



Making our planet more productiveSM

Praxair, Inc.

James S. Sawyer

**Executive Vice President and
Chief Financial Officer**










William Blair & Company Growth Stock Conference

June 15, 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.

End to End Integrated Gases Supplier

- **Atmospheric Gases**      
 - Produced via separation of air molecules
- **Process & Specialty Gases**   
 - Extracted from natural gas streams or chemical processes
- **Distribution and Supply Methods**
 - On-site
 - Via pipeline
 - Merchant liquid deliveries
 - Cylinder or packaged gases

We deliver flawlessly to meet our customers requirements

Business Model Focuses on ROC

- No speculative capex
- No commodity pricing
- High value, low cost product – reliability is key
- Long-term contracts – high renewal rates
- Production/distribution density drives returns

Industry leading ROC

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

Praxair Key Growth Drivers

Environment

- Air, water, waste regulations
- Development of alternative fuels
- Potential GHG regulations

Energy

- Global growth of refinery hydrogen
- Coal gasification in China
- Enhanced oil recovery

Emerging Economies

- Infrastructure development & domestic consumption
- Migrating application technologies
- Outsourcing of captive production

Supports annual organic sales growth of 8-12%

Environmentally-Friendly Applications Technologies



Oxy-fuel Combustion



Renewable Biofuels



Water Treatment

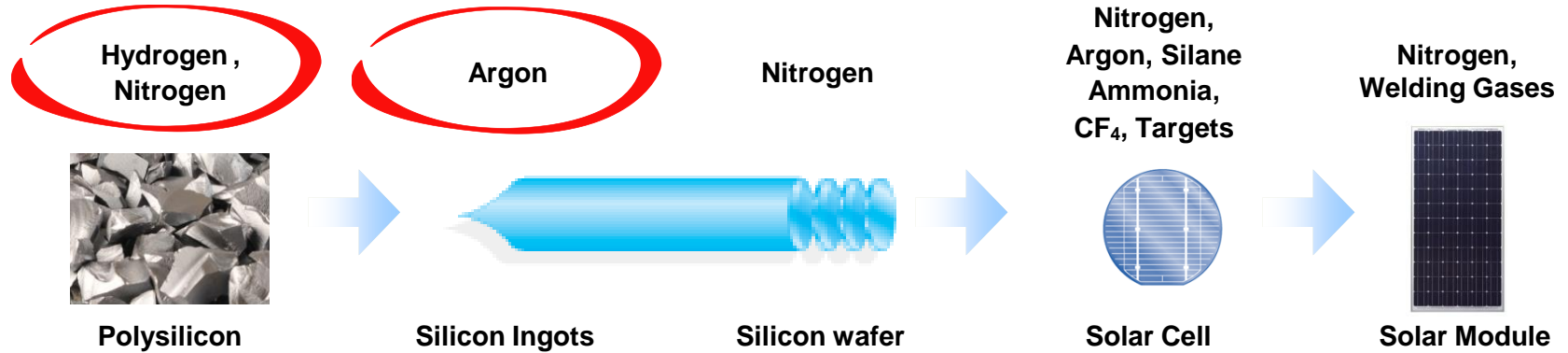


Photovoltaics

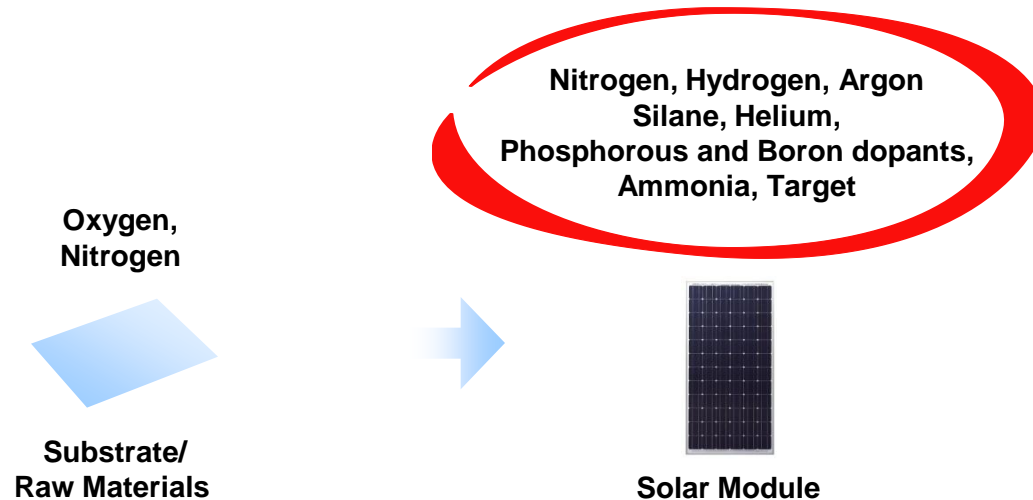
~2-3% per year sales growth from high margin applications

Photovoltaic Supply Chain

Crystalline



Thin-Film



Pictures courtesy of DOE's Office of Energy Efficiency and Renewable Energy; Hemlock Semiconductor

Praxair products used extensively throughout the supply chain

Energy Markets Drive Hydrogen 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

Refining Capacity Growth (2010 – 2015)

US/Europe	2%
India	15%
China	20%
Middle East	24%
Brazil	25%

Source: Purvin & Gertz, Praxair estimates

Praxair hydrogen volumes expected to grow 20% p.a.

