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CREDIT SUISSE FIRST BOSTON
18th Annual Chemical Conference

Dennis H. Reilley
Chairman, President and CEO

September 27, 2005

Forward Looking Statements

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

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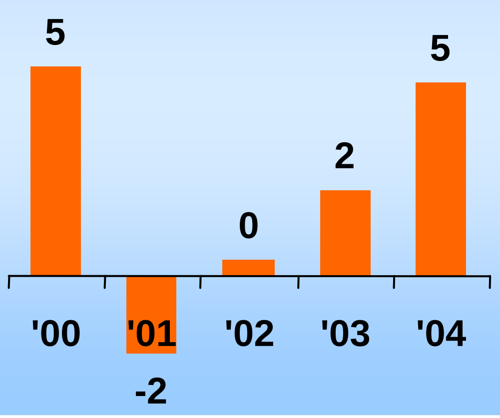
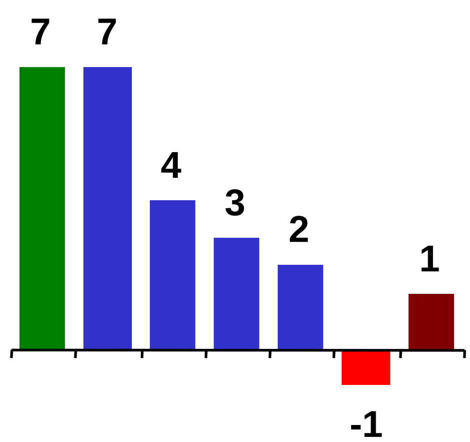
2000-2004

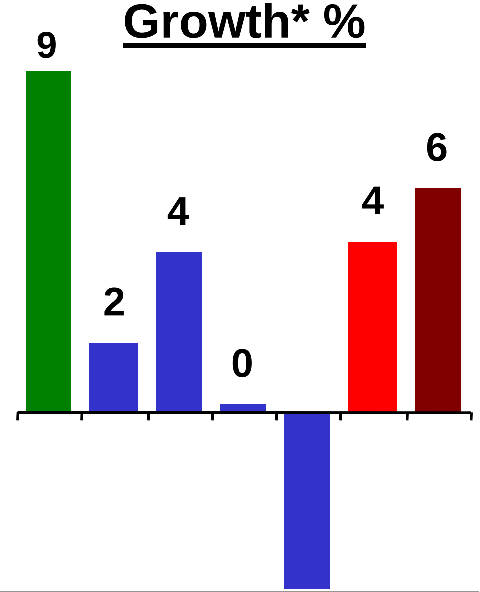
World Industrial Production Growth %



Annual Sales Growth* %



Annual EPS Growth* %



*Compounded Annual Growth Rate

- Praxair
- Industrial Gas Peers
- S&P Materials
- S&P 500

- Stable during down cycle
- Strong growth during up cycle

Sources: Global Insight, S&P, Bloomberg

Financial outperformance through good times and bad

"Terms of Trade" Drive Return on Capital

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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

