



Pall Corporation

2011 JP Morgan Healthcare Conference

Lisa McDermott
CFO and Treasurer
January 12, 2011

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
- Q1 FY 2011 Results
- FY 2011 Outlook and FY 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.

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

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

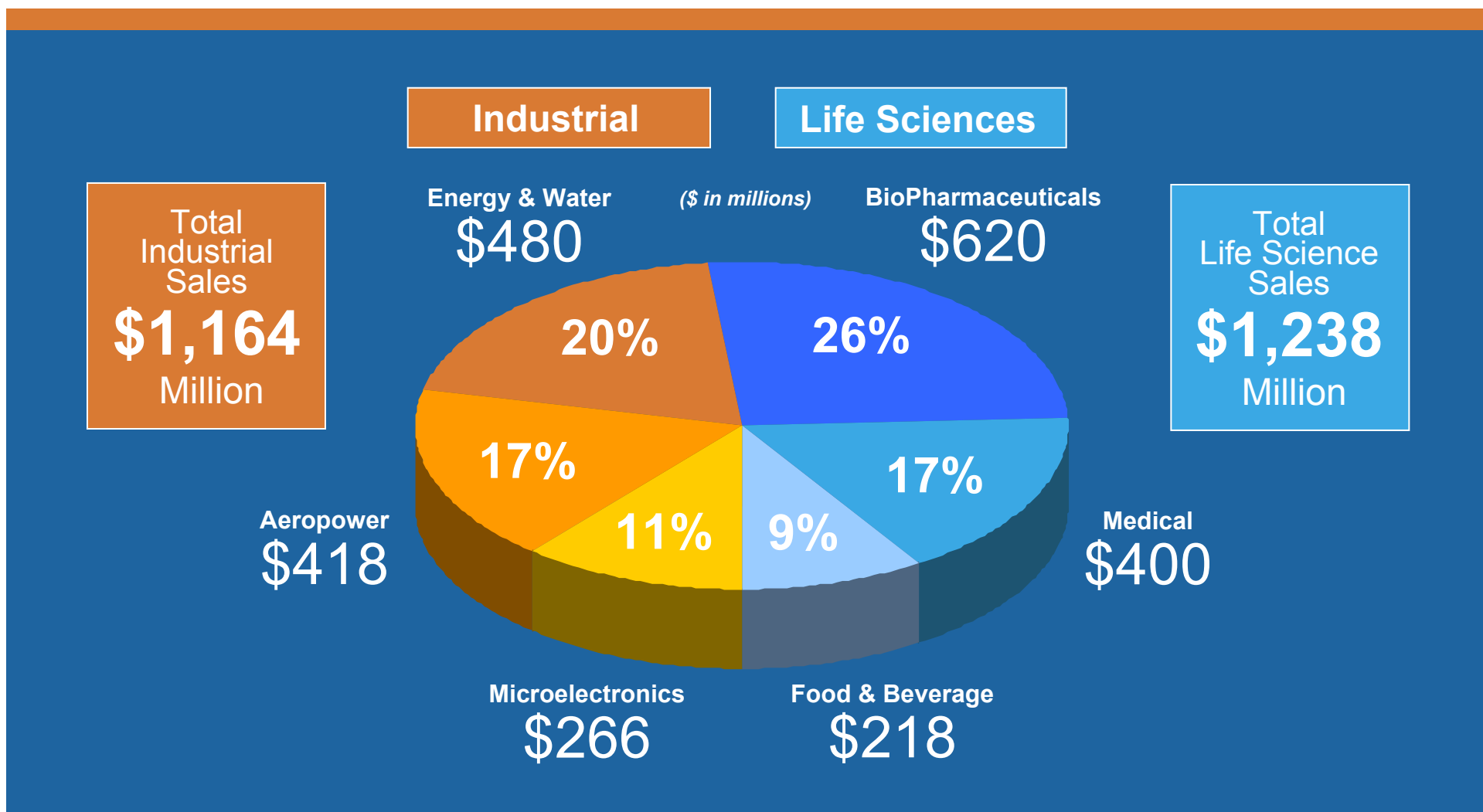
