Sanford Bernstein Strategic Decisions Conference

Opportunities for Growth

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Dennis H. Reilley
Chairman, President and CEO

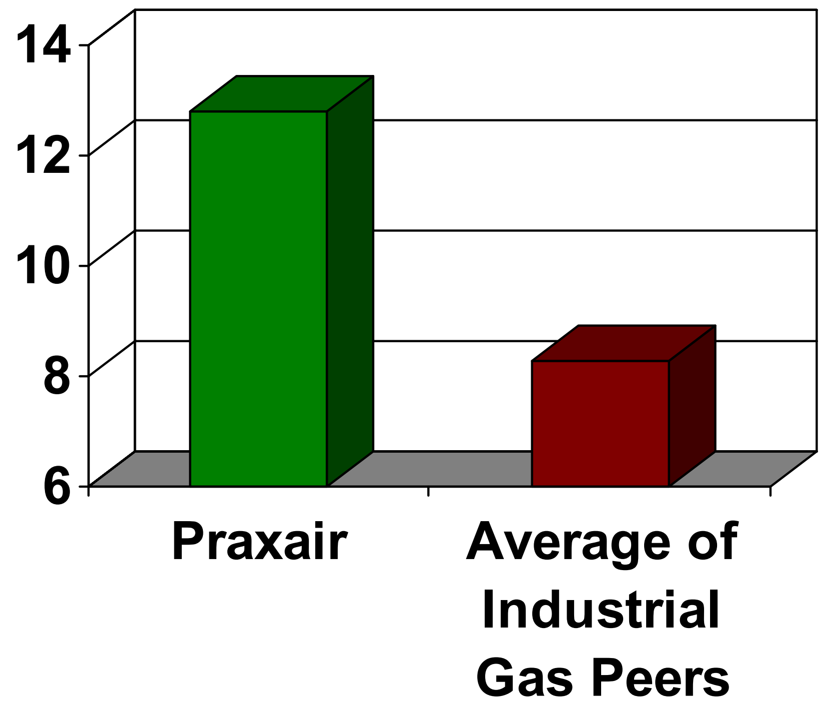
Forward Looking Statements

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

- ♦ Focus on 10 core geographies
- ♦ Volume demand grows faster than industrial production
- ♦ Optimize 5 growing opportunities
  - US Gulf Coast hydrogen
  - Electronics
  - Healthcare
  - China
  - Application technologies
- ♦ Relentless focus on execution
  - Productivity savings > $100MM/yr
    - Procurement
    - Global operational excellence
    - Six Sigma
  - Flawless project execution

