

Moving forward



Create Shareholder Value

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Chairman, President and
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Morgan Stanley Global
Chemicals Conference

November 10, 2015



Forward-looking statements

This presentation contains "forward-looking statements" within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements about earnings guidance and business outlook. These forward-looking statements are based on management's reasonable expectations and assumptions as of the date of this release. Actual performance and financial results may differ materially from projections and estimates expressed in the forward-looking statements because of many factors not anticipated by management, including, without limitation, global or regional economic conditions and supply and demand dynamics in market segments into which the Company sells; significant fluctuations in interest rates and foreign currencies from that currently anticipated; future financial and operating performance of major customers; unanticipated contract terminations or customer cancellations or postponement of projects and sales; asset impairments due to economic conditions or specific events; the impact of competitive products and pricing; challenges of implementing new technologies; ability to protect and enforce the Company's intellectual property rights; unexpected changes in raw material supply and markets; the impact of price fluctuations in natural gas and disruptions in markets and the economy due to oil price volatility; the ability to recover increased energy and raw material costs from customers; costs and outcomes of litigation or regulatory investigations; the success of productivity and cost reduction programs; the timing, impact, and other uncertainties of future acquisitions or divestitures; political risks, including the risks of unanticipated government actions; acts of war or terrorism; the impact of changes in environmental, tax or other legislation and regulatory activities in jurisdictions in which the Company and its affiliates operate; and other risk factors described in the Company's Form 10-K for its fiscal year ended September 30, 2014. The Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this release to reflect any change in the Company's assumptions, beliefs or expectations or any change in events, conditions, or circumstances upon which any such forward-looking statements are based.

Air Products today

\$10
billion in sales

20,000
employees

50+
countries

284
On Fortune 500 list

7+
decades in business

170,000+
customers

1800
miles of industrial
gas pipeline

750+
production
facilities

30+
industries
served

Air Products is...

...a leader in the global industrial gas industry with:

- Established leading positions in diverse end markets, including energy, chemicals, metals, electronics and manufacturing
- Growth opportunities driven by Energy, Environmental and Emerging markets
- Complementary equipment businesses
- A multi-billion project backlog with long-term contracts that generate consistent and predictable cash flows
- Leading positions in key growth regions including profitable joint ventures
- A prudent capital structure with a solid balance sheet supporting long-term profitable growth

