



Pall Corporation

A dynamic, high-speed photograph of a water splash, rendered in shades of blue and white. The water is captured in mid-air, creating a complex, branching pattern of droplets and streams that fills the entire page. The background is a clean, bright white, which makes the blue water stand out prominently.

# Investor Relations Fact Book

# Corporate Profile

Pall Corporation is the technology leader in the \$48 billion global filtration, separation and purification industry. Pall has become a \$2.4 billion company by solving complex fluid management challenges for diverse customers around the world. We have been called the “original clean technology company” since many of our products deliver sustainable social benefits. Revenues are almost evenly split between the Industrial and Life Sciences markets. Sales are also diverse geographically, with Asia the fastest growing region.

Sophisticated filtration systems are rarely discretionary. They are widely used by manufacturers, hospitals, blood centers, laboratories, aircraft operators, energy producers and municipal water suppliers. Pall is the only company in the filtration industry with capabilities for all of these markets. Approximately 75% of Pall’s annual revenues come from the sale of consumable products.

The global filtration market is being driven by water and energy needs, imperatives for quality and productivity, emerging and mutating pathogens, new biotech drugs and vaccines, high-tech products and processes, increasing regulations, and rising standards of living.

Barriers to entry in Pall’s key markets and applications are high. Whether it is a new drug, semiconductor chip, municipal water plant or military or commercial jet, the qualification process is stringent and demanding. Switching costs are high. Product life cycles can span decades and service requirements are increasingly global. Customers choose Pall because of its product and service performance, longevity, and financial strength.

The Company is steadily executing strategic plans to grow the top line and strengthen its financial performance. New and ongoing programs are improving service to customers, increasing efficiency, and reducing costs.

To learn more about Pall, please visit [www.pall.com/investor](http://www.pall.com/investor) and [www.pall.com/green](http://www.pall.com/green).

## Quick Facts

### Executive Team

Eric Krasnoff  
Chief Executive Officer & President

Roberto Perez  
Chief Operating Officer

Lisa McDermott  
Chief Financial Officer & Treasurer

### Date & State of Incorporation

July 31, 1946, New York

### Listed Security

PLL Common Stock (NYSE)

### Fiscal Year End

July 31

### Organization

Two integrated businesses

- Life Sciences
- Industrial

### Number of Employees Worldwide

10,400

### Investor Relations Contact

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Vice President, Investor Relations  
& Corporate Communications  
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### Corporate Headquarters

25 Harbor Park Drive  
Port Washington, New York 11050

## Global Drivers for the Filtration Market

- Product Quality, Productivity & Innovation
- Water & Energy Needs
- Regulatory Requirements
- Emerging & Mutating Pathogens
- Environmentalism

## Key Corporate Strategies

### For Top Line Growth

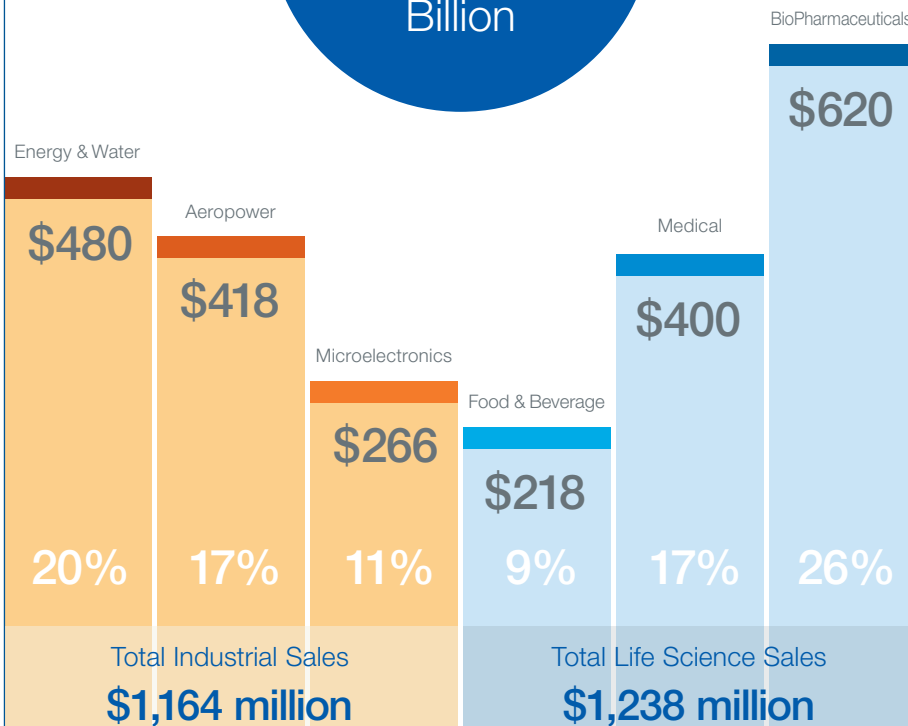
- Leverage Total Fluid Management<sup>SM</sup> capabilities
- Focus on high-growth markets and fast growing regions
- Expand technology leadership
- Increase service to customers

