



Praxair, Inc.

**James S. Sawyer
Executive Vice President
and CFO**

**JP Morgan 3rd Annual Basics Industrials
Conference
New York City, June 4, 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.

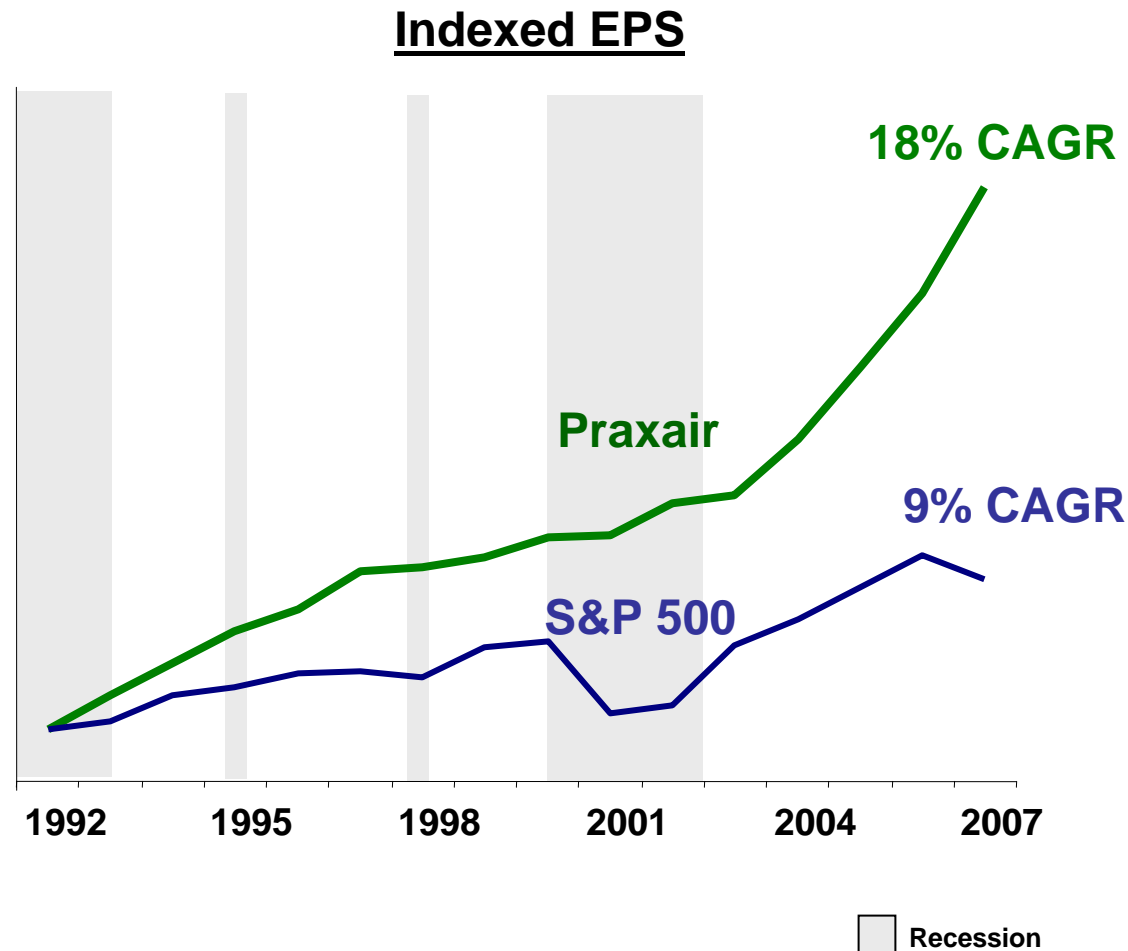
A Growth Company for All Seasons

Secular Growth Drivers

- ◆ Environment
- ◆ Energy
- ◆ Emerging economies

Unique Revenue Model

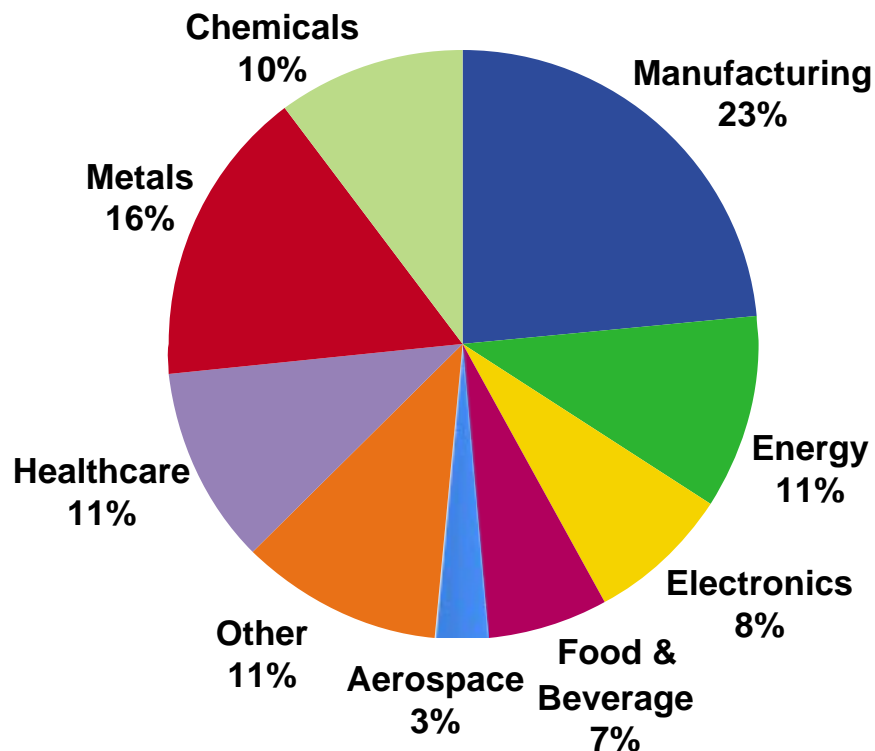
- ◆ Dedicated supply systems
- ◆ Long term contracts
- ◆ High ROC and cash flow



Steady and non-cyclical earnings growth

2007 Sales \$9.4 Billion

