

# Praxair, Inc.

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Executive Vice President and  
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Jefferies 2011 Global Industrial and A&D Conference

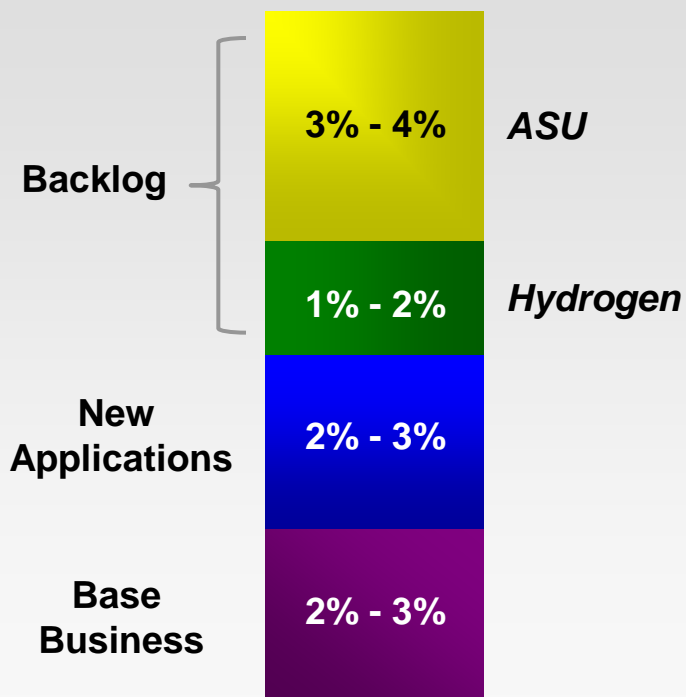
August 9, 2011

## 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.**

# Global Praxair Forecast through 2015

## Sales Growth Components



## Annual Organic Growth\*



\* Excludes acquisitions, divestitures and foreign currency

## Applications for Industrial Gases

- **Increase energy efficiency**
  - Oxy-fuel combustion
  
- **Higher productivity**
  - Throughput, yield
  
- **Improve environmental performance**
  - Air
  - Water



**Oxy-fuel  
combustion**



**Food freezing**



**Wastewater  
treatment**



**Renewable  
biofuels**

~2-3% per year sales growth from high margin applications

## 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%\*

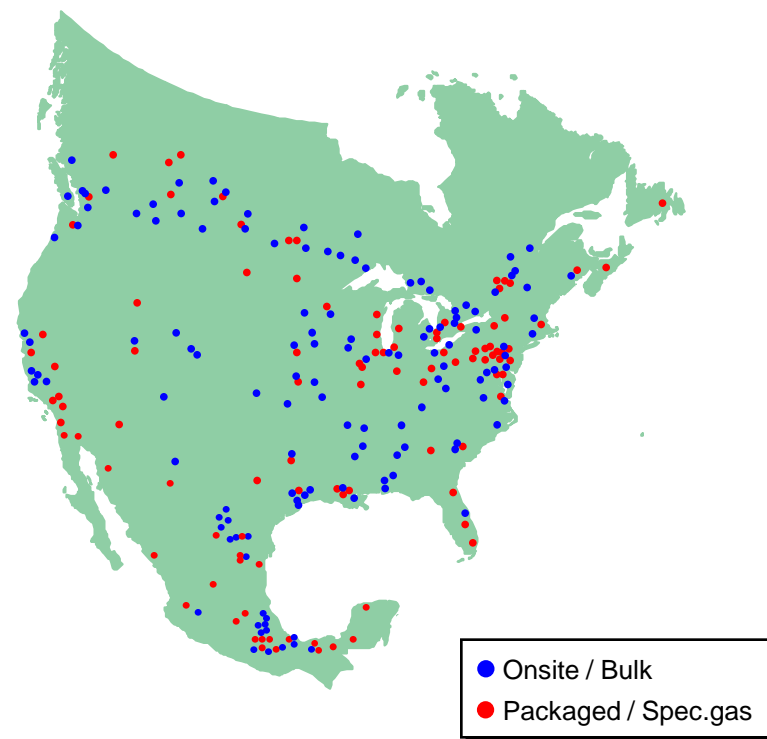
- Cylinder and equipment rental
- Sourced as by-product from bulk

