

Moving forward



Create Shareholder Value

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Forward-looking statements

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Air Products today

\$10.4
billion in sales

21,600
employees

50+
countries

276
On Fortune 500 list

7+
decades in business

170,000+
customers

1800
miles of industrial
gas pipeline

750+
production
facilities

30+
industries
served

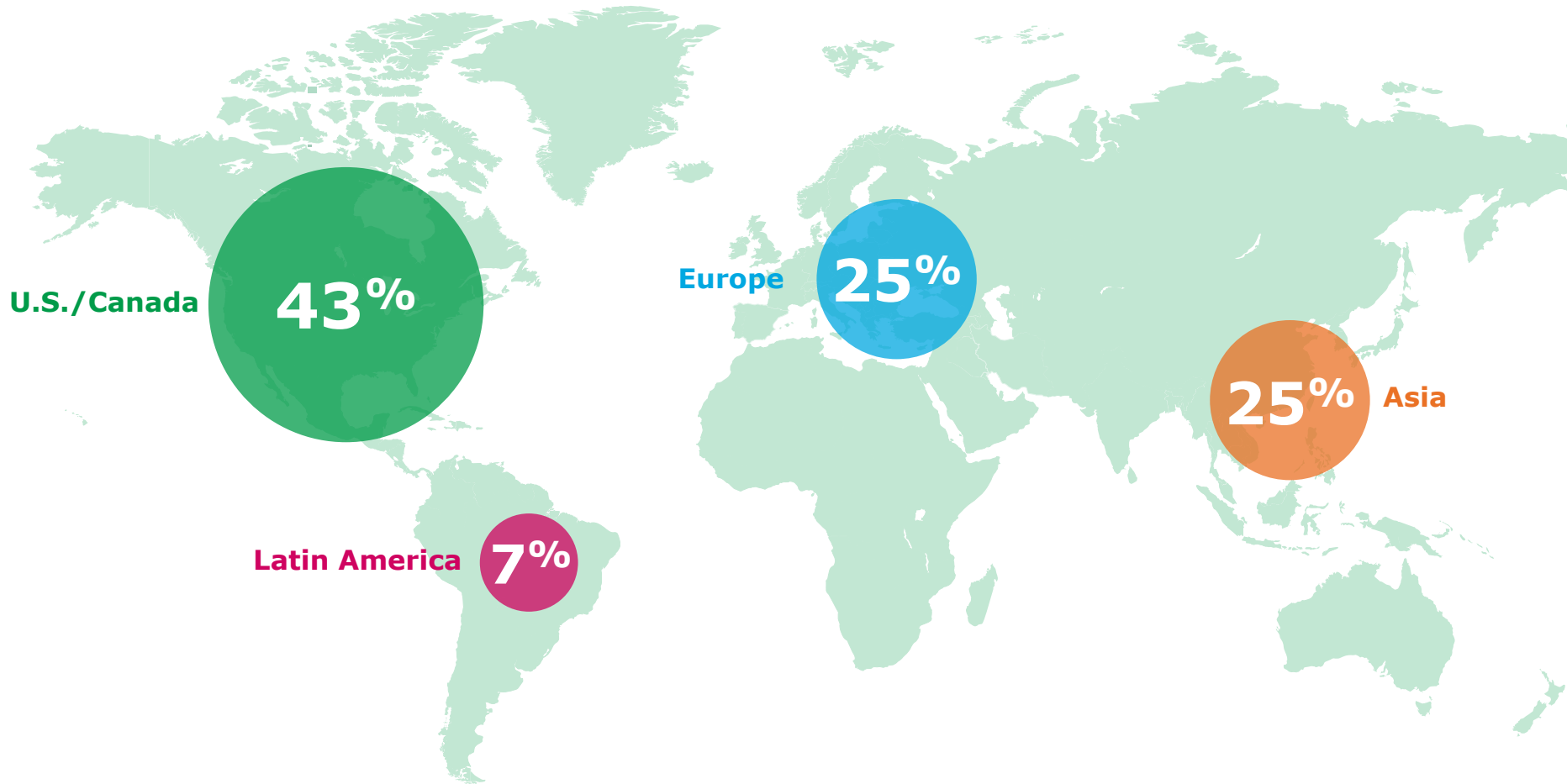
Air Products is...

