Lehman Brothers 2004 Materials Select Conference

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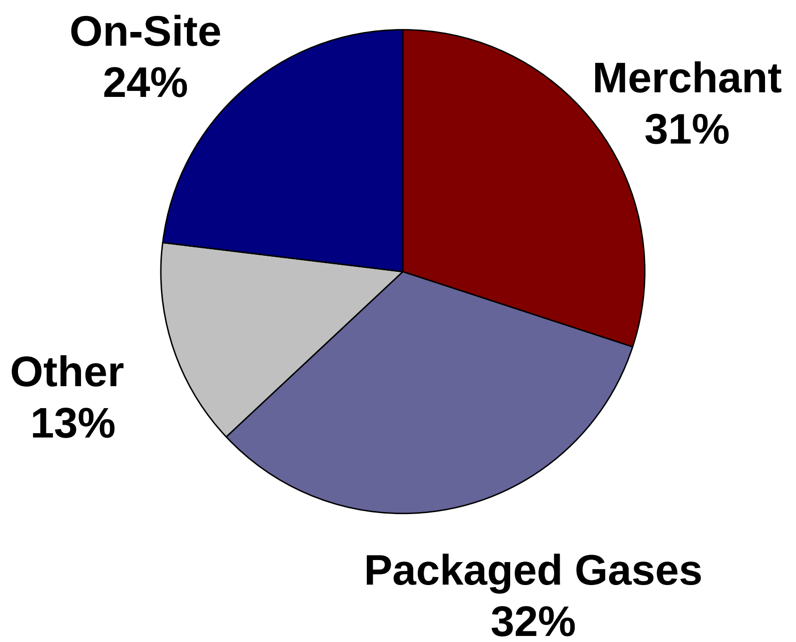
Forward Looking Statements

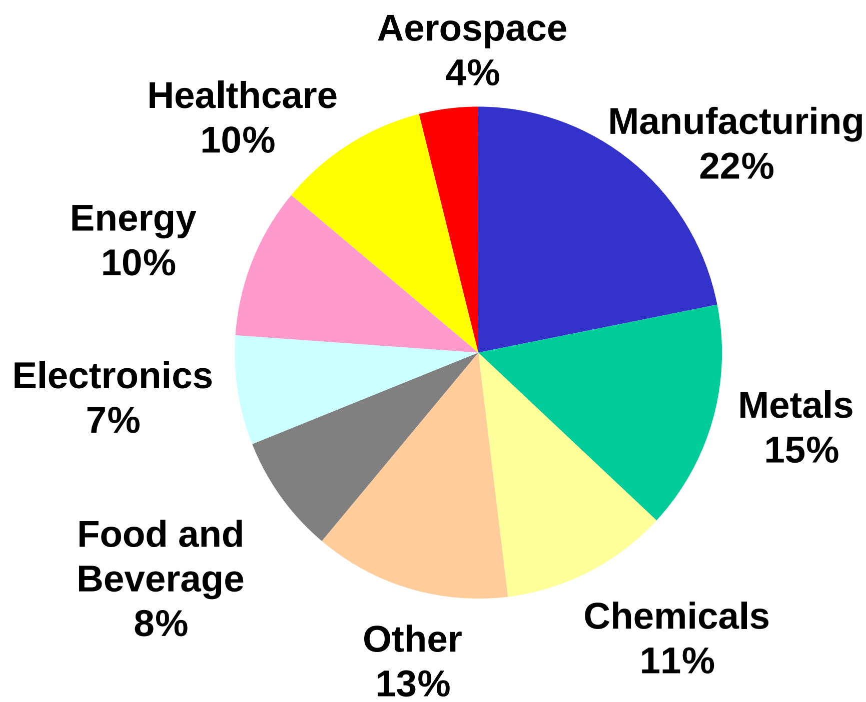
The forward-looking statements contained in this announcement concerning demand for products and services, the expected macroeconomic environment, sales, margins, earnings growth rates, and other financial goals involve risks and uncertainties, and are subject to change based on various factors. These 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.

Unique Channels to Diverse End-markets

2003 Sales by Distribution Method



2003 End Markets



Commercial terms capture above average return on capital

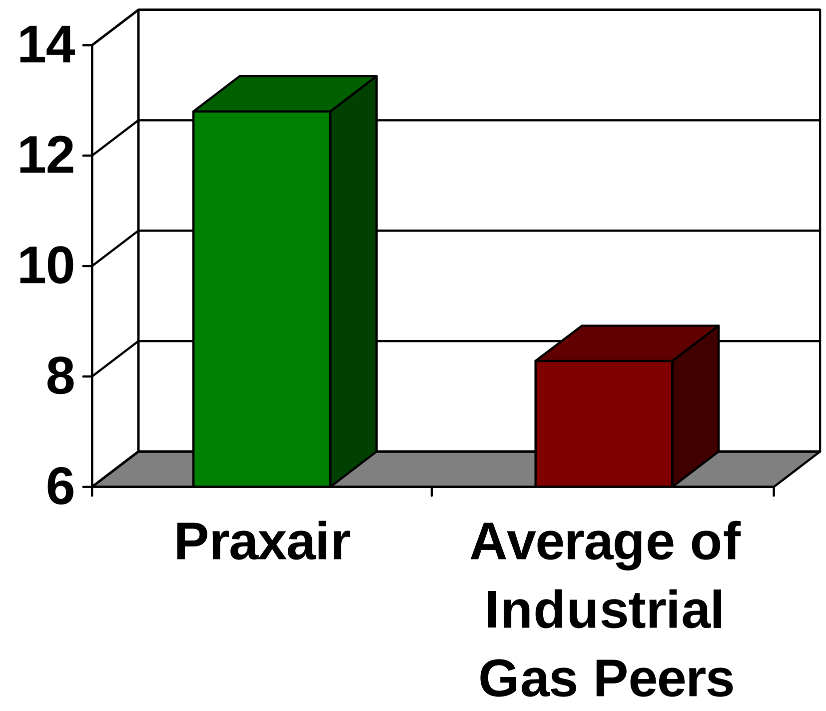
Premium Value of the Industrial Gas Industry

