Strategy for Success
Innovation, Integration and Improvement

Paul Huck
Senior Vice President & Chief Financial Officer

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Forward Looking Statement

NOTE: This presentation contains “forward-looking statements” within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including earnings guidance, projections and targets. These forward-looking statements are based on management’s reasonable expectations and assumptions as of the date of this presentation. 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, renewed deterioration in global economic and business conditions, including weakening demand for the Company's products and inability to maintain pricing; future financial and operating performance of major customers and industries served by the Company; unanticipated contract terminations or customer cancellations or postponement of projects and sales; the success of commercial negotiations; asset impairments due to economic conditions or specific product or customer events; the impact of competitive products and pricing; interruption in ordinary sources of supply of raw materials; the Company’s ability to recover energy and raw material costs from customers; the Company’s ability to maintain and improve cost efficiency of operations; costs and outcomes of litigation or regulatory activities; successful development and market acceptance of new products and applications, the ability to attract, hire and retain qualified personnel in all regions of the world where the Company operates; the success of cost reduction and productivity programs; the timing, impact, and other uncertainties of future acquisitions, divestitures and restructuring activities; significant fluctuations in interest rates and foreign currencies from that currently anticipated; the continued availability of capital funding sources in all of the Company's foreign operations; the impact of environmental, healthcare, tax or other legislation and regulations in jurisdictions in which the Company and its affiliates operate; the impact of new or changed financial accounting guidance; the timing and rate at which tax credits can be utilized and other risk factors described in the Company’s Form 10K for its fiscal year ended September 30, 2011. 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 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 At a Glance

• $10B in revenues across diverse markets and geographies
• Positioned for continued long-term value creation
FY 2011 Summary

- Key Wins in High Growth Markets
  - Hydrogen – Valero, Shell, Motiva, Marathon, GC Pipeline
  - Oxygen – Wison - Nanjing, China
  - Nitrogen – Samsung – Korea; UMC – Taiwan; US customer
  - Merchant Capacity – China, US, India, Helium
  - Equity Affiliates – AHG in Saudi Arabia

- Consistent Cash Priorities – Shareholder returns
  - Strong operating cash flow
  - Dividend increased for 29th consecutive year
  - $649MM share repurchase and new $1B authorization

- Consistent Performance
  - EPS of $5.73, up 14% and above top of original guidance range
  - Capex of $1.6B

- Sustainability
  - Carbon Disclosure Project indices
  - Dow Jones Sustainability indices

non-GAAP, see appendix for reconciliation
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**
- 41%
- 27%
- 21%
- 11%

- Onsite/Pipeline
- Packaged Gases & Specialty Material
- Equipment & Services
- Liquid/Bulk
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
- Food 9%
- Energy 9%
- Electronics 13%
- Manufacturing 39%
- Metals 12%
- Healthcare 8%

2010-2015 Market Growth = 9%

2010 APD $9B
- Energy 23%
- Electronics 15%
- Manufacturing 23%
- Chemicals 19%
- Metals 9%
- Healthcare 7%
- Food 4%

2010-2015 AP Growth = 10-11%

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 Affiliates¹ (100% basis)</th>
<th>Combined² (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>

Partially owned JV’s create exposure to 26% more sales and 32% more op income

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.
## 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>
</tbody>
</table>
Hydrogen Geographies Are Expanding over the Next Decade...

Hydrogen Capacity (SOG plus Captive)

- **NAFTA**: 10 BSCFD (2010) to 12 BSCFD (2020)
- **LASA**: 3 BSCFD (2010) to 4 BSCFD (2020)
- **Europe**: 6 BSCFD (2010) to 8 BSCFD (2020)
- **Middle East**: 3 BSCFD (2010) to 6 BSCFD (2020)
- **Asia**: 4 BSCFD (2010) to 6 BSCFD (2020)

Oppty = 10 BSCFD (new/replace/acquire)
Air Products Advantage: Hydrogen Leadership

Major Hydrogen Pipelines

- US Gulf Coast
- Southern California
- Edmonton, Alberta, Canada
- Sarnia, Ontario, Canada
- Rotterdam, Netherlands

#1 market share for over two decades
Integrated Gulf Coast Pipeline Drives Efficiency and Reliability

- >1 billion SCFD of capacity
- >20 operating plants
- >600 miles of pipeline
- On-stream 2012

Enhances leadership position in world’s largest refining market
Oxygen Growth driven by Asia over the Next Decade…

Oxygen Capacity (SOG plus captive)

