



Praxair, Inc.

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Executive Vice
President**

**Morgan Stanley
Global Basic Materials Conference
February 21, 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.

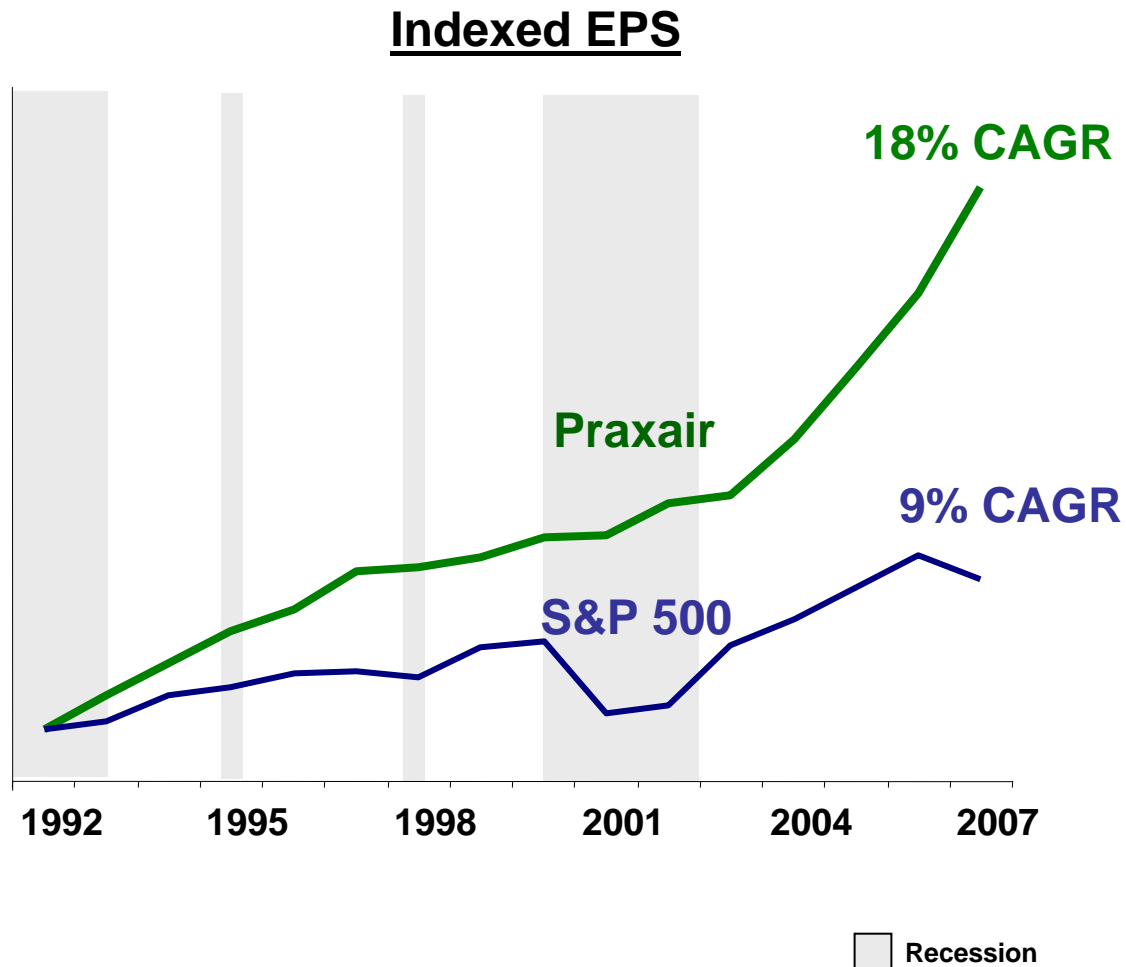
A Growth Company for All Seasons

Secular Growth Drivers

- ◆ Environment
- ◆ Energy
- ◆ Emerging economies

Steady Base Business

- ◆ Applications technologies
- ◆ Price management
- ◆ Cost management



Steady and non-cyclical earnings growth

Diverse End Markets and Unique Business Model

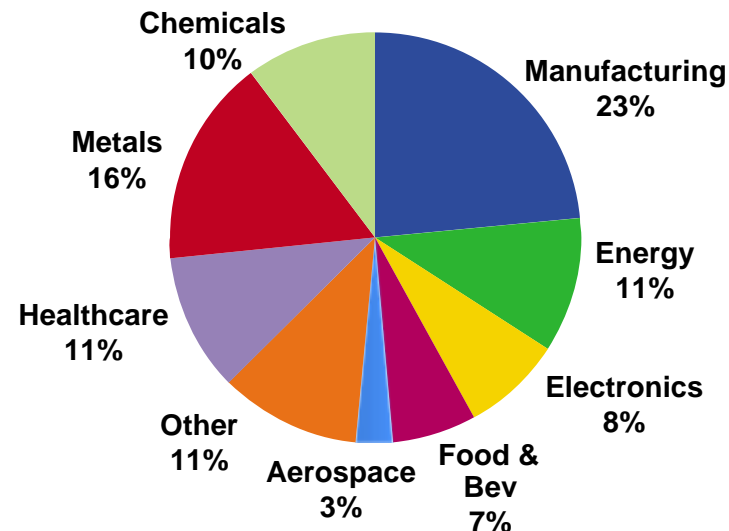
2007 Sales \$9.4 Billion

Revenue Model

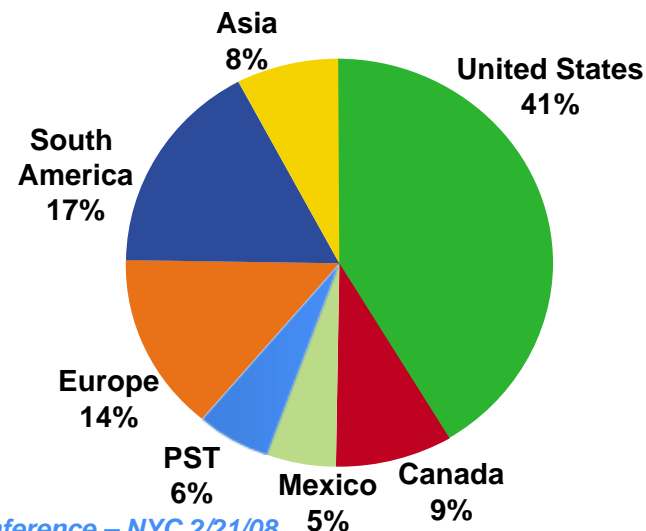
- ◆ Dedicated supply systems
- ◆ Long term contracts
- ◆ High ROC and cash flow

Emerging economies represent 30% of sales

End Markets



Geographies



Specialty and Rare Gases

Helium