### For Bottom Line Growth

- Lean manufacturing & supply chain
- Productivity & cost savings initiatives
- Regional consolidation
- ERP consolidation
- Liquidity & working capital management

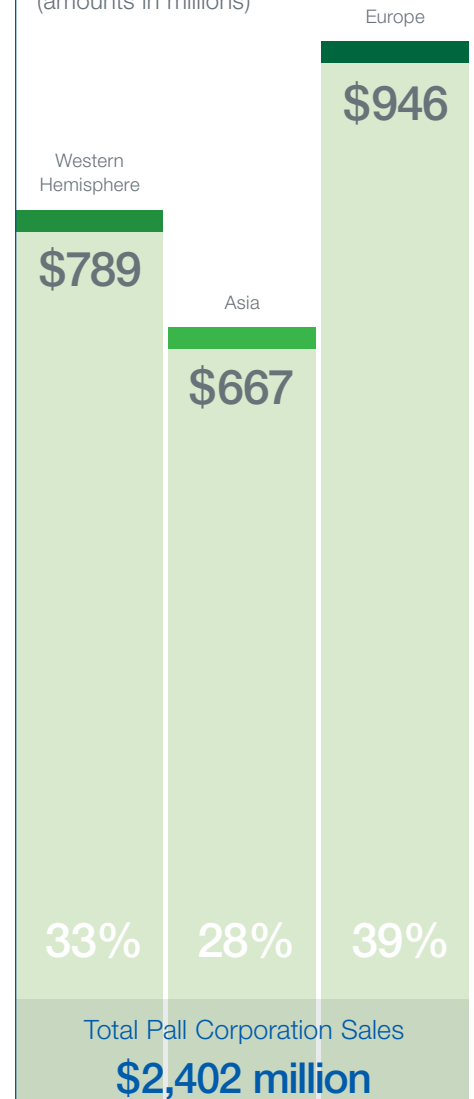
## FY 2010 Sales by Market

(amounts in millions)



## FY 2010 Sales by Geography

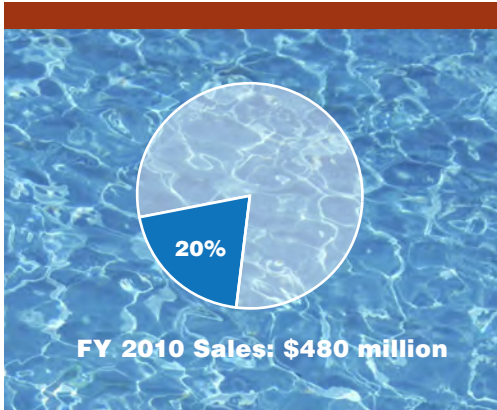
(amounts in millions)





# Market Segments

## Energy & Water



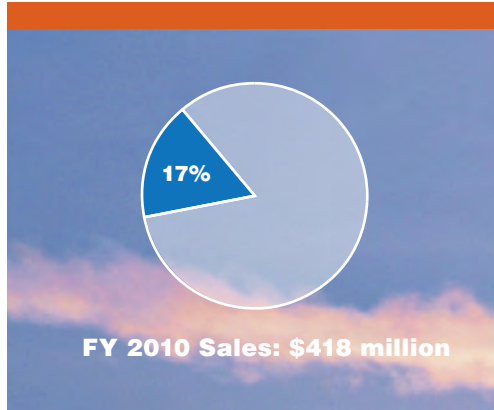
### End Markets

- Industrial water
- Drinking water
- Fossil fuels
- Alternative energy
- Fuels & chemicals
- Power generation

### Growth Drivers

- Government regulation
- Energy demand
- Need for clean & alternative energy sources
- Water quality and availability
- Emissions and waste reduction

## Aeropower



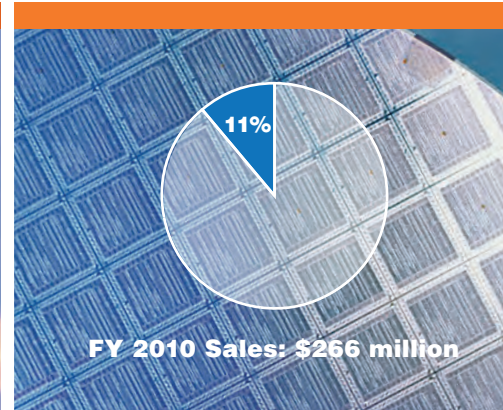
### End Markets

- Commercial aerospace
- Military aerospace
- Transportation
- Industrial manufacturing
- Mobile and shipboard water
- OEM

