News Release



Air Products and Chemicals, Inc. 7201 Hamilton Boulevard Allentown, PA 18195-1501 www.airproducts.com

Air Products Reports First Quarter Fiscal 2014 Financial Results

First Quarter Highlights

- EPS from continuing operations of \$1.34 up three percent versus prior year
- Major plants onstream in China for XLX and Samsung
- Signed significant LNG project in Arctic Russia

LEHIGH VALLEY, Pa. (January 28, 2014) – Air Products (NYSE:<u>APD</u>) today reported first quarter results with strong performance in Electronics and Performance Materials, and Equipment and Energy. For the quarter ended December 31, 2013, net income was \$287 million, up four percent, and diluted earnings per share (EPS) was \$1.34, an increase of three percent, compared with results for the first quarter of 2013.

First quarter sales of \$2,546 million decreased one percent versus prior year on slightly lower volumes and stable pricing, partially offset by higher energy pass-through. Volumes were higher in Merchant Gases, Electronics and Performance Materials, and Equipment and Energy, while refinery customer outages impacted volumes in the Tonnage Gases segment. Underlying sales, excluding the exit from the Polyurethane Intermediates Business (PUI), decreased one percent.

Prior quarter results are on a non-GAAP, continuing operations basis. A reconciliation to GAAP results can be found at the end of this release.*

Sequentially, sales decreased two percent, with underlying sales down three percent mainly due to seasonality in Merchant Gases, and Electronics and Performance Materials, and outages. Operating income of \$386 million increased four percent versus prior year on strong results in Electronics and Performance Materials, and Equipment and Energy, and operating margin of 15.1 percent was up 60 basis points. Sequentially, operating income was down eight percent and margin declined 120 basis points primarily due to seasonal volumes and higher costs driven by Tonnage Gases maintenance outages.

Commenting on the quarter, John McGlade, chairman, president and chief executive officer, said, "We continue to execute against our 2014 priorities to deliver even greater value for our shareholders. In the first quarter, our cost reduction efforts contributed to higher operating income, further strong signings improved asset loadings, and we continued to execute on our strong backlog, bringing on major new plants in China."

First Quarter Results by Business Segment:

• **Merchant Gases** sales of \$1,048 million increased four percent versus prior year on higher volumes. Liquid oxygen, nitrogen and argon volumes were up in all regions, partially offset by weaker packaged gases demand in Europe and lower helium volumes due to global supply constraints. Operating income of \$169 million decreased one percent versus prior year, with the positive impact from higher volumes more than offset by under-recovery of higher power and fuel costs. Sequentially, sales decreased one percent on lower seasonal volumes in U.S./Canada and helium availability. Operating income decreased four percent sequentially due to the lower volumes.

- **Tonnage Gases** sales of \$808 million decreased ten percent versus last year as continued strong demand in the U.S. Gulf Coast was more than offset by plant outages and lower Latin America volumes. Lower PUI volumes impacted sales by three percent and energy pass-through and currency were positive. Sales decreased sequentially by three percent primarily on lower volumes due to the outages. Operating income of \$118 million was down 15 percent versus prior year and 13 percent sequentially, primarily due to lower volumes and costs from the outages.
- Electronics and Performance Materials sales of \$579 million increased five percent versus prior year on six percent higher volumes. Electronics sales were up four percent, driven by higher equipment and onsite sales, and Performance Materials was up eight percent with all product lines and all major regions showing positive growth. Operating income of \$84 million increased 36 percent versus prior year and operating margin improved 320 basis points on the stronger volumes and good cost performance from our business restructuring and cost savings programs. Sequentially, sales were unchanged with currency offsetting lower volumes. Operating income decreased 13 percent and operating margin was down 210 basis points, primarily due to inventory revaluation.
- **Equipment and Energy** sales of \$111 million increased four percent versus prior year and were down six percent sequentially. Operating income of \$21 million was unchanged sequentially and up 144 percent versus prior year driven by LNG projects. The sales backlog of \$343 million decreased 12 percent versus prior year and 15 percent versus last quarter. Additionally, the company confirmed that it will supply technology and equipment for Russia's largest LNG production and exports facility.

Outlook

Air Products expects second quarter EPS from continuing operations to be between \$1.32 and \$1.37 per share. The company's guidance for continuing operations for fiscal 2014 is a range of \$5.70 to \$5.90 per share.

Looking ahead, McGlade said, "We still see greater momentum in the second half of the year. Full year performance remains on track and we expect to drive earnings growth by continuing to focus on our priorities -- improved asset utilization, productivity and cost reduction, winning in the marketplace and disciplined project execution."

Access the Q1 earnings teleconference scheduled for 10:00 a.m. Eastern Time on January 28 by calling 719-325-2482 and entering pass code 6987687, or access <u>event details</u> on our website.

About Air Products

Air Products (NYSE:APD) provides atmospheric, process and specialty gases; performance materials; equipment; and technology. For over 70 years, the company has enabled customers to become more productive, energy efficient and sustainable. Recognized as one of the world's most innovative companies by both Thomson Reuters and Forbes magazine, more than 21,000 employees in over 50 countries supply effective solutions to the energy, environment and emerging markets. These include semiconductor materials, refinery hydrogen, coal gasification, natural gas liquefaction, and advanced coatings and adhesives. In fiscal 2013, Air Products had sales of \$10.2 billion. For more information, visit <u>www.airproducts.com</u>.