Diverse End Markets



Q1 08 Sales Growth

| | <u>Sales growth</u> | <u>Ex-FX and acq.</u> |
|---------------|---------------------|-----------------------|
| Total | +22% | +11% |
| Manufacturing | +32% | +11% |
| Metals | +15% | + 6% |
| Energy | +39% | +34% |
| Healthcare | +10% | + 2% |
| Chemicals | +19% | +12% |
| Electronics | +20% | +17% |

Continued strong revenue growth

Growing Environmental Applications

Water/Wastewater Treatment



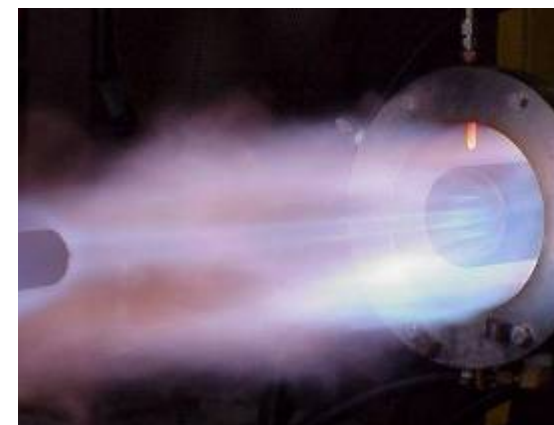
Oxygen aeration, ozone sludge reduction, drinking water disinfection

