Forward Looking Statement

This document contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management's reasonable expectations and assumptions as of the date the statements are made but involve risks and uncertainties. These risks and uncertainties include, without limitation: the performance of stock markets generally; developments in worldwide and national economies and other international events and circumstances; changes in foreign currencies and in interest rates; the cost and availability of electric power, natural gas and other raw materials; the ability to achieve price increases to offset cost increases; catastrophic events including natural disasters, epidemics and acts of war and terrorism; the ability to attract, hire, and retain qualified personnel; the impact of changes in financial accounting standards; the impact of changes in pension plan liabilities; the impact of tax, environmental, healthcare and other legislation and government regulation in jurisdictions in which the company operates; the cost and outcomes of investigations, litigation and regulatory proceedings; 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 which should be reviewed carefully. Please consider the company’s forward-looking statements in light of those risks.
Praxair Snapshot

Industrial Gases
- Critical to customer; small part of their cost
- Local production and distribution
- Long-term contracts

Praxair 1H16 Results
- Operating margin 22%
- Return on capital 12%
- Operating cash flow 24% of sales

1H16 Sales

By Segment
- North America 53%
- South America 13%
- Europe 13%
- Asia 15%
- PST 6%

By Supply Mode
- Packaged Gases 28%
- Merchant 35%
- On-Site 28%
- Other 9%

By End-Market
- Manufacturing 23%
- Metals 17%
- Energy 11%
- Chemicals 10%
- Aerospace 3%
- Electronics 8%
- Food / Bev 9%
- Healthcare 8%
- Other 11%

Praxair Performance Drivers
- Diverse end-markets
- Integrated supply model
- Select geographic footprint
- Disciplined investments drive density & returns
- Growth and margin expansion
- Consistently strong cash flow generation and disciplined capital allocation

Continuous improvement… resilient cash flow… accretive recovery

Praxair 1H16 operating margin and return on capital are non-GAAP measures; refer to 06/30/16 Form 10-Q for reconciliations.
Diverse End-Markets and the Gases We Supply

**Manufacturing**
- Cutting
- Welding
- Glass
- Automotive

23%

**Metals**
- Steel production
- Stainless steel
- Metal finishing / coating
- Inerting

17%

**Energy**
- Refining
- Natural gas fracking
- Enhanced oil recovery
- Inerting

11%

**Chemicals**
- Production
- Coal gasification
- Syngas production
- Process control spec gases

10%

**Food & Bev**
- Carbonation
- Freezing
- Inerting
- Aquaculture

9%

**Electronics**
- Semiconductor
- Photovoltaics
- Flat Panel

8%

**Healthcare**
- Hospitals
- MRI
- Anesthesia

8%

**Gases**
- Atmospheric: \( \text{O}_2, \text{N}_2, \text{Ar} \)
- Process: \( \text{H}_2, \text{He}, \text{CO}_2, \text{CO} \)
- Rare: \( \text{Xe}, \text{Kr}, \text{Ne} \)
- Spec Gases: \( \text{N}_2\text{O}, \text{SiH}_4, \text{High Purity}, \text{Blends} \)
Advantages of Praxair’s Integrated Supply Model

Integrated supply and contract terms drive strong return on capital

CUSTOMERS

Pipeline

On-Site

Merchant

Packaged

Filling Plant

CONTRACTS

- Long-term: 15 – 20 years
- Take-or-pay provisions ensure base return
- Cost pass-through

- Medium-term: 3 – 7 years
- Exclusive contracts
- Low-cost energy purchase & efficient production drives profitability

- Short-term: 1 – 3 years or purchase order contracts
- Bundle offerings to maximize customer value

Capital Intensity / Volume

# of Transactions / Contract Flexibility

Low

High

Low

High

Air Separation Unit

Credit Suisse Basic Materials Conference - NY 09/14/2016
Control what we can... Grow profitably...

**Strategy**

**Optimize Base Business**
- Leaner organization
- Productivity
- Price Management
- Cash Flow

**Grow Resilient End-Markets**
- Healthcare
- Food & Beverage
- Environmental
- Specialty Gases
- Aerospace

**Capitalize on Acquisition Opportunities**
- Build geographic density
- Increase presence in resilient end-markets

**Execute Backlog & Win New Projects**
- U.S. Gulf Coast focus
- Stronger contribution in 2017+

**Leverage Cyclical Recovery**
- Emerging Markets
- Oil and Metals
- Associated FX tailwind
Capital Allocation

Operating Cash Flow ~25% of Sales

Growth
- Priority is quality growth
  - Capital projects in our core business with prudent terms and conditions
  - Acquisitions with synergies and resilient end-markets
  - Double-digit after-tax IRR

Return to Shareholders
- Consistently strong return of cash to shareholders
  - Growing dividends annually (23 consecutive years)
  - Remaining free cash for stock repurchases

Investment Grade Rating
- Maintain strong credit rating
  - Hold net debt approximately at current levels or modestly reduce
  - Flexibility for future growth opportunities

Consistently disciplined
Sustainable Development Highlights

**BEST-IN-CLASS SAFETY PERFORMANCE:**
- 25x better than US OSHA industrial average lost workday case rate

**SAFETY FIRST**

**$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**
- **14 consecutive years** named to the Dow Jones Sustainability Indices
- **8 consecutive years** CDP Climate Disclosure Leader 2015

**Forbes 2016 America’s Best Large Employers**