- Long term contracts
- "Take or Pay" terms
- Price escalation
- Low customer turnover
- Main industry risk - oversupply of liquids
  - Historical examples in the U.S. of building excess capacity
  - Large new liquid capacity has been announced for Northern China-Beijing

Operating Model

- Focus on 10 core geographies
- Base business/Application technologies
- Key growth platforms
  - US Gulf Coast hydrogen
  - Electronics
  - Healthcare
  - China
- Productivity savings > $100MM/yr
  - Procurement
  - Global operational excellence
  - Six Sigma
- Flawless project execution

2003 ROC %



ROC=Net Operating Profit After Tax/Average Capital

Source: Bloomberg and company reports

Unrivalled North American Network

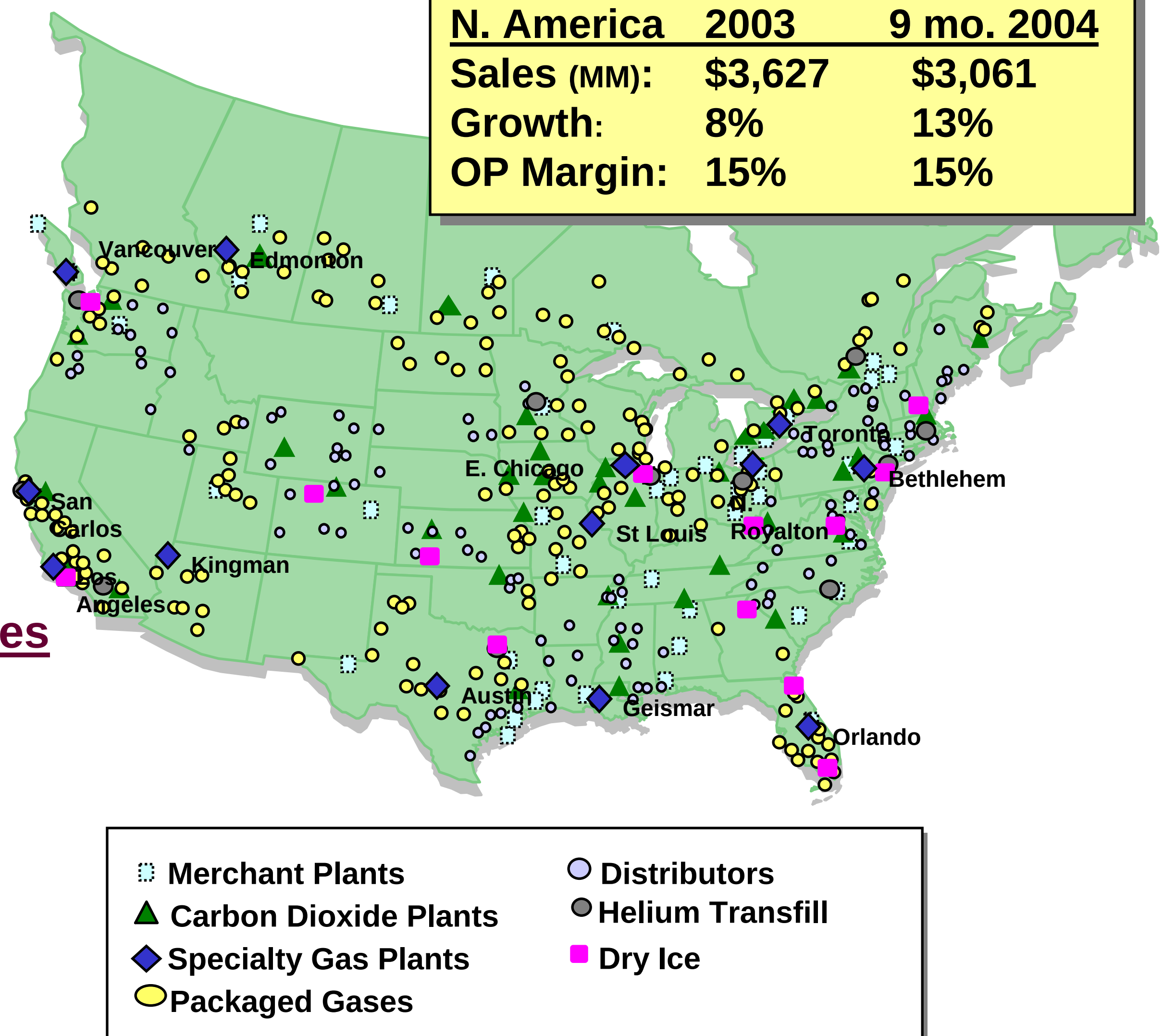
Onsite and Bulk Gases

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

Packaged and Specialty Gases

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

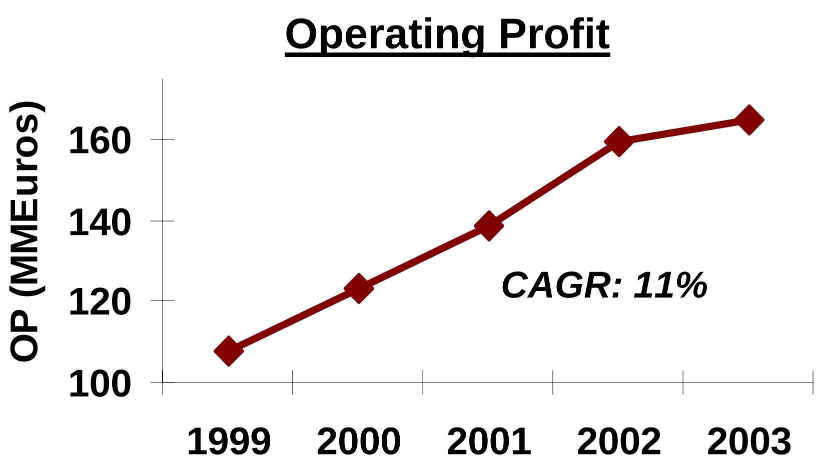
N. America	2003	9 mo. 2004
Sales (MM):	$3,627	$3,061
Growth:	8%	13%
OP Margin:	15%	15%

