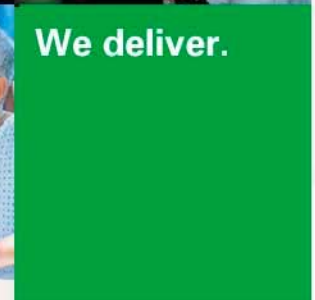
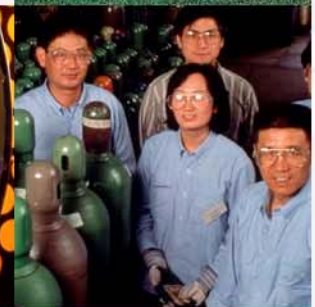
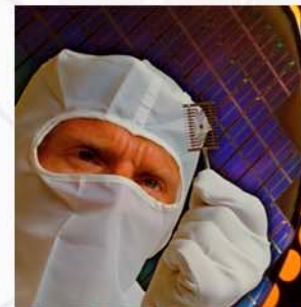




Citigroup Smith Barney 16th Annual Chemical Conference

James S. Sawyer
Senior Vice President and CFO

December 7, 2005

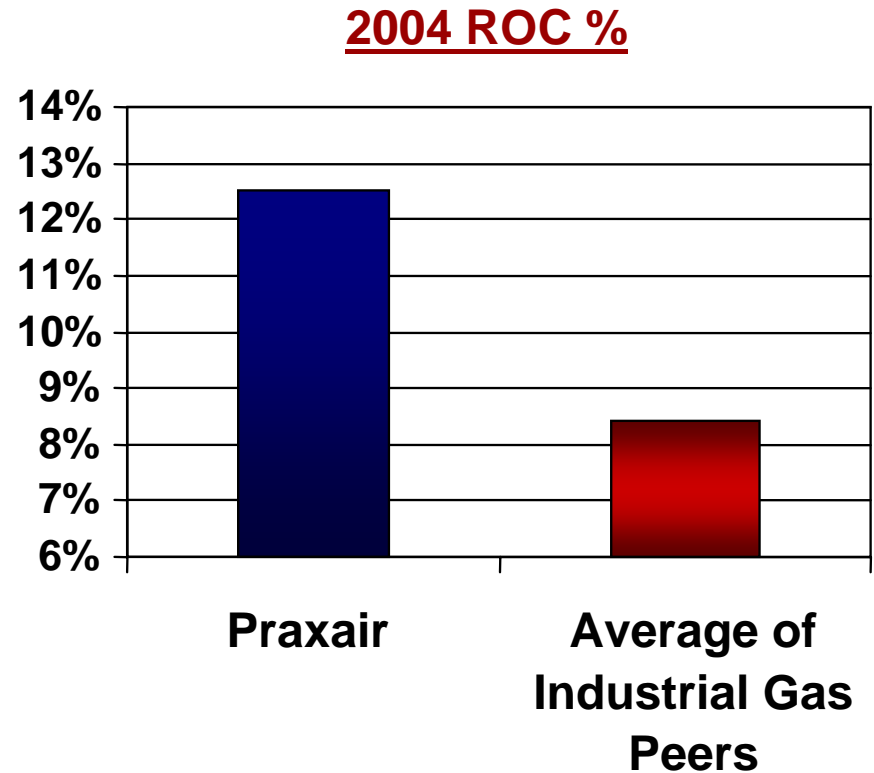


Forward Looking Statements



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; the cost and availability of electric power, natural gas and other raw materials; the ability to achieve price increases to offset cost increases; the degree of inflation in wages and other compensation; the ability to attain expected operational efficiencies; changes in foreign currencies and interest rates; continued timely development and market acceptance of new products and applications; the impact of competitive products and pricing; the impact of changes in financial accounting standards; the impact of tax and other legislation and government regulation in jurisdictions in which the company operates; the cost and outcomes of litigation; 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 statements in response to changing circumstances.

