

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended 31 March 1996

OR

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

For the transition period from _____ to _____

Commission file number 1-4534

AIR PRODUCTS AND CHEMICALS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware 23-1274455

(State of Other Jurisdiction of (I.R.S. Employer Identification No.)
Incorporation or Organization)

7201 Hamilton Boulevard, Allentown, Pennsylvania 18195-1501

(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, Including Area Code 610-481-4911

Indicate by check x whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to such
filing requirements for the past 90 days. Yes No
--- ---

Indicate the number of shares outstanding of each of the issuer's
classes of common stock, as of the latest practicable date.

Class	Outstanding at 7 May 1996
----- Common Stock, \$1 par value	----- 122,029,974

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REMARKS:

The consolidated financial statements of Air Products and Chemicals, Inc. and its subsidiaries (the "Company" or "Registrant") included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. In the opinion of the Company, the accompanying statements reflect all adjustments necessary to present fairly the financial position, results of operations and cash flows for those periods indicated, and contain adequate disclosure to make the information presented not misleading. Such adjustments are of a normal, recurring nature unless otherwise disclosed in the notes to consolidated financial statements. However, the results for the periods indicated herein reflect certain adjustments, such as the valuation of inventories on the LIFO cost basis, which can only be finally determined on an annual basis. It is suggested that these consolidated condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's latest annual report on Form 10-K and report on Form 10-Q for the quarter ended 31 December 1995.

Results of operations for any three or six month periods are not necessarily indicative of the results of operations for a full year.

AIR PRODUCTS AND CHEMICALS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In millions, except per share)

ASSETS -----	31 March 1996 -----	30 September 1995 -----
CURRENT ASSETS		
Cash and cash items	\$ 82	\$ 87
Trade receivables, less allowances for doubtful accounts	649	625
Inventories	383	335
Contracts in progress, less progress billings	114	123
Other current assets	144	162
	-----	-----
TOTAL CURRENT ASSETS	1,372	1,332
	-----	-----
INVESTMENTS	795	657
	-----	-----
PLANT AND EQUIPMENT, at cost	7,691	7,350
Less - Accumulated depreciation	3,982	3,848
	-----	-----
PLANT AND EQUIPMENT, net	3,709	3,502
	-----	-----
GOODWILL	80	81
	-----	-----
OTHER NONCURRENT ASSETS	268	244
	-----	-----
TOTAL ASSETS	\$ 6,224	\$ 5,816
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Payables, trade and other	\$ 491	\$ 519
Accrued liabilities	235	249
Accrued income taxes	94	56
Short-term borrowings	423	314
Current portion of long-term debt	25	173
	-----	-----
TOTAL CURRENT LIABILITIES	1,268	1,311
	-----	-----
LONG-TERM DEBT	1,495	1,194
	-----	-----
DEFERRED INCOME AND OTHER NONCURRENT LIABILITIES	398	435
	-----	-----
DEFERRED INCOME TAXES	510	478
	-----	-----
TOTAL LIABILITIES	3,671	3,418
	-----	-----
SHAREHOLDERS' EQUITY		
Common stock, par value \$1 per share	125	125
Capital in excess of par value	463	465
Retained earnings	2,556	2,388
Unrealized gain on investments	41	41
Cumulative translation adjustments	(48)	(24)
Treasury stock, at cost	(126)	(139)
Shares in trust	(458)	(458)
	-----	-----
TOTAL SHAREHOLDERS' EQUITY	2,553	2,398
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 6,224	\$ 5,816
	=====	=====

AIR PRODUCTS AND CHEMICALS, INC. AND SUBSIDIARIES

CONSOLIDATED INCOME

(In millions, except per share)

