PRAXAIR

Investor Teleconference Presentation First Quarter 2004

April 28th, 2004

Forward Looking Statements

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.

First Quarter Earnings

	First Quarter 2004	Fourth Quarter 2003	First Quarter 2003
Sales	$1,531	$1,461	$1,337
Operating Profit	$ 260	$ 244	$ 215
Operating Margin	17.0%	16.7%	16.1%
Net Income	$ 164	$ 155	$ 130
Diluted EPS	$0.49	$0.47	$0.39 [1]
After Tax ROC [2]	12.9%	12.5%	12.6%

Sales Comparison	YOY	Q1 vs Q4
Sales Growth	+15%	+5%
Volume	+7%	+2%
Price	+2%	+1%
Natural Gas	-1%	+1%
Acquisitions	+1%	0%
Currency	+6%	+1%

1) Adjusted for December 2003 stock split
2) Non-GAAP measure. See Appendix.

Market Developments

	Praxair Growth	Comment
Energy	↑↑	Strong hydrogen sales for refining & oil/gas well stimulation
Electronics	↑↑	Electronics sales up +23% in line w/MSI increase. Strong sales of PVD targets
Metals	↑↑	Higher global sales driven by Asia, Europe, and South America
Aerospace	↑↑	Higher Physical Vapor Deposition for jet engine blades. Higher LH2 sales for rocket launch
Healthcare	↑	Strong organic growth - no acquisitions
Manufacturing	↑	Growing significantly faster than IP
Chemicals	↑	Global chemical volumes rebounding
Food and Beverage	→	Carbonated beverages and food freezing flat

North America

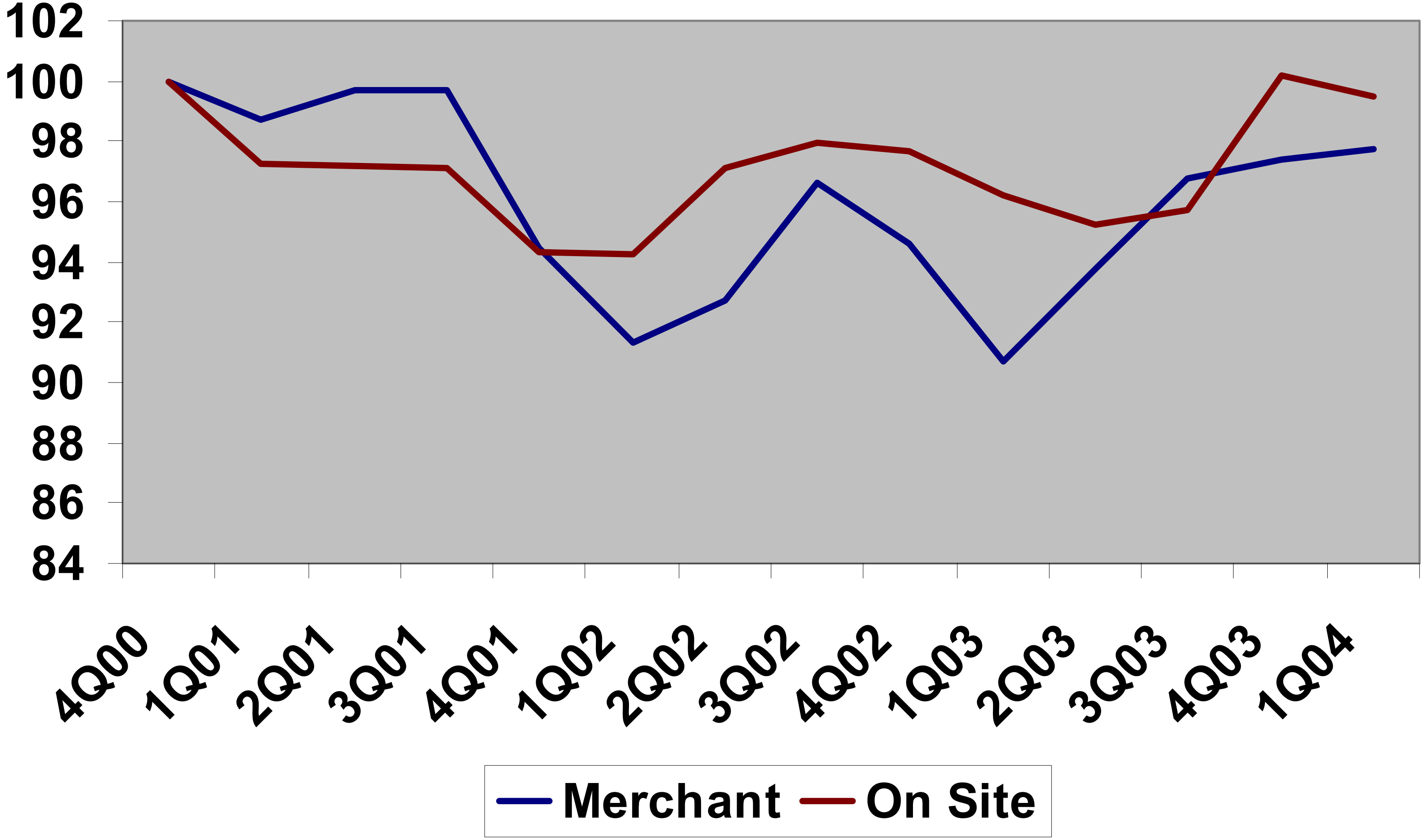
	First Quarter 2004	Fourth Quarter 2003	First Quarter 2003
Sales	$960	$923	$893
Segment OP	$149	$141	$131
Operating Margin	15.5%	15.3%	14.7%

