PRAXAIR

Praxair, Inc.

James S. Sawyer
Executive Vice President and CFO

Lehman Industrial Conference

February 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.

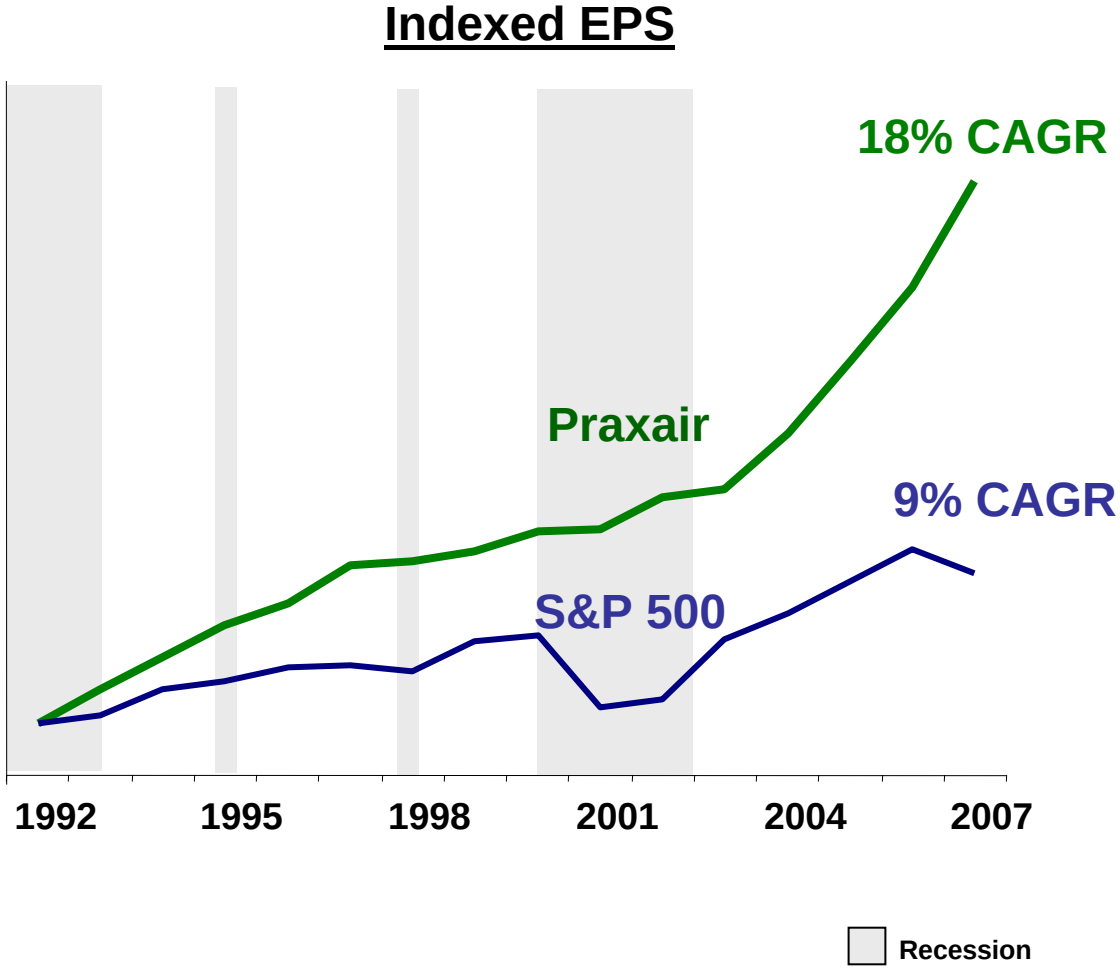
A Growth Company for All Seasons

Secular Growth Drivers

- Environment
- Energy
- Emerging economies

Unique Revenue Model

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

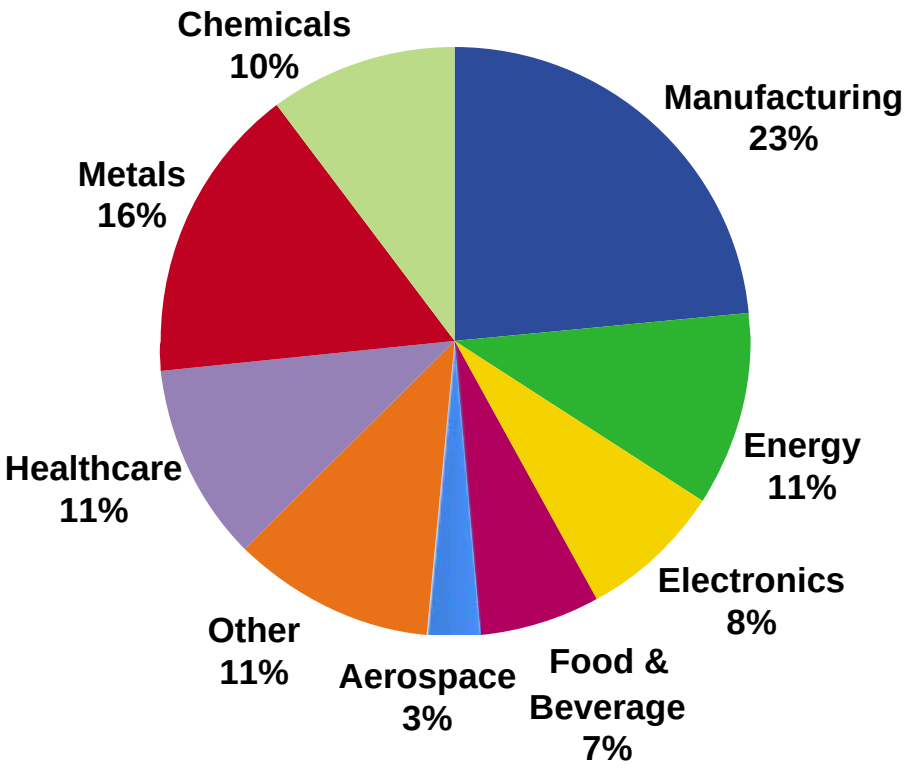


Steady and non-cyclical earnings growth

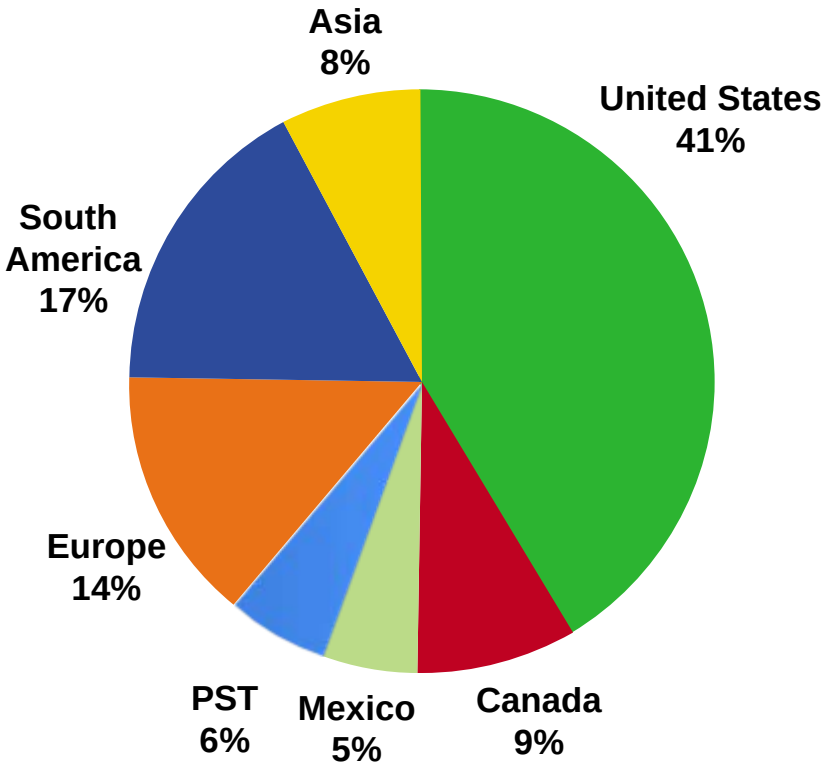
Diverse End Markets and Geographies

2007 Sales $9.4 Billion

End Markets



Geographies



