Annual Report 2004

Passionate . . .

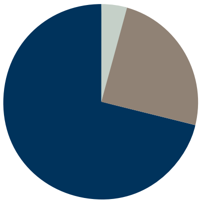
our *Results*

For the Year (millions of dollars)	2004	2003	Change
Sales	**$7,411**	$6,297	18%
Operating income	**880**	595	48%
Net income	**604**	397	52%
Capital expenditures	**816**	1,171	(30%)
Operating return on net assets*	**9.5%**	7.1%	
Return on average shareholders' equity	**14.7%**	10.9%	
Per Share Dollars			
Basic earnings	**$2.70**	$1.81	49%
Diluted earnings	**2.64**	1.78	48%
Dividends	**1.04**	.88	18%
Book value	**19.68**	17.08	15%
At Year End			
Shareholders' equity (millions of dollars)	**$4,444**	$3,783	
Shares outstanding (in millions)	**226**	221	
Shareholders	**10,700**	11,100	
Employees	**19,900**	19,000	

*Operating income divided by five-quarter average of total assets less investments in equity affiliates.

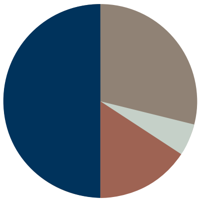
2004 Consolidated Sales by Business Segment

- Gases **70%**
- Equipment **5%**
- Chemicals **25%**

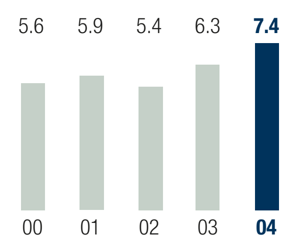


2004 Consolidated Sales by Destination

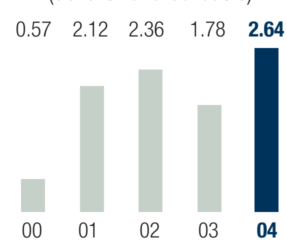
- United States **50%**
- Europe **28%**
- Canada and Latin America **5%**
- Asia/Other **17%**



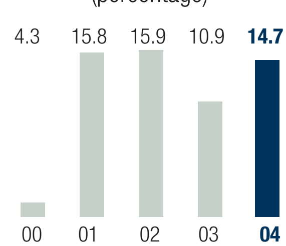
Sales (billions of dollars)



Earnings Per Share
(dollars–diluted basis)



Return on Equity
(percentage)



about ***Performance***

A few years ago, we set out to learn what makes us different.

Our customers told us we offer greater understanding, integrity, and passion than the people who work for the competition. These qualities, these differences, are the Air Products brand.

We have long shown the understanding to solve tough customer problems. And we meet our commitments with integrity.

But it's our ***passion*** that drives us forward. A passion that comes from inspired work by dedicated people. People with heart. People who deliver real innovation to technology, energy, healthcare and industrial markets around the globe.

People who ***perform.***

tell me more . . .

content

our *Story*

The goals we set for ourselves in fiscal 2004 were clear.

First . . .
Make Air Products more attractive to shareholders by driving earnings growth and improving our return on capital.

Second . . .
Build even more value into our relationships with our customers and our communities.

And third . . .
Strengthen our leading positions serving growth markets and geographies and continue to improve our portfolio.

Coming off a rough couple of years marked by a difficult manufacturing environment, our people were more determined than ever to deliver on these commitments.

No explanations. No excuses. Just ***passionate*** about ***performance.***

Our Results

We posted fiscal 2004 earnings per share of $2.64, up 19 percent excluding last year's global cost reduction charge.* We had record sales of $7.4 billion, an increase of 32 percent from 2000. At that time, when we rolled out our Deliver the Difference strategy, we said it was all about growth. And this year, our hard work paid off. Top-line revenue growth was a robust 18 percent, with about half coming from strong volume gains across our Gases, Chemicals and Equipment segments, but particularly in our growth businesses. Acquisitions in these growth businesses and currency effects each contributed four percent to this result. And operating income increased 18 percent*, in line with our sales growth.

