



Praxair, Inc.

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Executive Vice President

**UBS Specialty Chemicals
Conference**

March 19, 2009



Making our planet more productiveSM

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.

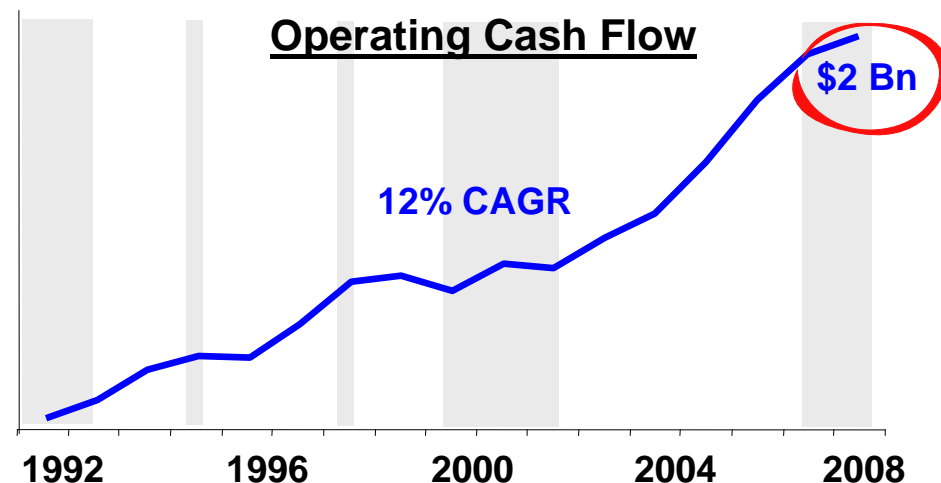
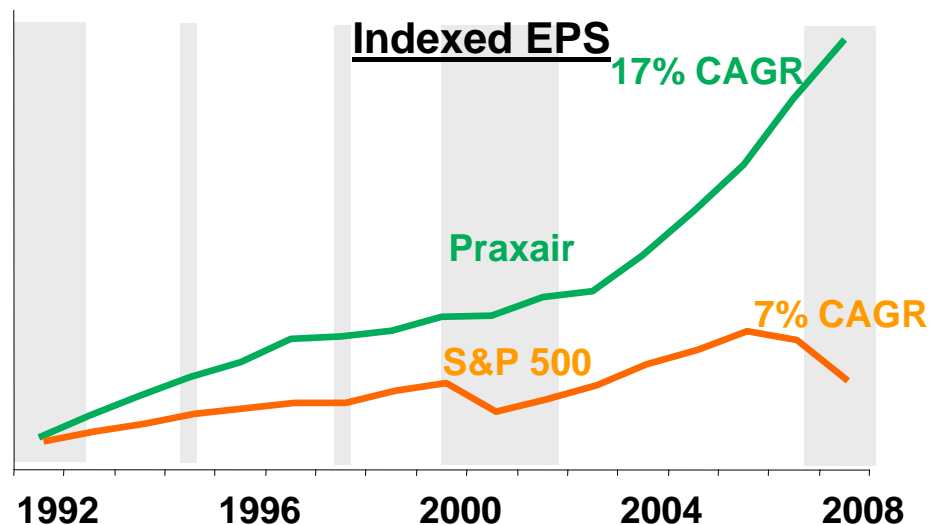
Praxair delivers...

Unique Revenue Model

- ◆ Dedicated supply systems
- ◆ Long term contracts
- ◆ No commodity pricing
- ◆ High ROC and cash flow

