Investor Teleconference Presentation
Fourth Quarter 2004

January 26th, 2005

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

Fourth Quarter Earnings

($MM)	Fourth Quarter 2004	Third Quarter 2004	Fourth Quarter 2003
Sales	$1,786	$1,674	$1,461
Operating Profit	$ 289	$ 280	$ 244
Operating Margin	16.2%	16.7%	16.7%
Net Income	$ 181	$ 177	$ 155
Diluted EPS	$0.55	$ 0.53	$ 0.47
After Tax ROC[1]	12.7%	13.2%	12.5%

Sales Comparison	YOY	Q4 vs Q3
Sales Growth	+22%	+7%
Volume	+10%	+2%
Price	+3%	+1%
Natural Gas	+2%	+1%
Acquisitions	+4%	+1%
Currency	+3%	+2%

- ROC reduced by 0.5% due to German acquisition

Record sales and earnings continue

1) Non-GAAP measure. See Appendix.

Full Year 2004 Results

($MM)	Full Year 2004	2003	Δ%
Sales	$6,594	$5,613	17%
Operating Profit	$1,103	$ 922	20%
Operating Margin	16.7%	16.4%	
Net Income	$ 697	$ 585	19%
Diluted EPS	$2.10	$1.77	19%
After Tax ROC [1]	12.5%	12.8%	
Cash flows from Operations	$1,243	$1,137	9%
Capex [2]	$668	$644	4%

Sales Comparison	YOY
Sales Growth	+17%
Volume	+9%
Price	+2%
Natural Gas	+1%
Acquisitions	+2%
Currency	+3%

- ROC reduced by 0.6% due to German acquisition

1) Non-GAAP measure. See Appendix.
2) 2003 Capex excludes $339 million purchase of leased assets

North America

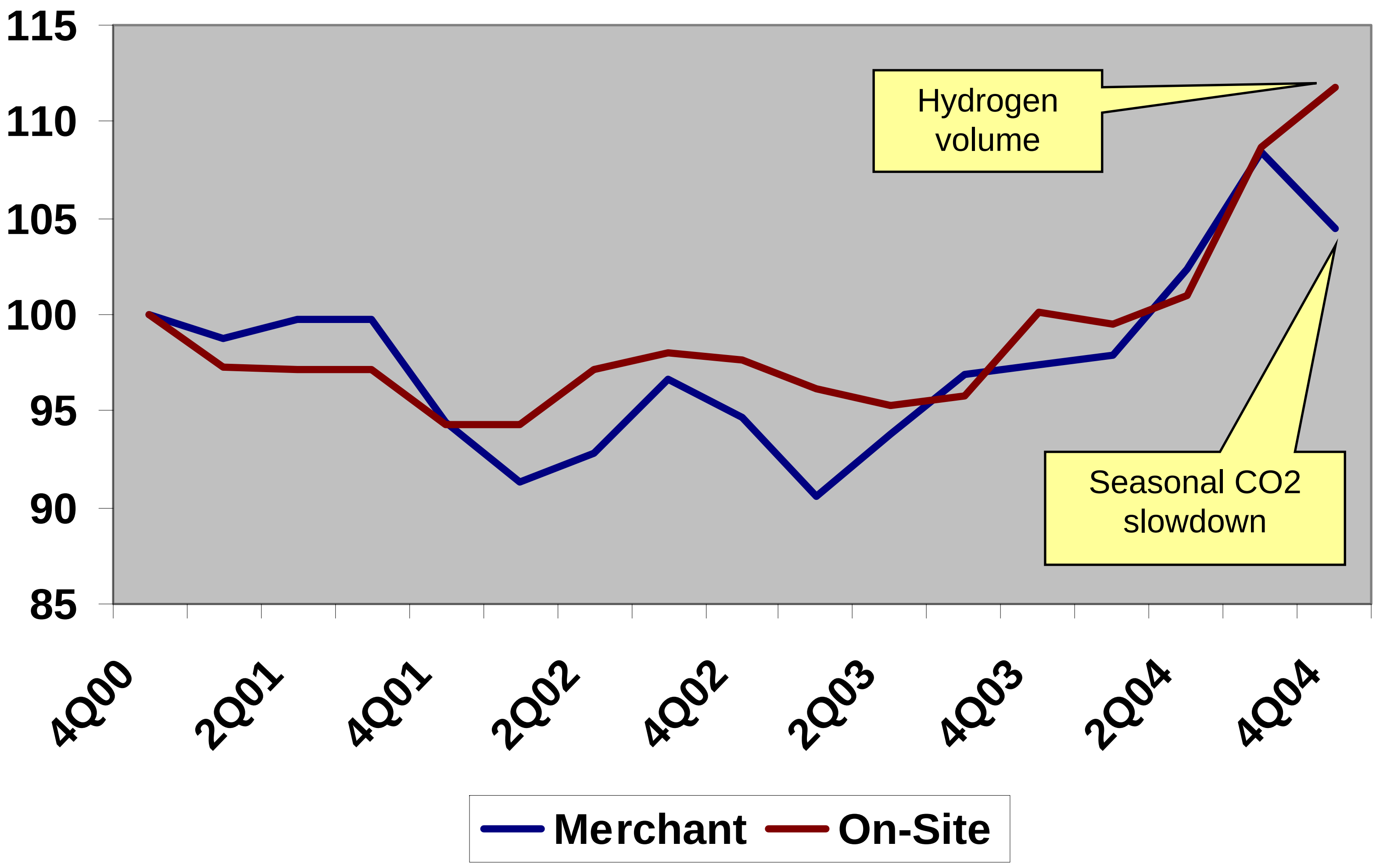
($MM)	Fourth Quarter 2004	Third Quarter 2004	Fourth Quarter 2003
Sales	$1,130	$1,085	$ 923
Segment OP	$ 161	$ 157	$ 141
Operating Margin	14.2%	14.5%	15.3%

