Notes to Consolidated Financial Statements

AIRGAS, INC. AND SUBSIDIARIES

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Description of the Business

Airgas, Inc., together with its subsidiaries ("Airgas" or the "Company"), became a publicly traded company on the New York Stock Exchange in 1986. Since its inception, the Company has made more than 450 acquisitions to become one of the nation's leading suppliers of industrial, medical and specialty gases, and hardgoods, such as welding equipment and related products. Airgas is a leading U.S. producer of atmospheric gases, carbon dioxide, dry ice and nitrous oxide, one of the largest U.S. suppliers of safety products, and a leading U.S. supplier of refrigerants, ammonia products and process chemicals. The Company markets its products and services through multiple sales channels, including branch-based sales representatives, retail stores, strategic customer account programs, telesales, catalogs, e-Business and independent distributors. Approximately 17,000 associates work in more than 1,100 locations, including branches, retail stores, gas fill plants, specialty gas labs, production facilities and distribution centers.

(b) Basis of Presentation

The consolidated financial statements include the accounts of Airgas, Inc. and its subsidiaries. Intercompany accounts and transactions are eliminated in consolidation.

The Company has made estimates and assumptions relating to the reporting of assets and liabilities and disclosure of contingent assets and liabilities to prepare these consolidated financial statements in conformity with U.S. generally accepted accounting principles ("GAAP"). Estimates are used for, but not limited to, determining the net carrying value of trade receivables, inventories, plant and equipment, goodwill, other intangible assets, asset retirement obligations, business and health insurance reserves, loss contingencies and deferred tax assets. Actual results could differ from those estimates.

(c) Cash and Cash Overdraft

On a daily basis, available funds are swept from depository accounts into a concentration account and used to repay borrowings under the Company's commercial paper program. Cash principally represents the balance of customer checks that have not yet cleared through the banking system and become available to be swept into the concentration account, and deposits made subsequent to the daily cash sweep. The Company does not fund its disbursement accounts for checks it has written until the checks are presented to the bank for payment. Cash overdrafts represent the balance of outstanding checks and are classified with other current liabilities. There are no compensating balance requirements or other restrictions on the transfer of cash associated with the Company's depository accounts.

(d) Allowance for Doubtful Accounts

The Company maintains an allowance for doubtful accounts, which includes sales returns, sales allowances and bad debts. The allowance adjusts the carrying value of trade receivables for the estimate of accounts that will ultimately not be collected. An allowance for doubtful accounts is generally established as trade receivables age beyond their due dates, whether as bad debts or as sales returns and allowances. As past due balances age, higher valuation allowances are established, thereby lowering the net carrying value of receivables. The amount of valuation allowance established for each past-due period reflects the Company's historical collections experience, including that related to sales returns and allowances, as well as current economic conditions and trends. The Company also qualitatively establishes valuation allowances for specific problem accounts and bankruptcies, and other accounts that the Company deems relevant for specifically identified allowances. The amounts ultimately collected on past-due trade receivables are subject to numerous factors including general economic conditions, the condition of the receivable portfolios assumed in acquisitions, the financial condition of individual customers and the terms of reorganization for accounts exiting bankruptcy. Changes in these conditions impact the Company's collection experience and may result in the recognition of higher or lower valuation allowances.

(e) Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out ("FIFO") and average-cost methods. Substantially all of the inventories are finished goods.

(f) Plant and Equipment

Plant and equipment are initially stated at cost. Long-lived assets, including plant and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the recorded values cannot be recovered from the undiscounted future cash flows. For impairment testing purposes, long-lived assets are grouped with other assets and liabilities at the lowest level for which independent identifiable cash flows are determinable. When the book value of an asset or group of assets exceeds the associated undiscounted expected future cash flows, it is considered to be potentially impaired and is written down to fair value, which is determined based on either discounted future cash flows or appraised values. The Company also leases property, plant and equipment, principally under operating leases. Rent expense for operating leases, which may have escalating rentals or rent holidays, is recorded on a straight-line basis over the respective lease terms.

The Company determines depreciation expense using the straight-line method based on the estimated useful lives of the related assets. The Company uses accelerated depreciation methods for tax purposes where appropriate. Depreciation expense is recognized on the Company's plant and equipment in the consolidated statement of earnings line item "Depreciation."

The Company capitalizes the interest cost associated with the development and construction of significant new plant and equipment and depreciates that amount over the lives of the related assets. Capitalized interest recorded for construction in progress during each of the years in the three-year period ended March 31, 2015 was not material.

(g) Computer Software

The Company capitalizes certain costs incurred to purchase or develop computer software for internal use. These costs include purchased software packages, payments to vendors and consultants for the development, implementation or modification of purchased software packages for Company use, payroll and related costs for employees associated with internal-use software projects, interest costs incurred in developing software for internal use, and software costs that allow for access or conversion of old data by new internal-use software. Capitalized computer software costs are included

Notes to Consolidated Financial Statements continued

AIRGAS, INC. AND SUBSIDIARIES

within plant and equipment on the Company's consolidated balance sheets and depreciated over the estimated useful life of the computer software, which is generally three to ten years.

(h) Goodwill and Other Intangible Assets
Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. The Company is required to test goodwill associated with each of its reporting units for impairment at least annually and whenever events or circumstances indicate that it is more likely than not that goodwill may be impaired. The Company performs its annual goodwill impairment test as of October 31 of each year.

Other intangible assets primarily consist of non-competition agreements and customer relationships resulting from business acquisitions. Both non-competition agreements and customer relationships are recorded based on their acquisition date fair values. Non-competition agreements are amortized using the straight-line method over the respective terms of the agreements. Customer relationships are amortized using the straight-line method over their estimated useful lives, which range from seven to 25 years. The determination of the estimated benefit periods associated with customer relationships is based on an analysis of historical customer sales attrition information and other customer-related factors at the date of acquisition. There are no expected residual values related to the Company's other intangible assets.

The Company evaluates the estimated benefit periods and recoverability of its other intangible assets when facts and circumstances indicate that the lives may not be appropriate and/or the carrying values of the asset group containing other intangible assets may not be recoverable through the projected undiscounted future cash flows of the group. If the carrying value of the asset group containing other intangible assets is not recoverable, impairment is measured as the amount by which the carrying value exceeds its estimated fair value. Fair value is determined using discounted cash flows or other techniques.

(i) Deferred Financing Costs
Financing costs related to the issuance of long-term debt are deferred and included in prepaid expenses and other current assets or in other non-current assets, depending upon the classification of the debt to which the costs relate. Deferred financing costs are amortized as interest expense over the term of the related debt instrument.

(j) Asset Retirement Obligations
The fair value of a liability for an asset retirement obligation is recognized in the period during which the asset is placed in service. The fair value of the liability is estimated using projected discounted cash flows. In subsequent periods, the retirement obligation is accreted to its future value, which is the estimate of the obligation at the asset retirement date. When the asset is placed in service, a corresponding retirement asset equal to the fair value of the retirement obligation is also recorded as part of the carrying amount of the related long-lived asset and depreciated over the asset's useful life. The majority of the Company's asset retirement obligations are related to the restoration costs associated with returning plant and bulk tank sites to their original condition upon termination of long-term leases or supply agreements. The Company's asset retirement obligations totaled $20.4 million and $19.0 million at March 31, 2015 and 2014, respectively, and are reflected within other non-current liabilities on the Company's consolidated balance sheets.

(k) Nonretirement Postemployment Benefits
The Company has a severance plan covering its eligible employees. The benefit payable under the plan is attributable to employee services rendered with benefits that accumulate over time. When employees are entitled to severance benefits as part of a restructuring plan (see Note 22) and the benefits are part of an ongoing benefit arrangement, a liability and associated charge is recognized when payment of the severance benefits becomes probable and estimable.

(l) Loss Contingencies
Liabilities for loss contingencies arising from claims, assessments, litigation and other sources are recorded when it is probable that a liability has been incurred and the amount of the claim, assessment or damages can be reasonably estimated.

The Company maintains business insurance programs with deductible limits, which cover workers' compensation, business automobile and general liability claims. The Company accrues estimated losses using actuarial models and assumptions based on historical loss experience. The actuarial calculations used to estimate business insurance reserves are based on numerous assumptions, some of which are subjective. The Company will adjust its business insurance reserves, if necessary, in the event future loss experience differs from historical loss patterns.

(m) Income Taxes
Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases, and operating loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences and operating loss carryforwards are expected to be recovered, settled or utilized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized.

The Company recognizes the benefit of an income tax position only if it is more likely than not (greater than 50%) that the tax position will be sustained upon tax examination, based solely on the technical merits of the tax position. Otherwise, no benefit is recognized. The tax benefits recognized are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Additionally, the Company accrues interest and related penalties, if applicable, on all tax exposures for which reserves have been established consistent with jurisdictional tax laws. Interest and penalties are classified as income tax expense in the consolidated statements of earnings.

(n) Foreign Currency Translation
The functional currency of the Company's foreign operations is the applicable local currency. The translation of foreign currencies into U.S. dollars is performed for balance sheet accounts using current exchange rates in effect at the balance

Notes to Consolidated Financial Statements continued

AIRGAS, INC. AND SUBSIDIARIES

sheet date and for revenue and expense accounts using average exchange rates during each reporting period. The gains or losses resulting from such translations are included in stockholders' equity as a component of accumulated other comprehensive income. Gains and losses arising from foreign currency transactions are reflected in the consolidated statements of earnings as incurred.

(o) Treasury Stock
The Company records repurchases of its common stock for treasury at cost. Upon the reissuance of the Company's common stock from treasury, differences between the proceeds from reissuance and the average cost of the treasury stock are credited or charged to capital in excess of par value to the extent of prior credits related to the reissuance of treasury stock. If no such credits exist, the differences are charged to retained earnings.

(p) Concentrations of Credit Risk
Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of trade receivables. Concentrations of credit risk are limited due to the Company's large number of customers and their dispersion across many industries primarily throughout North America. Credit terms granted to customers are generally net 30 days.

(q) Derivative Instruments and Hedging Activities
The Company manages its exposure to changes in market interest rates through the occasional use of interest rate derivative instruments, when deemed appropriate. The Company's involvement with derivative instruments has been limited to interest rate swap and treasury rate lock agreements used to manage well-defined interest rate risk exposures. An interest rate swap is a contractual exchange of interest payments between two parties. A standard interest rate swap involves the payment of a fixed rate times a notional amount by one party in exchange for receiving a floating rate times the same notional amount from the other party. As interest rates change, the difference to be paid or received is accrued and recognized as interest expense or income over the life of the agreement. Treasury rate lock agreements are used to fix the interest rate related to forecasted debt issuances. Interest rate swap and treasury rate lock agreements are not entered into for trading purposes.

When the Company has derivative instruments outstanding, it monitors its positions as well as the credit ratings of its counterparties, including the potential for non-performance by the counterparties. The Company recognizes outstanding derivative instruments as either assets or liabilities at fair value on the consolidated balance sheet. Interest rate contracts have traditionally been designated as hedges and recorded at fair value, with changes in fair value recognized in either accumulated other comprehensive income or in the carrying value of the hedged portions of fixed-rate debt, as applicable. Gains and losses on derivative instruments representing hedge ineffectiveness were recognized immediately in the respective year's earnings.

(r) Revenue Recognition
Revenue from sales of gases and hardgoods products is recognized when the product is shipped, the sales price is fixed or determinable and collectability is reasonably assured. Rental fees on cylinders, cryogenic liquid containers, bulk gas storage tanks and other equipment are recognized when earned. For contracts that contain multiple deliverables, principally product supply agreements for gases and container rental, revenue is recognized for each deliverable as a separate unit of accounting, with selling prices derived from Company specific or third-party evidence. For cylinder lease agreements in which rental fees are collected in advance, revenues are deferred and recognized over the respective terms of the lease agreements. Amounts billed for sales tax, value added tax or other transactional taxes imposed on revenue-producing transactions are presented on a net basis and are not recognized as revenue.

(s) Cost of Products Sold (Excluding Depreciation)
Cost of products sold (excluding depreciation) for the Distribution business segment includes the cost of direct materials, freight-in and maintenance costs associated with cylinders, cryogenic liquid containers and bulk tanks. Cost of products sold (excluding depreciation) related to gases produced by the Company's air separation facilities includes direct manufacturing expenses, such as direct labor, power and overhead.

