Moving forward

Create Shareholder Value

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AIR PRODUCTS

Forward-looking statements

Moving forward

This Presentation contains “forward-looking statements” within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 including statements regarding the expected timetable for completing the sale of PMD to Evonik, benefits and synergies of the proposed transaction, future opportunities for the combined company and products, future financial performance and any other statements regarding the Company’s and Evonik’s future expectations, beliefs, plans, objectives, financial conditions, or performance that are not historical facts; statements about the Company’s plans for completion of the EMD spin-off, the expected benefits of the spin-off, the tax free nature of the spin-off, the prospects for the independent companies following the spin-off and the timing of the transaction. These forward-looking statements are based on management’s reasonable expectations and assumptions as of the date of this release. Actual results may differ materially from the expectations expressed in the forward-looking statements because of many factors not anticipated by management, including, without limitation, additional timing required to consummate the proposed sale of PMD; inability to satisfy the conditions to closing of the proposed sale of PMD; the risk that a regulatory approval that may be required for the proposed sale of PMD is not obtained or is obtained subject to conditions that are not anticipated or other events that prevent the closing of the proposed transaction from occurring; the ultimate timing, outcome and results of integrating the operations of Air Products’ and Evonik’s Performance Materials divisions; the effects of the business combination, including the combined company’s future financial condition, results of operations, strategy and plans; expected synergies and other benefits from the proposed transaction and the ability of Evonik to realize such synergies and other benefits; the Company’s ability to obtain regulatory approvals necessary to effect the spin-off of EMD, our ability to fully realize the anticipated benefits of the spin-off, negative effects of the announcement or the consummation of the proposed spin-off on the market price of the Company’s common stock, significant transaction costs and or unknown liabilities, general economic and business conditions that affect the companies in connection with the proposed spin-off, changes in capital market conditions, future opportunities that the Company’s board may determine present greater potential to increase shareholder value than spin-off, the ability of our companies to operate independently following the spin-off; the impact of credit rating agencies or tax authority actions or other factors on the cash proceeds the Company expects to derive from the transactions; and other risk factors described in the Company's Form 10-K for its fiscal year ended September 30, 2015. The Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this document to reflect any change in 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	19,000 employees	50+ countries
$30+ billion market cap	7+ decades in business	170,000+ customers
1800 miles of industrial gas pipeline	750+ production facilities	30+ industries served

