

AIR PRODUCTS & CHEMICALS INC /DE/

Form 424B5

August 05, 2013

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CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(2)(3)
2.000% Notes due 2020	\$399,060,000	99.580%	\$397,383,948	\$54,204

- (1) 300,000,000 aggregate principal amount of 2.000% Notes due 2020 will be issued. The Amount to be Registered is based on the July 31, 2013 euro/U.S.\$ exchange rate of euro 1/U.S.\$1.3302, as reported by Bloomberg.
- (2) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.
- (3) Paid herewith.

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Filed Pursuant to Rule 424(b)(5)
 Registration No. 333-178120

PROSPECTUS SUPPLEMENT

(To prospectus dated November 22, 2011)

300,000,000

Air Products and Chemicals, Inc.

2.000% Notes due 2020

The notes referenced above (the *Notes*) will mature on August 7, 2020. We will pay interest on the Notes on August 7 of each year, beginning on August 7, 2014. We may redeem the Notes prior to maturity, in whole or in part, as described in this prospectus supplement. If the Company experiences specific kinds of changes of control accompanied by rating declines, it will be required to offer to purchase the Notes from holders. The Company may also redeem all, but not part, of the Notes at a price equal to 100% of the principal amount plus accrued and unpaid interest upon the occurrence of certain changes in applicable tax law.

We intend to apply to list the Notes on the New York Stock Exchange. Currently, there is no public market for the Notes.

Investing in these Notes involves risks. See Risk Factors on page S-3 of this prospectus supplement to read about important factors you should consider before buying the Notes.

	Public Offering Price(1)	Underwriting Discount	Proceeds, Before Expenses, to the Company
Per Note	99.580%	0.400%	99.180%
Total	298,740,000	1,200,000	297,540,000

(1) Plus accrued interest, if any, from August 7, 2013.

Neither the Securities and Exchange Commission (the SEC) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We expect that delivery of the Notes will be made to investors in book-entry form through a common depository for Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme, on or about August 7, 2013.

Joint Book-Running Managers

Banca IMI

BNP PARIBAS

Deutsche Bank

Co-Managers

Mizuho Securities

Santander

Scotiabank

SMBC Nikko

Wells Fargo Securities

The date of this prospectus supplement is July 31, 2013.

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You should rely only on the information contained in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus supplement and the accompanying prospectus. We are offering to sell Notes and making offers to buy Notes only in jurisdictions in which offers and sales are permitted. The information contained in this prospectus supplement and the accompanying prospectus is accurate only as of the date of this prospectus supplement, regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or any sale of the Notes. In this prospectus supplement and the accompanying prospectus, the *Company*, *we*, *us* and *our* refer to Air Products and Chemicals, Inc.

If we use a capitalized term in this prospectus supplement and do not define the term, it is defined in the accompanying prospectus.

References herein to \$, U.S. \$, dollars and U.S. dollars are to the currency of the United States of America; and references to and euros the single currency introduced at the third stage of the European Monetary Union pursuant to the Treaty establishing the European Community, as amended.

The distribution of this prospectus supplement and accompanying prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus supplement and the accompanying prospectus come should inform themselves about and observe any such restrictions. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. See Selling Restrictions.

STABILIZATION

IN CONNECTION WITH THE ISSUE OF THE NOTES, DEUTSCHE BANK AG, LONDON BRANCH (IN THIS CAPACITY, THE STABILIZING MANAGER) OR ANY OTHER PERSON ACTING ON BEHALF OF THE STABILIZING MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER)

WILL UNDERTAKE ANY STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES IS MADE, AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES.

ANY STABILIZATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

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ABOUT AIR PRODUCTS AND CHEMICALS, INC.

Air Products and Chemicals, Inc. (the *Company*), a Delaware corporation originally founded in 1940, serves energy, electronics, chemicals, steel and manufacturing customers globally with a unique portfolio of products, services and solutions that include atmospheric gases, process and specialty gases, performance materials, equipment and services. The Company is the world's largest supplier of hydrogen and helium and has built leading positions in growth markets such as semiconductor materials, refinery hydrogen, natural gas liquefaction and advanced coatings and adhesives.

RISK FACTORS

An investment in the Notes is subject to a number of risks. You should carefully consider the following factor, as well as the risk factors in the documents incorporated by reference in this prospectus, and all of the other information herein and therein before making an investment decision. See *Risk Factors* beginning on page 9 of our Annual Report on Form 10-K for the year ended September 30, 2012.

The initial investors in the Notes will be required to pay for the Notes in euro. Principal and interest payments of the Notes are payable by us in euro. Neither the Company nor the underwriters will be obligated to assist the initial investors in obtaining euro or in converting other currencies into euro to facilitate the payment of the purchase price for the Notes.