Sales Comparison	YOY	Q4 vs Q3
Sales Growth	+22%	+4%
Volume	+11%	+1%
Price	+2%	+1%
Natural Gas	+3%	+1%
Acquisitions	+5%	0%
Currency	+1%	+1%

- **Manufacturing activity continues to pick-up. Q4 Bulk liquid capacity utilization at 83%**
- **Merchant volumes lower sequentially due to seasonal CO2 slowdown**
- **Higher on-site volumes driven by new hydrogen production**
- **Robust YOY packaged gas sales continue in US and Canada**

Key Indicators	YOY
On-Site Volume	+12%
ex-new hydrogen	+1%
Merchant Volume	+7%
Lin Lox Price Index	+1%
Packaged Gas Index	+9%

North American Volumes



Europe

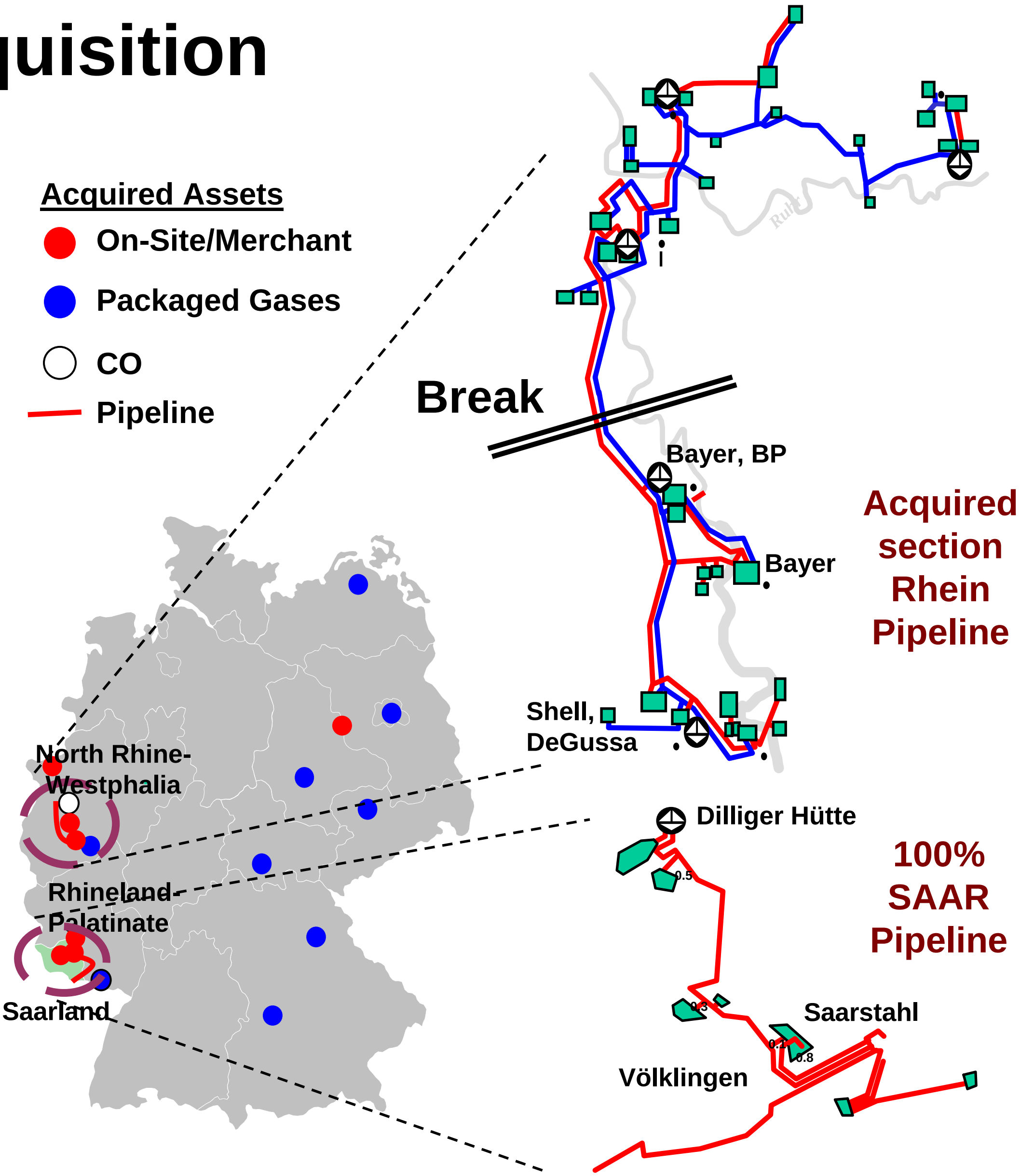
($MM)	Fourth Quarter 2004	Third Quarter 2004	Fourth Quarter 2003
Sales	$234	$198	$191
Segment OP	$ 56	$ 54	$ 47
Operating Margin	23.9%	27.3%	24.6%

