PRAXAIR
Making our planet more productive℠

Investor Teleconference Presentation
Fourth Quarter 2016



Praxair, Inc.
January 26, 2017

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 entry into or 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 not to enter into, or to abandon the transaction; the occurrence of any event, change or other circumstances that could give rise to the termination of the proposed business combination agreement; the ability to successfully complete the proposed business combination and the exchange offer, including satisfying closing conditions; the success of the business following the proposed business combination; the ability to successfully integrate the Praxair and Linde businesses; the possibility that Praxair stockholders may not approve the proposed business combination agreement or that the requisite number of Linde shares may not be tendered in the public offer; 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; 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, Inc.

Stephen F. Angel
Chairman and Chief Executive Officer

Executing and Delivering Our Strategy

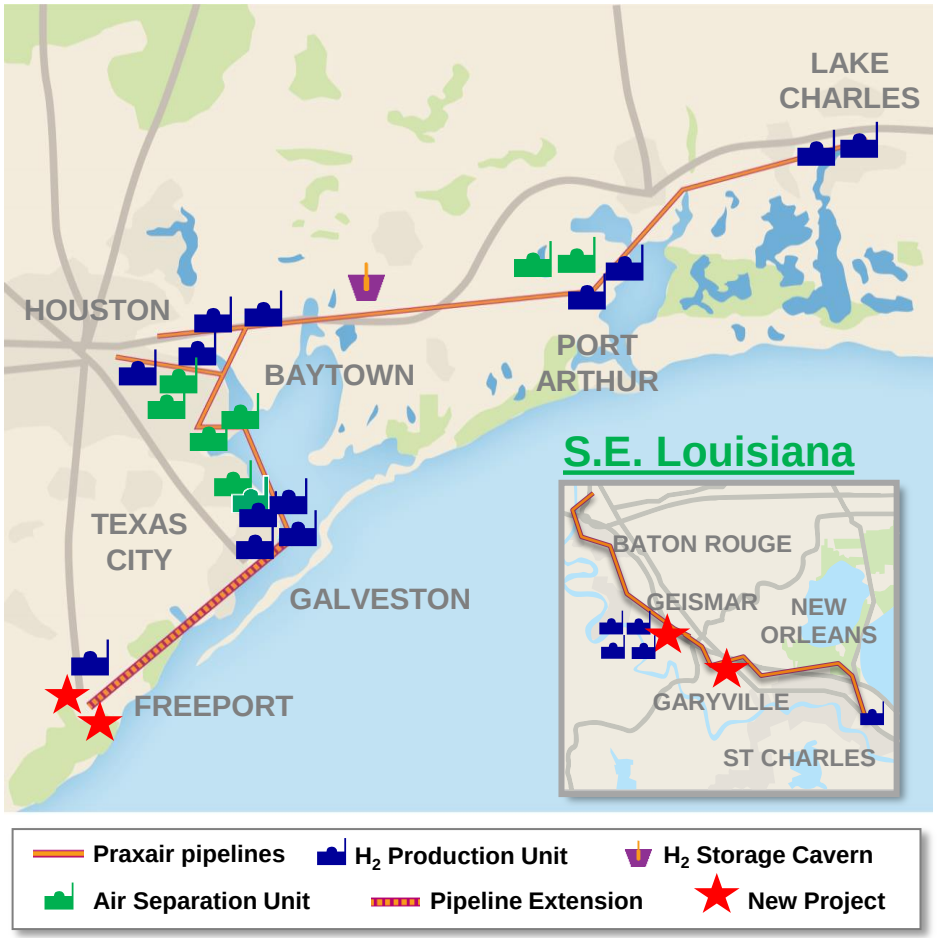
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Optimize Base Business	**Price attainment of + 1%** **$2.8B operating cash flow, record 26% of sales** **Aligned cost structure to changing market conditions**
Grow Resilient End-Markets	**Grew exposure to 27% of total sales; expect 33% by 2020** **Added CO2 sources in the US; 50% increase over the last three years**
Capitalize on Acquisitions / JVs	**Yara CO2 acquisition increased CO2 portfolio to 10% of total sales** **GE JV (aircraft engine coatings) expected to grow to >$200 MM sales** **+15 packaged gas acquisitions**
Execute Backlog & Win New Projects	**+ $1B in project wins in the USGC (~70% of total backlog)** **3% average per year expected contribution to EPS from 2017 onwards**

Praxair U.S. Gulf Coast Expansion

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Texas/Western Louisiana



Current System	H_2	ASU
# Plants	18	8
Capacity	1.1 BCFD	16K TPD
Pipeline (mi)	400	180

- ~2.5 bscf hydrogen cavern improves reliability and operational flexibility
- Winning and building density in the U.S. Gulf Coast with new projects:
  - Yara/BASF – ammonia
  - Geismar – isocyanates
  - MEGlobal – ethylene glycol
  - Marathon – ultra-low-sulfur diesel
  - Signed new contract to supply CO/N2/O2
- Expect additional wins

+ $1 billion in capex in progress for long-term supply contracts

ASU – Air separation unit(s)