Note: This release contains "forward-looking statements" within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements about earnings guidance and business outlook. These forward-looking statements are based on management's reasonable expectations and assumptions as of the date of this release. Actual performance and financial results may differ materially from projections and estimates expressed in the forward-looking statements because of many factors not anticipated by management, including, without limitation, weakening or

reversal of global or regional economic recovery; future financial and operating performance of major customers; unanticipated contract terminations or customer cancellations or postponement of projects and sales; the impact of competitive products and pricing; unexpected changes in raw material supply and markets including helium; the impact of price fluctuations in natural gas; unanticipated asset impairments or losses; the ability to recover unanticipated increased energy and raw material costs from customers; costs and outcomes of litigation or regulatory investigations; the impact of management and organizational changes, including the chief executive officer search; the success of productivity programs; the timing, impact, and other uncertainties of future acquisitions or divestitures; significant fluctuations in interest rates and foreign currencies from that currently anticipated; political risks, including the risks of unanticipated government actions that may result in project delays, cancellations or expropriations; the impact of changes in environmental, tax or other legislation and regulatory activities in jurisdictions in which the Company and its affiliates operate; the impact on the effective tax rate of changes in the mix of earnings among our U.S. and international operations; and other risk factors described in the Company's Form 10K for its fiscal year ended September 30, 2013. The Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this document to reflect any change in the Company's assumptions, beliefs or expectations or any change in events, conditions, or circumstances upon which any such forward-looking statements are based.

Media Inquiries:

George Noon, tel: (610) 481-1990; e-mail: noong@airproducts.com

Investor Inquiries:

Simon Moore, tel: (610) 481-7461; email: mooresr@airproducts.com.

Page 4 of 8

* The presentation of non-GAAP measures is intended to enhance the usefulness of financial information by providing measures which our management uses internally to evaluate our baseline performance on a comparable basis. Presented below are reconciliations of the reported GAAP results to the non-GAAP measures.

CONSOLIDATED RESULTS

		Continuing Operations					
2014 Q1 vs. 2013 Q4	Operating Operating Income Margin In		Income		Diluted EPS		
2014 Q1 GAAP	\$	385.6	15.1%	\$	287.1	\$	1.34
2013 Q4 GAAP		179.2	6.9%		150.2		.70
Change GAAP	\$	206.4	820bp	\$	136.9	\$.64
% Change GAAP		115%			91%		91%
2014 Q1 GAAP	\$	385.6	15.1%	\$	287.1	\$	1.34
2014 Q1 Non-GAAP Measure	\$	385.6	15.1%	\$	287.1	\$	1.34
2013 Q4 GAAP	\$	179.2	6.9%	\$	150.2	\$.70
Business restructuring and cost reduction plans		231.6	9.0%		157.9		.74
Advisory costs		10.1	.4%		6.4		.03
2013 Q4 Non-GAAP Measure	\$	420.9	16.3%	\$	314.5	\$	1.47
Change Non-GAAP Measure	\$	(35.3)	(120bp)	\$	(27.4)	\$	(.13)
% Change Non-GAAP Measure		(8)%			(9)%		(9)%

Capital Expenditures

We utilize a non-GAAP measure in the computation of capital expenditures and include spending associated with facilities accounted for as capital leases. Certain contracts associated with facilities that are built to provide product to a specific customer are required to be accounted for as leases and such spending is reflected as a use of cash within cash provided by operating activities, if the arrangement qualifies as a capital lease.

The presentation of this non-GAAP measure is intended to enhance the usefulness of information by providing a measure which our management uses internally to evaluate and manage our expenditures.

Below is a reconciliation of capital expenditures on a GAAP basis to a non-GAAP measure.

		onths Ended ecember			
(Millions of dollars)	2013		2012		
Capital expenditures - GAAP basis	\$ 391.1	\$	357.0		
Capital lease expenditures	48.1		71.4		
Capital expenditures - Non-GAAP basis	\$ 439.2	\$	428.4		
	F	Y20	14 Forecast		
Capital expenditures - GAAP basis	\$		1,800-1,900		
Capital lease expenditures			100-200		
Capital expenditures - Non-GAAP basis	\$		1,900-2,100		

Page 5 of 8

AIR PRODUCTS AND CHEMICALS, INC. and Subsidiaries CONSOLIDATED INCOME STATEMENTS (Unaudited)

		Three Months Ended 31 December		
(Millions of dollars, except for share data)		2013	••••••	2012
Sales	\$	2,545.5	\$	2,562.4
Cost of sales		1,865.9		1,900.1
Selling and administrative		280.9		268.2
Research and development		33.5		33.3
Other income (expense), net		20.4		11.6
Operating Income		385.6		372.4
Equity affiliates' income		38.2		41.4
Interest expense		33.3		35.8
Income from Continuing Operations before Taxes		390.5		378.0
Income tax provision		94.5		92.2
Income from Continuing Operations		296.0		285.8
Income from Discontinued Operations, net of tax		3.1		1.4
Net Income		299.1		287.2
Less: Net Income Attributable to Noncontrolling Interests		8.9		8.9
Net Income Attributable to Air Products	\$	290.2	\$	278.3
Net Income Attributable to Air Products				
Income from continuing operations	\$	287.1	\$	276.9
Income from discontinued operations	Ψ	3.1	Ψ	1.4
Net Income Attributable to Air Products	\$	290.2	\$	278.3
The media fundado to fun froducis	Ψ	270.2	Ψ	270.5
Basic Earnings Per Common Share Attributable to Air Products				
Income from continuing operations	\$	1.36	\$	1.32
Income from discontinued operations	Ŧ	.01	Ŧ	.01
Net Income Attributable to Air Products	\$	1.37	\$	1.33
Diluted Earnings Per Common Share Attributable to Air Products				
Income from continuing operations	\$	1.34	\$	1.30
Income from discontinued operations		.01		.01
Net Income Attributable to Air Products	\$	1.35	\$	1.31
Weighted Average Common Shares- Basic (in millions)		211.8		210.0
Weighted Average Common Shares- Diluted (in millions)		214.3		212.6
Dividends Declared Per Common Share – Cash	\$.71	\$.64
Other Data from Continuing Operations				
Depreciation and amortization	\$	234.2	\$	218.5
Capital expenditures on a Non-GAAP basis		439.2		428.4
(see page 4 for reconciliation)				

Page 6 of 8

AIR PRODUCTS AND CHEMICALS, INC. and Subsidiaries CONSOLIDATED BALANCE SHEETS (Unaudited)