- Worldwide Gases sales of $5.2 billion were up 18 percent, driven primarily by higher volumes in Electronics, Energy and Process Industries, and Asia, along with acquisitions in Electronics and Healthcare. Record Gases operating income of $801 million was up 20 percent* on strong volumes across our growth and base businesses, favorable currency effects and acquisitions.

* Fiscal 2003 results on a GAAP basis included a charge of $153 million (Gases – $92 million, Chemicals – $58 million, and Equipment – $3 million), or $.43 per share, related to a global cost reduction plan. This charge is excluded from all references to 2003 and any comparisons made to the prior year in order to provide shareholders with a representation of the company's underlying performance. On a GAAP basis, diluted EPS and consolidated operating income in 2004 were up 48% from 2003. Gases operating income in 2004 increased 39% while Chemicals operating income improved 73% on a GAAP basis.

** Debt included $298 million for the synthetic tank lease for the debt-to-debt plus equity ratio of 37%. On a GAAP basis, the synthetic operating lease is considered an operating lease. The debt-to-debt plus equity ratio was 34% at the end of 2004 on a GAAP basis.

John Jones, Chairman, President and Chief Executive Officer of Air Products.

- Chemicals revenues of $1.8 billion increased 15 percent, mainly on strong volumes across the businesses. Operating income of $116 million was down* versus the prior year as strong volumes were offset by approximately $36 million in higher raw material costs, mainly for isopropyl alcohol, ammonia, methanol and vinyl acetate monomer used in our emulsions and amines manufacturing. While our epoxy, polyurethane chemicals and surfactants businesses remained above our cost of capital, our goal for 2005 is to get our total Chemicals group above our cost of capital. Our people are committed to bringing significant margin improvements through pricing actions and managing our raw material costs. Our long-term off-shore supply agreement for methanol, which we expect to begin in early 2005, will be a very significant step.
- In our Equipment segment, we posted 35 percent revenue growth over the prior year on higher air separation plant sales. We also received orders for five main cryogenic liquefied natural gas (LNG) heat exchangers this year, and the quality of our backlog continued to improve.

Cash flow from operations hit $1.1 billion. Our debt-to-debt plus equity ratio ended the year at 37 percent**, placing us solidly within the “A” credit rating range. Capital spending, including acquisitions, came in at $816 million, with plant and equipment spending at $705 million, once again reflecting our disciplined approach to resourcing our businesses. We also significantly increased our dividend by 26 percent, demonstrating our confidence in the future and marking our 22nd consecutive year of increases. Importantly, we turned the corner on improving our return on capital, increasing it to 9.5 percent. Improving it remains our highest priority.

We know we still have a lot of work to do. Our markets are improving. We have unparalleled positions of strength in our growth businesses, which positions us well in a recovering economy. And we’re constantly making improvements to our base businesses in Gases and Chemicals. We’ve also made strategic investments in production facilities and productivity tools to help us deliver to the bottom line. With SAP and integrated supply chain teams in place in each of our businesses, we’ve committed to significantly step up our productivity over the next three years.

A Step-change in Productivity

With all of that good work as our foundation, we are well positioned to drive a step-change in productivity to the bottom line. We won't do it in one year. We won't do it with one tactic. And we won't have to sacrifice growth to achieve our operating return on net assets targets in fiscal 2005, and ultimately, 13 percent in fiscal 2007.

Our single-instance SAP system is now enabling about 70 percent of the business we transact in nine countries on three continents. That gives us a distinct advantage to drive significant supply chain improvements. We now have better information about our customers, products, purchases and costs. And this can lead to better material sourcing, reduced inventories, more efficient plants and more cost-effective distribution and logistics.

In addition, continuous improvement is becoming a way of life at Air Products. By the end of 2005, our goal is to have about two percent of our employees devoted full-time to lead these activities. We are using Six Sigma/Lean tools and already have more than 500 productivity initiatives under way. This is only the beginning. As we train and engage increasing numbers of our employees in these activities, we will deliver even more.