Cost of products sold (excluding depreciation) for the All Other Operations business segment principally consists of direct material costs, freight-in and direct manufacturing expenses, such as direct labor, power and overhead.

(t) Selling, Distribution and Administrative Expenses
Selling, distribution and administrative expenses consist of labor and overhead associated with the purchasing, marketing and distribution of the Company's products, as well as costs associated with a variety of administrative functions such as legal, treasury, accounting and tax, and facility-related expenses.

(u) Shipping and Handling Fees and Distribution Costs
The Company recognizes delivery and freight charges to customers as elements of net sales. Costs of third-party freight-in are recognized as cost of products sold (excluding depreciation). The majority of the costs associated with the distribution of the Company's products, which include labor and overhead associated with filling, warehousing and delivery by Company and third-party vehicles, are reflected in selling, distribution and administrative expenses and were $889 million, $850 million and $841 million for the fiscal years ended March 31, 2015, 2014 and 2013, respectively. The Company conducts multiple operations out of the same facilities and does not allocate facility-related expenses to each operational function. Accordingly, there is no facility-related expense in the distribution costs disclosed above. Depreciation expense associated with the Company's delivery fleet of $32 million, $32 million and $30 million was recognized in depreciation for the fiscal years ended March 31, 2015, 2014 and 2013, respectively.

(v) Stock-based Compensation
The Company grants stock-based compensation awards in connection with its equity incentive and employee stock purchase plans. Stock-based compensation expense is generally recognized on a straight-line basis over the stated vesting period for each award, with accelerated vesting for retirement-eligible employees in accordance with the provisions of the equity incentive plan. See Note 13 for additional disclosures relating to stock-based compensation.

Notes to Consolidated Financial Statements continued

AIRGAS, INC. AND SUBSIDIARIES

NOTE 2
ACCOUNTING AND DISCLOSURE CHANGES

Recently Adopted Accounting Pronouncements
In March 2013, the Financial Accounting Standards Board ("FASB") issued new guidance clarifying the accounting for the release of cumulative translation adjustments ("CTA") into net income upon the occurrence of certain sale or other derecognition transactions related to foreign entities. The new guidance describes the circumstances in which CTA should be released (either partially or fully) into net income based on the type of transaction related to a foreign entity. The Company adopted the new guidance effective April 1, 2014. The guidance did not have an impact on the Company's financial position, results of operation or liquidity upon adoption.

In July 2013, the FASB issued new guidance clarifying the financial statement presentation of unrecognized tax benefits. The new guidance specifies that an unrecognized tax benefit (or a portion thereof) shall be presented in the financial statements as a reduction to a deferred tax asset depending on the availability of certain deferred tax assets to settle the additional income taxes resulting from the disallowance of a tax position. If the deferred tax asset is not available or the entity does not plan to use the deferred tax asset for such purpose given the option, the unrecognized tax benefit shall be presented in the financial statements as a liability and shall not be combined with deferred tax assets. The Company adopted the new guidance effective April 1, 2014, with no material impact on the balance sheet presentation of its unrecognized tax benefits.

Accounting Pronouncements Not Yet Adopted
In April 2014, the FASB issued new guidance on the reporting of discontinued operations. The guidance amends existing standards by limiting the presentation of discontinued operations to disposals that represent a strategic shift with a major effect on an entity's operations and financial results. In contrast, many disposals under current standards, which may be more routine in nature and not change an entity's strategy, are reported in discontinued operations. The guidance also requires new disclosures around both disposals qualifying for discontinued operations as well as significant disposals that are not considered discontinued operations. The Company adopted the new guidance effective April 1, 2015. The guidance did not have an impact on the Company's consolidated financial statements and related disclosures upon adoption. The Company will prospectively apply the provisions of the new guidance to applicable disposal transactions.

In May 2014, the FASB issued new guidance on the accounting for revenue from contracts with customers, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The new guidance will replace most existing GAAP revenue recognition guidance when it becomes effective. The new standard is effective for the Company on April 1, 2017, and early application is not permitted. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is evaluating the effect that the new guidance will have on its consolidated financial statements and related disclosures. The Company has not yet selected a transition method nor has it determined the effect of the standard on its ongoing financial reporting.

In February 2015, the FASB issued new guidance changing the analysis that a reporting entity must perform to determine whether it should consolidate certain types of legal entities. The new guidance changes the way reporting enterprises evaluate whether (a) they should consolidate limited partnerships and similar entities, (b) fees paid to a decision maker or service provider are variable interests in a variable interest entity (VIE), and (c) variable interests in a VIE held by related parties of the reporting enterprise require the reporting enterprise to consolidate the VIE. The new guidance is effective for the Company on April 1, 2016, with early adoption permitted, including early adoption in an interim period. The new guidance may be applied using either a modified retrospective approach or on a full retrospective basis. The Company does not expect this adoption to have a material impact on its consolidated financial statements.

In April 2015, the FASB issued new guidance simplifying the financial statement presentation of debt issuance costs. The new guidance specifies that debt issuance costs related to a recognized debt liability shall be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this accounting standards update. The new guidance is effective for the Company on April 1, 2016, with early adoption permitted, for financial statements that have not been previously issued. The new guidance must be applied on a retrospective basis. The Company does not expect this adoption to have a material impact on its consolidated financial statements.

In April 2015, the FASB issued new guidance on customer's accounting for fees paid in a cloud computing arrangement. The amendments in this accounting standards update provide guidance to customers about whether a cloud computing arrangement includes a software license. The new guidance clarifies that if a cloud computing arrangement includes a software license, the customer should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If the arrangement does not include a software license, the customer should account for the arrangement as a service contract. The guidance will not change generally accepted accounting principles for a customer's accounting for service contracts. The new guidance is effective for the Company on April 1, 2016, with early adoption permitted. The new guidance may be applied either prospectively to all arrangements entered into or materially modified after the effective date or on a retrospective basis. The Company does not expect this adoption to have a material impact on its consolidated financial statements.

Notes to Consolidated Financial Statements continued

AIRGAS, INC. AND SUBSIDIARIES

NOTE 3

ACQUISITIONS AND DIVESTITURES

Acquisitions are recorded using the acquisition method of accounting and accordingly, results of their operations are included in the Company's consolidated financial statements from the effective date of each respective acquisition. The Company negotiates the respective purchase prices of acquired businesses based on the expected cash flows to be derived from their operations after integration into the Company's existing distribution, production and service networks. The acquisition purchase price for each business is allocated based on the fair values of the assets acquired and liabilities assumed. Management estimates the fair values of acquired intangible assets other than goodwill using the income approach (i.e. discounted cash flows), and plant and equipment using either the cost or market approach, depending on the type of fixed asset.

Fiscal 2015

During fiscal 2015, the Company acquired 14 businesses with historical annual sales of approximately $55 million. Transaction and other integration costs incurred in fiscal 2015 were $1.7 million and were included in selling, distribution and administrative expenses in the Company's consolidated statement of earnings. These acquisitions contributed approximately $27 million in net sales in fiscal 2015.

Purchase price allocations for certain businesses most recently acquired during fiscal 2015 are primarily based on provisional fair values and are subject to revision as the Company finalizes appraisals and other analyses. Final determination of the fair values may result in further adjustments to the values presented below. The following table summarizes the consideration transferred and the estimated fair values of the assets acquired and liabilities assumed for fiscal 2015 acquisitions, as well as adjustments to finalize the valuations of certain prior year acquisitions. Valuation adjustments related to prior year acquisitions were not significant.

(In thousands)	Distribution Business Segment	All Other Operations Business Segment	Total
Consideration			
Cash [(a)]	$ 50,774	$ 1,053	$ 51,827
Airgas, Inc. common stock [(b)]	4,458	—	4,458
Fair value of total consideration transferred	$ 55,232	$ 1,053	$ 56,285
Recognized amounts of identifiable assets acquired and liabilities assumed			
Current assets, net	$ 9,705	$ 3	$ 9,708
Plant and equipment	13,824	—	13,824
Other intangible assets	15,122	1,040	16,162
Current liabilities	(5,765)	(50)	(5,815)
Non-current liabilities	(4,526)	—	(4,526)
Total identifiable net assets	28,360	993	29,353
Goodwill	26,872	60	26,932
	$ 55,232	$ 1,053	$ 56,285

(a) Includes cash paid, net of cash acquired, for current year acquisitions as well as payments for the settlement of holdback liabilities and contingent consideration arrangements associated with prior year acquisitions.

(b) Represents 41,060 shares of Airgas, Inc. common stock issued in connection with a single acquisition. The fair value of the shares issued as part of the consideration for the acquisition was determined based on the closing sales price of Airgas, Inc. common stock on the acquisition date.

The fair value of trade receivables acquired with fiscal 2015 acquisitions was $6.2 million, with gross contractual amounts receivable of $7.0 million. Goodwill associated with fiscal 2015 acquisitions was $25.1 million, of which $20.9 million is deductible for income tax purposes. Goodwill largely consists of expected synergies resulting from the acquisitions, including increased distribution density and enhanced capabilities that will facilitate the sale of industrial, medical and specialty gases, and related supplies. Other intangible assets related to fiscal 2015 acquisitions represent customer relationships and non-competition agreements and amounted to $11.3 million and $4.8 million, respectively. See Note 7 for further information on goodwill and other intangible assets.

Pro Forma Operating Results

The following table provides unaudited pro forma results of operations for fiscal 2015 and 2014, as if fiscal 2015 acquisitions had occurred on April 1, 2013. The pro forma results were prepared from financial information obtained from the sellers of the businesses, as well as information obtained during the due diligence process associated with the acquisitions. The unaudited pro forma results reflect certain adjustments related to the acquisitions, such as increased depreciation and amortization expense resulting from the stepped-up basis to fair value of assets acquired and adjustments to reflect the Company's borrowing and tax rates. The pro forma operating results do not include any anticipated synergies related to combining the businesses. Accordingly, such pro forma operating results were prepared for comparative purposes only and do not purport to be indicative of what would have occurred had the acquisitions been made as of April 1, 2013 or of results that may occur in the future.

	Unaudited Years Ended March 31,	
(In thousands, except per share amounts)	2015	2014
Net sales	$ 5,327,458	$ 5,123,979
Net earnings	368,305	351,941
Diluted earnings per share	$ 4.86	$ 4.70

Fiscal 2014

During fiscal 2014, the Company acquired eleven businesses with historical annual sales of approximately $82 million. The largest of these businesses was The Encompass Gas Group, Inc. ("Encompass"), headquartered in Rockford, Illinois. With eleven locations in Illinois, Wisconsin, and Iowa, Encompass was one of the largest privately-owned suppliers of industrial, medical, and specialty gases and related hardgoods in the United States, generating approximately $55 million in sales in calendar 2012. Transaction and other integration costs incurred in fiscal 2014 were $1.5 million and were included in selling, distribution and administrative expenses in the Company's consolidated statement of earnings. These acquisitions contributed approximately $33 million in net sales in fiscal 2014.

The following table summarizes, as of March 31, 2014, the consideration transferred and the estimated fair values of the assets acquired and liabilities assumed for fiscal 2014 acquisitions, as well as adjustments to finalize the valuations of certain prior year acquisitions. Valuation adjustments related to prior year acquisitions were not significant.

Notes to Consolidated Financial Statements continued

AIRGAS, INC. AND SUBSIDIARIES

(In thousands)	Distribution Business Segment	All Other Operations Business Segment	Total
Consideration			
Cash [(a)]	$ 204,957	$ 413	$ 205,370
Recognized amounts of identifiable assets acquired and liabilities assumed			
Current assets, net	$ 14,631	$ 9	$ 14,640
Plant and equipment	48,919	(746)	48,173
Other intangible assets	60,190	—	60,190
Current liabilities	(6,088)	1,366	(4,722)
Non-current liabilities	(8,321)	—	(8,321)
Total identifiable net assets	109,331	629	109,960
Goodwill	95,626	(216)	95,410
	$ 204,957	$ 413	$ 205,370

(a) Includes cash paid, net of cash acquired, for current year acquisitions as well as payments for the settlement of holdback liabilities and contingent consideration arrangements associated with prior year acquisitions.

