

Lehman Brothers *Growth in Healthcare*

Stephen F. Angel
Executive Vice President

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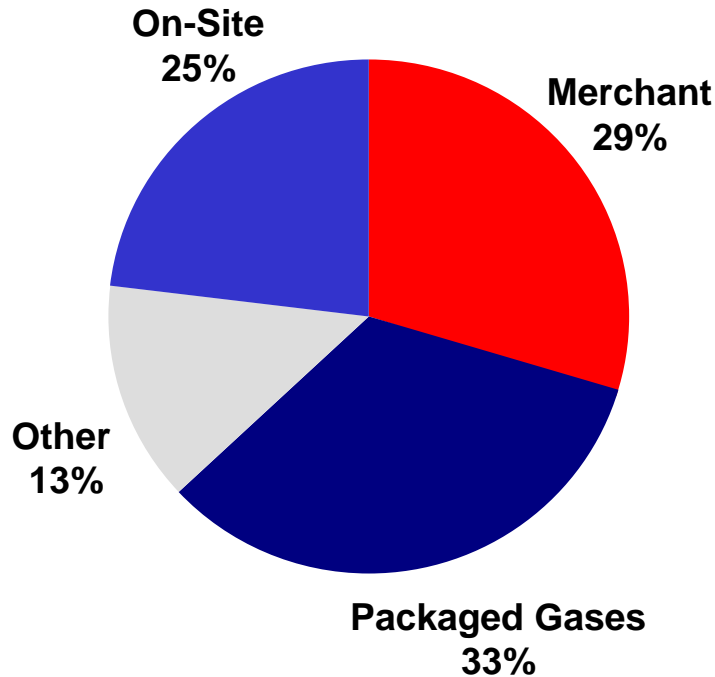
From
Hospital
To Home[®]

The forward-looking statements contained in this announcement concerning demand for products and services, the expected macroeconomic environment, sales, margins, earnings growth rates, and other financial goals involve risks and uncertainties, and are subject to change based on various factors. These include the impact of changes in worldwide and national economies, the cost and availability of electric power, natural gas and other materials, 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, the impact of tax, accounting and other legislation, litigation, government regulation and the effectiveness and speed of integrating new acquisitions into the business.

