

Investor Update

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Basic Materials Conference

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AIR
PRODUCTS 

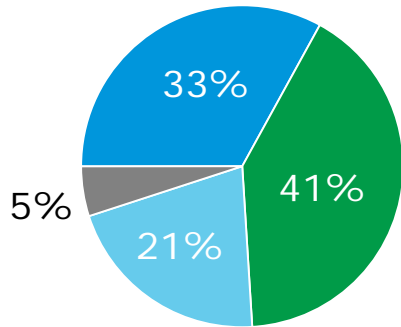
Forward Looking Statement

Note: This presentation contains "forward-looking statements" within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including earnings guidance, projections and targets. These forward-looking statements are based on management's reasonable expectations and assumptions as of the date this release is issued regarding important risk factors. 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, slowing of global economic recovery; renewed deterioration in economic and business conditions; weakening demand for the Company's products; future financial and operating performance of major customers and industries served by the Company; unanticipated contract terminations or customer cancellations or postponement of projects and sales; the success of commercial negotiations; asset impairments due to economic conditions or specific product or customer events; the impact of competitive products and pricing; interruption in ordinary sources of supply of raw materials; the ability to recover unanticipated increased energy and raw material costs from customers; costs and outcomes of litigation or regulatory activities; successful development and market acceptance of new products and applications, the ability to attract, hire and retain qualified personnel in all regions of the world where the Company operates; consequences of acts of war or terrorism impacting the United States and other markets; the effects of a natural disaster; the success of cost reduction and productivity programs and achieving anticipated acquisition synergies; the timing, impact, and other uncertainties of future acquisitions or divestitures; significant fluctuations in interest rates and foreign currencies from that currently anticipated; the continued availability of capital funding sources in all of the Company's foreign operations; the impact of environmental, healthcare, tax or other legislation and regulations in jurisdictions in which the Company and its affiliates operate; the impact of new or changed financial accounting guidance; the timing and rate at which tax credits can be utilized and other risk factors described in the Company's Form 10K for its fiscal year ended September 30, 2010. The Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this document 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.

Air Products

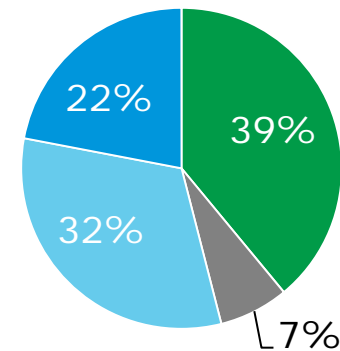
At a Glance

Business Segment Sales



- Tonnage
- Merchant
- Electronics & Performance Materials
- Equipment & Energy

Geographic Sales



- United States
- Canada/Latin America
- Europe
- Asia

- \$9B company
- Diverse markets and geographies
- Positioned for continued long-term value creation