	Three Months Ended 31 March		Six Months Ended 31 March	
	1996	1995	1996	1995
SALES AND OTHER INCOME				
Sales	\$1,013	\$ 983	\$1,960	\$1,904
Other income, net	4	1	8	--
	-----	-----	-----	-----
	1,017	984	1,968	1,904
	-----	-----	-----	-----
COSTS AND EXPENSES				
Cost of sales	609	591	1,169	1,135
Selling, distribution, and administrative	231	215	451	421
Research and development	29	26	56	50
	-----	-----	-----	-----
OPERATING INCOME	148	152	292	298
Income from equity affiliates, net of related expenses	18	8	34	17
Gain on settlement of leveraged interest rate swaps	67	--	67	--
Interest expense	31	26	60	50
	-----	-----	-----	-----
INCOME BEFORE TAXES	202	134	333	265
Income taxes	67	46	109	90
	-----	-----	-----	-----
NET INCOME	\$ 135	\$ 88	\$ 224	\$ 175
	=====	=====	=====	=====
MONTHLY AVERAGE OF COMMON SHARES OUTSTANDING	--	--	112	112
	-----	-----	-----	-----
EARNINGS PER COMMON SHARE	\$ 1.21	\$.79	\$ 2.01	\$ 1.56
	=====	=====	=====	=====
DIVIDENDS DECLARED PER COMMON SHARE - Cash	\$.26	\$.25	\$.52	\$.49
	-----	-----	-----	-----

AIR PRODUCTS AND CHEMICALS, INC. AND SUBSIDIARIES

CONSOLIDATED CASH FLOWS

(In millions)

	Six Months Ended 31 March	
	----- 1996 -----	----- 1995 -----
OPERATING ACTIVITIES		
Net Income	\$ 224	\$ 175
Adjustments to reconcile income to cash provided by operating activities:		
Depreciation	200	183
Termination of liabilities for leveraged interest rate swaps	(62)	--
Deferred income taxes	34	27
Other	(4)	12
Working capital changes that provided (used) cash:		
Trade receivables	(30)	(59)
Inventories and contracts in progress	(41)	(11)
Payables, trade and other	(26)	(15)
Accrued income taxes	41	15
Other	(12)	(2)
Other	3	(15)
CASH PROVIDED BY OPERATING ACTIVITIES	----- 327 -----	----- 310 -----
INVESTING ACTIVITIES		
Additions to plant and equipment*	(444)	(384)
Investment in and advances to unconsolidated affiliates	(134)	(22)
Acquisitions, less cash acquired	(4)	--
Proceeds from sale of assets and investments	38	8
Other	(7)	(1)
CASH USED FOR INVESTING ACTIVITIES	----- (551) -----	----- (399) -----
FINANCING ACTIVITIES		
Long-term debt proceeds	160	181
Payments on long-term debt	(54)	(13)
Net increase in commercial paper	134	16
Net increase in other short-term borrowings	28	19
Issuance of Treasury Stock for stock options	4	7
Dividends paid to shareholders	(58)	(55)
Purchase of Treasury Stock	--	(95)
Other	5	19
CASH PROVIDED BY FINANCING ACTIVITIES	----- 219 -----	----- 79 -----
Effect of Exchange Rate Changes on Cash	--	4
	-----	-----
Decrease in Cash and Cash Items	(5)	(6)
Cash and Cash Items - Beginning of Year	87	100
	-----	-----
Cash and Cash Items - End of Period	\$ 82	\$ 94
	-----	-----

*Excludes capital leases of \$3 million and \$2 million for the six months ended 31 March 1996 and 1995, respectively.

AIR PRODUCTS AND CHEMICALS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

During the second quarter of 1996, the Company reached a \$67 million settlement with Bankers Trust Company over \$107 million in losses the Company reported in fiscal 1994 associated with leveraged interest rate swap contracts. The settlement included the termination of two previously closed contracts with Bankers Trust. Prior to the settlement there was an outstanding liability of \$62 million associated with these closed contracts. The results for the three and six months ended 31 March 1996 included a gain of \$67 million (\$41 million after tax, or \$.36 per share) from the settlement.

In April 1996, the Company announced its plan to divest its joint venture interest in a waste-to-energy business and commence a share repurchase program designed to acquire approximately 10 percent of its 112 million shares outstanding for financial reporting purposes.

