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

2001-2006 CAGR
- Sales +10%
- Operating Profit +15%
- Net Income +20%
- Return on Capital 15%

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
Energy Technologies

- Refining
- Enhanced Oil Recovery
- Natural Gas Well Fracturing
- Gasification
- Oxy-fuel Combustion
- Transportation

<table>
<thead>
<tr>
<th>Technology</th>
<th>Gases/Compounds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refining</td>
<td>H₂</td>
</tr>
<tr>
<td>Enhanced Oil Recovery</td>
<td>CO₂, N₂</td>
</tr>
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<tr>
<td>Gasification</td>
<td>O₂, H₂, syngas</td>
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<tr>
<td>Oxy-fuel Combustion</td>
<td>O₂</td>
</tr>
<tr>
<td>Transportation</td>
<td>LNG/CNG</td>
</tr>
</tbody>
</table>
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
Enhanced Oil Recovery (EOR)

- Re-pressurize declining oil fields
- N₂ or CO₂ injection in large quantities at high pressures
- Oil prices above $35 support EOR
- 19 EOR projects
- PEMEX Samaria
Natural Gas Well Fracturing

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

- NG above $4/MMBtu

- Praxair best positioned
  - Location
  - Expertise
  - Relationships
  - Supply contracts
Gasification – Becoming a Reality

- Coal gasification in China
  - Power
  - Chemical feedstock
    - SOPO: 3000TPD O₂ plant

- Refining pet-coke gasification
  - Low-value fuel source
  - Poly-generation – hydrogen, power

- Integrated Gasification Combined Cycle (IGCC)
  - CO₂ capture-ready power production

Opportunities for large ASU’s and H2 supply
Over 2.0B SCFD of additional H₂ for upgrading bitumen
* Large O₂ requirements for proposed gasification projects
* Economically competitive at $40/bbl oil
Oxygen Fuel Combustion

- **Higher energy efficiency**
  - 10-15% fuel savings

- **Higher throughput**
  - 10-20% increase

- **Less emissions**
  - 80-90% NOx reduction

PX commercializes 20+ new application technologies per year
Environmental Technologies

- **Air emissions/GHG**
  - CO₂ capture and sequestration
  - Clean-coal combustion for power generation
  - VOC abatement
  - Mercury emissions capture

- **Waste management**
  - Sludge reduction in wastewater

- **Water treatment**
  - In-situ oxygenation
  - Oxygen in paper production
  - pH adjustment of drinking water
Improving the environment while making money

- Developing cost effective CO₂ capture technology
  - Strengths in capture, purification, and distribution
  - Founding member of Gulf Coast Carbon Center

- Creating CO₂ sources near applicable oil fields
  - Increasing oil production while reducing greenhouse gases

CO₂ Capture and Sequestration Technology

Lehman Brothers Global Chemical Conference - Prague - 3/29/07
## 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>

Well positioned to capture emerging world growth
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

**Brazil Steel Production**
$12.8 B Investment
(2004 – 2010)

**Brazil PetroChem. Industry**
$14.1 B Investment
(2006 – 2011)

Sales of $1.3 billion growing double digits
Opportunities in India

Steel

- Construction
- Auto
- Met fab

Petrochem

- Shortage of textiles & plastics
- New naphtha crackers

Manufacturing

- Strong domestic demand
- Small car & components hub

Pharma

- Fermentation
- Reactor cooling

Rapid infrastructure development
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

\[CO_2\text{ Plant} \quad \text{Gasification} \quad \text{Other}\]
**Strong Cash Flow Generation**

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

- **Operating Cash Flow**: $1,752, 20%
- **Capital Reinvestment**: $1,100, 13%
- **Stock Dividends and Purchases (net)**: $543, 7%

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**
All Sales Dollars Are Not Created Equally

Typical Operating Margin %

- On-site: 25-30%
- Merchant: 20-25%
- Packaged: 15-20%
- Hydrogen: 8-12%
- Electronics: 8-12%
- Homecare: 8-12%

Portfolio mix determines profitability
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 $$

Lehman Brothers Global Chemical Conference - Prague - 3/29/07
Shareholder return is a function of growth and ROC

Sales Growth (5 Yr CAGR)

Return On Capital

Net Income Growth

Other industrial gas competitors

Source: Bloomberg, PX Estimate
Global Praxair Forecast through 2010

Sales Growth %

- 10.0% Energy
- 5.0% Emerging Economies
- 0.0% Applications Technology
- Base Business

2005-2010

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 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