Secular Growth Drivers

- ◆ Environment
- ◆ Energy
- ◆ Emerging economies



□ Recession

...steady earnings and cash flow due to unique revenue model

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



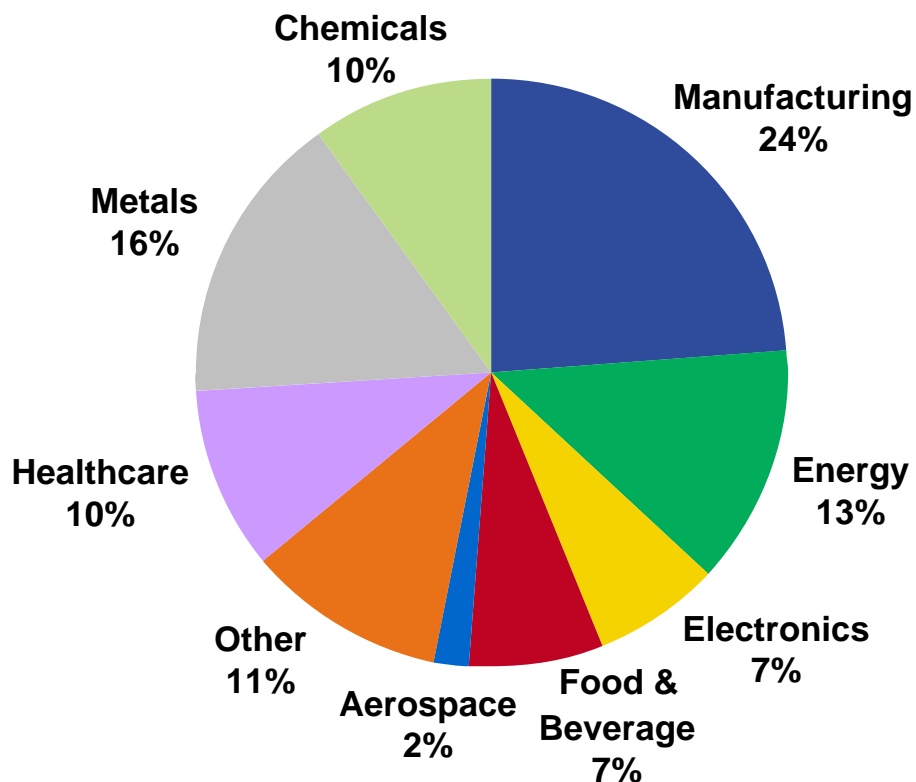
- ◆ Cylinder and equipment rental
- ◆ Sourced as by-product from bulk

