



Praxair, Inc.

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

**Bank of America BASics/Industrials
Conference
New York City, May 8, 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.

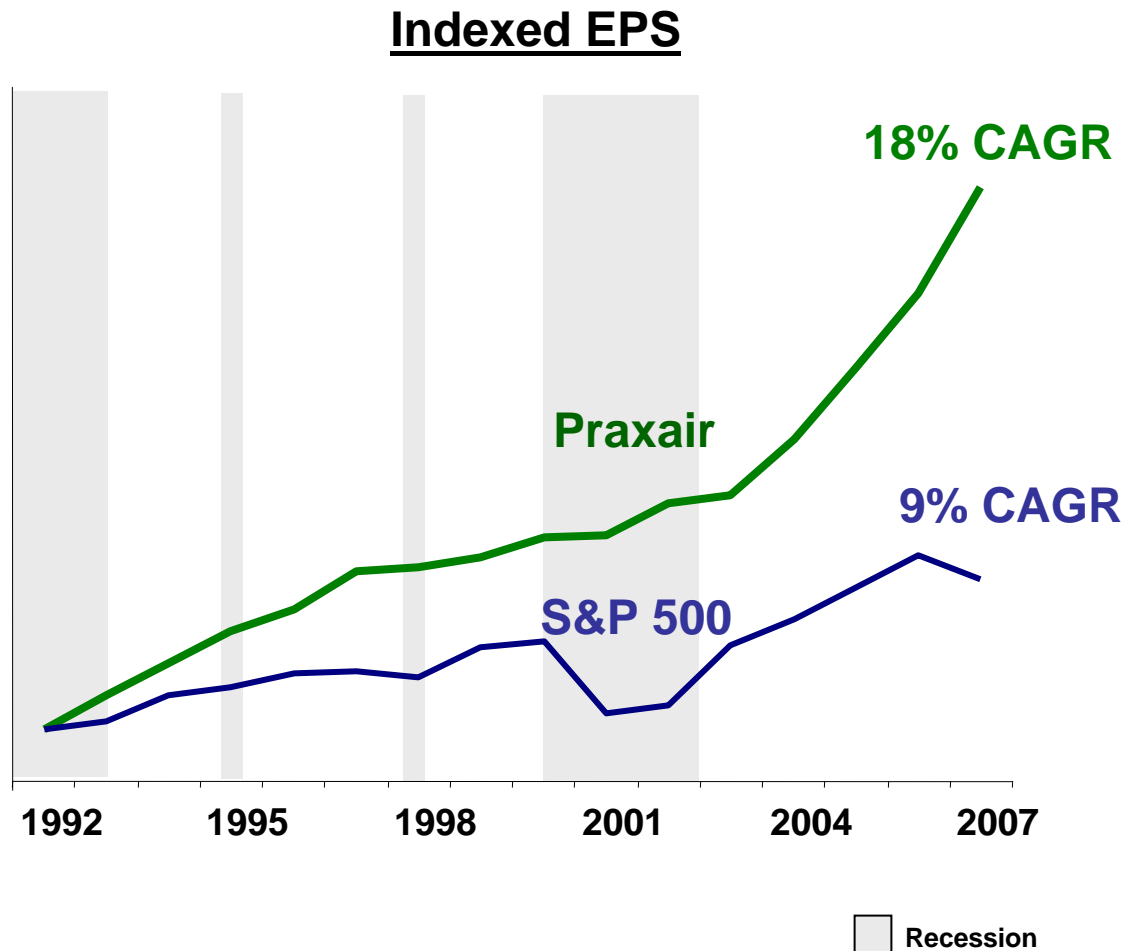
A Growth Company for All Seasons

Secular Growth Drivers

- ◆ Environment
- ◆ Energy
- ◆ Emerging economies

Unique Revenue Model

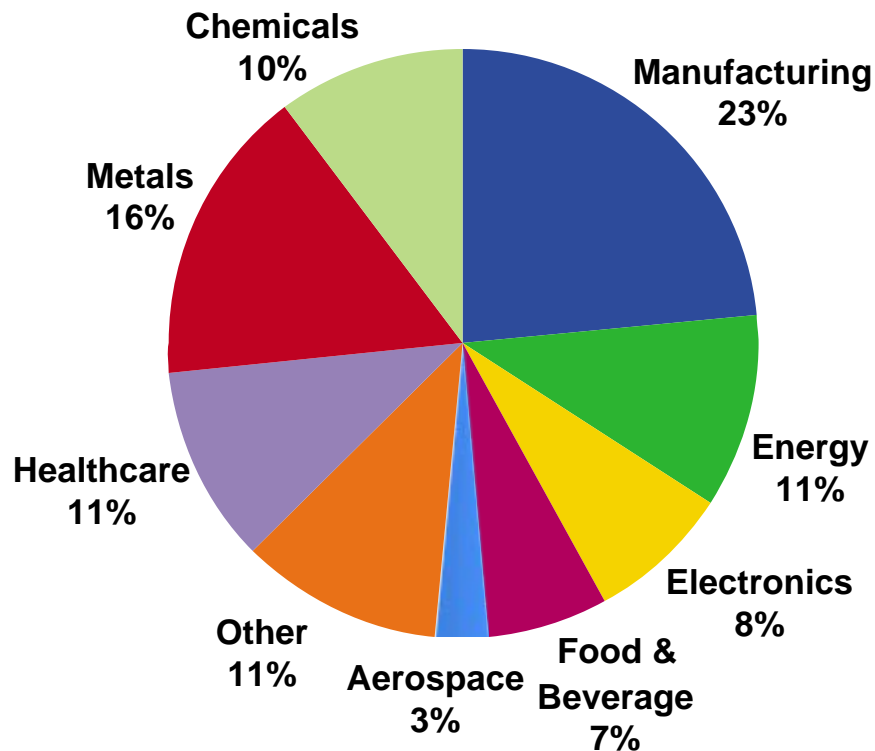
- ◆ Dedicated supply systems
- ◆ Long term contracts
- ◆ High ROC and cash flow



