

Strategy for Success

Innovation, Integration and Improvement

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KeyBanc Capital Markets Basic Materials Conference

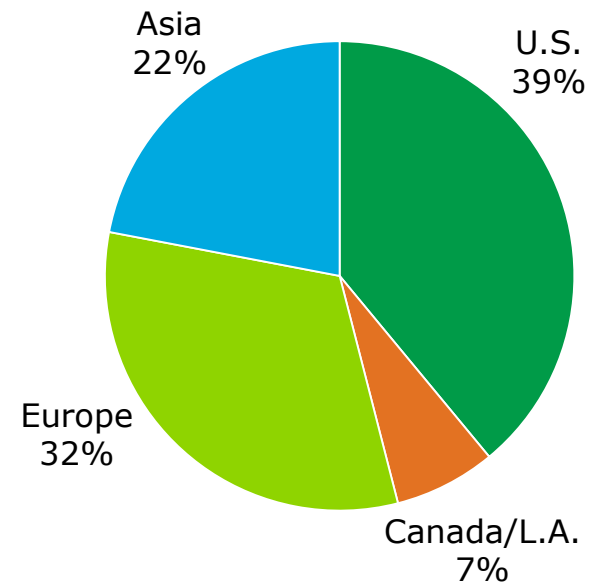
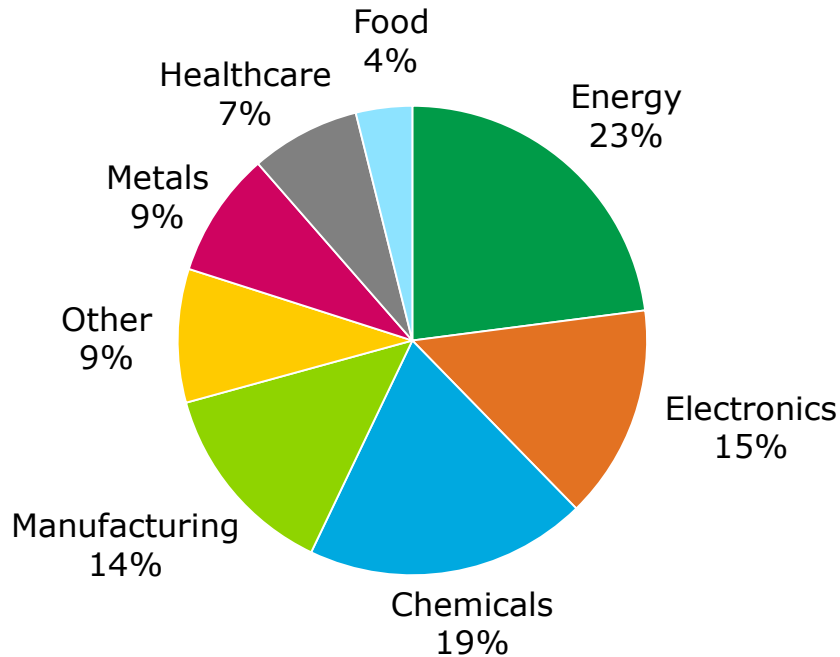
Boston, September 2011

Forward Looking Statement

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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

