



**Sustainable, Profitable Growth**



## **Barclays Capital Healthcare Conference**

**Eric Krasnoff  
Chairman & CEO**

**March 23, 2010**

# Forward Looking Statements

The matters discussed in this presentation contain “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995.

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 “anticipate”, “should”, “believe”, “estimate”, “expect”, “intend”, “plan”, “predict”, “potential” or similar expressions about matters that are not historical facts. Forward-looking statements contained in this and other written and oral reports are based on current Company expectations and are subject to risks and uncertainties, which could cause actual results to differ materially. Such risks and uncertainties include, but are not limited to, those discussed in Part I, Item 1A, “Risk Factors” in the 2009 Form 10-K, and other reports the Company files with the Securities and Exchange Commission, including the impact of the uncertain global economic environment and the timing and strength of a recovery in the markets we serve, and the extent to which adverse economic conditions continue to 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, and volatility in currency exchange rates and energy costs and other macro economic challenges currently affecting the Company, and the Company’s ability to successfully complete its business improvement initiatives that include integrating and upgrading its information systems and the effect of a serious disruption in the Company’s information systems on its business and results of operations. The Company makes these statements as of the date of this disclosure and undertakes no obligation to update them.

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. Reconciliations of the non-GAAP financial measures used in this presentation to the most directly comparable GAAP measures appear in the Appendix at the end of this presentation and are also available on Pall’s website at [www.pall.com/investor](http://www.pall.com/investor).

FLS 030910



# We Are Fluid Management Specialists

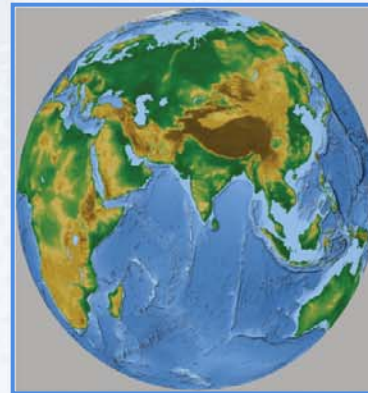
- ▲ Providing enabling and process-enhancing filtration, separation and purification technologies for diverse markets, applications and geographies.



***Our Vision: One day all fluids will  
pass through Pall products***

# About Pall Corporation

- ▲ Materials Science
- ▲ Engineering
- ▲ Sales & Service
- ▲ ~ 75% of Revenues from Consumables
- ▲ Global Presence
- ▲ Continuous Improvement Culture

