Strategy for Success

Innovation, Integration and Improvement

Paul Huck

Senior Vice President and Chief Financial Officer

Nomura Global Chemical Industry Leaders Conference

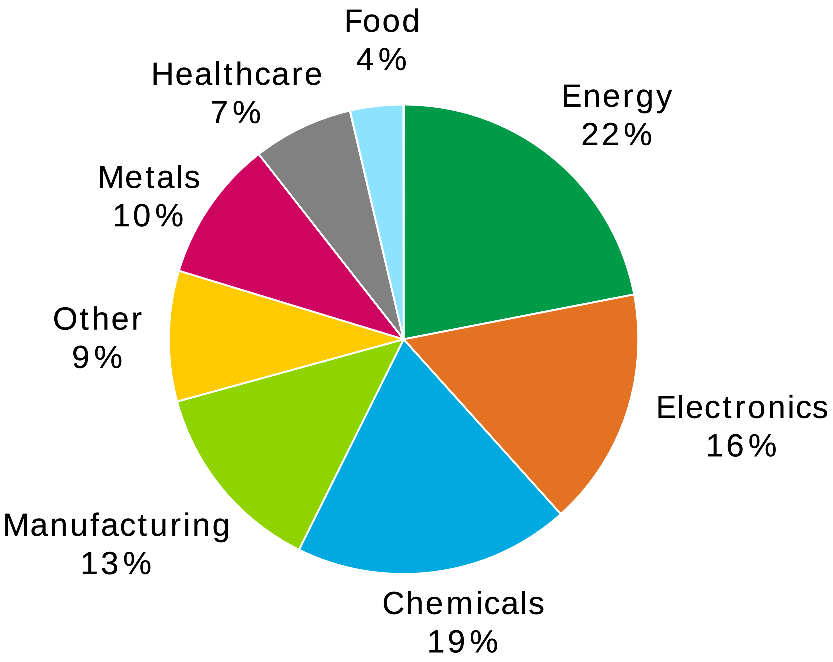
March 2012

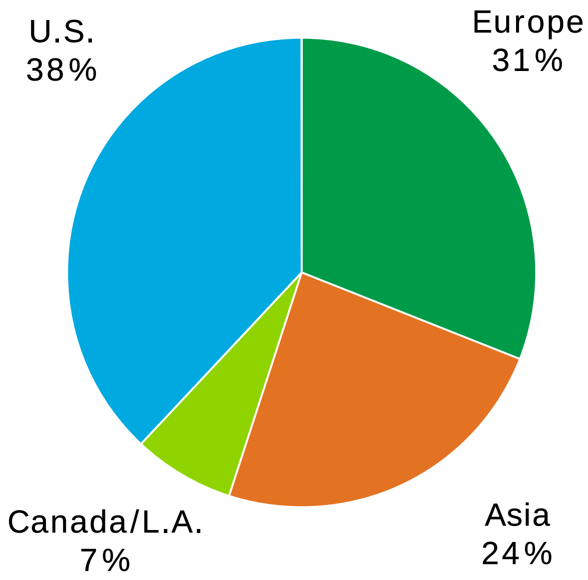
Forward Looking Statement

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, projections, targets and business outlook. These forward-looking statements are based on management's reasonable expectations and assumptions as of the date this release. 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 global or regional 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; the success of productivity programs; the success and impact of restructuring and cost reduction initiatives; 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 impact on the effective tax rate of changes in the mix of earnings among our U.S. and international operations; and other risk factors described in the Company's Form 10K for its fiscal year ended September 30, 2011. 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

- $10B in revenues across 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

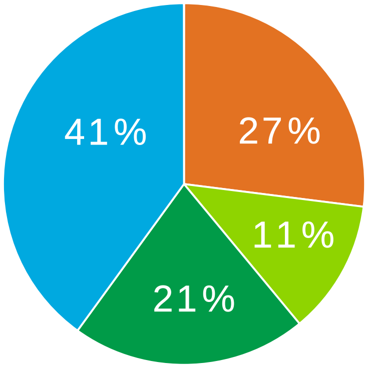
Liquid/Bulk

3-5 year Contracts
Cost Recovery

Equipment & Services

Sale of Equipment
PO Based

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

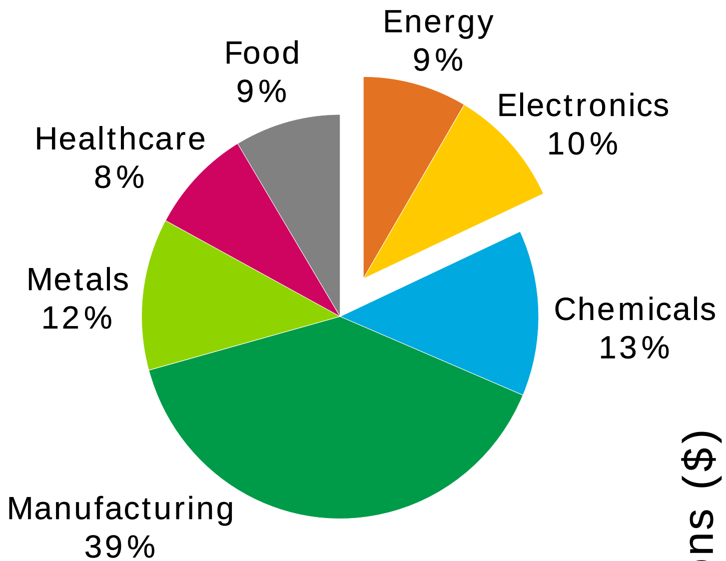
- Metals
- Chemicals
- Food
- Electronics

