



2009 INVESTOR DAY



Sustainable, Profitable Growth



## Financial Targets for 2013

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# Fiscal 2010 Outlook

<i>\$ in millions (except for earnings per share data)</i>	FY 2009 Actuals		FY2010 Goals
		%	
Total Pall Sales	\$2,329	-3.4% <sup>(2)</sup>	Mid to high single digits <sup>(1)</sup>
Life Sciences Sales	\$940	3.0% <sup>(2)</sup>	Mid-single digits <sup>(2)</sup>
Industrial Sales	\$1,389	-7.3% <sup>(2)</sup>	Flat <sup>(2)</sup>
Gross Profit	\$1,101	47.3%	48.0%–49.0%
SG&A and R&D	\$771	33.1%	33.0%–33.5%
Pro forma EBIT <sup>(5)</sup>	\$330	14.2%	14.5%–15.5%
Income Taxes <sup>(3)</sup>	29.7%		31.3%
Pro forma Net Earnings <sup>(5)</sup>	\$212	9.1%	9.5%–11.0%
Pro forma EPS – Diluted <sup>(5)</sup>	\$1.77		\$2.02–\$2.19 <sup>(4)</sup>

<i>(\$ in millions)</i>	FY 2009	FY 2010
Operating Cash Flow	\$327m	\$320–\$360
Capex	\$133m	\$125–\$135

(1) Includes the effects of foreign currency translation of approximately 6%

(2) In Local Currency

(3) Underlying Tax Rate

(4) Includes an estimated \$0.17 benefit from foreign currency translation

(5) Excludes Restructuring and Other Charges

# Five-Year Goal Update

<i>\$ in millions (except for earnings per share data)</i>	FY2009 Actuals		FY2013 Goals		
		%	%	\$ <sup>(2)</sup>	
Sales	\$2,329		5.5%–8.0% <sup>(1)</sup>	\$3,040	\$3,340
Gross Profit	\$1,101	47.3%	50.0%–52.0%	\$1,525	\$1,725
SG&A	\$700	30.0%	27.5%–26.5%	\$840	\$890
R&D	\$71	3.1%	Approx 3.0%	\$100	\$105
Pro forma EBIT	\$330 <sup>(4)</sup>	14.2%	19.5%–22.0%	\$590	\$730
Income Taxes <sup>(3)</sup>	29.7%		24.0%–26.0%	\$150	\$170
Pro forma Net Earnings	\$212 <sup>(4)</sup>	9.1%	13.5%–16.0%	\$415	\$535
Pro forma EPS – Diluted	\$1.77 <sup>(4)</sup>			\$3.67	\$4.77

(1) LC 4-year sales CAGR

(2) Includes the effects of using current exchange rates for planning purposes

(3) Underlying Tax Rate

(4) Excludes Restructuring and Other Charges

## Liquidity and Working Capital – FY 2013

<i>(\$ in millions)</i>	FY 2009	FY 2013
<b>Days in Inventory</b>	<b>118</b>	<b>&lt;90</b>
<b>Days Sales Outstanding</b>	<b>68</b>	<b>&lt;65</b>
<b>Operating Cash Flow</b>	<b>\$327</b>	<b>&gt;\$650</b>
<b>Capex</b>	<b>(\$133)</b>	<b>4%–4.5% of Sales</b>
<b>Free Cash Flow</b>	<b>\$194</b>	<b>&gt;\$435</b>

# Pall Corporation Financial Summation – FY2013 Midpoint View

## FY2013 at Midpoint

- ▲ Sales of about \$3.2 billion – A four-year CAGR (local currency) of 6.7% versus 4.7% during the four years ended FY09
- ▲ EBIT of \$660 million and 20.7% margin versus 14.2%\* in FY09
- ▲ Effective tax rate of 24% – 26%
- ▲ Net Earnings of \$475 million and 14.9% margin versus 9.1%\* in FY09
- ▲ ROE of about 25% versus 17.4% in FY09
- ▲ Operating Cash Flow of over \$650 million

**FY13 Midpoint EPS of \$4.22 versus \$1.77\*\* in FY09**

\* Excludes Restructuring and Other Charges

\*\* Pro forma

## Appendix: FY 2009 Reconciliation of Non-GAAP Financial Measures

*\$ in millions (except for earnings per share data)*

	\$	EPS	Tax Rate (%)
As reported	\$ 196	\$ 1.64	27.8%
ROTC after pro forma tax effect	22	0.19	-0.2%
Tax adjustments	(6)	(0.06)	2.1%
<b>Pro forma diluted EPS</b>	<b>\$ 212</b>	<b>\$ 1.77</b>	<b>29.7%</b>

Operating Profit	\$
Industrial operating profit	\$ 186
Life Sciences operating profit	\$ 200
<b>Total operating profit</b>	<b>\$ 386</b>
General corporate expenses	\$ (56)
<b>Earnings before ROTC, interest &amp; income taxes</b>	<b>\$ 330</b>
ROTC	\$ (31)
<b>Earnings before interest &amp; income taxes</b>	<b>\$ 299</b>

## Appendix: FY 2010 Reconciliation of Non-GAAP Financial Measures

Full Year 2010 Guidance	EPS		Tax Rate (%)	
	Low End	High End	Low End	High End
Guidance range	\$ 2.18	\$ 2.35	25.3%	26.1%
ROTC, after pro forma tax effect*	0.02	0.02	0.2%	0.2%
Interest adjustments, after pro forma tax	(0.06)	(0.06)	0.3%	0.3%
Tax adjustments*	(0.12)	(0.12)	5.5%	4.7%
Pro forma guidance range	<u>\$ 2.02</u>	<u>\$ 2.19</u>	<u>31.3%</u>	<u>31.3%</u>

\* Q1 Actuals

**PALL** Pall Corporation



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