



Praxair, Inc.

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

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Investment Conference**

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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.

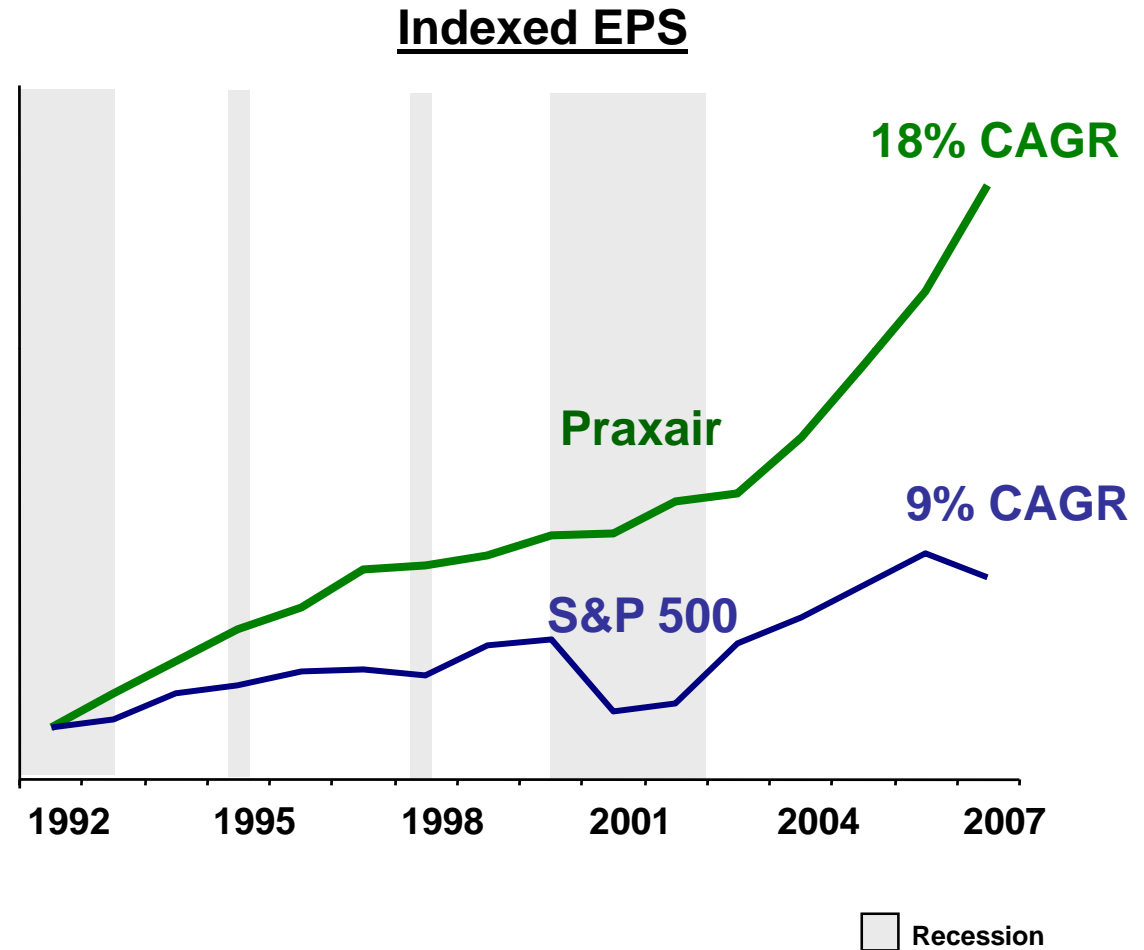
A Growth Company for All Seasons

Secular Growth Drivers

- ◆ Environment
- ◆ Energy
- ◆ Emerging economies