Digital Revolution

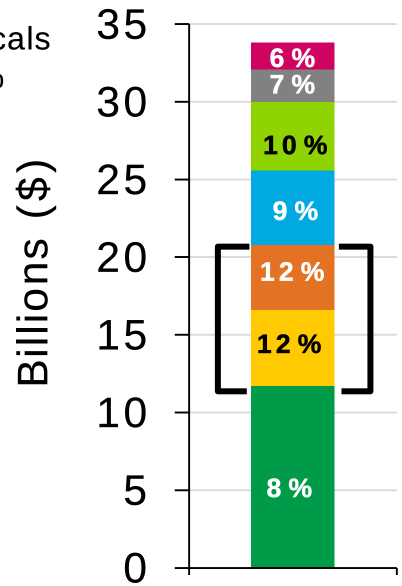
- Semiconductor
- Display

Air Products Market Exposure

2010 IG Market $63B

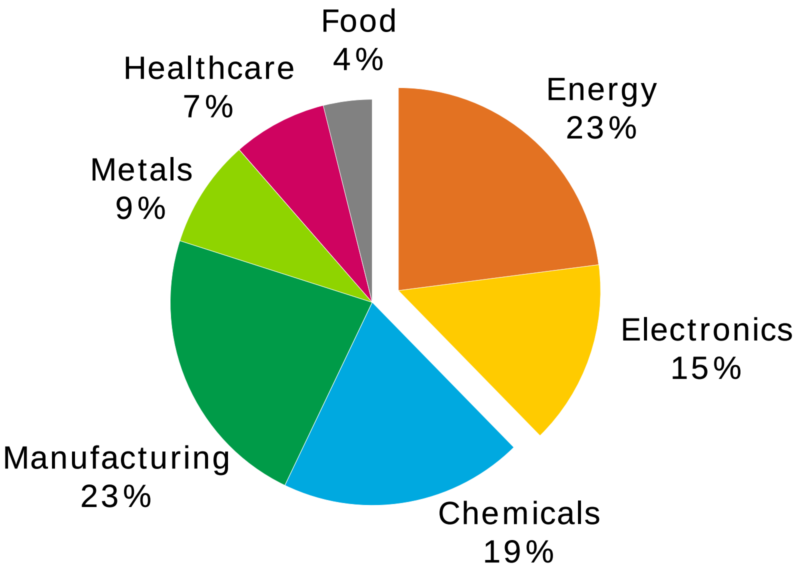


2010-2015 Market
Growth = 9%



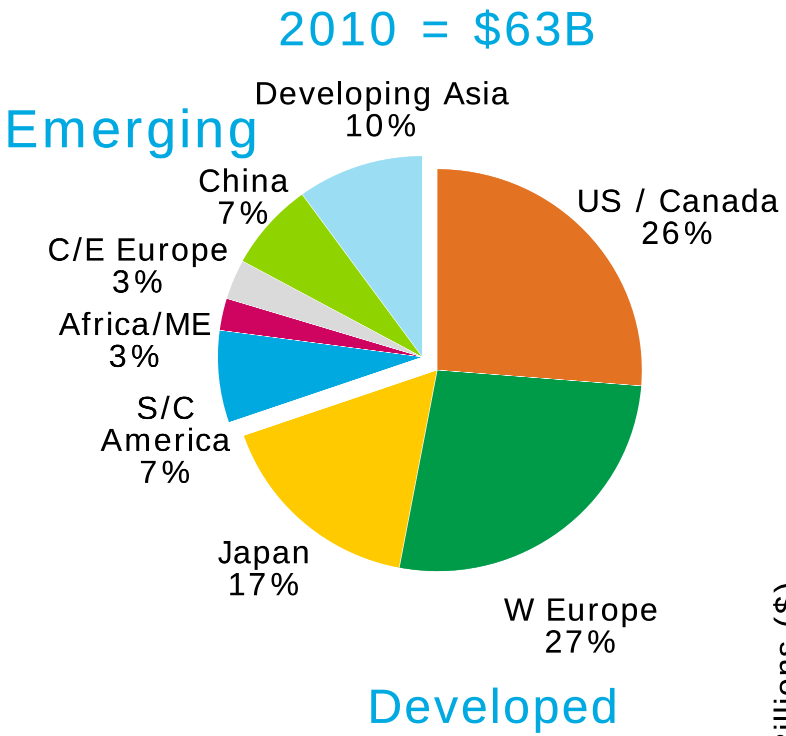
2010-2015
Growth

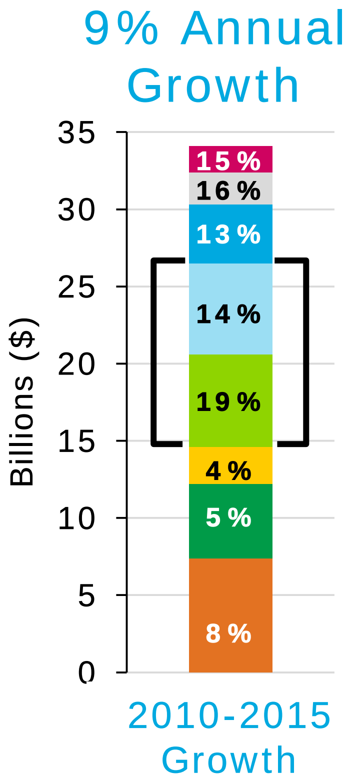
2010 APD $9B

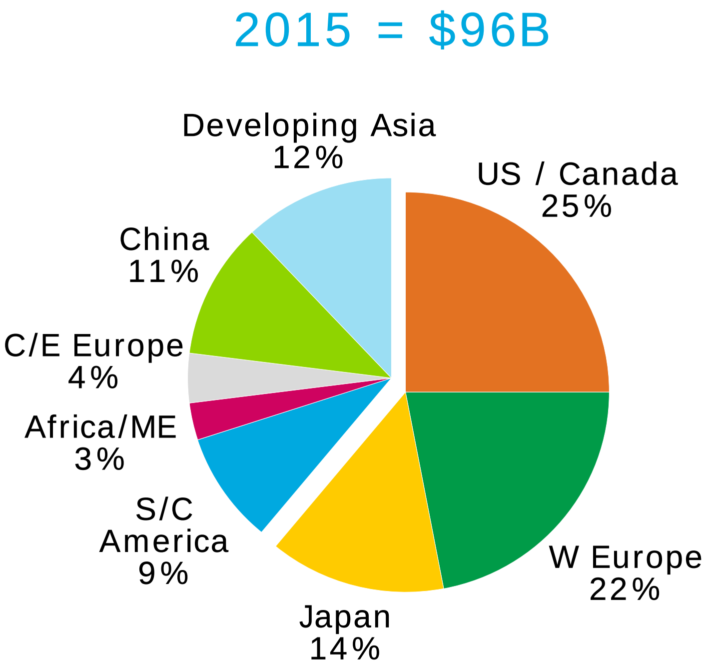


2010-2015 AP
Growth = 10-11%

Global Industrial Gas Geographic Growth







Air Products Advantage:
Profitable Joint Ventures with Leadership Positions

	Mexico	Italy	South Africa	India	Thailand
	INFRA	SAPIO GRUPPO	AIR PRODUCTS	INOX AIR PRODUCTS LTD	BIG
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

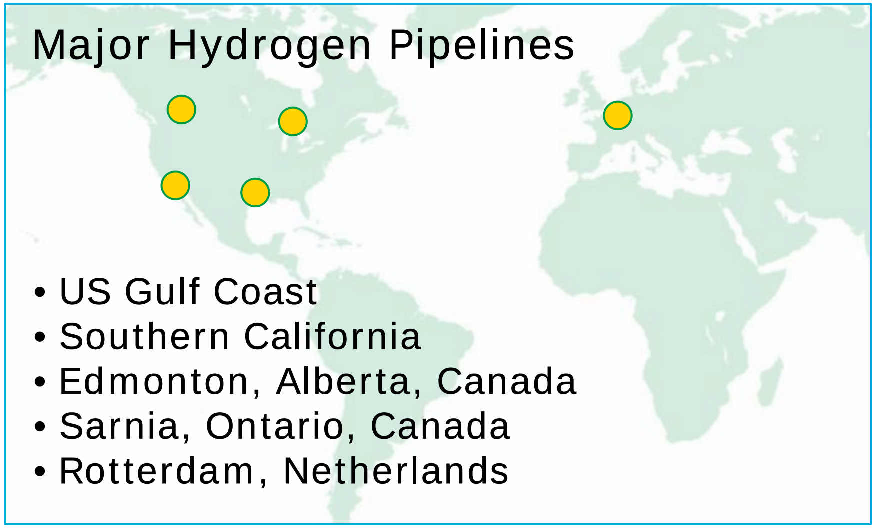
Notes: 1) Please refer to financial statements for equity affiliate accounting. 2) Non-GAAP. If Air Products was to gain controlling financial interest and then consolidate, the results would be different than shown here

