Praxair, Inc.

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Executive Vice President

Oppenheimer 8th Annual Industrial Growth Summit
May 14, 2013
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

<table>
<thead>
<tr>
<th>Market</th>
<th>Percentage</th>
<th>Applications</th>
</tr>
</thead>
</table>
| **Manufacturing** | 25%        | Cutting – O<sub>2</sub>  
Welding – O<sub>2</sub>, N<sub>2</sub>, Ar, H<sub>2</sub>, He, blends  
Glass – O<sub>2</sub>, N<sub>2</sub>, Ar, H<sub>2</sub>, He  
Automotive – O<sub>2</sub>, N<sub>2</sub>, Ar, H<sub>2</sub>, Xe, Ne |
| **Chemicals**   | 10%        | Production – O<sub>2</sub>, N<sub>2</sub>, H<sub>2</sub>  
Coal gasification – O<sub>2</sub>  
Syngas production – CO  
Process control – specialty gases |
| **Electronics** | 8%         | Semiconductor – process gases  
Photovoltaics – N<sub>2</sub>, Ar, SiH<sub>4</sub>  
Flat panel - O<sub>2</sub>, N<sub>2</sub>, Ar, H<sub>2</sub>, He, NH<sub>3</sub> |
| **Metals**      | 18%        | Steel production – O<sub>2</sub>  
Stainless steel – Ar, O<sub>2</sub>  
Metal finishing / coating – H<sub>2</sub>  
Inerting – Ar, N<sub>2</sub> |
| **Healthcare**  | 8%         | Hospitals – O<sub>2</sub>, N<sub>2</sub>, CO<sub>2</sub>  
MRI – He  
Sterilization – sterilant gases  
Anesthesia – N<sub>2</sub>O |
| **Energy**      | 11%        | Refining – H<sub>2</sub>  
Natural gas fracturing – N<sub>2</sub>  
Enhanced oil recovery – N<sub>2</sub>, CO<sub>2</sub>  
LNG in Brazil |
| **Food & Bev**  | 6%         | Carbonation – CO<sub>2</sub>  
Freezing – N<sub>2</sub>, CO<sub>2</sub>  
Inerting – N<sub>2</sub>  
Hydrogenation – H<sub>2</sub> |

% of 2012 sales
Vertically Integrated Supply System

On-Site Plant/Pipeline Supply

Merchant Liquid
\((O_2, N_2, Ar)\)

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

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
South America

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
Main Markets

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

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

Increasing density and expanding footprint

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

* Kuwait, Bahrain, Qatar, UAE
Europe

- 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
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
- 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
Valero and Motiva Hydrogen Projects

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

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

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

3. Oxygen Requirements Rise with Natural Gas
   - Coal substituted with low-cost natural gas
   - Natural gas requires +25% more oxygen vs. PCI
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>2006</th>
<th>2008</th>
<th>2010</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings</td>
<td>220</td>
<td>320</td>
<td>400</td>
<td>425</td>
</tr>
<tr>
<td>% of total cost stack</td>
<td>4%</td>
<td>5%</td>
<td>7%</td>
<td>6%</td>
</tr>
</tbody>
</table>

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

Operating Margin (% of sales)

<table>
<thead>
<tr>
<th>Year</th>
<th>Praxair</th>
<th>Industry Average</th>
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<tbody>
<tr>
<td>1992</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>1996</td>
<td>14%</td>
<td>15%</td>
</tr>
<tr>
<td>2000</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>2004</td>
<td>22%</td>
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Operating Cash Flow

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CAGR 12% and high ROC

Recession

* Source: Factset
We Generate Stronger Cash Flow and…

% of Sales
(3-yr average)

Operating Cash Flow
22%
17%
Capital Spend
16%
12%
Dividends
6%
4%
Share Repurchases
7%
1%

…reinvest and return to shareholders at a greater rate

Source: Bloomberg (2010-2012);
*Industry ex-Praxair

Oppenheimer 8th Annual Industrial Growth Summit – New York  5/14/2013
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
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.