Integrated supply & contract terms drive high ROC

# Largest Industrial Gases Company in North America

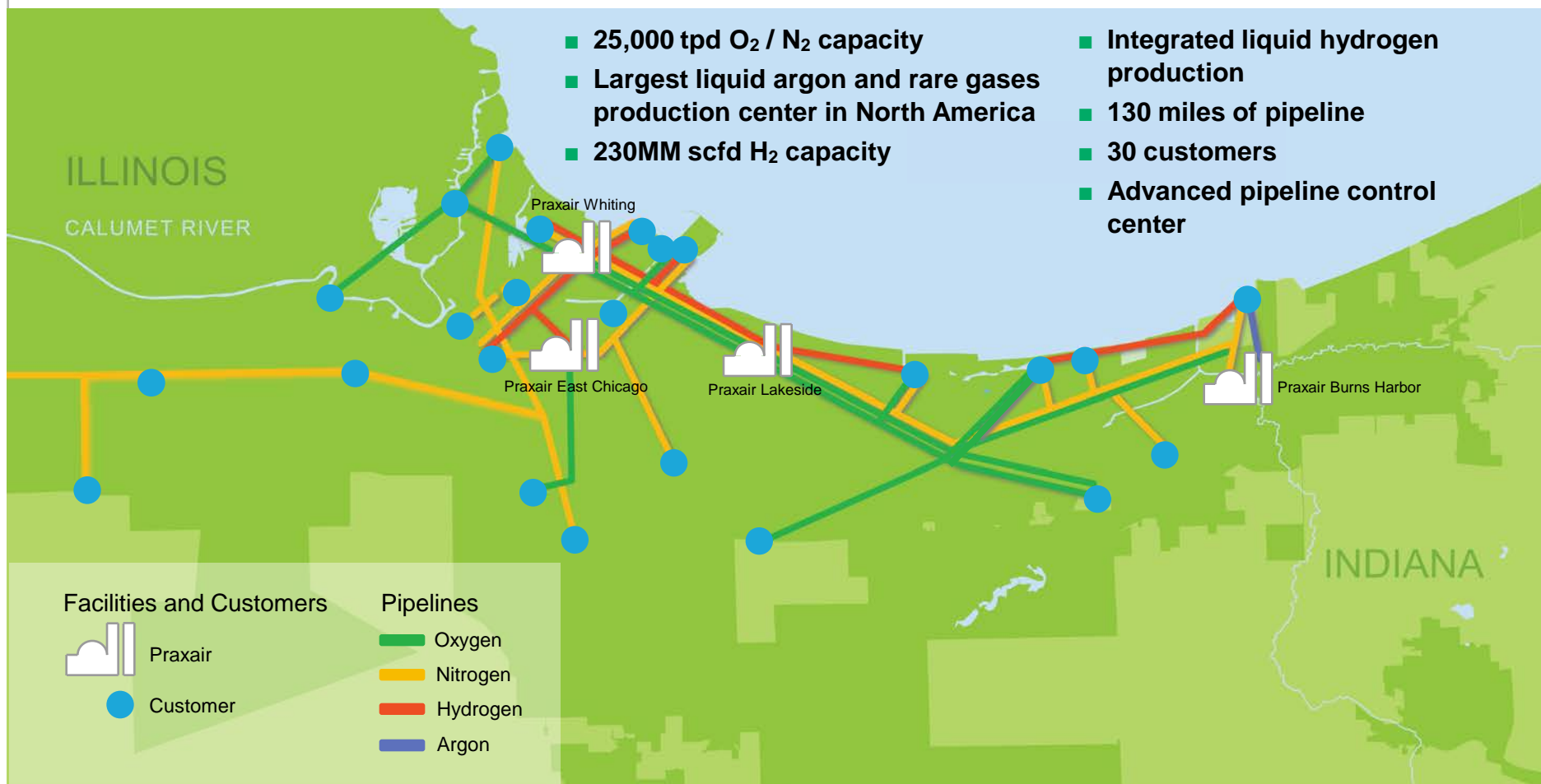
- **\$5.1B Sales 2010**
- **On-site and Bulk Gases**
  - > 400 production plants
  - > 15,000 customer locations
  - 1,500 distribution vehicles
  - Several pipeline enclaves
- **Packaged & Specialty Gases**
  - > 100 production facilities
  - > 500,000 customers
  - 1,100 distribution vehicles
- **Unique helium, argon and rare gases production & supply capabilities**