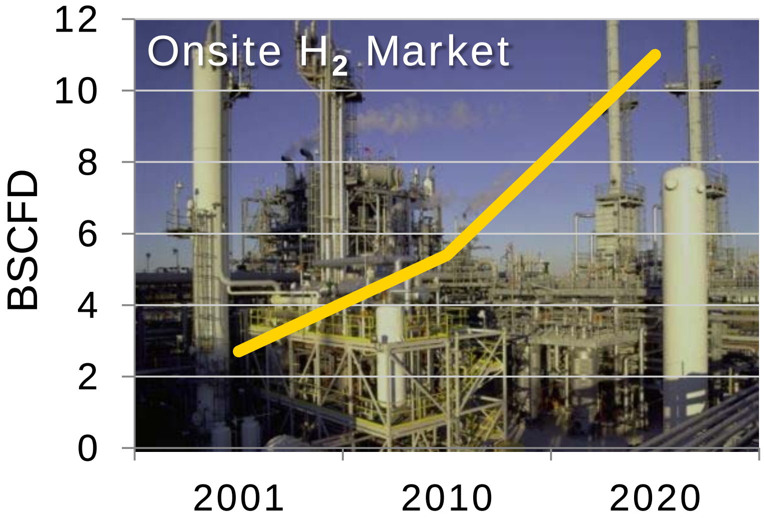
AIR PRODUCTS

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%**

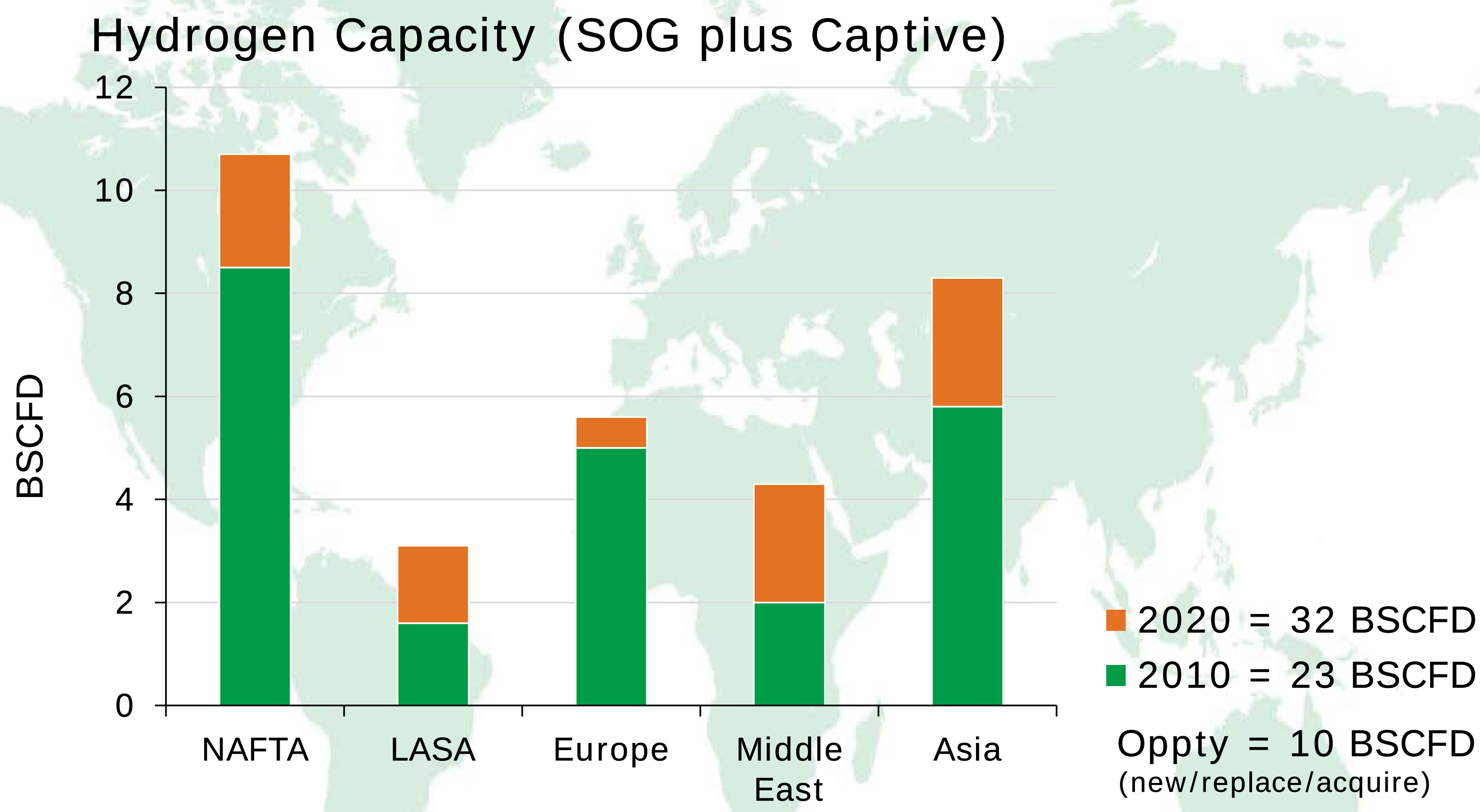
Air Products Advantage:
Hydrogen Leadership