Package Gases & Specialty Materials



Short-Term Contracts
Differentiated Positions

Liquid/Bulk

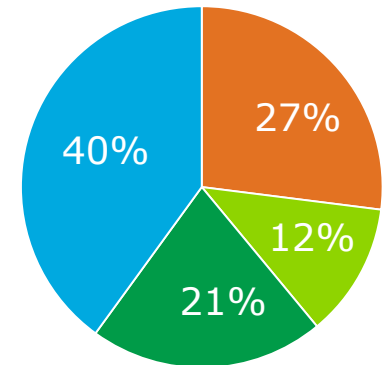


3-5 year Contracts
Cost Recovery

Equipment & Services



Sale of Equipment
PO Based



- 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**

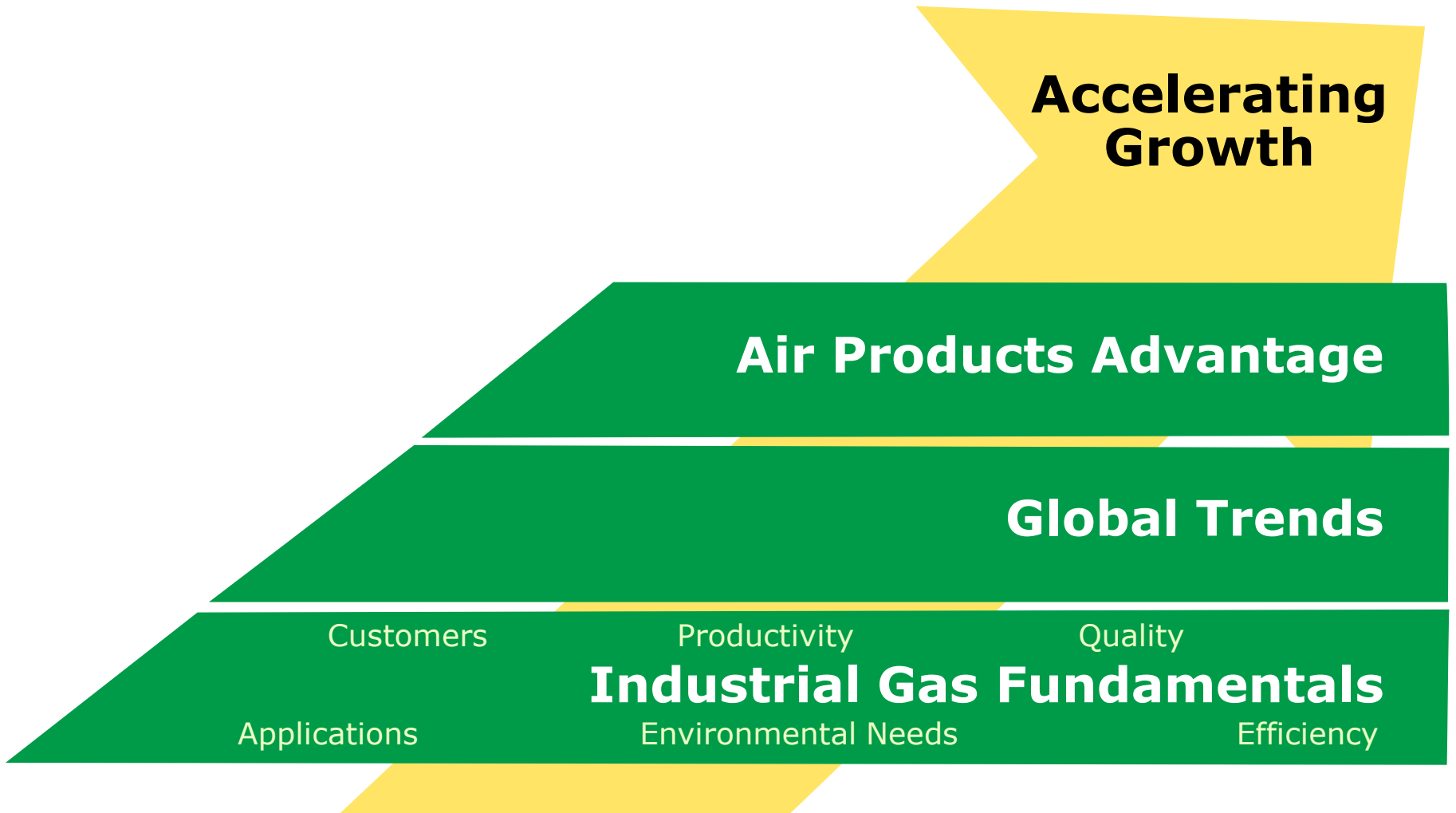


Delivering on revenue, margin
and return **Goals**



Generating Shareholder Value

Winning in the Markets



Global Trends Drive Growth

Increasing Energy Demand



- Refining
- Gasification

Environmental Focus



- Refining
- Glass
- Coatings & Construction

Emerging Markets



- Metals
- Chemicals
- Food
- Electronics

Digital Revolution

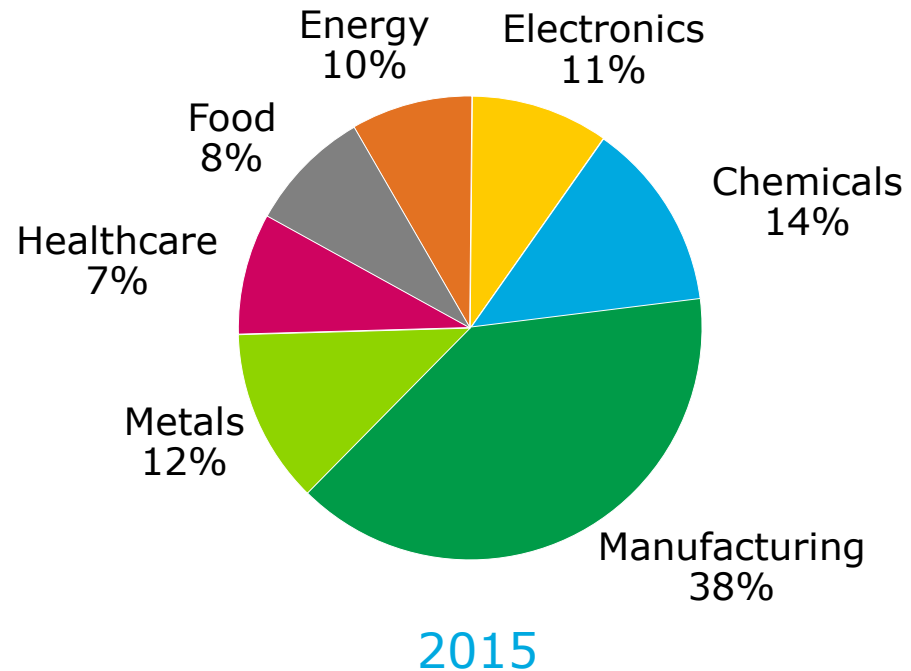
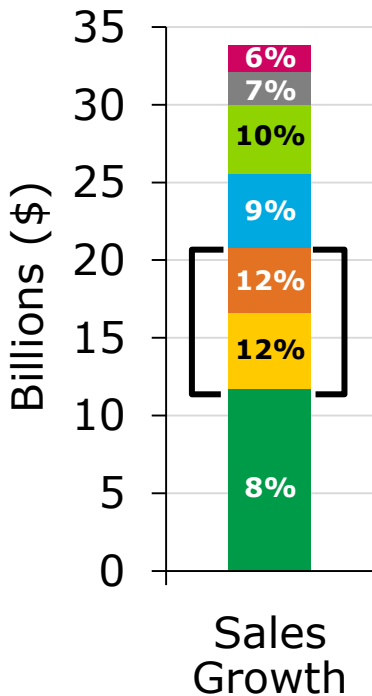


