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

Bank of America Merrill Lynch Investment Conference
September 14, 2010
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 changes in pension plan liabilities; the impact of tax, environmental, healthcare and other legislation and government regulation in jurisdictions in which the company operates; the cost and outcomes of investigations, litigation and regulatory proceedings; 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 Form 10-K and 10-Q reports 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

Indexed EPS

16% CAGR


Recession

S&P 500

8% CAGR

*Source: Thomson First Call

Consistent outperformance versus the S&P 500
Dedicated Supply Systems

On-site Contracts

Merchant Contracts

Cylinder Rentals

Applications Technologies

Customer retention and price leverage
Praxair Key Growth Drivers

Emerging Economies
- Increasing domestic consumption; infrastructure development
- Migrating application technologies
- Outsourcing of captive production

Energy
- Global growth of refinery hydrogen
- Coal gasification in China
- Enhanced oil recovery

Environment
- Air, water, waste regulations
- Development of alternative fuels
- Potential GHG regulations
Sales in Emerging Markets

14% CAGR for Emerging market sales growth

$7.5B

26%

2005

$10B

35%

2010F

$15B

45%

2015F

14% CAGR for Emerging market sales growth
Strong Growth Outlook for Emerging Economies

- **Brazil**
  - Growing energy, metals and manufacturing markets
  - Strong domestic growth
- **Mexico**
  - Strong growth from energy sector
  - Upswing in industrial investment
- **China**
  - Petrochemicals and gasification
  - Industrialization of inland provinces
- **India**
  - Expanding middle class
  - Infrastructure investment
- **Middle East**
  - ROC acquisition

### Per Capita Industrial Gas Consumption (% of US)

<table>
<thead>
<tr>
<th>Country</th>
<th>Consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>100%</td>
</tr>
<tr>
<td>Mexico</td>
<td>52%</td>
</tr>
<tr>
<td>Brazil</td>
<td>27%</td>
</tr>
<tr>
<td>Russia</td>
<td>22%</td>
</tr>
<tr>
<td>China</td>
<td>10%</td>
</tr>
<tr>
<td>India</td>
<td>6%</td>
</tr>
<tr>
<td>Middle East</td>
<td>1%</td>
</tr>
</tbody>
</table>

*GCC countries
Source: Spiritus Consulting
Increasing Gas Intensity – Two Examples

Argon intensity - Welding
(CF argon per lb consumables)

O₂ Intensity - Acetic Acid
(Ton O₂ / Ton AA)

W. Europe
United States
China

~40,000 TPD of new O₂ demand for China coal to chemicals

Source: Praxair estimates
Energy Market Opportunities

- **Enhanced oil recovery**
  - Nitrogen or CO₂ injection
  - Large global market potential

- **Renewable energy**
  - Biofuels
  - Solar

- **Natural gas BTU stabilization**
  - Nitrogen blending

- **CO₂ sequestration pilots**

Significant long-term global opportunities
Strong Growth Outlook for Hydrogen

- Developed markets
  - Environmental fuel standards
  - Efficiency/flexibility/reliability
  - Shift to diesel

- Emerging Markets
  - Greenfield refining capacity
  - Adoption of Euro fuel standards
  - Heavy/sour crude capability
  - H₂ for chemicals
  - Trend toward outsourcing


<table>
<thead>
<tr>
<th>Region</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>US/Europe</td>
<td>2%</td>
</tr>
<tr>
<td>India</td>
<td>15%</td>
</tr>
<tr>
<td>China</td>
<td>20%</td>
</tr>
<tr>
<td>Middle East</td>
<td>24%</td>
</tr>
<tr>
<td>Brazil</td>
<td>25%</td>
</tr>
</tbody>
</table>

Source: Purvin & Gertz, Praxair estimates

Praxair targeting 3 B scfd of hydrogen supply
Coal Gasification

- Active in China
  - Limited oil and gas availability
  - Plenty of low-cost coal
  - Integrated coal to chemicals

- Praxair oxygen supply
  - Integrated with gasification technology
  - Large oxygen plants- 3,000 TPD
    - SOPO – started up Dec 2009
    - Anhui Huayi – H1 11

$1B revenue potential in the next 5-7 years
Environmentally-Friendly Applications Technologies

