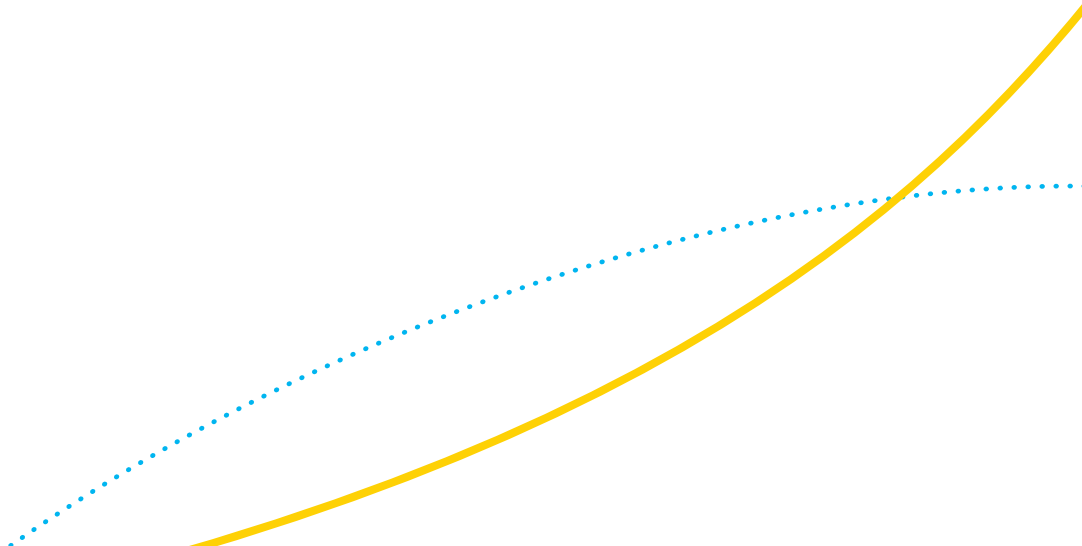




2014 ANNUAL REPORT



On the cover

Air Products offers industrial gases in a range of supply options: packaged gases, liquid bulk, on-site gas generation systems, tonnage plants, and pipeline systems. The most cost-efficient supply options for customers are determined by their applications and geographic locations.

Our businesses in 2014

Merchant Gases

The Merchant Gases segment supplies atmospheric gases; process gases, such as hydrogen and carbon dioxide; specialty gases; temporary gas supply services; and equipment. Industries served include metals, glass, rubber and plastics, pulp and paper, electronics, chemical processing, food and beverage, healthcare, and petroleum and natural gas. Most products are delivered in bulk (in liquid or gaseous form) by tanker or tube trailer. For smaller quantities, Air Products offers packaged gases, delivering products in either cylinders or dewars. For larger customers, Air Products' proprietary cryogenic and noncryogenic on-site gas generators supply product by either a sale of gas contract or sale of equipment.

Sales of \$4.3 billion from Merchant Gases contributed 41% of total sales in fiscal year 2014.

Tonnage Gases, Equipment and Energy

The Tonnage Gases segment supplies large volumes of industrial gases for energy production, petroleum refining, oil and gas recovery and processing, chemicals, and metallurgical industries worldwide. These include hydrogen, synthesis gas, carbon monoxide, oxygen, and nitrogen. Gases are produced adjacent to customers' facilities or transported by pipeline systems from centrally located plants. In the Equipment and Energy segment, the company designs and manufactures cryogenic equipment for air separation, hydrocarbon recovery and purification, natural gas liquefaction (LNG), and helium distribution while serving energy markets in a variety of ways.

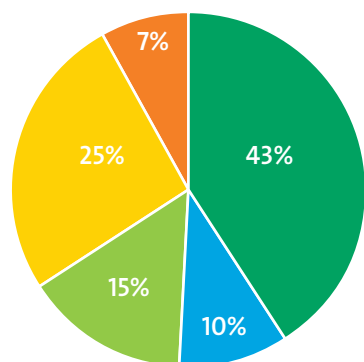
Sales of \$3.7 billion from Tonnage Gases, Equipment and Energy contributed 36% of total sales in fiscal year 2014.