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

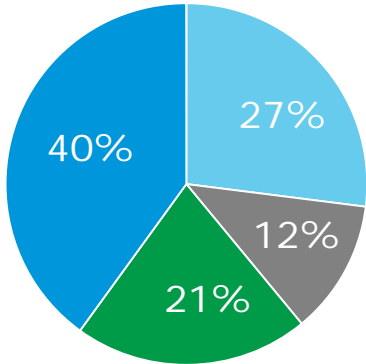


3-5 year Contracts
Cost Recovery

Equipment & Services

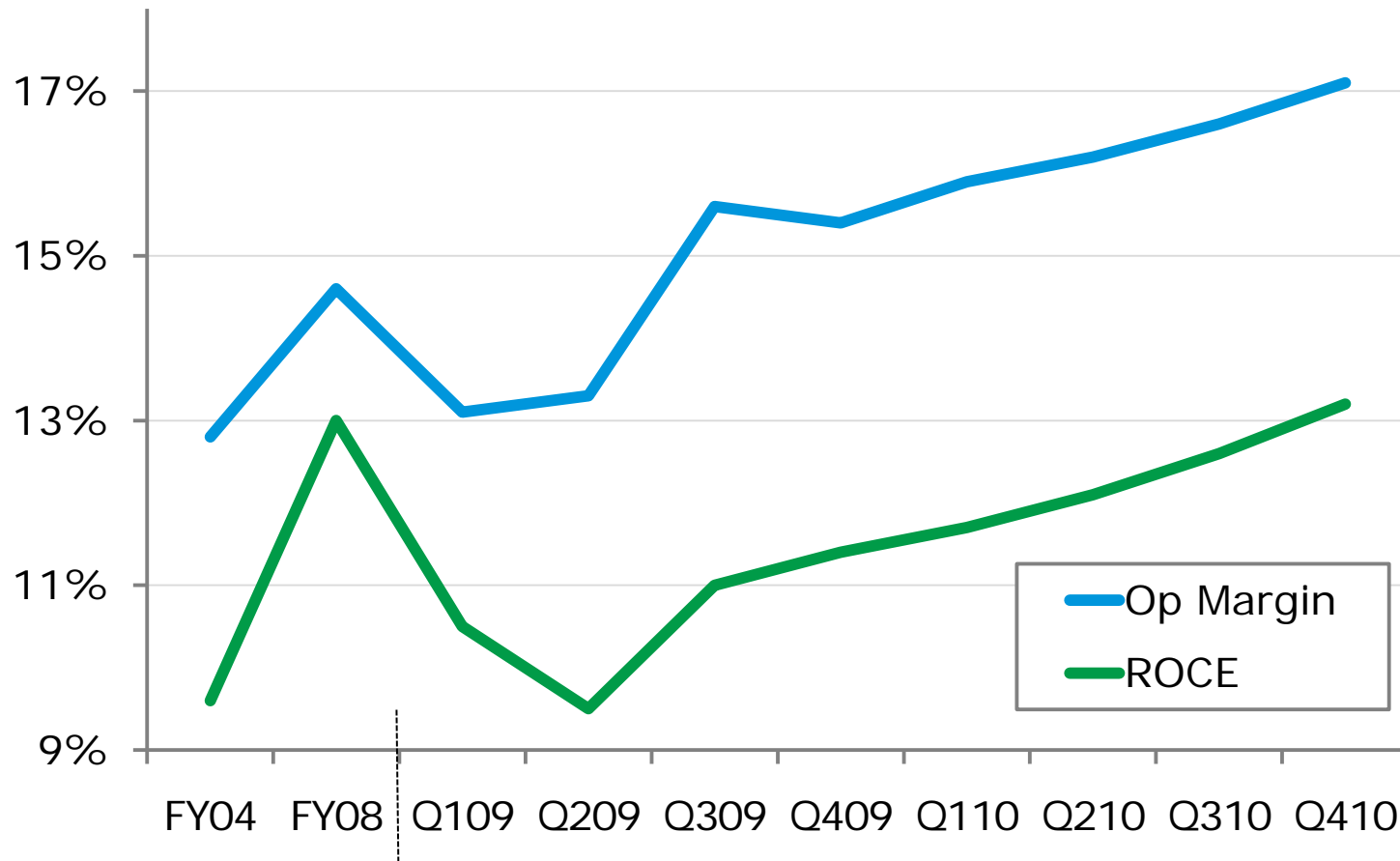


Sale of Equipment
PO Based



- Onsite/Pipeline
- Packaged Gases & Specialty Material
- Equipment & Services
- Liquid/Bulk

Financial Performance



non-GAAP, see appendix for reconciliation

Macro Trends Drive Growth

Hydrogen Energy



- Leading refinery H₂ supplier
- Leader in H₂ fueling infrastructure; game-changing compression-less H₂ fueling technology

Large-scale O₂



- Clean / efficient combustion
- Gasification (IGCC, GTL, CTL, CTC)
- Oxyfuel / carbon capture

Electronic Materials



- Semiconductor and TFT-LCD materials
- SunSource™ solutions for PV; driving for grid parity