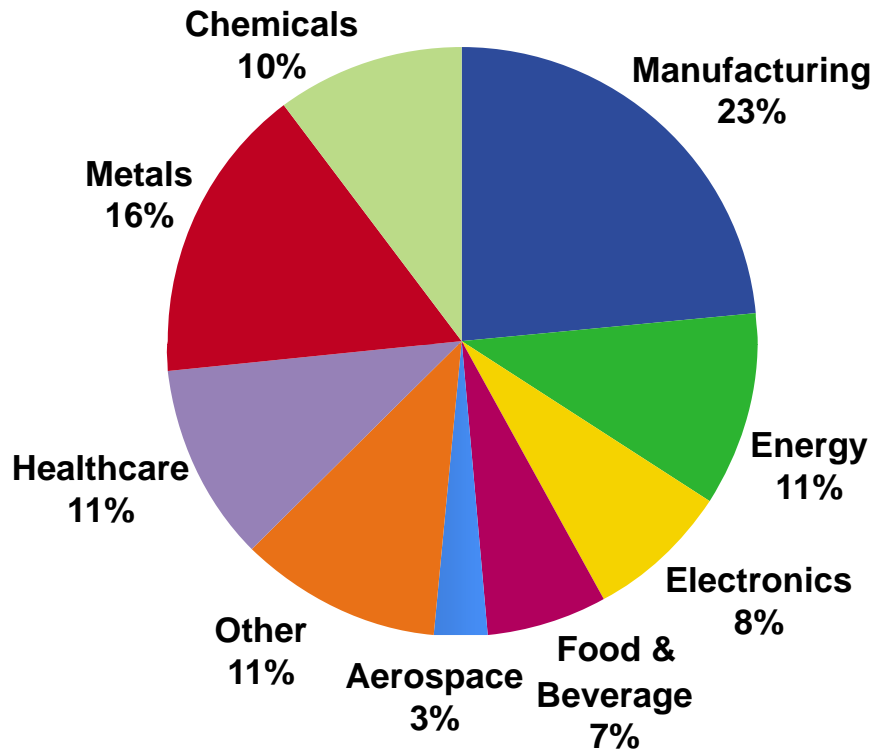
Unique Revenue Model

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



Steady and non-cyclical earnings growth

Diverse End Markets



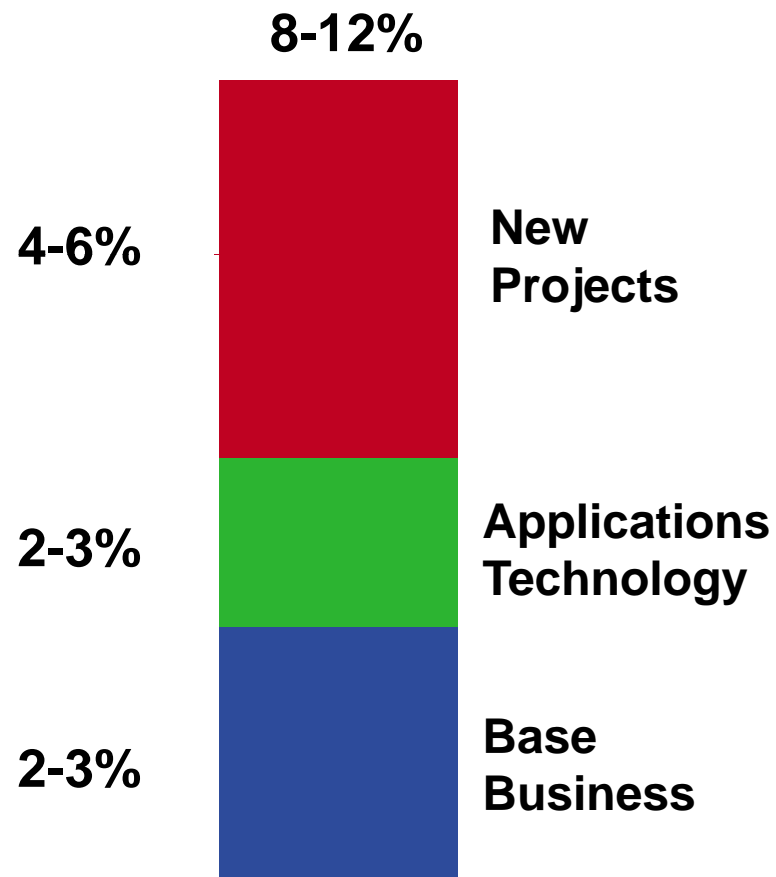
	<u>Q2 08 Sales growth YOY</u>	<u>Ex-FX and Acq.</u>
Total	+23%	+14%
Manufacturing	+29%	+ 11%
Metals	+19%	+ 11%
Energy	+33%	+ 29%
Healthcare	+ 8%	+ 2%
Chemicals	+24%	+ 19%
Electronics	+15%	+ 13%

