



Praxair, Inc.

**Steve Angel
Chairman, President and
Chief Executive Officer**

**Sanford C. Bernstein & Co.
Strategic Decisions Conference
New York City, May 30, 2008**



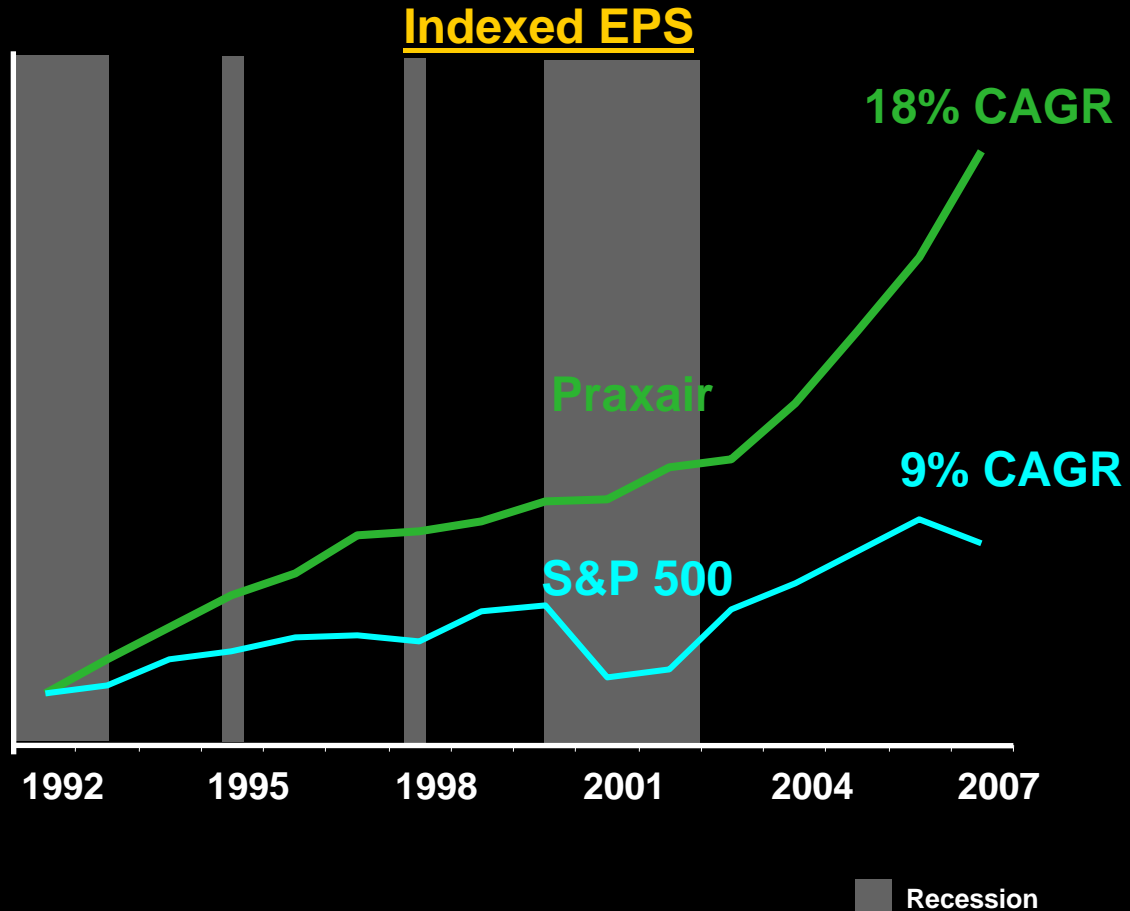
Forward Looking Statement

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 and non-cyclical earnings growth

Outperforming the Competition

2007

	<u>Praxair</u>	<u>Peers⁽¹⁾</u>
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, PX estimates. Weighted average.