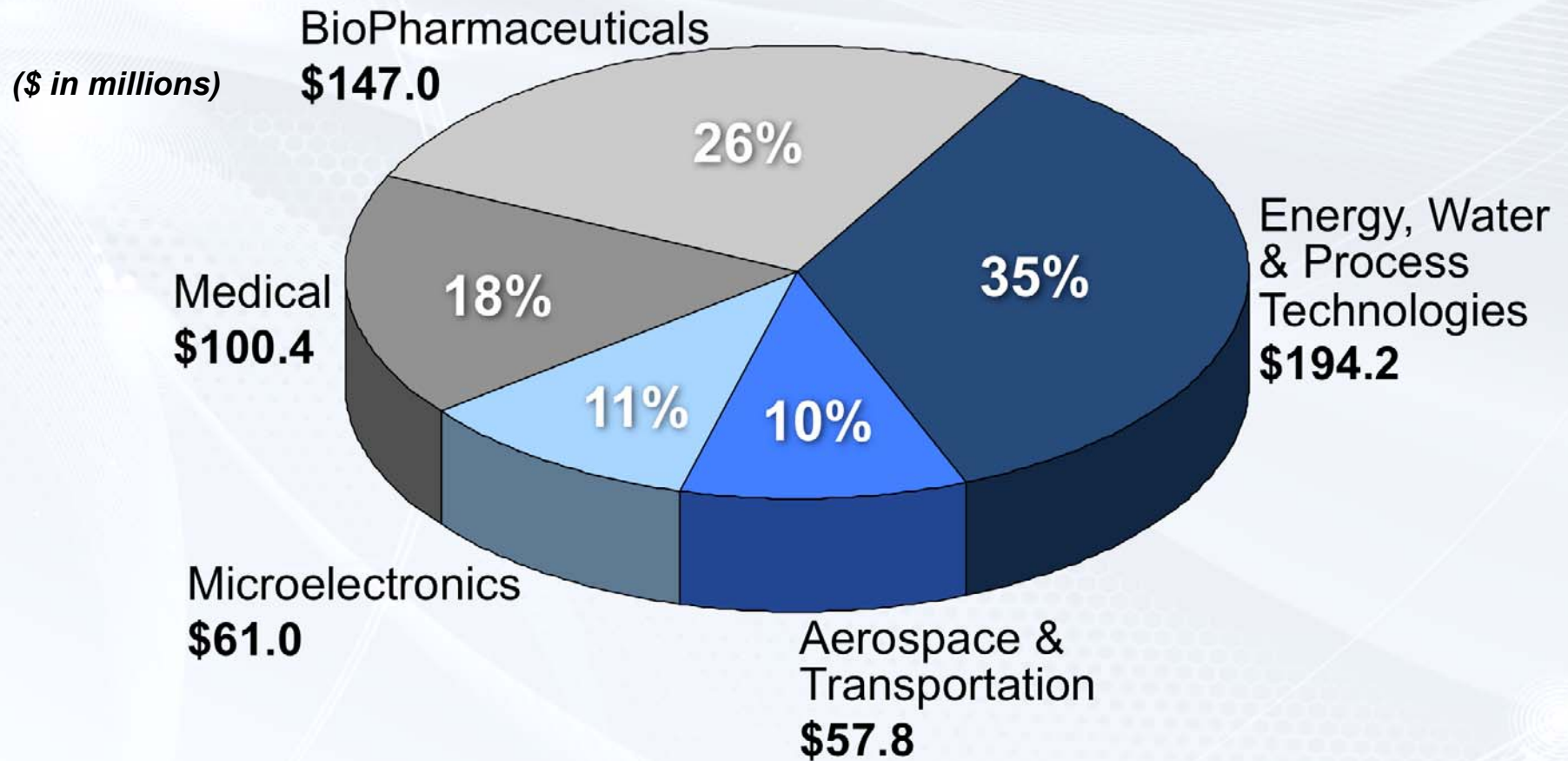




# Corporate Operating Principles

- ▲ Improve revenue, profitability and capital efficiency
- ▲ Provide a culture fostering productive and ethical behavior
- ▲ Maintain a lean culture of continuous improvement
- ▲ Align ourselves to meet customer needs
- ▲ Expand technology and market leadership