Aeropower

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

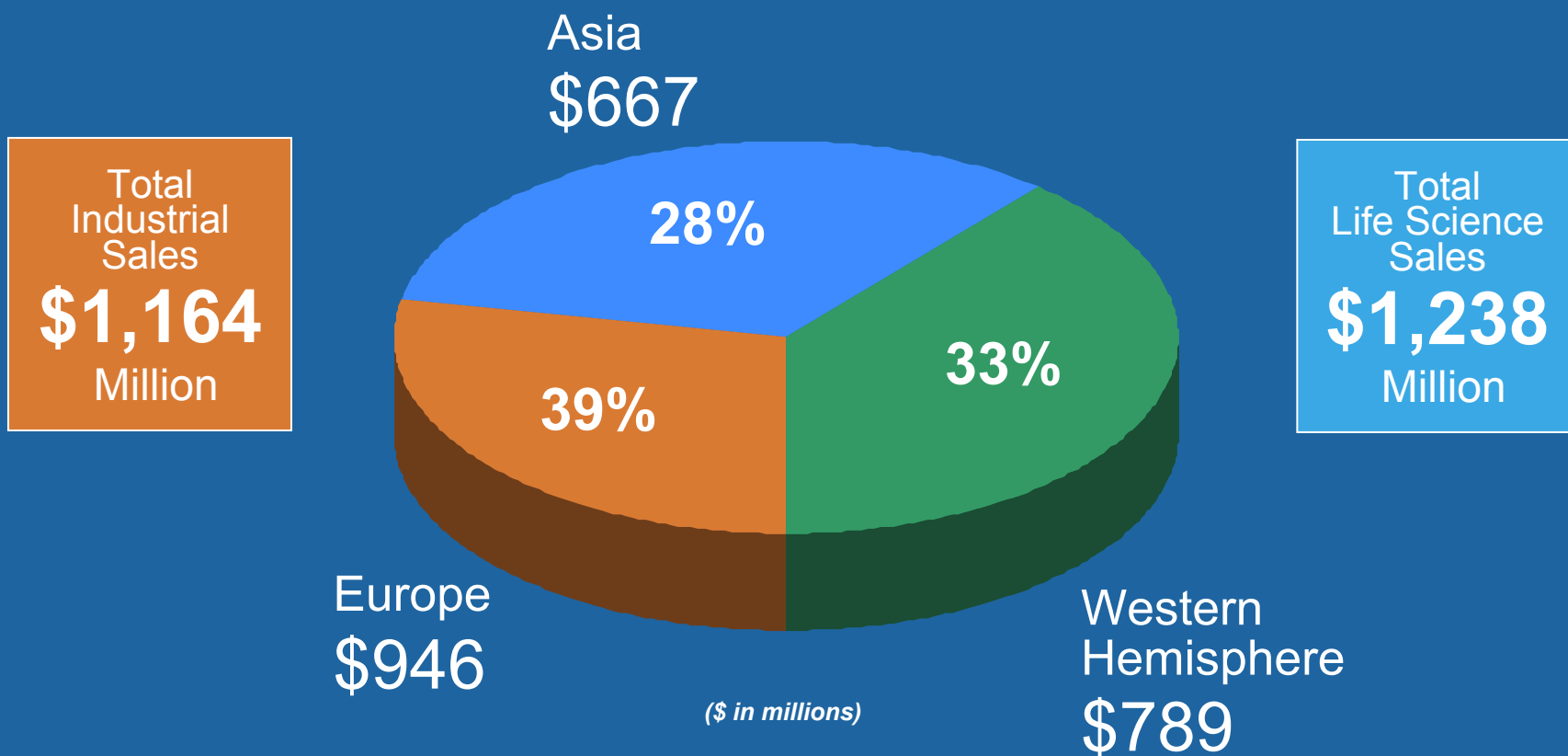
Microelectronics

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

FY 2010 Sales by Market



FY 2010 Sales by Geography



Global Drivers For The Filtration Market



Product Quality,
Productivity & Innovation



Water &
Energy Management



Regulatory
Requirements



Emerging &