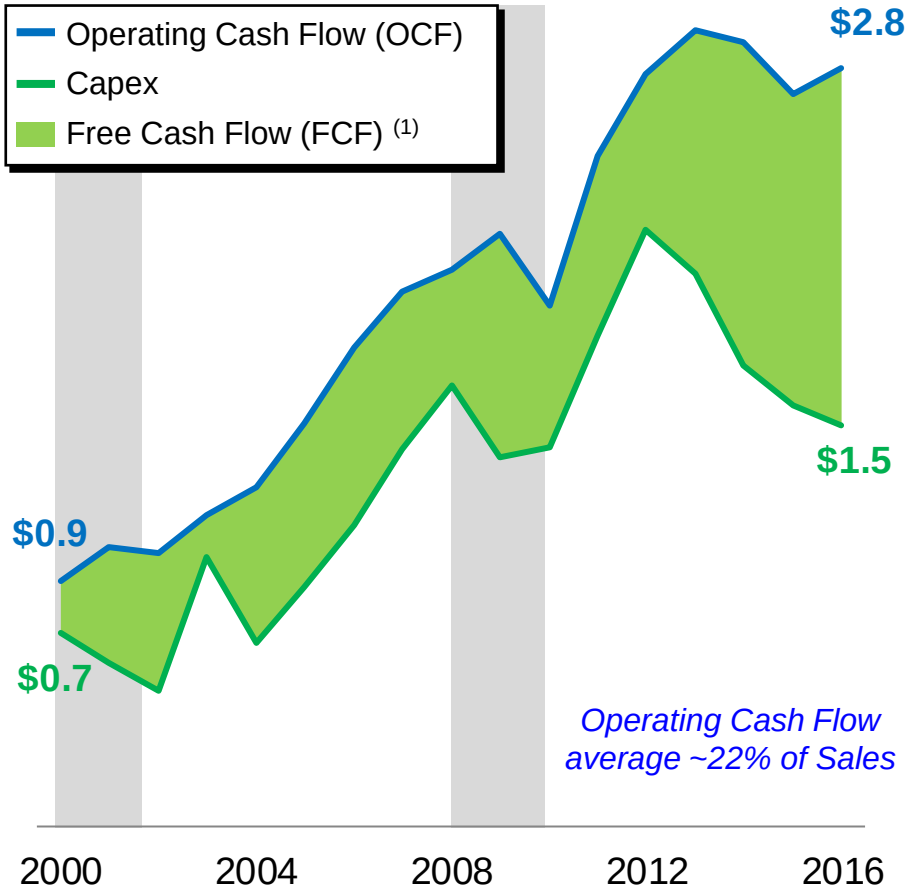
Praxair, Inc.

Matthew J. White
Senior Vice President and Chief Financial Officer

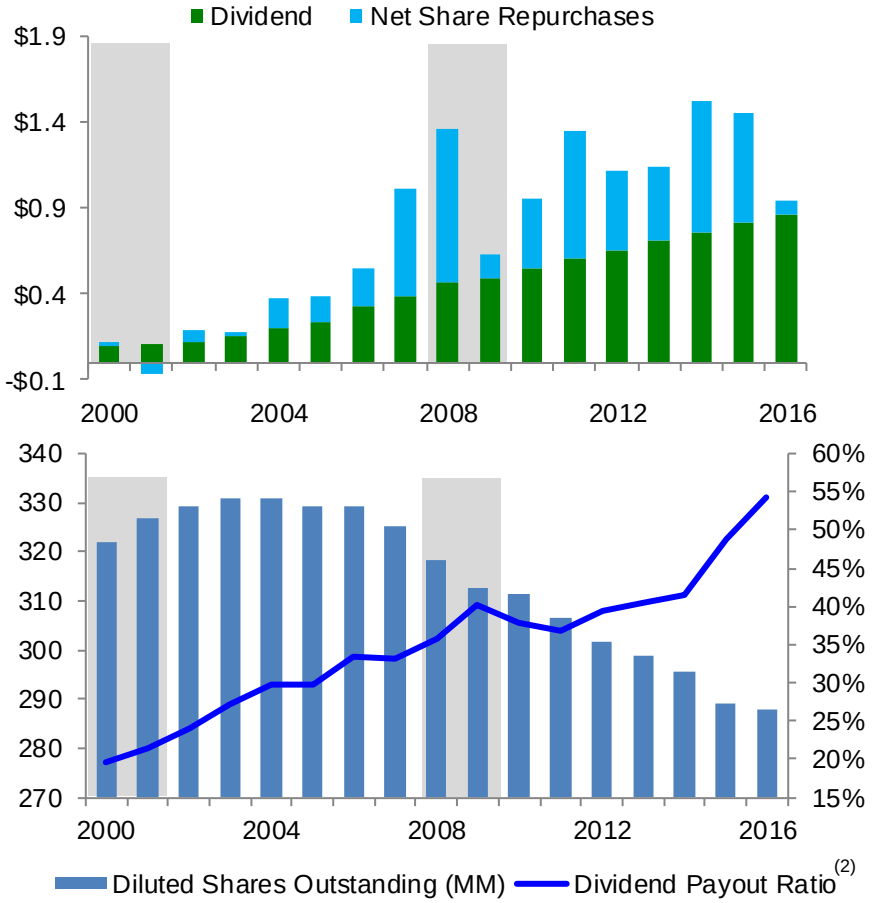
Strong Operating Cash Flow Generation

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Free Cash Flow $1.3B



Returned to Shareholders ~$1B



…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 2016	Adj. Third Quarter 2016[1]	Fourth Quarter 2015
Sales	$2,644	$2,716	$2,595
Operating Profit	$599	$597	$624
Operating Margin	22.7%	22.0%	24.0%
EBITDA[1]	$894	$891	$911
EBITDA Margin[1]	33.8%	32.8%	35.1%
Net Income[2]	$406	$405	$422
Diluted EPS[2]	$1.41	$1.41	$1.47
After–Tax ROC[1]	12.0%	12.1%	12.6%
ROE[1]	31.9%	33.3%	34.6%