2007 Sales \$9.4 Bn

Strong underlying growth in key markets

Sustainable Long-Term Growth

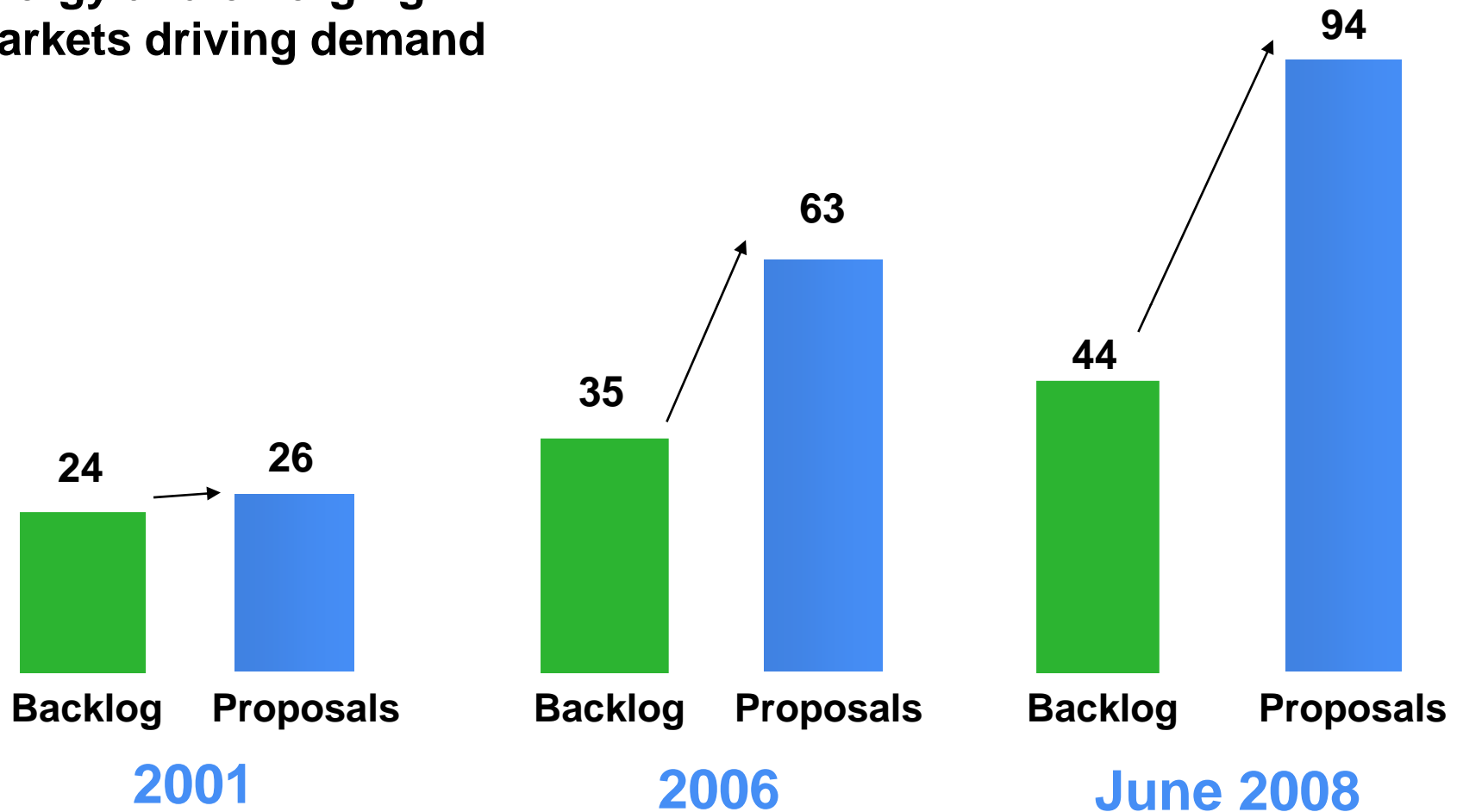
Annual Sales Growth



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

Record Project Activity

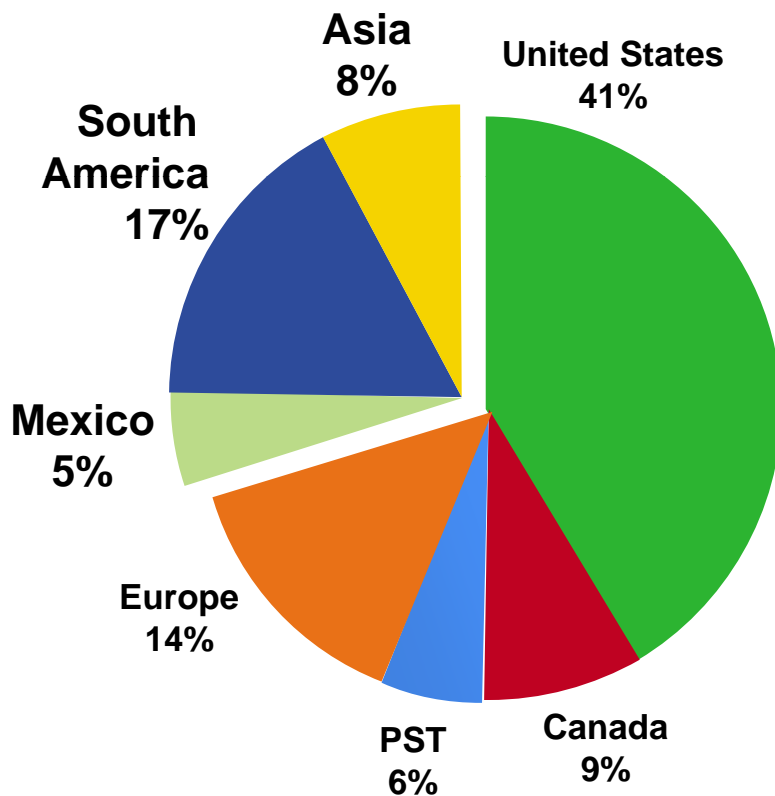
- ◆ Energy and emerging markets driving demand



Increasing backlog supports future revenue growth

Emerging Economies Support Growing Project Backlog

- ◆ Emerging economies - 30% of sales, 45% of growth capital



