



Pall Corporation

Baird 2010 Industrial Conference

Eric Krasnoff

Chairman, CEO & President

November 9, 2010

Forward-Looking Statements

The matters discussed in this presentation 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 macro economic 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, or date indicated on the relevant slide, and has not updated and undertakes no obligation to update them, whether as a result of new information, future developments or otherwise.

Management uses certain non-GAAP measurements to assess the Company’s current and future financial performance. The non-GAAP measurements do not replace the presentation of the Company’s GAAP financial results. These measurements provide supplemental information to assist management in analyzing the Company’s financial position and results of operations. The Company has chosen to provide this information to facilitate meaningful comparisons of past, present and future operating results and as a means to emphasize the results of ongoing operations. Discussion of sales and orders growth percentages are in local currency (i.e., had exchange rates not changed year over year) unless otherwise indicated. Company management considers local currency change to be an important measure because by excluding the impact of volatility of exchange rates, underlying volume change is clearer. Reconciliations of the non-GAAP financial measures used in this presentation to the most directly comparable GAAP measures appear at the end of this presentation in the Appendix and are also available on Pall’s website at www.pall.com/investor.

Our Presentation Today

- About Pall
- Growth Drivers and Strategies
- 2010 Results
- 2011 Outlook and 2013 Goals

The Technology Leader in the Global Filtration, Separation and Purification Industry

- Materials science & engineering
- Diverse products, markets and geographies
- ~ 75% of revenues from consumables
- Strong liquidity and operational flexibility



Every manufacturer, hospital, blood center, laboratory, aircraft operator, energy producer and municipal water supplier is a potential customer.

Growing the Top Line

Key Strategies

- Leverage Total Fluid ManagementSM capabilities
- Focus on high-growth markets and fast growing regions
- Expand technology leadership
- Increase service to customers



We are executing on strategies to generate sustainable, profitable growth.

Strengthening the Bottom Line

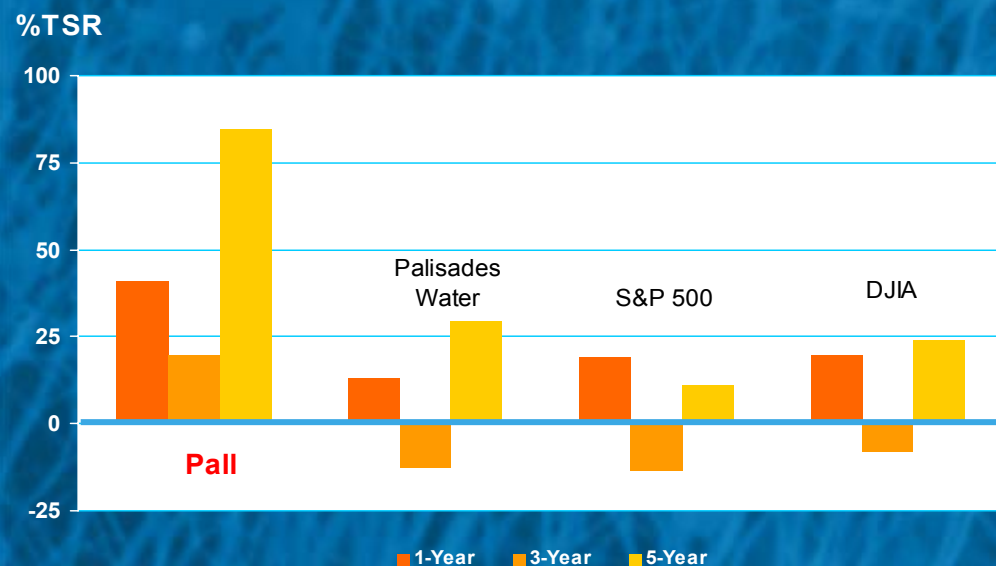
Key Strategies

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



We are making strategic investments to enhance service and enable further cost savings.

Total Shareholder Returns



	% Return*		
	1-Year	3-Year	5-Year
Pall	41.01	19.67	84.69
Palisades Water Index	13.27	-12.80	29.23
S&P 500	19.06	-13.40	11.22
Dow Jones Industrial Average	19.85	-8.19	24.09

* Assumes reinvestment of dividends through November 4, 2010

Source: Bloomberg

Global Drivers For The Filtration Market



Product Quality,
Productivity & Innovation



Water &
Energy Management



Regulatory
Requirements



Emerging &
Mutating Pathogens



Environmentalism

Market Diversity is a Strength

Pall Life Sciences



BioPharmaceuticals

- Biotech Drugs
- Vaccines
- Classic Pharmaceuticals
- Biologicals
- Laboratory Tools
- Process Monitoring
- Diagnostics
 - Proteomics & Genomics
 - OEM Materials