2003 ROC %

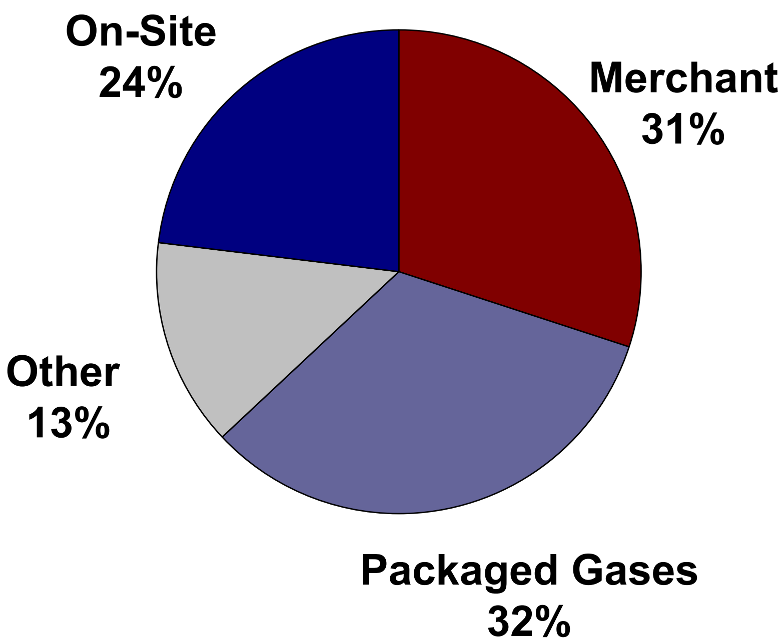


ROC=Net Operating Profit After Tax/Average Capital

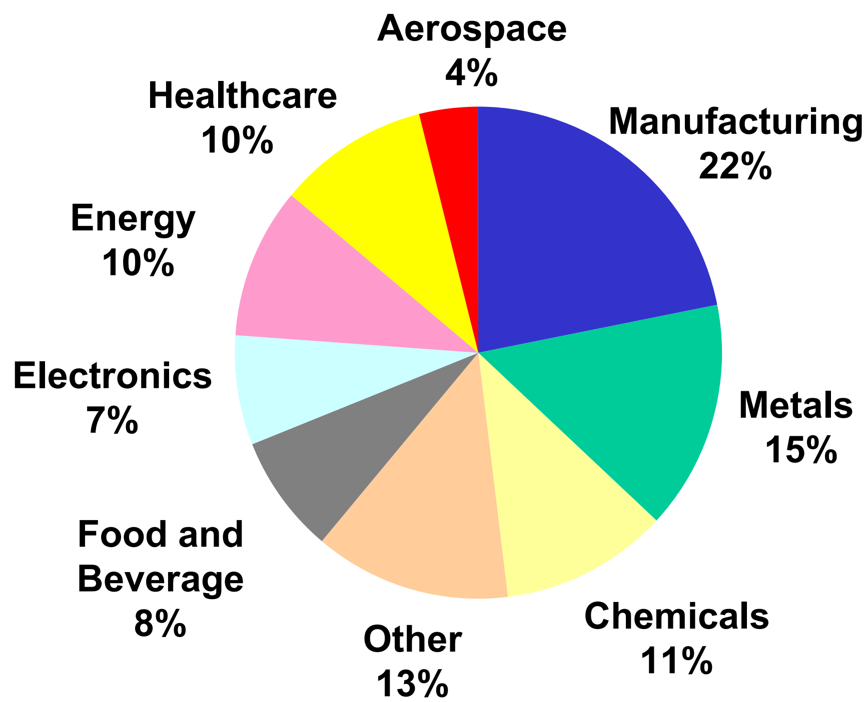
Source: Bloomberg and company reports

Commercial Terms Drive ROC

2003 Sales by Distribution Method



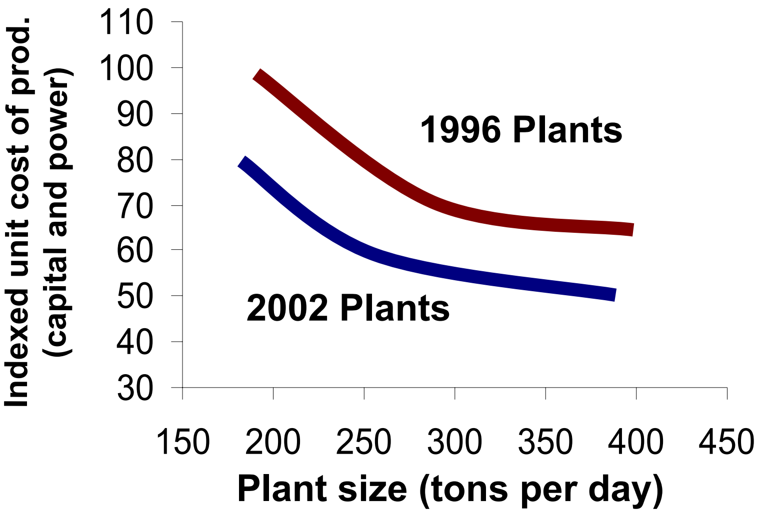
2003 End Markets



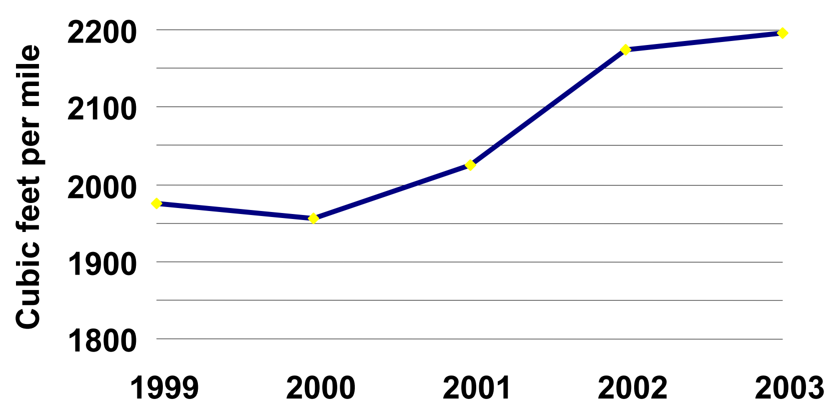
- ♦ ***Price is a fraction of customer value***
- ♦ ***Terms capture above average ROC***

