The forward-looking statements contained in this document concerning demand for products and services, the expected macroeconomic environment, sales, margins and earnings growth rates, projected capital and acquisition spending, the impact of required changes in accounting, the impact of accounting and other estimates, and other financial goals involve risks and uncertainties, and are subject to change based on various factors. These risk factors include the impact of changes in worldwide and national economies, the performance of stock markets, the cost and availability of electric power, natural gas and other materials, and the ability to achieve price increases to offset such cost increases, inflation in wages and other compensation, development of operational efficiencies, 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, accounting and other legislation, litigation, government regulation in the jurisdictions in which the Company operates and the effectiveness and speed of integrating new acquisitions into the business.
A Company for All Seasons

World Industrial Production Growth %

- Stable during down cycle
- Strong growth during up cycle

Sources: Global Insight, S&P, Bloomberg

Financial outperformance through good times and bad

CSFB Chemical Conference NYC 9/27/2005
“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

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, but critical to their operations
Business Strategy

♦ Focus on 11 core geographies
  – Optimize co-product economics
  – Build to leverage regional density

♦ Fuel growth platforms
  – Refinery hydrogen
  – Healthcare
  – China, India
  – EOR, Frac-ing

♦ Drive operational excellence
  – Applications growth
  – Pricing, contracting
  – Six Sigma, productivity

ROC=Net Operating Profit After Tax/Average Capital

Source: Bloomberg and company reports
Diverse End Markets

2004 Sales $6.6 Billion

End Markets

- Healthcare 11%
- Manufacturing 21%
- Metals 16%
- Food and Beverage 7%
- Electronics 7%
- Other 12%
- Chemicals 10%
- Aerospace 4%
- Energy 12%

Sales Growth

- Energy
- Healthcare
- Metals
- Other
- Chemicals
- Manufacture
- Electronics
- Aerospace
- Food & Beverage

Customer diversity delivers growth and stability
Applications Technology Drives Growth

Growing at an increasing multiple of IP
Secular Growth in Oxygen Applications

- **Higher energy efficiency**
  - 10-15% fuel savings

- **Higher throughput**
  - 10-20% increase

- **Less emissions**
  - 80-90% NOx reduction

PX will commercialize 20+ new application technologies in 2005
Hydrogen

2004 Global Sales - $690 MM

Strong growth in North America

- Heavy crude upgrading
- Low sulfur fuel regulations
- Strong demand for gasoline and diesel
- Outsourcing hydrogen supply
- Canadian synthetic crude
  - Upgrading bitumen
  - Refining

Source: EIA and PX estimates

Expect 20% p.a. growth through 2010
310 miles of pipeline
50 customers – refining and chemicals
Connected to 85% of refining capacity
600 MMSCFD production capacity, 700MMSCFD by Q3 2006
Capital investment underpinned by long-term contracts
US Rockies rig count has increased 75% since 2002

- CO₂ and N₂ widely used to fracture low permeability formations

- Praxair best positioned
  - Location
  - Expertise
  - Relationships

- Additional pipeline services

$200 MM revenues expected to grow 25% p.a.
Enhanced Oil Recovery Projects

**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
South America

2004 Sales - $866 MM

- #1 position – 60% market share in Brazil
- Export industries very competitive
- Natural gas business driving growth
  - More natural gas than oil
  - Conversions from alternative fuels
- Praxair participating actively
  - JV with Petrobras for LNG distribution
  - First plant: Q1 2006 start-up

New capital investment indexed to USD
Asia

2004 Sales - $487 MM
- Four country focus – China, India, S. Korea, Thailand
- Leading position in steel, semi-conductors and petrochemicals
- Positioned with leading producers

China – 2004 Sales $125MM
- Leading position in steel, semi-conductors and petrochemicals

India – 2004 Sales $110MM
- Economy gaining momentum
- Gas industry growing double-digits
- Praxair #1 position – strong relationships

Expected sales growth of 15 - 20% p.a.
Increasing Productivity Gains

Sources of Cost Savings

<table>
<thead>
<tr>
<th>($MM)</th>
<th>2003</th>
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<tr>
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<tr>
<td>Total</td>
<td>110</td>
<td>145</td>
<td>160</td>
</tr>
</tbody>
</table>

Six Sigma # of projects and % of workforce trained

Accelerating productivity initiatives using Six Sigma
Process Engineering Lowers Capital Costs

Cryogenic High Purity Oxygen

2004 Plant Projects
Variance From Budget

Cost  
-3%

Schedule  
+1%

Power Efficiency  
+1%

Flawless execution assures that expected returns will be achieved
Robust Cash Flow Generation

- Operating cash flow
  9% CAGR

- Capital spending discipline
  - Increased hurdle rates
  - Core geographies

- Uses of free cash flow
  - Dividends
  - Selective acquisitions
  - Share repurchases
  - Debt reduction

Free Cash Flow 1996-2004 ($MM)

1) Non-GAAP measure. Free cash flow equals operating cash flow minus capital expenditures.
2) Excludes Leased Asset Purchase in 2003
Why Praxair?

- Strong, sustainable, organic growth
- Diverse end markets and applications technology
- High return on capital
- Long term customer retention
- Substantial free cash flow generation
- Capital and operating discipline
- Strong corporate governance

We deliver.