Sales Comparison	YOY	Q4 vs Q3
Sales Growth	+23%	+18%
Volume	+3%	+2%
Price	0%	0%
Acquisition	+11%	+10%
Currency	+9%	+6%

- Signed 90 new liquid contracts in chemicals, food and metals
- Acquisition of German business closed on 12/3/04 for $667MM
  - Integration underway
  - Neutral to Q4 earnings
  - Earnings accretion in 2005
- BOF CoJet® at Thyssen-Krupp startup in January 2005
- Economic growth expected to slow across Europe in 2005

German Business Acquisition

- **2004[1] Acquired Sales: $225MM**
  On-site: 42%
  Merchant: 29%
  Packaged: 29%
- **Acquired 100% of the Saar pipeline, and 50% of the Rhein pipeline**
- **New on-site plant on the Saar pipeline to start up in Q3**
- **Forecasted 2005 sales growth of 4-5% versus GDP growth of 1.7%**
- **Combines with Praxair existing business in Benelux to create new core geography**



1) Full year estimated pro-forma

South America

($MM)	Fourth Quarter 2004	Third Quarter 2004	Fourth Quarter 2003
Sales	$236	$219	$188
Segment OP	$ 41	$ 40	$ 30
Operating Margin	17.4%	18.3%	16.0%

Sales Comparison	YOY	Q4 vs Q3
Sales Growth	+26%	+8%
Volume	+13%	0%
Price	+10%	+2%
Currency	+3%	+6%

- Brazil currency has continued to strengthen.
- Export industries continue to be strong as a result of global demand and competitive currency rates
- Domestic demand beginning to improve
- Natural gas activity strong
  - JV with Petrobras to liquefy and distribute LNG
  - Natural gas conversion kits for automobiles

Asia

($MM)	Fourth Quarter 2004	Third Quarter 2004	Fourth Quarter 2003
Sales	$134	$123	$110
Segment OP	$ 24	$ 20	$ 19
Operating Margin	17.9%	16.3%	17.3%

Sales Comparison	YOY	Q4 vs Q3
Sales Growth	+22%	+9%
Volume	+19%	+7%
Price	+1%	0%
Currency	+2%	+2%

- Electronics sales in Asia up +28% YOY
- New plant on-stream in Korea supplying nitrogen to Samsung Fab 13
- Strong CO2 sales for food freezing in Thailand
- 6 major projects under construction in China
- India business expanding with 3 major projects in the pipeline