(Millions of dollars)	31 December 2013	30 September 2013	
Assets	2013	2013	
Current Assets			
Cash and cash items	\$ 387.6	\$ 450.4	
Trade receivables, net	1,561.2	1,544.3	
Inventories	693.4	706.1	
Contracts in progress, less progress billings	152.0	182.3	
Prepaid expenses	119.7	121.1	
Other receivables and current assets	416.2	432.4	
Current assets of discontinued operations	-	2.5	
Total Current Assets	3,330.1	3,439.1	
Investment in net assets of and advances to equity affiliates	1,212.7	1,195.5	
Plant and equipment, at cost	19,864.8	19,529.9	
Less: accumulated depreciation	10,712.8	10,555.9	
Plant and equipment, net	9,152.0	8,974.0	
Goodwill	1,642.9	1,653.8	
Intangible assets, net	700.5	717.3	
Noncurrent capital lease receivables	1,478.1	1,476.9	
Other noncurrent assets	398.9	393.5	
Total Noncurrent Assets	14,585.1	14,411.0	
Total Assets	\$ 17,915.2	\$ 17,850.1	
Liabilities and Equity			
Current Liabilities			
Payables and accrued liabilities	\$ 1,921.4	\$ 1,944.9	
Accrued income taxes	76.3	63.0	
Short-term borrowings	1,030.5	709.9	
Current portion of long-term debt	117.0	507.4	
Current liabilities of discontinued operations	-	2.4	
Total Current Liabilities	3,145.2	3,227.6	
Long-term debt	5,020.8	5,056.3	
Other noncurrent liabilities	1,136.2	1,164.3	
Deferred income taxes	831.6	827.2	
Total Noncurrent Liabilities	6,988.6	7,047.8	
Total Liabilities	10,133.8	10,275.4	
Redeemable Noncontrolling Interest	358.7	375.8	
Air Products Shareholders' Equity	7,264.0	7,042.1	
Noncontrolling Interests	158.7	156.8	
Total Equity	7,422.7	7,198.9	
Total Liabilities and Equity	\$ 17,915.2	\$ 17,850.1	

