News Release

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PRAXAIR FIRST-QUARTER EPS UP 26% TO 49 CENTS

DANBURY, Conn., April 28, 2004 -- Praxair, Inc. (NYSE: PX) reported record net income of $164 million for the first quarter of 2004, and diluted earnings per share of 49 cents. Net income and earnings per share rose 26% from $130 million and 39 cents per diluted share in the first quarter of 2003, adjusted to reflect the two-for-one stock split in December 2003. Growth in net income was due to higher sales revenue, higher operating profit and lower interest expense, partially offset by a slightly higher effective tax rate compared to the year-ago period.

Sales for the quarter were $1,531 million compared to $1,337 million in 2003. Sales rose 15% on a reported basis, and 9% excluding the effect of currency appreciation. Operating profit of $260 million grew 21% from $215 million in 2003. Sales and operating profit both grew from strong overall volume growth, higher pricing, and currency effects. The overall operating margin increased from 16.1% to 17%.

Commenting on the quarter, Dennis H. Reilley, chairman and chief executive officer, said, " Our strong results reflect continued pick-up in demand from most of our customers in all our end markets. Earnings grew as we achieved greater operating leverage and productivity across our system."

In North America, sales of $960 million were 8% higher than $893 million in the year-ago quarter. Growth came from higher sales to all end markets, including energy, metals, electronics and healthcare. On-site, merchant and packaged gases all showed strong volume growth from the prior year. Operating profit of $149 million grew 14%, benefiting from volume gains and productivity improvements.

In Europe, reported sales grew 26% to $208 million. Excluding the effect of a stronger Euro, sales grew 10% primarily from higher volumes and pricing. Operating profit grew to $52 million from $38 million in the year-ago period, primarily from higher volumes and currency effects. Praxair's volume growth in Europe continued to significantly outpace the overall level of economic growth.

In South America, sales of $200 million grew 35%, or 18% excluding currency effects. Underlying sales grew from higher volumes and higher pricing. Operating profit was $32 million compared to $29 million in 2003.

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Sales in Asia grew 30% to $109 million, primarily from strong volume demand and production capacity additions in China. Operating profit of $17 million grew 31%, in line with sales growth.

Praxair Surface Technologies' sales for the quarter of $111 million grew 13% from the prior year due to increased demand for global coatings in industrial and aviation markets, and a stronger Euro. Operating profit was $10 million, up strongly from $4 million in the year-ago period, reflecting improving business conditions and the benefits of cost-reduction actions taken in 2003.

Cash flow from operations for the quarter was $181 million, after a $60-million contribution to the U.S. pension plan. Capital expenditures were $124 million. The company's after-tax return on capital* rose to 12.9%.

In the second quarter of 2004, Praxair expects sales to grow 11% to 13% and operating profit to grow 17% to 21% versus the second quarter of 2003. Diluted earnings per share are expected to be between 48 cents and 52 cents. For the full year of 2004, Praxair expects sales growth in the range of 9% to 13% and operating profit growth in the range of 13% to 17%. Diluted earnings per share are expected to be in the range of $1.98 to $2.08. Full-year capital expenditures are expected to be in the area of $700 million.

Commenting on the business outlook, Reilley said, " The U.S. economy has shown a dramatic turnaround over the past nine months, and our volume growth has outpaced industrial production. While we continue to see strong demand from our customers, high energy prices, a stronger U.S. dollar, and the potential for higher interest rates may moderate U.S. industrial activity later in the year. Our growth plans are moving forward, with new hydrogen capacity coming on stream, new semiconductor product offerings, and significant new business signed in China."

Praxair is the largest industrial gases company in North and South America, and one of the largest worldwide, with 2003 sales of $5.6 billion. The company produces, sells and distributes atmospheric and process gases, and high-performance surface coatings. Praxair products, services and technologies bring productivity and environmental benefits to a wide variety of industries, including aerospace, chemicals, food and beverage, electronics, energy, healthcare, manufacturing, metals and others. More information on Praxair is available on the Internet at www.praxair.com.