Photovoltaics



Gases, gas delivery systems, deposition materials

Oxy-fuel Combustion



Reduced NO_x and CO₂ emissions

2-3% per year sales growth from applications technologies

Specialty and Rare Gases

Helium

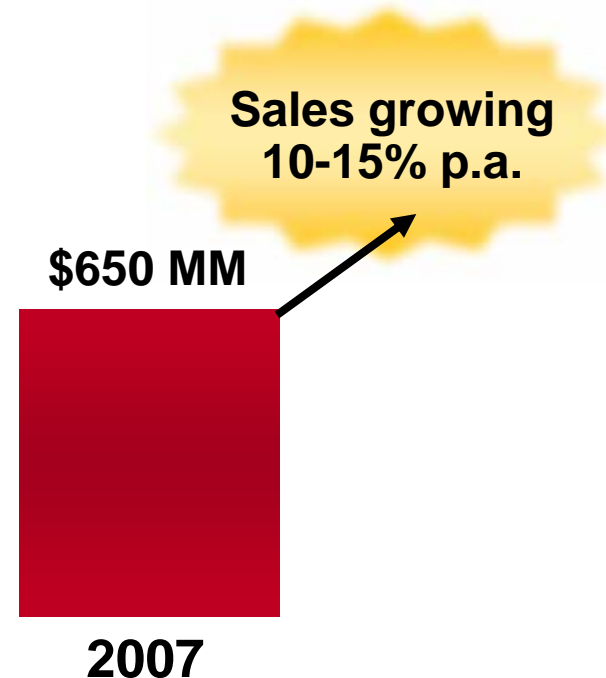
- ◆ Scarce resource
- ◆ Growing demand for solar, MRI, electronics, and optical fiber

Specialty Gases

- ◆ Mixtures, blends, ultra-high purities
- ◆ Growing applications in lighting, electronics, auto, and research
- ◆ Adding new facilities in China and India

Rare Gases

- ◆ Xenon, krypton, neon, halogens
- ◆ Strong demand for healthcare, plasma TV, lighting, and lasers



