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

UBS Third Annual
Chemicals Conference
March 18, 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; the ability to attract, hire, and retain qualified personnel; the impact of changes in financial accounting standards; the impact of tax 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

Continuous Improvement
♦ New product applications
♦ Productivity leadership
♦ Flawless execution

...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
Key Growth Drivers for Industrial Gases

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

Environment
- Air, water, waste regulations
- Development of alternative fuels
- Potential GHG regulations

Energy
- Global growth of refinery hydrogen
- Coal gasification in China
- Enhanced oil recovery
Strongest Presence in Emerging Economies

Praxair Sales

- US/Canada: 46%
- South America: 18%
- Mexico: 6%
- Europe: 14%
- Asia: 10%
- PST: 6%

2009 Sales $9.0 Bn

Per Capita Gas Consumption (% of US)

- U.S.: 100%
- Mexico: 24%
- Brazil: 19%
- China: 4%
- India: 1%

34% of revenues from emerging economies
Praxair China

2009 Sales of ~$400 MM*

- Petrochemical
- Metals
- Gasification
- Electronics
- Food & beverage
- Other

*Combined sales. Under construction

Vertically integrated business with high distribution density
Growing in India

2009 Sales ~$200M

♦ Praxair #1 position
  - 14 plants operating
  - 3 under construction

♦ 80% of manufactured goods sold locally
  - Growing middle class
  - Infrastructure investments
    ● Steel, Chemicals, Refining

♦ Awarded 90 MMSCFD H₂ and 500 TPD N₂ supply for Indian Oil Company - Start-up 2012

Captive users moving to outsourced supply contracts

*Praxair estimates
South America

♦ Brazil ~80% of sales
  – Colombia, Peru, Chile growing at ~20% p.a.

♦ Pro-growth policies
  – Low interest rates
  – Fiscal discipline
  – Foreign reserves

♦ Expanding middle class

♦ Growth from energy, metals and manufacturing markets

♦ Praxair competitive advantage and preferred supplier to most customers

Long-term growth of 15% p.a.
Strong Opportunities in Mexico

2009 Sales ~$500 MM

♦ Praxair strongest position

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

♦ Upswing in industrial investment

♦ $100 - $150MM per year capital investment

110 branches and filling stations
850 distribution vehicles
25,000 customers

Energy sector will drive strong growth
Increasing Gas Intensity – Two Examples

Argon intensity - Welding
(CF argon per lb consumables)

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

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

Butane oxidation
Butane oxidation
Methanol carbonylation
Methanol carbonylation

Air-based
Air-enrichment
NG partial oxidation
Coal based gasification

Source: Praxair estimates
Environmental Regulations Drive Demand

♦ 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>
</tr>
</tbody>
</table>

Multiple regulations create over $1 B opportunity
History of Combustion Leadership

Experience - More than 400 Installations

- Non-Ferrous
- Iron
- Steel
- Refining/Chemical
- Kilns
- Coal
- Glass

Technology - Over 100 Patents

- Environmental
- Energy
- Steel-Process
- Steel-Combustion
- Non-Ferrous
- Glass

Praxair Firsts

- ♦ Oxy-fuel for glass production
- ♦ Steel reheat furnace
- ♦ Coal fired NOx control
- ♦ O₂ fired process heater
- ♦ Enhanced blast furnace carbon injection

Solid foundation to provide solutions to reduce CO₂
Global Warming / CO₂ Legislation

Reduce CO₂ footprint through energy efficiency

CO₂ capture and sequestration

Power station with CO₂ capture

Well-positioned with short and long-term solutions
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 with $500MM+ global potential market
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 gases 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

Praxair sales of $60MM growing ~30% p.a.
Enhanced Oil Recovery

♦ Long-term growth drivers
  – Global economic recovery
  – Increasing energy demand
  – Rising oil prices
  – Enables carbon capture and storage (CCS)

♦ Recent large nitrogen projects
  – Pemex, Samaria, Mexico
  – ExxonMobil, Hawkins, TX

♦ Participating in numerous EOR/CCS pilot projects globally

Significant long-term global opportunities
Growth in Refinery Hydrogen

♦ Strong global growth forecasted over the next 10 years

♦ Developed markets
  – Lower organic growth
  – Shift to diesel (higher $H_2$ intensity)

♦ Emerging markets
  – Grassroots refinery expansion and upgrades
  – Adoption of Euro fuel standards
  – Heavy/sour crude capability
  – Trend toward outsourcing

Praxair best positioned to win in emerging economies

Actively pursuing 3+ BCFD of $H_2$ opportunities outside of US

% of New $H_2$ Demand by Region

- United States: 35%
- China/India: 15%
- Middle East: 12%
- Canada/Oil Sands: 13%
- Other: 15%
- Brazil, Mexico: 10%
- Other: 15%
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
Continuous Improvement in Plant Design

