Praxair, Inc.

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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; the impact of information technology system failures, network disruptions and breaches in data security; 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. Additionally, financial projections or estimates exclude the impact of special items which the company believes are not indicative of ongoing business performance. 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.
What We Do and Products We Supply

We supply customers with atmospheric, process and specialty gases, high-performance coatings, and related services and technologies

**Atmospheric Gases**

- Produced when air is purified, compressed, cooled, distilled and condensed
- Oxygen, nitrogen, argon and rare gases

**Process & Specialty Gases**

- Produced as by-products of chemical production or recovered from natural gas
- Carbon dioxide, helium, hydrogen, semiconductor process gases, and acetylene
Diverse Customer Markets

**Manufacturing 25%**
- Cutting – O₂
- Welding – O₂, N₂, Ar, H₂, He, blends
- Glass – O₂, N₂, Ar, H₂, He
- Automotive – O₂, N₂, Ar, H₂, Xe, Ne

**Metals 18%**
- Steel production – O₂
- Stainless steel – Ar, O₂
- Metal finishing / coating – H₂
- Inerting – Ar, N₂

**Energy 11%**
- Refining – H₂
- Natural gas fracturing – N₂
- Enhanced oil recovery – N₂, CO₂
- LNG in Brazil

**Chemicals 10%**
- Production – O₂, N₂, H₂
- Coal gasification – O₂
- Syngas production – CO
- Process control – specialty gases

**Electronics 8%**
- Semiconductor – process gases
- Photovoltaics – N₂, Ar, SiH₄
- Flat panel - O₂, N₂, Ar, H₂, He, NH₃

**Healthcare 8%**
- Hospitals – O₂, N₂, CO₂
- MRI – He
- Sterilization – sterilant gases
- Anesthesia – N₂O

**Food & Bev 6%**
- Carbonation – CO₂
- Freezing – N₂, CO₂
- Inerting – N₂
- Hydrogenation – H₂

% of 2012 sales
Vertically Integrated Supply System

On-Site Plant/Pipeline Supply

Merchant Liquid
(O₂, N₂, Ar)

Packaged gas facility
(pure gases, medical, specialty gas blends)
Selective Geographic Focus

- 53%  
  $5.9B

- 15%  
  $1.7B

- 13%  
  $1.5B

- 19%  
  $2.1B

2012 sales

Excellent geographic footprint… well-positioned for future growth
Praxair: largest and only fully-integrated industrial gases company in North America

- **On-site and Bulk Gases**
  - > 400 production plants
  - > 15,000 customer locations
  - 1,500 distribution vehicles
  - Several pipeline enclaves

- **Packaged & Specialty Gases**
  - > 100 production facilities
  - > 500,000 customers
  - 1,100 distribution vehicles

- Unique helium, argon and rare gases production & supply capabilities

- Strength across all three countries: U.S., Canada and Mexico

... drives reliability, growth, profitability and industry-leading return on capital
Building Density and Profitable Growth

The Texas case

- High growth geography and customer markets
- Integrated on-site / merchant / packaged gas density drives:
  - Efficiency
  - Lowest cost to serve
  - Reliability
  - Sales growth

2005

Now

...organically and with synergistic packaged gas acquisitions
Secular Growth Drivers Intact

Emerging Economies
- Infrastructure development & domestic consumption
- Migrating applications for customer process technologies
- Outsourcing of captive production

Energy
- Oil and gas resurgence in North America
- Global growth of refinery hydrogen
- Oxygen supply for coal gasification in China

Environment
- Air, water and waste regulations
- Development of alternative fuels
- Resource-efficient solutions

Execution
- Low cost product-line plants
- Sustainable productivity
- Capital project execution
Strong Backlog - $2.5B Capital

New project development activity remains solid

ASU – Air Separation Unit
SMR – Steam Methane Reformer
**Valero Port Arthur / St. Charles Projects**
- 2 new hydrocrackers
- Contracted hydrogen supply
  - 150MM scfd at Port Arthur
  - 120MM scfd at St. Charles

**Motiva Norco Project**
- Norco to shut-down old SMR
- Supply requires 45 mile pipeline from Praxair Geismar SMRs

Mid-year ’13 start-up and earnings contribution
Industrial Gas Intensity Growth

Rising Use of Oxygen in Steelmaking

Productivity Drives Oxygen Use
- Traditional application in steel industry
- Oxygen improves productivity 15-40%

Pulverized Coal Injection (PCI) + Oxygen
- High coke prices drive substitution with coal
- Oxygen makes coal injection possible

Oxygen Requirements Rise with Natural Gas
- Coal substituted with low-cost natural gas
- Natural gas requires +25% more oxygen vs. PCI

Consistent Outperformance

Unique Revenue Model

- No speculative capex
- Long-term contracts – high renewal rates
- No commodity pricing
- Critical product, but low percentage of customer’s cost stack

Strong Profitability and Cash Flow

- Productivity – target at least 5% reduction in cost stack annually
- Production/distribution density and contract terms drive profitability and high ROC

Business model focuses on ROC

* Source: Factset
We Generate Stronger Cash Flow and…

% of Sales
(3-yr average)

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<thead>
<tr>
<th></th>
<th>PRAXAIR</th>
<th>Industry Average*</th>
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<tbody>
<tr>
<td>Operating Cash Flow</td>
<td>22%</td>
<td>17%</td>
</tr>
<tr>
<td>Capital Spend</td>
<td>16%</td>
<td>12%</td>
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<tr>
<td>Dividends</td>
<td>6%</td>
<td>4%</td>
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<tr>
<td>Share Repurchases</td>
<td>7%</td>
<td>1%</td>
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Source: Bloomberg (2010-2012); *Industry ex-Praxair

...reinvest and return to shareholders at a greater rate
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.