



Praxair, Inc.

**Joseph S. Cappello
Vice President**

**Citi Chemicals for the Non-
Chemist Conference**

New York City, December 1, 2008

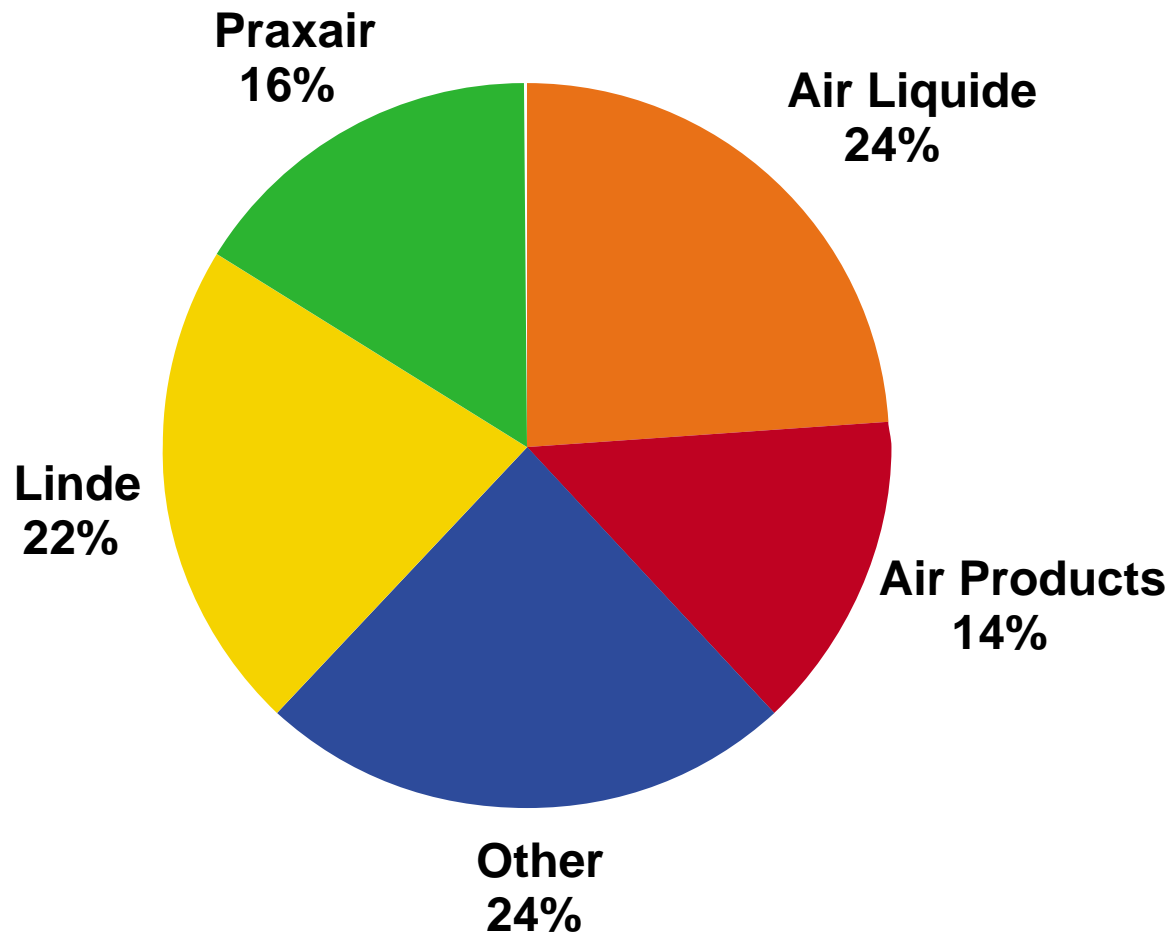


Forward Looking Statement

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 tax, environmental, home healthcare and other legislation and government regulation in jurisdictions in which the company operates; the cost and outcomes of litigation and regulatory agency actions; 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 latest Annual Report on Form 10-K filed with the SEC which should be reviewed carefully. Please consider the company’s forward-looking statements in light of those risks.

