



Praxair, Inc.

Growth in Emerging Markets

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Executive Vice President

Lehman Brothers
New York City, August 12, 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

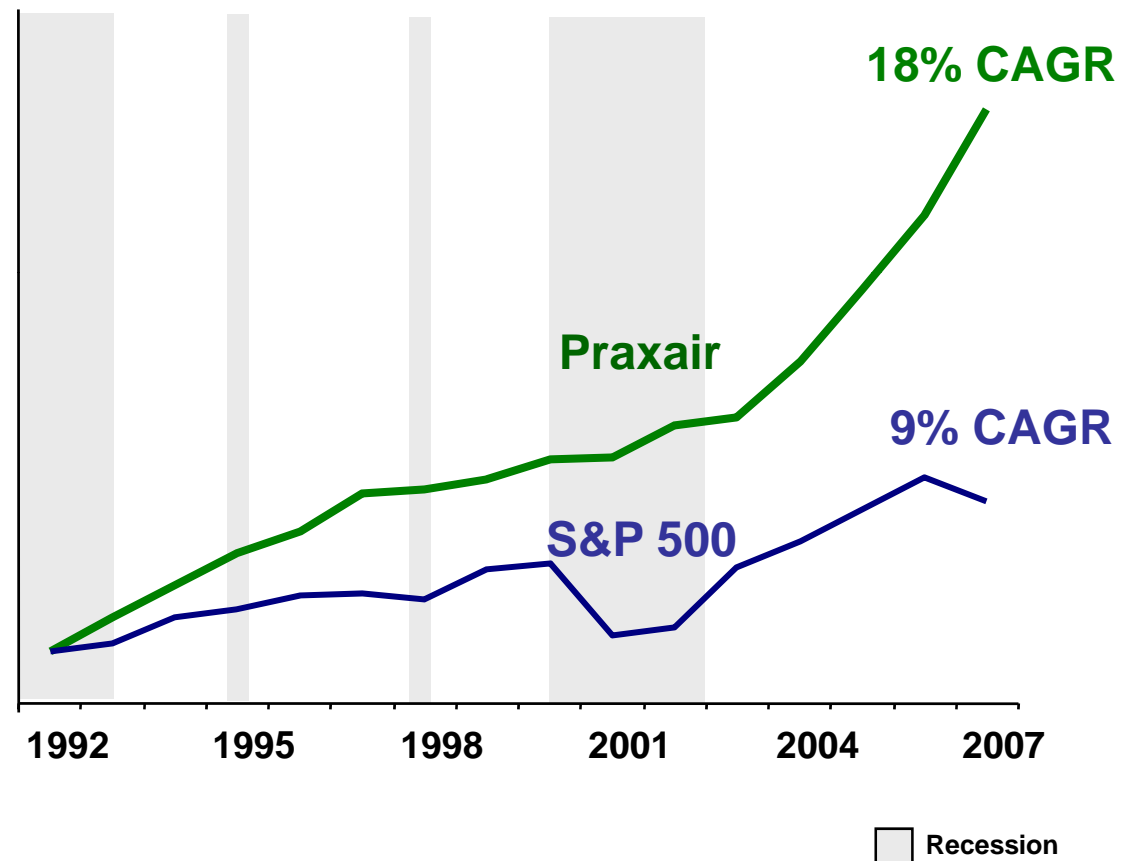
Secular Growth Drivers

- ◆ Environment
- ◆ Energy
- ◆ Emerging economies

Unique Revenue Model

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

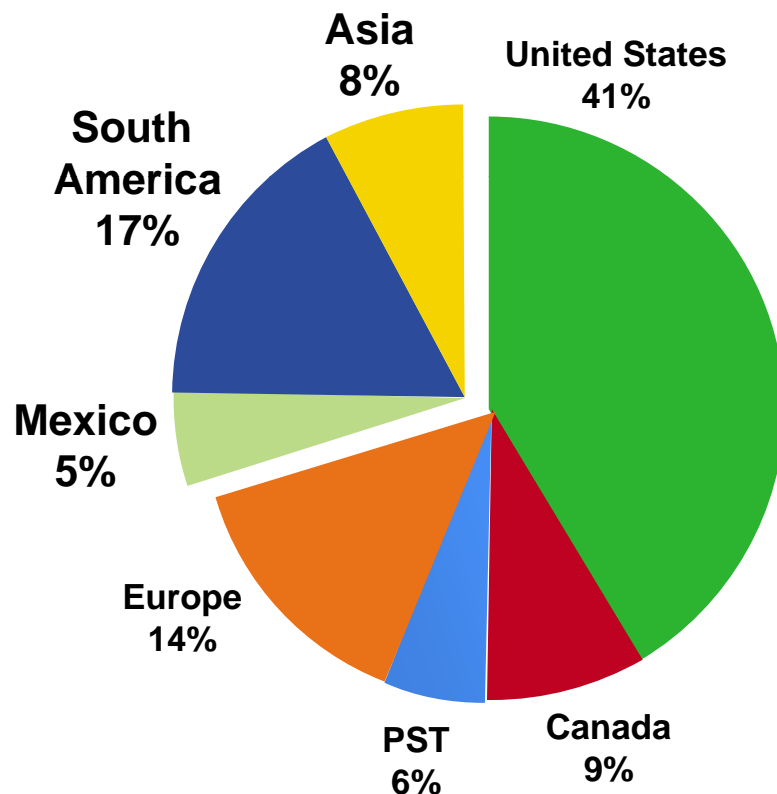
Indexed EPS



Steady and non-cyclical earnings growth

Strong Presence in Emerging Economies

Sales by Geography



	<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%

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

Brazil – Positive Environment

(Average per year)	<u>Historical</u> (1998-2003)	<u>Economic Discipline</u> (2004-2007)
GDP Growth	1.6%	4.4%
IP Growth	1.4%	5.1%
Inflation	7.5%	5.2%
Currency	-15%	12%

Economic Drivers

- ◆ Growing purchasing power; expanding middle class
- ◆ Strong domestic auto demand and exports of metals, agriculture and biofuels

