Credit Suisse First Boston
19th Annual Chemical Conference

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Executive Vice President

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Forward Looking Statement

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 and other international events and circumstances; changes in foreign currencies and in interest rates; the cost and availability of electric power, natural gas and other raw materials; the ability to achieve price increases to offset cost increases; catastrophic events; the ability to attract, hire, and retain qualified personnel; 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 and regulatory agency actions; continued timely development and market acceptance of new products and applications; the impact of competitive products and pricing; 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 statement in response to changing circumstances. The above listed risks and uncertainties are further described in Item 1A (Risk Factors) in the company’s latest Annual Report on Form 10-K filed with the SEC which should be reviewed carefully. Please consider the company’s forward-looking statements in light of those risks.
Financial Outperformance

1-Year

Sales

Praxair 17%
S&P500 8%

Earnings

Praxair 21%
S&P500 12%

Total Shareholder Return

Praxair 22%
S&P500 5%

5-Year CAGR

Praxair 8%
S&P500 4%

Praxair continues to outperform the S&P500

Source: Bloomberg – 12/31/00 – 12/31/05 Sales per share, Diluted EPS from Continuing Operations
A Company For All Seasons

- Risk-based return criteria
- Minimum take-or-pay contracts
- Dollar-denominated contracts
- Stable geographies

High growth without raising our risk profile

Industrial Production Growth
Praxair Sales Growth

CSFB Chemical Conference - New York City - 9/20/06
What We Are Doing

♦ Taking advantage of explosive growth in developing economies
  ♦ China
  ♦ India
  ♦ Brazil

♦ Moving fast to capture opportunities
  ♦ Refinery hydrogen
  ♦ Oil & gas services
  ♦ Canadian oil sands

♦ Creating new markets based on industrial gases competencies
  ♦ On demand H₂
  ♦ LNG distribution
  ♦ Capturing CO₂ for EOR

♦ Managing existing business better than anyone else
  ♦ Continuous pricing efforts
  ♦ Keen focus on productivity
  ♦ Application development
China - Industrial Gases Market

Total Gases Market: $2+ Billion

Market Growth Rate 2005-10

- On site: 20%
- Liquid: 15%
- Total: 18%

Local 19%
Global Players 29%
- Comp 1: 8%
- Comp 2: 1%
- Comp 3: 6%
- Comp 4: 5%
- Comp 5: 2%
Praxair 7%
Captive 52%

Praxair is a leader in a high growth market
Leading Position in China

♦ Petrochemical Parks  
  – Shanghai, Caojing  
  – Daya Bay, Nanhai

♦ Metals  
  – Shanghai  
  – Guangzhou

♦ Electronics  
  – Beijing  
  – Shanghai

Customers moving west will create new growth opportunities
India Industrial Gases Market

2005: $896 MM

- Few Global Players

- Praxair
- BOC
- Air Products
- JV
- Other

- 40% Captive
- 60% Purchased

- Captive users moving to purchased product
- Purchased product market growing 20%
- Demand growing 15% annually

* Non-captive supply – PX estimated market shares

Well positioned in a high growth market
Expanding Presence in India

<table>
<thead>
<tr>
<th>Project</th>
<th>Start-up Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tata Steel II</td>
<td>April 2008</td>
</tr>
<tr>
<td>SAIL Durgapur</td>
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<td>SAIL Rourkela</td>
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<tr>
<td>Owens Corning</td>
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<td>Hospet Steel</td>
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<td>Tata Steel I</td>
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The future is now
South America - A Pre-eminent Position

![Market Share Pie Chart]

- **Praxair**
- **Air Liquide**
- **Linde**
- **BOC**
- **Other**

**PX Net Sales ($MM)**

- 2001: $1,126
- 2002: 130
- 2003: 80
- 2004: 30
- 2005: $1,126

**Cash Generation**

Sales Growth (ex-currency)

- 2001: 16%
- 2002: 19%
- 2003: 18%
- 2004: 13%

**Growth looks like China?**
South America Growth Opportunities

Strong On-site Position
♦ 82% market share - 92% win rate
♦ Recent wins - steel:
  – Gerdau, Arcelor, Techint
♦ Recent wins - pulp and paper:
  – Suzano, Botnia

Exploiting Energy Markets
♦ Conversions to alternative fuels
♦ JV with Petrobras for LNG distribution
♦ Energy is becoming a $150MM business

Sales Forecast
Double digit Sales and OP growth

New capital investment indexed to US Dollars
Praxair Mexico

2005 Sales $347 MM

♦ Strong market position
♦ Leading position in merchant and specialty gases
♦ Growth from energy markets
  - Enhanced Oil Recovery
    • PEMEX Samaria project – 6500 TPD of N2, start Q2 07
  - Oil well services
♦ Return on capital above 20%

Sales of $600MM - $700MM by 2010
Refining Demand for Hydrogen

- Low sulfur fuel regulations
- Heavy crude upgrading
- Planned refinery expansions to process heavy crude
- Replacing refineries old reformers

Environmental, economic and capacity additions driving H₂ demand

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<th>Year</th>
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<td>2015</td>
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Source: EIA and PX estimates

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**US Refinery Input Quality**

**North American Refining Capacity Forecast**

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**Sulfur Fuel Specifications**

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Hydrogen – Key Growth Areas

PX Global Hydrogen Sales ($MM)

Forecast assumes $7.00 natural gas HYCO

Significant growth in short and long term
Strong Drivers for Gas Well Fracturing

- More low permeability wells being drilled
  - Tight sands
  - Coal bed methane
  - Gas shale
- Natural gas prices above $4/MMBtu will sustain active drilling
- Praxair best positioned
  - Location
  - Expertise
  - Relationships
  - Supply contracts

North American Rig Count

Well completions increasing through 2007 and remaining strong

Source: Baker Hughes, Spears and Associates
Enhanced Oil Recovery (EOR)

- 3rd stage of oil production
- Proven techniques
  - N2
  - CO2
- Oil prices above $35 support EOR
- Growing target base as fields mature
- 19 EOR projects

Source: DOE Basin Studies, UT BEG, AE & UB, Pemex

250 Billion barrels of oil
125-150 Billion tons of N₂ and CO₂

Oil well services revenues growing 20 - 25% per year
Environment Is Positive

♦ Praxair benefiting from additional secular trends
♦ Our backlog has never been as strong

High growth environment for at least 3 to 5 years
Productivity - How Much Opportunity Exists?

- Air separation
- CO2 production
- Hydrogen
- Packaged gases
- Merchant distribution
- Electronics / PST / Healthcare / Other

Total Cost Stack ($B)

- Air separation: 2.3
- CO2 production: 1.8
- Hydrogen: 1.9
- Packaged gases: 1.8
- Merchant distribution: 1.9
- Electronics / PST / Healthcare / Other: 1.9

$6.0

Sources of Savings
- Procurement
- New technologies
- Logistics optimization
- Six Sigma
- Standardized plants

Target – reduce 4% of the cost stack each year
Robust Outlook Through 2010

Organic Sales
- Annual Growth: 8 - 12%

Operating Profit
- Annual Growth: 10 - 14%

EPS
- Annual Growth: 12 - 16%

Sales Growth %

- 2005-2010
- Industrial Production
- Applications Technology
- Asia
- Energy Prod.
- Energy Efficiency
- 3% est.
- 5.0%
- 0.0%

We are committed to bringing growth to the bottom line!
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 intensity\(^1\) 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.

\(^1\)Intensity is per-unit-of-production measure