Also, as the economy continues to recover, we are well positioned to take our capacity utilization levels significantly higher. This is especially true in chemicals, electronic specialty materials and merchant gases. There is about $300 million of opportunity from capacity that's already in the ground. As we load it, we will continue to drive operating leverage benefits directly to the bottom line.

Building Lasting Relationships through Understanding

When we set out our Deliver the Difference strategy four years ago, we said we wanted to become the best company to buy from. Based on our customers' feedback, we worked hard this year to increase the value of the products and services we provide. We are constantly using our global survey capabilities to collect data and measure the strength of our customer relationships so that we can better understand what is most important to them. In our liquid bulk business, for example, we've been able to segment our customers and develop targeted offerings based on the services they need and value.

We know this approach works. The proof is in a long list of awards and recognitions we received this year across our businesses. Again, our focus on performance is what makes the difference to our customers.

Our passion for safety, protecting the environment and being a good neighbor in our communities also continued to set us apart. This year, we further improved our safety and environmental performance, particularly in Europe and Asia. We were again named to the Dow Jones Sustainability Index as a leader within our sector, and we were included in the FTSE4Good Index. We completed a comprehensive assessment of our EH&S Management System against the new Responsible Care® Management System and are making further improvements. And in the area of greenhouse gas emissions, the Carbon Disclosure Project's report ranked us among the top 10 percent of FT500 companies. With our expertise in developing technologies that produce cleaner energy and improve energy efficiency, we will continue to help our customers address climate change concerns.

Keeping Our Promises on Growth

We said we would strengthen and resource our growth businesses this year, and we did. Today, we're putting about 75 percent of our research and capital dollars into electronics, performance materials, refinery hydrogen and energy solutions, healthcare, and Asia. About five years ago, they represented 30 percent of a $5.2 billion company. Today, these businesses represent 50 percent of a $7.4 billion company. You can read more about our future opportunities in the "our commitment" section of this report.

Customer Awards and Recognitions

- Samsung Electronics Co. Ltd.'s 2004 Excellent Supplier award
- Intel Corporation's Preferred Quality Supplier (PQS) award
- Taiwan Semiconductor Manufacturing Company's (TSMC) Electronic Gas Supplier of the Year award
- Siemens Medical Systems' Best Practices—Logistics award for °KeepCOLD® MRI services
- The Queen's Awards for Enterprise: Innovation 2004 for BIP® cylinder technology
- Home Medical Equipment (HME) Excellence award for respiratory therapy

Of course, Asia is already playing a major role in our growth and will continue to do so. Today we have a $1.1 billion business there. By combining our technology and global capabilities with strong local relationships, we've become the number 2 gases company in the region outside of Japan. And we are number 1 in growing countries like Korea and Taiwan. We also continue to see healthy demand in China, and we are making smart investments to build our position there. New business signings remain strong, and we are expanding our capacity strategically in the north and the south to meet the demand.

Meanwhile, our base businesses are still very important to Air Products. They generate strong cash flows and support our growth businesses in important ways. This year, we saw return improvements in our North American and European merchant gas businesses where our focus on strengthening our customer base, improving our assets and continuously reducing costs is paying off. Although rising feedstock costs hampered our emulsions and intermediate chemicals performance, we continued to manage our portfolio by restructuring underperforming businesses and selling operations where we could not be a market leader. For example, we divested our emulsions joint venture in Mexico during the fourth quarter, and we have obtained approval to close the sale of our European methylamines and derivatives business.

We Know We Have to Earn It

The bottom line is that we must continue to earn the right to invest and grow. Together, our employees know this is our company. But we also know it's our shareholders' money.

As I watched the summer Olympics this year, it was clear that the athletes had gone through four years of strenuous preparation—training, practicing, dieting, and the aches and pains that come with it. But when it came time to compete, all the training and sacrifice in the world didn't get them the gold unless they really *wanted* the gold. It was a desire . . . a passion that drove them forward.