Page 7 of 8

AIR PRODUCTS AND CHEMICALS, INC. and Subsidiaries CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(Millions of dollars) 2013 2012 Operating Activities \$ 299.1 \$ 287. Less: Net income attributable to noncontrolling interests 8.9 8.8 8.9 8.9 Less: Net income attributable to Air Products 290.2 278. 8.9 9.8 9.0 10.1 11.9 10.0 10.5 11.8 10.0 10.8 10.0 (9.5 0.0 11.9 42.2 21.8 11.9 42.2 Contracts in progress, less progress billings 32.6 (22.2) 7.7 5.1 11.9 42.2 Contracts in progress, less progress billings (30.1) (35.1 11.9 42.2 21			Three Months Ended 31 December					
Operating Activities S 299.1 S 287. Net income attributable to noncontrolling interests 8.9 88. Net income attributable to Air Products 290.2 278. Income from discontinued operations (3.1) (1.1) Control for a tributable to Air Products 287.1 276. Adjustments to reconcile income to cash provided by operating activities: 0.33.0 37. 33.0 37. Share-based compensation 11.8 10. (1.4) (16.0) (93.0) Note activitation and amorization 234.2 218. (10.0) (93.0) Note activitation and amorization 11.8 10. (10.0) (93.0) Note activitation and amorization 14.2 (16.0) (93.0) (17.7) 51.1 Inventories (17.7) 51.1 (11.9) 42.2 (21.8) (22.2) (16.4) Query cavables and accrued liabilities (65.2) 7. (22.2) (16.4) (23.0) (64.2) (23.0) (64.2) (23.0) (64.2) (23.0) (6	(Millions of dollars)							
Nei Incomie \$ 299.1 \$ 287. Less: Net income attributable to noncontrolling interests 8.9 8.8 Net income attributable to Air Products 200.2 27.8. Income from discontinued operations (1.1 10.0 Income from discontinued operations 237.1 27.6. Adjustments to reconcile income to cash provided by operating activities: 233.0 37. Depreciation and amortization 11.8 10.0 (1.9.) Noncurrent capital lease receivables (10.0) (9.3.) (1.9.) Other adjustments (1.9.0) (1.9.) 42.2 (1.8.) Outracts in progress, less progress billings 32.6 (2.2.) (1.9.) (2.2.) Other adjustments (1.9.0) (64.4) Payables and accrued liabilities (5.2.) 7. Trade receivables (1.9.0) (64.4) Payables and accrued liabilities (5.2.) 7. Other aversing capital 15.2 (16.6) Cash Provided by Operating Activities 7. (14.) Contracts in progress, less progress billings<								
Net income attributable to Air Products 200.2 278. Income from discontinued operations (3.1) (1.1) Income from continuing operations attributable to Air Products 287.1 2766. Adjustments to reconcile income to cash provided by operating activities: 234.2 218. Deferred income taxes 33.0 37. Share-based compensation 11.8 10.0 Noncurrent capital lease receivables (10.0) (93.) Other adjustments 14.2 (160.) Working capital changes that provided (used) cash, excluding effects of acquisitions and divestitures: 11.9 42. Contracts in progress, less progress bilings 32.6 (22.) 0 (64.) Payables and accrued liabilities (65.2) 7. Other working capital 15.2 (16.) Cash Provided by Operating Activities 5.5 2. 2. 2. 14. 77. Cash Provided by Operating Activities - (14.) 77. 11. 10. Investing activities - - (14.) 17. 14. 16.	Net Income	\$	299.1	\$	287.2			
Net income attributable to Air Products 290.2 278. Income from discontinued operations (3.1) (1.1) Income from continuing operations attributable to Air Products 287.1 276. Adjustments to reconcile income to cash provided by operating activities: 234.2 218. Deferred income taxes 33.0 37. Share-based compensation 11.8 10. Noncurrent capital lease receivables (10.0) (93.) Other adjustments 14.2 (160.) Working capital changes that provided (used) cash, excluding effects of acquisitions and divestitures: 11.9 42. Contracts in progress, less progress bilings 32.6 (22. 0.11 Other receivables (19.) (64.) Payables and accrued liabilities (35.2) 7. Other working capital 15.2 (16.) Cash Provided by Operating Activities - (14.) Deceeds from sale of assets and investments .5.5 2. Other movering activities - (14.) 77. Deceeds from sale of assets and investments .339.1 709. Droceeds from sole of as	Less: Net income attributable to noncontrolling interests		8.9		8.9			
Income from continuing operations attributable to Air Products 287.1 276. Adjustments to reconcile income to cash provided by operating activities: 234.2 218. Defered income taxes 33.0 37. Share-based compensation 11.8 10. Noncurrent capital lease receivables (100) (93.) Other adjustments (17.7) 51.1 Inventories (17.7) 51.1 Trade receivables (17.7) 51.1 Inventories (29.) (64.) Payables and accrued liabilities (65.2) 7. Other vacivables (52.2) (16.) Investing activities (391.1) (357.4) Troceeds from sale of assets and investments 5.5 2. Other working capital 5.5 2. Investing activities - (1.4) Troceeds from sale of assets and investments 5.5 2. Other working capital (385.6) (355.5) Financing Activities - (14.) Investing activities - (14.) Investing activities - (14.) Investing activities - (14.) Contracts in progress, less progress 1.4 7.	Net income attributable to Air Products		290.2		278.3			
Adjustments to reconcile income to cash provided by operating activities: 234.2 218. Depreciation and amoritzation 33.0 37. Share-based compensation 11.8 10. Noncurrent capital lease receivables (10.0) (93. Other adjustments 14.2 (169.2) Working capital changes that provided (used) cash, excluding effects of acquisitions and divestitures: (17.7) 51.1 Inventories (17.7) 51.2 (17.7) 51.2 Contracts in progress, less progress billings 32.6 (22.2) Other receivables (9) (64.4) Payables and accrued liabilities (52.2) 7. Other working capital (15.2) (16.1) Investing Activities (39.1.1) (357.4) (39.1.1) (357.4) Investing Activities (385.6) (355.5) 2. (17.7) Proceeds from sale of assets and investments 5.5 2. (14.2) (14.9) (15.2) (15.2) (14.2) (15.2) (14.2) (15.2) (14.2) (15.2) (15.2) (15.2) (15.2) (15.2) (16.2) (15.2) (16.2) (15	Income from discontinued operations		(3.1)		(1.4)			
Adjustments to reconcile income to cash provided by operating activities: 234.2 218. Depreciation and amoritzation 33.0 37. Share-based compensation 11.8 10. Noncurrent capital lease receivables (10.0) (93. Other adjustments 14.2 (169.2) Working capital changes that provided (used) cash, excluding effects of acquisitions and divestitures: (17.7) 51.1 Inventories (17.7) 51.2 (17.7) 51.2 Contracts in progress, less progress billings 32.6 (22.2) Other receivables (9) (64.4) Payables and accrued liabilities (52.2) 7. Other working capital (15.2) (16.1) Investing Activities (39.1.1) (357.4) (39.1.1) (357.4) Investing Activities (385.6) (355.5) 2. (17.7) Proceeds from sale of assets and investments 5.5 2. (14.2) (14.9) (15.2) (15.2) (14.2) (15.2) (14.2) (15.2) (14.2) (15.2) (15.2) (15.2) (15.2) (15.2) (16.2) (15.2) (16.2) (15	Income from continuing operations attributable to Air Products		287.1		276.9			
Depreciation and amortization 234.2 218. Deferred income taxes 33.0 37. Share-based compensation 11.8 10.0 Noncurrent capital lease receivables (10.0) (93. Other adjustments (17.7) 51. Inventories (17.7) 51. Inventories (17.7) 51. Contracts in progress, less progress billings 32.6 (22.2) Other receivables (65.2) 7. Defer working capital 15.2 (16.0) Cash Provided by Operating Activities 546.2 278. Investing Activities 5.5 2. 0. Investing Activities 5.5 2. 0. Investing Activities (385.6) (355.6) (355.6) Investing Activities . . . Long-term debt proceeds 1.4 77. Proceeds from stock option exercises . . . Long-term debt proceeds 1.4 77. . Payables and corne								
