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PRAXAIR INC
Form 10-K405
March 14, 2002

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

[] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2001
Commission file number 1-11037

Praxair, Inc.
2001 Form 10-K

Praxair, Inc. Tel. (203) 837-2000
39 Old Ridgebury Road State of incorporation: Delaware
Danbury, Connecticut 06810-5113 IRS identification number: 06-124 9050

Securities registered pursuant to Section 12(b) of the Act:

Title of each class: Registered on :

Common Stock (\$.01 par value) New York Stock Exchange
Common Stock Purchase Rights New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Security 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K [X]

At January 31, 2002, 163,012,845 shares of common stock of Praxair, Inc. were outstanding. The aggregate market value of common stock held by non-affiliates at January 31, 2002 was approximately \$9,395 million.

Documents incorporated by reference:

Portions of the 2001 Annual Report to Shareholders of the Registrant are incorporated in Parts I, II and IV of this report. Also, portions of the Proxy Statement of Praxair, Inc., dated March 1, 2002, are incorporated in Part III of this report.

The Index to Exhibits is located on page 11 of this report.

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Forward-looking statements

The forward-looking statements contained in this document concerning demand for products and services, the expected macroeconomic environment, sales and earnings growth, projected capital and acquisition spending, the impact of required changes in accounting, and other financial goals involve risks and uncertainties, and are subject to change based on various factors. These risk factors 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 services, the impact of competitive products and pricing, and the impact of tax and other legislation and regulation in the jurisdictions which the company operates as well as new accounting rules and practices.

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PART I

Praxair, Inc. and Subsidiaries

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Item 1. Business

General

Praxair, Inc. (Praxair or Company) was founded in 1907 and became an independent publicly traded company in 1992. Praxair was the first company in the United States to produce oxygen from air using a cryogenic process. Praxair has been, and continues to be, a major technological innovator in the industrial gases industry and has done much to create value for its customers by developing new applications for industrial gases and to open new markets by lowering the cost of supply.

Praxair is the largest industrial gases company in North and South America and the third largest worldwide. The Company is also the world's largest supplier of carbon dioxide. Praxair's primary products for its industrial gases business are atmospheric gases (oxygen, nitrogen, argon, rare gases), process gases (carbon dioxide, helium, hydrogen, electronic gases, specialty gases, acetylene), and the Company also designs, engineers and builds equipment that produces industrial gases (for internal use and external sale). The Company's surface technology segment, operated through Praxair Surface Technologies, Inc., supplies wear-resistant and high-temperature corrosion-resistant metallic and ceramic coatings and powders. Sales for Praxair were \$5,158 million, \$5,043 million, and \$4,639 million for 2001, 2000 and 1999, respectively, with industrial gases and related products and services accounted for 92% of sales in 2001, 2000 and 1999, and surface technologies accounts for the balance. Refer to Note 3 of the section captioned "Notes to Consolidated Financial Statements" in Praxair's 2001 Annual Report to Shareholders for information related to Praxair's segment information.

Gases produced by the Company find wide use in the aerospace, chemicals, electronics, energy, food and beverage, healthcare, manufacturing and metals industries. By using the gases that Praxair produces and, in many cases, the proprietary processes that it invents, customer value is created through improved product quality, increased productivity, conservation of energy, and the attainment of environmental improvement objectives. The Company has been and continues to be a major technological innovator in the industrial gases industry and, working with customers, has done much to increase the use of its industrial gases to support the manufacture of other products and for many other uses. Historically, consumption of industrial gases has increased at approximately 1.5 to 2.0 times local industrial production growth in countries in which the Company does business.