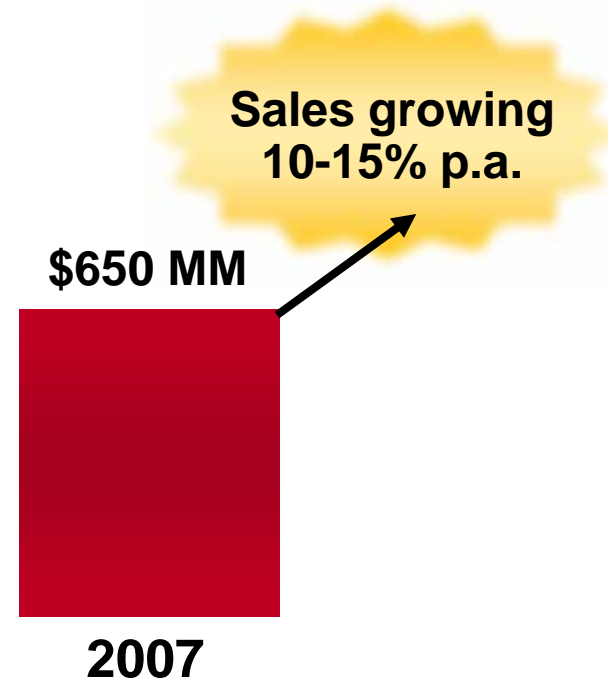
- ◆ Scarce resource
- ◆ Growing demand for solar, MRI, electronics, and optical fiber

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

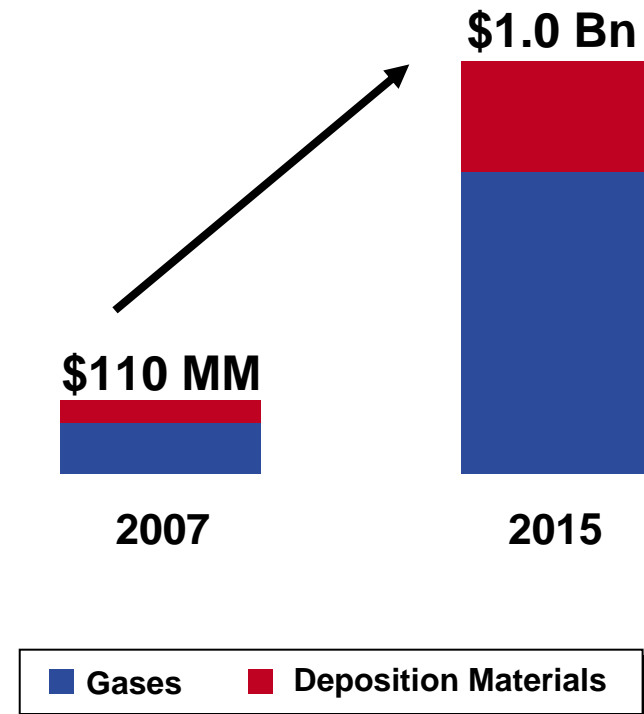


Strong demand growth exceeding available supply

Photovoltaics Market

Market for Gases and Deposition Materials

- ◆ Bulk and on-site gases
 - N₂, H₂, Ar
- ◆ Process gases
 - Silane, dopants
- ◆ PVD targets – metallization of solar modules



Market expected to grow at ~30% per year

Growing Environmental Applications

Wastewater Treatment



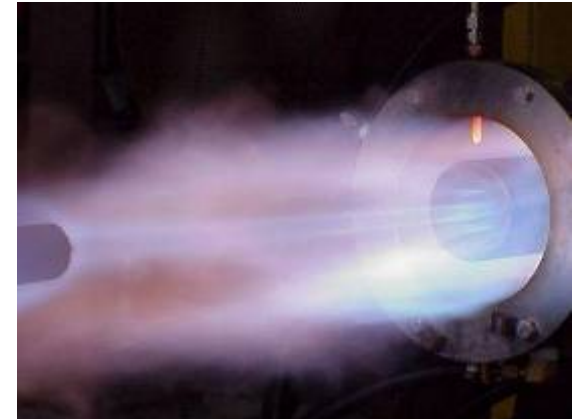
Oxygen aeration and ozone sludge reduction

Air Emission Control



Cryogenic condensation for solvent recovery

Oxy-fuel Combustion



Reduced NO_x and CO₂ emissions

Revenues from new applications have 2X average OP margin

Hydrogen for Refining

◆ Demand growth from:

- Fuel emission standards
- Heavy sour crude
- Growing diesel demand

◆ Current growth

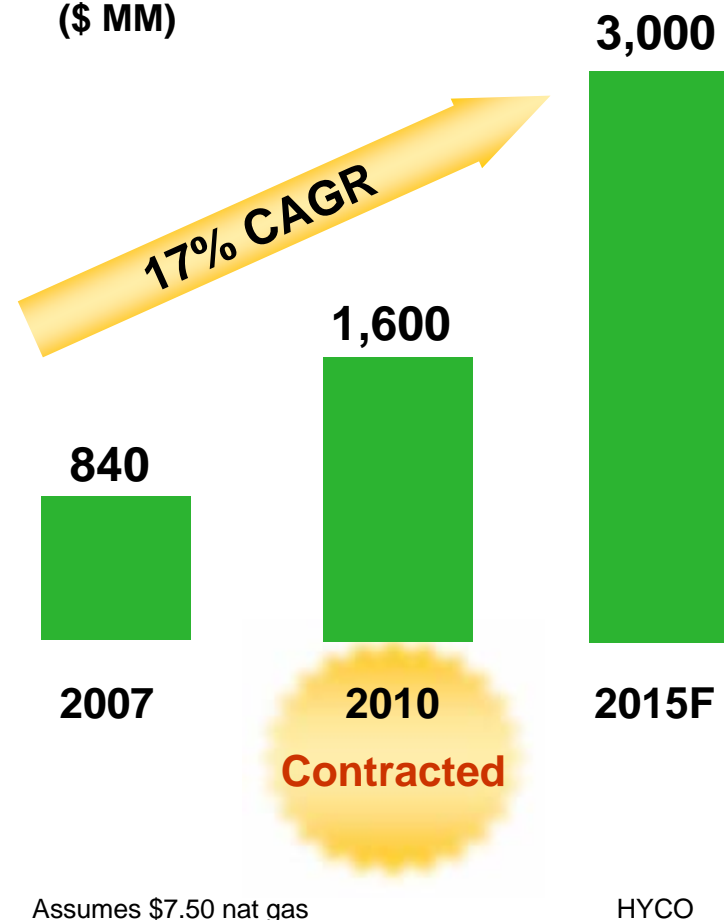
- North America

◆ Future growth

- Canadian oil sands
- Emerging markets

Praxair Hydrogen Sales

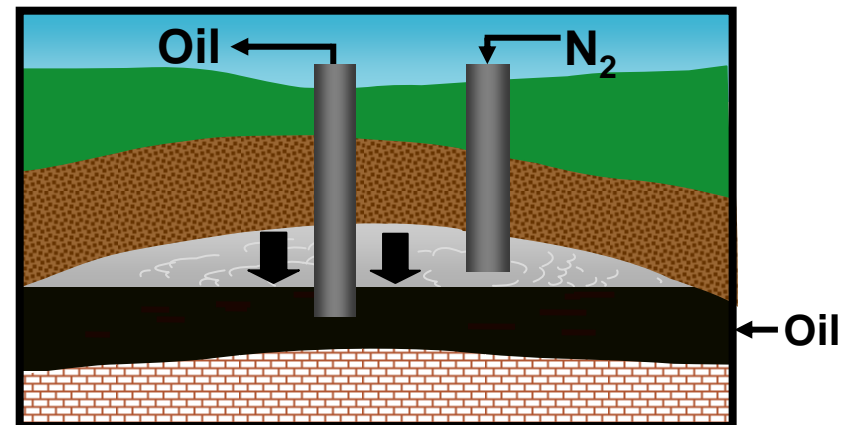
(\$ MM)



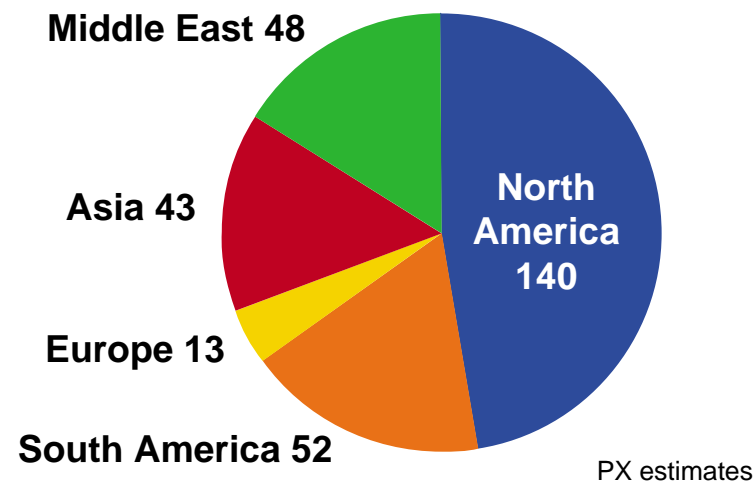
Strong demand for hydrogen expected to continue

Enhanced Oil Recovery

- ◆ Tertiary recovery can enable incremental production of 10% to 30%
- ◆ N₂ or CO₂ injection in large quantities at high pressure
- ◆ Oil prices above \$35 support EOR – price expected to remain elevated
- ◆ Huge global market potential



