

PALL Pall Corporation

2009 INVESTOR DAY



Global Supply Chain Effectiveness

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Sustainable, Profitable Growth

A Culture of Lean

▲ Lean principles are embedded in Pall's culture and bearing fruit

- 2006 Facilities Rationalization Initiative Completed
- Facilities Rationalization Going Forward
- Keeping Ahead of Inflation
- Increasing Productivity
- Continued Cost Improvement
- Improving Customer Service

▲ Leveraging Pall's advanced technologies



Facilities Rationalization – “Lean is Green”

Footprint Productivity	FY09 Actual	FY13 Goal
Sq. Ft. Reduction (v FY06 baseline)	1,240,000	1,810,000
Sales per Sq. Ft.	\$546	\$836
Annual Energy Usage Reduction (kwh)	57.3M	86.7M
Equivalent Yearly Energy Usage (Number of U.S. Homes)	5,101	7,719
Annual CO ₂ e Emission Reduction (Metric Tons)	32.9K	49.9K

New Goals:

- ▲ Reduce footprint from 3.9M sq. ft. to 3.3M sq. ft.
- ▲ Reduce carbon footprint by an additional 17k tons/year
- ▲ Increase sales per sq. ft. by 53%

Lean Tools – Keep Ahead of Inflation

Inflation Drivers	Countermeasures
<i>Direct Material</i> <i>Indirect Spend</i>	Center-led strategic sourcing and improved manufacturing yields
<i>Payroll Costs</i>	Process improvements
<i>Energy Costs</i>	Conservation and reduced footprint
<i>Freight Surcharges</i>	Optimized logistics footprint

Projected FY10 Impact is 2.2% of COS

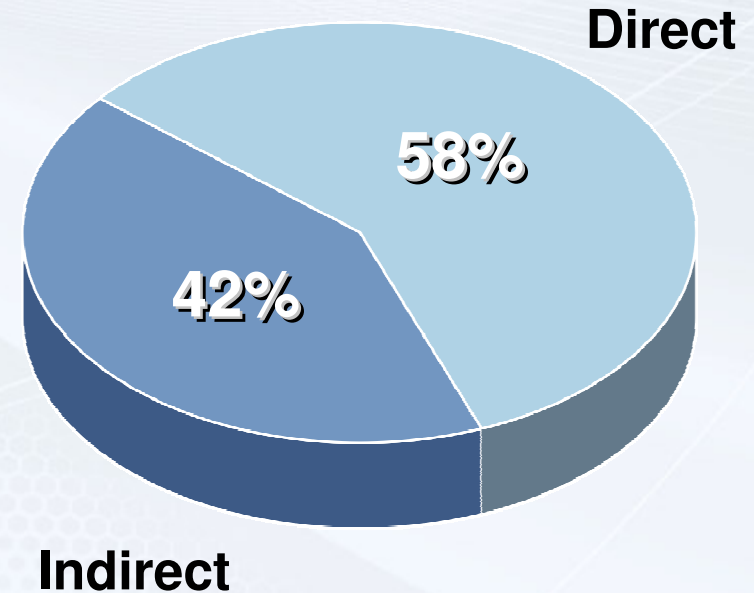
Strategic Sourcing

▲ Direct Material Spend

- “One Pall Face” to the supply base
- Best in class source to pay processes
- Develop emerging economy supply base

▲ Indirect Spend

- Leverage global spend in regional and local contracts
- Partner with 3rd party providers (e.g., global travel management) to leverage their efficiencies



Improves Gross Margin and Working Capital

▲ Execution of Lean Strategies allowed us to:

- Leverage freight lanes
- Ensure speed and reliability of delivery
- Apply Pall's "one voice" to freight negotiations
- Minimize cost-to-deliver



Pall Aria™ Mobile Water Systems recently installed in Queensland, Australia for Coal Seam Methane Gas Production