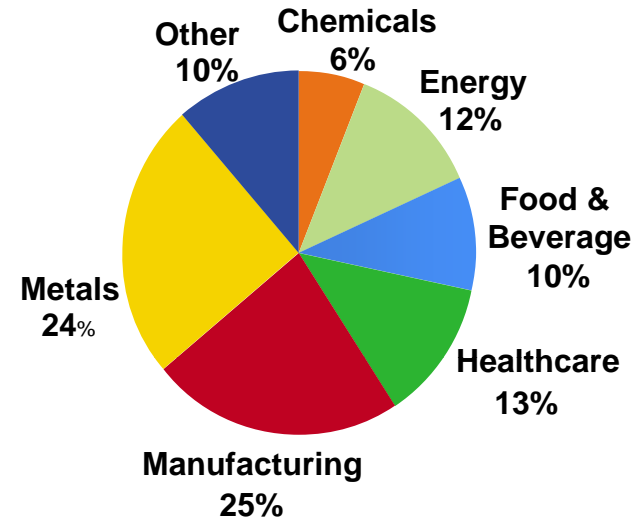
Source: Brazilian Central Bank

South America

2007 Sales \$1.6 B



South America End Markets



Unrivalled network

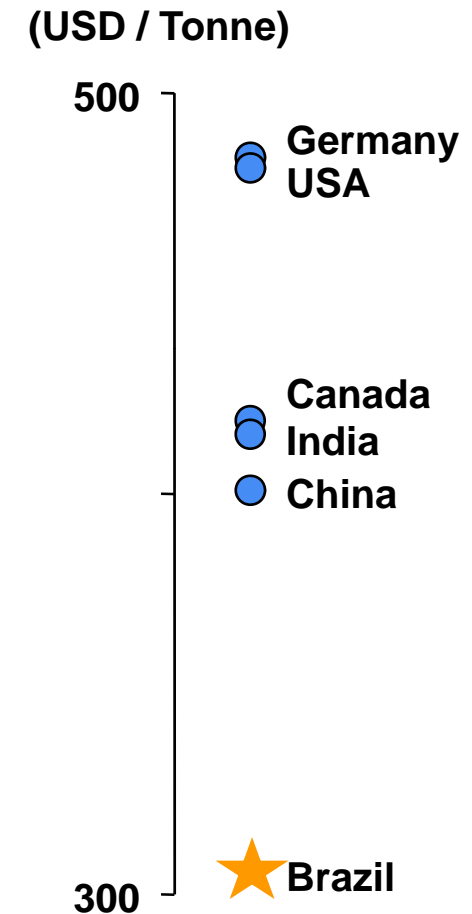
- ◆ 25,000 TPD production capacity
- ◆ 140 production units
- ◆ 230 branches and filling stations
- ◆ 1,500 distribution vehicles
- ◆ 150,000 customers

Unrivalled network drives strong profitable growth

Brazil Steel Industry

Average operating costs – flat, hot rolled coil

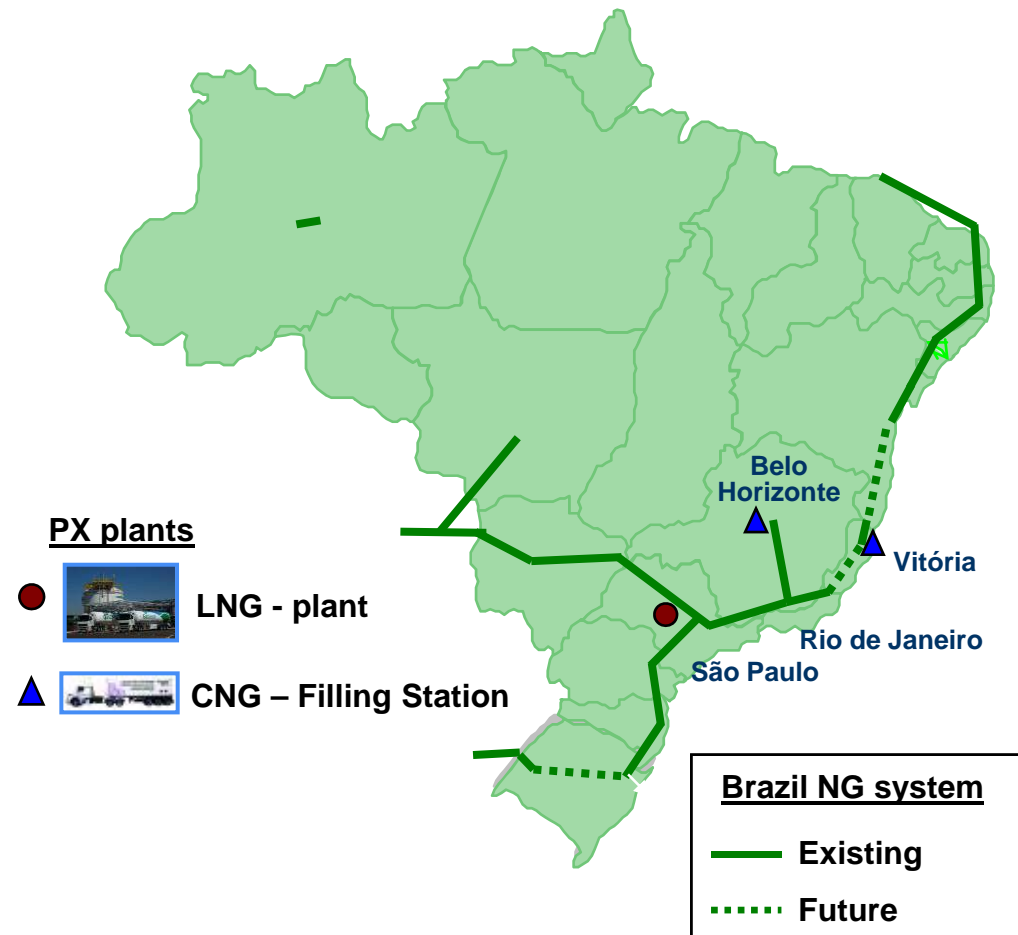
- ◆ **Plentiful, low-cost iron ore**
 - Net exporter
- ◆ **Announced investments**
 - Arcelor / Mittal
 - Thyssen Krupp /Vale (CVRD)
 - Nippon / Usiminas
 - Baosteel
 - Vallourec Sumitomo