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

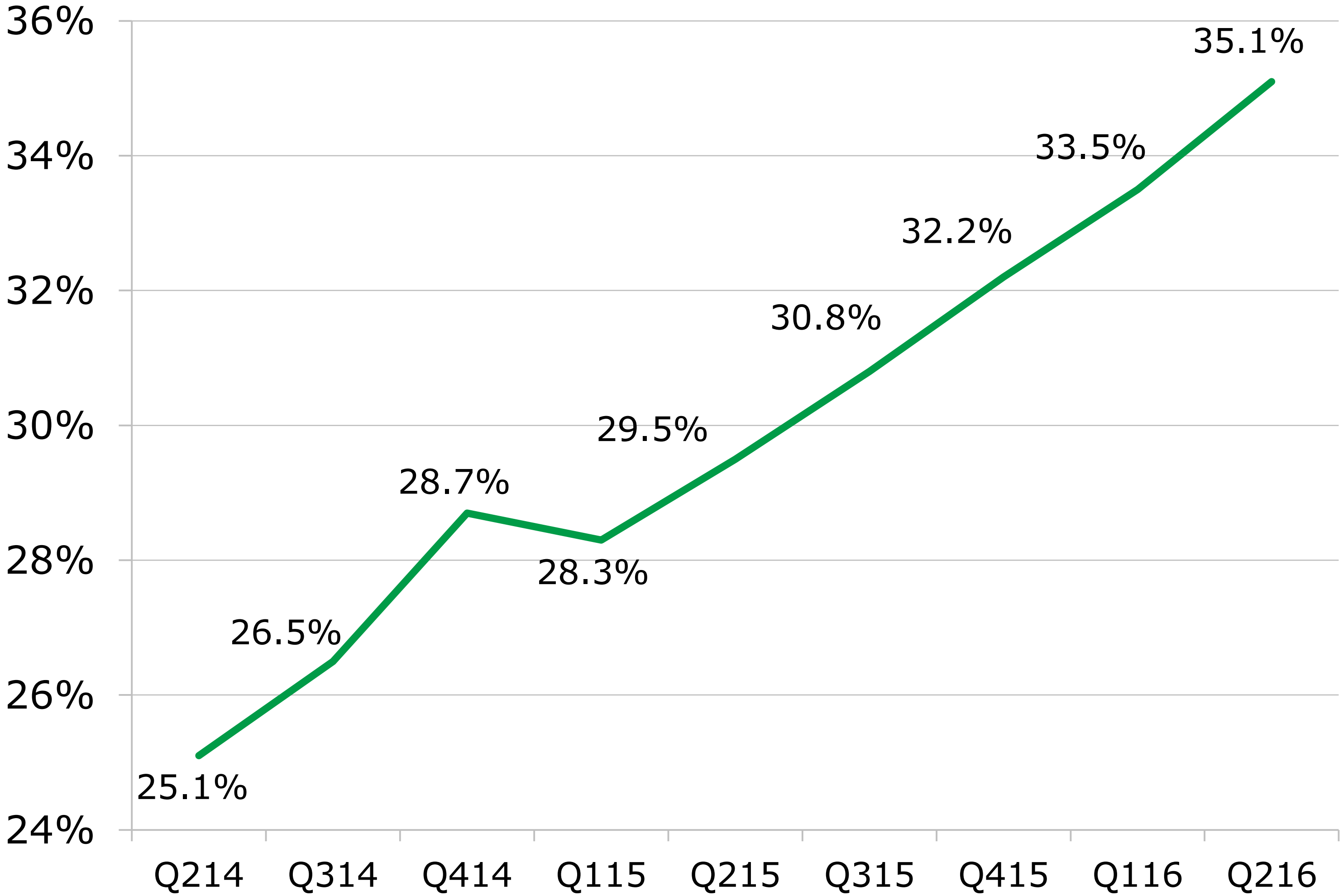
Shareholder Value	Cash is king; cash flow drives long-term value. What counts in the long term is the increase in **per share value** of our stock, not size or growth.
CEO Focus	Capital allocation is the most important job of the CEO.
Operating Model	Decentralized organization releases entrepreneurial 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	
✓	✓	=	=	✓

EBITDA Margin Trend



Based on continuing ops, non-GAAP measures, see appendix for reconciliation
FY14 information not audited

AIR PRODUCTS

Materials Technologies / Versum Materials

Air Products has announced:

- An agreement to sell our Performance Materials Division (PMD) to Evonik for $3.8 billion in cash

and

- Our current intention to separate our Electronic Materials Division (EMD) through a tax-free spin-off to our shareholders as Versum Materials

Sale of PMD to Evonik

- Sale price of $3.8 billion in cash
- Expected to close by the end of 2016, subject to regulatory approvals and customary closing conditions
- PMD operational facilities, supplier contracts, labs, contracts, customers, employees and certain legal entities associated with the PMD business would transfer to Evonik upon close
  - Evonik intends to continue to run the PMD business from the Allentown, PA area
- PMD
  - $1,040 million sales*
  - $241 million adjusted EBITDA*
- Transaction multiples
  - 3.7x sales
  - 15.8x adjusted EBITDA

*Trailing 12 months as of March 31 2016. As reported for MT segment within Air Products, no allocated corporate costs. See appendix for non-GAAP reconciliation.

Actions are expected to create additional capital capacity of ~$2.8 billion for APD

	Sale of PMD	Spin of EMD
Sale price of PMD	$3.8 billion	
Gross proceeds from Versum spin-off		~$1.25 billion
Expected tax	~$1 billion	$0 billion
After tax proceeds	~$2.8 billion	~$1.25 billion
Debt pay down	~$0.5 billion	~$0.7 billion
Net Capacity	**~$2.3 billion**	**~$0.5 billion**

- Air Products expects to pay down debt to maintain its current targeted A/A2 rating, debt pay down assumed at 2xEBITDA

Strong Air Products Growth Opportunities

- Large onsite investments driven by Energy, Environmental and Emerging market growth globally
  - Petrochemical Investments in the US Gulf Coast
  - Coal Gasification in China
  - Refinery hydrogen globally
  - New wave of demand for outsourced industrial gases for Oil & Chemical industry driven by lower oil prices
- Merchant business growth driven by underlying manufacturing economy