Medical

- Transfusion Medicine
 - Blood
 - Cell Therapy
 - Veterinary
- Hospital Infection Control
 - Water
 - Critical Care
 - Anesthesia
 - OEM Devices

Food & Beverage

- Beer
- Wine & Spirits
- Alcohol-free Beverages
- Food & Dairy

Pall Industrial



Energy & Water

- Industrial Water
- Drinking Water
- Energy
- Alternative Energy
- Fuels & Chemicals
- Power Generation

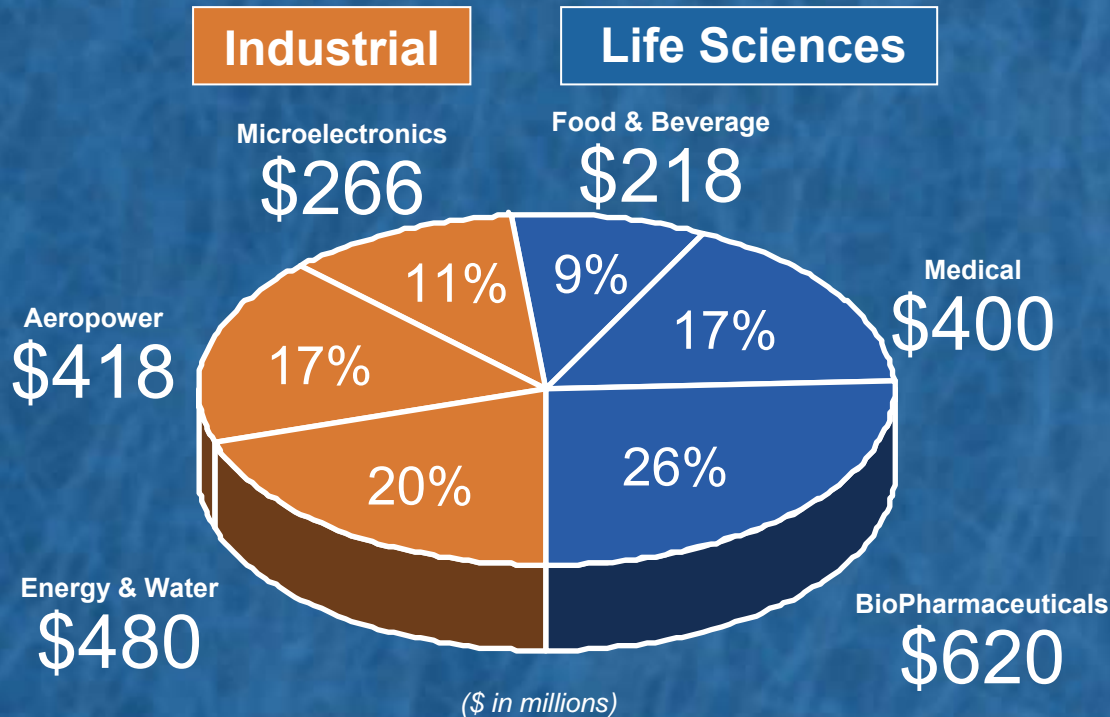
Aeropower

- Commercial Aero
- Military Aero
- Transportation
- Industrial Mfg.
- Mobile & Shipboard Water
- OEM

Microelectronics

- Semiconductor
 - Photolithography
 - CMP
 - High-purity Water
 - Chemical Dispense
- Consumer Electronics
 - Displays
 - Data Storage
 - Ink Jet
 - Photovoltaics