## Second Quarter FY 2010 Sales



***Pall Total Sales: \$560.4 Million***

## Overall Orders Are Building

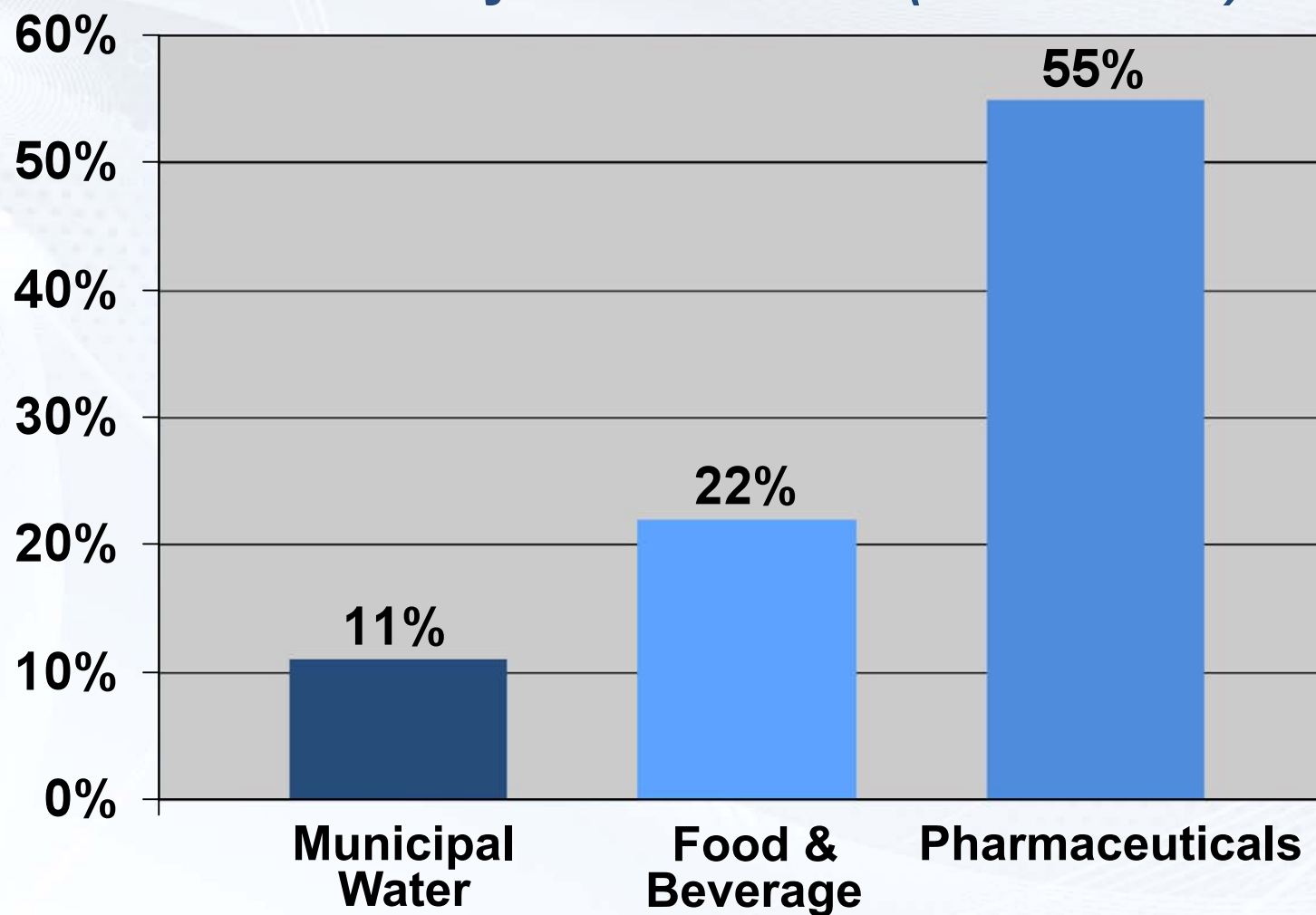
**Overall Orders Trend (% Increase)**





## Capital Spending is Increasing in Key Submarkets

### Q2 FY10 Systems Orders (% Increase)





# Global Drivers For The Filtration Market



**Customer  
Innovation**



**Water &  
Energy Needs**



**Regulatory  
Requirements**



**Mutating  
Pathogens**



**Environmentalism**



**ENABLING A  
GREENER  
FUTURE**

[\*\*www.pall.com/green\*\*](http://www.pall.com/green)

## Named A Top Green Company

- ▲ *Newsweek* named Pall **2nd in industrial goods and 47th among the largest 500 U.S. companies.**
  - Recognition based upon internal achievements and commitment within a company's own operations.
- ▲ Pall technologies help customers reduce their carbon footprints.



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[www.pall.com/green](http://www.pall.com/green)



# Markets Served

## Pall Life Sciences



### BioPharmaceuticals

Biotechnology Drugs  
Vaccines  
Classic Pharmaceuticals  
Biologicals  
Laboratory Tools  
Diagnostics

- Proteomics and Genomics
- OEM Materials & Diagnostics

### Medical

Transfusion Medicine

- Blood
- Cell Therapy
- Veterinary Medicine

Hospital – Infection Control

- Water
- Critical Care

## Pall Industrial



### Energy, Water & Process Technologies

Drinking Water  
Industrial Water  
Energy  
Alternative Energy  
Food & Beverage  
Industrial Manufacturing

### Aerospace & Transportation

Commercial  
Military  
OEM

### Microelectronics

Semiconductor  
Consumer Electronics



# Strategies To Grow The Bottom Line

## Grow the Top Line

- Total Fluid Management<sup>SM</sup>
- Focus on High Growth Markets
- Geographic Expansion
- Expand Technology Leadership
- Grow Service Business
- Engineered Systems