Global Industrial Gas Industry

Total sales: \$55 billion

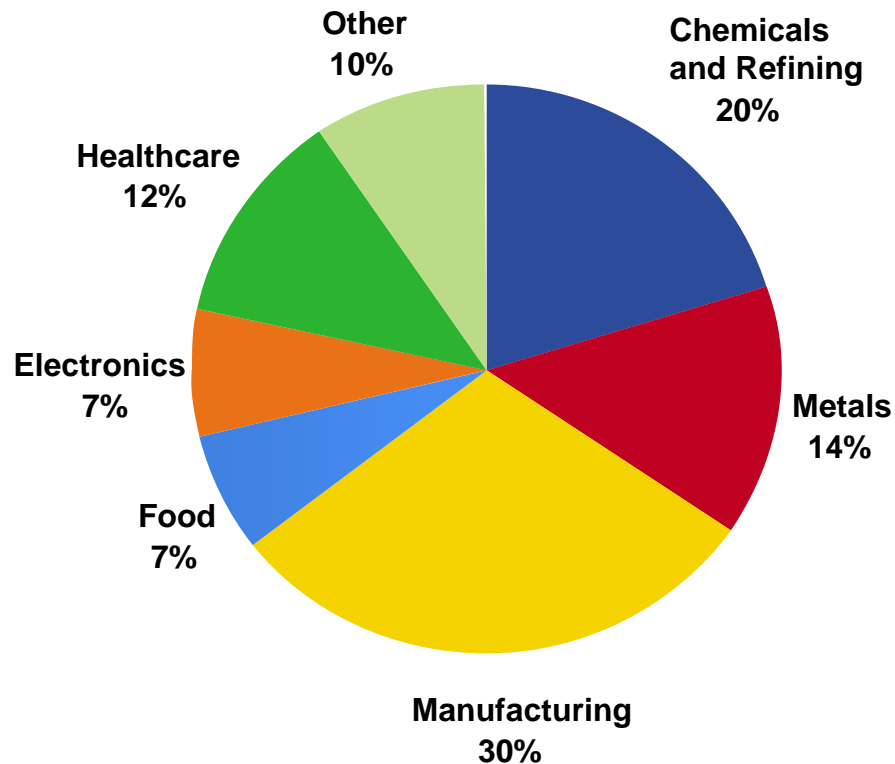


Few global players

Diverse End Markets and Products

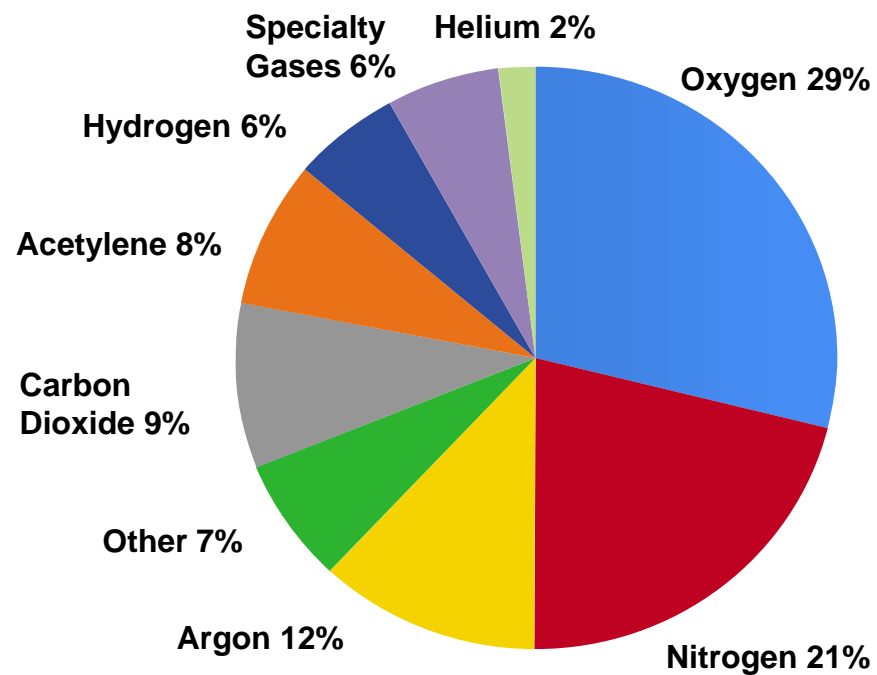
Total industry sales: \$55 billion

End Markets



Source: Spiritus Consulting

By Product



Source: SRI Consulting, Praxair estimates

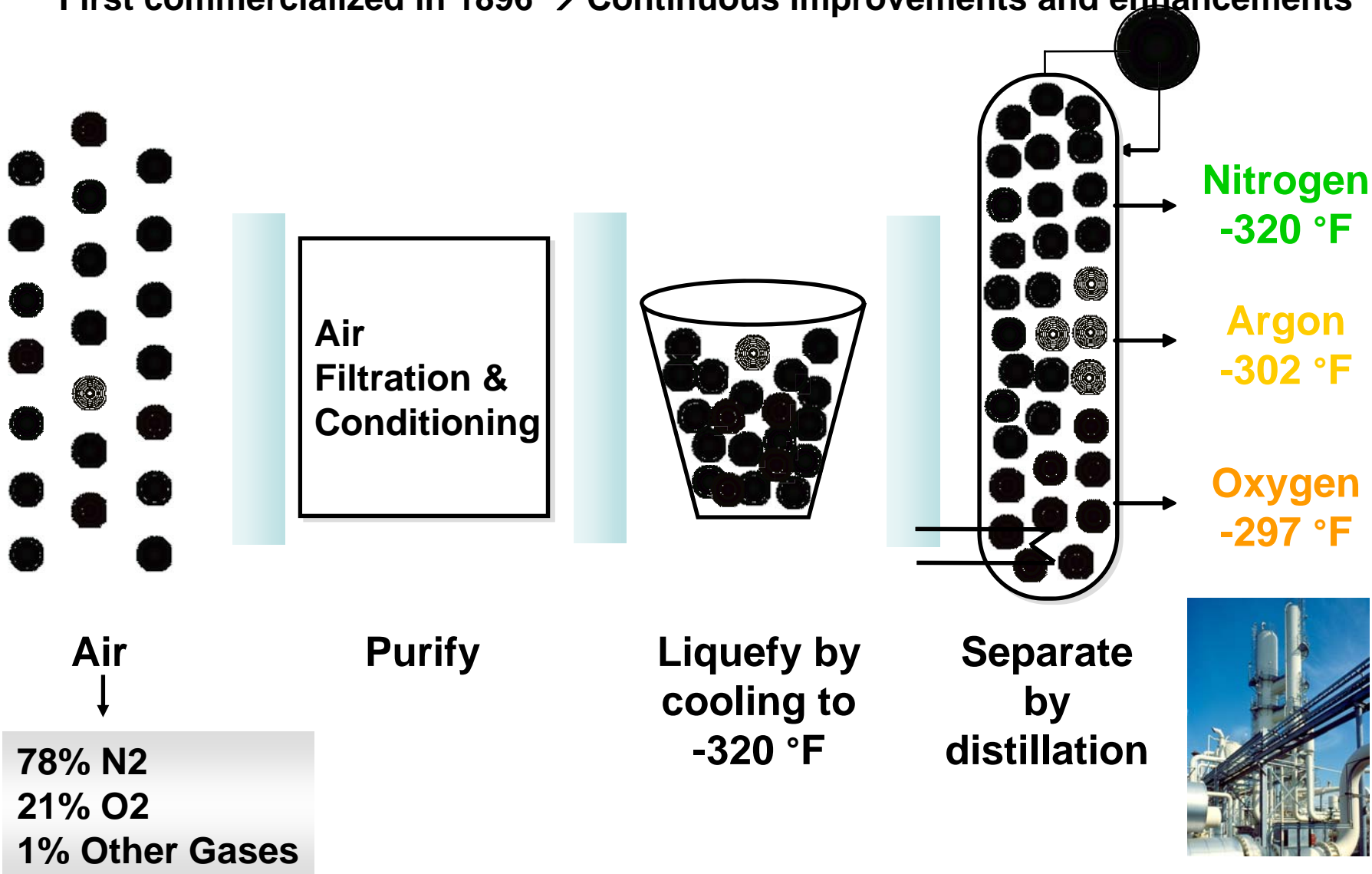
Atmospheric and process gases are fundamental to many industries