FY 2010 Sales by Market

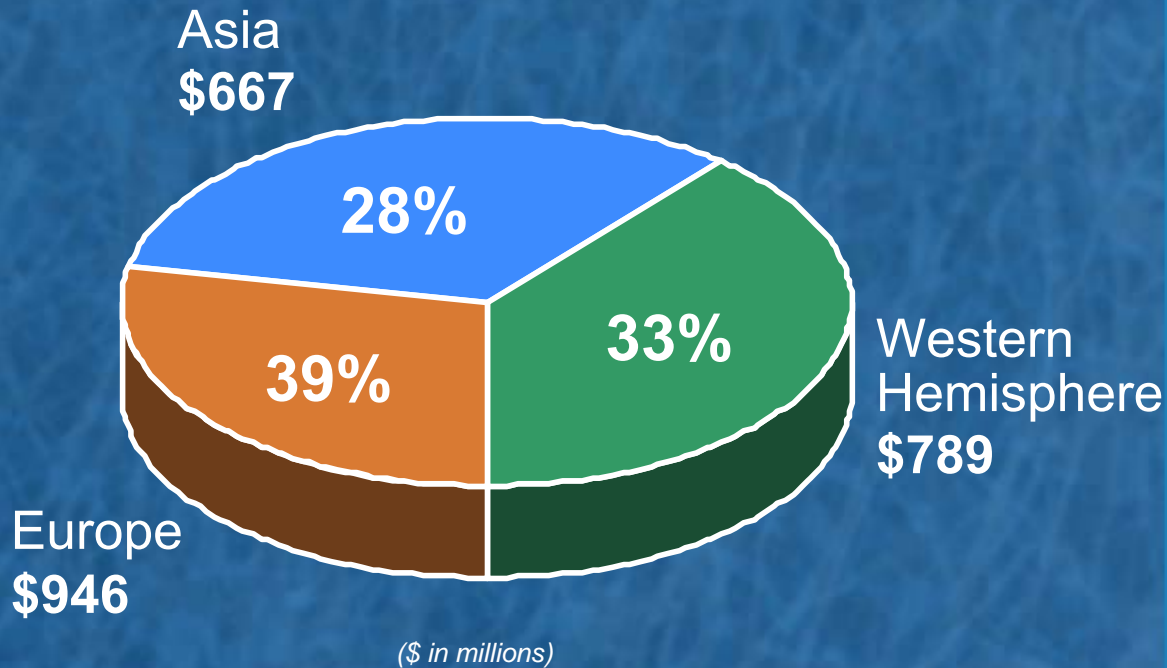


Total Sales
\$2.4
Billion

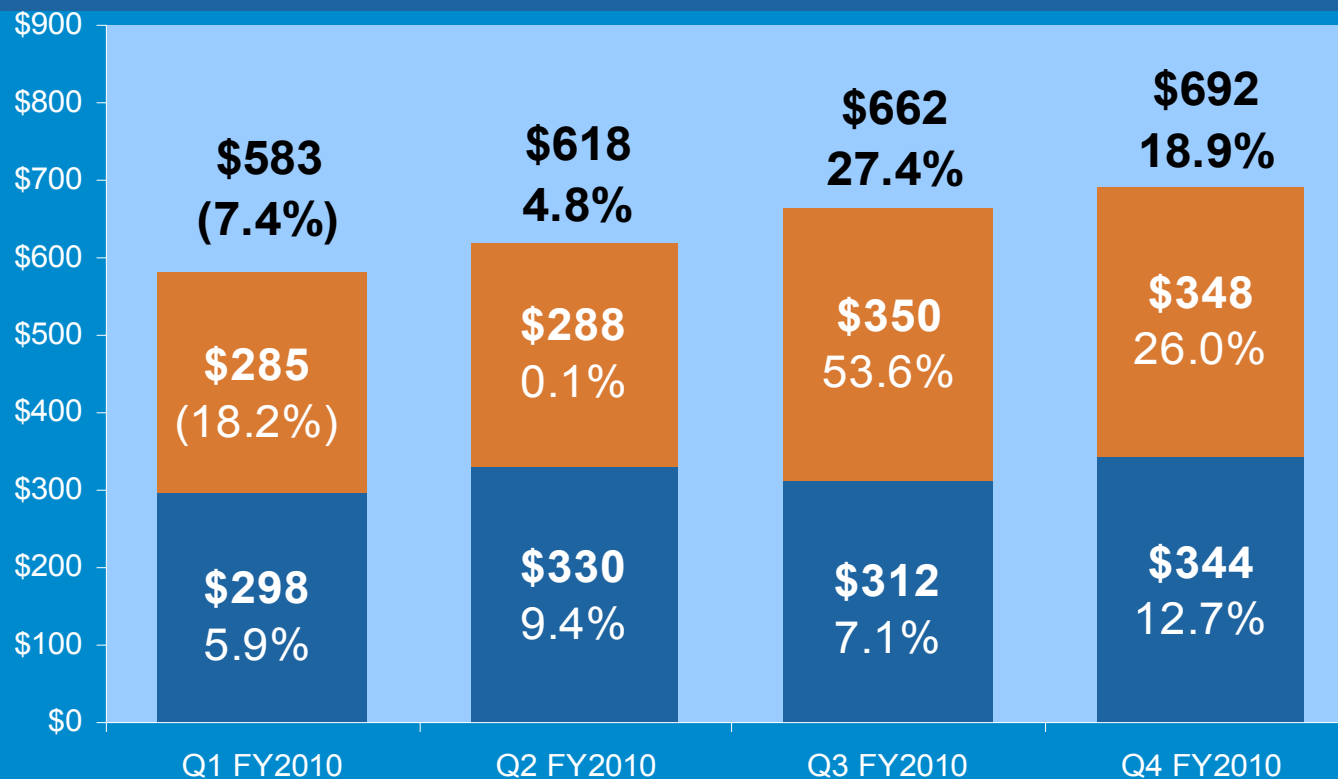
Total Industrial Sales
\$1,164 million

Total Life Science Sales
\$1,238 million

FY 2010 Sales by Geography



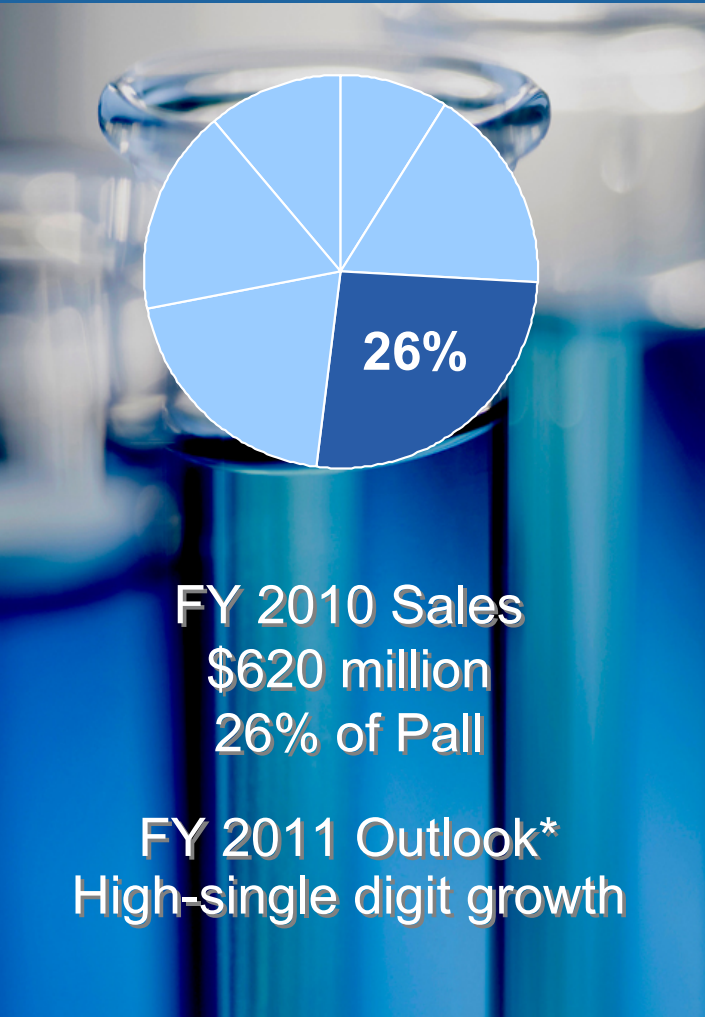
Fiscal 2010 Orders by Quarter



Life Sciences
 Industrial

(\$ in millions, % changes in Local Currency)

BioPharmaceuticals



** In local currency*

End Markets

Biotechnology drugs

Vaccines

Classic pharmaceuticals

Biologicals

Laboratory tools

Process monitoring

Diagnostics

- Proteomics & genomics