The fair value of trade receivables acquired with fiscal 2014 acquisitions was $8.9 million, with gross contractual amounts receivable of $9.4 million. Goodwill associated with fiscal 2014 acquisitions was $93.3 million, of which $89.7 million is deductible for income tax purposes. Goodwill largely consists of expected synergies resulting from the acquisitions, including the expansion of geographical coverage that will facilitate the sale of industrial, medical and specialty gases and related supplies. Other intangible assets related to fiscal 2014 acquisitions represent customer relationships and non-competition agreements, and amounted to $55.8 million and $4.3 million, respectively.

Pro Forma Operating Results

The following table provides unaudited pro forma results of operations for fiscal 2014 and 2013, as if fiscal 2014 acquisitions had occurred on April 1, 2012. The pro forma operating results were prepared for comparative purposes only and do not purport to be indicative of what would have occurred had the acquisitions been made as of April 1, 2012 or of results that may occur in the future.

	Unaudited Years Ended March 31,	
(In thousands, except per share amounts)	2014	2013
Net sales	$ 5,122,936	$ 5,037,123
Net earnings	352,421	343,933
Diluted earnings per share	$ 4.70	$ 4.39

Fiscal 2013

During fiscal 2013, the Company acquired 18 businesses with historical annual sales of approximately $95 million. Transaction and other integration costs incurred in fiscal 2013 were $1.3 million and were included in selling, distribution and administrative expenses in the Company's consolidated statement of earnings. These acquisitions contributed approximately $30 million in net sales in fiscal 2013.

The following table summarizes, as of March 31, 2013, the consideration transferred and the estimated fair values of the assets acquired and liabilities assumed for fiscal 2013 acquisitions, as well as adjustments to finalize the valuations of certain prior year acquisitions. Valuation adjustments related to prior year acquisitions were not significant.

(In thousands)	Distribution Business Segment	All Other Operations Business Segment	Total
Consideration			
Cash [(a)]	$ 93,555	$ 3,966	$ 97,521
Recognized amounts of identifiable assets acquired and liabilities assumed			
Current assets, net	$ 14,627	$ 548	$ 15,175
Plant and equipment	24,191	1,018	25,209
Other intangible assets	38,658	2,155	40,813
Current liabilities	(10,990)	(2,134)	(13,124)
Non-current liabilities	(4,035)	(722)	(4,757)
Total identifiable net assets	62,451	865	63,316
Goodwill	31,104	3,101	34,205
	$ 93,555	$ 3,966	$ 97,521

(a) Includes cash paid, net of cash acquired, for current year acquisitions as well as payments for the settlement of holdback liabilities and contingent consideration arrangements associated with prior year acquisitions.

The fair value of trade receivables acquired with fiscal 2013 acquisitions was $9.2 million, with gross contractual amounts receivable of $9.6 million. Goodwill associated with fiscal 2013 acquisitions was $35.2 million and is deductible for income tax purposes. Goodwill largely consists of expected synergies resulting from the acquisitions, including the expansion of geographical coverage that will facilitate the sale of industrial, medical and specialty gases and related supplies, and the addition of businesses complementary to the Company's portfolio of products and services. Other intangible assets related to fiscal 2013 acquisitions represent customer relationships and non-competition agreements, and amounted to $30.4 million and $11.7 million, respectively.

Divestitures

On June 1, 2012, the Company divested the assets and operations of five branch locations in western Canada. The Company realized a gain on sale of $6.8 million ($5.5 million after tax) recorded in the "Other income, net" line item of the Company's consolidated statement of earnings. The operations were included in the Distribution business segment and contributed net sales that were not material to the Company's consolidated statement of earnings. Proceeds from the sale were used primarily to pay down outstanding debt under the Company's multi-currency revolving credit line.

Notes to Consolidated Financial Statements continued

AIRGAS, INC. AND SUBSIDIARIES

NOTE 4

INVENTORIES, NET

Inventories, net, consist of:

(In thousands) March 31,	2015	2014
Hardgoods	$ 311,453	$ 313,127
Gases	162,617	165,022
	$ 474,070	$ 478,149

NOTE 5

INCOME TAXES

Earnings before income taxes were derived from the following sources:

(In thousands) Years Ended March 31,	2015	2014	2013
United States	$ 572,182	$ 539,063	$ 519,833
Foreign	11,939	12,842	23,584
	$ 584,121	$ 551,905	$ 543,417

Income tax expense consists of:

(In thousands) Years Ended March 31,	2015	2014	2013
Current:			
Federal	$ 163,774	$ 184,308	$ 145,603
Foreign	2,010	4,561	7,042
State	17,410	19,121	13,589
	183,194	207,990	166,234
Deferred:			
Federal	24,499	(4,722)	26,993
Foreign	2,604	(1,127)	(975)
State	5,738	(1,020)	10,291
	32,841	(6,869)	36,309
	$ 216,035	$ 201,121	$ 202,543

Significant differences between taxes computed at the federal statutory rate and the provision for income taxes were:

Years Ended March 31,	2015	2014	2013
Taxes at U.S. federal statutory rate	35.0 %	35.0 %	35.0 %
Increase (decrease) in income taxes resulting from:			
State income taxes, net of federal benefit	2.6 %	2.1 %	2.9 %
Domestic production activities deduction	(1.0)%	(1.0)%	(0.9)%
Other, net	0.4 %	0.3 %	0.3 %
	37.0 %	36.4 %	37.3 %

The tax effects of cumulative temporary differences and carryforwards that gave rise to the significant portions of the deferred tax assets and liabilities were as follows:

(In thousands) March 31,	2015	2014
Deferred Tax Assets:		
Inventories	$ 27,697	$ 25,874
Deferred rental income	17,986	18,256
Insurance reserves	14,157	12,627
Litigation settlement and other reserves	3,132	3,181
Asset retirement obligations	7,553	7,180
Stock-based compensation	33,538	30,934
Other	19,876	21,864
Net operating loss carryforwards	12,061	13,081
Valuation allowance	(671)	(308)
	135,329	132,689
Deferred Tax Liabilities:		
Plant and equipment	(711,840)	(702,080)
Intangible assets	(207,690)	(188,289)
Other	(12,301)	(10,256)
	(931,831)	(900,625)
Net deferred tax liability	$ (796,502)	$ (767,936)

Current deferred tax assets and current deferred tax liabilities have been netted for presentation purposes. Non-current deferred tax assets and non-current deferred tax liabilities have also been netted. Deferred tax assets and liabilities are reflected in the Company's consolidated balance sheets as follows:

(In thousands) March 31,	2015	2014
Current deferred income tax asset, net	$ 58,072	$ 57,961
Non-current deferred income tax liability, net	(854,574)	(825,897)
Net deferred tax liability	$ (796,502)	$ (767,936)

The Company has recorded tax benefits amounting to $16.0 million, $13.7 million and $36.2 million in the years ended March 31, 2015, 2014 and 2013, respectively, resulting from the exercise of stock options. This benefit has been recorded in capital in excess of par value.

The Company has recorded deferred tax assets related to the expected future tax benefits of net operating losses of $12.1 million and $13.1 million as of March 31, 2015 and 2014, respectively. Federal and state net operating loss carryforwards expire at various times through 2034. Foreign net operating losses are available to offset future income taxes over an indefinite period.

U.S. income taxes have not been provided on approximately $99 million of undistributed earnings of non-U.S. subsidiaries because it is the Company's intention to continue to reinvest these earnings in those subsidiaries to support their growth. Due to the timing and circumstances of repatriation of such earnings, if any, it is not practicable to determine the unrecognized deferred tax liability relating to such amounts.

Notes to Consolidated Financial Statements continued

AIRGAS, INC. AND SUBSIDIARIES

As of March 31, 2015, the Company has unrecognized state tax benefits of approximately $21.0 million, which were recorded in other non-current liabilities, and a related $8.6 million of federal tax assets associated with those state tax benefits recorded in non-current deferred tax assets. If recognized, all of the unrecognized tax benefits and related interest and penalties would reduce tax expense. The Company does not anticipate significant changes in the amount of unrecognized income tax benefits over the next year.

A reconciliation of the beginning and ending amount of unrecognized net income tax benefits, including penalties associated with uncertain tax positions, is as follows:

(In thousands) March 31,	2015	2014
Beginning unrecognized net income tax benefits	$ 18,224	$ 16,467
Additions for current year tax positions	3,565	3,054
Additions for tax positions of prior years	1,288	151
Reductions for tax positions of prior years	(1,646)	(1,448)
Reductions for settlements with taxing authorities	(234)	—
Reductions as a result of expiration of applicable statutes of limitations	(214)	—
Ending unrecognized net income tax benefits	$ 20,983	$ 18,224

Interest and penalties recognized for the years ended March 31, 2015, 2014 and 2013 were classified as income tax expense in the Company's consolidated statements of earnings and were not material. Consistent with past practice, the Company will continue to record interest and penalties associated with uncertain tax positions in income tax expense. The Company had approximately $4.7 million and $4.8 million for the payment of interest and penalties accrued at March 31, 2015 and 2014, respectively.

The Company files income tax returns in the United States and foreign jurisdictions. The Company also files income tax returns in every state which imposes corporate income tax. The Company is not under examination by the IRS or in any significant foreign, state or local tax jurisdictions. With limited exceptions, the Company is no longer subject to U.S. federal, state and local, or foreign income tax examinations by tax authorities for years before fiscal 2011.

NOTE 6

PLANT AND EQUIPMENT

The major classes of plant and equipment, at cost, are as follows:

(In thousands) March 31,	Depreciable Lives (Years)	2015	2014
Land and land improvements	—	$ 225,721	$ 209,195
Buildings and improvements	25	581,076	538,712
Cylinders	30	1,461,600	1,405,857
Bulk tank stations	10 to 30 (Average 17)	789,881	720,717
Rental equipment	2 to 10	466,833	403,351
Machinery and equipment	7 to 10	988,857	948,638
Computers, furniture and fixtures	3 to 10	338,316	303,400
Transportation equipment	3 to 15	369,034	341,709
Construction in progress	—	83,741	59,485
		$ 5,305,059	$ 4,931,064

NOTE 7

GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. The valuations of assets acquired and liabilities assumed from certain recent acquisitions are based on preliminary estimates of fair value and are subject to revision as the Company finalizes appraisals and other analysis. Changes in the carrying amount of goodwill by business segment for fiscal 2015 and 2014 were as follows:

(In thousands)	Distribution Business Segment	All Other Operations Business Segment	Total
Balance at March 31, 2013	$ 998,128	$ 197,485	$ 1,195,613
Acquisitions [(a)]	95,626	(216)	95,410
Other adjustments, including foreign currency translation	(1,026)	(101)	(1,127)
Balance at March 31, 2014	1,092,728	197,168	1,289,896
Acquisitions [(a)]	26,872	60	26,932
Other adjustments, including foreign currency translation	(3,031)	(153)	(3,184)
Balance at March 31, 2015	$ 1,116,569	$ 197,075	$ 1,313,644

(a) Includes acquisitions completed during the respective year and adjustments made to prior year acquisitions.

Annual Test for Goodwill Impairment

The Company is required to test goodwill associated with each of its reporting units for impairment at least annually and whenever events or circumstances indicate that it is more likely than not that goodwill may be impaired. The Company performs its annual goodwill impairment test as of October 31 of each year. At October 31, 2014, the Company had 21 reporting units in the Distribution business segment and 5

Notes to Consolidated Financial Statements continued

AIRGAS, INC. AND SUBSIDIARIES

reporting units in the All Other Operations business segment, each of which constitutes an operating segment for purposes of the Company's segment reporting.

GAAP provides that prior to performing the traditional two-step goodwill impairment test, the Company is permitted to first perform a qualitative assessment about the likelihood of the carrying value of a reporting unit exceeding its fair value, referred to as the "Step 0" assessment. The Step 0 assessment requires the evaluation of certain events and circumstances such as macroeconomic conditions, industry and market considerations, cost factors and overall financial performance, as well as company and reporting unit-specific items. After performing the Step 0 assessment, should the Company determine that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, it is required to perform the prescribed two-step goodwill impairment test to identify the potential goodwill impairment and measure the amount of the goodwill impairment loss, if any, to be recognized for that reporting unit. However, if the Company concludes otherwise based on the Step 0 assessment, the two-step goodwill impairment test is not required. The Step 0 assessment can be applied to none, some or all of the Company's reporting units in any period, and the Company may also bypass the Step 0 assessment for any reporting unit in any period and proceed directly to performing the first step of the two-step goodwill impairment test for the given reporting unit.

