

Strategy for Success

Innovation, Integration and Improvement

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Merchant Gases

Oppenheimer 7th Annual Industrials Conference

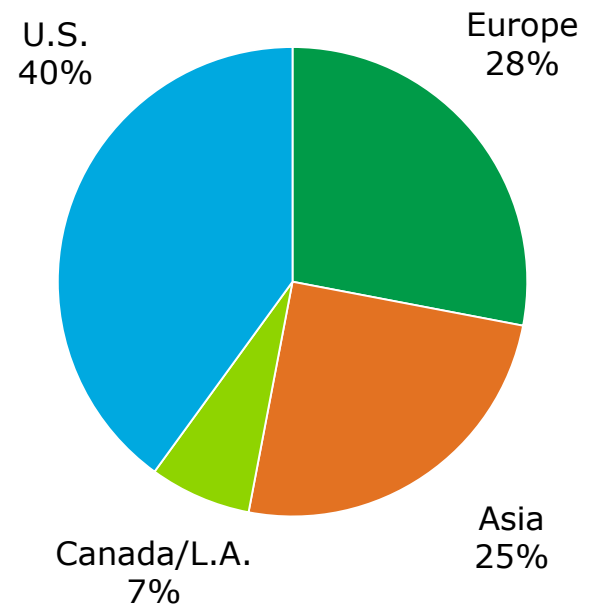
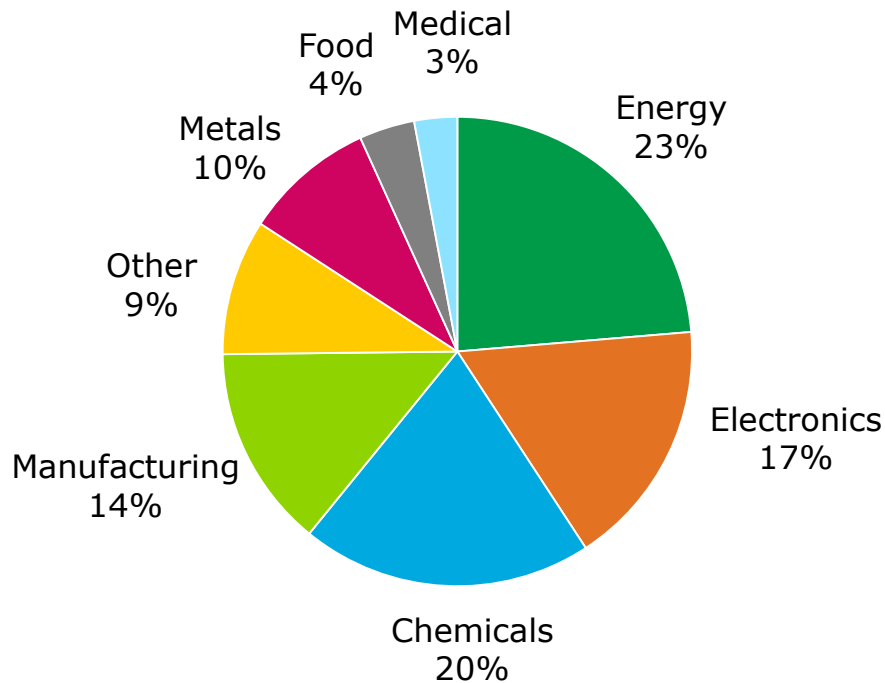
May 2012

Forward Looking Statement

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Air Products At a Glance

- \$10B in revenues across diverse markets and geographies
- Positioned for continued long-term value creation



