

PRAXAIR INC  
Form 11-K  
May 30, 2012  
Table of Contents

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Form 11-K**

x ANNUAL REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2011

OR

.. TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 1-11037

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

**Praxair Retirement Savings Plan**

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:  
**Praxair, Inc.**

**39 Old Ridgebury Road**

**Danbury, Connecticut 06810-5113**

**Table of Contents**

**Praxair Retirement Savings Plan**

**Index**

	<b>Page</b>
<u>Report of Independent Registered Public Accounting Firm</u>	3
Financial Statements	
<u>Statements of Net Assets Available for Benefits as of December 31, 2011 and 2010</u>	4
<u>Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2011</u>	5
<u>Notes to Financial Statements</u>	6-15
Supplemental Schedule	
<u>Schedule H, line 4i Schedule of Assets (Held at End of Year) as of December 31, 2011</u>	16
<u>Signature</u>	17
<u>Consent of Independent Registered Public Accounting Firm</u>	18
All other schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA) have been omitted because they are not applicable.	

**Table of Contents**

**Report of Independent Registered Public Accounting Firm**

To the Participants and Administrator of

The Praxair Retirement Savings Plan

Danbury, Connecticut

We have audited the accompanying statements of net assets available for benefits of The Praxair Retirement Savings Plan (the Plan ) as of December 31, 2011, and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2011, and 2010, and the changes in net assets available for benefits for the year ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held (end of year) as of December 31, 2011 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ BDO USA, LLP

Philadelphia, Pennsylvania

May 30, 2012

**Table of Contents**

**Praxair Retirement Savings Plan**  
**Statements of Net Assets Available for Benefits**  
**as of December 31, 2011 and 2010**

	December 31,	
	2011	2010
<b>Assets:</b>		
Investments, at fair value (Notes 5 and 6)	\$ 1,065,453,630	\$ 1,053,862,053
<b>Receivables:</b>		
Participants	256,848	249,157
Employer	123,920	119,791
Notes receivable from participants	26,352,494	25,682,891
	26,733,262	26,051,839
<b>Total Assets</b>	1,092,186,892	1,079,913,892
<b>Liabilities:</b>		
Accrued expenses	105,850	42,287
<b>Net Assets Available for Benefits, at Fair Value</b>	1,092,081,042	1,079,871,605
Adjustment from fair value to contract value for fully benefit-responsive investment contracts (Note 3)	(6,974,464)	(2,710,740)
<b>Net Assets Available for Benefits</b>	\$ 1,085,106,578	\$ 1,077,160,865

The accompanying notes are an integral part of these financial statements

**Table of Contents****Praxair Retirement Savings Plan****Statement of Changes in Net Assets Available for Benefits****for the Year Ended December 31, 2011**

	<b>2011</b>
<b>Additions to (Deductions from) Net Assets</b>	
Contributions:	
Participants	\$ 36,443,334
Employer	16,423,394
Rollovers from other plans (Note 2)	1,854,664
Total contributions	54,721,392
Investment income:	
Net appreciation in fair value of investments (Note 5)	13,489,484
Interest and dividends	26,742,890
Total net investment income	40,232,374
Interest on participant loans	719,489
Benefit payments to participants	(87,189,782)
Administrative expenses	(270,469)
	(87,460,251)
<b>Increase in Net Assets Before Transfers</b>	<b>8,213,004</b>
Transfers from other plans (Note 9)	140,999
Transfers to other plans (Note 9)	(408,290)
<b>Net Increase in Net Assets Available for Benefits</b>	<b>7,945,713</b>
<b>Net Assets Available for Benefits</b>	
Beginning of year	1,077,160,865
End of year	\$ 1,085,106,578

The accompanying notes are an integral part of these financial statements

**Table of Contents**

**Praxair Retirement Savings Plan**

**Notes to Financial Statements**

**December 31, 2011 and 2010**

**Note 1 - Inception of the Plan**

Praxair, Inc. (the Company) established The Savings Program for Employees of Praxair, Inc. and Participating Subsidiary Companies on June 30, 1992. Effective July 1, 2002, the Plan was renamed the Praxair Retirement Savings Plan (the Plan).

**Note 2 - Description of the Plan**

The following description of the Plan provides only general information. Participants should refer to the Plan document for a complete description of the Plan's provisions. The following information does not apply to employees covered under a bargaining unit agreement. Employees covered under a collective bargaining agreement should refer to such agreement for the terms applicable to them.