Electronics and Performance Materials

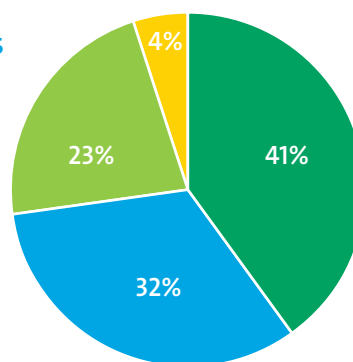
Air Products' Electronics business employs applications technology to provide solutions to power the digital world. The company supplies high-purity process gases (critical for core applications), advanced materials, and equipment primarily for the manufacture of silicon and compound semiconductors and thin film transistor liquid crystal displays (LCD). Products are distributed through various supply chain methods, including bulk delivery systems, or by pipeline systems from centrally located plants. In the Performance Materials business, expertise in surface chemistry and knowledge in chemical synthesis are being put to work to develop better-performing products and eco-friendly formulations for a broad range of industries. These include coatings, inks, adhesives, civil engineering, industrial cleaning, personal care, mining, and polyurethanes.

Sales of \$2.4 billion from Electronics and Performance Materials contributed 23% of total sales in fiscal year 2014.

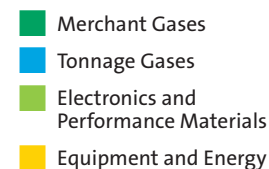
Financial highlights



Consolidated sales by destination



Consolidated sales by business segment

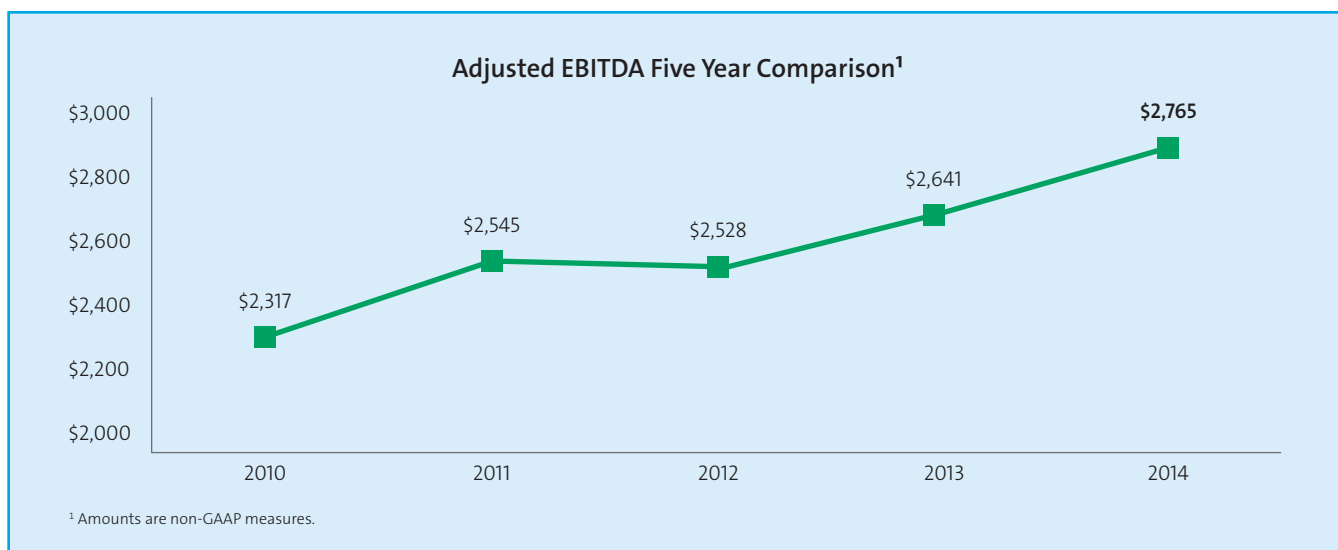


| Millions of dollars, except per share | 2014 | 2013 | Change |
|---|----------|----------|----------|
| FOR THE YEAR | | | |
| Sales | \$10,439 | \$10,180 | 3% |
| Operating income ^(A) | 1,657 | 1,566 | 6% |
| Net income from continuing operations attributable to Air Products ^(A) | 1,243 | 1,169 | 6% |
| Adjusted EBITDA ^(A) | 2,765 | 2,641 | 5% |
| Capital expenditures ^(A) | 1,885 | 1,997 | (6%) |
| Return on capital employed (ROCE) ^(B) | 9.8% | 10.1% | (30 bp) |
| Return on average Air Products shareholders' equity ^(B) | 16.9% | 17.9% | (100 bp) |
| Operating margin ^(A) | 15.9% | 15.4% | 50 bp |
| PER SHARE DOLLARS | | | |
| Diluted earnings ^(A) | \$ 5.78 | \$ 5.50 | 5% |
| Dividends | 3.02 | 2.77 | 9% |
| Book value | 34.49 | 33.35 | 3% |
| AT YEAR END | | | |
| Air Products shareholders' equity | \$ 7,366 | \$ 7,042 | |
| Shares outstanding (in millions) | 214 | 211 | |
| Shareholders | 6,600 | 7,000 | |