- NAFTA
- LASA
- Europe
- Middle East
- Asia

2010 = 1.2 M TPD
2020 = 1.8 M TPD
Oppty = 0.9 M TPD (new/replace/acquire)
Tonnage Gases
Significant New Markets for Oxygen

• Gasification
  - China’s abundance of coal
  - Growing Demand - Coal to Natural Gas:
    • “Substitute Natural Gas” (SNG)
  - Feedstock independence
  - Chemicals, Energy, Refining

• Steel
  - Asian infrastructure growth
  - Mill modernization
  - Replacement of aging plants
  - Acquisition of captive plants

• Air Products Advantage
  - Very large ASU operating experience
  - Product based plant design
  - Local engineering, production and sourcing

Oxygen Opportunity
New/Replace/Acquire

900,000 tons-per-day new oxygen capacity by 2020 = 300+ new plants
## Major Projects

<table>
<thead>
<tr>
<th>Plant</th>
<th>Location</th>
<th>Capacity</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>H2</td>
<td>Rotterdam, Netherlands</td>
<td>World Scale</td>
<td>Q1FY12</td>
</tr>
<tr>
<td>ASU/Liquid</td>
<td>Laporte, TX</td>
<td>World Scale</td>
<td>Q1FY12</td>
</tr>
<tr>
<td>Helium</td>
<td>Wyoming</td>
<td>200 MMSCFY</td>
<td>Q1FY12</td>
</tr>
<tr>
<td>H2</td>
<td>Luling, LA</td>
<td>120 MMSCFD H2</td>
<td>Q2FY12</td>
</tr>
<tr>
<td>H2 Pipeline</td>
<td>Gulf Coast, US</td>
<td>180 miles</td>
<td>Q4FY12</td>
</tr>
<tr>
<td>ASU/Liquid</td>
<td>Petrochina, Chengdu, China</td>
<td>World Scale</td>
<td>H2FY12</td>
</tr>
<tr>
<td>ASU</td>
<td>Samsung, Tangjeong, Korea</td>
<td>World Scale</td>
<td>H2FY12</td>
</tr>
<tr>
<td>H2</td>
<td>Petrochina, Chengdu, China</td>
<td>90 MMSCFD H2</td>
<td>H1FY13</td>
</tr>
<tr>
<td>H2</td>
<td>Marathon, Detroit</td>
<td>60 MMSCFD H2</td>
<td>FY13</td>
</tr>
<tr>
<td>ASU</td>
<td>PCEC, Weinan, China</td>
<td>8200 TPD O2</td>
<td>FY13</td>
</tr>
<tr>
<td>ASU/Liquid</td>
<td>Gent, Belgium</td>
<td>2000 TPD O2</td>
<td>FY13</td>
</tr>
<tr>
<td>ASU/Liquid</td>
<td>Wison, Nanjing, China</td>
<td>1500 TPD O2</td>
<td>FY14</td>
</tr>
</tbody>
</table>

Plus ~$250MM for new nitrogen on-sites for Electronics customers
Air Products Advantage: Asia Merchant Leadership

#1 positions in high growth markets

Asia 2011 Manufacturing Output

Countries where Air Products has #1 or #2 positions

70%
Driving Profits through Innovation
Responding to Market Needs

Low cost start-up food freezing solutions
Freshline® QS Freezer

Safer, more convenient welding & cutting
Integra® Cylinder

Improved yield, lower emission aluminum recycling
Advanced Low Emission Aluminum Melting
Electronics reported Revenue $1.3 Billion plus $0.35 B in Merchant Services

FY11 Overall Revenue

- Onsite Gas Supply: 25%
- Specialty Gases & Chemicals: 42%
- Enabling Equipment: 12%
- Liquid / Bulk: 21%

Specialty Gases & Chemicals

Onsite Gas Supply

Liquid / Bulk

Enabling Equipment
<table>
<thead>
<tr>
<th>Revenue Growth</th>
<th>Operating Margin</th>
<th>Return on Capital</th>
</tr>
</thead>
</table>
| **11%-13% per year**
- From $9B in 2010 to $15B+ in 2015
| **20%**
- From 16.5% in 2010 to 20% in 2015
| **15%**
- From 12.5% in 2010 to 15% in 2015

Roadmap to 20% Margin

Operating Margin (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Productivity</th>
<th>Growth</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>1.4%</td>
<td></td>
<td>16.6%</td>
</tr>
<tr>
<td>2015</td>
<td>1.4% + 2%</td>
<td></td>
<td>16.6%</td>
</tr>
</tbody>
</table>