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

Wastewater Treatment



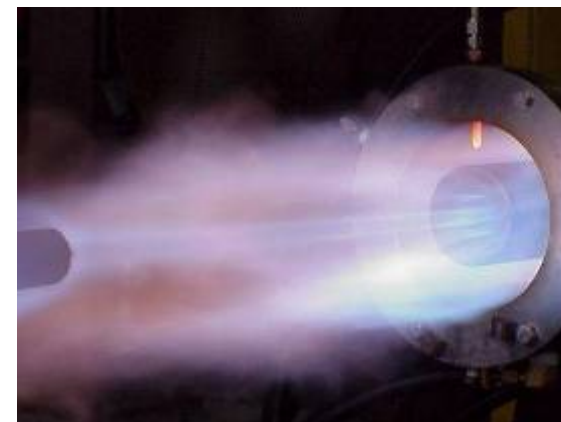
Oxygen aeration and ozone sludge reduction

Air Emission Control



Cryogenic condensation for solvent recovery

Oxy-fuel Combustion



Reduced NO_x and CO₂ emissions

New applications drive growth at a multiple of IP

Specialty and Rare Gases

Helium

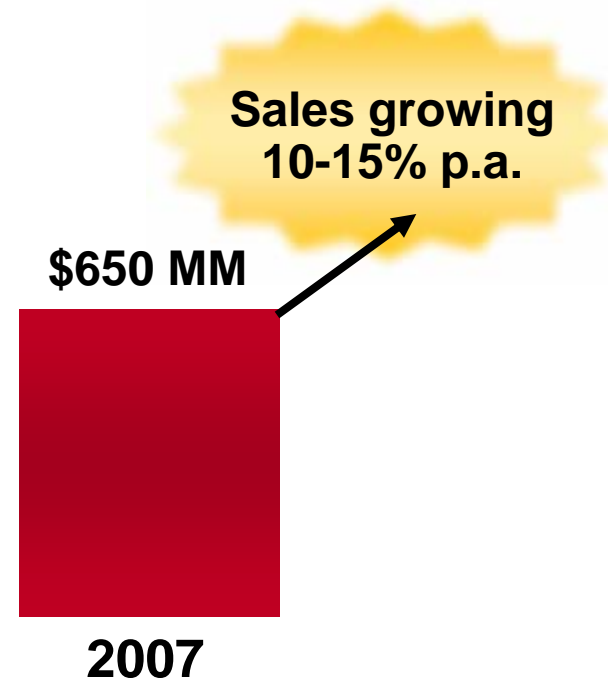
- ◆ Scarce resource
- ◆ Growing demand for solar, MRI, electronics, and optical fiber