Mutating Pathogens



Environmentalism

Growing the Top Line

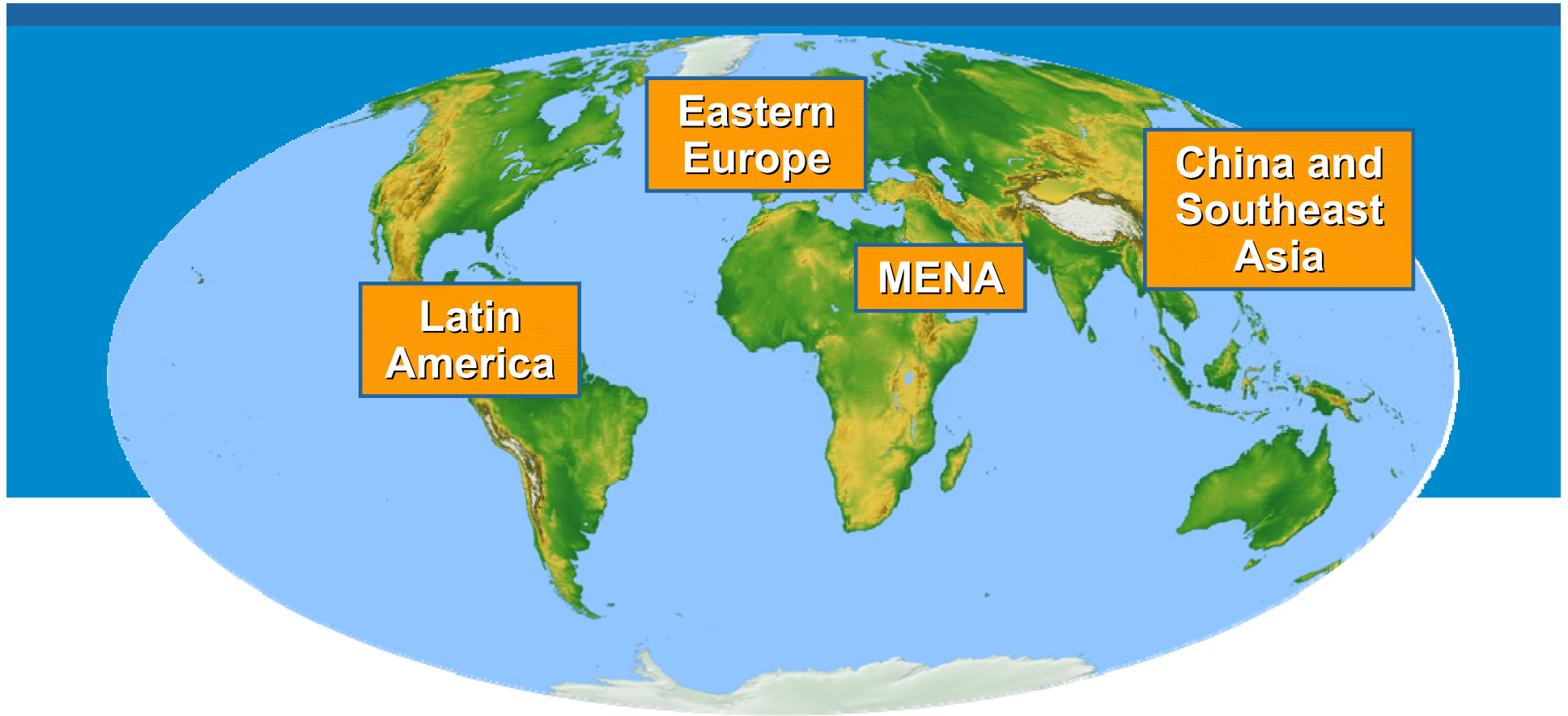
Key Strategies

- Leverage Total Fluid ManagementSM capabilities
- Focus on high-growth markets and fast growing regions
- Expand technology leadership
- Increase sales of services



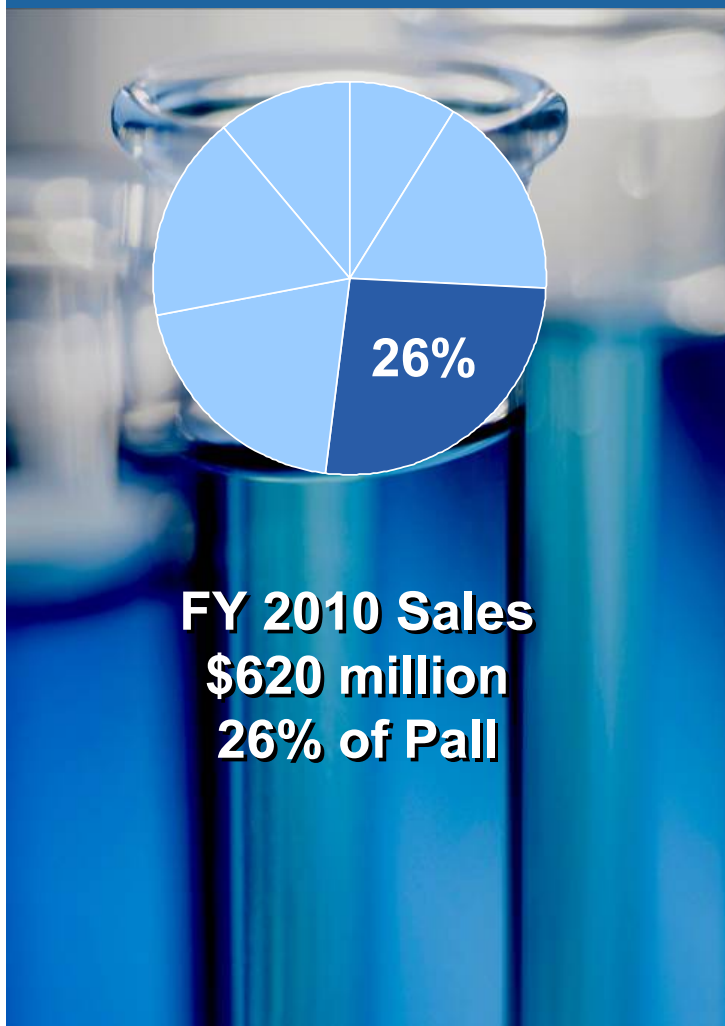
We are executing on strategies to generate sustainable, profitable growth.

