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AIR PRODUCTS & CHEMICALS INC /DE/
Form 8-K
October 25, 2002

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) 24 October 2002

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.

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AIR PRODUCTS REPORTS FOURTH QUARTER EARNINGS PER SHARE OF 65 CENTS

LEHIGH VALLEY, Pa. (October 24, 2002) - Air Products (NYSE:APD) today reported net income of \$144 million, or diluted earnings per share (EPS) of \$.65 for its fourth fiscal quarter ended September 30, 2002. Net income increased 40 percent and diluted EPS was up 38 percent compared with prior year net income of \$103 million and \$.47 per share. Excluding special items in the prior year quarter, net income and diluted EPS increased eight percent.

Diluted EPS was up two cents from the prior quarter, one cent ahead of the company's guidance.

Quarter revenues of \$1.4 billion were flat compared with the prior year. Excluding acquisitions, divestitures and currency effects, underlying sales decreased three percent versus the prior year quarter, reflecting softer volumes in the company's North American merchant gases, lower equipment sales in the global electronics businesses, and lower prices in certain chemicals product lines. Revenues increased two percent sequentially.

Commenting on the quarter, John P. Jones, Air Products' Chairman and Chief Executive Officer, said, "We performed well in the face of slower than expected growth in worldwide manufacturing activity. In this environment, we continued to control our costs while building on our strategic positions in key growth markets. We took a major step forward in building our leading Asian electronics position by acquiring a controlling interest in San Fu Chemical Company, Ltd., our Taiwanese affiliate. We also signed new business in the Gulf Coast with Murphy Oil USA, Inc., expanding our leading market position in the supply of refinery hydrogen for clean fuels. And we introduced Airflex(R) EF811, a new, environmentally-friendly emulsion polymer, which we believe will be a breakthrough for the coatings industry."

The following discussion excludes special items recorded in the fourth fiscal quarter of 2001.

In the Industrial Gases segment, sales of \$967 million increased one percent versus the prior year. Excluding acquisitions, divestitures and currency effects, sales declined two percent. Operating income was down one percent versus the prior year, with favorable currency and acquisitions and divestitures offset by a one-time electronics equipment sale gain in the prior year and lower North American merchant gas volumes.

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Sequentially, gases revenues were up six percent and operating income was up four percent, as lower electronics results were more than offset by currency, acquisitions, lower maintenance costs and fourth quarter operating performance bonuses in the company's hydrogen business.

In the Chemicals segment, sales of \$359 million decreased one percent and operating income of \$42 million increased two percent versus the prior year. Excluding currency effects, sales decreased three percent. Year-on-year cost improvements and modest volume increases more than offset margin erosion in certain product lines.

Sequentially, chemicals revenues were down seven percent and operating income was down 12 percent. Lower plant costs were more than offset by lower volumes in the company's intermediates business, principally due to weaker sales to herbicide markets and customer outages.

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Equipment sales were down one percent versus the prior year. Operating income was nearly double as a result of favorable cost performance and higher helium container shipments.

For fiscal 2002, Air Products' sales of \$5.4 billion were down eight percent and net income of \$519 million was flat compared with the prior year. Full year diluted EPS was \$2.36, or \$2.33 exclusive of special items.

Commenting on the year, Mr. Jones said, "We outperformed the S&P 500 for a second year in a row, a testament to our portfolio management actions, commitment to improving return on capital, and our focused business execution. On the portfolio management front, in addition to the acquisition of San Fu, we improved our business mix by divesting our U.S. packaged gases business. And on October 1st, we completed the acquisition of American Homecare Supply, marking our entry in to the U.S. respiratory homecare market. Most importantly, our employees set many records this year in safety and global environmental performance," he said.

"As was the case last year at this time, continued uncertainty in manufacturing growth forecasts requires that we provide a range of \$2.40 to \$2.60 for our fiscal year 2003 EPS guidance, up between three and 12 percent from our 2002 result," Mr. Jones said. "This range reflects no growth to modest growth in U.S. manufacturing production."

