

Moving forward



Create Shareholder Value

Q4 FY'15

Earnings Conference Call

October 29, 2015



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 of 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, global or regional economic conditions and supply and demand dynamics in market segments into which the Company sells; 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; the impact of competitive products and pricing; challenges of implementing new technologies; 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 cost reduction 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, 2014. The Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this release 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 – Fiscal Year

	FY14	FY15	Change
Employee Lost Time Injury Rate	0.24	0.20	17% Better
Employee Recordable Injury Rate	0.58	0.49	16% 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

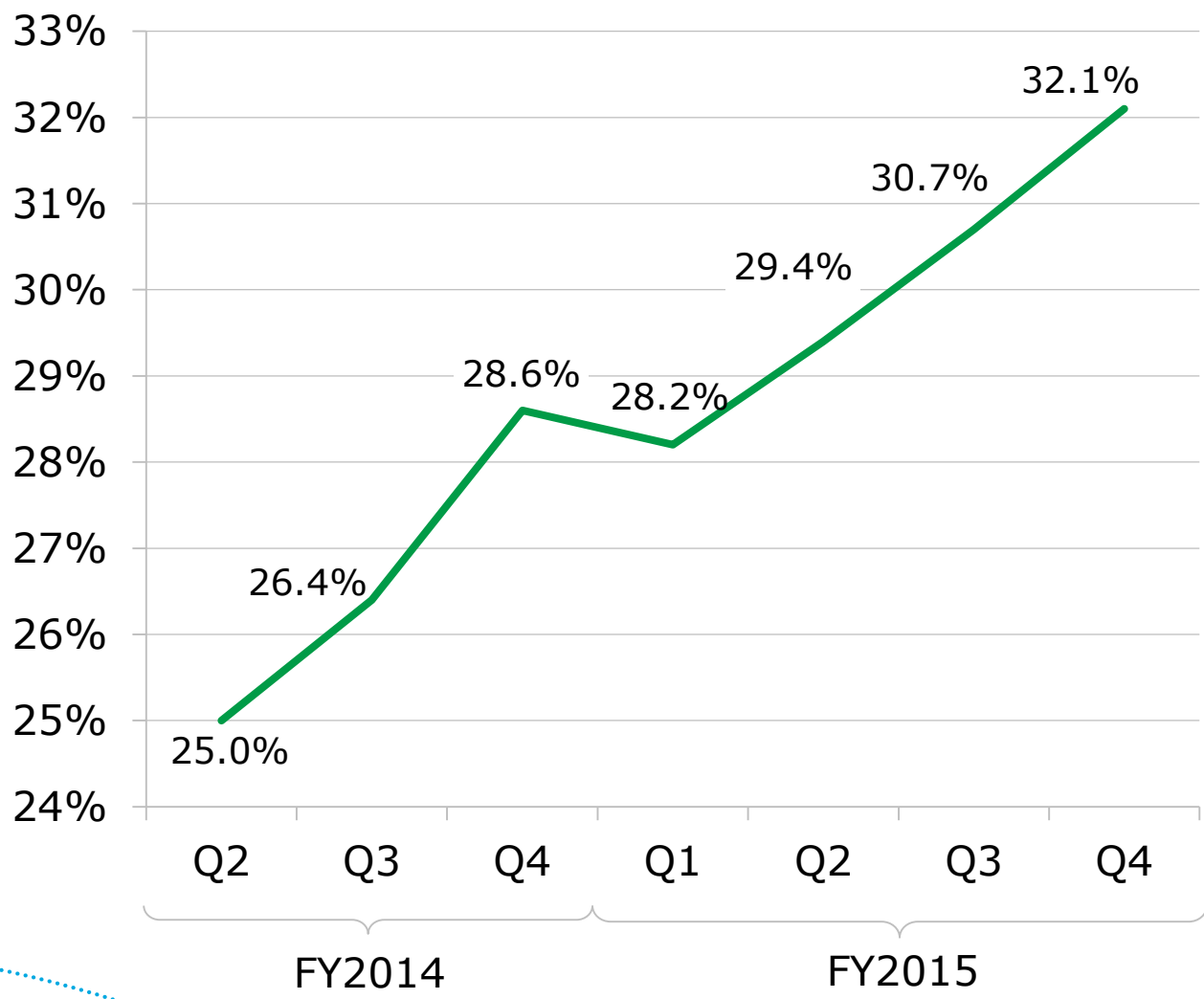
5 point plan summary

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	
				

Fiscal Year Summary

	FY14	FY15	Change
Sales \$billions	\$10.4	\$9.9	(5%)
EBITDA \$billions	\$2.8	\$3.0	+8%
EBITDA % margin	26.5%	30.1%	+360bp
Free Cash Flow \$millions	(\$34)	\$51	+\$85
EPS \$/share	\$5.78	\$6.57	+14%
ROCE	9.8%	11.3%	+150bp