- Conceptualized in New York
- Designed in India
- Manufactured in Australia

No Challenge is Too Large

The Systems Story

	FY06	FY10	FY11
Apply Lean principles	Apply Lean tools to design processes (3P process)		
	Hold Kaizen events (e.g., contract review, engineering release to purchasing)		
Establish COE in Asia		Recruit engineering resources in Singapore	
		Develop control processes in Asia (SAP enabled)	
Reduce design & installation costs	Standardize designs (from "projects" to modular systems)		
	Design systems for "plug & play" (easier commissioning)		
Expand standard applications		Broaden application skill sets	
		Revamp application structure to enable focus on adjacent space applications (e.g., coal seam methane)	
Create design & sourcing centers of excellence	Establish design center authority, by platform		
	Link design centers to global sourcing leadership to leverage global spend & standard components		



Systems margins improved by more than 70% since 2005

Lean Manufacturing – Productivity Metrics Looking Forward

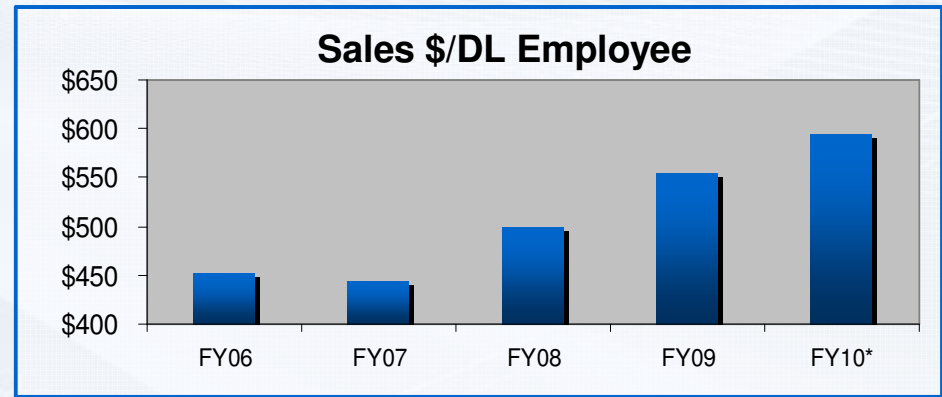
Goals

▲ Labor

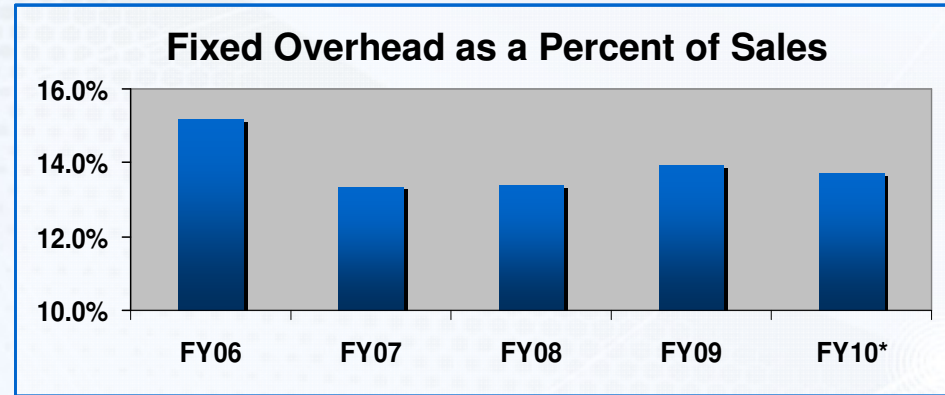
- Continue CAGR >5%

▲ Fixed Manufacturing OH

- Leverage cost structure



(Constant Rates)



(Constant Rates)

Leverage Underlying Cost Structure as Revenues Grow

Lean Manufacturing – Optimizing Inventory

Goals

- ▲ Improve turns from 2.6 to > 4.0 by 2013
- ▲ Optimize finished goods inventories
 - Reduce manufacturing lead times
 - Leverage optimized logistics footprint
 - Leverage global ERP system
- ▲ Minimize raw material levels
 - Leverage strategic sourcing programs
 - Selective vendor managed inventory
- ▲ Optimize work in process levels
 - Leverage Lean Tools to reduce process cycle times
 - Leverage manufacturing's proximity to customers