# Total Fluid Management<sup>SM</sup>

Provide benefits in  
performance  
and efficiency



Leverage broad  
capabilities and  
experiences



## Doing More For The Customer

Place Pall systems  
and products at  
the heart of the  
customer's process

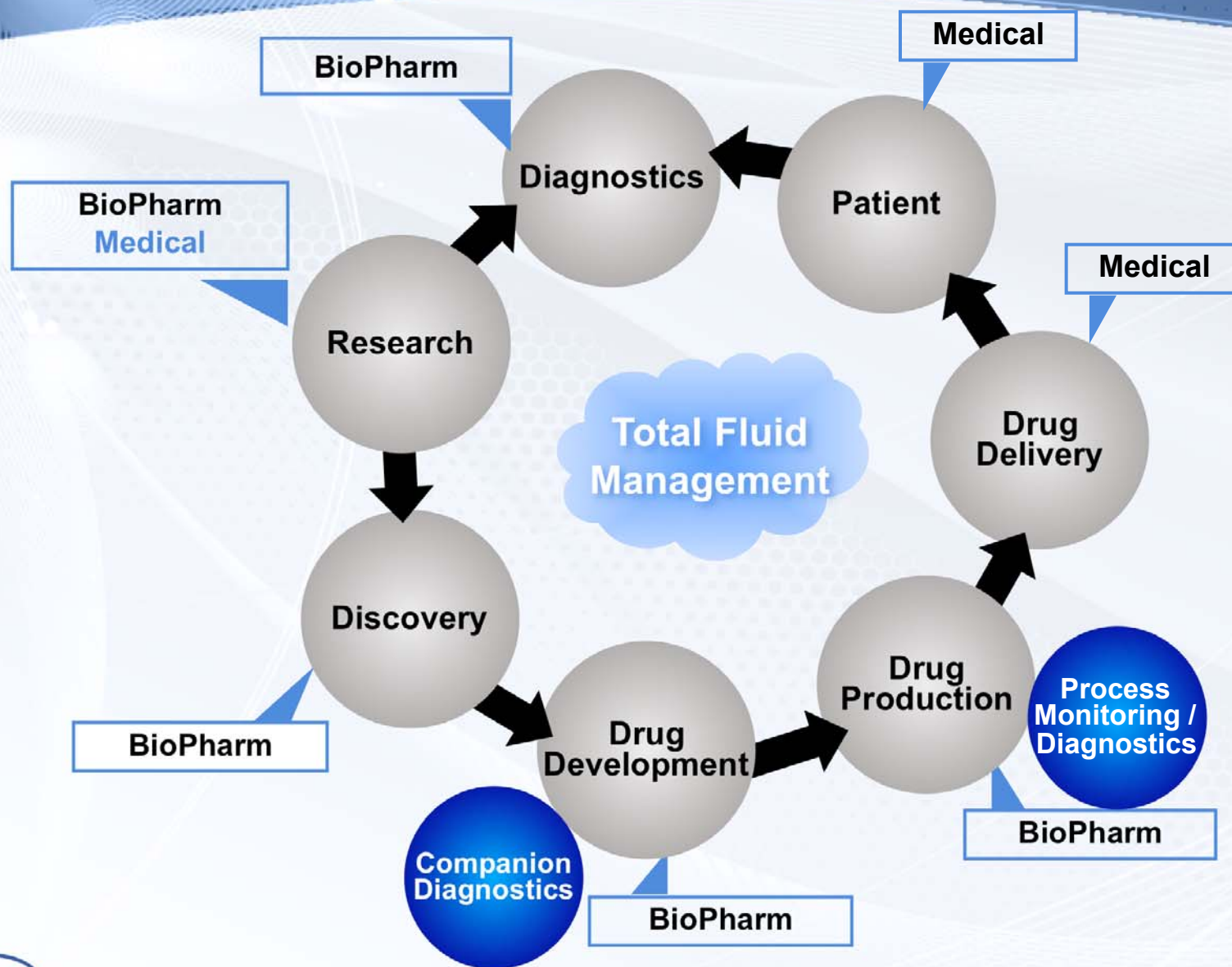


Raise the level  
of engagement to  
senior decision  
makers





# Total Fluid Management in Healthcare





# Focus on High Growth Markets



**Patient Protection**



**Veterinary**



**Cellular Therapies**



**Biotechnology**



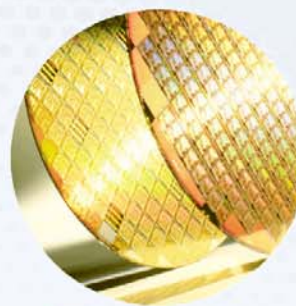
**Vaccines**



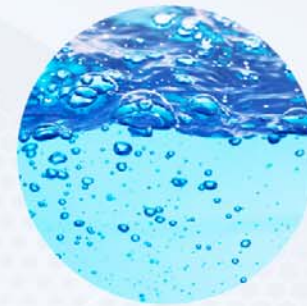
**Environmental Protection**



**Energy**

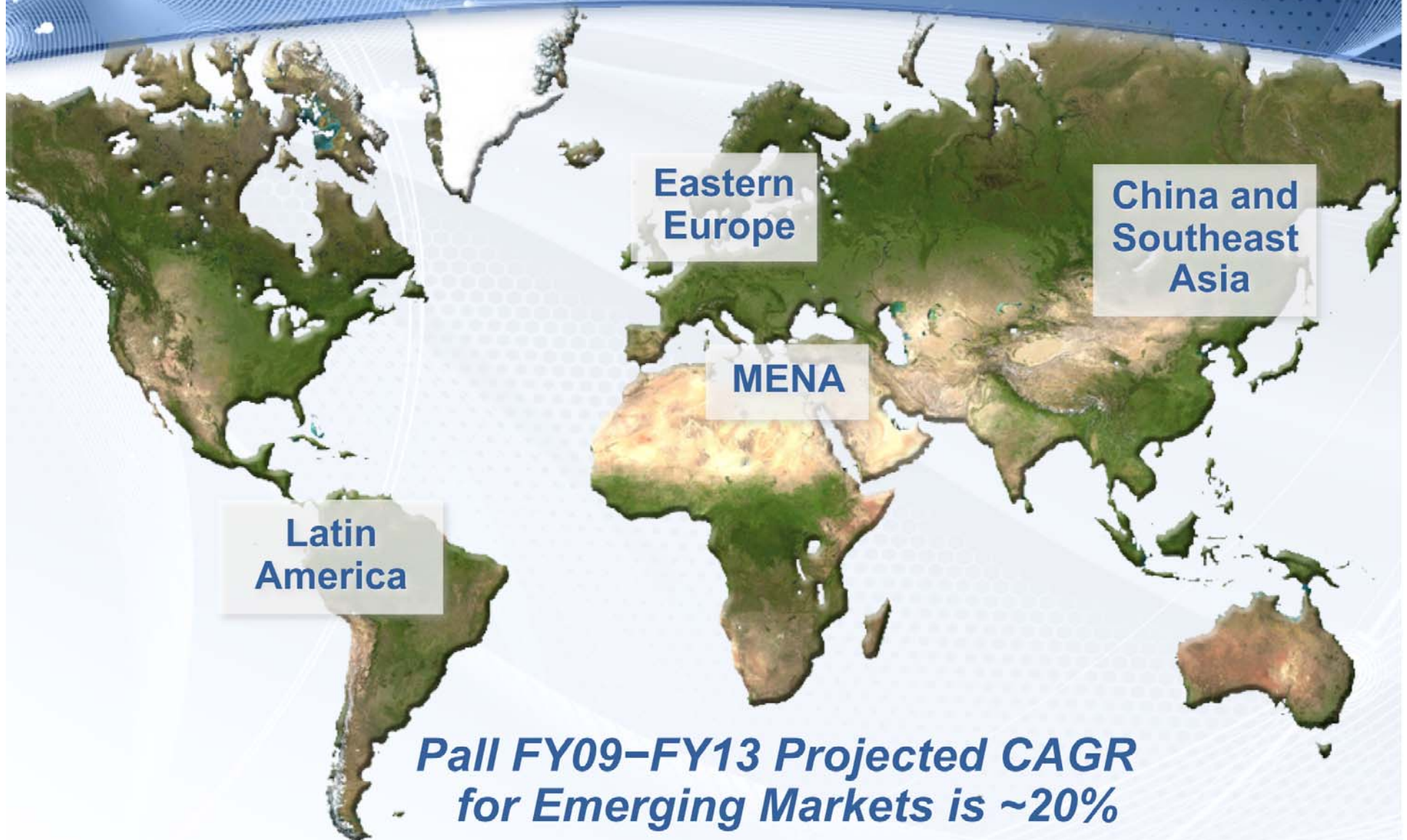


**Electronics**



**Water**

## Geographic Expansion





## Expand Technology Leadership

- ▲ Steady stream of new technologies and products
  - Technology roadmaps for research & development
  - Technology acquisitions
  - Alliances with universities & institutes

***Our goal is for 25% of revenue to come from new products***





# MicroReactor Technologies Acquisition

- ▲ Expands Pall's TFM capabilities in biopharmaceuticals process monitoring and process development.
- ▲ The FDA is strongly supportive of new tools for drug development, manufacture and quality.
- ▲ The disposable cassette has 24 individual bioreactors each of which can be independently controlled and monitored for key parameters.