- ◆ **Focus on 11 core geographies**
 - Optimize co-product economics
 - Build to leverage regional density
- ◆ **Fuel growth platforms**
 - Refinery hydrogen
 - Healthcare
 - China, India
 - Enhanced oil and gas recovery
- ◆ **Drive operational excellence**
 - Applications growth
 - Pricing, contracting
 - Six Sigma, productivity

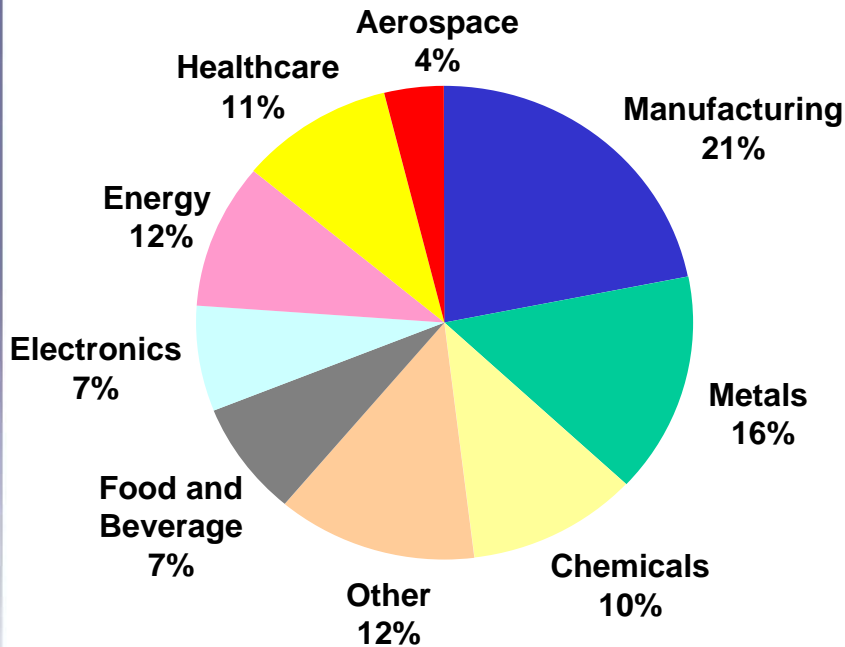


ROC=Net Operating Profit After Tax/Average Capital

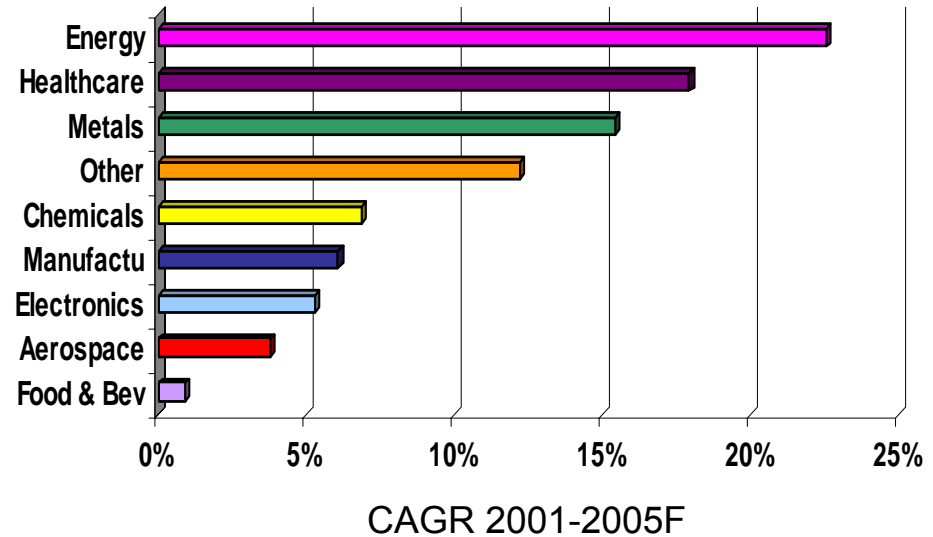
Source: Bloomberg and company reports

2005F Sales Growth 15 -16%

End Markets

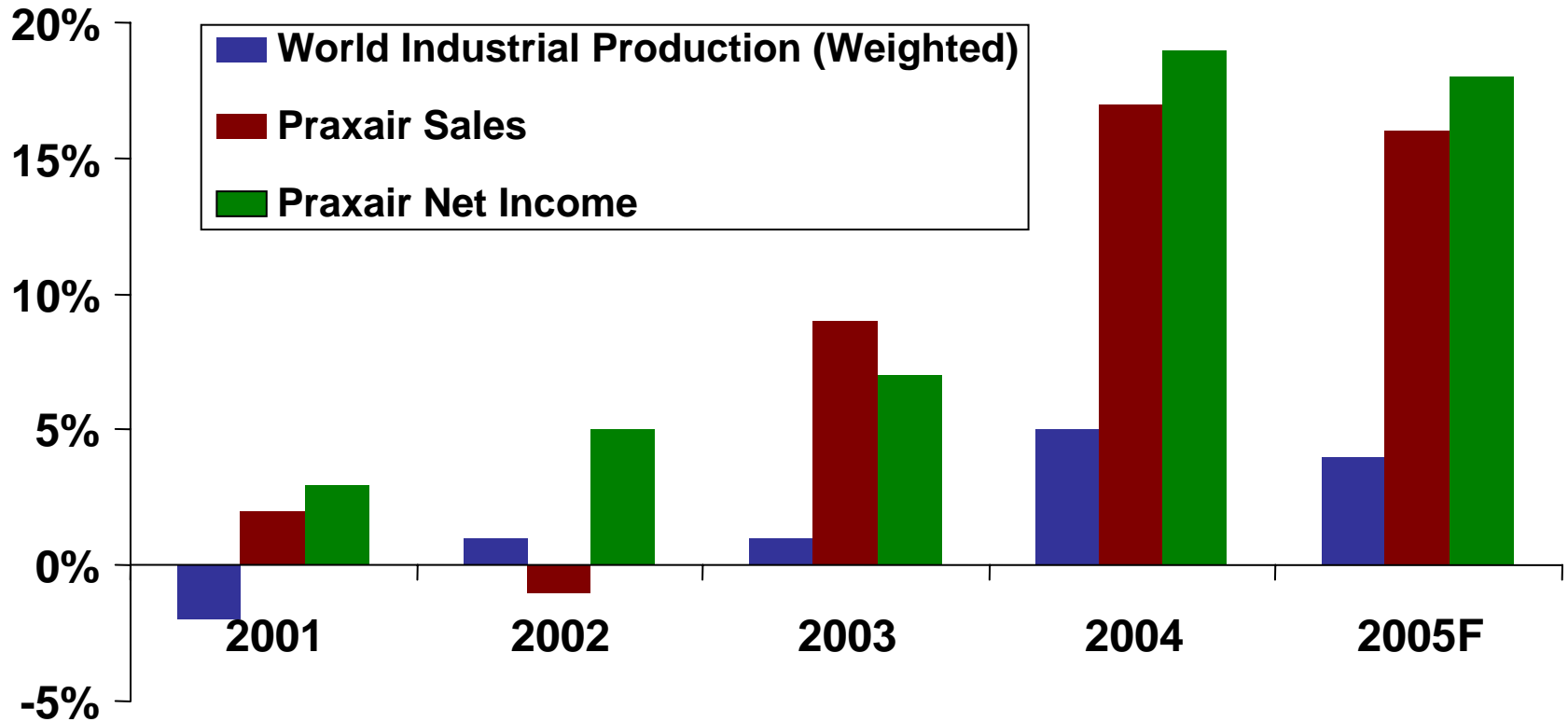


Sales Growth



Customer diversity delivers growth and stability

Applications Technology Drives Growth



Growing at an increasing multiple of IP

A Perfect Storm for Oxygen Applications

- ◆ **Higher energy efficiency**

 - 10-15% fuel savings

- ◆ **Higher throughput**

 - 10-20% increase

- ◆ **Less emissions**

 - 80-90% NO_x reduction

Steel



Blast furnace coal injection

Glass



New oxyfuel burner

Refining



Process heaters

Aluminum



Remelting furnaces

Utilities



Reduced NO_x emissions

PX will commercialize 20+ new application technologies in 2005

“Terms of Trade” Drive Return on Capital

On-Site/Pipeline Supply - 25%



- ◆ 15 year take or pay contracts
- ◆ Escalation formulas – Electricity/Gas, Inflation, Currency exposure
- ◆ Price recovers fixed and capital costs

Merchant Liquid Supply - 29%



- ◆ 5 year requirements contracts
- ◆ Sourced as by-product from on-site
- ◆ Limited distribution range – 200/250 miles