“Terms of Trade” Drive Return on Capital

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

This is not a commodity business !

Growing Environmental Applications

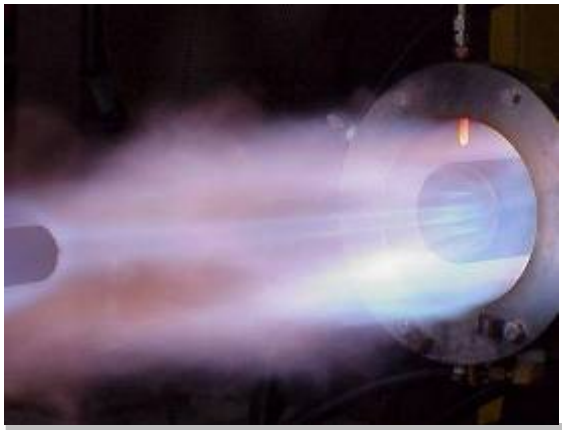
Wastewater Treatment

Oxygen aeration and ozone sludge reduction

Air Emission Control

Cryogenic condensation for solvent recovery

Oxy-fuel Combustion



Reduced NOx and CO_2 emissions

Revenues from new applications have 2X average OP margin

Specialty and Rare Gases

Helium

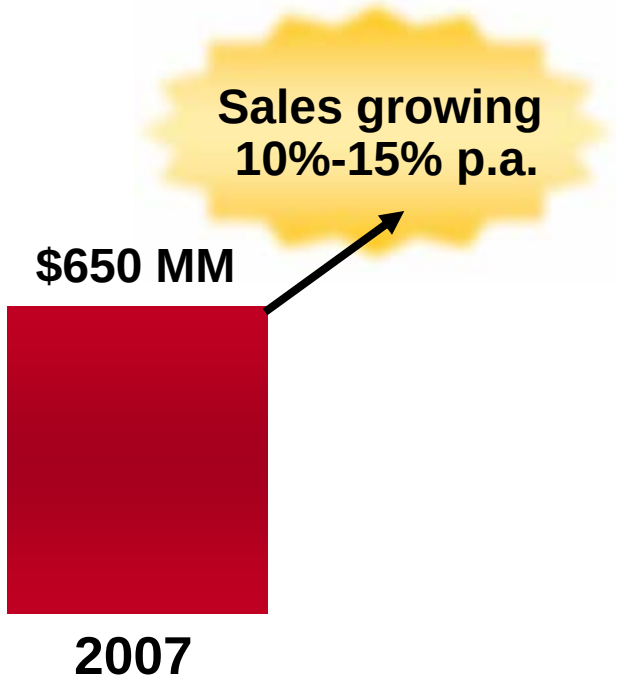
- Scarce resource
- Growing demand for solar, MRI, electronics, and optical fiber