...a leader in the global industrial gas industry with:

- Established leading positions in diverse end markets, including energy, chemicals, electronics and manufacturing
- Growth opportunities driven by Energy, Environmental and Emerging markets
- Complementary materials and equipment businesses
- A multi-billion project backlog with long-term contracts that generate consistent and predictable cash flows
- Leading positions in key growth regions including profitable joint ventures
- A prudent capital structure with a solid balance sheet supporting long-term profitable growth



APD global presence



APD supply modes



40%

On-site/Pipeline

- 15-20 year contracts
- Limited volume risk
- Energy pass-through



21%

Liquid Bulk

- 3-5 year contracts
- Local supply chain



13%

Packaged Gas

- Short-term contracts
- Local supply chain



6%

Equipment & Services

- Sale of equipment
- PO based









20%

Materials Technologies (includes 3% Equipment)

- Differentiated positions
- Low capital intensity

APD Joint Ventures

Profitable joint ventures with leadership positions in emerging markets

	Mexico	Italy	South Africa	Saudi Arabia	India	Thailand
						
Sales (\$B, 100%)	\$0.9	\$0.6	\$0.2	\$0.15	\$0.15	\$0.15
AP Ownership	40%	49%	50%	25%	50%	49%

FY 2014	Air Products (as reported)	Equity Affiliates¹ (100% basis)	Combined² (AP +100% EA)
Sales (\$B)	\$10.4	\$2.8	\$13.2
Op Inc (\$B)	\$1.7	\$0.5	\$2.2
Op Margin	15.9%	19.3%	16.6%

Partially owned JV's create exposure to 27% more sales and 33% 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

Corporate Segment 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 US, Malaysia, China and Russia, solid backlog, strong bidding activity



World's leading provider of patented LNG technology and equipment

Our Mission

Create Shareholder Value

Our goal

Air Products will be the **safest** and the **most profitable** industrial gas company in the world, providing excellent service to our customers

Creating value for shareholders

How are we going to do it at Air Products?

- **Responsible** allocation of capital
- **Implementation** of our 5 point plan

Creating shareholder value

Management philosophy

Shareholder Value

Cash is king; cash flow drives long-term value. What counts in the long term is the increase in **per share value** of our stock, not size or growth.

CEO Focus






Capital allocation is the most important job of the CEO.

Operating Model

Decentralized organization releases entrepreneurial energy and keeps both costs and politics (“bureaucracy”) down.

