



Praxair Reports First-Quarter 2015 Results

PRAXAIR REPORTS FIRST-QUARTER 2015 RESULTS

April 29 2015

Sales of \$2.8 billion, EPS of \$1.43

EBITDA and operating margins grew to 33.0% and 22.6%, respectively*

Signed two long-term agreements to expand U.S. Gulf Coast and Southern China production networks for petrochemical customers; supply systems to start-up 2017

\$0.4 billion returned to shareholders through dividends and net share repurchases; diluted shares 2% below prior-year quarter

Return on capital 12.6%; return on equity 29.6%*

Full-year 2015 EPS guidance of \$5.90 to \$6.15, up 4% to 8% year-over-year, ex-FX* and 2Q15 \$1.40 to \$1.48

DANBURY, Conn., April 29, 2015 -- Praxair, Inc. (NYSE: PX) reported first-quarter net income and diluted earnings per share of \$416 million and \$1.43, respectively.

Praxair's results in the first quarter as compared to the prior year were challenged by negative impacts from foreign currency translation, as the U.S. dollar strengthened sharply against most foreign currencies. Sales in the first quarter were \$2,757 million, 9% below the prior-year quarter, due to the impact of negative currency translation of 8% and lower cost pass-through of 2%. Organic sales growth of 1% was driven by higher price. Overall volumes were comparable to the prior-year quarter as volume growth in North America and Asia was offset by lower volumes in South America. Europe volumes remained stable.

Operating profit in the first quarter was \$623 million, 8% below the prior-year quarter. Excluding currency effects, operating profit was steady with the prior-year period. Operating profit as a percentage of sales grew to 22.6% and the EBITDA margin grew to a record 33.0% primarily due to strong cost control and productivity gains.*

First-quarter cash flow from operations of \$508 million funded \$397 million of capital expenditures. The company paid \$207 million of dividends and repurchased \$191 million of stock, net of issuances. After-tax return on capital and return on equity for the quarter were 12.6% and 29.6%, respectively.*

Commenting on the financial results and business outlook, Chairman and Chief Executive Officer Steve Angel said, "Praxair's competitive advantages and operational excellence enable us to continuously position the business for shareholder value creation regardless of macro-economic conditions. During the quarter, we signed two new long-term product supply agreements with petrochemical customers in the U.S. Gulf Coast and Southern China. Both projects build off of existing strong pipeline networks.

"Growth headwinds persist from the strength of the U.S. dollar and the impact of lower commodity prices on our customer base. However, our less cyclical end-markets continue to perform well, which speaks to our strength in diversity of end-markets. We anticipate these trends will continue throughout 2015.

"Praxair remains focused on delivering high-quality results and grew operating margin to 22.6% this quarter due to our employees' effectiveness in controlling costs and delivering price. We continue to improve the business quality and are well positioned for further margin expansion with any economic recovery."

For full-year 2015, Praxair expects sales in the range of \$11.4 billion to \$11.7 billion. This sales guidance assumes a negative currency impact of approximately 10% versus 2014. The company expects diluted earnings per share to be in the range of \$5.90 to \$6.15, up 4% to 8% ex-currency from 2014.* Full-year capital expenditures are expected to be approximately \$1.6 billion and the effective tax rate is forecasted to remain at approximately 28%.

For the second quarter of 2015, Praxair expects diluted earnings per share in the range of \$1.40 to \$1.48. This EPS guidance assumes a negative currency translation impact of approximately 11% year-over-year and 2% sequentially.

Following is additional detail on first-quarter 2015 results by segment.

In North America, first-quarter sales were \$1,499 million, up 2% from the prior-year quarter excluding cost-pass through and negative currency translation. Organic sales growth of 1% was driven primarily by higher sales of merchant and packaged gases to food and beverage, healthcare and manufacturing end-markets. Acquisitions of U.S. packaged gas distributors contributed 1% growth. Operating profit of \$379 million grew 3% versus the prior-year quarter, excluding currency translation, due to higher volumes, price and acquisitions.

In Europe, first-quarter sales were \$326 million, 18% below the prior-year quarter. Excluding currency and net divestitures, organic sales were 1% above the prior year due primarily to price attainment. Operating profit was \$62 million.

In South America, first-quarter sales were \$401 million, 18% below the prior-year quarter. Organic sales, excluding negative currency translation and cost pass-through, grew 1% primarily from higher price and growth to food and beverage and healthcare end-markets. Operating profit was \$85 million.

Sales in Asia were \$371 million in the quarter, 1% below the prior year excluding currency and cost pass-through. Volume growth in on-site and merchant gases, including new plant start-ups, was offset primarily due to a plant sale in the prior-year quarter. Operating profit was \$69 million.

Praxair Surface Technologies had first-quarter sales of \$160 million as compared to \$169 million in the prior-year quarter. Excluding negative currency translation impact, organic sales grew 2% due to favorable overall pricing and volume growth primarily to the aerospace end-market. Operating profit was \$28 million.

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

<p>Praxair 1Q15 Earnings Release-Tables (253KB)</p>	<p>Statements of Income, Balance Sheets, Statements of Cash Flows, Segment Information, Quarterly Financial Summary and Appendix: Non-GAAP Measures.</p>
<p>Praxair 1Q15 Teleconference Slides (826KB)</p>	<p>Teleconference presentation on Praxair's 1Q15 results</p>

A teleconference about Praxair's first-quarter results is being held this morning, April 29, at 11:00 am Eastern Daylight Time. The number is (631) 485-4849 – Conference ID: 18625614. The call is also available as a webcast live and on-demand at www.praxair.com/investors. Materials to be used in the teleconference are also available on the website.

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.

About Praxair

Praxair, Inc., a Fortune 250 company with 2014 sales of \$12.3 billion, is the largest industrial gases company in North and South America and one of the largest worldwide. The company produces, sells and distributes atmospheric, process and specialty 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, primary metals and many others. More information about Praxair, Inc. is available at www.praxair.com.

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