An investment in any security denominated in, and all payments with respect to which are to be made in, a currency other than the currency of the country in which an investor in Notes resides or the currency in which an investor conducts its business or activities (the *investor's home currency*), entails significant risks not associated with a similar investment in a security denominated in the investor's home currency. In the case of the Notes offered hereby, these risks may include the possibility of:

significant changes in rates of exchange between the euro and the investor's home currency; and

the imposition or modification of foreign exchange controls with respect to the euro or the investor's home currency.

The Company has no control over a number of factors affecting the Notes offered hereby and foreign exchange rates, including economic, financial and political events that are important in determining the existence, magnitude and longevity of these risks and their effects. Changes in foreign currency exchange rates between two currencies result from the interaction over time of many factors directly or indirectly affecting economic and political conditions in the countries issuing such currencies, and economic and political developments globally and in other relevant countries. Foreign currency exchange rates may be affected by, among other factors, existing and expected rates of inflation, existing and expected interest rate levels, the balance of payments between countries, and the extent of governmental surpluses or deficits in various countries. All of these factors are, in turn, sensitive to the monetary, fiscal and trade policies pursued by the governments of various countries important to international trade and finance. Moreover, the current global economic crisis and the actions taken or to be taken by various national governments in response to the crisis could significantly affect the exchange rates between the euro and the investor's home currency.

The exchange rates of an investor's home currency for euro and the fluctuations in those exchange rates that have occurred in the past are not necessarily indicative of the exchange rates or the fluctuations therein that may occur in the future. Depreciation of the euro against the investor's home currency would result in a decrease in the investor's home currency equivalent yield on a note, in the investor's home currency equivalent of the principal payable at the maturity of that note and generally in the investor's home currency equivalent market value of that note. Appreciation of the euro in relation to the investor's home currency would have the opposite effects.

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The European Union or one or more of its member states may, in the future, impose exchange controls and modify any exchange controls imposed, which controls could affect exchange rates as well as the availability of euro at the time of payment of principal of, interest on, or any redemption payment or additional amounts with respect to, the Notes.

Furthermore, the Notes will be governed by New York law. Under New York law, a New York state court rendering a judgment on the Notes would be required to render the judgment in euro. However, the judgment would be converted into U.S. dollars or the exchange rate prevailing on the date of entry of the judgment. Consequently, in a lawsuit for payment on the Notes, investors would bear currency exchange risk until a New York state court judgment is entered, which could be a long time. In courts outside of New York, investors may not be able to obtain a judgment in a currency other than U.S. dollars. For example, a judgment for money in an action based on the Notes in many other U.S. federal or state courts ordinarily would be enforced in the United States only in U.S. dollars. The date used to determine the rate of conversion of euro into U.S. dollars will depend upon various factors, including which court renders the judgment.

This description of foreign exchange risks does not describe all the risks of an investment in securities, including, in particular, the Notes, that are denominated or payable in a currency other than an investor's home currency. You should consult your own financial and legal advisors as to the risks involved in an investment in the Notes.

DOCUMENTS INCORPORATED BY REFERENCE

The SEC allows us to incorporate by reference the information we file with the SEC under the Securities Exchange Act of 1934, as amended (which we refer to as the *Exchange Act*), which means that we can disclose important information to you by referring you to those documents. Information incorporated by reference is considered to be a part of this prospectus supplement, and information that we file later with the SEC will automatically update, modify and, where applicable, supersede this information. We incorporate by reference into this prospectus supplement the specific documents listed below and all documents filed by us with the SEC pursuant to Section 13(a), 13(c), 14, or 15(d) of the Exchange Act between the date of this prospectus supplement and the termination of the offering of securities under this prospectus supplement, which future filings shall be deemed to be incorporated by reference into this prospectus supplement and to be part of this prospectus supplement from the date we subsequently file such documents. Unless we specifically state otherwise, we do not incorporate by reference any documents or information deemed to be furnished and not filed in accordance with SEC rules. The SEC file number for these documents is 1-4534.

Our Annual Report on Form 10-K for the fiscal year ended September 30, 2012, filed with the SEC on November 20, 2012;

Our Quarterly Report on Form 10-Q for the quarter ended December 31, 2012, filed with the SEC on January 25, 2013;

Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2013, filed with the SEC on April 25, 2013;

Our Quarterly Report on Form 10-Q for the quarter ended June 30, 2013, filed with the SEC on July 24, 2013;

Our Current Reports on Form 8-K filed with the SEC on December 20, 2012, January 28, 2013, January 30, 2013, February 1, 2013, May 2, 2013 (as amended by Form 8-K/A filed with the SEC on May 6, 2013), May 20, 2013, July 23, 2013 (relating to the amendments to the Company's Bylaws) and July 25, 2013.