Strong demand growth exceeding available supply

Unique Revenue Model

On-Site/Pipeline Supply



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

Merchant Liquid Supply



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

Packaged/Medical Gases

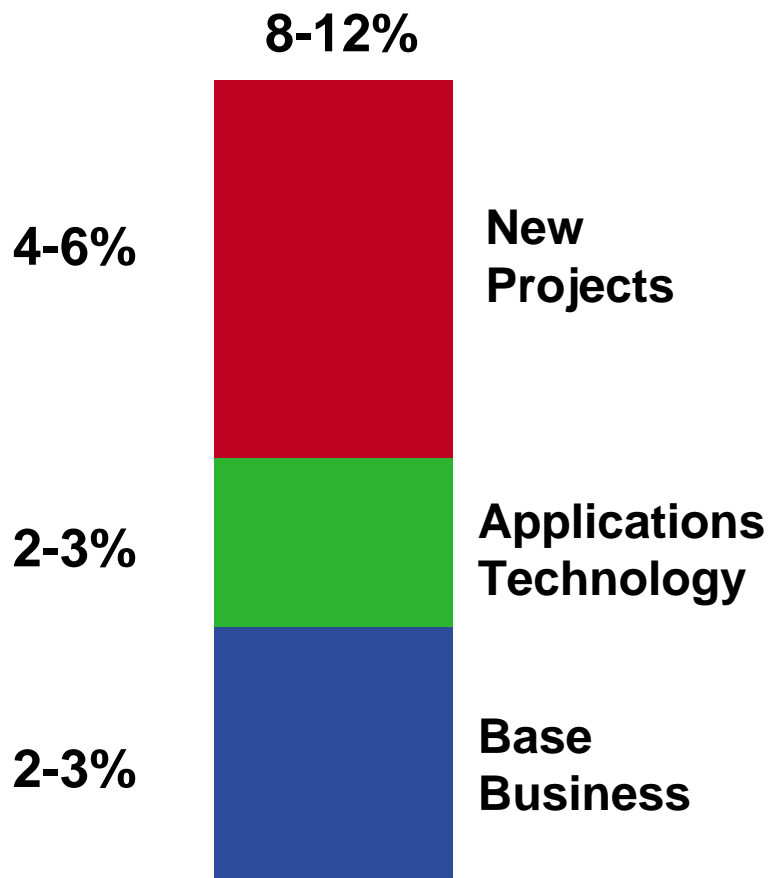


- ◆ Cylinder and equipment rental
- ◆ Sourced as by-product from bulk

We sell consumables that are not priced as commodities

Sustainable Long-Term Growth

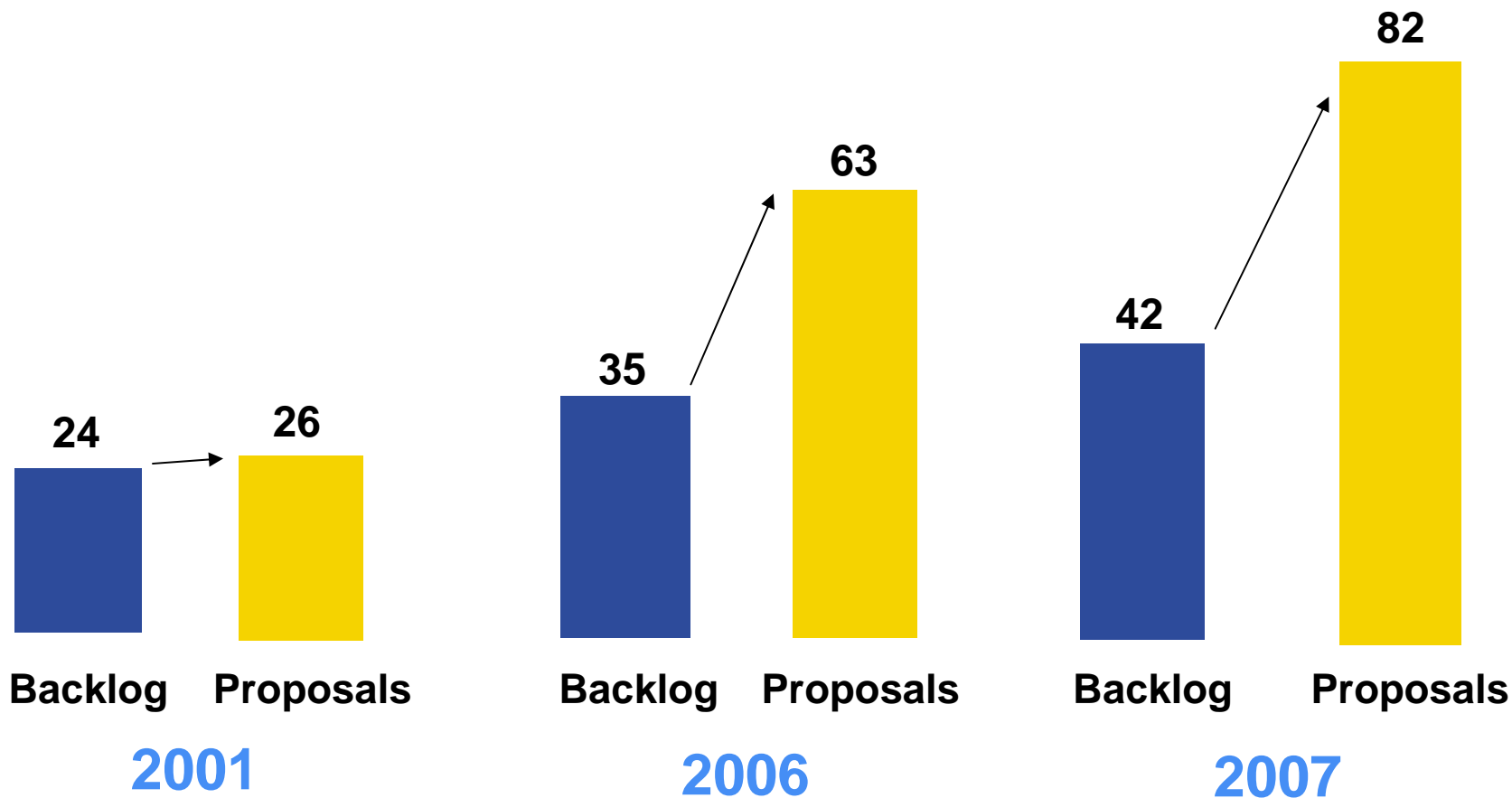
Annual Sales Growth



| | <u>Annual Growth</u> |
|------------------|----------------------|
| Organic Sales | 8 - 12% |
| Operating Profit | 10 - 14% |
| EPS | 12 - 16% |