Brazil lowest cost steel producer

Developing Energy Markets

- ◆ Market growing at 10% – 12%
 - Development of alternative fuels
- ◆ Natural gas (NG) distribution in areas not served by pipeline
 - JV with Petrobras for LNG distribution; Praxair plant started in 2006
 - Rapidly developing market for packaged NG (CNG)
- ◆ NG cylinders and conversion kits for automobiles
- ◆ Praxair participating actively



Energy is becoming a \$150MM+ business

Diversified Project Opportunities

South America

Recent Project Start-ups		New Wins	
Steel CST Gerdau Brazil / Colombia	Paper Botnia – Kemira Uruguay Suzano	Steel Gerdau Brazil / Colombia / Chile Uruguay / Argentina Thyssen / V&S Arcelor Mittal Aceros Peru	Paper Votorantim
Zinc Votorantim Peru	Chemical Rhodia	Copper / Zinc / Nickel CVRD Doe Run Peru Votorantim	Chemical Unipar

A growing, integrated economy

Solid Financial Performance

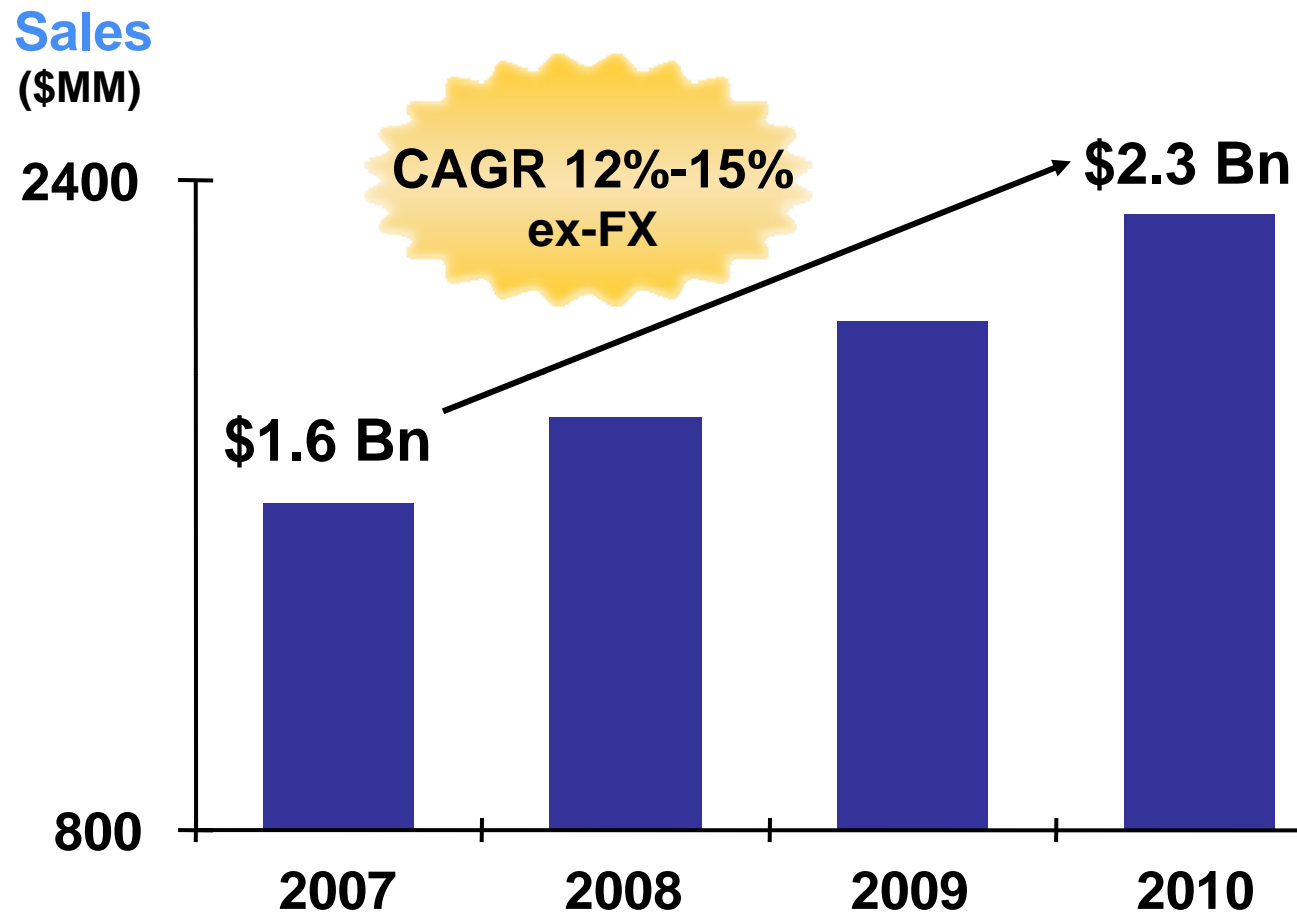
South America

<u>(\$MM)</u>	<u>2003</u>	<u>2007</u>
Sales	\$708	\$1604
Operating Profit	\$114	\$311
Total Assets	\$1275	\$2580