Rare Gases

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

Specialty Gases

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

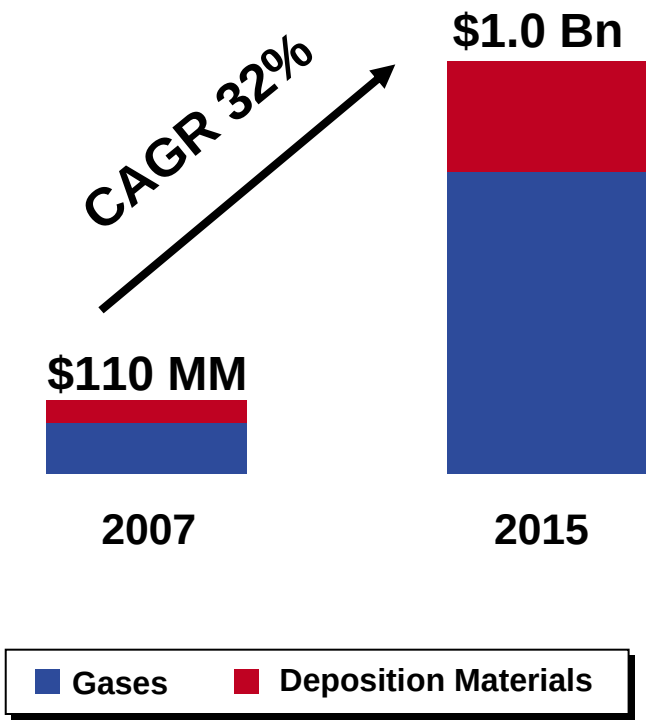


Strong demand growth exceeding available supply

Photovoltaics Market

- **Bulk and on-site gases**
  - N_2,H_2, Ar
- **Process gases**
  - Silane, dopants
- **PVD targets – metallization of solar modules**

Market for Gases and Deposition Materials

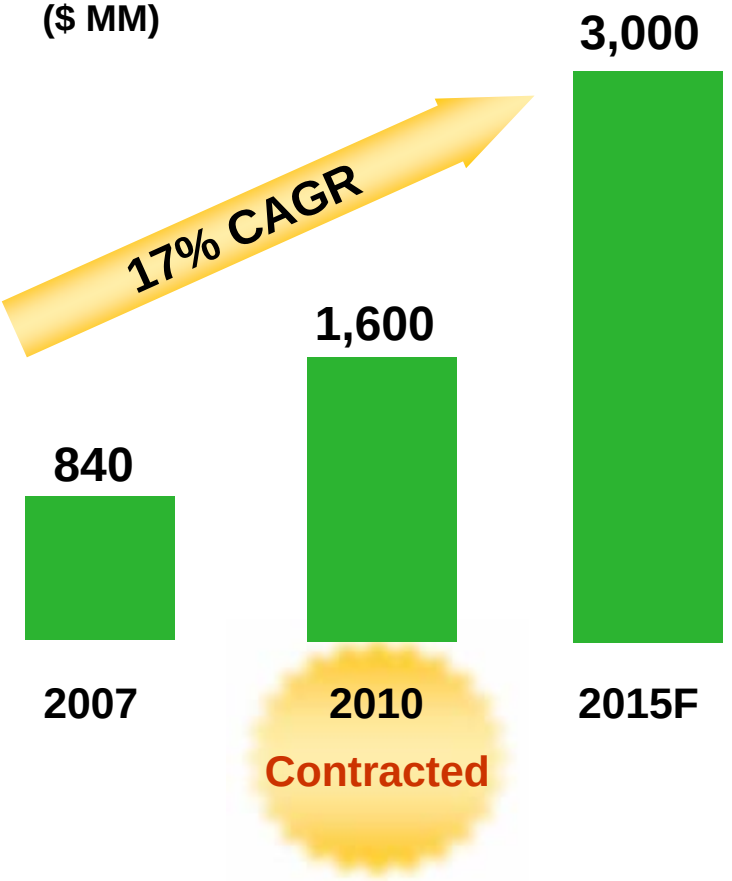


Market expected to grow at ~30% per year

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



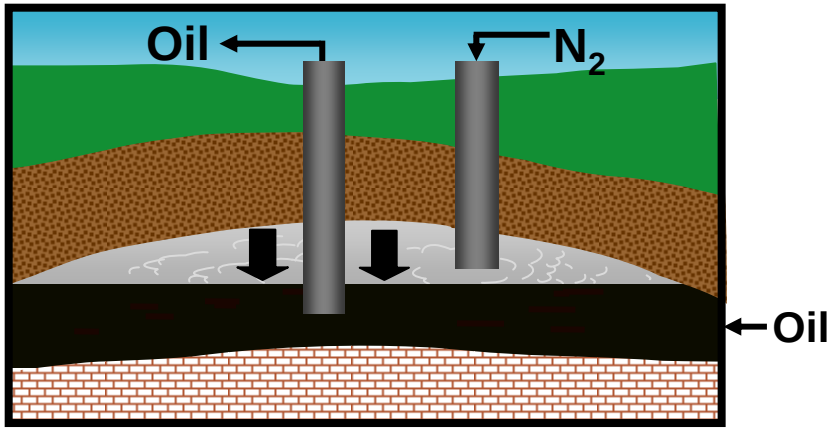
Assumes $7.50 nat gas

HYCO

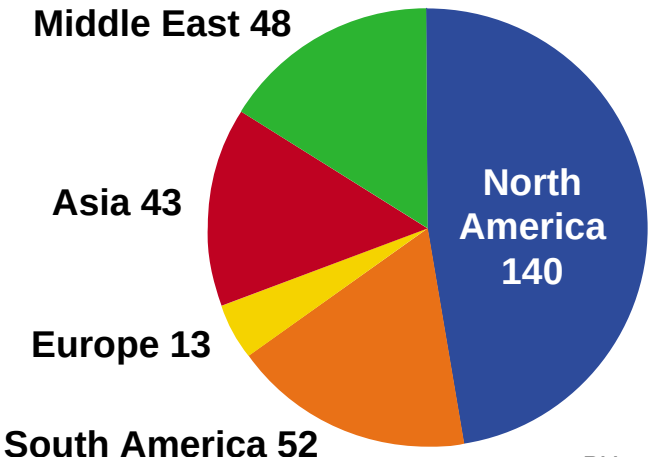
Strong demand for hydrogen expected to continue

