Airgas®

Earnings Teleconference
First Quarter Ended June 30, 2011

July 28, 2011

Forward-Looking Statements

This presentation contains statements that are forward looking. Forward-looking statements include the statements identified as forward-looking in the Company's press release announcing its quarterly earnings, as well as any statement that is not based on historical fact, including statements containing the words "believes," "may," "plans," "will," "could," "should," "estimates," "continues," "anticipates," "intends," "expects" and similar expressions. All forward-looking statements are based on current expectations regarding important risk factors and should not be regarded as a representation by us or any other person that the results expressed therein will be achieved. Airgas assumes no obligation to revise or update any forward-looking statements for any reason, except as required by law. Important factors that could cause actual results to differ materially from those contained in any forward-looking statement include the factors identified in the Company's press release announcing its quarterly earnings, as well as other factors described in the Company's reports, including its March 31, 2011 Form 10-K and other forms filed by the Company with the Securities and Exchange Commission.

First Quarter Recap

- Record Adj. EPS* $0.99, +19% YOY
- Same-Store Sales +9% YOY (Hardgoods +13%, Gas/Rent +7%)
  - Strength in manufacturing-intensive regions of the U.S. and in hardgoods
  - Distribution Segment SSS +10% YOY; daily sales rate +6% seq.
- Adj. Operating Margin* 12.4%, improvement of 10 bps YOY
  - Includes 60 bps impact from incremental SAP implementation costs and depreciation expense
- Adj. Cash from Operations* $139 million; Free Cash Flow* $71 million
- Return on Capital* 12.1%, +160 bps YOY
- Announced and completed additional $300 million share repurchase authorization during 1Q12
  - Repurchased 4.46 million shares at average price of $67.19
- Raised FY12 Adj. EPS* guidance to $3.90 – $4.05 from $3.75 – $3.90
  - Represents +17% to +21% YOY growth

* See attached reconciliations of non-GAAP measures

Strategic Accounts, Strategic Products, and Radnor® Private Label – 1Q12 Overview

- **Strategic Accounts** sales up +10% YoY
  - New customer signings
  - Metal fabrication, power & materials, and oil, gas & chemicals strongest
- **Strategic Products*** sales up +7% YoY
  - Safety +11%
  - Bulk +7%
  - Medical +5%
  - Specialty Gas +5%
  - CO2 & Dry Ice +3%
- **Radnor®** private label sales up +11%

* See Appendix for additional details.

SAP Implementation Update

- **Implementation Timeline**
  - Hardgoods infrastructure (Airgas Safety, Buying Centers, Distribution Centers) running successfully on SAP since going live in July 2010
  - Airgas South successfully went live on SAP effective April 4, 2011
    - All major processes working; no system downtime
  - 2nd regional distribution company conversion, Airgas Great Lakes, on schedule to go live at the beginning of September
  - Implementation schedule accelerates after completion of Great Lakes
  - All regional distribution companies to be converted by summer 2012
- **Costs / Benefits**
  - FY12 still expected to be heaviest expense year for SAP implementation
    - ~$0.18 EPS headwind in FY12
  - FY13 – implementation expense lower than FY12, benefits begin to accrue
    - ~$0.20 EPS tailwind in FY13
  - Net costs shift to net benefits in 2H FY13
  - Earnings power significantly enhanced in FY14 and beyond

