

AIR PRODUCTS & CHEMICALS INC /DE/  
Form DFAN14A  
July 29, 2010

---

---

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

SCHEDULE 14A  
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934 (Amendment No. \_\_)

Filed by the Registrant

Filed by a Party other than the Registrant

Check appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under Rule 14a-12

Airgas, Inc.

(Name of Registrant as Specified in Its Charter)

Air Products Distribution, Inc.

Air Products and Chemicals, Inc.

(Name of Persons Filing Proxy Statement, if Other than Registrant)

Payment of filing fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

---

---

---

Air Products began using the following slide presentation with investors on July 29, 2010:

Offer to Acquire Airgas

---

Forward Looking Statement

This presentation contains “forward-looking statements” within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including earnings guidance and comments regarding the Company’s proposed acquisition of Airgas, Inc. These forward-looking statements are based on management’s reasonable expectations and assumptions as of the date this presentation is made regarding important risk factors. Actual performance and financial results may differ materially from projections and estimates expressed in the forward-looking statements because of many factors not anticipated by management, including, without limitation, longer than anticipated delay in global economic recovery; renewed deterioration in economic and business conditions; poor demand for the Company’s products; future financial and operating performance of major customers and industries served by the Company; inability to collect receivables from or recovery of payments made by customers in bankruptcy proceedings; unanticipated contract terminations or customer cancellations or postponement of projects and sales; asset impairments due to economic conditions or specific product or customer events; unexpected costs associated with the Company’s cash tender offer for Airgas, Inc.; costs of future restructuring actions which are not currently planned or anticipated; the impact of competitive products and pricing; interruption in ordinary sources of supply of raw materials;

the ability to recover unanticipated increased energy and raw material costs from customers; costs and outcomes of litigation or regulatory activities; charges related to current portfolio management and cost reduction actions; the success of implementing cost reduction programs; failure to consummate the tender offer for Airgas, Inc. or inability to

achieve anticipated acquisition synergies or unanticipated integration costs; the timing, impact, and other uncertainties of future acquisitions or divestitures; significant fluctuations in interest rates and foreign currencies from that currently anticipated; the continued availability of capital funding sources in all of the Company’s foreign operations; the impact of new or changed environmental, healthcare, tax or other legislation and regulations in jurisdictions in which the Company and its affiliates operate; the impact of new or changed financial accounting guidance; the timing and rate at which tax credits can be utilized and other risk factors described in the Company’s Form 10K for its fiscal year ended September 30, 2009. The Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this document to reflect any change in the Company’s assumptions, beliefs or expectations or any change in events, conditions, or circumstances upon which any such forward-looking statements are based.

ADDITIONAL INFORMATION

On February 11, 2010, Air Products Distribution, Inc. (“Purchaser”), a wholly owned subsidiary of Air Products and Chemicals, Inc. (“Air Products”), commenced a cash tender offer for all the outstanding shares of common stock of Airgas, Inc. (“Airgas”) not already owned by Air Products, subject to the terms and conditions set forth in the Offer to Purchase dated as of February 11, 2010 (the “Offer to Purchase”). The purchase price to be paid upon the successful closing of the cash tender offer is \$63.50 per share in cash, without interest and less any required withholding tax, subject to the terms and conditions set forth in the Offer to Purchase, as amended. The offer is scheduled to expire at midnight, New York City time, on Friday, August 13, 2010, unless further extended in the manner set forth in the Offer to Purchase.

This communication does not constitute an offer to buy or solicitation of an offer to sell any securities. The tender offer is being made pursuant to a tender offer statement on Schedule TO (including the Offer to Purchase, a related letter of transmittal and other offer materials) filed by Air Products with the U.S. Securities and Exchange Commission (“SEC”) on February 11, 2010. **INVESTORS AND SECURITY HOLDERS OF AIRGAS ARE URGED TO READ THESE AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.** Investors and security holders can obtain free copies of these documents and other documents filed with the SEC by Air Products through the web site maintained by the SEC at <http://www.sec.gov>. The Offer to Purchase and related materials may also be obtained for free by contacting the Information Agent for the tender offer, MacKenzie Partners, Inc., at 212-929-5500 or toll-free at 800-322-2885.

Air Products has filed a preliminary proxy statement on Schedule 14A with the SEC on June 16, 2010, and a revised preliminary proxy statement on Schedule 14A on July 9, 2010, in connection with the solicitation of proxies for the 2010 annual meeting of Airgas stockholders. Air Products expects to file a definitive proxy statement with the SEC in connection with the solicitation of proxies for the 2010 annual meeting of Airgas stockholders and may file other proxy solicitation material in connection therewith. Any definitive proxy statement will be mailed to shareholders of Airgas.

**INVESTORS AND SECURITY HOLDERS OF AIRGAS ARE URGED TO READ THESE AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY AS THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.** Investors and security holders will be able to obtain free copies of these documents (if and when available) and other documents filed with the SEC by Air Products through the web site maintained by the SEC at <http://www.sec.gov>. These materials may also be obtained for free by contacting Air Products’ proxy solicitor for the 2010 Airgas annual meeting, MacKenzie Partners, Inc., at 212-929-5500 or toll-free at 800-322-2885.