Surface Technologies

($MM)	Fourth Quarter 2004	Third Quarter 2004	Fourth Quarter 2003
Sales	$116	$109	$ 104
Segment OP	$ 7	$ 9	$ 7
Operating Margin	6.0%	8.3%	6.7%

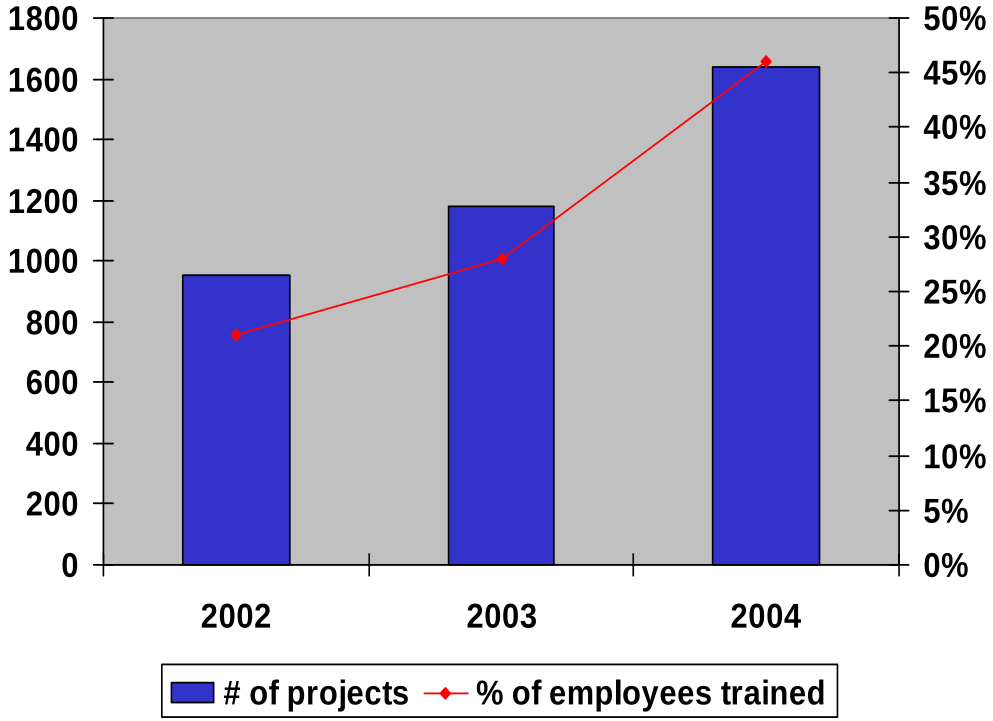
- Strong high-end coating sales for OEM aircraft engines and oil field gate valves
- Higher metal costs for thermal spray powders offset by surcharges and price increases
- Aviation repair remains soft
- Stronger general engineering market in Europe
- Continued restructuring activity

Increasing Productivity Gains

Sources of Cost Savings

($MM)	2003	2004	2005F
Procurement	25	26	26
Plant Operations	58	65	78
Business Process	27	54	46
Total	**110**	**145**	**150**

Six Sigma # of projects and % of workforce trained



Projects using Six Sigma contributed over $60MM in 2004

Hydrogen

2004

- Global hydrogen sales grew 38% to $690MM
- 2 new 100MMSCFD steam methane reformers started up in July, increasing total production capacity on the US Gulf Coast pipeline to 500MMSCFD
- US Gulf Coast sales double

($MM)	Q4 04	Q4 03
Sales	172	84
OP	17	8
OPM	10%	10%

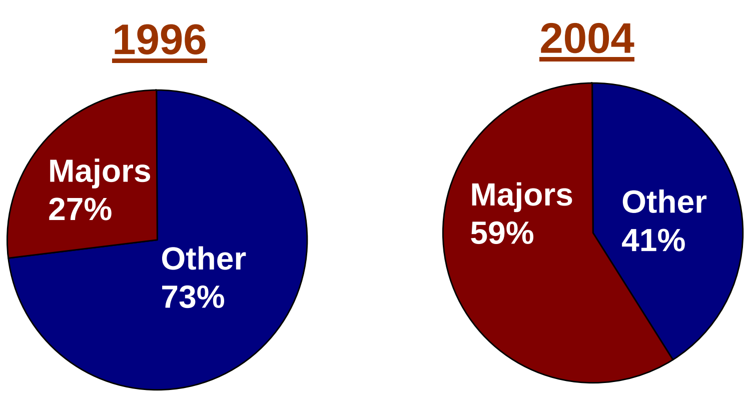
2005 Outlook

- Contract negotiations underway with North American refiners for additional capacity to meet 2007 diesel fuel requirements
- Expect several additional steam methane reformers to be sited during the year
- Caojing hydrogen plant startup in Q205
- Expect sales of about $900MM and operating profit approaching $100MM