EBITDA Margin Trend



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

Fiscal Year Cash Flow Focus

(\$ million)	FY14	FY15	Change
EBITDA	\$2,765	\$2,975	\$210
Interest	(125)	(104)	21
Cash Tax	(161)	(393)	(232)
Maintenance Capex	<u>(311)</u>	<u>(250)</u>	<u>61</u>
Distributable Cash Flow	\$2,168	\$2,229	\$61
<i>DCF (\$/share)</i>	<i>\$10.07</i>	<i>\$10.26</i>	
Growth Capex	(1,574)	(1,500)	74
Dividends	(628)	(678)	(50)
Free Cash Flow	(\$34)	\$51	\$85

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

- Announced intent to spin Materials Technologies
- Major projects onstream in China
 - PCEC, Zhengyuan and Yankuang
 - Over 20,000 tpd of oxygen
- Major project wins
 - Saudi Aramco, Jazan
 - Electronics, Korea
 - Big River Steel, US
 - Pallas, TX
 - Baytown, Texas
- 75th anniversary



Fiscal Year Results

(\$ million)	FY14	FY15	Delta
Sales	\$10,439	\$9,895	(5%)
- Volume			2%
- Price			1%
- Energy/Raw Mat'l pass-thru			(3%)
- Currency			(5%)
EBITDA	2,765	2,975	8%
- <i>EBITDA Margin</i>	<i>26.5%</i>	<i>30.1%</i>	<i>360bp</i>
Operating Income	1,657	1,884	14%
- <i>Operating Margin</i>	<i>15.9%</i>	<i>19.0%</i>	<i>310bp</i>
Net Income	1,243	1,427	15%
Diluted EPS (\$/share)	\$5.78	\$6.57	14%
ROCE	9.8%	11.3%	150bp

- Delivered operating leverage on higher volumes, prices and productivity despite currency headwinds
- Operating Margin up 270bp excluding the impact of lower energy pass-thru

Fiscal Year EPS Analysis

	FY14	FY15	Change
As reported cont ops EPS	\$4.59	\$5.88	
less non-GAAP items	<u>(1.19)</u>	<u>(0.69)</u>	
Non-GAAP cont ops EPS	\$5.78	\$6.57	\$0.79
Volume			0.50
Price / raw materials			0.37
Cost			0.33
			\$1.20
Currency/FX			(0.41)
Higher equity affiliate income			0.01
Lower interest expense			0.08
Effective tax rate			(0.01)
Higher Noncontrolling Interest			(0.02)
Higher shares outstanding			(0.06)
Change			<u>\$0.79</u>

Q4 Results

(\$ million)	Q4 FY15	Fav/(Unfav) vs.	
		Q4 FY14	Q3 FY15
Sales	\$2,449	(9%)	(1%)
- Volume		-%	-%
- Price		1%	-%
- Energy/Raw Mat'l pass-thru		(3%)	-%
- Currency		(7%)	(1%)
EBITDA	\$785	2%	4%
- <i>EBITDA Margin</i>	<i>32.1%</i>	<i>350bp</i>	<i>140bp</i>
Operating Income	\$515	9%	7%
- <i>Operating Margin</i>	<i>21.0%</i>	<i>340bp</i>	<i>150bp</i>
Net Income	\$397	11%	11%
Diluted EPS (\$/share)	\$1.82	10%	10%
ROCE (quarter)	12.4%	140bp	100bp

- Operating Margin up 300bp excluding the impact of lower energy pass-thru

Q4 Cash Flow Focus

(\$ million)	Q4 FY14	Q4 FY15	Change
EBITDA	\$767	\$785	\$18
Interest	(29)	(23)	6
Cash Tax	(42)	(131)	(89)
Maintenance Capex	(59)	(62)	(3)
Distributable Cash Flow	\$636	\$570	(\$66)
Growth Capex	(406)	(355)	51
Dividends	(164)	(174)	(10)
Free Cash Flow	\$66	\$40	(\$26)

