

# Praxair, Inc.

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# 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; 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.**

## Industrial Gases

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

## Praxair Industry-Leading Results

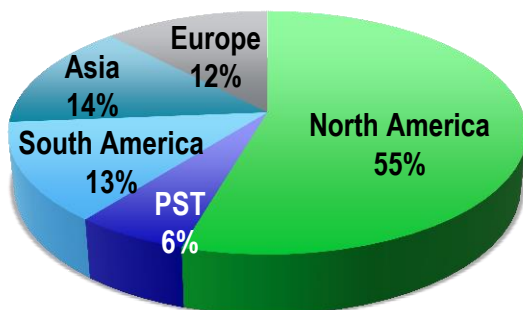
- Operating margin 23%
- Return on capital 13%
- Operating cash flow 25% of sales

## Praxair Performance Drivers

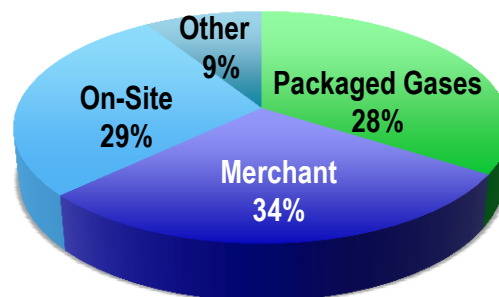
- Diverse end-markets
- Integrated supply model
- Select geographic footprint, largest in Americas
- Disciplined investments drive density & returns
- Growth and margin expansion
- Consistently strong cash flow generation and disciplined capital allocation

## 2015 Sales

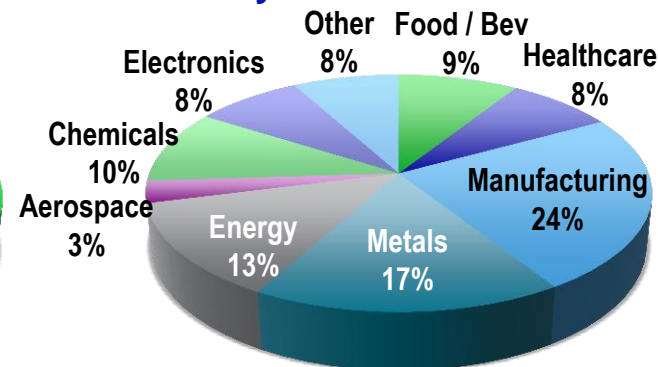
By Segment



By Supply Mode



By End-Market



Continuous improvement... resilient cash flow...accretive recovery

# Diverse End-Markets and the Gases We Supply

## Manufacturing



24%

- Cutting ●
- Welding ● ● ● ● ● ●
- Glass ● ● ● ● ● ●
- Automotive ● ● ● ● ● ●

## Metals



17%

- Steel production ●
- Stainless steel ● ●
- Metal finishing / coating ●
- Inerting ● ●

## Energy



13%

- Refining ●
- Natural gas fracking ● ●
- Enhanced oil recovery ● ●
- LNG in Brazil