Healthcare Market

2004

- Global sales up 26% to $740MM
- Sales in North America were up 32% to $475MM
- Acquisition of Home Care Supply increased density, positioning the business for future growth and competitive bidding in 2007
- Ongoing industry consolidation in US homecare



2005 Outlook

- Expect Medicare reimbursement rate cuts for oxygen of 10-15% as early as February. Estimated revenue impact of $19MM including respiratory medication. Expect to offset OP impact with volume growth and cost reduction.
- Leverage national platform to win managed care contracts
- Global sales expected to approach $900MM with 6-8% organic growth. OP contribution of about $150MM

Electronics Market

2004

- **Global electronics sales of $480MM**
- **Major upgrade to four advanced components facilities in North America**
- **Announced major contracts with Samsung to supply on-site and process gases for semiconductor and LCD production in Korea**
- **Began shipping commercial quantities of eCMP copper slurry for Applied Materials' Reflexion™ tool**

2005 Outlook

- **Overall industry growth expected to slow from 2004.**
- **Expect above average growth in targets, CMP and advanced components**
- **Expect to ship commercial quantities of rotary CMP pads**
- **4 major projects under construction in Asia**
- **Expect sales of about $550MM at an overall operating margin of 12%**

Financial Outlook[1]

First Quarter 2005

- **Diluted EPS in the range of $0.56-$0.58**

Full Year 2005

- **Sales and operating profit growth in the range of 11-15%**
- **Diluted EPS in the range of $2.33 to $2.45**
- **Effective tax rate of 26%**
- **CAPEX of $700 – 750MM**

2005 EPS expected to grow by 11-17% inclusive of integration charges, higher interest and higher tax rate

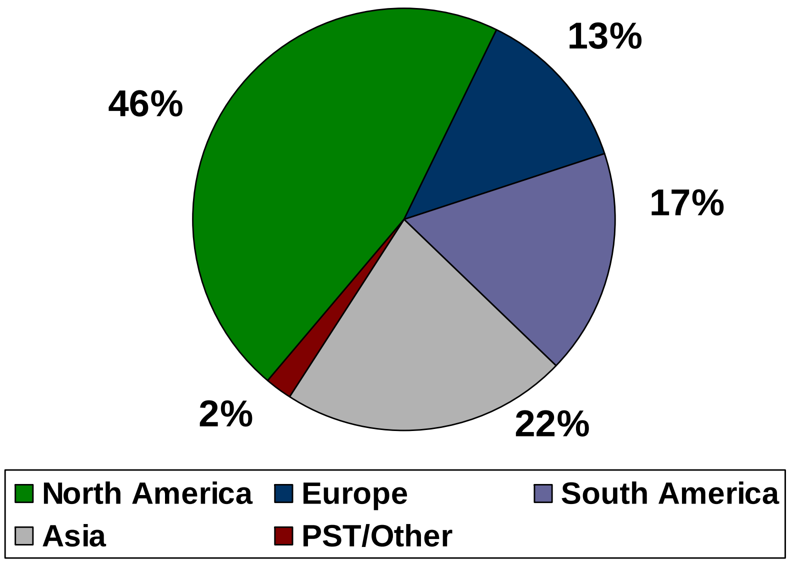
1) This excludes the effect of expensing stock options, expected to begin in Q305. Praxair estimates that this will reduce diluted EPS by about $0.02 per quarter.