Basic Molecules with Many Uses

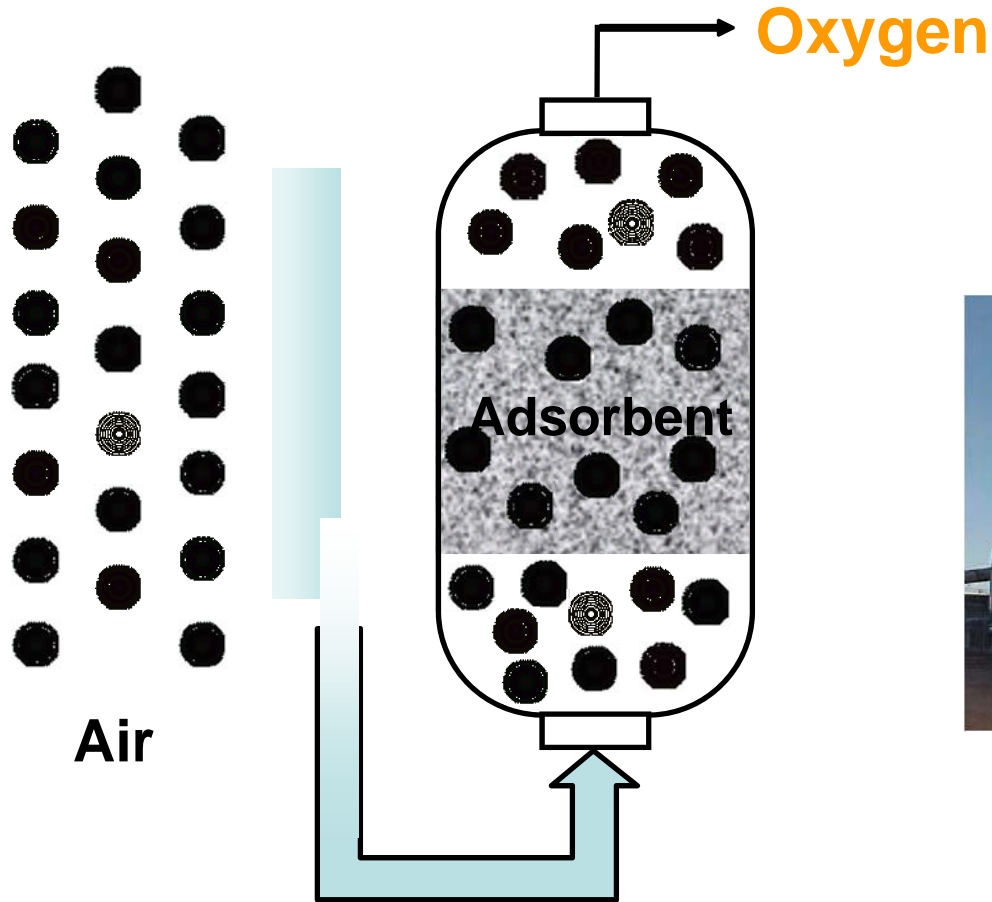
Products	Attributes	Markets
Oxygen O ₂	Reactive Life Sustaining	Steel, Chemicals, Environmental, Energy Healthcare, Welding
Nitrogen N ₂	Inert Cryogenic (cold) Pressurized	Semiconductors, Chemicals, Packaging Food Freezing, Oil & Gas Recovery
Argon Ar	Inert At High Temperatures	Stainless Steel, Welding, Basic Steel Making, Lighting
Hydrogen H ₂	Chemical Fuel	Refining, Chemicals, Metals Space Program, Fuel Cells, Alternative Energy
Helium He	Cryogenic (cold) Inert Lifting	MRI, Fiber Optics, Scientific Research Diving Breathing Mixtures, Welding Balloons
Carbon Dioxide CO ₂	Solubility Inert Cryogenic (cold) Pressurized	Beverage Carbonation Welding, Steel, Chemicals, Packaging Food Freezing, Dry Ice Oil and Gas Recovery