- Semiconductor
- Display

Global Industrial Gas Market Growth

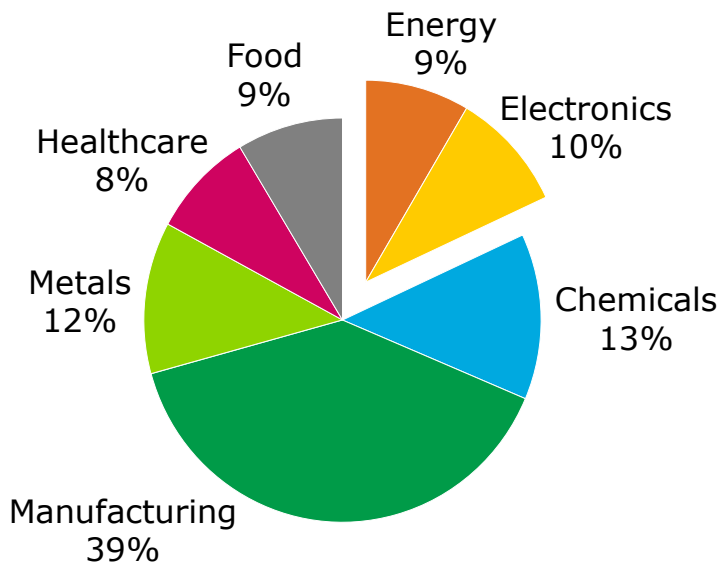
Annual Growth 9%

\$96 Billion



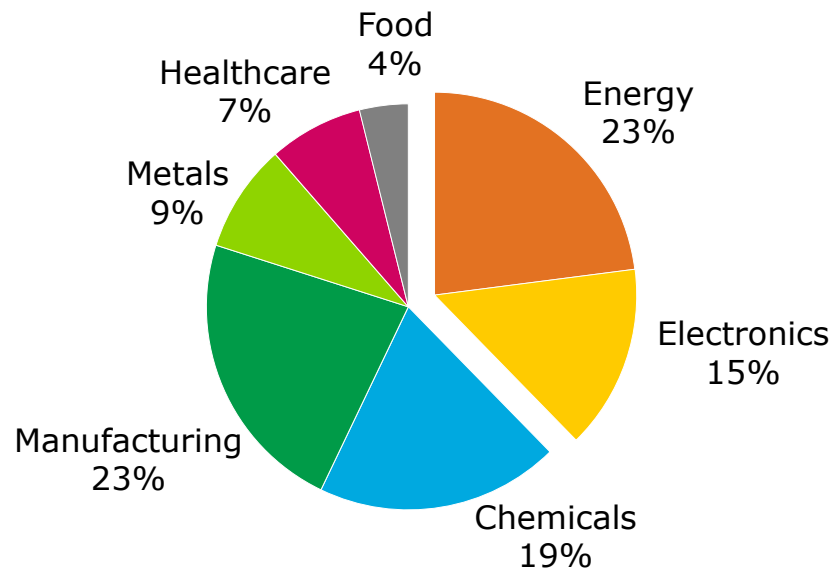
Air Products Market Exposure 2010

Market \$63 Billion



~9% Growth

APD \$9 Billion



~10-11% Growth

Air Products Advantage: Profitable Joint Ventures in High Growth Regions

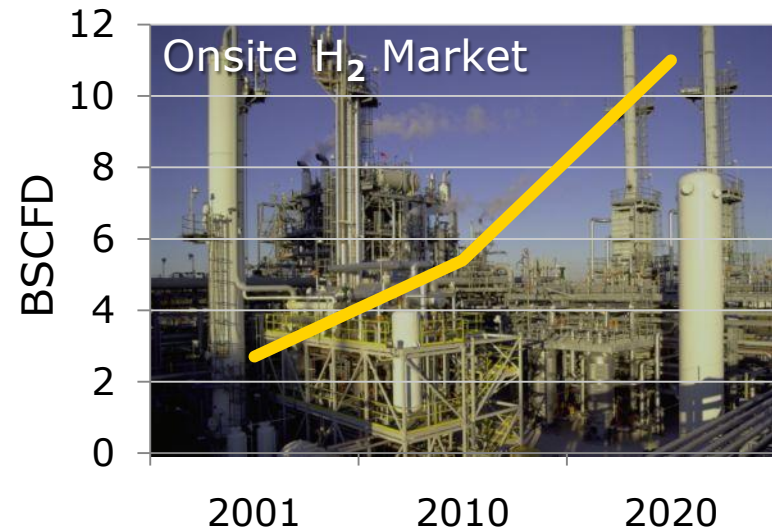
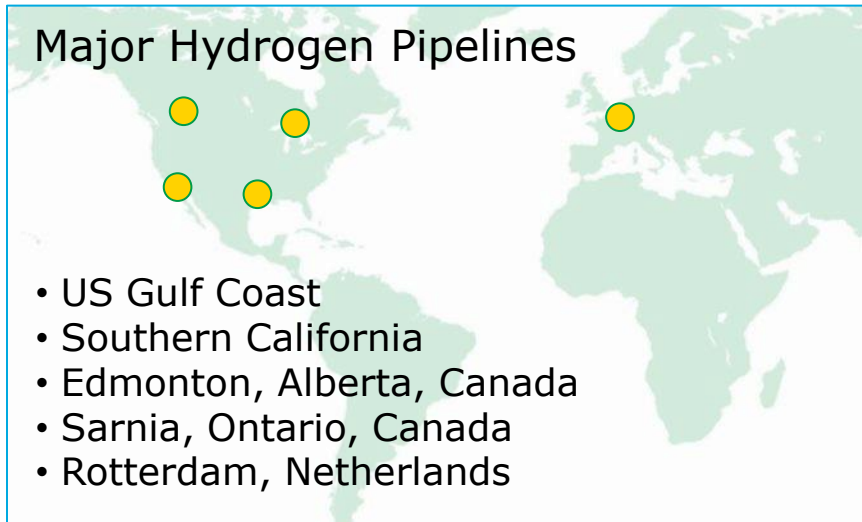
Mexico	Italy	South Africa	India	Thailand
				

