Strategy for Success
Innovation, Integration and Improvement

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Senior Vice President and Chief Financial Officer

Barclays Chemicals ROC Stars Conference
May 2012
Forward Looking Statement

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Air Products At a Glance

- $10B in revenues across diverse markets and geographies
- Positioned for continued long-term value creation

Manufacturing 14%
Food 4%
Medical 3%
Energy 23%
Electronics 17%
Chemicals 20%
Metals 10%
Other 9%

U.S. 40%
Europe 28%
Canada/L.A. 7%
Asia 25%

FY 2011 revised to exclude European homecare services
Air Products Supply Modes
Stability and Profitable Growth

- **Onsite/Pipeline**
  - 15-20 year Contracts
  - Limited Volume Risk
  - Energy Pass through

- **Liquid/Bulk**
  - 3-5 year Contracts
  - Cost Recovery

- **Package Gases & Specialty Materials**
  - Short-term Contracts
  - Differentiated Positions

- **Equipment & Services**
  - Sale of Equipment
  - PO Based

- **FY11**
  - 42% (Onsite/Pipeline)
  - 28% (Packaged Gases & Specialty Material)
  - 8% (Equipment & Services)
  - 22% (Liquid/Bulk)

FY 2011 revised to exclude European homecare services
Global Trends Drive Growth

Increasing Energy Demand
- Refining
- Gasification

Environmental Focus
- Refining
- Glass
- Coatings & Construction

Emerging Markets
- Metals
- Chemicals
- Food
- Electronics

Digital Revolution
- Semiconductor
- Display
Air Products Market Exposure

2010 IG Market $63B

- Manufacturing: 39%
- Food: 9%
- Healthcare: 8%
- Metals: 12%
- Energy: 10%
- Electronics: 13%
- Chemicals: 13%

2010-2015 Market Growth = 9%

2010 APD $9B

- Manufacturing: 23%
- Energy: 23%
- Electronics: 15%
- Chemicals: 19%
- Metals: 9%
- Healthcare: 7%
- Food: 4%

2010-2015 AP Growth = 10-11%
Global Industrial Gas Geographic Growth

2010 = $63B

Emerging
- Developed
  - W Europe 27%
  - Japan 17%
  - China 7%
  - C/E Europe 3%
  - Africa/ME 3%
  - S/C America 7%
- Developing Asia 10%

Developed
- US / Canada 26%
- W Europe 27%
- China 11%
- C/E Europe 4%
- Africa/ME 3%
- S/C America 9%
- Japan 17%
- Emerging 10%

2015 = $96B

9% Annual Growth

2010-2015
- W Europe 22%
- US / Canada 25%
- China 14%
- C/E Europe 12%
- Africa/ME 3%
- S/C America 11%
- Japan 17%
- Developing Asia 10%
- Developed 13%
- Emerging 16%

Billions ($)
Air Products Advantage:
Profitable Joint Ventures with Leadership Positions

<table>
<thead>
<tr>
<th></th>
<th>Mexico</th>
<th>Italy</th>
<th>South Africa</th>
<th>India</th>
<th>Thailand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (100%)</td>
<td>$0.7B</td>
<td>$0.6B</td>
<td>$0.2B</td>
<td>$0.2B</td>
<td>$0.1B</td>
</tr>
<tr>
<td>AP Ownership</td>
<td>40%</td>
<td>49%</td>
<td>50%</td>
<td>50%</td>
<td>49%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY 2011</th>
<th>Air Products (as reported)</th>
<th>Equity Affiliates(^1) (100% basis)</th>
<th>Combined(^2) (AP +100% EA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales ($MM)</td>
<td>$10,082</td>
<td>$2,650</td>
<td>$12,732</td>
<td></td>
</tr>
<tr>
<td>Op Inc ($MM)</td>
<td>$1,671</td>
<td>$537</td>
<td>$2,208</td>
<td></td>
</tr>
<tr>
<td>Op Margin</td>
<td>16.6%</td>
<td>20.3%</td>
<td>17.3%</td>
<td></td>
</tr>
</tbody>
</table>

Notes: 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.

Partially owned JV’s create exposure to 26% more sales and 32% more op income.
Accelerating Air Products Growth 2010-2015

<table>
<thead>
<tr>
<th>Growth Component</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Growth</td>
<td>9%</td>
</tr>
<tr>
<td>Air Products Market Position</td>
<td>1%-2%</td>
</tr>
<tr>
<td>Consolidation / M&amp;A</td>
<td>1%-2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11-13%</strong></td>
</tr>
<tr>
<td>Revenue Growth</td>
<td>Operating Margin</td>
</tr>
<tr>
<td>----------------</td>
<td>------------------</td>
</tr>
<tr>
<td>11%-13% per year</td>
<td>20%</td>
</tr>
<tr>
<td>From $9B in 2010 to $15B+ in 2015</td>
<td>From 16.5% in 2010 to 20% in 2015</td>
</tr>
</tbody>
</table>
Roadmap to 20% Margin