(2) Non-GAAP measure

Unique Revenue Model

On-Site/Pipeline Supply



- ◆ Dedicated supply systems
- ◆ 15 year take-or-pay contracts
- ◆ Indexed to energy, inflation, currency

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

Integrated supply system generates high ROC and cash flow

Growing Environmental Applications

Water/Wastewater Treatment



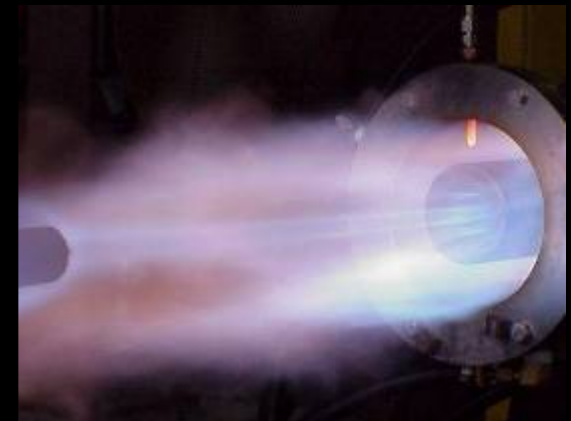
Oxygen aeration, ozone sludge reduction, drinking water disinfection

Photovoltaics



Gases, gas delivery systems, deposition materials

Oxy-fuel Combustion



Reduced NO_x and CO₂ emissions

2-3% per year sales growth from applications technologies

Hydrogen for Refining

◆ Demand growth from:

- Fuel emission standards
- Heavy sour crude
- Growing diesel demand
- Replacement of old SMRs

◆ Current growth

- North America

◆ Future growth

- Canadian oil sands
- Emerging markets

Praxair Hydrogen Sales

(\$ MM)



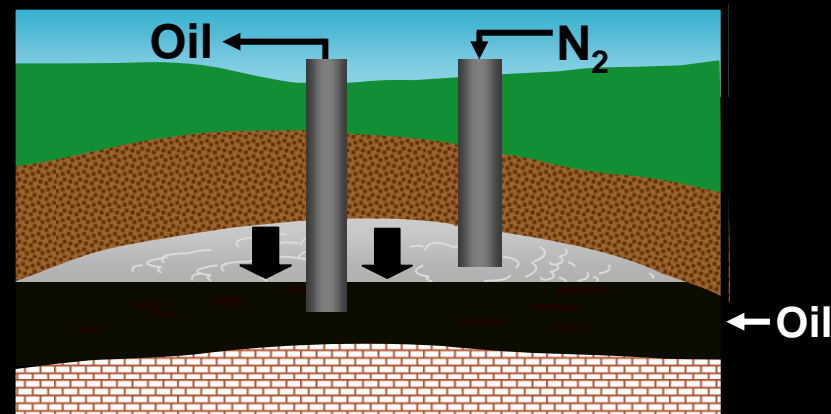
Strong demand for hydrogen expected to continue

