



Pall Corporation

Making the World Safer, Greener, Better.



Fiscal 2011 Fact Book

*Better Lives. Better Planet.<sup>SM</sup>*

# Company Profile

Pall Corporation is a global leader in the high-tech filtration, separation and purification industry. We've become a \$2.7 billion company with nearly 11,000 employees around the world by helping customers solve complex fluid management challenges.

Sophisticated filters are rarely discretionary. Manufacturers of all types and hospitals, blood centers, laboratories, airlines, and municipal water suppliers rely on them to produce safe, high-quality products. They invest in them to protect the environment and expensive equipment. Pall's fluid management capabilities span markets and the applications within them. We are leveraging over six decades of scientific and engineering knowledge, applications experience and a vast technology and product portfolio to help make customers more successful. In turn, they reward us with business that repeats and grows with them.

Global demand is 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. Whether it is a new drug, semiconductor chip, municipal water plant or military or commercial jet, our customers' qualification processes are rigorous. They have to be; the stakes are high. Product life cycles can also span decades and service requirements are increasingly global. Customers choose Pall for our product and service quality, longevity and financial strength. We are steadily working to advance our technical leadership so customers can advance theirs and to strengthen our service and financial position.

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

Lawrence D. Kingsley  
President & Chief Executive Officer

Roberto Perez  
Chief Operating Officer

Lisa McDermott  
Chief Financial Officer & Treasurer

Yves Baratelli  
President, Life Sciences

Wolfgang Platz  
President, Industrial

Robert G. Kuhbach  
Senior Vice President, General  
Counsel & Corporate Secretary

### Date & State of Incorporation

July 31, 1946, New York

### Listed Security

PLL Common Stock (NYSE:PLL)

### Fiscal Year End

July 31

### Organization

Two integrated businesses

- Life Sciences
- Industrial

### Number of Employees

Worldwide

10,900

### Investor Relations Contact

Patricia Iannucci  
Vice President, Investor Relations  
& Corporate Communications  
516.801.9848 phone  
516.801.9754 fax  
[pat\\_iannucci@pall.com](mailto:pat_iannucci@pall.com)

### Corporate Headquarters

25 Harbor Park Drive  
Port Washington, New York 11050

## Global Drivers for the Filtration Market

- Product Quality, Productivity & Innovation
- Global Demographic Changes
- Water & Energy Management
- Environmental & Regulatory Requirements
- Emerging & Mutating Pathogens

## Strategies for Growth

### For Top Line Growth

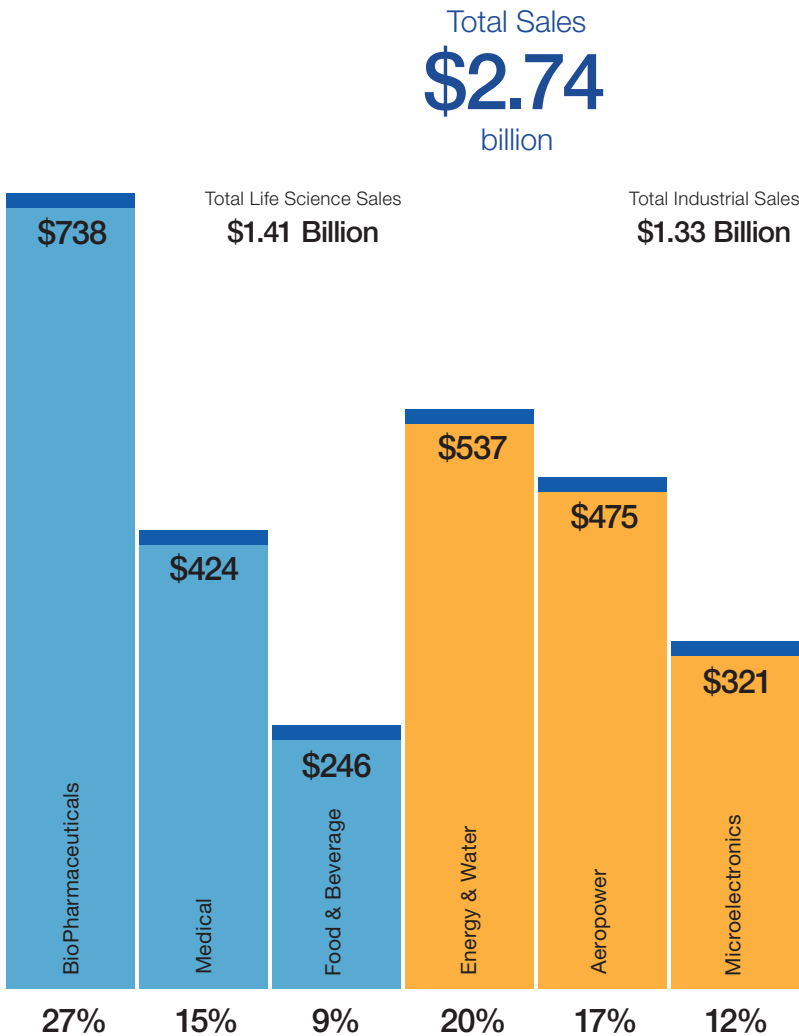
- Leverage Total Fluid Management<sup>SM</sup> capabilities
- Focus on high-growth markets and fast growing regions
- Expand technology leadership