Industrial Gases Products and Manufacturing Processes

Atmospheric gases are the highest volume products produced by Praxair. Using air as its raw material, Praxair primarily produces oxygen, nitrogen and argon through several air separation processes. Cryogenic air separation, which is the primary process, compresses and cools air until it liquefies. As a pioneer in the industrial gases industry, Praxair has been a leader in developing a wide range of proprietary and patented applications and supply systems technology, including small cryogenic nitrogen plants. In recent years, Praxair has developed and commercialized air separation technologies for the production of industrial gases and is a recognized leader in this rapidly growing market segment. These technologies open important new markets and optimize production capacity for the Company by lowering the cost of supply of industrial gases. These technologies include proprietary vacuum pressure swing adsorption ("VPSA") and membrane separation to produce gaseous oxygen and nitrogen, respectively. Industrial Gases also manufactures precious metal and ceramic sputtering targets used principally in the production of semiconductors.

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PART I (Cont.)

Praxair, Inc. and Subsidiaries

Process gases, including carbon dioxide, hydrogen, carbon monoxide, helium and acetylene, are produced by different methods than air separation. Most carbon dioxide is purchased from by-product sources, including chemical plants, refineries and industrial processes, or from carbon dioxide wells, and is processed in Praxair's own plants to produce commercial carbon dioxide. Hydrogen and carbon monoxide are produced by purifying hydrocarbon sources or by purifying by-product sources obtained from the chemical and petrochemical industries. Most of the helium sold by Praxair is derived from certain helium-rich natural gas streams in the United States, with additional supplies being acquired from outside the United States. Acetylene is typically produced from calcium carbide and water.

Industrial Gases Distribution

There are three basic distribution methods for industrial gases: (i) on-site or tonnage; (ii) merchant liquid; and (iii) packaged or cylinder gases. These distribution methods are often integrated, with products from all three supply modes coming from the same plant. The method of supply is generally determined by the lowest cost means of meeting the customer's needs, depending upon factors such as volume requirements, purity, pattern of usage, and the form in which the product is used (as a gas or as a cryogenic liquid).

On-site. Customers that require the largest volumes of product (typically oxygen, nitrogen and hydrogen) and that have a relatively constant demand pattern are supplied by cryogenic and process gas on-site plants. Praxair constructs plants on or adjacent to these customers' sites and supplies the product directly to customers. Because these are usually dedicated plants, the product supply contracts generally are total requirement contracts, typically having 10-20 year terms and containing minimum purchase requirements and price escalation provisions. Many of the cryogenic on-site plants also produce liquid products for the merchant market. New advanced air separation processes allow on-site delivery to customers with smaller volume requirements. Customers using these systems usually enter into requirement contracts with terms typically ranging from 5-15 years.

Merchant. The merchant business is generally associated with distributable liquid oxygen, nitrogen, argon, carbon dioxide, hydrogen and helium. Atmospheric gases for the merchant business are produced by cryogenic processes, whereas carbon dioxide, hydrogen and helium are produced by other processes as discussed earlier. The deliveries generally are made from Praxair's plants by tanker trucks to storage containers owned or leased and maintained by Praxair or the customer at the customer's site. Although merchant oxygen and nitrogen generally have a relatively small distribution radius from the plants at which they are produced, merchant argon, hydrogen and helium can be shipped much longer distances. The agreements used in the merchant business are usually three to five year requirement contracts except for carbon dioxide, which typically has one-year requirement contracts in the United States.

Packaged Gases. Customers requiring small volumes are supplied products in metal containers called cylinders, usually at medium to high pressure. These so-called packaged gases include the atmospheric gases, carbon dioxide, hydrogen, helium and acetylene. Praxair also produces and distributes in cylinders a wide range of specialty gases and mixtures. Cylinders may be delivered to the customer's site or picked up by the customer at a packaging facility or retail store. Packaged gases are generally sold by purchase orders.

A substantial amount of the cylinder gases sold in the United States is

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distributed by independent distributors that buy merchant gases in liquid form and repackage the products in their facilities. These businesses also distribute welding equipment purchased from manufacturers of such products. Praxair has acquired independent industrial gas and welding products distributors at various locations in the United States. Between distributors in which it owns an equity interest and independent distributors that resell its gases, Praxair is represented in 42 states, the District of Columbia and Puerto Rico.

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PART I (Cont.)