## Praxair North America Production Locations



Production / Distribution density drives growth and ROC

# Praxair Chicago Area Pipelines



# 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

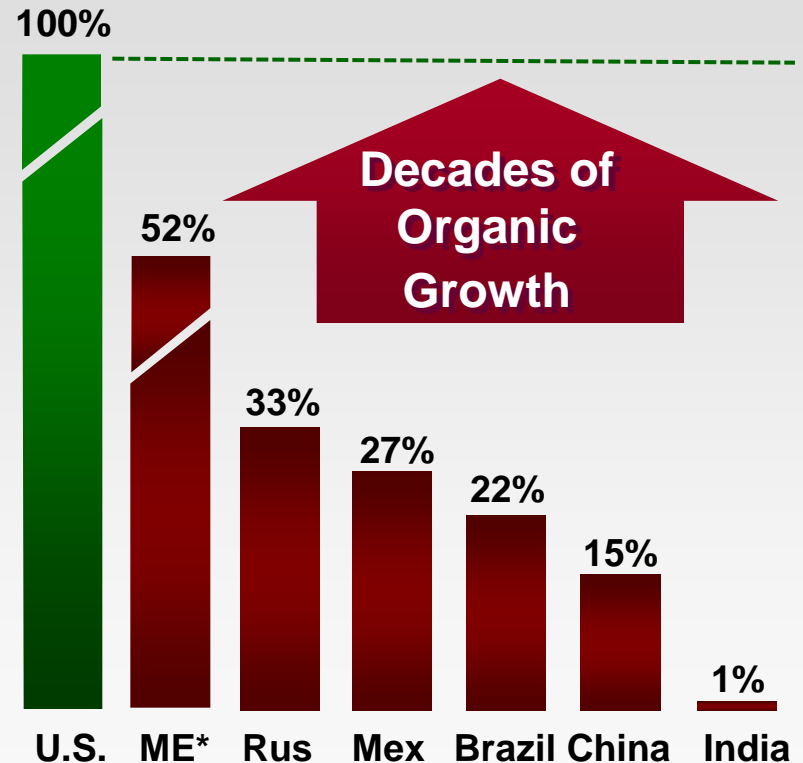
- Petrochemicals and gasification
- Industrialization of inland provinces