296 Prospective Fields

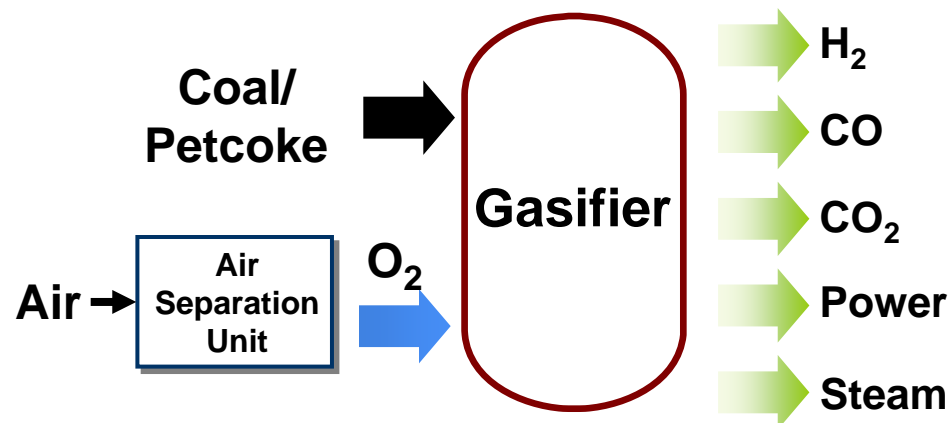


Interest in EOR is increasing globally

Future of Energy

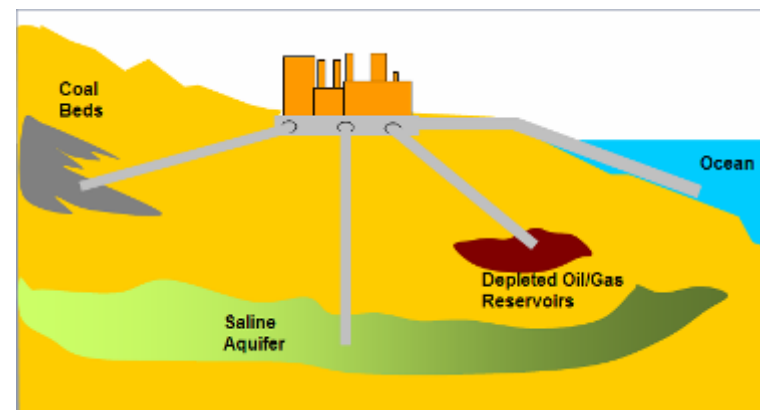
◆ Coal to chemicals

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



◆ Clean-coal power generation

- Oxy-coal combustion
- CO₂ capture and sequestration
- Viability depends on CO₂ legislation

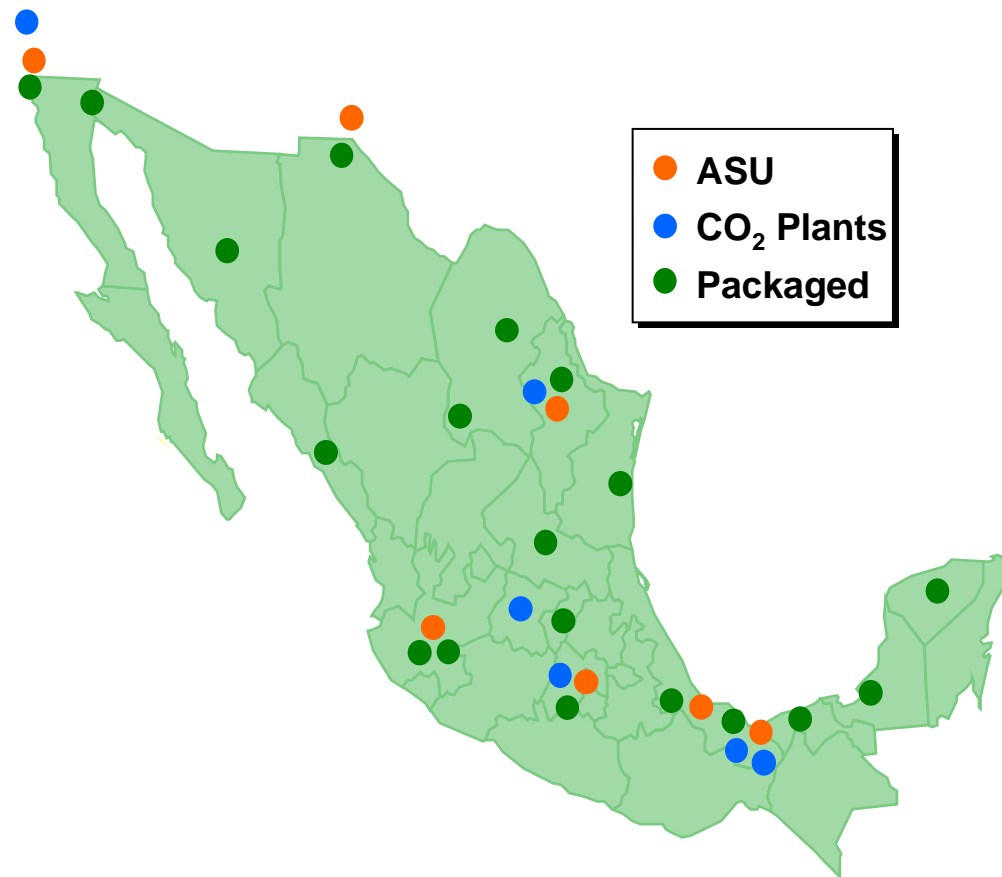


Power station with CO₂ capture

Praxair well positioned for CO₂ sequestration

Praxair Mexico

- ◆ Export manufacturing economy, strong domestic demand growth
- ◆ Most efficient production and distribution network
- ◆ Growth from energy markets
 - EOR
 - Oil well services
- ◆ Acquisition of Linde Mexico
 - Significant revenue and cost synergies