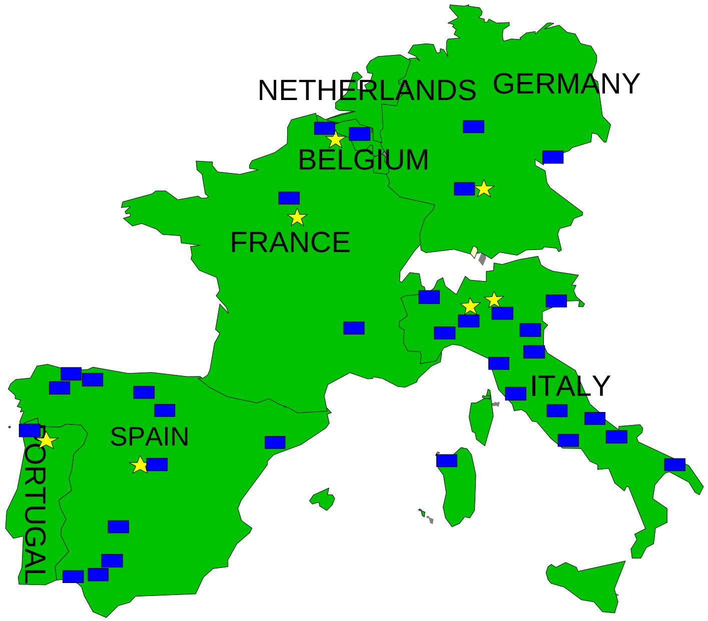


Praxair Europe

Europe	2003	9 mo. 2004
Sales (MM):	$699	$613
Growth:	19%	21%
OP Margin:	24%	26%

- Expanding 3 key enclaves - Spain, Italy & Germany/Benelux
- Value added applications technologies adding 400+ new contracts per year
- Growing packaged gas business
- Heavily investing in productivity initiatives





Strong market position in the fast growing Southern Europe region

Planned Acquisition of Air Liquide Business in Germany

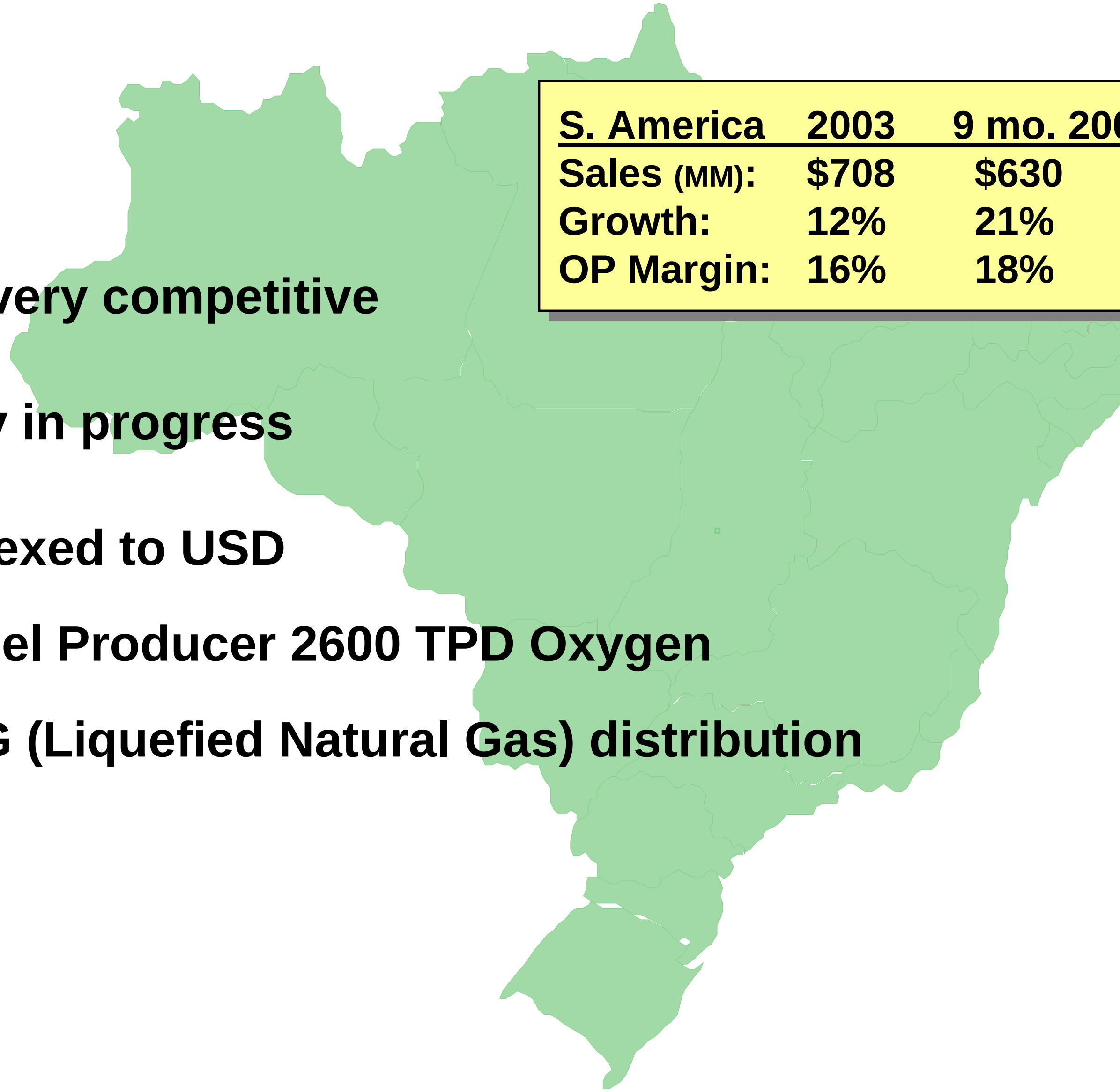
- Business sale required by antitrust regulators
  - Must be competitive business franchise
  - Expected closing by year-end subject to final approval