Strong Focus on High-Growth Regions



***Pall FY09–FY13 Projected CAGR
for Emerging Markets is ~20%***

BioPharmaceuticals

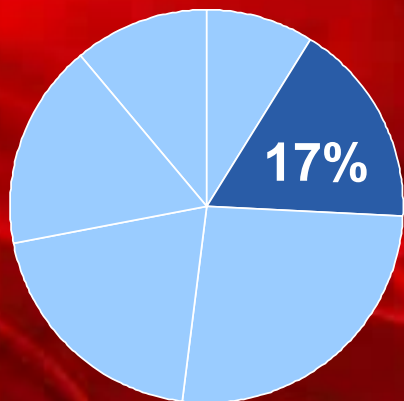


Sales Growth Drivers

- Biotechnology drugs & vaccines
- Increasing adoption of single-use technologies
- Emerging regions
- New drug pipeline



Medical



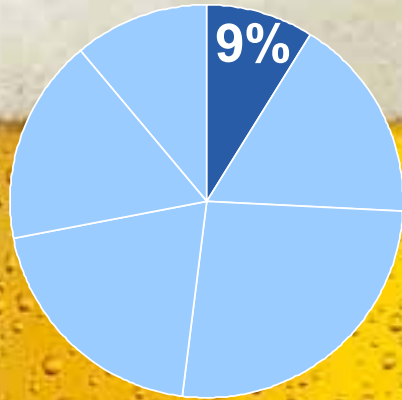
FY 2010 Sales
\$400 million
17% of Pall

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



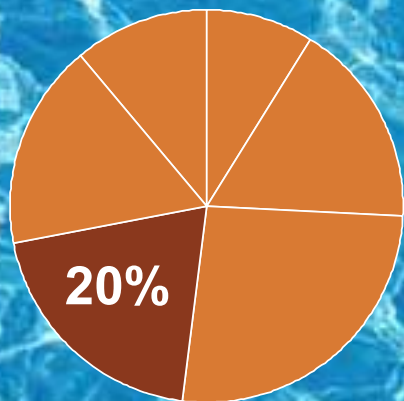
FY 2010 Sales
\$218 million
9% of Pall

Sales Growth Drivers

- Process economics
- Food and beverage safety concerns
- Environmentally-friendly products and processes
- Rapid microbiological testing/diagnostics
- Fast growing regions