## ■ India

- Expanding middle class
- Infrastructure investment

## ■ Middle East and Russia

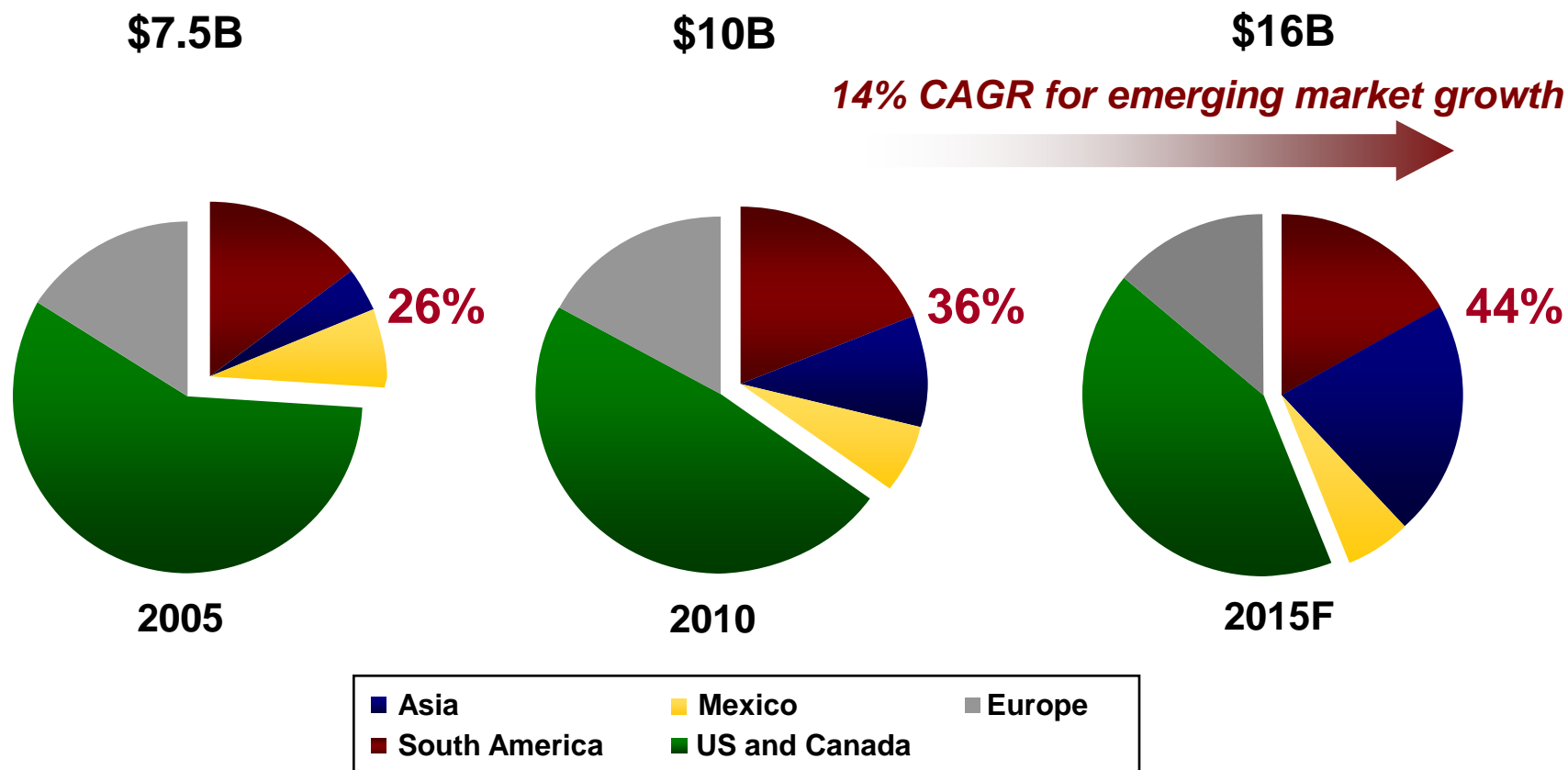
### Per Capita Industrial Gas Consumption (% of US)



