402 million and capital spending was \$483 million, primarily for new production plants under long-term contracts with customers. The company paid dividends of \$164 million and repurchased \$102 million of stock, net of issuances. The debt-to-capital ratio was 51.3% and debt to EBITDA was 1.9x.* During the quarter, the company issued \$600 million of 10-year notes at 2.45% to refund maturing debt and extend the maturity of its debt profile. The after-tax return-on-capital and return on equity for the quarter were 14.2% and 29.4%, respectively.*

Commenting on the financial results and business outlook, Chairman and Chief Executive Officer Steve Angel said, "Our first-quarter results demonstrated continued strong growth in North America, where we are well-positioned to continue to grow from greater sales to customers in the chemical, energy and manufacturing industries who are benefitting from low natural gas costs. We expect the South America and Asia businesses to continue to grow as we start up new projects driven by increasing consumer demand and infrastructure investment.

New large-project proposal activity continues to be robust and we remain focused on growing the business at continued high levels of profitability and return on capital."

For the second quarter of 2012, Praxair expects diluted earnings per share in the range of \$1.40 to \$1.45.

For the full year of 2012, Praxair expects sales in the range of \$11.6 to \$11.9 billion. The company expects diluted earnings per share to be in the range of \$5.75 to \$5.90. Full-year capital expenditures are expected to be in the range of \$2.1 to 2.4 billion and the effective tax rate is forecasted to remain at about 28%.

Following is additional detail on first-quarter 2012 results by segment.

In North America, first-quarter sales were \$1,398 million up 6% from the prior-year quarter. Underlying sales, excluding the effects of lower natural gas prices and foreign currency translation, grew 10% from higher volumes and higher price, largely attributable to growth in the manufacturing, metals and energy markets. Operating profit of \$361 million grew 16% from the prior year due primarily to higher volumes, price and ongoing productivity initiatives.

In Europe, first-quarter sales were \$377 million. Sales were 9% above the prior year quarter due primarily to the acquisition of increased ownership of Yara Praxair in Scandinavia, partially offset by negative currency translation and lower packaged gas sales. Operating profit was steady at \$68 million, compared to the prior-year quarter, primarily due to negative currency translation, lower volumes and cost increases not fully recovered through price.

In South America, first-quarter sales were \$562 million. Sales grew 6% from the prior-year quarter, excluding a 5% negative currency impact, primarily due to higher price and on-site volumes. Operating profit was \$115 million as compared to \$133 million in the prior-year period due to negative currency translation and higher power and distribution costs.

Sales in Asia were \$334 million in the quarter, up 5% from the prior year driven by volume growth in India, China, Korea and Thailand. Sales growth came primarily from metals and chemicals customers. Operating profit was \$57 million, as compared to \$53 million in the prior-year.

Praxair Surface Technologies had first-quarter sales of \$169 million, up 8%, compared to \$157 million in the prior-year quarter. Sales growth was driven by higher coating applications on jet engines as well as increased coating of oil and gas drilling equipment. Operating profit increased to \$26 million from \$25 million in the prior-year quarter due to volume growth.

Praxair is the largest industrial gases company in North and South America, and one of the largest worldwide. The company produces, sells and distributes atmospheric and process 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 others. More information on Praxair is available on the Internet at www.praxair.com.

*See the attachments for calculations of non-GAAP measures.

###

P-16/12

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

A teleconference on Praxair's first-quarter results is being held this morning, April 25, at 11:00 am Eastern Time. The number is (857) 350-1589 -- Passcode: 29262187. The call also is available as a web cast at www.praxair.com/investors. Materials to be used in the teleconference are also available.

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; 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. 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, | |
| | 2012 | 2011 |
| SALES | \$ 2,840 | \$ 2,702 |
| Cost of sales | 1,616 | 1,536 |
| Selling, general and administrative | 335 | 308 |
| Depreciation and amortization | 252 | 244 |
| Research and development | 24 | 22 |
| Other income (expense) - net | 14 | (1) |
| OPERATING PROFIT | 627 | 591 |
| Interest expense - net | 37 | 35 |
| INCOME BEFORE INCOME TAXES AND EQUITY INVESTMENTS | 590 | 556 |
| Income taxes | 165 | 156 |
| INCOME BEFORE EQUITY INVESTMENTS | 425 | 400 |
| Income from equity investments | 7 | 9 |
| NET INCOME (INCLUDING NONCONTROLLING INTERESTS) | 432 | 409 |
| Less: noncontrolling interests | (13) | (11) |
| NET INCOME - PRAXAIR, INC. | \$ 419 | \$ 398 |
| PER SHARE DATA - PRAXAIR, INC. SHAREHOLDERS | | |
| Basic earnings per share | \$ 1.40 | \$ 1.31 |
| Diluted earnings per share | \$ 1.38 | \$ 1.29 |
| Cash dividends | \$ 0.55 | \$ 0.50 |
| WEIGHTED AVERAGE SHARES OUTSTANDING | | |
| Basic shares outstanding (000's) | 299,077 | 304,071 |
| Diluted shares outstanding (000's) | 302,876 | 308,595 |