Air Separation – Cryogenic Distillation

First commercialized in 1896 → Continuous improvements and enhancements



Air Separation – Non-Cryogenic

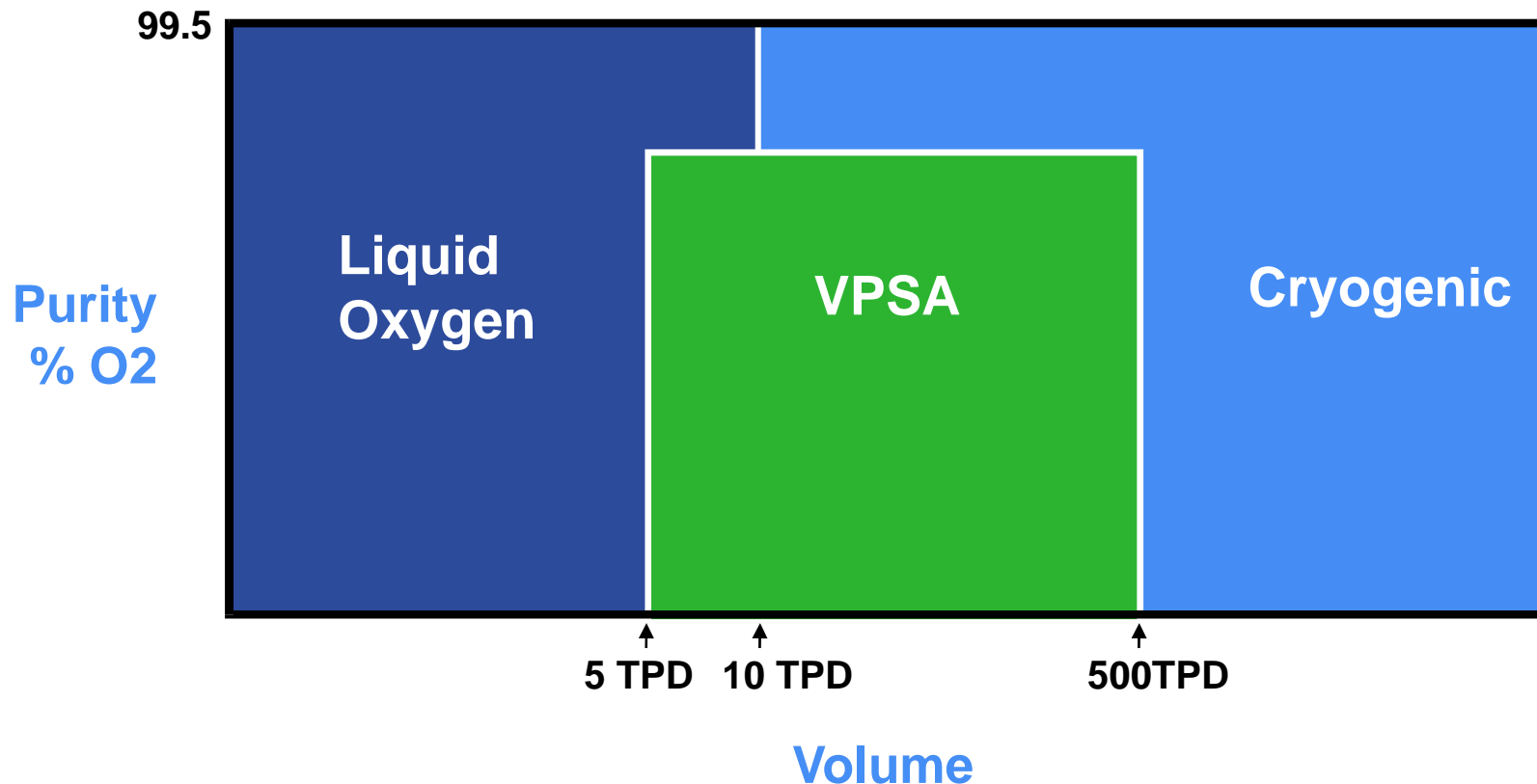


VPSA PLANT



First commercialized in 1960

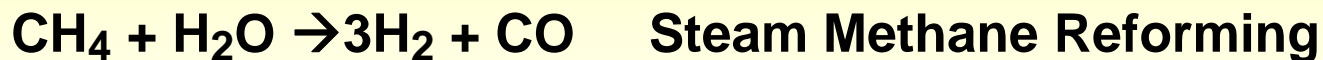
Oxygen Systems – Modes of Supply



Customer demand matched with optimum supply systems

Process Gases – A Chemical Feedstock

- ◆ Hydrogen (H₂)
- ◆ Carbon Monoxide (CO)
- ◆ Carbon Dioxide (CO₂)



Produced “on- purpose” or from purified waste streams

Unique Revenue Model

On-Site/Pipeline Supply 24%*



- ◆ 15 year take-or-pay contracts
- ◆ Indexed to energy, inflation, currency
- ◆ Financial engineering

Merchant Liquid Supply 30%*



- ◆ Exclusive supply agreements
- ◆ Sourced as by-product from on-site

Packaged/Medical Gases 32%*



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

% of Praxair 2007 sales of \$9,402MM

We sell consumables that are not priced as commodities

Production and Distribution Density...

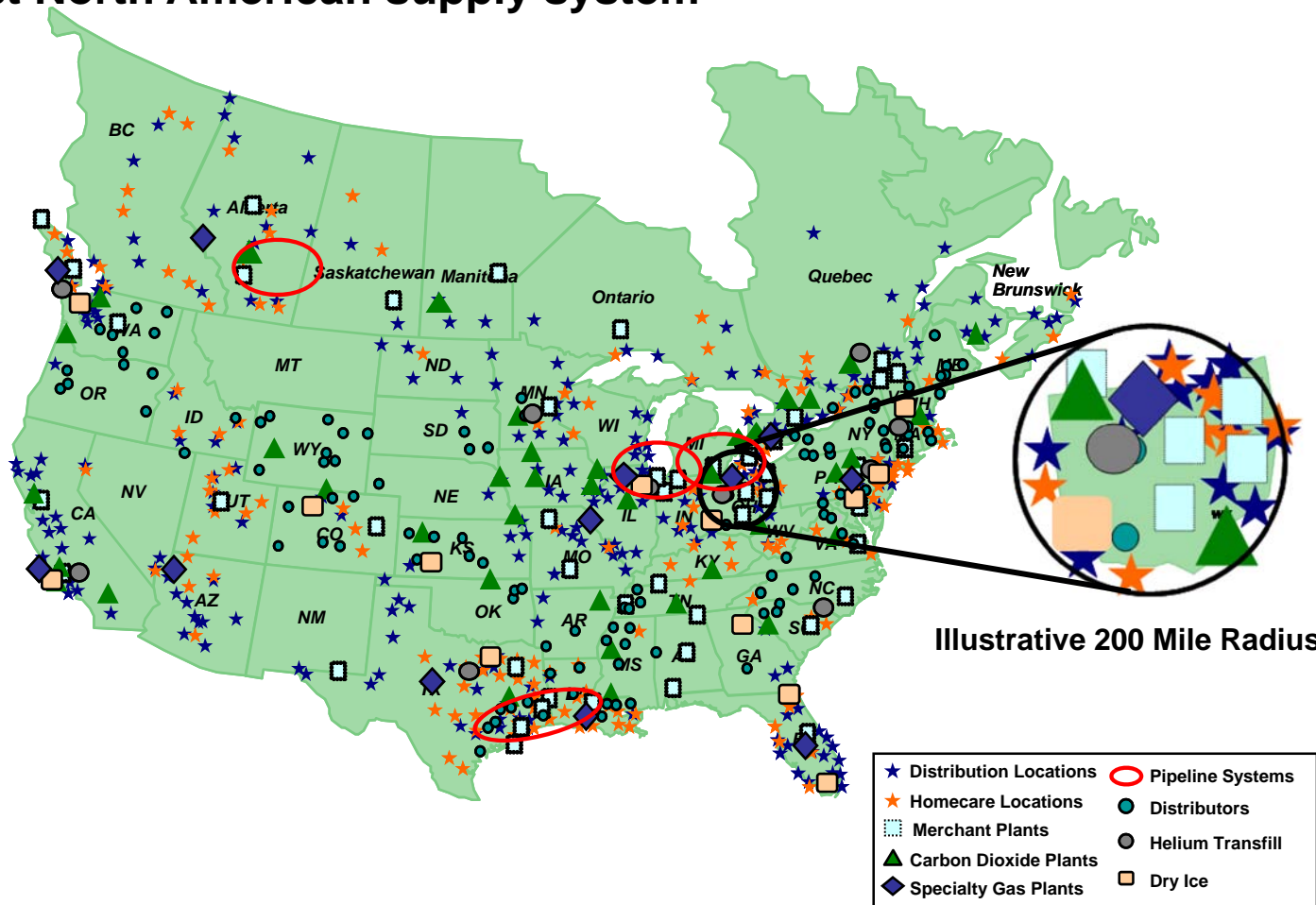
Praxair: Strongest North American supply system

On-site and Bulk Gases

- ◆ 300 production plants
- ◆ 8000 customer locations
- ◆ 1500 distribution vehicles
- ◆ 11 pipeline enclaves

