

PRAXAIR INC
Form 10-Q
October 27, 2016
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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 September 30, 2016

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 06810-5113

(Address of principal executive offices) (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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

At September 30, 2016, 285,388,991 shares of common stock (\$0.01 par value) of the Registrant were outstanding.

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

	Quarter Ended September	
	30,	
	2016	2015
SALES	\$ 2,716	\$ 2,686
Cost of sales, exclusive of depreciation and amortization	1,533	1,488
Selling, general and administrative	291	281
Depreciation and amortization	284	276
Research and development	22	23
Cost reduction program and other charges	100	26
Other income (expense) - net	11	2
OPERATING PROFIT	497	594
Interest expense - net	43	35
INCOME BEFORE INCOME TAXES AND EQUITY INVESTMENTS	454	559
Income taxes	120	156
INCOME BEFORE EQUITY INVESTMENTS	334	403
Income from equity investments	10	10
NET INCOME (INCLUDING NONCONTROLLING INTERESTS)	344	413
Less: noncontrolling interests	(5) (12
NET INCOME - PRAXAIR, INC.	\$ 339	\$ 401
PER SHARE DATA - PRAXAIR, INC. SHAREHOLDERS		
Basic earnings per share	\$ 1.19	\$ 1.40
Diluted earnings per share	\$ 1.18	\$ 1.40
Cash dividends per share	\$ 0.75	\$ 0.715
WEIGHTED AVERAGE SHARES OUTSTANDING (000's):		
Basic shares outstanding	285,858	285,651
Diluted shares outstanding	288,195	287,311

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

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

	Nine Months Ended September 30,	
	2016	2015
SALES	\$7,890	\$8,181
Cost of sales, exclusive of depreciation and amortization	4,382	4,534
Selling, general and administrative	873	877
Depreciation and amortization	837	831
Research and development	69	70
Cost reduction program and other charges	100	172
Other income (expense) - net	10	—
OPERATING PROFIT	1,639	1,697
Interest expense - net	152	119
INCOME BEFORE INCOME TAXES AND EQUITY INVESTMENTS	1,487	1,578
Income taxes	399	449
INCOME BEFORE EQUITY INVESTMENTS	1,088	1,129
Income from equity investments	31	31
NET INCOME (INCLUDING NONCONTROLLING INTERESTS)	1,119	1,160
Less: noncontrolling interests	(25)	(35)
NET INCOME - PRAXAIR, INC.	\$1,094	\$1,125
PER SHARE DATA - PRAXAIR, INC. SHAREHOLDERS		
Basic earnings per share	\$3.83	\$3.91
Diluted earnings per share	\$3.80	\$3.88
Cash dividends per share	\$2.25	\$2.145
WEIGHTED AVERAGE SHARES OUTSTANDING (000's):		
Basic shares outstanding	285,663	287,578
Diluted shares outstanding	287,727	289,835

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

