

Air Products Takes Majority Ownership In Largest Industrial Gas Company in Taiwan

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LEHIGH VALLEY, Pa., Jul 9, 2002 /PRNewswire-FirstCall via COMTEX/ -- Air Products and Chemicals, Inc. (NYSE: APD) announced today that it has increased its ownership to 70% in San Fu Chemical Company, Ltd. (San Fu), the largest industrial gas company in Taiwan.

Since 1987, Air Products has had a joint venture arrangement with San Fu, holding just under a 50 percent interest in the company. The Taiwanese shareholders, who formed the business in 1952, will remain a partner in the joint venture. Financial terms of the transaction were not disclosed.

San Fu is a full-service industrial gas and chemical company with a broad product portfolio supplying specialty gases, electronic piping and equipment, liquid/bulk gases, pipeline/on-site gases and chemicals to the Taiwan marketplace. With estimated sales revenue of NT\$7.0 billion (U.S. \$200 million) in 2001, the majority of the company's customer base is in electronics, chemical process industries, metals and merchant markets.

Mark L. Bye, president, Air Products Asia, stated, "Our partnership with the Taiwanese shareholders over nearly 15 years has built an outstanding enterprise which is clearly the leading industrial gas company in Taiwan. We have combined Air Products' global commercial and technical knowledge with our partner's local expertise and strong customer relationships. Together, we have built a strong professional Taiwanese management team that can drive those strengths to continue to grow the business to serve our Taiwanese and global customers into the future."

San Fu has developed the capability to supply the electronics industry with a wide range of equipment, atmospheric and specialty gases and services in the Hsin Chu Science Park. The atmospheric gases come from on-site plants installed in Hsin Chu, as well as electronics grade liquid oxygen/nitrogen/argon from nearby Kuan Yin, and specialty gases from the nearby Chupei facility. San Fu also has invested heavily in the capability to supply a similar portfolio of products and services at the new Tainan Science Park. Later this month, San Fu is scheduled to bring on-stream a 50,000 Nm³/Hr ultra-high purity nitrogen plant and pipeline with 430 tons per day of ultra-high purity liquid oxygen/nitrogen, as well as a world-class specialty gases facility to supply key customers in the Park.

San Fu has also established a pipeline franchise in the Kuan Yin Industrial Park supplying pipeline oxygen/nitrogen. In addition to these facilities, San Fu operates standalone cryogenic and non-cryogenic on-site plants, hydrogen filling plants, liquid carbon dioxide plants and helium transfills to provide a full range of products and services to the industrial gases markets. San Fu also has a chemicals business, manufacturing p-hydroxybenzoic acid and cyclohexylamine for the global market, and is a reseller for several other key products.

San Fu and Air Products will provide technology services to Air Products and Chemicals (Shanghai) Company, Ltd. San Fu will also provide electronics commercial and technical expertise in concert with Air Products' global technical capability. This combination will provide Taiwanese-owned electronics companies with all of San Fu's capabilities currently utilized in Taiwan as they expand into China.

In the Asia-Pacific region at large, Air Products currently operates, either as a wholly owned subsidiary or through joint venture companies, in eight countries: Korea, Japan, Taiwan, the People's Republic of China, Thailand, Singapore, Malaysia and Indonesia. Air Products' major offices are in Singapore, Hong Kong, Taipei, Seoul, Shanghai and Tokyo. The company expects to continue growing in the region, acquiring attractive, complementary assets that will increase its size and scale to better serve customers around the world.

Air Products and Chemicals, Inc. (www.airproducts.com) is the world's only combined gases and chemicals company. Founded more than 60 years ago, the business has annual revenues of \$5.7 billion and operations in 30 countries. Air Products is a market leader in the global electronics and chemical processing industries, and a longstanding innovator in many industrial markets, including coatings, adhesives and polyurethanes. The company distinguishes itself through its 18,000 employees around the world, who build lasting relationships with their customers and communities based on understanding, integrity and passion.

***NOTE: This release may contain forward-looking statements. Actual results could vary materially, due to changes in current

expectations.

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