



Pall Corporation

Building a  
Foundation  
for Sustainable  
Growth



Fiscal 2012 Fact Book

# Company Profile

Pall Corporation has become a global leader in the high-tech filtration, separation, and purification industry by meeting the diverse needs of customers across the broad spectrum of life sciences and industry. The company's highly-engineered process solutions protect people and critical assets, while minimizing emissions and waste. Our single-use systems enable faster, more efficient processes for our customers.

Sophisticated filters are rarely discretionary. Manufacturers of all types as well as hospitals, laboratories, airlines, and municipal water suppliers rely on them to produce safe, high-quality products. They invest in them to protect the environment and prolong the life of expensive equipment. Through our deep scientific and engineering knowledge, applications experience and vast technology portfolio, we help make customers more successful. In turn, they reward us with ongoing business that grows as they grow.

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. We have both the global reach and local technical support to meet this demand. Whether it's a new drug, semiconductor chip, manufacturing plant, health care facility or helicopter, our customers' require reliable solutions that adhere to stringent qualification processes. Customers choose Pall for our expertise, product quality, innovation and financial strength. It is the ability to deliver for both our customers and shareholders that sets Pall apart.

## Quick Facts

### Executive Team

**Lawrence D. Kingsley**  
President & Chief Executive Officer

**Lisa McDermott**  
Chief Financial Officer & Treasurer

**Michael Egholm, Ph.D.**  
Chief Technology Officer

**Linda Villa**  
Chief Human Resources Officer

**Yves Baratelli**  
President, Life Sciences

**Ruby Chandy**  
President, Industrial

**Edward F. Hoare**  
President, Pall Americas

**Wolfgang Platz**  
President, Pall Europe

**Eric Garnier**  
President, Pall Asia

