



Credit Suisse First Boston Large Cap Conference

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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.

Operating Model Drives Growth and ROC

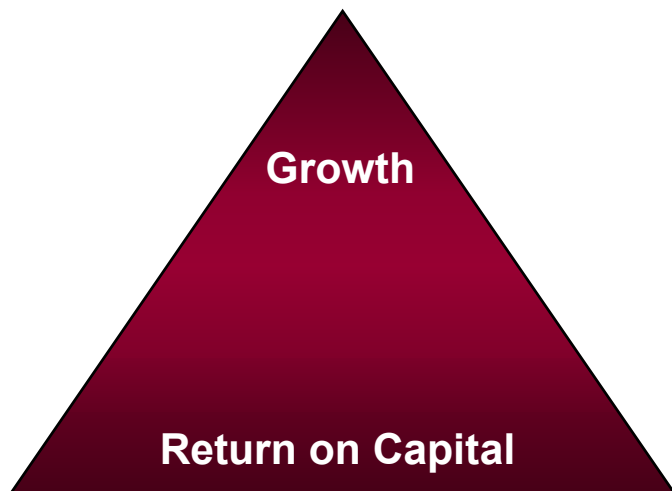
Applications
Technology

Industrial
Gas

Praxair

Peers

S&P 500



Sales
(10 year CAGR)

9%

2%

4%

Earnings Growth
(10 year CAGR)

15%

6%

7%

TSR
(10 year annualized)

18%

7%

11%

(12/31/93-12/31/03)

Sales
Contracts

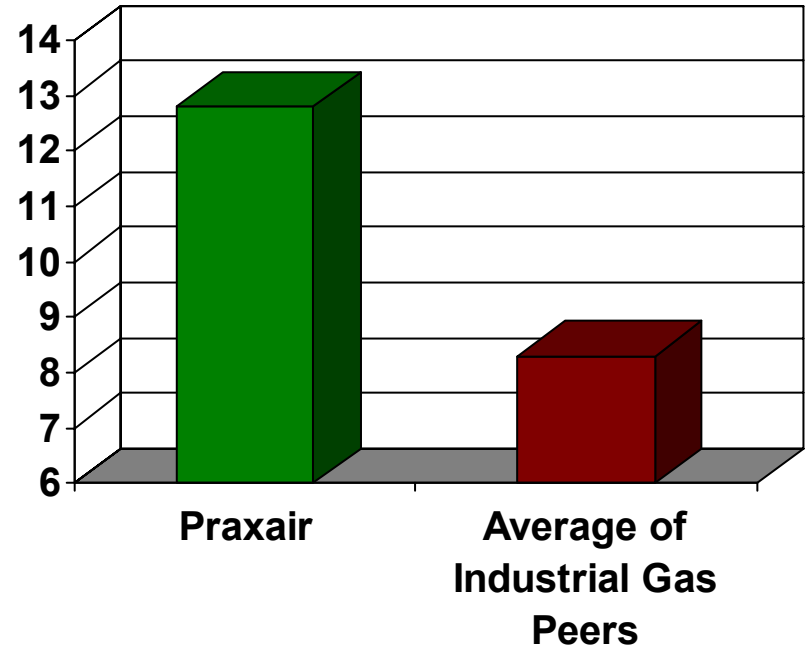
Density/
Execution

Positioned for profitable and sustainable growth

Return on Capital

- ◆ Focus on 10 core geographies
- ◆ Customer contracting strategy
 - Onsite 24%
 - Bulk 31%
 - Packaged 32%
- ◆ Relentless focus on execution
 - Productivity savings > \$100MM/yr
 - Six Sigma
 - Operational excellence

2003 ROC %

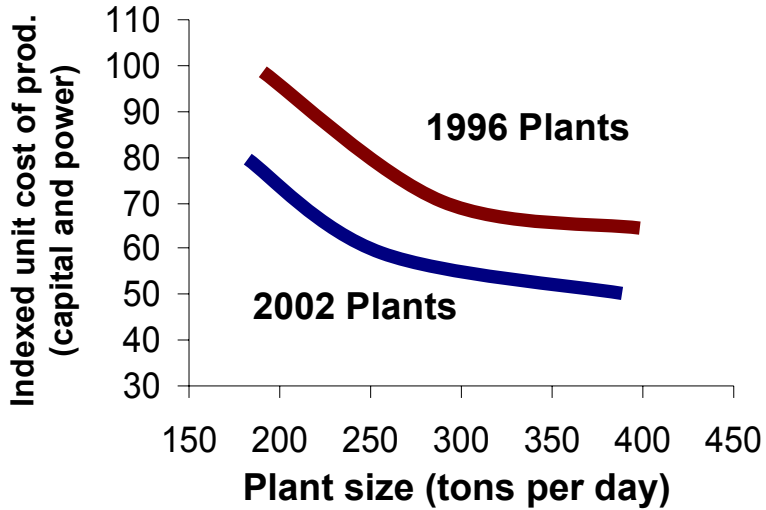


ROC=Net Operating Profit After Tax/Average Capital

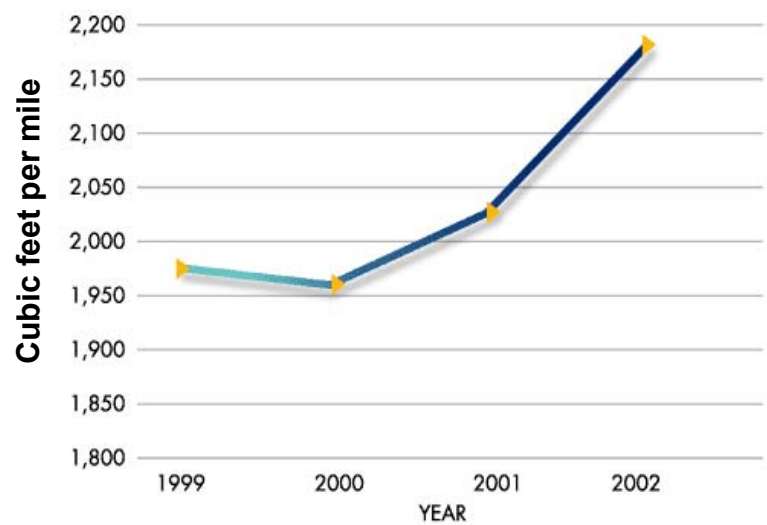
Return on capital substantially better than peers