Maximizing shareholder value

- Air Products will be the safest and the most profitable industrial gas company in the world, providing excellent service to our customers
  - Certainty of cash from PMD sale
  - Enhances Air Products' ability to invest in and grow its core Industrial Gases business

- Ownership in Versum Materials
  - Will be the materials partner of choice for the semiconductor industry, providing innovative products for next generation chips used in mobile devices, Internet of Things, and PCs

- Both Air Products and Versum Materials will be well-capitalized with financial flexibility to pursue respective growth strategies

Our competitive advantage

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

VERSUM MATERIALS

GUILLERMO NOVO

EXECUTIVE VICE PRESIDENT, MATERIALS TECHNOLOGIES

VERSUM MATERIALS

BEST IN CLASS ELECTRONIC MATERIALS COMPANY

Solid growth

High margins

Low capital intensity

Strong free cash flow

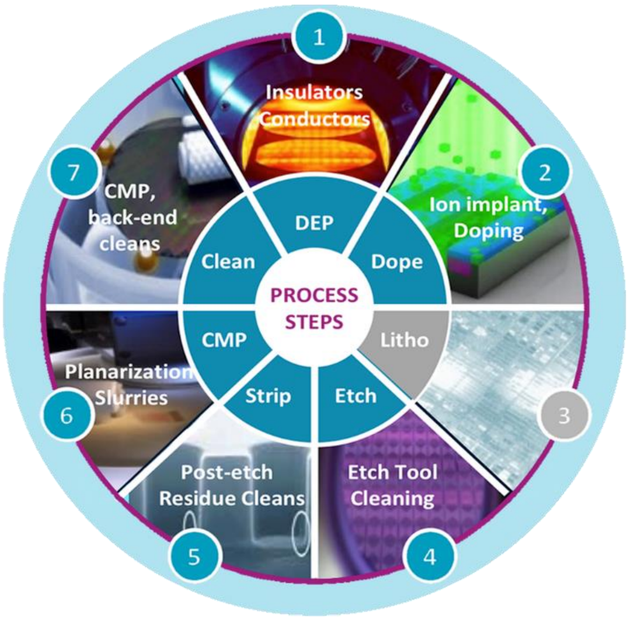
- Leadership positions in a profitable and complex semiconductor materials industry
- Strong technology, commercial and operations capabilities
- Global infrastructure
- Compelling growth platforms with sustainable competitive advantage
- Strong financial performance and cash flow generation
- Experienced management team with proven track record

PROFITABLE GROWTH PLATFORM

FOCUSED PURE PLAY WITH STRONG PORTFOLIO AND CAPABILITIES

Versum Materials:
The Materials Partner of Choice of the Semiconductor Industry

- Focus on Semiconductor (IC) Materials where materials provide low cost in use/high value in use
- Leverage technology leadership, global scale, quality and reliability capabilities, and partnership with customers and OEMs to develop and commercialize the next generation technologies which will advance the industry
- Expand into adjacent segments within IC



Versum Materials participates in six of seven key semiconductor process steps

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A PORTFOLIO OF WORLD CLASS BUSINESSES

Sales:*	$974
Adj. EBITDA:*	$351
EBITDA Margin:	36.0%
Op Income:*	$294
Op Margin:	30.1%

Materials
74% of sales

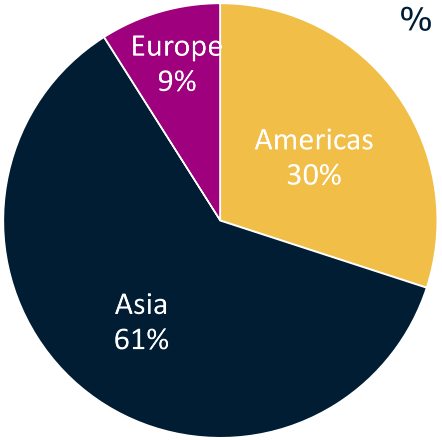
Delivery Systems
26% of sales

Solid growth

High margins

Low capital intensity

Strong free cash flow



* LTM as of Mar 31 2016. As reported for EMD within Air Products, no allocated corporate costs. See appendix for non-GAAP metric reconciliation.

