Investor Teleconference Presentation
Second Quarter 2005

July 27, 2005

Forward Looking Statements

The forward-looking statements contained in this document concerning demand for products and services, the expected macroeconomic environment, sales, margins and earnings growth rates, projected capital and acquisition spending, the impact of required changes in accounting, the impact of accounting and other estimates, and other financial goals involve risks and uncertainties, and are subject to change based on various factors. These risk factors include the impact of changes in worldwide and national economies, the performance of stock markets, the cost and availability of electric power, natural gas and other materials, and the ability to achieve price increases to offset such cost increases, inflation in wages and other compensation, 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, and the impact of tax, accounting and other legislation, litigation, government regulation in the jurisdictions in which the Company operates and the effectiveness and speed of integrating new acquisitions into the business.

Second Quarter Earnings

($MM)	Second Quarter 2005	First Quarter 2005	Second Quarter 2004
Sales	$1,919	$1,827	$1,603
Operating Profit	$ 322	$ 309	$ 274
Operating Margin	16.8%	16.9%	17.1%
Net Income	$ 209	$ 195	$ 175
Diluted EPS	$ 0.63	$ 0.59	$ 0.53
After Tax ROC[1]	13.7%	12.7%	13.5%

Sales Comparison	YOY	Q2 vs Q1
Sales Growth	+20%	+5%
Volume	+6%	+3%
Price	+3%	+1%
Natural Gas	0%	+1%
Acquisitions	+6%	0%
Currency	+5%	0%

- Q2 05 operating profit +20% YOY, +7% vs Q1, adjusted for $8MM charge related to St. Louis distribution facility

1) Non-GAAP measure. See Appendix

North America

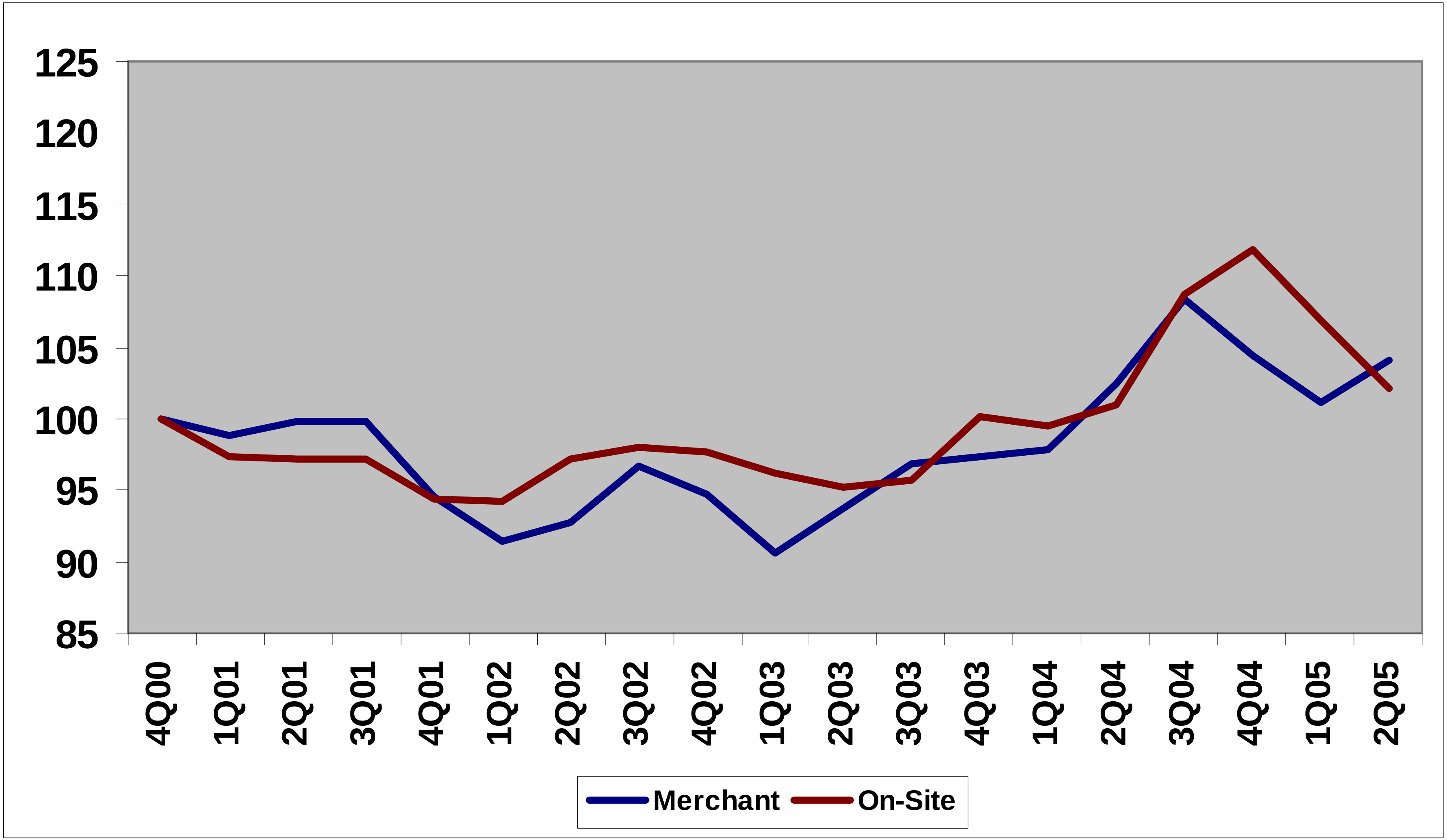
($MM)	Second Quarter 2005	First Quarter 2005	Second Quarter 2004
Sales	$1,153	$1,115	$ 1,016
Segment OP	$ 161	$ 166	$ 156
Operating Margin	14.0%	14.9%	15.4%