Enhanced Oil Recovery

- N_2 or CO_2 injection in large quantities at high pressure
- Tertiary recovery can enable incremental production of 10% to 30%
- Oil prices above $35 support EOR – price expected to remain elevated
- Huge global market potential



296 Prospective Fields

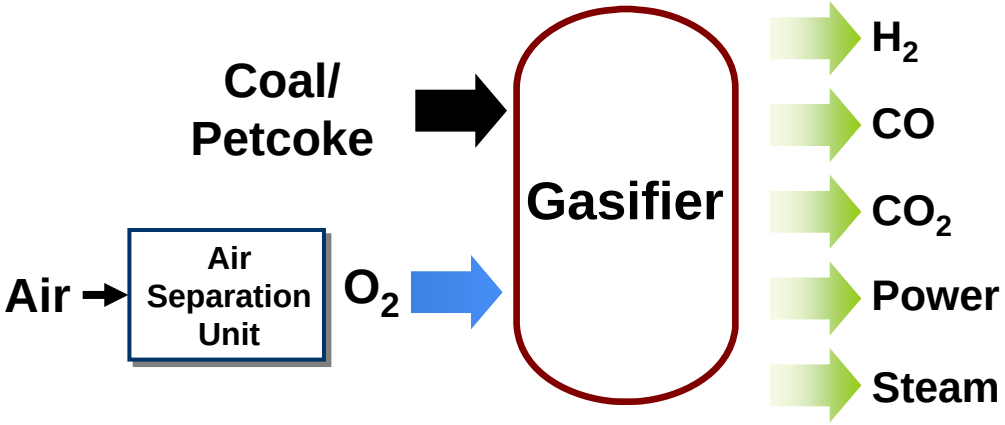


PX estimates

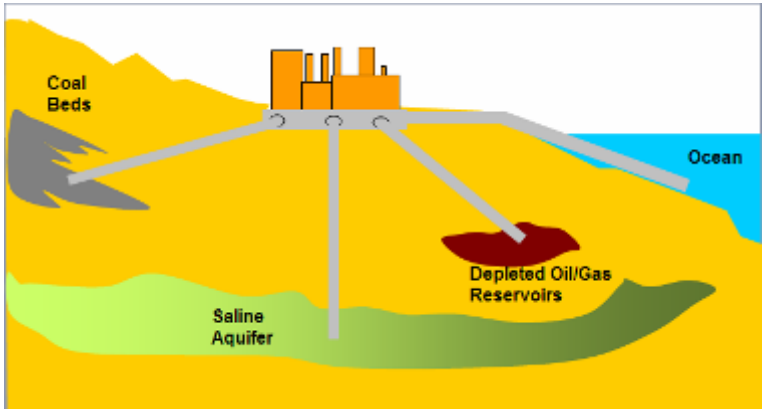
Interest in EOR is increasing globally

Future of Energy

- Coal to chemicals
  - Chemical feedstock
  - NG price and availability
  - Currently viable in China – SOPO 3,000 TPD O_2 plant



- Power generation with CO_2 capture
  - Oxy-coal combustion
  - IGCC
  - Viability depends on CO_2 legislation

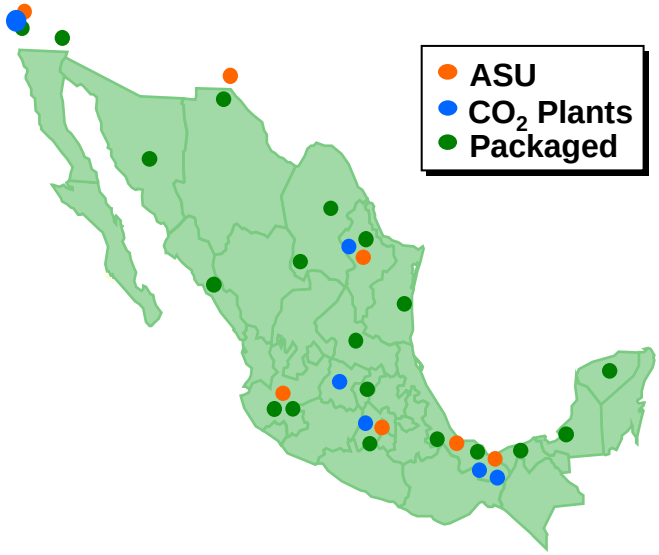


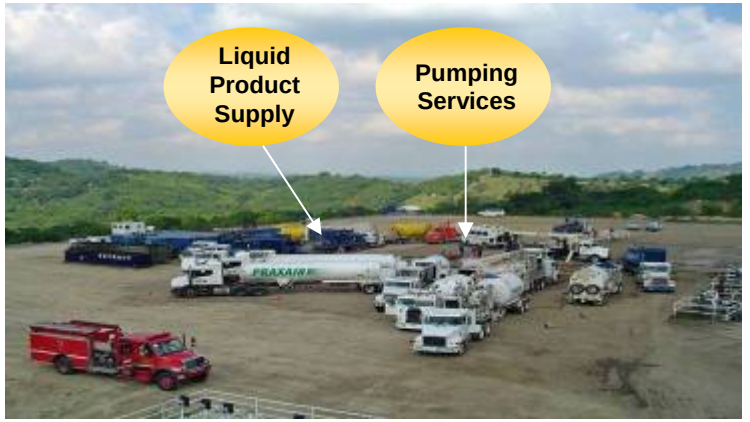
Power station with CO_2 capture

Praxair well positioned for CO_2 sequestration

Praxair Mexico – Strong Growth Profile

- **Praxair operates most efficient production/distribution network**
- **Export manufacturing economy, strong domestic demand growth**
- **Energy markets**
  - **Enhanced oil recovery – PEMEX**
  - **Oil well services**
- **Acquisition of Linde Mexico**
  - **$75MM sales**
  - **Significant revenue and cost synergies**