Mr. Jones added that Air Products expects fiscal first quarter EPS in the range of 58 to 62 cents, which includes the effects of first quarter seasonality and continued weakening in the electronics markets.

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***NOTE: The forward-looking statements contained in this release are based on current expectations regarding important risk factors. Actual results may differ materially from those expressed. Factors that might cause forward-looking statements to differ materially from actual results include, among other things, overall economic and business conditions and demand for Air Products' goods and services during that time; competitive factors in the industries in which it competes; interruption in ordinary sources of supply; the ability to recover increased energy and raw material costs from customers; spikes in the pricing of natural gas; changes in government regulations; consequences of acts of terrorism impacting the United States' and other markets; the success of implementing cost reduction programs; the timing, impact and other uncertainties of future acquisitions or divestitures; significant fluctuations in interest rates and foreign currencies; the impact of tax and other legislation and regulations in jurisdictions in which Air Products and its affiliates operate; and the timing and rate at which tax credits can be utilized.

Please review the attached financial tables, including the Summary of Consolidated Financial Information:

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AIR PRODUCTS AND CHEMICALS, INC.
SUMMARY OF CONSOLIDATED FINANCIAL INFORMATION

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(Unaudited)

(Millions of dollars, except per share)

	Three Months Ended 30 September		Twelve Months 30 September
	2002	2001	2002
Sales	\$1,398.0	\$1,396.6	\$5,401.2
Net Income:			
As reported	\$144.3	\$103.1	\$525.4
Exclusive of special items	\$144.3	\$133.1 (b)	\$518.6 (a)
Basic Earnings Per Share:			
As reported	\$.66	\$.48	\$2.42
Exclusive of special items	\$.66	\$.62	\$2.39
Diluted Earnings Per Share:			
As reported	\$.65	\$.47	\$2.36
Exclusive of special items	\$.65	\$.60 (b)	\$2.33 (a)
Operating Return on Net Assets			10.6%
Capital Expenditures			\$800.6
Depreciation	\$157.1	\$139.4	\$581.0

(a) Excluded an after-tax gain of \$25.7, or \$.12 per share, on the sale of U.S. packaged gas business and an after-tax charge of \$18.9, or \$.09 per share, for a global cost reduction plan.

(b) Excluded an after-tax charge of \$47.3, or \$.21 per share, for a global cost reduction plan, an after-tax loss of \$47.3, or \$.21 per share, on the early retirement of debt, and an after-tax gain of \$64.6, or \$.29 per share, on the divestiture of interest in cogeneration facilities.

(c) Excluded an after-tax charge of \$67.3, or \$.31 per share, for a global cost reduction plan, an after-tax charge of \$3.7, or \$.02 per share, for costs related to a litigation settlement, an after-tax loss of \$47.3, or \$.21 per share, on the early retirement of debt, and an after-tax gain of \$64.6, or \$.29 per share, on the divestiture of interest in cogeneration facilities.

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

(Millions of dollars, except per share)

	Three Months Ended 30 September		Twelve Months 30 September
	2002	2001	2002
SALES	\$1,398.0	\$1,396.6	\$5,401.2
COSTS AND EXPENSES			
Cost of sales	971.6	1,003.4	3,827.7
Selling and administrative	183.8	215.8	715.1
Research and development	30.2	32.2	120.6
Other (income) expense, net	(8.4)	6.9	(37.1)
OPERATING INCOME	220.8	138.3	774.9
Income from equity affiliates, net of related expenses	19.8	21.6	76.2
Gain on sale of packaged gas business	--	--	55.7
Gain on divestiture of interest in cogeneration facilities	--	101.6	--
Loss on early retirement of debt	--	75.8	--
Interest expense	28.7	43.8	122.3
INCOME BEFORE TAXES AND MINORITY INTEREST	211.9	141.9	784.5
Income taxes	61.8	38.4	240.8
Minority interest (a)	5.8	.4	18.3
NET INCOME	\$144.3	\$103.1	\$525.4
BASIC EARNINGS PER COMMON SHARE	\$.66	\$.48	\$2.42
DILUTED EARNINGS PER COMMON SHARE	\$.65	\$.47	\$2.36
WEIGHTED AVERAGE NUMBER OF COMMON SHARES (in millions)	218.4	215.5	217.2
WEIGHTED AVERAGE NUMBER OF COMMON AND COMMON EQUIVALENT SHARES (in millions)	223.5	220.0	222.7
DIVIDENDS DECLARED PER COMMON SHARE - Cash	\$.21	\$.20	\$.82

(a) Minority interest primarily includes before-tax amounts.