Project Activity

◆ Energy and emerging markets driving record activity



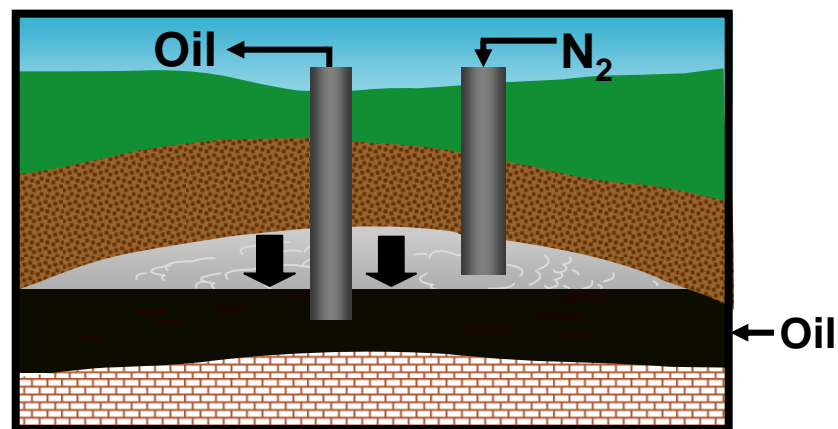
Increasing backlog supports future revenue growth

High Energy Prices Driving Industrial Gas Demand

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

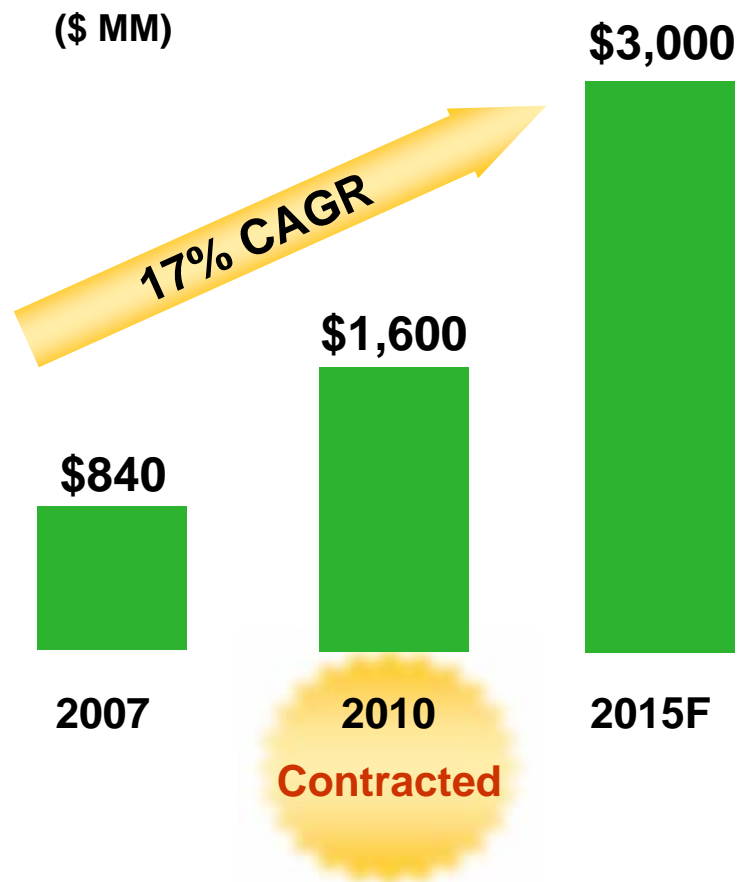
Hydrogen for Refining

- ◆ Demand growth from:
 - Fuel emission standards
 - Heavy sour crude
 - Growing diesel demand