2007 sales \$9.4 Bn

	<u>Mexico</u>	<u>Brazil</u>	<u>China</u>	<u>India</u>
PX Leading Position	✓	✓	✓	✓
PX Sales Growth (CAGR '05-'08F)	20%	21%	20%	21%
Per Capita Gas Consumption % of U.S.	20%	15%	2%	1%

Projects in diverse industries – chemicals, electronics, energy, metals, pulp & paper, glass

Strong Industrial Gas Demand for Energy Supplies

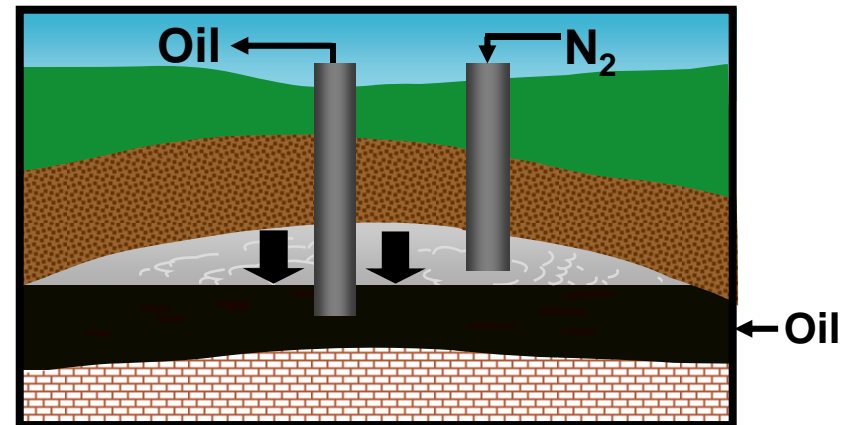
Nitrogen or CO₂ injection in large quantities at high pressure