Packaged and Specialty Gases

- ◆ 400 branches
- ◆ >300,000 customers
- ◆ 280 independent distributors



...drives reliability, growth, and returns

Applications for Industrial Gases

◆ Increase energy efficiency

- Oxy-fuel combustion



Oxy-fuel
combustion

◆ Higher productivity

- Throughput, yield



Food freezing

◆ Improve environmental performance

- Air
- Water



Oxygen for
wastewater
treatment

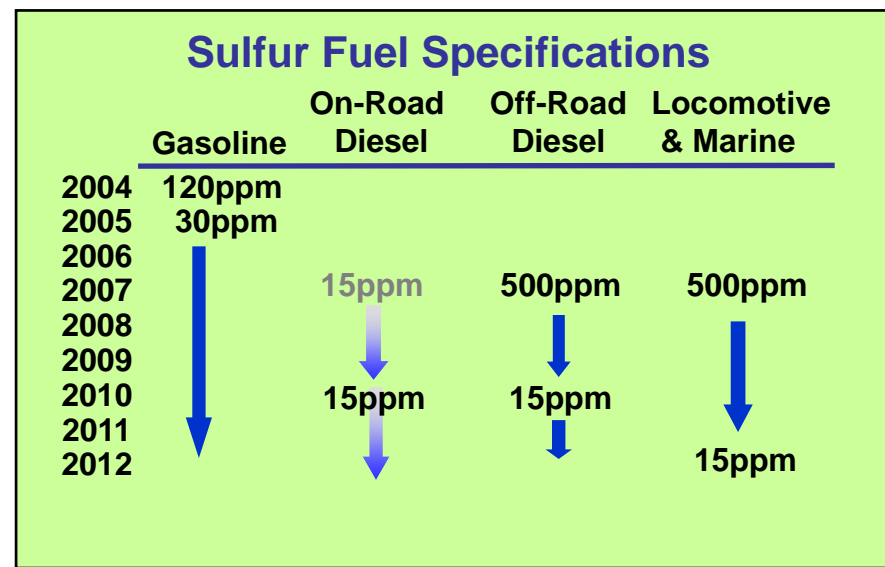


Cryogenic
condensation for
VOC recovery

New applications drive growth at a multiple of IP

Refining Demand for Hydrogen

- ◆ Low sulfur fuel regulations
- ◆ Heavy crude upgrading
- ◆ Replacing refineries' old reformers
- ◆ Increasing demand for middle distillate fuels



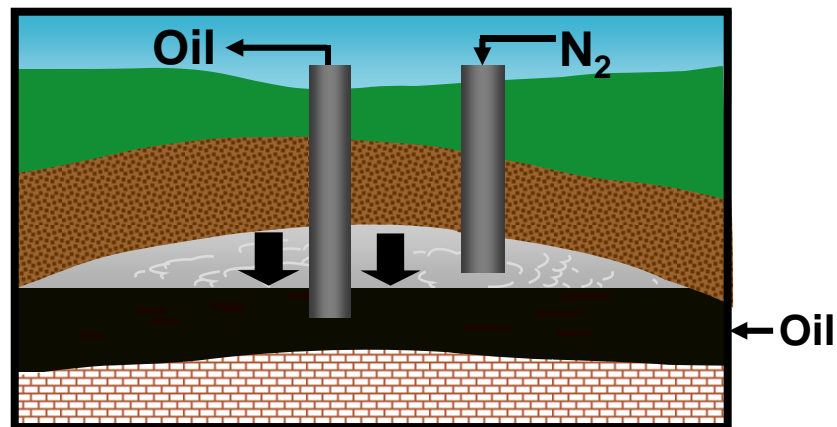
Strong demand for hydrogen expected to continue

Strong Industrial Gas Demand for Energy Supplies

Nitrogen or CO₂ injection in large quantities at high pressure

Natural gas well fracturing

Enhanced oil recovery

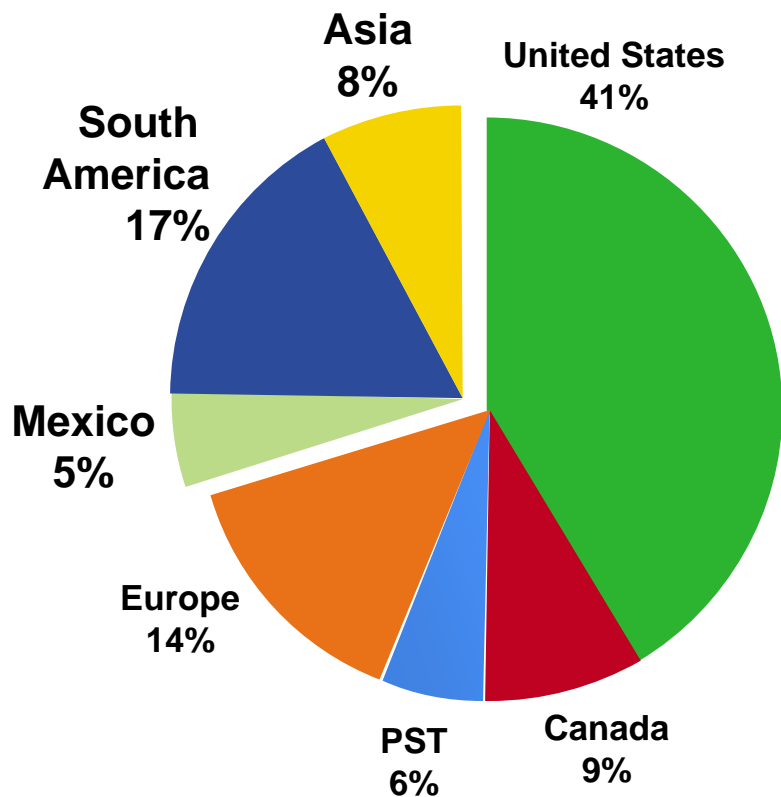


Praxair well positioned in North America

Huge global market potential

Growth in Emerging Economies

- ◆ Emerging economies - 30% of sales, 45% of growth capital



Praxair 2007 sales \$9.4 Bn

	<u>Mexico</u>	<u>Brazil</u>	<u>China</u>	<u>India</u>
PX Leading Position	✓	✓	✓	✓
PX Sales Growth (CAGR '05-'08F)	20%	21%	20%	21%
Per Capita Gas Consumption % of U.S.	20%	15%	2%	1%

Projects in diverse industries – chemicals, electronics, energy, metals, pulp & paper, glass