\*GCC countries  
Source: Spiritus Consulting

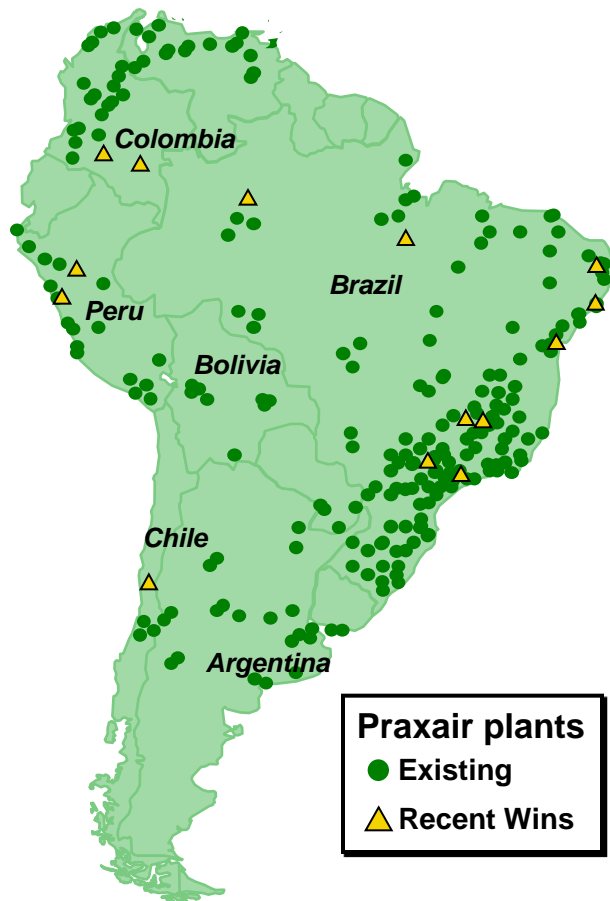


# Emerging Markets Sales



Accelerating growth in emerging markets

# South America

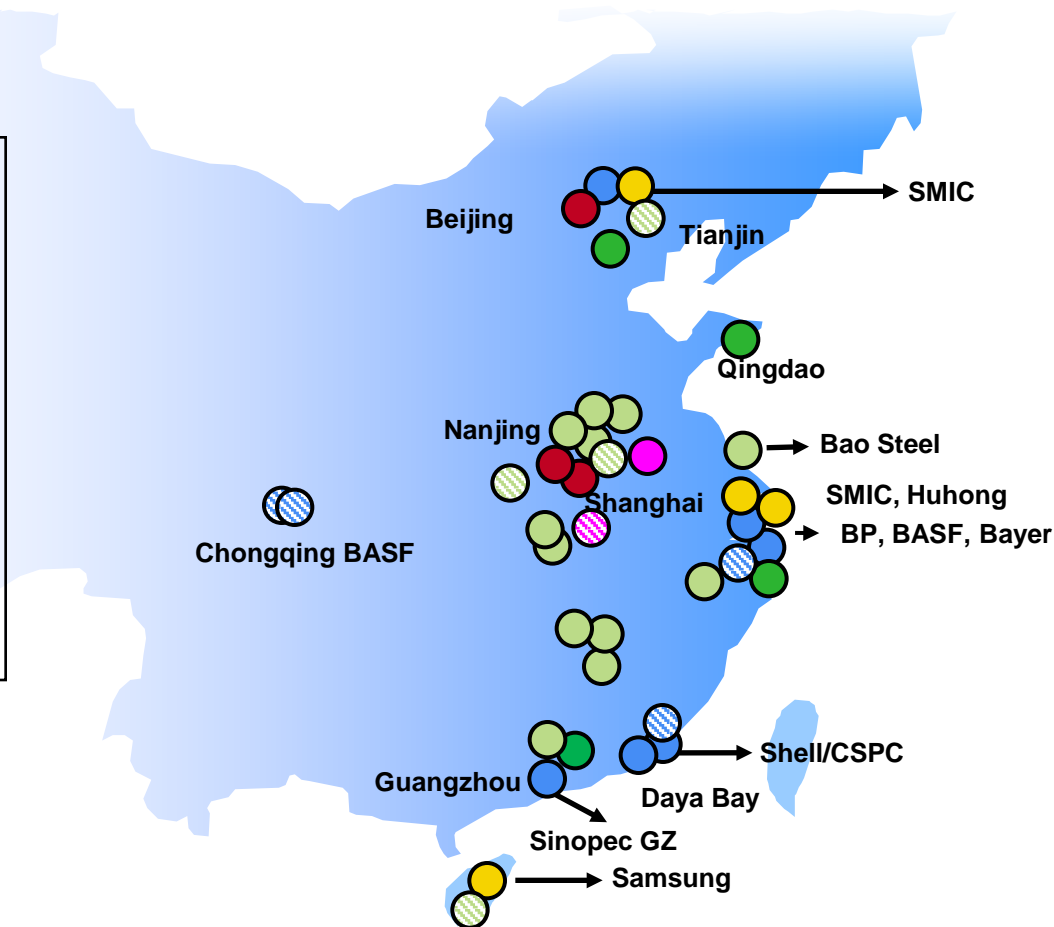


- **Unrivaled network**
  - 32,000 TPD production capacity
  - 145 production units
  - 285 branches and filling stations
  - 2,050 distribution vehicles
  - 150,000 customers
  
- **Largest markets include metals, manufacturing, healthcare, food and beverage, energy and chemicals**
  
- **Strong growth from project backlog**
  
