

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) 07 December 1999

Air Products and Chemicals, Inc.

(Exact name of registrant as specified in charter)

Delaware ----- (State of other jurisdiction of incorporation)	1-4534 ----- (Commission file number)	23-1274455 ----- (IRS Identification number)
7201 Hamilton Boulevard, Allentown, Pennsylvania ----- (Address of principal executive offices)		18195-1501 ----- (Zip Code)

Registrant's telephone number, including area code (610) 481-4911

Item 5. Other Events.

AIR PRODUCTS AND CHEMICALS, INC. AND SUBSIDIARIES
RESTATED SEGMENT DISCLOSURE

Effective for the fiscal year ended 30 September 1999, the Company adopted SFAS No. 131, "Disclosure about Segments of an Enterprise and Related Information." This standard redefines the disclosure requirements for operating segments. The disclosures for fiscal years 1999, 1998, and 1997 have been restated to conform to SFAS 131 requirements. Tables summarizing the restatement of each quarter for fiscal years 1999, 1998, and 1997 are provided.

The segment disclosures reflect how the Company assesses operating performance and allocates resources. The gases segment now includes the Company's power generation and flue gas treatment business, aligning the internal management and reporting structure. These businesses were previously reported in the equipment and services segment.

The other segment now only consists of the American Ref-Fuel business and the landfill gas recovery business, which were divested during fiscal year 1997. Unallocated corporate expenses previously reported in the corporate and other segment are now allocated to the operating business segments, reflecting internal operating income performance measurement. The corporate long range research activity, previously allocated to operating segments, is managed centrally and is now the primary reconciling item between total segment operating income and consolidated operating income. The resulting net lower unallocated corporate expenses causes a decrease in segment operating income.

Restatement of Fiscal Year 1999 Segment Disclosure by Quarter

(millions of dollars)	Gases	Equipment	Chemicals	Other	Total Segments	Unallocated Expenses (1)	Consolidated Totals
Quarter 1							
Revenue from external customers	753.3	119.5	401.8	0.0	1274.6		1274.6
Operating income	121.5 (A)	22.8 (A)	50.8 (A)	0.0	195.1	(6.1) (A)	189.0
Operating income (ex special items)	137.8	24.7	52.4	0.0	214.9	(5.6)	209.3
Equity Affiliates' income	6.7	0.5	2.1	0.5	9.8		9.8
(A) Includes a charge to operating income for the global cost reduction program of \$16.3 million(gases), \$1.9 million (equipment), \$1.6 million(chemicals), and \$.5 million(corporate).							
Quarter 2							
Revenue from external customers	735.2	101.3	416.9	0.0	1253.4		1253.4
Operating income	137.2	6.9	43.4 (B)	0.2	187.7	(5.0)	182.7
Operating income (ex special items)	137.2	6.9	53.7	0.2	198.0	(5.0)	193.0
Equity Affiliates' income	10.5	0.2	3.4	0.0	14.1		14.1
(B) Includes a charge of \$10.3 million for a chemicals facility closure							
Quarter 3							
Revenue from external customers	737.5	84.5	415.8	0.0	1237.8		1237.8
Operating income	127.4 (C)	0.4 (C)	47.4 (C)	0.0	175.2	(7.5)	167.7
Operating income (ex special items)	138.1	1.2	49.8	0.0	189.1	(7.5)	181.6
Equity Affiliates' income	11.3	0.4	3.4	0.1	15.2		15.2
(C) Includes a charge to operating income for the global cost reduction program of \$10.7 million(gases), \$.8 million(equipment), and \$2.4 million (chemicals)							
Quarter 4							
Revenue from external customers	770.4	61.0	422.9	0.0	1254.3		1254.3
Operating income	135.8	4.6	52.1	0.3	192.8	(7.5)	85.3
Equity Affiliates' income	18.3	0.5	3.5	0.1	22.4		22.4
TOTAL YEAR							
Revenue from external customers	2996.4	366.3	1657.4	0.0	5020.1	0.0	5020.1
Operating income	521.9	34.7	193.7	0.5	750.8	(26.1)	724.7
Operating income (ex special items)	548.9	37.4	208.0	0.5	794.8	(25.6)	769.2
Equity Affiliates' income	46.8	1.6	12.4	0.7	61.5	0.0	61.5

(1) Unallocated expenses are primarily corporate research and development.