High Energy Prices Driving Industrial Gas Demand

Nitrogen or CO₂ injection in large quantities at high pressure

Natural gas well fracturing

Enhanced oil recovery



Praxair well positioned in North America

Huge global market potential

Coal and Petcoke Gasification

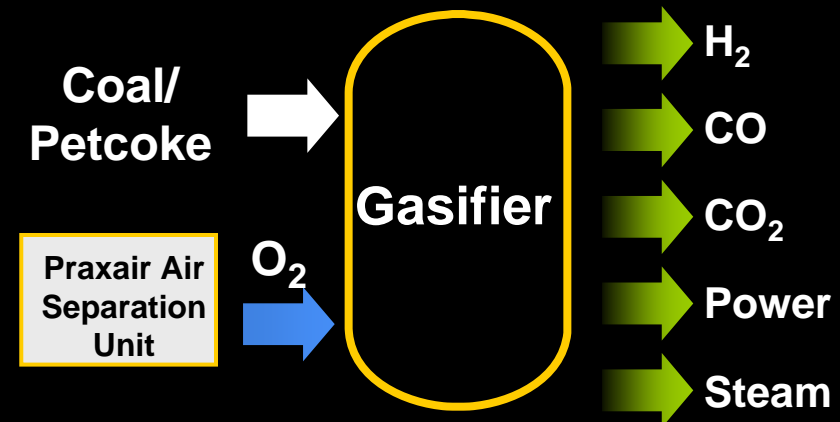
◆ Coal to chemicals

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



◆ Petcoke to H₂

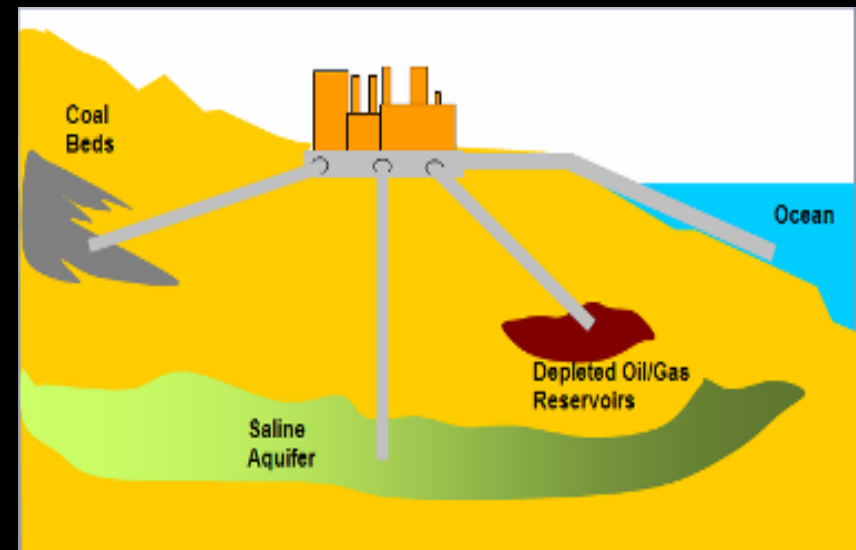
- Refinery upgrading
- Large oxygen requirement
 - \$300 - \$500MM investment



Multiple projects under consideration

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

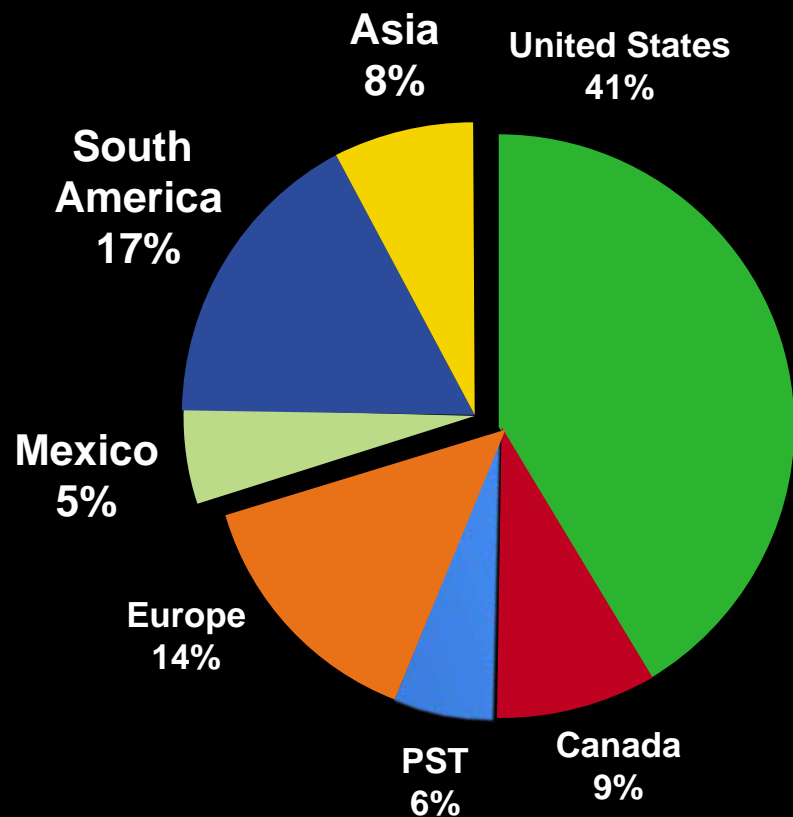


Power station with CO₂ capture

Commercialization depends on GHG legislation

Strong Presence in Emerging Economies

Sales by Geography



	<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%

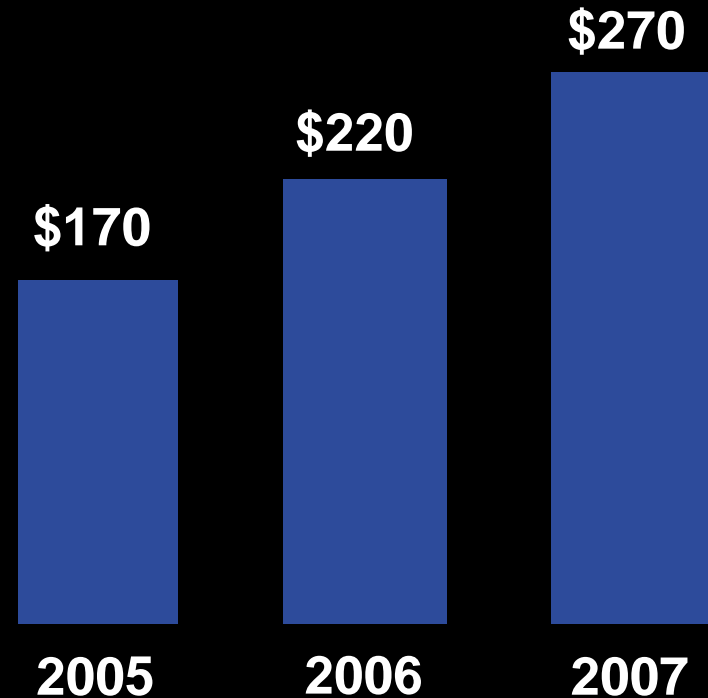
Emerging economies represent 30% of sales and 45% of new growth capital