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

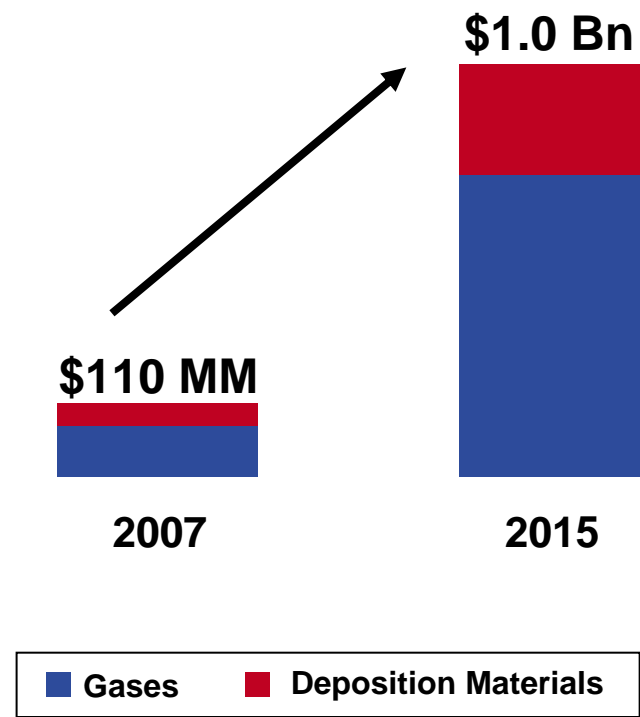


Strong demand growth exceeding available supply

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

Praxair Surface Technologies

Aerospace – Commercial Engines

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

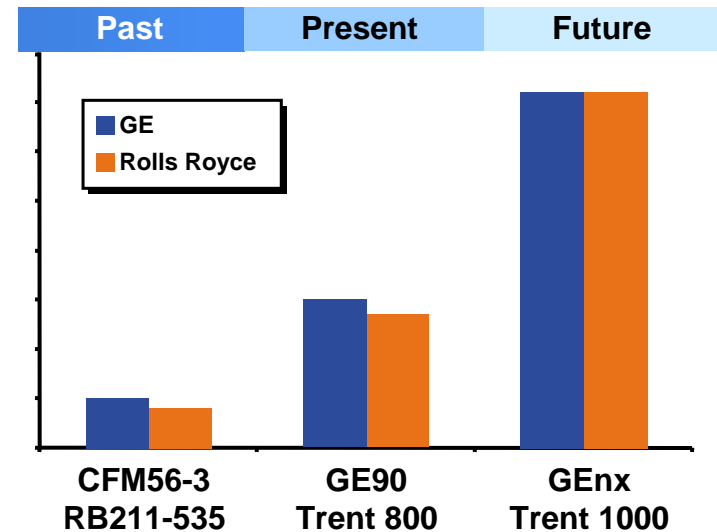
Energy Market

- ◆ Oil production
- ◆ Industrial gas turbines

New Technologies

- ◆ Temperature sensitive
- ◆ Composites