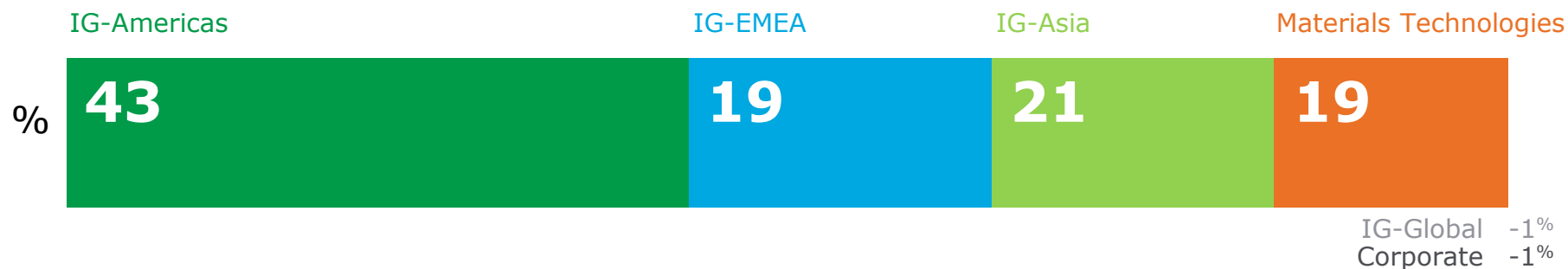


APD segments

FY15 Sales: \$9.9 B

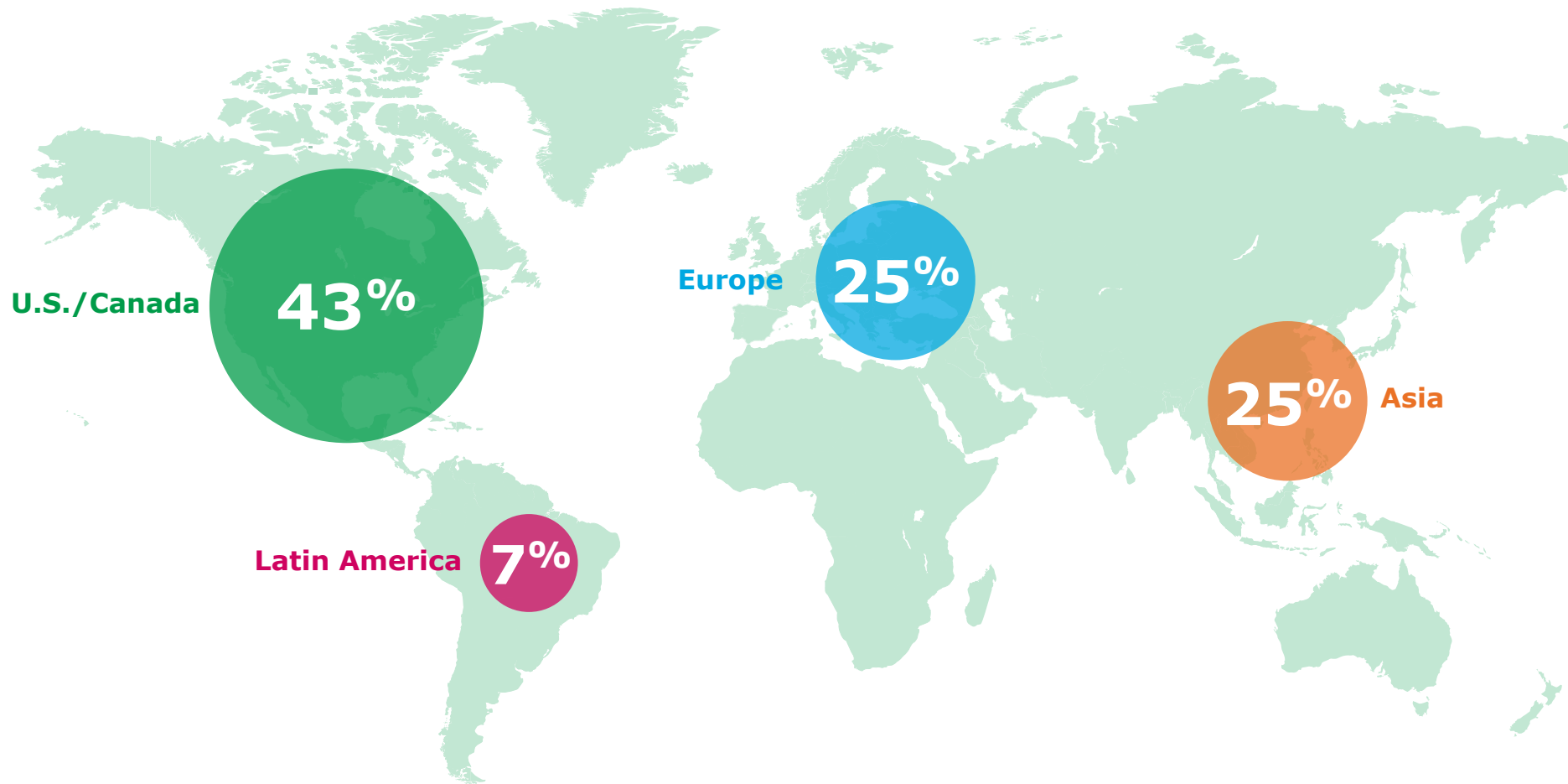


FY15 EBITDA: \$3.0 B









non-GAAP measures—see appendix for reconciliation

APD global presence



APD Joint Ventures

Profitable joint ventures with leadership positions in emerging markets

	Mexico	Italy	South Africa	Saudi Arabia	India	Thailand
						
Sales (\$B, 100%)	\$0.8	\$0.5	\$0.2	\$0.15	\$0.15	\$0.15
AP Ownership	40%	49%	50%	25%	50%	49%

FY 2015	Air Products (as reported)	Equity Affiliates ¹ (100% basis)	Combined ² (AP + 100% EA)
Sales (\$B)	\$9.9	\$2.6	\$12.5
Op Inc (\$B)	\$1.9	\$0.5	\$2.4
Op Margin	19.0%	20.4%	19.3%

Partially owned JV's create exposure to 26% more sales and 28% more op income

1. Please refer to financial statements for equity affiliate accounting.
2. Non-GAAP. If Air Products was to gain controlling financial interest and then consolidate, the results would be different than shown here

Our Goal

Air Products will be the **safest** and the **most profitable** industrial gas company in the world, providing excellent service to our customers

Creating shareholder value

Management philosophy

Shareholder Value

Cash is king; cash flow drives long-term value.
What counts in the long term is the increase in **per share value** of our stock, not size or growth.

CEO Focus











Capital allocation is the most important job of the CEO.

Operating Model

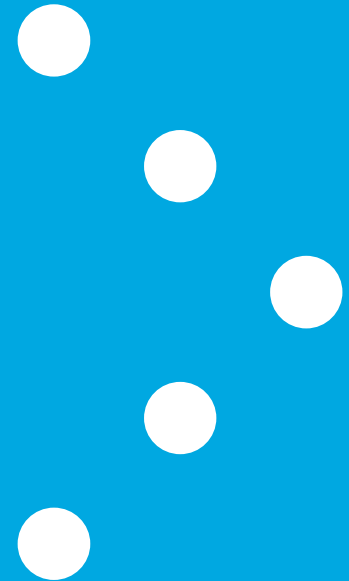
Decentralized organization releases entrepreneurial energy and keeps both costs and politics (“bureaucracy”) down.

Our Plan

5 point plan summary

Focus on the core 	Restructure organization 	Change culture 	Control capital/costs 	Align rewards 
Industrial gases	Decentralize	Safety	Capex	Reward performance
Key geographies	Geographic alignment	Simplicity	Hurdle rates	EBITDA/value creation target
		Speed	Corporate cost	
		Self-confidence	Ops./Dist. efficiency	
				

Q4FY15 Quarterly Earnings Slides



Safety results – Fiscal Year

	FY14	FY15	Change
Employee Lost Time Injury Rate	0.24	0.20	17% Better
Employee Recordable Injury Rate	0.58	0.49	16% Better