FY 2011 revised to exclude European homecare services

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



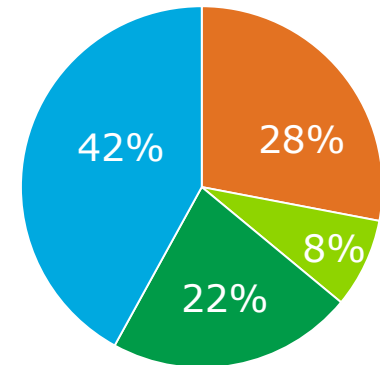
3-5 year Contracts
Cost Recovery

Equipment & Services



Sale of Equipment
PO Based

FY11



- 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

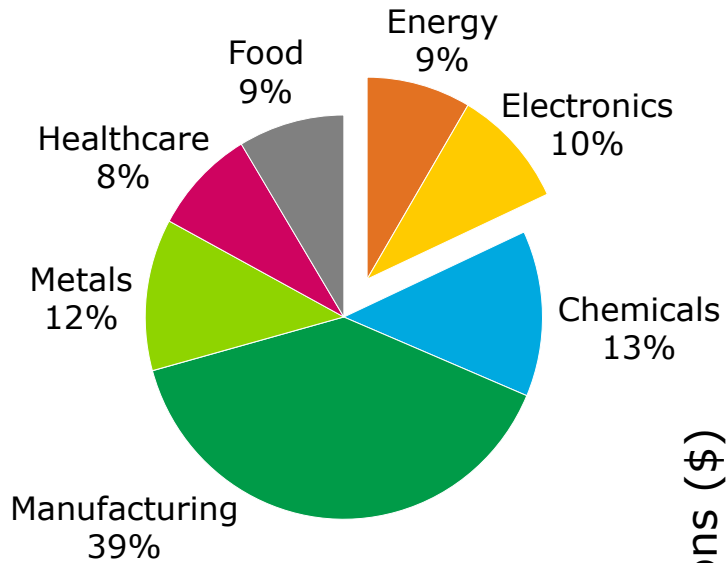
Digital Revolution



- Semiconductor
- Display

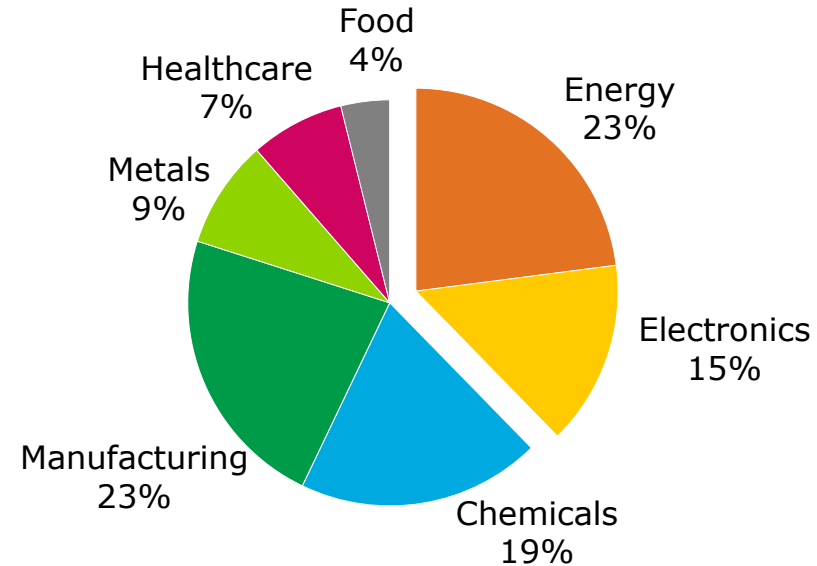
Air Products Market Exposure

2010 IG Market \$63B

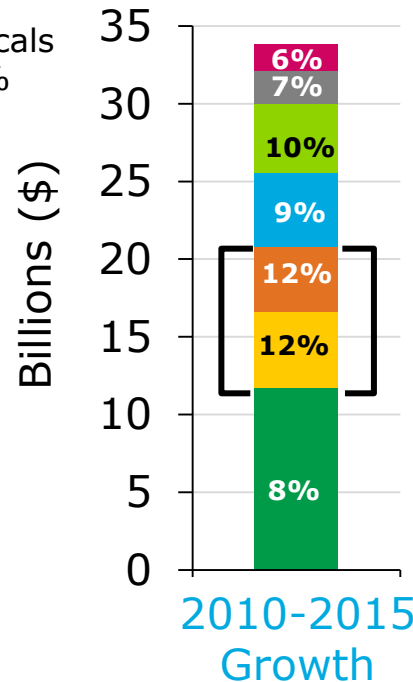


2010-2015 Market Growth = 9%

2010 APD \$9B



2010-2015 AP Growth = 10-11%



Air Products Advantage: Profitable Joint Ventures with Leadership Positions

Mexico	Italy	South Africa	India	Thailand
				

Sales (100%)	\$0.7B	\$0.6B	\$0.2B	\$0.2B	\$0.1B
AP Ownership	40%	49%	50%	50%	49%

FY 2011	Air Products (as reported)	Equity Affiliates ¹ (100% basis)	Combined ² (AP +100% EA)
Sales (\$MM)	\$10,082	\$2,650	\$12,732
Op Inc (\$MM)	\$1,671	\$537	\$2,208
Op Margin	16.6%	20.3%	17.3%

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

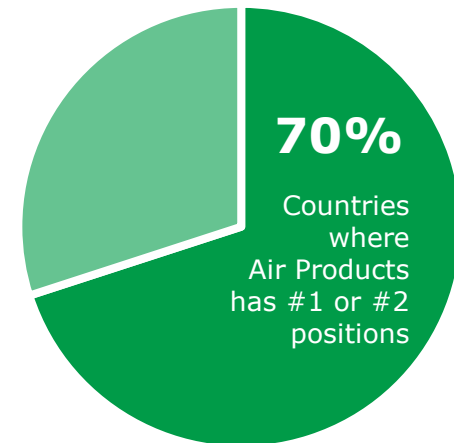
Accelerating Air Products Growth 2010-2015