Productivity is in our DNA

Limitless opportunities

- ◆ ASU/SMR production efficiency
- ◆ Product distribution
- ◆ Six Sigma / Lean Manufacturing
- ◆ Business processes

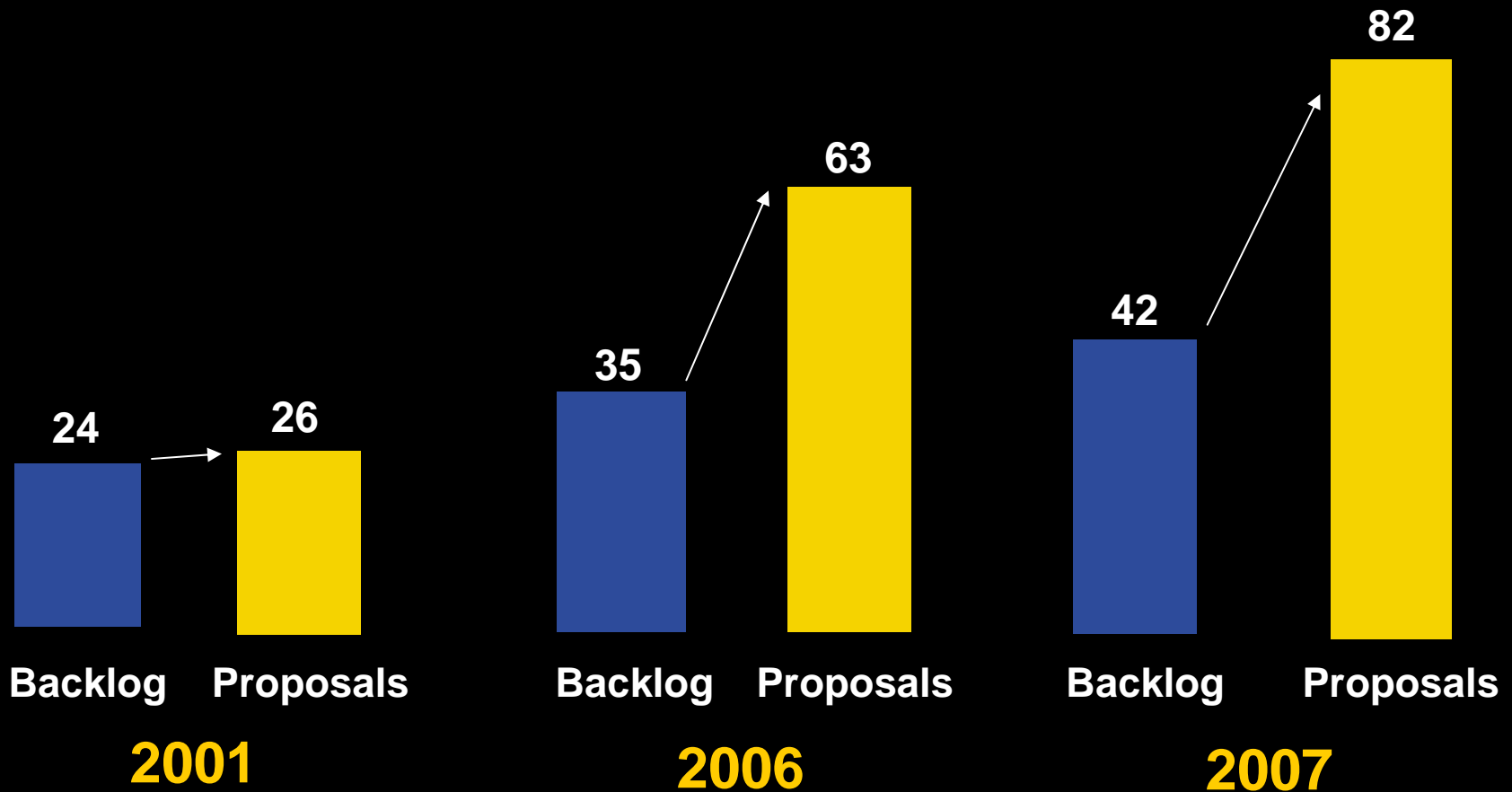
Cost Savings (\$MM)