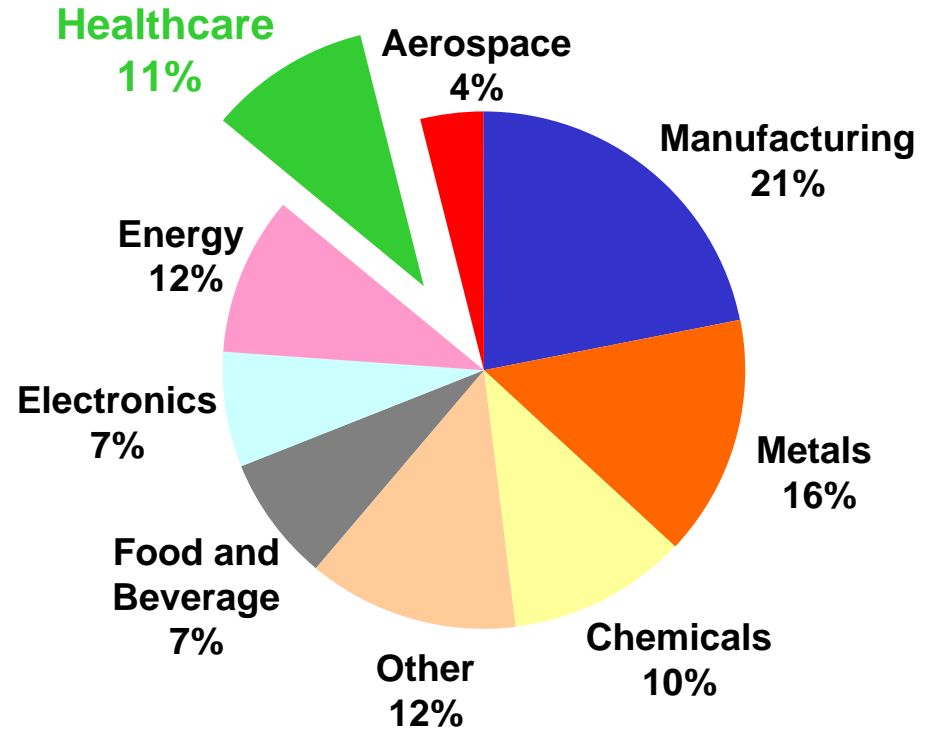
Unique Business Model

2004 Sales

Distribution Method



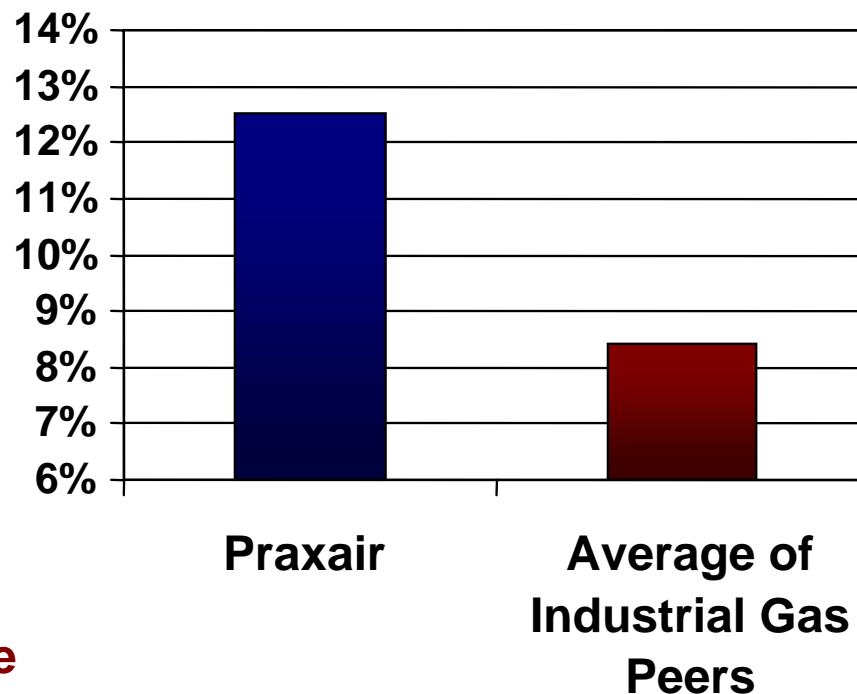
End Markets



**Price is a fraction of customer value; Low customer turnover;
Terms capture above average ROC**

- ◆ Focus on 11 core geographies
- ◆ Application technologies
- ◆ Key growth platforms
 - Hydrogen
 - Electronics
 - – Healthcare
 - China
- ◆ Productivity / Six Sigma
 - Procurement
 - Global operational excellence
- ◆ Flawless project execution