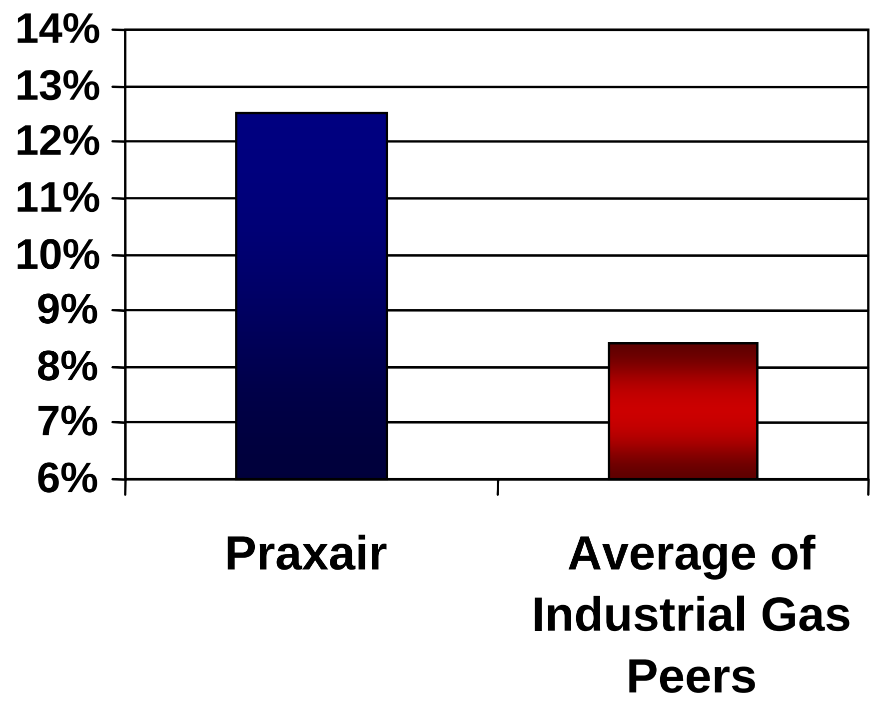
Business Strategy

- **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

2004 ROC %



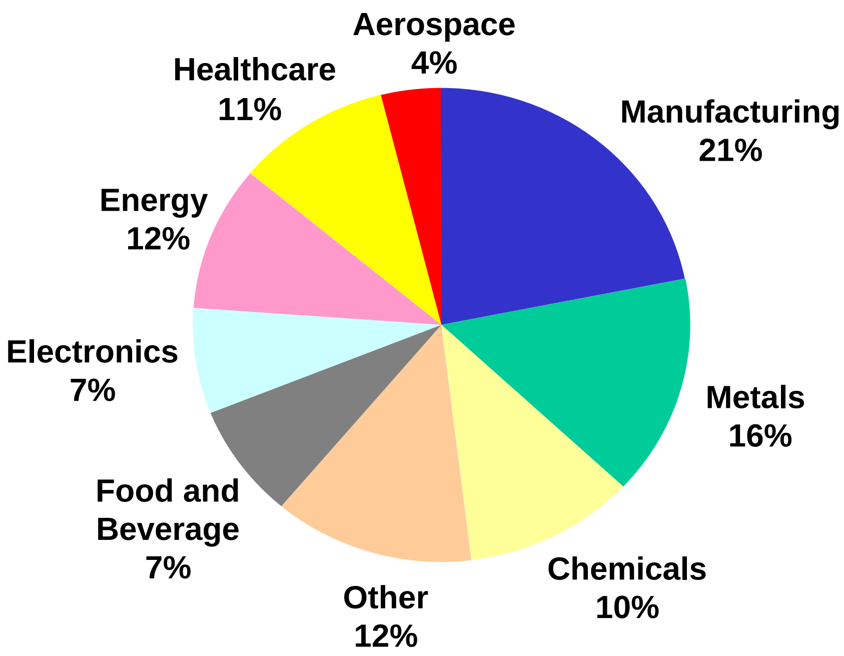
ROC=Net Operating Profit After Tax/Average Capital

