



# Q4 FY' 10 Earnings Conference Call

October 21, 2010





# Forward Looking Statement

This presentation contains “forward-looking statements” within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including earnings guidance; projections; targets; plans and expectations regarding new projects, applications and technologies; and projections of synergies from the Company’s proposed acquisition of Airgas, Inc.. These forward-looking statements are based on management’s reasonable expectations and assumptions as of the date this Report is filed 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; inability to collect receivables from or recovery of payments made by customers in bankruptcy proceedings; 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, 2009. 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.



## ADDITIONAL INFORMATION

On February 11, 2010, Air Products Distribution, Inc. ("Purchaser"), a wholly owned subsidiary of Air Products and Chemicals, Inc. ("Air Products"), commenced a cash tender offer for all the outstanding shares of common stock of Airgas, Inc. ("Airgas") not already owned by Air Products, subject to the terms and conditions set forth in the Offer to Purchase dated as of February 11, 2010 (the "Offer to Purchase"). The purchase price to be paid upon the successful closing of the cash tender offer is \$65.50 per share in cash, without interest and less any required withholding tax, subject to the terms and conditions set forth in the Offer to Purchase, as amended. The offer is scheduled to expire at midnight, New York City time, on Friday, October 29, 2010, unless further extended in the manner set forth in the Offer to Purchase.

This communication does not constitute an offer to buy or solicitation of an offer to sell any securities. The tender offer is being made pursuant to a tender offer statement on Schedule TO (including the Offer to Purchase, a related letter of transmittal and other offer materials) filed by Air Products with the U.S. Securities and Exchange Commission ("SEC") on February 11, 2010.

## **INVESTORS AND SECURITY HOLDERS OF AIRGAS ARE URGED TO READ THESE AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.**

Investors and security holders can obtain free copies of these documents and other documents filed with the SEC by Air Products through the web site maintained by the SEC at <http://www.sec.gov>. The Offer to Purchase and related materials may also be obtained for free by contacting the Information Agent for the tender offer, MacKenzie Partners, Inc., at 212-929-5500 or toll-free at 800-322-2885. Air Products intends to file a proxy statement with the SEC in connection with the solicitation of proxies for the annual meeting of Airgas stockholders to be held on January 18, 2011. Any definitive proxy statement will be mailed to stockholders of Airgas.

## **INVESTORS AND SECURITY HOLDERS OF AIRGAS ARE URGED TO READ THE PROXY STATEMENT AND OTHER DOCUMENTS RELATED TO THE SOLICITATION AND FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY AS THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.**

