

Reconciliation of Non-GAAP Financial Measures (Unaudited)

AIRGAS, INC. AND SUBSIDIARIES

Reconciliation of Earnings per Diluted Share from Continuing Operations to Earnings per Diluted Share from Continuing Operations, Excluding Certain Gains and Charges

	FY86	FY87	FY88	FY89	FY90	FY91	FY92	FY93	FY94	FY95	FY96
Earnings per diluted share from continuing operations	\$ 0.03	\$ 0.03	\$ 0.04	\$ 0.06	\$ 0.08	\$ 0.03	\$ 0.13	\$ 0.19	\$ 0.31	\$ 0.48	\$ 0.60
Adjustments:											
Restructuring and other special charges, including asset impairments, net of recoveries	—	—	0.01	—	—	0.06	—	—	—	—	—
Costs (recoveries) due to breach of contract by supplier	—	—	—	—	—	—	—	—	—	—	—
Losses (gains) on sale of business	—	—	—	—	—	—	—	—	—	—	—
Insurance gain	—	—	—	—	—	—	—	—	—	—	—
Litigation charges	—	—	—	—	—	—	—	—	—	—	—
Inventory write-down	—	—	—	—	—	—	—	—	—	—	—
Hurricane and fire losses	—	—	—	—	—	—	—	—	—	—	—
BOC acquisition integration costs	—	—	—	—	—	—	—	—	—	—	—
Employee separation costs	—	—	—	—	—	—	—	—	—	—	—
Gain on termination of defined benefit pension plan	—	—	(0.01)	—	—	—	—	—	—	—	—
Costs (benefits) related to unsolicited takeover attempt	—	—	—	—	—	—	—	—	—	—	—
Losses on debt extinguishment	—	—	—	—	—	—	—	—	—	—	—
Multi-employer pension plan withdrawal charges	—	—	—	—	—	—	—	—	—	—	—
Income tax benefits	—	—	—	—	—	—	—	—	—	—	—
National Welders exchange transaction	—	—	—	—	—	—	—	—	—	—	—
One-time interest penalty	—	—	—	—	—	—	—	—	—	—	—
Earnings per diluted share from continuing operations, excluding certain gains and charges	\$ 0.03	\$ 0.03	\$ 0.04	\$ 0.06	\$ 0.08	\$ 0.09	\$ 0.13	\$ 0.19	\$ 0.31	\$ 0.48	\$ 0.60

The Company believes its earnings per diluted share from continuing operations, excluding certain gains and charges, financial measure provides investors meaningful insight into its earnings performance without the impact of certain special items. Non-GAAP financial measures should be read in conjunction with GAAP financial measures, as non-GAAP financial measures are merely a supplement to, and not a replacement for, GAAP financial measures. It should also be noted that the Company's earnings per diluted share from continuing operations, excluding certain gains and charges, financial measure may be different from earnings per diluted share financial measures provided by other companies.

Reconciliation and Computation of Return on Capital

(In thousands)

Years Ended March 31,	2010	2011	2012	2013	2014
Operating income	\$ 399,544	\$ 469,191	\$ 556,221	\$ 596,417	\$ 630,534
Add:					
Restructuring and other special charges	—	—	24,448	8,089	—
Costs related to unsolicited takeover attempt	23,435	44,406	(7,870)	—	—
Multi-employer pension plan withdrawal charges	6,650	4,628	4,304	—	—
Adjusted operating income	\$ 429,629	\$ 518,225	\$ 577,103	\$ 604,506	\$ 630,534
Five quarter average of total assets	\$ 4,437,165	\$ 4,797,736	\$ 5,126,871	5,452,051	5,676,227
Five quarter average of securitized trade receivables	288,500	59,000	—	—	—
Five quarter average of current liabilities (exclusive of debt)	(424,454)	(498,618)	(516,307)	(533,217)	(526,939)
Five quarter average capital employed	\$ 4,301,211	\$ 4,358,118	\$ 4,610,564	\$ 4,918,834	\$ 5,149,288
Return on capital	10.0%	11.9%	12.5%	12.3%	12.2%

The Company believes this return on capital computation helps investors assess how effectively the Company uses the capital invested in its operations. Management uses return on capital as one of the metrics for determining employee compensation. Non-GAAP financial measures should be read in conjunction with GAAP financial measures, as non-GAAP financial measures 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 return on capital computations provided by other companies. Quarterly averages used in the computation of return on capital above reflect the impact of material acquisitions as of their acquisition date.