For the October 31, 2014 goodwill impairment test, the Company applied the Step 0 assessment to all 21 of the reporting units in the Distribution business segment and four of the five reporting units in the All Other Operations business segment. After performing the Step 0 assessment for these reporting units, the Company concluded that it is more likely than not that the fair value of each reporting unit is greater than its carrying amount. Therefore, the two-step goodwill impairment test is not required for these reporting units.

However, the Company bypassed the option to perform the Step 0 assessment and proceeded directly to performing the first step of the two-step goodwill impairment test for the Company's refrigerants business in the All Other Operations business segment. The Company determined the estimated fair value of the reporting unit as of October 31, 2014 using a discounted cash flow model and compared this value to the carrying value of the reporting unit. Significant assumptions used in the cash flow model include sales growth rates and profit margins based on the reporting unit's business plan, future capital expenditures, working capital needs, and discount and perpetual growth rates. The discount rate used to estimate the fair value of the reporting unit exceeded the Company's weighted average cost of capital as a whole, as the discount rate used for this purpose assigns a higher risk premium to the smaller entity. The perpetual growth rate assumed in the discounted cash flow model was in line with the long-term growth rate as measured by the U.S. Gross Domestic Product and the industry's long-term rate of growth. In addition to Company and reporting unit-specific growth targets, general economic conditions, the long-term economic outlook for the U.S. economy, and market conditions affecting borrowing costs and returns on equity all influence the estimated fair value of the reporting unit. The Company's methodology used for valuing this reporting unit for the purpose of its goodwill impairment test is consistent with the prior year.

For the Company's refrigerants business, the result of the annual goodwill impairment test indicated that the fair value of the reporting unit was in excess of its carrying amount by slightly more than 10%. The forecasted cash flows for this business reflect changes in the regulatory environment and market responses to those changes, which were recently impacted by rulings from the United States Environmental Protection Agency ("EPA"). Volumes and pricing for the refrigerants business were pressured following the EPA ruling in March 2013 that allowed for an increase in the production and import of Refrigerant-22 ("R-22") in calendar years 2013 and 2014, resulting in a greater-than-expected availability of virgin R-22 in the marketplace. In October 2014, the EPA posted its final calendar year 2015 to 2019 allocation rule pertaining to allowances for virgin production and consumption of hydrochlorofluorocarbons ("HCFCs"), including R-22. The final rule provided clarity on the pace and magnitude of the reduction in allowable production of R-22 for the calendar year 2015 to 2019 time period, beginning with an approximately 60% reduction for calendar year 2015 and ending with a final ban on all production effective January 1, 2020.

The Company believes its refrigerants business remains well-positioned over the long-term to benefit from the affirmed production and consumption reductions as a leading reclaimer and recycler of R-22, and that the impact from the EPA's October 2014 ruling will be incrementally positive for its refrigerants business over the long-term. However, there is uncertainty as to how the final ruling will impact the market dynamics in the near-term, as the market sheds the excess inventory that has accumulated throughout the supply chain since the previous EPA ruling in March 2013. Changes in the reporting unit's estimated future cash flows as a result of near-term uncertainty in the market based on the excess inventory build-up, as well as the pace and extent of marketplace migration toward the use of reclaimed product, could adversely affect the fair value or carrying amount of this reporting unit. As a result, the Company will continue to monitor this business and consider interim analyses of goodwill as appropriate. The amount of goodwill associated with this reporting unit was $88 million at March 31, 2015.

Notes to Consolidated Financial Statements continued

AIRGAS, INC. AND SUBSIDIARIES

Other Intangible Assets

Other intangible assets by major class are as follows:

	March 31, 2015				March 31, 2014			
(In thousands)	Weighted Average Amortization Period (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Amortization Period (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	17	$ 345,805	$(120,321)	$ 225,484	17	$ 345,199	$(107,577)	$ 237,622
Non-competition agreements	6	43,204	(24,335)	18,869	7	40,316	(19,287)	21,029
Other		200	(34)	166		199	(14)	185
		$ 389,209	$(144,690)	$ 244,519		$ 385,714	$(126,878)	$ 258,836

As the Company's other intangible assets amortize and reach the end of their respective amortization periods, the fully amortized balances are removed from the gross carrying and accumulated amortization amounts. Amortization expense related to the Company's other intangible assets for fiscal 2015 and 2014 was $30.0 million and $28.6 million, respectively. Estimated future amortization expense by fiscal year is as follows: fiscal 2016 — $29.1 million; 2017 — $27.2 million; 2018 — $25.4 million; 2019 — $23.4 million; 2020 — $21.9 million; and $117.5 million thereafter.

Prior Year Impairment Evaluation

In June 2012, the Company re-evaluated the economic viability of a small hospital piping construction business associated with a reporting unit in the Company's All Other Operations business segment. In accordance with relevant accounting guidance, if events or circumstances exist indicating that it is more likely than not that goodwill may be impaired, the Company is required to perform an interim assessment of the carrying value of goodwill. However, prior to performing the test for goodwill impairment, the Company is required to perform an assessment of the recoverability of the long-lived assets (including amortizing intangible assets) of the business. Long-lived assets are not considered recoverable when the carrying amount of the long-lived asset or asset group exceeds the undiscounted expected future cash flows. If long-lived assets are not recoverable, an impairment loss is recognized to the extent that the carrying amount exceeds fair value.

As a result of the impairment analysis performed on the long-lived assets at this reporting unit, the Company recorded a charge of $1.7 million related to certain of the other intangible assets associated with this business during the year ended March 31, 2013. The charge was reflected in the "Restructuring and other special charges, net" line item of the Company's consolidated statement of earnings and was not allocated to the Company's business segments (see Note 21). See Note 11 for further information on the valuation methodology used in determining the impairment loss.

Subsequent to the intangible asset write-down, the Company performed an assessment of the carrying value of goodwill associated with the reporting unit. The assessment did not indicate that the reporting unit's goodwill was potentially impaired.

NOTE 8

ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities include:

(In thousands) March 31,	2015	2014
Accrued payroll and employee benefits	$ 98,547	$ 92,038
Business insurance reserves (a)	49,934	49,372
Taxes other than income taxes	22,863	25,183
Cash overdraft	71,537	68,245
Deferred rental revenue	34,538	34,557
Accrued interest	12,860	11,335
Other accrued expenses and current liabilities	56,600	64,946
	$ 346,879	$ 345,676

(a) With respect to the business insurance reserves above, the Company had corresponding insurance receivables of $11.6 million at March 31, 2015 and $11.8 million at March 31, 2014, which are included within the "Prepaid expenses and other current assets" line item on the Company's consolidated balance sheets. The insurance receivables represent the balance of probable claim losses in excess of the Company's deductible for which the Company is fully insured.

NOTE 9

INDEBTEDNESS

Total debt consists of:

(In thousands) March 31,	2015	2014
Short-term		
Money market loans	$ —	$ —
Commercial paper	325,871	387,866
Short-term debt	$ 325,871	$ 387,866
Long-term		
Trade receivables securitization	$ 295,000	$ 295,000
Revolving credit borrowings — U.S.	—	—
Revolving credit borrowings — Multi-currency	48,332	54,230
Revolving credit borrowings — France	6,277	8,056
Senior notes, net	1,648,608	1,748,774
Other long-term debt	555	1,036
Total long-term debt	1,998,772	2,107,096
Less current portion of long-term debt	(250,110)	(400,322)
Long-term debt, excluding current portion	$ 1,748,662	$ 1,706,774
Total debt	$ 2,324,643	$ 2,494,962

Notes to Consolidated Financial Statements continued

AIRGAS, INC. AND SUBSIDIARIES

Money Market Loans
The Company has an agreement with a financial institution to provide access to short-term advances not to exceed $35 million that expires on December 29, 2015. The agreement may be further extended subject to renewal provisions contained in the agreement. The advances may be for one to six months with rates at a fixed spread over the corresponding London Interbank Offering Rate ("LIBOR"). At March 31, 2015, there were no advances outstanding under the agreement.

The Company also has an agreement with another financial institution that provides access to additional short-term advances not to exceed $35 million that expires on July 31, 2015. The agreement may be extended subject to renewal provisions contained in the agreement. The advances are generally overnight or for up to seven days. The amount, term and interest rate of an advance are established through mutual agreement with the financial institution when the Company requests such an advance. At March 31, 2015, there were no advances outstanding under the agreement.

Commercial Paper
In November 2014, the Company's commercial paper program, which is supported by its Credit Facility, was increased to $1 billion in conjunction with the increased size of the Credit Facility (see below). This program allows the Company to obtain favorable short-term borrowing rates with maturities that vary, but will generally not exceed 90 days from the date of issue, and is classified as short-term debt. At maturity, the commercial paper balances are often rolled over rather than repaid or refinanced, depending on the Company's cash and liquidity positions. The Company has used proceeds from the commercial paper issuances for general corporate purposes. At March 31, 2015, $326 million was outstanding under the commercial paper program and the average interest rate on these borrowings was 0.57%. There was $388 million outstanding under the commercial paper program at March 31, 2014.

Trade Receivables Securitization
The Company participates in a securitization agreement with three commercial bank conduits to which it sells qualifying trade receivables on a revolving basis (the "Securitization Agreement"). The Company's sale of qualified trade receivables is accounted for as a secured borrowing under which qualified trade receivables collateralize amounts borrowed from the commercial bank conduits. Trade receivables that collateralize the Securitization Agreement are held in a bankruptcy-remote special purpose entity, which is consolidated for financial reporting purposes and represents the Company's only variable interest entity. Qualified trade receivables in the amount of the outstanding borrowing under the Securitization Agreement are not available to the general creditors of the Company. The maximum amount available under the Securitization Agreement is $295 million, with the outstanding borrowings bearing interest at a rate of approximately LIBOR plus 75 basis points.

On December 5, 2014, the Company entered into the Fourth Amendment to the Securitization Agreement, which extended the expiration date of the Securitization Agreement from December 5, 2016 to December 5, 2017. At March 31, 2015, the amount of outstanding borrowing under the Securitization Agreement was $295 million. Amounts borrowed under the Securitization Agreement could fluctuate monthly based on the Company's funding requirements and the level of qualified trade receivables available to collateralize the Securitization Agreement. The Securitization Agreement contains customary events of termination, including standard cross-default provisions with respect to outstanding debt.

Senior Credit Facility
On November 18, 2014, the Company entered into a $1 billion Amended and Restated Credit Facility (the "Credit Facility") to amend and restate the previous amended and restated credit agreement dated July 19, 2011. The Credit Facility consists of an $875 million U.S. dollar revolving credit line, with a $100 million letter of credit sublimit and a $75 million swingline sublimit, and a $125 million (U.S. dollar equivalent) multi-currency revolving credit line. The maturity date of the Credit Facility is November 18, 2019. Under the circumstances described in the Credit Facility, the revolving credit line may be increased by an additional $500 million, provided that the multi-currency revolving credit line may not be increased by more than an additional $50 million.

As of March 31, 2015, the Company had $48 million of borrowings under the Credit Facility, all of which were under the multi-currency revolver. There were no borrowings under the U.S. dollar revolver at March 31, 2015. The Company also had outstanding U.S. letters of credit of $51 million issued under the Credit Facility. U.S. dollar revolver borrowings bear interest at the LIBOR plus 125 basis points. The multi-currency revolver bears interest based on a rate of 125 basis points over the Euro currency rate applicable to each foreign currency borrowing. As of March 31, 2015, the average interest rate on the multi-currency revolver was 1.69%. In addition to the borrowing spread of 125 basis points for U.S. dollar and multi-currency revolver borrowings, the Company pays a commitment (or unused) fee on the undrawn portion of the Credit Facility equal to 15 basis points per annum.