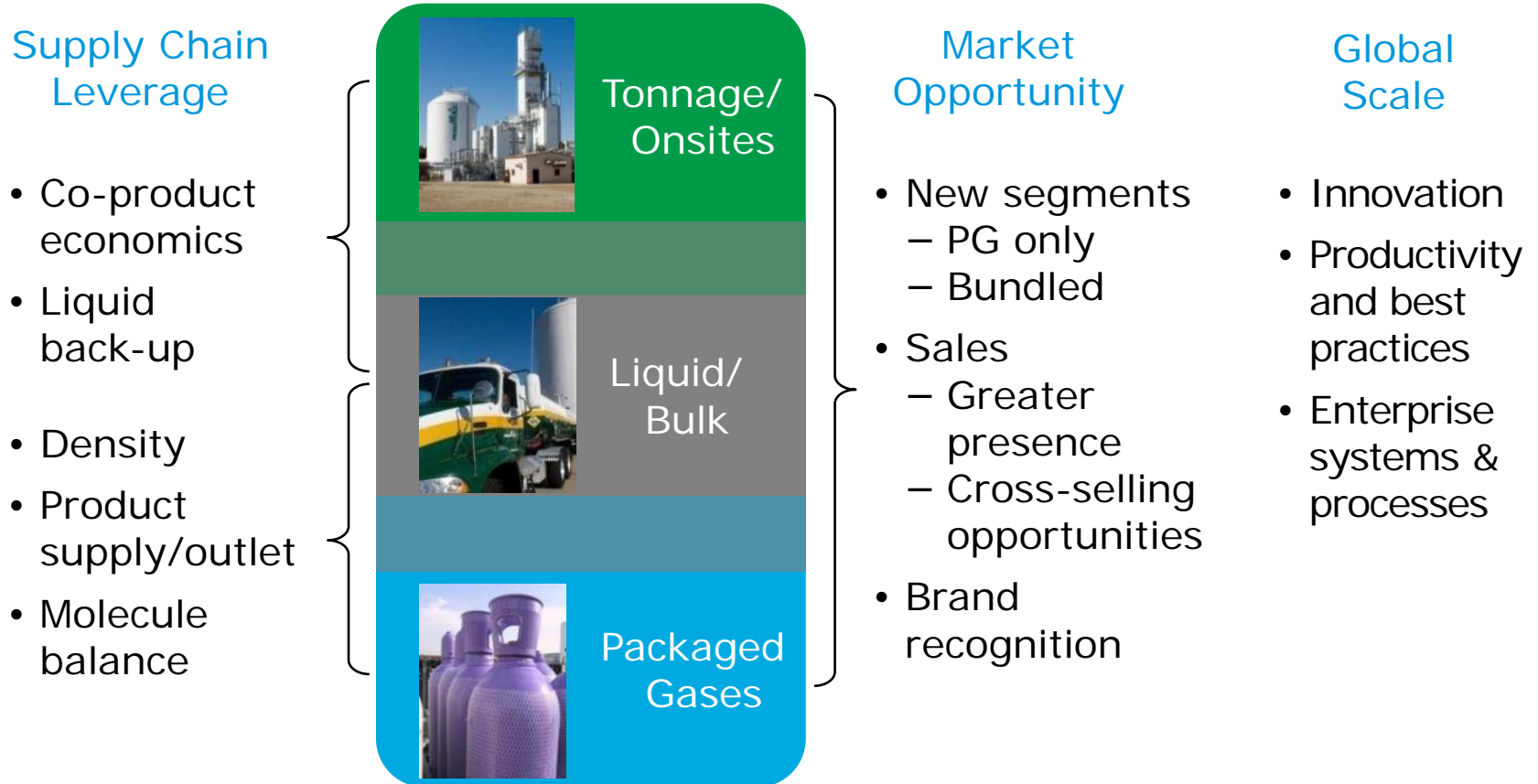
Clean Water



- Wastewater, drinking water and water reuse
- Halia™ ozone-based advanced oxidation technology