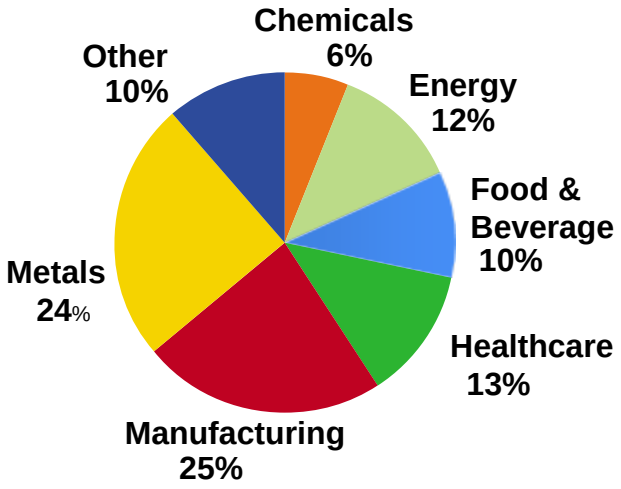


Sales of $500 MM growing 15% per year

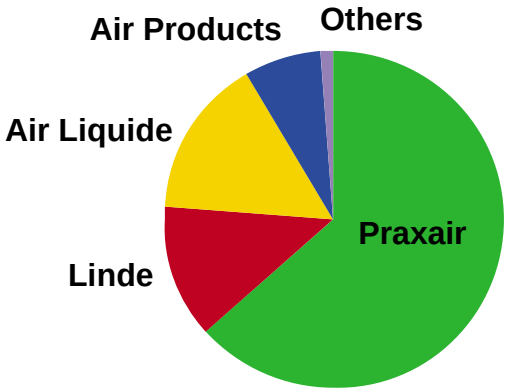
South America

2007 Sales $1.6 B

End Markets



Brazil Market Share

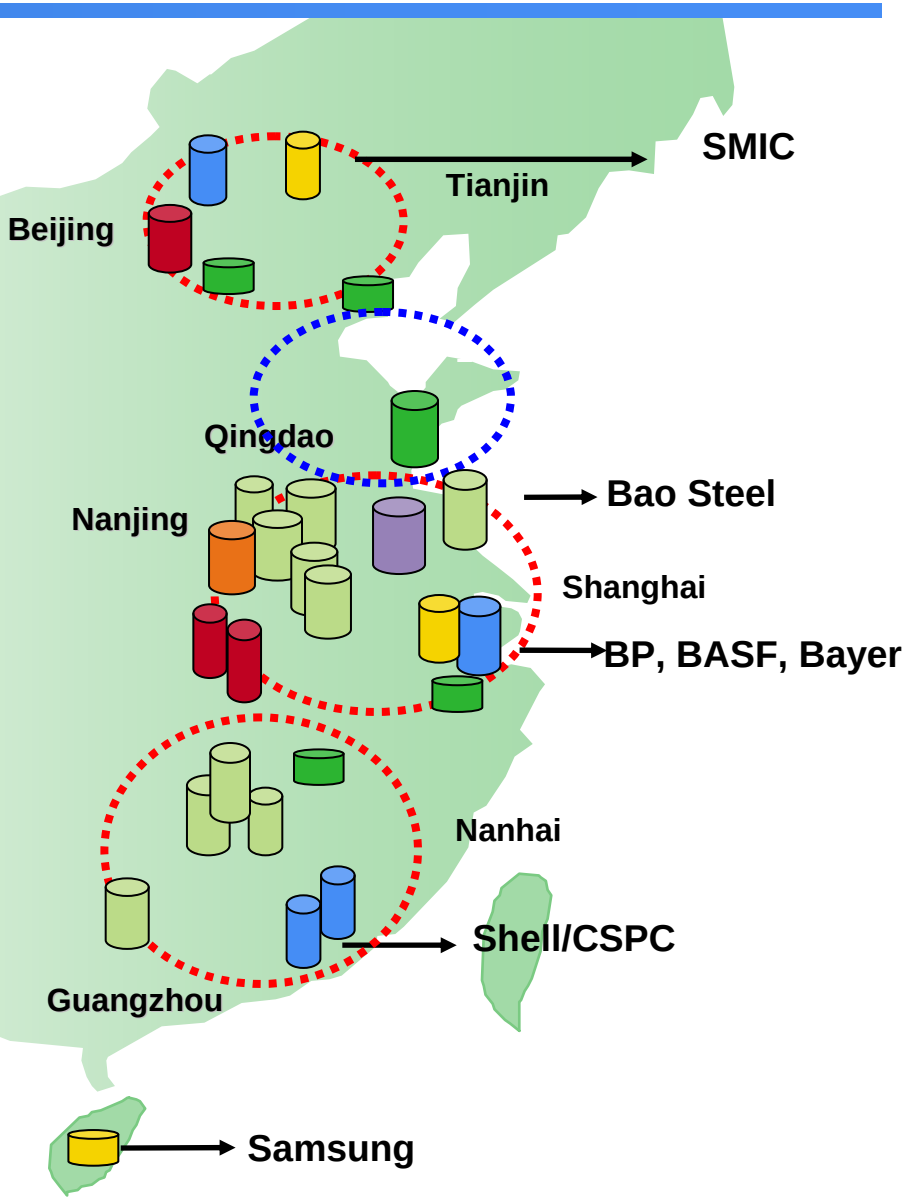


Source: Company reports

Unrivalled network drives strong profitable growth

Growing in China

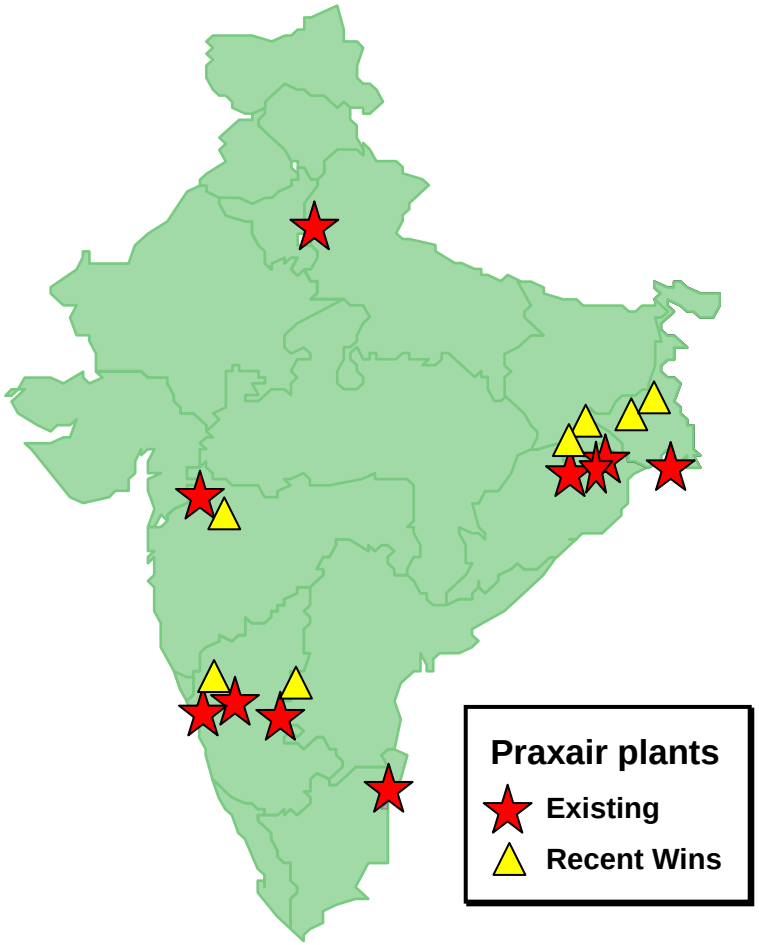
- Petrochemical
- Metals
- Gasification
- Electronics
- Food & beverage
- Specialty gas
- Other



Vertically integrated business with high distribution density

Rapid Growth in India

- **Domestic demand growing**
  - Petrochem
  - Pharma
  - Automotive
  - Metals
- **Applications technologies**
- **Global engineering center**
- **Strong project pipeline**



