Investor Conference Call

Planned Acquisition of German Industrial Gas Business from Air Liquide

October 7, 2004
Forward Looking Statements

The forward-looking statements contained in this announcement concerning demand for products and services, the expected macroeconomic environment, sales and earnings growth, and other financial goals involve risks and uncertainties, and are subject to change based on various factors. These include the risk that Praxair will not succeed in acquiring the assets in Germany, the impact of changes in the global economy in general, and the economies of Europe and Germany, in particular, the cost and availability of electric power, natural gas and other materials, development of operational efficiencies, including the ability to achieve the forecasted synergies, changes in foreign currencies, changes in interest rates, the continued timely development and acceptance of new products and processes, the impact of competitive products and pricing, and the impact of tax and other legislation and regulation in Europe generally, Germany in particular, and other relevant geographies.
Planned Acquisition of Air Liquide Business in Germany

♦ Business sale required by antitrust regulators
  • Must be competitive business franchise
  • Expected closing by year-end subject to final approval

♦ Attractive highly profitable business
  • Pipeline/On-Site 42%
  • Merchant 29%
  • Packaged Gases 29%

♦ Purchase price
  • $600MM*
  • 8.0X EBITDA
  • 6.9X EBITDA with synergies and new air separation unit

* @ 1.2 €/USD
High Quality Assets

♦ Pipeline/On-Site: $91MM*
  • 2 pipeline enclaves
    – 220 km of pipe: 50% of Rhine/Ruhr and 100% of Saar pipelines
    – 6 ASUs, 1 SMR (CO)
  • Key global customers in the heavily industrialized corridor:
    Bayer, BP, Shell, Degussa, Dillinger Hütte, Saarstahl
  • Refining, petrochemical and steel industries
  • 8500 TPD O2 and N2, 200 TPD CO
  • 90% of production is under contract through 2008, 60% through 2012

♦ Merchant: $63MM*
  1100 customers concentrated along the pipeline

♦ Packaged Gases: $63MM*
  • 6 filling stations across Germany
  • 38,000 customers

*2003 Sales @ 1.2 €/USD
Location of Acquired Assets

Acquired Assets
- Red: On-Site/Merchant
- Blue: Packaged Gases
- Circle: CO
- Red line: Pipeline

100% SAAR Pipeline

Divested Rhein Pipeline

Dilliger Hütte

Völklingen

SAAR Pipeline Network Area

Rhineland-Palatinate

North Rhine-Westphalia

Rhine-Ruhr Pipeline Network Area

Bayer, BP

Shell, DeGussa

Saarland

Rhein Pipeline

Rheinstahl
Creates Strong Regional Position

♦ Post acquisition - Northern France/Germany/Benelux region

<table>
<thead>
<tr>
<th></th>
<th>2003 Sales ($MM)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Praxair</td>
<td>$103</td>
</tr>
<tr>
<td>Acquired Business</td>
<td>$217</td>
</tr>
<tr>
<td></td>
<td>$320</td>
</tr>
</tbody>
</table>

♦ Regional production/distribution density

♦ Full industrial gas capabilities
  • 3 pipeline enclaves
  • Onsite and bulk atmospheric gases
  • Specialty gases
  • Electronic gases (Oevel state of the art filling center)
  • Packaged gases

*@ 1.2 €/USD
New core geography of Germany/Benelux

Acquired Assets
- Red: Onsite/Merchant
- Blue: Cylinders
- CO: CO
- Red: Pipeline

Existing Assets
- PX: Onsite/Merchant
- PX: Cylinders
- Green: Pipeline

Good production and distribution density
Acquisition Terms

- Acquisition Terms
  - Carve-out and drop down of assets
  - Significant environmental indemnity
  - No retirees
  - 3 year non-compete agreement (20km)

- Reasonably priced at $600MM

  | Sales (2003A) | $217 MM* | Purchase Price Multiple |
  | EBITDA (2003A) | $75 MM* |
  | 8.0X | 6.9X** |

- IRR after-tax in mid-teens assuming slow growth of economy

- Slightly accretive to EPS in 2005 after restructuring costs and intangible amortization

- Bank financing in Euros to serve as currency hedge

*@ 1.2 €/USD

**Purchase price multiple including synergies and a new air separation plant starting in Q2 2005
## Comparative Acquisition Multiples

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Purchase Price *</th>
<th>EBITDA Multiple</th>
</tr>
</thead>
<tbody>
<tr>
<td>PX ➔ German Assets</td>
<td>$600MM</td>
<td>8.0</td>
</tr>
<tr>
<td>Air Liquide ➔ Messer</td>
<td>$3,216</td>
<td>10.1</td>
</tr>
<tr>
<td>Nippon Sanso ➔ U.S. Messer Assets</td>
<td>$155</td>
<td>8.5**</td>
</tr>
<tr>
<td>Linde ➔ AGA</td>
<td>$4,680</td>
<td>10.9**</td>
</tr>
</tbody>
</table>

Recent Specialty Chemical Companies Transactions 8.2 – 13.4
(Apollo/Borden, Lubrizol/Noveon, Ciba/Raisio, Dansico/Rhodia)

* @1.2 €/USD
** Analyst Estimate