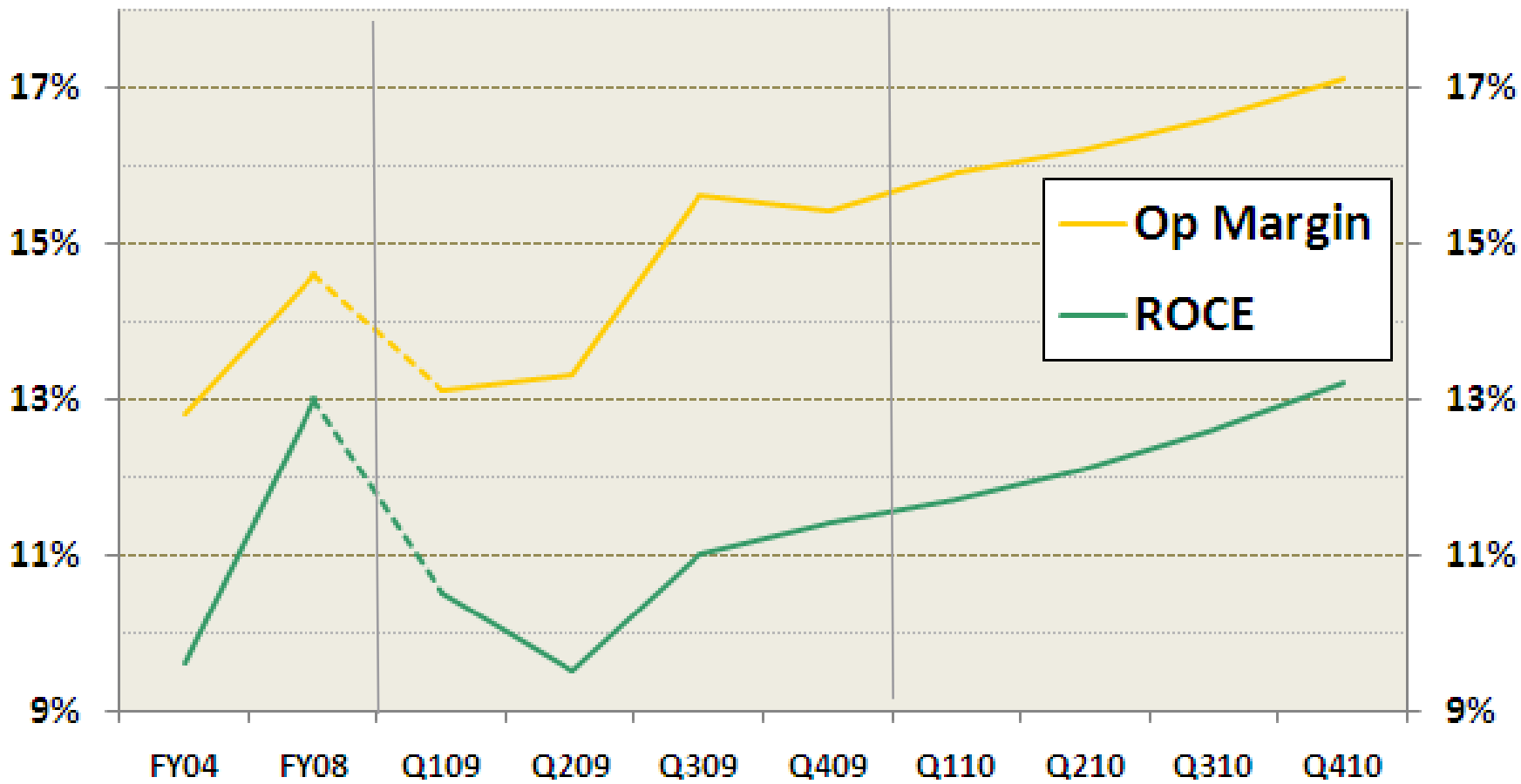
Investors and security holders will be able to obtain free copies of these documents (if and when available) and other documents filed with the SEC by Air Products through the web site maintained by the SEC at <http://www.sec.gov>. These materials may also be obtained for free (if and when available) by contacting Air Products' proxy solicitor, MacKenzie Partners, Inc., at 212-929-5500 or toll-free at 800-322-2885.

## **CERTAIN INFORMATION REGARDING PARTICIPANTS**

Air Products, Purchaser, and certain of their respective directors and executive officers and the Air Products nominees for election at Airgas's January 2011 annual meeting may be deemed to be participants in the proposed transaction under the rules of the SEC. Security holders may obtain information regarding the names, affiliations and interests of Air Products' directors and executive officers in Air Products' Annual Report on Form 10-K for the year ended September 30, 2010, which was filed with the SEC on November 25, 2010, and its proxy statement for Air Products' 2010 Annual Meeting, which was filed with the SEC on December 10, 2009; and of Purchaser's directors and executive officers in the Offer to Purchase. Information about the Air Products nominees will be included in the proxy statement Air Products intends to file with the SEC. These documents can be obtained free of charge from the sources indicated above. Additional information regarding the interests of these participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will also be included in any proxy statement and other relevant materials to be filed with the SEC when they become available.



# Financial Performance\*



\* non-GAAP, see appendix for reconciliation



# FY 2010 Summary

(\$billions, continuing ops., ex. items)	FY10	FY09	Change vs. PY*	
			\$ Δ	% Δ
Sales	\$9.0	\$8.3	\$0.8	9%
- Underlying business				8%
- Energy/RM pass thru				-%
- Currency				1%
Operating Income	\$1.5	\$1.2	\$0.3	25%
Operating Margin	16.5%	14.3%		220bp
EPS (\$/share)	5.02	4.06	0.96	24%
ROCE	12.4%	10.6%		180bp

- Strong underlying volume growth and operating leverage
- On-track to deliver FY 2011 financial targets
- Dividend increased for 28<sup>th</sup> consecutive year

\* Comparison is non-GAAP, see appendix for reconciliation



# Q4 Financials

(\$millions, Continuing Ops ex. items)	Q4 FY10	Fav/(Unfav) vs.	
		Q4 FY09	Q3 FY10
Sales	\$2,351	10%	4%
- Volume		8%	3%
- Price		-%	-%
- Energy/RM pass-thru		4%	.5%
- Currency		(2%)	.5%
Operating Income	\$402	22%	7%
Operating Margin	17.1%	170bp	50bp
Net Income	\$294	19%	6%
Diluted EPS (\$/share)	1.35	18%	5%
ROCE	13.2%	180bp	60bp

\*Comparison versus prior quarter is Non-GAAP, see appendix for reconciliation.



