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Leading Our Market

Airgas

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Executive Vice President
& Chief Operating Officer

Forward-Looking Statements

This presentation may contain statements that are forward looking, as that term is defined by the Private Securities Litigation Reform Act of 1995 or by the Securities and Exchange Commission in its rules, regulations and releases. These statements include, but are not limited to, statements regarding: acquisition activity, and integration of past and future acquisitions; same-store sales, operating margins, tax rate, earnings, capital expenditures, return on capital, and cash flow and liquidity; sales of Strategic Products, or Radnor private-label, refrigerants, ammonia, Diesel Exhaust Fluid, specialty gas, or construction products; expense reductions; operating efficiency programs; and the implementation of our SAP system. Airgas intends that such forward-looking statements be subject to the safe harbors created thereby. 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. We assume 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: adverse changes in customer buying patterns resulting from further deterioration in current economic conditions; weakening operating and financial performance of our customers, which can negatively impact our sales and our ability to collect our accounts receivables; postponement of projects due to the recession; customer acceptance of price increases; the success of implementing and continuing our cost reduction programs; our ability to achieve anticipated acquisition synergies; supply cost pressures; increased industry competition; our ability to successfully identify, consummate and integrate acquisitions; our continued ability to access credit markets on satisfactory terms; significant fluctuations in interest rates; increases in energy costs and other operating expenses eroding planned cost savings; higher than expected implementation costs of the SAP system; conversion problems related to the SAP system that disrupt our business and negatively impact customer relationships; the impact of tightened credit markets on our customers; the impact of changes in tax and fiscal policies and laws; the potential for increased expenditures relating to compliance with environmental regulatory initiatives; the impact of new environmental, healthcare, tax, accounting and other regulation; potential liability under the Multi-Employer Pension Plan Amendments Act of 1980 with respect to our participation in multiemployer pension plans for our union employees; the extent and duration of current recessionary trends in the U.S. economy; the effect of catastrophic events; political and economic uncertainties associated with current world events; and other factors described in the Company's reports, including its March 31, 2009 Form 10-K, subsequent forms 10-Q, and other forms filed by the Company with the Securities and Exchange Commission.

A Strong Distribution Platform

- Leader in the U.S. packaged gas market
  - Leading position in U.S. packaged industrial, medical, and specialty gas market
  - Significant position in U.S. bulk market
  - Leading platform for U.S. refrigerants, ammonia, and process chemicals markets
- We also produce various gases
  - Fifth largest U.S. producer of atmospheric gases
  - Leading U.S. supplier of liquid CO_2 and dry ice
  - Largest U.S. producer of nitrous oxide
- Leading supplier of hardgoods in U.S.
  - Welding, safety and related MRO supplies
  - Red-D-Arc® rental welders
- National platform supports multiple sales channels:
  - Branch-based field sales
  - Retail stores
  - Strategic Accounts
  - Distributors
  - Telesales
  - Catalog
  - eBusiness

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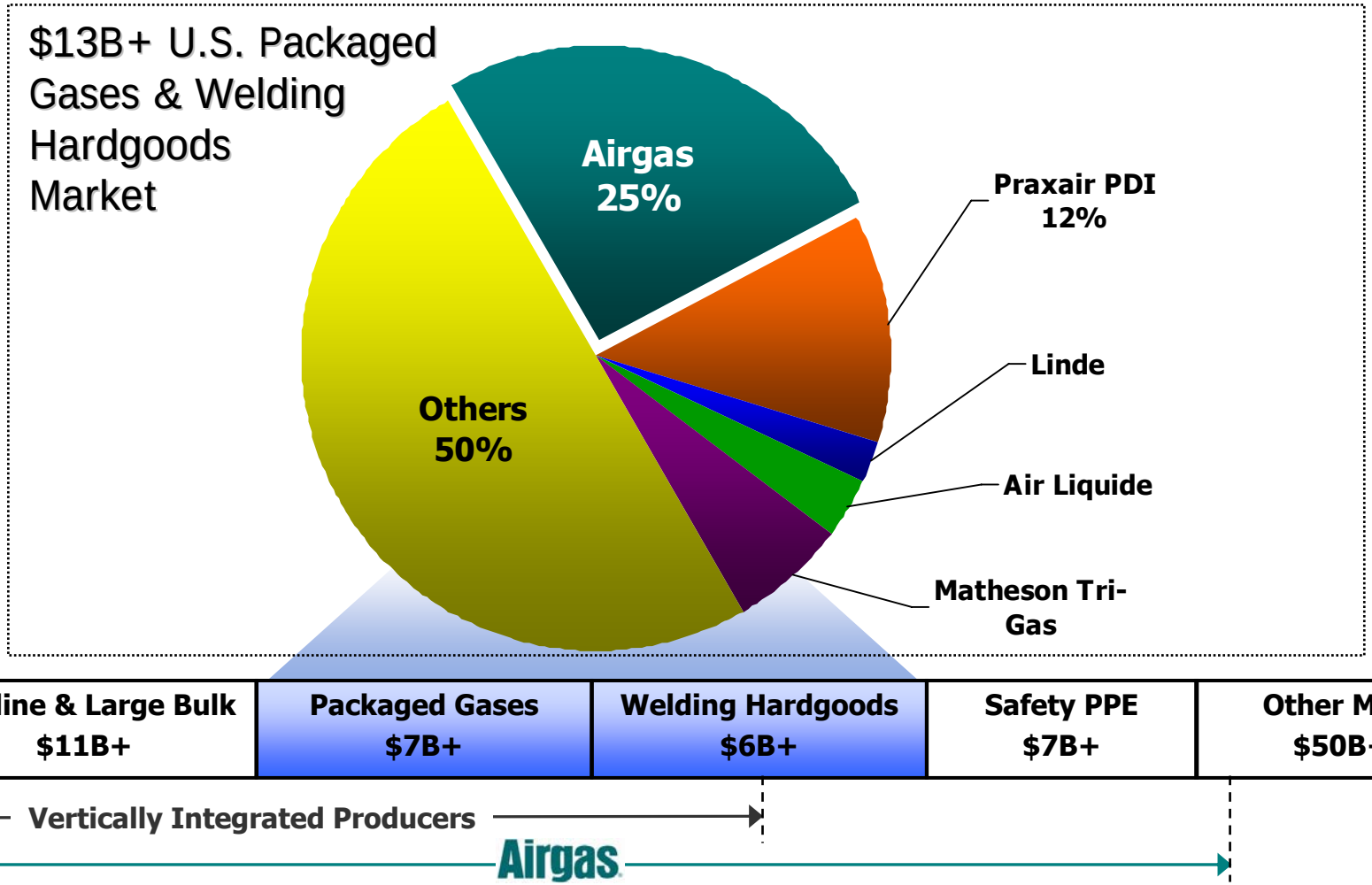
The U.S. Packaged Gas Leader



