

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-Q**

**QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

For the quarterly period ended: June 30, 2015

Commission file number: 1-9344

**AIRGAS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**56-0732648**

(I.R.S. Employer  
Identification No.)

**259 North Radnor-Chester Road, Suite 100  
Radnor, PA**

(Address of principal executive offices)

**19087-5283**

(ZIP code)

**(610) 687-5253**

(Registrant's telephone number, including area code)

**Securities registered pursuant to Section 12(b) of the Act:**

Title of Each Class

Name of Each Exchange on Which Registered

**Securities registered pursuant to Section 12(g) of the Act: None.**



**FORM 10-Q**  
**June 30, 2015**

**PAGE**

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
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**PART I—FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS.**

**AIRGAS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF EARNINGS**  
**(Unaudited)**

(In thousands, except per share amounts)	Three Months Ended	
	June 30,	
	2015	2014
<b>Net Sales</b>		
<b>Costs and Expenses:</b>		
<b>Operating Income</b>		
<b>Net Earnings</b>		
<b>Net Earnings per Common Share:</b>		
<b>Weighted Average Shares Outstanding:</b>		
<b>Dividends Declared per Common Share</b>		

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**AIRGAS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(Unaudited)**

(In thousands)	Three Months Ended	
	June 30,	
	2015	2014
Net earnings		
Other comprehensive income (loss), before tax:		
Other comprehensive income (loss), before tax		
Other comprehensive income (loss), net of tax		
Comprehensive income		

**AIRGAS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

(In thousands, except per share amounts)	(Unaudited)	
	June 30, 2015	March 31, 2015
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Total current assets</b>		
<b>Total assets</b>		
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
<b>Total current liabilities</b>		
<b>Stockholders' Equity</b>		
<b>Total stockholders' equity</b>		
<b>Total liabilities and stockholders' equity</b>		

[illegible]

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**AIRGAS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**

**(1) BASIS OF PRESENTATION**

**(2) ACCOUNTING AND DISCLOSURE CHANGES**

*Recently Adopted Accounting Pronouncements*

*Accounting Pronouncements Not Yet Adopted*

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**AIRGAS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**  
**(UNAUDITED)**

**(3) ACQUISITIONS**

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**AIRGAS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**  
**(UNAUDITED)**

(In thousands)

**Consideration**

**Recognized amounts of identifiable assets  
acquired and liabilities assumed**

**Goodwill**

**(4) INVENTORIES, NET**

(In thousands)

**June 30,  
2015**

**March 31,  
2015**


**AIRGAS, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**  
**(UNAUDITED)**

**(5) GOODWILL AND OTHER INTANGIBLE ASSETS**

*Goodwill*

<u>(In thousands)</u>	<u>Distribution Business Segment</u>	<u>All Other Operations Business Segment</u>	<u>Total</u>

*Other Intangible Assets*

<u>(In thousands)</u>	<u>June 30, 2015</u>				<u>March 31, 2015</u>			
	<u>Weighted Average Amortization Period (Years)</u>	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Amount</u>	<u>Weighted Average Amortization Period (Years)</u>	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Amount</u>

**(6) ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

[illegible]

**(7) INDEBTEDNESS**

[illegible]

### *Money Market Loans*

AIRGAS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

(UNAUDITED)

Senior Credit Facility

Trade Receivables Securitization

Senior Notes

Aggregate Long-term Debt Maturities

(In thousands)	Debt Maturities <sup>(a)</sup>

(8) FAIR VALUE MEASUREMENTS

**AIRGAS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**  
**(UNAUDITED)**

*Assets and Liabilities Measured at Fair Value on a Recurring Basis*

<u>(In thousands)</u>	<u>Balance at June 30, 2015</u>	<u>Quoted Prices in Active Markets Level 1</u>	<u>Significant Other Observable Inputs Level 2</u>	<u>Significant Unobservable Inputs Level 3</u>

<u>(In thousands)</u>	<u>Balance at March 31, 2015</u>	<u>Quoted Prices in Active Markets Level 1</u>	<u>Significant Other Observable Inputs Level 2</u>	<u>Significant Unobservable Inputs Level 3</u>

**Deferred compensation plan assets and corresponding liabilities**

*Fair Value of Debt*

<u>(In thousands)</u>	<u>Carrying Value at June 30, 2015</u>	<u>Fair Value at June 30, 2015</u>	<u>Carrying Value at March 31, 2015</u>	<u>Fair Value at March 31, 2015</u>