- ◆ Lubricity
- ◆ Chrome replacement

Engine Coating Usage



Expect 8% - 12% annual sales growth

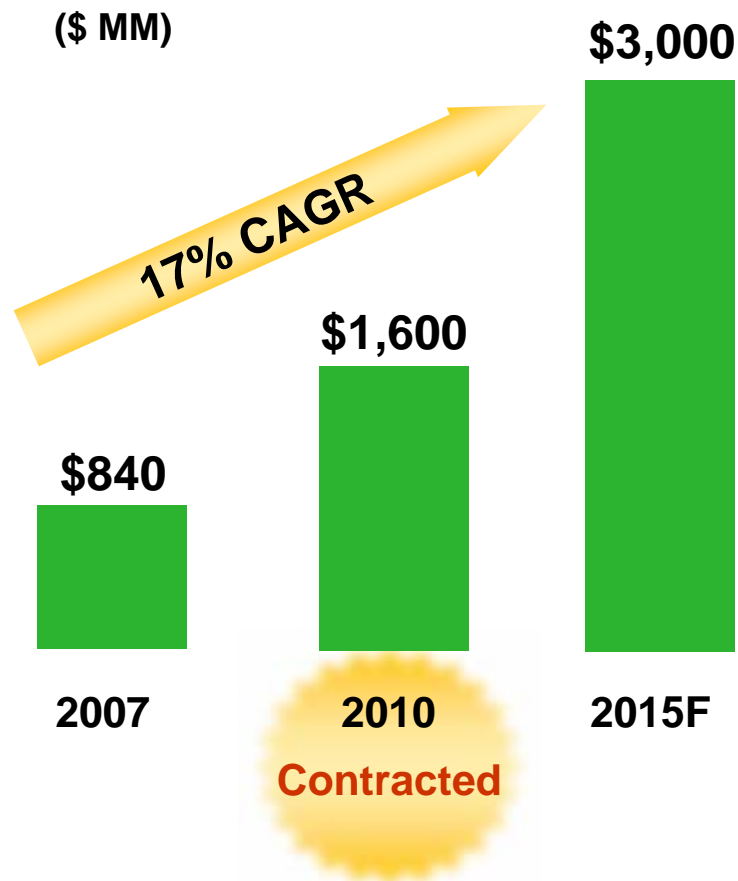
Hydrogen for Refining

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

- ◆ Current growth
 - North America

- ◆ Future growth
 - Canadian oil sands
 - Emerging markets

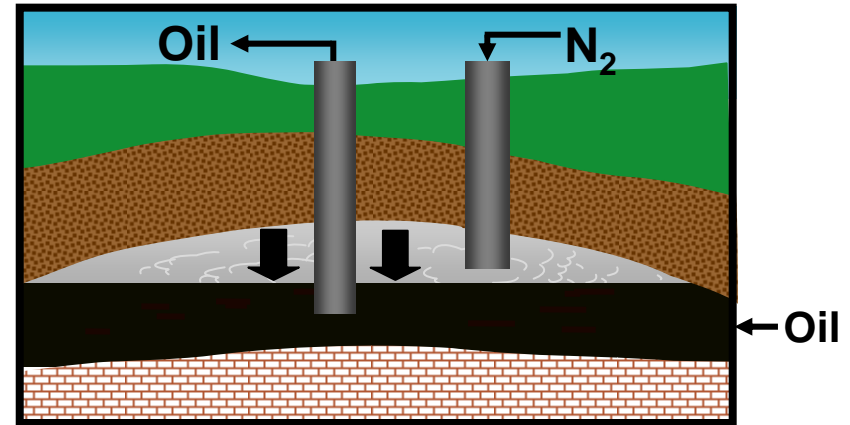
Praxair Hydrogen Sales



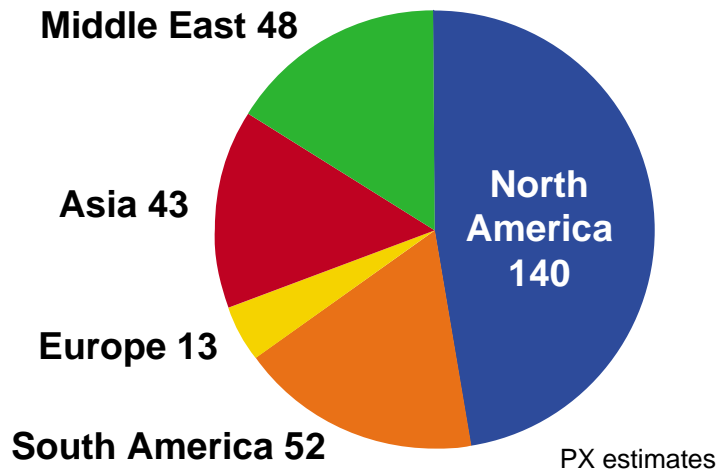
Strong demand for hydrogen expected to continue