Sales growing ~25% per year

*Non-captive

Praxair Surface Technologies

Aerospace – Commercial Engines

- Contracted position with GE
- Increasing engine builds
- More parts per engine

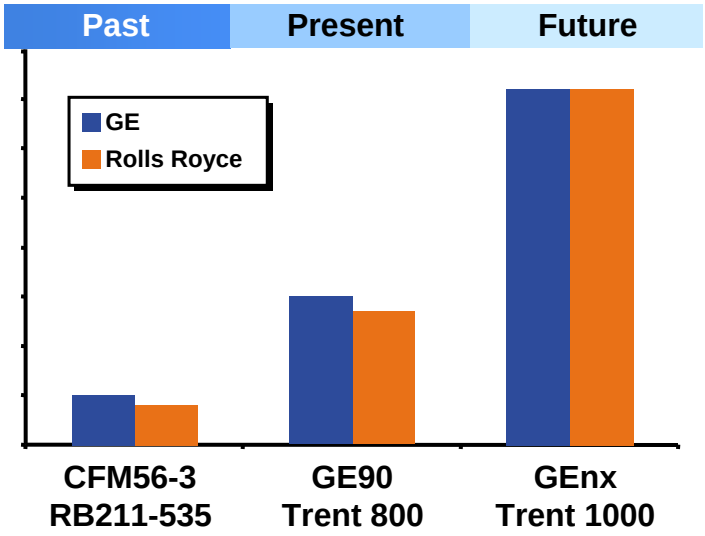
Energy Market

- Oil production
- Industrial gas turbines

New Technologies

- Temperature sensitive
- Composites
- Lubricity
- Chrome replacement

Engine Coating Usage



Expect 8% - 12% annual sales growth

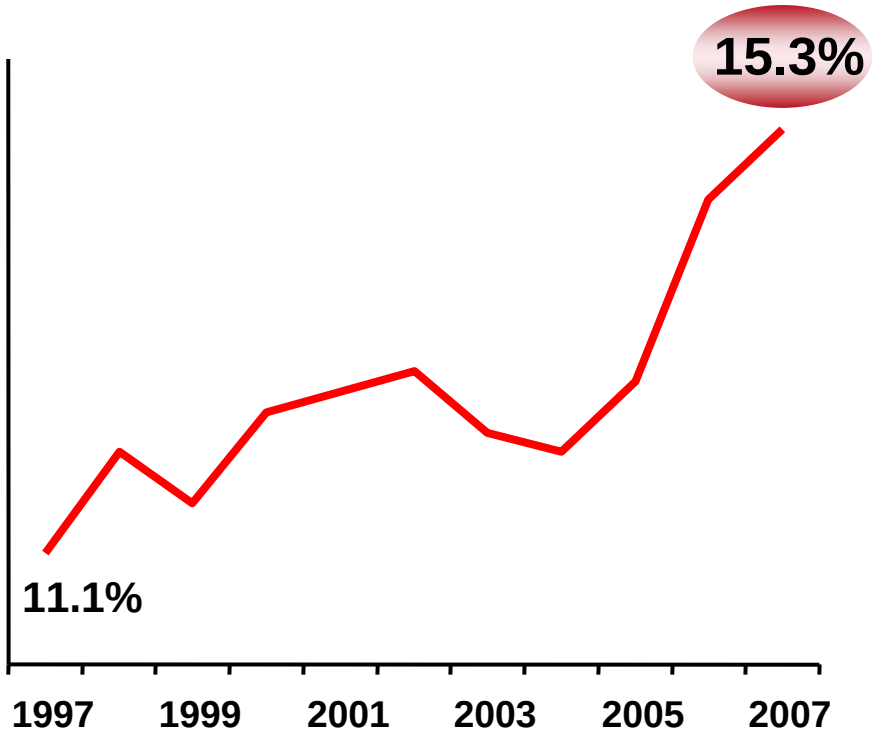
The Productivity Pipeline of Projects Underway

	($MM)
♦ **ASU/SMR production efficiency** – Turbo-machinery – 400 plants – Advanced control Systems – O_2 enhanced reforming – Automated fill stations	200-250
♦ **Product distribution** – Routing optimization – Equipment – Advanced technology	200-250
♦ **Lean manufacturing** – Cost of poor quality – Labor savings – Transaction processing	150-200
♦ **Business processes** – Shared services center – ERP systems	200-300
	750-1,000

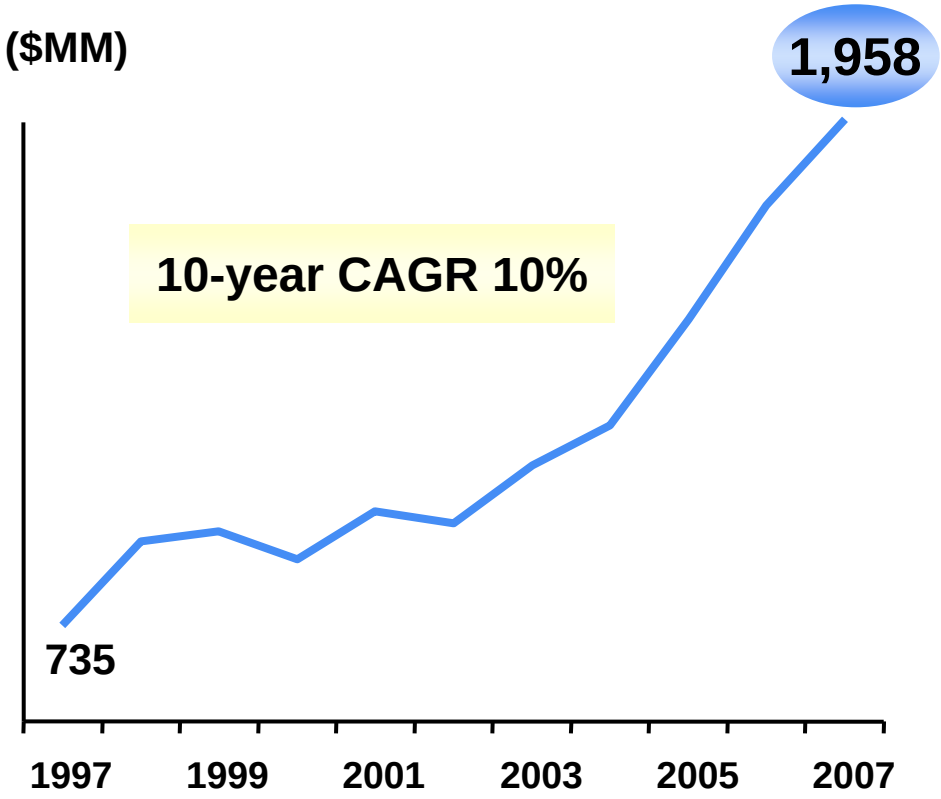
$750-$1,000 MM of cost savings over 5 years

High ROC Generates Strong Cash Flow

NOPAT ROC(1)