- ◆ Current growth
 - North America

- ◆ Future growth
 - Canadian oil sands
 - Emerging markets

Praxair Hydrogen Sales



Strong demand for hydrogen expected to continue

Coal and Petcoke Gasification

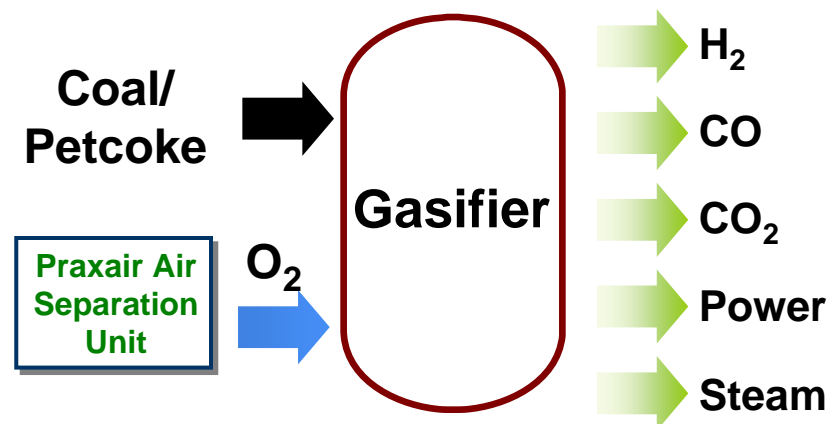
◆ Coal to chemicals

- Chemical feedstock
- NG price and availability
- Currently viable in China
- SOPO 3,000 TPD O₂ plant



◆ Petcoke to H₂

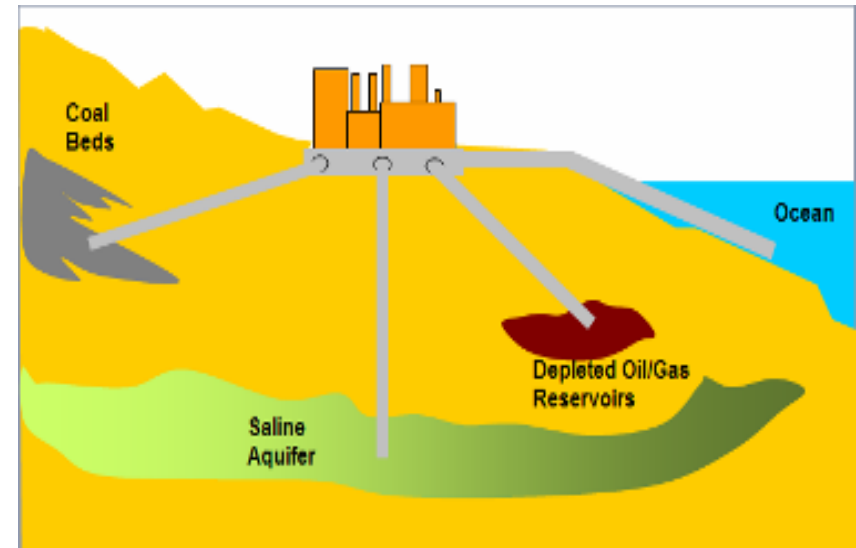
- Refinery upgrading
- Large oxygen requirement
 - \$300 - \$500MM investment



Multiple projects under consideration

Clean-Coal Power Generation

- ◆ **Oxy-coal combustion**
 - Enables CO₂ capture and sequestration
 - World scale O₂ system
- ◆ **Alliance with Foster Wheeler for clean-coal technologies**
- ◆ **Praxair demonstration projects**
 - Jamestown, NY
 - El Bierzo, Spain