Sales Comparison	YOY	Q2 vs Q1
Sales Growth	+13%	+3%
Volume	+5%	+2%
Price	+3%	+1%
Natural Gas	+1%	0%
Acquisitions	+3%	0%
Currency	+1%	0%

- Manufacturing demand remains strong
- North American steel sales down -7% YOY
- Refinery hydrogen pipeline sales +38% YOY
- Strong oil well services activity
- Packaged gas sales +11% YOY
- Operating profit +8% YOY, adjusted for $8MM charge related to St. Louis distribution facility

Key Indicators	YOY
On-Site Volume	+1%
Merchant Volume	+2%
Lin Lox Price Index	+2%
Packaged Gas Index	+7%

North American Volumes



Volumes not days adjusted

Europe

($MM)	Second Quarter 2005	First Quarter 2005	Second Quarter 2004
Sales	$293	$287	$207
Segment OP	$ 72	$ 67	$ 52
Operating Margin	24.6%	23.3%	25.1%

Sales Comparison	YOY	Q2 vs Q1
Sales Growth	+42%	+2%
Volume	+4%	+6%
Price	+1%	0%
Acquisition	+31%	0%
Currency	+6%	- 4%

- 5% volume growth in Spain. Italy continues to be weak due to automotive and textile
- Lower on-site volumes offset by higher liquid, packaged and specialty gas sales
- Strong homecare sales
- Acquisition results above plan. Achieving integration synergies
- Euro currency weakened during the quarter. Q3 05 translation rate expected to be lower than Q2 05

South America

($MM)	Second Quarter 2005	First Quarter 2005	Second Quarter 2004
Sales	$274	$245	$211
Segment OP	$ 51	$ 43	$ 39
Operating Margin	18.6%	17.6%	18.5%

Sales Comparison	YOY	Q2 vs Q1
Sales Growth	+30%	+12%
Volume	+2%	+1%
Price	+9%	+5%
Currency	+19%	+6%

- Strong YOY growth in liquid and packaged gases volumes
- On-site volume growth constrained due to capacity limitations
- Price increases more than offset inflation
- Ongoing cost reduction actions and productivity initiatives
- Favorable currency impact

Asia

($MM)	Second Quarter 2005	First Quarter 2005	Second Quarter 2004
Sales	$137	$122	$121
Segment OP	$ 24	$ 22	$ 19
Operating Margin	17.5%	18.0%	15.7%

Sales Comparison	YOY	Q2 vs Q1
Sales Growth	+13%	+12%
Volume	+13%	+10%
Price	- 1%	+1%
Currency	+4%	0%
Equipment sale	- 3%	+1%