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

| | <u>March 31,</u> <u>2012</u> | <u>December 31,</u> <u>2011</u> |
|--|---------------------------------|------------------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 107 | \$ 90 |
| Accounts receivable - net | 1,934 | 1,795 |
| Inventories | 482 | 456 |
| Prepaid and other current assets | 239 | 266 |
| TOTAL CURRENT ASSETS | <u>2,762</u> | <u>2,607</u> |
| Property, plant and equipment - net | 10,523 | 10,131 |
| Goodwill | 2,413 | 2,372 |
| Other intangibles - net | 165 | 167 |
| Other long-term assets | 1,124 | 1,079 |
| TOTAL ASSETS | <u>\$ 16,987</u> | <u>\$ 16,356</u> |
| LIABILITIES AND EQUITY | | |
| Accounts payable | \$ 919 | \$ 896 |
| Short-term debt | 256 | 337 |
| Current portion of long-term debt | 180 | 387 |
| Other current liabilities | 799 | 915 |
| TOTAL CURRENT LIABILITIES | <u>2,154</u> | <u>2,535</u> |
| Long-term debt | 6,420 | 5,838 |
| Other long-term liabilities | 1,914 | 1,966 |
| TOTAL LIABILITIES | <u>10,488</u> | <u>10,339</u> |
| REDEEMABLE NONCONTROLLING INTERESTS | 232 | 220 |
| EQUITY | | |
| Praxair, Inc. shareholders' equity | 5,940 | 5,488 |
| Noncontrolling interests | 327 | 309 |
| TOTAL EQUITY | <u>6,267</u> | <u>5,797</u> |
| TOTAL LIABILITIES AND EQUITY | <u>\$ 16,987</u> | <u>\$ 16,356</u> |

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

| | Quarter Ended | |
|--|---------------|--------------|
| | March 31, | |
| | 2012 | 2011 |
| OPERATIONS | | |
| Net income - Praxair, Inc. | \$ 419 | \$ 398 |
| Noncontrolling interests | 13 | 11 |
| Net income (including noncontrolling interests) | <u>432</u> | <u>409</u> |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Deferred income taxes | 69 | 34 |
| Depreciation and amortization | 252 | 244 |
| Accounts receivable | (143) | (178) |
| Inventory | (31) | (17) |
| Payables and accruals | (95) | (143) |
| Pension contributions | (106) | (8) |
| Other | 24 | 18 |
| Net cash provided by operating activities | <u>402</u> | <u>359</u> |
| INVESTING | | |
| Capital expenditures | (483) | (334) |
| Acquisitions, net of cash acquired | (12) | - |
| Divestitures and asset sales | 64 | 30 |
| Net cash used for investing activities | <u>(431)</u> | <u>(304)</u> |
| FINANCING | | |
| Debt increase (decrease) - net | 278 | 263 |
| Issuances of common stock | 73 | 77 |
| Purchases of common stock | (175) | (215) |
| Cash dividends - Praxair, Inc. shareholders | (164) | (152) |
| Excess tax benefit on stock option exercises | 32 | 18 |
| Noncontrolling interest transactions and other | - | (1) |
| Net cash provided by (used for) financing activities | <u>44</u> | <u>(10)</u> |
| Effect of exchange rate changes on cash and cash equivalents | <u>2</u> | <u>2</u> |
| Change in cash and cash equivalents | 17 | 47 |
| Cash and cash equivalents, beginning-of-period | <u>90</u> | <u>39</u> |
| Cash and cash equivalents, end-of-period | <u>\$ 107</u> | <u>\$ 86</u> |