Fiscal Year Summary

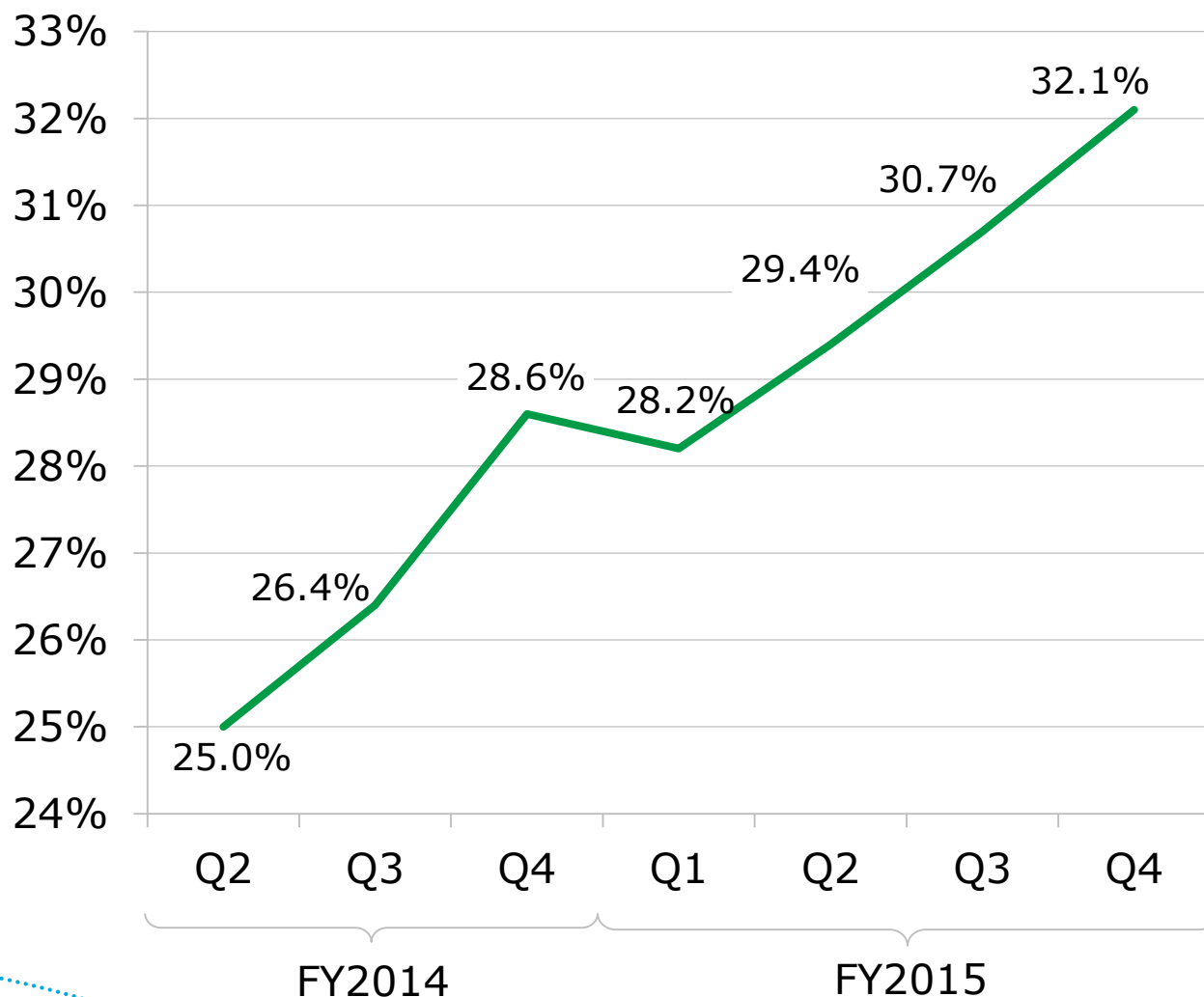
	FY14	FY15	Change
Sales \$billions	\$10.4	\$9.9	(5%)
EBITDA \$billions	\$2.8	\$3.0	+8%
EBITDA % margin	26.5%	30.1%	+360bp
Free Cash Flow \$millions	(\$34)	\$51	+\$85
EPS \$/share	\$5.78	\$6.57	+14%
ROCE	9.8%	11.3%	+150bp

Regional Industrial Gases EBITDA Margin

	FY14	FY15	Delta
Gases Americas	30.4%	34.9%	450bp
Gases EMEA	28.6%	30.4%	180bp
Gases Asia	36.3%	38.4%	210bp

- Successfully implemented a decentralized and entrepreneurial organization
- Repositioned our cost structure
- Changed incentive compensation system to promote focused and energized culture

EBITDA Margin Trend



Based on continuing ops, non-GAAP measures, see appendix for reconciliation

Fiscal Year Cash Flow Focus

(\$ million)	FY14	FY15	Change
EBITDA	\$2,765	\$2,975	\$210
Interest	(125)	(104)	21
Cash Tax	(161)	(393)	(232)
Maintenance Capex	(311)	(250)	61
Distributable Cash Flow	\$2,168	\$2,229	\$61
<i>DCF (\$/share)</i>	<i>\$10.07</i>	<i>\$10.26</i>	
Growth Capex	(1,574)	(1,500)	74
Dividends	(628)	(678)	(50)
Free Cash Flow	(\$34)	\$51	\$85

- Improved Distributable Cash Flow and positive Free Cash Flow
- Higher EBITDA and reduced capex, partially offset by higher cash taxes

FY15

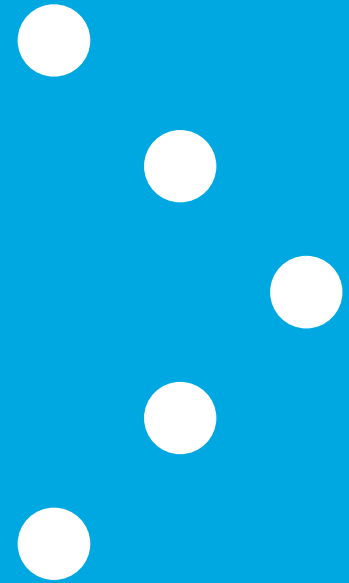
- Announced intent to spin Materials Technologies
- Major projects onstream in China
 - PCEC, Zhengyuan and Yankuang
 - Over 20,000 tpd of oxygen
- Major project wins
 - Saudi Aramco, Jazan
 - Electronics, Korea
 - Big River Steel, US
 - Pallas, TX
 - Baytown, Texas
- 75th anniversary



Outlook

FY2016 Q1 EPS	\$1.65 - \$1.75
FY2016 EPS	\$7.25 - \$7.50
Capital Spending	\$1.5 - \$1.6 billion