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A Full Range of Supply Modes

Packaged Gases (50% of Total Sales)

Bulk Gases (10% of Total Sales)

The Heart of Our Business

Cylinders

Dewars

MicroBulk

Bulk, Tube Trailers ("Merchant")

Pipeline, Onsite ASU's ("Tonnage")

Focus of Major Producers

Size →

Airgas

A Comprehensive Offering

Our enhanced capabilities give Airgas an unparalleled, comprehensive, full-service offering

Packaged Gases

- *Industrial **
- *Medical*
- *Specialty gases*
- *Refrigerants*
- *Ammonia*

Bulk Gases

- *On-site ASU's*
- *Large bulk*
- *Small bulk*

Welding Hardgoods

- *Welding machines **
- *Filler metals **
- *Abrasives / Other **
- *Red-D-Arc Welder and Positioner Rentals*

Safety and Construction Products

- *Head-to-toe protection*
- *Respiratory protection*
- *Fall protection*
- *Oilind Safety*

* *Traditional independent distributor offering*

Known Locally Nationwide

1,100+ Locations

850+ retail stores
325+ HP fill plants
16 ASU's
19 acetylene plants
7 liquid CO2 production plants
65+ regional spec gas labs
9 national spec gas labs
6 hardgoods distribution centers

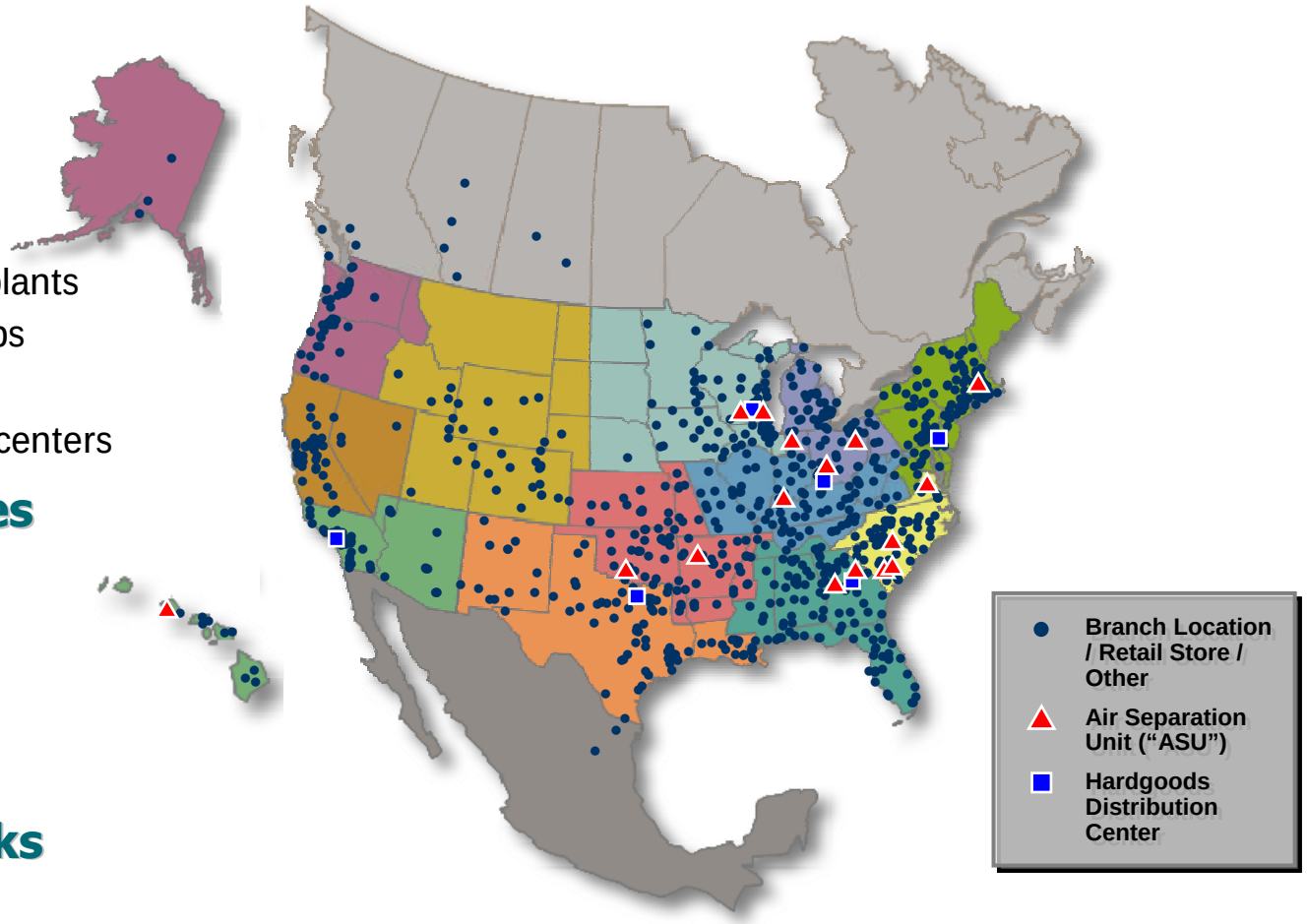
14,000+ Associates

~1,500 sales people
(25% specialists)
5,000+ drivers

10M+ Cylinders

13,000+ Bulk Tanks

5,000+ Vehicles



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Segment / Product Overview

~30% of total sales are to customer segments that grow faster than GDP

Strategic Products account for ~40% of total sales

	Products	% of Sales* ⇉ ⇊	Strategic Products	Customer Segments – 1+ million customers << No customer greater than 0.5% of sales >>										
				GDP+ Growth										
				Energy & Infrastructure Construction	Medical	Food & Beverage	Analytical	Industrial Mfg	Repair & Maintenance	Petrochemical	Retail / Wholesale	Utilities	Transportation	Other
