Praxair, Inc.

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Chairman, President and Chief Executive Officer

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

Indexed EPS


18% CAGR
9% CAGR

Praxair
S&P 500

Recession

Steady and non-cyclical earnings growth
# Outperforming the Competition

## 2007

<table>
<thead>
<tr>
<th></th>
<th>Praxair</th>
<th>Peers&lt;sup&gt;(1)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Growth (5-yr CAGR)</td>
<td>13% ✓</td>
<td>9%</td>
</tr>
<tr>
<td>Return on Capital&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>15% ✓</td>
<td>8%</td>
</tr>
<tr>
<td>Operating Margin (% of sales)</td>
<td>19% ✓</td>
<td>12%</td>
</tr>
<tr>
<td>Operating Cash Flow (% of sales)</td>
<td>21% ✓</td>
<td>14%</td>
</tr>
</tbody>
</table>

Best choice in an attractive industry

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<sup>(1)</sup> Bloomberg, PX estimates. Weighted average.

<sup>(2)</sup> 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 NOx 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

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 O$_2$ plant

♦ Petcoke to H$_2$
  – 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

Commercialization depends on GHG legislation
Strong Presence in Emerging Economies

Sales by Geography

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

<table>
<thead>
<tr>
<th>Region</th>
<th>PX Leading Position</th>
<th>PX Sales Growth (CAGR ’05-’08F)</th>
<th>Per Capita Gas Consumption % of U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mexico</td>
<td>✓</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Brazil</td>
<td>✓</td>
<td>21%</td>
<td>15%</td>
</tr>
<tr>
<td>China</td>
<td>✓</td>
<td>20%</td>
<td>2%</td>
</tr>
<tr>
<td>India</td>
<td>✓</td>
<td>21%</td>
<td>1%</td>
</tr>
</tbody>
</table>

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

Target – reduce 4% of cost stack each year

Cost Savings ($MM)

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$170</td>
</tr>
<tr>
<td>2006</td>
<td>$220</td>
</tr>
<tr>
<td>2007</td>
<td>$270</td>
</tr>
</tbody>
</table>
Record Project Activity

- Energy and emerging markets driving demand

Increasing backlog supports future revenue growth
Long-Term Growth Outlook

Annual Sales Growth

- 8-12%
- 4-6% (New Projects)
- 2-3% (Applications Technology)
- 2-3% (Base Business)

EPS growth: 12 – 16%

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 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.

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\(^1\)Intensity is per-unit-of-production measure.