

Praxair, Inc.

James S. Sawyer
Executive Vice President and
Chief Financial Officer



Jefferies Global Industrial and A&D Conference

August 07, 2012

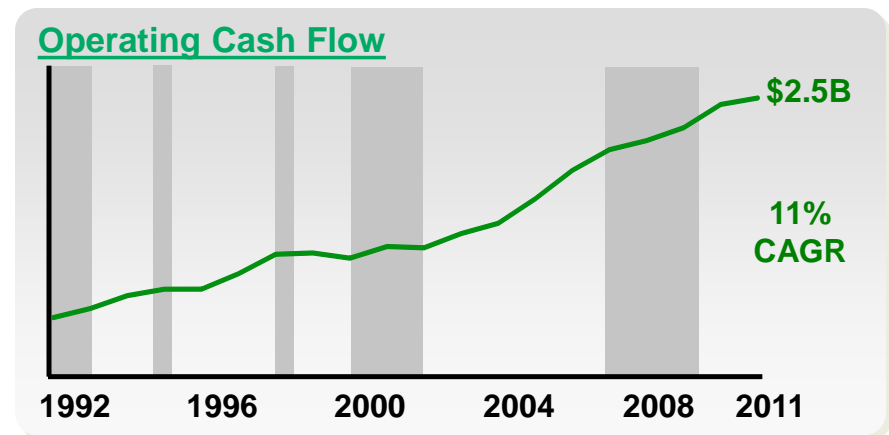
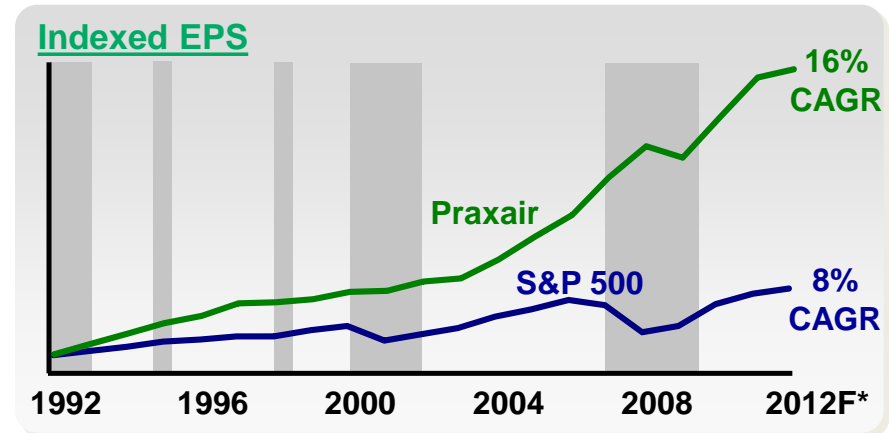
Forward Looking Statement

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. 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.

Consistent Outperformance

Unique Revenue Model

- No speculative capex
- Long-term contracts
- No commodity pricing
- Critical product, but low percentage of customer's cost stack
- High ROC and cash flow