Oxy-fuel Combustion

Renewable Biofuels

Water Treatment

Photovoltaics

~2-3% per year sales growth from high margin applications
Helping Customers Improve Energy Efficiency

- Oxy-fuel is the low cost solution for environmental compliance
- Lower energy usage reduces CO₂ emissions and continues to drive oxy-fuel applications
- Praxair has the expertise and technology to capitalize on the opportunity

<table>
<thead>
<tr>
<th>Commercial Pipeline</th>
<th>($MM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilities – Mercury Capture</td>
<td>150</td>
</tr>
<tr>
<td>Glass &amp; Cement</td>
<td>160</td>
</tr>
<tr>
<td>Iron</td>
<td>310</td>
</tr>
<tr>
<td>Steel</td>
<td>190</td>
</tr>
<tr>
<td>Non-Ferrous Metals</td>
<td>190</td>
</tr>
<tr>
<td>Refinery &amp; Chemicals</td>
<td>120</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,120</strong></td>
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</tbody>
</table>

Energy efficiency ➔ smaller carbon footprint
Water Treatment

● Scarce clean water resources
  – Brazil, China, India

● Stricter environmental regulations
  – Sludge minimization, nutrient removal, water reuse

● Large opportunity in emerging economies
  – Municipal demand growth
  – Need for greenfield plants and debottlenecking facilities

● Oxygen improves productivity and reduces cost of disposal/treatment

$80MM business growing ~10% p.a.
Renewable Energy - Biofuels

- Renewable Fuels Standard creates current biofuels market
- 2nd generation biofuels are significant users of industrial gases
  - O2, H2 for gasification of biomass
  - H2 for hydroprocessing of oils
  - CO2 for algae growth

Potential ~$500MM U.S. industrial gas market by 2015

Source: Energy Independence and Security Act of 2007, Praxair estimates
Renewable Energy - Photovoltaics

- Praxair serves over 40 PV customers
  - Argon, hydrogen, nitrogen, process gases
  - Sputtering targets

- Strong policy-driven growth
  - Europe, US, China

- Praxair strategically positioned
  - US, China, Korea, Taiwan, India, Germany, Italy, Spain, Canada

**PV Market Forecast**

<table>
<thead>
<tr>
<th>Year</th>
<th>Analysts</th>
</tr>
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<tbody>
<tr>
<td>2009</td>
<td>$0.25B</td>
</tr>
<tr>
<td>2011</td>
<td>$0.25B</td>
</tr>
<tr>
<td>2013</td>
<td>$0.75B</td>
</tr>
<tr>
<td>2015</td>
<td>$1.1B</td>
</tr>
</tbody>
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**~30% CAGR**

**Aluminum Zinc Oxide (AZO) Targets**

Praxair sales of $60MM growing ~30% p.a.
Continuous Improvement in Plant Design

- **Product line plants**
  - >90% of plant builds

- **Technology roadmap**
  - Distillation
  - Heat transfer
  - Pre-purification
  - Turbomachinery
  - 44 programs through 2012

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**Product Line Plants**

<table>
<thead>
<tr>
<th>Plant Size (TPD)</th>
<th>Low Purity Oxygen</th>
<th>High Purity Oxygen</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-250 TPD</td>
<td></td>
<td></td>
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<tr>
<td>3,000 TPD</td>
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**Oxygen Cost Index ($ per ton O₂)**

- Up to 30% improvement over 2006

~3% capital and energy savings p.a.
Long-Term Growth Outlook

Annual Organic Sales Growth

- **3-5%**: On-site project backlog
- **2-3%**: Applications and technology transfer
- **3-4%**: Base business follows IP*

Generates 12-18% annual organic EPS growth

*Industrial production

Project Backlog

- Major projects >$5MM capital
  - December 2006: $1.0 B
  - December 2008: $2.0 B
  - December 2010E: $2.5 B Est.
Strong Cash Flow Generation

Cash Flow 2000-2010F ($MM)

Operating Cash Flow
Capital Reinvestment
Dividends and Stock Purchases (net)

2010F
$2.3 23%
$1.4 14%
$1.1 11%

1) Non-GAAP measure. Free cash flow equals operating cash flow minus capital expenditures.
2) Excludes Leased Asset Purchase in 2003

Return on capital of 15% after-tax generates cash flow for growth and shareholder return
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.