Our plan

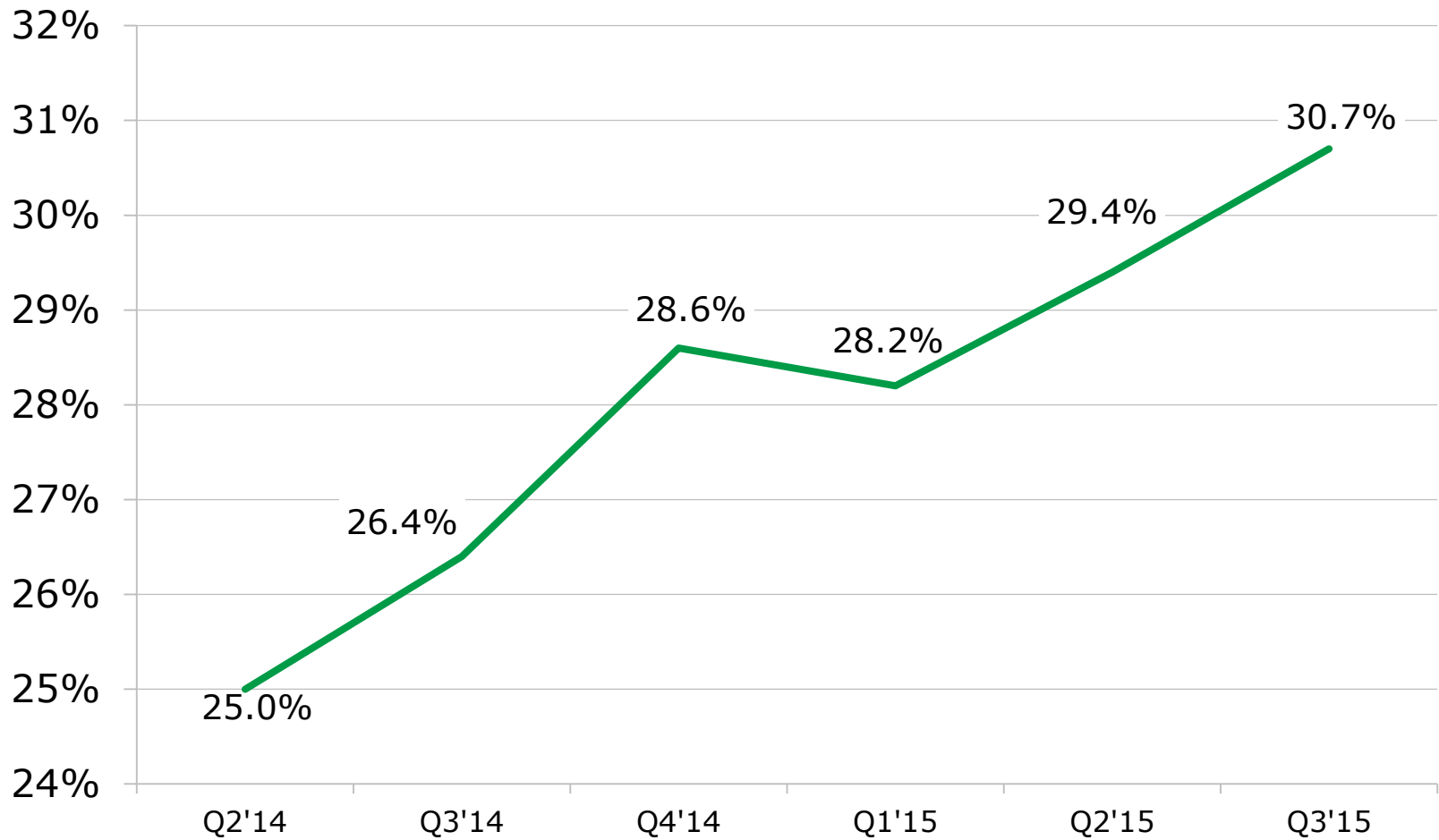
5 point plan summary

Focus on the core 	Restructure organization 	Change culture 	Control capital/costs 	Align rewards 
Industrial gases	Decentralize	Safety	Capex	Reward performance
Key geographies	Geographic alignment	Simplicity	Hurdle rates	EBITDA/value creation target
		Speed	Corporate cost	
		Self-confidence	Ops./Dist. efficiency	

Q3 Summary

	FY14 Q3	FY15 Q3	Change
Sales \$millions	\$2,635	\$2,470	(6%)
EBITDA \$millions	\$696	\$758	+9%
EBITDA % margin	26.4%	30.7%	+430bp
Free Cash Flow \$millions	\$(71)	\$16	+\$87
EPS \$/share	\$1.46	\$1.65	+13%