Growing in China

2007 sales of \$320MM*

◆ Petrochemical

◆ Metals

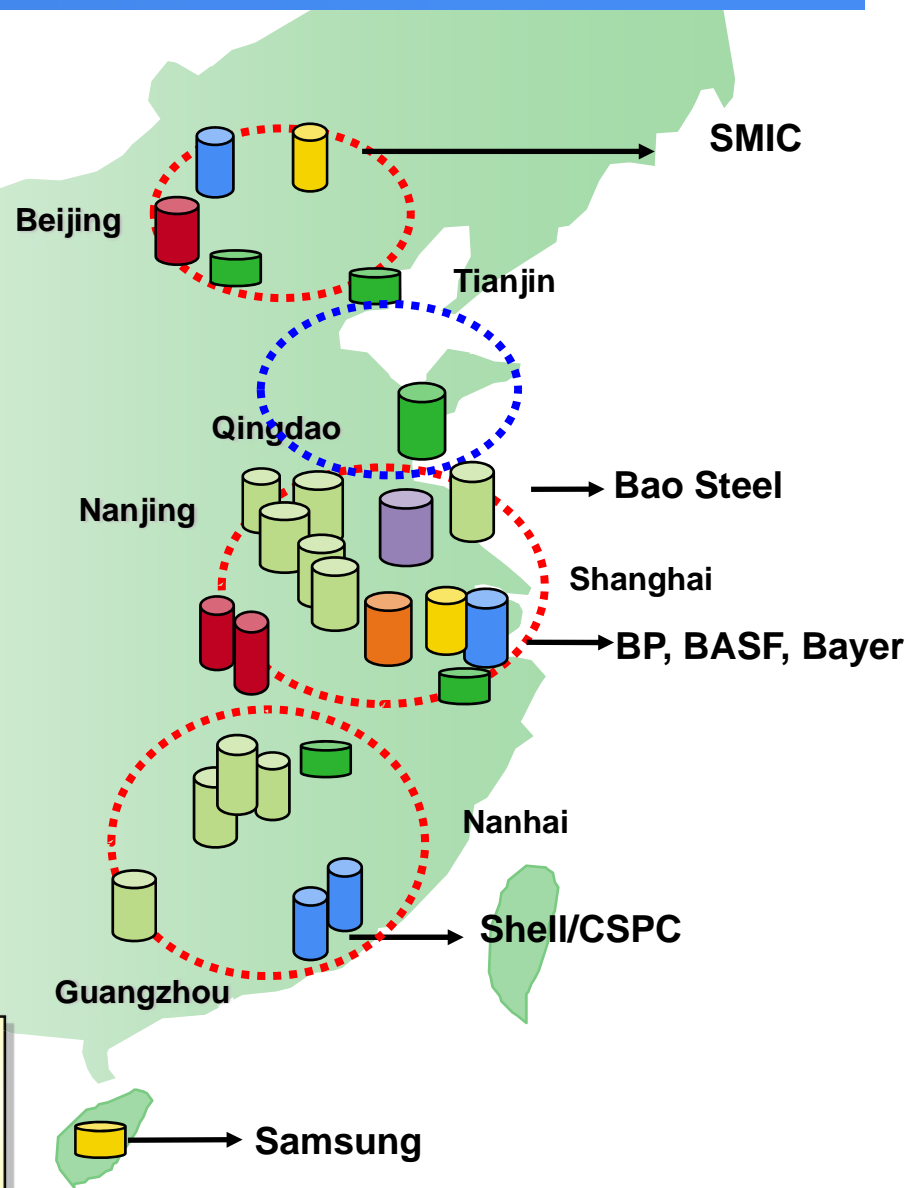
◆ Gasification

◆ Electronics

◆ Food & beverage

◆ Specialty gas

◆ Other



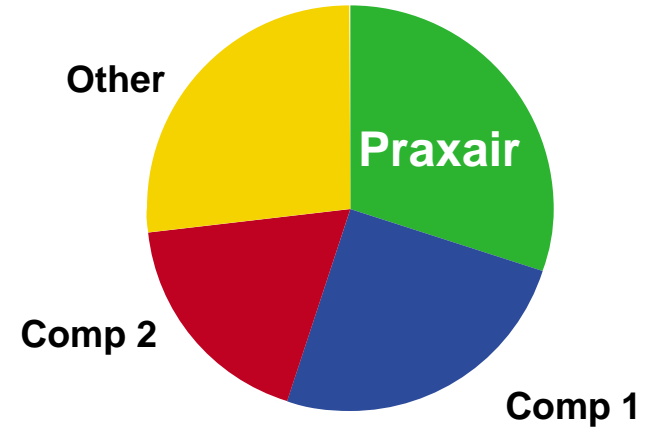
Vertically integrated business with high distribution density

*Combined sales

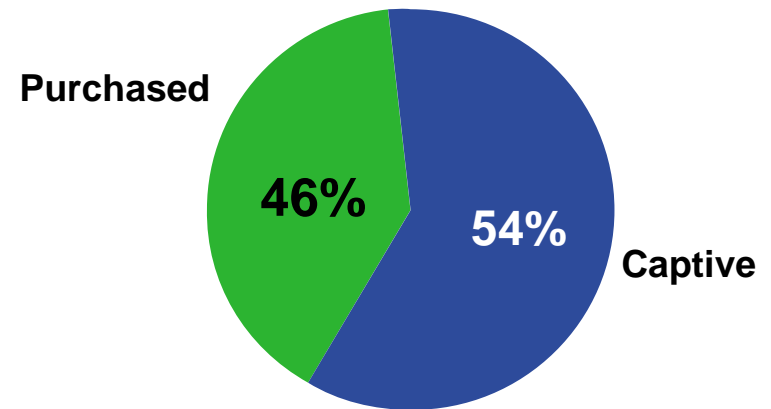
Growth in India

- ◆ Domestic demand growing
 - Petrochem, pharma, automotive, metals
- ◆ Captive users moving to purchased product
- ◆ Application technologies
- ◆ Strong project pipeline
- ◆ Global engineering center