Integrated system; contract terms drive high ROC

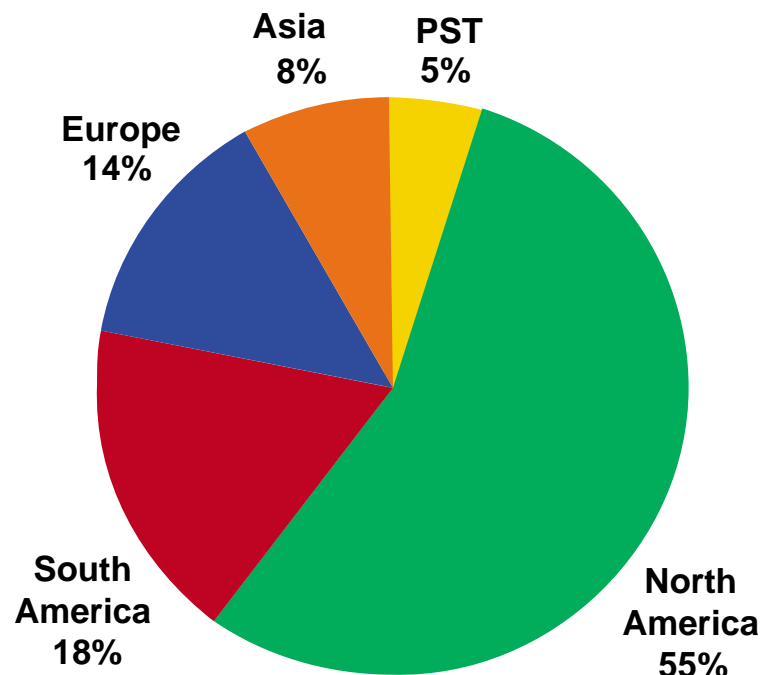
Diverse End Markets and Geographies

2008 Sales \$10.8 Bn

End Markets



Geographies



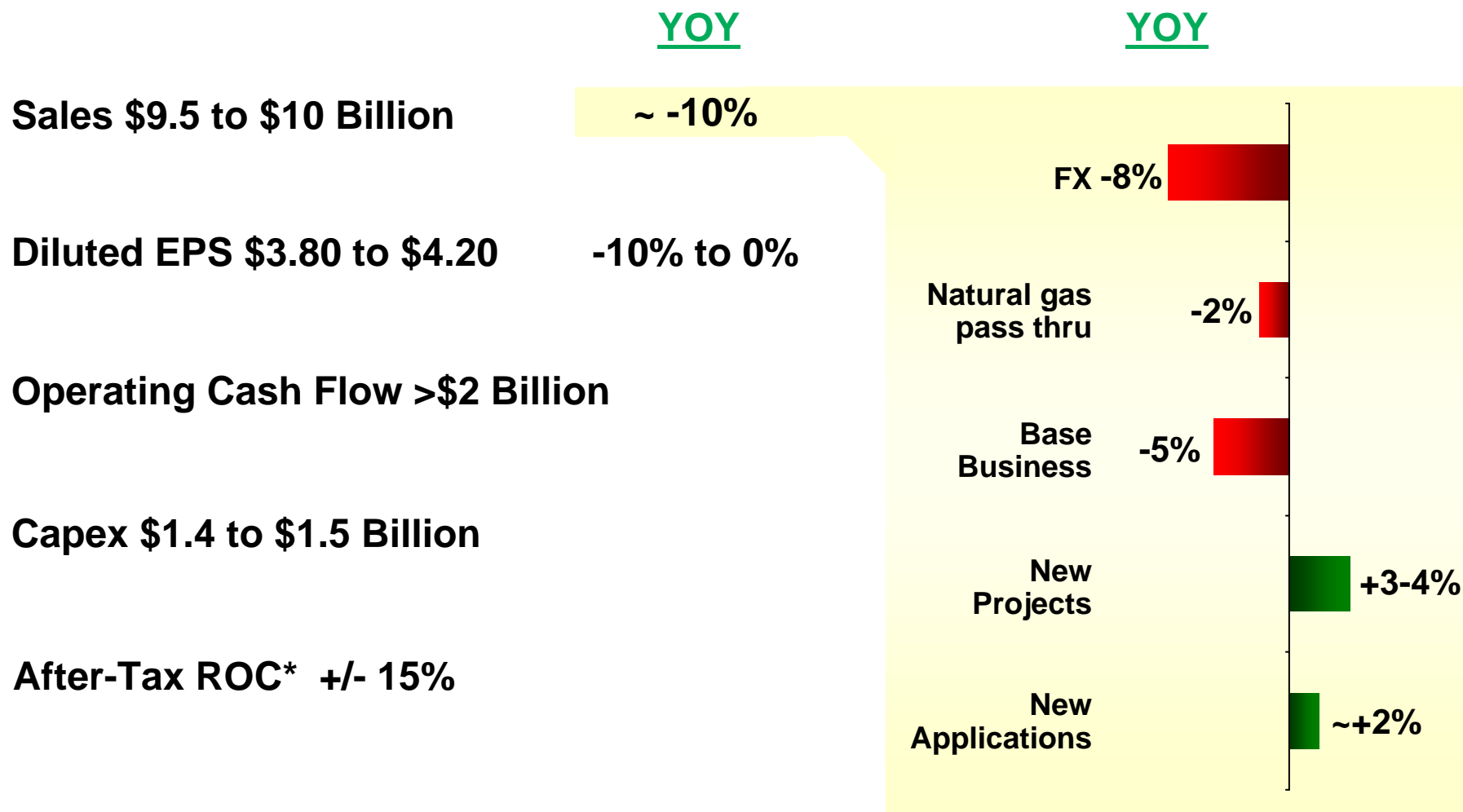
2008 Full-Year Results

(\$MM)	<u>2008⁽¹⁾</u>	<u>2007</u>	<u>Δ%</u>	<u>YOY</u>
Sales	\$10,796	\$9,402	+15%	<p>Volume +3%</p> <p>Price +6%</p> <p>Natural gas pass thru +1%</p> <p>FX +3%</p> <p>Acq +2%</p>
Adj. Operating Profit	\$2,077	\$1,786	+16%	
Adj. Net Income	\$1,336	\$1,177	+14%	
Adj. Diluted EPS	\$ 4.20	\$ 3.62	+16%	
Operating Cash Flow	\$2,038	\$1,958	+ 4%	
Capex	\$1,611	\$1,376		
After-Tax ROC⁽²⁾	15.3%	15.3%		

(1)Adjusted amounts are non-GAAP measures which exclude Q1 08 pension settlement charge of \$17 MM, \$11 MM after-tax, or 3 cents EPS, and Q4 08 cost reduction program and other charges of \$177 MM, \$114 after-tax and minority interests, or 37 cents EPS. See appendix in Q4 08 earnings release.

