

AIRGAS INC  
Form 11-K  
March 30, 2012  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2011

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 333-136463, 333-174883

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Airgas, Inc. Deferred Compensation Plan II

B. Name of the issuer of the securities held pursuant to the plan and the address of its principal executive office:

Airgas, Inc.  
259 North Radnor-Chester Road  
Suite 100  
Radnor, PA 19087-5283

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AIRGAS, INC.  
DEFERRED COMPENSATION PLAN II

ANNUAL REPORT ON FORM 11-K

December 31, 2011

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Report of Independent Registered Public Accounting Firm

The Governance and Compensation Committee of the  
Airgas, Inc. Board of Directors:

We have audited the accompanying statements of financial position of the Airgas, Inc. Deferred Compensation Plan II (the "Plan") as of December 31, 2011 and 2010, and the related statements of changes in plan equity for each of the years in the three-year period ended December 31, 2011. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Plan as of December 31, 2011 and 2010, and the changes in plan equity for each of the years in the three-year period ended December 31, 2011 in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP

Philadelphia, Pennsylvania  
March 30, 2012

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AIRGAS, INC.  
DEFERRED COMPENSATION PLAN II

STATEMENTS OF FINANCIAL POSITION

	December 31, 2011	December 31, 2010
ASSETS		
Receivable from Airgas, Inc.	\$8,160,232	\$6,288,153
PLAN EQUITY		
Plan Equity	\$8,160,232	\$6,288,153

The accompanying notes are an integral part of these financial statements.

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DEFERRED COMPENSATION PLAN II

## STATEMENTS OF CHANGES IN PLAN EQUITY

	Year Ended December 31, 2011	Year Ended December 31, 2010	Year Ended December 31, 2009
Increases (decreases) in plan equity attributed to:			
Investment income (loss) from notional investments:			
Net appreciation (depreciation) in fair value of investments	\$(66,317	) \$668,049	\$760,049
Dividends and realized gains	205,262	169,045	48,802
Net investment income	138,945	837,094	808,851
Participant contributions to notional investments	2,210,938	721,636	1,349,330
Participant distributions from notional investments	(477,804	) (162,136	) (111,740
Net increase in plan equity	1,872,079	1,396,594	2,046,441
Plan equity at beginning of period	6,288,153	4,891,559	2,845,118
Plan equity at end of period	\$8,160,232	\$6,288,153	\$4,891,559

The accompanying notes are an integral part of these financial statements.

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AIRGAS, INC.

DEFERRED COMPENSATION PLAN II

NOTES TO FINANCIAL STATEMENTS

(1) Description of the Plan

The following description of the Airgas, Inc. Deferred Compensation Plan II (the "Plan") provides general information only. Participants should refer to the Plan document for more complete information.

General

On May 23, 2006, the Board of Directors of Airgas, Inc. approved the Airgas, Inc. Deferred Compensation Plan II, effective July 1, 2006. The purpose of the Plan is to permit non-employee directors and a select group of highly compensated employees of Airgas, Inc. and its subsidiaries (the "Company") to defer the receipt of compensation for personal income tax purposes that would otherwise become payable to them. It is intended that the Plan, by providing this deferral opportunity, will assist the Company in retaining and attracting individuals of exceptional ability by providing them with this benefit.

The Governance and Compensation Committee (the "Committee") of the Board of Directors serves as the Plan Administrator. At its sole discretion, the Committee may, at any time, partially or completely terminate the Plan.

Participation and Deferrals

Plan participation is limited to non-employee directors and those key employees who are designated by the Committee as eligible to participate in the Plan. The Plan permits the deferral of up to 75% of the participant's salary, and up to 100% of the participant's bonus or director's fee. Participant deferrals are credited to a book account and are deemed invested in notional investment funds selected by the participant from a family of funds under the Plan, one of which tracks the Company's common stock. Investment gains and losses are credited or charged to a participant's account based on earnings or losses in the selected valuation funds. Participant deferrals and net notional investment gains or losses that are credited or charged to a participant's account are fully vested. However, participant deferrals are not protected from investment risk in the notional funds.