				13%	9%	6%	2%	25%	27%	7%	4%	2%	2%	3%
Gas & Rent	Industrial	33%		●				●	●	●	●	●	●	●
61%	Bulk	10%	■	●		●	●	●		●	●			●
	Medical	7%	■		◉									
	Specialty Gas	6%	■		●		◉	●		◉	●	◉		●
	CO2 / Dry Ice	5%	■		●	◉	●	●	●	●	●			●
Hardgoods	Safety Products	12%	■	●	●	●	●	●	●	●	●	●	●	●
39%	Filler Metals	10%		●				●	●	●	●	●	●	●
	Equipment	5%		●				●	●	●	●	●	●	●
	Other	12%		●				●	●	●	●	●	●	●

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

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Strategic Products Overview

Strategic Products	3 Yr CAGR	2Q10 Organic Growth	Quarterly Sales Commentary / Long-Term Growth Drivers
Safety Products	6%	-15%	*2Q10: Low operating rates, rising unemployment* *Long-Term: Strong cross-sell, customer base under-penetrated*
Bulk Gas	12%	-9%	*2Q10: Growth in food-freezing offset by slowing in metal fab, steel production, and oil field services; difficult comp on strong sales in 2Q09* *Long-Term: Application growth, engineering solutions, sales force presence in the field*
Medical Sales	8%	1%	*2Q10: Slowing in elective and non-critical procedures more than offset by new customer signings* *Long-Term: Population demographics for respiratory therapy, full range of supply modes, strong cross-sell*
Specialty Gas	9%	-13%	*2Q10: Broad-based slowing, including chemicals processing; difficult comp for high-value rare gases; core spec gases resilient* *Long-Term: Application growth, environmental regulations, enhanced capabilities*
CO_2/Dry Ice	6%	-8%	*2Q10: Dry Ice: Slowing in airline services; difficult comp on strong sales in 2Q09 related to hurricanes* *Long-Term: Food product applications, beverage market*
TOTAL	8%	-9%	*Long-Term: Favorable customer segment exposure, application development, increasing environmental regulation, strong cross-sell opportunities*