### Growth Drivers

- Passenger miles
- Equipment reliability and economics
- New and existing commercial and military platforms
- Rapid delivery, mobile water solutions

## Microelectronics



### End Markets

- Semiconductor
  - Photolithography
  - CMP
  - High-purity water
  - Chemical dispense
- Consumer electronics
  - Displays
  - Data storage
  - Ink jet
  - Photovoltaics

### Growth Drivers

- Pervasive enterprise and personal computing
- Consumer electronics
- New technologies such as solar cells and high-bright LED

Pall Industrial

\* In local currency



# Food & Beverage



**FY 2010 Sales: \$218 million**

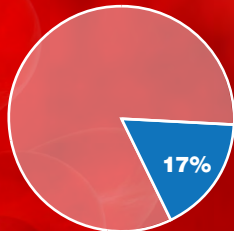
### End Markets

- Beer
  - Corporate breweries
  - Microbreweries
- Wine & spirits
- Alcohol-free beverages
  - Soft drinks
  - Bottled water
- Food & dairy

### Growth Drivers

- Process economics
- Food and beverage safety concerns
- Environmentally-friendly products and processes
- Rapid microbial testing/diagnostics
- Emerging regions

# Medical



**FY 2010 Sales: \$400 million**

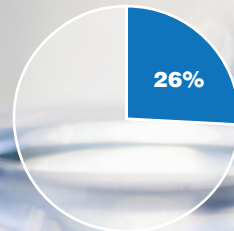
### End Markets

- Transfusion medicine
  - Blood
  - Cell therapy
  - Veterinary
- Hospital infection control
  - Water
  - Critical care
  - Anesthesia
  - OEM devices

### Growth Drivers

- Emerging and mutating pathogens
- Increased adoption of enabling technologies
- Reimbursement changes for HAI's
- Rising standards of medical care
- New therapies

# BioPharmaceuticals



**FY 2010 Sales: \$620 million**

### End Markets

- Biotechnology drugs
- Classic pharmaceuticals
- Biologicals (vaccines & plasma)
- Laboratory tools
- Process monitoring
- Diagnostics
  - Proteomics & genomics
  - OEM materials

### Growth Drivers

- Biotechnology drugs & vaccines
- Increasing adoption of single-use technologies
- New drug pipeline
- Rising standards of medical care

\* In local currency

# Leadership Recognition

## Business Recognition

### **NYSE**

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(Since 1992) Pall Corporation is a publicly traded company listed on the New York Stock Exchange under the ticker PLL. Listed companies must continuously meet rigorous financial and governance requirements.

<http://www.nyse.com>

### **Fortune 1000**

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(Since 1992) Pall is included in the Fortune 1000, an annual list compiled and published by Fortune magazine that ranks the top 1000 U.S. closely held and public corporations by revenue.

<http://money.cnn.com/magazines/fortune>

### **S&P 500**

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(Since 1987) Pall is included in the S&P 500 index—one of the most commonly used benchmarks for the overall U.S. stock market. The S&P 500 is a capitalization-weighted index published since 1957 of the prices of 500 large-cap common stocks actively traded in the United States.

<http://www.standardandpoors.com>

## Environmental Recognition

### **ISO 14001 Certification**

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ISO 14001 is the international standard for environmental management systems. Worldwide, all of Pall's plants have achieved ISO 14001 certification. Certified companies must provide assurance about their ability to satisfy quality requirements and to enhance customer satisfaction in supplier-customer relationships.

<http://www.iso.org>

### **EPA Climate Leaders**

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(Since 2008) Climate Leaders is an EPA industry-government partnership that works with companies to develop comprehensive climate change strategies. Partner companies commit to reducing their impact on the global environment by completing an inventory of their greenhouse gas emissions, setting aggressive reduction goals, and annually reporting their progress to the U.S. EPA.

<http://www.epa.gov>

### **Carbon Disclosure Project**

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(Since 2008) Pall participates in the Carbon Disclosure Project (CDP), a global initiative to inventory greenhouse gas (GHG) emissions and evaluate the risks and opportunities from climate change on business operations. Companies use their annual GHG inventory to make informed and effective policy decisions to reduce their carbon footprint.

<http://www.cdproject.net>

### **Cleantech Index**

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(Since 2006) Pall is included in the Cleantech Index—the first stock market index intended to reflect the surging demand for clean technology products and services. The index is comprised of companies that are global leaders in Cleantech across a broad range of industry sectors, from alternative energy and energy efficiency to advanced materials and air & water purification.

<http://cleantech.com>

### **FTSE4Good**

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(Since 2001) Pall has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. FTSE4Good is an equity index series that is designed to facilitate investment in companies that meet globally recognized corporate responsibility standards.