| Employees ^(C) | 21,200 | 21,600 | |

(A) Amounts are non-GAAP measures. See reconciliation to GAAP results within Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, of the accompanying Form 10-K.

(B) Amounts are non-GAAP measures. See pages III and IV for reconciliation to GAAP results.

(C) Includes full- and part-time employees from continuing and discontinued operations.



Non-GAAP measures

Return on capital employed (ROCE)

ROCE is calculated as earnings after-tax divided by five-quarter average total capital. Earnings after-tax is defined as operating income and equity affiliates' income, after tax, at our quarterly effective tax rate. On a non-GAAP basis, operating income and

taxes have been adjusted for the impact of the disclosed items detailed below. Total capital consists of total debt, total equity, and redeemable noncontrolling interest.

| | 2014 | 2013 |
|---|-------------------|-------------------|
| Earnings before-tax GAAP | \$ 1,479.6 | \$ 1,492.2 |
| Business restructuring and cost reduction actions | 12.7 | 231.6 |
| Pension settlement loss | 5.5 | — |
| Goodwill and intangible asset impairment charge | 310.1 | — |
| Advisory costs | — | 10.1 |
| Earnings Before-Tax Non-GAAP | \$ 1,807.9 | \$ 1,733.9 |
| Non-GAAP tax adjustment | 434.8 | 419.7 |
| Earnings After-Tax Non-GAAP | \$ 1,373.1 | \$ 1,314.2 |

| | 2014 | 2013 | Basis Point Change |
|------------------------------------|-------------|-------------|--------------------|
| Earnings after-tax GAAP | \$ 1,076.0 | \$ 1,153.4 | |
| Five-quarter average total capital | 14,019.4 | 13,024.9 | |
| ROCE GAAP | 7.7% | 8.9% | (120) |

| | 2014 | 2013 | Basis Point Change |
|------------------------------------|-------------|--------------|--------------------|
| Earnings after-tax non-GAAP | \$ 1,373.1 | \$ 1,314.2 | |
| Five-quarter average total capital | 14,019.4 | 13,024.9 | |
| ROCE Non-GAAP | 9.8% | 10.1% | (30) |

Non-GAAP measures

Return on Air Products shareholders' equity

Return on Air Products shareholders' equity is calculated using income from continuing operations attributable to Air Products divided by five-quarter average Air Products shareholders' equity.

