Strategy for Success

Innovation, Integration, and Improvement

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Bank of America Merrill Lynch Basic Materials Conference

December 2013
Forward looking statement

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All financial figures are FY13 unless noted otherwise.
We have built a global portfolio with market leading positions in diverse end markets $10+ billion in sales

- Established leading positions across varied high growth and critical end markets
- Great growth opportunities in Energy, Environmental and Emerging markets
- Helping customers succeed by improving their productivity, efficiency, quality and environmental impact
- Targeting diverse offerings, geographies (50+ countries) and customers
- Plus leading Joint Venture positions in key growth markets around the world

“Built on innovation” – Early identification of new markets and trends

- Pioneered onsite business model
- Developed H₂ outsource model
- Recognized leader in the LNG market
- First entrant and established leader in electronics industry
- Leveraged onsite project development expertise to develop sustainable waste-to-energy solutions

Consistent and predictable cash flows

- Long-term contracts and diversified customer base
- Pricing to recover raw material cost increases
- Relentless focus on productivity minimizes impact of cost inflation
- Prudent capital structure with strong balance sheet
Committed to delivering shareholder value

Air Products has built an industry leading, global platform for future growth

• $3.5 billion project backlog is 85% onsite with long-term, secure take-or-pay contracts
• Established leadership positions in key high growth end markets, including joint ventures
• Active portfolio management targeting most attractive regions and businesses

Management continues to be focused on executing key initiatives that deliver shareholder value

• Delivering on industry leading backlog
• Driving profitable growth by loading existing assets
• Continued strong alignment of management incentives to key financial metrics (EPS growth and ROCE)

We are highly confident in our approach, and expect to continue to reward shareholders with increased profitability and return of capital, while maintaining a prudent financial structure

• Our ongoing business plan provides tangible opportunities to deliver significant growth
• Significant cash flow driven by disciplined, return-focused investment

Strong history of returning capital to shareholders: ~$4.5 billion over last six years
Our target markets have high growth potential

**Targeted JV strategy**
- 38% of sales\(^1\) from high growth markets - LatAM/Asia

**Strong Merchant positions**
- Glass, food, OFS

**Leading LatAM platform**
- Acquired Indura, largest independent gas company

**Emerging Markets**

**Energy**

**Environmental**

**#1 market position in H\(_2\)**
- Market share >40%
- 2x the size of nearest competitor

**Largest H\(_2\) supply network**
- 600+ miles of pipeline
- Access >90% of refining capacity

**O\(_2\) for coal gasification**
- $15 - $20 billion market opportunity over next decade

**Electronics**
- Largest supplier to market leaders

**Innovation in renewable energy**
- Tees Valley leverages onsite expertise

**#1 in LNG Technology**
- 4-5% market growth expected over the next 20 years

Helping customers succeed by improving their productivity, efficiency, quality and environmental impact

Notes: 1) With 100% JVs
### Air Products supply modes

**Stability and profitable growth**

<table>
<thead>
<tr>
<th>Mode</th>
<th>Percentage</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Onsite/Pipeline</td>
<td>41%</td>
<td>15-20 year contracts, Limited volume risk, Energy pass through</td>
</tr>
<tr>
<td>Liquid Bulk</td>
<td>21%</td>
<td>3-5 year contracts, Cost recovery</td>
</tr>
<tr>
<td>Package Gases &amp; Specialty Materials</td>
<td>30%</td>
<td>Short-term contracts, Differentiated positions</td>
</tr>
<tr>
<td>Equipment &amp; Services</td>
<td>8%</td>
<td>Sale of equipment, PO based</td>
</tr>
</tbody>
</table>

