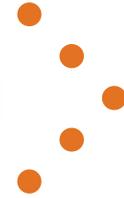


Moving forward



Create Shareholder Value

Q4 FY'16
Earnings Conference Call

October 27 2016



Forward-looking statements

This presentation contains “forward-looking statements” within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements about earnings guidance and business outlook. These forward-looking statements are based on management’s reasonable expectations and assumptions as of the date this report is filed. Actual performance and financial results may differ materially from projections and estimates expressed in the forward-looking statements because of many factors not anticipated by management, including, without limitation, global or regional economic conditions (including, as to the United Kingdom and Europe, the impact of the recent “Brexit” referendum) and supply and demand dynamics in market segments into which the Company sells; the inability to eliminate stranded costs previously allocated to the Company’s Electronic Materials division after the Company’s spin-off of the division and other unexpected impacts of the spin-off; significant fluctuations in interest rates and foreign currencies from that currently anticipated; future financial and operating performance of major customers; unanticipated contract terminations or customer cancellations or postponement of projects and sales; asset impairments due to economic conditions or specific events; ability to protect and enforce the Company’s intellectual property rights; unexpected changes in raw material supply and markets; the impact of price fluctuations in natural gas and disruptions in markets and the economy due to oil price volatility; the ability to recover increased energy and raw material costs from customers; costs and outcomes of litigation or regulatory investigations; the success of productivity and operational improvement programs; the timing, impact, and other uncertainties of future acquisitions or divestitures; political risks, including the risks of unanticipated government actions; acts of war or terrorism; the impact of changes in environmental, tax or other legislation and regulatory activities in jurisdictions in which the Company and its affiliates operate; and other risk factors described in the Company’s Form 10-K for its fiscal year ended September 30, 2015. The Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this report to reflect any change in the Company’s assumptions, beliefs or expectations or any change in events, conditions, or circumstances upon which any such forward-looking statements are based.

Safety results

	FY15	FY16	Change
Employee Lost Time Injury Rate	0.20	0.16	20% Better
Employee Recordable Injury Rate	0.49	0.43	12% Better

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 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	
			 	