Market Share*



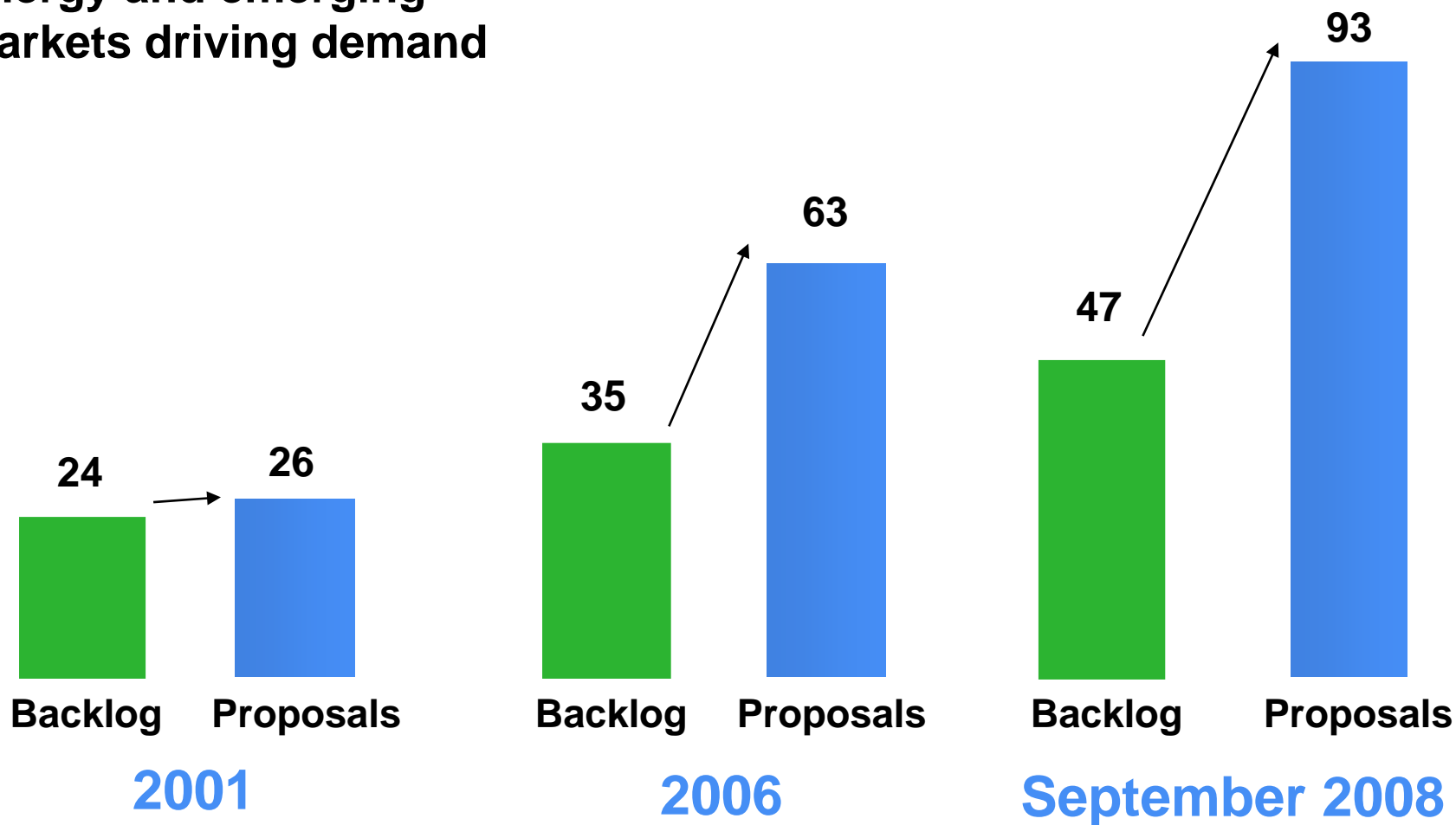
2007: \$1.0 Bn Industrial Gas Market



*PX estimates, non-captive

Praxair Record Project Activity

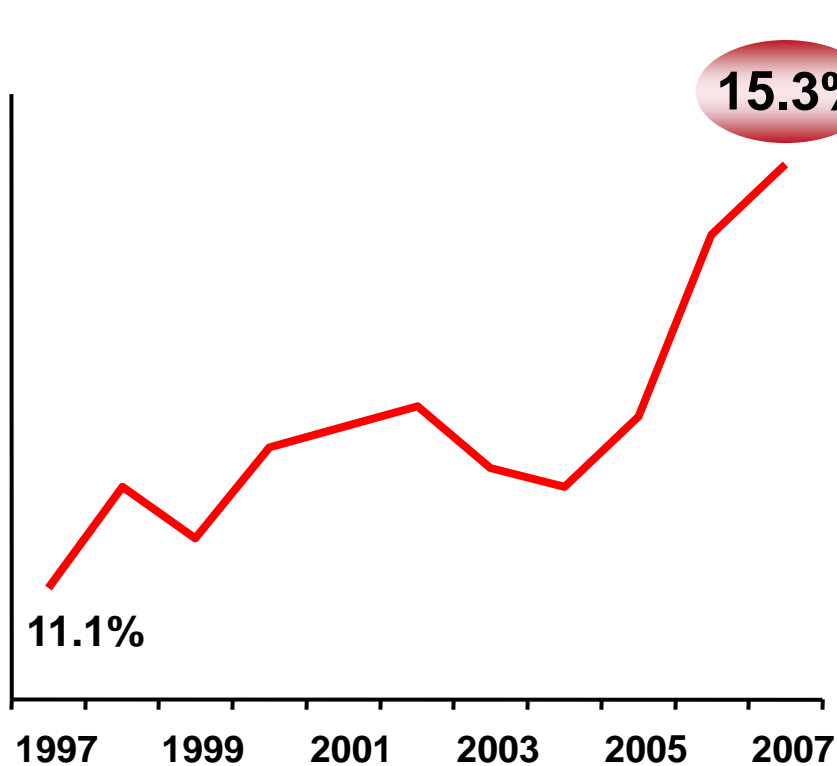
- ◆ Energy and emerging markets driving demand



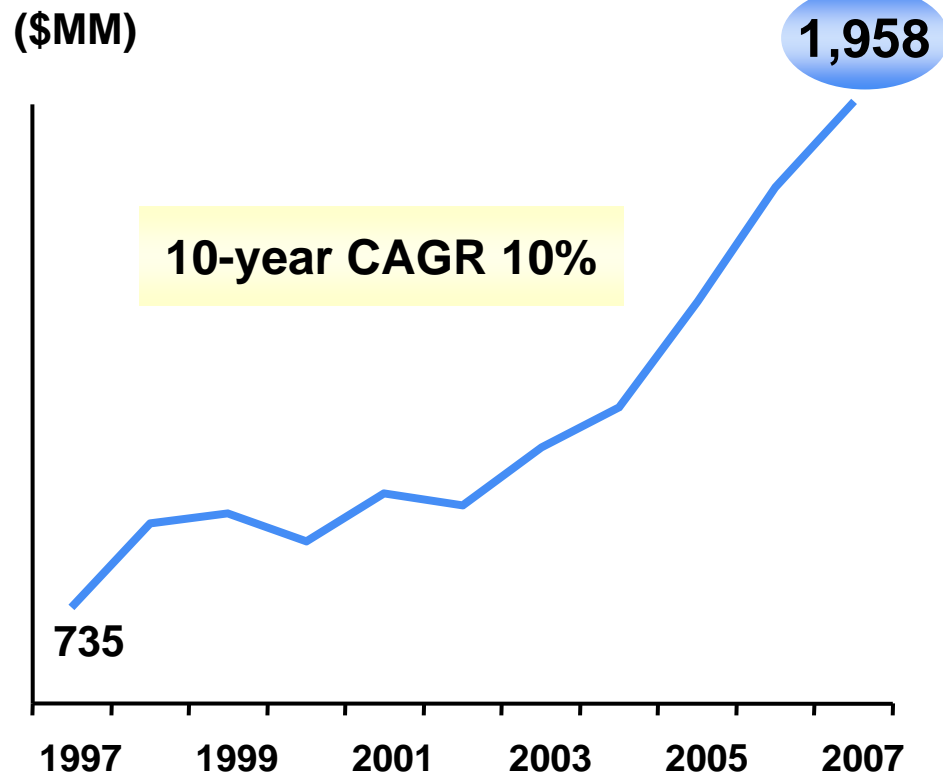
Increasing backlog supports future revenue growth