Praxair, Inc. and Subsidiaries

Surface Technologies

Praxair's surface technologies business supplies wear-resistant and high-temperature corrosion-resistant metallic and ceramic coatings and powders to the aircraft, printing, textile, plastics, primary metals, petrochemical, and other industries. It also provides aircraft engine and airframe component overhaul services. Additionally, Praxair Surface Technologies manufactures a complete line of electric arc, plasma, and high velocity oxygen fuel spray equipment as well as arc and flame wire equipment; including its patented Super D-Gun. This equipment is used for the application of thermal barrier wear resistant coatings. The coatings extend wear life at high temperatures and under corrosive conditions and are applied at Praxair's facilities using a variety of thermal spray coatings processes. The coated parts are finished to the customer's precise specifications before shipment.

Inventories - Praxair carries inventories of merchant and cylinder gases, hardgoods and coatings materials to supply products to its customers on a reasonable delivery schedule. On-site plants and pipeline complexes have limited inventory. Inventories, inventory obsolescence and backlogs are not material to Praxair's business.

Customers - Praxair is not dependent, to a significant extent, upon a single customer or a few customers.

International - Praxair is a global enterprise with 45% of its 2001 sales outside of the United States. It conducts industrial gases business through subsidiary and affiliated companies in Argentina, Australia, Belgium, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, France, Germany, India, Israel, Italy, Japan, South Korea, Malayasia, Mexico, the Netherlands, the People's Republic of China, Paraguay, Peru, Poland, Portugal, Spain, Taiwan, Thailand, Turkey, Uruguay and Venezuela. S.I.A.D. (Societa Italiana Acetilene & Derivati S.p.A.), an Italian company carried at equity, also has established positions in Austria, Bulgaria, Croatia, the Czech Republic, Hungary, Romania and Slovenia. Praxair's surface technologies business has operations in Brazil, France, Germany, Italy, Japan, Singapore, South Korea, Taiwan, Spain, Switzerland and the United Kingdom.

Praxair's international business is subject to risks customarily encountered in foreign operations, including fluctuations in foreign currency exchange rates and controls, import and export controls, and other economic, political and regulatory policies of local governments. Also, see Note 1 of the section captioned "Notes to Consolidated Financial Statements", and the section captioned "Management's Discussion and Analysis - Market Risk and Sensitivity Analysis" in Praxair's 2001 Annual Report to Shareholders.

Seasonality - Praxair's business is generally not subject to seasonal

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fluctuations to any significant extent.

Research and Development - Praxair's research and development is directed toward developing new and improved methods for the production and distribution of industrial gases and the development of new markets and applications for these gases. This results in the frequent introduction of new industrial gas applications. It has also led to the development of new advanced air separation process technologies. Research and development for industrial gases is principally conducted at Tonawanda, New York; Burr Ridge, Illinois; Rio de Janeiro, Brazil; Mississauga, Canada and Norwood, Massachusetts.

Praxair conducts research and development for its surface technologies to improve the quality and durability of coatings and the use of specialty powders for new applications and industries. Surface technologies research is conducted at Indianapolis, Indiana.

Patents and Trademarks - Praxair owns or licenses a large number of United States and foreign patents that relate to a wide variety of products and processes. Praxair's patents expire at various times over the next 20 years. While these patents and licenses are considered important, Praxair does not consider its business as a whole to be materially dependent upon any one particular patent or patent license. Praxair also owns a large number of trademarks.

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PART I (Cont.)