Capital Investment

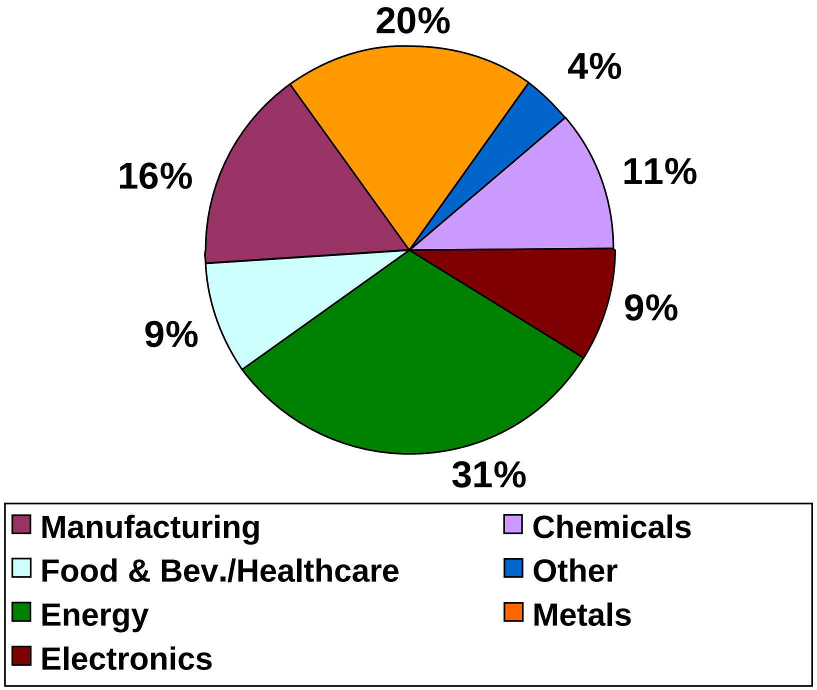
2005F: About $700-750MM

Growth 65% - Maint. 25% - Cost Reduction 10%

Growth CAPEX By Segment



Growth CAPEX By Market



28 major projects in the pipeline

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				
	Year (a,b)	Q4(a,b)	Q3(b)	Q2(b)	Q1(b)	Year (b)	Q4(b)	Q3(b)	Q2(c)	Q1
TOTAL CAPITAL										
Total debt	$ 3,525	$3,525	$ 2,887	$ 3,021	$ 2,843	$ 2,816	$ 2,816	$ 2,958	$ 2,952	$ 2,742
Minority interests	225	225	206	203	198	195	195	181	168	160
Preferred stock	-	-	-	-	-	-	-	-	-	-
Shareholders' equity	3,608	3,608	3,369	3,181	3,136	3,088	3,088	2,874	2,880	2,477
Total Capital	$ 7,358	$7,358	$ 6,462	$ 6,405	$ 6,177	$ 6,099	$ 6,099	$ 6,013	$ 6,000	$ 5,379
DEBT-TO-CAPITAL RATIO	47.9%	47.9%	44.7%	47.2%	46.0%	46.2%	46.2%	49.2%	49.2%	51.0%
AFTER-TAX RETURN ON CAPITAL (ROC)										
Operating profit	$ 1,103	$ 289	$ 280	$ 274	$ 260	$ 922	$ 244	$ 240	$ 223	$ 215
Less: reported taxes	(232)	(60)	(61)	(55)	(56)	(174)	(49)	(49)	(35)	(41)
Less: tax benefit on interest expense	(39)	(10)	(10)	(10)	(9)	(36)	(9)	(9)	(8)	(10)
Add: income from equity investments	11	1	3	4	3	12	3	3	3	3
Net operating profit after-tax (NOPAT)	$ 843	$ 220	$ 212	$ 213	$ 198	$ 724	$ 189	$ 185	$ 183	$ 167
Beginning capital	$ 6,099	$6,462	$ 6,405	$ 6,177	$ 6,099	$ 5,252	$ 6,013	$ 6,000	$ 5,379	$ 5,252
Ending capital	$ 7,358	$7,358	$ 6,462	$ 6,405	$ 6,177	$ 6,099	$ 6,099	$ 6,013	$ 6,000	$ 5,379
Average capital	$ 6,729	$6,910	$ 6,434	$ 6,291	$ 6,138	$ 5,676	$ 6,056	$ 6,007	$ 5,690	$ 5,316
ROC %	12.5%	3.2%	3.3%	3.4%	3.2%	12.8%	3.1%	3.1%	3.2%	3.1%
ROC % (annualized)	12.5%	12.7%	13.2%	13.5%	12.9%	12.8%	12.5%	12.3%	12.9%	12.6%

a) ROC was reduced by 0.5% and 0.6% in the 2004 fourth quarter and full year, respectively, due to the December acquisition of the German assets and related businesses from Air Liquide S.A.

b) ROC after the second quarter of 2003 was reduced by 0.8% on an annualized basis (0.4% for the full year) due to the additional debt from the purchase of leased assets in the second quarter of 2003.

c) 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.