Operational Performance Metrics

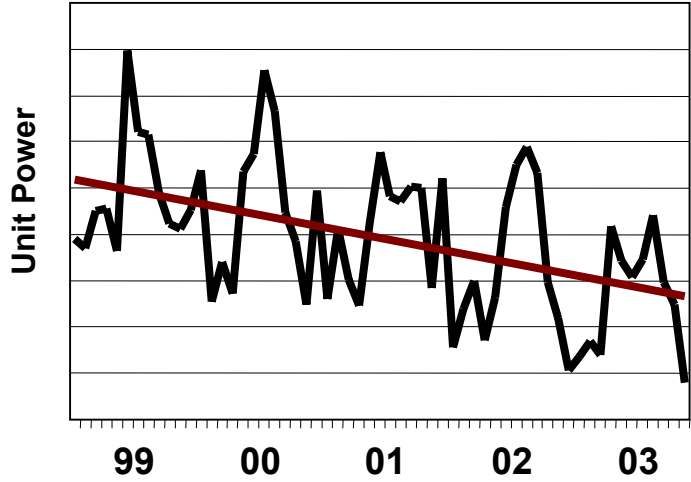
Unit Cost of Production



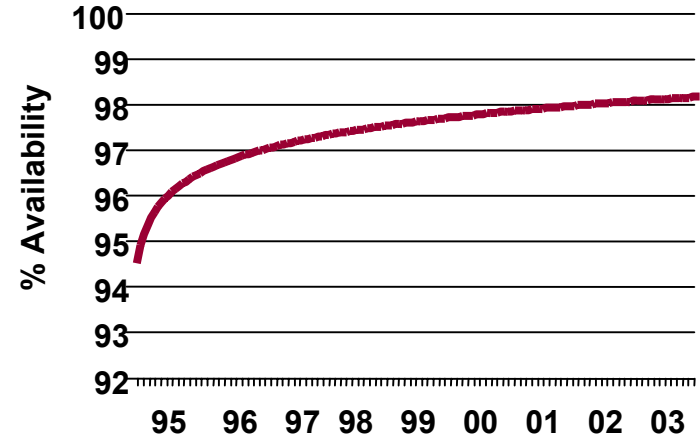
Atmospheric Gases Volume/Trip



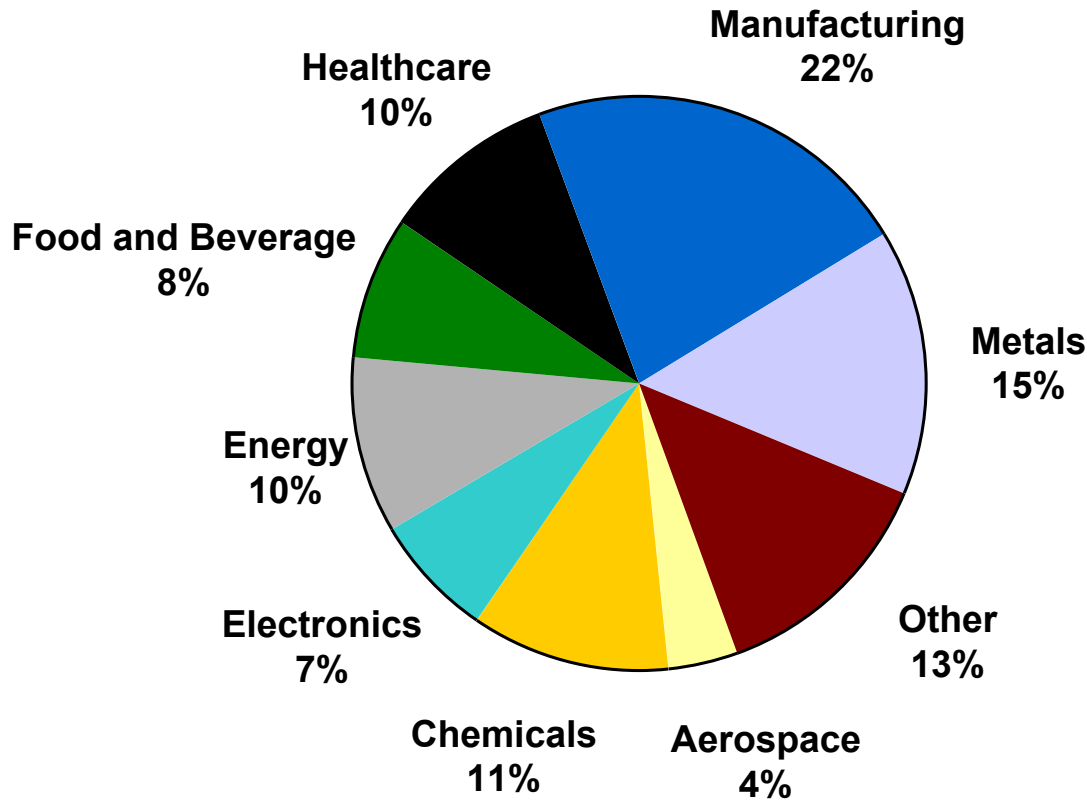
Per Unit Power Consumption



On-stream Reliability



2003 Praxair End Markets