Driving Capital and Energy Efficiency

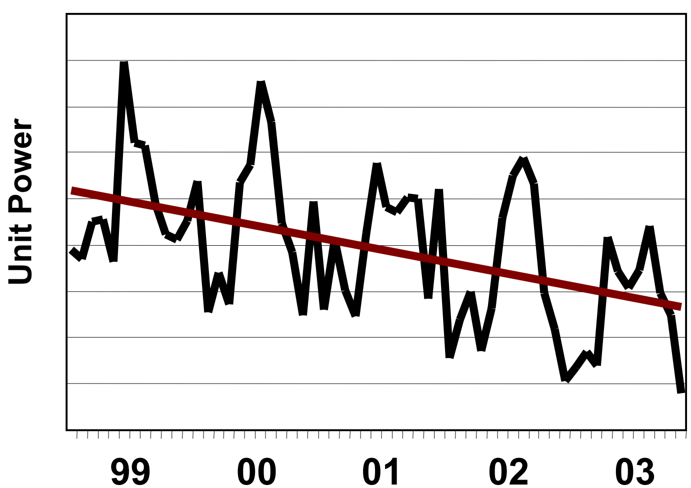
Unit Cost of Production



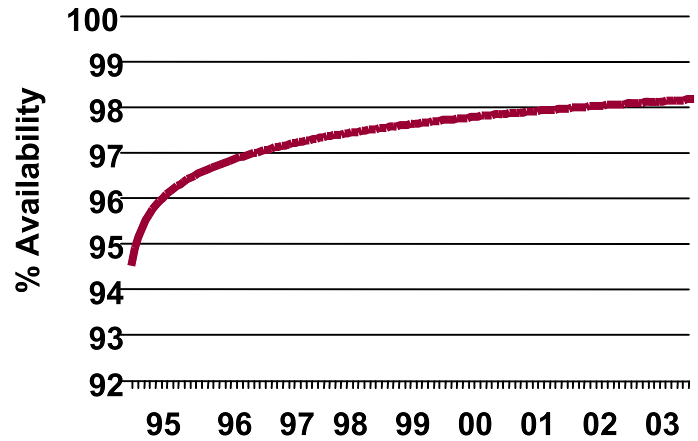
Atmospheric Gases Volume/Trip



Per Unit Power Consumption



On-stream Reliability



Unrivalled North American Network

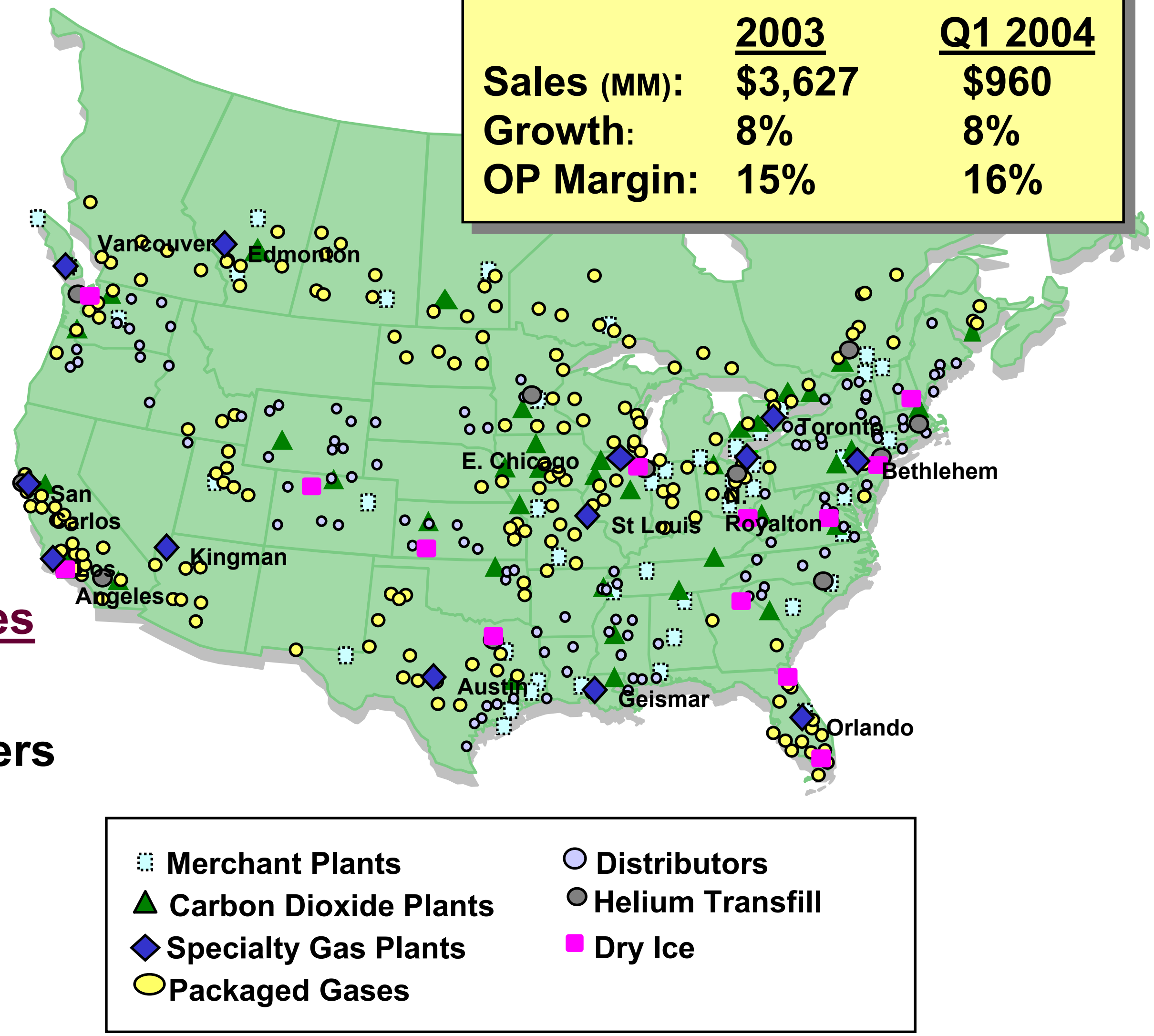