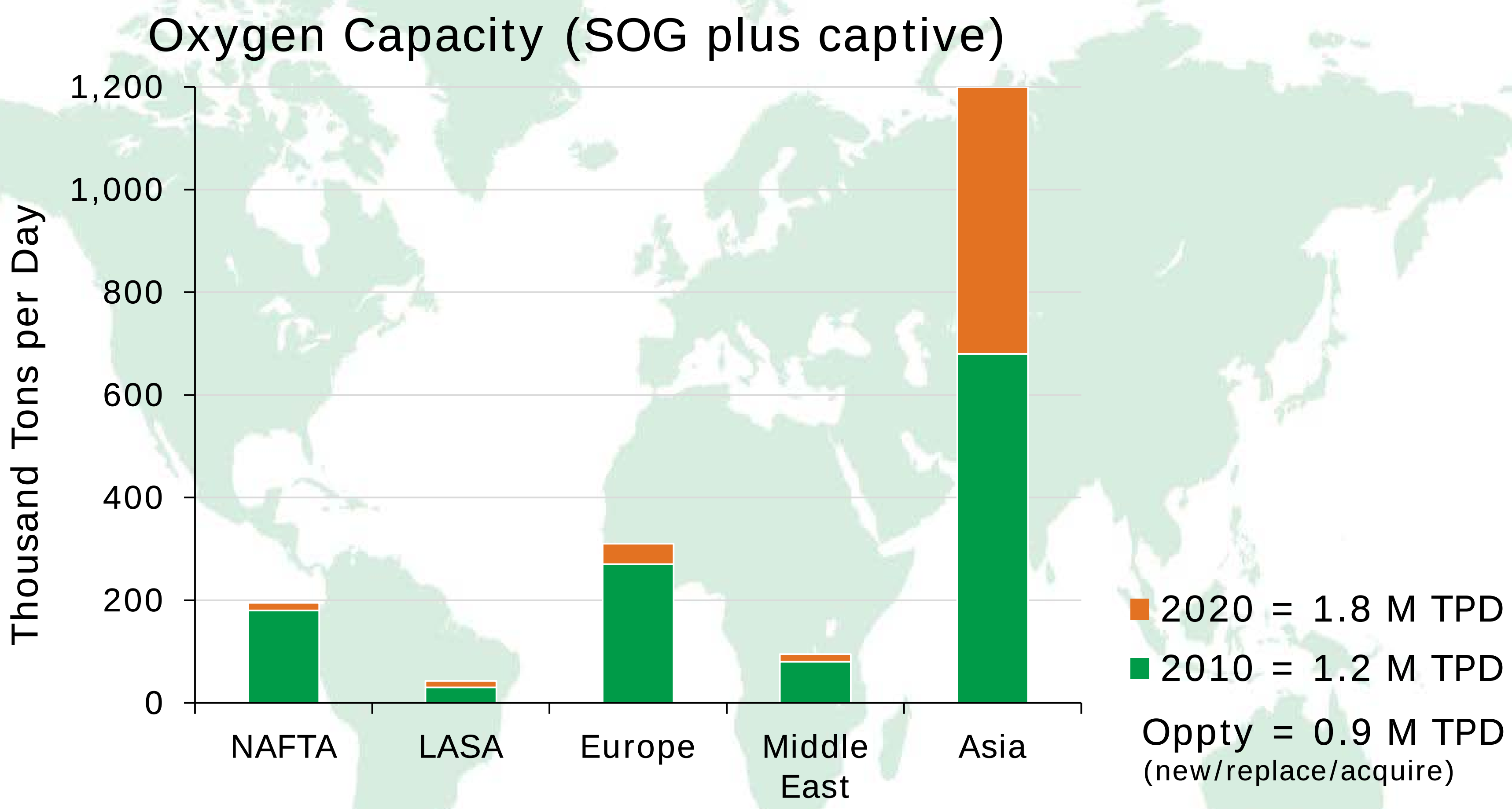


#1 market share for over two decades

Hydrogen Geographies Are Expanding over the Next Decade…



Oxygen Growth driven by Asia over the Next Decade…

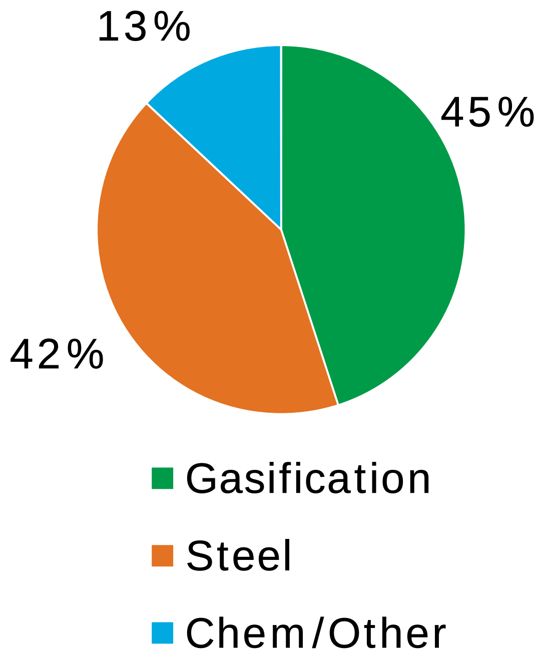


Oppty = 0.9 M TPD
(new/replace/acquire)

Tonnage Gases
Significant New Markets for Oxygen

- Gasification
  - China's abundance of coal
  - Growing Demand - Coal to Natural Gas:
    - "Substitute Natural Gas" (SNG)
  - Feedstock independence
  - Chemicals, Energy, Refining
- Steel
  - Asian infrastructure growth
  - Mill modernization
  - Replacement of aging plants
  - Acquisition of captive plants
- Air Products Advantage
  - Very large ASU operating experience
  - Product based plant design
  - Local engineering, production and sourcing

Oxygen Opportunity
New/Replace/Acquire



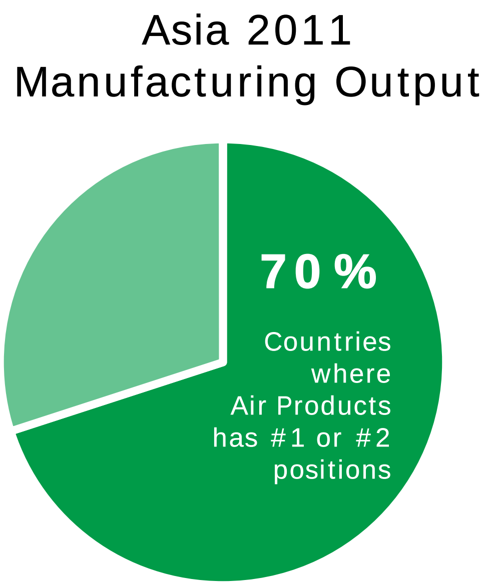
900,000 tons-per-day new oxygen capacity by 2020 = 300^{+} new plants

Major Projects

Plant	Location	Capacity	Timing
H2	Rotterdam, Netherlands	World Scale	Onstream
ASU/Liquid	Laporte, TX	World Scale	Onstream
Helium	Wyoming	200 MMSCFY	Q2FY12
H2	Luling, LA	120 MMSCFD H2	Q2FY12
H2 Pipeline	Gulf Coast, US	180 miles	Q4FY12
ASU/Liquid	Petrochina, Chengdu, China	World Scale	H2FY12
ASU	Samsung, Tangjeong, Korea	World Scale	H2FY12
H2	Petrochina, Chengdu, China	90 MMSCFD H2	H1FY13
H2	Marathon, Detroit	60 MMSCFD H2	FY13
ASU	PCEC, Weinan, China	8200 TPD O2	FY13
ASU/Liquid	Gent, Belgium	2000 TPD O2	FY13
H2	St. Charles, LA	World Scale	FY13
ASU/Liquid	Wison, Nanjing, China	1500 TPD O2	FY14
ASU	Shaanxi, China	12,000 TPD O2	FY14
ASU/Liquid	XLX, Henan, China	2000 TPD O2	FY14