AIR PRODUCTS AND CHEMICALS, INC. AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS

SECOND QUARTER FISCAL 1996 VS. SECOND QUARTER FISCAL 1995

RESULTS OF OPERATIONS

CONSOLIDATED

Sales in the second quarter of fiscal 1996 of \$1,013 million were 3% higher than in the same quarter of last year while operating income was down \$4 million, or 3%, to \$148 million. Equity affiliates' income increased \$10 million to \$18 million for the three months ended 31 March 1996. During the second quarter of fiscal 1996, the Company recognized a gain from the derivatives settlement with Bankers Trust Company of \$67 million (\$41 million after tax, or \$.36 per share). Reflecting this gain, net income was \$135 million, or \$1.21 per share, compared to net income of \$88 million, or \$.79 per share, in the year-ago quarter. Excluding the effect of this settlement, net income for the second quarter of fiscal 1996 would have been \$94 million, or \$.85 per share.

Industrial gases' operating income declined due primarily to lower margins. This was offset by the strong performance of European, Mexican, and Asian equity affiliates. Chemicals' operating income remained constant as broad-based margin improvement was offset by lower ammonia and methanol results. The equipment and services segment profits improved significantly.

SEGMENT ANALYSIS

INDUSTRIAL GASES - Sales of \$591 million in the second quarter of fiscal 1996 increased 8% due primarily to higher shipments of domestic merchant gases, especially hydrogen and argon. Domestic on-site business continued to show strong sales increases in hydrogen pipeline volumes, a direct result of new investment. Sales in Europe were up slightly reflecting volume growth in specialty gas and cylinders. The rate of worldwide merchant volume growth continued at the slower pace demonstrated in the first quarter. Merchant selling prices were up in the United States but declined in Europe from a year-ago quarter. European currency effects did not have a material impact on sales.

Operating income declined 9% to \$100 million reflecting lower margins. Lower margins were due to higher worldwide overhead costs associated with new business initiatives, higher depreciation expense caused by increased investment, lower than anticipated volume growth, and a number of unfavorable contract changes and expirations. European currency effects did not have a material effect on operating income.

Equity affiliates' income for the second quarter of fiscal 1996 was \$10 million compared to \$2 million in the prior year. Strong operating performances from joint ventures in Spain, Mexico, and Asia contributed to these higher results. Current year results reflected an increased ownership position in the Spanish affiliate, while the prior year results included a loss related to the peso devaluation in the Mexican investment.

CHEMICALS - Sales in the second quarter of fiscal 1996 decreased \$11 million to \$340 million while operating income was comparable to the prior year at \$53 million. A portion of the ammonia capacity was shut down in the second quarter of fiscal 1995 and converted to hydrogen production. This portion of ammonia capacity contributed \$10 million to trade sales and \$4 million to operating income in the second quarter of fiscal 1995. Excluding the prior year contribution from this ammonia capacity, sales were comparable and operating income was up \$4 million. Selling prices were higher in several major product lines while overall volumes declined. The increase in operating income was due principally to broad-based margin improvement. Partially offsetting these gains were lower volumes in the polymers product lines and lower methanol selling prices. The decline in volumes was mainly due to reduced export demand.

ENVIRONMENTAL AND ENERGY - Sales of \$16 million decreased \$1 million from the prior year while operating income remained at the break-even level.

Equity affiliates' income for the second quarter of fiscal 1996 increased \$2 million to \$8 million. These higher results reflected the settlement of a power contract dispute in the cogeneration business.

In April 1996, the Company announced its intention to sell its 50% interest in American Ref-Fuel, its waste-to-energy joint venture with Browning-Ferris Industries, Inc. This joint venture contributed \$6 million to equity affiliates' income in the second quarter of fiscal 1996.

EQUIPMENT AND SERVICES - Sales of \$66 million decreased \$3 million from the level of the prior year while operating income increased \$8 million to \$5 million. The improved profitability reflects a more profitable project mix and improved project performance.

CORPORATE AND OTHER - The net expense was \$10 million compared to \$8 million in the second quarter of the prior year. Corporate expenses increased due primarily to higher corporate general and administrative costs.