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The Heart of the Business

Value to Customers

- Integral to Business Process
- Low Cost vs. Total Spend
- Reduce Regulatory Compliance

Value to Airgas

- Low Capital Expenditures
- Long-Lasting Assets
- Cross Sell Bulk, HG & Safety

10+ Million Cylinders ⟷ **Rent ~$60+/yr Per Cyl** ⟷ **Capital Cost $150 Per Cyl**

Strong and Stable Cash Flow

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Competitive Advantages

It's not just about the molecules…

- ***Comprehensive product and service offerings*** create efficiencies within our customers' supply chains
  - Strategic Products + Core Products
- ***National footprint***
  - Network of 1,100+ locations, including
    - 850+ retail stores, 325+ cylinder fill plants
    - 65+ regional specialty gas laboratories, and 9 national laboratories
    - 16 air separation plants, 7 liquid CO2 production plants
  - Larger customers with multiple locations across regions through our *Strategic Accounts* program
- ***Solution Selling – engineering the right solutions*** to complex customer problems bonds the customer to us and distinguishes us from the competition
  - Bulk gas engineering
  - Specialty gas engineering
  - Welding process specialists
  - *OUTLOOK*® supply chain management

Taking it to the next level…

- ***Ensuring a superior customer experience***
  - Now implementing *Core Strategy II* program designed to eliminate costly rework, increase customer loyalty, and generate higher sales through better retention and cross-selling

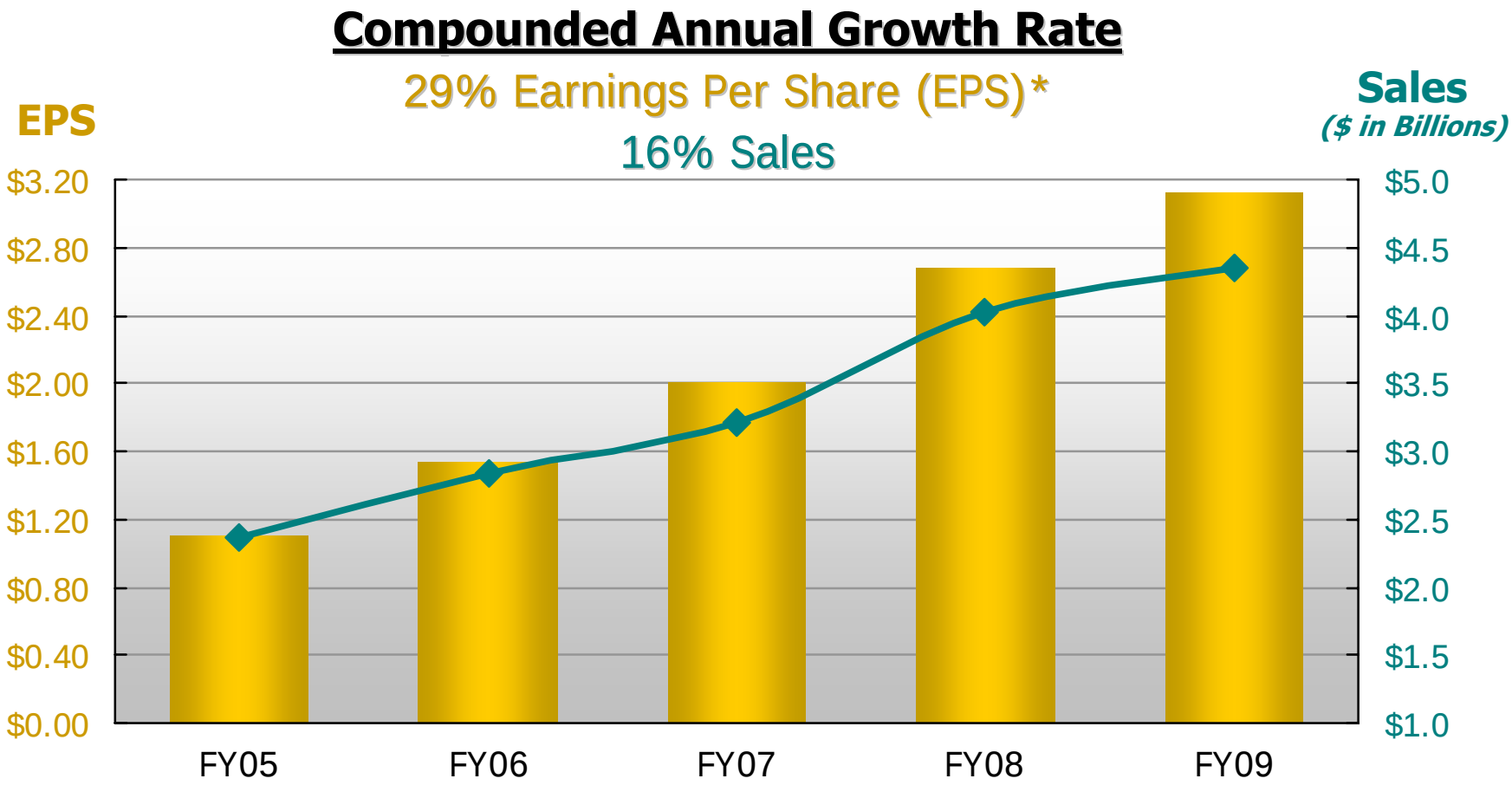
Maintaining a Consistent Strategy

- Drive **market-leading sales growth** through:
  - **Internal growth** in core & strategic products, and new product and service offerings that leverage our infrastructure and customer base
  - **Acquisitions** (core, product line and strategic opportunities)
- Provide outstanding **customer service**
- Improve **operating efficiencies**