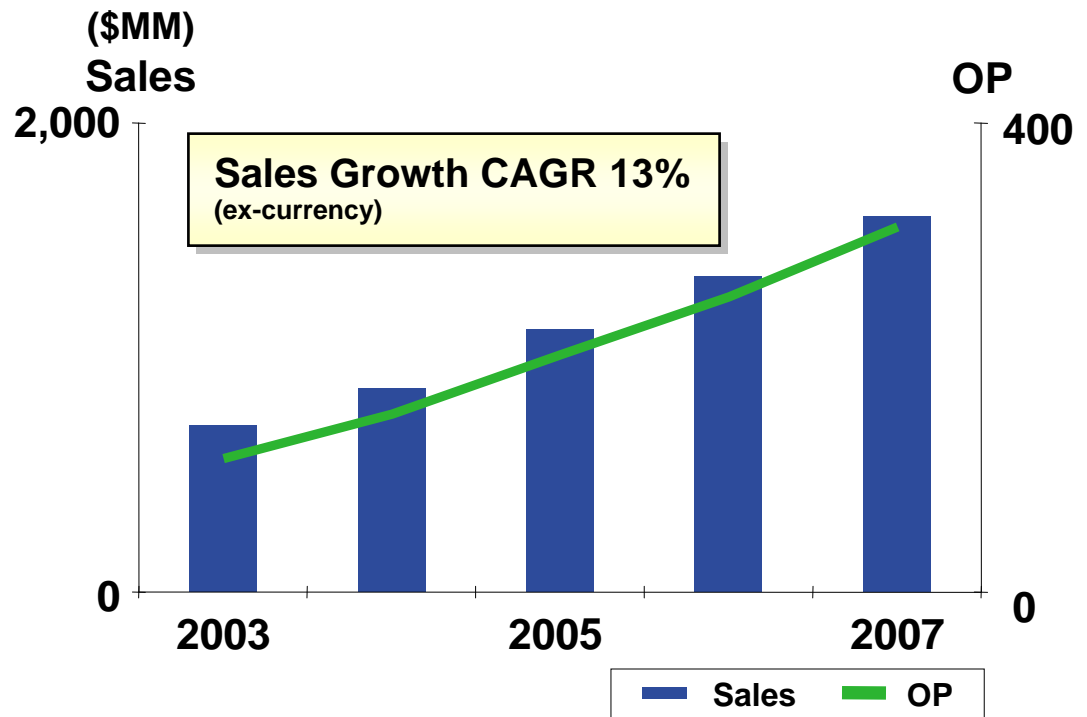
Sales of \$500 MM growing 15% per year

South America

2007 Sales \$1.6 B



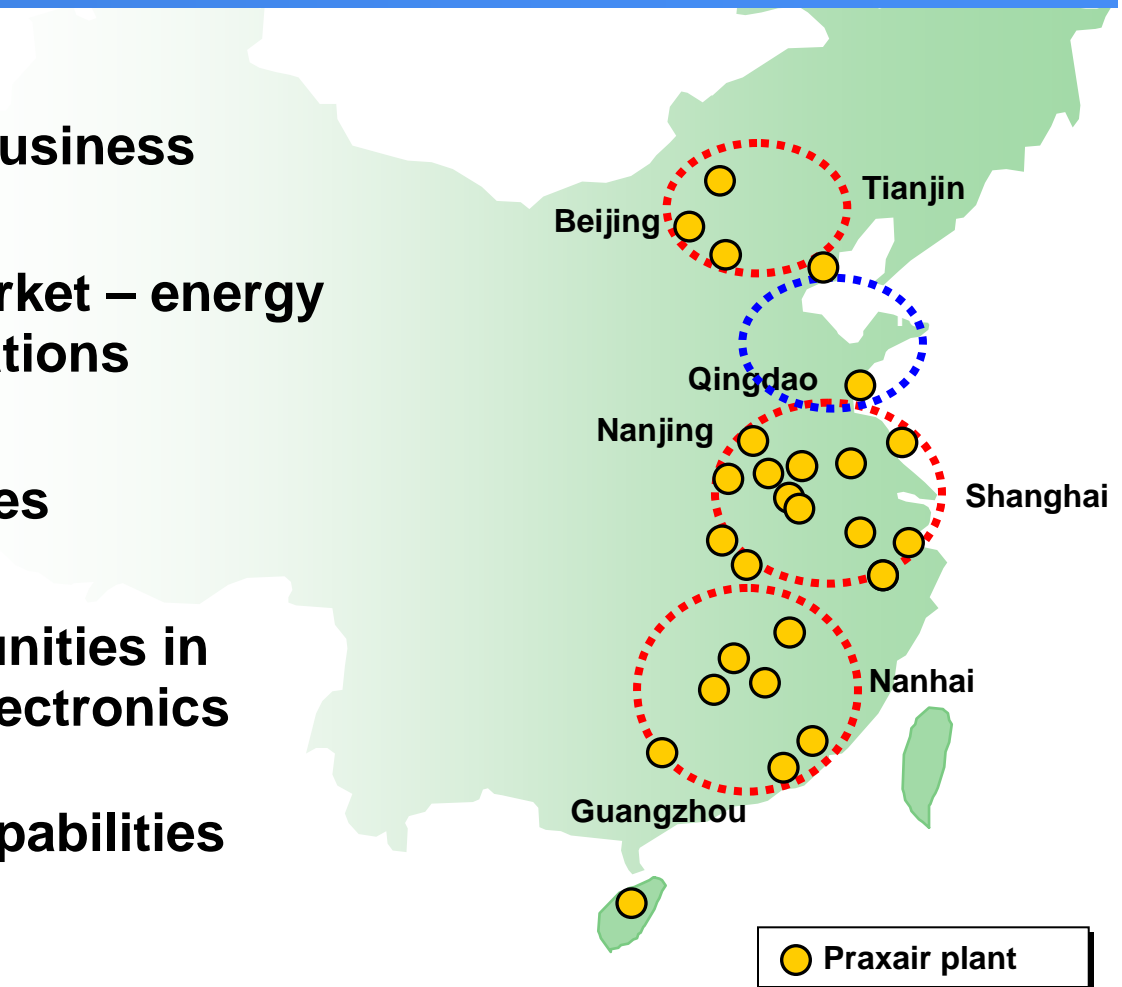
- ◆ 140 production units
- ◆ 230 branches and filling stations
- ◆ 1,500 distribution vehicles
- ◆ 155,000 product deliveries/month
- ◆ 150,000 customers