Praxair, Inc. and Subsidiaries

RAW MATERIALS AND ENERGY COSTS

Energy is the single largest cost item in the production and distribution of industrial gases. Most of Praxair's energy requirements are in the form of electricity. Other important elements are natural gas, waste hydrogen (for hydrogen) and diesel fuel (for distribution). A shortage or interruption of energy, or increase in energy prices that cannot be passed through to customers, are risks to Praxair's business and financial performance. Because many of Praxair's contracts with customers are long term, with pass-through provisions, Praxair has not, historically, experienced significant difficulties related to recovery of energy costs. Supply of energy also has not been a significant issue. However, during 2000 and 2001, there has been unprecedented volatility in the cost and supply of electricity and natural gas prices in the United States, particularly California and Washington, and energy supply curtailments in Brazil (see South America segment discussion). To date, Praxair has been able to substantially mitigate the financial impact of these costs by passing them on to customers. In anticipation of continued volatility, the company has taken aggressive pricing actions, is strengthening its energy management program for purchased power, including the use of derivative instruments to reduce risk associated with purchases of natural gas and electricity (see Notes 1 and 5 to the consolidated financial statements in the 2001 Annual Report), and is implementing new customer contract terms and conditions. However, the outcome of regional energy situations or new energy situations is unpredictable and may pose unforeseen future risks.

For carbon dioxide, carbon monoxide, helium, hydrogen, specialty gases and surface technologies, raw materials are largely purchased from outside sources. Praxair has contracts or commitments for, or readily available sources of, most of these raw materials; however, their long-term availability and prices are subject to market conditions.

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Competition - Praxair operates within a highly competitive environment. Some of its competitors are larger in size and capital base than Praxair. Competition is based on price, product quality, delivery, reliability, technology and service to customers.

Major competitors in the industrial gases industry both in the United States and worldwide include The BOC Group p.l.c., L'Air Liquide S.A., Air Gas, Air Products and Chemicals, Inc., The Messer Group and Linde AG. At a worldwide level, there are no congruent competitors for the surface technologies business. However, principal domestic competitors are Sermatech International, Inc., a subsidiary of Teleflex, Inc., Chemtronics, Inc., a subsidiary of GKN p.l.c. and Johnson Matthey Electronics, a subsidiary of Honeywell. International competitors in surface technologies vary from country to country.

Employees and Labor Relations - As of December 31, 2001, Praxair had 24,271 employees worldwide. Of this number, 9,759 are employed in the United States. Praxair has collective bargaining agreements with unions at numerous locations throughout the world which expire at various dates. Praxair considers relations with its employees to be good.

Environment - Information required by this item is incorporated herein by reference to the section captioned "Management's Discussion and Analysis - Costs Relating to the Protection of the Environment" in Praxair's 2000 Annual Report to Shareholders.

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PART I (Cont.)

Praxair, Inc. and Subsidiaries

Item 2. Properties

Praxair's worldwide headquarters is located in leased office space in Danbury, Connecticut. Other principal administrative offices are owned in Tonawanda, New York and Rio de Janeiro, Brazil.

Praxair designs, engineers, manufactures and operates facilities that produce and distribute industrial gases. These industrial gas production facilities and certain components are designed and/or manufactured at its facilities in Tonawanda, New York; Norwood, Massachusetts; Burr Ridge, Illinois and Rio de Janeiro, Brazil. Praxair's Italian equity affiliate, Societa Italiana Acetilene & Derivati S.p.A. (S.I.A.D.) also has such capacity.

Praxair owns 317 cryogenic air separation plants (195 in the United States); 90 by-product carbon dioxide plants (23 in the United States); 354 non-cryogenic plants, and 39 hydrogen plants. No single production facility is material except for the following complexes:

Supply System	Number of Connected Plants	Products Produced
-----	-----	-----
Northern Indiana	14	Air Separation/Hydrogen/Carbon Dioxide
Houston	8	Air Separation

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Gulf Coast *	12	Hydrogen/ Carbon Monoxide
Detroit	7	Air Separation/Hydrogen
Louisiana*	4	Hydrogen/Carbon Monoxide
Southern Brazil *	2	Air Separation
Northern Spain	5	Air Separation/Hydrogen/Carbon Dioxide

* partially owned and partially leased.

The surface technologies and electronics component of industrial gases business operates 31 plants located near customers in Brazil, France, Germany, Italy, Japan, Singapore, South Korea, Taiwan, Spain, Switzerland, the United Kingdom and the United States.

Generally, these facilities are fully utilized and sufficient to meet customer needs.

Item 3. Legal Proceedings

Information required by this item is incorporated herein by reference to the section captioned "Notes to Consolidated Financial Statements - Note 13 Commitments and Contingencies" in Praxair's 2001 Annual Report to Shareholders.