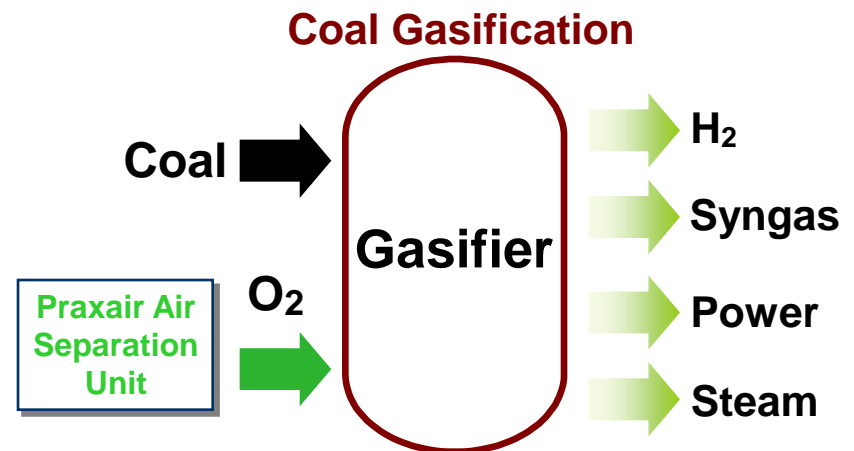
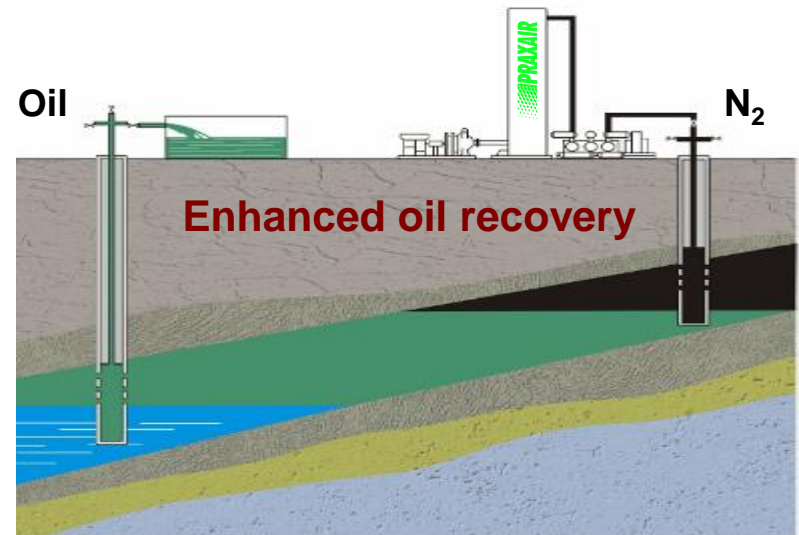
Continued Growth from the Energy Market

- ◆ **Enhanced oil recovery**
 - Nitrogen or CO₂ injection
 - Large global market potential

- ◆ **Coal gasification in China**
 - Integrated coal to chemicals
 - Large oxygen plants