On a non-GAAP basis, income from continuing operations attributable to Air Products has been adjusted for the impact of the disclosed items detailed below.

| | 2014 | 2013 | 2012 |
|---|-------------------|------------|------------|
| Five-quarter average Air Products shareholders' equity | \$7,347.9 | \$6,545.0 | \$6,191.7 |
| Income from Continuing Operations – GAAP | \$ 987.1 | \$1,004.2 | \$ 999.2 |
| Business restructuring and cost reductions plans | 8.2 | 157.9 | 222.4 |
| Pension settlement loss | 3.6 | — | — |
| Goodwill and intangible asset impairment charge | 275.1 | — | — |
| Chilean tax rate change | 20.6 | — | — |
| Tax election benefit | (51.6) | — | — |
| Advisory costs | — | 6.4 | — |
| Customer bankruptcy | — | — | 6.1 |
| Gain on previously held equity interest | — | — | (54.6) |
| Q1 Spanish tax settlement | — | — | 43.8 |
| Q2 Spanish tax ruling | — | — | (58.3) |
| Income from Continuing Operations – Non-GAAP | \$ 1,243.0 | \$ 1,168.5 | \$ 1,158.6 |
| Return on Air Products Shareholders' Equity – GAAP | 13.4% | 15.3% | 16.1% |
| Return on Air Products Shareholders' Equity – Non-GAAP | 16.9% | 17.9% | 18.7% |

To our shareholders

Dear Fellow Shareholders,

I have known Air Products for the last 35 years. For 18 of those years, I followed the company as a competitor when I worked for another global industrial gas company. And for the last 17 years, as a chemical company CEO, I continued to observe developments at Air Products with great interest.

So, in June 2014, when the Board offered me the opportunity and honor to become Air Products' Chairman, President and CEO, I was already aware of the following facts:

- The global industrial gases business is fundamentally an excellent business to be in. There are plenty of opportunities for steady growth; it is stable during economic recessions; and the industry provides unique products that are absolutely essential to customers' operations.
- Air Products was the most profitable industrial gas company in the world 20 years ago, with an outstanding reputation for safety.
- Air Products has excellent and unique technologies.
- And most important, Air Products has very talented, dedicated, and committed people who are eager to move forward.

Knowing this, I enthusiastically accepted the Board's offer and started work on July 1st, 2014. Now that I have been part of the team for the last five months, and having had the opportunity to meet more than 4,500 of our people in small groups of 50–60, I am convinced, more than ever, that Air Products has what it takes to once again become the safest and most profitable industrial gas company in the world. **That is our goal.**

You can see our FY 2014 performance in the detailed report that follows this letter. But our focus now is on the next steps to move our company **forward.**

Our Mission

Our mission at Air Products is to be a thriving and profitable commercial enterprise to create value for our shareholders. The only way to serve our customers with excellence, develop and reward our employees, and support our communities is to have a profitable company with satisfied shareholders.

Our Goal

To fulfill our mission, we have set the following goal:

“Air Products will be the **safest** and **most profitable** industrial gas company in the world, providing excellent service to our customers.”

All of our efforts, strategic or tactical, long-term or short-term, will be focused on achieving this goal.

Our Management Principles

In managing Air Products, we will be guided by the following key principles:

- Cash is king. We will focus on generating cash, and our incentive system will be based on EBITDA.
- In the long term, what creates value for our shareholders is the increase in **per share value** of our stock, not EPS or growth rate.
- Capital allocation is the most important job of any CEO.
- Decentralized organizations promote entrepreneurial spirit, reduce costs, and help decrease corporate politics.
- We will nurture core values such as integrity, respect, and innovation, which are at the heart of every successful enterprise.

Our Five Point Plan

I have, through many presentations to our people and at industry conferences, articulated our road map to achieve our goal:

1 Focus on the core

We consider industrial gases to be our core business. Our key competencies are in this sector. We will follow the key principles of an integrated gas model and enhance our strategic position in areas and geographies where we have a meaningful position.