Any statement contained in this prospectus supplement or the accompanying prospectus or in any document incorporated by reference into this prospectus supplement or the accompanying prospectus shall be deemed to be modified or, where applicable, superseded for the purposes of this prospectus to the extent that a statement contained in this prospectus supplement or the accompanying prospectus or any subsequently filed document that also is incorporated by reference into this prospectus supplement or the accompanying prospectus modifies or

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supersedes such prior statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

We will provide to each person, including any beneficial owner, to whom this prospectus is delivered, upon written or oral request and without charge, a copy of the documents referred to above that we have incorporated by reference into this prospectus supplement and a copy of the registration statement of which this prospectus is a part. You can request copies of such documents if you call or write us at the following address or telephone number:

Corporate Secretary's Office

Air Products and Chemicals, Inc.

7201 Hamilton Boulevard

Allentown, Pennsylvania 18195-1501

Telephone: (610) 481-4911

Exhibits to the documents will not be sent, however, unless those exhibits have specifically been incorporated by reference into such document. You may also obtain copies of our SEC filings as described under the heading "Where You Can Find More Information" in the accompanying prospectus.

RECENT DEVELOPMENTS

On July 31, 2013 various media sources reported that Pershing Square Capital Management has acquired 9.8% of the outstanding common stock of the Company. Also on July 31, 2013, Pershing Square Capital Management, L.P. and certain of its affiliates filed a Schedule 13D (Schedule 13D) with the Securities and Exchange Commission related to its ownership stake in the Company. The Company has no information regarding any plans or proposals that Pershing Square Capital Management may propose other than those set forth in the Schedule 13D.

As previously announced, the Company adopted a stockholder rights plan on July 25, 2013 upon observation of unusual and substantial activity in the Company's shares. In general terms, the stockholder rights plan has the effect of significantly diluting the interest of any person or group which acquires 10% (or 20% in the case of certain institutional investors who report their holdings on Schedule 13G) or more of the outstanding common stock of the Company without the approval of the Company's Board of Directors. The stockholder rights plan was adopted to promote the fair and equal treatment of all stockholders of the Company in the event of an accumulation of a substantial block of the Company's shares and to ensure that the Company's Board of Directors remains in the best position to discharge its fiduciary duties to the Company and its stockholders.

USE OF PROCEEDS

We will use the net proceeds from the sale of the Notes, which are expected to be approximately \$296.84 million after payment of underwriting discounts and estimated expenses related to the offering, for general corporate purposes. These general corporate purposes may include repayment and refinancing of debt, including repayment of commercial paper and the outstanding \$300 million 3.75% Eurobond that matures on November 8, 2013, acquisitions, working capital, capital expenditures and repurchases and redemptions of securities. Pending any specific application, we may initially invest funds in short-term marketable securities or apply them to the reduction of short-term indebtedness.

DESCRIPTION OF NOTES

The following description of the particular terms of the 2.000% Notes due 2020 (the "Notes") offered hereby (referred to in the prospectus as the Debt Securities) supplements the description of the general terms and

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provisions of the Debt Securities included in the accompanying prospectus. The following summary of the Notes is qualified in its entirety by reference in the accompanying prospectus to the description of the indenture dated as of January 10, 1995 (the Indenture), between the Company and The Bank of New York Mellon Trust Company, N.A. as successor to U.S. Bank National Association (formerly, Wachovia Bank, National Association and initially First Fidelity Bank, National Association), as trustee (the Trustee).

General

The Notes will mature at par on August 7, 2020. The Notes will constitute part of the senior debt of the Company and will rank *pari passu* with all other unsecured and unsubordinated indebtedness of the Company. The Notes will be issued in fully registered form only, in denominations of 100,000 and additional multiples of 1,000.

Each Note will bear interest from August 7, 2013 at the annual rate of 2.000%. Interest on the Notes will be payable annually on August 7 commencing on August 7, 2014, to the person in whose name such Note is registered at the close of business on the 15th calendar day prior to the payment date.

Interest payable at the maturity of the Notes will be payable to registered holders of the Notes to whom principal is payable. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

If any interest payment date falls on a day that is not a Business Day, the interest payment will be postponed to the next day that is a Business Day, and no interest on such payment will accrue for the period from and after such interest payment date. If the maturity date of the Notes falls on a day that is not a Business Day, the payment of interest and principal shall be made on the next succeeding Business Day, and no interest on such payment will accrue for the period from and after the maturity date.

Interest payments for the Notes will include accrued interest from and including the date of issue or from and including the last date in respect of which interest has been paid, as the case may be, to but excluding the interest payment date or the date of maturity, as the case may be.

Neither the trustee nor the paying agent shall act as the exchange rate agent or have any responsibility for effecting any foreign currency conversions or calculations hereunder.

The Notes will constitute a separate series of Debt Securities under the Indenture.

The Company may, without the consent of the holders of a series of Notes, issue additional Notes having the same ranking and the same interest rate, maturity and other terms (except for the issue date and public offering price) as the Notes. Any additional Notes having such similar terms, together with the Notes, will constitute a single series of Debt Securities under the Indenture. No additional Notes having such similar terms may be issued if an Event of Default has occurred with respect to the Notes or if such additional Notes will not be fungible with the previously issued Notes for federal income tax purposes.