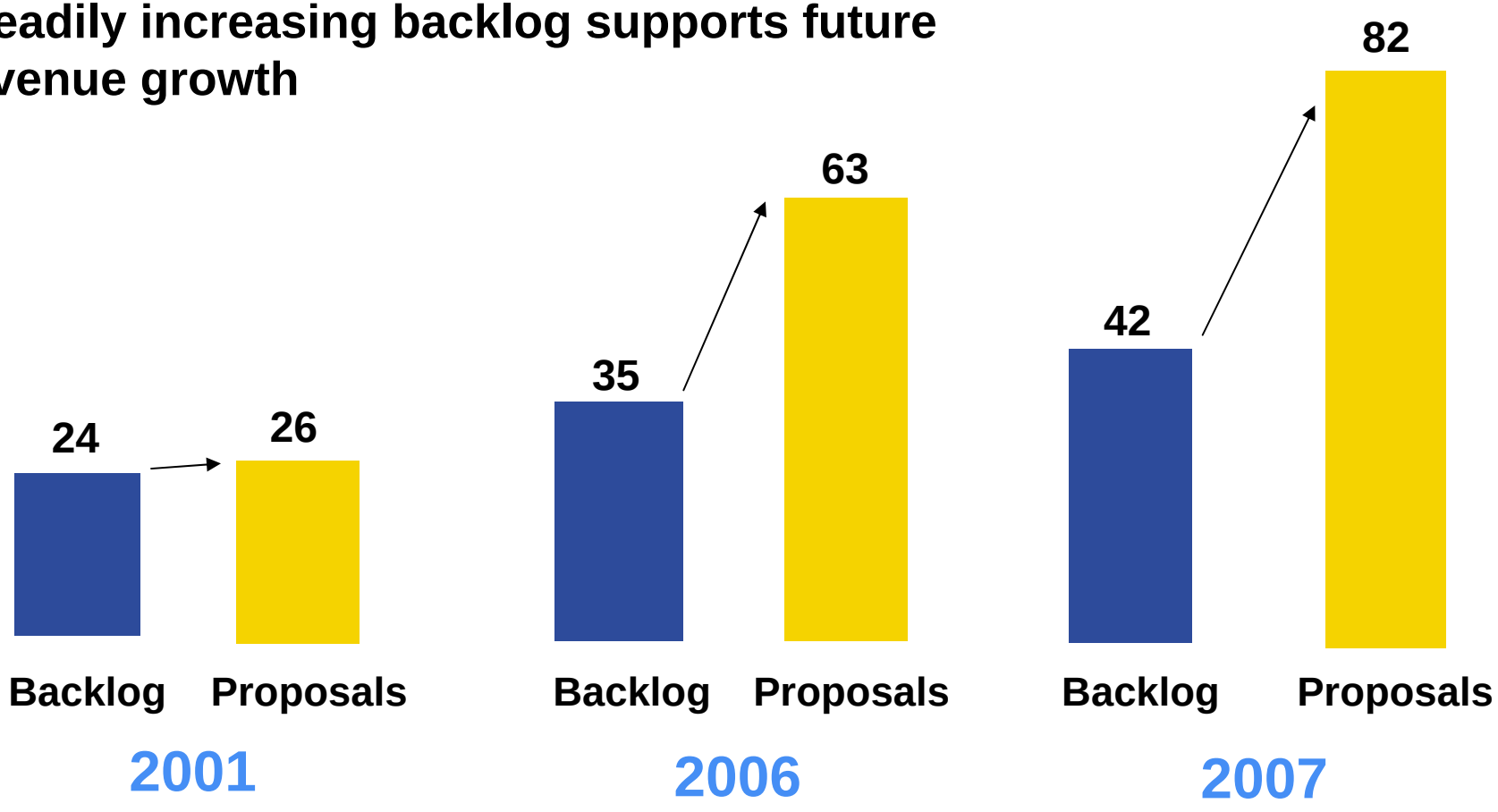
OPERATING CASH FLOW



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

Record Project Activity

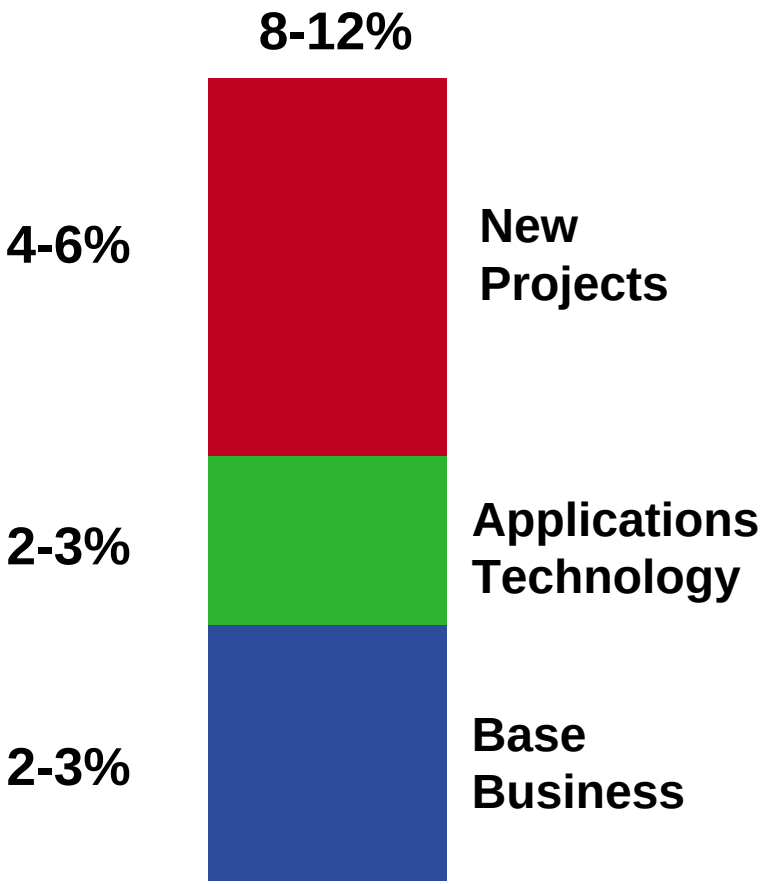
- Robust activity for global supply systems
- Steadily increasing backlog supports future revenue growth



Number of projects coming on stream is increasing

Long-Term Growth Outlook

Annual Sales Growth



	Annual Growth
Organic Sales	8 - 12%
Operating Profit	10 - 14%
EPS	12 - 16%

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 intensity[1] 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.

[1]Intensity is per-unit-of-production measure

Dow Jones Sustainability Indexes Member 2007/08

ETHIBEL MEMBER OF THE ETHIBEL SUSTAINABILITY INDEXES

KLD INDEXES KLD GLOBAL CLIMATE 100SM INDEX