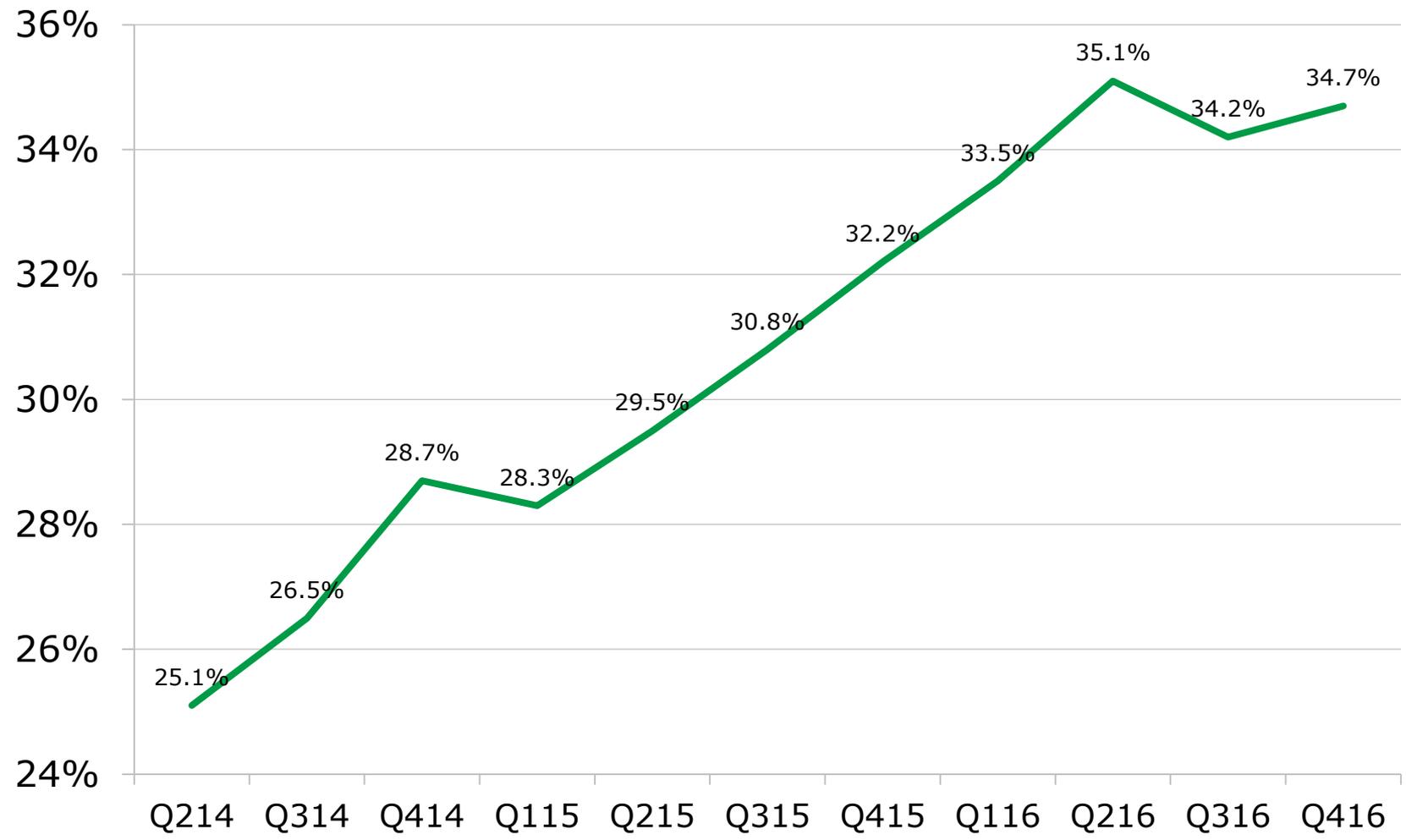
Our key profitability metrics

	Q4 FY16	Full Year FY16
EBITDA % margin	34.7%	34.4%
Operating % margin	23.7%	23.1%
ROCE	13.8%	13.8%

Full Fiscal Year Summary

	FY15	FY16	Change
Sales \$billions	\$9.9	\$9.5	(4%)
EBITDA \$billions	\$3.0	\$3.3	+10%
EBITDA % margin	30.2%	34.4%	+420bp
Free Cash Flow \$millions	\$411	\$913	+\$502
EPS \$/share	\$6.60	\$7.55	+14%
ROCE	12.0%	13.8%	+180bp

EBITDA Margin Trend



Based on continuing ops, non-GAAP measures, see appendix for reconciliation
FY14 information not audited

FY16

- Focus on the core Industrial Gases
 - Completed spin-off of Versum Materials
 - Announced sale of PMD to Evonik
- Major projects onstream
 - Yulin China oxygen
 - Scotford Canada hydrogen
 - Big River Steel Arkansas ASU/liquid
- Significant progress on Jazan project
- Major project wins
 - PKEDZ Nanjing China ASU
 - Chemours Tennessee ASU
 - Ulsan, Korea ASU
 - Other projects not disclosed at customers' requests



Fiscal Year Results

(\$ million)	FY15	FY16	Change
Sales	\$9,895	\$9,524	(4%)
- Volume			2%
- Price			-%
- Energy/Raw Mat'l pass-thru			(3%)
- Currency			(3%)
EBITDA	2,984	3,273	10%
- <i>EBITDA Margin</i>	30.2%	34.4%	420bp
Operating Income	1,893	2,199	16%
- <i>Operating Margin</i>	19.1%	23.1%	400bp
Net Income	1,434	1,648	15%
GAAP EPS (\$/share)	\$5.91	\$6.94	17%
Diluted EPS (\$/share)	\$6.60	\$7.55	14%
ROCE	12.0%	13.8%	180bp

- Productivity drives significant profit growth despite weak volumes and currency headwinds
- Operating Margin up 350bp excluding the impact of lower energy pass-thru

Fiscal Year Cash Flow Focus

(\$ million)	FY15	FY16	Change
EBITDA	\$2,984	\$3,273	\$289
Interest	(104)	(116)	(12)
Cash Tax	(393)	(441)	(48)
Maintenance Capex	(250)	(271)	(21)
Distributable Cash Flow	\$2,238	\$2,445	\$207
<i>DCF (\$/share)</i>	<i>\$10.30</i>	<i>\$11.20</i>	
Growth Capex	(1,149)	(811)	338
Dividends	(678)	(721)	(43)
Free Cash Flow	\$411	\$913	\$502

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

Fiscal Year EPS Analysis

	FY15	FY16	Change	
As reported cont ops EPS	\$5.91	\$6.94		
less non-GAAP items	<u>(0.69)</u>	<u>(0.61)</u>		
Non-GAAP cont ops EPS	\$6.60	\$7.55	\$0.95	
Volume			(0.01)	} \$1.22
Price / raw materials			0.29	
Cost			0.94	
Currency/FX			(0.16)	
Equity affiliate income			(0.02)	} (\$0.11)
Interest expense			(0.04)	
Tax rate			(0.06)	
Non-controlling interest			0.04	
Shares outstanding			(0.03)	
Change			<u>\$0.95</u>	

Q4 Results

(\$ million)	Q4 FY16	Fav/(Unfav) vs.	
		Q4 FY15	Q3 FY16
Sales	\$2,463	1%	1%
- Volume		3%	(1%)
- Price		-%	-%
- Energy/Raw Mat'l pass-thru		(1%)	3%
- Currency		(1%)	(1%)
EBITDA	\$855	9%	3%
- <i>EBITDA Margin</i>	34.7%	250bp	50bp
Operating Income	\$584	13%	4%
- <i>Operating Margin</i>	23.7%	260bp	70bp
Net Income	\$441	11%	5%
GAAP EPS (\$/share)	\$1.84	16%	13%
Adjusted EPS (\$/share)	\$2.01	10%	5%
ROCE	13.8%	180bp	30bp