GAIN ON SETTLEMENT OF LEVERAGED INTEREST RATE SWAPS

The results for the three months ended 31 March 1996 included a gain of \$67 million (\$41 million after tax, or \$.36 per share) from the settlement with Bankers Trust Company over losses reported in fiscal 1994 associated with leveraged interest rate swap contracts.

INTEREST

Interest expense was \$31 million compared to \$26 million in the second quarter of fiscal 1995. The increase in expense was due primarily to a higher level of debt outstanding, partially offset by lower interest rates.

INCOME TAXES

Excluding the gain on settlement of leveraged interest rate swaps, the effective tax rate on income was 30% for the quarter ended 31 March 1996. The effective tax rate on income for the quarter ended 31 March 1995 was 34%. The decrease in the effective tax rate from 34% to 30% was due to higher equity affiliates' income and favorable tax adjustments.

RESULTS OF OPERATIONS

CONSOLIDATED

Sales in the first six months of fiscal 1996 of \$1,960 million were 3% higher than in the comparable period of the prior year while operating income was down \$6 million, or 2%, to \$292 million. Equity affiliates' income increased \$17 million to \$34 million for the six months ended 31 March 1996. During the second quarter of fiscal 1996, the Company recognized a gain from the derivatives settlement with Bankers Trust Company of \$67 million (\$41 million after tax, or \$.36 per share). Reflecting this gain, net income was \$224 million, or \$2.01 per share, for the first six months of fiscal 1996 compared to net income of \$175 million, or \$1.56 per share, for the comparable period last year. Excluding the effect of this settlement, net income for the first six months of fiscal 1996 would have been \$183 million, or \$1.65 per share.

Industrial gases' operating income declined due primarily to lower margins. This was offset by the strong performance of European, Mexican, and Asian equity affiliates. Chemicals' operating income remained constant as broad-based margin improvement was offset by lower ammonia and methanol results. The equipment and services segment profits improved significantly.

SEGMENT ANALYSIS

INDUSTRIAL GASES - Sales of \$1,142 million in the first six months of fiscal 1996 increased 7% due primarily to higher worldwide shipments of merchant and tonnage gases. However, the rate of volume growth has slowed from previous periods. European currency effects contributed almost 1% to the sales growth. Merchant selling prices were up in the United States but declined in Europe from the prior year.

Operating income declined 7% to \$203 million, reflecting lower margins. Lower margins were due to higher worldwide overhead costs associated with new business initiatives, higher depreciation expense caused by increased investment, lower U.S. liquid oxygen and nitrogen volumes, unfavorable contract changes and expirations, and tonnage customer outages. European currency effects increased operating income almost 1%.

Equity affiliates' income for the first six months of fiscal 1996 was \$19 million compared to \$4 million in the prior year. Strong operating performances from joint ventures in Spain, Mexico, and Asia contributed to these higher results. Current year results reflected an increased ownership position in the Spanish affiliate, while the prior year results included a loss related to the peso devaluation in the Mexican investment.

CHEMICALS - Sales in the first six months of fiscal 1996 decreased \$25 million to \$650 million while operating income was comparable to the prior year at \$102 million. A portion of the ammonia capacity was shut down in the second quarter of fiscal 1995 and converted to hydrogen production. This portion of ammonia capacity contributed \$25 million to trade sales and \$12 million to operating income in the first six months of fiscal 1995. Excluding the prior year contribution from this ammonia capacity, sales were comparable and operating income was up \$12 million. Selling prices were higher in several major product lines while overall volumes declined. The increase in operating income was due principally to broad-based margin improvement. Partially offsetting these gains were lower volumes in the polymers division and lower methanol selling prices. The decline in volumes was mainly due to reduced export demand.

ENVIRONMENTAL AND ENERGY - Sales of \$30 million decreased \$1 million from the first six months of fiscal 1996 while operating income declined slightly to a loss of \$1 million.

Equity affiliates' income for the first half of fiscal 1996 increased \$2 million to \$15 million. These higher results reflected the settlement of a power contract dispute in the cogeneration business.