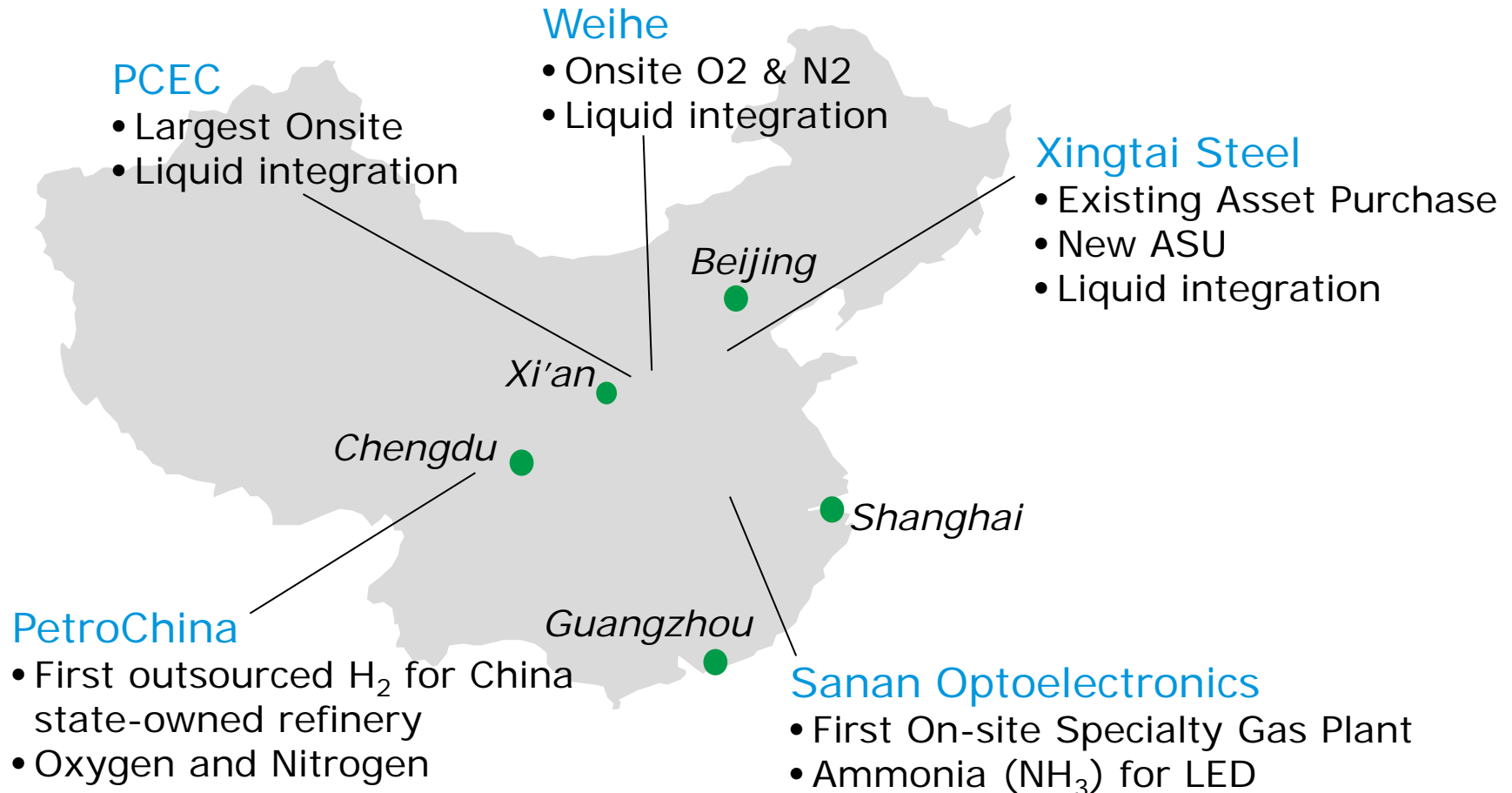
Energy, Environmental and Emerging Markets