EBITDA Margin Trend



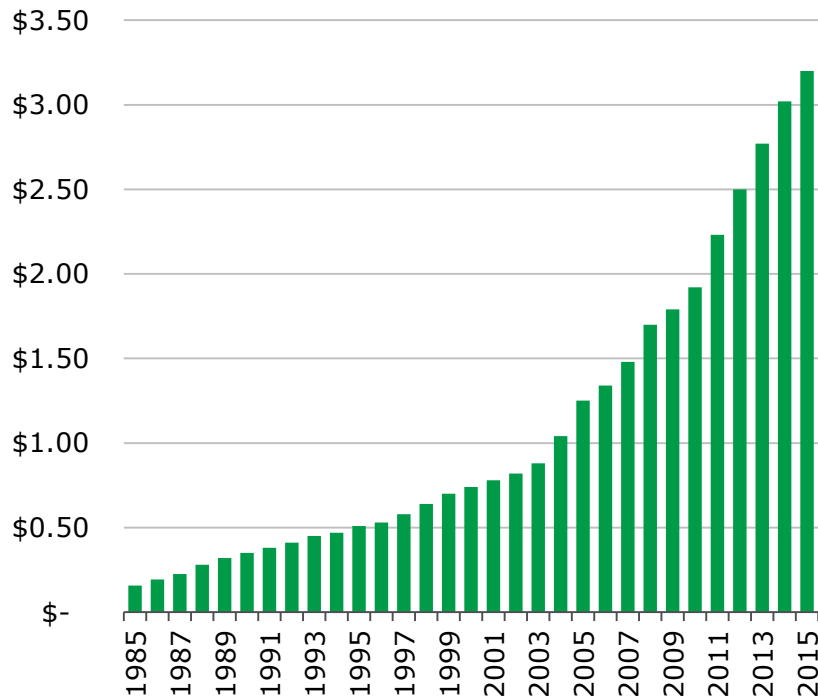
Cash Flow Focus

(\$ million)	Q3 FY14	Q3 FY15	Change
EBITDA	\$696	\$758	\$62
Interest	\$(31)	\$(28)	\$3
Cash Tax	\$(54)	\$(106)	\$(52)
Maintenance Capex	\$(73)	\$(56)	\$17
Distributable Cash Flow	\$538	\$567	\$29
Growth Capex	\$(445)	\$(377)	\$68
Dividends	\$(164)	\$(174)	\$(10)
Free Cash Flow	\$(71)	\$16	\$87

- Improved Distributable Cash Flow and positive Free Cash Flow
- Higher EBITDA and reduced capex, partially offset by higher cash taxes

Cash returned to shareholders

Dividend (Per Share)



Dividends and share repurchases

- 30+ years of increasing dividends
- Long history of share repurchases
 - \$3.5 B since 2005
- Capital returned to shareholders
 - Almost \$8 B since 2005

Our competitive advantage

The only sustainable element
of long-term competitive
advantage is the degree of
commitment and **motivation**
of the people in the enterprise

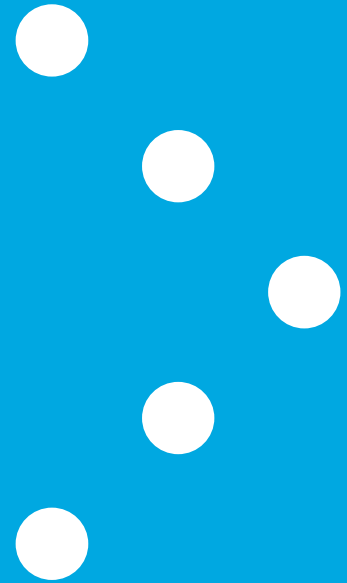
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Appendix Slides



Q3 Summary

(\$ million)	Q3 FY15	Fav/(Unfav) vs.	
		Q3 FY14	Q2 FY15
Sales	\$2,470	(6%)	2%
- Volume		3%	2%
- Price		1%	-0%
- Energy/Raw Mat'l pass-thru		(4%)	-0%
- Currency		(6%)	-0%
EBITDA	\$758	9%	7%
- EBITDA Margin	30.7%	430bp	130bp
Operating Income	\$482	17%	9%
- Operating Margin	19.5%	380bp	120bp
Net Income	\$359	14%	7%
Diluted EPS (\$/share)	\$1.65	13%	6%
ROCE	10.9%	130bp	40bp

- Operating margin up about 330bp excluding the impact of lower energy pass-thru

Appendix: Q315 Results

(\$ Millions, except per share data)

	GAAP Measure				Non GAAP Adjustments (2)		Non GAAP Measure			
	Q315	Q314	\$ Change	% Change	Q315		Q315	Q314	\$ Change	% Change
Q315 vs. Q314 - Total Company										
Sales	2,470.2	2,634.6	(164.4)	(6%)			2,470.2	2,634.6	(164.4)	(6%)
Operating Income	422.5	413.8	8.7	2%	59.8		482.3	413.8	68.5	17%
Operating Margin	17.1%	15.7%		140bp			19.5%	15.7%		380bp
Income from Cont. Ops. (1)	318.8	314.0	4.8	2%	39.8		358.6	314.0	44.6	14%
Diluted EPS - Cont. Ops. (1)	\$1.47	\$1.46	\$0.01	1%	0.18		\$1.65	\$1.46	\$0.19	13%
Q315 vs. Q215 - Total Company										
Sales	2,470.2	2,414.5	55.7	2%		Q215	2,470.2	2,414.5	55.7	2%
Operating Income	422.5	374.4	48.1	13%	59.8	68.0	482.3	442.4	39.9	9%
Operating Margin	17.1%	15.5%		160bp			19.5%	18.3%		120bp
Income from Cont. Ops. (1)	318.8	290.0	28.8	10%	39.8	46.1	358.6	336.1	22.5	7%
Diluted EPS - Cont. Ops. (1)	\$1.47	\$1.33	\$0.14	11%	0.18	0.22	\$1.65	\$1.55	\$0.10	6%

