



American Pacific Corporation

Management Presentation
October 2007

Safe Harbor Statement / Non-GAAP Information

Some of the statements in this presentation constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than those of historical facts included herein, including those related to the financial outlook, goals, business strategy, projected plans and objectives of management of American Pacific Corporation (the “Company”) for future operations and liquidity are forward-looking statements. Such forward-looking statements involve unknown risks and uncertainties that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements, expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from such forward-looking statements include risks and uncertainties detailed in the Company’s Annual Report on Form 10-K for the fiscal year ended September 30, 2006 and Quarterly Report on Form 10-Q for the quarter ended June 30, 2007.

The information contained herein includes references to EBITDA, Adjusted EBITDA, Pro Forma Adjusted EBITDA, Segment EBITDA and other ratios calculated based on these financial measures. These measures are supplemental financial measures that are not required by, or presented in accordance with, generally accepted accounting principles in the United States (“GAAP”). Our non-GAAP financial measures should not be considered as alternatives to GAAP measures, such as operating income, income from continuing operations, net income or any other performance measures derived in accordance with GAAP or as an alternative to cash flows from operating activities as a measure of the Company’s liquidity. These non-GAAP financial measures have limitations as an analytical tool, and should not be considered in isolation, or as a substitute for analysis of the Company’s operating results or cash flows as reported under GAAP.

To the extent appropriate, we have provided reconciliation of these non-GAAP financial measures to their most directly comparable historical financial measures calculated and presented in accordance with GAAP in the Company’s Current Report on Form 8-K filed on or about October 1, 2007, which is also posted on our website at www.apfc.com.



Company Overview and Strategy



AMPAC Overview

FY07 Revenue (G): \$175.0 mm ⁽³⁾ FY07 EBITDA (G): \$40.0 mm ⁽³⁾ FY07 EBITDA Margin (G): 23% ⁽³⁾			
Segment ⁽¹⁾	Specialty Chemicals	Fine Chemicals	Aerospace Equipment
Products	<ul style="list-style-type: none"> • Ammonium perchlorate ("AP") • Halotron / sodium azide 	<ul style="list-style-type: none"> • Active Pharmaceutical Ingredients ("APIs") and registered intermediates 	<ul style="list-style-type: none"> • In-space satellite thrusters and propulsion systems
Markets	<ul style="list-style-type: none"> • Exclusive AP supplier in North America • Solid rocket motors • Strong stable cash flow fundamentals • Fire suppression / pesticides / pharma 	<ul style="list-style-type: none"> • Drug applications: anti-viral, CNS and oncology • Sole or dual source supplier with leadership positions within competencies • Strong growth fundamentals 	<ul style="list-style-type: none"> • NASA, commercial and DoD satellites, spacecraft, and missile defense • Only one other supplier in North America • Strong growth fundamentals
LTM June '07 Revenue ⁽¹⁾ % of Total	31%	57%	10%
LTM June '07 EBITDA ⁽¹⁾⁽²⁾ % Margin	45%	30%	5%

Notes:

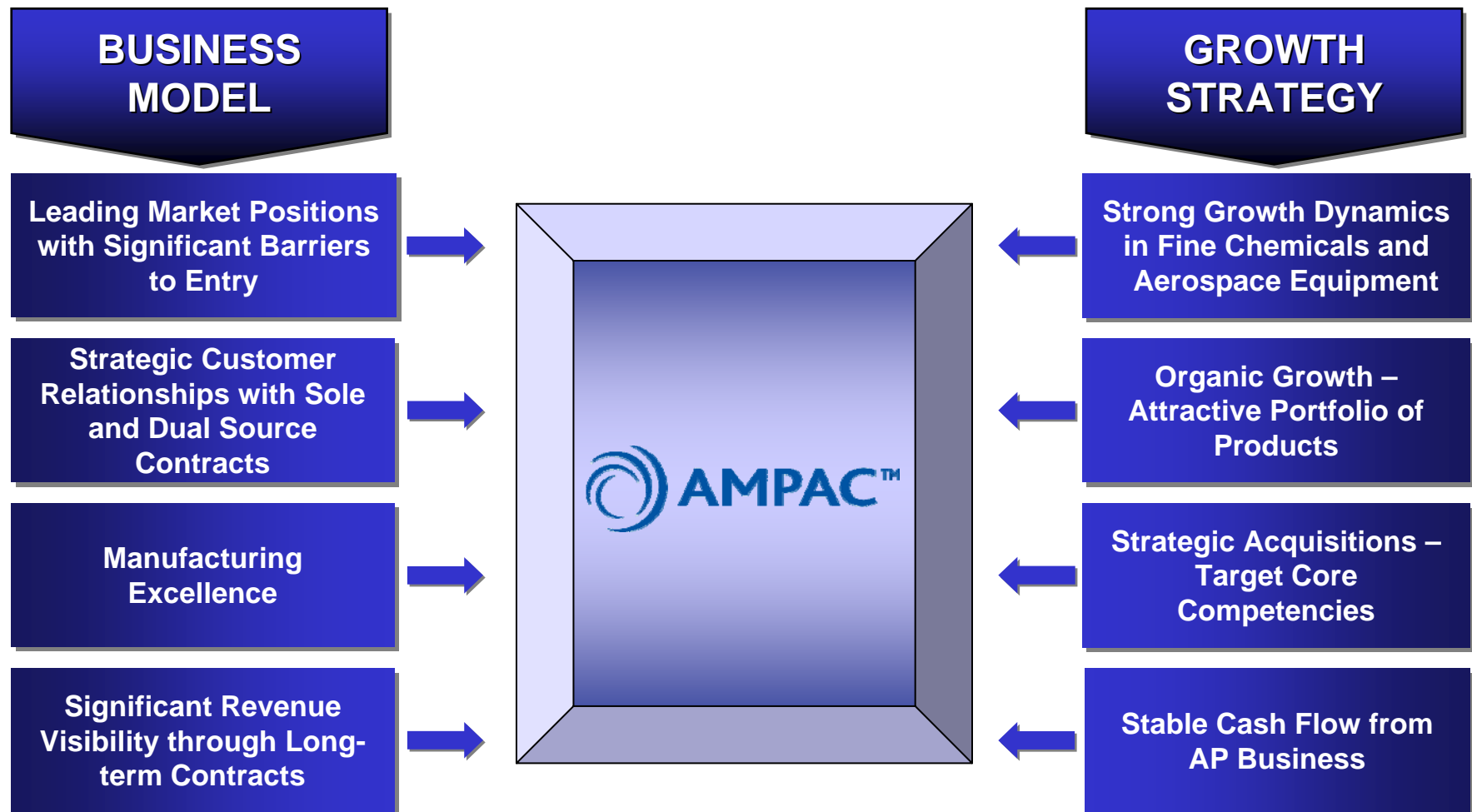
(1) Excludes Other Businesses segment, which represented 2.5% of Last Twelve Months Ended ("LTM") June '07 Revenue.

(2) Defined as segment operating income plus segment D&A (excludes corporate expenses and corporate D&A).

(3) Based on the Company's update guidance for fiscal year 2007.

We maintain a leading market position in each of our focused markets, which are characterized by high barriers to entry

A Targeted Approach to Growth



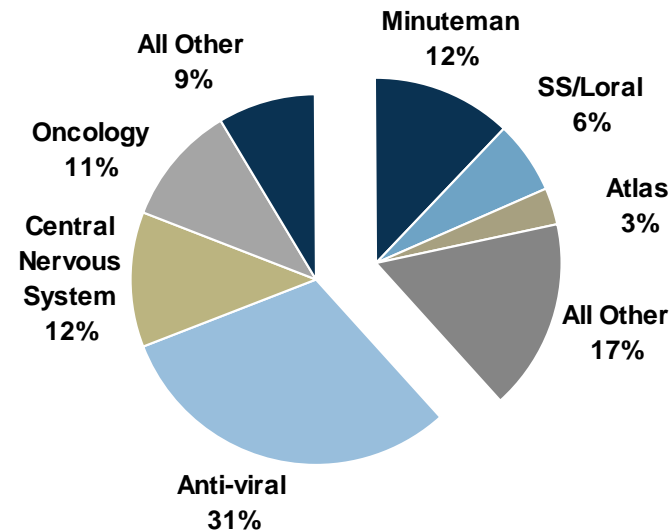
Attractive Portfolio Products

- Significant barriers to entry and high switching costs.
 - Long-term customer relationships
 - Sole and dual source contracts
 - Customer funded product development
 - Regulatory approvals with long product cycles / production lead time
 - Products and manufacturing know-how are embedded within the final end-product
 - Proprietary processes and technologies
 - Manufacturing excellence
 - Highly skilled workforce

Products / Platforms 2007(G) Revenue

Pharmaceutical / Other
62% of 2007(G) Revenue⁽¹⁾

Defense / Aerospace
38% of 2007(G) Revenue⁽²⁾



(1) Includes Fine Chemicals, Other Businesses, sodium azide, and Halotron.