<http://www.ftse.com>

## Technology Recognition

### **Engineering Materials Achievement Award**

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(2010) Pall Corporation won the prestigious Engineering Materials Achievement Award (EMAA) for 2011 for its porous iron aluminide technology. The award, which recognizes outstanding achievements in the field of materials science, is given annually to one company by ASM International, a society dedicated to the development and commercialization of materials that advance production techniques and facilitate innovation.

<http://www.asminternational.org>

### **National Inventors Hall of Fame**

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(2008) Dr. David B. Pall, founder of Pall Corporation, was inducted into the National Inventors Hall of Fame. Dr. Pall's body of work in the field of filtration science earned him a place among legendary innovators including Alexander Graham Bell, Walt Disney, Thomas Edison and Henry Ford.

<http://www.invent.org>

### **National Medal of Technology**

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(1990) On behalf of Pall Corporation, Dr. Pall received the National Medal of Technology, the highest technology honor in the United States. Other past winners include Microsoft, Applied Materials, Proctor & Gamble and Johnson & Johnson.

<http://www.uspto.gov>

# FY 2010 Financial Highlights

(In thousands, except for per share data)	Years Ended July 31	
	2010	2009
Net sales	<b>\$2,401,932</b>	\$2,329,158
Cost of sales	<b>\$1,195,830</b>	\$1,228,468
Gross profit	<b>1,206,102</b>	1,100,690
Selling, general and administrative expenses	<b>739,936</b>	699,832
Research and development	<b>74,944</b>	71,213
Restructuring and other charges (ROTC), net	<b>17,664</b>	30,723
Interest expense, net	<b>14,324</b>	28,136
Loss on extinguishment of debt	<b>31,513</b>	—
Earnings before income taxes	<b>327,721</b>	270,786
Provision for income taxes	<b>86,473</b>	75,167
Net earnings	<b>\$ 241,248</b>	\$ 195,619
Earnings per share: Basic	<b>\$ 2.05</b>	\$ 1.65
Diluted	<b>\$ 2.03</b>	\$ 1.64

## Forward-Looking Statements

The matters discussed in this document contain "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are those that address activities, events or developments that the Company or management intends, expects, projects, believes or anticipates will or may occur in the future. All statements regarding future performance, earnings projections, earnings guidance, management's expectations about its future cash needs and effective tax rate, and other future events or developments are forward-looking statements. Forward-looking statements are those that use terms such as "may," "will," "expect," "believe," "intend," "should," "could," "anticipate," "estimate," "forecast," "project," "plan," "predict," "potential," and similar expressions. Forward-looking statements contained in this and other written and oral reports are based on management's assumptions and assessments in light of past experience and trends, current conditions, expected future developments and other relevant factors. They are subject to risks and uncertainties and are not guarantees of future performance, and actual results, developments and business decisions may differ materially from those envisaged by the Company's forward-looking statements. Such risks and uncertainties include, but are not limited to, those discussed in Part I—Item 1A.—Risk Factors in our 2010 Annual Report on Form 10-K, and other reports the Company files with the Securities and Exchange Commission, including the effect of litigation and regulatory inquiries associated with the restatement of our prior period financial statements; the impact of legislative, regulatory and political developments globally and the impact of the uncertain global economic environment and the timing and strength of a recovery in the markets and regions we serve, and the extent to which adverse economic conditions may affect our sales volume and results; demand for our products and business relationships with key customers and suppliers, which may be impacted by their cash flow and payment practices, as well as delays or cancellations in shipments; our ability to obtain regulatory approval or market acceptance of new technologies; our ability to successfully complete our business improvement initiatives, which include integrating and upgrading our information systems and the effect of a serious disruption in our information systems; fluctuations in our effective tax rate; volatility in foreign currency exchange rates, interest rates and energy costs and other macroeconomic challenges currently affecting us; changes in product mix, market mix and product pricing, particularly relating to the expansion of the systems business; increase in costs of manufacturing and operating costs; our ability to achieve the savings anticipated from cost reduction and gross margin improvement initiatives; the effect of the restrictive covenants in the Company's debt facilities; our ability to enforce patents and protect proprietary products and manufacturing techniques; our ability to successfully complete or integrate any acquisitions; and the impact of pricing and other actions by competitors. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. The Company makes these statements as of the date of this disclosure and undertakes no obligation to update them, whether as a result of new information, future developments or otherwise.





## Pall Corporation

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Pall Corporation has offices and plants throughout the world.



ENABLING A  
GREENER  
FUTURE<sup>SM</sup>

To see how Pall is helping enable a greener, safer and more sustainable future, visit [www.pall.com/green](http://www.pall.com/green).




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