Packaged/Medical Gases - 33%

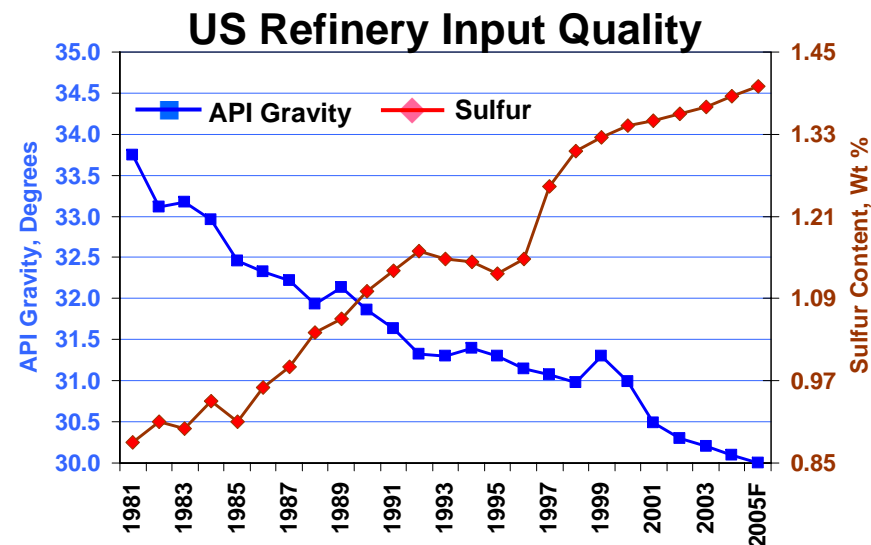


- ◆ Cylinder and equipment rental
- ◆ 40% gases revenues under contract
- ◆ Sourced as by-product from bulk

Pricing leverage – small fraction of customers’ costs

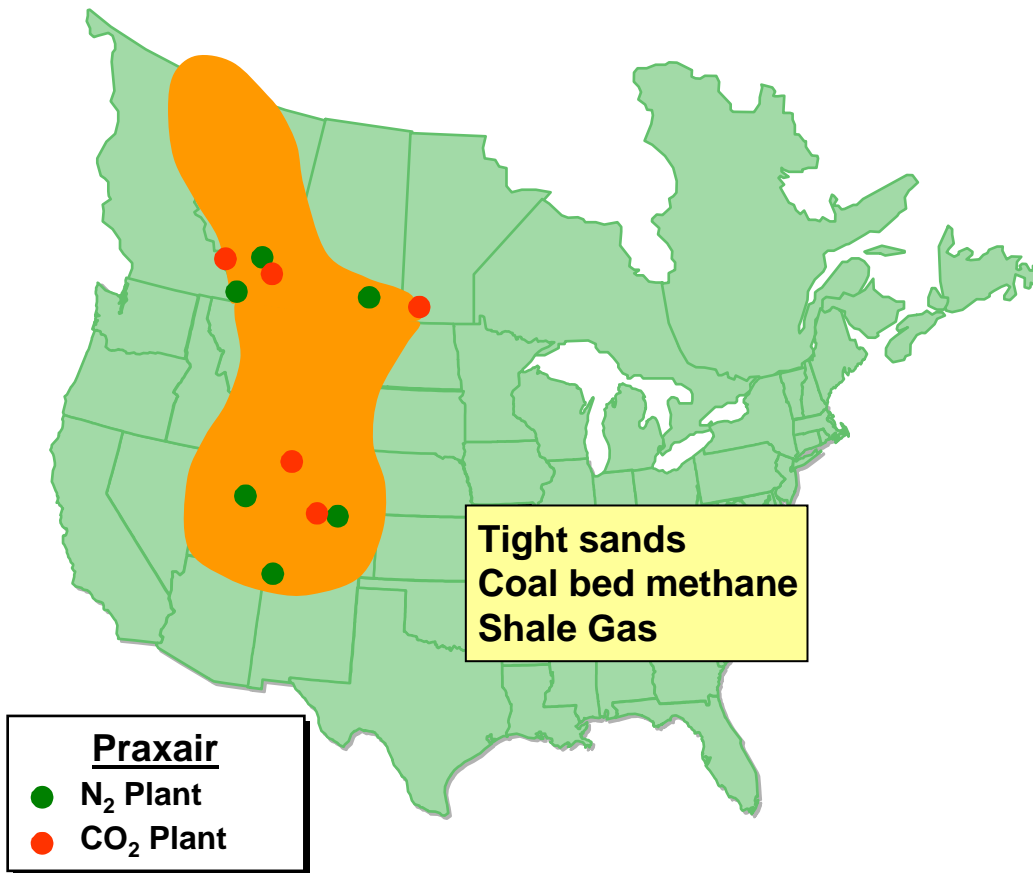
- ◆ Refineries re-tooling for heavy crude
- ◆ Capacity expansion
- ◆ Low sulfur fuel regulations
- ◆ Outsourcing hydrogen supply
- ◆ Canadian synthetic crude

	Gasoline	On-Road Diesel	Off-Road Diesel	Locomotive & Marine
2004	120ppm			
2005	30ppm			
2006		15ppm		
2007			500ppm	500ppm
2008				
2009				
2010			15ppm	
2011				
2012				15ppm



