Strategy for Success
Innovation, Integration and Improvement

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Air Products At a Glance

- $9B in revenues across diverse markets and geographies
- Positioned for continued long-term value creation
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

- **40%**
- **27%**
- **12%**
- **21%**

- **Onsite/Pipeline**
- **Packaged Gases & Specialty Material**
- **Equipment & Services**
- **Liquid/Bulk**
A Strategy for Success

Winning in energy, environmental and emerging Markets

Executing on innovation, integration and improvement Actions

Delivering on revenue, margin and return Goals

Generating Shareholder Value
Winning in the Markets

- Accelerating Growth
- Air Products Advantage
- Global Trends
  - Customers
  - Productivity
    - Industrial Gas Fundamentals
      - Applications
      - Environmental Needs
    - Quality
      - Efficiency
  - Environmental Needs
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
Global Industrial Gas Market Growth

Annual Growth 9%

$96 Billion

Sales Growth

Billions ($)

Energy 10%
Electronics 11%
Chemicals 14%
Manufacturing 38%
Metals 12%
Food 8%
Healthcare 7%

2015
Air Products Market Exposure 2010

Market $63 Billion

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

~9% Growth

APD $9 Billion

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

~10-11% Growth
Air Products Advantage: Profitable Joint Ventures in High Growth Regions

Mexico

Italy

South Africa

India

Thailand

$2.3B revenue on 100% basis
# Accelerating Air Products Growth

<table>
<thead>
<tr>
<th>Growth Component</th>
<th>% Increase</th>
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<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>
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</table>
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
Hydrogen Geographies Are Expanding over the Next Decade...

Hydrogen Capacity (SOG plus Captive)

- **NAFTA**: 2010 = 23 BSCFD, 2020 = 32 BSCFD
- **LASA**: 2010 = 2 BSCFD, Oppty = 10 BSCFD
- **Europe**: 2010 = 5 BSCFD, Oppty = 10 BSCFD
- **Middle East**: 2010 = 1 BSCFD, Oppty = 4 BSCFD
- **Asia**: 2010 = 6 BSCFD, Oppty = 4 BSCFD

Oppty = 10 BSCFD (new/replace/acquire)
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)

<table>
<thead>
<tr>
<th>Region</th>
<th>2010</th>
<th>2020</th>
<th>Oppty</th>
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</thead>
<tbody>
<tr>
<td>NAFTA</td>
<td>200</td>
<td>180</td>
<td>120</td>
</tr>
<tr>
<td>LASA</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Europe</td>
<td>200</td>
<td>220</td>
<td>200</td>
</tr>
<tr>
<td>Middle East</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Asia</td>
<td>600</td>
<td>1100</td>
<td>500</td>
</tr>
</tbody>
</table>

2020 = 1.8 M TPD
2010 = 1.2 M TPD
Oppty = 0.9 M TPD
(new/replace/acquire)
Strong global bid and project activity:

O₂: LaPorte, TX
Middletown, OH
Granite City, IL

H₂: Detroit, MI

O₂: ExxonMobil
Rotterdam, The Netherlands

O₂: PetroChina
Sichuan, China

H₂: PetroChina
Sichuan, China

O₂: Xingtai Steel
Hebei, China

O₂: PCEC
Shaanxi, China

N₂: Samsung
Austin, TX

H₂: USGC Pipeline Connection
Valero, TX & LA
Monsanto, Luling, LA
Shell TX & Motiva LA

H₂: ExxonMobil
Rotterdam, The Netherlands

O₂: Arcelor Mittal
Gent, Belgium

Liquefiers: India

N₂: Korea
Taiwan

Additional Active Bidding: LASA, Middle East, India, C/E Europe
Air Products Advantage: Asia Merchant Leadership

#1 positions in high growth markets
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 production
  - Advanced Low Emission Aluminum Melting
Electronics reported Revenue > $1Billion plus $0.3B in Merchant

- Specialty Gases & Chemicals
- Enabling Equipment
- Onsite Gas Supply
- Liquid/Bulk

FY10 Overall Revenue:
- 47%
- 22%
- 23%
- 8%

- Onsite Gas Supply
- Specialty Gases & Chemicals
- Enabling Equipment
- Liquid / Bulk
Air Products Advantage: Electronics Leadership

Key customer and geographic positions

- #1 in Taiwan
- #1 in U.S.
- #1 in Korea
- ROW
- 300mm Fab Capacity
Performance Materials
Growth through Differentiation

• ~$0.9 Billion in FY’10 sales

• 4 major product lines
  - Polyurethane additives
  - Epoxy curing agents
  - Specialty surfactants
  - Functional additives

• Focused on bringing differentiated performance to our customers’ products

• Low competitive intensity, niche markets, growing at multiples of GDP; substantial emerging market opportunities

• #1 or #2 positions in targeted markets
A Culture of Improvement Delivers Results

- Investment in people, process and tools
- Leadership accountability and individual responsibility
- Data-driven

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<th>Growth</th>
<th>Productivity</th>
<th>Pricing</th>
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</table>
| • New offerings  
• Capacity expansions  
• Acquisition synergy | • Product cost reduction  
• Distribution efficiency  
• Receivables reduction | • Pricing tools and skills development  
• Materials sourcing  
• Leveraging SAP |

4%–5% annual cost reduction
## Revenue Growth

11%-13% per year

- From $9B in 2010 to $15B+ in 2015

## Operating Margin

20%

- From 16.5% in 2010 to 20% in 2015

## Return on Capital

15%

- From 12.5% in 2010 to 15% in 2015
Roadmap to 20% Margin

![Graph showing the roadmap to 20% margin with productivity and growth contributors.](image)
Driving Returns Higher

- ROCE (%)
  - 2011: 13.5%
  - 2015: 13.5%

- Capital Turnover:
  - 2011: .5%
  - 2015: 1%

- Margin Improvement:
  - 2011: 13.5%
  - 2015: 13.5%
Driving Capital Cost Lower

Large ASU

Electronics Nitrogen

Capital Cost Index

Capital Cost Index

>50% Savings

>30% Savings
Strong Growth Opportunities Drive Disciplined Investment

$13-14B Capital Spending - 2011 to 2015

Growth 70%
Acquisition 15%
Maintenance 15%

Strong Growth Opportunities Drive Disciplined Investment

$13-14B Capital Spending - 2011 to 2015
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
Outlook

FQ4 2011 EPS $1.48-$1.53

• Higher Merchant and Tonnage volumes
• Lower Tonnage maintenance costs
• Higher tax rate

FY 2011 EPS $5.70-$5.75*

• CapEx forecast ~$1.6B-$1.7B
• Tax rate guidance unchanged, ~25%-26%

*Non-GAAP, excludes $0.14 of acquisition costs
by 2015

$15+ Billion in Sales
20% Operating Margin
15% Return on Capital Employed