2 Restructure the company

We have restructured the company with the drive for an agile, fast-moving, empowered, entrepreneurial, and regionally focused organization. This will allow us to create profit and loss centers at many levels and enhance focus on profitability, increase efficiency, and lower corporate costs at the center.

3 Company culture

I have always believed that the culture of the company is a key element of success. No matter how brilliant the strategy, it must be executed by every employee in the company. Therefore, the fundamental culture of the enterprise and the commitment and motivation of our people will determine our success. We will relentlessly promote the following key principles at Air Products:

“The only acceptable goal is **zero accidents and incidents.**”

- **Safety** – The only acceptable goal is zero accidents and incidents. All accidents are preventable. Everyone is responsible and accountable for safety at Air Products.
- **Simplicity** – We will constantly endeavor to simplify our organization and work processes. This is essential to improve productivity and enhance our ability to serve our customers. We will focus on not only doing things right, but also doing the right things. We will eliminate unnecessary work so that we have time and energy to do what's necessary.
- **Speed** – We believe speed of execution is a key competitive advantage.
- **Self-confidence** – As a team, we believe we have the capability and the capacity to be the best in the industry.

4 Cost and capital

We are committed to eliminate waste and control our costs at every level of the organization. We will only invest our hard-earned cash on projects that produce returns that increase shareholder value. We will not spend capital for the sake of showing growth or increasing the size of the company.

5 Rewards and compensation

Our annual bonus will be based on EBITDA performance against specific goals for our decentralized business units. Our long-term incentive plan will be fully aligned with value creation for our shareholders. The details of these programs are in our proxy statement.

We are well on our way to implementing this plan. I look forward to reporting our progress in my letter to you next year.

Maintaining a safe workplace is a
fundamental and moral responsibility

Profitability measures:

EBITDA
as a percent
of sales

**Operating
Profit**
as a percent
of sales

**Return
on Capital**

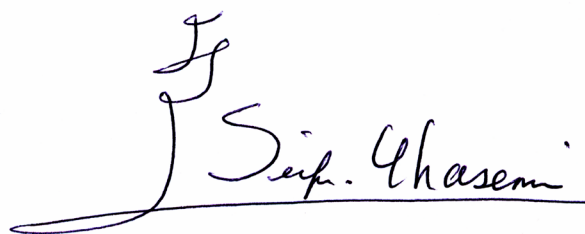
Acknowledgments

I want to close by thanking those who have supported us throughout the year and helped us achieve our success.

To our customers . . . We thank you for giving us your business. At the end of the day, we recognize that Air Products could not exist without your confidence and support. That is why we strive to provide you with the solutions and innovations that you need to be successful. Your success is our success. Providing excellent service to you, our customers, remains the foundation of all we are aiming to achieve as we transform our company.

To our employees . . . I want to thank everyone at Air Products for your commitment to excellence, dedication, collaboration, and hard work. The collective success of Air Products depends on each one of our people doing his or her job in the best possible way. I know that our people are committed to making Air Products successful, and that is the main reason I am optimistic about the future of our company.

To our shareholders . . . Thank you for your confidence and investment in our company. We are focused on **creating shareholder value**—that is our priority at Air Products.



Seifi Ghasemi
Chairman, President and Chief Executive Officer

Board of Directors

Susan K. Carter

Senior Vice President and Chief Financial Officer of Ingersoll-Rand plc.
Director of the Company since 2011.

William L. Davis, III

Retired Chairman, President, and Chief Executive Officer of R.R. Donnelley and Sons Company.
Director of the Company since 2005.

Chadwick C. (Chad) Deaton

(Lead Director)
Retired Chairman and Chief Executive Officer of Baker Hughes Incorporated.
Director of the Company since 2010.

W. Douglas Ford

Retired Chief Executive, Refining and Marketing, of BP Amoco plc. ("BP").
Director of the Company since 2003.

Seifi Ghasemi

Chairman, President and Chief Executive Officer of the Company.
Director of the Company since 2013.

Evert Henkes

Former Chief Executive Officer of Shell Chemicals Ltd.
Director of the Company since 2006.