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

| | Quarter Ended | |
|-------------------------|----------------------|-----------------|
| | March 31, | |
| | 2012 | 2011 (a) |
| SALES | | |
| North America | \$ 1,398 | \$ 1,325 |
| Europe | 377 | 345 |
| South America | 562 | 558 |
| Asia | 334 | 317 |
| Surface Technologies | 169 | 157 |
| Total sales | <u>\$ 2,840</u> | <u>\$ 2,702</u> |
| OPERATING PROFIT | | |
| North America | \$ 361 | \$ 312 |
| Europe | 68 | 68 |
| South America | 115 | 133 |
| Asia | 57 | 53 |
| Surface Technologies | 26 | 25 |
| Total operating profit | <u>\$ 627</u> | <u>\$ 591</u> |

- (a) Effective with the 2012 first quarter, Praxair changed the measurement of its segment sales and operating profit. These changes primarily relate to helium and specialty gas sales and result in slightly higher sales and operating profit in the Europe and Asia segment with offsetting declines in the North America segment. Prior period amounts have been reclassified to conform to the current presentation. See the Investors section of Praxair's website for a summary of the remeasurement adjustments for 2011 and 2010.

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

| | 2011 | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Q1 | Q4 (b) | Q3 | Q2 | Q1 |
| FROM THE INCOME STATEMENT | | | | | |
| Sales | \$ 2,840 | \$ 2,796 | \$ 2,896 | \$ 2,858 | \$ 2,702 |
| Cost of sales | 1,616 | 1,598 | 1,684 | 1,640 | 1,536 |
| Selling, general and administrative | 335 | 315 | 307 | 309 | 308 |
| Depreciation and amortization | 252 | 249 | 256 | 254 | 244 |
| Research and development | 24 | 23 | 22 | 23 | 22 |
| Cost reduction program and other charges - net | - | 1 | - | - | - |
| Other income (expenses) - net | 14 | 8 | 5 | (5) | (1) |
| Operating profit | 627 | 618 | 632 | 627 | 591 |
| Interest expense - net | 37 | 38 | 36 | 36 | 35 |
| Income taxes | 165 | 156 | 166 | 163 | 156 |
| Income from equity investments | 7 | 7 | 13 | 11 | 9 |
| Net income (including noncontrolling interests) | 432 | 431 | 443 | 439 | 409 |
| Less: noncontrolling interests | (13) | (11) | (14) | (14) | (11) |
| Net income - Praxair, Inc. | <u>\$ 419</u> | <u>\$ 420</u> | <u>\$ 429</u> | <u>\$ 425</u> | <u>\$ 398</u> |
| PER SHARE DATA - PRAXAIR, INC. SHAREHOLDERS | | | | | |
| Diluted earnings per share | \$ 1.38 | \$ 1.38 | \$ 1.40 | \$ 1.38 | \$ 1.29 |
| Cash dividends per share | \$ 0.55 | \$ 0.50 | \$ 0.50 | \$ 0.50 | \$ 0.50 |
| Diluted weighted average shares outstanding (000's) | 302,876 | 303,700 | 305,623 | 308,253 | 308,595 |
| FROM THE BALANCE SHEET | | | | | |
| Total debt | \$ 6,856 | \$ 6,562 | \$ 6,310 | \$ 6,119 | \$ 5,838 |
| Total capital (a) | 13,355 | 12,579 | 12,430 | 12,889 | 12,375 |
| Debt-to-capital ratio (a) | 51.3% | 52.2% | 50.8% | 47.5% | 47.2% |
| FROM THE STATEMENT OF CASH FLOWS | | | | | |
| Cash flow from operations | \$ 402 | 791 | \$ 732 | \$ 573 | \$ 359 |
| Capital expenditures | 483 | 572 | 458 | 433 | 334 |
| Acquisitions | 12 | 195 | 19 | 80 | - |
| Cash dividends | 164 | 149 | 150 | 151 | 152 |
| OTHER INFORMATION | | | | | |
| After-tax return on capital (ROC) (a) | 14.2% | 14.5% | 14.8% | 14.7% | 14.4% |
| Return on Praxair, Inc. shareholders' equity (ROE) (a) | 29.4% | 29.5% | 28.3% | 27.1% | 26.6% |
| Adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) (a) | \$ 886 | \$ 875 | \$ 901 | \$ 892 | \$ 844 |
| Debt-to-adjusted EBITDA ratio (a) | 1.9 | 1.8 | 1.7 | 1.7 | 1.7 |
| Number of employees | 26,259 | 26,184 | 25,793 | 25,678 | 25,482 |
| SEGMENT DATA (c) | | | | | |
| SALES | | | | | |
| North America | \$ 1,398 | \$ 1,388 | \$ 1,416 | \$ 1,361 | \$ 1,325 |
| Europe | 377 | 382 | 361 | 370 | 345 |
| South America | 562 | 532 | 607 | 611 | 558 |
| Asia | 334 | 334 | 349 | 348 | 317 |
| Surface Technologies | 169 | 160 | 163 | 168 | 157 |
| Total sales | <u>\$ 2,840</u> | <u>\$ 2,796</u> | <u>\$ 2,896</u> | <u>\$ 2,858</u> | <u>\$ 2,702</u> |
| OPERATING PROFIT | | | | | |
| North America | \$ 361 | \$ 353 | \$ 340 | \$ 326 | \$ 312 |
| Europe | 68 | 64 | 68 | 72 | 68 |
| South America | 115 | 118 | 140 | 139 | 133 |
| Asia | 57 | 60 | 58 | 63 | 53 |
| Surface Technologies | 26 | 24 | 26 | 27 | 25 |
| Segment operating profit | 627 | \$ 619 | \$ 632 | \$ 627 | \$ 591 |
| Cost reduction program and other charges - net | - | (1) | - | - | - |
| Total operating profit | <u>\$ 627</u> | <u>\$ 618</u> | <u>\$ 632</u> | <u>\$ 627</u> | <u>\$ 591</u> |