(1) Attributable to Air Products

(2) FY15 Non GAAP Adjustments

	Q215		
	Operating Income	Inc. From Cont. Ops	EPS
Business restructuring/cost reduction actions	55.4	38.2	0.18
Pension settlement loss	12.6	7.9	0.04
Total Q215 Adjustments	68.0	46.1	0.22
	Q315		
	Operating Income	Inc. From Cont. Ops	EPS
Business restructuring/cost reduction actions	58.2	38.8	0.18
Pension settlement loss	1.6	1.0	0.00
Total Q315 Adjustments	59.8	39.8	0.18

Appendix: Adjusted EBITDA Trend

\$ Millions	Q114	Q214	Q314	Q414	FY14	Q115	Q215	Q315	Q315 vs PY		Q315 vs PQ	
									\$	%	\$	%
Income From Continuing Operations	296.0	291.5	323.5	77.5	988.5	337.5	296.9	333.2				
Add: Interest expense	33.3	31.5	31.3	29.0	125.1	29.1	23.4	28.2				
Add: Income tax provision	94.5	92.1	102.1	77.3	366.0	106.5	87.1	103.5				
Add: Depreciation and amortization	234.2	229.1	239.0	254.6	956.9	235.5	233.3	233.0				
Add Non GAAP pre-tax adjustments	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>328.3</u> (1)	328.3	<u>14.5</u> (2)	<u>68.0</u> (2)	<u>59.8</u> (2)				
Adjusted EBITDA	658.0	644.2	695.9	766.7	2,764.8	723.1	708.7	757.7	61.8	9%	49.0	7%
Sales	2,545.5	2,581.9	2,634.6	2,677.0	10,439.0	2,560.8	2,414.5	2,470.2				
Adjusted EBITDA Margin	25.8%	25.0%	26.4%	28.6%	26.5%	28.2%	29.4%	30.7%			430bp	130bp

(1) Q414 Non GAAP Pre-Tax Adjustments

	<u>Q414</u>
Business restructuring/cost reduction actions	12.7
Goodwill and intangible impairment	310.1
Pension settlement loss	<u>5.5</u>
Total Q414 adjustments	<u>328.3</u>

(2) FY15 Non GAAP Pre-Tax Adjustments

	<u>Q115</u>	<u>Q215</u>	<u>Q315</u>
Business restructuring/cost reduction actions	32.4	55.4	58.2
Gain on previously held equity investment	(17.9)	-	-
Pension Settlement Loss	-	<u>12.6</u>	<u>1.6</u>
Total FY15 adjustments	<u>14.5</u>	<u>68.0</u>	<u>59.8</u>