Share-based compensation 11.8 10. Noncurrent capital lease receivables (10.0) (93. Other adjustments 14.2 (1692) Working capital changes that provided (used) cash, excluding effects of acquisitions and divestitures: (17.7) 51.1 Inventories (17.7) 51.2 (17.7) 51.2 Contracts in progress, less progress billings 32.6 (22.2) (17.7) C0.4 Payables and accrued liabilities (65.2) 7. (0.4 Payables and accrued liabilities (65.2) 7. Other working capital (391.1) (391.1) (357.4) Investing Activities 5.5 2.2 Investing activities (14.4) (77.4) Additions to plant and equipment - (14.2) Proceeds from sale of assets and investments 5.5 2.2 Other moresting activities (385.6) (353.6) Long-term debt proceeds 1.4 77. Payments on long-term debt (440.0) (65.1) Proceeds from stock option exercises 19.9 <			234.2		218.5			
Noncurrent capital lease receivables (10.0) (93. Other adjustments 14.2 (169.3) Working capital changes that provided (used) cash, excluding effects of acquisitions and divestitures: (17.7) 51.1 Inventories (17.7) 51.1 Inventories (17.7) 51.2 Contracts in progress, less progress billings 32.6 (22.2) Other receivables (65.2) 7. Other working capital 15.2 (16.6) Cash Provided by Operating Activities 546.2 278. Investing Activities (391.1) (357.4) Additions to plant and equipment (391.1) (357.4) Additions to plant and equipment (385.6) (355.5) 2. Other working activities - (14.7) 77. Proceeds from sale of assets and investments (385.6) (355.5) 2. Other working activities - (14.9) (16.6) Long-term debt proceeds 14. 77. 79.9 Long-term debt proceeds - (46.1) 98.<	Deferred income taxes		33.0		37.4			
Other adjustments 14.2 (1692) Working capital changes that provided (used) cash, excluding effects of acquisitions and divestitures: (17.7) 51.1 Trade receivables (17.7) 51.2 Inventories 32.6 (22.2) Other receivables (.9) (64.2) Payables and accrued liabilities (.65.2) 7.7 Other working capital 15.2 (16.6) Cash Provided by Operating Activities 546.2 278.8 Investing Activities 5.5 2.2 Other investing activities - (1.4) Proceeds from sale of assets and investments 5.5 2.2 Other investing activities - (1.4) 77.7 Proceeds from sale of assets and investments 339.1 709.9 Long-term debt proceeds 1.4 77. Payments on long-term debt (.434.0) (.434.0) Proceeds from stock option exercises 19.9 27.7 Excess tax benefit from share-based compensation 4.1 8. Other financing activities .14 <td< td=""><td>Share-based compensation</td><td></td><td>11.8</td><td></td><td>10.1</td></td<>	Share-based compensation		11.8		10.1			
Other adjustments 14.2 (1692) Working capital changes that provided (used) cash, excluding effects of acquisitions and divestitures: (17.7) 51.1 Trade receivables (17.7) 51.2 Inventories 32.6 (22.2) Other receivables (.9) (64.2) Payables and accrued liabilities (.65.2) 7.7 Other working capital 15.2 (16.6) Cash Provided by Operating Activities 546.2 278.8 Investing Activities 5.5 2.2 Other investing activities - (1.4) Proceeds from sale of assets and investments 5.5 2.2 Other investing activities - (1.4) 77.7 Proceeds from sale of assets and investments 339.1 709.9 Long-term debt proceeds 1.4 77. Payments on long-term debt (.434.0) (.434.0) Proceeds from stock option exercises 19.9 27.7 Excess tax benefit from share-based compensation 4.1 8. Other financing activities .14 <td< td=""><td></td><td></td><td>(10.0)</td><td></td><td>(93.4)</td></td<>			(10.0)		(93.4)			
Trade receivables (17.7) 51.1 Inventories 11.9 42. Contracts in progress, less progress billings 32.6 (22. Other receivables (.9) (64.4 Payables and accrued liabilities (.65.2) 7. Other working capital 15.2 (16.6 Cash Provided by Operating Activities 546.2 278. Investing Activities 35.5 2. Additions to plant and equipment (.391.1) (357.4 Proceeds from sale of assets and investments 5.5 2. Other investing Activities - (1.4 Cash Leed for Investing Activities (.385.6) (.355.4) Financing Activities - (.14.0) (.65.4) Long-term debt proceeds 1.4 77. Payments on long-term debt (.464.0) (.65.4) Net increase in commercial paper and short-term borrowings 339.1 709.9 (.14.0) (.16.6) Proceeds from stock option exercises 19.9 27.7 Excess tas benefit from share-based compensation 4.1 8. Other financing activities - (.46.14.0) <td></td> <td></td> <td>14.2</td> <td></td> <td>(169.2)</td>			14.2		(169.2)			
Inventories11.942.Contracts in progress, less progress billings32.6(22.Other receivables(9)(64.Payables and accrued liabilities(55.2)7.Other working capital15.2(16.0) Cash Provided by Operating Activities 546.2278.Investing Activities(391.1)(357.4)Proceeds from sale of assets and investments5.52.Other investing Activities-(1.1)Cash Used for Investing Activities-(1.4)Cash Used for Investing Activities-(1.4)Cash Used for Investing Activities-(1.4)Cong-term debt proceeds1.477.Payments on long-term debt(434.0)(65.5)Net increase in commercial paper and short-term borrowings339.1709.Dividends paid to shareholders(19.9)27.5Excess tax benefit from share-based compensation4.18.Other financing activities1.4Cash provided by operating activitiesDiscontinued OperationsCash provided by operating activitiesCash provided by financing ActivitiesCash provided by operating activitiesCash provided by operating activitiesCash provided by operating activitiesCash provided by operat	Working capital changes that provided (used) cash, excluding effects of acquisitions and divestitures:							
Contracts in progress, less progress billings 32.6 (22.1) Other receivables $(.9)$ $(.64.$ Payables and accrued liabilities $(.52.)$ $7.$ Other working capital $1.5.2$ $(.16.0)$ Cash Provided by Operating Activities 546.2 $278.$ Investing Activities $(.391.1)$ $(.357.4)$ Roceids from sale of assets and investments 5.5 2.2 Other investing Activities $(.385.6)$ $(.355.4)$ Financing Activities $(.385.6)$ $(.355.4)$ Long-term debt proceeds 1.4 $77.$ Payments on long-term debt $(.434.0)$ $(.65.4)$ Purchase of treasury shares $1.9.9$ $277.$ Excess tax benefit from share-based compensation 4.1 $8.$ Other financing activities 19.9 $277.$ Excess tax benefit from share-based compensation 4.1 $8.$ Other financing activities 9.8 $(.14.2)$ Cash provided by operating activities 9.8 $(.14.2)$ Discontinued Operations 9.8 $(.14.2)$ Cash provided by operating activities 9.8 $(.28.2)$ Cash provided by operating activities 9.8 $(.28.2)$ Cash provided by Operating activities 9.8 $(.28.2)$ Discontinued Operations 10.5 4.2 Cash provided by operating activities 9.8 $(.28.2)$ Cash provided by Operating activities 9.8 $(.28.2)$ Cash provided by Discontinued Operations 10.5 4.5 <td>Trade receivables</td> <td></td> <td>(17.7)</td> <td></td> <td>51.0</td>	Trade receivables		(17.7)		51.0			
Other receivables (.9) (.64. Payables and accrued liabilities (.65.2) 7. Other working capital 15.2 (16.4) Cash Provided by Operating Activities 546.2 27.8 Investing Activities 546.2 27.8 Investing Activities (391.1) (357.4) Proceeds from sale of assets and investments 5.5 2. Other investing activities - (1.4) Cash Used for Investing Activities (385.6) (355.4) Financing Activities - (1.4) Long-term debt proceeds 1.4 77. Payments on long-term debt (434.0) (65.4) Net increase in commercial paper and short-term borrowings 339.1 709. Dividends paid to shareholders 19.9 27.5 Excess tax benefit from share-based compensation 4.1 8. Other financing activities (18.8) (11.4) Cash Used for Provided by Financing Activities 7 5. Cash provided by operating activities 9.8 (3.28.2) <tr< td=""><td>Inventories</td><td></td><td>11.9</td><td></td><td>42.5</td></tr<>	Inventories		11.9		42.5			