### For Bottom Line Growth

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

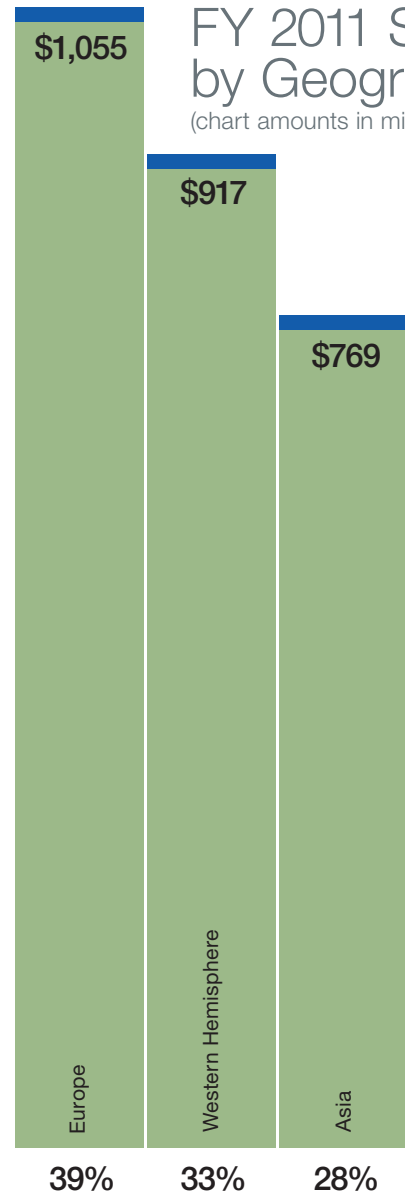
## FY 2011 Sales by Market

(chart amounts in millions)



## FY 2011 Sales by Geography

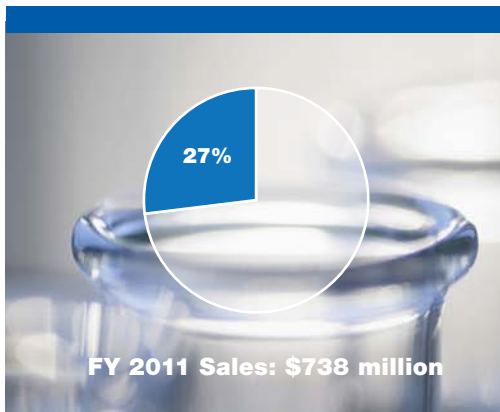
(chart amounts in millions)





# Market Segments

## BioPharmaceuticals



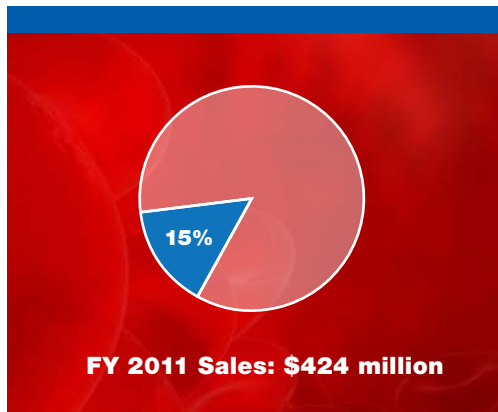
### End Markets

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

### Key Business Drivers

- 3/4 of Pall's business in filtration intensive biologicals market
- Broadening Pall presence on biotech drugs & vaccines in full production
- Increasing adoption of single-use technologies
- Rapid growth of emerging regions

## Medical



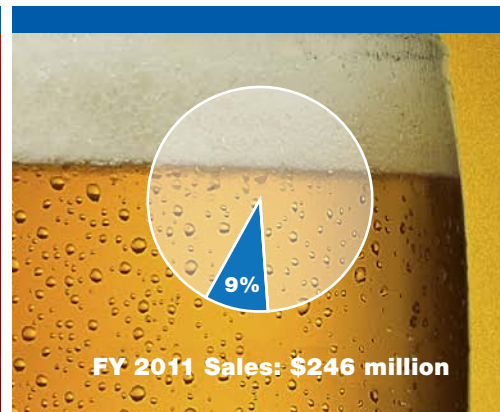
### End Markets

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

### Key Business Drivers

- New products ~ 25% of FY 2011 sales
- Leukoreduction becoming the standard of care or mandated
- Rising standards of medical care globally
- Emerging & mutating pathogens
- Improving patient outcomes & preventing hospital acquired infections

## Food & Beverage



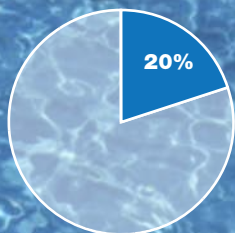
### End Markets

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

### Key Business Drivers

- Investment in technologies that increase quality & yield
- New Pall products & applications
- Rapid growth of emerging regions
- Food & beverage safety requires rapid microbiological testing/diagnostics
- Environmentally-friendly products & processes