Unrivalled network drives strong profitable growth

Growing in China

- ◆ Developed an integrated business
- ◆ Rapidly growing liquid market – energy and environmental applications
- ◆ High margin specialty gases
- ◆ Significant on-site opportunities in gasification, metals and electronics
- ◆ Expanding engineering capabilities



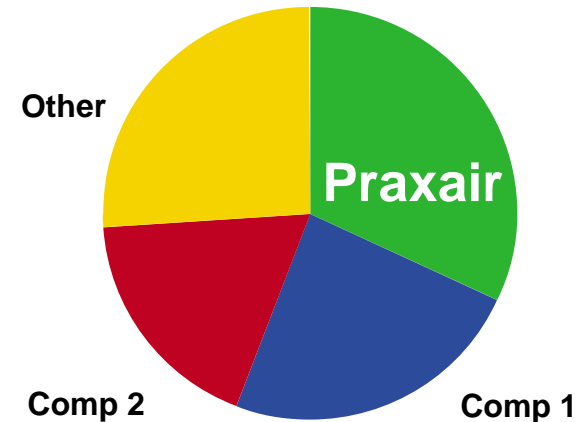
Sales of \$320MM* growing ~20% annually

*2007 Combined sales

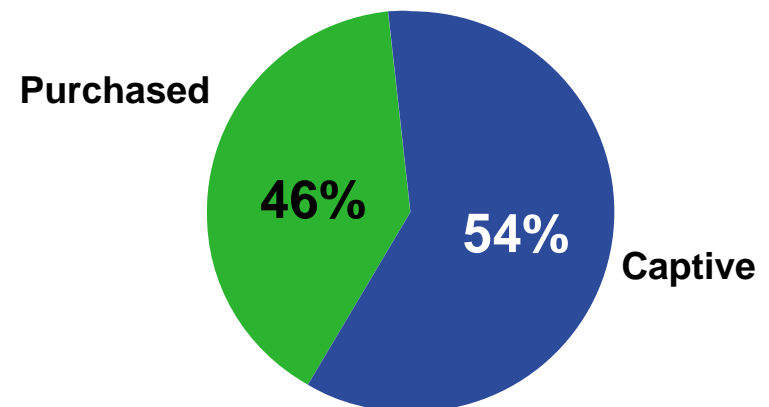
Rapid Growth in India

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