**Industry leading onsite exposure**
Profitable joint ventures with leadership positions

<table>
<thead>
<tr>
<th></th>
<th>Mexico</th>
<th>Italy</th>
<th>South Africa</th>
<th>Saudi Arabia</th>
<th>India</th>
<th>Thailand</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><img src="image" alt="INFRA" /></td>
<td><img src="image" alt="SAPIO" /></td>
<td><img src="image" alt="Air Products" /></td>
<td><img src="image" alt="AHG" /></td>
<td><img src="image" alt="BIG" /></td>
<td></td>
</tr>
<tr>
<td><strong>Sales</strong> ($B, 100%)</td>
<td>$0.9</td>
<td>$0.6</td>
<td>$0.2</td>
<td>$0.15</td>
<td>$0.15</td>
<td>$0.15</td>
</tr>
<tr>
<td><strong>AP Ownership</strong></td>
<td>40%</td>
<td>49%</td>
<td>50%</td>
<td>25%</td>
<td>50%</td>
<td>49%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY 2013</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 ($B)</td>
<td>$10.2</td>
<td>$2.8</td>
<td>$13.0</td>
</tr>
<tr>
<td>Op Inc ($B)</td>
<td>$1.6</td>
<td>$0.5</td>
<td>$2.1</td>
</tr>
<tr>
<td>Op Margin</td>
<td>15.4%</td>
<td>19.2%</td>
<td>16.2%</td>
</tr>
</tbody>
</table>

**Partially owned JV’s create exposure to 28% more sales and 35% more op income**

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.
Our onsite business delivers secure and predictable cash flow

- Represented 41% of revenue in 2013
  - Highly stable, core utility within customer plants
- 15-20 year take-or-pay contracts
  - Attractive returns on capital
  - Limited energy or volume risk
  - 2-3 year project execution
- #1 in global onsite H₂ used for refining heavy crude and reducing sulfur content
  - Strong growth profile (~7% market CAGR)
- The world’s largest H₂ pipeline (~675 miles)
  - We supply 90% of refineries on the U.S. Gulf Coast
- Developing a leading position in China O₂ market
  - When complete, will be the largest supplier of O₂ (~7% market CAGR) for use in coal gasification
- Investment location driven by market opportunities and risk-adjusted return

Attractive, secure earnings regardless of economic environment
#1 leadership in global on-site H₂

Maintained 40% share over 20 years

Significant future growth

Air Products

Competitors

6 B scfd

Existing market

11 B scfd

Environmental regulations

Increased transportation fuels

Heavier crude

2012

2022
Oxygen for coal gasification in China

High growth market over the next ten years

- China goals
  - Energy independence
  - Utilize domestic resources
  - Environmental improvement
- Low coal price vs. Oil and NG
- Outsource model
- Diverse end markets

China represents almost 70% of the global oxygen market of 1 million TPD or $25 billion investment
Energy from waste—Tees Valley UK

• Strategic drivers for EfW business
  - Innovative growth opportunity
  - Onsite business model
  - Proven competencies

• TV1
  - On budget and on schedule for early FY15 startup

• TV2
  - Duplicate of TV1 at adjacent site
  - Project execution and operational synergies
  - Significant capital and operating savings drives improved profitability
  - Early CY 2016 startup enables maximum synergies and optimized ROC’s
  - Key Partners – UK Cabinet Office purchase power, others same as TV1

• Combined Projects
  - Gasify 700,000 TPY of waste to generate 100MW of power
  - ~$950MM capital, $0.25 - $0.30 EPS when fully on-stream
Innovation in LNG

Reshape markets and serve emerging needs

- Full range of process options: from peak-shavers to mega-trains
- Technology of choice for emerging floating LNG market
- Recent wins in China, Malaysia and US, solid backlog, strong bidding activity

World’s leading provider of patented LNG technology and equipment
Merchant Business
Driving improvement

- Load existing assets
  - Commercial technology applications
  - Targeted sales resources
- Leverage new price opportunities
- Benefits from restructuring
- Improve helium supply
  - Wyoming
  - Colorado
  - New Projects
- Strategic Positions
  - Indura
  - EPCO
Reported revenue $1.2 billion plus $0.3B in merchant

- Focus on key customers and segments
- Stability and profitable growth
Our Industry Leading Electronics Portfolio