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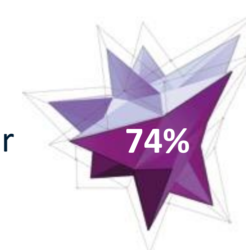
DIVERSIFIED PORTFOLIO FOCUSSED ON TECHNOLOGY DRIVEN SEMICONDUCTORS

Businesses	Focus Areas	Key Products
 Materials	• Advanced Materials	• Advanced Deposition Materials for Thin Films • CMP Slurries and Post CMP Cleans • Formulated Products for Surface Prep & Clean
	• Process Materials	• Deposition • Clean & Etch • Doping • Laser
 Delivery Systems & Services	• Equipment • Turnkey Systems • Services	• Specialty Gases Delivery • Chemicals Delivery • CMP Slurry Delivery • Systems Technical Support • Installation Projects • On site Materials Management Services



% based on FY15 sales

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CREATING VALUE BY MANAGING COMPLEXITY

Technology

Quality & Reliability

Supply Chain

Delivery & Service

Safety

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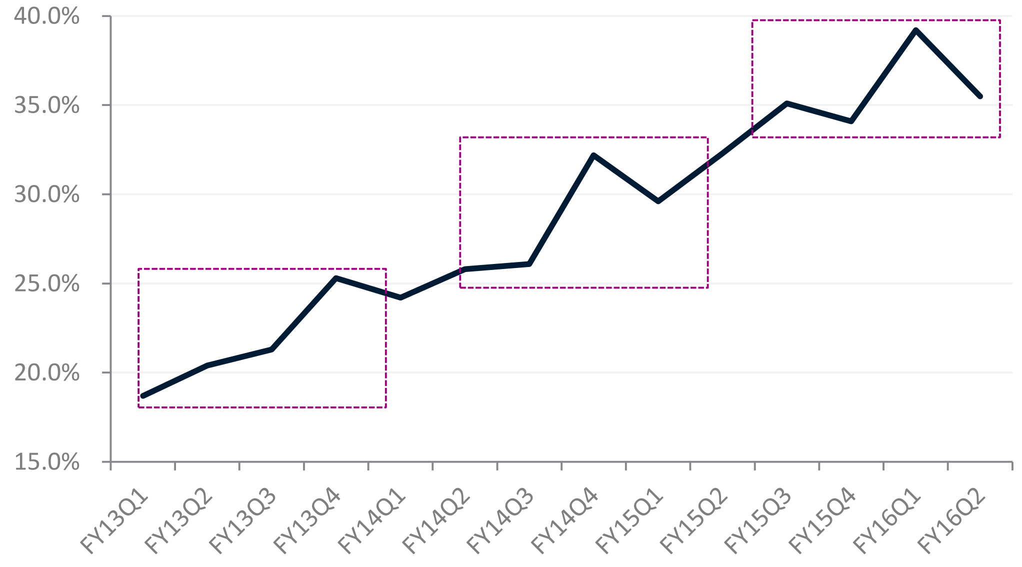
REACHING HIGHER LEVELS OF PERFORMANCE

SELF-HELP ACTIONS DRIVING SUSTAINABLE MARGIN IMPROVEMENT

Structural Shift In Profitability

- Exited un-sustainable businesses
- Improved Process Materials business model and supply chain
- Reduced structural cost
- Drove multi lever actions (volume efficiency, innovation, product mix, pricing, RM cost, operating and overhead productivity)

Electronic Materials Adj. EBITDA Margin*



* As reported for EMD within Air Products, no allocated corporate costs and without certain MT segment level costs in FY15. See appendix for non-GAAP metric reconciliation.