Onsite and Bulk Gases

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

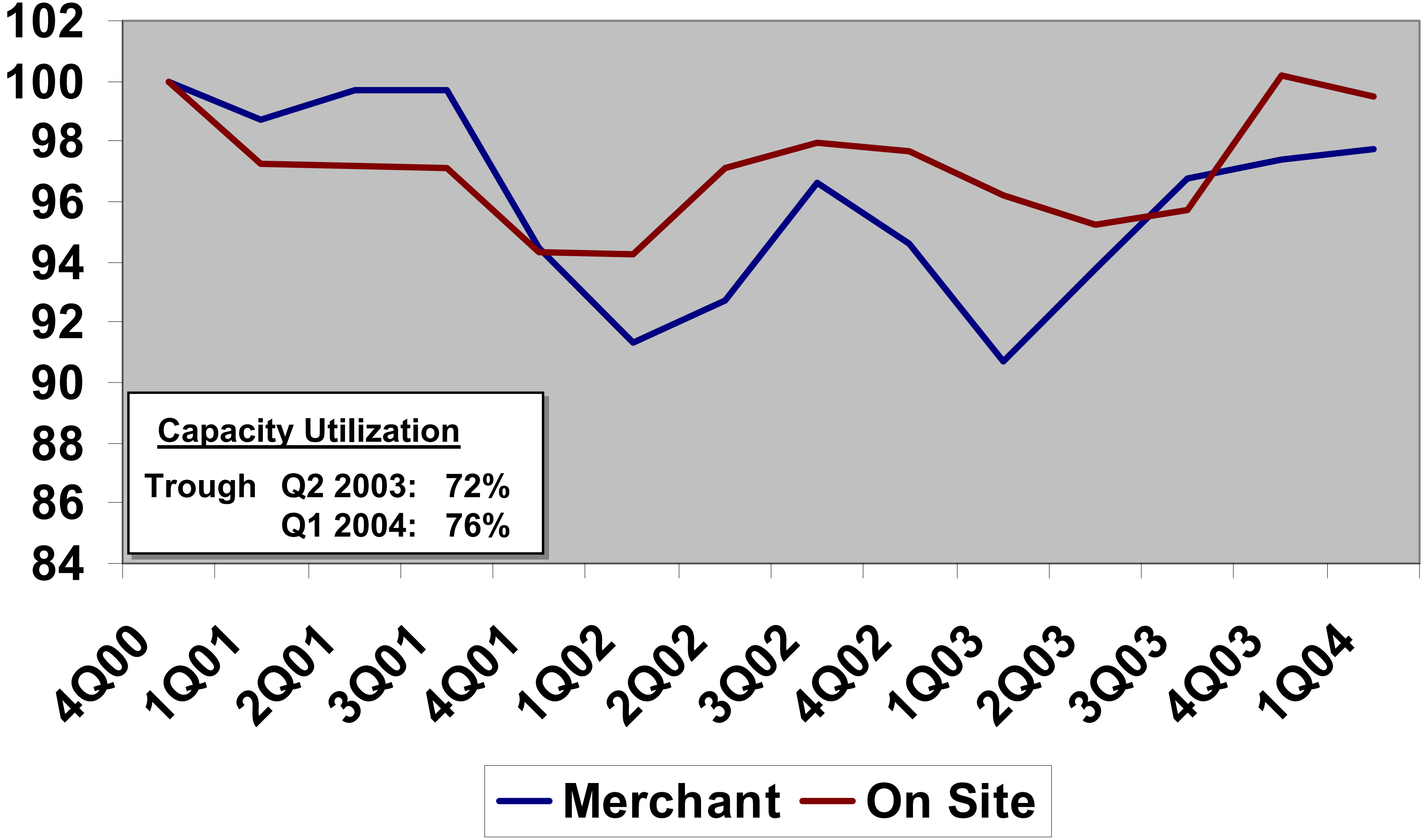
Packaged and Specialty Gases

- 400 branches
- More than 300,000 customers
- 280 independent distributors

	2003	Q1 2004
Sales (MM):	$3,627	$960
Growth:	8%	8%