Applications Technology

Productivity
 Cycle Time
 Yield

Energy
 Oxyfuel Combustion
 Hydrogen

Environmental
 Air Quality
 Water Treatment

Gas consumption intensity continues to grow

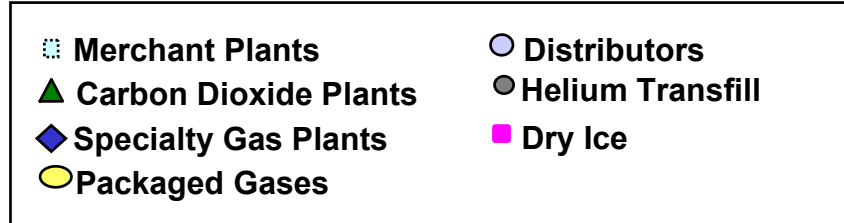
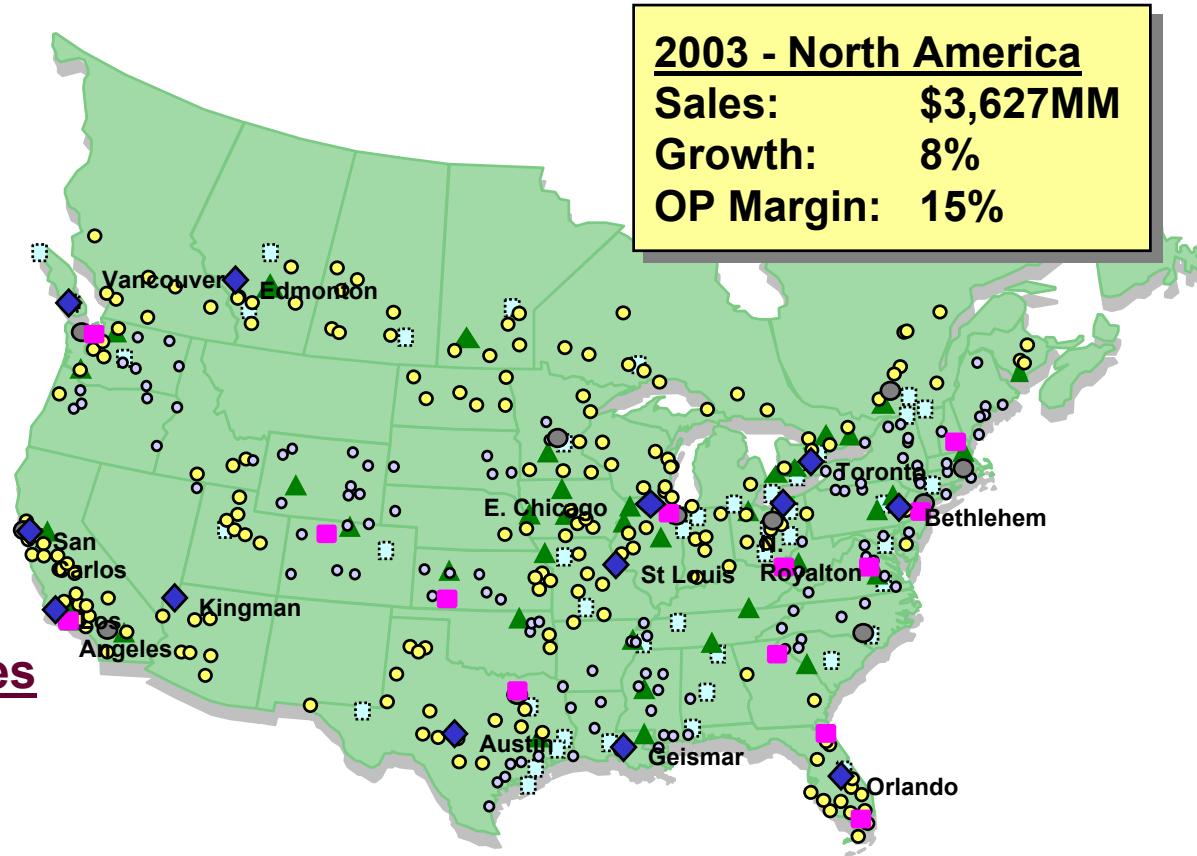
Unrivalled North American Network