In April 1996, the Company announced its intention to sell its 50% interest in American Ref-Fuel, its waste-to-energy joint venture with Browning-Ferris Industries, Inc. This joint venture contributed \$10 million to equity affiliates' income in the first six months of fiscal 1996.

EQUIPMENT AND SERVICES - Sales of \$138 million increased \$11 million from the level of the prior year while operating income increased \$13 million to \$9 million. This year's results reflected a more profitable project mix, a higher level of activity, and improved project performance. Sales backlog for the equipment product line improved to \$358 million at 31 March 1996 compared to \$198 million at 30 September 1995, due to new orders for natural gas liquefaction equipment and European equipment contracts.

CORPORATE AND OTHER - The net expense was \$21 million compared to \$19 million in the first six months of the prior year. Corporate expenses increased due primarily to higher corporate general and administrative costs.

GAIN ON SETTLEMENT OF LEVERAGED INTEREST RATE SWAPS

The results for the six months ended 31 March 1996 included a gain of \$67 million (\$41 million after tax, or \$.36 per share) from the settlement with Bankers Trust Company over losses reported in fiscal 1994 associated with leveraged interest rate swap contracts.

INTEREST

Interest expense was \$60 million compared to \$50 million in the first six months of fiscal 1995. The increase in expense was due primarily to a higher level of debt outstanding, partially offset by lower interest rates.

INCOME TAXES

Excluding the gain on settlement of leveraged interest rate swaps, the effective tax rate on income was 31% for the six months ended 31 March 1996. The effective tax rate on income for the six months ended 31 March 1995 was 34%. The decrease in the effective tax rate from 34% to 31% was due to higher equity affiliates' income and favorable tax adjustments.

LIQUIDITY AND CAPITAL RESOURCES

The Company's senior debt was rated A+ by Standard & Poor's Corporation (S&P) and A1 by Moody's Investors Service Inc. (Moody's) at 30 September 1995. The Company's commercial paper was rated A-1 by S&P and P-1 by Moody's at 30 September 1995. In April 1996, the Company announced its plan to repurchase approximately 10% of its outstanding shares. This share repurchase program will be financed through increased borrowings and proceeds from the sale of the investment in American Ref-Fuel. Subsequent to this announcement, the Company's senior debt rating was reduced to A by S&P and A2 by Moody's. The commercial paper rating remains at A-1/P-1.

Capital expenditures during the first six months of fiscal 1996 totaled \$585 million compared to \$408 million in the corresponding period of the prior year. Additions to plant and equipment increased from \$384 million during the first half of 1995 to \$444 million during the current period mainly due to additions for the industrial gas business. Investments in unconsolidated affiliates were \$134 million during the first six months of fiscal 1996 versus \$22 million last year. During the first quarter of fiscal 1996, the Company acquired an additional 21.5% of the outstanding shares of a Spanish affiliate at a cost of \$120 million. Capital expenditures for plant and equipment and investment in unconsolidated affiliates for all of fiscal 1996 are expected to be approximately \$1.2 billion, reflecting a higher level of spending on plant and equipment in support of growth in the worldwide industrial gases business.

Cash provided by operating activities during the first six months of fiscal 1996 (\$327 million) combined with cash provided from debt financing (\$322 million) and proceeds from the sale of assets and investments (\$38 million) were used largely for capital expenditures (\$585 million), long-term debt repayments (\$54 million), and cash dividends (\$58 million). Cash and cash items decreased \$5 million from \$87 million at the beginning of the fiscal year to \$82 million at 31 March 1996.

Total debt at 31 March 1996 and 30 September 1995, expressed as a percentage of the sum of total debt and shareholders' equity, was 43% and 41%, respectively. Total debt increased from \$1,681 million at 30 September 1995 to \$1,943 million at 31 March 1996. During the first quarter of fiscal 1996, the Company issued \$125 million of 6.6% medium-term notes due in fiscal 2008 to finance the acquisition of additional shares in a Spanish affiliate. In the second quarter of fiscal 1996, the Company issued \$31 million of 6.25% medium-term notes due in fiscal 2011. During the first six months of fiscal 1996, the net increase in commercial paper was \$134 million.