Similarly, all of the groundwork we have laid since 2000—restructuring our portfolio, resourcing our growth businesses and focusing on work process improvement—paid off in fiscal 2004. Those four years presented great challenges for Air Products, but our focus and desire to win came through. And this will continue into fiscal 2005 and beyond . . . there's still much important work left to do. Our strategies will help drive top-line growth and return on capital. And it will be our passion that delivers that difference.

John P. Jones III
Chairman, President and Chief Executive Officer

our *Markets*

Growth Platforms

Electronics

Our focus: semiconductors, flat-panel displays, wafer manufacturing, fiber optics/optoelectronics, device packaging/testing, printed circuit board fabrication/testing, other microelectronics applications

Our offerings: specialty gases, chemicals and materials; process chemicals; bulk gases; gas and chemical delivery equipment; on-site management services

Performance Materials

Our focus: automotive, construction, coatings, adhesives, cleaning applications, electronics applications, textiles, graphic arts

Our offerings: surfactants, polyurethane chemicals, epoxy curing agents and specialty amines

Refinery Hydrogen

Our focus: petroleum refining

Our offerings: on-site and merchant industrial gases, process technology, equipment and services

Healthcare

Our focus: homecare, healthcare institutions

Our offerings: oxygen-based and other respiratory therapies, home medical equipment, infusion services, medical gases, services for magnetic resonance imaging

Base Businesses

Gases and Equipment

Our focus: metals manufacturing, processing and fabrication; food and beverage; refining and chemicals; aerospace; pharmaceuticals; power generation; pulp and paper; cement; agriculture; aquaculture; construction; packaging; rubber and plastics; transportation/automotive; wastewater treatment; research and analytical

Our offerings: merchant and specialty gases, gas mixtures, cryogenic and noncryogenic on-site gas supply systems, cutting and welding supplies, gas applications, productivity services, enabling equipment, LNG heat exchangers, oil/gas production and recovery equipment

Chemicals

Our focus: home and home furnishings, automotive applications, agricultural chemicals, adhesives, solvents, coatings, water treatment chemicals, other industrial applications

Our offerings: polyurethane intermediates, copolymer emulsions, higher amines, methylamines and derivatives, chemical applications, other services

our *Commitment*

Growing Our Refinery Hydrogen Franchises

our *Performance . . .*

It was a busy year for hydrogen plant onstreams and ground breakings. In the U.S., we started up our 100 million-scfd facility in Lake Charles, Louisiana, reliably serving ConocoPhillips and other local refiners. And we brought a new plant serving Marathon Ashland Petroleum in Catlettsburg, Kentucky onstream. We also began construction of a new 110 million-scfd hydrogen plant to supply Motiva's Convent and Marathon Ashland's Garyville, Louisiana refineries and provide additional hydrogen to our Mississippi River corridor pipeline.

In Canada, we began building a 70+ million-scfd hydrogen plant to supply Petro-Canada's refinery near Edmonton, Alberta. And we will extend supply from this plant to Imperial Oil's nearby Strathcona refinery. We also began building an 80 million-scfd hydrogen plant for Suncor's and Shell's refineries in Sarnia, Ontario that will come onstream in spring 2006. Meanwhile, in Europe, we completed our hydrogen plant serving IES in Mantova, Italy.

our *Passion . . .*

We now operate more than 60 hydrogen facilities and over 500 miles of hydrogen, syngas and carbon monoxide pipeline systems, approaching 1.5 billion scfd of capacity—more than twice as large as our next closest competitor. We've built highly reliable franchise positions in Texas, the Louisiana Gulf Coast, California, and Rotterdam, and we're pursuing opportunities to help refiners process heavy sour crude from Venezuela, Mexico and the Canadian oil sands.