- Attractive highly profitable business
  - Pipeline/On-Site 42%
  - Merchant 29%
  - Packaged Gases 29%

- Purchase price
  - $600MM*
  - 8.0X EBITDA
  - 6.9X EBITDA with synergies and new air separation unit

*@ 1.2 €/USD

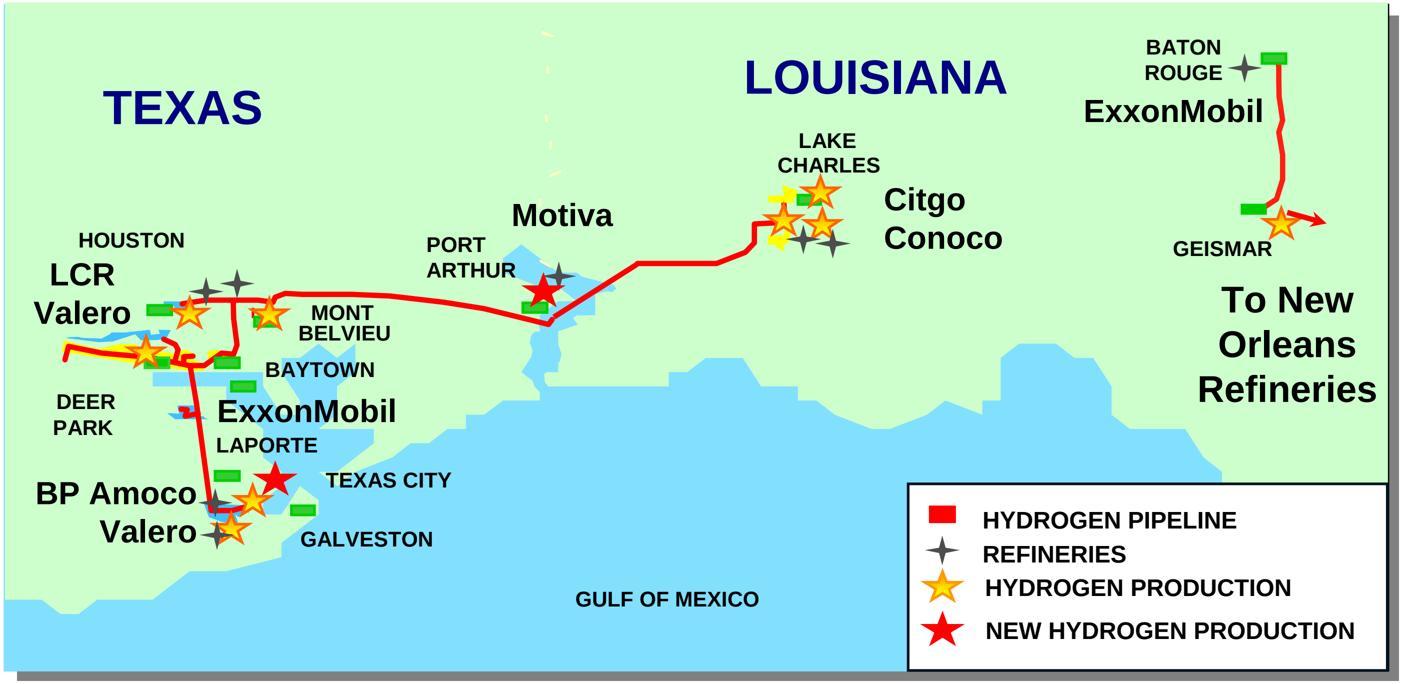
South America



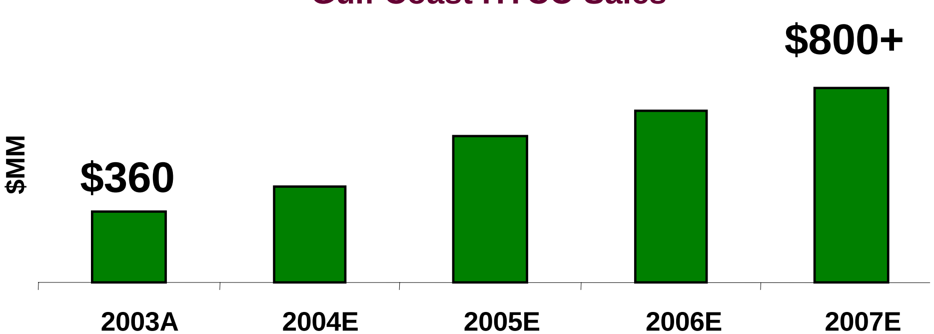
- #1 position
- Export industries very competitive
- Domestic recovery in progress
- New contracts indexed to USD
  - CST – Brazil Steel Producer 2600 TPD Oxygen
  - Petrobras – LNG (Liquefied Natural Gas) distribution

