



*Making our planet more productive<sup>SM</sup>*

**Praxair, Inc.**  
**Scott Telesz**  
**Senior Vice President**

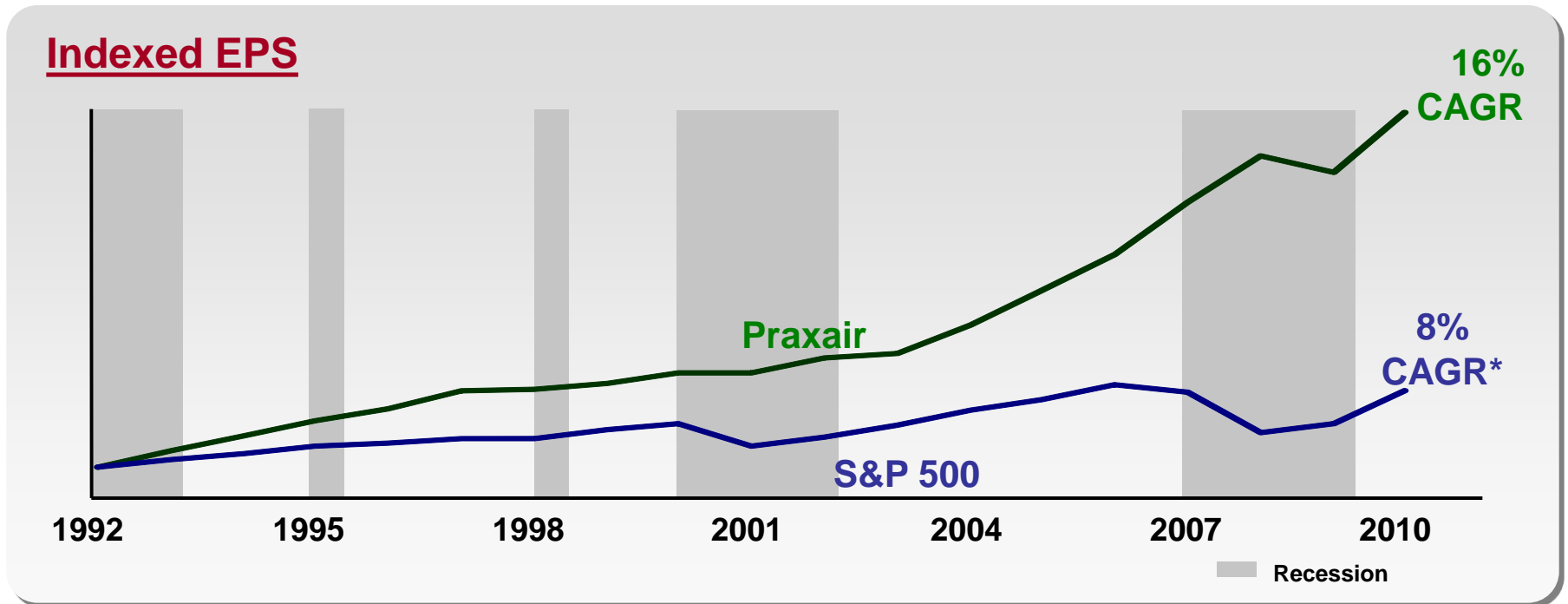
**Nomura Global Chemicals Group Leaders Conference**

**24 March, 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.**

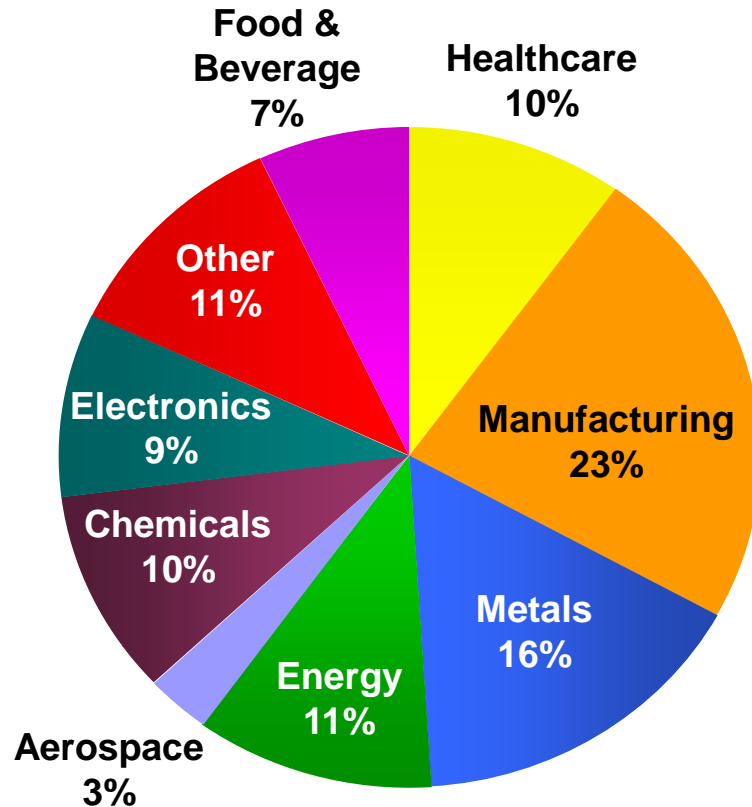
# Praxair Delivers Consistent Outperformance