We expect continued growth in hydrogen demand as U.S. and European refiners implement their upgrade projects to meet 2006 clean fuel specifications as well as recently enacted off-road ultralow-sulfur diesel legislation. We'll continue to be disciplined in our project investments as we focus on improving return on capital.

From our Westlake, Louisiana plant, dedicated people like Jeremiah Alexis (left) and Richard Jordan ensure reliable hydrogen supply to ConocoPhillips and other customers via pipeline for an important environmental purpose—producing cleaner transportation fuels from heavier sour crude feedstocks.

S.Y. Lee (left), President of our Korean operations, and Y.S. Kwak (second from left), Vice President of our Korean electronics equipment business, have built a major global enterprise for Air Products in less than 10 years. And they have done it with Samsung—our largest account in Asia. That's a tremendous achievement . . . and it's the reason Messrs. Lee and Kwak are the 2004 winners of the Chairman's Award for Excellence, our company's highest honor.

Serving Developing Electronics Markets

our ***Performance . . .***

This year we saw stronger demand and improved volumes for our specialty materials and gas-handling equipment as the electronics industry continued its recovery. We also held firm our leading position supplying 50% of the world's 300mm semiconductor fabs.

On the flat panel front, we began supplying bulk and specialty gases on an aggressive timeline to Samsung's first "Generation 7" fab in Tangjung—the largest and most advanced facility of its kind in the world. We also received a long-term supply contract serving Chi Mei's newest facility in Taiwan's Tainan Science-Based Industrial Park, where we also serve TSMC, UMC and others. And we expanded our centers serving Korean flat panel manufacturers and began ramping up our NF_3 capacity to meet increased global demand.

our ***Passion . . .***

The majority of our Electronics division sales today are tied to the silicon market, including the advances brought by the new 300mm fabs. We have grown by providing the specialty materials that more complex, leading-edge technologies require. A good example is the broad portfolio of chemical mechanical planarization materials we supply through DA NanoMaterials, our joint venture with DuPont.

Meanwhile, the liquid crystal display (LCD) market is projected to grow in excess of 30% per year through 2007, with a typical fab consuming five to eight times the nitrogen and NF_3 of a large wafer plant. We already serve 60% of the LCD fabs in Taiwan and Korea today. And we are pursuing many more opportunities tied to these in-demand screens for computer monitors, home televisions and handheld devices.

Our performance materials are playing a role in emerging markets like nanotechnology, energy storage, optical coatings, and electronic materials. For example, our researchers are working with our Nanogate Technologies GmbH joint venture partner to develop tiny powders that can make paints and coatings rock-hard, fireproof or electrically conductive. There are many other uses for these nanopowders under development, like flat-panel televisions to make the screens easier, cheaper and faster to build.

Pioneering Performance Materials

our ***Performance . . .***

We continued to build strong relationships in our performance materials business this year. For example, we successfully integrated our 2003 Sanwa Chemical acquisition, strengthening our position supplying the growing Asian market with resin and epoxy chemistries. We also aligned with entrepreneurial companies like Tomah^3 Products to supply highly-specialized surfactants to new markets. And we focused on big opportunities in small particles by forming a joint venture with Nanogate Technologies—one of the leading chemical nanotechnology companies in Europe.

New specialty chemical products also brought real benefits—both performance and environmental—to the global coatings, adhesives and nonwoven markets. For example, we introduced a solvent-free Surfȳnol® surfactant product that eliminates foam defects in inks and adhesives, a new Ancamine® epoxy curing agent to make coatings for tanks and bridges more chemically resistant, and new Hybridur® waterborne resin technologies that make industrial coatings more durable.

our ***Passion . . .***

By applying our 40+ years of materials science and surface chemistry knowledge to emerging markets, we believe double-digit average growth can be a reality for our Performance Materials business. That's why we formed a new Advanced Materials business unit this year—to harness opportunities to shape and serve evolving industries like nanotechnology, energy storage, optical coatings, and electronic materials.

