Investor Teleconference Presentation
Third Quarter 2004

October 27th, 2004

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 and other legislation, litigation, government regulation and the effectiveness and speed of integrating new acquisitions into the business.

Third Quarter Earnings

	Third Quarter 2004	Second Quarter 2004	Third Quarter 2003
Sales	$1,674	$1,603	$1,414
Operating Profit	$280	$ 274	$ 240
Operating Margin	16.7%	17.1%	17.0%
Net Income	$177	$ 175	$ 150
Diluted EPS	$0.53	$0.53	$0.45
After Tax ROC[1]	13.2%	13.5%	12.3%

Sales Comparison	YOY	Q3 vs Q2
Sales Growth	+18%	+4%
Volume	+11%	+2%
Price	+3%	0%
Natural Gas	+1%	0%
Acquisitions	+3%	+2%

1) Non-GAAP measure. See Appendix.

North America

	Third Quarter 2004	Second Quarter 2004	Third Quarter 2003
Sales	$1,085	$1,016	$ 918
Segment OP	$ 157	$ 156	$ 141
Operating Margin	14.5%	15.4%	15.4%

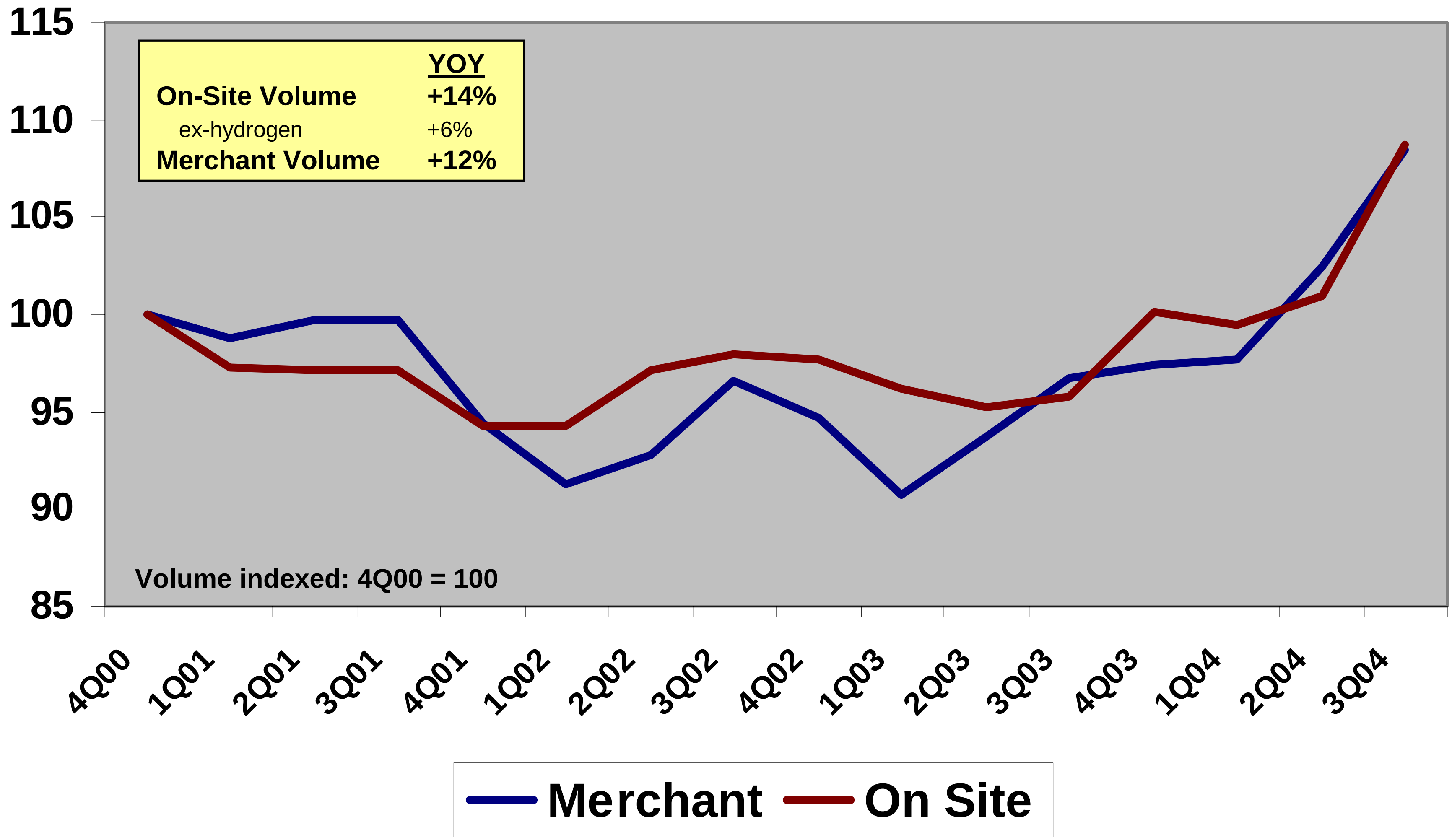
Sales Comparison	YOY	Q3 vs Q2
Sales Growth	+18%	+7%
Volume	+11%	+4%
ex-new hydrogen	+6%	+2%
Price	+2%	0%
Natural Gas	+1%	0%
Acquisitions	+5%	+3%
Currency	-1%	0%