- Operating Margin up 240bp vs PY excluding the impact of lower energy pass-thru

Q4 Cash Flow Focus

(\$ million)	Q4 FY15	Q4 FY16	Change
EBITDA	\$788	\$855	\$67
Interest	(23)	(33)	(10)
Cash Tax	(131)	(111)	20
Maintenance Capex	<u>(62)</u>	<u>(79)</u>	<u>(17)</u>
Distributable Cash Flow	\$572	\$632	\$60
Growth Capex	(272)	(182)	90
Dividends	<u>(174)</u>	<u>(186)</u>	<u>(12)</u>
Free Cash Flow	\$126	\$264	\$138

- Increase in Free Cash Flow driven by higher EBITDA and lower growth capex

Q4 EPS Analysis

	Q4 FY15	Q4 FY16	Change	
GAAP EPS	\$1.59	\$1.84		
less non-GAAP items	<u>(0.24)</u>	<u>(0.17)</u>		
Adjusted EPS	\$1.83	\$2.01	\$0.18	
Volume			0.06	} \$0.22
Price / raw materials			0.03	
Cost			0.13	
Currency/FX			0.02	
Equity affiliate income			0.01	} (\$0.06)
Interest expense			(0.03)	
Tax rate			(0.02)	
Non-controlling interest			(0.01)	
Shares outstanding			<u>(0.01)</u>	
Change			\$0.18	

Regional Industrial Gases EBITDA Margin

	FY15	FY16	Delta
Gases Americas	34.9%	41.6%	670bp
Gases EMEA	30.4%	35.6%	520bp
Gases Asia	38.4%	41.0%	260bp

- Taking the Lead productivity programs drive margin improvement

Gases Americas

	Q4 FY16	Fav/(Unfav) vs. Q4 FY15	Q3 FY16
Sales	\$877	(3%)	5%
- Volume		(3%)	(2%)
- <i>North America impact</i>		(1%)	
- <i>Latin America impact</i>		(2%)	
- Price		-0%	-0%
- Energy/Raw Mat'l pass-thru		-0%	7%
- Currency		-0%	-0%
EBITDA	\$352	7%	(3%)
- <i>EBITDA Margin</i>	40.1%	350bp	(340bp)
Operating Income	\$225	8%	(4%)
- <i>Operating Margin</i>	25.6%	250bp	(260bp)

- Productivity actions drive profit and margin improvement
- Latin America trading conditions remain weak

Gases EMEA

	Q4 FY16	Fav/(Unfav) vs. Q4 FY15	Q3 FY16
Sales	\$414	(10%)	(3%)
- Volume		(4%)	(2%)
- Price		-%	-%
- Energy/Raw Mat'l pass-thru		(3%)	2%
- Currency		(3%)	(3%)
EBITDA	\$154	2%	(3%)
- <i>EBITDA Margin</i>	37.2%	430bp	(20bp)
Operating Income	\$98	8%	(5%)
- <i>Operating Margin</i>	23.7%	400bp	(50bp)

- Productivity actions drive operating margin up 330bp vs PY excluding the impact of lower energy pass-thru

Gases Asia

	Q4 FY16	Fav/(Unfav) vs.	
		Q4 FY15	Q3 FY16
Sales	\$449	5%	-%
- Volume		7%	-%
- Price		-%	-%
- Energy/Raw Mat'l pass-thru		-%	-%
- Currency		(2%)	-%
EBITDA	\$172	4%	(6%)
- <i>EBITDA Margin</i>	38.2%	(30bp)	(250bp)
Operating Income	\$110	5%	(7%)
- <i>Operating Margin</i>	24.5%	10bp	(190bp)

- Volume growth from new plants and base business
- Higher retail sales improves the quality of the business
- Benefits from productivity actions

Materials Technologies

	Q4 FY16	Fav/(Unfav) vs.	
		Q4 FY15	Q3 FY16
Sales	\$515	5%	(1%)
- Volume		7%	-%
- Price		(2%)	(1%)
- Currency		-%	-%
EBITDA	\$158	13%	2%
- <i>EBITDA Margin</i>	30.7%	220bp	100bp
Operating Income	\$139	19%	3%
- <i>Operating Margin</i>	26.9%	310bp	90bp

Materials Technologies Electronic Materials

	Q4 FY16	Fav/(Unfav) vs. Q4 FY15
Sales	\$248	7%
- Volume		7%
- Price		-0%
- Currency		-0%
EBITDA	\$83	5%
- <i>EBITDA Margin</i>	33.4%	(70bp)
Operating Income	\$70	11%
- <i>Operating Margin</i>	28.1%	100bp

- Positive volumes driven by Advanced Materials and Delivery Systems

Note that this slide is provided for informational purposes only and does not represent an Air Products reportable segment

Materials Technologies Performance Materials

	Q4 FY16	Fav/(Unfav) vs. Q4 FY15
Sales	\$267	4%
- Volume		8%
- Price		(4%)
- Currency		-0%
EBITDA	\$74	29%
- <i>EBITDA Margin</i>	27.8%	550bp
Operating Income	\$68	35%
- <i>Operating Margin</i>	25.3%	580bp

- Polyurethane Additives & Epoxy drive positive volume
- Positive margin driven by cost performance and favorable price vs raw materials

Outlook

	FY16 Q1 EPS	FY17 Q1 EPS	Delta	FY16 EPS	FY17 EPS	Delta
Excludes PMD	\$1.36	\$1.40 to \$1.50	Up 3% to 10%	\$5.74	\$6.25 to \$6.50	Up 9% to 13%
Includes PMD	\$1.50	\$1.60 to \$1.70	Up 7% to 13%	\$6.53	\$7.10 to \$7.35	Up 9% to 13%