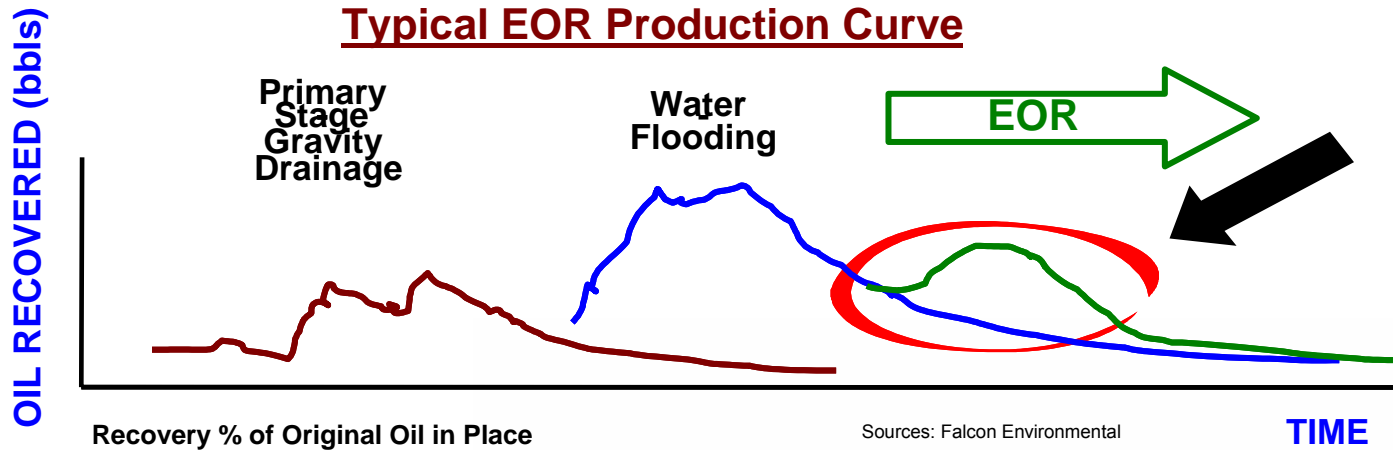
Source: EIA and PX estimates

Expect 20% p.a. growth through 2010



- ◆ US Rockies rig count has increased 75% since 2002
- ◆ CO₂ and N₂ widely used to fracture low permeability formations during well completion
- ◆ Praxair best positioned
 - Location
 - Expertise
 - Relationships
- ◆ Additional pipeline services

\$200 MM revenues expected to grow 25% p.a.

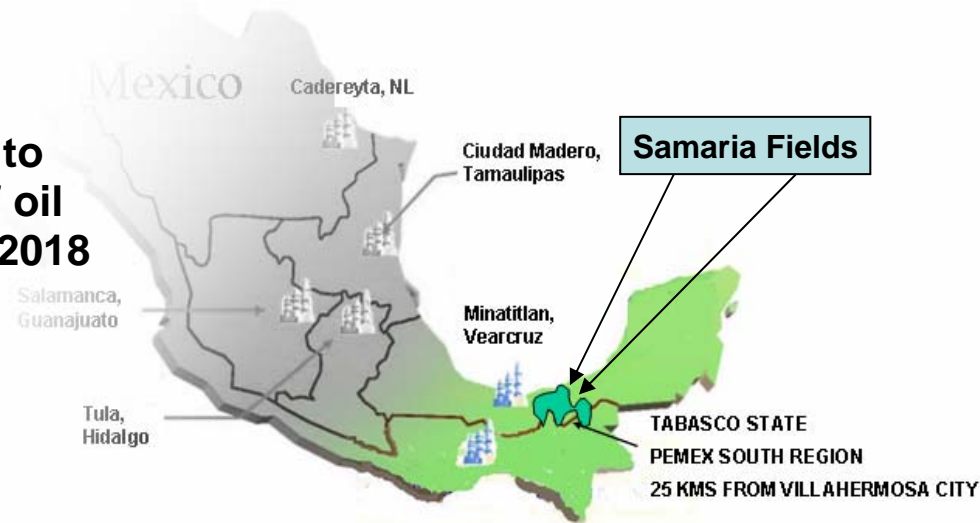


PEMEX Samaria Oil Fields

- ◆ >6500 TPD of nitrogen injection
- ◆ N₂ injection and new wells expected to recover additional 470 MM barrels of oil and 540 BCF of natural gas through 2018
- ◆ Start-up Q1 2007