Meanwhile, we're continuing to prove that operational innovation can successfully be applied to R&D. A great example has been in our Airflex® emulsion product line, where we have expanded the capacity of our existing assets and created a new commercial use for these products in environmentally friendly, low-odor architectural paints and coatings.

Advancing Healthcare Solutions

our ***Performance . . .***

We had total healthcare sales of $625 million in fiscal 2004, with homecare representing about 70% of our revenues. We made six additional small homecare acquisitions in the U.S. during the year, positioning ourselves as one of the top six home respiratory therapy providers in the country. Globally, we now have nearly 400,000 patients in our care across fourteen countries, including Spain, Portugal and Mexico, where we have held leading positions for many years. And we continued to extend that care this year, with the opening of our first retirement and nursing home in Spain, providing 24/7 quality medical care for the elderly.

We also had a strong year serving institutional markets. We broadened our global relationship with Siemens to provide helium and cryogen services to their MRI units throughout Latin America—with major activities in Brazil and Mexico—bringing the total number of magnets we serve worldwide to more than 7,000.

At his home in Greenwich, Connecticut, Richard Muldoon gets a visit from Air Products Healthcare clinical manager Jane Burgdorf, who monitors him during the course of his therapy. "We've always had good, long talks when I've come to check in on him," she says.

(From left to right) Joyce Yang, Joe Feng and Steven Song survey the ongoing expansion at our Guangzhou, China liquid plant. As China reshapes the global economic stage with its opportunities and challenges, our people there have the passion and discipline to help us succeed in this dynamic market.

our ***Passion . . .***

The U.S. homecare market is fragmented, providing many opportunities for strategic acquisitions. And unlike many other home respiratory, infusion and medical equipment suppliers, we are growing organically and investing in R&D to develop new therapy innovations that improve the quality of people's lives.

Meanwhile, on the institutional side, about one-quarter of the world's helium supply is used to operate MRIs and other superconductors. And we are still the only company with a leading supply position and an around-the-clock team of MRI cryogen service professionals who make helium supply and system maintenance worry-free.

Investing and Growing in Asia

our ***Performance . . .***

With sales of $1.1 billion, Asia is our highest growth region . . . by far. This year, the electronics and refining and chemical process industries drove much of that growth. But our Asian liquid bulk volumes also were up strongly, as we sold more of our industrial gas products into burgeoning markets such as steel, food and glass. Our 2003 Ashland Electronic Chemicals and Sanwa Chemical acquisitions also gave us added power to build customer relationships in the region.

And we continued to grow our supply position in China—with sales of over $130 million. In northern China, we are expanding capacity to supply pipeline products to the steel industry in Tangshan, as well as liquid products to the merchant market. We also announced a doubling of our liquid plant production capacity in Guangzhou, southern China, which will be the largest merchant gas facility in the country when complete in early 2005. And we continued to build our regional engineering capabilities in Shanghai, providing the best resources and the lowest-cost solutions for our customers.

our ***Passion . . .***

Asia has the highest manufacturing growth rates in the world, and it will remain a target of our capital and resources for the long term. We are building on our position today as the second-largest gas company in the region, excluding Japan, and we want to further grow our number 1 position in countries like Korea and Taiwan.

Meanwhile, China is reshaping the global economic stage with numerous opportunities and challenges. Its nearly $2 billion industrial gas market is expanding at 10+% per year, and we are pursuing opportunities aggressively but strategically in growth industries. With its strong manufacturing rates and the increasing consumption of consumer goods, China also represents great opportunities for our Chemicals business.

our *Leadership*

Board of Directors

John P. Jones III
Chairman, President and Chief Executive Officer. Director of the company since 1998.

Mario L. Baeza
Founder and Controlling Shareholder of Baeza & Co. and Chairman of TCW/Latin America Partners, L.L.C. Director of the company since 1999.

Michael J. Donahue
Group Executive Vice President and Chief Operating Officer of BearingPoint, Inc. Director of the company since 2001.

Ursula F. Fairbairn
Executive Vice President, Human Resources and Quality of American Express Company. Director of the company since 1998.

