



Praxair, Inc.

**UBS Specialty Chemicals Conference
March 18, 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.

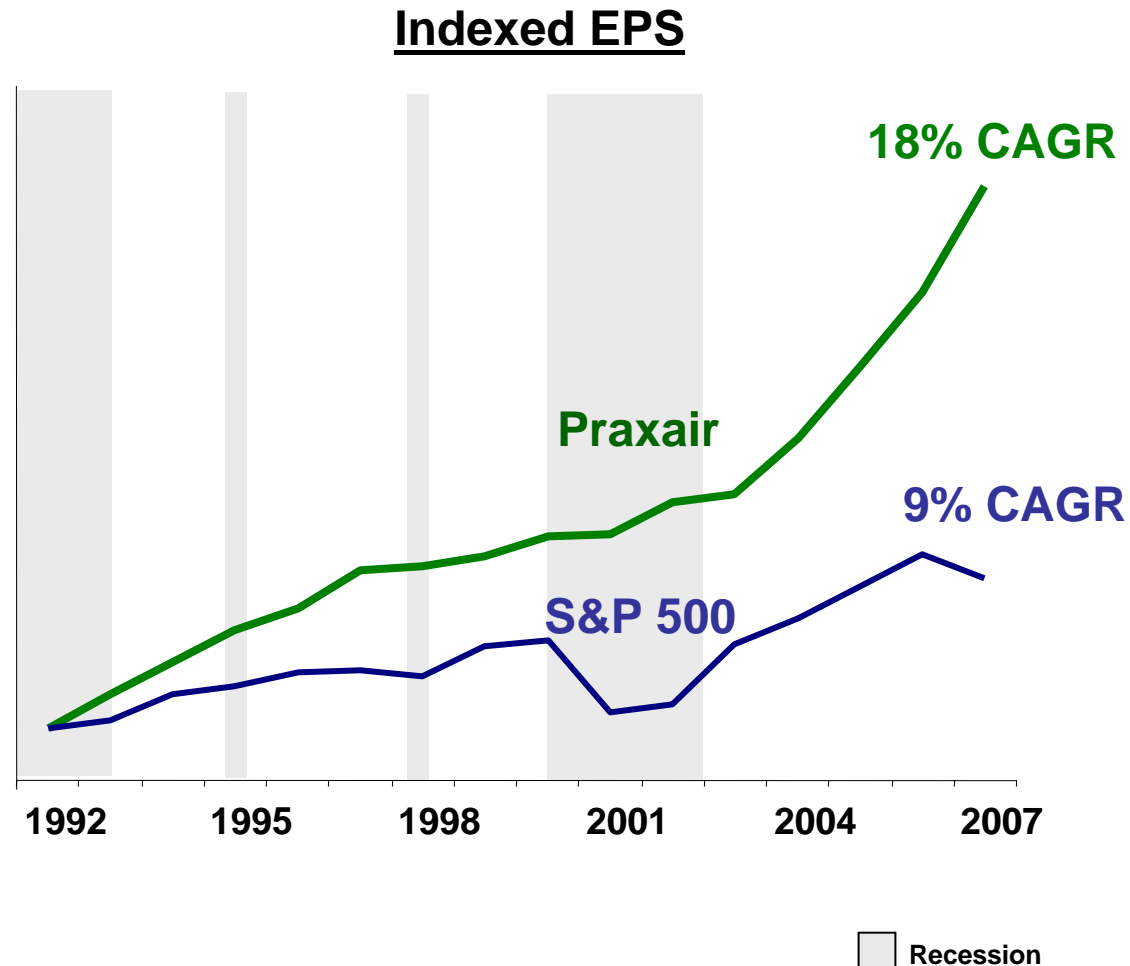
A Growth Company for All Seasons

Secular Growth Drivers

- ◆ Environment
- ◆ Energy
- ◆ Emerging economies

Unique Revenue Model

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

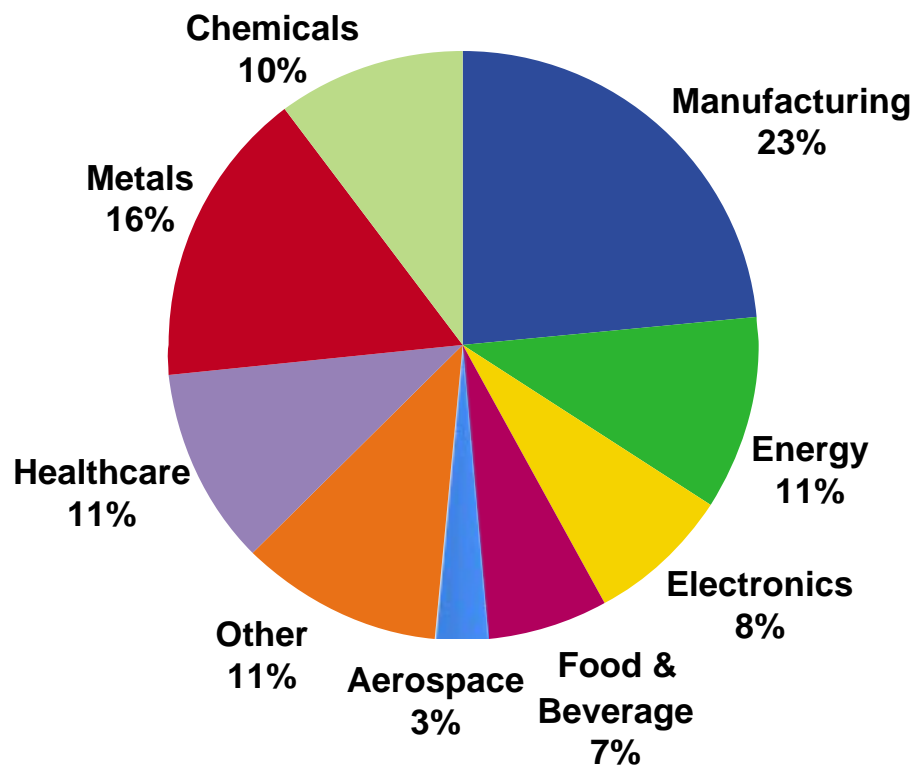


Steady and non-cyclical earnings growth

