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 including natural disasters, epidemics and acts of war and terrorism; the ability to attract, hire, and retain qualified personnel; the impact of changes in financial accounting standards; the impact of tax, environmental, home healthcare 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.
Why Praxair?

Secular Growth Drivers

- Energy
- Environment
- Emerging economies

Unique Business Model

- Dedicated supply systems
- Long term contracts
- Historically recession resistant

Superior Execution

- Capital discipline
- Focused growth programs
- Six Sigma productivity
- Hands on leadership

2001-2006 CAGR

- Sales: +10%
- Operating Profit: +15%
- Net Income: +20%
- Return on Capital: 15%
Natural Gas Well Fracturing

- Low permeability wells
  - Tight sands
  - Coal bed methane
  - Gas shale

- NG above $4/MMBtu

- Praxair best positioned
  - Location
  - Expertise and capability
  - Relationships
  - Supply contracts

CO₂ frac job at a well in Colorado
- N₂ or CO₂ injection in large quantities at high pressure
- Tertiary recovery can enable incremental production of 10-30%
- Oil prices above $35 support EOR
- 430 billion barrels of technically recoverable US oil reserves*
- Praxair - 19 EOR projects

* DOE estimate
Enhanced Oil Recovery (EOR)

PEMEX Samaria Project

- 6,500 TPD N₂ plant
- Natural gas driven
  - Gas turbine - air compressor
  - Steam turbine - N₂ compressor
- Second largest N₂ plant in the world for EOR
- Pemex est. additional oil & gas recovery through 2018
  - 470 million barrels of light crude
  - 540 billion cf natural gas
- Start-up Q2 2007
Enclaves deliver superior growth at higher returns

- Refining industry hydrogen needs to double in next 5 years
- Heavy/high sulfur crude
  - Oil sands
  - Mayan
  - Venezuelan
- Pipeline enclave supply systems – lower cost and increased reliability
- Peak shaving hydrogen storage cavern on-stream in 2007
Canadian Oil Sands / Gasification

- 175 B barrels of proven reserves
- Current production of 1.1 MM bpd expected to triple by 2015
- Over 2.0 B SCFD of additional H2 for upgrading bitumen
- Large O2 requirements for proposed gasification projects
- Economically competitive at $45/bbl oil

Praxair well positioned for future H2, O2 and N2 opportunities
Oxygen Supply for Energy Projects

**Now**
- Coal gasification in China
  - Power
  - Chemical Feedstock – 3000 TPD $O_2$ plant for SOPO

**3-5 years**
- Oxy-coal combustion
  - Power, retrofits possible
- Refining pet-coke gasification
  - Low-value fuel source
  - Poly-generation – hydrogen, power
- Integrated Gasification Combined Cycle (IGCC)
  - $CO_2$ capture-ready power production

<table>
<thead>
<tr>
<th>Power Production</th>
<th>$O_2$ Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oxy-Coal (600MW)</td>
<td>10,000 - 12,000 TPD</td>
</tr>
<tr>
<td>IGCC (600MW)</td>
<td>5,000 – 6,000 TPD</td>
</tr>
</tbody>
</table>

Massive Projects
Praxair Strengths

- Oxy-coal combustion technology
- Global leader in CO₂
  – 90 plants worldwide
- CO₂ capture technologies
  – Separation, purification
- Enhanced Oil Recovery
  – Gulf Coast Carbon Center
- 4 DOE regional partnerships
- Praxair Seeper Trace™
  – CO₂ monitoring/detection services

Praxair is uniquely positioned to provide enabling technologies
### Emerging Economies

<table>
<thead>
<tr>
<th></th>
<th>Mexico</th>
<th>Brazil</th>
<th>China</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td>Praxair Leading Position</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Population</td>
<td>100MM</td>
<td>180MM</td>
<td>1.3B</td>
<td>1.1B</td>
</tr>
<tr>
<td>Industrial Production Growth</td>
<td>5.2%</td>
<td>3.2%</td>
<td>16.3%</td>
<td>9.4%</td>
</tr>
<tr>
<td>Per Capita Gas Consumption</td>
<td>20%</td>
<td>15%</td>
<td>2%</td>
<td>1%</td>
</tr>
</tbody>
</table>