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

Air Products Advantage: Asia Merchant Leadership



Asia 2011
Manufacturing Output



#1 positions in high growth markets

Driving Profits through Innovation

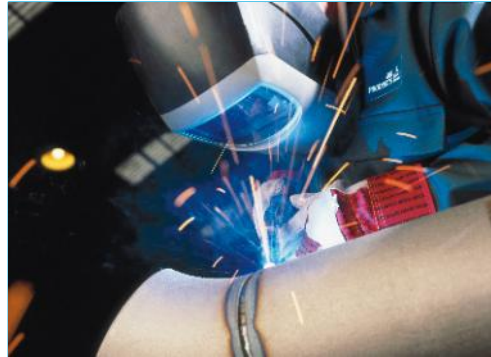
Responding to Market Needs



Low cost start-up
food freezing solutions



Freshline® QS Freezer



Safer, more convenient
welding & cutting



Integra® Cylinder



Improved yield, lower emission
aluminum recycling



**Advanced Low
Emission Aluminum Melting**

Driving Profits through Innovation

Bringing Supply Convenience to Customers

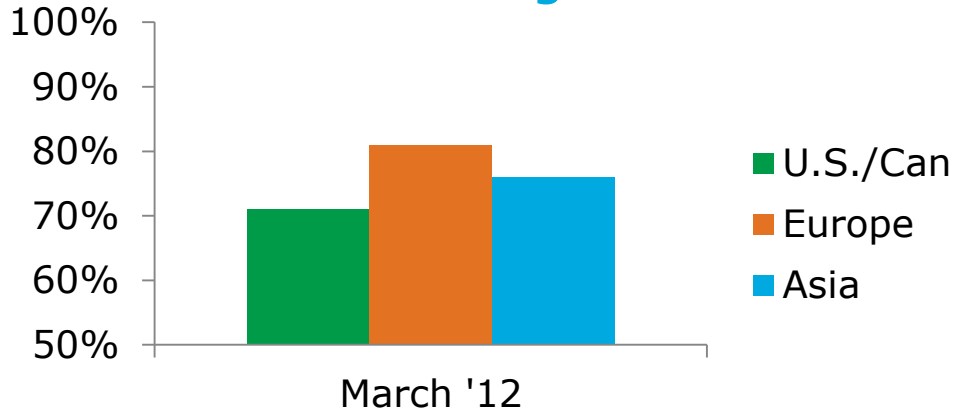
Vacuum Swing Adsorption (VSA)



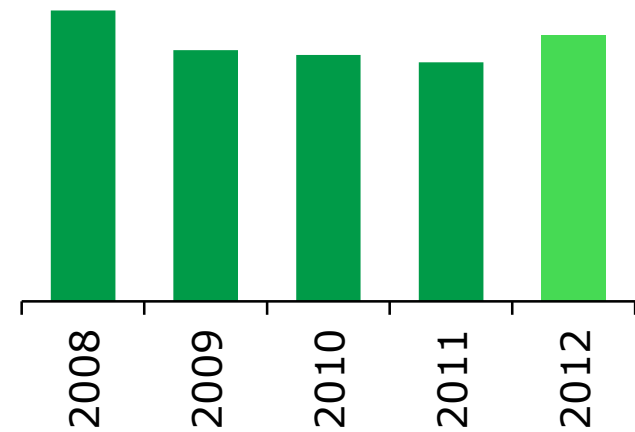
Air Products
Patent Pending
Modular Design

Merchant Opportunity

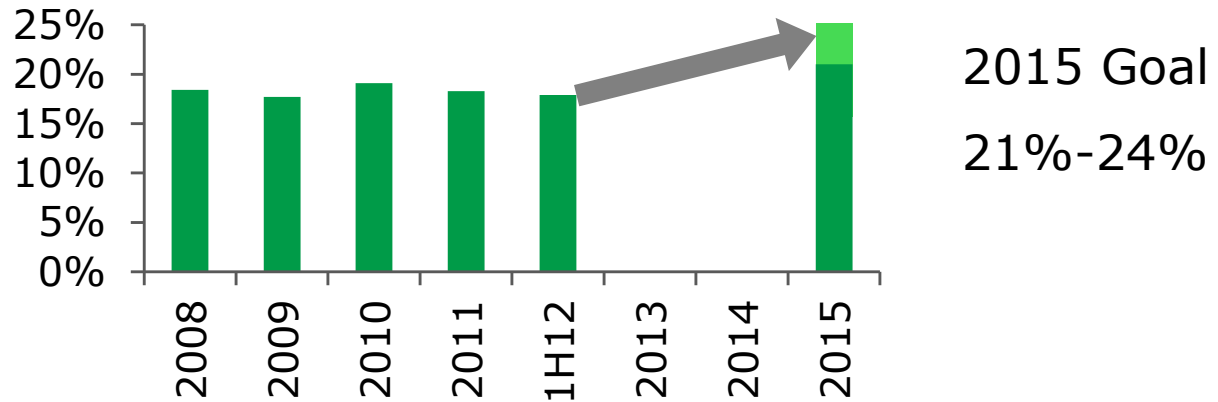
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Contract Signings