## Q4 EPS Analysis

	<u>Q4 FY10</u>	<u>Q4 FY09</u>	<u>Change</u>
As-reported diluted EPS	\$1.25	\$1.13	
- discontinued ops inc	-	(0.01)	
- acquisition-related exp	<u>(0.10)</u>	<u>-</u>	
Adjusted cont ops EPS	<u>\$1.35</u>	<u>\$1.14</u>	<u>\$0.21</u>
Volume			\$0.28
Price / raw materials			(0.06)
Cost			0.04
Currency/FX			(0.01)
Equity Affiliates/Non-controlling interest			(0.01)
Higher interest expense			(0.01)
Higher tax rate			(0.01)
Higher shares outstanding			(0.01)
Increase			<u>\$0.21</u>

\$0.26

Comparison versus prior quarter is Non-GAAP, see appendix for reconciliation.



# Merchant Gases

		Fav/(Unfav) vs.	
	<u>Q4 FY10</u>	<u>Q4 FY09</u>	<u>Q3 FY10</u>
Sales	\$948	2%	4%
- Volume		5%	3%
- Price		-%	-%
- Currency		(3%)	1%
Operating Income	\$185	12%	5%
Operating Margin	19.5%	170bp	20bp

- Higher volumes across all regions led by Asia
- Prices flat





# Merchant Gases: Q4 Sales Analysis vs PY

	<u>North America</u>	<u>Europe</u>	<u>Asia</u>
Sales % change	5%	(8%)	17%
- Volume	5%	1%	11%
- Price	-%	(1%)	3%
- Currency	-	(8%)	3%

- North America broad volume growth, LOX/LIN pricing up, offset by lower pass-through on LHY
- Europe liquid bulk volume growth partially offset by steady packaged gases & healthcare
- Asia strong growth with positive energy cost increase recovery



# Tonnage Gases

		Fav/(Unfav) vs.	
	<u>Q4 FY10</u>	<u>Q4 FY09</u>	<u>Q3FY10</u>
Sales	\$752	17%	4%
- Volume		4%	2%
- Energy/RM pass thru		14%	2%
- Currency		(1%)	-%
Operating Income	\$117	11%	(2%)
Operating Margin	15.6%	(80bp)	(90bp)

- Volumes higher on new plants on-stream
- Margins lower due mainly to the impact of higher natural gas cost pass thru



# Electronics & Performance Materials

		Fav/(Unfav) vs.	
	<u>Q4 FY10</u>	<u>Q4 FY09</u>	<u>Q3 FY10</u>
Sales	\$523	20%	5%
- Volume		21%	6%
- Price		(1%)	(1%)
- Currency		-%	-%
Operating Income	\$84	71%	35%
Operating Margin	16.1%	480bp	350bp
● Electronics sales		25%	9%
● Performance Materials sales		15%	1%



# Equipment & Energy

	<u>Q4 FY10</u>	<u>Fav/(Unfav) vs.</u>	
		<u>Q4 FY09</u>	<u>Q3 FY10</u>
Sales	\$128	5%	11%
Operating Income	\$20	248%	(4%)
Sales Backlog	\$274	15%	(9%)

- Increased LNG activity
- Favorable project performance



# FY'11 Full Year Outlook

- FY'11 overall... expecting a continued, gradual, global economic recovery
- WW manufacturing growth
  - Global 3% - 4%
  - US 3% - 4%
  - EU 1% - 2%
  - Asia 6% - 7%
- Silicon growth 5% - 10%
- Capex forecast ...
  - ~\$1.5B to \$1.7B

- **FY'10 Adjusted Diluted EPS \$5.02**
  - Merchant loading
  - Tonnage new projects/loading
  - E&E similar to last year
  - E&PM loading
  - Pension headwind
  - Tax rate about 25% - 26%
- **FY'11 EPS \$5.50-\$5.70**
  - **10% - 14% growth vs PY**