S. America	2003	9 mo. 2004
Sales (MM):	$708	$630
Growth:	12%	21%
OP Margin:	16%	18%

Refinery Hydrogen Pipeline System



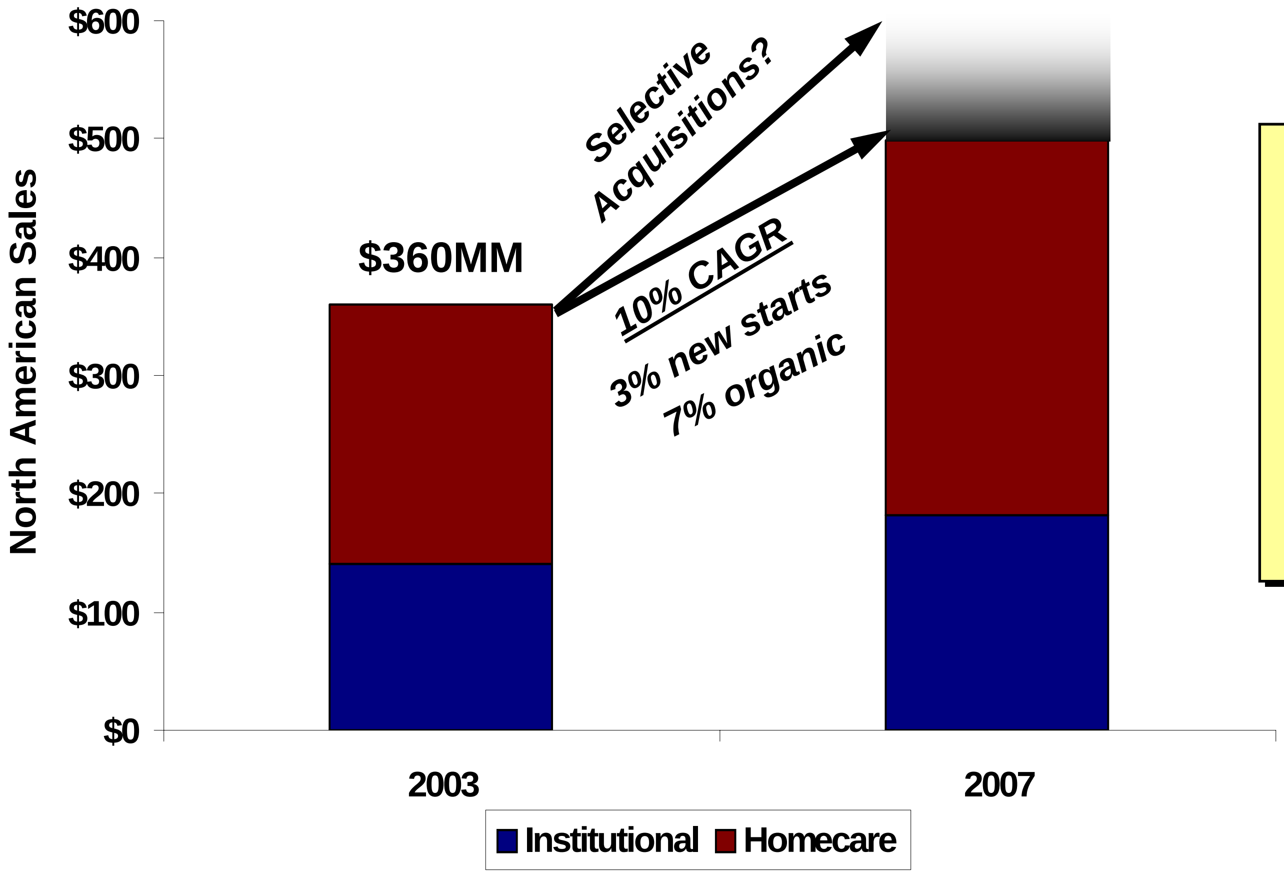
Gulf Coast HYCO Sales



Sulfur Fuel Specifications

	Gasoline	On-Road Diesel	Off-Road Diesel	Locomotive & Marine
2004	120ppm			
2005	30ppm			
2006		15ppm		
2007			500ppm	500ppm
2008				
2009				
2010			15ppm	
2011				
2012				15ppm

Healthcare: Multiple Growth Opportunities



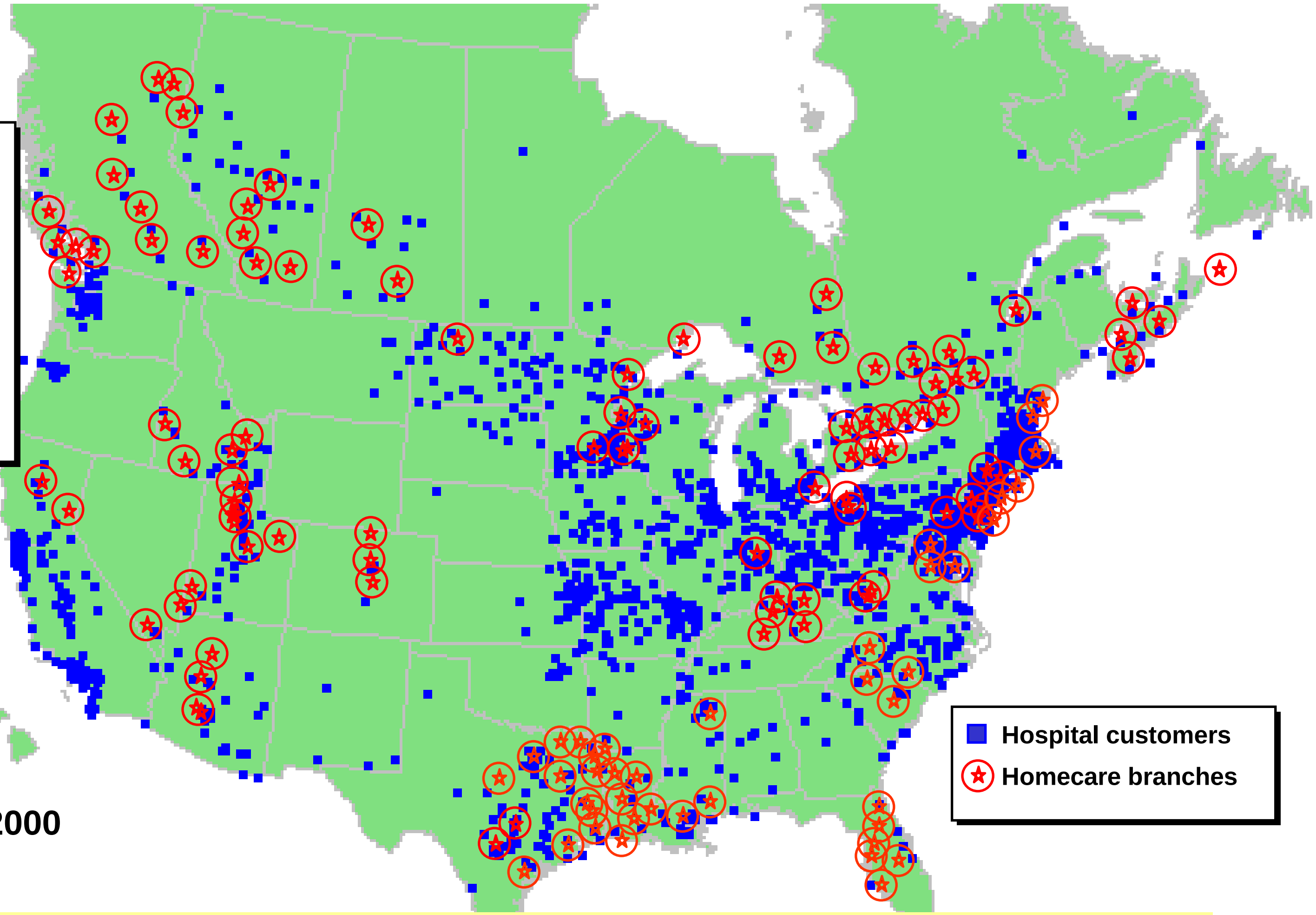
Expected Growth Rates:

Organic Growth	7%
◆ Institutional	
◆ Homecare	
New Starts	3%
Total	10%+

PHS Homecare Branches- US and Canada

Acquisition Discipline

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



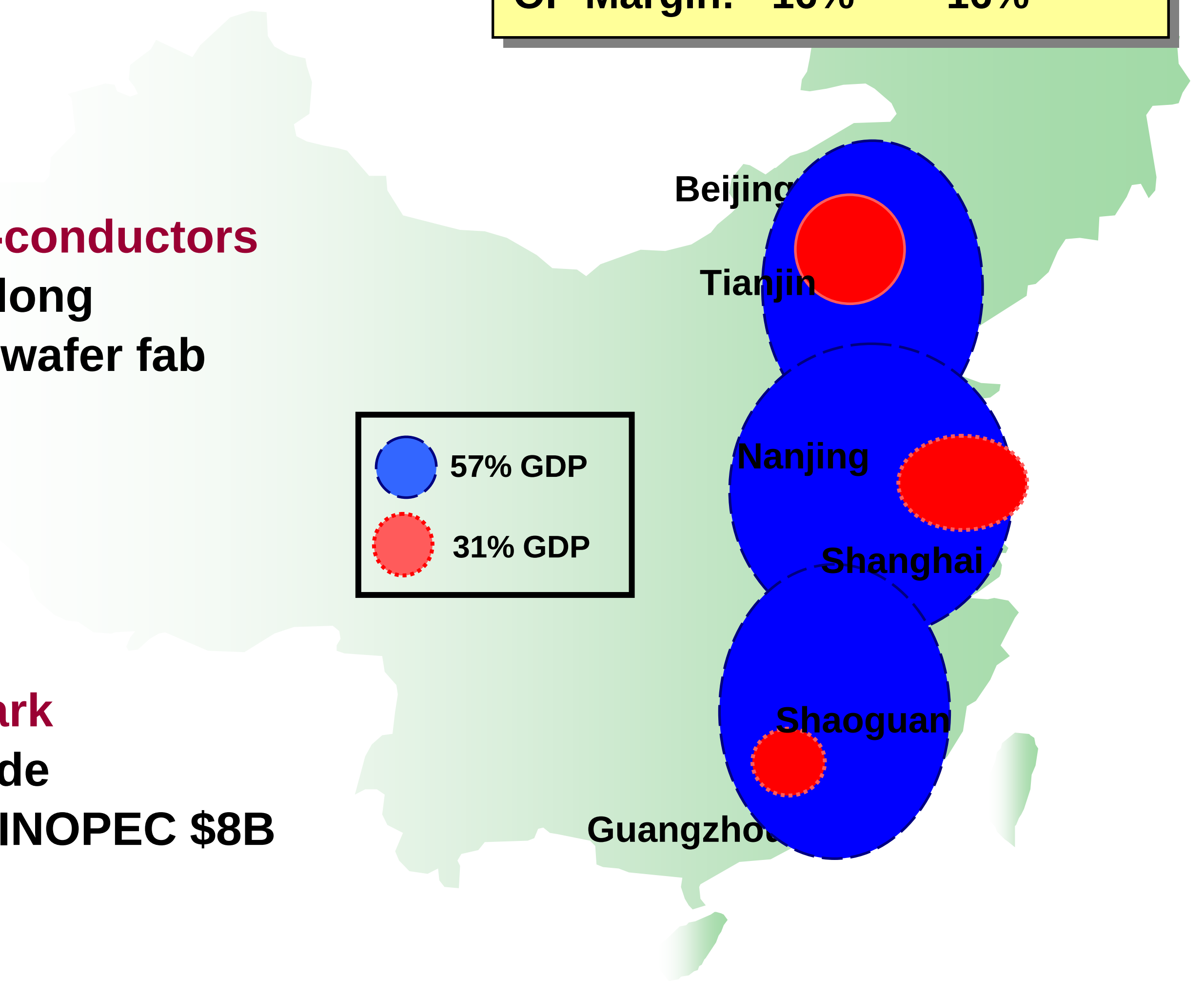
159 Locations
14 Acquisitions since 2000