Occidental Petroleum

- ◆ 1100 TPD N₂ nitrogen injection
- ◆ Start-up Q2 2006



Long term potential to recover 120 B barrels of oil in NA

◆ Materials Science for 300mm

- Thin film metal deposition:
PVD, CVD, & ALD
- CMP consumables:
pads, slurries
- Advanced components

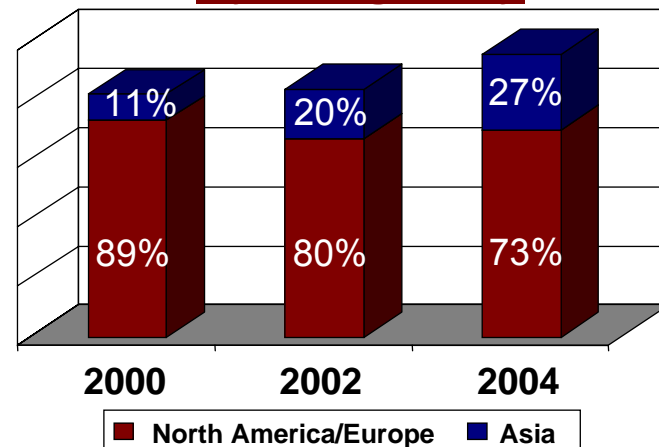
◆ Supply Chain Services

- Generic components
- Parts management

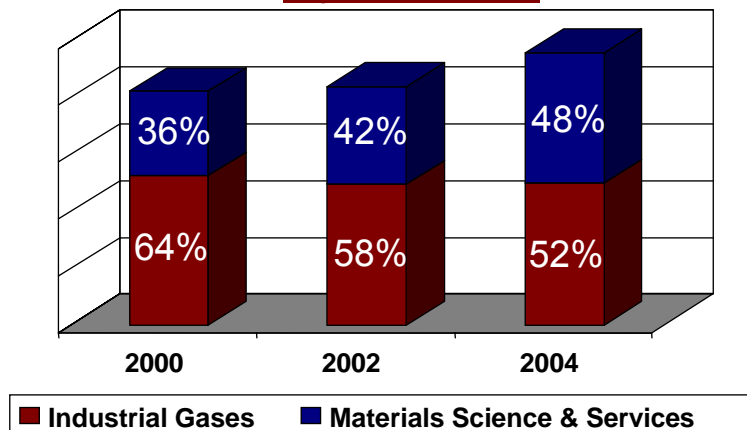
◆ Electronic Gases

- On-site high purity gases
- Select specialty gases
- Expansion in Asia

By Geography



By Product



Investment focus on high growth, high return segments

- ◆ North America - 64%
- ◆ South America - 20%
- ◆ Europe/Asia - 16%



Service Offerings

- ◆ Homecare – 60%
 - Home oxygen
 - Sleep therapy
- ◆ Hospital – 40%
 - Oxygen supply systems
 - Analytical gases