There was \$462 million of commercial paper outstanding at 31 March 1996. In January 1996, the Company entered into a \$600 million committed, multi-currency, syndicated credit facility, which was unutilized at 31 March 1996. Additional commitments totaling \$16 million are maintained by the Company's foreign subsidiaries, of which \$3 million was utilized at 31 March 1996.

At 31 March 1996 the Company had an unutilized shelf registration for \$214 million of medium-term notes. Subsequent to 31 March 1996, a portion of this shelf registration was utilized when the Company issued \$125 million of 7-1/4% medium-term notes due 2016.

Interest rate swap agreements are used to reduce interest rate risks and costs inherent in the Company's debt portfolio. The Company enters into these agreements to change the fixed/variable interest rate mix of the debt portfolio to reduce the Company's aggregate risk to movements in interest rates. Accordingly, the Company enters into agreements to effectively convert variable-rate debt to fixed-rate debt to reduce the Company's risk of incurring higher interest costs due to rising interest rates. The Company will also enter into agreements to effectively convert its fixed-rate debt to variable-rate debt which is principally indexed to LIBOR rates to reduce interest costs in periods of falling interest rates. The Company has also entered into interest rate swap contracts to effectively convert the stated variable interest rates on \$60 million of medium-term notes to an average variable interest rate slightly above the three-month U.S. dollar LIBOR rate.

The notional principal and fair value of interest rate swap agreements at 31 March 1996 and 30 September 1995 were as follows:

(millions of dollars)

	31 March 1996		30 September 1995	
	Notional Amount	Fair Value Gain (Loss)	Notional Amount	Fair Value Gain (Loss)
Fixed to Variable	\$160	\$ 1	\$313	\$ (6)
Variable to Fixed	53	(1)	105	(4)
Variable to Variable	60	21	70	11
Total	\$273	\$ 21	\$488	\$ 1

The Company is also party to interest rate and currency swap contracts. These contracts effectively convert the currency denomination of a debt instrument into another currency in which the Company has a net equity position while changing the interest rate characteristics of the instrument. The notional principal of interest rate and currency swap agreements outstanding at 31 March 1996 was \$270 million. The fair value of the agreements was a loss of \$10 million, of which \$6 million has not been recognized in the financial statements. As of 30 September 1995 interest rate and currency swap agreements were outstanding with a notional principal amount and fair value of \$86 million and a loss of \$11 million, respectively. During the first quarter of fiscal 1996, the Company entered into interest rate and currency swap agreements to effectively convert \$120 million of the \$125 million of 6.6% medium-term notes into Spanish peseta liabilities with maturities of three to ten years. In the second quarter of fiscal 1996, the Company entered into forward starting interest rate and currency swap agreements which will, in October 1996, effectively convert \$64 million of U.S. dollar liabilities into Spanish peseta liabilities with maturities of three to five years.

The estimated fair value of the Company's long-term debt, including current portion, as of 31 March 1996 was \$1,601 million compared to a book value of \$1,520 million. As of 30 September 1995, the estimated fair value was \$1,454 as compared to a book value of \$1,367.

PART II. OTHER INFORMATION

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY-HOLDERS

- (a) The Annual Meeting of Shareholders of the registrant was held on 25 January 1996.
- (c) The following matters were voted on at the Annual Meeting:
- (1) Election of Directors

NAME OF DIRECTOR	NUMBER OF VOTES CAST			
	FOR	AGAINST OR WITHHELD	ABSTENTIONS	BROKER NON-VOTES
R. CIZIK	100,621,233	1,049,802	0	0
R. M. DAVIS	100,336,823	1,334,212	0	0
T. R. LAUTENBACH	100,558,049	1,112,986	0	0
R. F. M. LUBBERS	100,562,962	1,108,073	0	0

- (2) Ratification of the appointment of Arthur Andersen LLP of Philadelphia, Pennsylvania, as independent certified public accountants for the registrant for the fiscal year ending 30 September 1996.