## The Micro-24

space, time and money savings in one powerful, compact bioreactor system



***Process monitoring market  
is projected to reach  
\$1.9 billion by 2013***

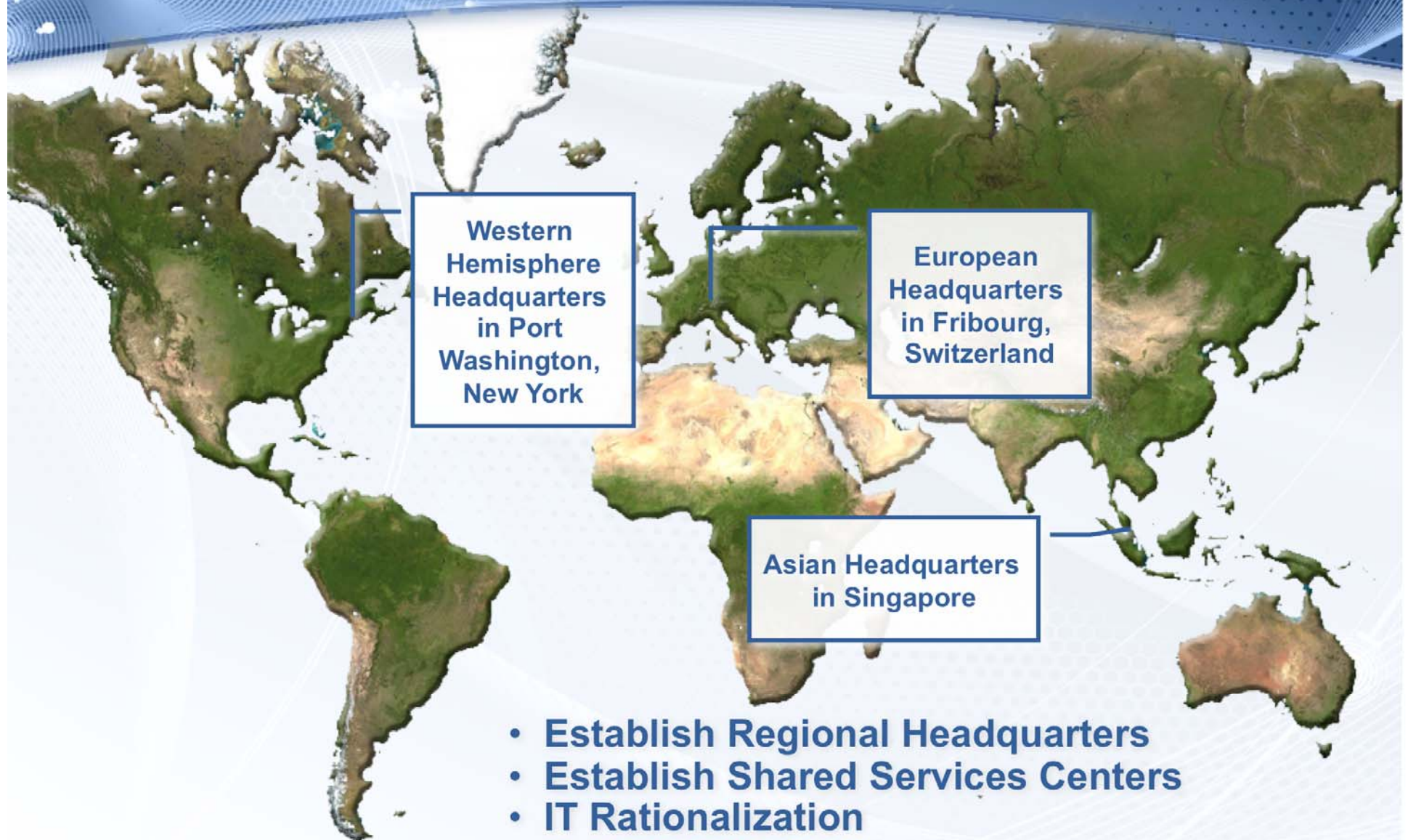
# Strategies To Grow The Bottom Line

## Improve Margins

- Consolidate Regional Infrastructure
- Streamline Manufacturing Operations
- Decrease Investment in Working Capital
- Pricing Excellence
- Enterprise-Wide Efficiency and Cost Improvement



# Consolidate Regional Infrastructure



- Establish Regional Headquarters
- Establish Shared Services Centers
- IT Rationalization
- Facilities Rationalization



# Fiscal 2010 Outlook

\$ in millions (except for earnings per share data)	FY 2009 Actuals		FY2010 Goals	FY2010 Outlook
		%		
<b>Total Pall Sales</b>	<b>\$2,329</b>	<b>-3.4% <sup>(2)</sup></b>	<b>Mid to high single digits <sup>(1a)</sup></b>	<b>Mid-single digits <sup>(1b)</sup></b>