### Integrated Onsite, Bulk Gases and Service Solutions
- Markets: Semiconductor, Integrated Chip Fabrication, Advanced Displays
- Solutions: High Purity Onsite / Bulk Gases, Semi Fab Services
- Leadership: #1 market leader in Onsite and Bulk gases
- Products: Nitrogen, Oxygen, Hydrogen, Argon, Helium

### Process Materials and Delivery Systems
- Markets: Semiconductor, Integrated Chip Fabrication, Advanced Displays
- Solutions: Deposition Materials, Clean & Etch Gases, Dopants and Laser Gases, Gas Delivery Systems
- Leadership: #1 market leader in metallization gases, #2 market leader in chamber cleaning gases
- Products: NF₃, WF₆, N₂O, UHPNH₃, Arsine, Phosphine

### Advanced Materials and Delivery Systems
- Markets: Semiconductor, Integrated Chip Fabrication
- Solutions: Planarization Solutions, Surface Prep & Clean Solutions, Advanced Deposition Solutions, Chemical Delivery Systems
- Leadership: #1 market leader in CMP consumables, cleans, dielectric materials and organometallics precursors
- Products: CMP slurries, post CMP cleans, organosilanes, organometallics, clean and etch
Performance materials

Growth through differentiation

- $1 Billion sales
- 4 major product lines

- Focused on bringing differentiated performance to our customers’ products, helping drive productivity, quality and environmental benefit
- Low competitive intensity, niche markets, growing at multiples of GDP; substantial emerging market opportunities
- #1 or #2 positions in targeted markets
Rigorous and disciplined approach to capital management...

**Risk Analysis**
- Investments are made following a detailed quantitative, analytical and return-oriented evaluation
  - Industry, market, customer and facility quality evaluation
  - Region / sovereign risk
  - Contract terms

**Focused on Returns**
- Project IRRs must significantly exceed risk-adjusted cost of capital and project specific return thresholds
- Not “growth for growth’s sake”

**Project Execution**
- Stellar execution record with actual capital below budget in each of the last five years

**Focused Spending**
- Our investments are focused on our core gas business
  - Of our record $3.5 billion backlog, ~85% is onsite

**Checks and Balances**
- All investments must be reviewed and approved by management
- All major investments must be reviewed and approved by Board
- Board-level review process performed after each major project to evaluate and improve our approach

Our disciplined capital allocation approach provides a rigorous investment filter which returns excess capital to shareholders
Robust investment opportunities

- Record $3.5B backlog
- Solid bidding activity
- Focused investment leveraging core market positions

- Onsite / Pipeline: 85%
- Liquid Bulk: 10%
- Packaged Gas & Specialty Materials: 5%
Strong capital return to shareholders

- Invest in core projects at good returns
- Dividend increases each year
- Strive to maintain A bond rating
- Share repurchase

Since 2008:
- Repurchase: $2.0bn
- Dividend: $2.5bn
- Total Capital: $4.5bn

31 Consecutive Years of Dividend Increases
Strong and long-standing track record

'08-'13E Increase: ~87%
Air Products Board and management team will continue to create value for shareholders

- We are focused on shareholder value creation, with an industry-leading payout ratio, 31 consecutive years of dividend increase and $4.5bn of capital returned since 2008

- We have proactively managed our portfolio, continue to execute productivity initiatives, and made strategic acquisitions and divestitures positioning us in the right markets

- We are positioned for long term success, taking advantage of economic recovery, with leadership positions in key markets and geographies and an industry-leading backlog supported by secure long-term contracts

- We have a clear path to driving profitable growth through execution on our backlog, operational improvements and taking advantage of capacity loading

- We are continually taking steps to enhance the Board and team to drive enhanced shareholder returns while, at the same time, maintaining the stability our customers demand
Key Focus...

- Delivering profitable growth from existing assets
- Disciplined project execution
- Focused productivity and cost reductions
- Winning in the marketplace

...to deliver shareholder value
Thank you

tell me more