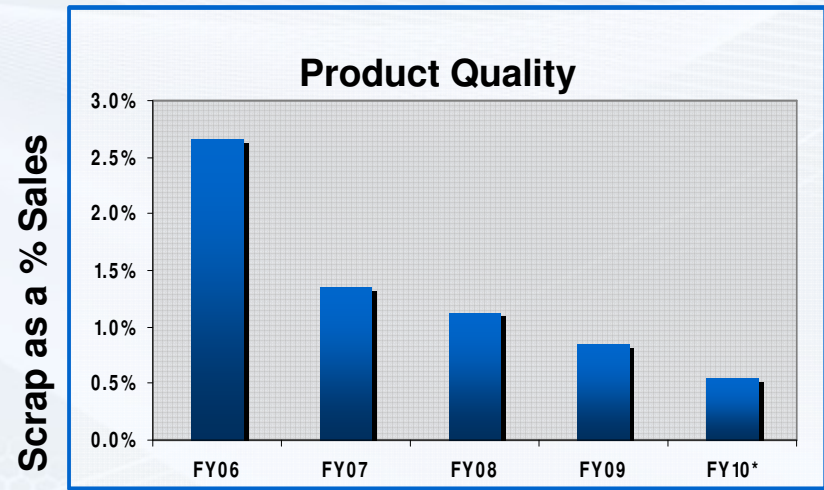
Improves Cash Conversion Cycle

Lean Manufacturing – Customer Service Metrics

Goals

▲ Product Quality

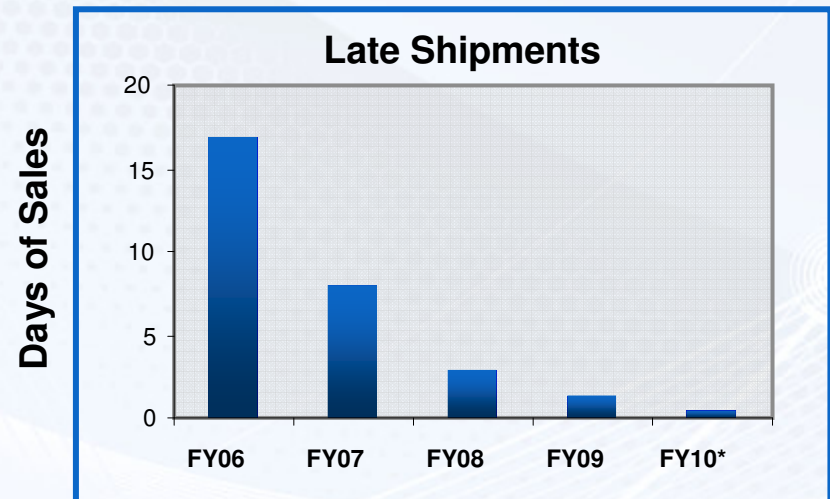
- Improve Scrap >25% year on year



(Constant Rates)