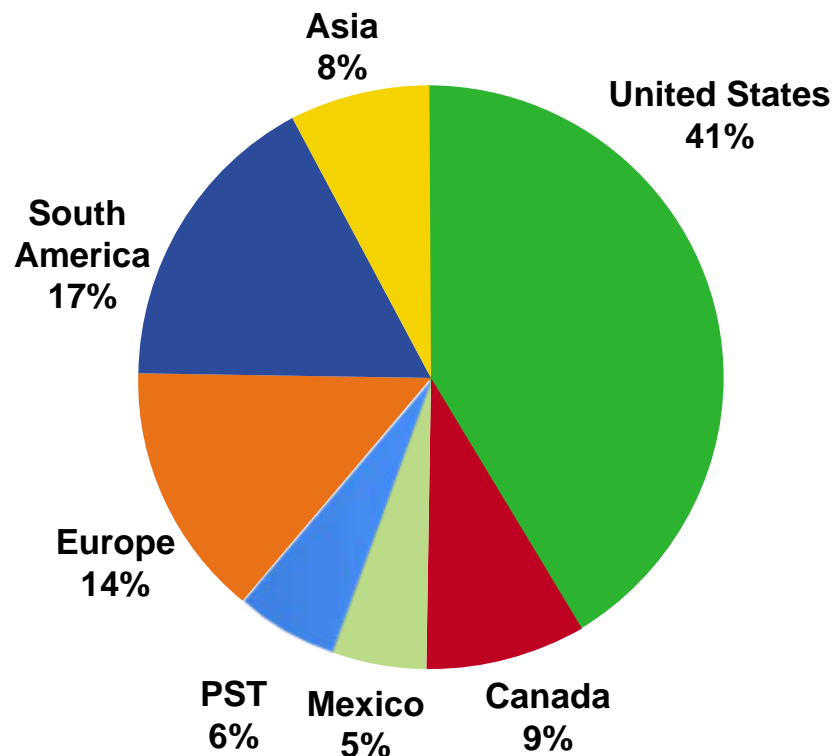
Diverse End Markets and Geographies

2007 Sales \$9.4 Billion

End Markets



Geographies



“Terms of Trade” Drive Return on Capital

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

This is not a commodity business !

Growing Environmental Applications

Wastewater Treatment



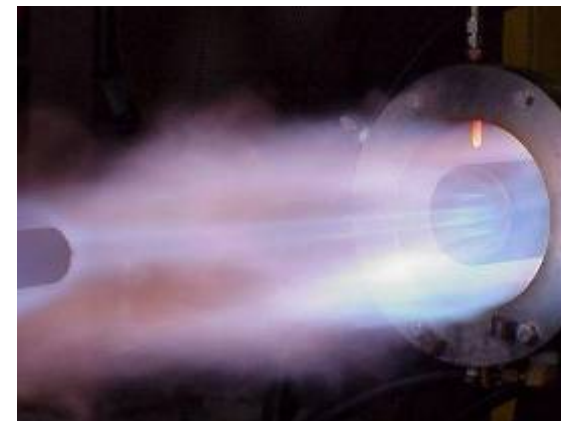
Oxygen aeration and ozone sludge reduction