Acquisition Opportunities

- Focused on the core U.S. packaged gas and welding hardgoods business – $13B+
- Highly fragmented, more than 900 packaged gas distributors
- Independent distributors comprise about 50%
- Local, service-intensive business, compete in geographic radius of about 50 – 75 miles
- Other opportunities exist in adjacent businesses, such as safety products, refrigerants, and ammonia
- Continue to cautiously evaluate international opportunities

Value Created Here



Strong SSS, Effective Cost/Price Management, and Infrastructure Leverage

* EPS is presented on an adjusted basis. Reconciliations to comparable measures under GAAP are attached

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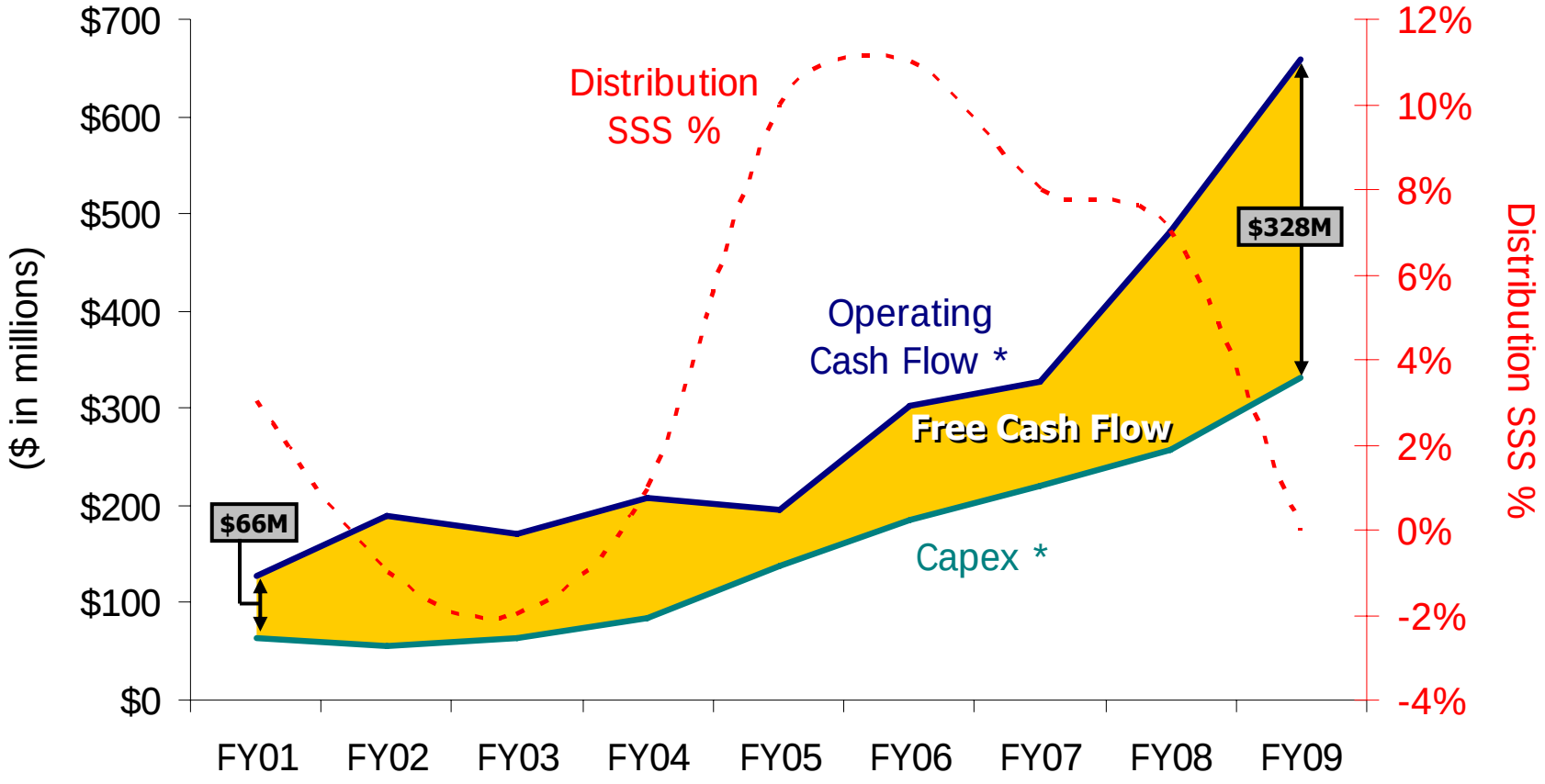
Strong Cash Flow



Growth capex and working capital reduced in slower growth periods, generating incremental FCF

* Operating Cash Flow and Capex are presented on an adjusted basis. Reconciliations to comparable measures under GAAP are attached.