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

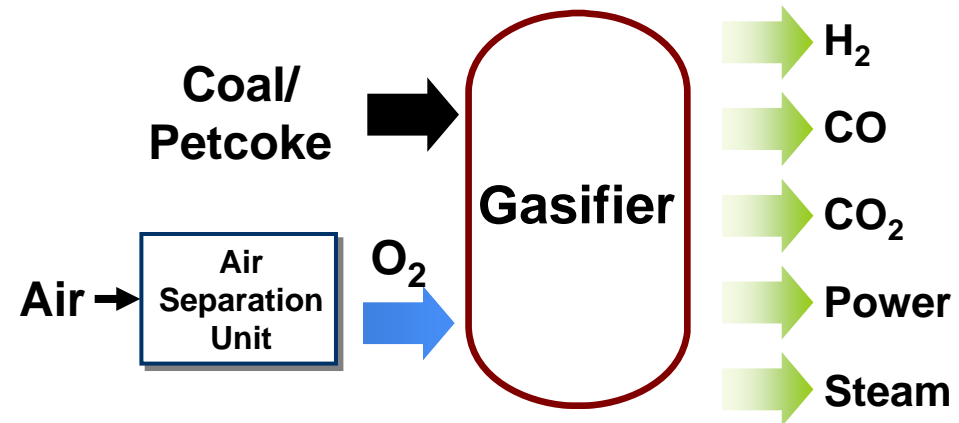


Interest in EOR is increasing globally

Future of Energy

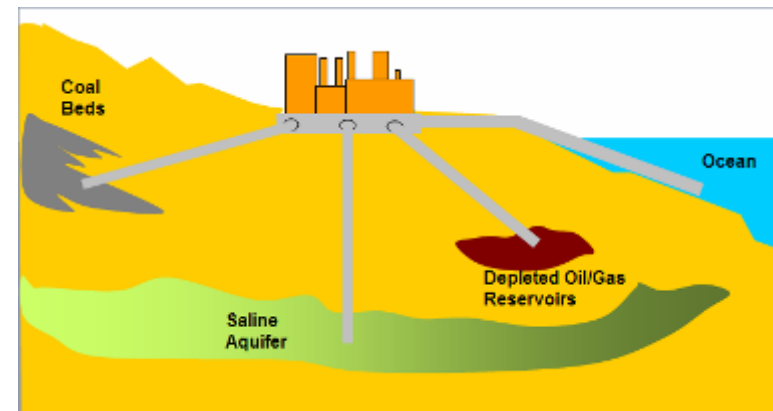
◆ Coal to chemicals

- 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

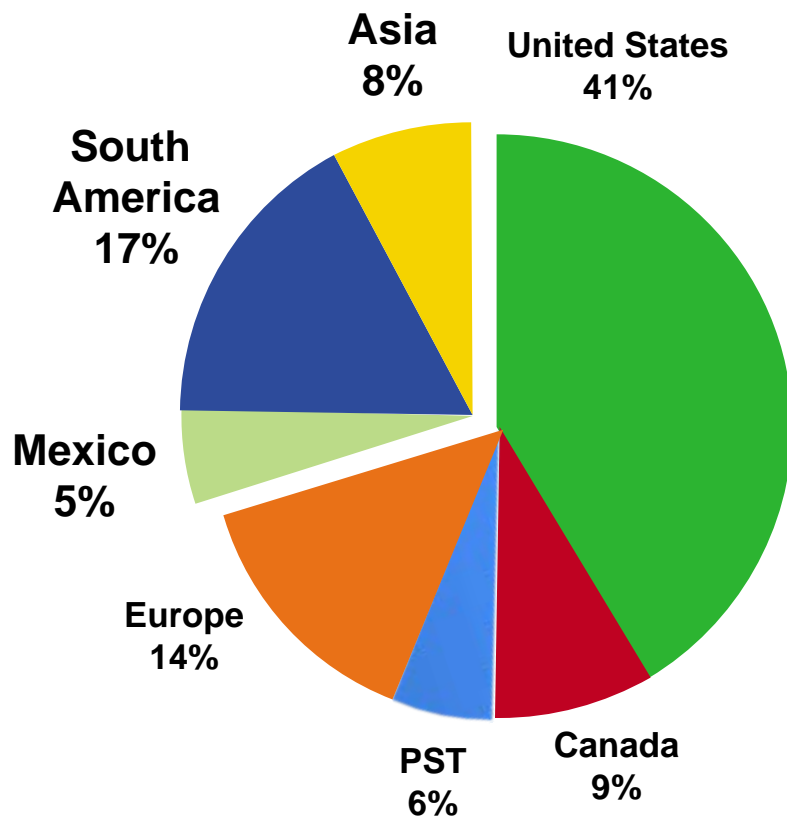


Power station with CO₂ capture

Praxair well positioned to play in evolving energy markets

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

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

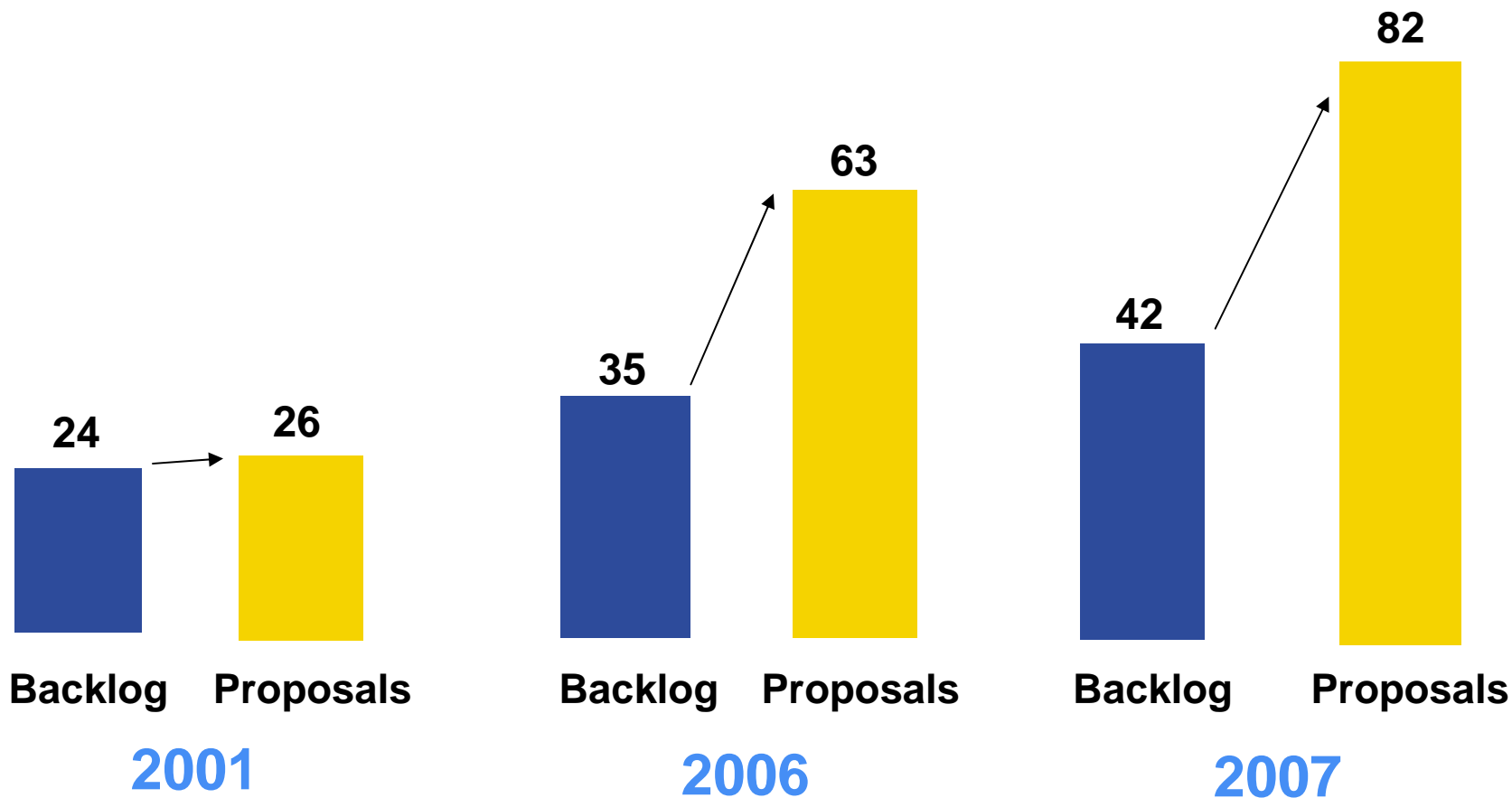


- ◆ Cylinder and equipment rental
- ◆ Sourced as by-product from bulk

