

AIR PRODUCTS & CHEMICALS INC /DE/  
Form 8-K  
January 05, 2010

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K  
CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported) January 5, 2010**

**Air Products and Chemicals, Inc.**

(Exact Name of Registrant as Specified in Charter)

Delaware

1-4534

23-1274455

(State or Other Jurisdiction of  
Incorporation)

(Commission File Number)

(IRS Employer Identification No.)

7201 Hamilton Boulevard, Allentown, Pennsylvania

18195-1501

(Address of Principal Executive Offices)

(Zip Code)

(610) 481-4911

Registrant's telephone number, including area code  
not applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (See General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 8.01 Other Events****Additional Information on Compensation Plan Proposal**

On December 10, 2009, Air Products and Chemicals, Inc. (the Company) filed a Proxy Statement for its 2010 Annual Meeting of Shareholders, to be held on January 28, 2010. The Company has been requested to provide additional information with respect to its Long Term Incentive Plan (the Plan), which shareholders are requested to approve at the Annual Meeting.

On page 10 of the Proxy Statement, the Company disclosed that, as of its fiscal year end, September 30, 2009, 7,208,358 stock options granted under the Plan had been outstanding in excess of six years with a weighted average exercise price of \$39.68. The following table provides additional information regarding these stock options:

| Grant Date | Number of Options | Vesting Dates <sup>(1)</sup> | Expiration Date | Exercise Price |
|------------|-------------------|------------------------------|-----------------|----------------|
| 10/01/1999 | 22,878            | 10/01/2002                   | 10/02/2009      | \$28.78        |
| 01/27/2000 | 4,000             | 07/27/2000                   | 01/28/2010      | \$30.81        |
| 10/02/2000 | 1,357,832         | 10/01/2001                   | 10/03/2010      | \$35.82        |
|            |                   | 10/01/2002                   |                 |                |
|            |                   | 10/01/2003                   |                 |                |
| 10/02/2000 | 164,210           | 10/02/2003                   | 10/03/2010      | \$35.82        |
| 01/25/2001 | 6,000             | 07/25/2001                   | 01/26/2011      | \$37.59        |
| 10/01/2001 | 2,373,598         | 10/01/2002                   | 10/02/2011      | \$38.02        |
|            |                   | 10/01/2003                   |                 |                |
|            |                   | 10/01/2004                   |                 |                |
| 10/01/2001 | 224,680           | 10/01/2004                   | 10/02/2011      | \$38.02        |
| 01/24/2002 | 8,000             | 07/24/2002                   | 01/25/2012      | \$45.91        |
| 10/01/2002 | 2,708,686         | 10/01/2003                   | 10/02/2012      | \$43.09        |
|            |                   | 10/01/2004                   |                 |                |
|            |                   | 10/01/2005                   |                 |                |
| 10/01/2002 | 309,474           | 10/01/2005                   | 10/02/2012      | \$43.09        |
| 01/23/2003 | 10,000            | 07/23/2003                   | 01/24/2013      | \$41.96        |
| 08/11/2003 | 19,000            | 08/11/2004                   | 08/12/2013      | \$45.93        |
|            |                   | 08/11/2005                   |                 |                |
|            |                   | 08/11/2006                   |                 |                |

- (1) Senior management option grants vest in one-third tranches on each of the first three anniversaries of the grant date. Nonmanagement employee stock options, which have been discontinued, vested on the

third anniversary  
of the grant date.  
Nonemployee  
director stock  
options, which  
have been  
discontinued,  
vested on the  
six-month  
anniversary of  
the grant date.

To illustrate the intrinsic value of the stock options detailed above during the period after vesting, the New York Stock Exchange closing price for each fiscal year-end, beginning with the first grant date above, was as follows:

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| Date       | NYSE<br>Closing<br>Price |
|------------|--------------------------|
| 09/29/2000 | \$ 36.00                 |
| 09/28/2001 | \$ 38.58                 |
| 09/30/2002 | \$ 42.01                 |
| 09/30/2003 | \$ 45.10                 |
| 09/30/2004 | \$ 54.38                 |
| 09/30/2005 | \$ 55.14                 |
| 09/29/2006 | \$ 66.37                 |
| 09/28/2007 | \$ 97.76                 |
| 09/30/2008 | \$ 68.49                 |
| 09/30/2009 | \$ 77.58                 |

The chart below reflects the Company's five-year total shareholder return as of 30 September 2009:

| Period                 | Total<br>Shareholder<br>Return |
|------------------------|--------------------------------|
| Fiscal Year 2005       | 3.56%                          |
| Fiscal Year 2006       | 22.90%                         |
| Fiscal Year 2007       | 50.05%                         |
| Fiscal Year 2008       | (28.56%)                       |
| Fiscal Year 2009       | 16.65%                         |
| Cumulative FY2005-2009 | 59.15%                         |

Page 9 of the Proxy Statement discloses that, as of September 30, 2009, 3,629,182 previously authorized shares were still available for awards under the Plan. As also noted, no more than 20% of the shares of Company stock subject to Plan awards granted after fiscal year 2001 can be used for full value awards ( 20% limit ). As of September 30, 2009, less than 12% of shares used for Plan awards since 2001 were used for full value awards. Because the 20% limit is cumulative, and less than 20% of shares subject to awards granted since 2001 have been used for full value awards, 2,757,837 of the authorized shares still available for use under the Plan could be used for full value awards under the terms of the Plan.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Air Products and Chemicals, Inc.  
(Registrant)

Dated: January 5, 2010

By: /s/ John D. Stanley  
John D. Stanley  
Senior Vice President and General  
Counsel

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