PRAXAIR

Investor Teleconference Presentation
First Quarter 2005

April 27, 2005

Forward Looking Statements

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.

First Quarter Earnings

($MM)	First Quarter 2005	Fourth Quarter 2004	First Quarter 2004
Sales	$1,827	$1,786	$1,531
Operating Profit	$ 309	$ 289	$ 260
Operating Margin	16.9%	16.2%	17.0%
Net Income	$ 195	$ 181	$ 164
Diluted EPS	$ 0.59	$ 0.55	$ 0.49
After Tax ROC[1]	12.7%	12.7%	12.9%

Sales Comparison	YOY	Q1 vs Q4
Sales Growth	+19%	+2%
Volume	+6%	-1%
Price	+3%	0%
Natural Gas	0%	0%
Acquisitions	+7%	+2%
Currency	+3%	+1%

1) Non-GAAP measure. See Appendix. ROC was reduced by 1.0% for the 2005 first quarter as a result of the German and Home Care Supply acquisitions.

North America

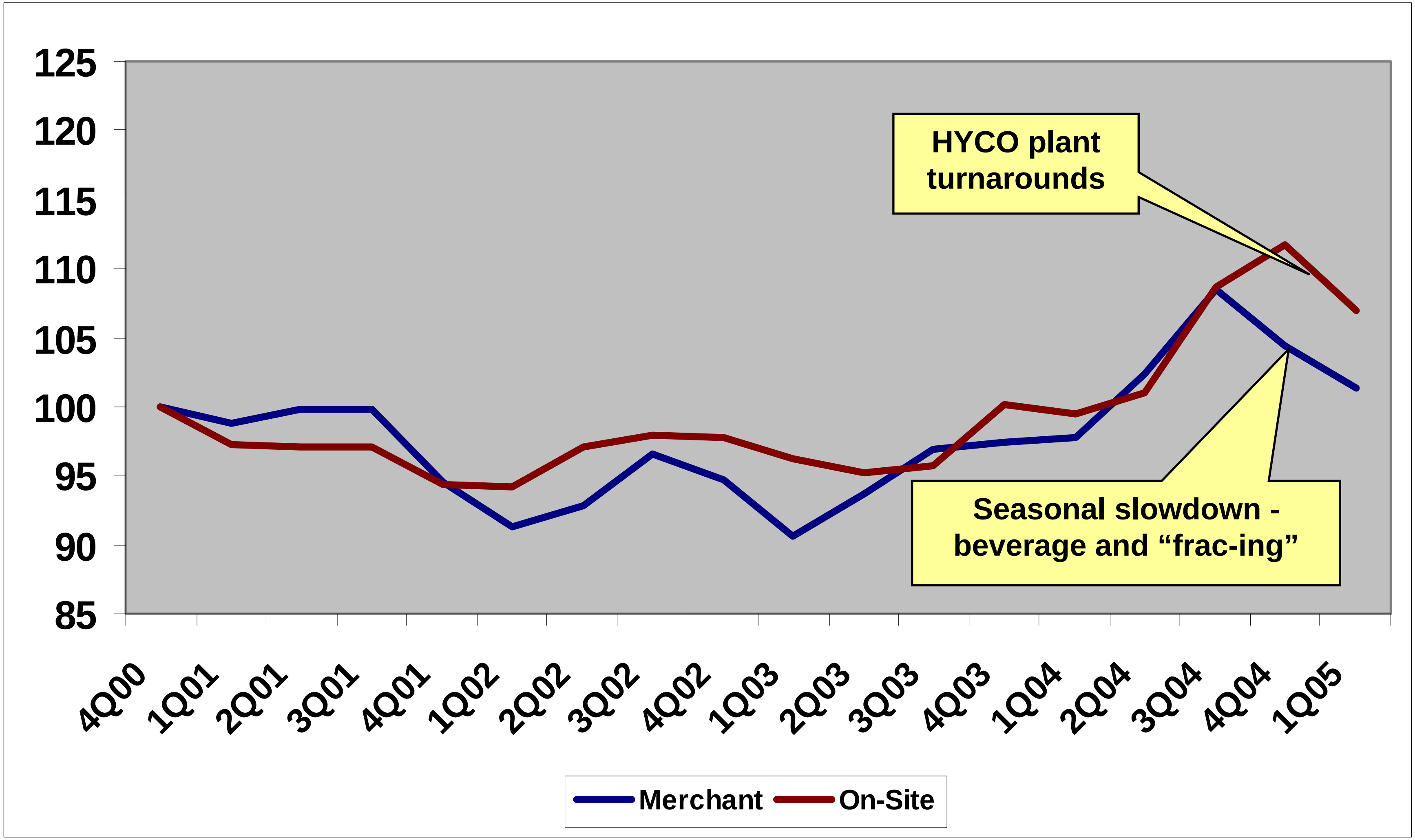
($MM)	First Quarter 2005	Fourth Quarter 2004	First Quarter 2004
Sales	$1,115	$1,130	$ 960
Segment OP	$ 166	$ 161	$ 149
Operating Margin	14.9%	14.2%	15.5%