At March 31, 2015, the financial covenant of the Credit Facility did not restrict the Company's ability to borrow on the unused portion of the Credit Facility. The Credit Facility contains customary events of default, including, without limitation, failure to make payments, a cross-default to certain other debt, breaches of covenants, breaches of representations and warranties, certain monetary judgments and bankruptcy and ERISA events. At March 31, 2015, the Company was in compliance with all covenants under all of its debt agreements. In the event of default, repayment of borrowings under the Credit Facility may be accelerated. As of March 31, 2015, $575 million remained available under the Company's Credit Facility, after giving effect to the borrowings under the commercial paper program backstopped by the Credit Facility, the outstanding U.S. letters of credit and the borrowings under the multi-currency revolver.

The Company also maintains a committed revolving line of credit of up to €8.0 million (U.S. $8.6 million) to fund its operations in France. These revolving credit borrowings are outside of the Company's Credit Facility. At March 31, 2015, these revolving credit borrowings were €5.8 million (U.S. $6.3 million). The variable interest rates on these revolving credit borrowings are based on the Euro currency rate plus 125 basis points. On December 12, 2014, the Company amended the terms of this revolving credit agreement to reduce the commitment fee and extend the maturity to November 18, 2019.

Notes to Consolidated Financial Statements continued

AIRGAS, INC. AND SUBSIDIARIES

Senior Notes

The Company's senior notes consisted of the following:

(In thousands) Description	Coupon	Yield	Maturity Date	Semi-annual Interest Payment Dates	Principal March 31, 2015	Principal March 31, 2014
2014 Notes[(a)]	4.50%	4.527%	09/15/2014	March 15 and September 15	$ —	$ 400,000
2015 Notes[(b)]	3.25%	3.283%	10/01/2015	April 1 and October 1	250,000	250,000
2016 Notes	2.95%	2.980%	06/15/2016	June 15 and December 15	250,000	250,000
2018 Notes	1.65%	1.685%	02/15/2018	February 15 and August 15	325,000	325,000
2020 Notes	2.375%	2.392%	02/15/2020	February 15 and August 15	275,000	275,000
2022 Notes	2.90%	2.913%	11/15/2022	May 15 and November 15	250,000	250,000
2024 Notes[(c)]	3.65%	3.673%	07/15/2024	January 15 and July 15	300,000	—
					1,650,000	1,750,000
				Less: unamortized discount	(1,392)	(1,226)
				Senior notes, net	$ 1,648,608	$ 1,748,774

(a) The 2014 Notes were repaid by the Company in September 2014.

(b) The 2015 Notes are included within the "Current portion of long-term debt" line item on the Company's consolidated balance sheet based on the maturity date.

(c) On June 17, 2014, the Company issued the 2024 Notes. The net proceeds from the sale of the 2024 Notes were used for general corporate purposes, including to fund acquisitions and repay indebtedness under the Company's commercial paper program. Interest payments on the 2024 Notes commenced on January 15, 2015.

The 2015, 2016, 2018, 2020, 2022 and 2024 Notes (collectively, the "Senior Notes") contain covenants that could restrict the incurrence of liens and limit sale and leaseback transactions. Additionally, the Company has the option to redeem the Senior Notes prior to their maturity, in whole or in part, at 100% of the principal plus any accrued but unpaid interest and applicable make-whole payments.

Debt Extinguishment Charge

On October 2, 2013, the Company redeemed its $215 million 7.125% senior subordinated notes originally due to mature on October 1, 2018 in full at a price of 103.563%. A loss on the early extinguishment of debt of $9.1 million was recognized during the year ended March 31, 2014 related to the redemption premium and the write-off of unamortized debt issuance costs.

Aggregate Long-term Debt Maturities

The aggregate maturities of long-term debt at March 31, 2015 are as follows:

(In thousands) Years Ending March 31,	Debt Maturities[(a)]
2016	$ 250,147
2017	250,311
2018	620,095
2019	—
2020	329,610
Thereafter	550,000
	$ 2,000,163

(a) Outstanding borrowings under the Securitization Agreement at March 31, 2015 are reflected as maturing at the agreement's expiration in December 2017.

The Senior Notes are reflected in the debt maturity schedule at their maturity values rather than their carrying values, which are net of aggregate discounts of $1.4 million at March 31, 2015.

Notes to Consolidated Financial Statements continued

AIRGAS, INC. AND SUBSIDIARIES

NOTE 10

DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

Cash Flow Hedges

In anticipation of the issuance of the 2015 Notes, the Company entered into a treasury rate lock agreement in July 2010 with a notional amount of $100 million that matured in September 2010. The treasury rate lock agreement was designated as a cash flow hedge of the semi-annual interest payments associated with the forecasted issuance of the 2015 Notes. When the treasury rate lock agreement matured, the Company realized a loss of $2.6 million ($1.6 million after tax) which was reported as a component within accumulated other comprehensive income ("AOCI") and is being reclassified into earnings over the term of the 2015 Notes. For the years ended March 31, 2015, 2014 and 2013, $517 thousand of the loss on the treasury rate lock was reclassified to interest expense during each period (see Note 12 for details). At March 31, 2015, the remaining estimated loss recorded in AOCI on the treasury rate lock agreement was not material, and will be reclassified into earnings through the maturity date of the 2015 Notes in October 2015.

Fair Value Hedges

The Company previously had five variable interest rate swap agreements outstanding with a notional amount of $300 million, which were designated as fair value hedges. These variable interest rates swaps were used to effectively convert the Company's $300 million of fixed rate 2.85% senior notes (the "2013 Notes") to variable rate debt. The swap agreements matured on October 1, 2013, coinciding with the maturity date of the Company's 2013 Notes. For these derivative instruments designated as fair value hedges, the Company recorded the gain or loss on the derivatives (interest rate swaps) as well as the offsetting gain or loss on the hedged item attributable to the hedged risk (the 2013 Notes) in interest expense in the consolidated statements of earnings for the respective years. The net gain or loss recorded in earnings as a result of hedge ineffectiveness related to the designated fair value hedges was immaterial for the years ended March 31, 2014 and 2013.

Tabular Disclosure

There were no outstanding derivative instruments on the Company's consolidated balance sheets at March 31, 2015 or 2014, nor any derivative instruments used by the Company during the year ended March 31, 2015. The following table illustrates the effect of derivative instruments in fair value hedging relationships on the Company's earnings. See Note 12 for the tabular presentation of derivative instruments in cash flow hedging relationships related to the treasury rate lock agreement.

Effect of Derivative Instruments in Fair Value Hedging Relationships on Earnings

(In thousands) **Derivatives in Fair Value Hedging Relationships**	**Location of Gain (Loss) Recognized in Pre-tax Income**	**Amount of Gain (Loss) Recognized in Pre-tax Income** **Years Ended March 31, 2014**	**2013**
Change in fair value of variable interest rate swaps	Interest expense, net	$ (2,490)	$ (4,244)
Change in carrying value of 2013 Notes	Interest expense, net	2,496	4,273
Net effect	Interest expense, net	$ 6	$ 29

NOTE 11

FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities recorded at fair value are classified based upon the level of judgment associated with the inputs used to measure their fair value. The hierarchical levels related to the subjectivity of the valuation inputs are defined as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable, directly or indirectly through corroboration with observable market data at the measurement date.
- Level 3 inputs are unobservable inputs that reflect management's best estimate of the assumptions (including assumptions about risk) that market participants would use in pricing the asset or liability at the measurement date.

The carrying value of cash, trade receivables, other current receivables, trade payables and other current liabilities (e.g., deposit liabilities, cash overdrafts, etc.) approximates fair value based on the short-term maturity of these financial instruments.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

Assets and liabilities measured at fair value on a recurring basis at March 31, 2015 and 2014 are categorized in the tables below based on the lowest level of significant input to the valuation. During the periods presented, there were no transfers between fair value hierarchical levels.

(In thousands)	**Balance at March 31, 2015**	**Quoted Prices in Active Markets Level 1**	**Significant Other Observable Inputs Level 2**	**Significant Unobservable Inputs Level 3**
Assets:				
Deferred compensation plan assets	$ 16,288	$ 16,288	$ —	$ —
Liabilities:				
Deferred compensation plan liabilities	$ 16,288	$ 16,288	$ —	$ —

(In thousands)	**Balance at March 31, 2014**	**Quoted Prices in Active Markets Level 1**	**Significant Other Observable Inputs Level 2**	**Significant Unobservable Inputs Level 3**
Assets:				
Deferred compensation plan assets	$ 16,387	$ 16,387	$ —	$ —
Liabilities:				
Deferred compensation plan liabilities	$ 16,387	$ 16,387	$ —	$ —

Notes to Consolidated Financial Statements continued

AIRGAS, INC. AND SUBSIDIARIES

The following is a general description of the valuation methodologies used for financial assets and liabilities measured at fair value:

Deferred compensation plan assets and corresponding liabilities — The Company's deferred compensation plan assets consist of open-ended mutual funds (Level 1) and are included within other non-current assets on the consolidated balance sheets. The Company's deferred compensation plan liabilities are equal to the plan's assets and are included within other non-current liabilities on the consolidated balance sheets. Gains or losses on the deferred compensation plan assets are recognized as other income, net, while gains or losses on the deferred compensation plan liabilities are recognized as compensation expense in the consolidated statements of earnings. See Note 18 for additional information on the Company's deferred compensation plan.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis in periods subsequent to initial recognition. Assets measured at fair value on a nonrecurring basis during the year ended March 31, 2013 are categorized in the table below based on the lowest level of significant input to the valuation. Other than these remeasured assets, there were no assets or liabilities measured at fair value on a nonrecurring basis during the years ended March 31, 2015, 2014 and 2013.

(In thousands)	Quoted prices in active markets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3	Total losses (year ended March 31, 2013)
Assets:				
Other intangible assets	$ —	$ —	$ 535	$ 1,729

In June 2012, the Company re-evaluated the economic viability of a small hospital piping construction business (see Note 7). As a result of an impairment analysis performed on the long-lived assets at this reporting unit, the Company recorded a charge of $1.7 million related to certain of the intangible assets associated with this business during the year ended March 31, 2013, which was reflected in the "Restructuring and other special charges, net" line item of the Company's consolidated statement of earnings for the year ended March 31, 2013. The Company used a variation of the income approach, namely the excess earnings method, to estimate the fair value of the intangible assets associated with the business. Under this approach, an intangible asset's fair value is estimated to be the present value of the incremental after-tax cash flows attributable solely to the intangible asset over its remaining useful life. Key inputs in this model include the cash flow forecast, discount rate, contributory asset charges and tax amortization benefits. As of the evaluation date, the remeasured other intangible assets related to this reporting unit totaled $0.5 million.

Fair Value of Debt

The carrying value of debt, which is reported on the Company's consolidated balance sheets, generally reflects the cash proceeds received upon its issuance, net of subsequent repayments, plus the impact of the Company's fair value hedges as applicable. The fair values of the fixed rate notes disclosed in the following table were determined based on quoted prices from the broker/dealer market, observable market inputs for similarly termed treasury notes adjusted for the Company's credit spread and inputs management believes a market participant would use in determining imputed interest for obligations without a stated interest rate (Level 2). The fair values of the revolving credit borrowings, securitized receivables and commercial paper approximate their carrying values (see Note 9).

(In thousands)	Carrying Value at March 31, 2015	Fair Value at March 31, 2015	Carrying Value at March 31, 2014	Fair Value at March 31, 2014
2014 Notes	—	—	399,952	407,092
2015 Notes	249,962	252,520	249,887	258,630
2016 Notes	249,918	254,953	249,848	259,257
2018 Notes	324,688	323,921	324,579	319,098
2020 Notes	274,791	274,821	274,748	265,600
2022 Notes	249,787	249,028	249,760	233,230
2024 Notes	299,462	310,500	—	—

Notes to Consolidated Financial Statements continued

AIRGAS, INC. AND SUBSIDIARIES

NOTE 12
STOCKHOLDERS' EQUITY

Common Stock

The Company is authorized to issue up to 200 million shares of common stock with a par value of $0.01 per share. At March 31, 2015, the number of shares of common stock outstanding was 75.4 million, excluding 12.2 million shares of common stock held as treasury stock. At March 31, 2014, the number of shares of common stock outstanding was 74.1 million, excluding 13.3 million shares of common stock held as treasury stock.