# Energy & Water



FY 2011 Sales: \$537 million

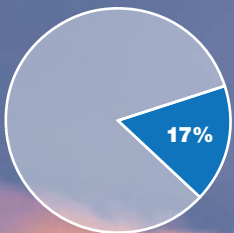
**End Markets**

- Drinking water
- Fossil fuels
- Alternative energy
- Nuclear
- Chemicals
- Power generation

**Key Business Drivers**

- Rapid growth of emerging regions
- Aggressive investment to increase capacity, while reducing cost, emissions & waste
- Improved potable/reusable/dischageable water quality & water availability
- Increasingly stringent environmental regulations
- Need for clean & alternative energy

# Aeropower



FY 2011 Sales: \$475 million

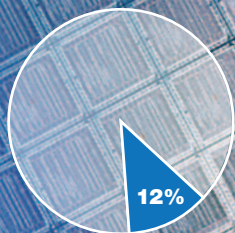
**End Markets**

- Commercial aerospace
- Military aerospace
- Mobile equipment
- Industrial manufacturing
- Mobile & shipboard water

**Key Business Drivers**

- Equipment reliability & economics
- New & existing commercial & military aerospace platforms
- “Stickiness” for program life
- Passenger miles
- Growth in the mining industry in the U.S., Brazil, Chile, China, Australia, Indonesia, Russia, & sub-Sahara Africa

# Microelectronics



FY 2011 Sales: \$321 million

**End Markets**

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

**Key Business Drivers**

- FAB Utilization
- Consumer electronics spending
- Pervasive enterprise & personal computing
- New technologies such as solar cells & high-bright LED
- Highly filtration-dependent industry



# Leadership Recognition

## Business Recognition

### **NYSE**

---

(Since 1991) 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**

---

(Since 1991) 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>

### **S&P 500**

---

(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**

---

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>

### **FTSE4Good**

---

(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>

### **Carbon Disclosure Project**

---

(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>

### **Newsweek Green Ranking**

---

(October 2011) Pall was named one of the greenest companies in America by *Newsweek* magazine. Pall was ranked 5th in the Capital Goods sector and 69th among *Newsweek's* U.S. 500 List.

<http://www.newsweek.com>

### **Cleantech Index**

---

(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>

## Technology Recognition

### **Engineering Materials Achievement Award**

---

(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**

---

(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**

---

(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>

# Fiscal 2011 Financial Highlights

(In millions, except for per share data)	Years Ended July 31	
	2011	2010
Net sales	<b>\$2,740.9</b>	\$2,401.9
Cost of sales	<b>\$1,368.4</b>	\$1,195.8
Gross profit	<b>1,372.5</b>	1,206.1
Selling, general and administrative expenses	<b>813.5</b>	739.9
Research and development	<b>86.8</b>	75.0
Restructuring and other charges (ROTC), net	<b>33.8</b>	17.7
Interest expense, net	<b>18.9</b>	14.3
Loss on extinguishment of debt	<b>—</b>	31.5
Earnings before income taxes	<b>419.5</b>	327.7
Provision for income taxes	<b>104.0</b>	86.5
Net earnings	<b>\$ 315.5</b>	\$ 241.2
Earnings per share: Basic	<b>\$ 2.71</b>	\$ 2.05
Diluted	<b>\$ 2.67</b>	\$ 2.03

## 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.

The Company's forward-looking statements 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 the 2011 Form 10-K, and other reports the Company files with the Securities and Exchange Commission, including: the impact of legislative, regulatory and political developments globally; the impact of the uncertain global economic environment; the extent to which adverse economic conditions may affect our sales volume and results; changes in product mix, market mix and product pricing, particularly relating to the expansion of the systems business; our ability to develop and commercialize new technologies, enforce patents and protect proprietary products and manufacturing techniques; demand for our products and business relationships with key customers and suppliers, which may be impacted by their cash flow and payment practices; 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 supply chain enhancements and integrating and upgrading our information systems; 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; increase in costs of manufacturing and operating costs; our ability to achieve and sustain the savings anticipated from cost reduction and gross margin improvement initiatives; our ability to attract and retain management talent; the impact of pricing and other actions by competitors; the effect of litigation and regulatory inquiries associated with the restatement of our prior period financial statements; the effect of the restrictive covenants in our debt facilities; and our ability to successfully complete or integrate any acquisitions. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for the Company 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

### Corporate Headquarters

25 Harbor Park Drive  
Port Washington, NY 11050

800.645.6532 toll free  
516.484.5400 phone  
516.801.9754 fax  
www.pall.com web


Pall Corporation has offices and plants throughout the world.



ENABLING A  
GREENER  
FUTURE™

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

Please use recycled paper when printing this document.

© 2011 Pall Corporation. Pall, , are trademarks of Pall Corporation. ® Indicates a Pall trademark registered in the USA. **Better Lives. Better Planet.**™, Total Fluid Management, and Enabling A Green Future (with leaves) are service marks of Pall Corporation.