**General**

The Plan is a defined contribution plan and is administered by the Administration and Investment Committee for the Praxair Retirement Savings Plan (the Administrator). The activities of the Administrator are overseen by the Finance and Pension Committee of the Board of Directors of Praxair, Inc. The Trustee of the Plan's assets is Fidelity Management Trust Company (Fidelity). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

**Eligibility**

All regular full-time employees (as defined in the Plan) of the Company and any of its affiliates that have adopted the Plan, are eligible to participate in the Plan. Part-time employees (as defined in the Plan) of the Company and its participating affiliates are eligible to participate in the Plan following their completion of certain minimum service requirements as set forth in the Plan.

**Contributions**

Participant contributions to the Plan are made through payroll deductions. Contributions for all Plan participants are calculated as a percentage of compensation (as defined in the Plan) based on contribution limits established by the Administrator. Non-highly compensated employees (as defined in the Internal Revenue Code (the Code)) are allowed to contribute up to 40% of their eligible compensation on either a before-tax or after-tax basis or a combination of both. Effective July 1, 2010, highly compensated employees are allowed to contribute up to 15% of eligible compensation, in any combination of before-tax, after-tax or Roth contributions. The Plan must meet the actual deferral percentage tests in Section 401(k)(3)(A) of the Code. All participants' before-tax contributions are limited, however, to an indexed annual amount prescribed by the Internal Revenue Service (the IRS), which amounted to \$16,500 in 2011 and 2010. All employees who are eligible to make deferrals under the Plan and who have attained age 50 before the close of the Plan year, may elect to make additional catch-up contributions for the Plan year. The maximum catch-up contribution amount permitted under the Code was \$5,500 in 2011 and 2010.

Beginning in 2010, participants are able to designate part or all of their future contributions as Roth 401(k) contributions. Roth 401(k) contributions are made on an after-tax basis. Roth 401(k) contributions are eligible for Company matching contributions. The combined Roth 401(k) and pre-tax 401(k) contributions cannot exceed the annual IRS or Plan limits specified above. Distributions from the Roth 401(k) account are free from income tax, as long as it has been at least five tax years since the participant first made a Roth contribution to the Plan and the participant is at least age 59 1/2.

Effective December 10, 2010, participants meeting certain minimum age and/or Plan participation requirements are able to convert part of all their 401(k) pre-tax and Company contribution account balances into designated Roth 401(k) account balances.



**Table of Contents**

**Praxair Retirement Savings Plan**

**Notes to Financial Statements**

**December 31, 2011 and 2010**

Amounts converted to Roth 401(k) are subject to income tax in the year of conversion, but are free from income tax upon distribution, as long as it has been at least five years since the participant first made Roth contributions (including the conversion) to the Plan and the participant is at least age 59 1/2.

All newly hired eligible employees are automatically enrolled in the Plan at a pre-tax contribution rate of 5% of eligible compensation, unless the employee affirmatively elects not to participate in the Plan or elects to participate at a different rate. Prior to being automatically enrolled in the Plan, each newly hired eligible employee is provided a notice of the Plan's automatic enrollment provisions and is given a period of time during which to opt out of Plan participation. Newly hired eligible employees may also voluntarily elect to enroll in the Plan with an effective date prior to the date they would otherwise be automatically enrolled and may elect a contribution rate other than 5% of eligible compensation.

All participants, including those who are automatically enrolled, may change or suspend their level of Plan contributions at any time.

The Company matching contribution available to a Plan participant is determined based on the component of the Plan in which the participant participates. For all Plan participants hired after April 30, 2002 and those Plan participants hired prior to May 1, 2002 who elected to be covered by the Account-Based Design feature of the Plan, the Plan provides for a Company matching contribution equal to 100% of the first 5% of compensation contributed by the participant. For Plan participants who were employees of the Company as of April 30, 2002, who elected to be covered under the Traditional Design feature of the Plan, the Plan provides for a Company matching contribution equal to 70% of the first 2 1/2% of the participant's compensation contributed to the Plan and 40% of the next 5% of the participant's compensation contributed to the Plan. The Company matching contributions are made in cash and immediately invested in accordance with the participant's investment directions.