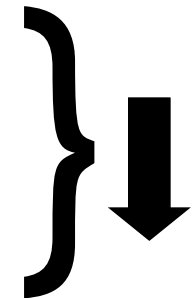
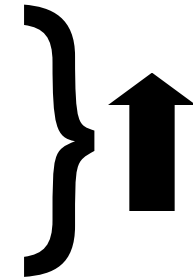


# FQ1 2011 Outlook

## FQ4 2010 EPS

**\$1.35**

- New plants on-stream
- Improving economy
- Favorable currency
  
- Seasonality
- Outage costs/lower volumes
- Higher pension expense



## FQ1 2011 EPS

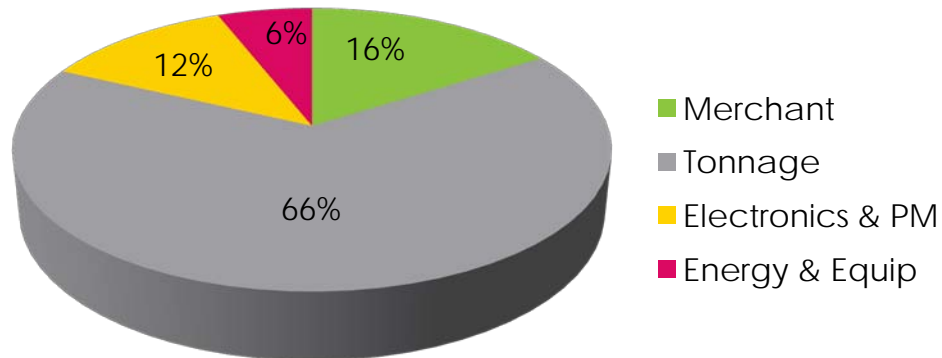
**\$1.31-\$1.35**

Comparison is non-GAAP, excludes acquisition-related costs



# Capital Spending Outlook

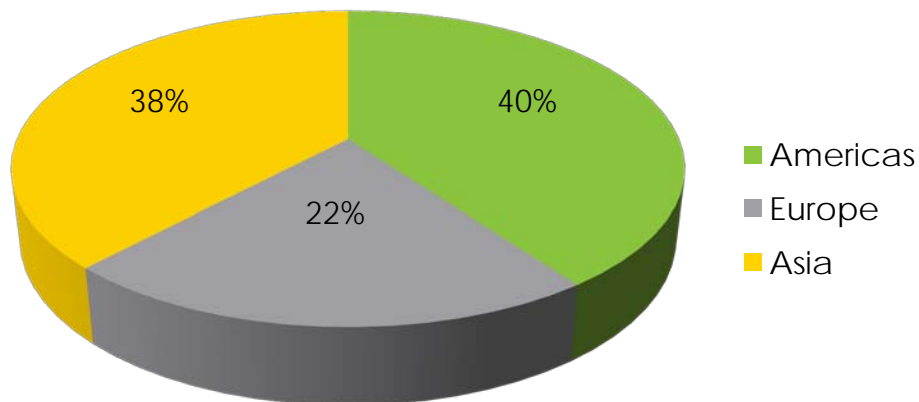
**FY11 Growth CapEx by Segment**



**FY11 Forecast**  
**\$1.5B-\$1.7B**

(excluding acquisitions)

**FY11 Growth CapEx by Region**





# Airgas Update

- October 15<sup>th</sup>, **2009**
  - Air Products ready to negotiate with Airgas to conclude a transaction

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- September 15<sup>th</sup>, 2010
  - Shareholders approve all three proxy proposals
  - Shareholders vote for new independent Board members
- September 20<sup>th</sup>, 2010
  - Airgas files suit
- October 8<sup>th</sup>, 2010
  - Delaware Chancery Court rules bylaws properly adopted, consistent with charter & Delaware law
- October 11<sup>th</sup>, 2010
  - Airgas appeals

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- January 18<sup>th</sup>, **2011**
  - Airgas Annual Meeting



# Appendix Slides

Q4 FY'10 Earnings



# Appendix: *FY2010 Sales Analysis*

<u>Change versus</u>	<u>FY2009</u>
Total Consolidated	9%
Comprised of:	
● Base business growth	8%
– Volume	9%
– Price	(1%)
● Energy/RM pass thru	-%
● Currency	1%