- **Expanding domestic demand**

Best positioned and preferred supplier

# Praxair China

- Petrochemical
- Metals
- Gasification
- Electronics
- Food & beverage
- Other
- Under construction



Increasing density and expanding footprint

# Expanding in the Middle East and Russia

## Growth Drivers

- Massive infrastructure investment
  - Metals, Petrochemicals
- Energy production

## Middle East

- ROC 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

### Middle East

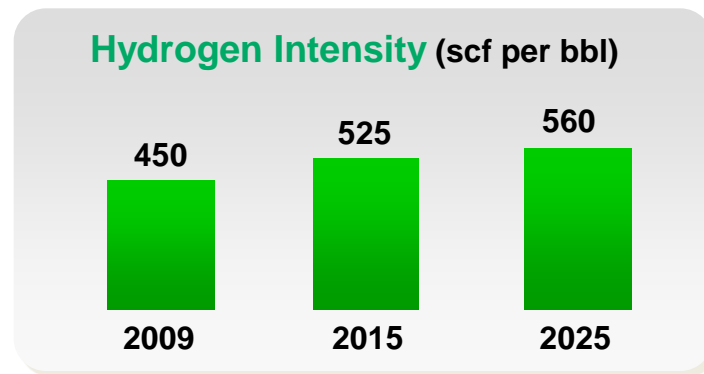
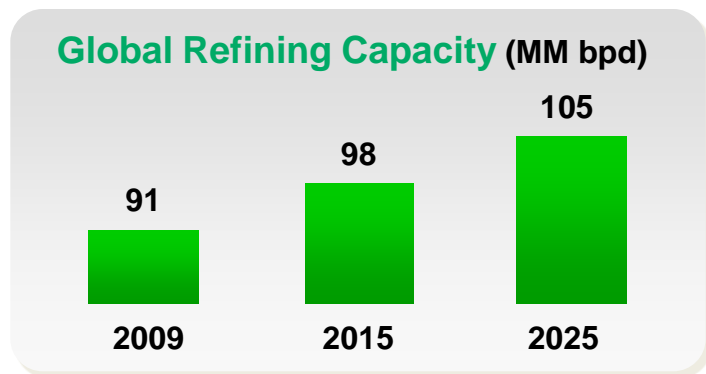