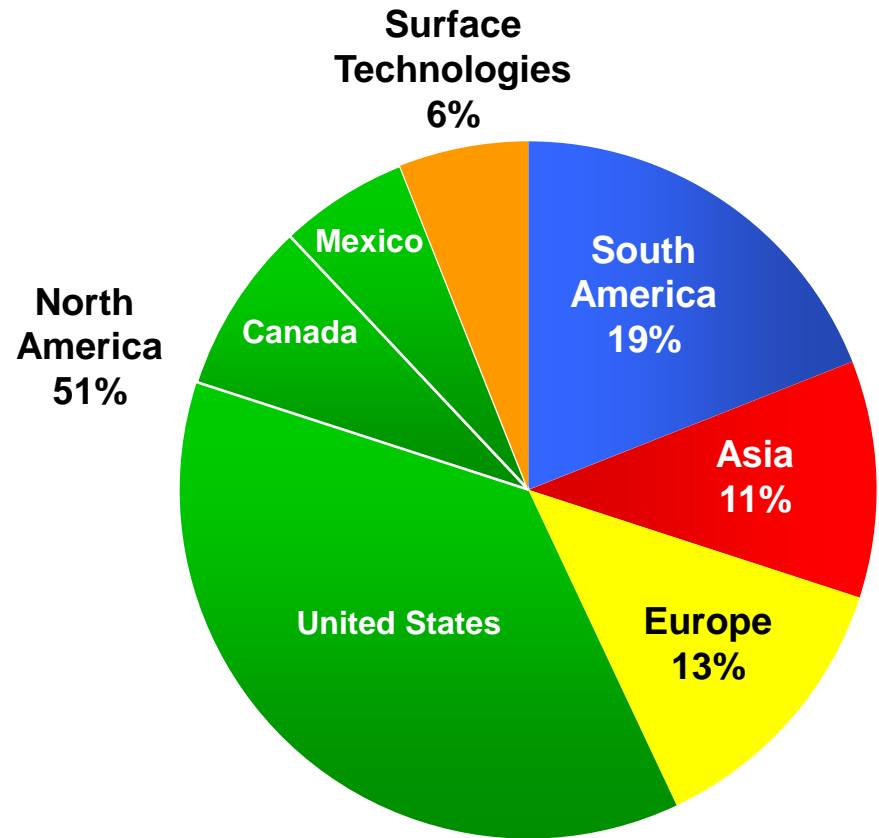
\*S&P 2010 earnings Thomson First Call estimate

# Diverse End Markets and Geographies

## End Markets



## Geographies



2010 sales

# Industrial Gas Industry Advantages

	<u>Industrial Gases</u>	<u>Commodity Chemicals</u>
<b>Competitive Field</b>	<b>Local</b>	<b>Global</b>
<b>Distribution</b>	<b>Integrated system</b>	<b>Limited scope</b>
<b>Price</b>	<b>Contract</b>	<b>Spot</b>
<b>Customers</b>	<b>Small slice of buy</b>	<b>Significant attention</b>
<b>Raw Materials</b>	<b>Stable</b>	<b>Volatile</b>
<b>Growth</b>	<b>High, steady</b>	<b>Lower, cyclical</b>
<b>Return on Capital</b>	<b>High</b>	<b>Low</b>