Onsite and Bulk Gases

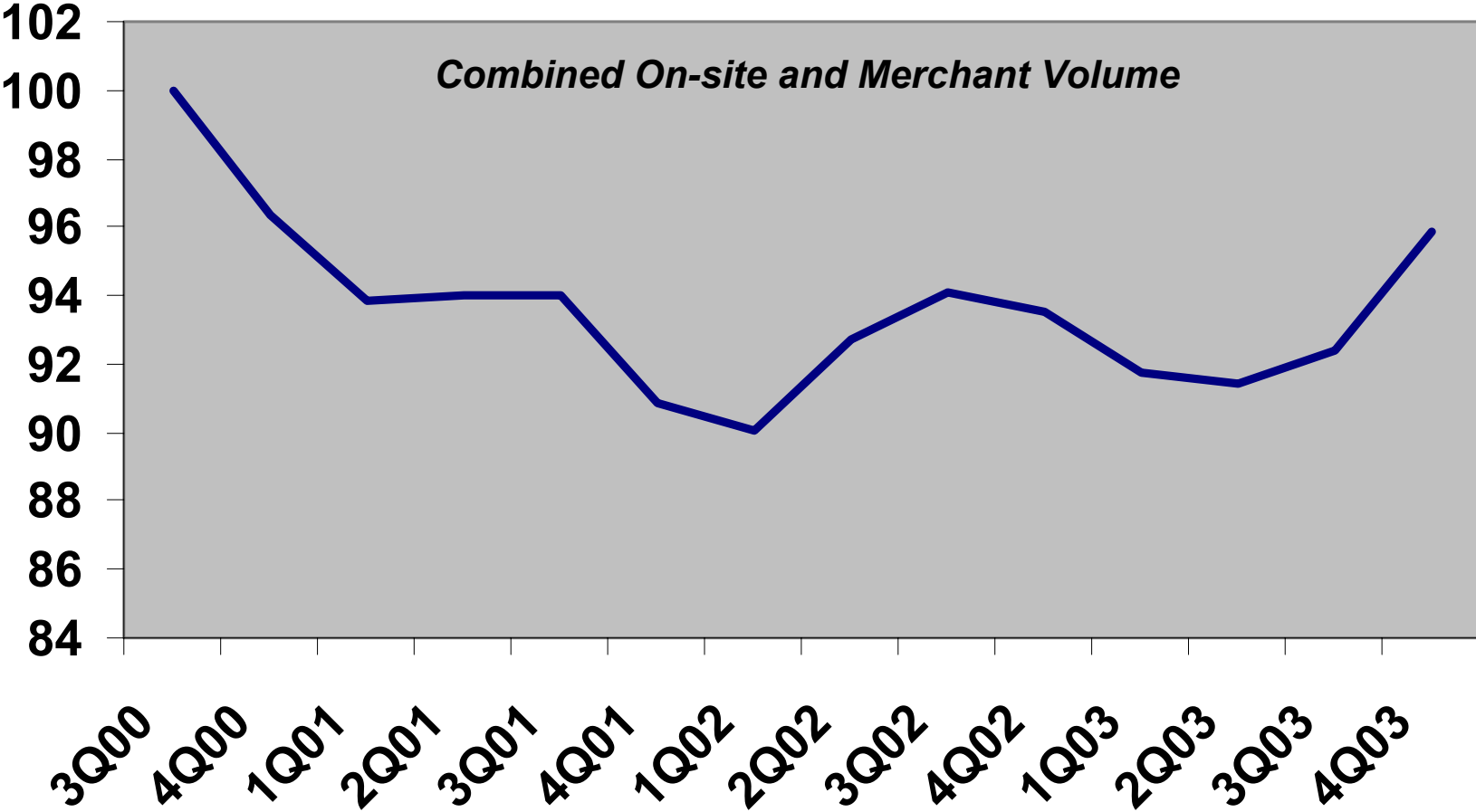
- ◆ 300 production plants
- ◆ 8000 customer locations
- ◆ 1500 distribution vehicles
- ◆ 11 pipeline enclaves

Packaged and Specialty Gases

- ◆ 400 branches
- ◆ >300,000 customers
- ◆ 280 independent distributors

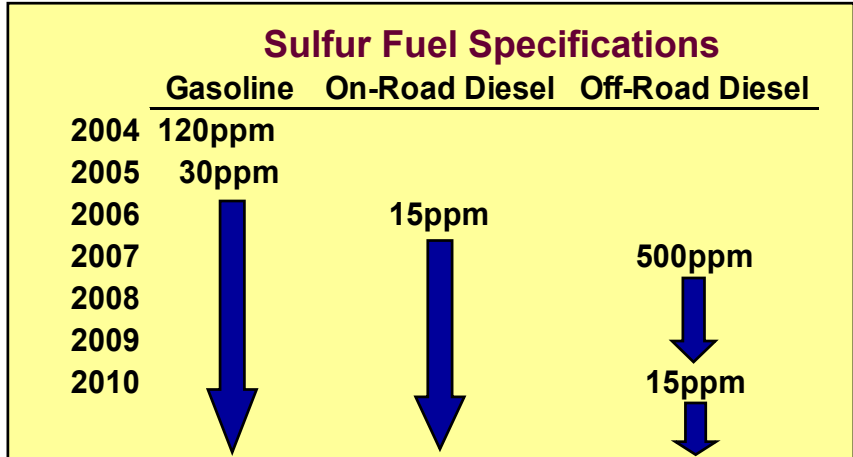
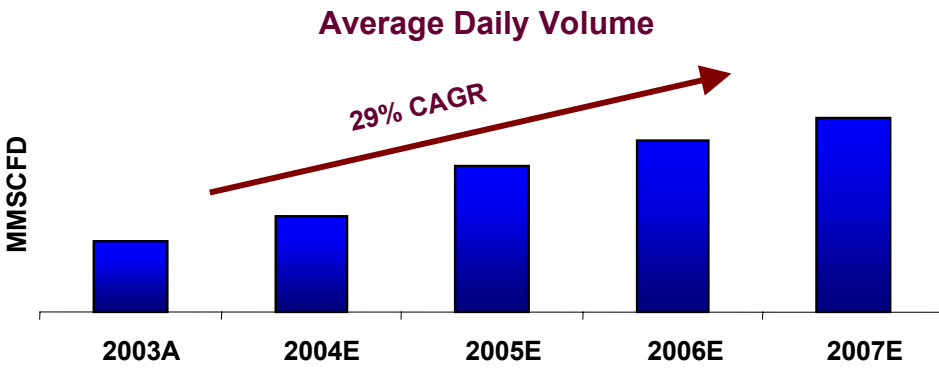