Operating Margin



Revenue
Growth

**11%-13%
per year**

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

Operating
Margin

20%

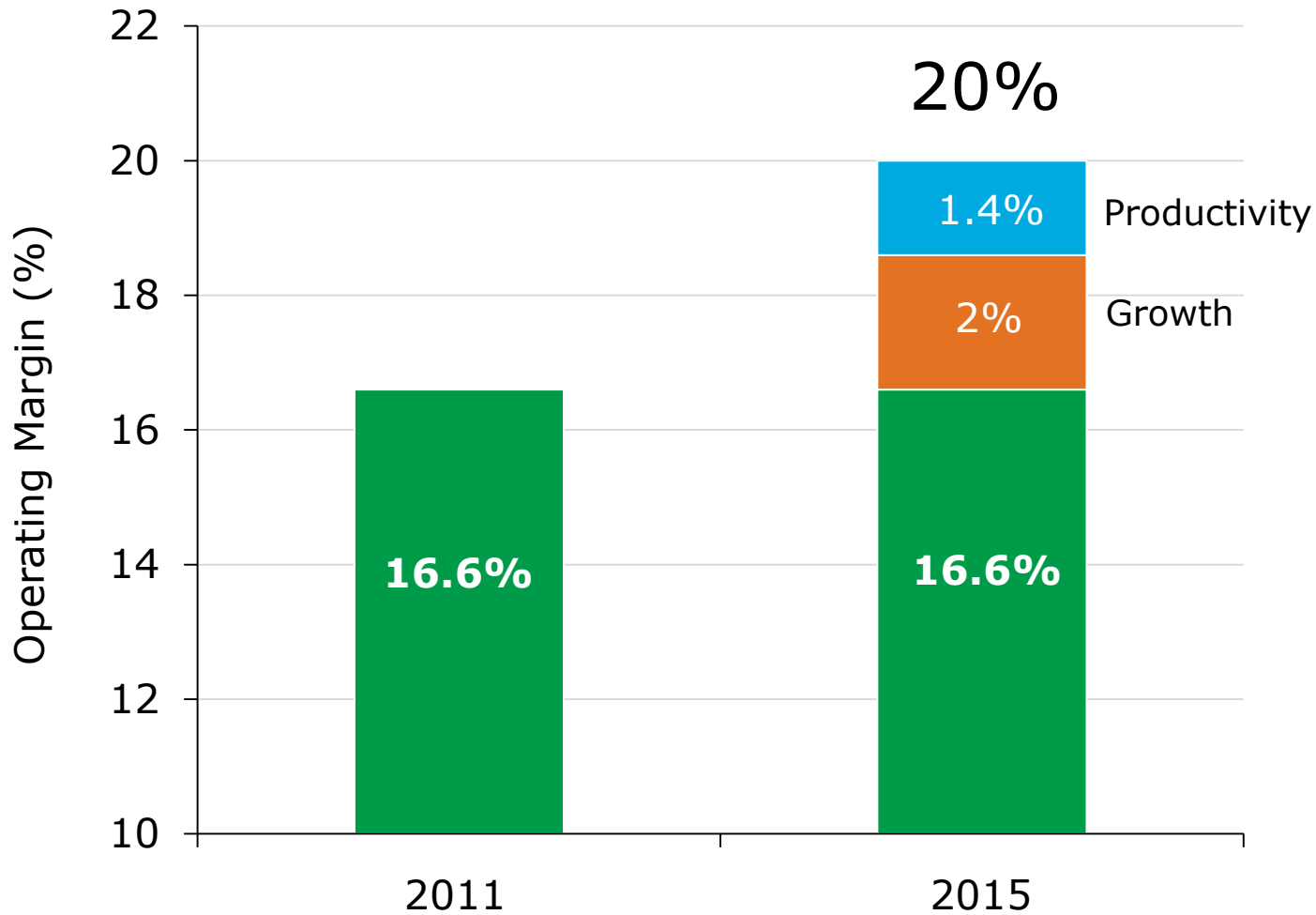
From 16.5%
in 2010
to
20% in 2015