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

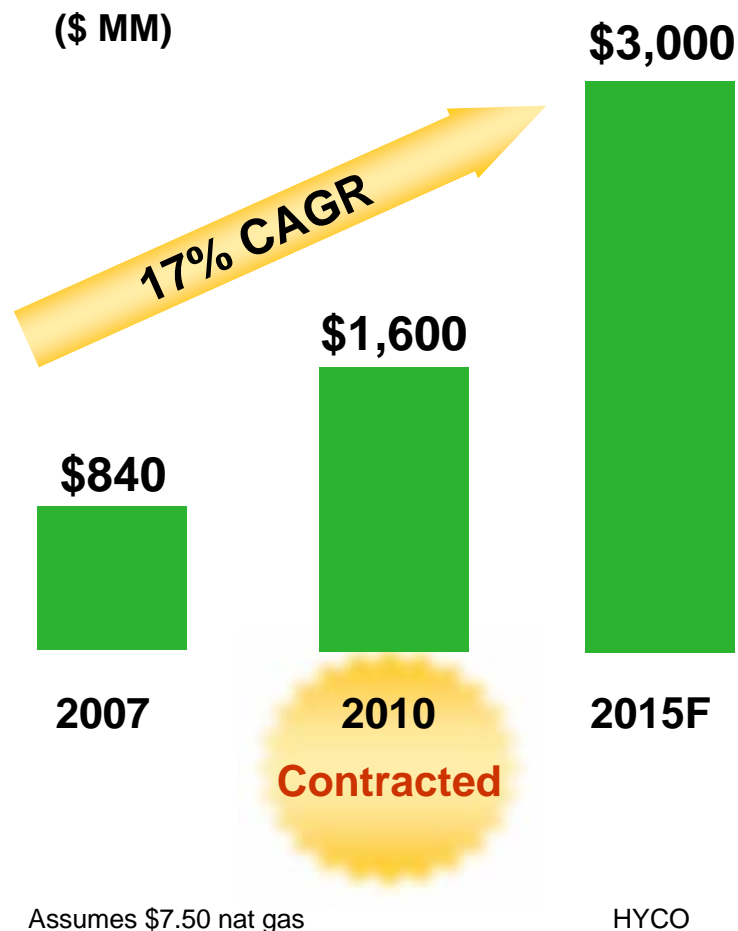
Hydrogen for Refining

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

- ◆ Current growth
 - North America

- ◆ Future growth
 - Canadian oil sands
 - Emerging markets

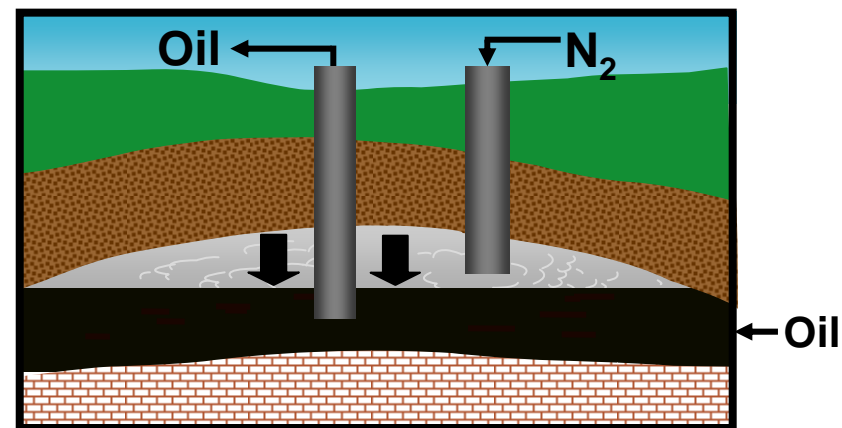
Praxair Hydrogen Sales



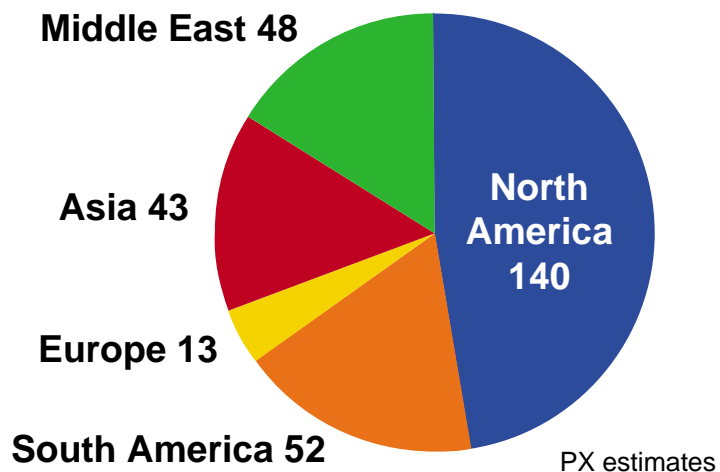
Strong demand for hydrogen expected to continue