Natural gas well fracturing



Praxair well positioned in North America

Enhanced oil recovery



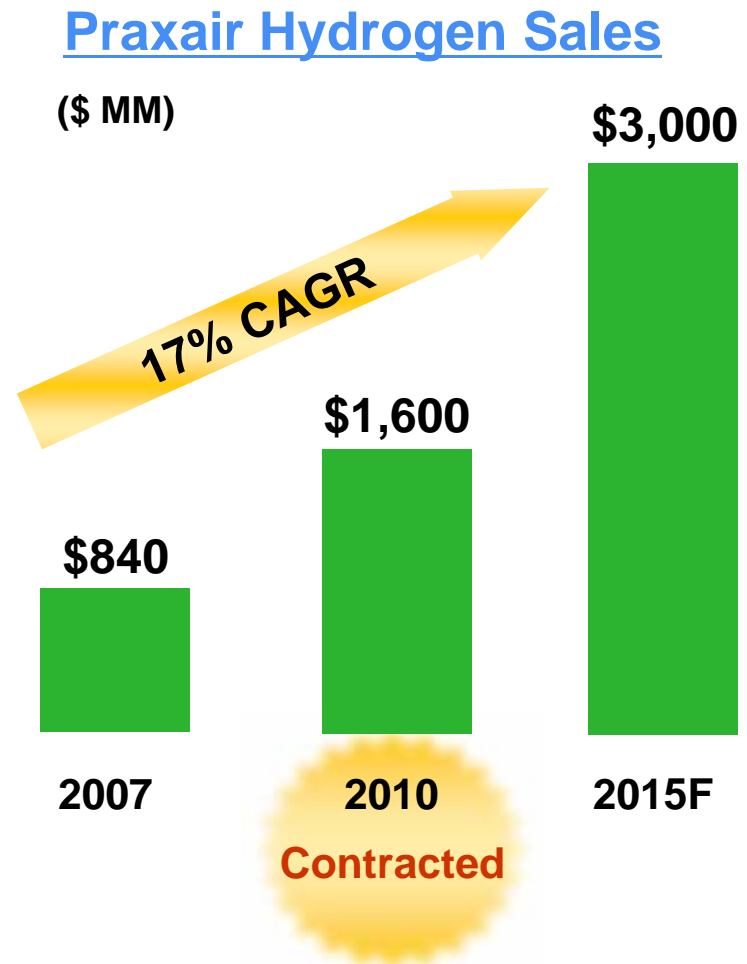
Huge global market potential

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

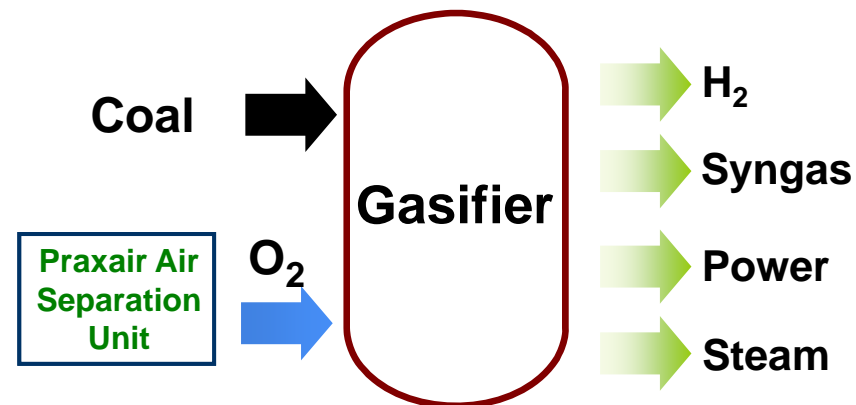


Strong demand for hydrogen expected to continue

Coal Gasification

- ◆ **Now a reality in China**
 - Limited oil and gas availability
 - Syngas chemical feedstock
 - Best technology
 - Multiple projects underway

- ◆ **Praxair oxygen supply**
 - SOPO acetic acid plant
 - Anhui HuaYi Chemical
 - 3000 TPD product line plants
 - Aligned with gasification technology