Return on
Capital

15%

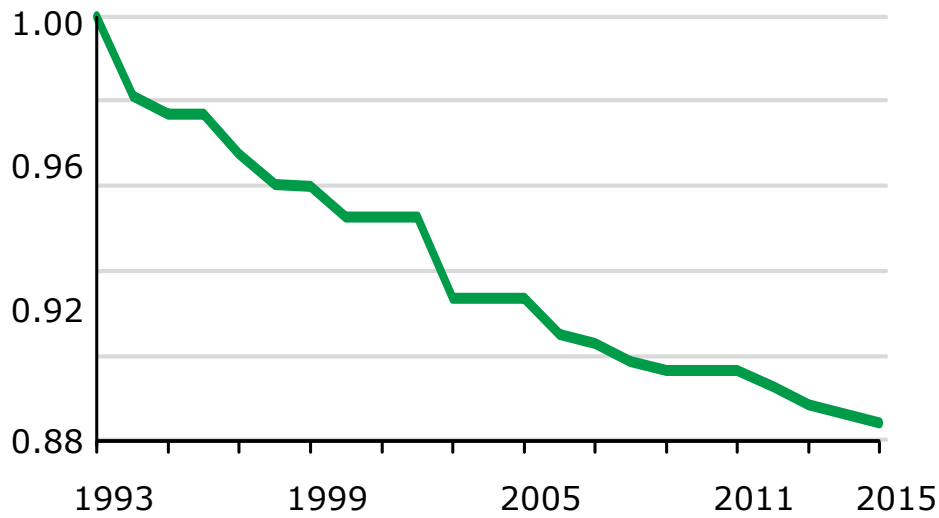
From 12.5%
in 2010
to
15% in 2015

Roadmap to 20% Margin

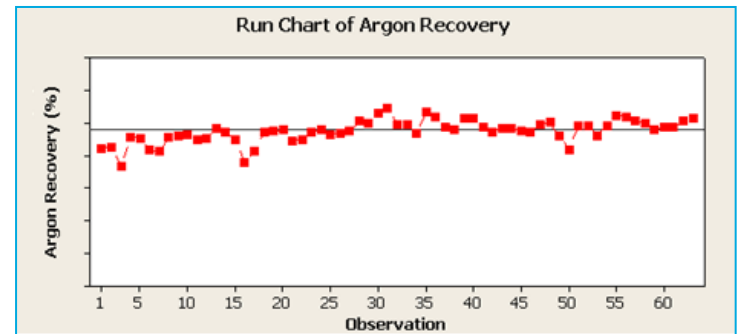
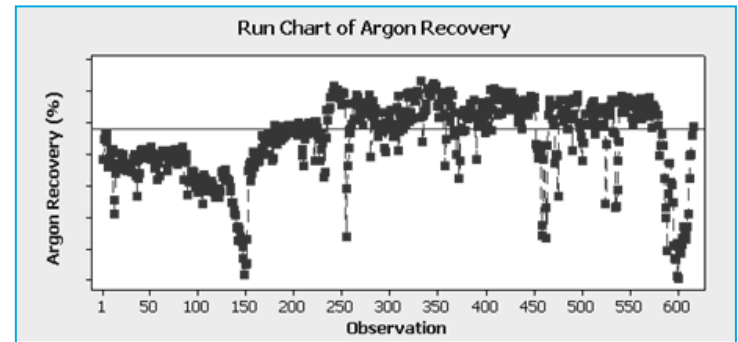