Materials Technologies





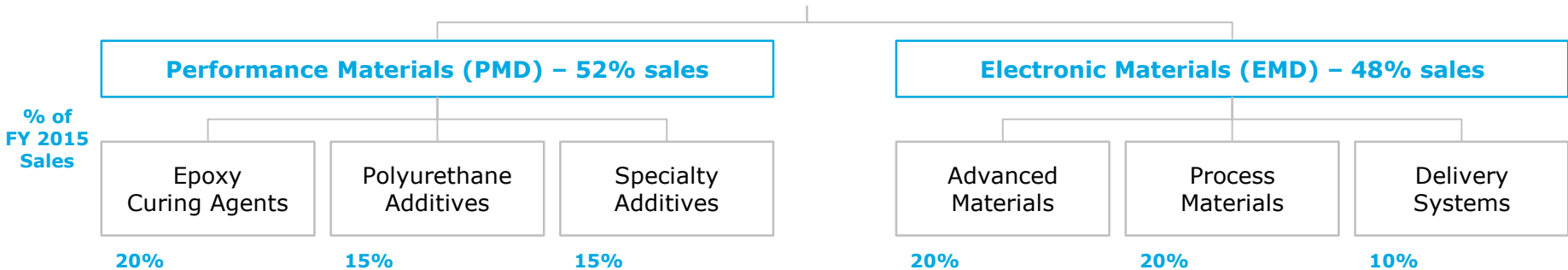
Air Products is announcing our
intention to **separate** our **Materials
Technologies** business through a
tax-free spin-off to our shareholders

Materials Technologies

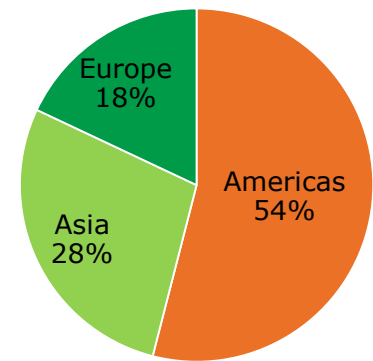
A portfolio of world class businesses

(\$ millions, FY15)

Sales: \$2,087
EBITDA*: 572
Margin: 27.4%



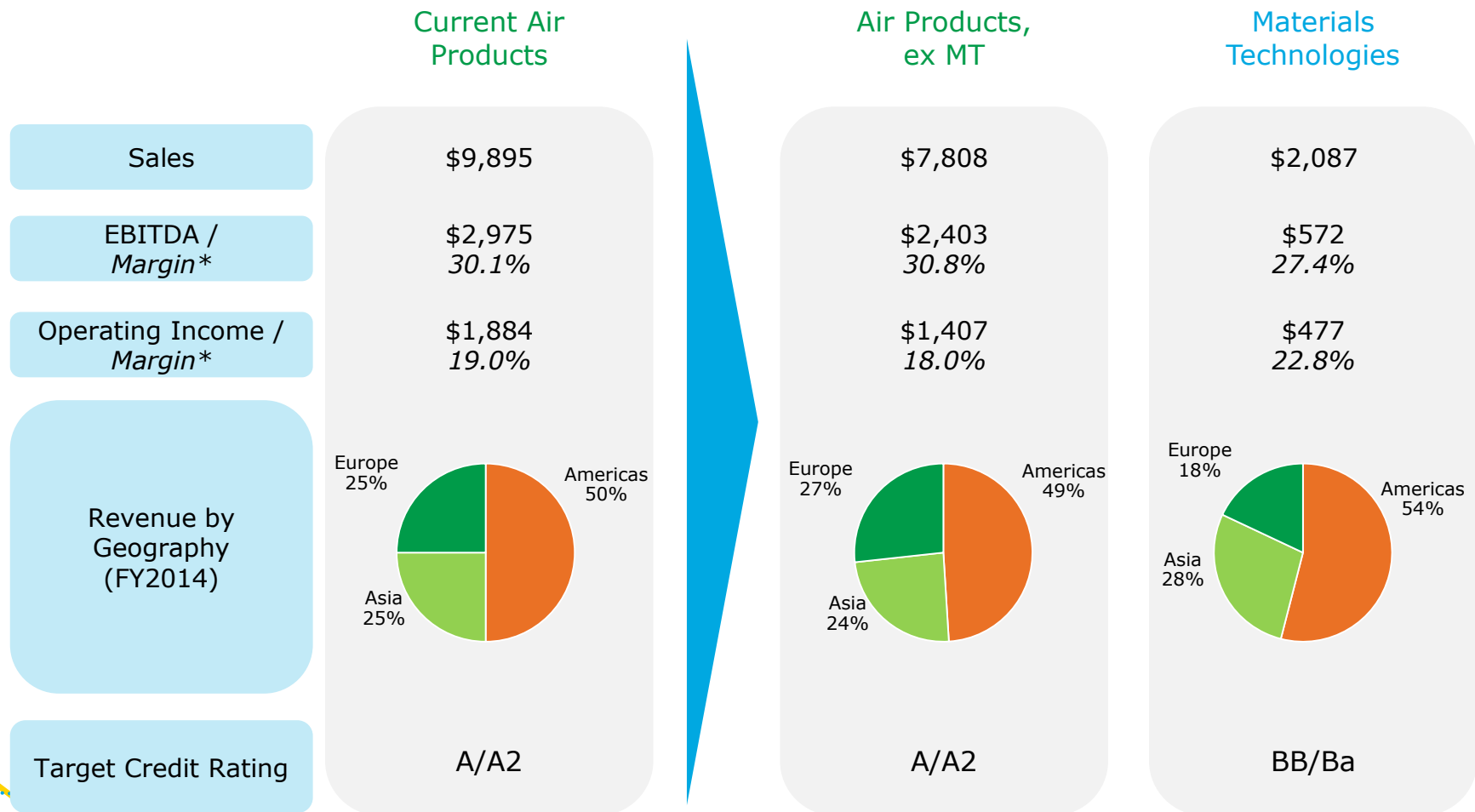
- Two divisions - focused on different markets with different solutions
- Niche businesses – #1 or #2 in majority of target markets
- Value creation through market expertise and customer intimacy / technical service
- Innovation-driven segments providing tailored product solutions
- Performance critical products that are a small portion of customers' product costs
- Global scale manufacturing and supply chain network



FY 2014

Creation of two companies with strong financial profiles

(\$ millions, FY15)



* As reported within APD, not adjusted for any incremental public company costs that Materials Technologies may incur as an independent company; non-GAAP measures—see appendix for reconciliation.