# Appendix: Q4 Sales Analysis

<u>Change versus</u>	<u>Q4 FY09</u>	<u>Q3 FY10</u>
Total Consolidated	10%	4%
Comprised of:		
● Base business growth	8%	3%
– Volume	8%	3%
– Price	-%	-%
● Energy/RM pass thru	4%	.5%
● Currency	(2%)	.5%



# Appendix: Q4 and Full Year FY10 Results

(\$ Millions, except per share data)

	GAAP Measure				Non GAAP Adjustments	Non GAAP Measure				
	Q410	Q409	\$ Change	% Change		Q410	Q409	\$ Change	% Change	
<b>Q410 vs. Q409 - Total Co.</b>					<b>Q410 (1)</b>					
Sales	2,351.2	2,129.3	221.9	10%		2,351.2	2,129.3	221.9	10%	
Operating Income	367.0	328.0	39.0	12%	34.7	401.7	328.0	73.7	22%	
Operating Margin	15.6%	15.4%		20bp		17.1%	15.4%		170bp	
Income From Continuing Ops *	272.1	246.0	26.1	11%	21.8	293.9	246.0	47.9	19%	
Diluted EPS - Continuing Ops *	\$1.25	\$1.14	\$0.11	10%	\$0.10	\$1.35	\$1.14	\$0.21	18%	
			\$	%				\$	%	
<b>Q410 vs. Q310 - Total Co.</b>					<b>Q410 (1)</b>	<b>Q310 (1)</b>				
Sales	2,351.2	2,252.3	98.9	4%			2,351.2	2,252.3	98.9	4%
Operating Income	367.0	336.4	30.6	9%	34.7	37.9	401.7	374.3	27.4	7%
Operating Margin	15.6%	14.9%		70bp			17.1%	16.6%		50bp
Income From Continuing Ops *	272.1	253.2	18.9	7%	21.8	23.7	293.9	276.9	17.0	6%
Diluted EPS - Continuing Ops *	\$1.25	\$1.17	\$0.08	7%	\$0.10	\$0.11	\$1.35	\$1.28	\$0.07	5%
			\$	%				\$	%	
<b>FY10 vs. FY09 - Total Co.</b>					<b>FY10 (1)</b>	<b>FY09 (2)</b>				
Sales	9,026.0	8,256.2	769.8	9%			9,026.0	8,256.2	769.8	9%
Operating Income	1,389.0	846.3	542.7	64%	96.0	338.3	1,485.0	1,184.6	300.4	25%
Operating Margin	15.4%	10.3%		510bp			16.5%	14.3%		220bp
Income From Continuing Ops *	1,029.1	639.9	389.2	61%	60.1	226.3	1,089.2	866.2	223.0	26%
Diluted EPS - Continuing Ops *	\$4.74	\$3.00	\$1.74	58%	\$0.28	\$1.06	\$5.02	\$4.06	\$0.96	24%

\* Attributable to Air Products

(1) Acquisition - related costs	Q210	Q310	Q410	Total FY10
Operating Income	23.4	37.9	34.7	96.0
Income From Cont. Ops.	14.6	23.7	21.8	60.1
EPS	\$0.07	\$0.11	\$0.10	\$0.28

(2) FY09 Non GAAP Adjustments	Operating Income			Income From Cont. Ops			EPS		
	Q109	Q309	Total FY09	Q109	Q309	Total FY09	Q109	Q309	Total FY09
Global Cost Reduction Plan	174.2	124.0	298.2	116.1	84.2	200.3	\$0.55	\$0.39	\$0.94
Pension Settlement		8.0	8.0		5.0	5.0		\$0.02	\$0.02
Customer Bankruptcy and Asset Actions	-	32.1	32.1	-	21.0	21.0	-	\$0.10	\$0.10
Total Adjustments	174.2	164.1	338.3	116.1	110.2	226.3	\$0.55	\$0.51	\$1.06