FY17 Capital Spending = Approx. \$1.2 billion

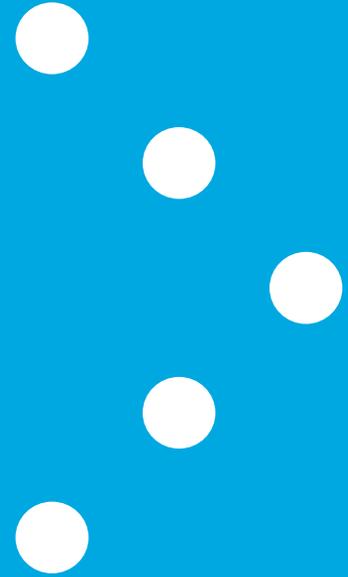
FY 16 based on estimate of EMD & PMD discontinued operations
FY 17 guidance;

- No EMD/Versum business included
 - Capex does not include any significant acquisitions
- Non-GAAP measures, see appendix for reconciliation

Moving forward

- Major restructuring of Air Products is behind us
- Our focus is now on profitable growth
- We now have the balance sheet to pursue growth opportunities for;
 - Acquisitions
 - Energy projects
 - Environmental projects
 - Emerging market growth
- In addition, we are committed to growing our dividend while maintaining our current A credit rating
- We will consider share repurchases if market conditions create a compelling opportunity

Appendix Slides



Global Gases

	Q4 FY16	Fav/(Unfav) vs.	
		Q4 FY15	Q3 FY16
Sales	\$157	\$68	\$6
EBITDA	\$25	\$26	\$37
Operating Income	\$23	\$25	\$37

- Sales and profits up on Jazan project

Corporate and other

	Q4 FY16	Fav/(Unfav) vs.	
		Q4 FY15	Q3 FY16
Sales	\$50	(\$29)	(\$6)
EBITDA	(\$6)	(\$8)	\$7
Operating Income	(\$10)	(\$8)	\$8

- LNG activity down significantly

Major Projects

Plant	Location	Capacity	Timing	Market
ONSTREAM (last five quarters)				
ASU	Yankuang, Yulin, China	12,000 TPD O2	Onstream	Gasif to CTL
H2	Scotford, Canada	150 MMSCFD H2	Onstream	Refinery (Pipeline)
ASU/Liquid	Big River Steel, Arkansas	World Scale	Onstream	Steel
IG BACKLOG - \$2.1 billion - over 85% secure onsite/pipeline business model				
H2/ASU	BPCL, India	165 MMSCFD H2	Q1FY17*	Refinery / Chems
ASU	Lu'An, Changzhi City, China	10,000 TPD O2	FY18*	Gasif to CTL
ASU/H2/Liq.	Pyeongtaek, Korea	World Scale	FY17	Electronics
H2/CO	Baytown, Texas	125 MMSCFD H2 plus CO	2018	Pipeline
ASU	PKEDZ, Nanjing, China	World Scale	Not disclosed	Electronics
ASU/LAR	Chemours, Tennessee	Not disclosed	Late 2018	Chemicals
ASU/Liquid	Ulsan, South Korea	1750 TPD	2018	Pipeline
JAZAN				
ASU = SOE + 25% EAJV	Saudi Aramco, Jazan	75,000 TPD O2/N2	2018 / 2019	Refinery

* Multiple Phases

Capital Expenditure

FY	\$MM
2017 Forecast	Approx \$1.2 billion
2016	\$1,083
2015	\$1,749
2014	\$1,885
2013	\$1,997
2012	\$2,088
2011	\$1,539
2010	\$1,298
2009	\$1,475
2008	\$1,355
2007	\$1,635

Non-GAAP - includes Capital Expenditures - GAAP basis, plus Capital Lease expenditures and Purchase of non-controlling interests.

EfW included: FY13 \$207, FY14 \$301, FY15 \$350, FY16 \$97

2016 and before includes EMD

2015 excludes \$0.3B for Indura equity

2012 excludes \$0.7B for Indura equity

2007 - 2010 includes European Homecare Services

Air Products EPS

	FY13	FY14		FY15	FY16
			Q1	\$1.55	\$1.79
			Q2	\$1.56	\$1.82
			Q3	\$1.66	\$1.92
			Q4	\$1.83	\$2.01
FY	\$5.53	\$5.81	FY	\$6.60	\$7.55
EfW Disc Ops Impact	\$0.03	\$0.03	FY	\$0.03	
Previously reported	\$5.50	\$5.78	FY	\$6.57	

Based on continuing ops, non-GAAP measures, see appendix for reconciliation

Appendix: Q416 and Full Year FY16 Results

(\$ Millions, except per share data)