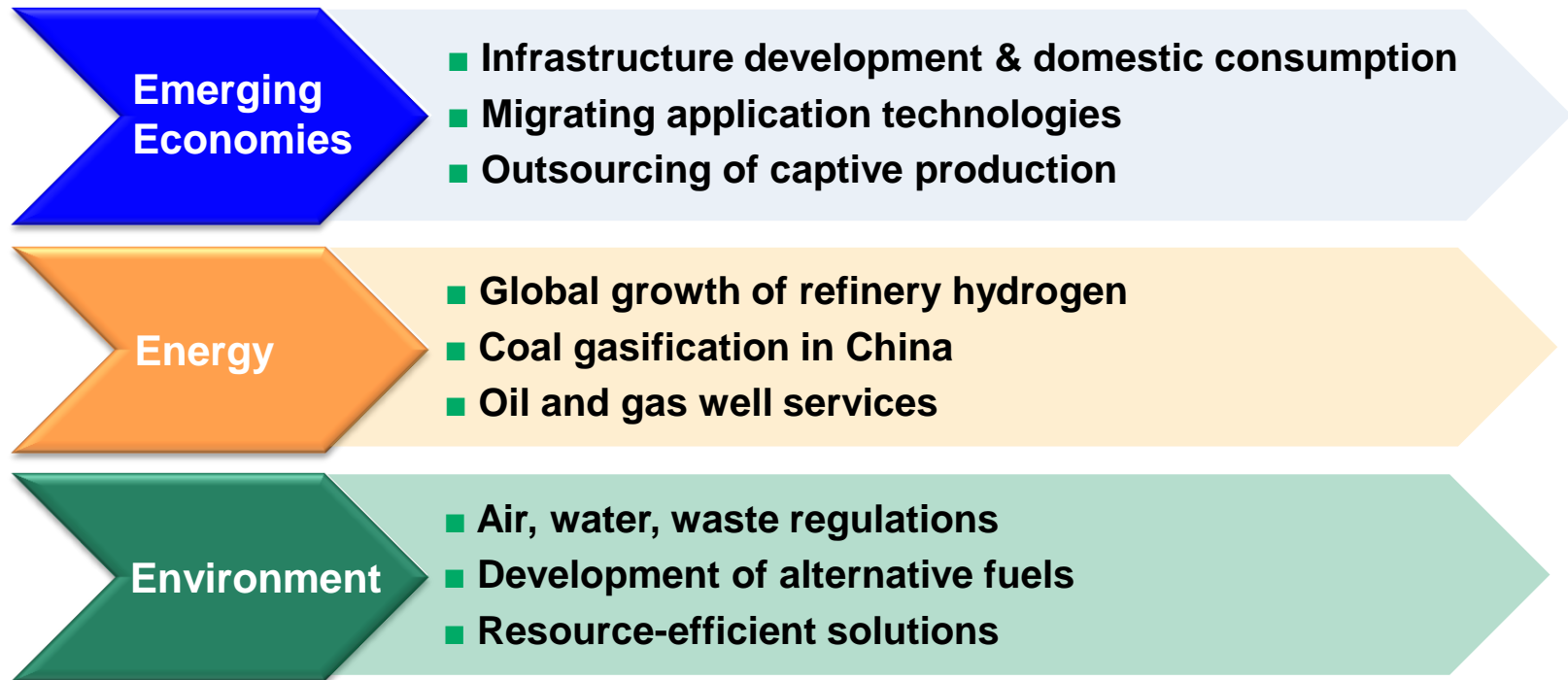


■ Recession

Steady earnings growth through economic cycles

* Source: S&P

Secular Growth Drivers Intact



Diverse Markets



Manufacturing 24%

Cutting – O₂
 Welding – O₂, N₂, Ar, H₂, He, blends
 Glass – O₂, N₂, Ar, H₂, He
 Automotive – O₂, N₂, Ar, H₂, Xe, Ne



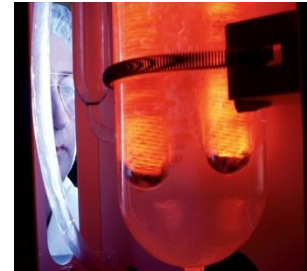
Metals 18%

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 9%

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



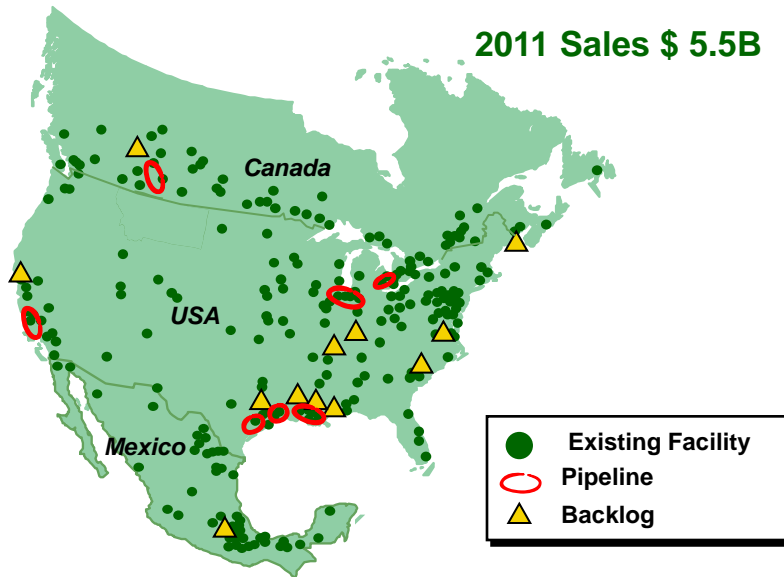
Food & Bev 6%

Carbonation – CO₂
 Freezing – N₂, CO₂
 Inerting – N₂
 Hydrogenation – H₂

% of 2011 sales

North America

2011 Sales \$ 5.5B



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

■ Strong growth fundamentals:

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

■ Packaged gas acquisition opportunities

■ Robust backlog of projects

	JUNE YTD YOY GROWTH	
	<u>As reported</u>	<u>Ex-FX & P/T*</u>
SALES	4%	9%
OP	13%	15%

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

* P/T = cost pass-through

South America



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

■ Solid underlying fundamentals

- Infrastructure development
- 2014 World Cup and 2016 Olympics
- Domestic demand
- Exports of metals
- Energy

■ Strong growth from project backlog

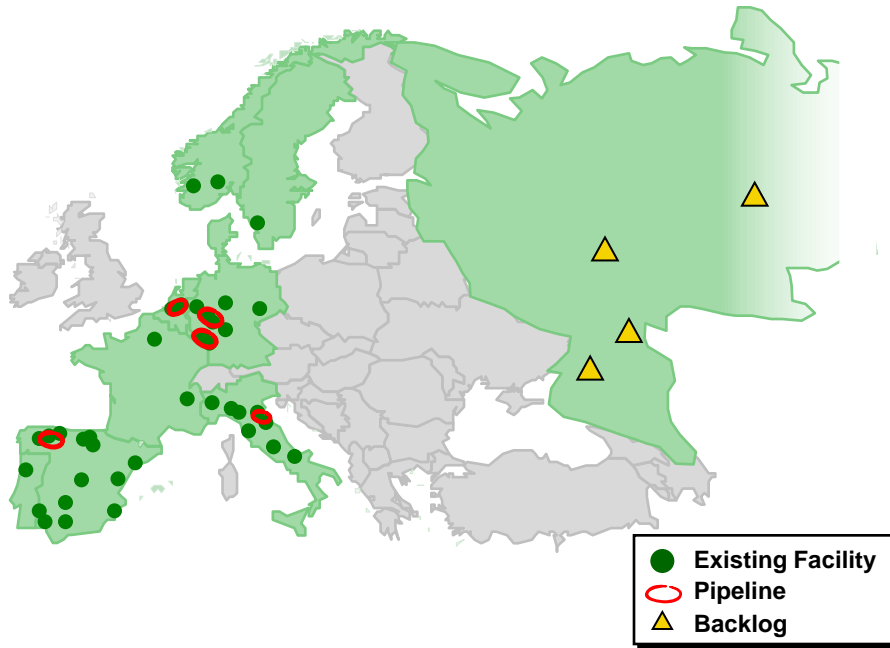
	<u>JUNE YTD YOY GROWTH</u>	
	<u>As reported</u>	<u>Ex-FX & P/T*</u>
SALES	-7%	2%
OP	-17%	-3%

Best positioned and preferred supplier

* P/T = cost pass-through

Europe

2011 Sales \$ 1.4B



■ Pipeline enclaves: Germany, Belgium, Spain and Italy

- Key markets: chemicals, manufacturing, healthcare, metals, food and beverage
- Positive price traction
- Consolidated Yara acquisition in Norway
- Strong project backlog in Russia

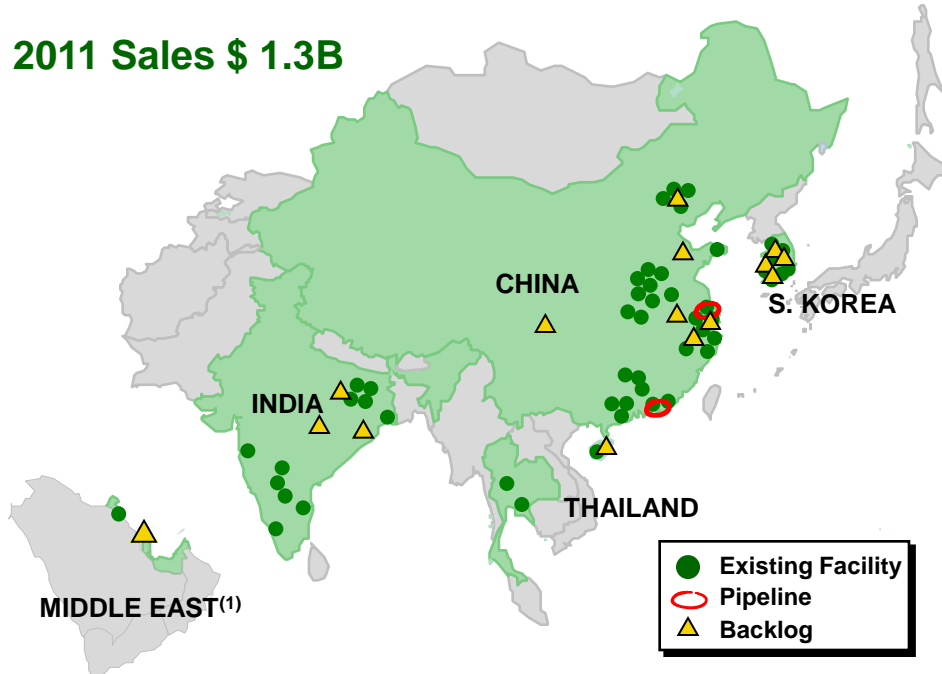
	<u>JUNE YTD YOY GROWTH</u>	
	<u>As reported</u>	<u>Ex-FX & P/T*</u>
SALES	6%	12%
OP	-3%	3%