- Strong YOY sales growth in energy, metals, healthcare, manufacturing, and electronics markets
- Refinery hydrogen volumes up due to new Gulf Coast plants
- Operating profit negatively impacted by acquisition integration and hydrogen plant start-up costs
- Power costs up +2% sequentially and +8% YOY – slight margin squeeze

Key Indicators	YOY
On-Site Volume	+14%
ex-new hydrogen	+6%
Merchant Volume	+12%
Lin Lox Price Index	0%
Packaged Gas Sales[1]	+10%

1) Excludes the effects of acquisitions, days and currency

North American Volumes



Europe

	Third Quarter 2004	Second Quarter 2004	Third Quarter 2003
Sales	$198	$207	$168
Segment OP	$ 54	$ 52	$ 44
Operating Margin	27.3%	25.1%	26.2%

Sales Comparison	YOY	Q3 vs Q2
Sales Growth	+18%	-4%
Volume	+6%	-6%
Price	+1%	+1%
Consolidation	+4%	0%
Currency	+7%	+1%

- Announced agreement to purchase industrial gas business in Germany from Air Liquide for a purchase price of about $600MM[1]. Expected to close by 12/31/04
- Sequential sales reflect typical August slow down
- Operating profit gain from an early termination of customer contract, partially offset by associated expenses

1) @ 1.2 USD/€

South America

	Third Quarter 2004	Second Quarter 2004	Third Quarter 2003
Sales	$219	$211	$187
Segment OP	$ 40	$ 39	$ 29
Operating Margin	18.3%	18.5%	15.5%

Sales Comparison	YOY	Q3 vs Q2
Sales Growth	+17%	+4%
Volume	+11%	+2%
Price	+7%	0%
Currency	-1%	+2%

- Higher on-site volumes reflect strong export market. Higher liquid and packaged gases volumes from improving domestic economy
- High oil prices result in increased sales of automotive natural gas conversion kits
- CoJet™ start-up at Cosipa. Third installation in South America, and sixth overall
- LNG JV with Petrobras expected to start-up in Q2 2006
- CST air separation plant expected to start-up in Q2 2006

Asia

	Third Quarter 2004	Second Quarter 2004	Third Quarter 2003
Sales	$123	$121	$103
Segment OP	$20	$ 19	$ 17
Operating Margin	16.3%	15.7%	16.5%

Sales Comparison	YOY	Q3 vs Q2
Sales Growth	+19%	+2%
Volume	+15%	+4%
Price	+3%	-1%
Currency	+1%	-1%

- Strong on-site volumes in China, India and Korea
- Electronics sales in Asia up +28% YOY.
- Air separation plant in Caojing started up on schedule with liquid production for merchant market. On-Site volumes expected to commence in Q2 2005
- 8 large projects starting up in the next 12 months