Target – reduce 4% of cost stack each year

Record Project Activity

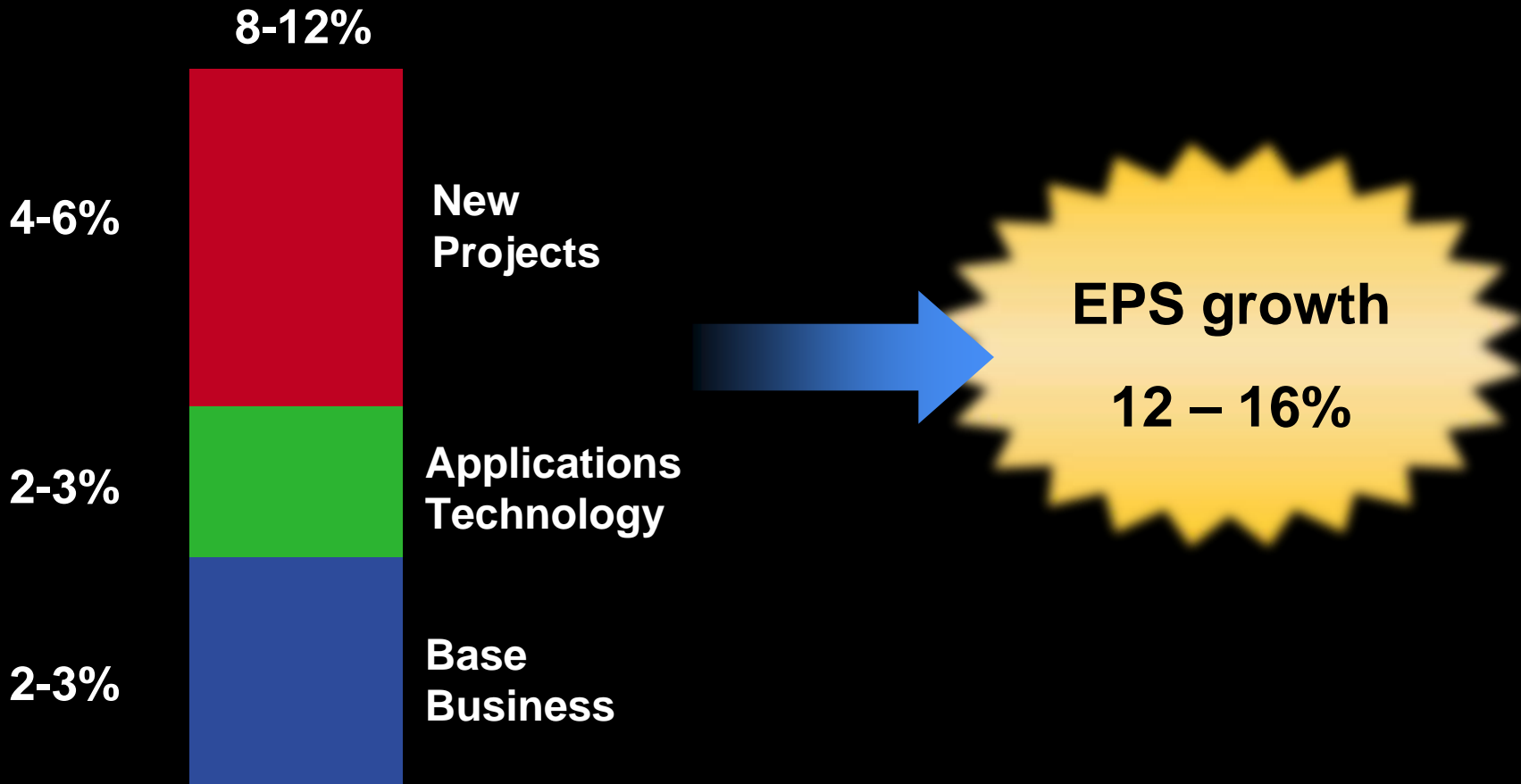
◆ Energy and emerging markets driving demand



Increasing backlog supports future revenue growth

Long-Term Growth Outlook

Annual Sales Growth



Bringing growth to the bottom line

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