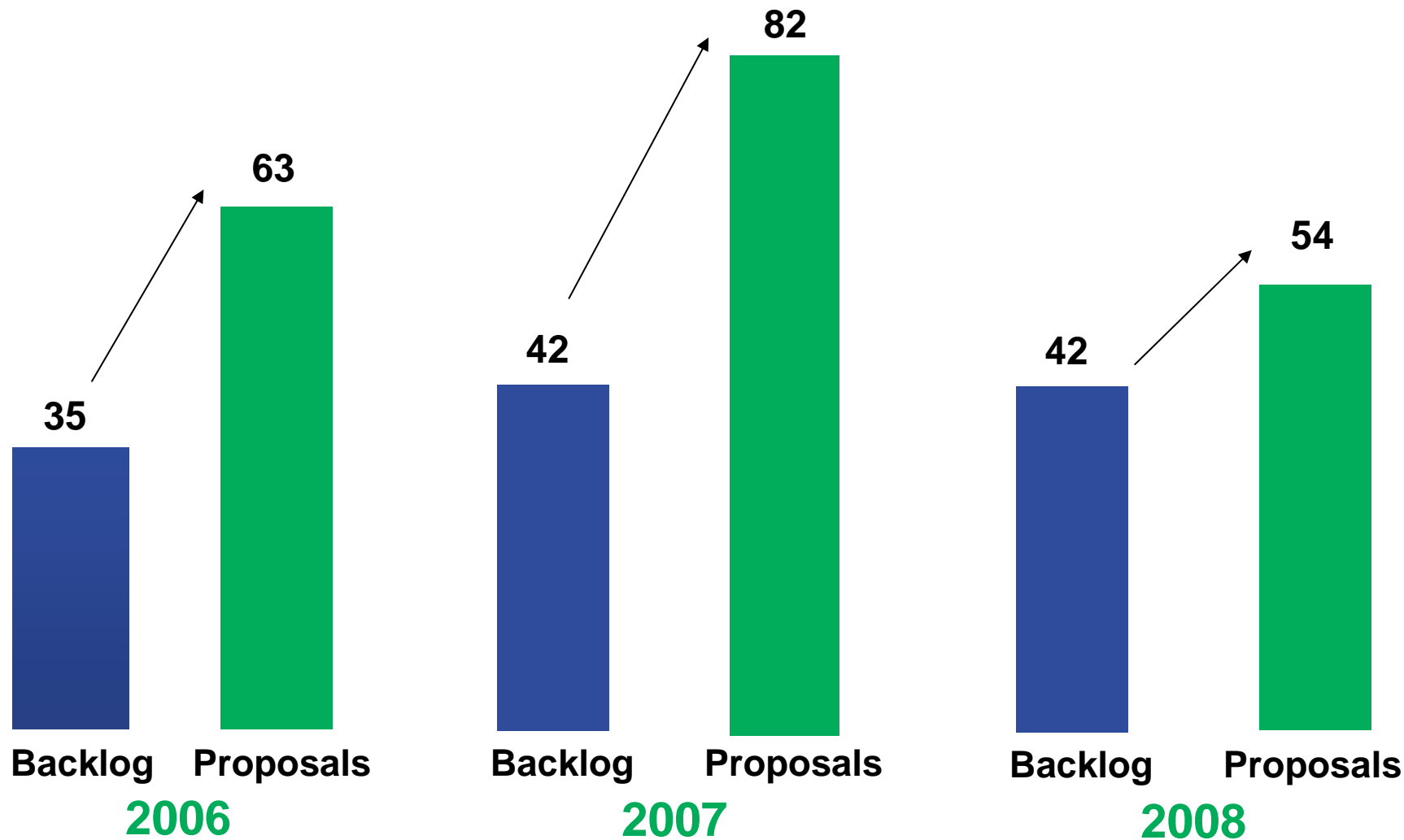
(2)Non-GAAP measure. See appendix in Q4 08 earnings release.