Payables and accrued liabilities (65.2) 7. Other working capital 15.2 (16.0) Cash Provided by Operating Activities 546.2 27.8. Investing Activities (391.1) (357.4) Additions to plant and equipment (391.1) (357.4) Proceeds from sale of assets and investments 5.5 2. Other investing activities - (1.4) Cash Used for Investing Activities (385.6) (355.4) Financing Activities - (1.4) Long-term debt proceeds 1.4 77. Payments on long-term debt (1434.0) (65.5) Net increase in commercial paper and short-term borrowings 339.1 709. Dividends paid to shareholders 19.9 27.7 Excess tax benefit from share-based compensation 4.1 8. Other financing activities (238.2) 15.7 Discontinued Operations .7 5. Cash provided by operating activities .7 5. Cash provided by operating activities .7 5.	Contracts in progress, less progress billings		32.6		(22.3)			
Other working capital 15.2 (16.4 Cash Provided by Operating Activities 546.2 278. Investing Activities (391.1) (357.4) Additions to plant and equipment (391.1) (357.4) Proceeds from sale of assets and investments 5.5 2. Other investing activities - (1.4) Cash Used for Investing Activities (385.6) (355.4) Long-term debt proceeds 1.4 77. Payments on long-term debt (434.0) (65.5) Net increase in commercial paper and short-term borrowings 339.1 709. Dividends paid to shareholders 19.9 27. Excess tax benefit from share-based compensation 4.1 8. Other financing activities (138.8) (13.8) Cash Provided by operating activities 9.8 (3.4) Cash provided by operating activities <t< td=""><td>Other receivables</td><td></td><td>(.9)</td><td></td><td>(64.4)</td></t<>	Other receivables		(.9)		(64.4)			
Cash Provided by Operating Activities546.2278.Investing Activities	Payables and accrued liabilities		(65.2)		7.3			
Investing ActivitiesAdditions to plant and equipment(391.1)(357.4)Proceeds from sale of assets and investments5.52.Other investing activities-(1.1)Cash Used for Investing Activities(385.6)(355.4)Financing Activities(385.6)(355.4)Long-term debt proceeds1.477.Payments on long-term debt(434.0)(65.4)Net increase in commercial paper and short-term borrowings339.1709.Dividends paid to shareholders(149.9)(136.4)Proceeds from stock option exercises19.927.Proceeds from stock option exercises19.927.Proceeds from stock option exercises(18.8)(1.1)Cash (Used for) Provided by Financing Activities(238.2)157.Discontinued Operations.75.5.Cash provided by operating activities9.8(.3)Cash provided by financing activities.9.8(.3)Cash provided by financing activities.75.Cash provided by Discontinued Operations.4.37.Cash and Cash Items.62.8).914	Other working capital		15.2		(16.0)			
Investing ActivitiesAdditions to plant and equipment(391.1)(357.4)Proceeds from sale of assets and investments5.52.Other investing activities-(1.1)Cash Used for Investing Activities(385.6)(355.4)Financing Activities(385.6)(355.4)Long-term debt proceeds1.477.Payments on long-term debt(434.0)(65.4)Net increase in commercial paper and short-term borrowings339.1709.Dividends paid to shareholders(149.9)(136.4)Proceeds from stock option exercises19.927.Proceeds from stock option exercises19.927.Proceeds from stock option exercises(18.8)(1.1)Cash (Used for) Provided by Financing Activities(238.2)157.Discontinued Operations.75.5.Cash provided by operating activities9.8(.3)Cash provided by financing activities.9.8(.3)Cash provided by financing activities.75.Cash provided by Discontinued Operations.4.37.Cash and Cash Items.62.8).914	Cash Provided by Operating Activities		546.2		278.4			
Addition to plant and equipment(391.1)(357.4)Proceeds from sale of assets and investments 5.5 $2.$ Other investing activities $ (1.4)$ Cash Used for Investing Activities (385.6) (355.4) Financing Activities (385.6) (355.4) Long-term debt proceeds 1.4 $77.$ Payments on long-term debt (434.0) (65.4) Net increase in commercial paper and short-term borrowings 339.1 $709.$ Dividends paid to shareholders (149.9) (136.4) Purchase of treasury shares $ (461.4)$ Proceeds from stock option exercises 19.9 27.4 Excess tax benefit from share-based compensation 4.1 $8.$ Other financing activities (128.2) 157.4 Cash Used for) Provided by Financing Activities 2.3 157.4 Discontinued Operations $ -$ Cash provided by operating activities -7 5.5 Cash provided by financing activities -7 </td <td></td> <td></td> <td></td> <td></td> <td></td>								
Proceeds from sale of assets and investments5.52.Other investing activities-(1.4Cash Used for Investing Activities(385.6)(355.4Financing Activities-(1.4Long-term debt proceeds1.477.Payments on long-term debt(434.0)(65.0)Net increase in commercial paper and short-term borrowings339.1709.Dividends paid to shareholders(149.9)(136.0)Purchase of treasury shares-(461.4)Proceeds from stock option exercises19.927.7Excess tax benefit from share-based compensation4.18.Other financing activities(18.8)(1.4)Cash provided by Financing Activities2(238.2)157.Discontinued OperationsCash provided by financing activitiesCash provided by Discontinued OperationsCash and Cash ItemsCash and Cash ItemsCash and Cash ItemsCash and Cash ItemsCash and Cash Items <tr<< td=""><td></td><td></td><td>(391.1)</td><td></td><td>(357.0)</td></tr<<>			(391.1)		(357.0)			
Cash Used for Investing Activities (385.6) (355.4) Financing Activities 1.4 77. Long-term debt proceeds 1.4 77. Payments on long-term debt (434.0) (65.0) Net increase in commercial paper and short-term borrowings 339.1 709. Dividends paid to shareholders (149.9) (136.0) Purchase of treasury shares - (461.4) Proceeds from stock option exercises 19.9 27.1 Excess tax benefit from share-based compensation 4.1 8. Other financing activities (18.8) (1.4 Cash (Used for) Provided by Financing Activities (238.2) 157. Discontinued Operations	Proceeds from sale of assets and investments		5.5		2.8			
Financing ActivitiesLong-term debt proceeds1.477.Payments on long-term debt(434.0)(65.0)Net increase in commercial paper and short-term borrowings339.1709.Dividends paid to shareholders(149.9)(136.0)Purchase of treasury shares-(461.4)Proceeds from stock option exercises19.927.1Excess tax benefit from share-based compensation4.18.Other financing activities(18.8)(1.4)Cash (Used for) Provided by Financing Activities(238.2)157.Discontinued OperationsCash provided by operating activitiesCash provided by financing activities<	Other investing activities		-		(1.6)			
Long-term debt proceeds1.477.Payments on long-term debt(434.0)(65.0Net increase in commercial paper and short-term borrowings339.1709.Dividends paid to shareholders(149.9)(136.0Purchase of treasury shares-(461.4Proceeds from stock option exercises19.927.1Excess tax benefit from share-based compensation4.18.Other financing activities(18.8)(1.1Cash (Used for) Provided by Financing Activities(238.2)157.Discontinued Operations.75.Cash provided by operating activities.75.Cash provided by financing activities.75.Cash provided by financing activities.75.Cash provided by financing activities.75.Cash provided by financing activities.4.37.(Decrease) Increase in Cash and Cash Items(62.8)91.Cash and Cash Items – Beginning of Year450.4454.	Cash Used for Investing Activities		(385.6)		(355.8)			