The Company also makes an annual non-matching contribution on behalf of eligible employees of Praxair Precision Components, Inc. (formerly Treffers Precision, Inc.) who have completed at least one year of service with Praxair Precision Components, Inc. and are employed by Praxair Precision Components, Inc. as of the last day of the Plan year for which the contribution is to be made. This contribution is made in cash equal to 2.5% of each eligible participant's eligible compensation for the relevant Plan year. The eligible employees of Praxair Precision components terminated employment with Praxair in February 2012 as part of Praxair's divestiture of certain Electronics assets. Praxair agreed to make the 2012 contribution and will have no further obligation going forward.

**Participants Account Activity**

Participant accounts are credited with participant and Company contributions and investment returns which are based upon each participant's investment direction. Participant accounts are charged for withdrawals and Plan administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**Vesting**

Participants are fully vested in their Plan account balances at all times.

**Investment Options**

Plan participants may, subject to certain restrictions, direct the investment of their Plan accounts among various investment options offered by the Plan listed below:



**Table of Contents**

**Praxair Retirement Savings Plan**

**Notes to Financial Statements**

**December 31, 2011 and 2010**

Mutual funds

Common trusts

Praxair Common Stock Fund

Participants may change the investment election of their contributions and existing balances at any time.

**Dividend Payout on Company Stock Funds**

A portion of the Plan, consisting of the Praxair Common Stock Fund has been designated as an Employee Stock Ownership Plan ( ESOP ). A dividend payout feature allows participants to elect to receive any future dividends from the Praxair Common Stock Fund in cash as taxable distributions, rather than having such dividends reinvested in the Plan. The designation as an ESOP has no other effect on benefits under the Plan.

**Withdrawals and Distributions**

Plan participants may generally withdraw after-tax contributions from their account balances while working and in limited cases (as defined in the Plan's provisions) may withdraw before-tax contributions. Mandatory distributions from the Plan are required to begin no later than April 1 of the year following the year in which a participant attains age 70 1/2 or retires from service with the Company, whichever is later. Actively employed participants may begin receiving distributions of pre-tax contributions at age 59 1/2.

**Notes Receivable from Participants (Participant Loans)**

The Plan generally permits participants to borrow from their accounts a minimum of \$1,000 up to the lesser of \$50,000 or 50% of their vested account balances. Participants are permitted to have two loans outstanding at any time. Certain other restrictions apply, as defined in the Plan's provisions.

Loans are repaid during fixed terms not to exceed five years (thirty years for principal home loans). Principal and interest are paid ratably, generally through payroll deductions. The loans are collateralized by the balance in the participant's account and bear interest at fixed rates determined at loan inception. The loan interest rate is set quarterly at a rate equal to 1% less than the prime rate. Interest rates on loans outstanding as of December 31, 2011, ranged from 2.25% to 11.50% with various maturity dates through 2041. A loan application fee of \$35 is charged to the participant's account for each new loan.

Loans to participants are carried at unpaid principal balance plus accrued but unpaid interest. Delinquent notes receivable from participants are recorded as a distribution based upon the terms of the Plan document.

**Rollovers**

Rollovers represent transfers of account balances of certain participants into certain investments of the Plan from other qualified plans or from individual retirement accounts.

**Unclaimed Benefits and Forfeitures**

## Edgar Filing: PRAXAIR INC - Form 11-K

The benefit payable on behalf of a participant who cannot be located by the Administrator is forfeited at such time as the Administrator has made the determination. However, the forfeiture will be restored to the Plan by the Administrator if such participant subsequently makes a valid claim for the benefit. In limited circumstances, when a participant is automatically enrolled in the plan then subsequently elects not to participate in the Plan, his or her Company matching contribution will be forfeited and used to reduce future Company matching contributions.

**Table of Contents**

**Praxair Retirement Savings Plan**

**Notes to Financial Statements**

**December 31, 2011 and 2010**

**Note 3 - Summary of Significant Accounting Policies**

**Method of Accounting**

The financial statements of the Plan are prepared under the accrual method of accounting.

**Recent Accounting Pronouncements**

*Expanded Disclosures about Fair Value Measurements* In May 2011, the FASB issued guidance expanding the disclosures for Fair Value Measurements, particularly Level 3 inputs. For fair value measurements categorized in Level 3 of the fair value hierarchy, required disclosures include: (1) a quantitative disclosure of the unobservable inputs and assumptions used in the measurement, (2) a description of the valuation processes in place, and (3) a narrative description of the sensitivity of the fair value changes in unobservable inputs and interrelationships between those inputs. The amendments are to be applied prospectively and are effective for annual periods beginning on or after December 15, 2011. Plan management does not expect this requirement to have a significant impact on the plan's financial statements.