Plus new nitrogen on-sites for Electronics customers

Air Products Advantage:
Asia Merchant Leadership



#1 positions in high growth markets

Electronics reported Revenue $1.3Billion plus $0.35B in Merchant

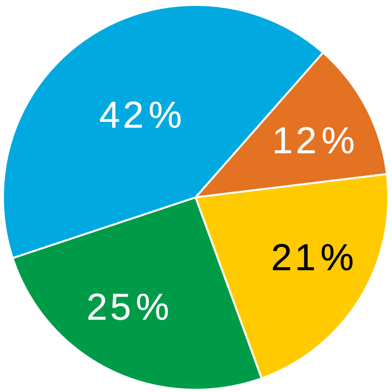
Specialty Gases & Chemicals

Enabling Equipment

Onsite Gas Supply

Liquid/Bulk

FY11 Overall Revenue

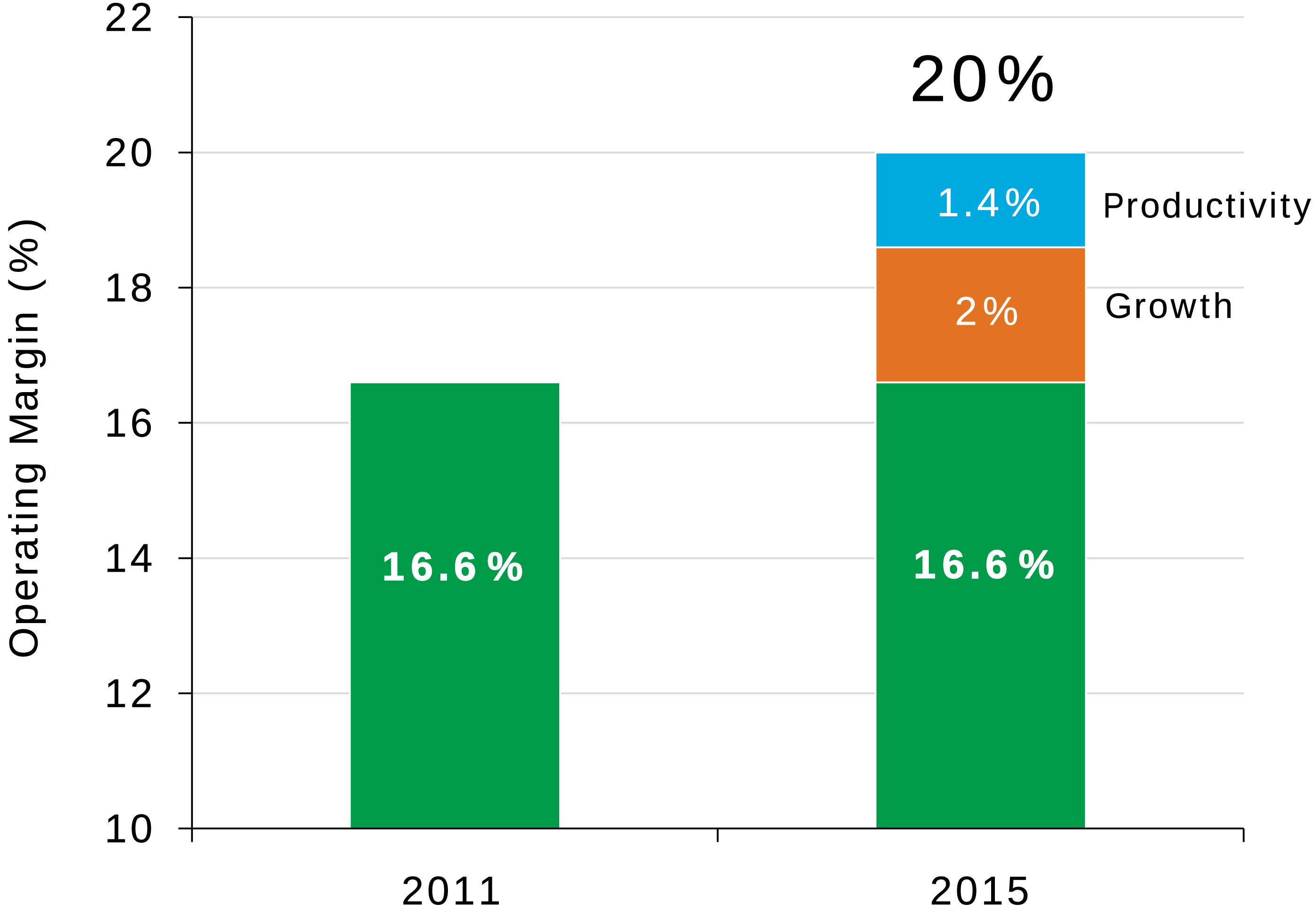


- Onsite Gas Supply
- Specialty Gases & Chemicals
- Enabling Equipment
- Liquid / Bulk

2015 by 2015

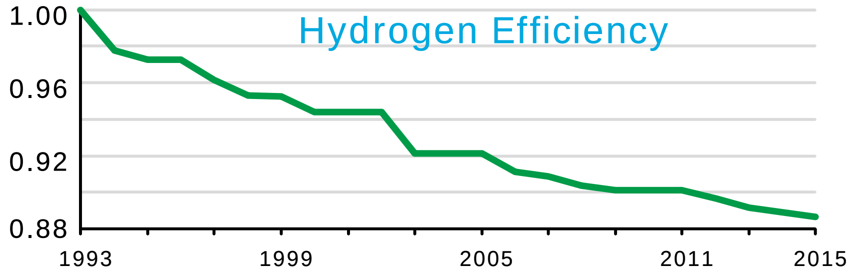
Revenue Growth	Operating Margin	Return on Capital
11%-13% per year	**20%**	**15%**
From $9B in 2010 to $15B+ in 2015	From 16.5% in 2010 to 20% in 2015	From 12.5% in 2010 to 15% in 2015