	<u>CAGR</u>	<u>CAGR ex-FX</u>
Sales growth	23%	13%
OP growth	29%	19%

NOPAT ROC 17%

South America Forecast

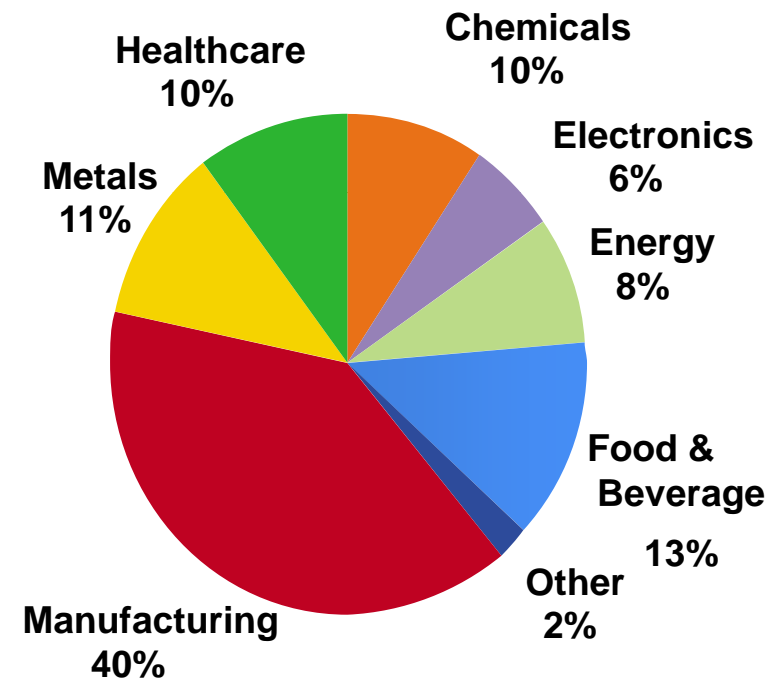


Strong growth expected

Mexico Economic Growth Drivers

- ◆ Stable economic fundamentals
- ◆ Increasing opportunities with PEMEX
 - Enhanced oil recovery
 - Oil well services
 - Hydrogen for refining
- ◆ Infrastructure investment – 5 year plan
 - Healthcare
 - Metals
 - Electronics/Solar

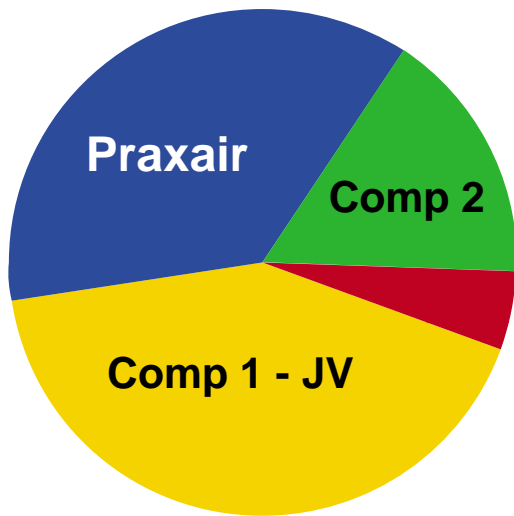
Praxair Mexico Sales (2007)