Acquisitions are providing geographic density to grow the hospital to home strategy

Praxair China Strategy

Asia	2003	9 mo. 2004
Sales (MM):	$389	$353
Growth:	20%	27%
OP Margin:	16%	16%

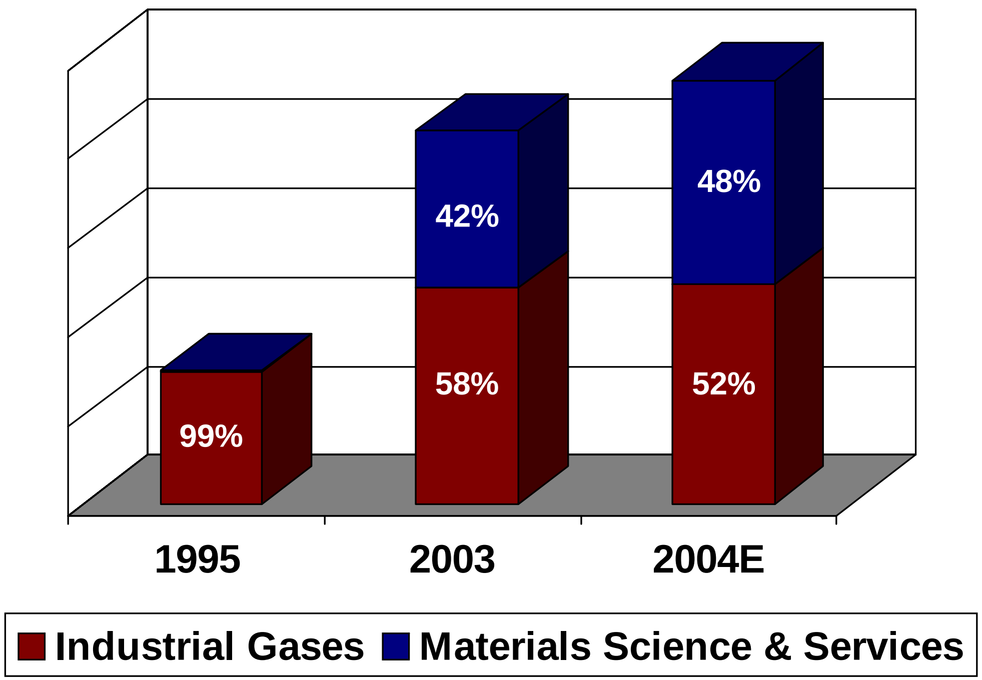
- Leading position in steel
  - Baosteel
  - Shaoguan
  - Meishan
- Leading position in semi-conductors
  - Shanghai - SMIC & Tailong
  - Beijing - SMIC 300mm wafer fab
- Shell Nanhai Complex
  - Shell & CNOOC $4.3B
  - O_2, N_2 & Ar supply
- Caojing petrochemical park
  - 50/50 JV with Air Liquide
  - BP, BAYER, BASF & SINOPEC $8B
  - O_2, N_2 & H_2 supply



Electronics - Materials Science and Gases

- **Materials Science for 300 mm**
  - Ceramic chucks
  - CMP polishing materials- Belts, pads and slurries
  - Thin film metal deposition
- **Supply Chain Services**
  - Components
  - Parts management
  - AMAT alliance
- **Industrial Gases**
  - On-site & bulk high purity gases
  - Select specialty gases

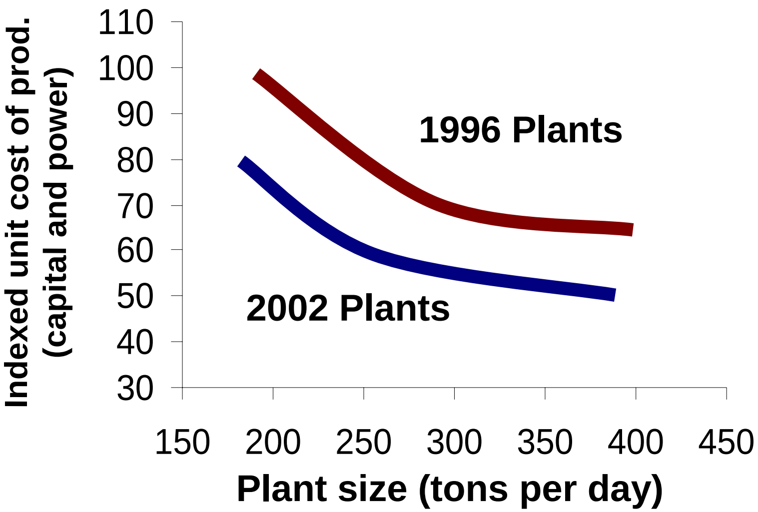
Worldwide Electronics Sales



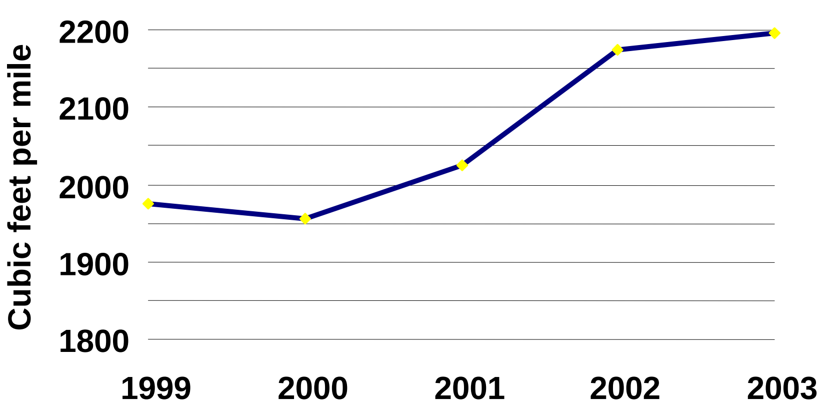
Profitable business model with substantial growth