North American Indexed Industrial Gas Volume

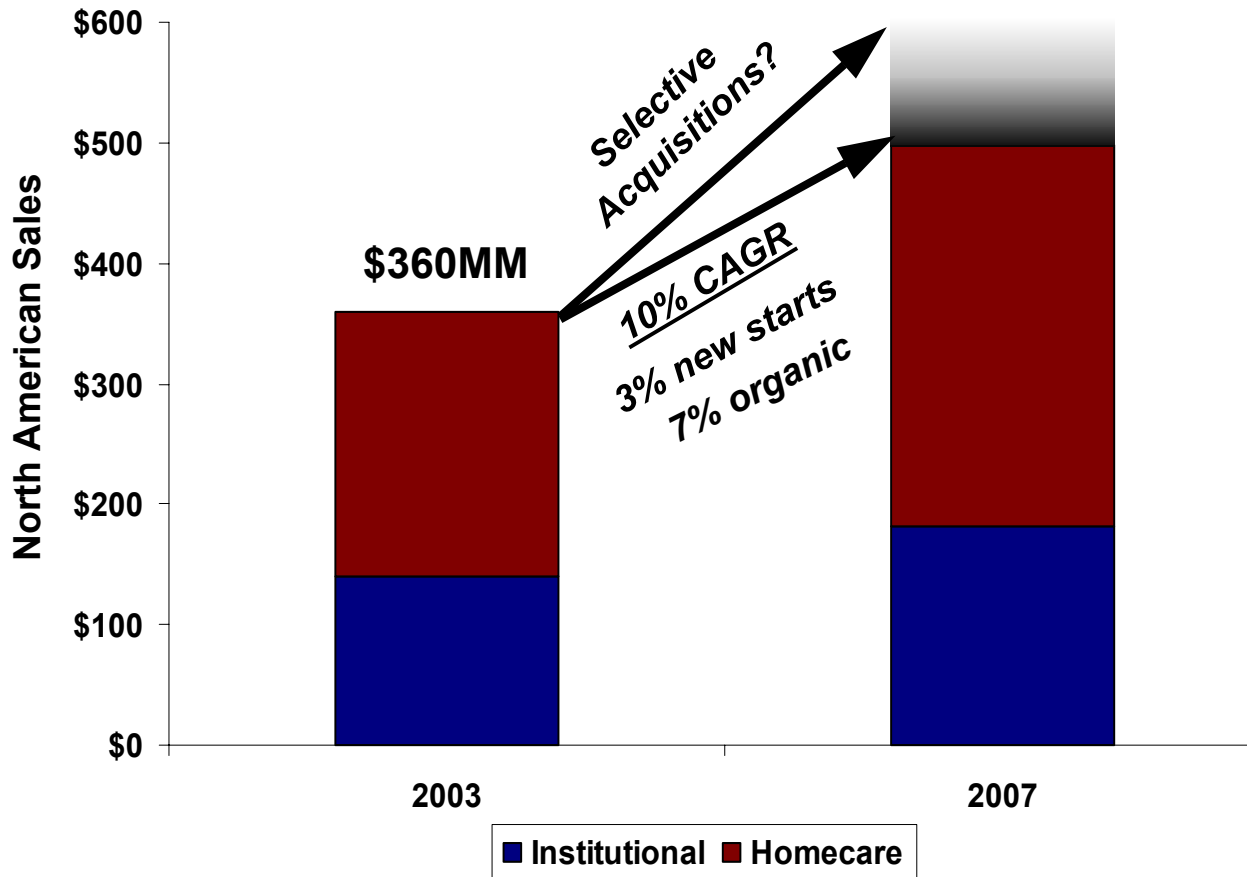


Praxair has substantial operating leverage to improving U.S. manufacturing conditions

Refinery Hydrogen Pipeline System



Healthcare: Multiple Growth Opportunities



Expected Growth Rates:

Organic Growth	7%
◆ Institutional	
◆ Homecare	
New Starts	3%
<u>Acquisitions</u>	<u>0-20%</u>
Total	10% +

Acquisition Discipline

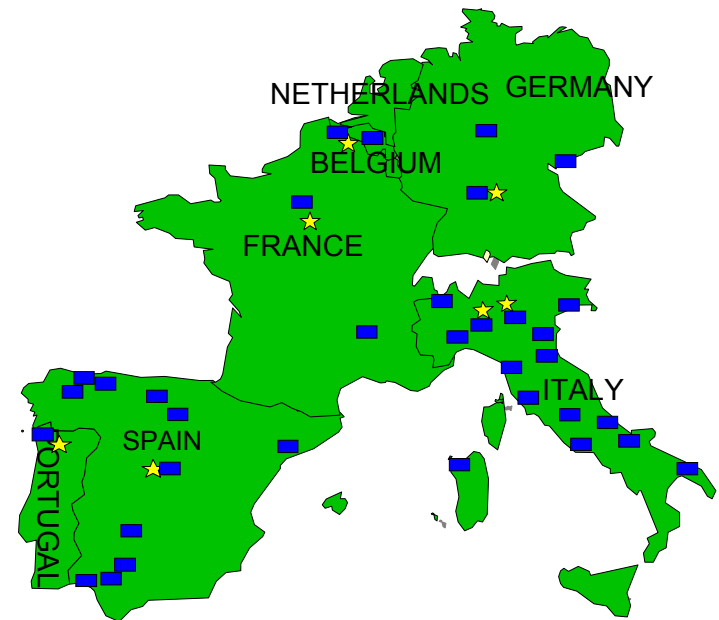
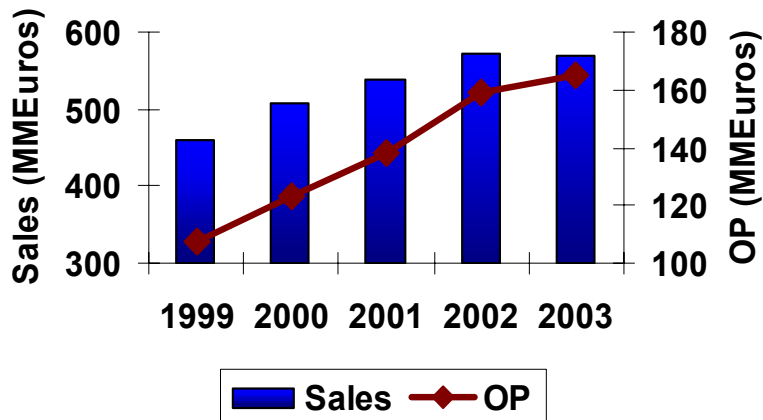
- ◆ High % respiratory
- ◆ Geographic overlap
- ◆ Valuation inclusive of rate cuts