2004 ROC %

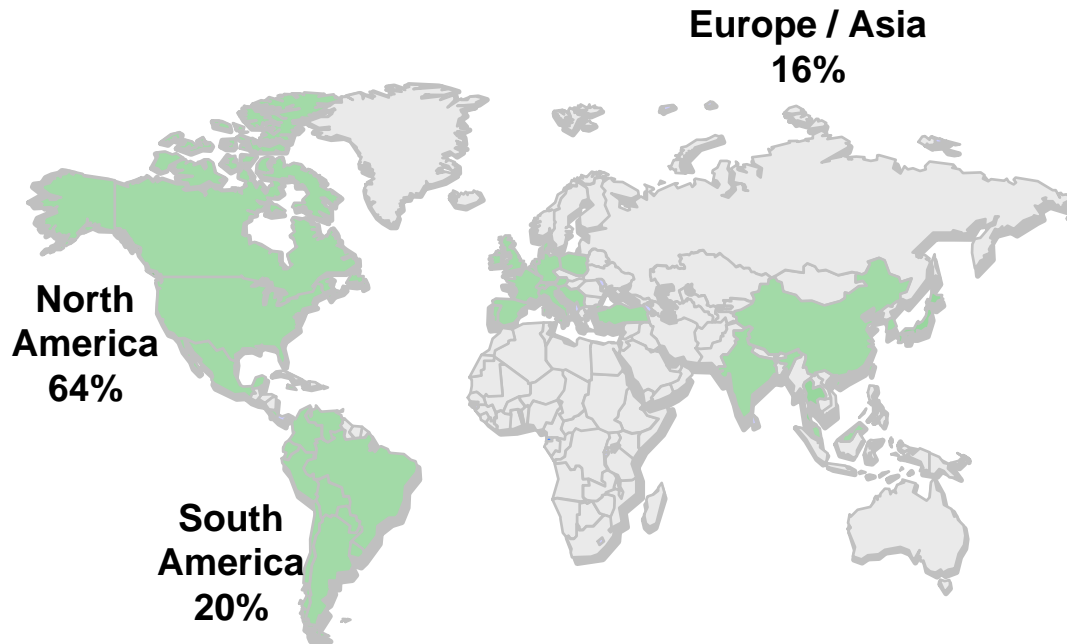


ROC=Net Operating Profit After Tax/Average Capital

Source: Bloomberg and company reports

2004 Global Sales - \$740 MM*

Sales by Region



- ◆ **Homecare 60%**
 - 17 Countries
 - 270 Locations
- ◆ **Hospital Services 40%**
 - 24 Countries
- ◆ **Transition patients from hospital to home**

Expect sales of \$900 MM in 2005

*includes 6 mos. HCS acquisition

US Healthcare – Market Definition



| | Core Market | Adjacent Market | | | Diversified Market |
|-------------|-------------------|------------------------------|------------------------|------------------|--------------------|
| | Hospital Services | Serving Patients in the Home | | | |
| | | Respiratory Therapy | Home Medical Equipment | Infusion Therapy | Nursing Care |
| Market Size | \$0.7 B | \$5 - 6 B | \$3 - 4 B | \$4 - 5 B | \$35 - 40 B |

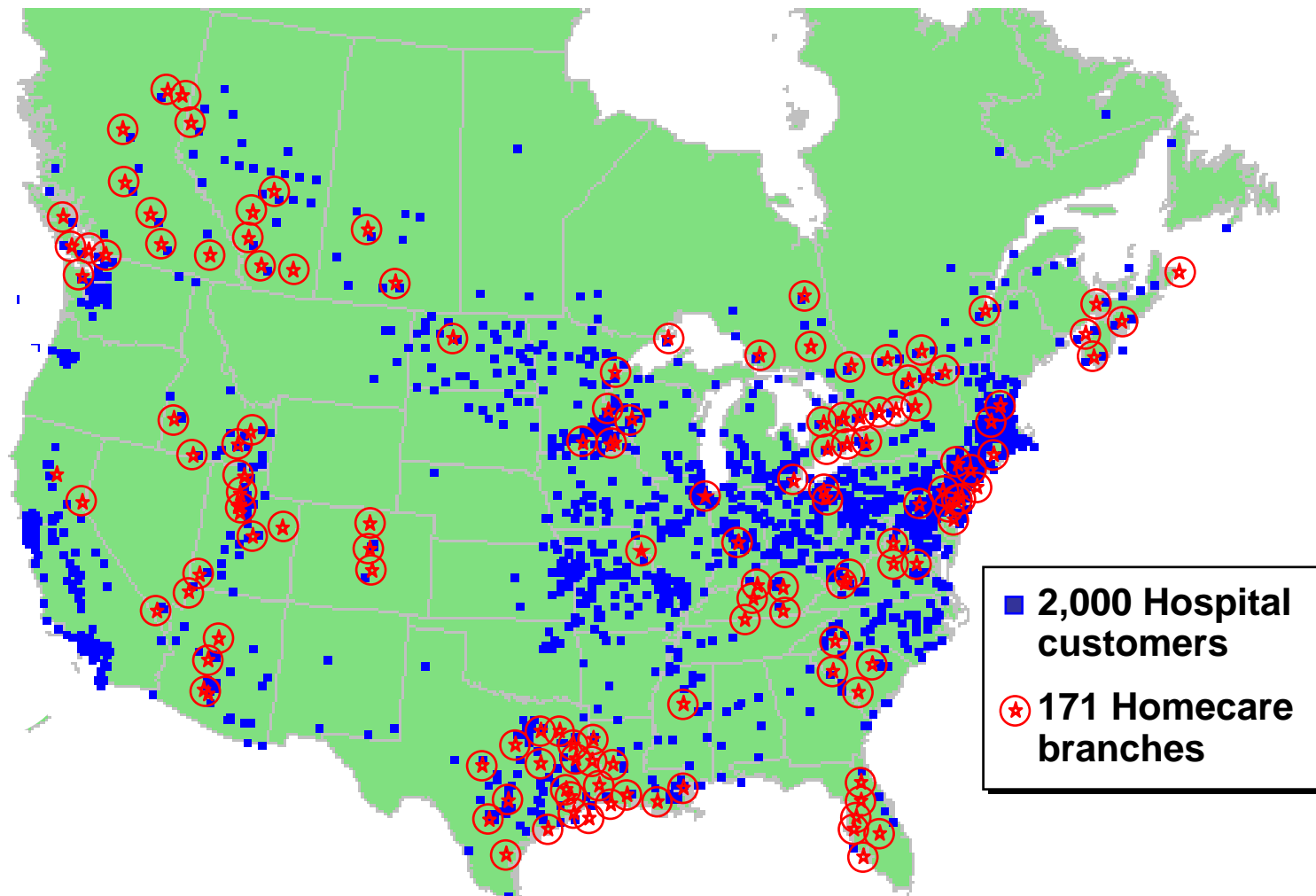
- ◆ Medical Gases & Equipment
- ◆ Gas Delivery and Certification Services
- ◆ Oxygen Systems
- ◆ Sleep Therapy
- ◆ Respiratory Medications