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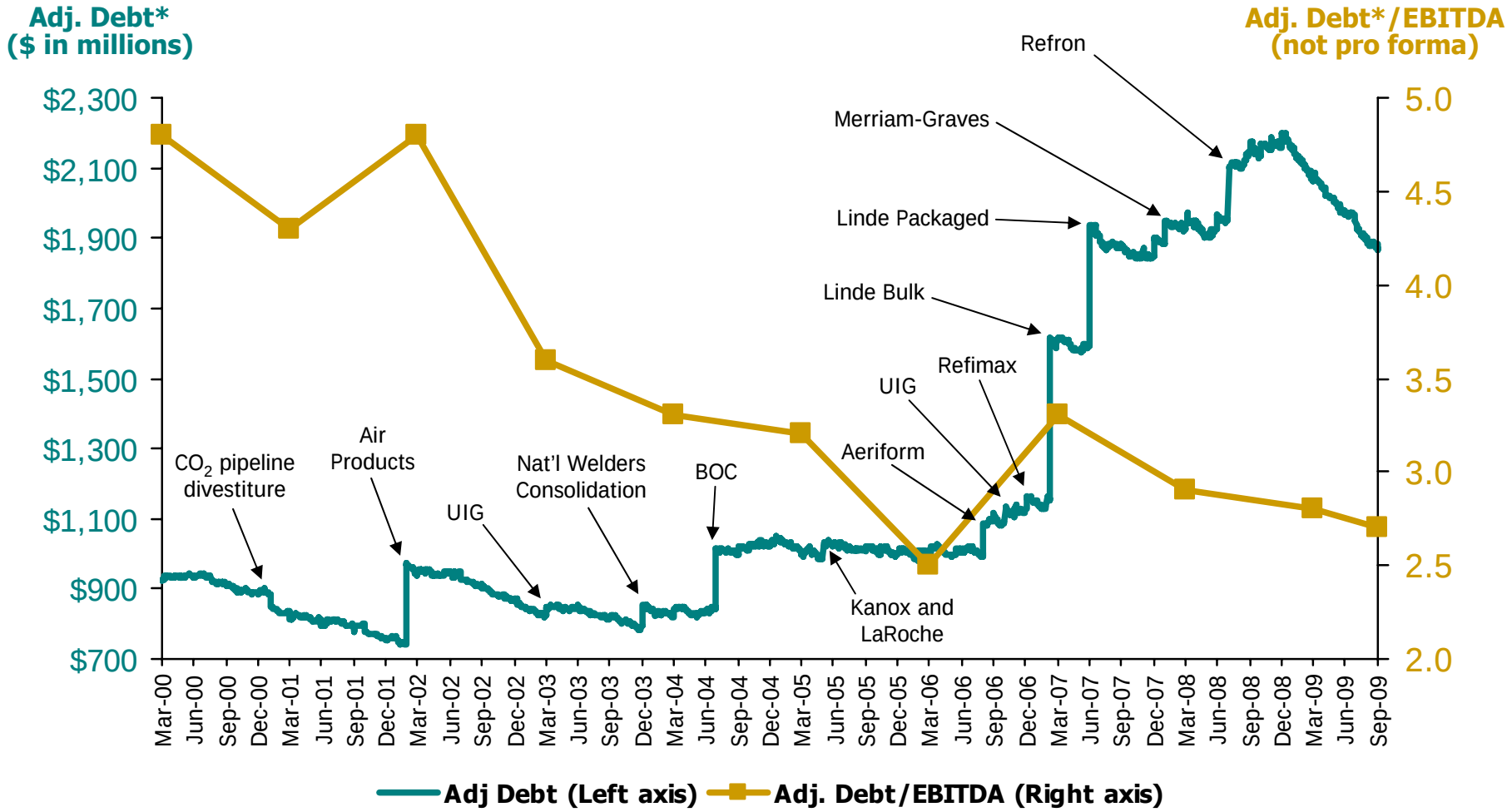
Strong Cash Flow Reduces Leverage Following Acquisitions



* Adjusted debt includes the accounts receivable securitization and, prior to October 2004, the synthetic lease financing. Reconciliations to comparable measures under GAAP are attached, and are available on the Company's website

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Multiple Earnings Levers

- Flexible cost structure
  - Implemented $45 million in annual cost savings between December 2008 and March 2009, including reductions in staffing, other personnel expense (i.e. OT and temp help), and discretionary spending (i.e. T&E)
    - Full run-rate effective 1Q10
  - Implemented additional $12 million in annual cost savings in 2Q10
    - Full run-rate effective 3Q10
- Operating efficiency programs – target run-rate savings $10M in FY10
  - Bulk and cylinder distribution logistics
  - Cylinder fill plant and testing efficiencies
  - Optimize hardgoods supply chain
- Maintenance capex low
  - ~3% of annual sales

