

Presentation Title

Name & Company of Presenter




Developing alliances for end-to-end solutions

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Buddy Eleazer 

1





Developing alliances for end-to-end solutions within the "big" company


Presentation OUTLINE

- Who are we
- What is important to us
- Internal Programs validate the M2M value
- Gaining speed and insight – the case for partners and alliances in new markets

2

Who is Air Products?



33




Fast Facts



- Fortune 500 company
- Gases, chemicals and services provider
- Operations in more than 30 countries
- >20,000 employees worldwide

4

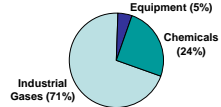


Air Products Overview (FY'05)

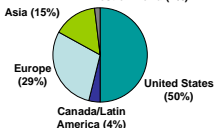
- ~\$8B gases and chemicals
- Diversified markets and geographies
 - 50% of sales outside the U.S.

FY05 Consolidated Sales

By Reporting Segment



By Destination



5



The Bottom Line

Shareholders invest in companies that provide higher returns—i.e. companies that grow revenue, keep costs down, and as result, have consistent earnings and improve return on capital year-to-year

6

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M2M So.....Air Products Mission:

Wall Street imperative: *Deliver the Difference*

A Venn diagram with four overlapping circles. The top circle is labeled 'Change', the middle circle is 'Growth', the bottom-left circle is 'Work Process', and the bottom-right circle is 'Portfolio Management'. The circles overlap in various combinations, creating a central area where all four intersect.

7

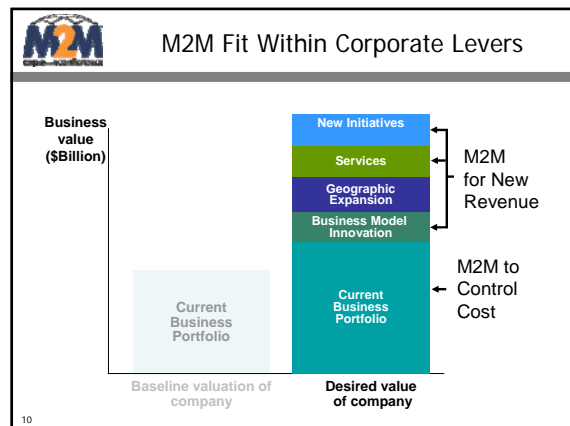
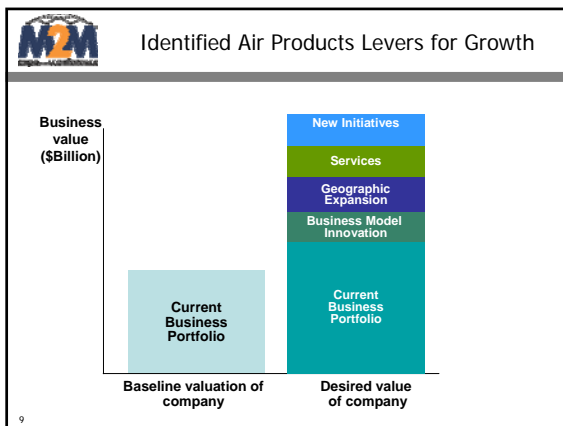
M2M **Key Activities to Deliver the Difference**

A need for change drives:

- new business opportunities (such as **M2M**)
- a need to do business differently (**alliances**)

- Set corporate targets and measures for organic, translational and step-out growth
- Couple growth with internal capabilities
- Best practicing sharing . . . Centers of excellence and peer groups
- Enterprise level focus on continuous improvement & knowledge management tools
- Measures and scorecards

8



M2M Internal Programs Validate the Value
Inventory Management Based On Telemetry

A Long History Of M2M

- Initially a way to improve business processes.
 - *Seeking a competitive edge*
- 10 years experience in NA and Europe.
- 5800 assets are managed through telemetry
- 95% of assets automatically forecasted and scheduled for delivery
- 1,000 deliveries per day

11

M2M A Long History Of M2M
Inventory Management Based On Telemetry

Behind the scenes:

- Fully staffed 24 hour telemetry center
- Manage our business by measurement
- Distributed field service
- In depth eBusiness, IT & applications know-how
 - With emphasis on data security & back-up
- Also ... Process simulation, process control, and process analytical core competencies

12

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M2M Optimizing Costs Via Internal Programs

- Cryogenic Liquid Delivery
- Generated Gases Equipment Monitoring
- Chemicals Customer Replenishment Program
- KeepCold MRI Helium Support Program
- Gardner ISO Container Monitoring
- European Cylinder Tracking Program
- Future Energy Solutions Program (fuel cell)

Note: Alliances and partnerships are key in many of these solutions!