Source: Bloomberg and company reports

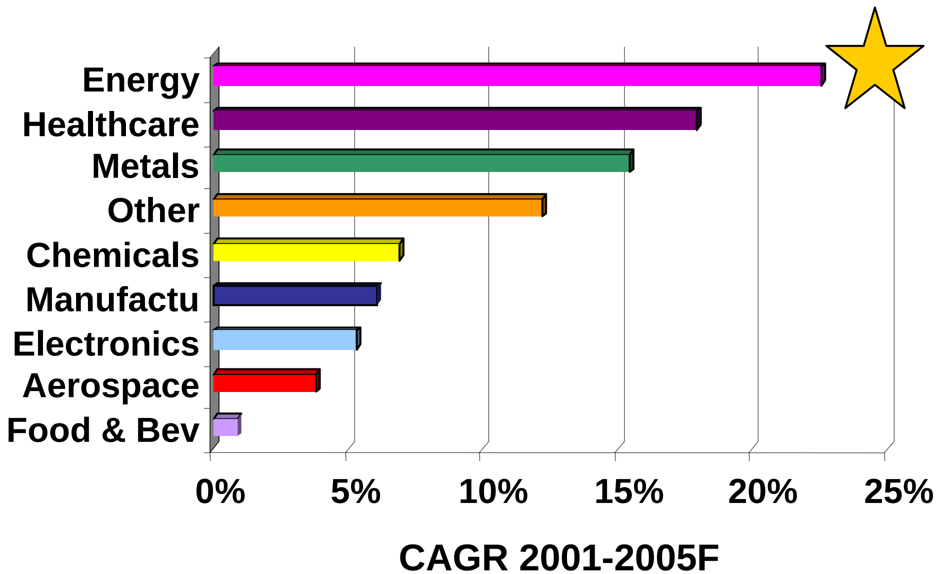
Diverse End Markets

2004 Sales $6.6 Billion

End Markets



Sales Growth



Customer diversity delivers growth and stability

Applications Technology Drives Growth

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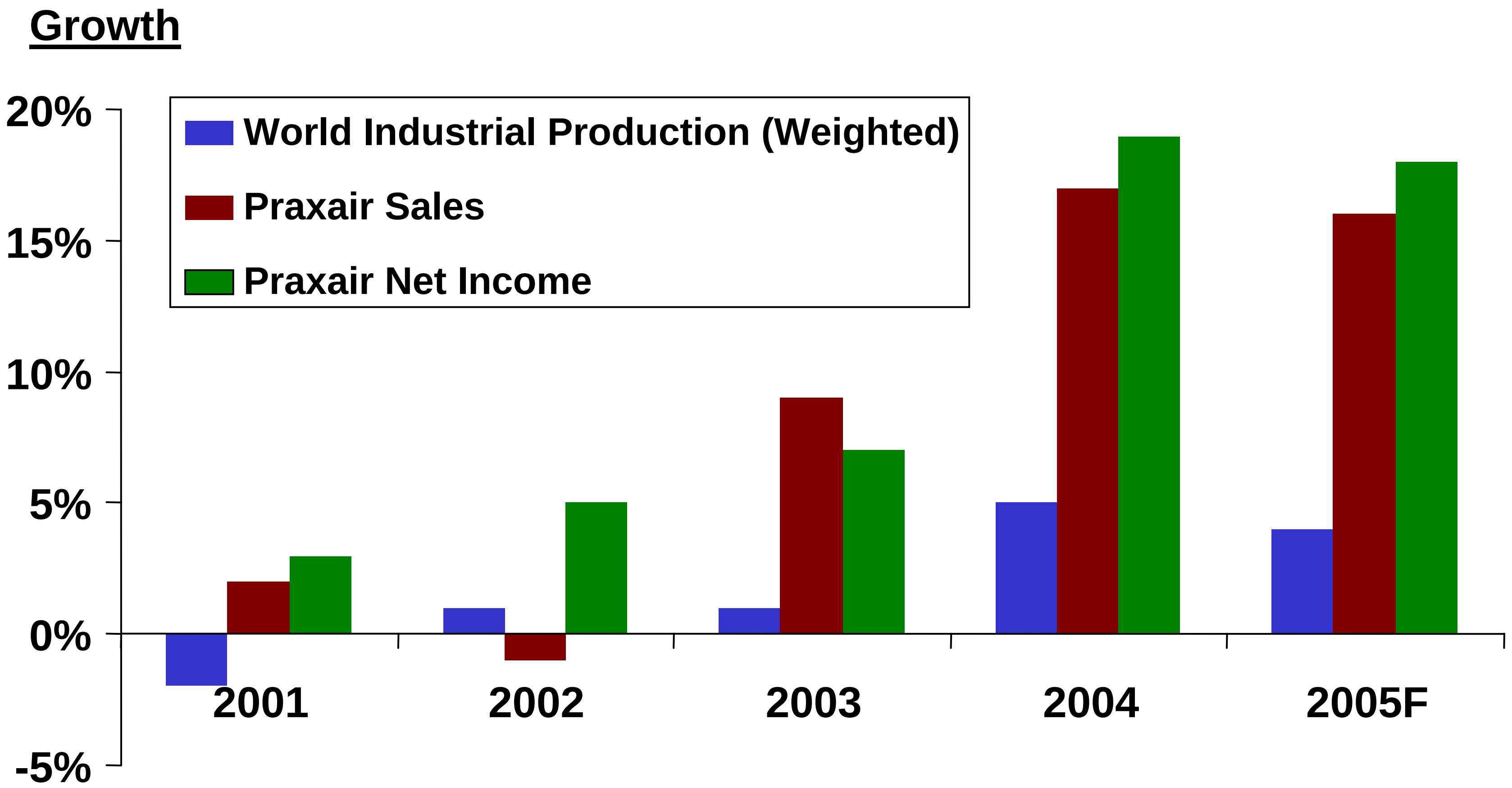

Growing at an increasing multiple of IP

Secular Growth in Oxygen Applications

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- **Higher energy efficiency**
  - –10-15% fuel savings
- **Higher throughput**
  - –10-20% increase
- **Less emissions**
  - –80-90% NOx reduction

