LEHMAN BROTHERS
Global Chemical Industry Leaders Conference

James S. Sawyer
Senior Vice President and CFO

March 30, 2006
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.
Praxair Delivers.....

**Unique Business Model**
- High return on capital
- Strong growth
- Low risk

**Superior Execution**
- Capital discipline
- Focused growth program
- Six Sigma productivity
- Hands on leadership

**Favorable Outlook**
- Energy opportunities abound
- Infrastructure rebuilding
- Asia and South America
- Applications technology

2005 ROC %

<table>
<thead>
<tr>
<th>Praxair</th>
<th>Average of Industrial Gas Peers</th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td>10</td>
</tr>
<tr>
<td>12</td>
<td>10</td>
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<td>10</td>
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<td>8</td>
<td>10</td>
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<td>6</td>
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</table>

2005 ROC %
On-Site/Pipeline Supply - 26%*

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

Merchant Liquid Supply - 30%*

- 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

% of 2005 Sales of $7,656MM
Diverse End Markets

2005 Sales $7,656 MM

End Markets

- Manufacturing 21%
- Metals 16%
- Other 12%
- Aerospace 3%
- Chemicals 11%
- Electronics 7%
- Energy 12%
- Food & Bev 7%
- Healthcare 11%

Sales Growth

- Energy 15%
- Healthcare 20%
- Metals 17%
- Other 12%
- Chemicals 12%
- Electronics 11%
- Manufacturing 7%
- Aerospace 7%
- Food & Bev 3%

Customer diversity delivers growth and stability
### Global End-Market Trends

<table>
<thead>
<tr>
<th>Sector</th>
<th>2005</th>
<th>2006F</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>10%</td>
<td>15-20%</td>
<td>Hydrogen and oil well services</td>
</tr>
<tr>
<td>Electronics</td>
<td>4%</td>
<td>6-12%</td>
<td>Focus on Asia and materials science</td>
</tr>
<tr>
<td>Chemicals</td>
<td>8%</td>
<td>8-10%</td>
<td>Growth from Asia and German pipelines</td>
</tr>
<tr>
<td>Metals</td>
<td>5%</td>
<td>6-10%</td>
<td>Plant start-ups in Asia and South America</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>12%</td>
<td>5-10%</td>
<td>Applications drive volume growth at 2X IP</td>
</tr>
<tr>
<td>Healthcare</td>
<td>2%</td>
<td>6-8%</td>
<td>Volume growth offset by lower pricing</td>
</tr>
<tr>
<td>Aerospace</td>
<td>2%</td>
<td>4-6%</td>
<td>Growth in OEM aviation coatings business</td>
</tr>
<tr>
<td>Food and Bev.</td>
<td>5%</td>
<td>4-6%</td>
<td>Consistent modest growth</td>
</tr>
</tbody>
</table>

* Organic growth (i.e. ex-currency, acquisitions and natural gas price change)
Hydrogen

2005 Sales $790 MM

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

Expect 20% p.a. growth through 2010

Source: EIA, PX estimates
Gas Well Fracturing and Services

- High pressure N₂ or CO₂ cracks the reservoir formation to allow gas to flow more freely to the wellhead
- Praxair best positioned – location, expertise and relationships

$260 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
Energy Conservation Technologies

- **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 commercializes 20+ new application technologies per year
Brazil: Growth from Energy Markets

- Increasing role of natural gas
  - Greater availability / supply
  - Govt. promoting natural gas use
  - Competitive prices

- Conversions from alternative fuels
  - 3.5% of cars converted and growing
  - Replacing industrial/commercial LPG

- Praxair participating actively
  - CNG cylinders & conversion kits
    - Market growing at 6-7% p.a.
  - JV with Petrobras for LNG distribution
    - Areas not served by pipeline
    - First plant: Q1 2006 start-up

Source: Praxair Estimates

Natural gas business driving growth in South America
Electronics

2005 Sales $512 MM

- **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

**LCD and LED Volume Outlook**

Investment focus on high growth, high return segments
Healthcare

2005 Global Sales $880 MM

- **Homecare 60%**
  - Home oxygen
  - Sleep therapy
  - Home medical equipment

- **Hospital Services 40%**
  - Oxygen supply systems
  - Portable *Grab ‘n Go*® cylinders
  - Analytical gases
  - MRI helium and servicing
  - Cryo preservation

- **Transition patients from hospital to home**

Strong non-cyclical organic growth and low capital intensity
Manufacturing

- Strong growth continues in 2006
- Only integrated N. America supplier
  - Bulk gases
  - Packaged gases
  - Specialty gases
  - Solutions selling

- Process industries
- Resource extraction equipment
- Infrastructure rebuilding

Manufacturer – Genesis Systems Davenport, IA
Praxair China

2005 Sales $144 MM

- Leading position in China
  - 11% NOPAT ROC
  - 1000 employees
  - 10 JV’s and 12 PX entities

- Petrochemical Parks
  - Shell/CNOOC
  - BP, BAYER, BASF & SINOPEC

- Metals
  - Bao Steel, Meishan, Shaoguan
  - YUSCO – stainless

- Electronics
  - SMIC/Tailong
  - Samsung
Praxair India Set To Grow Strongly

- Per capita gas consumption 1% of US
- Industrial economy set to grow strongly
- Economic and regulatory reforms
- Praxair #1 position
  - Strong relationships with industry leaders
- Recent business wins
  - Tata Steel
  - Saint Gobain
  - Owens Corning
  - Hospet Steel

Sales of $120 MM expected to grow ~20% p.a. through 2010

2004: $800 Million Market

- 37% Captive
- 63% Non-Captive

2010: $1.7 Billion Market

- 59% Captive
- 41% Non-Captive

~$50 MM Sales
Accelerating Productivity Gains

Over 600 Six Sigma Projects Completed in 2005

<table>
<thead>
<tr>
<th>Year</th>
<th>Procurement</th>
<th>Plant Operations</th>
<th>Business Process</th>
<th>Total</th>
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<tbody>
<tr>
<td>2003</td>
<td>$110</td>
<td>$50</td>
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<tr>
<td>2004</td>
<td>$145</td>
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<td>2005</td>
<td>$169</td>
<td>$50</td>
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<tr>
<td>2006F</td>
<td>$192</td>
<td>$50</td>
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Capital Investment

2006F: About $900-$950MM

- Growth ~$630MM
- Maintenance ~$200MM
- Cost Reduction ~$95MM

Growth CAPEX By Segment
- 53% Europe
- 14% North America
- 21% Asia
- 10% South America
- 2% PST/Other

Growth CAPEX By Market
- 42% Manufacturing
- 14% Food & Bev
- 11% Energy
- 6% PST/Other
- 19% Electronics
- 14% Chemicals
- 7% Metals
- 1% Other
Increasing Free Cash Flow

- Operating cash flow 10% CAGR
- Capital spending discipline
- Uses of free cash flow
  - Dividends
  - Selective acquisitions
  - Share repurchases
  - Debt reduction

Free Cash Flow 1996-2005 ($MM)

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

CAGR (1995-2005) 16%

Dividend increased 39% in Q1 2006

*Proforma – assumes Q1 dividend rate for full year 2006

Dividends per share ($)
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