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

(Millions of dollars)

	30 September	
ASSETS	2002	2001

CURRENT ASSETS		
Cash and cash items	\$253.7	\$66.2
Trade receivables, less allowances for doubtful accounts	980.9	913.4
Inventories and contracts in progress	460.7	478.4
Other current assets	214.0	226.8

TOTAL CURRENT ASSETS	1,909.3	1,684.8

INVESTMENTS IN NET ASSETS OF AND ADVANCES TO EQUITY AFFILIATES	484.2	499.5
PLANT AND EQUIPMENT, at cost	10,879.8	10,226.5
Less - Accumulated depreciation	5,502.0	5,108.0

PLANT AND EQUIPMENT, net	5,377.8	5,118.5

GOODWILL	431.1	384.7

OTHER NONCURRENT ASSETS	292.6	396.6

TOTAL ASSETS	\$8,495.0	\$8,084.1
=====		
LIABILITIES AND SHAREHOLDERS' EQUITY		

CURRENT LIABILITIES		
Payables, trade and other	\$485.6	\$512.2
Accrued liabilities	353.7	341.6
Accrued income taxes	72.9	48.4
Short-term borrowings	116.9	255.7
Current portion of long-term debt	227.1	194.5

TOTAL CURRENT LIABILITIES	1,256.2	1,352.4

LONG-TERM DEBT	2,041.0	2,027.5
DEFERRED INCOME & OTHER NONCURRENT LIABILITIES	827.4	702.0
DEFERRED INCOME TAXES	725.6	778.4

TOTAL LIABILITIES	4,850.2	4,860.3

MINORITY INTERESTS IN SUBSIDIARY COMPANIES	184.4	118.0

TOTAL SHAREHOLDERS' EQUITY	3,460.4	3,105.8

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$8,495.0	\$8,084.1
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AIR PRODUCTS AND CHEMICALS, INC. and Subsidiaries
CONDENSED CONSOLIDATED CASH FLOWS
(Unaudited)

(Millions of dollars)

	Twelve Month 30 September 2002
<hr/>	
OPERATING ACTIVITIES	
Net Income	\$525.4
Adjustments to reconcile income to cash provided by operating activities:	
Depreciation	581.0
Deferred income taxes	65.2
Loss on early retirement of debt	--
Undistributed earnings of unconsolidated affiliates	(44.4)
Gain on sale of assets and investments	(66.5)
Other	47.8
Working capital changes that provided (used) cash, excluding effects of acquisitions and divestitures:	
Trade receivables	(13.1)
Inventories and contracts in progress	55.1
Payables, trade and other	(75.3)
Other	3.7
<hr/>	
CASH PROVIDED BY OPERATING ACTIVITIES	1,078.9
<hr/>	
INVESTING ACTIVITIES	
Additions to plant and equipment (a)	(642.7)
Investment in and advances to unconsolidated affiliates	(39.2)
Acquisitions, less cash acquired	(114.8)
Proceeds from sale of assets and investments	292.9
Other	(4.8)
<hr/>	
CASH USED FOR INVESTING ACTIVITIES	(508.6)
<hr/>	
FINANCING ACTIVITIES	
Long-term debt proceeds	61.3
Payments on long-term debt	(203.6)
Net (decrease) increase in commercial paper and short-term borrowings	(170.9)
Purchase of treasury stock	--
Dividends paid to shareholders	(175.6)
Issuance of stock for options and award plans	103.8
<hr/>	
CASH USED FOR FINANCING ACTIVITIES	(385.0)
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Effect of Exchange Rate Changes on Cash	2.2

Increase (Decrease) in Cash and Cash Items	187.5
Cash and Cash Items - Beginning of Year	66.2

Cash and Cash Items - End of Period	\$253.7
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(a) Excludes capital lease additions of \$3.9 and \$.5 in 2002 and 2001, respectively.