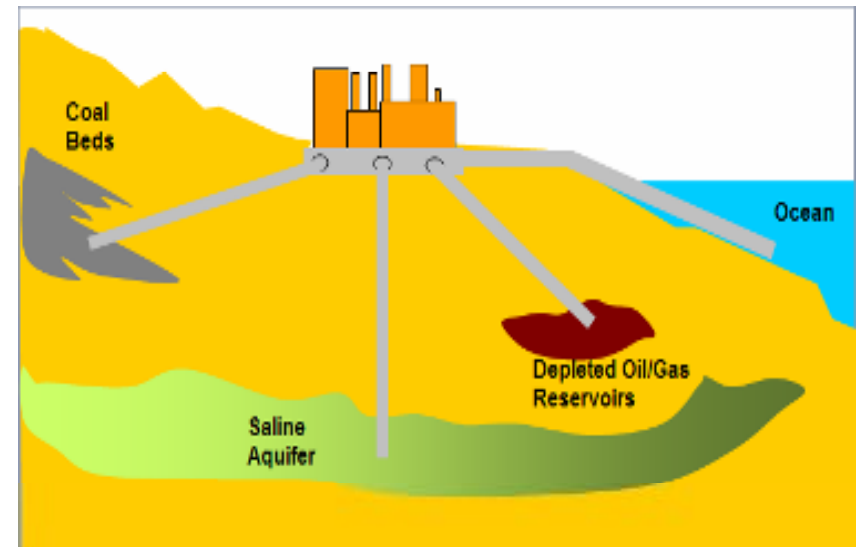


3,000 TPD product line plant

Multiple projects in the backlog

Clean-Coal Power Generation

- ◆ **Oxy-coal combustion**
 - Enables CO₂ capture and sequestration
 - World scale O₂ system
- ◆ **Alliance with Foster Wheeler for clean-coal technologies**
- ◆ **Praxair demonstration projects**
 - Jamestown, NY
 - El Bierzo, Spain



Power station with CO₂ capture

Commercialization depends on GHG legislation

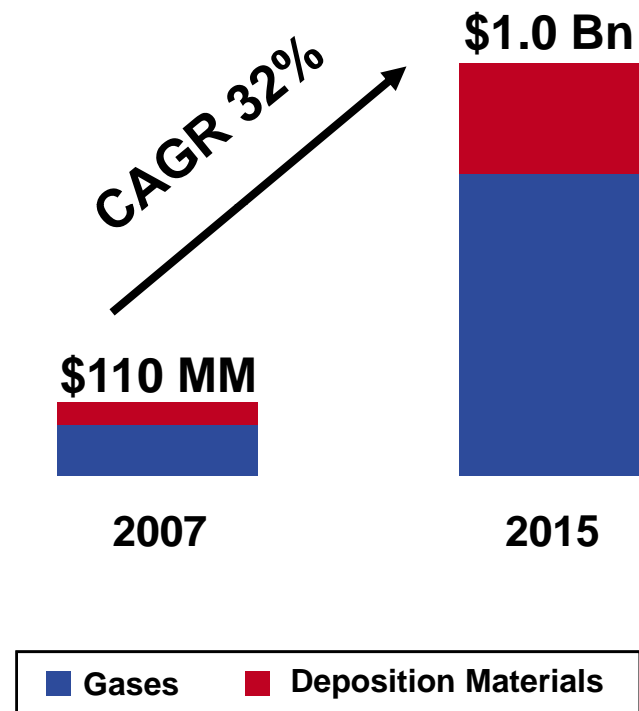
Photovoltaics Market

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

Water/Wastewater Treatment



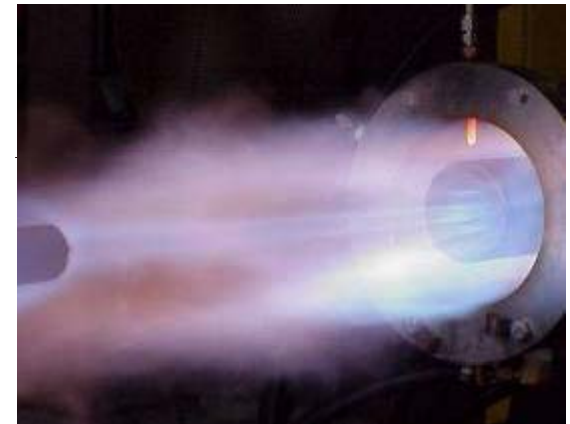
Oxygen aeration, ozone sludge reduction, drinking water disinfection

Air Emission Control



Cryogenic condensation for solvent recovery

Oxy-fuel Combustion



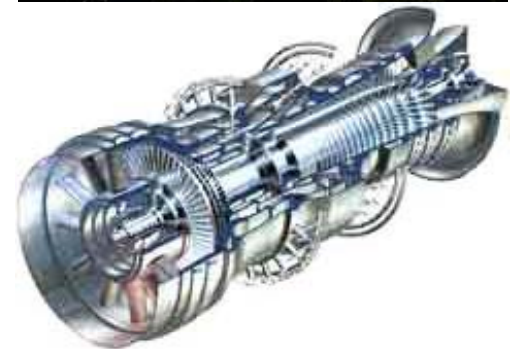
Reduced NO_x and CO₂ emissions

New applications drive growth at a multiple of IP

Praxair Surface Technologies

◆ High performance ceramic coatings

- High temperature
- Thermal barrier
- Hardness/abrasion
- Lubricity
- Chrome replacement