Transaction summary

- Distribute all shares of Materials Technologies to our shareholders, tax-free to Air Products U.S. shareholders
- Targeted completion by September 2016, subject to typical regulatory approvals
- Leadership
 - Guillermo Novo will be CEO of the new company. He is currently EVP of Air Products, responsible for Materials Technologies.
 - Seifi Ghasemi will be Non-Executive Chairman of the new company, while maintaining his current roles as Chairman, President and CEO of Air Products.
- Opportunity for both companies to further optimize cost structure and balance sheet post-separation



Tailored capital structures with financial flexibility to drive value creation strategy

- Air Products is expected to maintain its current targeted A/A2 rating
 - Transaction is expected to create approximately \$1.5 billion* of additional capital deployment capacity for Air Products
- Materials Technologies will be well-capitalized consistent with BB/Ba rating
- Dividend from both companies in total is expected to equal that of Air Products at separation

* Based on MT as reported within APD, not adjusted for any incremental public company costs that Materials Technologies may incur as an independent company

Conclusion

- Air Products will be the safest and the most profitable industrial gas company in the world, providing excellent service to our customers
- Materials Technologies will be a leading innovation-driven specialty materials company, providing value-added services to its customers
- Both companies will be well-capitalized with financial flexibility to pursue respective growth strategies
- Timing is optimal given financial performance, near to medium term opportunities and strength in capital markets

Our competitive advantage

The only sustainable element
of long-term competitive
advantage is the degree of
commitment and **motivation**
of the people in the enterprise

Moving forward



Thank you
tell me more

AIR
PRODUCTS 

Q4 Non-GAAP items

	Op Income \$MM	Pretax \$MM	Net Income \$MM	EPS \$/share
Restructuring costs	\$61.7	\$61.7	\$54.5	\$0.25
Pension settlements	7.0	7.0	4.8	0.02
Gain on land sales (OIE)	(33.6)	(33.6)	(28.3)	(0.13)
Business separation costs	7.5	7.5	7.5	0.03
Loss on debt retirement	<u>--</u>	<u>16.6</u>	<u>14.2</u>	<u>0.07</u>
	\$42.6	\$59.2	\$52.7	\$0.24

Positive numbers of this slide represent losses.
Based on continuing ops, non-GAAP measures,
see appendix for reconciliation

Appendix: Q415 and Full Year Results

(\$ Millions, except per share data)

Moving forward

	GAAP Measure				Non GAAP Adjusts.		Non GAAP Measure			
			\$	%					\$	%
<u>Q415 vs. Q414 - Total Company</u>	<u>Q415</u>	<u>Q414</u>	<u>Change</u>	<u>Change</u>	<u>Q415 (2)</u>	<u>Q414 (3)</u>	<u>Q415</u>	<u>Q414</u>	<u>Change</u>	<u>Change</u>
Sales	2,449.4	2,677.0	(227.6)	(9%)			2,449.4	2,677.0	(227.6)	(9%)
Operating Income	472.2	144.1	328.1	228%	42.6	328.3	514.8	472.4	42.4	9%
Operating Margin	19.3%	5.4%		1,390bp			21.0%	17.6%		340bp
Income from Cont. Ops. (1)	344.5	102.5	242.0	236%	52.7	255.9	397.2	358.4	38.8	11%
Diluted EPS - Cont. Ops. (1)	\$1.58	\$0.47	\$1.11	236%	0.24	1.19	\$1.82	\$1.66	\$0.16	10%
<u>Q415 vs. Q315 - Total Company</u>	<u>Q415</u>	<u>Q315</u>	<u>Change</u>	<u>Change</u>	<u>Q415 (2)</u>	<u>Q315 (2)</u>	<u>Q415</u>	<u>Q315</u>	<u>Change</u>	<u>Change</u>
Sales	2,449.4	2,470.2	(20.8)	(1%)			2,449.4	2,470.2	(20.8)	(1%)
Operating Income	472.2	422.5	49.7	12%	42.6	59.8	514.8	482.3	32.5	7%
Operating Margin	19.3%	17.1%		220bp			21.0%	19.5%		150bp
Income from Cont. Ops. (1)	344.5	318.8	25.7	8%	52.7	39.8	397.2	358.6	38.6	11%
Diluted EPS - Cont. Ops. (1)	\$1.58	\$1.47	\$0.11	7%	0.24	0.18	\$1.82	\$1.65	\$0.17	10%
<u>FY15 vs. FY14 - Total Company</u>	<u>FY15</u>	<u>FY14</u>	<u>Change</u>	<u>Change</u>	<u>FY15 (2)</u>	<u>FY14 (3)</u>	<u>FY15</u>	<u>FY14</u>	<u>Change</u>	<u>Change</u>
Sales	9,894.9	10,439.0	(544.1)	(5%)			9,894.9	10,439.0	(544.1)	(5%)
Operating Income	1,699.1	1,328.2	370.9	28%	184.9	328.3	1,884.0	1,656.5	227.5	14%
Operating Margin	17.2%	12.7%		450bp			19.0%	15.9%		310bp
Income from Cont. Ops. (1)	1,277.9	987.1	290.8	29%	149.1	255.9	1,427.0	1,243.0	184.0	15%
Diluted EPS - Cont. Ops. (1)	\$5.88	\$4.59	\$1.29	28%	0.69	1.19	\$6.57	\$5.78	\$0.79	14%