Right-sizing cost structure

* P/T = cost pass-through

Asia

2011 Sales \$ 1.3B



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

- Secular growth opportunities:
 - Gasification, energy, resources
 - Expanding middle class and industrialization
 - Energy efficiency & environmental
- Outsourcing captive production
- Applications driven growth
- Strong growth from project backlog

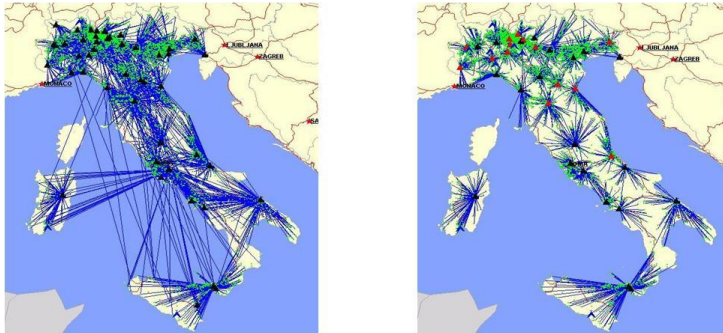
	<u>JUNE YTD YOY GROWTH</u>	
	<u>As reported</u>	<u>Ex-FX & P/T⁽²⁾</u>
SALES	3%	3%
OP	8%	10%

Increasing density and expanding footprint

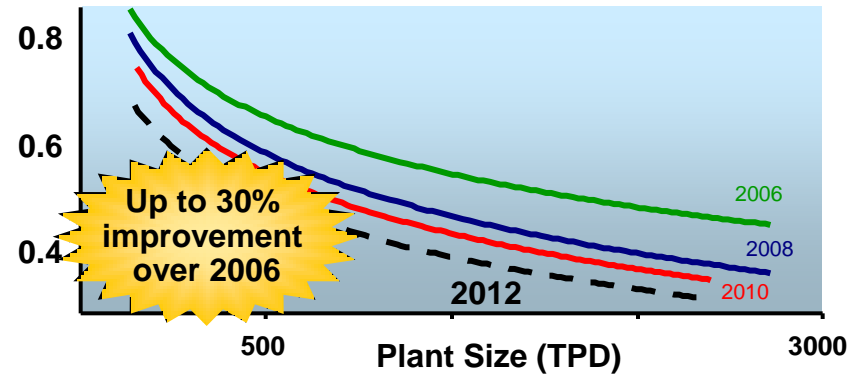
(1) Kuwait, Bahrain, Qatar, UAE
 (2) P/T = cost pass-through

Productivity Programs

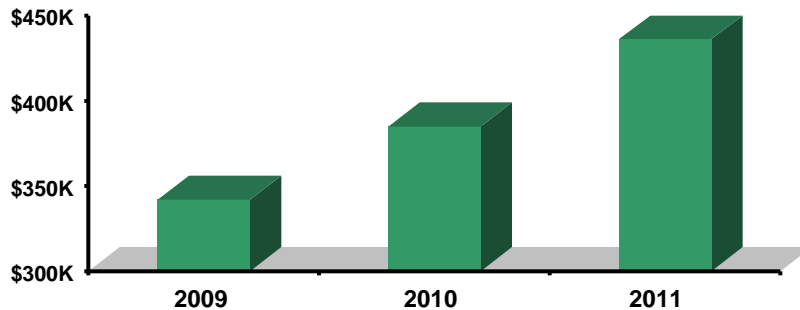
Distribution Optimization



Oxygen Cost Index (\$ per ton O₂)