- OEM materials

Sales Growth Drivers

Biotechnology drugs & vaccines

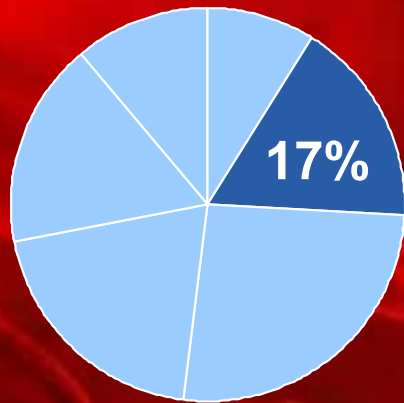
Increasing adoption of single-use technologies

Emerging regions

New drug pipeline



Medical



FY 2010 Sales
\$400 million
17% of Pall

FY 2011 Outlook*
Low-single digit growth

** In local currency*

End Markets

Transfusion medicine

- Blood
- Cell therapy
- Veterinary

Hospital infection control

- Water
- Critical care
- Anesthesia
- OEM devices



Sales Growth Drivers

Emerging and mutating pathogens

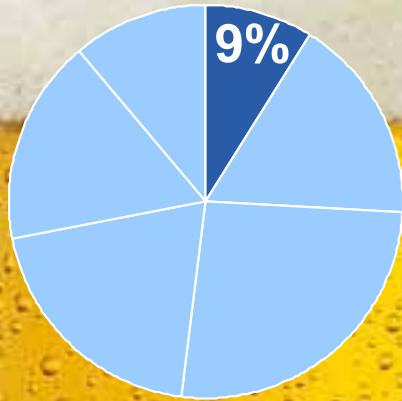
Increased adoption of enabling technologies