Steel

Blast furnace coal injection

Glass

New oxyfuel burner

Refining

Process heaters

Aluminum

Remelting furnaces

Utilities

Reduced NOX emissions

PX will commercialize 20+ new application technologies in 2005

Hydrogen

2004 Global Sales - $690 MM

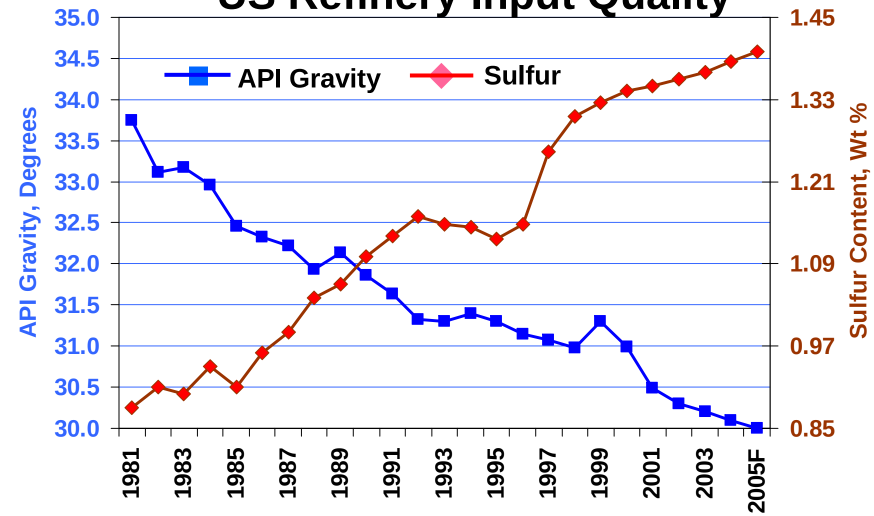
Strong growth in North America

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

Sulfur Fuel Specifications

	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

US Refinery Input Quality



Source: EIA and PX estimates

Expect 20% p.a. growth through 2010

Gulf Coast Hydrogen System

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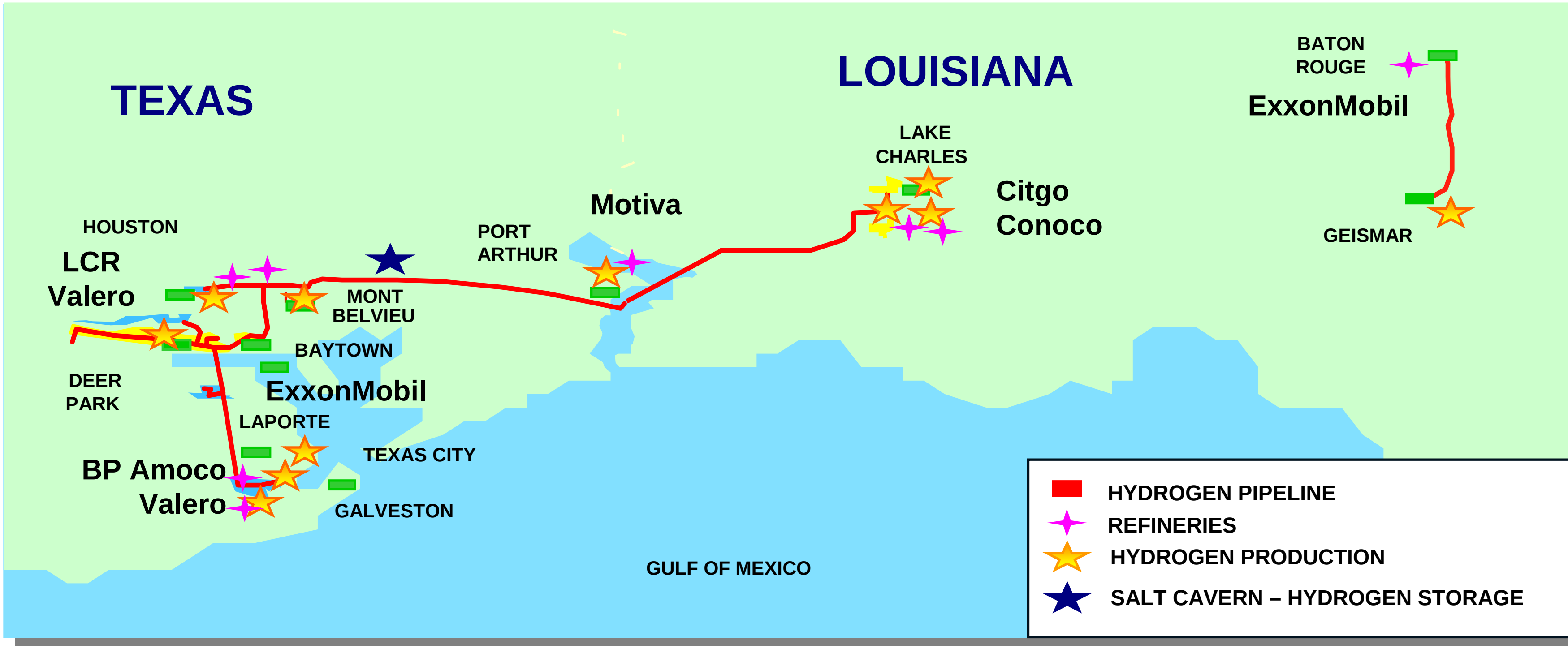

- 310 miles of pipeline
- 50 customers – refining and chemicals
- Connected to 85% of refining capacity
- 600 MMSCFD production capacity, 700MMSCFD by Q3 2006
- Capital investment underpinned by long-term contracts