Sales Comparison	YOY	Q1 vs Q4
Sales Growth	+16%	-1%
Volume	+7%	-1%
Price	+3%	0%
Natural Gas	+1%	0%
Acquisitions	+4%	0%
Currency	+1%	0%

- Strong YOY sales to energy, chemicals, metals and manufacturing
- Oil well services activity strong; sales lower versus Q4 due to weather
- Refinery hydrogen volumes +28% YOY, but down – 17% versus Q4 due to plant turnarounds which reduced sales by $30MM. OP impact offset by other income
- Seasonally lower CO2 volumes
- Strong YOY packaged gas sales continue in US and Canada

Key Indicators	YOY
On-Site Volume	+8%
Merchant Volume	+4%
Lin Lox Price Index	+2%
Packaged Gas Index	+8%

North American Volumes



Volumes not days adjusted

Europe

($MM)	First Quarter 2005	Fourth Quarter 2004	First Quarter 2004
Sales	$287	$234	$208
Segment OP	$ 67	$ 56	$ 52
Operating Margin	23.3%	23.9%	25.0%

Sales Comparison	YOY	Q1 vs Q4
Sales Growth	+38%	+23%
Volume	0%	0%
Price	0%	+1%
Acquisition	+32%	+18%
Currency	+6%	+4%

- Integration of German acquisition on track with sales ahead of forecast
- Softening economy in Italy due to weaker demand from automotive and construction sectors
- Strong homecare sales
- Higher liquid and packaged gas sales offset by lower on-site volumes

South America

($MM)	First Quarter 2005	Fourth Quarter 2004	First Quarter 2004
Sales	$245	$236	$200
Segment OP	$ 43	$ 41	$ 32
Operating Margin	17.6%	17.4%	16.0%

Sales Comparison	YOY	Q1 vs Q4
Sales Growth	+23%	+4%
Volume	+8%	0%
Price	+7%	0%
Currency	+8%	+4%

- Favorable macroeconomic conditions continue to support strong volumes and new business activity
- Solid YOY growth in liquid and packaged gases volumes
- Continued growth in natural gas conversion kits for automobiles
- New plant start-ups
  - Petrobras LNG – Q2 06
  - CST – Q3 06

Asia

($MM)	First Quarter 2005	Fourth Quarter 2004	First Quarter 2004
Sales	$122	$134	$109
Segment OP	$ 22	$ 24	$ 17
Operating Margin	18.0%	17.9%	15.6%

Sales Comparison	YOY	Q1 vs Q4
Sales Growth	+12%	-9%
Volume	+8%	-6%
Price	-1%	-1%
Currency	+5%	+3%
Equipment sale	0%	-5%

- Strong organic YOY volume growth from metals, electronics and food freezing markets
- Electronics sales +11% YOY
- Margin improvement from liquid pricing initiatives in China and India
- Seasonally soft Q1 vs. Q4 due to Chinese New Year
- On-site volumes expected to increase 25% by Q4 2005 due to new plant start-ups