Preferred Stock and Redeemable Preferred Stock

The Company is authorized to issue up to 20 million shares of preferred stock. Of the 20 million shares authorized, 200 thousand shares have been designated as Series A Junior Participating Preferred Stock, 200 thousand shares have been designated as Series B Junior Participating Preferred Stock and 200 thousand shares have been designated as Series C Junior Participating Preferred Stock (see *Stockholder Rights Plan* below). At March 31, 2015 and 2014, no shares of the preferred stock were issued or outstanding. The preferred stock may be issued from time to time by the Company's Board of Directors in one or more series. The Board of Directors is authorized to fix the dividend rights and terms, conversion rights, voting rights, rights and terms of redemption, liquidation preferences, and any other rights, preferences, privileges and restrictions of any series of preferred stock, and the number of shares constituting such series and designation thereof.

Additionally, the Company is authorized to issue 30 thousand shares of redeemable preferred stock. At March 31, 2015 and 2014, no shares of redeemable preferred stock were issued or outstanding.

Dividends

The Company paid its stockholders regular quarterly cash dividends of $0.55, $0.48 and $0.40 per share at the end of each of its fiscal quarters during the years ended March 31, 2015, 2014 and 2013, respectively. On April 7, 2015, the Company's Board of Directors declared a cash dividend of $0.60 per share, which is payable on June 30, 2015 to the stockholders of record as of June 15, 2015. Future dividend declarations and associated amounts paid will depend upon the Company's earnings, financial condition, loan covenants, capital requirements and other factors deemed relevant by management and the Company's Board of Directors.

Stockholder Rights Plan

Effective May 8, 2007, the Company's Board of Directors adopted a stockholder rights plan (the "2007 Rights Plan"). Pursuant to the 2007 Rights Plan, the Board of Directors declared a dividend distribution of one right for each share of common stock. Each right entitles the holder to purchase from the Company one ten-thousandth of a share of Series C Junior Participating Preferred Stock at an initial exercise price of $230 per share. The 2007 Rights Plan is intended to assure that all of the Company's stockholders receive fair and equal treatment in the event of any proposed takeover of the Company and to protect stockholders' interests in the event the Company is confronted with partial tender offers or other coercive or unfair takeover tactics.

Rights become exercisable after ten days following the acquisition by a person or group of 15% (or 20% in the case of Peter McCausland and certain of his affiliates) or more of the Company's outstanding common stock, or ten business days (or later if determined by the Board of Directors in accordance with the plan) after the announcement of a tender offer or exchange offer to acquire 15% (or 20% in the case of Peter McCausland and certain of his affiliates) or more of the outstanding common stock. If such a person or group acquires 15% or more (or 20% or more, as the case may be) of the common stock, each right (other than such person's or group's rights, which will become void) will entitle the holder to purchase, at the exercise price, common stock having a market value equal to twice the exercise price. In certain circumstances, the rights may be redeemed by the Company at an initial redemption price of $0.0001 per right. If not redeemed, the rights will expire on May 8, 2017.

Stock Repurchase Program

In October 2012, the Company announced a share repurchase program, with authorization to repurchase up to $600 million of its common stock. By March 31, 2013, 6.3 million shares had been repurchased for approximately $600 million.

Comprehensive Income

The Company's comprehensive income was $353 million, $347 million and $340 million for the years ended March 31, 2015, 2014 and 2013, respectively. Comprehensive income consists of net earnings, foreign currency translation adjustments, net gain or loss on derivative instruments and the net tax expense or benefit of other comprehensive income items. Net tax expense or benefit of comprehensive income items pertains to

Notes to Consolidated Financial Statements continued

AIRGAS, INC. AND SUBSIDIARIES

the Company's derivative instruments only, as foreign currency translation adjustments relate to permanent investments in foreign subsidiaries. The net gain or loss on derivative instruments reflects valuation adjustments for changes in interest rates, as well as cash settlements with the counterparties and reclassification adjustments to income. See Note 10 for further information on derivative instruments. The following table presents the gross and net changes in the balances within each component of AOCI for each of the years in the three-year period ended March 31, 2015.

(In thousands)	Foreign Currency Translation Adjustments	Treasury Rate Lock Agreement	Total Accumulated Other Comprehensive Income (Loss)
Balance at March 31, 2012	$ 6,527	$ (1,141)	$ 5,386
Other comprehensive income (loss) before reclassifications	(1,274)		(1,274)
Amounts reclassified from AOCI (a)		517	517
Tax effect of other comprehensive income items		(191)	(191)
Other comprehensive income (loss), net of tax	(1,274)	326	(948)
Balance at March 31, 2013	5,253	(815)	4,438
Other comprehensive income (loss) before reclassifications	(4,235)		(4,235)
Amounts reclassified from AOCI (a)		517	517
Tax effect of other comprehensive income items		(191)	(191)
Other comprehensive income (loss), net of tax	(4,235)	326	(3,909)
Balance at March 31, 2014	1,018	(489)	529
Other comprehensive income (loss) before reclassifications	(15,708)		(15,708)
Amounts reclassified from AOCI (a)		517	517
Tax effect of other comprehensive income items		(191)	(191)
Other comprehensive income (loss), net of tax	(15,708)	326	(15,382)
Balance at March 31, 2015	$ (14,690)	$ (163)	$ (14,853)

(a) The reclassifications out of AOCI were associated with a loss on a treasury rate lock agreement from July 2010 related to the issuance of the Company's 2015 Notes, which is being reclassified into earnings (interest expense) over the term of the 2015 Notes. The effects on the respective line items of the consolidated statements of earnings impacted by the reclassifications were not material for the twelve months ended March 31, 2015, 2014 and 2013.

NOTE 13
STOCK-BASED COMPENSATION

The Company recognizes stock-based compensation expense for its equity incentive plan and Employee Stock Purchase Plan. The following table summarizes stock-based compensation expense recognized by the Company in each of the years in the three-year period ended March 31, 2015.

(In thousands) Years Ended March 31,	2015	2014	2013
Stock-based compensation expense related to:			
Equity Incentive Plan	$ 25,935	$ 24,892	$ 22,969
Employee Stock Purchase Plan — options to purchase stock	4,092	4,069	4,084
	30,027	28,961	27,053
Tax benefit	(10,624)	(10,392)	(9,338)
Stock-based compensation expense, net of tax	$ 19,403	$ 18,569	$ 17,715

2006 Equity Incentive Plan

On August 14, 2012, the Company's stockholders approved the Second Amended and Restated 2006 Equity Incentive Plan (the "2006 Equity Plan"), which included, among other things, a 4.0 million increase in the maximum number of shares available for issuance under the plan. At March 31, 2015, a total of 11.8 million shares were authorized under the 2006 Equity Plan, as amended, for grants of stock options, stock appreciation rights, restricted stock and restricted stock units to employees, directors and consultants of the Company, of which 3.2 million shares of common stock were available for issuance.

Stock options granted prior to April 1, 2006 vest 25% annually and have a maximum term of ten years. Stock options granted subsequent to April 1, 2006 also vest 25% annually and have a maximum term of eight years. Stock options granted to directors vest and are fully exercisable immediately upon being granted.

Fair Value

The Company utilizes the Black-Scholes option pricing model to determine the fair value of stock options. The weighted-average grant date fair value of stock options granted during the fiscal years ended March 31, 2015, 2014 and 2013 was $28.72, $32.41 and $29.40, respectively. The following assumptions were used by the Company in valuing the stock options grants issued in each fiscal year:

	Fiscal 2015	Fiscal 2014	Fiscal 2013
Expected volatility	34.3%	40.5%	40.1%
Expected dividend yield	2.06%	1.95%	1.83%
Expected term	5.6 years	5.6 years	5.7 years
Risk-free interest rate	1.7%	1.0%	0.9%

The expected volatility assumption used in valuing stock options was determined based on anticipated changes in the underlying stock price over the expected term using historical daily changes of the Company's closing stock price. The expected dividend yield was based on the Company's history and expectation of future dividend payouts. The expected term represents the period of time that the options are expected

Notes to Consolidated Financial Statements continued

AIRGAS, INC. AND SUBSIDIARIES

to be outstanding prior to exercise or forfeiture. The expected term was determined based on historical exercise patterns. The risk-free interest rate was based on U.S. Treasury rates in effect at the time of grant commensurate with the expected term.

Summary of Stock Option Activity

The following table summarizes the stock option activity during the three years ended March 31, 2015:

	Number of Stock Options	Weighted-Average Exercise Price	Aggregate Intrinsic Value (In thousands)
Outstanding at March 31, 2012	6,584,482	$ 47.08	
Granted	966,300	$ 91.52	
Exercised	(2,423,265)	$ 36.67	
Forfeited	(75,501)	$ 67.86	
Outstanding at March 31, 2013	5,052,016	$ 60.26	$ 196,527
Granted	959,700	$102.96	
Exercised	(817,016)	$ 47.38	
Forfeited	(90,276)	$ 85.04	
Outstanding at March 31, 2014	5,104,424	$ 69.91	$ 186,816
Granted	977,500	$104.80	
Exercised	(1,034,325)	$ 53.49	
Forfeited	(73,929)	$ 98.24	
Outstanding at March 31, 2015	4,973,670	$ 79.76	$ 131,135
Vested or expected to vest at March 31, 2015	4,959,195	$ 79.69	$ 131,100
Exercisable at March 31, 2015	2,839,584	$ 65.87	$ 114,318

The aggregate intrinsic value represents the difference between the Company's closing stock price on the last trading day of each fiscal year and the exercise price of in-the-money stock options multiplied by the number of stock options outstanding or exercisable as of that date. The total intrinsic value of stock options exercised during the years ended March 31, 2015, 2014 and 2013 was $60.8 million, $47.0 million and $125.1 million, respectively. The weighted-average remaining contractual term of stock options outstanding as of March 31, 2015 was 4.6 years. Common stock to be issued in conjunction with future stock option exercises will be obtained from either new shares or shares from treasury stock.

As of March 31, 2015, $41.9 million of unrecognized non-cash compensation expense related to non-vested stock options is expected to be recognized over a weighted-average vesting period of 1.7 years.

Employee Stock Purchase Plan

The Company's Employee Stock Purchase Plan (the "ESPP") encourages and assists employees in acquiring an equity interest in the Company. As of March 31, 2015, the ESPP was authorized to issue up to 5.5 million shares of Company common stock, of which 1.1 million shares were available for issuance at March 31, 2015, 54,114 shares of which were issued on April 1, 2015.

Under the terms of the ESPP, eligible employees may elect to have up to 15% of their annual gross earnings withheld to purchase common stock at 85% of the market value. Employee purchases are limited in any calendar year to an aggregate market value of $25 thousand. Market value under the ESPP is defined as either the closing share price on the New York Stock Exchange as of an employee's enrollment date or the closing price on the first business day of a fiscal quarter when the shares are purchased, whichever is lower. An employee may lock-in a purchase price for up to 12 months. The ESPP effectively resets at the beginning of each fiscal year at which time employees are re-enrolled in the plan and a new 12-month purchase price is established. The ESPP is designed to comply with the requirements of Sections 421 and 423 of the Internal Revenue Code.

Fair Value

Compensation expense is measured based on the fair value of the employees' option to purchase shares of common stock at the grant date and is recognized over the future periods in which the related employee service is rendered. The fair value per share of employee options to purchase shares under the ESPP was $20.44, $19.27 and $16.73 for the years ended March 31, 2015, 2014 and 2013, respectively. The fair value of the employees' option to purchase shares of common stock was estimated using the Black-Scholes model. The following assumptions were used by the Company in valuing the employees' option to purchase shares of common stock under the ESPP:

	Fiscal 2015	Fiscal 2014	Fiscal 2013
Expected volatility	17.1%	19.5%	23.2%
Expected dividend yield	2.07%	1.96%	2.19%
Expected term	3 to 9 months	3 to 9 months	3 to 6 months
Risk-free interest rate	0.06%	0.08%	0.10%

ESPP — Purchase Option Activity

The following table summarizes the activity of the ESPP during the three years ended March 31, 2015:

	Number of Purchase Options	Weighted-Average Exercise Price	Aggregate Intrinsic Value (In thousands)
Outstanding at March 31, 2012	79,208	$ 51.61	
Granted	244,122	$ 70.74	
Exercised	(261,193)	$ 65.42	
Outstanding at March 31, 2013	62,137	$ 68.74	$ 1,890
Granted	211,093	$ 82.88	
Exercised	(218,109)	$ 79.38	
Outstanding at March 31, 2014	55,121	$ 80.77	$ 1,419
Granted	200,030	$ 90.82	
Exercised	(201,037)	$ 89.24	
Outstanding at March 31, 2015	54,114	$ 86.47	$ 1,063

Notes to Consolidated Financial Statements continued

AIRGAS, INC. AND SUBSIDIARIES

NOTE 14
INTEREST EXPENSE, NET

Interest expense, net, consists of:

(In thousands) Years Ended March 31,	2015	2014	2013
Interest expense	$ 64,191	$ 75,361	$ 70,077
Interest and finance charge income	(1,959)	(1,663)	(2,583)
	$ 62,232	$ 73,698	$ 67,494

NOTE 15
EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net earnings by the weighted average number of shares of the Company's common stock outstanding during the period. Outstanding shares consist of issued shares less treasury stock. Diluted earnings per share is calculated by dividing net earnings by the weighted average common shares outstanding adjusted for the dilutive effect of common stock equivalents related to stock options and the Company's ESPP.