\$2.3B revenue on 100% basis

Accelerating Air Products Growth

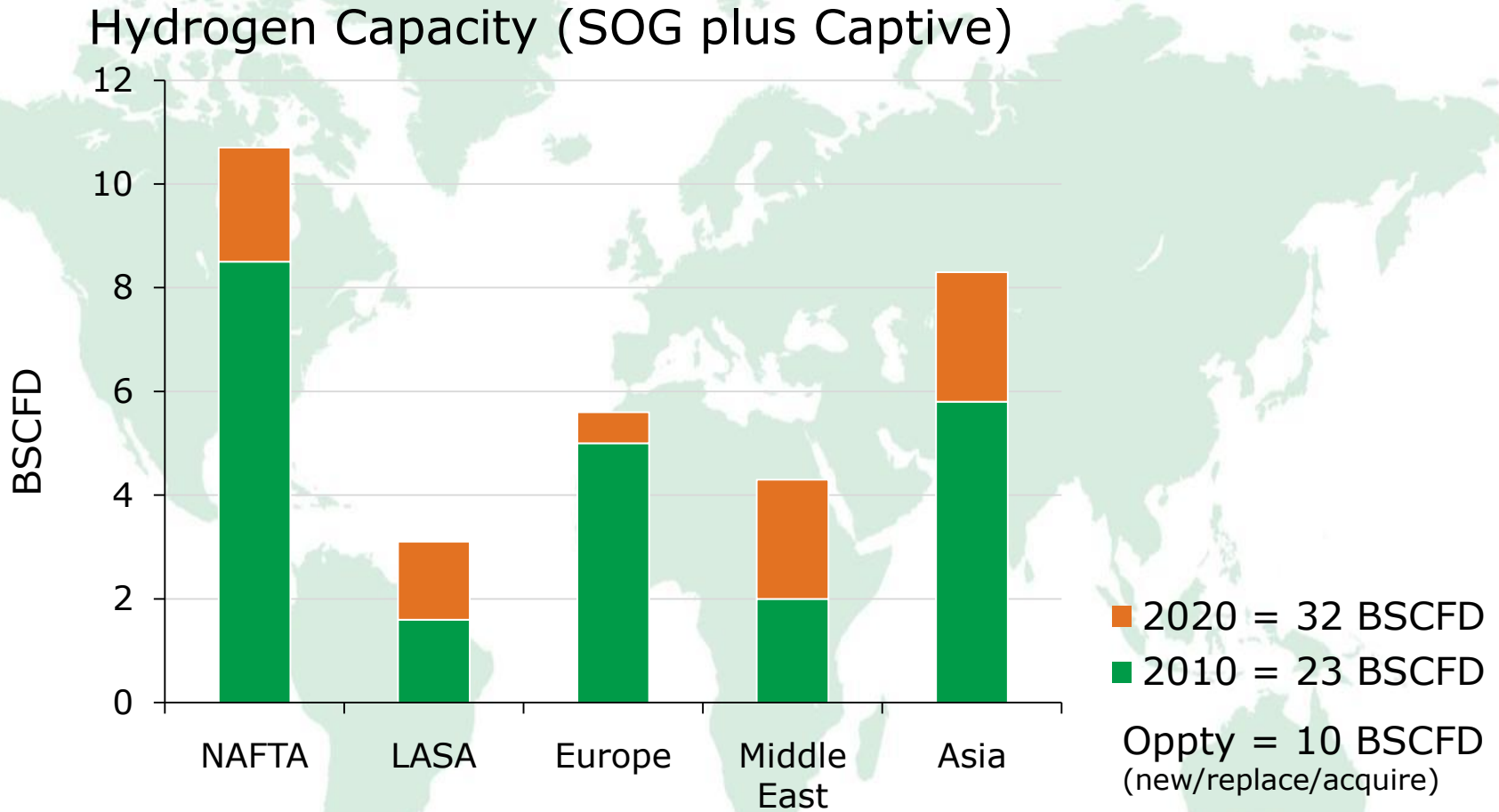
Growth Component	% Increase
Market Growth	9%
Air Products Market Position	1%-2%
Consolidation / M&A	1%-2%
Total	11-13%

Air Products Advantage: Hydrogen Leadership



#1 market share for over two decades

Hydrogen Geographies Are Expanding over the Next Decade...



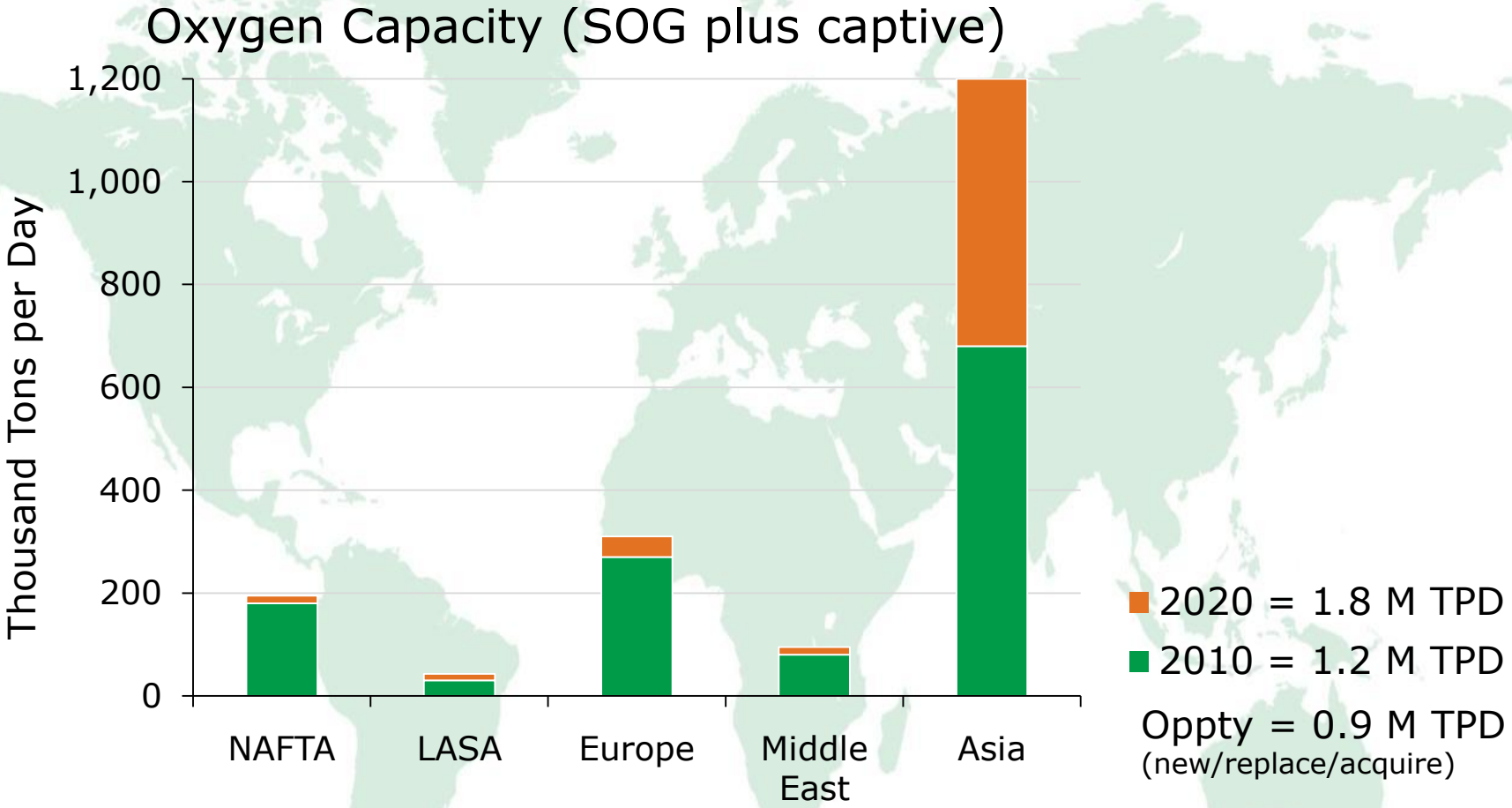
Integrated Gulf Coast Pipeline Drives Efficiency and Reliability