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

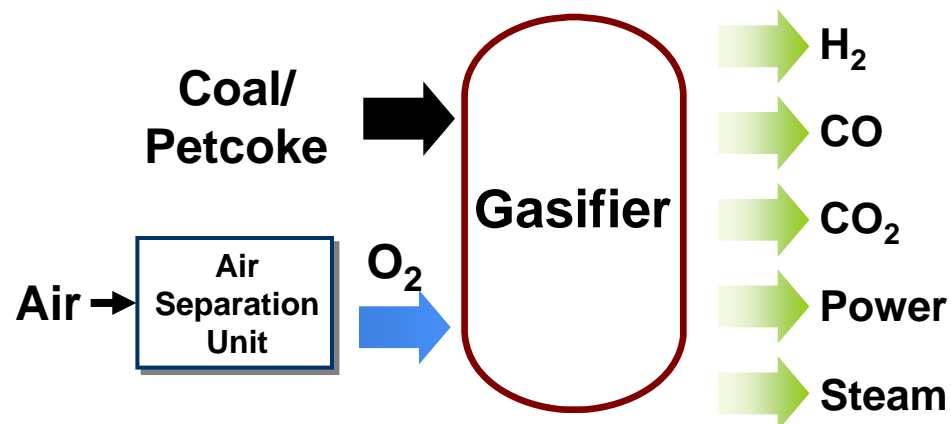


Interest in EOR is increasing globally

Future of Energy

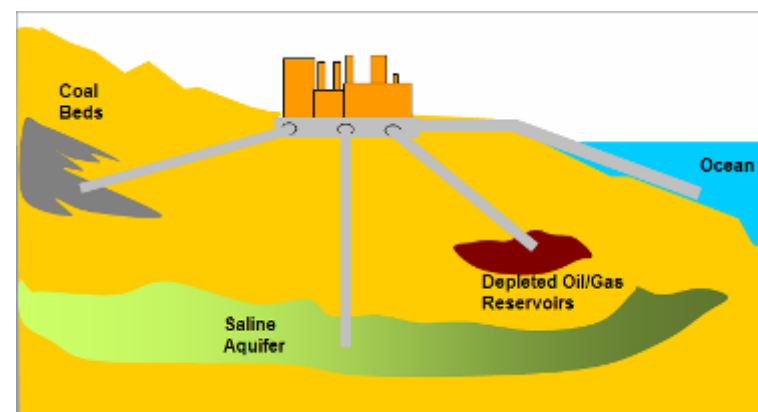
◆ Coal to chemicals

- 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

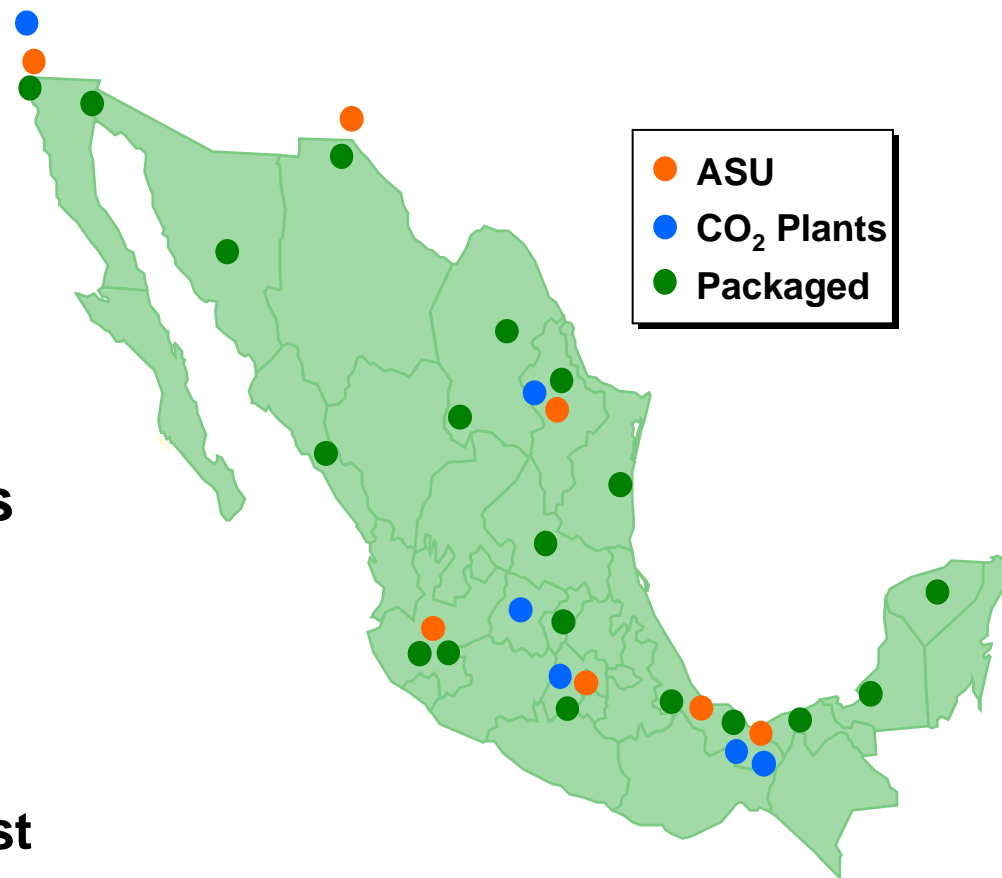


Power station with CO₂ capture

Praxair well positioned to play in evolving energy markets

Praxair Mexico

- ◆ Export manufacturing economy, strong domestic demand growth
- ◆ Most efficient production and distribution network
- ◆ Growth from energy markets
 - EOR
 - Oil well services
- ◆ Acquisition of Linde Mexico
 - Significant revenue and cost synergies