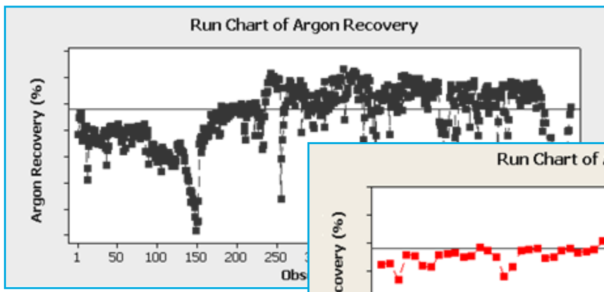
Roadmap to 20% Margin

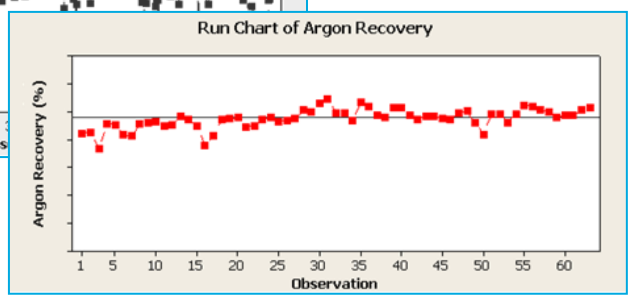


AIR PRODUCTS

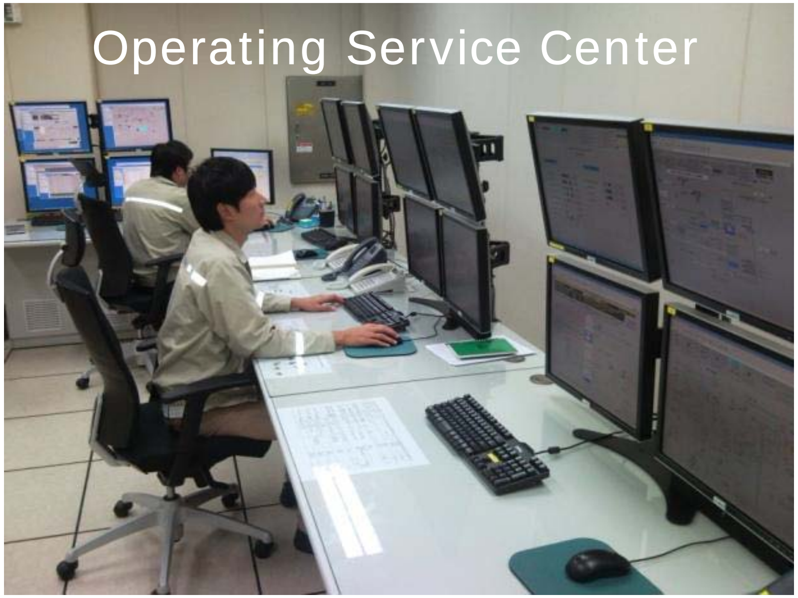
Variable Cost Leverage







Argon Recovery



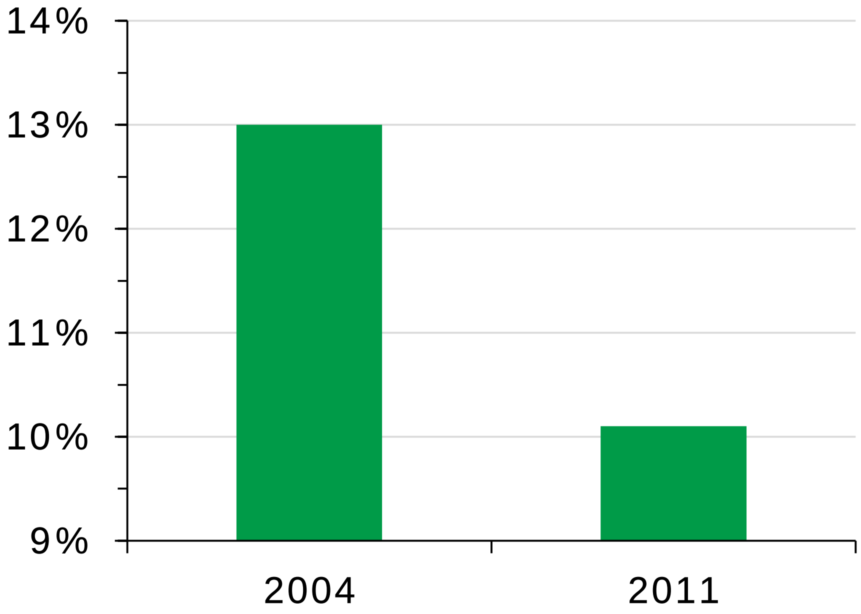
$100MM/year improvement

AIR PRODUCTS

Fixed Cost Leverage

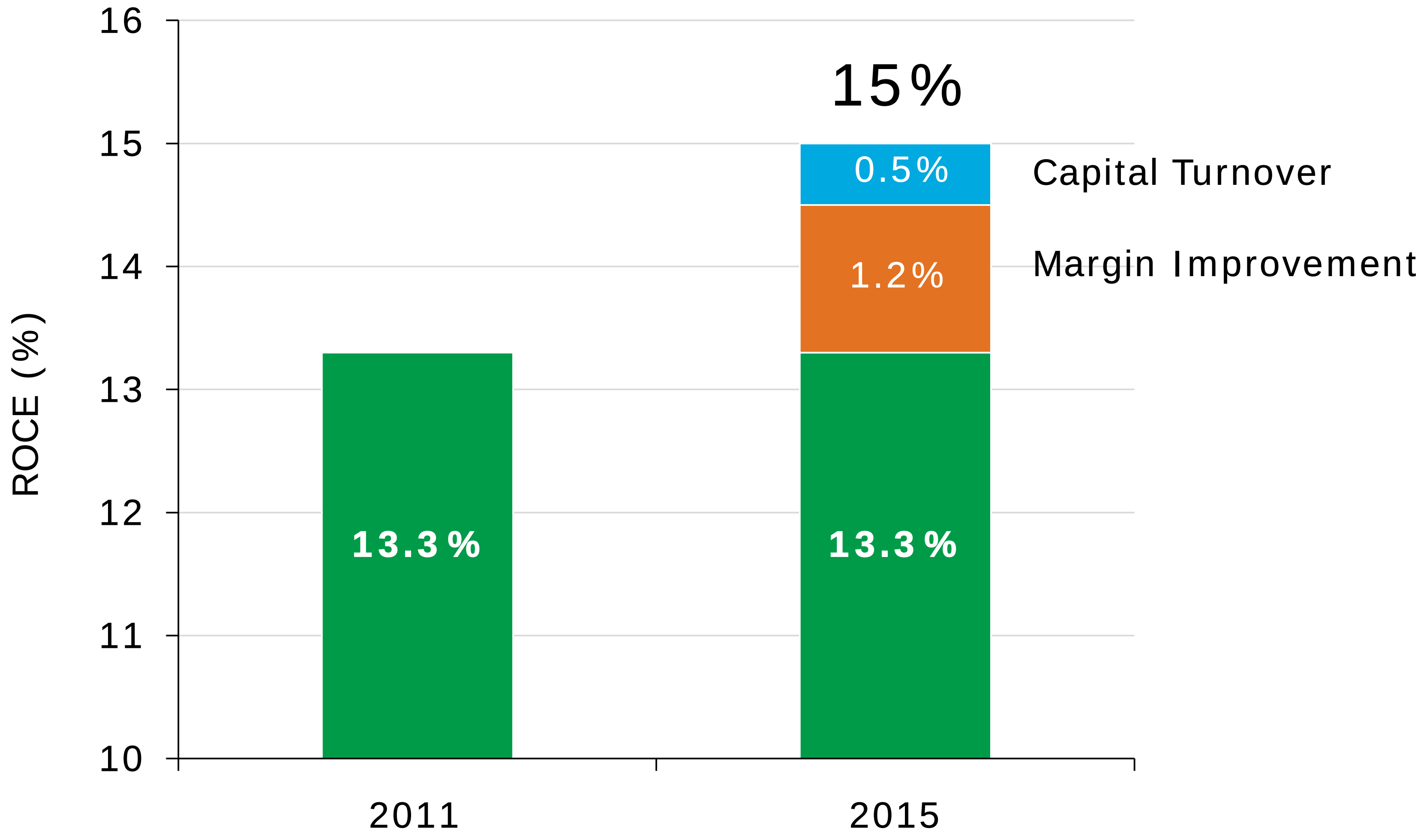