# 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

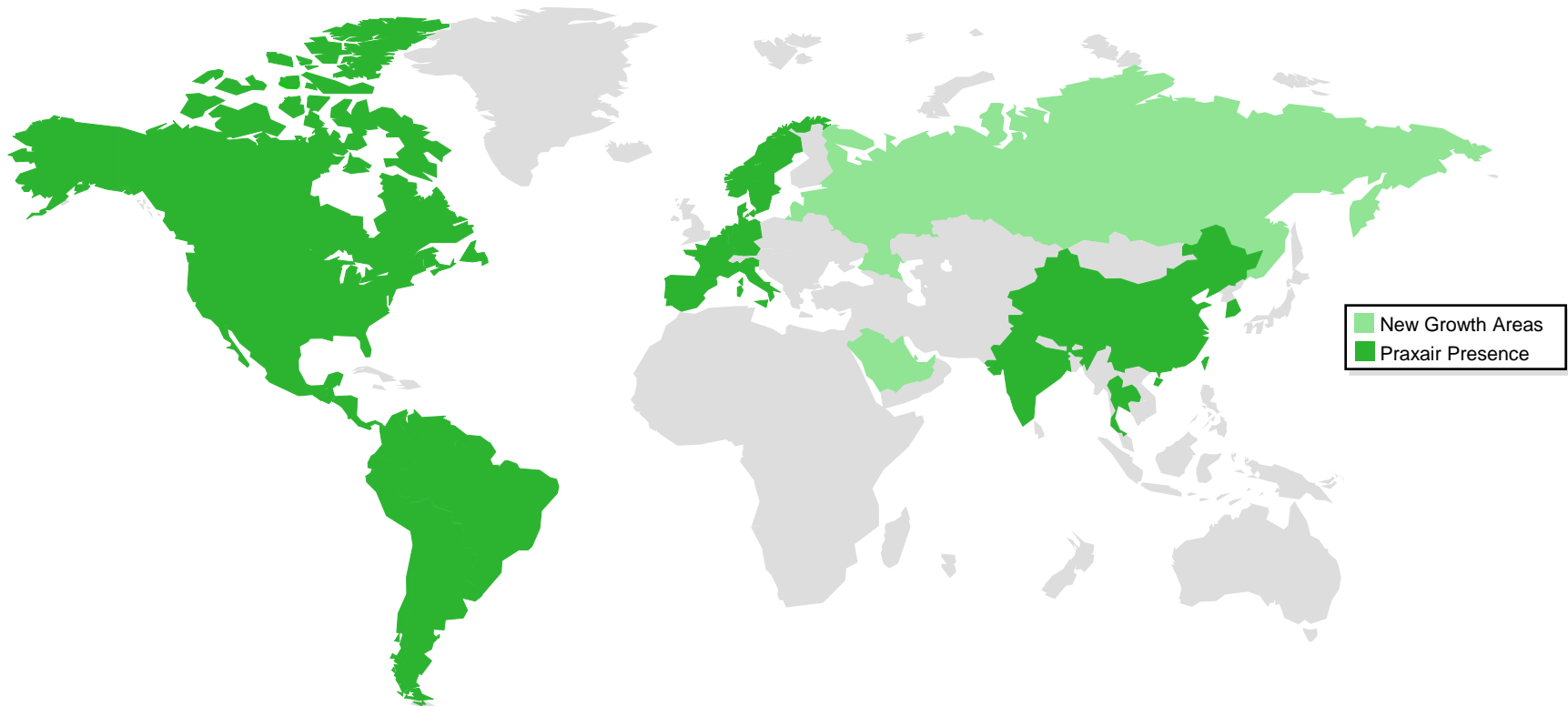
## Packaged/Medical 29%\*



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

**Integrated supply & contract terms drive high ROC**

# Selective Geographic Focus



**Geographies where we can achieve strong market positions via superior production and distribution system density**

# Praxair Key Growth Drivers

## Emerging Economies

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

## Energy

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