% of United States

Well positioned to capture emerging world growth
Growing in China

- Leading position in China
  - 11 JV’s and 13 subsidiaries

- Petrochemical parks
  - Shanghai, Caojing
  - Daya Bay, Nanhai

- Metals
  - Shanghai
  - Guangzhou

- Electronics
  - Beijing
  - Shanghai
  - Taiwan

- Gasification
  - Shanghai region

CO₂ Plant  Gasification  Other

Expanding Presence in India

$350 MM industrial gas market* growing at 20% annually

- Domestic demand driving opportunities
- Praxair #1 position
- Winning projects at good returns
  - 9 plants operating
  - 4 project start-ups in 2007-2008
- Praxair global engineering center

* Non-captive supply – PX estimated market shares

Unique situation – few global players
Opportunities in India

- **Steel**
  - MM TPY

- **Petrochem**
  - MM TPY

- **Manufacturing**
  - Units MM

- **Pharma**
  - Sales $ B

- **Construction**
- **Auto**
- **Met fab**

- **Shortage of textiles & plastics**
- **New naphtha crackers**

- **Strong domestic demand**
- **Small car & components hub**

- **Fermentation**
- **Reactor cooling**

**Rapid infrastructure development**
Praxair Mexico – Strong Growth Profile

- Praxair operates most efficient production/distribution network
- Export manufacturing economy, strong domestic demand growth
- Energy markets
  - Enhanced Oil Recovery – PEMEX
  - Oil well services
- Acquisition of Linde Mexico
  - $75MM sales
  - Significant revenue and cost synergies

Sales of $500 MM growing 15% per year
South America Growth Platforms

On-site business

- Leading position

- Recent wins - steel
  - Gerdau, Arcelor, Thyssen

- Recent wins – paper/chem/metals
  - Suzano, Botnia

Energy Markets

- Conversions from alternative fuels
  - Market growing 10-12%

- JV with Petrobras for LNG distribution
  - Areas not served by pipeline
  - First LNG plant for Brazil and Praxair

Sales of $1.3 billion growing double digits
**Strong Cash Flow Generation**

**Cash Flow 2000-2006 ($MM)**

![Graph showing cash flow 2000-2006](image)

### 2006

<table>
<thead>
<tr>
<th></th>
<th>$MM</th>
<th>%Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cash Flow</td>
<td>$1,752</td>
<td>20%</td>
</tr>
<tr>
<td>Capital Reinvestment</td>
<td>$1,100</td>
<td>13%</td>
</tr>
<tr>
<td>Stock Dividends and Purchases (net)</td>
<td>$543</td>
<td>7%</td>
</tr>
</tbody>
</table>

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

**Return on capital of 15% after tax generates cash flow for growth and shareholder return**
Capital Investment Priorities

Shareholder value creation is generated by the spread between IRR and the cost of capital.

- Bolt-on projects in core geographies
- Stand-alone project
- Foregone projects

- Project IRR
- Minimum Hurdle Rate
- Cost of Capital

Capital Investment $$
Competitive Advantage - Execution

Independent Research Study IPA - 2005
Cost and Schedule Predictability*

Top 20%

2006 project cost performance <3% vs budget

Superior execution ensures expected returns

* Chemical Industry

What We Are NOT Doing

- Chasing growth with lower project returns
- Approaching plant sales as a business
- Adding speculative liquid capacity
- Losing cost discipline
- Relying on cycles for growth

Carefully managing our business to maximize shareholder value
Global Praxair Forecast through 2010

Sales Growth %

- 10.0%
- 5.0%
- 0.0%

2005-2010

Energy
Emerging Economies
Applications Technology
Base Business

Annual Growth

Organic Sales
8 - 12%

Operating Profit
10 - 14%

EPS
12 - 16%

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