▲ Late Shipments

- Improve from 1.5 to <.5 day sales by 2013

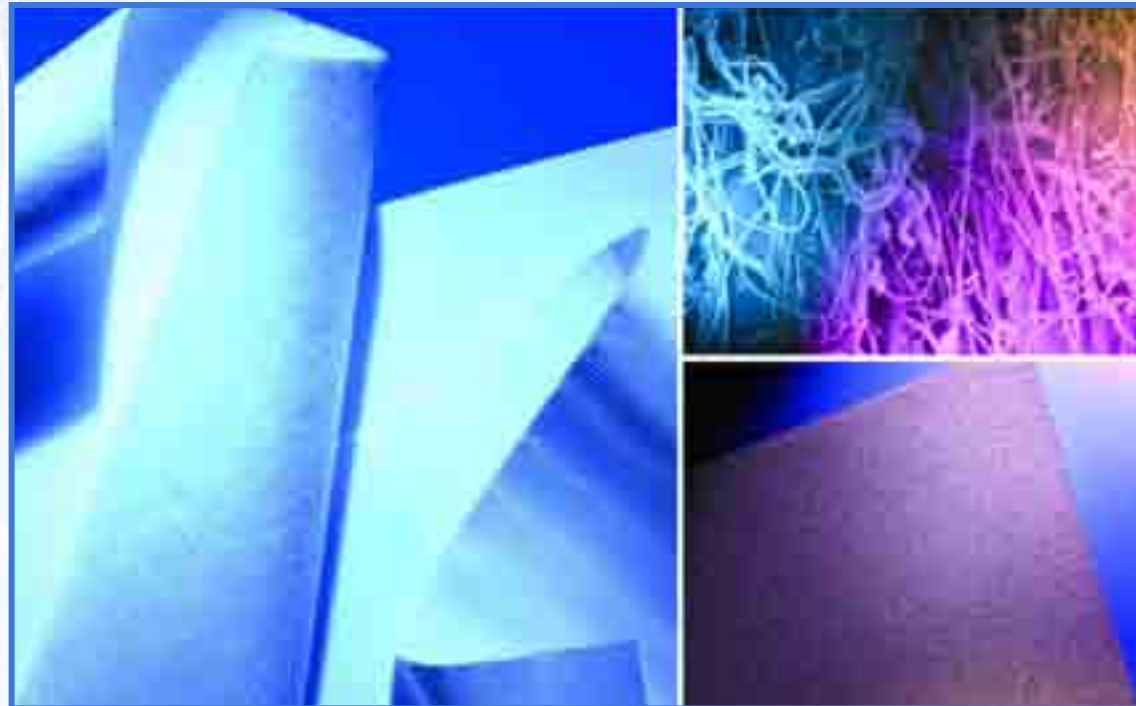


* Goal

A Technology Powerhouse

Pall's Vast Portfolio of Core Materials are Applied for Innovative Customer Solutions

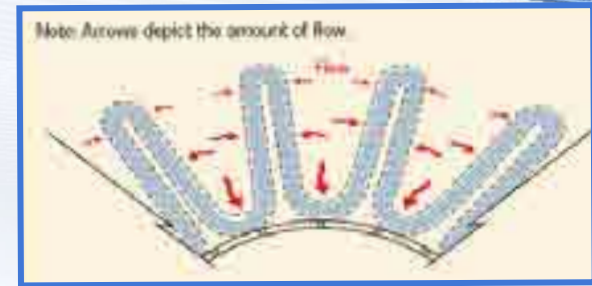
- ▲ PES
- ▲ PVDF
- ▲ PTFE
- ▲ Nylon
- ▲ Glass
- ▲ Metal
- ▲ Ceramic
- ▲ Cellulosic
- ▲ Polymeric
- ▲ Fibrous



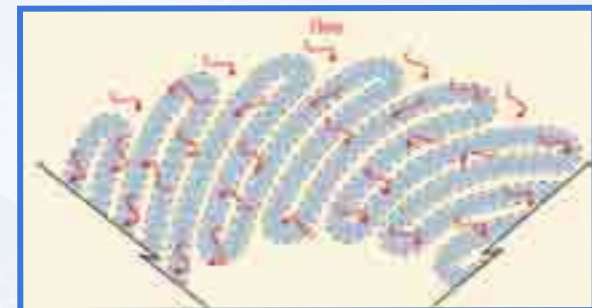
Metal Ultipleat® Technology

Increasing Pall's Product Breadth

- ▲ All-metal construction leverage's Pall's unique Ultipleat configuration
- ▲ Increased filter area for uniform flow, superior performance, and consistent particle removal
- ▲ Used in the Aerospace and Fuels and Chemicals submarkets
- ▲ Operates in high pressure applications up to 6000 psi
- ▲ Maxmizes filter life



Non-uniform flow distribution in a traditional fan-pleat filter



Uniform flow distribution of a Pall Ultipleat® filter



Ultipleat Aircraft Hydraulic Filter



Ultipleat Polymer Candle

Disciplined Execution

- ▲ Leverage Pall's lean culture to drive steady cost improvement in manufacturing, sourcing and logistics
- ▲ Continue to hone global footprint to position Pall in growing markets
- ▲ Continue to apply Pall's innovative membrane technologies to the ever challenging TFM needs of customers
- ▲ Enable a greener future for Pall and our customers



ENABLING A
GREENER
FUTURE