Appendix: Adjusted EBITDA by Segment

Moving forward



\$ Millions	Q114	Q214	Q314	Q414	FY14	Q115	Q215	Q315	Q315 vs PY		Q315 vs PQ	
									\$	%	\$	%
Gases - Americas												
Operating Income	184.5	169.6	188.9	219.6	762.6	211.2	182.0	206.5				
Add: Depreciation and amortization	104.0	99.4	105.6	105.4	414.4	103.6	103.3	103.9				
Add Equity Affiliates' Income	<u>17.6</u>	<u>12.6</u>	<u>14.7</u>	<u>16.0</u>	<u>60.9</u>	<u>17.2</u>	<u>15.1</u>	<u>17.3</u>				
Adjusted EBITDA	306.1	281.6	309.2	341.0	1,237.9	332.0	300.4	327.7	18.5	6%	27.3	9%
Adjusted EBITDA Margin	32.4%	27.3%	29.1%	32.9%	30.4%	33.1%	33.7%	36.5%		740bp		280bp
Gases - EMEA												
Operating Income	85.2	87.5	85.7	92.8	351.2	81.3	71.0	87.6				
Add: Depreciation and amortization	54.9	55.0	54.9	55.4	220.2	51.1	47.6	47.0				
Add Equity Affiliates' Income	<u>9.7</u>	<u>9.3</u>	<u>13.5</u>	<u>11.6</u>	<u>44.1</u>	<u>10.3</u>	<u>8.0</u>	<u>12.1</u>				
Adjusted EBITDA	149.8	151.8	154.1	159.8	615.5	142.7	126.6	146.7	(7.4)	(5%)	20.1	16%
Adjusted EBITDA Margin	27.2%	28.0%	28.7%	30.7%	28.6%	28.5%	28.2%	32.2%		350bp		400bp
Gases - Asia												
Operating Income	82.7	71.2	83.8	72.7	310.4	90.5	84.7	100.9				
Add: Depreciation and amortization	46.4	48.1	50.0	60.8	205.3	49.6	50.3	51.9				
Add Equity Affiliates' Income	<u>9.6</u>	<u>7.6</u>	<u>13.4</u>	<u>7.4</u>	<u>38.0</u>	<u>14.6</u>	<u>9.4</u>	<u>12.7</u>				
Adjusted EBITDA	138.7	126.9	147.2	140.9	553.7	154.7	144.4	165.5	18.3	12%	21.1	15%
Adjusted EBITDA Margin	35.1%	34.7%	40.2%	35.2%	36.3%	38.8%	36.7%	39.6%		(60)bp		290bp
Gases - Global												
Operating Income	(10.3)	(14.6)	(14.4)	(18.0)	(57.3)	(17.9)	(7.9)	(24.1)				
Add: Depreciation and amortization	1.7	1.6	1.7	2.1	7.1	4.3	5.5	4.2				
Add Equity Affiliates' Income	<u>0.7</u>	<u>0.3</u>	<u>0.7</u>	<u>4.1</u>	<u>5.8</u>	<u>0.4</u>	<u>(0.2)</u>	<u>0.0</u>				
Adjusted EBITDA	(7.9)	(12.7)	(12.0)	(11.8)	(44.4)	(13.2)	(2.6)	(19.9)	(7.9)		(17.3)	
Materials Technologies												
Operating Income	64.3	93.8	96.6	124.3	379.0	104.6	124.2	131.5				
Add: Depreciation and amortization	24.5	22.7	24.5	27.4	99.1	24.0	23.3	22.7				
Add Equity Affiliates' Income	<u>0.6</u>	<u>0.6</u>	<u>0.8</u>	<u>0.6</u>	<u>2.6</u>	<u>0.6</u>	<u>0.7</u>	<u>0.3</u>				
Adjusted EBITDA	89.4	117.1	121.9	152.3	480.7	129.2	148.2	154.5	32.6	27%	6.3	4%
Adjusted EBITDA Margin	18.6%	23.4%	23.2%	27.2%	23.3%	24.7%	27.8%	28.6%		540bp		80bp
Corporate/Other												
Operating Income	(17.9)	(19.3)	(23.6)	(16.2)	(77.0)	(22.7)	(8.8)	(17.6)				
Add: Depreciation and amortization	2.7	2.3	2.3	3.5	10.8	2.9	3.3	3.3				
Add Equity Affiliates' Income	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>				
Adjusted EBITDA	(15.2)	(17.0)	(21.3)	(12.7)	(66.2)	(19.8)	(5.5)	(14.3)	7.0		(8.8)	