As used in this prospectus supplement, *Business Day* means any day, other than a Saturday or Sunday, (i) that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in The City of New York or London, and (ii) on which the Trans-European Automated Real-Time Gross settlement Express Transfer system (the TARGET2 System) or any successor thereto, is open.

Optional Redemption

The Notes will be redeemable as a whole at any time or in part from time to time, at the option of the Company, at a redemption price equal to the greater of (i) 100% of the principal amount of the Notes or (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon from the redemption date to the applicable maturity date (exclusive of any accrued interest) discounted to the redemption

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date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) using a discount rate equal to the Comparable Government Bond Rate plus 15 basis points, plus, in each case, any interest accrued but not paid to the date of redemption. The redemption price shall be calculated by the Company.

Comparable Government Bond means, in relation to any Comparable Government Bond Rate calculation, at the discretion of an independent investment bank selected by us, a German *Bundesanleihe* security whose maturity is closest to the maturity of the Notes, or if such independent investment bank in its discretion considers that such similar bond is not in issue, such other German *Bundesanleihe* security as such independent investment bank may, with the advice of three brokers of, and/or market makers in, German *Bundesanleihe* securities selected by such independent investment bank, determine to be appropriate for determining the Comparable Government Bond Rate.

Comparable Government Bond Rate means the price, expressed as a percentage (rounded to three decimal places, 0.0005 being rounded upwards), at which the gross redemption yield on the Notes, if they were to be purchased at such price on the third business day prior to the date fixed for redemption, would be equal to the gross redemption yield on such business day of the Comparable Government Bond (as defined below) on the basis of the middle market price of the Comparable Government Bond prevailing at 11:00 a.m. (London time) on such business day as determined by an independent investment bank selected by us.

Change of Control and Rating Decline

Upon the occurrence of a Change of Control Triggering Event, we will be required to make an offer (a *Change of Control Offer*) to each holder of Notes to repurchase all or any part (equal to 1,000 or an integral multiple thereof) of such holder's Notes at a purchase price equal to 101% of the aggregate principal amount thereof, together with accrued and unpaid interest thereon to the date of repurchase (the *Change of Control Payment*). Within 30 days following any Change of Control Triggering Event, we will be required to mail a notice to each holder stating:

- (1) that the Change of Control Offer is being made pursuant to the covenant entitled *Change of control and rating decline*;
- (2) the purchase price and the purchase date, which shall be no earlier than 30 days nor later than 45 days after the date such notice is mailed (the *Change of Control Payment Date*);
- (3) that any Notes not tendered will continue to accrue interest in accordance with the terms of the Indenture;
- (4) that, unless we default in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest after the Change of Control Payment Date;
- (5) that holders will be entitled to withdraw their election if the paying agent receives, not later than the close of business on the fifth business day preceding the Change of Control Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of the holder, the principal amount of Notes delivered for purchase, and a statement that such holder is unconditionally withdrawing its election to have such Notes purchased;
- (6) that holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered, which unpurchased portion must be equal to 100,000 in principal amount or an integral multiple of 1,000 in excess thereof; and
- (7) any other information material to such holder's decision to tender Notes.

We will not be required to make a Change of Control Offer following a Change of Control Triggering Event if a third party makes a Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control

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Triggering Event, conditional upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making the Change of Control Offer.

Except as described above with respect to a Change of Control Triggering Event, the Indenture will not contain any provisions that permit the holders of the Notes to require that we repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

Board of Directors means either the Board of Directors of the Company or any committee of such Board duly authorized to act hereunder.

Capital Stock means any and all shares, interests, participations, rights or other equivalents, however designated, of corporate stock or partnership or membership interests, whether common or preferred.

Change of Control means the occurrence of any one of the following:

- (1) the consummation of any transaction (including without limitation, any merger or consolidation) the result of which is that any person (including any person (as that term is used in Section 13(d)(3) of the Exchange Act)) becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the Company's outstanding Voting Stock, measured by voting power rather than number of shares;
- (2) the first day on which the majority of the members of the Company's Board of Directors cease to be Continuing Directors; or
- (3) the adoption of a plan relating to the liquidation or dissolution of the Company.

Change of Control Triggering Event means the occurrence of both a Change of Control and a Ratings Decline.

Continuing Director means, as of any date of determination, any member of the Company's Board of Directors who:

- (1) was a member of such Board of Directors on the date of the issuance of the Notes; or
- (2) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination or election.

Investment Grade means a rating of Baa3 or better by Moody's (or its equivalent under any successor rating category of Moody's) and a rating of BBB- or better by S&P (or its equivalent under any successor rating category of S&P). In the event that we shall select any other Rating Agency, the equivalent of such ratings by such Rating Agency shall be used.

Moody's means Moody's Investors Service, Inc., a subsidiary of Moody's Corporation, and its successors.