Pipeline enclave delivers high reliability and high return on capital

Gas Well Fracturing and Services

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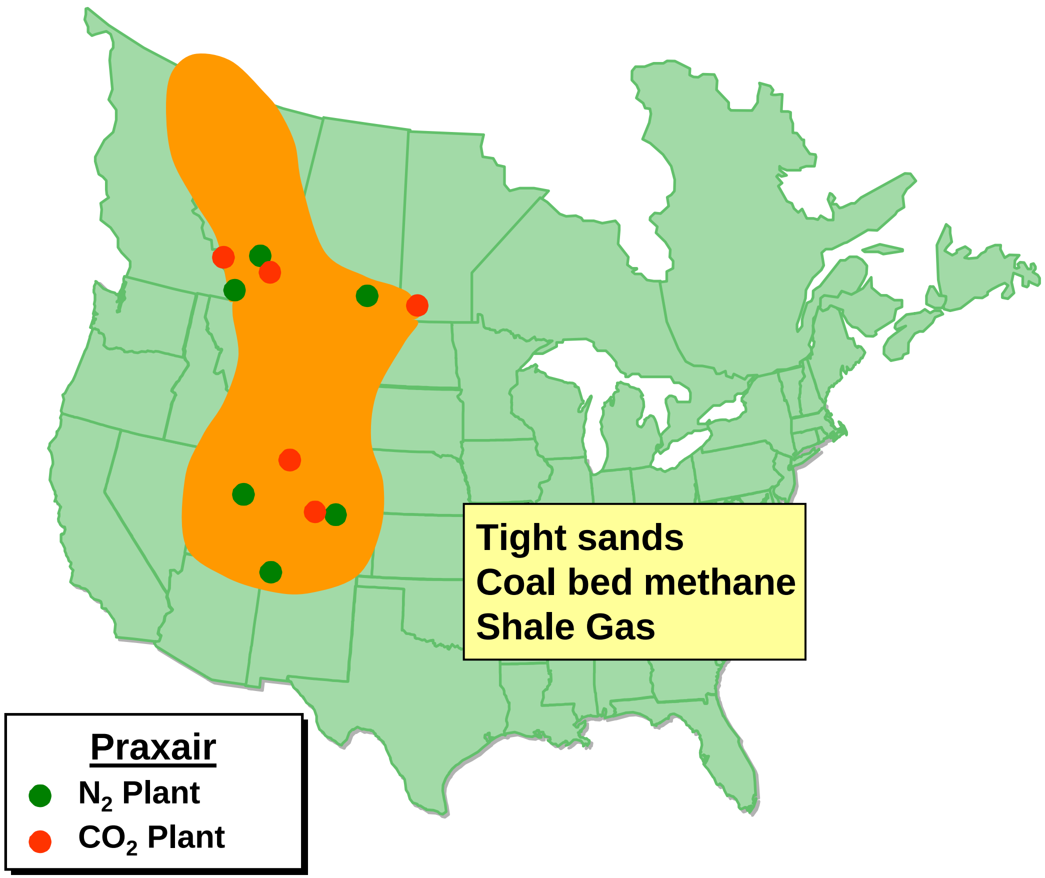
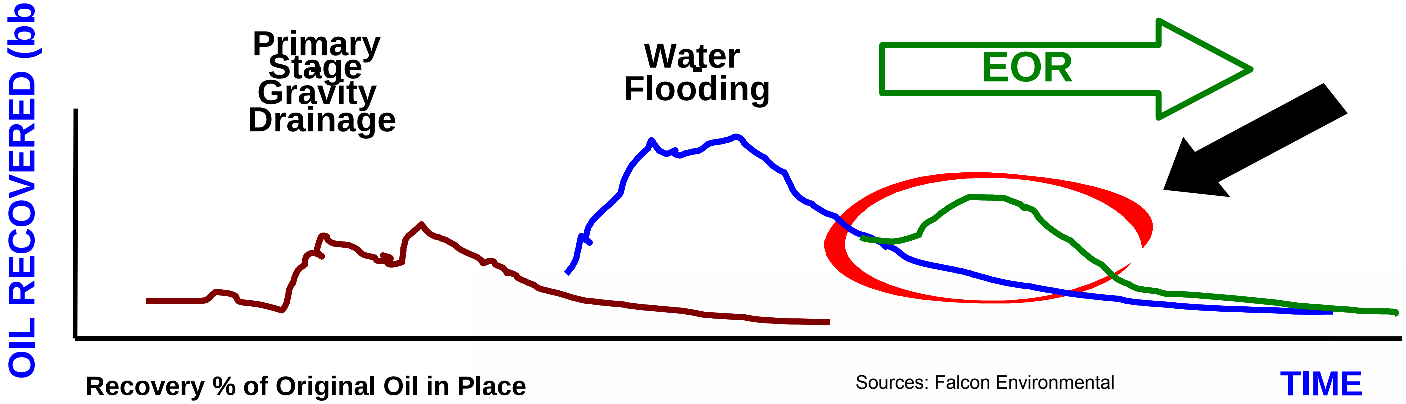


- US Rockies rig count has increased 75% since 2002
- CO_2 and N_2 widely used to fracture low permeability formations
- Praxair best positioned
  - Location
  - Expertise
  - Relationships
- Additional pipeline services

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

Enhanced Oil Recovery Projects

Typical EOR Production Curve

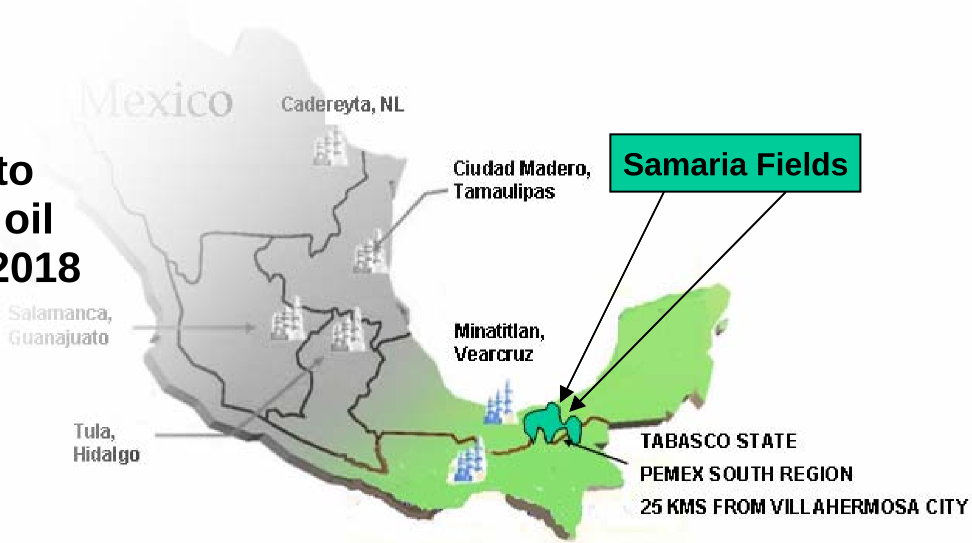


PEMEX Samaria Oil Fields

- >6500 TPD of nitrogen injection
- N_2 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 N_2 nitrogen injection
- Start-up Q2 2006