Q415 vs Q414 - Industrial Gases - EMEA - Constant Currency Basis

	<u>Q415</u>	<u>Q414</u>	<u>Change</u>	<u>Change</u>	<u>Q415 (4)</u>	<u>Q415</u>	<u>Q414</u>	<u>Change</u>	<u>Change</u>
Operating Income	90.8	92.8	(2.0)	(2%)	12.1	102.9	92.8	10.1	11%

(1) Attributable to Air Products

(2) FY15 Non GAAP Adjustments

	Operating Income					Income From Cont. Ops					EPS				
	<u>Q115</u>	<u>Q215</u>	<u>Q315</u>	<u>Q415</u>	<u>FY15</u>	<u>Q115</u>	<u>Q215</u>	<u>Q315</u>	<u>Q415</u>	<u>FY15</u>	<u>Q115</u>	<u>Q215</u>	<u>Q315</u>	<u>Q415</u>	<u>FY15</u>
Business restructuring/cost reduction actions	32.4	55.4	58.2	61.7	207.7	21.7	38.2	38.8	54.5	153.2	0.10	0.18	0.18	0.25	0.71
Pension settlement loss		12.6	1.6	7.0	21.2		7.9	1.0	4.8	13.7		0.04	-	0.02	0.06
Gain on previously held equity interest	(17.9)				(17.9)	(11.2)				(11.2)	(0.05)				(0.05)
Business separation costs				7.5	7.5				7.5	7.5				0.03	0.03
Gain on land sales				(33.6)	(33.6)				(28.3)	(28.3)				(0.13)	(0.13)
Loss on early retirement of debt	-	-	-	-	-	-	-	-	14.2	14.2	-	-	-	0.07	0.07
Total Adjustments	14.5	68.0	59.8	42.6	184.9	10.5	46.1	39.8	52.7	149.1	0.05	0.22	0.18	0.24	0.69

(3) FY14 Non GAAP Adjustments

	Q414		
	<u>Operating Income</u>	<u>Inc. From Cont. Ops</u>	<u>EPS</u>
Business restructuring/cost reduction actions	12.7	8.2	0.04
Goodwill and intangible impairment	310.1	275.1	1.27
Pension settlement loss	5.5	3.6	0.02
Income tax items	-	(31.0)	(0.14)
Total FY14 Adjustments	328.3	255.9	1.19

(4) Currency Adjustment

Appendix: Adjusted EBITDA Trend

\$ Millions	Q114	Q214	Q314	Q414	FY14	Q115	Q215	Q315	Q415	FY15	Q415 vs PY		Q415 vs PQ		FY15 vs FY14	
											\$	%	\$	%	\$	%
Income From Continuing Operations	296.0	291.5	323.5	77.5	988.5	337.5	296.9	333.2	350.0	1,317.6						
Add: Interest expense	33.3	31.5	31.3	29.0	125.1	29.1	23.4	28.2	22.8	103.5						
Add: Income tax provision	94.5	92.1	102.1	77.3	366.0	106.5	87.1	103.5	118.8	415.9						
Add: Depreciation and amortization	234.2	229.1	239.0	254.6	956.9	235.5	233.3	233.0	234.6	936.4						
Add Non GAAP pre-tax adjustments	0.0	0.0	0.0	328.3 (1)	328.3	14.5 (2)	68.0 (2)	59.8 (2)	59.2 (2)	201.5						
Adjusted EBITDA	658.0	644.2	695.9	766.7	2,764.8	723.1	708.7	757.7	785.4	2,974.9	18.7	2%	27.7	4%	210.1	8%
Sales	2,545.5	2,581.9	2,634.6	2,677.0	10,439.0	2,560.8	2,414.5	2,470.2	2,449.4	9,894.9						
Adjusted EBITDA Margin	25.8%	25.0%	26.4%	28.6%	26.5%	28.2%	29.4%	30.7%	32.1%	30.1%	350bp		140bp		360bp	

(1) Q414 Non GAAP Pre-Tax Adjustments

	Q414
Business restructuring/cost reduction actions	12.7
Goodwill and intangible impairment	310.1
Pension settlement loss	5.5
Total Q414 adjustments	328.3

(2) FY15 Non GAAP Pre-Tax Adjustments

	Q115	Q215	Q315	Q415	FY15
Business restructuring/cost reduction actions	32.4	55.4	58.2	61.7	207.7
Pension Settlement Loss	0.0	12.6	1.6	7.0	21.2
Gain on previously held equity investment	(17.9)	0.0	0.0	0.0	(17.9)
Business separation costs	0.0	0.0	0.0	7.5	7.5
Gain on land sales	0.0	0.0	0.0	(33.6)	(33.6)
Loss on early retirement of debt	0.0	0.0	0.0	16.6	16.6
FY15 adjustments	14.5	68.0	59.8	59.2	201.5