### Russia

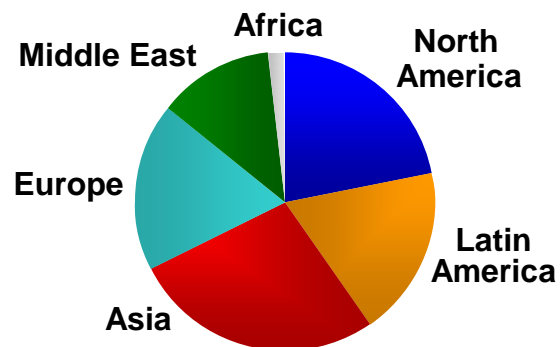


Same business model – select new geographies

# Hydrogen Demand Growth



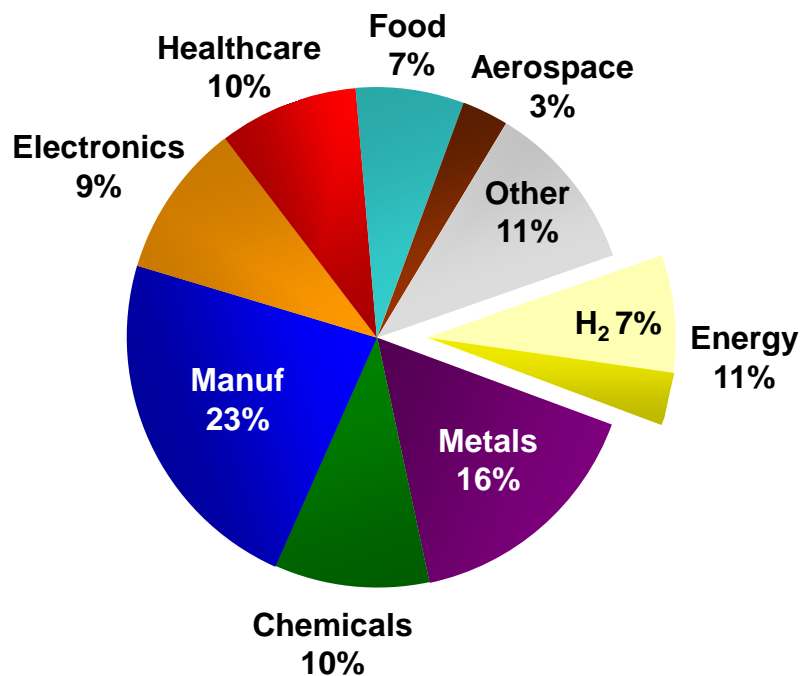
~8B scfd of H<sub>2</sub> Demand Growth through 2015



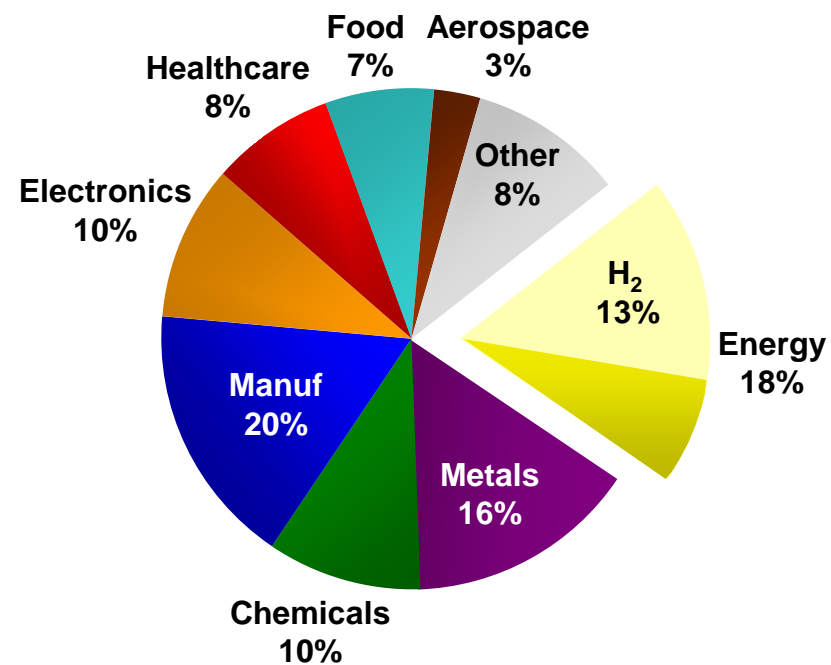
Strong hydrogen demand growth from refining

