The Past…
…The Present
…and The Future

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

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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.
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>
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</tbody>
</table>

2. Non-GAAP measure. See page 41 of annual report.
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
**Disciplined Capital Investment**

- **Bolt-on projects in core geographies**
- **Shareholder value creation is generated by the spread between IRR and the cost of capital**

![Diagram showing project IRR and cost of capital relationship](image)

- **Minimum Hurdle Rate**
- **Cost of Capital**

**Capital Investment $$**

**Table - Capital Investment Priorities**

<table>
<thead>
<tr>
<th>Project</th>
<th>Capital Investment $$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Hurdle Rate</td>
<td>$X</td>
</tr>
<tr>
<td>Cost of Capital</td>
<td>$Y</td>
</tr>
</tbody>
</table>

**Note:**

Shareholder value creation is generated by the spread between IRR and the cost of capital. This spread is compared to the cost of capital to determine if the project is financially viable. Bolt-on projects in core geographies are also considered, along with stand-alone projects and foregone projects.
2009 Capital Investment

Growth Capex by Region

- North America 57%
- Asia 20%
- South America 10%
- Europe 11%
- PST 2%

- 2009F Capex $1.4 - $1.5 B
  - Growth ~75%
  - Maintenance ~20%
  - Cost Reduction ~5%

- Strong project backlog - 42 large on-site projects

- Project start-ups will drive revenue growth in 2009 to 2011

- Diverse markets and geographies

$2 billion of large on-site projects coming on stream
2009 Guidance

- Sales $9.5 to $10 Billion
- Diluted EPS $3.80 to $4.20
- Operating Cash Flow >$2 Billion
- Capex $1.4 to $1.5 Billion
- After-Tax ROC* +/- 15%

Ex currency and natural gas pass thru
- Positive sales growth
- Flat to 10% EPS growth

*Non-GAAP measure. See appendix in Q4 08 earnings release.
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

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009F</th>
</tr>
</thead>
<tbody>
<tr>
<td>($ MM)</td>
<td>220</td>
<td>270</td>
<td>320</td>
<td>450</td>
</tr>
</tbody>
</table>

2009 fixed costs will be much lower than 2008
Current End Market Business Conditions

**Energy**
- Strong growth
- Largely decoupled from energy price

**Staples**
- Non-cyclical
- Steady growth

**Commodities**
- Excess global capacity
- Huge backlog
- Margins protected by take or pay contracts

** Manufacturing**
- Mature markets – tuck in acquisitions
- Emerging markets growth @ 2 x IP

- Energy
- Manufacturing
- Aerospace
- Other
- Metals
- Electronics
- Healthcare
- Food
- Chemicals

Praxair 2008 sales $10.8 B
Positive Long-term Environment

♦ Energy markets
  – Hydrogen for refining
  – Oil well services

♦ Emerging markets
  – Infrastructure investment
  – Coal gasification
  – Captive production moving to purchased product

♦ Environmental applications

Growth drivers intact
Hydrogen for Refining

♦ Demand growth from:
  – Fuel emission standards
  – Heavy sour crude
  – Growing diesel demand

♦ Current growth
  – North America

♦ Future growth
  – Canadian oil sands
  – Emerging markets

Praxair Hydrogen Sales

~15% CAGR

2008
$1.1 Bn

2013F
$2+ Bn

Strong demand for hydrogen expected to continue
Strong 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
Clean-Coal Power Generation

- Oxy-coal combustion
  - Enables CO$_2$ capture and sequestration
  - World scale O$_2$ system

- Alliance with Foster Wheeler for clean-coal technologies

- Praxair demonstration projects
  - Jamestown, NY
  - El Bierzo, Spain

Commercialization depends on GHG legislation
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
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
South America

South America End Markets

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

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

Unrivalled network drives strong profitable growth
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
Leadership in Sustainable Development

Dow Jones Sustainability Indexes
Member 2008/09

Carbon Disclosure Leadership Index 2008

SAM 2009 silver class

KLD INDEXES
KLD GLOBAL CLIMATE 100℠ INDEX

CARBON DISCLOSURE PROJECT
Carbon Disclosure Leadership Index 2008

SEE CHANGE
BETTER BUSINESS, BETTER WORLD
A BUSINESS ROUNDTABLE INITIATIVE

Applications Development

Renewable oil-based fuels

Cellulosic Bioethanol

Algae

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

![Diagram showing optimization of operations and water treatment]

![Chart showing tons of CO2 avoided per ton of O2 for various processes: Stove, Steel reheat, Glass, Fiber-glass, Calciners, Biodiesel]

![Image of solar panels]
2010 and Beyond

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

Annual Organic Sales Growth

- 6-10%
- 3-5%
- 2-3%
- 1-2%

New Projects
Applications Technology
Base Business

Growth model still intact
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.