Appendix: Adjusted EBITDA by Segment



\$ Millions	Q114	Q214	Q314	Q414	FY14	Q115	Q215	Q315	Q415	FY15	Q415 vs PY		Q415 vs PQ		FY15 vs FY14	
											\$	%	\$	%	\$	%
Gases - Americas																
Operating Income	184.5	169.6	188.9	219.6	762.6	211.2	182.0	206.5	208.7	808.4						
Add: Depreciation and amortization	104.0	99.4	105.6	105.4	414.4	103.6	103.3	103.9	106.1	416.9						
Add Equity Affiliates' Income	17.6	12.6	14.7	16.0	60.9	17.2	15.1	17.3	15.0	64.6						
Adjusted EBITDA	306.1	281.6	309.2	341.0	1,237.9	332.0	300.4	327.7	329.8	1,289.9	(11.2)	(3%)	2.1	1%	52.0	4%
Adjusted EBITDA Margin	32.4%	27.3%	29.1%	32.9%	30.4%	33.1%	33.7%	36.5%	36.6%	34.9%		370bp		10bp		450bp
Gases - EMEA																
Operating Income	85.2	87.5	85.7	92.8	351.2	81.3	71.0	87.6	90.8	330.7						
Add: Depreciation and amortization	54.9	55.0	54.9	55.4	220.2	51.1	47.6	47.0	48.6	194.3						
Add Equity Affiliates' Income	9.7	9.3	13.5	11.6	44.1	10.3	8.0	12.1	12.0	42.4						
Adjusted EBITDA	149.8	151.8	154.1	159.8	615.5	142.7	126.6	146.7	151.4	567.4	(8.4)	(5%)	4.7	3%	(48.1)	-8%
Adjusted EBITDA Margin	27.2%	28.0%	28.7%	30.7%	28.6%	28.5%	28.2%	32.2%	32.9%	30.4%		220bp		70bp		180bp
Gases - Asia																
Operating Income	82.7	71.2	83.8	72.7	310.4	90.5	84.7	100.9	104.4	380.5						
Add: Depreciation and amortization	46.4	48.1	50.0	60.8	205.3	49.6	50.3	51.9	51.1	202.9						
Add Equity Affiliates' Income	9.6	7.6	13.4	7.4	38.0	14.6	9.4	12.7	9.4	46.1						
Adjusted EBITDA	138.7	126.9	147.2	140.9	553.7	154.7	144.4	165.5	164.9	629.5	24.0	17%	(0.6)	(0%)	75.8	14%
Adjusted EBITDA Margin	35.1%	34.7%	40.2%	35.2%	36.3%	38.8%	36.7%	39.6%	38.5%	38.4%		330bp		(110)bp		210bp
Gases - Global																
Operating Income	(10.3)	(14.6)	(14.4)	(18.0)	(57.3)	(17.9)	(7.9)	(24.1)	(1.7)	(51.6)						
Add: Depreciation and amortization	1.7	1.6	1.7	2.1	7.1	4.3	5.5	4.2	2.5	16.5						
Add Equity Affiliates' Income	0.7	0.3	0.7	4.1	5.8	0.4	(0.2)	0.0	(1.0)	(0.8)						
Adjusted EBITDA	(7.9)	(12.7)	(12.0)	(11.8)	(44.4)	(13.2)	(2.6)	(19.9)	(0.2)	(35.9)	11.6		19.7		8.5	
Materials Technologies																
Operating Income	64.3	93.8	96.6	124.3	379.0	104.6	124.2	131.5	116.4	476.7						
Add: Depreciation and amortization	24.5	22.7	24.5	27.4	99.1	24.0	23.3	22.7	22.8	92.8						
Add Equity Affiliates' Income	0.6	0.6	0.8	0.6	2.6	0.6	0.7	0.3	0.6	2.2						
Adjusted EBITDA	89.4	117.1	121.9	152.3	480.7	129.2	148.2	154.5	139.8	571.7	(12.5)	(8%)	(14.7)	(10%)	91.0	19%
Adjusted EBITDA Margin	18.6%	23.4%	23.2%	27.2%	23.3%	24.7%	27.8%	28.6%	28.5%	27.4%		130bp		(10)bp		410bp
Corporate/Other																
Operating Income	(17.9)	(19.3)	(23.6)	(16.2)	(77.0)	(22.7)	(8.8)	(17.6)	(1.5)	(50.6)						
Add: Depreciation and amortization	2.7	2.3	2.3	3.5	10.8	2.9	3.3	3.3	3.5	13.0						
Add Equity Affiliates' Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0						
Adjusted EBITDA	(15.2)	(17.0)	(21.3)	(12.7)	(66.2)	(19.8)	(5.5)	(14.3)	2.0	(37.6)	14.7		16.3		28.6	