- ◆ Hospital Beds
- ◆ Wheelchairs
- ◆ Mobility Aids
- ◆ Chemotherapy
- ◆ Total Parenteral Nutrition
- ◆ Antibiotics
- ◆ Home Health
- ◆ Hospice

| | | | | | |
|---------------|------|------|------|------|------|
| Market Growth | 3-4% | 6-8% | 3-5% | 5-7% | 5-7% |
|---------------|------|------|------|------|------|

Focus on the respiratory therapy market

- ◆ **Aging demographics**
- ◆ **Prevalence of respiratory diseases**
- ◆ **Mobility – Improved quality of life**
- ◆ **Consumerism – In home treatments**
- ◆ **Lower cost to serve patient (Home vs. Hospital)**



Geographic density allows us to grow with the Hospital to Home strategy



- ◆ Oxygen supply systems
- ◆ *Grab 'n Go*® cylinders
- ◆ Certification, installation services
- ◆ MRI helium and servicing

- ◆ Micro bulk oxygen
- ◆ Homecare Products (Transition To Home)

- ◆ Home oxygen
- ◆ Sleep therapy
- ◆ Home medical equipment

Earning a Reputation for

- ◆ Reliability
- ◆ High Standards
- ◆ Compliance
- ◆ Quality
- ◆ Clinical Care
- ◆ Discipline

Providing respiratory therapy from Hospital to Home

US Homecare Business Overview



Referral Source

| | |
|-----------|-------|
| Hospital | 57% |
| Physician | 37% |
| Other | 6% |
| | <hr/> |
| | 100% |

Patient

| | |
|------------------|-------|
| Respiratory | 60% |
| HME | 27% |
| Infusion / Other | 13% |
| | <hr/> |
| | 100% |

Payor Source

| | |
|-----------------|-------|
| Government | 49% |
| Managed Care | 40% |
| Private / Other | 11% |
| | <hr/> |
| | 100% |