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

- Strong operating cash flow, 27% of sales
- Acquisition growth driven by European CO2
- YoY growth from food & beverage, healthcare and metals, partially offset by weaker manufacturing and energy
- Sequential volumes weaker from U.S. Gulf Coast turnarounds and seasonality
- Added two new U.S. Gulf Coast projects to the backlog

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

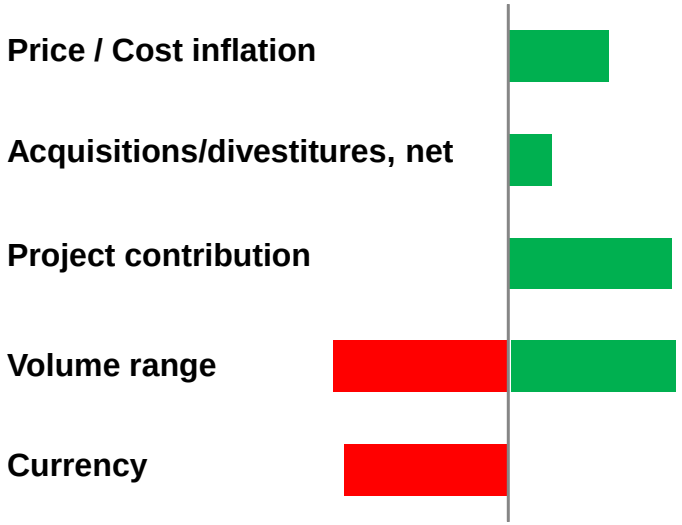
(2) Net Income and Diluted EPS attributable to Praxair, Inc. shareholders.

2017 Guidance Update

Full-Year 2017

- **EPS in the range of $5.45 to $5.80**
  - **+ 2% to + 9%, ex-FX***
  - **Estimated currency headwind - 3%**
- **CAPEX approximately $1.4B**

2017 EPS Range Drivers



First-Quarter 2017

- **EPS in the range of $1.28 to $1.35**
  - **Estimated currency headwind - 1%**
  - **Seasonal: Lunar New Year & Carnival**

Currency	% of 2016Sales	2016 Avg. P&L Rate
BRL	11%	3.47
EUR	10%	1.11
CAD	7%	1.32
CNY	6%	6.64
MXN	5%	18.65

2017 guidance does not include transaction costs related to potential Linde merger.

*Non-GAAP measure. See Appendix for reconciliation.

Appendix

Full-Year Results

($ MM)	Adj. 2016[1]	Adj. 2015[1]
Sales	$10,534	$10,776
Operating Profit	$2,338	$2,493
Operating Margin	22.2%	23.1%
EBITDA[1]	$3,501	$3,642
EBITDA Margin[1]	33.2%	33.8%
Net Income[2]	$1,576	$1,677
Diluted EPS[2]	$5.48	$5.80
Operating Cash Flow	$2,773	$2,695
After–Tax ROC [1]	12.0%	12.6%
ROE [1]	31.9%	34.6%

	YOY
Sales Growth	- 2%
Volume	--
Price / Mix	+ 1%
Cost pass-thru	- 1%
Currency	- 3%
Acq/Div	+ 1%

- Backlog $1.5B; signed 7 new projects including 4 in U.S. Gulf Coast
- Project contribution primarily in Europe, South America and Asia
- Base volumes weaker in the Americas: manufacturing and energy
- Operating cash flow $2.8B, 26% of sales; record free cash flow $1.3B
- ~$1B returned to shareholders

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

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

North America

($ MM)	Fourth Quarter 2016	Third Quarter 2016	Fourth Quarter 2015
Sales	$1,397	$1,431	$1,421
Segment OP	$359	$363	$406
Operating Margin	25.7%	25.4%	28.6%

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

- YoY volumes:
  - \+ Food & beverage and metals
  - – Manufacturing and energy
- Seq volumes:
  - – Refinery customer turnarounds, manufacturing, food & beverage seasonality
- Signed two new projects in the U.S. Gulf Coast

Europe

($ MM)	Fourth Quarter 2016	Third Quarter 2016	Fourth Quarter 2015
Sales	$351	$366	$325
Segment OP	$71	$72	$62
Operating Margin	20.2%	19.7%	19.1%

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

- Solid margin expansion with leverage from continued cost control
- YoY volumes:
  - + New project start-ups, food & beverage
  - – Metals customer turnaround
- Seq volumes:
  - + Healthcare and chemicals
  - – Seasonality in food & beverage
- Integrating carbon dioxide acquisition:
  - Accelerating synergies
  - Largely serving food & beverage end-market