Energy & Water



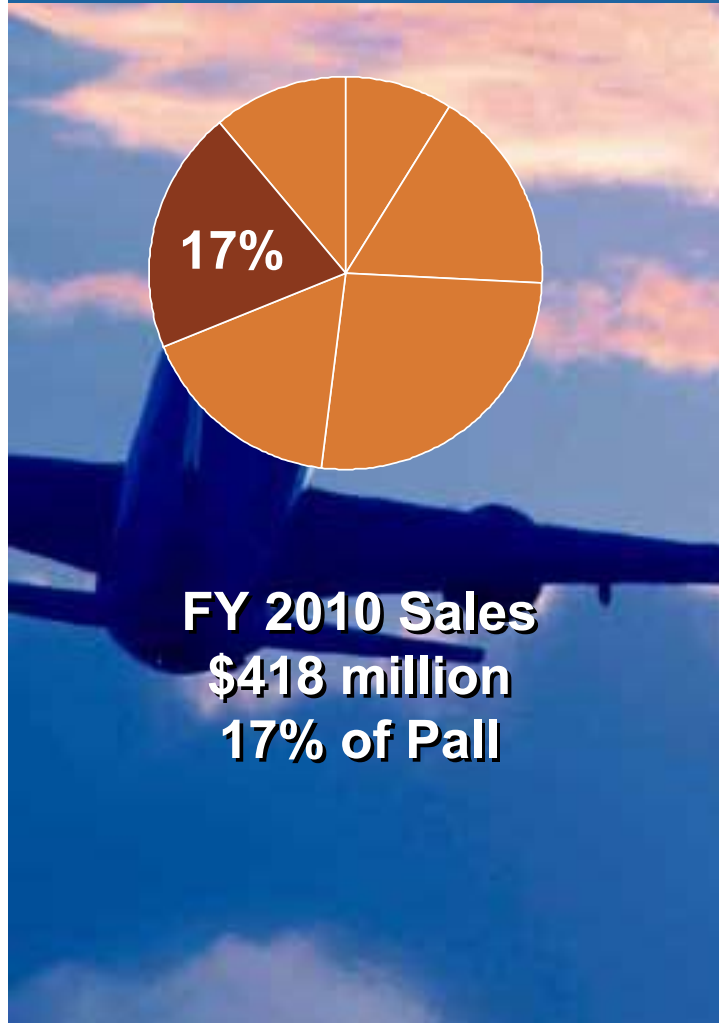
FY 2010 Sales
\$480 million
20% of Pall

Sales Growth Drivers

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



Aeropower

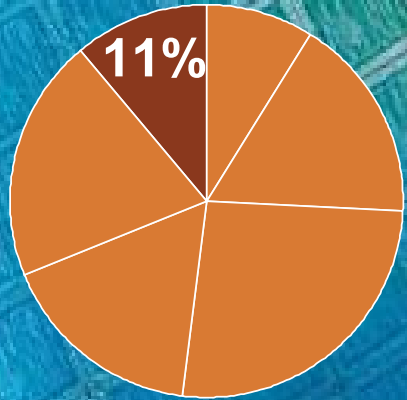


Sales Growth Drivers

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



Microelectronics



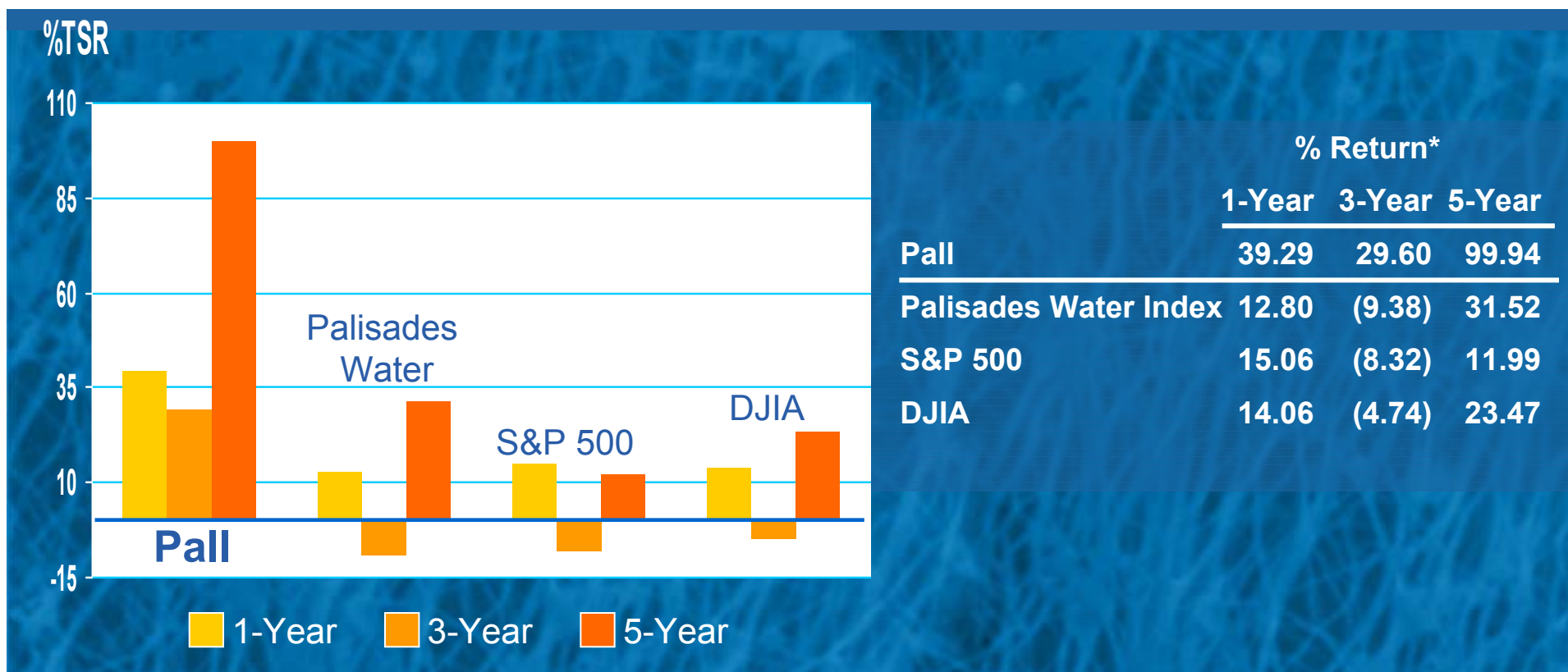
FY 2010 Sales
\$266 million
11% of Pall

Sales Growth Drivers

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



Total Shareholder Returns



* Assumes reinvestment of dividends through December 31, 2010

Source: Bloomberg

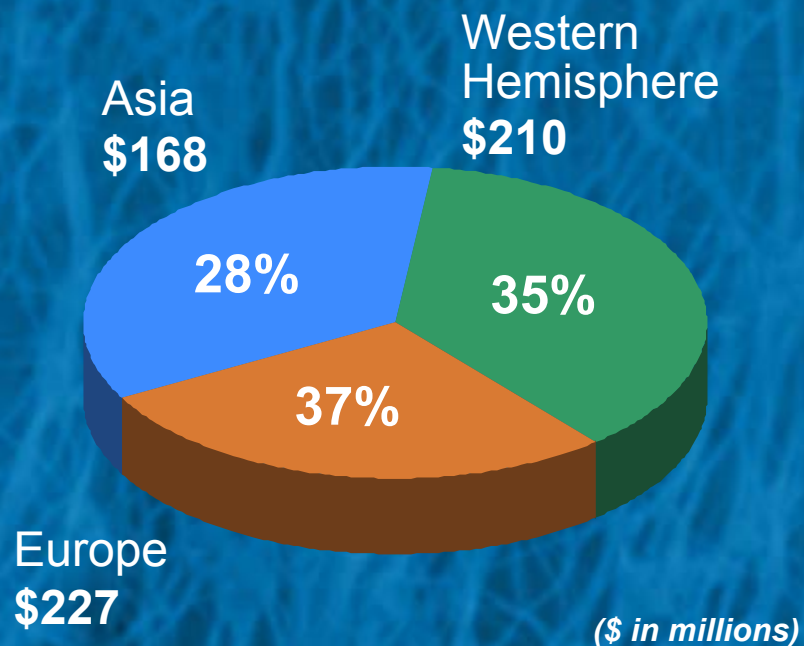
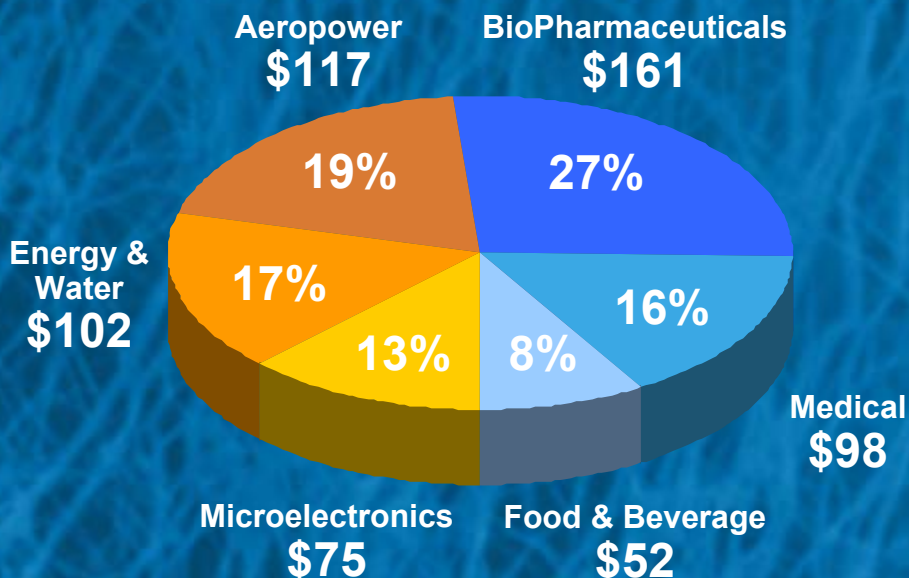
***Pall shares delivered a 99.94% return
for the 5-years ended December 31, 2010***

Q1 FY 2011 Sales Increased 12.1%*

Sales By Market

Sales By Geography

Industrial **Life Sciences**



Total Industrial Sales
\$294 million

Total Life Science Sales
\$311 million

Total Sales
\$605
Million

* In Local Currency

Q1 FY 2011 Comparative Income Statements

<i>(\$ in millions, except EPS data)</i>	Q1 FY11	%	Q1 FY10	%
Net Sales	\$ 605		\$ 547	
