

The Board of Directors Airgas, Inc.:

We have audited the consolidated balance sheets of Airgas, Inc. and subsidiaries as of March 31, 2003 and 2002, and the related consolidated statement of earnings, stockholders' equity and cash flows for each of the years in the three-year period ended March 31, 2003. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Airgas, Inc. and subsidiaries as of March 31, 2003 and 2002, and the results of their operations and their cash flows for each of the years in the three-year period ended March 31, 2003, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the consolidated financial statements, the Company changed its method of accounting for goodwill and other intangible assets and derivative instruments and hedging activities effective April 1, 2001.

KPMG LLP

Philadelphia, Pennsylvania

May 5, 2003, except as to Note 25,
which is as of May 13, 2003.

Management has prepared and is responsible for the integrity and objectivity of the consolidated financial statements and related financial information in this Annual Report. The statements are prepared in conformity with accounting principles generally accepted in the United States of America. The financial statements reflect management's informed judgment and estimation as to the effect of events and transactions that are accounted for or disclosed.

Management maintains a system of internal control, which includes disclosure controls and procedures, at each business unit. This system is designed to provide reasonable assurance that assets are safeguarded, records properly reflect transactions executed in accordance with management's authorization, and material information related to the Company is made known to management and disclosed in the Consolidated Financial Statements. Management has evaluated the effectiveness of the Company's disclosure controls within 90 days of this annual report's filing date. Based on that evaluation, management has concluded that the Company's disclosure controls and procedures are effective and ensure that material information is recorded, processed, summarized and reported as required by accounting principles generally accepted in the United States of America.

The Company also maintains a staff of internal auditors who review and evaluate the system of internal control on a continual basis. In determining the extent of the system of internal control, management recognizes that the cost should not exceed the benefits derived. The evaluation of these factors requires estimates and judgment by management.


The Company's financial statements have been audited by KPMG LLP, independent auditors. Their Independent Auditors' Report, which is based on an audit made in accordance with auditing standards generally accepted in the United States of America, is presented on this page. In performing their audit, KPMG LLP considers the Company's internal control structure to the extent they deem necessary in order to plan their audit, determine the nature, timing and extent of tests to be performed and issue their report on the consolidated financial statements.

The Audit Committee of the Board of Directors, consisting solely of non-employee Directors, meets regularly (jointly and separately) with the independent auditors, the internal auditors and management to satisfy itself that they are properly discharging their responsibilities. The auditors have direct access to the Audit Committee.

Airgas, Inc.



Peter McCausland
Chairman and Chief Executive Officer



Roger F. Millay
Senior Vice President and Chief Financial Officer

May 5, 2003