Reconciliation of Non-GAAP Financial Measures (Unaudited)

AIRGAS, INC. AND SUBSIDIARIES

FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
\$ 0.33	\$ 0.57	\$ 0.74	\$ 0.55	\$ 0.42	\$ 0.74	\$ 0.96	\$ 1.08	\$ 1.19	\$ 1.62	\$ 1.92	\$ 2.66	\$ 3.13	\$ 2.34	\$ 2.94	\$ 4.00	\$ 4.35	\$ 4.68
0.05	0.18	—	—	0.10	—	0.03	(0.01)	—	—	—	—	—	—	—	0.19	0.07	—
0.25	(0.13)	—	(0.02)	(0.05)	—	—	—	—	—	—	—	—	—	—	—	—	—
0.01	(0.01)	(0.21)	(0.12)	—	—	—	—	—	—	—	—	—	—	—	—	(0.07)	—
—	—	(0.03)	—	—	—	—	(0.02)	—	—	—	—	—	—	—	—	—	—
—	—	—	0.07	0.05	0.09	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	0.03	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	0.02	—	0.02	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	0.04	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	0.01	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	0.18	0.33	(0.06)	—	—
—	—	—	—	—	—	—	—	—	—	0.10	—	—	0.14	0.03	—	—	0.08
—	—	—	—	—	—	—	—	—	—	—	—	—	0.05	0.03	0.04	—	—
—	—	—	—	—	—	—	—	—	—	(0.02)	(0.01)	—	(0.03)	—	(0.06)	—	(0.04)
—	—	—	—	—	—	—	—	—	—	—	0.03	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.02	—	—	—
\$ 0.64	\$ 0.61	\$ 0.50	\$ 0.51	\$ 0.52	\$ 0.83	\$ 0.99	\$ 1.07	\$ 1.24	\$ 1.64	\$ 2.00	\$ 2.68	\$ 3.13	\$ 2.68	\$ 3.35	\$ 4.11	\$ 4.35	\$ 4.72

Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow

(In thousands)

Years Ended March 31,	2010	2011	2012	2013	2014
Net cash provided by operating activities	\$ 600,047	\$ 275,301	\$ 506,406	\$ 550,268	\$ 744,860
Adjustments to cash provided by operating activities:					
Cash used (provided) by the securitization of trade receivables	16,400	295,000	—	—	—
Stock issued for employee stock purchase plan	15,428	14,997	15,256	17,088	17,313
Tax benefit realized from exercise of stock options	15,444	8,444	17,516	36,160	13,668
Net cash expenditures related to unsolicited takeover attempt	963	23,427	35,084	—	—
Cash expenditures related to MEPP withdrawals	—	—	18,323	—	—
Adjusted cash from operations	648,282	617,169	592,585	603,516	775,841
Capital expenditures	(252,828)	(256,030)	(356,514)	(325,465)	(354,587)
Adjustments to capital expenditures:					
Operating lease buyouts	1,687	9,893	9,218	3,946	4,420
Proceeds from sales of plant and equipment	14,466	15,844	16,365	15,693	15,483
Adjusted capital expenditures	(236,675)	(230,293)	(330,931)	(305,826)	(334,684)
Free cash flow	\$ 411,607	\$ 386,876	\$ 261,654	\$ 297,690	\$ 441,157

The Company believes that free cash flow provides 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 repayment of debt, the payment of dividends, or to support other investing and financing activities. Non-GAAP financial measures should be read in conjunction with GAAP financial measures, as non-GAAP financial measures are merely a supplement to, and not a replacement for, GAAP financial measures. It should be noted that the Company's free cash flow financial measure may be different from free cash flow financial measures provided by other companies.

Reconciliation of Non-GAAP Financial Measures (Unaudited)

AIRGAS, INC. AND SUBSIDIARIES

Reconciliation of Net Earnings to Adjusted Net Earnings and Increase in Adjusted Earnings Per Share

(In thousands, except per share amounts)

Years Ended March 31,	2013	2014
Net earnings	\$ 340,874	\$ 350,784
Restructuring and other special charges, after tax	5,056	—
Gain on sale of businesses, after tax	(5,491)	—
Loss on the extinguishment of debt, after tax	—	5,645
Income tax benefits	—	(3,293)
Adjusted net earnings	\$ 340,439	\$ 353,137
Diluted shares outstanding	78,307	74,910
Adjusted earnings per diluted share	\$ 4.35	\$ 4.72
Increase in adjusted earnings per share		9%

The Company believes that the increase in adjusted earnings per diluted share provides investors with meaningful insight into the Company's earnings performance without the impact of restructuring and other special charges, gain on sale of businesses, loss on the extinguishment of debt and state income tax benefits. Non-GAAP financial measures should be read in conjunction with GAAP financial measures, as non-GAAP financial measures are merely a supplement to, and not a replacement for, GAAP financial measures. It should be noted that the Company's adjusted earnings per diluted share may be different from adjusted net earnings provided by other companies.