	GAAP Measure				Non GAAP Adjusts.		Non GAAP Measure			
	Q416	Q415	\$ Change	% Change	Q416 (2)	Q415 (3)	Q416	Q415	\$ Change	% Change
Q416 vs. Q415 - Total Company										
Sales	2,463.0	2,449.4	13.6	1%			2,463.0	2,449.4	13.6	1%
Operating Income	547.0	474.3	72.7	15%	37.2	42.6	584.2	516.9	67.3	13%
Operating Margin	22.2%	19.4%		280bp			23.7%	21.1%		260bp
Income from Cont. Ops. (1)	402.0	346.0	56.0	16%	38.8	52.7	440.8	398.7	42.1	11%
Diluted EPS - Cont. Ops. (1)	\$1.84	\$1.59	\$0.25	16%	0.17	0.24	\$2.01	\$1.83	\$0.18	10%
Q416 vs. Q316 - Total Company										
Sales	2,463.0	2,434.4	28.6	1%			2,463.0	2,434.4	28.6	1%
Operating Income	547.0	535.1	11.9	2%	37.2	24.7	584.2	559.8	24.4	4%
Operating Margin	22.2%	22.0%		20bp			23.7%	23.0%		70bp
Income from Cont. Ops. (1)	402.0	355.7	46.3	13%	38.8	64.1	440.8	419.8	21.0	5%
Diluted EPS - Cont. Ops. (1)	\$1.84	\$1.63	\$0.21	13%	0.17	0.29	\$2.01	\$1.92	\$0.09	5%
FY16 vs. FY15 - Total Company										
Sales	9,524.4	9,894.9	(370.5)	(4%)			9,524.4	9,894.9	(370.5)	(4%)
Operating Income	2,106.0	1,708.3	397.7	23%	92.5	184.9	2,198.5	1,893.2	305.3	16%
Operating Margin	22.1%	17.3%		480bp			23.1%	19.1%		400bp
Income from Cont. Ops. (1)	1,515.3	1,284.7	230.6	18%	132.5	149.1	1,647.8	1,433.8	214.0	15%
Diluted EPS - Cont. Ops. (1)	\$6.94	\$5.91	\$1.03	17%	0.61	0.69	\$7.55	\$6.60	\$0.95	14%

(1) Attributable to Air Products

(2) Non GAAP Adjustments - FY16

	Q116			Q216			Q316			Q416			FY16		
	Op Inc	Inc From Cont Ops	EPS	Op Inc	Inc From Cont Ops	EPS	Op Inc	Inc From Cont Ops	EPS	Op Inc	Inc From Cont Ops	EPS	Op Inc	Inc From Cont Ops	EPS
Business restructuring/cost reduction actions				8.6	7.1	0.03	14.2	9.3	0.04	11.1	7.6	0.03	33.9	24.0	0.11
Pension settlement loss				2.6	1.6	0.01	1.0	0.6	-	2.8	1.9	0.01	6.4	4.1	0.02
Business separation costs	12.0	12.0	0.06	7.4	8.9	0.04	9.5	6.5	0.03	23.3	20.9	0.09	52.2	48.3	0.22
Tax costs associated with businesses separation								47.7	0.22		4.1	0.02	-	51.8	0.24
Loss on extinguishment of debt	-	-	-	-	-	-	-	-	-	-	4.3	0.02	-	4.3	0.02
Total Adjustments	12.0	12.0	0.06	18.6	17.6	0.08	24.7	64.1	0.29	37.2	38.8	0.17	92.5	132.5	0.61

(3) Non GAAP Adjustments - FY15

	Q115			Q215			Q315			Q415			FY15		
	Op Inc	Inc From Cont Ops	EPS	Op Inc	Inc From Cont Ops	EPS	Op Inc	Inc From Cont Ops	EPS	Op Inc	Inc From Cont Ops	EPS	Op Inc	Inc From Cont Ops	EPS
Business restructuring/cost reduction actions	32.4	21.7	0.10	55.4	38.2	0.18	58.2	38.8	0.18	61.7	54.5	0.25	207.7	153.2	0.71
Pension settlement loss				12.6	7.9	0.04	1.6	1.0	-	7.0	4.8	0.02	21.2	13.7	0.06
Gain on previously held equity interest	(17.9)	(11.2)	(0.05)										(17.9)	(11.2)	(0.05)
Business separation costs										7.5	7.5	0.03	7.5	7.5	0.03
Gain on land sales										(33.6)	(28.3)	(0.13)	(33.6)	(28.3)	(0.13)
Loss on extinguishment of debt	-	-	-	-	-	-	-	-	-	-	14.2	0.07	-	14.2	0.07
Total Adjustments	14.5	10.5	0.05	68.0	46.1	0.22	59.8	39.8	0.18	42.6	52.7	0.24	184.9	149.1	0.69