35% of sales in high-growth segments

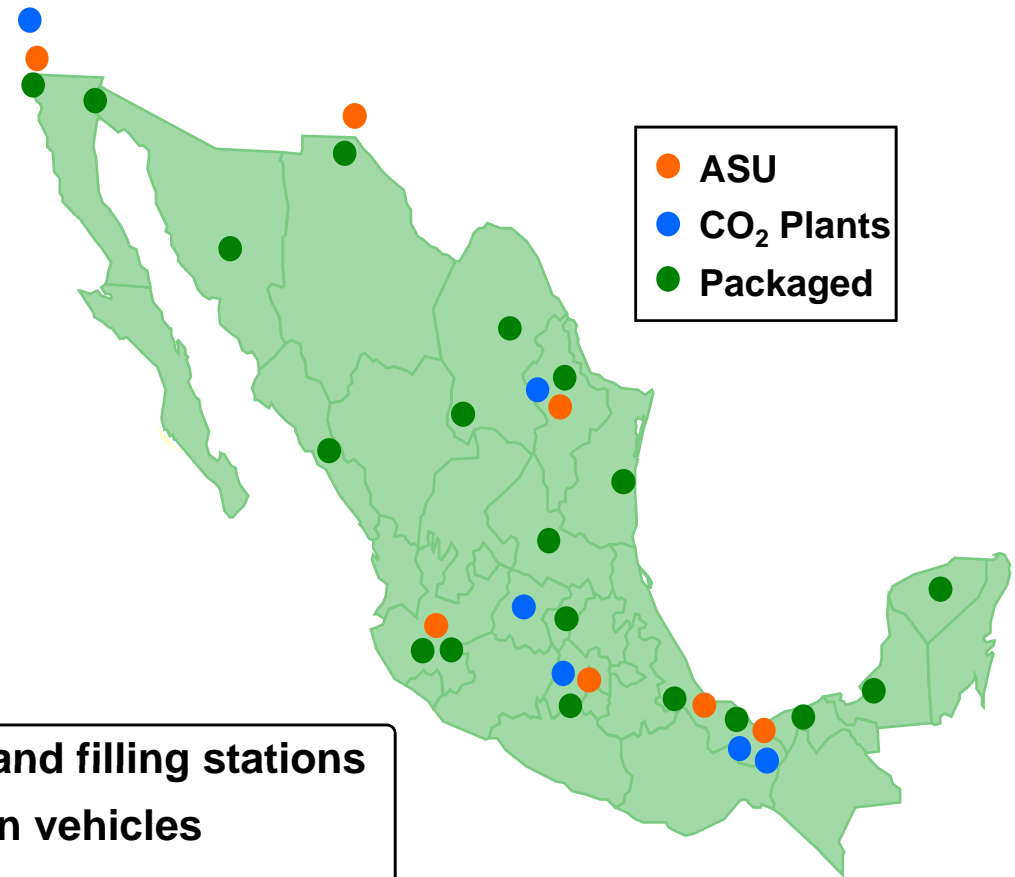
Praxair Mexico

\$1.4 B Industrial gas market



◆ Most efficient production and distribution network

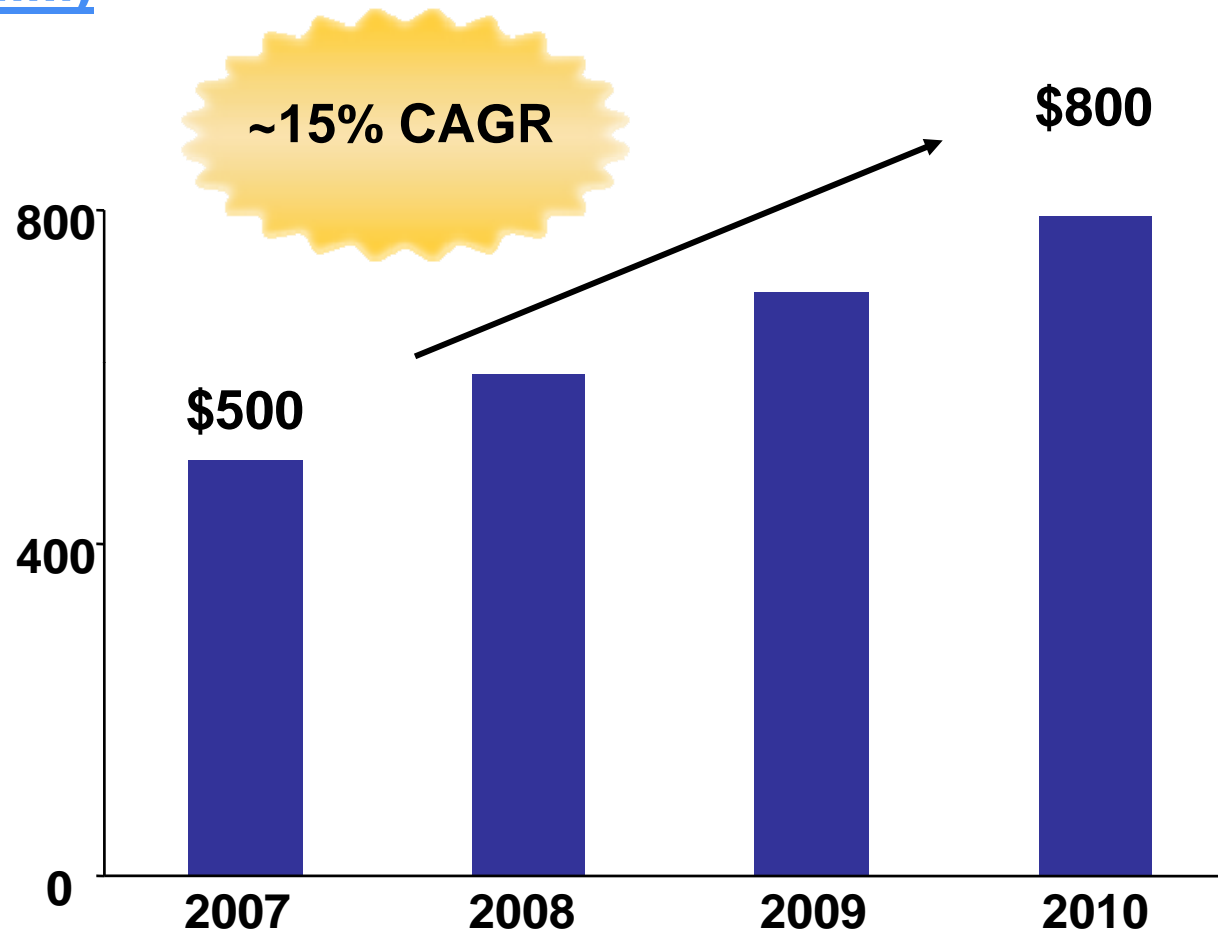
- ◆ 120 branches and filling stations
- ◆ 850 distribution vehicles
- ◆ 25,000 customers



Leading position in merchant and specialty gases

Mexico Sales Forecast

Sales (\$MM)



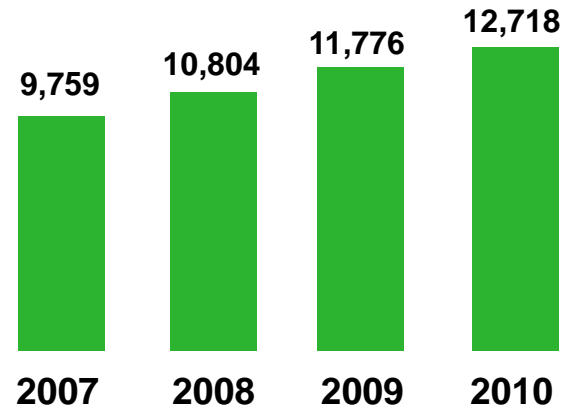
Strong growth continues

China Economy - Strong Growth Continues

Economic Impact

- ◆ GDP has exceeded government forecasts, strong consumer demand
- ◆ Focus on sustaining high growth
- ◆ Strong Foreign Direct Investment

Industrial Production (Rmb Bn)

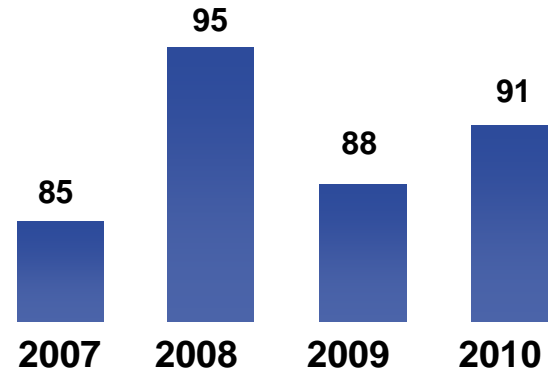


Source: Economist, Constant 1995 Rmb

Industry Trends

- ◆ Steel consolidation encouraged
- ◆ Coal to chemicals expanding

FDI into China (USD Bn)