Reimbursement changes for Hospital Acquired Infections (HAI's)

Rising standards of medical care

New therapies

Food & Beverage



FY 2010 Sales
\$218 million
9% of Pall

FY 2011 Outlook*
Mid-single digit growth

** In local currency*

End Markets

Beer

- Corporate breweries
- Microbreweries

Wine & spirits

Alcohol-free beverages

- Soft drinks
- Bottled water

Food & dairy



Sales Growth Drivers

Process economics

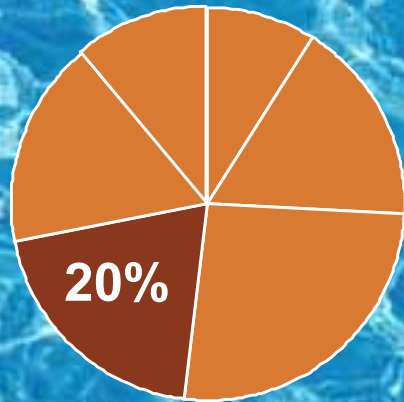
Food and beverage safety concerns

Environmentally-friendly products
and processes

Rapid microbiological testing/diagnostics

Fast growing regions

Energy & Water



FY 2010 Sales
\$480 million
20% of Pall

FY 2011 Outlook*
Mid-single digit growth

End Markets

- Industrial water
- Drinking water
- Energy
- Alternative energy
- Fuels & chemicals
- Power generation

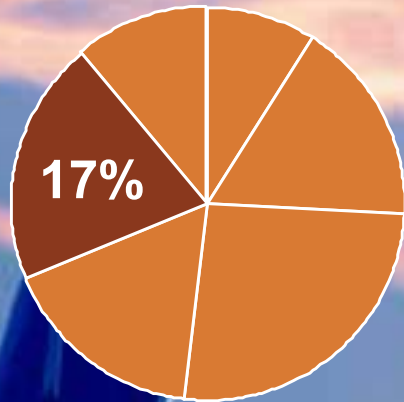


Sales Growth Drivers

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

** In local currency*

Aeropower



FY 2010 Sales
\$418 million
17% of Pall

FY 2011 Outlook*
Mid-to-high-single
digit growth

** In local currency*

End Markets

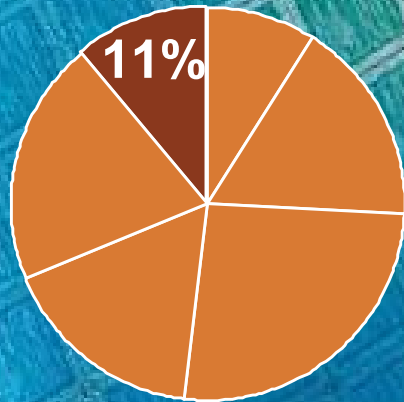
- Commercial aerospace
- Military aerospace
- Transportation
- Industrial manufacturing
- Mobile and shipboard water
- OEM



Sales Growth Drivers

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

Microelectronics



FY 2010 Sales
\$266 million
11% of Pall

FY 2011 Outlook*
High-single digit growth

** In local currency*

End Markets

Semiconductor

- Photolithography
- CMP
- High-purity water
- Chemical dispense

Consumer electronics

- Displays
- Data storage
- Ink jet
- Photovoltaics

Sales Growth Drivers

Pervasive enterprise and personal computing

Consumer electronics

New technologies such as solar cells
and high-bright LED





Pall Corporation

Baird 2010 Industrial Conference

Lisa McDermott

CFO & Treasurer

November 9, 2010

Fiscal Year Comparative Income Statements

<i>(in millions, except EPS data)</i>	FY10	%	FY09	%
Net sales	\$ 2,402		\$ 2,329	
Cost of sales	1,196	49.8	1,228	52.7
Gross profit	1,206	50.2	1,101	47.3
SG&A	740	30.8	700	30.0
R&D	75	3.1	71	3.1
Earnings before interest, ROTC and taxes	391	16.3	330	14.2
Interest expense, net	14	0.6	28	1.2
Restructuring & other charges, net (ROTC)	18		31	
Loss on extinguishment of debt	31		-	
Earnings before taxes	328	13.6	271	11.6
Income taxes	87	26.4 *	75	27.8 *
Net earnings	\$ 241	10.0	\$ 196	8.4
Diluted EPS	\$ 2.03		\$ 1.64	
Pro forma diluted EPS	\$ 2.12		\$ 1.77	