♦ Product line plants
  – >90% of plant builds

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

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</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Oxygen Cost Index ($ per ton O₂)

~3% capital and energy savings p.a.
Proven Track Record Driving Productivity

- Production
- Distribution
- Administration

Productivity savings are sustainable

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>270</td>
<td>320</td>
<td>450</td>
<td>~300</td>
</tr>
<tr>
<td>% of Cost Stack</td>
<td>5%</td>
<td>5%</td>
<td>7%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Additional cost reduction to offset volume decline
## 2009 Full Year Results

<table>
<thead>
<tr>
<th>($MM)</th>
<th>2009&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>2008&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>Δ%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$ 8,956</td>
<td>$10,796</td>
<td>-17%</td>
</tr>
<tr>
<td>Adj. Operating Profit</td>
<td>$1,881</td>
<td>$2,077</td>
<td>-9%</td>
</tr>
<tr>
<td>Adj. Operating Margin</td>
<td>21.0%</td>
<td>19.2%</td>
<td>+180 bp</td>
</tr>
<tr>
<td>Adj. Net Income&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>$1,247</td>
<td>$1,336</td>
<td>-7%</td>
</tr>
<tr>
<td>Adj. Diluted EPS&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>$ 3.99</td>
<td>$ 4.20</td>
<td>-5%</td>
</tr>
<tr>
<td>Operating Cash Flow</td>
<td>$2,168</td>
<td>$2,038</td>
<td>+6%</td>
</tr>
<tr>
<td>After-Tax ROC&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>13.8%</td>
<td>15.3%</td>
<td></td>
</tr>
<tr>
<td>ROE&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>27.0%</td>
<td>26.8%</td>
<td></td>
</tr>
</tbody>
</table>

### YOY

- **Sales Growth**: -17%
- **Volume**: -10%
- **Price/Mix/Other**: +2%
- **Cost Pass-thru**: -4%
- **Currency**: -5%
- **Acq/Div**: 0%

**Strong earnings performance relative to sales decline**

- Higher price and cost reduction offset volume decline due to global recession

**Record operating margin**

**Record operating cash flow**

---

<sup>(1)</sup> Adjusted amounts are non-GAAP measures. 2009 adjusted amounts exclude Q3 09 Brazil tax amnesty program and other charges; 2008 adjusted amounts exclude Q4 08 cost reduction program and other charges, and Q1 08 pension settlement charge. See Appendix.

<sup>(2)</sup> Net Income and Diluted EPS attributable to Praxair, Inc. shareholders.

<sup>(3)</sup> Non-GAAP measures. See Appendix.
Global End-Market Trends – “Peak to Trough”

Indexed sales adjusted for currency
### Global End-Market Trends

#### Q4 09 Sales Growth (ex-FX, ACQ)

<table>
<thead>
<tr>
<th>Category</th>
<th>YOY</th>
<th>Vs. Q3 09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>- 13%</td>
<td>- 3%</td>
</tr>
<tr>
<td>Electronics</td>
<td>+ 13%</td>
<td>+ 12%</td>
</tr>
<tr>
<td>Chemicals</td>
<td>- 4%</td>
<td>+ 6%</td>
</tr>
<tr>
<td>Metals</td>
<td>+ 1%</td>
<td>+ 2%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>- 11%</td>
<td>+ 4%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>- 5%</td>
<td>- 2%</td>
</tr>
<tr>
<td>Aerospace</td>
<td>- 3%</td>
<td>- 10%</td>
</tr>
<tr>
<td>Food and Bev.</td>
<td>- 3%</td>
<td>+ 3%</td>
</tr>
</tbody>
</table>

#### FY 2009 YOY Sales Growth

<table>
<thead>
<tr>
<th>Category</th>
<th>Ex-FX, Acq</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>0%</td>
</tr>
<tr>
<td>Electronics</td>
<td>- 15%</td>
</tr>
<tr>
<td>Chemicals</td>
<td>- 20%</td>
</tr>
<tr>
<td>Metals</td>
<td>- 19%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>- 20%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>- 7%</td>
</tr>
<tr>
<td>Aerospace</td>
<td>+ 1%</td>
</tr>
<tr>
<td>Food and Bev.</td>
<td>- 11%</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Excluding natural gas pass-through
Strong Project Backlog

- 40 major on-site projects in the backlog
- >$2 B of capital investment
- ~2/3 in emerging markets
- Diverse end markets - energy, metals, electronics, manufacturing, chemicals
- Project start-ups 2010-2012

Project start-ups will contribute 5% earnings growth p.a.
Long-Term Growth From New Projects and Technologies

Annual Organic Sales Growth

- **IP* + 5-8%**
  - On-site project backlog
- **3-5%**
  - Environmental and energy technologies
- **2-3%**
  - Base business follows IP

Expect double digit EPS growth over the cycle

Future earnings growth will significantly outpace the economy

*Industrial production
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.