**Payment of Benefits**

Benefits are recorded when paid.

**Investment Valuation and Income Recognition**

Plan investments are reported at fair value which is determined based upon quoted market prices or using observable market based inputs, other than quoted market prices, for similar investments. Funds are valued on a daily basis. Shares of mutual funds are valued at the net asset value of shares held by the Plan at year-end. The fair value per unit of investments in common trusts is determined by each fund's trustee based on the fair value of the underlying securities within that fund. The relevant accounting standard for defined contribution plans defines the circumstances in which an investment contract is considered fully benefit-responsive and provides certain reporting and disclosure requirements for fully benefit-responsive investment contracts in defined contribution plans. As required by the standard, investments in the accompanying Statements of Net Assets Available for Benefits include fully benefit-responsive investment contracts recognized at fair value with a corresponding adjustment to reflect these investments at contract value. The Fidelity Managed Income Portfolio II Class 3 Fund is stated at fair value in accordance with the provisions of the standard. Contract value represents contributions made plus earnings, less Plan withdrawals and administrative expenses.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

The Plan presents in the Statement of Changes in Net Assets Available for Benefits the net appreciation in the fair value of its investments which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and

## Edgar Filing: PRAXAIR INC - Form 11-K

liabilities at the date of the financial statements and the reported amount of income and expenses during the reporting period. Actual results could differ from those estimates.

**Table of Contents****Praxair Retirement Savings Plan****Notes to Financial Statements****December 31, 2011 and 2010****Risks and Uncertainties**

The Plan provides various investment options that invest in any combination of stocks, bonds, fixed income securities and other investment securities. These investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk and uncertainty associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits.

**Note 4 - Reconciliation of Financial Statements to Form 5500**

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2011 and 2010 to Form 5500:

	<b>2011</b>	<b>2010</b>
Net assets available for benefits per the financial statements	\$ 1,085,106,578	\$ 1,077,160,865
Adjustment from contract to fair value for fully benefit-responsive contracts	6,974,464	2,710,740
<b>Net assets available for benefits per the Form 5500</b>	<b>\$ 1,092,081,042</b>	<b>\$ 1,079,871,605</b>

The following is a reconciliation of the net investment income per the financial statements for the year ended December 31, 2011 to the Form 5500:

	<b>2011</b>
Total investment income per the financial statements	\$ 40,232,374
Adjustments from contract to fair value for fully benefit-responsive contracts as of December 31, 2011	6,974,464
Adjustments from contract to fair value for fully benefit-responsive contracts as of December 31, 2010	(2,710,740)
<b>Total investment income per the Form 5500</b>	<b>\$ 44,496,098</b>

**Note 5 - Investments**

Individual investments held by the Plan that exceed five percent of the Plan's net assets available for benefits at December 31, 2011 and 2010, respectively, are noted below:

**Table of Contents****Praxair Retirement Savings Plan****Notes to Financial Statements****December 31, 2011 and 2010**

	2011	2010
Praxair Common Stock Fund	\$ 373,255,611	\$ 359,485,718
Fidelity MIP II Class 3 Fund (contract value \$280,079,848		

and \$271,813,380 , respectively) 287,054,312 274,524,120

The Fidelity Managed Income Portfolio ( MIP ) II Class 3 Fund, a commingled pool, is a stable value fund that may invest in investment contracts issued by insurance companies and other financial institutions, fixed income securities and money market funds and is presented in the financial statements at fair value and is adjusted to contract value because such investments are fully benefit-responsive investment contracts. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value during the term of the contract. There is no reserve against the contract value for credit risk of the contract issuer or otherwise. The investment contract and fixed income security commitments are backed solely by the financial resources of the issuer. If an event occurs that may impair the ability of the contract issuer to perform in accordance with the contract terms, fair value may be less than contract value. Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include the following: (i) amendments to the plan documents (including complete or partial termination or merger with another plan); (ii) bankruptcy of the Plan sponsor or other Plan sponsor events (e.g. divestitures or spin-offs of a subsidiary) which cause a significant withdrawal from the plan. The Plan Administrator does not believe that the occurrence of any such event, which would limit the Plan's ability to transact at contract value with participants, is probable. The average yield based on actual earnings was approximately 2% at December 31, 2011 and 2010. The average yield based on interest credited to participants was approximately 2% at December 31, 2011 and 2010.