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*Non GAAP measure: See quarterly Financial Summary and Appendix: Non-GAAP measures

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Attachments: **Statements of Income, Balance Sheets, Statements of Cash Flows, Segment Information, Quarterly Financial Summary and Appendix: Non-GAAP Measures**

A teleconference **on Praxair's first-quarter results is being held this morning, April 28, at 9:00 am Eastern Standard Time. The number is (617) 786-2905 -- Passcode: 79692349. The call also is available as a web cast at www.praxair.com/investors. Materials to be used in the teleconference are available on www.praxair.com/investors.**

The forward-looking statements **contained in this announcement concerning demand for products and services, the expected macroeconomic environment, sales and earnings growth, 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, and the impact of tax and other legislation and regulation in the jurisdictions in which the company operates.**

PRAXAIR, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Millions of dollars, except per share data)
(UNAUDITED)

	Quarter Ended March 31, 2004 (a,b)	Quarter Ended March 31, 2003
SALES	$ 1,531	$ 1,337
Cost of sales	908	804
Selling, general and administrative	204	185
Depreciation and amortization	139	122
Research and development	19	17
Other Income (expense) - net	(1)	6
OPERATING PROFIT	260	215
Interest expense	37	42
INCOME BEFORE INCOME TAXES	223	173
Income taxes	56	41
	167	132
Minority interests	(6)	(5)
Income from equity investments	3	3
NET INCOME	$ 164	$ 130
PER SHARE DATA (c)		
Basic earnings per share:		
Net income	$ 0.50	$ 0.40
Diluted earnings per share:		
Net income	$ 0.49	$ 0.39
Cash dividends	$ 0.15	$ 0.10
WEIGHTED AVERAGE SHARES OUTSTANDING (c)		
Basic shares outstanding (000's)	326,394	325,762
Diluted shares outstanding (000's)	331,573	329,270

(a) Consolidated sales for the 2004 quarter decreased $8 million from the incremental contractual pass-through of lower on-site hydrogen raw material costs tied to natural gas prices, with no impact on operating profit compared to 2003.

(b) Consolidated sales for the 2004 quarter increased $77 million due to currency effects versus 2003.

(c) Earnings per share data for 2003 have been adjusted to reflect the December 15, 2003, two-for-one stock split.

PRAXAIR, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Millions of dollars)
(UNAUDITED)

	March 31, 2004	December 31, 2003
ASSETS		
Cash and cash equivalents	$ 37	$ 50
Accounts receivable	1,013	962
Inventories	308	302
Prepaid and other current assets	125	135
TOTAL CURRENT ASSETS	1,483	1,449
Property, plant and equipment - net	5,224	5,252
Goodwill	1,073	1,075
Other intangibles	55	56
Other assets	492	473
TOTAL ASSETS	$ 8,327	$ 8,305
LIABILITIES AND EQUITY		
Accounts payable	$ 401	$ 413
Short-term debt	132	133
Current portion of long-term debt	18	22
Other current liabilities	515	549
TOTAL CURRENT LIABILITIES	1,066	1,117
Long-term debt	2,693	2,661
Other long-term liabilities	1,234	1,244
TOTAL LIABILITIES	4,993	5,022
Minority interests	198	195
Shareholders' equity	3,136	3,088
TOTAL LIABILITIES AND EQUITY	$ 8,327	$ 8,305

PRAXAIR, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Millions of dollars)
(UNAUDITED)