Integrated Industrial Gas Model provides real benefits – locally and globally



Outcome = Higher Growth and Higher Profitability

Integrated Model in China

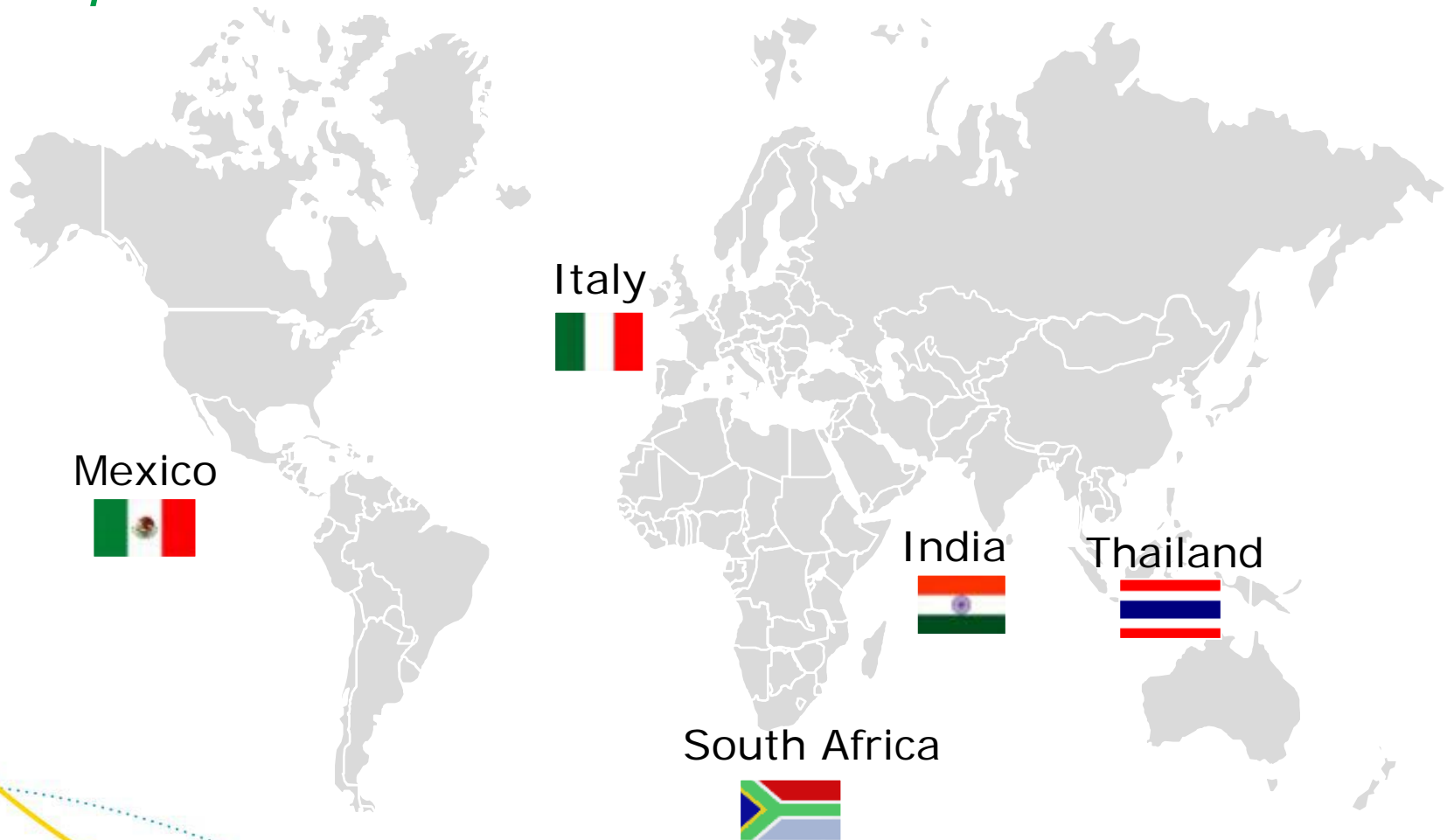


Packaged gas plants co-located with key merchant markets & assets
Over 2000 CryoEase® Services microbulk installations