# Hydrogen Will Be a Major Growth Driver...

**2010 Sales \$10B**



**2015F ~\$16B**

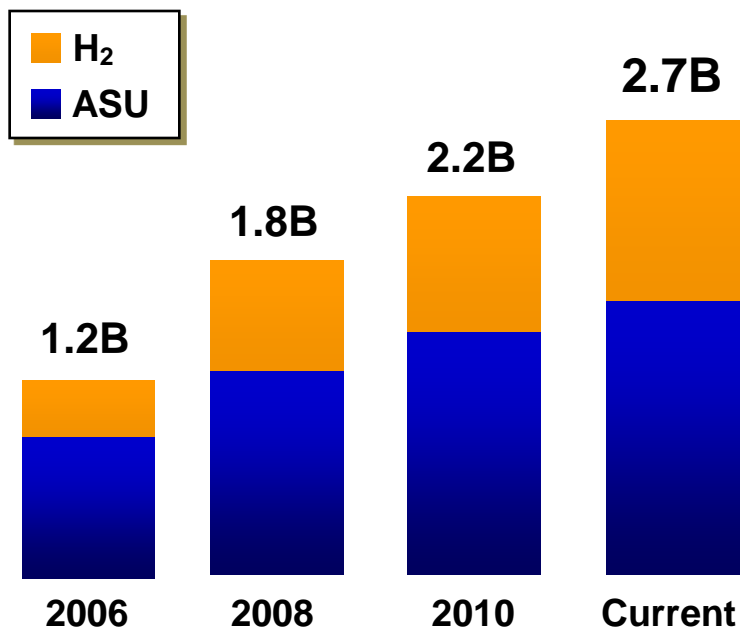


Source: Internal Analysis

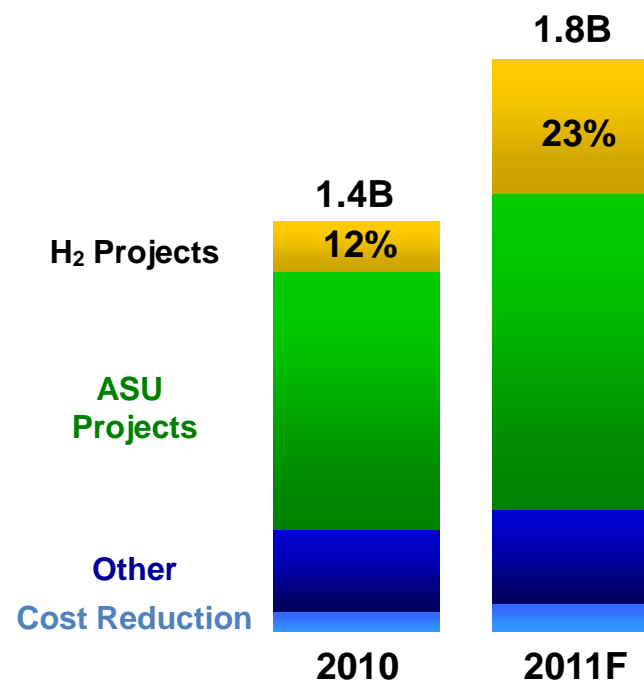
... of a well-diversified business portfolio

# Growing Project Backlog \$2.7B

Backlog \$B



Capital Spend \$B



Record project backlog driving increasing capital spend

## 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 match our "Say/Do" ratio



# 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.



### CARBON DISCLOSURE PROJECT

Global Carbon Disclosure Leadership Index  
Global Carbon Performance Leadership Index



### MSCI ESG Indices