Market Share*



2007: \$1.0 Bn Industrial Gas Market

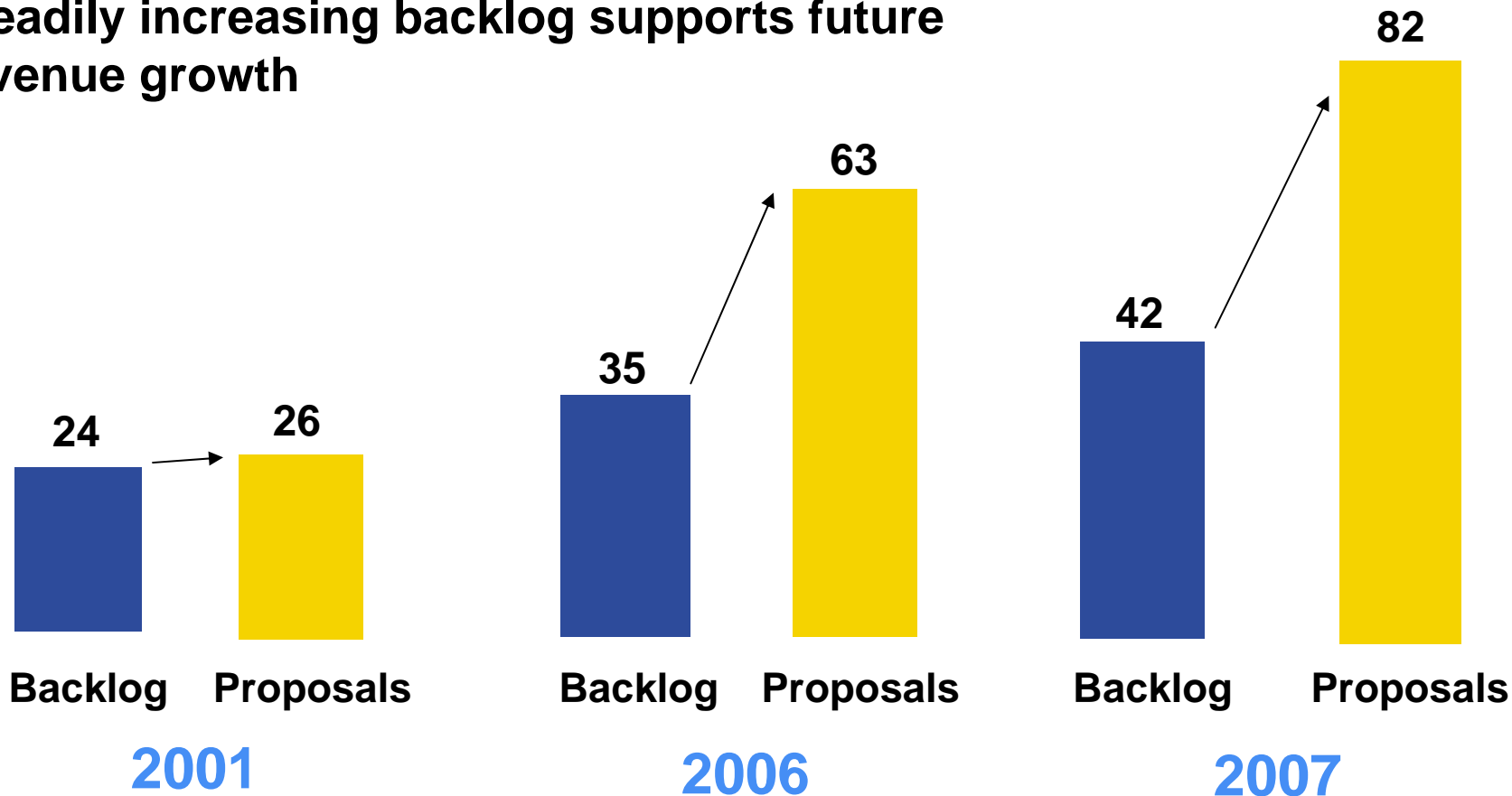


Sales growing ~25% per year

*PX estimates, non-captive

Record Project Activity

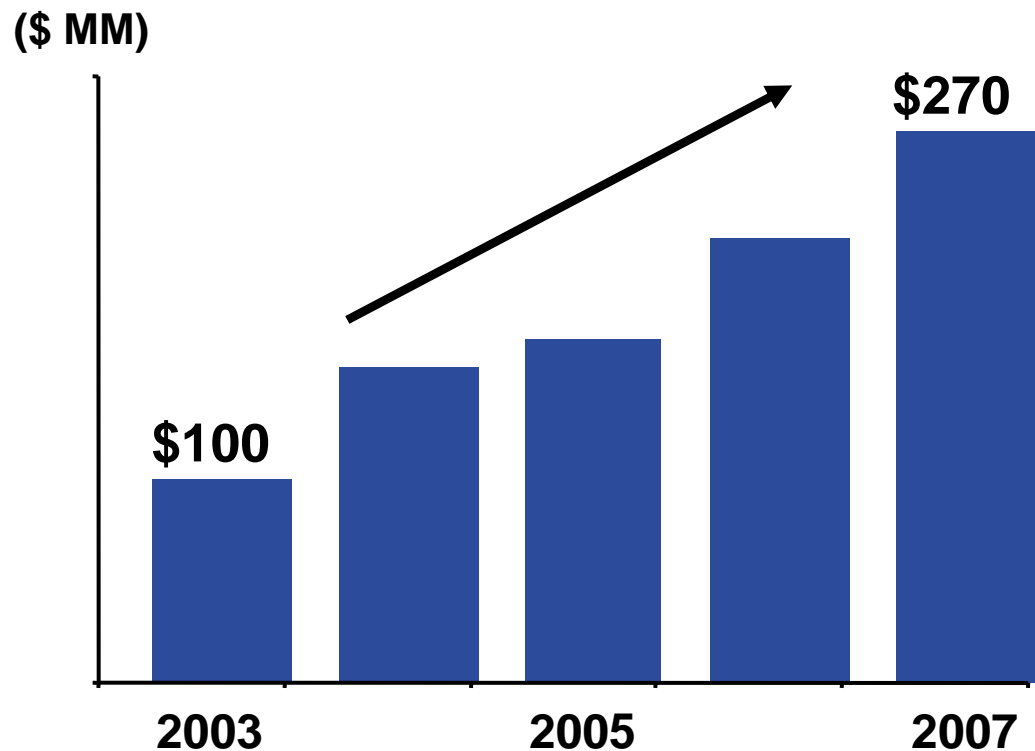
- ◆ Robust activity for global supply systems
- ◆ Steadily increasing backlog supports future revenue growth



Number of projects coming on stream is increasing

Productivity is in our DNA

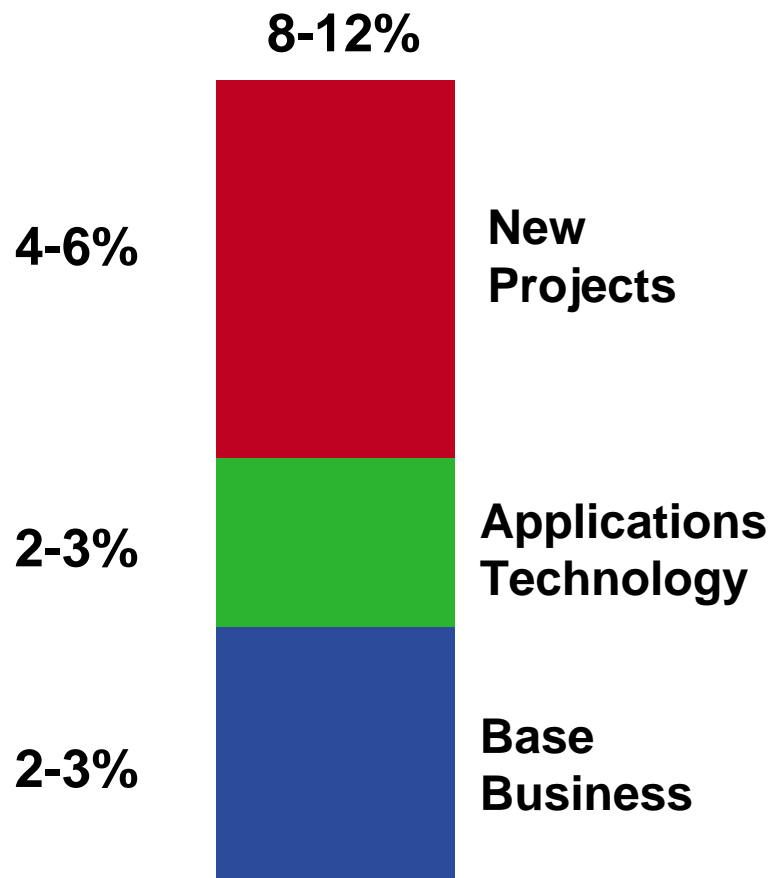
- ◆ ASU/SMR production efficiency
- ◆ Product distribution
- ◆ Six Sigma
- ◆ Lean manufacturing