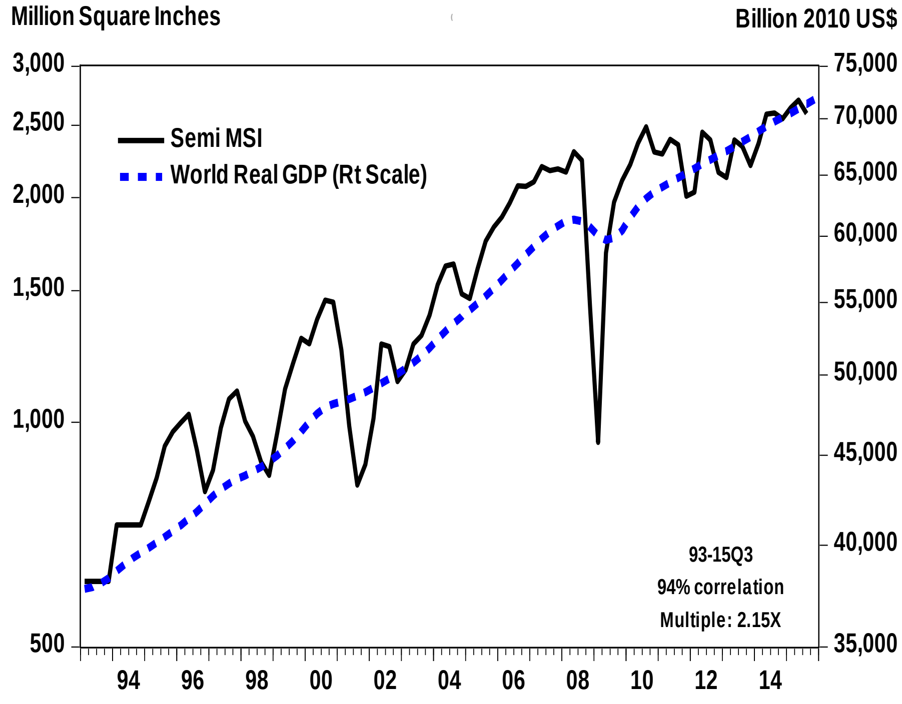
STRONGER PORTFOLIO

MORE PROFITABLE, MORE COMPETITIVE & LESS CYCLICAL

- Self-help actions, portfolio mix changes and innovation have improved the quality of our business and reduced cyclicality
- Changing industry dynamics are reducing cyclicality
  - Growth of mobility and Internet-of-Things (IoT) more consumer goods/GDP driven
  - Concentration of semiconductor producers has increased investment discipline and lowered oversupply dynamics
- Materials are more critical to the industry's ability to innovate for next generation nodes

SEMICONDUCTOR DEMAND CORRELATED TO GDP

DRIVING DECREASING VOLATILITY



Total real (inflation-removed) spending on finished goods and services by business, government and commercial in 85 of the largest economies highly correlated with Semi MSI

Duncan Meldrum
ISS 2016

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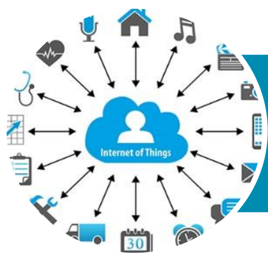
MACRO TRENDS