# Non GAAP Appendix: ROCE FY04 and FY08

\$ Millions Quarter Ended	FY04					FY08				
	<u>Q403</u>	<u>Q104</u>	<u>Q204</u>	<u>Q304</u>	<u>Q404</u>	<u>Q407</u>	<u>Q108</u>	<u>Q208</u>	<u>Q308</u>	<u>Q408</u>
<u>Numerator</u>										
Operating Income Reported		181.7	200.2	231.3	223.7		380.4	348.6	393.7	373.1
Equity Affiliate Income		<u>17.8</u>	<u>19.2</u>	<u>19.8</u>	<u>21.8</u>		<u>25.3</u>	<u>42.4</u>	<u>46.5</u>	<u>30.8</u>
Earnings before tax as reported		199.5	219.4	251.1	245.5		405.7	391.0	440.2	403.9
Pension Settlement Charge		0.0	0.0	0.0	0.0		0.0	26.3	0.0	0.0
Proforma Stock Option Expense		<u>(12.0)</u>	<u>(12.1)</u>	<u>(12.7)</u>	<u>(12.2)</u>		<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Earnings before tax ex items		187.5	207.3	238.4	233.3		405.7	417.3	440.2	403.9
Effective tax rate as reported		26.3%	27.7%	27.6%	25.2%		26.9%	25.3%	25.0%	23.3%
Earnings after tax as reported		147.0	158.6	181.8	183.6		296.6	292.1	330.2	309.8
Effective tax rate ex items		25.4%	27.0%	27.0%	24.5%		26.9%	26.1%	25.0%	23.3%
Earnings after tax ex items		139.9	151.3	174.0	176.1		296.6	308.4	330.2	309.8
4 Qtr trailing AT earnings (numerator) - as reported					671.0					1,228.7
4 Qtr trailing AT Earnings (numerator) - ex items					641.3					1,245.0
<u>Denominator</u>										
Total Debt	2,503.0	2,547.4	2,624.4	2,428.8	2,384.5	3,667.8	3,972.5	4,383.9	4,027.3	3,966.8
Air Products Shareholders' Equity	3,759.3	3,982.5	4,141.0	4,245.6	4,420.0	5,495.6	5,603.0	5,524.3	5,568.7	5,030.7
Noncontrolling Interest	<u>105.2</u>	<u>107.3</u>	<u>99.3</u>	<u>85.1</u>	<u>88.8</u>	<u>92.9</u>	<u>99.3</u>	<u>117.4</u>	<u>115.5</u>	<u>136.2</u>
Total Capital	6,367.5	6,637.2	6,864.7	6,759.5	6,893.3	9,256.3	9,674.8	10,025.6	9,711.5	9,133.7
5 Qtr Average Capital (denominator)					6,704.4					9,560.4
ROCE as rptd (4 Qtr trail AT earnings / 5 pt avg capital)					10.0%	12.9%				
<b>ROCE ex items (4 Qtr trail AT earnings/ 5 pt avg capital)</b>					<b>9.6%</b>	<b>13.0%</b>				



# Non GAAP Appendix:

## ROCE Tax Rate FY04 and FY08

	<u>Q104</u>	<u>Q204</u>	<u>Q304</u>	<u>Q404</u>	<u>Q108</u>	<u>Q208</u>	<u>Q308</u>	<u>Q408</u>
<u>Reported</u>								
Income from Cont. Ops. Bef. Tax	169.0	187.6	221.8	217.6	364.9	352.1	400.7	361.1
Noncontrolling Interest	(1.9)	(4.1)	(3.3)	(2.5)	(6.1)	(4.5)	(7.6)	(4.8)
Income from Cont. Ops. Before Tax, after Noncontrolling Interest	167.1	183.5	218.5	215.1	358.8	347.6	393.1	356.3
Tax Expense	43.9	50.8	60.4	54.3	96.5	87.8	98.1	82.9
Tax Rate Reported	26.3%	27.7%	27.6%	25.2%	26.9%	25.3%	25.0%	23.3%
<u>ITEMS</u>								
<u>Operating Income</u>								
Proforma Option Expense	(12.0)	(12.1)	(12.7)	(12.2)				
Pension Settlement Charge						26.3		
<u>Tax Exp</u>								
Proforma Option Expense	(4.5)	(4.5)	(4.8)	(4.6)				
Pension Settlement Charge						9.8		
<u>Ex Items</u>								
Income from Cont. Ops. Before Tax	155.1	171.4	205.8	202.9	358.8	373.9	393.1	356.3
Tax Expense	39.4	46.3	55.6	49.7	96.5	97.6	98.1	82.9
Tax Rate ex Items	25.4%	27.0%	27.0%	24.5%	26.9%	26.1%	25.0%	23.3%



## Non GAAP Appendix: *FY04 and FY08 Operating Margin*

(\$ Millions)