**(9) STOCKHOLDERS' EQUITY**

<u>(In thousands of shares)</u>	Shares of Common Stock, \$0.01 Par Value	Shares of Treasury Stock

<u>(In thousands)</u>	<u>Common Stock</u>	<u>Capital in Excess of Par Value</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>	<u>Treasury Stock</u>	<u>Total Stockholders' Equity</u>

<u>(In thousands)</u>	Foreign Currency Translation Adjustments	Treasury Rate Lock Agreement	Total Accumulated Other Comprehensive Income (Loss)

### *Stock Repurchase Program*

	Three Months Ended June 30,	
(In thousands)	2015	2014
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*Fair Value*

[illegible]

### *Employee Stock Purchase Plan*

[illegible][illegible]

## *Litigation*

**(13) SUMMARY BY BUSINESS SEGMENT**

[illegible]**(14) SUPPLEMENTAL CASH FLOW INFORMATION**

*Cash Paid for Interest and Income Taxes*

	Three Months Ended June 30,	
<u>(In thousands)</u>	<u>2015</u>	<u>2014</u>

### *Noncash Investing and Financing Activities*

[illegible]

**(15) SUBSEQUENT EVENTS**

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**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.**

**OVERVIEW**

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**RESULTS OF OPERATIONS: THREE MONTHS ENDED JUNE 30, 2015 COMPARED TO THREE MONTHS ENDED JUNE 30, 2014**

**STATEMENT OF EARNINGS COMMENTARY**

*Net Sales*

<u>Net Sales</u> (In thousands)	Three Months Ended June 30,		Increase/ (Decrease)
	2015	2014	

*Gross Profits (Excluding Depreciation)*

<u>Gross Profits (ex. Depr.)</u> (In thousands)	Three Months Ended		Increase/ (Decrease)
	2015	2014	

*Operating Expenses*

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<u>SD&amp;A Expenses</u> (In thousands)	Three Months Ended		
	June 30,		
	2015	2014	Increase/ (Decrease)

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***Operating Income***

	Three Months Ended		
	June 30,		
<u>Operating Income</u> (In thousands)	2015	2014	Increase/ (Decrease)

***Interest Expense, Net***

***Income Tax Expense***

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*Net Earnings*

**LIQUIDITY AND CAPITAL RESOURCES**

*Cash Flows*

<u>(In thousands)</u>	Three Months Ended	
	June 30,	
	2015	2014

<u>(In thousands)</u>	Three Months Ended	
	June 30,	
	2015	2014

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	Three Months Ended June 30,	
<u>(In thousands)</u>	2015	2014

*Dividends*

**Financial Instruments and Sources of Liquidity**

*Money Market Loans*

*Commercial Paper*

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*Trade Receivables Securitization*

*Senior Credit Facility*

*Senior Notes*

*Total Borrowing Capacity*

*Interest Rate Derivatives*

*Interest Expense*

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***Non-GAAP Reconciliations***

***Adjusted Cash from Operations, Adjusted Capital Expenditures, and Free Cash Flow***

<u>(In thousands)</u>	Three Months Ended	
	June 30,	
	2015	2014
Adjusted cash from operations	232,470	205,637
Adjusted capital expenditures	(112,796)	(101,779)
Free cash flow	\$ 119,674	\$ 103,858

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**OTHER**

*Critical Accounting Estimates*

*Contractual Obligations*

*Accounting Pronouncements Issued But Not Yet Adopted*

*Forward-looking Statements*

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**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

**ITEM 4. CONTROLS AND PROCEDURES.**

*(a) Evaluation of Disclosure Controls and Procedures*

*(b) Changes in Internal Control*

**PART II—OTHER INFORMATION**

**ITEM 1. LEGAL PROCEEDINGS.**

**ITEM 1A. RISK FACTORS.**

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.**

*Issuer Purchases of Equity Securities*

	(a)	(b)	(c)	(d)
Period	Total Number of Shares Purchased <sup>(2)</sup>	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program <sup>(1)</sup>	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Program <sup>(1)</sup>

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**ITEM 6. EXHIBITS.**

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>
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**SIGNATURE**

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**Thomas M. Smyth  
Vice President & Controller  
(Principal Accounting Officer)**

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## **EXHIBIT INDEX**

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>
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