Balanced payor mix complements our emphasis on hospital based referrals

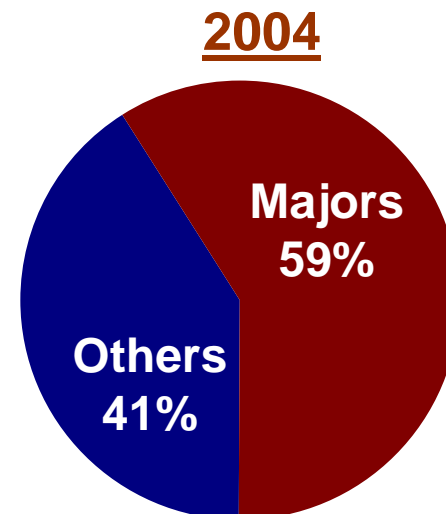
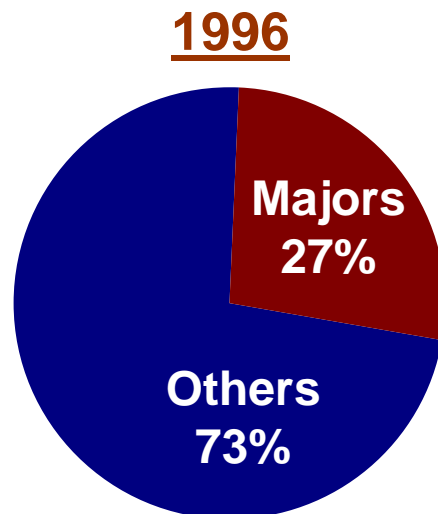
- ◆ Respiratory therapy mix greater than 60% of portfolio
- ◆ Hospital to Home
- ◆ Complement with physician practice selling / offerings
- ◆ Geographic expansion through new start locations
- ◆ Leverage geographic position to win managed care contracts
- ◆ Selective, “tuck-in” acquisitions

Operating Philosophy

- ◆ Full integration of acquisitions
- ◆ Standards and accreditation
- ◆ Compliance

Focus on organic growth

- ◆ Organic growth of 6 - 8%
- ◆ Pending Medicare reimbursement cuts for home oxygen of 10 - 15%
- ◆ Medicare competitive bidding in 2007
- ◆ Industry consolidation will continue and likely intensify
 - Stricter standards
 - Changing reimbursement



Why Praxair?



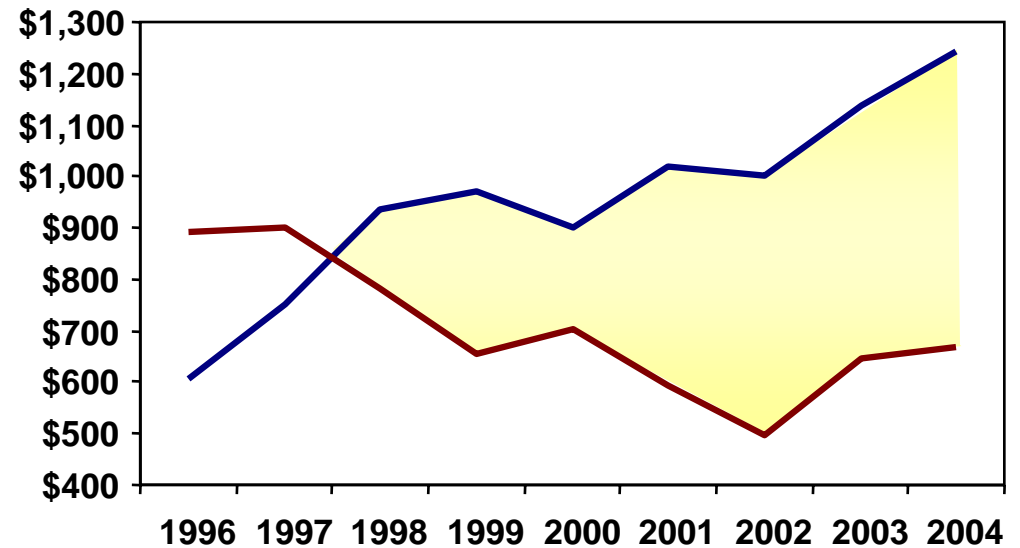
- ◆ Strong, sustainable, organic growth
- ◆ Diverse end markets and applications technology
- ◆ High return on capital
- ◆ Long term customer retention
- ◆ Substantial free cash flow generation
- ◆ Capital and operating discipline
- ◆ Strong corporate governance

We deliver.