13

M2M M2M Critical Success Factors
Developed from internal and external program experience

- Best In Class**
 - Innovative & differentiated offerings
 - Breadth or depth of offerings
 - Close customer relationships
 - Unique insight into customer application & processes
- Distinguishing**
 - Simple & clear customer value and risk proposition
 - Brand equity
 - Global customer access
 - Experience integrating and delivering end-to-end solution
 - Deep industry segment knowledge
- Basic**
 - Supplier credibility (e.g. data security, financial viability, experience, etc.)
 - Credible understanding of customer processes & equipment
 - Ability to customize user & equipment interface efficiently
 - Support Capability services
 - Short project execution time required

14

M2M Map of Internal Skills vs. Success Factors

Key Success Factors	Market A	Market B	Market C	Market D	Market E	Market F	Market G	Market H
Innovative & differentiated offerings	○	○	○	○	○	○	○	○
Breadth or depth of offerings	○	○	○	○	○	○	○	○
Close customer relationships	○	○	○	○	○	○	○	○
Brand equity	○	○	○	○	○	○	○	○
Global customer access	○	○	○	○	○	○	○	○
Experience delivering end-to-end solution	○	○	○	○	○	○	○	○
Deep industry segment knowledge	○	○	○	○	○	○	○	○
Support services	○	○	○	○	○	○	○	○
Supplier credibility	○	○	○	○	○	○	○	○
Short project execution	○	○	○	○	○	○	○	○
Ability to customize efficiently	○	○	○	○	○	○	○	○
Credible understanding of customer processes	○	○	○	○	○	○	○	○

Legend: ● = Strong, ○ = Adequate, Improvement Partner Desired, ○ = Must Partner

Air Products Skill Base

15

M2M Two distinct areas for alliance roles
The Enterprise Platform

A platform for the collection of data and a series of focused businesses for the creation of insight.

Unique Business Solutions

- Cryogenic Liquid Delivery Forecasting
- Customer Food Freezers, etc.
- Chemicals Inventory Control

Application Insight

Infrastructure Know-how

Enterprise Platform

16

M2M The Compelling Case for Partnerships

AIR PRODUCTS

- Brand Recognition
- Internal Program Experience
- e-Business Platform
- Knowledge Management
- Safety/Security Reputation
- Financial Depth

PARTNERS & Alliances

- Speed
- Proprietary Software
- Unique Hardware
- M2M Marketing Skills
- Specific Application Insight
- Wireless Communications Options

Total Integrated Solution

- Proven Reliability
- Flexibility Applications With Insight

17

M2M Building of the APCI M2M Platform
Working from translatable experiences

Internal Opportunities

- Industrial Gas
- L/B Forecasting
- ISO Container Asset Tracking
- FES H₂ Monitoring

External Development Opportunities

- Chemicals
- VMI for AP Facilities
- Replenishment Programs for Customers
- Direct
- Freshline Food Freezers
- Advanced Metals Proc. Controls
- Strategic Alliances
- Converge Energy Demand / Response
- nPhase
- Key Infrastructure Partners
- Investments
- Traceall Foods Traceability
- Elemica Transaction Hub
- AP / nPhase Skychain

Infrastructure and Market Channel Investments

18

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Air Products View of Challenges

- People/communication
- Benefit accrues too much to one party
- No immediate revenue
- Coopetition
- Changing marketplace
- More attractive partner appears
- Relationship turnover
- Size differences
- Unrealistic expectations
- Culture differences

19



Thank you

20



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21