	<u>GAAP Measure</u>		<u>Non GAAP Ajusts.</u>		<u>Non GAAP Measure</u>	
	<u>FY04</u>	<u>FY08</u>	<u>FY04 (1)</u>	<u>FY08 (2)</u>	<u>FY04</u>	<u>FY08</u>
<u>FY04 and FY08 - Total Co.</u>						
Sales	6,163.2	10,414.5			6,163.2	10,414.5
Operating Income	836.9	1,495.8	(49.0)	26.3	787.9	1,522.1
Operating Margin	13.6%	14.4%			<b>12.8%</b>	<b>14.6%</b>

(1) Proforma Stock Option Expense

(2) Q208 Pension Settlement



## Non GAAP Appendix: *Operating Margin Trend*

(\$millions)	<u>Q109</u>	<u>Q209</u>	<u>Q309</u>	<u>Q409</u>	<u>Q110</u>	<u>Q210</u>	<u>Q310</u>	<u>Q410</u>
Sales	2,195.3	1,955.4	1,976.2	2,129.3	2,173.5	2,249.0	2,252.3	2,351.2
GAAP Operating Income	114.1	260.4	143.8	328.0	345.0	340.6	336.4	367.0
GAAP Operating Margin	5.2%	<b>13.3%</b>	7.3%	<b>15.4%</b>	<b>15.9%</b>	15.1%	14.9%	15.6%
<u>Non GAAP Adjustments</u>								
Global Cost Reduction Plan	174.2		124.0					
Pension Settlement			8.0					
Customer Bankruptcy and Asset Actions			32.1					
Acquisition - Related Costs						23.4	37.9	34.7
Non GAAP Operating Income	288.3		307.9			364.0	374.3	401.7
Non GAAP Operating Margin	<b>13.1%</b>		<b>15.6%</b>			<b>16.2%</b>	<b>16.6%</b>	<b>17.1%</b>





# Appendix: ROCE

\$ Millions Quarter Ended Numerator	Q108	Q208	Q308	Q408	Q109	Q209	Q309	Q409	Q110	Q210	Q310	Q410
Operating Income Reported		348.6	393.7	373.1	114.1	260.4	143.8	328.0	345.0	340.6	336.4	367.0
Equity Affiliate Income		<u>42.4</u>	<u>46.5</u>	<u>30.8</u>	<u>24.5</u>	<u>27.0</u>	<u>28.5</u>	<u>32.2</u>	<u>26.9</u>	<u>32.2</u>	<u>32.5</u>	<u>35.3</u>
Earnings before tax as reported		391.0	440.2	403.9	138.6	287.4	172.3	360.2	371.9	372.8	368.9	402.3
Global Cost Reduction Plan		0.0	0.0	0.0	174.2	0.0	124.0	0.0	0.0	0.0	0.0	0.0
Pension Settlement Charge		26.3	0.0	0.0	0.0	0.0	8.0	0.0	0.0	0.0	0.0	0.0
Customer Bankruptcy and Asset Actions		0.0	0.0	0.0	0.0	0.0	32.1	0.0	0.0	0.0	0.0	0.0
Acquisition - Related Costs		<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>23.4</u>	<u>37.9</u>	<u>34.7</u>
Earnings before tax ex items		417.3	440.2	403.9	312.8	287.4	336.4	360.2	371.9	396.2	406.8	437.0
Effective tax rate as reported		25.3%	25.0%	23.3%	7.3%	26.0%	18.1%	26.0%	24.9%	25.2%	23.5%	25.6%
Earnings after tax as reported		292.1	330.2	309.8	128.5	212.7	141.1	266.5	279.3	278.9	282.2	299.3
Effective tax rate ex items		26.1%	25.0%	23.3%	24.0%	26.0%	26.1%	26.0%	24.9%	26.0%	24.9%	26.6%
Earnings after tax ex items		308.4	330.2	309.8	237.7	212.7	248.6	266.5	279.3	293.2	305.5	320.8
4 Qtr trailing AT earnings (numerator) - as reported					1,060.6	981.2	792.1	748.8	899.6	965.8	1,106.9	1,139.7
4 Qtr trailing AT Earnings (numerator) - ex items					1,186.1	1,090.4	1,008.8	965.5	1,007.1	1,087.6	1,144.5	1,198.8
<b>Denominator</b>												
Total Debt	3,972.5	4,383.9	4,027.3	3,966.8	4,169.2	4,102.4	4,145.2	4,501.5	4,418.7	4,343.4	4,188.0	4,128.3
Air Products Shareholders' Equity	5,603.0	5,524.3	5,568.7	5,030.7	4,726.1	4,638.1	4,928.3	4,791.9	5,033.9	5,265.6	5,231.4	5,547.2
Noncontrolling Interest	99.3	117.4	115.5	136.2	137.9	126.7	134.6	138.1	150.2	152.7	140.5	150.7
Total Capital	9,674.8	10,025.6	9,711.5	9,133.7	9,033.2	8,867.2	9,208.1	9,431.5	9,602.8	9,761.7	9,559.9	9,826.2
5 Qtr Average Capital (denominator)					9,515.8	9,354.2	9,190.7	9,134.7	9,228.6	9,374.3	9,512.8	9,636.4
ROCE as rptd (4 Qtr trail AT earnings / 5 pt avg capital)					11.1%	10.5%	8.6%	8.2%	9.7%	10.3%	11.6%	11.8%
ROCE ex items (4 Qtr trail AT earnings / 5 pt avg capital)					12.5%	11.7%	11.0%	10.6%	10.9%	11.6%	12.0%	12.4%
Instantaneous ROCE ex items (Qtr earnings AT x 4) / 2 pt avg capital)					10.5%	9.5%	11.0%	11.4%	11.7%	12.1%	12.6%	13.2%