Long-term debt proceeds1.477.Payments on long-term debt(434.0)(65.0Net increase in commercial paper and short-term borrowings339.1709.Dividends paid to shareholders(149.9)(136.0Purchase of treasury shares-(461.4Proceeds from stock option exercises19.927.1Excess tax benefit from share-based compensation4.18.Other financing activities(18.8)(1.1Cash (Used for) Provided by Financing Activities(238.2)157.Discontinued Operations.75.Cash provided by operating activities.75.Cash provided by financing activities.75.Cash provided by financing activities.75.Cash provided by financing activities.75.Cash provided by financing activities.4.37.(Decrease) Increase in Cash and Cash Items(62.8)91.Cash and Cash Items – Beginning of Year450.4454.								
Payments on long-term debt (434.0) (65.0 Net increase in commercial paper and short-term borrowings 339.1 709. Dividends paid to shareholders (149.9) (136.0 Purchase of treasury shares - (461.4 Proceeds from stock option exercises 19.9 27.1 Excess tax benefit from share-based compensation 4.1 8. Other financing activities (18.8) (1.3 Cash (Used for) Provided by Financing Activities (238.2) 157. Discontinued Operations - - Cash provided by operating activities .7 5. Cash provided by financing activities .7 5. Cash provided by Discontinued Operations .4.3 .7 Cash provided by Discontinued Operations .4.3 .7 (Decrease) Increase in Cash and Cash Items .62.8 .91. Cash and Cash Items – Beginning of Year .450.4 .454.			1.4		77.3			
Net increase in commercial paper and short-term borrowings339.1709.Dividends paid to shareholders(149.9)(136.0Purchase of treasury shares-(461.0Proceeds from stock option exercises19.927.0Excess tax benefit from share-based compensation4.18.Other financing activities(18.8)(1.1Cash (Used for) Provided by Financing Activities(238.2)157.Discontinued Operations75.Cash provided by operating activities9.8(.1Cash provided by financing activitiesCash provided by Discontinued Operations10.54.1Effect of Exchange Rate Changes on Cash4.37.(Decrease) Increase in Cash and Cash Items(62.8)91.Cash and Cash Items – Beginning of Year450.4454.			(434.0)		(65.0)			
Dividends paid to shareholders(149.9)(136.0Purchase of treasury shares-(461.0Proceeds from stock option exercises19.927.0Excess tax benefit from share-based compensation4.18.Other financing activities(18.8)(1.1Cash (Used for) Provided by Financing Activities(238.2)157.Discontinued OperationsCash provided by operating activities.75.Cash provided by financing activities.75.Cash provided by financing activities.75.Cash provided by financing activitiesCash provided by Discontinued Operations10.54.Effect of Exchange Rate Changes on Cash4.37.(Decrease) Increase in Cash and Cash ItemsCash and Cash Items – Beginning of YearAtom Solution of Year			339.1		709.1			
Purchase of treasury shares-(461.4)Proceeds from stock option exercises19.927.4Excess tax benefit from share-based compensation4.18.Other financing activities(18.8)(1.4 Cash (Used for) Provided by Financing Activities (238.2)157. Discontinued Operations 2157.Cash provided by operating activities.75.Cash provided by (used for) investing activities9.8(.4Cash provided by financing activities.75.Cash provided by financing activities.75.Cash provided by financing activities.4.37.Cash provided by financing activities.4.37.Cash provided by Discontinued Operations10.54.Effect of Exchange Rate Changes on Cash4.37.(Decrease) Increase in Cash and Cash Items(62.8)91.Cash and Cash Items – Beginning of Year450.4450.4			(149.9)		(136.0)			
Proceeds from stock option exercises19.927.Excess tax benefit from share-based compensation4.18.Other financing activities(18.8)(1.3)Cash (Used for) Provided by Financing Activities(238.2)157.Discontinued Operations22Cash provided by operating activities.75.Cash provided by (used for) investing activities9.8(.3)Cash provided by financing activitiesCash provided by financing activitiesCash provided by financing activitiesCash provided by Discontinued Operations10.54.Effect of Exchange Rate Changes on Cash4.37.(Decrease) Increase in Cash and Cash Items(62.8)91.Cash and Cash Items – Beginning of Year450.4450.4			-		(461.6)			
Excess tax benefit from share-based compensation4.18.Other financing activities(18.8)(1.3)Cash (Used for) Provided by Financing Activities(238.2)157.Discontinued Operations75.Cash provided by operating activities9.8(.3)Cash provided by financing activities9.8(.3)Cash provided by financing activitiesCash provided by financing activitiesCash provided by financing activitiesCash provided by Discontinued Operations10.54.Effect of Exchange Rate Changes on Cash4.37.(Decrease) Increase in Cash and Cash Items(62.8)91.Cash and Cash Items – Beginning of Year450.4450.4			19.9		27.0			
Other financing activities(18.8)(1.4)Cash (Used for) Provided by Financing Activities(238.2)157.Discontinued OperationsCash provided by operating activities.75.Cash provided by (used for) investing activities9.8(.4)Cash provided by financing activitiesCash provided by financing activitiesCash provided by financing activitiesCash provided by Discontinued Operations10.54.Effect of Exchange Rate Changes on Cash4.37.(Decrease) Increase in Cash and Cash Items(62.8)91.Cash and Cash Items – Beginning of Year450.4450.4			4.1		8.1			
Cash (Used for) Provided by Financing Activities(238.2)157.Discontinued OperationsCash provided by operating activities.75.Cash provided by (used for) investing activities9.8(.4Cash provided by financing activitiesCash provided by financing activitiesCash provided by Discontinued Operations10.54.Effect of Exchange Rate Changes on Cash4.37.(Decrease) Increase in Cash and Cash Items(62.8)91.Cash and Cash Items – Beginning of Year450.4450.4			(18.8)		(1.8)			
Discontinued Operations			(238.2)		157.1			
Cash provided by operating activities.75.Cash provided by (used for) investing activities9.8(.4Cash provided by financing activitiesCash Provided by Discontinued Operations10.54.Effect of Exchange Rate Changes on Cash4.37.(Decrease) Increase in Cash and Cash Items(62.8)91.Cash and Cash Items – Beginning of Year450.4450.4			. ,					
Cash provided by (used for) investing activities9.8(.3Cash provided by financing activities-Cash Provided by Discontinued Operations10.5Effect of Exchange Rate Changes on Cash4.3(Decrease) Increase in Cash and Cash Items(62.8)Cash and Cash Items – Beginning of Year450.4			.7		5.2			
Cash provided by financing activities-Cash Provided by Discontinued Operations10.54.Effect of Exchange Rate Changes on Cash4.37.(Decrease) Increase in Cash and Cash Items(62.8)91.Cash and Cash Items – Beginning of Year450.4450.4					(.8)			
Cash Provided by Discontinued Operations10.54.Effect of Exchange Rate Changes on Cash4.37.(Decrease) Increase in Cash and Cash Items(62.8)91.Cash and Cash Items – Beginning of Year450.4454.			-		-			
Effect of Exchange Rate Changes on Cash4.37.(Decrease) Increase in Cash and Cash Items(62.8)91.Cash and Cash Items – Beginning of Year450.4454.			10.5		4.4			
(Decrease) Increase in Cash and Cash Items(62.8)91.Cash and Cash Items – Beginning of Year450.4454.					7.1			
Cash and Cash Items – Beginning of Year450.4454.					91.2			
	Cash and Cash Items – Eegnining of Tear	\$	387.6	\$	545.6			