Sales of \$500 MM growing 15% per year

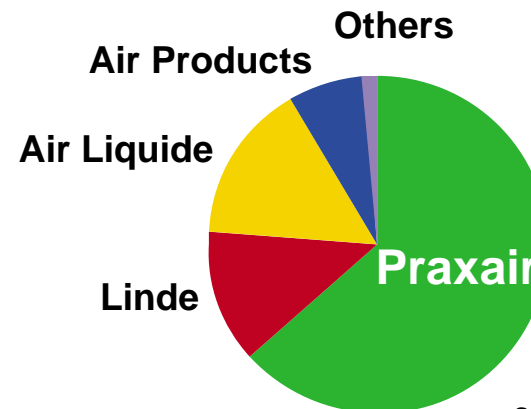
South America

2007 Sales \$1.6 B



- ◆ Strong growth forecasted
 - On-site projects for capital goods, metals, energy, and petrochem investment
 - Growing middle class drives domestic economy

Brazil Market Share



Source: Company reports

#1 supplier - unrivalled network

Growing in China

- ◆ Integrated business, diversified markets
- ◆ Rapidly growing liquid market
- ◆ High margin specialty gases
- ◆ Significant on-site opportunities in gasification, metals and electronics
- ◆ Expanding engineering capabilities



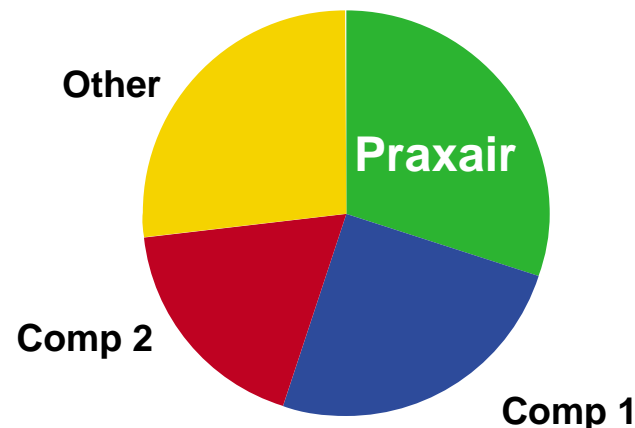
Sales of \$320MM* growing ~20% annually

*2007 Combined sales

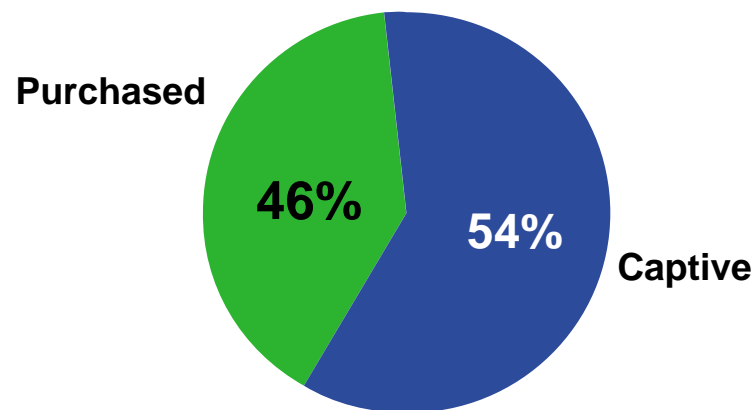
Rapid Growth in India

- ◆ Domestic demand growing
 - Petrochem, pharma, automotive, metals
- ◆ Captive users moving to purchased product
- ◆ Application technologies
- ◆ Strong project pipeline
- ◆ Global engineering center