- Higher EBITDA and reduced growth capex, offset by higher cash taxes

Q4 EPS Analysis

	Q4 FY14	Q4 FY15	Change
As reported cont ops EPS	\$0.47	\$1.58	
less non-GAAP items	<u>(1.19)</u>	<u>(0.24)</u>	
Non-GAAP cont ops EPS	\$1.66	\$1.82	\$0.16
Volume			0.02
Price / raw materials			0.12
Cost			0.16
			\$0.30
Currency/FX			(0.16)
Lower equity affiliate income			(0.01)
Lower interest expense			0.02
Lower tax rate			0.01
Lower non-controlling interest			0.01
Higher shares outstanding			(0.01)
Change			<u>\$0.16</u>

Regional Industrial Gases EBITDA Margin

	FY14	FY15	Delta
Gases Americas	30.4%	34.9%	450bp
Gases EMEA	28.6%	30.4%	180bp
Gases Asia	36.3%	38.4%	210bp

- Successfully implemented a decentralized and entrepreneurial organization
- Repositioned our cost structure
- Changed incentive compensation system to promote focused and energized culture

Gases Americas

	Q4 FY15	Fav/(Unfav) vs.	
		Q4 FY14	Q3 FY15
Sales	\$902	(13%)	-%
- Volume		(2%)	1%
- Price		2%	-%
- Energy/Raw Mat'l pass-thru		(9%)	1%
- Currency		(4%)	(2%)
EBITDA	\$330	(3%)	1%
- <i>EBITDA Margin</i>	<i>36.6%</i>	<i>370bp</i>	<i>10bp</i>
Operating Income	\$209	(5%)	1%
- <i>Operating Margin</i>	<i>23.1%</i>	<i>190bp</i>	<i>10bp</i>

- Weaker activity in Latin America, steel, helium and OFS
- Refinery operating rates and hydrogen demand remain high
- Restructuring benefits, pricing and lower maintenance drive significant margin improvement

Gases EMEA

	Q4 FY15	Fav/(Unfav) vs.	
		Q4 FY14	Q3 FY15
Sales	\$460	(12%)	1%
- Volume		1%	1%
- Price		1%	1%
- Energy/Raw Mat'l pass-thru		-%	(1%)
- Currency		(14%)	-%
EBITDA	\$151	(5%)	3%
- <i>EBITDA Margin</i>	<i>32.9%</i>	<i>220bp</i>	<i>70bp</i>
Operating Income	\$91	(2%)	4%
- <i>Operating Margin</i>	<i>19.7%</i>	<i>190bp</i>	<i>50bp</i>

- Restructuring benefits drive record EBITDA and operating margins
- Modest price and volume growth in a difficult economy
- Operating Income up 11% on constant currency basis

Gases Asia

	Q4 FY15	Fav/(Unfav) vs.	
		Q4 FY14	Q3 FY15
Sales	\$428	7%	3%
- Volume		15%	7%
- Price		(2%)	(1%)
- Energy/Raw Mat'l pass-thru		1%	-%
- Currency		(7%)	(3%)
EBITDA	\$165	17%	-%
- EBITDA Margin	38.5%	330bp	(110bp)
Operating Income	\$104	44%	3%
- Operating Margin	24.4%	620bp	20bp

- Strong volume growth from new plants and modest merchant volume growth
- Continued industry liquid over capacity in China
- Underlying profit growth driven by cost results, enhanced by catchup payments

Materials Technologies Quarter

	Q4 FY15	Fav/(Unfav) vs.	
		Q4 FY14	Q3 FY15
Sales	\$490	(13%)	(9%)
- Volume		(11%)	(8%)
- Price		2%	(1%)
- Currency		(4%)	(-%)
EBITDA	\$140	(8%)	(10%)
- EBITDA Margin	28.5%	130bp	(10bp)
Operating Income	\$116	(6%)	(11%)
- Operating Margin	23.8%	160bp	(60bp)
Electronic Materials sales*		(9%)	(10%)
Performance Materials sales*		(8%)	(7%)

- Electronics sales impacted by lower Delivery Systems, up 15%* vs prior year ex-Delivery Systems
- Performance Materials volumes weaker across products and markets
- Pricing and cost reduction actions driving margin expansion

*Excluding currency impact.
Based on continuing ops, non-GAAP measures, see appendix for reconciliation