DRIVING MATERIALS GROWTH

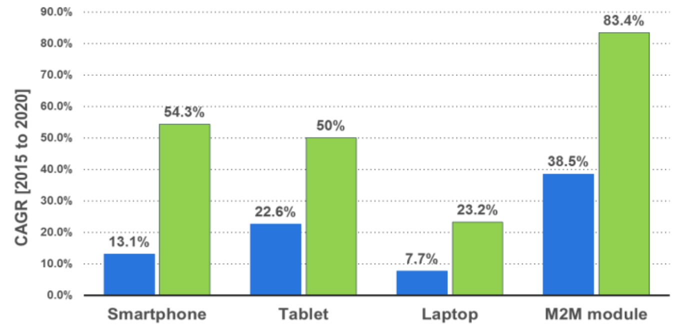
Mobility



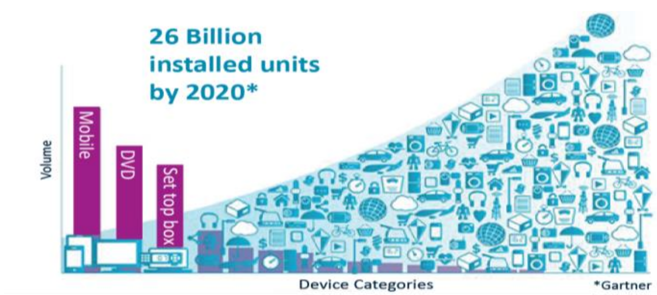
Connectivity

Big Data

Growth in Mobile Devices and Data

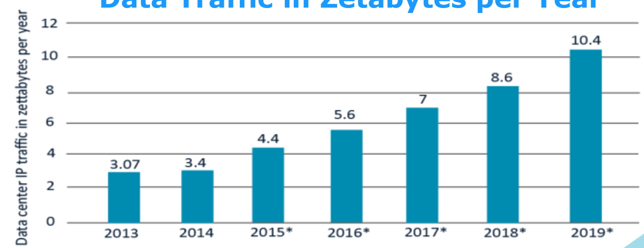


Source: Statista/Cico systems



Source: ARM

Data Traffic in Zetabytes per Year



Source: Statista/Cisco Systems

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MULTIPLE GROWTH DRIVERS

MATERIALS ARE CRITICAL TO BOTH LEGACY AND ADVANCED NODES

N10 & Below Advanced Logic

- New dielectrics and low defectivity CMP slurries
- Metals for work function tuning and barriers
- Lower k interconnect dielectrics
- Metal and barrier CMP slurries
- Scaling via multiple patterning materials
- Selective etching chemistries

Memory

- Vertical NAND requires new dielectrics, metals and polishes
- DRAM scaling via multiple patterning materials
- New etch hardmasks
- Higher k capacitor dielectrics

Internet of Things

- Stripping and cleaning products
- Selective release etching chemistries
- Dielectrics and cleans for advanced packaging and through silicon vias

New China Fabs & Expansions

- New memory fabs for VNAND and DRAM
- Foundry fabs for advanced logic devices

- **Overall silicon demand is growing at global GDP**
- **Advanced Nodes are growing at 2x GDP**
- **Materials are growing at 1.5x - 3x GDP driven primarily by Innovation required to enable Advanced Nodes**
- **Substantial Industry Capex Spending across the cycles**

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FINANCIAL OVERVIEW

SETUP FOR SUCCESS

- **Strong financial profile with attractive and sustainable margins**
  - Technology & Innovation Leadership delivering tailored solutions to semiconductor industry
  - Strategically located global manufacturing footprint and infrastructure
  - Opportunity to optimize cost structure for a world-class Electronic Materials company
- **Solid balance sheet**
  - Targeting a BB/Ba rating, expect to lever at 3.5-4x
  - Limited environmental and pension liabilities
  - No material off balance-sheet liabilities
- **Significant cash flow generation**
  - Class leading EBITDA margins
  - Low capital intensity
- **Future growth through innovation and bolt-on M&A**
  - Customer centric new product development
  - Opportunities for expansion geographically and in product adjacencies

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SIGNIFICANT CASH GENERATION

($ million)	
Adj EBITDA	$335
Est. Interest	$75
Est. Cash Taxes	$50
Est. Maintenance Capex	$20
Est. Distributable Cash Flow	**$190**
Est. Growth Capex	$15
Est. Free Cash Flow (before dividend)	**$175**

Notes:
- Adj EBITDA = March 31 2016 TTM for EMD as reported within MT of $351, minus $16 million as estimate of Versum standalone costs – see appendix for reconciliation
- Est. Interest = assumes $1.25 billion debt at 6%

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BEST IN CLASS ELECTRONIC MATERIALS COMPANY

VERSUM MATERIALS

Solid growth

High margins

Low capital intensity

Strong free cash flow

THANK YOU

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Appendix: Adjusted EBITDA Trend

Moving forward

$ Millions	Q115	Q215	Q315	Q415	FY15	Q116	Q216	Q216 vs PY $	Q216 vs PY %	Q216 vs PQ $	Q216 vs PQ %
Income From Continuing Operations	339.2	298.8	334.9	351.5	1,324.4	386.2	387.6				
Add: Interest expense	29.1	23.4	28.2	22.8	103.5	22.2	25.7				
Add: Income tax provision	107.1	87.7	104.1	119.4	418.3	135.9	132.5				
Add: Depreciation and amortization	235.5	233.3	233.0	234.6	936.4	232.7	232.1				
Add Non GAAP pre-tax adjustments (1)	14.5	68.0	59.8	59.2	201.5	12.0	18.6				
Adjusted EBITDA	725.4	711.2	760.0	787.5	2,984.1	789.0	796.5	85.3	12%	7.5	1%
Sales	2,560.8	2,414.5	2,470.2	2,449.4	9,894.9	2,355.8	2,271.2				
Adjusted EBITDA Margin	28.3%	29.5%	30.8%	32.2%	30.2%	33.5%	35.1%		560bp		160bp