2009 Guidance



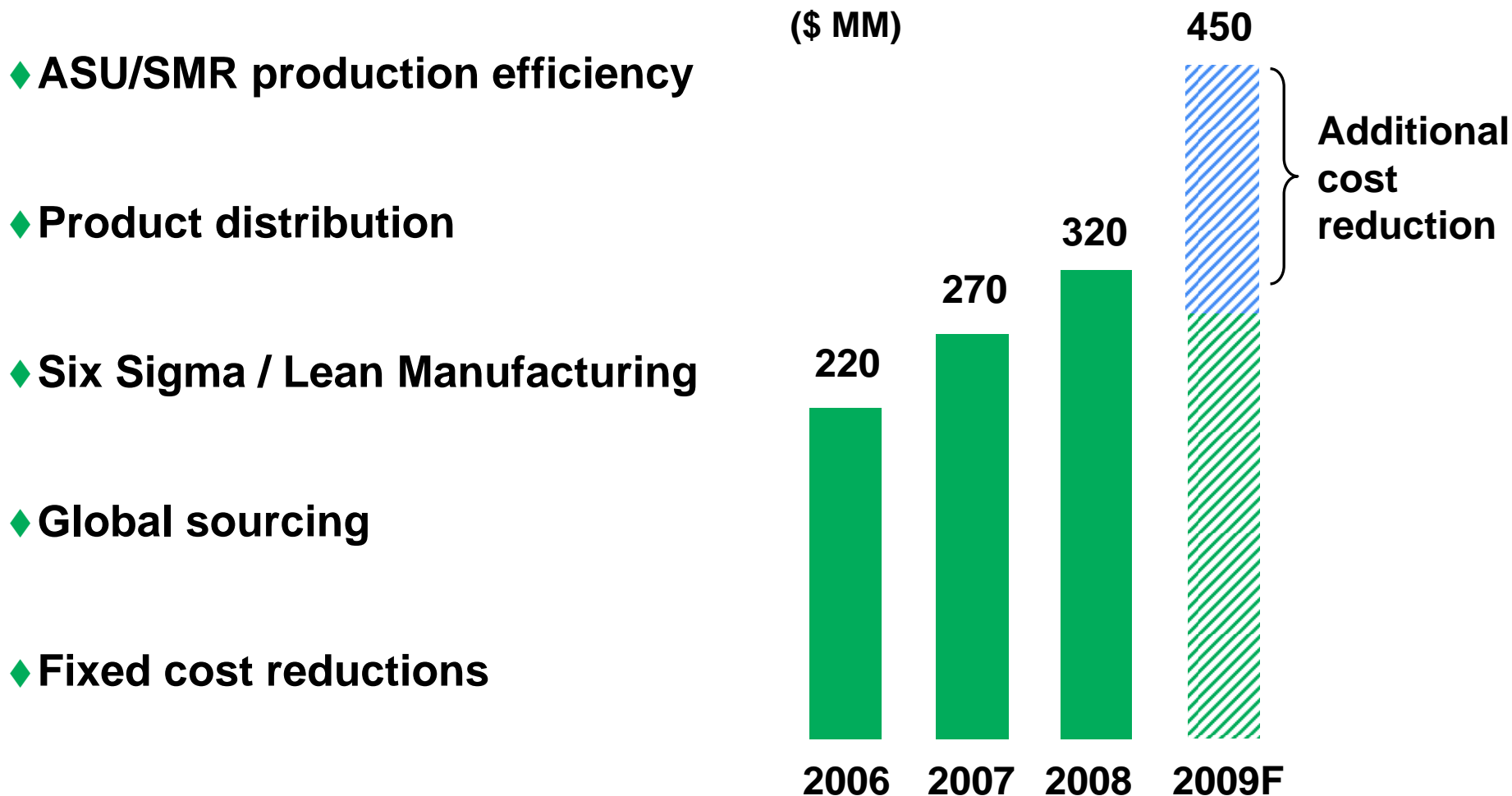
*Non-GAAP measure. See appendix in Q4 08 earnings release.

Strong Project Backlog



\$2 billion of projects coming on-stream in 2009 - 2011

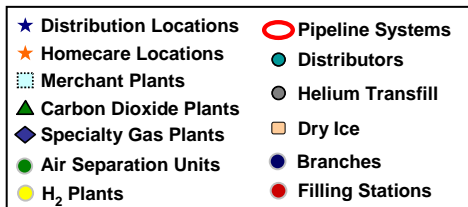
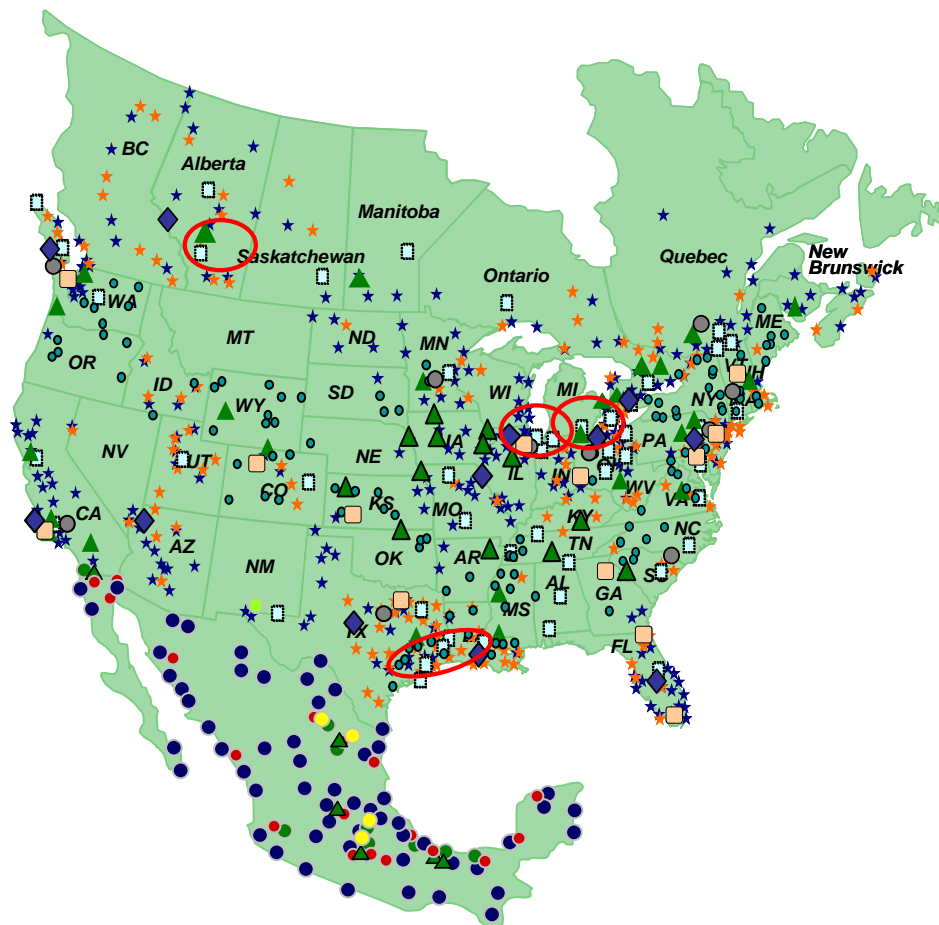
Accelerating Productivity Initiatives