OP Margin:	15%	16%

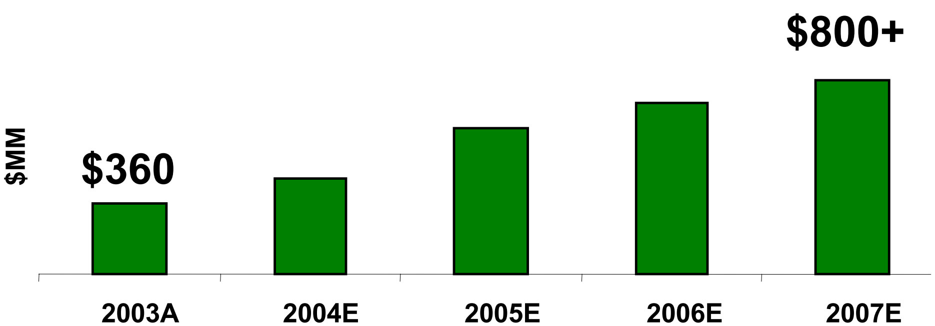


Operating Leverage to an Improving Economy



Refinery Hydrogen Pipeline System

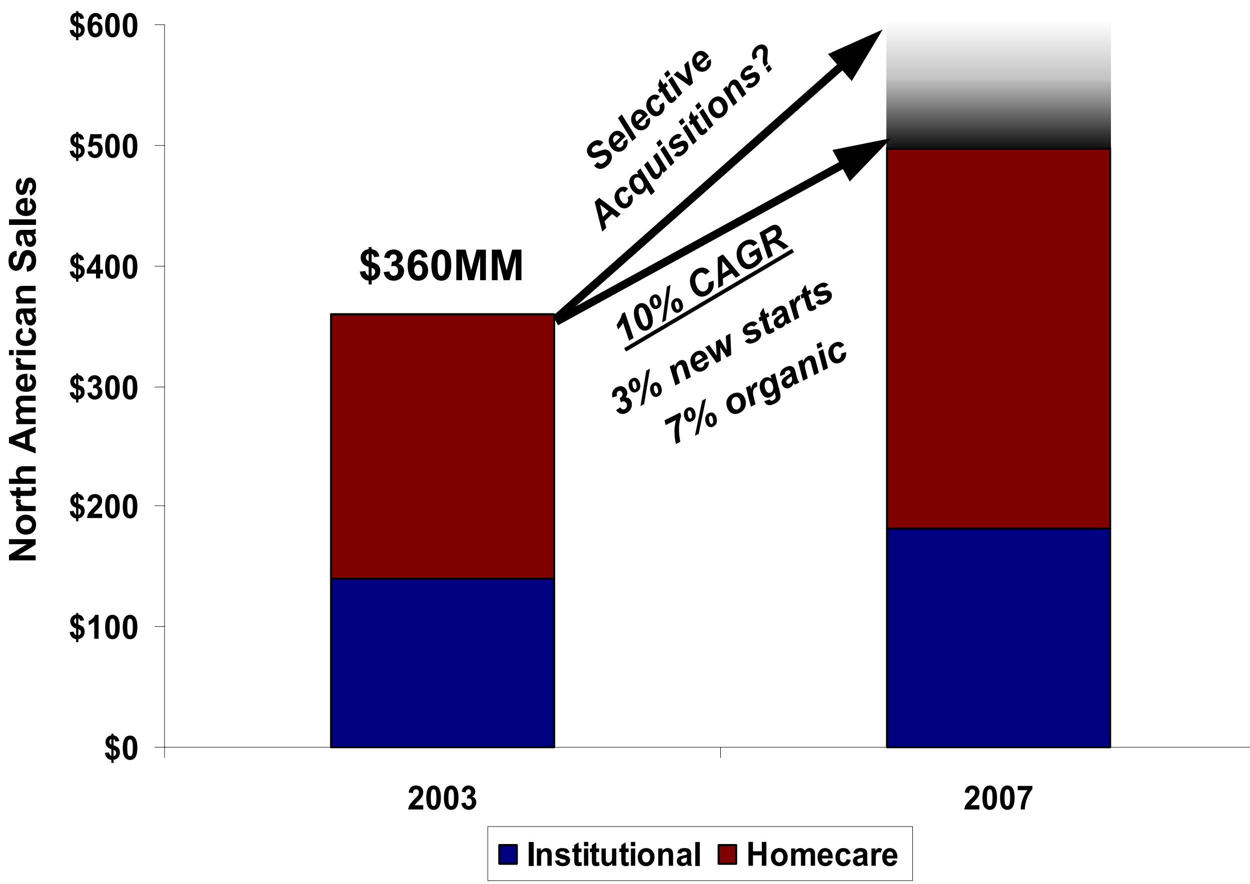
Gulf Coast HYCO Sales



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%
Acquisitions	0-20%
Total	10% +