Appendix: Adjusted EBITDA Trend

\$ Millions	Q115	Q215	Q315	Q415	FY15	Q116	Q216	Q316	Q416	FY16	Q416 vs PY		Q416 vs PQ		FY16 vs FY15	
											\$	%	\$	%	\$	%
Income From Continuing Operations	339.2	298.8	334.9	351.5	1,324.4	386.2	387.6	363.0	408.9	1,545.7						
Add: Interest expense	29.1	23.4	28.2	22.8	103.5	22.2	25.7	35.0	32.6	115.5						
Add: Income tax provision	107.1	87.7	104.1	119.4	418.3	135.9	132.5	179.5	138.6	586.5						
Add: Depreciation and amortization	235.5	233.3	233.0	234.6	936.4	232.7	232.1	230.6	230.5	925.9						
Add Non GAAP pre-tax adjustments (1)	<u>14.5</u>	<u>68.0</u>	<u>59.8</u>	<u>59.2</u>	<u>201.5</u>	<u>12.0</u>	<u>18.6</u>	<u>24.7</u>	<u>44.1</u>	<u>99.4</u>						
Adjusted EBITDA	725.4	711.2	760.0	787.5	2,984.1	789.0	796.5	832.8	854.7	3,273.0	67.2	9%	21.9	3%	288.9	10%
Sales	2,560.8	2,414.5	2,470.2	2,449.4	9,894.9	2,355.8	2,271.2	2,434.4	2,463.0	9,524.4						
Adjusted EBITDA Margin	28.3%	29.5%	30.8%	32.2%	30.2%	33.5%	35.1%	34.2%	34.7%	34.4%	250bp		50bp		420bp	

(1) Non GAAP Pre-Tax Adjustments

	Q115	Q215	Q315	Q415	FY15	Q116	Q216	Q316	Q416	FY16
Business restructuring/cost reduction actions	32.4	55.4	58.2	61.7	207.7	0.0	8.6	14.2	11.1	33.9
Pension Settlement Loss	0.0	12.6	1.6	7.0	21.2	0.0	2.6	1.0	2.8	6.4
Gain on previously held equity investment	(17.9)	0.0	0.0	0.0	(17.9)	0.0	0.0	0.0	0.0	0.0
Business separation costs	0.0	0.0	0.0	7.5	7.5	12.0	7.4	9.5	23.3	52.2
Gain on land sales	0.0	0.0	0.0	(33.6)	(33.6)	0.0	0.0	0.0	0.0	0.0
Loss on extinguishment of debt	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>16.6</u>	<u>16.6</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>6.9</u>	<u>6.9</u>
Non GAAP pre-tax adjustments	<u>14.5</u>	<u>68.0</u>	<u>59.8</u>	<u>59.2</u>	<u>201.5</u>	<u>12.0</u>	<u>18.6</u>	<u>24.7</u>	<u>44.1</u>	<u>99.4</u>

Appendix: Adjusted EBITDA by Segment

\$ Millions	Q115	Q215	Q315	Q415	FY15	Q116	Q216	Q316	Q416	FY16	Q416 vs PY		Q416 vs PQ		FY16 vs FY15		
											\$	%	\$	%	\$	%	
Gases - Americas																	
Operating Income	211.2	182.0	206.5	208.7	808.4	211.8	224.2	234.5	224.7	895.2							
Add: Depreciation and amortization	103.6	103.3	103.9	106.1	416.9	108.8	109.4	111.9	112.4	442.5							
Add Equity Affiliates' Income	<u>17.2</u>	<u>15.1</u>	<u>17.3</u>	<u>15.0</u>	<u>64.6</u>	<u>14.5</u>	<u>7.7</u>	<u>15.9</u>	<u>14.6</u>	<u>52.7</u>							
Adjusted EBITDA	332.0	300.4	327.7	329.8	1,289.9	335.1	341.3	362.3	351.7	1,390.4	21.9	7%	(10.6)	(3%)	100.5	8%	
Adjusted EBITDA Margin	33.1%	33.7%	36.5%	36.6%	34.9%	40.1%	42.8%	43.5%	40.1%	41.6%		350bp		(340)bp		670bp	
