Praxair, Inc.
Jim Sawyer
EVP and Chief Financial Officer

Bank of America Merrill Lynch Global Industries Conference

December 15, 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 Consistent Outperformance

Indexed EPS

Attractive Industry + Future Growth + Execution-Based Comp. Advantage = Winning Formula

*Source: Thomson First Call
Diverse End Markets and Geographies

**End Markets**
- Food & Beverage: 7%
- Healthcare: 11%
- Other: 11%
- Electronics: 8%
- Chemicals: 10%
- Energy: 12%
- Aerospace: 3%
- Manufacturing: 23%
- Metals: 15%

**Geographies**
- North America: 52%
- Europe: 14%
- Asia: 10%
- South America: 18%
- Surface Technologies: 6%

2009 sales
Unique Revenue Model

**On-Site/Pipeline 24%**
- 15 year take-or-pay contracts
- Indexed to energy, inflation, currency

**Merchant Liquid 29%**
- Exclusive supply agreements
- Sourced as by-product from on-site

**Packaged/Medical 31%**
- Cylinder and equipment rental
- Sourced as by-product from bulk

Integrated supply & contract terms drive high ROC

*2009 sales*
Praxair Key Growth Drivers

Emerging Economies
- Infrastructure development & domestic consumption
- 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

Supports annual organic sales growth of 8-12%
Emerging Markets Sales

2005

26%

2010F

35%

2015F

45%

$7.5B

$10B

$15B

14% CAGR for emerging market growth

Accelerating growth in emerging markets
Emerging Economies – Growth Outlook

- **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 and Russia**

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

- **U.S.**
- **Mexico (Mex)**: 27%
- **Brazil**: 22%
- **Russia (Rus)**: 10%
- **China**: 6%
- **India**: 1%

*GCC countries

Source: Spiritus Consulting

Decades of Organic Growth

---

*Bank of America Merrill Lynch Global Industries Conference – NYC 12/15/10*
Expanding in the Middle East and Russia

Growth Drivers

- Massive infrastructure investment
  - Metals, Petrochemicals
- Energy production

Middle East

- ROC jv – leading position in UAE and Kuwait
- New oxygen contract for steel co – Bahrain

Russia

- Attractive opportunities in Urals district and Volgograd region – diverse industries
- Significant outsourcing opportunity – replace inefficient ASUs

Selectively investing in key new geographies
Emerging Market Example - 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
Energy Markets Drive Hydrogen Growth

- 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
  - \( \text{H}_2 \) for chemicals
  - Trend toward outsourcing

### Refining Capacity Growth (2010 – 2015)

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth</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

Targeting 3 B scfd of hydrogen supply
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
Environmentally-Friendly Applications Technologies

Oxy-fuel Combustion

Renewable Biofuels

Water Treatment

Photovoltaics

~2-3% per year sales growth from high margin applications
Sustaining a Competitive Advantage

Focus
- Stick to our core business
- Operating discipline
- Sale of gas model

Market Selection
- Build density in key geographies
- Best emerging market footprint
- Capital discipline

Technology
- Plant design
- Customer applications
- Energy efficiency

Execution
- Project management
- Distribution efficiencies
- Productivity culture

Execution culture…difficult to match our “Say/Do” ratio
Long-term Growth Objectives

Annual Organic Growth

- Sales: 8-12%
- Operating Profit: 10-15%
- EPS: 12-18%
- After-tax return on capital*: 15%+

- Growing project backlog
- Emerging markets growth
- Modest recovery in US/EU
- Continued productivity
- Pricing > cost inflation
- EBITDA ~30% of sales
- Capex ~15% of sales

Free cash flow for increasing dividends and share purchases

*Non-GAAP measure, see page 40 of the 2009 annual report
Strong Cash Flow Generation

Cash Flow 2000-2010F ($MM)

2010F

- Operating Cash Flow: $2.3B, 23% of Sales
- Capital Reinvestment: $1.4B, 14% of Sales
- Dividends and Stock Purchases (net): $1.1B, 11% of Sales

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

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