Market Share*



2007: \$1.0 Bn Industrial Gas Market

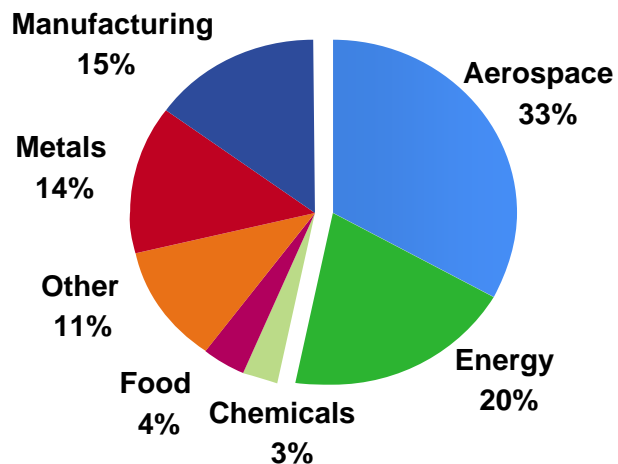


\$150MM business growing ~25% per year

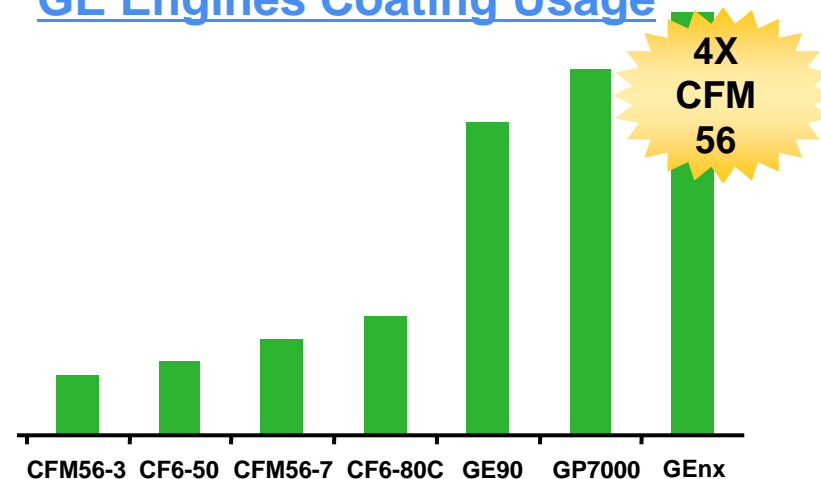
*PX estimates, non-captive

Praxair Surface Technologies

2007 Sales \$522 MM



GE Engines Coating Usage



◆ **Growing energy applications**

- Industrial gas turbines
- Oil well services

◆ **Aerospace – commercial engines**

- Increasing engine builds
- Coating more parts per engine
- Contracted position with GE