(1) Non GAAP Pre-Tax Adjustments

	Q115	Q215	Q315	Q415	FY15	Q116	Q216
Business restructuring/cost reduction actions	32.4	55.4	58.2	61.7	207.7	0.0	8.6
Pension Settlement Loss	0.0	12.6	1.6	7.0	21.2	0.0	2.6
Gain on previously held equity investment	(17.9)	0.0	0.0	0.0	(17.9)	0.0	0.0
Business separation costs	0.0	0.0	0.0	7.5	7.5	12.0	7.4
Gain on land sales	0.0	0.0	0.0	(33.6)	(33.6)	0.0	0.0
Loss on early retirement of debt	0.0	0.0	0.0	16.6	16.6	0.0	0.0
Non GAAP pre-tax adjustments	14.5	68.0	59.8	59.2	201.5	12.0	18.6

AIR PRODUCTS

Adjusted EBITDA – LTM ending March 2016

$ Millions

	Quarter Ended				Mar16
	Jun15	Sep15	Dec15	Mar16	LTM
Materials Technologies Segment					
Performance Materials	57.8	50.3	44.1	59.5	211.7
Electronic Materials	76.9	63.0	83.3	70.3	293.5
Non Divisional	(3.2)	3.1	(0.2)	(0.5)	(0.8)
GAAP Operating Income	131.5	116.4	127.2	129.3	504.4
Add: Depreciation and amortization	22.7	22.8	19.6	20.0	85.1
Add: Equity Affiliates' Income	0.3	0.6	0.4	0.2	1.5
Adjusted EBITDA	154.5	139.8	147.2	149.5	591.0
Performance Materials					
GAAP Operating Income	57.8	50.3	44.1	59.5	211.7
Add: Depreciation and amortization	7.3	6.9	6.9	7.5	28.6
Add: Equity Affiliates' Income	0.3	0.3	0.2	0.2	1.0
Adjusted EBITDA	65.4	57.5	51.2	67.2	241.3
Sales	276.8	257.5	244.6	260.8	1,039.7
Electronic Materials					
GAAP Operating Income	76.9	63.0	83.3	70.3	293.5
Add: Depreciation and amortization	15.4	15.9	12.7	12.5	56.5
Add: Equity Affiliates' Income	0.0	0.3	0.2	0.0	0.5
Adjusted EBITDA	92.3	79.2	96.2	82.8	350.5
Sales	263.0	232.5	245.4	233.5	974.4
Operating Margin	29.2%	27.1%	33.9%	30.1%	30.1%
Adjusted EBITDA Margin	35.1%	34.1%	39.2%	35.5%	36.0%

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Electronic Materials Segment Adjusted EBITDA

$ Millions

	Q113	Q213	Q313	Q413	FY13	Q114	Q214	Q314	Q414	FY14	Q115	Q215	Q315	Q415	FY15	Q116	Q216
Electronic Materials																	
GAAP Operating Income	21.6	20.9	25.3	36.7	104.5	36.9	41.3	41.8	65.0	185.0	58.2	67.6	76.9	63.0	265.7	83.3	70.3
Add: Depreciation and amort.	19.1	19.9	18.6	19.0	76.6	17.3	15.6	17.1	20.2	70.2	17.0	15.5	15.4	15.9	63.8	12.7	12.5
Add: Equity Affiliates' Income	0.7	0.7	0.1	0.5	2.0	0.4	0.4	0.5	0.4	1.7	0.4	0.4	0.0	0.3	1.1	0.2	0.0
Adjusted EBITDA	41.4	41.5	44.0	56.2	183.1	54.6	57.3	59.4	85.6	256.9	75.6	83.5	92.3	79.2	330.6	96.2	82.8
Sales	221.1	203.4	206.6	221.7	852.8	225.5	222.8	227.4	265.7	941.4	255.1	258.8	263.0	232.5	1,009.4	245.4	233.5
Operating Margin	9.8%	10.3%	12.2%	16.6%	12.3%	16.4%	18.5%	18.4%	24.5%	19.7%	22.8%	26.1%	29.2%	27.1%	26.3%	33.9%	30.1%
Adjusted EBITDA Margin	18.7%	20.4%	21.3%	25.3%	21.5%	24.2%	25.7%	26.1%	32.2%	27.3%	29.6%	32.3%	35.1%	34.1%	32.8%	39.2%	35.5%

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