High ROC Generates Strong Cash Flow

NOPAT ROC⁽¹⁾



OPERATING CASH FLOW



Return on capital of 15% after tax generates cash flow for growth and shareholder return

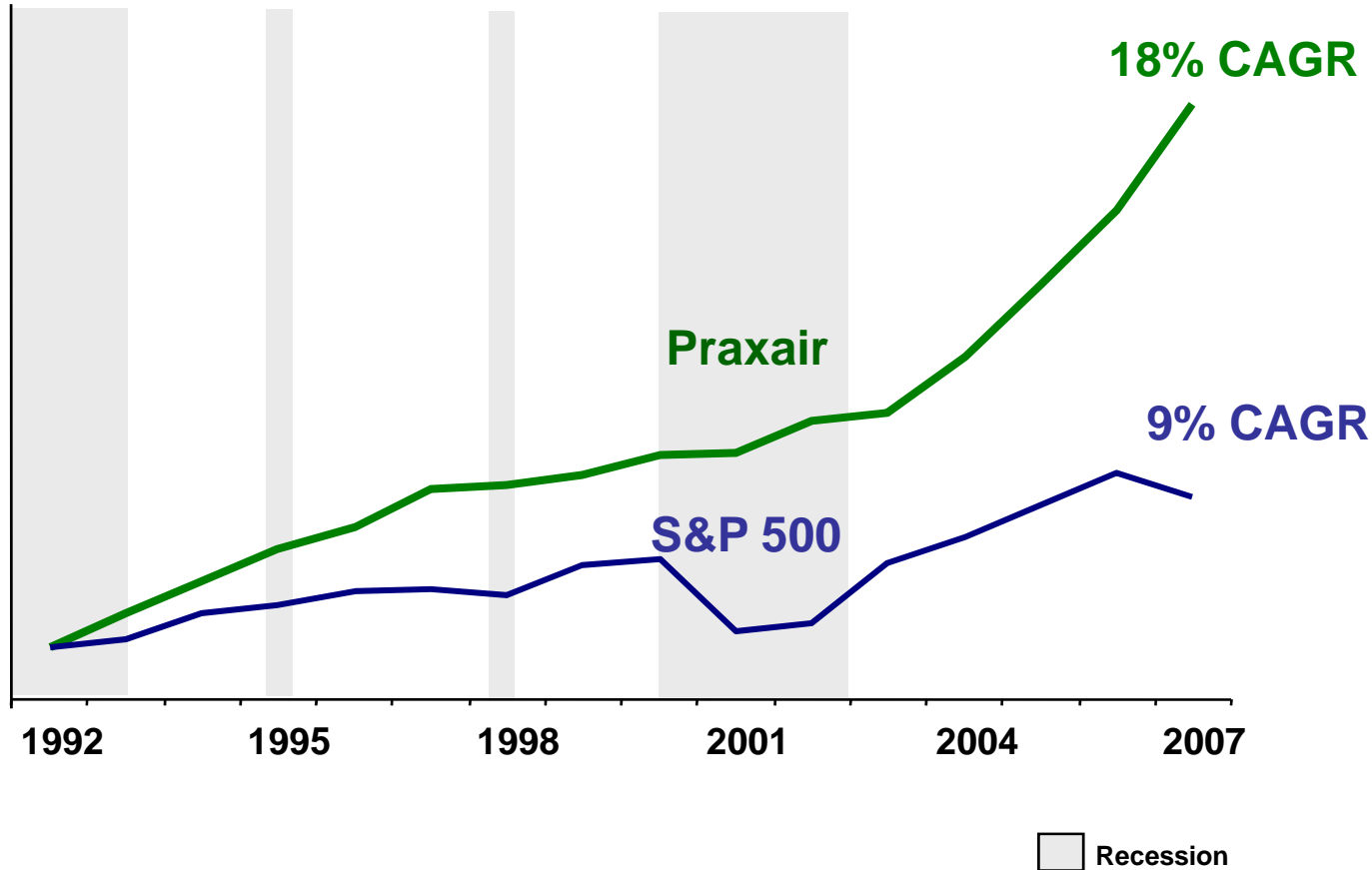
1) Non-GAAP measure

Unique and Profitable Business Model

- ◆ **No commodity pricing**
- ◆ **Long-term contracts – high renewal rates**
- ◆ **Raw material cost pass-through**
- ◆ **No speculative capex**
- ◆ **High value, low cost product – reliability is key**
- ◆ **Production/distribution density drives returns**
- ◆ **Applications technologies drive growth above Industrial Production**
- ◆ **Secular growth trends – energy production, environmental legislation and emerging market infrastructure development**

Steady Earnings Growth Throughout Economic Cycles

Indexed EPS



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.



APPENDIX

LIN/LOX/LAR – Liquid nitrogen, liquid oxygen and liquid argon

Cryogenic -A state of extreme cold characterized by low temperatures, usually -130°F (-90°C) or below

Air Separation Unit (ASU) – A cryogenic air separation unit typically ranges in size from 50 to 5000 tons per day, capable of producing high purity gaseous O₂, N₂ and Ar, when equipped with a liquefier can also produce LIN/LOX/LAR

N-Plant - A Praxair acronym for plants that use cryogenic distillation columns to produce ultra high purity nitrogen only.

Non-cryogenic - an air separation process that operates at near-ambient temperatures and uses physical property differences other than boiling point, such as molecular size and mass, to produce commercially valuable gaseous products such as nitrogen and oxygen. Typically lower purity than cryogenic

Membrane Plants - . a non-cryogenic technology that uses hollow-fiber polymer membranes to separate gaseous nitrogen from air by selective permeability.

Vacuum Pressure Swing Adsorption (VPSA) - A Praxair acronym for non-cryogenic oxygen plants. VPSA plants use one or two molecular sieve-filled beds to hold all the impurities of air and allow purified oxygen to pass through.

Steam Methane Reformer (SMR) - A reaction of natural gas (methane CH₄) or other light hydrocarbons (ethane or propane) with steam for the on-purpose production of hydrogen and/or carbon monoxide.

Pressure Swing Adsorption (PSA) – Advanced H₂ purification technology

Partial oxidation - a reaction of hydrocarbons (such as natural gas, naphtha, petroleum coke or coal) with oxygen to produce hydrogen and carbon monoxide

Integrated Gasification Combined Cycle (IGCC) – Most advanced (clean coal) power generation technology

Gasification – Partial oxidation of hydrocarbons to produce synthesis gas

Synthesis Gas – Combination of H₂ and CO