Materials Technologies Fiscal Year

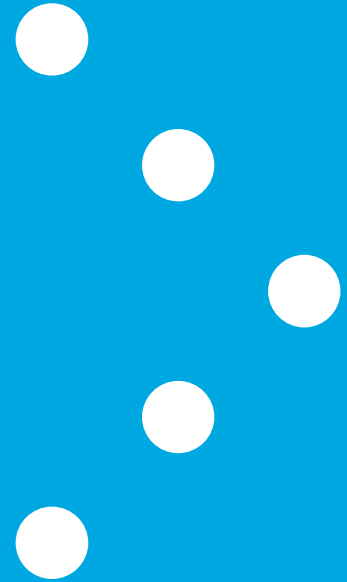
	FY14	FY15	Delta
Sales	\$2,065	\$2,087	1%
- Volume			3%
- Price			2%
- Currency			(4%)
EBITDA	\$481	\$572	19%
- <i>EBITDA Margin</i>	<i>23.3%</i>	<i>27.4%</i>	<i>410bp</i>
Operating Income	\$379	\$477	26%
- <i>Operating Margin</i>	<i>18.4%</i>	<i>22.8%</i>	<i>440bp</i>
Electronic Materials sales*			10%
Performance Materials sales*			-%

- Intend to spin-off MT before September 2016
- Price and cost focus driving profit improvement

Outlook

FY2016 Q1 EPS	\$1.65 - \$1.75
FY2016 EPS	\$7.25 - \$7.50
Capital Spending	\$1.5 - \$1.6 billion

Appendix Slides



Gases - Global

	Q4 FY15	Fav/(Unfav) vs.	
		Q4 FY14	Q3 FY15
Sales	\$89	\$-	\$18
EBITDA	\$-	\$12	\$20
Operating Income	(\$2)	\$16	\$22

- Overall sales steady with different business mix
- Positive project performance and closeouts plus cost reductions driving profit improvement

Corporate and other

	Q4 FY15	Fav/(Unfav) vs.	
		Q4 FY14	Q3 FY15
Sales	\$79	\$11	(\$9)
EBITDA	\$2	\$15	\$16
Operating Income	(\$2)	\$15	\$16

- LNG sales higher vs prior year
- Profit improvement on higher LNG sales and restructuring benefits

Major Projects

Plant	Location	Capacity	Timing	Market
ONSTREAM (last five quarters)				
ASU/Liquid	PCEC, Weinan, China	8,200 TPD O2	Onstream	Gasif to Chemicals
ASU/Liquid	Zhengyuan, Hebei, China	2,000 TPD O2	Onstream	Gasif to Fertilizer
Helium	Colorado	230 MMSCFY	Onstream	Merchant Helium
ASU	Yankuang, Yulin, China	12,000 TPD O2	Partial Onstream*	Gasif to CTL
IG + MT BACKLOG - \$2.4 billion - over 85% secure onsite/pipeline business model				
H2	Scotford, Canada	150 MMSCFD H2	Q2FY16	Refinery (Pipeline)
ASU	Lu'An, Changzhi City, China	10,000 TPD O2	2HFY16*	Gasif to CTL
H2/ASU	BPCL, India	165 MMSCFD H2	2HFY16	Refinery / Chems
ASU/Liquid	Big River Steel, Arkansas	World Scale	2HFY16	Steel
ASU/H2/Liq.	Pyeongtaek, Korea	World Scale	FY17	Electronics
H2/CO	Baytown, Texas	125 MMSCFD H2 plus CO	2018	Pipeline
ENERGY FROM WASTE				
EfW	Tees Valley 1, UK	50MW	FY16	Energy
EfW	Tees Valley 2, UK	50MW	FY16	Energy
JAZAN				
ASU = SOE + 25% EAJV	Saudi Aramco, Jazan	75,000 TPD O2/N2	2018	Refinery

* Multiple Phases

Capital Expenditure*

FY	\$MM
2016 Forecast	\$1.5 - \$1.6 billion
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.

2012 excludes \$0.7B for Indura equity

2015 excludes \$0.3B for Indura equity

2007 - 2010 includes European Homecare Services

Air Products EPS

	FY11	FY12	FY13	FY14	FY15	FY16
Q1	\$1.25	\$1.26	\$1.30	\$1.34	\$1.55	\$1.65-\$1.75
Q2	\$1.33	\$1.31	\$1.37	\$1.32	\$1.55	
Q3	\$1.37	\$1.41	\$1.36	\$1.46	\$1.65	
Q4	\$1.41	\$1.42	\$1.47	\$1.66	\$1.82	
FY	\$5.36	\$5.40	\$5.50	\$5.78	\$6.57	\$7.25-\$7.50

Q4 Non-GAAP items

	Op Income \$MM	Pretax \$MM	Net Income \$MM	EPS \$/share
Restructuring costs	\$61.7	\$61.7	\$54.5	\$0.25
Pension settlements	7.0	7.0	4.8	0.02
Gain on land sales (OIE)	(33.6)	(33.6)	(28.3)	(0.13)
Business separation costs	7.5	7.5	7.5	0.03
Loss on debt retirement	--	<u>16.6</u>	<u>14.2</u>	<u>0.07</u>
	\$42.6	\$59.2	\$52.7	\$0.24