Page 8 of 8

AIR PRODUCTS AND CHEMICALS, INC. and Subsidiaries SUMMARY BY BUSINESS SEGMENTS (Unaudited)

		ee Months 31 Decem	nths Ended cember			
(Millions of dollars)	2013	;	2012			
Sales to External Customers						
Merchant Gases	\$ 1,04	47.7 \$	1,009.1			
Tonnage Gases	80	08.1	898.4			
Electronics and Performance Materials	5	79.1	549.0			
Equipment and Energy	1	10.6	105.9			
Segment and Consolidated Totals	\$ 2,54	45.5 \$	2,562.4			
Operating Income						
Merchant Gases	\$ 10	59.2 \$	171.0			
Tonnage Gases	1	17.6	138.1			
Electronics and Performance Materials	8	33.5	61.3			
Equipment and Energy		20.5	8.4			
Segment Total	\$ 39	90.8 \$	378.8			
Other		(5.2)	(6.4)			
Consolidated Total	\$ 3	85.6 \$	372.4			
	31 Dece	mber 30	September			
(Millions of dollars)	2013	3	2013			
Identifiable Assets (A)						
Merchant Gases	\$ 6,72	35.1 \$	6,729.9			
Tonnage Gases	5,40	50.3	5,397.0			
Electronics and Performance Materials	2,80	58.9	2,859.4			
Equipment and Energy	70	52.0	675.2			
Segment Total	\$ 15,82	26.3 \$	15,661.5			
Other	8	76.2	990.6			
Discontinued operations		-	2.5			
Consolidated Total	\$ 16,70)2.5 \$	16,654.6			

^(A) Identifiable assets are equal to total assets less investment in net assets of and advances to equity affiliates.