2009 fixed costs will be lower than 2008

North America

55% of sales



Growth Drivers

- ◆ Refinery H₂
- ◆ Environmental applications
- ◆ Strong pricing trends
- ◆ Infrastructure investment
- ◆ Leading position - US, Canada and Mexico

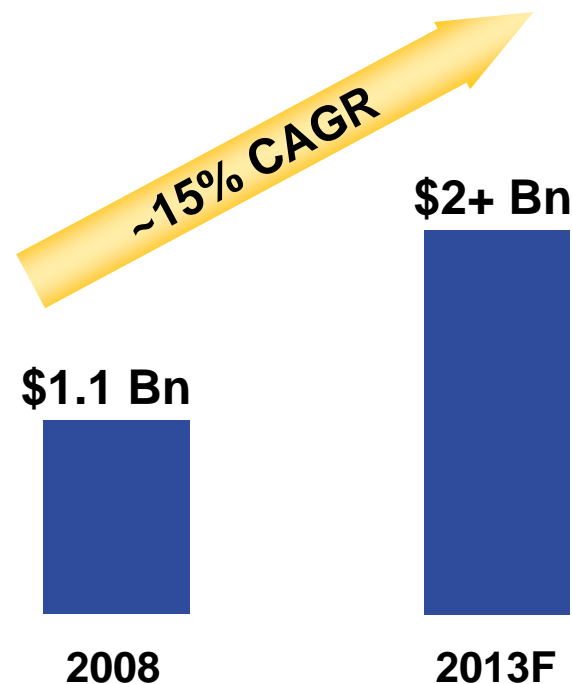
2009 Outlook

- ◆ US and Canada IP -5%
- ◆ Slowing in metals, manufacturing
- ◆ Energy sector in US and Mexico expected to be strong

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



Strong demand for hydrogen expected to continue

Europe

14% of sales

Growth Drivers

- ◆ Selective on-site opportunities in existing enclaves
- ◆ Healthcare, solar, environmental applications
- ◆ Strong productivity focus

2009 Outlook

- ◆ IP -5%
- ◆ Weak currency



Growing Environmental Applications

Water/Wastewater Treatment



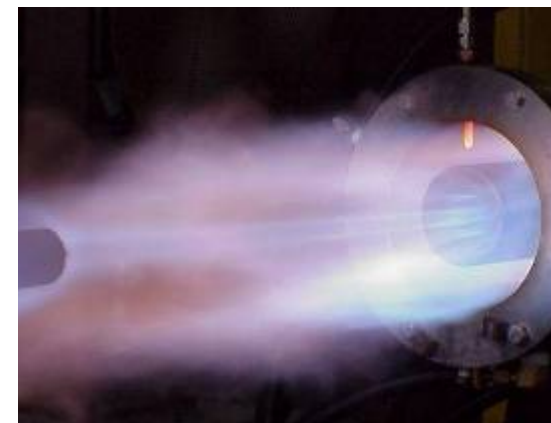
Oxygen aeration, ozone sludge reduction, drinking water disinfection

