

PRAXAIR INC
Form 10-Q
July 26, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2006

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

PRAXAIR, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation)

1-11037

(Commission File Number)

06-1249050

(IRS Employer Identification No.)

**39 OLD RIDGEBURY ROAD,
DANBURY, CT**

(Address of principal executive offices)

06810-5113

(Zip Code)

(203) 837-2000

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **Yes x No**

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x Accelerated filer Non-accelerated filer

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Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). **Yes** **No**

At June 30, 2006, 322,358,375 shares of common stock (\$0.01 par value) of the Registrant were outstanding.

INDEX

PART I - FINANCIAL INFORMATION	PAGE
Item 1.	Financial Statements Consolidated Statements of Income - Praxair, Inc. and Subsidiaries 3 Quarter Ended June 30, 2006 and 2005 (Unaudited) Consolidated Statements of Income - Praxair, Inc. and Subsidiaries 4 Six Months Ended June 30, 2006 and 2005 (Unaudited) Condensed Consolidated Balance Sheets - Praxair, Inc. and Subsidiaries 5 June 30, 2006 and December 31, 2005 (Unaudited) Condensed Consolidated Statements of Cash Flows - Praxair, Inc. and Subsidiaries 6 Six Months Ended June 30, 2006 and 2005 (Unaudited) Consolidated Statement of Shareholders' Equity - Praxair, Inc. and Subsidiaries 7 Six Months Ended June 30, 2006 (Unaudited) Notes to Condensed Consolidated Financial Statements - Praxair, Inc. 8 and Subsidiaries (Unaudited)
Item 2.	Management's Discussion and Analysis of Financial Condition and 17 Results of Operations
Item 3.	Quantitative and Qualitative Disclosures about Market Risk 24
Item 4.	Controls and Procedures 24
PART II - OTHER INFORMATION	
Item 1.	Legal Proceedings 25
Item 1A.	Risk Factors 25
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds 25

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Item 3.	Defaults Upon Senior Securities	25
Item 4.	Submission of Matters to a Vote of Security Holders	26
Item 5.	Other Information	26
Item 6.	Exhibits	26
Signature		27

PART I - FINANCIAL INFORMATION*Praxair, Inc. and Subsidiaries***Item 1. Financial Statements**

PRAXAIR, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Millions of dollars, except per share data)
(UNAUDITED)

		Quarter Ended June 30,		
		2006		2005
SALES	\$	2,076	\$	1,919
Cost of sales, exclusive of depreciation and amortization		1,238		1,167
Selling, general and administrative		271		247
Depreciation and amortization		174		163
Research and development		22		19
Other income (expense) - net		11		(1)
OPERATING PROFIT		382		322
Interest expense - net		41		41
INCOME BEFORE INCOME TAXES		341		281
Income taxes		90		64
		251		217
Minority interests		(7)		(13)
Income from equity investments		3		5
NET INCOME	\$	247	\$	209
 PER SHARE DATA:				
Basic earnings per share	\$	0.76	\$	0.65
Diluted earnings per share	\$	0.75	\$	0.63
Cash dividends per share	\$	0.25	\$	0.18
 WEIGHTED AVERAGE SHARES OUTSTANDING (000's):				
Basic shares outstanding		323,519		323,898
Diluted shares outstanding		329,880		329,818

The accompanying notes are an integral part of these financial statements.

PRAXAIR, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Millions of dollars, except per share data)
(UNAUDITED)

	Six Months Ended June 30,	
	2006	2005
SALES	\$ 4,102	\$ 3,746
Cost of sales, exclusive of depreciation and amortization	2,445	2,276
Selling, general and administrative	544	492
Depreciation and amortization	345	325
Research and development	43	39
Other income (expense) - net	9	17
OPERATING PROFIT	734	631
Interest expense - net	79	83
INCOME BEFORE INCOME TAXES	655	548
Income taxes	173	133
	482	415
Minority interests	(15)	(20)
Income from equity investments	5	9