Our Business Continues to Evolve

Airgas 2000 → Airgas 2009

Airgas 2000

- Repositioning company (40+ hub companies)
- Creating operating culture
- Building out infrastructure
- Early stages of establishing Strategic Products
- Gas/Rent = ~50% of sales
- Balance sheet leverage high

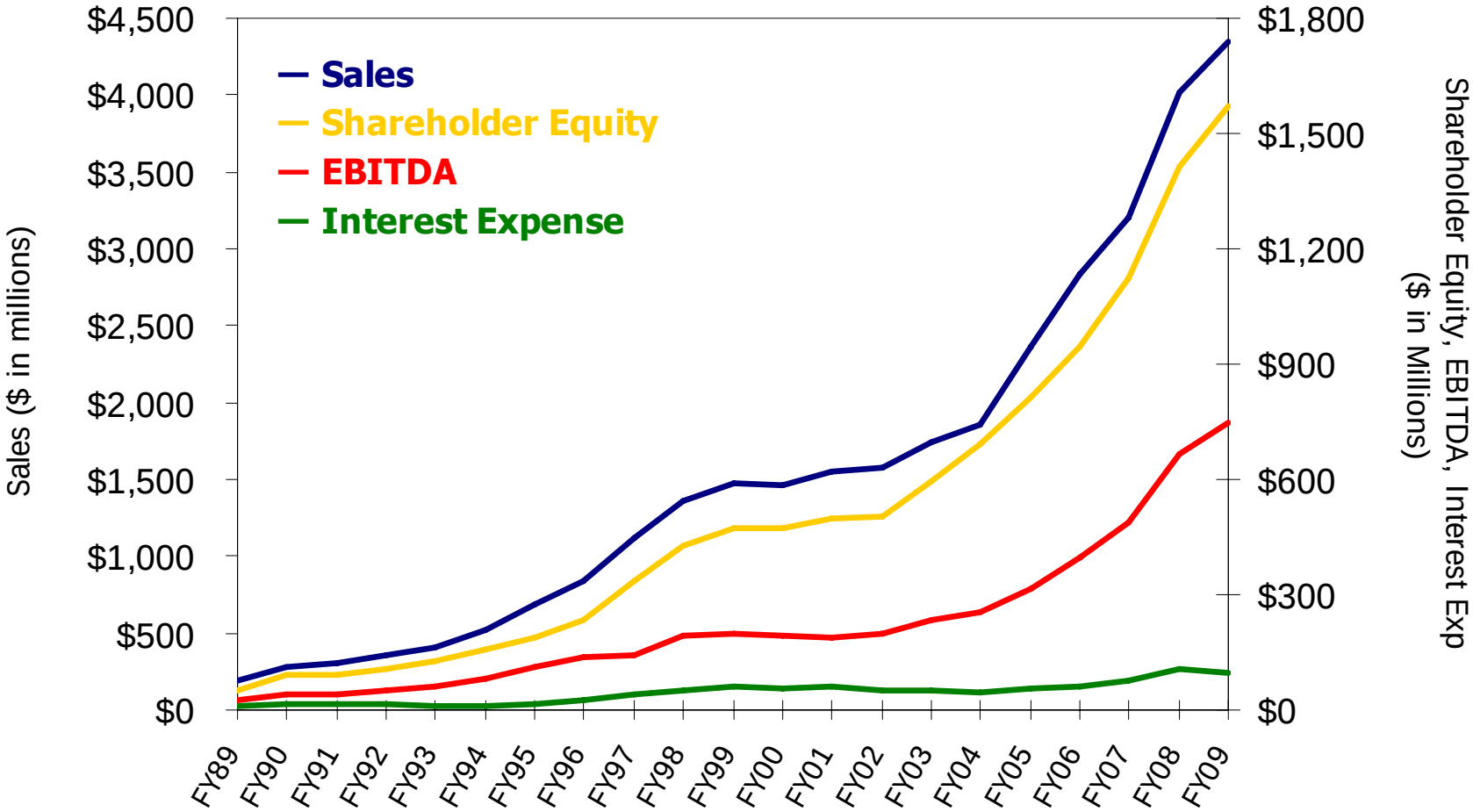
Airgas 2009

- 12 regional operating companies form our national distribution platform
- 11 strategically-aligned product-line companies complement our core business
- Operating culture firmly in place
- Scalable infrastructure
- Strategic Products established (account for 40% of sales)
- Gas/Rent = ~60% of sales
- Comfortable balance sheet leverage
- Operating efficiency programs
- Bulk capabilities
- Spec Gas innovation & marketing
- Ammonia and Refrigerants offerings
- Tech expertise / Engineering capabilities
- Demand planning / Buying Centers
- Brand management / RADNOR® private label

Key Investment Highlights

- Proven track record
- Diversified customer base
- Infrastructure can be leveraged
- Strong cash flow
- Organic and acquisition growth opportunities
- Value returned to shareholders through dividend growth and share repurchases

We Have Taken a Disciplined Approach to Growing the Business



FY89 – FY09 reconciliation of adjusted EBITDA presented above is available via the airgas.com website – Investor Info/GAAP Reconciliation. Note that Interest Expense includes the discount on the securitization of trade receivables.