Operating Service Center

SG&A as a % of Sales

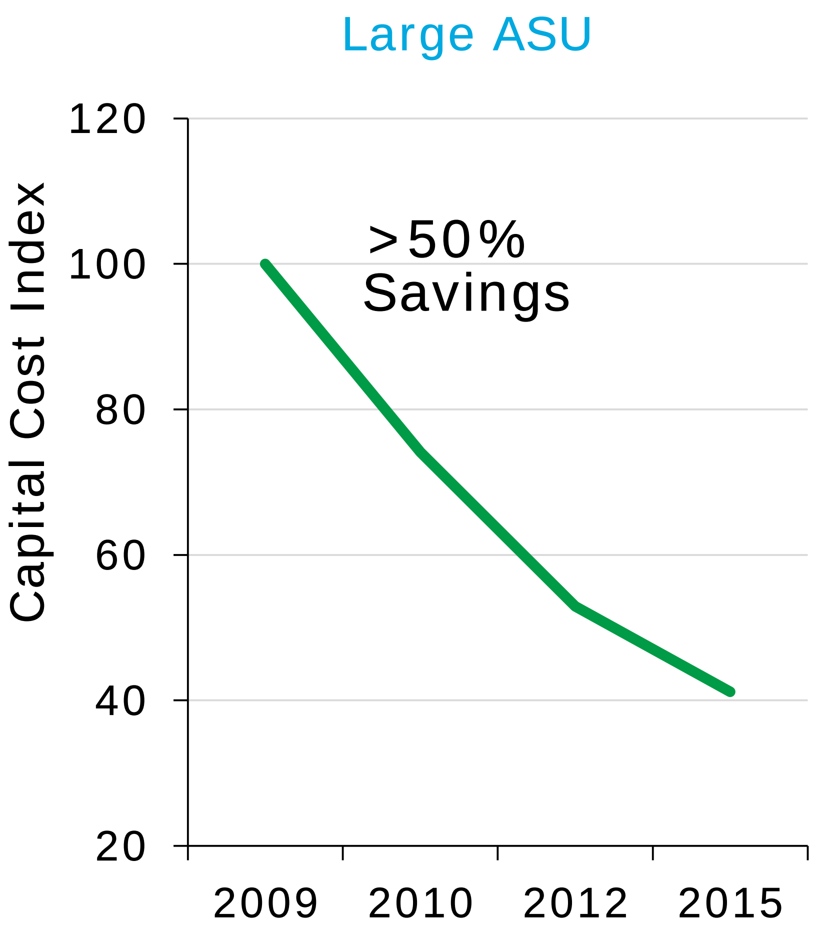


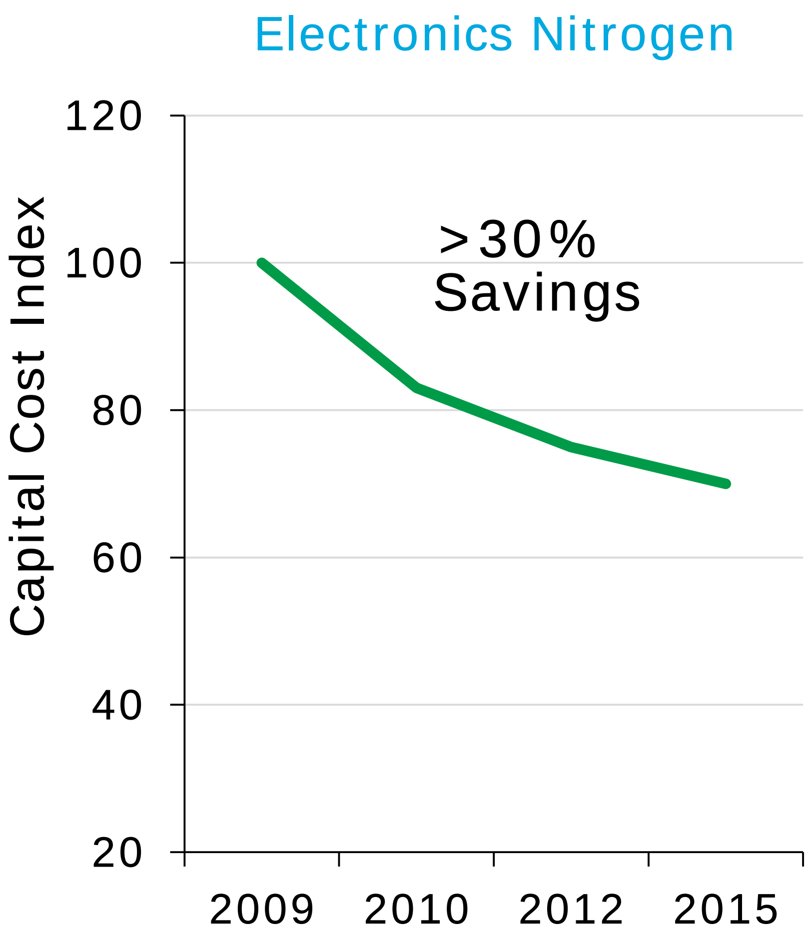
$50MM/year improvement

Driving Returns Higher

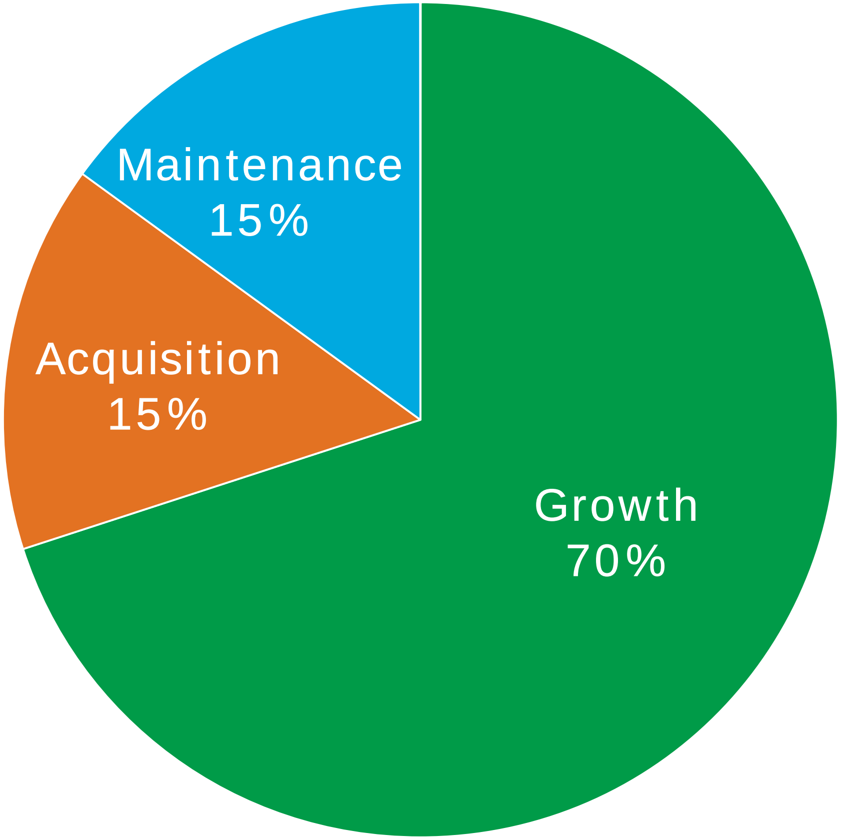


Driving Capital Cost Lower





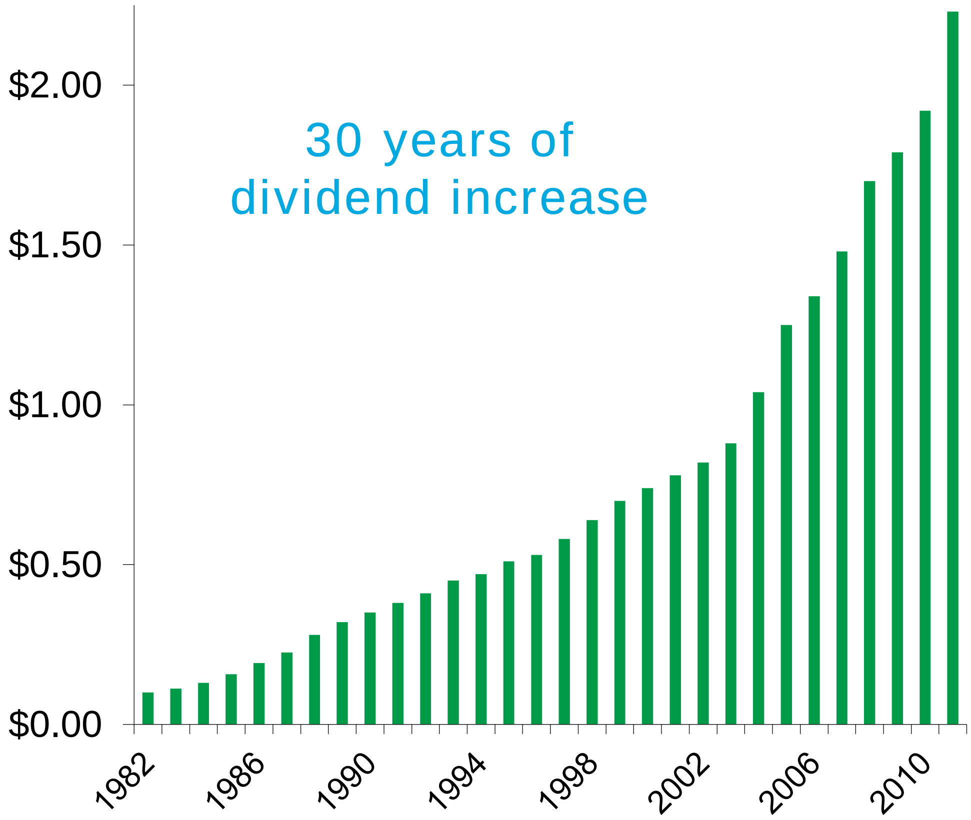
Strong Growth Opportunities Drive Disciplined Investment