* Effective Tax Rate

FY 2013 Goals

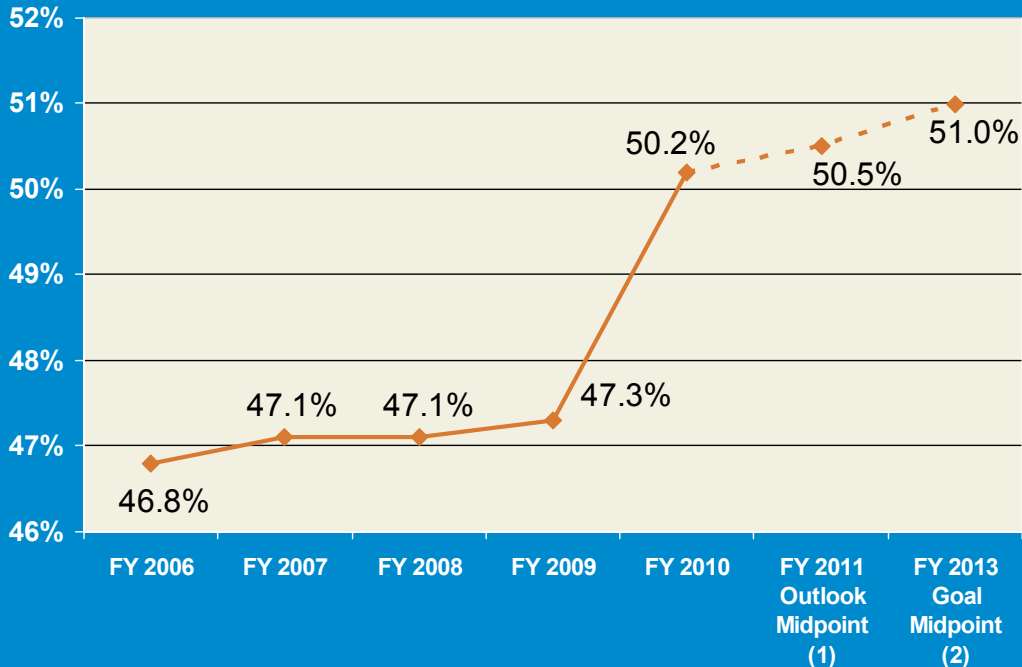
<i>\$ in millions (except for earnings per share data)</i>	FY2013 Goals ⁽¹⁾	
	%	\$
Sales	5.5% – 8.0% ⁽²⁾	\$3,040 – \$3,340
Gross Profit	50.0% – 52.0%	\$1,525 – \$1,725
SG&A	27.5% – 26.5%	\$840 – \$890
R&D	Approx 3.0%	\$100 – \$105
Pro forma EBIT	19.5% – 22.0%	\$590 – \$730
Income Tax Rate ⁽³⁾	24.0% – 26.0%	\$150 – \$170
Pro forma Net Earnings	13.5% – 16.0%	\$415 – \$535
Pro forma EPS – Diluted		\$3.67 – \$4.77

(1) 2013 Goals as presented on December 17, 2009, dollar amounts were prepared using exchange rates as of November 30, 2009