Distributions

Amounts credited to a participant's account will be payable upon the earlier of a Specified Date (as defined below), or the participant's separation from service (either as an employee or as a non-employee director). Separation from service means a participant's termination of employment or service as a non-employee director with the Company, including the death of a participant. A participant may elect, at the beginning of each calendar year, to designate a distribution date (the "Specified Date") with respect to his or her deferrals for such plan year. The Specified Date must be no earlier than during the third year following the year in which the deferrals designated for distribution were credited to the participant's account. A participant may choose benefit payments in either a lump sum or annual, quarterly or monthly installments for between two and fifteen years. A participant may change the timing of his or her distributions. However, the change must be made at least one year prior to the date the distribution was to begin and the added period of deferral must be at least five years after the date the deferral was to be distributed. Distributions to participants are payable in cash.

A participant who suffers a severe financial hardship due to an unforeseeable emergency may request a hardship withdrawal from the Plan. The Committee has complete discretion to determine whether to permit any such hardship

withdrawal. The amount of any hardship withdrawal may not exceed the amount that the Committee determines to be necessary to alleviate the hardship (plus an amount necessary to pay any taxes applicable to the distribution).

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AIRGAS, INC.

DEFERRED COMPENSATION PLAN II

NOTES TO FINANCIAL STATEMENTS (continued)

Trust

The Plan is an unfunded plan. The obligation to make benefit payments under the Plan is solely an obligation of the Company. However, the Company may establish one or more trusts to assist in the payment of benefits. The Company has established a trust (the "Trust") for the Plan, in which the Vanguard Fiduciary Trust Company ("Vanguard") serves as the trustee. Although the Company maintains the Trust to accumulate certain assets to assist the Company in meeting its obligations under the Plan, the Plan has no investments of its own. The sole asset of the Plan is a receivable from the Company in an amount equal to the sum of all participants' account balances. Plan participants are considered to be unsecured creditors, with no secured or preferential rights to any assets of the Company. Assets held by the Trust are available to the Company's general creditors in the event of insolvency of the Company.

As of December 31, 2011, the Trust assets were primarily invested in various mutual funds of Vanguard and a fund based on the common stock of Airgas, Inc. All investments of the Trust are carried at fair value. The weighted average cost of specific investments sold by the Trust is used to compute realized gains and losses.

(2) Summary of Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Plan management to make estimates and assumptions that affect the reported amounts of assets and changes in Plan equity. Actual results could differ from those estimates.

Receivable from the Company

The Plan is unfunded with benefits paid solely out of the general assets of the Company. The Plan records a receivable from the Company equal to the sum of all participants' account balances. The carrying value of the receivable approximates fair value.

Administrative Expenses of the Plan

All administrative expenses of the Plan are paid by the Company. Any brokerage fees for the purchase of shares on behalf of Plan participants are paid by the Company.

Risk and Uncertainties

The amount of the Plan's receivable from Airgas, Inc. is based on the performance of the notional investment securities, which consist of the Vanguard mutual funds and the Airgas, Inc. common stock fund. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will



occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the financial statements.

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AIRGAS, INC.

DEFERRED COMPENSATION PLAN II

NOTES TO FINANCIAL STATEMENTS (continued)

(3) Federal Income Tax

The Plan is established as an unfunded deferred compensation plan under the Internal Revenue Code and is not subject to federal income tax. Accordingly, a participant will not incur federal income tax liability when (1) compensation is deferred pursuant to the Plan, (2) notional investment gains or losses are credited or charged to a participant's account, or (3) dividends are credited to a participant's account. Rather, a participant will incur federal income tax liability for such contributions and income only when distributions are made to a participant.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes the Plan is no longer subject to income tax examinations for years prior to 2009.