## Environment

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

**Supports annual organic sales growth of 8-12%**



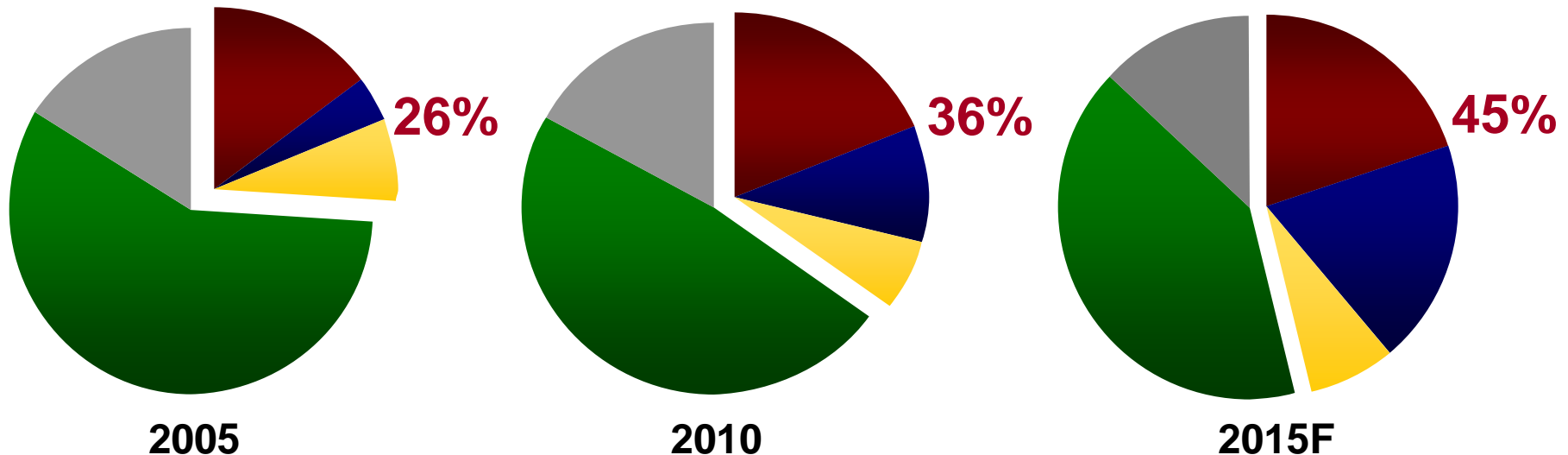
# Emerging Markets Sales

\$7.5B

\$10B

\$15B

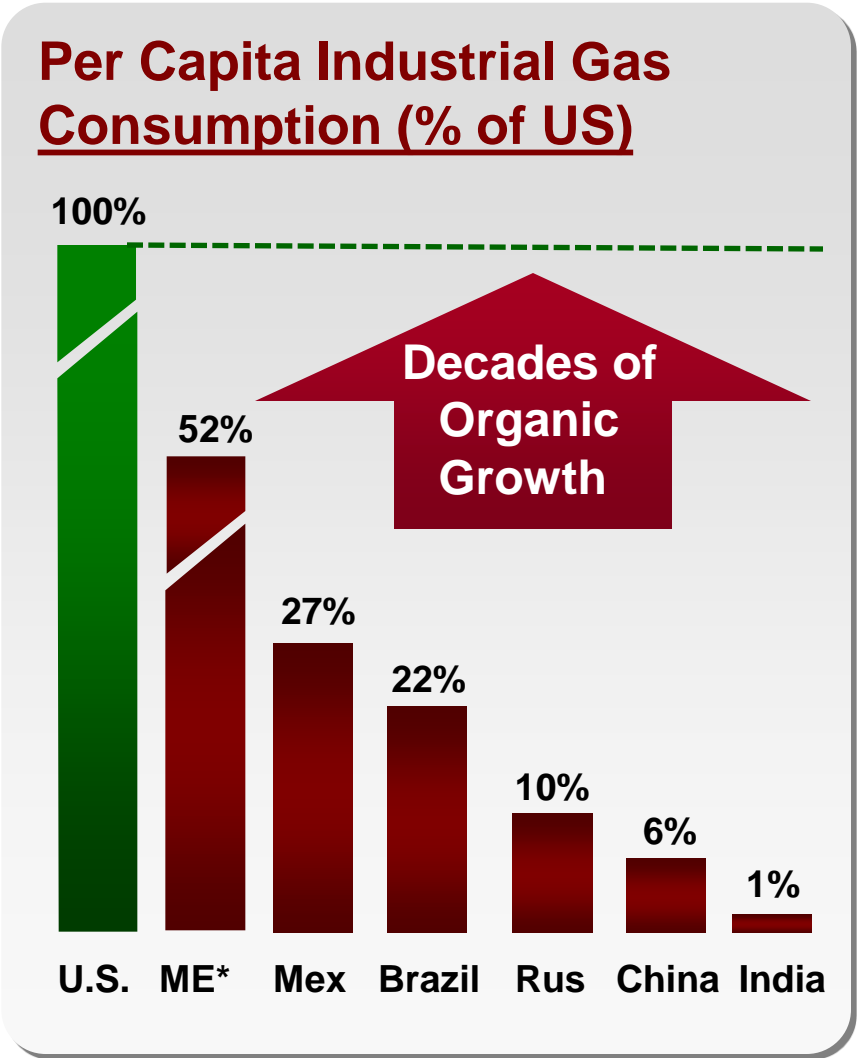
*14% CAGR for emerging market growth*



**Accelerating growth in emerging markets**

# 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**



\*GCC countries  
Source: Spiritus Consulting

# Expanding in the Middle East and Russia

## Growth Drivers

- Massive infrastructure investment
  - Metals, Petrochemicals
- Energy production