Positive numbers of this slide represent losses.
Based on continuing ops, non-GAAP measures,
see appendix for reconciliation

Appendix: Q415 and Full Year Results

(\$ Millions, except per share data)



	GAAP Measure				Non GAAP Adjus.		Non GAAP Measure			
	Q415	Q414	\$ Change	% Change	Q415 (2)	Q414 (3)	Q415	Q414	\$ Change	% Change
Q415 vs. Q414 - Total Company										
Sales	2,449.4	2,677.0	(227.6)	(9%)			2,449.4	2,677.0	(227.6)	(9%)
Operating Income	472.2	144.1	328.1	228%	42.6	328.3	514.8	472.4	42.4	9%
Operating Margin	19.3%	5.4%		1,390bp			21.0%	17.6%		340bp
Income from Cont. Ops. (1)	344.5	102.5	242.0	236%	52.7	255.9	397.2	358.4	38.8	11%
Diluted EPS - Cont. Ops. (1)	\$1.58	\$0.47	\$1.11	236%	0.24	1.19	\$1.82	\$1.66	\$0.16	10%
Q415 vs. Q315 - Total Company										
Sales	2,449.4	2,470.2	(20.8)	(1%)			2,449.4	2,470.2	(20.8)	(1%)
Operating Income	472.2	422.5	49.7	12%	42.6	59.8	514.8	482.3	32.5	7%
Operating Margin	19.3%	17.1%		220bp			21.0%	19.5%		150bp
Income from Cont. Ops. (1)	344.5	318.8	25.7	8%	52.7	39.8	397.2	358.6	38.6	11%
Diluted EPS - Cont. Ops. (1)	\$1.58	\$1.47	\$0.11	7%	0.24	0.18	\$1.82	\$1.65	\$0.17	10%
FY15 vs. FY14 - Total Company										
Sales	9,894.9	10,439.0	(544.1)	(5%)			9,894.9	10,439.0	(544.1)	(5%)
Operating Income	1,699.1	1,328.2	370.9	28%	184.9	328.3	1,884.0	1,656.5	227.5	14%
Operating Margin	17.2%	12.7%		450bp			19.0%	15.9%		310bp
Income from Cont. Ops. (1)	1,277.9	987.1	290.8	29%	149.1	255.9	1,427.0	1,243.0	184.0	15%
Diluted EPS - Cont. Ops. (1)	\$5.88	\$4.59	\$1.29	28%	0.69	1.19	\$6.57	\$5.78	\$0.79	14%
Q415 vs Q414 - Industrial Gases - EMEA - Constant Currency Basis										
Operating Income	90.8	92.8	(2.0)	(2%)	12.1		102.9	92.8	10.1	11%

(1) Attributable to Air Products
(2) FY15 Non GAAP Adjustments

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

(3) FY14 Non GAAP Adjustments

	Q414		
	Operating Income	Inc. From Cont. Ops	EPS
Business restructuring/cost reduction actions	12.7	8.2	0.04
Goodwill and intangible impairment	310.1	275.1	1.27
Pension settlement loss	5.5	3.6	0.02
Income tax items	-	(31.0)	(0.14)
Total FY14 Adjustments	328.3	255.9	1.19

(4) Currency Adjustment

Appendix: Adjusted EBITDA Trend

\$ Millions	Q114	Q214	Q314	Q414	FY14	Q115	Q215	Q315	Q415	FY15	Q415 vs PY		Q415 vs PQ		FY15 vs FY14		
											\$	%	\$	%	\$	%	
Income From Continuing Operations	296.0	291.5	323.5	77.5	988.5	337.5	296.9	333.2	350.0	1,317.6							
Add: Interest expense	33.3	31.5	31.3	29.0	125.1	29.1	23.4	28.2	22.8	103.5							
Add: Income tax provision	94.5	92.1	102.1	77.3	366.0	106.5	87.1	103.5	118.8	415.9							
Add: Depreciation and amortization	234.2	229.1	239.0	254.6	956.9	235.5	233.3	233.0	234.6	936.4							
Add Non GAAP pre-tax adjustments	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>328.3</u> (1)	<u>328.3</u>	<u>14.5</u> (2)	<u>68.0</u> (2)	<u>59.8</u> (2)	<u>59.2</u> (2)	<u>201.5</u>							
Adjusted EBITDA	658.0	644.2	695.9	766.7	2,764.8	723.1	708.7	757.7	785.4	2,974.9	18.7	2%	27.7	4%	210.1	8%	
Sales	2,545.5	2,581.9	2,634.6	2,677.0	10,439.0	2,560.8	2,414.5	2,470.2	2,449.4	9,894.9							
Adjusted EBITDA Margin	25.8%	25.0%	26.4%	28.6%	26.5%	28.2%	29.4%	30.7%	32.1%	30.1%			350bp		140bp		360bp