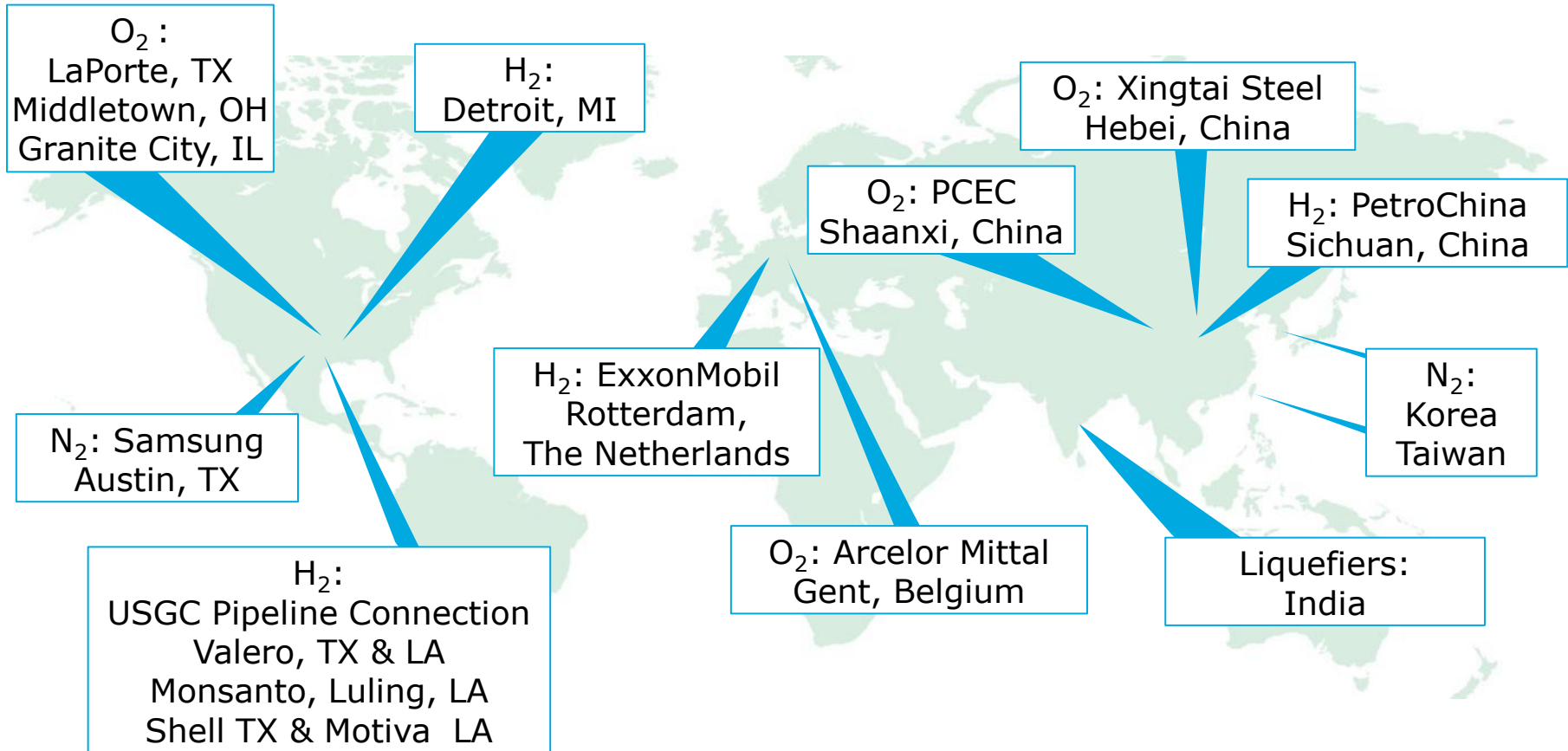
- >1 billion SCFD of capacity
- >20 operating plants
- >600 miles of pipeline
- On-stream 2012

Enhances leadership position in world's largest refining market

Oxygen Growth driven by Asia over the Next Decade...



Strong global bid and project activity:

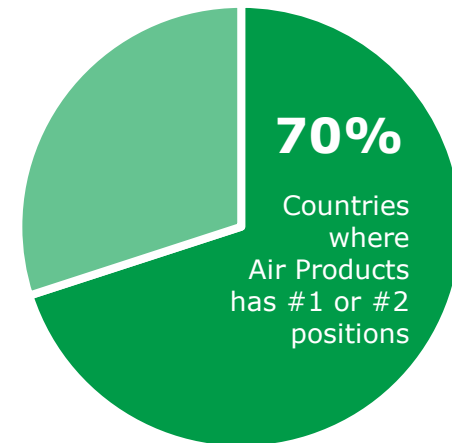


Additional Active Bidding: LASA, Middle East, India, C/E Europe

Air Products Advantage: Asia Merchant Leadership



Asia 2011
Manufacturing Output



#1 positions in high growth markets

Driving Profits through Innovation

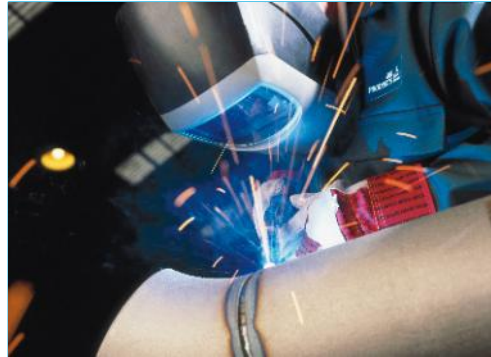
Responding to Market Needs



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



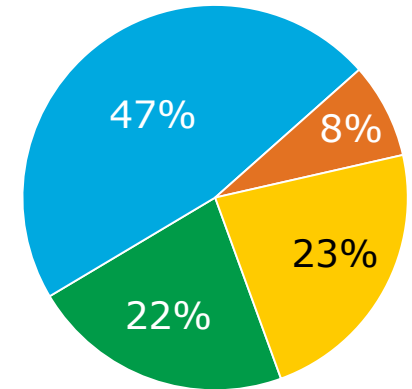
Onsite Gas Supply



Liquid/Bulk

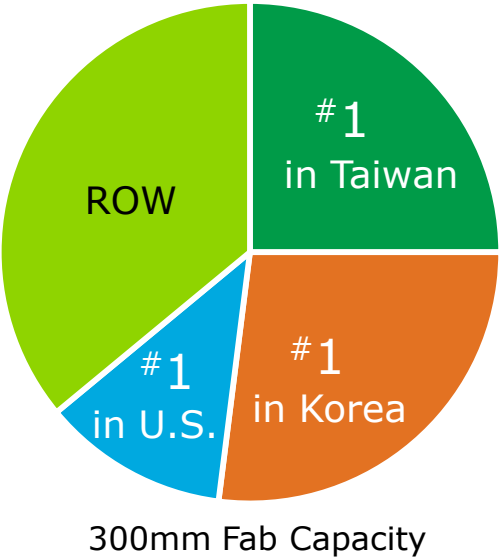


FY10 Overall Revenue