Photovoltaics



Gases, gas delivery systems, deposition materials

Oxy-fuel Combustion

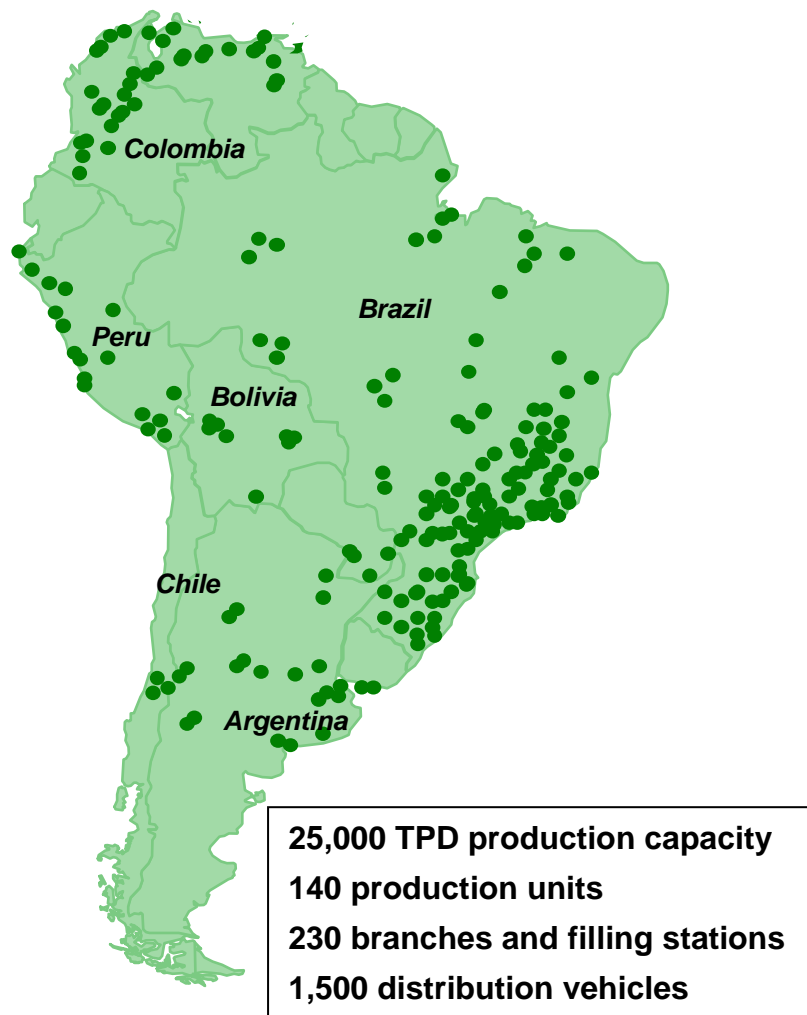


Reduced NO_x and CO₂ emissions

New applications have above average OP margin

South America

18% of sales



Growth Drivers

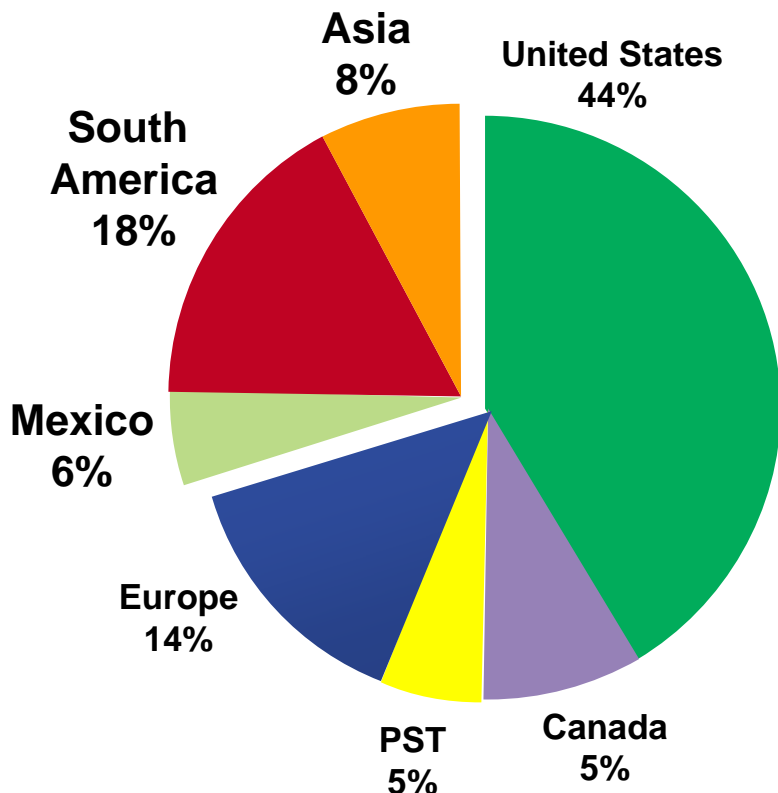
- ◆ On-site investment
 - Metals
 - Petrochemical
 - Energy/refinery
 - Paper
- ◆ Applications technologies-food, healthcare, environmental
- ◆ Best positioned and preferred supplier
- ◆ New project start-ups 2009-2010

2009 Outlook

- ◆ Brazil IP slowing to 0-3%
- ◆ Lower demand from commodity customers
- ◆ Currency translation headwinds