	Quarter Ended March 31, 2004	Quarter Ended March 31, 2003
OPERATIONS		
Net income	$ 164	$ 130
Adjustments:		
Depreciation and amortization	139	122
Other non-cash charges	1	9
Working capital	(104)	(89)
Long-term assets and liabilities and other	(19)	(1)
Net cash provided by operating activities	181	171
INVESTING		
Capital expenditures	(124)	(123)
Acquisitions	-	(14)
Divestitures and asset sales	14	52
Net cash used for investing activities	(110)	(85)
FINANCING		
Debt increase/(decrease) - net	26	(8)
Issuance of common stock	66	43
Purchases of common stock	(123)	(61)
Cash dividends	(49)	(35)
Minority transactions and other	(3)	(5)
Net cash used for financing activities	(83)	(66)
Effect of exchange rate changes on cash and Cash equivalents	(1)	(1)
Change in cash and cash equivalents	(13)	19
Cash and cash equivalents, beginning-of-period	50	39
Cash and cash equivalents, end-of-period	$ 37	$ 58

PRAXAIR, INC. AND SUBSIDIARIES
SEGMENT INFORMATION
(Millions of dollars)
(UNAUDITED)

	Quarter Ended March 31, 2004	Quarter Ended March 31, 2003
SALES		
North America (a)	$ 960	$ 893
Europe (b)	208	165
South America (c)	200	148
Asia (d)	109	84
Surface Technologies (e)	111	98
Elimination	(57)	(51)
Total sales	$ 1,531	$ 1,337
SEGMENT OPERATING PROFIT		
North America (a)	$ 149	$ 131
Europe	52	38
South America	32	29
Asia	17	13
Surface Technologies	10	4
Total operating profit	$ 260	$ 215

(a) North American sales for the 2004 quarter decreased $8 million from the contractual pass-through of lower on-site hydrogen raw material costs tied to natural gas prices, with no impact on operating profit.

(b) European sales for the 2004 quarter increased $27 million due to currency effects versus 2003.

(c) South American sales for the 2004 quarter increased $25 million due to currency effects versus 2003 .

(d) Asia's sales for the 2004 quarter increased $5 million due to the consolidation of a joint venture in China, which is now controlled by Praxair.

(e) Surface Technologies sales for the 2004 quarter increased $7 million due to currency effects versus 2003.

PRAXAIR, INC. AND SUBSIDIARIES
QUARTERLY FINANCIAL SUMMARY
(Millions of dollars, except per share data)
(UNAUDITED)

	2004	2003			
	Q1	Q4	Q3	Q2(a)	Q1
FROM THE INCOME STATEMENT					
Sales	$ 1,531	$ 1,461	$ 1,414	$ 1,401	$ 1,337
Cost of sales	908	859	832	833	804
Selling, general and administrative	204	198	191	192	185
Depreciation and amortization	139	135	133	127	122
Research and development	19	21	18	19	17
Other income (expenses) – net	(1)	(4)	-	(7)	6
Operating profit	260	244	240	223	215
Interest expense	37	36	38	35	42
Income taxes	56	49	49	35	41
Minority interests	(6)	(7)	(6)	(6)	(5)
Income from equity investments	3	3	3	3	3
Net income	$ 164	$ 155	$ 150	$ 150	$ 130
PER SHARE DATA (b)					
Diluted earnings per share	$ 0.49	$ 0.47	$ 0.45	$ 0.45	$ 0.39
Cash dividends per share	$ 0.15	$ 0.14	$ 0.11	$ 0.11	$ 0.10
Diluted weighted average share outstanding (000's)	331,573	331,966	330,990	330,850	329,270
FROM THE BALANCE SHEET					
Total debt	$ 2,843	$ 2,816	$ 2,958	$ 2,952	$ 2,742
Total capital *(non-GAAP measure, see Appendix)*	6,177	6,099	6,013	6,000	5,379
Debt-to-capital ratio *(non-GAAP measure, see Appendix)*	46.0%	46.2%	49.2%	49.2%	51.0%
FROM THE STATEMENT OF CASH FLOWS					
Cash flow from operations	$ 181	$ 387	$ 303	$ 276	$ 171
Capital expenditures, excluding purchase of leased assets	124	199	168	154	123
Purchase of leased assets	-	-	-	339	-
Total capital expenditures	124	199	168	493	123
Acquisitions	-	31	3	25	14
Cash dividends	49	44	35	35	35
OTHER INFORMATION					
Number of employees	25,281	25,438	25,361	24,996	24,730
After-tax return on capital (ROC) *(non-GAAP measure, see Appendix)*	12.9%	12.5%	12.3%	12.9%	12.6%
SEGMENT DATA					
SALES					
North America	$ 960	$ 923	$ 918	$ 893	$ 893
Europe	208	191	168	175	165
South America	200	188	187	185	148
Asia	109	110	103	92	84
Surface Technologies	111	104	99	99	98
Eliminations	(57)	(55)	(61)	(43)	(51)
Total	$ 1,531	$ 1,461	$ 1,414	$ 1,401	$ 1,337
SEGMENT OPERATING PROFIT					
North America	$ 149	$ 141	$ 141	$ 135	$ 131
Europe	52	47	44	41	38
South America	32	30	29	26	29
Asia	17	19	17	15	13
Surface Technologies	10	7	9	6	4
Total	$ 260	$ 244	$ 240	$ 223	$ 215