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

Air Products Advantage: Electronics Leadership



Key customer and geographic positions

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



Growth

- New offerings
- Capacity expansions
- Acquisition synergy

Productivity

- Product cost reduction
- Distribution efficiency
- Receivables reduction

Pricing

- 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%

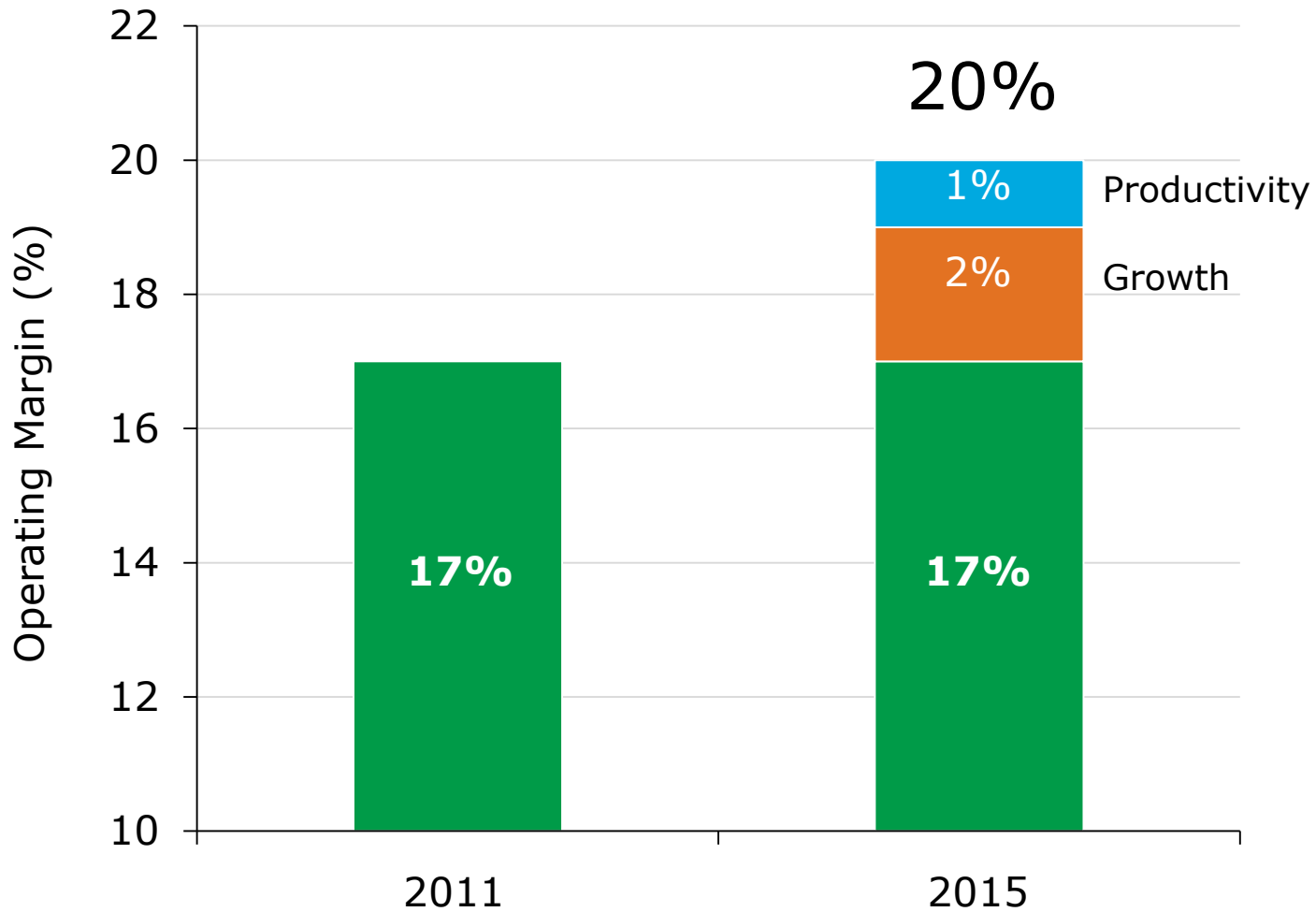
From 16.5%
in 2010
to
20% in 2015

Return on
Capital

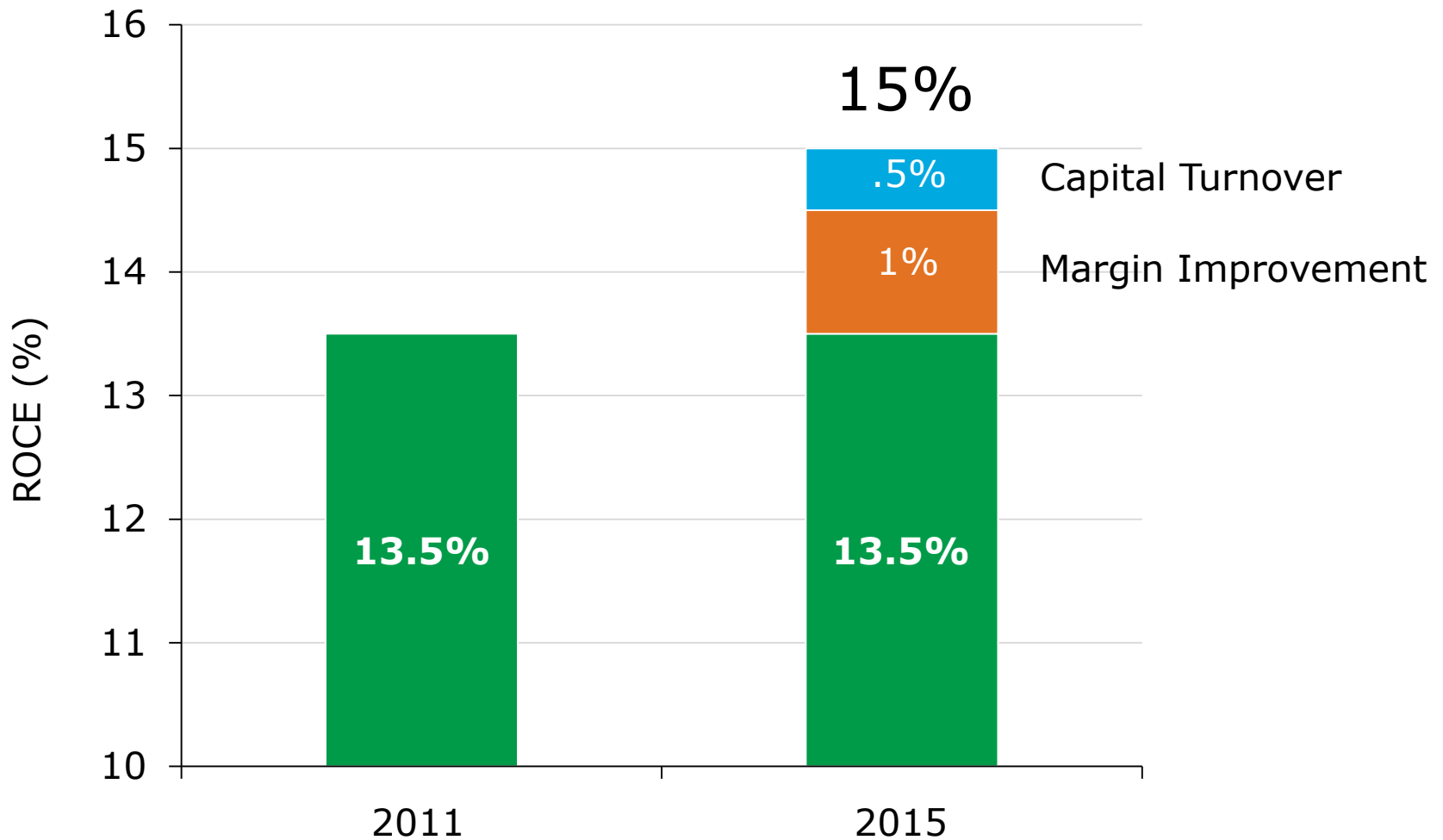
15%

From 12.5%
in 2010