(1) Q414 Non GAAP Pre-Tax Adjustments

	Q414
Business restructuring/cost reduction actions	12.7
Goodwill and intangible impairment	310.1
Pension settlement loss	5.5
Total Q414 adjustments	<u>328.3</u>

(2) FY15 Non GAAP Pre-Tax Adjustments

	Q115	Q215	Q315	Q415	FY15
Business restructuring/cost reduction actions	32.4	55.4	58.2	61.7	207.7
Pension Settlement Loss	0.0	12.6	1.6	7.0	21.2
Gain on previously held equity investment	(17.9)	0.0	0.0	0.0	(17.9)
Business separation costs	0.0	0.0	0.0	7.5	7.5
Gain on land sales	0.0	0.0	0.0	(33.6)	(33.6)
Loss on early retirement of debt	0.0	0.0	0.0	16.6	16.6
FY15 adjustments	<u>14.5</u>	<u>68.0</u>	<u>59.8</u>	<u>59.2</u>	<u>201.5</u>

Appendix: Adjusted EBITDA by Segment

\$ Millions	Q114	Q214	Q314	Q414	FY14	Q115	Q215	Q315	Q415	FY15	Q415 vs PY		Q415 vs PQ		FY15 vs FY14		
											\$	%	\$	%	\$	%	
Gases - Americas																	
Operating Income	184.5	169.6	188.9	219.6	762.6	211.2	182.0	206.5	208.7	808.4							
Add: Depreciation and amortization	104.0	99.4	105.6	105.4	414.4	103.6	103.3	103.9	106.1	416.9							
Add Equity Affiliates' Income	17.6	12.6	14.7	16.0	60.9	17.2	15.1	17.3	15.0	64.6							
Adjusted EBITDA	306.1	281.6	309.2	341.0	1,237.9	332.0	300.4	327.7	329.8	1,289.9	(11.2)	(3%)	2.1	1%	52.0	4%	
Adjusted EBITDA Margin	32.4%	27.3%	29.1%	32.9%	30.4%	33.1%	33.7%	36.5%	36.6%	34.9%		370bp		10bp		450bp	
Gases - EMEA																	
Operating Income	85.2	87.5	85.7	92.8	351.2	81.3	71.0	87.6	90.8	330.7							
Add: Depreciation and amortization	54.9	55.0	54.9	55.4	220.2	51.1	47.6	47.0	48.6	194.3							
Add Equity Affiliates' Income	9.7	9.3	13.5	11.6	44.1	10.3	8.0	12.1	12.0	42.4							
Adjusted EBITDA	149.8	151.8	154.1	159.8	615.5	142.7	126.6	146.7	151.4	567.4	(8.4)	(5%)	4.7	3%	(48.1)	-8%	
Adjusted EBITDA Margin	27.2%	28.0%	28.7%	30.7%	28.6%	28.5%	28.2%	32.2%	32.9%	30.4%		220bp		70bp		180bp	
Gases - Asia																	
Operating Income	82.7	71.2	83.8	72.7	310.4	90.5	84.7	100.9	104.4	380.5							
Add: Depreciation and amortization	46.4	48.1	50.0	60.8	205.3	49.6	50.3	51.9	51.1	202.9							
Add Equity Affiliates' Income	9.6	7.6	13.4	7.4	38.0	14.6	9.4	12.7	9.4	46.1							
Adjusted EBITDA	138.7	126.9	147.2	140.9	553.7	154.7	144.4	165.5	164.9	629.5	24.0	17%	(0.6)	(0%)	75.8	14%	
Adjusted EBITDA Margin	35.1%	34.7%	40.2%	35.2%	36.3%	38.8%	36.7%	39.6%	38.5%	38.4%		330bp		(110)bp		210bp	
Gases - Global																	
Operating Income	(10.3)	(14.6)	(14.4)	(18.0)	(57.3)	(17.9)	(7.9)	(24.1)	(1.7)	(51.6)							
Add: Depreciation and amortization	1.7	1.6	1.7	2.1	7.1	4.3	5.5	4.2	2.5	16.5							
Add Equity Affiliates' Income	0.7	0.3	0.7	4.1	5.8	0.4	(0.2)	0.0	(1.0)	(0.8)							
Adjusted EBITDA	(7.9)	(12.7)	(12.0)	(11.8)	(44.4)	(13.2)	(2.6)	(19.9)	(0.2)	(35.9)	11.6		19.7		8.5		
Materials Technologies																	
Operating Income	64.3	93.8	96.6	124.3	379.0	104.6	124.2	131.5	116.4	476.7							
Add: Depreciation and amortization	24.5	22.7	24.5	27.4	99.1	24.0	23.3	22.7	22.8	92.8							
Add Equity Affiliates' Income	0.6	0.6	0.8	0.6	2.6	0.6	0.7	0.3	0.6	2.2							
Adjusted EBITDA	89.4	117.1	121.9	152.3	480.7	129.2	148.2	154.5	139.8	571.7	(12.5)	(8%)	(14.7)	(10%)	91.0	19%	
Adjusted EBITDA Margin	18.6%	23.4%	23.2%	27.2%	23.3%	24.7%	27.8%	28.6%	28.5%	27.4%		130bp		(10)bp		410bp	
Corporate/Other																	
Operating Income	(17.9)	(19.3)	(23.6)	(16.2)	(77.0)	(22.7)	(8.8)	(17.6)	(1.5)	(50.6)							
Add: Depreciation and amortization	2.7	2.3	2.3	3.5	10.8	2.9	3.3	3.3	3.5	13.0							
Add Equity Affiliates' Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0							
Adjusted EBITDA	(15.2)	(17.0)	(21.3)	(12.7)	(66.2)	(19.8)	(5.5)	(14.3)	2.0	(37.6)	14.7		16.3		28.6		