Effective March 31, 2011, the Morgan Stanley Institutional Core Plus Fixed Income Fund was closed, and no further contributions to the Fund were allowed. All participant balances in the Morgan Stanley Fund were transferred to the Vanguard Total Bond Market Index Fund as of the market close on that date.

On April 14, 2011, shareholders in the Plan's INVESCO US Small Cap Value Y Fund approved a merger of the Fund into the INVESCO VK Small Cap Value Y Fund. The merger of the two Funds took place on May 20, 2011.

During 2011, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

	Year Ended December 31, 2011
Praxair Common Stock Fund	\$ 45,123,490
Mutual funds	(28,669,546)
Common trusts	(2,964,460)
	\$ 13,489,484

**Table of Contents****Praxair Retirement Savings Plan****Notes to Financial Statements****December 31, 2011 and 2010****Note 6 - Fair Value Measurements**

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value in three broad levels as follows:

Level 1 quoted prices in active markets for identical assets or liabilities

Level 2 quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3 inputs that are unobservable (for example cash flow modeling inputs based on assumptions)

The following tables summarize investment assets measured at fair value at December 31, 2011 and 2010:

	Investment Assets at Fair Value at December 31, 2011			Total
	Level 1	Level 2	Level 3	
<b>Mutual funds:</b>				
Large-Cap	\$ 116,261,850	\$	\$	\$ 116,261,850
Mid-Cap	49,025,808			49,025,808
Small-Cap	37,764,489			37,764,489
Balanced	58,598,006			58,598,006
International	41,580,613			41,580,613
Emerging markets bond fund	33,097,762			33,097,762
Domestic bond fund	43,002,453			43,002,453
Praxair Common Stock Fund	373,255,611			373,255,611
<b>Common trusts:</b>				
Large-Cap		15,953,189		15,953,189
International		9,859,537		9,859,537
Domestic bond fund		287,054,312		287,054,312
<b>Total</b>	<b>\$ 752,586,592</b>	<b>\$ 312,867,038</b>	<b>\$</b>	<b>\$ 1,065,453,630</b>

	Investment Assets at Fair Value at December 31, 2010			Total
	Level 1	Level 2	Level 3	
<b>Mutual funds:</b>				
Large-Cap	\$ 121,964,946	\$	\$	\$ 121,964,946
Mid-Cap	52,516,314			52,516,314
Small-Cap	44,182,685			44,182,685
Balanced	51,720,294			51,720,294
International	52,504,031			52,504,031
Emerging markets bond fund	32,922,038			32,922,038
Domestic bond fund	39,244,470			39,244,470
Praxair Common Stock Fund	359,485,718			359,485,718

Edgar Filing: PRAXAIR INC - Form 11-K

Large-Cap		13,444,215		13,444,215
International		11,353,222		11,353,222
Domestic bond fund		274,524,120		274,524,120
<b>Total</b>		<b>\$ 754,540,496</b>	<b>\$ 299,321,557</b>	<b>\$ 1,053,862,053</b>



**Table of Contents**

**Praxair Retirement Savings Plan**

**Notes to Financial Statements**

**December 31, 2011 and 2010**

There are no plan liabilities required to be recorded at fair value at December 31, 2011 and 2010.

The following is a description of the valuation methodologies for the Plan assets measured at fair value. There have been no changes to the methodologies used at December 31, 2011 and 2010.

*Mutual Funds Large-Cap* This class primarily consists of publicly traded funds of registered investment companies. The mutual funds invest primarily in marketable equity securities with companies that have large market capitalization. The fair value of these investments is determined by reference to the fair value of the underlying securities of the mutual funds. The net asset value of the mutual fund's shares is quoted on the exchange where the fund is traded and therefore classified as Level 1 within the valuation hierarchy.

*Mutual Funds Mid-Cap* This class primarily consists of publicly traded funds of registered investment companies. The mutual funds invest primarily in marketable equity securities with companies that have moderate market capitalization. The fair value of these investments is determined by reference to the fair value of the underlying securities of the mutual funds. The net asset value of the mutual fund's shares is quoted on the exchange where the fund is traded and therefore classified as Level 1 within the valuation hierarchy.