Operational Performance Metrics

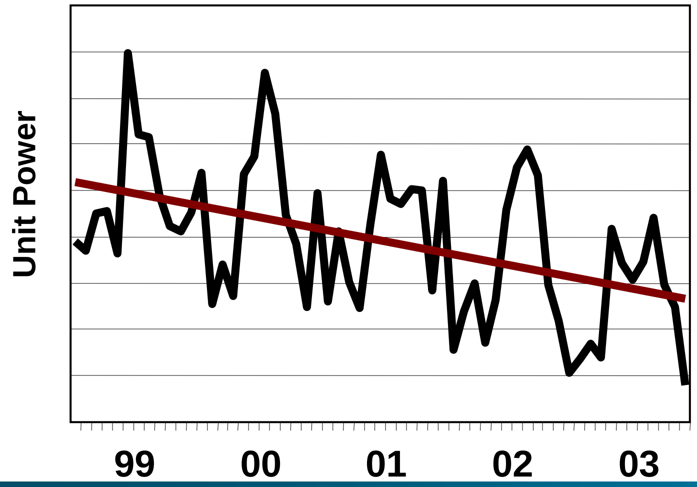
Unit Cost of Production



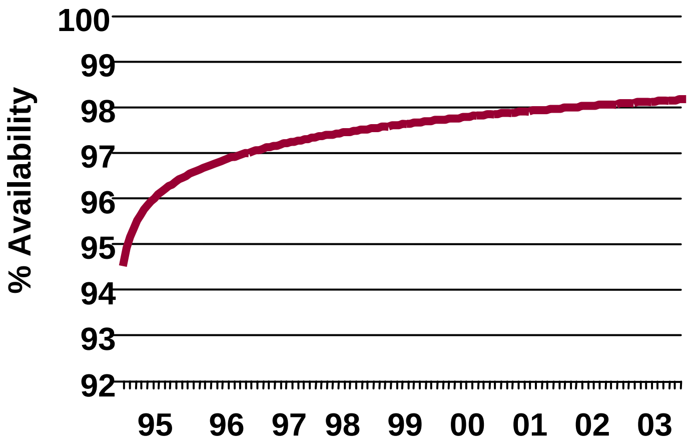
Atmospheric Gases Volume/Trip



Per Unit Power Consumption



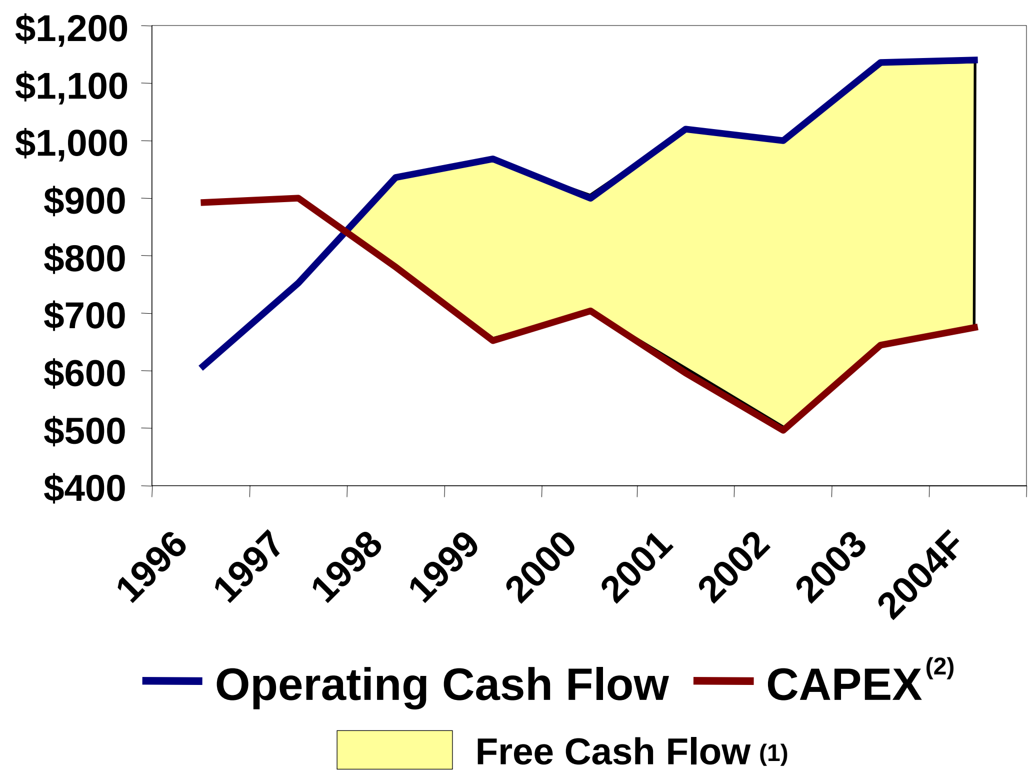
On-stream Reliability



Robust Cash Flow Generation

- **Operating cash flow 8% CAGR**
- **Capital spending discipline - increased hurdle rates**
- **Uses of free cash flow**
  - Dividends
  - Selective acquisitions
  - Share repurchases
  - Debt reduction

Free Cash Flow 1996-2004E ($MM)



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

(2) Excludes Leased Asset Purchase in 2003

The Praxair Investment Case - Sustainable Growth

- **Operating leverage in a reasonable global economy**
  - **Applications technology drives growth at a multiple of industrial production**
- **Key growth platforms will add significant additional top line growth**
- **Continued capital, cost reduction and pricing discipline produce strong free cash flow and high return on capital**

Praxair's total shareholder return has outperformed its industrial gas competitors and the S&P 500 over 1, 5, and 10 years