(2) Includes perchlorates and Aerospace Equipment.

We primarily manufacture mission critical products under long-term contracts for the defense, aerospace and pharmaceutical industries



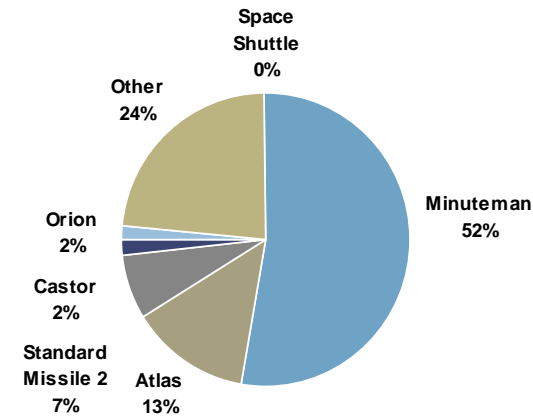
Specialty Chemicals Segment



We are the Exclusive Supplier of AP in NA

- Used on virtually all U.S. space launch vehicles and military rockets / missiles.
 - AMPAC has supplied AP for use in space and defense programs for over 40 years
 - No North American alternative for these solid rocket motors
- Annual demand is anticipated to be stable in the 6-8 million pound range.
 - AP demand was declining until recently
 - Space Shuttle no longer drives demand
 - Consolidation of Kerr-McGee business
 - ATK contract renegotiation

2007(G) AP Revenue by End Uses



Financial Considerations

- Sole source ATK contract through 2013
- Significant AP revenue stability through price-volume matrix covering volumes of 3 to 20 million pounds
- Segment generates strong margins and cash flow
- Minimal cap ex requirements

The uninterrupted availability of AP is critical to national security and our access to space



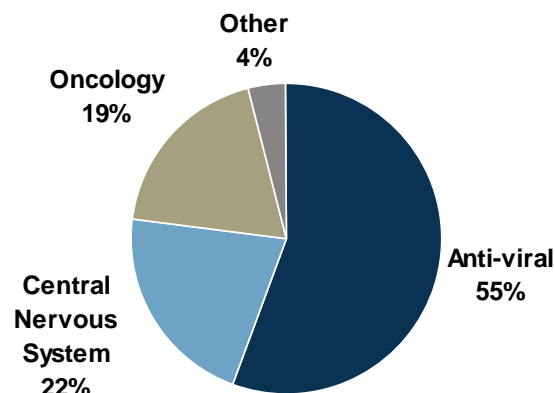
Fine Chemicals Segment



A Strategic Partner to Pharmaceutical Companies

- AMPAC works in partnership with large pharmaceutical companies to develop APIs and manufacturing processes that typically require FDA approval.
- Expertise in scaling up production of compounds using technically complex processes and specialty equipment.
- Products represent a small part of the overall cost of a drug yet represent key active ingredients which drive their efficacy.
 - Estimated to average less than 1% to 10% of the total price of the drug