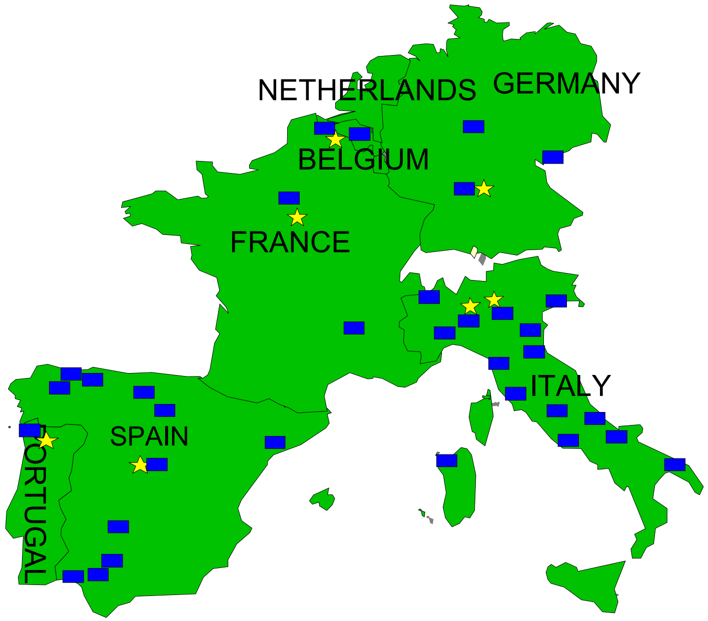
Acquisition Discipline

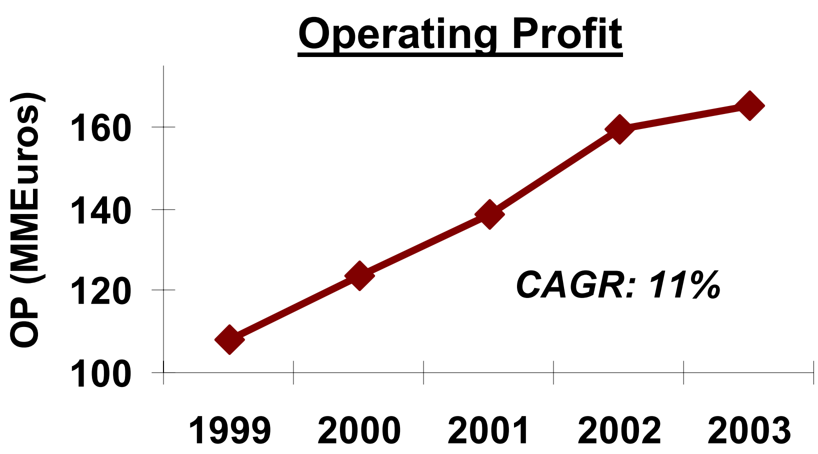
- High % respiratory
- Geographic overlap
- Valuation inclusive of rate cuts

Praxair Europe

	2003	Q1 2004
Sales (MM):	$699	$208
Growth:	19%	26%
OP Margin:	24%	25%

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



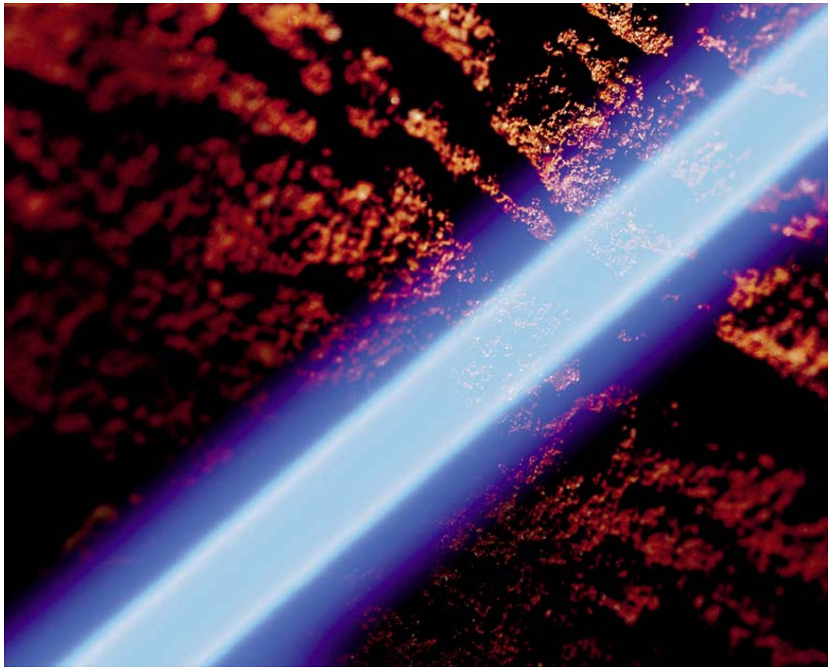


Strong market position in the fast growing Southern Europe region

Technology Licensing - CoJet

Coherent Jet oxygen injection for steel makers improves yield and productivity

- Basic Oxygen Furnaces (BOF)
  - 4 customers
    - US Steel
    - Usiminas
    - Cosipa
    - ThyssenKrupp
  - License agreements signed for 10 furnaces
  - Technology installed and operating on 5 furnaces
- Electric Arc Furnaces (EAF) - Installed on more than 70 locations globally