*Mutual Funds Small-Cap* This class primarily consists of publicly traded funds of registered investment companies. The mutual funds invest primarily in marketable equity securities with companies that have small market capitalization. The fair value of these investments is determined by reference to the fair value of the underlying securities of the mutual funds. The net asset value of the mutual fund's shares is quoted on the exchange where the fund is traded and therefore classified as Level 1 within the valuation hierarchy.

*Mutual Funds Balanced* This class primarily consists of publicly traded funds of registered investment companies. The mutual funds invest primarily in marketable equity and fixed income securities. The fair value of these investments is determined by reference to the fair value of the underlying securities of the mutual funds. The net asset value of the mutual fund's shares is quoted on the exchange where the fund is traded and therefore classified as Level 1 within the valuation hierarchy.

*Mutual Funds International* This class primarily consists of publicly traded funds of registered investment companies. The mutual funds invest primarily in international marketable equity securities. The fair value of these investments is determined by reference to the fair value of the underlying securities of the mutual funds. The net asset value of the mutual fund's shares is quoted on the exchange where the fund is traded and therefore classified as Level 1 within the valuation hierarchy.

*Mutual Funds Emerging Markets Bond Funds* This class primarily consists of publicly traded funds of registered investment companies. The mutual funds invest primarily in fixed income securities within emerging markets. The fair value of these investments is determined by reference to the fair value of the underlying securities of the mutual funds. The net asset value of the mutual fund's shares is quoted on the exchange where the fund is traded and therefore classified as Level 1 within the valuation hierarchy.

*Mutual Funds Domestic Bond Fund* This class primarily consists of publicly traded funds of registered investment companies. The mutual funds invest primarily in fixed income securities within the domestic market. The fair value of these investments is determined by reference to the fair value of the

---

**Table of Contents**

**Praxair Retirement Savings Plan**

**Notes to Financial Statements**

**December 31, 2011 and 2010**

underlying securities of the mutual funds. The net asset value of the mutual fund's shares is quoted on the exchange where the fund is traded and therefore classified as Level 1 within the valuation hierarchy.

*Common Trusts - Large-Cap* This class consists of private funds that invest primarily in marketable equity securities with large market capitalization. The net asset value of the common trusts is provided by the trustee and is determined by reference to the fair value of the underlying securities of the trust, which are valued primarily through the use of directly or indirectly observable inputs. Common trusts are classified as Level 2 within the valuation hierarchy.

*Common Trusts - International* This class consists of private funds that invest primarily in international marketable equity securities and other investments. The net asset value of the common trusts is provided by the trustee and is determined by reference to the fair value of the underlying securities of the trust, which are valued primarily through the use of directly or indirectly observable inputs. Common trusts are classified as Level 2 within the valuation hierarchy.

*Common Trusts - Domestic Bond Fund* This class consists of a commingled stable value fund that primarily invests in domestic fixed income securities, money market funds and may invest in investment contracts issued by insurance companies and other financial institutions. The net asset value of the common trusts is provided by the trustee and is determined by reference to the fair value of the underlying securities of the trust, which are valued primarily through the use of directly or indirectly observable inputs. Common trusts are classified as Level 2 within the valuation hierarchy.

*Praxair Common Stock Fund* The Praxair Common Stock Fund is an employer stock unitized fund. The fund consists of Praxair, Inc. common stock and a short-term cash component, which provides liquidity for daily trading. Praxair, Inc. common stock is valued at the quoted market price from a national securities exchange and the short term cash investments are valued at cost, which approximates fair value. The Praxair Common Stock Fund is classified as Level 1 within the valuation hierarchy.

**Note 7 - Tax Status**

The Internal Revenue Service determined and informed the Company by a letter dated September 25, 2003, that the Plan and related trust were designed in accordance with applicable sections of the Code. Although the Plan has been amended since the date it was submitted to the Internal Revenue Service, the Plan Administrator and counsel believe that in design and operation, it continues to operate in accordance with applicable law. The Plan was submitted for an updated Internal Revenue Service determination letter on January 31, 2011.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by federal, state and/or local taxing authorities. The Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Administrator believes the Plan is no longer subject to income tax examinations for years prior to 2008.

