Praxair, Inc.
James S. Sawyer
Executive Vice President and CFO

Bank of America BASics/Industrials Conference
New York City, May 8, 2008
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
- 18% CAGR for Praxair
- 9% CAGR for S&P 500

Recession

Steady and non-cyclical earnings growth
2007 Sales $9.4 Billion

Diverse End Markets

- Manufacturing: 23%
- Metals: 16%
- Energy: 11%
- Healthcare: 11%
- Chemcials: 10%
- Food & Beverage: 7%
- Aerospace: 3%
- Other: 11%
- Electronics: 8%

Q1 08 Sales Growth

<table>
<thead>
<tr>
<th>Category</th>
<th>Sales growth</th>
<th>Ex-FX and acq.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>+22%</td>
<td>+11%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>+32%</td>
<td>+11%</td>
</tr>
<tr>
<td>Metals</td>
<td>+15%</td>
<td>+ 6%</td>
</tr>
<tr>
<td>Energy</td>
<td>+39%</td>
<td>+34%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>+10%</td>
<td>+ 2%</td>
</tr>
<tr>
<td>Chemicals</td>
<td>+19%</td>
<td>+12%</td>
</tr>
<tr>
<td>Electronics</td>
<td>+20%</td>
<td>+17%</td>
</tr>
</tbody>
</table>

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 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 for Gases and Deposition Materials**

- **2007**
  - $110$ MM

- **2015**
  - $1.0$ Bn

Market expected to grow at $\sim 30\%$ 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
Demand growth from:
- Fuel emission standards
- Heavy sour crude
- Growing diesel demand

Current growth
- North America

Future growth
- Canadian oil sands
- Emerging markets

Strong demand for hydrogen expected to continue

Assumes $7.50 nat gas
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

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

Praxair well positioned to play in evolving energy markets
## 2007 Sales by Geography

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>41%</td>
</tr>
<tr>
<td>Mexico</td>
<td>5%</td>
</tr>
<tr>
<td>South America</td>
<td>17%</td>
</tr>
<tr>
<td>Europe</td>
<td>14%</td>
</tr>
<tr>
<td>Asia</td>
<td>8%</td>
</tr>
<tr>
<td>Canada</td>
<td>9%</td>
</tr>
<tr>
<td>PST</td>
<td>6%</td>
</tr>
</tbody>
</table>

### Emerging Economies
- Strong Presence in Emerging Economies
- Emerging economies represent 30% of sales and 45% of new growth capital

<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>1.4%</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>9.9%</td>
<td>1%</td>
</tr>
</tbody>
</table>

### Table Notes
- Global Insights, 2007
- Emerging economies represent 30% of sales and 45% of new growth capital
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

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

Annual Growth

- 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

Target – reduce 4% of cost stack each year
Outperformance in Growth and ROC…

<table>
<thead>
<tr>
<th></th>
<th>Praxair</th>
<th>Peers(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Growth (5-yr CAGR)</td>
<td>13%</td>
<td>9%</td>
</tr>
<tr>
<td>NOPAT ROC(2)</td>
<td>15%</td>
<td>8%</td>
</tr>
<tr>
<td>% of sales</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITDA(3)</td>
<td>27%</td>
<td>21%</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>19%</td>
<td>12%</td>
</tr>
<tr>
<td>Operating Cash Flow</td>
<td>21%</td>
<td>14%</td>
</tr>
<tr>
<td>Capex</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
<td>Cash Flow Distributed(4)</td>
<td>11%</td>
<td>5%</td>
</tr>
</tbody>
</table>

…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
Driving Growth and Profitability

<table>
<thead>
<tr>
<th>What We Will Do</th>
<th>And Will Not Do</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stick to our revenue model</td>
<td>Enter new businesses</td>
</tr>
<tr>
<td>Achieve 4% p.a. productivity</td>
<td>Become complacent</td>
</tr>
<tr>
<td>Leverage standard plant designs</td>
<td>Become an equipment supplier</td>
</tr>
<tr>
<td>Maintain capital discipline</td>
<td>Lower returns for market share</td>
</tr>
<tr>
<td>Commercialize new technologies</td>
<td></td>
</tr>
<tr>
<td>Run business for cash flow</td>
<td></td>
</tr>
</tbody>
</table>
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