- **2011** Operating Margin: 16.6%
- **2015** Operating Margin: 16.6%
  - **Growth**: 2%
  - **Productivity**: 1.4%

**Total Target**: 20%
Variable Cost Leverage

Hydrogen Efficiency

$100MM/year improvement

Argon Recovery

Run Chart of Argon Recovery

Run Chart of Argon Recovery
Fixed Cost Leverage

Operating Service Center

SG&A as a % of Sales

$50MM/year improvement
Driving Returns Higher

ROCE (%)

2011: 13.3%
2015: 13.3%

15% Margin Improvement
0.5% Capital Turnover
Driving Capital Cost Lower

Large ASU

>50% Savings

Electronics Nitrogen

>30% Savings
Strong Growth Opportunities Drive Disciplined Investment

$13-14B Capital Spending - 2011 to 2015

Growth 70%

Acquisition 15%

Maintenance 15%
Cash Priorities Remain Consistent

- Invest in the best return projects
- Maintain A bond rating
- Dividend increase each year
- Share repurchase with excess cash
Guidance/Outlook

Third Fiscal Quarter

FQ2 2012 EPS $1.31
• Higher Merchant volumes
• Higher Tonnage volumes
• Lower Tonnage bonuses (timing)
• Lower Equipment & Energy results

FQ3 2012 EPS $1.40-$1.45

Full Fiscal Year 2012

Prior FY’12 EPS incl. HC $5.90-$6.30
FY’12 EPS excluding HC $5.60-$6.00
Revised FY’12 EPS $5.47-$5.60
• Reflects ...
  – Lower Merchant volumes
  – Lower Electronics volumes
  – Tax rate about 25%

CapEx forecast at top of range
~$2.2B, up 40% vs PY

non-GAAP, see appendix for reconciliation
Near Term Focus

- Drive volume growth in North America and Asia
- Improve pricing and reduce costs in Europe
- Deliver Tonnage growth to the bottom line
- Continue improving Electronics & Performance Materials
- Sign more LNG orders
- Drive down operating costs
Merchant Opportunity

Loading

March '12

Signings (MTD)

Operating Margin

2015 Goal
21%-24%
<table>
<thead>
<tr>
<th>Plant</th>
<th>Location</th>
<th>Capacity</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hydrogen</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H2</td>
<td>Luling, LA</td>
<td>120 MMSCFD H2</td>
<td>Onstream</td>
</tr>
<tr>
<td>H2 Pipeline</td>
<td>Gulf Coast, US</td>
<td>180 miles</td>
<td>Q4/FY12</td>
</tr>
<tr>
<td>H2</td>
<td>Petrochina, Chengdu, China</td>
<td>90 MMSCFD H2</td>
<td>H1/FY13</td>
</tr>
<tr>
<td>H2</td>
<td>Marathon, Detroit</td>
<td>60 MMSCFD H2</td>
<td>H1/FY13</td>
</tr>
<tr>
<td>H2</td>
<td>St. Charles, LA</td>
<td>World Scale</td>
<td>FY14</td>
</tr>
<tr>
<td><strong>Gasification</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ASU/Liquid</td>
<td>Petrochina, Chengdu, China</td>
<td>World Scale</td>
<td>H1/FY13</td>
</tr>
<tr>
<td>ASU</td>
<td>PCEC, Weinan, China</td>
<td>8,200 TPD O2</td>
<td>H2/FY13</td>
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<tr>
<td>ASU/Liquid</td>
<td>Wison, Nanjing, China</td>
<td>1,500 TPD O2</td>
<td>FY14</td>
</tr>
<tr>
<td>ASU</td>
<td>Shaanxi, China</td>
<td>12,000 TPD O2</td>
<td>FY14</td>
</tr>
<tr>
<td>ASU/Liquid</td>
<td>XLX, Henan, China</td>
<td>2,000 TPD O2</td>
<td>FY14</td>
</tr>
<tr>
<td><strong>Steel</strong></td>
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<td></td>
</tr>
<tr>
<td>ASU/Liquid</td>
<td>Gent, Belgium</td>
<td>2,000 TPD O2</td>
<td>H2/FY13</td>
</tr>
</tbody>
</table>
Electronics & Performance Mat’ls Improvement

**Sales**
- 2008: 2000
- 2009: 1500
- 2010: 2000
- 2011: 2500

**Operating Income**
- 2008: 300
- 2009: 50
- 2010: 200
- 2011: 400

**Operating Margin**
- 2008: 10%
- 2009: 5%
- 2010: 15%
- 2011: 20%
- 2015 Goal: 18%-21%

2015 Goal: 18%-21%
Air Products Opportunity

• Asset leverage
• Record capital spending and project backlog
• #1 position in energy
• #1 position in electronics
• 2015 goals
by 2015

$15+ Billion in Sales
20% Operating Margin
15% Return on Capital Employed
Thank you...
tell me more