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

South America

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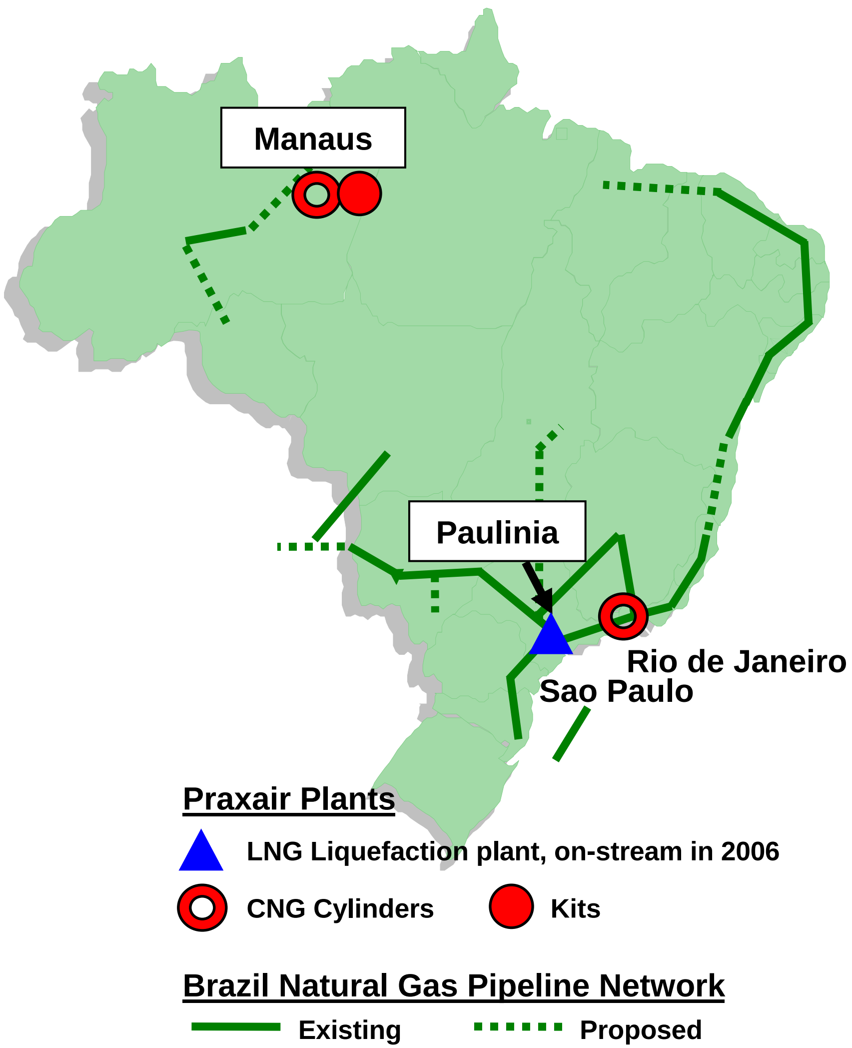
2004 Sales - $866 MM

- **#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

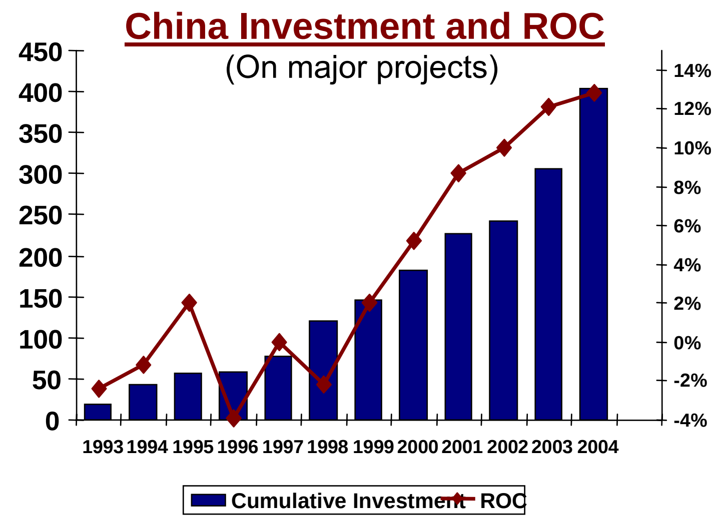
- Four country focus – China, India, S. Korea, Thailand