## Chemicals



10%

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

## Food & Bev



9%

- Carbonation ●
- Freezing ● ●
- Inerting ●
- Aquaculture ●

## Electronics



8%

- Semiconductor ● ● ●, *spec gases*
- Photovoltaics ● ● ●
- Flat Panel ● ● ● ● ●

## Healthcare



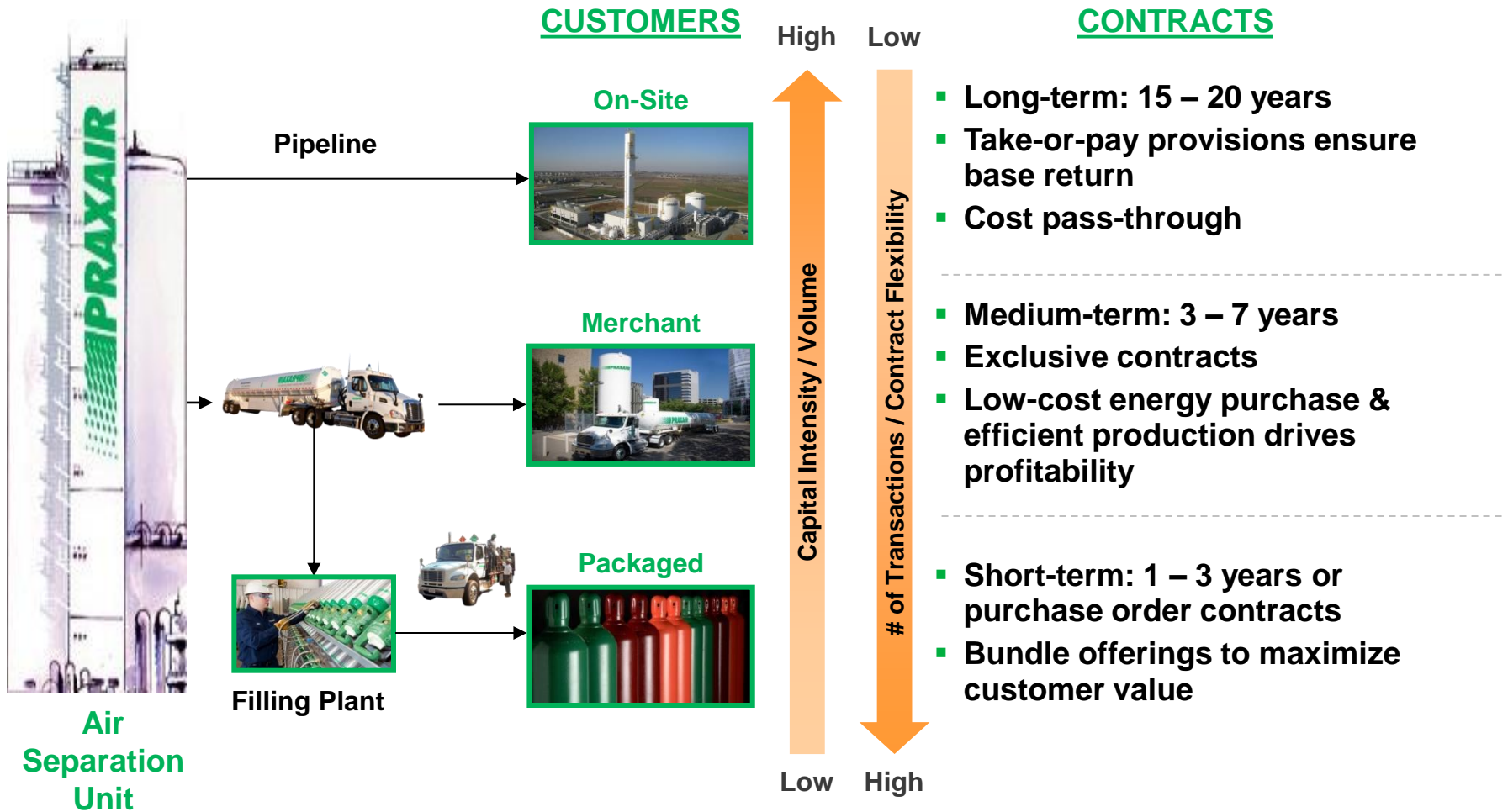
8%

- Hospitals ● ● ●
- MRI ●
- Anesthesia ●

## Gases

- Atmospheric ●<sub>2</sub> ●<sub>2</sub> ●
- Process ●<sub>2</sub> ● ● ● ●
- Rare ● ● ●
- Spec Gases ●<sub>2</sub>O ●<sub>4</sub> ● High Purity ● Blends

# Advantages of Praxair's Integrated Supply Model



Integrated supply and contract terms drive strong return on capital

2015

2016

2017

2018+

## 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

Control what we can... Grow profitably...

## 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
- Flexibility for future growth opportunities

Consistently disciplined



**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

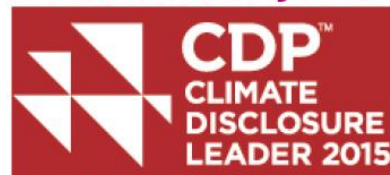


**125MM**  
people served by water applications

RECOGNITION

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

**8** consecutive years



**2015 FORBES'**  
**America's Best**  
**Employers List**