Cost of Sales	297	49.0	277	50.6
Gross Profit	308	51.0	270	49.4
SG&A	182	30.1	177	32.3
R&D	20	3.3	17	3.2
Earnings before interest, ROTC and taxes	106	17.5	76	13.9
Interest expense/(income), net	7	1.2	(3)	(0.5)
Restructuring & other charges, net (ROTC)	2		4	
Earnings before taxes	97	16.1	75	13.7
Income taxes	26	26.8 *	8	10.5 *
Net Earnings	\$ 71	11.8	\$ 67	12.2
Diluted EPS	\$ 0.61		\$ 0.56	
Pro forma diluted EPS	\$ 0.62		\$ 0.40	

FY 2011 Outlook

	9/15/10 Prior	12/10/10 Current ⁽⁵⁾
Total Pall Sales ⁽¹⁾	Mid to high single digits	Mid to high single digits
Life Sciences Sales ⁽¹⁾	Mid to high single digits	Mid to high single digits
Industrial Sales ⁽¹⁾	Mid to high single digits	Mid to high single digits
Gross Margin	50.0% – 51.0%	50.0% – 51.0%
SG&A	~30.5%	≤ 30%
R&D	~3%	3.5%
Life Sciences Operating Margin	22.5% – 23.5%	22.8% – 23.8%
Industrial Operating Margin	14.0% – 15.0%	14.5% – 15.5%
Pro forma EBIT ⁽²⁾	16.0% – 17.0%	16.5% – 17.5%
Income Tax Rate ⁽³⁾	~27.0%	~27.0%
Pro forma EPS – Diluted ⁽⁴⁾	\$2.35 – \$2.55	\$2.48 – \$2.63
<i>\$ in millions</i>		
Operating Cash Flow	\$435 – \$460	\$435 – \$460
Capex	\$165 – \$175	\$165 – \$175