Praxair Europe

- ◆ 28 air separation plants
- ◆ 4 specialty gas plants
- ◆ 3 key pipeline enclaves
- ◆ More than 100,000 customers

2003 - Europe

Sales: \$699MM
Growth: 19%
OP Margin: 24%



Strong market position in the fast growing Southern Europe region

South America

2003 - South America
Sales: \$708MM
Growth: 12%
OP Margin: 16%

South America

- ◆ #1 position
- ◆ Export industries very competitive
- ◆ Domestic recovery beginning
- ◆ New contracts indexed to US\$

LNG Distribution

- ◆ Brazil has insufficient oil and excess natural gas
- ◆ Natural gas consumption constrained by lack of distribution infrastructure
- ◆ Joint venture with Petrobras to liquefy and distribute LNG
 - 60% Industrial
 - 40% Auto

Praxair China Strategy

- ◆ **Leading position in steel**
 - Baosteel
 - Shaoguan
 - Meishan

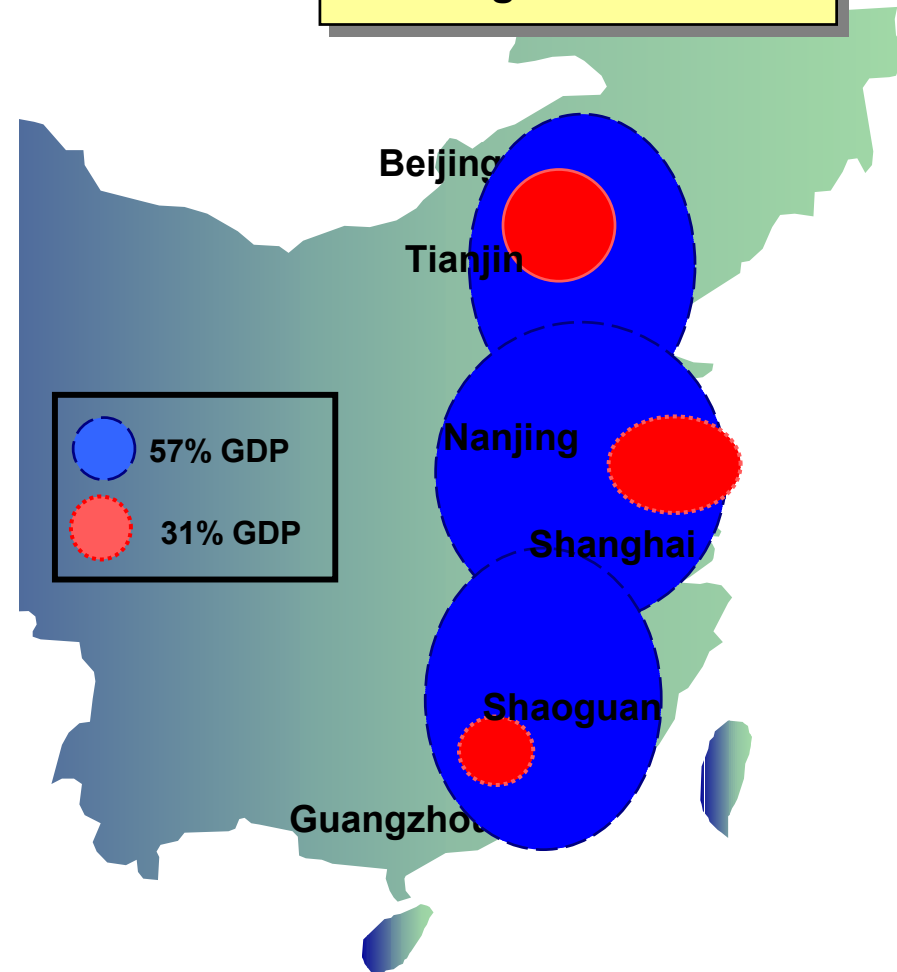
- ◆ **Leading position in semi-conductors**
 - 46% of contracted N2
 - Shanghai - SMIC & Tailong
 - Beijing - SMIC 300mm wafer fab

- ◆ **Shell Nanhai Complex**
 - Shell & CNOOC \$4.3B
 - O2, N2 & Ar supply

- ◆ **Caojing petrochemical park**
 - 50/50 JV with Air Liquide
 - BP, BAYER, BASF & SINOPEC \$8B
 - O2, N2 & H2 supply