(a) Diluted EPS for the second quarter of 2003 includes a charge of ($0.01) per share from the recognition of currency hedge losses related to anticipated second half net income and a benefit of $0.03 per share from the resolution of various tax matters for previous years. Reported diluted EPS was $0.45, and it would have been $0.43 per diluted share excluding these items (EPS of $0.43 is a non-GAAP measure).

(b) Per share data for 2003 has been adjusted to reflect the December 15, 2003, two-for-one stock split.

PRAXAIR, INC. AND SUBSIDIARIES
APPENDIX
NON-GAAP MEASURES
(Dollar amounts in millions)
(UNAUDITED)

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 interest, preferred stock, and shareholders' equity).

	2004	2003			
	Q1(a)	Q4(a)	Q3(a)	Q2(b)	Q1
TOTAL CAPITAL					
Total debt	$ 2,843	$ 2,816	$ 2,958	$ 2,952	$ 2,742
Minority interests	198	195	181	168	160
Preferred stock	-	-	-	-	-
Shareholders' equity	3,136	3,088	2,874	2,880	2,477
Total Capital	$ 6,177	$ 6,099	$ 6,013	$ 6,000	$ 5,379
DEBT-TO-CAPITAL RATIO	46.0%	46.2%	49.2%	49.2%	51.0%
AFTER-TAX RETURN ON CAPITAL (ROC)					
Operating profit	$ 260	$ 244	$ 240	$ 223	$ 215
Less: reported taxes	(56)	(49)	(49)	(35)	(41)
Less: tax benefit on interest expense	(9)	(9)	(9)	(8)	(10)
Add: income from equity investments	3	3	3	3	3
Net operating profit after-tax (NOPAT)	$ 198	$ 189	$ 185	$ 183	$ 167
Beginning capital	$ 6,099	$ 6,013	$ 6,000	$ 5,379	$ 5,252
Ending capital	$ 6,177	$ 6,099	$ 6,013	$ 6,000	$ 5,379
Average capital	$ 6,138	$ 6,056	$ 6,007	$ 5,690	$ 5,316
ROC %	3.2%	3.1%	3.1%	3.2%	3.1%
ROC % (annualized)	12.9%	12.5%	12.3%	12.9%	12.6%

(a) ROC after the second quarter 2003 was reduced by 0.8% on an annualized basis due to the additional debt from the purchase of leased assets in the 2nd quarter of 2003.

(b) NOPAT for the second quarter of 2003 included a tax benefit of $10 million (0.7% ROC annualized) resulting from the resolution of tax matters from previous years, and a charge of $5 million pre-tax and $4 million-after tax (0.3% ROC annualized) from the recognition of currency hedge losses related to anticipated second half net income. ROC for the second quarter was reduced by 0.4% on an annualized basis due to the additional debt from the purchase of leased assets.