Praxair, Inc.

Steve Angel
Chairman, President and Chief Executive Officer

Sanford C. Bernstein Strategic Decisions Conference
May 30, 2012
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 Track Record

Strong Underlying Fundamentals...

Sales Growth

<table>
<thead>
<tr>
<th></th>
<th>Praxair</th>
<th>Competitor 1</th>
<th>Competitor 2</th>
<th>Competitor 3</th>
<th>S&amp;P 500</th>
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EPS Growth

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Operating Margin

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Return on Capital

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Driving Industry - Leading Returns (5-year TSR)

- Praxair: 15%
- Competitor 2: 10%
- Competitor 1: 7%
- S&P 500 Chemicals: 6%
- Competitor 3: 6%
- S&P 500: 0%

* Sales Growth and EPS Growth – 5 year CAGR
** Operating Margin and ROC – 2011

Leading value creation in the industry
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**
- Product line advantage
- Customer applications
- Total cost of ownership

**Execution**
- Project management
- Distribution efficiencies
- Productivity culture

Execution culture…difficult to emulate
Selective Geographic Focus and Integrated Supply

**Production / distribution density drives higher profitability and ROC**

**Three supply methods**

- **Onsite / Pipeline** 25%
  - 15-year take-or-pay contracts
  - Indexed to energy, inflation and currency

- **Merchant / Liquid** 32%
  - Exclusive supply agreements
  - Sourced as by-product from on-site

- **Packaged / Medical** 27%
  - Cylinder rental and specialty gas focus
  - Sourced as by-product from bulk

**Geographies**

- **North America** 52%
- **South America** 20%
- **Europe** 15%
- **Asia** 13%

2011 Sales Geographies include Surface Technologies
North America

2011 Sales $ 5.5B

Main Markets

- **Manufacturing** 28%
- **Energy** 17%
- **Metals** 13%
- **Chemicals** 11%
- **Healthcare** 8%

- Strong growth fundamentals:
  - Manufacturing
  - Energy
  - Chemical

- Robust backlog of projects

Largest industrial gases company in North America

- 500 production plants
- 3,000 distribution vehicles
- 500,000 customer locations
- Pipeline enclaves
- Unique helium, argon and rare gases production & supply capabilities
Strong Shale Activity Drives Significant Opportunities

- **Praxair # 1 in N. A.**
- **Significant assets**
- **$350MM sales***
- **Shale opportunity**

**Ethane crackers, methanol and derivatives**

**Hydrocracking for refineries**

**Chemical industry and manufacturing competitiveness**

**Potential 0.5% increase in I.P.**

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* 2012 estimates
South America

2011 Sales $ 2.3B

■ Unrivaled network, strong #1 position
  – 145 production units
  – 285 branches and filling stations
  – 2,050 distribution vehicles
  – 150,000 customers

■ Robust underlying fundamentals
  – Expanding domestic demand
  – Infrastructure development
  – Export of metals and agricultural commodities

■ Key growth markets: energy, manufacturing, metals, food & beverage, healthcare

■ Strong growth from project backlog

Best positioned and preferred supplier
China

2011 Sales $0.6B*

Main Markets

<table>
<thead>
<tr>
<th>Market</th>
<th>Percentage</th>
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<tr>
<td>Chemicals</td>
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<td>Metals</td>
<td>26%</td>
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<tr>
<td>Electronics</td>
<td>14%</td>
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<tr>
<td>Manufacturing</td>
<td>12%</td>
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Growing market with significant opportunities:
- Gasification, chemicals, metals, electronics
- Industrialization of inland provinces
- Energy efficiency & environmental

- Outsourcing captive production
- Applications driven growth
- Strong growth from project backlog

Major enclaves in key geographies
- Caojing
- Daya Bay
- Chongqing

Quality customers and projects

* Combined Sales

Increasing density and expanding footprint
Hydrogen Demand Growth

- Developed markets
  - Heavy/sour crude capability
  - Shift to diesel
  - Replacing older, inefficient units

- 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</th>
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<tbody>
<tr>
<td>US/Europe</td>
<td>2%</td>
</tr>
<tr>
<td>India</td>
<td>15%</td>
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<tr>
<td>China</td>
<td>20%</td>
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<tr>
<td>Middle East</td>
<td>24%</td>
</tr>
<tr>
<td>Brazil</td>
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</table>

Source: Purvin & Gertz, Praxair estimates

Praxair hydrogen volumes expected to grow 20% p.a.
Environmental Applications for Customers

- Oxy-fuel Combustion
- VOC emissions control
- Water Treatment
- Energy efficient windows

~2-3% per year sales growth from high margin applications
Competitive Advantage in Plant Design and Execution

- **Standardized product-line plants**
  - Up to 3000 TPD
  - >90% of plant builds

- **Multi-year Technology Roadmap**

![O2 Total Cost of Ownership](chart.png)

**Cost and Schedule Performance**

*Source: International Project Analysis (IPA)*

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Maintaining competitive advantage in plant offerings

Superior execution ensures expected returns
Productivity savings are sustainable – minimum target 5% per year
Project Backlog

Driven by emerging economy and energy markets

Backlog by Market

- Energy: 41%
- Manufacturing: 26%
- Chemicals: 12%
- Metals: 11%
- Electronics: 10%

- $2.7B capital spend - signed, long-term contracts with customers
- Strong customer bidding activity
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
- 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 2011 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.