South America

($ MM)	Fourth Quarter 2016	Third Quarter 2016	Fourth Quarter 2015
Sales	$352	$378	$299
Segment OP	$64	$68	$55
Operating Margin	18.2%	18.0%	18.4%

	YOY	Q4 vs. Q3
Sales Growth	+ 18%	- 7%
Volume	+ 6%	- 6%
Price / Mix	+ 3%	--
Cost pass-thru	--	--
Currency	+ 9%	- 1%
Acq/Div	--	--

- YoY volumes:
  - \+ Food and beverage, healthcare
  - \+ Project start-ups
  - – Manufacturing
- Seq lower volumes due to extended holiday shutdowns
- YoY operating margins stable:
  - – Mix from lower merchant and packaged
  - \+ Price / Net cost

Asia

($ MM)	Fourth Quarter 2016	Third Quarter 2016	Fourth Quarter 2015
Sales	$395	$391	$398
Segment OP	$78	$68	$74
Operating Margin	19.7%	17.4%	18.6%

	YOY	Q4 vs. Q3
Sales Growth	- 1%	+ 1%
Volume	+ 6%	+ 5%
Price / Mix	- 1%	--
Cost pass-thru	--	--
Currency	- 3%	- 2%
Acq/Div	- 3%	- 2%

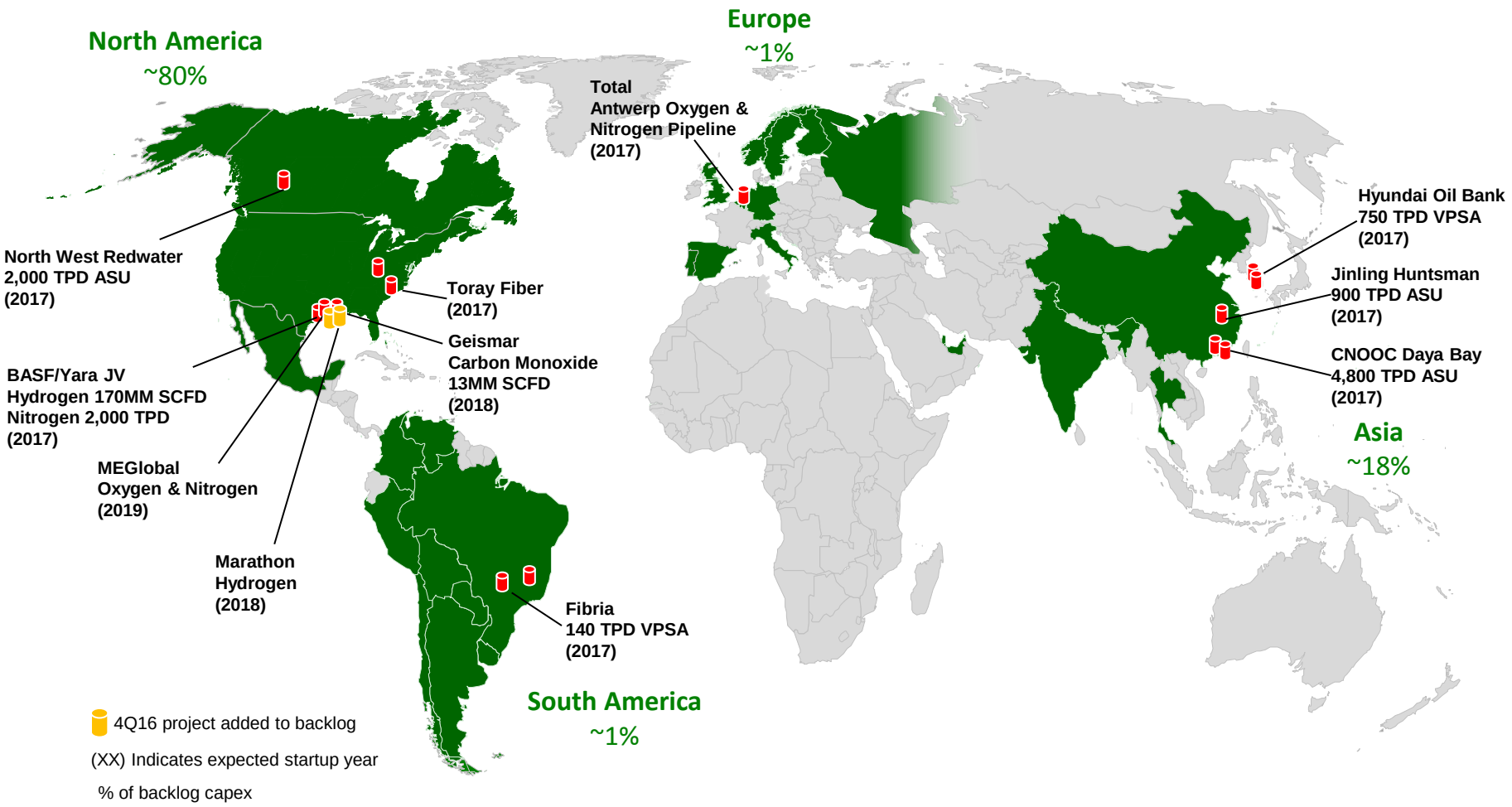
- YoY volume growth includes project start-ups in China and Korea for chemicals and electronics end-markets
- Higher margin includes productivity and cost control
- India joint venture divestiture