APPENDIX

- ◆ Operating cash flow
9% CAGR
- ◆ Capital spending discipline – increased hurdle rates
- ◆ Uses of free cash flow
 - Dividends
 - Selective acquisitions
 - Share repurchases
 - Debt reduction

Free Cash Flow 1996-2004 (\$MM)

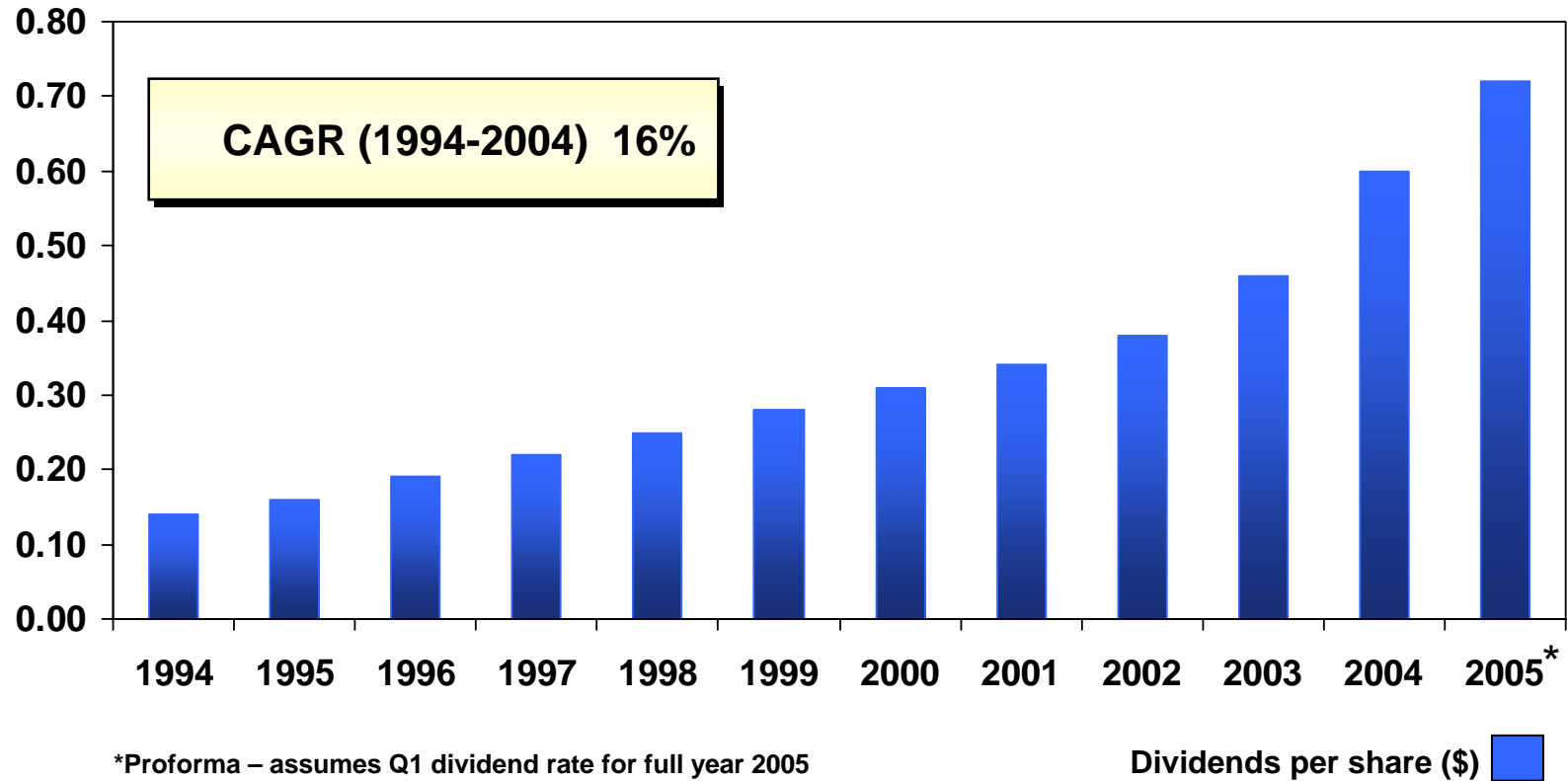


— Operating Cash Flow — CAPEX⁽²⁾
Free Cash Flow⁽¹⁾

1) Non-GAAP measure. Free cash flow equals operating cash flow minus capital expenditures.

2) Excludes Leased Asset Purchase in 2003

Increasing Dividends



Dividend increased 20% in Q1 2005

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