Item 4. Submission of Matters to a Vote of Security Holders

Praxair did not submit any matters to a shareholder vote during the fourth quarter of 2001.

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PART II

Praxair, Inc. and Subsidiaries

Item 5. Market for Registrant's Common Equity and Related Shareholder Matters

Market, trading, shareholder and dividend information for Praxair's common stock is incorporated herein by reference to the section captioned "Information for Investors" in Praxair's 2001 Annual Report to Shareholders.

Praxair's annual dividend on its common stock for 2001 was \$0.68 per share. On January 22, 2002, Praxair's Board of Directors declared a dividend of \$0.19 per share for the first quarter of 2002, or \$0.76 per share annualized, which may be changed as Praxair's earnings and business prospects warrant. The declaration of dividends is a business decision made by the Board of Directors based on Praxair's earnings and financial condition and other factors the Board of Directors considers relevant.

Item 6. Selected Financial Data

Selected financial data for the five years ended December 31, 2001 is incorporated herein by reference to the section captioned "Five-Year Financial Summary" in Praxair's 2001 Annual Report to Shareholders. This summary should be read in conjunction with the Consolidated Financial Statements and related Notes to Consolidated Financial Statements.

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Information required by this item is incorporated herein by reference to the section captioned "Management's Discussion and Analysis" in Praxair's 2001 Annual Report to Shareholders.

Item 7a. Quantitative and Qualitative Disclosures About Market Risk

Information required by this item is incorporated herein by reference to the section captioned "Management's Discussion and Analysis" in Praxair's 2001 Annual Report to Shareholders.

Item 8. Financial Statements and Supplementary Data

Information required by this item is incorporated herein by reference to the sections captioned "Consolidated Statement of Income," "Consolidated Balance Sheet," "Consolidated Statement of Cash Flows," "Consolidated Statement of Shareholders' Equity" and "Notes to Consolidated Financial Statements" in Praxair's 2001 Annual Report to Shareholders.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There have been no changes in or disagreements with accountants reportable under this item.

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PART III

Praxair, Inc. and Subsidiaries

Item 10. Directors and Executive Officers of the Registrant

Information required by this item is incorporated herein by reference to the section captioned "Directors and Executive Officers" and "Section 16(a) Beneficial Ownership Reporting Compliance" in Praxair's Proxy Statement for the Annual Meeting of Shareholders to be held on April 23, 2002.

Item 11. Executive Compensation

Information required by this item is incorporated herein by reference to the section captioned "Executive Compensation" in Praxair's Proxy Statement for the Annual Meeting of Shareholders to be held on April 23, 2002.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Information required by this item is incorporated herein by reference to the section captioned "Share Ownership" in Praxair's Proxy Statement for the Annual Meeting of Shareholders to be held April 23, 2002.

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Item 13. Certain Relationships and Related Transactions

There have been no transactions or relationships since the beginning of 2001, which are reportable under this item.

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PART IV

Praxair, Inc. and Subsidiaries

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) Financial Statements and Schedules

Page No. in
Praxair's 2001
Annual Report (AR)*

Financial Statements

Consolidated Statement of Income for the Years Ended
December 31, 2001, 2000 and 1999AR-17

Consolidated Balance Sheet at December 31, 2001 and 2000AR-18

Consolidated Statement of Cash Flows for the Years Ended
December 31, 2001, 2000 and 1999AR-19

Consolidated Statement of Shareholders' Equity for the
Years Ended December 31, 2001, 2000 and 1999AR-20

Notes to Consolidated Financial StatementsAR-31

Report of Independent AccountantsAR-48

* Incorporated by reference to the indicated pages of the 2001 Annual Report to Shareholders. With the exception of this information and the information incorporated in Items 5, 6, 7, 7A, 8 and 9, the 2001 Annual Report to Shareholders is not to be deemed filed as part of this Annual Report on Form 10-K.