Source: Economist, FDI

Strong industrial production growth to 2010

Growing in China

2007 sales of \$320MM*

◆ Petrochemical

◆ Metals

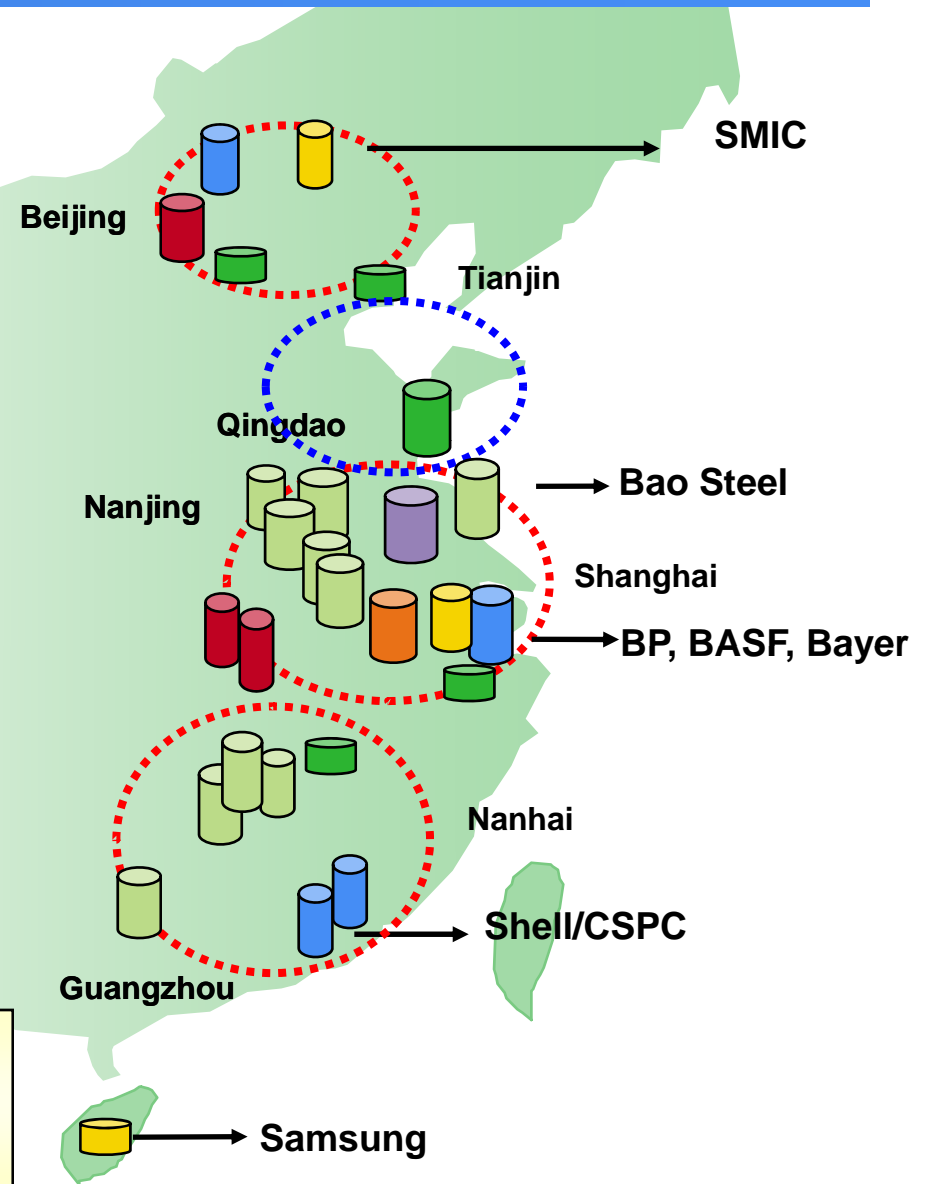
◆ Gasification

◆ Electronics

◆ Food & beverage

◆ Specialty gas

◆ Other



Vertically integrated business with high distribution density

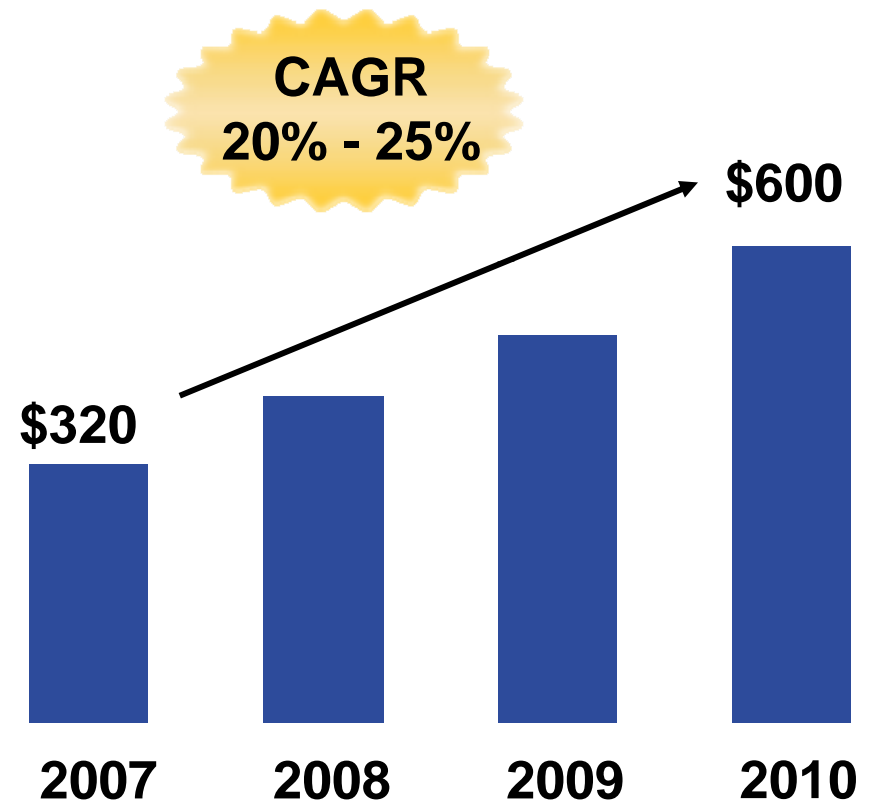
*Combined sales

Sustainable Growth in China

Growth Drivers

- ◆ Chemicals/refining
- ◆ Gasification
- ◆ Electronics
- ◆ Steel
- ◆ Selective geographic expansion

Combined Sales (\$MM)

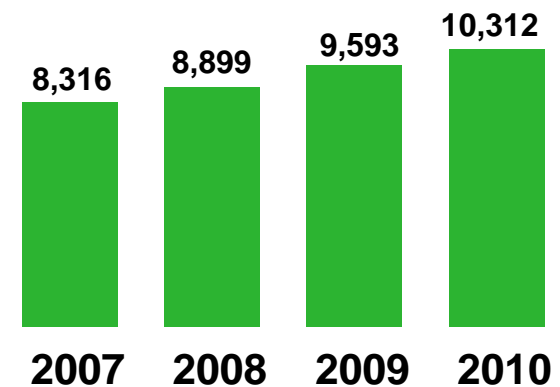


Selectively pursuing significant and diversified growth projects

India - An Expanding Economy

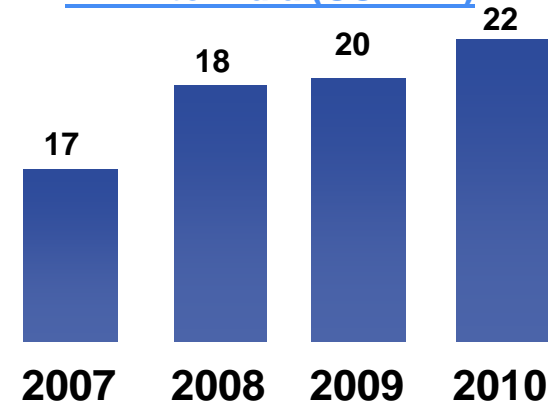
- ◆ Growth driven by increasing middle class income
- ◆ Increased consumer credit availability
- ◆ Growth has deep roots - 80% of production geared to domestic consumption
- ◆ Infrastructure investments