Appendix: ROCE



\$ Millions Quarter Ended	Q113	Q213	Q313	Q413	Q114	Q214	Q314	Q414	Q115	Q215	Q315	Q415
Numerator												
Operating Income Reported		389.7	383.1	179.2	385.6	384.7	413.8	144.1	430.0	374.4	422.5	472.2
Equity Affiliate Income		39.8	44.2	42.4	38.2	30.4	43.1	39.7	43.1	33.0	42.4	36.0
Earnings before tax as reported		429.5	427.3	221.6	423.8	415.1	456.9	183.8	473.1	407.4	464.9	508.2
Cost Reduction / Restructuring Charge		0.0	0.0	231.6	0.0	0.0	0.0	12.7	32.4	55.4	58.2	61.7
Gain on previously held equity interest		0.0	0.0	0.0	0.0	0.0	0.0	0.0	(17.9)	0.0	0.0	0.0
Advisory Costs		0.0	0.0	10.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pension Settlement Loss		0.0	0.0	0.0	0.0	0.0	0.0	5.5	0.0	12.6	1.6	7.0
Goodwill and intangible impairment		0.0	0.0	0.0	0.0	0.0	0.0	310.1	0.0	0.0	0.0	0.0
Business separation costs		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.5
Gain on land sales		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(33.6)
Earnings before tax ex items		429.5	427.3	463.3	423.8	415.1	456.9	512.1	487.6	475.4	524.7	550.8
Effective tax rate as reported		24.3%	24.0%	13.9%	24.2%	24.0%	24.0%	49.9%	24.0%	22.7%	23.7%	25.3%
Earnings after tax as reported		325.1	324.7	190.8	321.2	315.5	347.2	92.1	359.6	314.9	354.7	379.6
Effective tax rate ex items		24.3%	24.0%	24.1%	24.2%	24.0%	24.0%	24.0%	24.1%	24.1%	24.9%	23.7%
Earnings after tax ex items		325.1	324.7	351.6	321.2	315.5	347.2	389.2	370.1	360.8	394.0	420.3
4 Qtr trailing AT earnings (numerator) - as reported					1,161.8	1,152.2	1,174.7	1,076.0	1,114.4	1,113.8	1,121.3	1,408.8
4 Qtr trailing AT Earnings (numerator) - ex items					1,322.6	1,313.0	1,335.5	1,373.1	1,422.0	1,467.3	1,514.1	1,545.2
Denominator												
Total Debt	6,035.7	5,981.2	6,130.3	6,273.6	6,168.3	6,167.1	6,136.0	6,118.5	6,089.0	5,930.2	5,863.2	5,879.0
Air Products Shareholders' Equity	6,299.3	6,365.5	6,540.8	7,042.1	7,264.0	7,370.9	7,696.7	7,365.8	7,351.5	7,332.5	7,586.0	7,249.0
Redeemable Noncontrolling Interest	390.7	398.7	371.8	375.8	358.7	343.6	341.4	287.2	288.7	280.0	277.9	-
Noncontrolling Interest	151.9	151.9	150.6	156.8	158.7	156.9	159.5	155.6	151.8	143.8	145.3	132.1
Total Capital	12,877.6	12,897.3	13,193.5	13,848.3	13,949.7	14,038.5	14,333.6	13,927.1	13,881.0	13,686.5	13,872.4	13,260.1
2 Qtr Average Capital (denominator)					13,899.0	13,994.1	14,186.1	14,130.4	13,904.1	13,783.8	13,779.5	13,566.3
5 Qtr Average Capital (denominator)					13,353.3	13,585.5	13,872.7	14,019.4	14,026.0	13,973.3	13,940.1	13,725.4
ROCE as rptd (4 Qtr trail AT earnings / 5 pt avg capital)					8.7%	8.5%	8.5%	7.7%	7.9%	8.0%	8.0%	10.3%
ROCE ex items (4 Qtr trail AT earnings/ 5 pt avg capital)					9.9%	9.7%	9.6%	9.8%	10.1%	10.5%	10.9%	11.3%
Instantaneous ROCE ex items (Qtr earnings AT x 4) / 2 pt avg capital)					9.2%	9.0%	9.8%	11.0%	10.6%	10.5%	11.4%	12.4%