Equity Affiliates

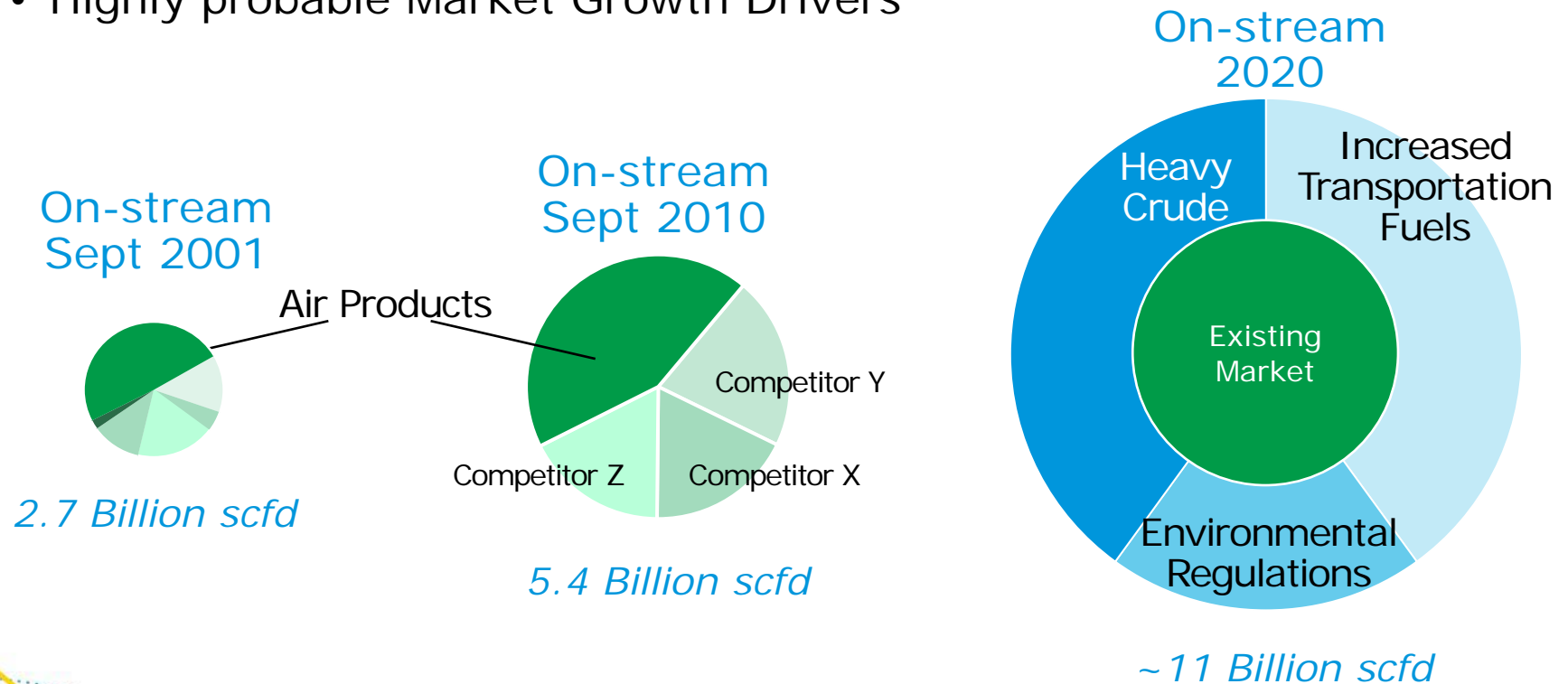
\$2.3B revenue on 100% basis

Important Source of Growth





Air Products: #1 Global H₂ Position in high growth market

- Maintained 40+% share over 20 years (2 x closest competitor)
- Significant Global Pipeline Networks
- Highly probable Market Growth Drivers



Merchant Gases

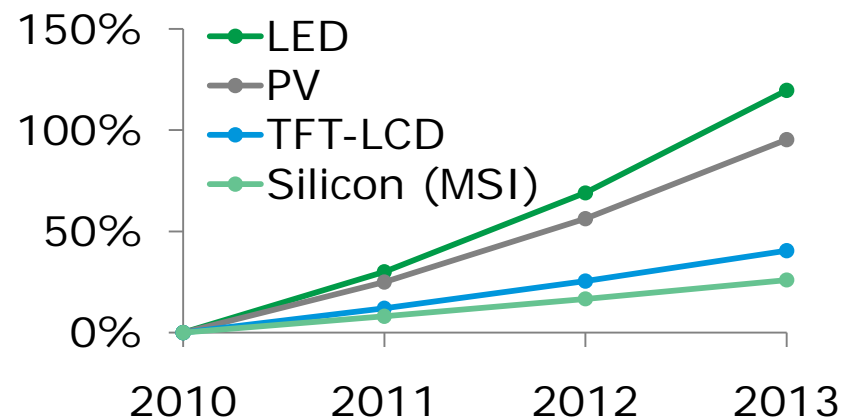
Applications technology drives higher growth

<u>Markets</u>	<u>Applications</u>	<u>Benefits</u>		
		<u>Quality</u>	<u>Productivity</u>	<u>Environment</u>
 Glass	➔ Cleanfire® HRI™ Burner		✓	✓
 Food	➔ Freshline® Dual Mode Freezer	✓	✓	
 Electronic Packaging	➔ NitroFAS™ II Wave soldering enhancement	✓	✓	✓
 Cement	➔ O ₂ Proprietary Nozzles For alternative and low BTU value fuels		✓	✓