Target – reduce 4% of cost stack each year

Long-Term Growth Outlook

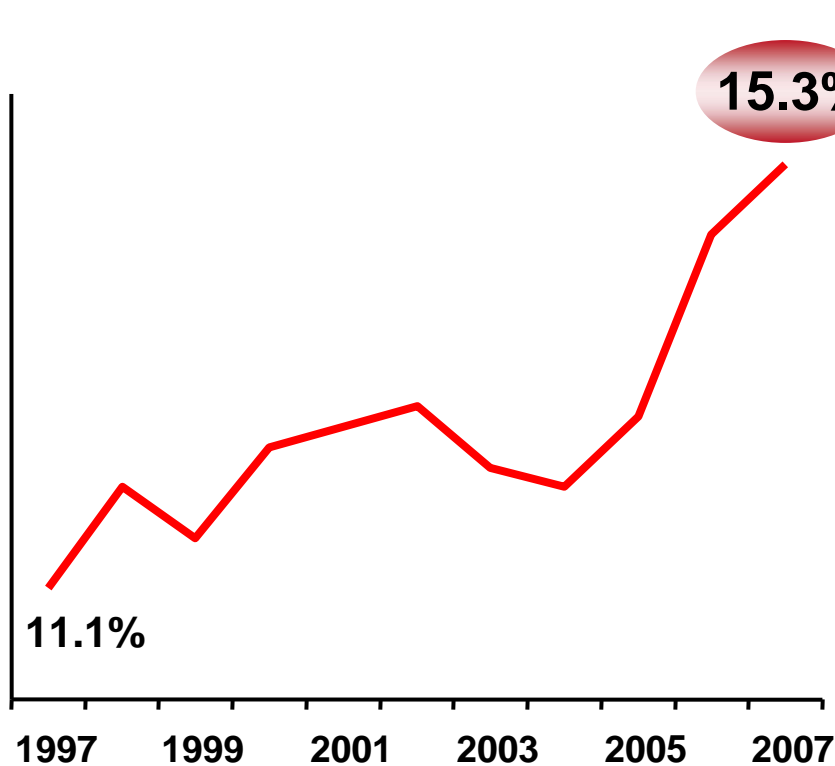
Annual Sales Growth



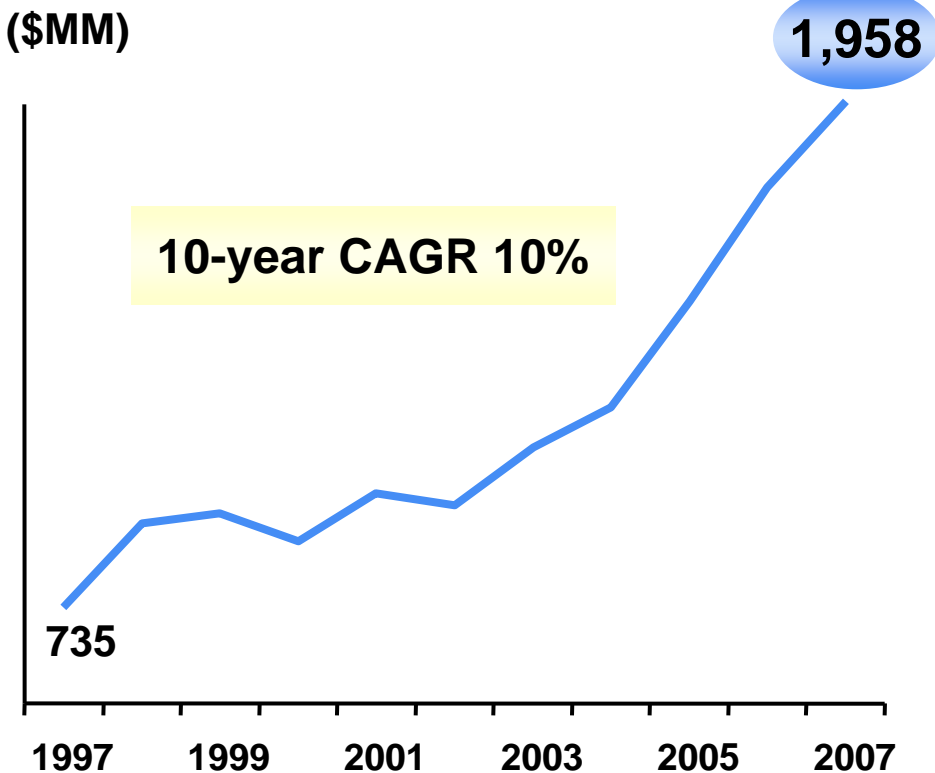
	<u>Annual Growth</u>
Organic Sales	8 - 12%
	↓
Operating Profit	10 - 14%
	↓
EPS	12 - 16%

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

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