Consolidated Results

($ in millions, except per share amounts)	1Q12	4Q11	Seq. Var.	1Q11	YoY Var.
Sales	**$ 1,164**	**$ 1,103**	**+6%**	**$ 1,053**	**+11%**
Gas & Rent Sales Mix	*63.3%*	*62.8%*		*64.2%*	
Same-Store Sales					**+9%**
Price					*+5%*
Volume					*+4%*
Gas & Rent SSS					**+7%**
Hardgoods SSS					**+13%**
Acquired Sales Contribution					+2%
Gross Profit	$ 634	$ 598		$ 578	
Gross Margin	***54.4%***	***54.2%***	***+ 20 bps***	***54.9%***	***-50 bps***
Adjusted Operating Income*	$ 145	$ 134	+8%	$ 130	+11%
Adjusted Operating Margin*	***12.4%***	***12.1%***	***+ 30 bps***	***12.3%***	***+ 10 bps***
SAP Implementation Costs and Depreciation Expense Included in Adjusted Operating Income	$ (11)	$ (6)		$ (4)	
Impact on Adjusted Operating Margin	***-90 bps***	***-50 bps***		***-30 bps***	
EPS	**$ 0.93**	**$ 0.74**	**+26%**	**$0.76**	**+22%**
Significant Charges Included in EPS:					
Restructuring	0.10	-		-	
Costs related to unsolicited takeover attempt	(0.05)	0.14		0.03	
Loss on early extinguishment of debt	-	-		0.02	
Multi-employer pension plan withdrawal	0.01	-		0.02	
Adjusted EPS*	**$ 0.99**	**$ 0.88**	**+13%**	**$0.83**	**+19%**
SAP Implementation Costs and Depreciation Expense Included in Adjusted EPS	(0.08)	(0.04)		(0.03)	
Weighted Average Shares Outstanding	80.1	84.4	-5%	85.3	-6%
Return on Capital (LTM) *	**12.1%**			**10.5%**	***+ 160 bps***
Free Cash Flow *	**$ 71**			**$114**	
Debt	**$ 2,232**			**$1,721**	

• *Acquired sales contribution +1%*

Note: Certain reclassifications have been made to prior period financial statements to conform to the current presentation.

* See attached reconciliations of non-GAAP measures.

Segment Results

Distribution

($ in millions)	1Q12	4Q11	Seq. Var.	1Q11	YoY Var.
Sales	**$ 1,030**	**$ 997**	**+3%**	**$ 932**	**+11%**
Gas & Rent Sales Mix	*58.7%*	*59.0%*		*59.7%*	
Same-Store Sales					**+10%**
Price					*+4%*
Volume					*+6%*
Gas & Rent SSS					**+7%**
Hardgoods SSS					**+13%**
Gross Profit	$ 569	$ 550		$ 517	
Gross Margin	***55.2%***	***55.1%***	***+ 10 bps***	***55.5%***	***-30 bps***
Operating Income	$ 133	$ 130	+2%	$ 110	+21%
Operating Margin	***12.9%***	***13.1%***	***-20 bps***	***11.8%***	***+ 110 bps***

All Other Operations

($ in millions)	1Q12	4Q11	Seq. Var.	1Q11	YoY Var.
Sales	**$ 143**	**$ 113**	**+27%**	**$ 128**	**+11%**
Same-Store Sales					**+7%**
Gross Margin	***45.3%***	***42.8%***	***+ 250 bps***	***46.9%***	***-160 bps***
Operating Income	$ 20	$ 9	+131%	$ 23	-14%
Operating Margin	***13.9%***	***7.6%***	***+ 630 bps***	***17.9%***	***-400 bps***

Note: Segment operating Income and Operating Margin include SAP-related depreciation expense, as this expense will be ongoing post-implementation. SAP implementation costs have not been allocated to the reporting segments due to their temporary nature.

Note: Certain reclassifications have been made to prior period financial statements to conform to the current presentation.

Capital Expenditures

($ in millions)	1Q12	1Q11
Cylinders and Bulk Tanks	$ 29	$ 19
Machinery and Equipment	13	13
Computers	2	1
Rental Welders	3	-
Capitalized SAP Project Costs	3	8
Construction-in-Process, Buildings & Land	21	14
Other ^	7	6
TOTAL	**$ 78**	**$ 61**
% of Sales	***6.7%***	***5.8%***

^ Includes Vehicles, Furniture & Fixtures and other items not specifically identified.