The Plan is not qualified under Section 401(a) of the Internal Revenue Code and is not subject to the provisions of the Employee Retirement Income Security Act of 1974.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrator has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

AIRGAS, INC. DEFERRED COMPENSATION PLAN II  
(Name of Plan)

BY: Governance and Compensation Committee  
of the Airgas, Inc. Board of Directors  
as Plan Administrator

/s/ James W. Hovey

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James W. Hovey

/s/ Paula A. Sneed

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Paula A. Sneed

/s/ David M. Stout

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David M. Stout

/s/ Lee M. Thomas

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Lee M. Thomas

DATED: March 30, 2012

EXHIBIT INDEX

Exhibit

23 Consent of Independent Registered Public Accounting Firm

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s set forth on Schedule A. Schedule A is incorporated into and made a part of this Amendment No. 9.

(c) Attached as Schedule B is the name, principal occupation (where applicable) and business address of each member, executive officer and/or director of each of the Reporting Persons. Schedule B is incorporated into and made a part of this Amendment No. 9.

(d) During the last five years, none of the Reporting Persons nor any person listed on Schedule B has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) During the last five years, none of the Reporting Persons nor any person listed on Schedule B has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

**Item 3. Source and Amount of Funds or Other Consideration**

Item 3 is hereby amended and supplemented by adding the following:

See the response to Item 4, which is incorporated by reference herein.

**Item 4. Purposes of Transaction**

Item 4 is hereby amended by adding the following:

On October 27, 2010, the Company entered into a Purchase Agreement (the "Purchase Agreement") with Kelley, Marsland and Redmont, pursuant to which the Company agreed to sell an aggregate of 896,861 Common Shares at a price of \$11.30 per Common Share. Pursuant to the Purchase Agreement, Kelley, Marsland and Redmont purchased 424,424 Common Shares, 260,432 Common Shares and 212,005 Common Shares, respectively. The 896,861 Common Shares were issued pursuant to the Company's shelf Registration Statement on Form F-3 (File No. 333-159218), including a preliminary prospectus supplement filed pursuant to Rule 424(b)(5) under the Securities Act of 1933, as amended (the "Securities Act"), on October 27, 2010 and a final prospectus supplement filed pursuant to Rule 424(b)(5) under the Securities Act on October 29, 2010. In connection with the Purchase Agreement, the Company granted to Kelley, Marsland and Redmont certain registration rights covering resales of the 896,861 Common Shares. The foregoing description of the Purchase Agreement is not intended to be complete and is qualified in its entirety by reference to the Purchase Agreement included as Exhibit 2 to this Amendment No. 9 and incorporated by reference herein.

The source of funds for the purchase of the 896,861 Common Shares was capital contributions from the respective shareholders of Kelley, Marsland and Redmont. In addition, each of Kelley, Marsland and Redmont acquired the 424,424 Common Shares, 260,432 Common Share and 212,005 Common Shares, respectively, to increase its investment in the Company. Each of Kelley, Marsland and Redmont is holding its Common Shares solely for investment purposes and each has no plans or proposals with respect to any material change in the Company's business or corporate structure or, generally, any other action referred to in instructions (a) through (j) of Item 4 of the form of Schedule 13.

**Item 5. Interest in Securities of the Issuer**

Item 5 is hereby amended and restated in its entirety as follows:

(a) As of November 1, 2010, the Reporting Persons beneficial ownership of the Common Shares is as follows:

Name	Sole Voting and Dispositive Power	Shared Voting and Dispositive Power	Percentage <sup>(2)</sup>
Kelley Enterprises Inc.	5,441,722		11.9%
Marsland Holdings Limited	3,339,110		7.3%
Redmont Trading Corp.	2,718,217		5.9%
First Tsakos Investments Inc.		8,780,832 <sup>(1)</sup>	19.2%
Tsakos Holdings Foundation		11,499,049 <sup>(1)</sup>	25.1%

The Reporting Persons are making this single, joint filing because they may be deemed to constitute a group within the meaning of Section 13(d)(3) of the Exchange Act, together with Sea Consolidation S.A. of Panama, Intermed Champion S.A. of Panama and Nikolas P. Tsakos, although neither the fact of this filing nor anything contained herein shall be deemed to be an admission by the Reporting Persons that a group exists. As of the date of this filing, Sea Consolidation S.A. of Panama, Intermed Champion S.A. of Panama and Nikolas P. Tsakos beneficially and of record own 3,952,232, 274,200 and 129,000 Common Shares, respectively. Together, the group would be deemed to beneficially own 15,854,481 Common Shares, constituting 34.6% of the Company.

