Praxair, Inc.

Kelcey Hoyt
Director, Investor Relations

Barclays Select Series 2013 Chemical ROC Stars Conference
May 7, 2013
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; 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
Selective Geographic Focus and Integrated Supply

Three supply methods

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

- **Merchant / Liquid** 31%
  - Exclusive supply agreements
  - Sourced as by-product from on-site

- **Packaged / Medical** 29%
  - Cylinder rental and specialty gas focus
  - Sourced as by-product from bulk

Production / distribution density drives higher profitability and ROC

North America 53%
South America 19%
Europe 15%
Asia 13%
Diverse 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
North America

2012 Sales $ 5.6B

- Strong growth fundamentals:
  - Metals
  - Manufacturing
  - Energy: Refining and Oil & Gas Services
  - Chemical

- NuCO2 micro-bulk carbon dioxide acquisition

- Robust backlog of projects

- Packaged gas acquisition opportunities

- 500 production plants
- 3,000 distribution vehicles
- Fully-integrated supply system
- Strength across all three countries: U.S., Canada and Mexico

Largest and only fully-integrated industrial gases company in North America
South America

2012 Sales $ 2.1B

- Solid underlying fundamentals
  - Infrastructure development
  - 2014 World Cup and 2016 Olympics
  - Domestic demand
  - Energy
- Project proposal activity remains solid

- Unrivaled network, strong #1 position
- 100 years of operations
- Fully-integrated on-site, merchant and packaged gases business

Best positioned and preferred supplier
Europe

2012 Sales $ 1.5B

- Key markets: chemicals, manufacturing, healthcare, metals, food and beverage
- Positive price traction
- Solid project backlog in Russia

Pipeline enclaves: Germany, Belgium, Spain and Italy

Right-sizing cost structure
Asia

2012 Sales $ 1.4B

Main Markets

- Electronics 37%
- Metals 25%
- Manufacturing 12%
- Chemicals 11%

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

Quality customers and projects
Major enclaves in China
– Caojing, Daya Bay, Chongqing

Increasing density and expanding footprint

* Kuwait, Bahrain, Qatar, UAE
% of 2012 sales
Praxair Surface Technologies

2012 Sales $ 0.7B

- Apply high-tech metallic and ceramic coatings
- Supply thermal spray consumables
  - Powder
  - Equipment
- Use technical competencies to solve problems
  - Metallurgy and material science
  - Coating development
  - Application engineering

A high-tech coatings business focused on turbine engines
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
- Coal gasification in China

Environment
- Air, water, waste regulations
- Development of alternative fuels
- Resource-efficient solutions
Strong Backlog - $2.5B Capital

New project development activity remains solid

ASU – Air Separation Unit
SMR – Steam Methane Reformer
Proven Track Record of Productivity

**Production Efficiency**
- Turbomachinery upgrades
- Plant optimization

**Product Distribution**
- Real time routing optimization
- Asset tracking / superior utilization

**Global Sourcing**
- Low cost country sourcing
- Global procurement replication network

**Business Process**
- Value stream and process mapping
- Six Sigma / Lean

---

Annual savings ($ MM)

<table>
<thead>
<tr>
<th>Year</th>
<th>Savings</th>
<th>Efficiency</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>220</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>320</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>400</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>425</td>
<td>6%</td>
<td></td>
</tr>
</tbody>
</table>

* % of total cost stack

Productivity savings are sustainable – minimum target 5% per year
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)

Operating Cash Flow: PRAXAIR 22%, Industry Average 17%
Capital Spend: PRAXAIR 16%, Industry Average 12%
Dividends: PRAXAIR 6%, Industry Average 4%
Share Repurchases: PRAXAIR 7%, Industry Average 1%

…reinvest and return to shareholders at a greater rate

Source: Bloomberg (2010-2012); *Industry ex-Praxair
Sustaining a Competitive Advantage

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

Market Selection
- Best geographic footprint
- Build density in key regions
- Capital discipline

Technology
- Product line advantage
- Total cost of ownership
- Customer applications

Execution
- Project management
- Distribution efficiencies
- Productivity culture

Execution culture…difficult to emulate
Secular Growth Drivers Intact

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.