We sell consumables that are not priced as commodities

Project Activity

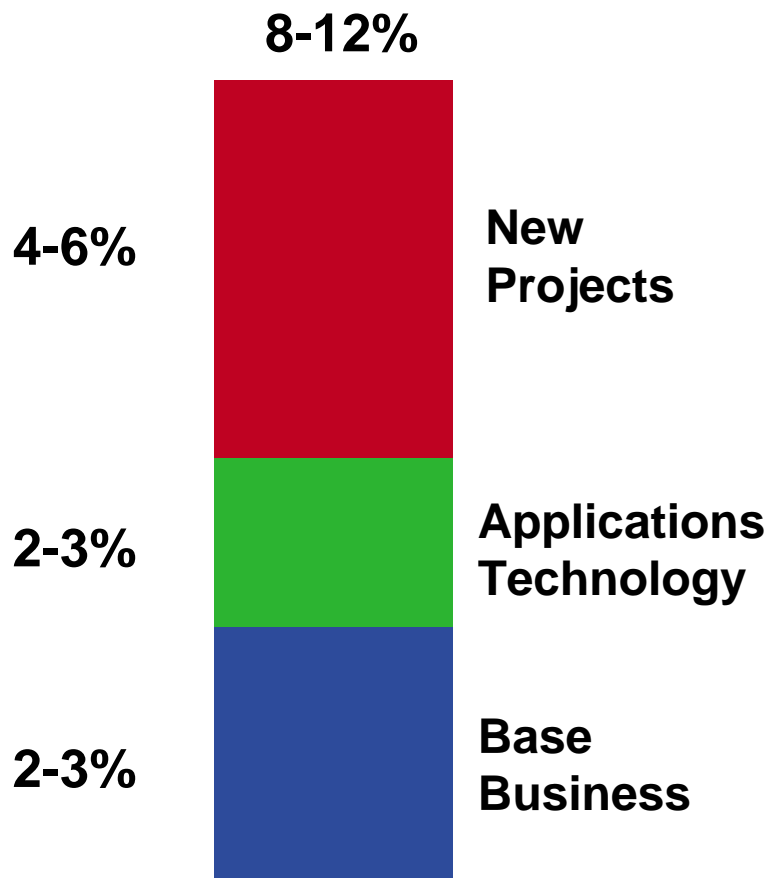
◆ Energy and emerging markets driving record activity



Increasing backlog supports future revenue growth

Sustainable Long-Term Growth

Annual Sales Growth



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

Productivity is in our DNA

Limitless opportunities

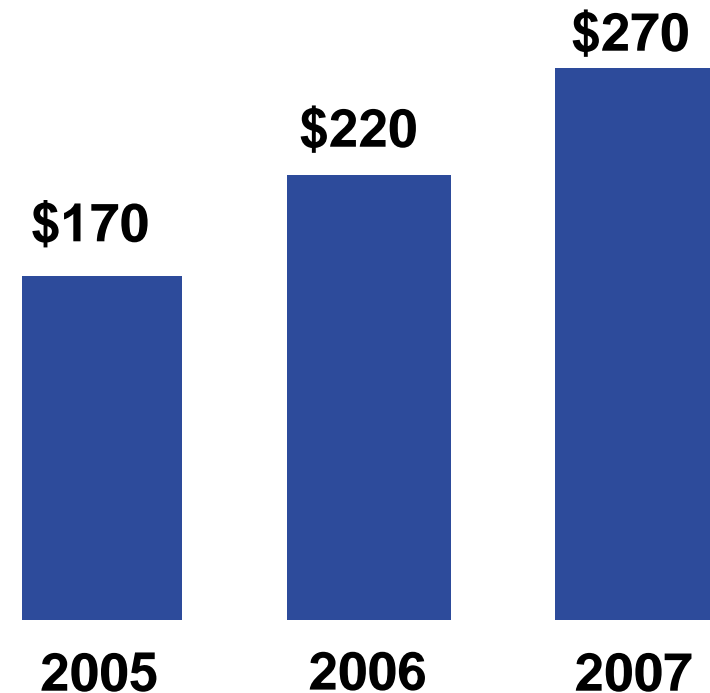
◆ ASU/SMR production efficiency

◆ Product distribution

◆ Six Sigma / Lean Manufacturing

◆ Business processes

(\$ MM)



Target – reduce 4% of cost stack each year

Outperformance in Growth and ROC...

2007

Praxair

Peers⁽¹⁾

Sales Growth (5-yr CAGR)

13%

9%

NOPAT ROC⁽²⁾

15%

8%

(% of sales)

EBITDA⁽³⁾

27%

21%

Operating Margin

19%

12%

Operating Cash Flow

21%

14%

Capex

15%

10%

Cash Flow Distributed⁽⁴⁾

11%

5%

...results in significantly higher cash flow generation

(1) Bloomberg, PX estimates. Weighted average.

(2) Non-GAAP measure. See page 73 of 2007 Annual Report.

(3) Non-GAAP measure. EBITDA = Operating Profit plus Depreciation & Amortization

(4) Non-GAAP measure. Cash flow distributed = Cash Dividends plus Purchases of Common Stock, net of issuances.

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