Surface Technologies

($ MM)	Fourth Quarter 2016	Third Quarter 2016	Fourth Quarter 2015
Sales	$149	$150	$152
Segment OP	$27	$26	$27
Operating Margin	18.1%	17.3%	17.8%

- **Organic growth -2% YoY and flat Seq**
- **Steady growth in aerospace end-market offset by weaker energy**

4Q16 Backlog - $1.5B Capital Expenditures



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

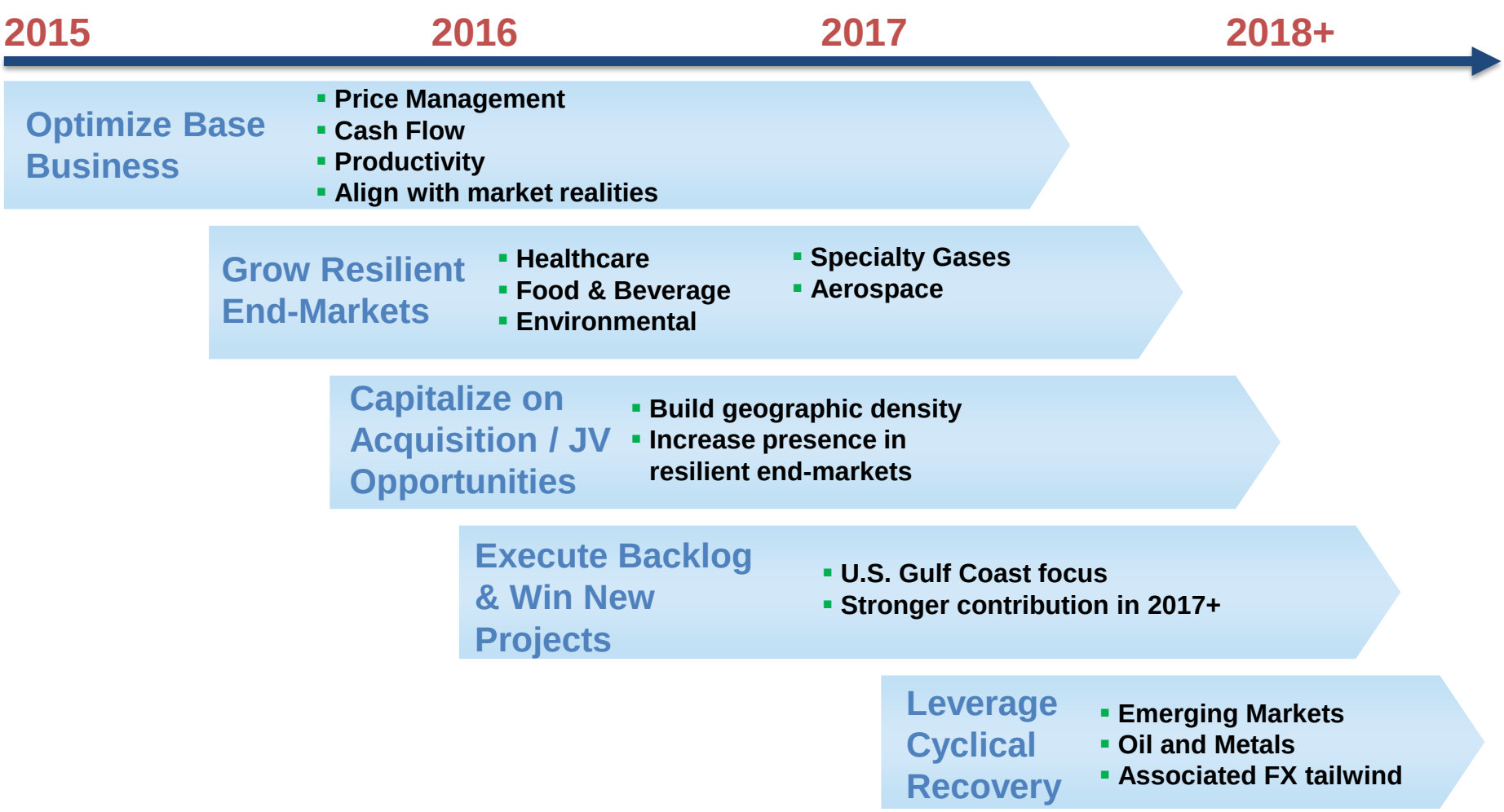
Global End-Market Trends

	4Q16 % of Sales	4Q16 Sales Growth* YOY	4Q16 Sales Growth* Vs. 3Q16	
	Manufacturing (22%)	- 4%	- 1%	North and South America
	Metals (17%)	+ 8%	- 2%	New projects South America
	Energy (12%)	- 6%	- 2%	North America refinery turnarounds and up-stream
	Chemicals (10%)	--	+ 2%	Seq Asia and Europe
	Food & Bev (10%)	+ 6%	- 2%	North and South America; Seq seasonality
	Healthcare (8%)	+ 6%	- 1%	YoY North and South America, Europe
	Electronics (8%)	- 3%	+ 3%	YoY North America; Seq Asia and Europe

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

Strategy

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Grow profitably regardless of the macroeconomic environment

