Strategy for Success
Innovation, Integration and Improvement

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Merchant Gases

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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

Manufacturing: 14%
Food: 4%
Medical: 3%
Metals: 10%
Other: 9%
Manufacturing: 14%
Chemicals: 20%
Energy: 23%
Electronics: 17%

U.S.: 40%
Europe: 28%
Canada/L.A.: 7%
Asia: 25%

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

Liquid/Bulk
- 3-5 year Contracts
- Cost Recovery

Package Gases & Specialty Materials
- Short-Term Contracts
- Differentiated Positions

Equipment & Services
- Sale of Equipment
- PO Based

FY11
- Onsite/Pipeline: 42%
- Packaged Gases & Specialty Material: 28%
- Equipment & Services: 22%
- Liquid/Bulk: 8%

FY 2011 revised to exclude European homecare services
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

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

2010-2015 Market Growth = 9%

2010 APD $9B

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

2010-2015 AP Growth = 10-11%
Air Products Advantage:  
Profitable Joint Ventures with Leadership Positions

<table>
<thead>
<tr>
<th>Country</th>
<th>Sales (100%)</th>
<th>AP Ownership</th>
<th>Air Products (as reported)</th>
<th>Equity Affiliates (100% basis)</th>
<th>Combined (AP +100% EA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mexico</td>
<td>$0.7B</td>
<td>40%</td>
<td>$10,082</td>
<td>$2,650</td>
<td>$12,732</td>
</tr>
<tr>
<td>Italy</td>
<td>$0.6B</td>
<td>49%</td>
<td>$1,671</td>
<td>$537</td>
<td>$2,208</td>
</tr>
<tr>
<td>South Africa</td>
<td>$0.2B</td>
<td>50%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>$0.2B</td>
<td>50%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thailand</td>
<td>$0.1B</td>
<td>49%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Growth Component</th>
<th>% Increase</th>
</tr>
</thead>
<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>
</tr>
</tbody>
</table>
Air Products Advantage:
Asia Merchant Leadership

#1 China
#1 Korea
#1 India
#1 Taiwan
#2 Thailand
#2 Malaysia

70% Countries where Air Products has #1 or #2 positions

#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

Loading

- March '12
- Colors: U.S./Can (green), Europe (orange), Asia (blue)

Contract Signings

- Colors: Green

Operating Margin

- Colors: Green

2015 Goal
- 21%-24%
### 2015 by 2015

<table>
<thead>
<tr>
<th>Revenue Growth</th>
<th>Operating Margin</th>
<th>Return on Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>11%-13% per year</strong></td>
<td><strong>20%</strong></td>
<td><strong>15%</strong></td>
</tr>
<tr>
<td>From $9B in 2010 to $15B+ in 2015</td>
<td>From 16.5% in 2010 to 20% in 2015</td>
<td>From 12.5% in 2010 to 15% in 2015</td>
</tr>
</tbody>
</table>
Roadmap to 20% Margin

- **2011 Operating Margin:** 16.6%
- **2015 Operating Margin:** 16.6%

- **2015 Breakdown:***
  - 1.4% Productivity
  - 2% Growth
Variable Cost Leverage

Hydrogen Efficiency

$100MM/year improvement

Argon Recovery

Run Chart of Argon Recovery

Run Chart of Argon Recovery

1.00
0.96
0.92
0.88

0.92
0.96
0.98
1.00
2005 2011 2015
Driving Returns Higher

- Capital Turnover: 0.5%
- Margin Improvement: 1.2%
- ROCE (%)
  - 2011: 13.3%
  - 2015: 13.3%
Cash Priorities Remain Consistent