Rating Agency means each of Moody's and S&P and any other Rating Agency appointed by the Company.

Ratings Decline means within 60 days after the earlier of, (i) the occurrence of a Change of Control or (ii) public notice of the occurrence of a Change of Control or the intention by the Company to effect a Change of Control (which period shall be extended so long as the rating of the Notes is under publicly announced consideration for a possible downgrade by any of the Rating Agencies) (the *Trigger Period*), (a) if two or more Rating Agencies are providing a rating for the Notes at the commencement of any Trigger Period, the rating of the Notes shall be reduced by at least two Rating Agencies and the Notes shall be rated below Investment Grade by each of such Rating Agencies or (b) if only one Rating Agency is providing a rating for the Notes at the commencement of any Trigger Period, the rating of the Notes shall be reduced by such Rating Agency and the Notes shall be rated below Investment Grade by such Rating Agency. Neither the trustee nor the paying agent shall be responsible for monitoring our Investment Grade status or determining whether a Ratings Decline has occurred.

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S&P means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors.

Voting Stock with respect to any person, means securities of any class of Capital Stock of such person entitling the holders thereof (whether at all times or only so long as no senior class of stock or other relevant equity interest has voting power by reason of any contingency) to vote in the election of members of the Board of Directors of such person.

Defeasance of the Indenture and Notes

The provisions of the Indenture described in the accompanying prospectus under "Description of Securities—Debt Securities—Defeasance of the Indenture and Securities" will apply to the Notes. In addition, as a condition to defeasance, we must deliver to the Trustee an opinion of counsel to the effect that the holders of the Notes will not recognize income, gain, or loss for federal income tax purposes as a result of such defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred.

Payment of Additional Amounts

We will, subject to the exceptions and limitations set forth below, pay as additional interest on the Notes such additional amounts as are necessary in order that the net payment by us or a paying agent of the principal of and interest on the Notes to a holder that is not a United States person (as defined below), after withholding or deduction for any present or future tax, assessment or other governmental charge imposed by the United States or a taxing authority in the United States, will not be less than the amount provided in the Notes to be then due and payable; provided, however, that the foregoing obligation to pay additional amounts shall not apply:

- (1) to any tax, assessment or other governmental charge that would not have been imposed but for the holder, a fiduciary, settlor, beneficiary, member or shareholder of the holder, or a person holding a power over an estate or trust administered by a fiduciary holder, being treated as:
 - (a) being or having been engaged in a trade or business in the United States, or having or having had a permanent establishment in the United States;
 - (b) having a current or former connection with the United States (other than a connection arising solely as a result of the ownership of the Notes, the receipt of any payment in respect of the Notes or the enforcement of any rights under the Indenture), including being or having been a citizen or resident of the United States;
 - (c) being or having been a personal holding company, a passive foreign investment company or a controlled foreign corporation for U.S. federal income tax purposes, or a corporation that has accumulated earnings to avoid United States federal income tax;
 - (d) being or having been a 10-percent shareholder of the Company, as defined in section 871(h)(3) of the United States Internal Revenue Code of 1986, as amended (the "Code") or any successor provision; or
 - (e) being a bank receiving payments on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business, within the meaning of section 881(c)(3) of the Code or any successor provision;
- (2) to any holder that is not the sole beneficial owner of the Notes, or a portion of the Notes, or that is a fiduciary, partnership or limited liability company, but only to the extent that a beneficiary or settlor with respect to the fiduciary, a beneficial owner or member of the partnership or limited liability company would not have been entitled to the payment of an additional amount had the beneficiary,

settlor, beneficial owner or member received directly its beneficial or distributive share of the payment;

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- (3) to any tax, assessment or other governmental charge that would not have been imposed but for the failure of the holder or any other person to comply with certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of the Notes, if compliance is required by statute, by regulation of the United States or any taxing authority therein or by an applicable income tax treaty to which the United States is a party as a precondition to exemption from such tax, assessment or other governmental charge;
- (4) to any tax, assessment or other governmental charge that is imposed otherwise than by withholding by us or a paying agent from the payment;
- (5) to any tax, assessment or other governmental charge that would not have been imposed but for a change in law, regulation, or administrative or judicial interpretation that becomes effective more than 15 days after the payment becomes due or is duly provided for, whichever occurs later;
- (6) to any estate, inheritance, gift, sales, excise, transfer, wealth, capital gains or personal property tax or similar tax, assessment or other governmental charge;
- (7) to any tax, assessment or other governmental charge required to be withheld by any paying agent from any payment of principal or interest on any Note, if such payment can be made without such withholding by at least one other paying agent in a member state of the European Union;
- (8) to any tax, assessment or other governmental charge that would not have been imposed but for the presentation by the holder of any Note, where presentation is required, for payment on a date more than 30 days after the date on which payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;
- (9) to any withholding or deduction that is imposed on a payment pursuant to Sections 1471 through 1474 of the Code, any Treasury regulations promulgated thereunder, or any other official interpretations thereof; or
- (10) in the case of any combination of items (1), (2), (3), (4), (5), (6), (7), (8), and (9).