Surface Technologies

($MM)	First Quarter 2005	Fourth Quarter 2004	First Quarter 2004
Sales	$118	$116	$ 111
Segment OP	$ 11	$ 7	$ 10
Operating Margin	9.3%	6.0%	9.0%

- Sales +3% ex-currency
- OEM aircraft engine coatings remain strong
- Higher volumes of industrial coatings for power turbines and oil field service components
- Aviation repair remains weak – airline customers outsourcing maintenance
- Ongoing cost reduction actions

End-Market Trends

	YOY Sales Growth ex-currency, acquisitions and natural gas price change	
Manufacturing	+13%	Strong growth continues in US, Brazil, Asia
Metals	+ 9%	New projects in Asia and Brazil. Growth slowing in US
Energy	+39%	Up 60% ex-turnarounds. PEMEX, BP, and Valero awards in quarter
Healthcare	+ 4%	Strong organic growth mitigated by reimbursement rate cuts
Chemicals	+ 6%	Positive outlook – function of chemical shipments
Electronics	- 1%	Significant inventory adjustment in quarter
Food and Beverage	+2%	Slow growth – seasonal beverage demand

PEMEX Enhanced Oil Recovery Project

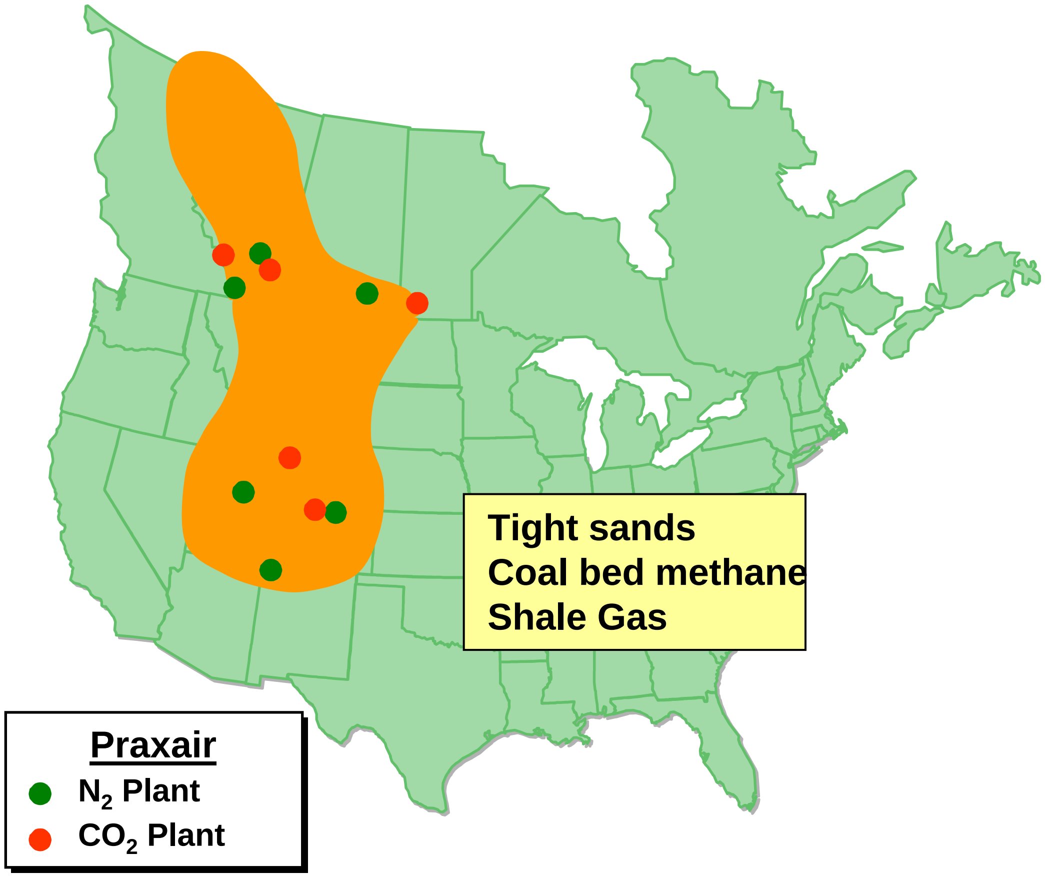
PEMEX Samaria Oil Fields

- PEMEX's main source of light sweet crude
- Current production approx. 150 MBPD
- Production has declined from 1979 peak of 600 MBPD
- N_2 injection and new wells expected to recover additional 470 MM barrels of oil and 540 BCF of natural gas through 2018

Praxair

- 15 year Take or Pay contract
- >6500 TPD of nitrogen production
- Delivered via pipeline to multiple injection wells
- Start-up Q1 2007

Oil/Gas Well Fracturing and Services



- **US Rockies rig count has increased 75% since 2002**
- **CO_2 and N_2 widely used to fracture low permeability formations during well completion**
- **Praxair best positioned**
  - Location
  - Expertise
  - Relationships
- **Additional pipeline services**

$200 MM revenues expected to grow 25% p.a.

Financial Outlook[1]

Second Quarter 2005

- Diluted EPS in the range of $0.60 to $0.62

Full Year 2005

- Sales growth in the range of 12 to 15%
- Operating profit in the range of 13 to 17%