Restatement of Fiscal Year 1998 Segment Disclosure by Quarter

(millions of dollars)	Gases	Equipment	Chemicals	Other	Total Segments	Unallocated Expenses (1)	Consolidated Totals
Quarter 1							
Revenue from external customers	737.7	116.3	380.8	0.0	1234.8		1234.8
Operating income	142.6	9.6	66.9	0.5	219.6	(6.6)	213.0
Equity Affiliates' income	4.5	0.2	0.1	1.0	5.8		5.8
Quarter 2							
Revenue from external customers	726.2	103.9	378.5	0.0	1208.6		1208.6
Operating income	141.0	14.5	54.8	0.0	210.3	(3.9)	206.4
Equity Affiliates' income	6.3	0.6	0.3	0.7	7.9		7.9
Quarter 3							
Revenue from external customers	735.2	96.5	393.6	0.0	1225.3		1225.3
Operating income	134.4	18.9	64.5	0.0	217.8	(6.3)	211.5
Equity Affiliates' income	9.5	0.6	0.0	0.8	10.9		10.9
Quarter 4							
Revenue from external customers	751.0	113.0	386.3	0.0	1250.3		1250.3
Operating income	147.0	16.2	61.0	0.2	224.4	(9.6)	214.8
Equity Affiliates' income	13.0	0.5	0.2	(0.3)	13.4		13.4
TOTAL YEAR							
Revenue from external customers	2950.1	429.7	1539.2	0.0	4919.0		4919.0
Operating income	565.0	59.2	247.2	0.7	872.1	(26.4)	845.7
Equity Affiliates' income	33.3	1.9	0.6	2.2	38.0		38.0

(1) Unallocated expenses are primarily corporate research and development.

Restatement of Fiscal Year 1997 Segment Disclosure by Quarter

(millions of dollars)	Gases	Equipment	Chemicals	Other	Total Segments	Unallocated Expenses (1)	Consolidated Totals
Quarter 1							
Revenue from external customers	624.3	149.2	346.2	1.2	1120.9		1120.9
Operating income	113.4	3.7	42.9 (A)	8.8 (B)	168.8	0.4	169.2
Operating income (ex special items)	113.4	3.7	52.2	(0.7)	168.6	0.4	169.0
Equity Affiliates' income	15.6	0.0	0.1	3.0	18.7		18.7
(A) Includes an impairment loss of \$9.3 million related to the release agent business.							
(B) Includes a gain of \$9.5 million on the sale of the landfill gas business.							
Quarter 2							
Revenue from external customers	683.2	111.4	358.5	0.0	1153.1		1153.1
Operating income	130.5 (C)	7.5	54.0	0.6	192.6	(8.6)	184.0
Operating income (ex special items)	123.2	7.5	54.0	0.6	185.3	(8.6)	176.7
Equity Affiliates' income	12.1	(0.1)	0.1	1.4 (D)	13.5		13.5
Equity Affiliates' (ex special items)	12.1	(0.1)	0.1	6.2	18.3		18.3
(C) Includes a gain of \$7.3 million from the sale of shares in a cost based investment.							
(D) Includes \$4.8 million loss from debt refinancing of an equity affiliate.							
Quarter 3							
Revenue from external customers	694.5	89.6	366.2	0.0	1150.3		1150.3
Operating income	134.5	6.9	58.2	0.0	199.6	(6.6)	193.0
Equity Affiliates' income	6.5	0.4	0.2	10.3	17.4		17.4
Quarter 4							
Revenue from external customers	717.4	118.9	377.2	0.0	1213.5		1213.5
Operating income	121.7	11.9	43.2	0.3	177.1	2.8	179.9
Equity Affiliates' income	7.6	0.5	0.0	8.6	16.7		16.7
TOTAL YEAR							
Revenue from external customers	2719.4	469.1	1448.1	1.2	4637.8		4637.8
Operating income	500.1	30.0	198.3	9.7	738.1	(12.0)	726.1
Operating income (ex special items)	492.8	30.0	207.6	0.2	730.6	(12.0)	718.6
Equity Affiliates' income	41.8	0.8	0.4	23.3	66.3		66.3
Equity Affiliates' (ex special items)	41.8	0.8	0.4	28.1	71.1		71.1

(1) Unallocated expenses are primarily corporate research and development.

Reconciliation of Segment Profit and Loss to Consolidated Income before Income Taxes