- (1) First Tsakos is the sole holder of the outstanding capital stock of Kelley and Marsland and may be deemed to have shared voting and dispositive power of the Common Shares reported by Kelley and Marsland. Tsakos Holdings is the sole holder of outstanding capital stock of First Tsakos and Redmont and may be deemed to have shared voting and dispositive power of the Common Shares reported by Kelley, Marsland and Redmont.
- (2) The applicable percentage of ownership of each shareholder is based on the Company's 45,806,887 issued and outstanding Common Shares as of November 1, 2010.

(b) The responses of the Reporting Persons to Items (7) through (11) of the portions of pages 2 through 6 hereto which relate to Common Shares beneficially owned are incorporated herein by reference.

(c) As described above, each of Kelley, Marsland and Redmont purchased the 424,424 Common Shares, 260,432 Common Share and 212,005 Common Shares, respectively, pursuant to the Purchase Agreement, and that such purchases closed on November 1, 2010.

(d) No person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the Common Shares beneficially owned by Kelley, Marsland, Redmont, First Tsakos or Tsakos Holdings.

(e) Not applicable.

**Item 6. Contracts, Arrangements, Understandings or Relationships with respect to the Issuer**

Item 6 is hereby amended and restated in its entirety as follows:

See the responses to Items 4 and 5, which are incorporated by reference herein.

**Item 7. Materials to Be Filed as Exhibits**

Item 7 is hereby amended by adding the following exhibits:

Exhibit 1: Joint Filing Agreement, dated November 5, 2010, among Kelley Enterprises Inc., Marsland Holdings Limited, Redmont Trading Corp., First Tsakos Investments Inc. and Tsakos Holdings Foundation.

Exhibit 2: Purchase Agreement, dated October 27, 2010, by and among Tsakos Energy Navigation Limited and the several Purchasers named therein (incorporated by reference from Exhibit 10.1 to the Company's Form 6-K filed with the SEC on October 29, 2010).

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**SIGNATURE**

After reasonable inquiry and to the best of the knowledge and belief of each of the undersigned, each of the undersigned certifies that the information set forth in this Amendment No. 9 is true, complete and correct.

Dated: November 5, 2010

KELLEY ENTERPRISES INC.

By: /s/ P. EFTHIMIADES  
Name: **P. Efthimiades**  
Title: **Director**

MARSLAND HOLDINGS LIMITED

By: /s/ E. SAROGLOU  
Name: **E. Saroglou**  
Title: **Director**

REDMONT TRADING CORP.

By: /s/ THOMAS K. ZAFIRAS  
Name: **Thomas K. Zafiras**  
Title: **President**

FIRST TSAKOS INVESTMENTS INC.

By: /s/ P. EFTHIMIADES  
Name: **P. Efthimiades**  
Title: **Director**

TSAKOS HOLDINGS FOUNDATION

By:	/s/ P. EFTHIMIADES	/s/ T. K. ZAFIRAS
Name:	<b>P. Efthimiades</b>	<b>T.K. Zafiras</b>
Title:	<b>Member of the</b>	<b>Member of the</b>
	<b>Foundation</b>	<b>Foundation</b>
	<b>Council</b>	<b>Council</b>

**SCHEDULE A**

**Name of Reporting Persons**

**Address of the Principal Office**

Kelley Enterprises Inc.

Saffrey Square, Suite 205, Park Lane, P.O. Box N-8188, Nassau,  
Bahamas

Marsland Holdings Limited

FGC Corporate Services Limited, 125 Main Street, PO Box 144,  
Road Town, Tortola, British Virgin Islands

Redmont Trading Corp.