- Diluted EPS in the range of $2.40 to $2.48
- Effective tax rate of 26%
- CAPEX of $750MM to $800MM

1)This excludes the effect of expensing stock options, expected to begin in Q106. Praxair estimates that this will reduce diluted EPS by about $0.02 per quarter. This excludes any potential tax impact from the American Jobs Creation Act of 2004.

APPENDIX

Non-GAAP Measures

Definitions of the following non-GAAP measures may not be comparable to similar definitions used by other companies. Praxair believes that its debt-to-capital ratio is appropriate for measuring its financial leverage. The Company believes that its after-tax return on invested capital ratio is an appropriate measure for judging performance as it reflects the approximate after-tax profit earned as a percentage of investments by all parties in the business (debt, minority interests and shareholders' equity). For more information on Praxair's after-tax return on invested capital ratio, please see the Appendix on page 68 of Praxair's 2004 Annual report.

	2005	2004			
	Q1(a)	Q4(a)	Q3	Q2	Q1
TOTAL CAPITAL					
Total debt	$ 3,449	$ 3,525	$ 2,887	$ 3,021	$ 2,843
Minority interests	221	225	206	203	198
Shareholders' equity	3,651	3,608	3,369	3,181	3,136
Total Capital	$ 7,321	$ 7,358	$ 6,462	$ 6,405	$ 6,177
DEBT-TO-CAPITAL RATIO	47.1%	47.9%	44.7%	47.2%	46.0%
AFTER-TAX RETURN ON CAPITAL (ROC)					
Operating profit	$ 309	$ 289	$ 280	$ 274	$ 260
Less: reported taxes	(69)	(60)	(61)	(55)	(56)
Less: tax benefit on interest expense	(11)	(10)	(10)	(10)	(9)
Add: income from equity investments	4	1	3	4	3
Net operating profit after-tax (NOPAT)	$ 233	$ 220	$ 212	$ 213	$ 198
Beginning capital	$ 7,358	$ 6,462	$ 6,405	$ 6,177	$ 6,099
Ending capital	$ 7,321	$ 7,358	$ 6,462	$ 6,405	$ 6,177
Average capital	$ 7,340	$ 6,910	$ 6,434	$ 6,291	$ 6,138
ROC %	3.2%	3.2%	3.3%	3.4%	3.2%
ROC % (annualized)	12.7%	12.7%	13.2%	13.5%	12.9%

a) ROC was reduced by 1.0% for the 2005 first quarter as a result of the German and Home Care Supply acquisitions.