Sales Comparison	YOY	Q1 vs Q4
Sales Growth	+8%	+4%
Volume	+6%	+2%
Price	+1%	0%
Natural Gas	-1%	+2%
Currency	+2%	0%

- Broad based pickup in volumes to energy, manufacturing, and electronics
- Strong demand for refinery hydrogen
- Growing oil well services business
- Strong recovery in packaged gas volumes

Key Indicators	YOY
On-Site Volume	+4%
Merchant Volume	+8%
Lin Lox Price (ex surcharges)	-1%
PDI Same Store Sales	+6%

North American Volumes



Europe

	First Quarter 2004	Fourth Quarter 2003	First Quarter 2003
Sales	$208	$191	$165
Segment OP	$ 52	$ 47	$ 38
Operating Margin	25.0%	24.6%	23.0%

Sales Comparison	YOY	Q1 vs Q4
Sales Growth	+26%	+9%
Volume	+5%	+1%
Price	+2%	0%
Consolidation	+3%	+1%
Currency	+16%	+7%

- Industrial production in Spain outpacing the rest of Europe
- On-site volumes +10%
- Higher merchant volumes in Spain and Western Europe
- Consolidation of Indugas contributed to packaged gas volume growth of 21%
- Euro/USD exchange rate averaged 1.25 in Q104 versus 1.17 in Q403. May weaken going forward

South America

	First Quarter 2004	Fourth Quarter 2003	First Quarter 2003
Sales	$200	$188	$148
Segment OP	$ 32	$ 30	$ 29
Operating Margin	16.0%	16.0%	19.6%

Sales Comparison	YOY	Q1 vs Q4
Sales Growth	+35%	+6%
Volume	+7%	+2%
Price	+11%	+4%
Currency	+17%	0%

- Continued strength in export markets. Domestic consumption beginning to grow
- Relative currency stability
- Higher onsite, liquid and packaged volumes
- CoJet operating on both Usiminas converters at Ipatinga
- Growing services revenue

Asia

	First Quarter 2004	Fourth Quarter 2003	First Quarter 2003
Sales	$109	$110	$ 84
Segment OP	$ 17	$ 19	$ 13
Operating Margin	15.6%	17.3%	15.5%

Sales Comparison	YOY	Q1 vs Q4
Sales Growth	+30%	-1%
Volume	+18%	-4%
Price	+4%	+2%
Consolidation	+6%	0%
Currency	+2%	+1%

- Asia electronics sales +48%
- Higher on-site and merchant volumes to chemical and metal markets
- Seasonally soft first quarter from Chinese New Year

Surface Technologies

	First Quarter 2004	Fourth Quarter 2003	First Quarter 2003
Sales	$111	$104	$ 98
Segment OP	$ 10	$ 7	$ 4
Operating Margin	9.0%	6.7%	4.1%

- Pick up in demand for global coatings in industrial and aviation markets
- Increased physical vapor deposition coatings on aircraft engine blades
- Sales up +6% ex currency
- Operating margin benefiting from higher volumes and cost reduction actions taken in 2003

Financial Outlook

Second Quarter 2004

- Sales growth of 11% to 13%
- Operating profit growth of 17% to 21%
- Diluted EPS in the range of $0.48 to $0.52
- Effective tax rate of 25%

Full Year 2004

- Sales growth of 9% to 13%
- Operating profit growth of 13% to 17%
- Diluted EPS in the range of $1.98 to $2.08
- Effective tax rate of 25%
- CAPEX in the area of $700MM

APPENDIX

Non-GAAP Measures

Definitions of the following non-GAAP measures may not be comparable to similar definitions used by other companies. For more information on Praxair's Debt-to-Capital and After-Tax Return on Capital ratios, please see the Five-Year Financial Summary on page 64 and the Appendix on page 65 of Praxair's 2003 Annual Report.

	2004	2003			
TOTAL CAPITAL	**Q1(a)**	**Q4(a)**	**Q3(a)**	**Q2(b)**	**Q1**
Total debt	$ 2,843	$ 2,816	$ 2,958	$ 2,952	$ 2,742
Minority interests	198	195	181	168	160
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%

FREE CASH FLOW

Praxair defines free cash flow as net cash provided by operating activities less capital expenditures.

a) ROC after the second quarter of 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.