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

Morgan Stanley Global Industrials
Unplugged Conference
September 2, 2009

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.
Praxair Performs

In the past, in the present and in the future

♦ Stick with our strategy
♦ Continuous improvement
  – Operating model
  – Leverage density strategy
  – New product applications
  – Productivity leadership
  – Flawless execution

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 (5yr CAGR)</td>
<td>14%</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>EPS growth (5yr CAGR)</td>
<td>19%</td>
<td>12%</td>
<td>4%</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) (5yr average % sales)</td>
<td>8%</td>
<td>3%</td>
<td>--</td>
</tr>
</tbody>
</table>

2. Non-GAAP measure. See page 41 of annual report.
## Second Quarter Results

<table>
<thead>
<tr>
<th></th>
<th>Second Quarter 2009</th>
<th>First Quarter 2009</th>
<th>Second Quarter 2008</th>
<th>YOY</th>
<th>Q2 vs Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong> (in $MM)</td>
<td>$2,138</td>
<td>$2,123</td>
<td>$2,878</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>$ 447</td>
<td>$ 442</td>
<td>$ 543</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating Margin</strong></td>
<td>20.9%</td>
<td>20.8%</td>
<td>18.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Income</strong> (1)</td>
<td>$ 299</td>
<td>$ 290</td>
<td>$ 349</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Diluted EPS</strong> (1)</td>
<td>$ 0.96</td>
<td>$ 0.93</td>
<td>$ 1.08</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>After-Tax ROC</strong> (2)</td>
<td>13.8%</td>
<td>13.8%</td>
<td>15.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ROE</strong> (2)</td>
<td>27.5%</td>
<td>28.7%</td>
<td>25.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sales Growth</strong></td>
<td>- 26%</td>
<td>+ 1%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Volume</strong></td>
<td>- 14%</td>
<td>- 1%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Price/Mix/Other</strong></td>
<td>+ 2%</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cost pass-thru</strong></td>
<td>- 5%</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Currency</strong></td>
<td>- 9%</td>
<td>+ 2%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Acq/Div</strong></td>
<td>0%</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

(2) Non-GAAP measures. See Appendix.
### Global End-Market Trends

#### Q2 09 Organic Sales Growth

<table>
<thead>
<tr>
<th>Sector</th>
<th>YOY</th>
<th>Vs. Q1 09</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>+10%</td>
<td>-2%</td>
<td>Growth in H2 and enhanced oil recovery; low oil well services activity in US and Canada</td>
</tr>
<tr>
<td>Electronics</td>
<td>-20%</td>
<td>+17%</td>
<td>Sequential improvement, particularly in Asia</td>
</tr>
<tr>
<td>Chemicals</td>
<td>-25%</td>
<td>-5%</td>
<td>Stabilizing demand globally</td>
</tr>
<tr>
<td>Metals</td>
<td>-23%</td>
<td>-5%</td>
<td>Destocking mostly finished, sequential growth in China, improving volumes in June in NA and SA</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-14%</td>
<td>+1%</td>
<td>Improving trends in SA and Asia; Europe stabilizing</td>
</tr>
<tr>
<td>Healthcare</td>
<td>+1%</td>
<td>0%</td>
<td>Growth in Spain and SA, offset by US homecare</td>
</tr>
<tr>
<td>Aerospace</td>
<td>-7%</td>
<td>+3%</td>
<td>Higher jet engine coatings Q2 vs. Q1</td>
</tr>
<tr>
<td>Food and Bev.</td>
<td>-3%</td>
<td>+4%</td>
<td>Steady, moderate growth</td>
</tr>
</tbody>
</table>
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
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

Illustrative 200 Mile Radius

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

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

**Praxair H₂ Sales**

- **2008**
  - $1.1 Bn
- **2013F**
  - $2+ Bn

- ~15% CAGR

**% of New H₂ Demand by Region**

- China/India: 35%
- United States: 25%
- Middle East: 15%
- Canada/Oil Sands: 13%
- Other: 12%
- Brazil, Mexico: 10%
- Other: 15%

Source: Praxair estimates
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
Making our Planet More Productive℠

Optimization of Operations

Water Treatment

Oxy-fuel Reduces Emissions

Solar Energy

Tons CO2 Avoided/Ton of O2

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

0 | 0.5 | 0.1 | 0.2 | 1.5 | 2.0
## Strong Presence in Emerging Economies

<table>
<thead>
<tr>
<th></th>
<th>Mexico</th>
<th>Brazil</th>
<th>China</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td>Praxair Leading Position</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Praxair Sales Growth (CAGR ’05-’08)</td>
<td>20%</td>
<td>19%</td>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td>Per Capita Gas Consumption (% of U.S.)</td>
<td>20%</td>
<td>15%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Forecasted IP Growth* (CAGR ’09-’14)</td>
<td>4%</td>
<td>4%</td>
<td>11%</td>
<td>5%</td>
</tr>
</tbody>
</table>

*Forecasted IP Growth: Global Insight 5/15/09

Emerging economies represent 30%+ of sales and 60% of projects in the backlog
Mexico – Long-term Growth

♦ Increasing opportunities with PEMEX
  – Enhanced oil recovery
  – Oil well services
  – Hydrogen for refining

♦ Infrastructure investment – 5 year plan
  – Healthcare
  – Metals
  – Electronics/Solar

Energy sector will drive strong growth
South America End Markets

- Chemicals 6%
- Energy 12%
- Food & Beverage 10%
- Healthcare 13%
- Manufacturing 25%
- Metals 24%
- Other 10%

South America End Markets

- On-site investment - variety of end markets
- Applications technologies - food, healthcare, environmental
- Best positioned and preferred supplier

Unrivalled network drives strong profitable growth
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
Expanding 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
Coal Gasification

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

- Praxair oxygen supply
  - SOPO acetic acid plant
  - Anhui HuaYi Chemical
  - 3000 TPD product line plants
  - Aligned with gasification technology

Multiple projects in the backlog
Strong Project Backlog

- 42 major on-site projects
- Project start-ups 2009 to 2011
- ~$2 billion in capex
- >60% in emerging markets
- Diverse markets and geographies

Q2 2009

# of projects, by region

Project backlog will drive revenue and earnings growth
2010 and Beyond

- Operating cash flow > $2 Bn
- Free cash flow > $1 Bn
  - Dividends
  - Share purchases
  - Tuck-in acquisitions

Annual Organic Sales Growth

- New Projects: 6-10%
- Applications Technology: 3-5%
- Base Business: 2-3%
- Base Business: 1-2%

Growth model still intact
Dividend Growth

*Proforma – assumes Q1 dividend rate for full year 2009

Confident in ability to generate strong cash flow

10-year CAGR 19%

Dividends per share ($)

1999 2001 2003 2005 2007 2009*
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.