Praxair, Inc.
James S. Sawyer
Executive Vice President and
Chief Financial Officer

JP Morgan Diversified Industries
Conference
September 16, 2009

www.praxair.com
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.
### Historical Performance

<table>
<thead>
<tr>
<th></th>
<th>PX</th>
<th>Peers(1)</th>
<th>S&amp;P 500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales growth</td>
<td>14%</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>(5 year CAGR)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPS growth</td>
<td>19%</td>
<td>12%</td>
<td>4%</td>
</tr>
<tr>
<td>(5 year CAGR)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NOPAT ROC(2)(2008)</td>
<td>15%</td>
<td>10%</td>
<td>--</td>
</tr>
<tr>
<td>Cash distributed to shareholders(3)</td>
<td>8%</td>
<td>3%</td>
<td>--</td>
</tr>
<tr>
<td>(5 year average % sales)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Bloomberg, PX estimates. Weighted average.
(2) Non-GAAP measure. See page 41 of annual report.
(3) Non-GAAP measure. Cash flow distributed = cash dividends plus purchases of common stock, net of issuances.

### Indexed EPS

<table>
<thead>
<tr>
<th></th>
<th>1992</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Praxair</td>
<td>17%</td>
<td>5%</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>17%</td>
<td>5%</td>
</tr>
<tr>
<td>The best track record in a great industry</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

JP Morgan Diversified Industries Conference - NYC 9/16/09
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
Stable Pricing Through the Cycle

U.S. LIN/LOX Indexed Price vs. Volume

![Graph showing price and volume trends from Q1 '07 to Q1 '09](image-url)
Executing Through the Downturn

**H1 09 Sales % YOY**

<table>
<thead>
<tr>
<th>Component</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td>-13%</td>
</tr>
<tr>
<td>Price/Mix/Other</td>
<td>+3%</td>
</tr>
<tr>
<td>Cost pass-thru</td>
<td>-4%</td>
</tr>
<tr>
<td>Currency</td>
<td>-9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-23%</td>
</tr>
</tbody>
</table>

**H1 09 Operating Profit Variance**

<table>
<thead>
<tr>
<th>($MM)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>OP H1 08</td>
<td>1042</td>
</tr>
<tr>
<td>Cost Reduction</td>
<td>216</td>
</tr>
<tr>
<td>Price</td>
<td>155</td>
</tr>
<tr>
<td>FX</td>
<td>(137)</td>
</tr>
<tr>
<td>Volume</td>
<td>(387)</td>
</tr>
<tr>
<td>OP H1 09</td>
<td>889</td>
</tr>
</tbody>
</table>

Volume decline offset by cost reduction and price
Proven Track Record Driving Productivity

- Production
- Distribution
- Administration

Productivity savings are sustainable
Oxygen Plants

- Standardized product lines
  - Up to 3000 TPD
  - >90% of plant builds

- Multi-year Technology Roadmap

**Oxygen Cost Index ($ per ton O₂)**

![Graph showing oxygen cost index over different plant sizes and years.]

- 2006 Design
- 2008 Design
- 2010 Design

- 30% improvement vs. 2006

Maintaining competitive advantage in plant offerings
Secular Growth Drivers

♦ Environmental applications

♦ Demand for energy supplies
  – Cleaner fuels
  – Expand/diversify sources

♦ Emerging economies
  – Growing population
  – Infrastructure investment
  – Outsourcing captive production

Strong long-term growth outlook
Industrial Gas Demand for Energy Supplies

Nitrogen or CO₂ injection in large quantities at high pressure

Natural gas well fracturing

Enhanced oil recovery

Praxair well positioned in North America

Huge global market potential
## Hydrogen for Refining

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

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

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**Praxair H₂ Sales**
- **2008**: $1.1 Bn
- **2013F**: $2+ Bn

- **~15% CAGR**

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**% of New H₂ Demand by Region**
- United States: 35%
- China/India: 15%
- Canada/Oil Sands: 13%
- Middle East: 12%
- Other: 15%
- Brazil, Mexico: 10%

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**Strong growth expected to continue**

*Source: Praxair estimates*
Coal Gasification

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

♦ Praxair oxygen supply
  – Large oxygen plants
  – Integrated with gasification technology
  – 6,000 TPD in backlog

Significant future growth opportunity
Global Warming / \( \text{CO}_2 \) Legislation

Reduce \( \text{CO}_2 \) footprint through energy efficiency

<table>
<thead>
<tr>
<th>Industry</th>
<th>Tons of ( \text{CO}_2 ) avoided per ton of ( O_2 ) used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refinery</td>
<td>1.50</td>
</tr>
<tr>
<td>Steel</td>
<td>0.75</td>
</tr>
<tr>
<td>Glass</td>
<td>0.50</td>
</tr>
<tr>
<td>Aluminum</td>
<td>0.25</td>
</tr>
</tbody>
</table>

CO\(_2\) Capture and Sequestration

Power station with \( \text{CO}_2 \) capture

Well-positioned with short and long-term solutions
Strong Presence in Emerging Economies

**Praxair Sales**

- **United States**: 44%
- **South America**: 18%
- **Mexico**: 6%
- **Europe**: 14%
- **PST**: 5%
- **Canada**: 5%
- **Asia**: 8%

**2008 Sales $10.8 Bn**

**Per Capita Gas Consumption (% of US)**

- **U.S.**: 100%
- **Mexico**: 24%
- **Brazil**: 19%
- **China**: 4%
- **India**: 1%

**Strong growth expected from emerging economies**
Strong Opportunities in Mexico

- Praxair strongest position
- Increasing opportunities with PEMEX
  - Enhanced oil recovery
  - Oil well services
  - Hydrogen for refining
- Upswing in industrial investment
- $100 - $150MM per year capital investment

Energy sector will drive strong growth

$1.4 B Industrial gas market

ASU
CO₂ Plants
Packaged

110 branches and filling stations
850 distribution vehicles
25,000 customers
South America

2008 Sales $1.9 B

- Pro-growth policies
  - Low interest rates
  - Fiscal discipline
  - Foreign reserves

- Pragmatic stimulus package

- Expanding middle class

- Growth from energy, metals and manufacturing markets

- Best positioned and preferred supplier

Forecast sales growth of ~10% p.a. and OP growth of ~15% p.a.
Growth Continuing in China

2008 sales of $376 MM*

- Petrochemical
- Metals
- Gasification
- Electronics
- Food & beverage
- Other

Vertically integrated business with high distribution density

*Combined sales. Under construction
Growing in India

♦ Praxair #1 position

♦ $1 B industrial gas market growing 15% per year

♦ Growth to continue despite near-term moderation

♦ 80% of production geared to domestic consumption
  – Infrastructure investments
  – Growing middle class

♦ Captive users moving to purchased product

Strong opportunity pipeline
Strong Project Backlog

- 42 major on-site projects
- Project start-ups 2009 to 2011
- ~$2 billion in capex
- 2/3 in emerging markets
- Diverse markets and geographies

# of projects, by region

Q2 2009

Project backlog will drive revenue and earnings growth
Long-Term Growth From New Projects and Technologies

Annual Organic Sales Growth

- IP* + 5-8%
- 3-5% on-site project backlog
- 2-3% environmental and energy technologies
- ?? base business follows IP

Expect double digit EPS growth over the cycle

Future earnings growth will significantly outpace the economy

*Industrial production
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.