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	
Year To Date December 31	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Reported GAAP Amounts	$ 10,534	$ 10,776	$ 2,238	$ 2,321	$ 1,500	$ 1,547	$ 5.21	$ 5.35
Pension settlement charges (a)	-	-	4	7	3	5	0.01	0.02
Cost reduction program and other charges (b)	-	-	96	165	63	125	0.22	0.43
Bond redemption (c)	-	-	-	-	10	-	0.04	-
Total adjustments	-	-	100	172	76	130	0.27	0.45
Adjusted amounts	$ 10,534	$ 10,776	$ 2,338	$ 2,493	$ 1,576	$ 1,677	$ 5.48	$ 5.80

(a) Pension settlement charges were recorded in the third quarter of 2016 and 2015 related to lump sum benefit payments made from the U.S. supplemental pension plan.
(b) Charges in the 2016 third quarter and the 2015 second and third quarters related to the cost reduction program and other charges.
(c) $16 million charge to interest expense ($10 million after-tax) in the 2016 first quarter related to a bond redemption.

Non-GAAP Measures, continued

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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 2016 third quarter cost reduction program and pension settlement, 2016 first quarter bond redemption, 2015 third quarter cost reduction program and pension settlement, 2015 second quarter cost reduction program and other charges, and 2014 fourth quarter pension settlement, bond redemption and loss on Venezuela currency devaluation.

	2016				2015				2014			
	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	$ 726	$ 788	$ 706	$ 553	$ 791	$ 676	$ 710	$ 518	$ 772	$ 713	$ 847	$ 555
Less: capital expenditures	(409)	(376)	(357)	(323)	(387)	(405)	(352)	(397)	(482)	(430)	(384)	(393)
Free Cash Flow	**$ 317**	**$ 412**	**$ 349**	**$230**	**$ 404**	**$ 271**	**$ 358**	**$ 121**	**$ 290**	**$ 283**	**$ 463**	**$ 162**
Full Year Free Cash Flow	**$ 1,308**				**$ 1,154**				**$ 1,198**			
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	$ 9,515	$ 9,842	$ 9,956	$ 9,404	$ 9,231	$ 9,480	$ 9,313	$ 9,360	$ 9,225	$ 9,090	$ 9,132	$ 9,236
Less: cash and cash equivalents	(524)	(627)	(567)	(221)	(147)	(136)	(136)	(117)	(126)	(168)	(173)	(144)
Net debt	8,991	9,215	9,389	9,183	9,084	9,344	9,177	9,243	9,099	8,922	8,959	9,092
Equity and redeemable noncontrolling interests:												
Redeemable noncontrolling interests	11	11	12	119	113	169	175	170	176	190	194	195
Praxair, Inc. shareholders' equity	5,021	5,245	5,140	4,888	4,389	4,264	4,964	5,018	5,623	6,552	6,911	6,600
Noncontrolling interests	420	393	407	417	404	380	380	375	387	388	395	398
Total equity and redeemable noncontrolling interests	5,452	5,649	5,559	5,424	4,906	4,813	5,519	5,563	6,186	7,130	7,500	7,193
Capital	$ 14,443	$ 14,864	$ 14,948	$ 14,607	$ 13,990	$ 14,157	$ 14,696	$ 14,806	$ 15,285	$ 16,052	$ 16,459	$ 16,285
Debt-to-capital	**62.3%**	**62.0%**	**62.8%**	**62.9%**	**64.9%**	**66.0%**	**62.4%**	**62.4%**	**59.5%**	**55.6%**	**54.4%**	**55.8%**
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 (a)	$ 599	$ 597	$ 588	$ 554	$ 624	$ 620	$ 626	$ 623	$ 663	$ 711	$ 697	$ 675
Less: adjusted income taxes (a)	(152)	(149)	(146)	(139)	(163)	(164)	(164)	(162)	(161)	(187)	(183)	(176)
Less: tax benefit on adjusted interest expense (a)	(10)	(12)	(12)	(14)	(12)	(10)	(11)	(12)	(12)	(13)	(12)	(13)
Add: income from equity investments	10	10	11	10	12	10	10	11	12	11	10	9
Adjusted net operating profit after-tax (NOPAT)	$ 447	$ 446	$ 441	$ 411	$ 461	$ 456	$ 461	$ 460	$ 502	$ 522	$ 512	$ 495
4-quarter trailing adjusted NOPAT	$ 1,745	$ 1,759	$ 1,769	$ 1,789	$ 1,838	$ 1,879	$ 1,945	$ 1,996	$ 2,031	$ 2,035	$ 2,011	$ 1,990
Ending capital (see above)	$ 14,443	$ 14,864	$ 14,948	$ 14,607	$ 13,990	$ 14,157	$ 14,696	$ 14,806	$ 15,285	$ 16,052	$ 16,459	$ 16,285
5-quarter average ending capital	$ 14,570	$ 14,513	$ 14,480	$ 14,451	$ 14,587	$ 14,999	$ 15,460	$ 15,777	$ 16,007	$ 16,094	$ 15,987	$ 15,757
After-tax ROC (4-quarter trailing NOPAT / 5-quarter average capital)	**12.0%**	**12.1%**	**12.2%**	**12.4%**	**12.6%**	**12.5%**	**12.6%**	**12.7%**	**12.7%**	**12.6%**	**12.6%**	**12.6%**

Non-GAAP Measures, continued

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.