Outstanding stock options that are anti-dilutive are excluded from the Company's diluted earnings per share computation. There were approximately 1.7 million, 1.5 million and 1.3 million shares covered by outstanding stock options that were not dilutive for the years ended March 31, 2015, 2014 and 2013, respectively.

The table below presents the computation of basic and diluted weighted average common shares outstanding for the years ended March 31, 2015, 2014 and 2013:

(In thousands, except per share amounts) Years Ended March 31,	2015	2014	2013
Basic Earnings per Share Computation			
Numerator:			
Net earnings	$ 368,086	$ 350,784	$ 340,874
Denominator:			
Basic shares outstanding	74,702	73,623	76,651
Basic earnings per share	$ 4.93	$ 4.76	$ 4.45

(In thousands, except per share amounts) Years Ended March 31,	2015	2014	2013
Diluted Earnings per Share Computation			
Numerator:			
Net earnings	$ 368,086	$ 350,784	$ 340,874
Denominator:			
Basic shares outstanding	74,702	73,623	76,651
Incremental shares from assumed exercises and conversions:			
Stock options and options under the Employee Stock Purchase Plan	1,149	1,287	1,656
Diluted shares outstanding	75,851	74,910	78,307
Diluted earnings per share	$ 4.85	$ 4.68	$ 4.35

NOTE 16
LEASES

The Company leases certain facilities, fleet vehicles and equipment under long-term operating leases with varying terms. Most leases contain renewal options and in some instances, purchase options. Rentals under these operating leases for the years ended March 31, 2015, 2014 and 2013 totaled approximately $121 million, $110 million and $106 million, respectively. Certain operating facilities are leased at market rates from employees of the Company who were previous owners of businesses acquired. Outstanding capital lease obligations and the related capital assets are not material to the consolidated balance sheets at March 31, 2015 and 2014. In connection with the fleet vehicle operating leases, the Company guarantees a residual value of $29 million, representing approximately 10.2% of the original cost of the equipment currently under lease.

At March 31, 2015, future minimum lease payments under non-cancelable operating leases were as follows:

(In thousands) Years Ending March 31,	
2016	$ 104,273
2017	89,827
2018	74,021
2019	53,640
2020	34,677
Thereafter	52,182
	$ 408,620

Notes to Consolidated Financial Statements continued

AIRGAS, INC. AND SUBSIDIARIES

NOTE 17

COMMITMENTS AND CONTINGENCIES

Litigation

The Company is involved in various legal and regulatory proceedings that have arisen in the ordinary course of business and have not been fully adjudicated. These actions, when ultimately concluded and determined, will not, in the opinion of management, have a material adverse effect upon the Company's consolidated financial condition, results of operations or liquidity.

Insurance Coverage

The Company has established insurance programs to cover workers' compensation, business automobile and general liability claims. During fiscal 2015, 2014 and 2013, these programs had deductible limits of $1 million per occurrence. For fiscal 2016, the deductible limits are expected to remain at $1 million per occurrence. The Company believes its business insurance reserves are adequate (see Note 8). The Company accrues estimated losses using actuarial models and assumptions based on historical loss experience. The nature of the Company's business may subject it to product and general liability lawsuits. To the extent that the Company is subject to claims that exceed its liability insurance coverage, such suits could have a material adverse effect on the Company's financial position, results of operations or liquidity.

The Company maintains a self-insured health benefits plan, which provides medical benefits to employees electing coverage under the plan. The Company maintains a reserve for incurred but not reported medical claims and claim development. The reserve is an estimate based on historical experience and other assumptions, some of which are subjective. The Company adjusts its self-insured medical benefits reserve as the Company's loss experience changes due to medical inflation, changes in the number of plan participants and an aging employee base. The Company's self-insured medical benefits reserve was $13.8 million and $12.9 million at March 31, 2015 and 2014, respectively.

Supply Agreements

The Company purchases bulk quantities of industrial gases under take-or-pay supply agreements. The Company is a party to take-or-pay supply agreements under which Air Products and Chemicals, Inc. ("Air Products") will supply the Company with bulk nitrogen, oxygen, argon, hydrogen and helium. The Company is committed to purchase a minimum of approximately $66 million in bulk gases within the next fiscal year under the Air Products supply agreements. The agreements expire at various dates through 2020. The Company also has take-or-pay supply agreements with The Linde Group AG to purchase oxygen, nitrogen, argon and helium. The agreements expire at various dates through 2025 and represent approximately $99 million in minimum bulk gas purchases for the next fiscal year. Additionally, the Company has take-or-pay supply agreements to purchase oxygen, nitrogen, argon, helium and ammonia from other major producers. Minimum purchases under these contracts for the next fiscal year are approximately $36 million and they expire at various dates through 2024. The Company also purchases liquid carbon dioxide under take-or-pay supply agreements with twelve suppliers that expire at various dates through 2044 and represent minimum purchases of approximately $20 million for the next fiscal year. The level of annual purchase commitments under the Company's supply agreements beyond the next fiscal year vary based on the expiration of agreements at different dates in the future, among other factors.

The Company's annual purchase commitments under all of its supply agreements reflect estimates based on fiscal 2015 purchases. The Company's supply agreements contain periodic pricing adjustments, most of which are based on certain economic indices and market analyses. The Company believes the minimum product purchases under the agreements are within the Company's normal product purchases. Actual purchases in future periods under the supply agreements could differ materially from those presented due to fluctuations in demand requirements related to varying sales levels as well as changes in economic conditions. If a supply agreement with a major supplier of gases or other raw materials was terminated, the Company would attempt to locate alternative sources of supply to meet customer requirements, including utilizing excess internal production capacity for atmospheric gases. The Company purchases hardgoods from major manufacturers and suppliers. For certain products, the Company has negotiated national purchasing arrangements. The Company believes that if an arrangement with any supplier of hardgoods was terminated, it would be able to negotiate comparable alternative supply arrangements.

At March 31, 2015, future commitments under take-or-pay supply agreements were as follows:

(In thousands) **Years Ending March 31,**	
2016	$ 221,228
2017	218,840
2018	175,250
2019	141,722
2020	97,170
Thereafter	275,656
	$ 1,129,866

Construction Commitments

Construction commitments of approximately $83 million at March 31, 2015 represent outstanding commitments to complete authorized construction projects. At March 31, 2015, the Company had long-term agreements with two customers to construct on-site air separation units. The units will be located in Calvert City, KY and Tuscaloosa, AL.

Letters of Credit

At March 31, 2015, the Company had outstanding letters of credit of $51 million. Letters of credit are guarantees of payment to third parties. The Company's letters of credit principally back obligations associated with the Company's deductible on workers' compensation, business automobile and general liability claims. The letters of credit are supported by the Company's Credit Facility.

Notes to Consolidated Financial Statements continued

AIRGAS, INC. AND SUBSIDIARIES

NOTE 18
BENEFIT PLANS

The Company has a defined contribution 401(k) plan (the "401(k) plan") covering substantially all full-time employees. Under the terms of the 401(k) plan, the Company makes matching contributions of up to two percent of participant wages. Amounts expensed under the 401(k) plan for fiscal 2015, 2014 and 2013 were $13.0 million, $12.3 million and $11.7 million, respectively.

The Company has a deferred compensation plan that is a non-qualified plan. The deferred compensation plan allows eligible employees and non-employee directors, who elect to participate in the plan, to defer the receipt of taxable compensation. Participants may set aside up to a maximum of 75% of their base salary and up to a maximum of 100% of their bonus compensation or directors' fees in tax-deferred investments. The Company's deferred compensation plan liabilities are funded through an irrevocable rabbi trust. The assets of the trust, which consist of open-ended mutual funds, cannot be reached by the Company or its creditors except in the event of the Company's insolvency or bankruptcy. Assets held in the rabbi trust were $16.3 million and $16.4 million at March 31, 2015 and 2014, respectively, and are included within other non-current assets on the consolidated balance sheets. The Company's deferred compensation plan liabilities were $16.3 million and $16.4 million at March 31, 2015 and 2014, respectively, and are included within other non-current liabilities on the consolidated balance sheets. Gains or losses on the deferred compensation plan assets are recognized as other income, net, while gains or losses on the deferred compensation plan liabilities are recognized as compensation expense in the consolidated statements of earnings.

NOTE 19
RELATED PARTIES

The Company purchases and sells goods and services in the ordinary course of business with certain corporations in which some of its directors are officers or directors. The Company also leases certain operating facilities from employees who were previous owners of businesses acquired. Payments made to related parties for fiscal 2015, 2014 and 2013 were $4.2 million, $4.1 million and $3.9 million, respectively. Amounts paid to related parties represented values considered fair and reasonable and reflective of arm's length transactions.

NOTE 20
SUPPLEMENTAL CASH FLOW INFORMATION

Cash Paid for Interest and Taxes

Cash paid for interest and income taxes was as follows:

(In thousands)

Years Ended March 31,	2015	2014	2013
Interest paid	$ 62,986	$ 86,479	$ 66,569
Income taxes, net of refunds	194,161	164,482	133,951

Noncash Investing and Financing Transactions

Liabilities assumed and stock issued as a result of acquisitions were as follows:

(In thousands)

Years Ended March 31,	2015	2014	2013
Fair value of assets acquired	$ 66,626	$ 218,413	$ 115,402
Net cash paid for acquisitions[a]	(51,827)	(205,370)	(97,521)
Stock Issued for acquisition[b]	(4,458)	—	—
Liabilities assumed	$ 10,341	$ 13,043	$ 17,881

(a) Includes the purchase of businesses and the settlement of holdback liabilities and payments related to contingent consideration arrangements associated with prior year acquisitions.

(b) Represents shares of Airgas, Inc. common stock issued in connection with a single acquisition — See Note 3 for further information.

NOTE 21
SUMMARY BY BUSINESS SEGMENT

The Company identifies its businesses as separate operating segments for reporting purposes based on the review of discrete financial results for each of the businesses by the Company's chief operating decision maker for performance assessment and resource allocation purposes. The Company aggregates its operating segments, based on products and services, into two business segments, Distribution and All Other Operations. The Distribution business segment represents the Company's only reportable segment under GAAP, while the All Other Operations business segment represents the aggregation of all other operating segments of the Company not considered reportable under GAAP. The Distribution business segment consists of 21 operating segments, including 15 regional gas and hardgoods distribution businesses, three gas companies that either produce or market gas products sold primarily through the Company's regional distribution businesses, two companies that sell or provide safety-related products and services, and the Company's rental welder business. The aggregation of the operating segments that form the Distribution business segment is based on the segment's foundation as a national integrated distribution business providing a broad array of gas products and supporting services offered in all modes of gas distribution, from large bulk quantities to smaller quantities in cylinder or packaged form, as well as a broad complementary hardgoods product line. Although there have been minor internal organizational changes in certain operating segments that comprise the Distribution business segment, there were no changes to this reportable segment from the prior year.