## Middle East

- ROC Group 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**

# Energy Markets Drive Hydrogen Growth

- **New Refinery Capacity**
  - Self-sufficiency in emerging countries
  - Middle East exports
- **More Hydrogen Intensity per Barrel**
  - Shift to heavier more sour crude
  - Tighter fuel specifications
  - More complex refineries
- **Increased Hydrogen Outsourcing**
  - From 20% to 30% in 2015

## Refining Capacity Growth (2010 – 2015)

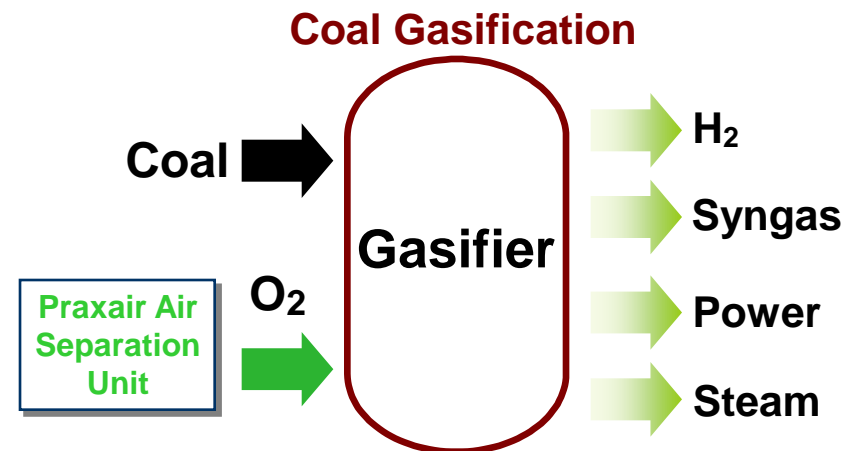
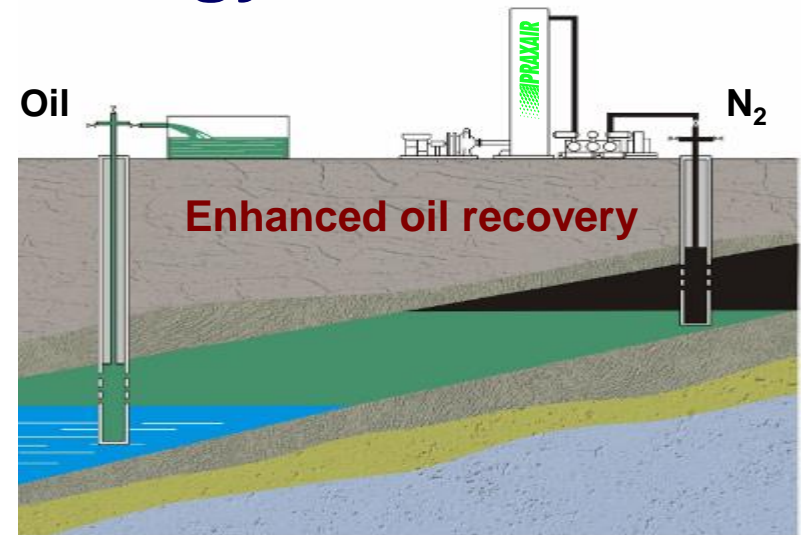
US/Europe	2%
India	15%
China	20%
Middle East	24%
Brazil	25%

Source: Purvin & Gertz, Praxair estimates

**Praxair hydrogen volumes expected to grow 15% p.a.**

# Continued Growth from the Energy Market

- **Enhanced oil recovery**
  - Nitrogen or CO<sub>2</sub> injection
  - Large global market potential
  
- **Coal gasification in China**
  - Integrated coal to chemicals
  - Large oxygen plants
  
- **Natural gas BTU stabilization**
  - Nitrogen blending
  
- **CO<sub>2</sub> sequestration pilots**



**Significant long-term global opportunities**

# Environmentally-Friendly Applications Technologies



**Oxy-fuel Combustion**



**Renewable Biofuels**



**Water Treatment**



**Photovoltaics**

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

# Drivers of 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
- Energy efficiency

## Execution

- Project management
- Distribution efficiencies
- Productivity culture

**Execution culture...difficult to match our “Say/Do” ratio**

# 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 40 of the 2009 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