Industry Outlook

- ◆ Organic growth of 6-8%
- ◆ Industry consolidation
 - US Homecare

Strong non-cyclical organic growth and low capital intensity

PRAXAIR Metalworking Microscope - Systems & Supply Modes

Supply Modes Applications Gases & Blends Hardgoods E-Business Exit CD

Bulk Gases Delivery & Storage

Microbulk Delivery System

Gas Cylinders

Robotic Solution

G-Tec Natural Gas Booster

Prostar Consumables

Starsolver Productivity Enhancement Program

Nitrogen Generation & Air Drying

Cloos MIG/MAG Tandem

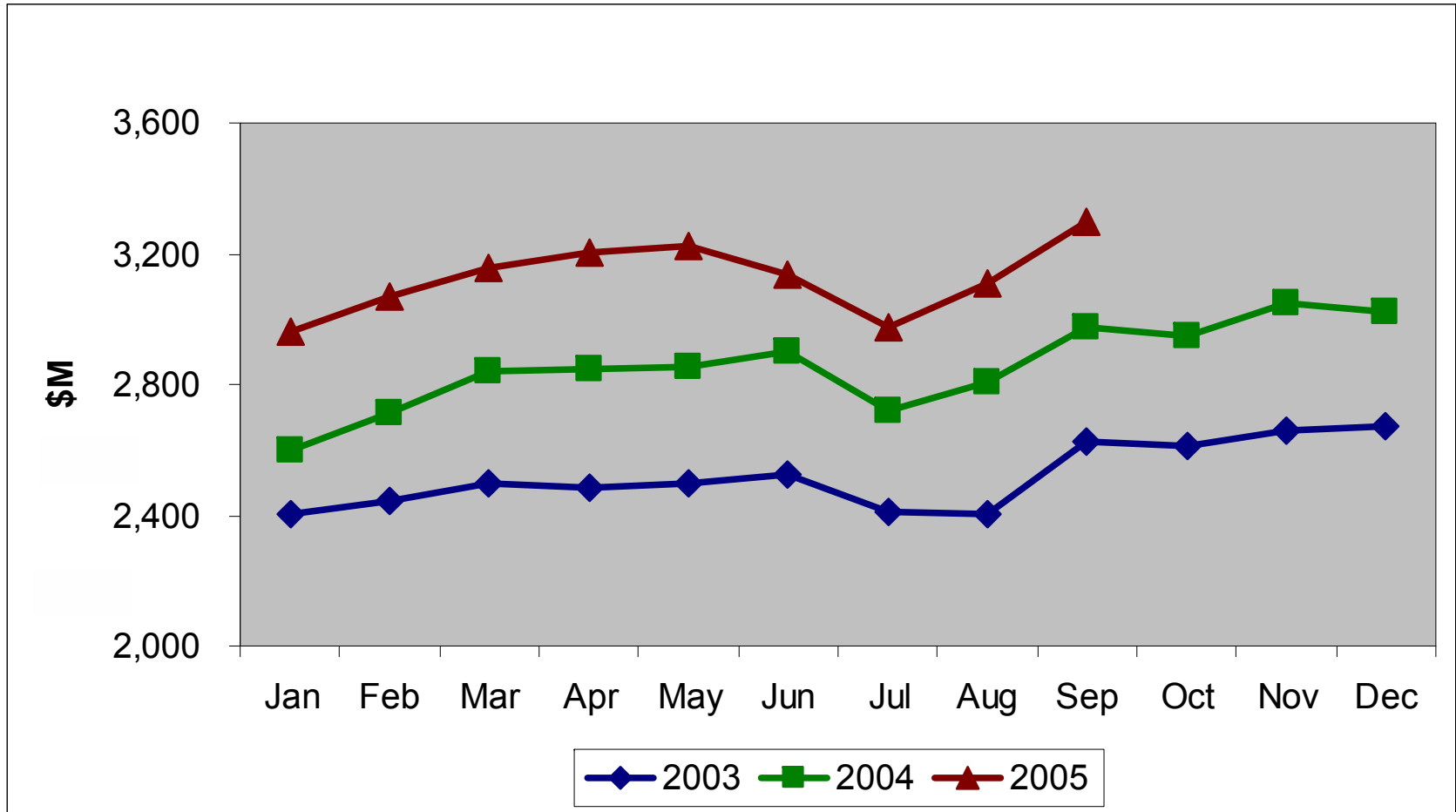
Laser System

Home [Praxair.com](#) | [Store Locator](#)

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Achieving growth through solutions selling