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AIR PRODUCTS AND CHEMICALS, INC. and Subsidiaries
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 (Unaudited)

(Millions of dollars, except per share)

Goodwill

The company adopted Statement of Financial Accounting Standards (SFAS) No. 142, "Goodwill and Other Intangible Assets," on 1 October 2001. As required by SFAS No. 142, the company performed impairment tests on goodwill which indicated no impairment. As of 1 October 2001, the company is no longer amortizing goodwill, including goodwill associated with investments in equity affiliates. Goodwill amortization for the three and twelve months ended 30 September 2001 was \$3.8 and \$14.8, on an after-tax basis, or \$.02 and \$.07 per share, respectively.

Acquisitions

Acquisitions in 2002, totaling \$114.8, principally included the purchase of an additional 22% of the outstanding shares of San Fu Chemical Company, Ltd. (San Fu), increasing the company's ownership interest from 48% to 70%. Since 1987, the company has had a joint venture arrangement with San Fu, the largest industrial gas company in Taiwan. 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. This investment is consistent with the company's strategy of investing in growth markets (Asia) and industries (electronics) and will provide a stronger foundation for growth in both Taiwan and China.

As of 30 June 2002, the company accounted for its investment in San Fu using the equity method. In July 2002, the company obtained control through the acquisition of an additional 22% of the outstanding shares. As part of this transaction, put options have been issued which give other shareholders the right to sell San Fu stock to the company at market price when exercised. The options are effective from January 2005 thru January 2015 and allow for the sale of all stock owned by other shareholders to the company.

Divestitures

On 28 February 2002, the company completed the sale of the majority of its U.S. packaged gas business, excluding the electronic gases and magnetic resonance imaging related helium operations, to Airgas, Inc. (Airgas). This sale included

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approximately 100 facilities in 30 states associated with the filling and distribution of cylinders, liquid dewars, tube trailers, and other containers of industrial gases and non-electronic specialty gases, and the retail selling of welding hardgoods, including customer service centers, warehouses, and other related assets. The company also sold its packaged gas operations in the Carolinas and in Southern Virginia to National Welders Supply Company, Inc., a joint venture between Airgas and the Turner family of Charlotte, N.C. The assets sold generated \$240 in revenues in 2001 with a modest contribution to operating income. For the five months ended 28 February 2002, the revenues were approximately \$100 also with a modest contribution to operating income. These facilities employed 1,200 people. The proceeds from these transactions were \$254.5. The results for the twelve months ended 30 September 2002 included a gain of \$55.7 (\$25.7 after-tax, or \$.12 per share).

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The results for the three and twelve months ended 30 September 2001 included a gain of \$101.6 (\$64.6 after-tax, or \$.29 per share) related to the sale of the fifty percent interest in two cogeneration facilities located in Cambria County, Pennsylvania and Orlando, Florida.

Subsequent Event

In October 2002, the company acquired American Homecare Supply, LLC (AHS), a homecare market leader throughout the northeastern U.S., for approximately \$165. The company and its affiliates currently have a homecare position serving approximately 180,000 patients. With this acquisition, the company and its affiliates will provide home medical services to more than 275,000 patients in 14 countries from more than 200 locations, a significant step in the company's strategy to be a global healthcare provider. With annual sales of more than \$110 and more than 800 employees, AHS is ranked among the ten largest U.S. homecare providers of respiratory therapy and home medical equipment.

Cost Reduction Programs

The results for the twelve months ended 30 September 2002 included a charge of \$30.8 (\$18.9 after-tax, or \$.09 per share) for a global cost reduction plan including packaged gas divestiture related reductions. The plan included 333 position eliminations, resulting in a charge of \$27.1 for severance and pension related benefits. A charge of \$3.7 was recognized for asset impairments related to the planned sale or closure of two small chemicals facilities. The restructuring charges included in cost of sales, selling and administrative, research and development, and other expense were \$13.4, \$14.1, \$.4, and \$2.9, respectively.