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Appendix

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Common Gas Applications

% of Gas Sales	Gas	Applications
31%	Nitrogen	Blanketing, purging, freezing & food packaging
	Oxygen	Medical, oxidizing, cutting, wastewater treatment, fermentation
	Argon	Shielding for welding and cutting, steel manufacturing, heat treating, electronics, blanketing
10%	Acetylene, Propylene, & Propane	Fuel gases for cutting and welding, brazing, heating
15%	Specialty pure gases & mixtures	Carrier gases, fuel gases for gas chromatography, QA, process and continuous environmental monitoring
14%	Carbon Dioxide / Dry Ice	Blanketing, purging, wastewater treatment, chemical feedstock, beverage carbonization, freezing & food storage
30%	Industrial gas mixtures	Shielding gases for welding and cutting, modified atmosphere packaging, breathing air, industrial air, special applications
	Hydrogen	Petroleum refining, chemical feedstock, gas reducing, fuel cells, material handling equipment fuel
	Helium	Lighter-than-air applications, leak detection, MRI
	Refrigerants & Ammonia	Refrigeration, freezing, air conditioning, DeNOx, chemical processing, water treatment, metal treatment

Reconciliation: Adjusted EPS

	FY09	FY08	FY07	FY06	FY05
EPS from Continuing Operations	$ 3.12	$ 2.66	$ 1.92	$ 1.62	$ 1.19
Debt extinguishment charge	-	-	0.10	-	-
Stock-based compensation(1)	-	-	-	(0.10)	(0.09)
Other	-	0.02	(0.02)	0.02	0.01
Adjusted EPS from Continuing Operations	$ 3.12	$ 2.68	$ 2.00	$ 1.54	$ 1.11

The Company believes this presentation of Adjusted EPS helps investors better assess earnings quality.

(1) The Company adopted SFAS 123R, “Share-based Payments,” using the “modified prospective” method effective April 1, 2006. The reductions of earnings in fiscal years 2005 and 2006 represent stock-based compensation expense the Company would have recognized if SFAS 123R had been applicable in those periods.

Reconciliation: Free Cash Flow

($ in millions)	FY09	FY08	FY07	FY06	FY05	FY04	FY03	FY02	FY01
Net cash provided by operating activities	$582.8	$549.9	$326.3	$346.0	$212.4	$203.8	$187.0	$243.7	$196.1
Adjustments to cash provided by operating activities:									
Cash used (provided) by the securitization of trade receivables	48.6	(95.6)	(20.2)	(54.3)	(27.3)	(3.7)	(24.9)	(60.8)	(73.2)
Stock issued for employee stock purchase plan	16.5	14.1	12.0	10.5	9.9	6.9	9.0	7.4	5.6
Tax benefit realized from exercise of stock options	11.8	13.3	9.0	--	--	--	--	--	--
Adjusted cash from operations	**659.7**	**481.7**	**327.1**	**302.2**	**195.0**	**207.0**	**171.1**	**190.3**	**128.5**
Capital expenditures	(351.9)	(267.4)	(238.3)	(208.6)	(168.0)	(93.7)	(68.0)	(58.3)	(65.9)
Adjustments to capital expenditures:									
Operating lease buyouts	5.6	1.0	9.5	14.6	24.1	4.0	--	--	--
Proceeds from sales of plant and equipment	14.4	9.3	8.7	8.2	5.4	5.3	4.3	3.2	2.9
Adjusted capital expenditures	**(332.0)**	**(257.1)**	**(220.1)**	**(185.8)**	**(138.5)**	**(84.4)**	**(63.7)**	**(55.1)**	**(63.0)**
Free Cash Flow	**$327.7**	**$224.6**	**$107.0**	**$116.4**	**$56.5**	**$122.6**	**$107.4**	**$135.2**	**$65.5**

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, which is available for servicing debt obligations and for the execution of its business strategy, including acquisitions, the prepayment of debt, 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.

Reconciliation: Adjusted Debt

($ in millions)	9/30/2009	6/30/2009	3/31/2009	12/31/2008	9/30/2008
Book Debt	$1,609	$1,686	$1,761	$1,820	$1,794
Accounts Receivable Securitization	273	295	311	360	360
Adjusted Debt	$1,882	$1,981	$2,072	$2,180	$2,154

The Company uses Adjusted Debt to provide investors with a more meaningful measure of the Company's debt obligations by adjusting for funds received under the trade receivables securitization program.