2Q12 & FY12 Guidance Summary

- **Guidance**

	2Q11 Results	2Q12 Guidance	FY11 Results	FY12 Guidance
Adjusted EPS*	**$0.83**	**$0.99 to $1.03**	**$3.34**	**$3.90 to $4.05**
YoY % Growth		*+19% to +24%*		+17% to +21%
*SAP Implementation Costs and Depreciation Expense Included in Adjusted EPS**	*$0.05*	*$0.08*	*$0.14*	*$0.32*
Same-Store Sales Growth		**High Single Digits**		**High Single Digits**
Adjusted Operating Margin				**12.3% to 12.8%**
Capex % of Sales				**~6.5%**

- **Guidance Assumptions**
  - Continued modest economic recovery
  - Tax rate 38%-39%
  - Includes SAP implementation costs and depreciation expense
  - Includes benefit of two recently completed share repurchase programs, which offsets incremental year-over-year SAP costs
  - Excludes Division Business Support Centers restructuring charges and related costs, any multi-employer pension plan withdrawal charges, and any impact related to the fiscal 2011 unsolicited takeover attempt

* See attached reconciliations of non-GAAP measures

Path to 2Q12 & Updated FY12 Adjusted EPS* Guidance

	2Q12	FY12 (Updated)
1Q12 & FY11 Adjusted EPS*	$0.99	$3.34
Refrigerants & Rental Welder Business	(0.03)	-
Incremental SAP Implementation Costs	-	(0.14)
Incremental Depreciation Due to SAP	-	(0.04)
Share Count (Repurchases, Net of Stock Plan Issuances)	0.02	0.19
Business Growth / Operating Efficiencies	0.01 - 0.05 *(+1% to +5%)*	0.55 - 0.70 *(+16% to +21%)*
2Q12 & FY12 Adj. EPS Guidance	**$0.99 - $1.03**	**$3.90 - $4.05**

Note: See guidance assumptions on slide 8.
* See attached reconciliations of non-GAAP measures.

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Appendix

Strategic Products Overview

	1Q12 Organic Growth	1Q12 Seq. DSR* Growth
Total Strategic Products	+7%	+5%
Total Same-Store Sales	+9%	+5%**

Strategic Products represent more than 40% of total sales and have strong growth profiles due to:

- ***Favorable customer segments***
- ***Application development***
- ***Increasing environmental regulation***
- ***Strong cross-sell***

Strategic Products	1Q12 Organic Growth	1Q12 Seq. DSR* Growth	***Quarterly Sales Commentary / Long-Term Growth Accelerators***
Safety Products	+11%	+6%	***1Q12**: YoY and seq. growth in core safety business reflects broad-based economic improvement, including contractor and resale customers* ***Long-term**: Strong cross-sell, customer base under-penetrated*
Bulk Gas	+7%	+2%	***1Q12**: Improvement in industrial manufacturing customer base; new customer signings* ***Long-term**: Application growth, engineering solutions, sales force presence in the field*
Medical Sales	+5%	+1%	***1Q12**: New customer signings and modest uptick in hospital and surgery center activity* ***Long-term**: Population demographics for respiratory therapy, full range of supply modes, strong cross-sell*
Specialty Gas	+5%	+1%	***1Q12**: Higher volumes on improvement in demand for core spec gases, including EPA protocols* ***Long-term**: Application growth, environmental regulations, enhanced capabilities*
CO_2/Dry Ice	+3%	+16%	***1Q12**: Higher YoY volumes & new customer wins, hampered by loss of major food processing customer emerging from bankruptcy; sequential improvement due to normal seasonality of the business* ***Long-term**: Food product applications, beverage market*

* DSR = Daily Sales Rate

** Excludes acquired sales contribution of +1%

Quarterly Trend

($ in millions)

Fiscal Quarter	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	1Q12
Sales	$1,120	$1,165	$1,082	$995	$982	$965	$945	$983	$1,053	$1,062	$1,034	$1,103	$1,164
Sales/Day	$17.5	$18.2	$17.4	$15.8	$15.3	$15.1	$15.2	$15.6	$16.4	$16.6	$16.7	$17.2	$18.2
Seq. Chg.	+3%	+4%	(4%)	(9%)	(3%)	(2%)	+1%	+2%	+5%	+1%	+1%	+3%	+6%
SSS	+7%	+9%	+1%	(13%)	(17%)	(19%)	(14%)	(3%)	+6%	+9%	+9%	+11%	+9%
EBITDA*	$188	$200	$186	$172	$164	$170	$164	$166	$190	$190	$188	$199	$211
EBITDA* Margin	16.8%	17.2%	17.2%	17.3%	16.7%	17.6%	17.4%	16.9%	18.1%	17.9%	18.2%	18.1%	18.1%
FCF*	$58	$54	$59	$157	$119	$105	$66	$122	$114	$74	$67	$131	$71

* See attached reconciliations of non-GAAP measures
Note: Certain reclassifications have been made to prior period financial statements to conform to the current presentation.