20% Growth
Variable Cost Leverage

Hydrogen Efficiency

Argon Recovery

Operating Service Center

$100MM/year improvement
Fixed Cost Leverage

Operating Service Center

SG&A as a % of Sales

$50MM/year improvement
Driving Returns Higher

- Capital Turnover: +0.5%
- Margin Improvement: +1.2%

ROCE (%)

2011: 13.3%
2015: 13.3%
Driving Capital Cost Lower

Large ASU

>50% Savings

Electronics Nitrogen

>30% Savings
Cash Priorities Remain Consistent

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

29 years of dividend increase
Capital Spending Outlook

FY12 Forecast $1.9B-$2.2B
+20-40% from FY11

FY12 Growth CapEx by Segment

- Merchant: 15%
- Energy & Equip: 7%
- Electronics & PM: 16%
- Tonnage: 62%

FY12 Growth CapEx by Region

- Americas: 47%
- Europe/ME: 11%
- Asia: 42%
FY’12 Full Year Outlook

● FY’12 overall... more uncertainty, wider range

● WW manufacturing growth
  - Global 2% - 5%
  - US 1% - 5%
  - Asia 4% - 9%
  - EU (2%) - 1%

● Silicon growth 0% - 5%

● CapEx forecast
  ➢ ~$1.9B to $2.2B
  ➢ +20% to 40% vs PY

● FY’11 Adjusted Diluted EPS $5.73
  – Tonnage new projects/loading
  – Merchant and E&PM loading
  – Lower E&E results
  – Pension Expense
  – Tax rate about 26%

● FY’12 EPS $5.90-$6.30
  ➢ +3% to 10% vs PY

non-GAAP, see appendix for reconciliation
FY12 excludes tax settlement or any potential restructuring charges
2015

$15+ Billion in Sales
20% Operating Margin
15% Return on Capital Employed
## Appendix: Q4 and Full Year FY11 Results and Guidance

($ Millions, except per share data)

<table>
<thead>
<tr>
<th>GAAP Measure</th>
<th>Q411</th>
<th>Q410</th>
<th>Change</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Q411 vs. Q410 - Total Co. Cont. Ops</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>2,611.2</td>
<td>2,351.2</td>
<td>260.0</td>
<td>11%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>425.3</td>
<td>367.0</td>
<td>58.3</td>
<td>16%</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>16.3%</td>
<td>15.6%</td>
<td>70bp</td>
<td></td>
</tr>
<tr>
<td>Income From Continuing Ops *</td>
<td>324.8</td>
<td>272.1</td>
<td>52.7</td>
<td>19%</td>
</tr>
<tr>
<td>Diluted EPS - Continuing Ops *</td>
<td>$1.51</td>
<td>$1.25</td>
<td>$0.26</td>
<td>21%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY11 vs. FY10 - Total Co. Cont. Ops</th>
<th>FY11</th>
<th>FY10</th>
<th>Change</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>10,082.0</td>
<td>9,026.0</td>
<td>1,056.0</td>
<td>12%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>1,622.2</td>
<td>1,389.0</td>
<td>233.2</td>
<td>17%</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>16.1%</td>
<td>15.4%</td>
<td>70bp</td>
<td></td>
</tr>
<tr>
<td>Income From Continuing Ops *</td>
<td>1,215.3</td>
<td>1,029.1</td>
<td>186.2</td>
<td>18%</td>
</tr>
<tr>
<td>Diluted EPS - Continuing Ops *</td>
<td>$5.59</td>
<td>$4.74</td>
<td>$0.85</td>
<td>18%</td>
</tr>
</tbody>
</table>

* Attributable to Air Products

(1) Acquisition - related costs

### FY12 Guidance

<table>
<thead>
<tr>
<th>FY11 GAAP</th>
<th>EPS</th>
<th>$5.59</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q111 Acquisition - related costs</td>
<td>$0.12</td>
<td></td>
</tr>
<tr>
<td>Q211 Acquisition - related costs</td>
<td>$0.02</td>
<td></td>
</tr>
<tr>
<td>FY11 Non GAAP</td>
<td>$5.73</td>
<td></td>
</tr>
<tr>
<td>FY12 Guidance</td>
<td>$5.90-$6.30</td>
<td></td>
</tr>
</tbody>
</table>

% Change: 3%-10%

### Capital Expenditures

<table>
<thead>
<tr>
<th>FY11 GAAP</th>
<th>$Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital expenditures</td>
<td>1,408.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY11 Non GAAP</th>
<th>$Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital lease expenditures</td>
<td>1,600-1,800</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY12 Non GAAP - guidance</th>
<th>$Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital lease expenditures</td>
<td>1,900-2,200</td>
</tr>
</tbody>
</table>
Thank you...
tell me more