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	FY
FY 1999					
Segment operating income	195.1	187.7	175.2	192.8	750.8
Corporate R&D and other	6.1	5.0	7.5	7.5	26.1
Consolidated operating income	189.0	182.7	167.7	185.3	724.7
Segment equity affiliates' income	9.8	14.1	15.2	22.4	61.5
Gain on Wacker formation	31.2	-0.1	0.0	3.8	34.9
Income related to BOC acquisition	0.0	0.0	0.0	7.0	7.0
Interest expense	40.4	40.4	39.4	38.9	159.1
Consolidated income before taxes	189.6	156.3	143.5	179.6	669.0
FY 1998					
Segment operating income	219.6	210.3	217.8	224.4	872.1
Corporate R&D and other	6.6	3.9	6.3	9.6	26.4
Consolidated operating income	213.0	206.4	211.5	214.8	845.7
Segment equity affiliates' income	5.8	7.9	10.9	13.4	38.0
Gain on sale of American Ref-Fuel	62.6	0.0	0.0	0.0	62.6
Gains on power contract settlements	12.6	0.0	28.3	0.0	40.9
Interest expense	40.2	39.0	41.9	41.7	162.8
Consolidated income before taxes	253.8	175.3	208.8	186.5	824.4
FY 1997					
Segment operating income	168.8	192.6	199.6	177.1	738.1
Corporate R&D and other	-0.4	8.6	6.6	-2.8	12.0
Consolidated operating income	169.2	184.0	193.0	179.9	726.1
Segment equity affiliates' income	18.7	13.5	17.4	16.7	66.3
Interest expense	39.8	42.6	39.4	39.5	161.3
Consolidated income before taxes	148.1	154.9	171.0	157.1	631.1

Business Segment and Geographic Information

Effective in 1999, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 131, "Disclosures about Segments of an Enterprise and Related Information." This Statement defines the disclosure requirements for operating segments. Operating segments are defined as components of an enterprise for which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Statement also establishes standards for related disclosure requirements about products and services, geographic areas, and major customers. Prior year amounts have been restated to conform with the current year presentation.

The Company's segments are organized based on differences in products. The Company has three operating segments consisting of gases, chemicals, and equipment. The Company's divested environmental and energy systems (American Ref-Fuel and landfill gas) businesses are included in other.

The Company's gases segment includes its industrial gases, power generation, and flue gas treatment businesses. The Company is a leading international supplier of industrial and specialty gas products. Principal products of the industrial gases business are oxygen, nitrogen, argon, hydrogen, carbon monoxide, synthesis gas, and helium. The largest market segments are chemical processing, refining, metal production, electronics, food processing, and medical gases. The Company has its strongest industrial gas market positions in the United States and Europe.

The gases segment also includes the Company's power generation and flue gas treatment businesses. The Company constructed, operates, and has a 50% interest in power generation facilities in California, Pennsylvania, Florida, Rotterdam, and Thailand.

The chemical businesses consist of polymer chemicals, performance chemicals, and chemical intermediates. Polymer chemicals include polymer emulsions, redispersible powders, and polyvinyl alcohol. Principal products of performance chemicals are specialty additives, polyurethane additives, and epoxy additives. Principal chemical intermediates are amines and polyurethane intermediates. The Company also produces certain industrial chemicals. The end markets for the Company's chemical products are extensive, including adhesive, textile, paper, building products, agriculture, and furniture. Principal geographic markets for the Company's chemical products are North America, Europe, Asia, Brazil, and Mexico.

The equipment segment designs and manufactures cryogenic and gas processing equipment for air separation, gas processing, natural gas liquefaction, and hydrogen purification. The segment also designs and builds systems for recovering gases using membrane technology. Equipment is sold worldwide to companies involved in chemical and petrochemical manufacturing, oil and gas recovery and processing, power generation, and steel and primary metal production. Equipment is also manufactured for the Company's industrial gas business. Another important market, particularly for air separation equipment, is the Company's international industrial gas joint ventures.

The accounting policies of the segments are the same as those used for consolidated reporting. The Company allocates resources to segments and evaluates the performance of segments based upon reported segment operating income. Operating income of the business segments includes general corporate expenses. Corporate expenses not allocated to the segments (primarily long-term research and development and interest expense) are

included in the reconciliation of the reportable segments' operating income to the Company's consolidated income before income taxes. Intersegment sales are not material and are recorded at selling prices that approximate market prices. Equipment manufactured for the Company's industrial gas business is generally transferred at cost and not reflected as an intersegment sale. Corporate assets are primarily cash, corporate facilities, fair value of currency options related to the BOC transaction, deferred financial expense, and other nonallocated assets. Long-lived assets include investment in net assets of and advances to equity affiliates, net plant and equipment and goodwill.

Business segment information is shown below:

(millions of dollars)	Gases	Chemicals	Equipment	All Other	Segment Totals	Consolidated Totals
1999						
Revenues from external customers	\$2,996.4	\$1,657.4	\$366.3	\$--	\$5,020.1	\$5,020.1
Operating income	521.9	193.7	34.7	.5	750.8	724.7
Operating income - excluding special items	548.9	208.0	37.4	.5	794.8	769.2
Depreciation and amortization	405.4	125.2	9.4	--	540.0	540.0
Equity affiliates' income	46.8	12.4	1.6	.7	61.5	61.5
Net gain on formation of polymer venture	--	34.9	--	--	34.9	34.9
Segment assets:						
Identifiable assets	5,436.1	1,626.2	265.0	--	7,327.3	7,714.1
Investment in and advances to equity affiliates	458.6	61.3	.8	--	520.7	521.4
Total segment assets	5,894.7	1,687.5	265.8	--	7,848.0	8,235.5
Expenditures for long-lived assets	913.8	158.8	14.6	--	1,087.2	1,114.6
1998						
Revenues from external customers	\$2,950.1	\$1,539.2	\$429.7	\$--	\$4,919.0	\$4,919.0
Operating income	565.0	247.2	59.2	.7	872.1	845.7
Operating income - excluding special items	565.0	247.2	59.2	.7	872.1	845.7
Depreciation and amortization	382.4	107.7	7.8	--	497.9	499.3
Equity affiliates' income	33.3	.6	1.9	2.2	38.0	38.0
Gain on American Ref-Fuel sale and contract settlements	12.6	--	--	90.9	103.5	103.5
Segment assets:						
Identifiable assets	5,108.1	1,527.3	279.3	--	6,914.7	7,127.6
Investment in and advances to equity affiliates	354.0	2.4	.2	--	356.6	362.0
Total segment assets	5,462.1	1,529.7	279.5	--	7,271.3	7,489.6
Expenditures for long-lived assets	639.3	329.3	16.5	--	985.1	1,000.7
1997						
Revenues from external customers	\$2,719.4	\$1,448.1	\$469.1	\$1.2	\$4,637.8	\$4,637.8
Operating income	500.1	198.3	30.0	9.7	738.1	726.1
Operating income - excluding special items	492.8	207.6	30.0	.2	730.6	718.6
Depreciation and amortization	353.2	104.5	7.4	--	465.1	467.3
Equity affiliates' income	41.8	.4	.8	23.3	66.3	66.3
Segment assets:						
Identifiable assets	4,833.0	1,267.7	330.3	.8	6,431.8	6,688.4
Investment in and advances to equity affiliates	339.7	2.4	--	212.7	554.8	555.7
Total segment assets	5,172.7	1,270.1	330.3	213.5	6,986.6	7,244.1
Expenditures for long-lived assets	1,024.0	165.6	1.7	--	1,191.3	1,221.6

A reconciliation of the totals reported for the operating segments to the applicable line items on the consolidated financial statements is as follows:

(millions of dollars)	1999	1998	1997

Operating Income to Consolidated Income Before Income Taxes and Minority Interest			

Total segment operating income	\$ 750.8	\$ 872.1	\$ 738.1
Corporate research and development	(29.4)	(25.8)	(22.3)
Other corporate income (expense)	3.3	(.6)	10.3

Consolidated operating income	724.7	845.7	726.1
Equity affiliates' income	61.5	38.0	66.3

Gain on American Ref-Fuel sale and contract settlements	--	103.5	--

Gain on formation of polymer venture	34.9	--	--

Gain on currency options related to BOC transaction, net of preacquisition expenses	7.0	--	--

Interest expense	(159.1)	(162.8)	(161.3)

Consolidated income before income taxes and minority interest	\$ 669.0	\$ 824.4	\$ 631.1

Segment Assets to Total Assets			

Total segment assets	\$7,848.0	\$7,271.3	\$6,986.6

Corporate assets	387.5	218.3	257.5

Total assets	\$8,235.5	\$7,489.6	\$7,244.1

Geographic information is presented below:

(millions of dollars)	1999	1998	1997

Revenues from External Customers			

United States	\$3,226.9	\$3,381.5	\$3,269.7

United Kingdom	620.4	583.6	547.7

Spain	319.0	322.0	241.8

Other Europe	564.3	387.7	388.8

Total Europe	1,503.7	1,293.3	1,178.3

Canada/Latin America	202.4	216.6	171.7

Asia	86.8	27.3	17.7

All Other	.3	.3	.4

Total	\$5,020.1	\$4,919.0	\$4,637.8

Long-lived Assets			

United States	\$3,482.1	\$3,160.2	\$3,188.2

United Kingdom	513.1	466.4	376.4

Spain	412.2	455.9	439.6

Other Europe	873.4	796.2	692.8

Total Europe	1,798.7	1,718.5	1,508.8

Canada/Latin America	327.0	342.4	308.5

Asia	442.6	243.3	231.5

All Other	14.3	8.6	8.4

Total	\$6,064.7	\$5,473.0	\$5,245.4

Note: Geographic information is based on country of origin. Included in United States revenues are export sales to unconsolidated customers of \$528.4 million in 1999, \$649.6 million in 1998, and \$570.7 million in 1997. The other Europe segment operates principally in France, Germany, Netherlands, and Belgium.

SIGNATURES

Pursuant to the requirements 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.

Air Products and Chemicals, Inc.

(Registrant)

Dated: 07 December 1999

By: /s/ Leo J. Daley

Leo J. Daley
Vice President - Finance
(Chief Financial Officer)