Segment / Product Overview

- More than 1 million customers
- No customer > 0.5% of sales
- GDP+ growth customer segments ~27% of sales
- Strategic Products ~ 42% of sales

Products (% of Total Sales*)			Customer Segments (% of Total Sales*)										
			GDP+ Growth										
			Energy & Infrastructure Construction (10%)	Medical (9%)	Food & Beverage (6%)	Analytical (2%)	Industrial Manufacturing (26%)	Repair & Maintenance (29%)	Petrochemical (7%)	Retail/Wholesale (3%)	Utilities (3%)	Transportation (2%)	Other (3%)
Gas/Rent (64%)	Industrial (29%)		●				●	●	●	●	●	●	●
	Ammonia/Refrigerants (6%)				●		●	●	●	●	●	●	●
	Bulk (10%)	Strategic Products	●	●	●	●	●		●	●			●
	Medical (8%)	Strategic Products		●									
	Specialty Gas (6%)	Strategic Products		●		●	●		●	●	●		●
	CO_2 / Dry Ice (5%)	Strategic Products		●	●	●	●	●	●	●			●
Hardgoods (36%)	Safety Products (13%)	Strategic Products	●	●	●	●	●	●	●	●	●	●	●
	Filler Metals (8%)		●				●	●	●	●	●	●	●
	Equipment (4%)		●				●	●	●	●	●	●	●
	Other** (11%)		●				●	●	●	●	●	●	●

* Based on FY11 sales.

** Includes MRO supplies, abrasives, construction-related tools.

● Denotes higher concentration of corresponding product sales within customer segment.

Non-GAAP Reconciliations:

Adjusted Earnings Per Diluted Share & Earnings Guidance

	Three Months Ended			Three Months Ended	(Guidance Range) Three Months Ending Sep. 30, 2011		Year Ended	(Updated Guidance Range) Year Ending March 31, 2012	
	Jun. 30, 2010	Mar. 31, 2011	Jun. 30, 2011	Sep. 30, 2010	Low	High	March 31, 2011	Low	High
Earnings per diluted share	$ 0.76	$ 0.74	$ 0.93	$ 0.78	$ 0.97	$ 1.01	$ 2.93	$ 3.77	$ 3.92
Adjustments to earnings per diluted share:									
Restructuring charges and related costs	-	-	0.10	-	0.02	0.02	-	0.17	0.17
Costs (benefit) related to unsolicited takeover attempt	0.03	0.14	(0.05)	0.03	-	-	0.33	(0.05)	(0.05)
Losses on the extinguishment of debt	0.02	-	-	0.01	-	-	0.03	-	-
Multi-employer pension withdrawal charges	0.02	-	0.01	0.01	-	-	0.03	0.01	0.01
One-time interest penalty	-	-	-	-	-	-	0.02	-	-
Adjusted earnings per diluted share	**$ 0.83**	**$ 0.88**	**$ 0.99**	**$ 0.83**	**$ 0.99**	**$ 1.03**	**$ 3.34**	**$ 3.90**	**$ 4.05**
Year-over-year growth			**19%**		**19%**	**24%**		**17%**	**21%**

Guidance for adjusted earnings per diluted share excludes Business Support Center restructuring charges and related costs, any net impact related to the 2011 unsolicited takeover attempt, and any MEPP withdrawal charges.

The Company believes that adjusted earnings per diluted share provides investors meaningful insight into the Company's earnings performance without the impact of Business Support Center restructuring charges, costs and benefits related to Air Products' unsolicited takeover attempt, MEPP withdrawal charges, one-time interest penalty, and debt extinguishment charges. Non-GAAP numbers should be read in conjunction with GAAP financial measures, as non-GAAP metrics are merely a supplement to, and not a replacement for, GAAP financial measures. It should be noted as well that our adjusted earnings per diluted share metric may be different from adjusted earnings per diluted share metrics provided by other companies.