**Roya Behnia**  
Senior Vice President,  
General Counsel & Corporate  
Secretary

**Kenneth V. Camarco**  
Senior Vice President,  
Global Operations & Business  
Systems

**H. Alex Kim**  
Senior Vice President,  
Business Development & Strategic  
Planning

### 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

### Investor Relations Contact

**R. Brent Jones**  
Vice President Finance  
516.801.9871 phone  
516.801.9754 fax  
investor\_relations@pall.com

### Corporate Headquarters

25 Harbor Park Drive  
Port Washington, New York 11050

## Global Drivers for the Filtration Market

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

## Strategies for Growth

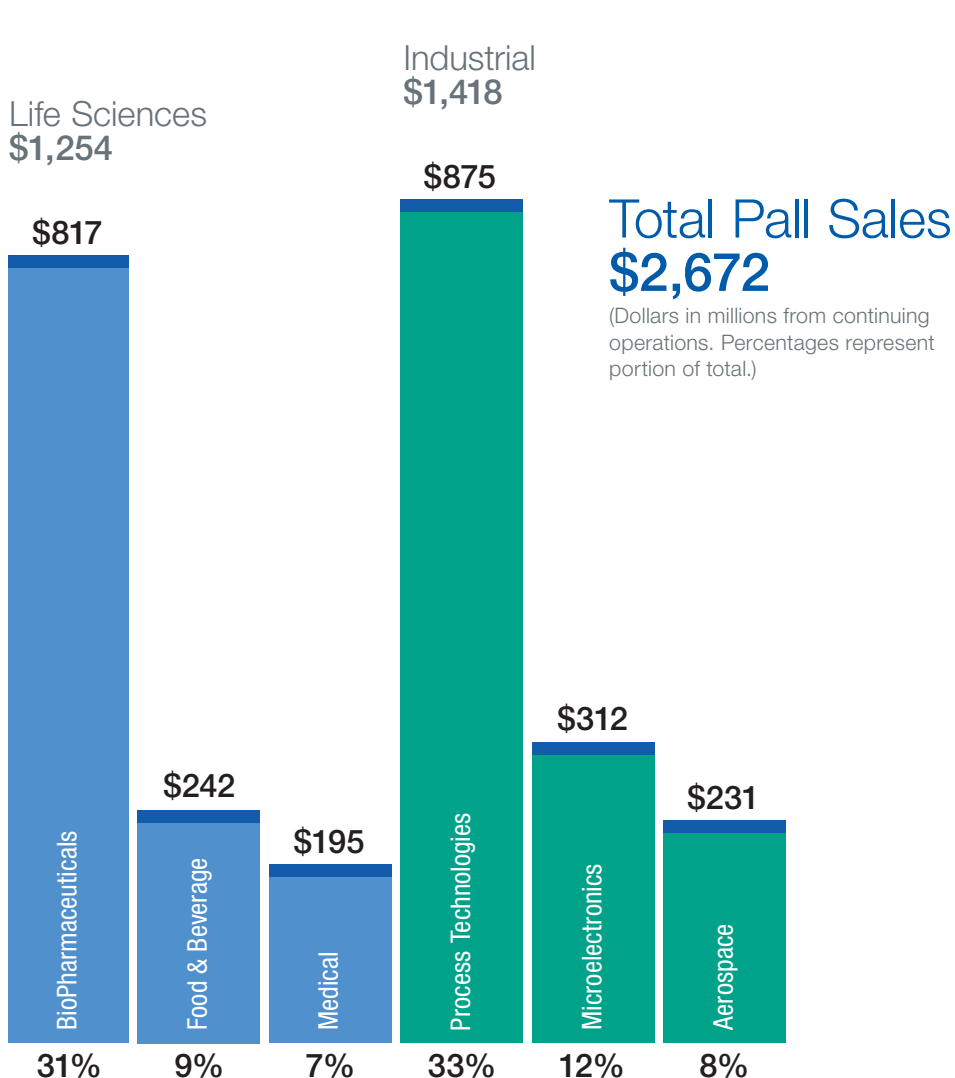
### For Top Line Growth

- Focus on growth markets and regions
- Leverage both organic & acquisitive growth opportunities
- Expand technology leadership
- Continue to build consumables revenue stream
- Emphasize systems opportunities that maximize consumables pull-through

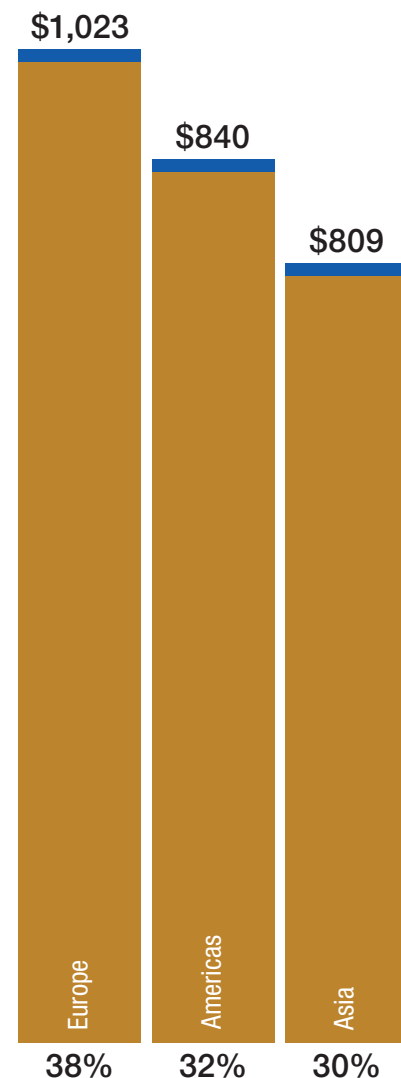
### For Bottom Line Growth

- Implement best-in-class lean manufacturing principles
- Execute productivity & cost savings initiatives
- Optimize liquidity & working capital management

## FY 2012 Sales by Market



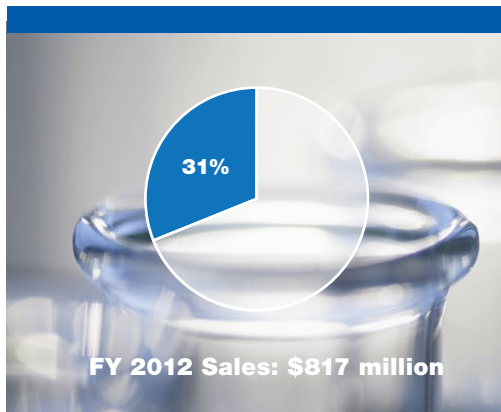
## FY 2012 Sales by Region





# Market Segments

## BioPharmaceuticals



### End Markets

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

### Key Business Drivers

- Broadening Pall presence on biotech drugs & vaccines in full production
- Increasing adoption of single-use technologies
- Growth in emerging regions

## 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
- Food & beverage safety requires rapid microbiological testing/diagnostics
- Environmentally friendly products & processes
- Growth in emerging regions

## Medical



### End Markets

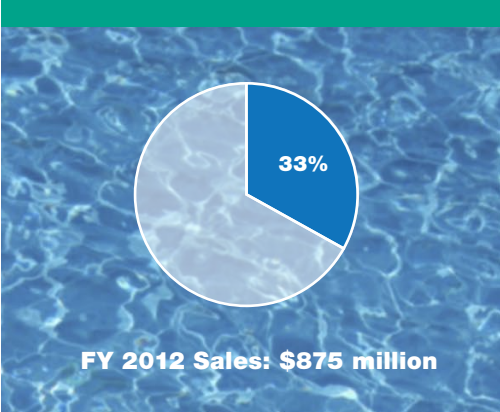
- Cell therapy
- Veterinary medicine
- Hospital infection control
  - Water
  - Critical care
  - Anesthesia
  - OEM devices