David H. Y. Ho

Chairman and Founder of Kiina Investment Ltd.
Director of the Company since 2013.

Margaret G. McGlynn

President and Chief Executive Officer, International AIDS Vaccine Initiative.
Director of the Company since 2005.

Edward L. Monser

President and Chief Operating Officer of Emerson Electric Co.
Director of the Company since 2013.

Matthew H. Paull

Former Senior Executive Vice President and Chief Financial Officer of McDonald's Corporation.
Director of the Company since 2013.

Lawrence S. Smith

Former Executive Vice President and Chief Financial Officer of Comcast Corporation.
Director of the Company since 2004.

Executive Officers

Seifi Ghasemi

Chairman, President and Chief Executive Officer

M. Scott Crocco

Senior Vice President and Chief Financial Officer

Guillermo Novo

Executive Vice President
Materials Technologies

Corning F. Painter

Executive Vice President
Industrial Gases

John D. Stanley

Senior Vice President, General Counsel and Chief Administrative Officer

For more information about corporate governance practices at Air Products, visit our Governance website at www.airproducts.com/company/governance.

Shareholders' information

Common stock information

Ticker Symbol: APD

Exchange Listing: New York Stock Exchange

Transfer Agent and Registrar:

American Stock Transfer and Trust Company

6201 15th Ave., Brooklyn, NY 11219

Telephone: 800-937-5449

Internet: www.amstock.com

Publications for shareholders

In addition to this Annual Report on Form 10-K for the fiscal year ended September 30, 2014, Air Products informs shareholders about Company news through:

Notice of Annual Meeting and Proxy Statement—made available to shareholders in mid-December and posted to the Company's website at www.airproducts.com/annualmeetingmaterials.

Earnings information—shareholders and investors can obtain copies of earnings releases, Annual Reports, 10-Ks and news releases by visiting www.airproducts.com/investors/overview. Shareholders and investors can also register for e-mail updates at that website.

Dividend policy

Dividends on Air Products' common stock are declared by the Board of Directors and, when declared, usually will be paid during the sixth week after the close of the fiscal quarter. It is the Company's objective to pay dividends consistent with the reinvestment of earnings necessary for long-term growth.

Direct investment program

Current shareholders and new investors can conveniently and economically purchase shares of Air Products' common stock and reinvest cash dividends through American Stock Transfer and Trust Company. Registered shareholders can purchase shares on American Stock Transfer and Trust's website, www.astinvestor.com. New investors can obtain information on the website or by calling 877-322-4941 or 718-921-8200.

Annual meeting

The annual meeting of shareholders will be held on Thursday, January 22, 2015.

Terminology

The term Air Products and Chemicals, Inc., as used in this Report, refers solely to the Delaware corporation of that name. The use of such terms as Air Products, Company, division, organization, we, us, our, and its, when referring to either Air Products and Chemicals, Inc. and its consolidated subsidiaries or to its subsidiaries and affiliates, either individually or collectively, is only for convenience and is not intended to describe legal relationships. Significant subsidiaries are listed as an exhibit to the Form 10-K Report filed by Air Products and Chemicals, Inc. with the Securities and Exchange Commission. Groups, divisions or other business segments of Air Products and Chemicals, Inc. described in this Report are not corporate entities.

Annual certifications

The most recent certifications by our Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 are filed as exhibits to our Form 10-K. We have also filed with the New York Stock Exchange the most recent Annual CEO Certification as required by Section 303A.12(a) of the New York Stock Exchange Listed Company Manual.

Additional information

The forward-looking statements contained in this Report are qualified by reference to the section entitled "Forward-Looking Statements" on page 45 of the Form 10-K section.

For more information,
please contact us at:

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F 610-481-5900

Corporate Secretary's Office

Mary Afflerbach, Corporate Secretary
and Chief Governance Officer
T 610-481-2297

Investor Relations Office

Simon Moore, Director
T 610-481-5775



tell me more
airproducts.com