The results for the three months ended 30 September 2001 included a charge of \$78.3 (\$47.3 after-tax, or \$.21 per share) for a global cost reduction plan. This charge included \$57.2 for severance benefits and pension plan settlements, and \$21.1 for asset impairments and related restructuring charges. The plan included 359 position eliminations. The restructuring charges included in cost of sales, selling and administrative, research and development, and other expense were \$12.5, \$44.0, \$.7, and \$21.1, respectively.

The results for the twelve months ended 30 September 2001 included a charge of \$109.2 (\$67.3 after-tax, or \$.31 per share) for a global cost reduction plan (2001 Plan). This charge included \$79.6 for severance benefits and pension plan settlements, and \$29.6 for asset impairments and related restructuring charges. The plan included 670 position eliminations in the areas of manufacturing, engineering, distribution, and overheads. The restructuring charges included in

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cost of sales, selling and administrative, research and development, and other expense were \$26.9, \$53.4, \$.7, and \$28.2, respectively.

The 2001 Plan was completed in 2002, with 644 positions eliminated and total expenses of \$101.5 incurred. The balance of the accrual of \$7.7 was reversed into income during 2002.

Litigation Settlement

The results for the twelve months ended 30 September 2001 included a charge of \$6.0 (\$3.7 after-tax, or \$.02 per share) related to a litigation settlement.

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Loss on Early Retirement of Debt

In August 2001, the company retired \$459.6 principal amount of various medium term notes - Series D, E, and F as well as \$81.5 of an 8.75% debenture for an aggregate principal retirement of \$541.1. The results for the three and twelve months ended 30 September 2001 included a loss of \$75.8 (\$47.3 after-tax, or \$.21 per share) as a result of the early retirement of debt, consisting primarily of retirement premiums.

Equity Affiliates' Income

Income from equity affiliates contributed \$.08 and \$.32 to diluted earnings per share for the three and twelve months ended 30 September 2002, respectively. Income from equity affiliates, exclusive of the gain on divestiture, contributed \$.09 and \$.34 to diluted earnings per share for the three and twelve months ended 30 September 2001, respectively.

Off-Balance Sheet Arrangements

In September 2001, the company sold and leased back certain U.S. cryogenic manufacturing equipment for \$301.9. This operating lease has a five-year term with purchase and renewal options. This lease includes a residual value guarantee by the company not to exceed \$256. The probability of incurring a material loss under this guarantee is remote.

Reclassification

As of 1 October 2001, the company changed its reporting of demurrage/cylinder income to include it in revenues. Previously, it was included as an offset to cost of sales. The consolidated income statements of the prior periods have been adjusted to reflect this reclassification.

The company adopted SFAS No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections," as of 1 July 2002. This Statement requires gains and losses from debt extinguishments that are used as part of the company's risk management strategy to be classified as income from operations rather than as extraordinary items, net of tax. The impact on the company was to reclassify the extraordinary item recorded in the fourth quarter of the prior year to income from continuing operations.

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

Business segment information is shown below:

(Millions of dollars)	Three Months Ended 30 September		Twelve Months 30 September
	2002	2001	2002
<hr/>			
Revenues from external customers			
Gases	\$967.3	\$959.6	\$3,673.9
Chemicals	359.2	364.5	1,451.7
Equipment	71.5	72.5	275.6
<hr/>			
Segment Totals	1,398.0	1,396.6	5,401.2
<hr/>			
Consolidated Totals	\$1,398.0	\$1,396.6	\$5,401.2
<hr/>			
Operating income			
Gases	\$172.8	\$131.5	\$614.0
Chemicals	42.1	17.1	172.5
Equipment	9.0	2.7	20.7
<hr/>			
Segment Totals	223.9	151.3	807.2
<hr/>			
Corporate research and development and other income (expense)	(3.1)	(13.0)	(32.3)
<hr/>			
Consolidated Totals	\$220.8	\$138.3	\$774.9
<hr/>			
Operating income (excluding special items)			
Gases	\$172.8	\$174.3 (c)	\$640.2 (a)
Chemicals	42.1	41.1 (d)	177.1 (b)
Equipment	9.0	4.7 (e)	20.7
<hr/>			
Segment Totals	223.9	220.1	838.0
<hr/>			
Corporate research and development and other income (expense)	(3.1)	(3.5) (f)	(32.3)
<hr/>			
Consolidated Totals	\$220.8	\$216.6	\$805.7
<hr/>			
Equity affiliates' income			
Gases	\$15.4	\$18.6	\$61.9
Chemicals	3.2	2.3	11.7
Equipment	1.2	.7	2.6
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Segment Totals	19.8	21.6	76.2

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Other	--	--	--
Consolidated Totals	\$19.8	\$21.6	\$76.2

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(Millions of dollars)

	30 September	
	2002	2001
Identifiable assets (j)		
Gases	\$6,045.0	\$5,886.6
Chemicals	1,400.2	1,386.0
Equipment	184.4	185.4
Segment Totals	7,629.6	7,458.0
Corporate assets	381.2	126.6
Consolidated Totals	\$8,010.8	\$7,584.6

	Twelve Months Ended 30 September	
	2002	2001
ORONA (j)		
Gases	11.0%	12.3%
Chemicals	12.7%	9.8%
Equipment	10.5%	5.5%
Segment Totals	11.3%	11.6%
Consolidated Totals	10.6%	11.1%

- (a) Excluded a cost reduction charge of \$26.2.
- (b) Excluded a cost reduction charge of \$4.6.
- (c) Excluded a cost reduction charge of \$42.8.
- (d) Excluded a cost reduction charge of \$24.0.
- (e) Excluded a cost reduction charge of \$2.0.
- (f) Excluded a cost reduction charge of \$9.5.
- (g) Excluded a cost reduction charge of \$69.1.
- (h) Excluded a cost reduction charge of \$28.6.
- (i) Excluded a litigation settlement charge of \$6.0.
- (j) Operating return on net assets (ORONA) is calculated as the rolling four quarter sum of operating income divided by the rolling five quarter average of total assets less investments in equity affiliates (identifiable assets). The ORONA calculation excluded all special items impacting operating income.

AIR PRODUCTS AND CHEMICALS, INC. and Subsidiaries
SUMMARY BY GEOGRAPHIC REGIONS
(Unaudited)

(Millions of dollars)

	Three Months Ended 30 September		Twelve Months 30 September	
	2002	2001	2002	2001
Revenues from external customers				
United States	\$798.3	\$901.3	\$3,301.9	\$3,301.9
Canada	27.8	26.1	108.4	108.4
Total North America	826.1	927.4	3,410.3	3,410.3
United Kingdom	117.8	124.7	459.1	459.1
Spain	81.3	77.1	332.2	332.2
Other Europe	200.4	149.8	706.6	706.6
Total Europe	399.5	351.6	1,497.9	1,497.9
Asia	137.0	81.6	377.1	377.1
Latin America	35.3	35.9	115.6	115.6
All Other	.1	.1	.3	.3
Total	\$1,398.0	\$1,396.6	\$5,401.2	\$5,401.2

Note: Geographic information is based on country of origin. The other Europe segment operates principally in France, Germany, Netherlands, and Belgium.

Media Inquiries:

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Item 9. Regulation FD Disclosure

The Q4 earnings teleconference following the earnings release which started at 11:00 a.m. EDT on October 24, 2002 can be accessed by listening on the Company's web site at <http://www.airproducts.com/fin/quarterly.htm>. Recordings of the

earnings teleconference and copies of the slides used will continue to be available at the above web address until 11:59 p.m. EST on November 1, 2002.

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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: 24 October 2002

By: /s/ John R. Owings

John R. Owings
Vice President and Chief Financial Officer

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