Variable Cost Leverage

Hydrogen Efficiency

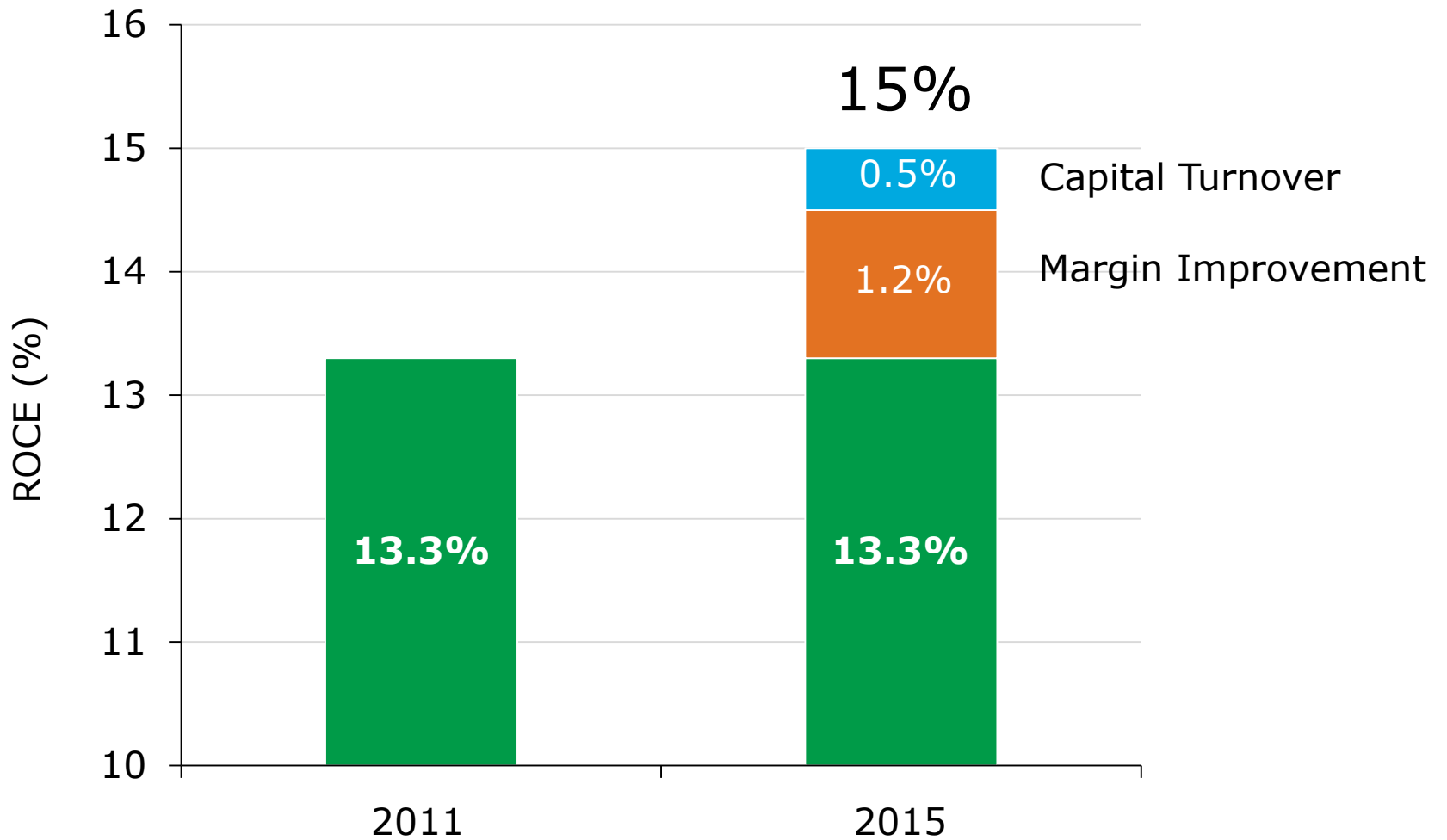


Argon Recovery



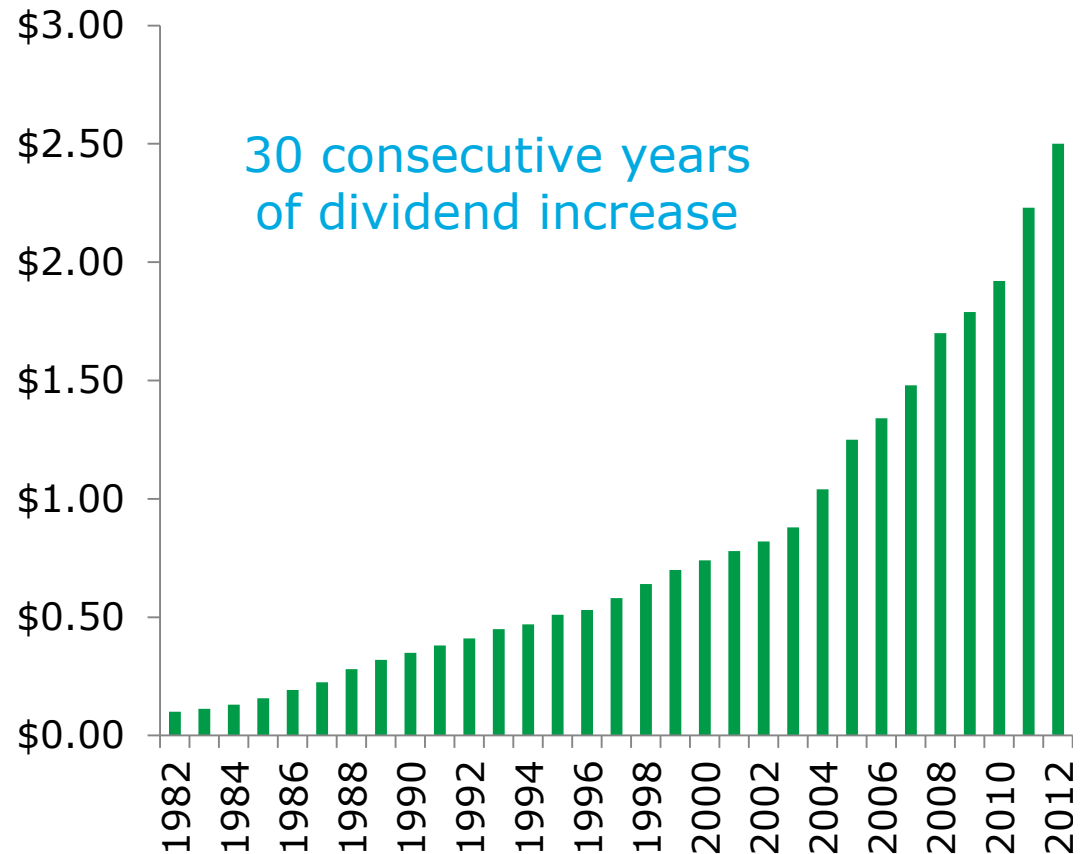
\$100MM/year improvement

Driving Returns Higher



Cash Priorities Remain Consistent

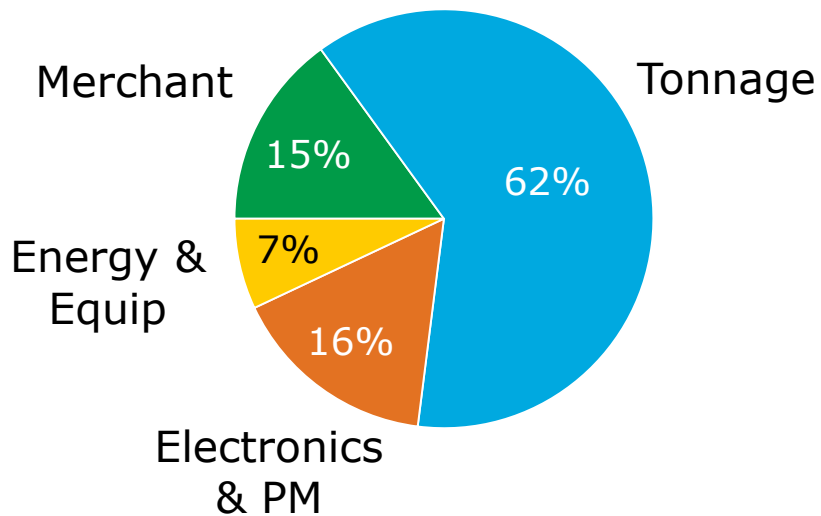
- Invest in the best return projects
- Maintain A bond rating
- Dividend increase each year
