Investor Update

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Chairman, President and CEO

Goldman Sachs
Basic Materials Conference
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Forward Looking Statement

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Air Products
At a Glance

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

**Business Segment Sales**
- Tonnage: 33%
- Merchant: 41%
- Electronics & Performance Materials: 21%
- Equipment & Energy: 5%

**Geographic Sales**
- United States: 39%
- Europe: 32%
- Canada/Latin America: 22%
- Asia: 7%
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

- **Distribution**
  - Onsite/Pipeline: 40%
  - Packaged Gases & Specialty Material: 27%
  - Equipment & Services: 12%
  - Liquid/Bulk: 21%

- **3-5 year Contracts**

- **Differentiated Positions**

- **Energy Pass through**

- **Cost Recovery**

- **Onsite/Pipeline**
  - 15-20 year Contracts
  - Limited Volume Risk
  - Energy Pass through

- **Equipment & Services**
  - Sale of Equipment
  - PO Based
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

Supply Chain Leverage
- Co-product economics
- Liquid back-up
- Density
- Product supply/outlet
- Molecule balance

Market Opportunity
- New segments
  - PG only
  - Bundled
- Sales
  - Greater presence
  - Cross-selling opportunities
- Brand recognition

Global Scale
- Innovation
- Productivity and best practices
- Enterprise systems & processes

Liquid/Bulk Tonnage/Onsites Packaged Gases

Outcome = Higher Growth and Higher Profitability
Integrated Model in China

PetroChina
- First outsourced H₂ for China state-owned refinery
- Oxygen and Nitrogen

Sanan Optoelectronics
- First On-site Specialty Gas Plant
- Ammonia (NH₃) for LED

Weihe
- Onsite O₂ & N₂
- Liquid integration

Xingtai Steel
- Existing Asset Purchase
- New ASU
- Liquid integration

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

2.7 Billion scfd On-stream Sept 2001

5.4 Billion scfd On-stream Sept 2010

Air Products
Competitor Y
Competitor Z
Competitor X

On-stream 2020

Heavy Crude
Increased Transportation Fuels

Existing Market
Environmental Regulations

~11 Billion scfd
## Merchant Gases

**Applications technology drives higher growth**

<table>
<thead>
<tr>
<th>Markets</th>
<th>Applications</th>
<th>Quality</th>
<th>Productivity</th>
<th>Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glass</td>
<td>Cleanfire® HRi™ Burner</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Food</td>
<td>Freshline® Dual Mode Freezer</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Electronic Packaging</td>
<td>NitroFAS™ II Wave soldering enhancement</td>
<td>✓</td>
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<td>Cement</td>
<td>O₂ Proprietary Nozzles For alternative and low BTU value fuels</td>
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</table>
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
Outlook

FQ2 2011 EPS
- 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

Non-GAAP, see appendix for reconciliation.
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)

<table>
<thead>
<tr>
<th>Q211 vs. Q210 - Total Co.</th>
<th>Q211</th>
<th>Q210</th>
<th>Change</th>
<th>Change</th>
<th>Q211 (1)</th>
<th>Q210 (1)</th>
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<tbody>
<tr>
<td>Sales</td>
<td>2,501.3</td>
<td>2,249.0</td>
<td>252.3</td>
<td>11%</td>
<td>2,501.3</td>
<td>2,249.0</td>
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<tr>
<td>Operating Income</td>
<td>419.5</td>
<td>340.6</td>
<td>78.9</td>
<td>23%</td>
<td>5.0</td>
<td>23.4</td>
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<tr>
<td>Operating Margin</td>
<td>16.8%</td>
<td>15.1%</td>
<td>170bp</td>
<td>170bp</td>
<td>17.0%</td>
<td>16.2%</td>
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<tr>
<td>Net Income Attributable to Air Products</td>
<td>304.3</td>
<td>252.0</td>
<td>52.3</td>
<td>21%</td>
<td>4.4</td>
<td>14.6</td>
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<td>Diluted EPS Attributable to Air Products</td>
<td>$1.39</td>
<td>$1.16</td>
<td>$0.23</td>
<td>20%</td>
<td>$0.02</td>
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<tr>
<th>Q211 vs. Q111 - Total Co.</th>
<th>Q211</th>
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<th>Q211 (1)</th>
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<tbody>
<tr>
<td>Sales</td>
<td>2,501.3</td>
<td>2,391.7</td>
<td>109.6</td>
<td>5%</td>
<td>2,501.3</td>
<td>2,391.7</td>
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<td>Operating Income</td>
<td>419.5</td>
<td>360.6</td>
<td>58.9</td>
<td>16%</td>
<td>5.0</td>
<td>43.5</td>
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<td>$0.12</td>
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(1) Acquisition - related costs

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<tr>
<th>Q3 FY11 Guidance</th>
<th>Diluted EPS</th>
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<tr>
<td>Q3 FY10 GAAP</td>
<td>$1.17</td>
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<td>Acquisition - related costs</td>
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<td>Q3 FY10 Non GAAP</td>
<td>$1.28</td>
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<td>Q3 FY11 Guidance (1)</td>
<td>$1.42-$1.47</td>
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<td>% Change</td>
<td>11%-15%</td>
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<th>GAAP</th>
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<td>$4.74</td>
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<td>Acquisition - related costs</td>
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<td>FY10 Non GAAP</td>
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(1) Excludes acquisition - related costs
Thank you...
tell me more