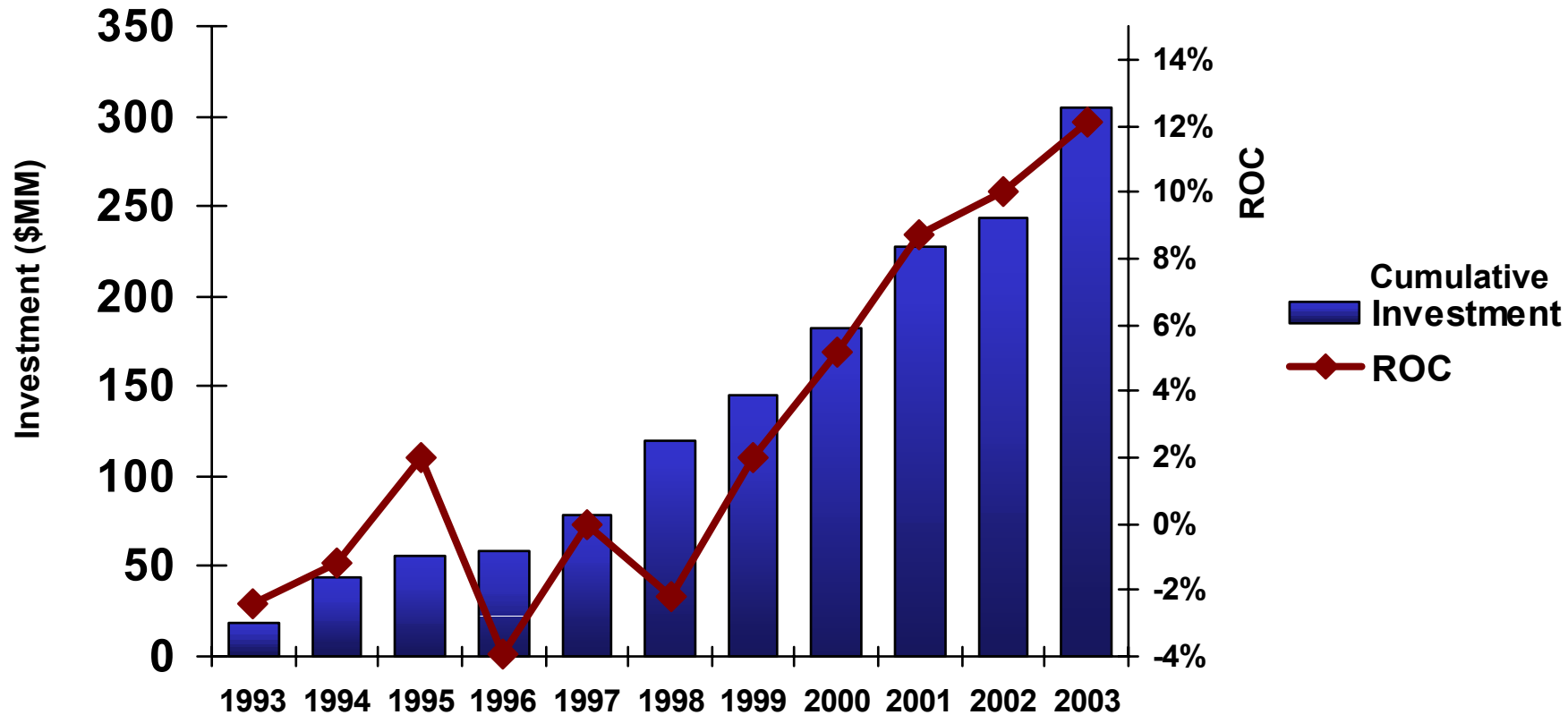
2003 - Asia

Sales:	\$389MM
Growth:	20%
OP Margin:	16%



China - Profitable Growth

Investment and Return on Major Projects



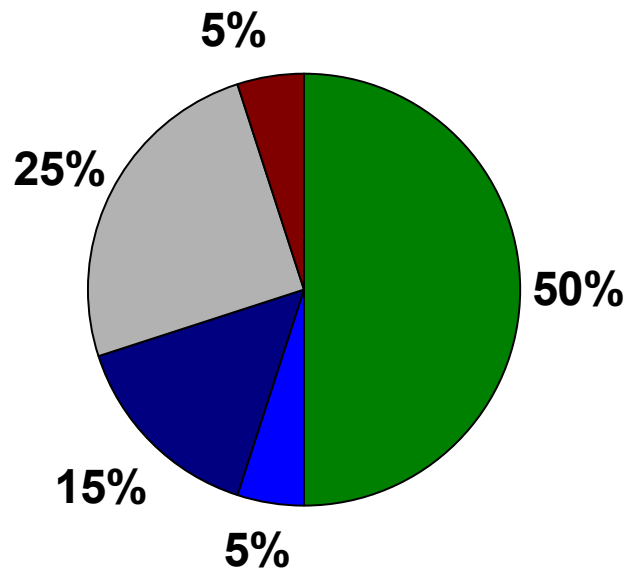
Improving return on capital

Capital Investment

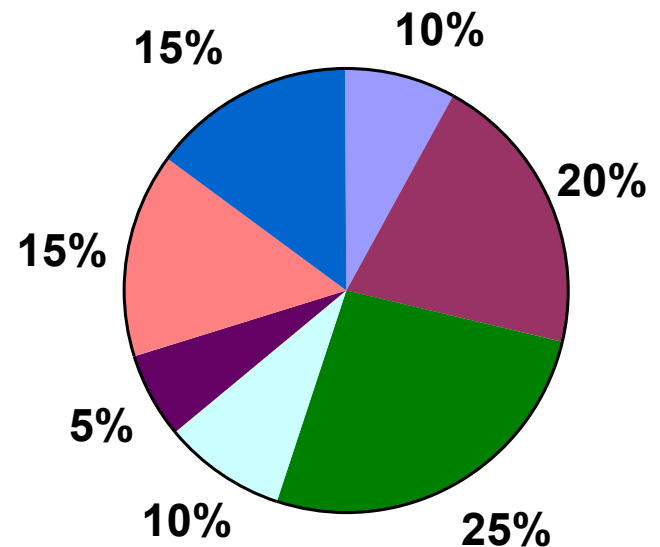
2004F: About \$700 MM

Growth 60% - Maint. 30% - Cost Reduction 10%

Growth CAPEX by Segment



Growth CAPEX by Market



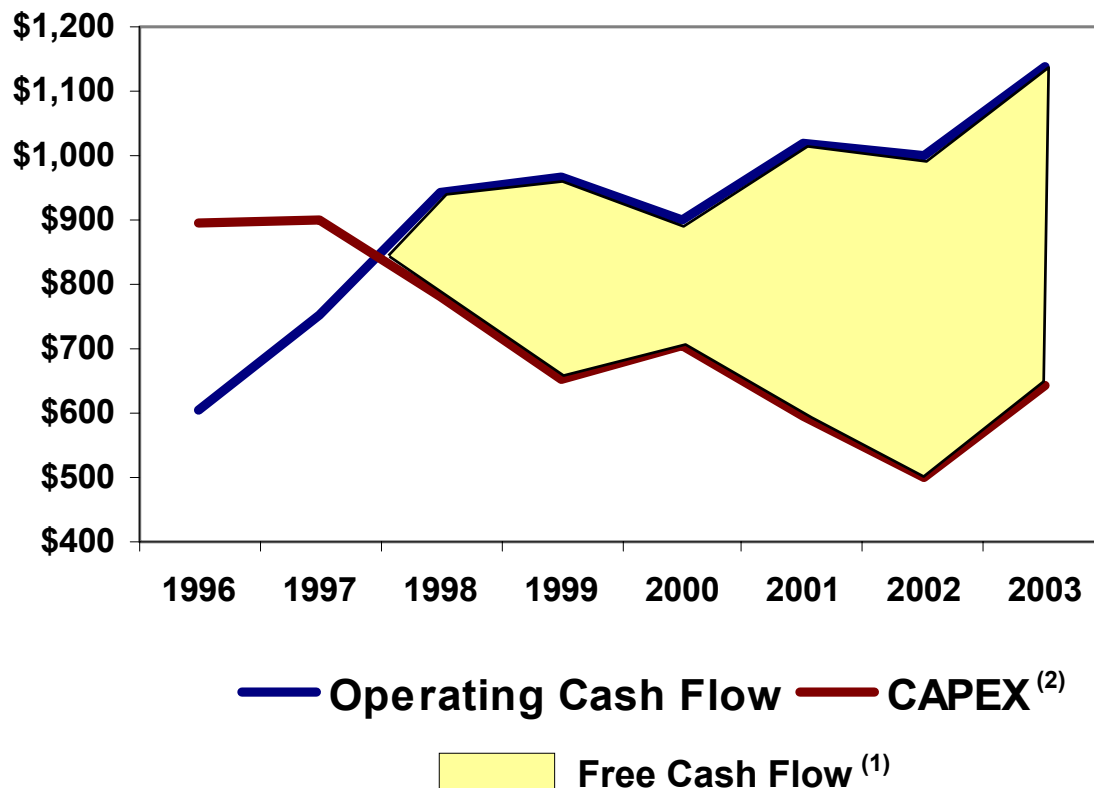
■ North America	■ South America
■ Europe	■ Asia
■ PST/Other	

■ Chemicals	■ Electronics
■ Energy	■ Food & Beverage/ Healthcare
■ Manufacturing	■ Metals
■ Other	

Robust Free Cash Flow Generation

- ◆ Operating cash flow
11% CAGR
- ◆ Capital spending discipline - increased hurdle rates
- ◆ Uses of free cash flow
 - Dividends
 - Debt reduction
 - Selective acquisitions
 - Share repurchases

Free Cash Flow 1996-2003 (\$MM)



(1) Non-GAAP measure. Free cash flow equals operating cash flow minus capital expenditures

(2) Excludes Leased Asset Purchase in 2003

What We are **NOT** Doing

- ◆ Dilutive acquisitions
- ◆ Projects at or near our cost of capital
- ◆ Spending CAPEX ahead of demand
- ◆ Project financing
- ◆ “One-off” plant sales

A highly disciplined approach that mitigates risk

Principles of Sustainability

Governance and Integrity

Foster a culture of integrity and accountability throughout the company through rigorous compliance with all laws, and by establishing and following effective corporate governance practices.

Customer Commitment

Continuously develop new products and applications that help our customers improve their productivity, energy efficiency and environmental performance. Provide the highest levels of service, reliability and quality to our customers.

Environmental Responsibility

Continue to improve the efficiency of energy consumption. Reduce the intensity¹ of air emissions, including greenhouse gases.

Employee Safety and Development

Maintain a safe work environment with a goal of zero accidents. Provide training and career opportunities that allow employees to develop to their fullest potential. Increase the diversity of our workforce so that it is more representative of the communities in which we operate.

Community Support

Help to improve the welfare and future of the communities in which we operate by sharing our knowledge, expertise and resources related to environmental protection, and community health, safety and security.

Financial Performance

Continuously improve our financial performance and provide attractive returns to our shareholders. Generate operating cash flow to reinvest in business growth and pay dividends.

¹Intensity is per-unit-of-production measure