Expect 8% - 12% annual sales growth

Productivity is in our DNA

Limitless opportunities

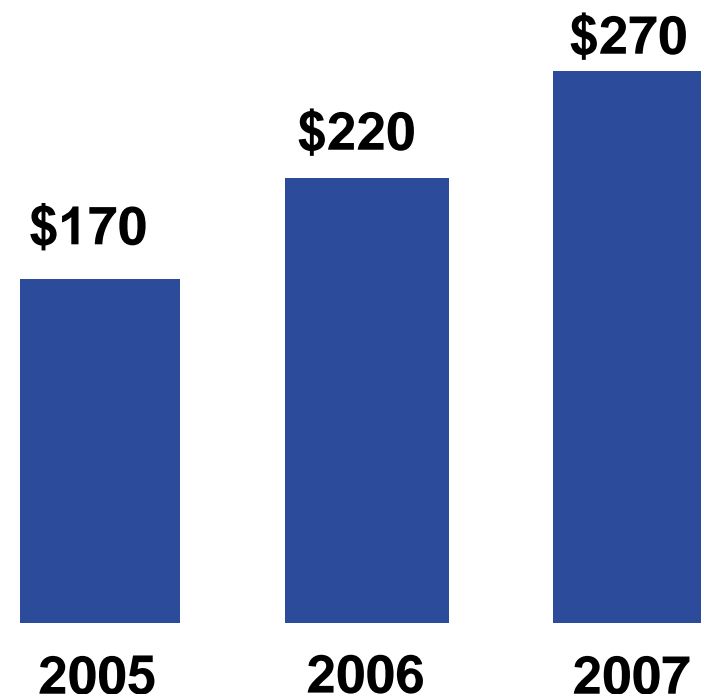
◆ ASU/SMR production efficiency

◆ Product distribution

◆ Six Sigma / Lean Manufacturing

◆ Business processes

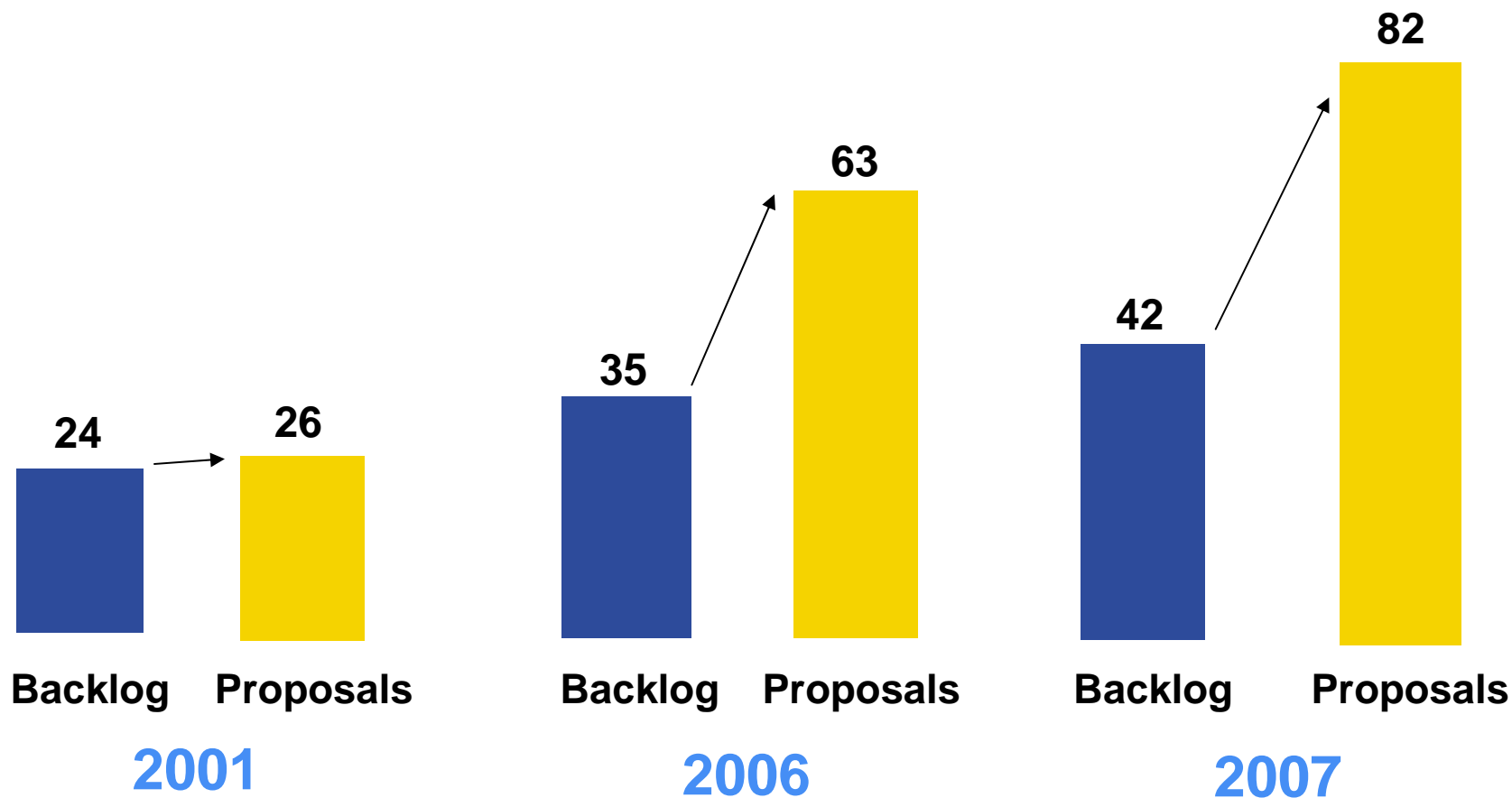
(\$ MM)



Target – reduce 4% of cost stack each year

Project Activity

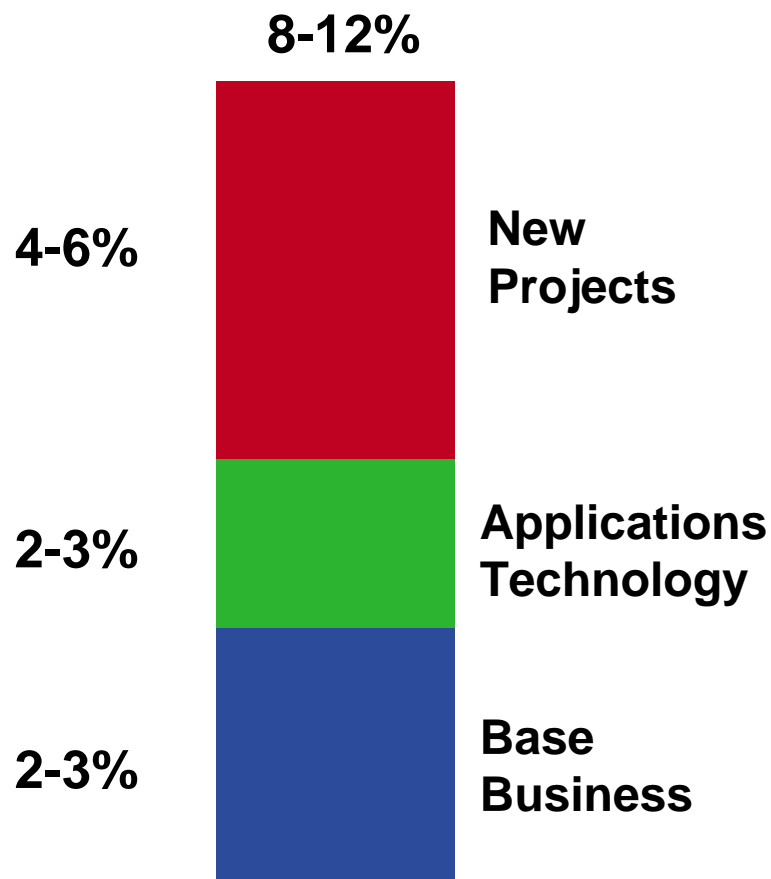
◆ Energy and emerging markets driving record activity