Industrial Production (Rs bn)



Source: Economist, Constant 1999

FDI into India (USD Bn)

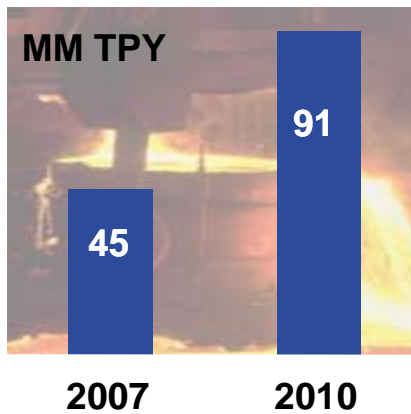


Source: Economist, FDI

One of the fastest growing economies in the world

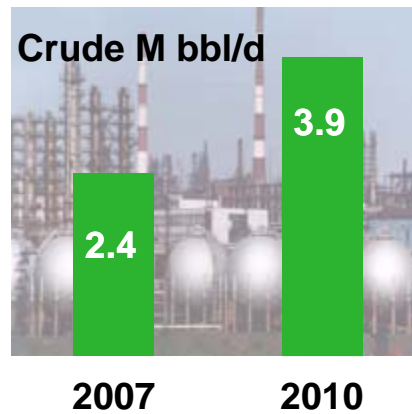
India – Growing Industrial Economy

Steel



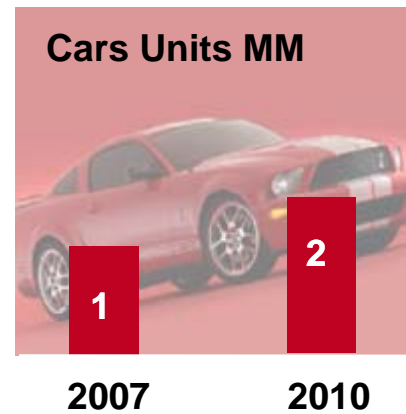
- ◆ Construction
- ◆ Auto
- ◆ Met fab

Petrochem/Refining



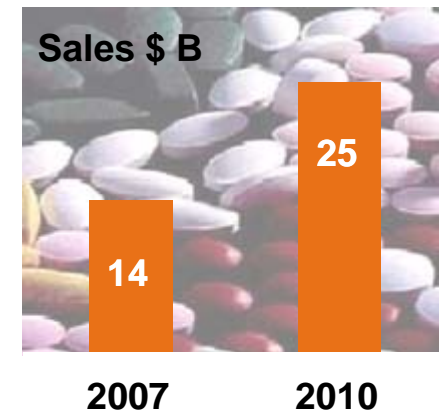
- ◆ Shortage of textiles & plastics
- ◆ Expanding refining capacity

Manufacturing



- ◆ Strong domestic demand
- ◆ Small car & components hub

Pharma

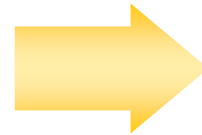
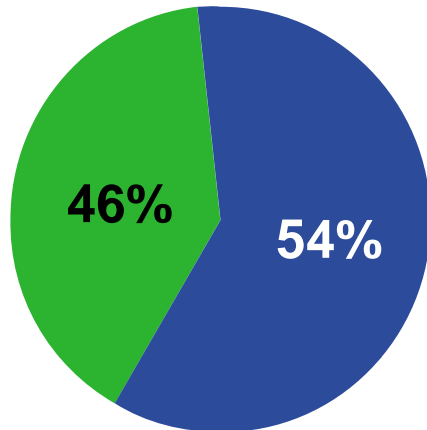


- ◆ Fermentation
- ◆ Reactor cooling

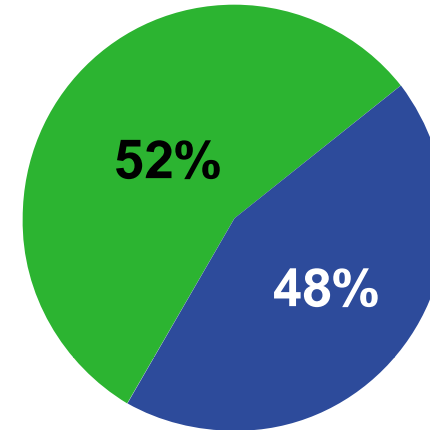
Rapid infrastructure development continuing

India Industrial Gases Market

2007: \$1.0 Billion (1/3rd of China's)

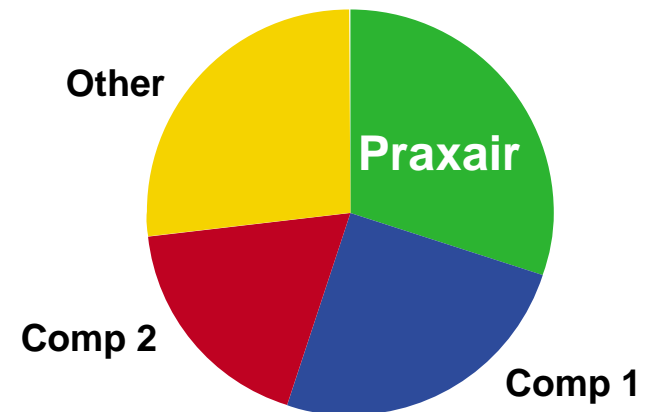


2010F: \$1.6 Billion Market



- ◆ Demand growing 15% annually
- ◆ Available market growing by 20%, as captive users move to purchased product