FY 2007(G) Revenue by Application



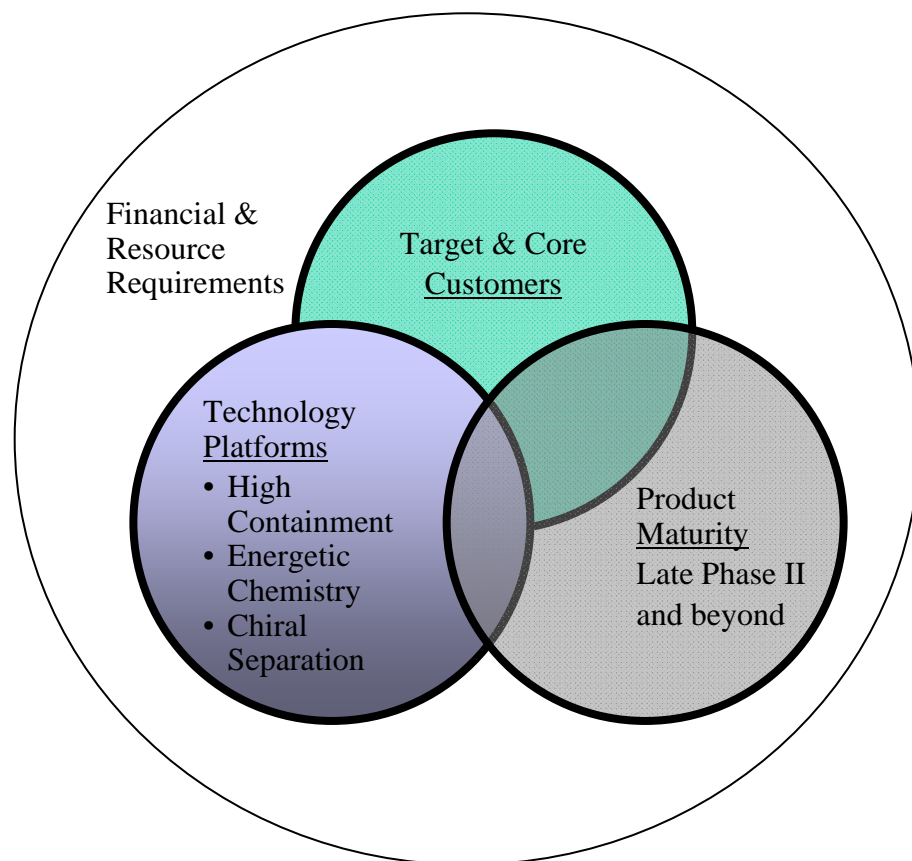
Financial Considerations

- Significant growth opportunities
 - Pharma companies moving toward more outsourcing
 - Attractive focused markets
 - Organic growth in FY 2006 of 43%
- Expansion capex is typically in support of contracts or improves efficiency; minimal maintenance capex
- Significant asset value
 - Estimated replacement cost of facilities > \$150 million

Fine Chemicals provides a strong growth vehicle

Building on Core Competencies

Focused New Business Development

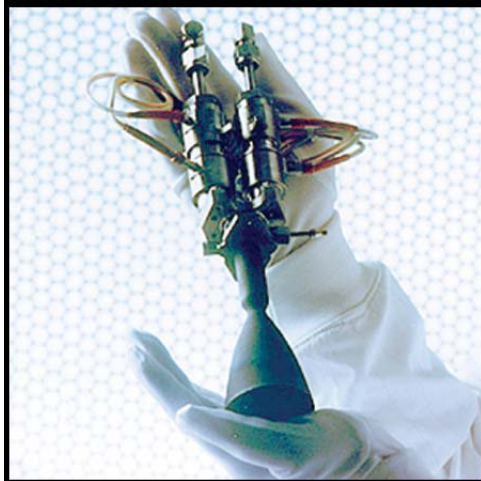


Technology	Therapeutic Area	Market Position
Chiral Separation	Central Nervous System	#1
Energetic Chemistry	Anti-viral (HIV, Flu, Hepatitis)	Top 3
High Containment	Oncology	Top 3

Our disciplined business development approach has yielded a robust pipeline of potential new products



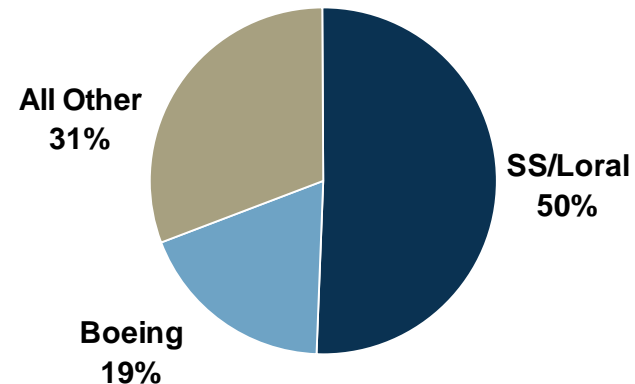
Aerospace Equipment Segment



A Market Leader in Satellite Propulsion

- Leading supplier of in-space satellite thrusters and propulsion systems.
 - Business acquired in first quarter of FY 2005
- The U.S. market is highly concentrated with only two manufacturers.
 - FTC forced divestiture when GenCorp acquired Atlantic Research Corporation from Sequa Corporation
- The market for satellite thrusters and propulsion systems is expected to grow over the next few years.