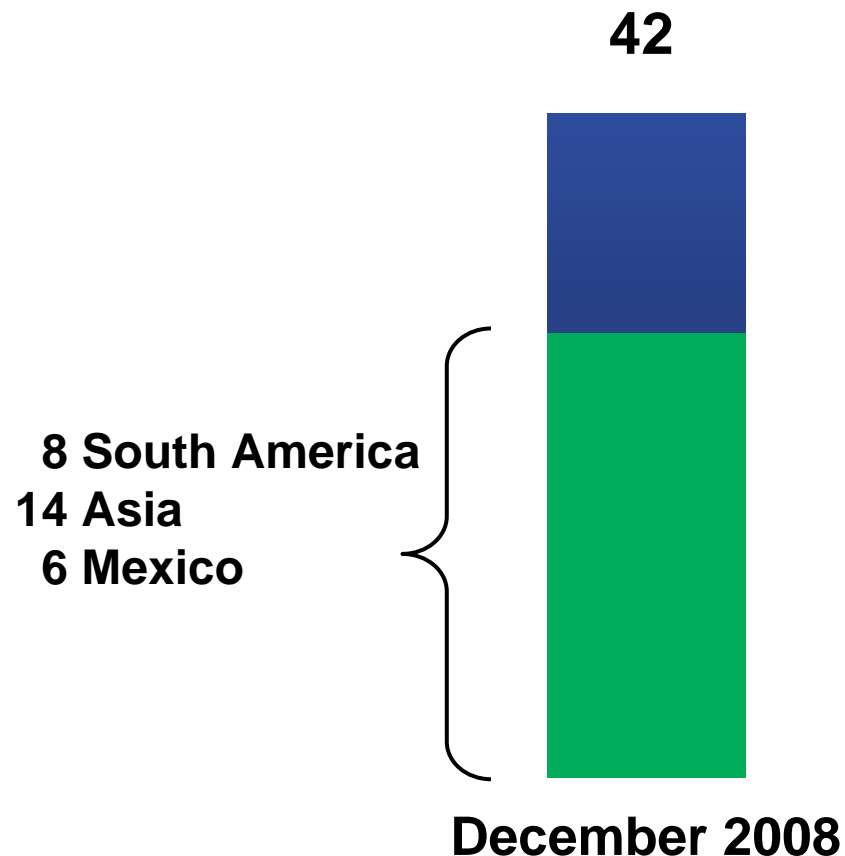
Emerging Economies

Sales by Geography



2008 Sales \$10.8 Bn

Project Backlog



Emerging economies represent 30% of sales and 40% of new growth capital

Growing in Asia

8% of sales



China

- ◆ Coal gasification
- ◆ Environmental applications
- ◆ A leading position

India

- ◆ Growth driven by domestic demand
- ◆ Captive users move to purchased product
- ◆ Praxair #1 supplier

2009 Outlook

- ◆ Expect 10-15% sales growth ex-FX
- ◆ Strong project pipeline
- ◆ Slowdown in electronics

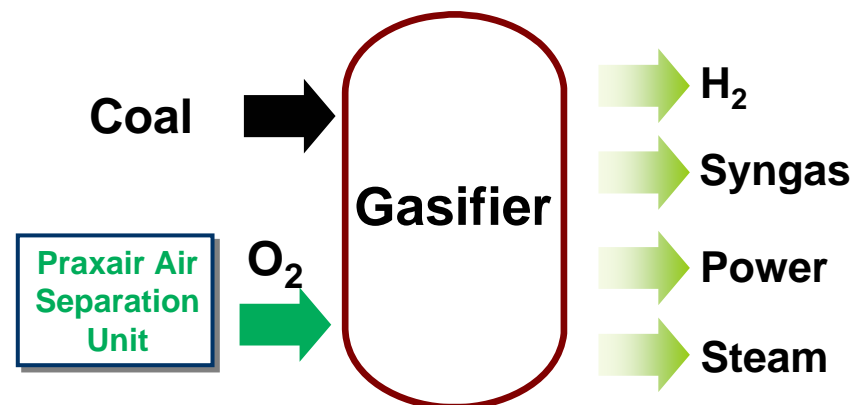
Coal Gasification

◆ 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



3,000 TPD product line plant

Multiple projects in the backlog

Tough Times Play to Our Strengths

- ◆ Long-term contracts
- ◆ Non-cyclical growth opportunities
- ◆ Strong backlog
- ◆ Application technologies
- ◆ Cylinder rentals
- ◆ Strong cash flow
- ◆ Non-commodity, contractual pricing
- ◆ Project execution
- ◆ Plant cost advantage
- ◆ Productivity focus

Best company in an attractive industry

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

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.



Dow Jones Sustainability Indexes