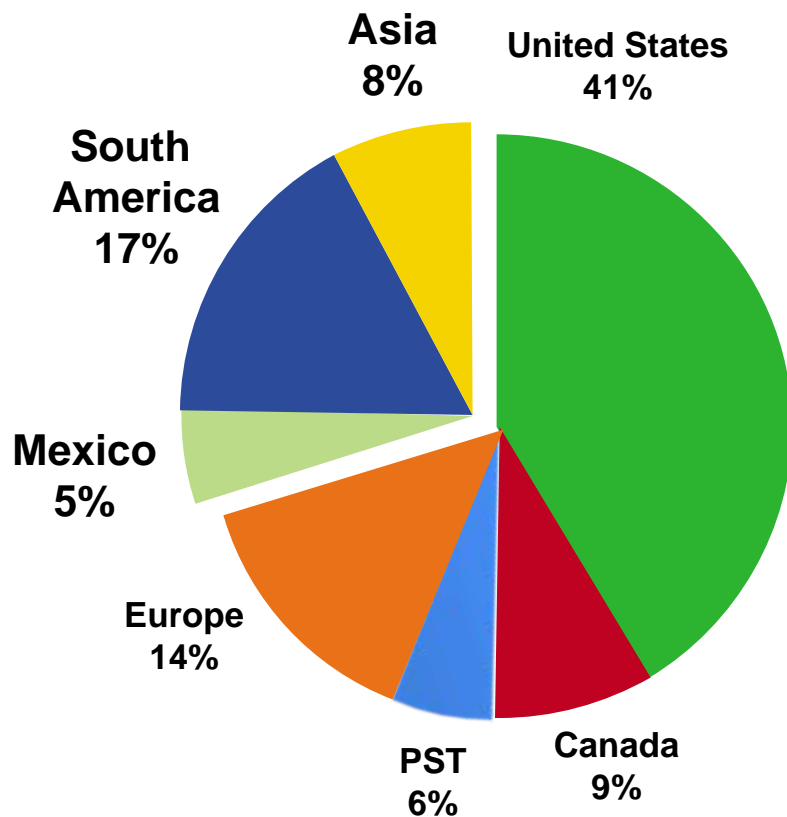


Power station with CO₂ capture

Commercialization depends on GHG legislation

Strong Presence in Emerging Economies

2007 Sales by Geography



| | <u>Mexico</u> | <u>Brazil</u> | <u>China</u> | <u>India</u> |
|---|---------------|---------------|--------------|--------------|
| Praxair Leading Position | ✓ | ✓ | ✓ | ✓ |
| Population | 110MM | 190MM | 1.3B | 1.1B |
| IP Growth* | 1.4% | 6.0% | 17.9% | 9.9% |
| Per Capita Gas Consumption % of United States | 20% | 15% | 2% | 1% |

Emerging economies represent 30% of sales and 45% of new growth capital

*Global Insights, 2007

Driving Growth and Profitability

What We Will Do

Stick to our revenue model

Achieve 4% p.a. productivity

Leverage standard plant designs

Maintain capital discipline

Commercialize new technologies

Run business for cash flow

And Will Not Do

Enter new businesses

Become complacent

Become an equipment supplier

Lower returns for market share

Principles of Sustainability

Governance and Integrity

Foster a culture of integrity and accountability throughout the company through rigorous compliance with all laws, and by establishing and following effective corporate governance practices.

Customer Commitment

Continuously develop new products and applications that help our customers improve their productivity, energy efficiency and environmental performance. Provide the highest levels of service, reliability and quality to our customers.

Environmental Responsibility

Continue to improve the efficiency of energy consumption. Reduce the intensity¹ of air emissions, including greenhouse gases.

Employee Safety and Development

Maintain a safe work environment with a goal of zero accidents. Provide training and career opportunities that allow employees to develop to their fullest potential. Increase the diversity of our workforce so that it is more representative of the communities in which we operate.

Community Support

Help to improve the welfare and future of the communities in which we operate by sharing our knowledge, expertise and resources related to environmental protection, and community health, safety and security.

Financial Performance

Continuously improve our financial performance and provide attractive returns to our shareholders. Generate operating cash flow to reinvest in business growth and pay dividends.

¹Intensity is per-unit-of-production measure