### Key Business Drivers

- Rising standards of medical care globally
- Emerging & mutating pathogens
- Improving patient outcomes & preventing hospital acquired infections
- Growth in emerging regions



# Process Technologies



## End Markets

- Water treatment
- Fuels, chemicals & polymers
- Oil & gas
- Alternative energy
- Power generation
- Industrial manufacturing
- Mining
- Mobile equipment

## Key Business Drivers

- Aggressive investment to increase capacity, while reducing cost, emissions & waste
- Improved water quality & availability
- Growth in the mining industry
- Stringent environmental regulations
- Need for clean & alternative energy
- Growth in emerging regions

# Microelectronics



## End Markets

- Semiconductor/IC's
  - Photolithography
  - 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

# Aerospace



## End Markets

- Commercial aerospace
- Military aerospace
- Mobile & shipboard water
- OEM

## Key Business Drivers

- Equipment reliability & economics
- New & existing commercial & military aerospace platforms
- “Stickiness” for program life
- Passenger miles

# Leadership Recognition

## Business Recognition

### NYSE

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(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

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(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

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(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

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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>

### Carbon Disclosure Project

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(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>

### Cleantech Index

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(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>

### FTSE4Good

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(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>

### Newsweek Green Ranking

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(October 2012) Pall was named for the third time, one of the greenest companies in America by *Newsweek* magazine. This year Pall was ranked 6th in the Industrial Goods sector and 108th among *Newsweek's* U.S. 500 List.

<http://www.newsweek.com>

### CRC Ranking

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(November 2011) Pall Manufacturing UK Limited was ranked in the top 5% of the Environment Agency's first annual Carbon Reduction Commitment (CRC) Performance League Table (PLT). The PLT ranks the relative performance of organizations participating in the CRC energy efficiency program.

<http://www.environment-agency.gov.uk>

## Technology Recognition

### Engineering Materials Achievement Award

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(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

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(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

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(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 2012 Financial Highlights

(In millions, except for per share data)	Years Ended July 31	
	2012	2011
Net sales	<b>\$ 2,671.7</b>	\$ 2,517.2
Cost of sales	<b>\$ 1,291.6</b>	\$ 1,232.3
Gross profit	<b>1,380.1</b>	1,284.9
Selling, general and administrative expenses	<b>843.2</b>	790.3
Research and development	<b>82.9</b>	80.5
Restructuring and other charges (ROTC), net	<b>66.9</b>	26.5
Interest expense, net	<b>20.2</b>	18.9
Loss on extinguishment of debt	<b>—</b>	—
Earnings from continuing operations before income taxes	<b>366.9</b>	368.7
Provision for income taxes	<b>86.0</b>	89.5
Net earnings from continuing operations	<b>\$ 280.9</b>	\$ 279.2
Earnings from discontinued operations, net of income taxes	<b>\$ 38.4</b>	\$ 36.3
Net earnings	<b>\$ 319.3</b>	\$ 315.5
Earnings per share: Basic	<b>\$ 2.42</b>	\$ 2.40
Diluted	<b>\$ 2.39</b>	\$ 2.36

## 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, dilution from the disposition or future allocation of capital 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 2012 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 the Company’s 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; delays or cancellations in shipments; the Company’s ability to develop and commercialize new technologies or obtain regulatory approval or market acceptance of new technologies; the Company’s ability to enforce patents and protect proprietary products and manufacturing techniques; increase in costs of manufacturing and operating costs; the Company’s ability to achieve and sustain the savings anticipated from its structural cost improvement initiatives; volatility in foreign currency exchange rates, interest rates and energy costs and other macroeconomic challenges currently affecting the Company; the Company’s ability to meet its regulatory obligations; costs and outcome of pending or future claims or litigation; the Company’s ability to comply with environmental, health and safety laws and regulations; changes in product mix, market mix and product pricing, particularly relating to the expansion of the systems business; the effect of a serious disruption in the Company’s information systems; fluctuations in the Company’s effective tax rate; the Company’s ability to successfully complete or integrate any acquisitions; competition, including the impact of pricing and other actions by competitors; the effect of litigation and regulatory inquiries associated with the restatement of the Company’s prior period financial statements; the Company’s ability to attract and retain management talent or the loss of members of its senior management team; the effect of the restrictive covenants in the Company’s debt facilities; and the effect of product defects and recalls.

Factors or events that could cause the Company’s 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

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Pall Corporation has offices and  
plants throughout the world.



ENABLING A  
GREENER  
FUTURE<sup>SM</sup>

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

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Fact Book FY 2012