CoJet™

Capturing value from technology licensing

South America

	2003	Q1 2004
Sales (MM):	$708	$200
Growth:	12%	35%
OP Margin:	16%	16%

South America

- #1 position
- Strong and growing export industries
- Domestic recovery beginning
- New business wins
  - CST - Brazil Steel Producer 2600 TPD O2
  - New on-site contracts indexed to USD

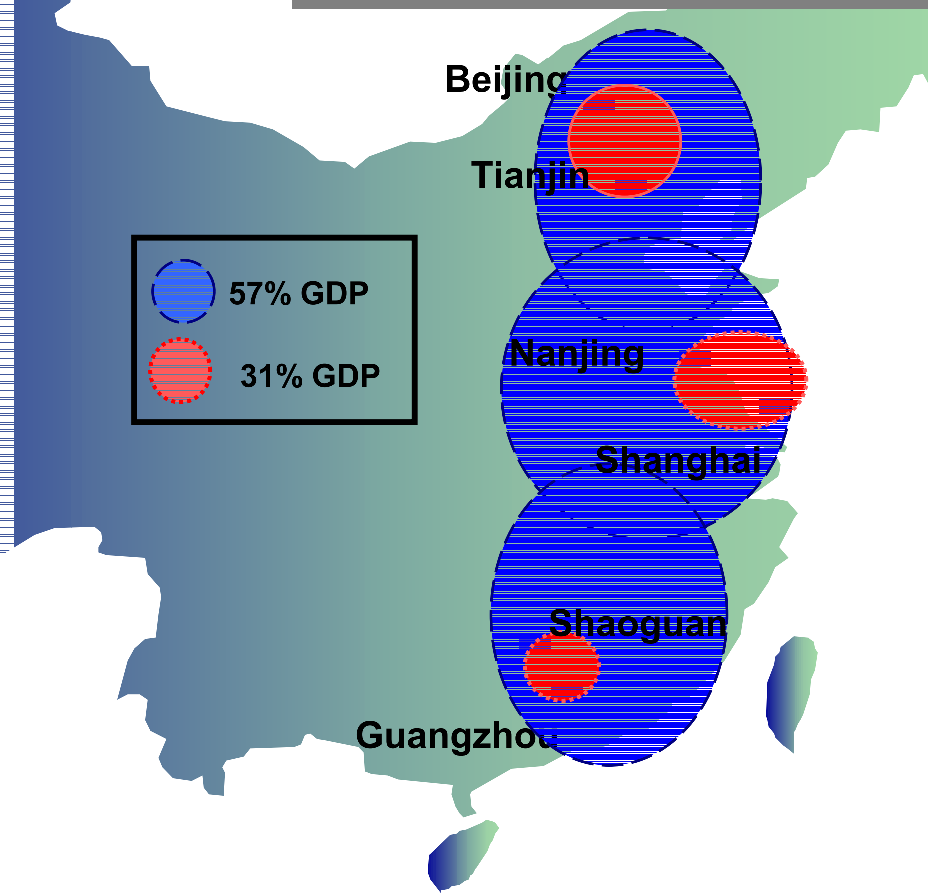
LNG Distribution

- 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

	2003	Q1 2004
Sales (MM):	$389	$109
Growth:	20%	30%
OP Margin:	16%	16%

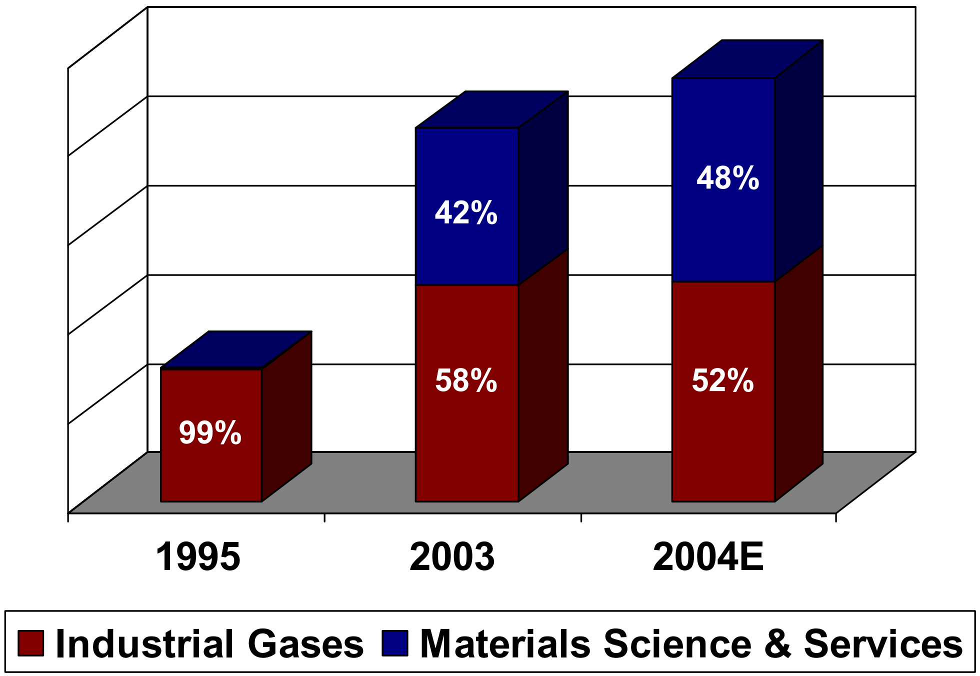
- Focus on 3 key corridors
- Positioned with leading steel producers
  - Baosteel
  - Meishan
  - Shaoguan
- Leading position in semi-conductors
  - 46% of contracted N2
  - Shanghai - SMIC & Tailong
  - Beijing - SMIC 300mm wafer fab
- Developing petrochemical enclaves
  - Shell Nanhai Complex
    - 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