Financial Statement Schedules

All financial statement schedules have been omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

(b) Reports on Form 8-K

None

(c) Exhibits

Exhibits filed as a part of this Annual Report on Form 10-K are listed in the Index to Exhibits located on page 11 of this Report.

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SIGNATURES

Praxair, Inc. and Subsidiaries

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PRAXAIR, INC.
(Registrant)

Date: March 14, 2002

/s/ George P. Ristevski

George P. Ristevski
Vice President and Controller
(On behalf of the Registrant
and as Chief Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on February 26, 2002.

/s/ James S. Sawyer

James S. Sawyer
Vice President and
Chief Financial Officer

/s/ Dennis H. Reilley

Dennis H. Reilley
Chairman, President and Chief
Executive Officer and Director

/s/ Alejandro Achaval

Alejandro Achaval
Director

/s/ Dale F. Frey

Dale F. Frey
Director

/s/ Claire W. Gargalli

Claire W. Gargalli
Director

/s/ Ronald L. Kuehn, Jr.

Ronald L. Kuehn, Jr.
Director

/s/ Raymond W. LeBoeuf

Raymond W. LeBoeuf
Director

/s/ Benjamin F. Payton

Benjamin F. Payton
Director

/s/ G. Jackson Ratcliffe, Jr

G. Jackson Ratcliffe, Jr
Director

/s/ Wayne T. Smith

/s/ H. Mitchell Watson, Jr

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Wayne T. Smith
Director

H. Mitchell Watson, Jr
Director

William A. Wise
Director

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INDEX TO EXHIBITS

Praxair, Inc. and Subsidiaries

Exhibit No.	Description
2.01	Agreement and Plan of Merger dated as of December 22, 1995 among Praxair, Inc., PX Acquisition Corp. and CBI Industries, Inc. (Filed as Exhibit 2 to the Company's Current Report on Form 8-K dated December 22, 1995, Filing No. 1-11037, and incorporated herein by reference).
3.01	Restated Certificate of Incorporation (Filed as Exhibit 3.01 to the Company's Registration Statement on Form 10, Filing No. 1-11037, and incorporated herein by reference).
3.02	Amended By Laws of Praxair, Inc. (Filed as Exhibit 3.02 to the Company's Registration Statement on Form 10, Filing No. 1-11037, and incorporated herein by reference).
3.03	Certificate of Designations for the 7.48% Cumulative Preferred Stock, Series A. (Filed on February 7, 1997 as Exhibit 3.3 to Amendment #1 to the Company's Registration Statement on Form S-3, Registration No. 333-18141).
3.04	Certificate of Designations for the 6.75% Cumulative Preferred Stock, Series B. (Filed on February 7, 1997 as Exhibit 3.4 to Amendment #1 to the Company's Registration Statement on Form S-3, Registration No. 333-18141).
4.01	Common Stock Certificate (Filed as Exhibit 4.01 to the Company's Registration Statement on Form 10, Filing No. 1-11037, and incorporated herein by reference).
4.02	Rights Agreement between the registrant and The Bank of New York as Rights Agent. (Filed as Exhibit 4.02 to the Company's Registration Statement on Form 10, Filing No. 1-11037, and incorporated herein by reference).
4.03	Indenture, dated as of July 15, 1992, between Praxair, Inc. and State Street Bank and Trust Company, successor trustee to Fleet Bank of Connecticut and the ultimate successor trustee to Bank of America Illinois (formerly Continental Bank, National Association) (Filed as Exhibit 4 to the Company's Form 10-Q for the quarter ended June 30, 1992, Filing No. 1-11307, and incorporated herein by reference).
4.04	Copies of the agreements relating to long-term debt which are not required to be filed as exhibits to this Annual Report on Form 10-K will be furnished to the Securities and Exchange Commission upon request.

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- 4.05 Series A Preferred Stock Certificate. (Filed on February 7, 1997 as Exhibit 4.3 to Amendment #1 to the Company's Registration Statement on Form S-3, Registration No. 333-18141).
- 4.06 Series B Preferred Stock Certificate. (Filed on February 7, 1997 as Exhibit 4.4 to Amendment #1 to the Company's Registration Statement on Form S-3, Registration No. 333-18141).
- *10.01 2002 Praxair, Inc. Long-Term Incentive Plan (Filed on July 5, 2001 as Exhibit 4 to the Company's Registration Statement on Form S-8, Registration No. 333-64608).