to
15% in 2015

Roadmap to 20% Margin

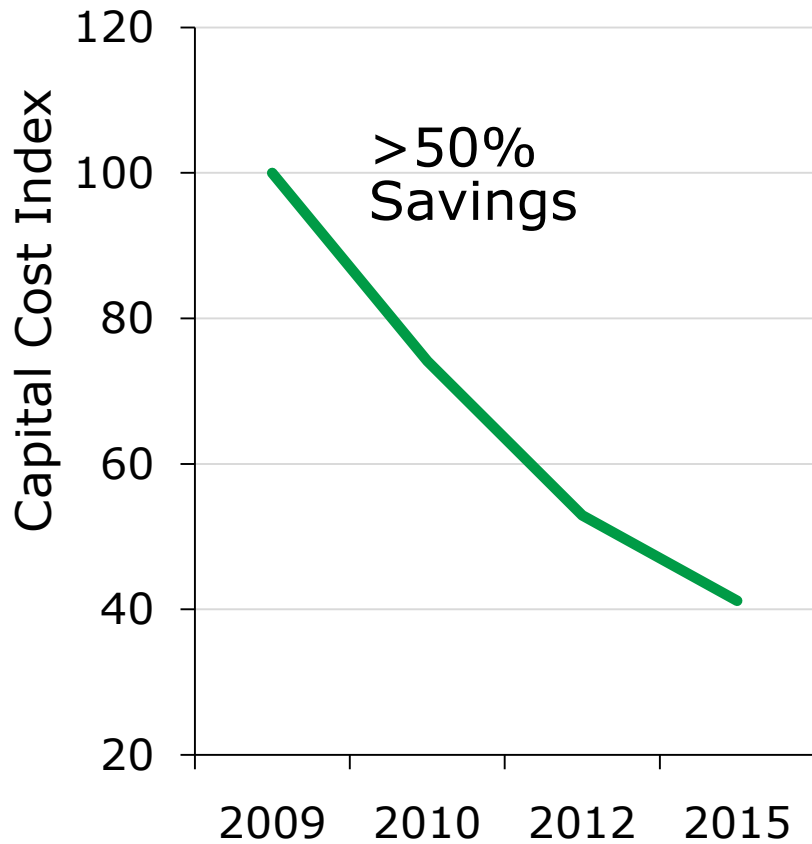


Driving Returns Higher

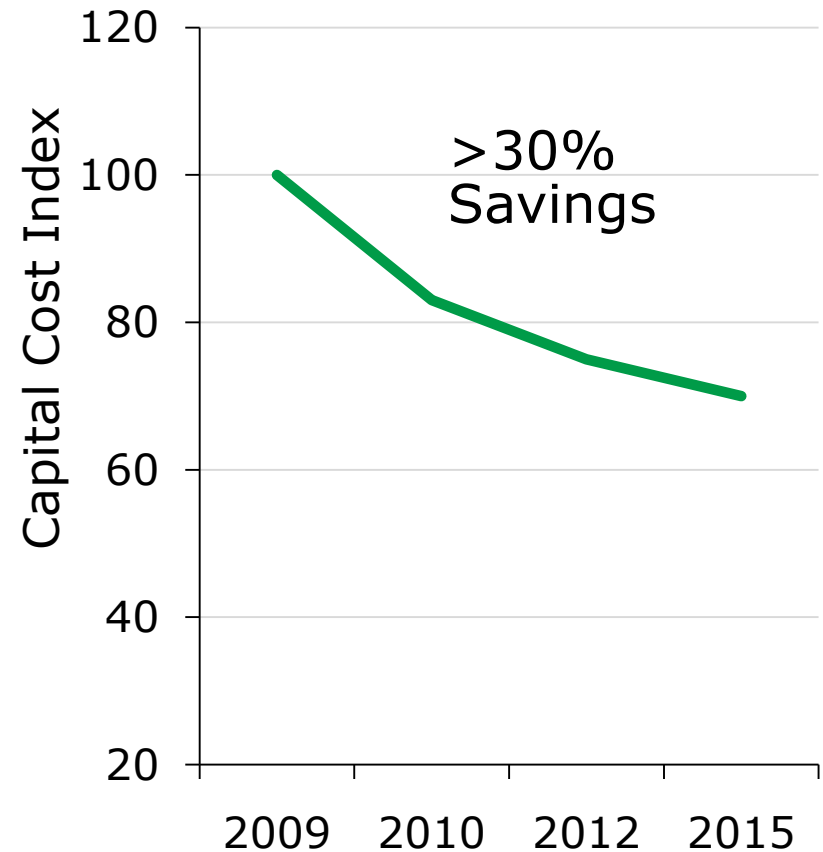


Driving Capital Cost Lower

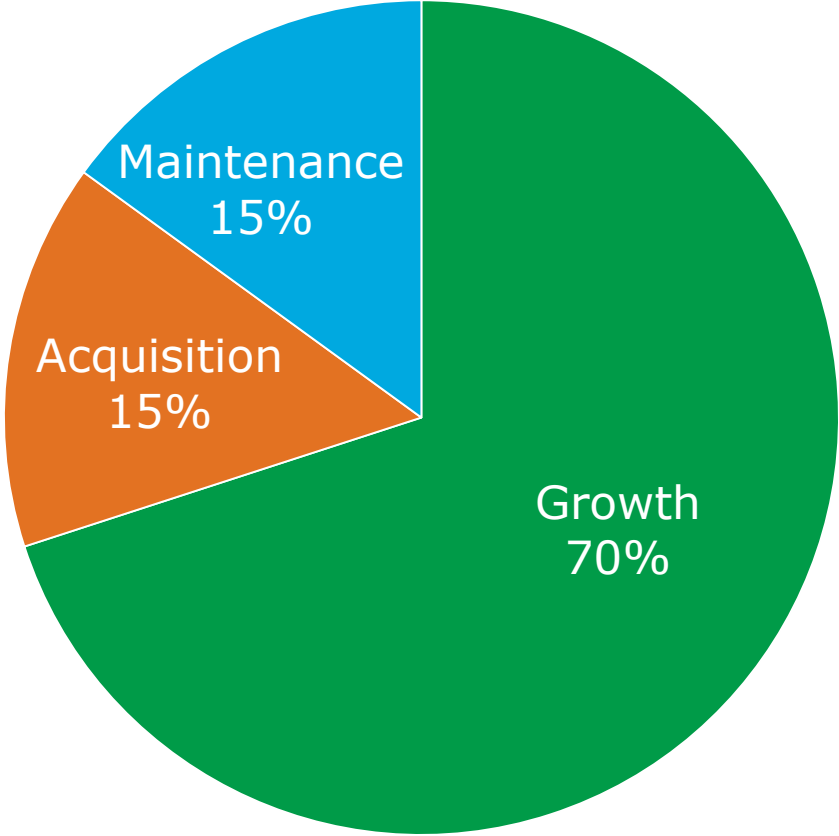
Large ASU



Electronics Nitrogen



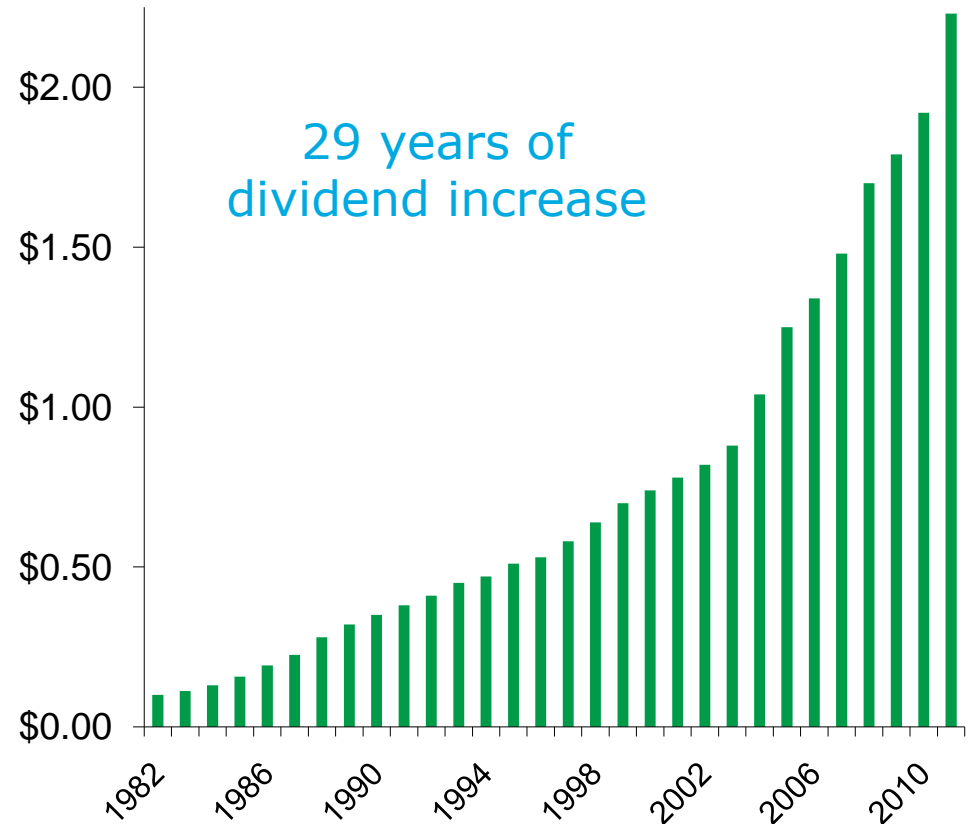
Strong Growth Opportunities Drive Disciplined Investment



\$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



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

2015 by 2015

\$15+ Billion in Sales

20% Operating Margin

15% Return on Capital Employed