(1) In Local Currency

(2) Excludes Restructuring and Other Charges (ROTC)

(3) Underlying Tax Rate

(4) Excludes ROTC and other Discrete Items

(5) 2011 Outlook as presented on December 10, 2010

FY 2013 Goals

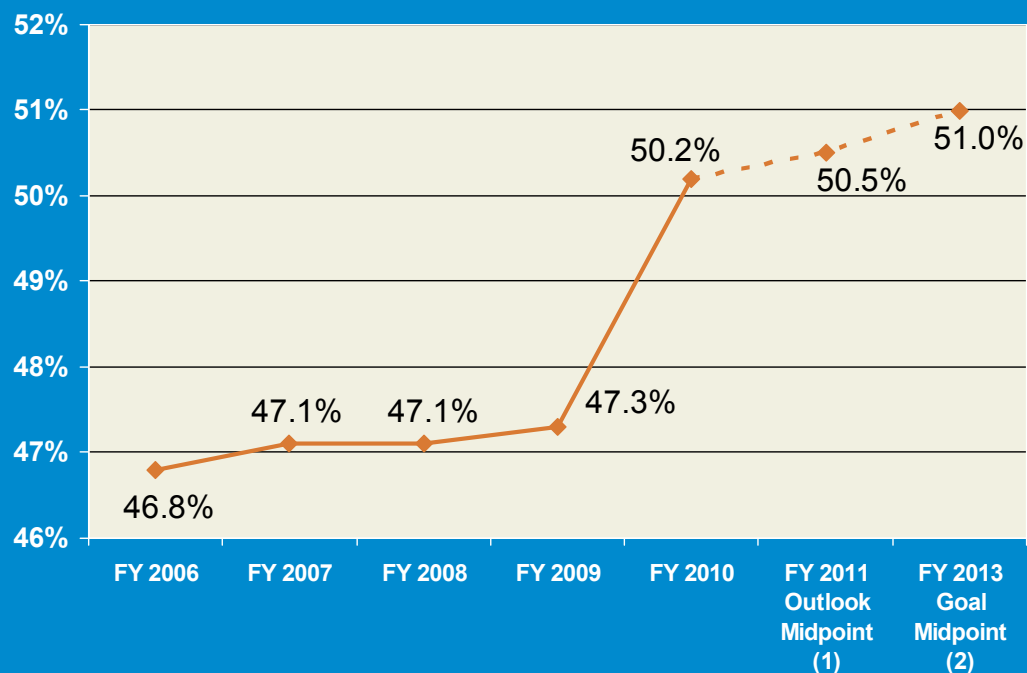
\$ in millions (except for earnings per share data)	FY2013 Goals ⁽¹⁾	
	%	\$
Sales	5.5% – 8.0% ⁽²⁾	\$3,040 – \$3,340
Gross Profit	50.0% – 52.0%	\$1,525 – \$1,725
SG&A	27.5% – 26.5%	\$840 – \$890
R&D	Approx 3.0%	\$100 – \$105
Pro forma EBIT	19.5% – 22.0%	\$590 – \$730
Income Taxes ⁽³⁾	24.0% – 26.0%	\$150 – \$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



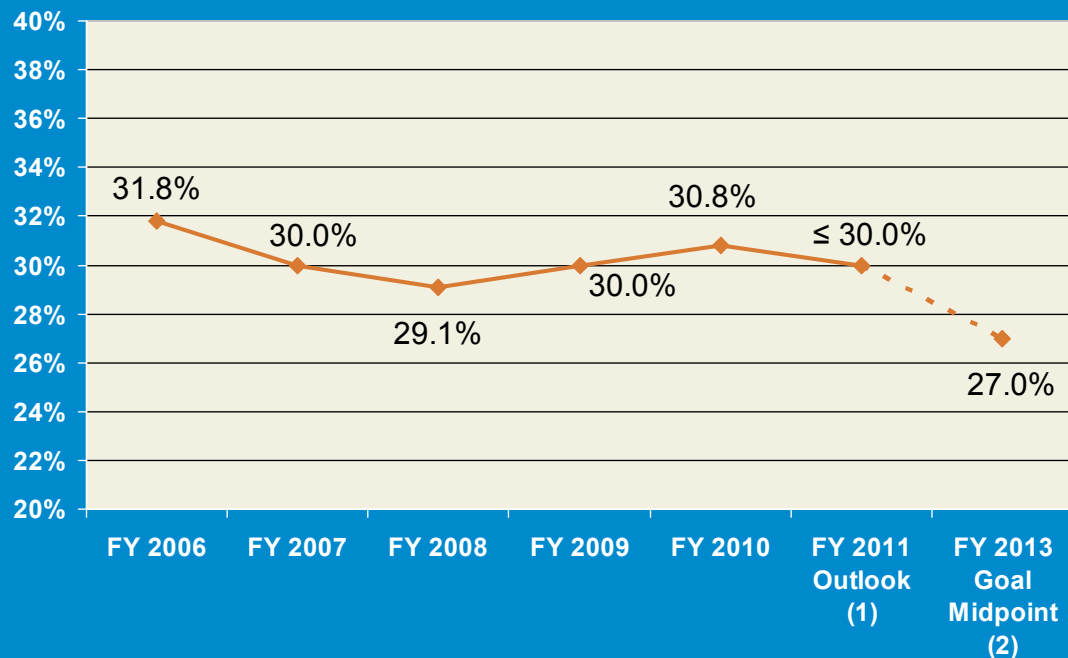
Strategies to Increase Gross Margin

- 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 December 10, 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 December 10, 2010

