Praxair, Inc.
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Making our planet more productive™

www.praxair.com
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 tax, environmental, home healthcare and other legislation and government regulation in jurisdictions in which the company operates; the cost and outcomes of litigation and regulatory agency actions; 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 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.
Q1 09 End-Market Business Conditions

(Organic Sales % YOY)

**Energy**  +8%

**Manufacturing**  –12%

**Commodities**
- Metals  -15%
- Chemicals  -16%
- Electronics  -31%

**Non-cyclical**
- Healthcare  +1%
- Food & Bev  -2%
- Aero/Other  -5%
North America Business Trends

- Volumes in steel and chemicals appear to have bottomed
- Sequential improvement in electronics
- Energy remains strong – hydrogen for refining and enhanced oil recovery. Oil well services is very slow in US and Canada due to low natural gas prices. Growing in Mexico
- Merchant and packaged gases volumes are stabilizing
- New business activity in energy and food. Strong customer interest in applications for productivity, cost savings and emissions reduction
Accelerating Productivity Initiatives

- ASU/SMR production efficiency
- Product distribution
- Six Sigma / Lean Manufacturing
- Global sourcing
- Fixed cost reductions

2009 fixed costs will be much lower than 2008

Additional cost reduction

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Unique Revenue Model

On-Site/Pipeline Supply
- 15 year take-or-pay contracts
- Indexed to energy, inflation, currency

Merchant Liquid Supply
- Exclusive supply agreements
- Sourced as by-product from on-site

Packaged/Medical Gases
- Cylinder and equipment rental
- Sourced as by-product from bulk

Integrated system; contract terms drive high ROC
Focus on Geographic Density

- We focus on 12 core geographies where we have superior production/distribution systems
- Praxair core geographies represent 75% of future world GDP growth

This strategy drives faster sales growth and higher ROC growth
Production and Distribution Density

Praxair: Strongest North American supply system

On-site and Bulk Gases
♦ 300 production plants
♦ 8000 customer locations
♦ 1500 distribution vehicles
♦ 11 pipeline enclaves

Packaged and Specialty Gases
♦ 400 branches
♦ >300,000 customers
♦ 280 independent distributors

Network optimization drives greater customer satisfaction, faster sales growth, lower costs and higher ROC
Secular Growth Drivers

- Environmental applications
- Demand for energy supplies
  - Cleaner fuels
  - Expand/diversify sources
- Emerging economies
  - Growing population
  - Infrastructure investment
  - Outsourcing captive production

Positive long-term outlook
Enabling New Technologies

Renewable oil-based fuels

Next Generation Biofuels

Mercury Capture

~2% per year sales growth from high margin applications
Making our Planet More Productive℠

**Optimization of Operations**

**Water Treatment**

**Oxy-fuel Reduces Emissions**

**Solar Energy**

![Image of Oxy-fuel and Solar Energy]

![Graph showing Tons CO2 Avoided/Ton of O2]

- Stove
- Steel reheat
- Glass
- Fiber-glass
- Calciners
- Biodiesel

Tons CO2 Avoided/Ton of O2
Hydrogen for Refining

Global growth drivers
- Growing diesel demand
- Heavy sour crude
- Fuel emission standards
- Outsourcing captive production
- Emerging markets

Hydrogen demand expected to grow by ~14 BCF/day by 2015....equivalent to 140 world-scale SMRs

Praxair \( \text{H}_2 \) Sales

\begin{align*}
\text{2008} & : \$1.1 \text{ Bn} \\
\text{2013F} & : \$2+ \text{ Bn}
\end{align*}

\(~15\%\ CAGR\)

% of New \( \text{H}_2 \) Demand by Region

Source: Praxair estimates
Industrial Gas Demand for Energy Supplies

Nitrogen or CO$_2$ injection in large quantities at high pressure

Natural gas well fracturing

Enhanced oil recovery

Praxair well positioned in North America

Huge global market potential
Carbon Capture and Storage

♦ Oxy-coal combustion for clean-coal power generation
  – World scale O₂ system
  – Alliance with Foster Wheeler

♦ Enabling technologies for other industries (e.g. steel, refining)
  – Oxy-fuel combustion
  – Large scale CO₂ separation/purification

♦ Increased government funding for demo projects in US and Europe

Commercialization depends on GHG legislation
Coal Gasification

♦ Active in China
  – Limited oil and gas availability
  – Plenty of low cost coal
  – Syngas chemical feedstock
  – Low cost to compete globally

♦ Praxair oxygen supply
  – SOPO acetic acid plant
  – Anhui HuaYi Chemical
  – Large oxygen plants
  – Integrated with gasification technology

Multiple projects in the backlog

3,000 TPD product line plant
Strong Project Backlog

- 42 major on-site projects
- Project start-ups 2009 to 2011
- ~$2 billion in capital expenditure (capex)
- >60% in emerging markets

**Q1 2009**

# of projects, by region

Project backlog will drive revenue and earnings growth
Positive Outlook for 2010 and Beyond

Annual Organic Sales Growth

- **6-10%**
  - 6-10% growth
- **3-5%**
  - 3-5% on-site project backlog
- **2-3%**
  - Environmental and energy technologies
- **1-2%**
  - Base business (global IP estimate)

Double digit annual earnings growth forecasted

EPS growth
10 – 12%
Principles of Sustainable Development

**Governance and Integrity**
Maintain strong systems and a culture of global corporate governance, compliance, ethics, human rights, integrity and accountability.

**Strategic Leadership**
Stay current with, and take advantage of, emerging global opportunities, developments and challenges to position Praxair for the future.

**Customer Commitment**
Focus relentlessly on the delivery of customer value through continuous innovation that helps our customers enhance their product quality, service, reliability, productivity, safety, energy efficiency and environmental performance.

**Environmental Responsibility**
Achieve continuous environmental performance improvement and energy efficiency in our operations.

**Employee Safety and Development**
Provide opportunities that allow employees to develop to their fullest potential in a creative, inclusive and safe environment.

**Community Support**
Participate in community development in regions where we operate.

**Financial Performance**
Maintain year-on-year recognition from shareholders and stakeholders for top-tier financial performance.

**Stakeholder Engagement and Communication**
Partner with internal and external stakeholders to achieve a strong, secure and sustainable society, economy and environment.