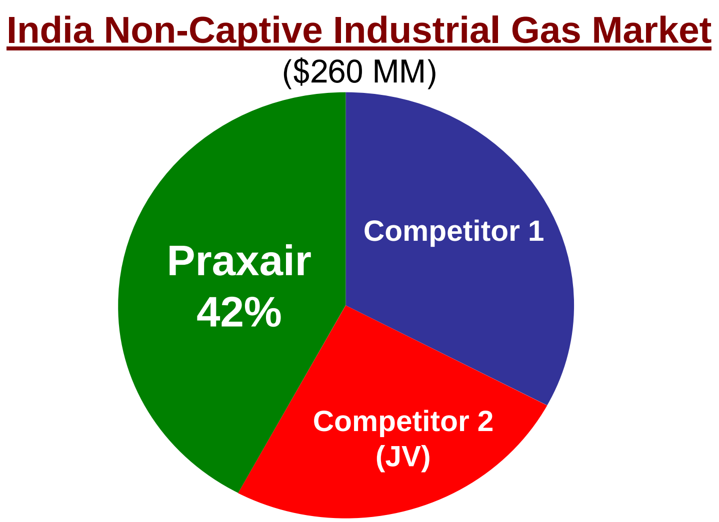
China – 2004 Sales $125MM

- Leading position in steel, semi-conductors and petrochemicals
- Positioned with leading producers

India – 2004 Sales $110MM

- Economy gaining momentum
- Gas industry growing double-digits
- Praxair #1 position – strong relationships





Source: Praxair Estimates

Expected sales growth of 15 - 20% p.a.

Increasing Productivity Gains

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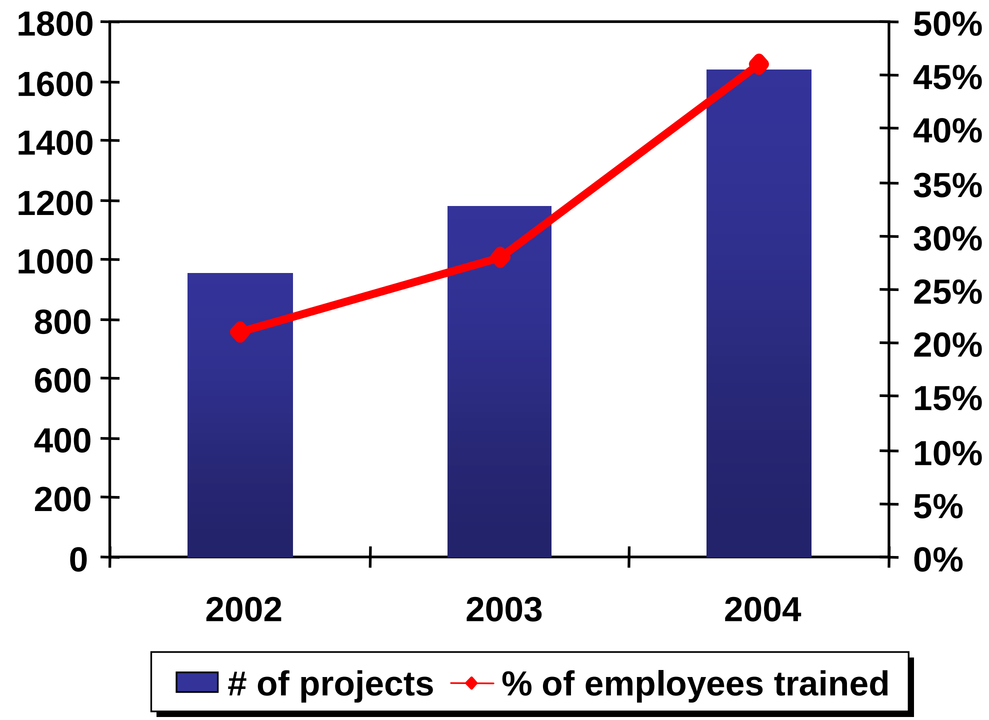
Sources of Cost Savings

($MM)	2003	2004	2005F
Procurement	25	26	41
Plant Operations	58	65	58
Business Process	27	54	61
Total	110	145	160