NUMBER OF VOTES CAST			
FOR	AGAINST OR WITHHELD	ABSTENTIONS	BROKER NON-VOTES
100,843,008	445,923	382,104	0

- (3) Approval to amend the Company's Restated Certificate of Incorporation to increase the number of shares of common stock authorized to be issued from 150,000,000 shares to 300,000,000 shares.

 NUMBER OF VOTES CAST

FOR	AGAINST OR WITHHELD	ABSTENTIONS	BROKER NON-VOTES
90,944,987	9,341,042	1,385,006	0

- (4) Approval of 1997 Amendments to the Company's 1990 Long-Term Incentive Plan.

 NUMBER OF VOTES CAST

FOR	AGAINST OR WITHHELD	ABSTENTIONS	BROKER NON-VOTES
81,420,627	18,036,928	2,213,480	0

- (5) Approval of IRC Section 162(m) Amendments to the Company's 1990 Long-Term Incentive Plan.

 NUMBER OF VOTES CAST

FOR	AGAINST OR WITHHELD	ABSTENTIONS	BROKER NON-VOTES
94,807,777	4,613,558	2,249,700	0

- (6) Approval of IRC Section 162(m) Annual Incentive Plan Terms.

 NUMBER OF VOTES CAST

FOR	AGAINST OR WITHHELD	ABSTENTIONS	BROKER NON-VOTES
95,422,369	4,070,115	2,178,551	0

- (a)(12) Computation of Ratios of Earnings to Fixed Charges.
- (a)(27) Financial Data Schedule, which is submitted electronically to the Securities and Exchange Commission for information only, and not filed.
- (b) A Current Report on Form 8-K dated 24 January 1996 was filed by the registrant during the quarter ended 31 March 1996 in which Item 5 of such form was reported.

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)

Date: May 14, 1996

By: /s/ A. H. Kaplan

A. H. Kaplan
Vice President - Finance
(Chief Financial Officer)

INDEX TO EXHIBITS

(a)(12) Computation of Ratios of Earnings to Fixed Charges.

(a)(27) Financial Data Schedule, which is submitted electronically to the Securities and Exchange Commission for information only, and not filed.

AIR PRODUCTS AND CHEMICALS, INC., AND SUBSIDIARIES

COMPUTATION OF RATIOS OF EARNINGS TO FIXED CHARGES
(Unaudited)

	Year Ended 30 September					Six Months Ended 31 March
	1991	1992	1993	1994	1995	1996
(Millions of dollars)						
EARNINGS:						
Income before extraordinary item and the cumulative effect of accounting changes:	\$249	\$277	\$201	\$234	\$368	\$224
Add (deduct):						
Provision for income taxes	114	131	103	95	186	109
Fixed charges, excluding capitalized interest	122	133	127	127	148	85
Capitalized interest amortized during the period	7	8	8	8	9	4
Undistributed earnings of less-than-fifty-percent-owned affiliates	(9)	(13)	(8)	(3)	(25)	(17)
Earnings, as adjusted	\$483	\$536	\$431	\$461	\$686	\$405
FIXED CHARGES:						
Interest on indebtedness, including capital lease obligations	\$113	\$125	\$118	\$118	\$139	\$ 79
Capitalized interest	29	4	6	10	18	10
Amortization of debt discount premium and expense	2	1	1	1	--	1
Portion of rents under operating leases representative of the interest factor	7	7	8	8	9	5
Fixed charges	\$151	\$137	\$133	\$137	\$166	\$ 95
RATIO OF EARNINGS TO FIXED CHARGES:	3.2	3.9	3.2	3.4	4.1	4.3

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED STATEMENT OF INCOME FILED AS PART OF FORM 10-Q AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FORM 10-Q.

1,000,000

6-MOS	SEP-30-1996	OCT-01-1995	MAR-31-1996
			82
		0	
		664	
		15	
		383	
	1,372		7,691
		3,982	
		6,224	
	1,268		1,495
	0		0
			125
		2,428	
6,224			1,960
	1,960		1,169
		1,169	
		56	
		3	
	60		
		333	
		109	
224		0	
		0	
			0
		224	
		2.01	
		2.01	