Market Share*

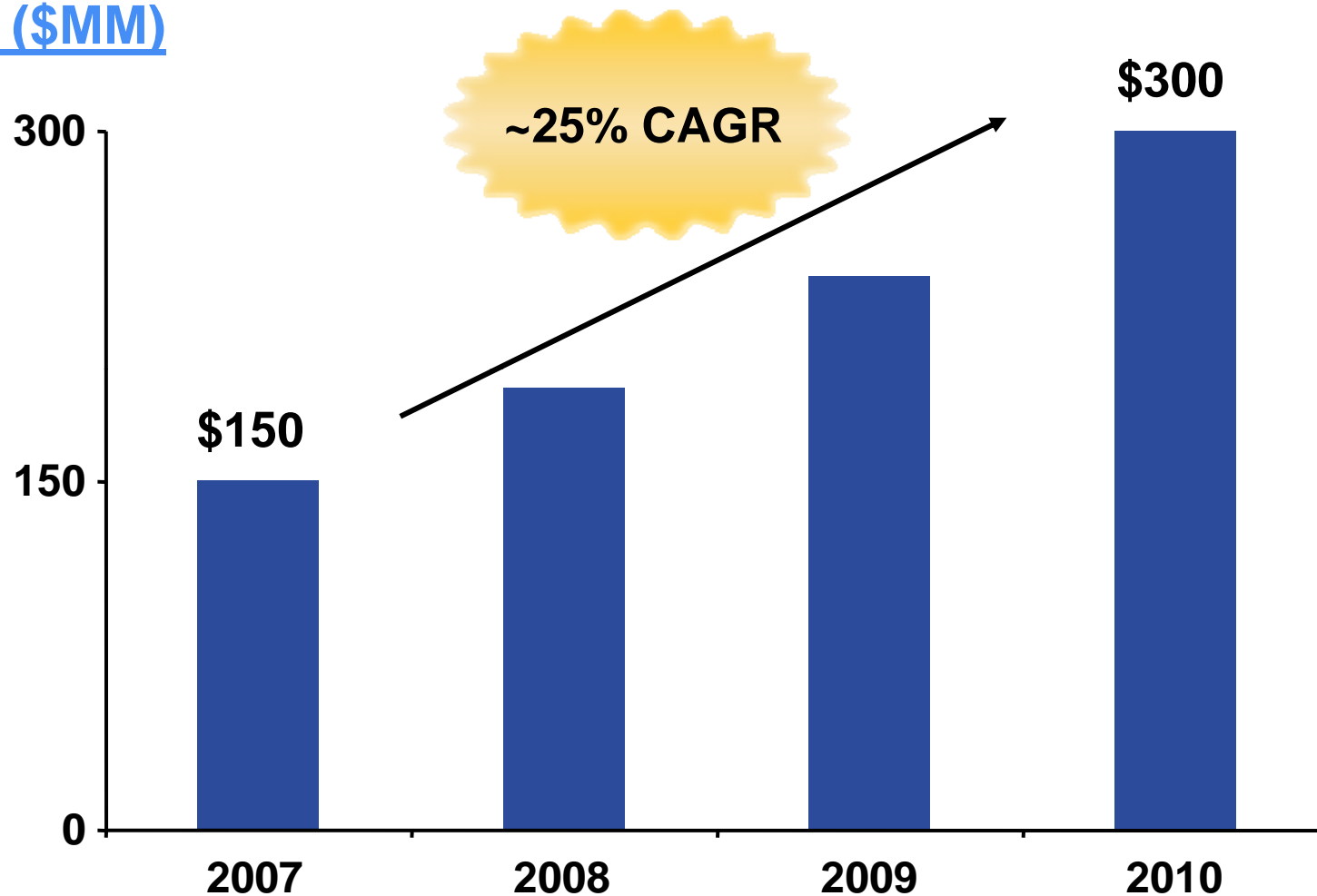


Praxair strong #1 position

* Non-captive supply – PX estimated market share

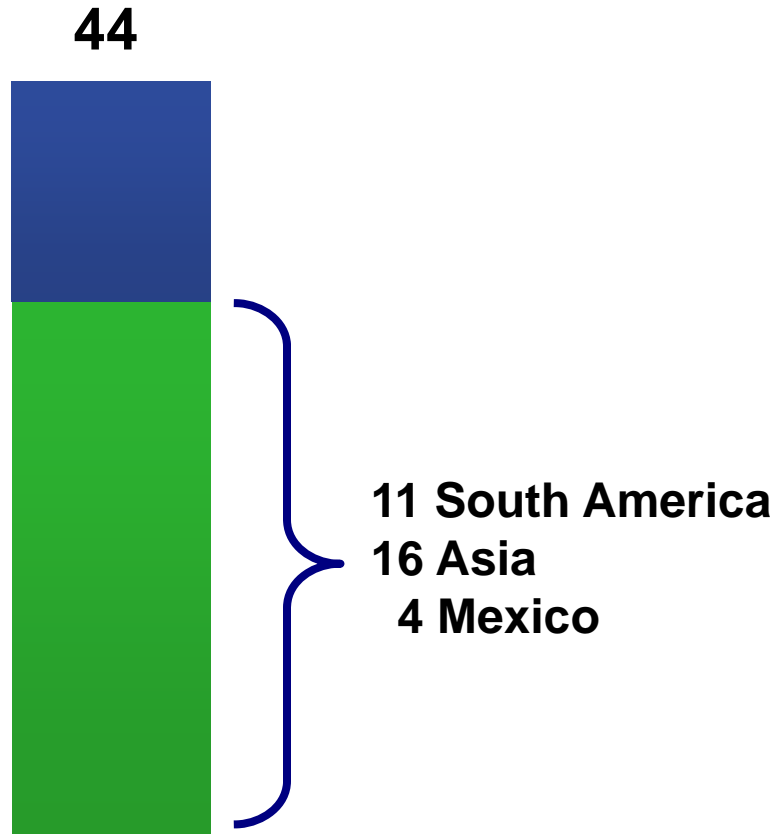
India Sales Forecast

Sales (\$MM)



Expect sales of \$300 MM by 2010

Emerging Markets Support Growing Project Backlog



June 2008

- ◆ 44 major on-site projects
- ◆ 70% in emerging markets
- ◆ Diverse customers – chemicals, electronics, energy, metals, pulp & paper, glass
- ◆ Projects start-up 2008-2010

Strong project backlog provides future revenue growth

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.