Surface Technologies

	Third Quarter 2004	Second Quarter 2004	Third Quarter 2003
Sales	$109	$111	$ 99
Segment OP	$ 9	$ 8	$ 9
Operating Margin	8.3%	7.2%	9.1%

- Overall volume up +5%
- Pickup in drill coatings and machinery markets
- Strong demand for physical vapor deposition coatings for aircraft engine parts
- Slower than expected US military maintenance spending
- Commercial aviation repair business remains weak

Trends in Key Growth Markets

Energy

- Two new Gulf Coast hydrogen plants started up in July
- 2006 low sulfur diesel regulations
- High energy prices drive strong demand for oil well services and oxy-fuel combustion

China

- Q3 Sales +21% YOY
- IP forecasted to grow at 12% in 2005[1]
- 2 new plants started up in Q3, 4 projects under construction for 2005

Healthcare

- Q3 Sales up +36% YOY, up +8% ex-acquisition
- Acquisition integration ahead of schedule
- 15% expected reimbursement rate cuts for respiratory oxygen in 1/05

Electronics

- Q3 Sales +20% YOY
- Material science and services up 28%, gases up 13%
- Q3 MSI YOY forecasted to be 8%
- Demand slowing sequentially. Book-to-bill ratio less than one

1) Source: Global Insight

Financial Outlook[1]

Fourth Quarter 2004

- Diluted EPS in the range of $0.52 to $0.54
- Effective tax rate of 25%

Full Year 2004

- Sales growth of about 16%
- Operating profit growth 18% to 19%
- Diluted EPS in the range of $2.07 to $2.09
- Effective tax rate of 25%
- CAPEX in the area of $675MM

1) Excludes any potential impact from the acquisition of industrial gas business in Germany, expected to close later this year

APPENDIX

Non-GAAP Measures

The definitions of the following non-GAAP measures may not be comparable to similar definitions used by other companies. For more information on Praxair's After-Tax Return on Capital ratio, please see the Appendix on page 65 of Praxair's 2003 Annual Report.

	2004			2003			
	Q3(a)	Q2(a)	Q1(a)	Q4(a)	Q3(a)	Q2(b)	Q1
TOTAL CAPITAL							
Total debt	$ 2,887	$ 3,021	$ 2,843	$ 2,816	$ 2,958	$ 2,952	$ 2,742
Minority interests	206	203	198	195	181	168	160
Preferred stock	-	-	-	-	-	-	-
Shareholders' equity	3,369	3,181	3,136	3,088	2,874	2,880	2,477
Total Capital	$ 6,462	$ 6,405	$ 6,177	$ 6,099	$ 6,013	$ 6,000	$ 5,379
DEBT-TO-CAPITAL RATIO	44.7%	47.2%	46.0%	46.2%	49.2%	49.2%	51.0%
AFTER-TAX RETURN ON CAPITAL (ROC)							
Operating profit	$ 280	$ 274	$ 260	$ 244	$ 240	$ 223	$ 215
Less: reported taxes	(61)	(55)	(56)	(49)	(49)	(35)	(41)
Less: tax benefit on interest expense	(10)	(10)	(9)	(9)	(9)	(8)	(10)
Add: income from equity investments	3	4	3	3	3	3	3
Net operating profit after-tax (NOPAT)	$ 212	$ 213	$ 198	$ 189	$ 185	$ 183	$ 167
Beginning capital	$ 6,405	$ 6,177	$ 6,099	$ 6,013	$ 6,000	$ 5,379	$ 5,252
Ending capital	$ 6,462	$ 6,405	$ 6,177	$ 6,099	$ 6,013	$ 6,000	$ 5,379
Average capital	$ 6,434	$ 6,291	$ 6,138	$ 6,056	$ 6,007	$ 5,690	$ 5,316
ROC %	3.3%	3.4%	3.2%	3.1%	3.1%	3.2%	3.1%
ROC % (annualized)	13.2%	13.5%	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.