Sales per Day

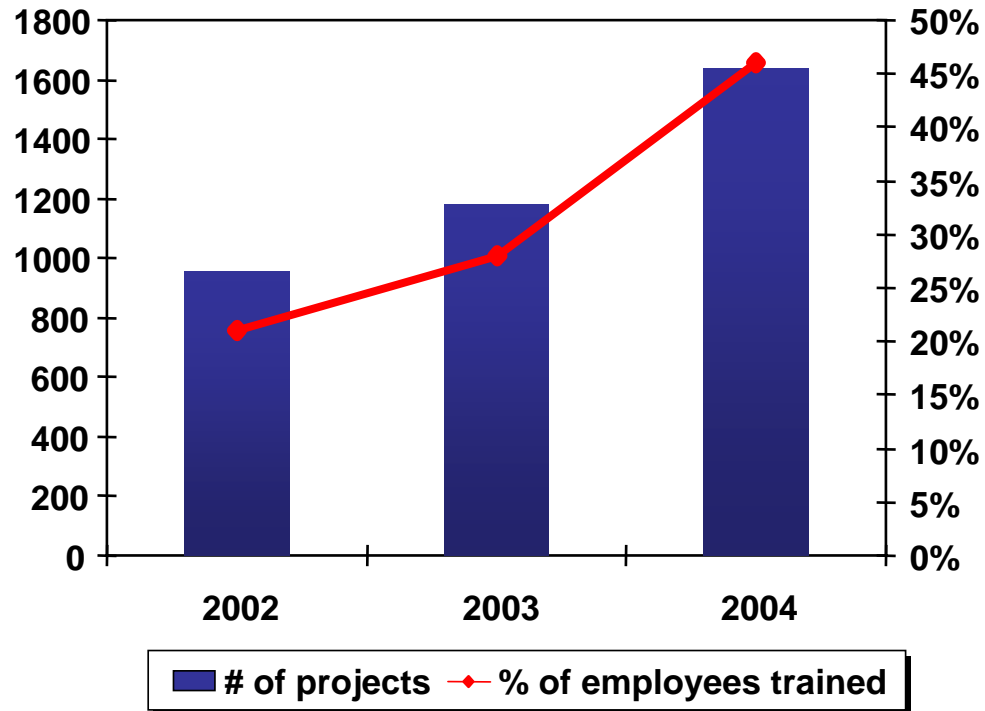


Strong growth continues

Sources of Cost Savings

- ◆ Leverage procurement
- ◆ Drive operations efficiency
 - Per unit power consumption
 - Volume/trip
 - On-stream reliability
- ◆ Utilize six sigma
 - Operations
 - Business processes
 - Customer interface

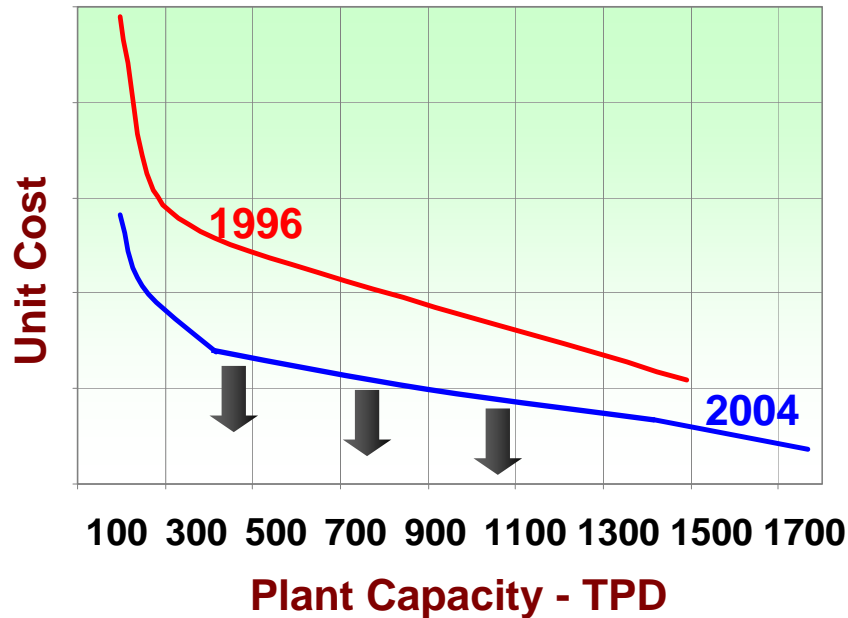
Six Sigma # of projects and % of workforce trained



\$160MM planned productivity savings in 2005

Cryogenic High Purity Oxygen

2004 Plant Projects Variance From Budget



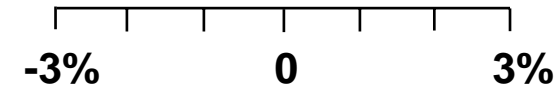
Cost



Schedule



Power Efficiency



***Flawless execution assures that expected returns
will be achieved***

Q305 YOY Sales Growth

ex-currency, acquisitions and
natural gas

Manufacturing	+10%	Strong growth continues in North and South America
Metals	+1%	US volumes 20% lower YOY, but improving vs. Q2.
Energy	+8%	+11% ex-hurricanes. Q3 impacted by refinery outages in North America. Strong oil well services
Healthcare	+2%	Organic US homecare volume growth of 7%* partially offset by reimbursement rate cuts
Chemicals	+10%	Growth in all regions despite Gulf Coast hurricane impact
Electronics	+2%	11% volume growth in Asia for LCD and semiconductors offset by lower US volumes and price erosion
Food and Beverage	+3%	Strongest growth in South America and Asia
Aerospace	+5%	Improving OEM markets

* ex-hurricanes

- ◆ Refinery hydrogen and oil and gas well services continue to grow rapidly
- ◆ Business capital spending strong, continued strength in heavy manufacturing
- ◆ Steel industry is past the 2005 inventory correction
- ◆ Healthcare reimbursement cuts largely behind us
- ◆ Six Sigma and productivity initiatives on track for \$160MM savings in 2005
- ◆ Substantial new business on stream in 2006 and 2007 – over 25 new projects

But keeping a watchful eye on the economy



EXECUTION!

EXECUTION!

EXECUTION!

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