$13-14B Capital Spending - 2011 to 2015

Cash Priorities Remain Consistent

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



FY'12 Full Year Outlook

- FY'12 overall… more uncertainty, wider range
- WW manufacturing growth
  - Global 2% - 5%
  - US 1% - 5%
  - Asia 4% - 9%
  - EU (2%) - 1%
- Silicon growth 0% - 5%
- CapEx forecast
  - ~$1.9B to $2.2B
  - +20% to 40% vs PY

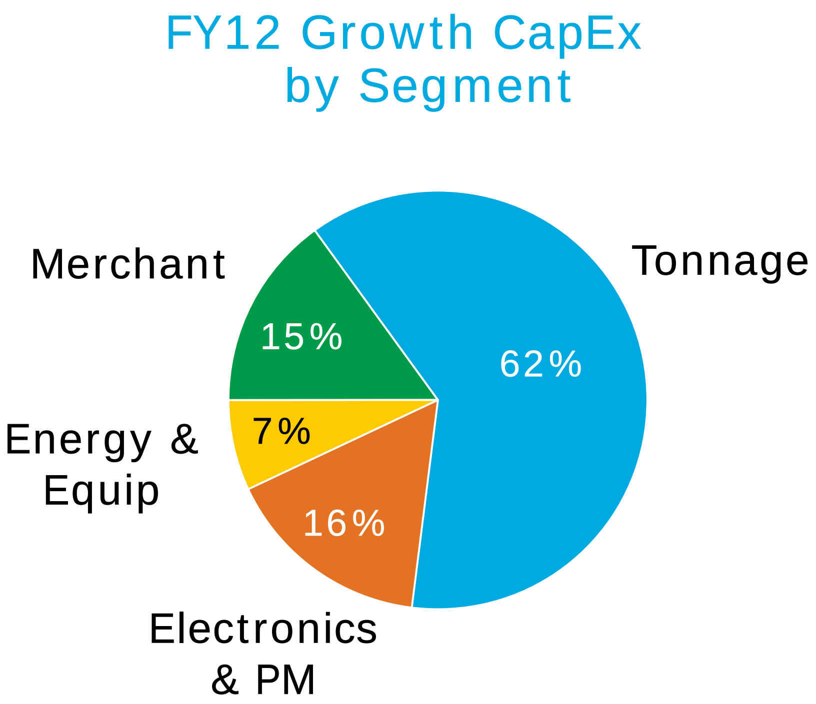
- FY'11 Adjusted Diluted EPS $5.73
  - Tonnage new projects/loading
  - Merchant and E&PM loading
  - Lower E&E results
  - Pension Expense
  - Tax rate about 26%
- FY'12 EPS $5.90-$6.30
  - +3% to 10% vs PY

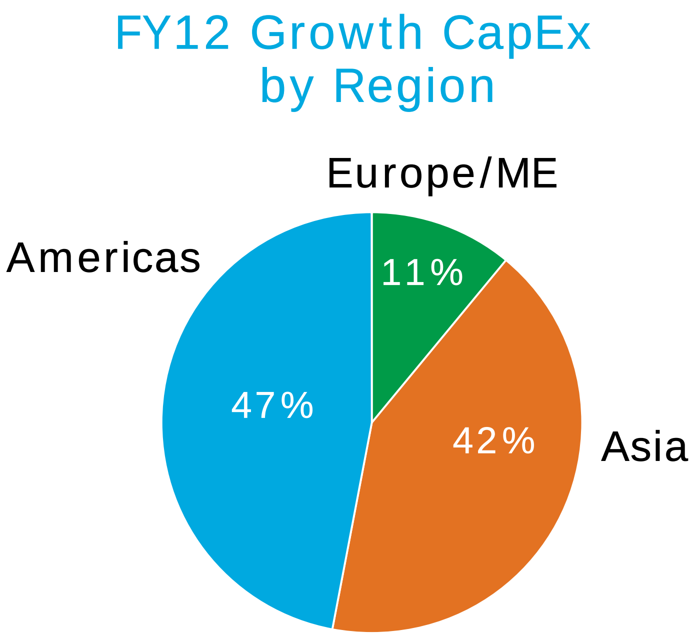
non-GAAP, see appendix for reconciliation

FY12 excludes any potential restructuring charges and includes Europe Homecare

Capital Spending Outlook

FY12 Forecast $1.9B-$2.2B
+20-40% from FY11





20|15

by 2015

$15+ Billion in Sales

20% Operating Margin

15% Return on Capital Employed

Appendix: Q1 FY12 Results and FY12 Guidance

($ Millions, except per share data)

	GAAP Measure				Non GAAP Adjustments		Non GAAP Measure			
			$	%					$	%
Q112 vs. Q111 - Total Company	Q112	Q111	Change	Change	Q112 (1)	Q111 (2)	Q112	Q111	Change	Change
Sales	2,423.1	2,391.7	31.4	1%			2,423.1	2,391.7	31.4	1%
Operating Income	384.7	360.6	24.1	7%		43.5	384.7	404.1	(19.4)	(5%)
Operating Margin	15.9%	15.1%		80bp			15.9%	16.9%		(100bp)
Net Income Attrib. to Air Products	248.1	268.6	(20.5)	(8%)	43.8	27.2	291.9	295.8	(3.9)	(1%)
Diluted EPS - Attrib. to Air Products	$1.16	$1.23	($0.07)	(6%)	$0.20	$0.12	$1.36	$1.35	$0.01	1%
			$	%					$	%
Q112 vs. Q411 - Total Company	Q112	Q411	Change	Change	Q112 (1)		Q112	Q411	Change	Change
Sales	2,423.1	2,611.2	(188.1)	(7%)			2,423.1	2,611.2	(188.1)	(7%)
Operating Income	384.7	425.3	(40.6)	(10%)			384.7	425.3	(40.6)	(10%)
Operating Margin	15.9%	16.3%		(40bp)			15.9%	16.3%		(40bp)
Net Income Attrib. to Air Products	248.1	324.8	(76.7)	(24%)	43.8		291.9	324.8	(32.9)	(10%)
Diluted EPS - Attrib. to Air Products	$1.16	$1.51	($0.35)	(23%)	$0.20		$1.36	$1.51	($0.15)	(10%)

(1) Spanish tax settlement
(2) Acquisition - related costs

FY12 Full year EPS guidance	Diluted EPS (3)
FY11 GAAP	$5.59
Q111 Acquisition - related costs	$0.12
Q211 Acquisition - related costs	$0.02
FY11 Non GAAP	$5.73
FY12 GAAP Guidance	$5.70-$6.10
Q112 Spanish tax settlement	$0.20
FY12 Non GAAP Guidance	$5.90-$6.30
% Change	3%-10%

FY12 Q2 EPS Guidance	Diluted EPS (3)
FY12 Q1 GAAP	$1.16
Spanish tax settlement	$0.20
FY12 Q1 Non GAAP	$1.36
FY12 Q2 Guidance	$1.37-$1.43
% Change	1%-5%

Capital Expenditures Guidance	$Millions
FY11 GAAP	1,408.3
Capital lease expenditures	173.5
FY11 Non GAAP	1,581.8
FY12 GAAP - guidance	1,600-1,800
Capital lease expenditures	300-400
FY12 Non GAAP - guidance	1,900-2,200

(3) Attributable to Air Products. Guidance does not include the impact of reclassifying the Homecare business to discontinued operations or any potential restructuring charge.

Thank you...

tell me more