Appendix: ROCE

\$ Millions Quarter Ended	Q113	Q213	Q313	Q413	Q114	Q214	Q314	Q414	Q115	Q215	Q315	Q415
Numerator												
Operating Income Reported		389.7	383.1	179.2	385.6	384.7	413.8	144.1	430.0	374.4	422.5	472.2
Equity Affiliate Income		39.8	44.2	42.4	38.2	30.4	43.1	39.7	43.1	33.0	42.4	36.0
Earnings before tax as reported		429.5	427.3	221.6	423.8	415.1	456.9	183.8	473.1	407.4	464.9	508.2
Cost Reduction / Restructuring Charge		0.0	0.0	231.6	0.0	0.0	0.0	12.7	32.4	55.4	58.2	61.7
Gain on previously held equity interest		0.0	0.0	0.0	0.0	0.0	0.0	0.0	(17.9)	0.0	0.0	0.0
Advisory Costs		0.0	0.0	10.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pension Settlement Loss		0.0	0.0	0.0	0.0	0.0	0.0	5.5	0.0	12.6	1.6	7.0
Goodwill and intangible impairment		0.0	0.0	0.0	0.0	0.0	0.0	310.1	0.0	0.0	0.0	0.0
Business separation costs		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.5
Gain on land sales		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(33.6)
Earnings before tax ex items		429.5	427.3	463.3	423.8	415.1	456.9	512.1	487.6	475.4	524.7	550.8
Effective tax rate as reported		24.3%	24.0%	13.9%	24.2%	24.0%	24.0%	49.9%	24.0%	22.7%	23.7%	25.3%
Earnings after tax as reported		325.1	324.7	190.8	321.2	315.5	347.2	92.1	359.6	314.9	354.7	379.6
Effective tax rate ex items		24.3%	24.0%	24.1%	24.2%	24.0%	24.0%	24.0%	24.1%	24.1%	24.9%	23.7%
Earnings after tax ex items		325.1	324.7	351.6	321.2	315.5	347.2	389.2	370.1	360.8	394.0	420.3
4 Qtr trailing AT earnings (numerator) - as reported					1,161.8	1,152.2	1,174.7	1,076.0	1,114.4	1,113.8	1,121.3	1,408.8
4 Qtr trailing AT Earnings (numerator) - ex items					1,322.6	1,313.0	1,335.5	1,373.1	1,422.0	1,467.3	1,514.1	1,545.2
Denominator												
Total Debt	6,035.7	5,981.2	6,130.3	6,273.6	6,168.3	6,167.1	6,136.0	6,118.5	6,089.0	5,930.2	5,863.2	5,879.0
Air Products Shareholders' Equity	6,299.3	6,365.5	6,540.8	7,042.1	7,264.0	7,370.9	7,696.7	7,365.8	7,351.5	7,332.5	7,586.0	7,249.0
Redeemable Noncontrolling Interest	390.7	398.7	371.8	375.8	358.7	343.6	341.4	287.2	288.7	280.0	277.9	-
Noncontrolling Interest	151.9	151.9	150.6	156.8	158.7	156.9	159.5	155.6	151.8	143.8	145.3	132.1
Total Capital	12,877.6	12,897.3	13,193.5	13,848.3	13,949.7	14,038.5	14,333.6	13,927.1	13,881.0	13,686.5	13,872.4	13,260.1
2 Qtr Average Capital (denominator)					13,899.0	13,994.1	14,186.1	14,130.4	13,904.1	13,783.8	13,779.5	13,566.3
5 Qtr Average Capital (denominator)					13,353.3	13,585.5	13,872.7	14,019.4	14,026.0	13,973.3	13,940.1	13,725.4
ROCE as rptd (4 Qtr trail AT earnings / 5 pt avg capital)					8.7%	8.5%	8.5%	7.7%	7.9%	8.0%	8.0%	10.3%
ROCE ex items (4 Qtr trail AT earnings/ 5 pt avg capital)					9.9%	9.7%	9.6%	9.8%	10.1%	10.5%	10.9%	11.3%
Instantaneous ROCE ex items (Qtr earnings AT x 4) / 2 pt avg capital)					9.2%	9.0%	9.8%	11.0%	10.6%	10.5%	11.4%	12.4%

Appendix: ROCE Tax Rate

(\$ Millions)	Q213	Q313	Q413	Q114	Q214	Q314	Q414	Q115	Q215	Q315	Q415
<u>Reported</u>											
Income Before Taxes	394.3	391.9	186.2	390.5	383.6	425.6	154.8	444.0	384.0	436.7	468.8
Tax Expense	95.8	94.1	25.8	94.5	92.1	102.1	77.3	106.5	87.1	103.5	118.8
Tax Rate Reported	24.3%	24.0%	13.9%	24.2%	24.0%	24.0%	49.9%	24.0%	22.7%	23.7%	25.3%
<u>ITEMS</u>											
<u>Operating Income</u>											
Cost Reduction / Restructuring Charges			231.6				12.7	32.4	55.4	58.2	61.7
Pension Settlement Loss							5.5		12.6	1.6	7.0
Gain on previously held equity interest								(17.9)			
Advisory Costs			10.1								
Goodwill and intangible impairment							310.1				
Business separation costs											7.5
Gain on land sales											(33.6)
Loss on debt retirement											16.6
<u>Tax Exp</u>											
Cost Reduction / Restructuring Charges			73.7				4.5	10.7	17.2	19.4	7.2
Pension Settlement Loss							1.9		4.7	0.6	2.2
Gain on previously held equity interest								(6.7)			
Advisory Costs			3.7								
Goodwill and intangible impairment							1.3				
Income tax items							31.0				
Gain on land sales											(5.3)
Loss on debt retirement											2.4
<u>Ex Items</u>											
Income Before Taxes	394.3	391.9	427.9	390.5	383.6	425.6	483.1	458.5	452.0	496.5	528.0
Tax Expense	95.8	94.1	103.2	94.5	92.1	102.1	116.0	110.5	109.0	123.5	125.3
Tax Rate ex Items	24.3%	24.0%	24.1%	24.2%	24.0%	24.0%	24.0%	24.1%	24.1%	24.9%	23.7%

Appendix – Guidance

EPS Guidance

<u>Q116 Guidance vs PY</u>	<u>Diluted EPS (1)</u>
Q115 GAAP	\$1.50
Business Restructuring Charge	\$0.10
Gain on previously held equity interest	(\$0.05)
Q115 Non GAAP	<u>\$1.55</u>
Q116 Guidance (2)	<u>\$1.65-\$1.75</u>
% Change	6%-13%

Full Fiscal Year 2016 Guidance

FY15 GAAP	\$5.88
Business Restructuring Charge	\$0.71
Pension Settlement Loss	\$0.06
Gain on previously held equity investment	(\$0.05)
Business separation costs	\$0.03
Gain on land sales	(\$0.13)
Loss on early retirement of debt	<u>\$0.07</u>
FY15 Non GAAP	<u>\$6.57</u>
FY16 Guidance (2)	<u>\$7.25-\$7.50</u>
% Change	10%-14%

(1) Continuing operations, attributable to Air Products

(2) Guidance excludes the impact of certain items, if applicable, that we believe are not representative of our underlying business