9 Nikodimon Street, Kastella Piraeus Greece 185 33

First Tsakos Investments Inc.

34 Efesou Street, Nea Smyrni, Athens, Greece

Tsakos Holdings Foundation

Heiligkreuz 6, Vaduz, Liechtenstein



**SCHEDULE B****Kelley Enterprises Inc.**

<b>Name</b>	<b>Position</b>	<b>Principal Occupation</b>	<b>Business Address</b>
First Tsakos Investments Inc.	Sole Shareholder		34 Efesou Street, Nea Smyrni, Athens, Greece
Pantelis Nicolas Efthimiades	Director	Retired Shipping Industry Consultant	34 Efesou Street, Nea Smyrni, Athens, Greece
Ioannis Efthimiades	Director	Shipping Industry Consultant	9 Ionias Street, Nea Smyrni, Athens, Greece

**Marsland Holdings Limited**

<b>Name</b>	<b>Position</b>	<b>Principal Occupation</b>	<b>Business Address</b>
First Tsakos Investments Inc.	Sole Shareholder		34 Efesou Street, Nea Smyrni, Athens, Greece
Ioannis Saroglou	Director	Financial Consultant	86 Mplessa Street Papagos, Greece
Elizabeth Saroglou	Director	Retired	86 Mplessa Street, Papagos, Greece

**Redmont Trading Corp.**

<b>Name</b>	<b>Position</b>	<b>Principal Occupation</b>	<b>Business Address</b>
Tsakos Holdings Foundation	Sole Shareholder		Heiligkreuz 6, Vaduz, Liechtenstein
Thomas Constantinos Zafiras	Director	Attorney	Tritonos 104, Paleo Faliro, Athens, Greece
Constantinos Zafiras	Director	Legal Consultant	10 Stissichorou Street Athens, Greece

**First Tsakos Investments Inc.**

<b>Name</b>	<b>Position</b>	<b>Principal Occupation</b>	<b>Business Address</b>
Pantelis Nicolas Efthimiades	Director	Retired Shipping Industry Consultant	34 Efesou Street, Nea Smyrni, Athens, Greece
Elizabeth Saroglou	Director	Retired	86 Mplessa Street, Papagos, Greece

**Tsakos Holdings Foundation**

<b>Name</b>	<b>Position</b>	<b>Principal Occupation</b>	<b>Address</b>
Panayotis Nicolas Tsakos	Foundation Council	Self-Employed in the Shipping Industry	Vassilis Sofias 39
	Member		Athens, Greece
Nikolas P. Tsakos	Foundation Council	President & CEO of Tsakos Energy Navigation Ltd.	Robertou Galli and Propilaion, Acropolis, Athens, Greece
	Member		
Thomas Constantinos Zafiras	Foundation Council	Attorney	Tritonos 104, Paleo Faliro, Athens, Greece
	Member		
Dr. Herbert Oberhuber	Foundation Council	Attorney	Unterm Rair 67, Liechtenstein
	Member		
Pantelis Nicolas Efthimiades	Foundation Council	Retired Shipping Industry Consultant	34 Efesou Street, Nea Smyrni, Athens, Greece
	Member		
Eleftherios Montanios	Foundation Council	Attorney	Achaion 5, Lavinia Court, Nicosia, Cyprus
	Member		

**EXHIBIT INDEX**

The following are filed as Exhibits to this Amendment No. 9:

Exhibit 1: Joint Filing Agreement, dated November 5, 2010, by and among Kelley Enterprises Inc., Marsland Holdings Limited, Redmont Trading Corp., First Tsakos Investments Inc. and Tsakos Holdings Foundation.

Exhibit 2: Purchase Agreement, dated October 27, 2010, by and among Tsakos Energy Navigation Limited and the several Purchasers named therein (incorporated by reference from Exhibit 10.1 to the Company's Form 6-K filed with the SEC on October 29, 2010).