W. Douglas Ford
Retired Executive Director and Chief Executive, Refining and Marketing, of BP Amoco plc. Director of the company since 2003.

Edward E. Hagenlocker
Former Vice Chairman of Ford Motor Company and former Chairman of Visteon Automotive Systems. Director of the company since 1997.

James F. Hardymon
Retired Chairman and Chief Executive Officer of Textron Inc. Director of the company since 1997.

Terrence Murray
Retired Chairman and Chief Executive Officer of FleetBoston Financial Corporation. Director of the company since 2002.

Lawrence S. Smith
Executive Vice President and Co-Chief Financial Officer of Comcast Corporation. Director of the company since 2004.

Lawrason D. Thomas
Former Vice Chairman of Amoco Corporation. Director of the company since 1994.

Corporate Executive Committee (CEC)

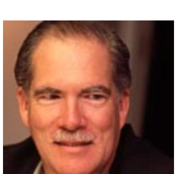
John P. Jones III
Chairman, President and Chief Executive Officer.

W. Douglas Brown
Vice President, General Counsel and Secretary.

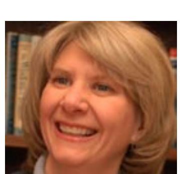
Mark L. Bye
Group Vice President–Gases and Equipment.

Paul E. Huck
Vice President and Chief Financial Officer.

Arthur T. Katsaros
Group Vice President–Development and Technology.



John E. McGlade
Group Vice President–Chemicals.



Lynn C. Minella
Vice President–Human Resources.

For more information about Corporate Governance practices at Air Products, visit our Corporate Responsibility Web site at **www.airproducts.com/Responsibility.**

our *Shareholders*

Common Stock Information
Ticker Symbol: APD
Exchange Listings: New York Stock Exchange and Pacific Exchange, Inc.

Transfer Agent and Registrar:
American Stock Transfer and Trust Company
59 Maiden Lane, New York, NY 10038
Telephone: 800-937-5449
Internet: www.amstock.com
E-mail: info@amstock.com

Publications for Shareholders
In addition to this Annual Report, Air Products informs shareholders about company news through:

Notice of Annual Meeting and Proxy Statement – mailed to shareholders in mid-December and available electronically on our Web site at www.airproducts.com/invest/.

Form 10-K Report – filed annually with the Securities and Exchange Commission in mid-December.

Earnings Information – shareholders and investors can obtain copies of earnings releases, Annual Reports, 10-Ks and news releases by dialing 800-AIR-6525. Shareholders and investors can also register for e-mail updates on our Web site.

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 Web site, www.investpower.com. New investors can obtain information on the Web site or by calling 877-322-4941 or 718-921-8200.

Annual Meeting
The annual meeting of shareholders will be held on Thursday, January 27, 2005, 2:00 p.m., at Cedar Crest College, Allentown, Pennsylvania.

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.

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Eliminate bulky mailings . . . benefit the environment . . . and help us lower our printing and mailing costs! Access future annual reports and proxy materials online. It's convenient, and you will enjoy the immediate availability of these important shareholder communications. Most shareholders will be given the opportunity to consent to future Internet delivery when they vote their proxy or give voting instructions via the Internet.

2004 Quarterly Stock Information

	High	Low	Close	Dividend
First	$53.07	$44.12	$52.83	$ .23
Second	55.40	46.71	50.12	.23
Third	53.20	47.49	52.45	.29
Fourth	55.76	48.42	54.38	.29
				$1.04

2003 Quarterly Stock Information

	High	Low	Close	Dividend
First	$46.50	$40.34	$42.75	$.21
Second	44.20	36.97	41.43	.21
Third	44.25	40.72	41.60	.23
Fourth	48.78	40.50	45.10	.23
				$.88

Additional Information
The forward-looking statements contained in this Report are qualified by reference to the section entitled "Forward-Looking Statements" on page 36 of the Financials section.

Acknowledgments
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