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INDEX TO EXHIBITS (Cont.)

Praxair, Inc. and Subsidiaries

Exhibit No.	Description
*10.02	Form of Severance Compensation Agreement (Filed as Exhibit 10.02 to the Company's 1997 Annual Report on Form 10K, Filing No. 1-11037, and incorporated herein by reference).
*10.03	2002 Praxair, Inc. Variable Compensation Plan.
*10.04	Amended and Restated 1995 Stock Option Plan for Non-Employee Directors (Filed as Exhibit 10.04 to the Company's 1998 Annual Report on Form 10-K, Filing No. 1-11037, and incorporated herein by reference).
*10.05	Special Severance Protection Program (Filed as Exhibit 10.05 to the Company's Registration Statement on Form 10, Filing No. 1-11037, and incorporated herein by reference).
*10.06	Restated Praxair, Inc. Directors' Fees Deferral Plan (Filed as Exhibit 10.06 to the Company's 1996 Annual Report on Form 10-K, Filing No. 1-11037, and incorporated herein by reference).
*10.07	Amended and Restated 1993 Praxair Compensation Deferral Program (Filed as Exhibit 10.07 to the Company's 1996 Annual Report on Form 10-K, Filing No. 1-11037, and incorporated herein by reference).
*10.07a	First Amendment, dated as of April 1, 2001, to the Amended and Restated 1993 Praxair Compensation Deferral Program
10.08	Transfer Agreement dated January 1, 1989, between Union Carbide Corporation and the registrant. (Filed as Exhibit 10.06 to the Company's Registration Statement on Form 10, Filing No. 1-11037, and incorporated herein by reference).
10.08a	Amendment No. 1 dated as of December 31, 1989, to the Transfer Agreement (Filed as Exhibit 10.07 to the Company's Registration Statement on Form 10, Filing No. 1-11037, and

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incorporated herein by reference).

10.08b Amendment No. 2 dated as of July 2, 1990, to the Transfer Agreement (Filed as Exhibit 10.08 to the Company's Registration Statement on Form 10, Filing No. 1-11037, and incorporated herein by reference).

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INDEX TO EXHIBITS (Cont.)

Praxair, Inc. and Subsidiaries

Exhibit No.	Description
10.08c	Amendment No. 3 dated as of January 2, 1991, to the Transfer Agreement (Filed as Exhibit 10.09 to the Company's Registration Statement on Form 10, Filing No. 1-11037, and incorporated herein by reference).
10.9	Transfer Agreement dated January 1, 1989, between Union Carbide Corporation and Union Carbide Coatings Service Corporation (Filed as Exhibit 10.14 to the Company's Registration Statement on Form 10, Filing No. 1-11037, and incorporated herein by reference).
10.09a	Amendment No. 1 dated as of December 31, 1989, to the Transfer Agreement (Filed as Exhibit 10.15 to the Company's Registration Statement on Form 10, Filing No. 1-11037, and incorporated herein by reference).
10.09b	Amendment No. 2 dated as of July 2, 1990, to the Transfer Agreement (Filed as Exhibit 10.16 to the Company's Registration Statement on Form 10, Filing No. 1-11037, and incorporated herein by reference).
10.10	Additional Provisions Agreement dated as of June 4, 1992, (Filed as Exhibit 10.21 to the Company's Registration Statement on Form 10, Filing No. 1-11037, and incorporated herein by reference).
10.11	Amended and Restated Realignment Indemnification Agreement dated as of June 4, 1992 (Filed as Exhibit 10.23 to the Company's Registration Statement on Form 10, Filing No. 1-11037, and incorporated herein by reference).
10.12	Environmental Management, Services and Liabilities Allocation Agreement dated as of January 1, 1990 (Filed as Exhibit 10.13 to the Company's Registration Statement on Form 10, Filing No. 1-11037, and incorporated herein by reference).
10.12a	Amendment No. 1 to the Environmental Management, Services and Liabilities Allocation Agreement dated as of June 4, 1992 (Filed as Exhibit 10.22 to the Company's Registration Statement on Form 10, Filing No. 1-11037, and incorporated herein by reference).
10.13	Danbury Lease-Related Services Agreement dated as of June 4, 1992 (Filed as Exhibit 10.24 to the Company's Registration Statement on Form 10, Filing No. 1-11037, and incorporated

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herein by reference).