Gases - EMEA																	
Operating Income	81.3	71.0	87.6	90.8	330.7	91.7	89.4	103.4	98.3	382.8							
Add: Depreciation and amortization	51.1	47.6	47.0	48.6	194.3	46.7	48.3	45.1	45.6	185.7							
Add Equity Affiliates' Income	<u>10.3</u>	<u>8.0</u>	<u>12.1</u>	<u>12.0</u>	<u>42.4</u>	<u>7.6</u>	<u>7.2</u>	<u>11.3</u>	<u>10.4</u>	<u>36.5</u>							
Adjusted EBITDA	142.7	126.6	146.7	151.4	567.4	146.0	144.9	159.8	154.3	605.0	2.9	2%	(5.5)	(3%)	37.6	7%	
Adjusted EBITDA Margin	28.5%	28.2%	32.2%	32.9%	30.4%	33.3%	34.5%	37.4%	37.2%	35.6%		430bp		(20)bp		520bp	
Gases - Asia																	
Operating Income	90.5	84.7	100.9	104.4	380.5	116.7	104.4	118.1	109.9	449.1							
Add: Depreciation and amortization	49.6	50.3	51.9	51.1	202.9	51.7	48.5	49.2	47.7	197.1							
Add Equity Affiliates' Income	<u>14.6</u>	<u>9.4</u>	<u>12.7</u>	<u>9.4</u>	<u>46.1</u>	<u>11.7</u>	<u>17.4</u>	<u>14.8</u>	<u>13.9</u>	<u>57.8</u>							
Adjusted EBITDA	154.7	144.4	165.5	164.9	629.5	180.1	170.3	182.1	171.5	704.0	6.6	4%	(10.6)	(6%)	74.5	12%	
Adjusted EBITDA Margin	38.8%	36.7%	39.6%	38.5%	38.4%	43.6%	41.9%	40.7%	38.2%	41.0%		(30)bp		(250)bp		260bp	
Gases - Global																	
Operating Income	(17.9)	(7.9)	(24.1)	(1.7)	(51.6)	(19.3)	(10.9)	(13.9)	22.8	(21.3)							
Add: Depreciation and amortization	4.3	5.5	4.2	2.5	16.5	2.1	1.8	2.0	2.0	7.9							
Add Equity Affiliates' Income	<u>0.4</u>	<u>(0.2)</u>	<u>0.0</u>	<u>(1.0)</u>	<u>(0.8)</u>	<u>(0.5)</u>	<u>0.0</u>	<u>(0.1)</u>	<u>0.5</u>	<u>(0.1)</u>							
Adjusted EBITDA	(13.2)	(2.6)	(19.9)	(0.2)	(35.9)	(17.7)	(9.1)	(12.0)	25.3	(13.5)	25.5			37.3		22.4	
Materials Technologies																	
Operating Income	104.6	124.2	131.5	116.4	476.7	127.2	129.3	135.2	138.5	530.2							
Add: Depreciation and amortization	24.0	23.3	22.7	22.8	92.8	19.6	20.0	18.6	19.2	77.4							
Add Equity Affiliates' Income	<u>0.6</u>	<u>0.7</u>	<u>0.3</u>	<u>0.6</u>	<u>2.2</u>	<u>0.4</u>	<u>0.2</u>	<u>0.5</u>	<u>0.6</u>	<u>1.7</u>							
Adjusted EBITDA	129.2	148.2	154.5	139.8	571.7	147.2	149.5	154.3	158.3	609.3	18.5	13%	4.0	3%	37.6	7%	
Adjusted EBITDA Margin	24.7%	27.8%	28.6%	28.5%	27.4%	30.0%	30.2%	29.7%	30.7%	30.2%		220bp		100bp		280bp	
Corporate/Other																	
Operating Income	(22.9)	(9.1)	(17.8)	(1.7)	(51.5)	(5.5)	(4.5)	(17.5)	(10.0)	(37.5)							
Add: Depreciation and amortization	2.9	3.3	3.3	3.5	13.0	3.8	4.1	3.8	3.6	15.3							
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>	<u>0.0</u>	<u>0.0</u>							
Adjusted EBITDA	(20.0)	(5.8)	(14.5)	1.8	(38.5)	(1.7)	(0.4)	(13.7)	(6.4)	(22.2)	(8.2)			7.3		16.3	