Except as specifically provided under this heading **Payment of Additional Amounts**, we will not be required to pay additional amounts in respect of any tax, assessment or other governmental charge.

As used under this heading **Payment of additional amounts** and under the heading **Redemption for tax reasons**, the term **United States** means the United States of America, any state thereof, and the District of Columbia, and the term **United States person** means (i) any individual who is a citizen or resident of the United States for U.S. federal income tax purposes, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States, any state thereof or the District of Columbia (other than a partnership that is not treated as a United States person for U.S. federal income tax purposes), (iii) any estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) any trust if a U.S. court can exercise primary supervision over the administration of the trust and one or more United States persons can control all substantial trust decisions, or if a valid election is in place to treat the trust as a United States person.

Redemption for Tax Reasons

If, as a result of any change in, or amendment to, the laws of the United States or the official interpretation thereof that is announced or becomes effective on or after the date of this prospectus supplement, we become or, based upon a written opinion of independent counsel selected by us, will become obligated to pay additional amounts as described herein under the heading **Payment of additional amounts** with respect to the Notes, then we may at any time at our option redeem, in whole, but not in part, the Notes on not less than 30 nor more than 60 days prior notice, at a redemption price equal to 100% of their principal amount, together with accrued and unpaid interest on the Notes to, but not including, the date fixed for redemption.

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Book-Entry Delivery and Settlement

We have obtained the information in this section concerning Euroclear and Clearstream and their book-entry systems and procedures from sources that we believe to be reliable. We take no responsibility for an accurate portrayal of this information. In addition, the description of the clearing systems in this section reflects our understanding of the rules and procedures of Euroclear and Clearstream as they are currently in effect. Those systems could change their rules and procedures at any time.

Global Clearance and Settlement

The Notes will be issued in the form of one or more fully registered global notes (the *Global Notes*) and will be deposited with a common depositary for, and in respect of interests held through, Euroclear Bank S.A./N.V., as operator of the Euroclear System (*Euroclear*), and Clearstream Banking, societe anonyme (*Clearstream*). Except as described herein, certificates will not be issued in exchange for beneficial interests in the Global Notes.

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to Euroclear or Clearstream or their respective nominees.

Beneficial interest in the Global Notes will be represented, and transfers of such beneficial interests will be effected, through accounts of financial institutions acting on behalf of beneficial owners as direct or indirect participants in Euroclear or Clearstream. Those beneficial interests will be held in denominations of 100,000 and additional multiples of 1,000 in excess thereof. Investors may hold Notes directly through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants in such systems.

Owners of beneficial interests in the Global Notes will not be entitled to have Notes registered in their names, and will not receive or be entitled to receive physical delivery of Notes in definitive form. Except as provided below, beneficial owners will not be considered the owners or holders of the Notes under the Indenture, including for purposes of receiving any reports delivered by us or the trustee pursuant to the Indenture. Accordingly, each beneficial owner must rely on the procedures of the clearing systems and, if such person is not a participant of the clearing systems, on the procedures of the participant through which such person owns its interest, to exercise any rights of a holder under the Indenture. Under existing industry practices, if we request any action of holders or a beneficial owner desires to give or take any action which a holder is entitled to give or take under the Indenture, the clearing systems would authorize their participants holding the relevant beneficial interests to give or take action and the participants would authorize beneficial owners owning through the participants to give or take such action or would otherwise act upon the instructions of beneficial owners. Conveyance of notices and other communications by the clearing systems to their participants, by the participants to indirect participants and by the participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in certificated form. These limits and laws may impair the ability to transfer beneficial interests in Global Notes.

Persons who are not Euroclear or Clearstream participants may beneficially own Notes held by the common depositary for Euroclear and Clearstream only through direct or indirect participants in Euroclear and Clearstream. So long as the common depositary for Euroclear and Clearstream is the registered owner of the Global Note, the common depositary for all purposes will be considered the sole holder of the Notes represented by the Global Note under the Indenture and the Global Notes.

Euroclear

Euroclear advises that it was created in 1968 to hold securities for its participants (*Euroclear Participants*) and to clear and settle transactions between Euroclear Participants through simultaneous electronic

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book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing, and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank S.A./N.A. (the *Euroclear Operator*), under contract with Euroclear Clearance Systems, S.C., a Belgian cooperative corporation (the *Cooperative*).

All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear Participants. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the Underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the *Terms and Conditions*). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear Participants and has no record of or relationship with persons holding through Euroclear Participants.

Distributions with respect to the Notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear Participants in accordance with the Terms and Conditions, to the extent received by the U.S. Depository for Euroclear.