- Electronics sales +18% YOY from new on-site plants
- Metal sales +30% YOY from new on-site plants
- India business stronger
- Strong CO2 demand for food freezing
- China liquid price erosion caused by new stand-alone industry capacity

Surface Technologies

($MM)	Second Quarter 2005	First Quarter 2005	Second Quarter 2004
Sales	$124	$118	$111
Segment OP	$ 14	$ 11	$ 8
Operating Margin	11.3%	9.3%	7.2%

- Sales up +7% YOY and +6% sequentially ex-currency
- Continued strong demand for OEM aircraft engine coatings
- Higher volumes of industrial coatings for power turbines and oil field service components
- Modest sequential improvement in aviation repair volumes
- Higher sales of thermal spray powders, in part for chrome replacement on OEM aviation airframes

Global End-Market Trends

	YOY Sales Growth ex-currency, acquisitions and natural gas price change	
Manufacturing	+10%	Growth in all geographic regions
Metals	0%	US steel volumes lower. New projects – Asia & Brazil
Energy	+35%	Hydrogen for refineries, oil well services
Healthcare	+5%	Overall sales +31% including acquisitions
Chemicals	+1%	US volumes impacted by customer outages
Electronics	+3%	Electronics beginning to recover. Growth in Asia
Food and Beverage	+6%	Strongest growth coming from Asia
Aerospace	-3%	Improving outlook
Other	+12%	Strong growth in niche markets

Financial Outlook[1]

Third Quarter 2005

- Diluted EPS in the range of $0.61 to $0.64

Full Year 2005

- Sales growth in the range of 14% to 16%
- Operating profit growth in the range of 15% to 18%
- Diluted EPS in the range of $2.44 to $2.50
- CAPEX in the area of $800MM

1) During the third quarter, Praxair expects to finalize its analysis of the applicability of the repatriation provisions of the American Jobs Creation Act of 2004. Pursuant to the Act, Praxair may repatriate up to $1.1 billion with an estimated one-time tax expense for the repatriation and adjustments to tax reserves of up to $90 million, which is not included in the aforementioned earnings guidance. Praxair does not plan to begin expensing stock options until its 2006 fiscal year.

Business Outlook

- **Refinery hydrogen and oil and gas well service businesses continue to grow rapidly**
- **Business capital spending strong, continued strength in heavy manufacturing**
- **Steel industry expected to “work off” excess inventory – volumes expected to improve**
- **Electronics demand beginning to rebound**
- **Six Sigma and productivity initiatives on track to achieve $160MM in savings in 2005**
- **Accelerating contribution of Messer and Home Care Supply acquisitions**
- **Substantial new business on stream in 2006 and 2007 – over 30 new projects**

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).

	2005		2004			
	Q2	Q1	Q4	Q3	Q2	Q1
TOTAL CAPITAL						
Total debt	$3,327	$3,449	$ 3,525	$ 2,887	$ 3,021	$ 2,843
Minority interests	225	221	225	206	203	198
Shareholders' equity	3,821	3,651	3,608	3,369	3,181	3,136
Total Capital	$7,373	$7,321	$ 7,358	$ 6,462	$ 6,405	$ 6,177
DEBT-TO-CAPITAL RATIO	45.1%	47.1%	47.9%	44.7%	47.2%	46.0%
AFTER-TAX RETURN ON CAPITAL (ROC)						
Operating profit	$ 322	$ 309	$ 289	$ 280	$ 274	$ 260
Less: reported taxes	(64)	(69)	(60)	(61)	(55)	(56)
Less: tax benefit on interest expense	(11)	(11)	(10)	(10)	(10)	(9)
Add: income from equity investments	5	4	1	3	4	3
Net operating profit after-tax (NOPAT)	$ 252	$ 233	$ 220	$ 212	$ 213	$ 198
Beginning capital	$7,321	$7,358	$ 6,462	$ 6,405	$ 6,177	$ 6,099
Ending capital	$7,373	$7,321	$ 7,358	$ 6,462	$ 6,405	$ 6,177
Average capital	$7,347	$7,340	$ 6,910	$ 6,434	$ 6,291	$ 6,138
ROC %	3.4%	3.2%	3.2%	3.3%	3.4%	3.2%
ROC % (annualized)	13.7%	12.7%	12.7%	13.2%	13.5%	12.9%