	2016				2015				2014			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Adjusted net income - Praxair, Inc. (a)	$ 406	$ 405	$ 399	$ 366	$ 422	$ 419	$ 420	$ 416	$ 460	$ 477	$ 467	$ 448
4-quarter trailing adjusted net income - Praxair, Inc.	$ 1,576	$ 1,592	$ 1,606	$ 1,627	$ 1,677	$ 1,715	$ 1,773	$ 1,820	$ 1,852	$ 1,854	$ 1,828	$ 1,806
Ending Praxair, Inc. shareholders' equity	$ 5,021	$ 5,245	$ 5,140	$ 4,888	$ 4,389	$ 4,264	$ 4,964	$ 5,018	$ 5,623	$ 6,552	$ 6,911	$ 6,600
5-quarter average Praxair shareholders' equity	$ 4,937	$ 4,785	$ 4,729	$ 4,705	$ 4,852	$ 5,284	$ 5,814	$ 6,141	$ 6,459	$ 6,576	$ 6,452	$ 6,303
ROE (4-quarter trailing adjusted net income - Praxair, Inc. / 5-quarter average Praxair shareholders' equity)	**31.9%**	**33.3%**	**34.0%**	**34.6%**	**34.6%**	**32.5%**	**30.5%**	**29.6%**	**28.7%**	**28.2%**	**28.3%**	**28.7%**

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 profitability.

Adjusted net income - Praxair, Inc. (a)	$ 406	$ 405	$ 399	$ 366	$ 422	$ 419	$ 420	$ 416	$ 460	$ 477	$ 467	$ 448
Add: adjusted noncontrolling interests (a)	13	10	10	10	9	12	12	12	11	13	14	14
Add: adjusted interest expense - net (a)	38	43	44	49	42	35	40	44	43	45	43	46
Add: adjusted income taxes (a)	152	149	146	139	163	164	164	162	161	187	183	176
Add: depreciation and amortization	285	284	281	272	275	276	278	277	291	301	293	285
Adjusted EBITDA	**$ 894**	**$ 891**	**$ 880**	**$ 836**	**$ 911**	**$ 906**	**$ 914**	**$ 911**	**$ 966**	**$ 1,023**	**$ 1,000**	**$ 969**
Reported sales	2,644	2,716	2,665	2,509	2,595	2,686	2,738	2,757	2,990	3,144	3,113	3,026
Adjusted EBITDA margin	**33.8%**	**32.8%**	**33.0%**	**33.3%**	**35.1%**	**33.7%**	**33.4%**	**33.0%**	**32.3%**	**32.5%**	**32.1%**	**32.0%**
Full Year:												
Reported sales	$ 10,534				$ 10,776				$ 12,273			
Adjusted EBITDA (below)	$ 3,501				$ 3,642				$ 3,958			
Adjusted EBITDA margin	**33.2%**				**33.8%**				**32.2%**			
Ending net debt (see above)	$ 8,991	$ 9,215	$ 9,389	$ 9,183	$ 9,084	$ 9,344	$ 9,177	$ 9,243	$ 9,099	$ 8,922	$ 8,959	$ 9,092
5-quarter average net debt	$ 9,172	$ 9,243	$ 9,236	$ 9,206	$ 9,189	$ 9,157	$ 9,080	$ 9,063	$ 8,943	$ 8,895	$ 8,904	$ 8,819
4-quarter trailing adjusted EBITDA	$ 3,501	$ 3,518	$ 3,533	$ 3,567	$ 3,642	$ 3,697	$ 3,814	$ 3,900	$ 3,958	$ 3,978	$ 3,923	$ 3,874
Debt-to-adjusted EBITDA ratio (5-quarter average net debt / 4-quarter trailing adjusted EBITDA)	**2.6**	**2.6**	**2.6**	**2.6**	**2.5**	**2.5**	**2.4**	**2.3**	**2.3**	**2.2**	**2.3**	**2.3**

Non-GAAP Measures, continued

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(a) 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 2016 and 2014.