Euroclear further advises that investors that acquire, hold and transfer interests in the Notes by book-entry through accounts with the Euroclear Operator or any other securities intermediary are subject to the laws and contractual provisions governing their relationship with their intermediary, as well as the laws and contractual provisions governing the relationship between such an intermediary and each other intermediary, if any, standing between themselves and the Global Notes.

The Euroclear Operator advises as follows: under Belgian law, investors that are credited with securities on the records of the Euroclear Operator have a co-property right in the fungible pool of interests in securities on deposit with the Euroclear Operator in an amount equal to the amount of interests in securities credited to their accounts. In the event of the insolvency of the Euroclear Operator, Euroclear Participants would have a right under Belgian law to the return of the amount and type of interests in securities credited to their accounts with the Euroclear Operator. If the Euroclear Operator did not have a sufficient amount of interests in securities on deposit of a particular type to cover the claims of all Participants credited with such interests in securities on the Euroclear Operator's records, all Participants having an amount of interests in securities of such type credited to their accounts with the Euroclear Operator would have the right under Belgian law to the return of their pro rata share of the amount of interests in securities actually on deposit.

Under Belgian law, the Euroclear Operator is required to pass on the benefits of ownership in any interests in securities on deposit with it (such as dividends, voting rights and other entitlements) to any person credited with such interests in securities on its records.

Clearstream

Clearstream advises that it is incorporated under the laws of Luxembourg and licensed as a bank and professional depository. Clearstream holds securities for its participating organizations (*Clearstream Customers*) and facilitates the clearance and settlement of securities transactions between Clearstream Customers through electronic book-entry changes in accounts of its participants, thereby eliminating the need for

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physical movement of certificates. Clearstream provides to Clearstream Customers, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic securities markets in over 30 countries through established depository and custodial relationships. Clearstream has established an electronic bridge with the Euroclear operator to facilitate the settlement of trades between Euroclear and Clearstream. As a registered bank in Luxembourg, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector (Commission de Surveillance du Secteur Financier). Clearstream Customers are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the Underwriters. Clearstream's U.S. customers are limited to securities brokers and dealers and banks. Indirect access to Clearstream is also available to other institutions such as banks, brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a Clearstream Customer, either directly or indirectly.

Distributions with respect to the Notes held through Clearstream will be credited to cash accounts of Clearstream Customers in accordance with its rules and procedures.

Euroclear and Clearstream Arrangements

So long as Euroclear or Clearstream or their nominee or their common depository is the registered holder of the Global Notes, Euroclear, Clearstream or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Notes for all purposes under the Indenture and the Notes. Payments of principal, interest and additional amounts, if any, in respect of the Global Notes will be made to Euroclear, Clearstream or such nominee, as the case may be, as registered holder thereof. None of us, the trustee, any underwriter and any affiliate of any of the above or any person by whom any of the above is controlled (as such term is defined in the Securities Act of 1933) will have any responsibility or liability for any records relating to or payments made on account of beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Distributions of principal and interest with respect to the Global Notes will be credited in euro to the extent received by Euroclear or Clearstream from the paying agent to the cash accounts of Euroclear or Clearstream customers in accordance with the relevant system's rules and procedures.

Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in the Global Notes to pledge such interest to persons or entities which do not participate in the relevant clearing system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

Initial settlement

We understand that investors that hold their Notes through Euroclear or Clearstream accounts will follow the settlement procedures that are applicable to conventional eurobonds in registered form. Subject to applicable procedures of Euroclear and Clearstream, Notes will be credited to the securities custody accounts of Clearstream and Euroclear participants on the business day following the settlement date, for value on the settlement date.

Secondary market trading

Because the purchaser determines the place of delivery, it is important to establish at the time of trading of any Notes where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

We understand that secondary market trading between Euroclear and/or Clearstream participants will occur in the ordinary way following the applicable rules and operating procedures of Euroclear and Clearstream. Secondary market trading will be settled using procedures applicable to conventional eurobonds in registered form.

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You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Notes through Euroclear and Clearstream on days when those systems are open for business. Those systems may not be open for business on days when banks, brokers and other institutions are open for business in the United States.

In addition, because of time-zone differences, there may be problems with completing transactions involving Euroclear and Clearstream on the same business day as in the United States. U.S. investors who wish to transfer their interests in the Notes, or to make or receive a payment or delivery of the Notes, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg or Brussels, depending on whether Euroclear or Clearstream is used.

Euroclear or Clearstream will credit payments to the cash accounts of Euroclear participants or Clearstream customers, as applicable, in accordance with the relevant system's rules and procedures, to the extent received by its depository. The Euroclear Operator or Clearstream, as the case may be, will take any other action permitted to be taken by a holder under the Indenture on behalf of a Euroclear participant or Clearstream customer only in accordance with its relevant rules and procedures.

Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of the Notes among participants of Euroclear and Clearstream. However, they are under no obligation to perform or continue to perform those procedures, and they may discontinue those procedures at any time.