Twenty-Nine Year Reconciliation of Net Earnings to Adjusted EBITDA

(In thousands)

Years Ended March 31,	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Net Earnings	\$ 1,796	\$ 2,557	\$ 4,391	\$ 10,423	\$ 37,959	\$ 1,166	\$ 7,292	\$ 12,469	\$ 20,290	\$ 31,479	\$ 39,722	\$ 23,264
Add:												
Depreciation & amortization	1,843	5,127	6,085	11,147	17,387	21,158	23,420	28,042	30,571	36,868	45,762	64,428
Interest expense	1,532	4,751	6,154	12,245	16,198	15,179	12,838	11,403	12,486	17,625	24,862	39,367
Income taxes	2,021	2,623	2,257	3,326	4,526	3,400	7,718	10,811	16,027	23,894	28,522	20,140
Other income	(195)	(283)	(909)	(215)	(157)	(870)	(214)	(546)	(453)	(1,067)	(781)	(1,695)
Losses on extinguishment of debt	—	—	—	—	—	—	—	—	—	—	—	—
Discount on securitization of receivables	—	—	—	—	—	—	—	—	—	—	—	—
Minority interest in earnings of consolidated affiliate	—	69	111	120	260	283	496	230	317	669	662	817
Equity in earnings of unconsolidated affiliate	—	—	(1,588)	(2,048)	(1,638)	(1,872)	(1,814)	—	—	—	—	(935)
Discontinued operations	858	(108)	(2,731)	(7,893)	(33,927)	—	—	—	—	—	—	(478)
Cumulative effect of change in accounting principle	—	—	—	—	—	—	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—	—	—	—	—	—	—
Costs (benefits) related to unsolicited takeover attempt	—	—	—	—	—	—	—	—	—	—	—	—
Multi-employer pension plan withdrawal charges	—	—	—	—	—	—	—	—	—	—	—	—
Adjusted EBITDA	\$ 7,855	\$ 14,736	\$ 13,770	\$ 27,105	\$ 40,608	\$ 38,444	\$ 49,736	\$ 62,409	\$ 79,238	\$ 109,468	\$ 138,749	\$ 144,908

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

Reconciliation of Non-GAAP Financial Measures (Unaudited)

AIRGAS, INC. AND SUBSIDIARIES

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
\$ 40,541	\$ 51,924	\$ 38,282	\$ 28,223	\$ (10,415)	\$ 68,105	\$ 80,192	\$ 92,022	\$ 123,551	\$ 154,416	\$ 223,896	\$ 262,253	\$ 196,266	\$ 250,264	\$ 313,374	\$ 340,874	\$ 350,784
82,227	83,839	85,262	82,796	71,757	79,279	87,447	111,078	127,542	147,343	189,775	220,795	234,949	250,518	270,285	288,900	305,306
52,603	59,677	56,879	59,550	46,775	46,374	42,357	51,245	54,145	60,180	89,485	84,395	63,310	60,054	66,337	67,494	73,698
28,281	33,799	30,088	19,754	30,051	41,571	47,659	54,261	77,866	99,883	144,532	169,016	117,780	156,669	178,792	202,543	201,121
(9,811)	(29,491)	(18,625)	(1,324)	(5,987)	(2,132)	(1,472)	(1,129)	(2,411)	(1,556)	(1,454)	382	(1,332)	(1,958)	(2,282)	(14,494)	(4,219)
—	—	—	—	—	—	—	—	—	12,099	—	—	17,869	4,162	—	—	—
—	—	—	1,303	4,846	3,326	3,264	4,711	9,371	13,630	17,031	10,738	5,651	—	—	—	—
873	93	(51)	—	—	—	452	1,808	2,656	2,845	3,230	—	—	—	—	—	—
(1,413)	(4,266)	(1,447)	(1,178)	(2,861)	(2,684)	(4,365)	—	—	—	—	—	—	—	—	—	—
635	871	335	400	3,529	1,776	457	(464)	1,424	—	—	—	—	—	—	—	—
—	—	—	—	59,000	—	—	—	2,540	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	24,448	8,089	—
—	—	—	—	—	—	—	—	—	—	—	—	23,435	44,406	(7,870)	—	—
—	—	—	—	—	—	—	—	—	—	—	—	6,650	4,628	4,304	—	—
\$ 193,936	\$ 196,446	\$ 190,723	\$ 189,524	\$ 196,695	\$ 235,615	\$ 255,991	\$ 313,532	\$ 396,684	\$ 488,840	\$ 666,495	\$ 747,579	\$ 664,578	\$ 768,743	\$ 847,388	\$ 893,406	\$ 926,690