Increasing backlog supports future revenue growth

Long-Term Growth Outlook

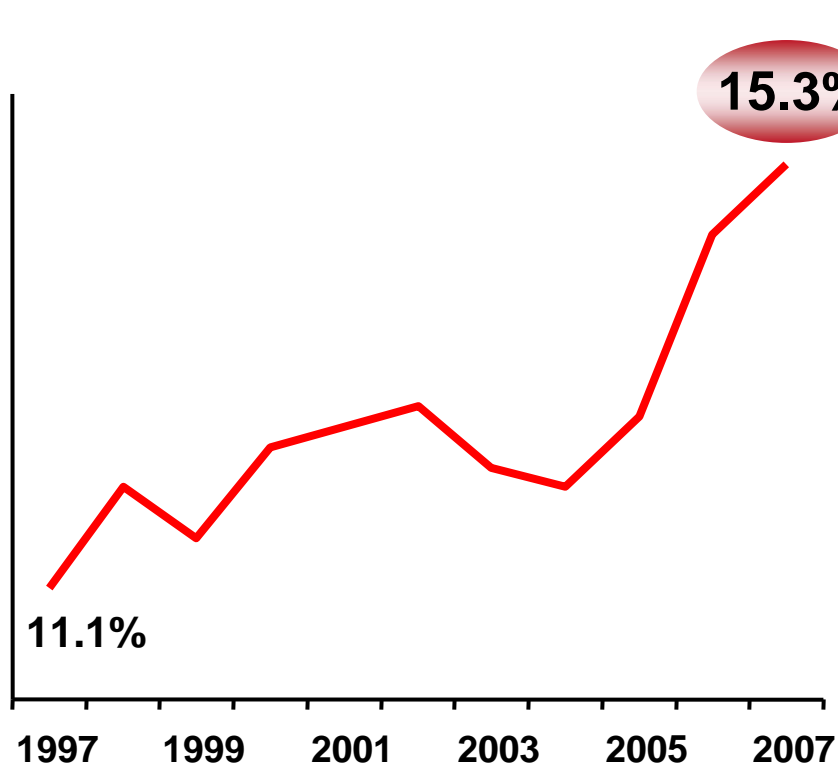
Annual Sales Growth



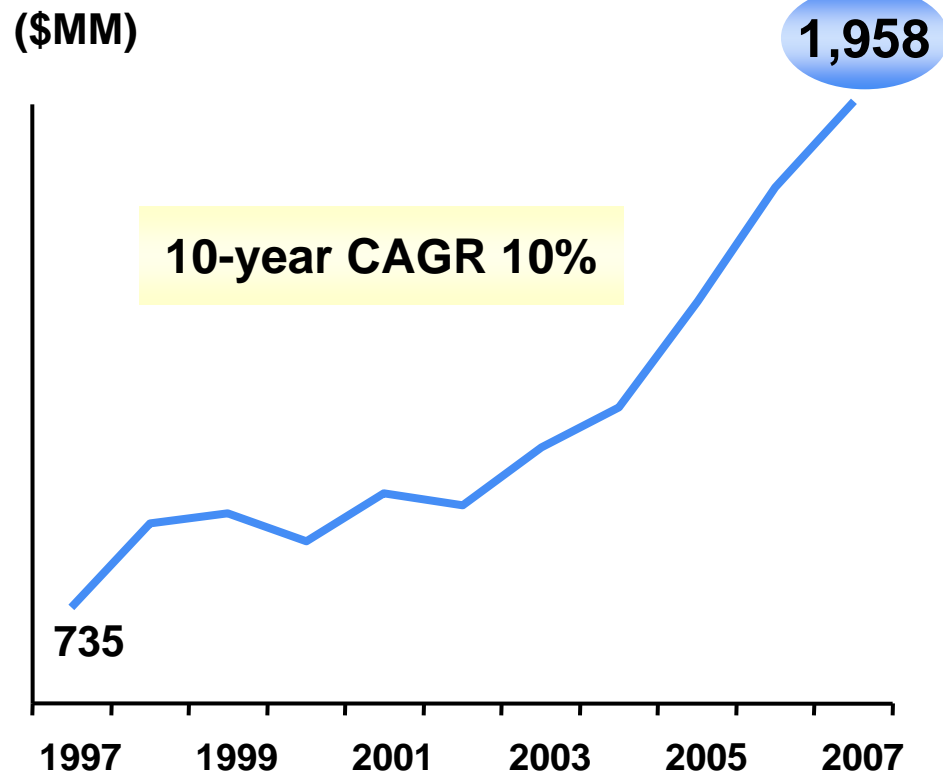
	<u>Annual Growth</u>
Organic Sales	8 - 12%
	↓
Operating Profit	10 - 14%
	↓
EPS	12 - 16%

High ROC Generates Strong Cash Flow

NOPAT ROC⁽¹⁾



OPERATING CASH FLOW



Return on capital of 15% after tax generates cash flow for growth and shareholder return

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