<b>Life Sciences Sales</b>	<b>\$940</b>	<b>3.0% <sup>(2)</sup></b>	<b>Mid-single digits <sup>(2)</sup></b>	<b>Mid-single digits <sup>(2)</sup></b>
<b>Industrial Sales</b>	<b>\$1,389</b>	<b>-7.3% <sup>(2)</sup></b>	<b>Flat <sup>(2)</sup></b>	<b>Low-single digit decline <sup>(2)</sup></b>
<b>Gross Profit</b>	<b>\$1,101</b>	<b>47.3%</b>	<b>48.0%–49.0%</b>	<b>48.0%–49.0%</b>
<b>SG&amp;A and R&amp;D</b>	<b>\$771</b>	<b>33.1%</b>	<b>33.0%–33.5%</b>	<b>33.5%</b>
<b>Pro forma EBIT <sup>(5)</sup></b>	<b>\$330</b>	<b>14.2%</b>	<b>14.5%–15.5%</b>	<b>14.5%–15.5%</b>
<b>Income Taxes <sup>(3)</sup></b>	<b>29.7%</b>		<b>31.3%</b>	<b>31.6%</b>
<b>Pro forma Net Earnings <sup>(5)</sup></b>	<b>\$212</b>	<b>9.1%</b>	<b>9.5%–11.0%</b>	<b>9.5%–10.0%</b>
<b>Pro forma EPS – Diluted <sup>(5)</sup></b>	<b>\$1.77</b>		<b>\$2.02–\$2.19 <sup>(4a)</sup></b>	<b>\$1.95–\$2.05 <sup>(4b)</sup></b>
<b>Operating Cash Flow</b>	<b>\$327</b>		<b>\$320–\$360</b>	<b>\$320–\$350</b>
<b>Capex</b>	<b>\$133</b>		<b>\$125–\$135</b>	<b>\$125–\$135</b>