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

FY 2013 Goals – Income Tax Rate

Underlying Tax Rate

2010	31%
2011	27% ⁽¹⁾
2013	24–26% ⁽²⁾

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

(1) 2011 Outlook as presented on December 10, 2010

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

FY 2013 Goals – Cash Flow

Operating Cash Flow *(in millions)*

2010	\$378
2011	\$448⁽¹⁾
2013	>\$650⁽²⁾

Reduce cash conversion cycle:

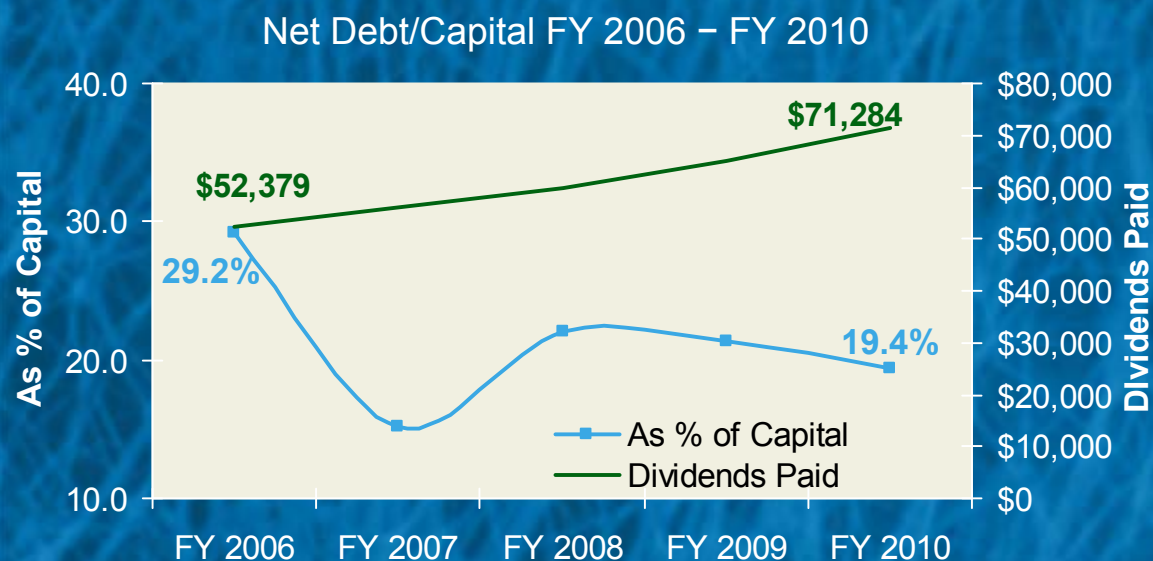
- Consolidating and improving collections processes
- Global review and improvement of payment terms
- Reducing supplier and internal lead times
- Consolidation of supply chain, demand planning and distribution centers
- Lean manufacturing

(1) 2011 Outlook as presented on December 10, 2010, at mid point of the range

(2) 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*



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*



ENABLING A
GREENER
FUTURESM

www.pall.com/green

Appendix: Reconciliation of Non-GAAP Financial Measures

First Quarter	Q1 FY11	Q1 FY10
Diluted EPS as reported	\$ 0.61	\$ 0.56
Interest adjustments, after pro forma tax	-	\$ (0.06)
Tax adjustments	-	(0.12)
ROTC, after pro forma tax effect	<u>\$ 0.01</u>	<u>0.02</u>
Total pro forma adjustments	<u>0.01</u>	<u>(0.16)</u>
Pro forma diluted EPS	<u>\$ 0.62</u>	<u>\$ 0.40</u>

Full Year 2011 Guidance	EPS	
	Low End	High End
Guidance range	\$ 2.47	\$ 2.62
ROTC, after pro forma tax effect*	<u>0.01</u>	<u>0.01</u>
Pro forma guidance range	<u>\$ 2.48</u>	<u>\$ 2.63</u>

* Q1 FY 2011 Actuals

(amounts in millions)	Q1 FY11	Q1 FY11 Estimated Impact of FX	Q1 FY11 Estimate Excluding FX	Q1 FY10	% Change Excluding FX
Total Pall Sales	\$ 605.5	\$ (7.9)	\$ 613.4	\$ 546.9	12.1%