(a) Non-GAAP measure, see Appendix.

(b) The fourth quarter 2011 includes: (i) a pre-tax gain of \$39 million (\$37 million after-tax and noncontrolling interests, or \$0.12 per diluted share) related to a gain on acquisition; and (ii) a pre-tax charge of \$40 million (\$31 million after-tax, or \$0.10 per diluted share) related to the 2011 cost reduction program. Also, see the Appendix - Non-GAAP Measures which provides Non-GAAP amounts that exclude the impact of these items.

(c) Effective with the 2012 first quarter, Praxair changed the measurement of its segment sales and operating profit. Prior period amounts have been reclassified to conform to the current presentation. See segment information.

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

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 financing leverage, return on net assets employed 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 2011 fourth quarter gain on acquisition and cost reduction program which helps investors understand underlying performance on a comparable basis.

| | 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. | | | | | |
| Total debt | \$ 6,856 | \$ 6,562 | \$ 6,310 | \$ 6,119 | \$ 5,838 |
| Equity and redeemable noncontrolling interests: | | | | | |
| Redeemable noncontrolling interests | 232 | 220 | - | - | - |
| Praxair, Inc. shareholders' equity | 5,940 | 5,488 | 5,753 | 6,400 | 6,165 |
| Noncontrolling interests | 327 | 309 | 368 | 370 | 372 |
| Total equity and redeemable noncontrolling interests | 6,499 | 6,017 | 6,121 | 6,770 | 6,537 |
| Total Capital | \$ 13,355 | \$ 12,579 | \$ 12,430 | \$ 12,889 | \$ 12,375 |
| Debt-to-capital ratio | 51.3% | 52.2% | 50.8% | 47.5% | 47.2% |

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).

| | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| Operating profit (a) | \$ 627 | \$ 619 | \$ 632 | \$ 627 | \$ 591 |
| Less: income taxes (a) | (165) | (162) | (166) | (163) | (156) |
| Less: tax benefit on interest expense | (10) | (11) | (10) | (10) | (10) |
| Add: income from equity investments | 7 | 7 | 13 | 11 | 9 |
| Net operating profit after-tax (NOPAT) | \$ 459 | \$ 453 | \$ 469 | \$ 465 | \$ 434 |
| Beginning capital | \$ 12,579 | \$ 12,430 | \$ 12,889 | \$ 12,375 | \$ 11,702 |
| Ending capital | \$ 13,355 | \$ 12,579 | \$ 12,430 | \$ 12,889 | \$ 12,375 |
| Average capital | \$ 12,967 | \$ 12,504 | \$ 12,659 | \$ 12,632 | \$ 12,039 |
| ROC % | 3.5% | 3.6% | 3.7% | 3.7% | 3.6% |
| ROC % (annualized) | 14.2% | 14.5% | 14.8% | 14.7% | 14.4% |

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.

| | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| Net income - Praxair, Inc. (a) | \$ 419 | \$ 414 | \$ 429 | \$ 425 | \$ 398 |
| Beginning Praxair, Inc. shareholders' equity | \$ 5,488 | \$ 5,753 | \$ 6,400 | \$ 6,165 | \$ 5,792 |
| Ending Praxair, Inc. shareholders' equity | \$ 5,940 | \$ 5,488 | \$ 5,753 | \$ 6,400 | \$ 6,165 |
| Average Praxair, Inc. shareholders' equity | \$ 5,714 | \$ 5,621 | \$ 6,077 | \$ 6,283 | \$ 5,979 |
| ROE % | 7.3% | 7.4% | 7.1% | 6.8% | 6.7% |
| ROE % (annualized) | 29.4% | 29.5% | 28.3% | 27.1% | 26.6% |

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.

| | | | | | |
|---|------------|------------|------------|------------|------------|
| Net income - Praxair, Inc. (a) | \$ 419 | \$ 414 | \$ 429 | \$ 425 | \$ 398 |
| Add: noncontrolling interests | 13 | 12 | 14 | 14 | 11 |
| Add: interest expense - net | 37 | 38 | 36 | 36 | 35 |
| Add: income taxes (a) | 165 | 162 | 166 | 163 | 156 |
| Add: depreciation and amortization | 252 | 249 | 256 | 254 | 244 |
| Adjusted EBITDA | \$ 886 | \$ 875 | \$ 901 | \$ 892 | \$ 844 |
| Percentage change from 2011 first quarter | 4.9% | | | | |
| Beginning total debt | \$ 6,562 | \$ 6,310 | \$ 6,119 | \$ 5,838 | \$ 5,557 |
| Ending total debt | \$ 6,856 | \$ 6,562 | \$ 6,310 | \$ 6,119 | \$ 5,838 |
| Average total debt | \$ 6,709 | \$ 6,436 | \$ 6,215 | \$ 5,979 | \$ 5,698 |
| Debt-to-adjusted EBITDA ratio | 7.6 | 7.4 | 6.9 | 6.7 | 6.8 |
| Debt-to-adjusted EBITDA ratio (annualized) | 1.9 | 1.8 | 1.7 | 1.7 | 1.7 |

- (a) The following table presents adjusted amounts for Operating Profit and Operating Profit Margin, Income Taxes, Effective Tax Rate, Noncontrolling Interests, Net income - Praxair, Inc., and Diluted EPS for the Fourth Quarter of 2011.

| | Fourth Quarter 2011 |
|---|------------------------------------|
| <u>Adjusted Operating Profit and Operating Profit Margin *</u> | |
| Reported operating profit | \$ 618 |
| Less: Gain on acquisition | (39) |
| Add: Cost reduction program | 40 |
| Total adjustments | 1 |
| Adjusted operating profit | <u>\$ 619</u> |
| Reported sales | \$ 2,796 |
| Adjusted operating profit margin | 22.1% |
| <u>Adjusted Income Taxes</u> | |
| Reported income taxes | \$ 156 |
| Add: Cost reduction program | 9 |
| Less: Gain on acquisition | (3) |
| Total adjustments | 6 |
| Adjusted income taxes | <u>\$ 162</u> |
| <u>Adjusted Effective Tax Rate</u> | |
| Reported income before income taxes and equity investments | \$ 580 |
| Less: Gain on acquisition | (39) |
| Add: Cost reduction program | 40 |
| Total adjustments | 1 |
| Adjusted income before income taxes and equity investments | <u>\$ 581</u> |
| Adjusted income taxes (above) | \$ 162 |
| Adjusted effective tax rate | 28% |
| <u>Adjusted Noncontrolling interest</u> | |
| Reported noncontrolling interest | \$ 11 |
| Add: Gain on acquisition | 1 |
| Adjusted noncontrolling interest | <u>\$ 12</u> |
| <u>Adjusted Net Income - Praxair, Inc. *</u> | |
| Reported net income - Praxair, Inc. | \$ 420 |
| Less: Gain on acquisition | (37) |
| Add: Cost reduction program | 31 |
| Total adjustments | (6) |
| Adjusted net income - Praxair, Inc. | <u>\$ 414</u> |
| <u>Adjusted Diluted EPS *</u> | |
| Reported diluted EPS | \$ 1.38 |
| Less: Gain on acquisition | (0.12) |
| Add: Cost reduction program | 0.10 |
| Total adjustments | (0.02) |
| Adjusted diluted EPS | <u>\$ 1.36</u> |