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

(1b) Estimates the effects of foreign currency translation of approximately 3%

(2) In Local Currency

(3) Underlying Tax Rate

(4a) Estimated \$0.17 benefit from foreign currency translation

(4b) Estimated \$0.09 benefit from foreign currency translation

(5) Excludes Restructuring and Other Charges



**Sustainable, Profitable Growth**



## **Barclays Capital Healthcare Conference**

### **APPENDIX**

**March 23, 2010**



## Appendix: Five-Year Goals

\$ in millions (except for earnings per share data)	FY2009 Actuals		FY2013 Goals		
		%	%	\$ <sup>(2)</sup>	
<b>Sales</b>	<b>\$2,329</b>		<b>5.5%–8.0% <sup>(1)</sup></b>	<b>\$3,040</b>	<b>\$3,340</b>
<b>Gross Profit</b>	<b>\$1,101</b>	<b>47.3%</b>	<b>50.0%–52.0%</b>	<b>\$1,525</b>	<b>\$1,725</b>
<i>Life Sciences Gross Margin</i>	<b>\$490</b>	<b>52.1%</b>	<b>56.5%–58.5%</b>	<b>\$740</b>	<b>\$825</b>
<i>Industrial Gross Margin</i>	<b>\$611</b>	<b>44.0%</b>	<b>45.5%–46.5%</b>	<b>\$785</b>	<b>\$900</b>
<b>SG&amp;A</b>	<b>\$700</b>	<b>30.0%</b>	<b>27.5%–26.5%</b>	<b>\$840</b>	<b>\$890</b>
<b>R&amp;D</b>	<b>\$71</b>	<b>3.1%</b>	<b>Approx 3.0%</b>	<b>\$100</b>	<b>\$105</b>
<b>Pro forma EBIT</b>	<b>\$330 <sup>(4)</sup></b>	<b>14.2%</b>	<b>19.5%–22.0%</b>	<b>\$590</b>	<b>\$730</b>
<i>Life Sciences Operating Profit</i>	<b>\$200</b>	<b>21.3%</b>	<b>27.0%–29.7%</b>	<b>\$355</b>	<b>\$415</b>
<i>Industrial Operating Profit</i>	<b>\$186</b>	<b>13.4%</b>	<b>16.9%–19.3%</b>	<b>\$290</b>	<b>\$370</b>
<b>Income Taxes <sup>(3)</sup></b>	<b>29.7%</b>		<b>24.0%–26.0%</b>	<b>\$150</b>	<b>\$170</b>
<b>Pro forma Net Earnings</b>	<b>\$212 <sup>(4)</sup></b>	<b>9.1%</b>	<b>13.5%–16.0%</b>	<b>\$415</b>	<b>\$535</b>
<b>Pro forma EPS – Diluted</b>	<b>\$1.77 <sup>(4)</sup></b>			<b>\$3.67</b>	<b>\$4.77</b>

(1) LC 4-year sales CAGR

(2) Includes the effects of using exchange rates as of November 30, 2009 for planning purposes

(3) Underlying Tax Rate

(4) Excludes Restructuring and Other Charges

## Appendix: Liquidity and Working Capital – FY 2013

<b><i>(\$ in millions)</i></b>	<b>FY 2009</b>	<b>FY 2013</b>
<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>5.7% of Sales</b>	<b>4%–4.5% of Sales</b>



## Appendix: Pall Corporation Financial Summation FY 2013 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

<i>\$ in millions (except for earnings per share data)</i>	<b>\$</b>	<b>EPS</b>	<b>Tax Rate (%)</b>
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%
Pro forma diluted EPS	<u>\$ 212</u>	<u>\$ 1.77</u>	<u>29.7%</u>

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



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

Full Year 2010 Guidance	EPS		Tax Rate
	Low End	High End	(%)
Guidance range	\$ 2.11	\$ 2.21	26.1%
ROTC, after pro forma tax effect*	0.02	0.02	0.2%
Interest adjustments, after pro forma tax	(0.06)	(0.06)	0.3%
Tax adjustments*	<u>(0.12)</u>	<u>(0.12)</u>	<u>4.7%</u>
Pro forma guidance range	<u>\$ 1.95</u>	<u>\$ 2.05</u>	<u>31.6%</u>

\* Q1 Actuals



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