◆ Growth markets

- Fuel efficient jet engines
- Airframe components
- Industrial gas turbines
- Oil and gas drilling

High ROC / solid growth

Productivity is in our DNA

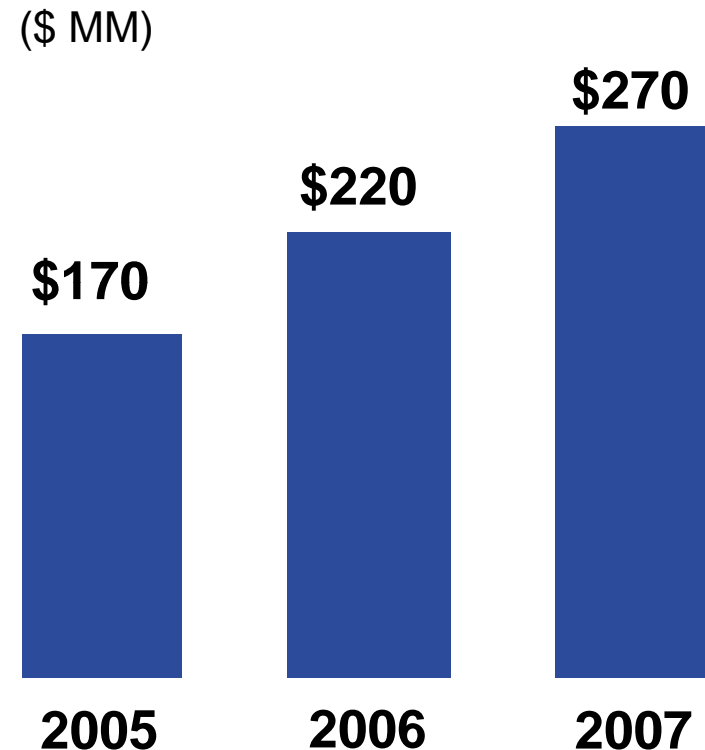
Limitless opportunities

◆ ASU/SMR production efficiency

◆ Product distribution

◆ Six Sigma / Lean Manufacturing

◆ Business processes



Target – reduce 4% of cost stack each year

Technology Leadership in Plant Design

Areas

- ◆ Distillation
- ◆ Heat Transfer
- ◆ Turbomachinery
- ◆ Flexible liquid production
- ◆ Pressure swing adsorption

Benefits

- ◆ Lower energy consumption
- ◆ Lower capital cost
- ◆ Increased efficiency
- ◆ Faster schedule
- ◆ Operational flexibility
- ◆ Repeatable global designs

**Product line approach to plant construction
reduces capital cost by 20%**

Outperforming the Competition

2007

Praxair

Peers⁽¹⁾

EPS Growth (5-yr CAGR)	17% ✓	11%
Sales Growth (5-yr CAGR)	13% ✓	9%
Return on Capital⁽²⁾	15% ✓	8%
Operating Margin (% of sales)	19% ✓	12%
Operating Cash Flow (% of sales)	21% ✓	14%

Best choice in an attractive industry

(1) Bloomberg, Capital IQ, PX estimates. Weighted average.

(2) Non-GAAP measure

Principles of Sustainable Development

Governance and Integrity

Maintain strong systems and a culture of global corporate governance, compliance, ethics, human rights, integrity and accountability.



Strategic Leadership

Stay current with, and take advantage of, emerging global opportunities, developments and challenges to position Praxair for the future.

Customer Commitment

Focus relentlessly on the delivery of customer value through continuous innovation that helps our customers enhance their product quality, service, reliability, productivity, safety, energy efficiency and environmental performance.

Environmental Responsibility

Achieve continuous environmental performance improvement and energy efficiency in our operations.

Employee Safety and Development

Provide opportunities that allow employees to develop to their fullest potential in a creative, inclusive and safe environment.

Community Support

Participate in community development in regions where we operate.

Financial Performance

Maintain year-on-year recognition from shareholders and stakeholders for top-tier financial performance.

Stakeholder Engagement and Communication

Partner with internal and external stakeholders to achieve a strong, secure and sustainable society, economy and environment.