Non-GAAP Reconciliations:

Adjusted Operating Income & Adjusted Operating Margin

	Three Months Ended								
($ in thousands)	Jun. 30, 2009	Sep. 30, 2009	Dec. 31, 2009	Mar. 31, 2010	Jun. 30, 2010	Sep. 30, 2010	Dec. 31, 2010	Mar. 31, 2011	Jun. 30, 2011
Net sales	$ 981,991	$ 965,091	$ 944,763	$ 983,308	$1,052,656	$1,061,663	$1,034,464	$1,102,684	$1,164,300
Operating income	$ 107,909	$ 109,817	$ 99,989	$ 81,883	$ 122,751	$ 121,765	$ 108,366	$ 115,499	$ 137,028
Operating margin	11.0%	11.4%	10.6%	8.3%	11.7%	11.5%	10.5%	10.5%	11.8%
Adjustments to operating income:									
Restructuring charges	-	-	-	-	-	-	-	-	13,330
Costs (benefit) related to unsolicited takeover attempt	-	-	-	23,435	3,787	4,687	17,558	18,374	(6,700)
Multi-employer pension plan withdrawal charges	-	1,700	4,950	-	3,204	1,419	-	-	900
Adjusted operating income	**$ 107,909**	**$ 111,517**	**$ 104,939**	**$ 105,318**	**$ 129,742**	**$ 127,871**	**$ 125,924**	**$ 133,873**	**$ 144,558**
Adjusted operating margin	**11.0%**	**11.6%**	**11.1%**	**10.7%**	**12.3%**	**12.0%**	**12.2%**	**12.1%**	**12.4%**

The Company believes the above adjusted operating margin computations help investors assess the Company's operating performance without the impact of Business Support Center restructuring charges, costs and benefits related to Air Products' unsolicited takeover attempt, and MEPP withdrawal charges. Non-GAAP numbers should be read in conjunction with GAAP financial measures, as non-GAAP metrics are merely a supplement to, and not a replacement for, GAAP financial measures. It should be noted as well that our adjusted operating margin computations may be different from the adjusted operating margin computations provided by other companies.

Non-GAAP Reconciliations:

Adjusted EBITDA and Adjusted EBITDA Margin

	Three Months Ended												
($ in thousands)	**Jun. 30, 2008**	**Sep. 30, 2008**	**Dec. 31, 2008**	**Mar. 31, 2009**	**Jun. 30, 2009**	**Sep. 30, 2009**	**Dec. 31, 2009**	**Mar. 31, 2010**	**Jun. 30, 2010**	**Sep. 30, 2010**	**Dec. 31, 2010**	**Mar. 31, 2011**	**Jun. 30, 2011**
Net sales	$ 1,119,944	$ 1,165,189	$ 1,081,518	$ 994,827	$ 981,991	$ 965,091	$ 944,763	$ 983,308	$ 1,052,656	$ 1,061,663	$ 1,034,464	$ 1,102,684	$ 1,164,300
Operating income	$ 134,856	$ 144,983	$ 130,522	$ 114,506	$ 107,909	$ 109,817	$ 99,989	$ 81,883	$ 122,751	$ 121,765	$ 108,366	$ 115,499	$ 137,028
Restructuring charges	-	-	-	-	-	-	-	-	-	-	-	-	13,330
Costs (benefit) related to unsolicited takeover attempt	-	-	-	-	-	-	-	23,435	3,787	4,687	17,558	18,374	(6,700)
Multi-employer pension plan withdrawal charges	-	-	840	-	-	1,700	4,950	-	3,204	1,419	-	-	900
Adjusted operating income	134,856	144,983	131,362	114,506	107,909	111,517	104,939	105,318	129,742	127,871	125,924	133,873	144,558
Depreciation and amortization	53,504	55,010	54,740	57,541	56,399	58,124	59,453	60,973	60,467	62,424	62,361	65,265	66,416
Adjusted EBITDA	**$ 188,360**	**$ 199,993**	**$ 186,102**	**$ 172,047**	**$ 164,308**	**$ 169,641**	**$ 164,392**	**$ 166,291**	**$ 190,209**	**$ 190,295**	**$ 188,285**	**$ 199,138**	**$ 210,974**
Adjusted EBITDA Margin	**16.8%**	**17.2%**	**17.2%**	**17.3%**	**16.7%**	**17.6%**	**17.4%**	**16.9%**	**18.1%**	**17.9%**	**18.2%**	**18.1%**	**18.1%**