- Share repurchase with excess cash



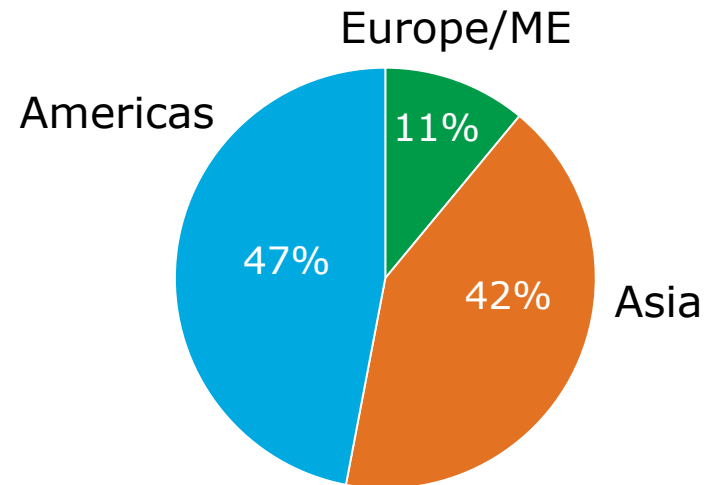
Capital Spending Outlook

FY12 Forecast ~\$2.2B
+40% from FY11

FY12 Growth CapEx
by Segment



FY12 Growth CapEx
by Region



Guidance/Outlook

Third Fiscal Quarter

FQ2 2012 EPS \$1.31

- Higher Merchant volumes
- Higher Tonnage volumes
- Higher Electronics & Performance Materials vols.

