Praxair, Inc.
Scott Telesz
Senior Vice President

Nomura Global Chemicals Group Leaders Conference

24 March, 2011
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


Praxair S&P 500

16% CAGR

8% CAGR*

Indexed EPS

Recession

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

*S&P 2010 earnings Thomson First Call estimate
Diverse End Markets and Geographies

**End Markets**

- Food & Beverage: 7%
- Healthcare: 10%
- Manufacturing: 23%
- Metals: 16%
- Energy: 11%
- Aerospace: 3%
- Other: 11%
- Electronics: 9%
- Chemicals: 10%

**Geographies**

- North America: 51%
- Europe: 13%
- Asia: 11%
- South America: 19%
- United States: 23%
- Canada: 11%
- Mexico: 11%
- Other: 11%

Surface Technologies: 6%

2010 sales
## Industrial Gas Industry Advantages

<table>
<thead>
<tr>
<th></th>
<th>Industrial Gases</th>
<th>Commodity Chemicals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive Field</td>
<td>Local</td>
<td>Global</td>
</tr>
<tr>
<td>Distribution</td>
<td>Integrated system</td>
<td>Limited scope</td>
</tr>
<tr>
<td>Price</td>
<td>Contract</td>
<td>Spot</td>
</tr>
<tr>
<td>Customers</td>
<td>Small slice of buy</td>
<td>Significant attention</td>
</tr>
<tr>
<td>Raw Materials</td>
<td>Stable</td>
<td>Volatile</td>
</tr>
<tr>
<td>Growth</td>
<td>High, steady</td>
<td>Lower, cyclical</td>
</tr>
<tr>
<td>Return on Capital</td>
<td>High</td>
<td>Low</td>
</tr>
</tbody>
</table>
Unique Revenue Model

On-Site/Pipeline 25%*

- 15 year take-or-pay contracts
- Indexed to energy, inflation, currency

Merchant Liquid 30%*

- Exclusive supply agreements
- Sourced as by-product from on-site

Packaged/Medical 29%*

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

Integrated supply & contract terms drive high ROC

*2010 sales
Selective Geographic Focus

Geographies where we can achieve strong market positions via superior production and distribution system density
**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: $7.5B
- Asia: 26%
- South America
- Mexico
- US and Canada

2010: $10B
- Asia: 36%
- South America
- Mexico
- US and Canada

2015F: $15B
- Asia: 45%
- South America
- Mexico
- US and Canada

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.** 100%
- **ME*** 52%
- **Mex** 27%
- **Brazil** 22%
- **Rus** 10%
- **China** 6%
- **India** 1%

*GCC countries
Source: Spiritus Consulting

Decades of Organic Growth

Nomura Global Chemicals Group Leaders Conference - Bordeaux 24/3/11
Expanding in the Middle East and Russia

Growth Drivers
- Massive infrastructure investment
  - Metals, Petrochemicals
- Energy production

Middle East
- ROC Group 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

Same business model – select new geographies
Energy Markets Drive Hydrogen Growth

- **New Refinery Capacity**
  - Self-sufficiency in emerging countries
  - Middle East exports

- **More Hydrogen Intensity per Barrel**
  - Shift to heavier more sour crude
  - Tighter fuel specifications
  - More complex refineries

- **Increased Hydrogen Outsourcing**
  - From 20% to 30% in 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

Praxair hydrogen volumes expected to grow 15% p.a.
Continued Growth from the Energy Market

- **Enhanced oil recovery**  
  - Nitrogen or CO\textsubscript{2} injection  
  - Large global market potential

- **Coal gasification in China**  
  - Integrated coal to chemicals  
  - Large oxygen plants

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

- **CO\textsubscript{2} 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
Drivers of 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
- Product line advantage
- 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**

<table>
<thead>
<tr>
<th>Sales</th>
<th>8-12%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Profit</td>
<td>10-15%</td>
</tr>
<tr>
<td>EPS</td>
<td>12-18%</td>
</tr>
</tbody>
</table>

- 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*
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.