**Note 8 - Plan Expenses**

Administrative fees are paid by the Plan in accordance with Plan provisions and allocated to Plan participant accounts based upon account balances. Plan participants were charged a rate of 0.04% of their account balance on a monthly basis from October 1, 2011 through December 31, 2011. These fees, which



**Table of Contents**

**Praxair Retirement Savings Plan**

**Notes to Financial Statements**

**December 31, 2011 and 2010**

are accumulated and paid out of the Fidelity MIP II Class 3 Fund, are intended to cover all administrative expenses incurred by the Plan. To the extent deductions from participant accounts were insufficient to cover the total cost of the Plan, the difference would be paid by the Company. No plan expenses were paid by the Company during 2011. Effective from July 1, 2010 through September 30, 2011, participant fee deductions were suspended.

**Note 9 - Transfers of Participants**

Participant Plan account balances are reflected by the recordkeeper as of the closing date per the financial statements. Participants who transfer between the Company and/or any of its subsidiaries during the Plan year have their respective balances reflected in the 401(k) plan of the Praxair entity by whom they are employed at year-end. The amounts reflected in the Statement of Changes in Net Assets Available for Benefits represent the balances of participants who moved into the Plan or out of the Plan into another Company-sponsored Plan during the year. The amounts for transfers into the Plan and out of the Plan due to participants moving between the other plans during the year were \$140,999 and \$408,290, respectively.

**Note 10 - Parties-in-Interest Transactions**

Certain Plan investments are shares of mutual funds managed by Fidelity. Fidelity is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

Certain Plan investments include shares of common stock of Praxair, Inc., the Plan Sponsor, and, therefore, these transactions qualify as party-in-interest transactions. Loans to participants also qualify as party-in-interest transactions.

**Note 11 - Plan Termination**

Although it has not expressed any intent to do so, the Company has the right under the Plan's provisions to terminate the Plan at its sole discretion. Upon such termination, the net assets of the Plan will be distributed or sold exclusively for the benefit of the participants (or their beneficiaries).

**Table of Contents****Praxair Retirement Savings Plan**

EIN: 06-1249050, Plan Number: 334

**Schedule H, line 4i Schedule of Assets (Held at End of Year)**

As of December 31, 2011

(a)	(b)	(c)	(d)	(e)
Identity of issue, borrower, lessor or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost	Current value	
*	Praxair Common Stock Fund	Stock Fund	**	\$ 373,255,611
*	Fidelity MIP II Class 3 Fund	Common/Collective Trust	**	287,054,312
	Columbia Acorn Fund - Class Z	Mutual Fund	**	49,025,808
*	Spartan 500 Index Fund	Mutual Fund	**	48,699,547
	Vanguard Total Bond Market Index Institutional Plus	Mutual Fund	**	43,002,453
	Vanguard LifeStrategy Moderate Growth Fund	Mutual Fund	**	42,465,300
*	Fidelity International Discovery Fund	Mutual Fund	**	41,580,613
	INVESCO VK Small Cap Value Y Fund	Mutual Fund	**	37,764,489
*	Fidelity Magellan Fund	Mutual Fund	**	34,144,530
*	Fidelity Equity Income Fund	Mutual Fund	**	33,417,773
	PIMCO Emerging Markets Bond Fund	Mutual Fund	**	33,097,762
	Vanguard LifeStrategy Income Fund	Mutual Fund	**	16,132,706
	Wellington TC Growth Portfolio	Common/Collective Trust	**	15,953,189
	International Index Fund	Common/Collective Trust	**	9,859,537
				1,065,453,630
*	Notes receivable from participants	Rates ranging 2.25% to 11.50%; maturities through 2041	**	26,352,494
				\$ 1,091,806,124

\* Party-in-interest as defined by ERISA

\*\* Cost information is not required for participant directed investments and therefore, is not included

**Table of Contents**

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Administrator of the Plan has duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

**Praxair Retirement Savings Plan**

Date: May 30, 2012

By: /s/ James S. Sawyer  
James S. Sawyer,  
Member of the Administration and Investment  
Committee for the Praxair Retirement Savings Plan  
  
(On behalf of the Plan)

**Table of Contents**

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Praxair Retirement Savings Plan

Danbury, Connecticut

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (Nos. 33-87274, 33-48478 and 333-81248) of our report dated May 30, 2012, relating to the financial statements and supplemental schedule of the Praxair Retirement Savings Plan appearing in this Form 11-K for the year ended December 31, 2011.

/s/ BDO USA LLP

Philadelphia, Pennsylvania

May 30, 2012