The Company believes the above adjusted EBITDA and adjusted EBITDA margin computations help investors assess the Company's operating performance without the impact of restructuring charges, costs (benefit) related to Air Products' unsolicited takeover attempt, and charges associated with the Company's withdrawal from multi-employer pension plans. Non-GAAP metrics should be read in conjunction with GAAP financial measures, as non-GAAP metrics are merely a supplement to, and not a replacement for, GAAP financial measures. It should be noted as well that our adjusted EBITDA and adjusted EBITDA margin metrics may be different from the adjusted EBITDA and adjusted EBITDA margin metrics provided by other companies.

Non-GAAP Reconciliations:

Adjusted Cash from Operations & Free Cash Flow

($ in thousands)	Three Months Ended June 30, 2011	2010
Net cash (used) provided by operating activities	$ 110,305	$ (130,204)
Adjustments to cash (used) provided by operating activities:		
Cash used by the securitization of trade receivables	-	295,000
Stock issued for employee stock purchase plan	3,527	3,580
Tax benefit realized from the exercise of stock options	4,012	1,952
Cash expenditures related to unsolicited takeover attempt	21,048	1,483
Adjusted cash from operations	**138,892**	**171,811**
Capital expenditures	(78,451)	(61,121)
Adjustments to capital expenditures:		
Proceeds from sales of plant and equipment	6,676	3,338
Operating lease buyouts	4,206	-
Adjusted capital expenditures	**(67,569)**	**(57,783)**
Free Cash Flow	**$ 71,323**	**$ 114,028**

The Company believes that free cash flow and adjusted cash from operations provide investors meaningful insight into the Company's ability to generate cash from operations without the impact of cash used related to Air Products' unsolicited takeover attempt, which is available for servicing debt obligations and for the execution of its business strategies, including acquisitions, the prepayment of debt, the payment of dividends, or to support other investing and financing activities. Non-GAAP numbers should be read in conjunction with GAAP financial measures, as non-GAAP metrics are merely a supplement to, and not a replacement for, GAAP financial measures. It should be noted as well that our free cash flow and adjusted cash from operations metrics may be different from free cash flow and adjusted cash from operations metrics provided by other companies.

Non-GAAP Reconciliations:

Return on Capital

($ in thousands)	June 30, 2011	March 31, 2011	June 30, 2010
Operating income - trailing four quarters	$ 482,658	$ 468,381	$ 414,439
Adjustments to operating income:			
Restructuring charges	13,300	-	-
Costs related to unsolicited takeover attempt	33,918	44,406	27,222
Multi-employer pension plan withdrawal charges	2,319	4,628	9,854
Adjusted Operating Income - Trailing Four Quarters	**$ 532,195**	**$ 517,415**	**$ 451,515**
Five quarter average of total assets	$ 4,905,951	$ 4,788,267	$ 4,507,863
Five quarter average of securitized trade receivables	-	59,000	217,577
Five quarter average of current liabilities (exclusive of debt)	(509,586)	(498,618)	(425,637)
Five Quarter Average Capital Employed	**$ 4,396,365**	**$ 4,348,649**	**$ 4,299,803**
Return on Capital	**12.1%**	**11.9%**	**10.5%**

The Company believes this return on capital computation helps investors assess how effectively the Company uses the capital invested in its operations. Non-GAAP numbers should be read in conjunction with GAAP financial measures, as non-GAAP metrics are merely a supplement to, and not a replacement for, GAAP financial measures. It should be noted as well that our return on capital computation may be different from the return on capital computations provided by other companies.