- Lower Tonnage bonuses (timing)
- Lower Equipment & Energy results

FQ3 2012 EPS \$1.40-\$1.45

Full Fiscal Year 2012

Fiscal Year 2012 EPS \$5.47-\$5.60

- Reflects ...
 - Lower Merchant volumes
 - Lower Electronics volumes
 - Tax rate about 25%

CapEx forecast at top of range
~\$2.2B, up 40% vs PY

Near Term Focus

- Drive volume growth in North America and Asia
- Improve pricing and reduce costs in Europe
- Deliver Tonnage growth to the bottom line
- Continue improving Electronics & Performance Materials
- Sign more LNG orders
- Drive down operating costs

Air Products Opportunity

- Asset leverage
- Record capital spending and project backlog
- #1 position in Energy
- #1 position in Electronics
- #1 Merchant position in key Asia markets
- 2015 goals

2015 by 2015

\$15+ Billion in Sales

20% Operating Margin

15% Return on Capital Employed

Major Projects

Plant	Location	Capacity	Timing
H2	Luling, LA	120 MMSCFD H2	Onstream
ASU	Samsung, Tangjeong, Korea	World Scale	Q4FY12
H2 Pipeline	Gulf Coast, US	180 miles	Q4FY12
Helium	Wyoming	200 MMSCFY	H1FY13
ASU/Liquid	Petrochina, Chengdu, China	World Scale	H1FY13
H2	Petrochina, Chengdu, China	90 MMSCFD H2	H1FY13
H2	Marathon, Detroit	60 MMSCFD H2	H1FY13
ASU	PCEC, Weinan, China	8,200 TPD O2	H2FY13
ASU/Liquid	Gent, Belgium	2,000 TPD O2	H2FY13
H2	St. Charles, LA	World Scale	FY14
ASU/Liquid	Wison, Nanjing, China	1,500 TPD O2	FY14
ASU	Shaanxi, China	12,000 TPD O2	FY14
ASU/Liquid	XLX, Henan, China	2,000 TPD O2	FY14

Plus new nitrogen on-sites for Electronics customers

Appendix: Q2 FY12 Results and FY12 Guidance

(\$ Millions, except per share data)

	GAAP Measure				Non GAAP Adjustments			Non GAAP Measure				
	Q212	Q211	\$ Change	% Change	Q212 (3)	Q212 (4)	Q211 (5)	Q212	Q211	\$ Change	% Change	
Q212 vs. Q211 - Total Company												
Sales	2,344.3	2,403.0	(58.7)	(2%)				2,344.3	2,403.0	(58.7)	(2%)	
Operating Income	287.9	393.8	(105.9)	(27%)		86.8	5.0	374.7	398.8	(24.1)	(6%)	
Operating Margin	12.3%	16.4%		(410bp)				16.0%	16.6%		(60bp)	
Income from Cont. Ops. (1)	279.0	285.7	(6.7)	(2%)	(58.3)	60.6	4.4	281.3	290.1	(8.8)	(3%)	
Diluted EPS - Cont. Ops. (1)	\$1.30	\$1.31	(\$0.01)	(1%)	(\$0.27)	\$0.28	\$0.02	\$1.31	\$1.33	(\$0.02)	(2%)	
Q212 vs. Q112 - Total Company												
Sales	2,344.3	2,321.6	22.7	1%				2,344.3	2,321.6	22.7	1%	
Operating Income	287.9	353.7	(65.8)	(19%)		86.8		374.7	353.7	21.0	6%	
Operating Margin	12.3%	15.2%		(290bp)				16.0%	15.2%		80bp)	
Income from Cont. Ops. (1)	279.0	225.9	53.1	24%	(58.3)	60.6	43.8	281.3	269.7	11.6	4%	
Diluted EPS - Cont. Ops. (1)	\$1.30	\$1.06	\$0.24	23%	(\$0.27)	\$0.28	\$0.20	\$1.31	\$1.26	\$0.05	4%	

- (1) Attributable to Air Products
- (2) Spanish tax settlement
- (3) Spanish tax ruling
- (4) Cost reduction plan charge
- (5) Acquisition - related costs

	Diluted EPS (6)	FY12 Q3 EPS Guidance	Diluted EPS (6)	Capital Expenditures Guidance	\$Millions
FY12 Full year EPS guidance					
FY11 GAAP	\$5.22	FY12 Q2 GAAP	\$1.30	FY11 GAAP	1,408.3
Q111 Acquisition - related costs	\$0.12	Spanish tax ruling	(\$0.27)	Capital lease expenditures	173.5
Q211 Acquisition - related costs	\$0.02	Cost reduction plan charge	\$0.28	FY11 Non GAAP	1,581.8
FY11 Non GAAP	\$5.36	FY12 Q2 Non GAAP	\$1.31	FY12 GAAP - guidance	1,700-1,900
FY12 GAAP Guidance	\$5.26-\$5.39	FY12 Q3 Guidance	\$1.40-\$1.45	Capital lease expenditures	200-300
Q112 Spanish tax settlement	\$0.20	% Change	7%-11%	FY12 Non GAAP - guidance	1,900-2,200
Q212 Spanish tax ruling	(\$0.27)				
Q212 Cost reduction plan charge	\$0.28				
FY12 Non GAAP Guidance	\$5.47-\$5.60				
% Change	2%-4%				

(6) Continuing operations, attributable to Air Products

Thank you...
tell me more