- 10.13a First Amendment to Danbury Lease-Related Services Agreement (Filed as Exhibit 10.13a to the Company's 1994 Annual Report on Form 10-K, Filing No. 1-11037, and incorporated herein by reference).
- 10.14 Danbury Lease Agreements, as amended (Filed as Exhibit 10.26 to the Company's Registration Statement on Form 10, Filing No. 1-11037, and incorporated herein by reference).
- 10.14a Second Amendment to Linde Data Center Lease (Danbury) (Filed as Exhibit 10.14a to the Company's 1993 Annual Report on Form 10-K, Filing No. 1-11037, and incorporated herein by reference).
- 10.14b Fourth Amendment to Carbide Center Lease (Filed as Exhibit 10.14b to the Company's 1993 Annual Report on Form 10-K, Filing No. 1-11037, and incorporated herein by reference).
- 10.14c Third Amendment to Linde Data Center Lease (Filed as Exhibit 10.14c to the Company's 1994 Annual Report on Form 10-K, Filing No. 1-11037, and incorporated herein by reference).

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INDEX TO EXHIBITS (Cont.)

Praxair, Inc. and Subsidiaries

Exhibit No.	Description
10.14d	Fifth Amendment to Carbide Center Lease (Filed as Exhibit 10.14d to the Company's 1994 Annual Report on Form 10-K, Filing No. 1-11037, and incorporated herein by reference).
10.15	Employee Benefits Agreement dated as of June 4, 1992 (Filed as Exhibit 10.25 to the Company's Registration Statement on Form 10, Filing No. 1-11037, and incorporated herein by reference).
10.15a	First Amendatory Agreement to the Employee Benefits Agreement (Filed as Exhibit 10.15a to the Company's 1994 Annual Report on Form 10-K, Filing No. 1-11037, and incorporated herein by reference).
10.16	Tax Disaffiliation Agreement dated as of June 4, 1992 (Filed as Exhibit 10.20 to the Company's Registration Statement on Form 10, Filing No. 1-11037, and incorporated herein by reference).
10.17	Credit Agreement dated as of July 12, 2000 among Praxair, Inc., The Banks Party Thereto, Morgan Guaranty Trust Company of New York, Bank of America, N. A. and Credit Suisse First Boston as Co-Syndication Agents and The Chase Manhattan Bank as Administrative Agent (Filed as Exhibit 10.17b to the Company's 2000 Annual Report on Form 10-K, Filing No. 1-11037, and incorporated herein by reference).
10.18	Amended and Restated Credit Agreement dated as of July 11, 2001 among Praxair, Inc., The Banks Listed Herein, The Chase

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Manhattan Bank, Bank of America, N.A., and Credit Suisse First Boston as Co-Syndication Agents and The Chase Manhattan Bank as Administrative Agent.

- *10.19 Praxair, Inc. Plan for Determining Performance-Based Awards Under Section 162(M).
- 12.01 Computation of Ratio of Earnings to Fixed Charges.
- 13.01 Praxair's 2001 Annual Report to Shareholders (such report, except for those portions which are expressly referred to in this Form 10-K, is furnished for the information of the Commission and is not deemed "filed" as part of this Form 10-K).
- 21.01 Subsidiaries of Praxair, Inc.
- 23.01 Consent of Independent Accountants.

Copies of exhibits incorporated by reference can be obtained from the SEC and are located in SEC File No. 1-11037.

- * Indicates a management contract or compensatory plan or arrangement.