

AIR PRODUCTS & CHEMICALS INC /DE/  
Form 10-Q  
April 30, 2015  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended 31 March 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-4534

**AIR PRODUCTS AND CHEMICALS, INC.**

(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction of Incorporation or Organization)

23-1274455  
(I.R.S. Employer Identification No.)

7201 Hamilton Boulevard, Allentown, Pennsylvania  
(Address of Principal Executive Offices)

18195-1501  
(Zip Code)

610-481-4911

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES  NO

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

Class	Outstanding at 31 March 2015
Common Stock, \$1 par value	214,764,754

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**AIR PRODUCTS AND CHEMICALS, INC. and Subsidiaries**

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**Table of Contents****PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****AIR PRODUCTS AND CHEMICALS, INC. and Subsidiaries****CONSOLIDATED INCOME STATEMENTS****(Unaudited)**

(Millions of dollars, except for share data)	Three Months Ended 31 March		Six Months Ended 31 March	
	2015	2014	2015	2014
<b>Sales</b>	\$ 2,414.5	\$ 2,581.9	\$ 4,975.3	\$ 5,127.4
Cost of sales	1,699.6	1,917.6	3,530.6	3,783.5
Selling and administrative	240.9	263.4	499.1	544.3
Research and development	36.3	33.2	71.7	66.7
Business restructuring and cost reduction actions	55.4		87.8	
Pension settlement loss	12.6		12.6	
Gain on previously held equity interest			17.9	
Other income (expense), net	4.7	17.0	13.0	37.4
<b>Operating Income</b>	<b>374.4</b>	<b>384.7</b>	<b>804.4</b>	<b>770.3</b>
Equity affiliates income	33.0	30.4	76.1	68.6
Interest expense	23.4	31.5	52.5	64.8
<b>Income from Continuing Operations before Taxes</b>	<b>384.0</b>	<b>383.6</b>	<b>828.0</b>	<b>774.1</b>
Income tax provision	87.1	92.1	193.6	186.6
<b>Income from Continuing Operations</b>	<b>296.9</b>	<b>291.5</b>	<b>634.4</b>	<b>587.5</b>
<b>Income from Discontinued Operations, net of tax</b>				<b>3.1</b>
<b>Net Income</b>	<b>296.9</b>	<b>291.5</b>	<b>634.4</b>	<b>590.6</b>
<b>Less: Net Income Attributable to Noncontrolling Interests</b>	<b>6.9</b>	<b>8.0</b>	<b>19.8</b>	<b>16.9</b>
<b>Net Income Attributable to Air Products</b>	<b>\$ 290.0</b>	<b>\$ 283.5</b>	<b>\$ 614.6</b>	<b>\$ 573.7</b>
<b>Net Income Attributable to Air Products</b>				
Income from continuing operations	\$ 290.0	\$ 283.5	\$ 614.6	\$ 570.6
Income from discontinued operations				3.1
<b>Net Income Attributable to Air Products</b>	<b>\$ 290.0</b>	<b>\$ 283.5</b>	<b>\$ 614.6</b>	<b>\$ 573.7</b>
<b>Basic Earnings Per Common Share Attributable to Air Products</b>				
Income from continuing operations	\$ 1.35	\$ 1.33	\$ 2.87	\$ 2.69
Income from discontinued operations				.01
<b>Net Income Attributable to Air Products</b>	<b>\$ 1.35</b>	<b>\$ 1.33</b>	<b>\$ 2.87</b>	<b>\$ 2.70</b>
<b>Diluted Earnings Per Common Share Attributable to Air Products</b>				
Income from continuing operations	\$ 1.33	\$ 1.32	\$ 2.83	\$ 2.66
Income from discontinued operations				.01
<b>Net Income Attributable to Air Products</b>	<b>\$ 1.33</b>	<b>\$ 1.32</b>	<b>\$ 2.83</b>	<b>\$ 2.67</b>
<b>Weighted Average Common Shares Basic (in millions)</b>	<b>214.9</b>	<b>212.4</b>	<b>214.5</b>	<b>212.1</b>
<b>Weighted Average Common Shares Diluted (in millions)</b>	<b>217.4</b>	<b>214.9</b>	<b>217.0</b>	<b>214.6</b>
<b>Dividends Declared Per Common Share Cash</b>	<b>\$ .81</b>	<b>\$ .77</b>	<b>\$ 1.58</b>	<b>\$ 1.48</b>

The accompanying notes are an integral part of these statements.

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

	Three Months Ended	
	31 March	
(Millions of dollars)	2015	2014
<b>Net Income</b>	\$ 296.9	\$ 291.5
<b>Other Comprehensive Loss, net of tax:</b>		
Translation adjustments, net of tax of \$61.4 and (\$8.1)	(232.1)	(85.6)
Net gain (loss) on derivatives, net of tax of (\$1.4) and \$.5	(.4)	4.6
Pension and postretirement benefits, net of tax of (\$2.7)	(4.6)	
Reclassification adjustments:		
Derivatives, net of tax of \$6.2 and (\$3.6)	17.6	(10.8)
Pension and postretirement benefits, net of tax of \$14.7 and \$9.6	28.6	20.6
<b>Total Other Comprehensive Loss</b>	(190.9)	(71.2)
<b>Comprehensive Income</b>	106.0	220.3
<b>Net Income Attributable to Noncontrolling Interests</b>	6.9	8.0
<b>Other Comprehensive Income (Loss) Attributable to Noncontrolling Interests</b>	.6	(3.5)
<b>Comprehensive Income Attributable to Air Products</b>	\$ 98.5	\$ 215.8

	Six Months Ended	
	31 March	
(Millions of dollars)	2015	2014
<b>Net Income</b>	\$ 634.4	\$ 590.6
<b>Other Comprehensive Loss, net of tax:</b>		
Translation adjustments, net of tax of \$77.5 and (\$21.7)	(476.5)	(54.2)
Net gain (loss) on derivatives, net of tax of (\$12.8) and \$5.3	(24.2)	17.7
Pension and postretirement benefits, net of tax of (\$2.7)	(4.6)	
Reclassification adjustments:		
Derivatives, net of tax of \$11.6 and (\$8.0)	31.1	(22.7)
Pension and postretirement benefits, net of tax of \$24.8 and \$19.2	49.5	40.6
<b>Total Other Comprehensive Loss</b>	(424.7)	(18.6)
<b>Comprehensive Income</b>	209.7	572.0
<b>Net Income Attributable to Noncontrolling Interests</b>	19.8	16.9
<b>Other Comprehensive Loss Attributable to Noncontrolling Interests</b>	(4.5)	(4.6)
<b>Comprehensive Income Attributable to Air Products</b>	\$ 194.4	\$ 559.7

The accompanying notes are an integral part of these statements.