The Distribution business segment's principal products include industrial, medical and specialty gases sold in packaged and bulk quantities, as well as hardgoods. The Company's air separation facilities and national specialty gas labs primarily produce gases that are sold by the regional distribution businesses. Gas sales

Notes to Consolidated Financial Statements continued

AIRGAS, INC. AND SUBSIDIARIES

include nitrogen, oxygen, argon, helium, hydrogen, welding and fuel gases such as acetylene, propylene and propane, carbon dioxide, nitrous oxide, ultra high purity grades, special application blends and process chemicals. Business units in the Distribution business segment also recognize rental revenue, derived from gas cylinders, cryogenic liquid containers, bulk storage tanks, tube trailers and welding and welding related equipment. Gas and rent represented 59%, 60% and 59% of the Distribution business segment's sales in fiscal years 2015, 2014 and 2013, respectively. Hardgoods consist of welding consumables and equipment, safety products, construction supplies, and maintenance, repair and operating supplies. Hardgoods sales represented 41%, 40% and 41% of the Distribution business segment's sales in fiscal years 2015, 2014 and 2013, respectively. The Distribution business segment accounted for approximately 90% of consolidated sales in each of the fiscal years 2015, 2014 and 2013.

The All Other Operations business segment consists of five operating segments, all of which primarily manufacture and/or distribute single gas product lines (carbon dioxide, dry ice, nitrous oxide, ammonia and refrigerant gases). The operating segments reflected in the All Other Operations business segment individually do not meet the thresholds to be reported as separate reportable segments. Elimination entries represent intercompany sales from the Company's All Other Operations business segment to its Distribution business segment.

The Company's operations are predominantly in the United States. While the Company does conduct operations outside of the United States in Canada, Mexico, Russia, Dubai and several European countries, revenues from foreign countries represent less than 2% of the Company's net sales. Revenues derived from foreign countries, based on the point of sale, were $93 million, $88 million and $87 million in the fiscal years ended March 31, 2015, 2014 and 2013, respectively. Long-lived assets attributable to the Company's foreign operations represent less than 5% of the consolidated total long-lived assets of the Company and were $143 million, $148 million and $133 million at March 31, 2015, 2014 and 2013, respectively. Long-lived assets primarily consist of plant and equipment. The Company's customer base is diverse with its largest customer accounting for less than 1% of total net sales.

Business segment information for the Company's Distribution and All Other Operations business segments is presented in the following tables for the years ended March 31, 2015, 2014 and 2013. The accounting policies of the business segments are the same as those described in the Summary of Significant Accounting Policies (Note 1). Although corporate operating expenses are generally allocated to each business segment based on sales dollars, the Company reports expenses (excluding depreciation) related to the implementation of its SAP system under selling, distribution and administrative expenses in the "Eliminations and Other" column. Additionally, the Company's restructuring and other special charges, net, are not allocated to the Company's business segments, and are also reflected in the "Eliminations and Other" column. Corporate assets have been allocated to the Distribution business segment, intercompany sales are recorded on the same basis as sales to third parties, and intercompany transactions are eliminated in consolidation. See Note 3 for the impact of acquisitions on the operating results of each business segment. Management utilizes more than one measurement and multiple views of data to measure segment performance and to allocate resources to the segments. However, the predominant measurements are consistent with the Company's consolidated financial statements and, accordingly, are reported on the same basis in the following tables.

(In thousands)

Year Ended March 31, 2015	Distribution	All Other Operations	Eliminations and Other	Total
Gas and rent	$ 2,823,297	$ 556,941	$ (29,219)	$ 3,351,019
Hardgoods	1,950,192	3,681	(7)	1,953,866
Net sales[(a)]	4,773,489	560,622	(29,226)	5,304,885
Cost of products sold (excluding depreciation)[(a)]	2,092,466	292,635	(29,226)	2,355,875
Selling, distribution and administrative expenses	1,792,116	186,558	—	1,978,674
Depreciation	272,200	25,510	—	297,710
Amortization	27,373	3,975	—	31,348
Total costs and expenses	$ 4,184,155	$ 508,678	$ (29,226)	$ 4,663,607
Operating income	$ 589,334	$ 51,944	$ —	$ 641,278
Assets	$ 5,397,535	$ 576,075	$ —	$ 5,973,610
Capital expenditures	$ 438,867	$ 29,922	$ —	$ 468,789

(In thousands)

Year Ended March 31, 2014	Distribution	All Other Operations	Eliminations and Other	Total
Gas and rent	$ 2,717,272	$ 539,954	$ (30,404)	$ 3,226,822
Hardgoods	1,841,518	4,200	(3)	1,845,715
Net sales[(a)]	4,558,790	544,154	(30,407)	5,072,537
Cost of products sold (excluding depreciation)[(a)]	1,996,065	281,916	(30,407)	2,247,574
Selling, distribution and administrative expenses	1,705,408	176,289	7,426	1,889,123
Depreciation	252,329	23,132	—	275,461
Amortization	25,512	4,333	—	29,845
Total costs and expenses	$ 3,979,314	$ 485,670	$ (22,981)	$ 4,442,003
Operating income	$ 579,476	$ 58,484	$ (7,426)	$ 630,534
Assets	$ 5,222,781	$ 570,533	$ —	$ 5,793,314
Capital expenditures	$ 317,066	$ 37,521	$ —	$ 354,587

(In thousands)

Year Ended March 31, 2013	Distribution	All Other Operations	Eliminations and Other	Total
Gas and rent	$ 2,577,901	$ 587,322	$ (34,201)	$ 3,131,022
Hardgoods	1,820,204	6,276	(5)	1,826,475
Net sales[(a)]	4,398,105	593,598	(34,206)	4,957,497
Cost of products sold (excluding depreciation)[(a)]	1,958,573	311,200	(34,206)	2,235,567
Selling, distribution and administrative expenses	1,620,651	174,643	33,230	1,828,524
Restructuring and other special charges, net	—	—	8,089	8,089
Depreciation	240,167	21,455	—	261,622
Amortization	22,297	4,981	—	27,278
Total costs and expenses	$ 3,841,688	$ 512,279	$ 7,113	$ 4,361,080
Operating income	$ 556,417	$ 81,319	$ (41,319)	$ 596,417
Assets	$ 5,047,042	$ 571,183	$ —	$ 5,618,225
Capital expenditures	$ 300,431	$ 25,034	$ —	$ 325,465

(a) Amounts in the "Eliminations and Other" column represent the elimination of intercompany sales and associated gross profit on sales from the Company's All Other Operations business segment to its Distribution business segment.

Notes to Consolidated Financial Statements continued

AIRGAS, INC. AND SUBSIDIARIES

NOTE 22

RESTRUCTURING AND OTHER SPECIAL CHARGES, NET

The Company incurred no restructuring and other special charges, including asset impairment charges, for the years ended March 31, 2015 and 2014. The following table presents the components of restructuring and other special charges, net, for the years ended March 31, 2013:

(In thousands) Year Ended March 31,	2013
Restructuring costs (benefits), net	$ (2,177)
Other related costs	8,537
Intangible asset impairment charge	1,729
Total restructuring and other special charges, net	$ 8,089

Restructuring Costs (Benefits), Net

In May 2011, the Company announced the alignment of its then twelve regional distribution companies into four new divisions, and the consolidation of its regional company accounting and certain administrative functions into four newly created Business Support Centers ("BSCs"). Additionally, the Company initiated a related change in its legal entity structure on January 1, 2012 whereby each Airgas regional distribution company would merge, once converted to SAP, into a single limited liability company ("LLC") of which Airgas, Inc. is the sole member. Prior to conversion to SAP, each of the Company's twelve regional distribution companies operated its own accounting and administrative functions. Enabled by the Company's conversion to a single information platform across all of its regional distribution businesses as part of the SAP implementation, the restructuring allows Airgas to more effectively utilize its resources across its regional distribution businesses and form an operating structure to leverage the full benefits of its new SAP platform. As a result of the realignment plan, the Company recorded an initial restructuring charge of $13.3 million during the year ended March 31, 2012 for severance benefits expected to be paid under the Airgas, Inc. Severance Pay Plan to employees whose jobs were eliminated as a result of the realignment.

During the year ended March 31, 2013, the Company recorded $2.2 million in net restructuring benefits. In fiscal 2013, the Company re-evaluated its remaining severance liability related to the divisional realignment and, as a result of this analysis, reduced its severance liability by $3.7 million. The change in estimate was driven by fewer than expected individuals meeting the requirements to receive severance benefits. This reduction was due to both the retention of employees through relocation or acceptance of new positions, as well as former associates who chose not to remain with the Company through their designated separation dates. Offsetting the benefit from the reduction to the severance liability were additional restructuring costs of $1.5 million, primarily related to relocation and other costs.

Restructuring costs related to the plan were not allocated to the Company's business segments (see Note 21). The activity in the accrued liability balances associated with the restructuring plan was as follows for the years ended March 31, 2015, 2014 and 2013:

(In thousands)	Severance Costs	Facility Exit and Other Costs	Total
Balance at March 31, 2012	$ 13,138	$ 990	$ 14,128
Restructuring charges	—	1,523	1,523
Cash payments	(4,756)	(2,199)	(6,955)
Other adjustments	$ (3,700)	$ —	(3,700)
Balance at March 31, 2013	$ 4,682	$ 314	$ 4,996
Cash payments and other adjustments	(3,321)	(237)	(3,558)
Balance at March 31, 2014	$ 1,361	$ 77	$ 1,438
Cash payments and other adjustments	(1,361)	(77)	(1,438)
Balance at March 31, 2015	$ —	$ —	$ —

As of March 31, 2013, the divisional alignment was complete and all material costs related to the restructuring had been incurred. The remaining accrued liability balances associated with the restructuring plan at March 31, 2013 were subsequently paid during the years ended March 31, 2014 and 2015.

Other Related Costs

For the year ended March 31, 2013, the Company also incurred $8.5 million of other costs related to the divisional alignment and LLC formation. These costs primarily related to transition staffing for the BSCs, legal costs and other expenses associated with the Company's organizational and legal entity changes.

Asset Impairment Charge

As a result of an impairment analysis performed on the long-lived assets associated with a reporting unit in the Company's All Other Operations business segment, the Company recorded a charge of $1.7 million related to certain of the intangible assets associated with this business during the year ended March 31, 2013 — see Note 7 for further information. The charge was not allocated to the Company's business segments (see Note 21).

Notes to Consolidated Financial Statements continued

AIRGAS, INC. AND SUBSIDIARIES

NOTE 23

SUPPLEMENTARY INFORMATION (UNAUDITED)

The following table summarizes the unaudited results of operations for each quarter of fiscal 2015 and 2014:

(In thousands, except per share amounts)	First	Second	Third	Fourth
2015				
Net sales	$ 1,313,587	$ 1,357,755	$ 1,331,820	$ 1,301,723
Operating income	155,081	175,781	162,886	147,530
Net earnings	88,852	98,312	93,199	87,723
Basic earnings per share [a]	$ 1.20	$ 1.32	$ 1.25	$ 1.17
Diluted earnings per share [a]	$ 1.18	$ 1.30	$ 1.23	$ 1.15
2014				
Net sales	$ 1,279,891	$ 1,281,970	$ 1,242,846	$ 1,267,830
Operating income	156,614	168,769	154,919	150,232
Net earnings [b]	84,686	94,982	82,759	88,357
Basic earnings per share [a]	$ 1.16	$ 1.29	$ 1.12	$ 1.19
Diluted earnings per share [a]	$ 1.14	$ 1.27	$ 1.10	$ 1.17

(a) Earnings per share calculations for each of the quarters are based on the weighted average number of shares outstanding in each quarter. Therefore, the sum of the quarterly earnings per share does not necessarily equal the full year earnings per share disclosed on the consolidated statements of earnings.

(b) Net earnings include the impact of the following non-operating items (after tax):

(In thousands)	First	Second	Third	Fourth
2014				
Loss on the extinguishment of debt (Note 9)	$ —	$ —	$ 5,646	$ —
State income tax benefits [c]	—	(1,493)	—	(1,800)

(c) During the three months ended September 30, 2013, the Company recognized a $1.5 million tax benefit related to a change in a state income tax law, allowing the Company to utilize additional net operating loss carryforwards. During the three months ended March 31, 2014, the Company recognized an additional $1.8 million of tax benefits related to enacted changes in state income tax rates.

NOTE 24

SUBSEQUENT EVENT

On April 7, 2015, the Company announced that its Board of Directors declared a regular quarterly cash dividend of $0.60 per share. The dividend is payable June 30, 2015 to stockholders of record as of June 15, 2015.