CERTAIN INFORMATION REGARDING PARTICIPANTS

Air Products, Purchaser, and certain of their respective directors and executive officers and the Air Products nominees

may be deemed to be participants in the proposed transaction under the rules of the SEC. Security holders may obtain information regarding the names, affiliations and interests of Air Products' directors and executive officers in Air Products' Annual Report on Form 10-K for the year ended September 30, 2009, which was filed with the SEC on November 25, 2009, and its proxy statement for the 2010 Annual Meeting, which was filed with the SEC on December 10, 2009; and of Purchaser's directors and executive officers in the Offer to Purchase. Information about the Air Products nominees will be included in the definitive proxy statement Air Products intends to file with the SEC relating to the 2010 annual meeting of Airgas stockholders. These documents can be obtained free of charge from the sources indicated above. Additional information regarding the interests of these participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will also be included in the definitive proxy statement and other relevant materials to be filed by Air Products with the SEC.

4

\$63.50 per share all cash  
Immediate & certain value  
High premium to all relevant  
historical prices  
Significantly greater value than  
standalone Airgas  
\$51.00  
Unaffected  
52wk high1  
\$47.31  
3 month  
VWAP  
\$43.53  
Pre-offer  
price2  
Significant premium at \$63.50  
45.9%  
34.2%  
24.5%

Source: FactSet

1 October 19, 2009

2 February 4, 2010

Increased offer delivers attractive and certain  
value to Airgas shareholders

---

5

Airgas' most recent projections show flat EPS  
trajectory for remainder of Fiscal 2011...

1Q'11

Actual

2Q'11

Mid-point

2Q guidance \$0.78-0.82

3Q'11

4Q'11

Implied mid-point FY2011 guidance

\$3.15-\$3.30

\$0.83A

\$0.80

\$0.80

\$0.80

Airgas quarterly EPS to reach mid-point of FY2011 guidance

Fiscal year-end March 31, 2011

---



6

...with dramatic acceleration in EPS needed to  
reach 2012 guidance...

Quarterly adjusted EPS

run-rate

\$0.80

\$1.05

Despite weak economic recovery

Focus shift to ... “becoming an operating  
company”

SAP implementation distraction

International expansion risk

Mid-point

FY 2Q guidance

\$0.78-0.82

CY 2012

\$4.20 run rate

Greater than 30% growth projection?

7

...while Wall Street analysts agree Airgas' unaffected price is well below \$50

Deutsche Bank \$46

(July 21) without APD bid

Jefferies \$47

(July 21) without APD bid

Soleil \$47

(July 21) without APD bid

Morningstar \$43

(July 6) fair value estimate

---

8

Air Products has sought to engage with Airgas

Airgas has never shown any willingness to explore Air Products' offers

– Repeated attempts to engage since October 2009 have been rejected

– Airgas' responses have included:

Requests that no proposal be made in writing

Threats to use “every arrow in its quiver” to resist any non-negotiated offer

Lawsuit against Air Products' outside counsel

Refusal of “independent” directors to discuss any aspect of transaction with Air Products

Amending its bylaws to delay 2010 Annual Meeting

Continual revisions to financial forecasts

New change-of-control agreements

From the start, Air Products has clearly stated its flexibility with respect to price and form of consideration

– Air Products has increased its price twice since its initial approach

– Air Products has changed the consideration mix to all cash

Air Products decided the best way to move forward was to commence tender offer, proceed with director nominations and proposals at 2010 Annual Meeting

9

Airgas Board's actions – in shareholders' best interests?

Airgas has not formed an independent Board committee to assess Air Products' offers

– Chairman/CEO may have interests not aligned with other shareholders

– Independent committee would facilitate impartial assessment by independent directors with their own advisors

– Issue currently pending before Delaware court

Air Products' request for prompt shareholder vote and Annual Meeting was met by bylaw change

– Airgas amended bylaws on April 7, 2010, eliminating requirement to hold annual meeting by August 31, 2010

Airgas ignored Air Products' request to take actions to eliminate obstacles to offer and allow Airgas shareholders to decide for themselves

– Refused to rescind "poison pill" shareholder rights plan

– Rejected Air Products' request to hold 2010 annual meeting no later than August 18, 2010 (one year anniversary of 2009 annual meeting)

– Rejected Air Products' request that director nominees not elected by shareholders at 2010 annual meeting not be reappointed for at least three years

Airgas' first action in response to public offer was to pursue litigation

– Sued to disqualify Air Products' long-standing outside legal counsel

– Spent millions of dollars of shareholder money pursuing dilatory litigation and losing arguments before three separate courts

---

10

Path forward

Air Products

committed to

completing

transaction

Tender offer

Revised offer effective July 8

Offer scheduled to expire on

August 13

Financing fully committed

Shareholder meeting

Scheduled for September 15

3 independent BOD nominees

Proposed by-law changes

Regulatory process

Negotiating consent decree

Litigation proceeding

---

11

What we are asking you to do

Tender your shares by the August 13 expiration date

Support Air Products proxy solicitation - Sign and return GOLD proxy card

1. Vote for our three independent director nominees

2. Amend by-laws to implement director eligibility requirements

Would make any Airgas board members (except CEO) not elected at annual meeting ineligible to  
serve on Airgas Board for three years

If not elected but re-appointed, CEO could not serve as Chairman

3. Amend by-laws to require Airgas to hold future annual meetings in January

2011 annual meeting to be held on January 18

Provides an early opportunity for shareholders to elect additional outside nominees to the Airgas  
Board

4. Repeal all by-law amendments after April 7, 2010

Standard for this type of situation

---

Thank you  
[www.airproducts.com](http://www.airproducts.com)