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

30 consecutive years of dividend increase
Capital Spending Outlook

FY12 Forecast ~$2.2B
+40% from FY11

FY12 Growth CapEx by Segment

- Merchant: 15%
- Energy & Equip: 7%
- Electronics & PM: 16%
- Tonnage: 62%

FY12 Growth CapEx by Region

- Americas: 47%
- Europe/ME: 11%
- Asia: 42%
Guidance/Outlook

**Third Fiscal Quarter**

FQ2 2012 EPS  $1.31  
- Higher Merchant volumes  
- Higher Tonnage volumes  
- 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
by 2015

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

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

Plus new nitrogen on-sites for Electronics customers
Appendix: Q2 FY12 Results and FY12 Guidance

($ Millions, except per share data)

<table>
<thead>
<tr>
<th></th>
<th>Q212</th>
<th>Q211</th>
<th>Change</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>2,344.3</td>
<td>2,403.0</td>
<td>(58.7)</td>
<td>(2%)</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>287.9</td>
<td>393.8</td>
<td>(105.9)</td>
<td>(27%)</td>
</tr>
<tr>
<td><strong>Operating Margin</strong></td>
<td>12.3%</td>
<td>16.4%</td>
<td>(410bp)</td>
<td>16.0%</td>
</tr>
<tr>
<td><strong>Income from Cont. Ops. (1)</strong></td>
<td>279.0</td>
<td>285.7</td>
<td>(6.7)</td>
<td>(2%)</td>
</tr>
<tr>
<td><strong>Diluted EPS - Cont. Ops. (1)</strong></td>
<td>$1.30</td>
<td>$1.31</td>
<td>($0.01)</td>
<td>(1%)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Q212</th>
<th>Q112</th>
<th>Change</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>2,344.3</td>
<td>2,321.6</td>
<td>22.7</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>287.9</td>
<td>353.7</td>
<td>(65.8)</td>
<td>(19%)</td>
</tr>
<tr>
<td><strong>Operating Margin</strong></td>
<td>12.3%</td>
<td>15.2%</td>
<td>(290bp)</td>
<td>16.0%</td>
</tr>
<tr>
<td><strong>Income from Cont. Ops. (1)</strong></td>
<td>279.0</td>
<td>225.9</td>
<td>53.1</td>
<td>24%</td>
</tr>
<tr>
<td><strong>Diluted EPS - Cont. Ops. (1)</strong></td>
<td>$1.30</td>
<td>$1.06</td>
<td>$0.24</td>
<td>23%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>FY12 Full year EPS guidance</th>
<th>Diluted</th>
<th>Diluted</th>
<th>Capital Expenditures Guidance</th>
<th>$Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY11 GAAP</td>
<td>$5.22</td>
<td>$5.36</td>
<td>FY11 GAAP</td>
<td>$5.36</td>
</tr>
<tr>
<td>Q111 Acquisition - related costs</td>
<td>$0.12</td>
<td>$0.28</td>
<td>Capital lease expenditures</td>
<td>1,408.3</td>
</tr>
<tr>
<td>Q211 Acquisition - related costs</td>
<td>$0.02</td>
<td>$0.28</td>
<td>FY11 Non GAAP</td>
<td>1,581.8</td>
</tr>
<tr>
<td>FY11 Non GAAP</td>
<td>$5.36</td>
<td>$1.31</td>
<td>FY12 GAAP - guidance</td>
<td>1,700-1,900</td>
</tr>
<tr>
<td>FY12 GAAP Guidance</td>
<td>$5.26-$5.39</td>
<td>$1.40-$1.45</td>
<td>Capital lease expenditures</td>
<td>200-300</td>
</tr>
<tr>
<td>Q112 Spanish tax settlement</td>
<td>$0.20</td>
<td>$0.20</td>
<td>FY12 Non GAAP - guidance</td>
<td>1,900-2,200</td>
</tr>
<tr>
<td>Q212 Spanish tax ruling</td>
<td>($0.27)</td>
<td>$0.28</td>
<td>% Change</td>
<td>2%-4%</td>
</tr>
</tbody>
</table>

(6) Continuing operations, attributable to Air Products
Thank you...
tell me more