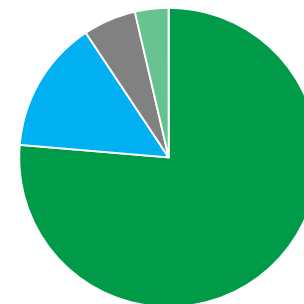
Electronics

High Growth Markets

- Growth across all key markets
 - IC silicon (MSI) = 8%
 - TFT-LCD = 12%
 - PV = 25%
 - LED = 30%
- Majority positions with industry leaders
 - #1 in IC, TFT-LCD and foundry
- #1 in Electronic industry powerhouses Korea and Taiwan
- New IP Product Development to meet customer technology needs



2010 Revenue



■ IC ■ TFT
■ PV ■ LED

Outlook

FQ2 2011 EPS

\$1.41

- Higher Merchant volumes
- Improved cost performance
- Higher E&PM volumes
- Lower tax rate

- Tonnage - lower bonuses and higher maintenance costs
- Lower Equipment results
- Japan uncertainty



FQ3 2011 EPS

\$1.42-\$1.47

FY 2011 EPS

\$5.65-\$5.75

The Air Products opportunity

Stability

- Long term contracts, consistent and predictable cash flow
- Diversified across markets, geographies and distribution channels
- Global opportunity to create competitive positions in all three supply modes

Growth

- Solid backlog and strong growth opportunities in all geographies
- New growth opportunities in energy, environment and emerging markets
- Global packaged gases opportunities broaden our growth portfolio

Results

- Double-digit EPS growth
- ROCE 3-5% above cost of capital
- Continued margin and return improvement

Well positioned for long-term value creation

Appendix Slides



Appendix: Q2 FY11 Results and Guidance

(\$ Millions, except per share data)

	GAAP Measure				Non GAAP Adjustments		Non GAAP Measure			
	Q211	Q210	\$ Change	% Change	Q211 (1)	Q210 (1)	Q211	Q210	\$ Change	% Change
Q211 vs. Q210 - Total Co.										
Sales	2,501.3	2,249.0	252.3	11%			2,501.3	2,249.0	252.3	11%
Operating Income	419.5	340.6	78.9	23%	5.0	23.4	424.5	364.0	60.5	17%
Operating Margin	16.8%	15.1%		170bp			17.0%	16.2%		80bp
Net Income Attributable to Air Products	304.3	252.0	52.3	21%	4.4	14.6	308.7	266.6	42.1	16%
Diluted EPS Attributable to Air Products	\$1.39	\$1.16	\$0.23	20%	\$0.02	\$0.07	\$1.41	\$1.23	\$0.18	15%
			\$	%					\$	%
Q211 vs. Q111 - Total Co.										
Sales	2,501.3	2,391.7	109.6	5%			2,501.3	2,391.7	109.6	5%
Operating Income	419.5	360.6	58.9	16%	5.0	43.5	424.5	404.1	20.4	5%
Operating Margin	16.8%	15.1%		170bp			17.0%	16.9%		10bp
Net Income Attributable to Air Products	304.3	268.6	35.7	13%	4.4	27.2	308.7	295.8	12.9	4%
Diluted EPS Attributable to Air Products	\$1.39	\$1.23	\$0.16	13%	\$0.02	\$0.12	\$1.41	\$1.35	\$0.06	4%

(1) Acquisition - related costs

<u>Q3 FY11 Guidance</u>	<u>Diluted EPS</u>
Q3 FY10 GAAP	\$1.17
Acquisition - related costs	<u>\$0.11</u>
Q3 FY10 Non GAAP	\$1.28
Q3 FY11 Guidance (1)	\$1.42-\$1.47
% Change	11%-15%
<u>FY11 Guidance</u>	
FY10 GAAP	\$4.74
Acquisition - related costs	<u>\$0.28</u>
FY10 Non GAAP	\$5.02
FY11 Guidance (1)	\$5.65-\$5.75
% Change	13%-15%

(1) Excludes acquisition - related costs

Thank you...
tell me more