Appendix: ROCE Tax Rate

(\$ Millions)	<u>Q213</u>	<u>Q313</u>	<u>Q413</u>	<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>Reported</u>											
Income Before Taxes	394.3	391.9	186.2	390.5	383.6	425.6	154.8	444.0	384.0	436.7	468.8
Tax Expense	95.8	94.1	25.8	94.5	92.1	102.1	77.3	106.5	87.1	103.5	118.8
Tax Rate Reported	24.3%	24.0%	13.9%	24.2%	24.0%	24.0%	49.9%	24.0%	22.7%	23.7%	25.3%
<u>ITEMS</u>											
<u>Operating Income</u>											
Cost Reduction / Restructuring Charges			231.6				12.7	32.4	55.4	58.2	61.7
Pension Settlement Loss							5.5		12.6	1.6	7.0
Gain on previously held equity interest								(17.9)			
Advisory Costs			10.1								
Goodwill and intangible impairment							310.1				
Business separation costs											7.5
Gain on land sales											(33.6)
Loss on debt retirement											16.6
<u>Tax Exp</u>											
Cost Reduction / Restructuring Charges			73.7				4.5	10.7	17.2	19.4	7.2
Pension Settlement Loss							1.9		4.7	0.6	2.2
Gain on previously held equity interest								(6.7)			
Advisory Costs			3.7								
Goodwill and intangible impairment							1.3				
Income tax items							31.0				
Gain on land sales											(5.3)
Loss on debt retirement											2.4
<u>Ex Items</u>											
Income Before Taxes	394.3	391.9	427.9	390.5	383.6	425.6	483.1	458.5	452.0	496.5	528.0
Tax Expense	95.8	94.1	103.2	94.5	92.1	102.1	116.0	110.5	109.0	123.5	125.3
Tax Rate ex Items	24.3%	24.0%	24.1%	24.2%	24.0%	24.0%	24.0%	24.1%	24.1%	24.9%	23.7%

EPS Guidance

<u>Q116 Guidance vs PY</u>	<u>Diluted EPS (1)</u>
Q115 GAAP	\$1.50
Business Restructuring Charge	\$0.10
Gain on previously held equity interest	(\$0.05)
Q115 Non GAAP	<u>\$1.55</u>
Q116 Guidance (2)	<u>\$1.65-\$1.75</u>
% Change	6%-13%

Full Fiscal Year 2016 Guidance

FY15 GAAP	\$5.88
Business Restructuring Charge	\$0.71
Pension Settlement Loss	\$0.06
Gain on previously held equity investment	(\$0.05)
Business separation costs	\$0.03
Gain on land sales	(\$0.13)
Loss on early retirement of debt	<u>\$0.07</u>
FY15 Non GAAP	<u>\$6.57</u>
FY16 Guidance (2)	<u>\$7.25-\$7.50</u>
% Change	10%-14%

(1) Continuing operations, attributable to Air Products

(2) Guidance excludes the impact of certain items, if applicable, that we believe are not representative of our underlying business

Moving forward



Thank you
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