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 high purity gases
  - Select specialty gases

Worldwide Electronics Sales

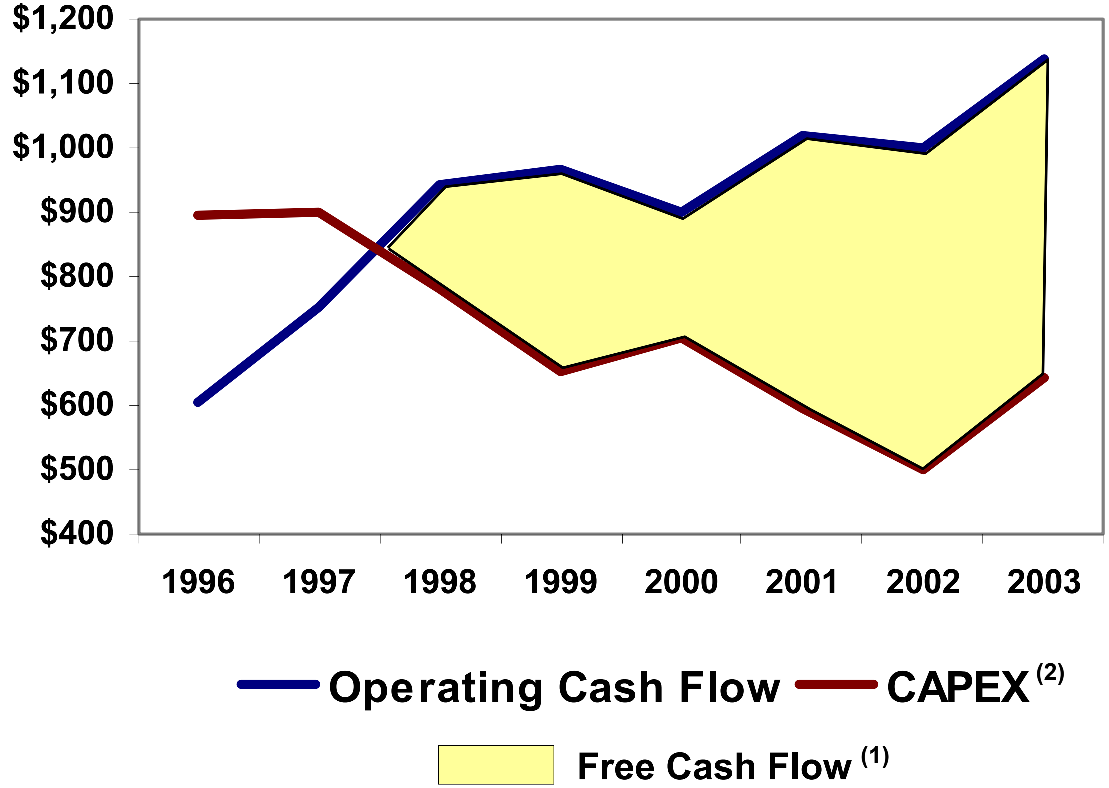


Profitable business model with substantial growth

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

Macroeconomic Outlook

Investor Concerns	Praxair Protection
♦ Rising interest rates will slow industrial economy	→ Long term minimum take or pay contracts → Fixed price contracts → Over 80% of Praxair's debt is fixed rate
♦ Hard landing in China	→ Long term minimum take or pay contracts with large global customers
♦ Currency devaluation in South America	→ Significant new capital investment supported by contracts indexed to US dollars
♦ US manufacturing moving to Asia	→ Rapidly growing businesses in China, India Thailand and Korea → Continue to collect under minimum take or pay contracts in the event of plant shutdowns in the US

Business model allows us to deal with these issues better than others

The Praxair Investment Case - Sustainable Growth

- Operating leverage to an improving US economy
  - Applications technology drives growth at a multiple of industrial production
- 5 key growth platforms will add significant additional top line growth
  - Hydrogen, Healthcare, Electronics, China, Technology licensing
- Continued capital 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

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 intensity[1] 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.

[1]Intensity is per-unit-of-production measure