Appendix: ROCE

Moving forward



\$ Millions											
Quarter Ended	Q113	Q213	Q313	Q413	Q114	Q214	Q314	Q414	Q115	Q215	Q315
Numerator											
Operating Income Reported		389.7	383.1	179.2	385.6	384.7	413.8	144.1	430.0	374.4	422.5
Equity Affiliate Income		39.8	44.2	42.4	38.2	30.4	43.1	39.7	43.1	33.0	42.4
Earnings before tax as reported		429.5	427.3	221.6	423.8	415.1	456.9	183.8	473.1	407.4	464.9
Cost Reduction / Restructuring Charge		0.0	0.0	231.6	0.0	0.0	0.0	12.7	32.4	55.4	58.2
Gain on previously held equity interest		0.0	0.0	0.0	0.0	0.0	0.0	0.0	(17.9)	0.0	0.0
Advisory Costs		0.0	0.0	10.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pension Settlement Loss		0.0	0.0	0.0	0.0	0.0	0.0	5.5	0.0	12.6	1.6
Goodwill and intangible impairment		0.0	0.0	0.0	0.0	0.0	0.0	310.1	0.0	0.0	0.0
Earnings before tax ex items		429.5	427.3	463.3	423.8	415.1	456.9	512.1	487.6	475.4	524.7
Effective tax rate as reported		24.3%	24.0%	13.9%	24.2%	24.0%	24.0%	49.9%	24.0%	22.7%	23.7%
Earnings after tax as reported		325.1	324.7	190.8	321.2	315.5	347.2	92.1	359.6	314.9	354.7
Effective tax rate ex items		24.3%	24.0%	24.1%	24.2%	24.0%	24.0%	24.0%	24.1%	24.1%	24.9%
Earnings after tax ex items		325.1	324.7	351.6	321.2	315.5	347.2	389.2	370.1	360.8	394.0
4 Qtr trailing AT earnings (numerator) - as reported					1,161.8	1,152.2	1,174.7	1,076.0	1,114.4	1,113.8	1,121.3
4 Qtr trailing AT Earnings (numerator) - ex items					1,322.6	1,313.0	1,335.5	1,373.1	1,422.0	1,467.3	1,514.1
Denominator											
Total Debt	6,035.7	5,981.2	6,130.3	6,273.6	6,168.3	6,167.1	6,136.0	6,118.5	6,089.0	5,930.2	5,863.2
Air Products Shareholders' Equity	6,299.3	6,365.5	6,540.8	7,042.1	7,264.0	7,370.9	7,696.7	7,365.8	7,351.5	7,332.5	7,586.0
Redeemable Noncontrolling Interest	390.7	398.7	371.8	375.8	358.7	343.6	341.4	287.2	288.7	280.0	277.9
Noncontrolling Interest	151.9	151.9	150.6	156.8	158.7	156.9	159.5	155.6	151.8	143.8	145.3
Total Capital	12,877.6	12,897.3	13,193.5	13,848.3	13,949.7	14,038.5	14,333.6	13,927.1	13,881.0	13,686.5	13,872.4
2 Qtr Average Capital (denominator)					13,899.0	13,994.1	14,186.1	14,130.4	13,904.1	13,783.8	13,779.5
5 Qtr Average Capital (denominator)					13,353.3	13,585.5	13,872.7	14,019.4	14,026.0	13,973.3	13,940.1
ROCE as rptd (4 Qtr trail AT earnings / 5 pt avg capital)					8.7%	8.5%	8.5%	7.7%	7.9%	8.0%	8.0%
ROCE ex items (4 Qtr trail AT earnings/ 5 pt avg capital)					9.9%	9.7%	9.6%	9.8%	10.1%	10.5%	10.9%
Instantaneous ROCE ex items (Qtr earnings AT x 4) / 2 pt avg capital)					9.2%	9.0%	9.8%	11.0%	10.6%	10.5%	11.4%

Appendix: ROCE Tax Rate

(\$ Millions)	<u>Q213</u>	<u>Q313</u>	<u>Q413</u>	<u>Q114</u>	<u>Q214</u>	<u>Q314</u>	<u>Q414</u>	<u>Q115</u>	<u>Q215</u>	<u>Q315</u>
<u>Reported</u>										
Income Before Taxes	394.3	391.9	186.2	390.5	383.6	425.6	154.8	444.0	384.0	436.7
Tax Expense	95.8	94.1	25.8	94.5	92.1	102.1	77.3	106.5	87.1	103.5
Tax Rate Reported	24.3%	24.0%	13.9%	24.2%	24.0%	24.0%	49.9%	24.0%	22.7%	23.7%
<u>ITEMS</u>										
<u>Operating Income</u>										
Cost Reduction / Restructuring Charges			231.6				12.7	32.4	55.4	58.2
Pension Settlement Loss							5.5		12.6	1.6
Gain on previously held equity interest								(17.9)		
Advisory Costs			10.1							
Goodwill and intangible impairment							310.1			
<u>Tax Exp</u>										
Cost Reduction / Restructuring Charges			73.7				4.5	10.7	17.2	19.4
Pension Settlement Loss							1.9		4.7	0.6
Gain on previously held equity interest								(6.7)		
Advisory Costs			3.7							
Goodwill and intangible impairment							1.3			
Income tax items							31.0			
<u>Ex Items</u>										
Income Before Taxes	394.3	391.9	427.9	390.5	383.6	425.6	483.1	458.5	452.0	496.5
Tax Expense	95.8	94.1	103.2	94.5	92.1	102.1	116.0	110.5	109.0	123.5
Tax Rate ex Items	24.3%	24.0%	24.1%	24.2%	24.0%	24.0%	24.0%	24.1%	24.1%	24.9%

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