Certificated Notes

Subject to certain conditions, the Notes represented by the Global Notes are exchangeable for certificated Notes in definitive form of like tenor in minimum denominations of 100,000 principal amount and multiples of 1,000 in excess thereof if:

- (1) the common depository (A) notifies us that it is unwilling or unable to continue as depository for the Global Notes or (B) has ceased to be a clearing agency registered under the Exchange Act and, in each case, a successor depository is not appointed;
- (2) we, at our option, notify the Trustee in writing that we elect to cause the issuance of certificated Notes; or
- (3) there has occurred and is continuing an Event of Default with respect to the Notes.

In all cases, certificated Notes delivered in exchange for any Global Note will be registered in the names, and issued in any approved denominations, requested by or on behalf of the common depository (in accordance with its customary procedures).

Payments (including principal, premium and interest) and transfers with respect to Notes in certificated form may be executed at the office or agency maintained for such purpose in London (initially the office of the paying agent maintained for such purpose) or, at our option, by check mailed to the holders thereof at the respective addresses set forth in the register of holders of the applicable Notes, provided that all payments (including principal, premium and interest) on Notes in certificated form, for which the holders thereof have given wire transfer instructions, will be required to be made by wire transfer of immediately available funds to the accounts specified by the holders thereof. No service charge will be made for any registration of transfer, but payment of a sum sufficient to cover any tax or governmental charge payable in connection with that registration may be required.

The paying agent for the Notes will initially be The Bank of New York Mellon, London Branch.

Applicable Law

The Notes and the Indenture will be governed by and construed in accordance with the laws of the State of New York.

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MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

In General

The following discussion is a summary of the material U.S. federal income tax consequences relevant to the purchase, ownership and disposition (including an exchange) of the Notes, but this summary does not purport to be a complete analysis of all potential tax effects to holders of the Notes.

The discussion is based on provisions of the Internal Revenue Code of 1986, as amended (the *Code*), U.S. Treasury Regulations issued thereunder, Internal Revenue Service rulings and pronouncements and judicial decisions now in effect, all of which are subject to change at any time and subject to differing interpretations. Any such change may be applied retroactively in a manner that could adversely affect a holder of the Notes and the continued validity of this summary.

This discussion does not address all of the U.S. federal income tax consequences that may be relevant to you in light of your particular circumstances (such as the application of the alternative minimum tax) or that may be relevant to you because you are subject to special rules, including those applicable to financial institutions, mutual funds, real estate investment trusts, small business investment companies, S corporations, partnerships or other entities treated as partnerships for U.S. federal income tax purposes, controlled foreign corporations or passive foreign investment companies, U.S. expatriates, insurance companies, dealers in securities or currencies, traders in securities, holders whose functional currency is not the U.S. dollar, tax-exempt organizations and persons holding Notes in tax-deferred or tax-advantaged accounts, shareholders or other equity holders in, or beneficiaries of, a holder of Notes, and persons holding the Notes as part of a straddle, hedge, constructive sale, conversion transaction, synthetic security, or other integrated transaction.

In addition, this discussion applies to you only if you purchase your Notes for cash in the original issue and at the Notes' issue price within the meaning of Section 1273 of the Code (i.e., the first price at which a substantial amount of Notes is sold for cash to persons other than bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers).

Moreover, except where specifically indicated, this summary does not discuss the effect of any other federal tax laws (i.e., estate and gift tax), or any state, local or foreign tax laws.

Finally, the discussion deals only with Notes held as capital assets within the meaning of Section 1221 of the Code. As used herein, *U.S. Holder* means a beneficial owner of the Notes that is:

an individual who is a citizen or resident of the United States,

a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or of any state thereof or of the District of Columbia,

an estate, the income of which is subject to U.S. federal income tax regardless of its source, or

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a trust, if a U.S. court can exercise primary supervision over the administration of the trust and one or more United States persons can control all substantial trust decisions (or if a valid election is in place to treat the trust as a United States person).

A *Non-U.S. Holder* is a beneficial owner of the Notes that is an individual, corporation, estate or trust who or that is not a U.S. Holder.

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An individual may, subject to certain exceptions, be deemed to be a resident of the United States for U.S. federal income tax purposes by reason of being present in the United States for at least 31 days in the calendar year and for an aggregate of at least 183 days during a three-year period ending in the current calendar year (counting for such purposes all of the days present in the current year, one-third of the days present in the immediately preceding year, and one-sixth of the days present in the second preceding year).

We have not sought and will not seek any rulings from the Internal Revenue Service (the *IRS*), with respect to the matters discussed below. There can be no assurances that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition (including an exchange) of the Notes or that any such position would not be sustained.

Please consult your own tax advisor with regard to the application of the tax consequences discussed below to your particular situation and the application of any other federal as well as state, local or foreign tax laws and tax treaties, including gift and estate tax laws.