FY 2007(G) Revenue by Customer



Financial Considerations

- Significant growth opportunities
 - Commercial satellites and missile defense
- Focus is on continuing to improve profitability
 - Steadily improved since acquiring the business
- Minimal capex requirements
 - 1% of revenue in FY 2006

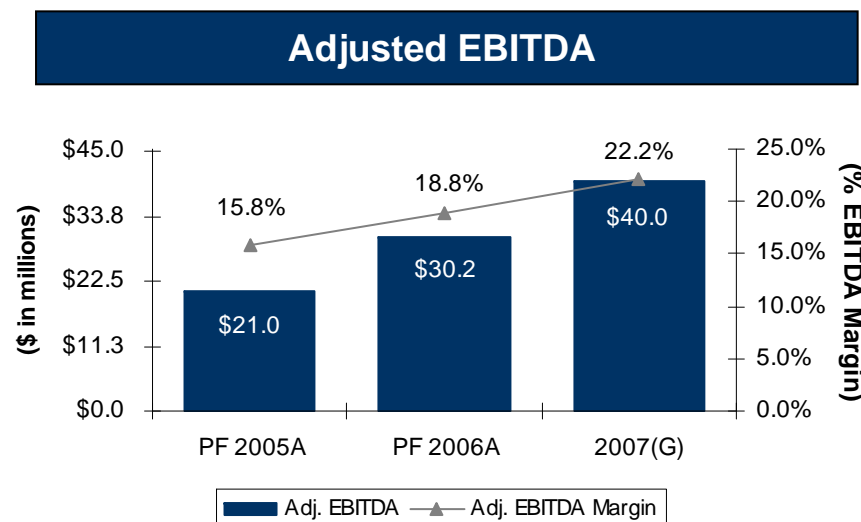
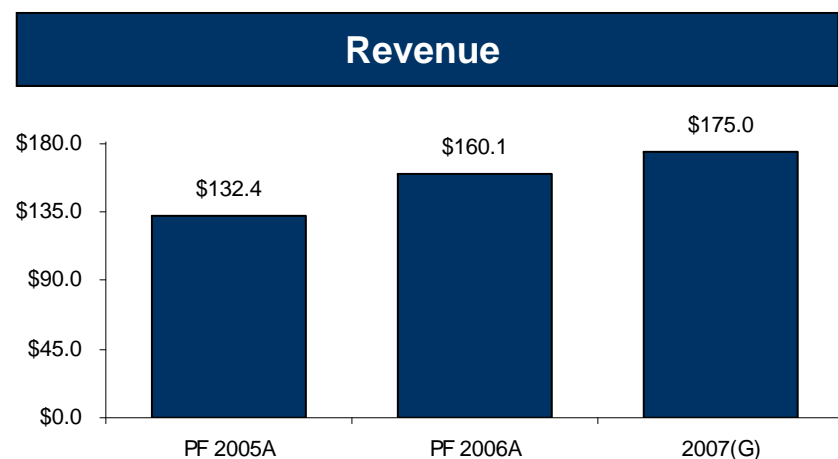
Current backlog provides significant revenue visibility



Financial Overview

Strong Financial Performance

- Performance Drivers
 - Renegotiated ATK contract providing revenue and profit stability for Specialty Chemicals
 - Successfully integrated Fine Chemicals and Aerospace Equipment
 - Fine Chemical process improvements generating record results within the segment
 - Continued to grow the Aerospace Equipment business while improving profitability
 - Completed the sale of ESI, non-core business



Note: PF 2005A revenue and Adjusted EBITDA includes AFC for the twelve months ended August 31, 2005.

**Achieved double-digit CAGR for revenue and EBITDA –
Trend expected to continue into 2008**

Track Record of Success

- Renegotiated ATK contract through 2013
 - Very stable AP business model going forward with minimal capex needs
- Acquired and integrated AFC; a transformational acquisition
 - Strong growth platform – organic growth of 43% in FY 2006
- High success rate on process improvement projects within Fine Chemicals
 - Supported by value-add design improvements and capex
- Continued to build Aerospace Equipment segment
 - Organic growth of 40% in FY 2006 and profitability continues to improve
- Re-financed \$110 million of debt
 - 9% Notes; retired AFC seller note at a significant discount
- Generated strong financial performance
 - Strong growth with EBITDA margins increasing across each of the 3 primary segments

Each business segment contributes to our success

A Compelling Story

- AMPAC is a leader in each of our business segments with significant barriers to entry.
 - Sole source or dual source provider
 - Significant technical expertise and manufacturing capabilities
 - Significant switching costs for customers in terms of both time and money
- Specialty Chemicals generates significant cash flow and has strong revenue visibility.
 - Revenue stability via the new ATK contract through 2013
 - Strong margins with minimal capital expenditure requirements
- Strong growth fundamentals in Fine Chemicals.
 - Customers trending toward more outsourced manufacturing
 - Strong backlog and nominal maintenance capital expenditure needs
 - Areas of product focus expected to grow more than overall pharma market
- Aerospace Equipment opportunities
 - Commercial and defense satellite markets expected to grow
 - Electric propulsion

Our business mix enables a targeted approach to growth