## Appendix: ROCE Tax Rate

	Q208	Q308	Q408	Q109	Q209	Q309	Q409	Q110	Q210	Q310	Q410
<b>Reported</b>											
Income from Cont. Ops. Bef. Tax	352.1	400.7	361.1	102.1	257.4	144.8	332.3	340.3	343.3	338.9	371.5
Noncontrolling Interest	(4.5)	(7.6)	(4.8)	(5.0)	(1.6)	(4.8)	-	(5.0)	(6.4)	(8.1)	(5.9)
Income from Cont. Ops. Before Tax, after Noncontrolling Interest	347.6	393.1	356.3	97.1	255.8	140.0	332.3	335.3	336.9	330.8	365.6
Tax Expense	87.8	98.1	82.9	7.1	66.5	25.4	86.3	83.5	84.9	77.6	93.5
<b>Tax Rate Reported</b>	<b>25.3%</b>	<b>25.0%</b>	<b>23.3%</b>	<b>7.3%</b>	<b>26.0%</b>	<b>18.1%</b>	<b>26.0%</b>	<b>24.9%</b>	<b>25.2%</b>	<b>23.5%</b>	<b>25.6%</b>
<b>ITEMS</b>											
<b>Operating Income</b>											
Global Cost Reduction Plan				174.2		124.0					
Pension Settlement Charge	26.3					8.0					
Customer Bankruptcy and Asset Actions Acquisition - related costs						32.1			23.4	37.9	34.7
<b>Tax Exp</b>											
Global Cost Reduction Plan				58.1		39.8					
Supp. Pension Plan Charge	9.8					3.0					
Tax adjustments											
Customer Bankruptcy and Asset Actions Acquisition - related costs						11.1			8.8	14.2	12.9
<b>Ex Items</b>											
Income from Cont. Ops. Before Tax	373.9	393.1	356.3	271.3	255.8	304.1	332.3	335.3	360.3	368.7	400.3
Tax Expense	97.6	98.1	82.9	65.2	66.5	79.3	86.3	83.5	93.7	91.8	106.4
<b>Tax Rate ex Items</b>	<b>26.1%</b>	<b>25.0%</b>	<b>23.3%</b>	<b>24.0%</b>	<b>26.0%</b>	<b>26.1%</b>	<b>26.0%</b>	<b>24.9%</b>	<b>26.0%</b>	<b>24.9%</b>	<b>26.6%</b>



## Appendix: FY11 *Guidance*

	<b>Diluted EPS</b>
	<b><u>Continuing Ops</u></b>
<b>FY10 GAAP</b>	<b>\$4.74</b>
<b>FY10 Acquisition - Related Costs</b>	<b><u>\$0.28</u></b>
<b>FY10 Non GAAP</b>	<b>\$5.02</b>
<b>FY11 Guidance (1)</b>	<b>\$5.50-\$5.70</b>
<b>% Change GAAP</b>	<b>16%<del>σ</del>20%</b>
<b>% Change Non GAAP</b>	<b>10%<del>σ</del>14%</b>

**(1) Excludes acquisition - related costs**



Thank you

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