Six Sigma # of projects and % of workforce trained



Accelerating productivity initiatives using Six Sigma

Process Engineering Lowers Capital Costs

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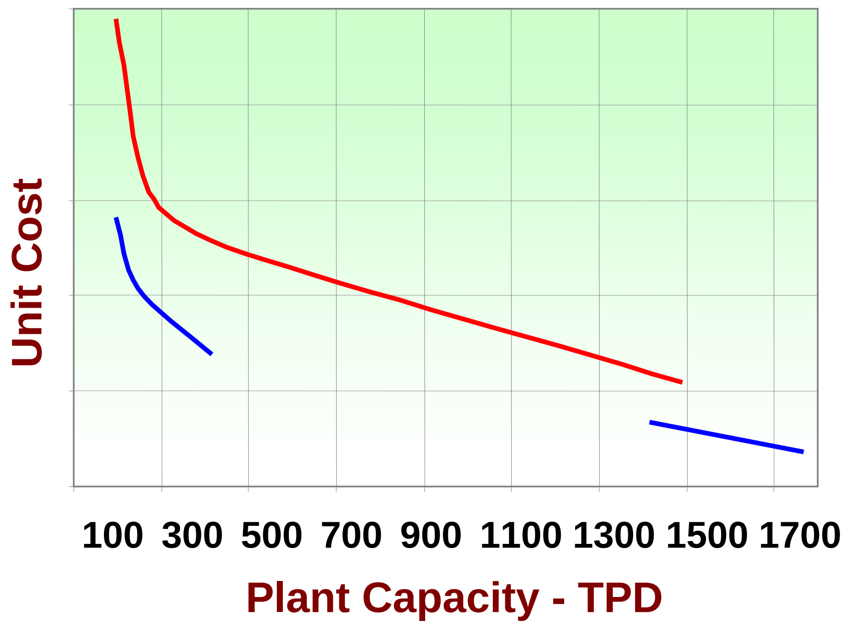
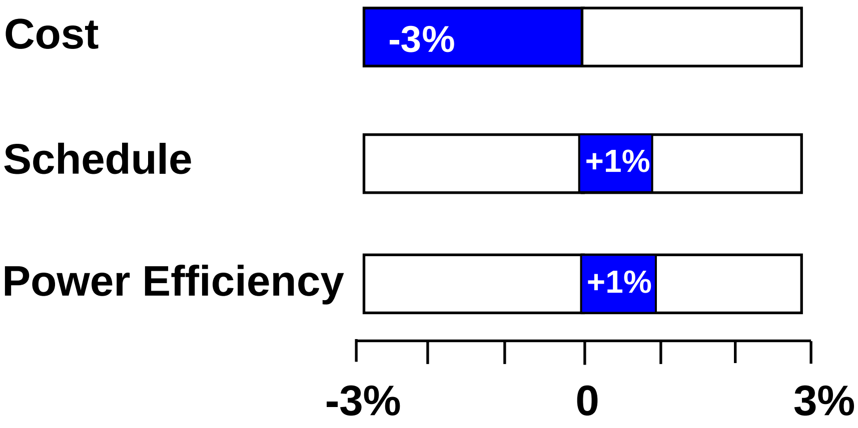
Cryogenic High Purity Oxygen



2004 Plant Projects Variance From Budget



Flawless execution assures that expected returns will be achieved

Robust Cash Flow Generation

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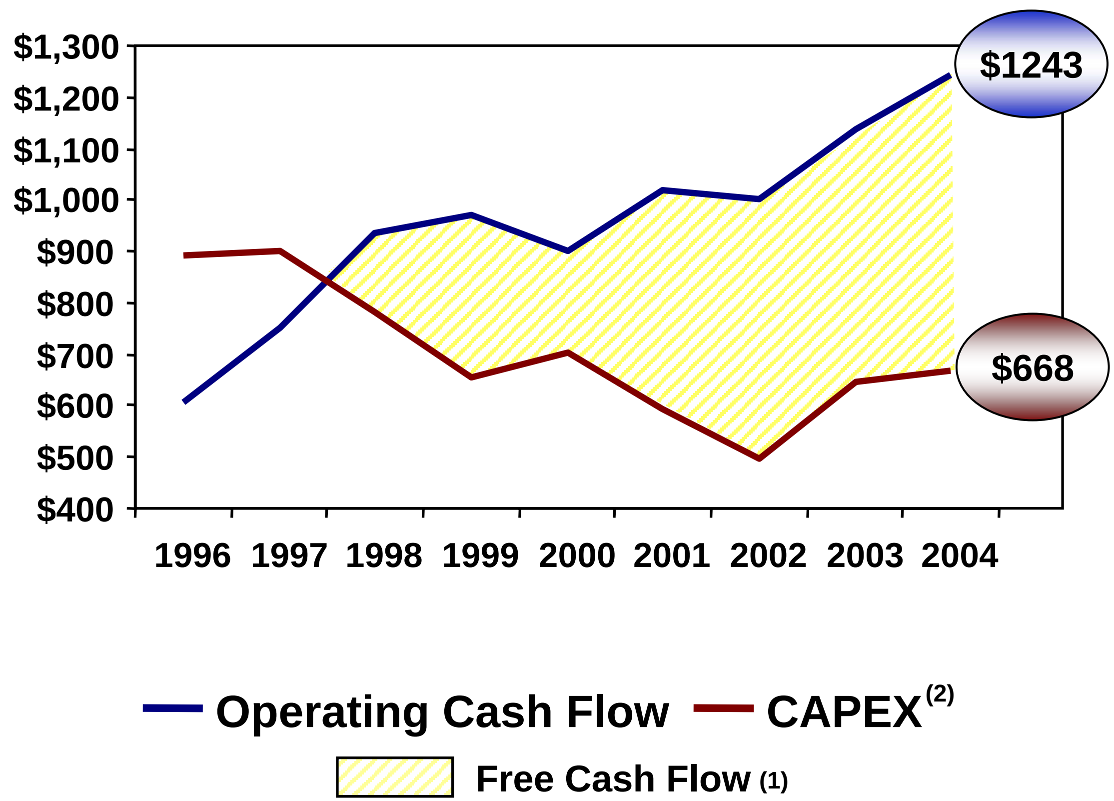
- ◆ **Operating cash flow 9% CAGR**

- ◆ **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.

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