(2) LC 4-year sales CAGR

(3) Underlying Tax Rate

FY 2013 Goals – Gross Margin



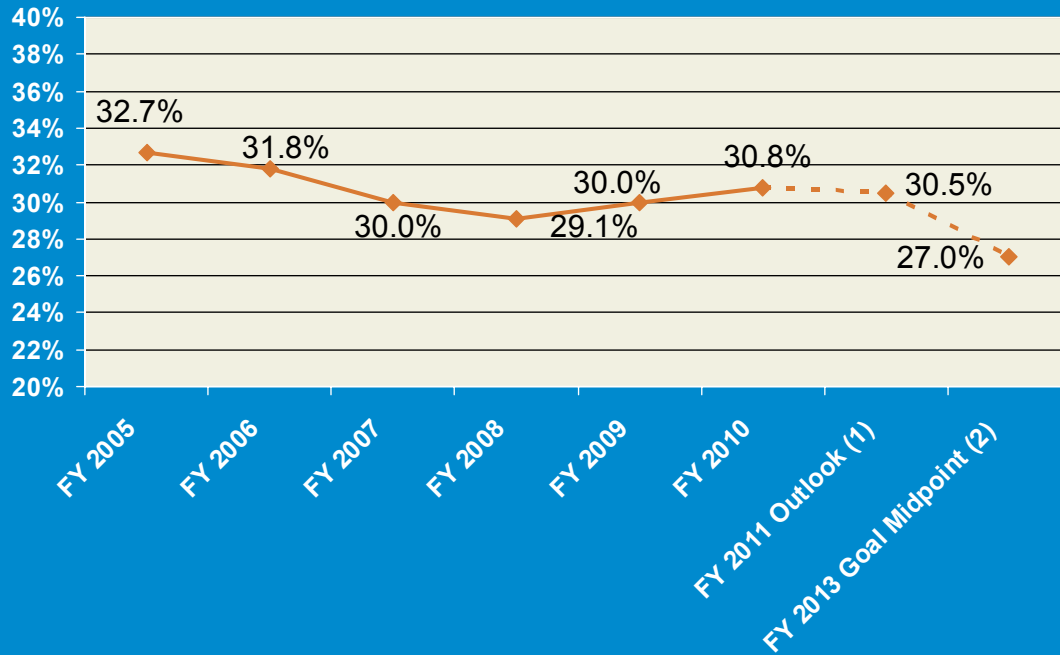
Strategies to Increase Gross Margin

- Cost reduction
 - Lean manufacturing/efficiency initiatives
 - Strategic sourcing to leverage Pall's buying power
 - Supply chain consolidation
 - Facilities rationalization
- Price increases
- Sales growth and new products

(1) 2011 Outlook as presented on September 15, 2010

(2) 2013 Goal as presented on December 17, 2009

FY 2013 Goals – SG&A as a % Of Sales



Strategies to Decrease SG&A as a % of Sales:

- ERP enabled process improvement & efficiencies
- Infrastructure consolidation (e.g., IT, Finance, Distribution, Supply chain)
- Strategic sourcing – 3rd party spend reduction

(1) 2011 Outlook as presented on September 15, 2010

(2) 2013 Goal as presented on December 17, 2009

FY 2013 Goals – Income Tax Rate

Tax Rate

2010	2013
31%	24% – 26%*

- Centralizing planning, supply chain and leadership activities in low tax cost locations:
 - Fribourg, Switzerland
 - Singapore
- Negotiated tax incentives

**2013 Goal as presented on December 17, 2009*

FY 2013 Goals – Cash Flow

Operating Cash Flow (*in millions*)

2010	2013
\$378	>\$650*

Reduce cash conversion cycle:

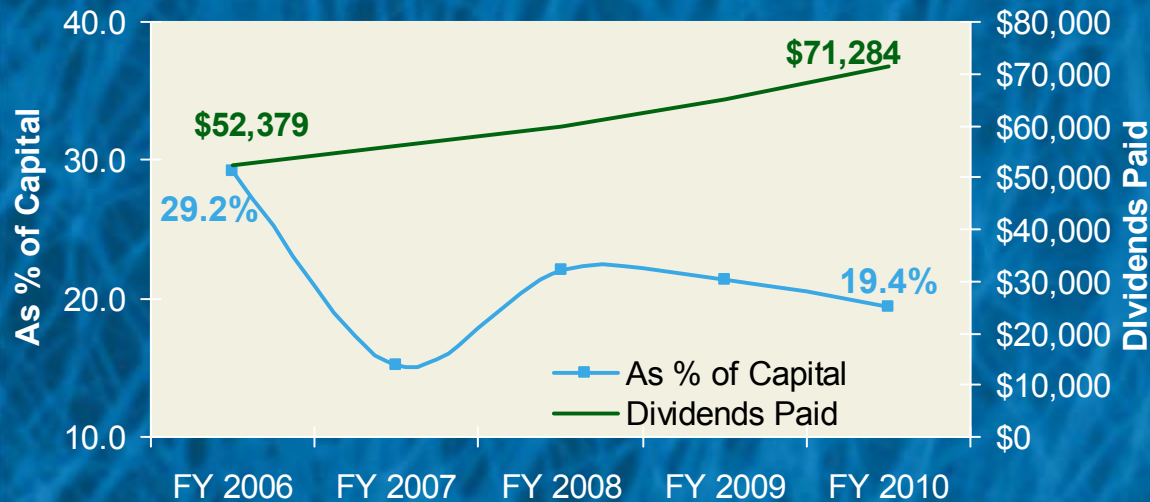
- Consolidating and improving collections processes
- Global review and improvement of payment terms
- Reducing supplier and internal lead times
- Consolidation of supply chain, demand planning and distribution centers
- Lean manufacturing

**2013 Goal as presented on December 17, 2009, FY2013 dollar amount presented was prepared using exchange rates as of November 30, 2009*

Liquidity And Uses Of Cash

Total Cash Returned to Shareholders FY 2006 – FY 2010 Approximately \$815 Million*

Net Debt/Capital FY 2006 – FY 2010



Strong Cash Generation Has Been Used To:

- Strengthen the Balance Sheet
- Providing steadily increasing cash returns to Shareholders since 2006
 - FY 2010 share repurchases of \$100 million
 - January 2010 quarterly dividend increased 10% to 16¢ per share (64¢ Annualized)

*Includes Share Repurchases

Scorecard: Fiscal 2010 Results & 2011 Outlook

<i>\$ in millions</i> (except for earnings per share data)	FY 2010 Actuals	FY 2011 Outlook ⁽⁵⁾
Total Pall Sales ⁽¹⁾	0.6%	Mid to high single digits
Life Sciences Sales ⁽¹⁾	4.1%	Mid to high single digits
Industrial Sales ⁽¹⁾	-2.8%	Mid to high single digits
Gross Margin	50.2%	50.0%–51.0%
SG&A	30.8%	30.5%
Life Sciences Operating Margin	22.6%	22.5%–23.5%
Industrial Operating Margin	14.1%	14.0%–15.0%
Pro forma EBIT ⁽²⁾	16.3%	16.0%–17.0%
Income Tax Rate ⁽³⁾	31.0%	27.0%
Pro forma EPS – Diluted ⁽⁴⁾	\$2.12	\$2.35–\$2.55

<i>\$ in millions</i>	FY 2010 Actuals	FY 2011 Outlook
Operating Cash Flow	\$378	\$435–\$460
Capex	\$136	\$165–\$175

(1) In Local Currency

(2) Excludes Restructuring and Other Charges (ROTC)

(3) Underlying Tax Rate

(4) Excludes ROTC and other Discrete Items (See Appendix on slide 31)

(5) FY 2011 Outlook as presented on September 15, 2010



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FUTURESM

www.pall.com/green

Appendix: Reconciliation of Non-GAAP Financial Measures

Twelve Months	FY10	FY09
Diluted EPS as reported	\$ 2.03	\$ 1.64
ROTC, after pro forma tax effect	\$ 0.09	\$ 0.19
Interest adjustments, after pro forma tax effect	(0.08)	-
Note redemption related costs, after pro forma tax effect	0.17	-
Tax adjustments	<u>(0.09)</u>	<u>(0.06)</u>
Total pro forma adjustments	<u>0.09</u>	<u>0.13</u>
Pro forma diluted EPS	<u>\$ 2.12</u>	<u>\$ 1.77</u>

Effective Tax Rate	FY10
Effective Tax Rate	26.4%
Resolution of foreign tax audits	4.5%
Tax cost of establishment of European HQ	-1.5%
Note redemption related costs	0.5%
Expiring foreign statutes of limitation	0.5%
ROTC and other	<u>0.6%</u>
Pro forma tax adjustments	<u>4.6%</u>
Underlying Tax Rate	<u>31.0%</u>

Appendix: Fiscal Year Reconciliation of Non-GAAP Financial Measures

<i>(amounts in millions)</i>	FY 2010	FY 2009	FY 2010 Estimated Impact of FX	FY 2010 Estimate Excluding FX	% Change Excluding FX
Sales:					
BioPharmaceuticals	\$ 620.3	\$ 550.6	\$ 13.3	\$ 607.0	10.2%
Medical	399.5	389.9	6.4	393.1	0.8%
Food & Beverage	218.0	225.8	4.4	213.6	-5.4%
Life Sciences	\$ 1,237.8	\$ 1,166.3	\$ 24.1	\$ 1,213.7	4.1%
Energy & Water	\$ 479.9	\$ 505.5	\$ 14.1	\$ 465.8	-7.9%
Aerpow er	418.2	446.4	8.6	409.6	-8.2%
Microelectronics	266.0	211.0	11.4	254.6	20.7%
Industrial	\$ 1,164.1	\$ 1,162.9	\$ 34.1	\$ 1,130.0	-2.8%
Total Pall	\$ 2,401.9	\$ 2,329.2	\$ 58.3	\$ 2,343.6	0.6%
SG&A	\$ 739.9	\$ 699.8	\$ 15.5	\$ 724.4	3.5%
EBIT	\$ 391.2	\$ 329.6	\$ 17.3	\$ 373.9	13.4%

Appendix: Reconciliation of Non-GAAP Financial Measures

Operating Profit (in millions)	FY 2010	FY 2009
Industrial operating profit	\$ 164.5	\$ 152.1
Life Sciences operating profit	280.1	234.0
Total operating profit	444.6	386.1
General corporate expenses	(53.4)	(56.5)
Earnings before ROTC, interest & income taxes	391.2	329.6
ROTC	(17.7)	(30.7)
Interest expense, net	(14.3)	(28.1)
Loss on extinguishment of debt	(31.5)	-
Earnings before income taxes	\$ 327.8	\$ 270.7



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