Materials Technologies

Electronic Materials and Performance Materials EBITDA

\$ Millions	<u>Q415</u>	<u>Q416</u>	<u>Fav/(Unfav)</u> <u>vs. Q4 FY15</u>
<u>Electronic Materials</u>			
Operating Income	63.0	69.7	11%
Add: Depreciation and amortization	15.9	13.3	
Add Equity Affiliates' Income	<u>0.3</u>	<u>0.0</u>	
Adjusted EBITDA	79.2	83.0	5%
Sales	232.5	248.4	7%
Adjusted EBITDA Margin	34.1%	33.4%	(70)bp
Op Margin	27.1%	28.1%	100bp
<u>Performance Materials</u>			
Operating Income	50.3	67.6	34%
Add: Depreciation and amortization	6.9	5.9	
Add Equity Affiliates' Income	<u>0.3</u>	<u>0.6</u>	
Adjusted EBITDA	57.5	74.1	28.9%
Sales	257.5	266.8	4%
Adjusted EBITDA Margin	22.3%	27.8%	550bp
Op Margin	19.5%	25.3%	580bp

Note: Operating Income /Adjusted EBITDA exclude certain costs that are not allocated to the businesses within Materials Technologies

Appendix: ROCE

Moving forward



	<u>Q114</u>	<u>Q214</u>	<u>Q314</u>	<u>Q414</u>	<u>Q115</u>	<u>Q215</u>	<u>Q315</u>	<u>Q415</u>	<u>Q116</u>	<u>Q216</u>	<u>Q316</u>	<u>Q416</u>
Numerator												
GAAP Net Income from continuing operations attributable to Air Products		285.7	315.9	104.2	326.3	291.9	320.5	346.0	377.8	379.8	355.7	402.0
Add Interest Expense Impact												
Before tax interest expense		31.5	31.3	29.0	29.1	23.4	28.2	22.8	22.2	25.7	35.0	32.6
Interest expense tax impact		<u>(7.6)</u>	<u>(7.5)</u>	<u>(14.4)</u>	<u>(7.0)</u>	<u>(5.3)</u>	<u>(6.7)</u>	<u>(5.8)</u>	<u>(5.8)</u>	<u>(6.6)</u>	<u>(11.6)</u>	<u>(8.2)</u>
Add net interest expense Impact		23.9	23.8	14.6	22.1	18.1	21.5	17.0	16.4	19.1	23.4	24.4
Add Net income attributable to non controlling interests		<u>8.0</u>	<u>9.5</u>	<u>(25.0)</u>	<u>12.9</u>	<u>6.9</u>	<u>14.4</u>	<u>5.5</u>	<u>8.4</u>	<u>7.8</u>	<u>7.3</u>	<u>6.9</u>
GAAP Earnings After Tax		317.6	349.2	93.8	361.3	316.9	356.4	368.5	402.6	406.7	386.4	433.3
Items, after-tax												
Business restructuring/cost reduction actions				8.2	21.7	38.2	38.8	54.5		7.1	9.3	7.6
Pension settlement loss				3.6		7.9	1.0	4.8		1.6	0.6	1.9
Gain on previously held equity interest					(11.2)							
Goodwill and intangible impairment				308.8								
Business separation costs								7.5	12.0	8.9	6.5	20.9
Tax costs associated with business separation											47.7	4.1
Income tax items				(31.0)								
Gain on land sales								(28.3)				
Loss on extinguishment of debt		-	-	-	-	-	-	14.2	-	-	-	4.3
Subtotal Items		0.0	0.0	289.6	10.5	46.1	39.8	52.7	12.0	17.6	64.1	38.8
NON GAAP Earnings After-Tax		317.6	349.2	383.4	371.8	363.0	396.2	421.2	414.6	424.3	450.5	472.1
Denominator												
Total Debt	6,168.3	6,167.1	6,136.0	6,118.5	6,089.0	5,930.2	5,863.2	5,879.0	5,817.8	5,818.0	5,683.7	6,225.2
Air Products Shareholders' Equity	7,264.0	7,370.9	7,696.7	7,365.8	7,351.5	7,332.5	7,586.0	7,249.0	7,367.1	6,916.6	7,045.4	7,079.6
Redeemable Noncontrolling Interest	358.7	343.6	341.4	287.2	288.7	280.0	277.9	0.0	0.0	0.0	0.0	0.0
Noncontrolling Interest	158.7	156.9	159.5	155.6	151.8	143.8	145.3	132.1	131.9	136.5	134.8	133.8
Less assets of discontinued operations	<u>(362.5)</u>	<u>(411.9)</u>	<u>(475.3)</u>	<u>(591.4)</u>	<u>(688.6)</u>	<u>(724.3)</u>	<u>(845.1)</u>	<u>(893.6)</u>	<u>(938.2)</u>	<u>(20.4)</u>	<u>(18.8)</u>	<u>(19.4)</u>
Total Capital	13,587.2	13,626.6	13,858.3	13,335.7	13,192.4	12,962.2	13,027.3	12,366.5	12,378.6	12,850.7	12,845.1	13,419.2
Calculation												
GAAP earnings after-tax - 4 qtr trailing					1,121.9	1,121.2	1,128.4	1,403.1	1,444.4	1,534.2	1,564.2	1,629.0
Five-quarter average total capital					<u>13,520.0</u>	<u>13,395.0</u>	<u>13,275.2</u>	<u>12,976.8</u>	<u>12,785.4</u>	<u>12,717.1</u>	<u>12,693.6</u>	<u>12,772.0</u>
GAAP ROCE					8.3%	8.4%	8.5%	10.8%	11.3%	12.1%	12.3%	12.8%
Non GAAP earnings after-tax - 4 qtr trailing					1,422.0	1,467.4	1,514.4	1,552.2	1,595.0	1,656.3	1,710.6	1,761.5
Five-quarter average total capital					<u>13,520.0</u>	<u>13,395.0</u>	<u>13,275.2</u>	<u>12,976.8</u>	<u>12,785.4</u>	<u>12,717.1</u>	<u>12,693.6</u>	<u>12,772.0</u>
Non GAAP ROCE					10.5%	11.0%	11.4%	12.0%	12.5%	13.0%	13.5%	13.8%

Appendix: FY17 Guidance

Historical Air Products (As Reported)	Diluted EPS	
	Q1	Full Year
2016 GAAP	\$1.73	\$6.94
Business separation costs	0.06	0.22
Tax costs associated with business separation	-	0.24
Business restructuring and cost reduction actions	-	0.11
Pension settlement loss	-	0.02
Loss on extinguishment of debt	-	0.02
2016 Non-GAAP Measure	\$1.79	\$7.55

Excluding Electronic Materials	Q1	Full Year
2016 Non-GAAP Measure	\$1.79	\$7.55
Adjusted Continuing Operations ^(A)	(0.29)	(1.02)
2016 Restated Non-GAAP Measure	\$1.50	\$6.53
2017 Non-GAAP Outlook	1.60-1.70	7.10-7.35
Change Non-GAAP	\$.10-.20	\$.57-.82
% Change Non-GAAP	7%-13%	9%-13%

Excluding Electronic Materials and Performance Materials	Q1	Full Year
2016 Non-GAAP Measure	\$1.79	\$7.55
Adjusted Continuing Operations ^(A)	(0.43)	(1.81)
2016 Restated Non-GAAP Measure	\$1.36	\$5.74
2017 Non-GAAP Outlook	1.40-1.50	6.25-6.50
Change Non-GAAP	\$.04-.14	\$.51-.76
% Change Non-GAAP	3%-10%	9%-13%

^(A)Air Products' current estimates are preliminary and could change as the Company finalizes the accounting for the discontinued operations, which will be reported in future filings.

Moving forward



Thank you
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