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
- Praxair: 18% CAGR
- S&P 500: 9% CAGR

Steady and non-cyclical earnings growth
Revenue Model Tied to Distribution Method

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
Long-Term Growth Outlook

Annual Sales Growth

- New Projects: 8-12%
- Applications Technology: 4-6%
- Base Business: 2-3%

Annual Growth

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

Lehman Brothers Global Chemical Industry Conference – Budapest 4/3/08
# Diverse End Markets Showing Solid Growth

## FY 2007

<table>
<thead>
<tr>
<th>% Sales</th>
<th>YOY Growth</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy(^{(1)})</td>
<td>11%</td>
<td>+29%</td>
</tr>
<tr>
<td>Electronics</td>
<td>8%</td>
<td>+10%</td>
</tr>
<tr>
<td>Chemicals</td>
<td>10%</td>
<td>+5%</td>
</tr>
<tr>
<td>Metals</td>
<td>16%</td>
<td>+8%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>23%</td>
<td>+19%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>11%</td>
<td>+9%</td>
</tr>
<tr>
<td>Aerospace(^{(2)})</td>
<td>3%</td>
<td>+17%</td>
</tr>
<tr>
<td>Food and Bev.</td>
<td>7%</td>
<td>+11%</td>
</tr>
</tbody>
</table>

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\(^{(1)}\) Excluding natural gas pass-through
\(^{(2)}\) Excluding effect of divestiture
Driving Growth from New Application Technologies

Global Market Networks manage $58MM of R&D spend

Applications technology transfer
- Originate from all over the world
- Validated customer needs
- Create new markets in different countries

2% per year sales growth from high margin, new applications
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 CO₂ emissions

New applications drive growth at a multiple of IP
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 facilities in China and India

Sales growing 10-15% p.a.

2007

$650 MM

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 expected to grow at ~30% per year

**Market for Gases and Deposition Materials**

- **2007**
  - $110$ MM

- **2015**
  - $1.0$ Bn

$\text{Gases} \quad \text{Deposition Materials}$
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
($ MM)

2007: $840
2010: $1,600
2015F: $3,000
17% CAGR

Assumes $7.50 nat gas

Strong demand for hydrogen expected to continue
**Enhanced Oil Recovery**

- **N₂ or CO₂ 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**

- North America 140
- Asia 43
- Europe 13
- South America 52

**Interest in EOR is increasing globally**

*Lehman Brothers Global Chemical Industry Conference – Budapest 4/3/08*
Future of Energy

♦ Coal to chemicals
  – Chemical feedstock
  – NG price and availability
  – Currently viable in China – SOPO 3,000 TPD O₂ plant

♦ Clean-coal power generation
  – Oxy-coal combustion
  – CO₂ capture and sequestration
  – Viability depends on CO₂ legislation

Praxair well positioned to play in evolving energy markets
Strong Presence in Emerging Economies

Geographies
2007 sales

- **United States**: 41%
- **Asia**: 8%
- **South America**: 17%
- **Mexico**: 5%
- **Europe**: 14%
- **Canada**: 9%
- **PST**: 6%

30% of sales are in emerging economies

<table>
<thead>
<tr>
<th>Country</th>
<th>Population</th>
<th>IP Growth</th>
<th>Per Capita Gas Consumption % of United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mexico</td>
<td>110MM</td>
<td>1.5%</td>
<td>20%</td>
</tr>
<tr>
<td>Brazil</td>
<td>190MM</td>
<td>6.0%</td>
<td>15%</td>
</tr>
<tr>
<td>China</td>
<td>1.3B</td>
<td>17.9%</td>
<td>2%</td>
</tr>
<tr>
<td>India</td>
<td>1.1B</td>
<td>10.6%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Praxair Leading Position:
- ✔️ Mexico
- ✔️ Brazil
- ✔️ China
- ✔️ India
Project Activity

♦ Energy and emerging markets driving record activity

Increasing backlog supports future revenue growth
Capital Investment

2008F: About $1,400MM

- Growth ~ 75%
- Maintenance ~ 20%
- Cost Reduction ~ 5%

Growth Capex by Region

- North America: 55%
- Europe: 13%
- Asia: 24%
- South America: 7%

Growth Capex by Market

- Manufacturing: 26%
- Energy: 13%
- Chemicals: 11%
- Food & Bev/Healthcare: 10%
- Electronics: 9%
- Other: 7%
- Metals: 1%
Global Supply System Organization

Engineering Resources

Procurement
- Standard plant designs lower costs and shorten lead times
- Low cost country sourcing

Construction
- Praxair managed
- Modular fabrication
- Outsourced field erection

Resources dedicated exclusively to Praxair business
## Strong Growth, ROC and Cash Flow

<table>
<thead>
<tr>
<th></th>
<th>PX</th>
<th>Competitors&lt;sup&gt;(1)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2007</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sales growth</strong> (5 year CAGR)</td>
<td>13%</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Operating margin</strong></td>
<td>19%</td>
<td>12%</td>
</tr>
<tr>
<td><strong>EBITDA&lt;sup&gt;(2)&lt;/sup&gt; (% of sales)</strong></td>
<td>27%</td>
<td>21%</td>
</tr>
<tr>
<td><strong>Operating cash flow</strong> (% of sales)</td>
<td>21%</td>
<td>14%</td>
</tr>
<tr>
<td><strong>Cash flow distributed&lt;sup&gt;(3)&lt;/sup&gt; (% of sales)</strong></td>
<td>11%</td>
<td>5%</td>
</tr>
<tr>
<td><strong>NOPAT ROC&lt;sup&gt;(4)&lt;/sup&gt;</strong></td>
<td>15%</td>
<td>8%</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Bloomberg, PX estimates. Weighted average.

<sup>(2)</sup> Non-GAAP measure. EBITDA = Operating Profit plus Depreciation & Amortization.

<sup>(3)</sup> Non-GAAP measure. Cash flow distributed = Cash Dividends plus Purchases of Common Stock, net of issuances.

<sup>(4)</sup> Non-GAAP measure. See page 73 of 2007 Annual Report.
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