	Year 2016	Third Quarter 2016	First Quarter 2016	Year 2015	Third Quarter 2015	Second Quarter 2015	Year 2014	Fourth Quarter 2014
Adjusted Operating Profit and Operating Profit Margin								
Reported operating profit	$ 2,238	$ 497	$ 554	$ 2,321	$ 594	$ 480	$ 2,608	$ 525
Add: Cost reduction program and other charges	96	96	-	165	19	146	-	-
Add: Pension settlement charge	4	4	-	7	7	-	7	7
Add: Venezuela currency devaluation	-	-	-	-	-	-	131	131
Total adjustments	100	100	-	172	26	146	138	138
Adjusted operating profit	$ 2,338	$ 597	$ 554	$ 2,493	$ 620	$ 626	$ 2,746	$ 663
Reported percentage change	-4%							
Adjusted percentage change	-6%							
Reported sales	$ 10,534	$ 2,716	$ 2,509	$ 10,776	$ 2,686	$ 2,738	$ 12,273	$ 2,990
Adjusted operating profit margin	22.2%	22.0%	22.1%	23.1%	23.1%	22.9%	22.4%	22.2%
Adjusted Interest Expense - net								
Reported interest expense - net	$ 190	$ 43	$ 65	$ 161	$ 35	$ 40	$ 213	$ 79
Less: Bond redemption	(16)	-	(16)	-	-	-	(36)	(36)
Adjusted interest expense - net	$ 174	$ 43	$ 49	$ 161	$ 35	$ 40	$ 177	$ 43
Adjusted Income Taxes								
Reported income taxes	$ 551	$ 120	$ 133	$ 612	$ 156	$ 131	$ 691	$ 145
Add: Cost reduction program and other charges	28	28	-	39	6	33	-	-
Add: Bond redemption	6	-	6	-	-	-	14	14
Add: Pension settlement charge	1	1	-	2	2	-	2	2
Total adjustments	35	29	6	41	8	33	16	16
Adjusted income taxes	$ 586	$ 149	$ 139	$ 653	$ 164	$ 164	$ 707	$ 161
Adjusted Effective Tax Rate								
Reported income before income taxes and equity investments	$ 2,048	$ 454	$ 489	$ 2,160	$ 559	$ 440	$ 2,395	$ 446
Add: Cost reduction program and other charges	96	96	-	165	19	146	-	-
Add: Bond redemption	16	-	16	-	-	-	36	36
Add: Pension settlement charge	4	4	-	7	7	-	7	7
Add: Venezuela currency devaluation	-	-	-	-	-	-	131	131
Total adjustments	116	100	16	172	26	146	174	174
Adjusted income before income taxes and equity investments	$ 2,164	$ 554	$ 505	$ 2,332	$ 585	$ 586	$ 2,569	$ 620
Reported effective tax rate	26.9%	26.4%	27.2%	28.3%	27.9%	29.8%	28.9%	32.5%
Adjusted effective tax rate	27.1%	26.9%	27.5%	28.0%	28.0%	28.0%	27.5%	26.0%

Non-GAAP Measures, continued

	Year 2016	Third Quarter 2016	First Quarter 2016	Year 2015	Third Quarter 2015	Second Quarter 2015	Year 2014	Fourth Quarter 2014
Adjusted Noncontrolling Interests								
Reported noncontrolling interests	$ 38	$ 5	$ 10	$ 44	$ 12	$ 11	$ 52	$ 11
Add: Cost reduction program and other charges	5	5	-	1	-	1	-	-
Total adjustments	5	5	-	1	-	1	-	-
Adjusted noncontrolling interests	$ 43	$ 10	$ 10	$ 45	$ 12	$ 12	$ 52	$ 11
Adjusted Net Income - Praxair, Inc.								
Reported net income - Praxair, Inc.	$ 1,500	$ 339	$ 356	$ 1,547	$ 401	$ 308	$ 1,694	$ 302
Add: Cost reduction program and other charges	63	63	-	125	13	112	-	-
Add: Bond redemption	10	-	10	-	-	-	22	22
Add: Pension settlement charge	3	3	-	5	5	-	5	5
Add: Venezuela currency devaluation	-	-	-	-	-	-	131	131
Total adjustments	76	66	10	130	18	112	158	158
Adjusted net income - Praxair, Inc.	$ 1,576	$ 405	$ 366	$ 1,677	$ 419	$ 420	$ 1,852	$ 460
Reported percentage change	-3%							
Adjusted percentage change	-6%							
Adjusted Diluted EPS								
Reported diluted EPS	$ 5.21	$ 1.18	$ 1.24	$ 5.35	$ 1.40	$ 1.06	$ 5.73	$ 1.03
Add: Cost reduction program and other charges	0.22	0.22	-	0.43	0.04	0.39	-	-
Add: Bond redemption	0.04	-	0.04	-	-	-	0.07	0.07
Add: Pension settlement charge	0.01	0.01	-	0.02	0.02	-	0.02	0.02
Add: Venezuela currency devaluation	-	-	-	-	-	-	0.45	0.45
Total adjustments	0.27	0.23	0.04	0.45	0.06	0.39	0.54	0.54
Adjusted diluted EPS	$ 5.48	$ 1.41	$ 1.28	$ 5.80	$ 1.46	$ 1.45	$ 6.27	$ 1.57
Cash Income Taxes and Interest								
Income taxes paid	$ 585			$ 420			$ 606	
Interest paid, net of interest capitalized and excluding bond redemption	$ 173			$ 174			$ 174	

Full-Year 2017 Diluted EPS Guidance

	Full Year 2017 Low End	Full Year 2017 High End
2017 diluted EPS guidance	$ 5.45	$ 5.80
2016 adjusted diluted EPS (see above for full year amounts)	$ 5.48	$ 5.48
Percentage changes	-1%	6%
Adjusted percentage changes, excluding estimated currency	2%	9%

Sustainable Development Highlights

PRAXAIR
Making our planet more productive™



BEST-IN-CLASS SAFETY PERFORMANCE:

15x 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

349,905 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** In Collaboration with RobecoSAM

CDP A LIST 2016 CLIMATE

DiversityInc 2016 TOP 50 COMPANIES FOR DIVERSITY 25 NOTEWORTHY

Forbes | 2016 AMERICA'S BEST LARGE EMPLOYERS POWERED BY STATISTA

PRAXAIR
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