- ◆ **Natural gas BTU stabilization**
 - Nitrogen blending

- ◆ **CO₂ sequestration pilots**



Significant long-term global opportunities

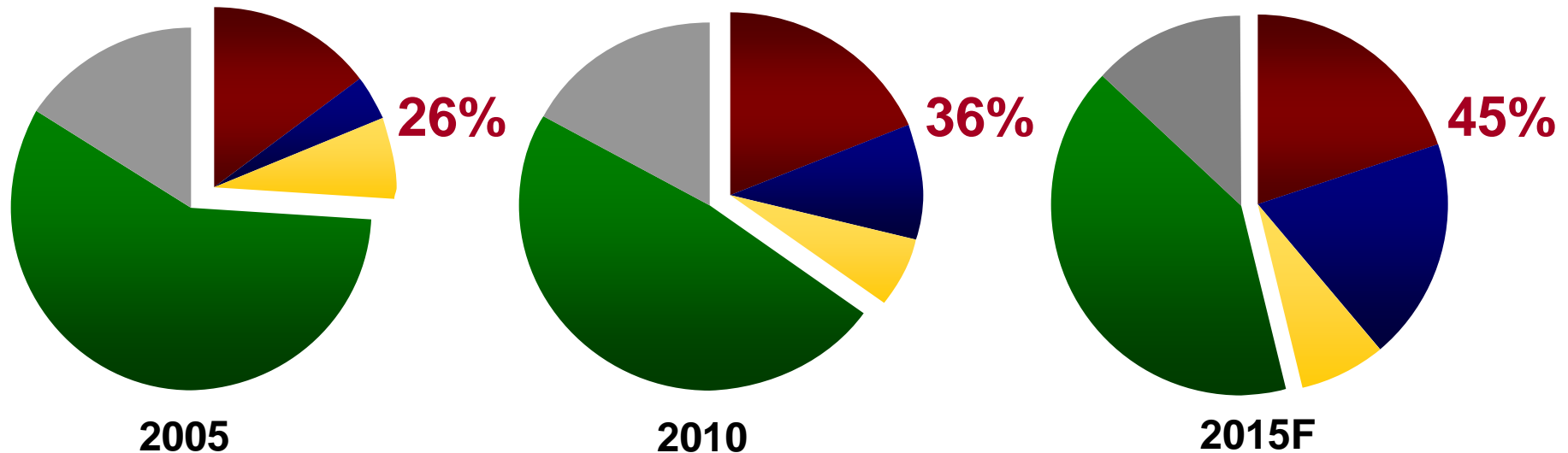
Emerging Markets Sales

\$7.5B

\$10B

\$15B

14% CAGR for emerging market growth

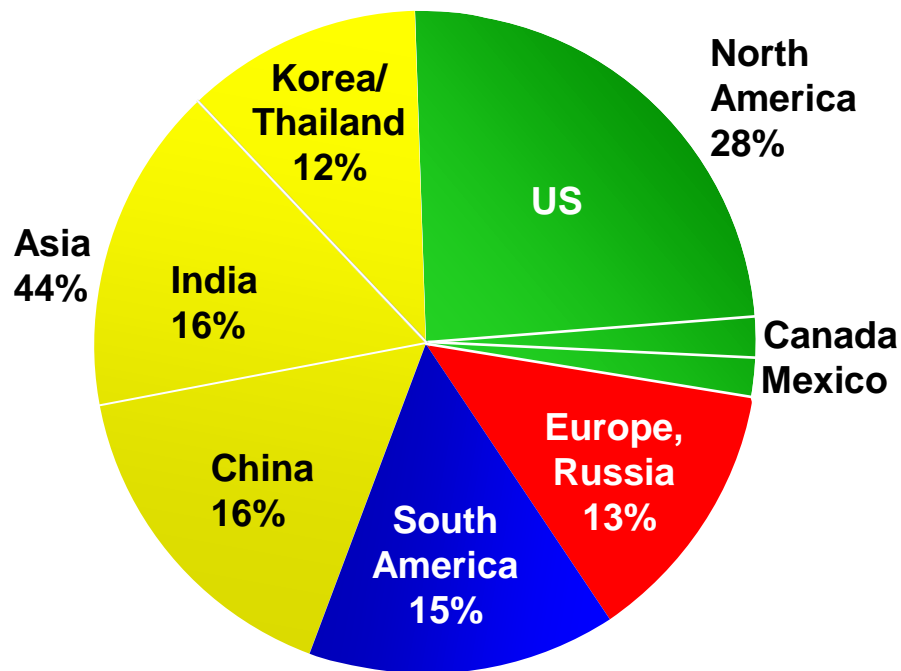


Accelerating growth in emerging markets

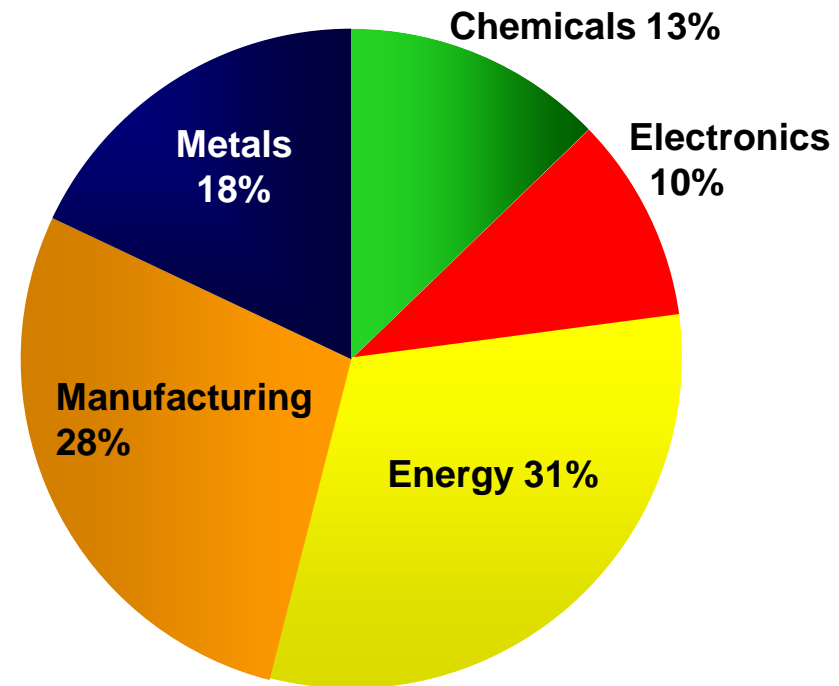
Project Backlog \$2.5B USD

Mar 2011

Capex by Region



Capex by Market



75% outside the U.S. – mostly energy and manufacturing

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
- Modest recovery in US/EU
- 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 39 of the 2010 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.



CARBON DISCLOSURE PROJECT

Global Carbon Disclosure Leadership Index
Global Carbon Performance Leadership Index



MSCI ESG Indices