Sales per Employee

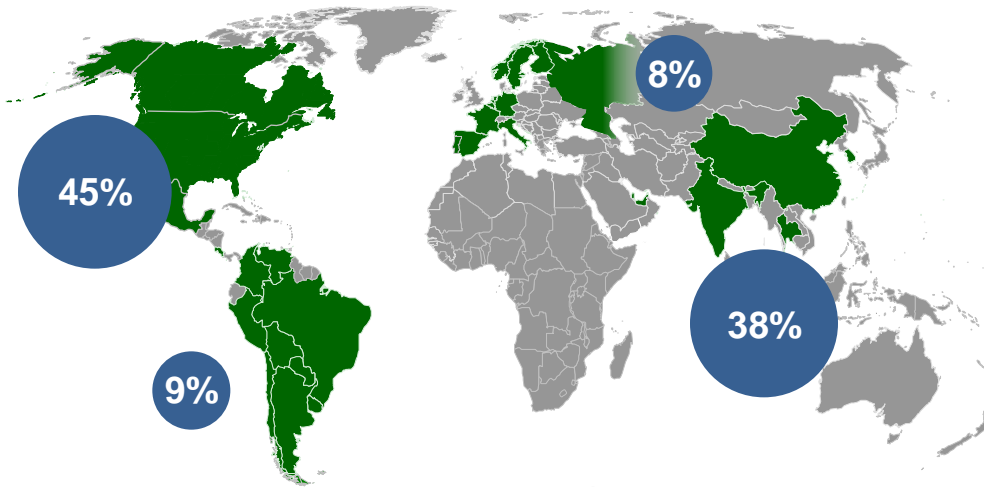


Low Cost Country Sourcing

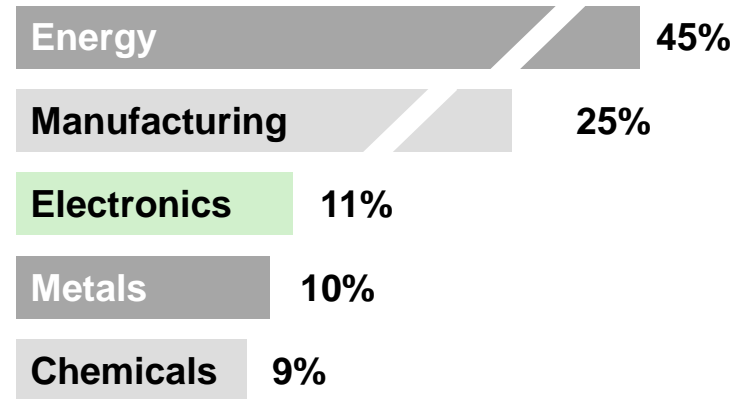


Target 5% of cost stack annually ~ \$300 MM

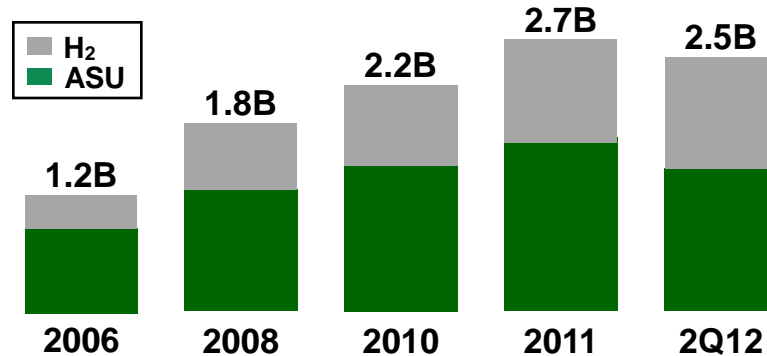
Project Backlog



Backlog by Market



Backlog (\$B)



- \$ 2.5B - signed, long-term contracts with customers
- Solid customer bidding activity

Driven by emerging economy and energy markets

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.



CARBON DISCLOSURE PROJECT

Global Carbon Disclosure Leadership Index
Global Carbon Performance Leadership Index



MSCI ESG Indices

